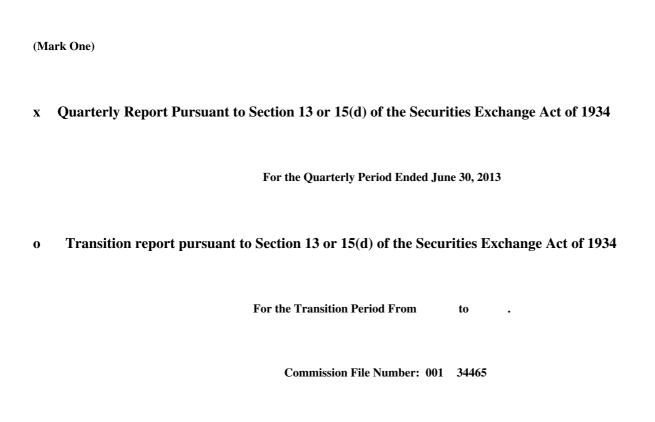
SELECT MEDICAL HOLDINGS CORP Form 10-Q August 08, 2013 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q



SELECT MEDICAL HOLDINGS CORPORATION

(Exact name of Registrant as specified in its charter)

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Delaware (State or other jurisdiction of incorporation or organization)

20-1764048 (I.R.S. employer identification number)

4714 Gettysburg Road, P.O. Box 2034, Mechanicsburg, Pennsylvania 17055

(Address of principal executive offices and zip code)

(717) 972-1100

(Registrant s telephone number, including area code)

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 the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES x NO o

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

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

Large accelerated filer o Accelerated filer x Non-accelerated filer o

Smaller reporting company o

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES o NO x

As of July 31, 2013, the Company had outstanding 139,625,565 shares of common stock.

Unless the context indicates otherwise, any reference in this report to Holdings refers to Select Medical Holdings Corporation and any reference to Select refers to Select Medical Corporation, the wholly-owned operating subsidiary of Holdings. References to the Company, we, us, and refer collectively to Select Medical Holdings Corporation and Select Medical Corporation.

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PART I FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance Sheets

(unaudited)

(in thousands, except share and per share amounts)

	I	Select Medical Holdings Corporation December 31, June 30, 2012 2013			Select Medical December 31, 2012			1 Corporation June 30, 2013	
ASSETS									
Current Assets:									
Cash and cash equivalents	\$	40,144	\$	8,768	\$	40,144	\$	8,768	
Accounts receivable, net of allowance for									
doubtful accounts of \$41,854 and \$43,066 at									
2012 and 2013, respectively		359,929		427,191		359,929		427,191	
Current deferred tax asset		17,877		14,850		17,877		14,850	
Prepaid income taxes		3,895		12,219		3,895		12,219	
Other current assets		31,818		38,077		31,818		38,077	
Total Current Assets		453,663		501,105		453,663		501,105	
Property and equipment, net		501,552		498,808		501,552		498,808	
Goodwill		1,640,534		1,641,796		1,640,534		1,641,796	
Other identifiable intangibles		71,745		71,713		71,745		71,713	
Other assets		93,867		131,633		92,819		131,633	
Total Assets	\$	2,761,361	\$	2,845,055	\$	2,760,313	\$	2,845,055	
LIABILITIES AND EQUITY									
Current Liabilities:									
Bank overdrafts	\$	17,836	\$	19,461	\$	17,836	\$	19,461	
Current portion of long-term debt and notes									
payable		11,646		13,230		11,646		13,230	
Accounts payable		89,547		86,914		89,547		86,914	
Accrued payroll		88,586		76,289		88,586		76,289	
Accrued vacation		55,714		60,304		55,714		60,304	
Accrued interest		22,016		9,057		18,759		9,057	
Accrued other		102,040		94,127		107,280		94,127	
Due to third party payors		1,078		6,295		1,078		6,295	
Total Current Liabilities		388,463		365,677		390,446		365,677	
Long-term debt, net of current portion		1,458,597		1,517,728		1,291,297		1,517,728	
Non-current deferred tax liability		89,510		89,676		89,510		-,5-17,7-20	