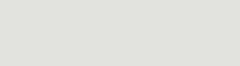


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06/01/2022 Developments

It is difficult to be nimble when you are large, and with so many headwinds, let's take a look at **Bloom Senior Living**, a small operator in the Midwest and Southeast, and how it is faring. At the height of the pandemic, as in March 2021, when everyone was suffering from their lowest occupancy levels, Bloom was no exception when it dipped to 66.7%. The difference is in what happened in the next 15 months.

By August 2021, census had increased by 830 basis points at its five communities and jumped another 500 basis points by the end of the year. As of May 1, 2022, census stood at 85%, a more than 1800-basis point increase since the bottom of the market. We have not seen that kind of performance anywhere else, even though we are sure it must have happened somewhere.

Census is one thing, but how about EBITDA? For the first four months of 2022, EBITDA has grown by 116% compared with the same period in 2021. Now, that is from the depths and there is still a way to go to get back to pre-pandemic levels, but the trend is their friend.

April 2022 revenues were 9% ahead of April 2020, before the pandemic really started to take its toll. And, expenses were just 6% higher despite, we are sure, all the added PPE costs and higher labor costs in general. The net result is that April's cash flow was the highest it has been in four years. Barring any new outbreaks, they should also get the second quarter census boost.

So, how have they been able to turn things around so quickly compared with many of their competitors? Management is able to stay on top of operations and staffing because they are not worrying about 100 buildings. The owners know the names of every department head and their birthdays, and are in daily communication. And they aren't even located nearby. Economies of scale are great when you are large, but you just can't get personal. Maybe by the end of the year we will get a sneak preview of progress since May.





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