

**BANK OF AMERICA
MERRILL LYNCH
HEALTHCARE CONFERENCE
MAY 10-12, 2016**



Forward-Looking Statements



This presentation may contain forward-looking statements based on current management expectations. Numerous factors, including those related to market conditions and those detailed from time-to-time in the Company's filings with the Securities and Exchange Commission, may cause results to differ materially from those anticipated in the forward-looking statements. Many of the factors that will determine the Company's future results are beyond the ability of the Company to control or predict. These statements are subject to risks and uncertainties and, therefore, actual results may differ materially. Readers should not place undue reliance on forward-looking statements, which reflect management's views only as of the date hereof. The Company undertakes no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise. All references to "Select" used throughout this presentation refer to Select Medical Holdings Corporation and its subsidiaries.

Select Medical Overview



Founded in 1996

\$4.0 Billion Net Revenue LTM Q1 '16

\$429 Million Adjusted EBITDA LTM Q1 '16⁽¹⁾

10.6% Adjusted EBITDA Margins

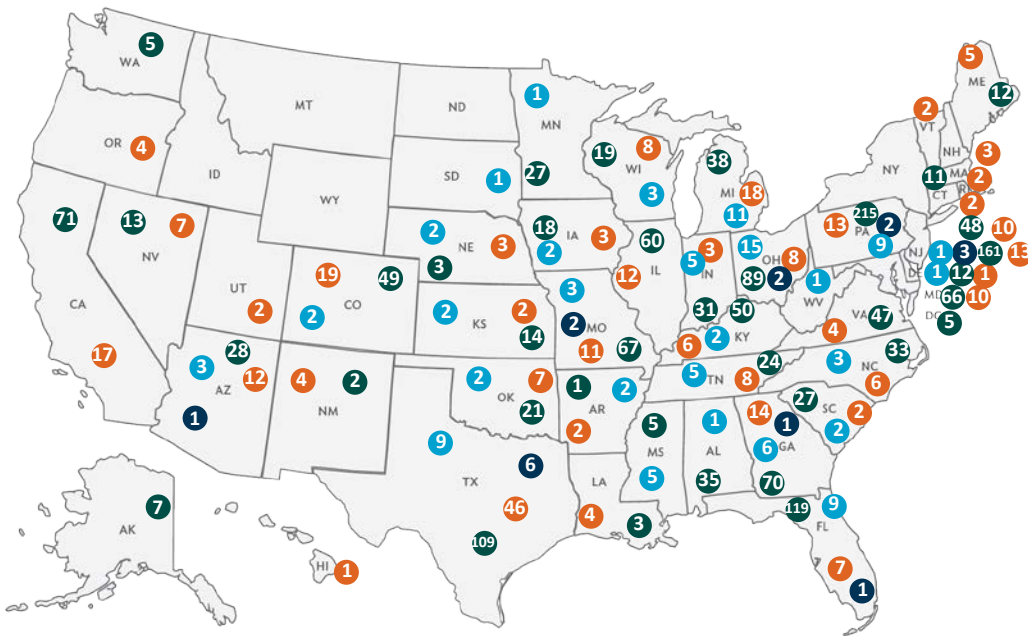
SCALE AND EXPERTISE

Leading provider of post-acute services with operations in 46 states and D.C.



Headquartered in Mechanicsburg, Pennsylvania, Select Medical employs approximately 41,500 staff in the United States.

Select Medical's National Footprint



109 Long-Term Acute Care Hospitals (LTACH)
(27 States)



18 Inpatient Rehabilitation Hospitals
(8 States)



1,615 Outpatient Rehabilitation Centers
(37 States and D.C.)



301 Concentra Centers
(38 States)

As of 3/31/16

First Quarter 2016 Performance



- Net Revenue \$1.088B – 36.8% YOY Growth
- Adjusted EBITDA \$128.6M – 30.0% YOY Growth
- EPS \$0.42 (includes one-time gains and losses net of tax totaling \$0.19) Adjusted EPS⁽¹⁾ \$0.23

(1) See SEM earnings press release dated May 5, 2016 for reconciliation of EPS to Adjusted EPS

Recent Developments



Physiotherapy Acquisition (“Physio”)

- March 2016 acquired Physiotherapy Associates for \$408.7 million
- 2015 Adjusted EBITDA of \$32.7 million and expected synergies of \$20.4 million
- 547 outpatient rehab clinics and 27 orthotic and prosthetic clinics

Recent Developments



Sale of Contract Therapy Business

- On March 31, 2016, completed the sale for \$65.0 million
- LTM Q1 '16 Adjusted EBITDA of \$6.7 million; margin 4.6%

Recent Developments



Kindred Hospital Swaps

- In February, agreement with Kindred to swap 5 LTACs with 233 beds to Kindred in exchange for 4 LTACs with 287 beds.
- Select to receive the following hospitals: two in Cleveland, one in Atlanta, and one in Indiana
- Kindred to receive the following hospitals: two in Colorado, one in Indianapolis, one in Houston, and one in San Antonio

Concentra



- Acquired from Humana in June 2015 in partnership with WCAS
- The leading provider of occupational health with 464 locations across 43 states
 - **Centers:** 301 occupational health locations, with some consumer health
 - **Onsite Clinics:** 130 locations at employer locations
 - **CBOCs:** 33 Community Based Outpatient Clinics serving Veterans Health Administration patients

Post-Acquisition Update

- **Management transition**
- **Q1 2016**
 - Revenue = \$250.9 million
 - Adjusted EBITDA = \$34.2 million
 - Adjusted EBITDA margin = 13.6%
- **Synergy savings on schedule**



Status of LTACHs in Criteria



# of Hospitals	53
Post-Criteria Hospitals >= to pre-criteria census ¹	21
Post-Criteria Hospitals <= to pre-criteria census ¹	32
% of total compliant patients to total patients	89.3%

Key Volume Indicators

	Total
Total Post-Criteria ADC	1,469.8
% change in ADC Pre-Post	-(3.9%)
Daily Patient Impact	-(59.6)
Avg. Patient Impact per hospital/day	(1.1)

Key Pricing Indicators from Sample

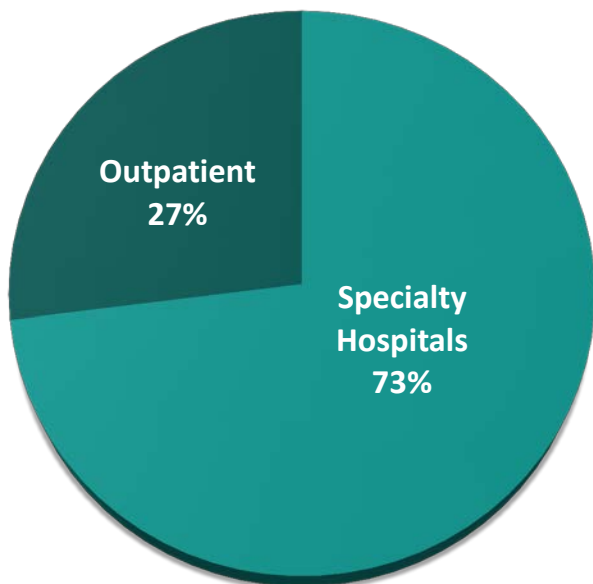
Medicare CMI change from non-compliance (pre-criteria) to compliant (post-criteria)	30 pts ²
Non-compliant CMI: 0.99	
DRG Payment: \$40k x .99	\$40K
Impact of a 30% Increase in CMI Index	
Compliant CMI: 1.29	
DRG Payment: \$40k x 1.29	\$52K
Pricing Impact:	~30% ³

1. Comparison of ADC 3 months prior to enter criteria; the post criteria data is up through March 31, 2016.
2. The 30 pt increase is the approximate average increase in the CMI index.
3. The pricing impact is calculated as a percentage change between the DRG payment for noncompliant and compliant patients.

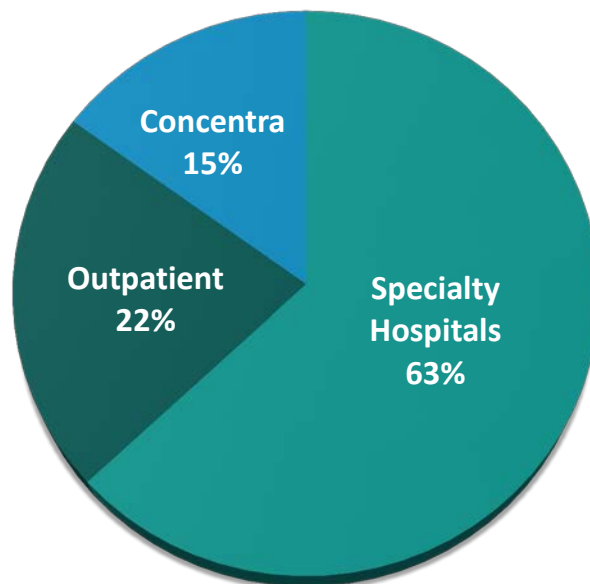
Revenue Mix



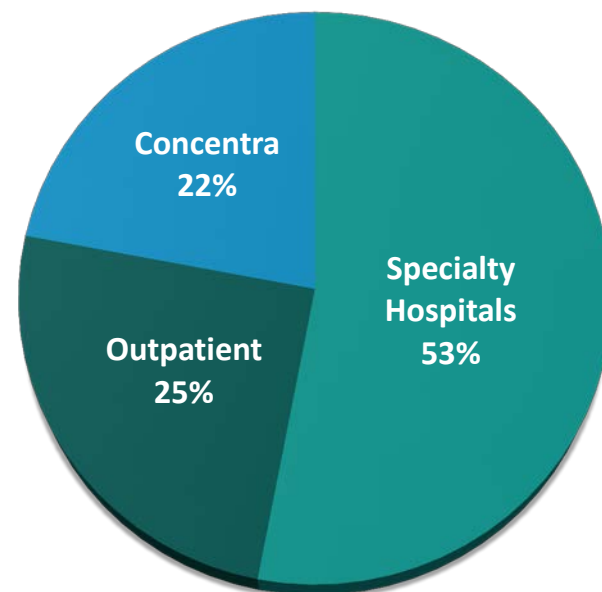
2014



2015



2015 (PF)

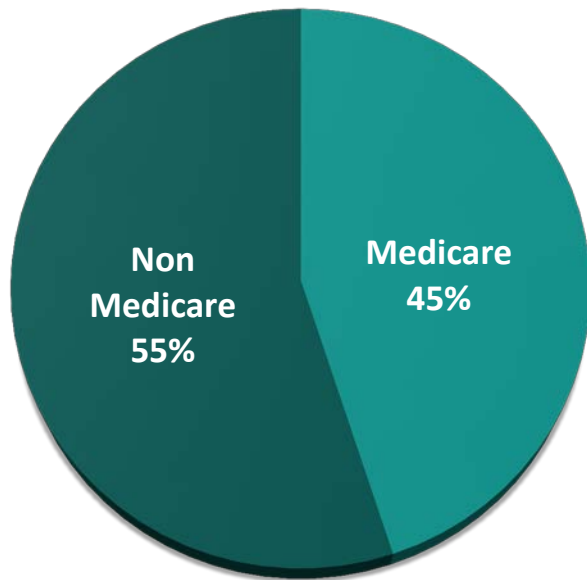


Note: 2015(PF) is proforma to include full year ownership of Concentra plus Physiotherapy Associates

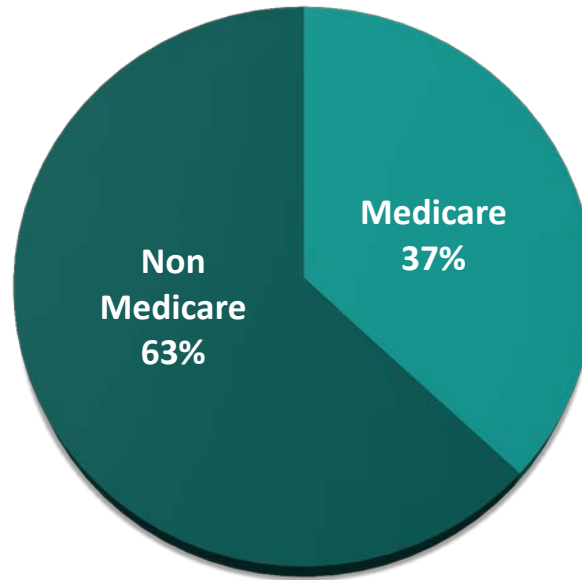
Payor Mix



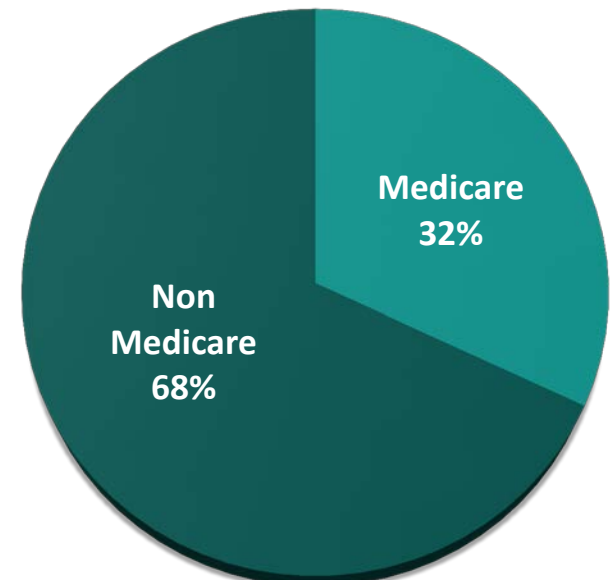
2014



2015



2015 (PF)



Note: 2015(PF) is proforma to include full year ownership of Concentra plus Physiotherapy Associates

Financial Guidance 2016



Net Revenue \$4,150M - \$4,350M

Adjusted EBITDA \$500M - \$540M

EPS \$0.87 - \$1.06



selectmedical.com/investor-relations/for-investors