THE PENNANT GROUP INVESTOR PRESENTATION

February 2024

DISCLAIMERS AND OTHER IMPORTANT INFORMATION

Statements in this presentation concerning the future prospects of The Pennant Group, Inc. (“Pennant” or the “Company”) 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 Form 10-K filed on February 28, 2024 for a more complete discussion of the risks and other factors that could affect Pennant’s business, prospects and any forward-looking statements. These documents are available on our website at www.pennantgroup.com. This information is provided as of today’s date only, and except as required by federal securities law, Pennant 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 supplemental non-GAAP financial measures. These include performance measures (EBITDA, Adjusted EBITDA, and Segment Adjusted EBITDA), non-GAAP net income and a valuation measure (Adjusted Consolidated EBITDAR). We believe these non-GAAP financial measures 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 non-GAAP financial measures is available in our Form 10-K, which was filed with the SEC, 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 our home health, hospice or senior living independent operating subsidiaries. Each such business is operated as a separate, 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 Pennant Group, Inc. has direct operating assets, employees or revenue, or that any of the operations or the Service Center or the captive insurance subsidiary are operated by the same entity.

Star Ratings refer to the star rating criteria established by the Centers for Medicare and Medicaid Services (“CMS”).

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PENNANT GROUP OVERVIEW

PENNANT GROUP AT A GLANCE

HIGHLY DIVERSIFIED BY PAYOR, SERVICE AND GEOGRAPHY

Presence across **13**(1) States with **111**(1) Home Health and Hospice Agencies and **51**(1) Senior Living Operations; Revenue Generated from Multiple Sources

CLINICAL EXCELLENCE DRIVEN BY QUALITY CARE AND OUTCOMES

Average Star Rating Across All Pennant Agencies of **4.1** vs. Industry Average of 3.0(2)

STRONG TRACK RECORD OF GROWTH

2014 - 2023 Revenue CAGR of **~22%** Driven by Solid Organic Growth and Disciplined Acquisition Strategy

GROWING END MARKETS WITH SIGNIFICANT WHITE SPACE

Significant Consolidation Opportunity with **35%** or less of Home Health, Hospice and Senior Living Operations Owned by Large Operators

PROVEN LEADERSHIP TEAM

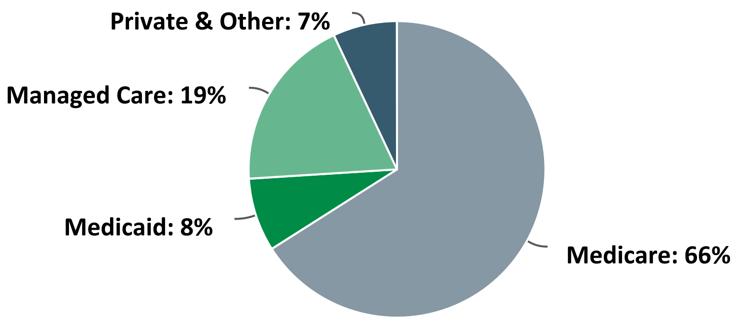
Management Team Comprised of Healthcare Leaders with **~55** Years of Cumulative Experience at Pennant/Ensign and the Industry that drove Home Health, Hospice and Senior Living Expansion

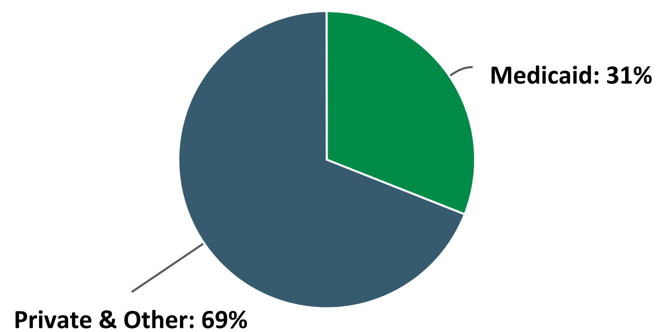
1. As of December 31, 2023
2. Source: CMS compare Q3'23 refresh

DIVERSIFIED BUSINESS AND PAYOR MIX WITH ROBUST OPERATING TRACK RECORD

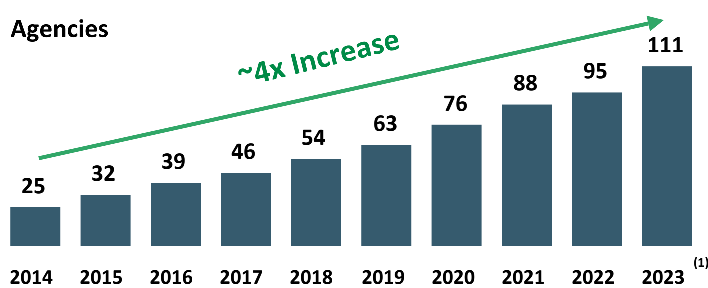
Home Health and Hospice *(72% of YTD 2023 Revenue)*	Senior Living *(28% of YTD 2023 Revenue)*

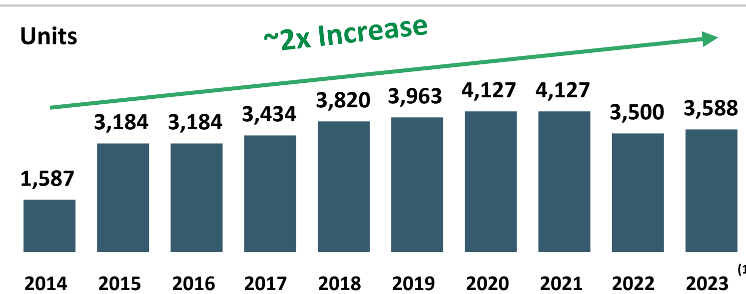
Payor Mix [1]





Units / Agencies





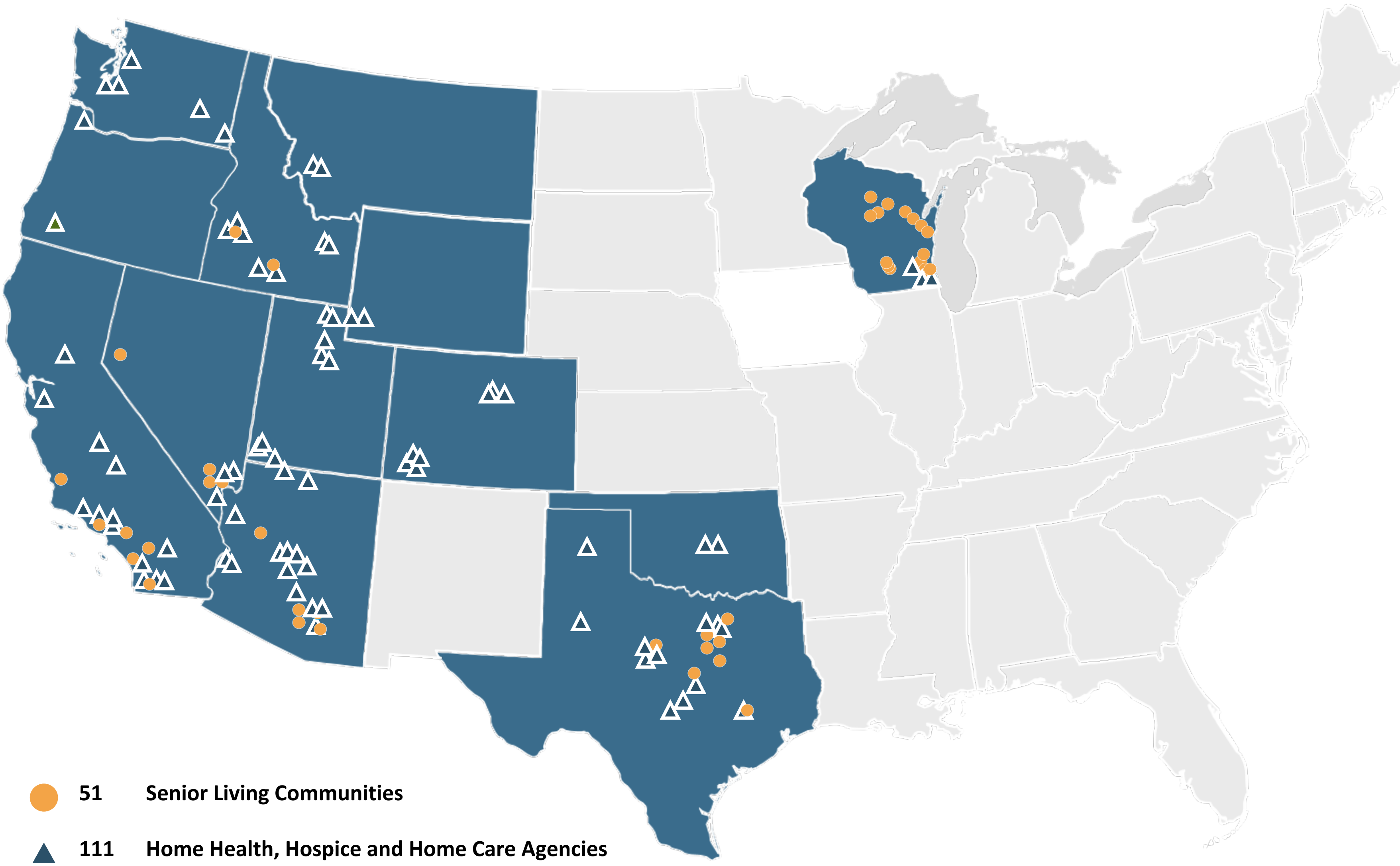
Operating Metrics [2]

- Total home health admissions: 43,508
- Home Health average Medicare revenue per completed 60-day episode : $3,533
- Hospice average daily census: 2,607
- Total hospice admissions: 9,746
- Hospice Medicare revenue per day: $185

- Unit Average Occupancy: 78.5%
- Average monthly revenue per occupied unit: $3,969

1. As of December 31, 2023
2. For the year ended December 31, 2023

FOOTPRINT AS OF December 31, 2023

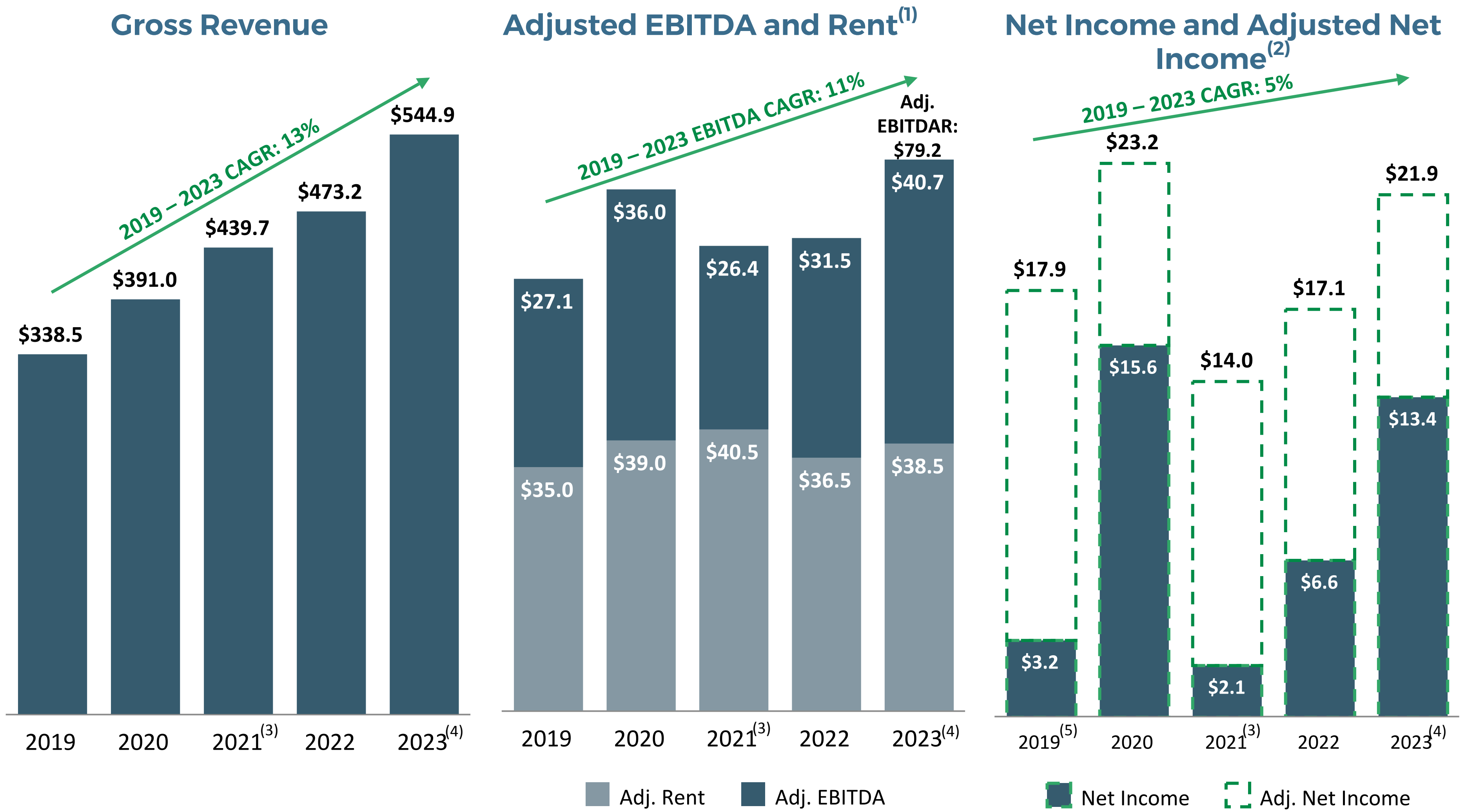


51 Senior Living Communities

111 Home Health, Hospice and Home Care Agencies

TRACK RECORD OF STRONG FINANCIAL GROWTH

History of Strong Financial Performance and Growth



Note: Dollars in millions.

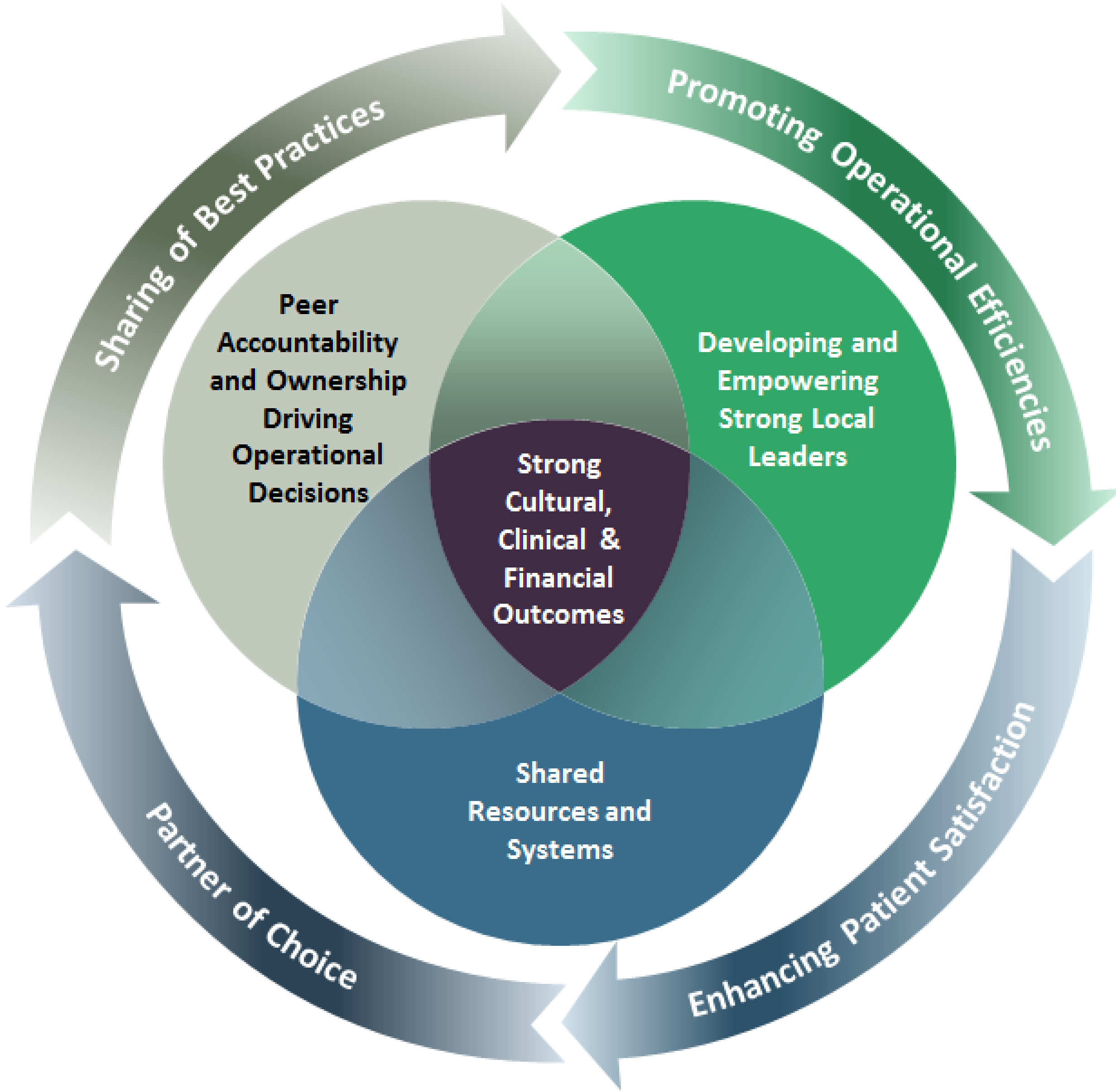
1. Rent is adjusted for the rent related to start-up and transitioning operations added back to Adj. EBITDA.
2. See Appendix for a reconciliation of GAAP to non-GAAP financial measures.
3. Beginning in the first quarter of fiscal year 2021, we updated our definition of Segment Adjusted EBITDAR, Adjusted EBITDA, and Adjusted Net Income to no longer include an adjustment for COVID-19 expenses offset by the amount of sequestration relief. Fiscal year 2020 measures were not updated to exclude the COVID-19 adjustment. For further details see the Appendix for a reconciliation of GAAP to non-GAAP financial measures.
4. For the year ended December 31, 2023.
5. Net income for 2019 includes Spin-off related transaction costs of $13.2 million. See Appendix for additional non-GAAP adjustments.

INVESTMENT HIGHLIGHTS

INVESTMENT HIGHLIGHTS

1. Superior Performance Delivered Through Our Innovative Operating Model
2. Partner of Choice Driven By Empowered Local Leaders and Strong Clinical Outcomes
3. Poised to Successfully Navigate Industry and Regulatory Dynamics
4. Well Positioned to Grow Through Our Disciplined Acquisition Strategy
5. Proven Financial Performance with a Focus on Maintaining a Strong Balance Sheet
6. Experienced Management Team Comprised of Healthcare Industry Experts

OUR INNOVATIVE OPERATING MODEL …



… HELPS US ACHIEVE SUPERIOR CARE DELIVERY…

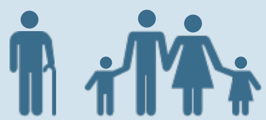
Local

- Healthcare happens locally
- Optimal clinical outcomes driven by strong community relationships

Innovative Operating Model

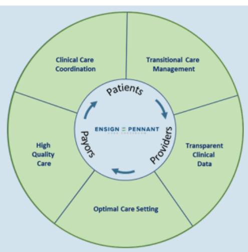
- Innovative operating model places clinical decision making and program development in the hands of our local clinical leaders
- Clinical and operational leaders empowered to create and enhance clinical care to produce high quality outcomes

Tailored Services



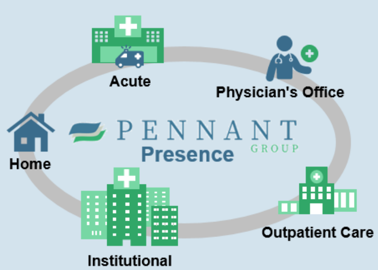
- Right care, right place, right time
- Ability to adapt to changing needs of patients, partners and community

Strong Community Relationships



- Community relationships based on communication, transparency and trust
- Strong referral network
- EPCC and other local relationships drive care collaboration and effective transitions between care settings

Driving Superior Care Delivery



- Driving optimal outcomes by helping patients navigate through the care continuum based on their needs
- Care continuum strengthened by additional ventures and partnerships such as palliative care, personal care services and mobile physician services

... WHILE DRIVING SHARED RESPONSIBILITY FOR FINANCIAL OUTCOMES

PENNANT'S COST MANAGEMENT PHILOSOPHY

Patient-Centered Approach to Care

- Clinical decisions based on individual patient needs
- Thoughtful cost containment at population level

Accountability Through Shared P&L Responsibility

- Robust data tools to allow local leaders to pinpoint areas for financial improvement
- Transparency combined with shared responsibility and incentives creates alignment of interests

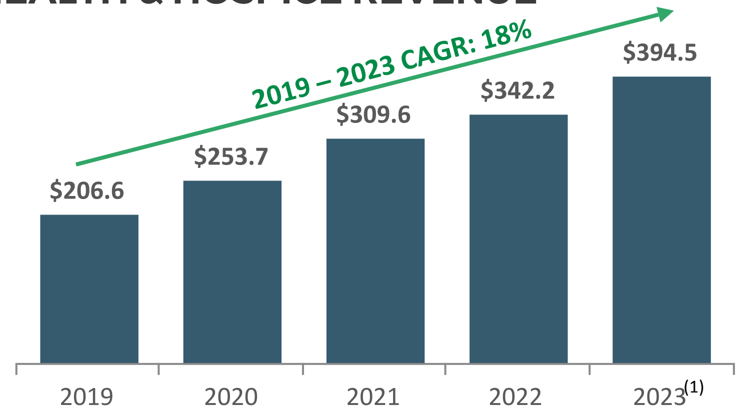
Operating Efficiencies

- Strong technology infrastructure across home health, hospice and senior living
- Early adopter of Homecare Homebase EMR
- Staffing efficiencies through sharing of resources across functional areas
- Transformational integration of new acquisitions to shared systems and platforms

Focus on Non-Clinical Operating Costs

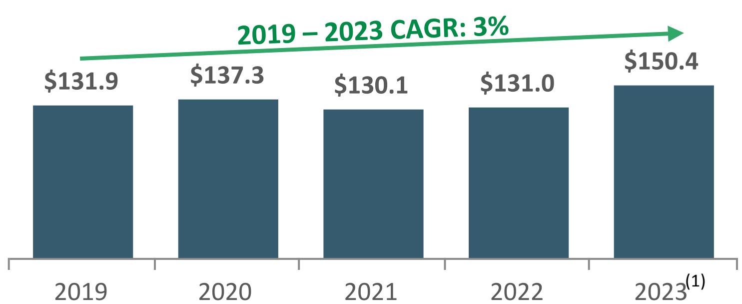
- Benchmarking of labor, DME, food supply and pharmacy costs on a per patient per day level

HOME HEALTH & HOSPICE REVENUE



	2019	2020	2021	2022	2023[1]
Adj. EBITDAR[2]	$ 33.4	$ 49.5	$ 55.6	$ 61.8	$ 65.6
Rent[3]	3.0	3.5	4.6	4.8	5.5
Adj. EBITDA[4]	30.4	46.0	51.0	57.0	60.1

SENIOR LIVING REVENUE



	2019	2020	2021	2022	2023[1]
Adj. EBITDAR[2]	$ 47.3	$ 48.3	$ 37.5	$ 37.6	$ 45.3
Rent[3]	32.0	35.5	35.9	31.6	33.0
Adj. EBITDA[4]	15.3	12.8	1.6	6.0	12.3

Note: Dollars in millions.

1. For the year ended December 31, 2023.
2. Segment Adjusted EBITDAR from Operations is the GAAP segment measure of profit and loss. Beginning in the first quarter of fiscal year 2021, we updated our definition of Segment Adjusted EBITDAR and Adjusted EBITDA to no longer include an adjustment for COVID-19 expenses offset by the amount of sequestration relief. Fiscal year 2020 measures were not updated to exclude the COVID-19 adjustment. For further details see the Appendix for a reconciliation of GAAP to non-GAAP financial measures.
3. Rent is adjusted for the rent related to start–up and transitioning operations added back to Adj. EBITDA.
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WE BECOME THE PARTNER OF CHOICE IN OUR COMMUNITIES

Strong Clinical Outcomes, Driven by Our Local Leaders, Uniquely Position Us to Be the Partner of Choice in Our Communities

Local Leadership

- Leaders empowered to make key operational decisions at the local level on a real-time basis
- Leaders supported by cutting-edge systems and innovative Service Center

+

Superior Clinical Outcomes

- Focus on achieving high quality outcomes in lower cost settings
- Tangible and measurable clinical results supported by local leadership and data-driven analytical approach
- Local leadership incentives aligned with clinical and financial performance

=

Partner of Choice

- Local market operation of choice with strong payor, provider and employee relationships in the communities we serve

DEMONSTRATED CLINICAL OUT-PERFORMANCE

1 High Star Ratings & Quality of Care

- ✓ Average **4.1** Star Rating vs. national average of **3.0**
- ✓ Hospice Process Measure Composite Score of **93.2%** vs. national average of **91.3%**

2 Lower Hospitalizations

- ✓ Only **13.1%** of home health patients admitted to hospital within **60** days vs. national median of **14.1%**

Star Rating Measure	Pennant	National
Timely Initiation of Care	96.6	96.1
Mgmt of Oral Meds	87.7	82.6
Improvement in Ambulation	88.7	84.6
Improvement in Bed Transfer	88.7	85.8
Improvement in Bathing	90.8	86.8
Improvement in Dyspnea	87.4	87.2
Acute Hospitalization 60 Days	13.4	14.1

4 Focus on Quality Care

- ✓ Pennant's Medicare Spend Per Beneficiary (MSPB) lower by nearly **1.5%** compared to National Average

3 Lower Cost

Source: CMS compare Q3'23 refresh

LOCAL MARKET OPERATOR OF CHOICE

PENNANT HAS A STRONG LOCAL PRESENCE

- Relationship with local providers matters to patients
- Access to full continuum of care close to home helps patients migrate through care settings as their needs change

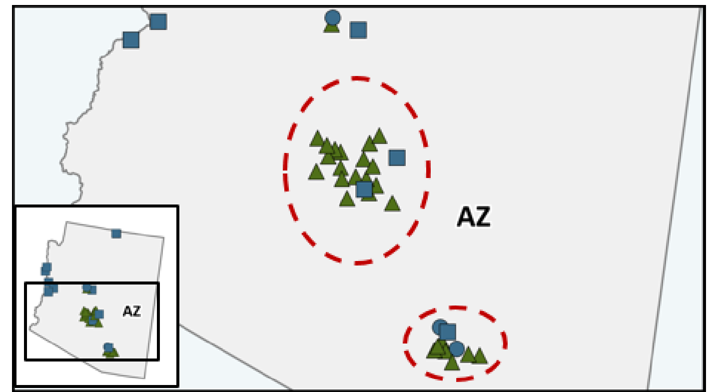
PENNANT HAS A UNIQUE CARE DELIVERY APPROACH

- Strong relationship in local markets with payors, hospitals and physician groups
- Communication, transparent data-sharing and responsiveness create breadth and depth of clinical collaboration across the care continuum

MAKING PENNANT A PROVIDER OF CHOICE

- Providing superior care with improved quality and better outcomes while driving down costs
- Driving dialogue around embracing value-based care by leading by example
- Continued growth potential in local markets through partnerships expansion
- Sustained volume growth and financial outcomes

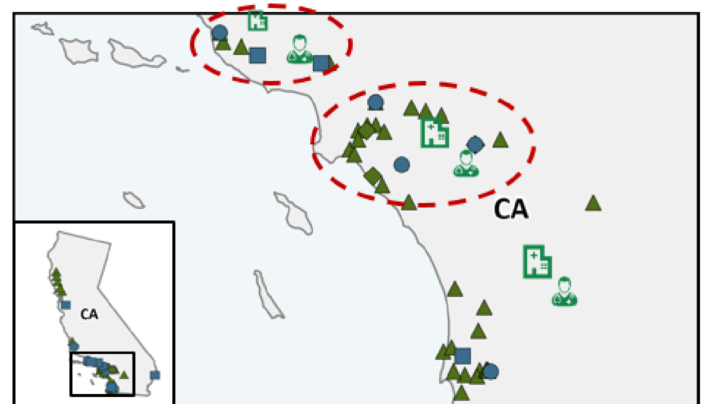
Phoenix Area



Examples of Partners in Area

UnitedHealthcare · St. Joseph's Hospital and Medical Center · Banner Health · Equality Health · Dignity Health · Honor Health

Southern California Area



Examples of Partners in Area

Kaiser Permanente · SCAN Health Plan · Scripps · CHG Healthcare · UnitedHealthcare

Home Health & Hospice · Senior Living · Ensign SNF via EPCC · Ensign Campus via EPCC · Sphere of Influence

BROAD AND DIVERSIFIED REFERRAL SOURCES

Overall, referrals generated from hundreds of sources across various local markets; no one source accounts for over 10%

	Hospital	Clinic and Community Physicians	Skilled Nursing Facilities	Senior Living and Other
Overview	• Long term referral relationships driven by preferred provider arrangements • Innovative care models and pathways help us work closely with hospital partners to reduce readmissions	• Referrals driven by Pennant's strong reputation for quality in the local communities • Generated from hundreds of clinics and physician practices in all of our markets	• Ensign referrals constitute less than 10% of total admissions • Potential for growth in referrals coming from non-Ensign SNF operators with channel conflict removed	• Pennant's businesses have a synergistic referral relationship • Home health and hospice operations provide accessible and convenient care to senior living residents

Local Referral Relationships

Chief Executive Officer ⟷	**Chief Executive Officer**
Chief Clinical Officer ⟷	**Chief Clinical Officer**
Medical Director ⟷	**Physicians**
Interdisciplinary Team ⟷	**Interdisciplinary Team**

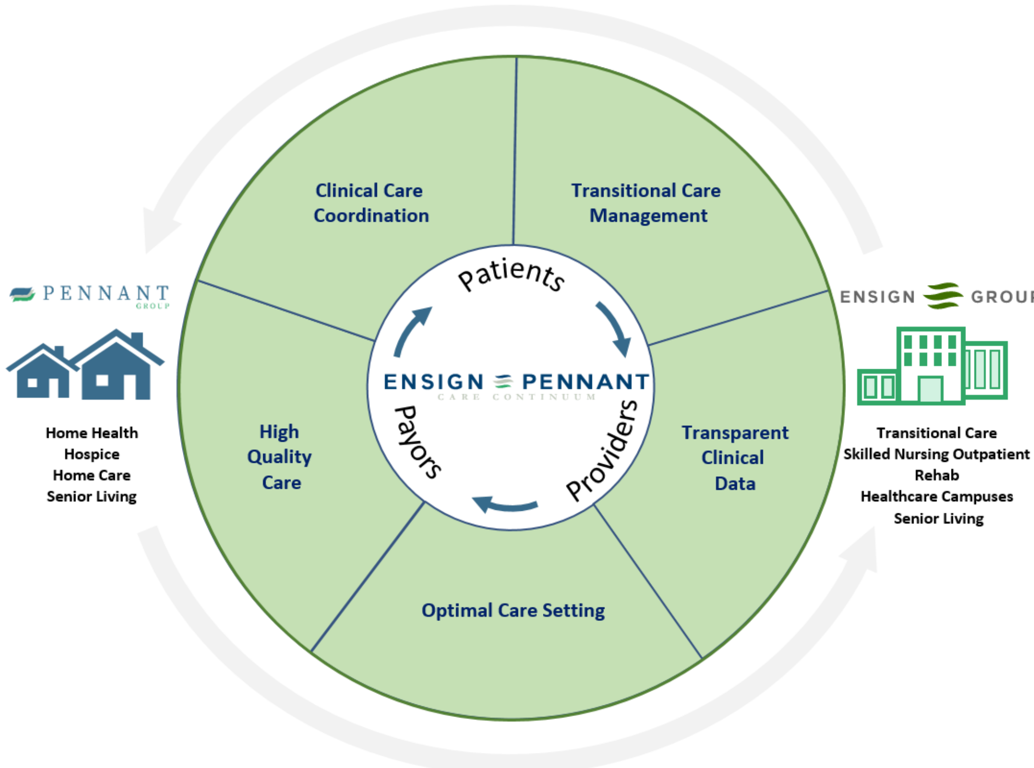
PENNANT GROUP

EPCC WILL CONTINUE TO DRIVE ADDITIONAL VALUE PROPOSITION WITH OUR PARTNERS

WHAT IS IT?

- Preferred provider network between Ensign and Pennant
- Empowers local clinical leaders to opt-in resulting in smart and effective solutions for patients

By promoting clinical collaboration, driving best quality care and outcomes, EPCC well positions us to benefit from the shift toward value-based reimbursement.



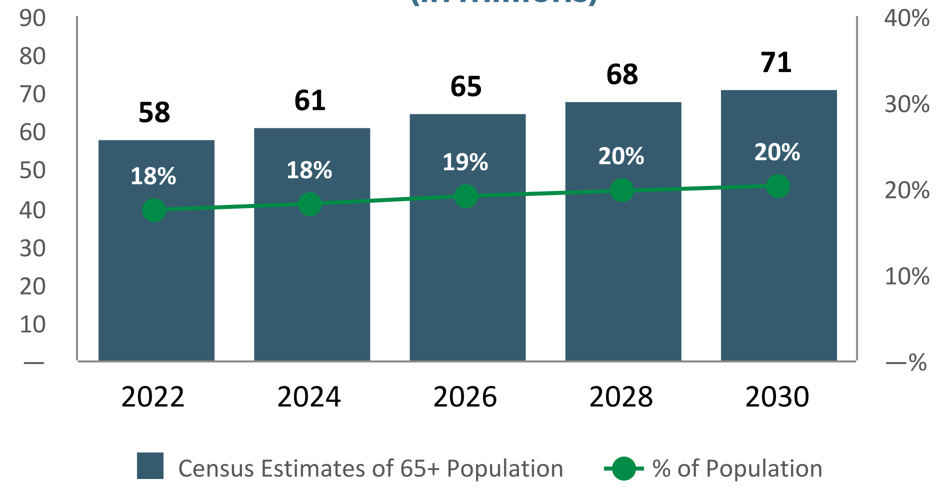
ENSIGN PENNANT CARE CONTINUUM

FAVORABLE MARKET DRIVERS FUEL LONG-TERM SUSTAINABLE GROWTH POTENTIAL

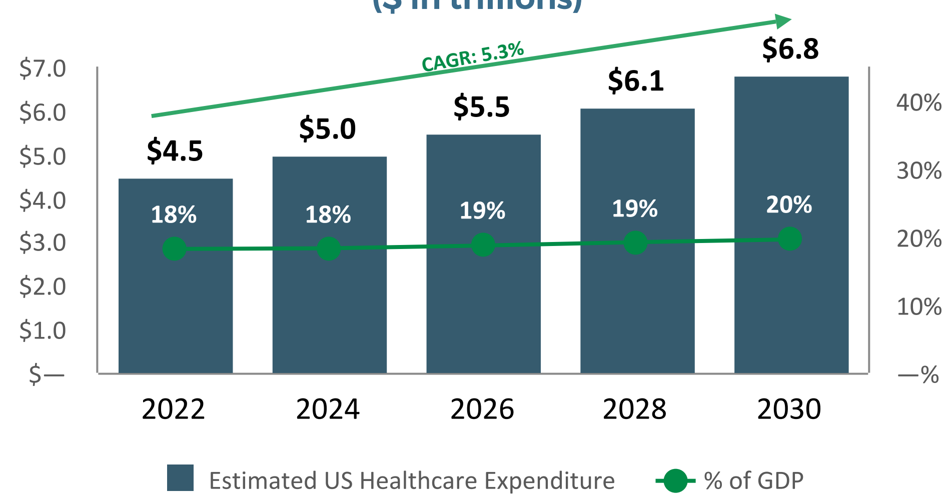
U.S. Healthcare Spending is Growing with a Key Driver Being the Aging Population

- Population above 65 projected to nearly double by 2050
- ~70% of Americans who reach age 65 require some form of long-term care for an average of 3 years
    - >70% of home health patients are seniors
    - >83% of hospice patients are over 65 years old
    - Anticipated need for 2 million additional senior housing units by 2040
- Healthcare spending currently represents 18% of U.S. GDP
- Increased CMS focus on reducing costs

Population Aged 65 + (in millions)



US National Healthcare Expenditure ($ in trillions)



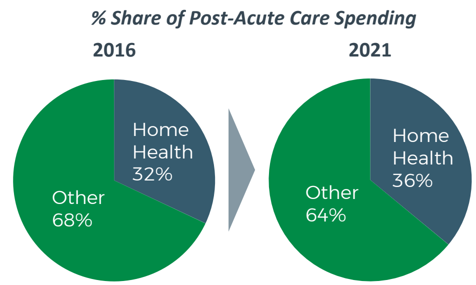
Source: Industry research, CMS, ASHA and Census Bureau

OPERATING IN GROWING INDUSTRIES WITH ATTRACTIVE FUNDAMENTALS

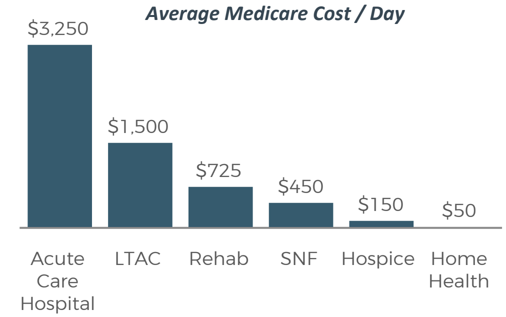
HOME HEALTH

With its focus on clinical outcomes, Pennant is well-positioned to benefit from value- based reimbursement trends in the home health sector such as PDGM

Home Health Services % Share of Post-Acute Spending Expected to Increase



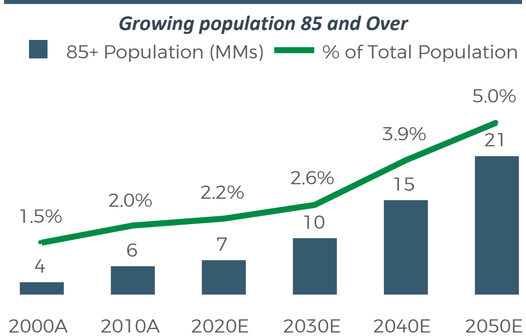
Home Health saves 65x compared to Acute Care Hospitals



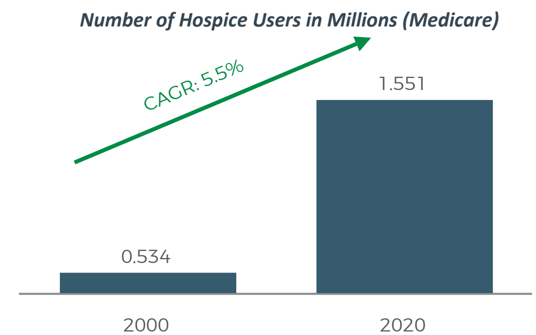
HOSPICE

Pennant's high touch and community-oriented approach to hospice care positions it to be the provider of choice in a fast-growing hospice market

>40% of Hospice Care is Used by Population >85 Years of Age Which is Expected to Triple by 2050



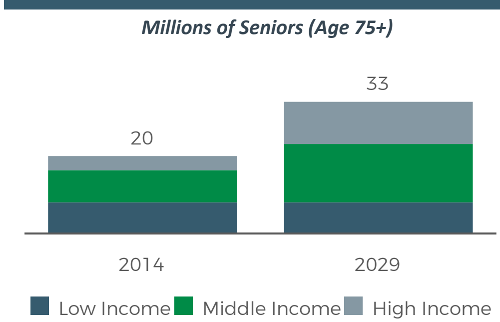
Use of Hospice by Medicare Patients Continues to Increase



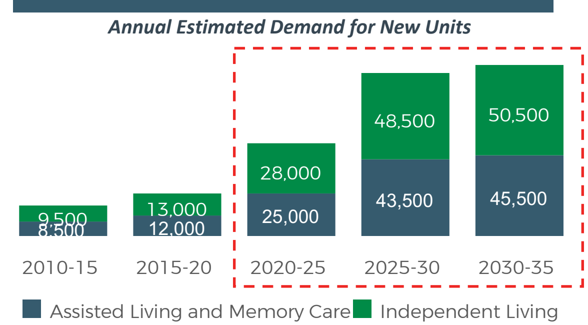
SENIOR LIVING

Pennant's opportunistic acquisition approach and disciplined operating strategy position us well to take advantage of the evolving demand and supply imbalance in the senior living markets in which we operate

Growing Demand for Senior Living



Strong Demand Estimated in the Next Decade

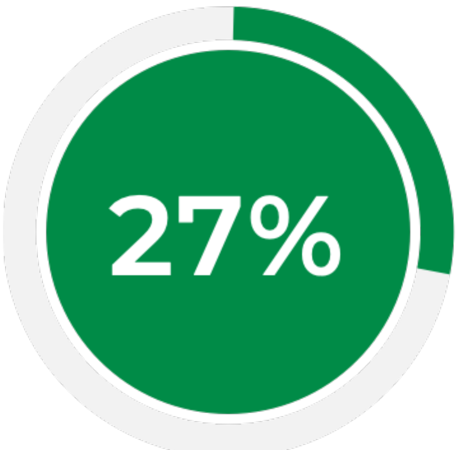


Source: Industry research, Kaufman Hall, CMS, MedPAC, AARP and ASHA

HIGHLY FRAGMENTED MARKET WITH SIGNIFICANT CONSOLIDATION OPPORTUNITY

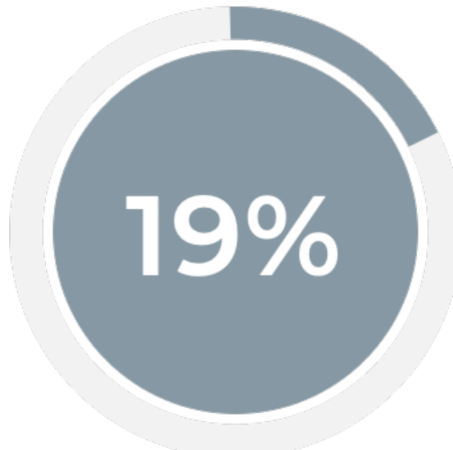
Significant Consolidation Opportunity Remains in Each of Our Target Markets

MARKET SHARE



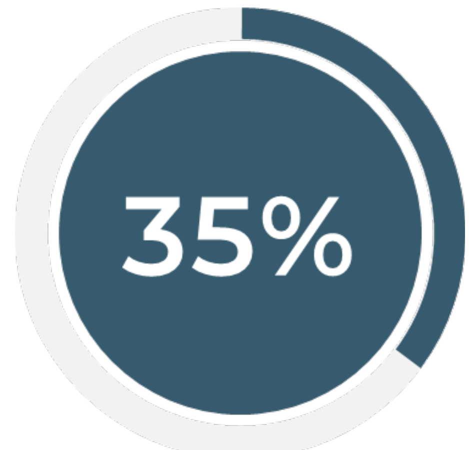
HOME HEALTH

Top Ten Largest Operators = 27%
All Others = 73%



HOSPICE

Top Ten Largest Operators = 19%
All Others = 81%



SENIOR LIVING

Top 25 Largest Operators = 35%
All Others = 65%

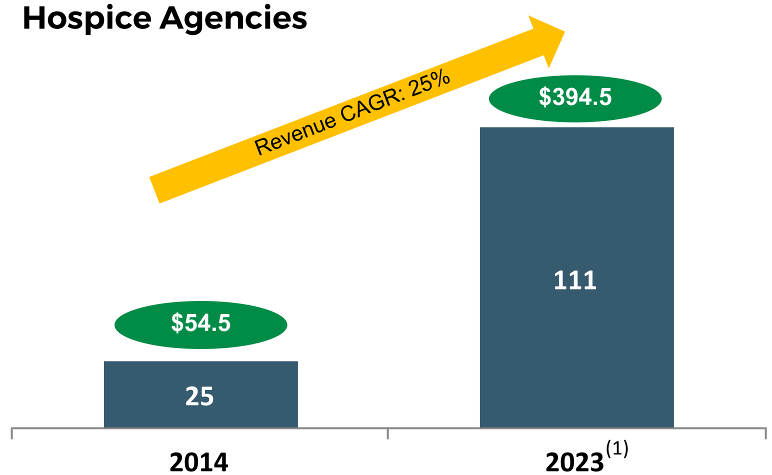
Source: Industry research,LexisNexis data for HH/Hos and Argentum/NCAL for SL data.

DISCIPLINED ACQUISITION AND ORGANIC GROWTH

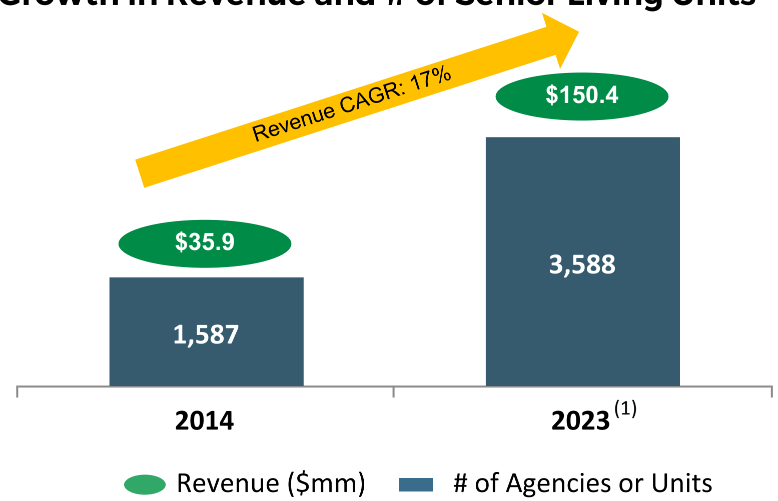
Proven Ability to Execute Acquisitions in Key Markets, Integrate into our Existing Markets and Improve Operations

- Focused on selectively acquiring strategic and underperforming operations within our target markets
- Local leaders empowered to identify and pursue acquisition opportunities
- Expertise in transitioning newly-acquired operations to our innovative operating model and culture
- From 2011 to 2018, we increased our number of home health / hospice and senior living operations by >300%
- Transformational integration of new acquisitions to shared systems and platforms

Growth in Revenue and # of Home Health & Hospice Agencies



Growth in Revenue and # of Senior Living Units



1. For the year ended December 31, 2023

TRANSFORMATIONAL INTEGRATION OF NEW OPERATIONS TO SHARED SYSTEMS AND PLATFORMS

Factors Considered When Evaluating Acquisition Targets

SMALL YET WELL-ESTABLISHED BUSINESS IN LOCAL MARKETS

- "Mom & Pop" business profile – typically low-single to mid-teens revenue ($mm)
- Strong reputation in local markets (no change in name post-acquisition)
- Business getting hard to manage for owners due to changing regulatory requirements

CLINICAL PRODUCT WITH POTENTIAL TO IMPROVE

- Culture of "patient-first"
- Reputation of delivering patient-centered care
- Well-regarded within referral sources – physicians, hospitals, health institutions, community

CONSTRAINED BY BALANCE SHEET

- Limited financial resources to grow business despite aspirations of growth

STRATEGIC FIT

- Assets offer unique access to Pennant from a geography or market standpoint
- Asset fits Pennant's offerings in its markets or fills a gap

Selected Examples

Riverside Home Health Care

- Location: Grants Pass, Oregon area
- Strategic location that expands our presence in the state and opens the door to further growth throughout the region
- Highly respected home health provider with outstanding community relationships
- Legacy of providing excellent home health services

First Call HOSPICE

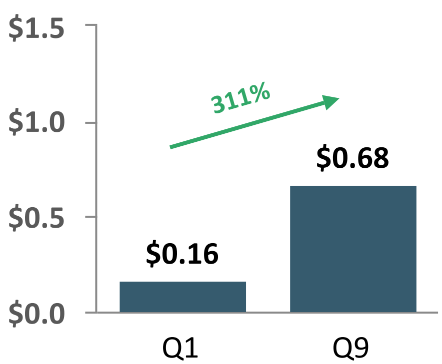
- Location: Sacramento, California
- Strategic acquisition that expands Northern California presence
- Well established hospice agency with legacy of compassionate care
- Robust clinical team

PROVEN ACQUISITION PLAYBOOK

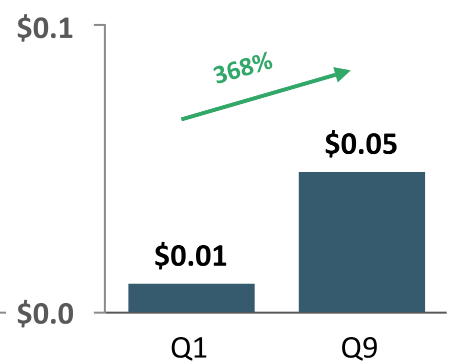
Examples of Improvements in Acquired Home Health and Hospice Agencies Performance

Comfort Home Health & Hospice

Revenue Growth

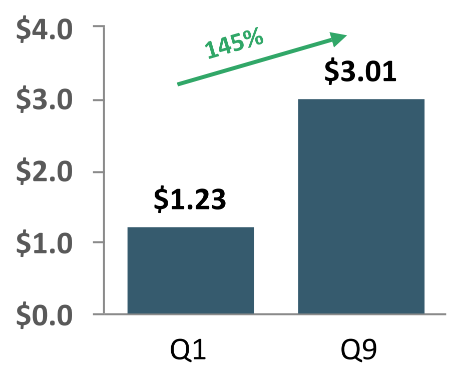


EBITDA Growth

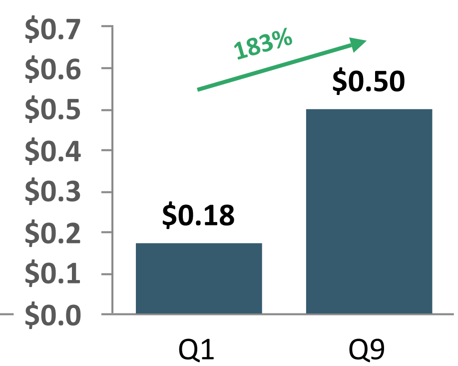


First Call Hospice

Revenue Growth

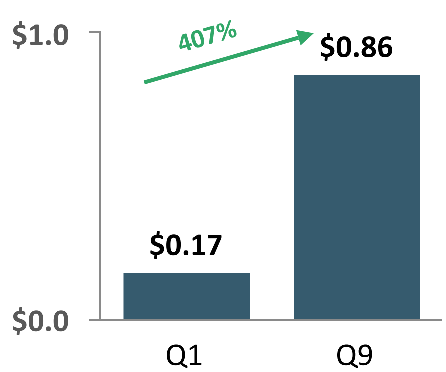


EBITDA Growth

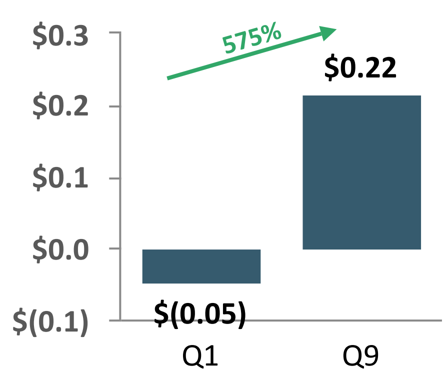


Alpha Home Health and Hospice

Revenue Growth

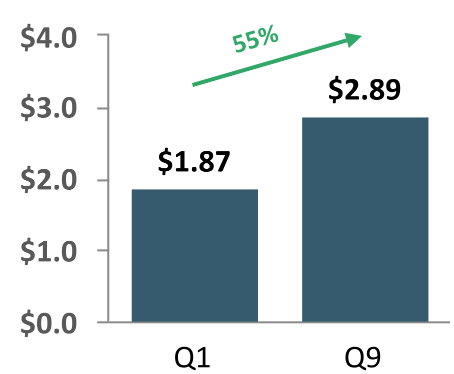


EBITDA Growth

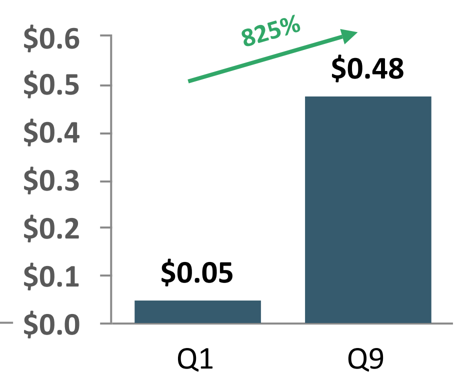


Preceptor Home Health | Hospice

Revenue Growth



EBITDA Growth

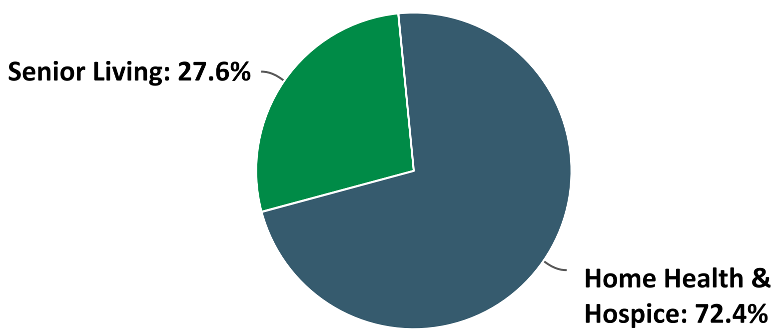


Note: Dollars in millions
Note: Q1 refers to first completed quarter after acquisition.
Note: Growth %'s are calculated in whole dollars and may not recalculate using the rounded values shown.

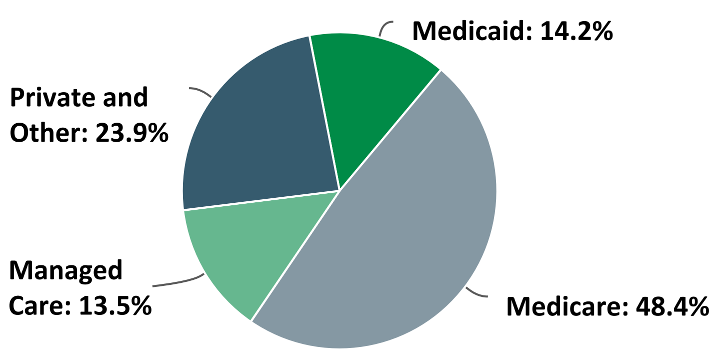
STRONG FINANCIAL RESULTS UNDERLINED BY DIVERSIFIED SERVICE AND PAYOR MIX

Diversified Portfolio Provides Greater Stability and Insulation from Industry or Macro Economic Cycles

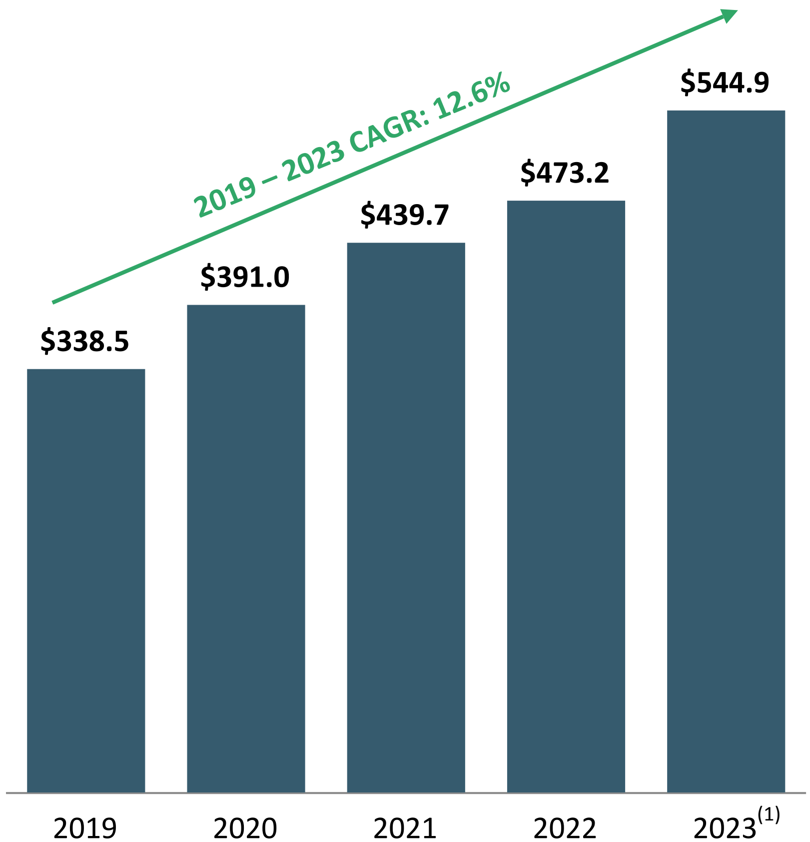
SERVICE MIX [1]



PAYOR MIX [1]



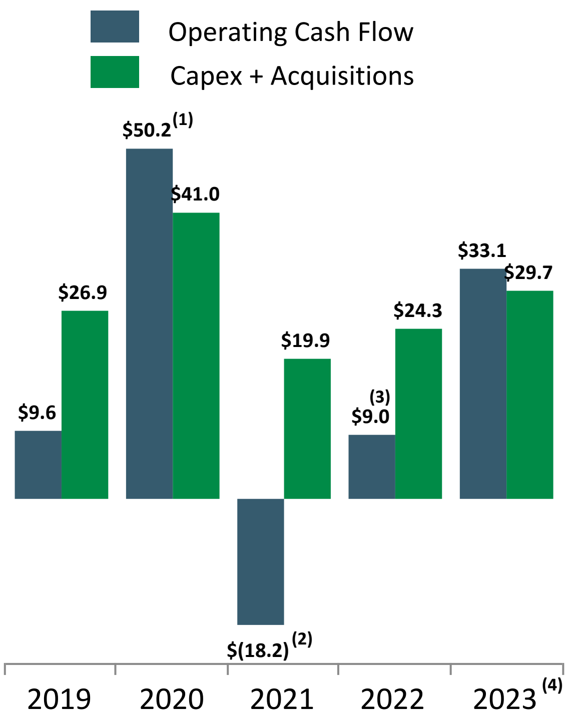
REVENUE ($ IN MILLIONS)



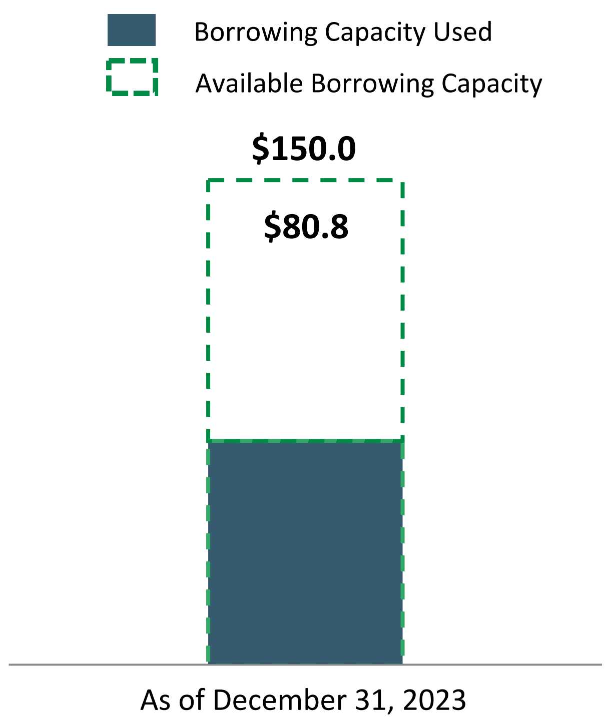
1. For the year ended December 31, 2023

FOCUS ON MAINTAINING A STRONG BALANCE SHEET

History of Internally-Financed Transactions



Acquisition Firepower



Strong Real Estate Partners

Strong, long-standing real estate partnerships allow Pennant to opportunistically pursue larger, asset-heavy senior housing portfolios with operator friendly long-term triple net leases at below market rates

Continued Execution in 2023 – Acquisitions Since the Spin-Off

Note: Dollars in millions.

1. Excluding the Medicare advanced payments of $28.0 received during the year ended December 31, 2020 , the operating cash inflow would have been $22.2.
2. Excluding the recoupment of Medicare advanced payments of $21.8 for the year ended December 31, 2021, the net cash flows from operations would have been $3.6.
3. Excluding the recoupment of Medicare advanced payments of $6.2 for the year ended December 31, 2022, the net cash flows from operations would have been $15.2.
4. For the year ended December 31, 2023.

EXPERIENCED MANAGEMENT TEAM COMPRISED OF HEALTHCARE INDUSTRY VETERANS

Best-in-Class Management Team with ~55 Years of Combined Experience at Pennant / Ensign and the Industry

Brent Guerisoli, *Chief Executive Officer*

- Years at Pennant / Ensign: 11
- Served as President of Home Health and Hospice since 2018
- Served as President of 1177 Healthcare (affiliate of Cornerstone) since March 2015
- Previously CEO and executive Director of Zion's Way Home Health and Hospice (affiliate of Cornerstone) since Feb 2012
- Prior to joining Ensign, served as Chief of Staff/ business Manager IT at AT&T

Jason Steik, *Chief Clinical Officer*

- Years at Pennant / Ensign: 5
- 15 years of broad spectrum of healthcare leadership experience ranging from Emergency, Trauma, and Interventional Cardiac department
- Most recently served as Chief Nursing Officer for St. Joseph Regional Medical Officer
- Certified as a Nurse Executive, Advanced through ANCC and is a Certified Professional in Patient Safety through IHI.
- Nine years of acute care experience with more than five years of post-acute leadership in Home Health and Hospice

Lynette Walbom, *Chief Financial Officer*

- Started with Pennant in May 2023
- 18 years accounting leadership experience
- Served as VP of Financial Reporting and Tax at Raising Cane's Restaurants, a restaurant company with $3.1 billion in sales, for 7 years
- Prior to joining Raising Cane's served as CFO for a HNW family office with investments in real estate development, financial services, computer services, and franchising for 11 years

Brian Wayment, *President, HH & Hospice*

- Years at Pennant / Ensign: 11
- Served as President of Midwest/Texas Market since 2018
- Previously CEO of Excell Homecare and Hospice (affiliate of Cornerstone) since Oct 2017
- Served as Leadership Development Lead of Cornerstone from 2015-2017
- Previously CEO- and Executive Director of Elite Home Health and Hospice (affiliate of Cornerstone) since July 2013

John Gochnour, *Chief Operating Officer*

- Years at Pennant / Ensign: 10
- Served as Executive Vice President and General Counsel at Cornerstone since 2013
- Also led the sourcing, negotiation, and other aspects of the acquisition process of Cornerstone and Ensign's other new business ventures
- Prior to joining Cornerstone, served as an attorney at the law firm Paul Hastings LLP

Andrew Rider, *President, Senior Living*

- Years at Pennant / Ensign: 8
- Served as President of Paragon Senior Living (affiliate of Pinnacle) markets since 2021
- Previously served as President of Personal Care Services - new business venture for Cornerstone since 2016
- Previously served as CEO and Executive Director of A Gentle Touch Home Care (affiliate of Cornerstone) since May 2015
- Prior to joining Ensign, owned and operated multi-site personal care service operations.

GROWTH STRATEGY & FINANCIAL OVERVIEW

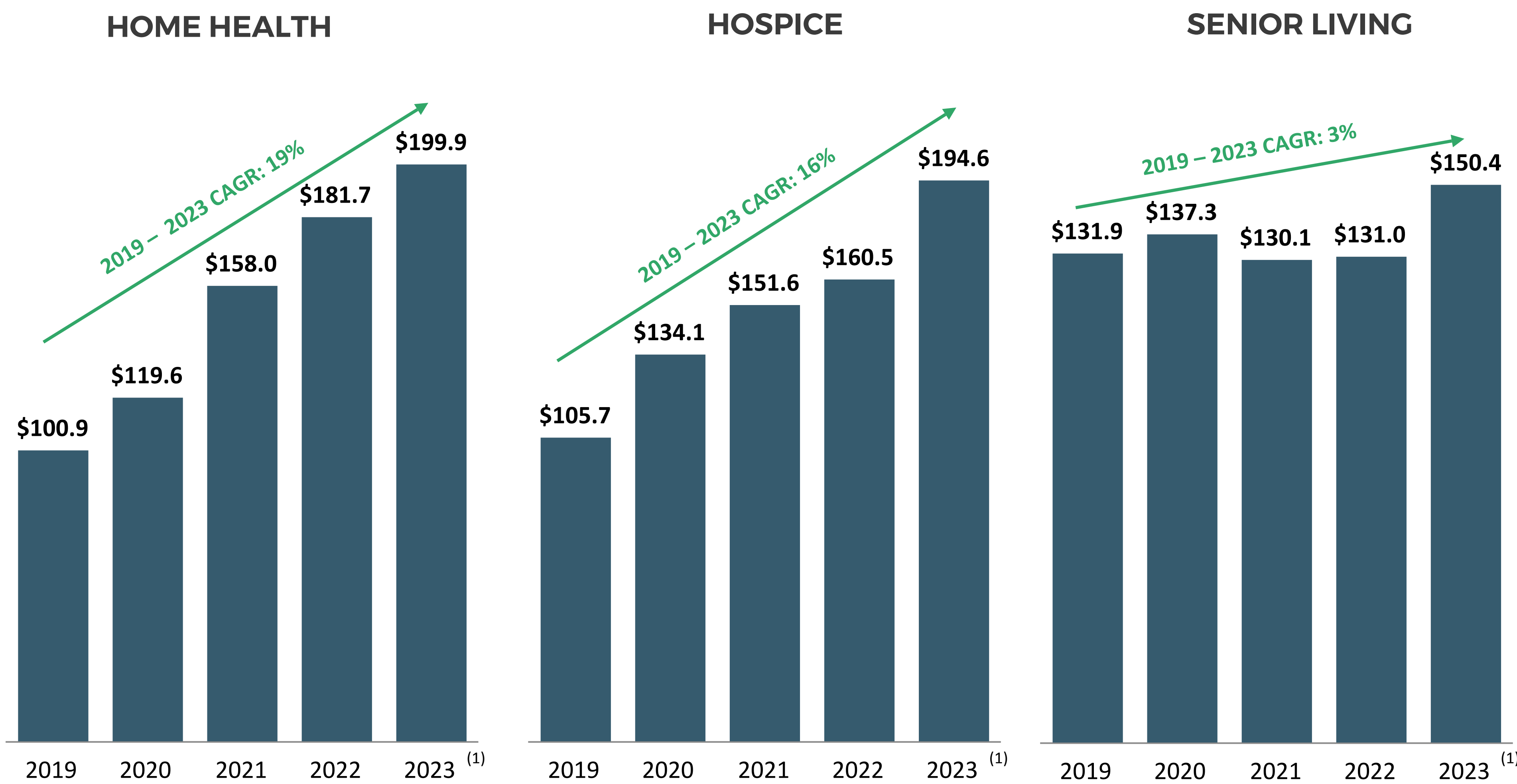
GROWTH STRATEGY

5. Strategically Invest In and Integrate Other Post-Acute Care Healthcare Businesses
4. Leverage Operational Capabilities to Expand Partnerships
3. Add New Operations
2. Continue to Focus on Organic Growth
1. Grow Talent Base and Develop Leaders

Pennant is well-positioned to perform and grow in large, fragmented markets

FINANCIAL OVERVIEW - SEGMENT GROWTH

Segment Revenue

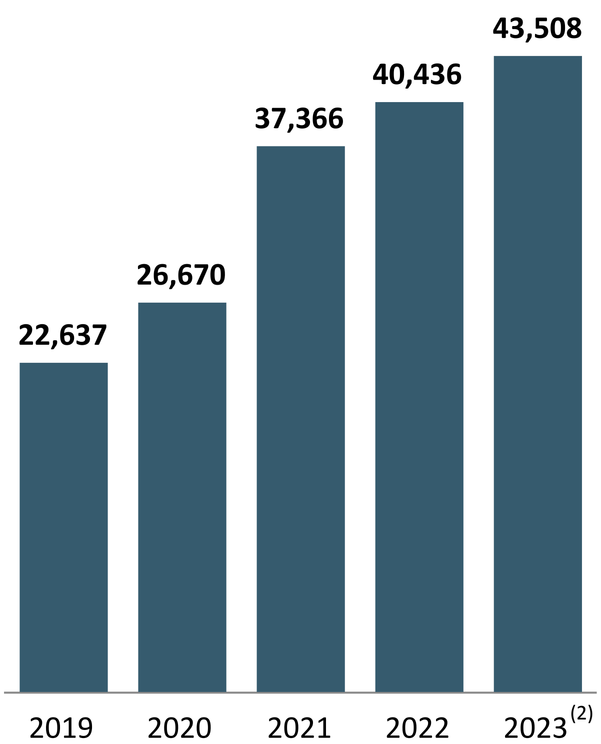


Note: Dollars in millions.
1. For the year ended December 31, 2023.

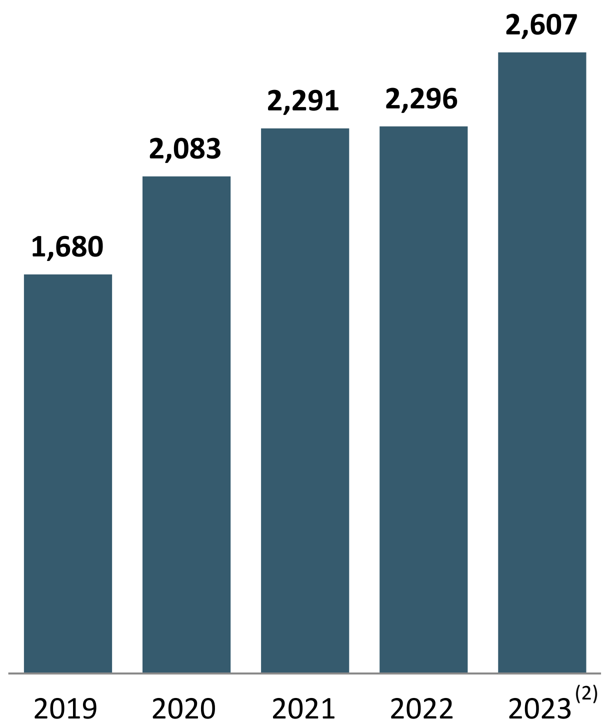
FINANCIAL OVERVIEW - SEGMENT METRICS

Segment Metrics

TOTAL HOME HEALTH ADMISSIONS



AVG. HOSPICE DAILY CENSUS



SENIOR LIVING OCCUPANCY (1)

1. Senior Living Occupancy for all years presented excludes communities transferred to Ensign and new acquisitions completed in the year ended December 31, 2023.
2. For the year ended December 31, 2023.

FINANCIAL OVERVIEW - SEGMENT PROFITABILITY

Track Record of Strong Historical Performance at Both Key Business Segments

SEGMENT | **KEY FINANCIAL METRICS**

Home Health & Hospice

	2019	2020	2021	2022	2023[1]	'19-'23 CAGR
Segment adjusted EBITDAR from Operations[2]	$33.4	$49.5	$55.6	$61.8	$65.6	**18.4%**
% Margin[3]	**16.2%**	**20.3%**	**18.8%**	**18.3%**	**17.0%**	**--**
Adjusted EBITDA[4]	$30.4	$46.0	$51.0	$57.0	$60.1	**18.6%**
% Margin[3]	**14.7%**	**18.8%**	**17.3%**	**16.9%**	**15.6%**	**--**

Senior Living

	2019	2020	2021	2022	2023[1]	'19-'23 CAGR
Segment adjusted EBITDAR from Operations[2]	$47.3	$48.3	$37.5	$37.6	$45.3	**(1.1)%**
% Margin[3]	**35.9%**	**35.3%**	**28.8%**	**29.6%**	**30.6%**	**--**
Adjusted EBITDA[4]	$15.3	$12.8	$1.6	$6.0	$12.3	**(5.3)%**
% Margin[3]	**11.6%**	**9.4%**	**1.2%**	**4.7%**	**8.3%**	**--**

Note: Dollars in millions
1. For the year ended December 31, 2023.
2. Segment Adjusted EBITDAR from Operations is the GAAP segment measure of profit and loss. Beginning in the first quarter of fiscal year 2021, we updated our definition of Segment Adjusted EBITDAR and Adjusted EBITDA to no longer include an adjustment for COVID-19 expenses offset by the amount of sequestration relief. Fiscal year 2020 measures were not updated to exclude the COVID-19 adjustment. For further details see the Appendix for a reconciliation of GAAP to non-GAAP financial measures.
3. Margin is calculated using segment level non-GAAP revenue.
4. See Appendix for a reconciliation of GAAP to non-GAAP financial measures.

FINANCIAL OVERVIEW - EXPENSES

Expenses as a % of Revenue

(Dollars in millions)	2019[1]	2020	2021	2022	2023[2]
Revenue	$338.5	**$391.0**	**$439.7**	**$473.2**	**$544.9**
% Growth	18.3%	15.5%	12.5%	7.6%	15.1%
% Revenue					
Cost of Services	76.5%	75.9%	79.7%	79.6%	80.4%
Rent	10.3%	10.1%	9.3%	8.0%	7.3%
G&A	6.5%	8.0%	8.2%	7.2%	6.7%
D&A	1.1%	1.2%	1.1%	1.0%	0.9%
Loss on asset dispositions and impairment, net	—%	—%	0.6%	1.5%	—%
Total Expenses	94.4%	95.2%	98.9%	97.3%	95.3%

Selected Observations

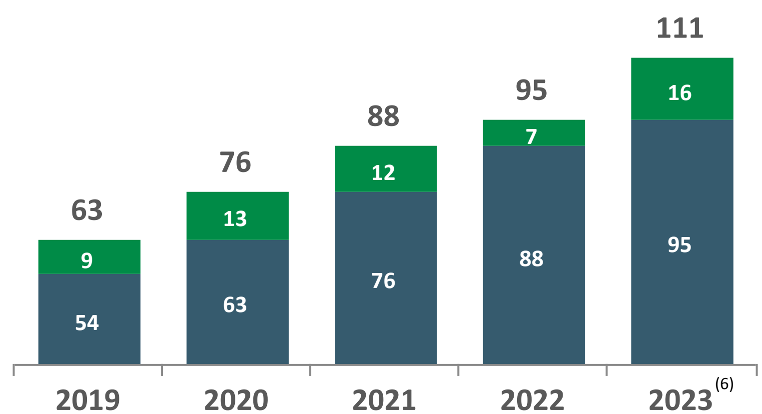
- Revenue growth includes primarily organic growth along with acquired home health and hospice agencies and senior living communities.
- Costs of service have been impacted by wage inflation and increase in benefits.
- The decrease in G&A relates primarily to changes in stock based compensation offset by increase in wages.

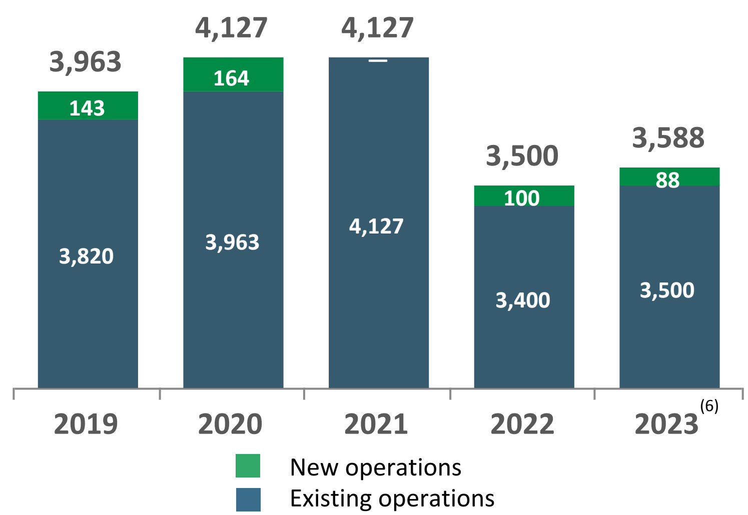
Note: Dollars in millions
1. 2019 general and administrative costs were adjusted for one-time transaction related costs of 3.9% of revenue. Without this adjustment general and administrative costs would have been 10.4% of revenue and total expenses would have been 98.3% of revenue.
2. For the year ended December 31, 2023.

FINANCIAL OVERVIEW - CAPEX / CASH FLOW METRICS

Capex and Key Cash Flow Metrics

	2019	2020	2021	2022	2023[6]
Working Capital	($12.5)	($29.4)[1]	4.2[3]	$3.6	$8.5
PP&E (Capex)	(6.7)	(7.3)	(6.3)	(14.2)	(8.1)
Asset and business acquisitions	(20.2)	(33.7)	(13.6)	(10.2)	(21.6)
Capex + Acquisitions	(26.9)	(41.0)	(19.9)	(24.3)	(29.7)
Cash Flow From Operations	**$9.6**	**$50.2[2]**	**$(18.2)[4]**	**$9.0[5]**	**$33.1**





Note: Dollars in millions

1. Excluding the Medicare advanced payments included in current liabilities of $22.8 as of December 31, 2020, and received during 2020, the working capital would have been ($6.6).
2. Excluding the Medicare advanced payments of $28.0 received during the year ended December 31, 2020 , the operating cash inflow would have been $22.2.
3. Excluding the Medicare advanced payments included in current liabilities of $6.2 as of December 31, 2021, and received during 2020, the working capital would have been $10.4.
4. Excluding the recoupment of Medicare advanced payments of $21.8 for the year ended December 31, 2021, the net cash flows from operations would have been $3.6.
5. Excluding the recoupment of Medicare advanced payments of $6.2 for the year ended December 31, 2022, the net cash flows from operations would have been $15.2.
6. As of December 31, 2023.
7. On January 27, 2022, affiliates of the Company, entered into certain operations transfer agreements with affiliates of Ensign, providing for the transfer of the operations of five senior living communities.

FINANCIAL OVERVIEW - BALANCE SHEET

Strong Balance Sheet Positions Pennant Well to Continue Acquisition Strategy

SELECTED BALANCE SHEET DATA:

	December 31,	
	2022	2023
Cash	$ 2,079	$ 6,059
Current Assets	73,822	80,077
Total Assets	**$ 512,119**	**$ 539,691**
Current Liabilities	$ 70,247	$ 71,549
Long-term Debt [3]	64,500	65,000
Total Liabilities	**$ 386,462**	**$ 394,176**
Total Equity	**$ 125,657**	**$ 145,515**

DEBT TERMS - REVOLVING CREDIT FACILITY:

Total Debt Facility	• **$150.0 million**
Amount Drawn	• **$69.2 million[1]**
Weighted Average Borrowing Rate at December 31, 2023	• **7.95%**
Maturity Date	• **2026**
Leverage	• **1.44 net debt / 2023 TTM adjusted EBITDA[2]**
Lease-Adjusted Leverage	• **4.75 lease-adjusted net debt / 2023 TTM adjusted EBITDAR[4]**

Note: Dollars in thousands except where noted

1. Amount drawn includes $65.0 million drawn on the line of credit and $4.2 million of issued letters of credit as of December 31, 2023.
2. As of December 31, 2023.
3. Excludes unamortized debt issuances costs of $1.1 million as of December 31, 2023.
4. Calculated as 8x rent expense plus net debt, divided by adjusted EBITDAR, for the year ended December 31, 2023.

2024 GUIDANCE

2024 Full Year Non-GAAP Guidance[1]					
		Guidance Low		Guidance High	
Adjusted Revenue (in millions)	$	596.8	$	633.7	Midpoint represents a **15.2%** increase over the midpoint of the 2023 non-GAAP results
Adjusted EBITDA (in millions)	$	46.2	$	49.7	Midpoint represents a **17.7%** increase over the midpoint of the 2023 Non-GAAP results
Adj. EPS	$	0.82	$	0.91	Midpoint represents a **19.2%** increase over the midpoint of the 2023 Non-GAAP results

1. Please refer to the detailed statement on 2024 guidance in our Q4'23 earnings press release dated February 27, 2023.

APPENDIX

NON-GAAP METRICS

We supplement our GAAP reporting with supplemental non-GAAP financial measures. These include performance measures (EBITDA, Adjusted EBITDA, and Segment Adjusted EBITDA), non-GAAP net income and a valuation measure (Adjusted Consolidated EBITDAR). We believe these non-GAAP financial measures 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 non-GAAP financial measures is available in our Form 10-Q, which was filed with the SEC, and a reconciliation to GAAP is included as an appendix to this presentation.

RECONCILIATION OF GAAP TO NON-GAAP NET INCOME

$ in thousands	Year Ended December 31,				
	2023	2022	2021	2020	2019
Net Income attributable to the Pennant Group, Inc.	**$ 13,379**	**$ 6,643**	**$ 2,696**	**$ 15,744**	**$ 2,546**
Non-GAAP adjustments					
Add: Net income (loss) attributable to noncontrolling interest	—	224	(548)	(191)	629
Costs at start-up operations[a]	1,162	2,112	1,470	2,010	508
Share-based compensation expense[b]	5,565	3,363	10,040	8,335	3,382
Amortization of patient base[c]	—	—	—	—	39
Acquisition related costs and credit allowances[d]	476	731	80	99	665
Spin-off related transaction costs[e]	—	—	—	—	13,219
Transition services cost[f]	—	—	2,008	2,282	965
COVID-19 related costs and supplies[g]	—	—	—	447	—
Costs associated with transitioning operations[h]	861	7,051	2,835	—	—
Unusual, non-recurring or redundant charges[i]	2,575	1,297	—	—	—
Provision for income taxes on non-GAAP adjustments[j]	(2,124)	(4,353)	(4,573)	(5,543)	(4,023)
Non-GAAP Net Income	**$ 21,894**	**$ 17,068**	**$ 14,008**	**$ 23,183**	**$ 17,930**
Earnings Per Share					
Adjusted diluted earnings per share	$ 0.73	$ 0.57	$ 0.46	$ 0.77	$ 0.61
Weighted average number of dilutive shares outstanding	30,193	30,159	30,642	30,228	29,586

(a) Represents results related to start-up operations.

(b) Share-based compensation expense incurred which is included in cost of services and general and administrative expense.

(c) Included in depreciation and amortization are amortization expenses related to patient base intangible assets at newly acquired senior living facilities.

(d) Acquisition related costs that are not capitalizable.

(e) Costs incurred related to the Spin-Off are included in general and administrative expense.

(f) The portion of the costs incurred under the Transition Services Agreement identified as redundant or nonrecurring that are included in general and administrative expense or depreciation and amortization.

(g) Represents incremental costs incurred as part of the Company's response to COVID-19 including direct medical supplies, labor, and other expenses, net of $2,765 in increased revenue related to the 2% payment increase in Medicare reimbursements for sequestration relief for the year ended December 31, 2020. Beginning in the first quarter of fiscal year 2021, we updated our definition of Segment Adjusted EBITDAR to no longer include an adjustment for COVID-19 expenses offset by the amount of sequestration relief. COVID-19 expenses continue to be part of daily operations for which less specific identification is visible. Sequestration relief was $3,555 for the year ended December 31, 2021.

(h) On January 27, 2022, affiliates of the Company, entered into certain operations transfer agreements (collectively, the “Transfer Agreements”) with affiliates of Ensign, providing for the transfer of the operations of certain senior living communities (the “Transaction”) from affiliates of the Company to affiliates of Ensign. The closing of the Transaction was completed in two phases with the transfer of two operations on March 1, 2022 and the remainder transferred on April 1, 2022. The amount includes $6,500 for the year ended December 31, 2022 to cover post-closing capital expenditures and operating losses related to one of the communities transferred on April 1, 2022. The amount above also includes an offset of $397 for the year ended December 31, 2022, for the related net impact on revenue and cost of service attributable to the transferred entities. This amount excludes rent and depreciation and amortization expense related to such operations. During the year ended December 31, 2021, the Company impaired certain leasehold improvements included in property and equipment totaling $2,835 primarily related to the operations included in the transaction with Ensign.

(i) Represents unusual or non-recurring charges for legal services, implementation costs, integration costs, and consulting fees in general and administrative expenses and cost of services.

(j) Represents an adjustment to the provision for income tax to our year to date effective tax rate. This rate excludes the tax benefit of shared-based payment awards.

RECONCILIATION OF NET INCOME TO NON-GAAP EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDAR

$ in thousands	Year Ended December 31,				
	2023	2022	2021	2020	2019
Net Income	**$ 13,910**	**$ 7,243**	**$ 2,148**	**$ 15,553**	**$ 3,175**
Less: Net income (loss) attributable to noncontrolling interest	531	600	(548)	(191)	629
Add: Provision for income taxes	5,674	1,649	582	2,350	2,085
Interest Expense	5,924	3,816	1,941	1,239	410
Depreciation and amortization	5,130	4,900	4,784	4,675	3,810
Consolidated and Combined EBITDA	**$ 30,107**	**$ 17,008**	**$ 10,003**	**$ 24,008**	**$ 8,851**
Adjustments to Consolidated and Combined EBITDA:					
Add: Costs at start-up operations[(a)]	102	1,435	1,045	1,787	483
Share-based compensation expense[(b)]	5,565	3,363	10,040	8,335	3,382
Spin-off related transaction costs[(c)]	—	—	—	—	13,219
Transition services costs[(d)]	—	—	2,008	1,181	532
Acquisition related costs and credit allowances[(e)]	476	731	80	99	665
COVID-19 related costs and supplies[(f)]	—	—	—	447	—
Costs associated with transitioning operations[(g)]	612	6,103	2,835	—	—
Unusual, non-recurring or redundant charges[(h)]	2,575	1,220	—	—	—
Rent related to items [(a)] and [(g)] above	1,279	1,608	396	223	25
Adjusted Consolidated and Combined EBITDA	**$ 40,716**	**$ 31,545**	**$ 26,407**	**$ 36,048**	**$ 27,157**
Add: Rent—cost of services	39,759	38,018	40,863	39,191	34,975
Less: Rent related to items [(a)] and [(g)] above	(1,279)	(1,608)	(396)	(223)	(25)
Adjusted Rent—cost of services	38,480	36,410	40,467	38,968	34,950
Adjusted Consolidated and Combined EBITDAR from Operations	**$ 79,196**				

(a) Represents results related to start-up operations. This amount excludes rent and depreciation and amortization expense related to such operations.

(b) Share-based compensation expense incurred which is included in cost of services and general and administrative expense.

(c) Costs incurred related to the Spin-Off are included in general and administrative expense.

(d) The portion of the costs incurred under the Transition Services Agreement identified as redundant or nonrecurring that are included in general and administrative expense or depreciation and amortization.

(e) Acquisition related costs that are not capitalizable.

(f) Represents incremental costs incurred as part of the Company's response to COVID-19 including direct medical supplies, labor, and other expenses, net of $2,765 in increased revenue related to the 2% payment increase in Medicare reimbursements for sequestration relief for the year ended December 31, 2020. Beginning in the first quarter of fiscal year 2021, we updated our definition of Segment Adjusted EBITDAR to no longer include an adjustment for COVID-19 expenses offset by the amount of sequestration relief. COVID-19 expenses continue to be part of daily operations for which less specific identification is visible. Sequestration relief was $3,555 for the year ended December 31, 2021.

(g) During the year ended December 31, 2023, an affiliate of the Company placed its memory care units into transition and is actively seeking to sublease the units to an unrelated third party. The amount above represents the net operating impact attributable to the units in transition. The amounts reported exclude rent and depreciation and amortization expense related to such operations and include legal settlement costs associated with one of the entities transitioned to Ensign.

During January 2022, affiliates of the Company entered into Transfer Agreements with affiliates of Ensign, providing for the transfer of the operations of certain senior living communities (the "Transaction") from affiliates of the Company to affiliates of Ensign. The closing of the Transaction was completed in two phases with the transfer of two operations on March 1, 2022 and the remainder transferred on April 1, 2022. The amount above represents the net impact on revenue and cost of service attributable to all of the transferred entities. The amounts reported exclude rent and depreciation and amortization expense related to such operations.

(h) Represents unusual or non-recurring charges for legal services, implementation costs, integration costs, and consulting fees in general and administrative expenses and cost of services.

GAAP SEGMENT ADJUSTED EBITDAR FROM OPERATIONS AND RECONCILIATION BY SEGMENT OF GAAP TO NON-GAAP ADJUSTED EBITDA

$ in thousands	Home Health and Hospice Services	Senior Living Services	All Other	Total
Year Ended December 31, 2023				
Revenue	$ 394,464	$ 150,427	$ —	$ 544,891
Segment Adjusted EBITDAR from Operations	**$ 65,606**	**$ 45,294**	**$ (31,704)**	**$ 79,196**
Year Ended December 31, 2022				
Revenue	$ 342,249	$ 130,992	$ —	$ 473,241
Segment Adjusted EBITDAR from Operations	**$ 61,827**	**$ 37,563**	**$ (31,435)**	**$ 67,955**
Year Ended December 31, 2021				
Revenue	$ 309,570	$ 130,124	$ —	$ 439,694
Segment Adjusted EBITDAR from Operations	**$ 55,565**	**$ 37,517**	**$ (26,208)**	**$ 66,874**
Year Ended December 31, 2020				
Revenue	$ 253,659	$ 137,294	$ —	$ 390,953
Segment Adjusted EBITDAR from Operations	**$ 49,501**	**$ 48,309**	**$ (22,762)**	**$ 75,048**
Year Ended December 31, 2019				
Revenue	$ 206,624	$ 131,907	$ —	$ 338,531
Segment Adjusted EBITDAR from Operations	**$ 33,354**	**$ 47,344**	**$ (18,591)**	**$ 62,107**

$ in thousands	Year Ended December 31,									
	Home Health and Hospice Services					Senior Living Services				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Segment Adjusted EBITDAR from Operations	**$ 65,606**	**$ 61,827**	**$ 55,565**	**$ 49,501**	**$ 33,354**	**$ 45,294**	**$ 37,563**	**$ 37,517**	**$ 48,309**	**$ 47,344**
Less: Rent – cost of services	$ 5,791	$ 5,060	$ 4,906	$ 3,629	$ 2,964	$ 33,967	$ 32,958	$ 35,957	$ 35,562	$ 32,011
Rent related to start-up and transitioning operations	$ (313)	$ (210)	$ (386)	$ (143)	$ (25)	$ (966)	$ (1,398)	$ (10)	$ (80)	$ —
Segment Adjusted EBITDA from Operations	**$ 60,128**	**$ 56,977**	**$ 51,045**	**$ 46,051**	**$ 30,415**	**$ 12,293**	**$ 6,003**	**$ 1,570**	**$ 12,827**	**$ 15,333**

RECONCILIATION OF SEGMENT ADJUSTED EBITDAR FROM OPERATIONS TO INCOME FROM OPERATIONS

$ in thousands	Year Ended December 31,				
	2023	2022	2021	2020	2019
Segment Adjusted EBITDAR from Operations	**$ 79,196**	**$ 67,955**	**$ 66,874**	**$ 75,048**	**62,107**
Less: Depreciation and amortization	5,130	4,900	4,784	4,675	3,810
Rent – cost of services	39,759	38,018	40,863	39,191	34,975
Other income (expense)	339	(31)	(24)	225	—
Adjustments to Segment EBITDAR from Operations:					
Less: Costs at start-up operations[(a)]	102	1,435	1,045	1,787	483
Share-based compensation expense[(b)]	5,565	3,363	10,040	8,335	3,382
Acquisition related costs[(c)]	476	731	80	99	665
Spin-off related transaction costs[(d)]	—	—	—	—	13,219
Transition services costs[(e)]	—	—	2,008	1,181	532
COVID-19 related costs and supplies[(f)]	—	—	—	447	—
Costs associated with transitioning operations[(g)]	612	6,103	2,835	—	—
Unusual, non-recurring or redundant charges[(h)]	2,575	1,297	—	—	—
Add: Net income (loss) attributable to non-controlling interest	531	600	(548)	(191)	629
Consolidated and Combined Income from Operations	$ 25,169	$ 12,739	$ 4,695	$ 18,917	5,670

(a) Represents results related to start-up operations. This amount excludes rent and depreciation and amortization expense related to such operations.

(b) Share-based compensation expense incurred which is included in cost of services and general and administrative expense.

(c) Acquisition related costs that are not capitalizable.

(d) Costs incurred related to the Spin-Off are included in general and administrative expense.

(e) The portion of the costs incurred under the Transition Services Agreement identified as redundant or nonrecurring that are included in general and administrative expense or depreciation and amortization.

(f) Represents incremental costs incurred as part of the Company's response to COVID-19 including direct medical supplies, labor, and other expenses, net of $2,765 in increased revenue related to the 2% payment increase in Medicare reimbursements for sequestration relief for the year ended December 31, 2020. Beginning in the first quarter of fiscal year 2021, we updated our definition of Segment Adjusted EBITDAR to no longer include an adjustment for COVID-19 expenses offset by the amount of sequestration relief. COVID-19 expenses continue to be part of daily operations for which less specific identification is visible. Sequestration relief was $3,555 for the year ended December 31, 2021.

(g) During the year ended December 31, 2023, an affiliate of the Company placed its memory care units into transition and is actively seeking to sublease the units to an unrelated third party. The amount above represents the net operating impact attributable to the units in transition. The amounts reported exclude rent and depreciation and amortization expense related to such operations and include legal settlement costs associated with one of the entities transitioned to Ensign.

During January 2022, affiliates of the Company entered into Transfer Agreements with affiliates of Ensign, providing for the transfer of the operations of certain senior living communities (the "Transaction") from affiliates of the

(h) Represents unusual or non-recurring charges for legal services, implementation costs, integration costs, and consulting fees in general and administrative expenses and cost of services.

TRENDED SELECTED QUARTERLY METRICS

Metrics	Q4'23	Q4'22	Q3'23	Q3'22	Q2'23	Q2'22	Q1'23	Q1'22
Home Health								
Total admissions	11,328	10,047	10,829	10,152	10,441	10,055	10,910	10,182
Total Medicare admissions	4,952	4,689	4,640	4,637	4,849	4,682	4,948	4,633
Medicare revenue per episode	$ 3,573	$ 3,497	$ 3,585	$ 3,589	$ 3,595	$ 3,580	$ 3,504	$ 3,539
Hospice								
Hospice total admissions	2,540	2,246	2,433	2,392	2,322	2,119	2,451	2,409
Hospice ADC	2,796	2,373	2,698	2,293	2,494	2,285	2,439	2,232
Average length of stay	96	93	98	90	93	97	92	87
Medicare Hospice revenue per patient day	$ 189	$ 182	$ 183	$ 176	$ 189	$ 176	$ 183	$ 179
Senior Living								
Communities	51	49	51	49	51	48	51	52
Units	3,588	3,500	3,588	3,500	3,588	3,400	3,588	3,719
Occupancy (a)	79.0 %	77.7 %	78.9 %	76.5 %	78.0 %	76.5 %	78.1 %	72.6 %
Average revenue per unit (a)	$ 4,093	$ 3,670	$ 3,991	$ 3,560	$ 3,939	$ 3,470	$ 3,846	$ 3,371

Segment Adjusted EBITDAR(b)	Q4'23	Q4'22	Q3'23	Q3'22	Q2'23	Q2'22	Q1'23	Q1'22
Home Health and Hospice	$ 18,242	$ 16,771	$ 17,271	$ 15,380	$ 15,681	$ 15,728	$ 14,412	$ 13,948
Senior Living	$ 11,900	$ 9,990	$ 11,473	$ 9,370	$ 11,680	$ 8,771	$ 10,241	$ 9,432

(a) Averages are based upon the average for the quarter, year-to-date figures will differ based on the period presented.

(b) Segment Adjusted EBITDAR dollars are reported in thousands.