

Edgar Filing: CareTrust REIT, Inc. - Form 10-Q

CareTrust REIT, Inc.
Form 10-Q
May 11, 2016
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2016

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-36181

CareTrust REIT, Inc.
(Exact name of registrant as specified in its charter)

Maryland 46-3999490
(State or other jurisdiction of (I.R.S.
incorporation or organization) Employer
Identification
No.)

905 Calle Amanecer, Suite 300, San Clemente, CA 92673
(Address of principal executive offices) (Zip Code)
(949) 542-3130
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company
Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

At May 10, 2016, there were 57,914,049 shares of common stock outstanding.

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PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

CARETRUST REIT, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except share and per share amounts)

(unaudited)

	March 31, 2016	December 31, 2015
Assets:		
Real estate investments, net	\$722,217	\$645,614
Other real estate investments	8,731	8,477
Cash and cash equivalents	4,663	11,467
Accounts receivable	2,227	2,342
Prepaid expenses and other assets	2,072	2,083
Deferred financing costs, net	3,598	3,183
Total assets	\$743,508	\$673,166
Liabilities and Equity:		
Senior unsecured notes payable, net	\$254,495	\$254,229
Senior unsecured term loan, net	99,361	—
Unsecured revolving credit facility	5,000	45,000
Mortgage notes payable, net	—	94,676
Accounts payable and accrued liabilities	10,696	9,269
Dividends payable	9,845	7,704
Total liabilities	379,397	410,878
Commitments and contingencies (Note 11)		
Equity:		
Preferred stock, \$0.01 par value; 100,000,000 shares authorized, no shares issued and outstanding as of March 31, 2016 and December 31, 2015	—	—
Common stock, \$0.01 par value; 500,000,000 shares authorized, 57,454,822 and 47,664,742 shares issued and outstanding as of March 31, 2016 and December 31, 2015, respectively	575	477
Additional paid-in capital	516,285	410,217
Cumulative distributions in excess of earnings	(152,749)	(148,406)
Total equity	364,111	262,288
Total liabilities and equity	\$743,508	\$673,166
See accompanying notes to condensed consolidated financial statements.		

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CARETRUST REIT, INC.
 CONDENSED CONSOLIDATED INCOME STATEMENTS
 (in thousands, except per share amounts)
 (unaudited)

	For the Three Months Ended March 31,	
	2016	2015
Revenues:		
Rental income (related party rental income of \$0 and \$14,000 for the three months ended March 31, 2016 and 2015, respectively – Note 6)	\$20,897	\$14,842
Tenant reimbursements (related party tenant reimbursements of \$0 and \$1,206 for the three months ended March 31, 2016 and 2015, respectively – Note 6)	1,797	1,258
Independent living facilities	681	635
Interest and other income	254	223
Total revenues	23,629	16,958
Expenses:		
Depreciation and amortization	7,293	5,599
Interest expense	6,187	5,901
Property taxes	1,797	1,258
Independent living facilities	620	602
General and administrative	2,230	1,560
Total expenses	18,127	14,920
Net income	\$5,502	\$2,038
Earnings per common share:		
Basic	\$0.11	\$0.06
Diluted	\$0.11	\$0.06
Weighted-average number of common shares:		
Basic	48,101	31,317
Diluted	48,101	31,317
Dividends declared per common share	\$0.17	\$0.16
See accompanying notes to condensed consolidated financial statements.		

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CARETRUST REIT, INC.
 CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
 (in thousands, except share and per share amounts)
 (unaudited)

	Common Stock		Additional Paid-in Capital	Cumulative Distributions in Excess of Earnings	Total Equity
	Shares	Amount			
Balance at December 31, 2014	31,251,157	\$ 313	\$246,041	\$(132,892)	\$113,462
Issuance of common stock, net	16,330,000	163	162,800	—	162,963
Vesting of restricted common stock, net of shares withheld for employee taxes	83,585	1	(146)	—	(145)
Amortization of stock-based compensation	—	—	1,522	—	1,522
Common dividends (\$0.64 per share)	—	—	—	(25,548)	