

**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 June 30, 2025**

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 numbers: 001-42188

**CONCENTRA GROUP HOLDINGS PARENT, INC.**

(Exact name of Registrant as specified in its Charter)

**Delaware**  
(State or Other Jurisdiction of Incorporation or Organization)

**30-1006613**  
(I.R.S. Employer Identification Number)

**5080 Spectrum Drive, Suite 1200W**  
**Addison, TX 75001**  
(Address of Principal Executive Offices and Zip code)  
**(972) 364-8000**  
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	CON	New York Stock Exchange (NYSE)

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 periods as such 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 every Interactive Data File required to be submitted 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 such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 July 31, 2025, Concentra Group Holdings Parent, Inc. had outstanding 128,170,952 shares of common stock.

Unless the context indicates otherwise, any reference in this report to "Concentra" refers to Concentra Group Holdings Parent, Inc. and its subsidiaries. References to the "Company," "we," "us," and "our" refer collectively to Concentra and its subsidiaries.

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# PART I - FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

### **CONCENTRA GROUP HOLDINGS PARENT, INC.** **CONDENSED CONSOLIDATED BALANCE SHEETS** (Unaudited) (in thousands, except par value and share data)

	June 30, 2025	December 31, 2024
<b>ASSETS</b>		
Current assets:		
Cash	\$ 73,872	\$ 183,255
Accounts receivable	271,752	217,719
Prepaid income taxes	5,280	1,544
Other current assets	44,263	34,689
Total current assets	395,167	437,207
Operating lease right-of-use assets	473,334	435,595
Property and equipment, net	220,278	197,930
Goodwill	1,480,653	1,234,707
Other identifiable intangible assets, net	257,261	204,725
Other assets	14,891	11,000
Total assets	\$ 2,841,584	\$ 2,521,164
<b>LIABILITIES AND EQUITY</b>		
Current liabilities:		
Current operating lease liabilities	\$ 83,279	\$ 75,442
Current portion of long-term debt and notes payable	13,921	10,093
Accounts payable	38,877	19,752
Accrued and other liabilities	198,992	201,899
Total current liabilities	335,069	307,186
Non-current operating lease liabilities	430,439	396,914
Long-term debt, net of current portion	1,652,003	1,468,917
Non-current deferred tax liability	24,362	25,380
Other non-current liabilities	32,331	24,043
Total liabilities	2,474,204	2,222,440
Commitments and contingencies (Note 12)		
Redeemable non-controlling interests	19,560	18,013
Stockholders' equity:		
Common stock, \$0.01 par value, 700,000,000 shares authorized, 128,170,952 and 128,125,952 shares issued and outstanding at June 30, 2025 and December 31, 2024, respectively	1,282	1,281
Capital in excess of par	265,390	260,837
Retained earnings	79,827	13,553
Accumulated other comprehensive loss	(3,863)	—
Total stockholders' equity	342,636	275,671
Non-controlling interests	5,184	5,040
Total equity	347,820	280,711
Total liabilities and equity	\$ 2,841,584	\$ 2,521,164

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
**(in thousands)**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Revenue	\$ 550,785	\$ 477,915	\$ 1,051,537	\$ 945,513
Costs and expenses:				
Cost of services, exclusive of depreciation and amortization	389,334	339,273	746,435	676,263
General and administrative, exclusive of depreciation and amortization <sup>(1)</sup>	52,931	36,828	99,644	73,737
Depreciation and amortization	18,998	17,870	35,617	36,355
Total costs and expenses	461,263	393,971	881,696	786,355
Other operating income	20	—	20	284
Income from operations	89,542	83,944	169,861	159,442
Other income and expense:				
Loss on early retirement of debt	—	—	(875)	—
Equity in losses of unconsolidated subsidiaries	—	(3,676)	—	(3,676)
Interest (expense) income	(28,193)	205	(53,741)	94
Interest expense on related party debt	—	(9,318)	—	(19,289)
Income before income taxes	61,349	71,155	115,245	136,571
Income tax expense	15,155	18,096	28,409	33,233
Net income	46,194	53,059	86,836	103,338
Less: net income attributable to non-controlling interests	1,634	1,322	3,365	2,645
Net income attributable to the Company	\$ 44,560	\$ 51,737	\$ 83,471	\$ 100,693
Earnings per common share (Note 10):				
Basic and diluted	\$ 0.35	\$ 0.50	\$ 0.65	\$ 0.97

(1) Includes transition services agreement fees of \$3.5 million and \$7.2 million for the three and six months ended June 30, 2025, and shared service fees from a related party of \$3.8 million and \$7.7 million for the three and six months ended June 30, 2024. See Note 11—"Relationship with Select", for additional information.

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**(Unaudited)**  
**(in thousands)**

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2025	2024	2025	2024
Net income	\$ 46,194	\$ 53,059	\$ 86,836	\$ 103,338
Other comprehensive loss, net of tax:				
Loss on derivatives	(2,425)	—	(4,233)	—
Reclassification adjustment for gains included in net income	284	—	370	—
Net change, net of tax benefit of \$686 and \$1,260 for the three and six months ended June 30, 2025	(2,141)	—	(3,863)	—
Comprehensive income	44,053	53,059	82,973	103,338
Less: comprehensive income attributable to non-controlling interests	1,634	1,322	3,365	2,645
Comprehensive income attributable to the Company	\$ 42,419	\$ 51,737	\$ 79,608	\$ 100,693

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**(Unaudited)**  
**(in thousands, except per share amounts)**

	For the Six Months Ended June 30, 2025							
	Common Stock Issued	Common Stock Par Value	Capital in excess of par	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2024	128,126	\$ 1,281	\$ 260,837	\$ 13,553	\$ —	\$ 275,671	\$ 5,040	\$ 280,711
Net income attributable to the Company				38,911		38,911		38,911
Net income attributable to non-controlling interests						—	293	293
Cash dividends declared for common shareholders (\$0.0625 per share)				(8,010)		(8,010)		(8,010)
Issuance of restricted stock	46	1	(1)			—		—
Stock compensation expense			2,269			2,269		2,269
Other comprehensive loss					(1,722)	(1,722)		(1,722)
Balance at March 31, 2025	128,172	\$ 1,282	\$ 263,105	\$ 44,454	\$ (1,722)	\$ 307,119	\$ 5,333	\$ 312,452
Net income attributable to the Company				44,560		44,560		44,560
Net income attributable to non-controlling interests						—	219	219
Distributions to and purchases of non-controlling interests						—	(368)	(368)
Cash dividends declared for common stockholders (\$0.0625 per share)				(8,011)		(8,011)		(8,011)
Forfeitures of unvested restricted stock	(1)					—		—
Stock compensation expense			2,285			2,285		2,285
Redemption value adjustment on non-controlling interests				(1,176)		(1,176)		(1,176)
Other comprehensive loss					(2,141)	(2,141)		(2,141)
Balance at June 30, 2025	128,171	\$ 1,282	\$ 265,390	\$ 79,827	\$ (3,863)	\$ 342,636	\$ 5,184	\$ 347,820

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**(Unaudited)**  
**(in thousands, except per share amounts)**

	For the Six Months Ended June 30, 2024								
	Total Members' Units	Members' Contributed Capital	Common Stock Issued	Common Stock Par Value	Capital in excess of par	Retained Earnings	Total Stockholders' Equity	Non-controlling Interests	Total Equity
Balance at December 31, 2023	447,081	\$ 470,303	—	\$ —	\$ —	\$ 685,293	\$ 1,155,596	\$ 5,366	\$ 1,160,962
Net income attributable to the Company						48,956	48,956		48,956
Net income attributable to non-controlling interests								270	270
Distribution to Parent		(6,891)					(6,891)		(6,891)
Distributions to and purchases of non-controlling interests								(369)	(369)
Redemption value adjustment on non-controlling interests						(1,901)	(1,901)		(1,901)
Conversion of LLC to Corporation and impact of reverse stock split	(447,081)	(463,412)	104,094	1,041	462,371				
Balance at March 31, 2024	—	\$ —	104,094	\$ 1,041	\$ 462,371	\$ 732,348	\$ 1,195,760	\$ 5,267	\$ 1,201,027
Net income attributable to the Company						51,737	51,737		51,737
Net income attributable to non-controlling interests								244	244
Distribution to Parent					(851)		(851)		(851)
Distributions to and purchases of non-controlling interests								(307)	(307)
Redemption value adjustment on non-controlling interests						132	132		132
Balance at June 30, 2024	—	\$ —	104,094	\$ 1,041	\$ 461,520	\$ 784,217	\$ 1,246,778	\$ 5,204	\$ 1,251,982

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
**(in thousands)**

	For the Six Months Ended June 30,	
	2025	2024
<b>Operating activities</b>		
Net income	\$ 86,836	\$ 103,338
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	35,617	36,355
Equity in losses of unconsolidated subsidiaries	—	3,676
Loss on extinguishment of debt	51	—
Loss on sale of assets	—	42
Stock compensation expense	4,554	332
Amortization of debt discount and issuance costs	1,971	—
Deferred income taxes	(2,205)	(1,618)
Other	1,107	59
Changes in operating assets and liabilities, net of effects of business combinations:		
Accounts receivable	(26,251)	(12,829)
Other current assets	(7,781)	1,224
Other assets	2,303	(4,217)
Accounts payable and accrued liabilities	3,876	(11,307)
Net cash provided by operating activities	100,078	115,055
<b>Investing activities</b>		
Business combinations, net of cash acquired	(333,300)	(5,144)
Purchases of property and equipment	(40,958)	(32,494)
Proceeds from sale of assets	1	23
Net cash used in investing activities	(374,257)	(37,615)
<b>Financing activities</b>		
Borrowings on revolving facilities	85,000	—
Borrowings from related party revolving promissory note	—	10,000
Payments on related party revolving promissory note	—	(60,000)
Proceeds from term loans, net of issuance costs	948,848	—
Payments on term loans	(850,250)	—
Borrowings of other debt	6,575	6,618
Principal payments on other debt	(6,505)	(4,378)
Dividends paid to common stockholders	(16,021)	—
Distributions to and purchases of non-controlling interests	(2,851)	(2,643)
Distributions to Select	—	(7,742)
Net cash provided by (used in) financing activities	164,796	(58,145)
Net (decrease) increase in cash	(109,383)	19,295
Cash at beginning of period	183,255	31,374
Cash at end of period	\$ 73,872	\$ 50,669
<b>Supplemental information</b>		
Cash paid for interest	\$ 54,432	\$ 19,512
Cash paid for taxes	\$ 35,568	\$ 34,009

*The accompanying notes are an integral part of these condensed consolidated financial statements.*



**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

## **1. Organization**

Concentra Group Holdings Parent, Inc., a Delaware corporation, conducts substantially all of its business through Concentra Health Services, Inc. (“CHSI”) and its subsidiaries. As the context may require, the “Company,” “we,” “our” or similar words in this report refer collectively to Concentra and its subsidiaries.

The Company is the largest provider of occupational health services in the United States based on number of locations. As of June 30, 2025, we operated 628 stand-alone occupational health centers in 41 states and 406 onsite health clinics at employer worksites in 43 states. The Company provides a diverse and comprehensive array of occupational health services, including workers’ compensation and employers services, and consumer health services.

## **2. Accounting Policies**

### ***Basis of Presentation and Consolidation***

The Company operated as part of Select Medical Corporation (“Select”) until Select made a special stock distribution of 104,093,503 shares of the Company’s common stock to Select’s stockholders (the “Distribution”) on November 25, 2024. The Company’s consolidated financial statements prior to the Distribution have been prepared from Select’s historical accounting records and derived from the condensed consolidated financial statements of Select to present the Company as if it had been operating on a standalone basis. The unaudited condensed consolidated financial statements of the Company as of June 30, 2025, and for the three and six months ended June 30, 2025 and 2024, have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the “SEC”) for interim reporting and the accounting principles generally accepted in the United States of America (“U.S. GAAP”). Accordingly, certain information and disclosures required by GAAP, which are normally included in the notes to the consolidated financial statements, have been condensed or omitted pursuant to those rules and regulations, although the Company believes the disclosure is adequate to make the information presented not misleading. In the opinion of management, such information contains all adjustments, which are normal and recurring in nature, necessary for a fair statement of the financial position, results of operations and cash flow for such periods.

The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the results to be expected for the full fiscal year ended December 31, 2025. These unaudited condensed consolidated financial statements and related notes should be read in conjunction with the audited consolidated financial statements and related notes as contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2024 (File No. 001-42188).

The condensed consolidated financial statements include the assets, liabilities, revenue, and expenses based on our legal entity structure as well as direct and indirect costs that are attributable to our operations. Indirect costs are the costs of support functions that are partially provided on a centralized basis by Select and its affiliates, which include finance, human resources, benefits administration, information technology, legal, corporate governance and other professional services. Indirect costs were allocated to the Company, prior to the IPO, for the purposes of preparing the consolidated financial statements based on a specific identification basis or, when specific identification is not practicable, a proportional cost allocation method, primarily based on headcount or other allocation methodologies that are considered to be a reasonable reflection of the utilization of services provided or the benefit received by the Company during the periods presented, depending on the nature of the services received. Subsequent to the IPO, the support services provided by Select have been billed to the Company pursuant to a transitional services agreement, as further described in Note 11—“*Relationship with Select*”.

The income tax amounts in these condensed consolidated financial statements prior to the Distribution have been calculated based on a separate return methodology and are presented as if our income gave rise to separate federal and state consolidated income tax return filing obligations in the respective jurisdictions in which we operate. Adjustments to income tax expense resulting from the application of the separate return methodology, as compared to tax obligations determined by the Company’s inclusion in Select’s consolidated income tax provision, were assumed to be immediately settled with Select through contributed capital/capital in excess of par as reflected on the condensed consolidated balance sheets, and reflected as a (distribution)/contribution to Select on the condensed consolidated statements of changes in equity and the condensed consolidated statements of cash flows within financing activities.

The condensed consolidated financial statements include the accounts of the Company and the subsidiaries and variable interest entities in which the Company has a controlling financial interest. All intercompany balances and transactions within

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Unaudited)**

the Company are eliminated in consolidation. Transactions between the Company and Select have been included in these condensed consolidated financial statements. The transactions with Select are settled in cash, other than the assumed income tax settlement noted above, and are reflected within the condensed consolidated statement of cash flows as an operating or financing activity determined by the nature of the transaction.

***Derivatives and Hedging***

The Company is exposed to certain risks relating to its ongoing financial arrangements. The primary risk managed using derivative instruments is to reduce variability in interest cash flows on its variable-rate debt. Interest rate swaps and collars are entered into to manage interest rate risk associated with the Company's variable-rate debt. As a matter of policy, we do not use highly leveraged derivative instruments, nor do we use financial instruments for speculative purposes.

ASC 815 requires entities to recognize all derivative instruments as either assets or liabilities in the statement of financial position at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, further, on the type of hedging relationship.

Our designated derivative contracts include interest rate swap and collar agreements, which effectively modify the Company's exposure to interest rate risk by converting the Company's floating-rate debt to a fixed-rate basis (for interest rate swap arrangements) and capping and flooring the interest rates (for collar arrangements) through February 2028, thus reducing the impact of interest-rate changes on future interest expense. These agreements involve the receipt of floating-rate amounts in exchange of fixed-rate interest payments and the application of cap and floor rates over the term of the agreements without an exchange of the underlying principal amount.

Our derivatives are designated as cash flow hedges and qualify for hedge accounting treatment. Gains or losses on cash flow hedges are deferred as a component of accumulated other comprehensive income or losses and reclassified into earnings at the time the hedged item affects earnings, presented in the same income statement line item as the underlying hedged item (i.e., in "interest expense" when the hedged transactions are interest cash flows associated with floating-rate debt).

To qualify for hedge accounting, a specified level of hedge effectiveness between the hedging instrument and the hedged item must be achieved at inception and maintained throughout the hedged period. We formally document our risk management objectives, our strategies for undertaking the hedge transactions, the nature of and relationships between the hedging instruments and hedged items, and the method for assessing hedge effectiveness. Additionally, for qualified hedges of forecasted transactions, we specifically identify the significant characteristics and expected terms of the forecasted transactions.

If it becomes probable that a forecasted transaction will not occur, previously deferred gains and losses related to those forecasted transactions would be recognized in earnings in the current period.

***Recent Accounting Guidance Not Yet Adopted***

***Income Taxes***

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which is intended to improve the transparency and decision usefulness of income tax disclosures. The ASU includes enhanced requirements on the rate reconciliation, including specific categories that must be disclosed, and provides a threshold over which reconciling items must be disclosed. The amendments in the update also require annual disclosure of income taxes paid, disaggregated by federal, state, and foreign taxes, as well as any individual jurisdictions in which income taxes paid is greater than 5% of total income taxes paid.

The ASU is effective for the Company's annual financial statements for the year ended December 31, 2025. The ASU can be applied either prospectively or retrospectively. The Company is currently reviewing the impact that ASU 2023-09 will have on the disclosures in our consolidated financial statements.

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Unaudited)**

*Expense Disaggregation*

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures (Subtopic 220-40)*, which is intended to improve the disclosures of expenses by providing more detailed information about the types of expenses in commonly presented expense captions. The ASU requires entities to disclose the amounts of purchases of inventory, employee compensation, depreciation and intangible asset amortization included in each relevant expense caption; as well as a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively. The amendment also requires disclosure of the total amount of selling expense and, in annual reporting periods, an entity's definition of selling expenses.

The ASU is effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027; however early adoption is permitted. The ASU can be applied either prospectively or retrospectively. The Company is currently reviewing the impact that ASU 2024-03 will have on the disclosures in our consolidated financial statements.

*Use of Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

**3. Redeemable Non-Controlling Interests**

The Company's redeemable non-controlling interests are comprised of membership interests held by equity holders other than the Company in five less than wholly-owned subsidiaries. These shares are subject to redemption rights. The changes in redeemable non-controlling interests are as follows:

	2025	2024
	(in thousands)	
Balance as of January 1	\$ 18,013	\$ 16,477
Net income attributable to redeemable non-controlling interests	1,438	1,053
Distributions to redeemable non-controlling interests	(842)	(1,174)
Redemption value adjustment on redeemable non-controlling interests	—	1,901
Balance as of March 31	\$ 18,609	\$ 18,257
Net income attributable to redeemable non-controlling interests	1,415	1,078
Distributions to and purchases of redeemable non-controlling interests	(1,640)	(793)
Redemption value adjustment on redeemable non-controlling interests	1,176	(132)
Balance as of June 30	\$ 19,560	\$ 18,410

**4. Variable Interest Entities**

Certain states prohibit the "corporate practice of medicine," which restricts the Company from owning medical practices that directly employ physicians and from exercising control over medical decisions by physicians. In these states, the Company enters into long-term management agreements with affiliated professional medical groups (referred to as "Managed PCs") that are owned by licensed physicians which, in turn, employ or contract with physicians who provide professional medical services in its occupational health centers. The Company also enters into a stock transfer restriction agreement with the respective equity holders, which provide for the Company to direct the transfer of ownership of the Managed PCs to other licensed physicians at any time. The long-term management agreements provide for various administrative and management services to be provided by the Company to the Managed PCs, including, but not limited to, billing and collections, accounting, non-physician personnel, supplies, security and maintenance, and insurance. The Company has the right to receive income as an ongoing management fee, and effectively absorbs all of the residual interests of the Managed PCs. Based on the provisions of the management and stock transfer agreements, the Managed PCs are variable interest entities for which the Company is the primary beneficiary and consolidates the Managed PCs under the variable interest entity model. There are no restrictions on the use of the assets of the Managed PCs or on the settlement of its liabilities. Additionally, the Company fully indemnifies the

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Unaudited)**

licensed physician owners from all claims, demands, costs, damages, losses, liabilities, and other amounts arising from the ownership and operation of the medical practices, excluding gross negligence.

As of June 30, 2025, and December 31, 2024, the total assets of the Company's variable interest entities were \$243.7 million and \$213.9 million, respectively, and are principally comprised of accounts receivable. As of June 30, 2025, and December 31, 2024, the total liabilities of the Company's variable interest entities were \$60.9 million and \$57.5 million, respectively, and are principally comprised of accounts payable and accrued expenses. These variable interest entities have obligations payable for services received under their management agreements with the Company of \$167.0 million and \$157.0 million as of June 30, 2025, and December 31, 2024, respectively. These intercompany balances are eliminated in consolidation.

## 5. Leases

The Company's total lease cost is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Operating lease cost	\$ 29,221	\$ 25,077	\$ 56,538	\$ 49,867
Finance lease cost:				
Amortization of right-of-use assets	37	109	95	320
Interest on lease liabilities	38	77	36	132
Variable lease cost	6,206	5,293	11,821	10,549
Total lease cost	<u>\$ 35,502</u>	<u>\$ 30,556</u>	<u>\$ 68,490</u>	<u>\$ 60,868</u>

## 6. Long-Term Debt

As of June 30, 2025, the Company's long-term debt is as follows:

	Principal Outstanding	Unamortized Premium (Discount)	Unamortized Issuance Costs	Carrying Value
	(in thousands)			
6.875% senior notes	\$ 650,000	\$ —	\$ (11,141)	\$ 638,859
Credit facilities:				
Revolving Credit Facility	85,000	—	—	85,000
Term Loan	947,625	(917)	(11,679)	935,029
Other debt <sup>(1)</sup>	7,036	—	—	7,036
Total debt	<u>\$ 1,689,661</u>	<u>\$ (917)</u>	<u>\$ (22,820)</u>	<u>\$ 1,665,924</u>

(1) Other debt is primarily comprised of insurance financing arrangements, promissory notes executed in connection with business combinations, and finance leases.

As of June 30, 2025, principal maturities of the Company's long-term debt and notes payable are as follows:

	2025	2026	2027	2028	2029	Thereafter	Total
	(in thousands)						
6.875% senior notes	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 650,000	\$ 650,000
Credit facilities:							
Revolving Credit Facility	—	—	—	—	85,000	—	85,000
Term Loan	4,750	9,500	9,500	9,500	9,500	904,875	947,625
Other debt, including finance leases	3,596	1,223	487	504	161	1,065	7,036
Total debt	<u>\$ 8,346</u>	<u>\$ 10,723</u>	<u>\$ 9,987</u>	<u>\$ 10,004</u>	<u>\$ 94,661</u>	<u>\$ 1,555,940</u>	<u>\$ 1,689,661</u>

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As of December 31, 2024, the Company's long-term debt and notes payable are as follows:

	Principal Outstanding	Unamortized Premium (Discount)	Unamortized Issuance Costs	Carrying Value
	(in thousands)			
6.875% senior notes	\$ 650,000	\$ —	\$ (11,925)	\$ 638,075
Credit facilities:				
Term Loan	847,875	(995)	(11,468)	835,412
Other debt <sup>(1)</sup>	5,523	—	—	5,523
Total debt	<u>\$ 1,503,398</u>	<u>\$ (995)</u>	<u>\$ (23,393)</u>	<u>\$ 1,479,010</u>

(1) Other debt is primarily comprised of insurance financing arrangements, promissory notes executed in connection with business combinations, and finance leases.

**Credit Facilities**

On July 26, 2024, Concentra Health Services, Inc. ("CHSI"), a wholly-owned subsidiary of Concentra, entered into a senior secured credit agreement (the "Credit Agreement") that provides for an \$850.0 million term loan (the "Term Loan"), and a \$400.0 million revolving credit facility, including a \$75.0 million sublimit for the issuance of standby letters of credit (the "Revolving Credit Facility" and, together with the Term Loan, the "Credit Facilities"). In March 2025, the Company completed an amendment to the Credit Agreement to increase our Revolving Credit Facility by \$50.0 million from \$400.0 million to \$450.0 million. The interest rate for the Revolving Credit Facility has been reduced from Term SOFR plus 2.50% to Term SOFR plus 2.00%, subject to a leverage-based pricing grid. In addition, the amendment to the Credit Agreement also added new debt through an incremental term loan of \$102.1 million, which provides an updated Term Loan of \$950.0 million. The Term Loan interest rate has been reduced from Term SOFR plus 2.25% down to Term SOFR plus 2.00%, subject to a leverage-based pricing grid including 25-basis point step down at a net leverage ratio of  $\leq 3.25\times$ .

At June 30, 2025, the Company had \$342.8 million of availability under its Revolving Credit Facility after giving effect to \$85.0 million of borrowings under the Revolving Credit Facility and \$22.2 million of outstanding letters of credit.

The Credit Facilities require CHSI to maintain a leverage ratio (as defined in the Credit Agreement), which is tested quarterly and currently must not be greater than 6.50 to 1.00. As of June 30, 2025, our leverage ratio was 3.8x.

**7. Supplemental Disclosures**

The following table sets forth the components of other current assets on the condensed consolidated balance sheets:

	June 30, 2025	December 31, 2024
	(in thousands)	
Prepaid expenses	\$ 25,845	\$ 15,096
Other current assets	18,418	19,593
Other current assets	<u>\$ 44,263</u>	<u>\$ 34,689</u>

The following table sets forth the components of accrued and other liabilities on the condensed consolidated balance sheets:

	June 30, 2025	December 31, 2024
	(in thousands)	
Accrued payroll	\$ 70,343	\$ 75,657
Accrued vacation	46,458	43,647
Accrued interest	21,182	21,849
Accrued other	59,878	58,396
Income taxes payable	1,131	2,350
Accrued and other liabilities	<u>\$ 198,992</u>	<u>\$ 201,899</u>

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## 8. Fair Value of Financial Instruments

Financial instruments which are measured at fair value, or for which a fair value is disclosed, are classified in the fair value hierarchy, as outlined below, on the basis of the observability of the inputs used in the fair value measurement:

- Level 1 – inputs are based upon quoted prices for identical instruments in active markets.
- Level 2 – inputs are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant inputs are observable in the market or can be corroborated by observable market data.
- Level 3 – inputs are generally unobservable and typically reflect management’s estimates of assumptions that market participants would use in pricing the instrument.

The Company’s derivative instruments are based on quotes from the market makers that derive fair values from market data, and therefore, are classified as Level 2.

The Company does not measure its indebtedness at fair value in its condensed consolidated balance sheets. The fair value of the Credit Facilities is based on quoted market prices for this debt in the syndicated loan market. The fair value of the Concentra senior notes is based on quoted market prices. The carrying value of the Company’s other debt, as disclosed in Note 6—“*Long-Term Debt*”, approximates fair value.

We did not have any Level 3 financial assets or liabilities in any period presented.

The fair values and the levels within the fair value hierarchy of financial instruments recorded on the condensed consolidated balance sheets were (in thousands):

Financial Instrument	Level	Balance Sheet Classification	June 30, 2025		December 31, 2024	
			Carrying Value	Fair Value	Carrying Value	Fair Value
Derivatives designated as hedging instruments						
(in thousands)						
Swap contracts	Level 2	Other current assets	\$ 9	\$ 9	\$ —	\$ —
Swap contracts	Level 2	Non-current liability	(3,292)	(3,292)	—	—
Total swap contracts			(3,283)	(3,283)	—	—
Collar contracts	Level 2	Current liability	(236)	(236)	—	—
Collar contracts	Level 2	Non-current liability	(1,604)	(1,604)	—	—
Total collar contracts			(1,840)	(1,840)	—	—
Total fair value			<u>\$ (5,123)</u>	<u>\$ (5,123)</u>	<u>\$ —</u>	<u>\$ —</u>
6.875% senior notes	Level 2		\$ 638,859	\$ 672,750	\$ 638,075	\$ 660,972
Credit facilities:						
Revolving Credit Facility	Level 2		\$ 85,000	\$ 83,725	\$ —	\$ —
Term Loan	Level 2		\$ 935,029	\$ 948,810	\$ 835,412	\$ 853,174

The Company’s other financial instruments, which primarily consist of cash, accounts receivable, and accounts payable, approximate fair value because of the short-term maturities of these instruments.

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**9. Revenue**

The following table disaggregates the Company's revenue for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Occupational health centers:				
Workers' compensation	\$ 332,191	\$ 288,405	\$ 634,298	\$ 568,271
Employer services	174,318	153,305	334,458	304,040
Consumer health	7,177	7,669	15,788	15,995
Other occupational health center revenue	2,452	1,861	4,516	4,006
Total occupational health center revenue	516,138	451,240	989,060	892,312
Onsite health clinics	22,569	15,539	39,119	31,396
Other	12,078	11,136	23,358	21,805
Total revenue	<u>\$ 550,785</u>	<u>\$ 477,915</u>	<u>\$ 1,051,537</u>	<u>\$ 945,513</u>

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# **10. Earnings per Share**

As of June 30, 2025, the Company's capital structure consists of common stock and unvested restricted stock. To calculate earnings per share ("EPS") for the three and six months ended June 30, 2025, the Company applied the two-class method because its unvested restricted shares were participating securities.

As of June 30, 2024, the Company's capital structure consists of common stock. There were no participating shares or securities outstanding during the three and six months ended June 30, 2024.

The following table sets forth the net income attributable to the Company, its shares, and its participating shares:

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	(in thousands)			
Net income	\$ 46,194	\$ 53,059	\$ 86,836	\$ 103,338
Less: net income attributable to non-controlling interests	1,634	1,322	3,365	2,645
Net income attributable to the Company	44,560	51,737	83,471	100,693
Less: distributed and undistributed net income attributable to participating securities	530	—	985	—
Distributed and undistributed net income attributable to common shares	\$ 44,030	\$ 51,737	\$ 82,486	\$ 100,693

The following tables set forth the computation of EPS. The Company applied the two-class method for the three and six months ended June 30, 2025.

	<b>Three Months Ended June 30, 2025</b>			<b>Three Months Ended June 30, 2024</b>		
	<b>Net Income Attributable to the Company</b>	<b>Shares<sup>(1)</sup></b>	<b>Basic and Diluted EPS</b>	<b>Net Income Attributable to the Company</b>	<b>Shares<sup>(1)</sup></b>	<b>Basic and Diluted EPS</b>
	(in thousands, except for per share amounts)					
Common shares	\$ 44,030	126,647	\$ 0.35	\$ 51,737	104,094	\$ 0.50
Participating securities	530	1,524	\$ 0.35	—	—	\$ —
Total Company	\$ 44,560	128,171	\$ 0.35	\$ 51,737	104,094	\$ 0.50

  

	<b>Six Months Ended June 30, 2025</b>			<b>Six Months Ended June 30, 2024</b>		
	<b>Net Income Attributable to the Company</b>	<b>Shares<sup>(1)</sup></b>	<b>Basic and Diluted EPS</b>	<b>Net Income Attributable to the Company</b>	<b>Shares<sup>(1)</sup></b>	<b>Basic and Diluted EPS</b>
	(in thousands, except for per share amounts)					
Common shares	\$ 82,486	126,647	\$ 0.65	\$ 100,693	104,094	\$ 0.97
Participating securities	985	1,512	\$ 0.65	—	—	\$ —
Total Company	\$ 83,471	128,159	\$ 0.65	\$ 100,693	104,094	\$ 0.97

(1) Represents the weighted average shares outstanding during the period.



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## **11. Relationship with Select**

On November 25, 2024, Concentra became a fully independent company upon the completion of the Distribution and Select ceased to be a related party on that date. The Company continues to have material agreements with Select, including a separation agreement, a transition services agreement, a tax matters agreement and an employee matters agreement.

### ***Shared Services Agreement and Transition Services Agreement with Select***

The Company pays a fee for the shared support functions provided on a centralized basis by Select and its affiliates. Prior to the IPO, the shared services fee was governed by a shared services agreement between the Company and Select which was reassessed and adjusted annually. The transition services agreement, which became effective concurrent with the IPO, now provides the framework for the services provided by Select and the applicable fee for such services. Transition services agreement fees were \$3.5 million and \$7.2 million for the three and six months ended June 30, 2025, and shared service fees from a related party were \$3.8 million and \$7.7 million for the three and six months ended June 30, 2024.

## **12. Commitments and Contingencies**

### ***Litigation***

The Company is a party to various legal actions, proceedings, and claims, and regulatory and other governmental audits and investigations in the ordinary course of its business, including, but not limited to, legal actions and claims alleging professional malpractice, general liability for property damage, personal and bodily injury, violations of federal and state employment laws, often in the form of wage and hour class action lawsuits, and liability for data breaches. Many of these actions involve large claims and significant defense costs and sometimes, as in the case of wage and hour class actions, are not covered by insurance. The Company cannot predict the ultimate outcome of pending litigation, proceedings, and regulatory and other governmental audits and investigations. These matters could potentially subject the Company to sanctions, damages, recoupments, fines, and other penalties.

To address claims arising out of the Company's operations, the Company maintains professional malpractice liability insurance and general liability insurance coverages through a number of different programs that are dependent upon such factors as the state where the Company is operating. The Company currently maintains insurance coverages under a combination of policies with a total annual per claim aggregate limit of \$29.0 million for professional malpractice liability insurance and general liability insurance. The Company's insurance for the professional liability coverage is written on a "claims-made" basis, and its commercial general liability coverage is maintained on an "occurrence" basis. These coverages apply after a self-insured retention limit is exceeded. In addition, the Company purchases additional primary care limits in certain patient compensation fund states, including Indiana, Kansas, Louisiana, Nebraska, Pennsylvania and Wisconsin. The Company also maintains additional types of liability insurance covering claims that, due to their nature or amount, are not covered by or not fully covered by the applicable professional malpractice and general liability insurance policies, including workers compensation, property and casualty, directors and officers, cyber liability, and employment practices liability insurance coverages. Our insurance policies generally are silent with respect to punitive damages so coverage is available to the extent insurable under the law of any applicable jurisdiction, and are subject to various deductibles and policy limits. The Company reviews its insurance program annually and may make adjustments to the amount of insurance coverage and self-insured retentions in future years. Significant legal actions, as well as the cost and possible lack of available insurance, could subject the Company to substantial uninsured liabilities.

*California Department of Insurance Investigation.* On February 5, 2024, the Company received a subpoena from the California Department of Insurance relating to an investigation under the California Insurance Frauds Prevention Act, Cal. Ins. Code § 1871.7 et seq., which allows a whistleblower to file a false claims lawsuit based on the submission of false or fraudulent claims to insurance companies. The subpoena seeks documentation relating mainly to the Company's billing and coding for physical therapy claims submitted to commercial insurers and workers' compensation carriers located or doing business in California. The Company has produced data and other documents requested by the California Department of Insurance and intends to fully cooperate with this investigation. At this time, the Company is unable to predict the timing and outcome of this matter.

*Perry Johnson & Associates, Inc. Data Breach.* On November 10, 2023, Perry Johnson & Associates, Inc., a third-party vendor of health information technology solutions that provides medical transcription services ("PJ&A"), notified CHSI that certain information related to particular Concentra patients was potentially affected by a cybersecurity event. In February 2024,

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Concentra sent notices to almost four million patients who may have been impacted by the data breach. During the first quarter of 2024, Concentra became aware of six putative class action lawsuits filed against PJ&A and Concentra related to the data breach. Five of the putative class action lawsuits have been transferred to the U.S. District Court for the Eastern District of New York and consolidated with the one class action lawsuit pending there. Plaintiffs filed a Consolidated Class Action Complaint on August 19, 2024 against PJ&A, Concentra, Select Medical Holdings Corporation and other unrelated defendants under the caption *In re Perry Johnson & Associates Medical Transcription Data Security Breach Litigation* (“Consolidated Complaint”). The Consolidated Complaint alleges that the plaintiffs have suffered injuries and damages under theories of negligence, breach of contract, and failure to comply with statutory duties, including duties under HIPAA, FTC guidelines and industry standards, and various state consumer protection and deceptive trade practice laws. In March 2025, pursuant to a Case Management Order (“Court Order”), five of the named plaintiffs in the Consolidated Complaint filed an amended Direct-Filed Class Action Complaint in the U.S. District Court for the Eastern District of New York. Pursuant to this Court Order, the Direct-Filed Class Action Complaint will be remanded to the United States District Court for the Northern District of Texas after the conclusion of pretrial proceedings. The Company is working with its cybersecurity risk insurance policy carrier and does not believe that the data breach or the lawsuits will have a material impact on its operations or financial performance. However, at this time, the Company is unable to predict the timing and outcome of these matters.

**Physical Therapy Billing.** On October 7, 2021, Select Medical Corporation (“Select”) received a letter from a Trial Attorney at the U.S. Department of Justice, Civil Division, Commercial Litigation Branch, Fraud Section (“DOJ”) stating that the DOJ, in conjunction with the U.S. Department of Health and Human Services (“HHS”), is investigating Select in connection with potential violations of the False Claims Act, 31 U.S.C. § 3729, et seq. The letter specified that the investigation relates to Select’s billing for physical therapy services, and indicated that the DOJ would be requesting certain records from Select. In October and December 2021, the DOJ requested, and Select furnished, records relating to six of Select’s outpatient therapy clinics in Florida. In 2022 and 2023, the DOJ requested certain data relating to all of Select’s outpatient therapy clinics nationwide, and sought information about Select’s ability to produce additional data relating to the physical therapy services furnished by Select’s outpatient therapy clinics and Concentra. Select has produced data and other documents requested by the DOJ and is fully cooperating on this investigation. In May 2024, by order of the U.S. District Court for the Middle District of Florida, a qui tam lawsuit that is related to the DOJ’s investigation was unsealed after the U.S. filed a notice declining to intervene in the case, but stating that its investigation is continuing and reserving its right to intervene at a later date. The lawsuit, filed in May 2021 and amended by a first amended complaint in October 2021 and by a second amended complaint in July 2024, was brought by Kathleen Kane, a physical therapist formerly employed in Select’s outpatient division, against Select Medical Corporation, Select Physical Therapy Holdings, Inc. and Select Employment Services, Inc. The second amended complaint alleged that the defendants billed Federally funded health programs for one-on-one therapy services when group therapy was performed or overbilled for one-on-one therapy services, and billed for unreimbursable unskilled physical therapy services. In June 2025, the district court granted Select’s motion to dismiss the second amended complaint, and allowed Ms. Kane a final opportunity to amend her lawsuit. In July 2025, Ms. Kane filed her third amended complaint, which contains substantially the same allegations as the second amended complaint. Select intends to file a motion to dismiss the third amended complaint. At this time, the Company is unable to predict the timing and outcome of this matter.

### **13. Segment Information**

Our business is organized into three operating segments based primarily on the type or location of occupational health services provided: (i) occupational health centers, (ii) onsite health clinics, and (iii) other businesses. All three operating segments are aggregated into a single reportable segment in our consolidated financial statements based on similar services provided, service delivery process involved, target customers, and similar economic characteristics. Across our operating segments, we offer a diverse and comprehensive array of services, which includes workers’ compensation, employer services and consumer health. Our patients are generally employed by our main customers - employers across the United States.

Occupational health services are focused on the diagnosis and treatment of work-related injuries and illnesses (workers’ compensation services) and employer services such as examinations, physicals, tests and screenings, vaccinations, and a range of consulting services designed to protect employees from workplace hazards.

The chief operating decision maker (“CODM”) is our Chief Executive Officer. The CODM uses Segment Adjusted EBITDA in the annual budgeting and forecasting process, in the review of budget-to-actual and prior year variances to make decisions about the allocation of operating and capital resources, and to establish management’s compensation.

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The following table is representative of the significant categories, including significant expenses, regularly provided to the CODM when managing the Company's single reporting segment.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Revenue	\$ 550,785	\$ 477,915	\$ 1,051,537	\$ 945,513
Expenses: <sup>(1)</sup>				
Personnel expenses	307,466	265,087	589,124	533,459
Facility expenses	51,292	45,038	99,674	88,843
Other expenses	77,009	66,190	145,062	125,469
Total segment expenses	435,767	376,315	833,860	747,771
Segment Adjusted EBITDA	\$ 115,018	\$ 101,600	\$ 217,677	\$ 197,742
Total assets	\$ 2,841,584	\$ 2,363,338	\$ 2,841,584	\$ 2,363,338
Purchases of property and equipment	\$ 25,226	\$ 15,263	\$ 40,958	\$ 32,494
Depreciation and amortization	\$ 18,998	\$ 17,870	\$ 35,617	\$ 36,355

(1) Includes transition services agreement fees of \$3.5 million and \$7.2 million for the three and six months ended June 30, 2025, and shared service fees from a related party of \$3.8 million and \$7.7 million for the three and six months ended June 30, 2024. See Note 11—"Relationship with Select", for additional information.

Segment Adjusted EBITDA is calculated as earnings excluding interest, income taxes, depreciation and amortization, gain (loss) on early retirement of debt, stock compensation expense, separation transaction costs, acquisition costs, gain (loss) on sale of businesses, and equity in earnings (losses) of unconsolidated subsidiaries.

The following table reconciles Segment Adjusted EBITDA to income before income taxes for the periods indicated.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(in thousands)			
Segment Adjusted EBITDA	\$ 115,018	\$ 101,600	\$ 217,677	\$ 197,742
Interest (expense) income	(28,193)	205	(53,741)	94
Interest expense on related party debt	—	(9,318)	—	(19,289)
Loss on early retirement of debt	—	—	(875)	—
Equity in losses of unconsolidated subsidiaries	—	(3,676)	—	(3,676)
Stock compensation expense	(2,285)	(166)	(4,554)	(332)
Depreciation and amortization	(18,998)	(17,870)	(35,617)	(36,355)
Separation transaction costs <sup>(1)</sup>	(1,360)	380	(1,675)	(1,613)
Nova and Pivot Onsite Innovations acquisition costs	(2,833)	—	(5,970)	—
Income before income taxes	\$ 61,349	\$ 71,155	\$ 115,245	\$ 136,571

(1) Separation transaction costs represent non-recurring incremental consulting, legal, audit-related fees, system implementation, and software disposal costs incurred in connection with the Company's separation into a new, publicly traded company and are included within general and administrative expenses on the condensed consolidated statements of operations.

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#### 14. Acquisitions

##### *Nova Acquisition*

Effective March 1, 2025, the Company acquired Nova Medical Centers (“Nova”). CHSI entered into an equity purchase agreement to acquire all of the outstanding membership interests for a purchase price of \$265.0 million, subject to adjustment in accordance with the terms and conditions set forth in the purchase agreement. We financed the transaction using a combination of \$102.1 million of new debt financing under the Credit Agreement, \$50.0 million of available borrowing capacity under our existing Revolving Credit Facility, and the remaining with cash on hand.

Nova operates 67 occupational health centers in five states, providing workers’ compensation injury care services, physical therapy, drug and alcohol screening, and pre-employment physicals as part of their full suite of occupational health services.

The Nova acquisition met the definition of a business pursuant to Accounting Standards Codification (“ASC”) Topic 805, Business Combinations, and the acquisition was accounted for as a business combination under the acquisition method of accounting. The Company allocated the purchase price to the tangible and identifiable intangible assets acquired and liabilities assumed based on their preliminary estimated fair values. The fair values are based on inputs that are unobservable in the market and therefore represent Level 3 inputs.

The Company is in the process of completing its assessment of the acquisition-date fair values of the assets acquired and liabilities assumed and determining the estimated useful lives of long-lived assets and finite-lived intangible assets; therefore, the values set forth are subject to adjustment during the measurement period. The amount of these potential adjustments could be significant. The Company expects to complete its final purchase price allocation during the 12-month period subsequent to the Nova acquisition closing date.

Pursuant to ASC Topic 810, Consolidation, certain Nova affiliated entities were determined to be a variable interest entity, and the Company was determined to be their primary beneficiary. As a result, the Company obtained a controlling financial interest and Nova has been consolidated into the Company's financial results.

The following table reconciles the preliminary allocation of estimated fair value of the assets acquired and liabilities assumed to the consideration given for the acquired business (in thousands):

Accounts receivable	\$	19,275
Other current assets		1,525
Operating lease right-of-use assets		30,080
Property and equipment		2,636
Goodwill		206,960
Identifiable intangible assets		38,830
Other assets		780
Total assets		300,086
Accrued and other current liabilities		5,001
Non-current operating lease liabilities		30,080
Total liabilities		35,081
Consideration given	\$	265,005

The measurement period adjustments recorded in the second quarter primarily relate to acquired operating lease right-of-use assets and lease liabilities.

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The preliminary valuations of tangible assets were derived using a combination of the market and cost approaches. Significant judgments used in valuing tangible assets include estimated determination of age, condition, remaining useful life, and estimated fair market value.

The preliminary estimated fair values of identifiable intangible assets, consisting of customer relationships, were determined with the assistance of a third-party valuation specialist. The fair values are based on inputs that are unobservable in the market and therefore represent Level 3 inputs. Preliminary fair values assigned to identifiable intangible assets were determined using the income approach which relies on the following assumptions: discount rate, customer attrition rates, EBITDA margin, and useful life of customer relationships. The analysis and related valuations reflect the conclusions of management. All estimates, key assumptions, and forecasts were either provided by or reviewed by the Company. Useful lives for identifiable intangible assets were determined based upon the income approach, which determines the remaining useful economic lives of the identifiable intangible assets that are expected to contribute directly or indirectly to future cash flows.

	Fair Value (in thousands)	Weighted Average Amortization Period (in years)
Customer relationships	\$ 38,830	9 years
Identifiable intangible assets	<u>\$ 38,830</u>	

The preliminary estimate for goodwill of \$207.0 million has been recognized for the business combination, representing the excess of the consideration given over the fair value of identifiable net assets acquired. The value of goodwill is derived from Nova's future earnings potential and its assembled workforce. The amount of goodwill is expected to be deductible for tax purposes.

For the three months ended June 30, 2025, Nova had total revenue of \$31.4 million, which was included in the condensed consolidated financial statements. For the period March 1, 2025 through June 30, 2025, Nova had total revenue of \$42.6 million, which was included in the condensed consolidated financial statements.

***Pivot Onsite Innovations Acquisition***

Effective June 1, 2025, the Company acquired Onsite Innovations, LLC ("Pivot Onsite Innovations") from Pivot Occupational Health, LLC. CHSI entered into an equity purchase agreement to acquire all of the outstanding equity interests for a purchase price of \$54.4 million, subject to adjustment in accordance with the terms and conditions set forth in the purchase agreement. We financed the transaction using a combination of \$35.0 million of available borrowing capacity under our existing Revolving Credit Facility and the remaining with cash on hand.

Pivot Onsite Innovations operates over 240 onsite health clinics at employer locations in over 40 states, providing occupational health, wellness, prevention, and performance services. The acquisition enabled the Company to expand to over 400 onsite health clinics at employer worksites.

The Pivot Onsite Innovations acquisition met the definition of a business pursuant to Accounting Standards Codification ("ASC") Topic 805, Business Combinations, and the acquisition was accounted for as a business combination under the acquisition method of accounting. The Company allocated the purchase price to tangible and identifiable intangible assets acquired and liabilities assumed based on their preliminary estimated fair values. The fair values are based on inputs that are unobservable in the market and therefore represent Level 3 inputs.

The Company is in the process of completing its assessment of the acquisition-date fair values of assets acquired and liabilities assumed and determining the estimated useful lives of long-lived assets and finite-lived intangible assets; therefore, the values set forth are subject to adjustment during the measurement period. The amount of these potential adjustments could be significant. The Company expects to complete its final purchase price allocation during the 12-month period subsequent to the Pivot Onsite Innovations acquisition closing date.

Pursuant to ASC Topic 810, Consolidation, the Company obtained a controlling interest in the company by acquiring all of the outstanding equity interests of Pivot Onsite Innovations. As a result, Pivot Onsite Innovations has been consolidated into the Company's financial results.

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Unaudited)**

The following table reconciles the preliminary allocation of estimated fair value of identifiable net assets and goodwill to the consideration given for the acquired business (in thousands):

Identifiable tangible assets	\$	8,852
Identifiable intangible assets		14,340
Goodwill		34,431
Total assets		57,623
Total liabilities		3,175
Consideration given	\$	54,448

The preliminary valuations of tangible assets were derived using a combination of the market and cost approaches. Significant judgments used in valuing tangible assets include estimated determination of age, condition, remaining useful life, and estimated fair market value.

The preliminary estimated fair values of identifiable intangible assets, consisting of customer relationships, were determined with the assistance of a third-party valuation specialist. The fair values are based on inputs that are unobservable in the market and therefore represent Level 3 inputs. Preliminary fair values assigned to identifiable intangible assets were determined using the income approach which relies on the following assumptions: discount rate, customer attrition rates, EBITDA margin, and useful life of customer relationships. The analysis and related valuations reflect the conclusions of management. All estimates, key assumptions, and forecasts were either provided by or reviewed by the Company. Useful lives for identifiable intangible assets were determined based upon the income approach, which determines the remaining useful economic lives of the identifiable intangible assets that are expected to contribute directly or indirectly to future cash flows.

	Fair Value (in thousands)	Weighted Average Amortization Period (in years)
Customer relationships	\$ 14,340	6 years
Identifiable intangible assets	\$ 14,340	

The preliminary estimate for goodwill of \$34.4 million has been recognized for the business combination, representing the excess of the consideration given over the fair value of identifiable net assets acquired. The value of goodwill is derived from Pivot Onsite Innovations' future earnings potential and its assembled workforce. The amount of goodwill is expected to be deductible for tax purposes.

***Pro Forma Results***

The following unaudited consolidated pro forma financial results combine the historical results of Nova, Pivot Onsite Innovations and the Company to present the results as if the Nova and Pivot Onsite Innovations acquisitions had occurred on January 1, 2024. The pro forma information is presented for illustration purposes only and is not necessarily indicative of results of operations that would have been achieved had the acquisition occurred on that date, nor is it indicative of future results.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
	(unaudited) (in thousands)			
Total revenue	\$ 561,147	\$ 526,465	\$ 1,098,450	\$ 1,041,382
Net income attributable to the Company	\$ 46,401	\$ 53,486	\$ 90,829	\$ 103,762

The pro forma financial information is based on the preliminary allocation of the purchase price of the Nova and Pivot Onsite Innovations acquisitions and is therefore subject to adjustment upon finalizing the purchase price allocation, as described above, during the measurement period. The net income tax impact was calculated at the effective tax rate, as Nova and Pivot Onsite Innovations had been a subsidiary of the Company as of January 1, 2024.

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Unaudited)**

Pro forma results were adjusted to exclude acquisition-related expenses incurred by the Company that are directly attributable to the transactions. These excluded costs primarily consist of legal, advisory, and transaction-related compensation expenses that are nonrecurring in nature and not reflective of the ongoing operations of the combined business.

## 15. Derivative Instruments

The Company uses derivative instruments to manage its exposure to variable-rate debt indexed to 1-month Term SOFR, issued under its Tranche B-1 Term Loans drawn from the Company's Credit Agreement.

### *Derivative*

Certain information related to our derivatives contracts is presented below (in thousands):

	Effective Date	Notional Amount	Fixed Rate	Cap	Floor	Index	Actual Termination Date
Swap contracts	3/3/2025	\$ 300,000	3.829 %			USD-SOFR rate	2/29/2028
Collar contracts	3/3/2025	\$ 300,000	—	4.500 %	3.001 %	USD-SOFR rate	2/29/2028

### *Cash Flow Hedge Coverage*

The Company has entered into interest rate swap and collar agreements designated as cash flow hedges. These agreements are used to manage interest rate risk associated with a portion of the Company's floating-rate debt for periods not exceeding the next three years.

### *Deferred Hedging Gains and Losses on Cash Flow Hedges*

Based on our valuation at June 30, 2025 and assuming market rates remain constant through contract maturities, we expect transfers to earnings of the existing gains or losses reported in accumulated other comprehensive income on interest rate cash flow hedges during the next 12 months to correspond to the current and non-current assets and liabilities portion of the derivative as disclosed in Note 8—"Fair Value of Financial Instruments".

### *Derivative Impact on the Statements of Comprehensive Income*

The following table presents the pre-tax amounts of derivative gains or losses deferred into accumulated other comprehensive income and the income statement line item that will be affected when reclassified to earnings (in thousands):

Accumulated Other Comprehensive Income Component (OCI)	Location of Losses When Reclassified to Net Income/(Loss)	Three Months Ended June 30, 2025		Six Months Ended June 30, 2025	
		Gains/(Losses) Recognized in OCI Related to Derivatives Designated as Hedging Instruments			
Cash flow hedges:					
Swap contracts	Interest expense	\$	(1,871)	\$	(3,283)
Collar contracts	Interest expense		(956)		(1,840)
Total losses recognized in statements of comprehensive income		\$	(2,827)	\$	(5,123)

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Unaudited)**

***Derivative Impact on the Statements of Income***

The following tables present the pre-tax amounts of derivative gains or (losses) recorded to earnings and the affected income statement line items (in thousands):

	Three Months Ended June 30, 2025		Six Months Ended June 30, 2025	
	Interest expense			
Total amounts presented in the condensed consolidated statements of income in which the following effects were recorded				
Gains/(losses) related to derivatives designated as hedging instruments:				
Cash flow hedges <sup>(1)</sup> :				
Swap contracts	\$	376	\$	491
Collar contracts <sup>(2)</sup>		—		—
Total gains recognized in statements of income	\$	376	\$	491

(1) Represents the pre-tax amounts of derivative gains/(losses) reclassified from accumulated other comprehensive income to earnings.

(2) As of the reporting date, the 1-month Term SOFR remains within the specified cap strike and floor strike bands. Consequently, there are no payments required to be exchanged under this agreement.

**16. Accumulated Other Comprehensive Income**

The components of, and changes in, accumulated other comprehensive income, net of tax, were as follows (in thousands):

	Net Cash Flow Hedge Adjustments	
<b>Balance as of March 31, 2025</b>	\$	(1,722)
Net deferred (losses)/gains on cash flow hedges		(2,425)
Net deferred gains/(losses) on cash flow hedges reclassified to net income		284
<b>Balance as of June 30, 2025</b>	\$	(3,863)

  

	Net Cash Flow Hedge Adjustments	
<b>Balance as of December 31, 2024</b>	\$	—
Net deferred (losses)/gains on cash flow hedges		(4,233)
Net deferred gains/(losses) on cash flow hedges reclassified to net income		370
<b>Balance as of June 30, 2025</b>	\$	(3,863)

The gross amount and related tax benefit/(expense) recorded in, and associated with, each component of other comprehensive income were as follows (in thousands):

	Three Months Ended June 30, 2025			Six Months Ended June 30, 2025		
	Before Tax Amount	Tax	Net of Tax Amount	Before Tax Amount	Tax	Net of Tax Amount
Net deferred (losses)/gains on cash flow hedges	\$ (3,203)	\$ 778	\$ (2,425)	\$ (5,614)	\$ 1,381	\$ (4,233)
Net deferred gains/(losses) on cash flow hedges reclassified to net income	\$ 376	\$ (92)	\$ 284	\$ 491	\$ (121)	\$ 370



**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**(Unaudited)**

The amounts reclassified from accumulated other comprehensive income were as follows (in thousands):

Accumulated Other Comprehensive Income (OCI) Component	Affected Line Item in the Statements of Income	Three Months Ended June 30, 2025	Six Months Ended June 30, 2025
		Reclassified from Accumulated OCI to Earnings	
Gains/(losses) on cash flow hedges:			
Swap contract	Interest expense	\$ 376	\$ 491
Collar contract <sup>(1)</sup>	Interest expense	—	—
Gains/(losses) on hedges before income taxes		\$ 376	\$ 491
Income tax expense		(92)	(121)
Gains on hedges		\$ 284	\$ 370

(1) As of the reporting date, the 1-month Term SOFR remains within the specified cap strike and floor strike bands. Consequently, no amounts have been reclassified from OCI to earnings.

## 17. Subsequent Events

On August 6, 2025, the Board of Directors declared a cash dividend of \$0.0625 per share. The dividend will be payable August 28, 2025, to stockholders of record as of the close of business on August 21, 2025.

On July 4, 2025, the One Big Beautiful Bill Act (“OBBBA”) was enacted in the United States. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. We are currently assessing its impact on our unaudited condensed consolidated financial statements.

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read this discussion together with our unaudited condensed consolidated financial statements and accompanying notes.*

### Forward-Looking Statements

This report on Form 10-Q contains forward-looking statements within the meaning of the federal securities laws. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements may be identified by the use of words such as "plans," "expects," "will," "anticipates," "estimates" and other words of similar meaning in conjunction with, among other things: discussions of future operations; expected operating results and financial performance; impact of planned acquisitions and dispositions; our strategy for growth; product development activities; regulatory approvals; market position; market size and opportunity; expenditures; and the effects of the Separation on our business.

Because forward-looking statements are based on current beliefs, expectations and assumptions regarding future events, they are subject to risks, uncertainties and changes that are difficult to predict and many of which are outside of our control. You should realize that if underlying assumptions prove inaccurate, or known or unknown risks or uncertainties materialize, our actual results and financial condition could vary materially from expectations and projections expressed or implied in our forward-looking statements. You are therefore cautioned not to rely on these forward-looking statements. Risks and uncertainties include:

- The frequency of work-related injuries and illnesses;
- The adverse changes to our relationships with employer customers, third-party payors, workers' compensation provider networks or employer services networks;
- Changes to regulations, new interpretations of existing regulations, or violations of regulations;
- State fee schedule changes undertaken by state workers' compensation boards or commissions and other third-party payors;
- Our ability to realize reimbursement increases at rates sufficient to keep pace with the inflation of our costs;
- Labor shortages, increased employee turnover or costs, and union activity could significantly increase our operating costs;
- Our ability to compete effectively with other occupational health centers, onsite health clinics at employer worksites, and healthcare providers;
- A security breach of our, or our third-party vendors', information technology systems which may cause a violation of HIPAA and subject us to potential legal and reputational harm;
- Negative publicity which can result in increased governmental and regulatory scrutiny and possibly adverse regulatory changes;
- Significant legal actions could subject us to substantial uninsured liabilities;
- Litigation and other legal and regulatory proceedings in the course of our business that could adversely affect our business and financial statements;
- Insurance coverage may not be sufficient to cover losses we may incur;
- Acquisitions may use significant resources, may be unsuccessful, and could expose us to unforeseen liabilities;
- Our exposure to additional risk due to our reliance on third parties in many aspects of our business;
- Compliance with applicable laws regarding the corporate practice of medicine and therapy and fee-splitting;
- Our facilities are subject to extensive federal and state laws and regulations relating to the privacy of individually identifiable information;
- Compliance with applicable data interoperability and information blocking rule;
- Facility licensure requirements in some states are costly and time-consuming, limiting or delaying our operations;
- Our ability to adequately protect and enforce our intellectual property and other proprietary rights;

- Adverse economic conditions in the U.S. or globally;
- Any negative impact on the global economy and capital markets resulting from other geopolitical tensions;
- The impact of impairment of our goodwill and other intangible assets;
- Our ability to maintain satisfactory credit ratings;
- The effects of the Separation on our business;
- Our ability to achieve the expected benefits of and successfully execute the Separation and related transactions;
- Restrictions on our business, potential tax and indemnification liabilities and substantial charges in connection with the Separation and related transactions;
- The negative impact of public threats such as a global pandemic or widespread outbreak of an infectious disease similar to the COVID-19 pandemic;
- The loss of key members of our management team;
- Our ability to attract and retain talented, highly skilled employees and a diverse workforce, and on the succession of our senior management;
- Climate change, or legal, regulatory or market measures to address climate change;
- Increasing scrutiny and rapidly evolving expectations from stakeholders regarding ESG matters;
- Changes in tax laws or exposures to additional tax liabilities; and
- Changes to United States tariff and import/export regulations and the impact on global economic conditions may have a negative effect on our business, financial condition and results of operations.

You should also carefully read the risk factors described in our Annual Report on Form 10-K in Part I, Item 1A. “Risk Factors” for a description of certain risks that could, among other things, cause our actual results to differ materially from those expressed or implied in our forward-looking statements. You should understand that it is not possible to predict or identify all such factors and you should not consider the risks described above to be a complete statement of all potential risks and uncertainties. We do not undertake to publicly update any forward-looking statement that may be made from time to time, whether as a result of new information or future events or developments, except as required by law.

## Overview

We were founded in 1979 and have grown to be the largest provider of occupational health services in the United States by number of locations. Our national presence enables us to provide access to high-quality care that supports our mission to improve the health of America’s workforce. As of June 30, 2025, we operated 628 stand-alone occupational health centers in 41 states and 406 onsite health clinics at employer worksites in 43 states. We also have expanded our reach via our telemedicine program serving 43 states and the District of Columbia. In total, we deliver services across 47 states and the District of Columbia. Our patients are generally employed by our main customers — employers across the United States.

Our business is organized into three operating segments based primarily on the type or location of occupational health services provided:

- **Occupational health centers:** Our occupational health centers operating segment encompasses the occupational health services we deliver at our 628 occupational health center facilities across the United States. In this operating segment, we serve all types of employers, from Fortune 100 to small businesses. The occupational health services provided in this operating segment include workers’ compensation and employer services and we also provide consumer health services.
- **Onsite health clinics:** Our onsite health clinics operating segment delivers occupational health services and/or employer-sponsored primary care services at an employer’s workplace, including mobile health services and episodic specialty testing services — we deliver our services at 406 permanent on-site locations and multiple other employer locations through our episodic services. In this segment, we serve medium to large-sized employers.
- **Other businesses:** Our other businesses operating segment is comprised of several complementary services to our core occupational health services offering and includes Concentra Telemed, Concentra Pharmacy, and Concentra Medical Compliance Administration. In this operating segment, we serve all types of employers.

All three operating segments are aggregated into a single reportable segment in our condensed consolidated financial statements based on similar services provided, service delivery process involved, target customers, and similar economic characteristics.

The following table represents the percentage of revenue by our operating segments for the periods indicated:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Occupational health centers	94 %	95 %	94 %	95 %
Onsite health clinics	4 %	3 %	4 %	3 %
Other businesses	2 %	2 %	2 %	2 %

Across our operating segments, we offer a diverse and comprehensive array of occupational health services, including workers' compensation and employer services, and consumer health services:

- Workers' compensation services: include the support of workers' compensation injury, physical rehabilitation, and specialist care.
- Employer services: consist of drug and alcohol screenings, physical examinations and evaluations, clinical testing, and preventive care, as well as direct-to-employer services that include the services described above and advanced primary care at our onsite health clinics.
- Consumer health services: consist of the support of patient-directed urgent care treatment of injuries and illnesses.

The following table sets forth the percentage of our overall visits per day ("VPD") volume in our occupational health center operating segment by service offering, for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Workers' compensation services	45 %	45 %	45 %	45 %
Employer services	53 %	53 %	53 %	53 %
Consumer health services	2 %	2 %	2 %	2 %

The following table sets forth the percentage of visit-related revenue in our occupational health center operating segment by service offering, for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Workers' compensation services	64 %	64 %	64 %	64 %
Employer services	34 %	34 %	34 %	34 %
Consumer health services	2 %	2 %	2 %	2 %

## Significant Events

### *Nova Acquisition*

Effective March 1, 2025, the Company acquired Nova Medical Centers (“Nova”). CHSI entered into an equity purchase agreement to acquire all of the outstanding membership interests for a purchase price of \$265.0 million, subject to adjustment in accordance with the terms and conditions set forth in the purchase agreement. We financed the transaction using a combination of \$102.1 million of new debt financing under the Credit Agreement, \$50.0 million of available borrowing capacity under our existing Revolving Credit Facility, and the remaining with cash on hand.

Nova operates 67 occupational health centers in five states, providing workers’ compensation injury care services, physical therapy, drug and alcohol screening, and pre-employment physicals as part of their full suite of occupational health services.

### *Debt Financing*

On March 3, 2025, the Company completed an amendment to the Credit Agreement to increase our revolving credit facility by \$50.0 million from \$400.0 million to \$450.0 million. The interest rate for the revolving credit facility has been reduced from Term SOFR plus 2.50% to Term SOFR plus 2.00%, subject to a leverage-based pricing grid. In addition, the amendment to the Credit Agreement also added new debt through an incremental term loan of \$102.1 million, which provides an updated Term Loan of \$950.0 million. The Term Loan interest rate has been reduced from Term SOFR plus 2.25% down to Term SOFR plus 2.00%, subject to a leverage-based pricing grid including 25-basis point step down at a net leverage ratio of  $\leq 3.25\times$ .

### *Pivot Onsite Innovations Acquisition*

Effective June 1, 2025, the Company acquired Onsite Innovations, LLC (“Pivot Onsite Innovations”) from Pivot Occupational Health, LLC. CHSI entered into an equity purchase agreement to acquire all of the outstanding equity interests for a purchase price of \$54.4 million, subject to adjustment in accordance with the terms and conditions set forth in the purchase agreement. We financed the transaction using a combination of \$35.0 million of available borrowing capacity under our existing Revolving Credit Facility and the remaining with cash on hand.

Pivot Onsite Innovations operates over 240 onsite health clinics at employer locations in over 40 states, providing occupational health, wellness, prevention, and performance services. The acquisition enabled the Company to expand to over 400 onsite health clinics at employer worksites.

## Regulatory Changes

Our Annual Report on Form 10-K for the year ended December 31, 2024, filed with the SEC on March 3, 2025, contains a detailed discussion of the regulations that affect our business in Part I, Item I. Business—Government Regulations.

## Operating Metrics

Management utilizes specific key operating metrics to monitor trends and performance in our business and therefore may be important to investors because management may assess our performance based in part on such metrics. Other healthcare providers may present similar measures; however, these measures are susceptible to varying definitions and our key metrics may not be comparable to other similarly titled measures of other companies.

### *Patient Visits and Visits Per Day Volume*

We monitor the number of patient visits per day (“VPD”) volume for each of our major service lines in our occupational health center operating segment — workers’ compensation services, employer services, and consumer health. Management believes that the number of patient visits is the single most important indicator of the volume of services being provided in our centers. VPD volume, which is calculated as total patient visits in a given period divided by total business days for such period, allows for comparability between time periods with different number of business days. Patient visits and VPD volume include only the patients seen in our occupational health centers operating segment and does not include our onsite health clinics or other businesses operating segments.

### *Revenue Per Visit*

Management also measures reimbursement rates utilizing patient revenue per visit which is calculated as total patient revenue divided by total patient visits. Revenue per visit as reported includes only the revenue and patient visits in our occupational health centers operating segment and does not include our onsite health clinics or other businesses operating segments.

The following table sets forth operating statistics for our occupational health centers operating segment for the periods presented:

	Three Months Ended June 30,			Six Months Ended June 30,		
	2025	2024	% Change	2025	2024	% Change
<b>Number of patient visits</b>						
Workers’ compensation	1,589,981	1,455,254	9.3%	3,034,861	2,888,338	5.1%
Employer services	1,877,383	1,702,399	10.3%	3,573,795	3,361,690	6.3%
Consumer health	52,956	56,602	(6.4)%	116,032	119,882	(3.2)%
<b>Total</b>	<b>3,520,320</b>	<b>3,214,255</b>	<b>9.5%</b>	<b>6,724,688</b>	<b>6,369,910</b>	<b>5.6%</b>
<b>VPD Volume</b>						
Workers’ compensation	24,843	22,739	9.3%	23,897	22,565	5.9%
Employer services	29,334	26,600	10.3%	28,140	26,263	7.1%
Consumer health	827	884	(6.4)%	914	937	(2.5)%
<b>Total</b>	<b>55,005 (1)</b>	<b>50,223</b>	<b>9.5%</b>	<b>52,950 (1)</b>	<b>49,765</b>	<b>6.4%</b>
<b>Revenue per visit</b>						
Workers’ compensation	\$ 208.93	\$ 198.18	5.4%	\$ 209.00	\$ 196.75	6.2%
Employer services	92.85	90.05	3.1%	93.59	90.44	3.5%
Consumer health	135.52	135.49	—%	136.06	133.42	2.0%
<b>Total</b>	<b>\$ 145.92</b>	<b>\$ 139.81</b>	<b>4.4%</b>	<b>\$ 146.41</b>	<b>\$ 139.45</b>	<b>5.0%</b>
Business days	64	64		127	128	

(1) Does not total due to rounding.

### Facility Counts

The following table sets forth facility counts for our occupational health centers and onsite health clinics operating segments for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Number of occupational health centers—start of period	627	547	552	544
Number of occupational health centers acquired	—	—	72	2
Number of occupational health centers de novos	1	1	4	2
Number of occupational health centers closed/sold	—	(1)	—	(1)
Number of occupational health centers—end of period	628	547	628	547
Number of onsite health clinics operated—end of period	406	154	406	154

### Results of Operations

The following table outlines selected operating data as a percentage of revenue for the periods indicated:

(in thousands)	Three Months Ended June 30,			
	2025		2024	
	Amount	Percent <sup>(2)</sup>	Amount	Percent <sup>(2)</sup>
Revenue	\$ 550,785	100.0 %	\$ 477,915	100.0 %
Costs and expenses:				
Cost of services, exclusive of depreciation and amortization	389,334	70.7	339,273	71.0
General and administrative, exclusive of depreciation and amortization	52,931	9.6	36,828	7.7
Depreciation and amortization	18,998	3.4	17,870	3.7
Total costs and expenses	461,263	83.7	393,971	82.4
Other operating income	20	—	—	—
Income from operations	89,542	16.3	83,944	17.6
Other income and expense:				
Equity in losses of unconsolidated subsidiaries	—	—	(3,676)	(0.8)
Interest (expense) income	(28,193)	(5.1)	205	0.0
Interest expense on related party debt	—	—	(9,318)	(1.9)
Income before income taxes	61,349	11.1	71,155	14.9
Income tax expense	15,155	2.8	18,096	3.8
Net income	46,194	8.4	53,059	11.1
Less: net income attributable to non-controlling interests	1,634	0.3	1,322	0.3
Net income attributable to the Company	\$ 44,560	8.1 %	\$ 51,737	10.8 %
Adjusted EBITDA <sup>(1)</sup>	\$ 115,018	20.9 %	\$ 101,600	21.3 %
Adjusted Net Income Attributable to the Company <sup>(1)</sup>	\$ 47,717	8.7 %	\$ 51,454	10.8 %

(1) Adjusted EBITDA and Adjusted Net Income Attributable to the Company are financial measures not calculated in accordance with GAAP. For definitions and reconciliations to the GAAP measures, refer to “—Non-GAAP Measures”.

(2) Totals in this column may not foot due to rounding.

(in thousands)	Six Months Ended June 30,			
	2025		2024	
	Amount	Percent <sup>(2)</sup>	Amount	Percent <sup>(2)</sup>
Revenue	\$ 1,051,537	100.0 %	\$ 945,513	100.0 %
Costs and expenses:				
Cost of services, exclusive of depreciation and amortization	746,435	71.0	676,263	71.5
General and administrative, exclusive of depreciation and amortization	99,644	9.5	73,737	7.8
Depreciation and amortization	35,617	3.4	36,355	3.8
Total costs and expenses	881,696	83.8	786,355	83.1
Other operating income	20	—	284	0.0
Income from operations	169,861	16.2	159,442	16.9
Other income and expense:				
Loss on early retirement of debt	(875)	(0.1)	—	—
Equity in losses of unconsolidated subsidiaries	—	—	(3,676)	(0.4)
Interest (expense) income	(53,741)	(5.1)	94	0.0
Interest expense on related party debt	—	—	(19,289)	(2.0)
Income before income taxes	115,245	11.0	136,571	14.4
Income tax expense	28,409	2.7	33,233	3.5
Net income	86,836	8.3	103,338	10.9
Less: net income attributable to non-controlling interests	3,365	0.3	2,645	0.3
Net income attributable to the Company	\$ 83,471	7.9 %	\$ 100,693	10.6 %
Adjusted EBITDA <sup>(1)</sup>	\$ 217,677	20.7 %	\$ 197,742	20.9 %
Adjusted Net Income Attributable to the Company <sup>(1)</sup>	\$ 89,891	8.5 %	\$ 101,914	10.8 %

(1) Adjusted EBITDA and Adjusted Net Income Attributable to the Company are financial measures not calculated in accordance with GAAP. For definitions and reconciliations to the GAAP measures, refer to “—Non-GAAP Measures

(2) Totals in this column may not foot due to rounding.

### Three Months Ended June 30, 2025, Compared to Three Months Ended June 30, 2024

#### Revenue

Revenue increased 15.2% to \$550.8 million for the three months ended June 30, 2025, compared to \$477.9 million for the three months ended June 30, 2024, driven primarily by the increase in volume of patient visits and revenue per visit, as described below, and due to the addition of over 240 onsite locations that were acquired through acquisition in June 2025 and 72 occupational health centers that were acquired through acquisitions in March 2025.

Our total patient visits increased 9.5% to 3,520,320 for the three months ended June 30, 2025, compared to 3,214,255 visits for the three months ended June 30, 2024. Total VPD volume increased 9.5% to 55,005 for the three months ended June 30, 2025, compared to 50,223 for the three months ended June 30, 2024, primarily due to an increase in workers’ compensation and employer services visits. Workers’ compensation VPD volume increased 9.3% to 24,843 from 22,739 and employer services VPD volume increased 10.3% to 29,334 from 26,600, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024.

Revenue per visit increased 4.4% to \$145.92 for the three months ended June 30, 2025, compared to \$139.81 for the three months ended June 30, 2024. We experienced a higher revenue per visit principally due to increases in the reimbursement rates payable pursuant to certain state fee schedules for workers’ compensation visits, as well as increases in our employer services rates, for the three months ended June 30, 2025. Revenue per visit for workers’ compensation visits increased 5.4% to \$208.93 from \$198.18 and revenue per visit for employer services visits increased 3.1% to \$92.85 from \$90.05, for the three months ended June 30, 2025, compared to the three months ended June 30, 2024.



### ***Cost of Services***

Our cost of services expense includes all direct and indirect support costs related to providing services to our customers. Cost of services was \$389.3 million, or 70.7% of revenue, for the three months ended June 30, 2025, compared to \$339.3 million, or 71.0% of revenue, for the three months ended June 30, 2024. The percentage of revenue decreased primarily due to increased staffing efficiencies, relative to a 15.2% increase in revenue during the period.

### ***General and Administrative***

General and administrative expense includes corporate overhead such as finance, legal, human resources, marketing, corporate offices, and other administrative areas as well as executive compensation. Our general and administrative expenses were \$52.9 million, or 9.6% of revenue, for the three months ended June 30, 2025, compared to \$36.8 million, or 7.7% of revenue, for the three months ended June 30, 2024. The increase in general and administrative expense as a percentage of revenue is principally due to Nova and Pivot Onsite Innovations acquisition and transition costs, one-time costs to separate from Select, stock compensation expense, and the planned addition of new full-time employees and other personnel costs to support the separation from Select and operate as a standalone public company.

Excluding items that are added back for purposes of calculating Adjusted EBITDA, including stock compensation expense, acquisitions costs, and one-time separation transaction costs, general and administrative expenses were \$46.6 million for the three months ended June 30, 2025, or 8.5% of revenue, compared to 7.8% of revenue in the three months ended June 30, 2024. The year-over year increase in general and administrative expense burdening Adjusted EBITDA was primarily the result of the planned addition of new full-time employees and other personnel costs to support the separation from Select and operate as a standalone public company. Adjusted EBITDA is a financial measure not calculated in accordance with GAAP. For a definition and a reconciliation to net income, please see “—Non-GAAP Measures”.

### ***Depreciation and Amortization***

Depreciation and amortization expense was \$19.0 million for the three months ended June 30, 2025, or 3.4% of revenue compared to \$17.9 million for the three months ended June 30, 2024, or 3.7% of revenue. The increase was due to recent growth investments.

### ***Equity in Losses of Unconsolidated Subsidiaries***

For the three months ended June 30, 2025, we had no equity in losses of unconsolidated subsidiaries, compared to \$3.7 million for the three months ended June 30, 2024. The decrease in equity in losses is attributable to the impairment of an investment during the three months ended June 30, 2024.

### ***Interest (Expense) Income***

For the three months ended June 30, 2025, we had interest expense of \$28.2 million, compared to interest income of \$0.2 million for the three months ended June 30, 2024. The increase in interest expense was due to the issuance of an \$850.0 million term loan and \$650.0 million senior notes in July 2024, and due to the \$102.1 million of incremental term loan and \$85.0 million in borrowings on the revolving credit facility as of June 2025, as described in Note 6—“*Long-Term Debt*”.

### ***Interest Expense on Related Party Debt***

For the three months ended June 30, 2025, we had no interest expense on related party debt with Select, compared to \$9.3 million for the three months ended June 30, 2024. The decrease in interest expense on related party debt is due to the payoff of the revolving promissory note with Select during the three months ended December 31, 2024.

### ***Income Taxes***

We recorded income tax expense of \$15.2 million for the three months ended June 30, 2025, which represented an effective tax rate of 24.7%. We recorded income tax expense of \$18.1 million for the three months ended June 30, 2024, which represented an effective tax rate of 25.4%. Our income tax expense is computed based on annual estimates which we allocate throughout the year based on our income. This intra-period tax allocation may cause our effective tax rate to reflect variances when compared to the prior year as estimates of our annual income and the components of our income tax expense change throughout the year.

## **Six Months Ended June 30, 2025, Compared to Six Months Ended June 30, 2024**

### ***Revenue***

Revenue increased 11.2% to \$1,051.5 million for the six months ended June 30, 2025, compared to \$945.5 million for the six months ended June 30, 2024, driven primarily by the increase in volume of patient visits and revenue per visit, as described below, and due to the addition of over 240 onsite locations that were acquired through acquisition in June 2025 and 72 occupational health centers that were acquired through acquisitions in March 2025.

Our total patient visits increased 5.6% to 6,724,688 for the six months ended June 30, 2025, compared to 6,369,910 visits for the six months ended June 30, 2024. Total VPD volume increased 6.4% to 52,950 for the six months ended June 30, 2025, compared to 49,765 for the six months ended June 30, 2024, primarily due to an increase in workers' compensation and employer services visits. Workers' compensation VPD volume increased 5.9% to 23,897 from 22,565 and employer services VPD volume increased 7.1% to 28,140 from 26,263, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024.

Revenue per visit increased 5.0% to \$146.41 for the six months ended June 30, 2025, compared to \$139.45 for the six months ended June 30, 2024. We experienced a higher revenue per visit principally due to increases in the reimbursement rates payable pursuant to certain state fee schedules for workers' compensation visits, as well as increases in our employer services rates, for the six months ended June 30, 2025. Revenue per visit for workers' compensation visits increased 6.2% to \$209.00 from \$196.75 and revenue per visit for employer services visits increased 3.5% to \$93.59 from \$90.44, for the six months ended June 30, 2025, compared to the six months ended June 30, 2024.

### ***Cost of Services***

Our cost of services expense includes all direct and indirect support costs related to providing services to our customers. Cost of services was \$746.4 million, or 71.0% of revenue, for the six months ended June 30, 2025, compared to \$676.3 million, or 71.5% of revenue, for the six months ended June 30, 2024. The percentage of revenue decreased primarily due to increased staffing efficiencies, relative to an 11.2% increase in revenue during the period.

### ***General and Administrative***

General and administrative expense includes corporate overhead such as finance, legal, human resources, marketing, corporate offices, and other administrative areas as well as executive compensation. Our general and administrative expenses were \$99.6 million, or 9.5% of revenue, for the six months ended June 30, 2025, compared to \$73.7 million, or 7.8% of revenue, for the six months ended June 30, 2024. The increase in general and administrative expense as a percentage of revenue is principally due to Nova and Pivot Onsite Innovations acquisition and transition costs, one-time costs to separate from Select, stock compensation expense, and the planned addition of new full-time employees and other personnel costs to support the separation from Select and operate as a standalone public company.

Excluding items that are added back for purposes of calculating Adjusted EBITDA, including stock compensation expense, acquisitions costs, and one-time separation transaction costs, general and administrative expenses was \$87.6 million for the six months ended June 30, 2025, or 8.3% of revenue, compared to 7.6% of revenue in the six months ended June 30, 2024. The year-over-year increase in general and administrative expense burdening Adjusted EBITDA was primarily the result of the planned addition of new full-time employees and other personnel costs to support the separation from Select and operate as a standalone public company. Adjusted EBITDA is a financial measure not calculated in accordance with GAAP. For a definition and a reconciliation to net income, please see "—Non-GAAP Measures".

### ***Depreciation and Amortization***

Depreciation and amortization expense was \$35.6 million for the six months ended June 30, 2025, compared to \$36.4 million for the six months ended June 30, 2024. The decrease was due to an intangible asset fully amortizing in June 2024, offset by recent growth investments.

### ***Equity in Losses of Unconsolidated Subsidiaries***

For the six months ended June 30, 2025, we had no equity in losses of unconsolidated subsidiaries, compared to \$3.7 million for the six months ended June 30, 2024. The decrease in equity in losses is attributable to the impairment of an investment during the six months ended June 30, 2024.

### ***Interest (Expense) Income***

For the six months ended June 30, 2025, we had interest expense of \$53.7 million, compared to interest income of \$0.1 million for the six months ended June 30, 2024. The increase in interest expense was due to the issuance of an \$850.0 million term loan and \$650.0 million senior notes in July 2024, and due to the \$102.1 million of incremental term loan and \$85.0 million in borrowings on the revolving credit facility as of June 2025, as described in Note 6, *Long-Term Debt*.

### ***Interest Expense on Related Party Debt***

For the six months ended June 30, 2025, we had no interest expense on our related party debt with Select, compared to \$19.3 million for the six months ended June 30, 2024. The decrease in interest expense on related party debt is due to the payoff of the revolving promissory note with Select during the three months ended December 31, 2024.

### ***Income Taxes***

We recorded income tax expense of \$28.4 million for the six months ended June 30, 2025, which represented an effective tax rate of 24.7%. We recorded income tax expense of \$33.2 million for the six months ended June 30, 2024, which represented an effective tax rate of 24.3%. Our income tax expense is computed based on annual estimates which we allocate throughout the year based on our income. This intra-period tax allocation may cause our effective tax rate to reflect variances when compared to the prior year as estimates of our annual income and the components of our income tax expense change throughout the year.

## Non-GAAP Measures

### Adjusted EBITDA and Adjusted EBITDA Margin

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 condensed 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, 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.

The following table reconciles net income to Adjusted EBITDA and net income margin to Adjusted EBITDA margin and should be referenced when we discuss Adjusted EBITDA and Adjusted EBITDA margin.

(\$ in thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
	Amount	% of Revenue <sup>(2)</sup>	Amount	% of Revenue <sup>(2)</sup>	Amount	% of Revenue <sup>(2)</sup>	Amount	% of Revenue <sup>(2)</sup>
<b>Reconciliation of Adjusted EBITDA:</b>								
Net income	\$ 46,194	8.4 %	\$ 53,059	11.1 %	\$ 86,836	8.3 %	\$ 103,338	10.9 %
<b>Add (Subtract):</b>								
Income tax expense	15,155	2.8	18,096	3.8	28,409	2.7	33,233	3.5
Interest expense (income)	28,193	5.1	(205)	0.0	53,741	5.1	(94)	0.0
Interest expense on related party debt	—	—	9,318	1.9	—	—	19,289	2.0
Equity in losses of unconsolidated subsidiaries	—	—	3,676	0.8	—	—	3,676	0.4
Loss on early retirement of debt	—	—	—	—	875	0.1	—	—
Stock compensation expense	2,285	0.4	166	0.0	4,554	0.4	332	0.0
Depreciation and amortization	18,998	3.4	17,870	3.7	35,617	3.4	36,355	3.8
Separation transaction costs <sup>(1)</sup>	1,360	0.2	(380)	(0.1)	1,675	0.2	1,613	0.2
Nova and Pivot Onsite Innovations acquisition costs	2,833	0.5	—	—	5,970	0.6	—	—
<b>Adjusted EBITDA</b>	<b>\$ 115,018</b>	<b>20.9 %</b>	<b>\$ 101,600</b>	<b>21.3 %</b>	<b>\$ 217,677</b>	<b>20.7 %</b>	<b>\$ 197,742</b>	<b>20.9 %</b>

(1) Separation transaction costs represent non-recurring incremental consulting, legal, audit-related fees, system implementation, and software disposal costs incurred in connection with the Company's separation into a new, publicly traded company and are included within general and administrative expenses on the condensed consolidated statements of operations.

(2) Does not total due to rounding.

### Adjusted Net Income Attributable to the Company and Adjusted Earnings per Share

Adjusted Net Income Attributable to the Company and Adjusted Earnings per Share are used by management to provide useful insight into the underlying performance of our business. Adjusted Net Income Attributable to the Company and Adjusted Earnings per Share are not measures of financial performance under U.S. GAAP and are not intended to be substitutes for U.S. GAAP measures such as net income or earnings per share. These metrics may differ from similarly titled metrics supported by other companies. Concentra believes that the presentation of Adjusted Net Income Attributable to the Company and Adjusted Earnings per Share are important to investors because they are reflective of the financial performance of Concentra's ongoing operations and provide better comparability of its results of operations between periods. Investors should consider these measures in addition to, and not as a replacement for, U.S. GAAP results reported in our financial statements.

We define Adjusted Net Income Attributable to the Company as net income attributable to the Company, excluding gain (loss) on early retirement of debt, separation transaction costs, acquisition costs, gain (loss) on sale of businesses, and other non-recurring costs not directly tied to operating performance, all on an after tax basis. We define Adjusted Earnings per Share as the Adjusted Net Income Attributable to the Company divided by the diluted weighted average shares outstanding.

The following table reconciles net income attributable to the Company and earnings per share on a fully diluted basis to Adjusted Net Income Attributable to the Company and Adjusted Earnings per Share on a fully diluted basis.

(\$ in thousands, except per share amounts)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	Per Share	2024	Per Share <sup>(4)</sup>	2025	Per Share	2024	Per Share <sup>(4)</sup>
<b>Reconciliation of Adjusted Net Income Attributable to the Company:<sup>(1)</sup></b>								
Net income attributable to the Company	\$ 44,560	\$ 0.35	\$ 51,737	\$ 0.50	\$ 83,471	\$ 0.65	\$ 100,693	\$ 0.97
<b>Adjustments:</b>								
Loss on early retirement of debt	—	—	—	—	875	0.01	—	—
Separation transaction costs <sup>(2)</sup>	1,360	0.01	(380)	0.00	1,675	0.01	1,613	0.02
Nova and Pivot Onsite Innovations acquisition costs	2,833	0.02	—	—	5,970	0.05	—	—
Total additions, net	\$ 4,193	\$ 0.03	\$ (380)	\$ 0.00	\$ 8,520	\$ 0.07	\$ 1,613	\$ 0.02
Less: tax effect of adjustments <sup>(3)</sup>	(1,036)	(0.01)	97	0.00	(2,100)	(0.02)	(392)	0.00
<b>Adjusted Net Income Attributable to the Company</b>	<b>\$ 47,717</b>	<b>\$ 0.37</b>	<b>\$ 51,454</b>	<b>\$ 0.49</b>	<b>\$ 89,891</b>	<b>\$ 0.70</b>	<b>\$ 101,914</b>	<b>\$ 0.98</b>
Weighted average shares outstanding - diluted		128,171		104,094		128,159		104,094

(1) As of June 30, 2025, we updated the schedule for all periods presented to include Net Income Attributable to the Company. Management believes this measure will provide an improved insight into the performance of our business.

(2) Separation transaction costs represent non-recurring incremental consulting, legal, audit-related fees, system implementation, and software disposal costs incurred in connection with the Company's separation into a new, publicly traded company and are included within general and administrative expenses on the condensed consolidated statements of operations.

(3) Tax impact is calculated using the annual effective tax rate, excluding discrete costs and benefits.

(4) Does not total due to rounding.

## Liquidity and Capital Resources

### Cash Flows for the Six Months Ended June 30, 2025 and Six Months Ended June 30, 2024

In the following table and analysis, we discuss cash flows from operating activities, investing activities, and financing activities for the periods indicated:

	Six Months Ended June 30,	
	2025	2024
	(in thousands)	
Net cash provided by operating activities	\$ 100,078	\$ 115,055
Net cash used in investing activities	(374,257)	(37,615)
Net cash provided by (used in) financing activities	164,796	(58,145)
Net (decrease) increase in cash	(109,383)	19,295
Cash at beginning of period	183,255	31,374
Cash at end of period	\$ 73,872	\$ 50,669

Operating activities provided \$100.1 million and \$115.1 million of cash flows during the six months ended June 30, 2025 and 2024, respectively. The decrease in cash flows from operating activities for the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, was primarily due to an increase in interest payments following the recapitalization of debt in July 2024.

Investing activities used \$374.3 million and \$37.6 million of cash flows for the six months ended June 30, 2025 and 2024, respectively. For the six months ended June 30, 2025, the principal uses of cash were \$41.0 million for purchases of property and equipment under our capital program to open de novos, upgrade and maintain existing facilities, Nova start-up capital, and technology investments, and \$333.3 million for acquisitions of businesses, which primarily includes the purchase of Nova and Pivot Onsite Innovations. For the six months ended June 30, 2024, the principal uses of cash were \$32.5 million for purchases of property and equipment and \$5.1 million for acquisitions of businesses.

Financing activities provided \$164.8 million and used \$58.1 million of cash flows for the six months ended June 30, 2025 and 2024, respectively. For the six months ended June 30, 2025, the principal sources of cash were due to the updated term loan, net of issuance costs of \$948.8 million and from borrowings on our Revolving Credit Facility of \$85.0 million. This was partially offset by payment of the original term loan of \$850.3 million and dividend payment of \$16.0 million to shareholders. For the six months ended June 30, 2024, the principal uses of cash were \$50.0 million of net repayments on our related party revolving promissory note, distributions to Select of \$7.7 million for income tax adjustments relating to the application of the separate return methodology, and principal payments on other debt of \$4.4 million, partially offset by \$6.6 million in borrowings of other debt.

### Capital Resources

We had net working capital of \$60.1 million at June 30, 2025, compared to net working capital of \$130.0 million at December 31, 2024. The decrease in the net working capital surplus was principally due to a decrease in our cash, which resulted from the Nova acquisition in March 2025 and Pivot Onsite Innovations acquisition in June 2025. On March 1, 2025, we acquired Nova and financed the transaction using a combination of \$102.1 million of new debt financing under the Credit Agreement, \$50.0 million of available borrowing capacity under our existing Revolving Credit Facility, and the remaining with cash on hand. On June 1, 2025, we acquired Pivot Onsite Innovations and financed the transaction using a combination of \$35.0 million of available borrowing capacity under our existing Revolving Credit Facility and the remaining with cash on hand.

A significant component of our net working capital is our accounts receivable. Collection of these accounts receivable is our primary source of cash and is critical to our liquidity and capital resources. Because our accounts receivable is primarily paid for by highly-solvent, creditworthy payors, such as workers' compensation programs, employer programs, third party administrators, commercial insurance companies, and federal and state governmental authorities, our credit losses have historically been infrequent and insignificant in nature, and we believe the possibility of credit default is remote.

### ***Credit Facilities***

On July 26, 2024, Concentra Health Services, Inc. (“CHSI”), a wholly-owned subsidiary of Concentra, entered into a senior secured credit agreement (the “Credit Agreement”) that provided for an \$850.0 million term loan (the “Term Loan”), and a \$400.0 million revolving credit facility, including a \$75.0 million sublimit for the issuance of standby letters of credit (the “Revolving Credit Facility” and, together with the Term Loan, the “Credit Facilities”). In March 2025, the Company completed an amendment to the Credit Agreement to increase our Revolving Credit Facility by \$50.0 million from \$400.0 million to \$450.0 million. The interest rate for the Revolving Credit Facility has been reduced from Term SOFR plus 2.50% to Term SOFR plus 2.00%, subject to a leverage-based pricing grid. In addition, the amendment to the Credit Agreement also added new debt through an incremental term loan of \$102.1 million, which provides an updated Term Loan of \$950.0 million. The Term Loan interest rate has been reduced from Term SOFR plus 2.25% down to Term SOFR plus 2.00%, subject to a leverage-based pricing grid including 25-basis point step down at a net leverage ratio of  $\leq 3.25\times$ .

At June 30, 2025, the Company had \$342.8 million of availability under its Revolving Credit Facility after giving effect to \$85.0 million of borrowings under the Revolving Credit Facility and \$22.2 million of outstanding letters of credit.

The Credit Facilities require CHSI to maintain a leverage ratio (as defined in the Credit Agreement), which is tested quarterly and currently must not be greater than 6.50 to 1.00. As of June 30, 2025, our leverage ratio was 3.8x.

### ***Hedging***

On March 3, 2025 we entered into derivative swap and collar contracts to mitigate our exposure to variable Term SOFR interest rates, which expire on February 29, 2028. The derivative swap contract limits the Term SOFR rate to a fixed rate of 3.829% on \$300.0 million of principal outstanding under our term loan. We also entered into a derivative collar contract, which limits the Term SOFR rate to a cap of 4.500% and floor of 3.001% on \$300.0 million of principal outstanding under our term loan. These derivative contracts limit our Term SOFR variable interest exposure on our \$947.6 million term loan and \$85.0 million of borrowings under the Revolving Credit Facility.

### ***Liquidity***

We believe our internally generated cash flows and borrowing capacity under our Revolving Credit Facility will allow us to finance our operations in both the short and long term. As of June 30, 2025, we had cash of \$73.9 million and \$342.8 million of availability under the Revolving Credit Facility, after giving effect to \$85.0 million of borrowings under the Revolving Credit Facility and \$22.2 million of outstanding letters of credit.

We may from time to time seek to retire or purchase our outstanding debt through cash purchases and/or exchanges for equity securities, in open market purchases, privately negotiated transactions, tender offers or otherwise. Such repurchases or exchanges, if any, may be funded from operating cash flows or other sources and will depend on prevailing market conditions, our liquidity requirements, contractual restrictions and other factors. The amounts involved may be material.

### ***Use of Capital Resources***

We intend to grow through strategic acquisitions of existing occupational health centers and onsite health clinic platforms, as well as building new de novo centers.

### ***Dividend***

On February 28, 2025 and May 6, 2025, our Board of Directors declared a cash dividend of \$0.0625 per share. On April 1, 2025 and May 29, 2025, cash dividends totaling \$8.0 million and \$8.0 million were paid.

On August 6, 2025, our Board of Directors declared a cash dividend of \$0.0625 per share. The dividend will be payable on or about August 28, 2025, to stockholders of record as of the close of business on August 21, 2025.

There is no assurance that future dividends will be declared. The declaration and payment of dividends in the future are at the discretion of our Board of Directors after taking into account various factors, including, but not limited to, our financial condition, operating results, available cash and current and anticipated cash needs, the terms of our indebtedness, and other factors our Board of Directors may deem to be relevant. Additionally, certain contractual agreements we are party to, including our credit facilities will limit our ability to pay dividends to our stockholders.

### ***Recent Accounting Pronouncements***

Refer to Note 2— “*Accounting Policies*” of the notes to our condensed consolidated financial statements included herein for information regarding recent accounting pronouncements.

### **Effects of Inflation**

The healthcare industry is labor intensive and our largest expenses are labor related costs. Wage and other expenses increase during periods of inflation and when labor shortages occur in the marketplace. There has been minimal inflationary impact on our businesses thus far.

### **ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are subject to interest rate risk in connection with our variable rate long-term indebtedness. Our principal interest rate exposure relates to the loans outstanding under our credit facilities, which bear interest rates that are indexed against Term SOFR.

At June 30, 2025, we had outstanding borrowings under our credit facilities consisting of a \$947.6 million term loan (excluding unamortized original issue discounts and debt issuance costs of \$12.6 million) and \$85.0 million of borrowings under our Revolving Credit Facility, which bear interest at variable rates.

In order to mitigate our exposure to rising interest rates, we entered into a derivative swap contract effective on March 3, 2025, which limits the Term SOFR rate to a fixed rate of 3.829% on \$300 million of principal outstanding under our term loan. The agreement applies to interest payments through February 29, 2028.

In addition, we entered into a derivative collar contract effective on March 3, 2025, which limits the Term SOFR rate to a cap of 4.500% and floor of 3.001% on \$300 million of principal outstanding under our term loan. The agreement applies to interest payments through February 29, 2028.

As of June 30, 2025, the Term SOFR rate was 4.32% and we had \$647.6 million of term loan borrowings and \$85.0 million of Revolving Credit Facility, which would be subject to variable interest rates.

At June 30, 2025, each 0.25% increase in market interest rates will impact the annual interest expense on our variable rate debt by \$1.6 million per year. Each subsequent 0.25% increase in market interest rates will impact the annual interest expense on our variable rate debt by \$1.1 million per year.



## **ITEM 4. CONTROLS AND PROCEDURES**

### **Evaluation of Disclosure Controls and Procedures**

We carried out an evaluation, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934) as of the end of the period covered in this report. Based on this evaluation, as of June 30, 2025, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures, including the accumulation and communication of disclosure to our principal executive officer and principal financial officer as appropriate to allow timely decisions regarding disclosure, are effective to provide reasonable assurance that material information required to be included in our periodic SEC reports is recorded, processed, summarized, and reported within the time periods specified in the relevant SEC rules and forms.

### **Changes in Internal Control over Financial Reporting**

There was no change in our internal control over financial reporting (as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934) identified in connection with the evaluation required by Rule 13a-15(d) of the Securities Exchange Act of 1934 that occurred during the second quarter ended June 30, 2025, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

### **Inherent Limitations on Effectiveness of Controls**

It should be noted that any system of controls, however well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the system will be met. In addition, the design of any control system is based in part upon certain assumptions about the likelihood of future events. Because of these and other inherent limitations of control systems, there is only reasonable assurance that our controls will succeed in achieving their goals under all potential future conditions.

## **PART II: OTHER INFORMATION**

### **ITEM 1. LEGAL PROCEEDINGS**

Refer to the “*Litigation*” section contained within Note 12—“*Commitments and Contingencies*” of the notes to our condensed consolidated financial statements included herein.

### **ITEM 1A. RISK FACTORS**

There have been no material changes from our risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2024 and our Quarterly Report on Form 10-Q for the three months ended March 31, 2025.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

None.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

Not applicable.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

### **ITEM 5. OTHER INFORMATION**

#### **Rule 10b5-1 Trading Plans**

On May 28, 2025, the Rocco A. Ortenzio Trust FBO Robert Ortenzio DTD 10/26/2024 and another affiliated trust, for which Robert Ortenzio, the Company’s Executive Chairman and director, is a trustee, entered into a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. The plan provides for the sale, subject to certain price limits, of up to 780,000 shares of common stock for the Rocco A. Ortenzio Trust FBO Robert Ortenzio DTD 10/26/2024, and of up to 320,000 shares for the affiliated trust. Such plan will expire on August 31, 2026, subject to early termination in accordance with the terms of the plan.

**ITEM 6. EXHIBITS**

Number	Description
2.1	<a href="#">Equity Purchase Agreement, dated April 18, 2025, by and between Concentra Health Services, Inc. and Pivot Occupational Health, LLC., filed as Exhibit 2.1 to the Current Report on Form 8-K filed by Concentra Group Holdings Parent, Inc. with the Commission on April 21, 2025, and incorporated herein by reference.</a>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Concentra Group Holdings Parent, Inc., effective as of July 26, 2024, filed as Exhibit 3.1 to the Current Report on Form 8-K filed by Concentra Group Holdings Parent, Inc. with the Commission on August 1, 2024, and incorporated herein by reference.</a>
3.2	<a href="#">Amended and Restated Bylaws of Concentra Group Holdings Parent, Inc., effective as of July 26, 2024, filed as Exhibit 3.2 to the Current Report on Form 8-K filed by Concentra Group Holdings Parent, Inc. with the Commission on August 1, 2024, and incorporated herein by reference.</a>
31.1*	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
31.2*	<a href="#">Certification of President and Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</a>
32.1*	<a href="#">Certification of Chief Executive Officer, and President and Chief Financial Officer pursuant Section 906 of the Sarbanes-Oxley Act of 2002.</a>
101.INS*	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

\* Filed herewith

† Indicates a management contract or compensatory plan or arrangement

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

**CONCENTRA GROUP HOLDINGS PARENT, INC.**

Dated: August 7, 2025

By: /s/ Matthew T. DiCanio  
Matthew T. DiCanio  
President and Principal Financial Officer  
(Duly Authorized Officer)

Dated: August 7, 2025

By: /s/ Su Zan Nelson  
Su Zan Nelson  
Executive Vice President, Chief Accounting Officer  
(Principal Accounting Officer)

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**CERTIFICATIONS PURSUANT TO SECTION 302 OF**  
**THE SARBANES-OXLEY ACT OF 2002**  
**CERTIFICATION**

I, William K. Newton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Concentra Group Holdings Parent, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ William K. Newton

William K. Newton

*Chief Executive Officer*

**CONCENTRA GROUP HOLDINGS PARENT, INC.**  
**CERTIFICATIONS PURSUANT TO SECTION 302 OF**  
**THE SARBANES-OXLEY ACT OF 2002**  
**CERTIFICATION**

I, Matthew T. DiCanio, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Concentra Group Holdings Parent, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 7, 2025

/s/ Matthew T. DiCanio

Matthew T. DiCanio

*President and Chief Financial Officer*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Concentra Group Holdings Parent, Inc. (the “Company”) for the period ended June 30, 2025 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, William K. Newton and Matthew T. DiCanio, Chief Executive Officer and President and Chief Financial Officer, respectively, of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods expressed in the Report.

August 7, 2025

/s/ William K. Newton

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William K. Newton

*Chief Executive Officer*

/s/ Matthew T. DiCanio

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Matthew T. DiCanio

*President and Chief Financial Officer*