

Rent, Dividend And Business Update

Released : 10/07/2020 07:00

RNS Number : 5981S
Impact Healthcare REIT PLC
10 July 2020

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Impact Healthcare REIT plc

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

100% RENT COLLECTION, DIVIDEND REAFFIRMED AND BUSINESS UPDATE

The Board of Directors 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 care homes, is pleased to provide the following update for the quarter ended 30 June 2020.

100% RENTAL COLLECTION AND REAFFIRMATION OF DIVIDEND

The second quarter of 2020 continued to underline the resilience of the Group's defensive business model. As at 6 July the Group had received 100% of the rent payable in advance in respect of the forthcoming period. Of the total rent due this month, 76% is rent payable quarterly in advance and 24% is rent payable monthly in advance.

As a result of the Group's uninterrupted collection of advance rent due for the year to date, the Company reaffirms its intention to pay its second-quarter interim dividend, for the period from 1 April 2020 to 30 June 2020, in line with expectations with an announcement due in mid-August.

RESILIENT AND DEFENSIVE BUSINESS AND PORTFOLIO

The Group's tenants provide an essential service to the communities in which they operate and continue to play a critical role in helping to provide care to vulnerable elderly people during the COVID-19 pandemic and over the longer term as the UK seeks to recover from the impacts of the pandemic. The Group's top priority remains the health, welfare and safety of the Group's tenants, care home residents, healthcare professionals and wider stakeholders.

The Investment Manager has been in regular communication with all the Group's tenants and key service providers to monitor how the pandemic is affecting them and also, where appropriate, to share information amongst the tenants and ideas on how to best manage challenges caused by the pandemic and measures being put in place as the UK starts to recover from it.

While in the early stages of the pandemic testing was largely unavailable in UK care homes, it did become widely available towards the end of May 2020, enabling the Investment Manager to build a clearer picture of which of its homes were affected. As at 6 July 2020, six out of the Group's 96 homes had a small number of isolated confirmed cases of COVID-19.

The number of deaths caused by COVID-19 in the Group's homes peaked in late April 2020, in line with the wider UK care home sector. Since then the death rate has returned to more normal levels. From early March, all of the Group's homes were closed to visitors and in many cases to new admissions. As a result, over the 17 weeks between the first week in March, when the first COVID-19 related death was registered in the UK, and the last week of June the number of occupied beds in the Company's portfolio reduced from 4,225 to 3,873, a fall of 8%.

During the course of June 2020, as occupancy stabilised, the Group's tenants began focussing on reopening homes to new admissions, whilst ensuring the safety of existing residents and staff. As part of this ongoing process of careful reopening, the Group has agreed to support its tenants and homes in a number of ways, which include the purchase and installation of thermal scanners at all its homes. The scanners will support tenants' existing infection control procedures through enabling the remote reading of the body temperature of all staff and visitors who are entering the building.

A more detailed operational and portfolio update will be provided when the Company publishes its half year result in mid-August 2020.

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

"The Group works closely with all its tenants as they continue to provide an essential service to the communities in which they operate. We remain a long-term business and the Company's sustainable healthcare portfolio continues to provide crucial care-based infrastructure supporting vulnerable elderly people across the UK and we are confident that the fundamentals of our industry and business will not change.

The Company's business model remains robust and resilient as demonstrated by the Group's 100% collection of rent due for the year to date and we continue to be well positioned for the short and longer term. We remain well capitalised, with a strong balance sheet, deliberate low gearing and significant liquidity and headroom."

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 care homes for the elderly. 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 has a progressive dividend policy with a target to grow its annual aggregate 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.

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