INVESTOR PRESENTATION

July 2023

DISCLAIMERS

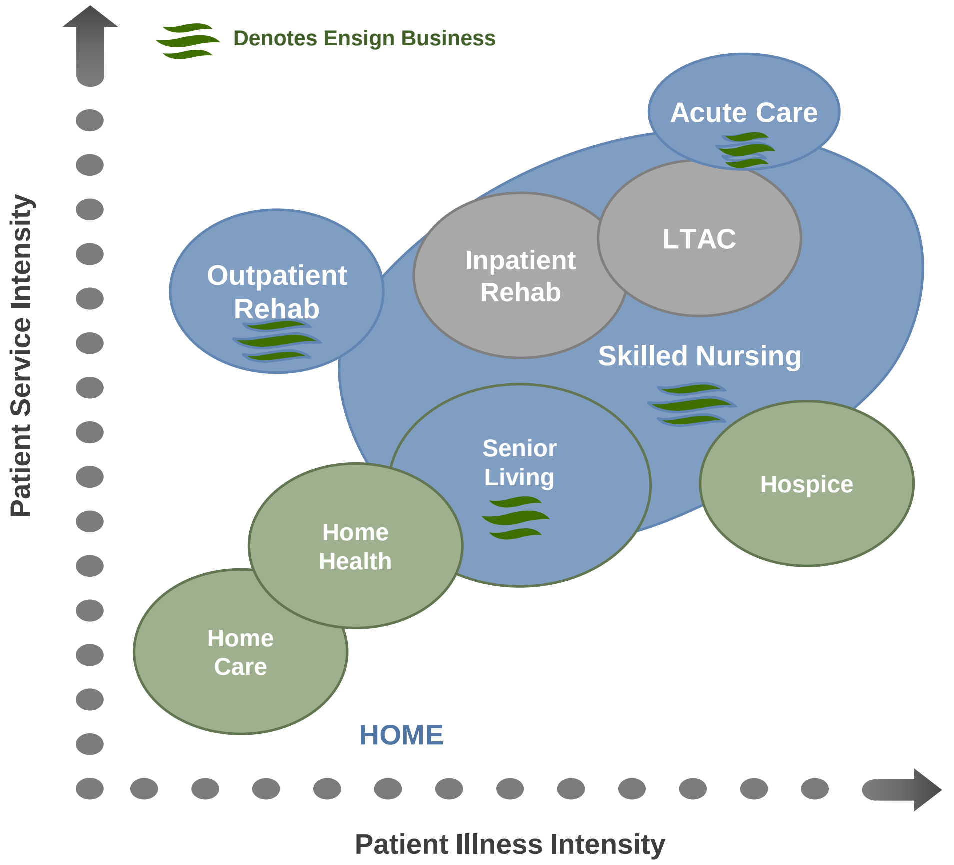
Statements in this presentation concerning The Ensign Group's ("Ensign" or the "Company") future prospects are forward-looking statements based on management's current expectations, assumptions and beliefs about our business, financial performance, operating results, the industry in which we operate and possible future events. These statements include, but are not limited to, statements regarding our growth prospects and future operating and financial performance. They are not guarantees of future results and are subject to risks, uncertainties and assumptions 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, for a more complete discussion of the risks and other factors that could affect Ensign's business, prospects and any forward-looking statements. These documents are available on our website at www.ensigngroup.net. 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 shown as if the formation of Standard Bearer Healthcare REIT, Inc. occurred in comparable prior periods, 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 transitional, skilled and assisted living operations and other businesses operated by our subsidiaries. Each such business is operated as a separate, wholly-owned independent operating 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.

ENSIGN'S COMMITMENT TO CARE CONTINUUM



- Local leadership strategy focused on acquisitions in fragmented markets
- High quality healthcare outcomes across the continuum driving local reputation and partnerships
- Opportunistically drive new ventures in ancillary businesses and markets through its unique leadership model
- Access to care continuum through Ensign Pennant Care Continuum

Ensign is Strategically Positioned to Deliver Long-term Value

ENSIGN STRATEGICALLY POSITIONED TO DELIVER LONG-TERM VALUE

Best-in-Class Healthcare Services Company with a Proven Track Record

Experienced Management

Management team with combined experience of ~90 years at Ensign alone

Multiple Business Lines

Diversified operations including transitional and skilled services, strategic healthcare campuses and 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

Several Growth Levers

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

Presence in Attractive Markets

Presence in strategic markets across 13 states with attractive reimbursement and growth profile

ENSIGN GROUP

Ensign's Capabilities Create an Ecosystem that Enables Connectivity Among All Stakeholders and Drives a Virtuous Cycle of Success

ENSIGN'S INVESTMENT THESIS

Superior Results

Clinical Excellence

Strategic Continuum of Care

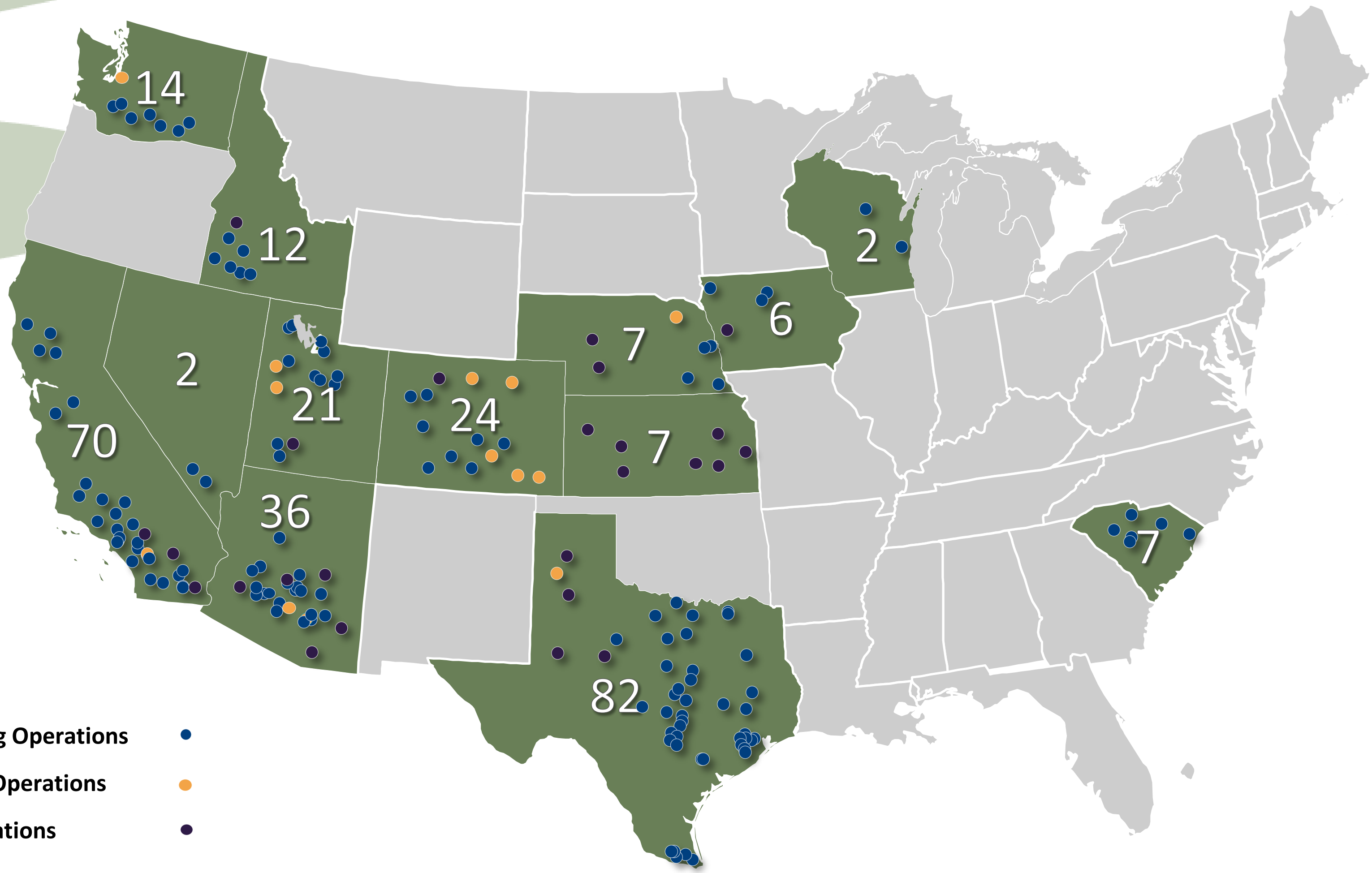
Growth Opportunities
Organic, Strategic, Real Estate and New Ventures

Culture of Local Leadership and Accountability

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

LEADING OPERATIONAL PRESENCE IN ATTRACTIVE MARKETS

Industry Leader with Strong and Growing National Presence



253	Skilled Nursing Operations	●
11	Senior Living Operations	●
26	Campus Operations	●

BUSINESS LEADERS DRIVE RESULTS

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

Local Leadership Clusters

+

Superior Clinical Outcomes

=

Local Operation of Choice

LOCAL LEADERS ARE EMPOWERED BY OUR CLUSTER MODEL

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.

Incentive Driven

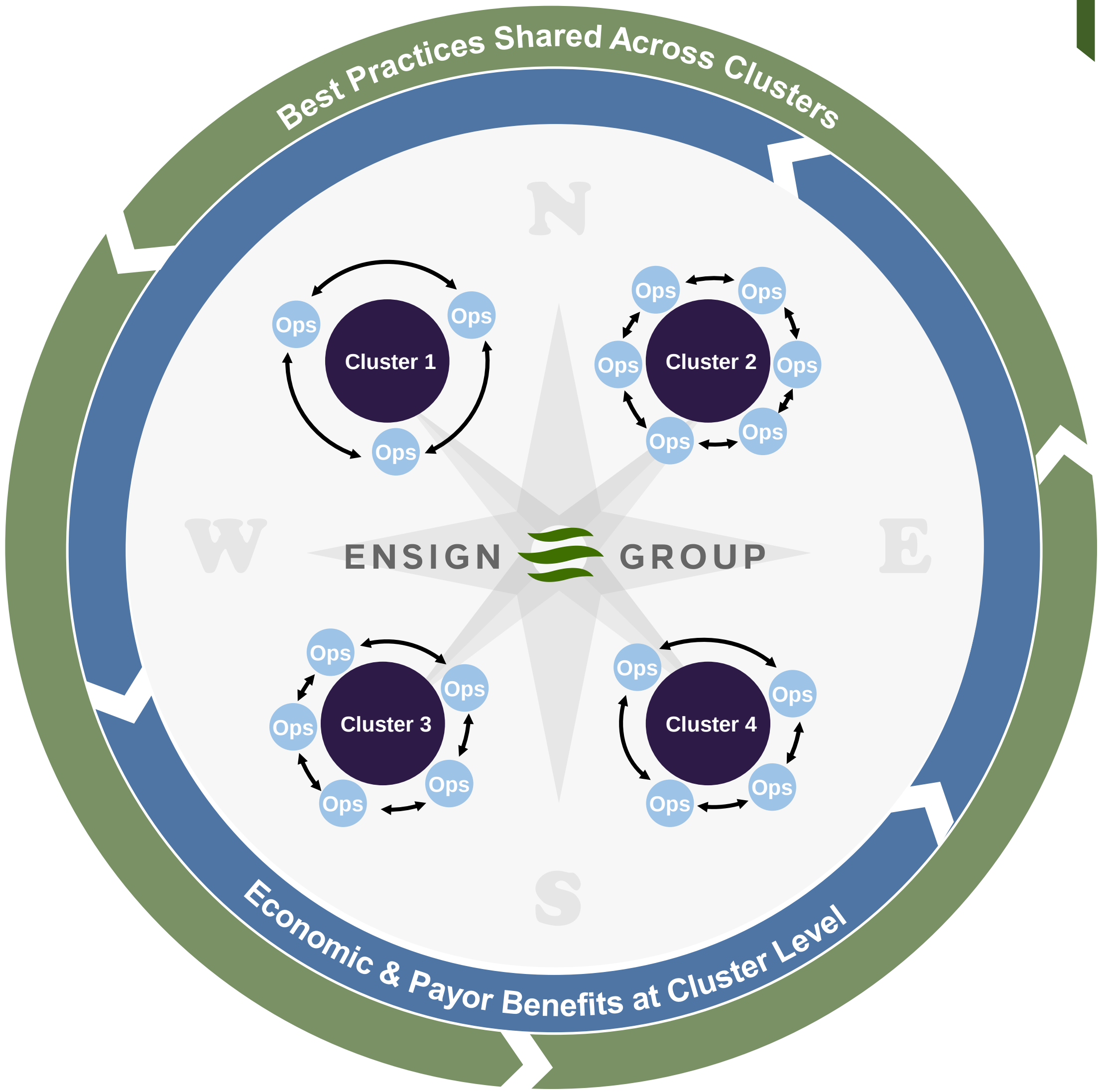
- Each operation has full visibility into and accountability for individual and group results within the cluster.
- Compensation is linked to cluster's clinical and financial success.

Economic Benefits

- Sharing of resources across cluster partners.
- Economies of scale/purchasing power.

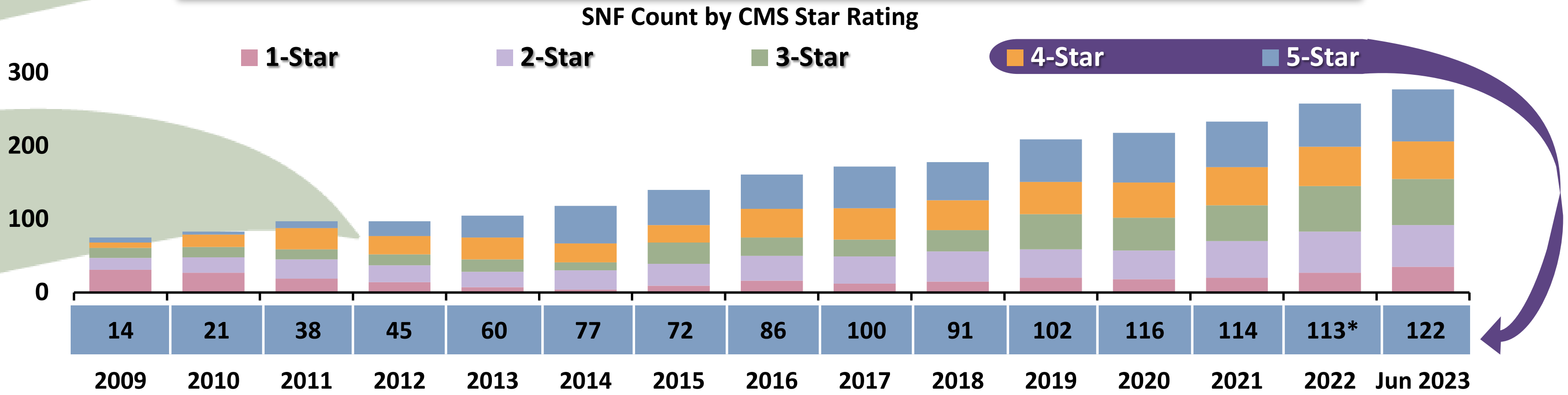
Payor Benefits

- "Bundle" offering to payors by providing capabilities of cluster model.
- Strengthens relationships with payor partners.
- Coordinate to drive superior patient outcomes.

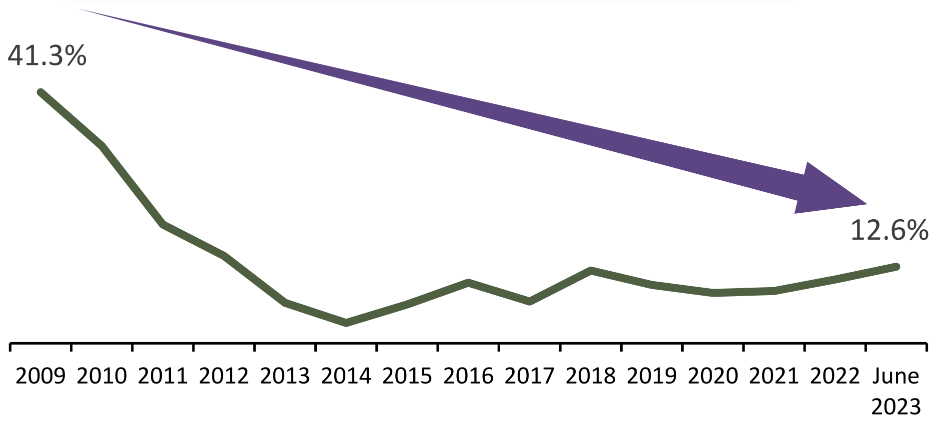


ORGANIZATIONAL FOCUS ON CLINICAL QUALITY LEADS TO SUPERIOR FINANCIAL RESULTS

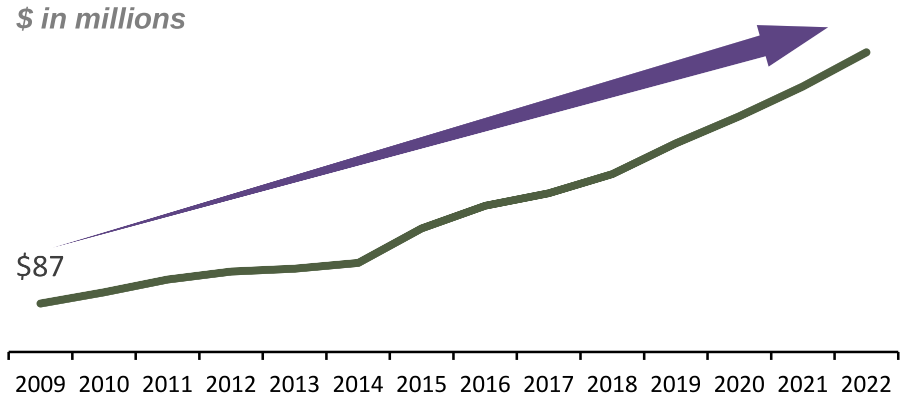
Clinical Quality Translates to Organic Growth



Ensign 1-Star Facility % Trend



Ensign Adjusted EBITDAR Trend



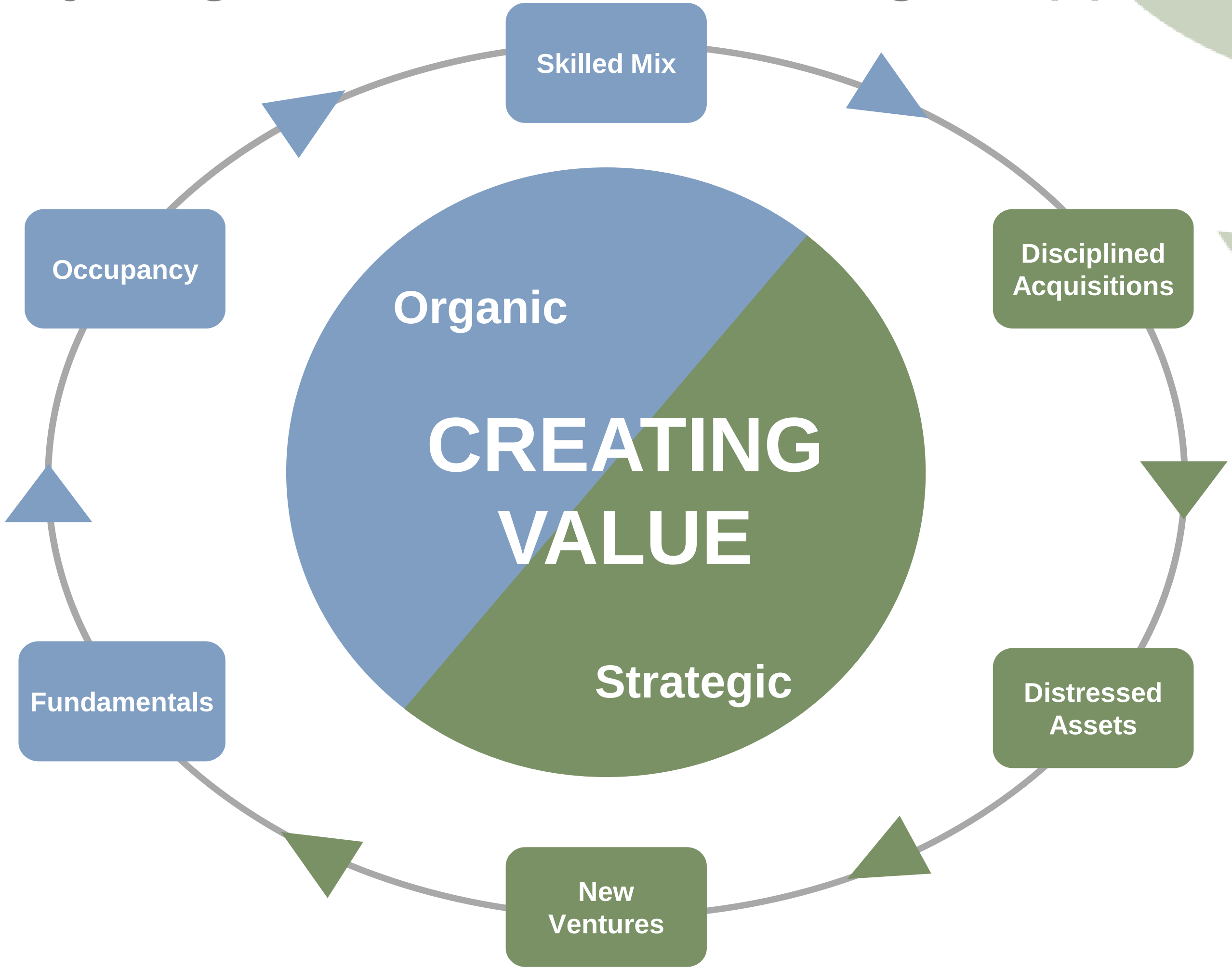
Note: Adjusted EBITDAR is a non-GAAP measure and represents net income before (a) interest expense, net, (b) provision for income taxes, (c) depreciation and (d) facility rent expense. See Appendix for a reconciliation of GAAP to non-GAAP financial measures.

2019 Adjusted EBITDAR includes 9 months of Pennant financial results.

*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.

MULTIFACETED GROWTH OPPORTUNITIES

Driven by Organic as well as Strategic Opportunities



EPCC ENABLES VALUE-BASED CARE CONTINUUM AT THE LOCAL LEVEL

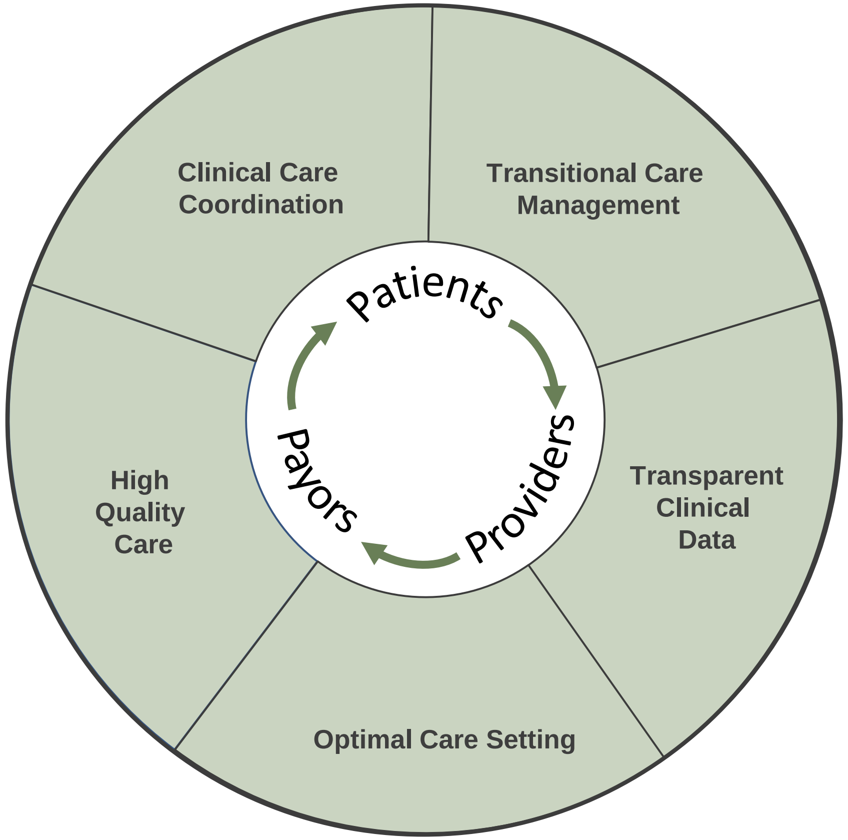
What is it?

- ✓ Preferred provider network between Ensign and The Pennant Group, Inc. Empowers local clinical leaders to opt-in resulting in smart and effective solutions for patients.

PENNANT SERVICES

Home Health Hospice
Home Care
Senior Living

ENSIGN PENNANT CARE CONTINUUM



ENSIGN GROUP

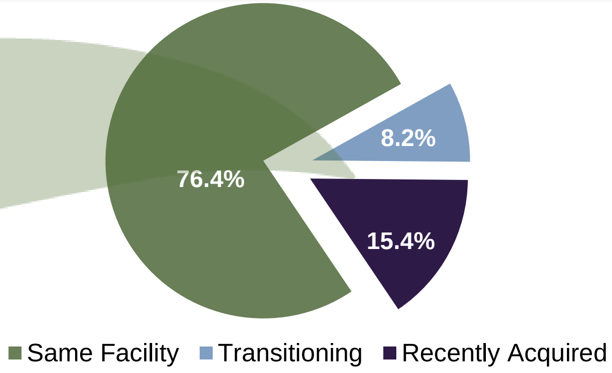
Transitional Care
Skilled Nursing Outpatient Rehab
Healthcare Campuses Senior Living

EPCC[1] Enabled Local Ecosystem is Well-Positioned to Existing Clinical Collaboration, Drive Best Quality Care & Outcomes and Benefit From the Shift Toward Value-Based Reimbursement.

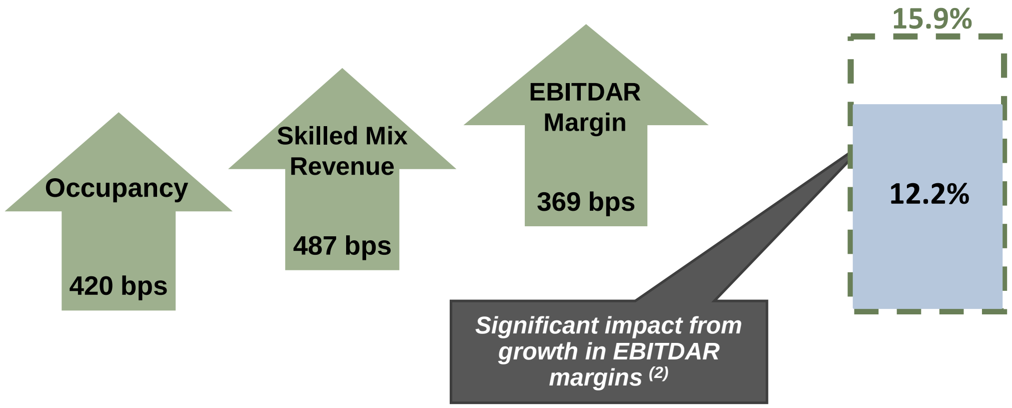
(1) Subsidiaries of Ensign and Pennant may opt into a voluntary joint post-acute care preferred provider network called the Ensign Pennant Care Continuum ("the EPCC").

A DISCIPLINED APPROACH TO ACQUISITIONS & TRACK RECORD OF IMPROVING OPERATIONS TO DRIVE CONTINUED GROWTH

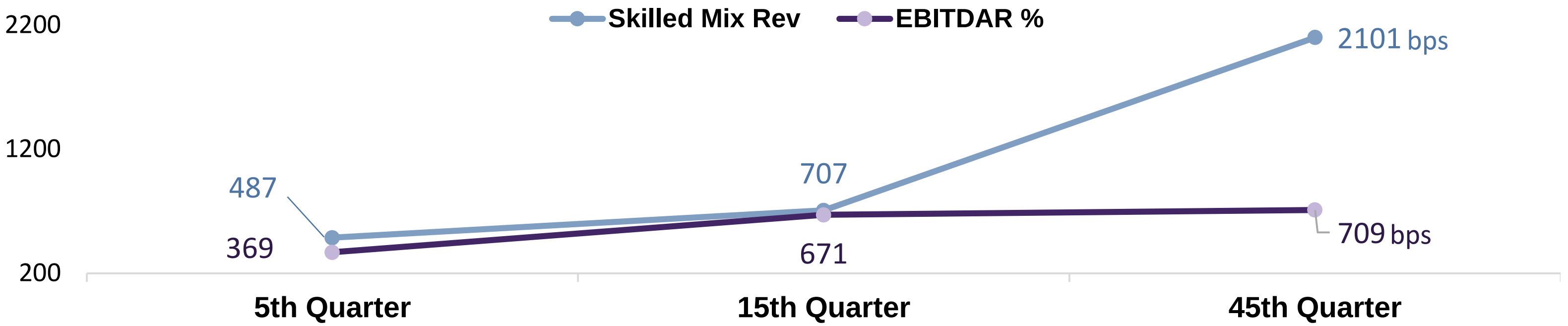
1 23.6% of Ensign's skilled nursing operations have been operated less than three full years (3)



2 Proven track record of achieving significant improvement in just 5 quarters (1)



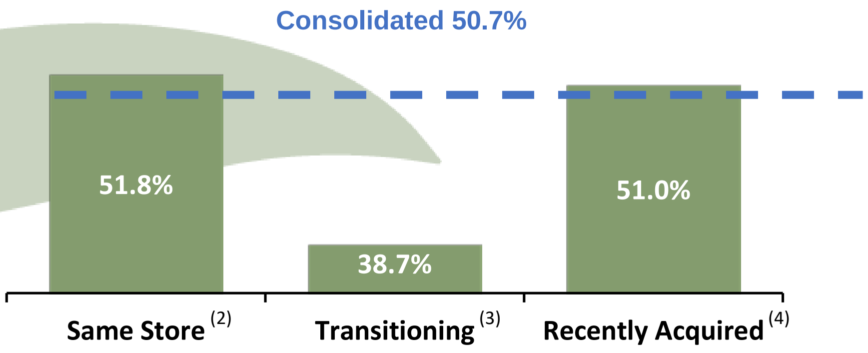
3 Significant improvement beyond 5th quarter to 45th quarter



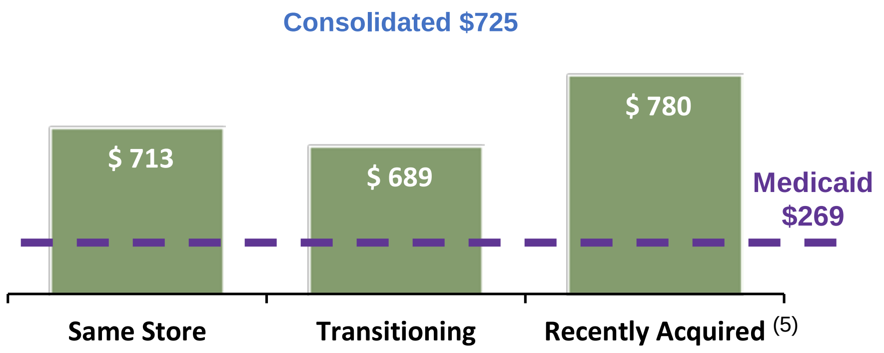
(1) Acquisition track record based on an average for all SNF acquisitions from 2001 to March 31, 2022 measuring 5 quarters of operating performance.
(2) 12.2% represents average EBITDAR margin for the 1st quarter after acquisition for acquisitions made from 2001 to March 31, 2022.
(3) Includes acquisitions as of 7/27/2023

DEMONSTRATED TRACK RECORD OF SIGNIFICANT OPERATIONAL IMPROVEMENTS OF ACQUIRED ASSETS QTD Q2 2023

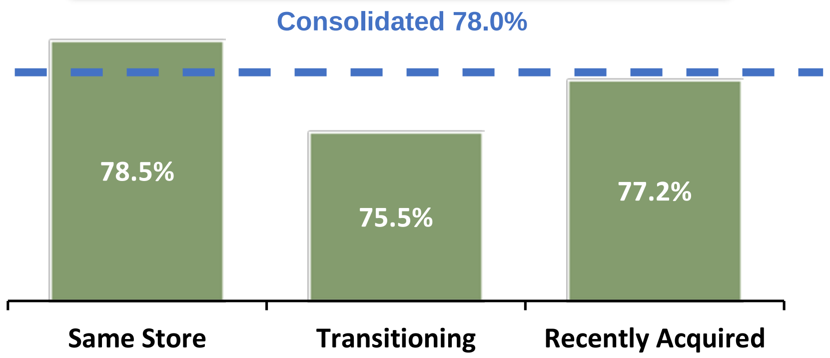
Skilled Mix Revenue (1)



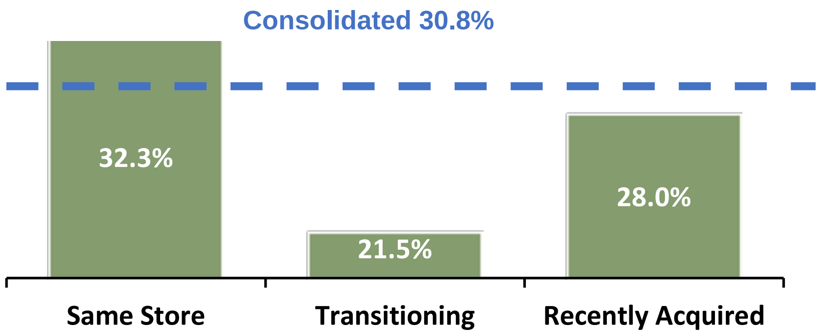
Medicare Rates



SNF Occupancy



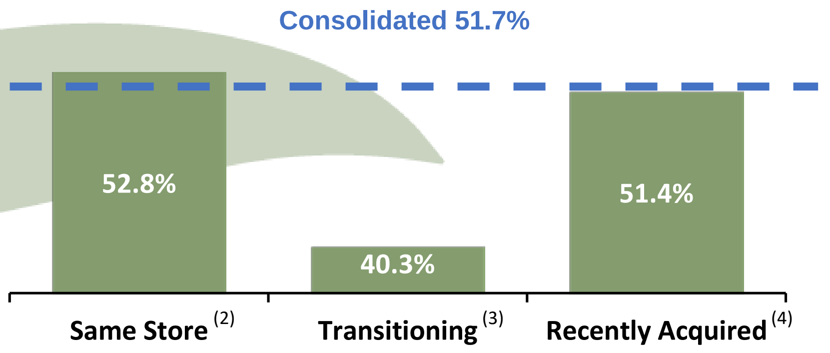
Skilled Mix Days



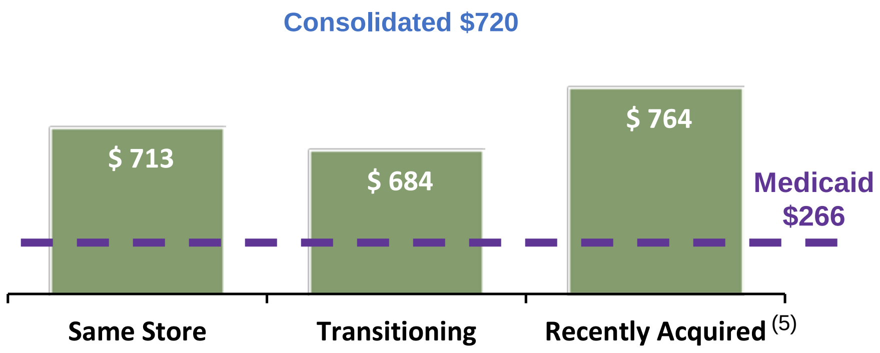
Source: Data as of Q2'23.
(1) At the end of Q2'23, there were 279 skilled nursing facilities in operation.
(2) Same Store represents all skilled nursing operations purchased prior to January 1, 2020 totaling 213 facilities.
(3) Transitioning represents all skilled nursing operations purchased from January 1, 2020 to December 31, 2021 totaling 23 facilities
(4) Recently Acquired represents all skilled nursing operations purchased on or subsequent to January 1, 2022 totaling 43 facilities.
(5) Recently Acquired includes the operations in states which, on average, have a higher reimbursement rate than our average operation.

DEMONSTRATED TRACK RECORD OF SIGNIFICANT OPERATIONAL IMPROVEMENTS OF ACQUIRED ASSETS YTD Q2 2023

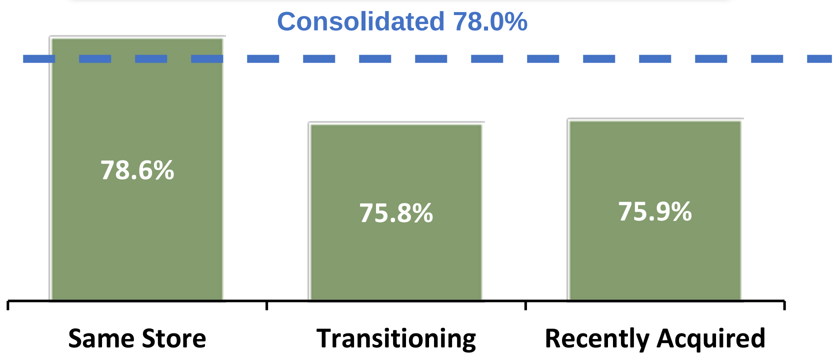
Skilled Mix Revenue (1)



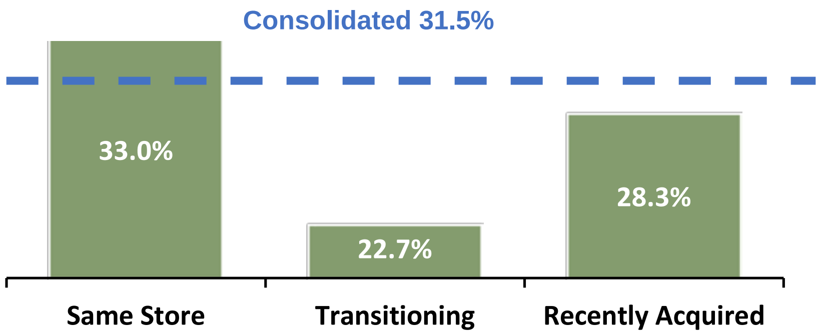
Medicare Rates



SNF Occupancy



Skilled Mix Days



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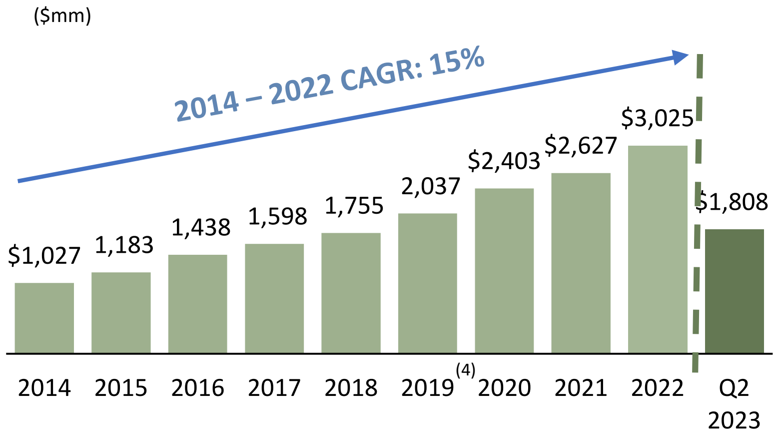
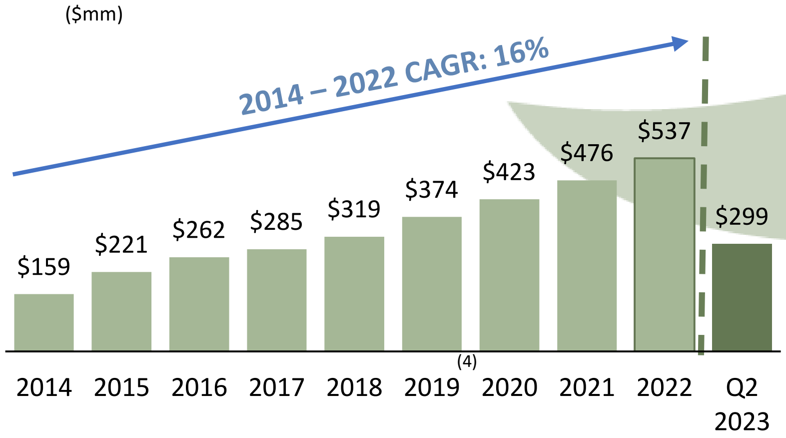
ENSIGN REPRESENTS THE GROWTH STORY

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

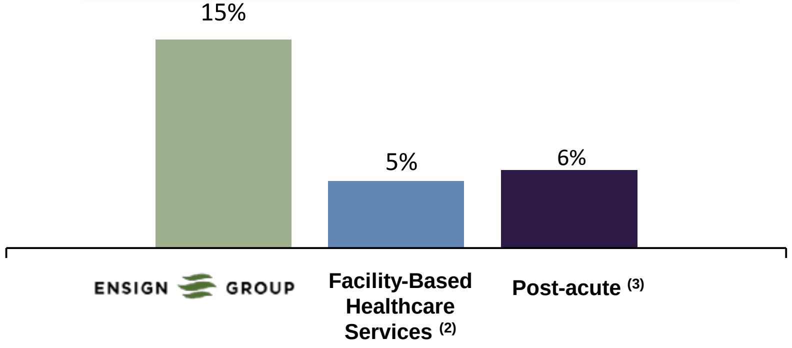
Revenue (1)



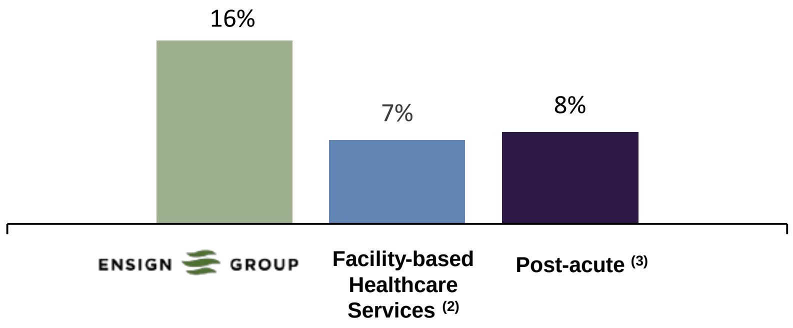
Adjusted EBITDAR (1)



2014 – 2022 Revenue CAGR



2014 – 2022 Adjusted EBITDAR CAGR



Note: Adjusted EBITDAR is a non-GAAP measure and represents net income before (a) interest expense, net, (b) provision for income taxes, (c) depreciation and (d) facility rent expense. See Appendix for a GAAP reconciliation.

(1) Revenue and adjusted EBITDAR not pro forma for spin.

(2) Represents average of peer growth from 2014-2021 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, THC, and UHS; Behavioral: ACHC and CIVI; ASC: SGRY; Dialysis: FMS and DVA; Home Health and Hospice: AMED, ADUS and CHE; Institutional: BKD and EHC; Rehab: SEM and USPH.

(3) Represents 2014 – 2021 average of AMED, ADUS, CHE, BKD, EHC and SEM.

(4) 2019 only includes 9 months Pennant financial data as a result of its 10/1/2019 spin-off.

QUARTER OVER QUARTER HIGHLIGHTS

$ in millions

	Change	Q2 2023	Q2 2022
Revenue	25.8%	**$921.3**	**$732.5**
Same Facility Skilled Nursing Facility Revenue	7.8%	**$684.0**	**$634.4**
Consolidated Adjusted Net Income	15.4%	**$66.3**	**$57.4**

YEAR OVER YEAR HIGHLIGHTS

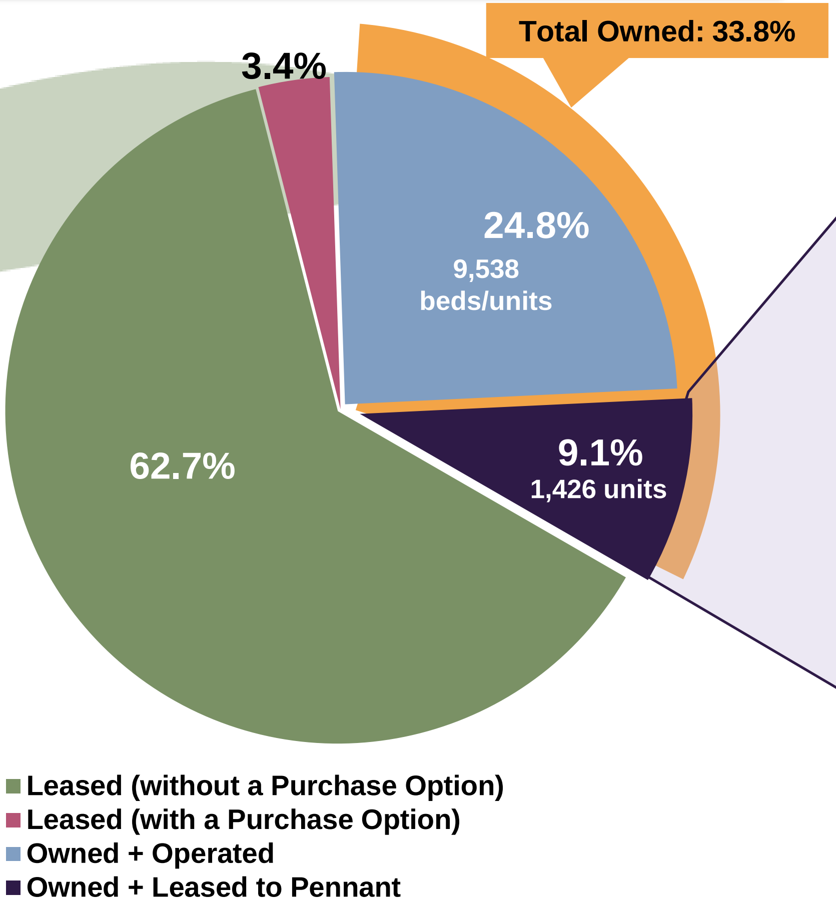
$ in millions

	Change	2023	2022
Revenue	25.1%	**$1,808.2**	**$1,445.9**
Same Facility Skilled Nursing Facility Revenue	8.4%	**$1,366.0**	**$1,259.7**
Consolidated Adjusted Net Income	15.0%	**$130.9**	**$113.8**

SIGNIFICANT REAL ESTATE PORTFOLIO

AS OF JULY 27, 2023

% of 290 Facilites Ensign Operates and 29 [(1)] Owned Real Estate Leased to Pennant [(2)]



Ensign Triple Net Master Lease Pools with Pennant

Lease Structure	• Multiple "triple-net" master lease pools
Terms & Termination	• Lease agreements with initial terms between 14 and 16 years, with three 5-year extension options • Consent required for Pennant to sublease, assign, encumber or otherwise transfer or dispose any property
Rent Terms	• Fixed base rent with CPI-based escalators
Expenses	• Pennant responsible for maintenance, capital expenditures, property taxes, insurance and other expenses
Other	• Customary covenants and events of default

(1) Of the 29 owned real estate leased to Pennant, one senior living operation is located on the same real estate property as a skilled nursing facility that we own and operate.
(2) Total as of July 27, 2023.

TRACK RECORD OF SUCCESSFULLY INCUBATING NEW VENTURES

PENNANT GROUP *Completed October 2019*	CareTrust REIT *Completed in 2014*	ImmediateClinic URGENT CARE *Completed in 2016*
CAPSTONE TRANSPORTATION	ENSIGN PENNANT CARE CONTINUUM	covalence group
STANDARD BEARER HEALTHCARE REIT, INC	PACIFIC MOBILE diagnostics PMDXRAY.com 87	BRIDGE DIALYSIS LIFE SAVING TREATMENT AT HOME

Spin Offs **Divestitures** **Current**

STANDARD BEARER REIT STRUCTURE SUMMARY & KEY BENEFITS

ENSIGN GROUP

Operations

- Transitional & Skilled Services
- Ensign Pennant Care Continuum
- New Ventures

STANDARD BEARER HEALTHCARE REIT, INC

- Real Estate Ownership
- Real Estate Management & Monitoring
- Investment Evaluation and Execution
- Real Estate Portfolio Performance Reporting

Key Benefits of Captive REIT Structure

Increased Visibility into Embedded Real Estate Value & Earnings

Expanded Real Estate Acquisition Opportunities

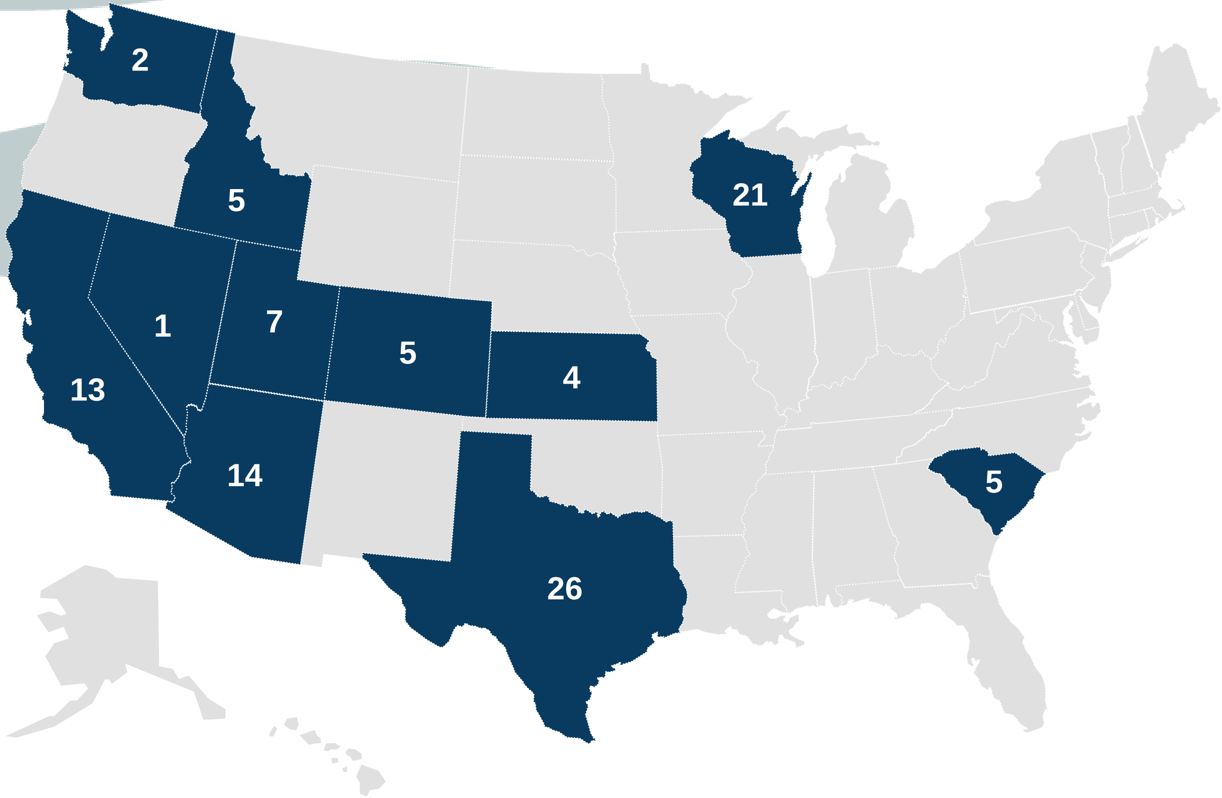
Capital Flexibility to Grow Independent of Operations

Low-Cost Structure: No Capital Gains Trigger

Optionality for Future Spin-Out or Other Transaction

STANDARD BEARER AT A GLANCE

Geographic Footprint[1]



Note: Figures represent the number of properties per state

Key Stats[1]

103
Properties

$1.1B[2]
Real Estate Fair Value

11
States

10,103
Operating Beds / Units

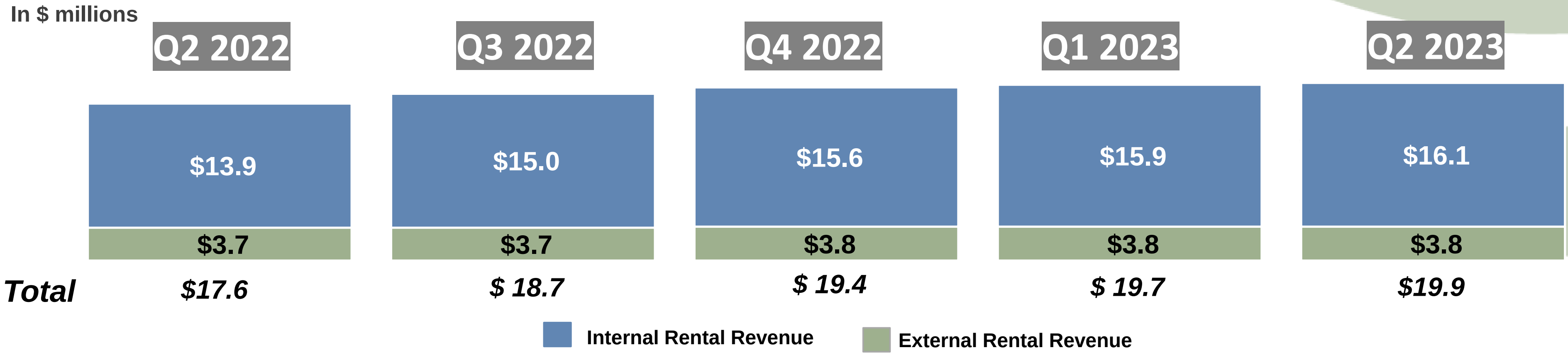
15.1 Years
Weighted Avg. Lease Tenor

80.2%[3]
Ensign Operated

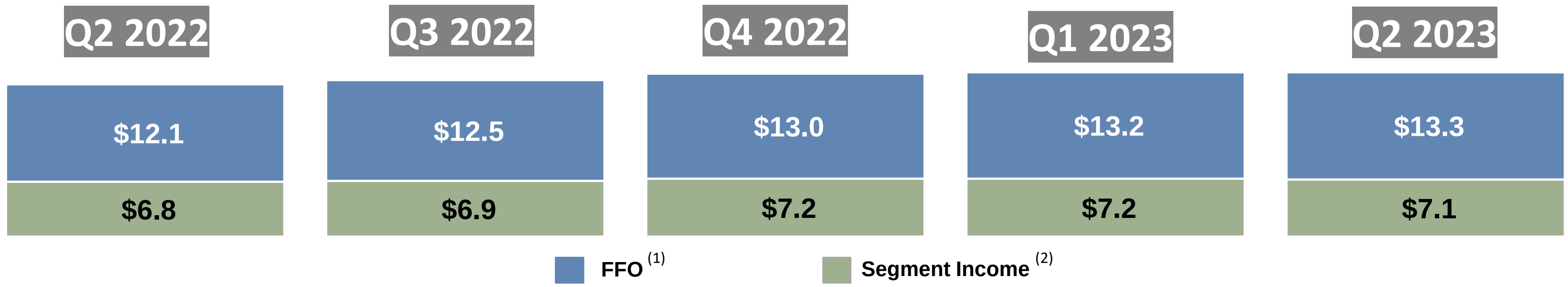
(1) Information is as of June 30, 2023
(2) Reflects midpoint of the most recent third-party valuation.
(3) Based on percentage of annualized rent for assets as of June 30, 2023.

STANDARD BEARER METRICS QUARTER OVER QUARTER

Rental Revenue – Trends



Other Real Estate Metrics



(1) 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 (or losses) from sales of real estate and impairment of depreciable real estate assets, while including depreciation and amortization related to real estate earnings.

(2) Segment income reflects profit or loss from operations before provision for income taxes, gain or loss from sale of real estate and insurance recoveries from real estate. Included in Standard Bearer segment income for the three months ended June 30, 2023, March 31, 2023, December 31, 2022, September 30, 2022, and June 30, 2022 are management fees of $1.2M, $1.2M, $1.2M, $1.1M, and $1.1M, respectively, and interest expense of $2.9M, $2.8M, $2.6M, $2.3M, and $1.9M, respectively, associated with the intercompany agreements between Standard Bearer and The Ensign Group, Inc., including the Service Center.

LIQUIDITY FINANCIAL MEASURE

Summary of Cash Flows (In millions)	Six Months Ended June 30, 2023	2022
Net cash provided by (used in):		
Operating activities	168.1	129.8
Investing activities	(62.4)	(76.6)
Financing activities	(1.9)	(29.8)
Net increase in cash and cash equivalents	103.7	23.4
Cash and cash equivalents beginning of period	316.3	262.2
Cash and cash equivalents end of period	**$420.0**	**$285.6**
Other Liquidity Metrics:		
Availability under Credit Facility	$593.3	$593.3
Net Debt to Adjusted EBITDAR	**2.00x**	**2.03x**

INCREASED GUIDANCE 2023

Annual Revenue
$3.69B to $3.73B

Diluted Adjusted EPS
$4.70 to $4.78

Midpoint is:
15% over 2022
30% over 2021

ENTREPRENEURIAL EVOLUTION OF ENSIGN

Strong Expansion Since Its Founding in 1999

1999 – The Ensign Group was founded with the goal of establishing a new level of quality care within the skilled nursing industry

2006 – Established New Market CEO program to provide existing leaders at Ensign the entrepreneurial opportunity and challenge of entering a new market and starting a new business

2007 – Ensign completes an IPO in November 2007 listing on NASDAQ with the ticker, ENSG, and raises ~$74mm

2010 – Ensign entered into the home health industry via acquisition and established its home health and hospice portfolio company

2011 – Senior living portfolio company was formed in June 2011 to create a platform of best practices and resources in assisted living before focusing on greater expansion

2014 – In June 2014, Ensign completed the spin-off of its real estate business, CareTrust REIT

2019 – Completed spin-off of home health & hospice as well as senior living segments, forming The Pennant Group

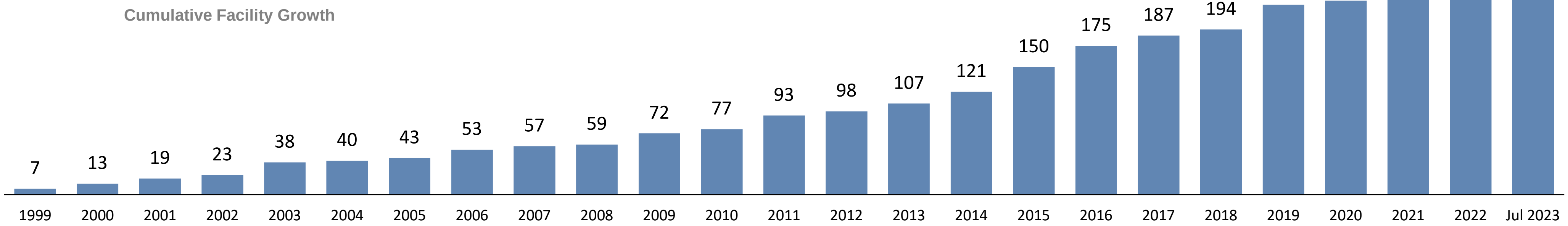
2021 – Continues to execute on local leadership model to grow through the pandemic

2022 – In January 2022, Ensign formed a Captive REIT, Standard Bearer Healthcare REIT, Inc.

2023 – Ensign completed 45 acquisitions since 2022, entering its next phase of growth.

Healthcare Facilities Operated

Cumulative Facility Growth

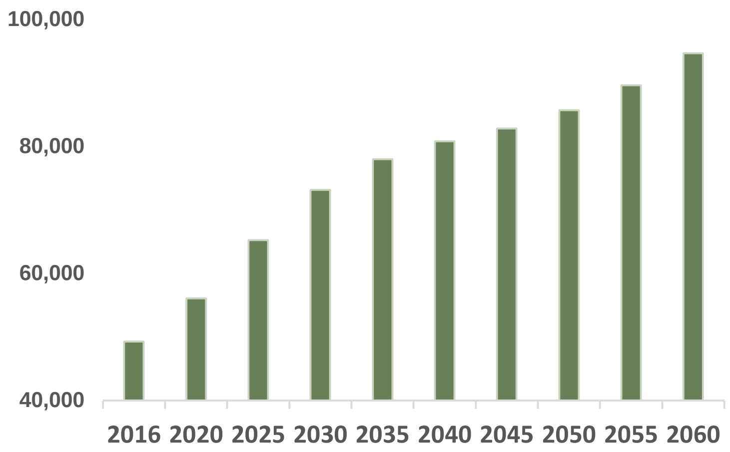


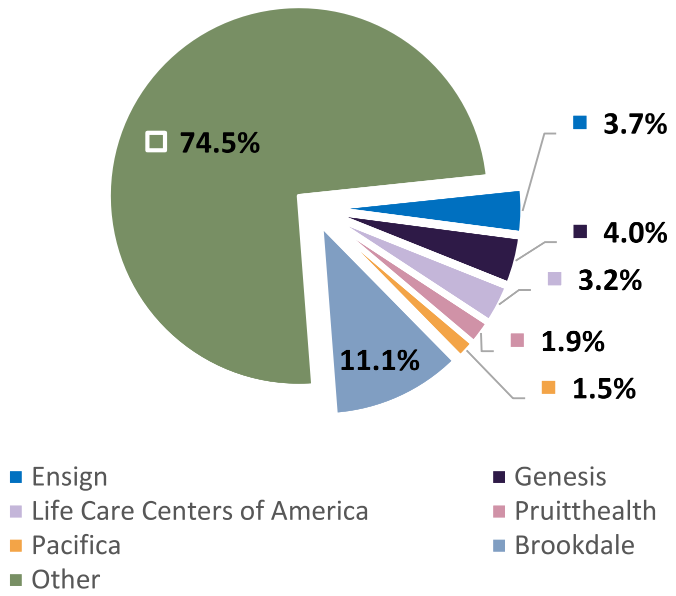
FUNDAMENTALS REMAIN FAVORABLE FOR STRONG ORGANIC GROWTH

Key Drivers of Organic Growth

Market fragmentation creates significant consolidation opportunity[2]

Estimated Population Over 65



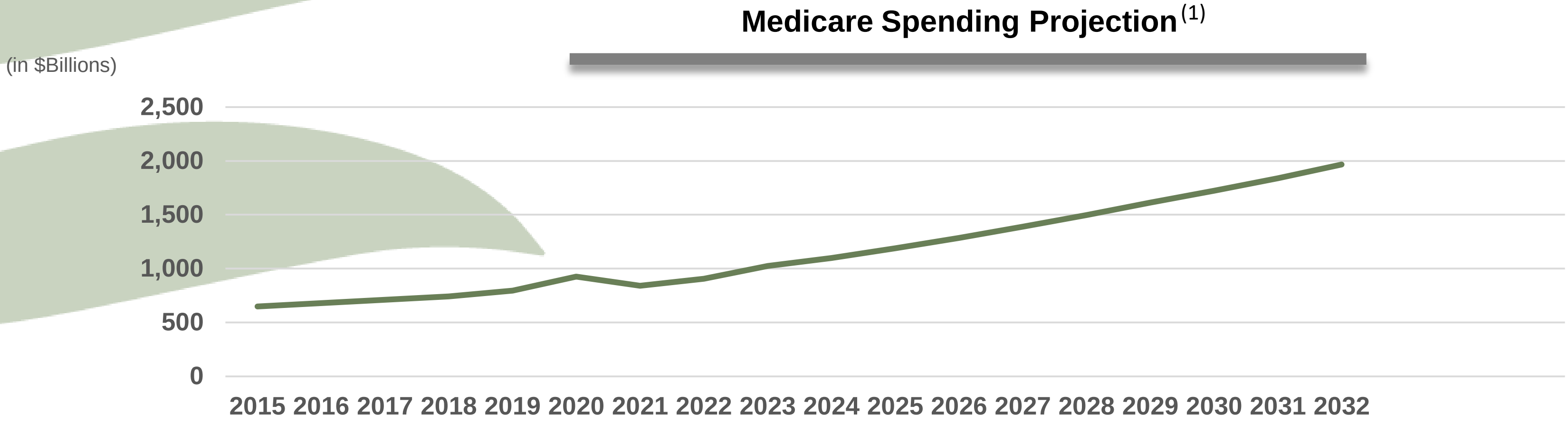


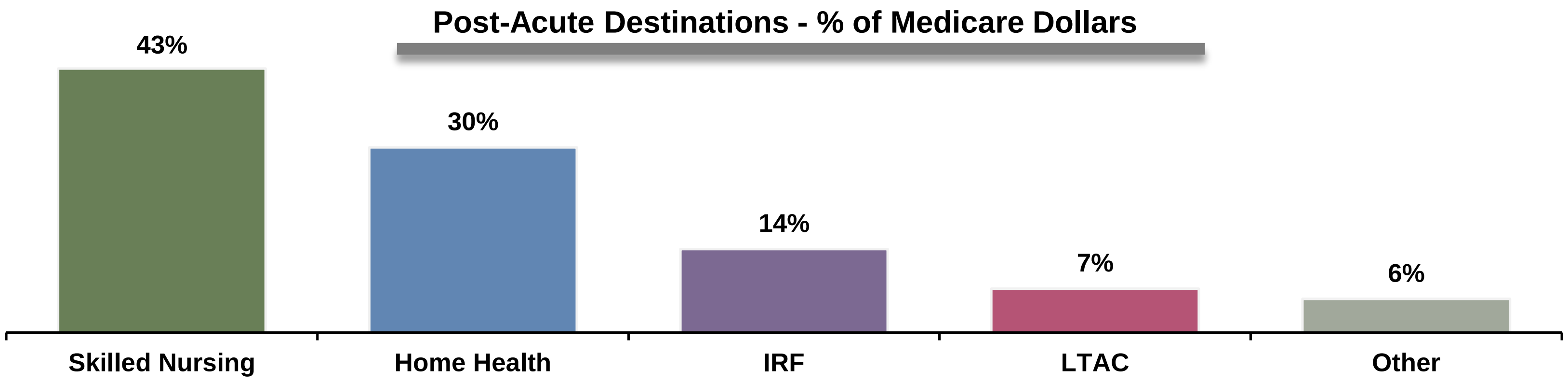
Aging Population	▪ Population **over 65** projected to nearly **double by 2060** [1]
Shift to Value-based Care	▪ **Shift to value-based care,** will continue to **benefit low cost, high quality settings (e.g. SNF)**
Reimbursement Environment	▪ Over the last 10 years the **CMS reimbursement rates** in the SNF industry have increased at a steady rate of **1.0%-2.5%**

Favorable Backdrop for Growth in the Transitional Skilled Services Industry

Source: US Census, CDC (NCHS), CMS and Population Reference Bureau.
(1) From 49MM in 2016 to 95MM in 2060.
(2) Source from IBISWorld, MatrixCare. Based on total number of facilities

LARGEST BENEFICIARY OF MEDICARE POST-ACUTE DOLLARS WHILE MEDICARE SPENDING CONTINUES TO INCREASE



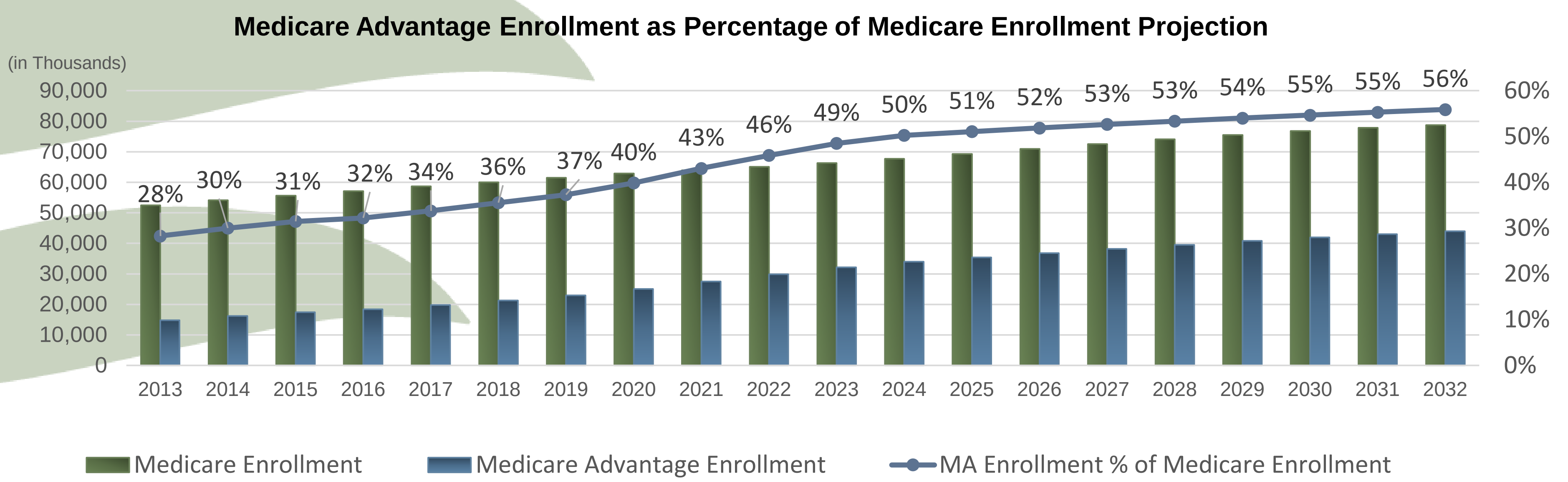


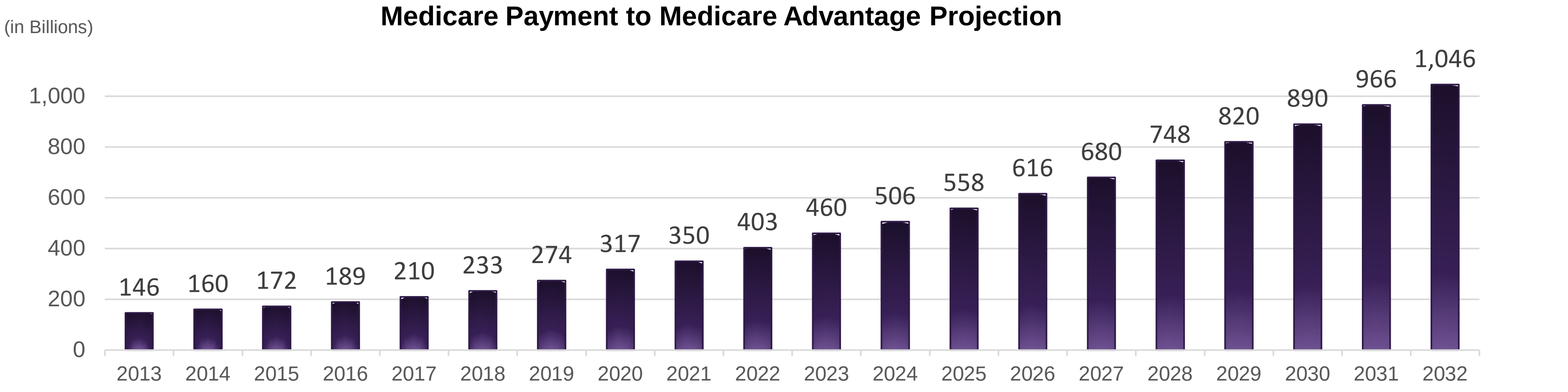
SNF is the Largest Medicare Post-Acute Dollars Beneficiary while Medicare Spending Continue to Increase

1. Sources: 2023 Medicare Trustees Report

2. Sources: Medpac and US HHS Department as of March 2020.

MEDICARE ADVANTAGE GROWTH PROJECTION

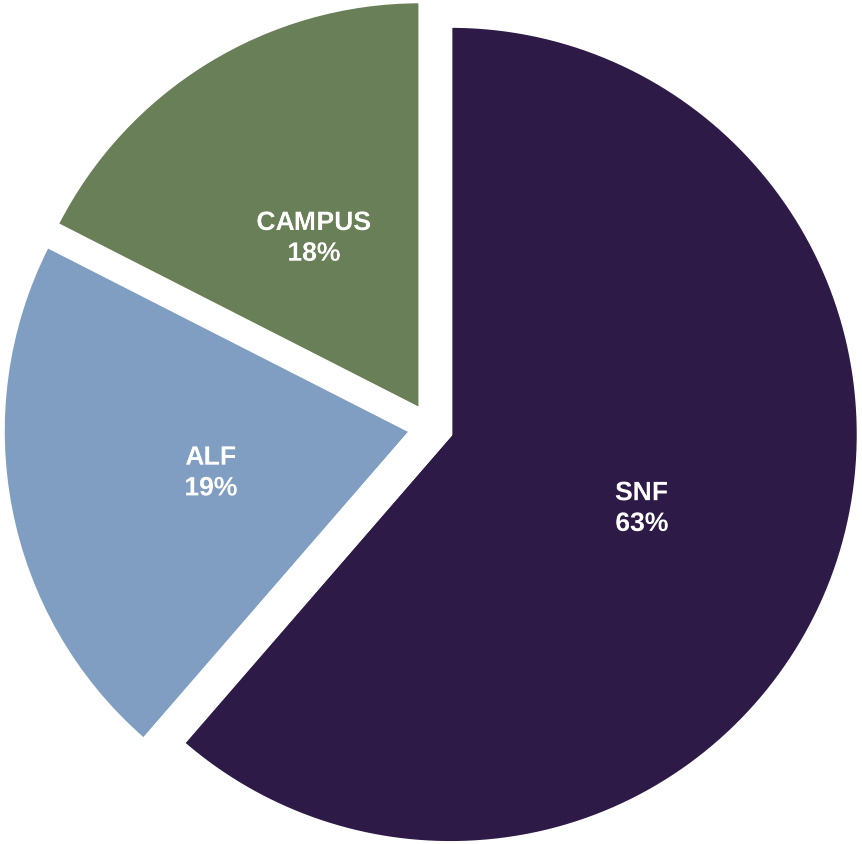




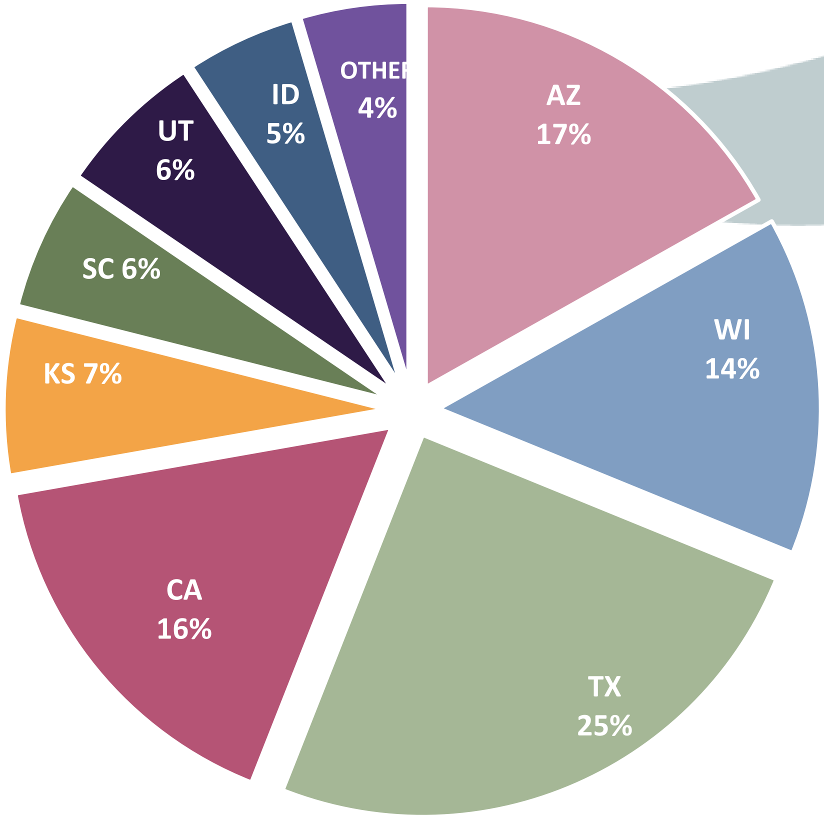
Sources: Stephens New Medicare Trustees Report April 3, 2023.

STANDARD BEARER PORTFOLIO DIVERSIFICATION

Diversification by Property Type (1)(2)

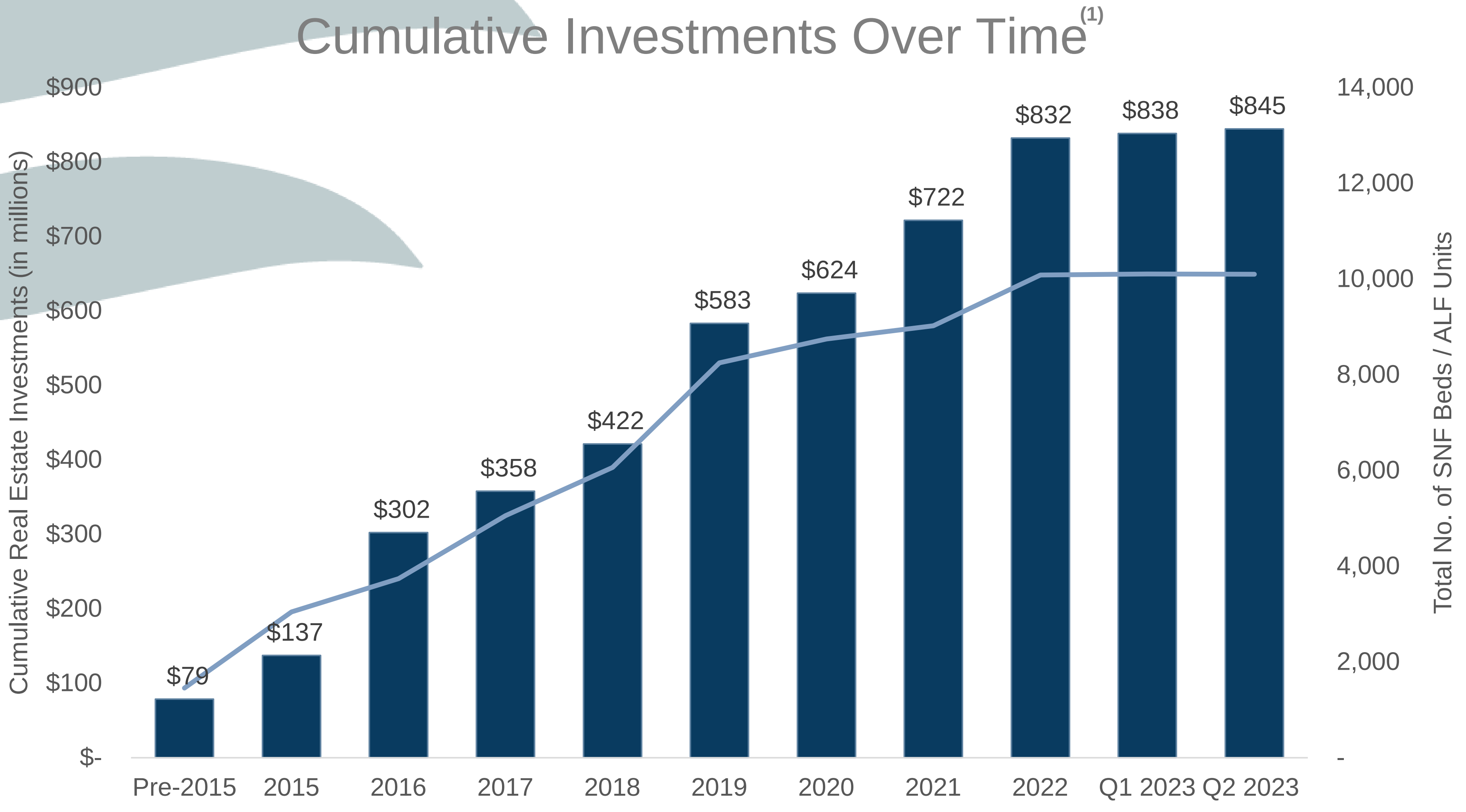


Diversification by State(1)



(1) Based on percentage of annualized rent of assets as of June 30, 2023.
(2) The number of SNF beds and ALF units for SNF, ALF and Campus are 6,507, 1,710 and 1,886, respectively. The valuations for SNF, ALF and Campus are $697 million, $244 million and $134 million, respectively. The range of implied capitalization rates for SNF is 6.5% to 11.25%, ALF is 6.0% to 8.5% and Campus is 5.5% to 7.5%.

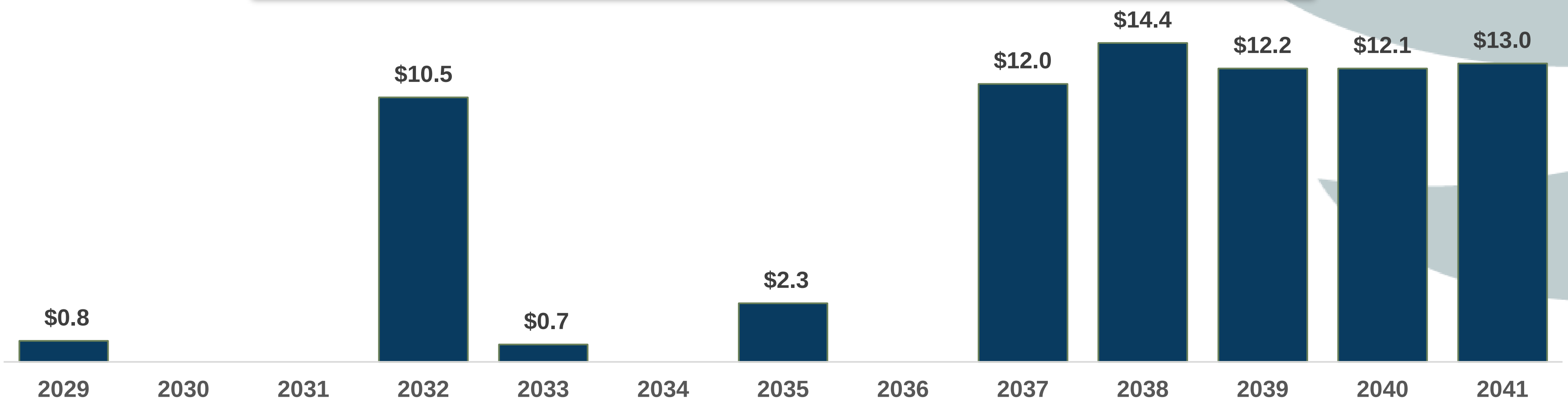
STANDARD BEARER CONTINUATION & EXPANSION OF REAL ESTATE SUCCESS



(1) Cumulative investments over time include initial investment and capital expenditures.

STANDARD BEARER STRONG LONG-TERM LEASES

Annualized Rent Revenue Expirations by Year



15.1 years (1)
Weighted Avg.
Lease Tenor

99%
of leases expire
after 2031

Tenant Rent Coverage Summary

Tenant	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Internal tenant	2.57	2.70	2.41	2.42	2.71
External tenant	1.40	1.60	1.38	1.28	1.27
Total	**2.37**	**2.50**	**2.23**	**2.21**	**2.43**

(1) Leases have two or three extension options of five years.

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.

Facilities are purpose-built or customized to accommodate specialty needs

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

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

Healthcare Resort of Leawood
Leawood, Kansas

Healthcare Resort of Topeka
Topeka, Kansas

The Springs at Pacific Regent
La Jolla, CA

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

19 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

16 years

- *Former Ensign roles: President of Pennant Healthcare, CEO of Pacific Care and Rehabilitation (Ensign-affiliate)*
- *Prior to joining Ensign: Utah State Legislature*

APPENDIX

SKILLED SERVICES SEGMENT

$ in thousands	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Statements of Income Data:				
Segment income (a)	$117,008	$102,266	$230,353	$200,522
Depreciation and amortization	9,417	8,113	18,481	16,014
EBITDA	**126,425**	**110,379**	**248,834**	**216,536**
Adjustments to EBITDA:				
Business interruption recoveries	(750)	-	(750)	-
Stock-based compensation expense	5,705	3,539	9,861	6,813
Adjusted EBITDA	**$131,380**	**$113,918**	**$257,945**	**$223,349**

(a) 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.

STANDARD BEARER SEGMENT

$ in thousands	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Rental revenue generated from third-party tenants	$3,786	$3,704	$7,572	$7,472
Rental revenue generated from Ensign affiliated operations	16,128	13,894	32,059	27,319
Total rental revenue	**19,914**	**17,598**	**39,631**	**34,791**
Segment income (a)	7,133	6,838	14,352	13,738
Depreciation and amortization	6,133	5,216	12,099	10,237
FFO (b)	**$13,266**	**$12,054**	**$26,451**	**$23,975**

a) Segment income reflects profit or loss from operations before provision for income taxes, excluding gain or loss from sale of real estate and insurance recoveries from real estate. Included in Standard Bearer expenses were (1) management fees, where for the three and six months ended June 30, 2023 was $1.2M and $2.4M and for the three and six months ended June 30, 2022 was $1.1M and $2.1M, respectively; (2) interest expense, where for the three and six months ended June 30, 2023 was $2.9M and $5.7M and for the three and six months ended June 30, 2022 was $1.9M and $3.8M, respectively, from intercompany agreements between Standard Bearer and The Ensign Group, Inc., including the Service Center.

b) 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 (or losses) from sales of real estate and impairment of depreciable real estate assets, while including depreciation and amortization related to real estate earnings.

RECONCILIATION OF GAAP TO NON-GAAP INCOME

$ in thousands	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Net income attributable to The Ensign Group, Inc.	**$63,993**	**$57,691**	**$123,845**	**$108,031**
Non-GAAP adjustments				
Stock-based compensation expense (a)	8,881	5,616	15,454	10,783
Cost of services – gain on business interruptions recoveries and sale of assets	(750)	(2,567)	(750)	(2,567)
Cost of services - legal adjustments (b)	(885)	-	(818)	3,353
Interest expense – write off deferred financing fees (c)	-	566	-	566
Cost of services - acquisition related costs (d)	112	65	572	171
Depreciation and amortization – patient base (e)	-	71	47	127
General and administrative – costs incurred related to new systems implementation (f)	60	4	875	69
Provision for income taxes on Non-GAAP adjustments (g)	(5,155)	(4,024)	(8,328)	(6,698)
Non-GAAP net income	**$66,256**	**$57,422**	**$130,897**	**$113,835**
Average number of shares outstanding	57,260	56,853	57,190	56,862
Diluted Earnings Per Share	**$1.12**	**$1.01**	**$2.17**	**$1.90**
Adjusted Diluted Earnings Per Share	**$1.16**	**$1.01**	**$2.29**	**$2.00**

(a) Represents stock-based compensation expense incurred.
(b) Legal adjustments relate to findings attributable to our ancillary services subsidiary, which excludes the portion attributable to non-controlling interests.
(c) Represents the write-off of deferred financing fees associated with the amendment of the credit facility.
(d) Represents costs incurred to acquire operations that are not capitalizable.
(e) Included in depreciation and amortization are expenses related to patient base intangible assets at newly acquired skilled nursing and senior living facilities.
(f) Represents system implantation costs that are not capitalizable.
(g) Represents an adjustment to the provision for income tax to our historical year to date effective tax rate of 25.0%

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

$ in thousands	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Income before provision for income taxes	$81,053	$72,957	$159,435	$139,183
Stock-based compensation	8,881	5,616	15,454	10,783
Legal adjustments (a)	(885)	-	(818)	3,626
Gain on sale of assets and business interruptions recoveries	(750)	(2,567)	(750)	(2,567)
Write-off of deferred financing fees (b)	-	566	-	566
Acquisition related costs (c)	112	65	572	171
Costs incurred related to new systems implementation	60	4	875	69
Depreciation and amortization – patient base (d)	-	71	47	127
Adjusted EBT	**$88,471**	**$76,712**	**$174,815**	**$151,958**

(a) Legal adjustments relate to findings attributable to our ancillary services subsidiary, which includes the portion attributable to non-controlling interests.
(b) Represents the write-off of deferred financing fees associated with the amendment of the credit facility.
(c) Costs incurred to acquire operations that are not capitalizable.
(d) Included in depreciation and amortization are amortization expenses related to patient base intangible assets at newly acquired skilled nursing and senior living facilities.

RECONCILIATION OF GAAP TO NON-GAAP FINANCIAL MEASURES

$ in thousands	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Net income	$64,090	$57,803	$124,059	$107,891
Less: net income (loss) attributable to noncontrolling interests	97	112	214	(140)
Add: Other (income) expense, net	(3,179)	5,275	(6,686)	8,159
Provision for income taxes	16,963	15,154	35,376	31,292
Depreciation and amortization	17,596	14,858	34,708	29,534
EBITDA	**$95,373**	**$92,978**	**$187,243**	**$177,016**
Adjustments to EBITDA:				
Stock-based compensation expense	8,881	5,616	15,454	10,783
Legal adjustments (a)	(885)	-	(818)	3,353
Gain on business interruptions recoveries and sale of assets	(750)	(2,567)	(750)	(2,567)
Acquisition related costs (b)	112	65	572	171
Costs incurred related to new systems implementation	60	4	875	69
Adjusted EBITDA	**$102,791**	**$96,096**	**$202,576**	**$188,825**
Rent—cost of services	49,760	37,228	96,397	72,990
Adjusted EBITDAR	**$152,551**	**$133,324**	**$298,973**	**$261,815**

(a) Legal adjustments relate to findings attributable to our ancillary services subsidiary, which excludes the portion attributable to non-controlling interests.
(b) Costs incurred to acquire operations that are not capitalizable.

RECONCILIATION FROM SEGMENT INCOME TO INCOME BEFORE PROVISIONS FOR INCOME TAXES QTD Q2 2023

$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Total Revenue	$ 884,200	$ 19,914	$ 38,354	($ 21,123)	$ 921,345
Cost of services (b)	697,148	564	27,448	(2,575)	722,585
Internal rent expense (a)	14,885	-	2,032	(16,917)	-
External rent expense	45,742	239	3,779	-	49,760
Depreciation and amortization	9,417	6,133	2,046	-	17,596
General and administrative expenses (a) (b)	-	1,270	53,791	(1,631)	53,430
Other expense (income), net (b)	-	4,575	(7,754)	-	(3,179)
Total expenses	**767,192**	**12,781**	**81,342**	**(21,123)**	**840,192**
Segment income	**117,008**	**7,133**	**(42,988)**	**-**	**81,153**
Gain from sale of real estate					(100)
Income before provision for income tax					**81,053**

a) Included in general and administrative expenses is internal rent expense for the Service Center of $0.4 million and management fee of $1.2 million. This amount is eliminated in the eliminations column.

b) Included in other expense (income), net is a gain on investment held in our deferred compensation plan of $1.3 million. There is an offsetting expense allocated between cost of services and general and administrative expenses of $0.67 million and $0.67 million, respectively.

RECONCILIATION FROM SEGMENT INCOME TO INCOME BEFORE PROVISIONS FOR INCOME TAXES YTD Q2 2023

$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Total Revenue	$ 1,735,123	$ 39,631	$ 75,450	($ 42,018)	$ 1,808,186
Cost of services (b)	1,367,817	1,040	55,122	(5,068)	1,418,911
Internal rent expense (a)	29,723	-	3,965	(33,688)	-
External rent expense	88,749	468	7,180	-	96,397
Depreciation and amortization	18,481	12,099	4,128	-	34,708
General and administrative expenses (a) (b)	-	2,528	106,055	(3,262)	105,321
Other expense (income), net (b)	-	9,144	(15,830)	-	(6,686)
Total expenses	**1,504,770**	**25,279**	**160,620**	**(42,018)**	**1,648,651**
Segment income	**230,353**	**14,352**	**(85,170)**	**-**	**159,535**
Gain from sale of real estate					(100)
Income before provision for income tax	**230,353**	**14,352**	**(85,170)**	**-**	**159,435**

a) Included in general and administrative expenses is internal rent expense for the Service Center of $0.9 million and management fee of $2.4 million. This amount is eliminated in the eliminations column.
b) Included in other expense (income), net is a gain on investment held in our deferred compensation plan of $2.5 million. There is an offsetting expense allocated between cost of services and general and administrative expenses of $1.3 million and $1.3 million, respectively.

RECONCILIATION FROM SEGMENT INCOME TO GAAP EBITDA AND NON-GAAP EBITDA QTD Q2 2023

$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Segment Income	$ 117,008	$ 7,133	($ 42,988)	–	$81,153
Other expense (income), net	-	4,575	(7,754)	-	(3,179)
Depreciation and amortization	9,417	6,133	2,046	–	17,596
Less: Net loss attributable to non-controlling interests	–	–	97	–	97
Segment GAAP EBITDA	**126,425**	**17,841**	**(48,793)**	**-**	**95,473**
Loss on real estate insurance recoveries					(100)
Consolidated GAAP EBITDA					**95,373**
Non-GAAP Adjustments					
Stock based compensation	5,705	-	3,176	-	8,881
Legal adjustments	–	–	(885)	–	(885)
Other Non-GAAP adjustments	(750)	–	172	–	(578)
Segment Non-GAAP EBITDA	**131,380**	**17,841**	**(46,330)**	**-**	**102,891**
Loss on real estate insurance recoveries					(100)
Consolidated Non-GAAP EBITDA					**102,791**
Internal Rent Expense	14,885	-	2,032	(16,917)	-
External Rent Expense	45,742	239	3,779	-	49,760
Total Non-GAAP Rent Expense	**60,627**	**239**	**5,811**	**(16,917)**	**49,760**
Consolidated Non-GAAP EBITDAR	**192,007**	**18,080**			**$152,551**

RECONCILIATION FROM SEGMENT INCOME TO GAAP EBITDA AND NON-GAAP EBITDA YTD Q2 2023

$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Segment Income	$ 230,353	$ 14,352	($ 85,170)	–	**$159,535**
Other expense (income), net	-	9,144	(15,830)	-	(6,686)
Depreciation and amortization	18,481	12,099	4,128	–	34,708
Less: Net loss attributable to non-controlling interests	–	–	214	–	214
Segment GAAP EBITDA	**248,834**	**35,595**	**(97,086)**	**-**	**187,343**
Loss on real estate insurance recoveries					(100)
Consolidated GAAP EBITDA					**187,243**
Non-GAAP Adjustments					
Stock based compensation	9,861	-	5,593	-	15,454
Legal adjustments	–	–	(818)	–	(818)
Other Non-GAAP adjustments	(750)	–	1,447	–	697
Segment Non-GAAP EBITDA	**257,945**	**35,595**	**(90,864)**	**-**	**202,676**
Loss on real estate insurance recoveries					(100)
Consolidated Non-GAAP EBITDA					**202,576**
Internal Rent Expense	29,723	-	3,965	(33,688)	-
External Rent Expense	88,749	468	7,180	-	96,397
Total Non-GAAP Rent Expense	**118,472**	**468**	**11,145**	**(33,688)**	**96,397**
Consolidated Non-GAAP EBITDAR	**376,417**	**36,063**			**$298,973**

RECONCILIATION OF DEFERRED COMPENSATION PLAN
IMPACT 5 QUARTER TREND

	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Non-GAAP other income (expense):					
Interest expense	($2,023)	($2,036)	($2,067)	($2,108)	($2,122)
Interest income	3,952	4,304	2,860	1,411	726
Deferred compensation plan (DCP) investments gain (loss)	1,250	1,239	1,462	(1,135)	(3,313)
Other income (expense)	5,202	5,543	4,322	276	(2,587)
Total Non-GAAP other income (expense)	**3,179**	**3,507**	**2,255**	**(1,832)**	**(4,709)**
Non-GAAP Revenue	**921,345**	**886,841**	**809,532**	**770,005**	**732,486**
Non-GAAP cost of services	718,388	691,712	630,387	597,692	562,512
Less: DCP gain (loss) related to cost of services	666	640	985	(686)	(2,145)
Non-GAAP cost of services without DCP	**717,722**	**691,072**	**629,402**	**598,378**	**564,657**
Non-GAAP cost of services as a percentage of revenue	78.0%	78.0%	77.9%	77.6%	76.8%
Non-GAAP cost of services as a percentage of revenue without DCP	77.9%	77.9%	77.8%	77.7%	77.1%
Non-GAAP general and administrative expense with DCP	50,309	48,590	39,788	36,755	36,538
Less: DCP gain (loss) related to general and administrative expense	666	640	530	(369)	(1,155)
Non-GAAP general and administrative expense without DCP	**49,643**	**47,950**	**39,258**	**37,124**	**37,693**
Non-GAAP general and administrative expense as a percentage of revenue	5.5%	5.5%	4.9%	4.8%	5.0%
Non-GAAP general and administrative expense as a percentage of revenue without DCP	5.4%	5.4%	4.8%	4.8%	5.1%
NON-GAAP EBITDA percentage of revenue	11.2%	11.3%	12.1%	12.5%	13.1%
NON-GAAP EBITDA percentage of revenue without DCP	11.3%	11.4%	12.3%	12.4%	12.7%
NON-GAAP EBITDAR percentage of revenue	16.6%	16.5%	17.2%	17.6%	18.2%
NON-GAAP EBITDAR percentage of revenue without DCP	16.7%	16.7%	17.4%	17.5%	17.8%

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
Bainbridge Island Health and Rehabilitation Center	WA	SNF	69	Ensign
Bennett Hills Rehabilitation and Care Center	ID	SNF	58	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
Compass Post Acute Rehabilitation	SC	SNF	95	Ensign
Cottonwood Manor Assisted Living	WI	Senior Living	30	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
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	197	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	121	Ensign
Horizon Post Acute and Rehabilitation Center	AZ	SNF	179	Ensign
Hunters Pond Rehabilitation and Healthcare	TX	SNF	128	Ensign

PROPERTY LOCATIONS

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
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
Lila Doyle Post Acute	SC	SNF	120	Ensign
Legend Healthcare and Rehabilitation – Paris	TX	SNF	120	Ensign
Lo-Har Senior Living	CA	Senior Living	29	Pennant
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	70	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	135	Ensign
Opus Post Acute Rehabilitation	SC	SNF	98	Ensign

PROPERTY LOCATIONS

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
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
Rio Vista Post Acute and Rehabilitiation	AZ	SNF	150	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
Rock Canyon Respiratory & Rehabilitation Center	CO	SNF	81	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
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

PROPERTY LOCATIONS

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
Tempe Post Acute and Desert Marigold Senior Living of Tempe	AZ	Campus	198	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
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	58	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	106	Ensign
Village Healthcare and Rehabilitation	TX	SNF	112	Ensign
Westover Hills Rehabilitation and Healthcare	TX	SNF	124	Ensign
Wide Horizons Intermediate Care Facility	UT	SNF	57	Ensign
Willow Brooke Point Senior Living	WI	Senior Living	82	Pennant
Windsor Rehabilitation and Healthcare	TX	SNF	108	Ensign