

# Economics of an Investment in American Medical Properties

## Illustrative investment economics

### Acquisition example

Total asset acquisition price	\$750,000,000	
Assumed cap rate	9.0%	● Typically between 8.0% and 10.0%

### Contribution

Equity contribution	\$300,000,000	● 40.0% equity contribution
Debt financing	450,000,000	● 60.0% LTV
Interest rate	6.0%	● Assumed fixed rate debt with 7-10 year term

### Cash Flow

Rental revenue	\$67,500,000	● Based on 9.0% cap rate
G&A	(6,000,000)	● Assumed at 0.8% of total assets
EBITDA	61,500,000	
Interest expense	(27,000,000)	● Based on 6.0% cost of debt
Amortization	(5,375,728)	● 30-year amortization period
Recurring capex	0	● Assumed triple-net leases
<b>Distributable cash flow</b>	<b>\$29,124,272</b>	
Assumed payout ratio	90.00%	
<b>Cash distributions</b>	<b>\$26,211,844</b>	
<b>Cash on cash return</b>	<b>8.7%</b>	

*The cash on cash yield from an investment in AMP is expected to exceed 8% on a stabilized basis*