

Primary Health Properties

2025 annual results

Internal and external momentum

Primary Health Properties (PHP) has reported 2025 results in line with market expectations, with adjusted EPS of 7.3p comfortably covering DPS of 7.1p (+3%). The company has entered 2026 with strong momentum in both organic rental income and the integration of Assura, and management targets a 2026 fully covered DPS of 7.3p (the 30th consecutive year of growth). 83% of the expected £9m cost synergies have been put in place and plans are well advanced to reduce leverage back to within the targeted range ahead of previous expectations, including an expansion of its primary care joint venture (JV) and establishing a new strategic JV for the private hospital portfolio.

| Year end | Net rental income (£m) | Earnings (£m) | EPS (£) | NAV/share (£) | DPS (p) | P/NAV (x) | Yield (%) |
|----------|------------------------|---------------|---------|---------------|---------|-----------|-----------|
| 12/24 | 153.6 | 92.9 | 6.95 | 1.03 | 6.90 | 0.98 | 6.8 |
| 12/25 | 230.0 | 131.0 | 7.30 | 0.99 | 7.10 | 1.02 | 7.0 |
| 12/26e | 322.9 | 192.2 | 7.40 | 1.02 | 7.30 | 0.99 | 7.2 |
| 12/27e | 306.9 | 197.4 | 7.61 | 1.05 | 7.50 | 0.96 | 7.4 |

Notes: Earnings and EPS are shown on PHP's adjusted basis, which is EPRA earnings excluding the amortisation of mark-to-market adjustments for fixed-rate debt acquired. NAV per share is on an EPRA NTA basis, having previously been shown on an adjusted EPRA NTA basis.

2025 was transformational for PHP, with the acquisition of Assura offering significant financial and strategic benefits. It created a c £6bn portfolio of long-leased, sustainable healthcare infrastructure assets. These are principally let to government tenants and leading UK healthcare providers, underpinned by demographic trends and supported by government policy. Since then, PHP has made impressive progress with integration and realisation of cost synergies, which will solidly underpin 2026 earnings.

The £1.6bn consideration for Assura included £0.4bn in cash and a key focus is returning the immediate post-transaction loan-to-value (LTV) ratio from 57% at end-2025 to PHP's medium-term 40–50% target. Good progress has been made with the transfer of further assets to the existing primary care JV with USS and a new private hospital JV, likely to release c £700m of cash, substantially meeting the LTV target. Both are expected to complete around mid-2026. For its £700m private hospital portfolio, PHP has received offers from four credible counterparties and is considering which provides the best balance between delivery and the potential for further growth in what is an attractive healthcare property segment. PHP enjoys significant liquidity headroom, with cash and collateralised undrawn loan facilities of more than £0.6bn after capital commitments.

Organic rental growth [continues to increase](#), adding c £9m or c 3% to the annualised rent roll, which reached £342m. The continued acceleration of open market rent reviews (60% of the rent roll) is particularly encouraging. New asset management and development projects are starting to see rents being rebased upwards, making them economically viable while providing crucial evidence for future rent review settlements across the wider portfolio.

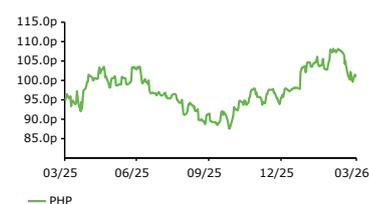
With valuation yields stabilising, rental growth is also generating capital growth. EPRA NTA of 99p/share was 4p lower than at end-2024 but increased 2p on a pro forma basis, excluding the expected acquisition effects. We will review the financial report in detail (which now includes Assura) but expect no change to our EPS, DPS or EPRA NTA forecasts despite changes to the earnings composition.

Real estate

18 March 2026

| | |
|--------------------|----------------|
| Price | 101.10p |
| Market cap | £2,624m |
| Shares in issue | 2,595.1m |
| Code | PHP |
| Primary exchange | LSE |
| Secondary exchange | JSE |

Share price performance



Business description

Primary Health Properties is a long-term investor in primary healthcare property in the UK and the Republic of Ireland. Assets are mainly let on long leases to GPs and the NHS or HSE, organisations backed by the UK and Irish governments, respectively. The tenant profile and long average lease duration provide an exceptionally secure rental income stream.

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