



ENSIGN GROUP

September 2024

# INVESTOR PRESENTATION

[www.ensigngroup.net](http://www.ensigngroup.net)

2024

# Disclaimers

This presentation contains, and other communications of The Ensign Group, Inc. ("Ensign" or the "Company") may contain, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements often use words such as "believe," "expect," "anticipate," "intend," "estimate," "project," "outlook," "forecast," "target," "trend," "plan," "goal," or other words of comparable meaning or future-tense or conditional verbs such as "may," "will," "should," "would," or "could."

Statements in this presentation concerning the Company's future prospects are forward-looking statements, and are based on management's current expectations, assumptions and beliefs about our 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 our growth prospects and future operating and financial performance. Forward-looking statements convey our 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 our control, and that could cause our actual results to materially and adversely differ from those expressed in any forward-looking statement.

Readers should not place undue reliance on any forward-looking statements and are encouraged to review our periodic filings with the Securities and Exchange Commission, including our recently filed Forms 10-K and 10-Q, or other applicable documents that are filed or furnished by the Company with the U.S. Securities and Exchange Commission (the "SEC"), for a more complete discussion of the risks and other factors that may cause actual results or other future events, circumstances, or aspirations to differ from those in forward-looking statements. These documents are available on our website at [www.ensigngroup.net](http://www.ensigngroup.net) (information on our website is not incorporated by reference into this presentation and should not be considered part of this document). This information is provided as of today's date only, and except as required by federal securities law, Ensign does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changing circumstances or for any other reason after the date of this presentation.

We supplement our GAAP reporting with EBITDA, adjusted EBITDA, adjusted EBITDAR, adjusted EBT, adjusted net income, adjusted EPS, Funds from Operations (FFO) metrics, as well as segment income and FFO metrics, all of which are supplemental non-GAAP financial measures. They reflect an additional way of looking at aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. They should not be relied upon to the exclusion of GAAP financial measures. A more ample discussion of these GAAP financial measures is available on the "Investor Relations" tab of our website and a reconciliation to GAAP is included as an Appendix to this presentation.

During this presentation we may reference operations in any or all of the skilled and assisted living operations and other businesses operated by our independent subsidiaries. Each such business is operated as a separate, wholly owned independent subsidiary that has its own management, employees and assets. References in the presentation to the consolidated "Company" and "its" assets and activities, as well as the use of the terms "we," "us," "our," and similar verbiage are not meant to imply that The Ensign Group, Inc. has direct operating assets, employees or revenue, or that any of the operations, the Service Center, Standard Bearer Healthcare REIT, Inc., or the captive insurance subsidiary are operated by the same entity.

# Our Mission

We rely on our culture to accomplish our mission



## CAPLICO

Our mission is to support the operations we serve in dignifying post-acute care in the eyes of the world. We do that through “Moments of Truth” – everyday situations that are met with out-of-the-ordinary service that surpasses all reasonable expectations. We strive to capture and share these moments of truth on a daily basis.



# Leading Healthcare Services Operator With Proven Track Record

1999

Founded

323

Operated Facilities

36,000 +

Beds / Units Across the Care Continuum

47,000 +

Employees



14

States

122

Owned Properties (92 Ensign / 30 Third-Party Operated)

80.9%

Occupancy Rate<sup>(1)</sup>

31.5%

Skilled Mix Days<sup>(1)</sup>



15%

Annual Revenue Growth  
Rate Since 2015



16%

Annual EBITDAR Growth  
Rate Since 2015

1,492%

Total Shareholder Return  
in the Past 10 years



4,024%

Total Shareholder Return  
Since IPO (2007)

\$4.21 B

2024 Revenue Guidance<sup>(1)</sup>



\$5.44

2024 EPS Guidance<sup>(1)</sup>

(\$149.83/sh as of 9/4/24)

# Entrepreneurial Evolution Of Ensign

The Ensign Group was **founded**

Established **New Market CEO program**

Ensign completes an **IPO** in November 2007

Ensign entered into the **home health industry**

**Senior living** portfolio company was formed in June 2011

Completed the **spin-off** of its real estate business, **CareTrust REIT**

Completed **spin-off** of home health & hospice as well as senior living segments, forming **The Pennant Group**

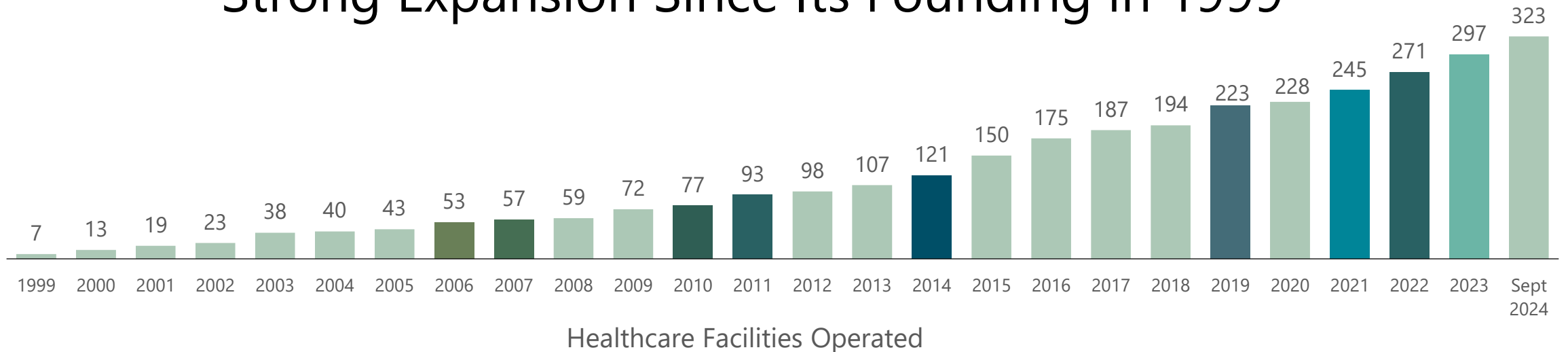
Continues to execute on **local leadership model** to grow through the **pandemic**

Ensign formed a Captive REIT, **Standard Bearer Healthcare REIT, Inc.**

Ensign completed **52 acquisitions since 2023**, entering its next phase of growth.



## Strong Expansion Since Its Founding in 1999



# Table Of Contents



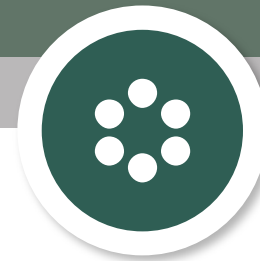
## About US

Since 1999, the independent subsidiaries of The Ensign Group, Inc. (ENSG) have provided communities with exceptional, post-acute care.



## Portfolio

Each of the 300+ businesses are run independently encompassing services delivered by more than 47,000 employees. We foster an entrepreneurial culture of ownership coupled with a field-driven, flat structure.



## Our Services

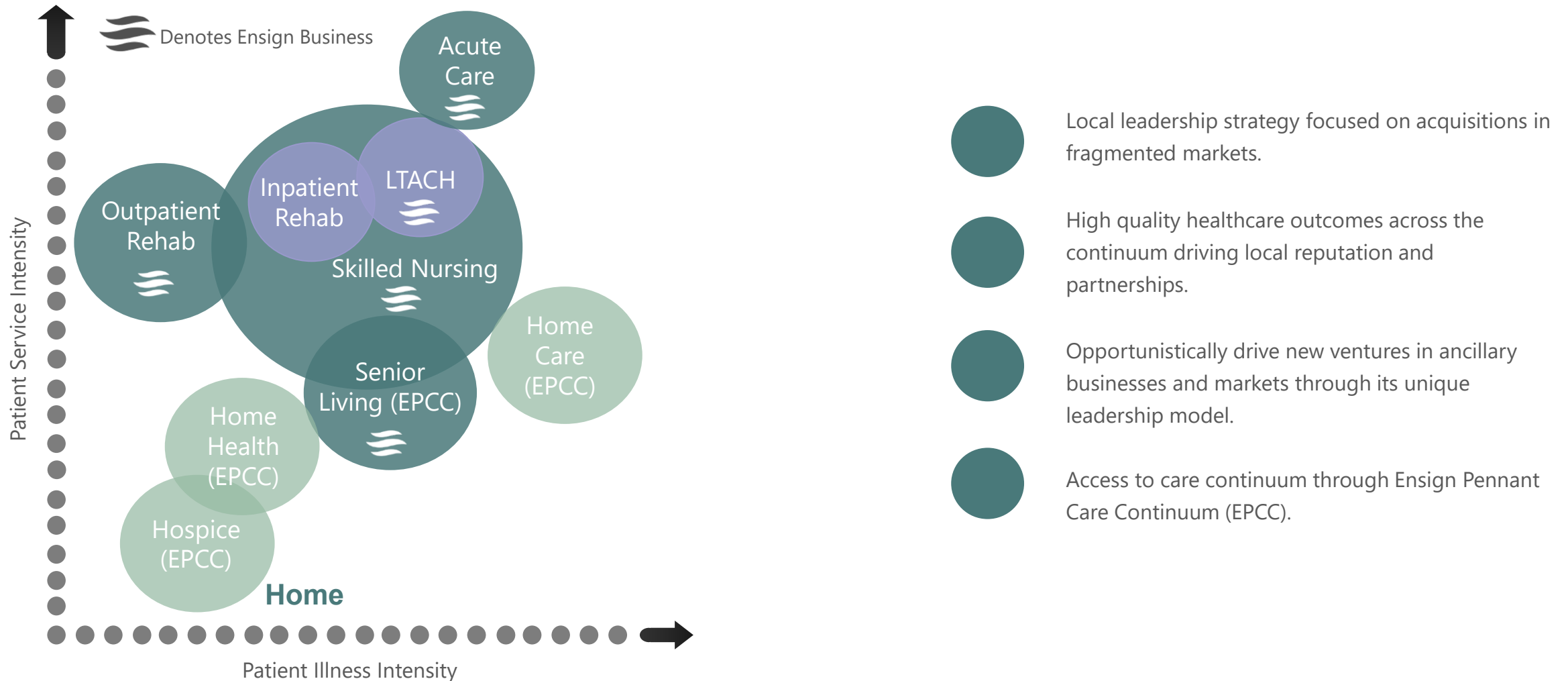
Our independent subsidiaries offer a broad spectrum of post-acute care including skilled nursing, senior living, ancillary businesses and healthcare-related properties.



## Financials

A clinically strong foundation combined with solid operational fundamentals provides an avenue for strong results.

# Ensign's Commitment to The Care Continuum



Ensign is Strategically Positioned to Deliver Long-term Value

# Ensign Strategically Positioned to Deliver Long-Term Value

## Experienced Management

Management team with combined experience over 90 years at Ensign alone.

## Presence in Attractive Markets

Presence in strategic markets across 14 states with attractive reimbursement and growth profile.

## Several Growth Levers

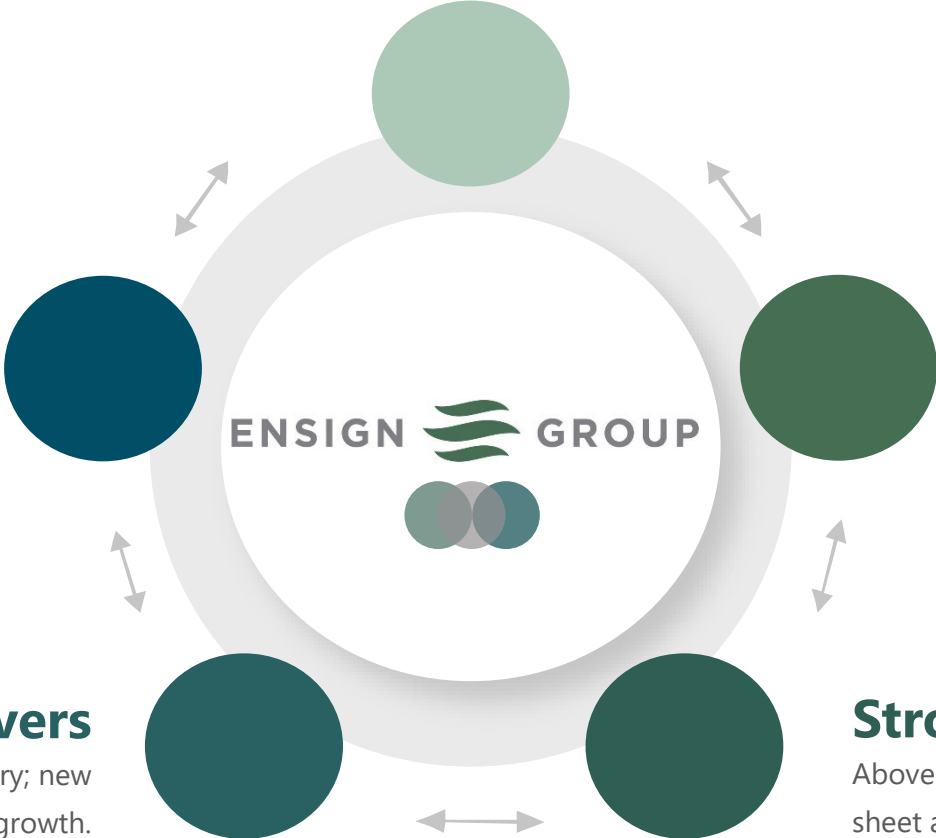
Leading consolidator in fragmented industry; new ventures; delivering organic and strategic growth.

## Multiple Business Lines

Diversified operations including skilled services, strategic healthcare campuses, senior living operations, real estate ownership and new ventures.

## Strong Financial Profile

Above industry growth and profitability, stellar balance sheet and strong cash flow conversion.



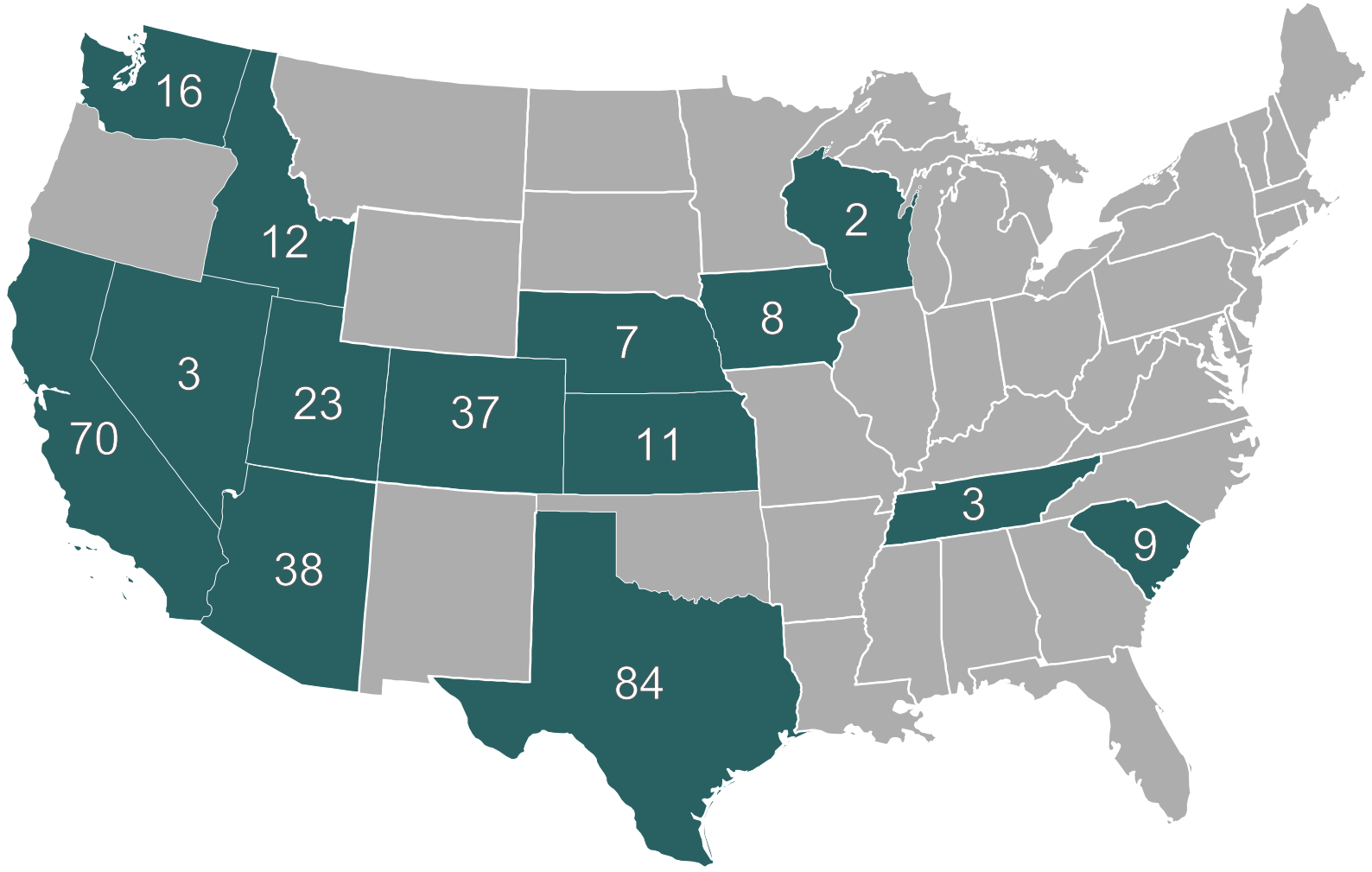


# Ensign's Investment Thesis

Ensign is Positioned to Deliver Superior Clinical Results that Will Generate Strong Financial and Operating Results



# Leading Operational Presence in Attractive Markets



**14**  
States



**323**  
Facilities



**36,000+**  
Beds



**47,000+**  
Employees

Skilled Nursing Operations - 282

Senior Living Operations - 11

Campus Operations - 29

LTAC - 1

# High-Quality Portfolio Of Assets

Ensign's real estate portfolio includes attractive assets in appealing markets that provide the foundation for patient care and well-being.

Hillside Village of De Soto  
Kansas



Facilities are purpose-built or customized to accommodate specialty needs

South Davis Community Hospital  
Utah



Assets include a mix of state-of-the-art and hands-on therapeutic approaches to provide specific care plans for each individual

Longhouse Northshire Care Center  
Iowa



Facilities offer a wide variety of services that provide all the benefits of being at home.

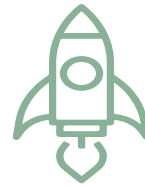
# Business Leaders Drive Results

Track record of attracting, empowering & retaining clinically-focused business leaders.



## Local Leadership Clusters

Empowering local leaders and their teams to provide superior solutions to the specific medical needs of the communities they serve.



## Superior Clinical Outcomes

We partner with many other healthcare organizations with the goal of ensuring our patients are receiving the best possible care.



## Local Operation of Choice

Our independent subsidiaries offer a broad spectrum of post-acute care, including skilled nursing, senior living and other healthcare-related properties and other ancillary businesses.

# Local Leaders are Empowered by our Cluster Model

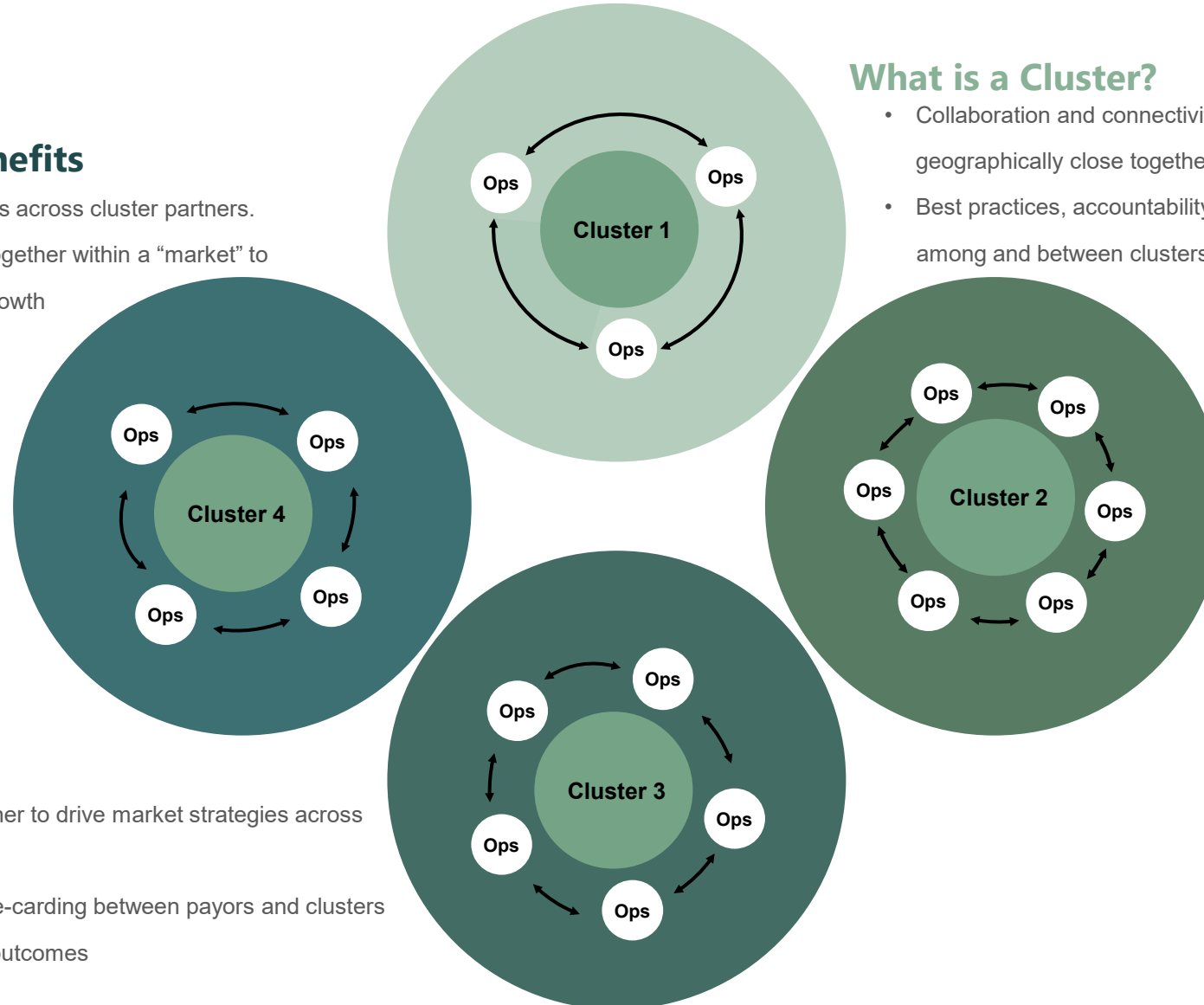
Best Practices Shared Across Clusters Along with Economic and Payor Benefits at Cluster Level

## Economic Benefits

- Sharing of resources across cluster partners.
- Clusters combine together within a “market” to assess and drive growth

## What is a Cluster?

- Collaboration and connectivity between operations (“ops”) that are geographically close together.
- Best practices, accountability and ownership are shared among and between clusters.



## Payor Benefits

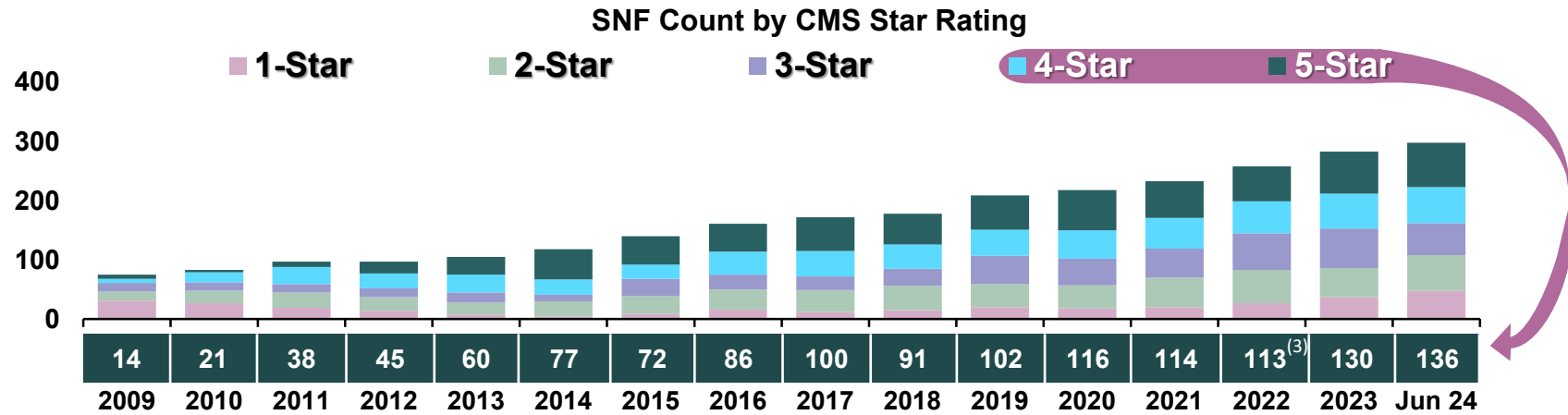
- Clusters combine together to drive market strategies across the continuum of care.
- Transparency and score-carding between payors and clusters drives superior patient outcomes

## Incentive Driven

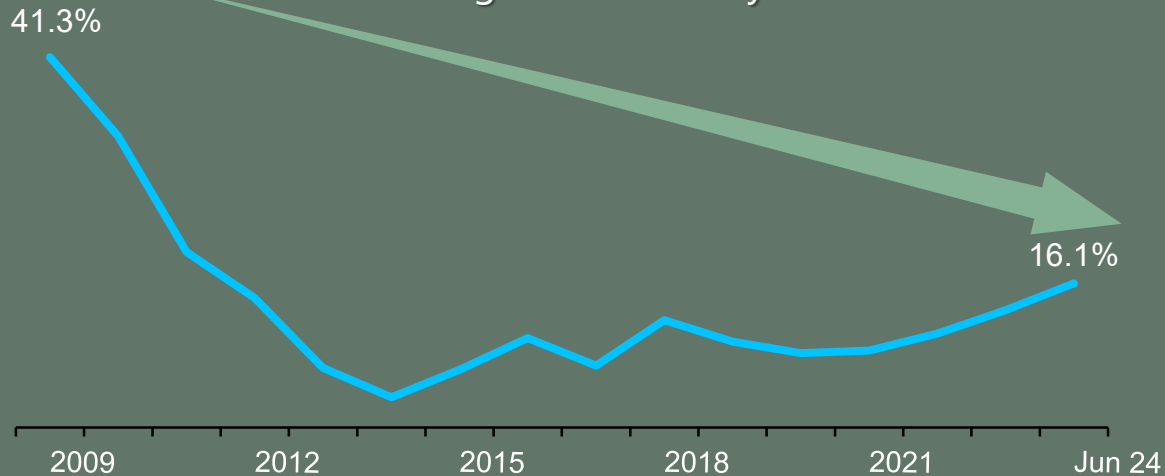
- Each operation has full visibility into and accountability for individual and group results within the cluster.
- Compensation is linked to the other operations' clinical and financial outcomes within the cluster

# Organizational Focus on Clinical Quality Leads to Superior Financial Results

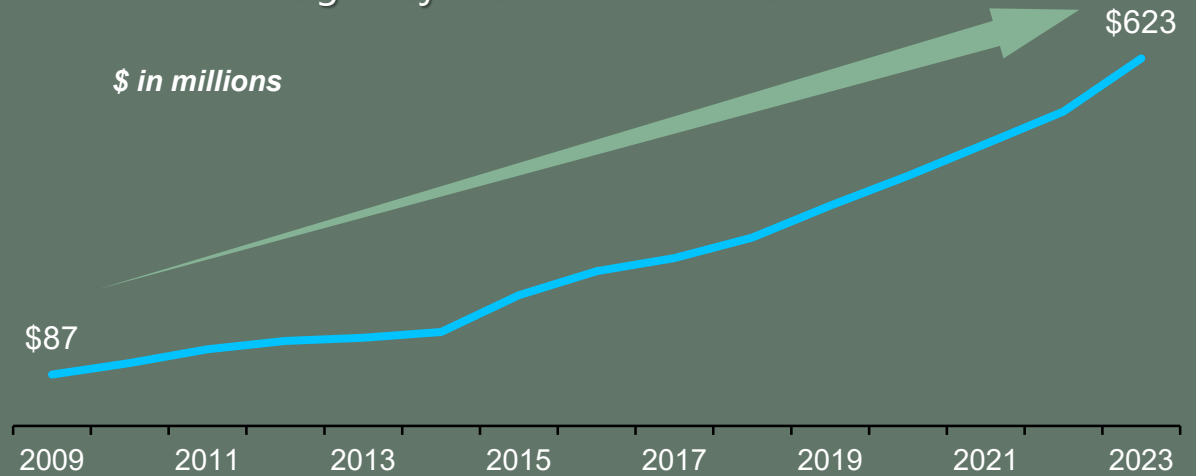
Clinical Quality Translates to Organic Growth



Ensign 1-Star Facility % Trend

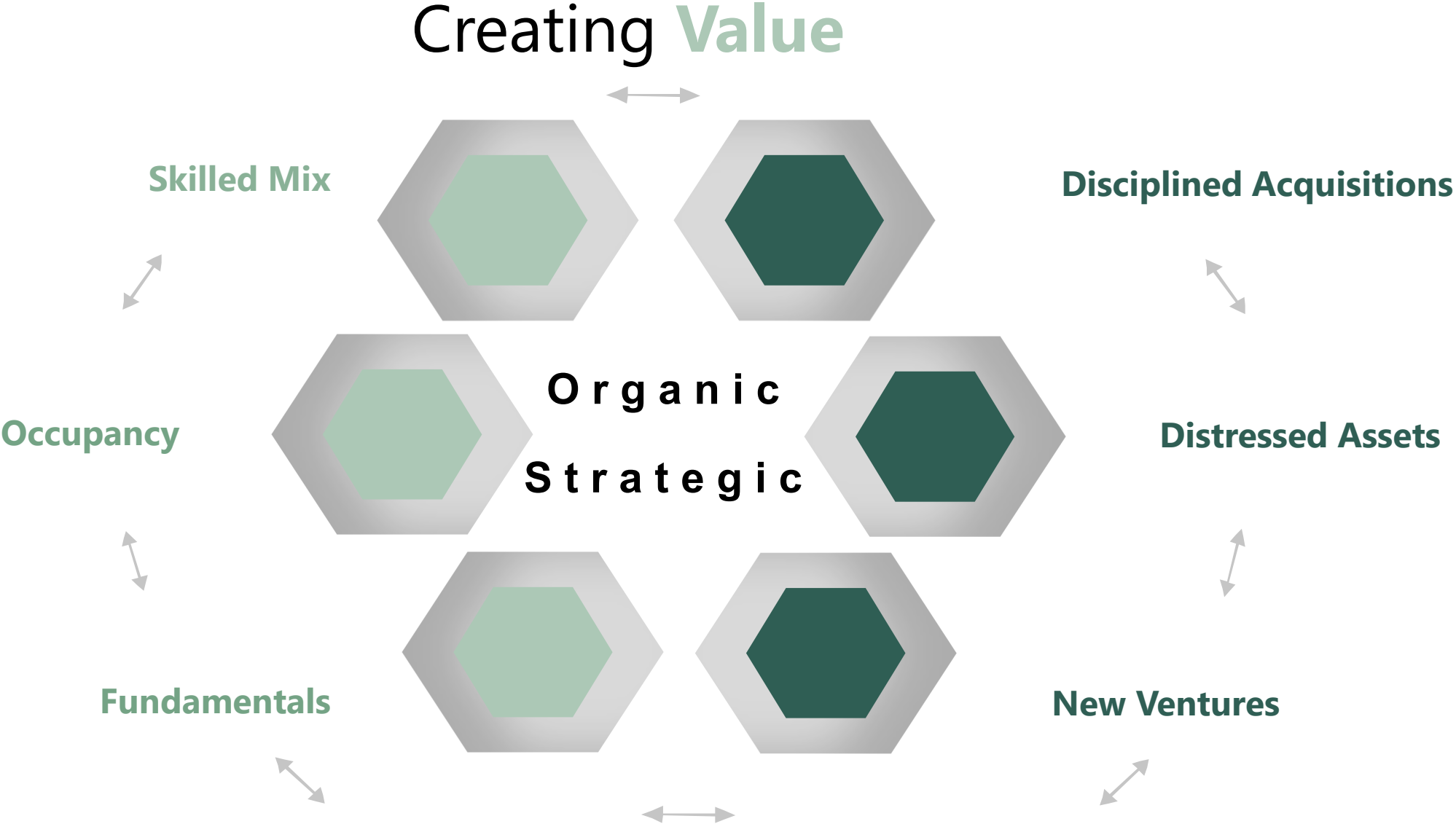


Ensign Adjusted EBITDAR<sup>(2)</sup> Trend



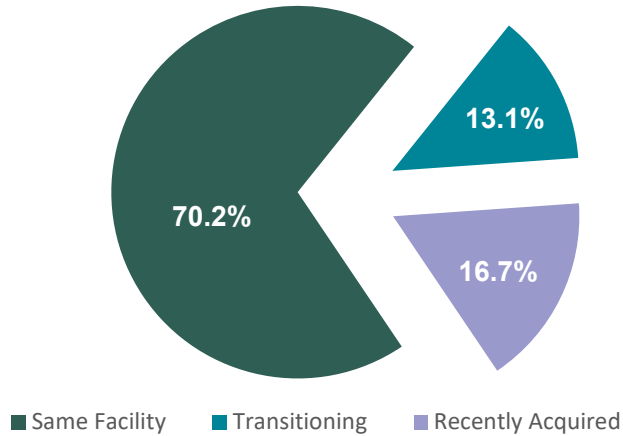
# Multifaceted Growth Opportunities

Driven by Organic as well as Strategic Opportunities

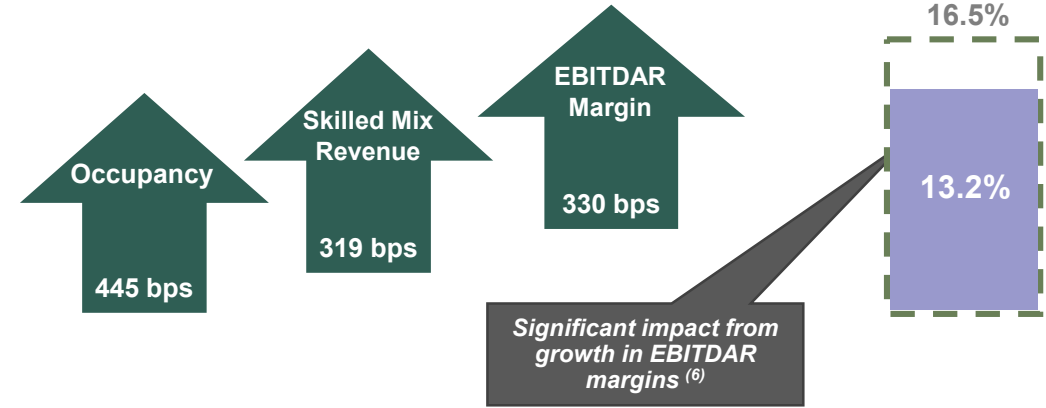


# A Disciplined Approach to Acquisitions & Track Record of Improving Operations to Drive Continued Growth

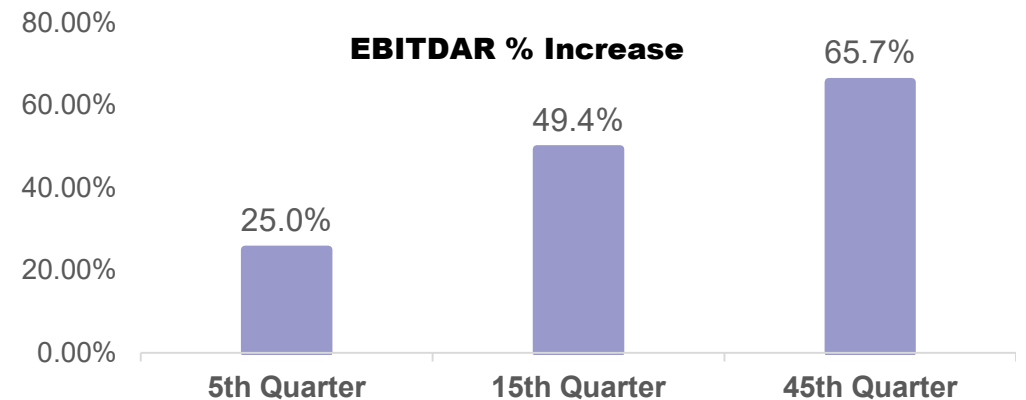
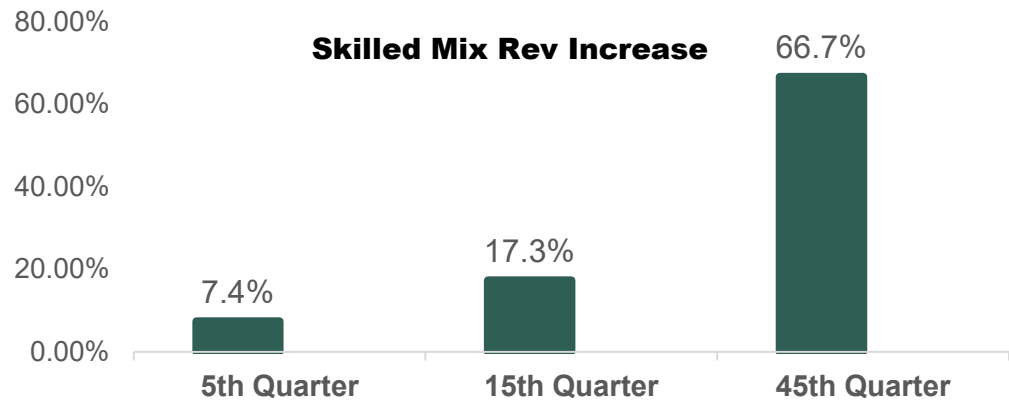
29.8% of Ensign's skilled nursing operations have been operated less than three full years



Proven track record of achieving significant improvement in just 5 quarters <sup>(4)</sup>

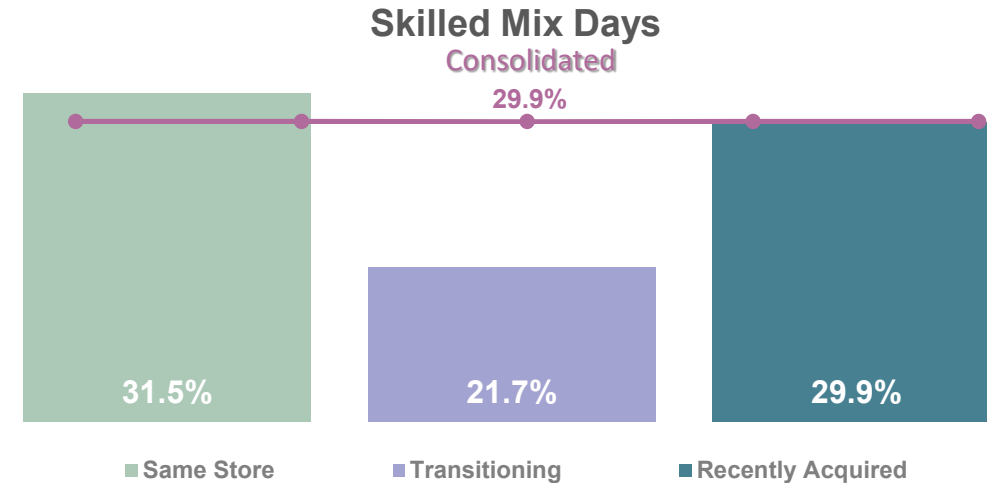
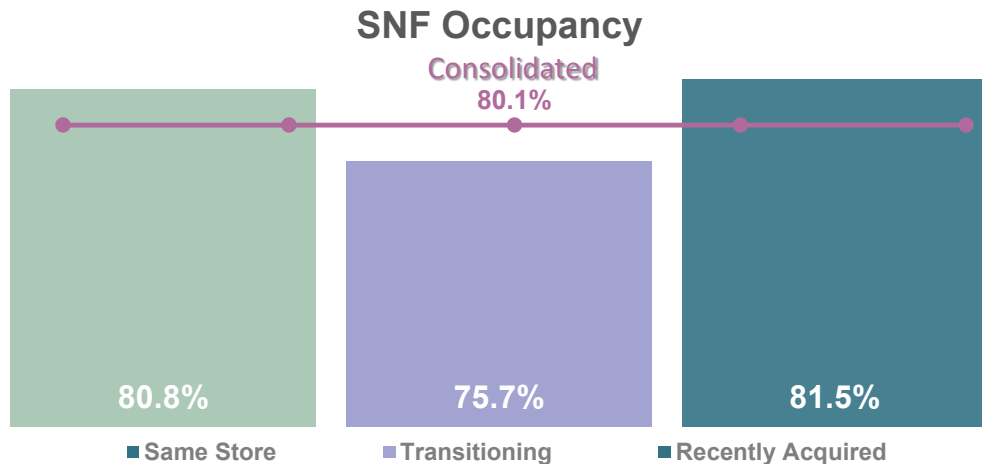
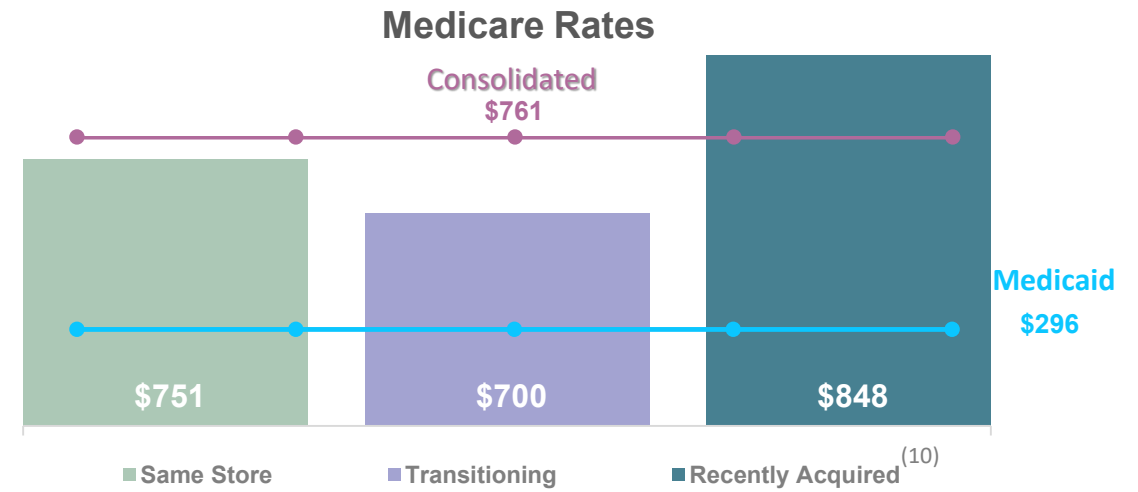
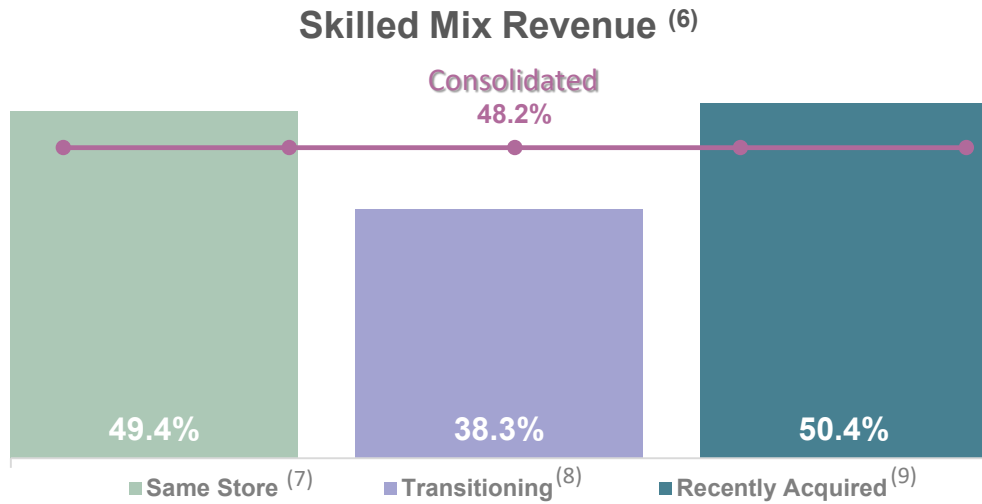


Significant improvement beyond 5th quarter to 45th quarter <sup>(5)</sup>



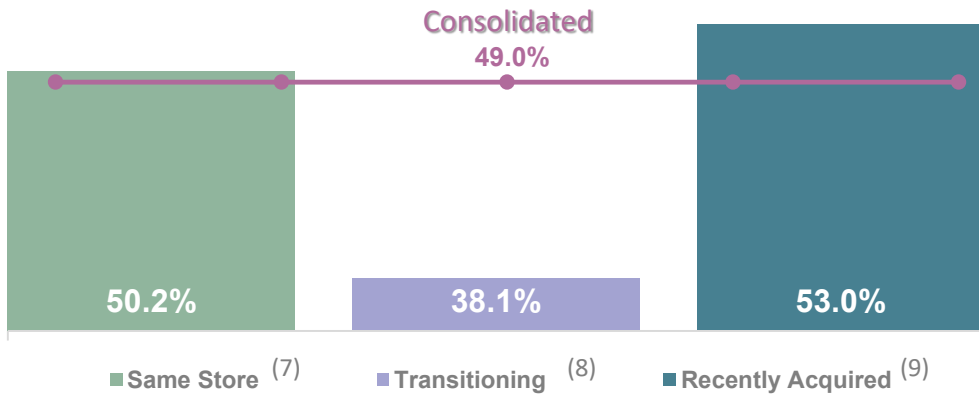


# Demonstrated Track Record of Significant Operational Improvements of Acquired Assets QTD Q2 2024

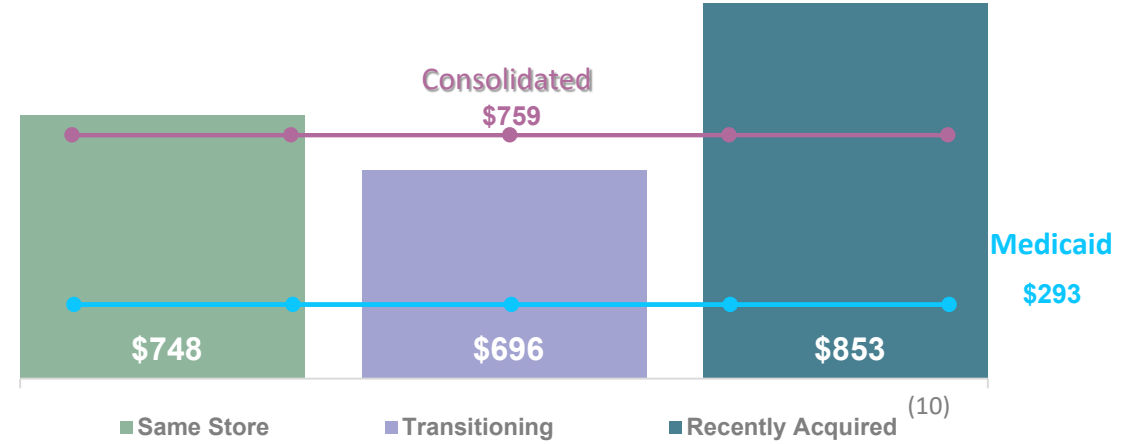


# Demonstrated Track Record of Significant Operational Improvements of Acquired Assets YTD Q2 2024

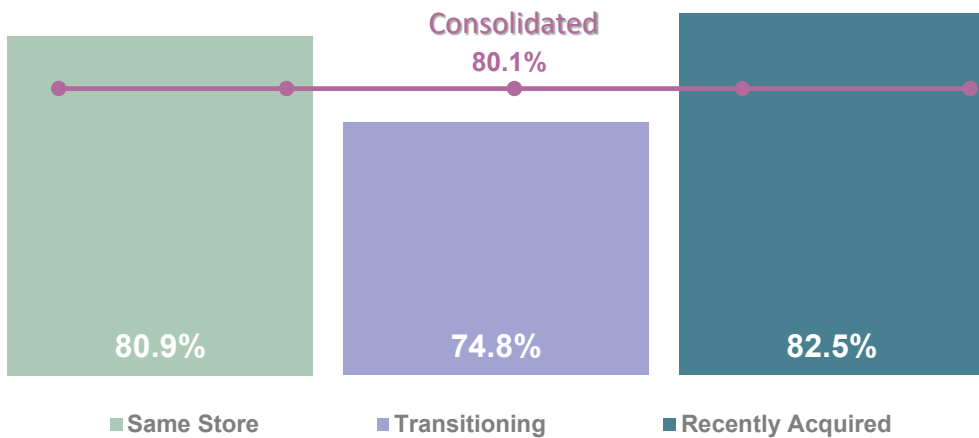
### Skilled Mix Revenue <sup>(6)</sup>



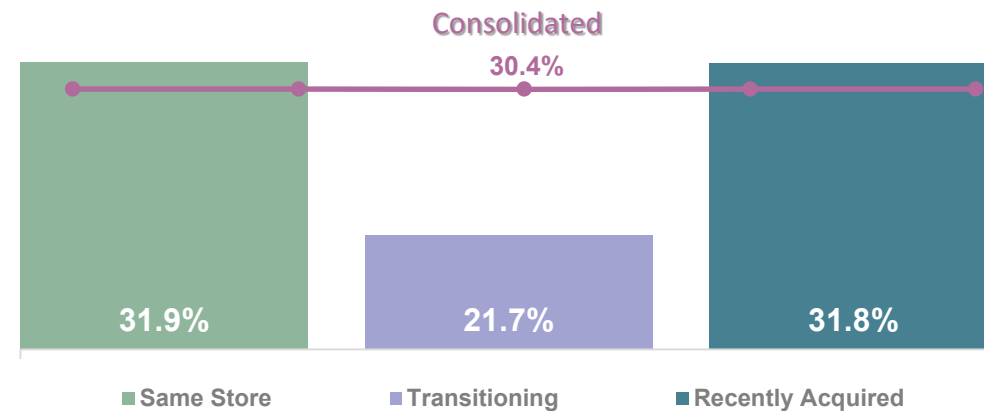
### Medicare Rates



### SNF Occupancy



### Skilled Mix Days



# Track Record of Successfully Incubating New Ventures



**PENNANT**  
GROUP

Completed 2019



**CareTrust**  
REIT

Completed in 2014



**ImmediateClinic**  
URGENT CARE

Completed in 2016



**STANDARD  
BEARER**  
HEALTHCARE REIT, INC.



**ENSIGN**  **PENNANT**  
CARE CONTINUUM



 **covalence**  
group



**CAPSTONE**  
TRANSPORTATION



 **PACIFIC  
MOBILE**  
PMDXRAY.com *diagnostics* 87



**BRIDGE**  
DIALYSIS  
LIFE SAVING TREATMENT AT HOME



**FOUNDERS** 



Spin Offs



Divestitures

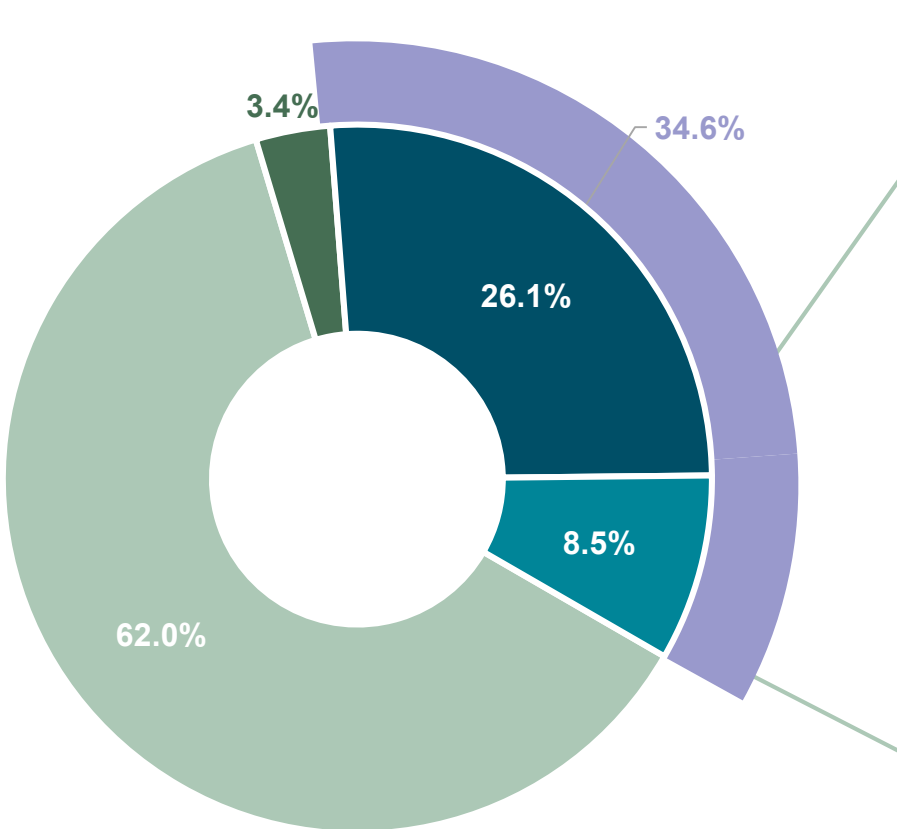


Current

# Significant Real Estate Portfolio As of September 1, 2024

% of 323 Facilities Ensign Operates and 30<sup>(11)</sup>  
Owned Real Estate Leased to Third Party  
Operators

Ensign Triple Net Master  
Leases with Third Party Operators



- Leased (without a Purchase Option)
- Leased (with a Purchase Option)
- Owned + Leased to third party operators
- Owned + Operated
- Total Owned

Lease Structure	<ul style="list-style-type: none"> <li>Multiple "triple-net" master leases</li> </ul>
Terms & Termination	<ul style="list-style-type: none"> <li>Lease agreements with initial terms from 10 to 20 years, with three 5-year extension options</li> <li>Consent required for third party operators to sublease, assign, encumber or otherwise transfer or dispose any property</li> </ul>
Rent Terms	<ul style="list-style-type: none"> <li>Fixed base rent with CPI-based escalators</li> </ul>
Expenses	<ul style="list-style-type: none"> <li>Third party operators responsible for maintenance, capital expenditures, property taxes, insurance and other expenses</li> </ul>
Other	<ul style="list-style-type: none"> <li>Customary covenants and events of default</li> </ul>

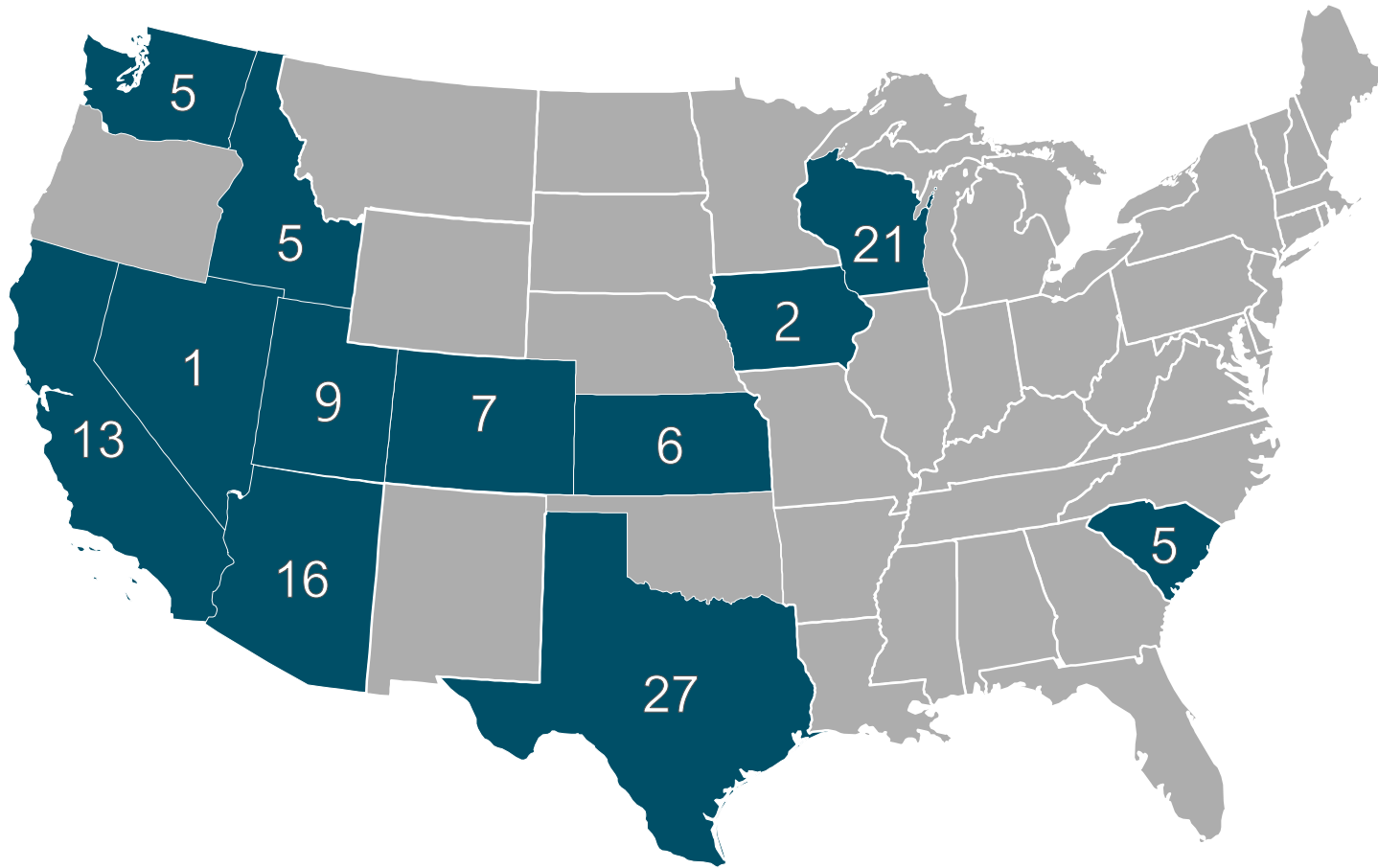
Refer to pages 55 – 56 for end notes. Source: Data as of 9/1/2024.

# Standard Bearer REIT Structure Summary & Key Benefits



# Standard Bearer at a Glance

## Geographic Footprint



Note: Figures represent the number of owned properties per state

## Key Stats

**117**  
Properties

**\$1.2B**<sup>(12)</sup>  
Real Estate  
Fair Value

**12**  
States

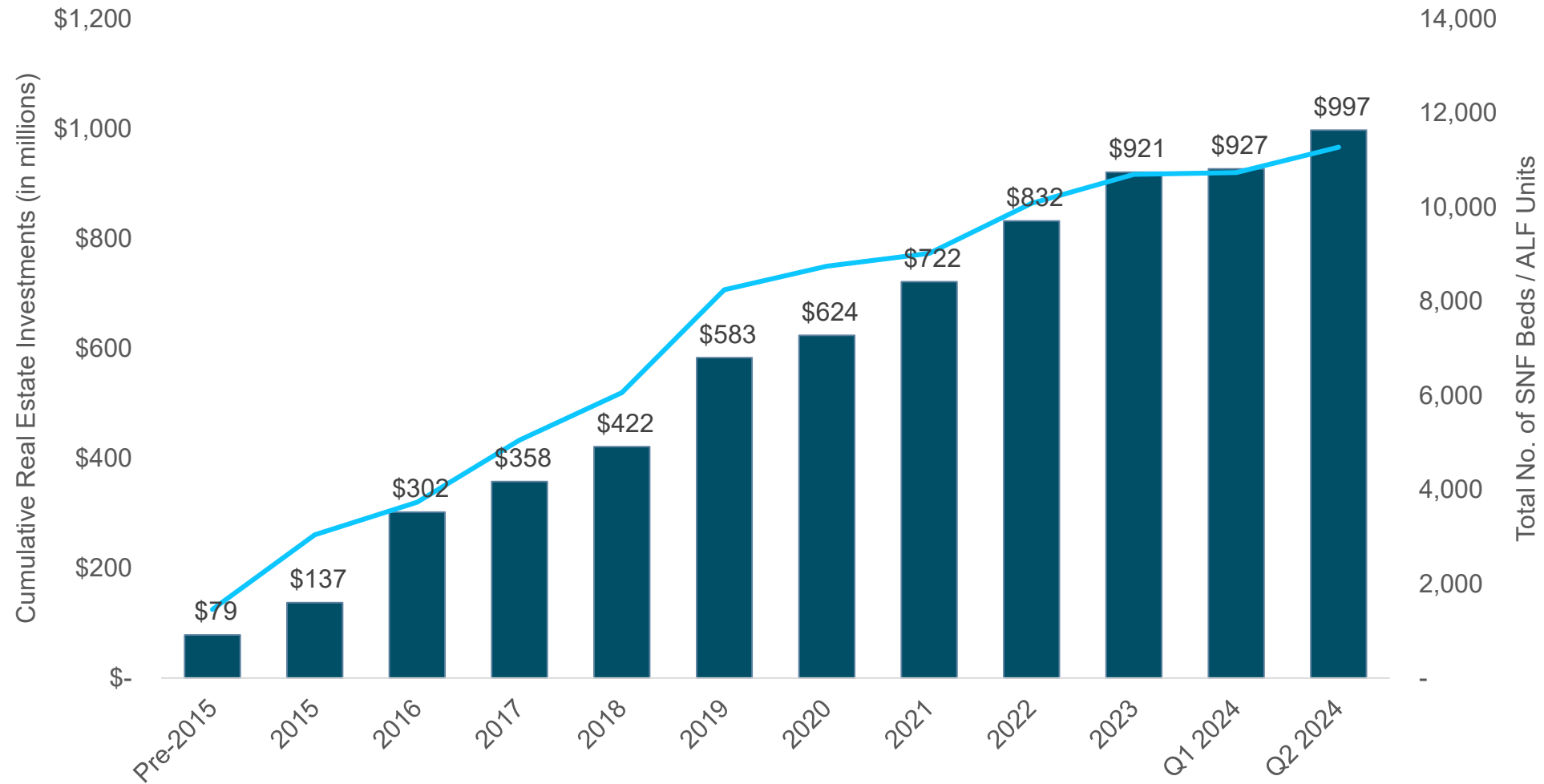
**11,484**  
Operating  
Beds / Units

**14.5 Years**  
Weighted Avg.  
Lease Tenor

**82.8%**<sup>(13)</sup>  
Ensign Operated

# Standard Bearer Continuation & Expansion of Real Estate Success

Cumulative Investments Over Time <sup>(14)</sup>

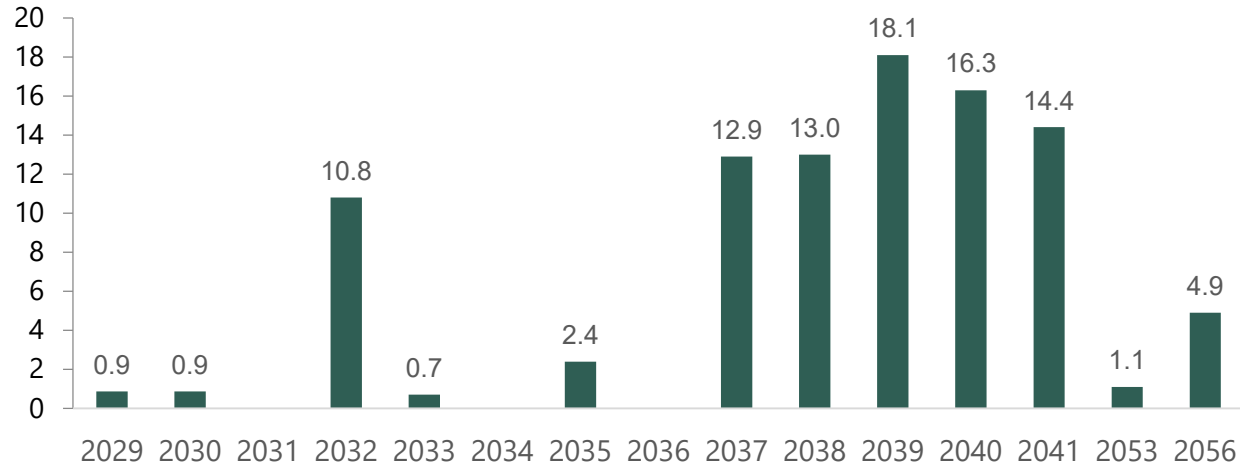


# Standard Bearer Strong Long Term Leases

**14.5 years**<sup>(15)</sup>  
Weighted Average  
Lease Tenor

**98%**  
of leases expire  
after 2031

Annualized Rent Revenue Expirations by Year



Tenant Rent Coverage Summary

	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
<b>Ensign Affiliated</b>	2.57	2.42	2.31	2.68	2.51
<b>Third-Party</b>	1.40	1.57	1.58	1.63	1.59
<b>Total</b>	<b>2.37</b>	<b>2.27</b>	<b>2.19</b>	<b>2.50</b>	<b>2.36</b>

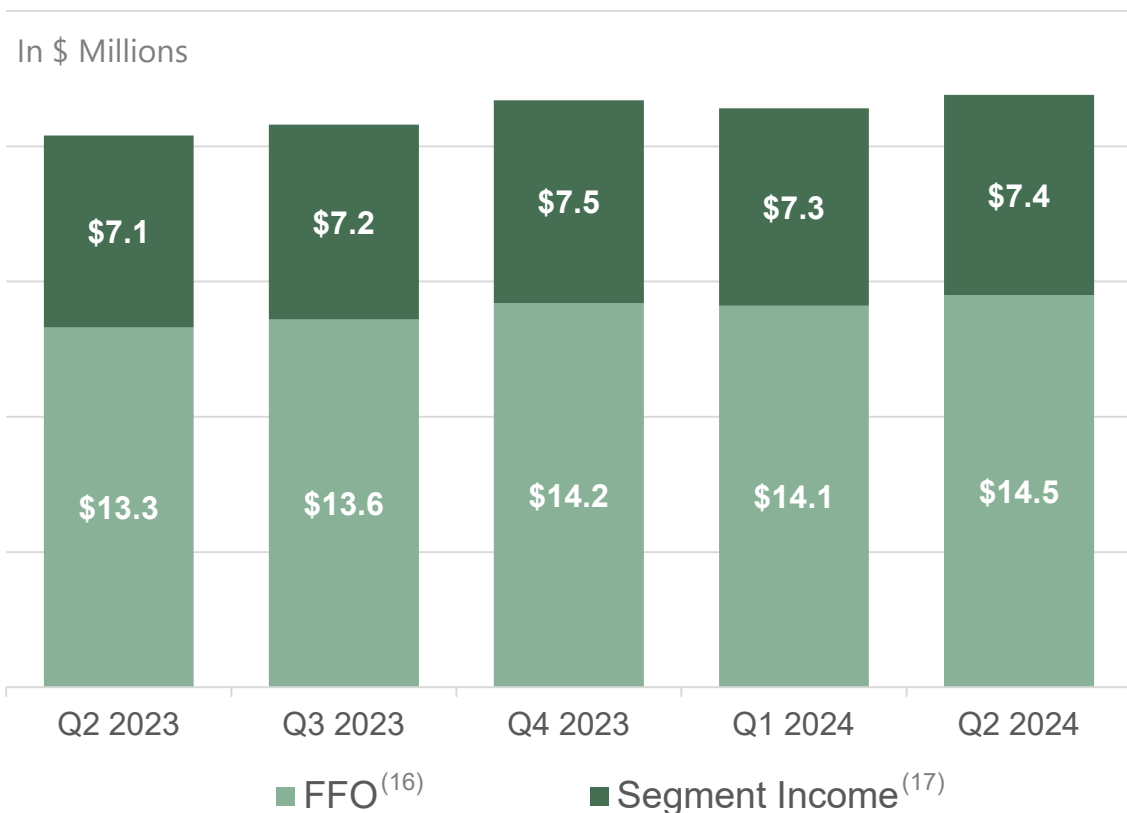


# Standard Bearer Metrics Quarter Over Quarter

### Rental Revenue – Trend

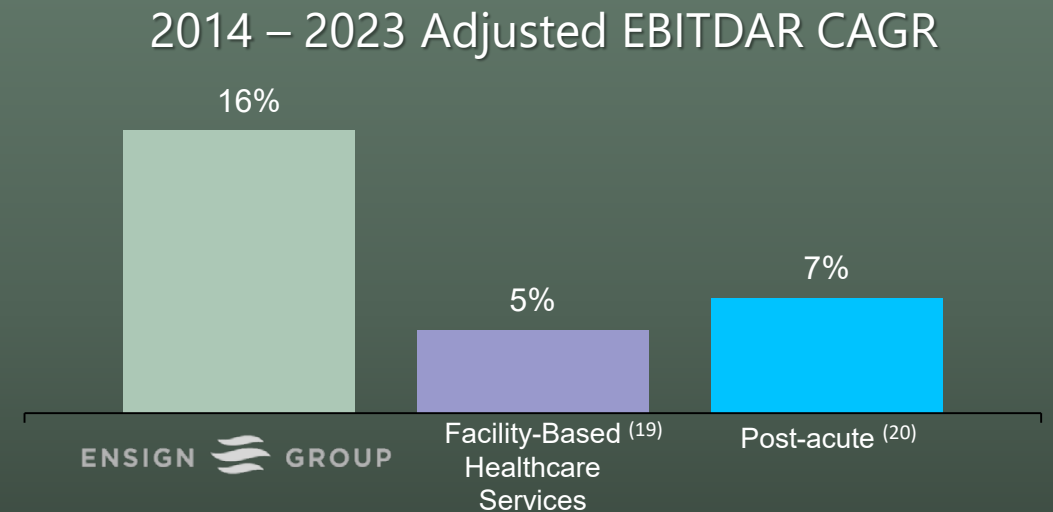
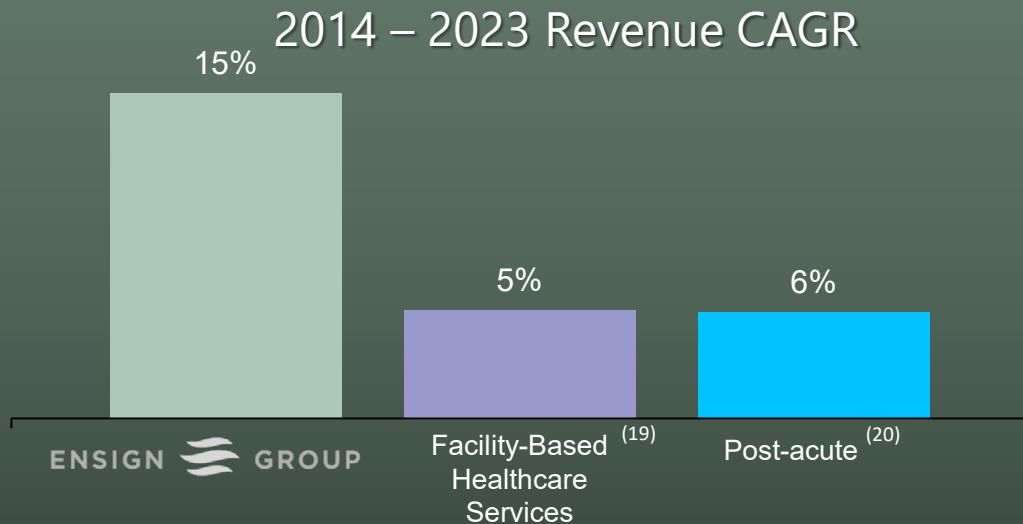
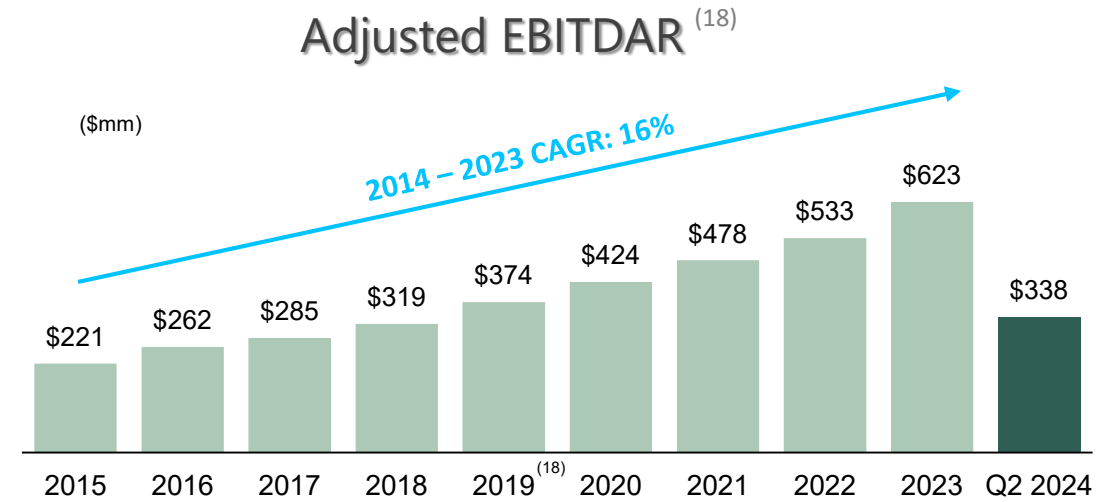
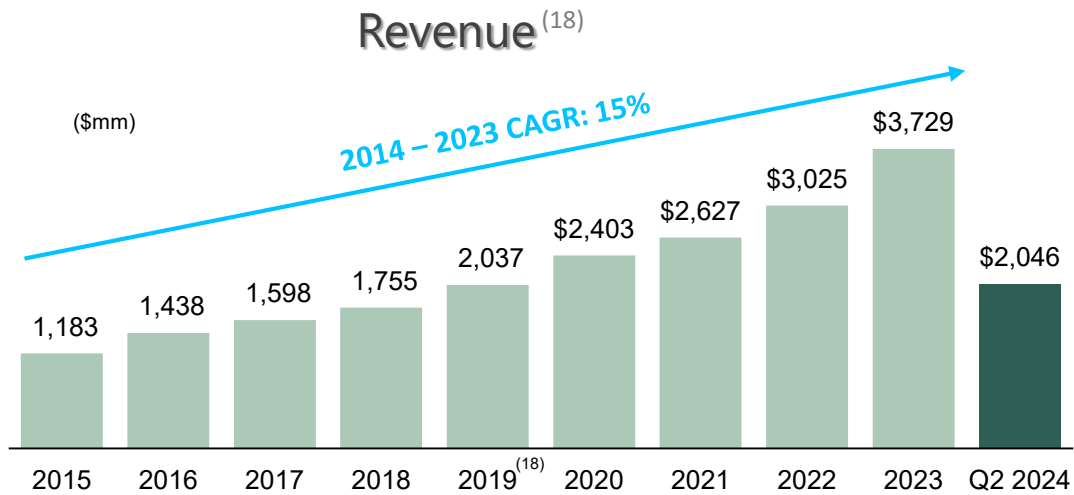


### Other Real Estate Metrics



# Ensign Represents The Growth Story

In the Facility-Based Healthcare Services & Post-Acute Sector



# Liquidity Financials Measure

Summary of Cash Flows (In millions)	Six Months Ended June 30,	
	2024	2023
Net cash provided by (used in):		
Operating activities	112.3	168.1
Investing activities	(144.6)	(62.4)
Financing activities	-	(1.9)
Net increase in cash and cash equivalents	(32.3)	103.7
Cash and cash equivalents beginning of period	509.6	316.3
<b>Cash and cash equivalents end of period</b>	<b>\$477.3</b>	<b>\$420.0</b>
<b>Other Liquidity Metrics:</b>		
Availability under Credit Facility	\$573.1	\$593.3
<b>Net Debt to Adjusted EBITDAR</b>	<b>1.99x</b>	<b>1.98x</b>

# Quarter Over Quarter Highlights

(in millions)



12.5%



6.8%



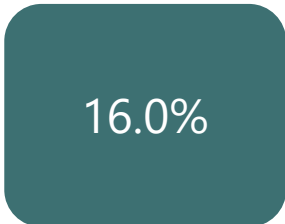
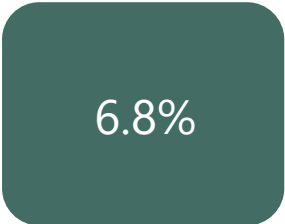
15.2%



Q2 2024	Q2 2023
\$1,036.3	\$921.3
\$745.5	\$697.9
\$76.4	\$66.3

# Year Over Year Highlights

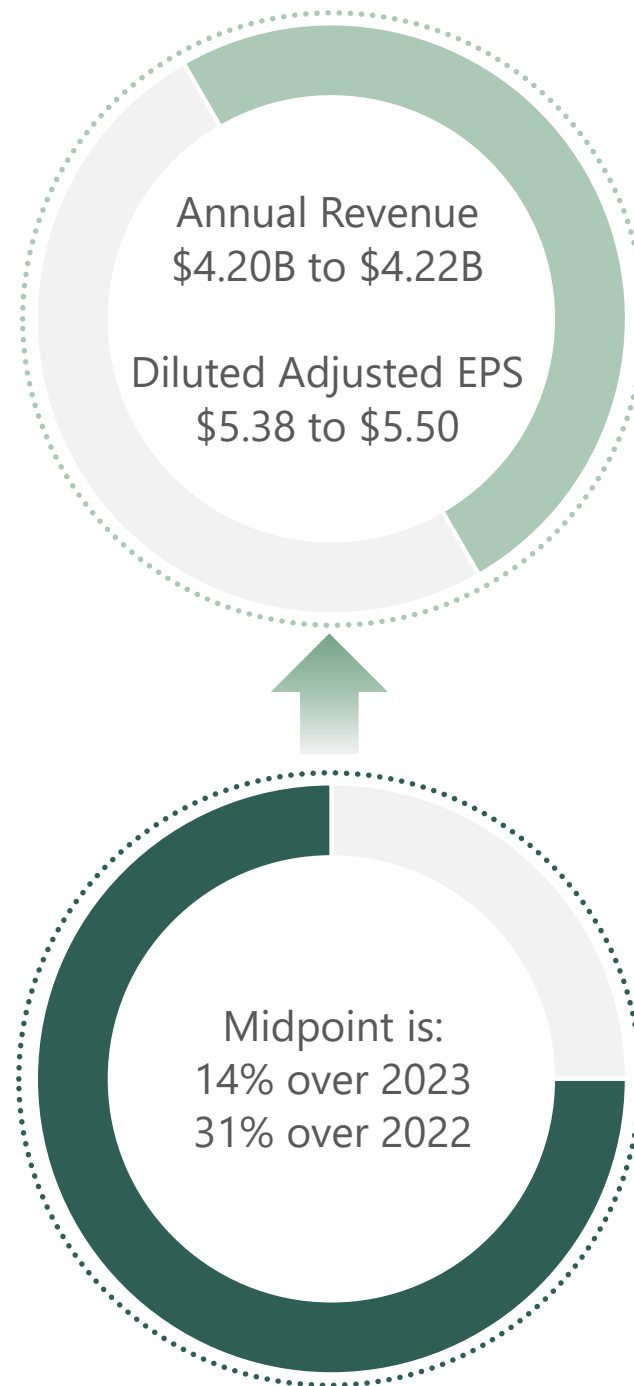
(in millions)



Q2 2024	Q2 2023
\$2,046.5	\$1,808.2
\$1,488.7	\$1,393.7
\$151.8	\$130.9

# Guidance 2024

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# Strong Shareholder Returns Since IPO

Total Shareholder Return					
Company	Since IPO	1 Yr	3 Yr	5 Yr	10 Yr
ENSIGN  GROUP	4,024%	53%	83%	238%	1,492%



# Ensign Management Team



Christopher  
Christensen

Executive Chairman  
24 Years

Former Ensign roles: CEO,  
President and Director.

Prior to joining Ensign:  
Acting Chief Operating  
Officer of Covenant Care,  
Inc.



Barry  
Port

Chief Executive Officer  
and Director  
20 Years

Former Ensign roles: COO,  
President of Keystone Care  
and CEO of Bella Vita  
Health and Rehabilitation  
Center (Ensign Affiliate).

Prior to joining Ensign:  
Leader of Strategic Sourcing  
Initiatives for Sprint  
Corporation.

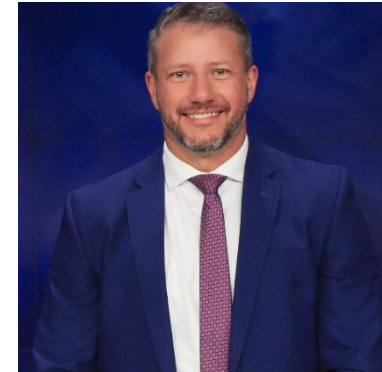


Suzanne  
Snapper

Chief Financial Officer, EVP  
and Director  
17 Years

Former Ensign roles: Vice  
President of Finance.

Prior to joining Ensign:  
Senior Manager at KPMG  
LLP.



Chad  
Keetch

Chief Investment Officer, EVP  
and Secretary  
13 Years

Former Ensign roles:  
Executive Vice President  
and Secretary, Vice  
President of Acquisitions  
and Business Legal Affairs  
and Assistant Secretary.

Prior to joining Ensign:  
Attorney at Kirkland & Ellis  
LLP.



Spencer  
Burton

President, Chief Operating  
Officer  
18 Years

Former Ensign roles:  
President of Pennant  
Healthcare, CEO of Pacific  
Care and Rehabilitation  
(Ensign-affiliate).

Prior to joining Ensign: Utah  
State Legislature.



# Appendix

[www.ensigngroup.net](http://www.ensigngroup.net)

# Fundamentals Remain Favorable for Strong Organic Growth

## Key Drivers of Organic Growth

### Aging Population

Population over 65 projected to nearly double by 2060 <sup>(21)</sup>

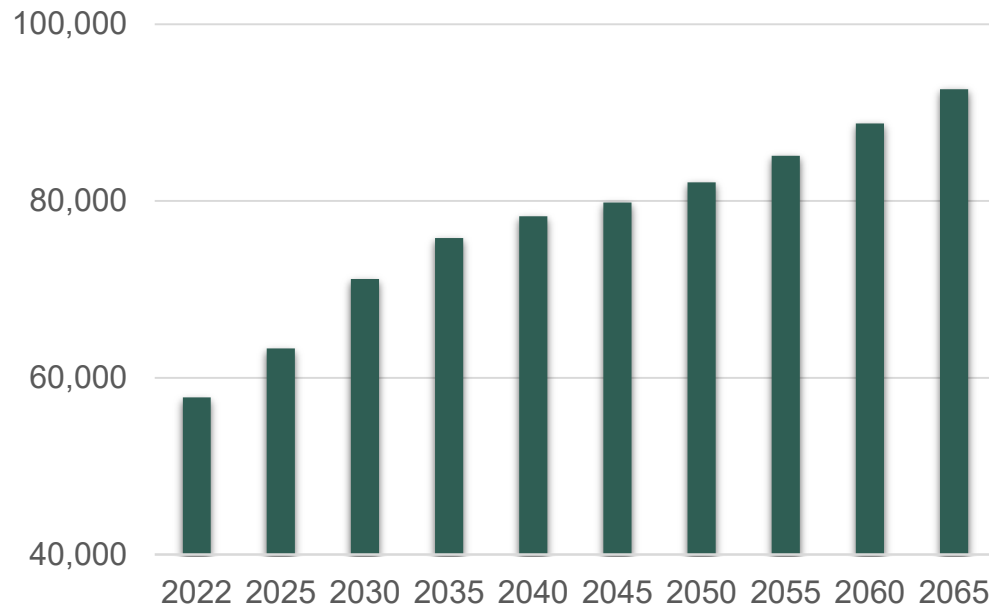
### Shift to Value-based Care

Shift to value-based care, will continue to benefit low cost, high quality settings (e.g. SNF)

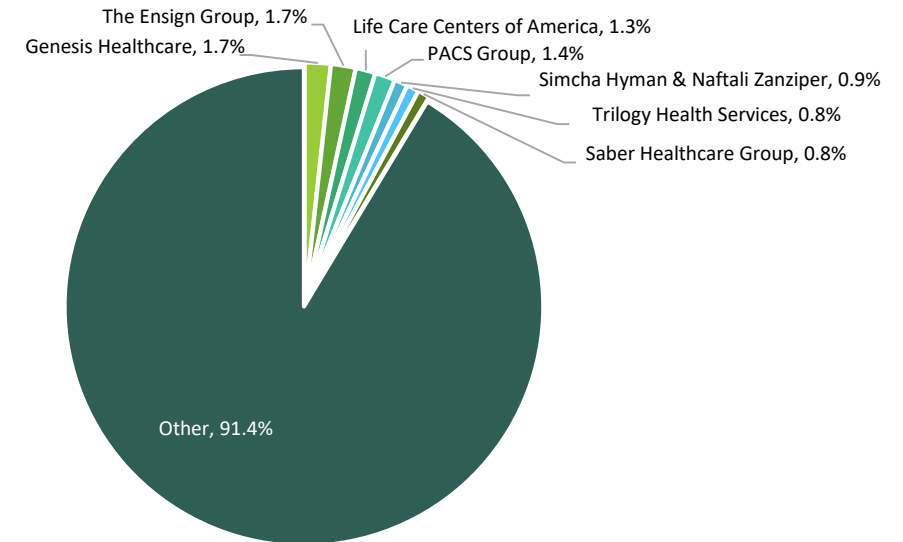
### Reimbursement Environment

Over the last 10 years the CMS reimbursement rates in the SNF industry have increased at a steady rate of ~ 1.0% - 5.0%

Estimated Population Over 65



Market fragmentation creates significant consolidation opportunity <sup>(22)</sup>



Favorable Backdrop for Growth in the Skilled Services Industry

# Fundamentals Remain Favorable for Strong Organic Growth

## Key Drivers of Organic Growth

### Aging Population

Population over 65 projected to nearly double by 2060 <sup>(21)</sup>

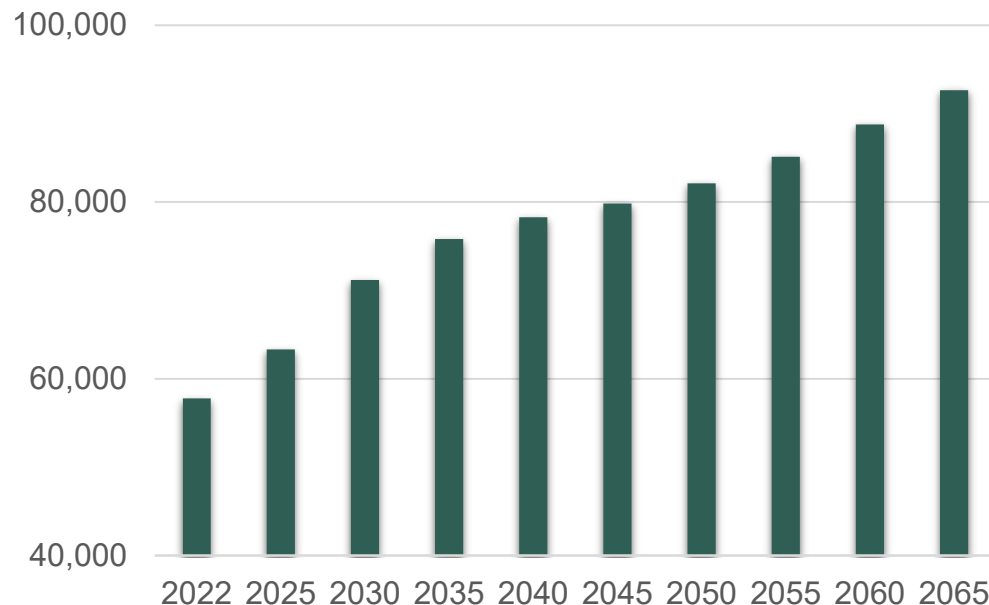
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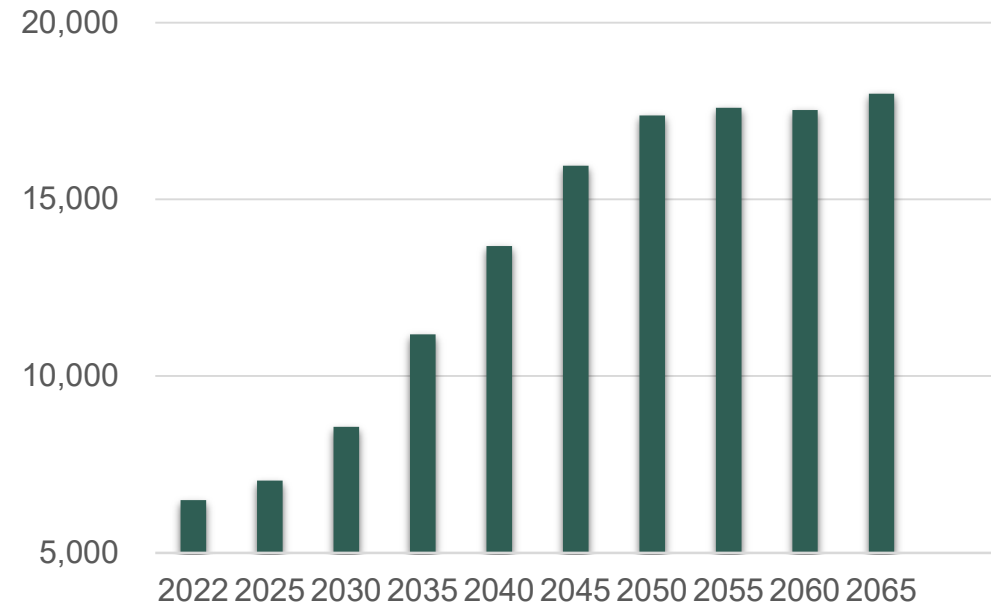
### Reimbursement Environment

Over the last 10 years the CMS reimbursement rates in the SNF industry have increased at a steady rate of ~ 1.0% - 5.0%

### Estimated Population Over 65



### Estimated Population Over 85

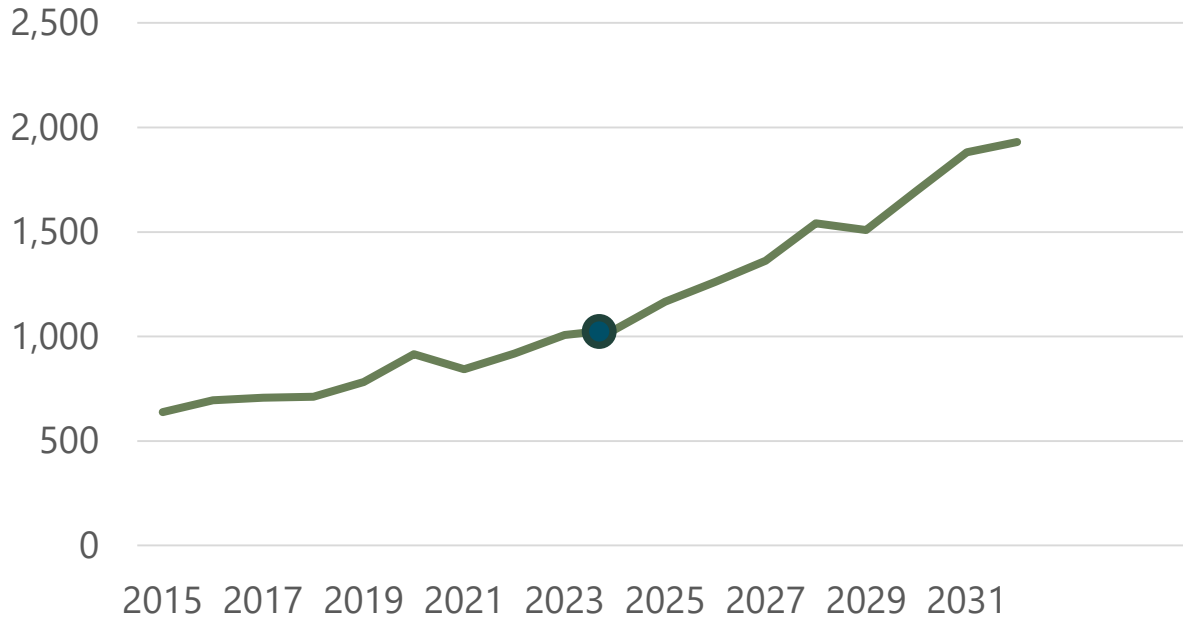


Favorable Backdrop for Growth in the Skilled Services Industry

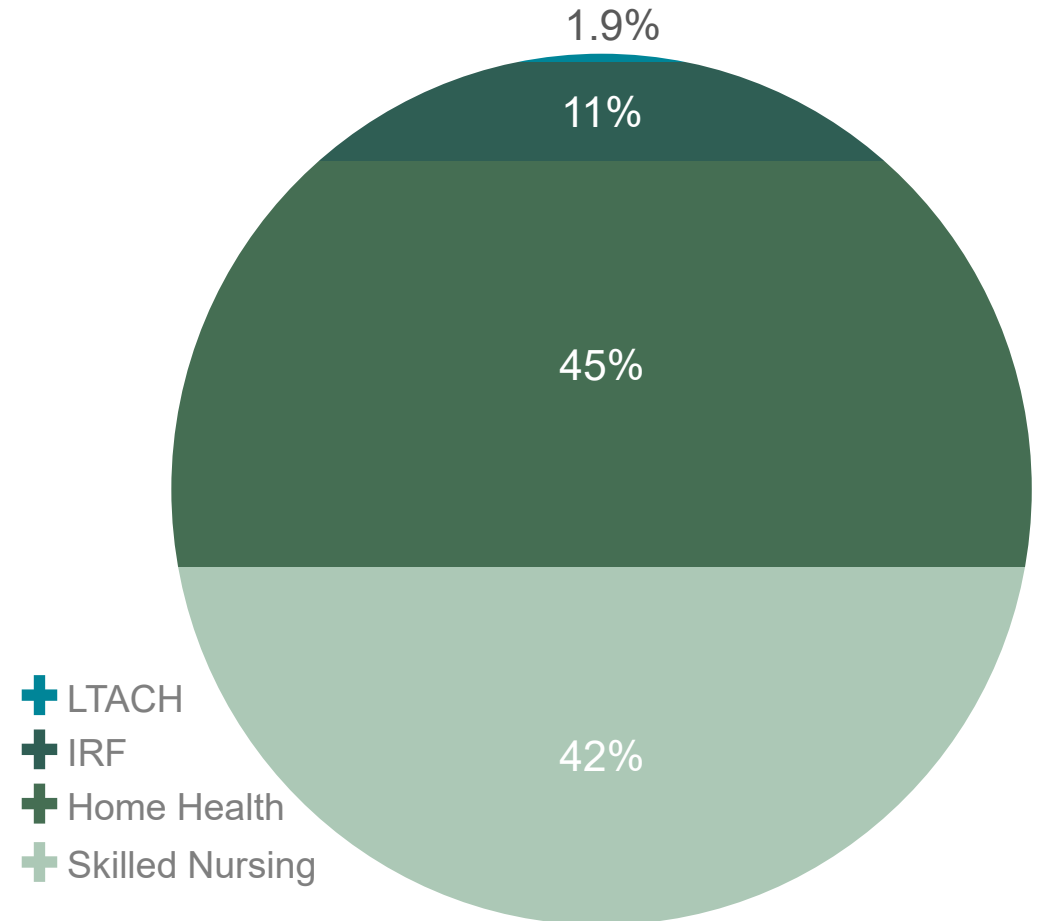
# Largest Beneficiary Of Medicare Post-Acute Dollars While Medicare Spending Continues to Increase

Medicare Spending Projection <sup>(23)</sup>

(in Billions)



Post-Acute Destinations - % of Medicare Dollars <sup>(24)</sup> <sup>(25)</sup>



# Skilled Services Segment

\$ in thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Statements of Income Data:</b>				
Segment income <sup>(25)</sup>	\$122,185	\$117,008	\$248,994	\$230,353
Depreciation and amortization	10,911	9,417	21,447	18,481
<b>EBITDA</b>	<b>\$133,096</b>	<b>\$126,425</b>	<b>\$270,441</b>	<b>\$248,834</b>
Adjustments to EBITDA:				
Business interruption recoveries	-	(750)	-	(750)
Stock-based compensation expense	5,693	5,705	10,907	9,861
Litigation <sup>(26)</sup>	2,100	-	2,100	-
<b>Adjusted EBITDA</b>	<b>\$140,889</b>	<b>\$131,380</b>	<b>\$283,448</b>	<b>\$257,945</b>

# Standard Bearer Segment

\$ in thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Rental revenue generated from third-party tenants	\$4,198	\$3,786	\$8,393	\$7,572
Rental revenue generated from Ensign's independent subsidiaries	19,156	16,128	37,162	32,059
<b>Total rental revenue</b>	<b>\$23,354</b>	<b>\$19,914</b>	<b>\$45,555</b>	<b>\$39,631</b>
Segment income <sup>(17)</sup>	7,360	7,133	14,618	14,352
Depreciation and amortization	7,166	6,133	13,995	12,099
<b>FFO<sup>(16)</sup></b>	<b>\$14,526</b>	<b>\$13,266</b>	<b>\$28,613</b>	<b>\$26,451</b>

# Reconciliation of GAAP to Non-GAAP Income

\$ in thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income attributable to The Ensign Group, Inc.	\$71,007	\$63,993	\$139,842	\$123,845
<b>Non-GAAP adjustments</b>				
Stock-based compensation expense <sup>(27)</sup>	8,985	8,881	17,223	15,454
Litigation <sup>(26)</sup>	(1,634)	(885)	(870)	(818)
Cost of services – impairment of long-lived assets	-	-	1,849	-
Cost of services – business interruption recoveries	-	(750)	-	(750)
Cost of services - acquisition related costs <sup>(28)</sup>	165	112	279	572
General and administrative – costs incurred related to system implementations	2,357	60	2,433	875
Depreciation and amortization – patient base <sup>(29)</sup>	174	-	213	47
Provision for income taxes on Non-GAAP adjustments <sup>(30)</sup>	(4,645)	(5,155)	(9,176)	(8,328)
<b>Non-GAAP net income</b>	<b>\$76,409</b>	<b>\$66,256</b>	<b>\$151,793</b>	<b>\$130,897</b>
Average number of shares outstanding	58,013	57,260	57,969	57,190
<b>Diluted Earnings Per Share</b>	<b>\$1.22</b>	<b>\$1.12</b>	<b>\$2.41</b>	<b>\$2.17</b>
<b>Adjusted Diluted Earnings Per Share</b>	<b>\$1.32</b>	<b>\$1.16</b>	<b>\$2.62</b>	<b>\$2.29</b>

# Reconciliation of GAAP to Non-GAAP Financial Measures

\$ in thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Income before provision for income taxes	92,064	81,053	181,662	159,435
Stock-based compensation	8,985	8,881	17,223	15,454
Litigation <sup>(26)</sup>	(1,634)	(885)	(870)	(818)
Business interruption recoveries	-	(750)	-	(750)
Impairment of long-lived assets	-	-	1,849	-
Acquisition related costs <sup>(28)</sup>	165	112	279	572
Costs incurred related to system implementations	2,357	60	2,433	875
Depreciation and amortization – patient base <sup>(29)</sup>	174	-	213	47
<b>Adjusted EBT</b>	<b>\$102,111</b>	<b>\$88,471</b>	<b>\$202,789</b>	<b>\$174,815</b>



# Reconciliation of GAAP to Non-GAAP Financial Measures

\$ in thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$71,181	\$64,090	\$140,141	\$124,059
Less: net income attributable to noncontrolling interests	174	97	299	214
Interest income	7,084	3,542	13,544	7,526
Add: Provision for income taxes	20,883	16,963	41,521	35,376
Depreciation and amortization	20,488	17,596	40,145	34,708
Interest expense	2,040	2,023	4,004	4,059
<b>EBITDA<sup>(34)</sup></b>	<b>\$107,334</b>	<b>\$97,033</b>	<b>\$211,968</b>	<b>\$190,462</b>
<b>Adjustments to EBITDA:</b>				
Stock-based compensation expense	8,985	8,881	17,223	15,454
Litigation <sup>(26)</sup>	(1,634)	(885)	(870)	(818)
Impairment of long-lived assets	-	-	1,849	-
Business interruptions recoveries	-	(750)	-	(750)
Acquisition related costs <sup>(28)</sup>	165	112	279	572
Costs incurred related to system implementations	2,357	60	2,433	875
<b>Adjusted EBITDA</b>	<b>\$117,207</b>	<b>\$104,451</b>	<b>\$232,882</b>	<b>\$205,795</b>
Rent—cost of services	53,272	49,760	105,148	96,397
<b>Adjusted EBITDAR</b>	<b>\$170,479</b>		<b>\$338,030</b>	

# Reconciliation From Segment Income to Income Before Provisions For Income Taxes QTD Q2 2024

\$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Total Revenue	\$991,285	\$23,354	\$47,339	\$(25,693)	\$1,036,285
Cost of services	791,613	487	32,047	(3,787)	820,361
Internal rent expense <sup>(32)</sup>	17,229	-	2,811	(20,040)	-
External rent expense	49,347	245	3,680	-	53,272
Depreciation and amortization	10,911	7,166	2,411	-	20,488
General and administrative expenses <sup>(32)</sup>	-	1,502	56,558	(1,866)	56,194
Other expense (income), net <sup>(31)</sup>	-	6,594	(12,687)	-	(6,093)
<b>Total expenses</b>	<b>869,100</b>	<b>15,994</b>	<b>84,820</b>	<b>(25,693)</b>	<b>944,221</b>
<b>Segment income</b>	<b>122,185</b>	<b>7,360</b>	<b>(37,481)</b>	<b>-</b>	<b>92,064</b>
<b>Income before provision for income tax</b>					<b>92,064</b>

# Reconciliation From Segment Income to Income Before Provisions For Income Taxes YTD 2024

\$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Total Revenue	\$1,960,887	\$45,555	\$89,911	\$(49,896)	\$2,046,457
Cost of services	1,559,590	1,074	64,446	(7,336)	1,617,774
Internal rent expense <sup>(33)</sup>	33,565	-	5,335	(38,900)	-
External rent expense	97,291	487	7,370	-	105,148
Depreciation and amortization	21,447	13,995	4,703	-	40,145
General and administrative expenses <sup>(33)</sup>	-	2,845	114,167	(3,660)	113,352
Other expense (income), net <sup>(31)</sup>	-	12,536	(26,009)	-	(13,473)
<b>Total expenses</b>	<b>1,711,893</b>	<b>30,937</b>	<b>170,012</b>	<b>(49,896)</b>	<b>1,862,946</b>
<b>Segment income</b>	<b>248,994</b>	<b>14,618</b>	<b>(80,101)</b>	<b>-</b>	<b>183,511</b>
Impairment of long-lived assets					(1,849)
<b>Income before provision for income tax</b>					<b>181,662</b>

# Reconciliation From Segment Income to GAAP EBITDA and Non-GAAP EBITDA QTD Q2 2024

\$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Segment Income	\$122,185	\$7,360	(\$37,481)	-	\$92,064
Interest Expense (income)	-	6,594	(11,638)	-	(5,044)
Depreciation and amortization	10,911	7,166	2,411	-	20,488
Net income attributable to non-controlling interests	-	-	(174)	-	(174)
<b>Segment GAAP EBITDA</b>	<b>133,096</b>	<b>21,120</b>	<b>(46,882)</b>	<b>-</b>	<b>107,334</b>
<b>Consolidated GAAP EBITDA</b>					<b>107,334</b>
<i>Non-GAAP Adjustments</i>					
Stock based compensation	5,693		3,292		8,985
Litigation <sup>(26)</sup>	2,100		(3,734)		(1,634)
Impairment of long-lived assets			-		-
Acquisition related costs <sup>(28)</sup>			165		165
Cost incurred related to system implementation			2,357		2,357
<b>Segment Non-GAAP EBITDA</b>	<b>140,889</b>	<b>21,120</b>	<b>(44,802)</b>	<b>-</b>	<b>117,207</b>
<b>Consolidated Non-GAAP EBITDA</b>					<b>117,207</b>
Internal Rent Expense	17,229	-	2,811	(20,040)	-
External Rent Expense	49,347	245	3,680	-	53,272
<b>Total Non-GAAP Rent Expense</b>	<b>66,576</b>	<b>245</b>	<b>6,491</b>	<b>(20,040)</b>	<b>53,272</b>
<b>Consolidated Non-GAAP EBITDAR</b>	<b>207,465</b>	<b>21,365</b>			<b>\$170,479</b>

# Reconciliation From Segment Income to GAAP EBITDA and Non-GAAP EBITDA YTD 2024

\$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Segment Income	\$ 248,994	\$14,618	(\$80,101)	-	\$183,511
Interest Expense (income)	-	12,536	(22,076)	-	(9,540)
Depreciation and amortization	21,447	13,995	4,703	-	40,145
Net income attributable to non-controlling interests			(299)		(299)
<b>Segment GAAP EBITDA</b>	<b>270,441</b>	<b>41,149</b>	<b>(97,773)</b>	<b>-</b>	<b>213,817</b>
Impairment of long-lived assets					(1,849)
<b>Consolidated GAAP EBITDA</b>					<b>211,968</b>
<i>Non-GAAP Adjustments</i>					
Stock based compensation	10,907	-	6,316	-	17,223
Litigation <sup>(26)</sup>	2,100	-	(2,970)	-	(870)
Impairment of long-lived assets	-	-	1,849	-	1,849
Acquisition related costs <sup>(28)</sup>	-	-	279	-	279
Costs incurred related to system implementations	-	-	2,433	-	2,433
<b>Segment Non-GAAP EBITDA</b>	<b>283,448</b>	<b>41,149</b>	<b>(89,866)</b>	<b>-</b>	<b>234,731</b>
Impairment of long-lived assets					(1,849)
<b>Consolidated Non-GAAP EBITDA</b>					<b>232,882</b>
Internal Rent Expense	33,565	-	5,335	(38,900)	-
External Rent Expense	97,291	487	7,370	-	105,148
<b>Total Non-GAAP Rent Expense</b>	<b>130,856</b>	<b>487</b>	<b>12,705</b>	<b>(38,900)</b>	<b>105,148</b>
<b>Consolidated Non-GAAP EBITDAR</b>	<b>414,304</b>	<b>41,636</b>			<b>\$338,030</b>

# Reconciliation of Deferred Compensation Plan

## Impact 5 Quarter Trend

\$ in thousands	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
<b>Non-GAAP Revenue</b>	<b>1,036,285</b>	<b>1,010,172</b>	<b>980,378</b>	<b>940,791</b>	<b>921,345</b>
Non-GAAP cost of services	815,911	791,899	771,238	736,125	718,388
Less: DCP gain (loss) related to cost of services	314	1,244	1,813	(676)	666
<b>Non-GAAP cost of services without DCP</b>	<b>815,597</b>	<b>790,655</b>	<b>769,425</b>	<b>736,801</b>	<b>717,722</b>
Non-GAAP cost of services as a percentage of revenue	78.7%	78.4%	78.7%	78.2%	78.0%
<b>Non-GAAP cost of services as a percentage of revenue without DCP</b>	<b>78.7%</b>	<b>78.3%</b>	<b>78.5%</b>	<b>78.3%</b>	<b>77.9%</b>
Non-GAAP general and administrative expense with DCP	50,770	53,481	49,528	46,160	50,309
Less: DCP gain (loss) related to general and administrative expense	314	1,244	1,813	(676)	666
<b>Non-GAAP general and administrative expense without DCP</b>	<b>50,456</b>	<b>52,237</b>	<b>47,715</b>	<b>46,836</b>	<b>49,643</b>
Non-GAAP general and administrative expense as a percentage of revenue	4.9%	5.3%	5.1%	4.9%	5.5%
<b>Non-GAAP general and administrative expense as a percentage of revenue without DCP</b>	<b>4.9%</b>	<b>5.2%</b>	<b>4.9%</b>	<b>5.0%</b>	<b>5.4%</b>

# Reconciliation of Deferred Compensation Plan

\$ in thousands	Six Months Ended June 30,	
	2024	2023
<b>Non-GAAP Revenue</b>	<b>2,046,457</b>	<b>1,808,186</b>
Non-GAAP cost of services	1,607,810	1,410,100
Less: DCP gain (loss) related to cost of services	1,558	1,306
<b>Non-GAAP cost of services without DCP</b>	<b>1,606,252</b>	<b>1,408,794</b>
Non-GAAP cost of services as a percentage of revenue	78.6%	78.0%
<b>Non-GAAP cost of services as a percentage of revenue without DCP</b>	<b>78.5%</b>	<b>77.9%</b>
Non-GAAP general and administrative expense with DCP	104,251	98,899
Less: DCP gain (loss) related to general and administrative expense	1,558	1,306
<b>Non-GAAP general and administrative expense without DCP</b>	<b>102,693</b>	<b>97,593</b>
Non-GAAP general and administrative expense as a percentage of revenue	5.1%	5.5%
<b>Non-GAAP general and administrative expense as a percentage of revenue without DCP</b>	<b>5.0%</b>	<b>5.4%</b>

# Property Locations

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
Alta Mesa Health and Rehabilitation and The Groves Assisted and Independent Senior Living Community	AZ	Campus	176	Ensign
Arrowhead Springs Healthcare	CA	SNF	99	Ensign
Atchison Senior Village Rehabilitation and Nursing Center	KS	SNF	45	Ensign
Avamere Rehabilitation at Ridgemont and The Villas at Ridgemont	WA	Campus	142	Avamere
Bainbridge Island Health and Rehabilitation Center	WA	SNF	58	Ensign
Belmont Terrace	WA	SNF	95	Ensign
Bennett Hills Rehabilitation and Care Center	ID	SNF	60	Ensign
Brenwood Park Assisted Living	WI	Senior Living	46	Pennant
Broadway Villa Post Acute	CA	SNF	138	Ensign
Brookside Healthcare Center	CA	SNF	97	Ensign
California Mission Inn	CA	Senior Living	151	Pennant
Casas Adobes Post Acute Rehabilitation Center	AZ	SNF	224	Ensign
Cedar Health and Rehabilitation	UT	SNF	120	Ensign
Cedar Hills Senior Living	TX	Senior Living	37	Pennant
Champions Healthcare at Willowbrook	TX	Campus	192	Ensign
Compass Post Acute Rehabilitation	SC	SNF	95	Ensign
Cottonwood Manor Assisted Living	WI	Senior Living	31	Pennant
Cranberry Court Assisted Living	WI	Senior Living	40	Pennant
Creekside Transitional Care and Rehabilitation	ID	SNF	139	Ensign
Deer Creek Senior Living	TX	Senior Living	37	Pennant



# Property Locations

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
Desert Blossom Health and Rehabilitation Center	AZ	SNF	98	Ensign
East View Healthcare	TX	SNF	125	Ensign
Fountain Hills Post Acute	AZ	SNF	64	Ensign
Golden Palms Rehabilitation and Retirement	TX	Campus	198	Ensign
Greater Southside Health and Rehabilitation	IA	SNF	76	Ensign
Greentree Health and Rehabilitation Center	WI	SNF	50	Ensign
Harbor View Assisted Living	WI	Senior Living	39	Pennant
Harrison Pointe Healthcare and Rehabilitation	UT	SNF	63	Ensign
Heritage Park Healthcare and Rehabilitation	UT	SNF	122	Ensign
Hillside Village of De Soto Rehabilitation and Nursing Center	KS	Campus	87	Ensign
Holly Heights Care and Rehabilitation	CO	SNF	133	Ensign
Horizon Post Acute and Rehabilitation Center	AZ	SNF	179	Ensign
Hunters Pond Rehabilitation and Healthcare	TX	SNF	128	Ensign
Keller Oaks Healthcare Center	TX	SNF	146	Ensign
Kenosha Senior Living	WI	Senior Living	37	Pennant
Kirkwood Manor	TX	SNF	162	Ensign
Lake Pointe Villa Assisted Living	WI	Senior Living	19	Pennant
Legend Healthcare and Rehabilitation - Paris	TX	SNF	120	Ensign
Lila Doyle Post Acute	SC	SNF	120	Ensign
Lo-Har Senior Living	CA	Senior Living	29	Pennant

# Property Locations

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
Madison Pointe Senior Living	WI	Senior Living	39	Pennant
Magnolia Post Acute Care	CA	SNF	99	Ensign
Maple Meadows Assisted Living	WI	Senior Living	19	Pennant
McCall Rehabilitation and Care Center	ID	SNF	40	Ensign
McFarland Villa Assisted Living	WI	Senior Living	35	Pennant
Meadow View Assisted Living	WI	Senior Living	24	Pennant
Meadow View Nursing and Rehabilitation	ID	SNF	112	Ensign
Meadowcreek Senior Living	TX	Senior Living	37	Pennant
Medallion Post Acute Rehabilitation	CO	SNF	60	Ensign
Medallion Villas	CO	Senior Living	100	Ensign
Mesa Springs Healthcare Center	TX	Campus	138	Joint (Ensign/Pennant)
Millennium Post Acute Rehabilitation	SC	SNF	132	Ensign
Mission Care Center	CA	SNF	58	Ensign
Mission Palms Post Acute	AZ	SNF	160	Ensign
Mountain Terrace Senior Living	WI	Senior Living	71	Pennant
Mt. Ogden Health and Rehabilitation Center	UT	SNF	108	Ensign
North Point Senior Living	WI	Senior Living	19	Pennant
Olive Ridge Senior Living	AZ	Senior Living	73	Ensign
Olympia Transitional Care and Rehabilitation	WA	SNF	113	Ensign

# Property Locations

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
Opus Post Acute Rehabilitation	SC	SNF	98	Ensign
Panorama Gardens Nursing and Rehabilitation Center	CA	SNF	145	Ensign
Paris Chalet Senior Living	TX	Senior Living	37	Pennant
Park Manor of McKinney	TX	SNF	138	Ensign
Parklane West Healthcare Center	TX	SNF	124	Ensign
Parkside Senior Living	WI	Senior Living	20	Pennant
Pecan Valley Rehabilitation and Healthcare	TX	SNF	124	Ensign
Peoria Post Acute and Rehabilitation	AZ	SNF	179	Ensign
Phoenix Mountain Post Acute	AZ	SNF	130	Ensign
Pleasant Point Senior Living	WI	Senior Living	74	Pennant
Premier Care Center of Palm Springs	CA	SNF	99	Ensign
Pueblo Springs Rehabilitation Center	AZ	SNF	115	Ensign
Puget Sound Transitional Care	WA	SNF	125	Ensign
Rehabilitation and Nursing Center of the Rockies	CO	SNF	96	Ensign
Rio Vista Post Acute and Rehabilitation	AZ	SNF	150	Ensign
River Park Post Acute and Elmwood Senior Living	AZ	Campus	230	Ensign
Riverbend Post Acute Rehabilitation	KS	Campus	124	Ensign
Riverview Village Senior Living	WI	Senior Living	44	Pennant
Riverwalk Post Acute and Rehabilitation	CO	SNF	60	Ensign

# Property Locations

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
Rock Canyon Respiratory & Rehabilitation Center	CO	SNF	91	Ensign
Rock Creek of Ottawa	KS	Campus	146	Ensign
Rock Hill Post Acute Care Center	SC	SNF	99	Ensign
Rockbrook Assisted Living and Memory Care	TX	Senior Living	52	Pennant
Scandinavian Court Assisted Living	WI	Senior Living	19	Pennant
Sea Cliff Healthcare Center and Assisted Living	CA	Campus	224	Ensign
Sherwood Village Assisted Living and Memory Care	AZ	Senior Living	151	Pennant
Somerset Subacute and Care	CA	SNF	47	Ensign
South Davis Specialty Care	UT	SNF	95	Ensign
Spencer Post Acute Rehabilitation Center	IA	SNF	82	Ensign
St. George Rehabilitation	UT	SNF	99	Ensign
Stoughton Meadows Senior Living	WI	Senior Living	39	Pennant
Surprise Health and Rehabilitation Center	AZ	SNF	100	Ensign
Tempe Post Acute and Desert Marigold Senior Living of Tempe	AZ	Campus	197	Ensign
Temple View Transitional Care Center	ID	SNF	119	Ensign
The Eden of Las Colinas	TX	SNF	118	Ensign
The Healthcare Center at Patriot Heights	TX	Campus	232	Ensign
The Healthcare Resort of Leawood	KS	Campus	94	Ensign
The Healthcare Resort of Topeka	KS	Campus	94	Ensign

# Property Locations

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
The Medical Lodge of Amarillo	TX	SNF	82	Ensign
The Mildred & Shirley L. Garrison Geriatric Education and Care Center	TX	SNF	116	Ensign
The Orchard Post Acute Care	CA	SNF	162	Ensign
The Pines Post Acute and Memory Care	WI	SNF	50	Ensign
The Shores of Sheboygan Assisted Living	WI	Senior Living	66	Pennant
The Springs at Pacific Regent	CA	SNF	59	Ensign
The Terrace at Mt. Ogden	UT	SNF	114	Ensign
The Villages of Dallas	TX	Campus	304	Ensign
The Villas at Rock Canyon	CO	Senior Living	20	Ensign
The Waterton Healthcare and Rehab	TX	SNF	74	Ensign
Treasure Hills Healthcare and Rehabilitation Center	TX	SNF	110	Ensign
Villa Court Assisted Living and Memory Care	NV	Senior Living	74	Pennant
Villa Maria Post Acute and Rehabilitation	AZ	Campus	88	Ensign
Village Healthcare and Rehabilitation	TX	SNF	112	Ensign
Wellsprings of Gilbert	AZ	SNF	32	Ensign
Western Peaks Specialty Hospital	UT	SNF	43	Ensign
Westover Hills Rehabilitation and Healthcare	TX	SNF	124	Ensign
Wide Horizons Intermediate Care Facility	UT	SNF	0	Ensign
Willow Brooke Point Senior Living	WI	Senior Living	82	Pennant
Windsor Rehabilitation and Healthcare	TX	SNF	108	Ensign

# End Notes

[www.ensigngroup.net](http://www.ensigngroup.net)

# End Notes

1. Occupancy and Skilled Mix metrics represent same store metrics for Q2 2024. Reflects midpoints of 2024 guidance ranges of \$4.20B – \$4.22B for annual revenue and \$5.38 – \$5.50 for diluted adjusted EPS. **[Slide 4]**
2. Adjusted EBITDAR consists of net income before (a) interest income, (b) provision for income taxes, (c) depreciation and amortization, (d) interest expense, (e) rent-cost of services, (f) stock-based compensation expense, (g) acquisition related costs, (h) costs incurred related to system implementations, (i) litigation and (j) impairment of long-lived assets. See Appendix for a reconciliation of GAAP to non-GAAP financial measures. Adjusted EBITDAR in the prior periods have been recast to conform to the current period presentation. 2019 Adjusted EBITDAR includes 9 months of Pennant financial results. **[Slide 14]**
3. Starting in 2022, CMS included new measurements which impacted our overall star rating and resulted in a decrease in our 4 and 5 star locations. **[Slide 14]**
4. Acquisition track record based on an average for all SNF acquisitions from January 1, 2001 to March 31, 2023 measuring 5 quarters of operating performance. **[Slide 16]**
5. The average EBITDAR margins and average skilled mix revenue percentages for the 5th quarter, 15th quarter and 45th quarter are 16.5%, 17.6%, and 18.8%, respectively and 46.6%, 47.0%, and 52.2%, respectively, for acquisitions made through March 31, 2023, September 30, 2020 and March 31, 2013. **[Slide 16]**
6. At the end of Q2'24, there were 301 skilled nursing facilities in operation. **[Slide 17, 18]**
7. Same Store represents all skilled nursing operations purchased prior to January 1, 2021 totaling 219 facilities. **[Slide 17, 18]**
8. Transitioning represents all skilled nursing operations purchased from January 1, 2021 to December 31, 2022 totaling 41 facilities. **[Slide 17, 18]**
9. Recently Acquired represents all skilled nursing operations purchased on or subsequent to January 1, 2023 totaling 41 facilities. **[Slide 17, 18]**
10. Recently Acquired includes the operations in states which, on average, have a higher reimbursement rate than our average operation. **[Slide 17, 18]**
11. Of the 30 owned real estate leased to third party operators, one senior living facility is located on the same real estate property as a skilled nursing facility that we own and operate. **[Slide 20]**
12. Reflects midpoint of the most recent third-party valuation. **[Slide 22]**
13. Based on percentage of annualized rent for assets as of September 1, 2024. **[Slide 22]**
14. Cumulative investments over time include initial investment and capital expenditures. **[Slide 23]**
15. Typically, leases have two or three extension options of five years each. **[Slide 24]**
16. FFO, in accordance with the definition used by the National Association of Real Estate Investment Trusts, means net income attributable to common stockholders, computed in accordance with U.S. GAAP, excluding gains from sales of real estate, insurance recoveries related to real estate and impairment of long-lived assets, while including depreciation and amortization related to real estate earnings. **[Slide 25, 37]**
17. Segment income reflects profit or loss from operations before provision for income taxes, gain or loss from sale of real estate, insurance recoveries from real estate, and impairment of long-lived assets. Included in Standard Bearer segment income for the three months ended June 30, 2024, March 31, 2024, December 31, 2023, September 30, 2023, and June 30, 2023, are management fees of \$1.4M, \$1.3M, \$1.3M, \$1.3M, and \$1.2M, respectively, and interest expense of \$5.0M, \$4.3M, \$3.8M, \$3.4M, and \$2.9M, respectively, associated with the intercompany agreements between Standard Bearer and the Company and its independent subsidiaries including the Service Center. **[Slide 25, 37]**
18. Revenue and adjusted EBITDAR does not reflect the impact of the Pennant spin-off on 10/1/2019. As a result, 2019 includes 9 months of Pennant financial data. Adjusted EBITDAR in the prior periods have been recast to conform to the current period presentation. **[Slide 26]**
19. Represents average of peer growth from 2015-2023 annualized, except for peers that were not in existence for the entire time period, in which case the longest time period available was used. Peers grouped by subsector include: Acute Care: HCA, CYH, PACS, THC, and UHS; Behavioral: ACHC; ASC: SGRY; Dialysis: FMS and DVA; Home Health and Hospice: AMED, ADUS and CHE; Institutional: BKD and EHC; Rehab: SEM and USPH. **[Slide 26]**

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20. Represents 2015 – 2023 average of AMED, ADUS, CHE, BKD, EHC and SEM. **[Slide 26]**
21. Source: US Census, CDC (NCHS), CMS and Population Reference Bureau. From 58MM in 2022 to 93MM in 2065. **[Slide 34]**
22. Source from CMS. Based on total number of facilities; PACS Group statistics represent year-end 2023 data, based on the Company's S-1 filed on April 12, 2024. **[Slide 34]**
23. Source: 2023 Medicare Trustees Report. **[Slide 35]**
24. Source: Medpac and US HHS Department as of March 2024. **[Slide 35]**
25. Segment income reflects profit or loss from operations before provision for income taxes and impairment charges from operations. General and administrative expenses are not allocated to the skilled services segment for purposes of determining segment profit or loss. **[Slide 36]**
26. Litigation relates to specific proceedings arising outside of the ordinary course of business and legal adjustments associated with a favorable overturned verdict. **[Slide 36, 38, 39, 40, 43, 44]**
27. Represents stock-based compensation expense incurred. **[Slide 38]**
28. Represents costs incurred to acquire operations that are not capitalizable. **[Slide 38, 39, 40, 43, 44]**
29. Included in depreciation and amortization are amortization expenses related to patient base intangible assets at newly acquired skilled nursing and senior living facilities. **[Slide 38]**
30. Represents an adjustment to the provision for income tax to our historical year to date effective tax rate of 25.0%. **[Slide 38]**
31. Included in interest expense in Standard Bearer is interest expense incurred from intercompany debt arrangements between Standard Bearer and The Ensign Group, Inc. **[Slide 41, 42]**
32. Included in general and administrative expenses is internal rent expense for the Service Center of \$0.5 million and management fee of \$1.4 million. This amount is eliminated in the eliminations column. **[Slide 41]**
33. Included in general and administrative expenses is internal rent expense for the Service Center of \$0.9 million and management fee of \$2.7 million. This amount is eliminated in the eliminations column. **[Slide 42]**
34. EBITDA in the prior periods have been recast to conform to the current period presentation. **[Slide 40]**



THANK YOU

ENSIGN  GROUP