



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

## ASX RELEASE

12 August 2024

### HEALTHCO HEALTHCARE & WELLNESS REIT DELIVERS 16% FFOpu GROWTH IN FY24 AND GUIDES TO FURTHER GROWTH IN FY25

HealthCo Healthcare & Wellness REIT (ASX: HCW) today released its results for the full year ended 30 June 2024. Today's result highlights the operational strength and income security of HCW's portfolio, which is underpinned by long-term leases to Australia's leading providers of critical healthcare services and supportive demographic fundamentals. Key highlights include:

#### Investment and development highlights

- Robust Jun-24 asset revaluations, delivering a +2.3% increase on the Dec-23 portfolio value<sup>1</sup>
- Successful first close of the ~\$1.3bn<sup>2</sup> Unlisted Healthcare Fund (UHF) with \$650m of equity commitments from HCW and major global institutional investors
- Development projects at Springfield, Nepean, Knox and Northpark all completed in FY24
- Executing \$200m asset recycling program with \$195m of assets sold broadly in-line with book value
- Healthscope continues to meet all lease payments and obligations under the lease terms
- Included in the S&P ASX300 index in FY24
- Executing on \$50m on-market unit buyback (14% complete)

#### Operational highlights

- 99% occupancy<sup>3</sup> maintained
- 100% cash rent collection
- 12.2 year WALE<sup>4</sup>, with ~82% of leases expiring in FY30+

#### Financial highlights

- FY24 FFO of 8.0cpu (\$45.3m) representing +16% growth versus FY23
- FY24 DPU of 8.0 cents representing +5% growth versus FY23
- Gearing of 32.5% at the lower end of the 30-40% target range and ~\$89m of available liquidity
- NTA/unit of \$1.64 in line with Dec-23

#### FY25 guidance

- FY25 FFO guidance of 8.4cpu, representing 5% growth on FY24
- FY25 DPU guidance of 8.4 cents, representing 5% growth on FY24

1 Gross valuation increase.

2 Gross asset value including committed brownfield development projects.

3 By GLA. Includes signed leases and signed MOUs. Includes rental guarantees and excludes divestments & development assets.

4 By gross income. Includes signed leases and signed MOUs.

**HCW Fund Manager, Christian Soberg** said, “FY24 was a period of operational strength and demonstrative of the critical infrastructure like characteristics of the healthcare property asset class. The private hospital sector is integral in the provision of healthcare services to the Australian population and provides critical support to the public system, which is consistently operating at above capacity with long waiting lists for urgent care.”

“HCW’s portfolio continued to maintain 100% cash collections, 99% occupancy and a long-term lease expiry profile of over 12 years throughout FY24, supporting the positive asset revaluations recorded in June 2024. In addition, HCW continued to successfully execute on the asset recycling program with \$195m of assets sold broadly in-line with book value.”

“Our tenant partner Healthscope, Australia’s second largest private hospital operator, continues to meet all lease payments and obligations under the lease terms. In addition, HealthCo remains in a strong financial and legal position with strong rent cash coverage across all 11 HCW / UHF owned assets leased to Healthscope.”

**HMC Capital Managing Director, Real Estate, Sid Sharma** said, “Following the successful first close of UHF in September 2023, we were pleased to introduce a fourth institutional investor into the fund in December, taking total equity commitments to \$650m. The establishment of the fund with major global institutional investors creates additional funding flexibility to activate HCW’s value accretive development pipeline. The pipeline builds on our track record of delivering over \$300m of greenfield and brownfield projects since the IPO under 3 years ago.”

“We are pleased to provide FY25 FFO and DPU guidance of 8.4cpu, representing 5% growth over FY24 and reflective of HealthCo’s high quality asset portfolio. We continue to focus on opportunities to create value for our unitholders and address the unit price discount to NTA through proactive capital management initiatives”.

For additional information please refer to the FY24 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 **Monday 12 August 2024 at 10:30am (AEST)**. Investors and analysts wishing to participate can pre-register for the call at: <https://s1.c-conf.com/diamondpass/10039744-lp1rgd.html>

The following webcast link will be available: <https://webcast.openbriefing.com/hcw-fyr-2024/>

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

A playback of the FY24 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 a large-scale development pipeline.*

### **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.*

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