

# Quarterly Investor Report:

## October 2024

Quarter ended 30 September 2024

Target Healthcare REIT plc and its subsidiaries ('the Group') is a leading investor in modern purpose-built UK care homes with en suite wet-rooms. The Group's purpose is to provide investors with an attractive quarterly dividend, generated from a portfolio diversified by tenant, geography and end-user payment profile, through responsible investment.

### Group at a glance



Properties  
94



Beds  
6,457\*



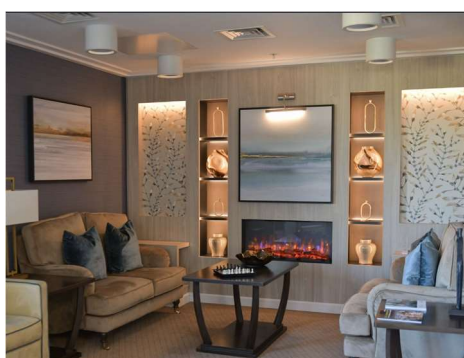
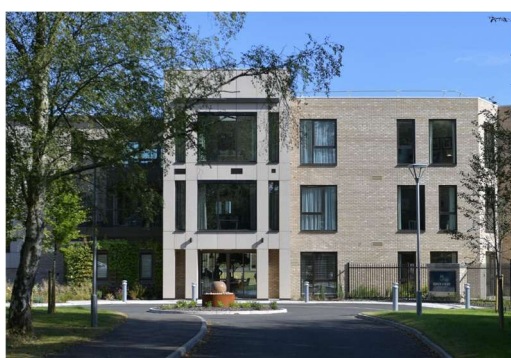
Tenants  
34



Contracted rent  
£59.2m



Property Value  
£916.4m



Overview		Key ratios & financials	
Launch date	March 2013**	Investment properties	£916.4 million
ISIN	GB00BJGTLF51	Drawn debt	£248.0 million
SEDOL	BJGTLF5	EPRA NTA	£692.7 million
Company name	Target Healthcare REIT plc	EPRA NTA per share	111.7 pence
Registered number	11990238	Quarterly NAV total return (including dividend)	2.2%
Expected quarterly dividend	Feb/May/Aug/Nov	Quarterly Group specific adjusted EPRA earnings per share	1.55 pence
Financial year end	30 June	Quarterly dividend per share	1.471 pence
Currency	Sterling	Dividend yield (28/10/2024)	6.6%
Website	<a href="http://www.targethealthcarereit.co.uk">www.targethealthcarereit.co.uk</a>	Loan-to-Value ('LTV')***	27.1% (gross); 22.8% (net)
Ordinary share class as at	28/10/2024	Management fee rate	1.05% up to £500m NAV 0.95% of £500m - £750m NAV 0.85% of £750m - £1,000m NAV 0.75% of £1,000m - £1,500m NAV 0.65% of £1,500m + NAV
Shares in issue	620,237,346	WAULT	26.2 years
Share price	89.8 pence		
Market capitalisation	£557.0 million		
Share price discount to EPRA NTA	19.6%		

\* Including planned beds in development sites

\*\* Originally launched as Target Healthcare REIT Limited (Jersey registered: 112287)

\*\*\* Gross LTV calculated as total gross debt as a proportion of gross property value. Net LTV calculated as total gross debt less cash, as a proportion of gross property value

## Recent news

The Group's Manager recently hosted an event for tenants, learning more about their growth aspirations and current operational environments, and held a round table with key leaders within the elderly care sector focussed on the role of the regulator. There was an encouraging consensus on a positive outlook and the growth opportunity where care is provided well, in addition to the importance and benefits of quality, whether through real estate, services, people or regulation.

With 67% of UK care home beds unfit-for-purpose in a sector which generates over £20 billion per annum in resident fees, there is no anticipated deceleration in the pace of change of real estate standards as residents and their families become less willing to accept places without fully private personal hygiene space, adequate social & outdoor space, and with sub-standard environmental certification.

### Performance

The portfolio value increased by 0.9% comprising a like-for-like increase in the operational portfolio (+0.6%), predominately reflecting inflation-linked rent reviews, and an increase from further investment, primarily associated with the development properties (+0.3%).

Contractual rent increased by 0.7%, again primarily driven by inflation-linked upwards-only annual rent reviews (+0.6%).

### Asset Management and Investment Activity

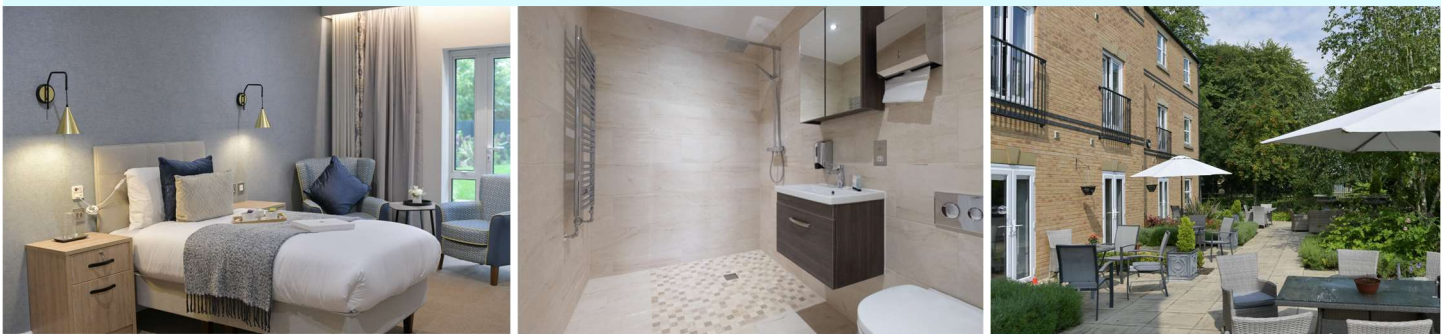
During the quarter, there were enhancements made to a number of homes within the portfolio. The Group facilitated the installation of photovoltaic ("PV") panels at four properties, with the capital expenditure funded by the Group and rentalised at a yield ahead of the portfolio EPRA topped-up NIY.

The conversion of the final four rooms to provide full en suite wet-room facilities at one of the Group's homes in North Yorkshire completed as part of ongoing asset enhancements, increasing the portfolio to 99.2% en suite wet-rooms.

### Outlook

The Group has a mature and modern portfolio, which is delivering continued strong performance, and the two further development sites will provide much needed fit-for-purpose care homes to the sector.

The Group's strategy of holding exclusively modern, purpose-built real estate positions us well, with a best-in-class platform that will enable us to grow the portfolio in a disciplined manner and deliver compelling investment returns.

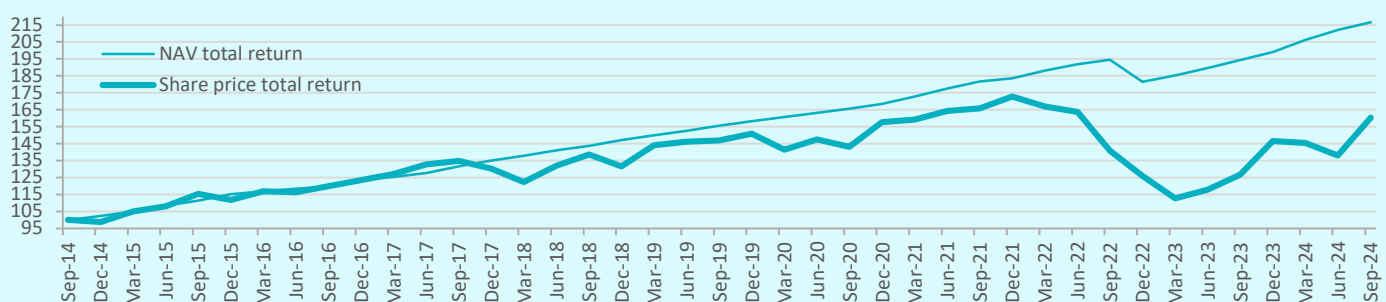


## Summary balance sheet

£m	Sep-24	Jun-24
Property portfolio*	916.4	908.5
Cash	38.9	38.9
Net current assets/(liabilities)	(14.6)	(17.9)
Loans	(248.0)	(243.0)
Net assets	692.7	686.5
EPRA NTA per share (pence)	111.7	110.7

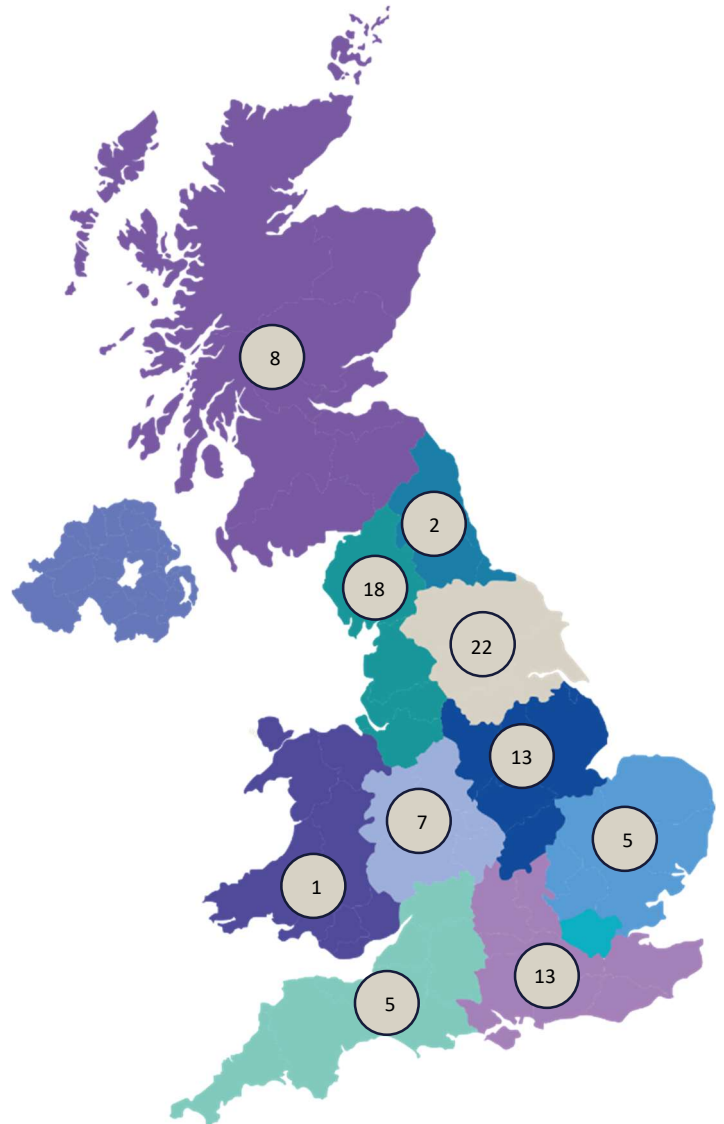
\* Ignores the effect of fixed/guaranteed rent reviews. See note 9 to the Annual Report 2024 for full details.

## Ten Year Performance – NAV and share price total return (rebased to 100 at September-2014)

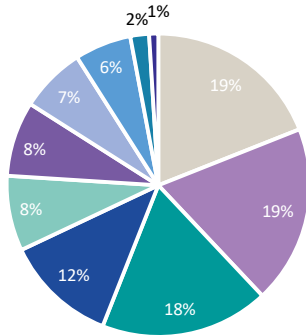




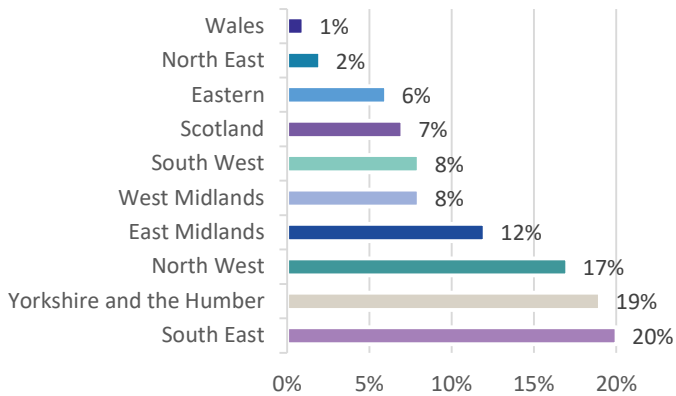
Number of properties by geographic region



Contracted rent by geographic region



Valuation by geographic region (including developments)



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