Extendicare Inc. (EXETF)

Updated August 17th, 2026, by Nikolaos Sismanis

Key Metrics

Current Price:	$23.89	**5 Year Annual Expected Total Return:**	-9.8%	**Market Cap:**	$2.24 B
Fair Value Price:	$12.40	**5 Year Growth Estimate:**	0.0%	**Ex-Dividend Date:**	08/31/2026
% Fair Value:	193%	**5 Year Valuation Multiple Estimate:**	-12.5%	**Dividend Payment Date:**	09/15/2026
Dividend Yield:	1.6%	**5 Year Price Target**	$12.40	**Years Of Dividend Growth:**	2[1]
Dividend Risk Score:	F	**Sector:**	Healthcare	**Rating:**	Hold

Overview & Current Events

Extendicare is a leading provider of long-term care (LTC) and home health care services in Canada, focused on delivering high-quality care to seniors. At the end of Q2 2026, Extendicare operated 97 LTC homes, comprising 58 homes owned by the company and 39 under management contracts. Further, Extendicare provides home health care services through ParaMed and CBI Home Health, delivering more than 27 million hours of care annually. Extendicare also offers managed services to third parties and joint ventures through Extendicare Assist and SGP, providing management, consulting, and procurement services, with SGP supporting about 161,700 beds across Canada. Extendicare pays dividends monthly and reports its financials in CAD. All figures in this report have been converted to USD, unless otherwise noted.

On March 16th, 2026, Extendicare raised its dividend by 5.0% to a monthly rate of C$0.0441.

On August 6th, 2026, Extendicare posted its Q2 results for the period ending June 30th, 2026. In Q2, Extendicare recorded $441.6 million in revenue, a 59.4% increase from $277.1 million in Q2 2025, driven by the acquisitions of CBI Home Health and Closing the Gap, the LTC Acquisition, LTC funding increases, and continued organic home health care growth. CBI contributed $105.3 million of revenue.

Operating expenses rose to $379.3 million, reflecting the acquisitions, higher care volumes, and increased labor and benefit costs. Net earnings were $22.3 million, or $0.233 per share, compared to $23.1 million, or $0.273 per share, in Q2 2025, as lower asset-sale gains, acquisition and integration costs, and debt-repayment costs offset strong operating growth. During the quarter, Extendicare completed the $412.0 million CBI acquisition, plus customary adjustments and about $12.5 million of estimated lease liabilities, and completed a $325.2 million senior unsecured notes offering. For FY2026, we expect EPS of $1.24.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.30	$0.02	$0.26	$0.25	$0.47	$0.10	$0.58	$0.30	$0.60	$0.81	***$1.24***	***$1.24***
DPS	$0.36	$0.38	$0.35	$0.37	$0.38	$0.38	$0.35	$0.36	$0.33	$0.37	***$0.38***	***$0.38***
Shares[2]	88.4	88.8	88.4	89.1	89.8	90.0	89.0	85.0	95.4	86.8	***96.6***	***100.0***

Extendicare's EPS trend has been shaped by several factors over the years. In 2016, EPS fell sharply driven by the sale of its U.S. operations and the restructuring of its business to focus on the Canadian market. This transition led to lower EPS as the company worked through integration and realignment. In the following years, Extendicare focused on operational efficiency, better cost management, and the redevelopment of long-term care facilities to help stabilize its results. The company also benefited from a more focused strategy in the home health care and long-term care sectors.

During the pandemic years (2020-2021), the company remained profitable despite challenges like higher staffing costs, pandemic-related expenses, and operational disruptions. However, ParaMed, Extendicare's home health care division, showed resilience, with strong demand for its services, helping to cushion the impact on overall earnings. From 2023 to 2024, EPS surged to $0.60, reflecting a recovery in home health care volumes as pandemic impacts eased. The growth in

[1] In local currency (CAD).

[2] Share count is in millions.

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.

Extendicare Inc. (EXETF)

Updated August 17th, 2026, by Nikolaos Sismanis

managed services, driven by partnerships like Revera and Axium, boosted higher-margin revenue streams, boosting the company's profitability. In 2025, EPS grew further on LTC funding increases, home health ADV growth, and occupancy.

Moving forward, we forecast no growth in EPS and the dividend. This is due to starting off of a high earnings base, while remaining cautious of potential headwinds between CAD and USD translation. Note that the company increased its dividend recently to a monthly rate of CAD $0.042. However, before that, the dividend had remained stable for about 12 years at a rate of CAD $0.04. We believe gradual dividend growth is not a priority for the company.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	22.2	---	25.3	23.9	11.5	53.1	10.0	17.8	9.1	12.2	***19.3***	***10.0***
Avg. Yld.	5.4%	5.2%	5.3%	6.2%	7.0%	7.2%	6.0%	6.8%	6.0%	3.7%	***1.6%***	***3.1%***

Extendicare has traded at a wide range of multiples over the past decade, even when excluding the years of depressed or inflated earnings. Today, the stock is trading at 19.3 times our EPS estimate for FY2026. We fear this is a rich multiple given the lack of earnings growth prospects over the medium term. We believe investors pay a premium for the stock because they are attracted to the monthly dividend. Yet, we would require a much higher yield in today's environment to be satisfied with holding the stock.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	120%	---	135%	148%	81%	---	60%	120%	55%	46%	***31%***	***31%***

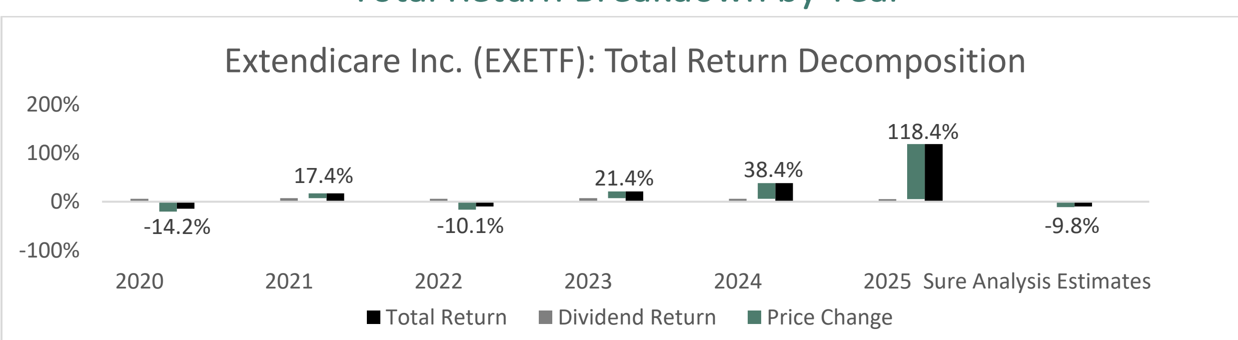
Extendicare's safety and quality are upheld through high standards in its long-term care homes, with many accredited by Accreditation Canada, and a focus on continuous improvements in care models. Also, its competitive advantage lies in its integrated continuum of care, covering long-term care, home health care, and managed services. Therefore, Extendicare can efficiently meet growing senior care demands.

Regarding its recession resiliency, Extendicare benefits from the inelastic demand for senior care services, driven by an aging population. The company's publicly funded home health care and long-term care services provide a stable revenue base, even in economic downturns. Extendicare has demonstrated its resilience during COVID-19 and is well-positioned to continue expanding with low leverage and a focus on high-margin services.

Final Thoughts & Recommendation

We like Extendicare for its solid position in the growing senior care market, offering a wide range of services with a focus on quality care. However, labor costs and funding pressures in the sector could pose some challenges for growth in the short term. While we rate the stock as a hold due to finally starting to grow the dividend, we believe shares could deliver negative returns over the medium-term due to multiple compression.

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.

Extendicare Inc. (EXETF)

Updated August 17th, 2026, by Nikolaos Sismanis

Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	801	847	864	853	824	931	939	966	1,070	1,188
SG&A Exp.	29	29	31	31	693	765	797	804	875	44
D&A Exp.	24	24	27	30	29	31	25	24	24	26
Operating Profit	45	51	46	40	70	40	20	47	81	99
Operating Margin	5.6%	6.0%	5.3%	4.7%	8.5%	4.3%	2.1%	4.8%	7.6%	8.3%
Net Profit	27	2	24	22	40	9	53	25	55	69
Net Margin	3.3%	0.2%	2.8%	2.5%	4.9%	1.0%	5.7%	2.6%	5.1%	5.8%
Free Cash Flow	(29)	5	(9)	9	66	(5)	(2)	(79)	74	45
Income Tax	6	8	3	5	12	5	0	8	18	24

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	733	743	658	680	755	706	576	507	502	778
Cash & Equivalents				72	141	82	123	57	85	255
Accounts Receivable	30	27	29	35	39	52	44	64	62	54
Goodwill & Int. Ass.	67	76	70	69	69	73	72	94	84	142
Total Liabilities	604	640	566	592	655	626	502	441	415	506
Accounts Payable	90	98	98	105	147	151	184	153	168	218
Long-Term Debt	373	426	388	426	443	421	283	252	204	241
Shareholder's Equity	130	103	93	88	101	80	74	66	87	272
LTD/E Ratio	2.88	4.16	4.20	4.82	4.40	5.27	3.81	3.80	2.35	0.88

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	3.6%	0.2%	3.5%	3.2%	5.6%	1.3%	8.3%	4.6%	10.9%	10.8%
Return on Equity	21.1%	1.4%	25.1%	23.9%	42.8%	10.2%	69.4%	35.8%	71.8%	38.6%
ROIC	5.6%	0.3%	4.9%	4.3%	7.6%	1.8%	12.5%	7.5%	18.0%	17.2%
Shares Out.	88.4	88.8	88.4	89.1	89.8	90.0	89.0	85.0	95.4	86.8
Revenue/Share	8.04	8.46	8.75	8.57	8.21	9.22	9.39	10.04	11.22	13.68
FCF/Share	(0.29)	0.05	(0.09)	0.09	0.66	(0.05)	(0.02)	(0.82)	0.78	0.52

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