

## PROMISIA FY24 RESULTS

### Positive second half earnings and operational momentum following embedding of new leadership team

Promisia Healthcare Limited (NZX: PHL) has released its unaudited, preliminary results for the year ended 31 March 2024 (FY24), with the positive impact and momentum being created by the new leadership team evident in the stronger second half performance.

#### FY24 Results Summary:

- 10% year on year increase in operating revenue, up to \$26.3m
- Underlying EBITDAF<sup>1</sup> of \$3.8m, down 8% year on year
- Net profit after tax of \$1.6m, up 236% year on year
- 18% increase in total assets to \$84.3m
- 6% improvement in debt position as at 31 March, down to \$29.2m, undrawn facilities and cash of \$0.5m
- 37% increase in Net Tangible Assets per share to 0.126 cents

Promisia continues to make good progress on its four strategic pathways – to build a stronger business, maximise occupancy, create diverse revenue streams, and expand its network.

Chair of Promisia, Rhonda Sherriff, said: “The last year has been an important one for our business, as we continued to build on the work that has been done over the preceding years to create a strong foundation for growth. In particular, we saw positive traction in the second half of the year, with the new leadership team at the helm.”

Operating revenue was up 10% year on year, driven by increased government-funded bed rates from 1 July 2023, and an increase in deferred management fees from villa sales. Operating expenses were 8% higher, in an environment of inflationary pressure.

Underlying EBITDAF, which is a key metric for the company, significantly improved in 2H 2024, and was up 27% on the first half. Year on year, underlying EBITDAF was down 8% to \$3.8m, reflecting one-off costs incurred during the leadership transition period.

The company reported a net profit after tax of \$1.6 million for the year ending 31 March 2024, an increase of \$0.9 million year on year. There was a further fair value increase to properties, not classed as investment properties, of \$3.1 million bringing comprehensive income for the year to \$4.8 million.

Following the rebuilding of the finance team in Q2 FY24, excellent progress has been made to strengthen Promisia’s financial footing, with a focus on lowering debt, enhancing cashflow and improved reporting. Of note, has been the successful extension of Promisia’s banking facilities with improved terms, which enabled the repayment of all second-tier lending on the Aldwins Road land acquisitions in 2023 and reduced interest costs.

At 31 March 2024, total assets increased by 18% to \$84.3m, reflecting the completion of the Ranfurly Manor Village expansion and subsequent recognition of villas following the successful sale of newly created occupational rights agreements. In addition, valuations for the Group’s four facilities increased 13% overall. As a result, Net Tangible Assets per share increased by 37% to 0.126 cents.

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<sup>1</sup> Underlying EBITDAF is EBITDAF excluding transactions considered to be non-trading in nature or size. Excluding these transactions from normalised earnings can assist users in forming a view of the underlying performance of the Group. Non-trading adjustments of \$0.1m are included in the FY24 results.

## **Increasing Strength and Performance**

Group General Manager, Karen Lake, commented: “While the first half of the year was a time of transition as new leadership was recruited, the second six months was an intense period of activity. Much of this was carried out behind the scenes, as financial and operating processes and systems were improved and efficiencies enhanced. We have made excellent progress getting the fundamentals in place, putting us in a strong position to support Promisia’s future growth.”

Investment in increased sales resource has seen all new villas at Ranfurly Manor now sold or occupied. In addition, the care offering at Aldwins House has recently been extended with certification for Young Person Disability services for 40 of the 144 beds. Promisia is also looking at ways to respond to the national demand for more specialist dementia care services.

Aged care funding remains challenging, with cost inflation and continuing wage competition for registered nurses from the public sector. Promisia offers a competitive rate to its registered nurse workforce and finds that many of them prefer the culture and environment of working in a Promisia facility.

To ensure the sustainability of its care service in an environment of rising costs, continuing wage competition and capped funding, Promisia continues to strategically position itself to generate a greater mix of revenue from private payment for premium care suites and independent living units.

## **Growth and Outlook for FY25**

Promisia continues to identify and assess opportunities to expand its network through the acquisition of greenfield sites or existing facilities, with several potential acquisitions currently in the final stage of due diligence.

Rhonda Sherriff said: “During FY24, we established a strong foundation for our business. Over the next year, we will continue to strengthen our business platform, while investing in growth. We remain committed to our strategic objectives which will build value for our shareholders. The work already done this year and the strong focus on occupancy, quality of care and financial rigour, gives the board and management confidence that continued momentum will lead to double digit growth in operation earnings in the financial year ahead to March 2025.”

ENDS

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## **About Promisia Healthcare**

Promisia is a New Zealand based aged care and retirement living provider, with a focus on delivering quality personalised care. Our aim is to be the aged care provider of choice in our communities. Our facilities are located in well-established and well serviced towns and metropolitan areas. Our goal is to profitably grow our business in a sustainable manner, delivering quality care to our residents, peace of mind to their families and whanau, and excellent value to our villages, community and shareholders. Promisia is listed on the NZX (NZX: PHL). [www.promisia.com](http://www.promisia.com)