

# Investor Presentation

June 2024





# DISCLAIMER

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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.

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- **INTRODUCTION**
- **OVERVIEW OF PORTFOLIO**
- **1Q24 FINANCIAL HIGHLIGHTS**



# FIRST REIT IS SINGAPORE'S FIRST HEALTHCARE REIT (1)

**Our vision is to become  
Asia's premier healthcare trust.**

**Our mission is to deliver stable  
and sustainable distributions  
to Unitholders.**

SPONSORS (3)

**OUE**



Asset  
Size (2)

**S\$1.14**  
billion



Total GFA  
of 32 Properties (4)

**448,744**  
square metres



Weighted Average  
Lease Expiry (4)

**11.3**  
years



Max. No.  
Rooms/Beds (4)

**6,522**



Total No.  
of Tenants (4)

**11**



Occupancy  
Rate (4)

**100%**

**Notes**

(1) Listed on SGX-ST in December 2006

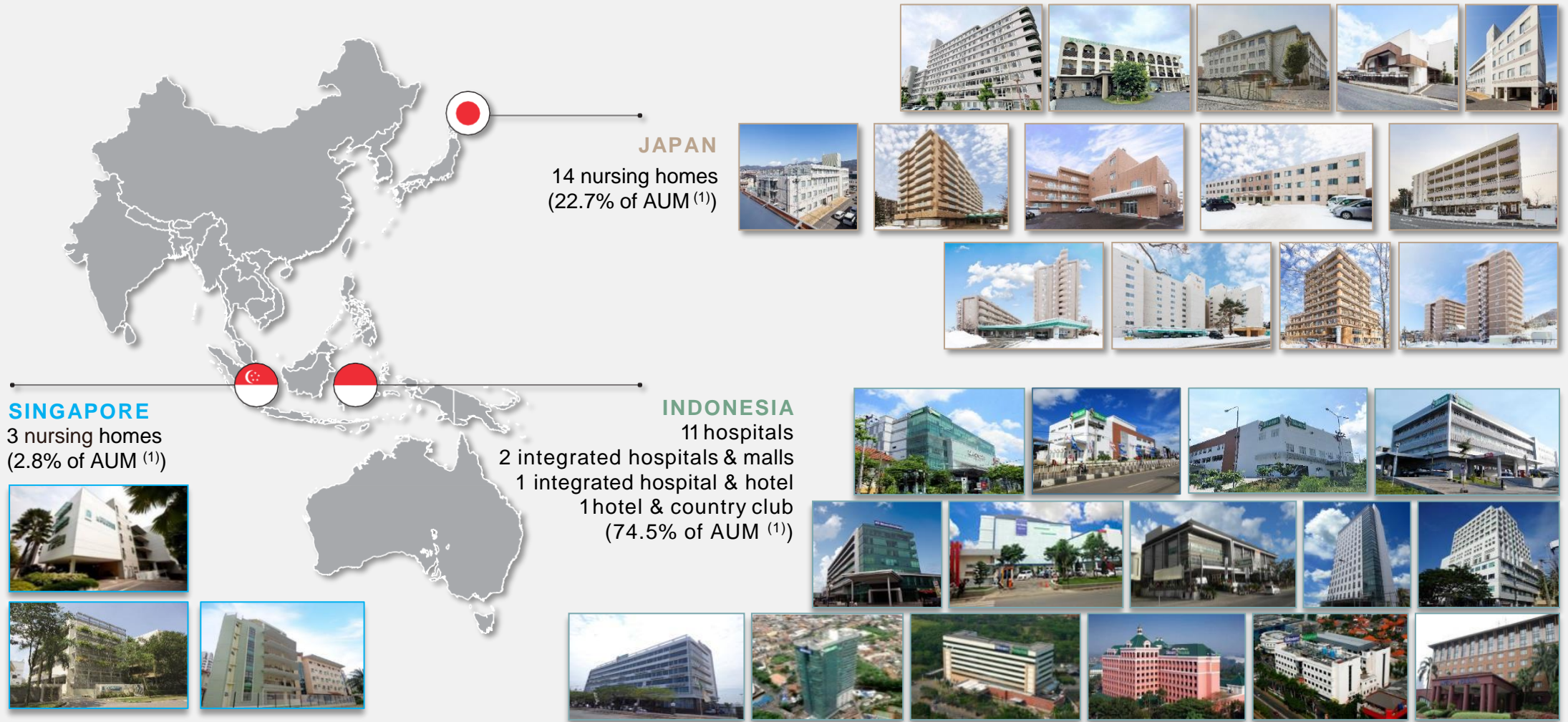
(2) Based on appraised values as at 31 December 2023.

(3) As at 31 March 2024, First REIT's Sponsors hold 44.8% of First REIT units and 100% of the Manager, reflecting a strong alignment of interests with Unitholders.

(4) As at 31 March 2024.



# FIRST REIT'S \$1.14 BILLION PORTFOLIO CONSISTS OF MAINLY NURSING HOMES IN DEVELOPED MARKETS AND HOSPITALS IN INDONESIA

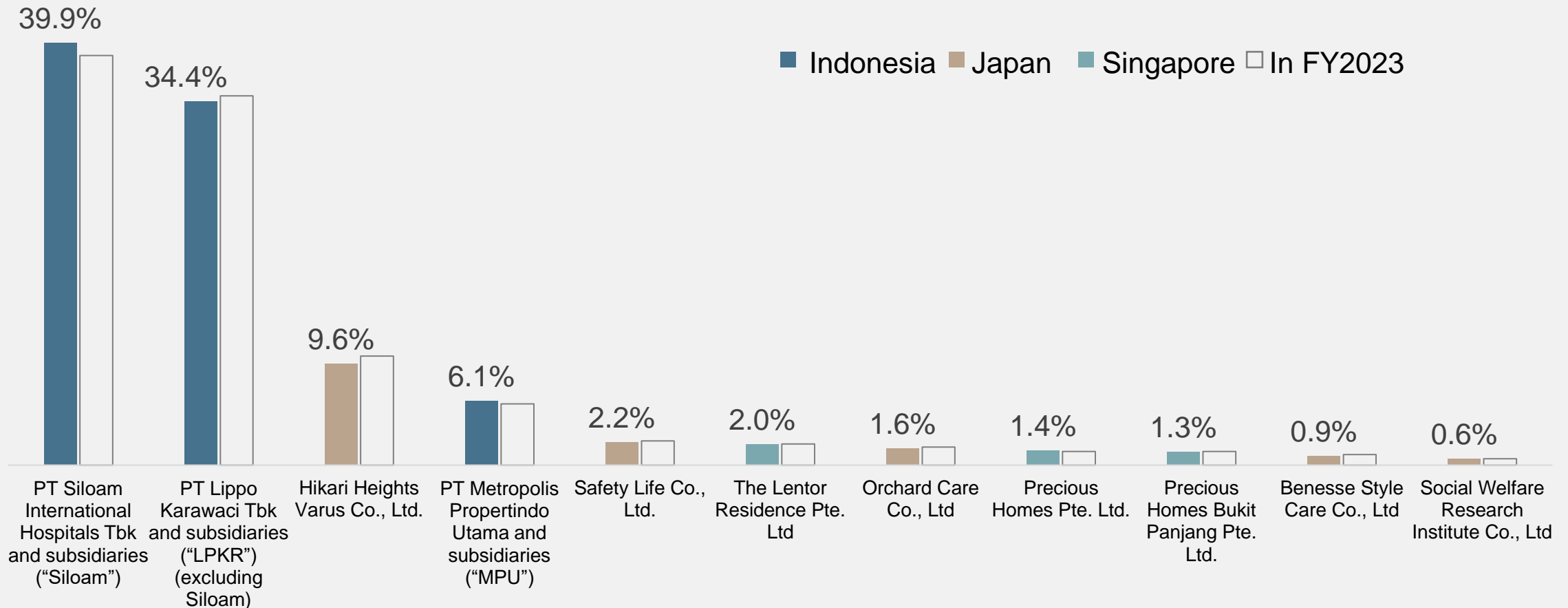


**Note**

(1) As at 31 December 2023.

# FIRST REIT DERIVES RENTAL INCOME FROM 11 TENANTS ACROSS INDONESIA, JAPAN AND IN SINGAPORE

## 1Q 2024 Rental Income, by Tenants (1)



**Note**

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



# HARNESSING SUSTAINABLE GROWTH FROM MASTER LEASES

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>

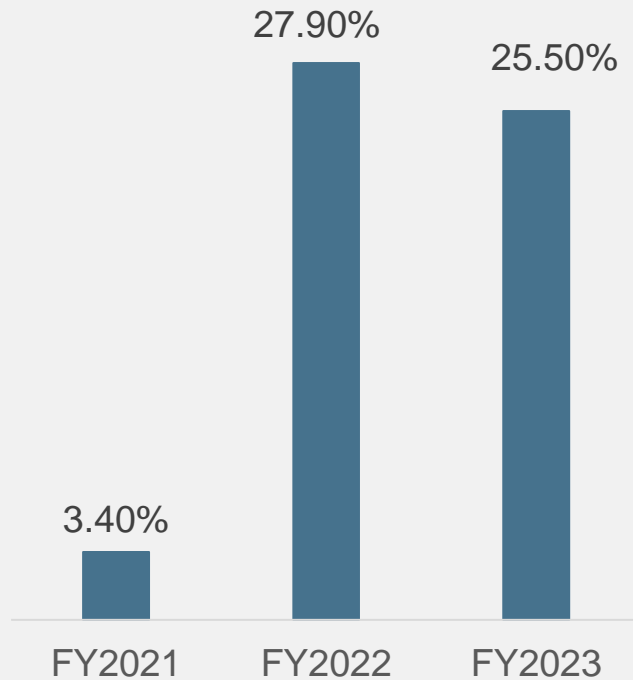
**Notes**

(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.

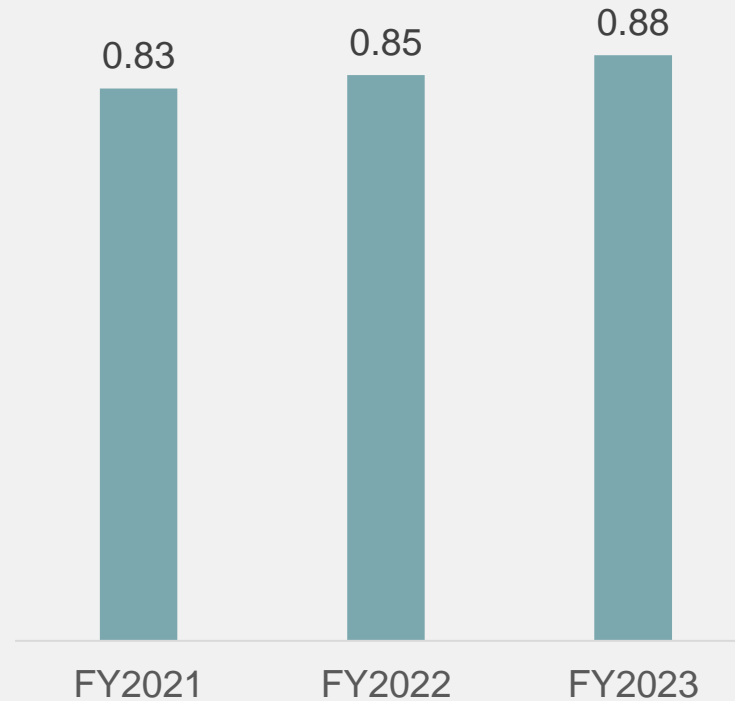
(2) Negotiation based on the increase in Japan's consumer price index and interest rates.

# IMPROVING RISK-RETURN PROFILE AFTER RESTRUCTURING LEASES IN INDONESIA IN FY2020 AND ENTERING JAPAN IN FY2022

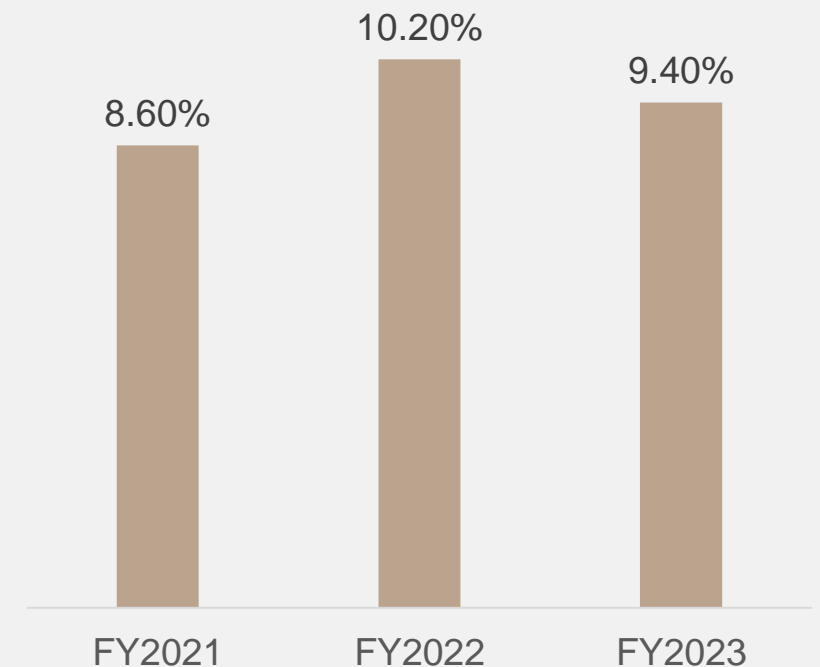
**% AUM in Developed Markets <sup>(1)</sup>**



**Price-to-book ratio (times) <sup>(1)</sup>**



**DPU Yield (%) <sup>(1)</sup>**



**Note**

(1) As at 31 December



# FIRST REIT 2.0 GROWTH STRATEGY, LAUNCHED IN DECEMBER 2021

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**

Completed committed energy-efficient CAPEX in FY2023 of over S\$1.12 million



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

**Note**

(1) Imperial Aryaduta Hotel & Country Club.

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# NURSING HOMES IN JAPAN AND SINGAPORE

**14**  
JAPAN

VALUATION <sup>(1)</sup>  
**S\$258.7**  
million

GROSS FLOOR AREA  
**103,234**  
square metres

MAXIMUM ROOMS  
**1,655**

**3**  
SINGAPORE

VALUATION <sup>(1)</sup>  
**S\$31.7**  
million

GROSS FLOOR AREA  
**11,161**  
square metres

MAXIMUM BEDS  
**715**



1. Hikari Heights Varus Ishiyama
2. Hikari Heights Varus Tsukisamu-Koen
3. Hikari Heights Varus Fujino
4. Hikari Heights Varus Kotoni
5. Hikari Heights Varus Makomanai-Koen
6. Varus Cuore Yamanote
7. Varus Cuore Sapporo-Kita & Annex
8. Elysion Mamigaoka & Annex
9. Elysion Gakuenmae
10. Orchard Amanohashidate
11. Orchard Kaichi North
12. Orchard Kaichi West
13. Loyal Residence Ayase
14. Medical Rehabilitation Home Bon Séjour Komaki



15. Pacific Healthcare Nursing Home @ Bukit Merah
16. Pacific Healthcare Nursing Home II @ Bukit Panjang
17. The Lentor Residence

**Notes**

(1) As at 31 December 2023

# PROPERTY DETAILS: JAPAN

14 Nursing Homes	FY2023 Rental Income (SGD million)	FY2023 Appraised Value (JPY million)	Purchase Price (JPY million)	Lease Term (years)	Lease Expiry Date	Tenants	Land Area (sqm)	Gross Floor Area (sqm)	Max. Rooms
Hikari Heights Varus Kotoni	3.2	6,630	6,209	30 + 5	24-Apr-43	Hikari Heights	11,033	20,756	281
Hikari Heights Varus Makomanai-Koen	2.3	4,820	4,475	30 + 5	24-Apr-43	Hikari Heights	6,653	13,301	161
Varus Cuore Sapporo-Kita & Annex	1.5	2,990	2,847	30 + 5	24-Apr-43	Hikari Heights	5,269	7,637	216
ElySION Mamigaoka & Annex	1.3	2,270	2,370	30 + 5	24-Apr-43	Safety Life	6,997	10,259	160
Hikari Heights Varus Fujino	1	1,680	1,574	30 + 5	24-Apr-43	Hikari Heights	7,230	9,782	139
Medical Rehabilitation Home Bon Séjour Komaki	0.9	1,600	1,450	20 + 5	21-May-27	Benesse Style Care	8,230	8,858	124
ElySION Gakuenmae	0.8	1,660	1,610	30 + 5	24-Apr-43	Safety Life	1,898	3,790	92
Orchard Kaichi North	0.8	1,350	1,303	30 + 5	24-Apr-43	Orchard Care	2,833	5,058	79
Hikari Heights Varus Ishiyama	0.7	782	839	30 + 5	24-Apr-43	Hikari Heights	4,413	8,747	117
Varus Cuore Yamanote	0.6	1,140	1,007	30 + 5	24-Apr-43	Hikari Heights	1,668	2,808	59
Loyal Residence Ayase	0.6	1,150	1,130	30	30-Sep-43	Social Welfare Research Institute	2,803	3,387	80
Orchard Amanohashidate	0.5	892	933	30 + 5	24-Apr-43	Orchard Care	2,694	2,927	60
Hikari Heights Varus Tsukisamu-Koen	0.4	686	641	30 + 5	24-Apr-43	Hikari Heights	2,249	4,362	58
Orchard Kaichi West	0.3	471	405	30 + 5	24-Apr-43	Orchard Care	797	1,561	29
<b>Total</b>	<b>14.9</b>	<b>28,121</b>	<b>26,793</b>	<b>WALE<sup>(2)</sup>: 17.7</b>			<b>64,767</b>	<b>103,233</b>	<b>1,655</b>

## Notes

(1) For more information, please see [FY2023 Annual Report](#) pages 27 to 45

(2) Weighted Average Lease to Expiry by Gross Floor Area, as at 31 March 2024



# PROPERTY DETAILS: SINGAPORE

3 Nursing Homes	FY2023 Rental Income (SGD million)	FY2023 Appraised Value (SGD million)	Purchase Price (SGD million)	Lease Term (years)	Lease Expiry Date	Tenants	Land Title	Land Area (sqm)	Gross Floor Area (sqm)	Max. Beds
The Lentor Residence	1.8	15.0	12.8	10 years with option to renew for 10 years	7 June 2027	The Lentor Residence Pte. Ltd.	99 years leasehold from 20 August 1938	2,486	4,005	208
Pacific Healthcare Nursing Home II @ Bukit Panjang	1.2	8.6	11.5	10	10 April 2027	Precious Homes Bukit Panjang Pte. Ltd	30 years leasehold from 14 May 2003	2,000	3,563	248
Pacific Healthcare Nursing Home @ Bukit Merah	1.3	8.1	11.8	10	10 April 2027	Precious Homes Pte. Ltd.	30 years leasehold from 22 Apr 2002	1,984	3,593	259
<b>Total</b>	<b>4.3</b>	<b>31.7</b>	<b>36.1</b>	<b>WALE <sup>(2)</sup>: 3.1</b>				<b>6,470</b>	<b>11,161</b>	<b>715</b>

## Notes

(1) For more information, please see [FY2023 Annual Report](#) pages 27 to 45

(2) Weighted Average Lease to Expiry by Gross Floor Area, as at 31 March 2024

# OVERVIEW OF INDONESIA PORTFOLIO

**15**  
INDONESIA

VALUATION <sup>(1)</sup>  
**S\$849.1** million

GROSS FLOOR AREA  
**334,349**  
square metres

MAXIMUM BEDS / ROOMS  
**4,152**



1. Siloam Hospitals Yogyakarta
2. Siloam Hospitals Baubau & Lippo Plaza Baubau
3. Siloam Hospitals Labuan Bajo
4. Siloam Hospitals Kupang & Lippo Plaza Kupang
5. Siloam Sriwijaya <sup>(2)</sup>
6. Siloam Hospitals Purwakarta <sup>(2)</sup>
7. Siloam Hospitals Bali
8. Siloam Hospitals TB Simatupang
9. Siloam Hospitals Manado & Hotel Aryaduta Manado
10. Siloam Hospitals Makassar
11. Mochtar Riady Comprehensive Cancer Centre
12. Siloam Hospitals Lippo Cikarang
13. Siloam Hospitals Lippo Village
14. Siloam Hospitals Kebon Jeruk <sup>(2)</sup>
15. Imperial Aryaduta Hotel & Country Club

**Notes**

(1) As at 31 December 2023

(2) Contributed performance-based rent in FY2023

(3) For more information, please see [FY2023 Annual Report](#) pages 27 to 45



# RENTAL INCOME FROM HOSPITALS IN INDONESIA

- Based on the terms of the Tripartite MLAs, from 1 October 2026, PT Siloam International Hospitals Tbk (“**Siloam**”) will pay 6.5% of the Performance-Based Rent, leaving PT Lippo Karawaci Tbk (“**LPKR**”) or PT Metropolis Propertindo Utama (“**MPU**”) to pay the remaining 1.5% of Performance-Based Rent.
- Performance-Based Rent is 8.0% of hospital’s gross operating revenue in the preceding financial year. 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.

## Rental Income From Hospitals In Indonesia <sup>(1)</sup>



**Note**

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

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## KEY FINANCIALS IN 1Q 2024

- 1Q 2024 financial results were impacted by stronger Singapore Dollar against the Indonesia Rupiah and the Japanese Yen <sup>(3)</sup>, offset by higher rental income from assets in Indonesia and in Singapore as well as stable rental income from assets in Japan.
- Distributable Amount and DPU were also impacted by rising interest rates, with cost of debt of 5.0% in 1Q 2024 (1Q 2023: 4.7%; FY 2023: 5.0%).

Rental and  
Other Income <sup>(1)</sup>

**S\$26.1  
million**

**-2.7% YoY**

Net Property and  
Other Income <sup>(2)</sup>

**S\$25.3  
million**

**-2.1% YoY**

Distributable  
Amount

**S\$12.4  
million**

**-2.2% YoY**

Distribution  
Per Unit

**0.60  
cent**

**-0.02 cent**

### Notes

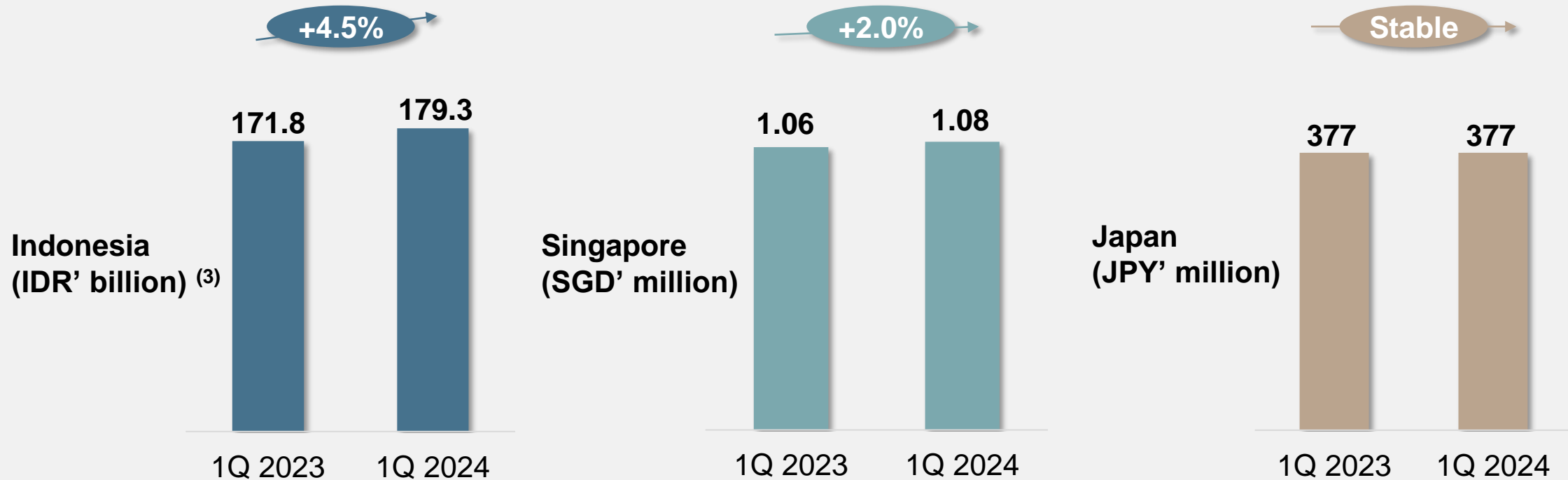
(1) Without FRS 116 Adjustment on rental straight-lining, Rental and Other Income decreased 0.8% YoY to S\$22.9 million in 1Q 2024.

(2) Without FRS 116 Adjustment on rental straight-lining, Net Property and Other Income remained stable YoY at S\$22.1 million in 1Q 2024.

(3) Based on average exchange rates, SGD/IDR depreciated 2.4% from 11,494 in 1Q 2023 to 11,765 in 1Q 2024, while SGD/JPY depreciated 12.1% from 99 to 111 over the same period.

# HEALTHY UNDERLYING PERFORMANCE

## 1Q 2024 Rental and Other Income (In Local Currency) <sup>(1), (2)</sup>



**Notes**

- (1) Without FRS 116 Adjustment on rental straight-lining.
- (2) Based on average exchange rates, SGD/IDR depreciated 2.4% from 11,494 in 1Q 2023 to 11,765 in 1Q 2024, while SGD/JPY depreciated 12.1% from 99 to 111 over the same period.
- (3) Excluding properties with rent denominated in SGD.



# HEALTHY BALANCE SHEET AND FINANCIAL RATIOS

	As at 31 December 2023	As at 31 March 2024
<b>Total Assets <sup>(1)</sup></b>	S\$1,187.3 million	S\$1,170.2 million
<b>Total issued and issuable units</b>	2,076.9 million	2,081.5 million
<b>NAV/Unit</b>	30.18 cents	29.48 cents
<b>Total Debt <sup>(1), (2)</sup></b>	S\$458.9 million	S\$454.6 million
<b>% Debt, Fixed Rates or Hedged</b>	87.2%	87.1%
<b>All-in Cost of Debt Per Annum</b>	5.0%	5.0%
<b>Gearing Ratio <sup>(3)</sup></b>	38.7%	38.8%
<b>Interest Coverage Ratio <sup>(4)</sup></b>	4.1 times	4.0 times

## Notes

(1) Based on end of period exchange rates, SGD/IDR depreciated from 11,627 as at 31 December 2023 to 11,765 as at 31 March 2023, while SGD/JPY depreciated from 109 to 112 over the same period.

(2) Total debt before transaction costs.

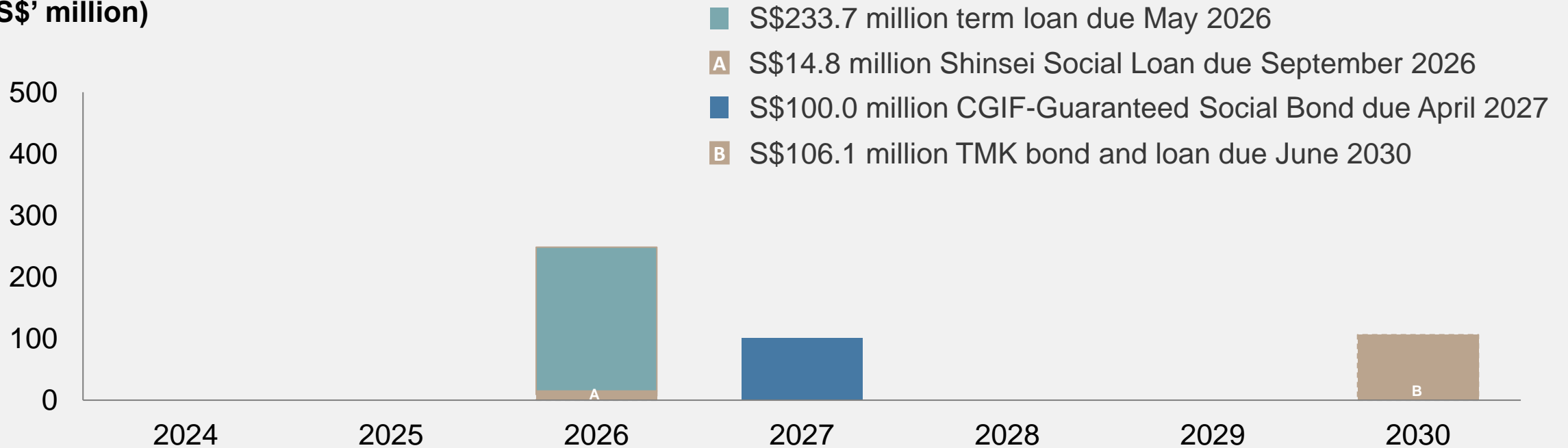
(3) Computed based on gross debt to deposited property.

(4) Adjusted interest cover ratio, including distribution to perpetual securities holders, is 3.9 times as at 31 December 2023 and 3.7 times as at 31 March 2024.

# DEBT MATURITY PROFILE

- ☑ No refinancing requirements until May 2026.
- ☑ Weighted average term to maturity: 3.3 years as at 31 March 2024 (3.6 years as at 31 December 2023).
- ☑ Debt comprises 73.4% offshore borrowings in SGD and 26.6% onshore borrowings in JPY.

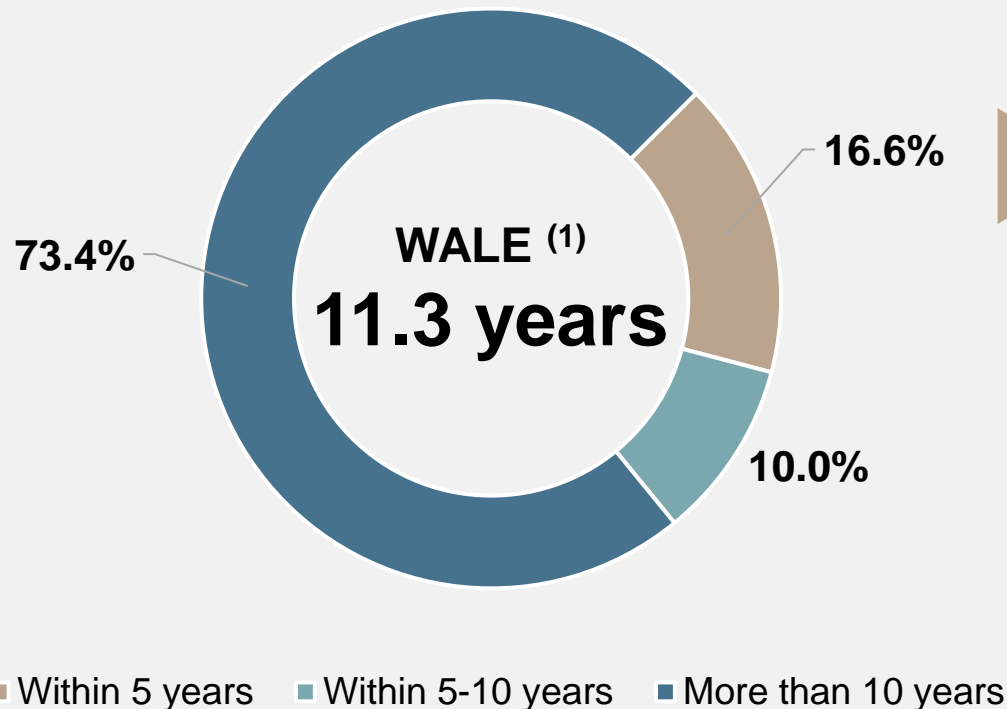
(S\$' million)





# WALE & LEASE EXPIRY PROFILE

## Lease Expiry Profile as % of GFA



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

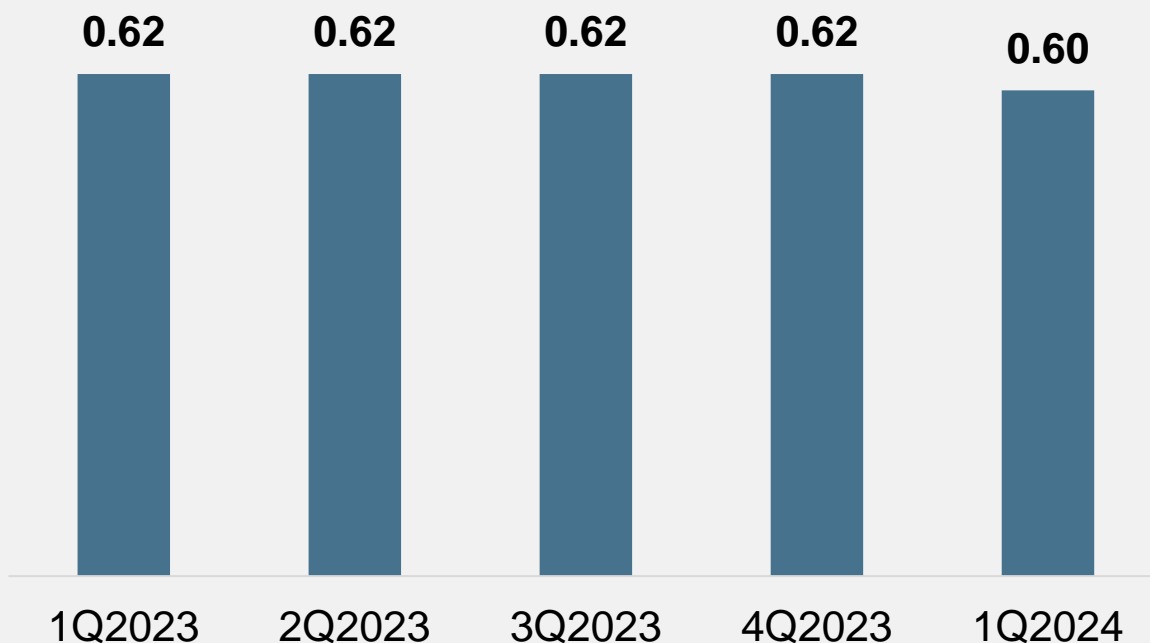
**Notes**

(1) The WALE is calculated on a gross floor area basis of 448,744 sqm as at 31 March 2024.

(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.

# DELIVERING QUARTERLY DISTRIBUTIONS ON SUSTAINABLE LEASES

**Distribution Per Unit (DPU)**  
(Singapore cent)



1Q 2024 Distribution Details	
Last Trading Day Quoted on a "Cum" Distribution Basis	<b>6 May 2024</b>
Ex-distribution Date	<b>7 May 2024</b>
Book Closure Date	<b>8 May 2024 at 5.00pm</b>
Distribution Payment Date	<b>21 June 2024</b>



# Thank You



**FIRST REIT MANAGEMENT LIMITED**

Address: 333 Orchard Road #33-02 Hilton Singapore Orchard, Singapore 238867

Website: [www.first-reit.com](http://www.first-reit.com)

LinkedIn: [www.linkedin.com/company/first-reit](http://www.linkedin.com/company/first-reit)

Email: [ir@first-reit.com](mailto:ir@first-reit.com)

Tel: (65) 6435 0168