

## PROMISIA FY20/21 FINANCIAL RESULTS

### For the 15 months ended 31 March 2021

Promisia Healthcare Limited (NZX: PHL) has delivered its first financial result as an aged care business following the completion of the acquisition of an aged care business on 30 October 2020. The results released today include unaudited financial information. The audit is being finalised.

The result covers the 15 months ended 31 March 2021 following the change of the company's balance date to 31 March and includes five months of trading as an aged care business.

Income was \$7.3m, including an increase in fair value movement of investment properties of \$1.25m. Promisia operates four aged care facilities (3 owned, 1 leased), offering respite, rest home, hospital and dementia care. Revenue is primarily sourced from Government funding (68%) with the remainder from private payment. Eleven resales of occupation rights agreements (ORAs) were completed during the five-month period.

Earnings excluding fair value movements (EBITDAF<sup>1</sup>) were \$(0.2)m for the period. Acquisition related transaction costs of \$0.8m are included in this result. A loss of \$(0.734)m was reported for the six-months ending 30 June 2020.

The Group reported a net profit after tax on continuing operations of \$0.042m, with a total profit from continuing and discontinuing operations of \$0.065m. At 31 March 2021, total assets were \$59.1m, net debt was \$17.8m and the Group had cash and cash equivalents of \$1.2m.

### Growth strategy: Opportunities underway

The company is opening rooms progressively at its newest facility, Aldwins House in Christchurch, as demand grows.

Promisia has identified opportunities to broaden its revenue mix from existing greenfield and brownfield development opportunities, particularly from the building of independent living retirement villas. Construction of a further 42 villas and apartments at its Ranfurly facility in Feilding is underway.

Acquisitions will be considered based on contribution to profitability, quality, geographic and cultural fit, demand for services, and growth potential. In particular, the company will investigate acquisition of other aged care facilities in provincial New Zealand.

### Outlook

Chair of Promisia, Stephen Underwood, said the Group was building off an established base, in an attractive sector with good growth dynamics.

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<sup>1</sup> EBITDAF is operating earnings before interest, tax, depreciation, amortisation and fair value adjustments and is a non-GAAP number.

“The number of people aged over 75 years will double in the next 10 years and new facilities will need to be built to meet demand, particularly for higher needs and specialised care. In addition, increasing compliance is driving sector consolidation with smaller facilities finding it more difficult to remain viable.

“Promisia is well positioned to capitalise on this demand. We are a valued part of the communities where we are located and provincial New Zealand will remain a focus for us – these are communities that are often under-resourced in terms of aged care and are not a priority for larger retirement village developers.

“We have a carefully considered and diversified growth strategy and are already taking advantage of the development opportunities available to us. We look forward to building our business and delivering increasing value to our shareholders.”

ENDS

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**About Promisia**

Promisia operates four aged care facilities, (being rest home, hospital and dementia care). It also offers independent living in retirement villas and apartments. Promisia’s facilities are located in well established and well serviced towns with strong communities. The Group has a diversified growth strategy that includes growing its portfolio, developing existing facilities and extending its revenue mix.

Promisia is listed on the NZX (NZX: PHL).