

Primary Health Properties PLC

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Primary Health Properties drums up £100m for new healthcare developments

Primary Health Properties PLC (LON:PHP) squeezed £100m out of from institutional investors as it spies "very attractive" opportunities to develop new healthcare premises in Ireland and the UK.

The FTSE 250-listed real estate investment trust, which initially on Tuesday said it was looking for around £75m, said it was seeing a rise in the number of opportunities for funding new developments, typically larger medical centres in line with its strategy.

January's acquisition of MedicX, which had swelled the portfolio to 484 properties, has brought new projects through its relationships with developers.

Currently, PHP has contracted to fund the development and acquisition of eight medical centre properties, involving a capital commitment of roughly £60m, with terms agreed on four more, requiring £50m of investment.

The new cash from the placing will be used to finance these investment commitments, though if any of them do not complete then the net proceeds will be retained for use for other acquisitions and there is around £5m of capital expenditure pencilled in for the rest of the year.

The placing, which was run by brokers Peel Hunt and Numis, was priced at 128p.

Harry Hyman, managing director of PHP, said the new funds will also strengthen the balance sheet and reduce gearing in the near term.

"The company has a strong pipeline of opportunities that it is pursuing that together with the improved terms we recently secured in the debt markets and a proportionately reducing cost base will enhance earnings and enable dividend cover to be maintained."

-- Updated funds raised and price post-placing --

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Price: 155.2

Market Cap: £1.89 billion

1 Year Share Price Graph



Share Information

Code: PHP

Listing: LSE

52 week High Low
167.6 120.4

Sector: Real Estate

Website: www.phpgroup.co.uk

Company Synopsis:

Primary Health Properties PLC ("PHP") is a UK Real Estate Investment Trust ("REIT") and the leading investor in modern primary healthcare premises. The objective of the Group is to create progressive returns to shareholders through a combination of earnings growth and capital appreciation.

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