



## Investor Presentation

February 2021

# At a Glance

## Community Healthcare Trust, Inc.

NYSE: CHCT

### Market Data

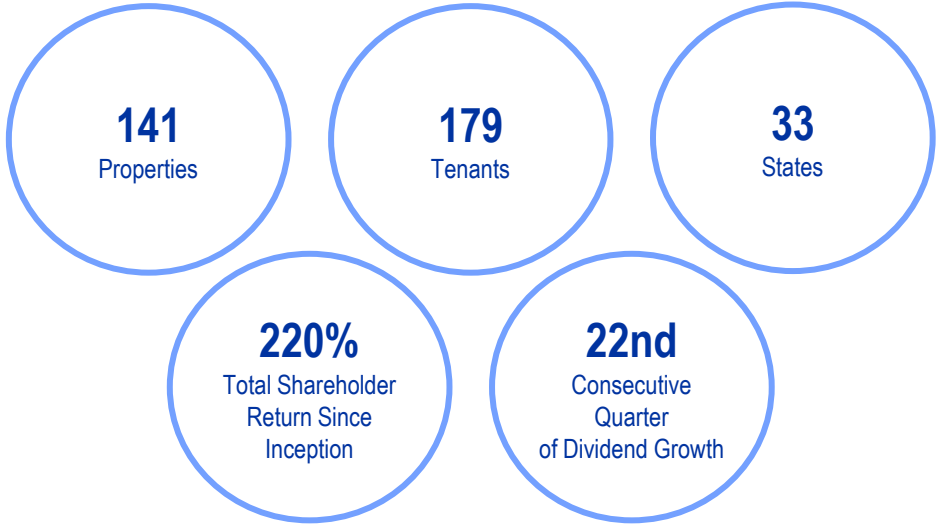
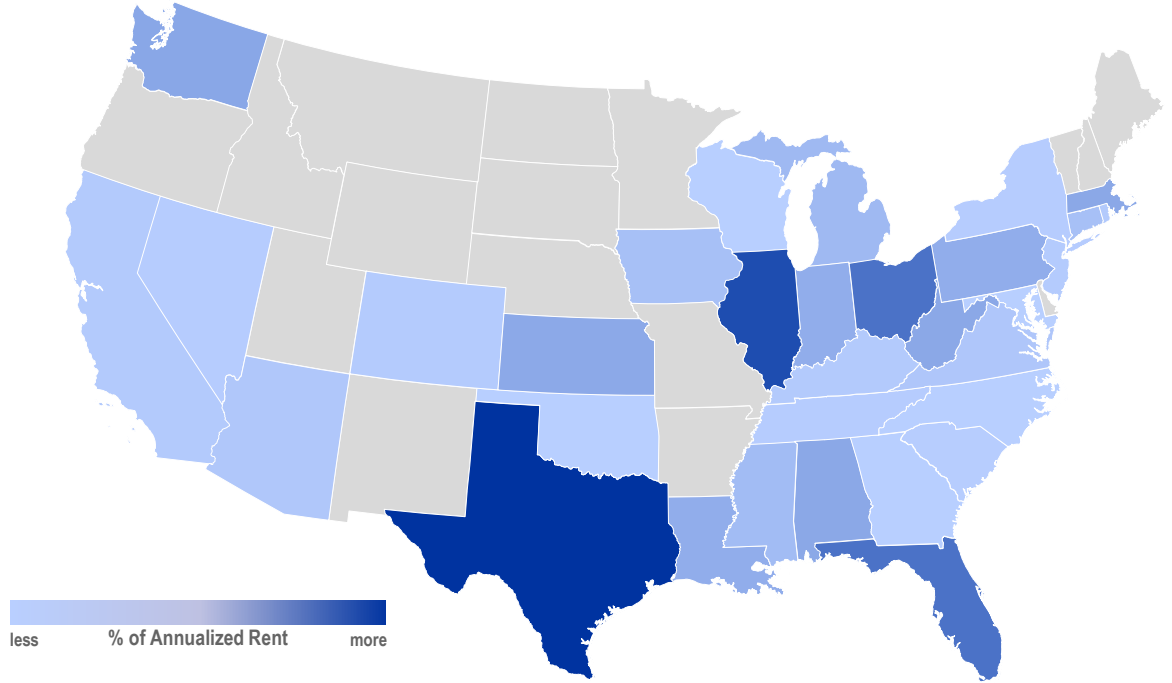
(as of 12/31/20)

Closing Price: \$47.11

52 Week Range: \$52.33 / \$20.12

Market Cap: \$1,125.4 million

Enterprise Value: \$1,334.8 million



# CHCT Offers a Unique Value Proposition

## Attractive Market

- Long-term industry growth tailwinds continue to drive demand and increase healthcare expenditures
- Government and commercial payors are seeking a lower cost site of care to deliver healthcare more efficiently
- Significant opportunities exist to develop and acquire high quality assets at attractive yields



## Strategic Vision

- Emphasis on smaller, off-market or lightly marketed transactions
- Identify needs-based, medical office, outpatient and alternate site facilities in targeted submarkets convenient to the population
- Utilize extensive relationships with healthcare providers, intermediaries and property owners to source attractive acquisitions



## Disciplined Approach

- Acquisitions must meet rigorous underwriting and return requirements – no growth for the sake of growth
- Investment policy requires portfolio diversification by geography, industry segment, and tenant
- A conservative, easy to understand debt structure and balance sheet



## Management Alignment

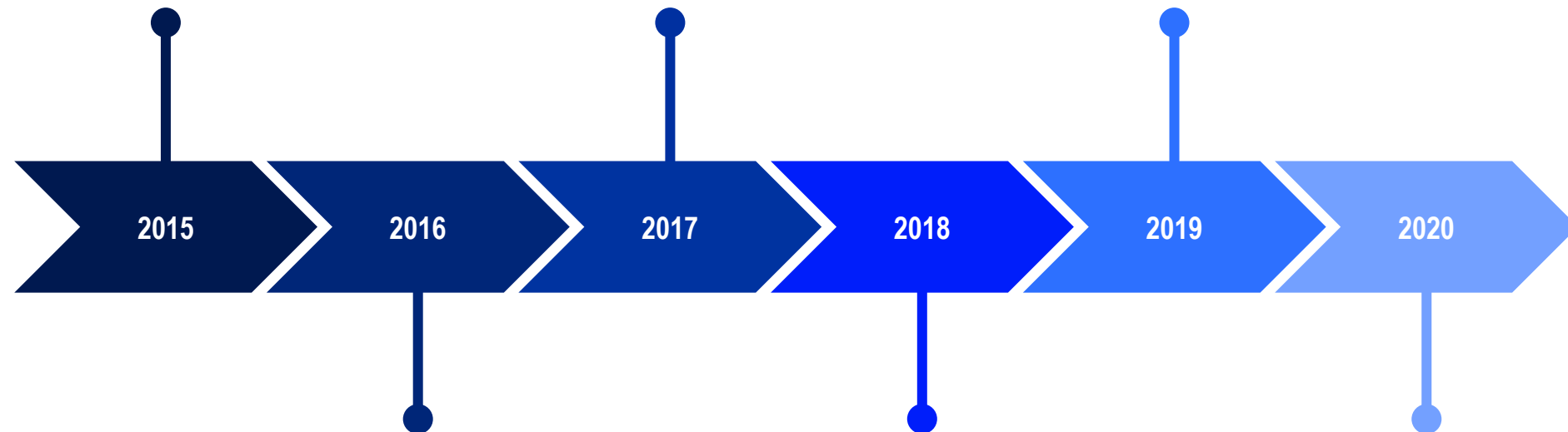
- Executive Management team each with over 25 years of healthcare and/or public REIT experience
- The Executive Officers have elected to take ALL compensation in the form of restricted stock with 8-year cliff vesting – strong alignment of interest with shareholders
- Tim Wallace, CEO, has acquired over 318,000 of additional shares through offerings and 10b5-1 programs



# Track Record of Consistent Growth

## Annotated Timeline of Key Milestones

- **May 2015** – Community Healthcare Trust Inc. announced the pricing of its initial public offering of 6,250,000 shares of common stock at a price of **\$19.00**
- **July 2017** – Announced the pricing of a public offering of 4,250,000 shares of common stock at a price of **\$23.45**
- **June 2019** – Surpassed **\$500mm** in total gross real estate properties
- **August 2015** – Declared its inaugural dividend of **\$0.142** per share
- **December 2017** – Community Healthcare Trust added to the **RMZ** and **S&P SmallCap 600 Index**
- **November 2019** – Surpassed **\$100mm** of cumulative dividends paid

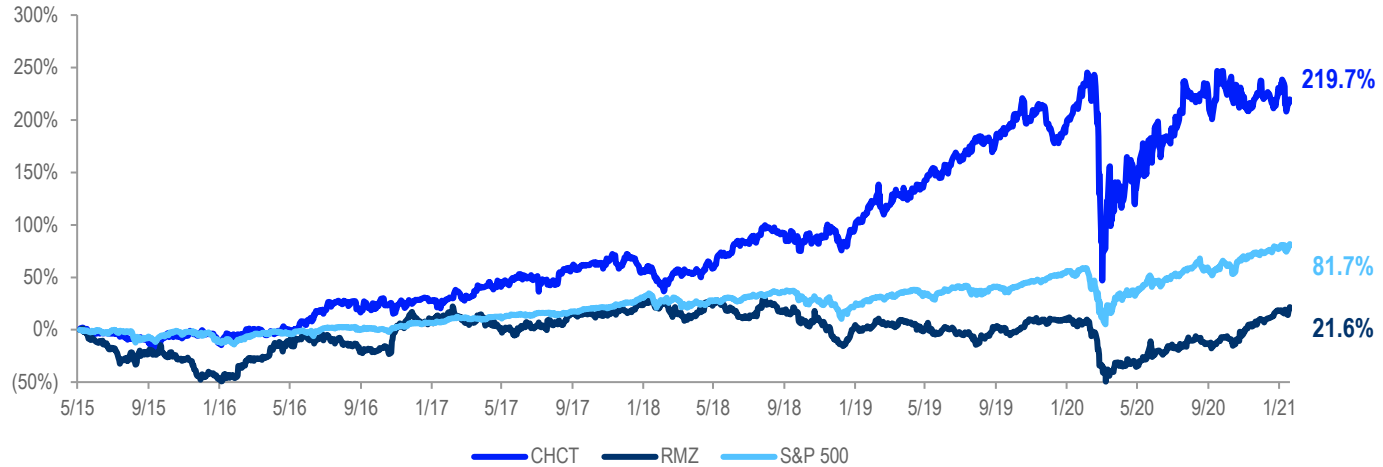


- **April 2016** – Announced the pricing of a public offering of 4,500,000 shares of common stock at a price of **\$17.75**
- **March 2018** – Amended credit facility to reduce pricing, fully funded its second term loan, and entered into a swap from floating to fixed on each of its term loans
- **February 2020** – Surpassed **\$1bn** in market capitalization
- **August 2016** – Entered into an amended and restated credit facility increasing revolver borrowing capacity from **\$75mm – 150mm**
- **August 2018** – Established initial **\$100mm** ATM program
- **December 2020** – Surpassed **\$738mm** in total gross real estate properties

# Track Record of Consistent Growth (cont.)

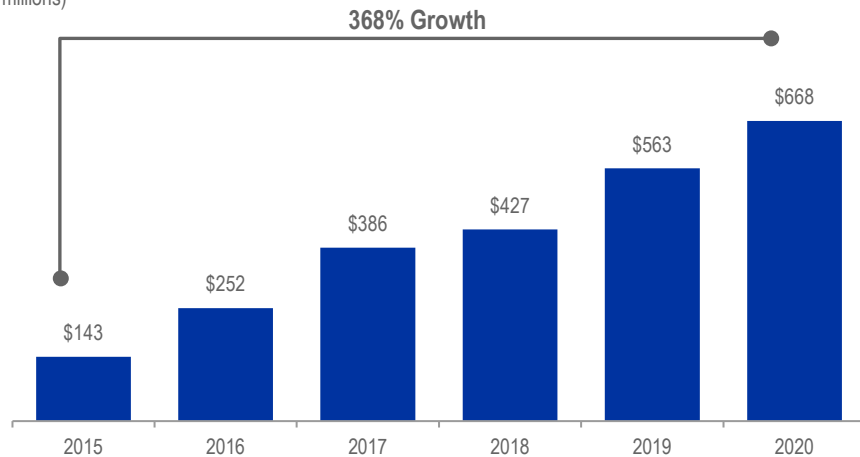
Community Healthcare Trust has delivered exceptional value to its shareholders since its IPO in 2015

## Total Shareholder Return Since Inception



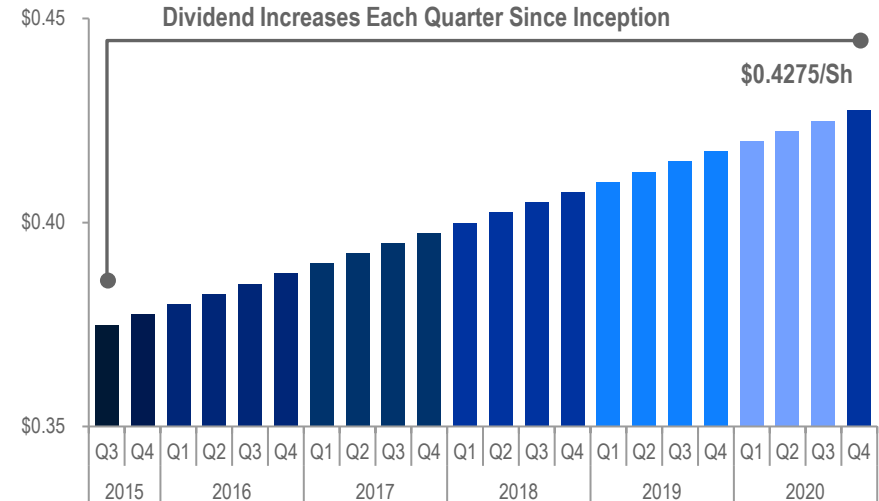
## Total Asset Growth

(\$ in millions)



## Consistent Dividend Growth

Dividend Increases Each Quarter Since Inception



# Strategic Investment Model

CHCT's proprietary investment model identifies off-market properties and quality operators at attractive cap rates

## 1. Undervalued Asset Niche

- Acquisition focus on smaller off market or lightly marketed transactions
- Avoid acquiring properties through a competitive bidding process
- Focus on attractive properties from third-party owners or directly with healthcare providers

## 2. Active Asset Management

- Staggered lease maturities provide opportunity to continuously mark rental rates to market
- Utilize internal asset management team as well as in-market property liaisons to handle tenant needs

## 3. Portfolio Diversification

- Properties are diversified across tenant, geography, healthcare facility type and industry segment
- Internal Investment guidelines limits concentration among these segments

### Representative Companies



### Representative Asset Classes

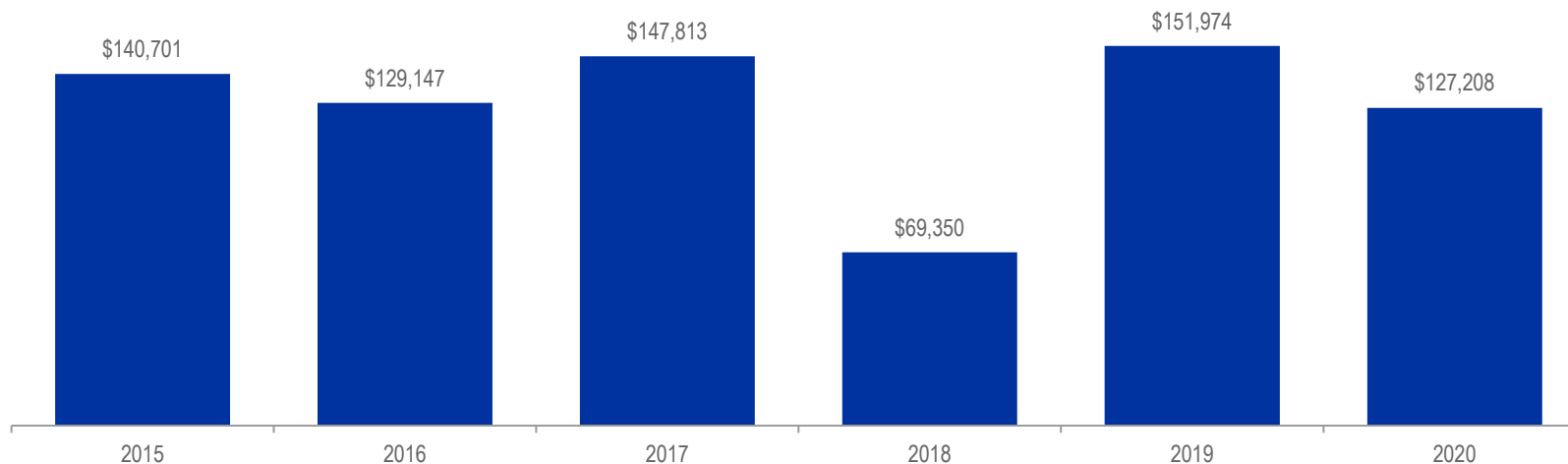
Acute In-Patient Behavioral Facilities	Physician Clinics
Behavioral Specialty Centers	Specialty Centers
Inpatient Rehabilitation Facilities	Long-Term Acute Care Hospitals
Medical Office Buildings	Surgical Centers and Hospitals

# Strategic Investment Model (cont.)

## Recent Acquisition and Investment Pipeline

### Annual Investments

(\$ in millions)



### Investment Pipeline

- During the first quarter of 2021, through February 16, 2021, the Company acquired 4 properties for an aggregate purchase price of approximately \$17.8 million and cash consideration of approximately \$17.9 million. The facilities were 100% leased in the aggregate with lease expirations through 2036. Concurrent with the acquisitions, the Company entered into a \$6.0 million term loan and a revolver loan up to \$4.0 million with the tenant on two of these properties
- Two properties under definitive purchase agreements for an aggregate expected purchase price of \$42.0 million, to be acquired after completion and occupancy. Expected aggregate returns of 9.1%. Expect to close on these properties during the first quarter of 2021
- One property under definitive purchase agreements for an expected purchase price of \$4.4 million. Expect to close on this property in the first quarter of 2021
- Currently negotiating and performing due diligence procedures customary for these types of transactions

# Diversified and Stable Portfolio

Portfolio is spread across 33 states through a wide range of operators and facility types

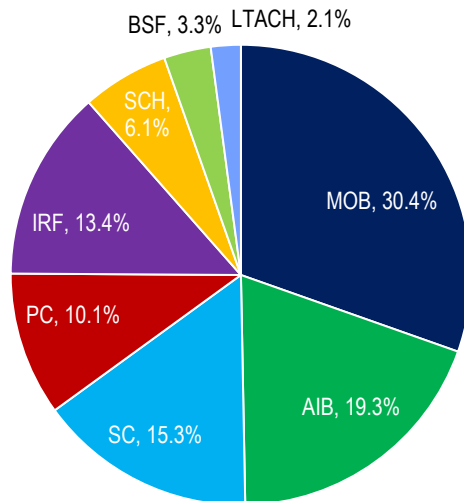
## Diversification by Property Type & Tenant

As of December 31, 2020, the portfolio was leased to approximately 179 separate tenants

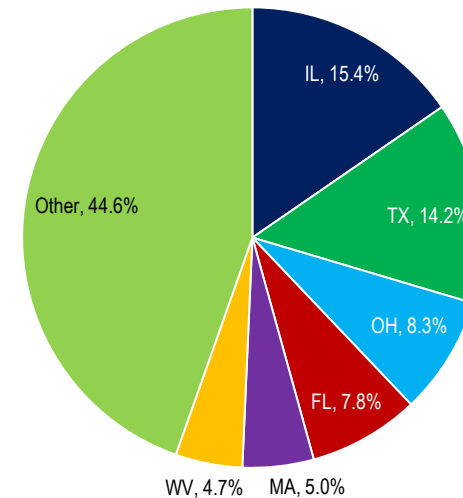
- Top 4 tenants account for 29.9% of annualized rent

Tenant	Number of Properties	Annualized Revenue <sup>(1)</sup>	% of Annualized Rent
US Healthvest	3	\$7,543	11.1%
Everest Rehabilitation	3	\$6,367	9.4%
Genesis Care	9	\$3,342	4.9%
Summit Behavioral Healthcare	1	\$3,015	4.5%
All Others (less than 4%)	125	\$47,577	70.1%
<b>Totals</b>	<b>141</b>	<b>\$67,844</b>	<b>100.0%</b>

## Diversification by Property Type



## Diversification by State



(1) Annualized revenue was calculated by multiplying base rent for the month of September 2020 by 12



# Experienced Management Team

## Timothy G. Wallace

### Chief Executive Officer & President

Founder May 2015

- Athena Financial Partners, Owner, Founder and President
- Healthcare Realty (NYSE: HR), Co-Founder and CFO
- Ernst & Young, Senior Manager; Arthur Anderson & Co., Manager
- Bachelor of Science & Masters in Business Administration: Western Kentucky University

## David H. Dupuy

### Executive Vice President & Chief Financial Officer

Joined May 2019

- SunTrust Robinson Humphrey, Managing Director, Healthcare Investment Banking Group
- Bank of America, SVP - Healthcare Group
- Bachelor of Arts & Master of Business Administration: Furman University and Vanderbilt University, respectively

## Leigh Ann Stach

### Executive Vice President & Chief Accounting Officer

Founder May 2015

- Healthcare Realty (NYSE: HR), VP - Financial Reporting
- Hospital Corporation of America, Senior Accountant - Financial Reporting
- Bachelor of Science in Accounting: Western Kentucky University

## Alignment of Interest Program

### *Designed to incent management retention and focus on long-term growth and profitability*

- Each Named Executive Officer has elected to take 100% of their salary, bonus, and incentive compensation in stock with an 8-year cliff vesting
- All employees are shareholders in the Company
- Restricted shares are subject to forfeiture in the event of voluntary termination

## Executive Incentive Program

### *Solely determined at the discretion of the Compensation Committee*

- Metrics include one- and three-year total shareholder return relative to the Company peer group
- Vesting schedules range from three, five, and eight years depending on the election
- Restricted shares are subject to forfeiture in the event of a voluntary termination

# Strong Corporate Governance

## Board of Directors

### Alan Gardner - Lead Independent Director

- Retired Senior Relationship Manager healthcare group - pharmaceutical, medical device and services sectors for companies with market caps greater than \$5 billion – Wells Fargo
- Former head of healthcare lending – Fleet Boston Financial
- Former Managing Director Healthcare Group – Banc of America Securities

### Robert Hensley - Chairman of Audit Committee

- Senior advisor to healthcare and transaction advisory services groups - Alvarez and Marsal
- Former Partner – Ernst & Young
- Former Partner and Office Manager Partner – Arthur Andersen
- Board of Directors – Diversicare (NASDAQ: DVCR)

### Claire Gulmi - Chairperson of Compensation Committee

- Retired Executive VP and CFO – Envision Healthcare
- Former Executive VP and CFO – AmSurg Corp
- Former CFO - Jacques-Miller Inc. – real estate company
- Former Board Member of AmSurg Corp; AirMethods and Bank of Nashville; serves on the advisory Board of Belmont University's Massey Graduate School of Business; and serves or has served on several local not-for-profit or private company Boards

### R. Lawrence Van Horn - Chairman of Governance Committee

- Executive Director of Health Affairs – Vanderbilt University
- Associate Professor of Economics & Management - Vanderbilt University
- Co-Director of healthcare fellows program - Vanderbilt University
- Former director of the Institute for Health Care Management and Associate Professor of Economic Management-William E. Simon Graduate School of Business, The University of Rochester
- Council Capital (CEO Council Committee); Experience Wellness (Board Chair); Harrow Health (Board Member)

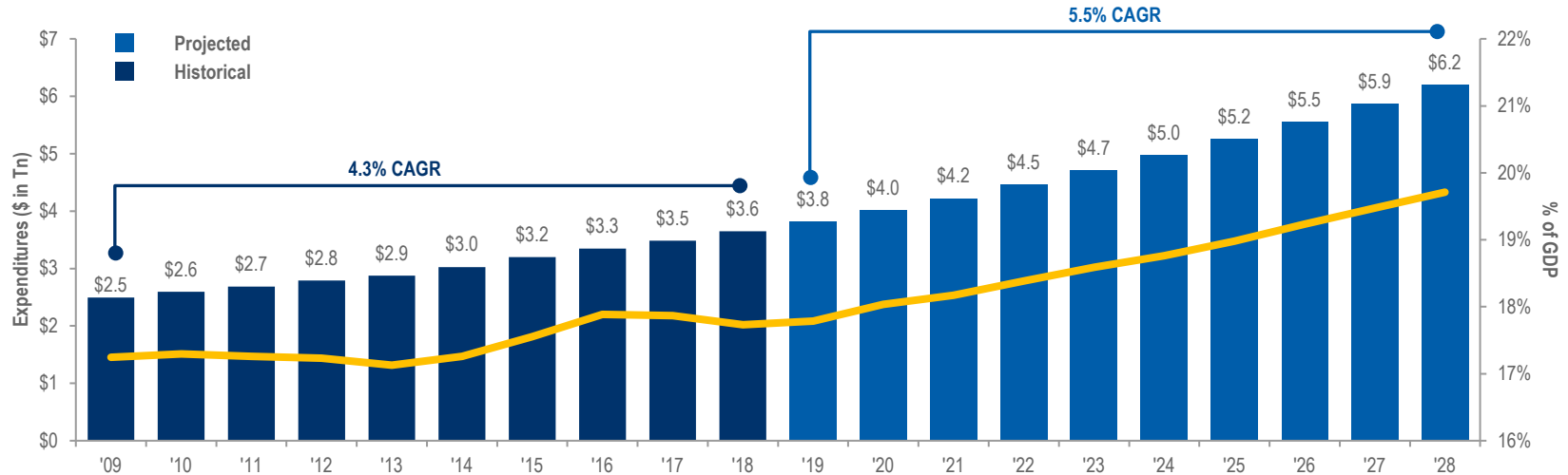
## Key Governance Provisions

- **Annual election of all board members**
- **No stockholder rights plan and restrictions in place to prevent one in the future**
- **Opted out of Maryland anti-takeover provisions and restrictions in place to prevent future opt-in**
- **Insiders do not control enough votes to veto a merger or business combination**
- **Stockholder vote required to approve amendment to bylaws**
- **Only one non-independent director**
- **Stockholder proxy access for director nominations**

# Healthcare Industry Tailwinds

## Aging U.S. Population Drives Healthcare Expenditures

### Healthcare's Growing Importance

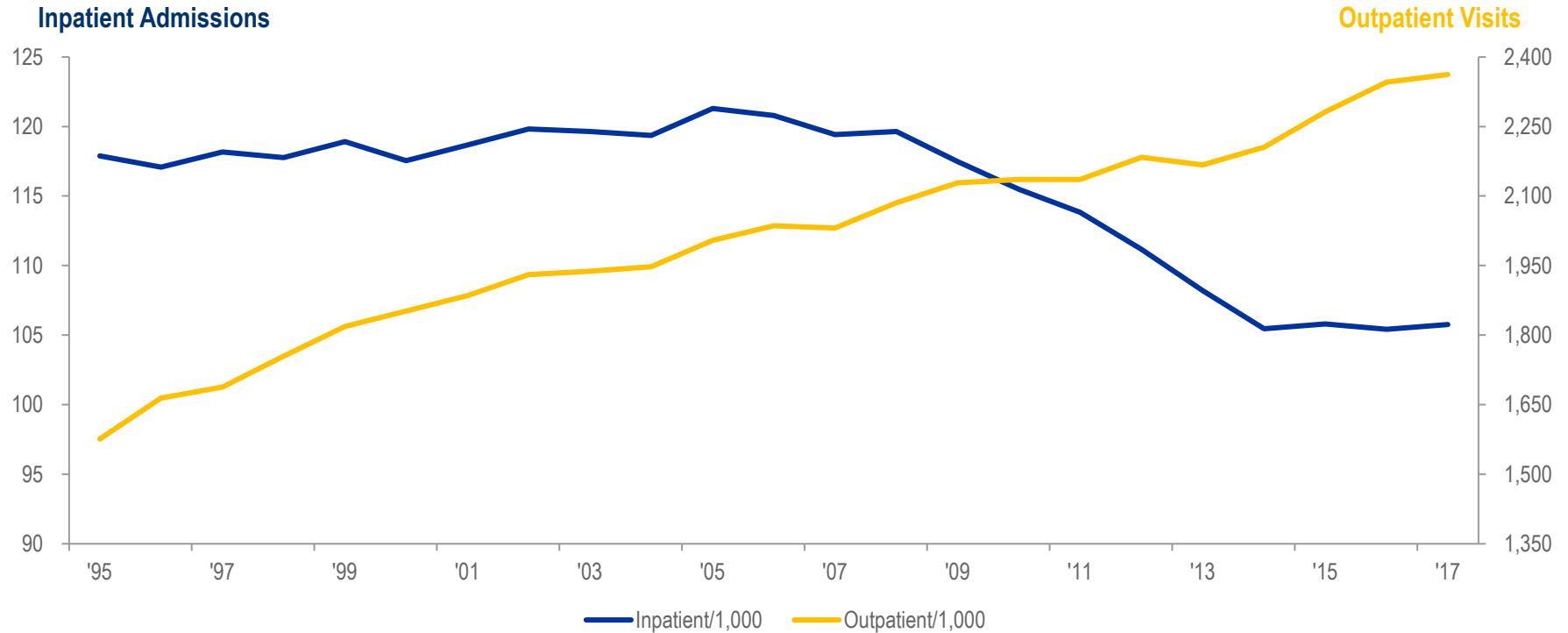


### Commentary

- Healthcare spending accounted for 17.7% of US Gross Domestic Product (GDP) in 2018
  - Projected to grow from \$3.6Tn in 2018 to reach \$6.2Tn by 2028
  - Represents a 5.5% average annual growth rate and a projected 19.7% of GDP by 2028
- The U.S. 65+ age group is growing faster than the country's population
  - Grew by 34.2% during the past decade, and by 3.2% from 2018 to 2019
  - ~10,000 Baby Boomers turn 65 every day
  - By 2030, there will be over 95 million people in the U.S. aged 65+, representing ~23% of the entire population
- ~90% of adults aged 65+ have one of more chronic conditions
- ~25% of Baby Boomers expect to live past the age of 90, which will lead to an increase in medical spending
  - Per person personal health care spending for the 65+ population was \$19,098 in 2014, over 5 times higher than spending per child (\$3,749) and almost 3 times the spending per working-age person (\$7,153)

# Healthcare Industry Tailwinds (cont.)

## Technology, Cost, and Consumer Preference Shift Delivery of Care



## Commentary

- Procedures traditionally performed in acute care hospitals are increasingly moving to specialty and outpatient facilities
- Studies show that outpatient visits per 1,000 have grown 49.7% from 1995-2017, whereas inpatient admissions per 1,000 have declined 10.4%
- Shift can be linked to advances in clinical science, technology, pain management, improved medical protocols, shifting consumer preferences, limited or inefficient space in existing hospitals, and lower costs in the outpatient environment
- This continuing shift increases the need for additional outpatient facilities and smaller, more specialized hospitals and rehabilitation facilities

# Conservative Balance Sheet

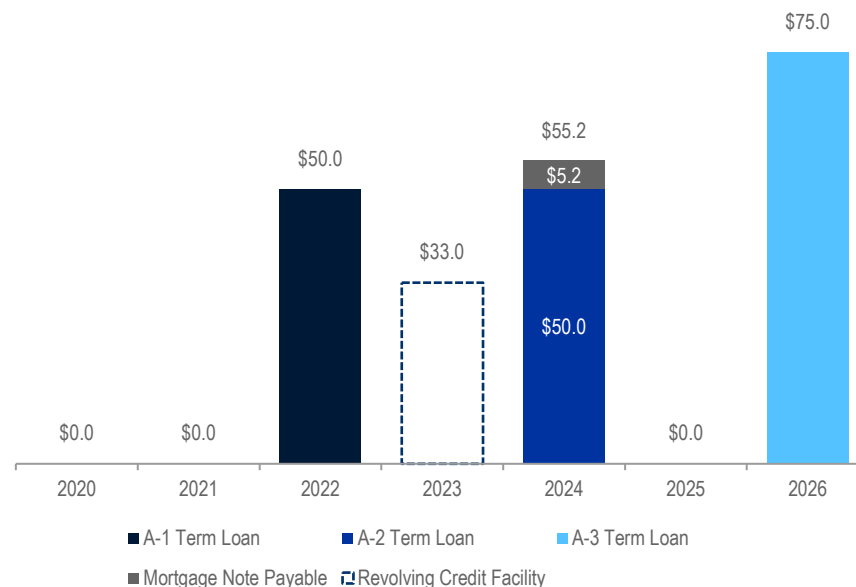
Community Healthcare Trust maintains a stable and conservative balance sheet

## Debt Composition

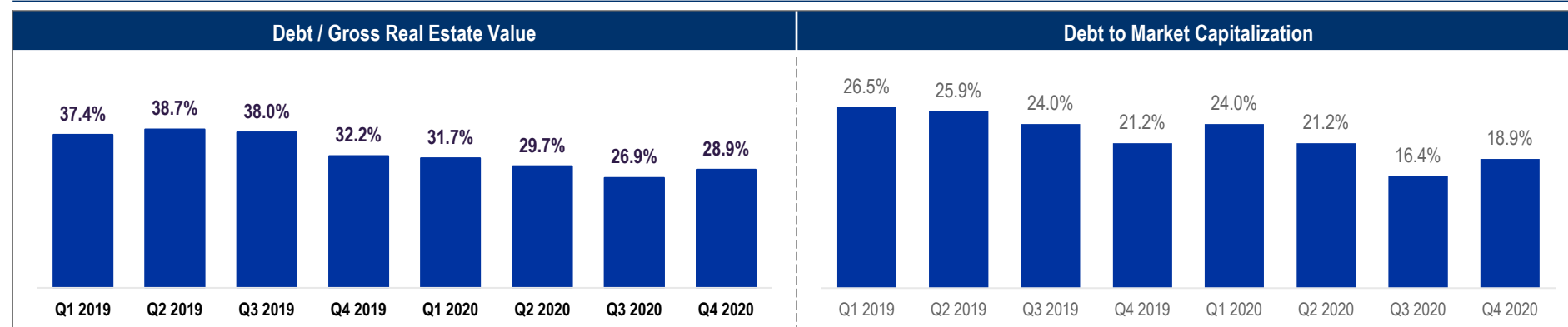
Credit Product	Amount (\$mm)	Rate	Hedge	Hedge Rate
Revolving Credit Facility	\$150	(i) LIBOR plus 1.25% to 1.90% or (ii) base rate plus 0.25% to 0.90%	No	N/A
A-1 Term Loan Due March 2022	\$50	(i) LIBOR plus 1.25% to 2.30% or (ii) base rate plus 0.25% to 1.30%	Yes	3.60%
A-2 Term Loan Due March 2024	\$50	(i) LIBOR plus 1.25% to 2.30% or (ii) base rate plus 0.25% to 1.30%	Yes	3.93%
A-3 Term Loan Due March 2026	\$75	(i) LIBOR plus 1.25% to 2.30% or (ii) base rate plus 0.25% to 1.30%	Yes	4.03%

## Debt Maturity Schedule

(\$ in millions)



## Key Balance Sheet Metrics



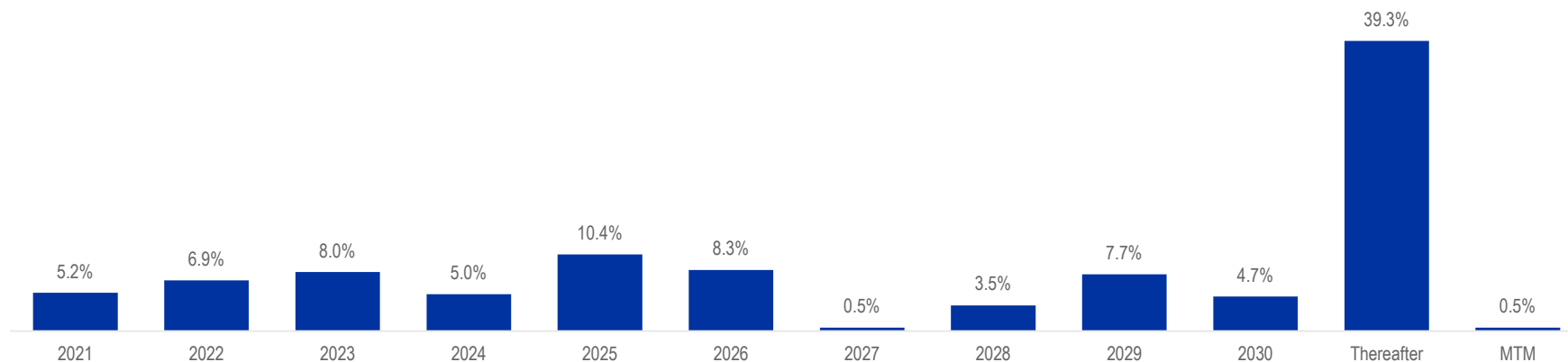
# Lease Maturity Schedule

Weighted Average Lease Term of 8.1 Years

## Lease Maturity Schedule

Lease Maturity Year	Number of Leases Expiring	Annualized Lease Revenue	
		Amount (\$) (in thousands)	% of Total
2021	29	\$3,535	5.2 %
2022	39	4,687	6.9 %
2023	47	5,384	8.0 %
2024	21	3,347	5.0 %
2025	27	7,052	10.4 %
2026	22	5,643	8.3 %
2027	4	360	0.5 %
2028	8	2,351	3.5 %
2029	13	5,217	7.7 %
2030	14	3,157	4.7 %
Thereafter	26	26,498	39.3 %
Month-to-Month	11	358	0.5 %
<b>Total</b>	<b>261</b>	<b>\$67,589</b>	<b>100.0 %</b>

## Percent of Annualized Lease Revenue by Maturity



Note: Total portfolio was approximately 88.8% leased in the aggregate at December 31, 2020 with lease expirations ranging from 2021 through 2039.

# ESG Policies

CHCT is committed to sound ESG policies

## Guidelines



### Environmental

*We are committed to implementing environmentally sustainable best practices for our own operations, and to assist our tenants in their efforts to address their environmental concerns. Examples include:*

- Benchmarking and monitoring utility usage with the goal of improving energy efficiency and reducing waste whenever possible
- Requiring the use of LED lighting, high-efficiency HVAC units, and low flow water fixtures on all newly developed and renovated buildings
- Adding needlepoint bipolar ionization equipment to our corporate office HVAC that effectively traps viruses (including the coronavirus), mold, odors, and other pathogens



### Social

*We recognize the value that each our employees brings to our clients every day and seek ways to further support and engage them. Examples include:*

- All employees are eligible to receive incentive compensation in the form of cash and restricted stock based on individual and company performance
- Supporting our employees through a competitive benefits package, philanthropic, training, and education support
- Ensuring the safety and wellbeing of our employees and tenants



### Governance

*A central tenet of the Company's founders was to design a corporate governance structure that was in complete alignment with its common shareholders. Examples include:*

- The Company's Investment Guidelines limit, among other things, concentration of tenant, healthcare sector, and geographic location
- Annual election for all board members, only one non-independent director, and shareholder proxy access for director nominations
- Since inception, 100% of all C-Suite compensation has been taken in restricted stock
- Annually, employees are required to attest their compliance with the Company's Code of Ethics and Business Conduct

# CHCT's Unique Value Proposition





# Indicative Portfolio



Parkway Professional Plaza | Lakeland, FL (Tampa)



Skin MD | Orland Park, IL (Chicago)



Northeast Orthopaedics | San Antonio, TX



Prairie Star I | Shawnee, KS (Kansas City)

# Indicative Portfolio (cont.)



DaVita Dialysis | Pahrump, NV (Las Vegas)



Londonderry Centre | Waco, TX



Monroe Surgical Hospital | Monroe, LA



Smokey Point Behavioral Hospital | Marysville, WA (Seattle)

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