

The information contained in this announcement is restricted and is not for publication, release or distribution in the United States of America, any member state of the European Economic Area, Canada, Australia, Japan or the Republic of South Africa.

24 January 2025

Care REIT plc

("Care REIT" or the "Company" or, together with its subsidiaries, the "Group")

FOURTH QUARTER UPDATE TO 31 DECEMBER 2024, DIVIDEND DECLARATION AND DIVIDEND TARGET

Strong rent cover underpins a 3.6% increase in dividend target for 2025

The Board of Directors of Care REIT plc (ticker: CRT), the real estate investment trust which gives investors exposure to a diversified portfolio of UK healthcare real estate assets, in particular care homes, is pleased to provide a trading update for the quarter to 31 December 2024, declare a dividend of 1.7375 pence for Q4 2024 and announce an increased dividend target for 2025 of 7.20 pence⁽¹⁾.

Our tenants' operational performance continues to benefit from the strong long-term fundamentals of our sector, alongside their experience and focus on delivering sustainable care for vulnerable elderly people. This has resulted in rent cover⁽²⁾, for the quarter ending 31 December 2024, of 2.3x. Underlying occupancy levels remain robust and increased to 89.2% as at 31 December 2024, with average weekly fee growth of 6.5% during the year⁽³⁾.

HIGHLIGHTS

- 2.3x tenant rent cover in Q4, up from 2.2x in both Q4 2023 and Q3 2024. Our tenants' strong rent cover places them well to remain resilient despite the National Insurance increases coming in Q2 2025.
- Contracted annual rent at 31 December 2024 increased to £51.4 million.
- 20.1 years weighted average unexpired lease term as at 31 December 2024, down 0.7 years on the previous year helped by lease extensions and portfolio-management.
- Replacement £50 million 3% interest rate cap purchased, maintaining our average cost of debt drawn at 4.56% per annum.
- 6.95 pence per share target dividend for 2024 delivered, with a Q4 dividend of 1.7375 pence declared today.
- 3.6% increase in dividend target to 7.20p for the 2025 year⁽³⁾.

PORTFOLIO TRADING UPDATE

- The portfolio is 100% let with no voids and the Group has received 100% of rent payments due for the quarter to 31 December 2024⁽⁴⁾.
- Tenants, continued to improve their operational profitability in Q4, on an aggregate basis, with:
 - Resident occupancy increased to 89.2% at 31 December 2024, compared to 88.2% at 31 December 2023.
 - The average weekly fees the Group's tenants charge for the care they provide grew by 6.5% in the 12 months to 31 December 2024.
- Tenants are in active discussions with relevant Local Authorities regarding 2025 fee increases, which are implement in April each year. The government has announced that in the year to 31 March 2025 social care fees paid by the 153 Local Authorities in England are provisionally forecast to have risen on average by 6.3%, on top of last year's 12.1% increase. The government has also announced it will make available up to £3.7 billion of additional funding to Local Authorities to pay for social care in 2025/26, which should help to fund the increase in employee-related costs for tenants from the increased employers National Insurance contributions from April 2025.

- Based on the 91% of the Company's portfolio⁽³⁾ that has reported so far for the full quarter, rent cover for the quarter to 31 December 2024 is 2.3x and we estimate that the full year 2024 rent cover will be 2.2x, up from 2.0x in 2023.
- Contracted rent increased to £51.4 million as at 31 December 2024. This represents an increase of 5.3% (+£2.6 million) in the year, driven by rental growth from inflation-linked rent reviews (typically capped at 4%) plus two acquisitions.
- At 31 December 2024, our portfolio comprised 137 healthcare properties⁽⁵⁾, of which:
 - 135 are care homes managed by 14 tenants⁽⁶⁾ on fixed-term leases with an average WAULT of 20.1 years (no break clauses), subject to annual upward-only Retail Price Index-linked rent reviews (with a floor and cap at 2% p.a. and 4% p.a., respectively on 114 leases, and 1% p.a. and 5% p.a. on 21 leases).
 - In addition, the Group owns two healthcare facilities leased to the NHS with an annual CPI uplift (uncapped).
- We continue to invest in our portfolio through our asset management programme, enhancing the quality of the homes, their energy efficiency and increasing the number of beds. At 31 December 2024, we had 6 projects in progress.

FINANCING

- At 31 December 2024, the Group's drawn debt was £197.8 million with an EPRA (net) LTV of 27.7% based on 30 September 2024 balance sheet information.
- 88% of drawn debt remains hedged through a combination of fixed-rate debt (£75 million at 3.0% per annum) and SONIA interest rate caps (£50 million at 3% per annum expiring in January 2026 and £50 million at 4% per annum expiring in August 2025).
- A £50 million 3% per annum cap expired shortly after the year end and was replaced with a new £50 million 3% per annum interest rate cap for a period of 12 months at a cost of £0.7 million.
- The current average cost of drawn debt, including hedging and fixed rate borrowings, is 4.56% per annum.

DIVIDEND DECLARATION AND 2025 DIVIDEND TARGET

- The Board has today declared the Company's fourth interim dividend for the year ended 31 December 2024 of 1.7375 pence per ordinary share, payable on 21 February 2025 to shareholders on the register on 7 February 2025. The ex-dividend date will be 6 February 2025. This dividend will be paid as a Property Income Distribution ("PID").
 - This is consistent with the prior three quarters' dividends and delivers on the Company's annual dividend target of 6.95 pence per share for the year ended 31 December 2024. This is in line with the Company's dividend policy, which seeks to maintain a progressive dividend that is covered by its adjusted earnings.
- The target dividend for the year to 31 December 2025 is 7.20 pence per share⁽¹⁾, a 0.25 pence increase or 3.6% rise from the prior period.
- The Company expects to report its full accounts for the year to 31 December 2024, which will include an updated valuation of the portfolio, in March 2025.

Notes:

- (1) This is a target only and not a profit forecast. There can be no assurance that the target will be met and it should not be taken as an indicator of the Company's expected or actual results.
- (2) Rent cover is our tenants' aggregated EBITDARM for either the quarter or the 12 months divided by the aggregate rent for the same period. It excludes "turnaround" and "immature" homes. Immature homes being defined as homes that are newly opened or undergoing major capital improvement requiring partial closure. The rent cover calculation excludes eight properties that are defined as turnaround or immature.
- (3) Tenant reporting is due within six weeks following the quarter end. At the date of preparing this announcement 91% of the operator reporting (as a percentage of the Group's contracted income) had been received for the period to 31 December 2024.
- (4) The seven homes let to We Care and Fulcrum are subject to profit share rent payments. These are calculated on the quarter's trading and are not due and payable at the quarter end.
- (5) Includes under construction and under forward fund arrangements and exchanged for purchase but excludes assets exchanged for sale. Following completion of the link extension of Fairview House and Fairview Court these are now recognised as a single

for each, following completion of the initialisation of full new leases and full new equity, these are now recognised as single property.

- (6) We have 15 tenants including two non-care home properties with the NHS. These tenants are: Belmont, Careport, Carlton Hall, Ectus Healthcare, Fulcrum Healthcare, Holmes Care, Maria Mallaband Countrywide Group, Minster and Croftwood (both subsidiaries of Minster Care Group), NHS Cumbria, Optima, Prestige, Renaissance, Welford and We Care.

FOR FURTHER INFORMATION, PLEASE CONTACT:

Impact Health Partners LLP		Via H/Advisors Maitland
Andrew Cowley		
Mahesh Patel		
David Yaldron		
Jefferies International Limited		+44 20 7029 8000
Tom Yeadon	tyeadon@jefferies.com	
Ollie Nott	onott@jefferies.com	
Winterflood Securities Limited		+44 20 3100 0000
Neil Langford	neil.langford@winterflood.com	
Joe Winkley	joe.winkley@winterflood.com	
H/Advisors Maitland (Communications advisor)		
James Benjamin	carereit-maitland@h-advisors.global	+44 7747 113 930
Rachel Cohen		+44 20 7379 5151
Billy Moran		+44 20 7379 5151

The Company's LEI is 213800AX3FHPMJL4IJ53.

Further information on Care REIT plc is available at www.carereit.co.uk.

NOTES:

Care REIT plc (formerly Impact Healthcare REIT plc) acquires, renovates, extends and redevelops high quality healthcare real estate assets in the UK and lets these assets on long-term full repairing and insuring leases to high-quality established healthcare operators which offer good quality care, under leases which provide the Company with attractive levels of rent cover².

The Company aims to provide shareholders with an attractive sustainable return, principally in the form of quarterly income distributions and with the potential for capital and income growth, through exposure to a diversified and resilient portfolio of UK healthcare real estate assets, in particular care homes for the elderly.

The Company's dividend policy is to maintain a progressive dividend that is covered by adjusted earnings.

On this basis, the target total dividend for the year ending 31 December 2025 is 7.20 pence per share⁽¹⁾, a 0.25 pence or 3.6% increase over the 6.95 pence in dividends paid or declared per ordinary share for the year ended 31 December 2024.

The Group's Ordinary Shares were admitted to trading on the main market of the London Stock Exchange, premium segment, on 8 February 2019. The Company is a constituent of the FTSE EPRA/NAREIT index.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

