

Radius Residential Care Limited

# Full Year Results

31 March 2021



radius  
care   
Caring is our calling

# Importance Notice and Disclaimer

This presentation has been prepared by Radius Residential Care Limited (“**Radius Care**”), for informational purposes. This disclaimer applies to this document and the verbal or written comments of any person presenting it.

This presentation sets out information relating to Radius Care’s full year result for the period to 31 March 2021. As such, it should be read in conjunction with the audited consolidated financial statements for Radius Care and its subsidiaries for the period ended 31 March 2021 (“**Financial Statements**”) and other material that Radius Care has released to NZX along with this presentation. That material is also available at [www.radiuscare.co.nz](http://www.radiuscare.co.nz).

In certain sections of this presentation, Radius Care has chosen to present certain financial information exclusive of the impact of significant items. A number of non-GAAP financial measures are used in this presentation which are used by management to assess the performance of the business and have been derived from the Financial Statements. You should not consider any of these financial measures in isolation from, or as a substitute for the information provided in the Financial Statements.

This presentation may contain forward-looking statements and projections. Such forward-looking statements are based on current expectations, estimates and assumptions and are subject to a number of risks and uncertainties, including material adverse events, significant one-off expenses and other unforeseeable circumstances. There is no assurance that results contemplated in any of these projections and forward-looking statements will be realised. Actual results may differ materially from those projected. Except as required by law, or the NZX Listing Rules, no person is under any obligation to update this presentation at any time after its release or to provide further information about Radius Care.

The information in this presentation has been prepared in good faith by Radius Care. Neither Radius Care nor any of its directors, employees, shareholders nor any other person given any representations or warranties (either express or implied) as to the accuracy or completeness of the information in this presentation and to the maximum extent permitted by law, no such person shall have any liability whatsoever to any person for any loss (including, without limitation, arising from any fault or negligence) arising from this presentation or any information supplied in connection with it.

This presentation is not a product disclosure statement or other disclosure document, or an offer of shares for subscription, or sale, in any jurisdiction. The information in this presentation does not constitute financial product, legal, financial, investment, tax or any other advice or a recommendation.



# Presenting Today



## Brien Cree

### *Executive Chairman / Managing Director*

- Founded Radius Care in 2003, then part of Radius Health Group
- Moved into Executive Chairman role in June 2020 focusing on growth opportunities through development and acquisition
- Majority shareholder since undertaking management buy out in 2010 and currently holds 54.0% through Wave Rider Trust
- Board member of the New Zealand Aged Care Association for more than 10 years
- Over 30 years' experience in the Aged Care sector



## Stuart Bilbrough

### *Chief Executive Officer*

- Appointed Chief Executive Officer in June 2020
- Formerly Radius Care Chief Financial Officer from 2010 to 2017
- Over 30 years' experience in finance roles in industries including healthcare, FMCG, logistics, telecoms and financial services
- New Zealand Chartered Accountant and holds an MBA with distinction from Massey University.



## Michelle Slabber

### *General Manager, Finance*

- Joined Radius Care in 2016
- Has nearly 25 years' experience in finance roles in various
- Industries worked in include healthcare and financial services
- Michelle trained with PricewaterhouseCoopers in South Africa
- She is a New Zealand Chartered Accountant.

# Radius Care at a Glance

## HIGH ACUITY AND SPECIALIST AGED CARE PROVIDER

Radius Care operates 22 aged care facilities nationally, comprising more than 1,700 aged care beds.

We own three of these facilities and lease 19 from 3rd party property investors.

We also own two retirement villages comprising of 76 units.

### Portfolio summary as at 31 March 2021

	Radius Care Owned	Leased from 3 <sup>rd</sup> Parties*	Total
<i>Existing Portfolio</i>			
<b>Sites</b>	5	19	24
Aged Care Beds	178	1,537	1,715
Retirement Village Units <sup>1</sup>	76	-	76
<b>Total Places</b>	<b>254</b>	<b>1,537</b>	<b>1,791</b>
<i>Existing Facility - Landbank</i>			
Aged Care Beds	44	60	104
Retirement Village Units	20	20	40
Belfast, Christchurch	194	-	194
<b>Total Existing + Landbank</b>	<b>512</b>	<b>1,617</b>	<b>2,129</b>

Radius Care announced on 7 April 2021 the exercise of its option to acquire 4.3 hectares of development land in Christchurch

\* All leases are triple net lease and long term in nature - with an average term to next renewal of 9.1 years but 27.7 years after accounting for all renewals.

Note: As part of its December 2020 listing Radius Care prepared:

- A Listing Profile (which contains similar information to a Product Disclosure Statement) providing an overview of the business, the industry, risks and financial performance.
- Supplementary Financial Information providing more granular financial and operational information.

This information is contained on the Radius Care website <https://www.radiuscare.co.nz/investors-centre/listing-documents>

# Radius Care at a Glance

## Residents and Employees

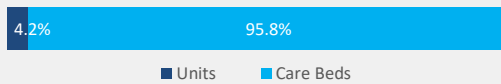


1,700+ beds

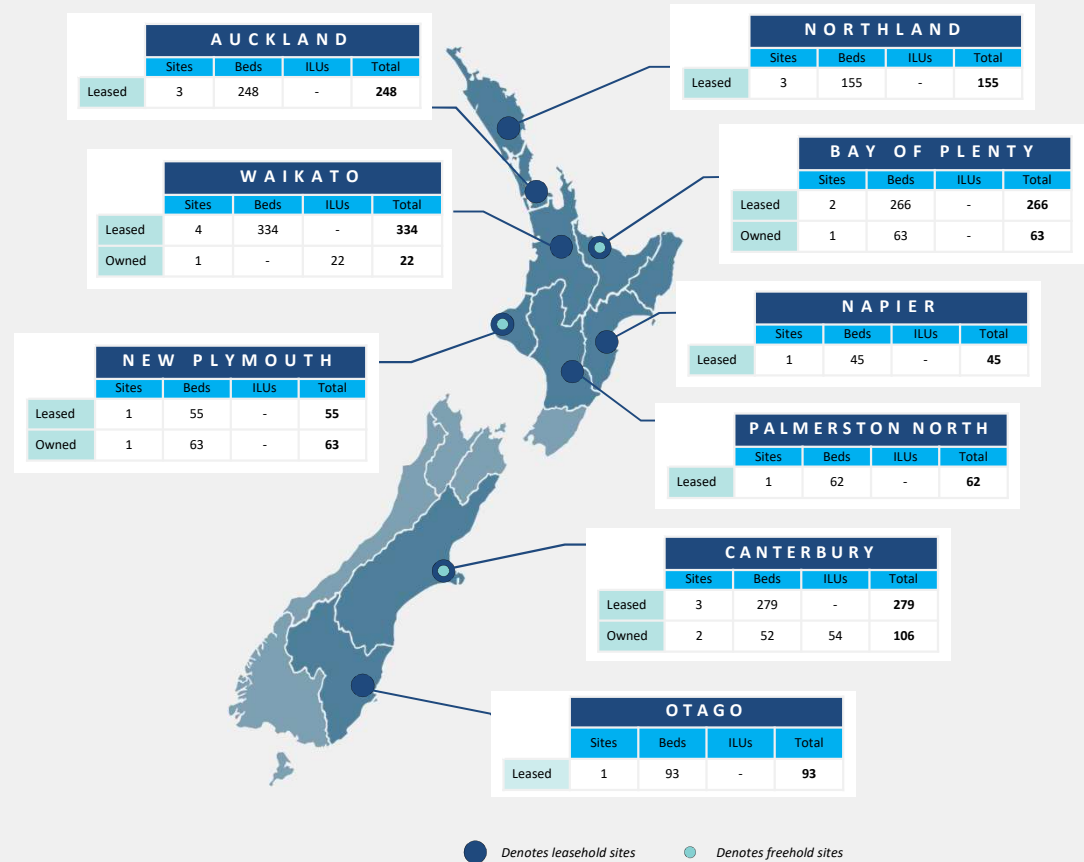


1,500+ employees

## Units vs Care Beds



## National aged care focused portfolio with strong regional presence





# Agenda

1

## Overview of FY21 financial performance

First year as a listed company

2

## Analysis of result

Continuation of strong track record

3

## Positioning Radius Care for Growth phase, strategy update and FY22 guidance

4

## Appendix

- Key operational and financial metrics
- Summary P&L, Balance Sheet, Cash Flow



# Overview of FY21 Financial Performance

FIRST YEAR AS A LISTED  
COMPANY



# FY21 Highlights and Key Events

FY21 Guidance provided at the time of listing met or exceeded across all metrics.



## Financial Performance

- Record result - all guidance metrics met or exceeded
- Underlying EBITDA up 28% to \$23.4m (vs. guidance of \$23.0m to \$23.8m)
- Underlying EBITDA per bed up 13% to \$19.5k
- Continued strong occupancy, private accommodation supplements and cost control

## Progress on Strategy

- Option exercised to purchase 4.3 hectares of Greenfield Development land in Belfast, Christchurch post balance date<sup>1</sup>
- Increases Greenfield Development pipeline by 70 Care Beds, 30 Care Suites and 94 Retirement Village Units
- Work progressing on final design, building consents and construction discussions
- Multi-stage development approach provides funding flexibility

# FY21 highlights and key events

FY21 Guidance provided at the time of listing met or exceeded across all metrics.



## Enhanced management and governance for listing

- Brien Cree transitioned in Executive Chairman role focused on growth opportunities through development and acquisition
- Stuart Billbrough returned as CEO
- Hamish Stevens and Mary Gardiner appointed as independent directors
- Direct listing undertaken on 10 December 2020

## Balance Sheet Position

- Net debt of \$24.5m down \$4.7m from pcp (31 March 20)
- Lease liabilities of \$184.3m down from \$185.3m for pcp

## COVID-19 resilience

- Processes and procedures introduced in mid-2000s for Bird Flu performed well through COVID-19 period
- Locked down facilities early with industry following
- No COVID-19 cases amongst residents or staff <sup>1</sup>

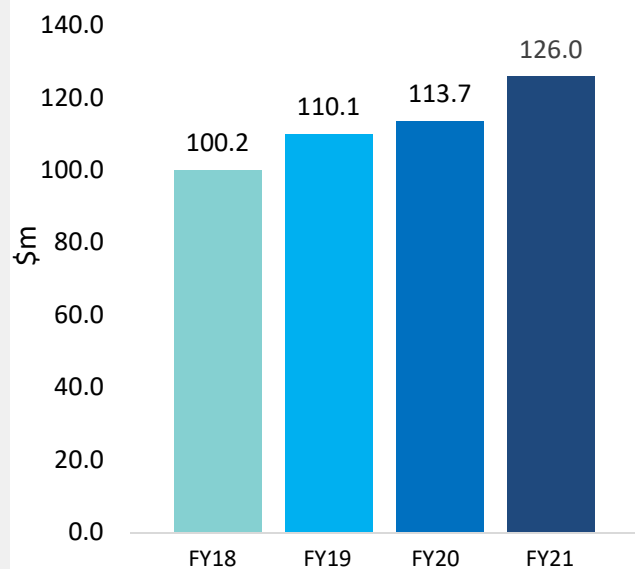


# Financial performance overview

FY21 Underlying EBITDA and Pre-NZ IFRS 16 Underlying EBITDA within Guidance range provided at time of listing

## Total Revenue

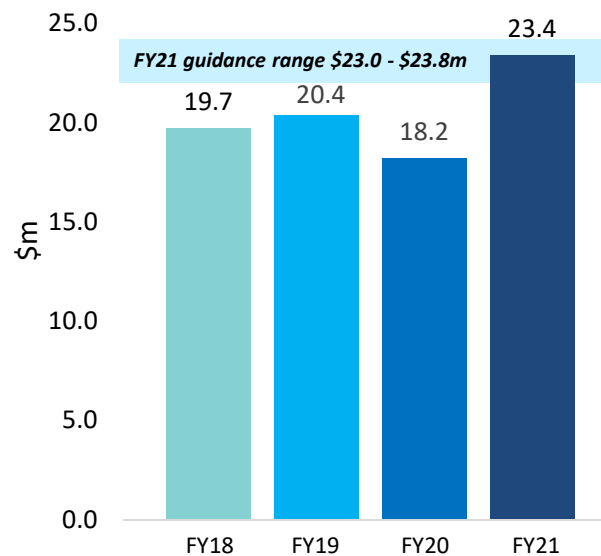
- FY21 Revenue of \$126m up 11%



## Underlying EBITDA

- FY21 Underlying EBITDA of \$23.4m up 28%

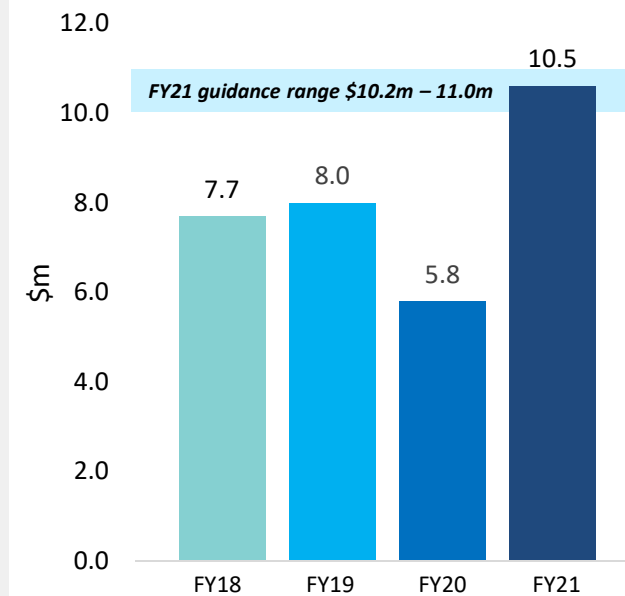
✓ **FY21 Guidance achieved**



## Pre-NZ IFRS 16 Underlying EBITDA

- FY21 Pre-NZ IFRS 16 Underlying EBITDA of \$10.5m up 82%

✓ **FY21 Guidance achieved**



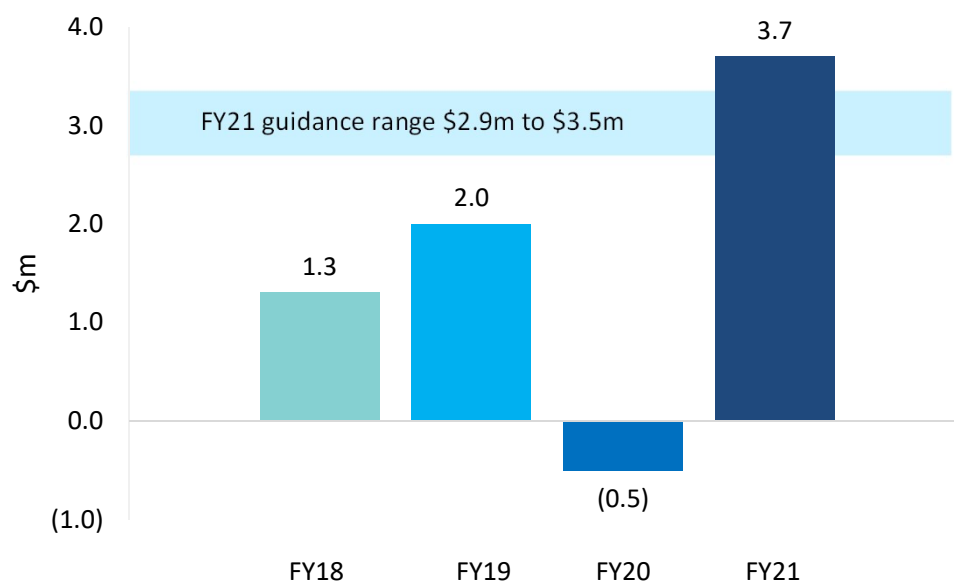
# Cash Flow and Dividends

Achieved AFFO in excess of FY21 Guidance

## AFFO

- FY21 AFFO of \$3.7m
- Outperformance partly due to lower maintenance capex

✓ **FY21 Guidance exceeded**



Radius Care's dividend policy is target to pay 50% to 70% of AFFO

## Dividends

### FY21 Final Dividend

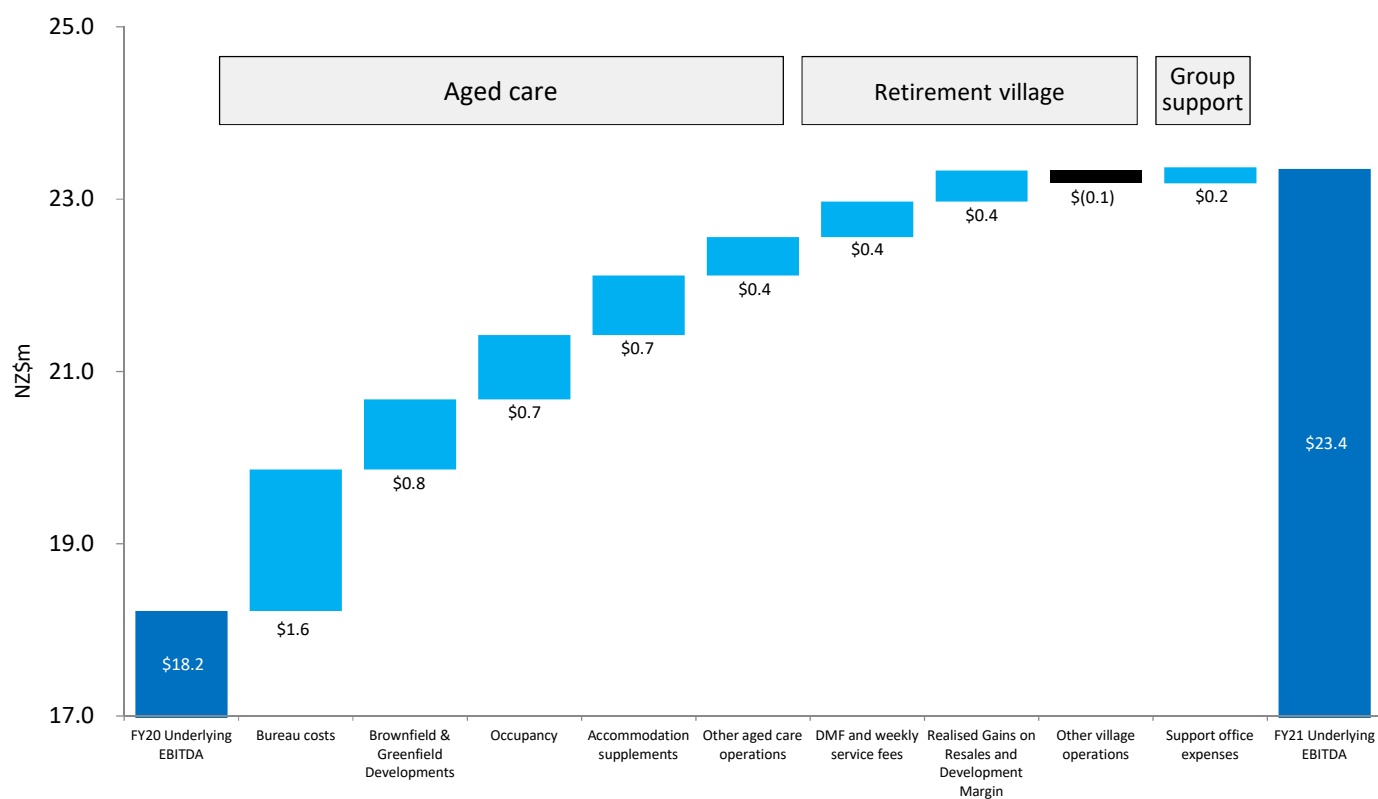
- Gross fully imputed FY21 final dividend declared of 0.89 cents per share (which includes 0.25 cents per share of attaching imputation credits)
- Ex Dividend date Friday 11 June 2021
- Record date Monday 14 June 2021
- Payment date Monday 21 June 2021

### FY21 Total Dividends

- Including February dividend of 0.58 cents per share gives a total gross dividend in relation to the FY21 financial year of 1.46 cents per share (which includes attaching imputation credits of 0.41 cents per share)
- The total FY21 cash dividend of 1.05 cents per share is above the FY21 cash dividend guidance of 0.83 to 1.00 cents per share

# Summary of Key Drivers of FY21 Financial Performance

Strong growth in Underlying EBITDA driven primary by (1) improving care occupancy (2) increasing accommodation supplements (3) cost control containment and (4) contributions from new developments



## Aged Care: \$4.3m

- **Bureau:** \$1.6 million improvement through strong cost control focus
- **Brownfield and Greenfield Developments contribution:** \$0.8 million from Windsor Court Brownfield development (\$0.6m) and Glaisdale (Hamilton) Greenfield development (\$0.2m)
- **Other aged care:** \$1.9 million. Primarily driven by the increase in occupancy \$0.7m, accommodation supplements \$0.7m and other \$0.4m

## Retirement Village: \$0.7m

- Compounding impact of DMF and additional unit sales

## Group Support: \$0.2m

- Reduced travel as a result of COVID-19 disruptions



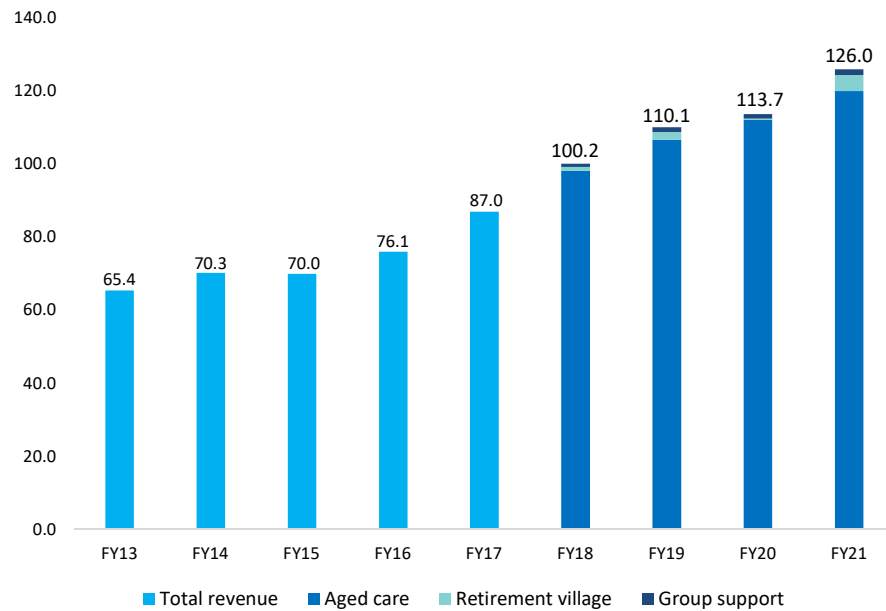
# Analysis of result

CONTINUATION OF STRONG  
TRACK RECORD

# Revenue Growth and Diversification

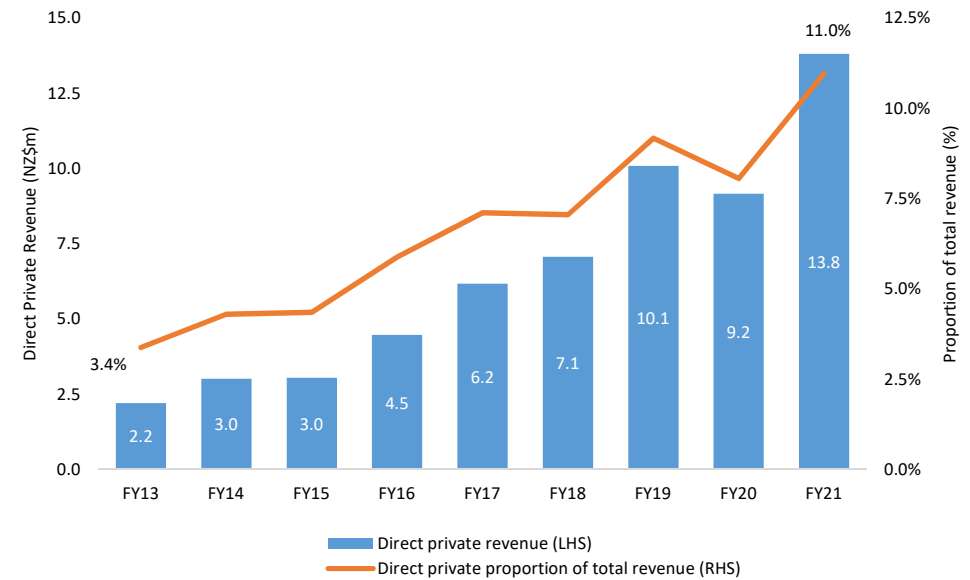
Strong revenue growth continues with an increasing proportion from direct private (non-Government) revenue streams

**Total revenue**



End of Financial period	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21
No. of Beds	1,307	1,382	1,371	1,379	1,525	1,682	1,701	1,704	1,715
No. of Units	22	22	22	36	48	55	63	73	76

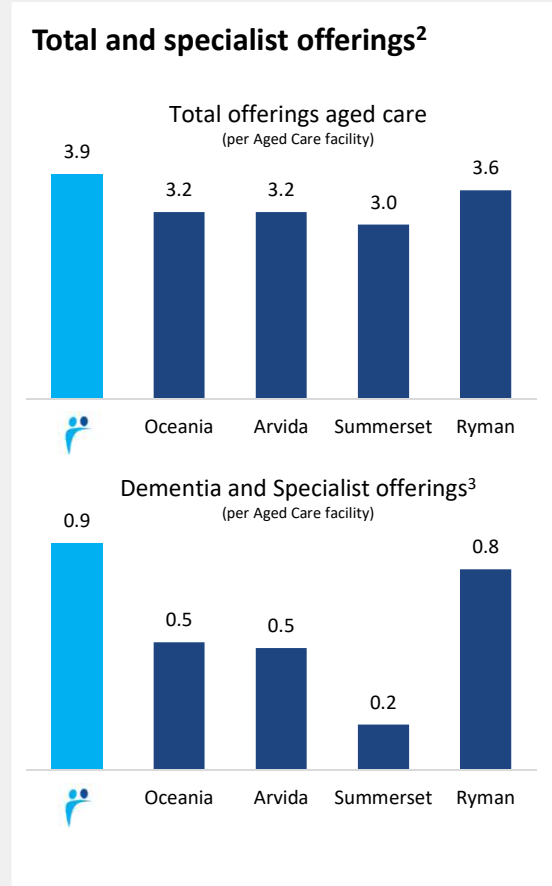
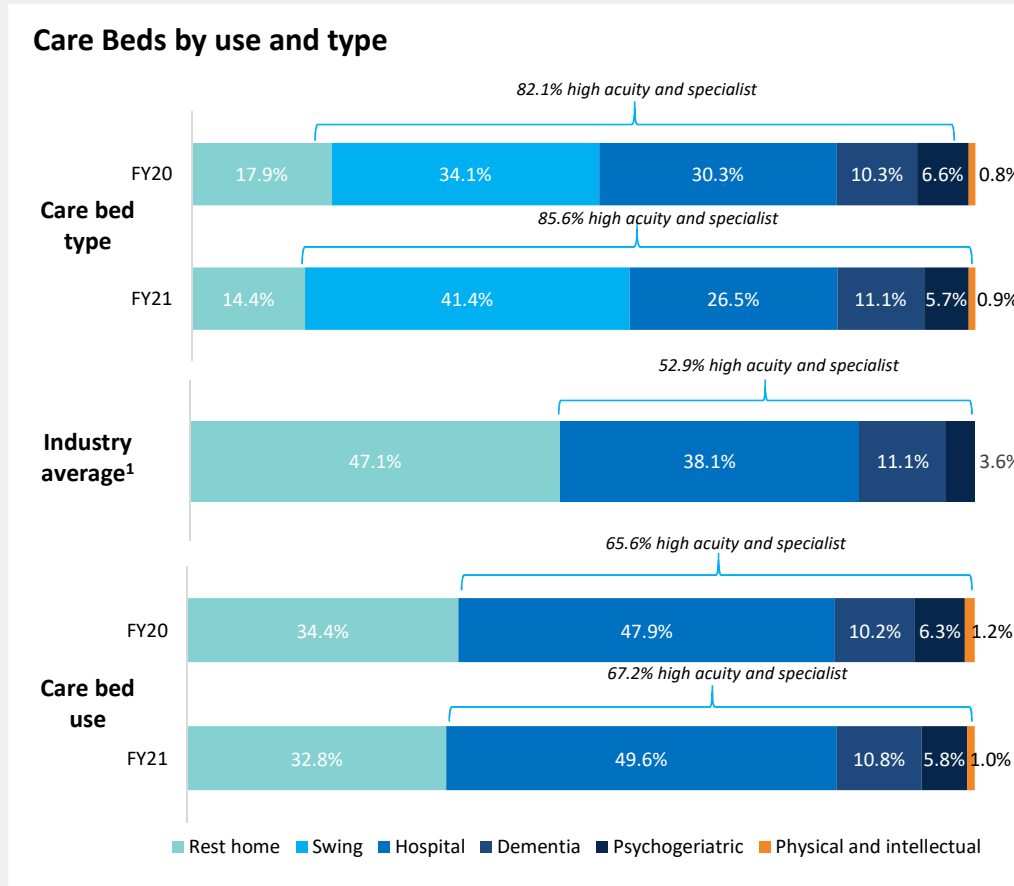
**Direct private (non-Government) revenue <sup>1</sup>**



<sup>1</sup> Includes accommodation supplements, retirement village units, Radius Online Shop and other privately paid revenues

# Bed Mix Oriented to High Acuity and Specialist Care

Over FY21, beds certified for high acuity and specialist care have increased from 82% to 86% of the portfolio. Radius Care continues to provide more care offerings and in particular more specialist care offerings per facility than peers.



1 Source: CBRE analysis, September 2020

2 Source: Ministry of Health audit reports as disclosed on Ministry of Health website – <https://www.health.govt.nz/your-health/certified-providers/aged-care/> based on data as at 4 May 2021

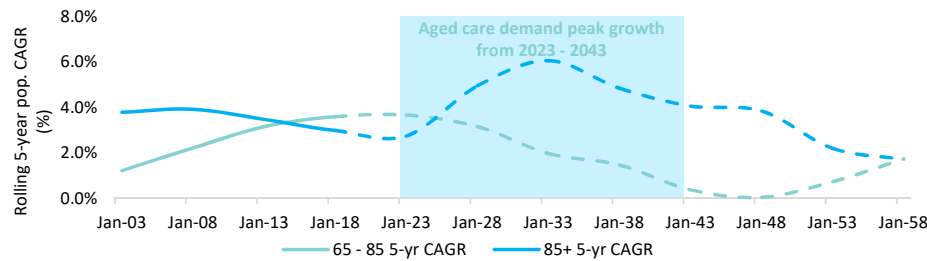
3 Dementia and Specialist offerings include Dementia, Psychogeriatric, Physical and Intellectual but does not include Rest Home or Hospital – Geriatric or Hospital – Medical care. Average based on simple average of all certified facilities



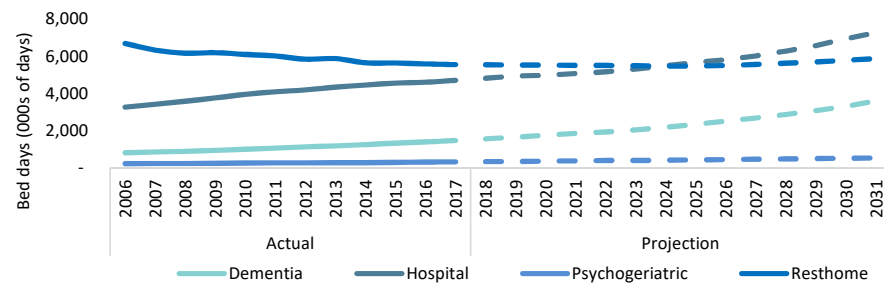
# Strong Occupancy Growth

Occupancy growth underpinned by supportive industry backdrop of (1) aging population (2) increasing bed demand particularly for high acuity and specialist care and (3) rising years in spent in dependency

## 1. Aging New Zealand population<sup>1</sup>



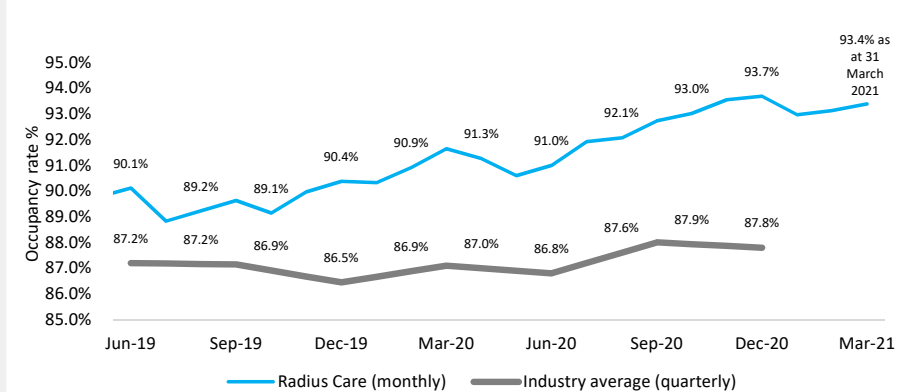
## 2. Increasing high acuity bed demand<sup>2</sup>



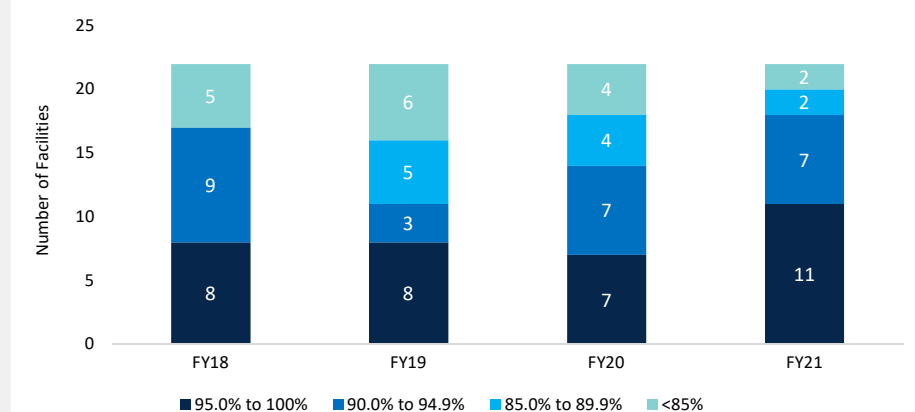
## 3. Increasing years in dependency

- Life expectancy is increasing but more years are being spent in dependency

## Growing Occupancy v.s. industry<sup>3</sup>



## Increasing number of high occupancy facilities



1 Source: Statistics New Zealand

2 Source: EY Aged Residential Care Funding Model Review analysis using ARC model, August 2019. Historical information based on actual demand data per the ARC demand model which EY have extended using the past 5 year trend over the projection period

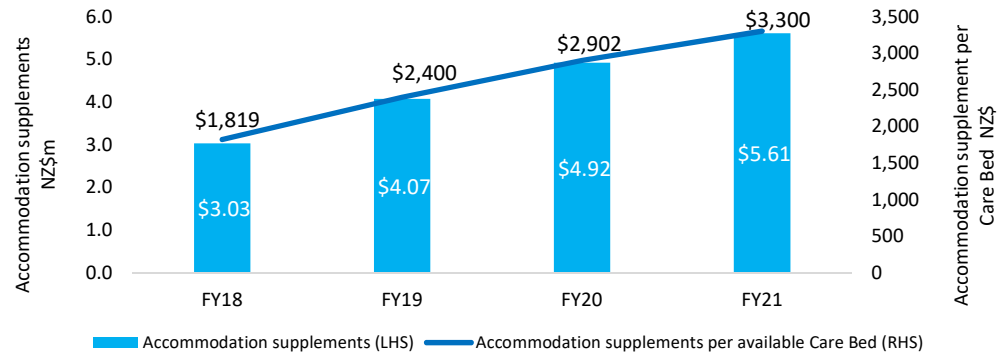
3 Source: Industry Information based on NZACA Occupancy – TAS Aged Residential Care Quarterly Reporting Survey as at 31 December 2020. Includes ORA ARRC-certified beds and residents

# Growing Underlying EBITDA per Care Bed

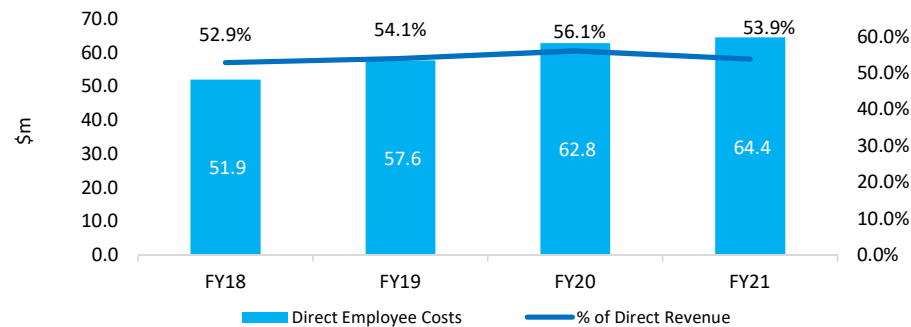
**Strong Occupancy** (see previous page)



## Growing accommodation supplements

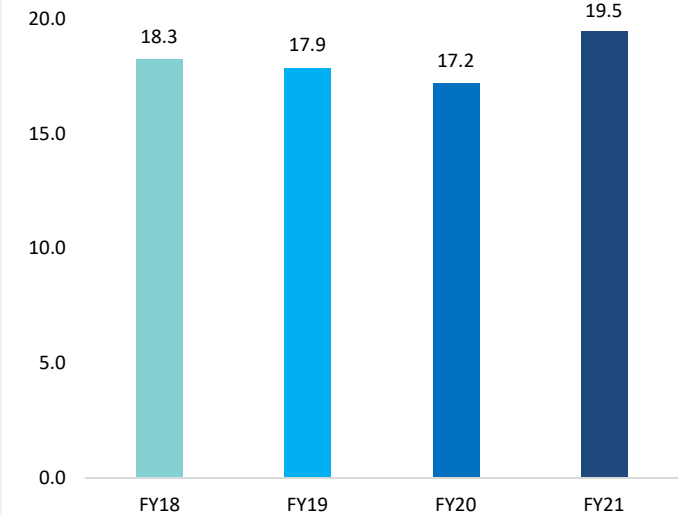


## Strong wage control



**Increasing Underlying EBITDA per care bed<sup>1</sup>**

## Underlying EBITDA per Care Bed (\$000)



<sup>1</sup> Underlying EBITDA for aged care segment divided by the average number of care beds occupied during the period



## Positioning Radius Care for Growth Phase, Strategy Update and FY22 Guidance

# Positioning Radius Care for Growth Phase

Senior management and board strengthened and sized for next phase of growth.

- Brien Cree transitioned to Executive Chairman role focused on growth opportunities through development and acquisition
- Stuart Bilbrough returned as CEO (previously CFO from 2010 to 2017)
- Hamish Stevens and Mary Gardiner appointed as independent directors
- Employee turnover reduced vs. FY20
- A focus on employees continuing professional development and ongoing property investments that enhances accommodation supplement revenue is a focus for the coming year



# Strategy Update

Focus continues on the execution of Radius Care’s growth strategy, with the exercise of Radius Care’s option to acquire the 4.3 hectare Belfast, Christchurch site being a key milestone since Listing

## Growth Strategy as outlined in the Listing Profile

### GO FORWARD STRATEGY

#### 1. Brownfield development

#### 2. Purchase of strategically important facilities already operated by Radius

#### 3. Greenfield development

#### 4. Opportunistic value accretive acquisition

### HISTORICAL TRACK RECORD

- Windsor Court (FY18) – 15 Care Beds
- Waipuna (FY17) – 28 Care Beds
- Elloughton Gardens (FY17) – 27 Care Beds

- Lexham Park (FY20) – 63 Care Beds
- Thornleigh Park (FY14) – 63 Care Beds
- St Helenas (FY14) – 52 Care Beds

Greenfield Development on owned facilities undertaken and funded by Radius Care:

- Elloughton Grange Village (FY21) – 54 Units

Greenfield Development on leased facilities undertaken with and funded by landlords:

- Glaisdale (FY18) – 80 Care Beds
- Millstream (FY18) – 80 Care Beds

- Acquired the operations of 26 aged care facilities and retirement villages comprising 1,998 Residences since 2003

## Execution of strategy

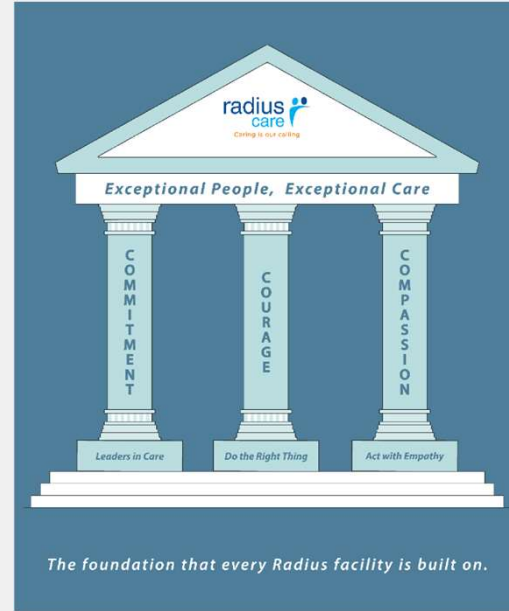
### CURRENT STATUS

✓ Brownfield potential identified at owned sites at:  
 - Lexham Park (Katikati)  
 - Thornleigh (New Plymouth)  
 Detailed feasibility studies underway

– Continuing work to identify strategically important facilities

✓ Purchase of Belfast, Christchurch Greenfield development land  
 • As announced in April 2021, Radius Care has exercised its right to acquire c. 4.3 hectares of land  
 • Settlement of the land (\$5.5m) is expected to take place between December 2021 and March 2022  
 • Work progressing on final design, building consents and construction discussions  
 • Multi-stage program provides funding flexibility

– Continuing to seek and evaluate potential acquisition opportunities



# FY22 Outlook and Guidance

Guidance for the 12 months to 31 March 2022 demonstrates expected continued earnings uplift.



	Guidance		
	FY21 Actual (\$m)	Listing Profile FY21 Guidance (\$m)	FY22 Guidance (\$m)
<b>Underlying EBITDA</b>	23.4	23.0 - 23.8	23.5 – 25.5
<b>Pre-NZ IFRS 16 Underlying EBITDA</b>	10.5	10.2 - 11.0	10.5 – 12.5
<b>AFFO</b>	3.7	2.9 - 3.5	3.7 – 4.7

## Aged Care

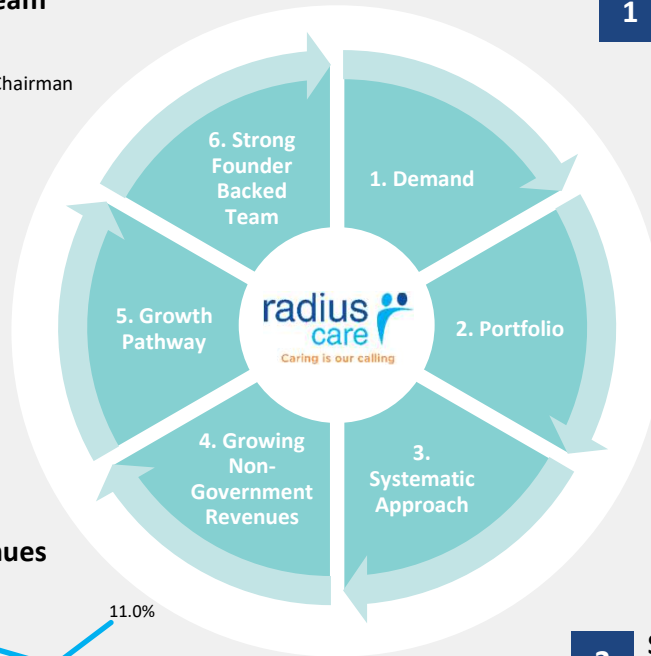
- Average occupancy expected to increase further in FY22 given current run rate
- Continued accommodation supplements growth in FY22 expected
- Additional funding from the Government as part of the Equal Pay claim for Health Care Assistants
- Operating costs will increase with staffing wage growth but wages to revenue expected to remain stable
- Conversion of Dementia rooms at Arran Court

## Retirement village

- Sale of final 4 units at Elloughton Grange Village expected
- Resale of 5 units expected

# Key Investment Highlights

Radius Care provides unique exposure to a high acuity, specialised care provider that remains committed to and focused on delivering compassionate and outstanding clinical care outcomes

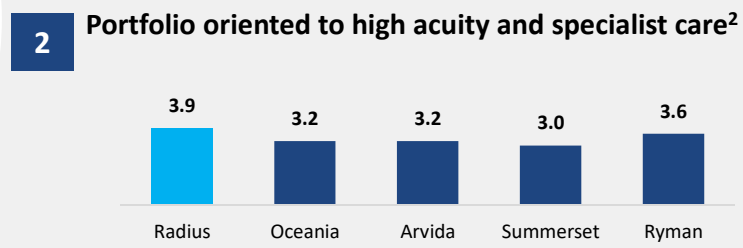
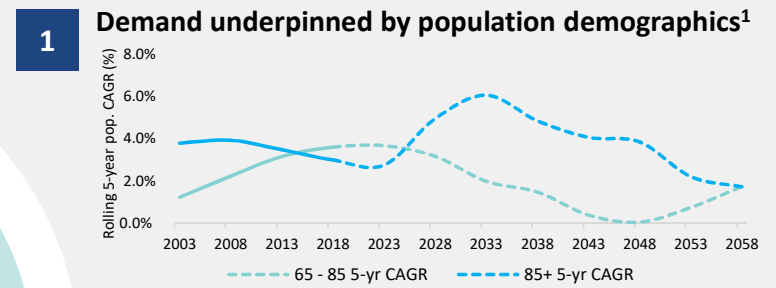
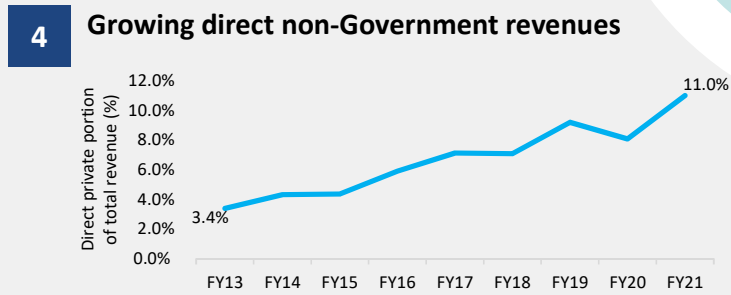


**6 Strong founder backed team**

**Brien Cree**  
Founder and Executive Chairman

**Stuart Bilbrough**  
Chief Executive Officer

- 5 Clear growth pathway via**
- 1) Purchase of strategically important facilities' land and buildings
  - 2) Brownfield and greenfield development with ownership of land and buildings
  - 3) Opportunistic acquisitions



- 3 Systematic approach to provision of care**
- 1) Centralised head-office systems and support
  - 2) Leading IT systems
  - 3) Immigration accreditation
  - 4) Early engagement through Radius Online Shop

1 Source: Statistics New Zealand

2 Source: Ministry of Health audit reports as disclosed on Ministry of Health website – <https://www.health.govt.nz/your-health/certified-providers/aged-care/> based on data as at 4 May 2021

3 Includes accommodation supplements, retirement village units, Radius Online Shop and other privately paid revenues





# Appendix

# Key operational and financial metrics

## Operating metrics

Financial period	FY18	FY19	FY20	FY21
Number of Care Beds (period end) <sup>1</sup>	1,682	1,701	1,704	1,715
Average Care Bed Occupancy <sup>2</sup>	89.1%	89.5%	90.0	92.4%
Underlying EBITDA per Care Bed <sup>3</sup> (000s)	\$18.3	\$17.9	\$17.2	\$19.5
Number of Units (period end) <sup>4</sup>	55	63	73	76
Number of new Unit sales	9	11	8	6
Number of existing Unit resales	2	3	-	7
Realised gains on resales (m)	\$0.2	\$0.1	-	\$0.5
Realised development margins (m)	\$0.2	\$0.5	\$0.4	\$0.3
Cash DMF realised upon resale (000s)	\$67	\$66	-	\$525
Average resale price (000s)	\$323	\$355	-	\$407
Average new unit sale price (000s)	\$395	\$377	\$403	\$408

## Accommodation supplements

Financial period	FY18	FY19	FY20	FY21
Accommodation Supplements Revenue	\$3.0m	\$4.1m	\$4.9m	\$5.6m
Number of Care Beds	1,682	1,701	1,704	1,715
Number of Available Care Beds with Accommodation Supplements	1,005	1,134	1,138	1,146
Percentage of Care Beds with Accommodation Supplements	59.8%	66.7%	66.8%	66.8%

1 Comprises Care Beds occupied, available to be occupied or unavailable due to refurbishment

2 Total occupied Care Bed days divided by total Care Bed days available during the period

3 Underlying EBITDA for aged care (as set out in the lower right table) divided by the average number of Care Beds occupied during the period

4 Comprises Units occupied, available to be occupied or unavailable due to refurbishment

## DMF terms for Retirement Village units

- 30% over three years
- FY20 – 21 average resident tenure: 4 years

## Revenue by segment

Financial period	FY18	FY19	FY20	FY21
\$m				
Aged Care	98.8	107.3	112.6	120.3
Retirement Village	1.3	2.3	0.5	4.4
Group support	0.1	0.5	0.6	1.3
<b>Total revenue</b>	<b>100.2</b>	<b>110.1</b>	<b>113.7</b>	<b>126.0</b>

## Underlying EBITDA by segment

Financial period	FY18	FY19	FY20	FY21
\$m				
Aged Care	27.2	27.2	26.3	30.6
Retirement Village	0.3	0.8	0.8	1.4
Group support	(7.8)	(7.6)	(8.9)	(8.7)
<b>Underlying EBITDA</b>	<b>19.7</b>	<b>20.4</b>	<b>18.2</b>	<b>23.4</b>

Corporate function growth from FY19 to FY20 and FY21 reflects strengthening of senior management and board for next phase of growth.

## Underlying EBITDA to AFFO Reconciliation

AFFO outperformance in part due to maintenance capex below historical levels

(\$m)	FY18	FY19	FY20	FY21
<b>Underlying EBITDA</b>	<b>19.7</b>	<b>20.4</b>	<b>18.2</b>	<b>23.4</b>
Include: Pre-NZ IFRS 16 operating rental lease expense	(12.0)	(12.4)	(12.4)	(12.9)
<b>Pre-NZ IFRS 16 Underlying EBITDA</b>	<b>7.7</b>	<b>8.0</b>	<b>5.8</b>	<b>10.5</b>
Include: Depreciation and amortisation (Pre-NZ IFRS 16)	(3.0)	(3.6)	(3.7)	(4.3)
Include: Net interest expense (Pre-NZ IFRS 16)	(0.6)	(0.9)	(1.2)	(0.8)
Include: Current tax expense	(0.9)	(0.7)	(1.0)	(2.1)
Include: Income tax impact from Pro forma adjustments	0.2	0.2	0.3	(0.3)
<b>Pre-NZ IFRS 16 Underlying NPAT</b>	<b>3.4</b>	<b>3.0</b>	<b>0.2</b>	<b>3.0</b>
Remove: Depreciation and amortisation (excl. NZ IFRS 16 related)	3.0	3.6	3.7	4.2
Include: Maintenance capital expenditure	(5.1)	(4.6)	(4.4)	(3.5)
<b>AFFO</b>	<b>1.3</b>	<b>2.0</b>	<b>(0.5)<sup>1</sup></b>	<b>3.7</b>

Capex maintenance guidance is \$4.0m

Refer to Note 2.1 in the 31 March 2021 Annual Report for reconciliation of Underlying profit to Reported net profit after tax – see Appendix attached

<sup>1</sup> The +\$4.2m change in AFFO in FY2021 is calculated on AFFO for FY2020 of \$(0.5)m, which has been revised from the FY2020 AFFO of \$0.8m shown in the 10 December 2020 NZX Listing Profile due to a reclassification of the deferred tax on the FY2020 revaluation of the three owned properties. The impact of this reclassification was an increase of \$1.339m in FY2020 current tax and a corresponding decrease of \$1.339m in FY2020 deferred tax. There is no impact on AFFO in any other period and there is no impact going forward.

# Statement of Comprehensive Income

(\$000)	FY20	FY21
<b>Revenue</b>		
Revenue from contracts with customers	113,359	121,217
Deferred management fees	671	1,081
<b>Total revenue</b>	<b>114,030</b>	<b>122,298</b>
Fair value movement of investment properties	(649)	2,879
Government subsidy received	353	794
Interest income	49	71
<b>Total revenue and other income</b>	<b>113,783</b>	<b>126,042</b>
<b>Expenses</b>		
Employee costs	(70,852)	(74,457)
Depreciation expense	(10,911)	(11,552)
Finance costs	(10,583)	(9,706)
Other expenses	(24,770)	(28,298)
<b>Total expenses</b>	<b>(117,116)</b>	<b>(124,013)</b>
<b>Profit / (loss) before income tax</b>	<b>(3,333)</b>	<b>2,029</b>
Income tax (expense) / benefit	500	(324)
<b>Profit / (loss) for the year</b>	<b>(2,833)</b>	<b>1,705</b>
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit and loss</i>		
Revaluation of property, plant and equipment, net of tax	5,708	1,104
<b>Other comprehensive income for the year</b>	<b>5,708</b>	<b>1,104</b>
<b>Total comprehensive income</b>	<b>2,875</b>	<b>2,809</b>

## Statement of Financial Position

(\$000)	FY20	FY21
<b>Assets</b>		
Cash and cash equivalents	2,317	2,761
Trade and other receivables	7,648	7,744
Inventories	308	548
Property, plant and equipment	32,303	32,896
Right-of-use assets	181,431	177,170
Investment properties	27,831	31,675
Deferred tax assets	2,006	3,635
Intangible assets	16,996	16,996
<b>Total assets</b>	<b>270,840</b>	<b>273,425</b>
<b>Liabilities</b>		
Trade and other payables	14,086	14,911
Current tax liabilities	723	1,135
Borrowings	31,427	27,212
Deferred management fee	962	1,178
Refundable occupation right agreements	17,518	20,591
Lease liabilities	185,304	184,305
<b>Total liabilities</b>	<b>250,020</b>	<b>249,332</b>
<b>Net assets</b>	<b>20,820</b>	<b>24,093</b>
<b>Equity</b>		
Share capital	4,736	5,932
Asset revaluation	5,708	6,812
Retained earnings	10,376	11,349
<b>Total equity</b>	<b>20,820</b>	<b>24,093</b>

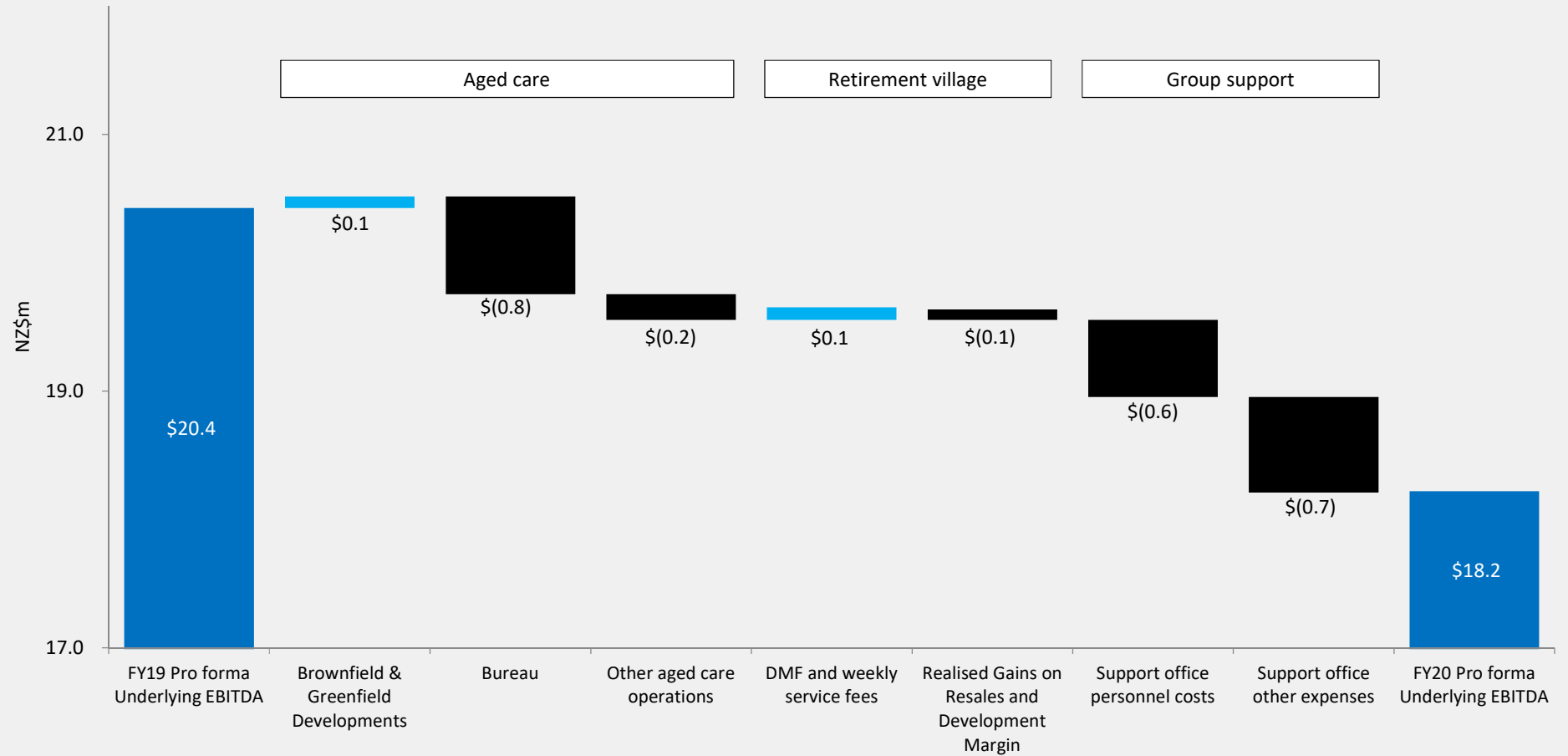
## Statement of Cash flows

(\$000)	FY20	FY21
<b>Cash flow from operating activities</b>		
Receipts from residents for care fees and village fees	113,282	122,337
Receipts of government subsidy	-	1,210
Payments to suppliers and employees	(95,436)	(101,724)
Proceeds from the sale of Refundable occupation right agreements	3,705	3,927
Payments for the repurchase of Refundable occupation right agreements	-	(464)
Interest received	49	71
Interest paid – borrowings	(1,183)	(883)
Interest paid – lease liabilities	(9,400)	(8,823)
Income tax paid	(814)	(1,744)
<b>Net cash provided by operating activities</b>	<b>10,203</b>	<b>13,907</b>
<b>Cash flow from investing activities</b>		
Proceeds from the sale of property, plant and equipment	114	54
Payments for the purchase of plant and equipment	(11,305)	(3,577)
Payments for village developments	(3,723)	(965)
<b>Net cash used in investing activities</b>	<b>(14,914)</b>	<b>(4,488)</b>
<b>Cash flows from financing activities</b>		
Proceeds from bank borrowings	15,120	-
Repayments of bank borrowings	4,038	(4,215)
Repayments of shareholder loans	(5,030)	-
Principal repayment of lease liabilities	(3,035)	(4,028)
Dividends paid	(225)	(732)
<b>Net cash (used in) / provided by financing activities</b>	<b>2,792</b>	<b>(8,975)</b>
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the year	4,236	2,317
Net increase / (decrease) in cash held	(1,919)	444
<b>Cash and cash equivalents at end of year</b>	<b>2,317</b>	<b>2,761</b>

## Reconciliation of NZ GAAP financial measures to non-GAAP financial measures

(\$000)	FY20	FY21
Profit/(loss) for the year	(2,833)	1,705
<b>Adjustments</b>		
<b>Non-recurring or infrequent items</b>		
Remove: COVID-19 related expenses	34	653
Remove: Government COVID-19 Subsidy	(353)	(857)
Remove: One-off listing costs	-	1,227
Remove: Share based payments	-	1,464
<b>Structural changes and other</b>		
Include: Listed & other company costs	(1,084)	(714)
Remove: Historical governance costs	350	417
Include: Income tax impact from adjustments	295	(270)
<b>Underlying adjustments</b>		
Remove: Change in fair value of investment properties	649	(2,879)
Include: Realised development margins	512	343
Include: Realised gains on resales	-	480
Remove: Deferred tax expense	(1,533)	(1,831)
<b>Underlying Net profit before tax</b>	<b>(3,963)</b>	<b>(262)</b>
Remove: Depreciation	10,911	11,552
Remove: Net interest expense	10,534	9,636
Remove: Current tax expense	1,033	2,155
Remove: Income tax impact from adjustments	(295)	270
<b>Underlying EBITDA</b>	<b>18,220</b>	<b>23,351</b>
Include: Pre-NZ IFRS 16 operating lease expense	(12,435)	(12,850)
<b>Pre-NZ IFRS 16 Underlying EBITDA</b>	<b>5,785</b>	<b>10,501</b>
Include: Depreciation (Pre-NZ IFRS 16)	(3,700)	(4,262)
Include: Net interest expense (Pre-NZ IFRS 16)	(1,134)	(812)
Include: Current tax expense	(1,033)	(2,155)
Include: Income tax impact from adjustments	295	(270)
<b>Pre-NZ IFRS 16 Underlying Net profit after tax</b>	<b>213</b>	<b>3,002</b>
Remove: Depreciation (excl. NZ IFRS 16 related)	3,700	4,262
Include: Maintenance capital expenditure	(4,400)	(3,543)
<b>AFFO</b>	<b>(487)</b>	<b>3,721</b>

# Historical Pro forma Underlying EBITDA – FY19 to FY20





## Directory of facilities

Leased facility	Location	Care Beds	Units	Current lease term	Time to next renewal	Rights of renewal	Time to final expiry	Landlord
Heatherlea	New Plymouth	55	-	12 yrs	5 yrs	3 x 12 yrs	41.1 yrs	A
Taupaki Gables	Kumeu	60	-	12 yrs	5 yrs	3 x 12 yrs	41.1 yrs	A
Windsor Court	Ohaupo	76	-	12 yrs	5 yrs	3 x 12 yrs	41.1 yrs	A
Elloughton Gardens	Timaru	86	-	12 yrs	5 yrs	3 x 12 yrs	41.1 yrs	A
Kensington	Hamilton	96	-	10 yrs	3.2 yrs	2 x 10 yrs	13.2 yrs	B
Peppertree	Palmerston North	62	-	10 yrs	3.7 yrs	2 x 10 yrs	13.7 yrs	B
St Joans	Hamilton	82	-	10 yrs	4.1 yrs	2 x 10 yrs	14.1 yrs	B
Fulton Home	Dunedin	93	-	10 yrs	4.6 yrs	2 x 10 yrs	14.6 yrs	B
Arran Court	Auckland	102	-	10 yrs	8.3 yrs	1 x 10 yrs	18.3 yrs	B
Potter Home	Whangarei	55	-	20 yrs	8.6 yrs	2x 15 yrs	38.6 yrs	C
Rimu Park	Whangarei	55	-	20 yrs	8.6 yrs	2x 15 yrs	38.6 yrs	C
Waipuna	Auckland	86	-	30 yrs	25.9 yrs	-	25.9 yrs	D
Hampton Court	Napier	45	-	10 yrs	7.9 yrs	-	7.9 yrs	E
Baycare	Northland	45	-	12 yrs	5 yrs	3x 12 yrs	41.1 yrs	F
Matua	Tauranga	149	-	30 yrs	21.7 yrs	-	21.7 yrs	G
Althorp	Tauranga	117	-	15 yrs	7.5 yrs	3x 10 yrs	37.5 yrs	H
Millstream	Ashburton	80	-	35 yrs	30.3 yrs	-	30.3 yrs	I
Millstream Apartments	Ashburton	19	-	5 yrs	3.5 yrs	2x 5 yrs	13.5 yrs	I
Glaisdale	Hamilton	80	-	15 yrs	11.2 yrs	2x 15 yrs	41.2 yrs	J
Hawthorne	Christchurch	94	-	10 yrs	9.1 yrs	2x 10 yrs	19.1 yrs	K
<b>Total leased</b>		<b>1537</b>	<b>-</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	
<b>Simple average leased</b>		<b>77</b>	<b>-</b>	<b>15 yrs</b>	<b>9.1 yrs</b>	<b>n/a</b>	<b>27.7 yrs</b>	
<b>Owned facility/village</b>								
<b>St Helenas</b>	Christchurch	52	-	n/a	n/a	n/a	n/a	n/a
Thornleigh Park	New Plymouth	63	-	n/a	n/a	n/a	n/a	n/a
Lexham Park	Katikati	63	-	n/a	n/a	n/a	n/a	n/a
Windsor Court Village	Ohaupo	-	22	n/a	n/a	n/a	n/a	n/a
Elloughton Grange Village	Timaru	-	54	n/a	n/a	n/a	n/a	n/a
<b>Total owned</b>		<b>178</b>	<b>76</b>					
<b>Total</b>		<b>1715</b>	<b>76</b>					

