

## NAV, Dividend And Update

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Impact Healthcare REIT PLC  
30 July 2019

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30 July 2019

**Impact Healthcare REIT plc**

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

**NET ASSET VALUE, DIVIDEND DECLARATION AND UPDATE**

The board of Directors (the "**Board**") of Impact Healthcare REIT plc (ticker: IHR), the real estate investment trust which gives investors exposure to a diversified portfolio of UK healthcare real estate assets, in particular residential care homes, is pleased to provide the following update for the quarter ended 30 June 2019.

**NET ASSET VALUE**

- Unaudited net asset value ("**NAV**") at 30 June 2019 of £299.9 million, 104.67 pence per share (NAV at 31 March 2019: £200.2 million, 104.18 pence per share).
  - NAV at IPO in March 2017 of 98 pence per share.

**DIVIDEND DECLARATION**

- The Board has today declared the Company's second interim dividend for the year of 1.5425 pence per ordinary share. This dividend is for the period from 31 March 2019 to 30 June 2019, payable on 30 August 2019 to shareholders on the register on 9 August 2019. The ex-dividend date will be 8 August 2019. This dividend will be a Property Income Distribution ("**PID**").
  - This is consistent with the prior quarter dividend and reflects the Company's intention to pay a target aggregate dividend of 6.17 pence per ordinary share for the year to 31 December 2019<sup>1</sup>, an increase of 2.83% over the aggregate dividend paid for 2018.

**PROPERTY VALUATION**

- The Group's property portfolio ("**Portfolio**") was independently valued (unaudited) at £271.6 million as at 30 June 2019 (valuation as at 31 March 2019: £230.4 million).
  - In the quarter to 30 June 2019, the market value of the Group's Portfolio grew by £41.2 million, or 17.9%.
  - This increase in market value includes £35.9 million of completed acquisitions, £2.0 million invested in capital improvements in homes and a net value uplift of £3.3 million (an increase of 1.4% on a like-for-like basis).

**EQUITY RAISE, EPRA INDEX INCLUSION AND PORTFOLIO UPDATE**

- The Group successfully raised £100 million through a significantly oversubscribed equity issue, the result of which was announced on 10 May 2019.
- The Company was added to FTSE EPRA/NAREIT Global Real Estate Index Series in June 2019, having successfully satisfied the required eligibility criteria during the Index's recent Quarterly Review.
- At 30 June 2019, the Portfolio comprised 79 residential care homes (3,924 operational beds) let to seven tenants<sup>2</sup> 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). In addition, the Group owns two healthcare facilities leased to the NHS.
- In the quarter, the Group completed on several acquisitions including:
  - A portfolio of four homes leased to a subsidiary of the Maria Mallaband and Countrywide Group (MMCG) with 270 operational beds. All of the homes are leased under new 25 year fully repairing and insuring leases and bring the Group's seventh tenant to the portfolio<sup>2</sup>.
  - Birchlands, located on the outskirts of York with 51 bedrooms and let on a new 25-year lease to Welford, an existing tenant of the Group.
  - Kingston Court a 74-bed care home in Carlisle, alongside two additional properties let to NHS Cumbria University Hospital NHS Trust. The care home is leased under a new 25-year lease to Careport, an existing Group tenant.
- The Group exchanged on two further homes: Holmesley, a 52 bedroom care home in Devon, which will be leased to Welford; and Old Prebendal House, a 37-bed care home in Oxfordshire, which will be leased to Careport. Both homes are let on new 25-year leases.

- In total, these eight homes will add 484 beds to the portfolio and the Group committed £45 million to them in the period. During the period over 60% of the new equity raised in May was deployed either into these acquisitions or the repayment of the Group's revolving debt facilities.
- Weighted average unexpired lease term across the Portfolio of 19.6 years.
- The Portfolio has an annualised contracted rent roll of £21.6 million at 30 June 2019, up from £18.1 million last quarter as a result of RPI-linked rent reviews in the quarter and acquisitions.

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

"We are pleased to have made good progress in deploying the proceeds from our successful equity fundraise during the quarter while maintaining a disciplined approach to new investments. The Group is continuing to make investments that are accretive to the overall property portfolio, continue to diversify our tenant and asset base and provide attractive, index-linked, long term sustainable income for our shareholders as well as the potential for income and capital growth.

The Investment Manager continues to progress a strong identified pipeline of investment opportunities and asset management initiatives that will support our ability to deliver a growing dividend to shareholders while providing an environment in which our tenants can provide high quality care to their residents."

**FOR FURTHER INFORMATION, PLEASE CONTACT:**

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The Company's LEI is 213800AX3FHPMJL4IJ53.

Further information on Impact Healthcare REIT is available at [www.impactreit.uk](http://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 Company's intention is to pay a target dividend of 6.17 pence per share for the year to 31 December 2019<sup>1</sup>.

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.

The Group's Ordinary Shares were admitted to trading on the main market of the London Stock Exchange, premium segment, on 8 February 2019. The Company is a constituent of the FTSE EPRA/NAREIT index.

<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.

<sup>2</sup> Minster and Croftwood (both subsidiaries of Minster Care Group), Careport, Prestige, Renaissance, Welford and Maria Mallaband Countrywide Group.

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