

27 April 2022

**Primary Health Properties PLC**  
**(“PHP” or the “Company” or “Group”)**

**Q1 2022 Trading Update**

Primary Health Properties PLC, one of the UK’s leading investors in modern primary healthcare facilities, today publishes a trading update for the period 1 January 2022 to 31 March 2022 ahead of its AGM later today.

**Investment and development**

We have made good progress in converting our year-end pipeline into committed deals and have already announced the acquisition of a large, state-of-the-art diagnostic centre in Chiswick, let to HCA Healthcare, for £34.5 million and the purchase of a clinical facility in Chertsey, let to the NHS, for £6.95 million.

In line with PHP’s Net Zero Carbon (“NZC”) Framework we have also announced PHP’s first NZC direct development; a new purpose-built medical centre at Eastergate, West Sussex with a gross development value of £6.7 million. The development will be one of the UK’s first NZC healthcare facilities and demonstrates our strategic commitment to transitioning all our operational, development and asset management activities to NZC by 2030 and to help our occupiers achieve NZC by 2040.

Including standing investments, direct and forward funded developments and asset management projects, we continue to generate and grow a strong pipeline totalling £360 million in the UK and €145 million (£122 million) in Ireland of which £65 million and €87 million (£74 million) respectively is in legal due diligence.

**Like-for-like rental growth**

In the first quarter of 2022 we have generated an additional £0.9 million or 0.6% (Q1 2021: £0.8 million or 0.6%) of extra rental income from our rent review and asset management activities.

We continue to see an improvement in growth from rent reviews with an extra £0.6 million (Q1 2021: £0.5 million) of income generated in the quarter from 99 reviews that have been settled, equivalent to 2.0% (2021: 1.7%) on an annualised basis.

A further £0.3 million (Q1 2021: £0.3 million) has been generated in the quarter from our asset management activities completing ten projects and we have a further six schemes currently on site which in addition to extending lease lengths will improve the environmental performance of the buildings.

**Financing**

As at 31 March 2022 the Group’s net debt stood at £1,217.3 million (31 December 2021: £1,199.5 million) and on a pro-forma basis the Loan to Value (“LTV”) ratio was 43.3% (31 December 2021: 42.9%). After capital commitments the Group has undrawn loan facilities and cash on deposit totalling £270 million (31 December 2021: £321 million) providing significant liquidity headroom.

97% of the Group’s net debt is fixed or hedged for a weighted average period of just over nine years providing significant protection from increasing interest rates.

**Dividend**

On 24 March 2022, the Company declared its second quarterly interim dividend of 1.625p per Ordinary Share which will be paid on 20 May 2022 to shareholders who were on the share register at the close

of business on 31 March 2022. The dividend will comprise entirely of a normal dividend. The dividend is equivalent to 6.5p on an annualised basis and represents a 4.8% increase over 6.2p paid in 2021.

The Company intends to maintain its strategy of paying a progressive dividend, in equal quarterly instalments, covered by underlying earnings in each financial year. Further dividend payments are planned to be made in August and November 2022.

### **Annual General Meeting (“AGM”)**

The 2022 AGM of the Company is being held today at 10:30am at the offices of CMS Cameron McKenna Nabarro Olswang LLP, Cannon Place, 78 Cannon Street, London EC4 6AF. At the meeting shareholders will be able to interact with the Directors who will answer any questions and provide their thoughts on our performance and strategy. Further details of the AGM including the Notice of Annual General Meeting can be found on the Company’s website [www.phpgroup.co.uk](http://www.phpgroup.co.uk).

More information on Primary Health Properties PLC can be found on [www.phpgroup.co.uk](http://www.phpgroup.co.uk).

### **Harry Hyman, Chief Executive Officer of Primary Health Properties, commented:**

"The first quarter of 2022 has seen a good start to the year for PHP good progress converting our year-end pipeline into committed deals along with stronger organic like-for-like rental growth across our rent review and asset management activities, including the environmental upgrades that are required to meet our sustainability targets.

“We expect to benefit from the current inflationary environment with an improving rental growth outlook and with the majority of our debt fixed or hedged we expect to remain in a very strong and robust position in the current volatile economic environment.

“In a capital constrained NHS, the access to capital that our business can bring can assist with the increased utilisation of primary care in order to relieve the pressures being placed on healthcare systems, hospitals and A&E departments from demographic drivers and the backlog of procedures missed over the last couple of years following the COVID-19 pandemic. We are proud of the role we play and look forward to continuing to expand our business in the interest of the NHS and all of our stakeholders.”

### ***For further information:***

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