

Primary Health Properties

Strong momentum into 2026

Q126 trading update

Primary Health Properties (PHP) has provided a Q126 trading update to accompany its AGM. The company has entered 2026 with strong momentum in organic rental income and the integration of Assura, and is making good progress with plans to reduce leverage back to within the targeted range of 40–50%. For FY26, management targets a fully covered DPS of 7.3p (+2.8% versus FY25), the 30th consecutive year of growth, representing a prospective 7.8% yield. The first two quarterly payments have already been paid or declared, a marker of the strength and visibility of rental income.

| Year end | Net rental income (£m) | Earnings (£m) | EPS (p) | NAV/share (£) | DPS (p) | Yield (%) | P/NAV (x) |
|----------|------------------------|---------------|---------|---------------|---------|-----------|-----------|
| 12/24 | 154.0 | 93.0 | 6.96 | 1.03 | 6.90 | 7.4 | 0.91 |
| 12/25 | 230.0 | 131.0 | 7.31 | 0.99 | 7.10 | 7.6 | 0.95 |
| 12/26e | 314.5 | 191.0 | 7.36 | 1.02 | 7.30 | 7.8 | 0.92 |
| 12/27e | 304.4 | 193.9 | 7.47 | 1.04 | 7.50 | 8.0 | 0.90 |

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 EPRA net tangible assets (NTA).

We recently published an [update note](#) on PHP's strong FY25 financial performance and progress with its transformational acquisition of Assura. The acquisition is already generating material cost savings and the strategic benefits underpin continuing growth. The enlarged group has a c £6bn portfolio of long-leased, sustainable healthcare infrastructure assets, principally let to government tenants and leading UK healthcare providers, with underlying demand underpinned by demographic trends and supported by government policy.

Integration of the businesses is ahead of schedule and PHP expects it to complete by the end of June. Most (87%) of the £9m of targeted annualised cost savings has already been achieved and will contribute fully in FY27. A review of the combined portfolio has identified additional upside potential, combining the complementary strengths of both companies in areas such as asset management, development and rent reviews.

Completed reviews in Q126 generated an additional £3m per annum of rental income, a c 6% uplift on previous rent of £54m and equivalent to an annualised 3.4% (FY25: 3.2%). All parts of the portfolio (UK primary care, private health and Ireland) are contributing to growth, with the total portfolio rent roll at £345m (end-FY25: £342m). Rent roll provides a mix of open market reviews (c 60% and mostly UK primary care) and indexed or fixed uplifts (primarily private hospitals and Ireland). UK primary care asset management schemes and selective development projects are delivering rents well above the portfolio average, providing important evidence for future rent open market rent review settlements.

Returning the immediate post-transaction loan-to-value ratio from 57% at end-2025 to the medium-term 40–50% target is a key area of focus. Good progress is being made with the transfer of further assets to the existing primary care joint venture (JV) with USS and a new private hospital vehicle, together releasing more than £700m of cash. Both are expected to complete around mid-2026.

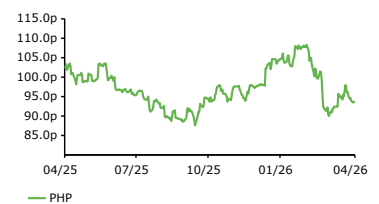
PHP's income is uncorrelated with the wider economy and has strong government backing (we estimate c 85% post-asset transfers). The prospective dividend yield of 7.8% is highly attractive, with continued dividend growth expected, and compares favourably with the fixed coupon 10-year UK gilt yield of 5.0%.

Real estate

29 April 2026

| | |
|------------------------------|----------------|
| Price | 93.60p |
| Market cap | £2,429m |
| Net debt as 31 December 2025 | £3,392.0m |
| 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 critical healthcare infrastructure 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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