



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

## ASX RELEASE

17 February 2023

### HEALTHCO HEALTHCARE & WELLNESS REIT UPGRADES FY23 FFO GUIDANCE TO 7.1 CPU

HealthCo Healthcare & Wellness REIT (ASX: HCW) today released its results for the half-year ended 31 December 2022. Today's result underscores HCW's strong portfolio fundamentals, ability to source accretive acquisitions and the successful delivery of its development pipeline. Key highlights for the period are:

#### Financial highlights

- 1H FY23 FFO of \$10.0m (3.1 cpu)
- 1H FY23 DPU of 3.75 cpu in line with FY23 guidance
- Gearing of 15.5% with \$276m of available liquidity
- NTA/unit of \$2.00 in line with Jun-22, with property valuations underpinned by income growth

#### Operational highlights

- 99% occupancy<sup>1</sup>
- 100% cash rent collection
- 10 year WALE secured by high quality and growing income streams<sup>2</sup>

#### Investment and development highlights

- Successful completion of the \$80m development of the George Private Hospital in Camden, NSW, Australia's fastest growing LGA
- \$81m life sciences acquisition in Macquarie Park, NSW, and strategic partnership with Aegros
- Establishment of strategic partnership with Mater Misericordiae Ltd ("Mater") beginning with the co-ownership and anchor tenancy at the Springfield Health Hub, QLD
- Acquisition of Vitality Village Health Hub on the Sunshine Coast, QLD for \$28.9m at a 6.5% yield

#### FY23 guidance

- FY23 FFO guidance upgraded to 7.1 cpu, representing 15% growth on FY22<sup>3</sup> and a 4% upgrade to previous guidance of 6.8 cents
- FY23 DPU guidance of 7.5 cents is reaffirmed

<sup>1</sup> By GLA. Includes signed leases and signed MOU's. Includes rental guarantees, contracted acquisitions and excludes divestments and development assets.

<sup>2</sup> By gross income. Includes signed leases and signed MOU's. Includes contracted acquisitions and excludes divestments.

<sup>3</sup> On an annualised basis.

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HCW Senior Portfolio Manager, Sam Morris said, *“Our first half FY23 result marks another period of strong operational performance and significant progress unlocking our value accretive development pipeline. During the half, HCW secured \$177m of accretive health and life sciences property acquisitions, which further improve the quality and scale of the REIT’s portfolio. In addition, we continue to build important strategic partnerships with leading health and life sciences tenants.*

*“We are pleased today to announce the acquisition of a diversified life sciences property located in the Macquarie Park Innovation Precinct in Sydney. The property is fully leased and anchored by Aegros, an Australian plasma processing company, and Saluda Medical, a Med-Tech company focused on pain management through neural activation. Over 90% of income is weighted towards health, life sciences and government tenants.*

*“Our strategic partnerships with Mater and Aegros are consistent with HCW’s strategy to build relationships with key healthcare tenant partners to support future growth opportunities.*

*“We achieved a major development milestone in the period with the successful completion of The George paediatric hospital in Camden, South-West Sydney. 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”, Mr Morris said.*

HCW CFO, Christian Soberg said, *“We have continued to deploy our balance sheet in a disciplined manner and retain the flexibility to pursue growth opportunities with liquidity of \$276m and gearing of 15.5%, which is below our target range of 30-40%. Finally, we are pleased to upgrade our FFO guidance for FY23 and expect the distribution to be FFO covered by the end of FY23,” Mr Soberg said.*

For additional information please refer to the 1H 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 **Friday 17 February 2023 at 10:30am (AEST)**. Investors and analysts wishing to participate can pre-register for the call at: <https://s1.c-conf.com/diamondpass/10028145-ka85rt.html>

The following webcast link will be available: <http://www.openbriefing.com/OB/5005.aspx>

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

A playback of the 1H 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 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.*

### **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. This announcement is also subject to the same disclaimer as appears in the Investor Presentation with any necessary contextual changes.*

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