



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

## ASX RELEASE

23 April 2024

### HEALTHCO HEALTHCARE & WELLNESS REIT ANNOUNCES ON-MARKET UNIT BUY-BACK

HealthCo Healthcare & Wellness REIT (**ASX: HCW**) is today announcing its intention to conduct an on-market unit buy-back<sup>1</sup> of fully paid ordinary units in HCW (**Units**) for up to \$50m.

HMC Capital Limited (**ASX: HMC**) (HCW's largest Unitholder) does not intend to sell units into the buy-back<sup>2</sup>.

The proposed buy-back is a proactive capital management initiative which is expected to be accretive to HCW's Funds From Operations<sup>3</sup> (FFO) and NTA per Unit.

HCW is committed to maintaining balance sheet gearing at the bottom end of its 30-40% target range. Accordingly, the buy-back will be funded by existing cash, undrawn facilities and asset sales.

HMC Capital Head of Real Estate, Sid Sharma, said: *"The buy-back demonstrates our conviction in HCW's value proposition and long-term growth fundamentals. We believe the current unit price presents an attractive opportunity to gain exposure to a high-quality portfolio of critical healthcare infrastructure at a significant discount to NTA."*

HCW Chair Joseph Carrozzi, said: *"The Board and management team are focused on maximising Unitholder returns. Based on HCW's current unit price, we believe the buy-back provides the best risk adjusted returns for Unitholders. Importantly, the buy-back will be funded by HCW's ongoing asset disposal program, which will ensure gearing is maintained at the lower end of the 30-40% target range."*

Morgans Financial Limited (**Morgans**) has been appointed as the broker to conduct the buy-back on the entity's behalf.

### Successfully executing \$200m asset disposal program

HCW has now divested \$145m of its \$200m previously announced asset disposal program at a passing yield<sup>4</sup> of 5.2%. HCW is targeting the execution of the remaining ~\$55m+ asset sales by the end of FY24.

### FY24 guidance reaffirmed

HCW reaffirms its FY24 FFO/unit and DPU guidance of 8.0 cents and note that guidance does not include the impact of the announced buy-back.

<sup>1</sup> Please refer to the accompanying Appendix 3C for further information relating to the buy-back program. The timing and volume of Units purchased under the buy-back will depend on prevailing market conditions, the market price of units and other factors. HCW Funds Management Limited, as Responsible Entity of HCW, reserves the right to vary, suspend or terminate the on-market buy-back program at any time.

<sup>2</sup> HMC Capital on behalf of itself and each of its related entities, including Home Consortium Developments Pty Ltd.

<sup>3</sup> Accretion based on FY24 annualised FFO/unit adjusted for contracted asset sales (Beaconsfield, Nunawading & Essendon) due to settle in 4Q FY24 and completion of unit buyback.

<sup>4</sup> Weighted average. Excludes Five Dock, which was sold as vacant possession.

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 development pipeline of approximately \$1 billion.*

### ***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.*