The Ensign Group, Inc. (ENSG)

Updated August 16th, 2026, by Yiannis Zourmpanos

Key Metrics

Current Price:	$185	**5 Year Annual Expected Total Return:**	6.4%	**Market Cap:**	$10.6 B
Fair Value Price:	$171	**5 Year Growth Estimate:**	8.0%	**Ex-Dividend Date:**	09/30/26[1]
% Fair Value:	108%	**5 Year Valuation Multiple Estimate:**	-1.6%	**Dividend Payment Date:**	10/30/26[2]
Dividend Yield:	0.1%	**5 Year Price Target**	$251	**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 July 27th, 2026, the company announced results for its second quarter of 2025. ENSG reported Q2 non-GAAP EPS of $1.92 for the period, beating analysts' estimates by $0.07 and revenue of $1.44 billion, which was up 18% year-over-year.

The Ensign Group delivered a strong second quarter of 2026, supported by improving occupancy, favorable skilled mix trends and continued acquisition activity. GAAP net income increased 18.2% year over year to $99.7 million, while adjusted net income rose 22.5% to $114.3 million. Same Facility occupancy improved 270 basis points year over year to 84.1%, while Transitioning Facility occupancy increased 230 basis points to 84.7%. Skilled days grew 6.2% at Same Facilities and 9.4% at Transitioning Facilities, with Medicare days increasing 5.1% and 5.2%, respectively. Managed care days advanced 1.9% and 7.6%, respectively. Clinical performance remained strong, with more than 80% of skilled nursing operations earning four- or five-star CMS Quality Measure ratings and Same Facility rehospitalization rates running 15% better than the national average.

ENSG maintained an aggressive but disciplined expansion strategy, adding 20 operations during and since the quarter, all with associated real estate assets. Since 2024, the company has added 102 operations across multiple markets and expects further additions during the second half of 2026. Liquidity remained robust, with $262.3 million of cash and $591.6 million of available credit capacity. Standard Bearer generated $24.7 million of FFO, up 34.6% year over year. Management raised its full-year earnings outlook, reflecting stronger second-quarter performance and continued confidence in operating momentum.

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	***$7.78***	***$11.42***
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

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

returns continues to generate value. However, as earnings normalize and reach pre-pandemic levels, there is less room 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 $7.78. 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	***23.8***	***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 23.8, within 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 $251.

Safety, Quality, Competitive Advantage, & Recession Resiliency

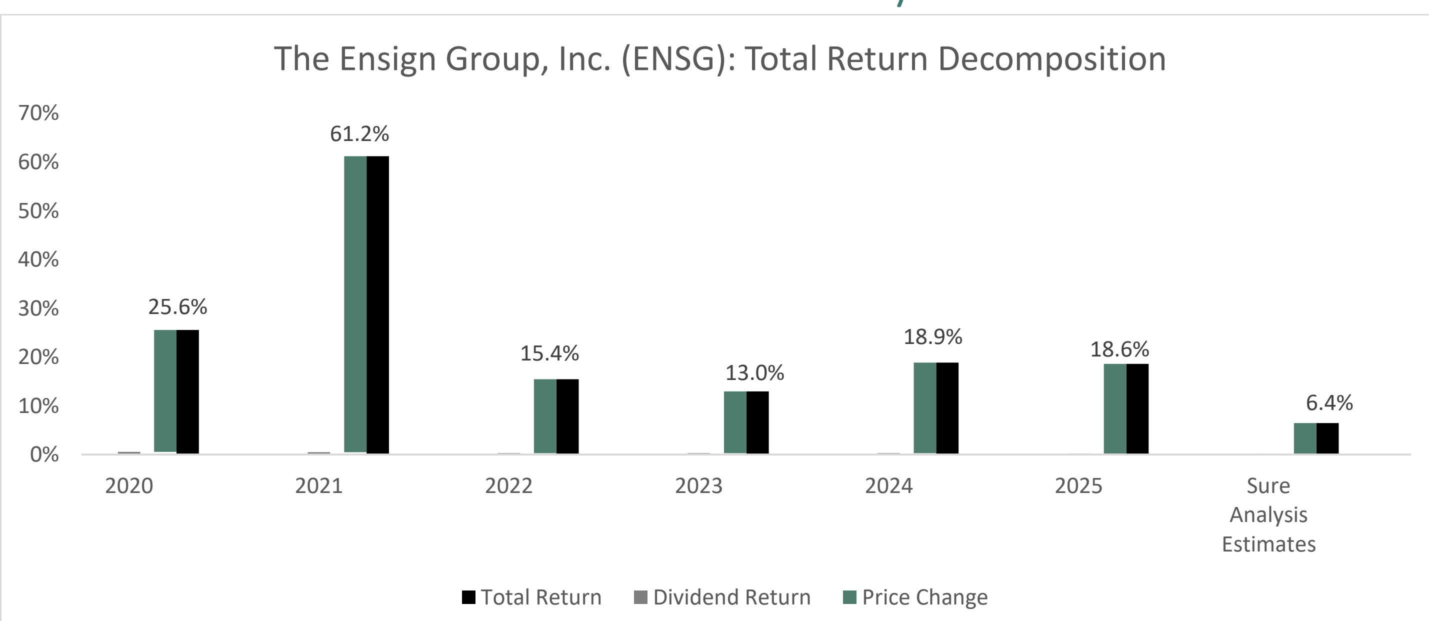
Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	19%	19%	11%	12%	7%	6%	6%	6%	5%	4%	***3%***	***3%***

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 6.4% 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



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	1,655	1,598	1,755	2,037	2,403	2,627	3,025	3,729	4,260	
Gross Profit	188	173	219	291	407	468	518	591	668	
Gross Margin	11.4%	10.8%	12.5%	14.3%	17.0%	17.8%	17.1%	15.8%	15.7%	
SG&A Exp.	69	74	91	111	130	152	159	263	225	
D&A Exp.	39	42	45	51	55	56	62	72	84	
Operating Profit	81	57	83	129	223	260	297	255	358	
Op. Margin	4.9%	3.5%	4.7%	6.3%	9.3%	9.9%	9.8%	6.8%	8.4%	
Net Profit	50	40	92	111	170	195	225	209	298	
Net Margin	3.0%	2.5%	5.3%	5.4%	7.1%	7.4%	7.4%	5.6%	7.0%	
Free Cash Flow	8	25	159	121	323	206	185	270	189	
Income Tax	33	14	13	24	46	60	64	63	88	

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,001	1,102	1,182	2,362	2,546	2,851	3,452	4,178	4,669	
Cash & Equivalents	58	42	31	59	237	262	316	510	465	
Acc. Receivable	244	265	252	309	305	329	408	485	570	
Goodwill & Int.	122	139	83	61	61	67	83	83	105	
Total Liabilities	541	602	580	1,706	1,727	1,829	2,203	2,680	2,829	
Accounts Payable	39	39	40	45	51	58	77	93	99	
Long-Term Debt	284	313	243	328	116	157	153	149	146	
Total Equity	456	492	591	654	818	1,021	1,247	1,492	1,837	
LTD/E Ratio	0.62	0.64	0.41	0.50	0.14	0.15	0.12	0.10	0.08	

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	5.7%	3.8%	8.1%	6.2%	6.9%	7.2%	7.1%	5.5%	6.7%	
Return on Equity	11.3%	8.5%	17.1%	17.8%	23.2%	21.2%	19.8%	15.3%	17.9%	
ROIC	7.9%	5.2%	11.1%	12.1%	17.8%	18.4%	17.4%	13.7%	16.4%	
Shares Out.	51.9	51.4	52.6	53.5	54.6	55.2	55.7	57.3	58.2	
Revenue/Share	31.74	30.25	32.26	36.38	43.07	46.16	53.20	65.06	73.15	
FCF/Share	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.