



## CareTrust REIT Sees Relationship with The Ensign Group Grow in Washington

June 2, 2021

SAN CLEMENTE, Calif., June 02, 2021 (GLOBE NEWSWIRE) -- CareTrust REIT, Inc. (Nasdaq: CTRE) confirmed today that it has approved a request from longtime tenant Five Oaks Healthcare, L.L.C. to transfer the operations in four of its CareTrust-owned skilled nursing facilities to affiliates of The Ensign Group, Inc. (Nasdaq: ENSG), effective June 1, 2021.

The four Washington state facilities will be added to an existing long-term, triple-net master lease between CareTrust and Ensign. The master lease, one of eight legacy multi-facility master leases between CareTrust and Ensign operating affiliates, was also amended to extend its remaining primary lease term by ten years to 2036.

CareTrust became a separate and independent publicly-traded real estate investment trust exactly seven years ago yesterday, following a tax-free REIT spin-off transaction with Ensign. At the time, Ensign accounted for 100% of CareTrust's tenant base. Both companies have grown significantly since then, and after today's announcement Ensign and its affiliates account for approximately 32.4% of CareTrust's annualized rental revenues at March 31, 2021.

Dave Sedgwick, CareTrust's President and Chief Operating Officer, said, "In spite of their unparalleled track record and extremely healthy lease coverage of 1.85x at the time of the spinoff, one of our early mandates was to reduce the Ensign concentration by growing with other strong operators in skilled nursing and seniors housing." Noting that Ensign has outperformed its industry peers since that time, Mr. Sedgwick continued, "Today, their EBITDAR lease coverage with us has grown to 3.62x and, needless to say, our shareholders are very supportive of our concentration with Ensign and of our desire to grow the relationship as mutually beneficial opportunities arise."

"It has been several years since we have grown in the State of Washington and we are very excited to add these particular operations to our portfolio because of their cultural and geographical fit," said Barry Port, Ensign's Chief Executive Officer. "We are also pleased to be expanding our continued and growing relationship with CareTrust and are happy to announce that, in connection with this transaction, CareTrust extended the lease term by ten years on the first-to-expire master lease pool. We are grateful for the strengthening of our long-standing partnership with CareTrust and look forward to many more years of working together on these and future opportunities," he added.

### **About CareTrust™**

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).

### **About Ensign™**

The Ensign Group, Inc.'s independent operating subsidiaries provide a broad spectrum of skilled nursing and senior living services, physical, occupational and speech therapies and other rehabilitative and healthcare services at 240 healthcare facilities, in Arizona, California, Colorado, Idaho, Iowa, Kansas, Nebraska, Nevada, South Carolina, Texas, Utah, Washington and Wisconsin. More information about Ensign is available at <http://www.ensigngroup.net>.

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