



CareTrust REIT Expands in Montana

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SAN CLEMENTE, Calif., Sept. 02, 2020 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (NASDAQ:CTRE) announced today that it acquired two Montana skilled nursing facilities in an off-market transaction. Apple Rehab Cooney is an 80-bed facility located on the campus of the St. Peter's Health Regional Medical Center in Helena, Montana, and Elkhorn Healthcare & Rehabilitation is a 70-bed facility located in neighboring Clancy, Montana. The properties will be operated by national skilled nursing operator Eduro Healthcare, which operates 16 skilled nursing facilities including the 5-star rated Copper Ridge Health & Rehabilitation in Butte, Montana.

The transaction was CareTrust's first to be initiated and closed in the midst of the Covid-19 pandemic. "Underwriting assets involves some added challenges in these somewhat unusual times, but these buildings were well-run and the parties were pragmatic in dealing with those uncertainties," said Dave Sedgwick, CareTrust's Chief Operating Officer. He noted that CareTrust's existing relationship and positive history with Eduro was instrumental in helping both CareTrust and the seller work through the unique issues. "Eduro made it easy for the seller, who cared about the facilities and their legacy, to get comfortable with the sale," said Mr. Sedgwick.

Michael Bewsey, a seasoned skilled nursing professional and Eduro's managing partner, sounded a positive note about both the current condition and the future potential of the two facilities. "We are excited because these facilities are already clinically and operationally sound, and with the added support that Eduro can provide from behind the scenes, we believe they will just keep improving," he said. Mr. Bewsey also echoed Mr. Lamb's appreciation for the opportunity to work together with CareTrust to expand Eduro's operating footprint in Montana. "We love working with CareTrust because they understand our business, and they share our commitment to creating valuable community assets, honoring our outstanding caregivers and achieving superior clinical results," he added.

CareTrust's total initial investment for the two assets was \$16.5 million, inclusive of transaction costs and \$0.5 million of funding provided to Eduro to improve the facilities. Annual cash rent under the existing Eduro master lease, to which the two properties were added, will increase by approximately \$1.55 million. The master lease has a remaining term of approximately 9.5 years, with two five-year renewal options and CPI-based annual rent escalators. The acquisitions were funded using cash on hand.

About CareTrust REIT

CareTrust REIT, Inc. is a self-administered, publicly-traded real estate investment trust engaged in the ownership, acquisition, development and leasing of skilled nursing, seniors housing and other healthcare-related properties. With a nationwide portfolio of long-term net-leased properties and a growing portfolio of quality operators leasing them, CareTrust REIT is pursuing both external and organic growth opportunities across the United States. More information about CareTrust REIT is available at www.caretrustreit.com.

About Eduro Healthcare

Eduro Healthcare LLC is a Utah-based national skilled nursing company with 16 facilities in nine states. Eduro puts a primary emphasis on patient care, driven by four core values: Wellness, Compassion, Experience and Results. More information about Eduro Healthcare is available at www.edurohc.com.

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