

## Lee Equity Partners and Coastwood Senior Housing Partners Announce Agreement to Invest in Discovery Senior Living

**CUTLINES:** *The October 2 transaction is part of a new venture to support the strategic expansion of Discovery Senior Living's national portfolio.*

**BONITA SPRINGS, Fla. [October 12, 2022]** – Funds advised by Lee Equity Partners, LLC (“Lee Equity”) and Coastwood Senior Housing Partners, LLC (“Coastwood”), two specialized investment firms announced the signing of an agreement to invest in Discovery Senior Living (“Discovery”), one of the nation’s largest and most innovative senior housing operators. The recapitalization will fund Discovery’s continued expansion and operational platform enhancements as it positions itself to meet the evolving needs of all industry stakeholders and take advantage of the myriad of opportunities in the maturing industry.

This partnership will usher in the next stage in Discovery’s journey to expand its proprietary National and Regional Brand Management structure, enhance their Experiential Living Operating Programs, as well as continue the evolution of its state-of-the-art business processes focused on delivering a modernized platform producing more transparent and predictable outcomes.

“This strategic recapitalization purposefully combines the strengths and successful experiences of three companies and the resultant innovation focused efforts will allow the acceleration of Discovery’s ability to execute its vision of creating a scaled company that outperforms the marketplace, addresses some of the legacy industry paradigms and of course focuses on delivering a customized and holistic resident and team member experience,” said Richard J. Hutchinson, CEO, Discovery Senior Living.

“Discovery Senior Living represents the ideal platform to build a leading national senior living operator due to the strength of its team, centralized services, and national and regional brand operating structure. The secular growth tailwinds and consolidation opportunity within senior housing management are very similar to those we observed in the third-party hotel management sector with our Aimbridge Hospitality investment. We seek to replicate that success in partnership with Richard Hutchinson and the Discovery team, as well as Dan Decker and the Coastwood team,” said Yoo Jin Kim, Partner, Lee Equity Partners.

“We believe the partnership among Discovery, Coastwood and Lee Equity will be unique in the senior living industry. Discovery contributes its highly scalable platform and best-in-class senior living operations. Coastwood contributes decades of senior living investment and operating experience. Lee Equity contributes its expertise in business and healthcare services along with its buy-and-build experience. We are excited to combine our capabilities to lead the industry with improved quality of care, technology innovation, and data-driven outcomes,” said Dan Decker, Chairman, Coastwood Senior Housing Partners, LLC. Mr. Decker will assume the role of Chairman of the Board of Directors of Discovery Senior Living upon closing.

Hutchinson also added, “After nearly 30 years of working in this industry, I could not be more enthusiastic about pushing forward with the natural evolution of our company and industry and believe we will continue to attract the absolute most forward-thinking owners, capital partners and individuals who want to be a part of our dynamic culture and the future of our industry.”

The family of companies in the agreement include Discovery Management Group, Morada Senior Living, TerraBella Senior Living, Discovery Development Group, Discovery Design Concepts, Discovery Marketing Group, and Discovery At Home, a Medicare-certified home healthcare company. The transaction, which is subject to customary closing conditions and regulatory approvals, is expected to close in Q4 of 2022.

With headquarters in Southwest Florida, Discovery Senior Living currently owns and operates a national, multi-branded portfolio of more than 110 communities in 19 states.

### **About Discovery Senior Living**

Discovery Senior Living is a family of companies that includes Discovery Management Group, Morada Senior Living, TerraBella Senior Living, Discovery Development Group, Discovery Design Concepts, Discovery Marketing Group, and Discovery At Home, a Medicare-certified home healthcare company. With almost three decades of experience, the award-winning management group has been developing, building, marketing, and operating upscale senior-living communities across the United States. By leveraging its innovative “Experiential Living” philosophy across a growing portfolio of more than 15,000 existing homes or homes under development, Discovery Senior Living is a recognized industry leader for lifestyle customization and, today, ranks among the 10 largest U.S. senior living operators and providers.

### **About Lee Equity Partners**

Lee Equity Partners, LLC is a New York-based private equity firm that partners with successful management teams to build companies with strong growth potential. Lee Equity targets equity investments of \$50 million to \$150 million in middle-market control buyouts and growth capital financings in companies with enterprise values of \$100 million to \$500 million that are located primarily in the United States. The firm invests in a range of industries where the team has deep relationships developed over decades, including business services, financial services, and healthcare services.

### **About Coastwood Senior Housing Partners, LLC**

Coastwood Senior Housing Partners, LLC is an investment firm led by Daniel A. Decker that specializes in seniors housing and related services. The Coastwood partners have extensive investment experience in the senior housing and healthcare services industries, including investments in Omega Healthcare Investors (OHI), Sunrise Senior Living, and Sentio, as well as board experience in a variety of publicly owned and private healthcare service companies.



**PHOTO CAPTION/ALT TEXT:** New partners, Lee Equity Partners, LLC and Coastwood Senior Housing Partners, LLC will bring new growth and capital to Discovery Senior Living's next stage of evolution.

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