



CARETRUST REIT, INC.

FOURTH QUARTER 2018 FINANCIAL SUPPLEMENT



Avantara Crown Point (Parker, CO)

Expertise. Partnership. Growth.

Disclaimers



This supplement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical statements of fact and statements regarding our intent, belief or expectations, including, but not limited to, statements regarding future financial and financing positions, business and acquisition strategies, growth prospects, operating and financial performance, expectations regarding the making of distributions, payment of dividends, compliance with and changes in governmental regulations, and the performance of our operators and their respective facilities.

Words such as “anticipate,” “believe,” “could,” “expect,” “estimate,” “intend,” “may,” “plan,” “seek,” “should,” “will,” “would,” and similar expressions, or the negative of these terms, are intended to identify such forward-looking statements, though not all forward-looking statements contain these identifying words. Our forward-looking statements are based on our current expectations and beliefs, and are subject to a number of risks and uncertainties that could lead to actual results differing materially from those projected, forecasted or expected. Although we believe that the assumptions underlying these forward-looking statements are reasonable, they are not guarantees and we can give no assurance that our expectations will be attained. Factors which could have a material adverse effect on our operations and future prospects or which could cause actual results to differ materially from expectations include, but are not limited to: (i) the ability and willingness of our tenants to meet and/or perform their obligations under the triple-net leases we have entered into with them and the ability and willingness of The Ensign Group, Inc. (“Ensign”) to meet and/or perform its obligations under the contractual arrangements that it entered into with us in connection with the spin-off from Ensign, including its triple-net long-term leases with us, and any of its obligations to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities; (ii) the ability and willingness of our tenants to comply with laws, rules and regulations in the operation of the properties we lease to them; (iii) the ability and willingness of our tenants, including Ensign, to renew their leases with us upon expiration and the ability to reposition our properties on the same or better terms in the event of nonrenewal or in the event we replace an existing tenant, and obligations, including indemnification obligations, that we may incur in connection with the replacement of an existing tenant; (iv) the availability of and the ability to identify suitable acquisition opportunities and the ability to acquire and lease the respective properties on favorable terms; (v) the ability to generate sufficient cash flows to service our outstanding indebtedness; (vi) access to debt and equity capital markets; (vii) fluctuating interest rates; (viii) the ability to retain our key management personnel; (ix) the ability to maintain our status as a real estate investment trust (“REIT”); (x) changes in the U.S. tax laws and other state, federal or local laws, whether or not specific to REITs; (xi) other risks inherent in the real estate business, including potential liability relating to environmental matters and illiquidity of real estate investments; and (xii) any additional factors identified in our filings with the Securities and Exchange Commission (“SEC”), including those in our Annual Report on Form 10-K for the year ended December 31, 2018 under the heading entitled “Risk Factors,” as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC.

This supplement contains certain non-GAAP financial information relating to CareTrust REIT including EBITDA, Normalized EBITDA, FFO, Normalized FFO, FAD, Normalized FAD, and certain related ratios. Explanatory footnotes and a glossary explaining this non-GAAP information are included in this supplement. Reconciliations of these non-GAAP measures are also included in this supplement. Other financial information, including GAAP financial information, is also available on our website. Non-GAAP financial information does not represent financial performance under GAAP and should not be considered in isolation, as a measure of liquidity, as an alternative to net income, or as an indicator of any other performance measure determined in accordance with GAAP. You should not rely on non-GAAP financial information as a substitute for GAAP financial information, and should recognize that non-GAAP information presented herein may not compare to similarly-termed non-GAAP information of other companies (i.e., because they do not use the same definitions for determining any such non-GAAP information).

This supplement also includes certain information regarding operators of our properties (such as EBITDARM Coverage, EBITDAR Coverage, and Occupancy), most of which are not subject to audit or SEC reporting requirements. The operator information provided in this supplement has been provided by the operators. We have not independently verified this information, but have no reason to believe that such information is inaccurate in any material respect. We are providing this information for informational purposes only. Ensign is subject to the registration and reporting requirements of the SEC and is required to file with the SEC annual reports containing audited financial information and quarterly reports containing unaudited financial information. Ensign’s financial statements, as filed with the SEC, can be found at Ensign’s website <http://www.ensigngroup.net>.

Information in this supplement is provided as of December 31, 2018, unless specifically stated otherwise. We expressly disclaim any obligation to update or revise any information in this supplement (including forward-looking statements), whether to reflect any change in our expectations, any change in events, conditions or circumstances, or otherwise.

As used in this supplement, unless the context requires otherwise, references to “CTRE,” “CareTrust,” “CareTrust REIT” or the “Company” refer to CareTrust REIT, Inc. and its consolidated subsidiaries. GAAP refers to generally accepted accounting principles in the United States of America.

Table of Contents

Company Profile



Company Profile	3
CareTrust at a Glance	4
Investments	5
Portfolio Overview	
Portfolio Performance	6
Tenant Summary	7
Rent Diversification by Tenant	8
Geographic Diversification	9
Rent Diversification by State	10
Lease Maturities	11
Financial Overview	
Consolidated Income Statements	13
Reconciliation of EBITDA, FFO and FAD	14
Consolidated Balance Sheets	16
Key Debt Metrics	17
Debt Summary	18
2019 Guidance	19
Equity Capital Transactions	20
Other Financial Highlights	21
Glossary	22

Contact Information

CareTrust REIT, Inc.

905 Calle Amanecer, Suite 300
San Clemente, CA 92673
(949) 542-3130 | ir@caretrustreit.com
www.caretrustreit.com

Transfer Agent

Broadridge Corporate Issuer Solutions
P.O. Box 1342
Brentwood, NY 11717
(800) 733-1121 | shareholder@broadridge.com

CareTrust REIT is a self-administered, publicly-traded real estate investment trust engaged in the ownership, acquisition and leasing of seniors housing and healthcare-related properties. CareTrust REIT generates revenues primarily by leasing properties to a diverse group of local, regional and national seniors housing operators, healthcare services providers, and other healthcare-related businesses.

Since its debut as a standalone public company on June 1, 2014, and as of February 13, 2019, CareTrust REIT has expanded its tenant roster to 20 operators, and has grown its real estate portfolio to 199 net-leased healthcare properties and three operated seniors housing properties across 27 states, consisting of 19,706 operating beds/units. As of February 13, 2019, we also had other real estate investments consisting of two preferred equity investments and two mortgage loans receivable.

Management

Greg Stapley
Chairman and Chief Executive Officer

Bill Wagner
Chief Financial Officer

Dave Sedgwick
Chief Operating Officer

Mark Lamb
Chief Investment Officer

Board of Directors

Greg Stapley
Chairman

Diana Laing

Jon Kline

Allen Barbieri

Spencer Plumb

Analyst Coverage

KeyBanc Capital Markets
Jordan Sadler | (917) 318-2280

Raymond James
Jonathan Hughes | (727) 567-2438

Wells Fargo Securities
Todd Stender | (562) 637-1371

RBC Capital Markets
Michael Carroll | (440) 715-2649

Stifel, Nicolaus & Company
Chad Vanacore | (518) 587-2581

BMO Capital Markets
John Kim | (212) 885-4115

CapitalOne Securities
Dan Bernstein | (571) 835-7202

JMP Research
Peter Martin | (415) 835-8904

Stephens
Dana Hambly, CFA | (615) 279-4329

At a Glance

CareTrust REIT, Inc.

Nasdaq: CTRE

Market Data

(as of December 31, 2018)

Closing Price: \$18.46

52 Week Range: \$20.65– \$12.73

Market Cap: \$1,595M

Enterprise Value: \$2,053M

Outstanding Shares: 86.4M

Credit Ratings

S&P

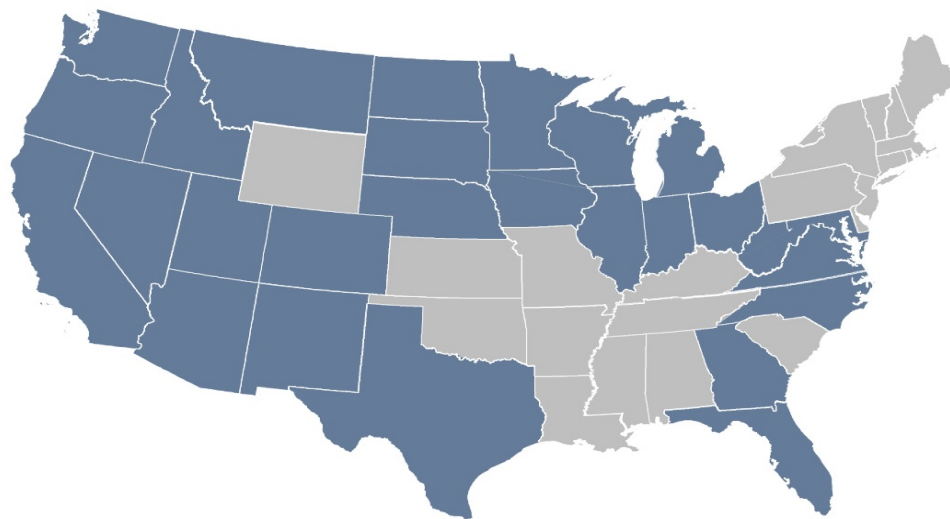
Corporate Rating: BB- (stable)

Senior Unsecured Notes: BB

Moody's

Corporate Rating: Ba3 (positive)

Senior Unsecured Notes: Ba3



194
Properties

27 States

20 Operators

19,086
Operating
Beds/Units

\$1,448.8 M
Investments

Note:

Amounts are as of December 31, 2018 and exclude our three operated seniors housing properties, two preferred equity investments and a mortgage loan receivable.

Investments

(dollars in thousands)

Date	Operator	Property Type	Location	Facilities	Initial Investment ^[1]	Initial Operating Bed/Unit ^[2]	Cost per Bed/Unit ^[3]	Initial Rent ^[4]	Initial Yield ^[5]
6/1/2014	The Ensign Group	ALF, SNF, Campus	Various	94	\$ 501,673	10,053	\$ 50	\$ 56,000	N/A
2014 Investments				6	33,609	157	166	3,076	9.2%
2015 Investments				20	233,028	1,840	127	22,263	9.6%
2016 Investments				35	288,023	2,800	101	26,084	9.1%
2017 Investments				36	309,805	3,324	92	28,000	9.0%
02/01/2018	Eduro Healthcare, LLC	SNF	MT	1	5,799	100	58	540	9.3%
03/01/2018	Metron Integrated Health Systems	SNF	MI	5	41,570	422	99	3,735	9.0%
07/18/2018 & 10/24/2018	Eduro Healthcare, LLC	SNF	SD & ND	2	14,428	209	69	1,294	9.0%
09/01/2018	Kalesta Healthcare, LLC	Campus	CA	1	18,892	122	155	1,564	8.3%
10/31/2018	Providence Health Group, LLC	Campus	WV	1	7,243	55	132	676	9.3%
11/15/2018	Metron Integrated Health Systems	SNF	MI	1	4,402	58	76	394	9.0%
12/19/2018	Eduro Healthcare, LLC	SNF	CO	1	19,616	137	143	1,752	8.9%
2018 Investments				12	111,950	1,103	101	9,955	8.9%
01/31/2019	WLC Management	Campus	IL	1	8,981	128	70	854	9.5%
02/11/2019	Covenant Care	SNF	CA	4	43,979	492	89	3,997	9.1%
02/11/2019	Covenant Care ^[7]	SNF	IL	5	11,389	440	26	1,025	9.0%
2019 Investments				1	64,349	1,060	85	5,876	9.1%
Total Post Spin-off Investments ^[6]				110	1,040,764	10,284	104	95,254	9.2%
Total Investments ^[6]				204	\$ 1,542,437	20,337	\$ 76	\$ 151,254	

Notes:

[1] Initial Investment for pre-spin properties represents Ensign's gross book value. Initial Investment for post-spin properties represents CareTrust REIT's purchase price and transaction costs.

[2] Initial Operating Beds/Units as of the acquisition date.

[3] Total Cost per Bed/Unit excludes preferred equity investments and a mortgage loan receivable.

[4] Initial Rent represents the annualized acquisition-date cash rent or deferred interest income on preferred equity investments.

[5] Initial Yield represents Initial Rent divided by Initial Investment.

[6] All amounts exclude our three operated seniors housing properties and, except as otherwise indicated, include the preferred equity investments and a mortgage loan receivable.

[7] Term loan secured by first mortgages on five skilled nursing facilities owned and operated by Covenant Care subsidiaries.

Portfolio Performance

(dollars in thousands)

As of December 31, 2018

Asset Type	Facilities	Operating Beds/Units	Investment ^[1]	% of Total Investment	Rent ^[2]	% of Total Rent	Current Yield ^[3]
Skilled Nursing	140	13,698	\$1,023,435	70.6%	\$105,317	72.4%	10.3%
Multi-Service Campus	18	2,521	203,775	14.1%	20,291	13.9%	10.0%
Seniors Housing	36	2,867	221,599	15.3%	19,954	13.7%	9.0%
Total Net-Leased Assets ^[4]	194	19,086	\$1,448,809	100.0%	\$145,562	100.0%	10.0%

Asset Type	Total Portfolio For the twelve-month period ended September 30, 2018 ^[5]			Total Portfolio less The Ensign Group & Transitioned Facilities ^[6] For the twelve-month period ended September 30, 2018 ^[5]		
	EBITDAR Coverage	EBITDARM Coverage	Occupancy	EBITDAR Coverage	EBITDARM Coverage	Occupancy
Skilled Nursing	1.75x	2.30x	76.8%	1.40x	1.87x	77.5%
Multi-Service Campus	1.64x	2.07x	77.0%	1.49x	1.85x	76.8%
Seniors Housing	1.39x	1.63x	83.6%	1.11x	1.29x	88.3%
Total	1.68x	2.17x	77.9%	1.34x	1.75x	79.4%

Notes:

[1] Investment for pre-spin properties represents Ensign's gross book value. Investment for post-spin properties represents CareTrust REIT's cumulative capital investment. Capital investment includes purchase price, transaction costs and landlord-funded capital expenditures, if any.

[2] Rent represents December 2018 rent, annualized, or based on the initial cash rents annualized.

[3] Current Yield represents Rent divided by Investment.

[4] All amounts exclude our three operated seniors housing properties and our two preferred equity investments and a mortgage loan receivable.

[5] EBITDAR Coverage, EBITDARM Coverage and Occupancy include information provided by our tenants. We have not independently verified this information, but have no reason to believe that such information is inaccurate in any material respect.

[6] Transitioned facilities include 16 Pristine Senior Living facilities transitioned in December 2017 & May 2018, 4 Better Senior Living facilities transitioned in December 2017, 3 Cross Healthcare facilities sold in March 2018 and 2 OnPointe Health facilities transitioned in May 2018.

See "Glossary" for additional information.

Tenant Summary

Top Five Tenants by Rent



The Ensign Group (Nasdaq: ENSG) is a publicly-traded, nationwide operator of 235 skilled nursing and assisted living facilities, 92 of which are owned by CareTrust REIT. In addition to being a blue-chip operator, Ensign also operates 46 hospice agencies, home health agencies, and home care businesses.

www.ensigngroup.net



Trillium Healthcare Group is a privately-held Florida-based post-acute healthcare company that operates 38 skilled nursing and seniors housing facilities in Ohio, Iowa, Nebraska, Florida, and Georgia, 18 of which are owned by CareTrust REIT.

www.trilliumhcg.com



Priority Management Group is a privately-held, Dallas-based healthcare company which operates 12 post-acute facilities in Texas and Louisiana, 7 of which are owned by CareTrust REIT.

www.prioritymgt.com



Trio Healthcare is a privately-held Georgia-based post-acute healthcare company which operates 21 post-acute facilities in Virginia and Ohio, 7 of which are owned by CareTrust REIT.

www.trio-healthcare.com

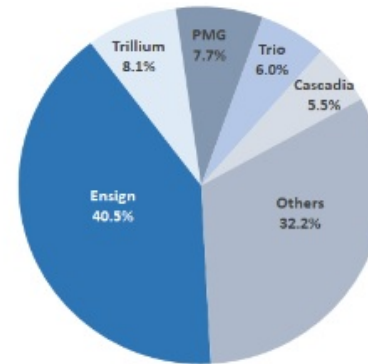


Cascadia Healthcare is a privately-held Idaho-based post-acute healthcare company which operates 16 post-acute facilities in Idaho, Oregon, Washington, and Montana, 11 of which are owned by CareTrust REIT.

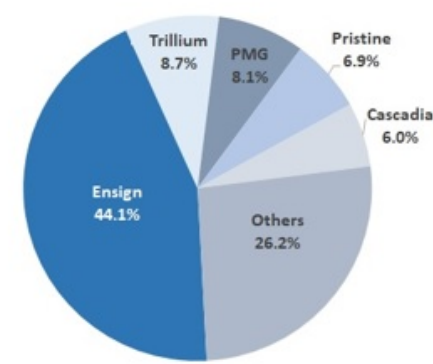
www.cascadiahc.com

Run-Rate Rent Concentration

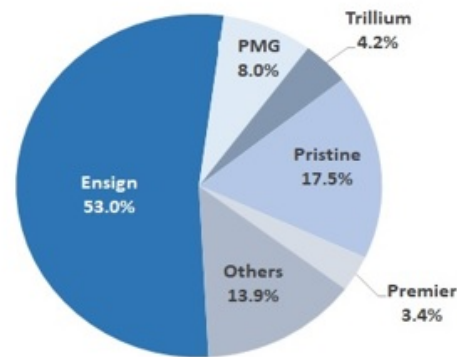
December 31, 2018



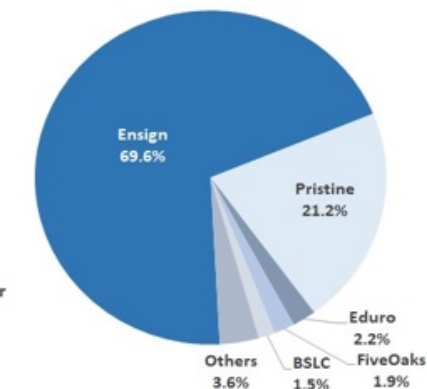
December 31, 2017



December 31, 2016



December 31, 2015



Rent Diversification by Tenant

(dollars in thousands)

As of December 31, 2018

	Facilities	Operating Beds/Units	Investment ^[1]	% of Total Investment	Rent ^[2]	% of Total Rent
1 The Ensign Group	92	9,801	501,246	34.6%	59,114	40.5%
2 Trillium Healthcare Group	18	1,362	128,278	8.9%	11,879	8.1%
3 Priority Management Group	7	981	120,098	8.3%	11,231	7.7%
4 Trio Healthcare	7	672	89,249	6.2%	8,785	6.0%
5 Cascadia Healthcare	11	914	86,168	5.9%	8,035	5.5%
Total Top 5 Tenants	135	13,730	925,039	63.9%	99,044	67.8%
6 Providence Group	4	654	83,743	5.8%	7,796	5.3%
7 Eduro Healthcare, LLC	6	752	70,760	4.9%	6,368	4.4%
8 Premier Senior Living Group	8	385	68,564	4.7%	6,181	4.2%
9 Metron Integrated Health Systems	6	480	45,972	3.2%	4,129	2.8%
10 WLC Management	7	644	37,424	2.6%	3,804	2.7%
Total Top 10 Tenants	166	16,645	1,231,502	85.1%	127,322	87.2%
All Other Tenants	28	2,441	217,307	14.9%	18,510	12.8%
Total ^[3]	194	19,086	\$ 1,448,809	100.0%	\$ 145,832	100.0%

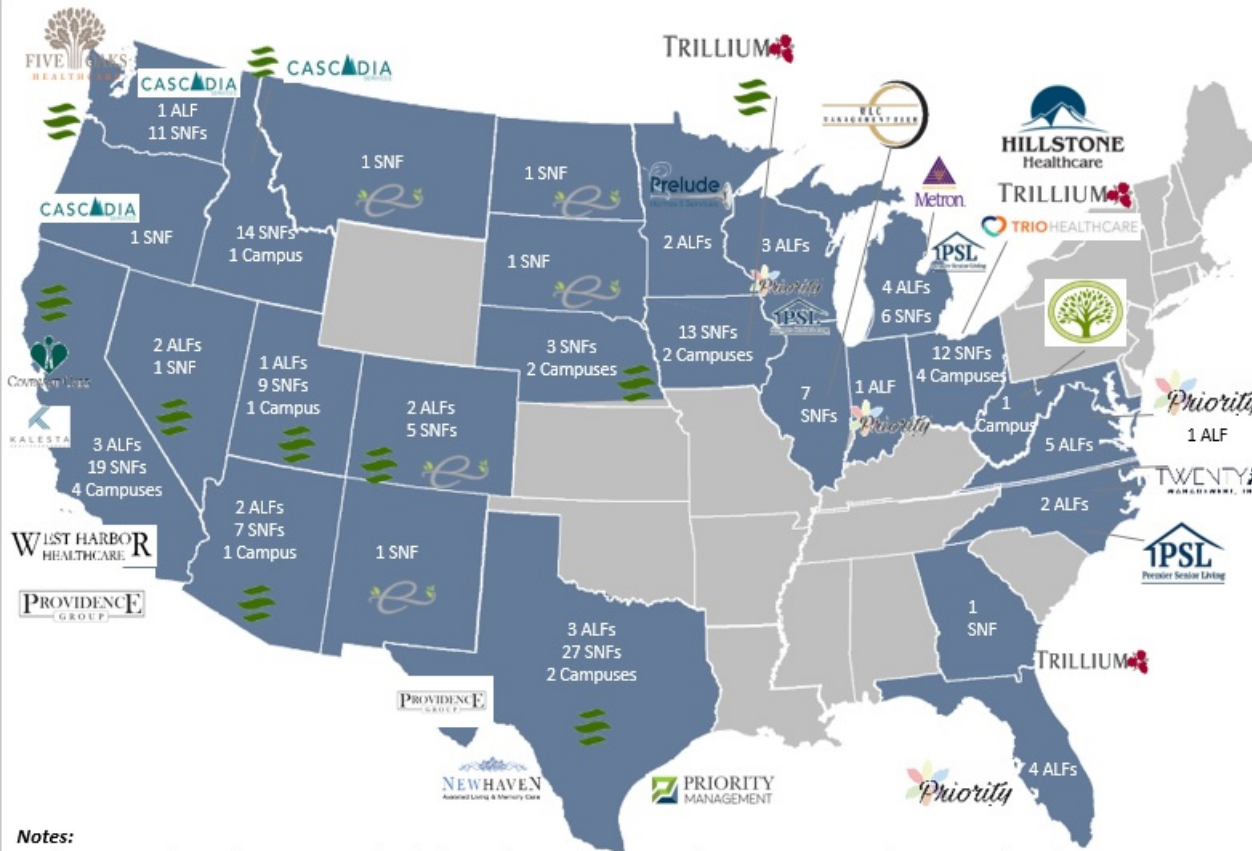
Notes:

[1] Investment for pre-spin properties represents Ensign's gross book value. Investment for post-spin properties represents CareTrust REIT's cumulative capital investment. Capital investment includes purchase price, transaction costs and landlord-funded capital expenditures, if any.

[2] Rent represents December 2018 rent, annualized, or based on the initial cash rents annualized.

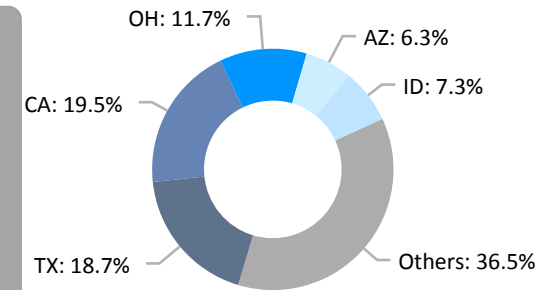
[3] All amounts exclude our three operated seniors housing properties and our two preferred equity investments and a mortgage loan receivable.

Geographic Diversification

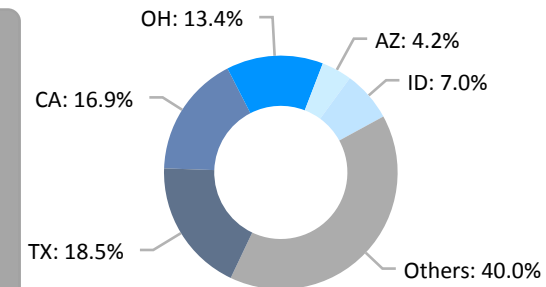


Top Five States

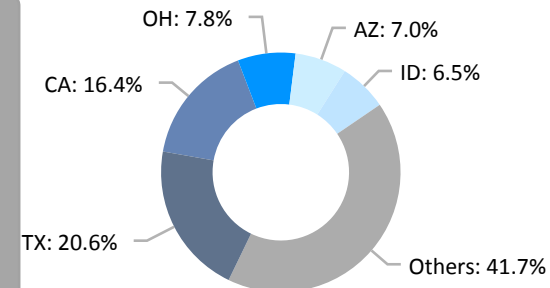
Run-Rate Rent



Investment



Beds/Units



194 NNN
Facilities

20 Operator
Relationships

27 States

Rent Diversification by State

(dollars in thousands)

As of December 31, 2018

Net-Leased Assets by State	Facilities	Operating Beds/Units	Investment ^[1]	% of Total Investment	Rent ^[2]	% of Total Rent
1 California	26	3,130	\$ 245,431	16.9%	\$ 28,455	19.5%
2 Texas	32	3,939	267,604	18.5%	27,332	18.7%
3 Ohio	16	1,484	193,769	13.4%	17,097	11.7%
4 Idaho	15	1,241	101,602	7.0%	10,596	7.3%
5 Arizona	10	1,327	60,753	4.2%	9,219	6.3%
Top 5 States	99	11,121	869,159	60.0%	92,699	63.5%
6 Michigan	10	669	76,624	5.3%	7,007	4.8%
7 Washington	12	1,015	61,730	4.3%	6,405	4.4%
8 Utah	11	1,248	77,322	5.3%	6,188	4.2%
9 Iowa	15	986	53,488	3.7%	5,665	3.9%
10 Colorado	7	770	60,435	4.2%	5,910	4.1%
Top 10 States	154	15,809	1,198,758	82.8%	123,874	84.9%
All Other States	40	3,277	250,051	17.2%	21,958	15.1%
Total^[3]	194	19,086	\$ 1,448,809	100.0%	\$ 145,832	100.0%

Notes:

[1] Investment for pre-spin properties represents Ensign's gross book value. For post-spin properties, Investment represents CareTrust REIT's cumulative capital investment. Capital investment includes purchase price, transaction costs and landlord-funded capital expenditures, if any.

[2] Rent represents December 2018 rent, annualized, or based on the initial cash rents annualized.

[3] All amounts exclude our three operated seniors housing properties and our two preferred equity investments and a mortgage loan receivable.

Lease Maturities

(dollars in thousands)

As of December 31, 2018

Lease Maturity Year ^[1]	Investment ^[2]	% of Total Investment	Rent ^[3]	% of Total Rent
2024 ^[5]	\$ 34,415	2.4%	\$ 3,269	2.2%
2025	—	—	—	—
2026	58,157	4.0%	6,606	4.5%
2027	55,929	3.9%	5,861	4.0%
2028	79,914	5.5%	7,969	5.5%
2029	115,306	8.0%	9,984	6.8%
2030	282,898	19.5%	25,424	17.4%
2031	385,817	26.6%	36,301	25.0%
2032	210,526	14.5%	23,537	16.1%
2033	225,847	15.6%	26,881	18.5%
Total^[4]	\$ 1,448,809	100.0%	\$ 145,832	100.0%



Notes:

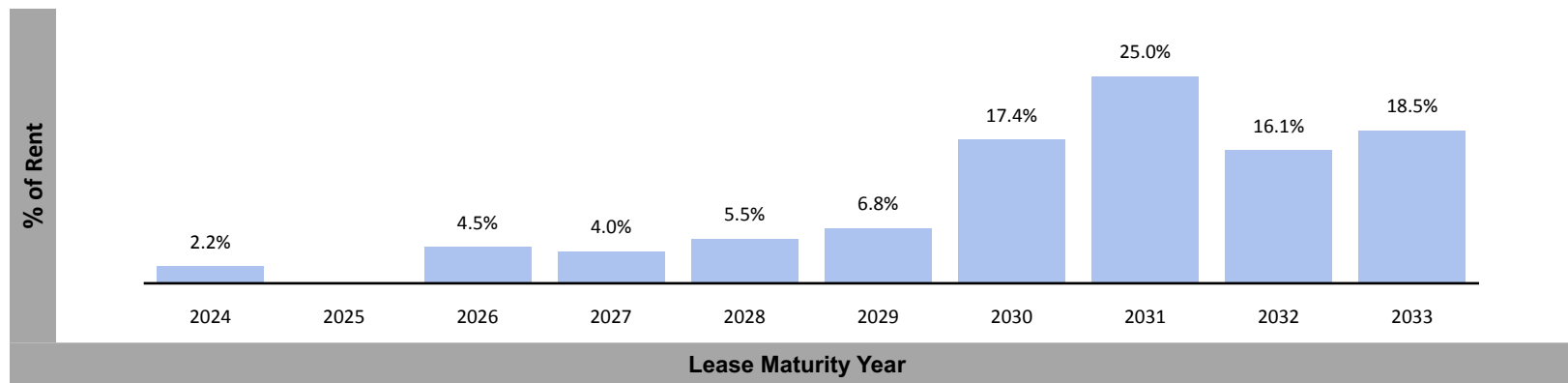
[1] Lease Maturity Year represents the scheduled expiration year of the primary term of the lease and does not include tenant extension options, if any.

[2] Investment for pre-spin properties represents Ensign's gross book value. For post-spin properties, Investment represents CareTrust REIT's cumulative capital investment. Capital investment includes purchase price, transaction costs and landlord-funded capital expenditures, if any.

[3] Rent represents December 2018 rent, annualized.

[4] All amounts exclude our three operated seniors housing properties and our two preferred equity investments and a mortgage loan receivable.

[5] Represents three standalone Covenant Care leases which, on February 11, 2019, were eliminated and consolidated into a single unified master lease with other Covenant Care-operated assets, with an initial lease term ending in 2034.





Financial Overview



Consolidated Income Statements



(amounts in thousands, except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2018	2017	2018	2017
Revenues:				
Rental income	\$ 36,217	\$ 32,379	\$ 140,073	\$ 117,633
Tenant reimbursements	2,950	3,001	11,924	10,254
Independent living facilities	864	821	3,379	3,228
Interest and other income	330	396	1,565	1,867
Total revenues	40,361	36,597	156,941	132,982
Expenses:				
Depreciation and amortization	11,539	11,003	45,766	39,159
Interest expense	6,678	6,506	27,860	24,196
Loss on the extinguishment of debt	—	—	—	11,883
Property taxes	2,950	3,001	11,924	10,254
Independent living facilities	738	730	2,964	2,733
Impairment of real estate investment	—	—	—	890
Reserve for advances and deferred rent	—	10,414	—	10,414
General and administrative	2,917	2,691	12,555	11,117
Total expenses	24,822	34,345	101,069	110,646
Other income:				
Gain on sale of real estate	—	—	2,051	—
Gain on disposition of other real estate investment	—	—	—	3,538
Net income	<u>\$ 15,539</u>	<u>\$ 2,252</u>	<u>\$ 57,923</u>	<u>\$ 25,874</u>
Earnings per common share:				
Basic	<u>\$ 0.18</u>	<u>\$ 0.03</u>	<u>\$ 0.73</u>	<u>\$ 0.35</u>
Diluted	<u>\$ 0.18</u>	<u>\$ 0.03</u>	<u>\$ 0.72</u>	<u>\$ 0.35</u>
Weighted-average number of common shares:				
Basic	<u>84,059</u>	<u>75,476</u>	<u>79,386</u>	<u>72,647</u>
Diluted	<u>84,084</u>	<u>75,476</u>	<u>79,392</u>	<u>72,647</u>
Dividends declared per common share	<u>\$ 0.205</u>	<u>\$ 0.185</u>	<u>\$ 0.82</u>	<u>\$ 0.74</u>

Reconciliation of EBITDA, FFO and FAD

(amounts in thousands, except per share data)

	Quarter Ended December 31, 2017	Quarter Ended March 31, 2018	Quarter Ended June 30, 2018	Quarter Ended September 30, 2018	Quarter Ended December 31, 2018
Net income	\$ 2,252	\$ 14,607	\$ 13,267	\$ 14,510	\$ 15,539
Depreciation and amortization	11,003	11,577	11,299	11,351	11,539
Interest expense	6,506	7,092	7,285	6,805	6,678
Amortization of stock-based compensation	624	904	924	988	1,032
EBITDA	20,385	34,180	32,775	33,654	34,788
Reserve for advances and deferred rent	10,414	—	—	—	—
Gain on sale of real estate	—	(2,051)	—	—	—
Normalized EBITDA	\$ 30,799	\$ 32,129	\$ 32,775	\$ 33,654	\$ 34,788
Net income	\$ 2,252	\$ 14,607	\$ 13,267	\$ 14,510	\$ 15,539
Real estate related depreciation and amortization	10,973	11,549	11,265	11,330	11,520
Gain on sale of real estate	—	(2,051)	—	—	—
Funds from Operations (FFO)	13,225	24,105	24,532	25,840	27,059
Reserve for advances and deferred rent	10,414	—	—	—	—
Normalized FFO	\$ 23,639	\$ 24,105	\$ 24,532	\$ 25,840	\$ 27,059

See Glossary for additional information.

Reconciliation of EBITDA, FFO and FAD

(continued)



	Quarter Ended December 31, 2017	Quarter Ended March 31, 2018	Quarter Ended June 30, 2018	Quarter Ended September 30, 2018	Quarter Ended December 31, 2018
(amounts in thousands, except per share data)					
Net income	\$ 2,252	\$ 14,607	\$ 13,267	\$ 14,510	\$ 15,539
Real estate related depreciation and amortization	10,973	11,549	11,265	11,330	11,520
Amortization of deferred financing fees	485	484	484	484	486
Amortization of stock-based compensation	624	904	924	988	1,032
Straight-line rental income	(227)	(591)	(342)	(698)	(702)
Gain on sale of real estate	—	(2,051)	—	—	—
Funds Available for Distribution (FAD)	14,107	24,902	25,598	26,614	27,875
Reserve for advances and deferred rent	10,414	—	—	—	—
Normalized FAD	\$ 24,521	\$ 24,902	\$ 25,598	\$ 26,614	\$ 27,875
FFO per share	\$ 0.17	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32
Normalized FFO per share	\$ 0.31	\$ 0.32	\$ 0.32	\$ 0.32	\$ 0.32
FAD per share	\$ 0.19	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33
Normalized FAD per share	\$ 0.32	\$ 0.33	\$ 0.33	\$ 0.33	\$ 0.33
Diluted weighted average shares outstanding [1]	75,692	75,657	76,545	81,687	84,324

[1] For the periods presented, the diluted weighted average shares have been calculated using the treasury stock method. See Glossary for additional information.

Consolidated Balance Sheets



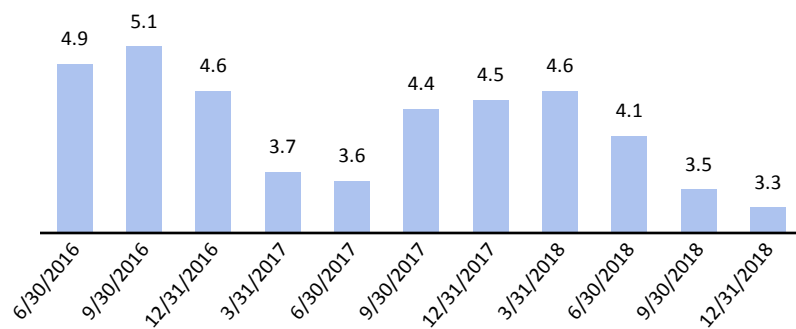
(dollars in thousands)

	December 31, 2018	December 31, 2017
Assets:		
Real estate investments, net	\$ 1,216,237	\$ 1,152,261
Other real estate investments, net	18,045	17,949
Cash and cash equivalents	36,792	6,909
Accounts and other receivables, net	11,387	5,254
Prepaid expenses and other assets	8,668	895
Deferred financing costs, net	633	1,718
Total assets	\$ 1,291,762	\$ 1,184,986
Liabilities and Equity:		
Senior unsecured notes payable, net	\$ 295,153	\$ 294,395
Senior unsecured term loan, net	99,612	99,517
Unsecured revolving credit facility	95,000	165,000
Accounts payable and accrued liabilities	15,967	17,413
Dividends payable	17,783	14,044
Total liabilities	523,515	590,369
Equity:		
Common stock	859	755
Additional paid-in capital	965,578	783,237
Cumulative distributions in excess of earnings	(198,190)	(189,375)
Total equity	768,247	594,617
Total liabilities and equity	\$ 1,291,762	\$ 1,184,986

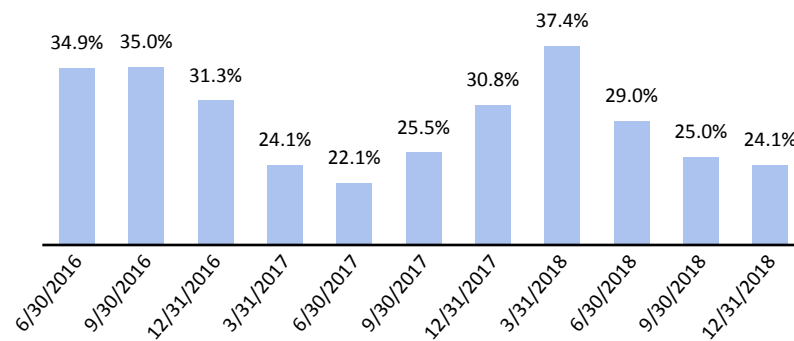
Key Debt Metrics



Net Debt to Normalized EBITDA ^{[1][2]}



Debt to Enterprise Value ^[3]



[1] Net Debt to Normalized EBITDA compares total debt as of the last day of the quarter to the annualized Normalized EBITDA for the quarter.

[2] See "Financials & Filings - Quarterly Results" on the Investors section of our website at <http://investor.caretrustreit.com> for reconciliations of Normalized EBITDA to the most directly comparable GAAP measure for the periods presented.

[3] Debt to Enterprise Value compares total debt as of the last day of the quarter to CareTrust REIT's Enterprise Value as of the last day of the quarter.

See "Glossary" for additional information.

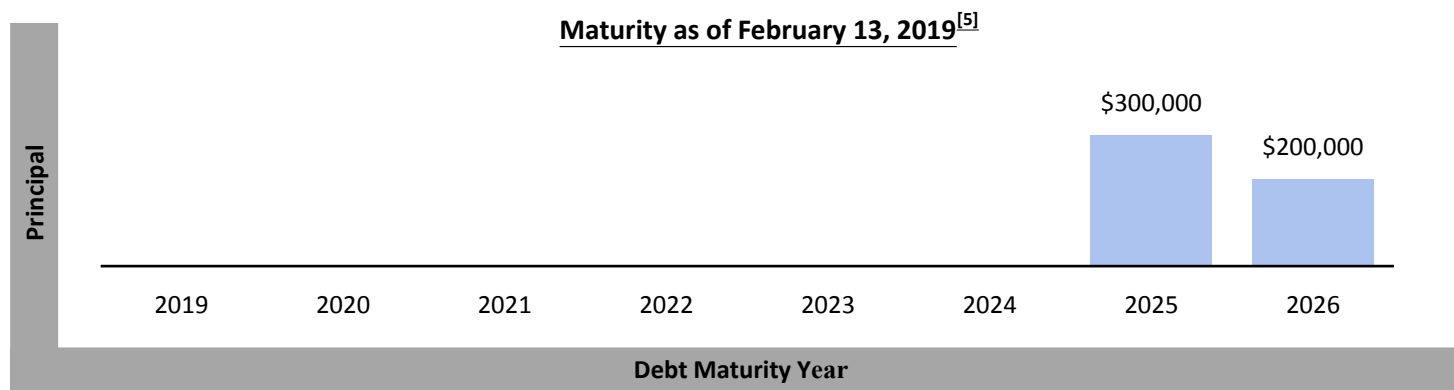


Cottages at White Bear Lake (White Bear Lake, MN)

Debt Summary

(dollars in thousands)

(dollars in thousands)			December 31, 2018			
Debt	Interest Rate	Maturity Date	Principal	% of Principal	Deferred Loan Costs	Net Carrying Value
Fixed Rate Debt						
Senior unsecured notes payable	5.250%	2025	\$ 300,000	60.6%	\$ (4,847)	\$ 295,153
Floating Rate Debt						
Senior unsecured term loan ^[5]	4.472% ^[1]	2023	100,000	20.2%	(388)	99,612
Unsecured revolving credit facility ^[5]	4.272% ^[2]	2020	^[3] 95,000	19.2%	— ^[4]	95,000
	4.375%		195,000	39.4%	(388)	194,612
Total Debt	4.905%		\$ 495,000	100.0%	\$ (5,235)	\$ 489,765



Notes:

[1] Funds can be borrowed at applicable LIBOR plus 1.95% to 2.60% or at the Base Rate (as defined) plus 0.95% to 1.6%.

[2] Funds can be borrowed at applicable LIBOR plus 1.75% to 2.40% or at the Base Rate (as defined) plus 0.75% to 1.4%.

[3] Maturity date assumes exercise of two, 6-month extension options.

[4] Deferred financing fees are not shown net for the unsecured revolving credit facility and are included in assets on the balance sheet.

[5] On February 8, 2019, CareTrust REIT entered into an amended and restated credit and guaranty agreement, that now provides an unsecured revolving credit facility with revolving commitments in an aggregate principal amount of \$600.0 million and an unsecured term loan credit facility in an aggregate principal amount of \$200.0 million. The proceeds of the term loan have been used, in part, to repay in full all outstanding borrowings under the prior term loan and prior revolving credit facility under the prior credit agreement.

2019 Guidance



(shares in thousands)

Net income

Real estate related depreciation and amortization

Funds from Operations (FFO)

Normalized FFO

Net income

Real estate related depreciation and amortization

Amortization of deferred financing fees

Amortization of stock-based compensation

Straight-line rental income

Funds Available for Distribution (FAD)

Normalized FAD

Weighted average shares outstanding:

Diluted

Low		High	
\$	0.78	\$	0.80
	0.52		0.52
	1.30		1.32
\$	1.30	\$	1.32
\$	0.78	\$	0.80
	0.52		0.52
	0.02		0.02
	0.05		0.05
	(0.02)		(0.02)
	1.35		1.37
\$	1.35	\$	1.37
	88,593		88,593

See "Glossary" for additional information.

Equity Capital Transactions



Follow-On Equity Offering Activity

	2015	2016				
		Q1	Q2	Q3	Q4	Total
Number of Shares (000s)	16,330	—	9,775	—	6,325	16,100
Public Offering Price per Share	\$ 10.50	\$ —	\$ 11.35	\$ —	\$ 13.35	\$ 12.14 ^[1]
Gross Proceeds (000s)	\$ 171,465	\$ —	\$ 110,946	\$ —	\$ 84,439	\$ 195,385

At-the-Market Offering Activity

	2016	2017	2018				
			Q1	Q2	Q3	Q4 ^[2]	Total
Number of Shares (000s)	924	10,574	—	2,989	4,772	2,504	10,265
Average Price per Share	\$ 15.31	\$ 16.43	\$ —	\$ 16.13	\$ 17.62	\$ 19.98	\$ 17.76
Gross Proceeds (000s)	\$ 14,147	\$ 173,760	\$ —	\$ 48,198	\$ 84,077	\$ 50,046	\$ 182,321

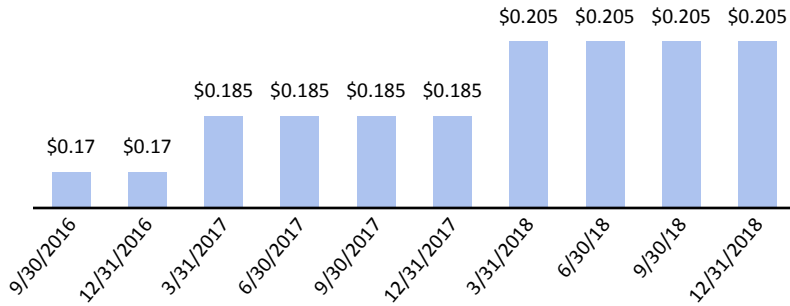
Notes:

[1] Represents average offering price per share for follow-on equity offerings.

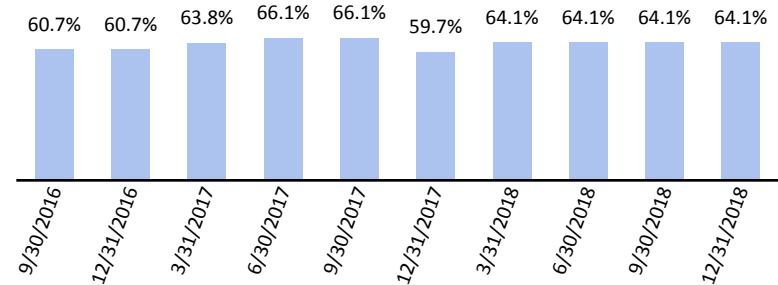
[2] As of December 31, 2018, CareTrust REIT had approximately \$53.7 million available for future issuances under the ATM Program. Subsequent to December 31, 2018, we sold 2.5 million shares of common stock at an average price of \$19.48 per share for \$47.9 million in gross proceeds.

Other Financial Highlights

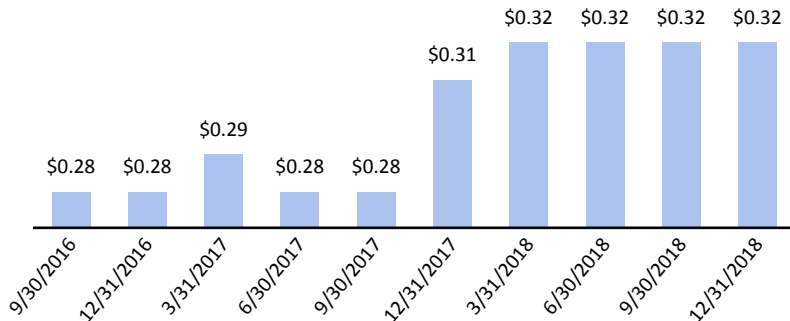
Dividend History



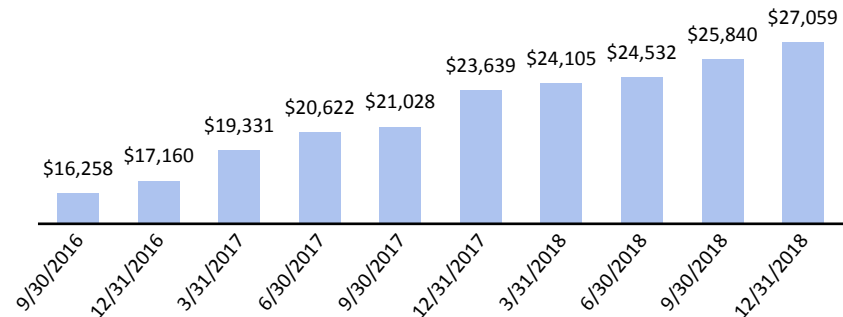
Normalized FFO Payout Ratio ^{[1][2]}



Normalized FFO per Share ^[2]



Normalized FFO ^[2]



Notes:

[1] Normalized FFO Payout Ratio represents dividends declared divided by Normalized FFO, in each case for the applicable quarter.

[2] See "Financials & Filings - Quarterly Results" on the Investors section of our website at <http://investor.caretrustreit.com> for a reconciliation of Normalized FFO and Normalized FFO per Share to the most directly comparable GAAP measure for the periods presented.

See "Glossary" for additional information.

Glossary

Assisted Living Facilities (“ALFs”)

Licensed healthcare facilities that provide personal care services, support and housing for those who need help with daily living activities, such as bathing, eating and dressing, yet require limited medical care. The programs and services may include transportation, social activities, exercise and fitness programs, beauty or barber shop access, hobby and craft activities, community excursions, meals in a dining room setting and other activities sought by residents. These facilities are often in apartment-like buildings with private residences ranging from single rooms to large apartments. Certain ALFs may offer higher levels of personal assistance for residents requiring memory care as a result of Alzheimer’s disease or other forms of dementia. Levels of personal assistance are based in part on local regulations.

EBITDA

Net income before interest expense, income tax, depreciation and amortization and amortization of stock-based compensation.^[1]

EBITDAR

Net income before interest expense, income tax, depreciation, amortization and rent, after applying a standardized management fee (5% of facility operating revenues).

EBITDAR Coverage

Aggregate EBITDAR produced by all facilities under a master lease (or other grouping) divided by the base rent payable to CareTrust REIT under such master lease (or other grouping) for the same period. For this supplement, the reported period is the trailing twelve-month period ended September 30, 2018. Notwithstanding the foregoing, for any facility for which CareTrust REIT has not received four consecutive quarters of post-acquisition operating reports, the quarterly EBITDAR used in this calculation is the proforma EBITDAR utilized in CareTrust REIT’s underwriting process, annualized. Beginning with the fifth quarter of reported post-acquisition operating performance, each reported quarter EBITDAR replaces the oldest underwriting proforma quarter EBITDAR, until all previously-used proforma quarters EBITDAR amounts are eliminated from the calculation.

EBITDARM

Earnings before interest expense, income tax, depreciation, amortization, cash rent, and a standardized management fee (5% of facility operating revenues).

EBITDARM Coverage

Aggregate EBITDARM produced by all facilities under a master lease (or other grouping) divided by the base rent payable to CareTrust REIT under such master lease (or other grouping) for the same period. For this supplement, the reported period is the trailing twelve-month period ended September 30, 2018. Notwithstanding the foregoing, for any facility for which CareTrust REIT has not received four consecutive quarters of post-acquisition operating reports, the quarterly EBITDARM used in this calculation is the proforma EBITDARM utilized in CareTrust REIT’s underwriting process annualized. Beginning with the fifth quarter of reported post-acquisition operating performance, each reported quarter EBITDARM replaces the oldest underwriting proforma quarter EBITDARM, until all previously-used proforma quarters EBITDARM amounts are eliminated from the calculation.

Enterprise Value

Share price multiplied by the number of outstanding shares plus total outstanding debt, each as of a specified date.

Funds Available for Distribution (“FAD”)

FFO, excluding straight-line rental income adjustments and amortization of deferred financing fees and stock-based compensation expense.^[2]

Funds from Operations (“FFO”)

Net income, excluding gains and losses from dispositions of real estate or other real estate, before real estate depreciation and amortization and real estate impairment charges. CareTrust REIT calculates and reports FFO in accordance with the definition and interpretive guidelines issued by the National Association of Real Estate Investment Trusts.^[2]

Independent Living Facilities (“ILFs”)

Also known as retirement communities or senior apartments, ILFs are not healthcare facilities. ILFs typically consist of entirely self-contained apartments, complete with their own kitchens, baths and individual living spaces, as well as parking for tenant vehicles. They are most often rented unfurnished, and generally can be personalized by the tenants, typically an individual or a couple over the age of 55. These facilities offer various services and amenities such as laundry, housekeeping, dining options/meal plans, exercise and wellness programs, transportation, social, cultural and recreational activities, and on-site security.

Glossary

Multi-Service Campus

Facilities that include a combination of Skilled Nursing beds and Seniors Housing units.

Normalized EBITDA

EBITDA, adjusted for certain income and expense items the Company does not believe are indicative of its ongoing results, such as certain acquisition costs, real estate impairment charges, losses on the extinguishment of debt, certain deferred preferred returns, reserve for advances and deferred rent and gains or losses from dispositions of real estate or other real estate.^[1]

Normalized FAD

FAD, adjusted for certain income and expense items the Company does not believe are indicative of its ongoing results, such as certain reserves for advances and deferred rent, certain deferred preferred returns, and the effect of the senior unsecured notes payable redemption.^[2]

Normalized FFO

FFO, adjusted for certain income and expense items the Company does not believe are indicative of its ongoing results, and certain reserves for advances and deferred rent, certain deferred preferred returns, and the effect of the senior unsecured notes payable redemption.^[2]

Occupancy

A facility's occupied operating beds/units divided by the total available operating beds/units for that facility, in each case for the trailing twelve-months ended September 30, 2018; provided that Occupancy for any facility acquired during such twelve-months period may be normalized.

Seniors Housing

Includes ALFs, ILFs, dedicated memory care facilities and similar facilities.

Skilled Nursing or Skilled Nursing Facilities ("SNFs")

Licensed healthcare facilities that provide restorative, rehabilitative and nursing care for people not requiring the more extensive and sophisticated treatment available at an acute care hospital or long-term acute care hospital. Treatment programs include physical, occupational, speech, respiratory, ventilator, and wound therapy.

Notes:

[1] EBITDA and Normalized EBITDA do not represent cash flows from operations or net income as defined by GAAP and should not be considered an alternative to those measures in evaluating the Company's liquidity or operating performance. EBITDA and Normalized EBITDA do not purport to be indicative of cash available to fund future cash requirements, including the Company's ability to fund capital expenditures or make payments on its indebtedness. Further, the Company's computation of EBITDA and Normalized EBITDA may not be comparable to EBITDA and Normalized EBITDA reported by other REITs.

[2] CareTrust REIT believes FAD, FFO, Normalized FAD, and Normalized FFO (and their related per-share amounts) are important non-GAAP supplemental measures of its operating performance. Because the historical cost accounting convention used for real estate assets requires straight-line depreciation (except on land), such accounting presentation implies that the value of real estate assets diminishes predictably over time, even though real estate values have historically risen or fallen with market and other conditions. Moreover, by excluding items not indicative of ongoing results, Normalized FAD and Normalized FFO can facilitate meaningful comparisons of operating performance between periods and between other companies. However, FAD, FFO, Normalized FAD, and Normalized FFO (and their per-share amounts) do not represent cash flows from operations or net income attributable to shareholders as defined by GAAP and should not be considered an alternative to those measures in evaluating the Company's liquidity or operating performance.



Cascadia of Nampa (Nampa, ID)

CareTrust REIT, Inc.
905 Calle Amanecer, Suite 300
San Clemente, CA 92673
Nasdaq: CTRE

www.caretrustreit.com



*Expertise. Partnership.
Growth.*