



Third Quarter Earnings Call

Supplemental Information

November 2, 2022

Disclaimer

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 Form 10 Registration Statement dated June 14, 2022 and subsequent quarterly reports on Form 10-Q 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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Overview of Quarter Results

Quarterly Results at a Glance



Home health continues to show strong growth in Medicare Advantage admissions.

Non-episodic admissions grew 31.5%, driving total admissions growth of 2.7% year over year.

Total admissions are up 1.8% year to date for 2022.



Strategic changes are providing positive momentum in hospice.

Referrals increased 1.6% sequentially from Q2.

Hospice admissions increased 5.2% sequentially from Q2.

Average daily census grew 1.1% sequentially from Q2.



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

The resumption of sequestration and home health payor mix shift reduced consolidated net service revenue and Adjusted EBITDA by approximately \$10 million.

Hurricane Ian resulted in an estimated 200 lost home health admissions in the quarter.

Cost of services increased due to higher costs of labor, fleet and mileage reimbursement.



\$265.7M

Revenue

\$31.7M

Adjusted EBITDA

49,739

Home Health Total Admissions

2,982

Hospice Admissions

60,396

Home Health Completed Episodes

3,486

Hospice Average Daily Census

\$3,009

Home Health Revenue per Completed Episode

\$154

Hospice Revenue per Day

\$92

Home Health Cost per Visit

\$71

Hospice Cost per Day

Q3'22 Strategic Commentary



Home health total admissions increased 2.7% year over year

- Total admissions growth driven by 31.5% year over year growth in non-episodic admissions
- Staffing capacity continues to improve
- Revenue per episode increased 3.2% year over year primarily due to an increase in Medicare reimbursement rates, the timing of completed episodes, and patient mix under the Patient Driven Groupings Model offset by the resumption of sequestration
- Cost per visit increased 5.7% year over year primarily due to merit and market rate increases for clinical staff, increased costs associated with fleet and mileage reimbursement, and increased costs associated with workers' compensation expense

Hospice average daily census decreased 9.1% year over year; grew 1.1% sequentially from Q2

- Admissions decreased 8.6% year over year; increased 5.2% sequentially from Q2
 - Staffing capacity continues to improve
 - Diversification of referrals yielded a 1.6% increase in referrals sequentially from Q2
- Revenue per day increased 2.7% year over year primarily due to lower hospice cap exposure and patient mix
- Cost per day increased 6.0% year over year primarily due to an increased use of contract labor, lower clinical productivity and increased costs associated with fleet and mileage reimbursement

Q3'22 Strategic Commentary



Consolidated revenue decreased \$8.2 million, or 3%, year over year

- The resumption of sequestration, continued shift to more non-episodic patients in home health, and lower volumes in hospice combined to decrease consolidated revenue by \$15 million year over year
 - Full resumption of sequestration on July 1, 2022 decreased revenue approximately \$5 million in Q3 2022 (\$4 million home health; \$1 million hospice)
 - Approximately 23% of total home health visits were non-episodic visits in Q3 2022, up from approximately 18% of total visits in Q3 2021

Consolidated Adjusted EBITDA decreased 26.3% year over year

- Adjusted EBITDA decreased primarily due to the resumption of sequestration; continued shift to more non-episodic patients in home health; lower volumes in hospice; higher costs of services related to labor; incremental costs associated with being a stand-alone company; and fleet and mileage reimbursement
 - Merit and market rate increases for nurses and increased use of contract labor impacted labor costs
 - Incremental stand-alone company costs impacted Adjusted EBITDA by approximately \$2 million year over year
 - Costs associated with fleet and mileage reimbursement increased approximately \$2 million year over year

Q3'22 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 is actively engaged in discussions with payors around our value proposition
 - Experiencing success negotiating episodic rate contracts with local and regional payors
 - Agreed to terms with nine Medicare Advantage and commercial regional or multistate plans.

Labor trends are beginning to stabilize

- Staffing constraints experienced earlier in the year that restricted our capacity are easing
- 55 net new full time nursing hires in Q3
- Positive results from virtual clinical orientation pilot
- PDO usage in Q3 returned to more normal levels; hours taken were essentially flat year over year
- PRN visits increased 13.5% sequentially

Q3'22 Strategic Commentary


Strategically reinvesting for growth

- Robust acquisition pipeline
- Two acquisitions already closed in the fourth quarter of 2022
 - Closed Caring Hearts Hospice in northeast Texas on October 1st; added four locations
 - Closed Unity Hospice in Arizona on November 1st; added one location
- Opened three hospice de novo locations year-to-date.
 - Expect to open three to four additional de novo locations in the fourth quarter with more to follow in first quarter of 2023

	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	0	3	3
Acquired Locations	1	1	2
Merged/Closed Locations	(2)	0	(2)
September 30, 2022	250	100	350
Acquired Locations	0	5	5
November 1, 2022	250	105	355

Home Health & Hospice Highlights





Home Health Q3 Overview

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

250 Home Health Locations **34** States


82,101
Total Starts
of Care

49,739
Total Admissions

1,175,002
Total Visits

\$3,009
Revenue per
Episode

\$92
Total Cost per Visit



Hospice Q3 Overview

12th Largest Provider of Medicare-Certified Hospice Services

100 Hospice Locations **22** States

2,982
Total Admissions

3,486
Average Daily
Census

103
Average Length
of Stay

\$154
Revenue per Day

\$71
Cost per Day

Note: Market share is based on 2020 Medicare expenditures. Location count is as of September 30, 2022.

Detailed Financial and Operational Results

Consolidated Results

(\$ in millions, except per share data)	Q3			
	2022		2021	'22 vs. '21
Home health net service revenue	\$216.3		\$221.1	(2.2)%
Hospice net service revenue	\$49.4		\$52.8	(6.4)%
Total net service revenue	\$265.7		\$273.9	(3.0)%
	% of Revenue		% of Revenue	
Cost of services	49.8 %	\$(132.3)	47.9 %	\$ (131.2) 0.8%
Gross margin	50.2 %	\$133.4	52.1 %	\$142.7 (6.5)%
Administrative & general expenses	38.2 %	\$(101.4)	36.3 %	\$(99.4) 2.0%
Operating expenses	88.0%	\$(233.7)	84.2%	\$(230.6) 1.3%
Equity in net income of nonconsolidated affiliates		\$0.0		\$(0.1)
Noncontrolling interests		\$0.3		\$0.4
Adjusted EBITDA		\$31.7		\$43.0 (26.3)%
Adjusted EBITDA margin		11.9 %		15.7 %
Adjusted EPS (see calculations on slides 36 and 37)		\$0.19		\$0.50 (62.0)%
In arriving at Adjusted EBITDA, the following were excluded:				
Loss (gain) on disposal of assets		\$0.7		\$(0.1)
Stock compensation expense		\$4.5		\$0.3
Other losses		\$0.9		\$4.6



Revenue

- Resumption of sequestration reduced revenue by \$5 million
- Continued shift to more non-episodic patients in home health reduced revenue by \$5 million
- Lower volumes in hospice reduced revenue by \$5 million

Adjusted EBITDA

- Lower revenue
- Higher cost of services related to labor, fleet and mileage reimbursement
- Approximately \$2 million of incremental administrative and general costs as stand-alone company

Home Health Segment

(\$ in millions)	Q3		'22 vs. '21
	2022	2021	
Net service revenue	\$216.3	\$221.1	(2.2)%
Cost of services	\$109.6	\$107.6	1.9 %
<i>Gross margin</i>	49.3 %	51.3 %	
Adjusted EBITDA	\$44.6	\$51.2	(12.9)%
<i>% Adj. EBITDA margin</i>	20.6 %	23.2 %	
Operational metrics (Actual Amounts)			
Starts of care			
Episodic admissions	35,487	37,577	(5.6)%
Non-episodic admissions	14,252	10,835	31.5 %
Total admissions	49,739	48,412	2.7 %
Same-store total admissions growth			1.3 %
Episodic recertifications	25,821	27,742	(6.9)%
Non-episodic recertifications	6,541	5,200	25.8 %
Total recertifications	32,362	32,942	(1.8)%
Same-store total recertifications growth			(2.4)%
Total starts of care	82,101	81,354	0.9 %
Completed episodes	60,396	66,065	(8.6)%
Revenue per episode	\$3,009	\$2,916	3.2 %
Visits per episode	14.9	15.0	(0.7)%
Total visits	1,175,002	1,213,370	(3.2)%
Non-episodic visits	272,282	220,260	23.6 %
Cost per visit	\$92	\$87	5.7 %



Revenue

- Strong growth in non-episodic admissions drove total admissions growth
- Resumption of sequestration reduced revenue \$4 million

Adjusted EBITDA

- Lower revenue
- Higher cost of services related to labor, fleet, mileage reimbursement, and workers' compensation costs

Hospice Segment



(\$ in millions)	Q3		'22 vs. '21
	2022	2021	
Net service revenue	\$49.4	\$52.8	(6.4)%
Cost of services	\$22.7	\$23.6	(3.8)%
<i>Gross margin</i>	54.0 %	55.3 %	
Adjusted EBITDA	\$9.3	\$13.1	(29.0)%
<i>% Adj. EBITDA margin</i>	18.8 %	24.8 %	
Operational metrics (Actual Amounts)			
Total admissions	2,982	3,262	(8.6)%
<i>Same-store total admissions growth</i>			(11.3)%
Patient days	320,732	352,691	(9.1)%
Discharged average length of stay	103	106	(2.8)%
Average daily census	3,486	3,834	(9.1)%
Revenue per day	\$154	\$150	2.7 %
Cost per day	\$71	\$67	6.0 %

Revenue

- Recovery continued with sequential growth in admissions and average daily census
- Resumption of sequestration reduced revenue \$1 million

Adjusted EBITDA

- Lower revenue
- Higher cost of services on lower revenues related to labor as a (including increased use of contract labor), fleet and mileage reimbursement

Consolidated Adjusted EBITDA

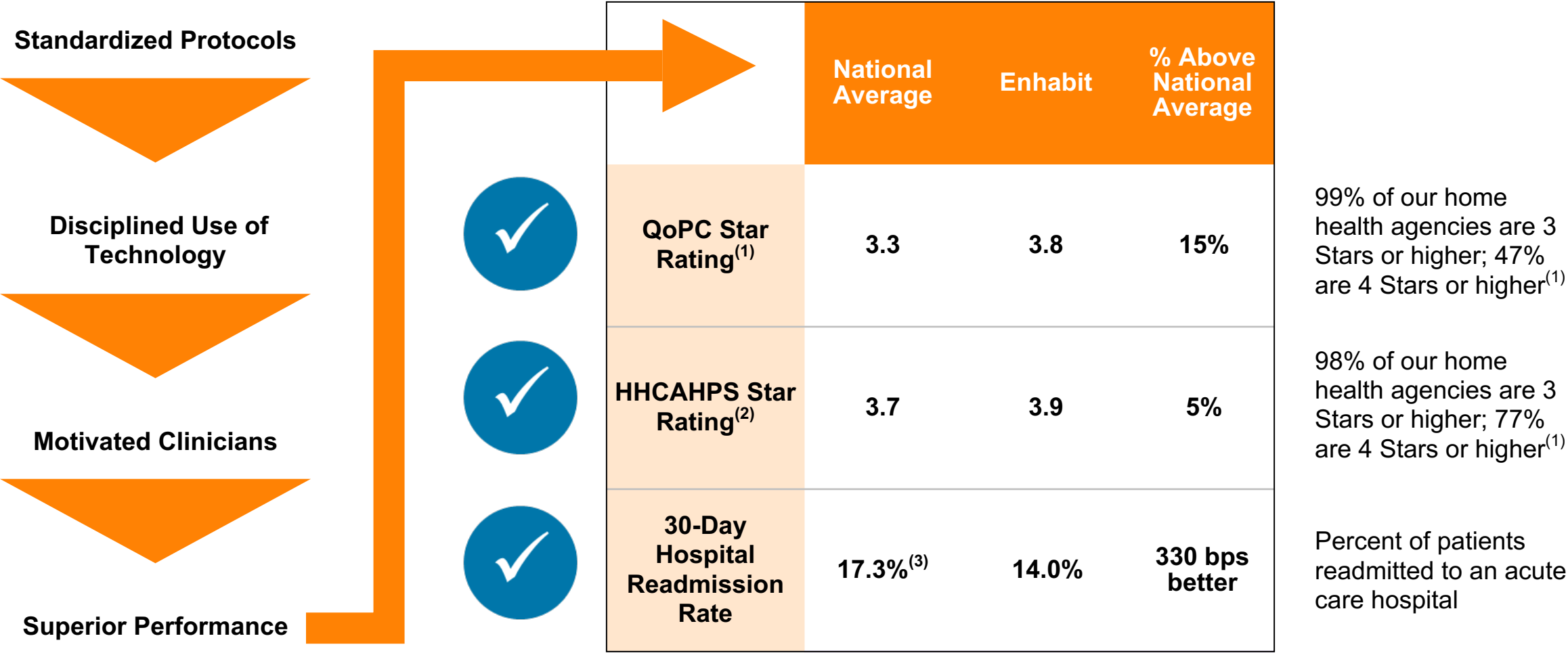


(\$ in millions)	Q3 2022	% of Consolidated Revenue	Q3 2021	% of Consolidated Rev.
Home health segment Adjusted EBITDA	\$44.6		\$51.2	
Hospice segment Adjusted EBITDA	\$9.3		\$13.1	
Home office administrative and general expenses ⁽¹⁾	\$(22.2)	8.4 %	\$(21.3)	7.8 %
Consolidated Adjusted EBITDA	\$31.7		\$43.0	

Home office administrative and general expenses increased as a percentage of revenue year over year primarily due to the lower revenue base and incremental costs as a stand-alone company.

⁽¹⁾ Home office administrative and general expenses in the above table exclude stock compensation of \$4.5 million and \$0.3 million for Q3 2022 and Q3 2021, \$0.9 million and \$4.1 million in costs associated with the strategic alternatives review for Q3 2022 and Q3 2021, \$0.0 million and \$0.5 million of stock compensation included in overhead for Q3 2022 and 2021, as well as a \$0.7 million loss and a \$0.1 million gain on the disposal or impairment of assets for Q3 2022 and Q3 2021, respectively.

Clinical Expertise and High-Quality Outcomes



⁽¹⁾ Quality of Patient Care (QoPC) Star Rating as of July 2022
⁽²⁾ Home Health Care Consumer Assessment of Healthcare Providers (HHCAHPS) Patient Survey Star Ratings as of July 2022
⁽³⁾ AHHQI 2021 Chart Book

Debt, Liquidity and Cash Flow

Debt & Liquidity Metrics



(\$ in millions)	September 30, 2022
Advances under \$350 million revolving credit facility, due 2027	\$170.0
\$400 million term loan facility, due 2027	\$392.9
Finance lease obligations	\$5.7
Total debt	\$568.6
Less: Cash and cash equivalents	\$44.1
Net debt	\$524.5
Net debt to Adjusted EBITDA	3.1 x
Trailing twelve-month EBITDA	\$168.0
Available liquidity	\$224.1

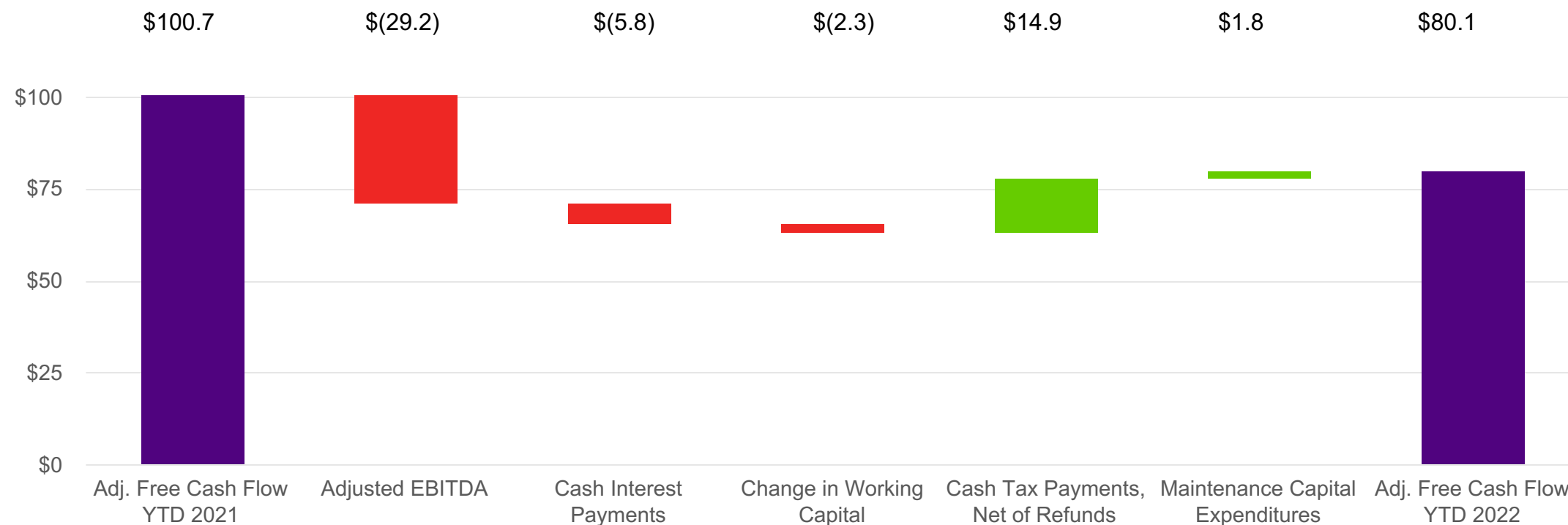
Notes:

- In mid-October 2022, we entered into an interest rate swap to fix the rate on ~50% of our term loan. The swap fixes the SOFR component of our interest rate at 4.3%.
- The Q3 2022 interest rate was 3.9% and the October interest rate was 4.9% (SOFR + credit spread adjustment + 175 bps)

Adjusted Free Cash Flow



(\$ in millions)



The reduction in Adjusted EBITDA was the primary driver of lower adjusted free cash flow year over year.

See uses of free cash flow on slide 24.

Guidance

2022 Guidance

Revised November 1, 2022



<i>(\$ in millions, except per share data)</i>	2022 Updated Guidance	2022 Previous Guidance	2021 Adjusted ⁽¹⁾
Net service revenue	\$1,070 to \$1,080	\$1,075 to \$1,100	\$1,107
Adjusted EBITDA	\$150 to \$155	\$155 to \$170	\$197
Adjusted EPS	\$1.37 to \$1.50	\$1.47 to \$1.75	\$2.35

⁽¹⁾ Reflects Enhabit on a carve-out basis

Guidance Considerations

Changes since prior guidance are underlined

Commentary: Home Health Projections

- An increase of 3.4% in Medicare pricing prior to resumption of sequestration
- Cost per visit increase of 6% to 7%
- Impact of Hurricane Ian

Commentary: Hospice Projections

- Capacity constraints related to staffing in the first half of 2022 led to a decline in hospice referrals; recovery of volumes has been slower than anticipated
- An increase of 2.0% in Medicare pricing prior to resumption of sequestration
- Cost per patient day increase of 3.5% to 4.5%

Commentary: Consolidated Projections

- Incremental general and administrative costs of \$20 million to \$21 million⁽¹⁾
- Incremental expense of approximately \$2 million for de novo locations
- Interest expense of \$13 million to \$15 million
- Tax rate of approximately 26%
- Diluted share count of approximately 50 million shares
- Guidance excludes nonrecurring costs related to the separation from Encompass Health

⁽¹⁾ The incremental A&G costs for Enhabit on a full-year basis are expected to be \$26 million to \$28 million, with that run rate achieved by the end of FY 2023. Enhabit's FY 2022 incremental A&G is expected to be lower than this range due to the lower cost of overhead allocated from Encompass Health prior to the separation date. See page 31 for overhead allocations from Encompass Health.

Adjusted Free Cash Flow Assumptions



Certain cash flow items <i>(in millions)</i>	2021 Adjusted ⁽¹⁾	2022 YTD	2022 Assumptions
Cash interest payments	\$0.3	\$6.0	\$13 to \$15
Cash income tax payments, net of refunds	28.4	11.8	\$11 to \$13
Working capital	32.8	18.0	\$20 to \$25
Maintenance capital expenditures	5.4	3.1	\$5 to \$8
Adjusted free cash flow	\$130.3	\$80.1	\$89 to \$106

⁽¹⁾ Reflects Enhabit on a carve-out basis

Uses of Free Cash Flow



<i>(in millions)</i>	2021 Adjusted ⁽¹⁾	2022 YTD	2022 Assumptions
Growth in Core Business			
De novos	\$—	\$0.5	\$2 to \$3
Acquisitions ⁽²⁾⁽³⁾	\$117.5	\$—	\$50 to \$100
Debt redemptions (borrowings), net ⁽⁴⁾	\$—	\$5.0	TBD

⁽¹⁾ Reflects Enhabit on a carve-out basis

⁽²⁾ 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.

⁽³⁾ On October 1, 2022, we acquired Caring Hearts Hospice in northeast Texas. On November 1, 2022, we acquired Unity Hospice in Arizona. The combined purchase price of these acquisitions was approximately \$18 million. See Page 9.

⁽⁴⁾ Amounts in this row do not include debt incurred as part of the separation transaction from Encompass Health.

Company Overview

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 thier 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**



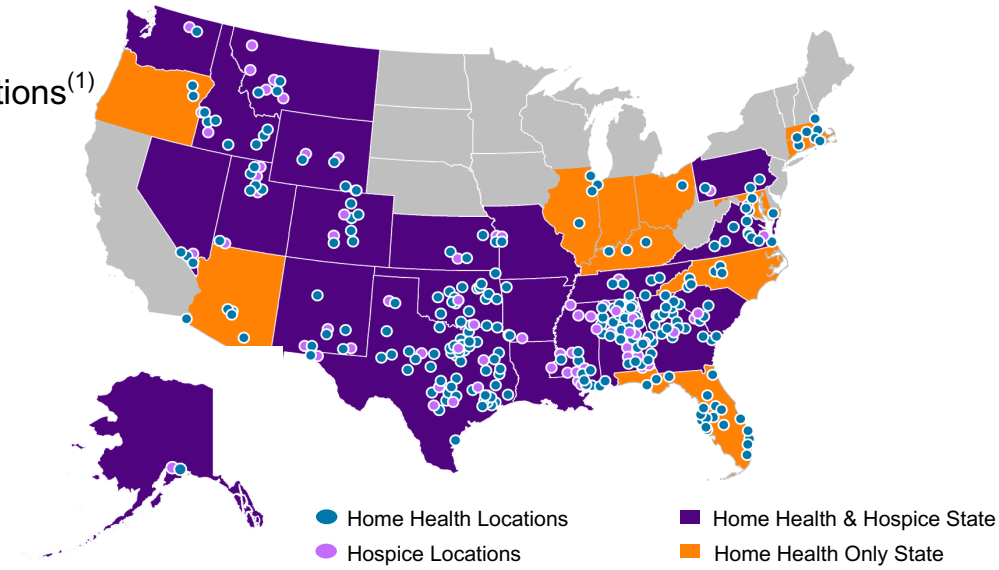
We foster an **award-winning culture** that is a strategic advantage in attracting and retaining talent and a main contributor to our continued success

250

Home Health Locations⁽¹⁾

100

Hospice Locations⁽¹⁾



86

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⁾

⁽¹⁾ As of September 30, 2022
⁽²⁾ Based on 2020 Home Health Medicare revenues

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

Expecting to open 10 de novo locations per year



Pursue strategic acquisitions

In 2022, we expect to spend approximately \$50 to \$100 million on acquisitions



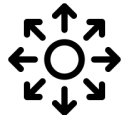
Leverage care transitions expertise

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 grow to 51% by 2030 compared to ~44% in 2021



Explore adjacent service offerings

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

Appendix



Home Health Operational Metrics

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

Hospice Operational Metrics

(In Millions)	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	FY 2021
Hospice net service revenue	\$49.4	\$47.8	\$49.4	\$52.1	\$52.8	\$53.8	\$50.6	\$209.3
(Actual Amounts)								
Total admissions	2,982	2,835	3,246	3,223	3,262	3,298	3,330	13,113
Patient days	320,732	313,718	319,834	334,011	352,691	351,878	334,400	1,372,980
Discharged average length of stay	103	109	108	106	106	115	100	107
Average daily census	3,486	3,447	3,554	3,631	3,834	3,867	3,716	3,762
Revenue per day	\$154	\$152	\$154	\$156	\$150	\$153	\$151	\$152
Cost per day	\$71	\$69	\$68	\$66	\$67	\$65	\$65	\$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			
Home health net service revenue	\$661.4	\$673.3	(1.8)%		
Hospice net service revenue	\$146.6	\$157.2	(6.7)%		
Total net service revenue	\$808.0	\$830.5	(2.7)%		
	% of Revenue	% of Revenue			
Cost of services	48.6%	\$(392.3)	46.4%	\$(385.4)	1.8%
Gross margin	51.4%	\$415.7	53.6%	\$445.1	(6.6)%
Administrative & general expenses	36.5%	\$(295.1)	35.8%	\$(297.7)	(0.9)%
Operating expenses	85.1%	\$(687.4)	82.3%	\$(683.1)	0.6%
Other income		\$—		\$(1.6)	
Equity in net income of nonconsolidated affiliates		\$—		\$(0.5)	
Noncontrolling interests		\$1.6		\$1.3	
Adjusted EBITDA		\$119.0		\$148.2	(19.7)%
Adjusted EBITDA margin		14.7 %		17.8 %	
Adjusted EPS		\$1.21		\$1.78	(32.0)%
In arriving at Adjusted EBITDA, the following were excluded:					
Gain on disposal of assets		\$0.1		\$(0.4)	
Stock compensation expense		\$7.1		\$2.1	
Other losses		\$8.1		\$10.4	

Home Health Segment Results – YTD 2022

(\$ in millions)	Year-To-Date		'22 vs. '21
	2022	2021	
Net service revenue	\$661.4	\$673.3	(1.8)%
Cost of services	326.4	\$317.2	2.9 %
Gross margin	50.7 %	52.9 %	
Adjusted EBITDA	\$155.3	\$170.5	(8.9)%
% Adj. EBITDA margin	23.5 %	25.3 %	
Operational metrics (Actual Amounts)			
Starts of care			
Episodic admissions	110,564	117,449	(5.9)%
Non-episodic admissions	41,883	32,360	29.4 %
Total admissions	152,447	149,809	1.8 %
Same-store total admissions growth			(1.0)%
Episodic recertifications	77,622	84,121	(7.7)%
Non-episodic recertifications	18,967	14,517	30.7 %
Total recertifications	96,589	98,638	(2.1)%
Same-store total recertifications growth			(3.6)%
Total starts of care	249,036	248,447	0.2 %
Completed episodes	186,198	200,339	(7.1)%
Revenue per episode	\$3,006	\$2,936	2.4 %
Visits per episode	15.1	15.5	(2.6)%
Total visits	3,620,533	3,749,793	(3.4)%
Non-episodic visits	818,214	651,322	25.6 %
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	\$146.6	\$157.2	(6.7)%
Cost of services	\$65.8	\$68.2	(3.5)%
<i>Gross margin</i>	55.1 %	56.6 %	
Adjusted EBITDA	\$32.8	\$41.1	(20.2)%
<i>% Adj. EBITDA margin</i>	22.4 %	26.1 %	
Operational metrics (Actual Amounts)			
Total admissions	9,063	9,890	(8.4)%
Same-store total admissions growth			(16.4)%
Patient days	954,284	1,038,969	(8.2)%
Discharged average length of stay	107	107	— %
Average daily census	3,496	3,806	(8.1)%
Revenue per day	\$154	\$151	2.0 %
Cost per day	\$69	\$66	4.5 %

Payor Sources

As a % of Revenue	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Consolidated					
Medicare	77.6 %	81.9 %	78.4 %	82.2 %	81.9 %
Medicare Advantage	14.5 %	10.4 %	13.7 %	10.4 %	10.6 %
Managed Care	6.4 %	6.2 %	6.6 %	5.8 %	5.9 %
Medicaid	1.4 %	1.4 %	1.2 %	1.4 %	1.4 %
Other	0.1 %	0.1 %	0.1 %	0.2 %	0.2 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Home Health					
Medicare	73.6 %	78.2 %	74.5 %	78.6 %	78.2 %
Medicare Advantage	17.8 %	12.9 %	16.7 %	12.8 %	13.1 %
Managed Care	7.0 %	7.3 %	7.4 %	6.8 %	6.9 %
Medicaid	1.5 %	1.5 %	1.4 %	1.6 %	1.6 %
Other	0.1 %	0.1 %	— %	0.2 %	0.2 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %
Hospice					
Medicare	95.7 %	97.7 %	96.5 %	98.0 %	97.9 %
Managed Care	3.5 %	1.7 %	2.9 %	1.4 %	1.5 %
Medicaid	0.8 %	0.6 %	0.6 %	0.6 %	0.6 %
Total	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

EPS Calculation: Q3 2022

Adjusted EPS – Q3 2022 (\$ in millions, except per share amounts)	As Reported	Transaction Costs	As Adjusted
Adjusted EBITDA	\$31.7	\$—	\$31.7
Depreciation and amortization	(8.0)	—	(8.0)
Interest exp. and amortization of debt discounts & fees	(6.2)	—	(6.2)
Gain on disposal or impairment of assets	(0.7)	—	(0.7)
Stock compensation expense	(4.5)	—	(4.5)
Transaction costs	(0.9)	0.9	—
Net income before income taxes	11.4	0.9	12.3
Income tax (expense) benefit	(2.8)	(0.1)	(2.9)
Net income attributable to Enhabit	\$8.6	\$0.8	\$9.4
Diluted earnings per share	\$0.17	\$0.02	\$0.19
Diluted shares	49.7		49.7

EPS Calculation: Q3 2021

Adjusted EPS – Q3 2021 (\$ in millions, except per share amounts)	As Reported	Transaction Costs	As Adjusted
Adjusted EBITDA	\$43.0	\$—	\$43.0
Depreciation and amortization	(9.4)	—	(9.4)
Interest exp. and amortization of debt discounts & fees	(0.1)	—	(0.1)
Gain on disposal or impairment of assets	0.1	—	0.1
Stock compensation expense	(0.3)	—	(0.3)
Stock compensation included in overhead allocation	(0.5)	—	(0.5)
Transaction costs	(4.1)	4.1	—
Net income before income taxes	28.7	4.1	32.8
Income tax expense	(7.1)	(1.0)	(8.1)
Net income attributable to Enhabit	\$21.6	\$3.1	\$24.7
Diluted earnings per share	\$0.44	\$0.06	\$0.50
Diluted shares	49.6		49.6

EPS Calculation: YTD 2022

Adjusted EPS – YTD 2022 (\$ in millions, except per share amounts)	As Reported	Transaction Costs	As Adjusted
Adjusted EBITDA	\$119.0	\$—	\$119.0
Depreciation and amortization	(24.7)	—	(24.7)
Interest exp. and amortization of debt discounts & fees	(6.3)	—	(6.3)
Loss on disposal or impairment of assets	(0.1)	—	(0.1)
Stock compensation expense	(7.1)	—	(7.1)
Stock compensation included in overhead allocation	(1.1)	—	(1.1)
Transaction costs	(7.0)	7.0	—
Net income before income taxes	72.7	7.0	79.7
Income tax expense	(17.9)	(1.6)	(19.5)
Net income attributable to Enhabit	\$54.8	\$5.4	\$60.2
Diluted earnings per share	\$1.10	\$0.11	\$1.21
Diluted shares	49.7		49.7

EPS Calculation: YTD 2021

Adjusted EPS – YTD 2021 (\$ in millions, except per share amounts)	As Reported	Income Tax Adjustments	Transaction Costs	As Adjusted
Adjusted EBITDA	\$148.2	\$—	\$—	\$148.2
Depreciation and amortization	(27.9)	—	—	(27.9)
Interest exp. and amortization of debt discounts & fees	(0.2)	—	—	(0.2)
Gain on disposal or impairment of assets	0.4	—	—	0.4
Stock compensation expense	(2.1)	—	—	(2.1)
Stock compensation included in overhead allocation	(1.6)	—	—	(1.6)
Transaction costs	(8.8)	—	8.8	—
Net income before income taxes	108.0	—	8.8	116.8
Income tax expense	(26.2)	(0.3)	(2.2)	(28.7)
Net income attributable to Enhabit	\$81.8	\$(0.3)	\$6.6	\$88.1
Diluted earnings per share	\$1.65	\$—	\$0.13	\$1.78
Diluted shares	49.6			49.6

Reconciliation of Net Income to Adjusted EBITDA – Consolidated



	Third Quarter		YTD	
	2022	2021	2022	2021
<i>(\$ in millions)</i>				
Net income	\$8.9	\$22.0	\$56.4	\$83.1
Income tax expense	2.8	7.1	17.9	26.2
Interest expense and amortization of debt discounts and fees	6.2	0.1	6.3	0.2
Depreciation and amortization	8.0	9.4	24.7	27.9
Loss (gain) on disposal or impairment of assets	0.7	(0.1)	0.1	(0.4)
Stock-based compensation	4.5	0.3	7.1	2.1
Stock-based compensation including overhead allocation	—	0.5	1.1	1.6
Net income attributable to noncontrolling interests	(0.3)	(0.4)	(1.6)	(1.3)
Transaction costs	0.9	4.1	7.0	8.8
Adjusted EBITDA	\$31.7	\$43.0	\$119.0	\$148.2

Reconciliation of Cash Provided by Operations to Adjusted EBITDA



(\$ in millions)	Third Quarter		YTD	
	2022	2021	2022	2021
Net cash provided by operating activities	\$1.0	\$6.6	\$76.0	\$100.2
Interest expense and amortization of debt discounts and fees	6.2	0.1	6.3	0.2
Equity in net income of nonconsolidated affiliates	—	0.1	—	0.5
Net income attributable to noncontrolling interests in continuing operations	(0.3)	(0.4)	(1.6)	(1.3)
Distributions from nonconsolidated affiliates	—	—	—	(0.2)
Current portion of income tax expense	3.9	7.2	20.4	25.4
Change in assets and liabilities	20.3	24.7	10.0	11.1
Transaction costs	0.9	4.1	7.0	8.8
Stock-based compensation included in overhead allocation	—	0.5	1.1	1.6
Other	(0.3)	0.1	(0.2)	1.9
Adjusted EBITDA	\$31.7	\$43.0	\$119.0	\$148.2

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



	Third Quarter		YTD	
	2022	2021	2022	2021
<i>(\$ in millions)</i>				
Net cash provided by operating activities	\$1.0	\$6.6	\$76.0	\$100.2
Cash expenditures for maintenance	(0.5)	(1.9)	(3.1)	(4.9)
Distributions paid to non controlling interests of consolidated affairs	(0.2)	(0.3)	(0.9)	(1.6)
Items non-indicative of ongoing operations performance:				
Stock-based compensation including overhead allocation	—	0.5	1.1	1.6
Transaction costs and related assumed liabilities	1.8	2.3	7.0	5.4
Adjusted free cash flow	\$2.1	\$7.2	\$80.1	\$100.7



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