

DELIVERING BEST-IN-CLASS SERVICES & GROWING LONG-TERM VALUE

2019 First Quarter Results Conference Call
May 15, 2019

EXTENDICARE[®]
... helping people live better

FORWARD LOOKING STATEMENTS

This presentation contains forward-looking statements, based on our best judgments, which reflect risks and uncertainties.

Actual results could vary from expectations.

"EBITDA", "Adjusted EBITDA", "net operating income" (NOI), "funds from operations" (FFO), and "adjusted funds from operations" (AFFO) are non-GAAP measures and do not have standardized meanings prescribed by GAAP.

Further information can be found in the disclosure documents filed by Extendicare.

COMPELLING GROWTH OPPORTUNITIES ACROSS CONTINUUM OF CARE SERVICES

Solid Foundation

LONG-TERM CARE

RETIREMENT LIVING

HOME HEALTH CARE

MANAGEMENT &
CONSULTING SERVICES

GROUP PURCHASING
SERVICES

EXTENDICARE®
... helping people live better

Esprit
Lifestyle
Communities

ParaMed™
Redefining Care

EXTENDICARE®
assist
Management & Consulting Services

SGP | PURCHASING
PARTNER
NETWORK

Better all together™

58

Long-term care
centres owned

10

Retirement living
communities owned

11M

Home health care
hours delivered (TTM)

54

Centres under
management

57K

Third-party
residents served

Data as at March 31, 2019

Aging Population



Canadian population aged **65 and older**
will rise by approximately 25% by 2036



Seniors **80 and over** is predicted
to double between 2011 and 2036

Source: 2017 The Canadian Association for Long Term Care

Favourable Government Policy Trends

\$1.75B

New Funding from
Ontario Government

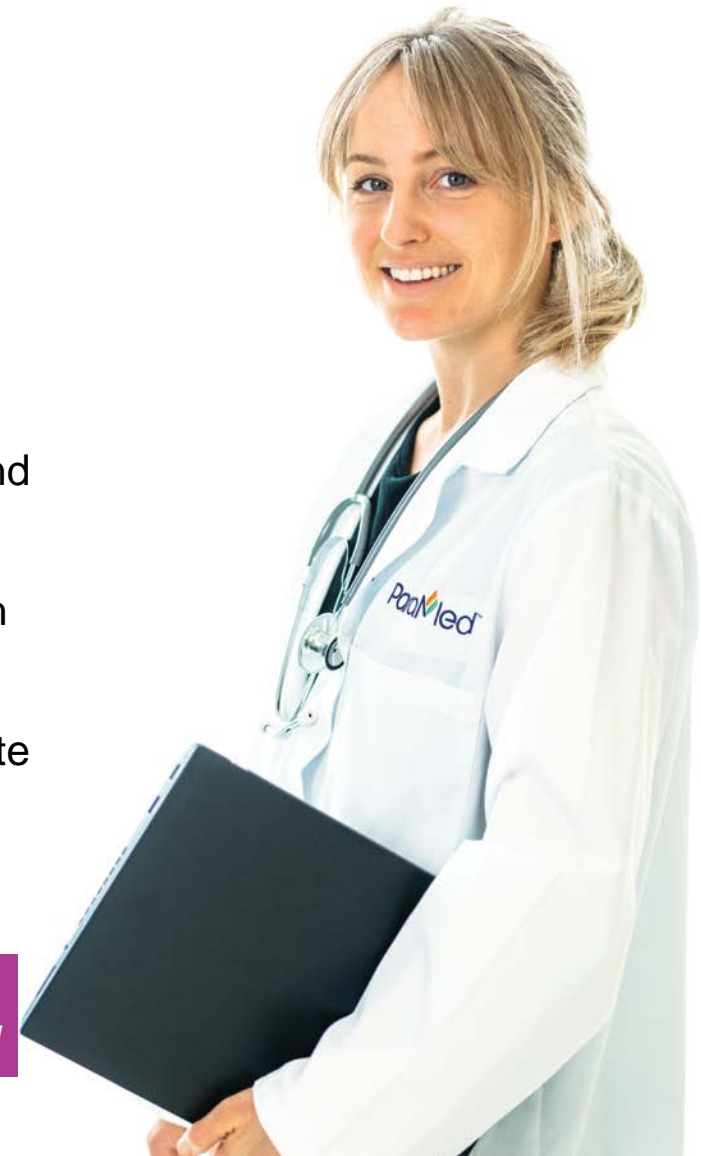


15,000 new beds and a commitment
to redevelop another 15,000 existing
ones over 5 years

PARAMED TRANSFORMATION

- \$12 million investment
- \$1.7 million invested Q1 2019
- Implementation process 60% complete
- New cloud-based system to improve staff retention and increase hours of care provided
- Anticipate increasing client volume and margin growth by end of 2019
- New ParaMed leadership team to oversee and execute on investment and drive growth

Investments in people, process, and technology to drive increases in client volumes and care hours provided



LONG-TERM CARE – CONTINUED PROGRESS

- Growth in revenue and NOI
- Favourable Ontario Government policy - \$1.75B over 5 years:
 - committed to 15,000 new beds; and
 - redeveloping 15,000 existing beds
- Extendicare with industry association, continuing to work with Ontario Ministry of Health to advance new and redevelopment LTC projects
- 21 LTC centres in queue for redevelopment in Ontario, progressing through various stages of government review process
- Management ensuring strong economic fundamentals before construction



EXTENDICARE®
... helping people live better

Focused growth driven by promising policy environment and adherence to economic fundamentals

RETIREMENT LIVING – INCREASED NOI & CONTINUED EXPANSION

- NOI growth driven by same-store average occupancy
- Douglas Crossing (45-suite) expansion completed last November, with 148-suite community now 88% occupied
- Bolton Mills (112-suite) community opened in Q1
- Barrie (124-suite) community on schedule to open in Q4
- Empire Crossing (59-suite expansion) in planning, targeted to break ground late 2019



Expansion, new communities and a disciplined approach to growth

MANAGEMENT, CONSULTING & GROUP PURCHASING SERVICES – INCREASINGLY IMPORTANT GROWTH DRIVERS

- Services grew 19% in 2018, representing 2% of total revenue and 10% of total NOI
- Currently 6,661 Extencicare Assist beds under management
- In January, pleased to add 4,400 Schlegel Villages' residents to SGP Network
- SGP now represents more than 57,000 residents across Canada



Adding significant resources and expanding the sales team – to drive continuing double-digit growth

ON THE RIGHT PATH WITH THE RIGHT LEADERSHIP

- Making important progress
- Business foundation is strong
- Investing in people, processes, and technology to capitalize on growth opportunity
- Supportive, engaged Board & strengthened executive leadership team



Our strengthened leadership team is already driving a transformation in how we operate



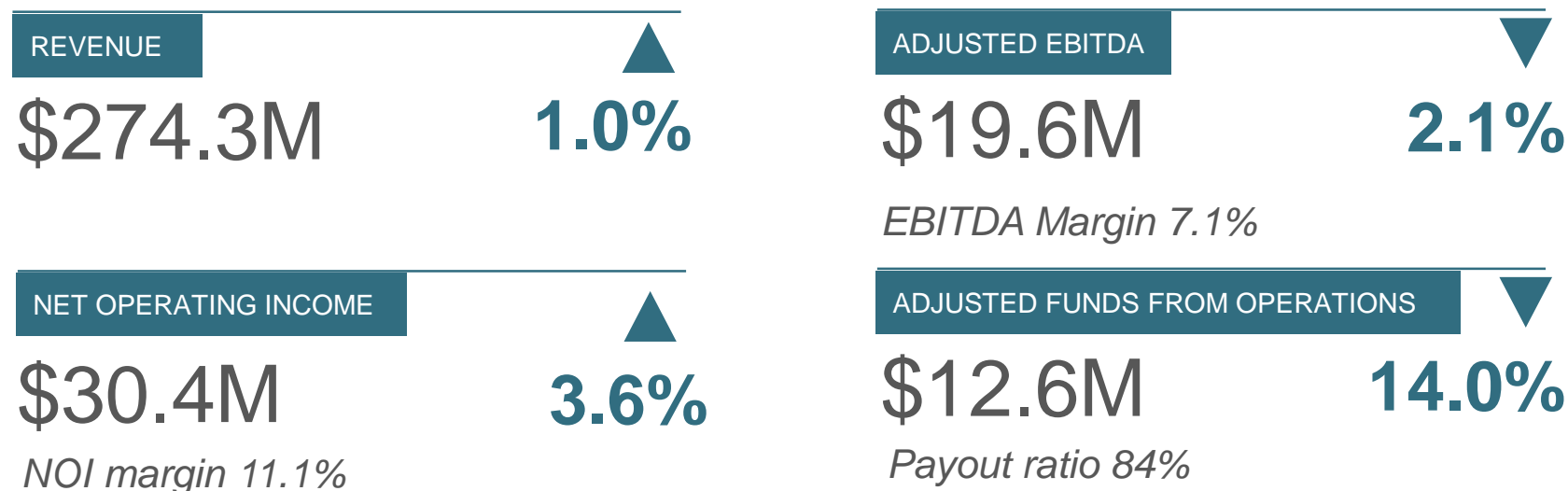
FINANCIAL REVIEW

EXTENDICARE[®]
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FIRST QUARTER PROGRESS

Q1 2019 Consolidated Financial Highlights

(all comparisons are with Q1 2018 unless otherwise indicated)



- ◆ Payout ratio of 76%, excluding impact of ParaMed Transformation costs of \$1.7M on after tax basis

Q1 2019 – STRONG FINANCIAL POSITION

TOTAL LONG TERM DEBT ⁽¹⁾

\$532.8M

WEIGHTED AVERAGE MATURITY

7.1 Years

EBITDA INTEREST COVERAGE

3.3x

CASH

\$70.5M

WEIGHTED AVERAGE RATE

4.8%

DEBT TO GBV

48.1%

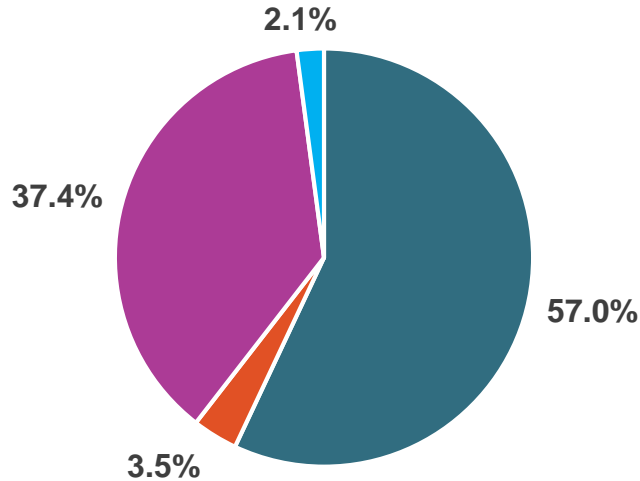
Subsequent to Q1:

- ◆ Repatriated US\$10M of cash from wholly owned captive
- ◆ Closed on \$16M CMHC mortgage on Lynde Creek Manor

(1) Includes current portion, reflects convertible debt at face and excludes deferred financing costs

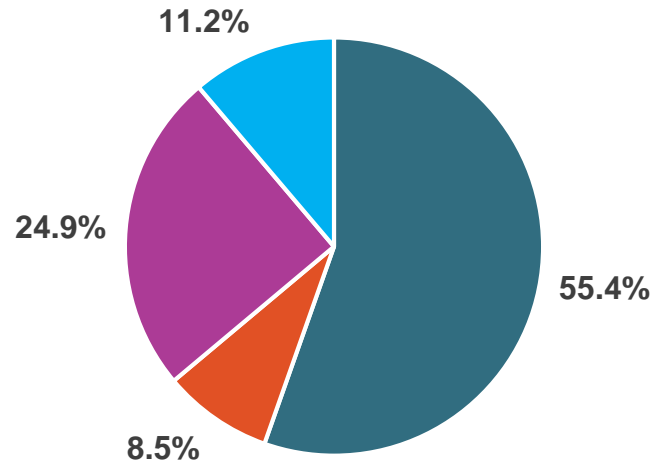
Q1 2019 – OPERATING SEGMENTS

% of Total Revenue



- Long-term care
- Home health care
- Retirement living
- Assist/SGP

% of Total NOI



- Long-term care
- Home health care
- Retirement living
- Assist/SGP

LONG-TERM CARE

RETIREMENT LIVING

HOME HEALTH CARE

MANAGEMENT & CONSULTING SERVICES

GROUP PURCHASING SERVICES



HOME HEALTH CARE

Q1 2019

REVENUE

\$102.6M

3.6%

NET OPERATING INCOME

\$7.5M

12.5%

NOI margin 7.4%

VOLUME (DAILY HOURS)

28,837

4.1%

- ◆ Reduction in volume largely due to challenges with scheduling and staff retention – currently being addressed by ParaMed Transformation – and further impacted by weather conditions in Q1
- ◆ Costs related to ParaMed Transformation anticipated to total \$7.0M in 2019
- ◆ ParaMed to exit B.C. by March 2020

LONG-TERM CARE

Q1 2019

REVENUE

\$156.2M

▲
2.2%

NET OPERATING INCOME

\$16.8M

▲
5.5%

NOI margin 10.8%

AVERAGE OCCUPANCY

96.9%

▲
50bps

- ◆ Revenue increase from funding enhancements, of which \$1.8M of revenue relates to Ontario flow-through funding envelopes
- ◆ Average occupancy at 96.9% remains strong

RETIREMENT LIVING

Q1 2019

REVENUE

\$9.5M

▲
36.4%

NET OPERATING INCOME

\$2.6M

▲
58%

NOI margin 27.1%

AVERAGE OCCUPANCY (SAME-STORE) ⁽¹⁾

89.6%

▲
130bps

⁽¹⁾ Compared with Q4 2018

- ◆ Revenue and NOI growth driven by same-store average occupancy of 130 bps to 89.6%
- ◆ Average occupancy of stabilized communities grew 90 bps to 95.4% from Q4 2018
- ◆ Occupancy of lease-up communities grew from 77% at year end to 82% at March 31, 2019, excluding the impact of Bolton, which opened in Q1 2019

OTHER CANADIAN OPERATIONS

Q1 2019

REVENUE ▲

\$5.9M

14.3%

NET OPERATING INCOME ▲

\$3.4M

11.7%

NOI margin 58.1%

BEDS UNDER MANAGEMENT ▲

6,661

2.5%

SGP 3RD PARTY RESIDENTS ▲

57,000

11.4%

- ◆ Strong revenue and NOI growth
- ◆ Represent 2% of total revenue and 11% of total NOI

HELPING CANADIANS LIVE BETTER

23,000 dedicated employees, working together to provide the best care possible to seniors across Canada, and in doing so growing our business and creating value for shareholders.

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THANK YOU