

NAV, Dividend Declaration & Trading Update

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Impact Healthcare REIT PLC
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Impact Healthcare REIT plc

("Impact" or the "Company" or, together with its subsidiaries, the "Group")

NET ASSET VALUE, DIVIDEND DECLARATION, INCREASE IN DIVIDEND TARGETS AND TRADING UPDATE

The Board of Directors of Impact Healthcare REIT plc (the "Board") (ticker: IHR), the real estate investment trust which gives investors exposure to a diversified portfolio of UK healthcare real estate assets, in particular care homes, is pleased to provide the following update ahead of the publication of the Company's results for the year ended 31 December 2018, which are expected to be published at the end of March 2019.

NET ASSET VALUE

- Unaudited Net Asset Value ("**NAV**") at 31 December 2018 of £197.8 million, 103.18 pence per share (NAV at 30 September 2018: £196.6 million, 102.30 pence per share).
 - NAV at IPO in March 2017 of 98 pence per share.
- Unaudited EPRA NAV at 31 December 2018 of 102.93 pence per share (30 September 2018: 102.01 pence per share).
 - Total EPRA NAV return since IPO in March 2017 of 14.2%, 7.9% annualised.

DIVIDEND DECLARATION

- The Board has today declared the Company's fourth interim dividend for the year of 1.50 pence per ordinary share. This dividend is for the period from 30 September 2018 to 31 December 2018, payable on 22 February 2019 to shareholders on the register on 8 February 2019. The ex-dividend date will be 7 February 2019. This dividend will be a Property Income Distribution ("**PID**").
 - Following payment of this dividend, the Company will have paid, in aggregate, 6.00 pence per share in dividends in respect of the year to 31 December 2018.
 - The acquisitions delivered in the quarter were accretive to shareholder returns.

NEW PROGRESSIVE DIVIDEND TARGET

- At IPO in March 2017, the Company set a target of paying a dividend of 6.00 pence per share in its first financial year. It has since paid or declared seven quarterly dividends of 1.50 pence per share. The Company is now pleased to announce that it is introducing a new progressive dividend target as follows:
 - The Company will seek to grow the target dividend in line with the inflation-linked rental uplifts received by the Group under the terms of the rent review provisions contained in the Group's leases in the prior financial year⁽¹⁾.
 - On this basis, the target total dividend for the year ending 31 December 2019 is 6.17 pence per share⁽¹⁾, a 2.83% increase over the 6.00 pence in dividends paid or declared per ordinary share for 2018.

PROPERTY VALUATION

- The Group's property portfolio ("**Portfolio**") was independently valued (unaudited) at £223.8 million as at 31 December 2018 (valuation as at 30 September 2018: £197.9 million).
 - In the year to 31 December 2018, the market value of the Group's Portfolio increased from £156.2 million to £223.8 million, a 43% increase.
 - This increase in market value includes £55.3 million of acquisitions, £4.7 million invested in capital improvements in homes and a value uplift of £7.7 million.
 - The value uplift, which equates to 3.99 pence per share, was largely driven by rent increases and the Group's investments in capital improvements.

PORTFOLIO UPDATE

- At 31 December 2018, the Portfolio comprised 72 residential care homes (3,533 beds) let to six tenants⁽²⁾ on fixed-term leases of 20 to 25 years (no break clauses), subject to annual upward-only Retail Price Index-linked rent reviews (with a floor and cap at 2% p.a. and 4% p.a., respectively).
- The Group completed on all acquisitions announced in 2018 within the year, with the exception of Yew Tree which was awaiting CQC re-registration prior to completion. This completed shortly after the year end adding a further 76 beds to the portfolio. A

summary of the key transactions in the fourth quarter include:

- In early November, the Group exchanged and completed contracts for two purpose-built high-quality care homes in Uddingston to the south east of Glasgow leased to Renaissance Care (Scotland) Limited, a new tenant, contributing 126 additional beds.
- Subsequently, but also in early November, the Group exchanged contracts to acquire a single asset, Holly Lodge, with 40 beds, which completed shortly before the year end and is leased to Careport Advisory Services Limited, an existing tenant and the sixth property with this tenant.
- Up to 31 December 2018 the Group had committed £15.5 million to add 188 beds to the Portfolio through extensions at existing homes. By the year end, 96 of these beds had been completed and were in operation.

PREMIUM LISTING

The Company's ordinary shares ("**Ordinary Shares**") are currently listed on the specialist fund segment of the main market of the London Stock Exchange. The Company confirms its intention to apply to the UK Listing Authority for its Ordinary Shares to be admitted to the premium segment of the Official List of the UK Listing Authority, and to the London Stock Exchange for the Ordinary Shares to be admitted to the premium segment of the main market. The move to the premium segment is expected to facilitate the Company's eligibility for inclusion in the FTSE UK and the FTSE EPRA/NAREIT Index Series.

The Board considers that this move will be in the best interests of the Company and its shareholders as a whole.

Rupert Barclay, Chairman of Impact Healthcare REIT plc, commented:

"The Group is continuing to exercise a disciplined, value-led and patient approach to capital deployment, which is driving attractive, growing and secure long-term income and capital returns for our shareholders, while delivering stability to residents and a commitment to enhance their homes wherever possible.

The Group continues to add additional attractive assets to our portfolio which we expect will deliver growth in income alongside capital appreciation from asset management opportunities. We continue to make progress on our strong pipeline of value accretive investment opportunities in line with our investment criteria and returns profile.

We remain well placed to deliver further value for the short and longer term and our new progressive dividend policy underlines our confidence in the Group's prospects."

¹ 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.

² Minster and Croftwood (both subsidiaries of Minster Care Group), Careport, Prestige, Renaissance and Welford.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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Further information on Impact Healthcare REIT is available at www.impactreit.uk.

NOTES:

Impact Healthcare REIT plc is a real estate investment trust ("**REIT**") which aims to provide shareholders with an attractive return, principally in the form of quarterly income distributions and with the potential for capital and income growth, through exposure to a diversified portfolio of UK healthcare real estate opportunities, in particular residential care homes. The Group's investment policy is to acquire, renovate, extend and redevelop high quality healthcare real estate assets in the UK and lease those assets primarily to healthcare operators providing residential healthcare services under full repairing and insuring leases.

The Group has now declared or paid seven quarterly dividends of 1.50 pence per share since IPO on 7 March 2017.

The Company will seek to grow the target dividend in line with the inflation-linked rental uplifts received by the Group under the terms of the rent review provisions contained in the Group's leases in the prior financial year. On this basis, the target total dividend for the year ending 31 December 2019 is 6.17 pence per share.

The Group's Ordinary Shares were admitted to trading on the main market of the London Stock Exchange, specialist fund segment, on 7 March 2017.

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