



# Investor Presentation

September 2019

*Sienna*  
SENIOR LIVING

# Cautionary Note

Certain information in this presentation and oral answers to questions may contain forward-looking information. Actual results could differ materially from conclusions, forecasts or projections in the forward-looking information, and certain material factors or assumptions were applied in drawing conclusions or making forecasts or projections as reflected in the forward-looking information.

Additional information about the material factors, assumptions and/or risks that could cause actual results to differ materially from the conclusions, forecasts or projections in the forward-looking information, and the material factors or assumptions that were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information are as disclosed in the company's disclosure documents filed on SEDAR from time to time, including but not limited to the company's most recent AIF ([www.sedar.com](http://www.sedar.com)).

# Our Company & Investment Highlights



# Sienna at-a-glance

70 owned high quality residences (~10,100 beds/suites)

+  
14 managed residences (~1,500 beds/suites)

● Retirement Residences (RR) ● Long Term Care (LTC)  
● Managed Residences (RR and LTC)

**Sienna Senior Living Inc. is one of Canada's leading owners and operators of seniors' residences with high quality assets in great locations**

**~\$2.3B**

Enterprise Value

**~\$1.3B**

Market Cap

**12,000+**

Dedicated Team Members

**47**

years of operations

**240%+**

Total Shareholder Return  
since IPO

**\$0.94**

Annualized Dividend/Share

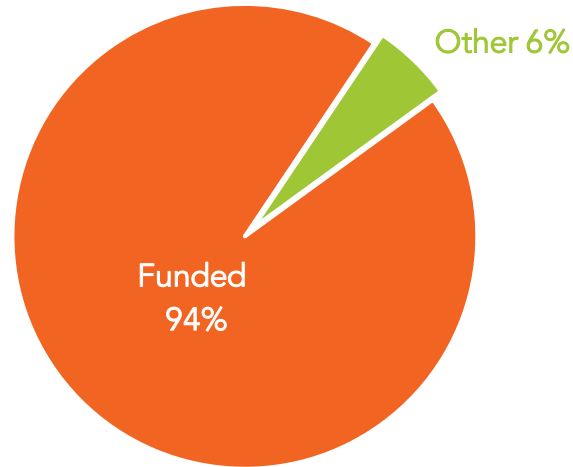
*Sienna*  
SENIOR LIVING

# Why Sienna?

- Well established in a sector with significant **demand**
- **Strong** seniors living **operating platform**
- **High quality portfolio** in key markets
- Strong financial position with an **A (low) bond rating**
- Robust **development pipeline**

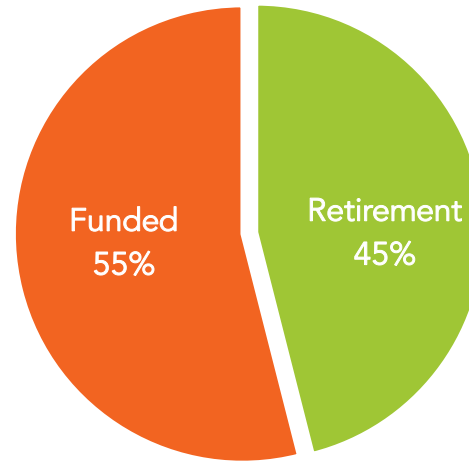
# Balanced Portfolio

2010 IPO NOI Mix



Total NOI \$41.5M  
Total Beds/Suites: 4,423  
~5,000 Employees

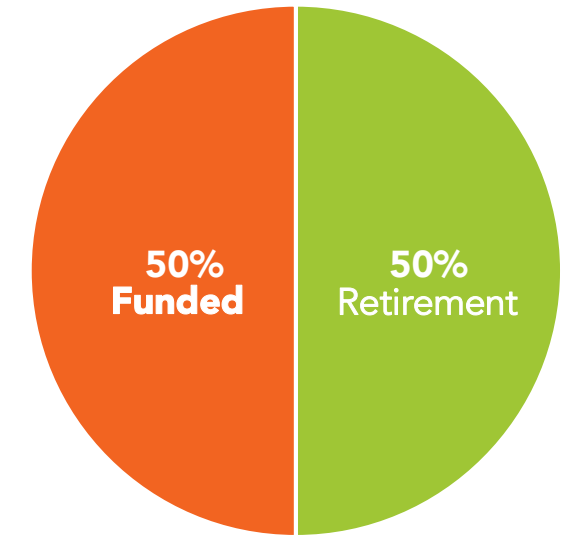
Q2 YTD 2019 Annualized NOI Mix



Total NOI ~\$158M  
Total Beds/Suites 10,091  
~12,000 Employees



Medium-term objective  
(by 2022)



## Funded

- Care is paid for by the government with extensive wait lists
- Residents pay co-payment; rate is set annually by regulatory body
- Eligibility determined by third party

## Retirement (Private-pay)

- Market-driven rates
- Supply varies by market

# Stability of Long-Term Care Portfolio

**Well-located** portfolio in **highly desirable nodes** within Ontario's largest markets



**More than half** of Sienna's long-term care beds are located in the **GTA**, Canada's largest real estate market

**Demonstrated track record** of stable operating and financial performance



**Average occupancy** of **over 98%** in Sienna's long-term care portfolio for the last **5 years**

**Large scale** in highly fragmented long-term care sector



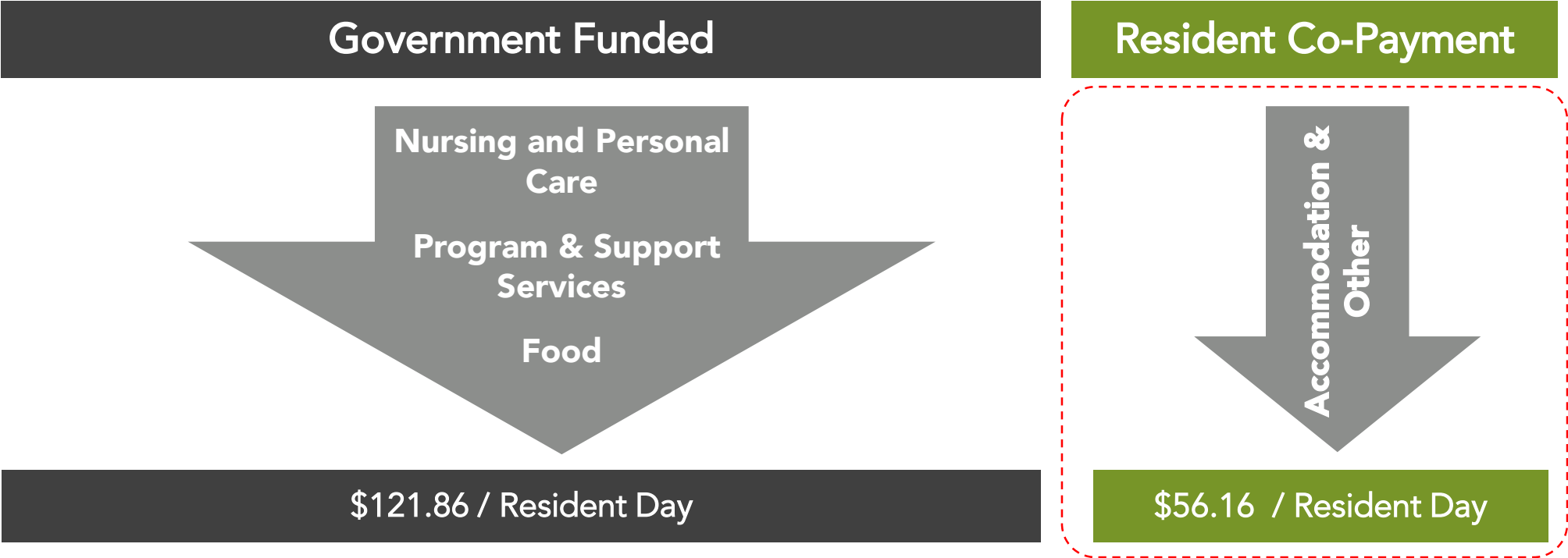
With over **6,500 beds** across **43 homes**, Sienna's portfolio is the **3<sup>rd</sup> largest** long-term care portfolio in Canada

**Favourable** regulatory environment and funding regime



Essential public service that benefits from a track record of **consistent government support including annual funding increases**

# Long-term care funding in Ontario (Envelopes)



Global Level of Care Funding - \$1.77 / Resident Day (New in 2019)

**Per diem of \$179.79 / Resident Day as of July 1, 2019**



# Seniors' Living Supply & Demand

Canadian seniors' living sector is **scaling up to accommodate growth** over the next 20 years

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Estimated population in **Canada's 80+ age cohort** expected to **more than double** over the next 20 years

Sienna's **geographically diverse and balanced portfolio** serves as competitive advantage



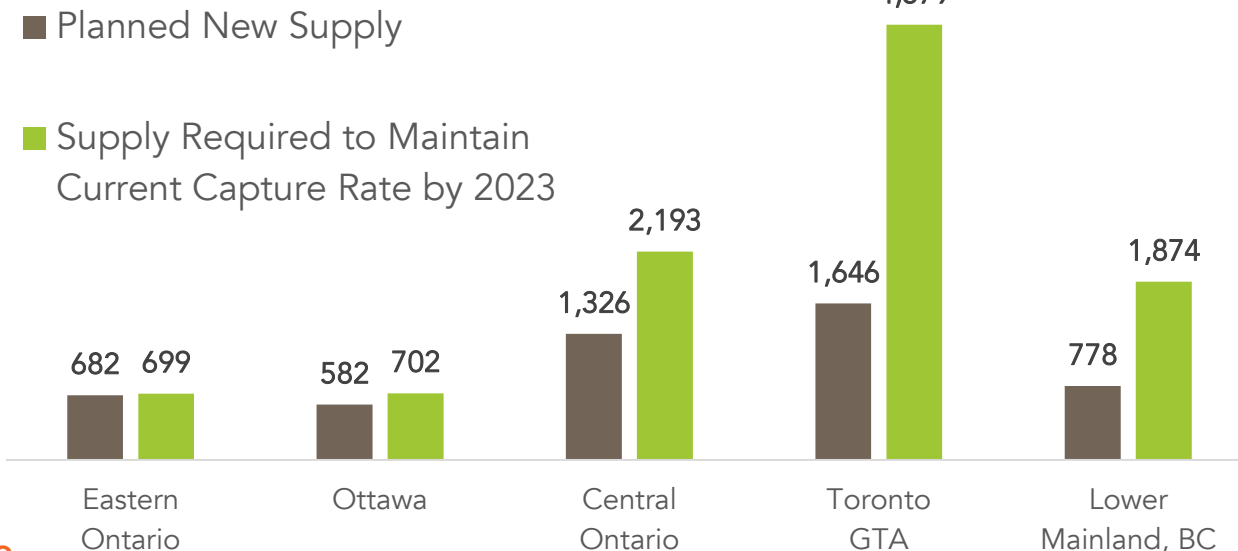
# Supply & Demand in Sienna's key markets

Region	Sienna Portfolio (As at Q2 2019) <sup>(1)</sup>	Planned New Supply <sup>(2)</sup>		Required New Suites by 2023 (to keep 2018 capture rate)		
	Number of Suites	Number of Suites	% of Total Inventory	2018 Capture Rate <sup>(3)</sup>	Number of Suites	Under-supply
Eastern Ontario	535	682	21.6%	11.4%	699	17
Ottawa	399	582	19.7%	13.5%	702	120
Central Ontario	1,045	1,326	12.0%	8.5%	2,193	867
Toronto GTA	571	1,646	6.8%	5.2%	4,579	2,933
Lower Mainland, BC	620	778	9.7%	4.6%	1,874	1,096
<b>Total</b>	<b>3,170</b>	<b>5,014</b>	<b>10.2%</b>	<b>6.0%</b>	<b>10,047</b>	<b>5,033</b>

(1) Excludes Midland Gardens Senior Apartments due to its unique service platform

(2) Source: CBRE

(3) The capture rate equals total supply of units divided by target population.



**Demand** is expected to **outpace new supply** of retirement residences **by 2023** in Sienna's key markets

# Our Strategy & Goals

## Growth

- Retirement acquisitions
- Development of campuses (RR/LTC)
- Organic growth

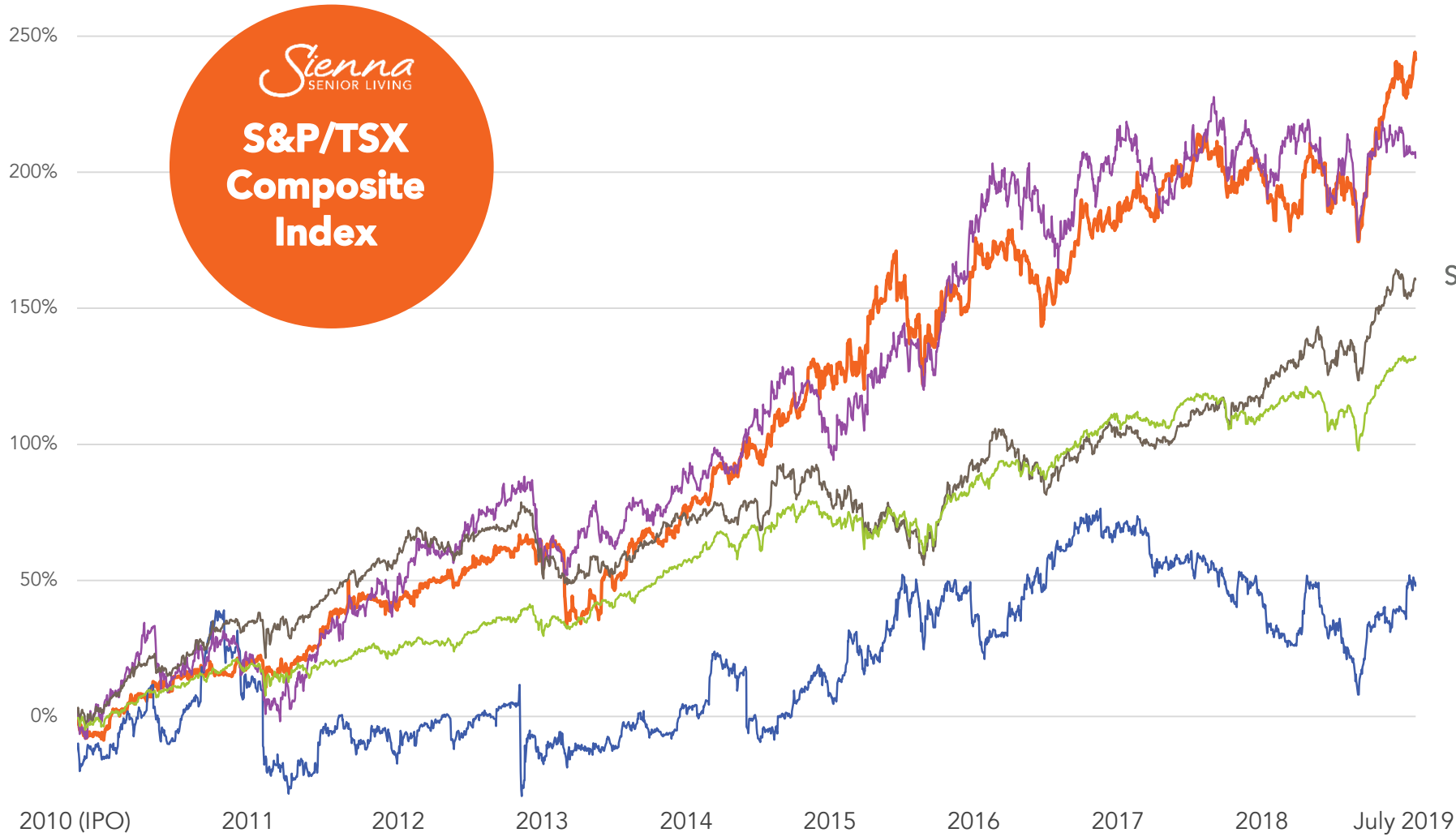
## Operating platform

- Provide great resident experience
- Build a high performing team and great culture
- Harmonize retirement operating platform

## Balance sheet

- Optimize leverage
- Increase liquidity
- Maintain favourable credit rating

# Industry-leading Share Performance



Sienna  
SENIOR LIVING  
**S&P/TSX  
Composite  
Index**

Sienna  
SENIOR LIVING®

241.4% Total Return | 27.8% CAGR



205.3% | 25.0% CAGR

S&P/TSX Capped REIT 160.6% | 21.1% CAGR

S&P/TSX Low Volatility 131.7% | 18.3% CAGR



48.0% | 8.2% CAGR

# Corporate Responsibility & Values

## Governance

- Maintain the **highest ethical standards** through a strong governance framework and an experienced Board of Directors.
- **Leader in gender diversity** with over 40% of Sienna's Board of Directors being female.

Sienna is among the  
**Top 5 companies listed on the TSX**  
in terms of gender diversity

## Social

- Strongly committed to giving back; **Sienna for Seniors** initiative has raised **\$350,000** since inception.
- Sienna named one of **Canada's most admired Corporate Cultures** in 2017.
- Consistently **outperforms provincial and national averages on the quality of care** provided to residents.

## Environmental

- Key initiatives focus on increasing **water conservation** and decreasing **energy consumption**.

## Vision

To awaken our communities to the positive possibilities of life's next chapters

## Mission

To help you live fully, every day

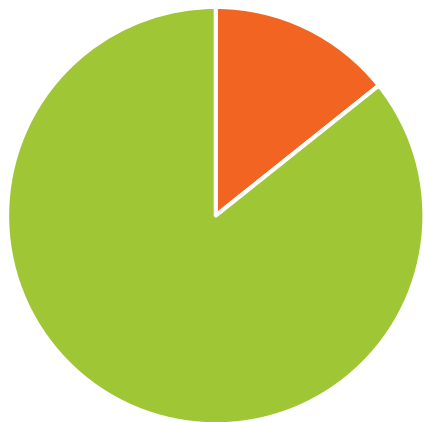
## Values

Respect • Passion • Teamwork  
• Responsibility • Growth

# Strong & Independent Board of Directors

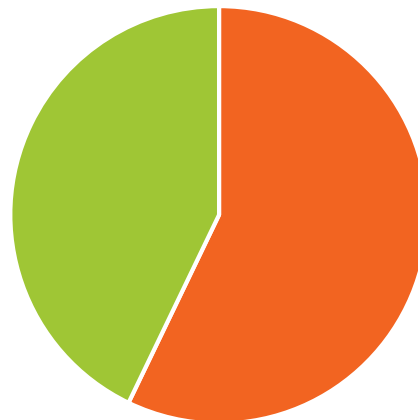
- **Independent board of directors** with 86% of the directors being independent.
- **Deeply committed** board with each director having attended 100% of the meetings held in 2018; three of the seven directors have served on Sienna's board since its IPO in 2010.
- **Gender-balanced** with nearly half of the directors being female.
- **Highly experienced** board of directors with extensive expertise in seniors' living, real estate and health care.

Independent Board



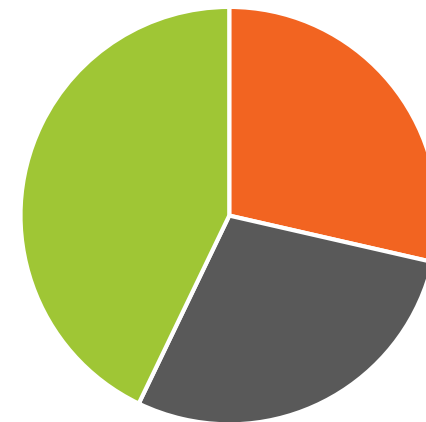
■ Dependent ■ Independent

Board's Gender Diversity



■ Male ■ Female

Board's Tenure



■ Less than 3 years ■ 3-5 years ■ 9 years (since IPO)

# Corporate Governance

## Senior Leadership Team

**Lois Cormack**

Director, President & CEO

**Joanne Dykeman**

Executive Vice-President,  
Operations

**Olga Giovanniello**

Executive Vice-President,  
People & Culture

**Nancy Webb**

Vice-President, Marketing &  
Communications

**Nitin Jain**

CFO & Chief Investment Officer

**Lisa Kachur**

Executive Vice-President,  
Operations

**Cristina Alaimo**

Vice-President, General  
Counsel

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## Board of Directors

**Dino Chiesa**

Chair and Director

**Janet Graham**

Director

**Brian Johnston**

Director

**Stephen Sender**

Director

**Lois Cormack**

Director

**Paula Jourdain Coleman**

Director

**Jack. C. MacDonald**

Director



# Strong Operating Platform

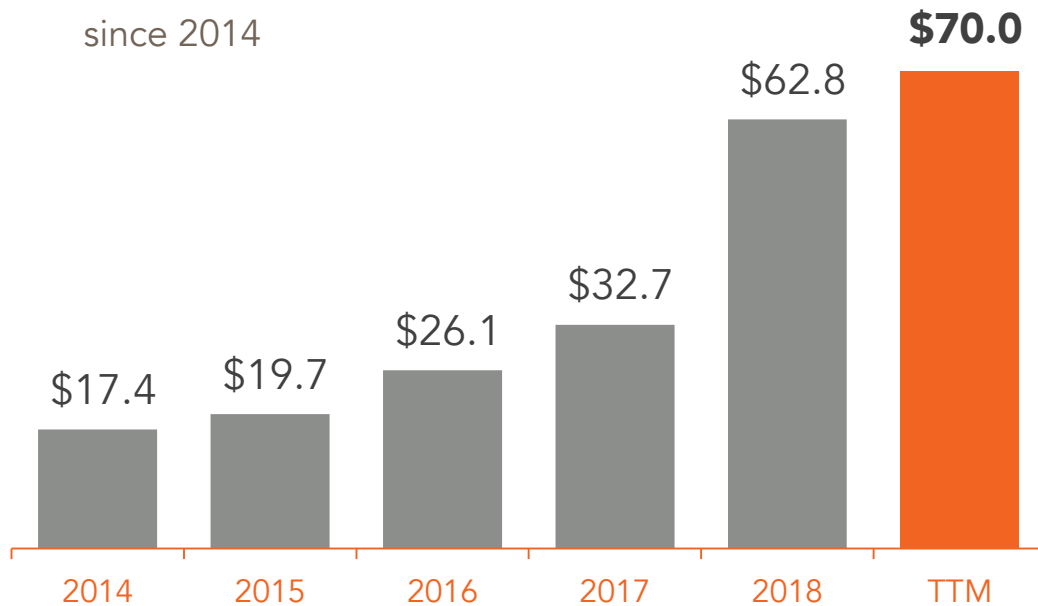


# Operating Performance

Retirement NOI (\$M)

**300%** 

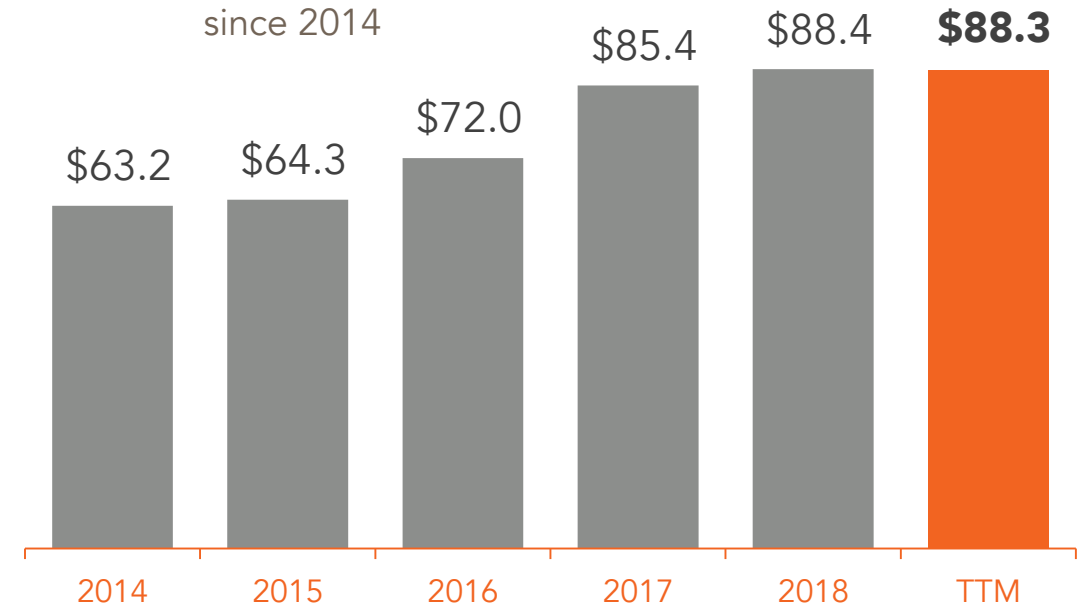
since 2014



LTC NOI (\$M)

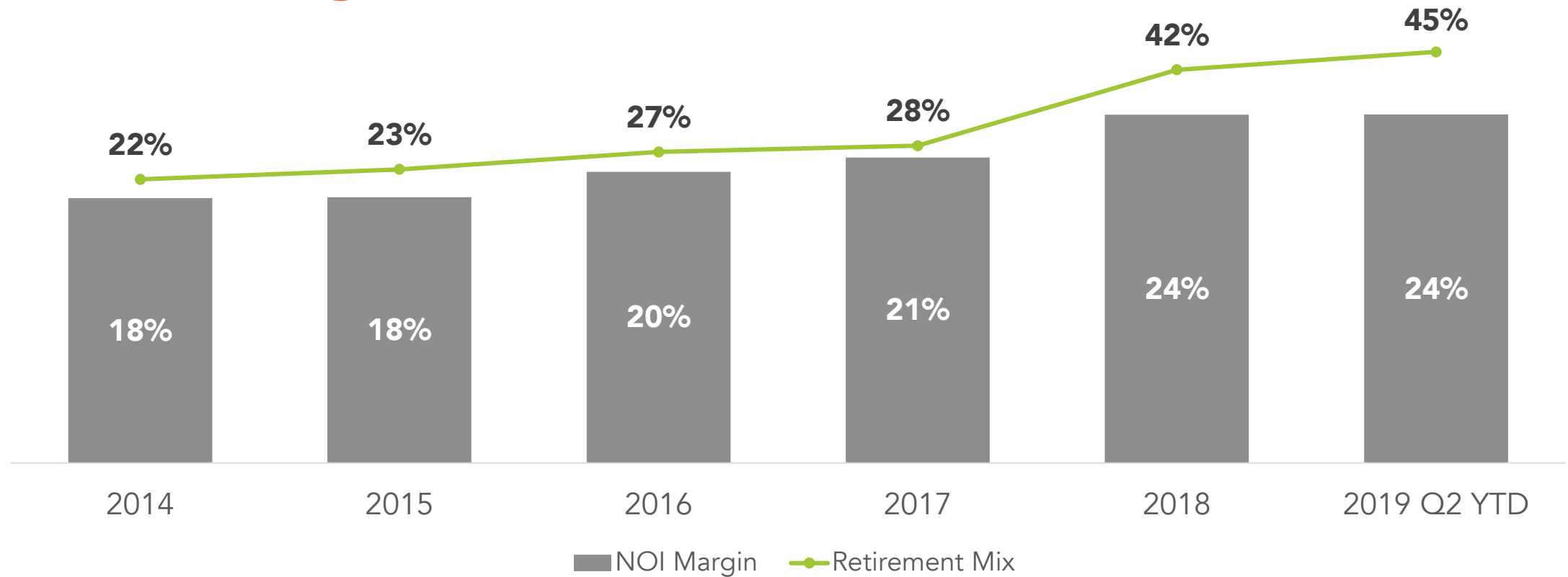
**40%** 

since 2014



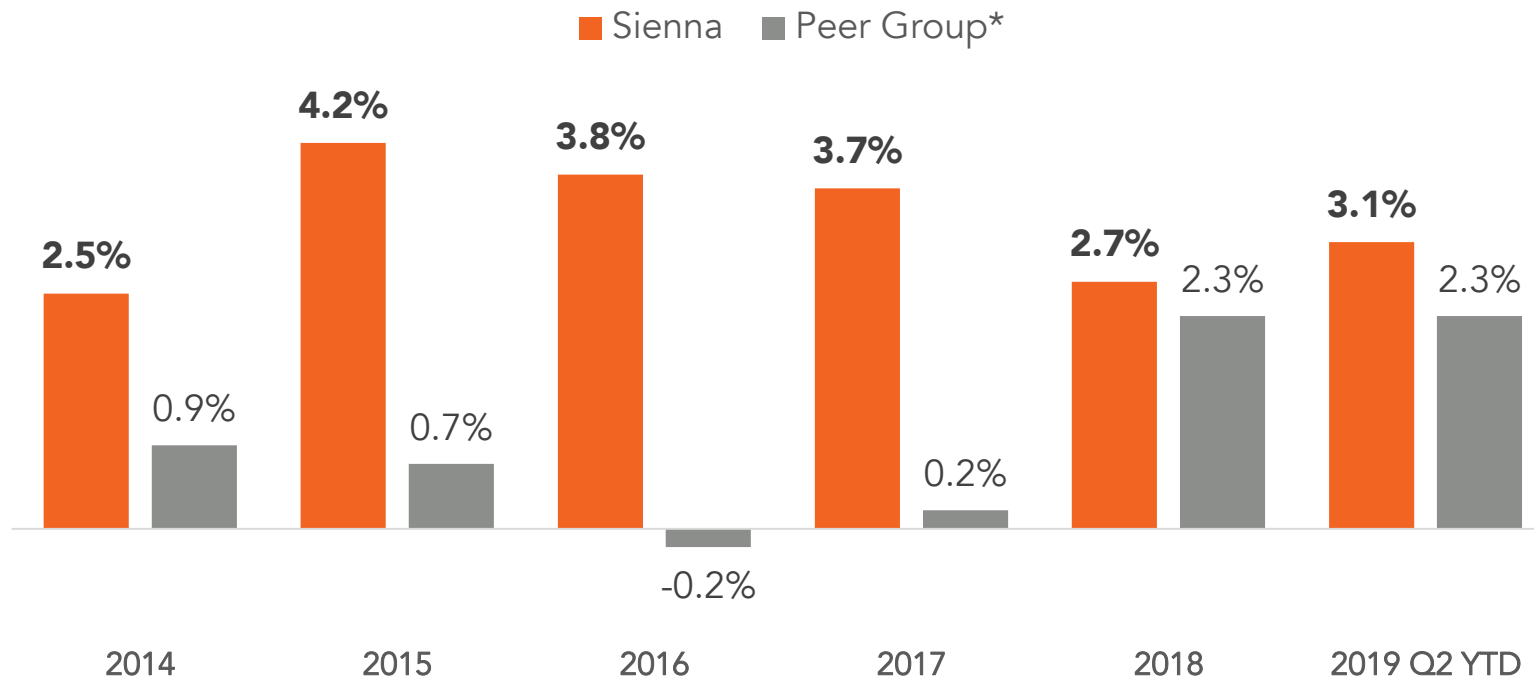
**Strong operating performance driven by organic growth & acquisitions**

# NOI Margin Growth



**Consistent margin uplift since 2014 as a result of increasing retirement portfolio with higher margins**

# NOI Same-Property Growth



5-year Same-Property  
NOI Growth

 **3.4%**

\*Peer group comprised of Canadian REITs that have been public during the same period as Sienna

**Strong value creation through same-property growth**

# Operating Initiatives

- **Investing in our teams**  
Monitor and measure engagement on a more frequent basis
- **Intensifying marketing campaigns**  
Local community campaigns to strengthen profiling homes through a variety of channels
- **Implementing an enhanced sales platform**
- **New website**  
Designed to support targeted marketing campaigns
- **Suite and amenity upgrades**  
in the retirement portfolio



# Quality Care

## Outperform

**Provincial and National** averages on publicly reported **quality indicators**

**Over 80%**

**Residence and Family Satisfaction Scores** in 2018

## Highest Distinction Awarded

For BC LTC Communities (Jul 2018)



## Three Year Accreditation From CARF Canada

99% of quality standards met at all Ontario communities (Oct 2016)









**Key focus on quality of care and resident safety**

# Financial Highlights

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# Financial Summary

<b>Consolidated</b> Same Property NOI	2018	\$ 121.2M	<b>2.7%</b> <sup>(1)</sup> 	YTD 2019	\$72.8	<b>3.1%</b> <sup>(1)</sup> 
	2017	\$ 118.1M		YTD 2018	\$70.5	
<b>Retirement</b> Same Property NOI	2018	\$ 34.5M	<b>5.4%</b> 	YTD 2019	\$29.2	<b>3.8%</b> 
	2017	\$ 32.7M		YTD 2018	\$28.2	
<b>LTC</b> Same Property NOI	2018	\$ 86.7M	<b>1.6%</b> <sup>(1)</sup> 	YTD 2019	\$43.5	<b>2.7%</b> <sup>(1)</sup> 
	2017	\$ 85.3M		YTD 2018	\$42.4	

<sup>(1)</sup> 2018 same property results exclude HST refund of \$1.3M received in Q1 of 2018

# Funds from Operations

**Diluted Operating Funds from Operations**  
per share

2018	\$1.40
2017	\$1.32

**6.0%**



**Diluted Adjusted Funds from Operations**  
per share

2018	\$1.44
2017	\$1.40

**2.5%**

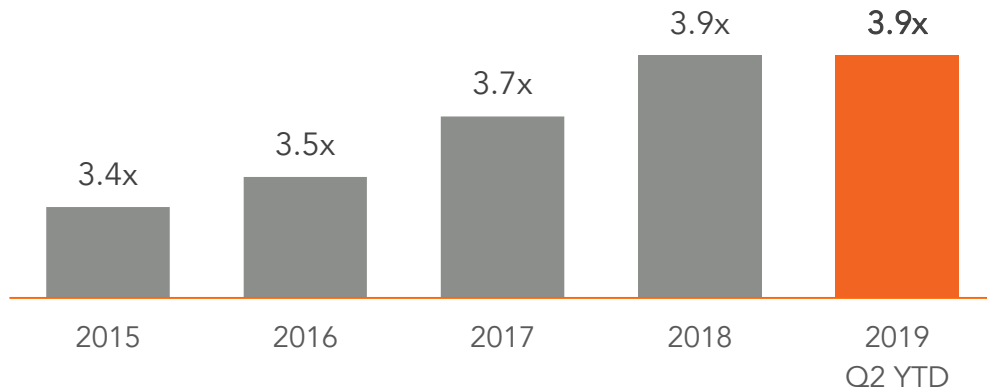


**Dividend Increase** in August 2019 of **2.0%** to **~\$0.94/share** (annualized)

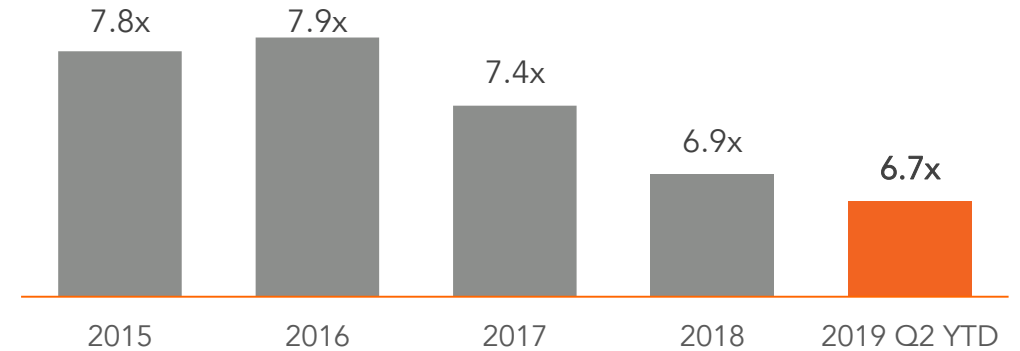


# Strong financial position

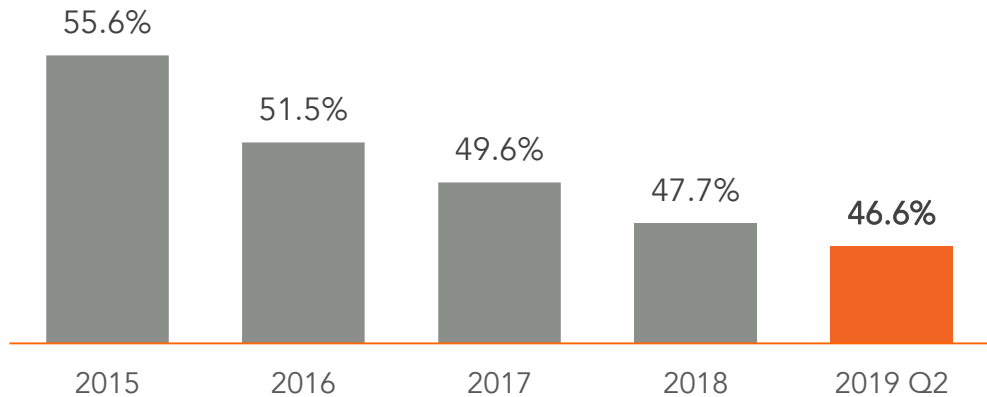
## Interest Coverage Ratio



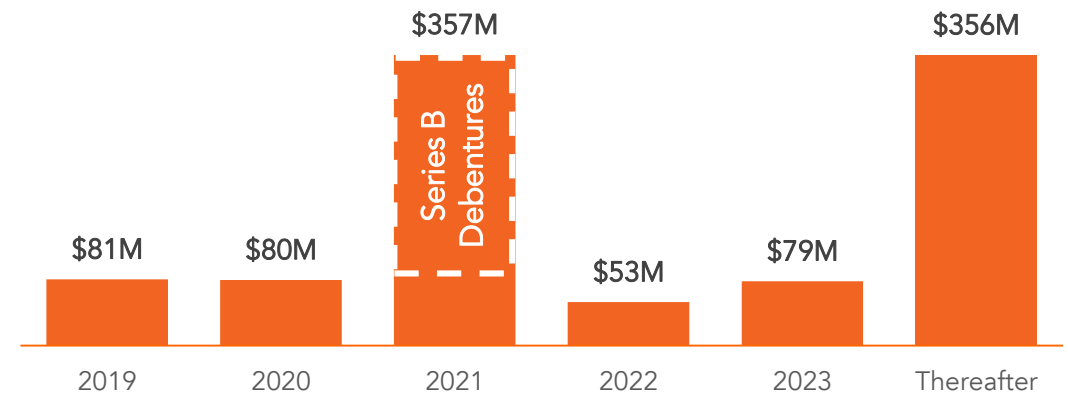
## Debt to Adjusted EBITDA



## Debt to Gross Book Value



## Debt Maturities



**DBRS A (low) Rating With Stable Outlook On The Series B Debentures**

# Growth Through Development

## Senior Living Campuses (IL/AL/LTC)

- Sienna **positioned to redevelop its ~2,200 Class B&C portfolio** to create senior living campuses
- **Senior living campuses** will combine LTC as the anchor with private pay Retirement Residences in key locations
- **Phase One Plans: Development** of **~1,000 LTC beds** and addition of **over 500 new retirement suites** for an estimated cost of **\$440M to \$515M.**

\*Note: A portion of the LTC construction costs are funded by the MOHLTC with base funding of \$18.03/bed/day for 25 years (~\$364M).

# Phase One Development Returns

## Return

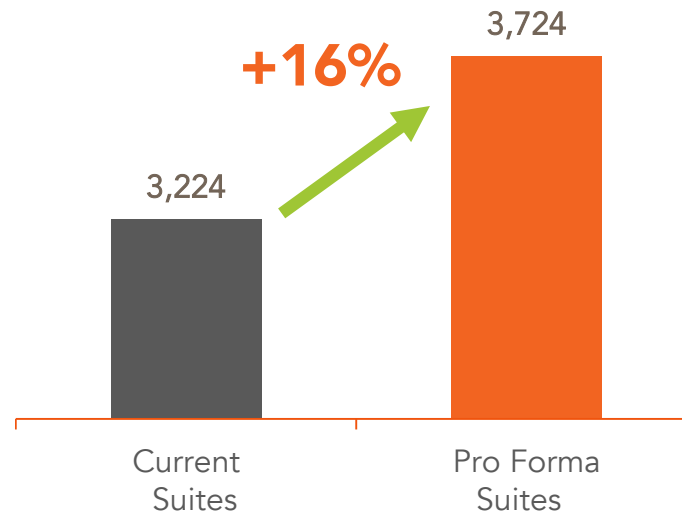
Shareholder Value Creation

**~7.5-8%**  
Development Yields

Driving a  
Meaningful  
**NAV Increase**

## Retirement

Growth in RET



**~\$9.5M**  
NOI Contribution

## Long-Term Care

Growth in LTC

Current

Pro Forma

Private  
Beds  
Class B/C  
(\$18.00 PRD)



Private  
Beds  
Class A  
(\$26.64 PRD)

Development of **1,000 LTC Beds**, with **60%** mix of  
**Private Rooms**

**~\$5M**  
NOI Contribution

# Intensification Development

- **~55 suite expansion at Island Park Retirement Residence** in Campellford, Ontario **completed** in **July 2019**
- Finalizing **expansion plans** at **Kingsmere Retirement Residence** in Alliston, Ontario
- **Well positioned for future expansions** with **excess land** at some of Sienna's retirement residences



# Outlook

## OPERATIONS

- **Harmonize** retirement operating platform to position Sienna for **continued growth**

## DEVELOPMENT

- Strategic development that **complements existing platform**, including seniors living campuses and intensification opportunities

## ORGANIC GROWTH

- **Retirement** – Flat to low single digit NOI growth in 2019
- **LTC** – NOI growth to remain consistent with previous years

# Contact Information

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Chief Financial Officer & Chief  
Investment Officer  
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A large, multi-story residential building with a warm, orange-toned overlay. The building features multiple levels of balconies with glass railings, large windows, and stone accents at the base. The overall atmosphere is cozy and inviting.

*Sienna*  
SENIOR LIVING

— The warmth of human connection —