HealthCo Healthcare & Wellness REIT

1H FY25 Results Presentation

14 February 2025

Acknowledgement of Country

HealthCo acknowledges the Traditional Custodians of Country throughout Australia and celebrates their diverse culture and connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples.

Journey of Creation
Billy Reynolds (2024)
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Agenda

01 **Results Overview**

02 **Portfolio Overview**

03 **Developments**

04 **Financial Results**

05 **Outlook & Guidance**

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01
Results Overview

Knox Private Hospital (Melbourne)

1H FY25 Highlights

Continued earnings momentum with FFO/unit and DPU growth

Financial

4.2 cents
FFO per unit
+5% vs. 1H FY24

4.2 cents
DPU
+5% vs. 1H FY24

$1.58
NTA/Unit

Stable asset valuations in 1H FY25

32.4%
Gearing

Lower end of 30-40% target range

Operations

100%
Cash rent Collection

99%
Occupancy[1]
vs. 99% in FY24

79%
CPI-linked leases
3.7% WARR[2]

72%
Triple Net Leases[2]

All operating and maintenance capex funded by tenants

Growth

$357m
UHF ownership stake

+11% since inception

$47m
H1 FY25 asset sales

Future-proofing balance sheet to ensure capital flexibility

$50m
On-market unit buyback
35% completed

~$540m+
Accretive development pipeline[3]

Target 6-7%+ yield on cost

Notes:
All metrics as at 31-Dec-24 unless otherwise stated. Includes Camden Stages 2 & 3, HCW's interest in UHF. 1. By GLA. Includes signed leases, MoUs and rental guarantees across operating assets. Excludes development assets. 2. By gross income. Includes signed leases and MoUs across all operating and development assets. Includes EAIs. 3. Total capex, including UHF on a 100% basis.

Healthscope update

- HCW notes the recent increased market speculation around Healthscope[1] . It is likely that the speculation will persist until a sustainable solution which underpins continuity of hospital services is found. HCW and UHF have made it clear that further rental support will not be provided to Healthscope

- In the event that Healthscope were to breach its lease obligations, HCW would seek to replace Healthscope's tenancies with other hospital operators

- HCW and UHF have been approached by capable and qualified parties to potentially tenant the 11 hospitals including a consortium led by HMC Capital's Private Equity Division. HCW understands that HMC is in discussions with a broad group of key stakeholders as part of the consortium.

- HCW will consider all proposals

Note
1. Healthscope remains compliant with all its lease obligations.

02

Portfolio Overview

Northpark Private Hospital (Melbourne)

Portfolio subsectors

HCW has a $1.6bn portfolio that provides exposure to healthcare subsectors that are underpinned by powerful megatrends


Knox Private Hospital (VIC)

Private Hospitals

Healthscope

Australia's 2nd largest private hospital operator with 38 private hospitals

Asset description
Recently expanded 335-bed private surgical hospital located in Melbourne's Eastern suburbs


GenesisCare Wembley (WA)

Primary & Specialty Care

GenesisCare

Australia's largest radiation oncology provider, operating 44 sites nationally

Asset description
Cancer care centre adjacent to St John of God Hospital Subiaco, one of the largest private hospitals in WA

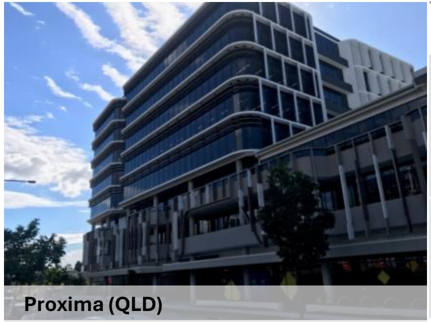

Erina (NSW)

Aged Care

Estia Health

One of Australia's largest Aged Care operator, Estia Health operates over 70 homes in SA, VIC, NSW and QLD

Asset description
One of the largest residential Aged Care facilities in NSW with 250 beds


Proxima (QLD)

Government & Life Sciences

Queensland Government

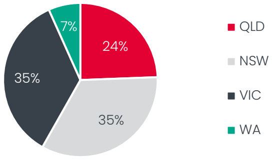
Gold Coast Health's Child Youth Mental Health Services – part of the Queensland Government's $1.9bn Better Care Together plan

Asset description
Integrated health hub co-located with Gold Coast University Hospital in the Gold Coast Health and Knowledge Precinct

Portfolio overview

Diversified $1.6bn institutional grade portfolio of private hospitals and health infrastructure assets with long lease expiry profile of 11.6 years

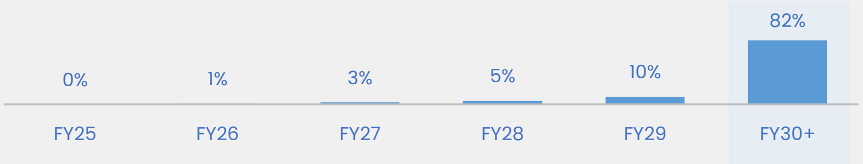
Portfolio overview

Number of properties	27
Portfolio valuation[1]	$1,587m
WACR[2]	5.35%
WARR[3]	3.7%
WALE[4] / Lease Expiry Profile	11.6 years (including EAI) 82% of leases expire in FY30+
Occupancy	99%
Rent collection[5]	100%
CPI linked / fixed leases	79% / 21%
Development pipeline[6]	~$540m+
Geographic split by value	

Portfolio subsectors – income split and key tenants[1,7]

57% Private Hospitals	20% Primary & Specialty Care	4% Aged Care	9% Government, Life Sciences & Research
Healthscope ACURIO mater	GenesisCare Chemist Warehouse Discount Chemist Health Hub Doctors Morayfield	Estia Health UnitingCare Queensland	Australian Government UniSC Queensland Government

Lease expiry profile[8]

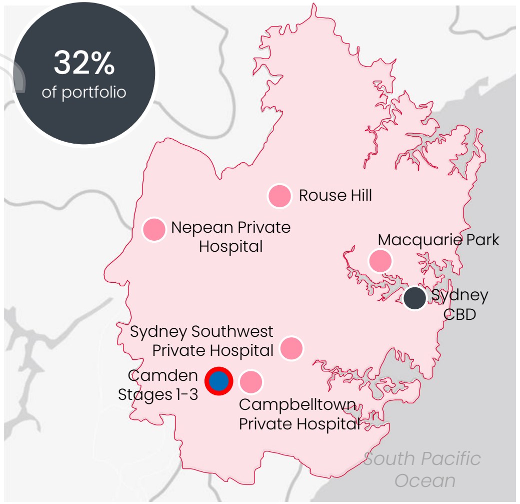


Notes:
Numbers may not add due to rounding. 1. Includes Camden Stage 2 & 3, HCW's share in UHF owned properties and excludes assets held for sale. Includes signed leases and MoUs across all operating and development assets. 2. Weighted Average Capitalisation Rate excludes Camden Stages 2-3. 3. Weighted Average Rent Review by gross income. Includes Fixed and CPI-linked escalations set over CY24. 4. Blended Weighted Average Lease Expiry by gross income. Includes signed leases and MoUs across all operating and development assets. 5. Rent collection for period 1-Jul-24 to 31-Dec-24. 6. Total capex, including UHF on a 100% basis. 7. Includes signed leases and MoUs across all operating and development assets. Income from 'Other' subsectors of 10%. 8. Lease expiry profile by gross income. Includes signed leases and MoUs across all operating and development assets.

Portfolio locations

96% of the portfolio is located in metro areas with strong population growth across Australia's four largest capital cities[1,2]

Sydney

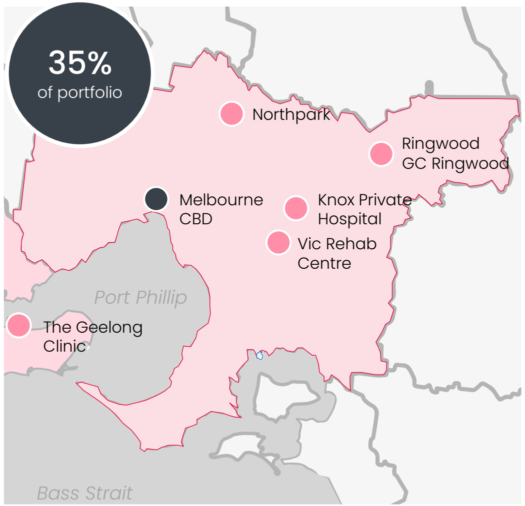


$509m

Population growth[2] of 22%

2.8m people (~10% of total population) living within 10km of a HealthCo-owned property

Melbourne

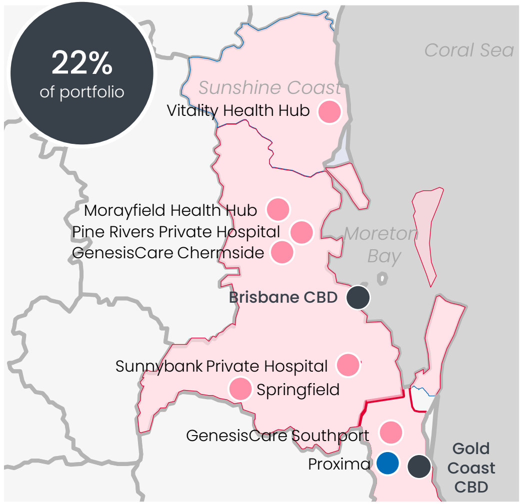


$550m

Population growth[2] of 6%

2.2m people (~8% of total population) living within 10km of a HealthCo-owned property

Brisbane, Gold Coast & Sunshine Coast



$348m

Population growth[2] of 21%

2.3m people (~8% of total population) living within 10km of a HealthCo-owned property

Notes:
Source: 1. IQCensus & ABS data. Inclusive of HCW's proportionate interest in UHF. 2. Population growth reflects the 10-year forecast growth to 2033.

Sustainability at HealthCo

HealthCo is serving Australian communities by facilitating access to essential health and wellbeing services that deliver a positive social impact[1]

Environment

- On track to exceed our FY25 target of 65% of feasible sites to have solar installed[2] across our real estate portfolios, with further installations ongoing throughout FY25
- EMS continues to be rolled out at newly acquired sites where feasible[2], with current installed sites resulting in >20%[3] reduction in energy consumption
- HealthCo portfolio average of 5.8 Star NABERS Energy and 5.3 Star NABERS Water rating achieved[4]

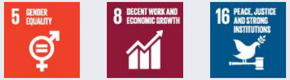
Social

- 50% gender diversity maintained for independent Board director positions at both HMC Group and HCW level[5]
- Ensuring responsible investment practices and advancing positive social impact through considered selection of assets, operators and services delivered
- HealthCo continues to target our social needs program to support youth under 18 years of age, which is being supported by the National Partnership between HMC Capital and Eat Up
- Group Reflect Reconciliation Action Plan (RAP) initiatives continuing to progress

Governance

- Clear and transparent governance processes established
- FY25 ESG KPIs established for leadership team
- Responsible investment Due Diligence standards adopted for all acquisitions
- HealthCo representative invited to each meeting of the HMC Capital Sustainability Committee
- Integrating ASRS Sustainability standards in preparation for future mandatory reporting

Our impact themes are aligned with several UN SDGs and their relevant targets or indicators:



Notes:
Statistics reported from Group level and as at 31-Dec-24 unless otherwise stated. 1. Refer to https://www.hmccapital.com.au/our-commitment/ for further information about HMC Capital's ESG strategy and commitments.; 2. Sites that are classified as feasible include assets where we have operational control, and the building infrastructure and architecture is suitable for the proposed sustainability initiative (solar and/or EMS). Feasible assets represent 25% of HCW portfolio for solar roll-out & 15% of HCW portfolio for EMS roll-out.; 3. Includes assets installed for >3 months at Dec-24.; 4. As at Jan-25.; 5. As at 31-Dec-24.

03 Developments

Proxima (Gold Coast)

Development track record

Proven brownfield and greenfield development capability, completing ~$300m of projects since IPO in Sep-21[1]

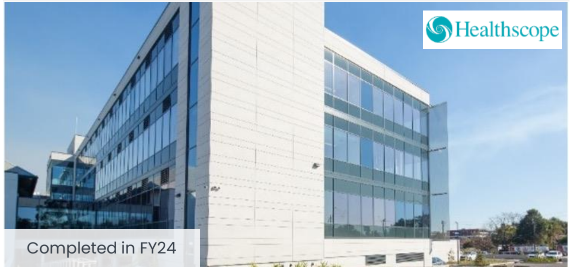
The George Private Hospital (Sydney)

Greenfield 78-bed private hospital development

Completed in FY23

Nepean Private Hospital (Sydney)

Brownfield private hospital expansion



Completed in FY24

Northpark Private Hospital (Melbourne)

Brownfield private hospital expansion

Completed in FY24

Knox Private Hospital (Melbourne)

Brownfield private hospital expansion

Completed in FY24

Springfield (Brisbane)

Health hub and nursing college development anchored by Mater

Completed in FY24

Notes:
1. Total capex, including UHF on a 100% basis, since the commencement of the projects.

Development pipeline

HCW has an accretive $540m+ development pipeline[1] which builds upon HCW's significant development track record

Healthscope portfolio

Mount Private Hospital upgrade[2] & CSSD[3] and critical infrastructure works

Underway & Planning in progress

~$50m	~50-100%	6.5-7.5%
Estimated capex	HCW ownership	Target yield on cost

Camden Stages 2/3 (Sydney)

Significant private hospital & health research facility

Planning in progress

~$340m	~31%	6-7%
Estimated capex	HCW ownership[4]	Target yield on cost

Rouse Hill (Sydney)

Greenfield private hospital

Planning in progress

~$150m	100%	6-7%
Estimated capex	HCW ownership	Target yield on cost

Notes:
1. Total capex, including UHF on a 100% basis. 2. $19m committed capex project, scheduled to complete in 2H FY25, fully funded by UHF. 3. Central sterile supply department. 4. HCW current interests in Stages 2 and 3 are 28% and 32%, respectively.

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Financial Results

Springfield (Brisbane)

Earnings summary

1H FY25 FFOpu and DPU of 4.2c, representing +5% growth vs 1H FY24

$m	1H FY24	1H FY25
Property NOI	35.2	29.4
UHF Distribution[1]	4.7	10.0
Responsible entity fees	(4.2)	(3.2)
Other corporate expenses	(1.5)	(1.5)
EBITDA	**34.2**	**34.7**
Net interest expense[2]	(11.7)	(11.2)
FFO	**22.6**	**23.5**
Units on issue (m) (weighted average)	566.4	559.3
FFO per unit (cents)	**4.0**	**4.2**
Distribution per unit (cents)	**4.0**	**4.2**
DPU FFO coverage	100%	100%

FFO

- 1H FY25 FFO of 4.2 cpu
  - Represents +5% growth vs. 1H FY24, primarily driven by contracted rent escalations and development completions

Distribution

- 1H FY25 distribution of 4.2 cpu, representing +5% growth vs 1H FY24
  - Distribution 100% FFO covered

Notes:
1. UHF distribution from first close of UHF in Sep-23 to Jun-24. 2. Net of Interest Income.

Balance sheet

$1.6bn consolidated investment property portfolio

$m	Jun-24	Dec-24
Cash and cash equivalents	19.9	5.5
Trade and other receivables	9.2	8.8
Other assets	10.4	1.2
Assets held for sale[1]	13.2	-
Total current assets	**52.7**	**15.5**
Investment Properties[2]	1,004.0	964.9
Investment in Associate[3]	379.5	371.0
Derivative financial instruments[4]	5.2	2.2
Total non-current assets	**1,388.7**	**1,338.1**
Total assets	**1,441.4**	**1,353.6**
		o
Trade and other payables	29.2	31.7
Distribution payable	11.2	11.6
Total current liabilities	**40.4**	**43.3**
Borrowings[5]	478.0	438.3
Lease liabilities	3.1	3.1
Total liabilities	**521.5**	**484.7**
Net assets	**919.9**	**868.9**
Contributed equity	939.6	927.4
Retained profits	(27.0)	(65.7)
Non-controlling interest	7.3	7.2
Total equity	**919.9**	**868.9**
Units on issue (m)	561.7	550.5
NTA per unit ($)[6]	**1.64**	**1.58**

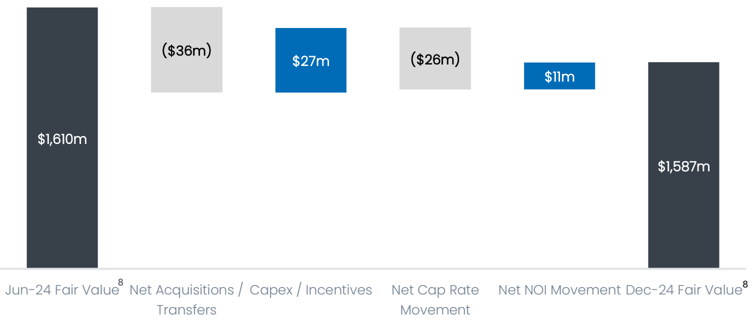
Investment Properties

- Consolidated investment property portfolio of $1.6bn as at Dec-24
- Net of capital expenditure incurred during the period of $27m, valuations remained stable in the 6 months to Dec-24[7]

NTA

- NTA of $1.58/unit as at Dec-24

Portfolio movements



Notes:
Numbers may not add due to rounding. 1. Concord as at Jun-24. 2. Investment properties includes Right-of-Use Assets. 3. Investment in Associate represents HCW's investment in Camden Stages 2 & 3, net of share of profit and HCW's investment in UHF, net of share of profit and distributions. 4. Interest rate swaps. 5. Net of amortised borrowing costs. 6. Inclusive of Non-controlling interest. 7. Excludes straight lining, amortisation and capitalised transaction costs. 8. Represents HCW's investment properties and HCW's interest in Camden Stages 2 & 3 land plus HCW's interest in UHF's investment properties.

Capital management

Gearing at the lower end of the target range

Debt facilities summary ($m)	Jun-24	Dec-24
Liquidity		
Senior facilities undrawn[1]	68.7	109.2
Cash at bank	19.8	5.5
Debt summary		
Maturity	May-26	May-26
Limit	550.0	550.0
Drawn	481.3	440.8

Key debt metrics	Jun-24	Dec-24
Gearing[2]	32.5%	32.4%
Interest coverage ratio (ICR covenant: 1.75x)	2.4x	2.4x
% of debt hedged	78%	85%
Hedged debt tenor (years)	1.9	1.4
Weighted avg. debt cost (% p.a.)[3]	5.5%	5.5%

Asset recycling

- $47m of asset sales settled in H1 FY25 as part of strategy to retain a strong balance sheet
- In addition, Ballarat is expected to settle in April-25

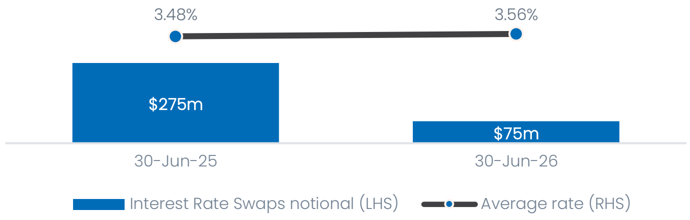
Gearing

- HCW balance sheet gearing of 32.4%; UHF balance sheet gearing of 40.6%
- In compliance with all debt covenants

Hedging

- 85% hedged with average hedged debt tenor of 1.4 years

Interest hedge book



Notes:
1. Excluding uncommitted accordion debt facilities of $300m. 2. Gearing is defined as Borrowings (excluding unamortised debt establishment costs) less Cash and cash equivalents divided by Total Assets less Cash and cash equivalents and ROUA. . 3. Includes swap interest costs and excludes capitalised borrowing costs and commitment fees. Cost of debt as at the end of each reference period.

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05

Outlook & Guidance

Nepean Private Hospital (Sydney)

FY25 outlook and guidance

FY25 guidance reaffirmed

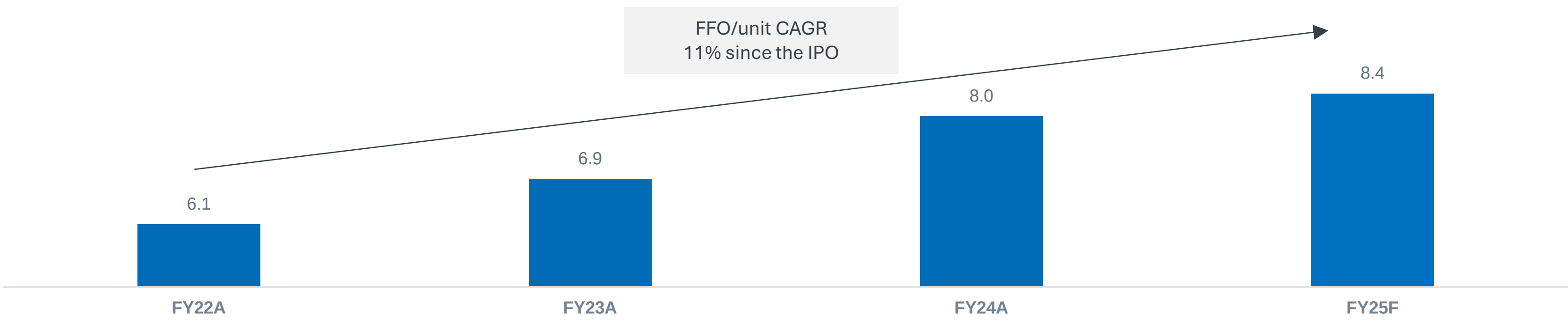
FY25 guidance

- HCW reaffirms its previous FFO/unit and DPU guidance of 8.4 cents. This guidance is based on the continued performance of HCW's portfolio including the contractual obligations of Healthscope

Healthcare real estate sector outlook

- Our conviction in healthcare real estate remains high, with continued growth underpinned by long term structural demand drivers
- The private hospital sector is integral in the provision of healthcare services to the Australian population and provides critical support to the public system, which is consistently operating at above capacity with long waiting lists for care

HCW FFO per unit (cents)[1]



Notes:
1. FY22A annualised.

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Appendix

Supplementary Information

Knox Private Hospital (Melbourne)

HealthCo portfolio

High quality and diversified portfolio with a total value of $1.6bn[1]

Asset	State	Fair Value ($m)	Cap Rate (%)	Site Area (sqm)	WALE (by income)[2]	Occupancy[3]
Private Hospitals						
Camden	NSW	109.1	4.63%	8,036	13.0	100%
The Geelong Clinic	VIC	45.1	5.50%	14,935	14.3	100%
Northpark Private Hospital	VIC	121.0	5.25%	19,630	13.3	100%
Pine Rivers Private Hospital	QLD	56.7	5.50%	9,346	15.3	100%
The Victorian Rehabilitation Centre	VIC	66.5	5.38%	39,408	14.3	100%
Primary Medical						
Ballarat	VIC	37.0	6.50%	39,390	5.2	99.6%
GenesisCare portfolio[4]	QLD, VIC, WA	70.5	5.67%	11,296	7.9	100%
Macquarie Park	NSW	82.2	5.50%	9,731	8.3	100%
Morayfield Health Hub	QLD	103.7	6.00%	17,797	5.1	99.2%
Rouse Hill	NSW	76.9	5.00%	36,100	3.8	100%
Springfield	QLD	38.6	5.38%	31,030	7.9	100%
Vitality Village	QLD	28.7	6.50%	4,636	3.2	100%
Aged Care						
Erina	NSW	42.5	6.25%	33,280	5.7	100%
Gov't, Life Sciences & Research						
Proxima	QLD	83.6	5.88%	3,040	10.2	100%
Total owned properties (Dec-24)		**962.0**	**5.52%**	**277,655**	**9.0**	**99.8%**
Equity Accounted Investments[5]						
Camden Trust 2 & 3	NSW	14.1	n.m.	41,400	n.a.	n.a.
UHF[6]	NSW, VIC, QLD, WA	610.5	5.08%	112,858	14.2	100%
Total HCW Portfolio (incl. investments in JV)		**1,586.6**	**5.35%**	**431,913**	**11.6**	**100%**

Notes:
1. All 1H FY25 metrics as at 31-Dec-24. Includes HCW's share in UHF. 2. By gross income. Includes signed leases and MoUs across all operating and development assets. 3. By GLA. Includes signed leases, MoUs and rental guarantees across operating assets. Excludes development assets. 4. 7 assets; excludes gross up of GenesisCare Urraween ROU asset valued at $2.9m as at Dec-24. 5. Valuation represents proportionate share of assets accounted for as equity accounted investments. 6. UHF includes 7 Healthscope hospital assets.

Additional financial information

FFO reconciliation

$m	1H FY24	1H FY25
Funds from operations (FFO)	22.6	23.5
FFO adjustments:		
Loss on deconsolidation	(26.4)	-
Fair value movements - investment properties	(7.9)	(11.3)
Fair value movements – derivatives	(6.5)	(2.9)
Share of profits of equity accounted investees	21.0	1.4
Distributions from equity accounted investees	(4.7)	(10.0)
Other movements	(3.2)	(16.0)
Statutory profit/(loss)	(5.1)	(15.3)

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