

# Q3 2014 Conference Call

November 7, 2014



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# Cautionary Statements



*This presentation 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. The words “plans”, “expects”, “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “intends”, “anticipates”, “does not anticipate”, “projects”, “believes” or variations of such words and phrases or statements to the effect that certain actions, events or results “may”, “will”, “could”, “would”, “might”, “occur”, “be achieved” or “continue” and similar expressions identify forward-looking statements. 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.*

*While we anticipate that subsequent events and developments may cause our views to change, we do not intend to update this forward-looking information, except as required by applicable securities laws. This forward-looking information represents our views as of the date of this presentation and such information should not be relied upon as representing our views as of any date subsequent to the date of this document. We have attempted to identify important factors that could cause actual results, performance or achievements to vary from those current expectations or estimates expressed or implied by the forward-looking information. However, there may be other factors that cause results, performance or achievements not to be as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. 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 not intended to represent a complete list of the factors that could affect us. See “Risks and Uncertainties” in our 2013 MD&A and risk factors highlighted 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.*

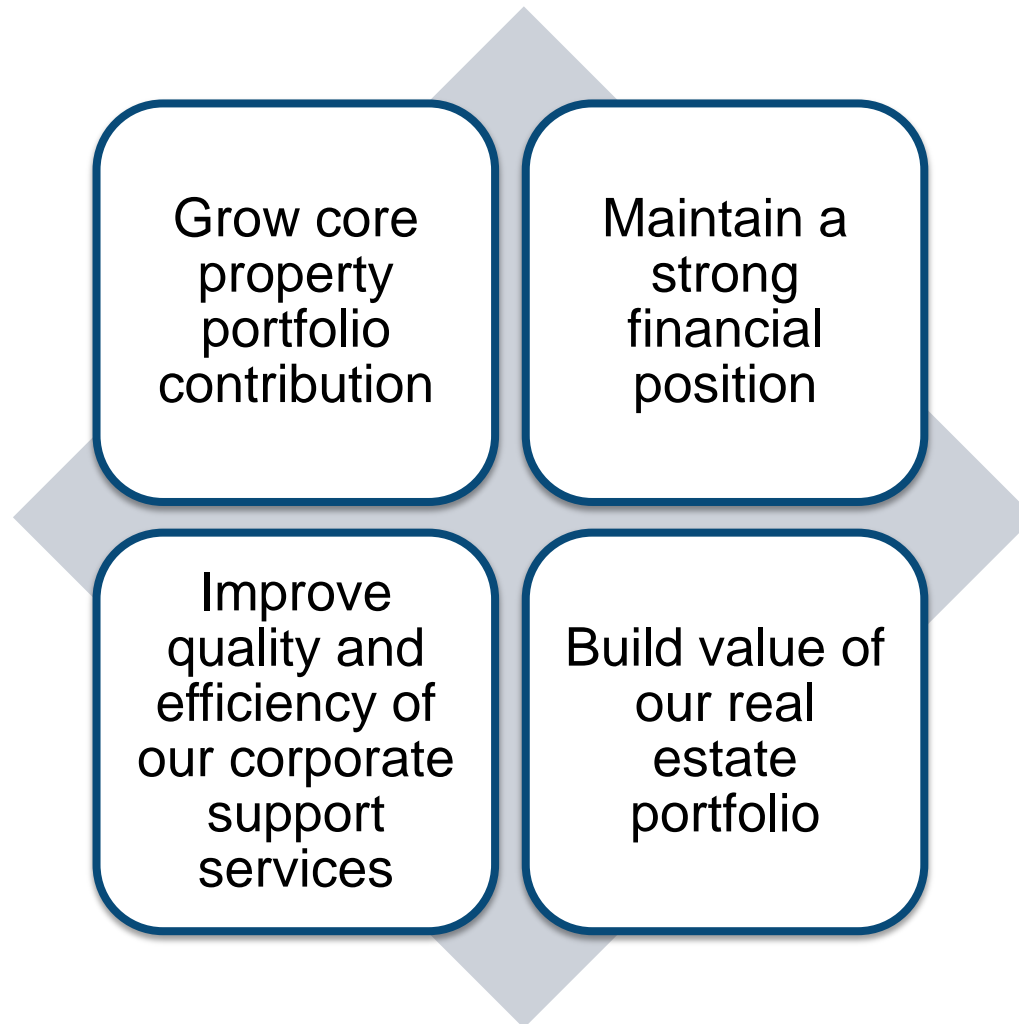
## Non-GAAP Measures

*In this document we use a number of performance measures that are not generally accepted accounting principles (“GAAP”) such as Funds from Operations (“FFO”), Adjusted Funds from Operations (“AFFO”), Net Operating Income (“NOI”), “Same Property NOI,” “Same Property Revenue,” “Same Property Direct Operating Expenses,” “G&A Expenses as a percentage of Revenue,” “Interest Coverage Ratio,” “Indebtedness Ratio,” “Net Debt to Adjusted EBITDA Ratio,” “Chartwell’s Interests” and any related per unit amounts to measure, compare and explain the operating results and financial performance of the Trust (collectively, the “Non-GAAP Measures”). These Non-GAAP Measures do not have any standardized meaning prescribed by International Financial Reporting Standards (“IFRS”) and, therefore, may not be comparable to similar measures presented by other publicly-traded entities. Please refer to the “Non-GAAP Measures” section of our Q3 2014 MD&A for details.*

# Building Sustainable Value



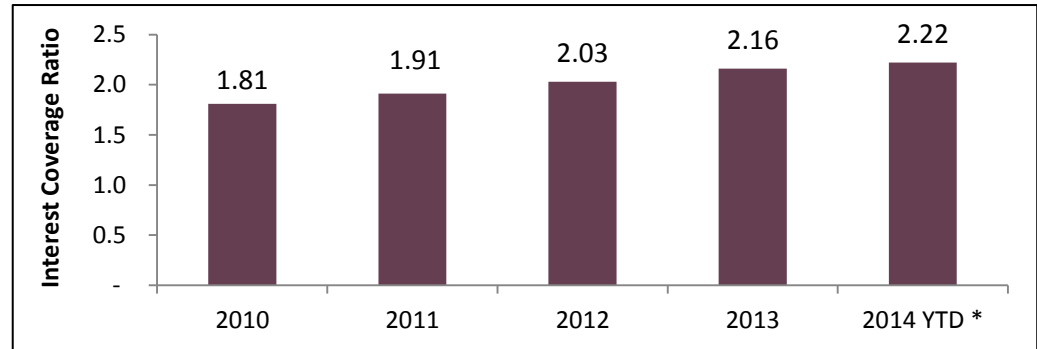
## Strategic Priorities



# Building Sustainable Value

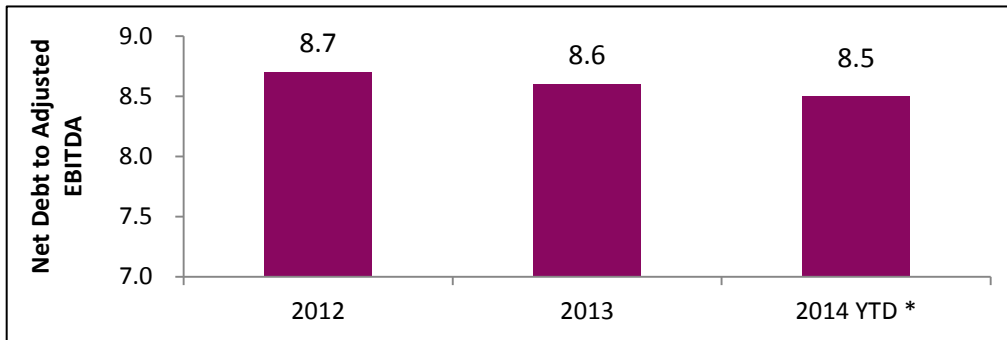


- Improving Interest Coverage ratios



\* Nine months ended September 30, 2014

Net Debt to Adjusted EBITDA Ratio

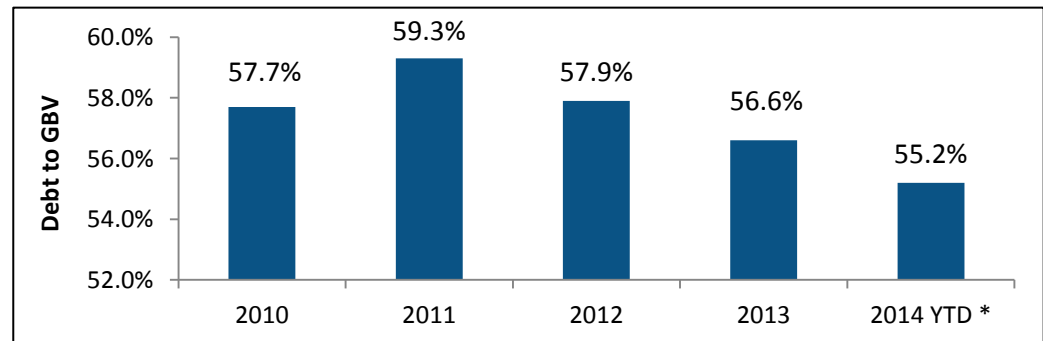


\* As at September 30, 2014

Note: Commenced reporting Net Debt to Adjusted EBITDA in 2012

- Gradually reducing debt levels

Indebtedness Ratio



\* Nine months ended September 30, 2014



## Marketing and Sales Initiatives

### Marketing

- ❖ Successful Fall Advertising Campaign
- ❖ Record Attendance at Fall Open House
- ❖ Preferred Affinity Partnerships with CARP and FSNA

### Sales

- ❖ Optimizing our Centralized Call Centre - including booking Personal Visits

# Operations Initiatives



To provide a happier, healthier and more fulfilled life experience for seniors



Continued  
focus on  
Customer  
Experience

Positive  
Resident  
Satisfaction  
Survey Results

Favourable  
National  
Purchasing  
Contracts

Enhanced LTC  
Renewal  
Strategy in  
Ontario

# Financial Review



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## Q3 2014 Highlights

- AFFO of 19 cents per unit diluted
- Same property NOI increased 2.6%
- Same property portfolio occupancy increased 0.3pp

Key Performance Indicators	Q3 2014	Q3 2013	Increase/(Decrease)
Average occupancy – same property	90.2%	89.9%	0.3pp
NOI – same property (\$ millions)	\$64.3	\$62.7	\$1.6
AFFO (\$ millions)	\$33.9	\$32.6	\$1.3
AFFO per unit diluted	\$0.19	\$0.18	\$0.01
Distributions declared as a percentage of AFFO	70.4%	72.2%	(1.8pp)



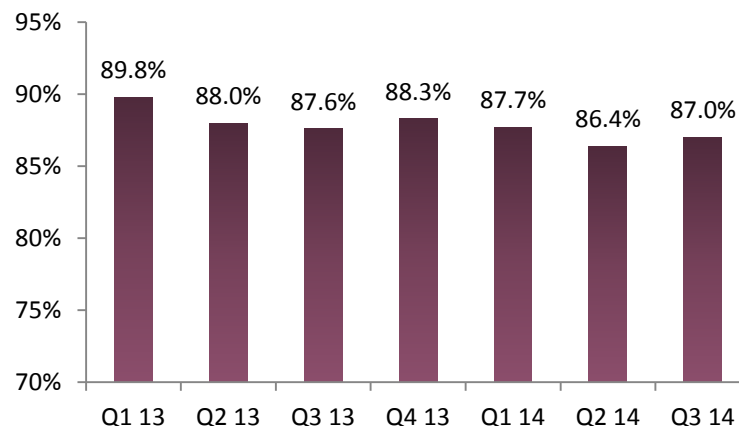
# Ontario Retirement Platform



- Slower pace of new supply and stronger leasing activity expected to support improving occupancy and NOI growth

	Q3 2014	Q3 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
<b>NOI (\$ millions)</b>	\$18.4	\$18.1	\$0.3	1.9%
<b>Occupancy</b>	87.0%	87.6%	N/A	(0.6pp)

**Occupancy**

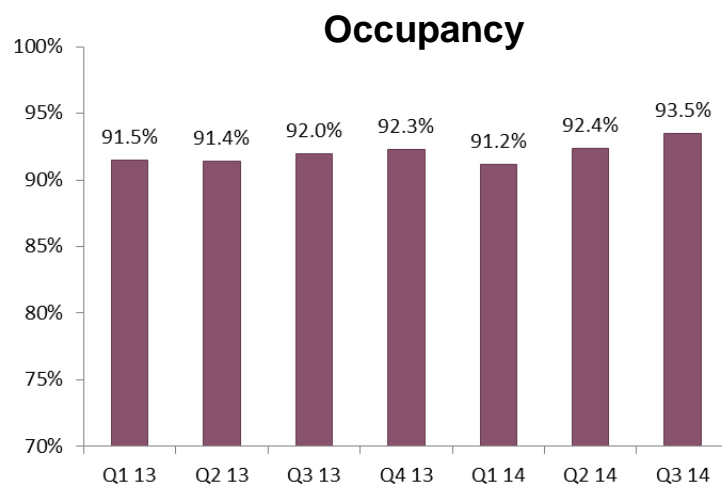


# Western Canada Platform



- Continuing occupancy and rental rate growth contributed to the results
- Positive conditions in most of our markets

	Q3 2014	Q3 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
<b>NOI (\$ millions)</b>	\$9.5	\$9.3	\$0.2	1.7%
<b>Occupancy</b>	93.5%	92.0%	N/A	1.5pp



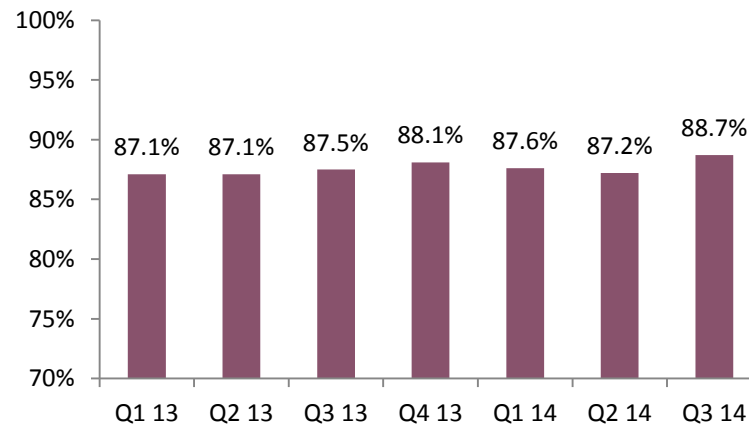
# Quebec Platform



- Strong occupancy growth and expense controls
- Leasing activity remains strong in most of our Quebec markets

	Q3 2014	Q3 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
<b>NOI (\$ millions)</b>	\$14.2	\$13.5	\$0.7	4.9%
<b>Occupancy</b>	88.7%	87.5%	N/A	1.2pp

**Occupancy**



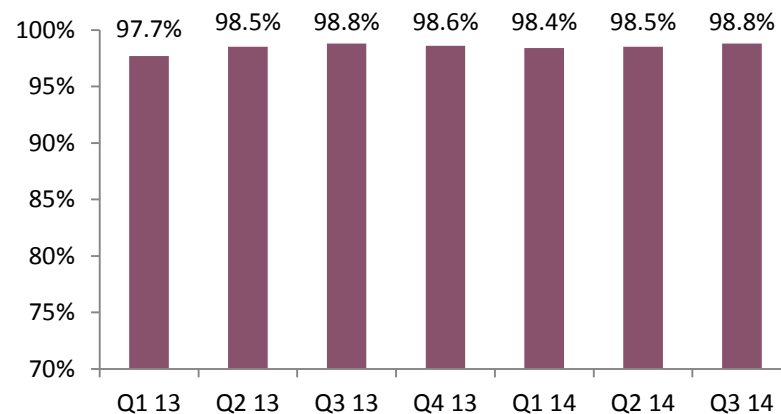
# Ontario LTC Platform



- Increased funding and preferred accommodation rates
- High occupancy
- Disciplined expense management

	Q3 2014	Q3 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
<b>NOI (\$ millions)</b>	\$7.2	\$7.0	\$0.2	2.8%
<b>Occupancy</b>	98.8%	98.8%	N/A	-

## Occupancy

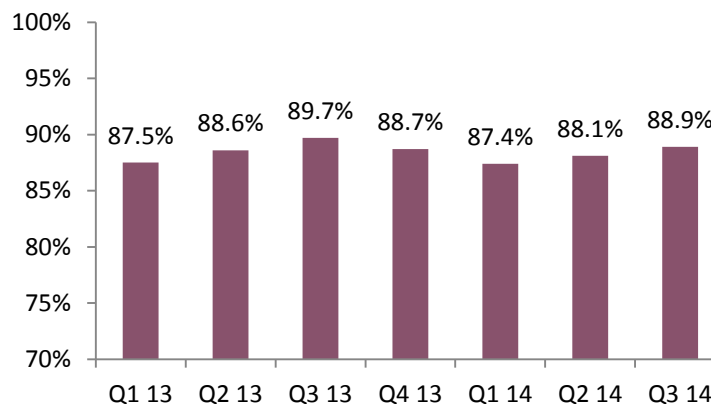




- Rental rate growth and higher ancillary revenues contributed to NOI growth
- Increased capital investments expect to further improve competitiveness of our portfolio

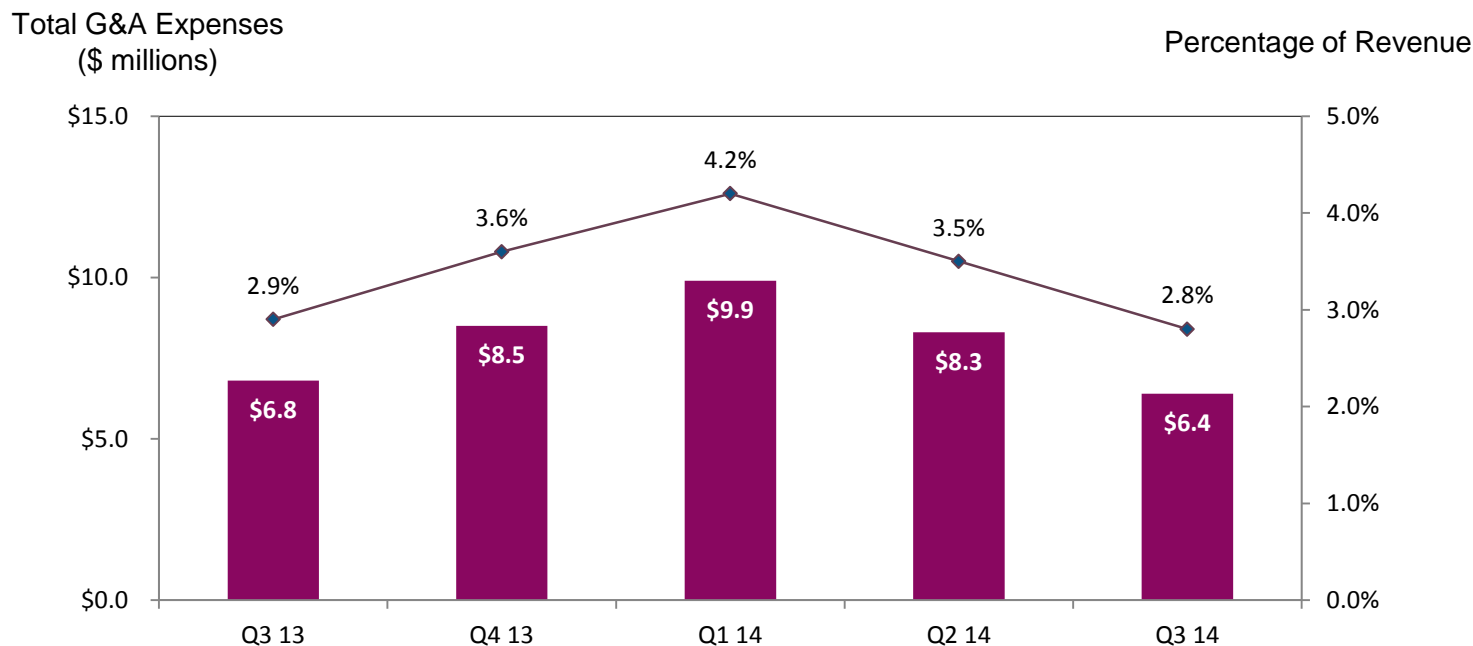
	Q3 2014	Q3 2013	Increase/(Decrease)	
			\$	%
Same property statistics:				
<b>NOI</b> (U.S. \$ millions)	\$15.0	\$14.7	\$0.3	1.8%
<b>Occupancy</b>	88.9%	89.7%	N/A	(0.8pp)

### Occupancy





## Managing G&A Expenses



- Lower legal fees and timing of other expenses contributed to a reduction of G&A costs

# Outlook

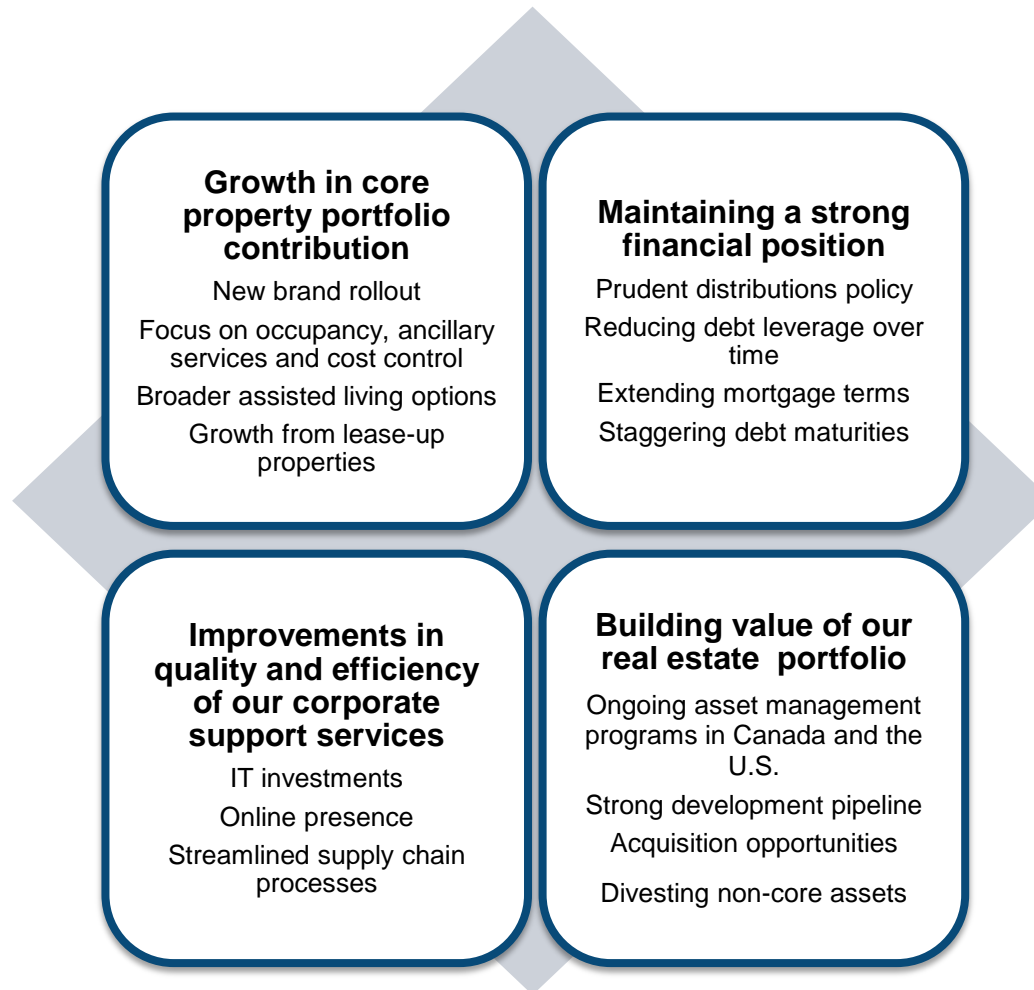


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## Strategic Priorities





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