

## RAM ESSENTIAL SERVICES PROPERTY FUND (ASX CODE: REP) ASX Release

19 February 2025

# TRADING UPDATE: CAPITAL RECYCLING ON TRACK WITH KEY ACQUISITION OF RAMSAY-ANCHORED CAIRNS SURGERY AND SALE OF THREE ASSETS

RAM Essential Services Property Fund (ASX: REP) is pleased to provide a further update on its transformative capital recycling strategy as addressed in our December 2024 announcement.

We are pleased to announce the acquisition of Cairns Day Surgery, anchored by ASX-listed Ramsay Health Care, at a value of \$23m<sup>1</sup> and the unconditional sale and successful divestment of three further assets, which bring cumulative total asset sales to \$119m at a cumulative yield of ~5.7%.

This capital recycling activity continues to support the transition to high-quality healthcare and positions the portfolio for accretive acquisitions, diversifying and enhancing the quality of our tenancy base.

#### Key points:

- The acquisition of Cairns Day Surgery has been secured and is now unconditional. The asset is fully leased and largely complemented by net leases.
- The deal allows RAM to further expand its relationship with Ramsay Health Care, Australia's
  largest private hospital operator, which is a new covenant to the REP portfolio. RAM has
  undertaken early review of value-add and development opportunities for this asset to be
  implemented over the medium-term.
- The disposal of Bowen Hills Fertility Clinic in Brisbane has settled; while the divestments of Parkwood Family Practice and Highlands Health Centre on the Gold Coast have reached unconditional status. The gross sale price of these three ex-growth assets is \$27.4 million.
- Post settlement and dispositions, the fund WALE will increase to 6.9 years.
- A further \$100m of private surgical hospitals and healthcare acquisitions are in exclusive due diligence anchored by leading private hospital operators, and global medical and life sciences groups. The introduction of these major tenants will play a key role in further diversifying the portfolio.
- As previously announced, work on the sell down of retail assets continues with a cumulative total of \$75.6 million divested since September 2023.



• The capital recycling programme is ahead of schedule and now includes eleven divestments, totalling \$119 million at a cumulative yield of ~5.7%. The divestments have provided the liquidity necessary for REP's migration to high-quality healthcare assets.

Matthew Strotton, RAM Executive Director and Head of Real Estate, highlighted REP's ongoing commitment to delivering on its strategic objectives.

"We have remained proactive in this market, and continued to access liquidity through the cycle having divested eleven assets totalling \$119 million. This has enabled us to pursue targeted, accretive acquisitions that strengthen tenancy profile and fund duration. We are committed to growing REP's portfolio in a way that delivers enhanced tenant quality, sustainable income and longer-term value for our investors."

As part of its ongoing review of potential acquisition opportunities, RAM is seeking to identify or introduce further value-add projects.

"We will continue to pursue selective acquisitions and importantly, look to activate value-add alternatives as capital market conditions continue to improve. New acquisitions may provide for more value-add upside, like Cairns," Mr Strotton said.

During the divestment and acquisition activity, RAM has continued its discipline in capital management, retaining a healthy balance sheet with leverage still in the target range of early to mid-30%.

Scott Kelly, Group CEO of RAM, emphasised that RAM's approach aligns with investors' expectations, and underscores REP's long-term stated objectives.

"Our investor base has asked us to deliver a focused, healthcare-centric portfolio that not only diversifies risk but also enhances tenant quality. Through proactive asset recycling and prudent investment decisions, we're positioning REP as a truly healthcare-led REIT with a stable, attractive and tax-effective income stream, in line with these expectations," Mr Kelly said.

1. Acquisition details remain confidential until settlement



This announcement is authorised to be given to ASX by Andrew Petrik, Company Secretary

## END

#### For further information, please contact:

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## About RAM Essential Services Property Fund (ASX: REP)

RAM Essential Services Property Fund (REP) is a stapled real estate investment trust listed on the ASX. REP consists of a geographically diversified and defensive portfolio of medical and essential retailbased properties, underpinned by a high-quality tenant profile including leading national supermarkets and private hospital operators, and offers growth opportunities through significant value-add development potential. REP's objective is to provide Securityholders with stable and secure income with the potential for both income and capital growth through exposure to a high quality, defensive portfolio of assets with favourable sector trends.

RAM Property Funds Management Limited (ABN 28 629 968 163, AFSL 514484) as responsible entity of RAM Australia Retail Property Fund (ARSN 634 136 682) and RAM Australia Medical Property Fund (ARSN 645 964 601), of address Suite 15.01, Level 15, Chifley Tower, 2 Chifley Square, Sydney, NSW, 2000.