NEWS RELEASE

Chartwell Announces First Quarter 2019 Results

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MISSISSAUGA, ON, May 9, 2019 /CNW/ - Chartwell Retirement Residences ("Chartwell") (TSX: CSH.UN) announced today its results for the first quarter ended March 31, 2019.

Q1 2019 Highlights

- Same property adjusted net operating income ("NOI") (1) up 4.7% in Q1 2019
- Funds from operations ("FFO") (1) up 10.0% in Q1 2019
- Completed development of three new residences

"Our operating teams delivered strong results in the first quarter of 2019, despite headwinds created by the increased competition in some of our markets. We are pleased to have commenced operations in three of our newly developed properties so far this year with four more projects scheduled to open in 2019," commented Brent Binions, President and CEO. "Our updated business strategy has been embraced by our management teams and we are well on our way to executing on it. I am confident that with our focus on driving high rates of employee engagement and customer satisfaction we will continue to deliver long-term, sustainable value to all our stakeholders."

Financial Highlights

	Three Months Ended

($000s, except per unit amounts and number of units)	March 31 2019	2018
Resident revenue	$ 209,884	$ 193,605
Direct property operating expense	$ 144,164	$ 135,347
Net income	$ 14,951	$ 15,514
FFO (1)	$ 47,083	$ 42,820
FFO per unit (1)	$ 0.22	$ 0.20
Weighted average number of units outstanding (000s) (2)	215,343	213,674

In Q1 2019, resident revenue and direct property operating expenses increased 8.4% and 6.5%, respectively, due to the growing contribution from developments and acquisitions, rental rate increases in line with competitive market conditions, ancillary revenue growth and higher staffing costs in our same property portfolio.

In Q1 2019, net income was $15.0 million compared to $15.5 million in Q1 2018. The decrease in net income was primarily due to higher deferred taxes, direct property operating expenses, depreciation, finance costs and negative changes in fair value of financial instruments, partially offset by higher resident revenues and a re-measurement gain on acquisition of the remaining ownership interest in two properties.

In Q1 2019, FFO increased $4.3 million primarily due to higher adjusted NOI (1) and higher interest income, partially offset by lower management fees and higher finance costs and general administrative and Trust ("G&A") expenses.

Operating Performance

($000s, except occupancy)	Three Months Ended March 31 2019	2018	Change
Same property occupancy (3)	90.7%	91.7%	(1.0pp)
Same property adjusted NOI	$ 71,119	$ 67,898	$ 3,221
G&A expenses	$ 12,749	$ 12,530	$ 219

In Q1 2019, same property occupancy declined by 1.0 percentage point primarily due to competitive pressures from new developments in certain markets.

In Q1 2019, same property adjusted NOI increased by $3.2 million or 4.7%, driven primarily by regular annual rental rate increases in line with competitive market conditions, timing of certain expenses, partially offset by lower occupancies and higher staffing costs.

In Q1 2019, G&A expenses increased by $0.2 million primarily due to higher staffing costs incurred to support the growing property portfolio and development activities, higher non-cash compensation costs as a result of changes in fair value of our Trust Units, partially offset by lower education costs and timing of certain other expenses.

Financial Position

At March 31, 2019, liquidity (1) amounted to $369.2 million, which included $18.2 million of cash and cash equivalents and $351.0 million of available borrowing capacity on our credit facilities. In addition, Chartwell's share of cash and cash equivalents held in its equity-accounted joint ventures was $4.7 million.

The interest coverage ratio (1) on a rolling 12-month basis remained strong at 3.3 at March 31, 2019 compared to 3.2 at December 31, 2018. The net debt to adjusted EBITDA ratio (1) at March 31, 2019 was 8.0 compared to 7.8 at December 31, 2018.

Recent Developments

Subsequent to March 31, 2019, Chartwell entered into a definitive agreement to sell one non-core property in Ontario for $0.75 million. The transaction is expected to close in the second quarter of 2019.

On May 7, 2019, Chartwell received approval from its syndicate lenders to extend maturity of its $400.0 million credit facilities to May 29, 2024.

Investor Conference Call

A conference call hosted by Chartwell's senior management team will be held Friday, May 10, 2019 at 10:00 AM ET. The telephone numbers for the conference call are: Local: (647) 484-0473 or Toll Free: (800) 205-6786. The passcode for the conference call is: 006955#. The conference call can also be heard over the Internet by accessing the Chartwell website at **www.chartwell.com**, clicking on "Investor Relations" and following the link at the top of the page. A slide presentation to accompany management's comments during the conference call will be available on the website. Please log on at least 15 minutes before the call commences.

The telephone numbers to listen to the call after it is completed (Instant Replay) are: Local: (905) 694-9451 or Toll Free: (800) 408-3053. The Passcode for the Instant Replay is 9500256#. These numbers will be available for 30 days

following the call. An audio file recording of the call, along with the accompanying slides, will also be archived on the Chartwell website at **www.chartwell.com**.

Footnotes

(1) FFO, FFO per unit, same property adjusted NOI, adjusted NOI, liquidity, interest coverage ratio and net debt to adjusted EBITDA ratio are measures used by management in evaluating operating and financial performance. Please refer to the cautionary statements under the heading "Non-GAAP Financial Measures" in this press release.
(2) Includes Trust Units, Class B Units of Chartwell Master Care LP, and Trust Units issued under Executive Unit Purchase Plan and Deferred Trust Unit Plan.
(3) 'pp' means percentage points.

About Chartwell

Chartwell is an unincorporated, open-ended trust which indirectly owns and operates a complete range of seniors housing communities, from independent supportive living through assisted living to long term care. It is the largest operator in the Canadian seniors living sector with over 200 quality retirement communities in four provinces. Chartwell is committed to its vision of Making People's Lives BETTER and to providing a happier, healthier and more fulfilling life experience for its residents. For more information, visit **www.chartwell.com**

Chartwell's Distribution Reinvestment Plan ("DRIP") allows unitholders to have their monthly cash distributions used to purchase units without incurring commission or brokerage fees, and receive bonus units equal to 3% of their monthly cash distributions. More information can be obtained at **www.chartwell.com**.

Forward-Looking Information

This press release contains forward-looking information that reflects the current expectations, estimates and projections of management about the future results, performance, achievements, prospects or opportunities for Chartwell and the seniors housing industry. Forward-looking statements are based upon a number of assumptions and are subject to a number of known and unknown risks and uncertainties, many of which are beyond our control, and that could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking statements. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information. These factors are more fully described in the "Risks and Uncertainties" section in Chartwell's 2018 MD&A and in materials filed with the securities regulatory authorities in Canada from time to time, including but not limited to our most recent Annual Information Form.

Non-GAAP Financial Measures

Chartwell's condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). Management uses certain financial measures to assess Chartwell's operating and financial performance, which are measures not defined in generally accepted accounting principles ("GAAP") under IFRS. The following measures, FFO, FFO per unit, same property adjusted NOI, liquidity, interest coverage ratio and net debt to adjusted EBITDA ratio as well as other measures discussed elsewhere in this release, do not have a standardized definition prescribed by IFRS. They are presented because management believes these non-GAAP financial measures are relevant and meaningful measures of Chartwell's performance and as computed may differ from similar computations as reported by other issuers and may not be comparable to similarly titled measures reported by such issuers. For a full definition of these measures, please refer to the Q1 2019 MD&A available on Chartwell's website and at **www.sedar.com**.

SOURCE Chartwell Retirement Residences

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