



## Senior Housing Properties Trust

NEWS RELEASE

# Senior Housing Properties Trust Announces a Name Change to Diversified Healthcare Trust

12/30/2019

Company Common Shares to Trade Under the Ticker "DHC" Beginning January 2, 2020

NEWTON, Mass.--(BUSINESS WIRE)-- **Senior Housing Properties Trust (Nasdaq: SNH)**, today announced that it will change its name to "Diversified Healthcare Trust" effective January 1, 2020 at 12:02 a.m. SNH's common shares will continue to be listed for trading on the Nasdaq, but under the new ticker symbol "DHC" beginning as of the opening of trading on January 2, 2020. The company's new website will be [www.dhcreit.com](http://www.dhcreit.com).

"We are excited to change our name to Diversified Healthcare Trust, which we believe more accurately depicts both our portfolio of diverse, high-quality healthcare real estate and our strategy moving forward," said Jennifer Francis, President & Chief Operating Officer. "Over the past 10 years, we have made considerable progress in diversifying and enhancing what was once a pure-play senior living portfolio by strategically acquiring state-of-the-art life science properties and well-located medical office buildings in order to meet the broader real estate needs of the continually evolving healthcare industry."

Rebranding to Diversified Healthcare Trust marks a key milestone in the company's transformation, which includes the anticipated conversion of SNH's existing triple-net leases with Five Star Senior Living Inc. (Nasdaq: FVE) into management agreements, which is expected to occur on January 1, 2020, pursuant to the transaction agreement that SNH entered into with FVE in April 2019, along with SNH's continued investment and recycling of capital into high quality healthcare real estate, including, but not limited to, the life science and medical office property types.

Also effective January 2, 2020, SNH's 5.625% senior notes due 2042 will no longer trade under the ticker "SNHNI" but will trade under "DHCNI". Similarly, SNH's 6.25% senior notes due 2046 will no longer trade under the ticker "SNHNL" but will trade under the ticker "DHCNL".

## A REAL ESTATE PLATFORM FOCUSED ON THE DIVERSE SPECTRUM OF HEALTH SERVICES

With an \$8.6 billion investment portfolio, Diversified Healthcare Trust is one of the leading owners of real estate focused on healthcare and life sciences located throughout the United States. DHC seeks to acquire and own properties that take strategic advantage of demographic trends, investments in biological breakthroughs and the development and implementation of medical services and technologies.

## DIVERSIFIED ACROSS CARE DELIVERY AND PRACTICE TYPES

From elective procedures to life-saving treatments, DHC's properties provide a platform for healthcare delivery. Nationally renowned health systems as well as individual specialist physicians and health practitioners lease DHC's properties which house clinics, outpatient centers, surgery centers and doctors' offices. DHC is also poised to benefit from changing demographic trends, with a portfolio of more than 270 active adult, independent living, assisted living and memory care facilities to serve the anticipated 'silver tsunami.'

## DIVERSIFIED ACROSS RESEARCH SCIENCE DISCIPLINES

DHC's life sciences properties include laboratory and research space, manufacturing facilities and corporate offices, and are home to forward-thinking companies delivering and supporting the development of tomorrow's cutting-edge therapies, which cover a wide variety of ailments.

## DIVERSIFIED ACROSS GEOGRAPHIES, LOCATIONS AND SETTINGS

With over 12 million square feet of lab and medical office space and more than 32,000 living units, DHC has no "typical" property or location. Properties range from multi-specialty physician offices, to more than 270 senior living communities, to multi-building life science campuses. DHC's properties are located in both urban and suburban settings across the U.S., in 41 states and Washington, D.C.

## DIVERSIFIED FINANCIAL PROFILE

The foundation of DHC's solid financial profile includes revenue sources lacking concentration in any one property type, a well-laddered lease expiration schedule for over 600 tenants, strong tenant credit profiles and a conservative capital structure with a healthy balance sheet. The diversification of DHC's revenue streams allows the

company to produce cash flows from the entire healthcare continuum, leading to more stable and predictable returns on investments.

## WARNING REGARDING FORWARD-LOOKING STATEMENTS

This press release contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and other securities laws. Also, whenever DHC uses words such as “believe”, “expect”, “anticipate”, “intend”, “plan”, “estimate”, “will”, “may” and negatives or derivatives of these or similar expressions, DHC is making forward-looking statements. These forward-looking statements are based upon DHC’s present intent, beliefs or expectations, but forward-looking statements are not guaranteed to occur and may not occur. Actual results may differ materially from those contained in or implied by DHC’s forward-looking statements as a result of various factors. Forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond DHC’s control. For example:

- DHC expects that the changes in ticker symbols to “DHC” for the listing of its common shares, “DHCNI” for its 5.625% senior notes due 2042 and “DHCNL” for its 6.25% senior notes due 2046 will begin on January 2, 2020. However, effecting these changes are subject to conditions and will depend on actions of third parties. As a result, these changes could be delayed.
- Ms. Francis states that DHC has made considerable progress in diversifying and enhancing its portfolio in order to meet the broader real estate needs of the continually evolving healthcare industry. This may imply that this progress will enable DHC to meet these needs and that DHC may make further progress that addresses the broader real estate needs as the healthcare industry continues to evolve. However, DHC’s progress may not continue to address these needs and DHC may not be able to make further progress to address any changing needs. As a result, DHC may not achieve the benefits it expects from the progress it has made in these regards.
- DHC intends to continue to invest and recycle capital into high quality healthcare real estate, including, but not limited to, the life science and medical office property types. However, the competition for these types of investments is significant. As a result, DHC may not be able to acquire additional properties of these types in the future or it may overpay for any such acquisition. Moreover, DHC not be able to successfully recycle capital at the amounts it expects. Further, DHC may not realize the returns or benefits it expects from any additional acquisitions it may make.
- DHC believes that it is poised to benefit from changing demographic trends. However, the demand for senior living communities, wellness centers and other medical and healthcare related properties and healthcare services may not increase, despite the aging U.S. population and increasing life spans of seniors, due to a variety factors, including improved medical advances and seniors’ electing to age in place, to delay or forego relocating, to not purchase the products and services DHC’s tenants and

manager provide, or due to other changes in market demands. In addition, DHC may be unable to retain its existing tenants, attract new tenants and maintain or increase current rental rates. Further, circumstances that adversely affect the ability of seniors or their families to pay for DHC's tenants' and manager's services, such as economic downturns, weak housing market conditions, higher levels of unemployment among DHC's residents' family members, lower levels of consumer confidence, stock market volatility and/or changes in demographics generally could affect the profitability of DHC's senior living communities. As a result, DHC may not benefit from changing demographic trends.

- DHC expects to complete the conversion of its existing master leases with FVE into management agreements, as of January 1, 2020. These transactions are subject to conditions, including, among others, the continued effectiveness of FVE's registration statement on Form S-1 for the related FVE common share issuances and the receipt of certain regulatory approvals. DHC cannot be sure that any or all of such conditions will be satisfied. Accordingly, these transactions may not become effective as of January 1, 2020 or at all, or the terms of such transactions may change. Further, if the transactions contemplated by the Transaction Agreement are completed, the conversion of the master leases to management agreements will be a significant change in DHC's arrangements with FVE and may result in DHC realizing significantly different operating results from its senior living communities, including increased variability.
- DHC believes the foundation of its solid financial profile includes diversified revenue sources lacking concentration in any one property type, a well-laddered lease expiration schedule for over 600 tenants, high credit quality tenants and a conservative capital structure with a healthy balance sheet. Some of DHC's tenants may not renew expiring leases, and DHC may be unable to obtain new tenants to maintain or increase the historical occupancy rates of, or rents from, its properties, its tenants may experience losses and default on their rent obligations to DHC, rents that DHC can charge at its properties may decline upon renewals or expirations because of changing market conditions or otherwise and continued availability of borrowings under its revolving credit facility is subject to DHC's satisfying certain financial covenants and other credit facility conditions that DHC may be unable to satisfy. In addition, DHC's tenants and manager may realize deteriorating financial conditions if they cannot successfully operate their businesses or if they are adversely impacted by factors beyond their control, including deteriorating market conditions or changes in market demands. Further, DHC may not be successful in conducting its business activities in a manner that will afford it reasonable access to capital for investment and financing activities, which may result in DHC's capital structuring becoming less conservative and a decline in the health of its balance sheet.
- DHC believes the diversification of DHC's revenue streams allows it to produce cash flows from the entire healthcare continuum, leading to more stable and predictable returns on investments.

The information contained in DHC's filings with the SEC, including under "Risk Factors" in DHC's periodic reports, or incorporated therein, identifies other important factors that could cause DHC's actual results to differ materially

from those stated in or implied by DHC's forward-looking statements. DHC's filings with the SEC are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

You should not place undue reliance upon forward-looking statements.

Except as required by law, DHC does not intend to update or change any forward-looking statements as a result of new information, future events or otherwise.

A Maryland Real Estate Investment Trust with transferable shares of beneficial interest listed on the Nasdaq.

No shareholder, Trustee or officer is personally liable for any act or obligation of the Trust.

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