



ENSIGN GROUP

March 2024

INVESTOR PRESENTATION

www.ensigngroup.net

2024

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.



ENSIGN  GROUP

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 (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.

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 42,000 employees. We foster an entrepreneurial culture of ownership coupled with a field-driven, flat structure.



Our Services

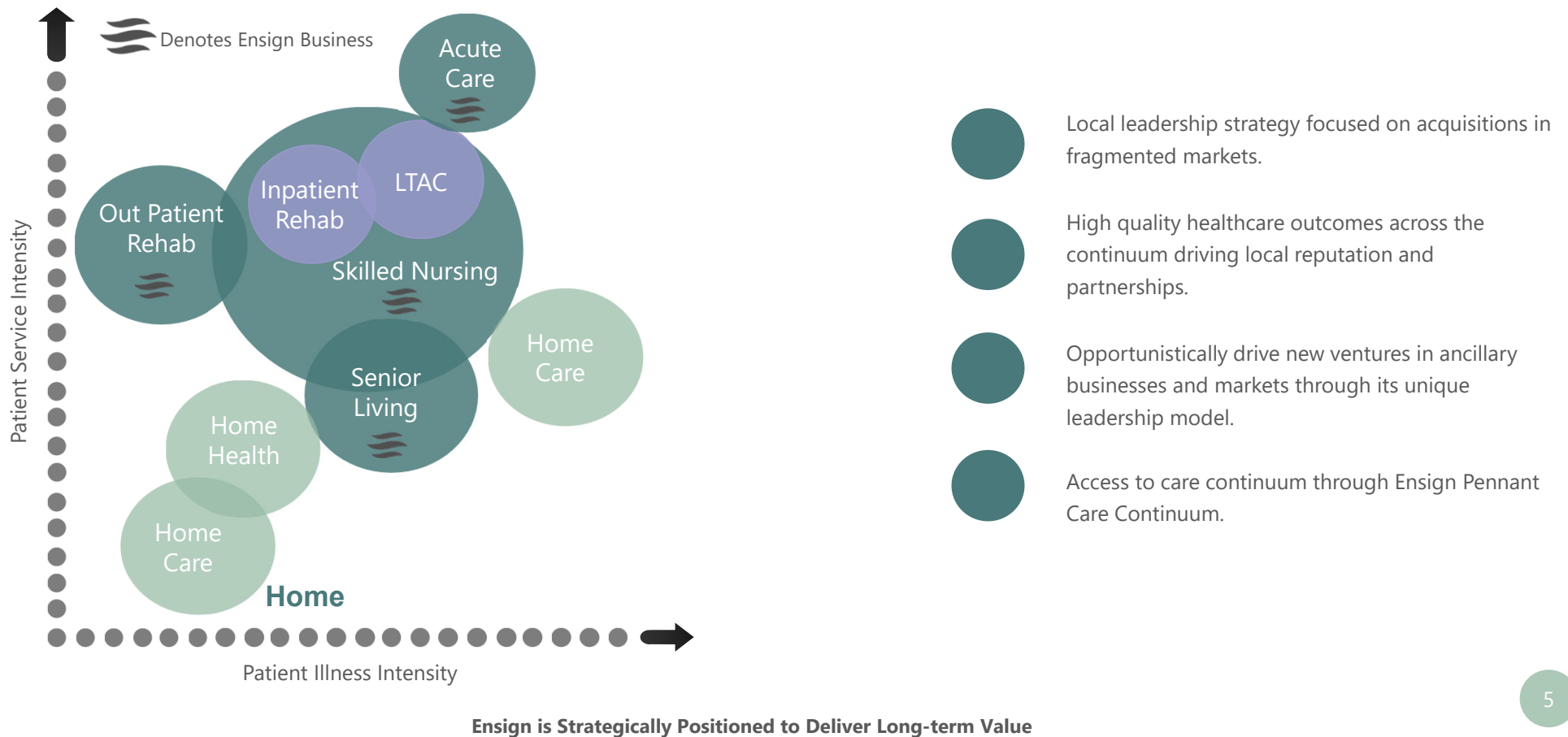
Our independent subsidiaries offer a broad spectrum of post-acute care including skilled nursing, senior living and other healthcare-related properties and other ancillary businesses.



Financials

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

Ensign's Commitment to Care Continuum



Ensign Strategically Positioned to Deliver Long-Term Value

Experienced Management

Management team with combined experience of 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

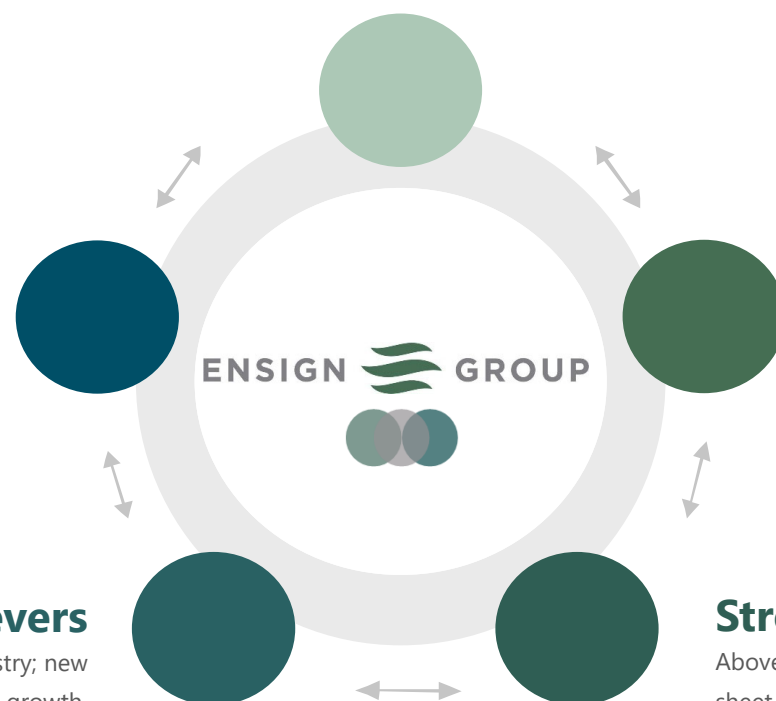
Leading consolidator in fragmented industry; new ventures; delivering organic and strategic growth.

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

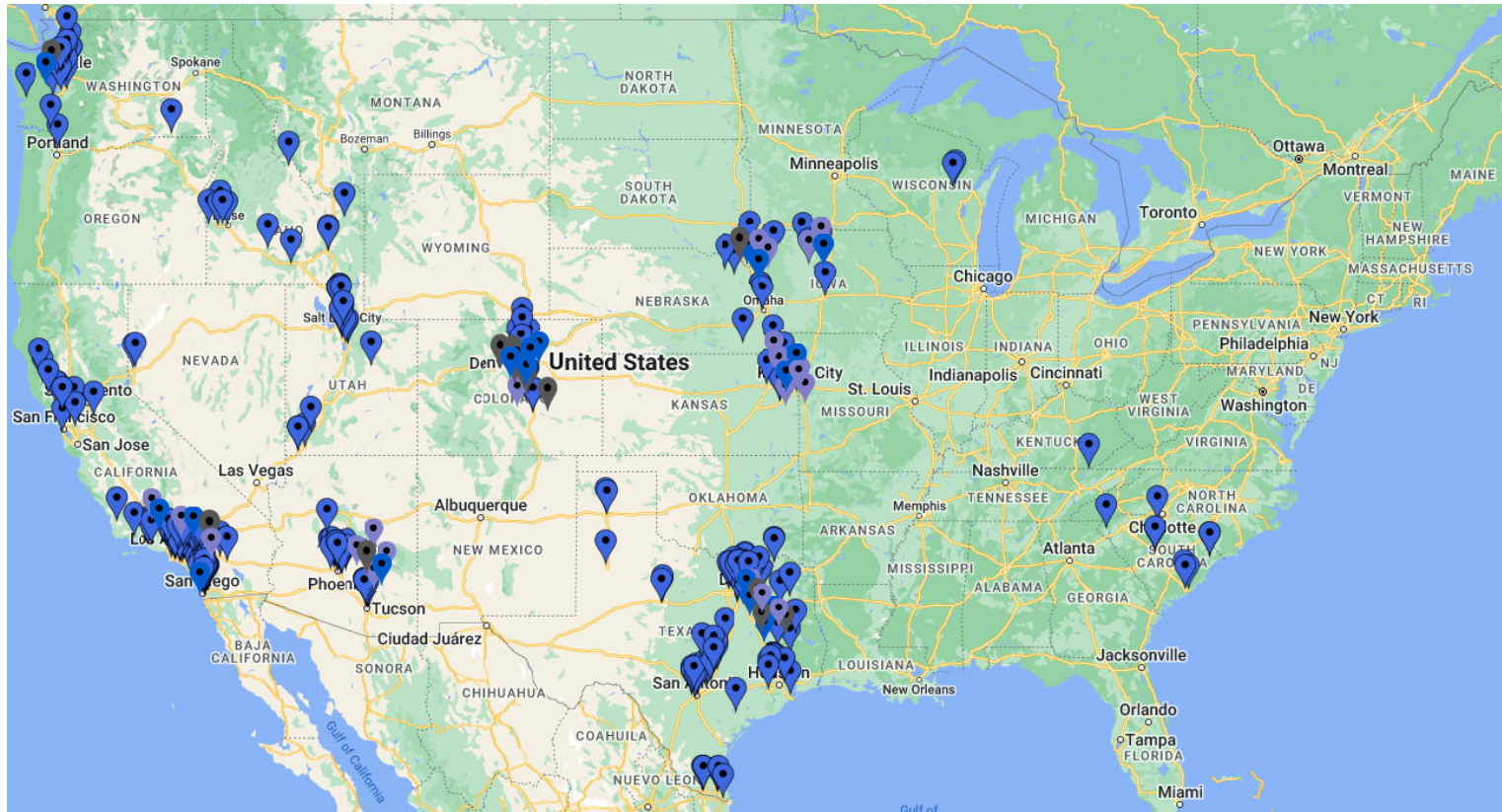
Ensign's Investment Thesis

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



Leading Operational Presence in Attractive Markets

Industry Leader with Strong and Growing National Presence



-  Skilled Nursing Operations – 264
-  Senior Living Operations – 11
-  Campus Operations – 27

Business Leaders Drive Results

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



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?

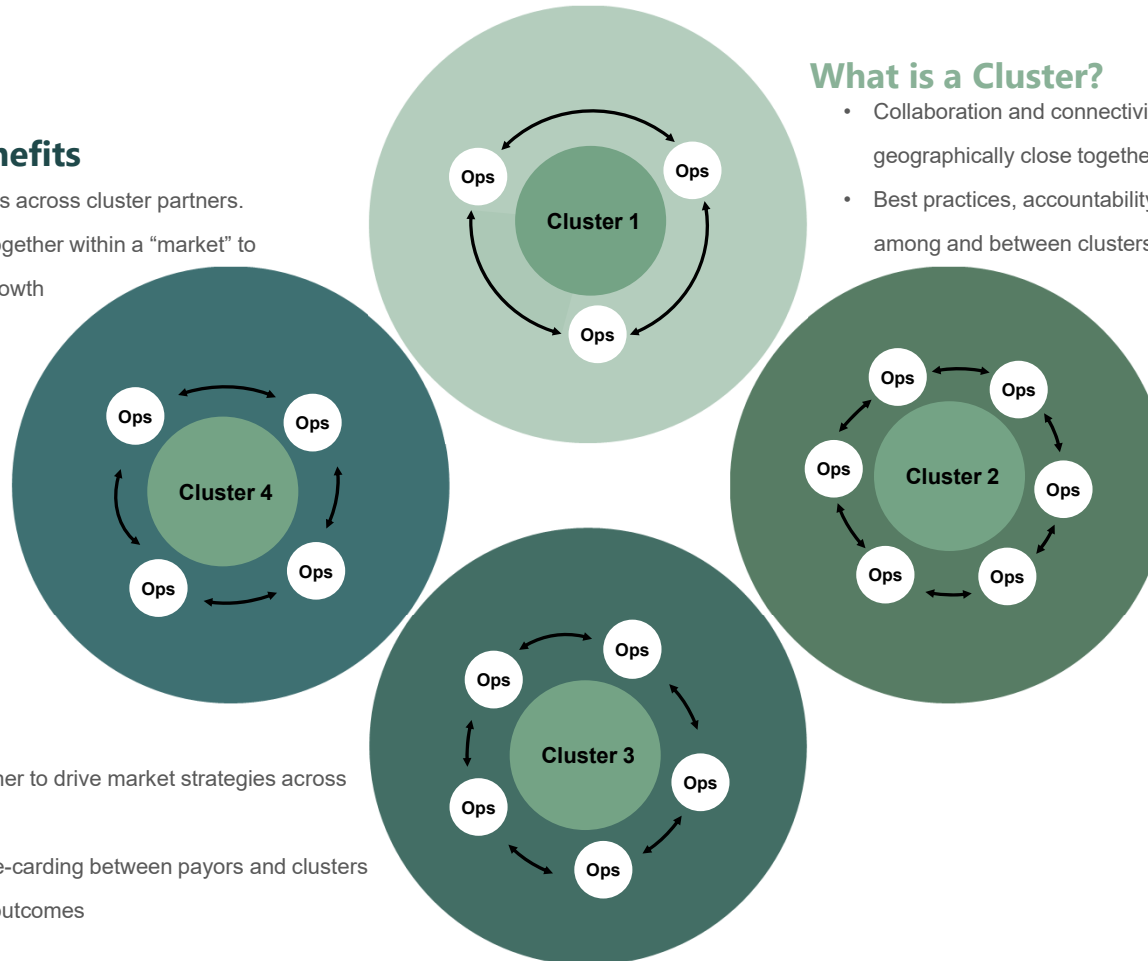
- Collaboration and connectivity between operations (“ops”) that are geographically close together.
- Best practices, accountability and ownership are shared among and between clusters.

Payor Benefits

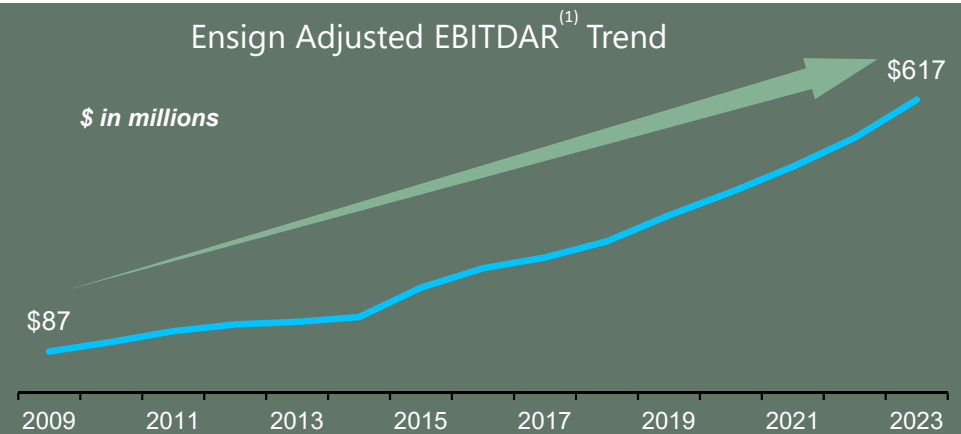
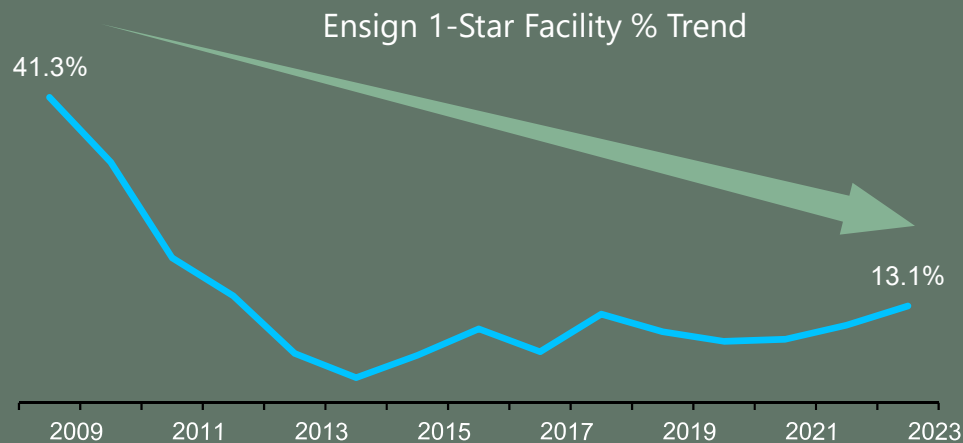
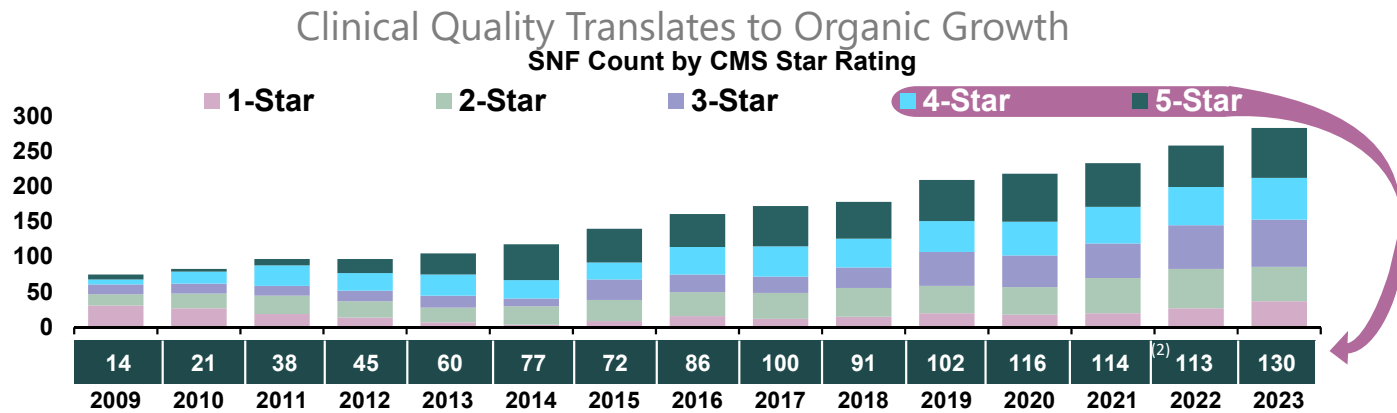
- Clusters combine together to drive market strategies across the continuum of care.
- Transparency and score-carding between payors and clusters drives superior patient outcomes

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



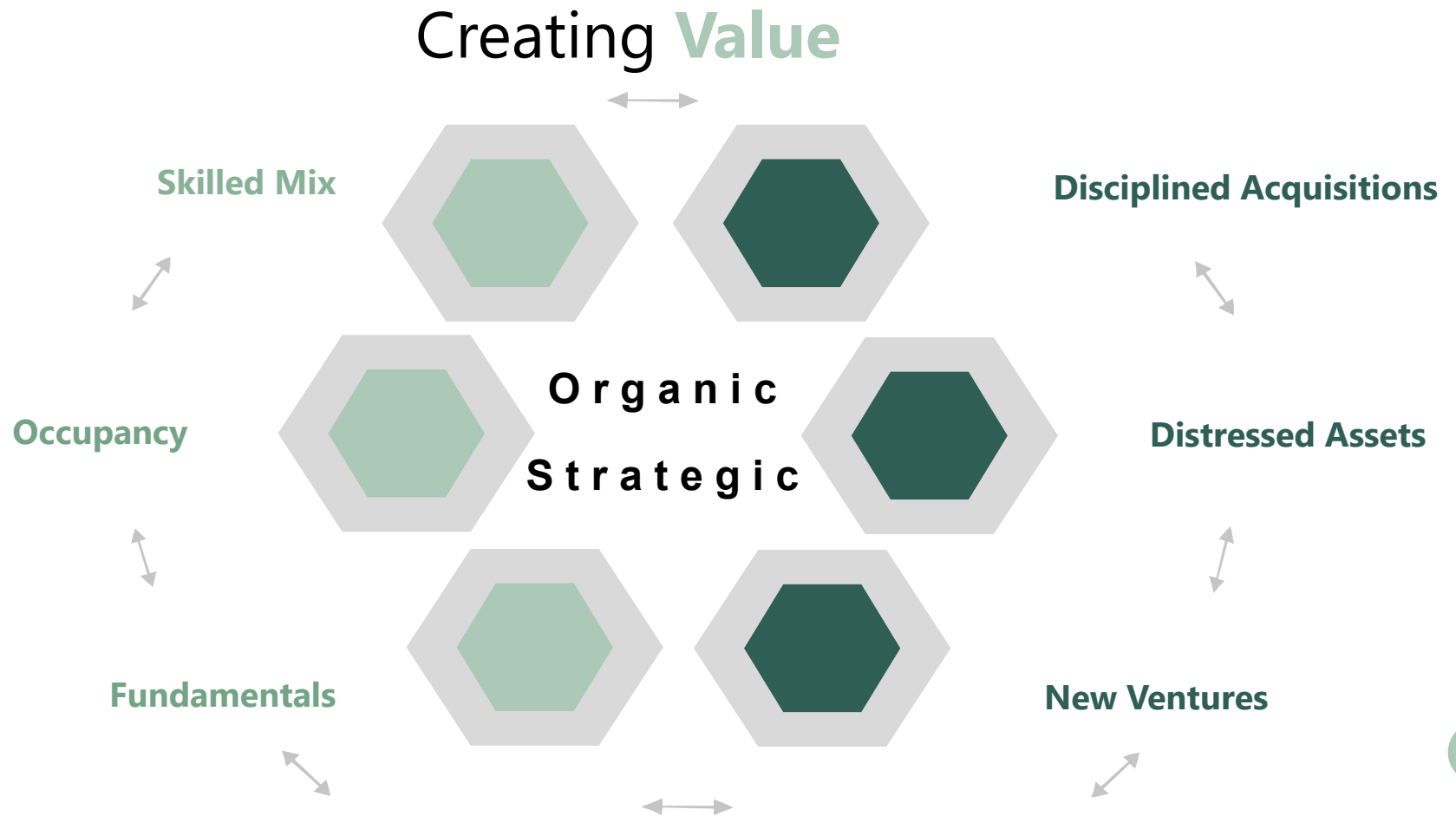
Organizational Focus on Clinical Quality Leads to Superior Financial Results



Refer to pages 53 – 54 for end notes. Source: Data as of Q4'23.

Multifaceted Growth Opportunities

Driven by Organic as well as Strategic Opportunities



EPCC Enables Value-Based Care Continuum at the Local Level⁽³⁾

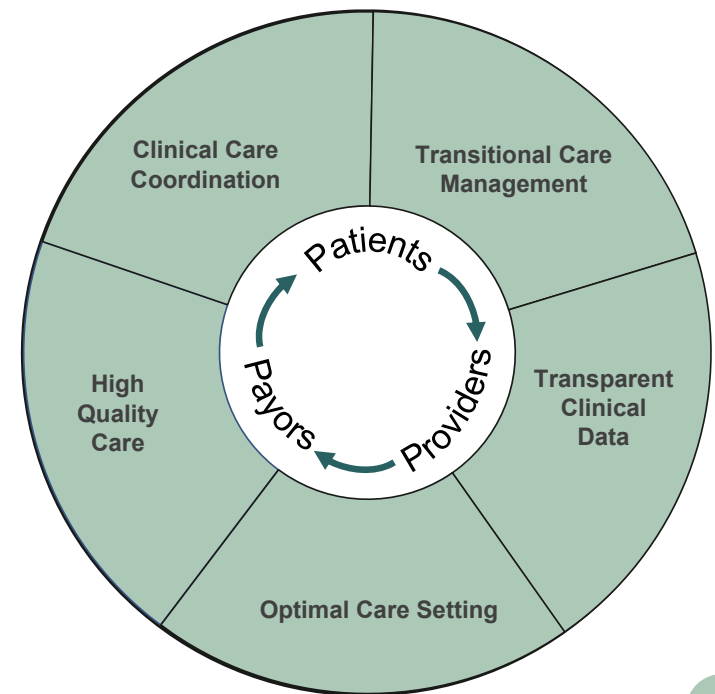
What is it?

- ✓ 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.

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

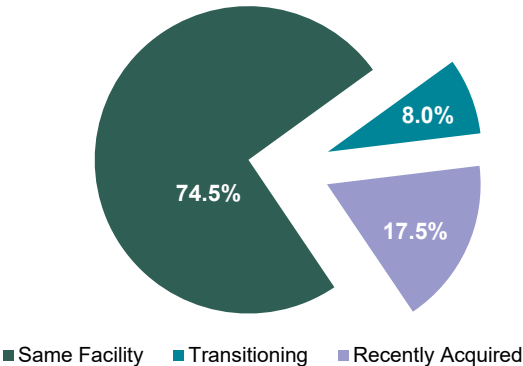
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GROUP

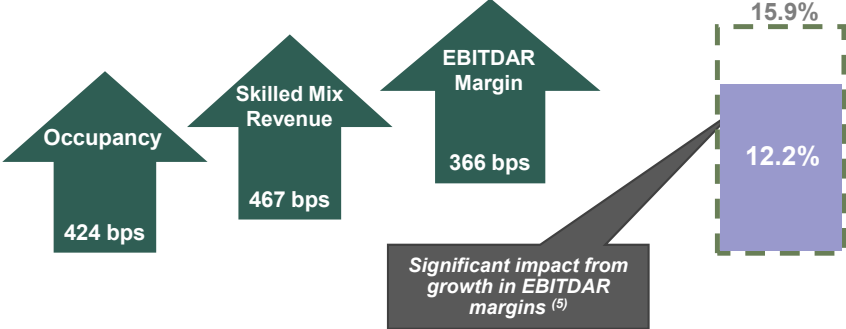


A Disciplined Approach to Acquisitions & Track Record of Improving Operations to Drive Continued Growth

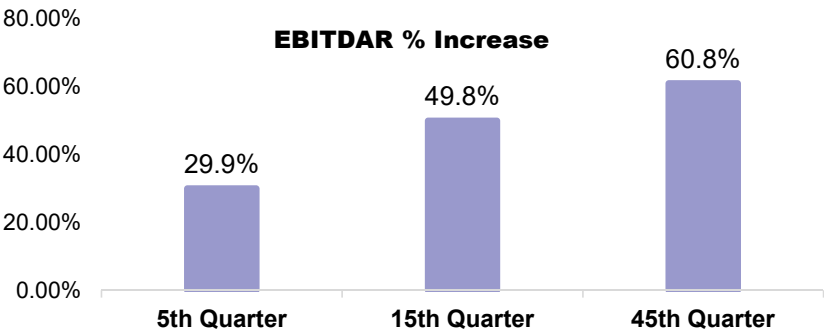
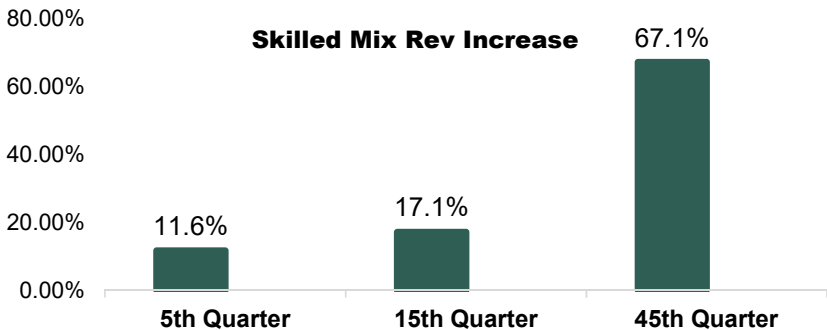
25.5% of Ensign’s skilled nursing operations have been operated less than three full years



Proven track record of achieving significant improvement in just 5 quarters ⁽⁴⁾

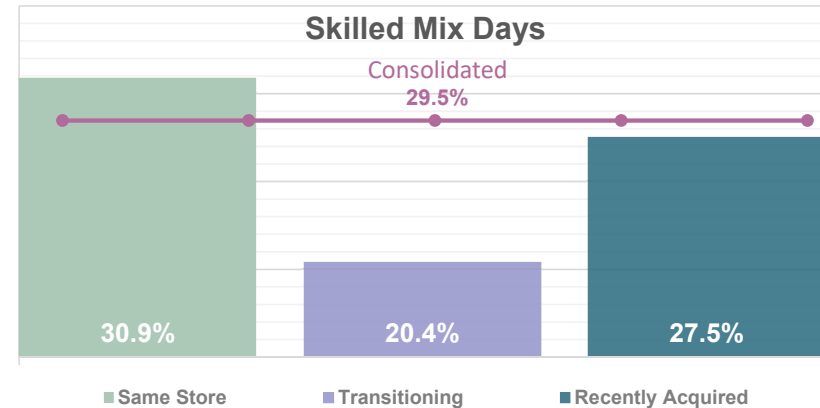
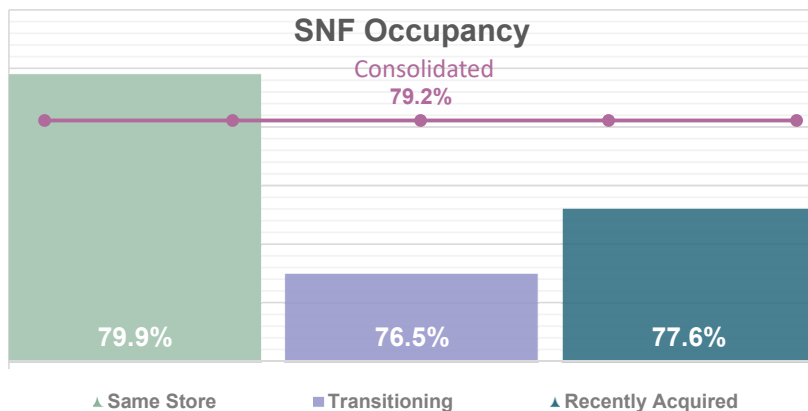
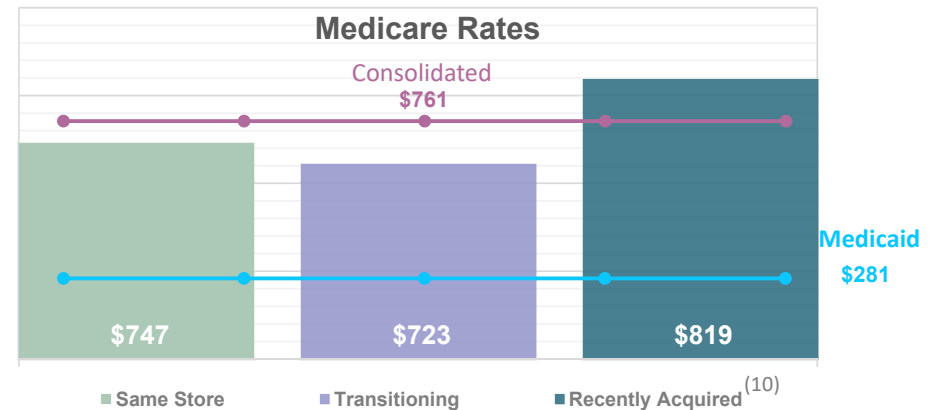
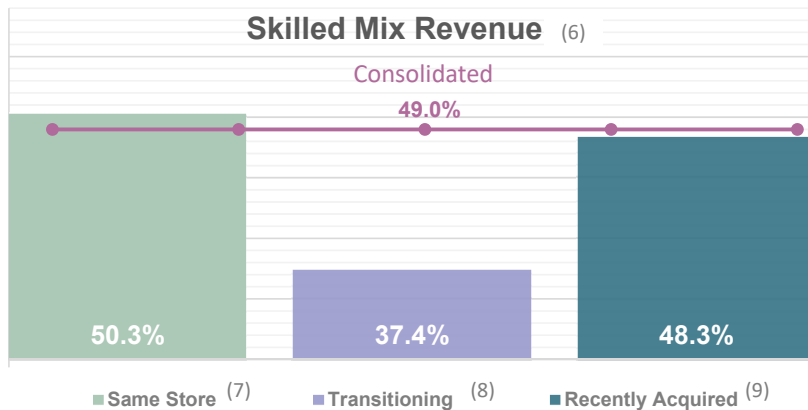


Significant improvement beyond 5th quarter to 45th quarter ⁽⁵⁾

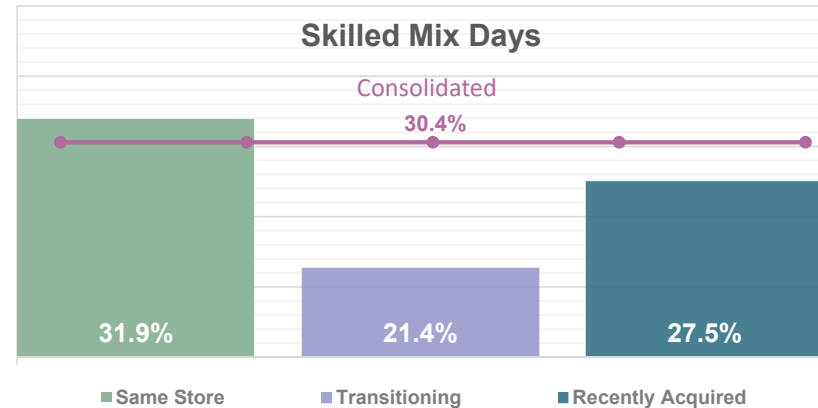
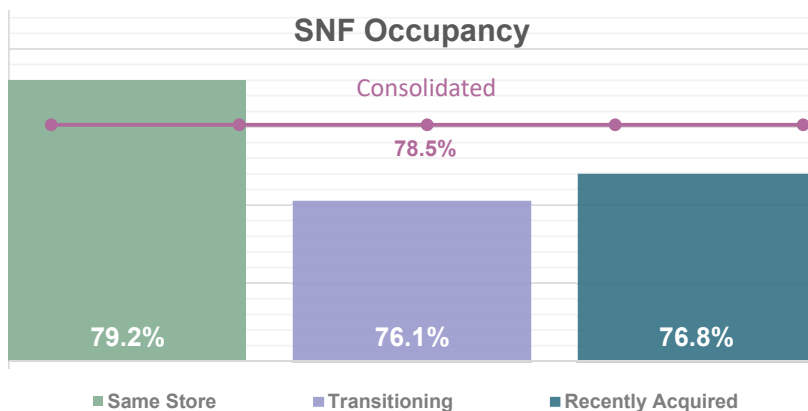
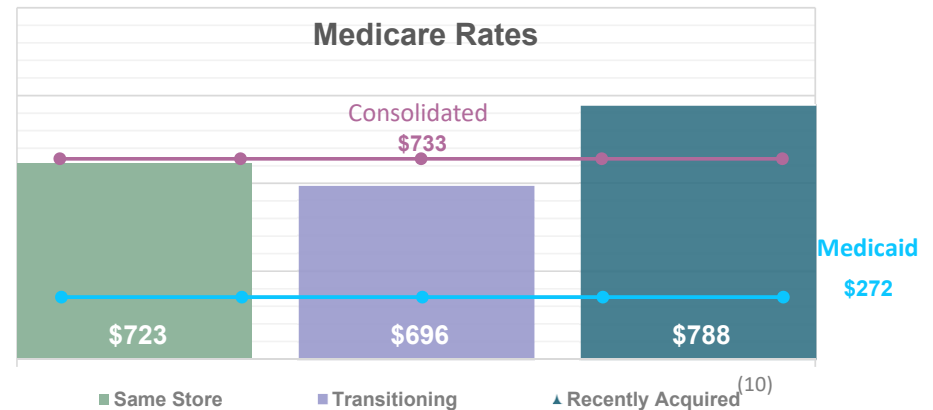
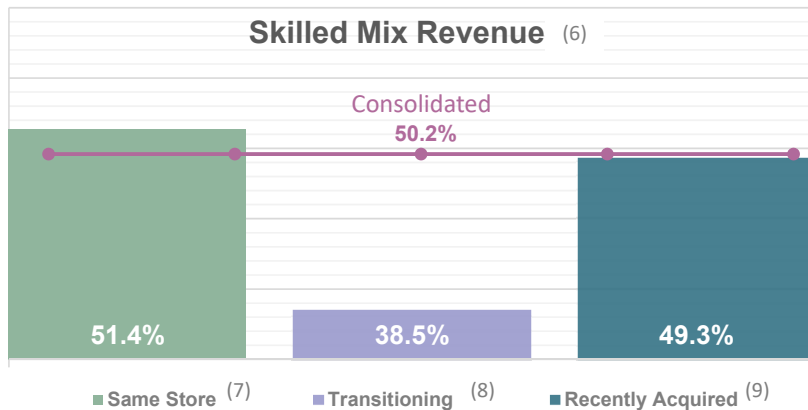


Refer to pages 53 – 54 for end notes. Source: Data as of 12/31/2023.

Demonstrated Track Record of Significant Operational Improvements of Acquired Assets QTD Q4 2023



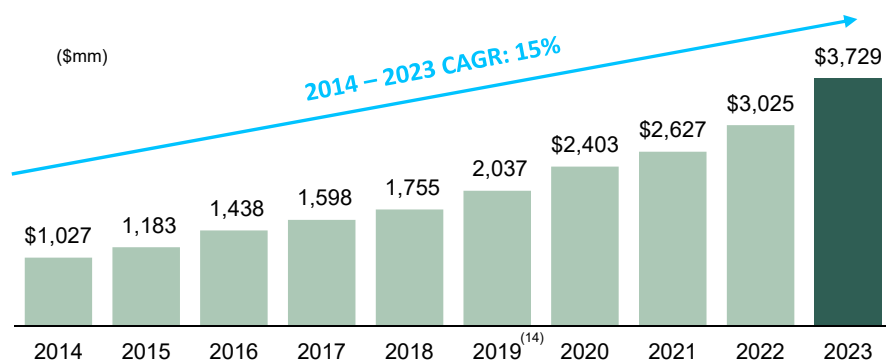
Demonstrated Track Record of Significant Operational Improvements of Acquired Assets YTD Q4 2023



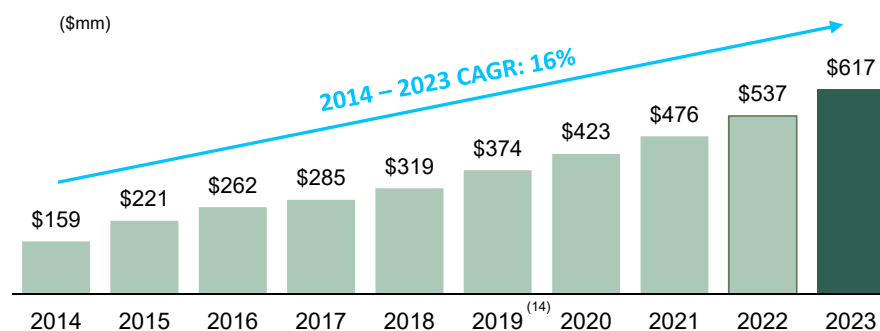
Ensign Represents The Growth Story

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

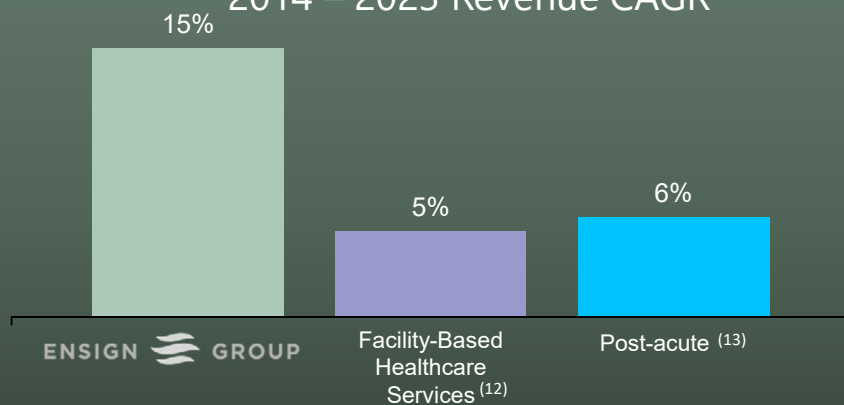
Revenue ⁽¹¹⁾⁽¹⁴⁾



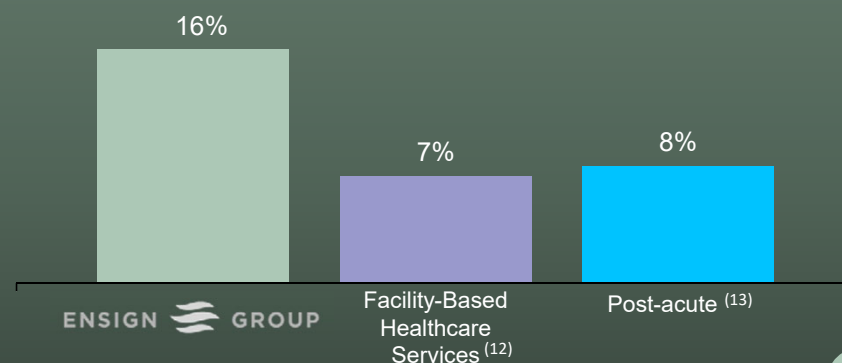
Adjusted EBITDAR ⁽¹¹⁾⁽¹⁴⁾



2014 – 2023 Revenue CAGR

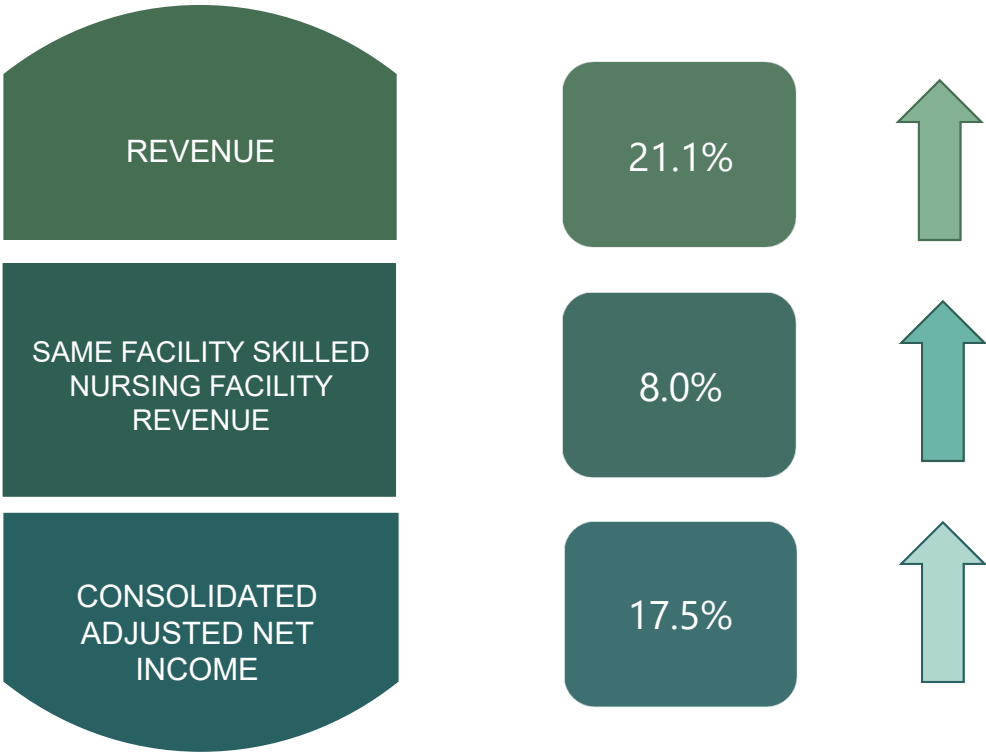


2014 – 2023 Adjusted EBITDAR CAGR



Quarter Over Quarter Highlights

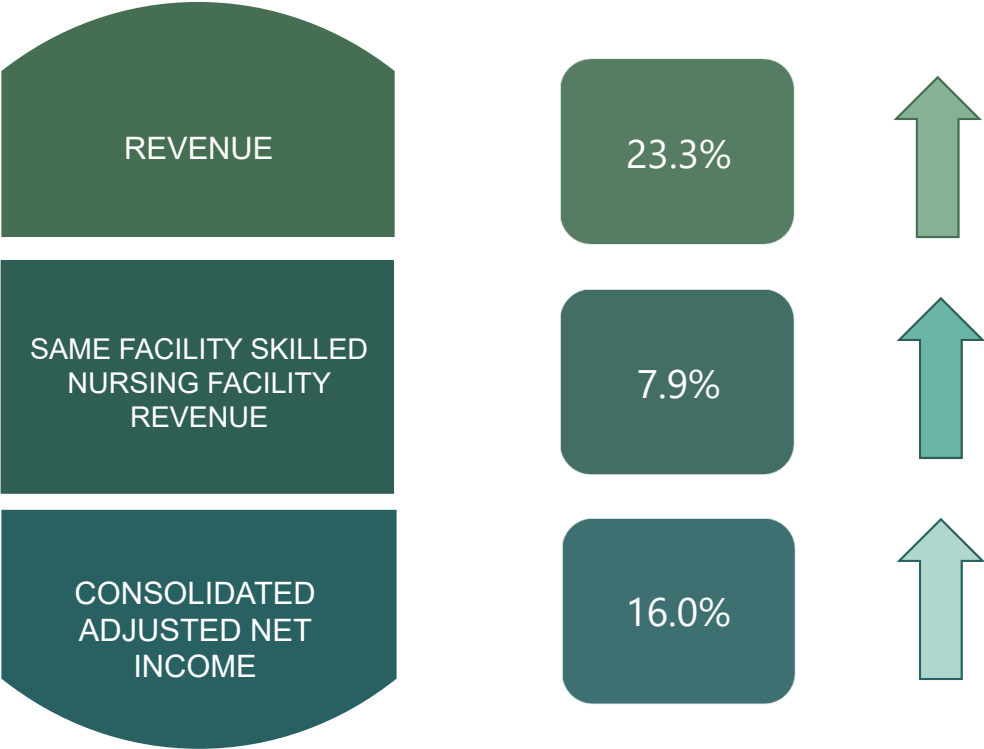
(in millions)



Q4 2023	Q4 2022
\$980.4	\$809.5
\$713.3	\$660.4
\$73.7	\$62.7

Year Over Year Highlights

(in millions)

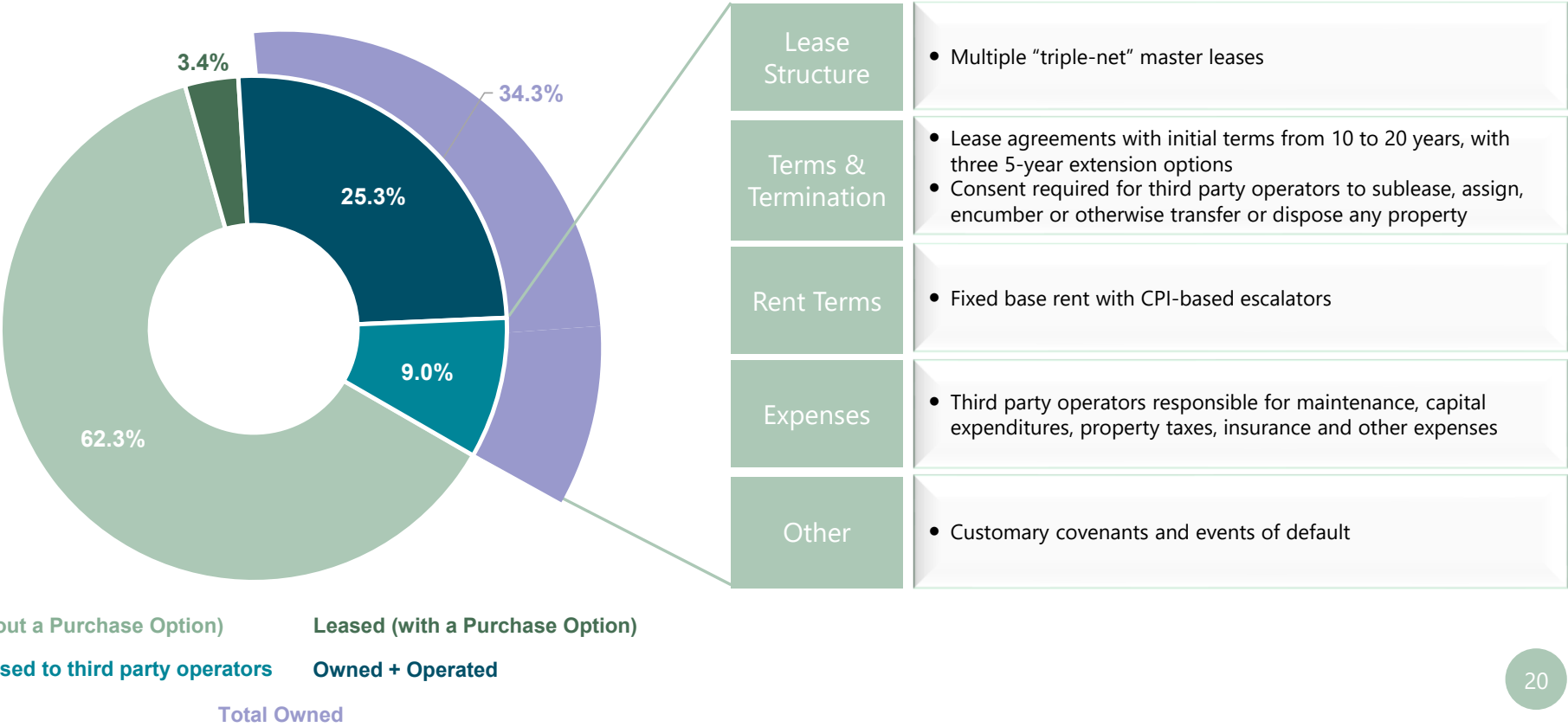


2023	2022
\$3,729.4	\$3,025.5
\$2,771.6	\$2,569.8
\$273.5	\$235.7

Significant Real Estate Portfolio As of March 1, 2024

% of 302 Facilities Ensign Operates and 30⁽¹⁵⁾
Owned Real Estate Leased to Third Party
Operators

Ensign Triple Net Master
Leases with Third Party Operators



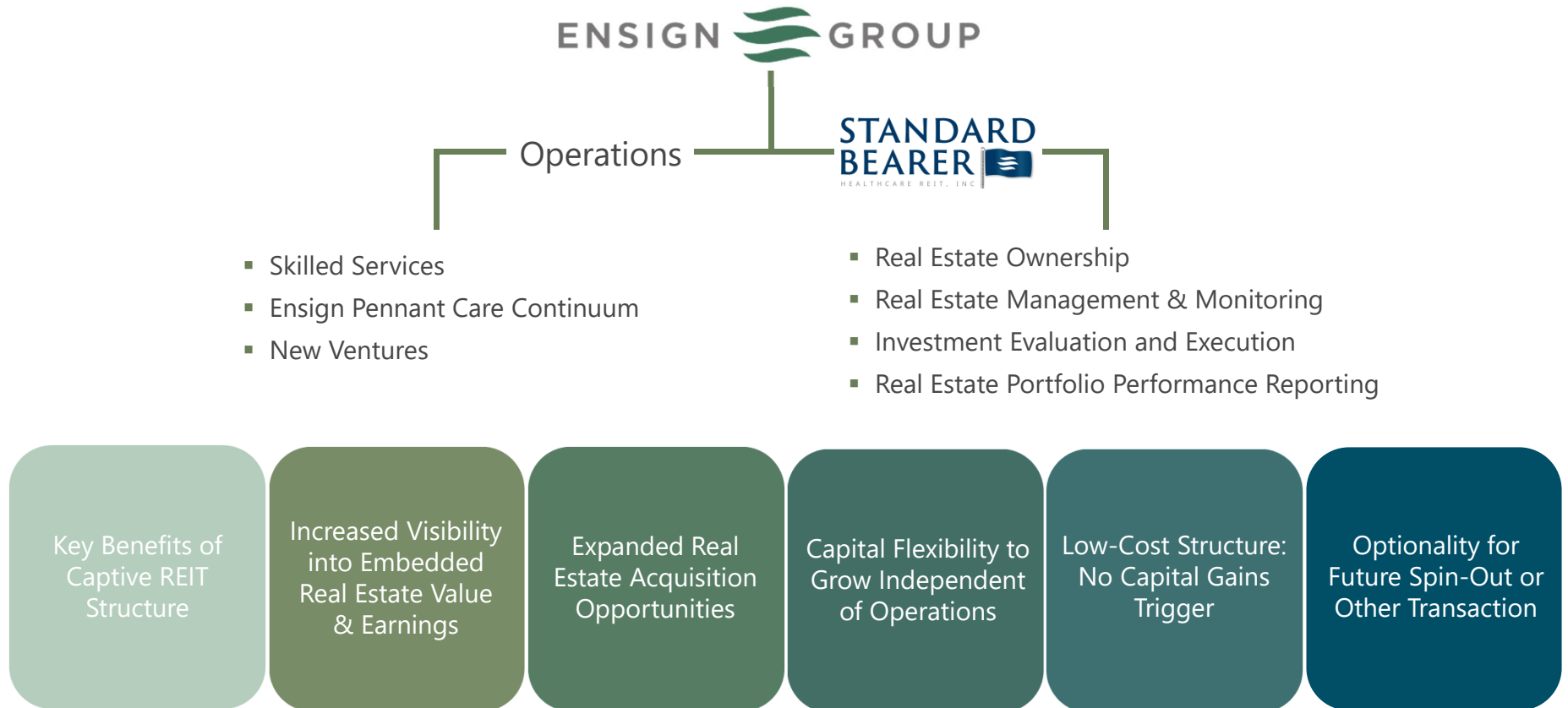
Refer to pages 53 – 54 for end notes. Source: Data as of 3/1/2024.

Track Record of Successfully Incubating New Ventures



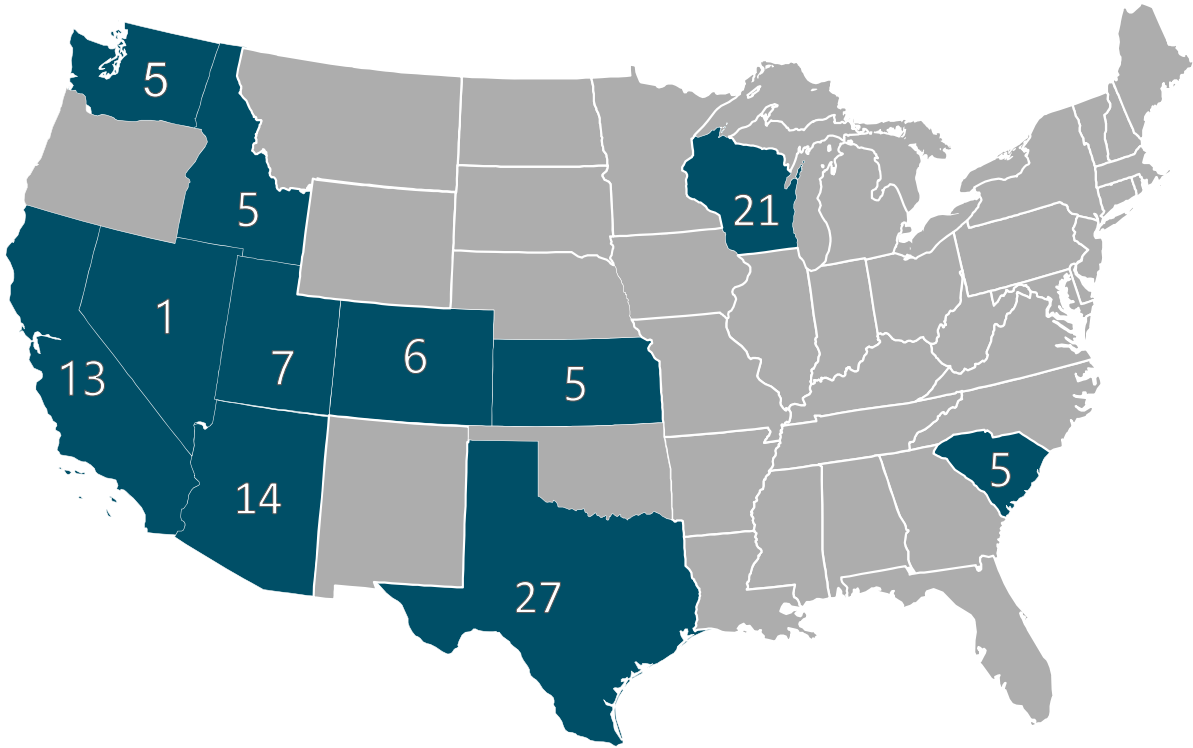
 Spin Offs
  Divestitures
  Current

Standard Bearer REIT Structure Summary & Key Benefits



Standard Bearer at a Glance

Geographic Footprint



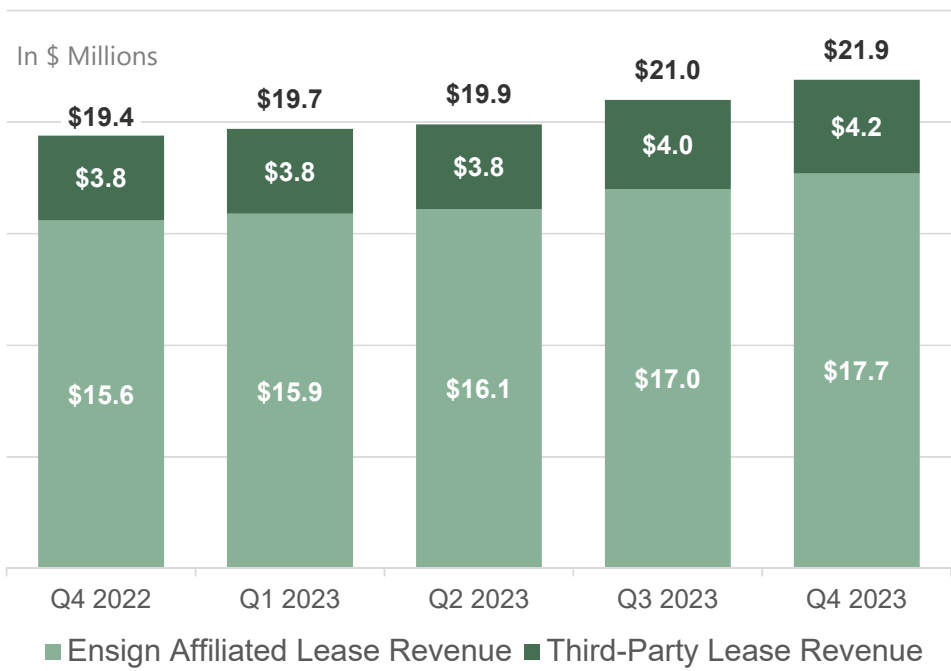
Note: Figures represent the number of owned properties per state

Key Stats

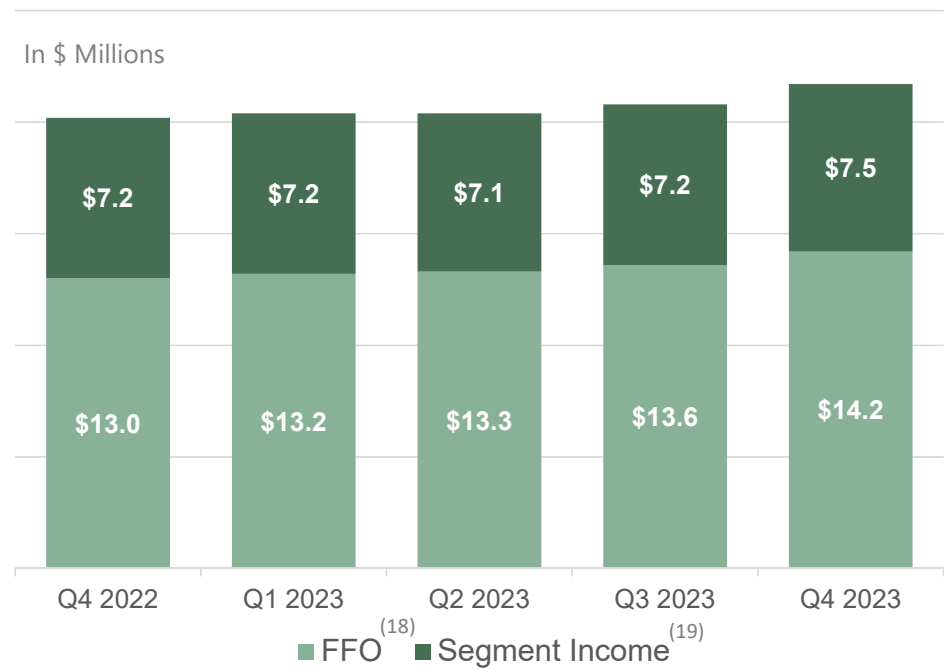
109 Properties	\$1.1B ⁽¹⁶⁾ Real Estate Fair Value
11 States	10,747 Operating Beds / Units
15 Years Weighted Avg. Lease Tenor	80.8% ⁽¹⁷⁾ Ensign Operated

Standard Bearer Metrics Quarter Over Quarter

Rental Revenue – Trend



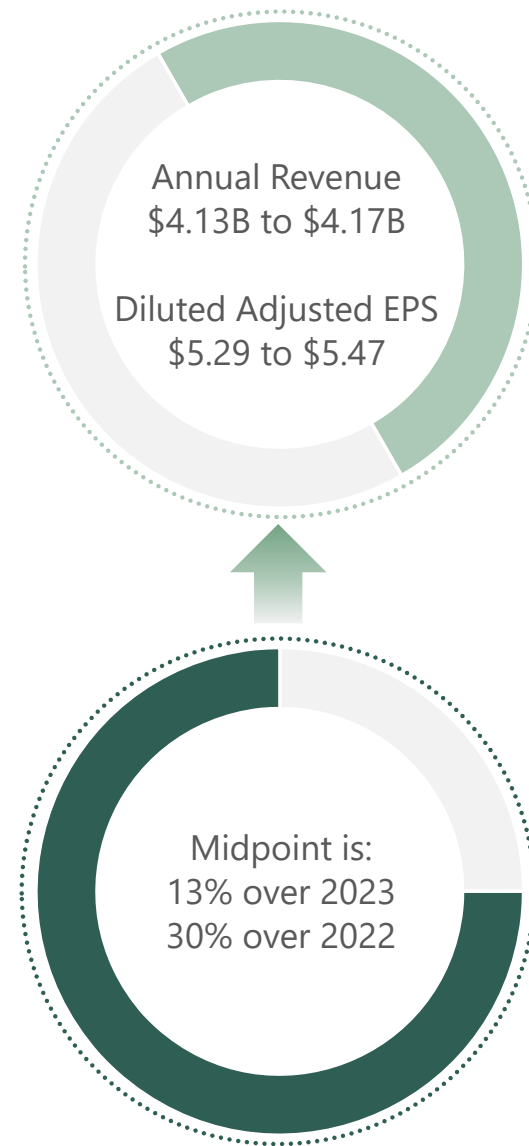
Other Real Estate Metrics



Liquidity Financials Measure

Summary of Cash Flows (In millions)	Year Ended December 31,	
	2023	2022
Net cash provided by (used in):		
Operating activities	376.7	272.5
Investing activities	(182.7)	(186.2)
Financing activities	(0.6)	(32.3)
Net increase in cash and cash equivalents	193.4	54.1
Cash and cash equivalents beginning of period	316.3	262.2
Cash and cash equivalents end of period	\$509.6	\$316.3
Other Liquidity Metrics:		
Availability under Credit Facility	\$593.7	\$593.3
Net Debt to Adjusted EBITDAR	1.98x	1.98x

Guidance 2024

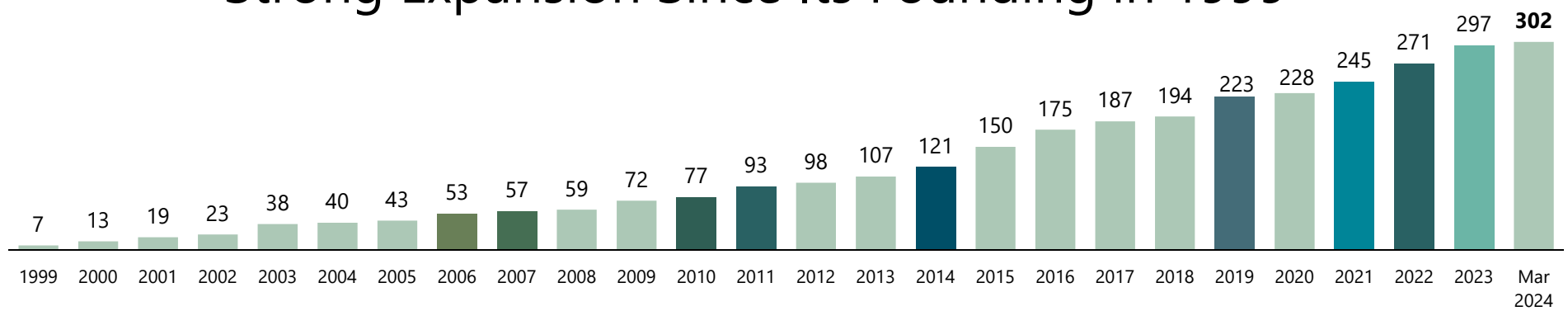


Entrepreneurial Evolution Of Ensign

- 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 **57 acquisitions since 2022**, entering its next phase of growth.



Strong Expansion Since Its Founding in 1999



Healthcare Facilities Operated

Fundamentals Remain Favorable for Strong Organic Growth

Key Drivers of Organic Growth

Aging Population

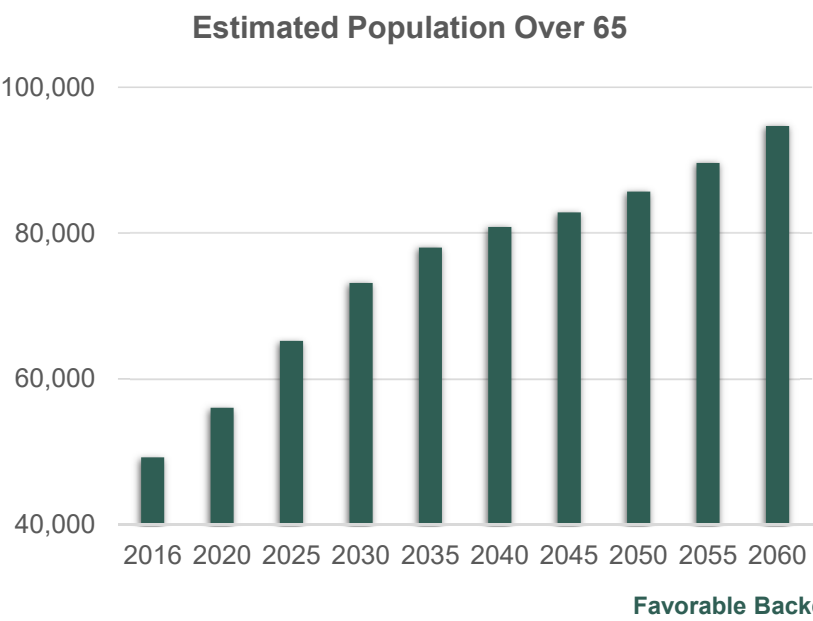
Population **over 65** projected to nearly **double by 2060** ⁽²⁰⁾

Shift to Value-based Care

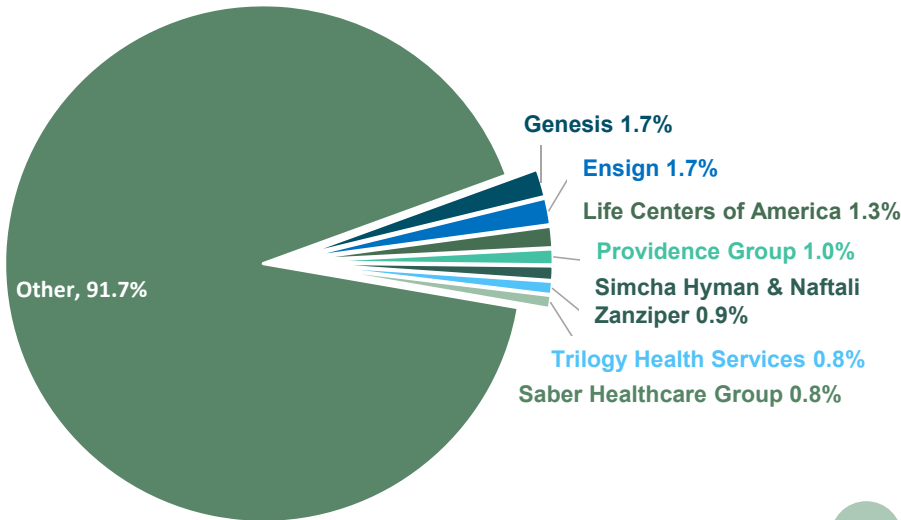
Shift to **value-based care**, will continue to **benefit low cost, high quality settings** (e.g. SNF)

Reimbursement Environment

Over the last 10 years the **CMS reimbursement rates** in the SNF industry have increased at a steady rate of **1.0% - 4.0%**



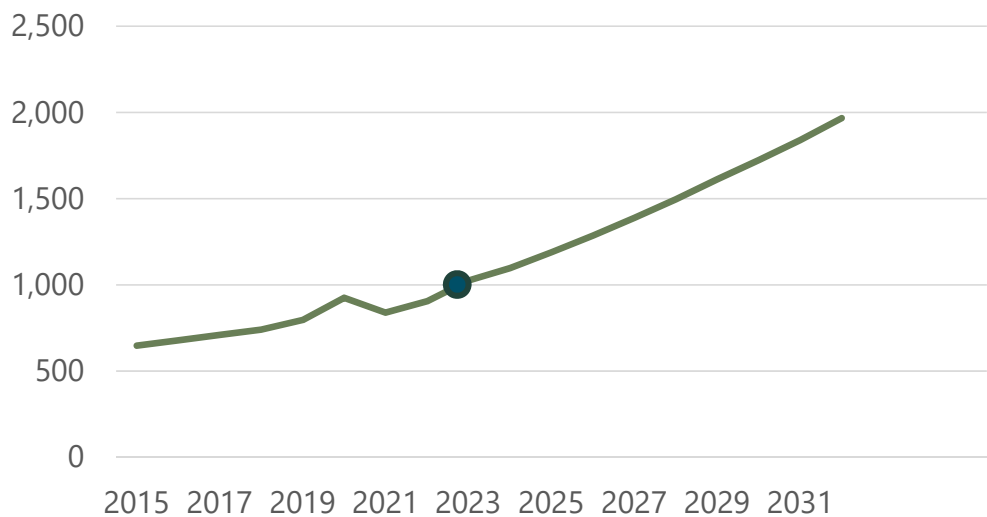
Market fragmentation creates significant consolidation opportunity ⁽²¹⁾



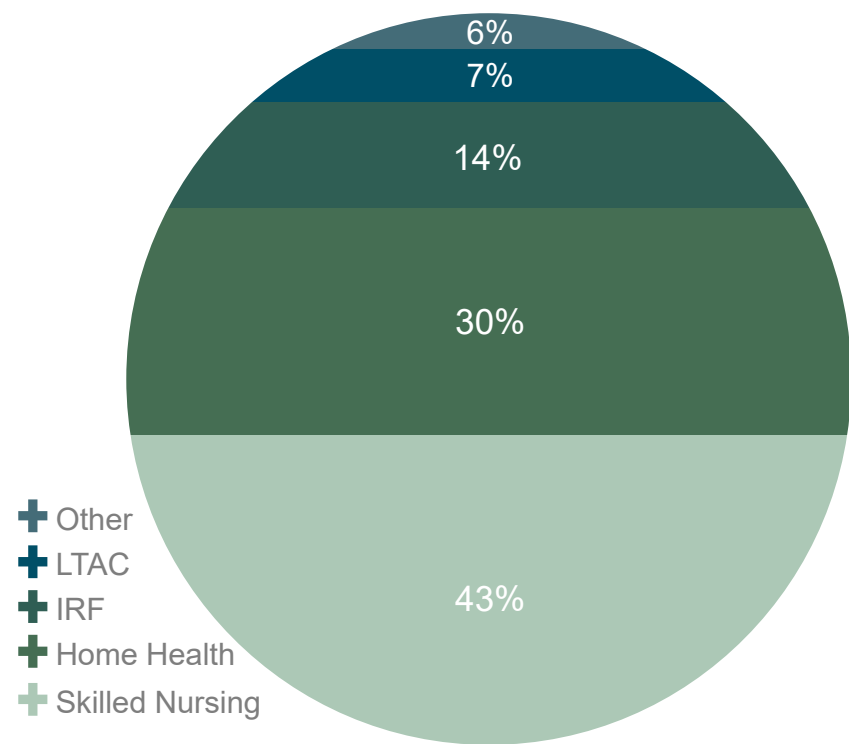
Largest Beneficiary Of Medicare Post-Acute Dollars While Medicare Spending Continues to Increase

Medicare Spending Projection⁽²²⁾

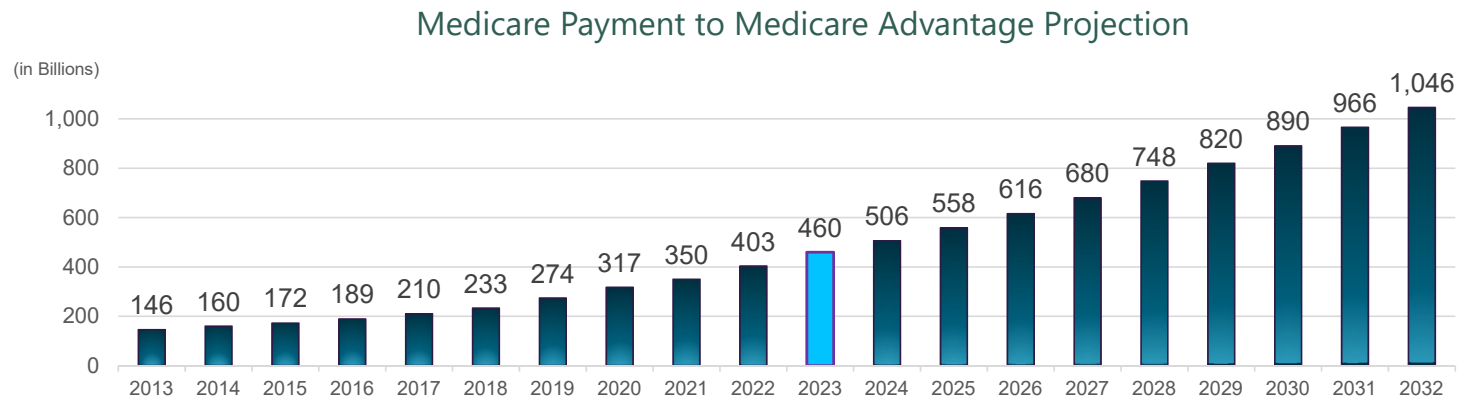
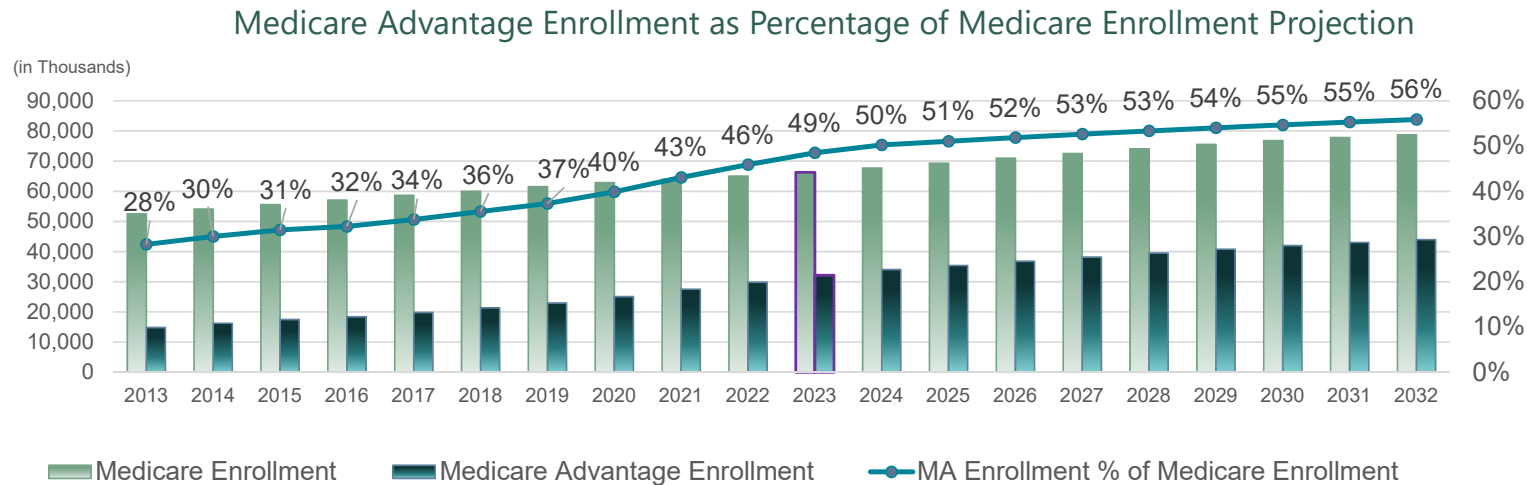
(in Billions)



Post-Acute Destinations - % of Medicare Dollars⁽²³⁾

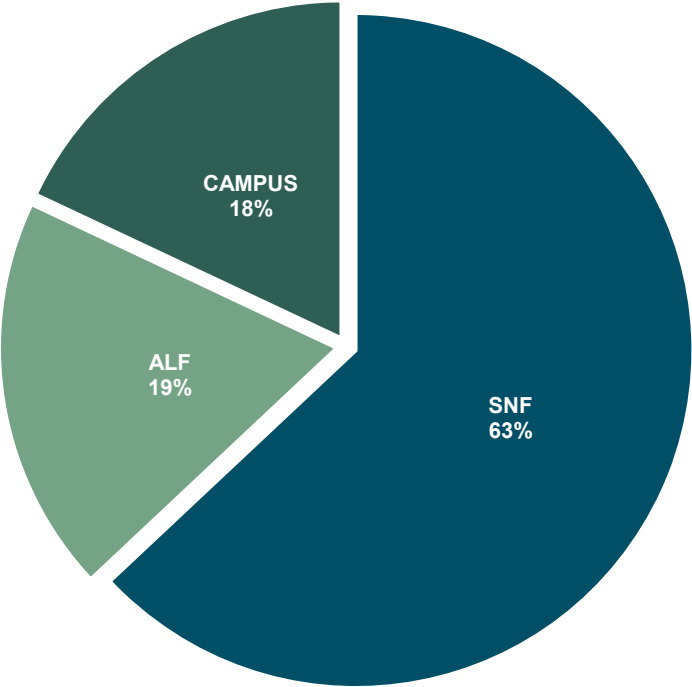


Medicare Advantage Growth Projection⁽²⁴⁾

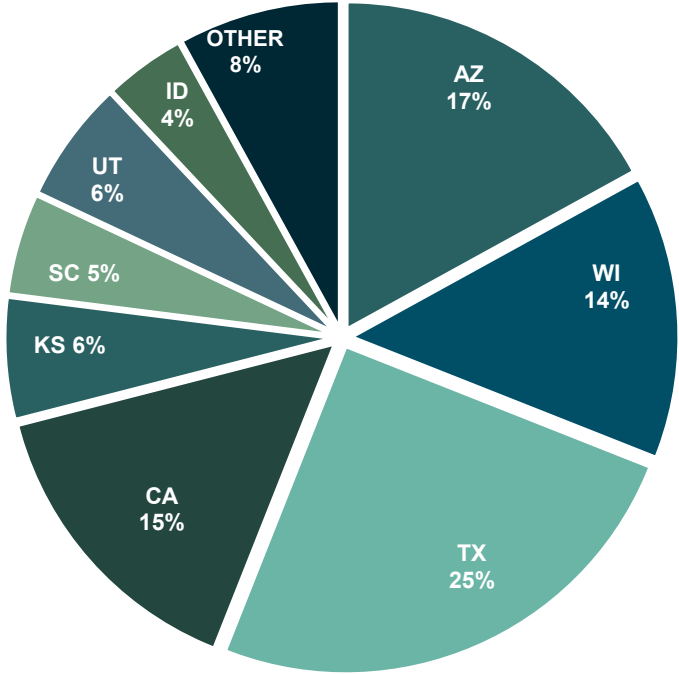


Standard Bearer Portfolio Diversification

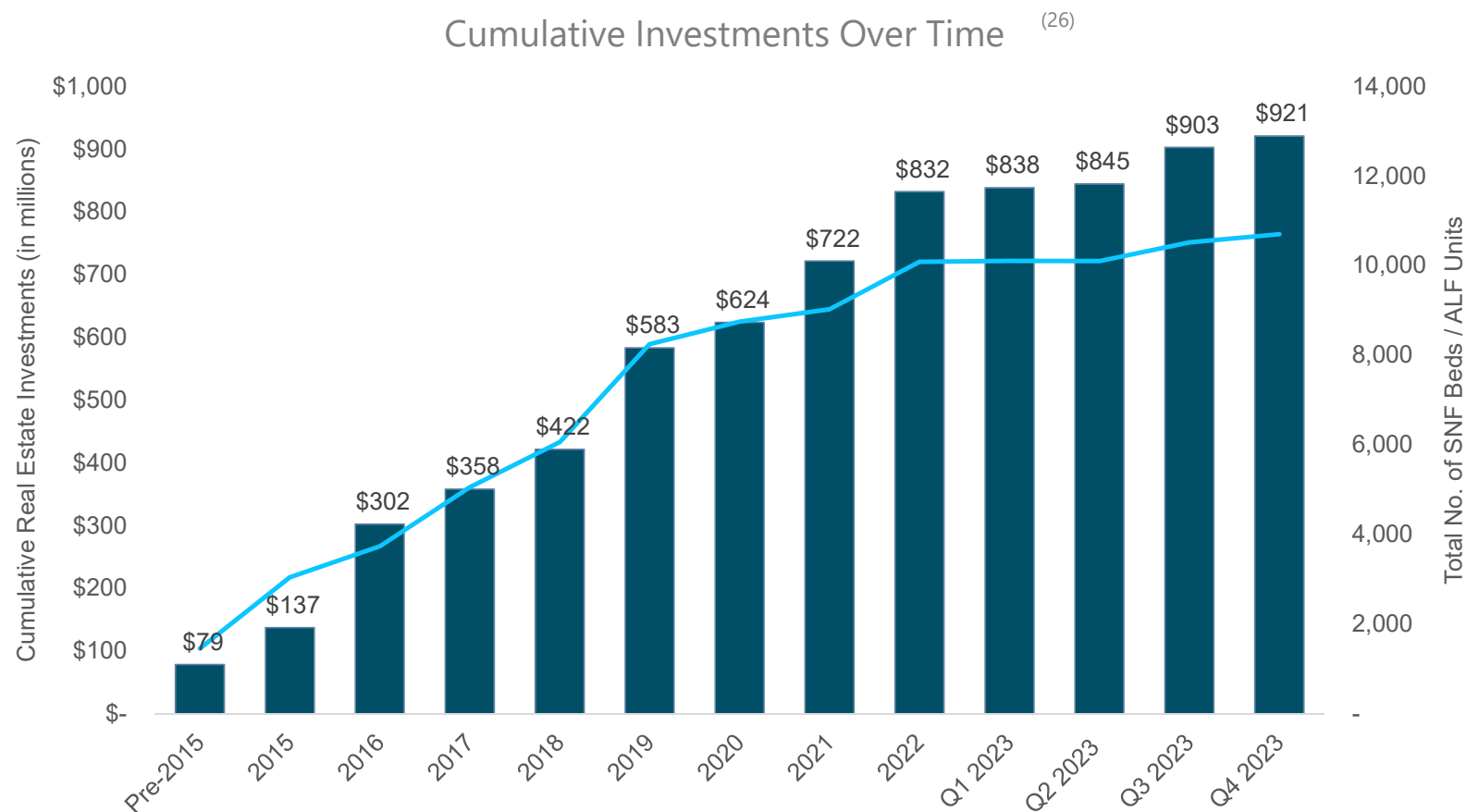
Diversification by Property Type ⁽¹⁷⁾ ⁽²⁵⁾



Diversification by State ⁽¹⁷⁾



Standard Bearer Continuation & Expansion of Real Estate Success



Refer to pages 53 – 54 for end notes. Source: Data as of Q4'23.

Standard Bearer Strong Long Term Leases

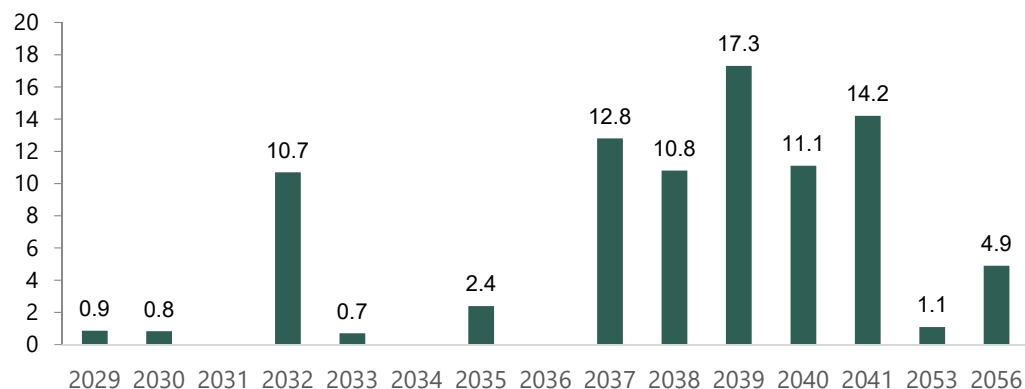
15 years ⁽²⁷⁾

Weighted Average
Lease Tenor

98%

of leases expire
after 2031

Annualized Rent Revenue Expirations by Year



Tenant Rent Coverage Summary

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Ensign Affiliated	2.41	2.70	2.57	2.42	2.31
Third-Party	1.38	1.60	1.40	1.57	1.58
Total	2.23	2.50	2.37	2.27	2.19

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.

Villa Maria Post Acute
Arizona



Facilities are purpose-built or customized to accommodate specialty needs

Fountain Hills Post Acute
Arizona



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

Lila Doyle Post Acute
South Carolina



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

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.

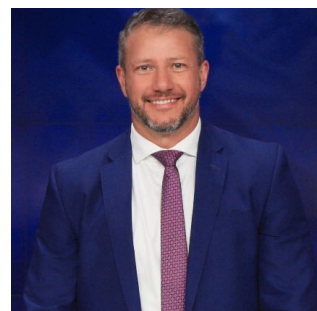


**Suzanne
Snapper**

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
17 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

Skilled Services Segment

\$ in thousands	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Statements of Income Data:				
Segment income	\$116,756	\$106,460	\$464,925	\$408,732
Depreciation and amortization ⁽²⁸⁾	10,349	8,813	38,766	33,224
EBITDA	\$127,105	\$115,273	\$503,691	\$441,956
Adjustments to EBITDA:				
Business interruption recoveries	-	(913)	(1,009)	(913)
Stock-based compensation expense	5,164	3,823	19,904	14,394
Litigation	4,600	-	4,600	-
Adjusted EBITDA	\$136,869	\$118,183	\$527,186	\$455,437

Standard Bearer Segment

\$ in thousands	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Rental revenue generated from third-party tenants	\$4,198	\$3,790	\$15,774	\$14,970
Rental revenue generated from Ensign independent subsidiaries	17,677	15,624	66,712	57,967
Total rental revenue	\$21,875	\$19,414	\$82,486	\$72,937
Segment income ⁽¹⁹⁾	7,548	7,192	29,065	27,871
Depreciation and amortization	6,677	5,815	25,205	21,613
FFO ⁽¹⁸⁾	\$14,225	\$13,007	\$54,270	\$49,484

Reconciliation of GAAP to Non-GAAP Income

\$ in thousands	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income attributable to The Ensign Group, Inc.	\$21,691	\$60,471	\$209,399	\$224,681
Non-GAAP adjustments				
Stock-based compensation expense ⁽²⁹⁾	8,076	6,039	30,767	22,720
Litigation ⁽³⁰⁾	58,816	68	60,781	4,280
Cost of services – gain on business interruptions recoveries and sale of assets	(123)	(913)	(1,132)	(4,380)
Cost of services - acquisition related costs ⁽³¹⁾	92	253	814	669
Interest expense – write off deferred financing fees ⁽³²⁾	-	-	-	566
Depreciation and amortization – patient base ⁽³³⁾	173	107	355	320
General and administrative – costs incurred related to new systems implementation	88	682	963	1,072
Provision for income taxes on Non-GAAP adjustments ⁽³⁴⁾	(15,142)	(3,990)	(28,416)	(14,215)
Non-GAAP net income	\$73,671	\$62,717	\$273,531	\$235,713
Average number of shares outstanding	57,555	56,973	57,323	56,871
Diluted Earnings Per Share	\$0.38	\$1.06	\$3.65	\$3.95
Adjusted Diluted Earnings Per Share	\$1.28	\$1.10	\$4.77	\$4.14

Reconciliation of GAAP to Non-GAAP Financial Measures

\$ in thousands	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Income before provision for income taxes	\$31,282	\$77,451	\$272,762	\$289,089
Stock-based compensation	8,076	6,039	30,767	22,720
Litigation ⁽³⁵⁾	58,816	68	60,781	4,553
Gain on business interruptions recoveries and sale of assets	(123)	(913)	(1,132)	(4,380)
Write-off of deferred financing fees ⁽³²⁾	-	-	-	566
Acquisition related costs ⁽³¹⁾	92	253	814	669
Costs incurred related to new systems implementation	88	682	963	1,072
Depreciation and amortization – patient base ⁽³³⁾	173	107	355	320
Adjusted EBT	\$98,404	\$83,687	\$365,310	\$314,609

Reconciliation of GAAP to Non-GAAP Financial Measures

\$ in thousands	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income	\$21,823	\$60,519	\$209,850	\$224,652
Less: net income (loss) attributable to noncontrolling interests	132	48	451	(29)
Add: Other (income) expense, net	(8,456)	(2,255)	(17,395)	7,736
Provision for income taxes	9,459	16,932	62,912	64,437
Depreciation and amortization	19,233	16,880	72,387	62,355
EBITDA	\$41,927	\$92,028	\$327,303	\$359,209
Adjustments to EBITDA:				
Stock-based compensation expense	8,076	6,039	30,767	22,720
Litigation ⁽³⁰⁾	58,816	68	60,781	4,280
Gain on business interruptions recoveries and sale of assets	(123)	(913)	(1,132)	(4,380)
Acquisition related costs ⁽³¹⁾	92	253	814	669
Costs incurred related to new systems implementation	88	682	963	1,072
Adjusted EBITDA	\$108,876	\$98,157	\$419,496	\$383,570
Rent—cost of services	50,604	41,152	197,358	153,049
Adjusted EBITDAR	\$159,480		\$616,854	

Reconciliation From Segment Income to Income Before Provisions For Income Taxes QTD Q4 2023

\$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Total Revenue	\$940,765	\$21,875	\$41,230	(\$23,492)	\$980,378
Cost of services ⁽³⁶⁾	750,905	517	33,067	(3,208)	781,281
Internal rent expense ⁽³⁷⁾	16,136	-	2,380	(18,516)	-
External rent expense	46,619	245	3,740	-	50,604
Depreciation and amortization	10,349	6,677	2,207	-	19,233
General and administrative expenses ^{(36) (37) (38)}	-	1,410	106,915	(1,768)	106,557
Other expense (income), net ⁽³⁶⁾	-	5,478	(13,934)	-	(8,456)
Total expenses	824,009	14,327	134,375	(23,492)	949,219
Segment income	116,756	7,548	(93,145)	-	31,159
Gain on sale of assets from real estate					123
Income before provision for income tax					31,282

Reconciliation From Segment Income to Income Before Provisions For Income Taxes YTD 2023

\$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Total Revenue	\$3,578,855	\$82,486	\$155,804	(\$87,790)	\$3,729,355
Cost of services ⁽³⁹⁾	2,832,012	2,104	118,196	(11,051)	2,941,261
Internal rent expense ⁽⁴⁰⁾	61,553	-	8,441	(69,994)	-
External rent expense	181,599	954	14,805	-	197,358
Depreciation and amortization	38,766	25,205	8,416	-	72,387
General and administrative expenses ^{(38) (39) (40)}	-	5,397	264,353	(6,745)	263,005
Other expense (income), net ⁽³⁹⁾	-	19,761	(37,156)	-	(17,395)
Total expenses	3,113,930	53,421	377,055	(87,790)	3,456,616
Segment income	464,925	29,065	(221,251)	-	272,739
Gain on sale of assets and insurance recoveries from real estate, net					23
Income before provision for income tax					272,762

Reconciliation From Segment Income to GAAP EBITDA and Non-GAAP EBITDA QTD Q4 2023

\$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Segment Income	\$116,756	\$7,548	(\$93,145)	-	\$31,159
Other expense (income), net	-	5,478	(13,934)	-	(8,456)
Depreciation and amortization	10,349	6,677	2,207	-	19,233
Less: Net income attributable to non-controlling interests	-	-	132	-	132
Segment GAAP EBITDA	127,105	19,703	(105,004)	-	41,804
Gain on sale of assets from real estate					123
Consolidated GAAP EBITDA					41,927
<u>Non-GAAP Adjustments</u>					
Stock based compensation	5,164	-	2,912	-	8,076
Litigation	4,600	-	54,216	-	58,816
Gain on sale of assets	-	-	(123)	-	(123)
Acquisition related costs	-	-	92	-	92
Other Non-GAAP adjustments	-	-	88	-	88
Segment Non-GAAP EBITDA	136,869	19,703	(47,819)	-	108,753
Gain on sale of assets from real estate					123
Consolidated Non-GAAP EBITDA					108,876
Internal Rent Expense	16,136	-	2,380	(18,516)	-
External Rent Expense	46,619	245	3,740	-	50,604
Total Non-GAAP Rent Expense	62,755	245	6,120	(18,516)	50,604
Consolidated Non-GAAP EBITDAR	199,624	19,948			\$159,480

Reconciliation From Segment Income to GAAP EBITDA and Non-GAAP EBITDA YTD 2023

\$ in thousands	Skilled Services	Standard Bearer	All Other	Eliminations	Consolidated
Segment Income	\$464,925	\$29,065	(\$221,251)	-	\$272,739
Other expense (income), net	-	19,761	(37,156)	-	(17,395)
Depreciation and amortization	38,766	25,205	8,416	-	72,387
Less: Net income attributable to non-controlling interests	-	-	451	-	451
Segment GAAP EBITDA	503,691	74,031	(250,442)	-	327,280
Gain on sale of assets and insurance recoveries from real estate, net					23
Consolidated GAAP EBITDA					327,303
<u>Non-GAAP Adjustments</u>					
Stock based compensation	19,904	-	10,863	-	30,767
Litigation	4,600	-	56,181	-	60,781
Gain on business interruption recoveries and sale of assets	(1,009)	-	(123)	-	(1,132)
Acquisition related costs	-	-	814	-	814
Other Non-GAAP adjustments	-	-	963	-	963
Segment Non-GAAP EBITDA	527,186	74,031	(181,744)	-	419,473
Gain on sale of assets and insurance recoveries from real estate, net					23
Consolidated Non-GAAP EBITDA					419,496
Internal Rent Expense	61,553	-	8,441	(69,994)	-
External Rent Expense	181,599	954	14,805	-	197,358
Total Non-GAAP Rent Expense	243,152	954	23,246	(69,994)	197,358
Consolidated Non-GAAP EBITDAR	770,338	74,985			\$616,854

Reconciliation of Deferred Compensation Plan

Impact 5 Quarter Trend

\$ in thousands	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Non-GAAP other income (expense):					
Interest expense	(\$2,004)	(\$2,024)	(\$2,023)	(\$2,036)	(\$2,067)
Interest income	6,891	5,701	3,952	4,304	2,860
Deferred compensation plan (DCP) investments gain (loss)	3,569	(1,424)	1,250	1,239	1,462
Other income (expense)	10,460	4,277	5,202	5,543	4,322
Total Non-GAAP other income (expense)	8,456	2,253	3,179	3,507	2,255
Non-GAAP Revenue	980,378	940,791	921,345	886,841	809,532
Non-GAAP cost of services	771,238	736,125	718,388	691,712	630,387
Less: DCP gain (loss) related to cost of services	1,813	(676)	666	640	985
Non-GAAP cost of services without DCP	769,425	736,801	717,722	691,072	629,402
Non-GAAP cost of services as a percentage of revenue	78.7%	78.2%	78.0%	78.0%	77.9%
Non-GAAP cost of services as a percentage of revenue without DCP	78.5%	78.3%	77.9%	77.9%	77.7%
Non-GAAP general and administrative expense with DCP	49,528	46,160	50,309	48,590	39,788
Less: DCP gain (loss) related to general and administrative expense	1,813	(676)	666	640	530
Non-GAAP general and administrative expense without DCP	47,715	46,836	49,643	47,950	39,258
Non-GAAP general and administrative expense as a percentage of revenue	5.1%	4.9%	5.5%	5.5%	4.9%
Non-GAAP general and administrative expense as a percentage of revenue without DCP	4.9%	5.0%	5.4%	5.4%	4.8%
Non-GAAP EBITDA percentage of revenue	11.1%	11.5%	11.2%	11.3%	12.1%
Non-GAAP EBITDA percentage of revenue without DCP	11.5%	11.3%	11.3%	11.4%	12.3%
Non-GAAP EBITDAR percentage of revenue	16.3%	16.8%	16.6%	16.5%	17.2%
Non-GAAP EBITDAR percentage of revenue without DCP	16.6%	16.7%	16.7%	16.7%	17.4%

Reconciliation of Deferred Compensation Plan

\$ in thousands	Year Ended December 31,	
	2023	2022
Non- GAAP other income (expense):		
Interest expense	(\$8,087)	(\$8,365)
Interest income	20,848	5,383
Deferred compensation plan (DCP) investments gain (loss)	4,634	(4,188)
Other income (expense)	25,482	1,195
Total Non-GAAP other income (expense)	17,395	(7,170)
Non-GAAP Revenue	3,729,355	3,025,468
Non-GAAP cost of services	2,917,463	2,339,194
Less: DCP gain (loss) related to cost of services	2,443	(2,633)
Non-GAAP cost of services without DCP	2,915,020	2,341,827
Non-GAAP cost of services as a percentage of revenue	78.2%	77.3%
Non-GAAP cost of services as a percentage of revenue without DCP	78.2%	77.4%
Non-GAAP general and administrative expense with DCP	194,587	149,411
Less: DCP gain (loss) related to general and administrative expense	2,443	(1,418)
Non-GAAP general and administrative expense without DCP	192,144	150,829
Non-GAAP general and administrative expense as a percentage of revenue	5.2%	4.9%
Non-GAAP general and administrative expense as a percentage of revenue without DCP	5.2%	5.0%
Non-GAAP EBITDA percentage of revenue	11.2%	12.7%
Non-GAAP EBITDA percentage of revenue without DCP	11.4%	12.5%
Non-GAAP EBITDAR percentage of revenue	16.5%	17.7%
Non-GAAP EBITDAR percentage of revenue without DCP	16.7%	17.6%

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	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

Property Locations

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
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	122	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
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

Property Locations

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
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
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

Property Locations

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
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
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
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

Property Locations

Property Name	State	Property Type	# of Operating Beds / Units	Tenant
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	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	85	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	35	Ensign
Willow Brooke Point Senior Living	WI	Senior Living	82	Pennant
Windsor Rehabilitation and Healthcare	TX	SNF	108	Ensign

End Notes

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End Notes

- (1) Adjusted EBITDAR is a non-GAAP measure and represents net income before (a) interest expense, net, (b) provision for income taxes, (c) depreciation and amortization, (d) rent-cost of services, (e) stock-based compensation expense, (f) acquisition related costs, (g) costs incurred related to new systems implementation, (h) litigation, and (i) gain on business interruption recoveries and sale of assets. See Appendix for a reconciliation of GAAP to non-GAAP financial measures. 2019 Adjusted EBITDAR includes 9 months of Pennant financial results. **[Slide 11]**
- (2) 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 11]**
- (3) 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”). **[Slide 13]**
- (4) Acquisition track record based on an average for all SNF acquisitions from January 1, 2001 to September 30, 2022 measuring 5 quarters of operating performance. **[Slide 14]**
- (5) The average EBITDAR margins and average skilled mix revenue percentages for the 5th quarter, 15th quarter and 45th quarter are 15.9%, 17.6%, and 18.9%, respectively and 44.8%, 46.9%, and 52.1%, respectively, for acquisitions made through September 30, 2022, March 31, 2020 and September 30, 2012. **[Slide 14]**
- (6) At the end of Q4’23, there were 286 skilled nursing facilities in operation. **[Slide 15, 16]**
- (7) Same Store represents all skilled nursing operations purchased prior to January 1, 2020 totaling 213 facilities. **[Slide 15, 16]**
- (8) Transitioning represents all skilled nursing operations purchased from January 1, 2020 to December 31, 2021 totaling 23 facilities. **[Slide 15, 16]**
- (9) Recently Acquired represents all skilled nursing operations purchased on or subsequent to January 1, 2022 totaling 50 facilities. **[Slide 15, 16]**
- (10) Recently Acquired includes the operations in states which, on average, have a higher reimbursement rate than our average operation. **[Slide 15, 16]**
- (11) Revenue and adjusted EBITDAR not pro forma for spin. **[Slide 17]**
- (12) Represents average of peer growth from 2014-2022 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; ASC: SGRY; Dialysis: FMS and DVA; Home Health and Hospice: AMED, ADUS and CHE; Institutional: BKD and EHC; Rehab: SEM and USPH. **[Slide 17]**
- (13) Represents 2014 – 2022 average of AMED, ADUS, CHE, BKD, EHC and SEM. **[Slide 17]**
- (14) 2019 only includes 9 months Pennant financial data as a result of its 10/1/2019 spin-off. **[Slide 17]**
- (15) 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]**
- (16) Reflects midpoint of the most recent third-party valuation. **[Slide 23]**
- (17) Based on percentage of annualized rent for assets as of March 1, 2024. **[Slide 23, 31]**
- (18) 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. **[Slide 24, 38]**
- (19) 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 December 31, 2023, September 30, 2023, June 30, 2023, March 31, 2023, and December 31, 2022 are management fees of \$1.3M, \$1.3M, \$1.2M, \$1.2M, and \$1.2M, respectively, and interest expense of \$3.8M, \$3.4M, \$2.9M, \$2.8M, and \$2.6M, respectively, associated with the intercompany agreements between Standard Bearer and The Ensign Group, Inc., including the Service Center. **[Slide 24, 38]**
- (20) Source: US Census, CDC (NCHS), CMS and Population Reference Bureau. From 49MM in 2016 to 95MM in 2060. **[Slide 28]**

End Notes

- 21) Source from CMS. Based on total number of facilities. **[Slide 28]**
- 22) Source: 2023 Medicare Trustees Report. **[Slide 29]**
- 23) Source: Medpac and US HHS Department as of March 2020. **[Slide 29]**
- 24) Source: Stephens New Medicare Trustees Report April 3, 2023. **[Slide 30]**
- 25) The number of SNF beds and ALF units for SNF, ALF and Campus are 6,841, 1,708 and 2,198, respectively. The valuations for SNF, ALF and Campus are \$720 million, \$238 million and \$159 million, respectively. **[Slide 31]**
- 26) Cumulative investments over time include initial investment and capital expenditures. **[Slide 32]**
- 27) Leases have two or three extension options of five years. **[Slide 33]**
- 28) 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 37]**
- 29) Represents stock-based compensation expense incurred. **[Slide 39]**
- 30) Litigation relates to specific proceedings arising outside of the ordinary course of business, which excludes the portion attributable to non-controlling interests. **[Slide 39, 41]**
- 31) Represents costs incurred to acquire operations that are not capitalizable. **[Slide 39, 40, 41]**
- 32) Represents the write-off of deferred financing fees associated with the amendment of the credit facility. **[Slide 39, 40]**
- 33) Included in depreciation and amortization are expenses related to patient base intangible assets at newly acquired skilled nursing and senior living facilities. **[Slide 39, 40]**
- 34) Represents an adjustment to the provision for income tax to our historical year to date effective tax rate of 25.0%. **[Slide 39]**
- 35) Litigation relates to specific proceedings arising outside of the ordinary course of business, which includes the portion attributable to non-controlling interests. **[Slide 40]**
- 36) Included in other expense (income) for three months ended, net is a gain on investment held in our deferred compensation plan of \$3.6 million. There is an offsetting expense allocated between cost of services and general and administrative expenses of \$1.8 million and \$1.8 million, respectively. **[Slide 42]**
- 37) Included in general and administrative expenses is internal rent expense for the Service Center of \$0.5 million and management fee of \$1.3 million. This amount is eliminated in the eliminations column. **[Slide 42]**
- 38) Included in general and administrative expenses is \$48.0M of litigation. Litigation relates to specific proceedings arising outside of the ordinary course of business. **[Slide 42, 43]**
- 39) Included in other expense (income) for year ended, net is a gain on investment held in our deferred compensation plan of \$4.6 million. There is an offsetting expense allocated between cost of services and general and administrative expenses of \$2.4 million and \$2.4 million, respectively. **[Slide 43]**
- 40) Included in general and administrative expenses is internal rent expense for the Service Center of \$1.8 million and management fee of \$4.9 million. This amount is eliminated in the eliminations column. **[Slide 43]**

THANK YOU

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