



ParkwayLife REIT

# Annual General Meeting

22 April 2021

Creating  
Enduring  
Value



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# Disclaimer

This Presentation is focused on comparing actual results for the period from 1 January 2020 to 31 December 2020 (“2020”) versus the period from 1 January 2019 to 31 December 2019 (“2019”). This shall be read in conjunction with PLife REIT Annual Report 2020. This Presentation may contain forward-looking statements that involve assumptions, risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, shifts in expected levels of property rental income, changes in operating expenses, property expenses and governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. Investors are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

# Agenda

## **1. Highlights & Financial Performance**

2. Investment & Asset Management

3. Capital Management

4. Overall Portfolio Review



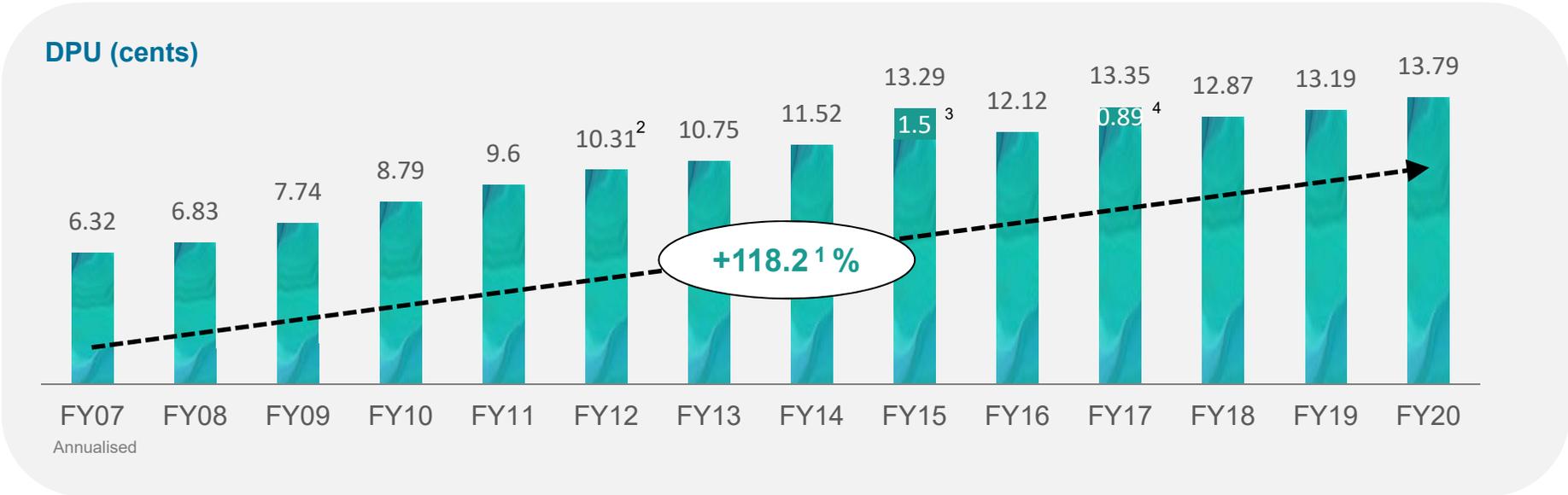
# Financial Performance



## Key income contributors:

- Revenue from 3 Japan properties acquired in December 2019 and another property in December 2020
- Higher rent from existing Singapore properties
- Interest rate savings from proactive loan refinancing initiatives at lower credit spreads and extension of interest rate hedges at lower hedged rates
- DPU increased by 4.5% y-o-y notwithstanding retention of S\$1.7m for COVID-19 related relief measures

# DPU rose to another record of 13.79 Singapore cents, more than doubled since IPO in 2007

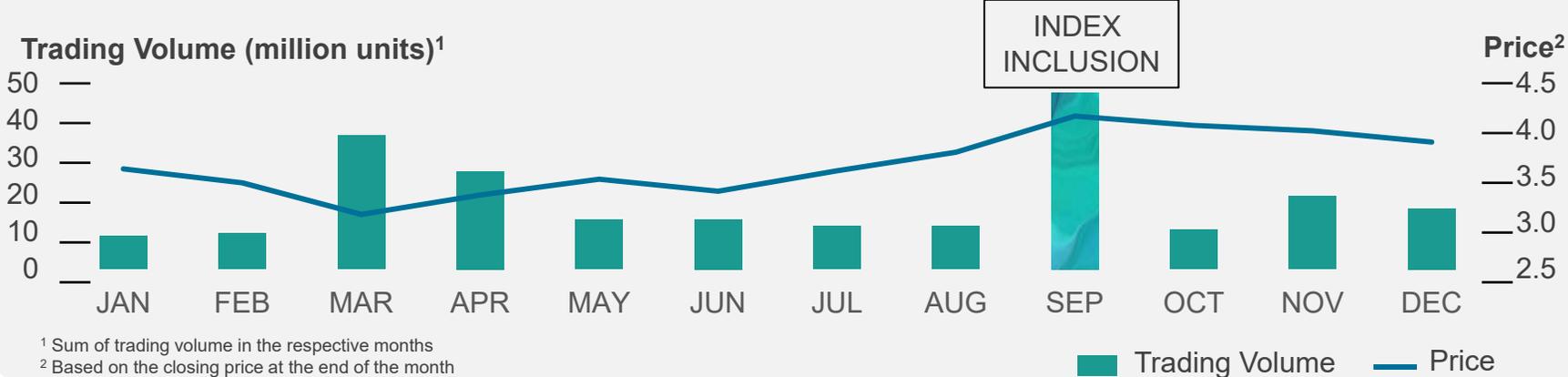


Note:

1. Since IPO till FY2020
2. Since FY2012, S\$3.0 million per annum of amount available for distribution has been retained for capital expenditure.
3. One-off divestment gain of 1.50 cents (S\$9.11 million) relating to the divestment of seven Japan assets in December 2014 was equally distributed over the four quarters in FY2015
4. One-off divestment gain of 0.89 cents (S\$5.39 million) relating to the divestment of four Japan assets in December 2016 was equally distributed over the four quarters in FY2017

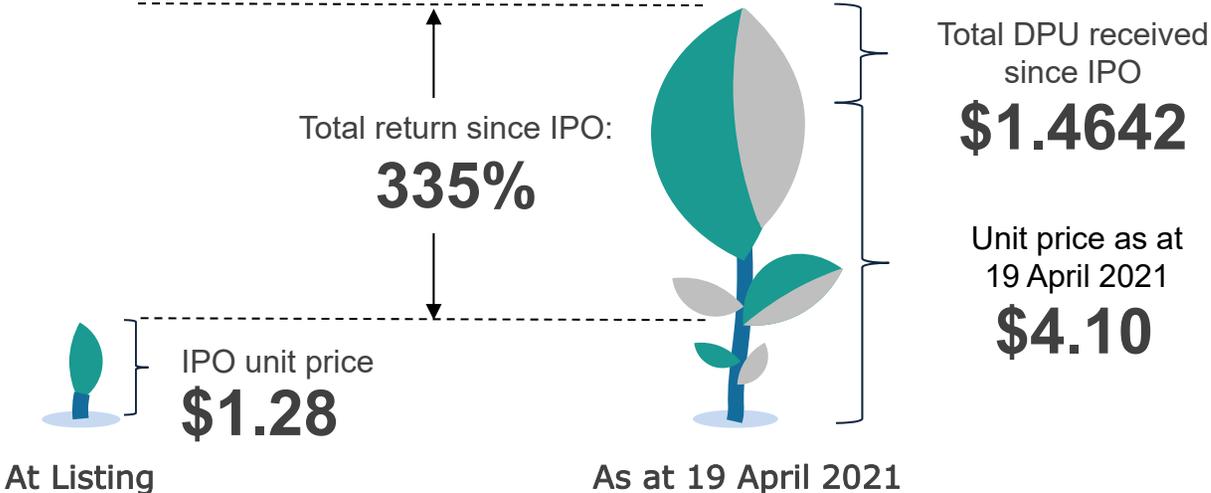
# Inclusion in the FTSE EPRA NAREIT Global Developed Index in September 2020

**PLife REIT Monthly Trading Performance In FY2020**



- ✓ Enhances the trading liquidity and visibility to investors and index funds worldwide
- ✓ Recognises PLife REIT’s long-term commitment to growth and value for its Unitholders as well as its resilience despite on-going uncertainties in the macro economy.

# Strong Total Return Since IPO



The total return of 335% on invested equity was contributed by:

- appreciation of unit price since IPO; and
- total distribution to Unitholders since IPO

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# Deepened footprint in Japan

## Japan Portfolio (as at 31 December 2020)

**50** properties  
**S\$799.7** million<sup>4</sup> valuation

about **39.6%** of total AUM

long-term master lease structure with weighted average lease term to expiry:

**11.29** years

### P-Life Matsudo

(divested in January 2021)



### Habitation Kamagaya

(acquired in December 2020)



## December 2020: Acquired a nursing home in Japan

Total consideration (JPY)  
**1.65b**  
 (~S\$21.2m)<sup>1</sup>

Discount to valuation  
**4.6%**

Net property yield  
**6.4%**

## January 2021: Divested the non-core asset (a pharmaceutical manufacturing and distributing facility)

Total sale price (JPY)  
**2.9b**  
 (~S\$37.1m)<sup>2</sup>

Premium over purchase price  
**12%**

Sales yield  
**4.3%**

**Rebalance and strengthen growth potential of Japan Portfolio<sup>3</sup>:  
 Unlock value to provide greater financial strength and flexibility to  
 seize other attractive investment opportunities offering better value**

- 1 At an exchange rate of S\$1.00 to JPY78.00 as announced on 10 December 2020
- 2 At an exchange rate of S\$1.00 to JPY78.06 as announced on 29 January 2021
- 3 Reference is made to announcement and press release dated 29 January 2021
- 4 Based on latest appraised values

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# Organic growth in Singapore

## Rent Increase for Singapore Properties

▲ 1.17%

- 14<sup>th</sup> year minimum guaranteed rent
- Commenced 23 August 2020 to 22 August 2021 under CPI + 1% rent revision formula

Mount Elizabeth Hospital



Parkway East Hospital



Gleneagles Hospital



# Annual Portfolio Revaluation

Total Valuation (as at 31 December 2020)

**54**  
properties **S\$2.02b** (+0.4% / S\$7.4m<sup>1</sup> gain)



**3** Hospitals

Valued  
**S\$1,213.8m**



**49** nursing homes &  
**1** pharmaceutical  
facility<sup>2</sup>

Valued  
**S\$799.7m**



Strata-titled  
units in GMCKL

Valued  
**S\$6.2m**

- 1 Based on the portfolio appraised values as of 31 December 2020 (excluded right-of-use assets), the valuation gains added up to S\$8.3m (net). After deducting the capitalised costs for new acquisition and capital expenditure for existing properties, the REIT registered a net change in fair value of investment properties of S\$7.4m for FY2020
- 2 Divested in January 2021

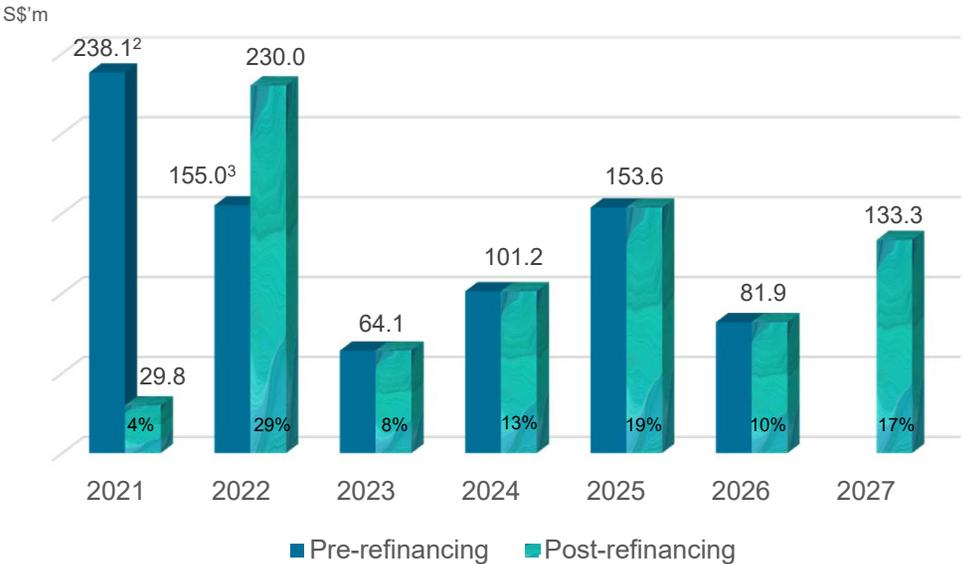
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# Strengthened Financial Management

## Debt Maturity Profile<sup>1</sup> (as at 31 December 2020)



- Put in place 6-year committed loan facilities to term out two loans upon their maturity in June 2021
- Extended the maturity of the remaining loan facility due in 2021
- Issued 6Y fixed rate notes (“FRN”) to buyback the FRN due in 2022
- Post Refinancing:
  - Debt maturity profile extended to 2027
  - Extended the weighted average term to maturity from 2.4 years to 3.8 years

1 Excludes lease liabilities, if any.  
 2 As at 31 December 2020, S\$2.85 million and JPY2,106 million of short term loans were drawn down for general working capital purposes. Put in place 6-year loans to term out two loans upon their maturity in June 2021, and extended the maturity of the remaining debt due in 2021  
 3 As announced on 29 March 2021, the Group has issued JPY3.3 billion / S\$42.3 million 6-year fixed rate notes due in 2027. The proceeds from the note issue were used to repurchase the JPY3.3 billion fixed rate notes due in 2022

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# Enhanced Interest And FX Risks Management

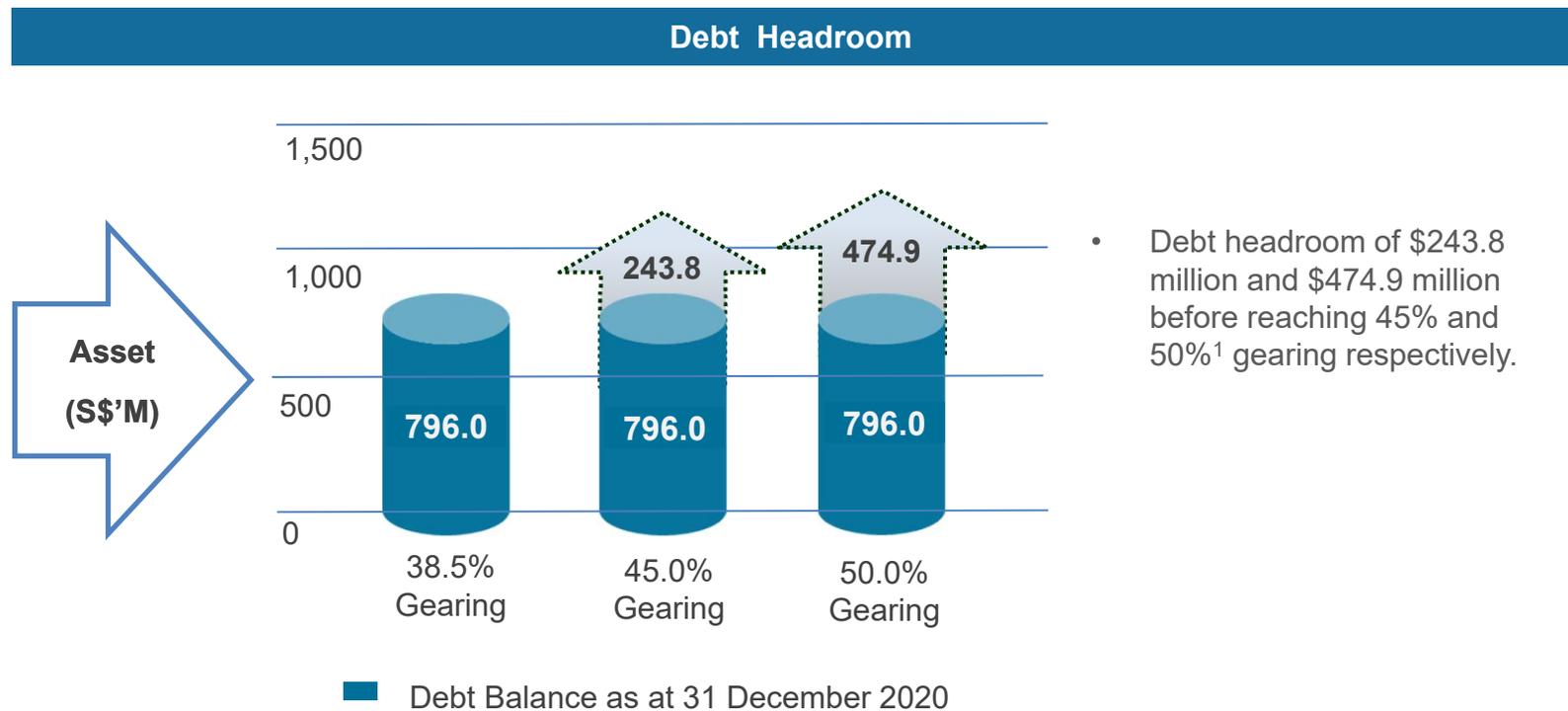
- Adopts natural hedge strategy to match assets and liabilities denominated in JPY
- Extended JPY net income hedges till 2Q 2025<sup>1</sup> to mitigate against JPY currency volatility
- About 87%<sup>1</sup> interest rate exposure is hedged
- Realised foreign exchange gain amounting to S\$104,000 from the delivery of Japan net income hedges in 2020 (2019: S\$179,000)
- Enhances stability of distributions to Unitholders



**Mitigates JPY and Interest Rate Volatility**

<sup>1</sup> As at 31 December 2020

# Ample Debt Headroom



<sup>1</sup> On 16 April 2020, the MAS has raised the leverage limit for S-REITs from 45% to 50%

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# Performance Review Of PLife REIT

## SUSTAINABLE RETURNS

### Diversified Portfolio

#### Gross revenue by geography<sup>1</sup>:

**57.4%** Singapore

**42.5%** Japan

**0.1%** Malaysia

#### Gross revenue by asset class<sup>1</sup>:

**57.5%** Hospitals and Medical Centres

**41.1%** Nursing Homes

**1.4%** Pharmaceutical Product Distributing  
and Manufacturing Facility

### Strong Balance Sheet

**0.53%** Low all-in debt cost

**38.5%** Gearing

**18.1** time Interest cover

**3.8** years Weighted average debt term to  
maturity post refinancing

<sup>1</sup> Based on gross revenue as at 31 December 2020

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# Performance Review Of PLife REIT



## Quality Assets

**100%** committed occupancy for Singapore and Japan assets

Weighted average lease term to expiry of **5.74** years<sup>1</sup>

**95%**<sup>1</sup> downside protection<sup>2</sup>

## Robust Financial Position

No long term debt refinancing needs till 2022

Prudent hedging strategies

<sup>1</sup> Based on gross revenue as at 31 December 2020  
<sup>2</sup> Based on existing lease agreements and subject to applicable laws

# Strong Portfolio Growth

## PORTFOLIO VALUE (S\$)<sup>1, 2</sup>



Number of  
Properties



Portfolio  
Value (S\$)



Number of  
Lessees

Fiscal Year	Number of Properties	Portfolio Value (S\$)	Number of Lessees
FY20	54	2.02b	32
FY19	53	1.96b	31
FY18	50	1.86b	28
FY17	49	1.73b	27
FY16	44	1.66b	23
FY15	47	1.64b	25
FY14	41	1.50b	21
FY13	44	1.48b	21
FY12	37	1.43b	21
FY11	33	1.38b	18
FY10	32	1.30b	18
FY09	21	1.15b	14
FY08	13	1.05b	8

Since listing, we remain committed to cultivating an optimal portfolio for sustained growth

One of Asia's largest listed healthcare REITs by asset size

Portfolio size of S\$2.02 billion has more than doubled since IPO

The REIT has become widely recognised for its resilience and defensiveness, while offering Unitholders a sustainable growth story.

- 1 Based on latest appraised values (excludes adjustments for the right-of-use assets) including asset held for sale
- 2 Total portfolio value as at 31 December of each year



Thank You

