



HealthCo Healthcare and Wellness REIT  
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HCW Funds Management Limited  
ACN 104 438 100, AFSL 239882

## ASX RELEASE

15 August 2023

### HEALTHCO DELIVERS ON FY23 FFO GUIDANCE AND RECORDS STRONG VALUATION UPLIFT ON HEALTHSCOPE PORTFOLIO

HealthCo Healthcare & Wellness REIT (ASX: HCW) today released its results for the full-year ended 30 June 2023. Today's result demonstrates HCW's transformational growth following the Healthscope hospital portfolio acquisition and resilient portfolio operating performance. Key highlights for the period are:

#### Investment and development highlights

- Transformational acquisition of \$1.2bn Healthscope private hospital portfolio alongside newly established Unlisted Healthcare Fund (UHF)
- UHF raising on-track to reach first close in Sep-23
- Successful completion of the George Private Hospital in Camden NSW on-time and on-budget
- Executing \$200m asset recycling programme with \$95m<sup>1</sup> sold or contracted for sale and ~\$30m under advanced due diligence
- \$90m net revaluation gain realised at Healthscope Knox Private Hospital
- Included in the FTSE EPRA NAREIT Global Developed Index and well positioned for S&P ASX300 index inclusion in September

#### Operational highlights

- 99% occupancy<sup>2</sup> maintained
- 100% cash rent collection maintained
- CPI linked income increased to 70% as at Jun-23, up from 32% as at Dec-22
- 12 year WALE secured by high quality and growing income streams<sup>3</sup>

#### Financial highlights

- FY23 FFO of 6.9cpu (\$25.5m) in line with guidance and up +13% versus FY22<sup>4</sup>
- FY23 DPU of 7.6 cents in line with guidance
- Pro forma balance sheet and look-through gearing within the 30-40% target range and ~\$396m of available liquidity
- NTA/unit of \$1.70

#### FY24 guidance

- FY24 FFO guidance of 8.0cpu, representing 16% growth on FY23
- FY24 DPU guidance of 8.0cents, representing 5% growth on FY23

<sup>1</sup> Comprises \$46m of assets which have settled, and \$49m of assets which are expected to be settled in FY24.

<sup>2</sup> By GLA. Includes signed leases and signed MOU's. Includes rental guarantees, contracted acquisitions and excludes divestments and development assets.

<sup>3</sup> By gross income. Includes signed leases and signed MOU's. Includes contracted acquisitions and excludes divestments.

<sup>4</sup> Compared to FY22 on an annualised basis.

**HCW Senior Portfolio Manager, Sam Morris** said, “Our FY23 result marks a period of transformational growth with HealthCo executing over \$900m of accretive acquisitions, which materially enhanced the quality and scale of the REIT’s portfolio.

*“The milestone acquisition of the Healthscope private hospital portfolio was a rare opportunity to acquire a large scale portfolio of critical healthcare infrastructure with long-term secure income. The portfolio was acquired on attractive terms, highlighted by the \$90m revaluation uplift we have subsequently realised at Knox. We believe this acquisition will deliver compelling long-term total returns for HCW unitholders.*

*“Our value accretive development pipeline now spans over \$1 billion of long term opportunities, which the newly established unlisted healthcare fund will play a key role in unlocking alongside HealthCo. This builds on our track record of delivering greenfield and brownfield projects, including the successful completion of The George maternity and paediatric hospital in FY23. The project was completed on-time and on budget and demonstrates the REIT’s ability to secure and develop high quality institutional grade healthcare real estate.*

HCW CFO, Christian Soberg said, “HealthCo remains committed to maintaining a strong balance sheet and has made solid progress executing the asset recycling program we announced at the time of the Healthscope portfolio acquisition. \$95 million of assets have been sold or contracted for sale and an additional ~\$30 million is currently under advanced due diligence. We have identified additional asset sales which will over time see HealthCo’s balance sheet gearing maintained within the 30-40% target range.

*Finally, we are pleased to provide FY24 FFO and DPU guidance of 8.0cpu representing 16% and 5% growth over FY23, respectively.”*

For additional information please refer to the FY23 financial results presentation which was also released on the ASX today.

#### **Investor and analyst briefing teleconference call**

An investor and analyst briefing teleconference call, followed by a Q&A session, will be held on **Tuesday 15 August 2023 at 9:00am (AEST)**. Investors and analysts wishing to participate can pre-register for the call at: <https://s1.c-conf.com/diamondpass/10032082-72gfssw.html>

The following webcast link will be available: <https://webcast.openbriefing.com/hcw-fyr-2023/>

Participants will need to input their name, email address and company details to register for the webcast.

A playback of the FY23 results webcast will be made available on HMC Capital’s website at [www.hmccapital.com.au](http://www.hmccapital.com.au)

This announcement is authorised by the Board of the Responsible Entity.

For further information please contact:

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### ***About HealthCo Healthcare & Wellness REIT***

*HealthCo Healthcare & Wellness REIT (HCW) is a Real Estate Investment Trust listed on the ASX focused on owning healthcare and wellness property assets. The REIT's objective is to provide exposure to a diversified portfolio underpinned by healthcare sector megatrends, targeting stable and growing distributions, long-term capital growth and positive environmental and social impact. HCW is Australia's leading diversified healthcare REIT with a combined portfolio size of \$1.6 billion and development pipeline of approximately \$1 billion.*

### ***Important Notice - Forward-Looking Statements***

*This announcement contains certain forward-looking statements, which may include indications of, and guidance on, future earnings and financial position and performance. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of HCW. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based. No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement. The forward-looking statements are based only on information available to HCW as at the date of this announcement. Except as required by applicable laws or regulations, HCW does not undertake any obligation to provide any additional or updated information or revise the forward-looking statements or other statements in this announcement, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.*