

Senior Care Turnaround

*TMA 2020 Turnaround of the Year

CERTUS



FACILITY	<ul style="list-style-type: none"> Senior living and care community located in New London, MN Independent Living: 35 units Assisted Living: 12 units Skilled Nursing: 62 beds (including 11 Memory Care beds)
PROJECT	<ul style="list-style-type: none"> Certus was court appointed successor receiver; led an operational turnaround of the business and facilitated the sale of the assets
THE PROBLEM	<ul style="list-style-type: none"> Increased competition / declining census Lack of marketing efforts Uncontrolled expenses Culture / staffing issues Deferred maintenance Declining EBITDAR from \$800,000 million to \$230,000
CERTUS EFFORTS	<ul style="list-style-type: none"> 60-day assessment period, competitive market analysis, deferred maintenance assessment, Comprehensive plan to improve facility, stabilize business, and implement successful sale of the business Weekly onsite meetings with key staff to improve communication/ morale Value-engineered capital improvement campaign to make interior, exterior, and operational improvements Operational efficiencies allowed internal promotions and improvements in marketing the facility
RESULTS	<ul style="list-style-type: none"> EBITDAR increased from FYE 2017 of \$230,000 to T-12 actual of \$565,000 by February 2019 Staff retention of 90 FT & PT employees; during engagement supporting 2 rounds of raises to employees; Replaced administrator Enhanced/improved each part of facility including IL, AL, SNF Orchestrated asset sale resulting in highest <u>and</u> best offer

New Owner	Trustee
Out of state operator able to gain foothold in new market	Realization of value created through receivership; sale for \$5.125M + cash flow
Community	Employees
New London now has a stable long-term, critical service provider employing 90 people	Invested new owner providing long term stability