

# **4<sup>th</sup> Quarter and Year-End 2024 Preliminary Results & Acquisition of Nova Medical Centers**

January 22, 2025



# Disclaimer

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This presentation contains forward-looking statements that express the Company's current opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results that include, but are not limited to, financial guidance and other projections and forecasts. Forward looking statements include statements that are not historical facts and can be identified by terms such as "anticipate," "believe," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "seek," "should," "will," "would" or similar expressions and the negatives of those terms. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond the Company's control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, those factors described in the Company's filings with the Securities and Exchange Commission ("SEC"), including those under "Risk Factors" therein. Should one or more of these risks or uncertainties materialize, or should any of the assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements. Actual results may differ materially from these expectations due to changes in global, regional or local economic, business, competitive, market, regulatory and other factors, many of which are beyond the Company's control. Any forward looking statement made by the Company in this presentation speak only as of the date of this presentation and are expressly qualified in their entirety by the cautionary statements included in this presentation. Factors or events that could cause the Company's actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company may not actually achieve the plans, intentions or expectations disclosed in its forward looking statements and you should not place undue reliance on its forward looking statements. The Company's forward looking statements do not reflect the potential impact of any future acquisitions (other than Nova Medical Centers), mergers, dispositions, joint ventures, investments or other strategic transactions it may make. The Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

## Use of Non-GAAP Financial Information

In order to provide investors with greater insight, promote transparency and allow for a more comprehensive understanding of the information used by management in its financial and operational decision making, the Company supplements its condensed consolidated financial statements presented on a GAAP basis herein with certain non-GAAP financial information, including reconciliations of these non-GAAP measures to their most directly comparable GAAP measures, which are included in this presentation, as well as in the Company's quarterly financial press releases and related Form 8-K filings with the SEC. This information can be accessed for free by visiting [www.concentra.com](http://www.concentra.com) or [www.sec.gov](http://www.sec.gov).

We believe that the presentation of Adjusted EBITDA and Adjusted EBITDA margin, as defined herein, are important to investors because Adjusted EBITDA and Adjusted EBITDA margin are commonly used as an analytical indicator of performance by investors within the healthcare industry. Adjusted EBITDA and Adjusted EBITDA margin are used by management to evaluate financial performance of, and determine resource allocation for, each of our operating segments. However, Adjusted EBITDA and Adjusted EBITDA margin are not measures of financial performance under U.S. GAAP. Items excluded from Adjusted EBITDA and Adjusted EBITDA margin are significant components in understanding and assessing financial performance. Adjusted EBITDA and Adjusted EBITDA margin should not be considered in isolation, or as an alternative to, or substitute for, net income, net income margin, income from operations, cash flows generated by operations, investing or financing activities, or other financial statement data presented in the consolidated financial statements as indicators of financial performance or liquidity. Because Adjusted EBITDA and Adjusted EBITDA margin are not measurements determined in accordance with U.S. GAAP and are thus susceptible to varying definitions, Adjusted EBITDA and Adjusted EBITDA margin as presented may not be comparable to other similarly titled measures of other companies. We define Adjusted EBITDA as earnings excluding interest, income taxes, depreciation and amortization, gain (loss) on early retirement of debt, stock compensation expense, separation transaction costs, Nova acquisition costs, gain (loss) on sale of businesses, and equity in earnings (losses) of unconsolidated subsidiaries. We define Adjusted EBITDA margin as Adjusted EBITDA divided by revenue. We will refer to Adjusted EBITDA and Adjusted EBITDA margin throughout these materials.

## Preliminary Financial Results

Financial results for the quarter ended December 31, 2024 and fiscal year ended December 31, 2024 are preliminary, based solely upon management estimates and currently available information, without audit or consolidating adjustments and subject to change. There can be no assurance that our final results for the quarter ended December 31, 2024 and fiscal year ended December 31, 2024 will be consistent with these estimates, and any differences could be material. These estimates are neither guarantees of actual performance nor guarantees of, or indicative of, future performance. You should exercise caution in relying on these estimates and you should not draw any inferences from these estimates regarding financial and/or other data not provided or available.

# Concentra At-a-Glance

Concentra is the largest provider of occupational health services in the United States by number of locations<sup>1</sup>, with a mission of **improving the health of America’s workforce, one patient at a time**

## KEY STATISTICS

**552**

Occupational health centers<sup>1</sup>

**157**

Onsite health clinics<sup>1</sup>

**~50,000**

Patients cared for each business day<sup>2</sup>

**45**

States with service offerings<sup>1</sup>

**~200k**

Employer customers<sup>1</sup>

**~11k**

Total colleagues & affiliated clinicians<sup>1,3</sup>

## ROBUST FINANCIALS

**\$1.9bn**

2024 Revenue<sup>1,6</sup>

**\$377mm**

2024 Adj. EBITDA<sup>4,6</sup>

**19.8%**

2024 Adj. EBITDA margin<sup>4,6</sup>

**>80%**

Free cash flow conversion<sup>2,5</sup>

**<1%**

Revenue from government payor reimbursement<sup>1</sup>

**<3%**

Revenue from largest employer customer<sup>1</sup>





# **4<sup>th</sup> Quarter and Year-End 2024 Preliminary Results**

# Preliminary Financial Update: Q4 2024 Performance

	Q4 '23	Q4 '24	YoY ( $\Delta$ )
<b>Facility Count (End of Period)</b>			
Total Occupational Health Centers	544	552	+8
Total Onsite Health Clinics	150	157	+7
<b>KPIs</b>			
Visits per Day ("VPD")	47.8k	46.8k	(2.1%)
Revenue per Visit ("RPV")	\$137.15	\$145.08	5.8%
<b>Financials (\$ in millions)</b>			
<b>Total Revenue</b>	<b>\$440.7</b>	<b>\$465.0</b>	<b>5.5%</b>
<b>Net Income</b>	<b>\$28.9</b>	<b>\$20.6 - \$22.6</b>	<b>(25.0%)<sup>2</sup></b>
<i>Net Income margin</i>	6.5%	4.4% - 4.9%	(189)bps <sup>2</sup>
<b>Total Adj. EBITDA<sup>1</sup></b>	<b>\$68.3</b>	<b>\$77.5</b>	<b>13.6%</b>
<i>Adj. EBITDA margin<sup>1</sup></i>	15.5%	16.7%	118bps
 Capital Expenditure	 \$23.6	 \$18.1	 (23.6%)

- Number of locations grew 2.2% YoY to 709 total locations
  - In the fourth quarter, we opened up three new occupational health centers (one center in each of Florida, Texas and Tennessee)
- Revenue increased 5.5% in Q4 YoY
  - Largely driven by growth in Revenue per Visit and Workers' Compensation visit volumes, offsetting the decline in Employer Services volumes
- Adjusted EBITDA grew 13.6% YoY, driven by revenue growth and improved general and administrative costs
- Capital expenditures (excluding acquisitions) totaled \$18.1 million in Q4 2024
- Net Income is lower in Q4 2024 primarily due to IPO recapitalization

**Note:** Financial results for the quarter ended December 31, 2024 are preliminary, based solely upon management estimates and currently available information, without audit or consolidating adjustments. There can be no assurance that our final results for the quarter ended December 31, 2024 will be consistent with these estimates, and any differences could be material. These estimates are neither guarantees of actual performance nor guarantees of, or indicative of, future performance. You should exercise caution in relying on these estimates and you should not draw any inferences from these estimates regarding financial and/or other data not provided or available.

# Preliminary Financial Update: 2024 Full-Year Performance

	FY 2023	FY 2024	YoY (Δ)
<b>Facility Count (End of Period)</b>			
Total Occupational Health Centers	544	552	+8
Total Onsite Health Clinics	150	157	+7
<b>KPIs</b>			
Visits per Day (“VPD”)	50.3k	49.3k	(2.0%)
Revenue per Visit (“RPV”)	\$135.22	\$141.30	4.5%
<b>Financials (\$ in millions)</b>			
<b>Total Revenue</b>	<b>\$1,838.1</b>	<b>\$1,900.2</b>	<b>3.4%</b>
<b>Net Income</b>	<b>\$184.7</b>	<b>\$169.7 - \$171.7</b>	<b>(7.6%)<sup>2</sup></b>
<i>Net Income margin</i>	<i>10.1%</i>	<i>8.9% - 9.0%</i>	<i>(107)bps<sup>2</sup></i>
<b>Total Adj. EBITDA<sup>1</sup></b>	<b>\$361.3</b>	<b>\$376.9</b>	<b>4.3%</b>
<i>Adj. EBITDA margin<sup>1</sup></i>	<i>19.7%</i>	<i>19.8%</i>	<i>18bps</i>
 Capital Expenditure	 \$65.0	 \$65.7	 1.1%

- Number of locations grew 2.2% YoY to 709 total locations
  - During 2024, we acquired or built 9 new occupational health centers across 5 states
- Revenue increased 3.4% in 2024 YoY
  - Largely driven by growth in Revenue per Visit and Workers’ Compensation visit volumes, offsetting the decline in Employer Services volumes
- Adjusted EBITDA grew 4.3% YoY, driven by revenue growth and improved general and administrative costs
- Capital expenditures (excluding acquisitions) totaled \$65.7 million in 2024
- Net Income is lower in FY 2024 primarily due to IPO recapitalization

**Note:** Financial results for the quarter ended December 31, 2024 are preliminary, based solely upon management estimates and currently available information, without audit or consolidating adjustments. There can be no assurance that our final results for the quarter ended December 31, 2024 will be consistent with these estimates, and any differences could be material. These estimates are neither guarantees of actual performance nor guarantees of, or indicative of, future performance. You should exercise caution in relying on these estimates and you should not draw any inferences from these estimates regarding financial and/or other data not provided or available.

# **Nova Medical Centers Transaction Overview**



# Acquisition of Nova Medical Centers Accelerates Our Scale, Density and Growth

Concentra<sup>®</sup>



Medical Centers  
Nova<sup>®</sup>

Acquisition of a scaled **industry leader in occupational health**, also dedicated to Concentra's mission of improving the health of America's workforce, one patient at a time





# Key Transaction Terms

The acquisition and deal structure meet our strict investment criteria and established capital allocation strategy



## PURCHASE PRICE

Signed definitive agreement to acquire 100% of Nova Medical Centers for an all-cash **purchase price of \$265 million**, subject to certain customary adjustments

Implies an **EBITDA purchase multiple of 9.4x<sup>1</sup> today, and <7.5x by Year 3**



## FUNDING

Transaction currently expected to be funded with **cash-on-hand** and a combination of **draw on RCF** and **new debt financing**. New debt financing currently expected to be arranged prior to closing

**Expect to be at 3.9x net leverage post-transaction and ~3.0x within 18-24 months**



## FINANCIAL IMPACT

Expected to be **immediately accretive** in Year 1 post-close of transaction

**Highly-visible synergies**, such as **SG&A optimization** and **integration into Concentra's platform**; synergies expected within 12-18 months post-close of transaction



## INTEGRATION

**Proven integration playbook (60+ transactions in the past 10 years)**

**Nova is an ideal fit** within Concentra's existing Occupational Health Center segment and infrastructure



## TIMING

Expect to close **by end of Q1 2025**, subject to customary closing conditions

Waiting period under Hart-Scott-Rodino has expired and all other **regulatory filing requirements have been satisfied**

# Nova Medical Centers Overview



Nova Medical Centers is a pure-play occupational health provider that is highly complementary to Concentra

**67**

Occupational health centers

**30+**

Years of Operation

**5**

States with locations

**3.5k+**

Annual visits per day

**\$130.3mm**

LTM revenue

**\$28.3mm**

LTM Adj. EBITDA<sup>1</sup>

## Investment Highlights



One of the largest pure-play occupational health groups in the U.S. = seamless strategic fit for Concentra



Highly complementary footprint, creating a growth engine in both existing and new geographies in attractive states



Similar medical philosophy and relentless focus on positive patient outcomes and customer satisfaction



Symbiotic strengthening of Concentra's foundation + cements industry leadership position

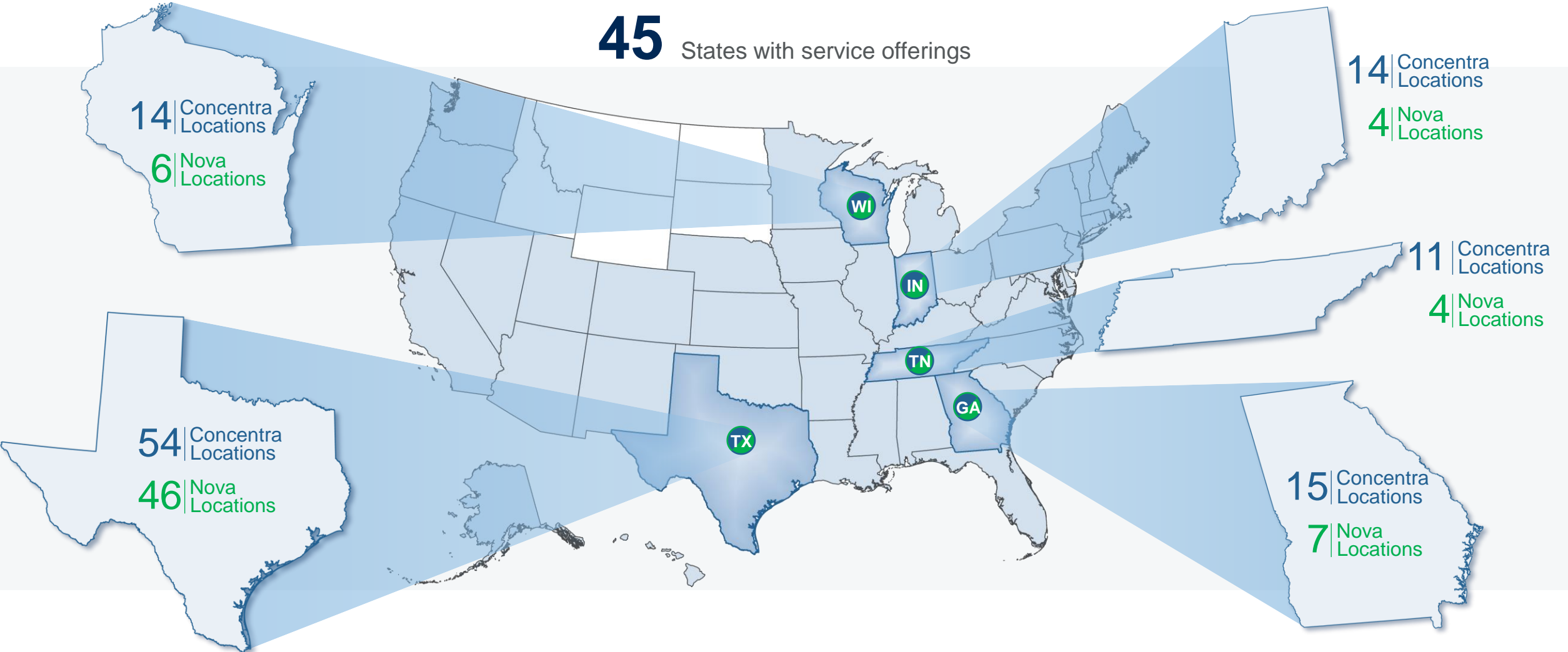


Attractive financial profile with fundamental similarities to Concentra and positive underlying trends



Compelling transaction economics and synergistic opportunities expected to generate accretive returns

# Nova Expands Concentra's Footprint In Highly Attractive States By Filling Gaps In Existing Areas And Expanding Into New Geographies...



# Our Capital Allocation Priorities Remain The Same, And We Plan to Efficiently De-Lever Post Close

## Capital Allocation Strategy

### M&A and De Novos

Strong pipeline + disciplined approach to enhancing footprint for short- and long-term value creation

### Capital Expenditures

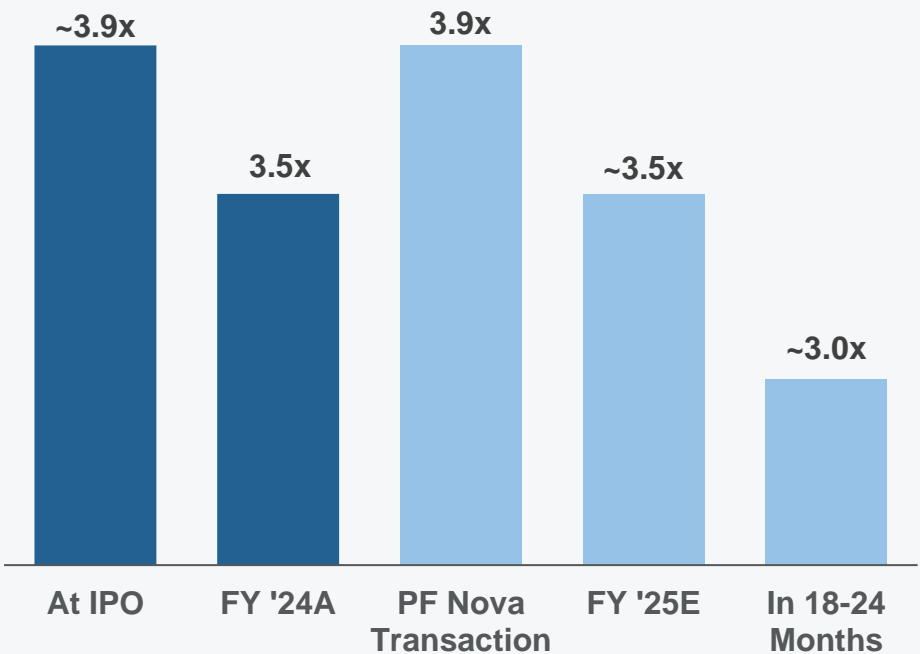
Continued strategic investment in technology, facilities, and infrastructure

### Leverage

Prudent management of leverage levels, targeting ~3.0x net leverage in 18-24 months

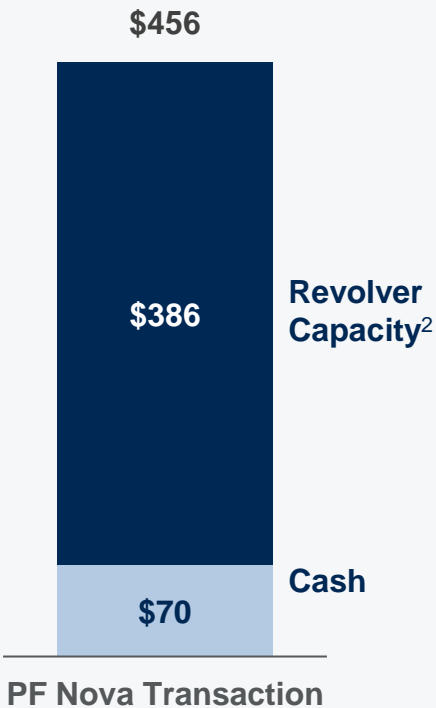
## Net Leverage

(Net leverage as multiple of Adj. EBITDA<sup>1</sup>)



## Pro Forma Liquidity

(\$ in millions)





# **Full-Year 2025 Guidance**

# 2025 Full-Year Guidance

	FY 2024 Actual <sup>1</sup>	FY 2025 Guidance <sup>2</sup>	YoY Growth (%)
Total Revenue	\$1,900.2mm	~\$2.1bn	~10.5%
Adjusted EBITDA <sup>3</sup>	\$376.9mm	\$410mm – \$425mm	~10.8% <sup>5</sup>
Capital Expenditures	\$65.7mm	\$80mm – \$90mm <sup>6</sup>	
Net Leverage <sup>4</sup>	3.5x	~3.5x	

# Our Long-Term Financial Targets



Stable Revenue  
Growth

**Mid-to-High**  
Single-digit growth



Consistent  
Profitability with  
Continued  
Improvement

**20%+**  
Adjusted EBITDA  
margin<sup>1</sup>



Robust Free  
Cash Flow<sup>2</sup>  
Generation

**>80%**  
Annual FCF  
conversion<sup>2</sup>



Prudent  
Deleveraging  
Strategy

**~3.0x**  
Targeted net  
leverage<sup>3</sup> in 18-24  
months



Dividend

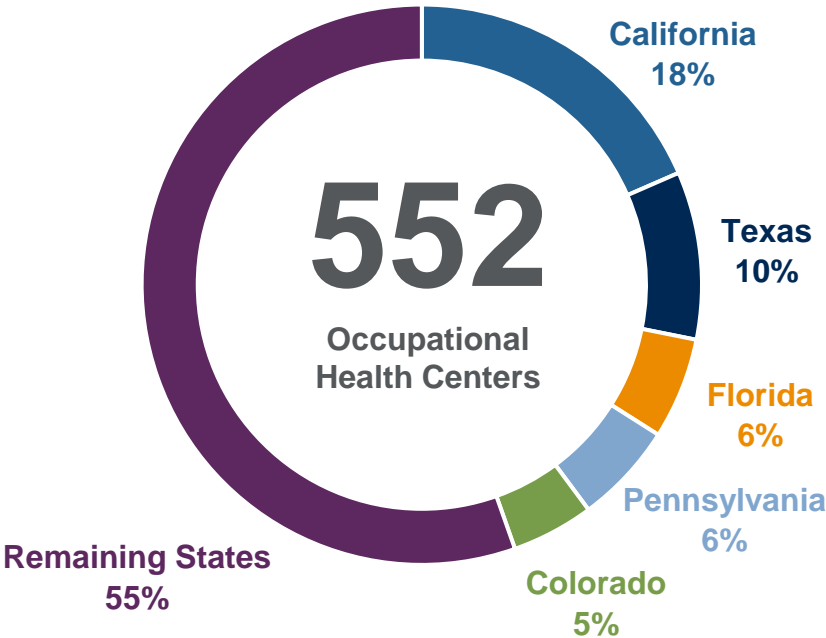
**\$0.0625**  
Cash dividend per  
share

# Appendix

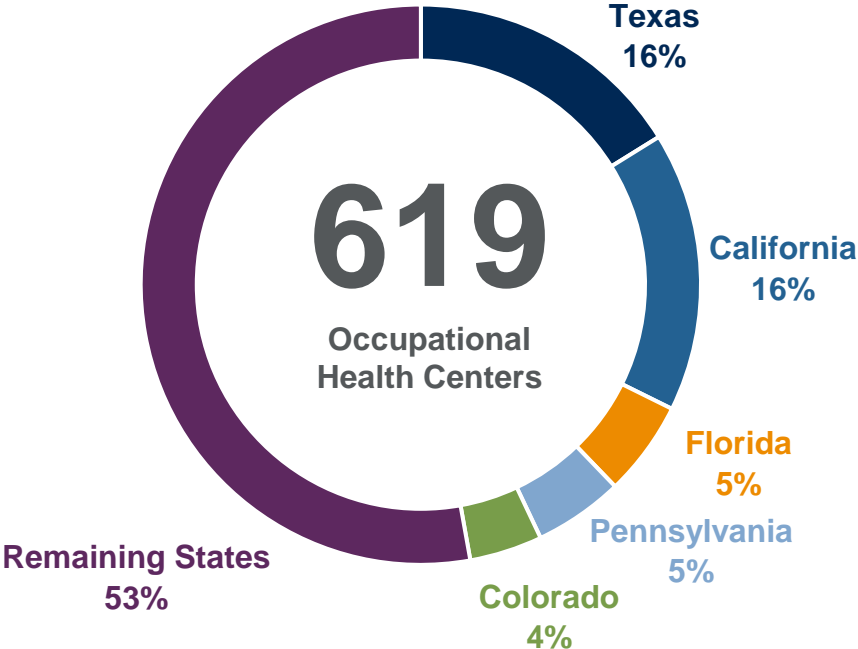


# With the Addition of Nova Centers, We Continue to be Highly Diversified Across Geographies

Geographic Mix<sup>1</sup>



PF Geographic Mix<sup>2</sup>

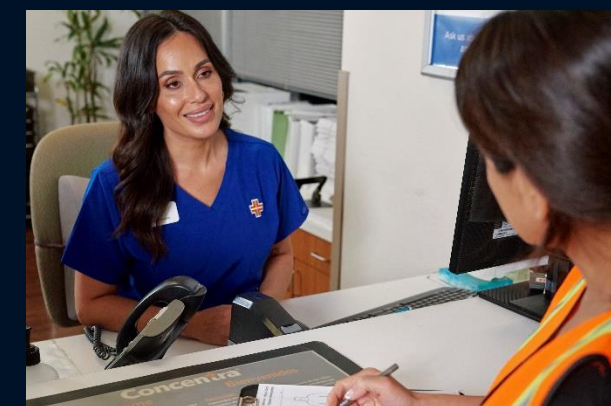


# Reconciliation of Q4 and Full-Year 2024 Net Income to Adjusted EBITDA and Revenue

(\$ in millions)	Three Months Ended Dec. 31,			Year Ended Dec. 31,		
	2024 <sup>1</sup>		2023	2024 <sup>1</sup>		2023
	Low	High		Low	High	
Revenue	\$465.0	\$465.0	\$440.7	\$1,900.2	\$1,900.2	\$1,838.1
Net Income Attributable to the Company	\$19.3	\$21.3	\$27.9	\$164.3	\$166.3	\$179.9
Net Income Attributable to Non-Controlling Interests	\$1.3	\$1.3	\$1.0	\$5.4	\$5.4	\$4.8
Net Income	\$20.6	\$22.6	\$28.9	\$169.7	\$171.7	\$184.7
Income Tax Expense	\$12.0	\$10.0	\$9.9	\$61.6	\$59.6	\$57.9
Interest Expense	\$26.4	\$26.4	\$0.1	\$47.7	\$47.7	\$0.2
Interest Expense on Related Party Debt	-	-	\$10.4	\$22.0	\$22.0	\$44.3
Equity in Earnings of Unconsolidated Subsidiaries	-	-	-	\$3.7	\$3.7	\$0.5
Stock Compensation Expense	\$1.8	\$1.8	\$0.5	\$2.3	\$2.3	\$0.7
Depreciation and Amortization	\$15.6	\$15.6	\$18.5	\$67.2	\$67.2	\$73.1
Separation Transaction Costs	\$0.1	\$0.1	-	\$1.7	\$1.7	-
Nova Acquisition Costs	\$0.9	\$0.9	-	\$0.9	\$0.9	-
Adjusted EBITDA	\$77.5	\$77.5	\$68.3	\$376.9	\$376.9	\$361.3
Net Income Margin	4.4%	4.9%	6.5%	8.9%	9.0%	10.1%
Adjusted EBITDA Margin	16.7%	16.7%	15.5%	19.8%	19.8%	19.7%

# Reconciliation of 2025 Full-Year Adjusted EBITDA Guidance

(\$ in millions)	Range	
	Low	High
<b>Net Income Attributable to the Company</b>	<b>\$157</b>	<b>\$168</b>
Net Income Attributable to Non-Controlling Interests	\$6	\$6
<b>Net Income</b>	<b>\$163</b>	<b>\$174</b>
Income Tax Expense	\$54	\$58
Interest Expense	\$111	\$111
Stock Compensation Expense	\$10	\$10
Depreciation and Amortization	\$68	\$68
Nova Acquisition Costs	\$4	\$4
<b>Adjusted EBITDA</b>	<b>\$410</b>	<b>\$425</b>



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