The Ensign Group, Inc. (ENSG)

Updated April 27th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$189	**5 Year Annual Expected Total Return:**	5.3%	**Market Cap:**	$11.05 B
Fair Value Price:	$166	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	06/30/26[1]
% Fair Value:	114%	**5 Year Valuation Multiple Estimate:**	-2.6%	**Dividend Payment Date:**	07/31/26[2]
Dividend Yield:	0.1%	**5 Year Price Target**	$243	**Years Of Dividend Growth:**	19
Dividend Risk Score:	A	**Sector:**	Health Care	**Rating:**	Hold

Overview & Current Events

The Ensign Group, Inc. (ENSG) is a healthcare company founded in 1999 and headquartered in San Juan Capistrano, California. The company operates 288 healthcare facilities in 13 states, providing skilled nursing, senior living, rehabilitative care services, and ancillary businesses such as mobile diagnostics and medical transportation. The Ensign Group competes with other healthcare providers in the market. Still, its focus on delivering quality care and creating solid relationships with patients and their families has helped it establish a competitive advantage. The company's revenue segments are divided into four categories: skilled nursing services, assisted living services, home health and hospice services, and other services.

On February 5th, 2026, the company announced results for its fourth quarter of 2025. ENSG reported Q4 non-GAAP EPS of $1.82 for the period, beating analysts' estimates by $0.05.

The Ensign Group, Inc. wrapped up 2025 with a notably strong fourth quarter, underscoring both operational consistency and growing demand across its network. Revenue rose 20.2% year over year to $1.4 billion, while net income reached $95.5 million, reflecting solid bottom-line expansion. Occupancy trends stood out, with same-store and transitioning facilities reaching record levels of 83.8% and 84.9%, respectively. This was paired with increases in skilled days, Medicare revenue, and managed care activity—signals that both volume and patient mix are moving in the right direction. Full-year revenue reached $5.1 billion, up 18.7%, as the company continued to benefit from a combination of organic growth and recent acquisitions.

Looking forward, management is leaning into that momentum with a constructive 2026 outlook. Revenue is expected to land between $5.77 billion and $5.84 billion, supported by ongoing occupancy gains, a favorable skilled mix, and continued deal activity. The acquisition engine remains active, with 17 new operations added recently, including several real estate assets that are already contributing. Leadership also highlighted demographic tailwinds and a deep bench of local operators as reasons for confidence. While challenges like reimbursement variability and integration risks remain part of the backdrop, the broader narrative is clear, steady execution, disciplined growth, and a strategy that continues to deliver, even if it doesn't try to be flashy.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.83	$0.91	$1.70	$1.64	$3.06	$3.42	$3.95	$3.65	$5.12	$5.84	***$7.53***	***$11.06***
DPS	$0.16	$0.17	$0.18	$0.19	$0.20	$0.21	$0.22	$0.23	$0.24	$0.25	***$0.26***	***$0.33***
Shares[3]	51.9	51.4	52.6	53.5	54.6	55.2	55.7	55.7	56.7	57.3	***58.1***	***62.2***

Notwithstanding the macro environment, growth was robust, and occupancy rates returned to levels before the pandemic. Ensign Group is well financed to continue supporting its growth efforts, and we saw that the tail of its asset returns continues to generate value. However, as earnings normalize and reach pre-pandemic levels, there is less room

[1] Estimated ex-dividend date.
[2] Estimated dividend payment date.
[3] In millions.

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for growth. We have assumed an annual EPS growth rate of 8.0% through 2031. We revised our EPS estimate for 2026, matching the midpoint of analysts' estimates at $7.53. In addition, DPS has consistently increased for the last 19 years, and we remain confident that the company can keep on this track. We expect the company's DPS to grow slightly slower than its EPS at 5.0% through 2031, in-line with its long-term averages.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	23.6	21.5	18.8	28.7	16.8	24.1	21.3	26.4	26.0	26.0	***25.1***	***22.0***
Avg. Yld.	0.8%	0.9%	0.6%	0.4%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%	***0.1%***	***0.1%***

ENSG has attracted a relatively high P/E multiple in the past couple of years, and the stock is trading at a forward P/E of 25.1, higher than its 10-year and five-year averages of 23.3 and 24.8, respectively. Considering the growth prospects, we believe that a P/E of 22.0 accurately reflects the risk/reward of the stock, which leads to our 2031 price target of $243.

Safety, Quality, Competitive Advantage, & Recession Resiliency

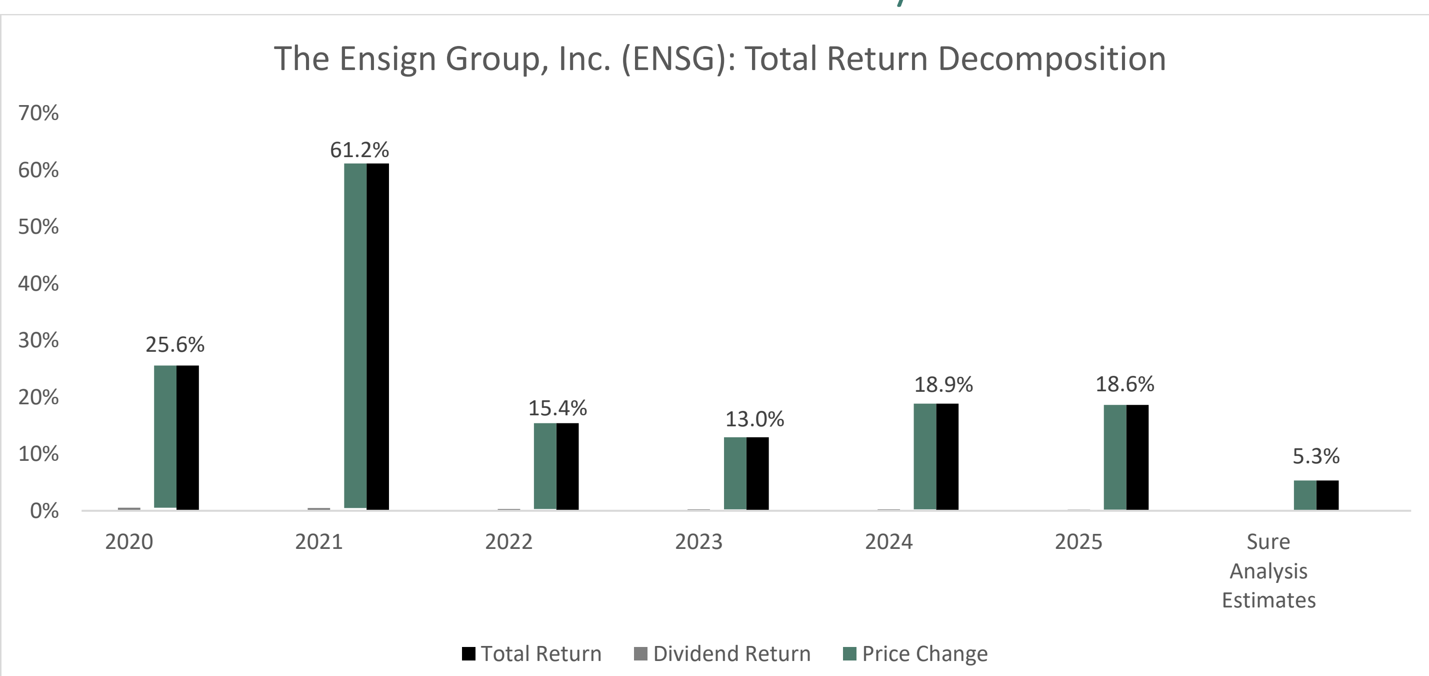
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	19%	19%	11%	12%	7%	6%	6%	6%	5%	4%	***3%***	***3%***

The Ensign Group's distinctive business model, which focuses on buying and renovating troubled healthcare facilities to restore performance and profitability, gives them a competitive advantage. In addition, the organization has performed well during recessions thanks to its solid financial position and capacity to adapt to the evolving healthcare market. The company noted that its share repurchase activity reflects confidence in its long-term growth outlook and its ability to consistently generate strong cash flow.

Final Thoughts & Recommendation

We remain confident in the Ensign Group's prospects, as its outlook is still favorable, with strong growth ahead. However, we maintain our hold rating, premised upon the 5.3% annualized total returns for the medium-term, derived from the forecasted earnings-per-share growth of 8.0%, the 0.1% dividend yield, and a valuation headwind.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	1,342	1,655	1,598	1,755	2,037	2,403	2,627	3,025	3,729	4,260
Gross Profit	185	188	173	219	291	407	468	518	591	668
Gross Margin	13.8%	11.4%	10.8%	12.5%	14.3%	17.0%	17.8%	17.1%	15.8%	15.7%
SG&A Exp.	64	69	74	91	111	130	152	159	263	225
D&A Exp.	28	39	42	45	51	55	56	62	72	84
Operating Profit	93	81	57	83	129	223	260	297	255	358
Op. Margin	6.9%	4.9%	3.5%	4.7%	6.3%	9.3%	9.9%	9.8%	6.8%	8.4%
Net Profit	55	50	40	92	111	170	195	225	209	298
Net Margin	4.1%	3.0%	2.5%	5.3%	5.4%	7.1%	7.4%	7.4%	5.6%	7.0%
Free Cash Flow	(27)	8	25	159	121	323	206	185	270	189
Income Tax	35	33	14	13	24	46	60	64	63	88

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	748	1,001	1,102	1,182	2,362	2,546	2,851	3,452	4,178	4,669
Cash & Equivalents	42	58	42	31	59	237	262	316	510	465
Acc. Receivable	209	244	265	252	309	305	329	408	485	570
Goodwill & Int.	105	122	139	83	61	61	67	83	83	105
Total Liabilities	321	541	602	580	1,706	1,727	1,829	2,203	2,680	2,829
Accounts Payable	36	39	39	40	45	51	58	77	93	99
Long-Term Debt	100	284	313	243	328	116	157	153	149	146
Total Equity	427	456	492	591	654	818	1,021	1,247	1,492	1,837
LTD/E Ratio	0.23	0.62	0.64	0.41	0.50	0.14	0.15	0.12	0.10	0.08

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	8.9%	5.7%	3.8%	8.1%	6.2%	6.9%	7.2%	7.1%	5.5%	6.7%
Return on Equity	16.2%	11.3%	8.5%	17.1%	17.8%	23.2%	21.2%	19.8%	15.3%	17.9%
ROIC	13.0%	7.9%	5.2%	11.1%	12.1%	17.8%	18.4%	17.4%	13.7%	16.4%
Shares Out.	51.4	51.9	51.4	52.6	53.5	54.6	55.2	55.7	57.3	58.2
Revenue/Share	25.70	31.74	30.25	32.26	36.38	43.07	46.16	53.20	65.06	73.15
FCF/Share	(0.51)	0.16	0.48	2.93	2.16	5.79	3.62	3.25	4.72	3.24

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.