



# Annual General Meeting

RENEWED, RESILIENT, RISING

**22 April 2022**



# Disclaimer

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This Presentation is focused on comparing actual results for the period from 1 January 2021 to 31 December 2021 (“2021”) versus the period from 1 January 2020 to 31 December 2020 (“2020”). This shall be read in conjunction with PLife REIT Annual Report 2021. 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.



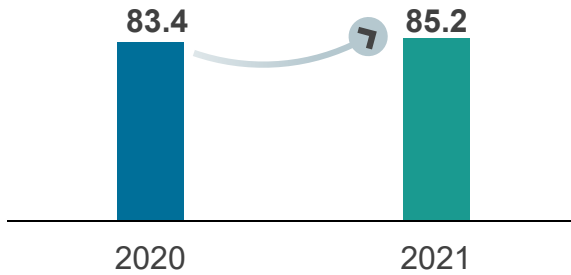


## Agenda

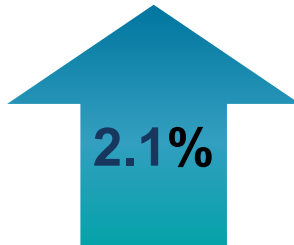
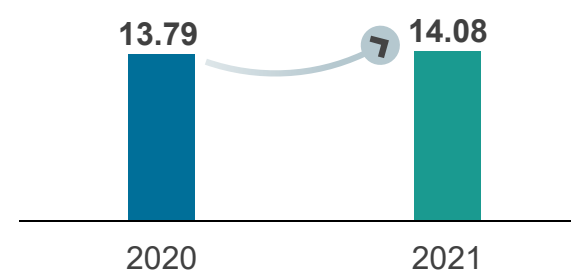
- 1. FY 2021 Key Highlights**
2. Investment & Asset Management
3. Capital Management
4. Overall Portfolio Review

# FY 2021 Key Highlights

Distributable Income (\$\$'m)



Distribution Per Unit (\$\$'cents)



- Organic rental growth
- Accretion from 3<sup>rd</sup> asset recycling initiative and acquisitions
- Financing costs savings on extension of hedges & loan refinancing exercises
- Absence of one-off COVID-19 related relief measures for tenants



## Agenda

1. Highlights & Financial Performance
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# Extension of Strategic Collaboration with Sponsor

## SECURING OPERATIONAL CONTINUITY IN SINGAPORE

“Partnering PLife REIT to extend the lease agreements for three of our hospitals in Singapore represents business continuity and operational stability for IHH Healthcare. They are key to IHH continuing to earn the trust of our patients, employees and shareholders.”

Dr. Kelvin Loh  
Managing Director & CEO of IHH Healthcare



“With IHH’s extensive experience and repute, the Singapore Hospitals will continue to deliver quality operating performance, thereby underpinning the organic income growth of PLife REIT to deliver strong and stable distributions for the benefit of our Unitholders.”

Mr. Yong Yean Chau  
CEO of Parkway Trust Management Limited

## SUSTAINING RENTAL INCOME STREAM FOR UNITHOLDERS

# Singapore: Portfolio strengthened and well-positioned

**3** strategically-located world-class local private hospitals worth S\$1.47 billion<sup>1</sup>



1. Based on latest appraised values (excludes right-of-use assets)
2. On 30 September 2021, PLife REIT received 99.99755% Unitholders' approval at the EGM for the proposed transaction on the master lease renewal of the Singapore Portfolio. The transactional agreements were duly executed on 13 October 2021. For more details, please refer to the SGX-ST announcements issued on 30 September 2021 and 13 October 2021.

## Key Highlights

### Master Lease Renewal<sup>2</sup>

Strengthened and well-positioned to ride on growth potential of Singapore healthcare industry

### Capex Works of S\$150m

Enhance the quality positioning and increase competitiveness of PLife REIT and Master Lessee

### ROFR over a Quality Asset

Mount Elizabeth Novena Hospital Property, for a period of 10 years

### Renewal Term of 20.4 Years

Income Certainty with renewed term from 23 August 2022 till 31 December 2042.

### Positive Impact to DPU & NAV

Gearing remains at a healthy level


### Clear Rent Structure

Organic Growth

# Japan: 3<sup>rd</sup> asset recycling initiative

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

**Jan 2021  
Divestment**



**P-Life Matsudo**

Non-core industrial property

**JPY2.9b**  
(S\$37.1m<sup>1</sup>)

**4.3%**  
sale yield

**12%**  
premium over  
original  
purchase  
price

**S\$4.2m**  
gain on  
disposal

**Jul 2021  
Acquisitions**



**Will-Mark Kashiihama**



**Crea Adachi**

2 Freehold Nursing Homes

**JPY4.1b** (S\$49.4m<sup>1</sup>)

**5.7%**  
net  
property  
yield

**7.7%**  
discount to  
valuation



# Japan: 52 high quality nursing home properties

Further nursing home acquisition strengthening Japan portfolio resiliency and deepens collaboration with Habitation Group, one of PLife REIT's strategic partners in Japan

Dec 2021  
**Acquisition**

**Habitation Kisarazu  
Ichiban-kan**



Acquired another nursing home  
**JPY3.2b** (S\$37.9m<sup>1</sup>)

**5.9%**  
net  
property  
yield

**7.0%**  
discount to  
valuation


**Japan Portfolio (as at 31 December 2021)**

**52**  
properties

**S\$810.2m<sup>2</sup>**  
valuation

about **40.9%** of Gross Revenue

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



# Annual Portfolio Revaluation

Total Valuation (as at 31 December 2021)

**56**  
properties **S\$2.29b<sup>1</sup>** (+11.7% / S\$239.2m<sup>2</sup> gain)



**3** Hospitals  
Valued  
**S\$1,472m**



**52** Nursing homes  
Valued  
**S\$810.2m**



Strata-titled units in  
GMCKL  
Valued  
**S\$6.5m**

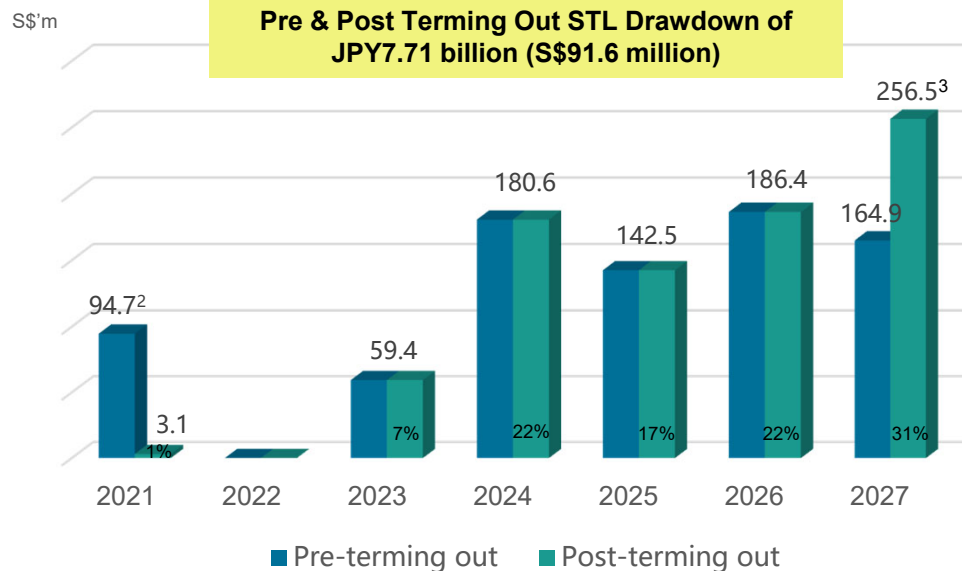


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# Strengthened Financial Management

## Debt Maturity Profile<sup>1</sup> (as at 31 December 2021)



**No long-term debt refinancing**  
needs till June 2023

**3.9 years**  
Weighted average debt term would improve from 3.4 years to 3.9 years<sup>2,3</sup>

**0.52%**  
Current effective all-in cost of debt

**21.5 times**  
Interest coverage ratio

1 Excludes lease liabilities, if any.

2 As at 31 December 2021, short term loans amounted to JPY7.973b (\$94.7m) were drawn down for the purposes of general working capital and interim funding for recent acquisitions in Japan.

3 Executed a 5-year up to JPY7.71 billion committed loan facility on 29 December 2021 which has been drawn down in March 2022 to term out the STL.



# Enhanced Interest & FX Risks Management

## Mitigates JPY and Interest Rate Volatility

Adopts **natural hedge strategy** to match assets and liabilities denominated in JPY

Close to **70%<sup>1</sup>** interest rate exposure is hedged

**Extended JPY net income hedges till 3Q 2026<sup>1</sup>** to mitigate against JPY currency volatility

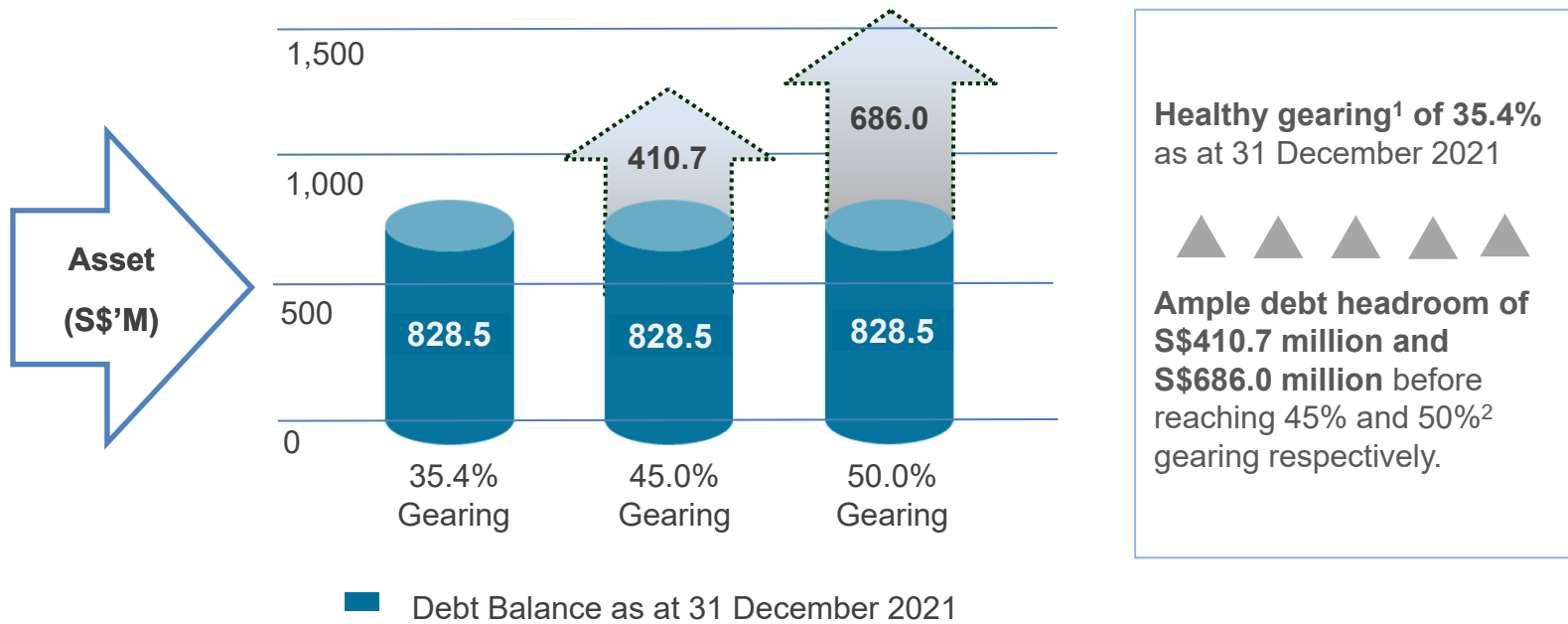
Enhances **stability of distributions** to Unitholders



1 As at 31 December 2021

# Ample Debt Headroom

## Debt Headroom



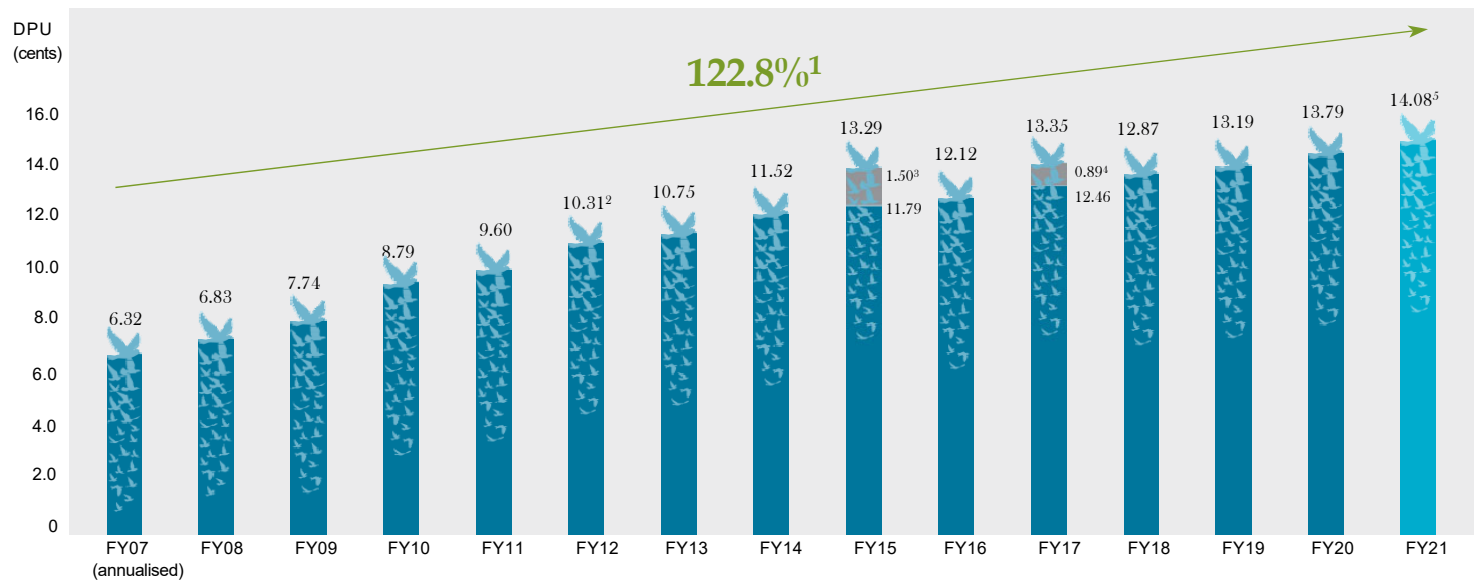
- 1 Total Debts (exclude lease liabilities, if any) before transaction costs ÷ Total Assets (exclude right-of-use assets, if any)
- 2 On 16 April 2020, the MAS has raised the leverage limit for S-REITs from 45% to 50%. From 1 January 2022, this raised leverage limit will apply to S-REITS with adjusted Interest Coverage Ratio of at least 2.5x.



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# DPU rose to another record of 14.1 Singapore cents



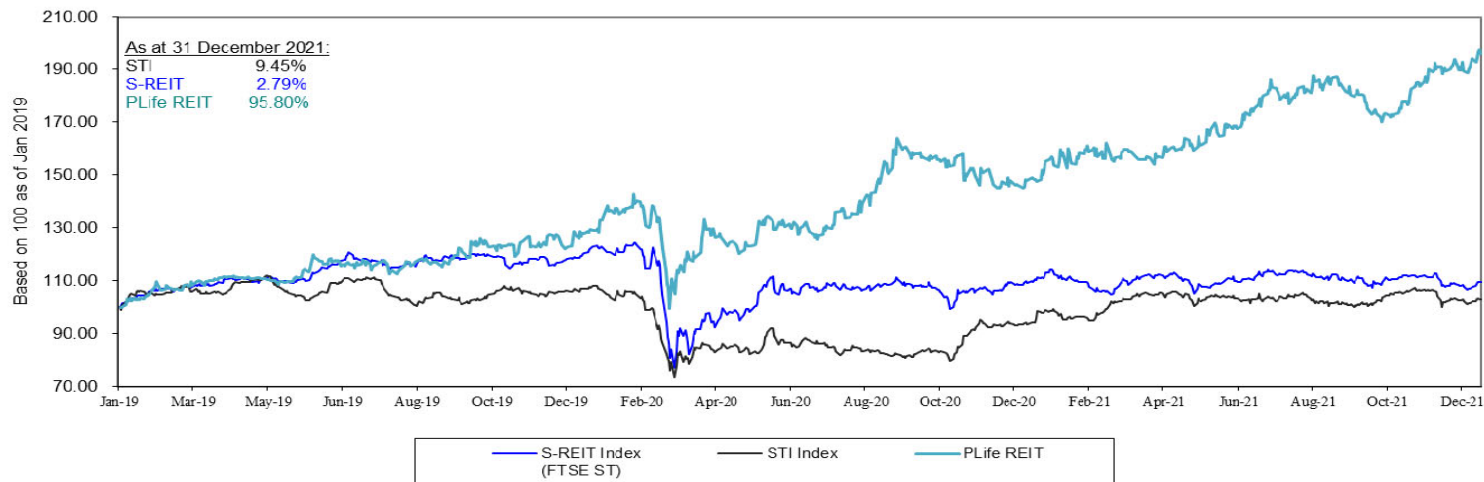
More than doubled since IPO in 2007

Note:

1. Since IPO till FY2021
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
5. Parkway Life REIT will make distributions on a semi-annual basis going forward. Accordingly, Parkway Life REIT will make its final quarterly distribution to unitholders for the last quarter of the financial year ending 31 December 2021 before commencing with half-yearly distributions.



# Price performance outpaced other S-REITs and the STI



Widened the lead amid macro economic uncertainties

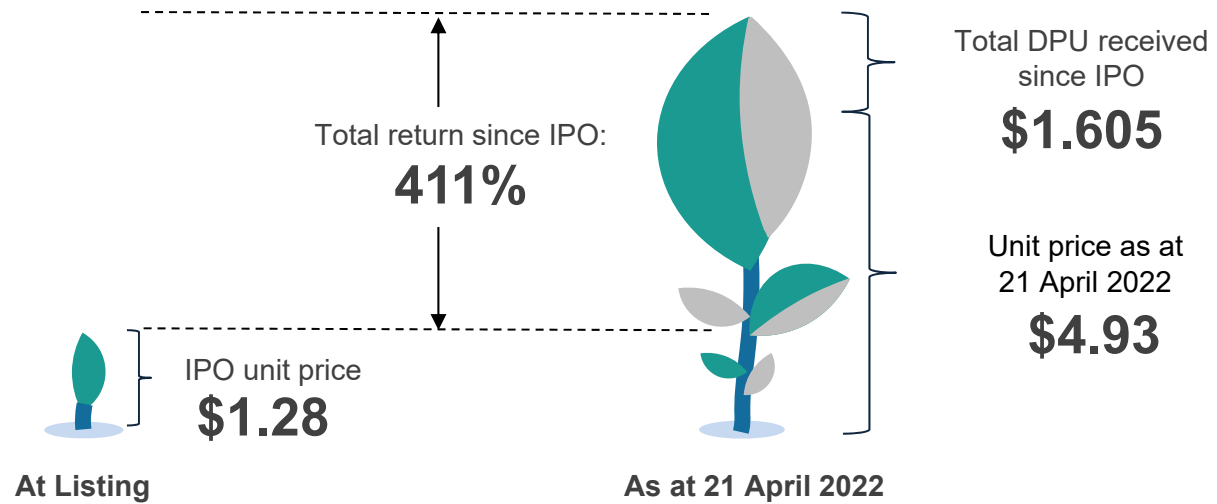
PLife REIT's unit price soared over 30% in 2021, from S\$3.87 to S\$5.13

Achieved a market capitalisation above S\$3.0b & premium to NAV of 116.5% as at 31 December 2021

Ranked amongst the top S-REITs with total returns of 36.9%<sup>1</sup>, while the STI delivered total returns of 13.6%<sup>1</sup>

The outperformance reflects **resilience and commitment to long-term growth** and **value creation for Unitholders** and reaffirms PLife REIT's strong position as one of the largest listed healthcare REITs in Asia.

## Strong Total Return Since IPO



The total return of 411% on invested equity was contributed by:

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



**Thank you**