

Quarterly Investor Report:

Quarter ended 31 March 2024

May 2024

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

Group at a glance



Properties
98



Beds
6,783*



Tenants
33



Contracted rent
£60.1m



Property Value
£934.8m



Overview		Key ratios & financials	
Launch date	March 2013**	Investment properties	£934.8 million
ISIN	GB00BJGTLF51	Drawn debt	£259.0 million
SEDOL	BJGTLF5	EPRA NTA	£676.4 million
Company name	Target Healthcare REIT plc	EPRA NTA per share	109.0 pence
Registered number	11990238	Quarterly NAV total return (including dividend)	3.6%
Expected quarterly dividend	Feb/May/Aug/Nov	Quarterly Group specific adjusted EPRA earnings per share	1.57 pence
Financial year end	30 June	Quarterly dividend per share	1.428 pence
Currency	Sterling	Dividend yield (08/05/2024)	7.2%
Website	www.targethealthcarereit.co.uk	Loan-to-Value ('LTV')***	27.7% (gross); 25.8% (net)
Ordinary share class as at	08/05/2024	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	26.0 years
Share price	79.6 pence		
Market capitalisation	£493.7 million		
Share price discount to EPRA NTA	27.0%		

* 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 portfolio was ranked first in total returns within the £8.6 billion MSCI UK Healthcare Annual Property Index in 2023, and second for the 10-year period ending 2023, reflecting the attractive long term returns and low volatility available from disciplined investment in modern purpose-built care homes with en suite wet-rooms. This is further supported by the record rent covers at the underlying portfolio trading level, with our tenants continuing to report steady occupancy and demand for places.

Performance

The portfolio value increased by 2.6% over the quarter, comprising a 1.4% like-for-like increase in the operational portfolio, mainly reflecting inflation-linked rent reviews and yield tightening, and a 1.2% increase from further investment, primarily associated with the development properties.

Contractual rent increased by 3.7% in the quarter, comprising 0.8% from inflation-linked rent reviews and 2.9% from the completion of two development sites.

Asset Management and Investment Activity

During the quarter enhancements have been made to our portfolio with 24 en suite wet-rooms added, increasing the overall percentage of wetrooms in the portfolio to 99.1%. EPCs were renewed across a number of homes, resulting in the percentage of homes rated A or B improving from 98% to 99%. Further, two development sites in Dartford and Holt reached practical completion, contributing 137 new beds to the portfolio. These homes were let to a new and an existing tenant respectively, each on 35-year leases with green provisions and annual rent reviews (subject to caps and collars).

Outlook

We now have a mature and modern portfolio which is delivering continued strong performance. We remain committed to our consistent, long-term approach to investment as demonstrated by the three further development sites due to complete this summer, which will deliver much needed fit-for-purpose modern care homes to this critically important sector.

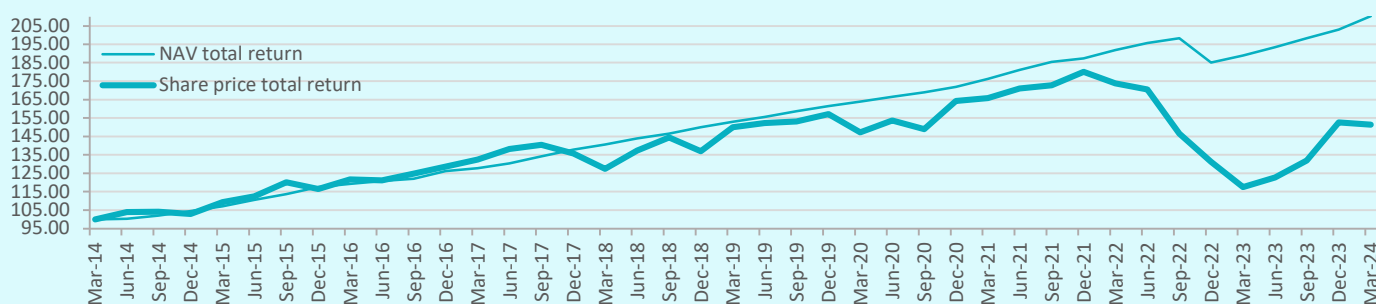


Summary balance sheet

£m	March-24	December-23
Property portfolio*	934.8	911.1
Cash	17.9	17.6
Net current assets/(liabilities)	(17.3)	(14.7)
Loans	(259.0)	(252.5)
Net assets	676.4	661.5
EPRA NTA per share (pence)	109.0	106.7

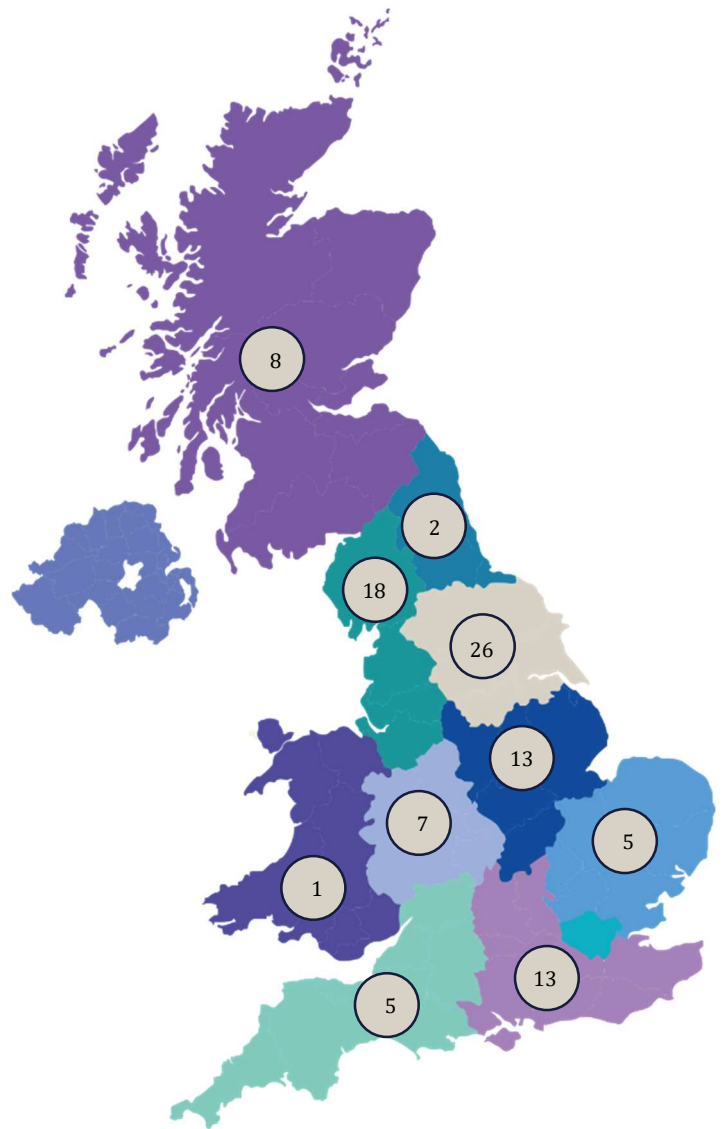
* Ignores the effect of fixed/guaranteed rent reviews. See note 9 to the Annual Report 2023 for full details.

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

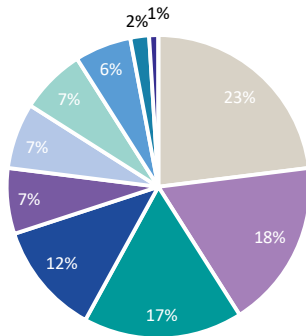




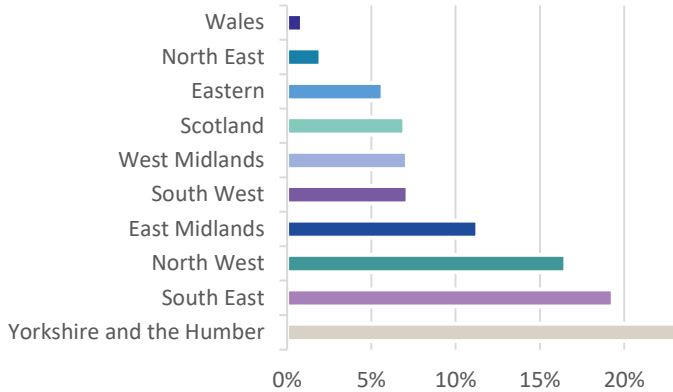
Number of properties by geographic region



Contracted rent by geographic region



Valuation by geographic region (including developments)



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