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## **NORTHWEST HEALTHCARE PROPERTIES REAL ESTATE INVESTMENT TRUST DELIVERS STRONG THIRD QUARTER 2019 RESULTS**

TORONTO, November 14, 2019 /CNW/ - NorthWest Healthcare Properties Real Estate Investment Trust (the "REIT") (TSX: NWH.UN), Canada's leading global diversified healthcare real estate investment trust, today announced its results for the three months ended September 30, 2019.

Commenting on the quarter, Paul Dalla Lana, CEO of the REIT, said:

"On top of delivering strong operating results, the REIT also advanced a number of key strategic initiatives, including integrating the \$1.2 billion Healthscope hospital portfolio acquisition, increasing Australian JV capital commitments by \$1.6 billion, and successfully completing more than \$600 million in accretive debt and equity financings.

Meanwhile the REIT continues to see significant opportunities to capitalize on its differentiated healthcare real estate platform, making substantial progress towards attracting an additional \$3.0 billion of institutional capital commitments and identifying a significant pipeline of attractive investment opportunities. Taken together, these initiatives provide the REIT with significant runway and resources to continue to scale its business in both the near and long-term."

### **2019 Third Quarter Financial and Operational Highlights:**

The REIT's strong results derive from a 171 property, \$6.2 billion defensive healthcare infrastructure portfolio having long-term, inflation-indexed net leases with leading healthcare operators as well as a rapidly growing asset management platform with \$3.6 billion of third-party capital commitments, including \$1.6 billion of available capacity.

For the three months ended September 30, 2019, the REIT delivered another quarter of strong financial and operating results with key highlights as follows:

- IFRS revenue increased by 4.7% in Q3 2019 to \$91.1 million from \$87.0 million in Q3 2018 primarily driven by net acquisition activities;
- For Q3 2019, IFRS net income increased to \$17.7 million from a loss of \$28.5 million in Q3 2018;
- FFO per unit for the third quarter 2019 of \$0.23 and \$0.94 on an annualized basis after adjusting for a one-time \$7.5 million debt repayment charge related to the accretive Brazilian refinancing completed during the quarter;
- AFFO per unit for the third quarter 2019 of \$0.22 and \$0.88 on an annualized basis (\$0.92 per unit on a normalized basis);

- Leverage of 45.4% (52.8% including convertible debentures) at the end of Q3 2019. The REIT continues to target a 50% leverage ratio (including converts) and expects leverage to decline towards that target in the medium-term;
- Net asset value per unit of \$11.84 (\$12.06 at current foreign exchange rates), representing a 6.7% increase from Q3 2018 primarily driven by the revaluation of the REIT's ANZ Manager on the back of an incremental \$1.6 billion commitment in respect of the REIT's Australian healthcare joint venture, partially offset by foreign currency movements during the quarter;
- Source currency and Canadian dollar cash recurring SPNOI growth of 3.6% and 2.6%, respectively, in Q3 2019 as compared to Q3 2018;
- Strong portfolio occupancy of 97.1% rising 40 bps from Q4 2018 with the international portfolio holding stable above 98.0% occupancy;
- Relatively strong Canadian dollar, which appreciated 4.0% over the quarter and 4.8% over the last 12 months against the REIT's international currencies.

During the third quarter and subsequent to quarter end, the REIT has continued to execute on expanding institutional capital commitments, advancing low-risk development and expansion projects, completing accretive debt and equity financings and pursuing select accretive acquisitions. Significant achievements included:

- ***Institutional Capital Commitments:*** During the quarter, the REIT entered into an agreement to increase the size of its existing Australian healthcare joint venture by \$1.6 billion of debt and equity bringing the total joint venture commitment to approximately \$3.4 billion (A\$3.7 billion). The REIT also continues to advance on commitments for an additional \$3.0 billion of JV capital in its other international regions which are expected to close before year end.
- ***Acquisitions:*** Year to date the REIT has closed \$1.5 billion of accretive acquisitions including the strategic \$1.2 billion HSO portfolio which was successfully integrated into the REIT's platform during the third quarter. Third quarter acquisition activity includes:
  - Approximately \$90 million of European acquisitions comprising of a German MOB for \$30.9 million and subsequent to quarter-end, an additional German clinic as well as two MOB's in the Netherlands for an aggregate purchase price of \$54.9 million;
  - Approximately \$57 million of Canadian MOB acquisitions including the Cambrian Centre in Calgary, Alberta.
- ***Developments:*** During the quarter, the REIT progressed its earnings and NAV accretive development projects. On a fully consolidated basis the REIT has approximately \$358.3M of projects under construction and a further \$43.5 million of committed projects, expecting to generate incremental stabilized NOI of \$25.6 million between Q4 2019 and Q4 2021. This drives an incremental \$45.7M of value creation on a fully consolidated basis.
- ***Financing:*** The REIT has identified a 50% consolidated LTV target and undertook the following activity during and post quarter-end,
  - On July 31st, the REIT closed a \$172.6 million equity offering (including full exercise of the overallotment option), which was used to repay higher cost debt including the REIT's \$38.8 million, 7.25% Series C convertible debenture maturing October, 2019 and to fund

the equity component of European acquisitions. As a result of the offering, the REIT's leverage declined by 260 basis points.

- o During the quarter and post quarter end the REIT repaid \$435.2 million of debt with a weighted average interest rate ("WAIR") and weighted average term to maturity (WATM) of 5.61% and 1.9 years, respectively and entered into new facilities totaling \$543.0 million with a WAIR and WATM of 3.84% and 6.0 years, respectively, generating \$7.7 million of annualized interest savings on a leverage neutral basis and reducing the REIT's overall WAIR by 57bps to 3.96% and extending overall WATM by 4.1 years.

Looking forward, the opportunities in front of the REIT continue to grow as it benefits from constructive healthcare industry trends resulting in a broader opportunity set. With deep relationships, best-in class regional operating platforms and strong access to public and increasingly attractively priced private capital, the REIT is well positioned to continue executing on accretive growth while prudently managing its balance sheet and delivering long term value for Unitholders.

### **Selected Financial Information:**

<i>(unaudited)</i> <i>(\$000's, except unit and per unit amounts)</i>	<i>Three months ended</i> <i>September 30, 2019</i>	<i>Three months ended</i> <i>June 30, 2019</i>
Number of properties	171	169
Gross leasable area (sf)	13,977,942	13,758,818
Occupancy <sup>(1)</sup>	97.1%	97.2%
Weighted Average Lease Expiry (Years)	13.7	14.0
Net Operating Income	\$69,787	\$70,457
Net Income attributable to unitholders	\$18,562	\$49,613
Funds from Operations ("FFO")	\$26,494	\$31,147
Adjusted Funds from Operations ("AFFO")	\$31,286	\$30,360
Debt to Gross Book Value - Declaration of Trust	45.4%	45.5%
Debt to Gross Book Value - Including Convertible Debentures	52.8%	53.7%

The REIT invites you to participate in its conference call with senior management to discuss our third quarter 2019 results on Friday, November 15, 2019 at 10:00 AM (Eastern).

The conference call can be accessed by dialing by dialing 416-764-8609 or toll-free 1 (888) 390-0605, conference ID# 74911950.

A recording of this call will be made available Friday, November 15, 2019 beginning at 12:30 pm (ET) through to Friday, December 16, 2019. To access the recording, please call 1 (888) 390-0541 or (416) 764-8677 and use the reservation number 473952#.

In conjunction with the release of the REIT's third quarter 2019 financial results, the REIT will post a current investor update presentation to its website where additional information on the REIT's investments and operating performance may be found. Please visit the REIT's website at [www.nwhreit.com/Investors/Presentations](http://www.nwhreit.com/Investors/Presentations)

## **Vital Healthcare Property Trust**

On November 12, 2019, Vital Trust also announced its financial results for the three months ended September 30, 2019. Details on Vital Trust's financial results are available on Vital Trust's website at [www.vitalhealthcareproperty.co.nz](http://www.vitalhealthcareproperty.co.nz)

## **About NorthWest Healthcare Properties Real Estate Investment Trust**

NorthWest Healthcare Properties Real Estate Investment Trust (TSX: NWH.UN) (NorthWest) is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. As at September 30, 2019 the REIT provides investors with access to a portfolio of high quality international healthcare real estate infrastructure comprised of interests in a diversified portfolio of 171 income-producing properties and 14.0 million square feet of gross leasable area located throughout major markets in Canada, Brazil, Europe, Australia and New Zealand. The REIT's portfolio of medical office buildings, clinics, and hospitals is characterized by long term indexed leases and stable occupancies. With a fully integrated and aligned senior management team, the REIT leverages over 200 professionals in nine offices in five countries to serve as a long term real estate partner to leading healthcare operators.

For further information, please contact Paul Dalla Lana, CEO at (416) 366-8300 x 1001.

## **Non-IFRS Measures**

Some financial measures used in this press release, such as Operating Income, adjusted same-property NOI, FFO, AFFO, Normalized AFFO, Net Asset Value per Unit, portfolio occupancy and weighted average lease expiry, are used by the real estate industry to measure and compare the operating performance of real estate companies, but they do not have any standardized meaning prescribed by IFRS. As such, they are unlikely to be comparable to similar measures presented by other real estate companies. These non-IFRS measures are more fully defined and discussed in the REIT's Management's Discussion and Analysis ("MD&A") for the second quarter ending September 30, 2019, which is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Also on SEDAR are the condensed consolidated unaudited interim financial statements of the REIT for the three months ended September 30, 2019.

## **Forward-Looking Statements**

This press release may contain forward-looking statements with respect to the REIT, its operations, strategy, financial performance and condition. These statements generally can be identified by use of forward-looking words such as "may", "will", "expect", "estimate", "anticipate", "intends", "believe", "normalized", "contracted", "stabilized" or "continue" or the negative thereof or similar variations. The REIT's actual results and performance discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations, including that the transactions contemplated herein are completed. Important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulations and the factors described under "Risks and Uncertainties" in the REIT's Annual Information Form and the risks and uncertainties set out in the MD&A which are available on [www.sedar.com](http://www.sedar.com). These cautionary statements qualify all forward-looking statements attributable to the REIT and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release, and, except as expressly required by applicable law, the REIT assumes no obligation to update such statements.