



## CareTrust REIT Acquires Four-Property Texas Portfolio

November 17, 2020

SAN CLEMENTE, Calif., Nov. 17, 2020 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (NASDAQ:CTRE) announced today that it acquired four post-acute care facilities in the Dallas-Ft. Worth area in an off-market transaction for \$47.6 million, inclusive of transaction costs. The portfolio consists of 554 skilled nursing beds and 24 assisted living beds, and is currently leased to operating affiliates of The Ensign Group, Inc. The facilities include Beacon Harbor Healthcare & Rehabilitation in Rockwall, Rowlett Health & Rehabilitation Center in Rowlett, Crestwood Health & Rehabilitation in Wills Point and Pleasant Manor Healthcare & Rehabilitation in Waxahachie.

Mark Lamb, CareTrust's Chief Investment Officer, reported that in-place EBITDAR rent coverage for the portfolio is well over 2.0x. "While underwriting has been significantly complicated by the effects of the current pandemic, the portfolio's good market, strong lease coverage and especially having Ensign as the tenant gave us significant comfort with the investment," he said.

David Sedgwick, CareTrust's Chief Operating Officer, noted that Ensign took over the operations just 12 months ago from an operator that was in bankruptcy, and has rapidly and significantly improved the culture and operating fundamentals despite the pandemic. Calling Ensign "the bluest of the blue chip" skilled nursing operators, Mr. Sedgwick added, "The acquisition takes our rent concentration with Ensign from 31.5% to 33.0%, and we couldn't be more pleased to be expanding our relationship with them." As reported in CareTrust's November 5, 2020 quarterly financial supplement, Ensign's existing master leases with CareTrust covered at 3.27x for the 12 months ended June 30, 2020.

CareTrust assumed the seller's two existing leases in the transaction, with aggregate annual cash rent of approximately \$3.8 million and CPI-based escalators. The leases have a remaining term of approximately 14 years with three five-year renewal options and include a tenant option to purchase the properties later in the initial term. The acquisition was funded using a combination of cash on hand and CareTrust's \$600 million unsecured revolving credit facility.

### 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](http://www.caretrustreit.com).

### Contact:

CareTrust REIT, Inc.  
(949) 542-3130  
[ir@caretrustreit.com](mailto:ir@caretrustreit.com)



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