



Financial Supplement

Fourth Quarter 2022



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 the following: future financial and financing plans; strategies related to the Company's business and its portfolio, including acquisition opportunities and disposition plans; growth prospects, operating and financial performance, expectations regarding the making of distributions, payment of dividends, 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 impact of possible additional surges of COVID-19 infections or the risk of other pandemics, epidemics or infectious disease outbreaks, measures taken to prevent the spread of such outbreaks and the related impact on our business or the businesses of our tenants; (ii) 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, including, without limitation, their respective obligations to indemnify, defend and hold us harmless from and against various claims, litigation and liabilities; (iii) the risk that we may have to incur additional impairment charges related to our assets held for sale if we are unable to sell such assets at the prices we expect; (iv) the ability of our tenants to comply with applicable laws, rules and regulations in the operation of the properties we lease to

them; (v) the ability and willingness of our tenants to renew their leases with us upon their 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, as well as any obligations, including indemnification obligations, we may incur in connection with the replacement of an existing tenant; (vi) the availability of and the ability to identify (a) tenants who meet our credit and operating standards, and (b) suitable acquisition opportunities, and the ability to acquire and lease the respective properties to such tenants on favorable terms; (vii) the ability to generate sufficient cash flows to service our outstanding indebtedness; (viii) access to debt and equity capital markets; (ix) fluctuating interest rates and inflation; (x) the ability to retain our key management personnel; (xi) the ability to maintain our status as a real estate investment trust ("REIT"); (xii) changes in the U.S. tax law and other state, federal or local laws, whether or not specific to REITs; (xiii) other risks inherent in the real estate business, including potential liability relating to environmental matters and illiquidity of real estate investments; and (xiv) any additional factors included in our Annual Report on Form 10-K for the year ended December 31, 2022, including in the section entitled "Risk Factors" in Item 1A of Part I of such report, as such risk factors may be amended, supplemented or superseded from time to time by other reports we file with the Securities and Exchange Commission (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 or on our website. See "Financials and Filings – Quarterly Results" on the Investors section of our website at investor.caretrustreit.com. 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. The Ensign Group, Inc. ("Ensign") and The Pennant Group, Inc. ("Pennant") are subject to the registration and reporting requirements of the SEC and are required to file with the SEC annual reports containing audited financial information and quarterly reports containing unaudited financial information. Ensign's and Pennant's financial statements, as filed with the SEC, can be found at the SEC's website at www.sec.gov.

This supplement provides information about our financial results as of and for the quarter and year ended December 31, 2022 and is provided as of the date hereof, 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	04
CARETRUST SNAPSHOT	05
INVESTMENTS	06
PORTFOLIO OVERVIEW	07-14
Portfolio Repositioning	
Top 10 Tenants Lease Coverage	
Portfolio Performance	
Rent Diversification by Tenant	
Geographic Diversification	
Rent Diversification by State	
Lease Maturities	
Tenant Purchase Options	
FINANCIAL OVERVIEW	15-22
Consolidated Statements of Operations	
Reconciliation of EBITDA, FFO and FAD	
Consolidated Balance Sheets	
Key Debt Metrics	
Debt Summary	
Equity Capital Transactions	
Other Financial Highlights	
GLOSSARY	23-24



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Company Profile

CareTrust REIT is a self-administered, publicly-traded real estate investment trust engaged in the ownership, acquisition, development 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 December 31, 2022, CareTrust REIT has expanded its tenant roster to 19 operators, and has grown its real estate portfolio to 204 net-leased healthcare properties across 23 states, consisting of 21,795 operating beds/units, excluding five properties classified as held for sale as of December 31, 2022, three facilities targeted for re-leasing, two facilities which are in the process of being repurposed and two that are non-operational. As of December 31, 2022, CareTrust REIT also had three secured loans receivable and two mezzanine loans receivable.

MANAGEMENT

Dave Sedgwick – President & Chief Executive Officer
Bill Wagner - Chief Financial Officer
James Callister - Chief Investment Officer

BOARD OF DIRECTORS

Diana Laing - Chair
Anne Olson
Spencer Plumb
Careina Williams
Dave Sedgwick

ANALYST COVERAGE*

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Barclays - Steve Valiquette | (212) 526-5496
BMO Capital Markets - Juan Sanabria | (312) 845-4074
CapitalOne Securities - Dan Bernstein | (571) 835-7202
Credit Suisse - Tayo Okusanya | (212) 325-1402
KeyBanc Capital Markets - Austin Wurschmidt | (917) 368-2311
Raymond James - Jonathan Hughes | (727) 567-2438
RBC Capital Markets - Michael Carroll | (440) 715-2649
Stifel - Steve Manaker | (212) 271-3716

* This information is provided as of February 9, 2023. This list may be incomplete and is subject to change as firms initiate or discontinue coverage of CareTrust. Please note that any opinions, estimates, or forecasts regarding our historical or predicted performance made by these analysts are theirs alone and do not represent opinions, estimates, or forecasts of CareTrust or our management. CareTrust does not by our reference or distribution of the information above imply our endorsement of or concurrence with any opinions, estimates, or forecasts of these analysts. Interested persons may obtain copies of analysts' reports on their own as we do not distribute these reports. Several of these firms may, from time to time, own our stock and/or hold other long or short positions in our stock and may provide compensated services to us.



Snapshot

CARETRUST REIT, INC.

NYSE: CTRE

Market Data (as of December 31, 2022)

- Closing Price: \$18.58
- 52 Week Range: \$23.59 – \$15.90
- Market Cap: \$1,850M
- Enterprise Value: \$2,562M
- Outstanding Shares: 99.584M

Credit Ratings

S&P

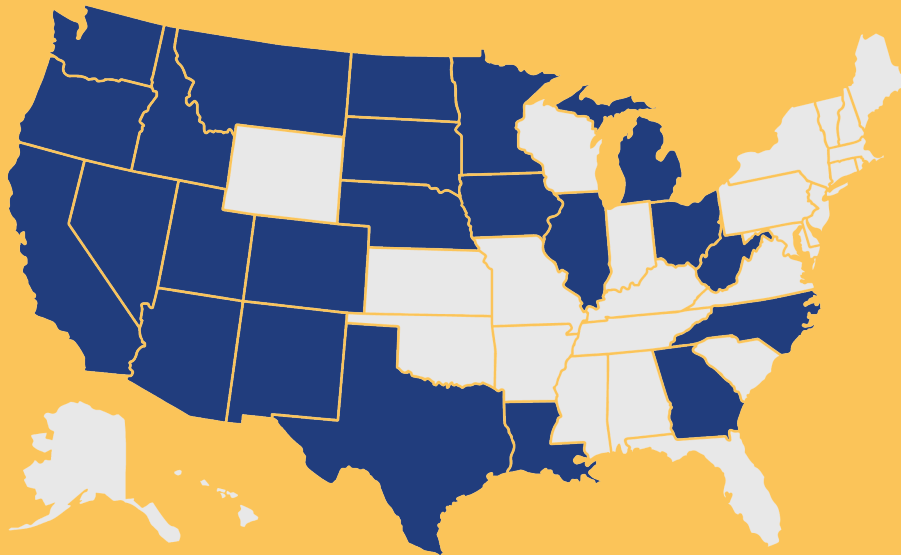
- Corporate Rating: BB (stable)
- Senior Unsecured Notes: BB+

Fitch

- Corporate Rating: BB+ (stable)
- Senior Unsecured Notes: BB+

Moody's

- Corporate Rating: Ba2 (stable)
- Senior Unsecured Notes: Ba2



Note:

Portfolio amounts presented above are as of December 31, 2022 and exclude our three secured loans receivable and two mezzanine loans receivable. Additionally, amounts exclude five properties classified as held for sale as of December 31, 2022, three facilities targeted for re-tenanting, two facilities which are in the process of being repurposed and two that are non-operational.

General Note:

Totals may not add due to rounding.



Investments (dollars in thousands)

Date	Operator	Property Type	Location	Facilities	Initial Investment ^[1]	Operating Beds/Units ^[2]	Initial Rent ^[3]	Initial Yield ^[4]
6/1/2014	The Ensign Group	ALF, SNF, Campus	Various	94	\$ 501,673	10,053	\$ 56,000	N/A
2014 Investments				6	33,609	157	3,076	9.2 %
2015 Investments				20	233,028	1,840	22,263	9.6 %
2016 Investments				35	288,023	2,800	26,084	9.1 %
2017 Investments				36	309,805	3,324	28,000	9.0 %
2018 Investments				12	111,950	1,103	9,955	8.9 %
2019 Investments				27	340,884	3,348	30,168	8.8 %
2020 Investments				17	105,267	961	9,398	8.9 %
2021 Investments				10	196,576	1,247	13,103	7.3 %
2/1/2022	Eduro Healthcare, LLC	SNF	TX	1	8,918	135	815	9.1 %
3/1/2022	WLC Management Firm, LLC	SNF Campus	IL	1	13,095	130	1,235	9.4 %
6/30/2022	Senior Secured Loan	SNF, SNF Campus	Mid-Atlantic	18	75,000	1,796	6,281	8.4 % ^[6]
6/30/2022	Mezzanine Loan	SNF, SNF Campus	Mid-Atlantic	N/A	25,000	N/A	2,750	11.0 % ^[7]
8/1/2022	Secured Loan	SNF	CA	5	22,250	600	1,891	8.5 % ^[7]
9/8/2022	Secured Loan	SNF	GA	4	24,900	690	2,241	9.0 % ^[8]
2022 Investments				29	169,163	3,351	15,213	9.0 %
Total Lifetime Investments ^[5]				192	1,788,305	18,131	157,260	8.9 %
Total Investments ^[5]				286	\$ 2,289,978	28,184	\$ 213,260	

Notes:

[1] Initial Investment for properties acquired in connection with the Company becoming public represents Ensign's and Pennant's gross book value. Initial Investment for properties acquired since inception as a public company represents CareTrust REIT's purchase price and transaction costs and includes commitments for capital expenditures that are not rent producing.

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

[3] Initial Rent represents the annualized acquisition-date cash rent, deferred interest income on any preferred equity investments and interest income on any mortgage loans receivable, secured loans receivable and mezzanine loans. Initial Rent excludes ground lease income.

[4] Initial Yield represents Initial Rent divided by Initial Investment and excludes properties not under a long-term master lease.

[5] All amounts, except as otherwise indicated, include any preferred equity investments, mortgage loans receivable and mezzanine loans receivable.

[6] Initial yield on the senior secured term loan is 8.5% less a 0.125% subservicing fee.

[7] Initial yield based on term secured overnight financing rate, with a floor of approximately 8.5% less a subservicing fee of 50% over 8.25%.

[8] Initial yield based on term secured overnight financing rate, with a floor of approximately 9.0% less a subservicing fee of 100% over 9.00%.



Portfolio Repositioning (dollars in thousands)

(As of February 6, 2023)

Closed Dispositions

Close Date	# of Properties	Property Type	# of Beds	Gross Sales Price	Net Sales Proceeds ^[1]
September 2022	7	SNF / Campus	708	\$ 52,000	\$ 37,823 ^[2]
December 2022	5	ALF	301	13,000	11,033
January 2023	1	ALF	105	3,800	3,240
	13		1,114	\$ 68,800	\$ 52,096

Retained Facilities

Type	# of Properties	Property Type	# of Beds	2022 Contractual Rent	2022 Collected Rent	Year 1 Contractual Rent	Estimated Rent Commencement
Re-Tenant	4	ALF	194	\$ 2,341	\$ —	\$ 825 ^[3]	TBD ^[4]
Re-Tenant/Conversion	2	ALF	236	1,100 ^[5]	—	1,458 ^[6]	1Q 2024
Retained Tenants	8	ALF	355	5,146	5,146	3,480	Jan. 2023
	14		785	\$ 8,587	\$ 5,146	\$ 5,763	

On the Market

Status	# of Properties	Property Type	# of Beds	2022 Contractual Rent	2022 Collected Rent	Estimated Net Proceeds
Under PSA	2	ALF	192	\$ 1,263	\$ 377	\$ 5,578
Marketing ^[7]	3	ALF	309	1,198	—	—
	5		501	\$ 2,461	\$ 377	\$ 5,578

Notes:

[1] Net sales proceeds includes selling costs.

[2] Includes seller financing of \$12.0 million, of which \$5.0 million was repaid during the year end December 31, 2022.

[3] Contractual Rent reflects year 1 rent under the new Master Leases and escalates to \$1.8 million in year 2.

[4] Estimated Rent Commencement date based on final Change Of Ownership approval and final licensing.

[5] The 2022 annualized contractual rent in place before the lease amendments during 2022.

[6] Contractual Rent based on year 1 rent under new Master Lease.

[7] Marketing to re-tenant or sell.



Top 10 Tenants Lease Coverage ^[1]

	Twelve Months Ended March 31, 2020		Twelve Months Ended September 30, 2022		Twelve Months Ended September 30, 2022	
	Pre COVID-19		Excludes Use of HHS Funds ^[4]		Includes Amortized HHS Funds ^[5]	
	EBITDAR Coverage ^[2]	EBITDARM Coverage ^[2]	EBITDAR Coverage ^[2]	EBITDARM Coverage ^[2]	EBITDAR Coverage ^[2]	EBITDARM Coverage ^[2]
1 The Ensign Group ^[3]	3.02x	3.79x	3.29x	4.11x	3.29x	4.11x
2 Priority Management Group	1.50x	1.81x	1.27x	1.58x	1.46x	1.77x
3 Cascadia Healthcare	1.61x	2.07x	1.95x	2.44x	2.08x	2.58x
4 Providence Group	1.03x	1.45x	1.97x	2.55x	2.08x	2.67x
5 Eduro Healthcare, LLC	1.17x	1.65x	1.62x	2.14x	1.81x	2.35x
6 Covenant Care	1.37x	1.94x	0.66x	1.23x	0.72x	1.30x
7 The Pennant Group ^[3]	1.27x	1.48x	0.67x	0.85x	0.67x	0.85x
8 Bayshire Senior Communities ^[6]	1.32x	1.60x	0.90x	1.28x	0.90x	1.28x
9 WLC Management	2.15x	2.59x	1.72x	2.19x	1.99x	2.47x
10 Aspen Senior Living ^[6]	—	—	0.45x	0.69x	0.45x	0.70x
Total Top 10 Tenants	2.12x	2.67x	2.13x	2.70x	2.20x	2.78x
All Other Tenants	1.05x	1.45x	1.08x	1.52x	1.28x	1.72x
Total	1.99x	2.52x	2.01x	2.57x	2.10x	2.66x

Notes:

[1] Lease Coverage excludes five properties classified as held for sale as of December 31, 2022, three facilities targeted for re-leasing, two facilities which are in the process of being repurposed and two that are non-operational.

[2] EBITDAR Coverage and EBITDARM Coverage are based on financial 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. Coverage metrics are based on contractual cash rents in place during the period presented unless a lease has been entered into or amended since the end of the period, in which case the current contractual rent is used.

[3] Ensign and Pennant have announced that they have returned all or a portion of the provider relief funds issued to them by the U.S. Department of Health and Human Services ("HHS") pursuant to the CARES Act in connection with the COVID-19 pandemic ("HHS Relief Funds").

[4] Coverage metrics in this section exclude all HHS Relief Funds and PPP Loans received and retained to date, if any. Where applicable, includes Employee Retention Tax Credits amortized over trailing 12 months based on month received.

[5] Coverage metrics in this section include all known HHS Relief Funds received and retained as reported to us through February 1, 2023, if any, and amortizes the retained HHS Relief Funds ratably over the period of availability based on when the HHS Relief Funds were received in accordance with HHS' current guidelines for using the HHS Relief Funds for allowable purposes, except for phase 4 funding which is amortized ratably from the date the funds are received through June 30, 2022. The calculations further assume that (i) none of the HHS Relief Funds retained to date will be returned to HHS, and (ii) no additional HHS Relief Funds will be distributed to providers in the future. Where applicable, includes Employee Retention Tax Credits amortized over trailing 12 months based on month received.

[6] No coverage metrics were received for the period prior to lease commencement for facilities acquired in March and April 2021.

See "Glossary" for additional information.



Portfolio Performance

(dollars in thousands)

As of December 31, 2022

Asset Type	Facilities	Operating Beds/Units	Investment ^[1]	% of Total Investment	Rent ^[2]	% of Total Rent	Current Yield ^[3]
Skilled Nursing	154	16,193	\$ 1,300,822	72.9 %	\$ 136,509	74.4 %	10.5 %
Multi-Service Campus	24	3,463	363,306	20.3 %	32,081	17.5 %	8.8 %
Seniors Housing	26	2,139	121,186	6.8 %	14,803	8.1 %	12.2 %
Total Net-Leased Assets^[4]	204	21,795	\$ 1,785,314	100.0 %	\$ 183,393	100.0 %	10.3 %

(dollars in thousands)

As of September 30, 2022

Asset Type	Facilities	Operating Beds/Units	Investment ^[1]	% of Total Investment	Rent ^[5]	% of Total Rent	Current Yield ^[3]
Skilled Nursing	154	16,193	\$ 1,299,763	74.2 %	\$ 135,363	75.5 %	10.4 %
Multi-Service Campus	24	3,466	363,306	20.7 %	31,833	17.7 %	8.8 %
Seniors Housing	20	1,846	89,218	5.1 %	12,194	6.8 %	13.7 %
Total Net-Leased Assets^[6]	198	21,505	\$ 1,752,287	100.0 %	\$ 179,390	100.0 %	10.2 %

(dollars in thousands)

As of December 31, 2021

Asset Type	Facilities	Operating Beds/Units	Investment ^[1]	% of Total Investment	Rent ^[7]	% of Total Rent	Current Yield ^[3]
Skilled Nursing	160	16,614	\$ 1,352,608	68.6 %	\$ 135,297	70.6 %	10.0 %
Multi-Service Campus	24	3,545	377,591	19.2 %	31,205	16.3 %	8.3 %
Seniors Housing	40	3,273	240,681	12.2 %	25,130	13.1 %	10.4 %
Total Net-Leased Assets^[8]	224	23,432	\$ 1,970,880	100.0 %	\$ 191,632	100.0 %	9.7 %

Notes:

[1] Initial Investment for properties acquired in connection with the Company becoming public represents Ensign's and Pennant's gross book value. Initial Investment for properties acquired since inception as a public company represents CareTrust REIT's purchase price and transaction costs and includes commitments for capital expenditures that are not rent producing.

[2] Rent represents December 2022 contractual cash rent, annualized, and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2022, the initial or amended contractual cash rent is used.

[3] Current Yield represents Rent divided by Investment.

[4] All amounts exclude our three secured loans receivable and two mezzanine loans receivable. Additionally, amounts exclude five properties classified as held for sale as of December 31, 2022, three facilities targeted for re-leasing, two facilities which are in the process of being repurposed and two that are non-operational.

[5] Rent represents September 2022 contractual cash rent, annualized, and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to September 30, 2022, the initial or amended contractual cash rent is used.

[6] All amounts exclude our three secured loans receivable and two mezzanine loans receivable. Additionally, amounts exclude 19 properties classified as held for sale as of September 30, 2022, two facilities which are in the process of being repurposed and two facilities that are non-operational.

[7] Rent represents December 2021 contractual cash rent, annualized, and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2021, the initial or amended contractual cash rent is used.

[8] All amounts exclude our one mezzanine loan receivable as of December 31, 2021. Additionally, amounts exclude one property classified as held for sale as of December 31, 2021 and two facilities that are non-operational.

See "Glossary" for additional information.



Rent Diversification by Tenant

(dollars in thousands)

As of December 31, 2022^[1]

	Facilities	Operating Beds/Units	Rent ^[2]	% of Total Rent
1 The Ensign Group	98	10,399	\$ 66,173	36.1 %
2 Priority Management Group	15	2,144	30,171	16.5 %
3 Cascadia Healthcare	12	1,053	12,329	6.7 %
4 Providence Group	8	1,044	10,957	6.0 %
5 Eduro Healthcare, LLC	9	990	9,315	5.1 %
Total Top 5 Tenants	142	15,630	\$ 128,945	70.3 %
6 Covenant Care	7	935	8,555	4.7 %
7 The Pennant Group	8	913	7,098	3.9 %
8 Bayshire Senior Communities	5	596	6,462	3.5 %
9 WLC Management	9	916	6,293	3.4 %
10 Aspen Senior Living	2	319	5,640	3.1 %
Total Top 10 Tenants	173	19,309	\$ 162,993	88.9 %
All Other Tenants	31	2,486	\$ 20,400	11.1 %
Total	204	21,795	\$ 183,393	100.0 %

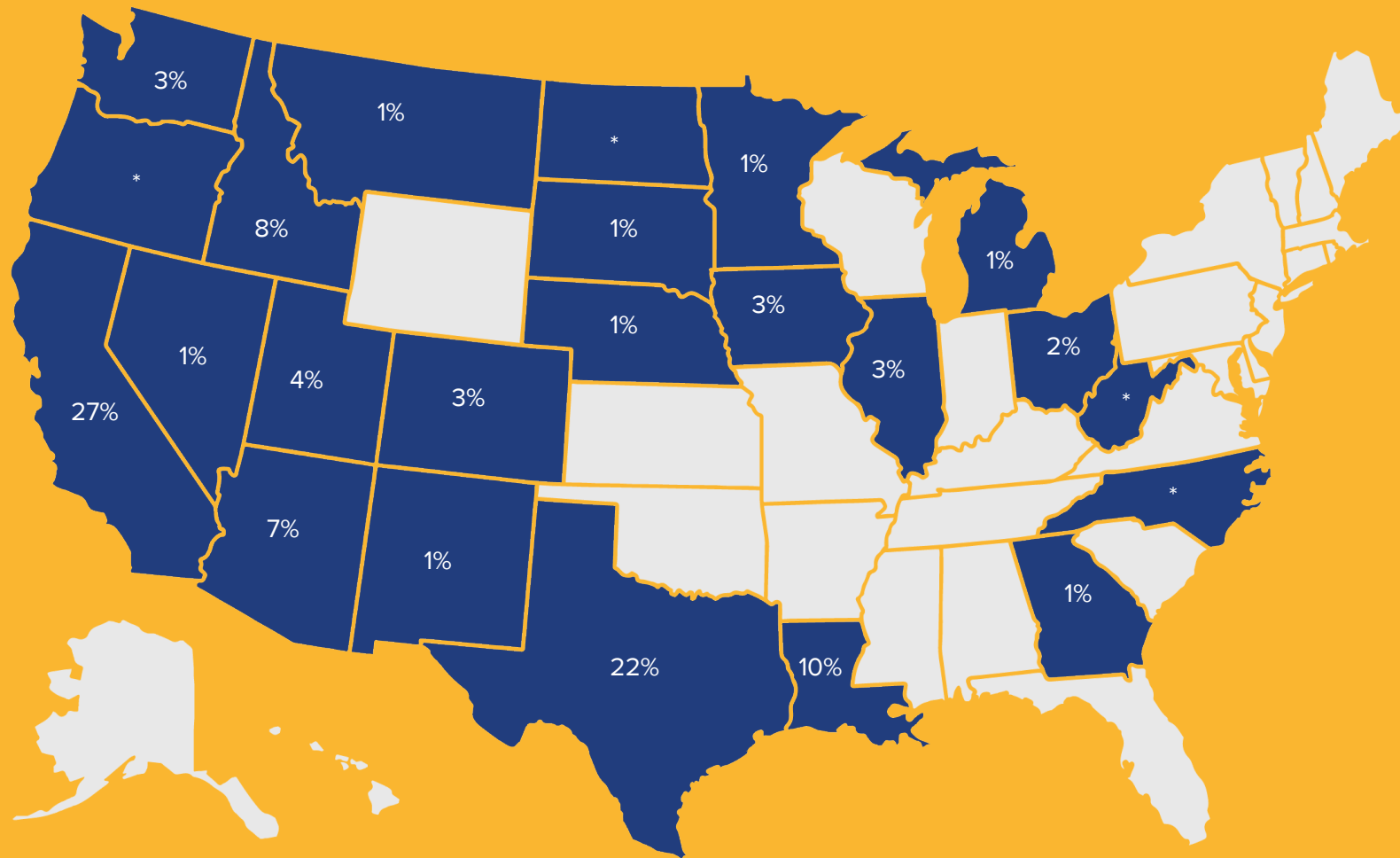
Notes:

[1] All amounts exclude our three secured loans receivable and two mezzanine loans receivable. Additionally, amounts exclude five properties classified as held for sale as of December 31, 2022, three facilities targeted for re-leasing, two facilities which are in the process of being repurposed and two that are non-operational.

[2] Rent represents December 2022 contractual cash rent, annualized, and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2022, the initial or amended contractual cash rent is used.



Geographic Diversification (% of run-rate rent)



* Less than 1%.

Note: Numbers are as of December 31, 2022 and exclude our three secured loans receivable and two mezzanine loans receivable. Additionally, amounts exclude five properties classified as held for sale as of December 31, 2022, three facilities targeted for re-leasing, two facilities which are in the process of being repurposed and two that are non-operational.



Rent Diversification by State

Net-Leased Assets by State	Facilities	As of December 31, 2022 ^[1]			
		Operating Beds/Units	Rent ^[2]	% of Total Rent	
1 California	40	4,844	\$ 49,854	27.2 %	
2 Texas	43	5,597	41,240	22.5 %	
3 Louisiana	8	1,164	17,767	9.7 %	
4 Idaho	17	1,474	14,611	8.0 %	
5 Arizona	11	1,340	13,102	7.1 %	
Top 5 States	119	14,419	\$ 136,574	74.5 %	
6 Utah	13	1,374	7,662	4.2 %	
7 Illinois	9	916	6,293	3.4 %	
8 Colorado	7	779	5,826	3.2 %	
9 Iowa	15	970	5,151	2.8 %	
10 Washington	10	936	4,823	2.6 %	
Top 10 States	173	19,394	\$ 166,329	90.7 %	
All Other States	31	2,401	\$ 17,064	9.3 %	
Total	204	21,795	\$ 183,393	100.0 %	

Notes:

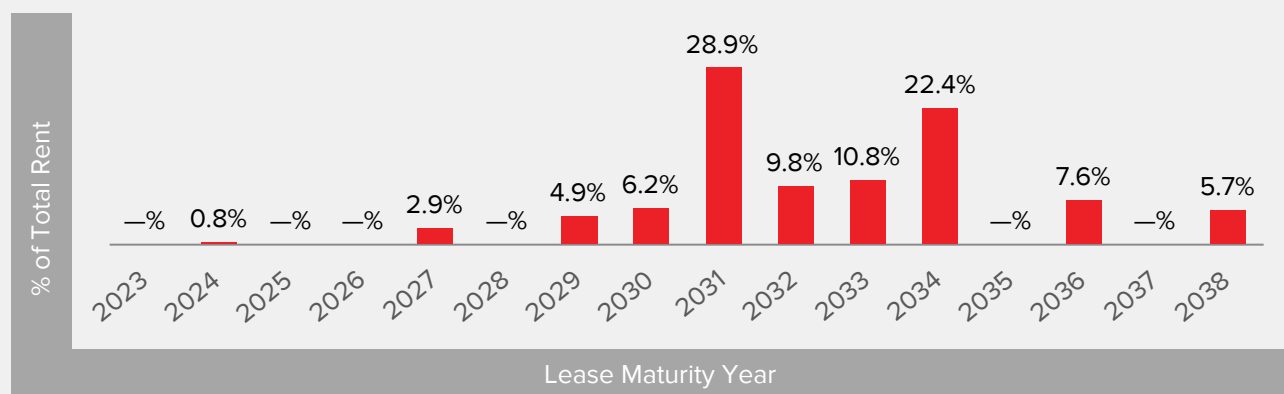
[1] All amounts exclude our three secured loans receivable and two mezzanine loans receivable. Additionally, amounts exclude five properties classified as held for sale as of December 31, 2022, three facilities targeted for re-leasing, two facilities which are in the process of being repurposed and two that are non-operational.

[2] Rent represents December 2022 contractual cash rent, annualized, and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2022, the initial or amended contractual cash rent is used.



Lease Maturities

(dollars in thousands)		As of December 31, 2022 ^[1]	
Lease Maturity Year ^[2]		Rent ^[3]	% of Total Rent
2024	\$	1,537	0.8 %
2027		5,342	2.9 %
2029		9,051	4.9 %
2030		11,353	6.2 %
2031		52,933	28.9 %
2032		18,027	9.8 %
2033		19,847	10.8 %
2034		41,040	22.4 %
2036		13,862	7.6 %
2038		10,401	5.7 %
Total	\$	183,393	100.0 %



Notes:

[1] All amounts exclude our three secured loans receivable and two mezzanine loans receivable. Additionally, amounts exclude five properties classified as held for sale as of December 31, 2022, three facilities targeted for re-leasing, two facilities which are in the process of being repurposed and two that are non-operational.

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

[3] Rent represents December 2022 contractual cash rent, annualized, and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2022, the initial or amended contractual cash rent is used.



Tenant Purchase Options

(dollars in thousands)

As of December 31, 2022

Asset Type	Properties	Lease Expiration	Next Option Open Date ^[1]	Option Type ^[2]	Current Cash Rent ^[3]	% of Total Rent ^[3]
SNF	11	November 2030	1/1/2023 ^[4]	B	5,092	2.70 %
SNF	1	March 2029	4/1/2022 ^[5]	A / B ^[6]	805	0.43 %
SNF / Campus	2	October 2032	1/1/2023 ^[4]	A	1,097	0.58 %
SNF	4	November 2034	12/1/2024 ^[5]	A	3,891	2.06 %
						5.77 %

Notes:

[1] The Company has not received notice of exercise for the option periods that are currently open.

[2] Option type includes:

A - Fixed base price.

B- Fixed capitalization rate on lease revenue.

[3] Rent represents December 2022 contractual cash rent, annualized, and excludes ground lease income. Additionally, if a lease was entered into, amended or restructured subsequent to December 31, 2022, the initial or amended contractual cash rent is used.

[4] Option window is open for six months.

[5] Option window is open until the expiration of the lease term.

[6] Purchase option reflects two option types.



Consolidated Statements of Operations

(amounts in thousands, except per share data)

	For the Three Months Ended December 31,		For the Twelve Months Ended December 31,	
	2022	2021	2022	2021
Revenues:				
Rental income	\$ 47,675	\$ 49,118	\$ 187,506	\$ 190,195
Interest and other income	4,135	619	8,626	2,156
Total revenues	<u>51,810</u>	<u>49,737</u>	<u>196,132</u>	<u>192,351</u>
Expenses:				
Depreciation and amortization	11,926	14,056	50,316	55,340
Interest expense	9,608	5,689	30,008	23,677
Property taxes	968	1,108	4,333	3,574
Impairment of real estate investments	5,356	—	79,062	—
Provision for loan losses, net	—	—	3,844	—
Property operating expenses	695	—	5,039	—
General and administrative	4,813	10,738	20,165	26,874
Total expenses	<u>33,366</u>	<u>31,591</u>	<u>192,767</u>	<u>109,465</u>
Other (loss) income:				
Loss on extinguishment of debt	—	—	—	(10,827)
(Loss) gain on sale of real estate, net	(1,668)	115	(3,769)	(77)
Unrealized loss on other real estate related investments	(2,396)	—	(7,102)	—
Total other (loss) income	<u>(4,064)</u>	<u>115</u>	<u>(10,871)</u>	<u>(10,904)</u>
Net income (loss)	<u>\$ 14,380</u>	<u>\$ 18,261</u>	<u>\$ (7,506)</u>	<u>\$ 71,982</u>
Earnings (loss) per common share:				
Basic	<u>\$ 0.15</u>	<u>\$ 0.19</u>	<u>\$ (0.08)</u>	<u>\$ 0.74</u>
Diluted	<u>\$ 0.15</u>	<u>\$ 0.19</u>	<u>\$ (0.08)</u>	<u>\$ 0.74</u>
Weighted-average number of common shares:				
Basic	<u>97,227</u>	<u>96,297</u>	<u>96,703</u>	<u>96,017</u>
Diluted	<u>97,272</u>	<u>96,552</u>	<u>96,703</u>	<u>96,092</u>
Dividends declared per common share	<u>\$ 0.275</u>	<u>\$ 0.265</u>	<u>\$ 1.10</u>	<u>\$ 1.06</u>



Reconciliation of EBITDA, FFO and FAD

(amounts in thousands)	Quarter Ended December 31, 2021	Quarter Ended March 31, 2022	Quarter Ended June 30, 2022	Quarter Ended September 30, 2022	Quarter Ended December 31, 2022
Net income (loss)	\$ 18,261	\$ (43,264)	\$ 20,669	\$ 709	\$ 14,380
Depreciation and amortization	14,056	13,575	12,559	12,256	11,926
Interest expense	5,689	5,742	6,303	8,355	9,608
Amortization of stock-based compensation	5,635	1,521	1,394	1,380	1,463
EBITDA	43,641	(22,426)	40,925	22,700	37,377
Impairment of real estate investments	—	59,683	1,701	12,322	5,356
Provision for loan losses, net	—	3,844	—	—	—
Provision for doubtful accounts and lease restructuring	—	977	—	—	390
Property operating expenses	8	1,231	631	3,821	914
(Gain) loss on sale of real estate	(115)	(186)	—	2,287	1,668
Non-routine transaction costs	1,418	—	—	—	—
Unrealized loss on other real estate related investments	—	—	—	4,706	2,396
Normalized EBITDA	\$ 44,952	\$ 43,123	\$ 43,257	\$ 45,836	\$ 48,101
Net income (loss)	\$ 18,261	\$ (43,264)	\$ 20,669	\$ 709	\$ 14,380
Real estate related depreciation and amortization	14,051	13,571	12,553	12,251	11,921
Impairment of real estate investments	—	59,683	1,701	12,322	5,356
(Gain) loss on sale of real estate	(115)	(186)	—	2,287	1,668
Funds from Operations (FFO)	32,197	29,804	34,923	27,569	33,325
Provision for loan losses, net	—	3,844	—	—	—
Provision for doubtful accounts and lease restructuring	—	977	—	—	390
Property operating expenses	8	1,231	631	3,821	914
Accelerated amortization of stock-based compensation	3,696	—	—	—	—
Non-routine transaction costs	1,418	—	—	—	—
Unrealized loss on other real estate related investments	—	—	—	4,706	2,396
Normalized FFO	\$ 37,319	\$ 35,856	\$ 35,554	\$ 36,096	\$ 37,025



Reconciliation of EBITDA, FFO and FAD (continued)

(amounts in thousands, except per share data)	Quarter Ended December 31, 2021	Quarter Ended March 31, 2022	Quarter Ended June 30, 2022	Quarter Ended September 30, 2022	Quarter Ended December 31, 2022
Net income (loss)	\$ 18,261	\$ (43,264)	\$ 20,669	\$ 709	\$ 14,380
Real estate related depreciation and amortization	14,051	13,571	12,553	12,251	11,921
Amortization of deferred financing fees	521	520	520	520	535
Amortization of stock-based compensation	5,635	1,521	1,394	1,380	1,463
Straight-line rental income	(6)	(6)	(5)	(3)	(3)
Impairment of real estate investments	—	59,683	1,701	12,322	5,356
(Gain) loss on sale of real estate	(115)	(186)	—	2,287	1,668
Funds Available for Distribution (FAD)	38,347	31,839	36,832	29,466	35,320
Provision for loan losses, net	—	3,844	—	—	—
Provision for doubtful accounts and lease restructuring	—	977	—	—	390
Property operating expenses	8	1,231	631	3,821	914
Non-routine transaction costs	1,418	—	—	—	—
Unrealized loss on other real estate related investments	—	—	—	4,706	2,396
Normalized FAD	\$ 39,773	\$ 37,891	\$ 37,463	\$ 37,993	\$ 39,020
FFO per share	\$ 0.33	\$ 0.31	\$ 0.36	\$ 0.28	\$ 0.34
Normalized FFO per share	\$ 0.39	\$ 0.37	\$ 0.37	\$ 0.37	\$ 0.38
FAD per share	\$ 0.40	\$ 0.33	\$ 0.38	\$ 0.30	\$ 0.36
Normalized FAD per share	\$ 0.41	\$ 0.39	\$ 0.39	\$ 0.39	\$ 0.40
Diluted weighted average shares outstanding [1]	96,646	96,701	96,672	96,752	97,408

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



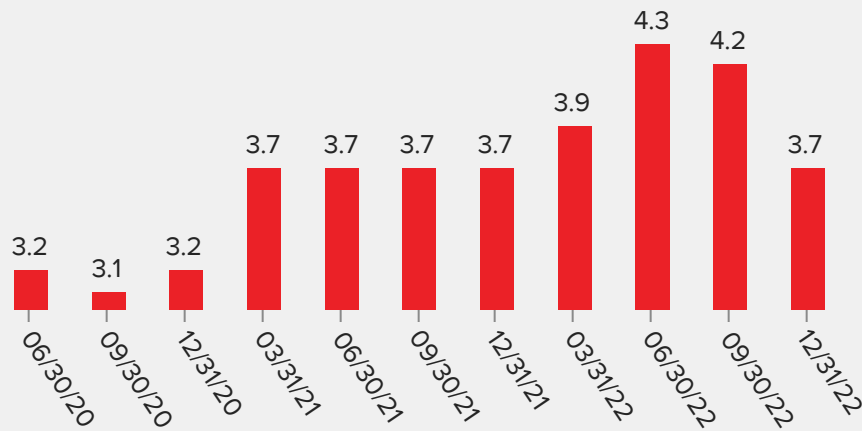
Consolidated Balance Sheets

(amounts in thousands)	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Assets:		
Real estate investments, net	\$ 1,421,410	\$ 1,589,971
Other real estate related investments, at fair value	156,368	15,155
Assets held for sale, net	12,291	4,835
Cash and cash equivalents	13,178	19,895
Accounts and other receivables	416	2,418
Prepaid expenses and other assets, net	11,690	7,512
Deferred financing costs, net	5,428	1,062
Total assets	<u>\$ 1,620,781</u>	<u>\$ 1,640,848</u>
Liabilities and Equity:		
Senior unsecured notes payable, net	\$ 395,150	\$ 394,262
Senior unsecured term loan, net	199,348	199,136
Unsecured revolving credit facility	125,000	80,000
Accounts payable, accrued liabilities and deferred rent liabilities	24,360	25,408
Dividends payable	27,550	26,285
Total liabilities	<u>771,408</u>	<u>725,091</u>
Equity:		
Common stock	990	963
Additional paid-in capital	1,245,337	1,196,839
Cumulative distributions in excess of earnings	(396,954)	(282,045)
Total equity	<u>849,373</u>	<u>915,757</u>
Total liabilities and equity	<u>\$ 1,620,781</u>	<u>\$ 1,640,848</u>

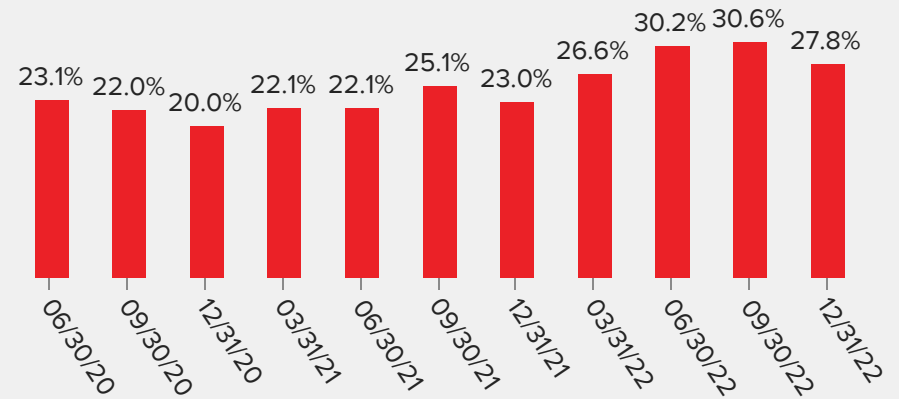


Key Debt Metrics

Net Debt to Annualized Normalized Run Rate EBITDA ^[1]



Net Debt to Enterprise Value ^[2]



Notes:

[1] Net Debt to Annualized Normalized Run Rate EBITDA compares net debt as of the last day of the quarter to Annualized Normalized Run Rate EBITDA for the quarter which assumes investments closed during the quarter occurred on the first day of the quarter. See "Financials – Quarterly Results" on the Investors section of our website at <http://investor.caretrustreit.com> for reconciliations of Normalized EBITDA and Normalized Run Rate EBITDA to the most directly comparable GAAP measure for the periods presented.

[2] Net Debt to Enterprise Value compares net 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.



Debt Summary

(dollars in thousands)

December 31, 2022

Debt	Interest Rate	Maturity Date	Principal	% of Principal	Deferred Loan Costs	Net Carrying Value
Fixed Rate Debt						
Senior unsecured notes payable	3.875 %	2028	\$ 400,000	55.2 %	\$ (4,850)	\$ 395,150
Floating Rate Debt						
Senior unsecured term loan	6.036 % [1]	2026	200,000	27.6 %	(652)	199,348
Unsecured revolving credit facility	5.586 % [2]	2028 [3]	125,000	17.2 %	— [4]	125,000
	5.863 %		325,000	44.8 %	(652)	324,348
Total Debt	4.766 %		\$ 725,000	100.0 %	\$ (5,502)	\$ 719,498

Debt Maturity Schedule



Notes:

[1] Funds can be borrowed at applicable SOFR plus 1.50% to 2.20% or at the Base Rate (as defined) plus 0.50% to 1.20%.

[2] Funds can be borrowed at applicable SOFR plus 1.10% to 1.55% or at the Base Rate (as defined) plus 0.10% to 0.55%.

[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.



Equity Capital Transactions

Follow-On Equity Offering Activity

	2015		2016					2019	
			Q1	Q2	Q3	Q4	Total		
Number of Shares (000s)		16,330	—	9,775	—	6,325	16,100		6,641
Public Offering Price per Share	\$	10.50	\$ —	\$ 11.35	\$ —	\$ 13.35	\$ 12.14 ^[1]	\$	23.35
Gross Proceeds (000s)	\$	171,465	\$ —	\$ 110,946	\$ —	\$ 84,439	\$ 195,385	\$	155,073

At-the-Market Offering Activity

	2016	2017	2018	2019	2020	2021	2022 ^[2]				
							Q1	Q2	Q3	Q4	Total
Number of Shares (000s)	924	10,574	10,265	2,459	—	990	—	—	—	2,405	2,405
Average Price per Share	\$ 15.31	\$ 16.43	\$ 17.76	\$ 19.48	\$ —	\$ 23.74	\$ —	\$ —	\$ —	\$ 20.00	\$ 20.00
Gross Proceeds (000s)	\$ 14,147	\$ 173,760	\$ 182,321	\$ 47,893	\$ —	\$ 23,505	\$ —	\$ —	\$ —	\$ 48,100	\$ 48,100

Notes:

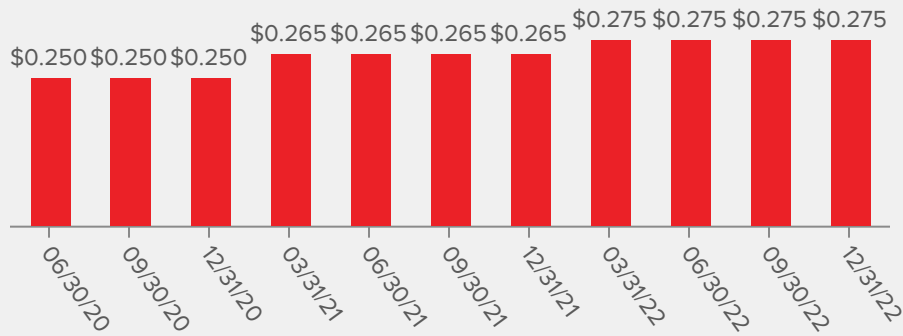
[1] Represents average offering price per share for follow-on equity offerings.

[2] As of December 31, 2022, CareTrust REIT had \$428.4 million available for future issuances under the ATM Program.

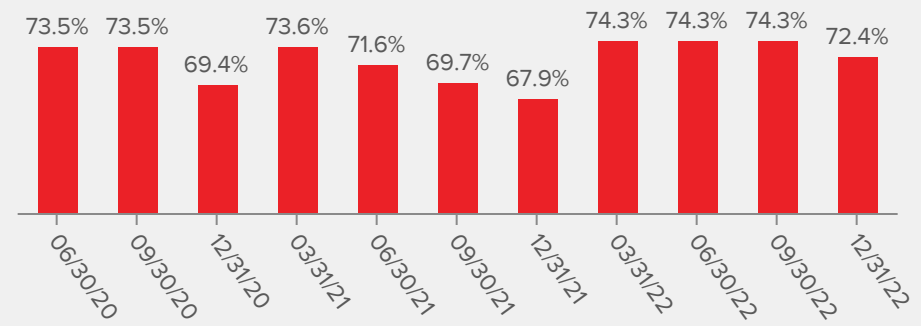


Other Financial Highlights

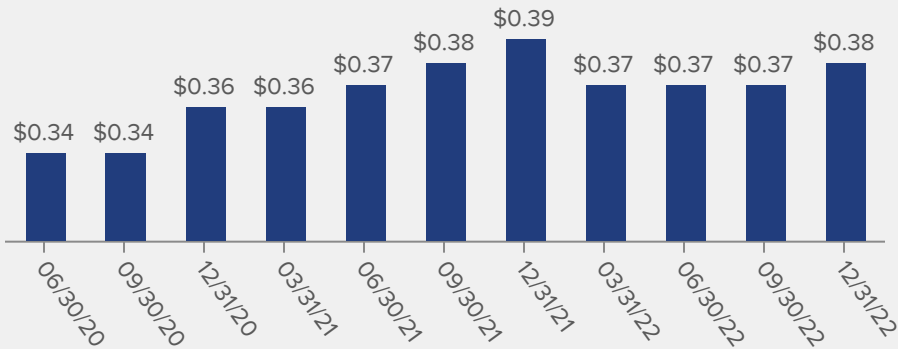
Dividend History



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



Normalized FFO per Share ^[2]



Normalized FFO ^[2] (in millions)



Notes:

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

[2] See "Financials - 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 cash 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) for the trailing twelve-month period ended September 30, 2022 divided by the base rent payable to CareTrust REIT under such master lease (or other grouping) for the same period; provided that if the master lease has been amended to change the base rent during or since such period, then the aggregate EBITDAR for such period is divided by the annualized monthly base rent currently in effect. EBITDAR reflects the application of a standard 5% management fee. In addition, we may exclude from coverage disclosures those facilities which are (i) classified as Held for Sale, (ii) temporarily on Special Focus Facility (SFF) status, (iii) undergoing

significant renovations that necessarily result in a material reduction in occupancy, or (iv) have been acquired for or recently transferred to new operators for turnaround and are pre-stabilized.

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) for the trailing twelve-month period ended September 30, 2022 divided by the base rent payable to CareTrust REIT under such master lease (or other grouping) for the same period; provided that if the master lease has been amended to change the base rent during or since such period, then the aggregate EBITDARM for such period is divided by the annualized monthly base rent currently in effect. In addition, we may exclude from coverage disclosures those facilities which are (i) classified as Held for Sale, (ii) temporarily on Special Focus Facility (SFF) status, (iii) undergoing significant renovations that necessarily result in a material reduction in occupancy, or (iv) have been acquired for or recently transferred to new operators for turnaround and are pre-stabilized.

Enterprise Value

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

Funds Available for Distribution (“FAD”)

FFO, excluding straight-line rental income adjustments, 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]

CARES Act and HHS Relief Funds

Provider relief funds distributed by the Department of Health and Human Services as part of the CARES act to support healthcare providers’ battle against the COVID-19 outbreak. Healthcare providers received five payments over four phases of general distributions. Does not include funds as part of Medicaid’s Federal Medical Assistance Percentage (“FMAP”), Medicare’s Sequestration “Holiday” or Paycheck Protection Program loans (“PPP”). The Employee Retention Credit (“ERC”) is a fully refundable tax credit for employers equal to 50 percent of qualified wages (including allocable qualified health plan expenses) that eligible employers pay their employees.

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, including Continuing Care Retirement Communities.

Normalized EBITDA

EBITDA, adjusted for certain income and expense items the Company does not believe are indicative of its ongoing results, such as real estate impairment charges, provision for loan losses, provision for doubtful accounts and lease restructuring, recovery of previously reversed rent, lease termination revenue, property operating expenses, non-routine transaction costs, loss on extinguishment of debt, unrealized loss on other real estate related investments 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 provision for loan losses, provision for doubtful accounts and lease restructuring, effect of the senior unsecured notes payable redemption, recovery of previously reversed rent, lease termination revenue, non-routine transaction costs, loss on extinguishment of debt, unrealized loss on other real estate related investments and property operating expenses.[2]

Normalized FFO

FFO, adjusted for certain income and expense items the Company does not believe are indicative of its ongoing results, such as provision for loan losses, provision for doubtful accounts and lease restructuring, effect of the senior unsecured notes payable redemption, recovery of previously reversed rent, lease termination revenue, accelerated amortization of stock-based compensation, non-routine transaction costs, loss on extinguishment of debt, unrealized loss on other real estate related investments and property operating expenses.[2]

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 related 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.





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