



Merlin Manor Care Centre, Hartlepool, County Durham.


**140**  
Properties†

† Includes funded and under construction assets.


**£646.2m**  
Property value†

**20.9yrs**  
WAULT

**£48.4m**  
Contracted rent roll

**100%**  
Inflation-linked leases

## Overview

**Impact Healthcare REIT plc (ticker: IHR) is a real estate investment trust. We invest in a diversified portfolio of UK healthcare real estate assets, in particular residential and nursing care homes.**

**Objectives** – Our targets are to deliver:

- a progressive dividend, with a target for 2023 of 6.77 pence per share<sup>1</sup>; and
- an average total accounting return of 9.0% per annum<sup>1</sup>, with the capital growth element mainly coming from rising rents and our asset management projects, rather than relying on increases in market values.

**Strategy** – To achieve our objectives, we:

- buy the right assets that enhance our portfolio through improved geographic and tenant diversity and are accretive to shareholder

returns, by implementing our investment strategy;

- effectively manage the portfolio and individual assets, by implementing our portfolio management and asset management strategies; and
- ensure we're appropriately financed, by implementing our financing strategy.

**Investment Policy** – To acquire, own, lease, renovate, extend and redevelop high-quality healthcare real estate assets in the UK, in particular care homes, and to lease those assets to care home operators and other healthcare service providers under full repairing and insuring leases.

<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.

### Key updates in Q3 2023

- The Group has purchased a new £50 million interest rate cap, which caps SONIA at 4.0% for two years expiring on 15 August 2025, at a cost of £1.76 million.
- Rent cover across the portfolio increased to 1.9x for the 12 months to 30 September 2023, rent was collected from all other tenants.
- The Board declared a third quarter dividend of 1.6925p, in line with the 3.5% increase targeted for this year of 6.77 pence per share with distributions fully covered by EPRA and adjusted earnings.

### Impact at a glance

	30 Sep 2023*	30 Jun 2023*	% change
Shares in issue	<b>414,368,169</b>	414,368,169	–
Share price (p)	<b>83.00</b>	90.00	(7.78)
NAV per share (p)	<b>115.08</b>	113.64	1.26
Market Cap (£m)	<b>343.93</b>	372.93	(7.78)
NAV (£m)	<b>476.8</b>	470.9	1.26
Bank borrowings (£m)	<b>178.8</b>	190.8	(6.29)
EPRA LTV (%)	<b>27.7</b>	27.6	0.46
Number of completed properties <sup>1</sup>	<b>139</b>	139	–
Number of beds <sup>1</sup>	<b>7,725</b>	7,725	–
Market value (£m) <sup>1</sup>	<b>643.4</b>	635.3	1.27
– per property (£m)	<b>4.6</b>	4.6	1.27
– per bed (£'000)	<b>83.3</b>	82.2	1.34
Contracted rent roll (£m)	<b>48.4</b>	48.1	0.54
EPRA "topped-up" yield (%)	<b>6.91</b>	6.95	(0.58)

\* Unaudited

<sup>1</sup> This excludes exchanged and under construction assets.

### Dividend history (per share)

	2023	2022	2021	2020	2019
Q1	<b>1.6925p</b>	1.6350p	1.6025p	1.5725p	1.5425p
Q2	<b>1.6925p</b>	1.6350p	1.6025p	1.5725p	1.5425p
Q3	<b>1.6925p</b>	1.6350p	1.6025p	1.5725p	1.5425p
Q4		1.6350p	1.6025p	1.5725p	1.5425p
	<b>5.08p</b>	6.54p	6.41p	6.29p	6.17p

Lombard View, Falkland, Fife.



IPO	7 March 2017	<b>Registered address</b>
Market	LSE Main Market	The Scalpel
	Premium Segment	18th Floor
Index Inclusion	EPRA/NAREIT	52 Lime Street
Ticker	IHR	London EC3M 7AF
ISIN	GB00BYXVMJ03	
SEDOL	BYXVMJ0	
Dividend payments	Quarterly	

<b>Board of Directors</b>
Simon Laffin (Chairman)
Rosemary Boot (Senior Independent Director)
Amanda Aldridge
Philip Hall
Chris Santer

<b>Key dates</b>	
Half year end	30 June
Full year end	31 December
AGM	May
Publication date:	November 2023

## Portfolio update

### NAV and valuation

Unaudited net asset value ("NAV") as at 30 September 2023 was £476.8 million, 115.08 pence per share. This represents an increase of £5.9 million (1.44 pence per share), against the 30 June 2023 NAV of £470.9 million, 113.64 pence per share.

The Investment portfolio has been independently valued by the Group's external valuer Cushman & Wakefield. The Group's investment property value increased by 1.27% in the quarter (£8.1 million) owing to 12 rent reviews at an average uplift of 4.7 % per annum, in line with the rental increase cap on their leases. The Group's EPRA "topped up" Net Initial Yield at 30 September 2023 is 6.91% (30 June 2023: 6.95%) a marginal improvement in the period reflecting strong rent cover.

### Financing update

The Group's gross loan to value ("LTV") ratio was 27.0% as at 30 September 2023 (30 June 2023: 28.5%). The Group's EPRA LTV was 27.7% (30 June 2023: 27.6%).

The Group purchased a further £50 million interest rate cap in the quarter at a cost of £1.76 million, which caps SONIA at 4.0% for two years. The Group has now hedged the interest rates on 98% (£175 million) of drawn debt. The current average cost of drawn debt, including hedging and fixed rate borrowings, is 4.47%.

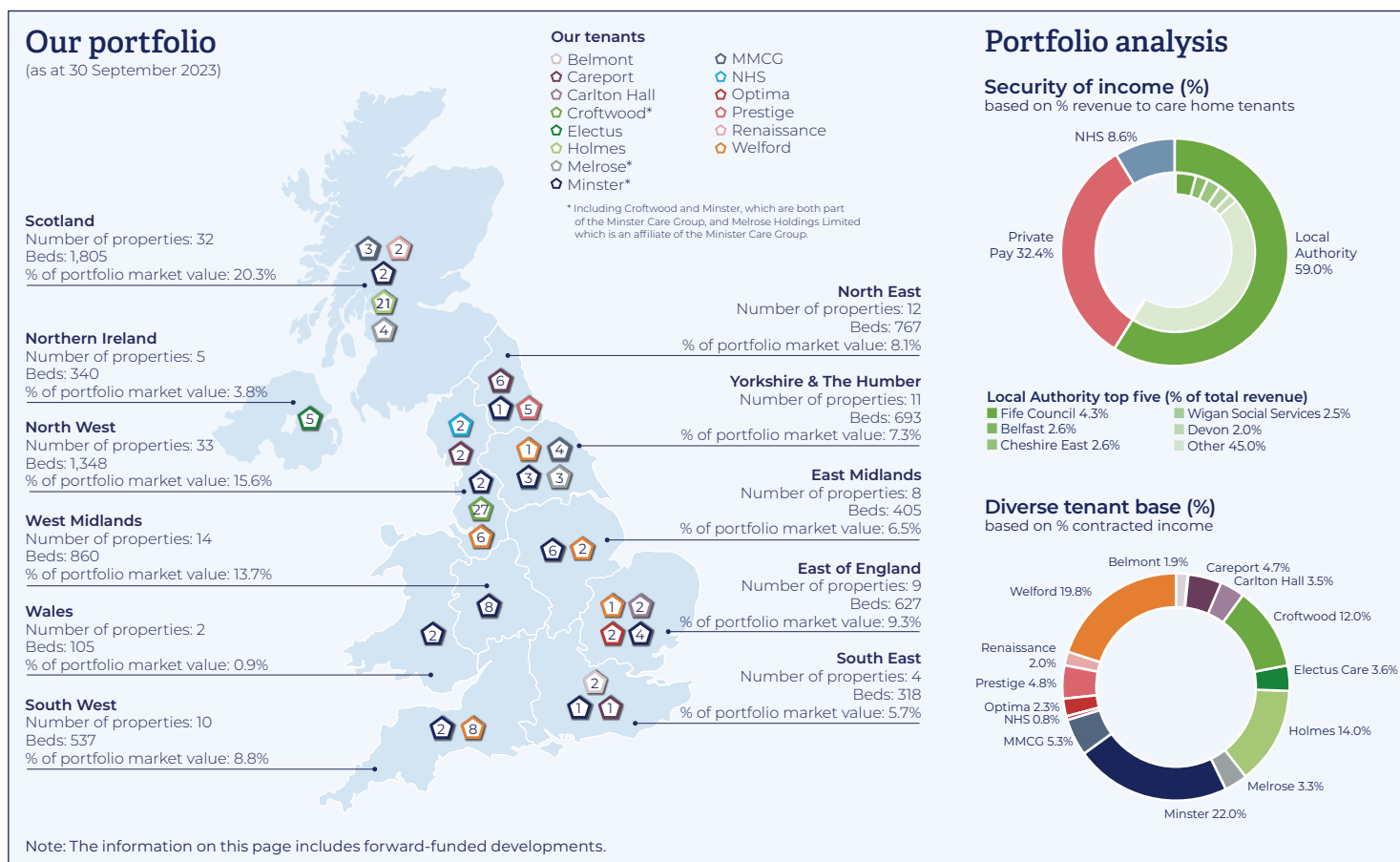
### Operational update

Rent cover across our Portfolio remains strong and was 1.90x for the 12 months to 30 September 2023, and 100% of rent due in the quarter was received.

Occupancy at 30 September 2023 was 88.2%, down 0.1% on 30 June 2023 (88.3%).

Contracted rent increased by 0.5% in the quarter, £48.4 million at 30 September 2023 (30 June 2023: £48.1 million) owing to the increase from 12 rent reviews.

1 Weighted average cost of drawn debt is based on £191 million excluding arrangement fees and cost of interest rate caps. This reflects the ongoing cash cost of the drawn debt.



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