



NEWS RELEASE

Sabra Health Care REIT, Inc. Announces the Sale of 28 Facilities Previously Operated by Senior Care Centers and the Completion of the Holiday Portfolio Conversion

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IRVINE, Calif.--(BUSINESS WIRE)-- Sabra Health Care REIT, Inc. ("Sabra," the "Company" or "we") (Nasdaq: SBRA) today announced that the Company has completed the previously announced transactions described below.

Sale of Senior Care Centers Facilities

On April 1, 2019, we completed the sale of 28 facilities previously operated by Senior Care Centers, generating gross sales proceeds of \$282.5 million, which we expect to use to repay borrowings under our revolving credit facility. In addition, in connection with the closing of the sale of these facilities and pursuant to the previously announced settlement agreement we entered into with Senior Care Centers, we received \$5 million of the \$9.5 million of total settlement payments concurrently with such closing.

Seven of the remaining 10 facilities operated by Senior Care Centers are expected to be leased to a current operator in the Sabra portfolio under a 12-year triple-net master lease effective on or about May 15, 2019, generating initial annual cash base rents of \$5.7 million with provisions allowing Sabra opportunities to periodically reset base rent as the value of these properties increase during the subsequent period of stabilization. The remaining 3 facilities (2 of which are currently non-operational) are expected to be sold in the coming months and will generate no continuing rental revenues for the Company. These transactions, along with the previously announced settlement agreement, will end Sabra's relationship with Senior Care Centers.

Holiday Conversion

On April 1, 2019, we completed the conversion of our 21-community Holiday portfolio (the “Holiday Communities”) from a triple-net master lease to a management agreement structure. In connection with the conversion, we terminated our Holiday master lease and concurrently entered into management agreements (the “Holiday Management Agreements”) pursuant to which Holiday will manage the Holiday Communities. In exchange for terminating the master lease, we received \$57.2 million of total cash consideration, which we expect to use to repay borrowings under our revolving credit facility.

As previously disclosed, the management fee to be paid to Holiday pursuant to the Holiday Management Agreements will be equal to a monthly base fee in the amount of 5% of revenues (the “Base Management Fee”) during the first year of the term of the Holiday Management Agreements. After the first year, the management fee will be equal to the Base Management Fee plus an incentive fee based on the growth in EBITDAR after capital expenditures for the Holiday Communities above agreed upon performance thresholds. The Holiday Management Agreements have a one-year term with one-year extensions at Sabra’s option.

The above transactions were contemplated in our 2019 earnings guidance issued on February 24, 2019. As a result of these transactions, our pro forma Net Debt to Adjusted EBITDA as of December 31, 2018 (including our share of EBITDA and debt from the unconsolidated Enlivant joint venture) is reduced to 5.90x, compared to 6.12x as of December 31, 2018. In addition, these transactions reduce our concentration of annualized Cash NOI from Skilled Nursing/Transitional Care facilities in Texas from 11.0% to 5.7% and reduce our concentration of total beds/units in Texas from 18.0% to 14.8%.

Commenting on these and other recent developments, Rick Matros, CEO and Chairman, said, “We are very pleased to turn the page on the final chapter of our Senior Care Centers relationship. While the level of challenges we faced with Senior Care Centers were not anticipated at the time of the Care Capital Properties merger, we are pleased to now have the major tenant repositionings behind us and to be able to capitalize in the future on the benefits that the CCP merger afforded Sabra, including:

- the rating agency upgrades to investment grade status, resulting in immediate lowering of borrowing costs,
- doubling our operator base, thereby reducing our exposure to any one tenant to below 10%, and
- doubling our borrowing capacity under our revolving credit facility, which afforded us the ability to enter into the Enlivant JV and make the related investments.

It is also worth noting that we have successfully lowered our SNF concentration to 60%, which is within a couple of percentage points of where we were before the CCP merger; and despite the challenges, the CCP merger was ultimately accretive to normalized pro forma AFFO prior to the merger after taking into account the impact of Senior Care Centers lost revenues and all portfolio repositioning rent adjustments.”

About Sabra

Sabra Health Care REIT, Inc. (Nasdaq: SBRA), a Maryland corporation, operates as a self-administered, self-managed real estate investment trust (a "REIT") that, through its subsidiaries, owns and invests in real estate serving the healthcare industry. Sabra leases properties to tenants and operators throughout the United States and Canada.

Special Note Regarding Forward-Looking Statements

This release contains "forward-looking" statements as defined in the Private Securities Litigation Reform Act of 1995. These statements may be identified, without limitation, by the use of "expects," "believes," "intends," "should" or comparable terms or the negative thereof. Forward-looking statements in this release include: (i) our expectations regarding our remaining 10 facilities operated by Senior Care Centers, and (ii) our expectations regarding our use of proceeds from the transactions described in this release.

Our actual results may differ materially from those projected or contemplated by our forward-looking statements as a result of various factors, including among others, the following: our dependence on the operating success of our tenants; operational risks with respect to our Senior Housing - Managed communities; the effect of our tenants declaring bankruptcy or becoming insolvent; our ability to find replacement tenants and the impact of unforeseen costs in acquiring new properties; the impact of litigation and rising insurance costs on the business of our tenants; our ability to implement the previously announced rent repositioning program for certain of our tenants who were legacy tenants of Care Capital Properties, Inc. on the timing or terms we have previously disclosed; our ability to dispose of or transition facilities currently operated by Senior Care Centers on the timing or terms we have previously disclosed; the possibility that Sabra may not acquire the remaining majority interest in the Enlivant joint venture; risks associated with our investments in joint ventures; changes in healthcare regulation and political or economic conditions; the impact of required regulatory approvals of transfers of healthcare properties; competitive conditions in our industry; our concentration in the healthcare property sector, particularly in skilled nursing/transitional care facilities and senior housing communities, which makes our profitability more vulnerable to a downturn in a specific sector than if we were investing in multiple industries; the significant amount of and our ability to service our indebtedness; covenants in our debt agreements that may restrict our ability to pay dividends, make investments, incur additional indebtedness and refinance indebtedness on favorable terms; increases in market interest rates; our ability to raise capital through equity and debt financings; changes in foreign currency exchange rates; the relatively illiquid nature of real estate investments; the loss of key management personnel; uninsured or underinsured losses affecting our properties and the possibility of environmental compliance costs and liabilities; the impact of a failure or security breach of information technology in our operations; our ability to maintain our status as a REIT; changes in tax laws and regulations affecting REITs (including the potential effects of the Tax Cuts and Jobs Act); compliance with REIT requirements and certain tax and tax regulatory matters related to

our status as a REIT; and the ownership limits and takeover defenses in our governing documents and under Maryland law, which may restrict change of control or business combination opportunities.

Additional information concerning risks and uncertainties that could affect our business can be found in our filings with the Securities and Exchange Commission (the "SEC"), including Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2018. We do not intend, and we undertake no obligation, to update any forward-looking information to reflect events or circumstances after the date of this release or to reflect the occurrence of unanticipated events, unless required by law to do so.

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