

Third Age Health delivers 2H underlying NPATA¹ of \$363k up 12% on 1H, and FY23 underlying NPATA¹ of \$687k down 41% on FY22
FY23 NPAT \$411k down 65.0% on FY22 \$1,173k

FY23 Business Highlights

Third Age Health (TAH) is New Zealand's leading provider of quality health care services for older people; supporting those living in care homes, hospital level care, secure dementia units, retirement villages and in their own homes. TAH currently provide services to over 60 Aged Residential Care (ARC) facilities throughout the country, including some of the largest aged care providers in New Zealand. In addition, Third Age Health has a family of general practices providing quality primary healthcare for local communities.

- **Growth:** TAH has significantly expanded its national footprint and market share in FY23.
 - increased the number ARC patients we provide care to by 20%, with 11.5% of ARC population across NZ currently supported by TAH.
 - doubled the number of general practices within our network to 6, and
 - Grew our combined enrolled patient population across both ARC and general practice by 107%.
 - Our core Aged Care Services grew by 26% over the prior year Aged Care revenue, while organic growth of our General Practice grew by 53% over prior year General Practice revenue.
- **Clinical Team and People:** We ended the year with 68 clinicians up 30 (79% increase) from the prior year with an increase in the number of clinicians who now work for us across both ARC and GP settings, making up 71% of the overall team.

FY23 Financial Highlights

- Group revenue up 94% to \$11,467k (FY22: \$5,900k)
- 2H revenue up 51% to \$6,889k (1H: \$4,578)
- Full year organic revenue growth of +\$1,871k (FY22: +\$132k)
- Recent acquisitions adding \$3,696k to revenue for FY23 (FY22: \$278k)
- 2H acquisition revenue \$2,251k (1H: \$1,445k)
- Underlying NPATA¹ down 41% at \$687k (FY22: \$1,173k)
- 2H underlying NPATA¹ up 12% at \$363k (1H: \$324k)
- Underlying NPBTA¹ down 26% at \$1,243k (FY22: \$1,625k)
- 2H underlying NPBTA¹ up 26% at \$694k (1H: \$549k)
- Net cashflow year on year increase of \$936k; increased cashflow of \$231k for FY23 and a decrease of \$705k in cashflow in FY22.

¹ Underlying NPATA and NPBTA is adjusted for (i) non-cash amortisation charges arising as a result of purchase accounting rules (ii) non-recurring provision related to the TADH loan

Financial Highlights \$'000	TAHS and Controlled Entities					
	1H	2H	%	FY23	FY22	%
Revenue	4,578	6,889	50.5%	11,467	5,900	94.4%
Underlying EBIT	597	656	9.9%	1,253	1,647	-23.9%
EBIT Margin	13%	10%	-3.5%	11%	28%	-17.0%
Underlying NPBTA	549	694	26.4%	1,243	1,625	-23.5%
NPBTA ¹ %	12%	10%	-1.9%	11%	28%	-16.7%
Underlying NPATA ¹	324	363	12.0%	687	1,173	-41.4%
NPATA ¹ %	7%	5%	-1.8%	6%	20%	-13.9%
Statutory NPAT	324	87	-73.1%	411	1,173	-65.0%
Basic earnings per share	3.24	0.87	-73.1%	4.11	11.93	-65.5%
Ordinary dividends per share (cents)	2.45	2.58	5.3%	5.03	8.57	-41.3%
Return on Equity	12%	3%	-8.8%	16%	50%	-68.8%
Return on Capital Employed	10%	14%	4.4%	12%	32%	-20.0%
Acquisition Activity						
Acquired Revenue ²	1,445	2,251	55.7%	3,696	278	1229%

Financial Performance

- **Revenue of \$ 11.467m (+\$5.9m up 94%):** Revenue growth during the year from two new clinics of \$2,589k when combined with revenue from a third clinic acquired at the end of March 2022 contributed 66% of total revenue growth. Revenue from organic growth contributed 33% of the overall growth.
- **Underlying NPATA¹ of \$676k down 43% from FY22:** underlying NPATA is adjusted for non-cash amortisation charges arising from purchase accounting rules and a non-recurring provision relating to the impairment of the TADH loan.
- **Cashflow:** Cash and cash equivalents increased to \$1,355k in FY23 (FY22: \$1,124k). This signifies an improved liquidity position, attributed to positive cash flows from operating activities of \$1,081k for FY23 (FY22: \$1,040).
- **Debt:** acquisition activity during FY23 was funded by a new debt facility of \$2,341k (FY22: nil)
- **Increased investment:** During the first half of the year implementation of resource and infrastructure that was previously lacking but crucial for stability in our existing business and establishing a platform for profitable growth was completed.

² Note – 2 acquisitions completed in FY22, all revenue for second falls into FY23 due to the timing of acquisition at 31 March 2022.

Current Year Acquisitions

During FY23, TAH completed two acquisitions of local general practices with estimated total annual revenues of \$4.7m. The acquisitions form part of TAH's future growth strategy to extend services, focused on providing a consistent primary health service as people move from community living into the aged care setting. Both acquisitions have contributed positively to Group revenues since their acquisition. Completed acquisitions are listed in the table below:

Acquired	Location	Acquired Revenue
May 22	Devonport, Auckland	\$770k
Oct 22	St Heliers, Auckland	\$1,819k

Dividends paid in FY23

During the year TAH paid an interim dividend of 2.45 cents per share in ordinary dividends. We expect to pay a final dividend of 2.58 cents per share making the total dividend for FY23 5.03 cents per share.

Dividend Declaration

We are pleased to announce a fully imputed dividend per share, in line with our dividend policy of 2.58 cents per share.

The board of directors of Third Age Health Services Limited has approved the release of this document to the market.

About Third Age Health (NZX:TAH)

Third Age Health is New Zealand's only specialised provider of general practice health care services for older people living in retirement villages, private hospitals, secure dementia units as well as in communities across New Zealand. A dedicated Third Age Health clinical team provides onsite clinics, rostered rounds and after hours on-call healthcare services aimed at supporting the health and wellbeing of older people to improve quality of life. As well as providing clinical services for over 60 aged care facilities throughout New Zealand, Third Age Health owns several general practices providing quality primary healthcare to people of all ages.

www.thirdagehealth.co.nz