Safe Harbor Statement

Certain statements in this presentation regarding the expected benefits of future opportunities for the Company and any other statements regarding the Company’s future expectations, beliefs, goals, strategies or prospects contained in this presentation constitute “forward-looking statements” under Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may be preceded by, followed by or include the words “may,” “will,” “believe,” “expect,” “anticipate,” “intend,” “plan,” “estimate,” “could,” “might,” or “continue” or the negative or other variations thereof or comparable terminology. A number of important factors could cause actual events or results to differ materially from those indicated by such forward-looking statements, including changes in the Company’s reimbursement rates; healthcare reform legislation; the impact of government investigations and legal actions against the Company’s centers and other factors described in the most recent Annual Report on Form 10-K of the Company and elsewhere in the Company’s filings with the Securities and Exchange Commission. You should not place undue reliance on any of these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and the Company undertakes no obligation to update any such statement to reflect new information, or the occurrence of future events or changes in circumstances. References made in this presentation to "Genesis," "the Company," "we," "us" and "our" refer to Genesis Healthcare, Inc. and each of its wholly-owned companies.
Agenda

- Genesis Overview
- Long-Term Value Creation Opportunities
- Financial Summary
Genesis Overview

**Genesis HealthCare** is now one of the largest providers of post-acute care services in the nation.

**Publicly Traded**
Ticker: GEN

- ~80,000 dedicated teammates
- ~60,000 beds

**Average Occupancy**
88.1% over the last 3 years

**Competitive Strengths**

- More than 450 facilities across 30 states
- More than 200 clinical specialty units.
- More than 425 Genesis physicians and nurse practitioners.
- Strong referral network with hospitals.
- Genesis also supplies contract rehabilitation services to approx. 1,700 locations across 45 states.
More than 450 SNF and ALF facilities across 30 states

Top 5 states by licensed beds:
- PA: 10.6%
- NJ: 11.5%
- MD: 7.6%
- CA: 7.0%
- MA: 7.1%
Differentiation Through Sub-Acute Focus

Strategic investments in sub-acute specialty units help differentiate Genesis

PowerBack
100% ShortStay. Aggressive, highly personalized - designed to get patients home sooner

Transitional Care Units (TCU)
A rapid recover option for patients requiring post-acute rehab and medical services due to illness, surgery or injury

Memory Support (Alzheimer’s)
Offers a safe, secure, home-like environment with consistent staff to promote relationships and stable family atmosphere

Ventilator Unit
Designed for patients who need short-term or continuous ventilator care or rehab

Dialysis
On-site for patients requiring treatment for end-stage renal disease along with skilled care

Clinical Specialty Unit Breakdown by Type

- PowerBack
- TCU
- Memory Support
- Vent
- Dialysis

Total Specialty Units: 210
Genesis Physician Services

**Overview**

- Group practice specializing in sub-acute, skilled nursing & long-term care
- Dedicated Medical Directors & full-/ part-time Attending Physicians and APPs
- Clinical care partners for the entire Genesis care team
- 70% of facility admissions are seen by GPS providers (where a GPS presence exists)
- More than 600,000 patient visits annually
- Genesis HealthCare ACO selected to participate in MSSP
- Targeting close to 500 contracted physicians to join GPS and ACO as part of expansion strategy
- Named Dr. Richard Feifer Chief Medical Officer of GPS in April 2016
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U.S. SNF Capacity

Source: Computed by AHCA Research staff using CMS Nursing Facility standard health survey data.
American Health Care Association - Research Department
Projected Growth in U.S. SNF Census, by Age Cohort

Changing Models of Care Shaping the Industry

Genesis is well-positioned to capitalize on value-based movement

**Shifting Payment Practices**
- Low Risk/Low Accountability to High Risk/High Accountability for Quality

**Value-Based Care Models**
- Bundled Payment for Care Improvement ("BPCI")
- Medicare Shared Savings Program ("MSSP")
- Existing Program
- Growth Opportunities
  - Members, Savings, Track
- Long-term trends towards cost efficiency and pay for quality may concentrate higher market share with fewer operators who demonstrate geographic scale and high quality outcomes, such as Genesis

Genesis is well-positioned to capitalize on value-based movement
Unlocking the Value of Genesis’ Ancillary Businesses

In addition to favorable U.S. demographic supply / demand dynamics and Genesis’ leading edge in the value-based transformation, Genesis is positioned for value creation in its three undervalued ancillary businesses:

- Genesis Physician Services/ Genesis ACO
- Genesis Rehab Services
- GRS China
Genesis Physician Services (GPS) ACO

- Jan 1, 2016, GPS entered the Medicare Shared Savings Program via its Genesis HealthCare ACO
- GPS is the only captive SNFist Company in the industry and the only post-acute care sponsored ACO in the U.S.
  - Manages over $800m of annual Medicare spend
  - Relates to over 15,000 Medicare beneficiaries
- The ACO is accountable for improved quality outcomes as well as healthcare delivery and efficiency; focuses solely on LTC residents
- Under MSSP, if the ACO produces actual Medicare spend BELOW the target $ benchmark targets by at least 3%, the ACO shares in up to 50% for providers reporting (year 1) and achievement (years 2+) of quality metrics
- Reconciliation expected in mid-2017
Genesis Rehab Services

**Value-Based Initiatives**

- New business line – Vitality to You
  - Extends GRS’ therapy services into the community; patient receives rehabilitation in the home
  - Designed to allow SNF’s to reduce average lengths of stay
  - Vitality to You grew 6.2% year-over-year

**GRS - Growth Opportunities**

- Highly fragmented / non-capital intensive industry offers attractive growth opportunities
- Genesis / Formation Capital acquisition / development strategy
- Potential to “value unlock” the GRS segment, currently undervalued inside Genesis
GRS China

- Genesis is the first provider to offer and develop a post-acute continuum in China.
- China has limited post-acute care options for patients requiring rehabilitation after their hospital stay.
- Genesis is making significant headway in China with 13 current locations:
  - Hospital locations:
    - Bang Er joint venture – 6 hospitals are now open; 3 more expected
    - Guangzhou, 400 bed opened December 2016
  - 4 Vitality Centers, a wellness center, in Phoenix City, Zengcheng, Hong Kong and Shanghai
  - Qinhuangdao Spring of Power Center, a 174 bed inpatient rehabilitation facility
  - Started rehab services in 800 bed nursing home, December 2016
  - GRS Academy (opened 2014) with over 200 courses, started full online learning management platform in September and graduated 445 students who took the NBME exam
Agenda

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Occupancy Trends – Genesis & Competitors

**Source: 10Q and 10K SEC Filings**

Genesis and Ensign = Operating Occupancy
Kindred = type of Occupancy not defined
Genesis reaffirms 2017 earnings guidance, with the following exceptions:

- The high-end of the revenue range was revised from $5.6 b to $5.5 b to reflect the known timing of certain recent facility divestitures.
- The estimated net loss attributable to Genesis Healthcare, Inc. is being revised to include estimates of certain non-recurring/non-cash charges and greater precision in the estimated income tax provision.
CMS Proposed Rules

• CMS proposed SNF payment rules – no surprises
  • 1% market basket increase – as expected
  • FY 2019 2% withhold tied to SNF re-hospitalization - introduced back in 2014
  • Revise and rebase the market basket base year from FY2010 to CY2014
  • Quality Reporting mandates and proposals
  • Proposes changes in regulatory oversight and burden

• Separate ‘Pre-Rule’ for a new SNF payment system
  • Budget neutral
  • Includes elements advanced by the industry - CMS including providers in development of a new and improved payment system
  • Positive features allow providers to operate more efficiently from an administrative and a care delivery perspective.
2017 Strategic Focus Areas

• Continue to develop and execute on value-based initiatives
• Aggressively manage cost
• Continue portfolio management with focus on core markets
• Further strengthen capital structure / reduce fixed charges
• Continue to develop value creation opportunities in ancillary businesses
Appendix
Appendix

Adjustments to EBITDA

We adjust EBITDA when evaluating our performance because we believe that the exclusion of certain additional items described below provides useful supplemental information to investors regarding, in the case of EBITDAR, the value of our business, and, in the case of EBITDA, our ongoing operating performance. We believe that the presentation of Adjusted EBITDA, when combined with GAAP net income (loss) attributable to Genesis Healthcare, Inc., and EBITDA, is beneficial to an investor’s complete understanding of our operating performance. In addition, such adjustments are substantially similar to the adjustments EBITDA provided for in the financial covenant calculations contained in our lease and debt agreements.

We adjust EBITDA for the following items:

- **Loss on extinguishment of debt.** We recognize losses on the extinguishment of debt when we refinance our debt prior to its original term, requiring us to write-off any unamortized deferred financing fees. We exclude the effect of losses or gains recorded on the early extinguishment of debt because we believe these gains and losses do not accurately reflect the underlying performance of our operating businesses.

- **Other income (loss).** We primarily use this income statement caption to capture gains and losses on the sale or disposition of assets. We exclude the effect of such gains and losses because we believe they do not accurately reflect the underlying performance of our operating businesses.

- **Transaction costs.** In connection with our acquisition and disposition transactions, we incur costs consisting of investment banking, legal, transaction-based compensation and other professional service costs. We exclude acquisition and disposition related transaction costs expensed during the period because we believe these costs do not reflect the underlying performance of our operating businesses.

- **Severance and restructuring.** We exclude severance costs from planned reduction in force initiatives associated with restructuring activities intended to adjust our cost structure in response to changes in the business environment. We believe these costs do not reflect the underlying performance of our operating businesses. We do not exclude severance costs that are not associated with such restructuring activities.

- **Long-lived asset impairment charges.** We exclude non-cash long-lived asset impairment charges because we believe including them does not reflect the ongoing operating performance of our operating businesses. Additionally, such impairment charges represent accelerated depreciation expense, and depreciation expense is excluded from EBITDA.

- **Losses of newly acquired, constructed or divested businesses.** The acquisition and construction of new businesses is an element of our growth strategy. Many of the businesses we acquire have a history of operating losses and continue to generate operating losses in the months that follow our acquisition. Newly constructed or developed businesses also generate losses while in their start-up phase. We view these losses as both temporary and an expected component of our long-term investment in the new venture. We adjust these losses when computing Adjusted EBITDA in order to better analyze the performance of our mature ongoing business. The activities of such businesses are adjusted when computing Adjusted EBITDA until such time as a new business generates positive Adjusted EBITDA. The operating performance of new businesses is no longer adjusted when computing Adjusted EBITDA beginning in the period in which a new business generates positive Adjusted EBITDA and all periods thereafter. The divestiture of underperforming or non-strategic facilities is also an element of our business strategy. We eliminate the results of divested facilities beginning in the quarter in which they become divested. We view the losses associated with the wind-down of such divested facilities as not indicative of the performance of our ongoing operating business.

- **Stock-based compensation.** We exclude stock-based compensation expense because it does not result in an outlay of cash and such non-cash expenses do not reflect the underlying operating performance of our operating businesses.
- Other Items. From time to time we incur costs or realize gains that we do not believe reflect the underlying performance of our operating businesses. In the current reporting period, we incurred the following expenses that we believe are non-recurring in nature and do not reflect the value or ongoing operating performance of the Company or our operating businesses.

(1) Skilled Healthcare and other loss contingency expense – We exclude the estimated settlement cost and any adjustments thereto regarding the four legal matters inherited by Genesis in the Skilled and Sun Transactions and disclosed in the commitments and contingencies footnote to our consolidated financial statements describing our material legal proceedings. In the three months ended March 31, 2017, we recognized no additional expense related to these matters. In the three months ended March 31, 2016, we recorded $1.6 million related to these matters. We believe these costs are non-recurring in nature as they will no longer be recognized following the final settlement of these matters. We do not exclude the estimated settlement costs associated with all other legal and regulatory matters arising in the normal course of business. Also, we do not believe the excluded costs reflect the underlying performance of our operating businesses.

(1) Regulatory defense and related costs – We exclude the costs of investigating and defending the matters associated with the Skilled Healthcare and other loss contingency expense as noted in footnote (1). We believe these costs are non-recurring in nature as they will no longer be recognized following the final settlement of these matters. Also, we do not believe the excluded costs reflect the value or underlying performance of our business.

(1) Other non-recurring costs – In the three months ended March 31, 2016, we excluded $0.8 million of costs incurred in connection with a settlement of disputed costs related to previously reported periods and a regulatory audit associated with acquired businesses and related to pre-acquisition periods. We do not believe the excluded costs are recurring or reflect the underlying performance of our business.

See the reconciliation of net loss attributable to Genesis Healthcare, Inc. to EBITDA and Adjusted EBITDA included herein.

Adjusted EBITDAR

We use Adjusted EBITDAR as one measure in determining the value of prospective acquisitions or divestitures. Adjusted EBITDAR is also a commonly used measure to estimate the enterprise value of businesses in the healthcare industry. In addition, covenants in our lease agreements use Adjusted EBITDAR as a measure of financial compliance.

The adjustments made and previously described in the computation of Adjusted EBITDA are also made when computing Adjusted EBITDAR. See the reconciliation of net loss attributable to Genesis Healthcare, Inc. to Adjusted EBITDAR included herein.