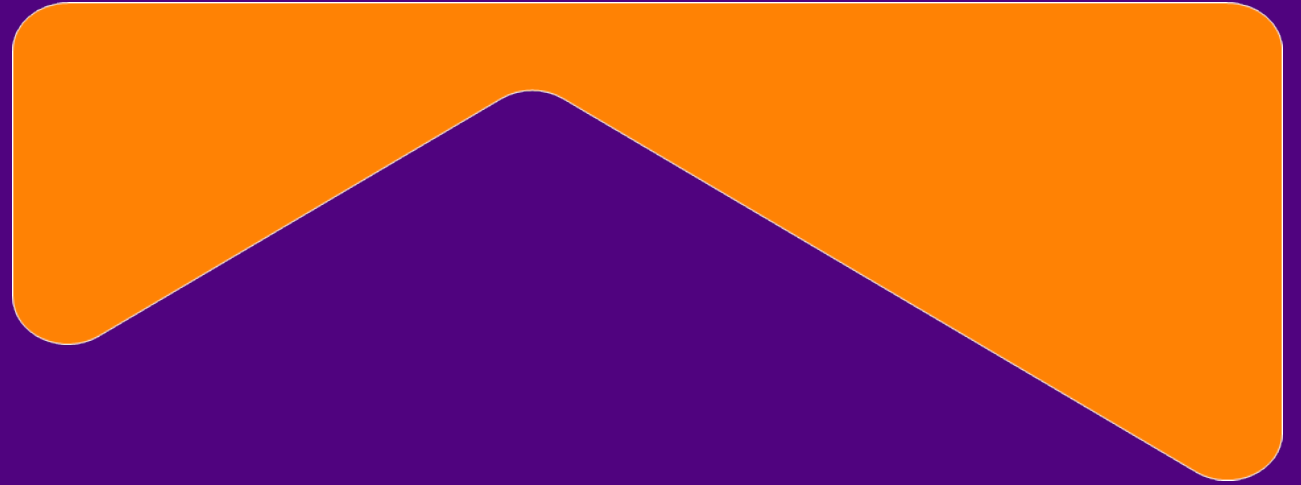




Fourth Quarter Earnings Call

Supplemental Information

February 15, 2023



Disclaimers

Forward looking statements

Statements contained in this presentation which are not historical facts, such as those relating to future events, projections, financial guidance, legislative or regulatory developments, strategy or growth opportunities, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All such estimates, projections, and forward-looking information speak only as of the date hereof, and Enhabit undertakes no duty to publicly update or revise such forward-looking information, whether as a result of new information, future events, or otherwise. Such forward-looking statements are necessarily estimates based upon current information and involve a number of risks and uncertainties. Actual events or results may differ materially from those anticipated in these forward-looking statements as a result of a variety of factors. While it is impossible to identify all such factors, factors which could cause actual events or results to differ materially from those estimated by Enhabit include, but are not limited to, our ability to execute on our strategic plans, regulatory and other developments impacting the markets for our services, changes in reimbursement rates, general economic conditions, our ability to attract and retain key management personnel and healthcare professionals, potential disruptions or breaches of our or our vendors' information systems, the outcome of litigation, our ability to successfully complete and integrate de novo developments, acquisitions, investments, and joint ventures, and our ability to control costs, particularly labor and employee benefit costs. Our annual report on Form 10-K and subsequent quarterly reports on Form 10-Q, which will be filed with the SEC, discuss other risks and factors that could cause actual results to differ materially from those expressed or implied by any forward-looking statement in this presentation. We urge you to consider all of the risks, uncertainties and factors identified above or discussed in such reports carefully in evaluating the forward-looking statements in this presentation.

Note regarding presentation of non-GAAP financial measures

This presentation includes certain “non-GAAP financial measures” as defined in Regulation G under the Securities Exchange Act of 1934, including adjusted EBITDA, leverage ratios, adjusted earnings per share, and adjusted free cash flow. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated in accordance with GAAP are presented at the end of this presentation. Our Form 8-K, furnished as of the date of this presentation with the SEC, provides further explanation and disclosure regarding Enhabit’s use of non-GAAP financial measures and should be read in conjunction with this supplemental information.

Note regarding presentation of same-store comparisons

The Company uses “same-store” comparisons to explain the changes in certain performance metrics and line items within its financial statements. Same-store comparisons are calculated based on home health and hospice locations open throughout both the full current period and the immediately prior period presented. These comparisons include the financial results of market consolidation transactions in existing markets, as it is difficult to determine, with precision, the incremental impact of these transactions on the Company’s results of operations.

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2022 in Review

Strategic Initiatives Driving Positive Change



Spun-out from Encompass Health on **July 1, 2022**



Added first ever **Chief Human Resources Officer**



Established **Payor Innovation team**



Made **strategic changes** in hospice



Strategically reinvested for **growth**



Realigned **field sales and operations teams**

Quarterly Results at a Glance



Home health continued strong growth in Medicare Advantage admissions; new contracts added

Non-episodic admissions grew 19.9% year over year

Nine new agreements negotiated during Q4



Continued growth in average daily census; staffing improving

2.9% sequential increase in average daily census

Shift to case management model is benefitting staff recruitment



The resumption of sequestration, continued home health payor mix shift, and inflation all impacted the quarter.

The home health payor mix shift and resumption of sequestration reduced consolidated net service revenue and Adjusted EBITDA by approximately \$11 million

Cost of services increased primarily due to higher costs of labor, increased employee group medical claims, and costs associated with fleet and mileage reimbursement



\$275.1M
Revenue

\$40.3M
Adjusted EBITDA

50,048
Home Health Total Admissions

2,915
Hospice Admissions

60,250
Home Health Completed Episodes

3,588
Hospice Average Daily Census

\$3,007
Home Health Revenue per Completed Episode

\$165
Hospice Revenue per Day

\$92
Home Health Cost per Visit

\$74
Hospice Cost per Day

Q4'22 Strategic Commentary



Home health total admissions decreased 1.5% year over year

- Total admissions decreased primarily due to a reduction in episodic admissions partially offset by continued growth in non-episodic admissions
- Revenue per episode decreased 0.1% year over year
 - The resumption of sequestration and the timing of completed episodes negatively impacted revenue per episode
 - These decreases were offset by the year-over-year increase in Medicare reimbursement rates and an approximate \$5 million audit recovery related to a prior year medical claims review
- Cost per visit increased 7.0% year over year primarily due to increased labor costs and costs associated with fleet and mileage reimbursement
 - Increased labor cost primarily resulted from a \$2.8 million increase in employee group medical claims

Hospice average daily census decreased 1.2% year over year; grew 2.9% sequentially from Q3

- Admissions decreased 9.6% year over year
- Revenue per day increased 5.8% year over year primarily due to an increase in Medicare reimbursement rates and improved collections experience related to Medicaid in hospice partially offset by the resumption of sequestration
- Cost per day increased 12.1% year over year primarily due to increased labor costs and costs associated with fleet and mileage reimbursement
 - Increased labor cost primarily resulted from;
 - * Lower clinical productivity associated with nurses in orientation
 - * Increased use of contract labor
 - * A \$0.5 million increase in employee group medical claims

Q4'22 Strategic Commentary



Consolidated revenue decreased \$1.0 million, or 0.4%, year over year

- The continued shift to more non-episodic patients in home health and resumption of sequestration combined to decrease consolidated revenue approximately \$11 million year over year
 - The full resumption of sequestration decreased revenue approximately \$5 million in Q4 2022 (\$4 million home health and \$1 million hospice)
 - Approximately 26% of total home health visits were non-episodic visits in Q4 2022, up from approximately 20% in Q4 2021
 - These items were offset by an approximate \$5 million audit recovery related to a prior year home health medical claims review, improved collections experience related to Medicaid in hospice, and an increase in hospice Medicare reimbursement rates effective October 1, 2022

Consolidated Adjusted EBITDA decreased \$8.7 million, or 17.8%, year over year

- Adjusted EBITDA decreased primarily due to the continued shift to more non-episodic patients in home health, the resumption of sequestration, higher costs of services, and incremental costs associated with being a stand-alone company
- Costs of services were higher due to increased labor costs and costs associated with fleet and mileage reimbursement
 - Increased labor cost primarily resulted from a \$4.3 million increase in employee group medical claims
- Incremental stand-alone company costs impacted Adjusted EBITDA approximately \$1 million year over year

Q4'22 Strategic Commentary



Continued Growth in Medicare Advantage

- Deploying a disciplined approach to manage growth in Medicare Advantage and close the rate differential
 - Payor innovation team actively engaged in discussions with payors around our value proposition
- Focused on a regional contracting strategy
- Experiencing success negotiating episodic rate agreements with local and regional payors
 - Nine new agreements negotiated in Q4
 - 18 new agreements in total during second half of 2022
 - * 9 of 18 are fully executed
 - * 7 of the 9 executed are at episodic rates

Nursing labor showing signs of improvement

- Full-time nursing applicant pool increased 19% year over year
- Net new full-time nursing hires
 - Home health - 60
 - Hospice - 41
- Hospice case management staffing model benefiting staff recruitment

Q4'22 Strategic Commentary



Strategically reinvesting for growth

- Completed three acquisitions in Q4 2022
 - Acquired Caring Hearts Hospice in October (four Texas locations) and Unity Hospice in November (one Arizona location)
 - Acquired Southwest Florida Home Care's Fort Myers home health location in December providing a strategic entry point in key market
- Continued progress in our de novo strategy with additional locations awaiting regulatory approval
 - Opened one de novo home health location in Daytona, Florida during Q4 2022

	Home Health	Hospice	Total
December 31, 2020	241	82	323
De Novo Locations Opened	0	3	3
Acquired Locations	11	11	22
Merged/Closed Locations	(1)	0	(1)
December 31, 2021	251	96	347
De Novo Locations Opened	1	3	4
Acquired Locations	2	6	8
Merged/Closed Locations	(2)	0	(2)
December 31, 2022	252	105	357

Home Health & Hospice Highlights



Home Health Q4 Overview



4th Largest Provider of Medicare-Certified Skilled Home Health Services

252 Home Health Locations

34 States

82,431

Total Starts of Care

50,048

Total Admissions

1,159,420

Total Visits

\$3,007

Revenue per Episode

\$92

Total Cost per Visit

Hospice Q4 Overview



12th Largest Provider of Medicare-Certified Hospice Services

105 Hospice Locations

22 States

2,915

Total Admissions

3,588

Average Daily Census

110

Average Length of Stay

\$165

Revenue per Day

\$74

Cost per Day

Note: Market share is based on 2020 Medicare expenditures. Location count is as of December 31, 2022.

Consolidated Results



(\$ in millions, except per share data)	Q4		'22 vs. '21
	2022	2021	
Home health net service revenue	\$220.5	\$224.0	(1.6)%
Hospice net service revenue	\$54.6	\$52.1	4.8 %
Total net service revenue	\$275.1	\$276.1	(0.4)%
	<i>% of Revenue</i>	<i>% of Revenue</i>	
Cost of services	48.5 %	46.5 %	3.7%
<i>Gross margin</i>	51.5 %	53.5 %	(3.9)%
Administrative & general expenses	37.0 %	35.6 %	3.8%
Operating expenses	85.5%	82.1%	3.7%
Other income	\$(0.9)	\$0.0	
Equity in net income of nonconsolidated affiliates	\$0.0	\$(0.1)	
Noncontrolling interests	\$0.5	\$0.5	
Adjusted EBITDA	\$40.3	\$49.0	(17.8)%
<i>Adjusted EBITDA margin</i>	14.6 %	17.7 %	
<i>Adjusted EPS (see calculations on slides 32 and 33)</i>	\$0.32	\$0.59	(45.8)%
In arriving at Adjusted EBITDA, the following were excluded:			
Gain on disposal of assets	\$0.0	\$(0.4)	
Gain on consolidation of joint venture	\$0.0	\$(3.2)	
Stock compensation expense	\$2.1	\$1.5	
Transaction costs and stock compensation expense allocation	\$2.5	\$3.8	

Revenue

- The continued shift to non-episodic patients in home health and resumption of sequestration reduced revenue approximately \$11 million
- Approximate \$5 million audit recovery, improved collections experience related to Medicaid in hospice and an increase in hospice Medicare reimbursement rates offset the declines

Adjusted EBITDA

- Continued shift to more non-episodic patients in home health, resumption of sequestration, higher labor costs and costs associated with fleet and mileage reimbursement
- Labor costs increased primarily due to a \$4.3 million increase in employee group medical claims
- \$1 million in incremental stand-alone company costs

Home Health Segment

(\$ in millions)	Q4		'22 vs. '21
	2022	2021	
Net service revenue	\$220.5	\$224.0	(1.6)%
Cost of services	\$109.0	\$106.4	2.4 %
<i>Gross margin</i>	50.6 %	52.5 %	
Adjusted EBITDA	\$51.9	\$59.6	(12.9)%
<i>% Adj. EBITDA margin</i>	23.5 %	26.6 %	
Operational metrics (Actual Amounts)			
Starts of care			
Episodic admissions	34,572	37,908	(8.8)%
Non-episodic admissions	15,476	12,909	19.9 %
Total admissions	50,048	50,817	(1.5)%
Same-store total admissions growth			(3.1)%
Episodic recertifications	25,279	27,273	(7.3)%
Non-episodic recertifications	7,104	5,348	32.8 %
Total recertifications	32,383	32,621	(0.7)%
Same-store total recertifications growth			(1.3)%
Total starts of care	82,431	83,438	(1.2)%
Completed episodes	60,250	64,242	(6.2)%
Revenue per episode	\$3,007	\$3,010	(0.1)%
Visits per episode	14.3	15.1	(5.3)%
Total visits	1,159,420	1,219,906	(5.0)%
Non-episodic visits	297,350	246,777	20.5 %
Cost per visit	\$92	\$86	7.0 %



Revenue

- Strong growth in non-episodic admissions
- Shift to more non-episodic patients in home health reduced revenue approximately \$6 million
- Resumption of sequestration reduced revenue approximately \$4 million
- Medical claims audit recovery of approximately \$5 million in Q4 2022

Adjusted EBITDA

- Lower revenue
- Higher cost of services related to labor, fleet and mileage reimbursement
- Labor costs increased primarily due to a \$2.8 million increase in employee group medical claims

Hospice Segment

(\$ in millions)	Q4		'22 vs. '21
	2022	2021	
Net service revenue	\$54.6	\$52.1	4.8 %
Cost of services	\$24.3	\$22.1	10.0 %
<i>Gross margin</i>	55.5 %	57.6 %	
Adjusted EBITDA	\$12.8	\$15.2	(15.8)%
<i>% Adj. EBITDA margin</i>	23.4 %	29.2 %	
Operational metrics (Actual Amounts)			
Total admissions	2,915	3,223	(9.6)%
<i>Same-store total admissions growth</i>			<i>(13.5)%</i>
Patient days	330,102	334,011	(1.2)%
Discharged average length of stay	110	106	3.8 %
Average daily census (ADC)	3,588	3,631	(1.2)%
Revenue per day	\$165	\$156	5.8 %
Cost per day	\$74	\$66	12.1 %



Revenue

- Sequential ADC increase of 2.9% from Q3 2022
- Revenue per day increased primarily due to an increase in Medicare reimbursement rates and improved collections experience related to Medicaid partially offset by the resumption of sequestration

Adjusted EBITDA

- Increased cost of services primarily due to increased labor costs (including lower clinical productivity, use of contract labor, and increased employee group medical claims) and increased costs associated with fleet and mileage reimbursement

Consolidated Adjusted EBITDA

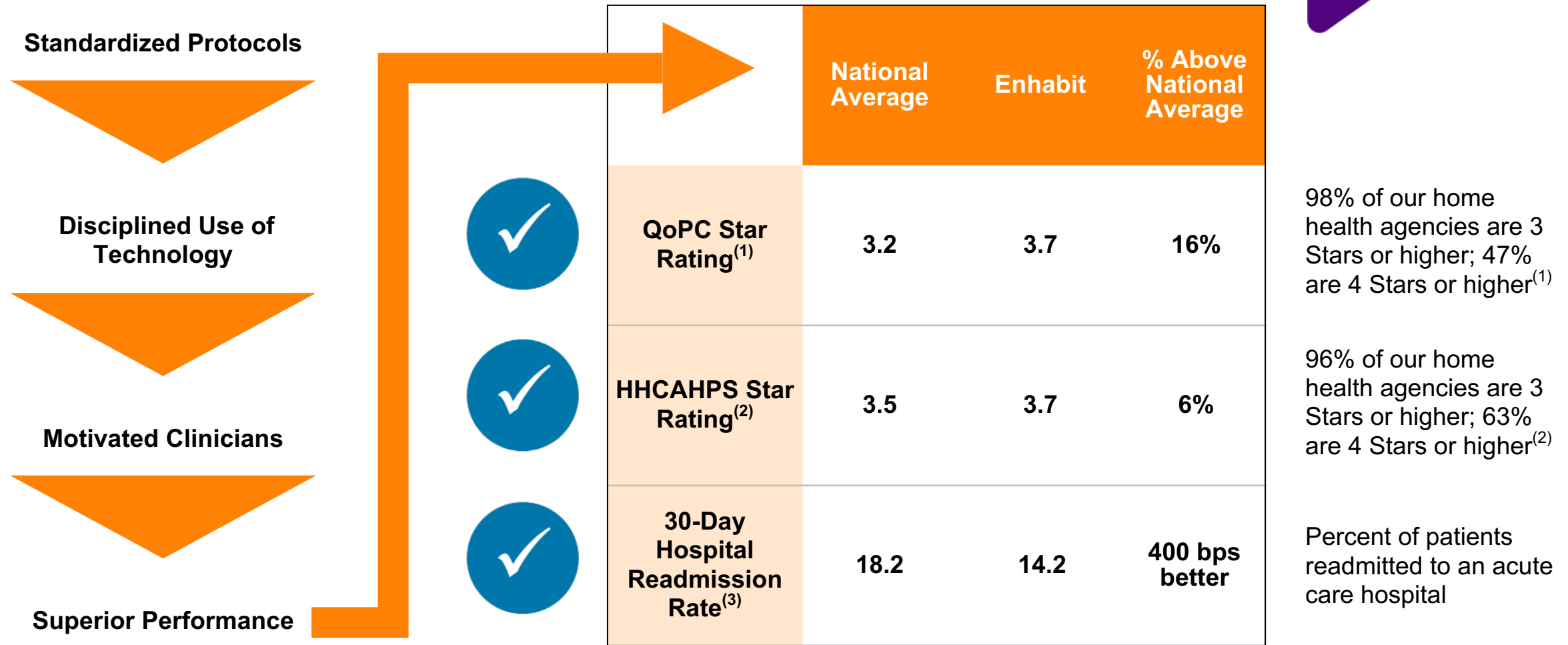


<i>(\$ in millions)</i>	Q4 2022	% of Consolidated Revenue	Q4 2021	% of Consolidated Revenue
Home health segment Adjusted EBITDA	\$51.9		\$59.6	
Hospice segment Adjusted EBITDA	\$12.8		\$15.2	
Home office administrative and general expenses ⁽¹⁾	\$(24.4)	8.9 %	\$(25.8)	9.3 %
Consolidated Adjusted EBITDA	\$40.3		\$49.0	

- Home office administrative and general expenses decreased as a percentage of revenue primarily due to a year-over-year decrease in cash incentive compensation
- Q4 2022 stand-alone costs were approximately \$5 million, or an approximate \$1 million increase compared to the overhead allocation from Encompass Health in Q4 2021

⁽¹⁾ Home office administrative and general expenses in the above table exclude stock compensation of \$2.1 million and \$1.5 million for Q4 2022 and 2021, \$2.5 million and \$3.0 million in costs associated with the strategic alternatives review for Q4 2022 and 2021, \$0.0 million and \$0.8 million of stock compensation included in overhead for Q4 2022 and 2021, as well as a \$0.0 million and a \$3.6 million gain on other items for Q4 2022 and 2021, respectively.

Clinical Expertise and High-Quality Outcomes



(1) Quality of Patient Care (QoPC) Star Ratings as of January 2023 for dates of service (July 01, 2020-June 30, 2021; April 01, 2021-March 31, 2022)

(2) Home Health Care Consumer Assessment of Healthcare Providers (HHCAHPS) Patient Survey Star Ratings as of January 2023 for dates of service (July 1, 2021 - June 30, 2022)

(3) Research Institute for Home Care 2022 Chartbook (data from Medicare Standard Analytics Files for CY 2021) EHAB Data is CY 2022 (All payors)

Debt & Liquidity Metrics



<i>(\$ in millions)</i>	December 31, 2022
Advances under \$350 million revolving credit facility, due 2027	\$190.0
\$400 million term loan facility, due 2027	\$387.9
Finance lease obligations	\$5.2
Total debt	\$583.1
Less: Cash and cash equivalents	\$22.9
Net debt	\$560.2
Net debt to Adjusted EBITDA	3.5 x
Trailing twelve-month EBITDA	\$159.3
Available liquidity	\$179.5

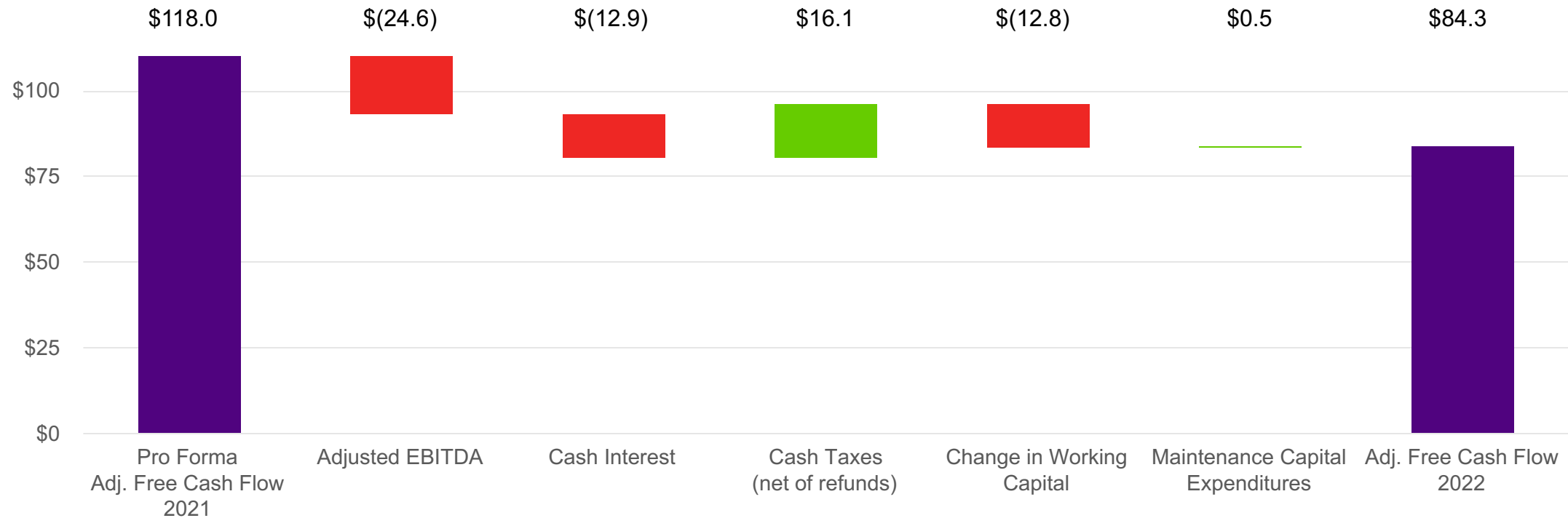
Notes:

- In mid-October 2022, we entered into a \$200 million notional value interest rate swap to hedge the variable portion of the rate on our term loan. The swap fixes the SOFR component of our interest rate at 4.3%.
- The Q4 2022 weighted average interest rate for our debt outstanding was 5.75% (SOFR + credit spread adjustment + 175 bps)

Adjusted Free Cash Flow



(\$ in millions)



The year-over-year decrease in adjusted free cash flow primarily resulted from lower Adjusted EBITDA and cash interest payments associated with the credit agreement we entered into as part of the separation from Encompass Health.

2023 Guidance



<i>(\$ in millions, except per share data)</i>	2022 Actuals	2023 Guidance
Net service revenue	\$1,083.1	\$1,110 to \$1,140
Adjusted EBITDA	\$159.3	\$125 to \$140
Adjusted EPS	\$1.52	\$0.50 to \$0.89

Guidance Considerations



Home Health

- An increase of 0.7% in Medicare pricing prior to the resumption of sequestration in Q1 and Q2
- Continued shift to more non-episodic patients
- Cost per visit increase of 4% to 5%

Hospice

- An increase of 3.8% in Medicare pricing prior to the resumption of sequestration in Q1 and Q2
- Cost per patient day increase of 4% to 5%

Consolidated

- Year-over-year increase in costs associated with being a stand-alone company = \$9 to \$10 million
- Incremental expense of approximately \$1 to \$3 million for de novo locations
- Incremental interest expense of \$24 million to \$31 million
- Tax rate of approximately 26%
- Diluted share count of approximately 50.1 million shares

Adjusted Free Cash Flow Assumptions



Certain cash flow items <i>(in millions)</i>	2022 Full Year	2023 Assumptions
Cash interest payments	\$12.9	\$39 to \$45
Cash income tax payments, net of refunds	11.9	\$3 to \$6
Working capital	45.7	\$5 to \$15
Maintenance capital expenditures	4.5	\$5 to \$10
Adjusted free cash flow	\$84.3	\$49 to \$88

- Cash interest payments in 2022 include two quarters of impact from debt incurred as part of the separation from Encompass Health. Cash interest payments in 2023 reflect 12 months, increased interest rates, and larger SOFR spread due to increased leverage.
- Cash tax payments in 2022 resulted in a prepayment of approximately \$9 million as of December 31, 2022.

Uses of Free Cash Flow



<i>(in millions)</i>	2022 Full Year	2023 Assumptions
Growth in Core Business		
De novos	\$1.2	\$2 to \$4
Acquisitions ⁽¹⁾	\$36.3	TBD
Debt redemptions (borrowings), net ⁽²⁾	\$(10.0)	TBD

⁽¹⁾ On January 1, 2022, we acquired a 50% equity interest from Frontier Home Health and Hospice, LLC in a joint venture with Saint Alphonsus system which operates home health and hospice locations in Boise, Idaho. The total purchase price was \$15.9 million and was funded on December 31, 2021.

⁽²⁾ Amounts in this row do not include debt incurred as part of the separation transaction from Encompass Health.

Appendix



Overview



We are a leading provider of home health and hospice services that strives to provide **superior, cost-effective care where patients prefer it: in their homes**



For over 20 years, we've provided care with **high-quality outcomes** becoming a **trusted partner** of health systems, payors and other risk-bearing entities



We operate nationally across 34 states with **10,000+ employees**



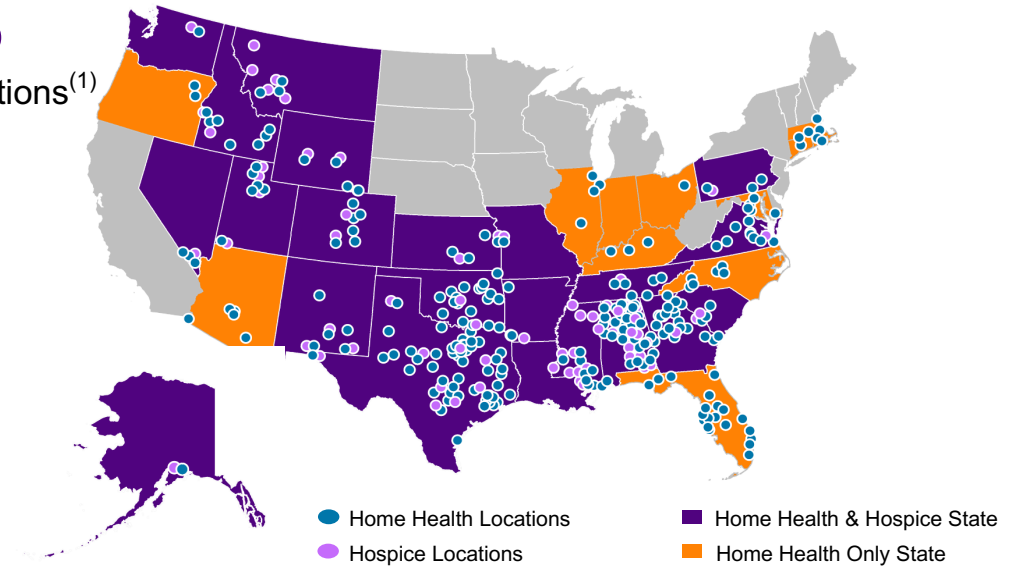
We foster an **award-winning culture** that is a strategic advantage in attracting and retaining talent and a main contributor to our continued success

⁽¹⁾ As of December 31, 2022 - due to scale, not all locations can be represented by locational markers

⁽²⁾ Based on 2020 Home Health Medicare revenues

252
Home Health Locations⁽¹⁾

105
Hospice Locations⁽¹⁾



95
hospice locations co-located
with home health locations⁽¹⁾

11
states where we are #1 or
#2 in home health⁽²⁾

~69%
of total Medicare home health spend occurs
in states in which we operate⁽²⁾

Growth Strategy

Multi-faceted growth avenues with clearly defined areas of opportunity



Drive organic growth at existing operations

Currently located in states that represent ~69% of 2020 total Medicare home health spend



Execute on de novo strategy

Open 10 de novo locations per year



Pursue strategic acquisitions

Identify and evaluate opportunities



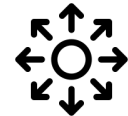
Leverage care transitions expertise

Attractive partner due to quality of outcomes, data management capabilities, scale and market density



Expand Medicare Advantage focus

Total Medicare beneficiaries choosing Medicare Advantage expected to continue to grow



Explore adjacent service offerings

Explore adjacent verticals to further bolster our footprint in home health services

Home Health Operational Metrics

(In Millions)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2022	FY 2021
Home health net service revenue	\$220.5	\$216.3	\$220.2	\$224.9	\$224.0	\$221.1	\$232.3	\$219.9	\$881.9	\$897.3
(Actual Amounts)										
Total admissions	50,048	49,739	49,399	53,309	50,817	48,412	50,598	50,799	202,495	200,626
Episodic admissions	34,572	35,487	36,106	38,971	37,908	37,577	39,657	40,215	145,136	155,357
Non-episodic admissions	15,476	14,252	13,293	14,338	12,909	10,835	10,941	10,584	57,359	45,269
Total recertifications	32,383	32,362	32,440	31,787	32,621	32,942	33,794	31,902	128,972	131,259
Episodic recertifications	25,279	25,821	25,993	25,808	27,273	27,742	28,296	28,083	102,901	111,394
Non-episodic recertifications	7,104	6,541	6,447	5,979	5,348	5,200	5,498	3,819	26,071	19,865
Total starts of care	82,431	82,101	81,839	85,096	83,438	81,354	84,392	82,701	331,467	331,885
Completed episodes	60,250	60,396	62,691	63,111	64,242	66,065	67,839	66,435	246,448	264,581
Avg. revenue per episode	\$3,007	\$3,009	\$2,972	\$3,038	\$3,010	\$2,916	\$2,967	\$2,923	\$3,007	\$2,954
Visits per episode	14.3	14.9	15.0	15.2	15.1	15.0	15.6	15.8	14.9	15.4
Total visits	1,159,420	1,175,002	1,217,447	1,228,084	1,219,906	1,213,370	1,297,350	1,239,073	4,779,953	4,969,699
Non-episodic visits	297,350	272,282	275,679	270,253	246,777	220,260	240,006	191,056	1,115,564	898,099
Cost per visit	\$92	\$92	\$88	\$86	\$86	\$87	\$80	\$81	\$89	\$83

Hospice Operational Metrics

(In Millions)	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2022	FY 2021
Hospice net service revenue	\$54.6	\$49.4	\$47.8	\$49.4	\$52.1	\$52.8	\$53.8	\$50.6	\$201.2	\$209.3
(Actual Amounts)										
Total admissions	2,915	2,982	2,835	3,246	3,223	3,262	3,298	3,330	11,978	13,113
Patient days	330,102	320,732	313,718	319,834	334,011	352,691	351,878	334,400	1,284,386	1,372,980
Discharged average length of stay	110	103	109	108	106	106	115	100	108	107
Average daily census	3,588	3,486	3,447	3,554	3,631	3,834	3,867	3,716	3,519	3,762
Revenue per day	\$165	\$154	\$152	\$154	\$156	\$150	\$153	\$151	\$157	\$152
Cost per day	\$74	\$71	\$69	\$68	\$66	\$67	\$65	\$65	\$70	\$66

Reconciliation of Historic Segment Adjusted EBITDA of Encompass Health to Enhabit Adjusted EBITDA



(\$ in millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	YTD 2022
Encompass Health Segment Adjusted EBITDA	\$50.8	\$61.7	\$46.4	\$52.6	\$211.5	\$50.1	\$43.8	\$93.9
Less: Overhead allocation from Encompass Health	(3.8)	(4.6)	(3.9)	(4.4)	(16.7)	(3.6)	(4.1)	(7.7)
Add: stock compensation included in overhead allocation	0.2	0.9	0.5	0.8	2.4	0.5	0.6	1.1
Enhabit Adjusted EBITDA	\$47.2	\$58.0	\$43.0	\$49.0	\$197.2	\$47.0	\$40.3	\$87.3

Consolidated Results – YTD 2022

(\$ in millions, except per share data)	Year-To-Date				
	2022		2021	'22 vs. '21	
Home health net service revenue	\$881.9		\$897.3	(1.7)%	
Hospice net service revenue	\$201.2		\$209.3	(3.9)%	
Total net service revenue	\$1,083.1		\$1,106.6	(2.1)%	
	<i>% of Revenue</i>		<i>% of Revenue</i>		
Cost of services	48.5%	\$(525.6)	46.4%	\$ (513.9)	2.3%
Gross margin	51.5%	\$557.5	53.6%	\$592.7	(5.9)%
Administrative & general expenses	36.7%	\$(397.0)	35.8%	\$(395.9)	0.3%
Operating expenses	85.2%	\$(922.6)	82.2%	\$(909.8)	1.4%
Other income		\$(0.9)		\$(1.6)	
Equity in net income of nonconsolidated affiliates		\$—		\$(0.6)	
Noncontrolling interests		\$2.1		\$1.8	
Adjusted EBITDA		\$159.3		\$197.2	(19.2)%
Adjusted EBITDA margin		14.7 %		17.8 %	
Adjusted EPS (see calculations on slides 34 and 35)		\$1.52		\$2.36	(35.6)%
In arriving at Adjusted EBITDA, the following were excluded:					
Loss (gain) on disposal of assets		\$0.1		\$(0.8)	
Gain on consolidation of joint venture		\$—		\$(3.2)	
Stock compensation expense		\$9.2		\$3.6	
Transaction costs and stock compensation expense allocation		\$10.6		\$14.2	

Home Health Segment Results – YTD 2022

(\$ in millions)	Year-To-Date		'22 vs. '21
	2022	2021	
Net service revenue	\$881.9	\$897.3	(1.7)%
Cost of services	435.5	\$423.5	2.8 %
Gross margin	50.6 %	52.8 %	
Adjusted EBITDA	\$207.1	\$230.1	(10.0)%
% Adj. EBITDA margin	23.5 %	25.6 %	
Operational metrics (Actual Amounts)			
Starts of care			
Episodic admissions	145,136	155,357	(6.6)%
Non-episodic admissions	57,359	45,269	26.7 %
Total admissions	202,495	200,626	0.9 %
Same-store total admissions growth			(1.5)%
Episodic recertifications	102,901	111,394	(7.6)%
Non-episodic recertifications	26,071	19,865	31.2 %
Total recertifications	128,972	131,259	(1.7)%
Same-store total recertifications growth			(2.9)%
Total starts of care	331,467	331,885	(0.1)%
Completed episodes	246,448	264,581	(6.9)%
Revenue per episode	\$3,007	\$2,954	1.8 %
Visits per episode	14.9	15.4	(3.2)%
Total visits	4,779,953	4,969,699	(3.8)%
Non-episodic visits	1,115,564	898,099	24.2 %
Cost per visit	\$89	\$83	7.2 %

Hospice Segment Results – YTD 2022

(\$ in millions)	Year-To-Date		'22 vs. '21
	2022	2021	
Net service revenue	\$201.2	\$209.3	(3.9)%
Cost of services	\$90.1	\$90.4	(0.3)%
<i>Gross margin</i>	55.2 %	56.8 %	
Adjusted EBITDA	\$45.6	\$56.2	(18.9)%
<i>% Adj. EBITDA margin</i>	22.7 %	26.9 %	
Operational metrics (Actual Amounts)			
Total admissions	11,978	13,113	(8.7)%
Same-store total admissions growth			(15.9)%
Patient days	1,284,386	1,372,980	(6.5)%
Discharged average length of stay	108	107	0.9 %
Average daily census	3,519	3,762	(6.5)%
Revenue per day	\$157	\$152	3.3 %
Cost per day	\$70	\$66	6.1 %

Payor Sources



<i>As a % of Revenue</i>	Q4 2022	Q4 2021	FY 2022	FY 2021
<i>Consolidated</i>				
Medicare	76.6 %	81.0 %	78.0 %	81.9 %
Medicare Advantage	15.4 %	11.2 %	14.1 %	10.6 %
Managed Care	6.7 %	6.3 %	6.6 %	5.9 %
Medicaid	1.2 %	1.4 %	1.2 %	1.4 %
Other	0.1 %	0.1 %	0.1 %	0.2 %
Total	100.0 %	100.0 %	100.0 %	100.0 %
Home Health				
Medicare	71.7 %	77.1 %	73.8 %	78.2 %
Medicare Advantage	19.3 %	13.8 %	17.3 %	13.1 %
Managed Care	7.5 %	7.4 %	7.4 %	6.9 %
Medicaid	1.4 %	1.6 %	1.4 %	1.6 %
Other	0.1 %	0.1 %	0.1 %	0.2 %
Total	100.0 %	100.0 %	100.0 %	100.0 %
Hospice				
Medicare	95.8 %	97.5 %	96.3 %	97.9 %
Managed Care	3.7 %	1.9 %	3.1 %	1.5 %
Medicaid	0.5 %	0.6 %	0.6 %	0.6 %
Total	100.0 %	100.0 %	100.0 %	100.0 %

EPS Calculation: Q4 2022



Adjusted EPS – Q4 2022 (<i>\$ in millions, except per share amounts</i>)	As Reported	Transaction Costs	Income Tax Adjustments	As Adjusted
Adjusted EBITDA	\$40.3	\$—	\$—	\$40.3
Depreciation and amortization	(8.3)	—	—	(8.3)
Interest exp. and amortization of debt discounts & fees	(8.7)	—	—	(8.7)
Stock compensation expense	(2.1)	—	—	(2.1)
Transaction costs	(2.5)	2.5	—	—
Net income before income taxes	18.7	2.5	—	21.2
Income tax (expense) benefit	(11.0)	(0.6)	6.2	(5.4)
Net income attributable to Enhabit	\$7.7	\$1.9	\$6.2	\$15.8
Diluted earnings per share	\$0.15	\$0.05	\$0.12	\$0.32
Diluted shares	49.8			49.8

EPS Calculation: Q4 2021



Adjusted EPS – Q4 2021 (\$ in millions, except per share amounts)	As Reported	Transaction Costs and Gain on Consolidation	As Adjusted
Adjusted EBITDA	\$49.0	\$—	\$49.0
Depreciation and amortization	(9.0)	—	(9.0)
Interest exp. and amortization of debt discounts & fees	(0.1)	—	(0.1)
Gain on disposal or impairment of assets	0.4	—	0.4
Stock compensation expense	(1.5)	—	(1.5)
Stock compensation included in overhead allocation	(0.8)	—	(0.8)
Transaction costs	(3.0)	3.0	—
Gain on consolidation of joint venture formerly accounted for under the equity method of accounting	3.2	(3.2)	—
Net income before income taxes	38.2	(0.2)	38.0
Income tax expense	(8.9)	—	(8.9)
Net income attributable to Enhabit	\$29.3	\$(0.2)	\$29.1
Diluted earnings per share	\$0.59	\$—	\$0.59
Diluted shares	49.6		49.6

EPS Calculation: YTD 2022



Adjusted EPS – YTD 2022 (\$ in millions, except per share amounts)	As Reported	Transaction Costs	Income Tax Adjustments	As Adjusted
Adjusted EBITDA	\$159.3	\$—	\$—	\$159.3
Depreciation and amortization	(33.0)	—	—	(33.0)
Interest exp. and amortization of debt discounts & fees	(15.0)	—	—	(15.0)
Loss on disposal or impairment of assets	(0.1)	—	—	(0.1)
Stock compensation expense	(9.2)	—	—	(9.2)
Stock compensation included in overhead allocation	(1.1)	—	—	(1.1)
Transaction costs	(9.5)	9.5	—	—
Net income before income taxes	91.4	9.5	—	100.9
Income tax expense	(28.9)	(2.4)	6.2	(25.1)
Net income attributable to Enhabit	\$62.5	\$7.1	\$6.2	\$75.8
Diluted earnings per share	\$1.26	\$0.14	\$0.12	\$1.52
Diluted shares	49.7			49.7

EPS Calculation: YTD 2021



Adjusted EPS – YTD 2021 (\$ in millions, except per share amounts)	As Reported	Transaction Costs and Gain on Consolidation	Income Tax Adjustments	As Adjusted
Adjusted EBITDA	\$197.2	\$—	\$—	\$197.2
Depreciation and amortization	(36.9)	—	—	(36.9)
Interest exp. and amortization of debt discounts & fees	(0.3)	—	—	(0.3)
Gain on disposal or impairment of assets	0.8	—	—	0.8
Stock compensation expense	(3.6)	—	—	(3.6)
Stock compensation included in overhead allocation	(2.3)	—	—	(2.3)
Transaction costs	(11.9)	11.9	—	—
Gain on consolidation of joint venture formerly accounted for under the equity method of accounting	3.2	(3.2)	—	—
Net income before income taxes	146.2	8.7	—	154.9
Income tax expense	(35.1)	(2.2)	(0.3)	(37.6)
Net income attributable to Enhabit	\$111.1	\$6.5	\$(0.3)	\$117.3
Diluted earnings per share	\$2.24	\$0.13	\$(0.01)	\$2.36
Diluted shares	49.6			49.6

Reconciliation of Net Income to Adjusted EBITDA – Consolidated



	Fourth Quarter		YTD	
	2022	2021	2022	2021
<i>(\$ in millions)</i>				
Net income	\$8.2	\$29.8	\$64.6	\$112.9
Income tax expense	11.0	8.9	28.9	35.1
Interest expense and amortization of debt discounts and fees	8.7	0.1	15.0	0.3
Depreciation and amortization	8.3	9.0	33.0	36.9
(Gain) loss on disposal or impairment of assets	—	(0.4)	0.1	(0.8)
Stock-based compensation	2.1	1.5	9.2	3.6
Stock-based compensation including overhead allocation	—	0.8	1.1	2.3
Net income attributable to noncontrolling interests	(0.5)	(0.5)	(2.1)	(1.8)
Transaction costs	2.5	3.0	9.5	11.9
Gain on consolidation of joint venture formerly accounted for under the equity method of accounting	—	(3.2)	—	(3.2)
Adjusted EBITDA	\$40.3	\$49.0	\$159.3	\$197.2

Reconciliation of Cash Provided by Operations to Adjusted EBITDA



(\$ in millions)	Fourth Quarter		YTD	
	2022	2021	2022	2021
Net cash provided by operating activities	\$4.1	\$23.1	\$80.1	\$123.3
Interest expense and amortization of debt discounts and fees	8.7	0.1	15.0	0.3
Equity in net income of nonconsolidated affiliates	—	0.1	—	0.6
Net income attributable to noncontrolling interests in continuing operations	(0.5)	(0.5)	(2.1)	(1.8)
Distributions from nonconsolidated affiliates	—	(0.1)	—	(0.3)
Current portion of income tax expense	(1.2)	1.1	19.2	26.5
Change in assets and liabilities	27.1	21.7	37.1	32.8
Transaction costs	2.5	3.0	9.5	11.9
Stock-based compensation included in overhead allocation	—	0.8	1.1	2.3
Other	(0.4)	(0.3)	(0.6)	1.6
Adjusted EBITDA	\$40.3	\$49.0	\$159.3	\$197.2

Reconciliation of Net Cash Provided by Operating Activities to Adjusted Free Cash Flow



(\$ in millions)	Fourth Quarter		YTD	
	2022	2021	2022	2021
Net cash provided by operating activities	\$4.1	\$23.1	\$80.1	\$123.3
Cash expenditures for maintenance	(1.4)	(0.5)	(4.5)	(5.4)
Distributions paid to non controlling interests of consolidated affiliates	(0.3)	(0.2)	(1.2)	(1.8)
Items non-indicative of ongoing operations performance:				
Stock-based compensation including overhead allocation	—	0.8	1.1	2.3
Transaction costs and related assumed liabilities	1.8	6.4	8.8	11.9
Adjusted free cash flow	\$4.2	\$29.6	\$84.3	\$130.3