

# Interim Results 2020



# Agenda

PHP at a glance

Continued progress in 2020

Key financial highlights and results

Property Portfolio overview

Debt summary

Dividend track record and investment  
highlights

Appendices



# PHP at a glance

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- Leading investor in flexible, modern primary healthcare accommodation across UK and Ireland
- Leading portfolio of 510 properties valued at £2.5 billion
- FTSE 250 UK Real Estate Investment Trust (“REIT”) with c.£2.0 billion market capitalisation
- 90% of income funded by government bodies (GPs, NHS or HSE); WAULT of 12.5 years
- 24 consecutive years of dividend growth; dividend fully covered by earnings
- Strong capital base with a prudent balance of shareholder equity and debt finance
- Continued improving rent review growth outlook; H1 20: £0.8m or 2.2% per annum (FY19: £1.6m or 1.9% per annum)
- All share merger with MedicX completed March 2019 and businesses successfully integrated creating significant shareholder value and synergies

# Continued progress in 2020

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- £100m proceeds from September 2019 equity raise successfully deployed across 23 standing investments, 6 forward funded developments and 12 asset management projects totalling c. £107m
- Acquisitions in Q4 2019 and H1 2020
  - ✓ Portfolio of 22 purpose built medical centres for £54.0m with good asset management opportunities
  - ✓ Bolton purpose built medical centre for £8.0m
  - ✓ Ireland forward funded developments at Arklow £16.9m (€18.7m) and Banagher £4.5m (€5.1m)
  - ✓ UK forward funded developments at Eastbourne £8.4m, Mountain Ash, Wales £4.9m, Epsom, Surrey £4.0m and Llanbradach, Wales £2.8m
- Development projects successfully delivered at Athy, Bray and Rialto in Ireland with a total development cost of £43.8m (€48.3m) substantially de-risking forward funded development exposure
- Rental collections continue to remain robust with 96% collected in both the UK and Ireland for the third quarter of 2020 (Q2 2020: over 99% collected in both UK and Ireland) with the balance expected to be received shortly. We have allowed a £1.1m of quarterly rents to be paid by monthly instalments, given short-term rent deferrals of £0.3m and concessions of £0.2m
- Successful, oversubscribed £140m equity raise
- Maximum targeted loan to value (LTV) ratio lowered from 55% to 50%
- Headroom/liquidity: Over £400m of undrawn loan facilities and cash post all capital commitments
- Rental growth from rent reviews continuing positive trend: H1 20: £0.8m/2.2% added to rent roll (FY19: £1.6m/1.9%; FY18: £1.1m/1.4%)
- Covid -19 update: technology and digital driving digital consulting and triage in the future and realisation at the NHS that primary care can be used for many more things e.g. diagnostics, minor operations and treatments. More investment in healthcare likely across UK, Ireland and Western Europe.
- Dedicated PHP team of over 50 staff all working well from home with site visits recommencing and offices re-open

# Key financial highlights

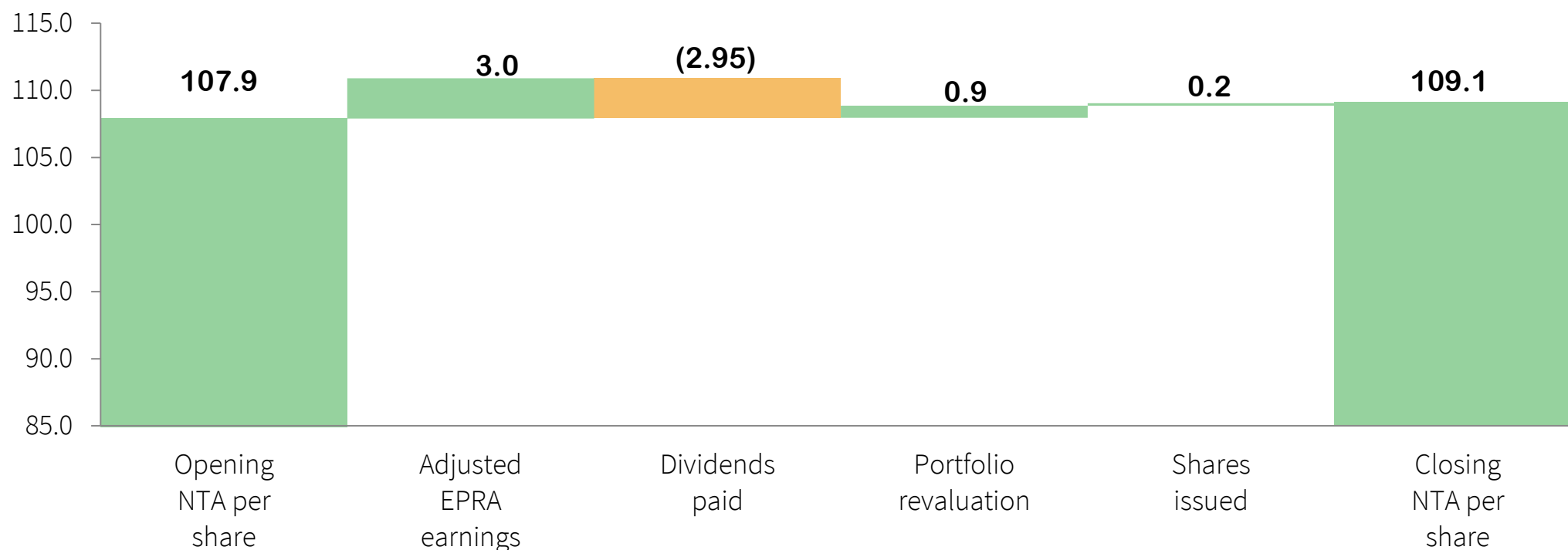
Performance	30 June 2020	30 June 2019	Change
Net rental income (£m)	<b>64.8</b>	53.8	+20.4%
Adjusted EPRA earnings (£m)	<b>36.0</b>	27.9	+29.0%
Adjusted EPRA earnings per share (pence)	<b>3.0p</b>	2.8p	+7.1%
Dividends paid (£m)	<b>35.9</b>	26.7	+34.5%
Dividend cover	<b>100%</b>	104%	-
Dividend per share (pence)	<b>2.95p</b>	2.8p	+5.4%
Position	30 June 2020	31 December 2019	Change
Investment property (£bn)	<b>2.5</b>	2.4	+0.4%
Adjusted EPRA NTA per share (pence)	<b>109.1p</b>	107.9p	+1.1%
Loan to value <sup>1</sup>	<b>40.3%</b>	44.2%	-3.9%
Management	30 June 2020	31 December 2019	Change
Average cost of debt	<b>3.5%</b>	3.5%	-
Growth on rent reviews	<b>2.2% p.a.</b>	1.9% p.a.	+0.3%
WAULT	<b>12.5 years</b>	12.8 years	-0.3 years
EPRA cost ratio	<b>11.6%</b>	12.0%	-0.4%

# Income Statement

	30 June 2020 £m	30 June 2019 £m	Change %
Net rental income	64.8	53.8	+20.4%
Administrative expenses	(5.7)	(5.0)	
Performance incentive fee	(0.8)	(0.9)	
Operating profit before financing costs	58.3	47.9	+21.7%
Net financing costs	(22.3)	(20.0)	
Adjusted EPRA earnings	36.0	27.9	+29.0%
Revaluation surplus and profit on sales	10.5	17.7	-40.7%
Fair value loss on derivatives and convertible bond	(8.4)	(4.1)	
Adjusted IFRS profit excluding MedicX exceptional adjustments	38.1	41.5	-8.2%
Amortisation of MedicX debt MtM at acquisition	1.5	1.0	
Exceptional revaluation adjustment arising on merger with MedicX	-	(138.4)	
Exceptional administrative costs arising on merger with MedicX	-	(10.2)	
IFRS profit/(loss) before tax	39.6	(106.1)	
Adjusted EPRA earnings per share	3.0p	2.8p	+7.1%
IFRS earnings/(loss) per share	3.2p	(10.7p)	

# Balance Sheet strengthened

Adjusted EPRA NTA per share (pence)



	30 June 2020	31 December 2019	Change
Adjusted EPRA net tangible assets	£1,329m	£1,313m	+1.2%
Adjusted EPRA net tangible asset value per share	109.1 p	107.9p	+1.1%

# Property portfolio overview

Key Figures <sup>1</sup>	30 June 2020
Total number of properties	510
Including properties in Ireland	17
Investment portfolio value (£bn)	2.51
Floor area (000's sqm)	674
Capital value (£ per sqm)	3,725
Contracted rent roll (£m)	133.3
Net initial yield (NIY)	4.86%
Average lot size (£m)	4.9
Average WAULT (years)	12.5
Occupancy	99.5%
Government backed rent	90%

Capital Value <sup>1</sup>	Number	Value (£m)	%
> £10m	48	705	28%
£5m - £10m	108	758	30%
£3m - £5m	161	623	25%
£1m - £3m	186	416	17%
< £1m (incl. land £1.6m)	7	8	0%
Total	510	2,510	100%

# Development pipeline

- ✓ Six schemes currently on site with a net development cost of £41.5m

## Eastbourne Primary Care Centre, East Sussex



Tenants	
✓ GP Practices x 2	
✓ Pharmacy	
Purchase date:	December 2019
PC date:	Q2 2021
Acquisition cost:	£8.4m
Size:	1,976 sqm
Number of GPs:	11
Patients:	19,000
WAULT:	25 years
Rent review:	OMV
BREEAM rating:	Excellent

## Arklow Primary Care Centre, Co. Wicklow, Ireland



Tenants	
✓ Health Service Executive (HSE)	
✓ GP Practice	
✓ Pharmacy	
✓ TUSLA (Irish government)	
Purchase date:	May 2020
PC date:	Q4 2021
Acquisition cost:	£16.2m (€18.0m)
Size:	5,333 sqm
WAULT:	28.8 years
Rent review:	Irish CPI
BER rating:	A3

## Llanbradach Primary Care Centre, Wales



Tenants	
✓ GP Practices x 2	
Purchase date:	January 2020
PC date:	Q1 2021
Acquisition cost:	£2.8m
Size:	664 sqm
Patients:	tba
No of GPs:	tba
WAULT:	25 years
Rent review:	OMV
BREEAM rating:	Very Good

## Banagher Primary Care Centre, Co. Offaly, Ireland



Tenants	
✓ Health Service Executive (HSE)	
✓ GP Practice	
✓ Pharmacy	
Purchase date:	December 2019
PC date:	Q4 2020
Acquisition cost:	£4.2m (€5.0m)
Size:	1,736 sqm
WAULT:	27 years
Rent review:	Irish CPI
BER rating:	A3

# Investment

- ✓ 23 assets acquired for £62m with good asset management opportunities
- ✓ Strong active pipeline in UK and Ireland totalling £92m including £44m under offer

## Lagan & Saltscar Surgery, Redcar



Tenants  
 ✓ GP Practices x 2

Purchase date: May 2020  
 Acquisition cost: £2.6m  
 Size: 785 sqm  
 Number of GPs: 8  
 WAULT: 6.1 years  
 Rent review: OMV

## Newmarket Medical Practice, Lincolnshire



Tenants  
 ✓ GP Practice x 1

Purchase date: May 2020  
 Acquisition cost: £2.2m  
 Size: 633 sqm  
 Number of GPs: 6  
 WAULT: 6.3 years  
 Rent review: OMV

## Waters Meeting Health Centre, Bolton



Tenants  
 ✓ NHS  
 ✓ GP Practices x 2  
 ✓ Pharmacy

Purchase date: Dec. 2019  
 Acquisition cost: £8.0m  
 Size: 2,295 sqm  
 Number of GPs: 8  
 WAULT: 9.7 years  
 Rent review: OMV & RPI

## Crumlin Medical Centre, Wales



Tenants  
 ✓ GP Practice x 1  
 ✓ Welsh Local Health Board

Purchase date: May 2020  
 Acquisition cost: £1.9m  
 Size: 602 sqm  
 Number of GPs: 3  
 WAULT: 11.6 years  
 Rent review: OMV

# Asset Management – enhancing existing portfolio

- ✓ 12 projects completed or on-site investing £4.1m, £0.12m additional rent and WAULT extended back to 21 years
- ✓ Strong pipeline of over 80 projects either Board approved or advanced negotiations investing c. £36m, £1.1m of additional rent and WAULT extended back to 21 years

## Derby Road, Nottingham



Extension to provide 7 new consulting rooms increasing floor space by 20% to meet local demand. Energy efficiency improvements being made to the enlarged building.

Completion date: March 2021  
 Capex: £0.8m  
 Additional Rent: £42,000 pa  
 New Lease: 21 years  
 Size: 1,016 sqm  
 Patients: 12,000 Number of GPs: 7

## Buckley Medical Centre, Buckley, North Wales



Void space fitted out to provide further clinical space for the GPs and additional rental income for PHP. LED light fittings utilised throughout the refurbishment

Completion date: May 2020  
 Capex: £0.1m  
 Additional Rent: £5,000 pa  
 New Lease: 15 years  
 Size: 2,544 sqm  
 Patients: 10,500  
 Number of GPs: 7

## Prospect Medical Group, Newcastle



Refurbishment to include a first floor extension to increase the usable floorspace and provide 3 additional consulting rooms. Work includes the installation of LED energy efficient lights.

Completion date: October 2020  
 Capex: £0.38m  
 Additional Rent: £3,000 pa  
 New Lease: 25 years  
 Size: 907 sqm  
 Patients: 16,000  
 Number of GPs: 11

## Stokewood Surgery, Eastleigh



Surgery extended to meet local population growth. The energy performance has been improved through investment in green initiatives.

Completion date: April 2020  
 Capex: £0.1m  
 Additional Rent: £5,000 pa  
 New Lease: 19 years  
 Size: 620 sqm  
 Patients: 18,000  
 Number of GPs: 13

# High quality recurring income

## Key characteristics of the portfolio

Weighted average  
unexpired lease  
length of  
12.5 years

Occupancy  
rate of  
99.5%

Strong tenant  
covenant – 90% of  
rent roll paid  
directly/indirectly  
by Government  
bodies

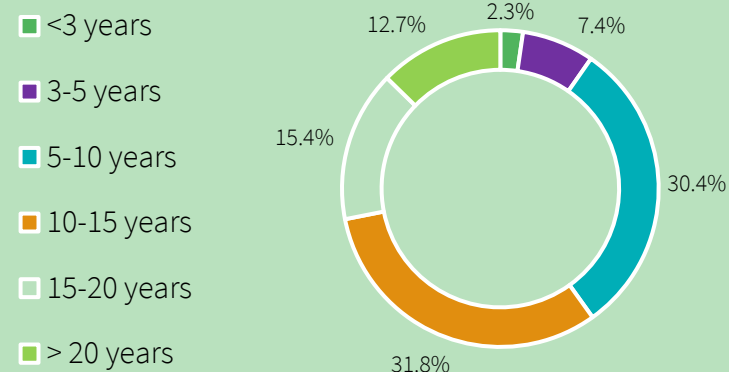
UK leases have  
effectively upward  
only rent reviews  
Irish leases linked  
to Irish CPI

31% of portfolio  
on fixed or  
indexed uplifts.  
69% OMV review,  
typically every  
three years

...these characteristics result in highly visible cash flows and stable valuation yields

- ✓ Contracted rent roll of over £133.3m p.a.
- ✓ H1 20 - L4L rental growth from rent reviews and asset management projects of £0.9m or 0.7% (FY19: £1.9m or 1.5%) accounting for the majority of the revaluation surplus in the UK
- ✓ Management expect rate of rental growth to improve in future years
- ✓ Peers also reporting positive rental growth outlook
- ✓ Only £3.0m or 2.3% of rent roll expiring in next three years: of which £2.6m is subject to a planned asset management initiative or terms have been agreed to renew the lease

## Analysis of leases unexpired by rent roll



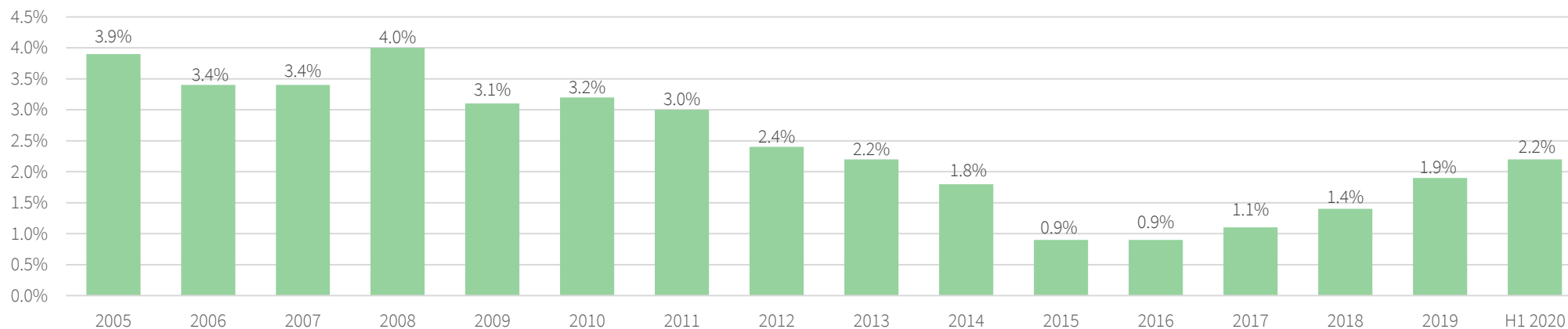
# Long leases with rental growth potential

- Effectively upward only rent roll in UK
- Total weighted average rental growth 2.2% p.a.
  - ✓ 69% reviewed to open market (ave. 1.6% p.a.)
  - ✓ 25% index linked (ave. 2.7% p.a.)
  - ✓ 6% on fixed uplift (ave 2.9% p.a.)

## Drivers of rental growth

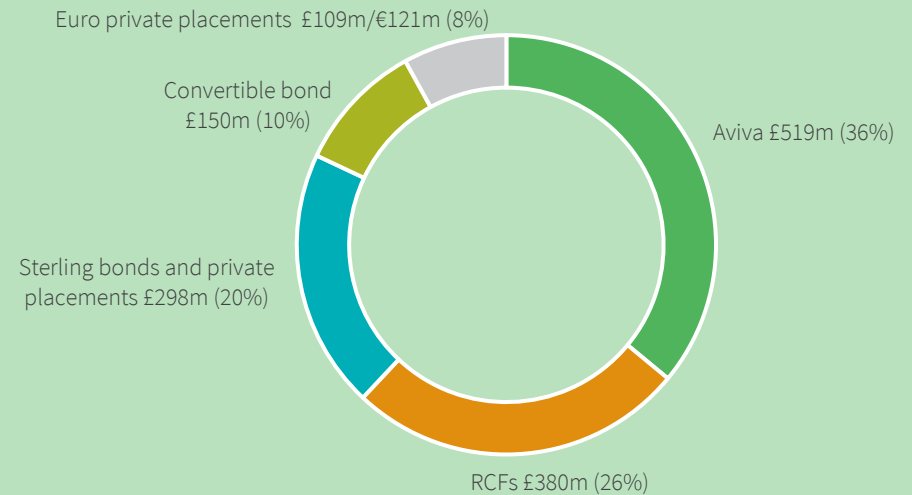
- Increased development activity
- Building cost inflation
- Reducing the NHS carbon footprint
- Building regulations and specification creep
- Replacement cost

Rental growth history

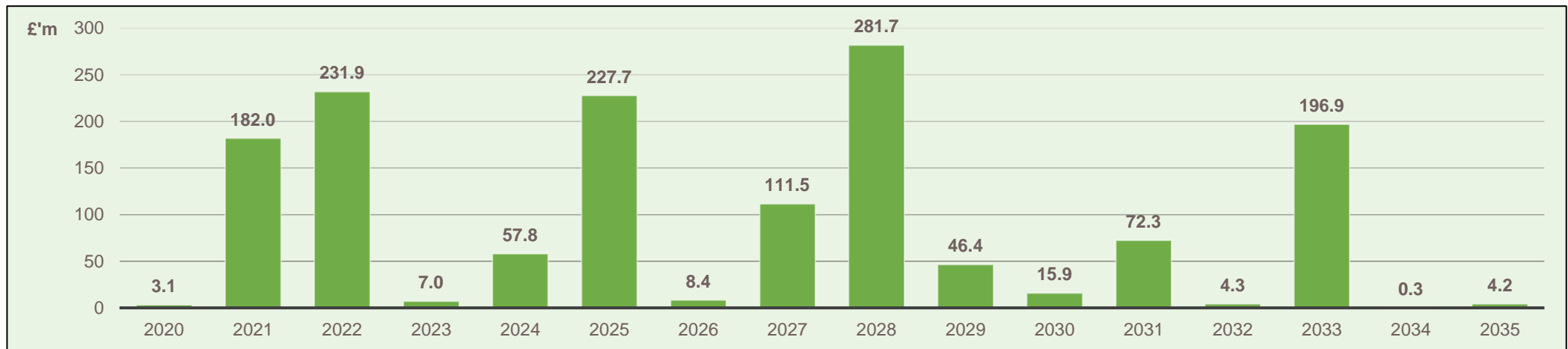


# Debt summary

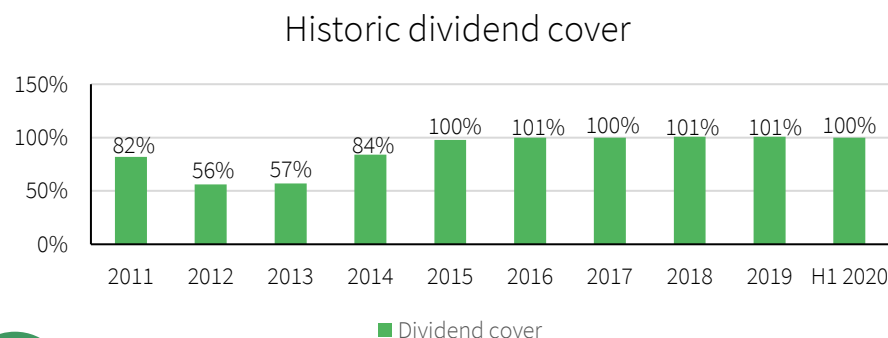
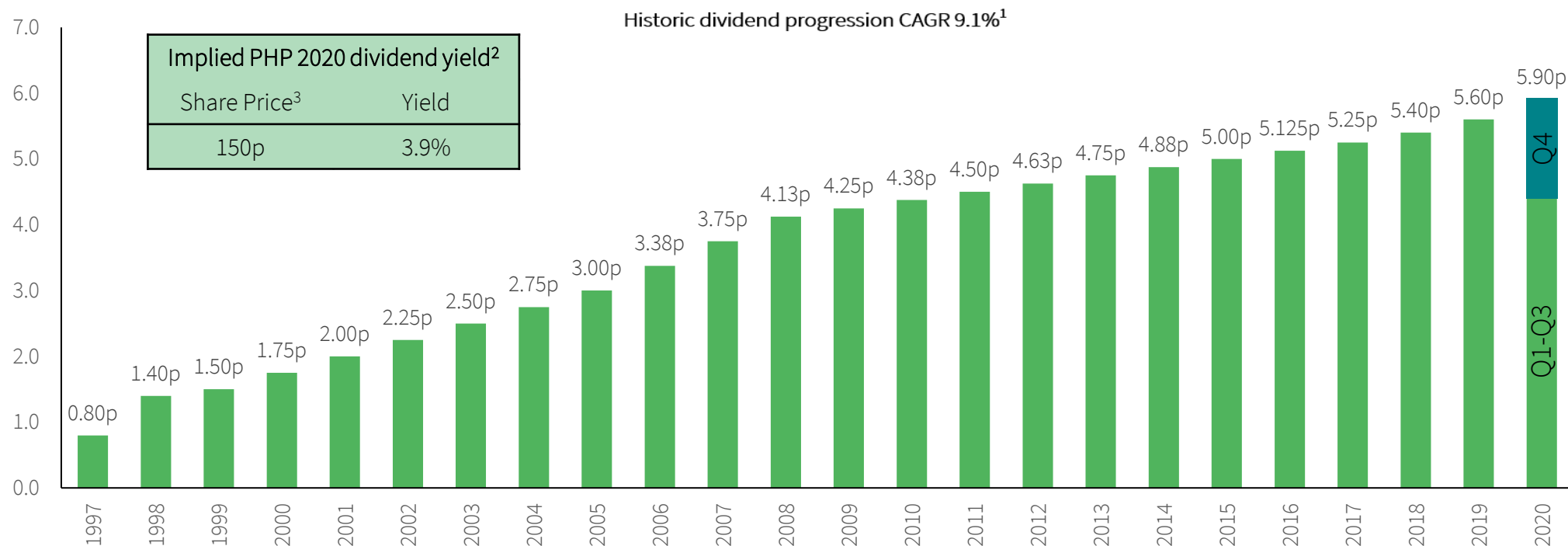
- Broad and diverse range of lending partners
- Long weighted average debt maturity of 6.7 years
- 99.5% of debt fixed or hedged for a weighted average maturity of 7.7 years
- Total debt facilities of £1.46bn (90% secured/10% unsecured)
- Drawn net debt £1.0bn post July 2020 equity raise
- £403m of undrawn headroom after capital commitments
- Group LTV 40.3% (34.3% excluding £150m convertible bond)
- Average cost of debt 3.5% reduced from 4.0% on completion of MedicX merger
- Marginal cost of debt 2.2%



## Debt maturity profile



# Strong track record of dividend growth



- ✓ Q1-Q3, 2020 dividend of 1.475p per quarter paid or declared (equivalent to 5.9p annualised) a 5.4% increase and 24<sup>th</sup> year of growth
- ✓ H1 2020 dividend cover at 100%
- ✓ Total dividends paid increased by 34.5% in H1 2020

# Investment highlights

One of the UK's largest primary health property investors	<ul style="list-style-type: none"> <li>• One of the UK's largest listed primary health property investors with 510 properties valued at £2.5 billion</li> <li>• FTSE 250 UK REIT with market capitalisation of c. £2.0 billion and improved share liquidity</li> <li>• Underlying investment characteristics and strong portfolio metrics continue to reflect the secure, long-term predictable income stream</li> </ul>
Low risk, long-term, low volatility market	<ul style="list-style-type: none"> <li>• Continued disciplined approach to acquisitions and asset management initiatives avoiding asset obsolescence</li> <li>• Continued opportunities in the UK and Ireland</li> <li>• 90% of income funded by government bodies (NHS or HSE) on long lease terms – WAULT of 12.5 years</li> </ul>
Strong, high-quality and growing cash flows	<ul style="list-style-type: none"> <li>• Positive yield gap between acquisition yield and funding costs</li> <li>• Effectively upward-only or indexed rent reviews in UK with improving outlook</li> <li>• Rent reviews in Ireland indexed linked to Irish CPI</li> <li>• Simple and transparent cost structure enhancing earnings</li> </ul>
Adding value and reducing costs	<ul style="list-style-type: none"> <li>• Continued organic rental growth from rent reviews and asset management projects</li> <li>• Proactive approach to refinancing to access lower cost of funds over the medium term with 50bp of savings delivered post MedicX merger</li> <li>• EPRA cost ratio the lowest in the UK REIT sector</li> </ul>
Sector demand factors dictate continued development of healthcare premises	<ul style="list-style-type: none"> <li>• Healthcare demand increasing due to ageing and growing populations in the UK and Ireland</li> <li>• Unwavering political support in UK and Ireland and promotion of integrated care</li> <li>• Historic underinvestment in primary care estate – in need of replacement and modernisation</li> <li>• Covid-19 – will create more opportunities in the future, more investment in health care with more procedures and consultations taking place in primary care facilities</li> </ul>
Proven business model with strong management	<ul style="list-style-type: none"> <li>• Proven track record of successfully identifying and investing in new assets on attractive terms to grow the portfolio</li> <li>• Consistently maintained high level of occupancy – currently 99.5%</li> <li>• Experienced management team with corporate, financial, property, investment and NHS experience</li> </ul>



# Further background on PHP



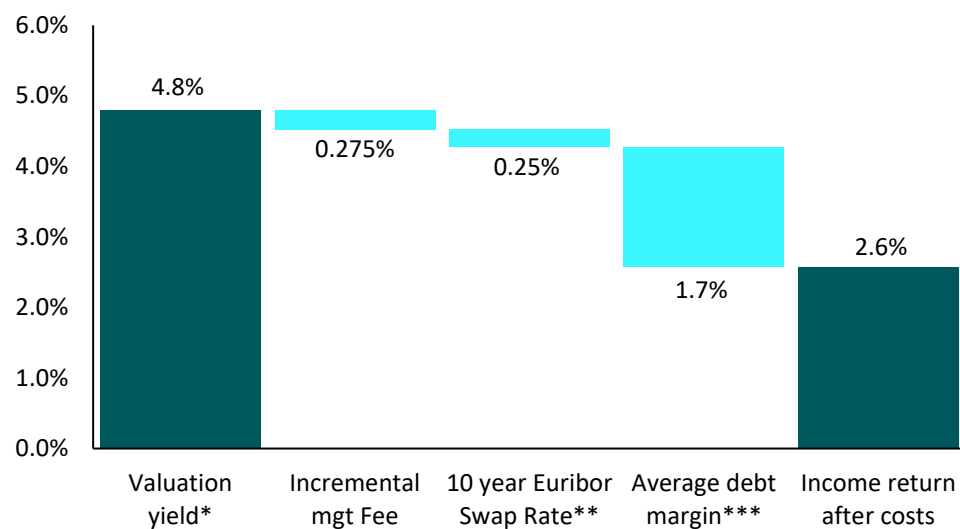
consulting rooms  
1 to 11



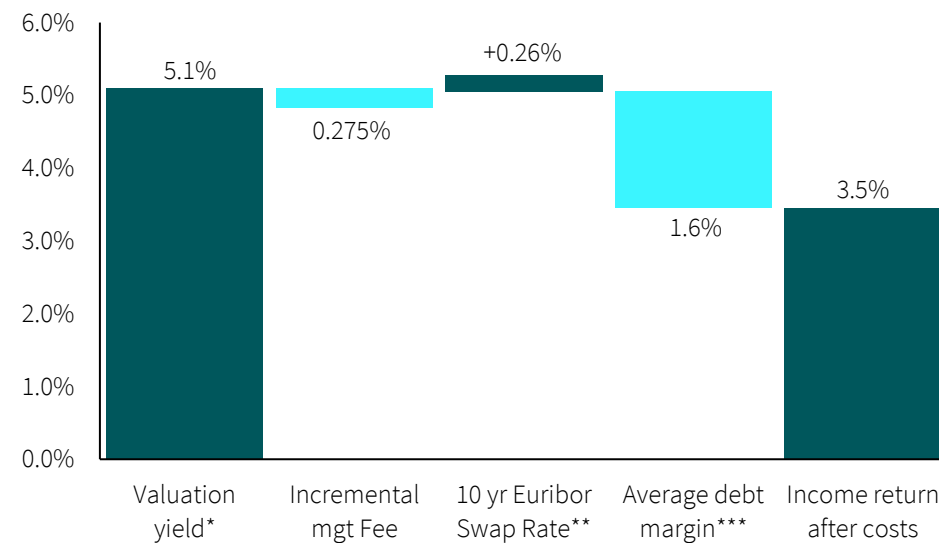
# Positive yield gap

## Illustrative yield gap on property investment

### UK acquisitions



### Ireland acquisitions



# Primary health care opportunity in the UK

- The UK population has been steadily getting older and this trend is projected to continue in the future.
- By 2066, it is estimated there will be a further 8.6 million UK residents aged 65 years and over, an increase broadly equivalent to the size of the population of London today, taking the total number in this group to 20.4 million and making up 26% of the total population.
- Meanwhile, the NHS is adopting a new service model where, amongst other targets, patients get joined-up care, including the right to online digital GP consultations.
- At the same time, GP practices have been encouraged to form Primary Care Networks (“PCN’s”), typically covering 30-50,000 people, to deliver integrated services at scale.
- To encourage this, Practices will be funded to work together and create genuinely integrated teams of GPs, community health and social care staff.
- Over the next five years, investment in primary medical and community services will grow faster than the overall NHS budget, with a ringfenced local fund worth at least an extra £4.5 billion a year in real terms by 2023/24
- However many GP Premises in the UK remain unfit for their current purpose, let alone this expanded role.

# Primary health care opportunity in the UK

- Common challenges include lack of space in waiting rooms and consultation rooms, growing list sizes and lack of disabled access.
- The Covid-19 crisis undoubtedly accelerated the intended transition away from face to face GP consultations, with various estimates suggesting c. 85% are currently being conducted remotely.
- Nonetheless, PHP does not believe this level is sustainable for long periods of time. For example, it is estimated that c.10m people could be waiting for treatment by the end of the year.
- PHP believes that primary health premises have a vital short term role to play in alleviating some of the immediate consequences of Covid-19.
- This includes the delivery of some of the backlog of treatments, testing and, potentially, vaccination in due course as well as the resumption of more, but not all, consultations in a face to face format.
- Over the medium to longer term, PHP believes its modern, purpose built premises and its program of active asset management, means its assets are well placed to benefit from the shift of services away from acute hospitals into the community setting.
- This is in line with fundamental demographic trends and NHS plans, including funding, for primary care to deliver integrated services and 'operate at scale'.

# £140m Equity raise - use of proceeds

£100m proceeds from September 2019 equity raise successfully deployed

1

£100m proceeds successfully deployed

Funds deployed across 23 standing investments, 6 forward funded developments and 12 asset management projects

Region	Number	Acq'n/dev't cost
UK	27	£82m
Ireland	2	£21m (€23m)
Asset management	12	£4m

Total funds deployed since September 2019  
c. £107m

Total funding requirement of c.£128m over the next 18 months to fund a mix of future acquisition pipeline and asset management projects

2

Pipeline

Short-term pipeline of active opportunities, include:

Region	Number	Est. acq'n/dev't cost
UK	8	£48m
Ireland	3	£44m (€49m)

Funding requirement  
Estimated pipeline of c.£92m (including £44m under offer)

3

Asset management projects

Active management of existing assets to create additional value

Property	Number	Asset Management cost
Board approved	21	£11m
Advanced pipeline	61	£25m

Estimated capex on projects in FY20 and FY21 of c.£36m

Positive outlook of further medium-term pipeline opportunities

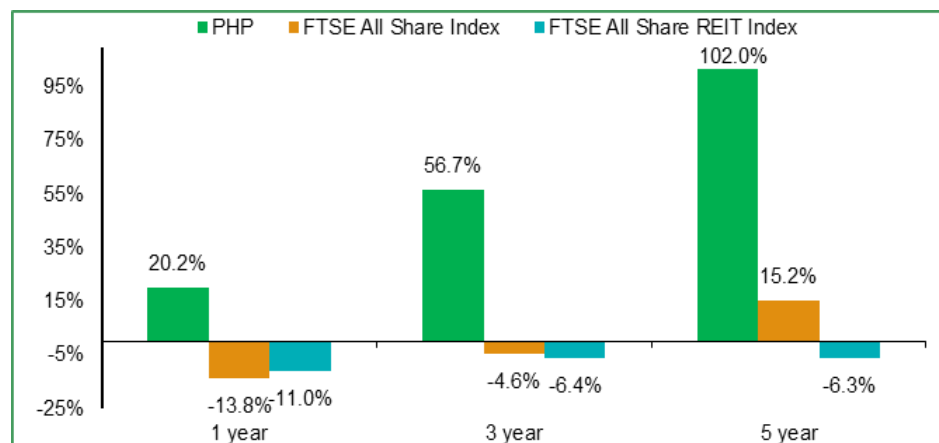
# Strong track record of relative performance

- IRR over period since inception of 13.4%<sup>1</sup> (Average annual inflation (RPI) over period: 2.7%)

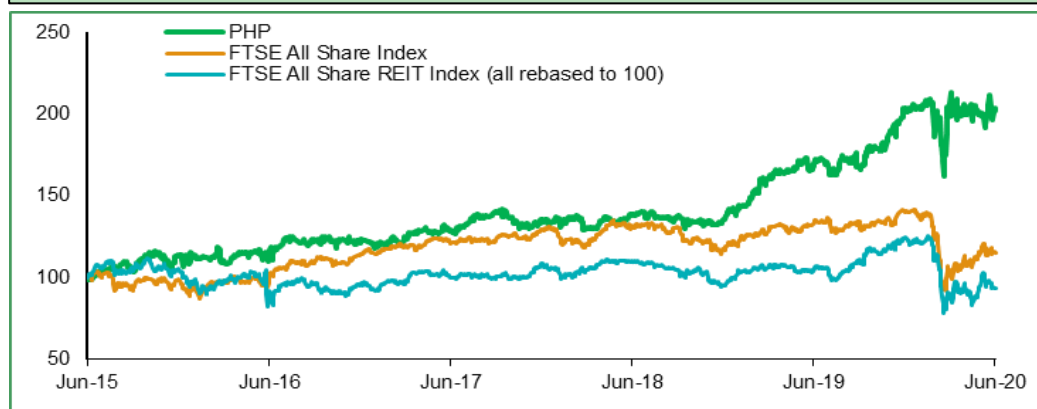
CAGR total shareholder returns

	PHP	Assura	EPRA UK
1 year	20.2%	26.4%	(10.1%)
3 years	16.1%	12.0%	(2.3%)
5 years	15.1%	13.1%	(1.6%)
10 years	13.9%	11.6%	8.2%
20 years	14.8%	-	5.2%

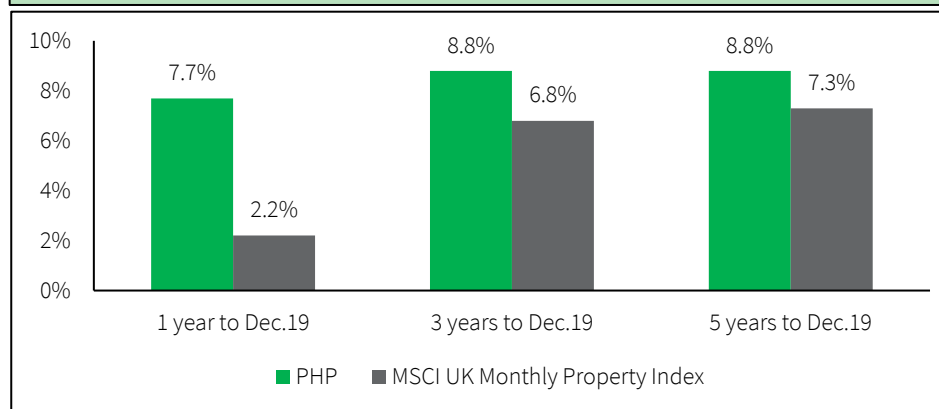
PHP TSR (absolute change) – 1yr / 3yr / 5yr



PHP 5 year relative TSR performance



PHP TPR vs MSCI UK Monthly Property Index



Source: all data sourced from Thomson Reuters EIKON as at close 1 July 2020; IMSCI UK Monthly Property Index

<sup>1</sup> IRR includes total dividends paid to 21 August 2020 of 87.38 pence and assumes the sale of the underlying ordinary shares at 155.6 pence, the closing mid market price as at 1 July 2020, having been issued at 25 pence (dividend and share issue price data adjusted where required to reflect four for one share sub-division in November 2015)

# Balance sheet

£m	30 Jun. 20	31 Dec.19
Investment properties	2,514.3	2,413.1
Cash	64.0	143.1
Debt	(1,214.3)	(1,210.4)
Net debt	(1,150.3)	(1,067.3)
Other net current liabilities	(35.5)	(33.0)
<b>Adjusted EPRA net tangible assets (NAV)</b>	<b>1,328.5</b>	<b>1,312.8</b>
Convertible bond fair value adjustment	(23.0)	(22.7)
Fixed rate debt and swap MtM	(63.2)	(58.5)
Deferred tax	(3.3)	(3.1)
IFRS net assets	1,239.0	1,228.5
Fixed rate debt MtM adjustment	(92.0)	(49.0)
EPRA NDV (NNNAV)	1,147.0	1,179.5
<i>Loan to value</i>	<i>45.8%</i>	<i>44.2%</i>
<b>Adjusted EPRA NTA per share (pence)</b>	<b>109.1p</b>	<b>107.9p</b>
<i>IFRS NAV per share (pence)</i>	<i>101.8p</i>	<i>101.0p</i>
<i>EPRA NDV per share (pence)</i>	<i>94.2p</i>	<i>97.0p</i>
<i>Number of shares (millions)</i>	<i>1,217.7</i>	<i>1,216.3</i>

# Spread of funding sources

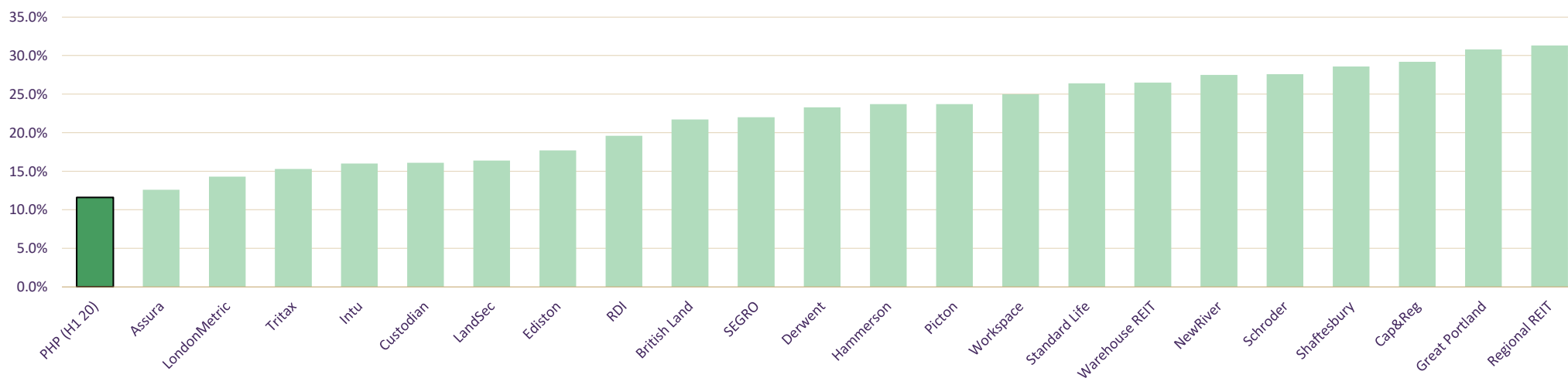
	Secured facilities <sup>3</sup>								
Provider	Barclays/ AIB	Santander	Lloyds	RBS	HSBC	Aviva	Secured bond	Aviva One Medical	Secured bond
Tenor	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Amortising	Bullet
Expiry	Jan-2021	Jul-2021	Dec-2021	Mar-2022	Dec-2022	Dec-2022	Dec-2025	Nov-2028	Mar-2027
Facility	£115m	£31m	£30m	£100m	£100m	£25m	£70m	£25m	£100m
Drawn	£55m	£nil	£30m	£53m	£nil	£25m	£70m	£25m	£100m
Collateral <sup>2</sup>	£224m	£66m	£59m	£230m	£180m	£45m	£133m	£53m	£190m
Contracted rent	£11m	£3m	£3m	£12m	£9m	£3m	£7m	£3m	£10m
LTV Max	60%	65%	65%	55%	67.5%	70%	74%	65%	70%
LTV actual	25%	n/a	51%	23%	n/a	55%	53%	48%	53%
ICR Min	1.5x	1.75x	1.75x	1.5x	2.0x	1.6x	1.15x	1.1x	1.15x
ICR actual	5.6x	n/a	7.2x	6.2x	n/a	2.7x	3.1x	1.8x	3.3x
Valuation fall to breach	£132m	£66m	£13m	£133m	£180m	£10m	£39m	£14m	£47m
Income fall to breach	£7m	£3m	£2m	£9m	£9m	£1m	£5m	£1m	£5m

# Spread of funding sources (continued)

	Secured facilities <sup>3</sup>								Unsecured facilities <sup>1</sup>	Cash <sup>4</sup> /Unfettered assets	Total
Provider	Aviva	Ignis	Standard Life	Aviva	Euro PP (€)	Euro PP (€)	Aviva	Aviva	Convertible bond		
Tenor	Bullet	Bullet	Bullet	Bullet	Bullet	Bullet	Amortising	Amortising	Bullet		
Expiry	Nov-2028	Dec-2028	Sept-2028	Aug-2024 Aug-2029	Dec-2028 Dec-2030	Sept 2031	Jan-2032	Sept-2033	Jul-2025		
Facility	£75m	£50m	£78m	£111m	£46m (€51m)	£63m (€70m)	£21m	£261m	£150m	-	£1,451m
Drawn	£75m	£50m	£78m	£111m	£46m (€51m)	£63m (€70m)	£21m	£261m	£150m	(£200m)	£1,013m
Collateral <sup>2</sup>	£141m	£91m	£135m	£202m	£79m	£111m	£49m	£433m	-	£93m	£2,514m
Contracted rent	£7m	£5m	£7m	£11m	£4m (€5m)	£6m (€7m)	£3m	£23m	-	£6m	£133m
LTV Max	70%	74%	74%	65%	70%	70%	70%	75%	-	-	
LTV actual	53%	55%	58%	55%	59%	57%	44%	60%	-	-	
ICR Min	1.6x	1.15x	1.65x	1.2x	1.15x	1.15x	1.6x	1.4x	-	-	
ICR actual	3.2x	2.4x	2.3x	1.9x	3.8x	3.8x	2.0x	2.4x	-	-	
Valuation fall to breach	£34m	£24m	£30m	£31m	£13m	£23m	£18m	£84m	-	£293m	£1,184m
Income fall to breach	£4m	£3m	£2m	£4m	£3m	£5m	£1m	£6m	-	£6m	£76m

# EPRA cost ratio

	Six months ended 30 June 2020	Year ended 31 December 2019
	£m	£m
Gross rent less ground rent and service charge income	66.2	118.3
Direct property expense	3.2	5.6
Administrative expenses	5.7	10.5
Performance incentive fee ("PIF")	0.8	1.8
Less: service charge costs	(1.7)	(2.8)
Less: ground rent	(0.1)	(0.2)
Less: other operating income	(0.2)	(0.7)
EPRA costs (including direct vacancy costs)	7.7	14.2
EPRA cost ratio	11.6%	12.0%
EPRA cost ratio excluding PIF	10.4%	10.5%
Administrative expenses as a percentage of gross asset value (annualised)	0.5%	0.4%



# Rent review results

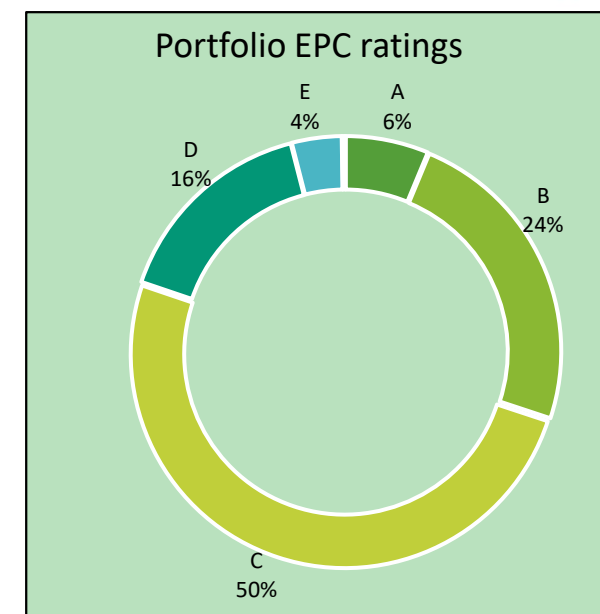
- £0.8m (2.2% p.a) increase from 127 rent reviews completed
- 1.6% p.a. achieved on 44 open market value reviews
- 2.7% p.a. achieved on 74 indexed linked reviews
- 2.9% achieved on 9 fixed reviews
- 708 open market value reviews outstanding with ERV £95.1m or uplift of £2.2m equivalent to 0.8% p.a.

Outstanding reviews focused by region	
London and South East	34%
North	24%
Midlands	18%
South West	5%
Wales	13%
Scotland	5%
Ireland	1%
	100%

6 months to 30 June 2020	OMV Rent reviews completed		Number of outstanding reviews (current rent)	
	No	%	No	£m
Reviews relating to calendar years:				
2012	-	-	3	0.4
2013	2	0.6%	7	1.1
2014	2	2.7%	6	0.8
2015	3	6.7%	40	4.9
2016	5	1.3%	66	8.8
2017	8	1.6%	73	11.7
2018	3	2.2%	165	22.1
2019	1	3.6%	218	28.7
H1 2020	-	-	130	16.6
	24	2.4%	708	95.1
Nil increases	20	0.0%		
Total OMV reviews	44	1.6%		

# ESG 2020 Targets and Actions

- Joined GRESb, a leading ESG benchmark for real assets, and undertaken major exercise collecting baseline data ahead of submission this year
- In the UK, all new developments to have a BREEAM rating of 'Very good' or 'Excellent'
- In Ireland, all new developments to have a BER<sup>(1)</sup> rating of A3 or better.
- All future asset management to be assessed in line with BREEAM, with a focus on undertaking measures to mitigate energy usage and improve the EPC rating (80% of portfolio rated C or better)
- Green lease clauses to be standard in all new lettings and lease renewals
- Installation of EV charging points at 10 pilot sites which, if successful, can be rolled out more widely in the portfolio
- ESG Policy published setting out our commitment and approach to responsible business
- Manager culture statement also published and endorsed by the Board of PHP
- Joined Real Estate Balance, an association that seeks to address gender imbalance in the real estate sector
- Good governance practices adopted including transparency of our business to all stakeholders



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*July 2020*