

# Q2 2024 Earnings Presentation

August 2024



# Disclaimer



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Statements concerning the Company’s future are forward-looking statements, and are based on management’s current expectations, assumptions and beliefs about the Company’s business, financial performance, operating results, the industry in which we operate and possible future events. These statements include, but are not limited to, statements regarding the Company’s anticipated growth prospects and future operating and financial performance. Forward-looking statements convey the Company’s expectations, intentions, or forecasts about future events, circumstances, results, or aspirations. Forward-looking statements are not guarantees of future results and are subject to risks, uncertainties and assumptions, which may change over time and many of which are beyond the Company’s control, and that could cause the Company’s actual results to materially and adversely differ from those expressed in any forward-looking statement, including our dependence on reimbursement from third-party payors and the impact of changes in the acuity mix of patients in our facilities and changes in payor mix and payment methodologies and new cost containment initiatives; failure to be reimbursed for all services for which each facility bills; increased competition for, or shortage of, nurses, nurse assistants or other skilled personnel; state efforts to regulate or deregulate the healthcare services industry or the construction expansion, or acquisition of healthcare facilities; numerous risks related to the expiration of COVID-19 PHE expiration and surrounding wind-down and uncertainty; failure to attract patients and residents to compete effectively with other healthcare providers; risks associated with our review and audit of the care delivery, recordkeeping and billing processes of our operating subsidiaries; risks associated with litigation; our reliance on information technology; our inability to complete future facility or business acquisitions at attractive prices or at all; risks associated with undertaking acquisitions; risks associated with leased real property; our reliance on payments from third-party payors, including Medicare, Medicaid and other governmental healthcare programs and private

insurance organizations; reforms to the U.S. healthcare system; various government and third-party payor reviews, auditors and investigations; risks associated with being a “controlled company”, and the other risks described in our Quarterly Report on Form 10-Q for the three months ended June 30, 2024 and other SEC filings.

These documents are available in the Investor Relations section of the Company’s website at [www.pacs.com](http://www.pacs.com) (information on the website is not incorporated by reference into this presentation and should not be considered part of this document).

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# Healthcare **Elevated**

PACS is elevating healthcare in the post-acute care space by delivering on our mission and values to create real change. By striving for the best while staying true to who we are, we're forging a bright future for post-acute care delivery and support across the nation.

## MISSION

To revolutionize the delivery, leadership and quality of post-acute care nationally.

## VALUES



**Love.** We recognize that love is the foundation for providing care to the vulnerable. We support our clients as they build a culture of loving care within and beyond their communities.



**Excellence.** We look for and act on opportunities to improve every day.



**Trust.** We act with integrity and expect the same of others.



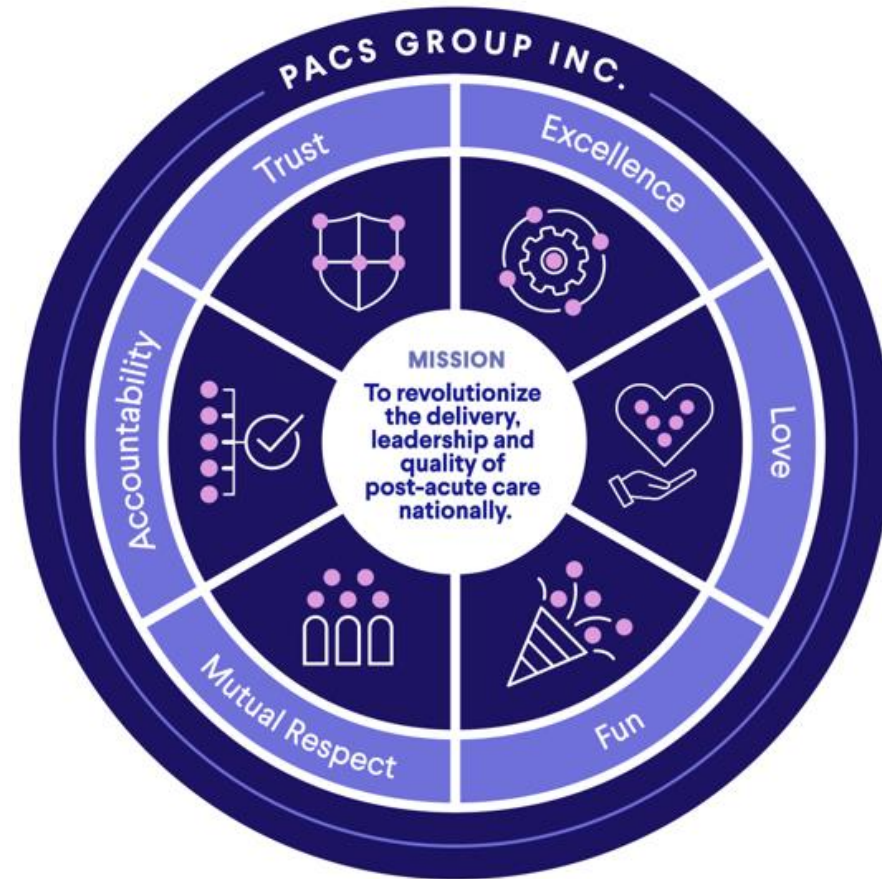
**Accountability.** We seek responsibility for our actions, attitudes and mistakes.



**Mutual respect.** We treat others the way they want to be treated.



**Fun.** We create and instill fun and enjoyment in everything we do.



# Our Story

## Founded in 2013

Founded by Jason Murray and Mark Hancock in 2013 with two facilities in Southern California

The company has grown through **transforming long-term care facilities** into high-value transitional care facilities



## Strategic Scale and Density <sup>(1)</sup>

The company operates **220 facilities across 9 states**

We operate in 14 regions, serving over 22,000 patients daily and we are supported by our ~35,000 employees



## Decentralized Operating Model

Facility administrators and local leadership teams have operating authority

**Strategic support** from PACS Services' regional teams through tech-enabled support tools



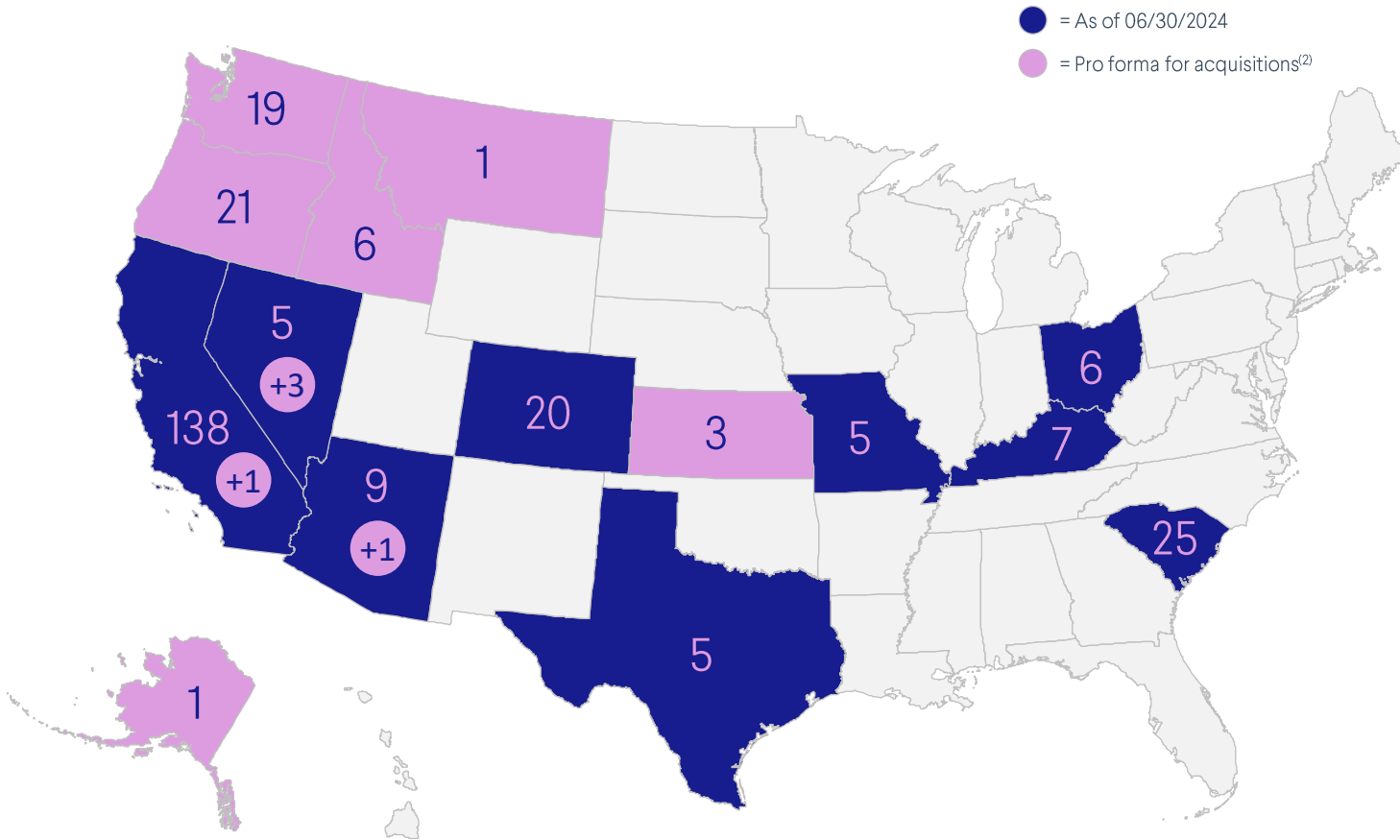
## Leading Post-Acute Company

Owner and operator of post-acute facilities focused on delivering **high quality skilled nursing care** including short-term, high-acuity transitional care and long-term, custodial care



(1) Numbers presented as of 6/30/2024.

# PACS at a Glance<sup>(1)</sup>



● = As of 06/30/2024  
 ● = Pro forma for acquisitions<sup>(2)</sup>



**220<sup>(3)</sup>**  
Facilities

50 Owned/JV Facilities & 170 Leased Facilities



**22,000+**  
Patients



**~35,000<sup>(3)</sup>**  
Employees



**94.2%**

Occupancy Rate for Mature Facilities



**32.2%**

Avg. Skilled Mix for Mature Facilities



**4.3**

Avg. QM Rating for Mature Facilities

(1) Metrics for Q2 2024 (6/30/2024).  
 (2) Includes 3 facilities in Kansas that closed after Q2 (July 15th) and acquisition of 53 facilities (25 acquired and 28 pending) across 8 states (Prestige transaction announced May 22nd).  
 (3) Pro forma for acquisition statistics: 276 Facilities (87 Owned/JV Facilities & 189 Leased Facilities), 24,000+ Patients, ~40,000 Employees.

# PACS Growth Over Time

Poised to Continue Leading Industry Consolidation



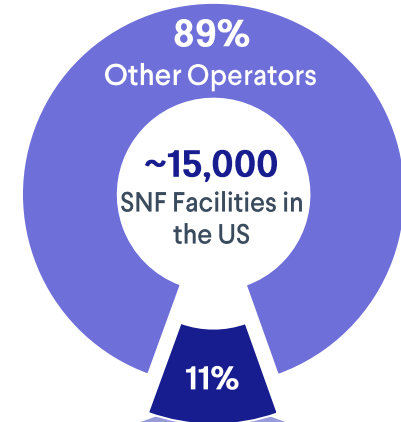
## Number of Facilities Operated

Cumulative Facility Count



# of States	1	2	2	2	3	5	6	6	7	7	9	9
# Acquired / Opened	2	8	14	7	8	10	12	4	73	12	58	12
# SNF Beds	267	1,082	2,506	3,106	3,984	5,137	6,506	6,959	14,841	16,345	22,950	24,483
# of SL Beds	50	50	50	50	74	74	124	124	166	166	664	878

## Significant Potential for Consolidation



### Top-9 Providers <sup>(1)</sup>

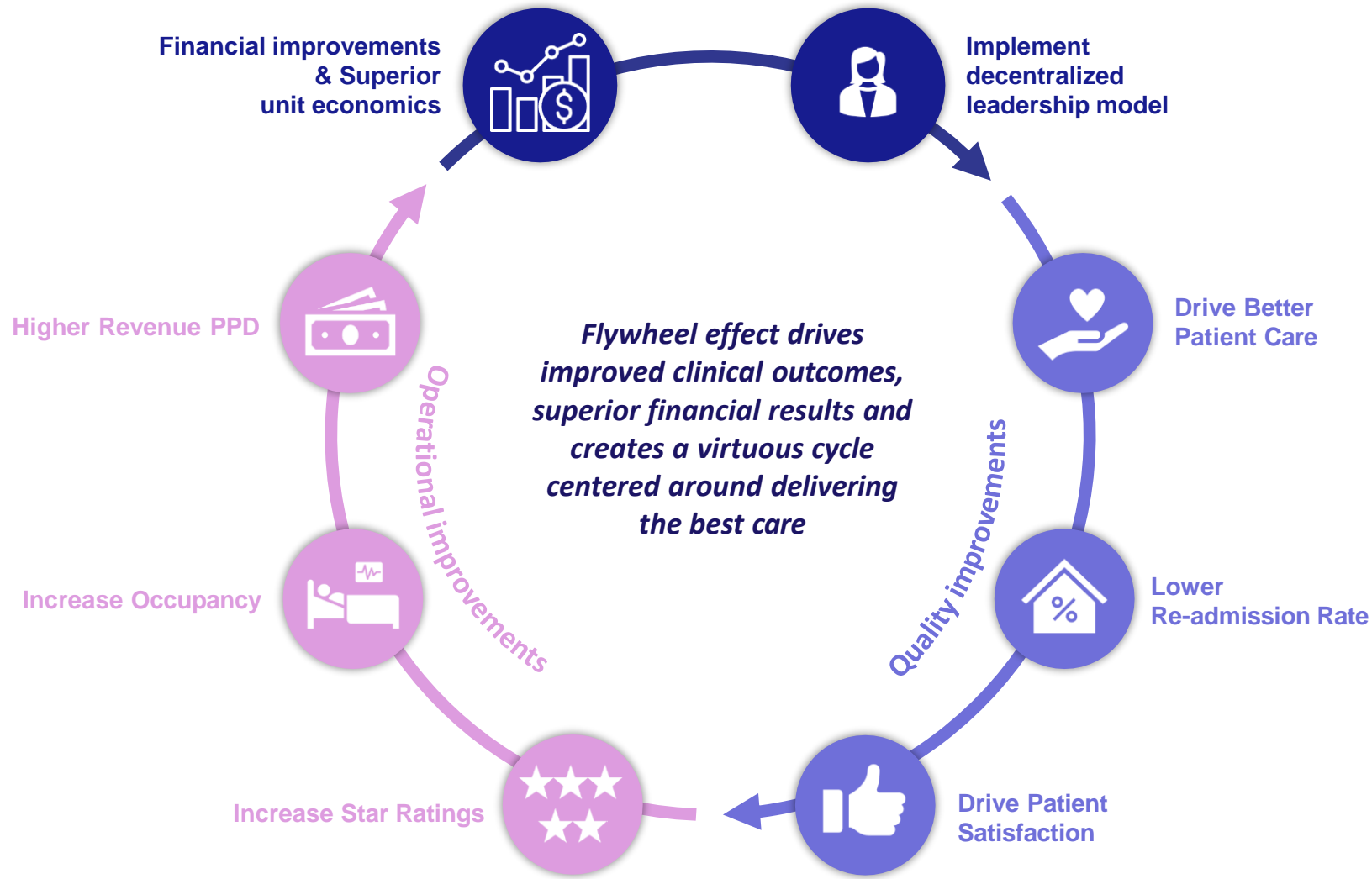
Source: ASPE Ownership of Skilled Nursing Facilities, 2022; SNF Provider Detail, October 2023 – data.cms.gov.

(1) Greater than 100 facilities.

(2) Includes 3 facilities in Kansas that closed after Q2 (July 15th) and pending acquisition of 53 facilities across 8 states (Prestige).

(3) Includes 1 new state from Kansas acquisition (July 15<sup>th</sup>) and 5 new states (Alaska, Idaho, Montana, Oregon and Washington) from pending acquisition of Prestige.

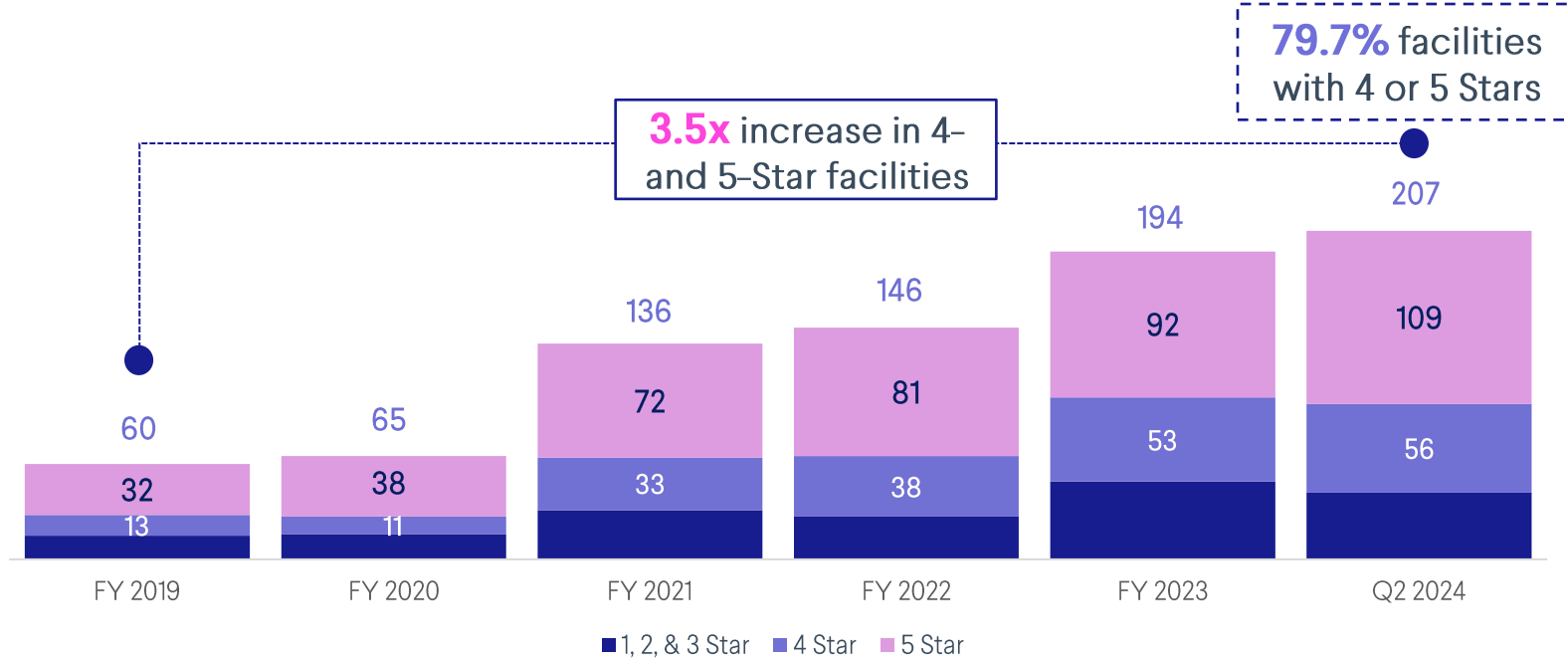
# PACS Flywheel: Focus on Continuous Improvement of Best Practices Drives Patient Mix and Occupancy



# Our Focus on Quality Drives Consistent and Differentiated Results

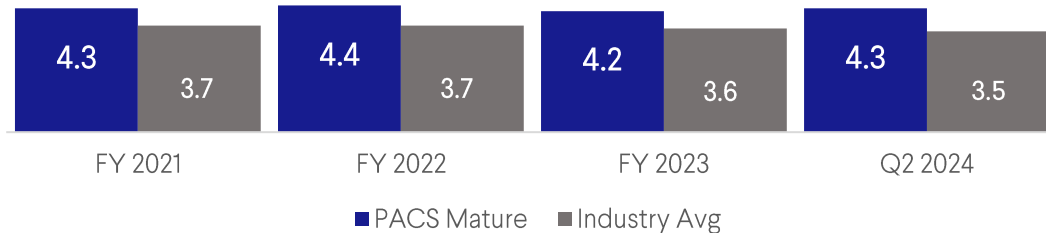


PACS Has a Proven Track Record in Improving Facility QM Rating to 4 or 5 Stars <sup>(1)(2)</sup>

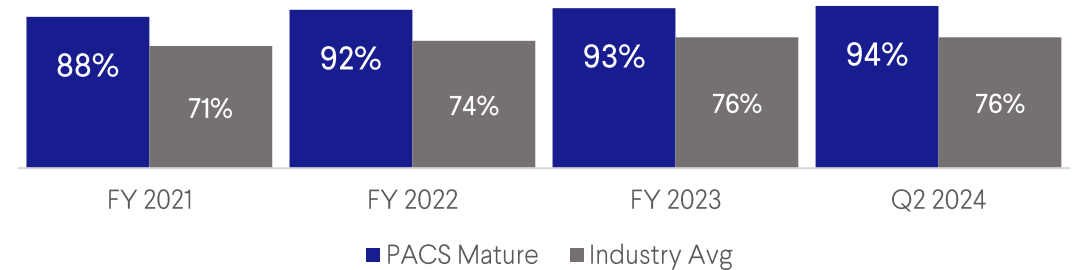


- ### Discrete Levers Aimed at Improving Quality
- 1 Highly coordinated care
  - 2 Personalized care plans
  - 3 Tech / data-enabled real time insights and care
  - 4 Leaders' incentives aligned with quality and facility outcomes

PACS Mature Facility QM Star Rating vs. Industry Average



PACS Mature Facility Occupancy Rate vs. Industry Average

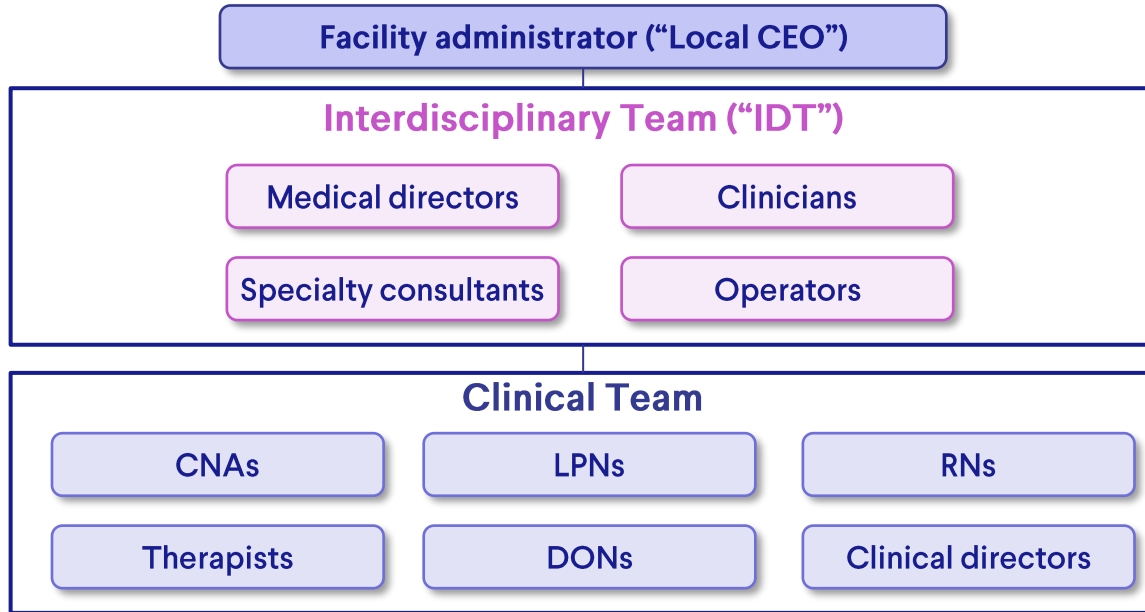


(1) Reflects Medicare certified PACS facilities with QM Star rating available at end of time period; data.CMS.gov SNF Provider Information file.  
 (2) Facility count shown excludes facilities with unreported QM star rating for period and excludes ALF facilities with no QM Star ratings.



# Our Local CEOs and Their Teams Run our Facilities Autonomously with Full Support from Regional Teams

**PACS**  
Post Acute



Placing decision-making power at the local level with teams who best understand the needs of their communities enables heightened responsiveness to local realities, improving decisions that impact our patients, referral partners, and clinicians

Our commitment to modernizing facilities and investing in technology ensures that clinicians have the time and resources to develop and implement personalized care plans

CNA = Certified Nursing Aide; LPN = Licensed Practical Nurse; RN = Registered Nurse; DON = Director of Nursing.

**PACS**  
Services

## Our Regional Teams

- ✓ Each region has a PACS Services **Regional Vice President** ("RVP") and cross-functional support team
  - **Clinical support** personnel including directors of therapy, quality assurance, medical and clinical services
  - **Non-clinical support** personnel include regional directors of recruitment, accounts receivable and payable, reimbursement, and risk / compliance
- ✓ Teams have **intimate understanding** of the intricacies and challenges of post-acute industry

**14**  
RVPs and Regional  
Teams

**10-15**  
Facilities on average in  
each region

Model prioritizes **local operational autonomy**, leveraging **robust technology and support services** for responsive **decision-making based on community needs**, enhancing patient care and facility operations

Operating model is highly **adaptable to new markets**, demonstrated over a decade, facilitating continued growth and expansion

# We Attract, Train and Retain Highly Capable Clinicians, Administrators and Leadership



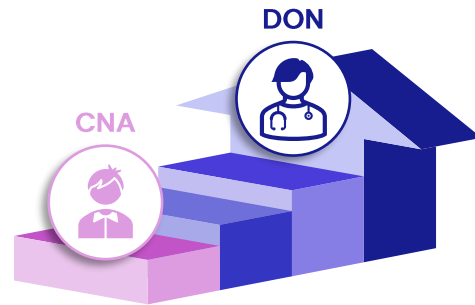
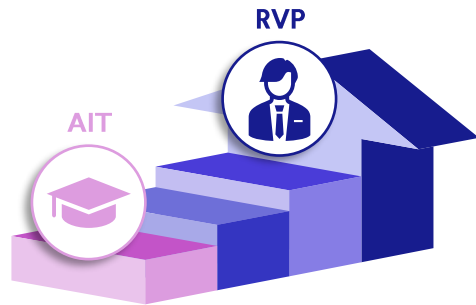
## Our Leaders Are Highly Motivated and Entrepreneurial

### Administrators

- Recent college graduates and experienced professionals
- Mentorship and administrator-in-training program
- Comprehensive regulatory, legislative, operational & clinical training

### Clinicians

- Training & tuition support for clinicians to “uplicense”
- Fully funded continuing education
- Opportunities to advance to clinical leadership positions



## Our Aligned Incentive Structure is Attractive & Empowering



Competitive and transparent compensation tied to individual facility outcomes and performance

Autonomy to operate locally in individual markets → healthcare is local

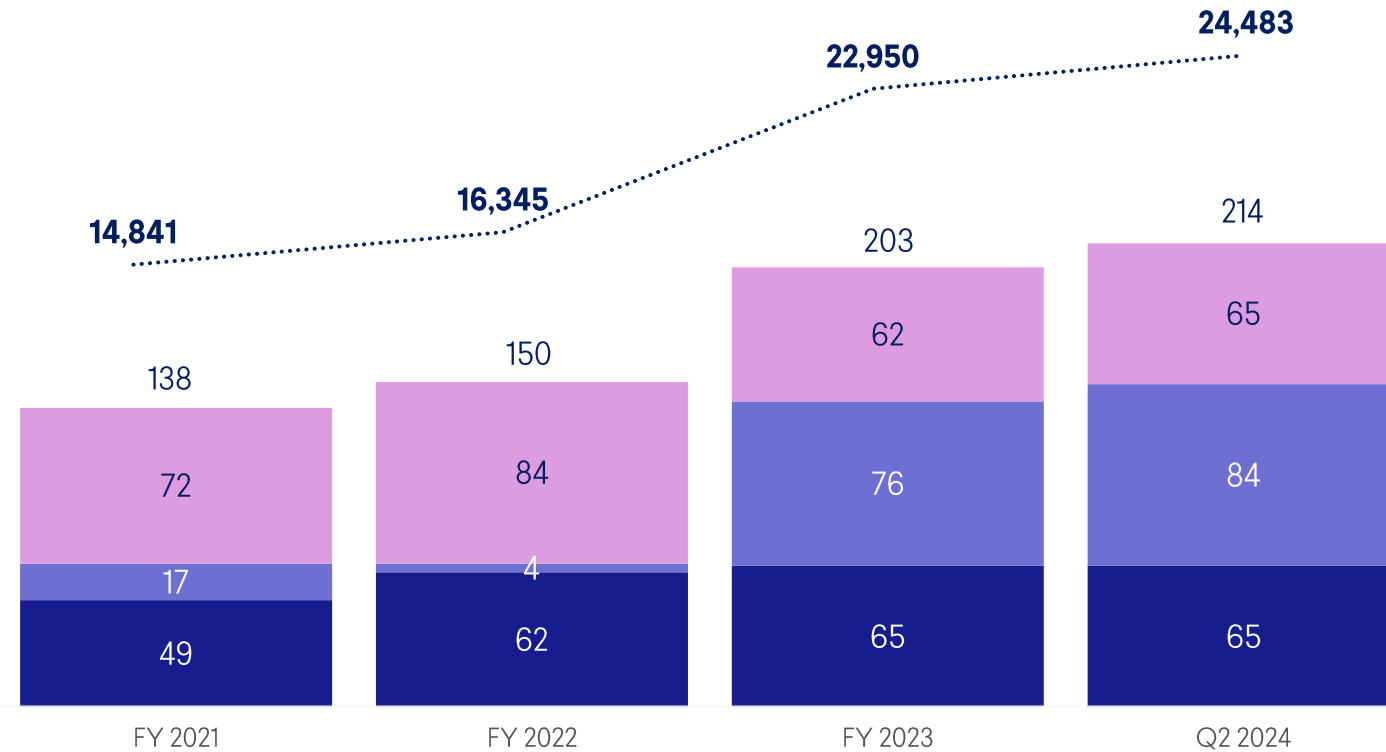
Significant career potential in regions and in new markets as PACS grows

**Exceptional Retention**

- Contract labor as a % of revenue lower than pre-pandemic
- ~4% Administrator turnover
- Deep bench of AITs to support growth

# Maturing Cohorts of Facilities

Facilities & Bed Count <sup>(1)</sup>



**“New”** facilities (0-18 months since acquisition)

**“Ramping”** facilities (18-36 months since acquisition)

**“Mature”** facilities (36+ months since acquisition)

..... Total SNF Bed Count

(1) Skilled nursing facilities only. Excludes 3 facilities that closed after Q2 (July 15th). Excludes 53 facilities and 5 new states from the previously announced Prestige acquisition.

(2) Based on 24 SNFs acquired since Q1 2018 that have reached mature status (36+ months). Excludes facilities acquired after Q4 2020 which have not yet reached maturity as of 12/31/2023 and excludes new build facilities.

(3) Averages from Cohorts as of 6/30/24.

(4) Represents \$973.1mm total skilled nursing services revenue / 214 skilled nursing facilities for 3-months ended June 30, 2024.

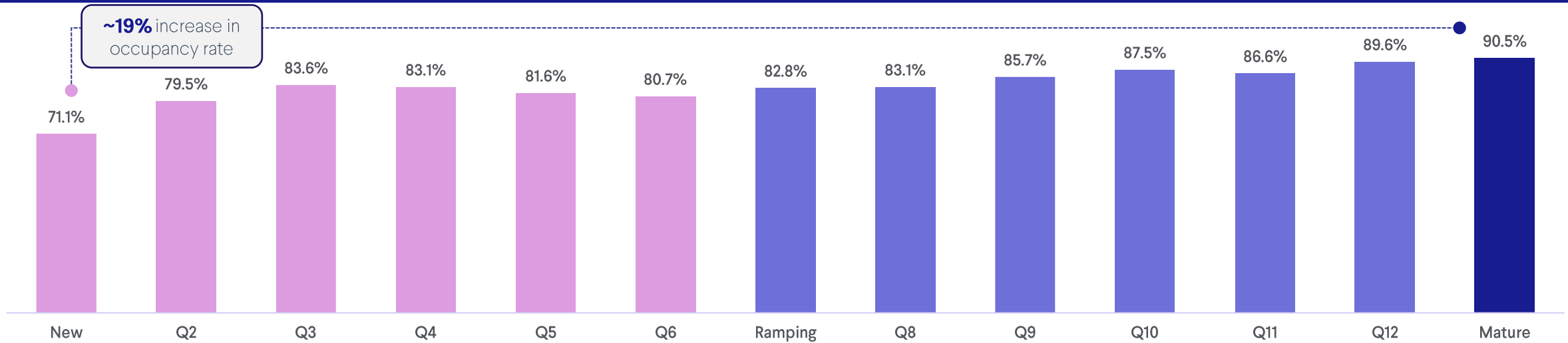
- **19% improvement** in Occupancy from New to Mature <sup>(2)</sup>
- **0.4 improvement** in QM Star rating from New to Mature <sup>(2)</sup>
- **Revenue PPD increase by 14.8%** on average as buildings move from New to Mature <sup>(3)</sup>
- **\$4.5mm+** revenue / facility <sup>(4)</sup>

# Historical Improvement in Occupancy Rate and QM Star Rating

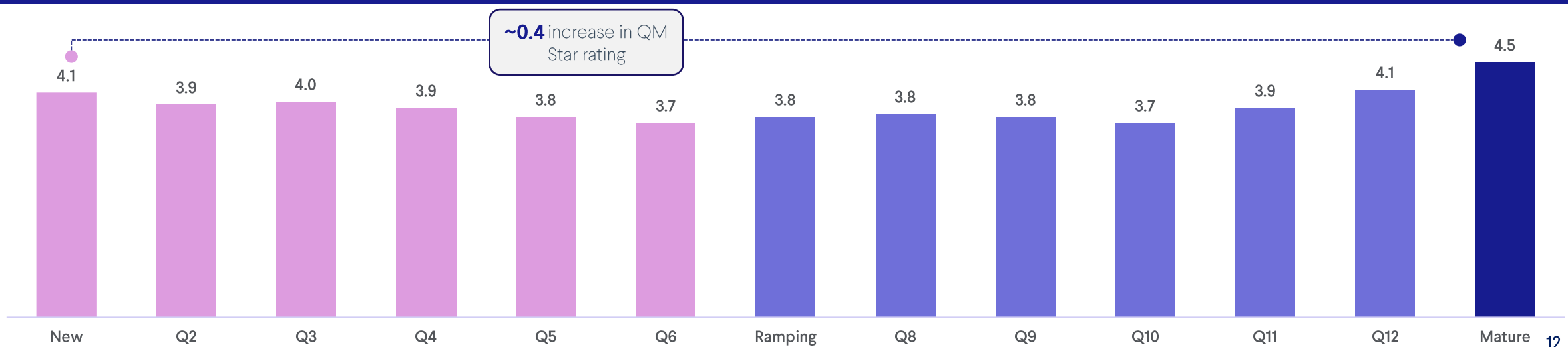
Facilities Acquired and Matured Since 2018



## Average Facility Occupancy Rate from “New” to “Mature”



## Average Facility QM Star Rating from “New” to “Mature”



Note: Data is for 24 SNFs acquired since Q1 2018 and have reached mature status (36+ months). Excludes facilities acquired after Q4 2020 which have not yet reached maturity (as of 12/31/2023) and excludes new build facilities.

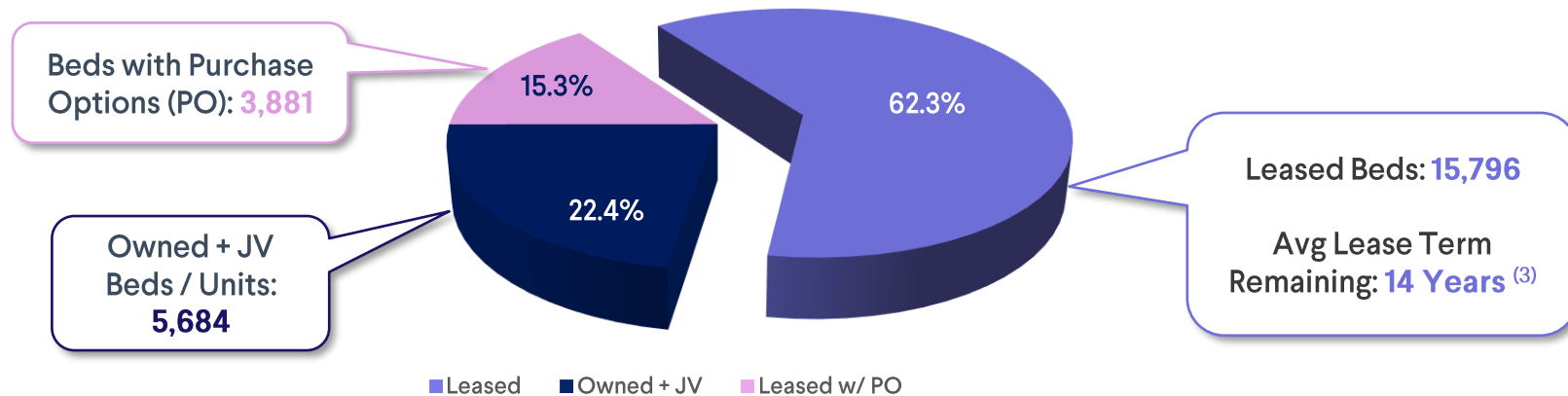
# We Strategically Own and Acquire Real Estate



## Roadmap to Unlock Value Through Operational and Financial Improvements



## Ownership of Beds PACS Operates <sup>(1)(2)</sup>



(1) Includes 220 facilities as of 6/30/2024 (170 leased, 38 owned, and 12 JV).

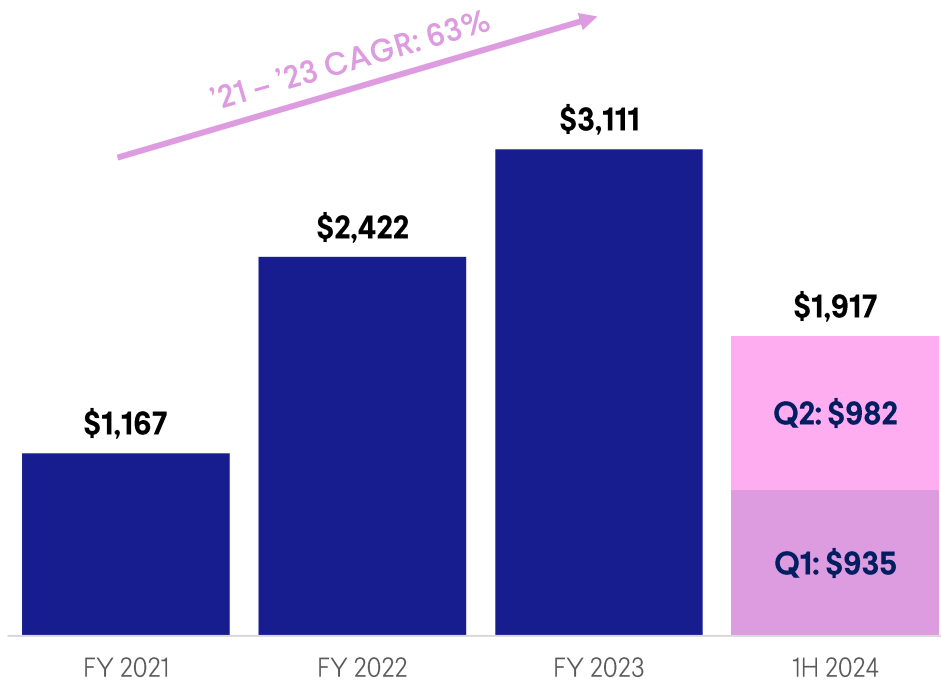
(2) Percentage mixes shown in chart are based on total bed counts.

(3) Operating lease.

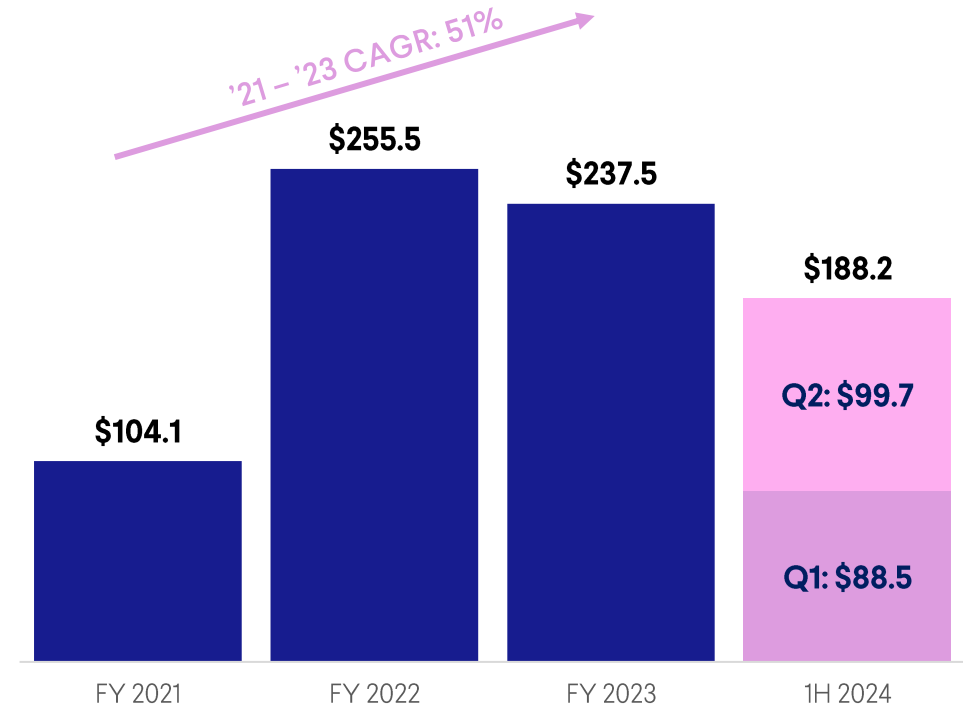
# Historical Performance

Six months ending June 30, 2024

### Total Revenue (\$ in millions)



### Adjusted EBITDA (\$ in millions) <sup>(1)</sup>



Note: Financials shown are on a fully consolidated basis, including Operating Companies (“OpCo”), Property Companies (“PropCo”) and PACS Services functions.

(1) See reconciliation of net income to EBITDA, Adjusted EBITDA, and Adjusted EBITDAR in the appendix.

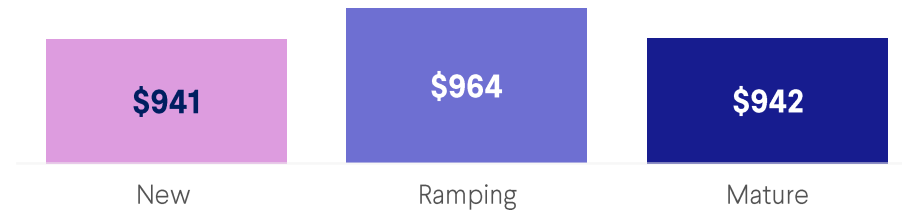
# Quarterly Performance by Cohort <sup>(1)(2)</sup>

Quarter ending June 30, 2024

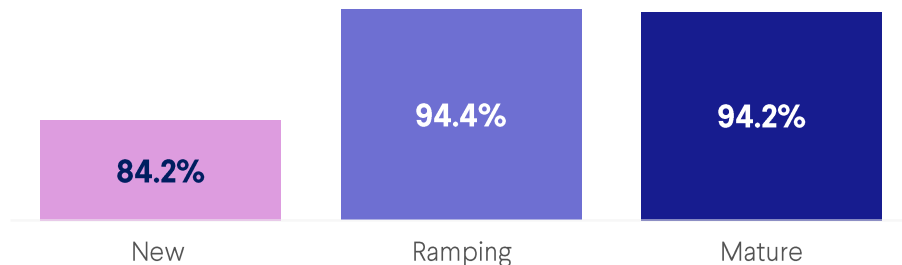
**Skilled Patient Revenue** (\$ in millions)



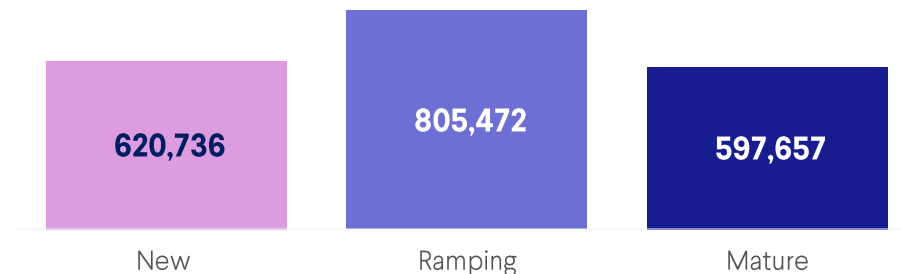
**Average Medicare Revenue \$PPD**



**Occupancy**



**Skilled Days**



“**New**” facilities (0-18 months since acquisition), “**Ramping**” facilities (18-36 months since acquisition), “**Mature**” facilities (36+ months since acquisition)

(1) SNF facilities and beds only, excludes AL facilities and beds.  
 (2) New is 30.4%, Ramping is 39.2%, and Mature is 30.4% of current portfolio by facility.

# Financial Snapshot and Business Updates



## Financial Snapshot as of 06/30/24

Last Twelve Months Revenue

**\$3.56B**

Last Twelve Months Adj. EBITDA

**\$303.3M**

Cash and Available Liquidity<sup>(1)</sup>

**\$413.8M**

Leverage

**1.4X<sup>(2)</sup>**

(1) Includes Cash and Revolver as of 06/30/24, prior to subsequent acquisitions and investments

(2) Net Leverage is calculated as net debt / Last Twelve Months Adj. EBITDA

## Updates for the Quarter Ending 06/30/24

- Q2 Performance
  - ~29% YoY increase in Revenue
  - ~77% YoY increase Adj. EBITDA
- Continued execution against M&A and strategic capital deployment
  - Announced Prestige transaction on May 22, adding 53 skilled nursing and independent living facilities across 8 states, including 5 new states
  - Exercised \$87.7M in real estate purchase options
  - Acquired 2 skilled nursing facilities and 1 real property for \$8.5M
- Maintained strong balance sheet and liquidity
  - Low LTM leverage of 1.4x<sup>(2)</sup>
  - >\$400M<sup>(1)</sup> of cash and available liquidity

## Subsequent Updates

- Acquired 3 skilled nursing facilities in Kansas on July 15
- On August 1, 25 facilities acquired as part of the Prestige transaction and 28 facilities pending acquisition in Q3



# 2024 Guidance

**\$3.85B to  
\$3.95B**

Annual Revenue

**\$370M to  
\$380M**

Adj. EBITDA<sup>(1)</sup>

**~25% over 2023**

Revenue Growth to Midpoint

(1) A reconciliation of Adjusted EBITDA guidance to Net Loss on a forward-looking basis cannot be provided without unreasonable efforts, as the Company is unable to provide reconciling information with respect to provision for income taxes, interest expense, depreciation and amortization, acquisition related costs, gain on lease termination, rent-cost of services, and other adjustment items all of which are adjustments to Adjusted EBITDA, respectively.



# Executive Team



**Jason Murray**, *Chief Executive Officer*

- 10+ years at PACS
- 20+ years of experience as a healthcare executive
- Licensed nursing home administrator, MHA



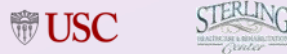
**Derick Apt**, *Chief Financial Officer*

- 6+ years at PACS
- 13+ years of experience as a finance professional
- MBA, Certified Treasury Professional (CTP)



**Josh Jergensen**, *Chief Operating Officer*

- 10+ years at PACS
- 10+ years of experience in skilled nursing
- Licensed nursing home administrator, MHA



**PJ Sanford**, *President, PACS Services*

- 10+ years at PACS
- 10+ years of professional experience
- Licensed Nursing Home Administrator, MBA



**John Mitchell**, *Chief Legal Officer*

- 7+ years at PACS
- 20+ years of experience as a legal professional
- Juris Doctor (JD)



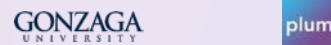
**Michelle Lewis**, *Chief Accounting Officer*

- 6+ years at PACS
- 20+ years of experience as an accounting professional
- Certified Public Accountant (CPA)



**Joseph Lee**, *Chief Compliance Officer*

- 6+ years at PACS
- 16+ years of experience in skilled nursing
- Licensed nursing home administrator, JD

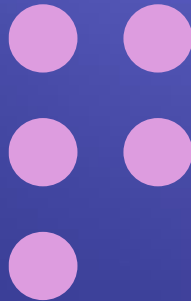


**Mark Hancock**, *Executive Vice Chairman*

- 10+ years at PACS
- 20+ years of experience as a finance professional
- Licensed nursing home administrator, MBA, CTP



# Appendix



# Post-Acute Continuum of Care

Skilled Nursing Facilities represent 43% of spend at 1/3<sup>rd</sup> the cost



## Cost of Care by Facility Type per Day:



# Case Study: Kansas Acquisition

## Transaction Overview

- On July 15<sup>th</sup>, PACS acquired 3 additional skilled nursing facilities in Kansas
- The facilities located in Wichita, Topeka, and Overland Park collectively comprise 378 skilled nursing beds
- These 3 facilities are leased from third-party landlord, with the option to purchase the facilities from the landlord at a later date

## Strategic Rationale



**Geographic expansion** into a new market and **bolster leadership position** in our existing nearby markets and states



**Favorable compliment** to our current operations in Missouri, which has seen **prolonged operational success**



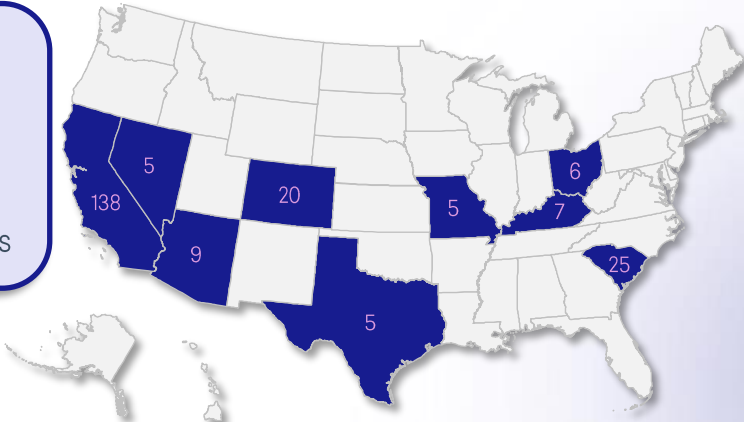
Opportunity to unlock value through **financial and operational improvements** through additional investment in these facilities



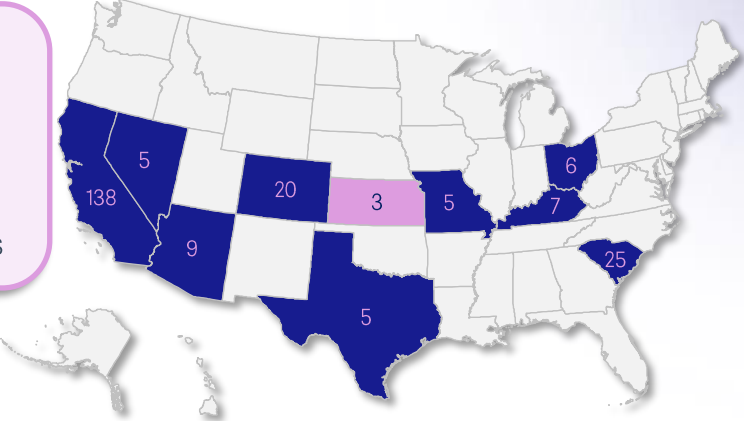
Potential for **meaningful EBITDA** and **EBITDAR contribution** at maturity

## Combined Geographic Footprint

- Before**
- **9** States
  - **220** Facilities
  - **24,483** SNF Beds



- After**
- **10** States
  - **223** Facilities
  - **24,861** SNF Beds



■ = Existing States   ■ = New State

# Case Study: Prestige Acquisition <sup>(1)</sup>

## Transaction Overview

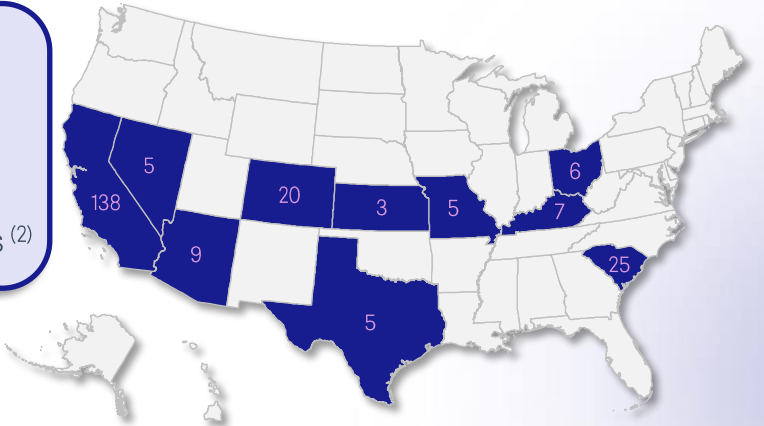
- On May 22<sup>nd</sup>, PACS announced the agreement to acquire 53 skilled nursing and independent living facilities across 8 states, including 5 new states (Oregon, Washington, Idaho, Alaska and Montana) from Prestige
- PACS will also invest approximately \$10 million into a real estate joint venture in which PACS will own a 25% interest
- Facilities collectively comprise 2,511 skilled nursing beds and 1,334 assisted living and independent living units
- 37 of the facilities will be leased from the newly formed joint venture with the remaining 16 facilities leased from third-party landlords
- The transaction is expected to close in the third quarter of 2024

## Strategic Rationale

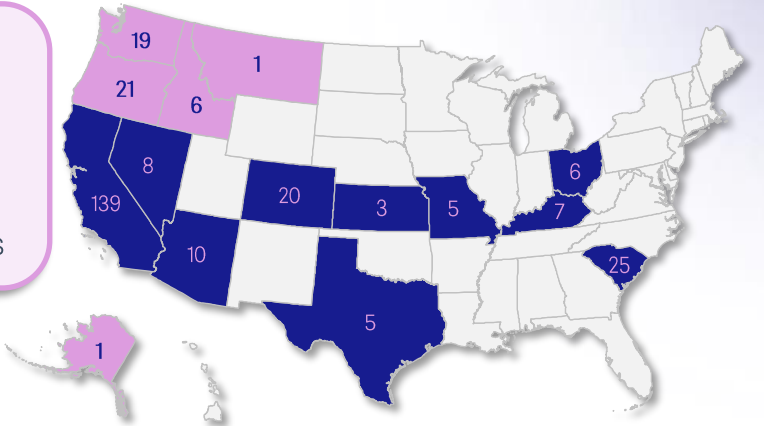
- Geographic expansion** into new markets and **bolster leadership position** in existing markets and states
- Diversifies revenue mix** with the addition of **5 new states** and provides ability to **demonstrate our proven operating model** in the attractive **Pacific Northwest region**
- Opportunity to unlock value through **financial and operational improvements** and through a newly-formed **real estate joint venture**
- Potential for **meaningful EBITDA** and **EBITDAR contribution** at maturity

## Combined Geographic Footprint

- Before**
- **10 States** <sup>(2)</sup>
  - **223 Facilities** <sup>(2)</sup>
  - **24,861 SNF Beds** <sup>(2)</sup>



- After**
- **15 States**
  - **276 Facilities**
  - **27,372 SNF Beds**



■ = Existing States   ■ = New States

(1) As of 8/1/24 PACS has acquired 25 skilled nursing, assisted, and independent living facilities across six states – Washington (19), Nevada (2), Alaska (1), Arizona (1), California (1) and Montana (1) – and comprise 1,072 skilled nursing beds and 831 assisted living and independent living units. 28 additional facilities still pending closure in Q3 across 3 states – Oregon (21), Idaho (6), Nevada (1) – and comprise of 1,439 skilled nursing beds and 503 assisted living and independent living units.  
 (2) Includes 3 facilities (378 SNF beds) that closed after Q2 (July 15th).

# Balance Sheet



(\$ in millions)	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
Cash and cash equivalents	\$73.4	\$73.4
Accounts receivable, net	610.6	547.8
Other receivables	50.4	52.3
Prepaid expenses and other current assets	66.2	48.6
<b>Total current assets</b>	<b>800.6</b>	<b>722.1</b>
Property and Equipment, Net	763.9	577.5
Operating lease right-of-use assets	2,112.9	2,007.8
Insurance subsidiary deposits and investments	35.5	0.0
Escrow funds	19.5	15.6
Goodwill and other indefinite-lived assets	65.3	65.3
Other assets	98.7	124.4
<b>Total assets</b>	<b>\$3,896.4</b>	<b>\$3,512.7</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable	\$125.7	\$140.9
Accrued payroll and benefits	107.1	92.2
Current operating lease liabilities	113.3	109.4
Current maturities of long term debt	15.7	16.8
Current portion of accrued self-insurance liabilities	31.3	27.5
Other accrued expenses	75.0	70.1
<b>Total current liabilities</b>	<b>468.1</b>	<b>456.9</b>
Long-term operating lease liabilities	2,068.6	1,962.0
Accrued benefits, less current portion	6.7	6.7
Lines of credit	248.0	520.0
Long-term debt, less current maturities, net of deferred financing fees	227.1	195.7
Accrued self-insurance liabilities, less current portion	172.1	146.2
Other liabilities	127.5	123.5
<b>Total liabilities</b>	<b>3,318.1</b>	<b>3,411.0</b>
<b>Equity:</b>		
PACS Group, Inc. stockholders equity:		
Common stock: \$0.001 par value; 1,250,000,000 shares authorized, 152,399,733 shares issued and outstanding as of June 30, 2024, and 64,361,693,000 shares authorized, 128,723,386 shares issued and outstanding as of December 31, 2023	0.2	0.1
Additional paid-in capital	471.5	0.0
Retained earnings	100.5	96.0
<b>Total stockholders' equity</b>	<b>572.2</b>	<b>96.1</b>
Non-controlling interest in subsidiary	6.1	5.6
<b>Total equity</b>	<b>578.3</b>	<b>101.7</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$3,896.4</b>	<b>\$3,512.7</b>

# Income Statement



(\$ in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenue</b>				
Patient and resident service revenue	\$981.4	\$760.5	\$1,915.7	\$1,468.2
Other revenue	0.4	0.2	0.9	0.9
<b>Total Revenue</b>	<b>\$981.8</b>	<b>\$760.7</b>	<b>\$1,916.6</b>	<b>\$1,469.1</b>
<b>Operating Expenses</b>				
Cost of services	762.1	590.7	1,498.1	1,129.6
Rent - cost of services	65.8	51.5	129.8	96.6
General and administrative expenses	144.4	62.7	191.3	122.1
Depreciation and amortization	8.8	6.2	16.7	12.0
<b>Total Operating Expenses</b>	<b>\$981.1</b>	<b>\$711.1</b>	<b>\$1,835.9</b>	<b>\$1,360.3</b>
<b>Operating Income</b>	<b>\$0.7</b>	<b>\$49.6</b>	<b>\$80.7</b>	<b>\$108.8</b>
<b>Other (Expense) Income</b>				
Interest expense	(9.2)	(15.3)	(24.6)	(25.9)
Gain on lease termination	0.0	0.0	8.0	0.0
Other income, net	(3.9)	(2.6)	(3.5)	(2.2)
<b>Total Other Expense, net</b>	<b>(\$13.1)</b>	<b>(\$17.9)</b>	<b>(\$20.1)</b>	<b>(\$28.1)</b>
(Loss) income before provision for income taxes	(\$12.4)	\$31.7	\$60.6	\$80.7
Provision for income taxes	1.5	(10.5)	(22.4)	(21.9)
<b>Net (Loss) Income</b>	<b>(\$10.9)</b>	<b>\$21.2</b>	<b>\$38.2</b>	<b>\$58.8</b>
Less:				
Net income attributable to noncontrolling interest	0.0	0.0	0.0	0.0
<b>Net (loss) income attributable to PACS Group, Inc.</b>	<b>(\$10.9)</b>	<b>\$21.2</b>	<b>\$38.2</b>	<b>\$58.8</b>
<b>Net (loss) income per common share attributable to PACS Group, Inc.</b>				
Basic	-\$0.07	\$0.16	\$0.27	\$0.46
Diluted	-\$0.07	\$0.16	\$0.27	\$0.46
<b>Weighted-average shares outstanding (in millions)</b>				
Basic	149.5	128.7	139.1	128.7
Diluted	149.5	128.7	139.7	128.7
<b>Other comprehensive loss:</b>				
Unrealized loss on available-for-sale debt securities	(\$0.2)	\$0.0	\$0.0	\$0.0
Total other comprehensive loss	(\$0.2)	\$0.0	\$0.0	\$0.0
<b>Comprehensive (loss) income</b>	<b>(\$11.1)</b>	<b>\$21.2</b>	<b>\$38.2</b>	<b>\$58.8</b>
Less:				
Comprehensive income attributable to noncontrolling interest	0.0	0.0	0.0	0.0
<b>Comprehensive (loss) income attributable to PACS Group, Inc.</b>	<b>(\$11.1)</b>	<b>\$21.2</b>	<b>\$38.2</b>	<b>\$58.8</b>



# Summary of Cash Flow

(\$ in millions)	Six Months Ended	
	30-Jun-24	30-Jun-23
Net Cash provided by (used)		
Operating activities	93.6	58.2
Investing activities <sup>(1)</sup>	(239.6)	(67.3)
Financing activities	105.2	(8.6)
<b>Net Increase (Decrease)</b>	<b>(\$40.8)</b>	<b>(\$17.7)</b>
Cash at Beginning of Period	118.7	98.2
<b>Cash at End of Period</b>	<b>\$77.9</b>	<b>\$80.5</b>

(1) \$35.0 million invested from captive insurance into investment grade bond mutual funds in the six months ended June 30, 2024.

# Reconciliation of Net Income to Adjusted EBITDA and Adjusted EBITDAR



(\$ in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net (loss) income	(\$10.9)	\$21.2	\$38.2	\$58.8
Less: Net income attributable to noncontrolling interest	0.0	0.0	0.0	0.0
Add: Interest expense	9.2	15.3	24.6	25.9
Provision for income taxes	(1.5)	10.4	22.4	21.9
Depreciation and amortization	8.8	6.2	16.7	12.0
<b>EBITDA</b>	<b>\$5.6</b>	<b>\$53.1</b>	<b>\$101.9</b>	<b>\$118.6</b>
Adjustments to EBITDA:				
Acquisition related costs	0.5	0.2	0.7	0.7
Gain on lease termination	-	-	(8.0)	-
Stock-based compensation	90.9	-	90.9	-
Loss resulting from debt restructuring	-	3.1	-	3.1
Loss from equity method investment in joint venture	2.7	-	2.7	-
<b>Adjusted EBITDA</b>	<b>\$99.7</b>	<b>\$56.4</b>	<b>\$188.2</b>	<b>\$122.4</b>
Rent - cost of services	65.8	51.5	129.8	96.6
<b>Adjusted EBITDAR</b>	<b>\$165.5</b>		<b>\$318.0</b>	

# Reconciliation of Net Income to Adjusted EBITDA

(\$ in millions)	Years ended December 31,		
	2023	2022	2021
Net income	\$112.9	\$150.5	\$47.9
Less: net income attributable to noncontrolling interest	0.0	0.0	0.0
Add: interest expense	49.9	25.5	5.3
Provision for income taxes	44.4	56.5	33.5
Depreciation and amortization	25.7	22.4	7.2
<b>EBITDA</b>	<b>\$232.9</b>	<b>\$254.9</b>	<b>\$93.9</b>
Acquisition related costs	1.0	0.2	3.2
Acquisition - integration related costs	-	-	7.0
Lease termination fees	-	0.4	-
Loss resulting from debt restructuring	3.6	-	-
<b>Adjusted EBITDA</b>	<b>\$237.5</b>	<b>\$255.5</b>	<b>\$104.1</b>

