

**Primary Health Properties PLC**  
(Incorporated in the United Kingdom)  
Company Number: 3033634  
LSE Share Code: PHP  
JSE Share Code PHP  
ISIN Code: GB00BYRJ5J14  
LEI: 213800Y5CJHXOATK7X11  
("PHP" or the "Company")



## UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

### 1. SALIENT FEATURES

- Net rental income increased by 0.9% to £76.2 million (June 2023: £75.5 million)
- Adjusted earnings per share (see note 1) increased by 2.9% to 3.5 pence (June 2023: 3.4 pence)
- Headline earnings per share ("**HEPS**") (see note 2) decreased by 10.5% to 3.4 pence (June 2023: 3.8 pence)
- Earnings per share ("**EPS**") decreased by 90.0% to 0.3 pence (June 2023: 3.0 pence)
- Dividend per share increased by 3.0% to 3.45 pence (June 2023: 3.35 pence) and remains fully covered by adjusted earnings at 100%
- Net tangible assets per share decreased by 2.82% to 103.5 pence (December 2023: 106.5 pence)
- Investment property portfolio valuation of £2.75 billion (December 2023: £2.78 billion)
- Net initial yield of 5.18% (December 2023: 5.05%)
- Weighted average unexpired lease term of 9.8 years (December 2023: 10.2 years)
- Occupancy of 99.2% (December 2023: 99.3%)
- Rent-roll funded by government bodies of 89% (December 2023: 89%)
- Average cost of debt of 3.3% (December 2023: 3.3%)
- Loan to value ratio of 48.0% (December 2023: 47.0%)
- Weighted average debt maturity (drawn facilities) of 6 years (December 2023: 6.6 years)
- Total undrawn loan facilities and cash of £307.8 million (December 2023: £321.2 million)

#### Notes:

1. *"Adjusted earnings, which is a tax adjusted measure of revenue profit, is the basis for the calculation of adjusted earnings per share. PHP believes adjusted earnings and adjusted earnings per share provide further insight into the results of the Company's operational performance to stakeholders as they focus on the net rental income performance of the business and exclude capital and other items which can vary significantly from year-to-year"; and*
2. *The main difference between HEPS and EPS are due to non-cashflow losses arising on the valuation of the Company's property portfolio. EPS were further impacted by non-cashflow losses arising from convertible bond and interest rate derivatives.*

## 2. OUTLOOK

“Growth in the immediate future will continue to be focused on increasing income from our existing portfolio and we are encouraged by the firmer tone of rental growth experienced over the last couple of years. We believe the dynamics of inflation in recent years, including significantly increased build costs combined with demand for new primary care facilities and the need to modernise the estate will continue to drive future rental settlements.

We are currently on site with just two developments with costs to complete of £3.3 million and consequently have very limited exposure to higher construction cost pressures and supply chain delays. In our immediate pipeline we have one development and 23 asset management projects with a total expected cost of £15.3 million and will continue to evaluate these, together with a wider medium-term pipeline at various stages of progress and seek to negotiate rents with the NHS at the level required to deliver an acceptable return.

With an improving rental growth outlook, a strong control on costs resulting in one of the lowest EPRA cost ratios in the sector and the vast majority of the Group’s debt either fixed or hedged for a weighted average period of six years we are well positioned for the future. These factors, along with the encouraging Labour Government commitments to increased investment in primary and community care, enable us to look forward to the rest of 2024 with confidence.”

### **Mark Davies, Chief Executive Officer (“CEO”) of PHP, commented:**

“Following my appointment as CEO earlier in the year, I am delighted to be able to announce PHP’s interim results for 2024. This is another period of robust operational and financial performance and we are encouraged by the continued improvement in open market value rental growth, together with a strong control on costs resulting in one of the lowest EPRA cost ratios in the REIT sector and with the vast majority of PHP’s debt either fixed or hedged for a weighted average period of six years. It’s clear that PHP’s competitive advantage is built on these strong fundamentals and leading position in the UK, combined with our large exposure in Ireland.

“As PHP approaches its 30-year anniversary of continuous dividend growth in 2026, the management team appreciates the importance of driving further earnings growth in the future and this continues to be an important focus of the Group’s business model.

“We welcome the new Labour Government’s commitment to the NHS and, specifically in the first few days of taking power, the Health Secretary’s identification of increased investment in primary care. As reported in the media, there are commitments to reform GP services and wider community care in order to expand service delivery in these settings, relieving the pressures on the NHS. PHP is extremely well placed to facilitate and benefit from these objectives, creating new and modern facilities to deliver services with huge social impact.

“I will also take this opportunity to thank my predecessor, Harry Hyman, for his long and successful leadership of the Company. I look forward to working with Harry in the future, in his new role as Non-executive Chair, providing both continuity and the benefit of his unrivaled experience in the sector.”

## 3. SHORT FORM ANNOUNCEMENT

The short form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement (“**Full Announcement**”) and does not contain full or complete details. The Full Announcement can be found at:

<https://senspdf.jse.co.za/documents/2024/JSE/ISSE/PHPE/Interims24.pdf>

A copy of the Full Announcement is also available for viewing on the Company’s website at <https://www.phpgroup.co.uk/investors/results-reports-and-presentations/>.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

#### 4. WEBCAST DETAILS

An in-person presentation for analysts will be held today, 24 July 2024 at 10.00am (11.00am SAST) at the offices of Burson Buchanan, 107 Cheapside, London EC2V 6DN and for those who cannot attend in person, the meeting will be accessible via live video webcast and conference call facility. Following the presentation there will be a managed questions and answers session

The presentation will be accessible via live video webcast and live conference call facility:

**Webcast:** <https://stream.brrmedia.co.uk/broadcast/6656fff0173fd460b8116b1e>

**Telephone UK:** +44 (0) 33 0551 0200

**Telephone South Africa:** toll free 0800 980 512

Password (if prompted): Quote “**PHP half year results**” when prompted by the operator.

If you would like to register your interest in attending the meeting please contact Burson Buchanan via [php@buchanan.uk.com](mailto:php@buchanan.uk.com). A recording of the webcast will be made available from c.12.00pm (1.00pm SAST) on the PHP website, <https://www.phpgroup.co.uk/>

The Company has a primary listing on the London Stock Exchange and a secondary listing on the JSE Limited.

United Kingdom

24 July 2024

Sponsor: PSG Capital