



HealthCo Healthcare and Wellness REIT
ARSN 652 057 639
HCW Funds Management Limited
ACN 104 438 100, AFSL 239882

ASX RELEASE

11 December 2024

HEALTHCO HEALTHCARE & WELLNESS REIT ANNOUNCES DECEMBER 2024 PROPERTY VALUATIONS AND DECLARES DECEMBER 2024 DISTRIBUTION

KEY HIGHLIGHTS

- December 2024 preliminary unaudited portfolio valuation of \$1,587m, representing a gross valuation increase of \$13m and a net valuation impact of -0.9%¹, with the movement driven by 8bps of capitalisation rate expansion, partially offset by strong net operating income growth
- HCW and UHF remain in a strong financial and legal position in relation to the 11 hospital asset portfolio leased to Healthscope, Australia's second largest private hospital operator, with Healthscope continuing to pay all rent in full and on time
- Strong pro forma balance sheet maintained with pro-forma gearing at the lower end of HCW's target gearing range of 30-40%²
- Distribution of 2.1 cents per unit for the quarter ended 31 December 2024 declared
- FY25 FFO/unit & DPU guidance of 8.4c reaffirmed, representing 5% year-on-year growth

HealthCo Healthcare & Wellness REIT (**ASX: HCW**) Fund Manager Christian Soberg, said: *"Strong net operating income growth across the portfolio continues to support asset values despite a modest easing in capitalisation rates. The stable valuations reflect the critical infrastructure characteristics of the HealthCo portfolio, which is underpinned by a growing and ageing population and long-term leases to national healthcare operators and Government tenants."*

HMC Capital Managing Director, Real Estate, Sid Sharma said, *"In our view the strong operating fundamentals and robust valuations do not align with HCW's current unit price, which is why we continue to actively buy back units and realise value for unit holders. Finally, we are pleased to reaffirm our guidance for FY25, which is consistent with HCW's objective of delivering stable and growing distributions."*

¹ On a pro forma basis adjusted for disposals and assets held for sale.

² 5 childcare assets (Concord, Frankston, Maylands, Seaford and Woolloongabba) have settled in 1H FY25.

DECEMBER 2024 PRELIMINARY UNAUDITED PORTFOLIO VALUATION

In accordance with the stated valuation policy of HCW, preliminary unaudited valuations for all 28 properties in the portfolio have been completed³. This comprised 16 independent valuations, representing 50% of the properties by value and 57% by number, with the remaining 12 properties completed by internal valuation.

The preliminary unaudited portfolio valuation, which remains subject to half-year audit, has increased by \$13m (+1%) to \$1,587m (vs. pro forma 30 June 2024). Net of capital expenditure incurred during the period of \$27m, valuations were impacted by -0.9% in the 6 months to 31 December 2024.

Preliminary unaudited portfolio valuation	Independent valuations	Internal valuations	Acquisitions / Disposals	Equity accounted investments ⁴	Total ⁵	Portfolio WACR (%)
# properties	9	11	-	8	28	
30 June 2024 valuation	\$210m	\$766m	\$36m	\$609m	\$1,610m⁶	5.27%
Net acquisitions and disposals ⁷	-	-	(\$36m)	-	(\$36m)	
Pro forma 30 June 2024 valuation	\$210m	\$756m	-	\$609m	\$1,574m	5.26%
Capital expenditure	\$1m	\$9m	-	\$17m	\$27m	
Net valuation movement	(\$9m)	(\$4m)	-	(\$2m)	(\$14m)	
31 December 2024 valuation	\$202m	\$760m	-	\$625m	\$1,587m	5.35%
Gross increase / (decrease)	(3.8)%	0.6%	-	2.6%	0.8%	
Net increase / (decrease)	(4.3)%	(0.5)%	-	(0.2)%	(0.9)%	

DECEMBER 2024 QUARTER DISTRIBUTION DECLARATION

HCW Funds Management Limited as responsible entity of HCW (**Responsible Entity**) has declared the quarterly distribution for the period 1 October 2024 to 31 December 2024 of 2.100 cents per unit. The key dates and details for the December 2024 distribution are:

Event	Date
Distribution amount	2.100 cents per unit
Ex-distribution date	Monday, 30 December 2024
Record date	Tuesday, 31 December 2024
Payment date and despatch of statements	On or about Wednesday, 26 February 2025

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

³ Including equity accounted investments.

⁴ HCW's interest in equity accounted investments - UHF (all of which were independently revalued as at 31 December 2024) and Camden Stages 2/3.

⁵ Excludes right of use asset at GC Urraween.

⁶ As per FY24 results presentation.

⁷ Including assets held for sale.

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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 a positive environmental and social impact. HCW is Australia's leading diversified healthcare REIT with a combined portfolio size of \$1.6 billion⁸.

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.

⁸ Inclusive of HCW's interest in equity accounted investments.