

Genesis to divest 23 nursing facilities

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The transaction is expected to close on or about July 1, 2018 and is subject to additional due diligence, regulatory and licensing approvals, and other customary conditions.



Singapore - Genesis HealthCare, one of the largest post-acute care providers in the United States, today announced it has signed a definitive agreement to sell 23 Texas skilled nursing facilities (22 buildings owned by Genesis and one leased) to Regency REIT, LLC. The transaction is expected to close on or about July 1, 2018 and is subject to additional due diligence, regulatory and licensing approvals, and other customary conditions.

Genesis currently operates or manages a total of 24 facilities in the state of Texas. In addition to the 23 facilities expected to be divested in the Regency transaction, Genesis also plans to exit the operations of an additional leased skilled nursing facility. Aggregate revenue and EBITDA of all 24 facilities totaled approximately \$173.7 million and \$7.4 million, respectively, in 2017. Genesis estimates these transactions will result in the reduction of approximately \$97 million of indebtedness and \$1.8 million of annual cash lease expense. Closing of both transactions would mark the Company's complete exit of its inpatient business in the state of Texas.

"We are constantly reviewing our portfolio with an emphasis on divesting underperforming assets or assets in non-strategic markets," noted George V. Hager, Jr., Chief Executive Officer of Genesis. "This deleveraging transaction will allow for additional focus on our core markets and will strengthen our overall portfolio," noted Hager.