

22 April 2024

**Market update: Final Dividend and Strong FY24 Operating Performance**

Radius Residential Care Limited (NZX: RAD) today announced a final dividend for FY24, and provided guidance on key financial metrics (subject to completion of audit) and a business performance update.

**Key financial metrics (subject to completion of audit):**

- Underlying EBITDA<sup>1</sup> of \$21m, 48% up on FY23.
- AFFO<sup>1</sup> of \$7.5m, 89% up on FY23.
- EBITDAR per bed<sup>1</sup> of \$24.6k.
- Net debt of \$73.5m, a reduction of \$26.5m/26.5% vs prior year, with \$18.3m from Arran Court and the remainder of \$8.2m from operating cashflow.
- No short-term debt remaining at 31 March 2024, with an average tenure of 2.8 years and \$3.5m undrawn debt facilities.
- Cash dividend of 0.7cps, with full imputation credits resulting in a gross dividend of 0.97cps.

“As a specialist care provider with a clear focus on our core business, Radius Care’s exceptional people have delivered industry leading results and profitable growth across the Group. With a strengthened balance sheet and positive operating cashflow, the Board is pleased to resume dividend payments” said Brien Cree, Radius Care’s Executive Chair. Radius Care intends to release its full audited financial results for the FY24 year in late May 2024.

**Business Performance**

Andrew Peskett, Radius Care’s CEO, commented “the strong operating performance was driven by a number of factors:

1. Exceptional people leading our 1,700 committed team members delivering exceptional care in our fully staffed care homes.
2. Increased Accommodation Supplement revenue (+\$1.9m vs FY23).
3. Significant cost out programme successfully implemented in early FY24, delivering \$1.3m in annual cost savings.
4. Improved mix, with higher-revenue Hospital and ACC occupancy.
5. Completion of debt management program including ASB refinancing to reduce interest costs by \$1 million per year.
6. Strong resale gains at villages of \$1.8m. “

**Dividend**

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<sup>1</sup> These measures are non-GAAP (unaudited) financial measures. A reconciliation between the financial statements and these measures will be included within the Investor Presentation in late May 2024.

A dividend of 0.70 cents per share has been declared for the FY24 year. The dividend will carry full imputation credits, resulting in a gross dividend of 0.97 cents per share. The dividend will be paid on 16 May 2024, with a record date of 2 May 2024. The Board has determined that the Dividend Reinvestment Plan will not apply to this dividend.

The payout ratio for the dividend is 27% of FY24 full year AFFO, which is below the target payout ratio of 50% to 70% of AFFO, due to the priorities earlier in FY24 of repaying debt and strengthening the balance sheet.

### **Outlook**

Subject to normal trading conditions, Radius Care expects continued growth in Underlying EBITDA and other metrics in FY25 vs FY24.

The Board is targeting a return to the previous cycle of an interim dividend paid in December and a final dividend paid in June.

ENDS

### **Media and Investor Contacts**

Andrew Peskett  
Chief Executive Officer  
Phone: +64 21 747 363  
Email: [andrew.peskett@radiuscare.co.nz](mailto:andrew.peskett@radiuscare.co.nz)

Jeremy Edmonds  
Chief Financial Officer  
Phone: +64 22 650 9354  
Email: [jeremy.edmonds@radiuscare.co.nz](mailto:jeremy.edmonds@radiuscare.co.nz)

### **About Radius Care**

Radius Residential Care Limited was founded in 2003 and operates in the New Zealand aged care and retirement village sectors. It is a nationwide provider offering the full range of accommodation and care options giving residents the ability to "age in place". Today, Radius Care operates 23 aged care facilities, of which it owns 12 and leases 11. Four owned facilities also include retirement villages and Radius Care's online shop sells specialist assisted-living products. The company employs over 1,700 people, including highly qualified healthcare staff who are committed to providing the very best in nursing care. Radius Care listed on the NZX in December 2020. For more information visit [radiuscare.co.nz](http://radiuscare.co.nz) or check out our Facebook page @RadiusCareNZ.