



ParkwayLife REIT

# Annual General Meeting

Strong Resilience, Sustainable Growth

30 April 2024

# Disclaimer

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This Presentation is focused on comparing actual results for the period from 1 January 2023 to 31 December 2023 (“2023”) versus the period from 1 January 2022 to 31 December 2022 (“2022”). This shall be read in conjunction with PLife REIT Annual Report 2023. 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.

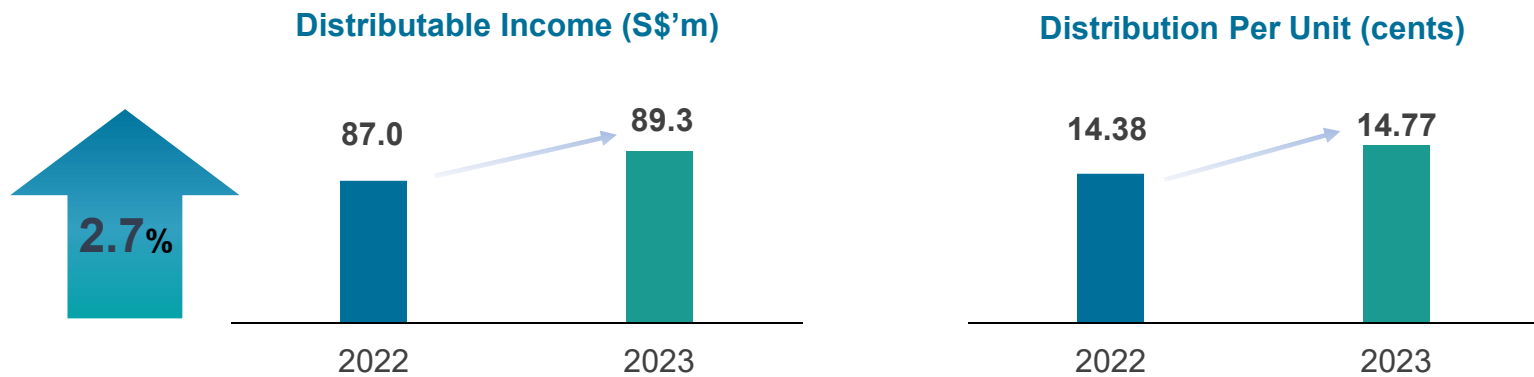


## Agenda

1. **FY 2023 Key Highlights**
2. **Corporate Developments**
3. **Capital Management**
4. **Overall Portfolio Review**

# FY 2023 Key Highlights

Achieved a record high DPU of 14.77 Singapore cents for FY 2023



- Organic rental growth<sup>1</sup> for Singapore hospitals
- FX volatility mitigated by hedging of net income from Japan
- Rent contribution from Japanese properties acquired in 2022 & 2023

1. Under the new 20.4 years lease, there is a guaranteed 3.0% annual rental step-up for the initial 3 years of lease (FY2023 to FY2025) while the S\$150 million Renewal Capex Works are progressing underway

# Annual Portfolio Revaluation

Valuation gain is largely contributed by the fixed rent increase for Singapore hospitals

Total Valuation (as at 31 December 2023)

**63** **S\$2.23b<sup>1</sup> (+0.7% / S\$15.8m gain<sup>2</sup>)**  
properties



**3** Hospitals  
Valued  
**S\$1,506m**



**59** Nursing homes  
Valued  
**S\$717.2m**



Strata-titled units/lots in  
MOB Specialist Clinics  
Valued  
**S\$5.7m**

1. Based on latest appraised values as at 31 December 2023 (excludes adjustment for the right-of-use assets)
2. Total net change in fair value of investment properties recognised in statement of total return is a loss of S\$11.2m after taking into consideration the impact from straight-line rental adjustment and amortisation of right-of-use assets which amounted to S\$27.0m

A photograph of a well-manicured bonsai tree, likely a pine, with a thick, gnarled trunk and dense green foliage. The tree is planted in a dark, shallow ceramic pot and sits on a light-colored wooden surface. The background is a soft, light blue gradient.

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# Singapore: Portfolio strengthened and well-positioned

## 3 strategically-located world-class local private hospitals valued at S\$1.51 billion<sup>1</sup>

1. Based on latest appraised values (excludes right-of-use assets)



Asset  
Enhancement

### 01. Renewal Capex Works of S\$150m

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



ROFR

### 02. ROFR over a Quality Asset

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



Renewal  
Term

### 03. Renewal Term of 20.4 Years

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



DPU & NAV  
Impact

### 04. Positive Impact to DPU & NAV

Gearing remains at a healthy level.



Rent  
Structure

### 05. Clear Rent Structure

Organic Growth

# Singapore: Major Refurbishment of Mount Elizabeth Hospital Property (“MEH”)

## Transform medical institution into a modern & integrated multiservice hub

Extensive refurbishment & rejuvenation works, in collaboration with IHH

<p><b>Future-proofing and infrastructure improvements</b></p> <ul style="list-style-type: none"> <li>• On M&amp;E &amp; fire protection systems</li> <li>• compliance with building codes, fire safety regulations</li> <li>• obtainment of Green Mark Platinum</li> </ul>	<p><b>Expansions &amp; Reconfigurations</b></p> <ul style="list-style-type: none"> <li>• 24-hour Urgent Care Centre, inpatient and outpatient treatment centres</li> <li>• ward reconfigurations to improve workflow, comfort and overall patient experience</li> </ul>	<p><b>Redesign of clinical assets &amp; back-of-house</b></p> <ul style="list-style-type: none"> <li>• additional lifts &amp; linkways to enhance operational flow and connectivity with safety and privacy</li> </ul>
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**\$350 million**

### “Project Renaissance”

jointly funded by IHH Healthcare Singapore and PLife REIT

#### Current Status

Renovation includes

- Radiology
- Laboratory
- Wards
- New Patient Lifts
- M&E Infrastructure Upgrading



# Singapore: Major Refurbishment of Mount Elizabeth Hospital Property (“MEH”)

## Completed Works

The construction works for Project Renaissance commenced in 2023 and is scheduled to be completed in phases by 4Q2025.

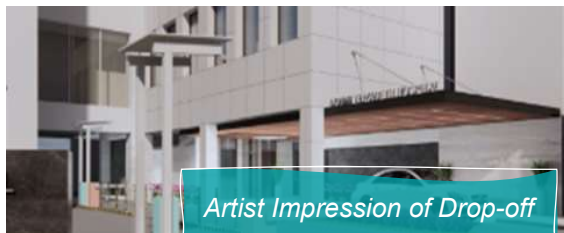
To date, the refurbishment of the following areas has been completed: Phlebotomy, Executive Health Screeners, Parkway Cancer Centre, Endoscopy Department, Lift Lobby and selected wards



# Singapore: Major Refurbishment of Mount Elizabeth Hospital Property (“MEH”)

## Future Works

Looking ahead, we will work on a brand new look of the drop-off point and lobby, modernisation of the 24-hour urgent care centre, inpatient and outpatient treatment centres and ward configuration aim at improving operational workflow as well as overall patient experience



# Japan: 59 high quality nursing home properties

Further nursing home acquisitions to strengthen Japan portfolio resiliency



## Osaka Prefecture

**JPY1.77b / S\$16.4m<sup>1</sup>**

(Acquired 2 nursing homes in Oct 2023)

- **11.9%** below valuation
- Developed new strategic partnership with K.K. FDS
- Enhanced tenant diversification with a new operator, K.K. BISCOUSS

## Japan Portfolio (as at 31 December 2023)

**59** properties at appraised value of **S\$717.2m** Gross Revenue contribution of about **37.2%** of Total Portfolio<sup>2</sup>  
Long-term master lease structure with weighted average lease term to expiry<sup>3</sup>: **11.92** years



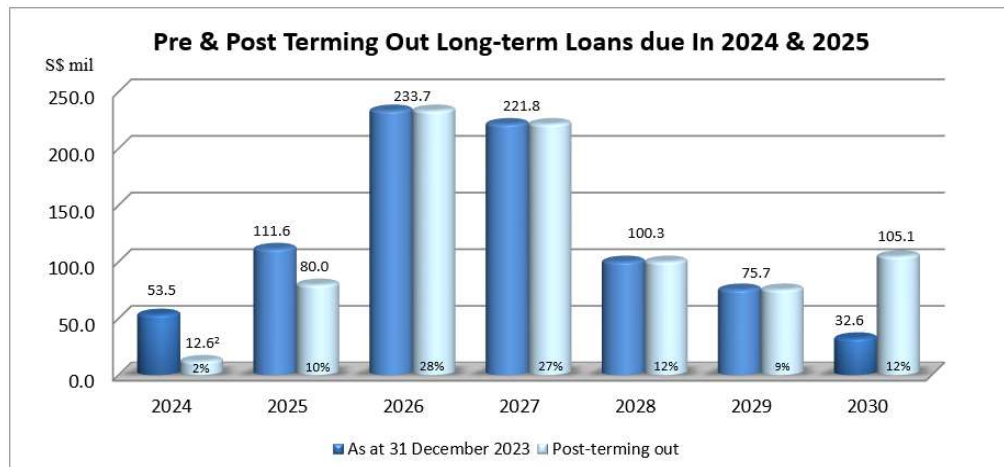
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# Strengthened Financial Management

Well-spread debt maturity profile to 2030, with no more than 30% of debts due in a single year

## Debt Maturity Profile<sup>1</sup> (as at 31 December 2023)



- Given overall interest rates on rapid rise and market volatility, it is crucial to secure committed loan facilities to mitigate any financing or refinancing risk
- Secured both JPY & SGD long-term facilities to take out 100% and close to 30% of long-term debts falling due in 2024 and 2025 respectively, as well as the financing for the renewal Capex works at MEH
- Including the two new loan facilities executed in mid-January 2024, the Group has in place unutilised long term committed facilities amounting to \$259.1m

1. Excludes lease liabilities, if any. For the avoidance of doubt, this does not take into account the amount of the loan facilities which have put in place but yet to draw down as at 31 December 2023
2. As at 31 December 2023, short term loan amounted to JPY1.359b (\$12.6m) was drawn down for capital expenditure and working capital purposes

# Strong Balance Sheet & Capital Structure

As at 31 December 2023

All-in debt cost

1.27%

Gearing

35.6%

Interest cover<sup>1</sup>

11.3 times

- No long-term debt refinancing needs till March 2025 <sup>2</sup>
- Overall weighted average debt term will extend to 3.9 years upon drawdown of the new facilities <sup>2</sup>

1. Applicable to Adjusted-ICR as prescribed under the MAS' Property Funds Appendix. PLife REIT has no hybrid securities as of reporting date. With effect from 1 January 2022, the gearing limit for S-REITs shall be 45% and 50% for adjusted-ICR of below 2.5x or at least 2.5x respectively.
2. Taken into consideration the two new bank facilities executed on 17 January 2024 to refinance the near-term loans upon their maturity

# Enhanced Interest & FX Risks Management

Prudent financial risk management strategy for distribution stability

## Mitigates JPY and Interest Rate Volatility

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

**Extended JPY income hedges** for another 2 years till 1Q 2029 to mitigate against JPY currency volatility

Enhances **stability of distributions** to Unitholders

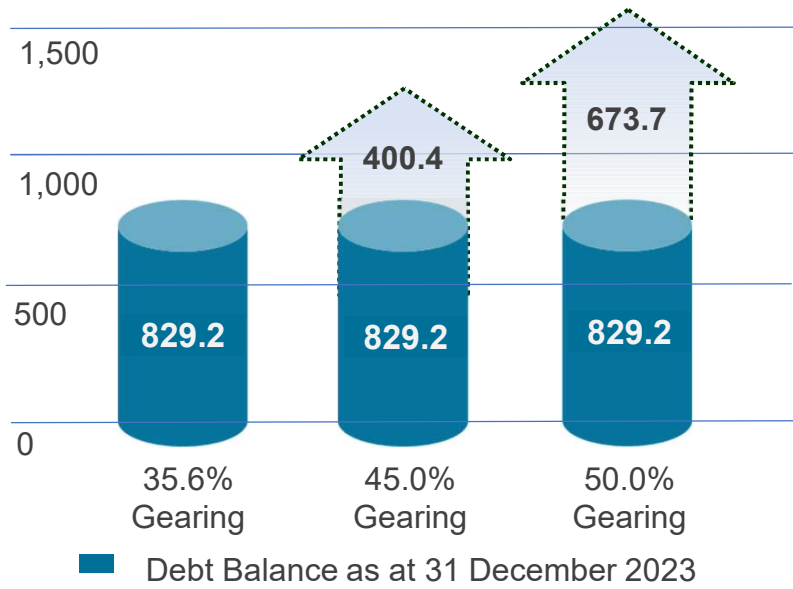
**Executed interest rate swaps** (including forward-starting swaps) to mitigate against rising interest costs (c.90% of fixed-rate interest bearing borrowings by 1Q 2024)



# Ample Debt Headroom

**Debt Headroom  
(as at 31  
December 2023)**

**Asset  
(S\$'000)**



Healthy gearing<sup>1</sup> of **35.6%**  
with interest cover of  
**11.3 times<sup>2</sup>**

**Ample debt headroom  
of S\$400.4 million and  
S\$673.7 million** before  
reaching 45% and 50%<sup>3</sup>  
gearing respectively

1. Total Debts (exclude lease liabilities, if any) before transaction costs ÷ Total Assets  
 2. Applicable to Adjusted-ICR as prescribed under the MAS' Property Funds Appendix. PLife REIT has no hybrid securities as of reporting date  
 3. With effect from 1 January 2022, the gearing limit for S-REITs shall be 45% and 50% for adjusted-ICR of below 2.5x or at least 2.5 respectively



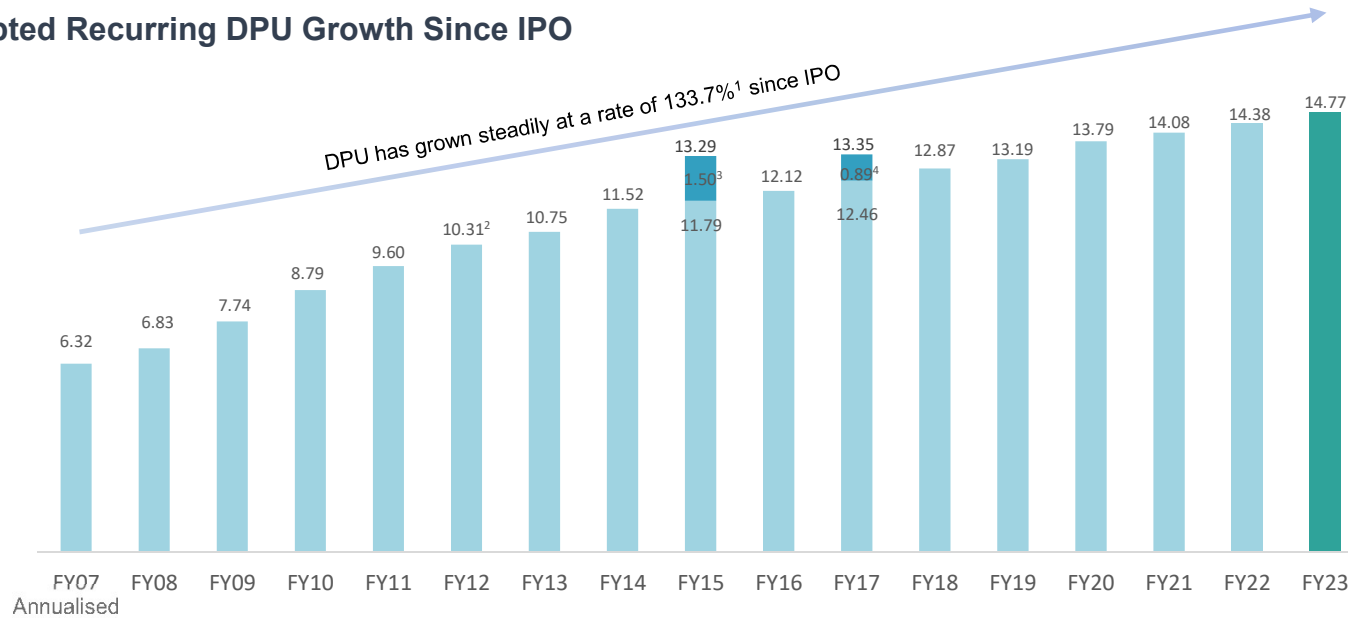


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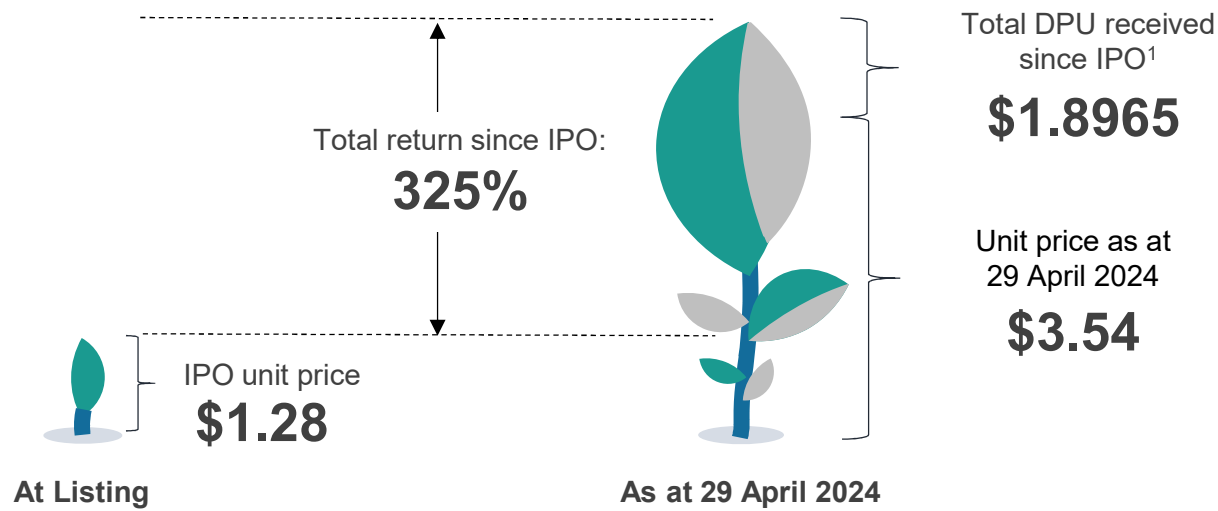
# DPU rose to another record of 14.77 Singapore cents

## Uninterrupted Recurring DPU Growth Since IPO



1. Since IPO till FY2023
2. Since FY12, 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

# Strong Total Return Since IPO



The total return of 325% on invested equity was contributed by:

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



ParkwayLife REIT

**Thank You**