PENNANT GROUP

Pre-Spin Investor Roadshow

September 2019

Disclaimers and Other Important Information

Statements in this presentation concerning The Pennant Group's ("Pennant" or the "Company") future prospects are forward-looking statements based on management's current expectations, assumptions and beliefs about our business, financial performance, operating results, the industry in which we operate and possible future events. These statements include, but are not limited to, statements regarding our growth prospects and future operating and financial performance. They are not guarantees of future results and are subject to risks, uncertainties and assumptions that could cause our actual results to materially and adversely differ from those expressed in any forward-looking statement.

Readers should not place undue reliance on any forward-looking statements and are encouraged to review our periodic filings with the Securities and Exchange Commission, including our recently filed Forms 10-K and 10-Q, for a more complete discussion of the risks and other factors that could affect Pennant's business, prospects and any forward-looking statements. These documents are available on our website at www.Pennantgroup.net. This information is provided as of today's date only, and except as required by federal securities law, Ensign does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changing circumstances or for any other reason after the date of this presentation.

We supplement our GAAP reporting with supplemental non-GAAP financial measures. These include performance measures using EBITDA, adjusted EBITDA metrics, and non-GAAP net income, and valuation measures using combined adjusted EBITDAR for the most recent annual and six-month periods. 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 non-GAAP financial measures is available in our Form 10, which was filed with the SEC, and a reconciliation to GAAP is included as an appendix to this presentation.

We included unaudited pro forma financials in this presentation. The unaudited pro forma combined financial information were not prepared in accordance with Article 11 of Regulation S-X. The following unaudited pro forma combined information are presented for illustrative purposes only and do not purport to reflect the results we may achieve in future periods or the historical results that would have been obtained had the spin-off been completed on January 1, 2018 or as of June 30, 2019 as the case may be. Also they do not give effect to the potential impact of current financial conditions, any anticipated synergies, operating efficiencies or cost savings that may result from the spin-off.

During this presentation we may reference operations in any or all of the 115 home health and senior living operations and other businesses operated by our subsidiaries. Each such business is operated as a separate, wholly-owned independent operating subsidiary that has its own management, employees and assets. References in the presentation to the consolidated "Company" and "its" assets and activities, as well as the use of the terms "we," "us," "our," and similar verbiage are not meant to imply that The Pennant Group, Inc. has direct operating assets, employees or revenue, or that any of the Operations, 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").

Today's Presenters

Daniel Walker

Chief Executive Officer

Years at Ensign / Pennant: 12

Jennifer Freeman

Chief Financial Officer

Years of Healthcare Experience: 15

John Gochnour

Chief Operating Officer

Years at Ensign / Pennant: 6

Derek Bunker

Chief Investment Officer

Years at Ensign / Pennant: 4

Spin-Off Timing Overview

Ticker	• When Issued: PNTGV • Regular Way: PNTG
Exchange	• NASDAQ
Distribution Ratio	• 1 Share of PNTG for Every 2 Shares of ENSG
When Issued Trading	• 09/19-09/30
Record Date	• 09/20
Complete Spin-Off (Before Market Open)	• 10/01
Regular Way Trading Begins	• 10/01

Table of Contents

Introduction to The Pennant Group

Pennant Group at a Glance

Highly Diversified by Payor, Service and Geography

Presence across **13**[1] States with **63**[1] Home Health and Hospice Agencies and **52**[1] Senior Living Operations; Revenue Generated from Multiple Sources

Clinical Excellence Driven by Quality Care and Outcomes

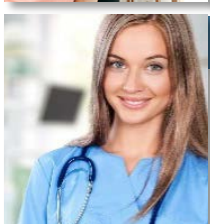
Average Star Rating Across All Pennant Agencies of **4.0 vs. Industry Average of 3.5**[2]

Strong Track Record of Growth

2011 - 2018 Revenue CAGR of **~37%** Driven by Solid Organic Growth and Disciplined Acquisition Strategy

Growing End Markets with Significant White Space

Less than **20%** of Home Health, Hospice and Senior Living Operations Owned by Large Operators – Significant Consolidation Opportunity



Proven Leadership Team

Management Team Comprised of Ensign Leaders with **~60** Years of Cumulative Experience at Ensign and the Industry that Drove Home Health, Hospice and Senior Living Expansion

(1) As of August 31, 2019.
(2) As of June 30, 2019.

Diversified Business and Payor Mix with Robust Operating Track Record

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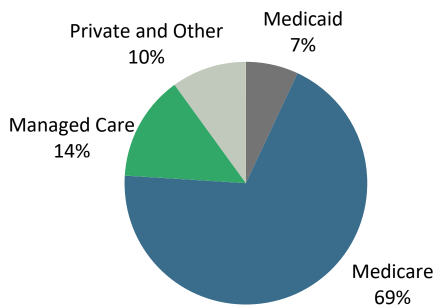
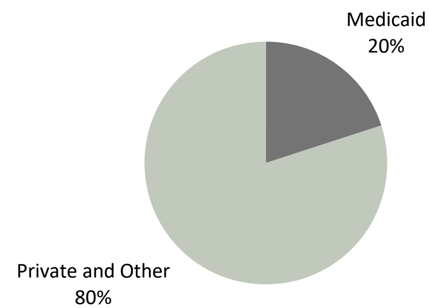
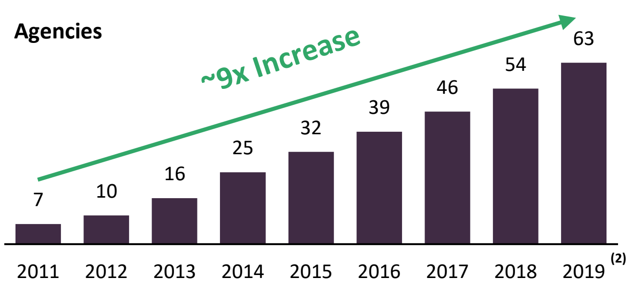
Home Health and Hospice *(59% of 2018 Revenue)*	Senior Living *(41% of 2018 Revenue)*

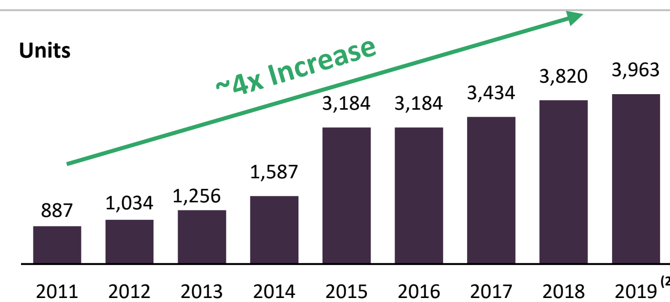
Payor Mix (1)





Units / Agencies





Operating Metrics (3)

- Average Medicare revenue per completed 60-day episode (Home Health): $3,024
- Average Daily Census (Hospice): 1,544

- Unit Occupancy: 80.1%
- Average monthly revenue per occupied unit: $3,109

(1) As of December 31, 2018.
(2) As of August 31, 2019.
(3) As of June 30, 2019; Represents 1H2019.

Diversified Geographic Mix with Growing National Presence

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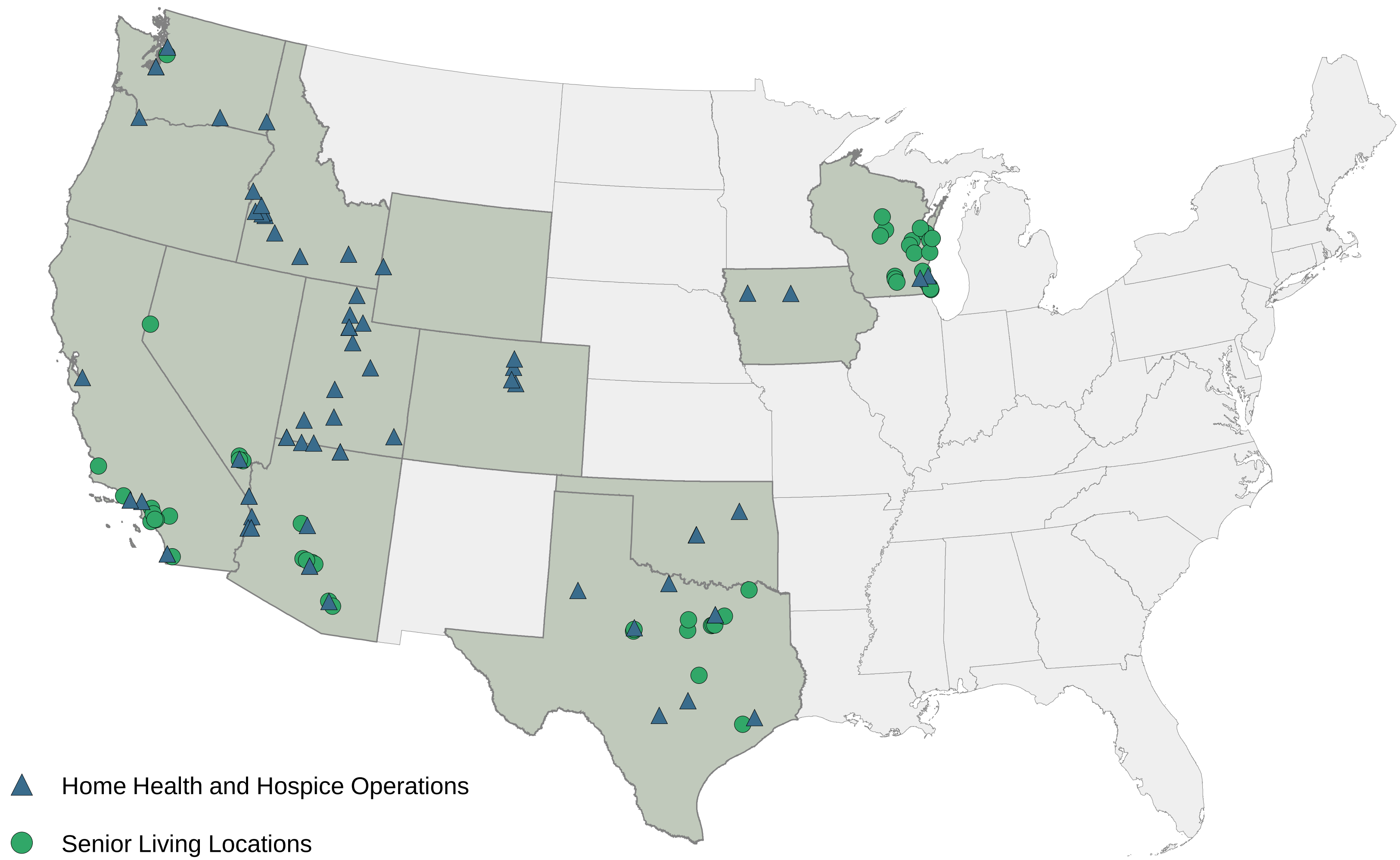
Diversified Geographic Mix Enables Ability to Strategically Expand within Both Existing and New Markets



Note: Location data as of August 31, 2019.

Track Record of Strong Financial Growth

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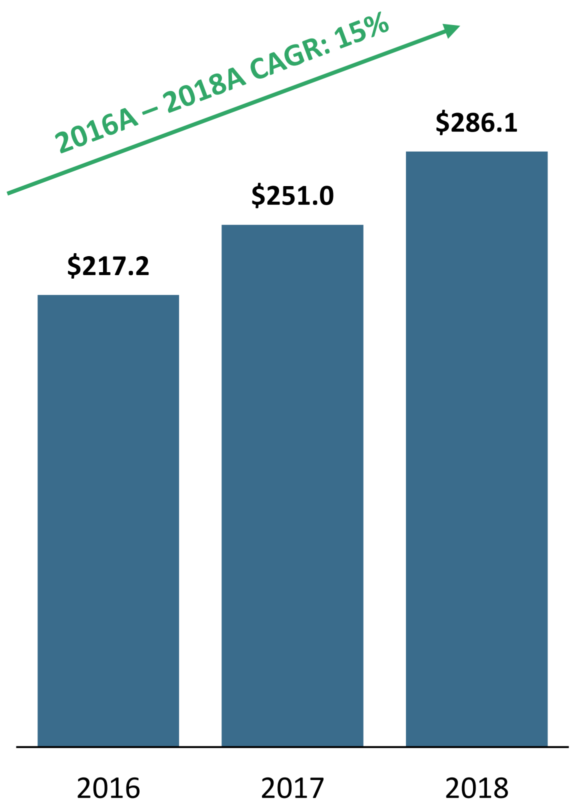
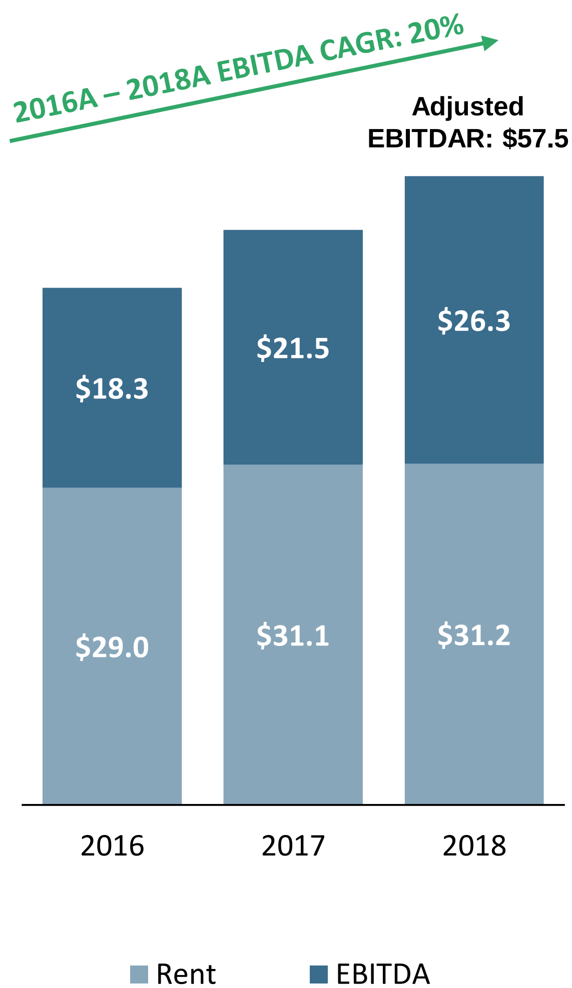
History of Strong Financial Performance and Growth

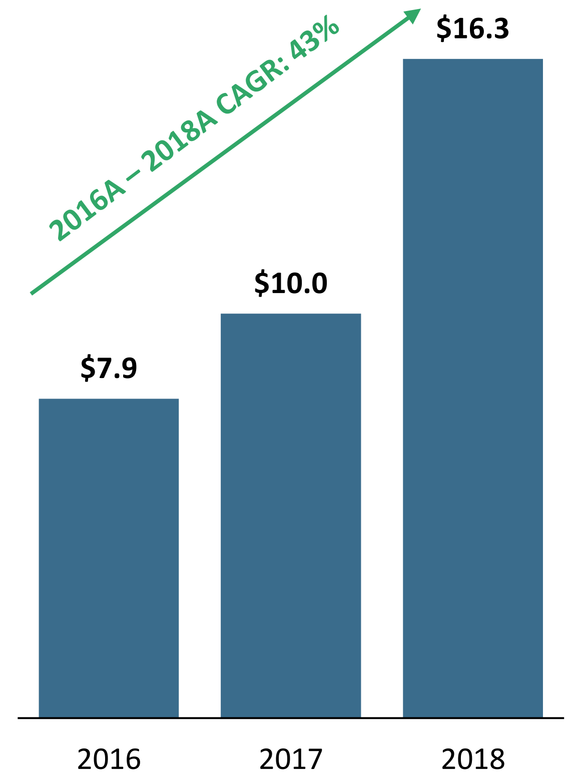
Net Revenue ($ in millions)



Adjusted EBITDA ($ in millions)



Net Income ($ in millions)



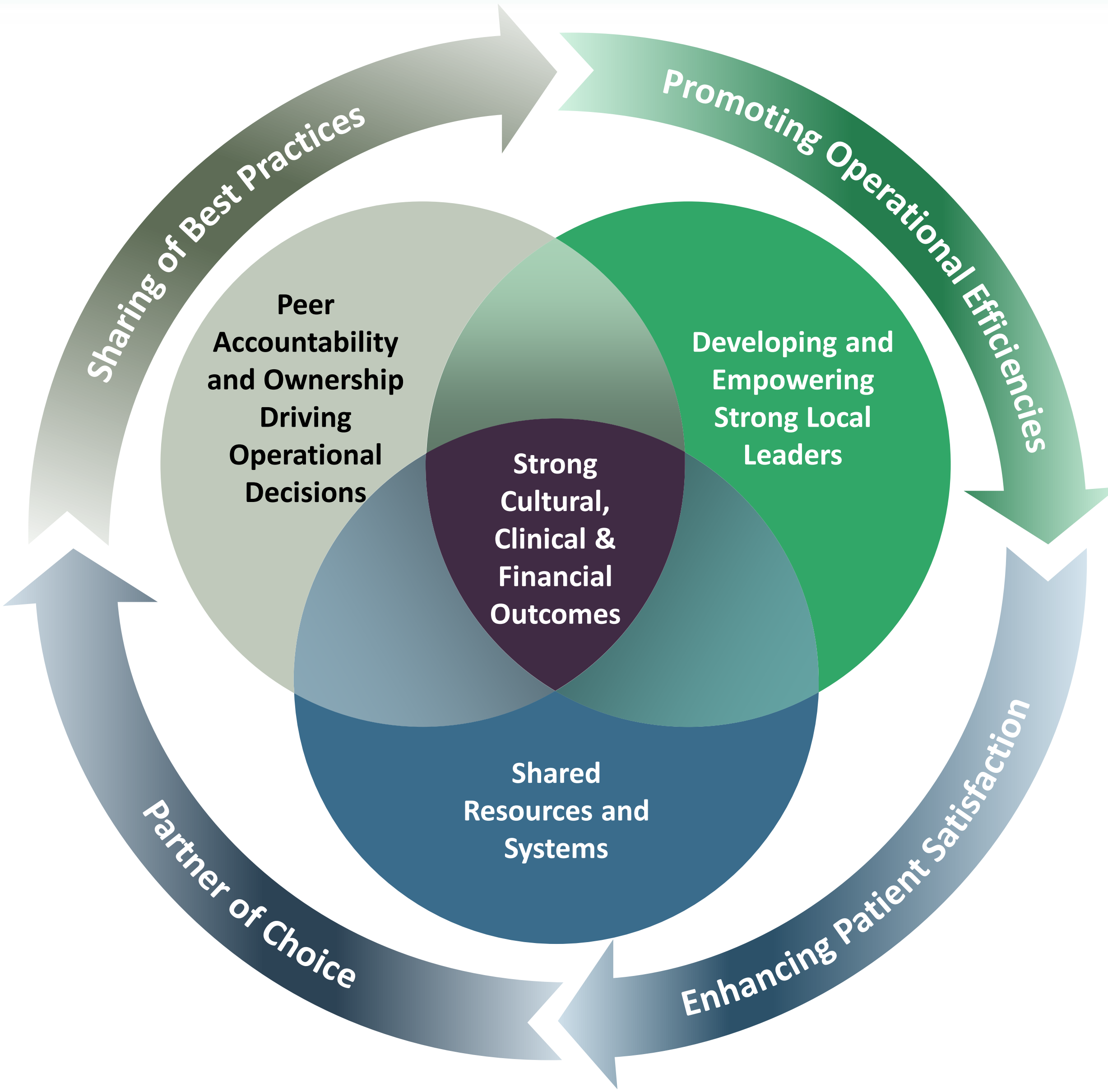
Note: See Appendix for a reconciliation of GAAP to non-GAAP financial measures, including net income and 2018 pro forma metrics.

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

1 Our Innovative Operating Model…



1 …Helps Us Achieve Superior Care Delivery…

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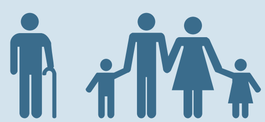
Local

- 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

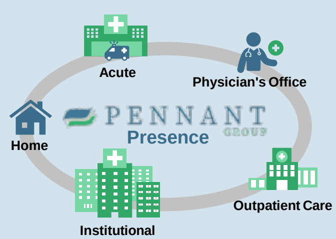


- Right care, right place, right time
- Ability to adapt to changing needs of patients, partners and community

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

1 …While Driving Shared Responsibility for Financial Outcomes

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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

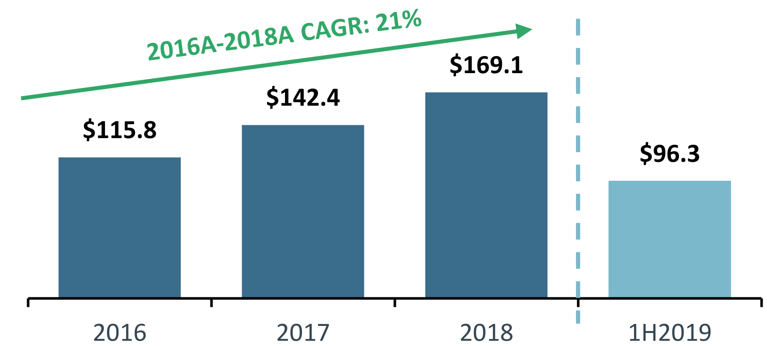
Operating Efficiencies

- 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

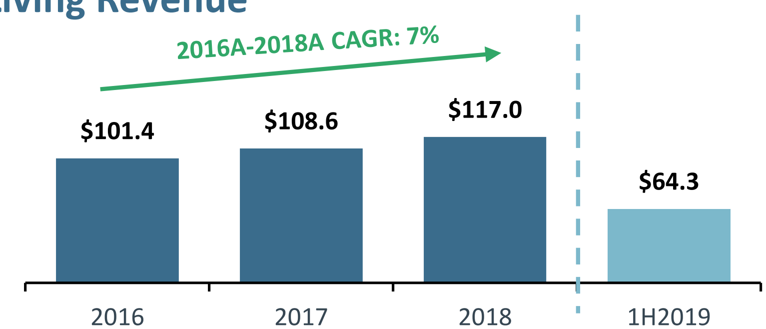
- Benchmarking of labor, DME, food supply and pharmacy costs on a per patient per day level

Home Health & Hospice Revenue



	2016	2017	2018	1H2019
Adj. EBITDA (1)	$15.0	$19.2	$24.2	$14.0
Rent	1.6	2.0	2.3	1.4
Segment Income (2)	13.7	16.8	23.4	12.9

Senior Living Revenue



	2016	2017	2018	1H2019
Adj. EBITDA (1)	$13.9	$14.9	$18.3	$8.7
Rent	27.4	29.3	28.9	15.4
Segment Income (2)	11.8	13.0	16.1	7.4

Note: Dollars in millions.
(1) See Appendix for a reconciliation of GAAP to non-GAAP financial measures, including net income and pro forma metrics.
(2) Represents segment income before provision for income taxes.

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

2 Demonstrated Clinical Outperformance

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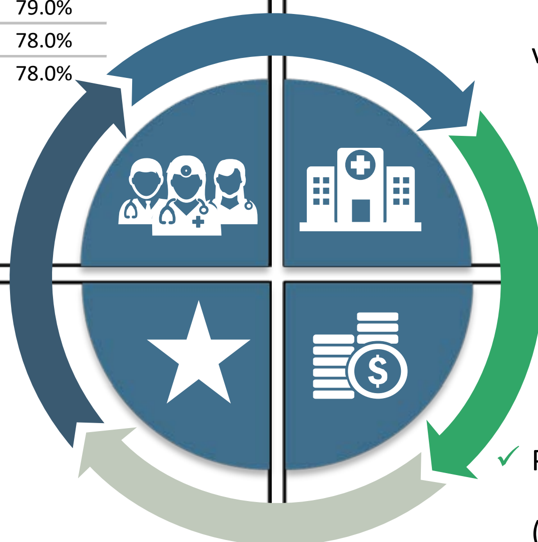
1 Focus on Quality Care (1)

Metric	Pennant	National Median
✓ Timely initiation of care	98.4%	96.4%
✓ Improvement in Ambulation	80.5%	75.8%
✓ Improvement in Pain	83.2%	79.0%
✓ How often patients' get better at bathing	85.3%	78.0%
✓ How often patients' breathing improved	82.9%	78.0%

2 Lower Hospitalizations (1)

✓ Only **13.9%** of home health patients admitted to hospital within **60** days vs. national median of **15.1%**



✓ Average **4.0** Star Rating vs. national average of **3.5**

4 High Star Ratings (2)

✓ Pennant's Medicare Spend Per Beneficiary (MSPB) lower by **1%** compared to National Average

3 Lower Cost (1)

Source: CMS and SHP analysis.
(1) Data as of December 31, 2018.
(2) Data as of June 30, 2019.

2 Local Market Operator of Choice

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Pennant Has 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

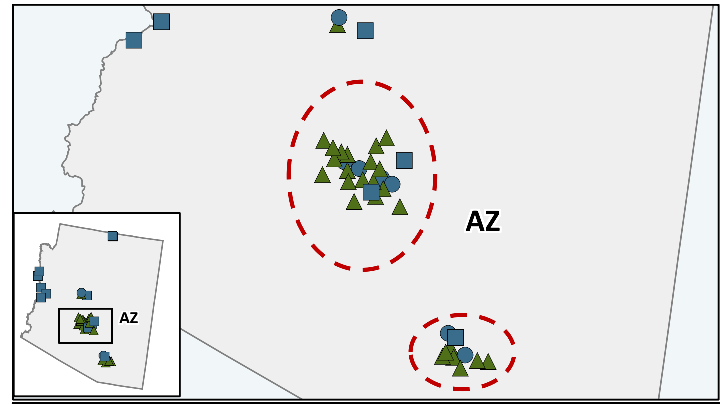
Pennant Has A Unique Care Delivery Approach

- 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

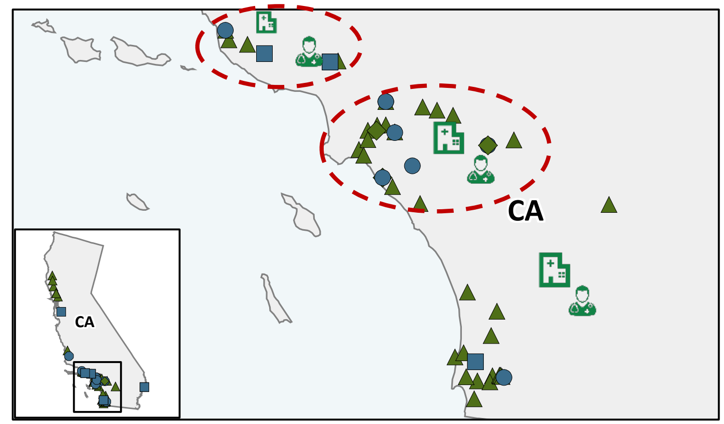
Phoenix Area



Examples of Partners in Area

UnitedHealthcare, St. Joseph's Hospital Health Center, Banner Health, Equality Health, Dignity Health, Honor Health

Southern California Area



Examples of Partners in Area

Scripps, Kaiser Permanente, SCAN Health Plan, UC San Diego Health, CHG Healthcare, UnitedHealthcare

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

2 Broad and Diversified Referral Sources

Overall, referrals generated from hundreds of sources across various local markets; no 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

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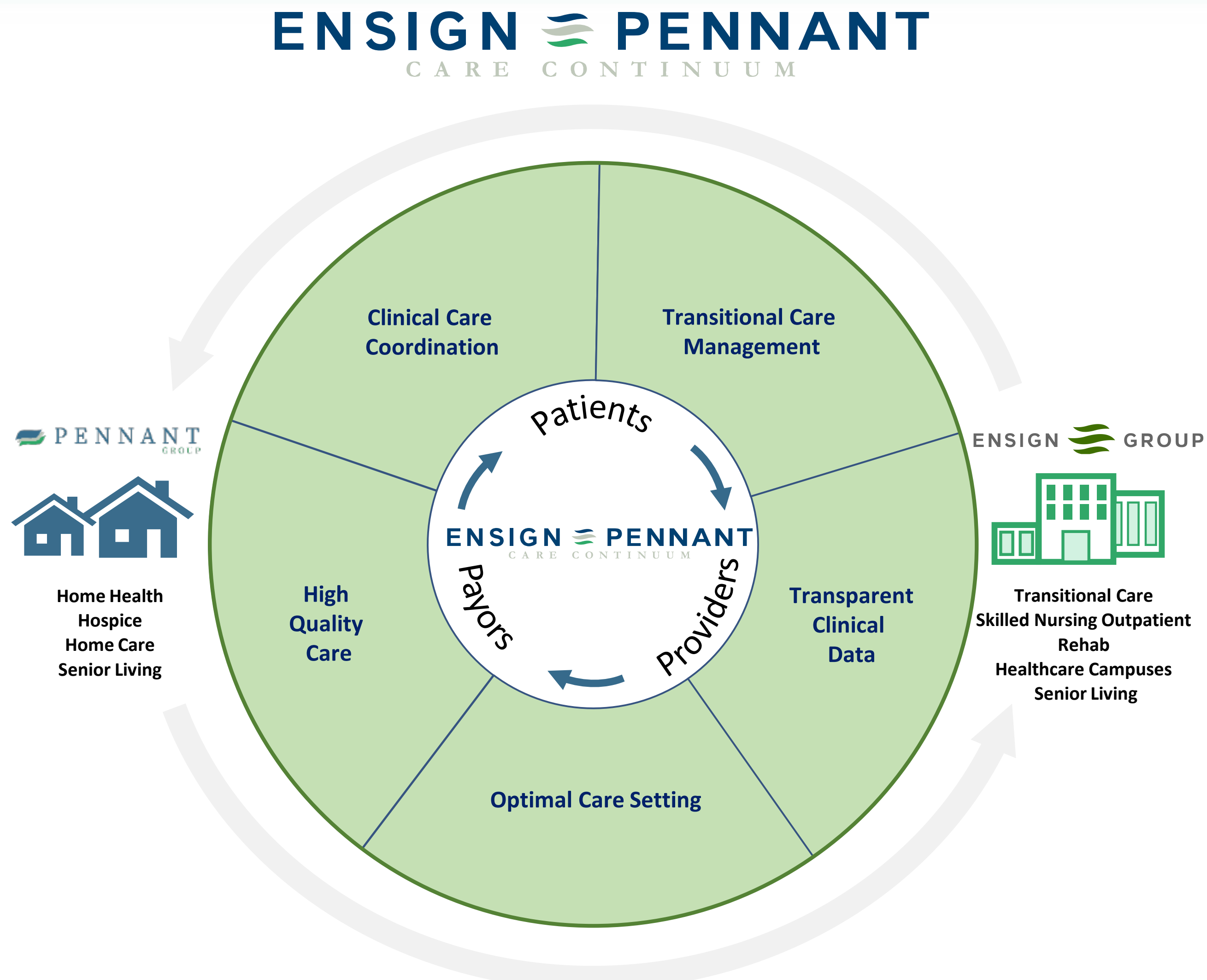
2 EPCC Will Continue to Drive Additional Value-Proposition with Our Partners

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

3 Favorable Market Drivers Fuel Long-term Sustainable Growth Potential

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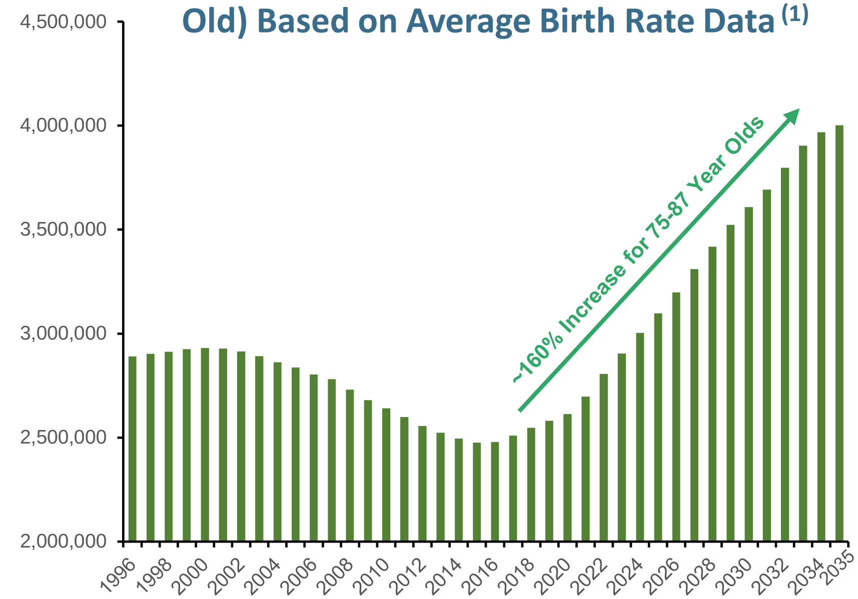
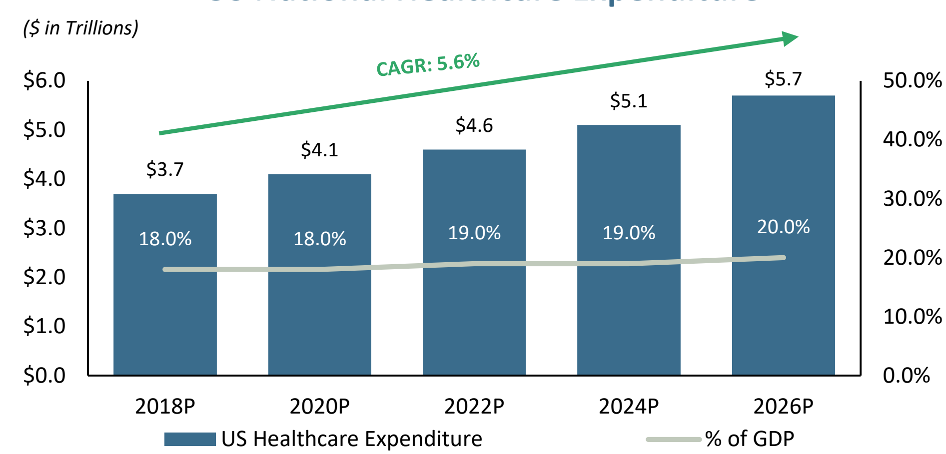
U.S. Healthcare Spending is Growing with a Key Driver Being the Aging Population

- 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

Estimated Annual Increase in Population (75-87 Years Old) Based on Average Birth Rate Data (1)



US National Healthcare Expenditure



Source: Industry research, CMS, ASHA and Census Bureau.

(1) Represents average number of births going back 75-87 years in any given year. For instance, 2000 data represents the average number of births from 1913-1925.

3 Operating in Growing Industries With Attractive Fundamentals

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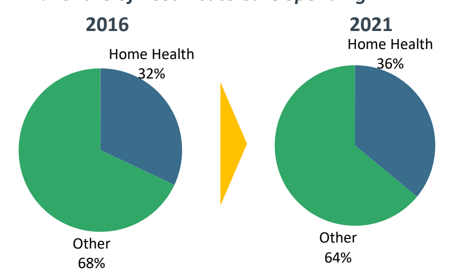
Home Health

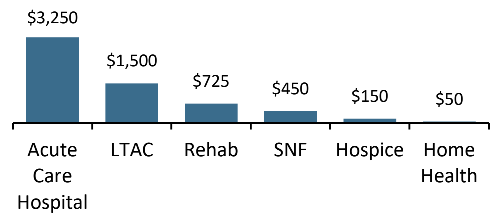
Home Health Services % Share of Post-Acute Spending Expected to Increase

% Share of Post-Acute Care Spending



Home Health saves 65x compared to Acute Care Hospitals

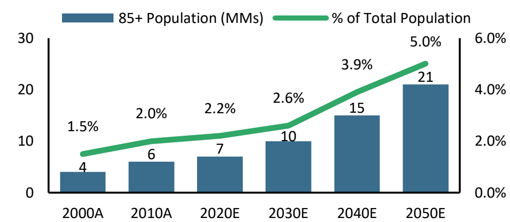
Average Medicare Cost / Day



Hospice

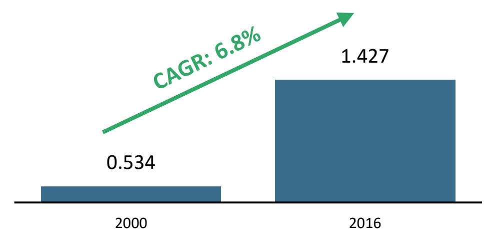
>40% of Hospice Care is Used by Population >85 Years of Age Which is Expected to Triple by 2050

Growing population 85 and Over



Use of Hospice by Medicare Patients Continues to Increase

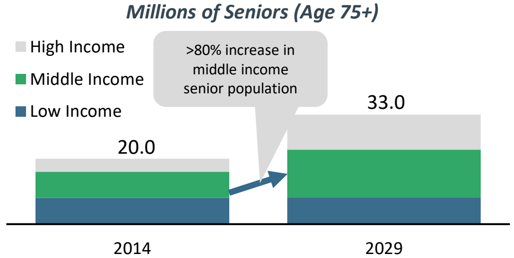
Number of Hospice Users in Millions (Medicare)



Senior Living

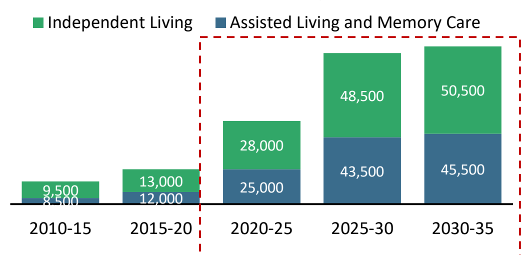
Growing Demand for Senior Living

Millions of Seniors (Age 75+)



Strong Demand Estimated in the Next Decade

Annual Estimated Demand for New Units



- 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
- 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
- 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 we operate in

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

4 Highly Fragmented Market with Significant Consolidation Opportunity

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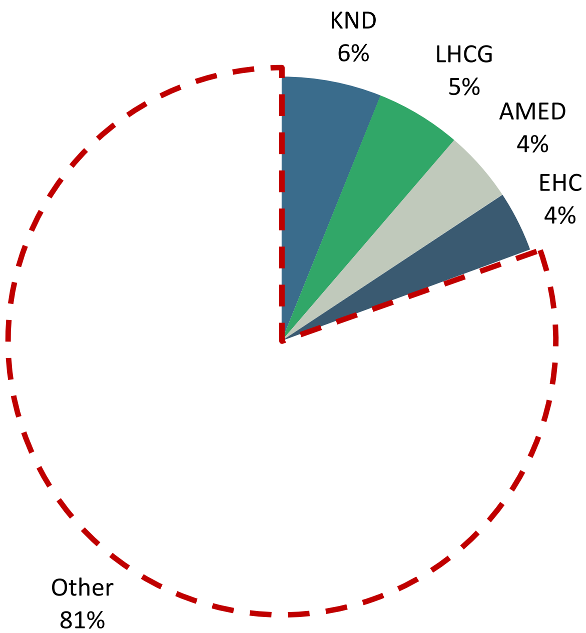
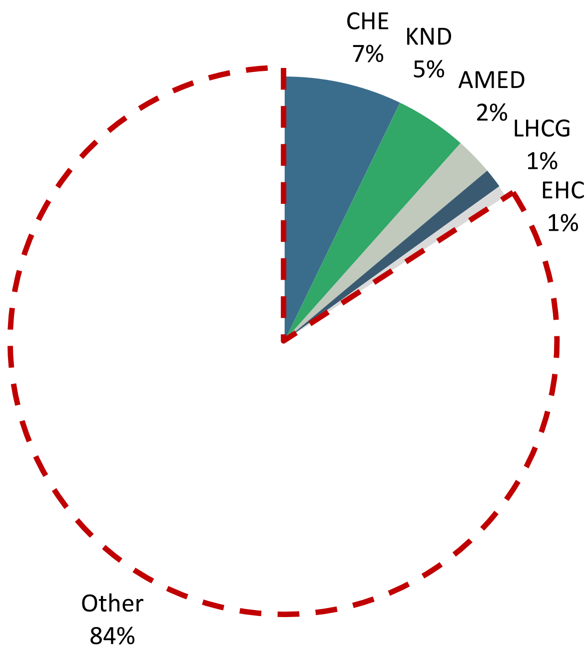
Significant Consolidation Opportunity Remains in Each of Our Target Markets

Market Share

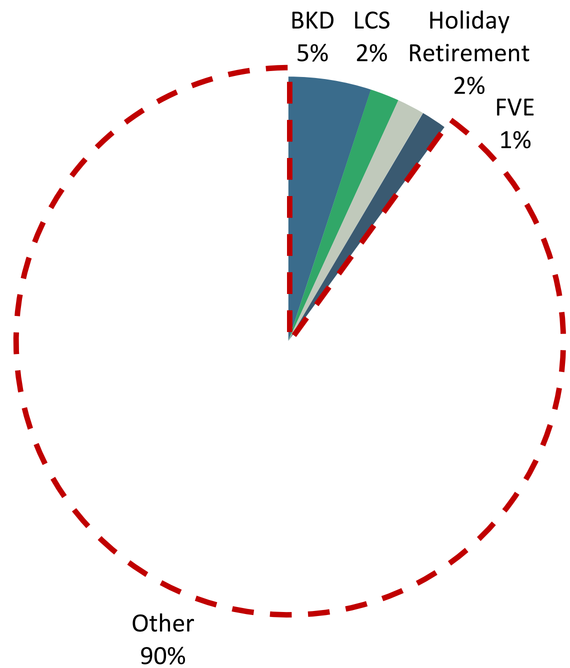
Home Health



Hospice



Senior Living



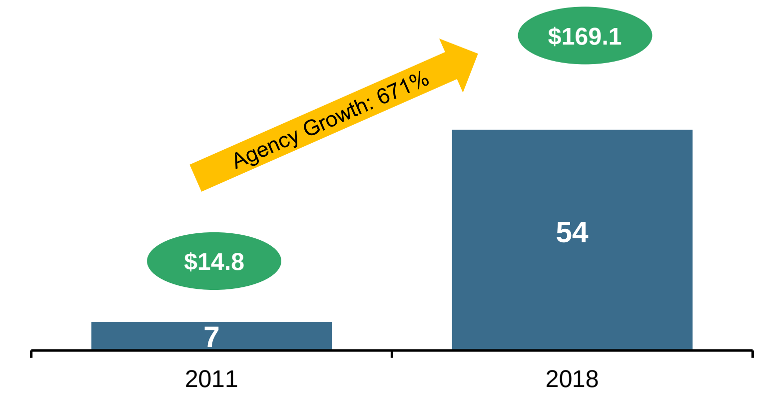
Source: Industry research, Kaufman Hall, ASHA and IQVIA.

4 Disciplined Acquisition and Organic Growth Strategy

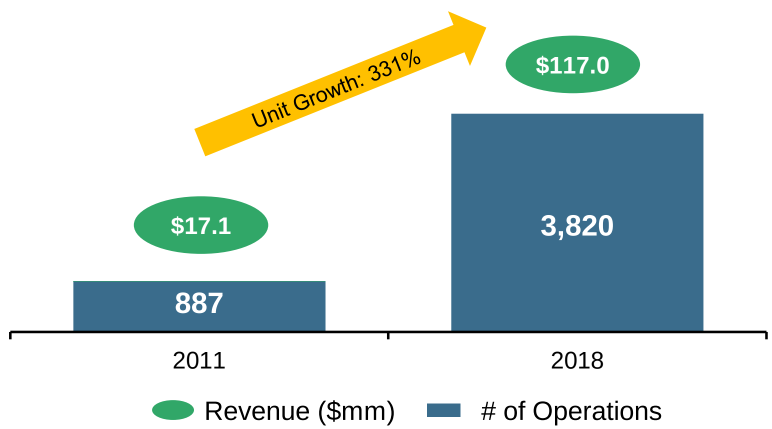
Proven Ability to Execute Acquisitions in Key Markets, Integrate into our Existing Markets and Improve Operations

- 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



4 Proven Acquisition Playbook

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Factors Considered When Evaluating Acquisition Targets

Small Yet Well Established Businesses 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

RESOLUTIONS HOSPICE

- **Location:** Austin, TX and Houston, TX areas
- Strategic location to serve EPCC affiliates
- Legacy of providing excellent hospice care
- Strong interdisciplinary team

Preceptor Home Health | Hospice

- **Location:** Milwaukee, Wisconsin area
- Expands WI continuum of care
- Strong home health, hospice and therapy services provider
- Robust clinical team

4 Transformational Integration of New Operations to Shared Systems and Platforms

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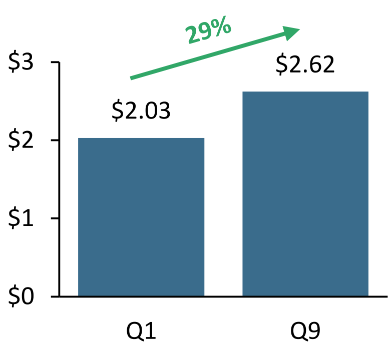
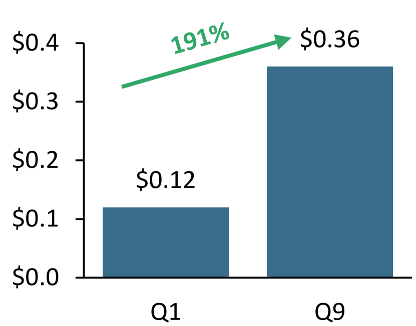
Examples of Improvements in Acquired Home Health and Hospice Agencies Performance

KinderHearts HOME HEALTH | HOSPICE

Revenue Growth

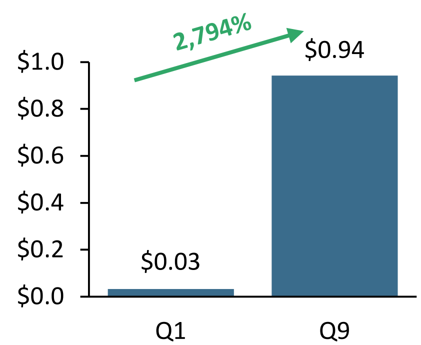


EBITDA Growth

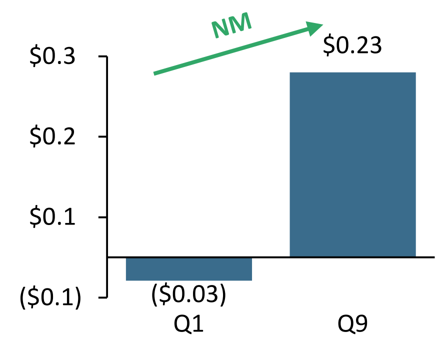


EMBLEM HOSPICE TUCSON LIFE-CHANGING SERVICE

Revenue Growth



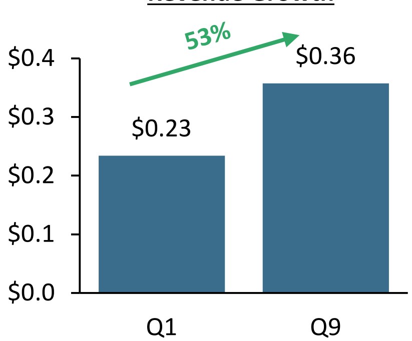
EBITDA Growth



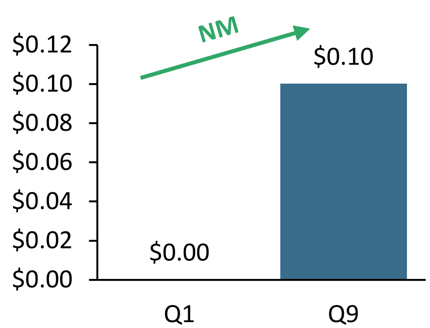
Examples of Improvement in Acquired Senior Living Operations Performance

Park Place Assisted Living

Revenue Growth

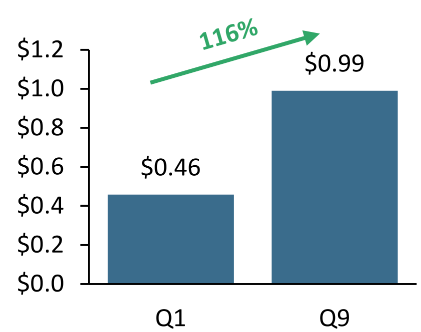


EBITDA Growth

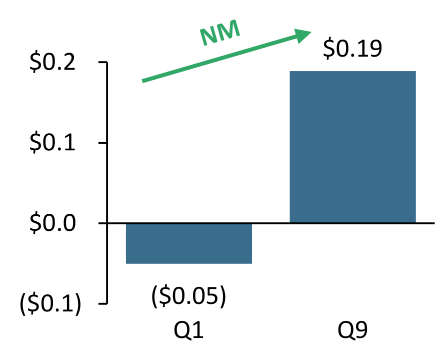


DESERT VIEW SENIOR LIVING

Revenue Growth



EBITDA Growth



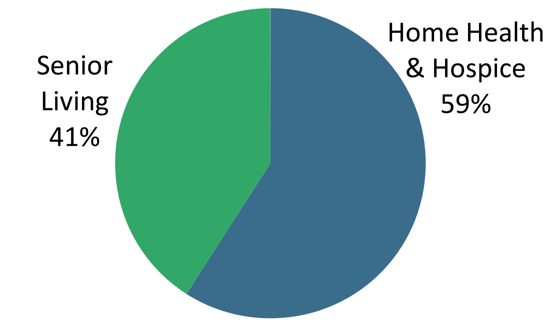
Note: Dollars in millions.
Note: Q1 refers to first completed quarter after acquisition.
Note: Growth %'s are calculated in whole dollars and may not recalculate using the rounded values shown.

Strong Financial Results Underlined by Diversified Service and Payor Mix

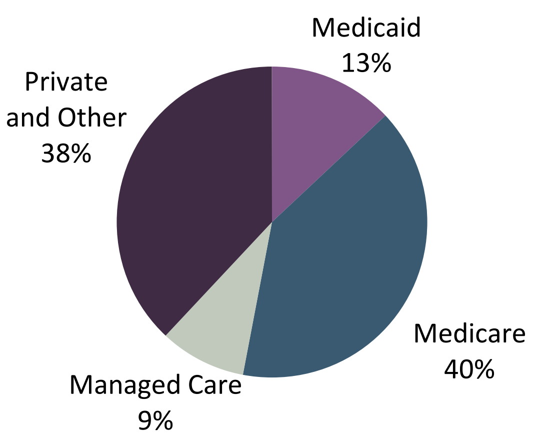
5

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

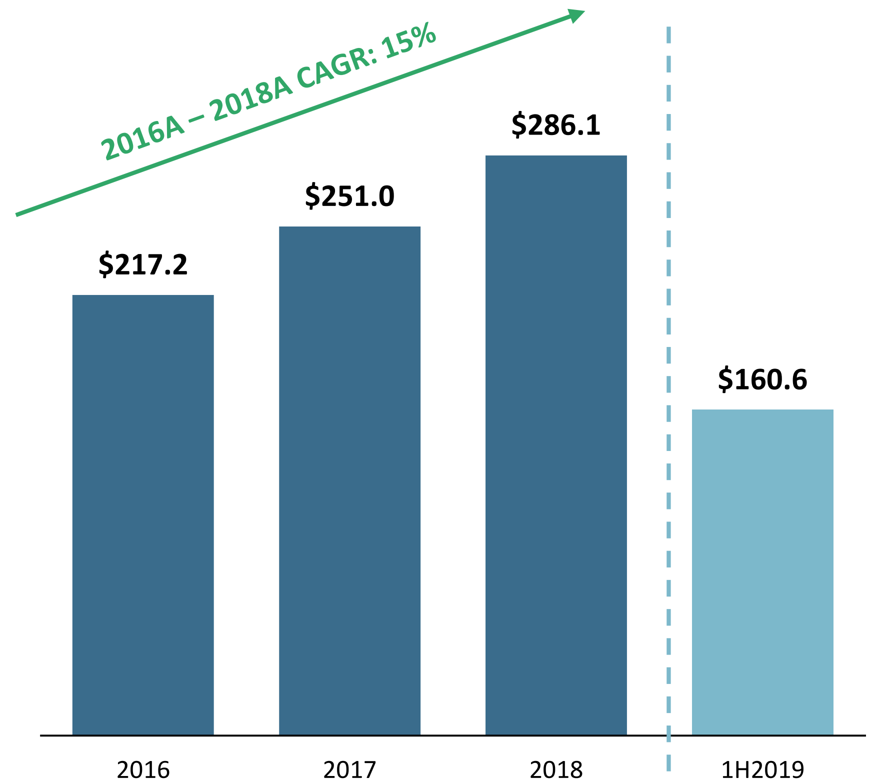
Service Mix (1)



Payor Mix (1)



Net Revenue ($ in millions)

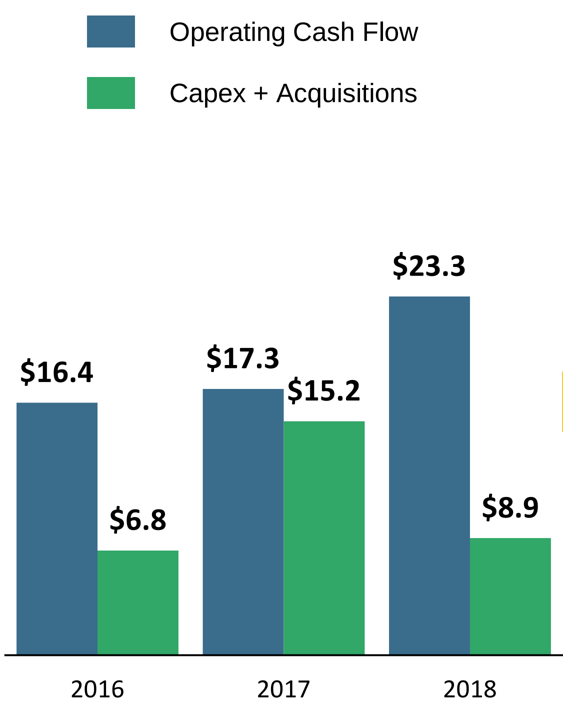


(1) Based on total 2018 Revenue of $286.1mm.

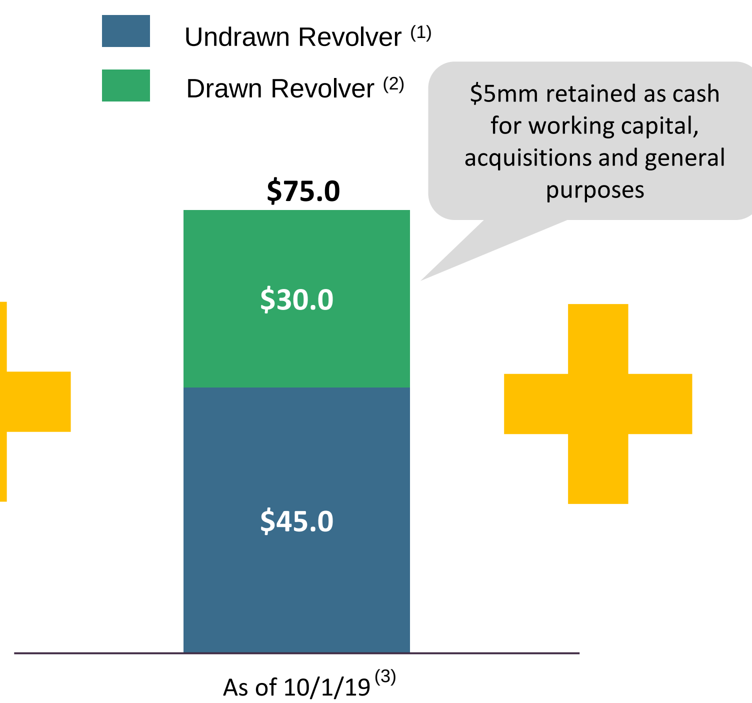
5 Focus on Maintaining a Strong Balance Sheet

PENNANT GROUP

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

Continued Execution in 2019 – Completed Acquisitions in 2019YTD

ALL COUNTY HOME CARE & HOSPICE Heart of the Hill Country
AGAPE Hospice
MAINPLACE SENIOR LIVING
Preceptor Home Health | Hospice
ROCKBROOK MEMORY CARE
RESOLUTIONS HOSPICE

Note: Dollars in millions.
(1) Represents estimated unfunded revolver at spin-off.
(2) $30mm of original $75mm revolver was drawn down; $5mm retained as cash on balance sheet and $25mm used for transaction costs and dividend to Ensign.
(3) The spin-off date.

6 Experienced Management Team Comprised of Healthcare Industry Veterans

PENNANT GROUP

Best-in-Class Management Team with ~60 Years of Combined Experience at Ensign and the Industry

Daniel Walker

Chief Executive Officer

- Years at Ensign / Pennant: 12
- Served as CEO & President of Cornerstone Healthcare, Ensign's home health subsidiary since 2010
- Played key leadership roles at Ensign, including as the leader of its new business ventures group since 2013
- At Ensign, closed more than 100 healthcare transactions including dozens in home health and hospice space

Jennifer Freeman

Chief Financial Officer

- New addition to Pennant with over 15 years of healthcare experience
- Served as CFO of Northpoint Recovery Holdings since 2017
- Prior to joining Northpoint, served as VP of Finance for MCG Health, LLC, leading their finance and contract teams
- Also served as VP of Finance for Coordinated Care Corporation, and CFO for Qualis Health and Molina Healthcare of Washington, Inc.

John Gochnour

Chief Operating Officer

- Years at Ensign / Pennant: 6
- 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

Derek Bunker

Chief Investment Officer

- Years at Ensign / Pennant: 4
- Currently responsible for overseeing strategic growth, investments, real estate matters, investor relations and various public company matters
- Also responsible for assisting the board in corporate governance matters in his role as corporate secretary
- Prior to joining Pennant, served as VP, Acquisitions and Business Legal Affairs of Ensign Services since 2015

Brent Guerisoli

President, Home Health and Hospice

- Years at Ensign / Pennant: 7
- 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

Brian Hulse

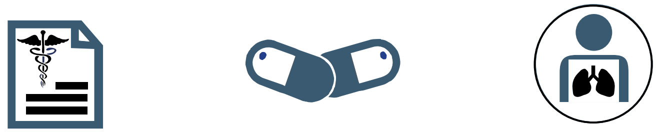
President, Senior Living

- Years at Ensign / Pennant: 16
- Served as market leader of Keystone Healthcare (Ensign affiliate) since 2016
- Previously served as Chief Human Capital Office of Ensign from 2012-2016
- President of Touchstone Care (Affiliate of Ensign) from 2009-2012
- Also Executive Director and CEO of Village Care Center as well as Arroyo Nursing Center (Ensign affiliates)

Growth Strategy & Financial Overview

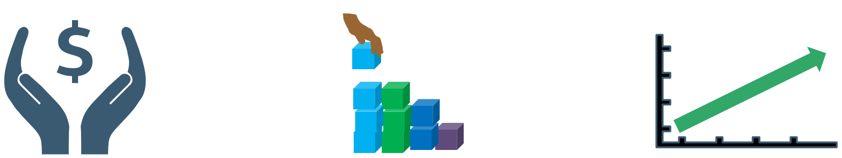
Growth Strategy

PENNANT GROUP



UnitedHealthcare
Banner Health
Scripps
ST. JOSEPH'S Hospital Health Center
HONOR HEALTH
UC San Diego Health
Dignity Health
scan HEALTH PLAN
CHG Healthcare
EQUALITY HEALTH
KAISER PERMANENTE
ENSIGN CARE
PENNANT CONTINUUM

Kinder Hearts HOME HEALTH | HOSPICE
EMBLEM HOSPICE TUCSON LIFE-CHANGING SERVICE
symbii home health and hospice
HORIZON HOME HEALTH & HOSPICE
Zion's Way Home Health & Hospice



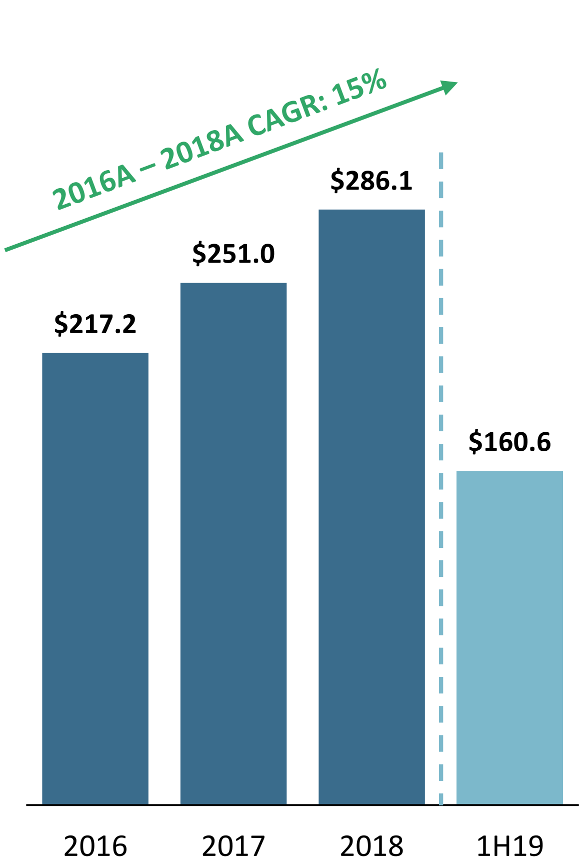
Pennant is well-positioned to perform and grow in large, fragmented markets

Track Record of Strong Financial Growth

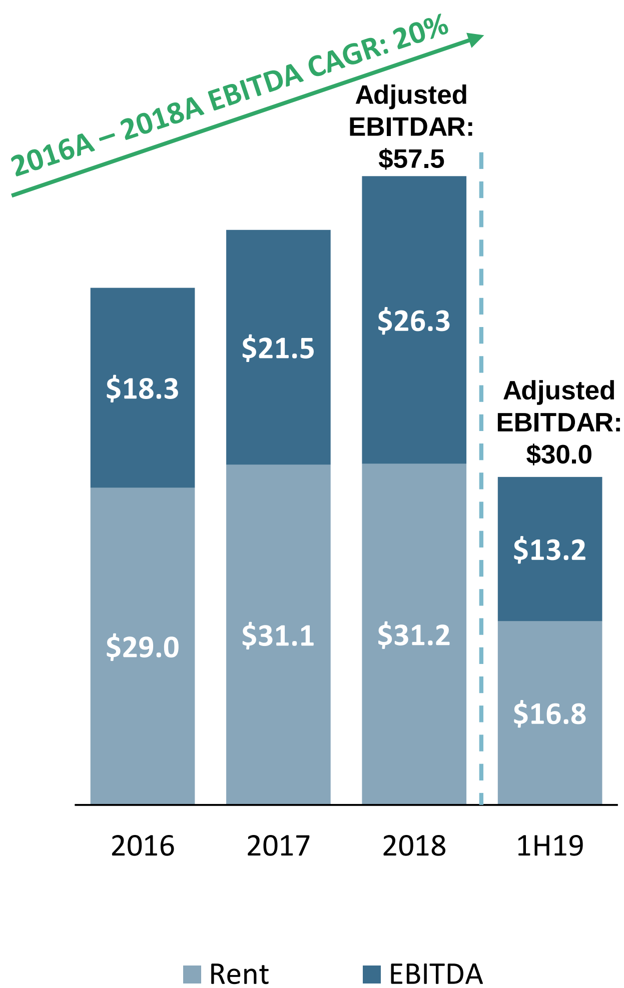
PENNANT GROUP

History of Strong Financial Performance and Growth

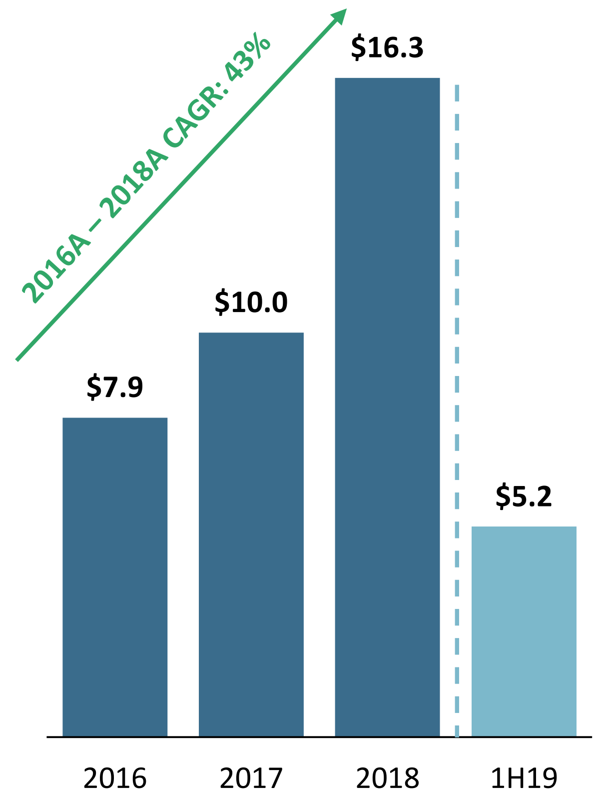
Net Revenue ($ in millions)



Adjusted EBITDA ($ in millions)



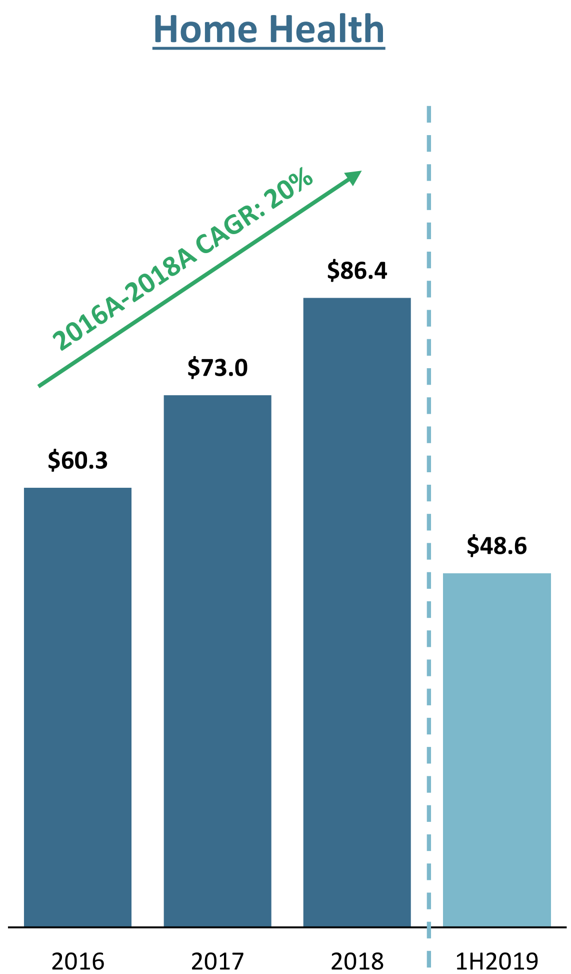
Net Income ($ in millions)

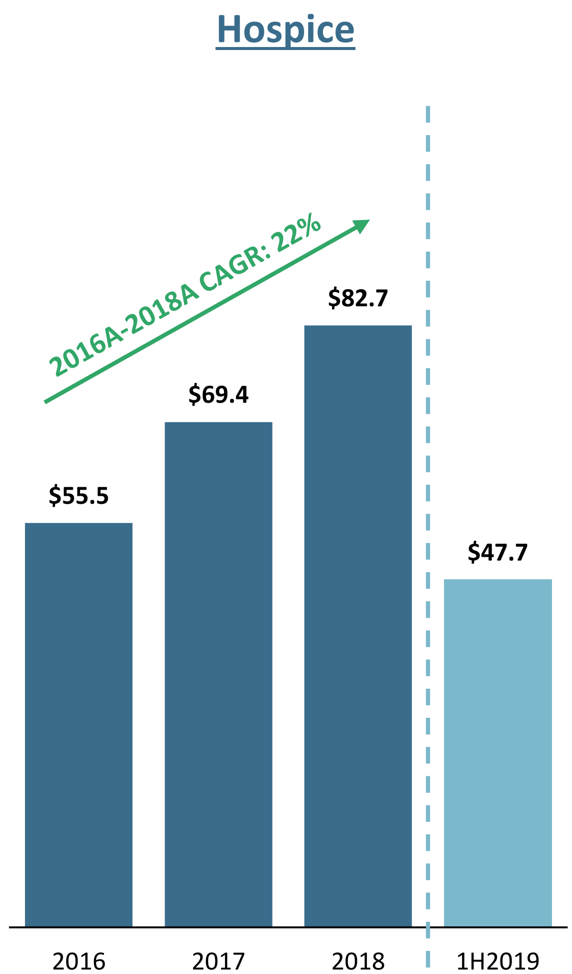


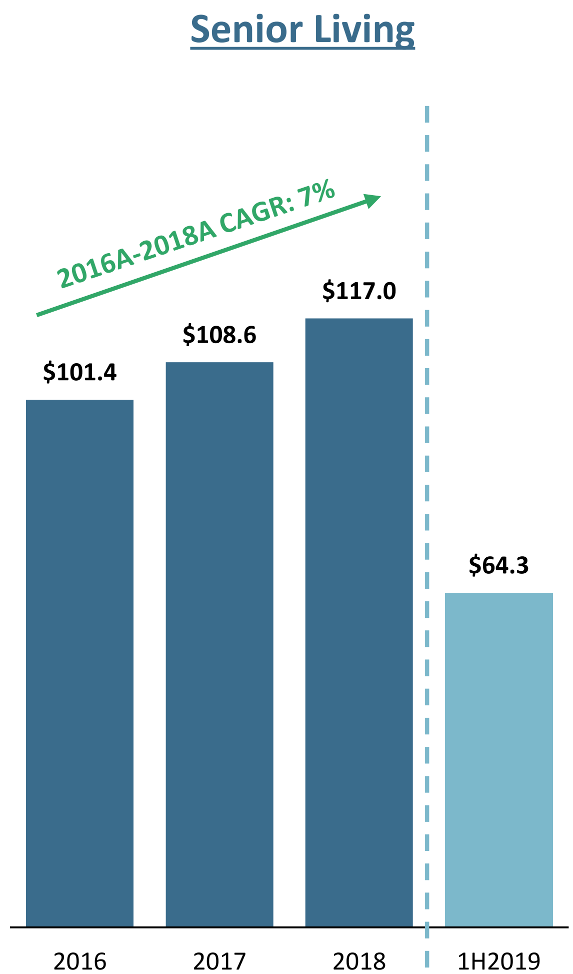
Note: See Appendix for a reconciliation of GAAP to non-GAAP financial measures, including net income and 2018 pro forma metrics.

Financial Overview – Segments Growth

Segment Revenue ($ in millions)





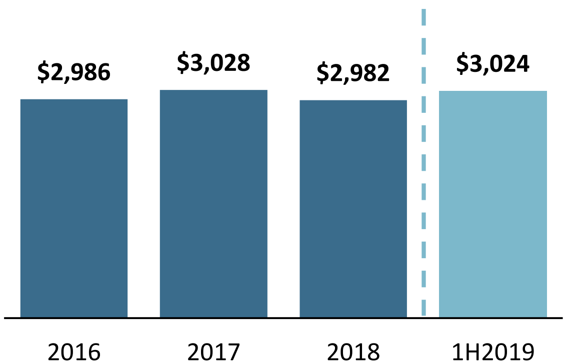


Financial Overview – Segments Metrics

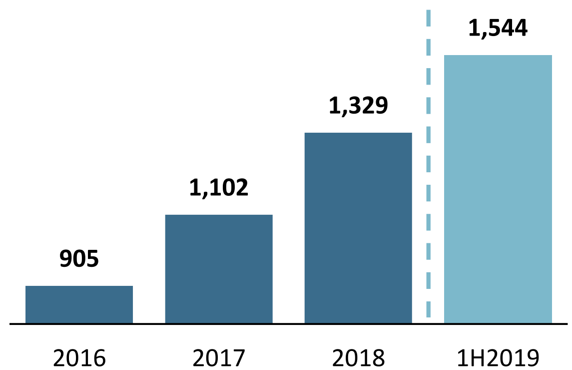
PENNANT GROUP

Operating Metrics ($ in millions)

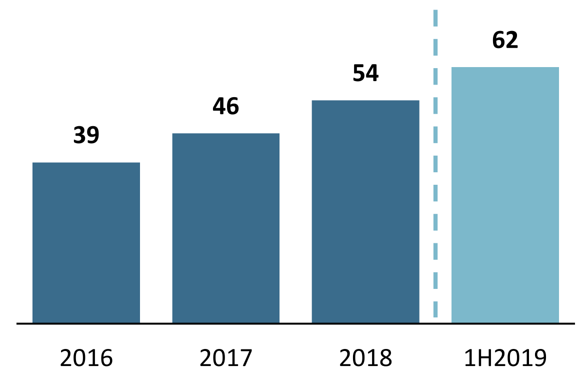
Avg. Home Health Medicare Revenue per Completed Episode



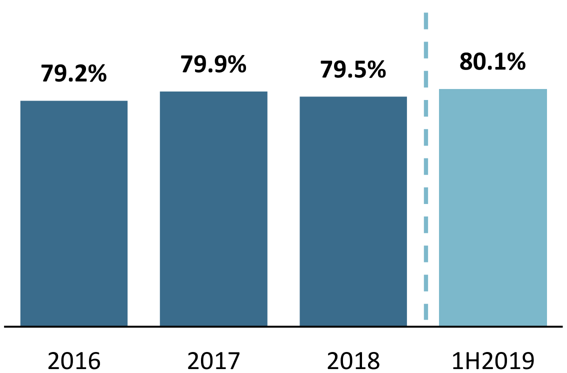
Avg. Hospice Daily Census



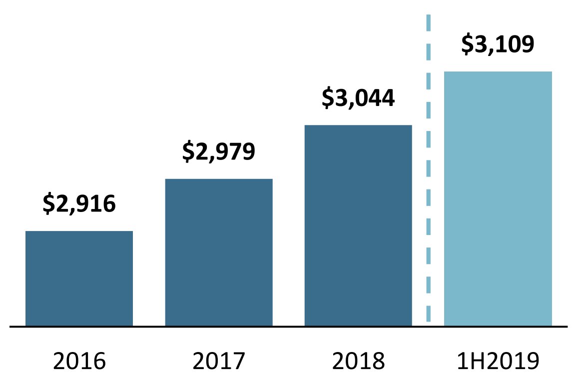
Home Health & Hospice Agencies



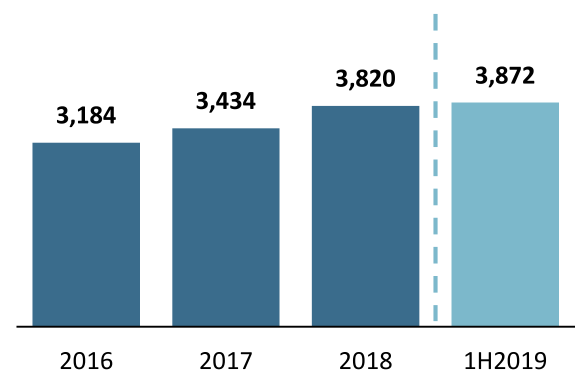
Senior Living Occupancy



Avg. Senior Living RevPOR



Senior Living Units



Financial Overview – Segments Profitability

PENNANT GROUP

Track Record of Strong Historical Performance at Both Key Business Segments

Segment | **Key Financial Metrics**

Home Health & Hospice

(Dollars in millions)	2016	2017	2018	'16-'18 CAGR	1H 2018	1H 2019
Adjusted EBITDA	$15.0	$19.2	$24.2	27.0%	$11.4	$14.0
% Margin	***13.0%***	***13.5%***	***14.3%***	--	***14.1%***	***14.5%***
Rent	$1.6	$2.0	$2.3	19.9%	$1.1	$1.4
Segment Income [1]	$13.7	$16.8	$23.4	30.7%	$11.1	$12.9
% Margin	***11.8%***	***11.8%***	***13.8%***		***13.7%***	***13.4%***

Senior Living

(Dollars in millions)	2016	2017	2018	'16-'18 CAGR	1H2018	1H2019
Adjusted EBITDA	$13.9	$14.9	$18.3	14.7%	$9.1	$8.7
% Margin	***13.7%***	***13.7%***	***15.6%***	--	***16.0%***	***13.5%***
Rent	$27.4	$29.3	$28.9	2.7%	$14.2	$15.4
Segment Income [1]	$11.8	$13.0	$16.1	16.8%	$8.0	$7.4
% Margin	***11.6%***	***12.0%***	***13.8%***		***14.1%***	***11.5%***

(1) Represents segment income before provision for income taxes.

Financial Overview – Expenses

PENNANT GROUP

Expenses

(Dollars in millions)	2016	2017	2018	1H2018	1H2019	Pro-Forma 1H2019
Revenue	**$217.2**	**$251.0**	**$286.1**	**$137.8**	**$160.6**	**$160.6**
% Growth	--	*15.5%*	*14.0%*	--	*16.6%*	--
% Revenue						
Cost of Services	*73.7%*	*74.6%*	*74.3%*	*74.0%*	*75.8%*	*75.8%*
Rent	*13.3%*	*12.5%*	*10.9%*	*11.1%*	*10.5%*	*11.6%*
G&A	*5.7%*	*5.8%*	*6.6%*	*6.5%*	*9.4%*	*6.5%*
D&A	*1.3%*	*1.0%*	*1.0%*	*1.1%*	*1.1%*	*1.1%*
Total Expenses	*94.0%*	*93.9%*	*92.8%*	*92.7%*	*96.8%*	*95.0%*

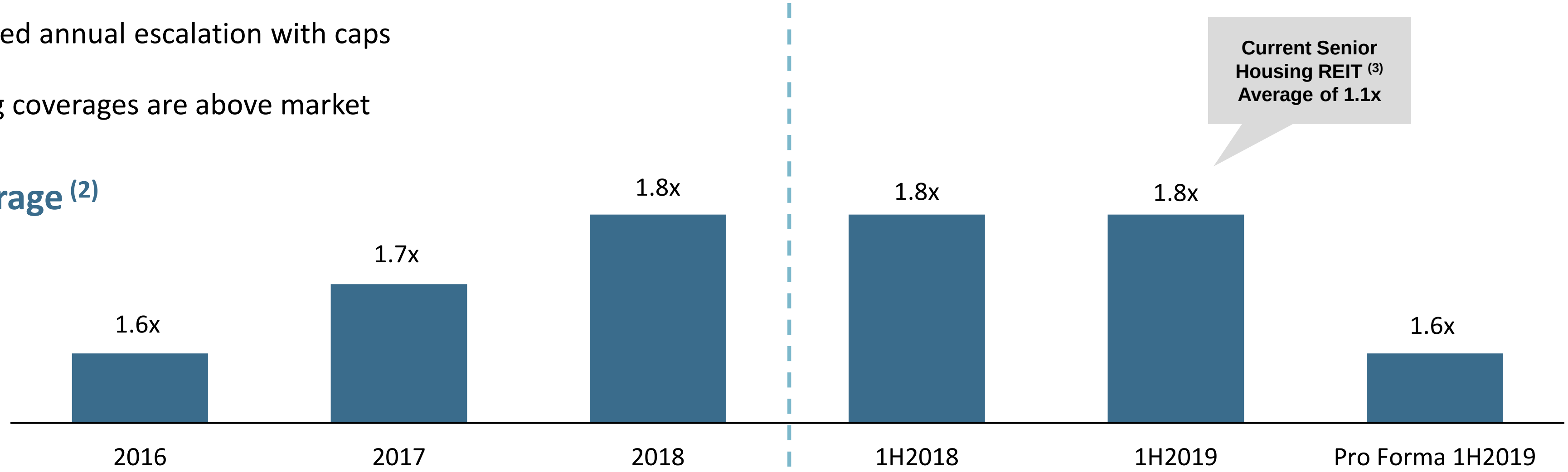
Selected Observations

- Growth reflects expanded operations of sixteen home health and hospice agencies and eight senior living communities in 2018 and 2019
- Cost of services increased as a percentage of revenue due to newly acquired operations
- G&A expense rate increased by less than 1% in FY18 primarily due to an increase in incentive expense and transaction related costs

Senior Living Community – Leases

- Currently leases 52 senior living communities from long-standing partners
  - Pennant will lease 28 of these from Ensign
- Key terms are as below:
  - Triple-net, non-cancelable operating leases
  - Initial lease terms of 14-20 years (1)
  - CPI-based annual escalation with caps
  - Starting coverages are above market

Rent Coverage (2)



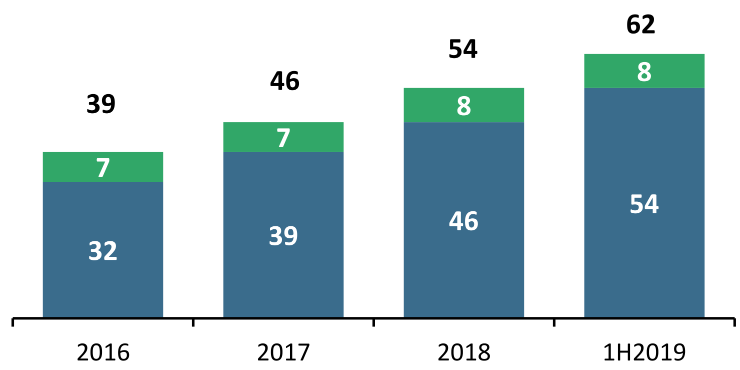
	2016	2017	2018	1H2018	1H2019	Pro Forma 1H2019
Adj. EBITDA	$18.3	$21.5	$26.3	$12.4	$13.2	$11.8
Rent	$29.0	$31.1	$31.2	$15.3	$16.8	$18.6
Adj. EBITDAR	--	--	$57.5	--	$30.0	$30.4

(1) Represents lease terms for senior living facilities only.
(2) Rent Coverage calculated as EBITDAR / Rent.
(3) Senior housing REITS included in average: CareTrust REIT, HCP, LTC REIT, National Health Investors, Sabra Health, Ventas, and Welltower. Triple net senior housing EBITDAR coverage as of 06/30/19 except CareTrust REIT and LTC REIT, which are as of 03/31/19. National Health Investors represents EBITDARM coverage.

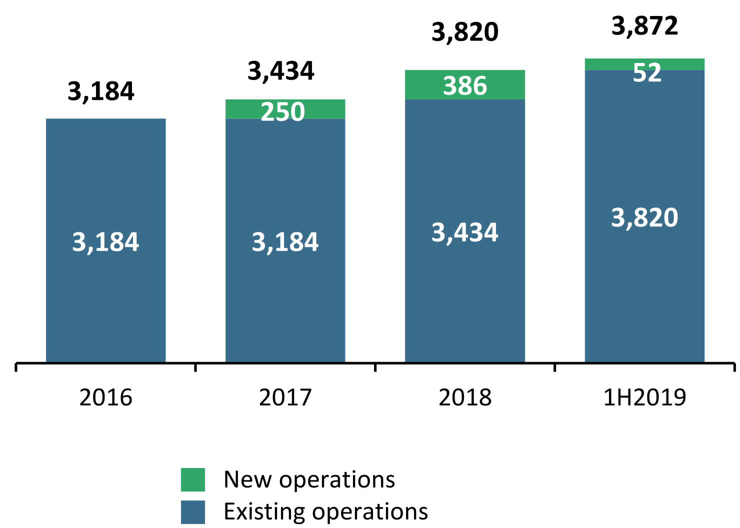
Financial Overview – Capex / Cash Flow Metrics

Capex and Key Cash Flow Metrics				
(Dollars in millions)	**2016**	**2017**	**2018**	**1H2019**
Changes in Working Capital	$0.9	($1.0)	$1.3	($4.7)
PP&E (Capex)	(3.5)	(3.1)	(3.6)	(3.6)
Asset and business acquisitions	(3.3)	(12.1)	(5.3)	(14.8)
Capex + Acquisitions	(6.8)	(15.2)	(8.9)	(18.4)
Cash Flow From Operations [1]	**$16.4**	**$17.3**	**$23.3**	**$4.0**

Growth in # of Home Health & Hospice Agencies



Growth in # of Senior Living Units



(1) Cash flow from operations is net income adjusted to reconcile net cash provided by operating activities.

Financial Overview – Balance Sheet

PENNANT GROUP

Strong Balance Sheet Positions Pennant Well to Continue Acquisition Strategy

Summary Balance Sheet Data:

	June 30, 2019	
	Historical	**Pro Forma Combined**
Cash & Cash Equivalents	$43	$5,043
Current Assets	32,208	37,208
Total Assets	**$356,665**	**$403,168**
Current Liabilities	$43,033	$43,131
Long-term Debt	--	30,000
Total Liabilities	**$270,177**	**$336,957**
Total Equity	**$86,488**	**$66,211** (1)

Debt Terms – Revolving Credit Facility (2):

Max Availability	▪ **$75 million**
Amount Drawn	▪ **$30 million**
Borrowing Cost	▪ **~5.2% per annum (estimated)**
Maturity Date	▪ **2024**
Leverage	▪ **~1.0x Net Debt / annualized pro forma adjusted EBITDA**
Lease Adjusted Leverage	▪ **~5.3x lease adjusted Net Debt / EBITDAR**

Note: Dollars in thousands.

(1) Represents an adjustment to reflect the pro forma recapitalization of our equity.

(2) The target outstanding balance of borrowings at the time of the separation arrangement was determined by management based on a review of a number of factors including credit rating considerations, forecasted liquidity and capital requirements, expected operating results and general economic conditions. Cash on hand following the separation is expected to be used for general operating purposes.

Investment Highlights

PENNANT GROUP

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

Non-GAAP and Unaudited Pro Forma Adjustments

We supplement our GAAP reporting with supplemental non-GAAP financial measures. These include performance measures using EBITDA, adjusted EBITDA metrics, and non-GAAP net income, and valuation measures using combined adjusted EBITDAR for the most recent annual and six-month periods. 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 non-GAAP financial measures is available in our Form 10, which was filed with the SEC, and a reconciliation to GAAP is included as an appendix to this presentation.

The Pro-Formas do not indicate future performance nor reflect what our financial position and results of operations would have been had we been acting as an independent, publicly-traded company during these time periods, including changes that will occur in capitalization and operations due to the spin-off from Ensign. In addition, the Pro-Formas are based on currently available information and certain assumptions that the Company believes are reasonable, and are provided for illustrative and informational purposes only. The Pro-Formas have been prepared to reflect adjustments to the Company's historical annual consolidated financial statements that are (1) directly attributable to the spin-off; (2) factually supportable; and (3) with respect to the unaudited pro forma **combined statement of income statements of operation**s, expected to have a continuing impact on the Company's results of operations. The Pro-Formas include adjustments to reflect the following:

- The elimination of the operating results of The Pennant Group Businesses;
- The elimination of spin-off related transaction costs;
- Revisions to the Company's debt structure in connection with the spin-off; and
- The impact of, and transactions contemplated by, the proposed Separation and Distribution Agreement, the Tax Matters Agreement, and Employee Matters Agreement entered into between Ensign and Pennant in connection with the spin-off.

Reconciliation of GAAP to Non-GAAP Net Income

PENNANT GROUP

$ in thousands	Six Months Ended June 30, 2019
Net Income attributable to New Ventures	$ 4,821
Non-GAAP adjustments	
Costs at start up operations [(a)]	326
Share-based compensation expense [(b)]	1,127
Amortization of patient base [(c)]	29
Acquisition-related costs [(d)]	541
Spin-off related transaction costs [(e)]	4,648
Provision for income taxes on non-GAAP adjustments [(f)]	(2,984)
Non-GAAP Net Income	**$ 8,508**

Footnotes to Reconciliation of Net Income to Non-GAAP net income.
(a) Represents results related to start-up operations.
(b) Represents share-based compensation expense incurred.
(c) Included in depreciation and amortization are amortization expenses related to patient base intangible assets at newly acquired assisted living facilities.
(d) Costs incurred to acquire an operation which are not capitalizable.
(e) Included in general and administrative expense are costs incurred in connection with our proposed spin-off to a newly formed publicly traded company.
(f) Represents an adjustment to the provision for income tax to our historical year to date effective tax rate of 25.0% for the six months ended June 30, 2019.

Reconciliation of GAAP to Non-GAAP Net Income

PENNANT GROUP

$ in thousands	Year Ended December 31,		
	2018	2017	2016
Net Income attributable to New Ventures	$ 15,684	$ 9,867	$ 7,891
Non-GAAP adjustments			
Costs at start up operations [a]	159	540	210
Share-based compensation expense [b]	2,382	2,298	2,341
Amortization of patient base [c]	87	86	150
Results related to closed operations [d]		885	
Spin-off related transaction costs [e]	756		
Provision for income taxes on non-GAAP adjustments [f]	(1,652)	(2,040)	(1,035)
Non-GAAP Net Income	**$ 17,416**	**$ 11,636**	**$ 9,557**

Footnotes to Reconciliation of Net Income to Non-GAAP net income.

(a) Represents results related to start-up operations.
(b) Represents share-based compensation expense incurred.
(c) Included in depreciation and amortization are amortization expenses related to patient base intangible assets at newly acquired assisted living facilities.
(d) Represents results at closed operations. This amount excludes rent, depreciation and amortization expense.
(e) Included in general and administrative expense are costs incurred in connection with our proposed spin-off of our home health and hospice operations and substantially all of our senior living operations to a newly formed publicly traded company.
(f) Represents an adjustment to the provision for income tax to our historical year to date effective tax rates of 25.0%, 38.6%, and 38.9% for prior years ended December 31, 2018, 2017, and 2016, respectively.

Reconciliation of GAAP to Non-GAAP Adjusted EBITDA and Adjusted EBITDAR – 1H 2019 / 1H2018

$ in thousands	Period Ended June 30,		
	Pro Forma 2019	2019	2018
Net Income	$ 6,531	$ 5,171	$ 7,912
Less: Net income attributable to noncontrolling interest	—	350	370
Add: Provision for income taxes	421	(32)	2,200
Depreciation and amortization	1,772	1,772	1,435
Interest Expense	1,039	—	—
EBITDA	**$ 9,763**	**$ 6,561**	**$ 11,177**
Adjustments to EBITDA:			
Add: Costs incurred for facilities currently being constructed and other start-up operations (a)	317	317	36
Share-based compensation expense (b)	1,127	1,127	1,177
Acquisition-related costs (c)	541	541	—
Spin-off related transaction related costs (d)	—	4,648	—
Rent related to items (a) above	9	9	13
Adjusted EBITDA	**$ 11,757**	**$ 13,203**	**$ 12,403**
Add: Rent—cost of services	18,626	16,830	15,289
Less: Rent related to items (a) above	(9)	(9)	(13)
Adjusted Rent—cost of services	18,617	16,821	15,276
Adjusted EBITDAR	**$ 30,374**	**$ 30,024**	—

Footnotes to Reconciliation of Net Income to EBITDA, Adjusted EBITDA and Adjusted EBITDAR.

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

(b) Share-based compensation expense incurred.

(c) Acquisition related costs that are not capitalizable.

(d) Included in general and administrative expense are costs incurred in connection with our proposed spin-off of our home health and hospice operations and substantially all of our senior living operations to a newly formed publicly traded company.

Reconciliation of GAAP to Non-GAAP Adjusted EBITDA And Adjusted EBITDAR

$ in thousands	Year Ended December 31,			
	Pro Forma			
	2018	2018	2017	2016
Net Income	$12,613	$ 16,279	$ 10,027	$ 7,917
Less: Net income attributable to noncontrolling interest	—	595	160	26
Add: Provision for income taxes	3,130	4,352	5,375	5,065
Depreciation and amortization	2,964	2,964	2,544	2,855
Interest Expense	1,944			
EBITDA	**20,651**	**$ 23,000**	**$ 17,786**	**$ 15,811**
Adjustments to EBITDA:				
Add: Costs at Start-up operations [a]	129	129	478	157
Results related to closed operations [b]	—	—	728	—
Share-based compensation expense [c]	2,382	2,382	2,298	2,341
Spin-off related transaction related costs [d]	—	756	—	—
Rent related to items [a] and [b] above	30	30	190	36
Adjusted EBITDA	**23,192**	**$ 26,297**	**$ 21,480**	**$ 18,345**
Add: Rent—cost of services	34,899	31,199	31,304	28,953
Less: Rent related to items [a] and [b] above	(30)	(30)	(190)	(36)
Adjusted Rent—cost of services	34,869	31,169	31,114	28,917
Adjusted EBITDAR	**$58,061**	**$ 57,466**	—	—

Footnotes to Reconciliation of Net Income to EBITDA, Adjusted EBITDA and Adjusted EBITDAR.

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

(b) Represents results at closed operations. This amount excludes rent, depreciation and amortization expense.

(c) Share-based compensation expense incurred.

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

Reconciliation by Segment – 1H 2019 / 1H 2018

$ in thousands	Six Months Ended June 30,			
	Home Health and Hospice		Senior Living Services	
	2019	2018	2019	2018
Segment income before provision for income taxes [a]	**$ 12,888**	**$ 11,087**	**$ 7,434**	**$ 8,016**
Less: Net income attributable to noncontrolling interest	350	370	—	—
Add: Depreciation and amortization	580	526	1,142	909
EBITDA	**13,118**	**11,243**	**8,576**	**8,925**
Adjustments to EBITDA:				
Add: Costs at start-up operations [b]	317	36	—	—
Share-based compensation expense [c]	87	95	137	150
Acquisition related costs [d]	438	—	—	—
Rent related to item (b) above	9	13	—	—
Adjusted EBITDA	**$ 13,969**	**$ 11,387**	**$ 8,713**	**$ 9,075**
Rent – cost of services	$ 1,414	$ 1,089	$ 15,416	$ 14,200

Footnotes to Reconciliation of Adjusted EBITDA.

(a) General and administrative expenses are not allocated to any segment for purposes of determining segment profit or loss.

(b) Costs incurred for start-up operations. This amount excludes rent, depreciation and amortization expense.

(c) Share-based compensation expense incurred and included in cost of services.

(d) Acquisition related costs that are not capitalizable.

Reconciliation by Segment – 2016-2018

$ in thousands	Year Ended December 31,					
	Home Health and Hospice			Senior Living Services		
	2018	2017	2016	2018	2017	2016
Segment income before provision for income taxes [a]	**$ 23,375**	**$ 16,832**	**$ 13,676**	**$ 16,099**	**$ 13,033**	**$ 11,754**
Less: Net income attributable to noncontrolling interest	595	160	26	—	—	—
Add: Depreciation and amortization	1,045	945	924	1,919	1,599	1,931
EBITDA	**23,825**	**17,617**	**14,574**	**18,018**	**14,632**	**13,685**
Adjustments to EBITDA:						
Add: Costs at start-up operations [b]	129	478	157	—	—	—
Results related to closed operations [c]	—	728	—	—	—	—
Share-based compensation expense[d]	192	207	253	294	271	204
Rent related to item (b) and (c) above	30	190	36	—	—	—
Adjusted EBITDA	**$ 24,176**	**$ 19,220**	**$ 15,020**	**$ 18,312**	**$ 14,903**	**$ 13,889**
Rent – cost of services	$ 2,281	$ 1,977	$ 1,564	$ 28,918	$ 29,327	$ 27,389

Footnotes to Reconciliation of Adjusted EBITDA.

(a) General and administrative expenses are not allocated to any segment for purposes of determining segment profit or loss.
(b) Costs incurred for start-up operations. This amount excludes rent, depreciation and amortization expense.
(c) Represents results at closed operations. This amount excludes rent, depreciation and amortization expense.
(d) Share-based compensation expense incurred and included in cost of services.

2018 / 1H 2019 Condensed Income Statement and Pro Forma Adjustments

$ in thousands	Year Ended December 31, 2018			1H2019
	Historical	Pro Forma Adjustments	Pro Forma – Combined	Pro Forma - Combined
Total revenue	**$ 286,058**	**--**	**$ 286,058**	**$ 160,641**
Expenses				
Cost of services	212,421	--	212,421	121,767
Rent – cost of services	31,199	3,700 (1)	34,899	18,626
General and administration expense	18,843	(756) (2)	18,087	10,485
Depreciation and amortization	2,964	--	2,964	1,772
Total expenses	**265,427**	**2,944**	**268,371**	**152,650**
Income from operations	**20,631**	**(2,944)**	**17,687**	**7,991**
Interest expense	--	1,944 (3)	1,944	1,039
Income before provision for income taxes	**20,631**	**(4,888)**	**15,743**	**6,952**
Provision for income taxes	4,352	(1,222) (4)	3,130	421
Net Income	**16,279**	**(3,666)**	**12,613**	**6,531**
Less: net income attributed to non-controlling interest	595	(595) (5)	--	--
Net income attributed to New Ventures	15,684	(3,071)	12,613	6,531
Memo:				
Adjusted EBITDAR	$ 57,466	$ 595	$ 58,061	$ 30,374
Adjusted EBITDA	26,297	(3,105)	23,192	11,757

Note: The assumptions used, and pro forma adjustments derived from such assumptions, are based on currently available information, and we believe such assumptions are reasonable under the circumstances.

(1) Reflects changes in rent charges resulting from the removal of intercompany rental charges and replacement of such in accordance with the Ensign Leases and new third-party Master Lease.

(2) Reflects the removal of non-recurring transaction and pre-separation costs incurred in the historical periods that are directly related to the separation of Pennant from Ensign.

(3) Represents the adjustments to deferred financing fee, interest expense and amortization of deferred financing costs related to approximately $30.0 million of debt that we expect to incur as described.

(4) Reflects the tax effects of the tax deductible pro forma adjustments at the applicable jurisdictional statutory income tax rates of 25.0%

(5) Represents an adjustment to reflect the pro forma recapitalization of our equity. As of the distribution date, non-controlling shareholders net investment in subsidiaries of Pennant will be eliminated. These shareholders will receive a distribution of our common stock based on conversion ratio of third party valuation.