

The Ensign Group Announces Expansion in Tennessee, Agrees to Add Its First Operation in Alabama

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SAN JUAN CAPISTRANO, Calif., Oct. 29, 2024 (GLOBE NEWSWIRE) -- The Ensign Group, Inc. (Nasdaq: ENSG), the parent company of the Ensign™ group of companies, which invest in and provide skilled nursing and senior living services, physical, occupational and speech therapies, other rehabilitative and healthcare services, and real estate, announced today that it has agreed to add eight skilled nursing operations in the state of Tennessee and one in Alabama, subject to the completion of certain regulatory approvals and other closing conditions. Six of these operations will be jointly owned by CareTrust REIT, Inc. (NYSE: CTRE, "CareTrust") and a large, private joint venture investor and will transition to Ensign affiliated operating companies subject to a new, long-term triple net master leases, and three will be purchased by Standard Bearer Healthcare REIT, Inc., Ensign's captive real estate subsidiary. All nine operations will be operated by Ensign affiliated operating companies. It is anticipated that the transaction will be effective in the next few months.

Barry Port, Ensign's Chief Executive officer commented, "We are very excited to add eight operations to our three existing locations in Tennessee, which is one of our newest states, bringing our total operations in Tennessee to 11. Our leadership team in Tennessee has been laying the foundation for this growth for several years and these operations are a perfect fit to form local clusters, which are a key to our scalable growth model. At the same time, one of our long-time leaders is relocating to take the first step in establishing a new market in a state we've been targeting for some time. We look forward to working together with the outstanding leaders and teams already in place in these operations to build on the strong clinical and operational reputations they have earned in their communities."

Commenting on the news, Dave Sedgwick, President and CEO of CareTrust, said, "This transaction provides an extraordinary opportunity for us and Ensign to expand our presence in two states we are very excited about. We couldn't be more thrilled about deepening our relationship with one of the industry's best-in-class operators and look forward to working with them more in the near- and long- term future."

Upon closing this transaction, Ensign's growing portfolio will consist of 332 healthcare operations, 30 of which also include senior living operations, across 15 states. Ensign will also own 125 real estate assets, 95 of which it operates. Mr. Port reaffirmed that the organization is actively seeking several other transactions to acquire real estate and to lease both well-performing and struggling skilled nursing, senior living and other healthcare related businesses throughout the United States.

About Ensign^(TM)

The Ensign Group, Inc.'s independent subsidiaries provide a broad spectrum of skilled nursing and senior living services, physical, occupational and speech therapies and other rehabilitative and healthcare services at 323 healthcare facilities in Arizona, California, Colorado, Idaho, Iowa, Kansas, Nebraska, Nevada, South Carolina, Tennessee, Texas, Utah, Washington and Wisconsin. As part of its investment strategy, the Company will also acquire, lease and own healthcare real estate to service the post-acute care continuum through acquisition and investment opportunities in healthcare properties. Ensign's new business venture operating subsidiaries also offer several other post-acute-related services, including mobile x-ray, emergency and non-emergency transportation services, long-term care pharmacy and other consulting services also across several states. More information about Ensign is available at <http://www.ensigngroup.net>.

About CareTrust

CareTrust REIT, Inc. is a self-administered, publicly-traded real estate investment trust engaged in the ownership, acquisition, development and leasing of skilled nursing, seniors housing and other healthcare-related properties. With a nationwide portfolio of long-term net-leased properties, and a growing portfolio of quality operators leasing them, CareTrust REIT is pursuing both external and organic growth opportunities across the United States. More information about CareTrust REIT is available at www.caretrustreit.com.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

This press release contains forward-looking statements that are based on management's current expectations, assumptions and beliefs about its business, financial performance, operating results, the industry in which it operates and other future events. Forward-looking statements can often be identified by words such as "anticipates," "expects," "intends," "plans," "predicts," "believes," "seeks," "estimates," "may," "will," "should," "would," "could," "potential," "continue," "ongoing," similar expressions, and variations or negatives of these words. These forward-looking statements include, but are not limited to, statements regarding growth prospects, future operating and financial performance, and acquisition activities. They are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause actual results to materially and adversely differ

from those expressed in any forward-looking statement.

These risks and uncertainties relate to the Company's business, its industry and its common stock and include: reduced prices and reimbursement rates for its services; its ability to acquire, develop, manage or improve operations, its ability to manage its increasing borrowing costs as it incurs additional indebtedness to fund the acquisition and development of operations; its ability to access capital on a cost-effective basis to continue to successfully implement its growth strategy; its operating margins and profitability could suffer if it is unable to grow and manage effectively its increasing number of operations; competition from other companies in the acquisition, development and operation of facilities; its ability to defend claims and lawsuits, including professional liability claims alleging that our services resulted in personal injury, and other regulatory-related claims; and the application of existing or proposed government regulations, or the adoption of new laws and regulations, that could limit its business operations, require it to incur significant expenditures or limit its ability to relocate its operations if necessary. Additionally, our business and operations continue to be impacted by the unprecedented nature of the changes in the regulations and environment, as such, we are unable to predict the full extent and duration of the financial impact of these changes on our business, financial condition and results of operations. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors. Readers should not place undue reliance on any forward-looking statements and are encouraged to review the Company's periodic filings with the Securities and Exchange Commission, including its Form 10-Q and 10-K, for a more complete discussion of the risks and other factors that could affect Ensign's business, prospects and any forward-looking statements. Except as required by the federal securities laws, Ensign does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changing circumstances or any other reason after the date of this press release.

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