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Encompass Health Corporation provides updates regarding Board refreshment, separation of home health and hospice business

BIRMINGHAM, Ala., Feb. 28, 2022 /PRNewswire/ -- Encompass Health Corporation ("Encompass Health" or the "Company") (NYSE: EHC), a national leader in integrated healthcare, offering facility-based and home-based patient care through its network of inpatient rehabilitation hospitals and home health and hospice agencies, in response to recent discussions with stockholders, including JANA Partners LLC, today provided the following updates with respect to its previously disclosed Board refreshment process and planned separation of the Company's home health and hospice business, Enhabit.

The Company confirms that, in connection with its previously announced Board refreshment process, the size of the Board will consist of no more than 12 directors as of the conclusion of the 2022 Annual Meeting of Stockholders. The Company's slate of directors who will stand for election to the Board will be set forth in the Company's proxy statement materials when filed.

The Company continues to expect to complete the separation of Enhabit in the first half of 2022 via a spin-off. However, as Encompass Health proceeds with the separation process, our Board and management will assess any value-creating strategic opportunities and remain open to value-maximizing alternatives, including a sale or merger of Enhabit.

About Encompass Health
As a national leader in integrated healthcare services, Encompass Health (NYSE: EHC) offers both facility–based and home–based patient care through its network of inpatient rehabilitation hospitals, home health agencies and hospice agencies. With a national footprint that includes 146 hospitals, 251 home health locations, and 96 hospice locations in 42 states and Puerto Rico, the Company provides high–quality, cost-effective integrated healthcare. Encompass Health is ranked as one of Fortune's 100 Best Companies to Work For. For more information, visit encompasshealth.com, or follow us on ournewsroom, Twitter, Instagram and Facebook

Forward-Looking Statements
Statements contained in this press release which are not historical facts, such as the separation of the Enhabit business from Encompass Health and the related rebranding, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. In addition, Encompass Health, through its senior management, may from time to time make forward-looking public statements concerning the matters described herein. All such estimates, projections, and forward-looking information speak only as of the date hereof, and Encompass Health undertakes no duty to publicly update or revise such forward-looking information, whether as a result of new information, future events, or otherwise. Such forward-looking statements are necessarily estimates and speculative based upon current information, and involve a number of risks and uncertainties about Encompass Health's business plans and strategies, and actual events or results may differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including, equity and general market conditions, the expected benefits and costs of the spin-off transaction, the expected timing of the completion of the spin-off transaction and the transaction terms, and the possibility that Encompass Health may decide not to undertake the spin-off or any separation transaction or that it is not able to consummate the spin-off or other separation transaction or the related rebranding due to, among other things, market, regulatory and other factors, the potential for disruption to Encompass Health's business resulting from the undertaking of any transactions or rebranding, the effect of the transaction and the rebranding on Encompass Heath's ability to retain and hire key personnel and maintain relationships with its customers, suppliers, operating results and business generally, and adverse conditions in the healthcare services industry, including any effects associated with the COVID-19 or other pandemic, and those factors which may be identified from time to time in Encompass Health's SEC filings and other public announcements, including Encompass Health's current reports on Form 8-K, quarterly reports on Form 10-Q and its latest annual report on Form 10-K for the year ended December 31, 2021. No assurance can be given that the transactions described herein will be consummated or as to the ultimate terms of any such transactions.

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