

PROMISIA HEALTHCARE HY25 INTERIM RESULTS

Significant strategic progress; momentum continuing

- Strategic growth with acquisition of Golden View Lifestyle Village and Ripponburn Home and Hospital in Cromwell on 29 August 2024
- Refinancing with BNZ with improved terms and tenure, and repayment of second-tier debt and Senior Trust loans
- Successful capital raise, share/warrant consolidation and sale of Eileen Mary facility enabling growth and delivering improvement in key debt and liquidity measures
- Record first half operating revenue and a positive uplift in operating profit¹ compared to prior comparative period (pcp)
- Significant uplift in Net Tangible Assets (NTA) to 72 cents per share, up 57% on pcp
- FY25 guidance of significant uplift in revenue with EBITDAF² expected to be upwards of \$4.2m (FY24: \$3.8m)

Promisia Healthcare Limited (NZX: PHL, "Promisia") has announced its unaudited results for the six months ended 30 September 2024 (HY25).

The first half of the FY25 financial year has delivered a step change in Promisia's strategic growth, with a successful \$4.7m capital raising and share/warrant consolidation, the acquisition of two facilities in Cromwell, and the sale of the Eileen Mary village in Dannevirke.

In addition, the Board announced several changes with the appointment of Tony Mortensen as a non-independent director, and Jill Hatchwell being reappointed while the Board undertakes a considered recruitment process. Director Craig Percy's role has been expanded to provide operational support to Promisia, with a particular emphasis on integrating the newly acquired Cromwell facilities into the group.

Chair Rhonda Sherriff said: "It has been a very busy six months, as we have expanded our network in line with our strategy to acquire larger scale aged care facilities in regions with growth populations.

"We are incredibly excited about the addition of two Cromwell facilities to our portfolio, which have been value accretive since day one. These are in a region with high demand and a strong resales pipeline. We are moving quickly to integrate the facilities into our group and realise synergies. This will allow Promisia to realise its future growth aspirations for the Central Otago region.

"We were also pleased to recently conclude the sale of the Eileen Mary facility in Dannevirke for \$6.1m, which allowed capital to be recycled into our Cromwell acquisitions through bridge financing with BNZ. The Masonic Villages Trust is a very experienced aged care provider and will be a quality owner for staff and residents.

¹ From continuing operations and excluding gain on bargain purchase

² EBITDAF is operating earnings before interest, tax, depreciation, amortisation and fair value adjustments on investment properties and is a non-GAAP number.

“We have made strong progress on our other strategic pathways – building a stronger business, diversifying revenue streams, and maximising occupancy. Our growth strategy is delivering on its potential, with significant value uplifts across our Ranfurly Manor and Aldwins Road facilities as at 31 March 2024. With a continued operating efficiency focus, we can unlock further value.

“There is no doubt that the landscape for seniors in New Zealand is changing and under funding by Health NZ is presenting the aged care sector with serious challenges. Promisia is not alone in needing to ensure its business model is sustainable. We remain committed to delivering quality, personalised care and have continued to invest in our people, clinical training, systems and processes as we continue to enhance our care delivery.”

HY25 Results

The HY25 results include one month contribution from the Cromwell facilities and have been restated to exclude Eileen Mary, which was being held for sale and has since sold. A \$5.2m gain has been realised on the purchase of the Cromwell facilities and is treated as revenue in the HY results.

For the six month period, operating revenue (excluding the gain on purchase) grew 18% to \$13.0m. This was driven by an improvement in bed occupancy across the group as a result of continuously improving clinical standards and quality of care, as well as achievement of Young Persons Disability (YPD) certification in early 2024 for Aldwins House. All new villas at Ranfurly Manor have now been sold, completing the payback of initial ORA proceeds to the developer. All future resales of these villas will contribute to Promisia’s cashflows.

Total costs increased 12% on pcp to \$12.8m, mainly as a result of increased occupancy across the group. Administration costs have decreased significantly in the period, down 20%, with a continued focus on disciplined cost management.

Excluding the gain on purchase, EBITDAF of \$1.9m was a pleasing 56% increase compared to pcp. Net profit before tax also returned to positive territory, with a \$0.7m improvement on pcp to \$0.3m for the six months.

Including the gain on purchase, profit before tax was \$5.5m for the six months with a profit after tax of \$5.8m (HY24: \$(0.2)m).

Net assets including the new Cromwell facilities and Eileen Mary were \$35.2m at period end (up 77% on pcp), with borrowings increasing to \$46.8m as a result of the Cromwell transaction. Liquidity has improved, with cash and undrawn facilities of \$1.5m at period end. Net Tangible Assets per share increased to 72 cents per share, up 57% year on year. The share register was strengthened following the capital raise in July 2024 and a 500:1 share/warrant consolidation in September.

Outlook

The priority focus for 2H25 is integration of the two Cromwell facilities into the group, with efficiencies and cost savings expected as synergies are realised.

Promisia expects a significant uplift in earnings in 2H25, with double digit earnings growth from existing operations and further gains from the addition of the Cromwell facilities. The Group is expecting EBITDAF to be upwards of \$4.2m for FY25 (FY24: \$3.8m).

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