

# Annual General Meeting

22 April 2024





# DISCLAIMER

This presentation has been prepared by First REIT Management Limited, in its capacity as the manager of First Real Estate Investment Trust (“First REIT”, and the manager of First REIT, the “Manager”).

Investors have no right to request the Manager to redeem their Units while the Units are listed. It is intended that Unitholders may only deal in their Units through trading on the SGX-ST. Listing of the Units on the SGX-ST does not guarantee a liquid market for the Units.

The value of units in First REIT (“Units”) and the income from them may fall as well as rise. Units are not obligations of, deposits in, or guaranteed by, the Manager or any of its affiliates. An investment in Units is subject to investment risks, including the possible loss of the principal amount invested.

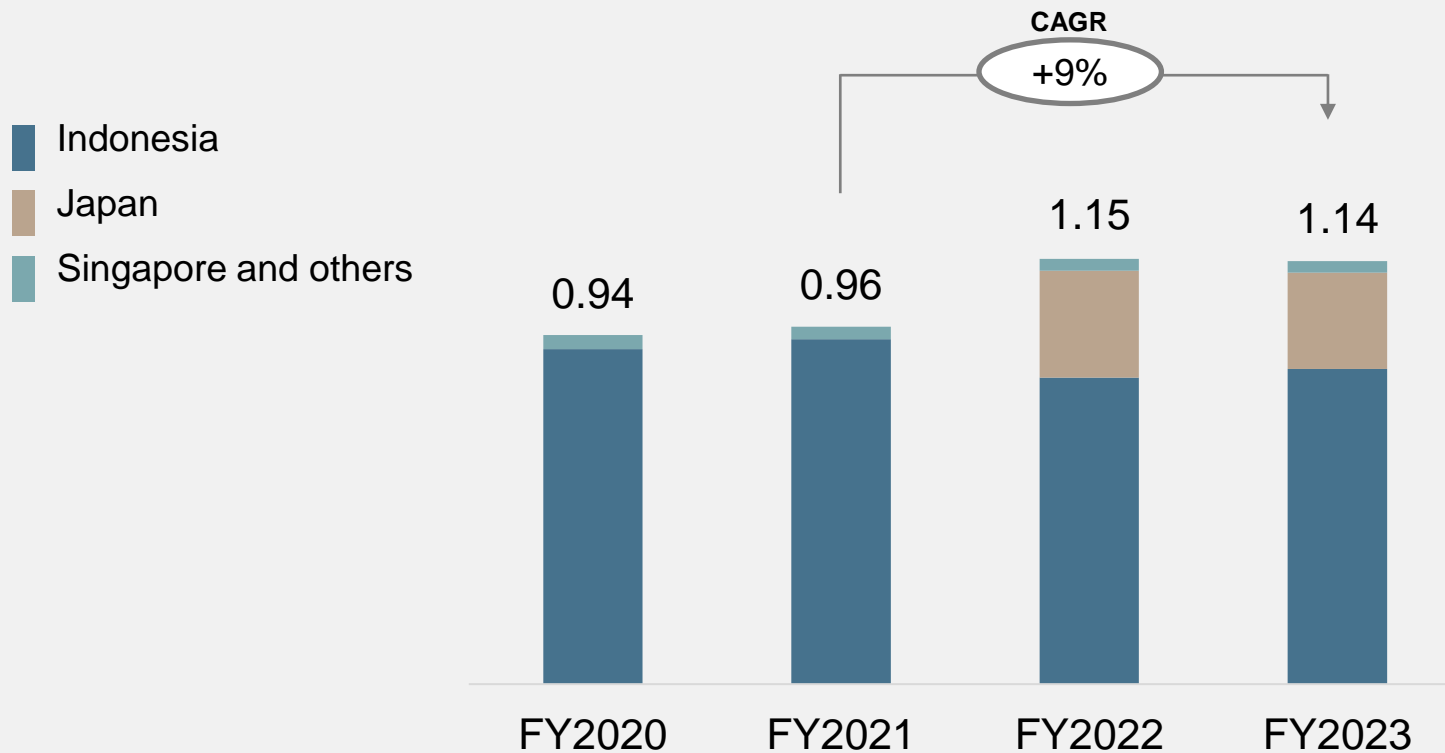
This presentation may contain forward-looking statements that involve assumptions, risks and uncertainties based on the Manager’s current view of future events. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of risks, uncertainties and assumptions – representative examples include, without limitation, general economic and industry conditions, interest rate trends, cost of capital, capital availability, shifts in expected levels of property rental income, change in operating expenses, property expenses and government and public policy changes and continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on the Manager’s current view of future events.

The past performance of First REIT is not necessarily indicative of the future performance of First REIT.

This presentation has not been reviewed by the Monetary Authority of Singapore.

# A PORTFOLIO OF 32 PROPERTIES COMPRISING HOSPITALS, NURSING HOMES, AND HEALTHCARE-RELATED ASSETS ACROSS ASIA

## Assets Under Management (S\$' billion)



Asset Size  
**S\$1.14 billion**



Total Gross Floor Area  
**448,744 square metres**



Maximum No.  
**6,522 beds and rooms**



**14 private hospitals**  
**17 nursing homes**  
**1 hotel and country club**

### Notes

(1) As at 31 December 2023

# STRENGTHENS FOR SUSTAINABLE GROWTH: MASTER LEASES FOR HEALTHCARE ASSETS

Healthcare Assets	Indonesia <sup>(1)</sup>	Singapore	Japan
<b>Rent escalation in local currencies</b>	<ul style="list-style-type: none"> <li>Higher of base rent escalation of 4.5%; or</li> <li>Performance-based rent escalation of 8.0% of hospital's gross operating revenue in the preceding financial year</li> </ul>	<ul style="list-style-type: none"> <li>Fixed base rental with annual increment of 2%</li> </ul>	<ul style="list-style-type: none"> <li>Annual rental may be revised upwards upon negotiation every 2 to 3 years for 12 assets, and every 5 years for 2 assets <sup>(2)</sup></li> </ul>

## Notes

(1) Excluding Siloam Hospitals Lippo Cikarang, of which rent is denominated in SGD with a fixed base rental, an annual base rental escalation (2x percentage increase of Singapore CPI, capped at 2%), and an additional variable rental growth component that is a function of the year-on-year increase in its gross revenue

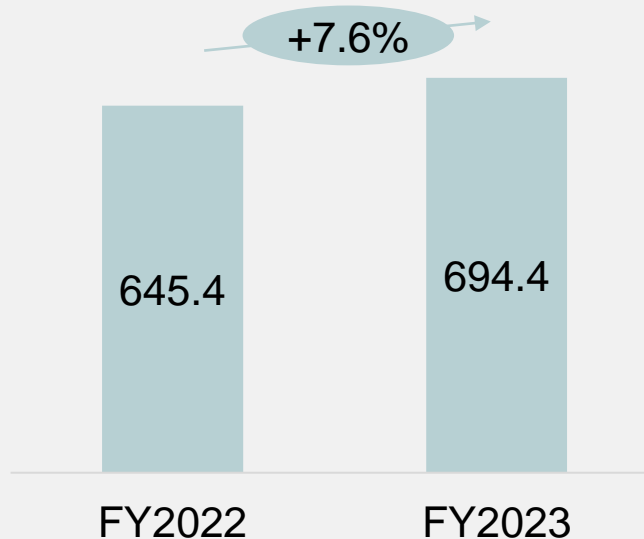
(2) Negotiation based on the increase in Japan's consumer price index and interest rates



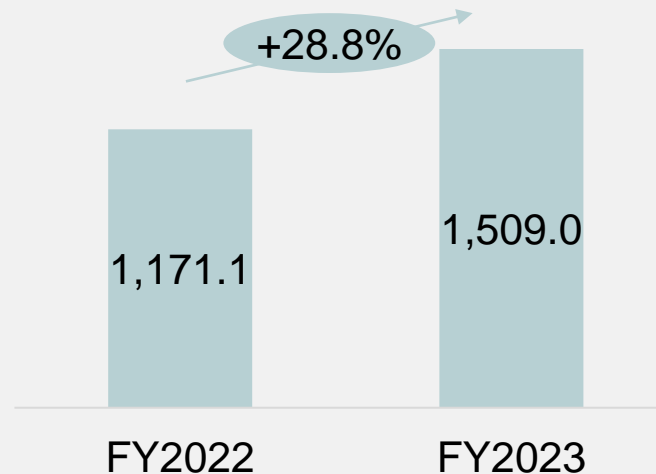
# STRENGTHENS FOR SUSTAINABLE GROWTH: RESILIENT RENTAL FROM HEALTHCARE ASSETS

## FY2023 Rental and Other Income (In local currency) <sup>(1), (2)</sup>

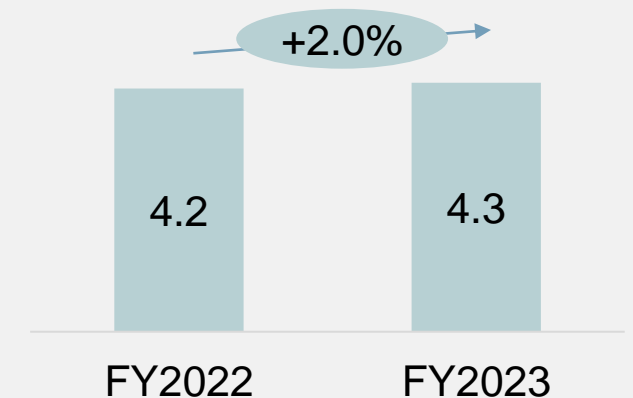
Indonesia (IDR' billion) <sup>(3)</sup>



Japan (JPY' million) <sup>(4)</sup>



Singapore (SGD million)



### Notes

- (1) Without FRS 116 Adjustment on rental straight-lining
- (2) Based on average exchange rates, SGDIDR depreciated from 10,638 in FY2022 to 11,364 in FY2023, and SGDJPY depreciated from 90.09 in FY2022 to 102.04 in FY2023
- (3) Excluding Siloam Hospitals Surabaya which was divested in September 2022, and excluding properties with rent denominated in SGD
- (4) 12 nursing homes were acquired in March 2022 and 2 nursing homes were acquired in September 2022

# KEY FINANCIALS

Financial Highlights (\$\$' million)	FY2023	FY2022	Change (%)
Rental and Other Income	108.6	111.3	(2.4%)
Without FRS 116 Adjustment <sup>(1)</sup>	93.4	91.9 <sup>(2)</sup>	1.6%
Net Property and Other Income	105.3	108.6	(3.0%)
Without FRS 116 Adjustment <sup>(1)</sup>	90.1	89.2 <sup>(2)</sup>	1.1%
Distributable Amount	51.4	52.4	(1.9%)
Total Issued And Issuable Units (Millions) <sup>(3)</sup>	2,081.5	2,063.6	0.9%
DPU (Cents)	2.48	2.64	(6.1%)

## Notes

(1) Without FRS 116 Adjustment on rental straight-lining

(2) Includes rental income from Siloam Hospitals Surabaya before its divestment in September 2022

(3) Total issued and issuable units include the issuance of 431.1 million Units in March 2022 to partially fund an acquisition of 12 nursing homes in Japan

# HEALTHY BALANCE SHEET, FINANCIAL POSITION AND RATIOS

	As at 31 December 2022	As at 31 December 2023
<b>Total Assets <sup>(1)</sup></b>	S\$1,198.6 million	S\$1,187.3 million
<b>Total Units in Issue</b>	2,058.6 million	2,076.9 million
<b>NAV/Unit</b>	30.70 cents	30.18 cents
<b>Total Debt <sup>(1), (2)</sup></b>	S\$461.2 million	S\$458.9 million
<b>% Debt, Fixed Rates or Hedged</b>	59.6%	87.2%
<b>All-in Cost of Debt Per Annum</b>	3.7%	5.0%
<b>Gearing Ratio <sup>(3)</sup></b>	38.5%	38.7%
<b>Interest Coverage Ratio <sup>(4)</sup></b>	5.0 times	4.1 times

## Notes

(1) Based on end of period exchange rates, SGDIDR depreciated from 11,494 as at 31 December 2022 to 11,628 as at 31 December 2023, while SGDJPY depreciated from 98 to 109 over the same period

(2) Total debt before transaction costs

(3) Computed based on gross debt to deposited property

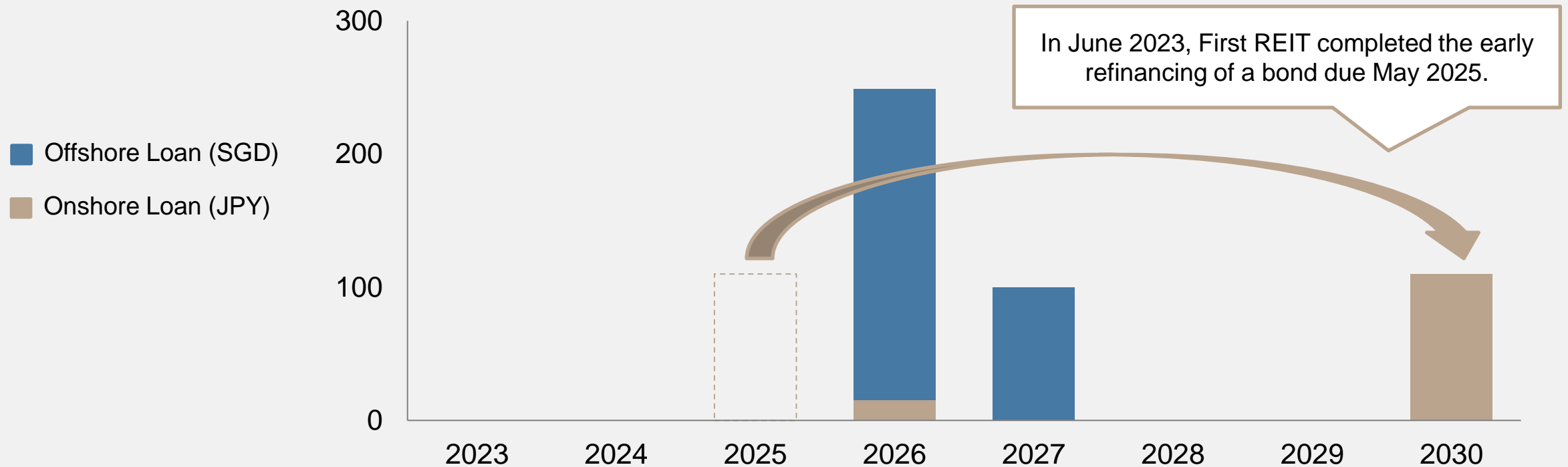
(4) Adjusted interest cover ratio, including distribution to perpetual securities holders, is 3.9 times as at 31 December 2023 and 4.4 times as at 31 December 2022



# DEBT MATURITY PROFILE AS AT 31 DECEMBER 2023

- ☑ No refinancing requirements until May 2026
- ☑ Weighted average term to maturity: 3.6 years as at 31 Dec 2023 (3.4 years as at 31 Dec 2022)

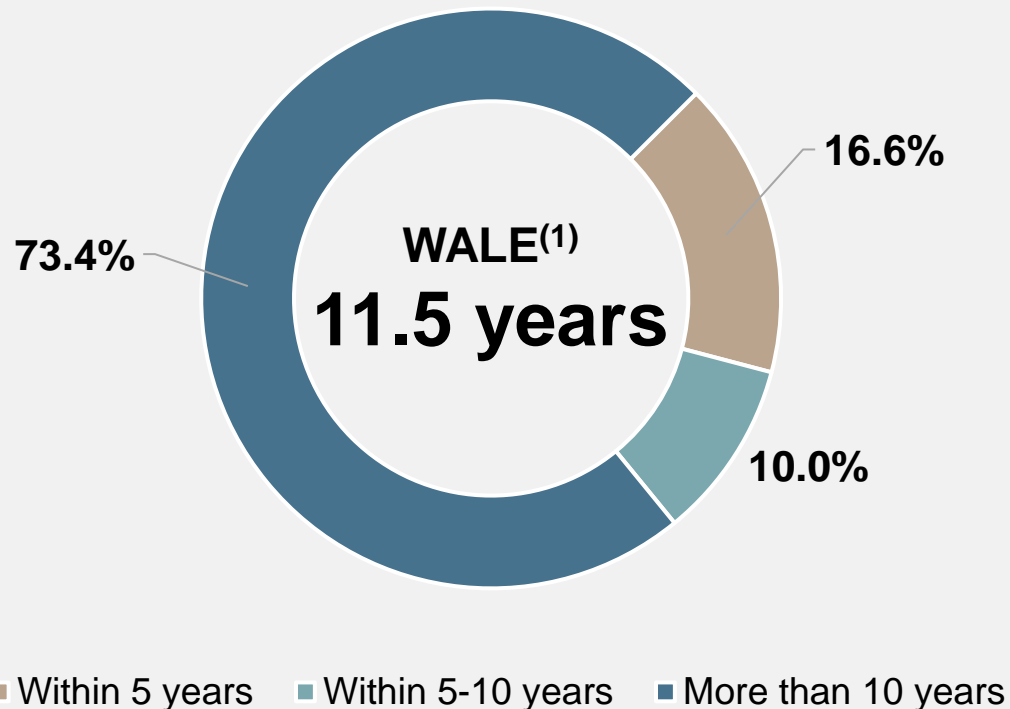
(S\$' million)





# WALE & LEASE EXPIRY PROFILE

## Lease Expiry Profile as % of GFA (As at 31 December 2023)



### Lease Expiry within 5 Years

Property	Expiry
Imperial Aryaduta Hotel & Country Club <sup>(2)</sup>	Dec 2024
Siloam Hospitals Lippo Cikarang	Dec 2025
Pacific Healthcare Nursing Home @ Bukit Merah	Apr 2027
Pacific Healthcare Nursing Home II @ Bukit Panjang	Apr 2027
Medical and Rehabilitation Home Bon Séjour Komaki	May 2027
The Lentor Residence	Jun 2027
Hotel Aryaduta Manado	Nov 2027

**Notes**

(1) The WALE is calculated on a gross floor area basis of 448,744 sqm as at 31 December 2023

(2) As announced on 29 December 2023, the master lease of Imperial Aryaduta Hotel & Country Club had been renewed up to 31 December 2024 and a further term of one year may be granted upon mutual agreement. The Manager intends to continue to market IAHCC for divestment and believes it is prudent to have in place a short-term lease in line with market terms while this process remains ongoing. The renewed lease provides some revenue stability from IAHCC while still allowing the Manager strategic flexibility as it further refines its longer-term business plans

# HEALTHCARE REAL ESTATE A RESILIENT ASSET CLASS WITH ROBUST DEMAND FUNDAMENTALS AND LONG-RUN GROWTH PROSPECTS

## 2.0 GROWTH STRATEGY

1

### Diversify into Developed Markets

Increase portfolio in developed markets to **>50% of AUM by FY2027**

25.5% of AUM in developed markets as at 31<sup>st</sup> December 2023

2

### Reshape Portfolio for Capital Efficient Growth

Recycle capital from non-core, or mature assets

Completed divestment of Siloam Hospitals Surabaya in September 2022

Identified IAHCC <sup>(1)</sup> as a non-core asset which is being marketed for divestment

3

### Strengthen Capital Structure to Remain Resilient

Diversify funding sources, continue to optimise financial position

Successfully priced Singapore's first healthcare social bond in April 2022

No refinancing requirements until May 2026

4

### Continue to Pivot to Ride Megatrends

Improve ESG, ride on opportunities in ageing demographics and under-penetrated healthcare sector

**Note**

(1) Imperial Aryaduta Hotel & Country Club

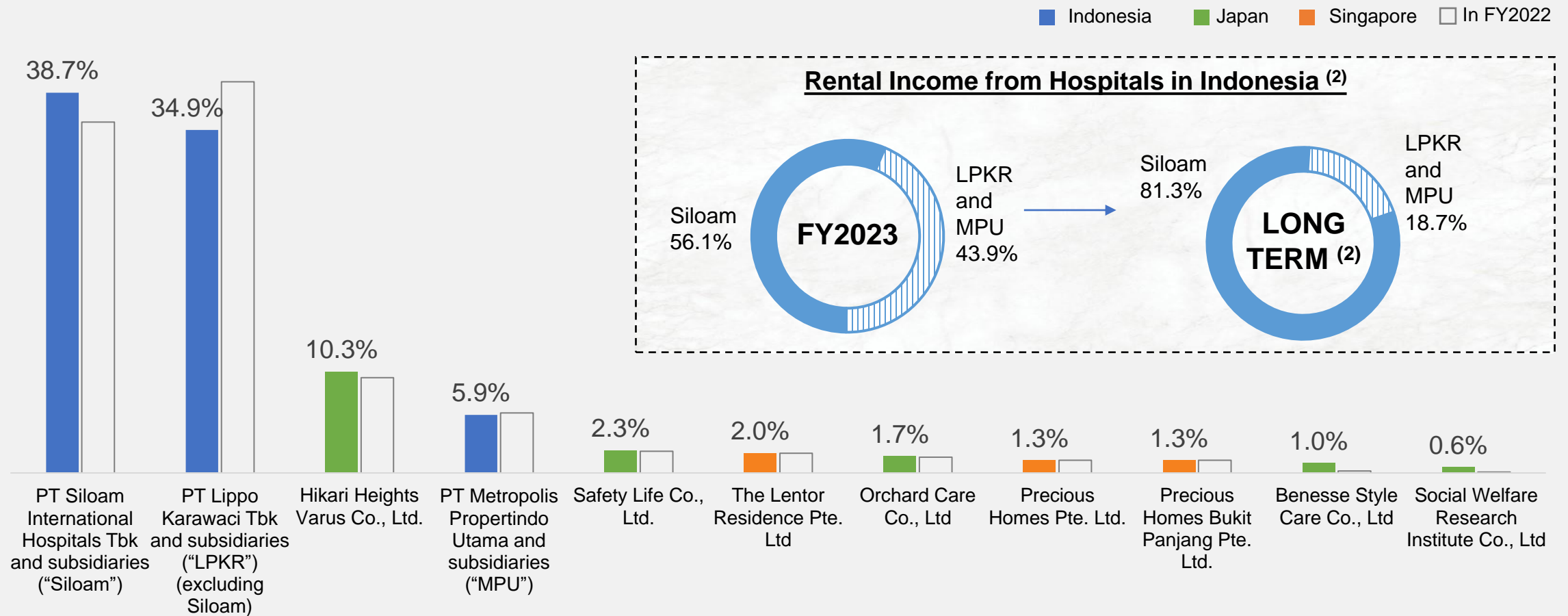


First REIT 2.0 Growth Strategy:  
[www.first-reit.com/about-growth-strategy.html](http://www.first-reit.com/about-growth-strategy.html)



# IMPROVING TENANT MIX OVER THE LONG TERM

## TENANT MIX BY RENTAL INCOME IN FY2023 (1)



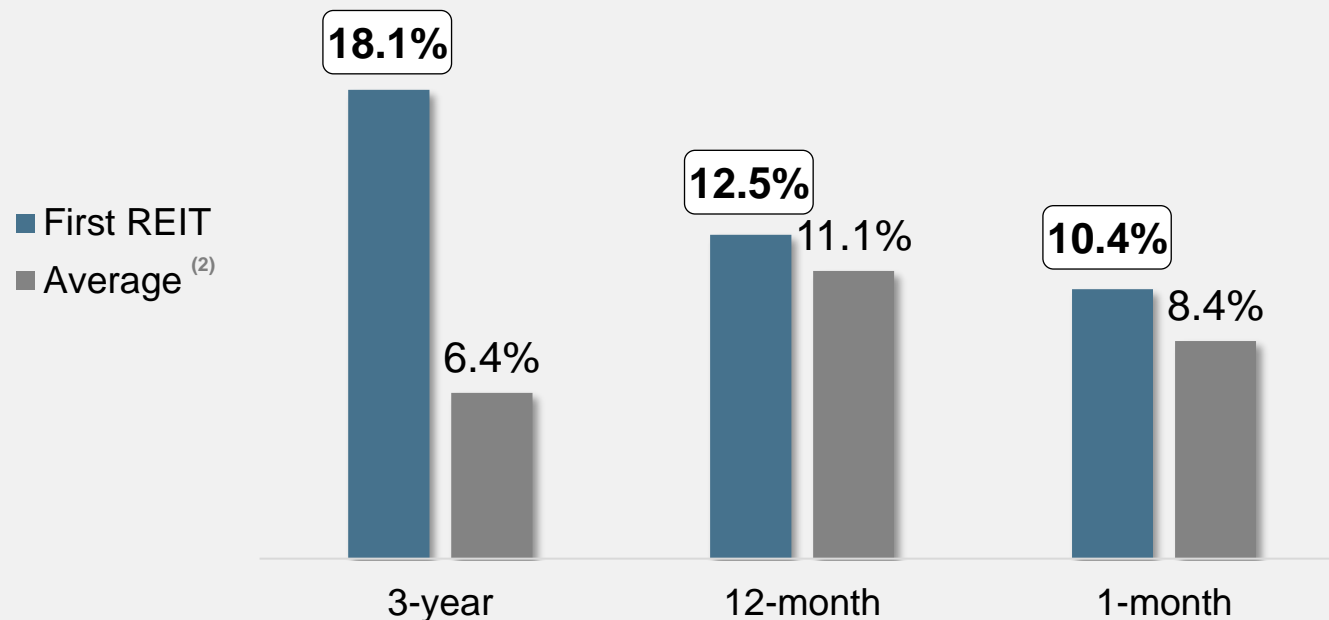
**Notes**

(1) Without recognition of FRS 116 rental straight-lining adjustments

(2) Based on the terms of the Tripartite MLAs, from 1 October 2026, Siloam will pay 6.5% of the preceding year's gross operating revenue ("**GOR**"), leaving LPKR or MPU to pay 1.5% of the preceding year's GOR. The percentages represented in this projection assumes that the rentals for each of the Tripartite MLAs beyond year 2026 are calculated based on the performance-based rent of 8.0% of each hospital's preceding year's GOR

# FIRST REIT DELIVERED POSITIVE TOTAL RETURN OF 12.5% IN 2023

## S-REITs WITH POSITIVE TOTAL RETURNS <sup>(1)</sup>



## OVERVIEW OF FIRST REIT <sup>(3)</sup>

Listing Date	December 2006
Tickers	SGX: AW9U Bloomberg: FIRT:SP
Market Cap	S\$550.4 million
Units Outstanding	2,076.9 million
Unit Price	S\$0.265
Distribution Frequency	Quarterly
Distribution Yield	9.4%
Price-to-book Ratio	0.88x

### Notes

(1) Source: Bloomberg Finance L.P., as at 31 December 2023

(2) Average of 13 S-REITs that delivered positive total returns over the 1-month, 12-month, and 3-year periods

(3) As at 31 December 2023



# DELIVERING POSITIVE ENVIRONMENT AND SOCIAL IMPACT AS WE ENGAGE OUR STAKEHOLDERS IN THE SUSTAINABILITY JOURNEY

Committed Capex of  
**S\$1.12 million**  
for energy-efficient installations  
across **14 properties**

Creating personalised art and craft works at  
The Lentor Residence with >25 seniors



Social Finance instruments  
comprise **76%** of debt

**SGX**  
Fixed Income

Recognised as  
Sustainable Fixed Income



>40 Elderly at Loyal Residence Ayase clapping along  
to music and snacking on Singaporean food



Building a Learning &  
Development Culture,  
with each employee to achieve  
at least 25 Hours of training

Employees of First REIT Management Limited attending  
REITAS's Annual Conference in 2023



# Thank You



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