



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

ASX RELEASE

14 February 2025

HEALTHCO DELIVERS 5% FFOpu GROWTH IN 1H FY25

HealthCo Healthcare & Wellness REIT (**ASX: HCW**) today released its results for the half year ended 31 December 2024.

Financial update

- 1H FY25 FFO of 4.2cpu (\$23.5m) representing +5% growth versus 1H FY24
- 1H FY25 DPU of 4.2 cents representing +5% growth versus 1H FY24
- Gearing of 32.4% at the lower end of the 30-40% target range and ~\$115m of available liquidity

Operational highlights

- 100% cash rent collection
- 99% occupancy¹ maintained
- 11.6 year WALE², with 82% of leases expiring in FY30+

Investment highlights

- Stable Dec-24 asset revaluations³, delivering a +0.8% increase on the Jun-24 portfolio value⁴
- Development project at Mount Private Hospital remains on track for completion in 2H FY25
- Executing on \$50m on-market unit buyback (35% complete)

Healthscope update

HCW notes the recent increased market speculation around Healthscope⁵. It is likely that the speculation will persist until a sustainable solution which underpins continuity of hospital services is found. HCW and UHF have made it clear that further rental support will not be provided to Healthscope.

In the event that Healthscope were to breach its lease obligations, HCW would seek to replace Healthscope's tenancies with other hospital operators.

HCW and UHF have been approached by capable and qualified parties to potentially tenant the 11 hospitals including a consortium led by HMC Capital's Private Equity Division. HCW understands that HMC is in discussions with a broad group of key stakeholders as part of the consortium.

HCW will consider all proposals.

FY25 guidance

HCW reaffirms its previous FFO/unit and DPU guidance of 8.4 cents. This guidance is based on the continued performance of HCW's portfolio including the contractual obligations of Healthscope.

¹ By GLA. Includes signed leases and signed MOUs. Includes rental guarantees and excludes divestments & development assets.

² By gross income. Includes signed leases and signed MOUs.

³ 8 of the 11 HCW/UHF owned hospitals operated by Healthscope were independently valued.

⁴ Gross valuation increase.

⁵ Healthscope remains compliant with all their lease obligations.

HMC Capital Managing Director, Real Estate, Sid Sharma said, "We recognise that the HCW unit price has continued to be impacted by speculation about Healthscope and have proactively prepared for a number of potential scenarios that could play out in the short term."

"We are pleased with the inbound interest from potential tenants eager to ensure continuity of essential healthcare services to Australians. Our conviction in private hospitals as an asset class and our own hospitals remains unchanged".

HCW Fund Manager, Christian Soberg said, "Our half year results reflect the strength of our healthcare real estate portfolio. Our strong balance sheet with gearing at the lower end of our target range and a portfolio of high quality assets will ensure we can preserve and enhance long term value for our unitholders".

For additional information please refer to the 1H FY25 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 14 February 2025 at 10:00am (AEDT)**. Investors and analysts wishing to participate can pre-register for the call at: <https://s1.c-conf.com/diamondpass/10044657-d8w7fq.html>

The following webcast link will be available: <https://webcast.openbriefing.com/hcw-hyr-2025/>

Participants will need to input their name, email address and company details to register for the webcast. A playback of the 1H FY25 results webcast will be made available on HMC Capital's website at 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.