

Quarterly Investor Report:

Quarter ended 31 March 2025

May 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
£61.3m



Property Value
£930.0m



Overview		Key ratios & financials	
Launch date	March 2013**	Investment properties	£930.0 million
ISIN	GB00BJGTLF51	Drawn debt	£249.0 million
SEDOL	BJGTLF5	EPRA NTA	£701.1 million
Company name	Target Healthcare REIT plc	EPRA NTA per share	113.0 pence
Registered number	11990238	Quarterly NAV total return (including dividend)	1.6%
Expected quarterly dividend	Feb/May/Aug/Nov	Quarterly Group specific adjusted EPRA earnings per share	1.472 pence
Financial year end	30 June	Quarterly dividend per share	1.471 pence
Currency	Sterling	Dividend yield (07/05/2025)	5.8%
Website	www.targethealthcarereit.co.uk	Loan-to-Value ('LTV')***	26.8% (gross); 22.9% (net)
Ordinary share class as at	07/05/2025	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	25.8 years
Share price	101.6 pence		
Market capitalisation	£630.2 million		
Share price discount to EPRA NTA	10.1%		

* 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's portfolio continues to outperform the MSCI UK Annual Healthcare Property Index, with a 2024 calendar year total return at the property level of 10.8% relative to the Index's 5.4%. Longer term performance has also been strong, with the Group's portfolio ranking second out of the 12 index participants over the last 10 years, reflecting attractive long-term returns from disciplined investment by a highly experienced team in this high-grade care home real estate asset class.

Performance

The value of the portfolio increased by 0.6%. This comprised a like-for-like increase in the operational portfolio (+0.3%), primarily driven by inflation-linked rent reviews partially offset by a widening net initial yield, and an increase from further investment, primarily associated with rentalised capital expenditure on existing assets (+0.3%).

Contracted rent increased by 1.1%, driven by a 0.8% like-for-like increase predominantly arising from inflation-linked, upwards-only annual rent reviews and 0.3% from the rentalisation of other capital expenditure.

Asset Management and Investment Activity

The Group made further progress on its remaining development site, which is due to reach practical completion this summer. On completion, this will add a further £0.6 million to the Group's contractual rent and much needed purpose-built beds to the sector. Beyond this the Group completed its refurbishment of the remaining 37 en suite wet-rooms at one of the homes, increasing the contractual rent and improving the portfolio's overall wet-room coverage to 100%.

The Group are nearing resolution in a process to re-tenant an asset where rent was not being paid. Following strong interest from multiple operators, the Group expects the asset to be re-tenanted at a similar, or improved, rental level. However, this has resulted in a short-term detrimental impact on rental income and additional costs, and the drop in EPRA earnings in the quarter, which is expected to recover following resolution of this matter.

Outlook

The Group remains focused on its modern and largely mature portfolio, particularly opportunities to enhance the overall portfolio quality where appropriate, whilst remaining cognisant of the shorter dated debt facilities due for renewal later in the year.



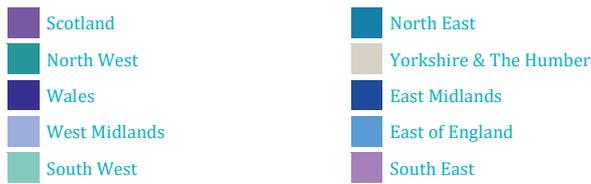
Summary balance sheet

£m	Mar-25	Dec-24
Property portfolio*	930.0	924.7
Cash	36.3	37.9
Net current assets/(liabilities)	(16.2)	(15.7)
Loans	(249.0)	(248.0)
Net assets	701.1	698.9
EPRA NTA per share (pence)	113.0	112.7

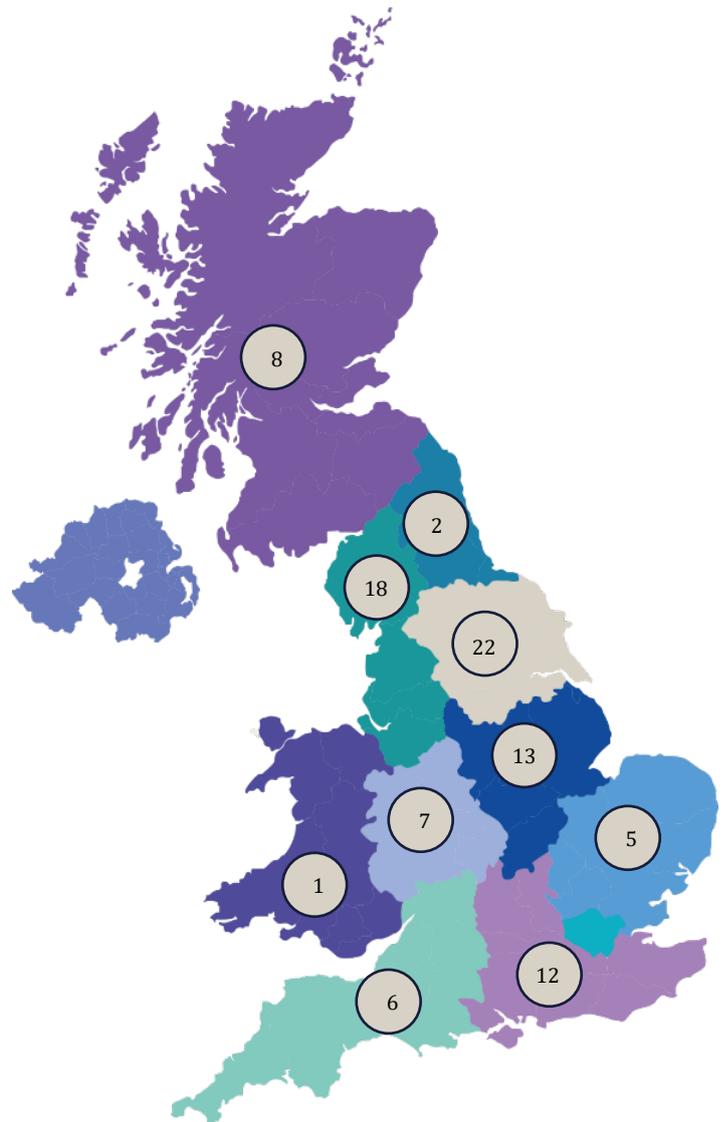
* Ignores the effect of fixed/guaranteed rent reviews. See note 9 to the Annual Report 2024 for full details.

Ten Year Performance – NAV and share price total return (rebased to 100 at March-2015)

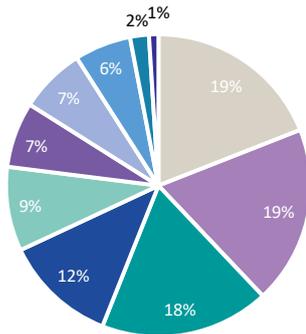




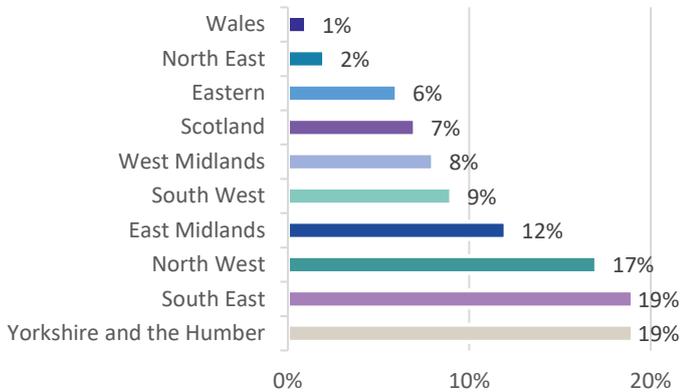
Number of properties by geographic region



Contracted rent by geographic region



Valuation by geographic region (including developments)



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