



Community Health Care Trust

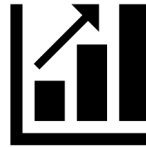
REAL ESTATE INVESTMENT
TRUST (REIT)

Industry Overview (Healthcare)



Sector Segmentation

- Hospitals- 43.4%
- Ambulatory services- 40.2%
- Nursing Homes- 8.7%
- Social assistance- 7.8%



External Drivers

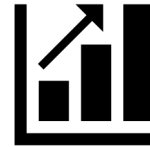
- Net Health Expenditure (NHE)
- Federal Funding (Medicare Medicaid)
- #of people over 65

Understanding healthcare REITs



Healthcare Related Real Estate

- Senior Living Communities
- Hospitals
- Medical Offices
- Research
- Nursing

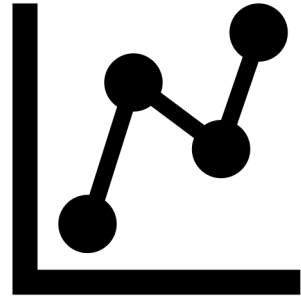


Income Streams

- Leases
- Typically, Triple Net
- Some Self Operated Facilities



Political Risk



Leverage/Interest
Rate Risk



Oversupply
Risk



Tenant Risk

Risks

Company Overview

Founded in 2014

174 Total Properties

91.7% leased (as of Q4 2022)

\$946,183 Gross real estate investments (in thousands)

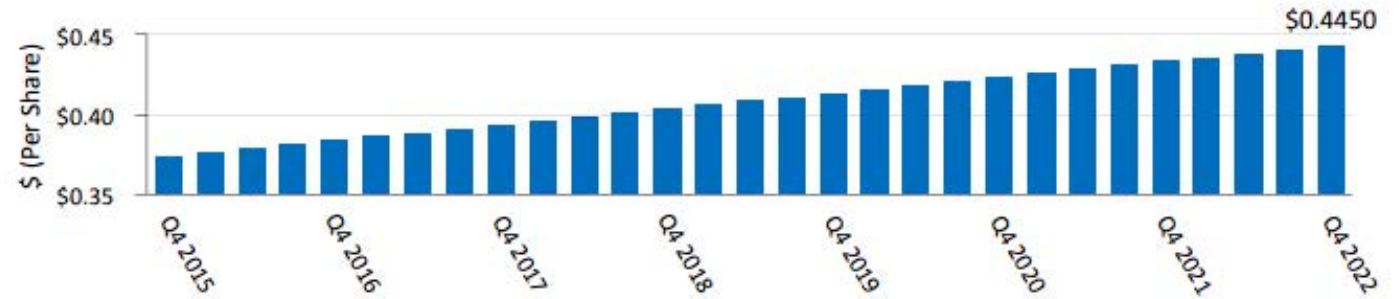
\$12,068 Cash and Cash equivalents (in thousands)

Debt to Total Cap rate 34.8%

4.90% Dividend (Growth Potential)

Good Sentiment

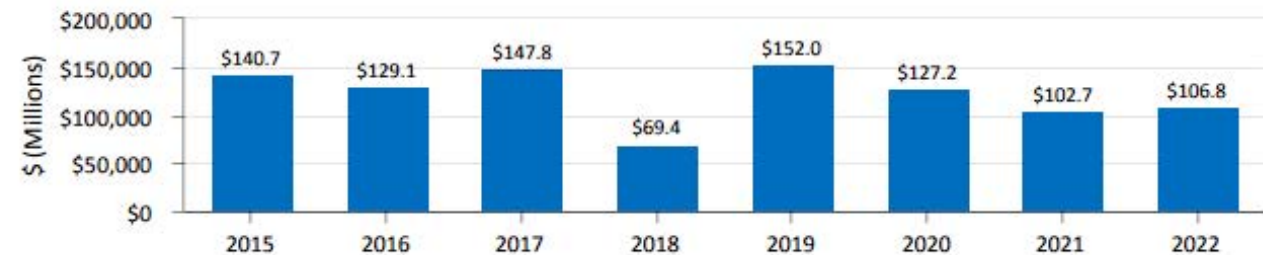
DIVIDENDS



TOTAL SHAREHOLDER RETURN






ANNUAL INVESTMENTS



■ Includes investments in notes receivable.

Company Overview (Cont.)

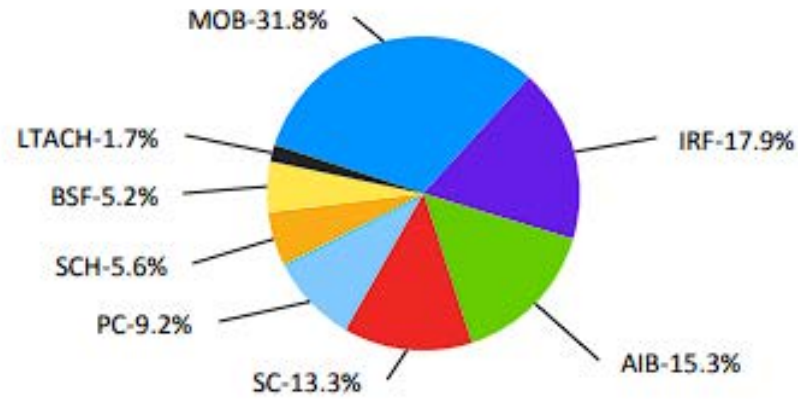
| Past Five Years Ending 12/31/2022 (Fiscal Year) | | |
|--|-------------------------|-------------------------------|
| Revenue +20.17% | Net Income +94.73% | Earnings Per Share +45.11% |
| Capital Spending +25.54% | Gross Margin +81.54% | Cash Flow +30.20% |

| Transaction Summary Total Insider Purchases and Sales Reported to the SEC | | |
|--|-------------------------|--|
| Timeframe | Transactions | Shares |
| Last 3 Months | 8 Purchases 0 Sales |  122,462 0 |
| Last 6 Months | 9 Purchases 0 Sales |  122,498 0 |
| Last 12 Months | 29 Purchases 0 Sales |  337,431 0 |

Diversity

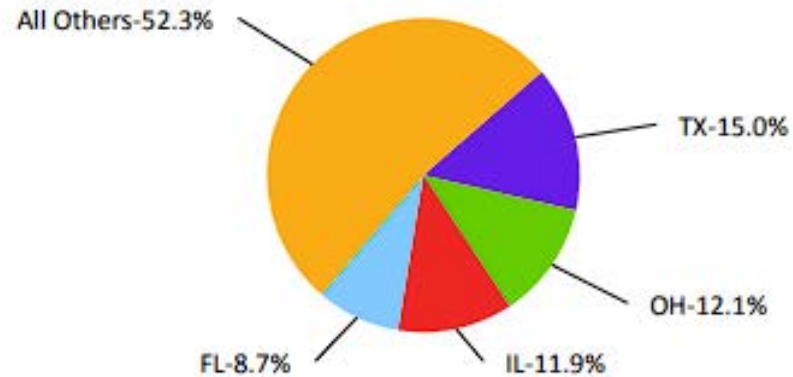
Heavy Exposure to a variety of Healthcare sectors

DIVERSIFICATION BY PROPERTY TYPE



| Property Type | Annualized Rent (%) |
|---|---------------------|
| Medical Office Building (MOB) | 31.8 % |
| Inpatient Rehabilitation Facilities (IRF) | 17.9 % |
| Acute Inpatient Behavioral (AIB) | 15.3 % |
| Specialty Centers (SC) | 13.3 % |
| Physician Clinics (PC) | 9.2 % |
| Surgical Centers and Hospitals (SCH) | 5.6 % |
| Behavioral Specialty Facilities (BSF) | 5.2 % |
| Long-term Acute Care Hospitals (LTACH) | 1.7 % |
| Total | 100.0 % |

DIVERSIFICATION BY STATE



| State | Annualized Rent (%) |
|---------------------------|---------------------|
| Texas (TX) | 15.0 % |
| Ohio (OH) | 12.1 % |
| Illinois (IL) | 11.9 % |
| Florida (FL) | 8.7 % |
| All Others (Less than 4%) | 52.3 % |
| Total | 100.0 % |

Comparison

| Community Healthcare | Care Trust | Medical Properties |
|------------------------------|---|---|
| Market Cap: \$941.33M | Market Cap: \$1.95B | Market Cap: \$4.90B |
| Debt/Equity: 0.71 | Debt/Equity: 0.85 | Debt/Equity: 1.19 |
| Dividend: 4.90% | Dividend: 5.68% | Dividend: 14.04% |
| Diversified healthcare REIT. | More Niche focus on assisted Living and independent living. | Focuses mainly on large Hospitals |
| | | Issues with large clients (Prospect Medical.) As well as large sensitivity to rate hikes. |

Finances

NET OPERATING INCOME (NOI)

NET OPERATING INCOME

| | | | | | |
|---|--|--|--|--|--|
| Net income | | | | | |
| General and administrative | | | | | |
| Depreciation and amortization | | | | | |
| Gain on sale of depreciable real estate | | | | | |
| Interest expense | | | | | |
| Deferred Income tax expense (benefit) | | | | | |
| Interest and other income, net | | | | | |

NOI

| Three Months Ended | | | | | |
|---|------------------|------------------|------------------|------------------|--|
| 4Q 2022 | 3Q 2022 | 2Q 2022 | 1Q 2022 | 4Q 2021 | |
| (Unaudited; Dollars and shares in thousands, except per share data) | | | | | |
| \$ 5,238 | \$ 5,673 | \$ 5,584 | \$ 5,524 | \$ 6,113 | |
| 4,149 | 3,762 | 3,610 | 3,316 | 3,155 | |
| 8,317 | 8,003 | 8,077 | 7,942 | 7,825 | |
| — | — | — | — | (237) | |
| 3,464 | 3,028 | 2,755 | 2,626 | 2,789 | |
| 21 | 21 | 16 | (17) | 63 | |
| (3) | (7) | (55) | (1) | (1) | |
| <u>\$ 21,186</u> | <u>\$ 20,480</u> | <u>\$ 19,987</u> | <u>\$ 19,390</u> | <u>\$ 19,707</u> | |

EBITDAre and ADJUSTED EBITDAre

EBITDAre

| | | | | | |
|---|--|--|--|--|--|
| Net income | | | | | |
| Interest expense | | | | | |
| Depreciation and amortization | | | | | |
| Deferred Income tax expense (benefit) | | | | | |
| Gain on sale of depreciable real estate | | | | | |

EBITDAre

| | | | | | |
|---|--|--|--|--|--|
| Non-cash stock-based compensation expense | | | | | |
|---|--|--|--|--|--|

ADJUSTED EBITDAre

ADJUSTED EBITDAre ANNUALIZED ⁽¹⁾

| | | | | | |
|------------------|------------------|------------------|------------------|------------------|--|
| \$ 5,238 | \$ 5,673 | \$ 5,584 | \$ 5,524 | \$ 6,113 | |
| 3,464 | 3,028 | 2,755 | 2,626 | 2,789 | |
| 8,317 | 8,003 | 8,077 | 7,942 | 7,825 | |
| 21 | 21 | 16 | (17) | 63 | |
| — | — | — | — | (237) | |
| <u>\$ 17,040</u> | <u>\$ 16,725</u> | <u>\$ 16,432</u> | <u>\$ 16,075</u> | <u>\$ 16,553</u> | |
| 2,645 | 2,464 | 2,184 | 2,122 | 1,997 | |
| <u>\$ 19,685</u> | <u>\$ 19,189</u> | <u>\$ 18,616</u> | <u>\$ 18,197</u> | <u>\$ 18,550</u> | |
| <u>\$ 78,740</u> | | | | | |

Evaluation

| Price per share calculation (FAD Method) | |
|--|--------------|
| Funds from operations | 54,621.00 |
| Add: non real estate d/a | 10,320.00 |
| Add: financing amortization | - |
| Less: Straight Lines rent & Other | (3,444.00) |
| less: CAP EX | 10,376.00 |
| Funds Available for distribution | 58,009.00 |
| shares outstanding | 26,024.90 |
| FAD per share | 2.23 |
| Multiply by 16.9 | 37.67 |



- Current Price: \$36.31
- About 4% **UNDERVALUED**

Recommend

BUY \$50,000

- Strong Finances
- More Recession Safe
- Strong Dividend Growth Potential

EXIT STRATEGY

- Long-term Hold (Income)
- Sell if price drops below \$32.02
- Sell if price is above \$45.20