



Sienna Senior Living Inc. Reports 2017 Fourth Quarter Financial Results

MARKHAM, Ontario, Feb. 15, 2018 -- Sienna Senior Living Inc. ("**Sienna**" or the "**Company**") (TSX:SIA) today announced its financial results for the year ended December 31, 2017. The Audited Consolidated Financial Statements and accompanying Management's Discussion and Analysis are available on the Company's website at www.siennaliving.ca and on SEDAR at www.sedar.com.

Fourth Quarter 2017 Highlights

- Revenue of \$146.3 million in Q4 2017, up 6.0% from Q4 2016.
- Overall Same Property Net Operating Income ("**NOI**") of \$28.8 million in Q4 2017, up 3.8% from Q4 2016, with Retirement Same Property NOI of \$7.7 million in Q4 2017, up 8.0% from Q4 2016.
- Net Income from Continuing Operations of \$4.2 million in Q4 2017, up 3.8% from Q4 2016.
- Diluted OFFO per share of \$0.343 in Q4 2017, up 7.9% from Q4 2016.
- Strong Balance Sheet: Debt to Gross Book Value at 49.6% vs 51.5% year-over-year, a decline of 190 bps. Debt to Gross Book Value would be 46.9% as at year end if all outstanding Convertible Debentures were converted to equity.
- On November 3, 2017, the Company completed an offering of common shares at a price of \$17.45 per common share, on a bought deal basis. The syndicate of underwriters elected to exercise the over-allotment option in full, resulting in the issuance of 6,590,650 common shares for total gross proceeds of \$115 million. The net proceeds were used in December 2017 to finance the previously announced acquisition of two high-quality retirement residences consisting of 384 private-pay suites located in Barrie and Kingston, Ontario, and for general company purposes.
- Subsequent to the Fourth Quarter:
 - On January 22, 2018, the Company entered into an agreement to acquire a portfolio of ten seniors' living residences consisting of 1,245 high quality private-pay suites located primarily in the Greater Toronto Area and the Greater Ottawa Area (the "**Acquisition**") for an aggregate purchase price of approximately \$382 million. The Acquisition is expected to be financed through a combination of the net proceeds of the Offering (defined below), a \$163 million acquisition term loan facility, the assumption of approximately \$76 million in existing mortgages, and draws on the Company's existing credit facilities. The Company expects to complete the Acquisition during the second quarter of 2018.
 - On February 9, 2018, the Company completed an offering of 9,066,000 common shares at a price of \$17.65 per common share, on a bought deal basis, for gross proceeds of approximately \$160.0 million (the "**Offering**"). Pursuant to the underwriting agreement for the Offering, the Company has granted the syndicate of underwriters an over-allotment option, exercisable in whole or in part at any time not later than the 30th day following the closing of the Offering, to purchase up to an additional 1,359,900 common shares on the same terms as the Offering.

"We are delighted to report another strong quarter of operating results to round out the year, along with a strong balance sheet," said Lois Cormack, President and Chief Executive Officer of Sienna. "The recent announcement of our acquisition of 10 retirement residences delivers on our strategy to grow the Retirement portfolio and represents an important development that will be transformative to the Company's asset mix; the proposed acquisition is expected to enhance Sienna's growth profile and drive long-term value creation for our shareholders. I am also honoured that Sienna has been named one of 'Canada's Most Admired Corporate Cultures' for 2017, recognizing the strength and passion of our team members."

Financial and Operating Highlights:

	Three months ended December 31, 2017	Three months ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2016
LTC – Average total occupancy	99.0%	98.7%	98.7%	98.8%
LTC – Average private occupancy	99.3%	98.7%	99.2%	99.8%
Retirement – Average occupancy	93.2%	95.2%	93.8%	93.2%
Retirement – As at occupancy	92.3%	94.5%	92.3%	94.5%
Baltic – Average total occupancy	96.2%	97.9%	96.7%	97.9%

\$000s except occupancy, per share and ratio data	Three months ended December 31, 2017	Three months ended December 31, 2016	Year ended December 31, 2017	Year ended December 31, 2016
Revenue ⁽¹⁾	\$146,330	\$138,011	\$557,690	\$503,165
Operating expenses ⁽²⁾	\$115,831	\$110,602	\$439,562	\$405,343
NOI ⁽³⁾⁽⁴⁾	\$30,499	\$27,409	\$118,128	\$97,822
Net income (loss) from continuing operations	\$4,196	\$4,044	\$21,815	\$2,937
Operating Funds from Operations (OFFO) ⁽⁴⁾	\$17,834	\$15,106	\$64,343	\$52,780
Adjusted Funds from Operations (AFFO) ⁽⁴⁾	\$17,290	\$15,241	\$70,151	\$59,116
Net income (loss) from continuing operations per share, diluted	\$0.081	\$0.102	\$0.455	\$0.073
OFFO per share, diluted	\$0.343	\$0.318	\$1.318	\$1.259
AFFO per share, diluted	\$0.330	\$0.321	\$1.434	\$1.405
Dividends declared per share	\$0.225	\$0.225	\$0.900	\$0.900
Payout Ratio ⁽⁵⁾	66.4%	68.0%	60.7%	61.6%

Notes:

(1) Includes revenue from discontinued operations of \$nil and \$5,278 for the three months and year ended December 31, 2016, respectively.

(2) Includes operating expenses from discontinued operations of \$nil and \$4,896 for the three months and year ended December 31, 2016, respectively.

(3) Includes NOI from discontinued operations of \$nil and \$382 for the three months and year ended December 31, 2016, respectively.

(4) NOI, OFFO and AFFO are not measures recognized under IFRS and do not have standardized meanings prescribed by IFRS. NOI, OFFO and AFFO are supplemental measures of a company's performance, and management of the Company believes that NOI and OFFO are relevant measures of the Company's earnings performance, and AFFO is a relevant measure of the Company's ability to pay dividends on its common shares. The IFRS measurement most directly comparable to OFFO and AFFO is net income from continuing operations and cash flow from operating activities, respectively.

(5) Payout Ratio is calculated using dividends declared per share divided by the basic AFFO per share for the respective periods.

Revenue increased by \$8.3 million or 6.0% to \$146.3 million over the comparable prior year period. The increase was principally related to the revenues generated from the acquisitions completed during 2017.

Operating expenses increased by \$5.2 million or 4.7% to \$115.8 million over the comparable prior year period. The increase was principally related to expenses incurred by the properties acquired during 2017.

NOI increased by \$3.1 million or 11.3% to \$30.5 million over the comparable prior year period. Same property NOI increased by \$1.1 million or 3.8% to \$28.8 million over the comparable prior year period.

The Company generated net income from continuing operations of \$4.2 million for the three months ended December 31, 2017, which was slightly higher than the comparable prior year period. The increase was principally related to income generated from the acquisitions completed during 2017 and lower income taxes, partially offset by increases in transaction costs and administrative expenses.

OFFO increased by \$2.7 million or 18.1% to \$17.8 million over the comparable prior year period. The increase was principally related to the improved NOI contribution from all properties.

AFFO increased by \$2.0 million or 13.4% to \$17.3 million over the comparable prior year period. The increase was principally related to the increase in OFFO noted above, partially offset by timing of maintenance capital expenditures.

2017 Year End Results Summary

Revenue increased by \$54.5 million or 10.8% to \$557.7 million over the comparable prior year period. The increase was principally related to the revenues generated from the acquisitions completed in Q3 2016 and during 2017.

Operating expenses increased by \$34.2 million or 8.4% to \$439.6 million over the comparable prior year period. The increase was principally related to expenses incurred at the properties acquired in Q3 2016 and during 2017.

NOI increased by \$20.3 million or 20.8% to \$118.1 million over the comparable prior year period. Same property NOI increased by \$3.6 million or 3.7% to \$101.7 million over the comparable prior year period.

The Company generated net income from continuing operations of \$21.8 million for the year ended December 31, 2017, representing an increase of \$18.9 million over the comparable prior year period. The increase was principally related to income generated from the acquisitions completed in Q3 2016 and during 2017, decrease in transaction costs and lower depreciation and amortization, partially offset by increases in income taxes and administrative expenses.

OFFO increased by \$11.6 million or 21.9% to \$64.3 million over the comparable prior year period. The increase was principally related to the improved NOI contribution from same properties and the properties acquired in Q3 2016 and during 2017.

AFFO increased by \$11.0 million or 18.7% to \$70.2 million over the comparable prior year period. The increase was principally related to the increase in OFFO noted above, partially offset by an increase in maintenance capital expenditures.

Conference Call

Lois Cormack, President and CEO, and Nitin Jain, Chief Financial Officer and Chief Investment Officer, will host a conference call for the investment community on Friday, February 16, 2018 at 9:30 a.m. (EST). The toll-free dial-in number for participants is 1-844-543-5234, please enter pass code: 5988029. A webcast of the call will be accessible via Sienna's website at: www.siennaliving.ca/Investors/Events-Presentations.aspx. The webcast of the call will be available for replay until February 16, 2019 and archived on Sienna's website.

About Sienna Senior Living

Sienna Senior Living Inc. (TSX:SIA) is a leading seniors' living provider with 75 seniors' living residences in key markets in Canada. Sienna offers a full range of seniors' living options, including independent and assisted living, long-term care, and specialized programs and services. Sienna also provides expert management services. Sienna also provides expert management services. Sienna is committed to national growth, while driving long-term value for shareholders. The Company's more than 11,000 employees are passionate about helping residents live fully every day, and were the driving

force behind Sienna being named one of Canada's Most Admired Corporate Cultures in 2017. For more information, please visit www.siennaliving.ca.

Forward-Looking Statements

Certain of the statements contained in this news release are forward-looking statements and are provided for the purpose of presenting information about management's current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. These statements generally use forward-looking words, such as "anticipate", "continue", "could", "expect", "may", "will", "estimate", "believe" or other similar words and include, among other things, statements related to the Company's financial results or strategic plans. These statements are subject to significant known and unknown risks and uncertainties that may cause actual results or events to differ materially from those expressed or implied by such statements and, accordingly, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. The forward-looking statements in this news release are based on information currently available and what management currently believes are reasonable assumptions, including the funding of long-term care facilities by government entities. Other material factors or assumptions that were applied in formulating the forward-looking statements contained herein include the assumption that the business and economic conditions affecting the Company's operations will continue substantially in their current state, including, with respect to industry conditions, general levels of economic activity and government regulations.

Although management believes that it has a reasonable basis for the expectations reflected in these forward-looking statements, actual results may differ from those suggested by the forward-looking statements for various reasons. The assumptions, risks and uncertainties described above are not exhaustive and other events and risk factors could cause actual results to differ materially from the results and events discussed in the forward-looking statements. These forward-looking statements reflect current expectations of the Company as at the date of this news release and speak only as at the date of this news release. The Company does not undertake any obligation to publicly update or revise any forward-looking statements except as may be required by applicable law.

FOR FURTHER INFORMATION PLEASE CONTACT:

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