

# Quarterly Investor Report:

Quarter ended 31 December 2024

## February 2025

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  
£60.6m



Property Value  
£924.7m



### Overview

Launch date	March 2013**
ISIN	GB00BJGTLF51
SEDOL	BJGTLF5
Company name	Target Healthcare REIT plc
Registered number	11990238
Expected quarterly dividend	Feb/May/Aug/Nov
Financial year end	30 June
Currency	Sterling
Website	<a href="http://www.targethealthcarereit.co.uk">www.targethealthcarereit.co.uk</a>
Ordinary share class as at	04/02/2025
Shares in issue	620,237,346
Share price	85.0 pence
Market capitalisation	£527.2 million
Share price discount to EPRA NTA	24.6%

### Key ratios & financials

Investment properties	£924.7 million
Drawn debt	£248.0 million
EPRA NTA	£698.9 million
EPRA NTA per share	112.7 pence
Quarterly NAV total return (including dividend)	2.2%
Quarterly Group specific adjusted EPRA earnings per share	1.59 pence
Quarterly dividend per share	1.471 pence
Dividend yield (04/02/2025)	6.9%
Loan-to-Value ('LTV')***	26.8% (gross); 22.7% (net)
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
WAULT	26.1 years

\* Including planned beds in the remaining development site

\*\* 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 continued to deliver consistent rental growth and a positive total accounting return, supported by tenant profitability and the twin tailwinds of demographic trends and increasing demand for modern, purpose-built real estate. The trading outlook across the Group's portfolio remains positive, with tenants privately-funded fee revenues a distinctive and helpful lever in the rising-cost environment. Rent covers have remained robust, at 2.0x for the September quarter.

### Performance

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

Contracted rent increased by 2.3%, driven by a 0.7% like-for-like increase predominantly arising from inflation-linked, upwards-only annual rent reviews and 1.6% from a completed development and the rentalisation of other capital expenditure.

### Asset Management and Investment Activity

During the quarter, the Group continued to improve and evolve its modern, purpose-built portfolio. One of the Group's homes was re-tenanted from a tenant who had made the strategic decision to exit the elderly care sector. The contracted rent remained the same, with the rent free period being partially funded by the outgoing tenant – this delivered an increase in the minimum annual rental uplift and an improvement in the property's valuation yield.

The evolution of the portfolio continued as one of the Group's development sites reached practical completion and was leased on pre-agreed terms to an existing tenant of the Group. Further, the Group improved its sustainable credentials with the installation of photovoltaic ("PV") panels at one property, and the portfolio becoming 100% A or B EPC rated, ensuring the portfolio is already compliant with the minimum energy efficiency standards anticipated to apply from 2030.

### Outlook

The Group has a modern and largely mature portfolio, delivering continued strong performance, and the remaining development site will provide a much needed fit-for-purpose care home to the sector. The Group remains focused on delivering strong investment returns through active and highly-engaged management of its best-in-class portfolio.

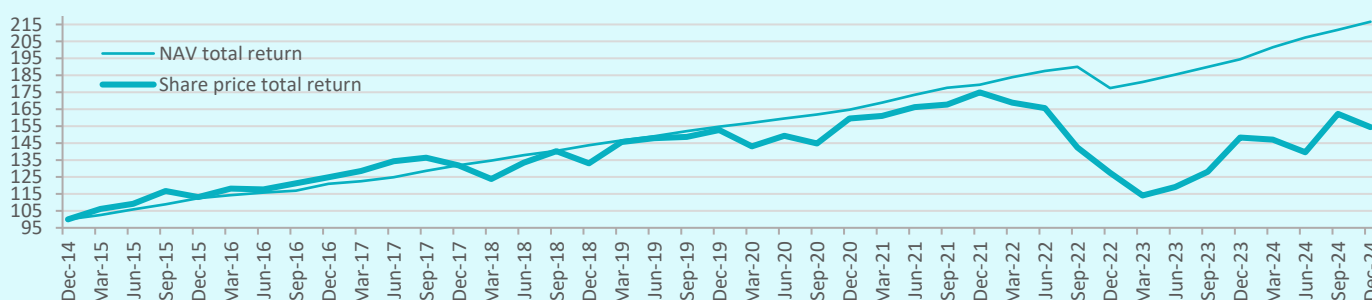


## Summary balance sheet

£m	Dec-24	Sep-24
Property portfolio*	924.7	916.4
Cash	37.9	38.9
Net current assets/(liabilities)	(15.7)	(14.6)
Loans	(248.0)	(248.0)
Net assets	698.9	692.7
EPRA NTA per share (pence)	112.7	111.7

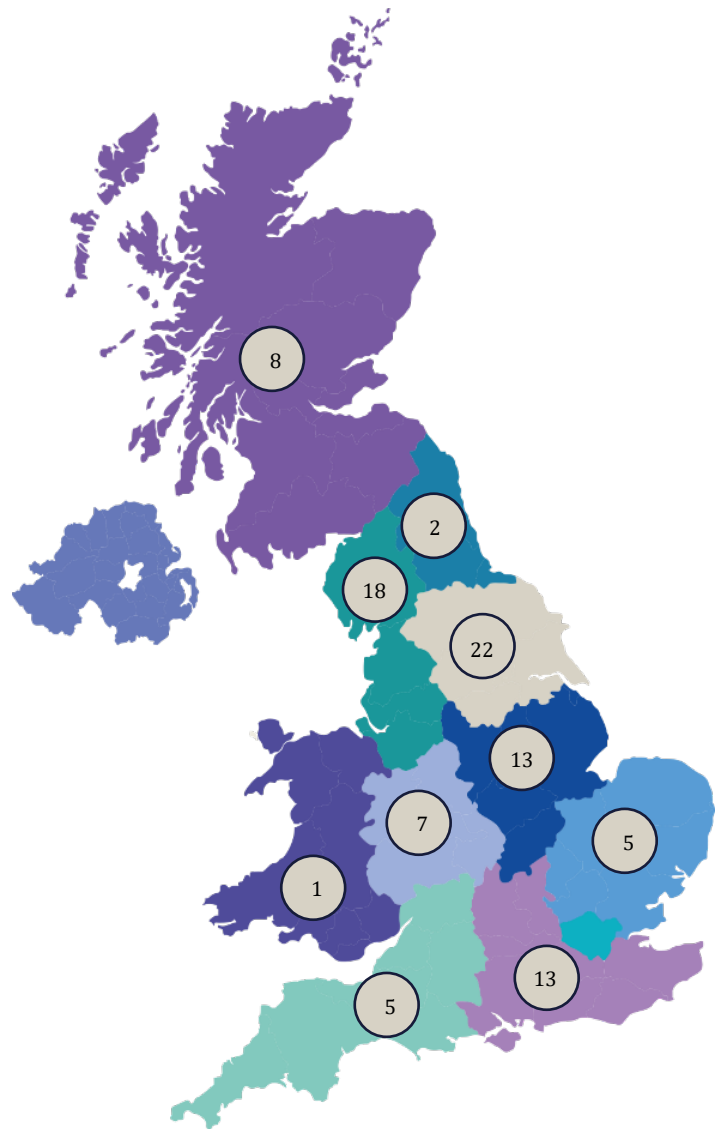
\* Ignores the effect of fixed/guaranteed rent reviews. See note 9 to the Annual Report 2024 for full details.

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

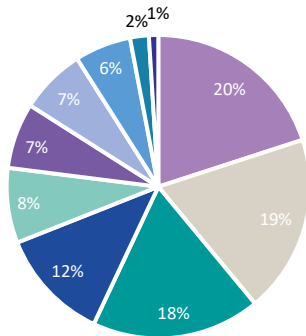




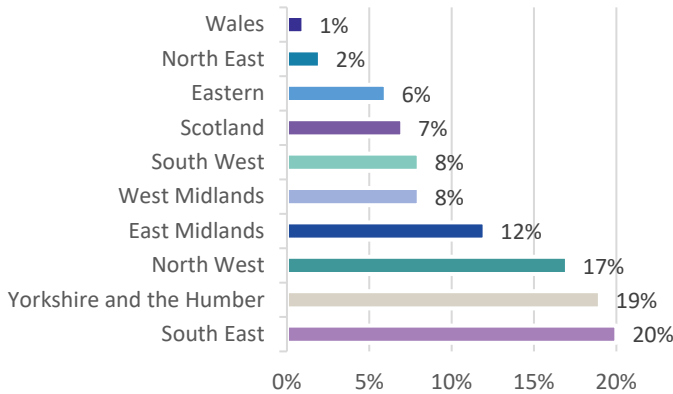
Number of properties by geographic region



Contracted rent by geographic region



Valuation by geographic region (including developments)



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