



# Impact

## Healthcare REIT

Q4 Fact Sheet | 31 December 2023



Properties<sup>1</sup>

140

<sup>1</sup>Includes assets under construction

Property values<sup>1</sup>

£651.3m

WAULT

20.8yrs

Contracted rent roll

£48.8m

Inflation-linked leases

100%

## Overview

Impact Healthcare REIT plc (ticker: IHR) is a specialist and responsible owner of care homes and other healthcare properties across the UK.

We take a long-term view and look to generate secure and growing income. This has allowed us to offer attractive and progressive dividends to our shareholders, and the potential for capital growth.

### Our Purpose

- Our purpose is to work with tenants to provide quality, affordable and sustainable care homes in order to deliver an attractive risk adjusted return.

### Our values

- We focus on the long-term sustainability of our business.
- We are open and transparent with our stakeholders.
- We are a dependable partner who's trusted to deliver.
- We combine the strengths of a listed company with entrepreneurship.

### Our strategic priorities

- **Grow our business** - By adding assets to the portfolio while carefully managing risk, so we can invest in care home beds for more of the people who need them;
- **Work with our tenants** - To form long-term, mutually beneficial partnerships, so we can grow together;
- **Focus on quality** - By investing in our buildings and supporting our tenants to provide quality care to their residents;
- **Maintain affordability** - By seeking to set initial rents at affordable levels, which our tenants can afford both now and in the long term. This in turn helps them to charge fees that are likely to be more affordable to residents; and
- **Increase our sustainability** - By continuing to improve our portfolio's social and environmental sustainability.

<sup>1</sup> This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indicator of the Company's expected or actual results.

## Dividend history (per share)

|           | 2023         | 2022         | 2021         | 2020         | 2019         |
|-----------|--------------|--------------|--------------|--------------|--------------|
| <b>Q1</b> | 1.6925p      | 1.6350p      | 1.6025p      | 1.5725p      | 1.5425p      |
| <b>Q2</b> | 1.6925p      | 1.6350p      | 1.6025p      | 1.5725p      | 1.5425p      |
| <b>Q3</b> | 1.6925p      | 1.6350p      | 1.6025p      | 1.5725p      | 1.5425p      |
| <b>Q4</b> | 1.6925p      | 1.6350p      | 1.6025p      | 1.5725p      | 1.5425p      |
|           | <b>6.77p</b> | <b>6.54p</b> | <b>6.41p</b> | <b>6.29p</b> | <b>6.17p</b> |

## Key achievements in Q4 2023

- Rent cover across the portfolio increased to 2.0x for the 12 months to 31 December 2023, representing the highest 12 month rent cover the portfolio has had since inception.
- 100% of rent due was collected in the quarter.
- Following the quarter end, the Board declared a fourth quarter dividend of 1.6925p, delivering on the targeted 6.77 pence per share for 2023, with distributions fully covered by EPRA and adjusted earnings.

## Impact at a glance

|   | 31 December 2023 | 30 September 2023* | % change |
|---|------------------|--------------------|----------|
| Shares in issue                             | 414,368,169      | 414,368,169        | -        |
| Share price (p)                             | 90.10            | 83.00              | 8.6      |
| NAV per share (p)                           | 115.38           | 115.08             | 0.3      |
| Market Cap (£m)                             | 373.35           | 343.93             | 8.6      |
| NAV (£m)                                    | 478.1            | 476.8              | 0.3      |
| Bank borrowings drawn (£m)                  | 184.8            | 178.8              | 3.4      |
| EPRA (net) LTV (%)                          | 27.8%            | 27.7%              | 0.4      |
| Number of completed properties <sup>1</sup> | 139              | 139                | -        |
| Number of beds <sup>1</sup>                 | 7,721            | 7,725              | (0.1)    |
| Market value (£m) <sup>1</sup>              | 648.5            | 643.4              | 0.8      |
| – per property (£m)                         | 4.7              | 4.6                | 2.2      |
| – per bed (£'000)                           | 84.0             | 83.3               | 0.8      |
| Contracted rent roll (£m)                   | 48.8             | 48.4               | 0.8      |
| EPRA "topped up" yield (%)                  | 6.92             | 6.91               | 0.1      |

\* Unaudited

<sup>1</sup> This excludes exchanged and under construction assets.

## Company overview

|                   |                                    |
|-------------------|------------------------------------|
| IPO               | 7 March 2017                       |
| Market            | LSE Main Market<br>Premium Segment |
| Index Inclusion   | EPRA/NAREIT                        |
| Ticker            | IHR                                |
| ISIN              | GB00BYXVMJ03                       |
| SEDOL             | BYXVMJ0                            |
| Dividend payments | Quarterly                          |

## Registered address

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## Board of Directors

**Simon Laffin**  
(Chairman)  
**Rosemary Boot**  
(Senior Independent Director)  
**Amanda Aldridge**  
**Philip Hall**  
**Chris Santer**

## Key dates

|                   |             |
|-------------------|-------------|
| Half year end     | 30 June     |
| Full year end     | 31 December |
| AGM               | 21 May      |
| Publication date: | March 2024  |



**Portfolio update**

**NAV and valuation**

Net asset value ("NAV") as at 31 December 2023 was £478.1 million, 115.38 pence per share. This represents an increase of £1.3 million (0.30 pence per share), against the 30 September 2023 NAV of £476.8 million, 115.08 pence per share.

The Investment portfolio has been independently valued by the Group's external valuer Cushman & Wakefield. The Group's investment property value increased by 0.8% in the quarter (£5.1 million) owing to 17 rent reviews at an average uplift of 4.0% per annum, in line with the rental increase cap on their leases. The Group's EPRA "topped up" Net Initial Yield at 31 December 2023 remained stable at 6.92% (30 September 2023: 6.91%) reflecting strong rent cover in the period.

**Financing update**

The Group's EPRA (net) LTV was 27.8% (30 September 2023: 27.7%).

The Group had drawn £184.8 million from its £250 million of debt facilities at 31 December 2023 (£178.8m 30 September 2023). 98% of drawn debt is currently hedged (98% 30 September 2023). The current average cost of drawn debt, including hedging and fixed rate borrowings, is 4.56%.

**Operational update**

Rent cover across our Portfolio remains strong and was 2.00x for the 12 months to 31 December 2023, and 100% of rent due in the quarter was received.

Occupancy at 31 December 2023 was 88.2%, a marginal decrease from 30 September 2023 (88.4%).

Contracted rent increased by 0.8% in the quarter, £48.8 million at 31 December 2023 (30 September 2023: £48.4 million) owing to the increase from 17 rent reviews.

<sup>1</sup> Weighted average cost of drawn debt is based on £184.8 million excluding arrangement fees and cost of interest rate caps. This reflects the ongoing cash cost of the drawn debt.

**Our portfolio**  
(as at 31 December 2023)

**Scotland**

Number of properties: **32**  
Beds: **1,789**  
% of portfolio market value: **20.4**

**North West**

Number of properties: **33**  
Beds: **1,354**  
% of portfolio market value: **14.3**

**West Midlands**

Number of properties: **14**  
Beds: **862**  
% of portfolio market value: **14.1**

**Wales**

Number of properties: **2**  
Beds: **103**  
% of portfolio market value: **0.6**

**South West**

Number of properties: **10**  
Beds: **542**  
% of portfolio market value: **9.9**

**North East**

Number of properties: **12**  
Beds: **767**  
% of portfolio market value: **8.9**

**Yorkshire & the Humber**

Number of properties: **11**  
Beds: **693**  
% of portfolio market value: **6.3**

**East Midlands**

Number of properties: **8**  
Beds: **405**  
% of portfolio market value: **6.0**

**East of England**

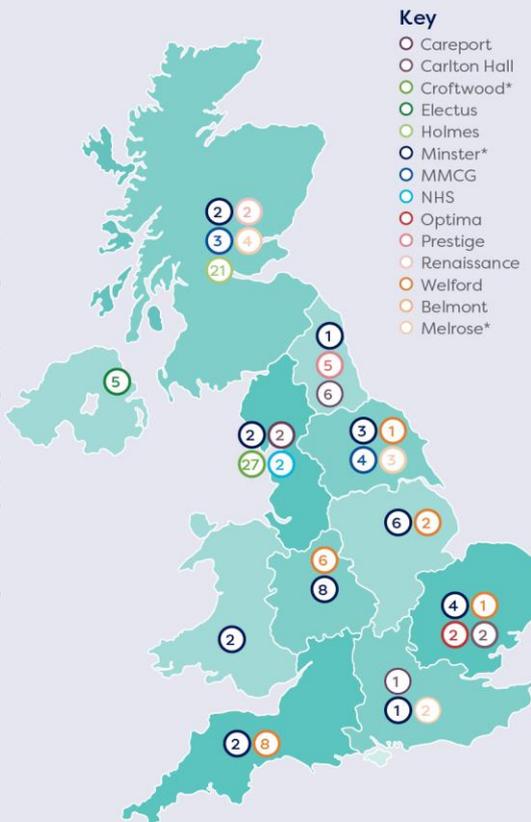
Number of properties: **9**  
Beds: **627**  
% of portfolio market value: **10.0**

**South East**

Number of properties: **4**  
Beds: **319**  
% of portfolio market value: **6.0**

**Northern Ireland**

Number of properties: **5**  
Beds: **340**  
% of portfolio market value: **3.5**



\* Part of, or affiliated to, the Minster Care Group

**Portfolio analysis**

**Security of income (%)**

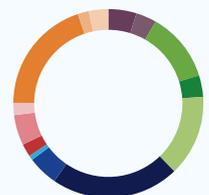
based on % revenue to care home tenants



|                       |      |
|-----------------------|------|
| Local Authority       | 58.8 |
| <b>Top 5 tenants</b>  |      |
| Fife Council          | 4.2  |
| Devon                 | 2.8  |
| Belfast               | 2.6  |
| Cheshire East         | 2.5  |
| Wigan Social Services | 2.5  |
| Other                 | 44.2 |
| Private pay           | 31.3 |
| NHS                   | 9.9  |

**Diverse tenant base (%)**

based on % contracted income



|              |      |             |      |
|--------------|------|-------------|------|
| Careport     | 4.8  | NHS         | 0.8  |
| Carlton Hall | 3.5  | Optima      | 2.2  |
| Croftwood    | 11.9 | Prestige    | 5.2  |
| Electus      | 3.7  | Renaissance | 2.1  |
| Holmes       | 13.9 | Welford     | 19.7 |
| Minster      | 21.8 | Belmont     | 1.9  |
| MMCG         | 5.2  | Melrose     | 3.3  |

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