



UNIVERSAL HEALTH REALTY INCOME TRUST REPORTS 2025 FIRST QUARTER FINANCIAL RESULTS

04/28/2025

Consolidated Results of Operations - Three-Month Periods Ended March 31, 2025 and 2024:

KING OF PRUSSIA, Pa., April 28, 2025 /PRNewswire/ -- Universal Health Realty Income Trust (NYSE:UHT) announced today that for the three-month period ended March 31, 2025, net income was \$4.8 million, or \$.34 per diluted share, as compared to \$5.3 million, or \$.38 per diluted share, during the first quarter of 2024.

The decrease in our net income of \$523,000, or \$.04 per diluted share, during the first quarter of 2025, as compared to the first quarter of 2024, consisted of the following: (i) a decrease of \$401,000, or \$.03 per diluted share, resulting from an aggregate net decrease in the income generated at various properties, and; (ii) a decrease of \$122,000, or \$.01 per diluted share, resulting from an increase in interest expense due primarily to increases in our average outstanding borrowings and average effective borrowing rate (which gives effect to various interest rate swap agreements) pursuant to our credit agreement.

As calculated on the attached Schedule of Non-GAAP Supplemental Information ("Supplemental Schedule"), our funds from operations ("FFO") were \$11.9 million, or \$.86 per diluted share, during the first quarter of 2025, as compared to \$12.4 million, or \$.90 per diluted share during the first quarter of 2024. The decrease of \$483,000, or \$.04 per diluted share, was due primarily to the above-mentioned decrease in our net income during the first quarter of 2025, as compared to the first quarter of 2024.

Dividend Information:

The first quarter dividend of \$.735 per share, or \$10.2 million in the aggregate, was declared on March 11, 2025 and paid on March 31, 2025.

Capital Resources Information:

As of March 31, 2025, pursuant the terms of our \$425 million credit agreement which is scheduled to expire on September 30, 2028, we had \$75.5 million of available borrowing capacity, net of \$349.5 million of borrowings. We have the option to extend the credit agreement for up to two additional six-month periods.

General Information, Forward-Looking Statements and Risk Factors and Non-GAAP Financial Measures:

Universal Health Realty Income Trust, a real estate investment trust, invests in healthcare and human-service related facilities including acute care hospitals, behavioral health care hospitals, specialty facilities, medical/office buildings, free-standing emergency departments and childcare centers. We have investments in seventy-six properties located in twenty-one states.

This press release contains forward-looking statements based on current management expectations. Numerous factors, including those disclosed herein, as well as the operations and financial results of each of our tenants, those related to healthcare industry trends and those detailed in our filings with the Securities and Exchange Commission (as set forth in *Item 1A-Risk Factors* and in *Item 7 - Forward-Looking Statements* in our Form 10-K for the year ended December 31, 2024), may cause the results to differ materially from those anticipated in the forward-looking statements. Readers should not place undue reliance on such forward-looking statements which reflect management's view only as of the date hereof. We undertake no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

Many of the factors that could affect our future results are beyond our control or ability to predict. Future operations and financial results of our tenants, and in turn ours, could be materially impacted by various developments including, but not limited to, potential significant reductions in federal funding for state Medicaid programs, and/or other potential changes, which would likely result in reduced Medicaid payments to the operators of our facilities; decreases in staffing availability and related increases to wage expense experienced by our tenants resulting from the shortage of nurses and other clinical staff and support personnel; the impact of government and administrative regulation of the health care industry; declining patient volumes and unfavorable changes in payer mix caused by deteriorating macroeconomic conditions (including increases in uninsured and underinsured patients as the result of business closings and layoffs); potential cost increases and disruptions related to supplies and building materials resulting from changes in laws or policies governing the terms of foreign trade, and in particular, increased trade restrictions, tariffs or taxes on imports from where the products or materials are made; and potential increases to other expenditures.

In addition, the increase in interest rates has substantially increased our borrowings costs and reduced our ability to access the capital markets on favorable terms. Additional increases in interest rates could have a significant unfavorable impact on our future results of operations and the resulting effect on the capital markets could adversely affect our ability to carry out our strategy.

We believe that, if and when applicable, adjusted net income and adjusted net income per diluted share (as reflected on the Supplemental Schedule), which are non-GAAP financial measures ("GAAP" is Generally Accepted Accounting Principles in the United States of America), are helpful to our investors as measures of our operating performance. In addition, we believe that, when applicable, comparing and discussing our financial results based on these measures, as calculated, is helpful to our investors since it neutralizes the effect in each year of material items that are non-recurring or non-operational in nature including items such as, but not limited to, gains or losses on transactions.

Funds from operations ("FFO") is a widely recognized measure of performance for Real Estate Investment Trusts ("REITs"). We believe that FFO and FFO per diluted share, which are non-GAAP financial measures, are helpful to our investors as measures of our operating performance. We compute

FFO, as reflected on the attached Supplemental Schedules, in accordance with standards established by the National Association of Real Estate Investment Trusts ("NAREIT"), which may not be comparable to FFO reported by other REITs that do not compute FFO in accordance with the NAREIT definition, or that interpret the NAREIT definition differently than we interpret the definition. FFO adjusts for the effects of certain items, such as gains or losses on transactions that occurred during the periods presented. FFO does not represent cash generated from operating activities in accordance with GAAP and should not be considered to be an alternative to net income determined in accordance with GAAP. In addition, FFO should not be used as: (i) an indication of our financial performance determined in accordance with GAAP; (ii) an alternative to cash flow from operating activities determined in accordance with GAAP; (iii) a measure of our liquidity, or; (iv) an indicator of funds available for our cash needs, including our ability to make cash distributions to shareholders. A reconciliation of our reported net income to FFO is reflected on the Supplemental Schedules included below.

To obtain a complete understanding of our financial performance these measures should be examined in connection with net income, determined in accordance with GAAP, as presented in the condensed consolidated financial statements and notes thereto in this report or in our other filings with the Securities and Exchange Commission including our Report on Form 10-K for the year ended December 31, 2024. Since the items included or excluded from these measures are significant components in understanding and assessing financial performance under GAAP, these measures should not be considered to be alternatives to net income as a measure of our operating performance or profitability. Since these measures, as presented, are not determined in accordance with GAAP and are thus susceptible to varying calculations, they may not be comparable to other similarly titled measures of other companies. Investors are encouraged to use GAAP measures when evaluating our financial performance.

Universal Health Realty Income Trust
Consolidated Statements of Income
For the Three Months Ended March 31, 2025 and 2024
(amounts in thousands, except share information)
(unaudited)

	Three Months Ended	
	March 31,	
	2025	2024
Revenues:		
Lease revenue - UHS facilities (a.)	\$ 8,327	\$ 8,664
Lease revenue - Non-related parties	14,326	14,487
Other revenue - UHS facilities	229	220
Other revenue - Non-related parties	314	409
Interest income on financing leases - UHS facilities	1,352	1,361
	<u>24,548</u>	<u>25,141</u>
Expenses:		
Depreciation and amortization	6,845	6,809
Advisory fees to UHS	1,364	1,338
Other operating expenses	7,305	7,531
	<u>15,514</u>	<u>15,678</u>
Income before equity in income of unconsolidated limited liability companies ("LLCs") and interest expense	9,034	9,463
Equity in income of unconsolidated LLCs	412	384
Interest expense, net	<u>(4,669)</u>	<u>(4,547)</u>
Net income	<u>\$ 4,777</u>	<u>\$ 5,300</u>
Basic earnings per share	<u>\$ 0.35</u>	<u>\$ 0.38</u>
Diluted earnings per share	<u>\$ 0.34</u>	<u>\$ 0.38</u>
Weighted average number of shares outstanding - Basic	<u>13,810</u>	<u>13,792</u>
Weighted average number of shares outstanding - Diluted	<u>13,851</u>	<u>13,824</u>

(a.) Includes bonus rental on McAllen Medical Center, a UHS acute care hospital facility, of \$817 and \$783 for the three-month periods ended March 31, 2025 and 2024, respectively.

Universal Health Realty Income Trust
Schedule of Non-GAAP Supplemental Information ("Supplemental Schedule")
For the Three Months Ended March 31, 2025 and 2024
(amounts in thousands, except share information)
(unaudited)

Calculation of Funds From Operations ("FFO")

Three Months Ended	Three Months Ended
March 31, 2025	March 31, 2024

	Amount	Per Diluted Share	Amount	Per Diluted Share
Net income	\$ 4,777	\$ 0.34	\$ 5,300	\$ 0.38
Plus: Depreciation and amortization expense:				
Consolidated investments	6,845	0.50	6,809	0.50
Unconsolidated affiliates	308	0.02	304	0.02
FFO	<u>\$ 11,930</u>	<u>\$ 0.86</u>	<u>\$ 12,413</u>	<u>\$ 0.90</u>
Dividend paid per share		<u>\$ 0.735</u>		<u>\$ 0.725</u>

Universal Health Realty Income Trust
Consolidated Balance Sheets
(amounts in thousands, except share information)
(unaudited)

	March 31, 2025	December 31, 2024
Assets:		
Real Estate Investments:		
Buildings and improvements and construction in progress	\$ 657,156	\$ 655,996
Accumulated depreciation	(293,064)	(286,932)
	<u>364,092</u>	<u>369,064</u>
Land	56,870	56,870
Net Real Estate Investments	420,962	425,934
Financing receivable from UHS	82,639	82,798
Net Real Estate Investments and Financing receivable	<u>503,601</u>	<u>508,732</u>
Investments in limited liability companies ("LLCs")	14,437	13,948
Other Assets:		
Cash and cash equivalents	6,974	7,097
Lease and other receivables from UHS	7,051	7,131
Lease receivable - other	8,128	7,975
Intangible assets (net of accumulated amortization of \$11.7 million and \$11.3 million, respectively)	6,891	7,325
Right-of-use land assets, net	10,911	10,918
Deferred charges, notes receivable and other assets, net	15,489	17,736
Total Assets	<u>\$ 573,482</u>	<u>\$ 580,862</u>
Liabilities:		
Line of credit borrowings	\$ 349,500	\$ 348,900
Mortgage notes payable, non-recourse to us, net	19,034	19,349
Accrued interest	659	694
Accrued expenses and other liabilities	9,892	10,444
Ground lease liabilities, net	10,910	10,918
Tenant reserves, deposits and deferred and prepaid rents	11,321	11,016
Total Liabilities	<u>401,316</u>	<u>401,321</u>
Equity:		
Preferred shares of beneficial interest, \$.01 par value; 5,000,000 shares authorized; none issued and outstanding	-	-
Common shares, \$.01 par value; 95,000,000 shares authorized; issued and outstanding: 2025 - 13,851,469; 2024 - 13,850,608	138	138
Capital in excess of par value	271,340	271,092
Cumulative net income	850,072	845,295
Cumulative dividends	(953,576)	(943,396)
Accumulated other comprehensive income	4,192	6,412
Total Equity	<u>172,166</u>	<u>179,541</u>
Total Liabilities and Equity	<u>\$ 573,482</u>	<u>\$ 580,862</u>

SOURCE Universal Health Realty Income Trust

Charles Boyle, Chief Financial Officer, (610) 768-3300