Announcement

26 May 2026

Australian Unity Healthcare Property Trust (Trust) – ARSN 092 755 318

Planned divestment of assets to facilitate liquidity

Australian Unity Funds Management Limited (AUFM) in its capacity as responsible entity of the Australian Unity Healthcare Property Trust today announces that it intends to divest selected assets with a forecast value in excess of $600 million[1] to support balance sheet strengthening and a reduction in gearing.

The assets identified for divestment include Peninsula Private Hospital (Peninsula Private), a high-grade hospital asset located at 525 McClelland Drive, Langwarrin, Victoria as well as a number of select non-strategic assets. These proposed divestments remain subject to market conditions and value realisation opportunities.

Strategic rationale for the divestments

AUFM undertook a comprehensive review of the Trust's capital management options, taking into account its financial position and the current macroeconomic environment.

As part of this process, a range of funding alternatives were considered, including equity issuance. Given the increased cost of raising equity, driven by higher interest rates and ongoing market volatility, AUFM has identified that the proposed divestment of select Trust assets that are accretive to Fund earnings and/or where value has been maximised will represent the most efficient source of capital.

While recognising the strategic quality and long-term attractiveness of Peninsula Private, AUFM believes the proposed sale represents a disciplined capital allocation decision and is in the best interests of unitholders.

Use of proceeds

As at the date of this announcement, it is anticipated that proceeds from the divestments (net of transaction costs) will initially be applied to reduce debt. This is intended to lower gearing, enhance financial flexibility and help support the continued provision of liquidity to unitholders. In due course, capital may be redeployed to fund the Trust's development and acquisition pipeline.

Portfolio

AUFM actively reviews and seeks to optimise the Trust's portfolio over time. The Trust's $3.2 billion portfolio has occupancy of 94.5% and a weighted average lease term of 16.7 years as at 31 March 2026.

[1] Based on a forecast valuation at 31 May 2026.

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Asset valuations

AUFM expects asset valuations have moderated in line with current market conditions, particularly reflecting the impact of higher interest rates on valuation benchmarks and investor return expectations. Updated property valuations will be provided imminently and are currently anticipated to be lower, in the order of 3% to 5% compared to the portfolio book value immediately prior to valuation.

The largest value movement is expected to come from core hospital assets, where the spread between property investment metrics and bond yields is most compressed. Limited valuation impact is expected across medical centres, medical office and the aged care subsectors within the portfolio which is underpinned by strong buyer demand and recent transactional evidence.

Withdrawal requests

Withdrawal requests for this quarter can be lodged or withdrawn up to 3:00pm on Thursday 28 May 2026.

More information

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