

May 22, 2024



PACS Group Announces Pending Acquisition of Operations at 53 Facilities in Pacific Northwest, Real Estate Joint Venture on Majority of the Locations

FARMINGTON, Utah--(BUSINESS WIRE)-- PACS Group, Inc. (NYSE: PACS) ("PACS" or the "Company") announced today that subsidiaries of the Company have agreed to acquire the operations of 53 skilled nursing and assisted/independent living facilities across 8 western states. The facilities are currently operated by Prestige, a family company whose legacy of caring for seniors dates back to the 1940s.

The operations are located in 8 states, including Oregon (21 facilities), Washington (19 facilities), Idaho (6 facilities), Nevada (3 facilities), and one facility in each of Alaska, Arizona, California and Montana. Collectively, the facilities comprise 2,511 skilled nursing beds and 1,334 assisted living and independent living units. The Company will lease 37 of the facilities from a joint venture in which it owns a 25% interest. The remaining 16 facilities will be leased from unaffiliated third-party landlords.

"We're thrilled by the opportunity to welcome these 53 Prestige facilities, as well as their staffs and residents, to the PACS family," said Jason Murray, PACS Chairman and CEO. "The Delamarter family and the Prestige team have created a great legacy of providing compassionate care over the past many decades, and we look forward to honoring that legacy and supporting the facilities in their mission of providing quality care going forward."

Josh Jergensen, PACS President and COO, added: "We're excited to work with these great Prestige facilities, as well as for PACS to enter 5 new states. We plan to leverage our decentralized leadership model, as well as our prior experience with larger portfolio acquisitions, to quickly integrate the new facilities after the anticipated closing later this year. We're looking forward to serving these facilities and their communities."

Derick Apt, PACS CFO, noted: "The Prestige acquisition illustrates an important element of our growth model in action. We consider acquisitions, both large and small, when we believe the PACS operating model can thrive in the local markets. We look forward to seeing the good that these facilities can provide to their communities in the years to come. And because we will be leasing the facilities on a traditional triple net basis, our up-front capital outlay to do the transaction will consist primarily of the approximately \$15 million that we'll invest in the real estate joint venture for our 25% interest."

The acquisition of the operations is subject to customary closing conditions, including without limitation the receipt of applicable regulatory approvals and third-party consents, and there can be no assurance that the transactions will close in the anticipated timeframe, or at all. The Company anticipates that the transactions will close in the third quarter of 2024.

Forward-Looking Statements

Statements in this press release may contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to substantial risks and uncertainties. Forward-looking statements contained in this press release may be identified by the use of words such as “may,” “will,” “should,” “expect,” “plan,” “anticipate,” “would,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements include, among others, the anticipated closing of the Prestige acquisition, potential strategic benefits of the Prestige acquisition, and are based on PACS’ current expectations, forecasts, and assumptions, are subject to inherent uncertainties, risks and assumptions that are difficult to predict, and actual outcomes and results could differ materially due to a number of factors, including: if we fail to complete the Prestige acquisition; if we fail to successfully integrate the business and operations of Prestige’s facilities in the expected timeframe or at all; and if we continue to incur substantial expenses related to the Prestige acquisition and the related integration of the Prestige facilities, if consummated. Other risks and uncertainties include those described more fully in the section titled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operation” and elsewhere in our Quarterly Report on Form 10-Q for the three months ended March 31, 2024, and in the PACS’ other reports filed with the U.S. Securities and Exchange Commission. Forward-looking statements contained in this announcement are based on information available to PACS as of the date hereof and are made only as of the date of this release. PACS undertakes no obligation to update such information except as required under applicable law. These forward-looking statements should not be relied upon as representing PACS’ views as of any date subsequent to the date of this press release. In light of the foregoing, investors are urged not to rely on any forward-looking statement in reaching any conclusion or making any investment decision about any securities of PACS.

About PACS™

PACS Group, Inc. is a holding company investing in post-acute healthcare facilities, professionals, and ancillary services. Founded in 2013, PACS Group is one of the largest post-acute platforms in the United States. Its independent subsidiaries operate over 200 post-acute care facilities across nine states serving over 22,000 patients daily. References herein to the consolidated “Company,” as well as the use of the terms “we,” “us,” “our,” “its” and similar verbiage, refer to PACS Group, Inc. and its consolidated subsidiaries, taken as a whole. PACS Group, Inc. and its subsidiaries that are not licensed healthcare providers do not provide healthcare services to patients, residents or any other person, and do not direct or control the provision of services provided or the operations of those provider subsidiaries. All healthcare services are provided solely by its applicable subsidiaries that are licensed healthcare providers, under the direction and control of licensed healthcare professionals in accordance with applicable law. More information about PACS is available at <https://IR.pacs.com>. The information on our website is not part of this press release.

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20240522791973/en/>

Brooks Stevenson
VP, Corporate Communication

801-597-9538 | Brooks.Stevenson@pacs.com

Source: PACS Group, Inc.