



# Primed For Growth

Capital Markets Update  
24 July 2025

Victoria Medical Centre, Eastbourne. A large, modern medical centre developed by PHP in 2021

# Agenda

14:30-14:40	Introduction
14:40-14:50	Financial update
14:50-15:00	Recommended combination with Assura
15:00-15:10	10 Year Health Plan and the opportunity for PHP
15:10-15:50	Fireside chat with Sir Jeremy Hunt and Dame Clare Gerada
15:50-16:00	Closing remarks and Q&A
16:00	Refreshments

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**Mark Davies**  
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**Rt Hon Sir Jeremy Hunt MP**  
Former Health Secretary, Foreign  
Secretary and Chancellor



**Dame Clare Gerada DBE**  
Former President of the Royal  
College of General Practitioners



Webcast link:  
<https://stream.brrmedia.co.uk/broadcast/686e719cc36b2d001398855f>

# PHP investment case



## Demographic tailwind

UK population is growing and ageing, demand for space is leading to high occupancy



## NHS policy

Significant continued shift to primary care, as set out in the 10 Year Health Plan



## Significant opportunity

50% of existing primary care premises in the UK are not fit for purpose<sup>1</sup>. Neighbourhood Health Centres are the future



## Secure income

88% of rent is paid for by the UK and Irish Governments



## Dividend

29-year track record of dividend growth currently yielding at c.7.4%<sup>2</sup>, confident in future progressive and covered dividend growth



## Rental growth

Rental growth outlook set to continue with over 3% net rental income growth



## Long income

WAULT of approx. 10 years and principal occupiers take new leases of 20-30 years



## Low costs & fixed debt

Strong control on overhead with EPRA cost ratio of <10%. 100% of debt fixed or hedged, low average cost of 3.4%

1. Source: "Independent Investigation of the National Health Service in England" Lord Darzi, September 2024

2. As at 23 July 2025 closing price of 95.60



# Financial update





# H1 2025 key financial and operational highlights

## H1 2025 financial highlights

- Net rental income **£78.6m +3.1%** (H1 2024: £76.2m)
- Adjusted earnings **£47.3m +2.2%** (H1 2024: £46.3m)
- Revaluation surplus **£19.8m +0.7%** (H1 2024: deficit -£40m); driven by rental growth delivering an increased **total property return +3.6%** (H1 2024: +1.4%)
- Adjusted NTA per share **106.2p +1.1%** (2024: 105.0p)
- Increased **adjusted NTA return +4.5%** (H1 2024: +0.4%) including dividends paid in period

## Focus on income growth with disciplined approach to shareholder returns and capital deployment

- 29<sup>th</sup> year of consecutive dividend growth equivalent to **7.1p<sup>1</sup> per share +2.9%** (2024: 6.9p)
- Dividend cover maintained at **100%** in H1 2025 (FY 2024: 101%)
- LTV of **48.6%** (2024: 48.1%) continues to be within target range of 40% to 50%
- Average cost of debt unchanged at **3.4%** (2024: 3.4%)
- One of the lowest EPRA cost ratios in the sector reduced further to **9.8%** (H1 2024: 10.1%)
- Disciplined pipeline, focused on asset management and development opportunities in Ireland

**29th year of consecutive dividend growth**

**Portfolio**  
**£2.81 billion** (2024: £2.75 billion)

**Rent roll**  
**£158 million** (2024: £154 million)

**Government backed income**  
**88%** (2024: 89%)

**Index linked income**  
**28%** (2024: 27%)

**Occupancy**  
**99.1%** (2024: 99.1%)

**WAULT**  
**9.1 years** (2024: 9.4 years)

**Net debt: fixed or hedged**  
**100%** (2024: 100%)

1. Based on Q1, Q2 and Q3 2025 dividend of 1.775p paid or declared per share annualised and is illustrative only

# Improving rental growth outlook

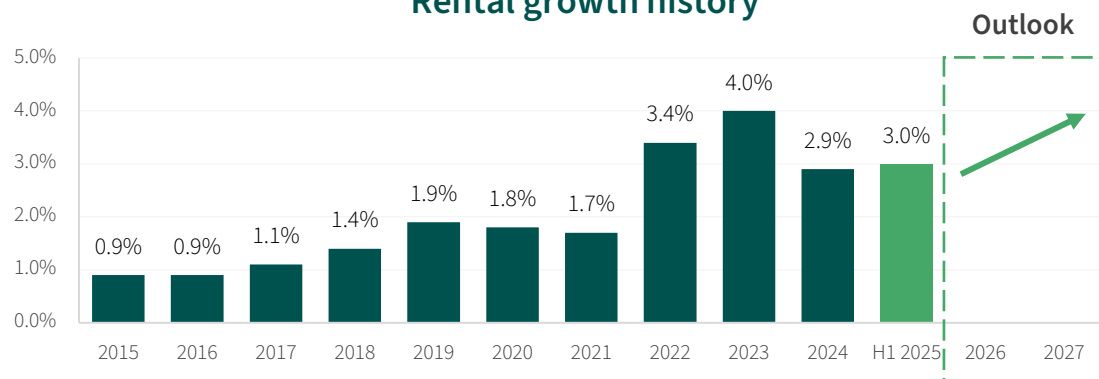
## Rent reviews

- **£2.1m** additional rent in H1 2025 from rent reviews, **8.6%** increase over previous rent, **3.0%** p.a. total weighted average rental growth
- 66% reviewed to open market (ave. **2.3%** p.a.), includes **37 reviews arising in 2022, 2023 and 2024 which delivered an increase of 12.3% over the previous passing rent or 3.6% p.a.**
- 28% index linked (ave. **4.0%** p.a.), 25% of UK indexed reviews include caps and collars, typically between 6-12% over a 3-year review cycle
- 6% on fixed uplift (ave. **2.6%** p.a.)
- Ireland – 100% index linked (ave. **3.4%** p.a.)
- Assura FY 24/25 results reinforce improving rental growth outlook + £4.5 million or an uplift of 6.1% or 3.2% p.a. (OMV +2.2%, indexed/fixed +3.6%)

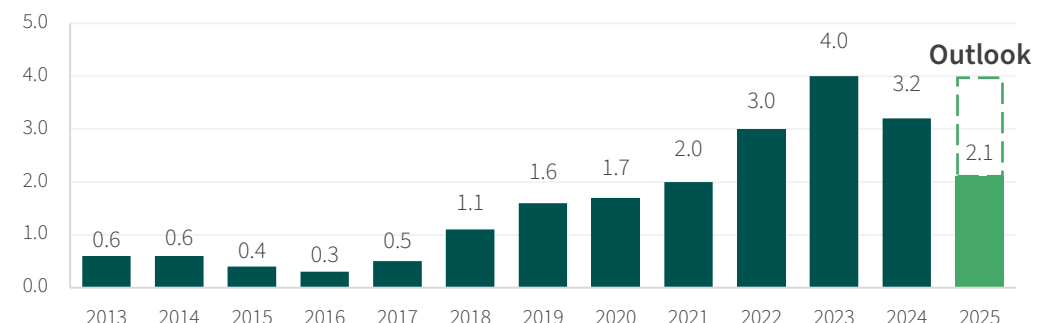
## Asset management

- Advanced pipeline of 43 projects - improving rental growth outlook with the current weighted average rent of £195psm due to increase by around 15% to £223psm

Rental growth history



Additional income from rent reviews (£m)

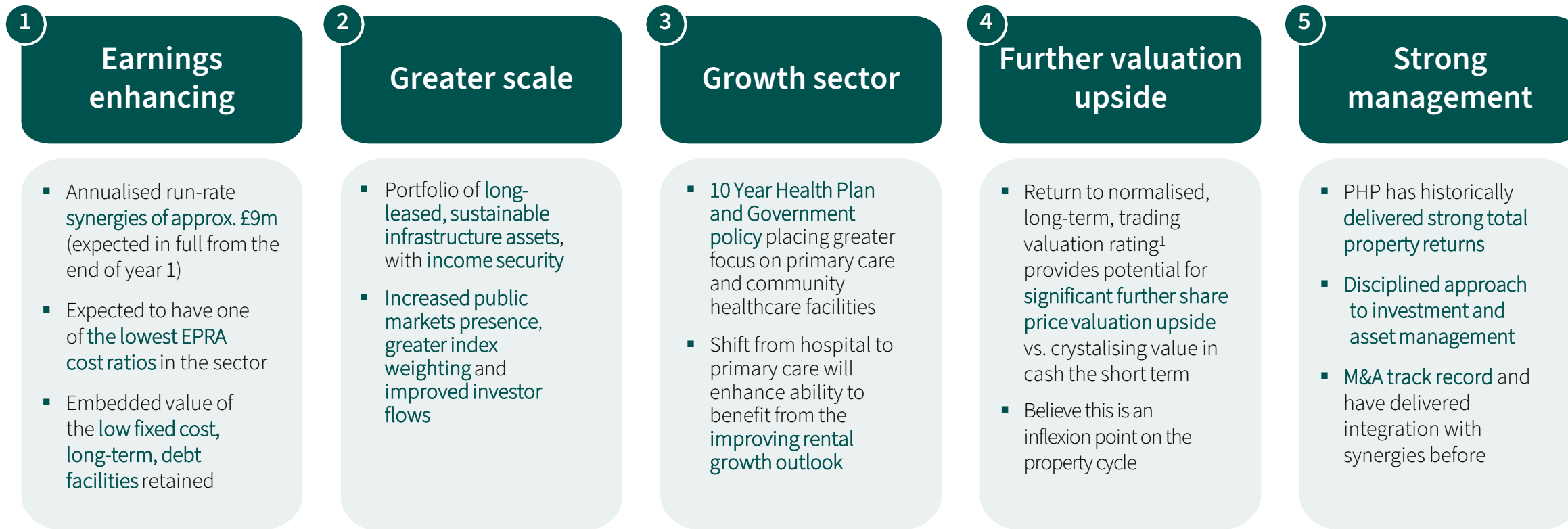


# Recommended combination with Assura





# Combination expected to deliver significant strategic and financial benefits to PHP and Assura shareholders



**Forensic focus on creating shareholder value and growing the dividend with this earnings accretive transaction**

1. PHP and Assura long-term trading valuation on a Price/NAV and Dividend yield basis is set out on page 7 of the investor presentation that can be found at the following link <https://www.phpgroup.co.uk/investors/offer-for-assura-plc/>



# Attractive strategy and financial framework

## Proposed operating policies

- Progressive dividend paid on a quarterly basis
- 80% to 90% government backed income target
- Focus on organic rental growth > 3% to deliver sector leading, risk adjusted total property returns
- Long income with occupiers on new or regeared leases typically in excess of 20 years
- Risk controlled and capital light asset management and development projects

## Financial framework

- Targeting strong investment grade credit rating of BBB+ or better
- LTV target of 40% to 50%
- Interest cover target of >2.5x with > 90% of debt fixed or hedged
- Strong control on costs and overheads with one of the lowest EPRA cost ratios in the sector (sub 10%)

# Capital structure – strong support from the capital markets for the combination

## Achieved to date

- £1,125m<sup>1</sup> bridging and back stop facility from new and existing lenders
- Fitch confirmed that Assura would remain investment grade after the combination
- £900m of Assura listed bonds to remain, with no change of control event
- £416m waivers on change of control on various Assura facilities
  - Obtained change of control waivers in respect to Assura revolving credit facility
  - Agreement of a restated two-year maturity for Assura's £266m term loan from Barclays, plus extension options to 2029
- Ongoing discussions with private placement holders and other lending banks regarding change of control – waiting for the combination to complete

## Next steps following completion

- Execute strategic JV(s) / selected disposals to reduce leverage to 40% to 50% LTV target in the short term
- Refinance and “term-out” balance of bridging facility and Assura's short duration private placement loans
  - Convertible bond - £300m
  - Private placements and listed bond market
  - Convert Tranche C of bridging facility to an RCF (as stated in the facility agreement) to provide c.£300m of further undrawn liquidity headroom
  - Positive discussions with several potential new lenders, keen to be involved in enlarged Group, regarding RCF
- Accelerate process to move PHP's secured debt structure to an unsecured basis, starting with RCF's (originally planned for 2027/2028)

1. £100m of original £1,225m facility was cancelled following receipt of CoC waivers



# Joint venture and disposal strategy – good progress continues



## Engagement with counterparties

- **Positive ongoing discussions** with a number of highly credible counterparties
- **Strong interest in JV opportunities** with PHP



## Shortlisting and proposed structuring

- **Shortlist being finalised** to progress to heads of terms
- **Preferred structure is strategic JV(s)**



## Targeting completion

- High confidence in delivering a transaction **in the short-term**
- **Supports reducing LTV to 40%–50% range**

### Market backdrop

- Assura announced a JV with USS in May 2024 which has acquired £159m of primary care assets, with capacity to increase to £400m
- New pools of capital are assessing the asset class: global infrastructure funds, pension funds, life assurance companies, managing significant capital at a lower cost

# Recommended combination of PHP and Assura

## PHP offer

- Assura shareholders receive, for each Assura share:
  - 0.3865 new PHP shares
  - 12.50 pence in cash
  - 0.84 pence special dividend, payable on the transaction becoming unconditional
- In addition, Assura shareholders retain, with no adjustments the Assura dividends paid on 9 April 2025 and 9 July 2025
- Based on an acquisition of all shares in Assura, Assura shareholders will hold 48% of the enlarged Group

## Look-through offer value

- The daily closing look-through value of PHP's offer<sup>1</sup> has been **consistently ahead of the Consortium all-cash proposal<sup>2</sup>** since the PHP 2.7 announcement on 16 May 2025<sup>3</sup>
- Due to the recommended combination, the Board believes that PHP's share price has been impacted by technical factors resulting from merger arbitrage activity, with some funds hedging long positions in Assura with a corresponding short position in PHP, leading to an elevated short position which is temporary and which the Board expects to reverse post completion of a transaction

## Regulatory process

- The PHP offer is **not conditional** on any regulatory or competition clearances
- PHP continue to engage with the CMA in respect to its Phase 1 review which is progressing well and in keeping with expectations

1. PHP Offer from 16 May 2025 to 23 June 2025 of 0.3769 new PHP shares and 12.50 pence in cash, plus retain 0.84 pence April dividend and retain 0.84 pence July dividend. PHP Offer from 23 June 2025 of 0.3865 new PHP shares and 12.50 pence in cash, plus retain 0.84 pence April dividend, retain 0.84 pence July dividend plus 0.84 pence special dividend

2. Consortium offer from 16 May 2025 to 11 June 2025 of 49.40 pence, inclusive of 0.84 pence April dividend; Consortium Best and Final cash offer from 11 June 2025 of 52.10 pence, inclusive of 0.84 pence April dividend and 0.84 pence July dividend

3. Calculation based on the relevant PHP offer (per footnote 1) and Consortium offer (per footnote 2) in the public domain at the end of each day up to close on 22 June 2025

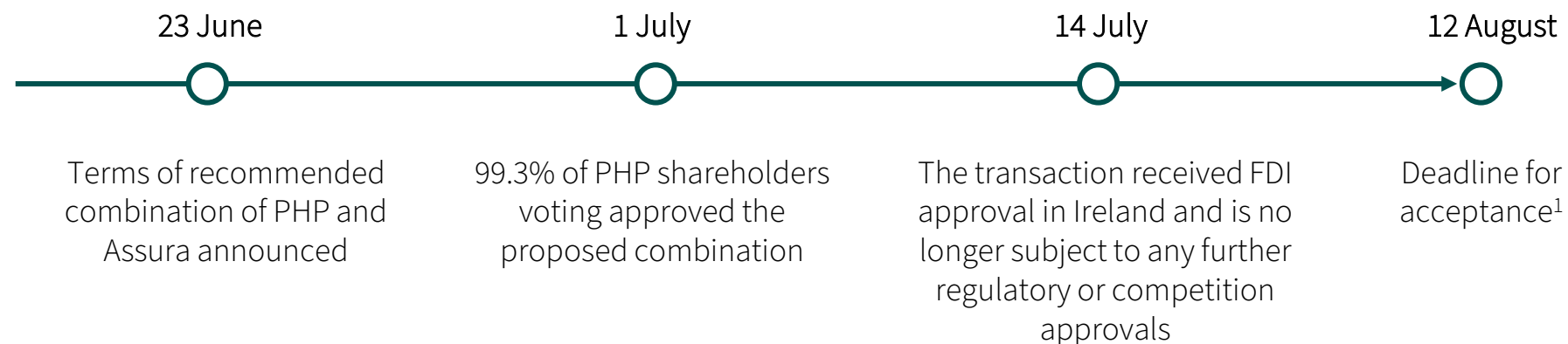


# Next steps

## Acceptance of the offer

- Assura Shareholders who have not yet accepted the PHP offer are urged to do so as soon as possible and, in any event, **no later than 1.00 p.m. (London time) on 12 August 2025**
- PHP requires shareholder acceptances of greater than 50% of the voting shares of Assura to become unconditional – **TAKE ACTION NOW**
- Further details of how to accept the offer can be found in the Revised Offer Document at this link [www.assurapl.com/investor-relations/shareholder-information/offer-from-php](http://www.assurapl.com/investor-relations/shareholder-information/offer-from-php)
- Strong support from PHP shareholders for the combination, with 99% votes in favour from voting shareholders at its general meeting

## Timeline



1. Mix and match facility will remain open until date offer becomes unconditional

# 10 Year Health Plan and the opportunity for PHP





# The Government's 10 Year Health Plan for England, July 2025

Shift from hospitals to community with Neighbourhood Health Centres (NHC) at the core of the Government's vision



*“The creation of a Neighbourhood Health Service marks a break from the past and a sharp choice: to put a higher share of NHS expenditure into community settings, and less in hospitals over the next 10 years.”*

*“Establishing a Neighbourhood Health Centre in every community across the country.”*

PHP is strategically well placed to assist and support the Government and NHS with the NHC programme:

- c.500 existing assets across the country
- Many already operate in a manner consistent with NHCs, offering multidisciplinary services across a broad spectrum of care
- Our community assets can be extended, refurbished, and optimised in a capital light way delivering double digit returns
- PHP will also deliver new builds where needed
- Strong engagement with local ICBs to deliver these near-term asset management and development opportunities

1. Source: “Fit for the future: 10 Year Health Plan for England” July 2025

2. Integrated Care Boards (ICBs) are NHS statutory bodies in England responsible for planning and funding health services across local areas

# Eastbourne Victoria Medical Centre development – A neighbourhood health centre

## Development opportunity:

- Unfit for purpose smaller separate GP practices unable to cope with increasing patient demand
- Merged as a single primary care network
- Existing premises were inadequate for the growing population
- Nationally and locally the NHS is implementing a strategic move of transferring services away from hospital settings to modern purpose-built spaces

## PHP developed the centre in 2021:

- Flexible building to meet future demand and changing requirements
- BREEAM Excellent rating
- Outstanding 2024 rent review of c.12% increase expected

## The outcome:

Let for 25 years to allow patients and the wider primary care network to access a wide range of health and care services including:

- 15 GPs (physical, telephone and video) and 108 other staff including clinical professionals
- Minor operations and procedures
- Mental health assessments and practitioners
- Training for GPs, nurses and paramedics
- Walk-in centre
- Non-NHS services (medicals, insurance, vaccinations)
- Physiotherapy
- Occupational therapy
- Social prescribing
- Clinical pharmacy



**3 separate GP practices merged into one super-practice, under new management, in purpose-built accommodation**



# Trinity Medical Centre, Wakefield – Creating value through asset management

## Asset management opportunity:

- Originally built in 1998 for 2 GP practices, opticians, and pharmacy on 25-year leases expired in 2023
- Situated in a very convenient community location serving 27,700 patients
- PHP to reconfigure and expand site **creating 13 additional consulting rooms** and an enhanced community care facility

## Value created for PHP:

- Secured new 25-year lease, generating £58k p.a. (+13%) additional Government-backed rent
- PC due Q1 2026
- BREEAM "Very Good" targeted
- Profit on cost of 13%

## Shifting care into the community:

- A strategic local neighbourhood hub built around patient need, delivering services previously requiring hospital care now deliverable in the community including:
- Minor operations and surgical procedures
- Out-of-hours service
- Teaching and training to medical professionals
- Maternity and midwifery services
- Blood tests
- Family planning
- Vaccination
- Diagnostic and screening procedure



Existing building



Expected PC February 2026



# Kilburn Park Medical Centre – A purpose-built modern medical centre



**Practical completion**  
26 June 2025

# Fireside chat with Sir Jeremy Hunt and Dame Clare Gerada



**Mark Davies**  
CEO



**Rt Hon Sir Jeremy Hunt MP**  
Former Health Secretary, Foreign Secretary  
and Chancellor



**Dame Clare Gerada DBE**  
Former President of the Royal College of  
General Practitioners



# Closing remarks





## Closing remarks

- PHP is **primed for growth** and the 10 Year Health Plan **plays to our strengths**
- We have multiple levers to generate shareholder value:
  - A **combination with Assura** would be transformational, creating a business with greater scale, operating excellence and the ability to further invest in primary care assets at attractive returns
  - **Strong rental reversion** potential in both portfolios
  - **Significant asset management and development opportunities** to support the Government's initiatives
  - **Opportunity to create new primary care assets** if sensible rent uplifts can be achieved (by the DVs)
- We are confident in our ability to **deliver dividend and earnings growth** from our existing portfolio, which would only be enhanced by the successful merger with Assura



## Primed For Growth

### Opportunities:

Asset management  
and development

Strategic joint  
venture

Ireland

Community  
diagnostics

Neighbourhood  
Health Centres

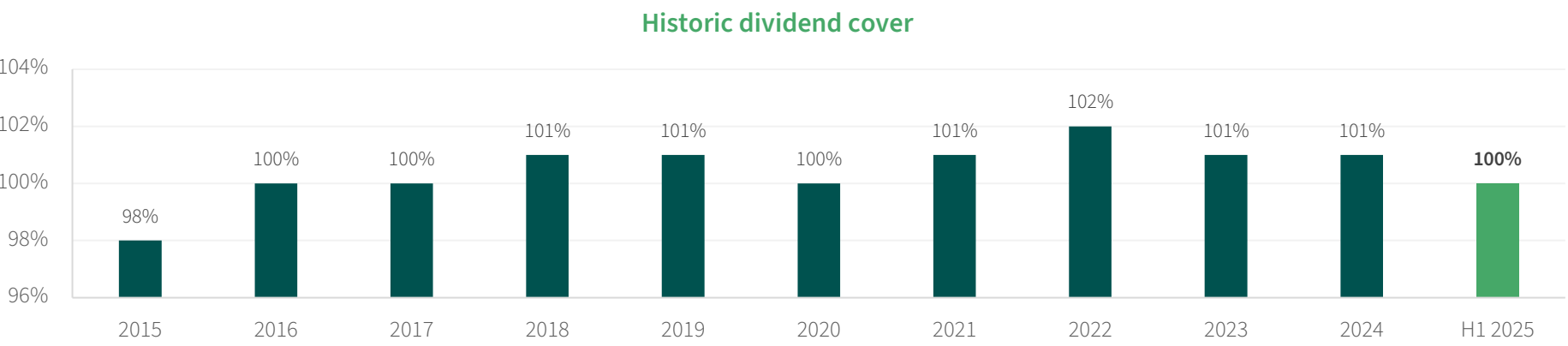
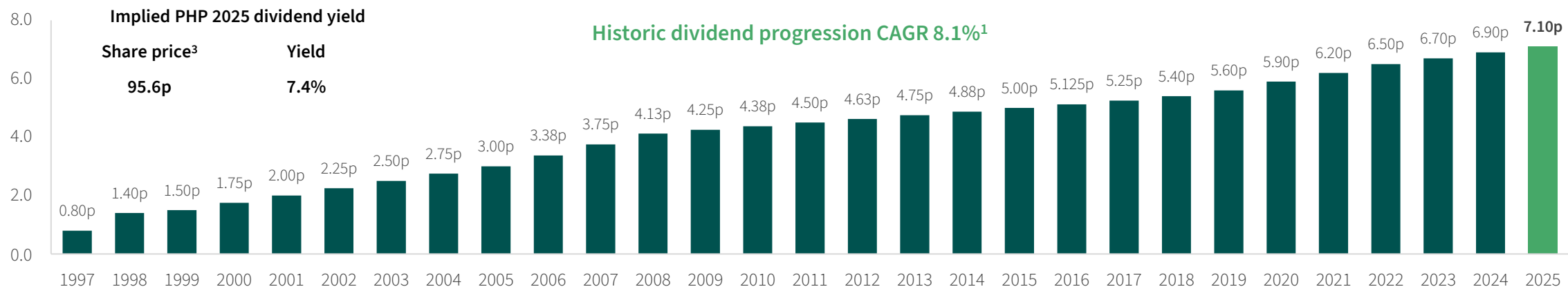
Recycling of assets  
into accretive  
acquisitions

Adjacent sectors  
and geographies

# Appendices



# 29th year of consecutive growth and sector outperformance



1. CAGR: 1997 to 2025

2. Based on Q1, Q2 and Q3 2025 dividend of 1.775p paid or declared per share annualised and is illustrative only

3. Share price is the closing mid-market price on 23 July 2025



# Acquisition in Ireland, completed in February 2025

## Laya Health and Wellbeing Clinic

- Accretive earnings yield 7.1%, fully occupied and let to Laya Healthcare Limited
- State-of-the-art health and wellbeing clinic with urgent care and diagnostics facilities
- Great relationship with the occupier who has invested €5.5 million in the building to provide a number of diagnostic and scanning services
- The recently completed investment by Laya was project managed by Axis PHP, the Group's market-leading team in Ireland
- The FRI lease has an unexpired term of just over 12 years and benefits from fixed rental uplifts in 2027 and 2032
- PHP remains committed to Government backed cash flows and sees a significant opportunity ahead to grow its Irish portfolio
- This was an opportunistic acquisition at an accretive earnings yield



Laya Health and Wellbeing Clinic, Cork, Ireland

€22.0m

7.1%

# Development pipeline

- Short-cycle and de-risked development activity: Adding high quality assets, capturing attractive development margins and supporting ESG commitments
- Irish forward funded developments: Three projects in pipeline with a total cost of £64m/c.€75m

## Forward funded development

### Youghal Primary Care Centre, Ireland

Tenants:

- HSE
- GP's

Start on site: Q3 2025  
PC date: Q4 2026  
GDV: €15m (£12.5m)  
Size: 3,800 sqm  
No. of GP's: 3  
Patients: N/A  
WAULT: 25 years  
Rent Review: Irish CPI  
BER rating: A3  
Net Zero Carbon: N/A



## Forward funded development

### Enniscorthy Enhanced Community Care Centre, Ireland

Tenants:

- HSE
- TUSLA

Start on site: Q1 2026  
PC date: Q2 2027  
GDV: €20m (£16.7m)  
Size: 4,600 sqm  
No. of GP's: N/A  
Patients: N/A  
WAULT: 25 years  
Rent Review: Irish CPI  
BER rating: A3  
Net Zero Carbon: N/A



## Forward funded development

### Donnybrook Primary Care Centre, Ireland

Tenants:

- HSE / TUSLA
- GP's

Start on site: Q1 2026  
PC date: Q2 2027  
GDV: €40m (£33.3m)  
Size: 7,100 sqm  
No. of GP's: 4  
Patients: N/A  
WAULT: 25 years  
Rent Review: Irish CPI  
BER rating: A3  
Net Zero Carbon: N/A



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July 2025