

U S PHYSICAL THERAPY INC /NV  
Form 10-Q  
May 06, 2016

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-Q

(MARK ONE)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED March 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE TRANSITION PERIOD FROM \_\_\_\_ TO \_\_\_\_

COMMISSION FILE NUMBER 1-11151

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U.S. PHYSICAL THERAPY, INC.  
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

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NEVADA  
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)

76-0364866  
(I.R.S. EMPLOYER IDENTIFICATION NO.)

1300 WEST SAM HOUSTON PARKWAY SOUTH, 77042  
SUITE 300, HOUSTON, TEXAS  
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (713) 297-7000

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of May 6, 2016, the number of shares outstanding (issued less treasury stock) of the registrant’s common stock, par value \$.01 per share, was: 12,502,726.

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## ITEM 1. FINANCIAL STATEMENTS.

U. S. PHYSICAL THERAPY, INC. AND SUBSIDIARIES  
CONSOLIDATED BALANCE SHEETS  
(IN THOUSANDS, EXCEPT SHARE DATA)

	March 31, 2016 (unaudited)	December 31, 2015
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 19,206	\$ 15,778
Patient accounts receivable, less allowance for doubtful accounts of \$1,568 and \$1,444, respectively	38,217	36,231
Accounts receivable - other, less allowance for doubtful accounts of \$-0- and \$198, respectively	2,345	2,388
Other current assets	8,298	5,785
Total current assets	68,066	60,182
Fixed assets:		
Furniture and equipment	45,654	44,749
Leasehold improvements	25,547	25,160
Fixed assets, gross	71,201	69,909
Less accumulated depreciation and amortization	54,512	53,255
Fixed assets, net	16,689	16,654
Goodwill	191,051	171,547
Other identifiable intangible assets, net	34,428	30,296
Other assets	1,200	1,234
Total assets	\$ 311,434	\$ 279,913
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable - trade	\$ 2,244	\$ 1,636
Accrued expenses	20,684	16,596
Current portion of notes payable	1,253	775
Total current liabilities	24,181	19,007
Notes payable	4,621	4,335
Revolving line of credit	52,500	44,000
Deferred rent	1,391	1,395
Deferred taxes	10,789	8,355
Other long-term liabilities	914	868
Total liabilities	94,396	77,960
Commitments and contingencies		
Redeemable non-controlling interests	7,591	8,843
Equity:		
U. S. Physical Therapy, Inc. shareholders' equity:		
Preferred stock, \$.01 par value, 500,000 shares authorized, no shares issued and outstanding	-	-
Common stock, \$.01 par value, 20,000,000 shares authorized, 14,717,463 and 14,635,874 shares issued, respectively	147	146
Additional paid-in capital	46,563	45,251
Retained earnings	152,219	149,016
Treasury stock at cost, 2,214,737 shares	(31,628 )	(31,628 )

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Total U. S. Physical Therapy, Inc. shareholders' equity	167,301	162,785
Non-controlling interests	42,146	30,325
Total equity	209,447	193,110
Total liabilities and equity	\$ 311,434	\$ 279,913

See notes to consolidated financial statements.

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U. S. PHYSICAL THERAPY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF NET INCOME  
(IN THOUSANDS, EXCEPT PER SHARE DATA)  
(unaudited)

	Three Months Ended	
	March	
	31, 2016	March 31, 2015
Net patient revenues	\$ 85,049	\$ 75,807
Other revenues	1,859	1,434
Net revenues	86,908	77,241
Clinic operating costs:		
Salaries and related costs	47,804	43,052
Rent, clinic supplies, contract labor and other	17,507	16,325
Provision for doubtful accounts	1,089	990
Closure costs	13	32
Total clinic operating costs	66,413	60,399
Gross margin	20,495	16,842
Corporate office costs	9,004	7,657
Operating income	11,491	9,185
Interest and other income, net	20	8
Interest expense	(308 )	(265 )
Income before taxes	11,203	8,928
Provision for income taxes	3,523	2,777
Net income including non-controlling interests	7,680	6,151
Less: net income attributable to non-controlling interests	(2,352 )	(1,985 )
Net income attributable to common shareholders	\$ 5,328	\$ 4,166
Basic earnings per share attributable to common shareholders:	\$ 0.43	\$ 0.34
Diluted earnings per share attributable to common shareholders:	\$ 0.43	\$ 0.34
Shares used in computation:		
Basic	12,448	12,313
Diluted	12,448	12,313
Dividends declared per common share	\$ 0.17	\$ 0.15

See notes to consolidated financial statements.

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U. S. PHYSICAL THERAPY, INC. AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(IN THOUSANDS)  
(unaudited)

Three Months Ended  
March  
31,  
2016