



OCEANIA



Believe  
in better.

RESULTS PRESENTATION FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2022



# CEO Address: Brent Pattison

# 1HY2023 highlights



We delivered 6% growth in Underlying EBITDA in 1HY2023 underpinned by our ability to generate premium revenues in care.

## Earnings growth underpinned by growth in premium revenues

**6.0%**

growth in Underlying EBITDA,  
increasing to

**\$38.7m**

In 1HY2023, up from \$36.5m in  
1HY2022<sup>1</sup>

**Village DMF**

**23.7%**

growth in villa and apartment DMF,  
increasing to

**\$19.3m**

In 1HY2023, up from \$15.6m in  
1HY2022

### Care premiumisation

1HY2023 premium  
care revenue

**\$10.1m**

8.6% increase  
from 1HY2022



### Premium care revenue growth

is driven by increased  
DMF capture from our growing  
care suite portfolio, and PAC  
charging

**60%**

of our care portfolio is now  
premium beds or care suites

## Steady sales volumes with increased margins

Total ORA sales  
in 1HY2023

**226**

(230 in 1HY2022)

**65%**

Sales outside  
Auckland  
(65% in 1HY2022)

Resale margin

**22.7%**

(19.6% in 1HY2022)

New sales

**61**

(101 in 1HY2022)



Average new sale price of

**\$601,000**

Resales

**165**

(129 in 1HY2022)

Development margin of

**32.2%**

maintaining strong margins with an average  
affordability ratio in ILUs of ~60%

1. Refer to the Glossary on page 31 for information on financial periods referred to in this presentation.

# 1HY2023 highlights (continued)

In the six months ending September 2022 we have delivered 127 care suites. Significant developments include the acquisitions of Remuera Rise & Bream Bay sites as well as appointment of Anita Hawthorne as Group General Manager, Sales and Service.

## Development updates



**Total development pipeline of 1,836 units and care suites**

with 83% of this pipeline consented.



**280 - 300 units and care suites**

on track to be delivered in FY2023 across six sites nationwide.



**519 units and care suites currently under construction**

in Auckland, Hamilton, Tauranga, Tasman and Christchurch.



**127 care suites delivered** in 1HY2023 at Lady Allum in Auckland and Woodlands in Motueka



**Resource consent received at Franklin in Auckland**

for development of an integrated retirement village and aged care site

## Completed acquisitions of Remuera Rise and Bream Bay

The two new sites are located in strategic locations of Remuera, Auckland and Ruakaka, Northland.

The sites comprise an existing 83 villas, 58 apartments and 12 premium hospital beds, as well as an option to acquire 6.7 hectares of development land at Bream Bay.



## Executive team update

**Anita Hawthorne**  
**Group General Manager,**  
**Sales and Service**  
*BCom, CA, MCIPS*

Anita joined Oceania as Group General Manager Sales and Services in July 2022. In this newly created role Anita takes responsibility for Sales, Marketing, Resident Experience and Operations.



Prior to joining Oceania, Anita held senior leadership roles at Air New Zealand, most recently the Group General Manager Operations & Infrastructure and General Manager Customer Experience.

Anita holds a Bachelor of Commerce from the University of Auckland, is a Chartered Accountant and a member of the Chartered Institute of Procurement and Supply.

# Oceania's strategic pillars



## Offer

To design, develop, build and sell perfect properties for our customers of the future.



## Resident Experience

To be the leader in the delivery of resident experience in retirement villages and aged care centres in New Zealand.



## People Capability

To build capability and develop a culture which enables our people to perform their life's best work at Oceania.



## Growth

To deliver outstanding financial performance & sustainable growth.

### Disciplined approach to capital allocation

Pipeline of  
**brownfield developments**

Future focus on growing  
**greenfield portfolio**

Targeted approach to  
**M&A**

**Strategic review**  
of existing portfolio

### Services and innovation



Continued success of care optimisation strategy with strong adoption of established care suite product driving growth in care suite DMF and earnings



Successful launch of care suite presales strategy at the recently completed Lady Allum care suite development



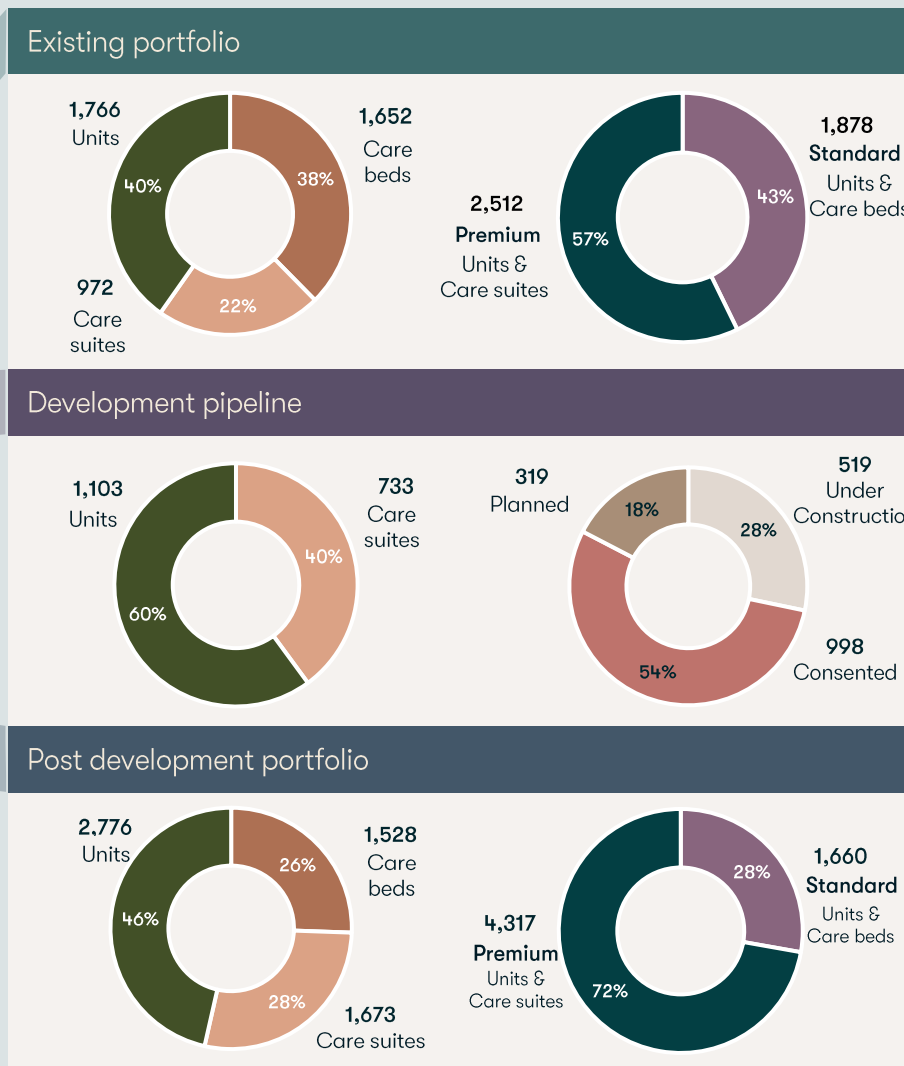
Care suites serving as proof point for continued pivot towards resident funded care services, reducing dependency on government funding

# Future development outlook



57% of our existing portfolio is now premium units and care suites as we progress to ~72% premium / ~28% standard at the end of our current pipeline.

Current & future portfolio composition <sup>1</sup>				
	Care beds	Care suites	ILUs	Total
North Island	1,327	621	1,416	3,364
South Island	325	351	350	1,026
<b>Total Existing</b>	<b>1,652</b>	<b>972</b>	<b>1,766</b>	<b>4,390</b>
<b>Development Pipeline<sup>2</sup></b>	<b>-</b>	<b>733<sup>3</sup></b>	<b>1,103</b>	<b>1,836</b>
Less Decommissions	(98)	(46)	(93)	(237)
Care Suite Conversions	(26)	14	-	(12)
<b>Net Development Pipeline</b>	<b>(124)</b>	<b>701</b>	<b>1,010</b>	<b>1,587</b>
<b>Total Post Development</b>	<b>1,528</b>	<b>1,673</b>	<b>2,776</b>	<b>5,977</b>



1. As at 30 September 2022.

2. Includes planned developments at sites currently held for sale.

3. Includes 170 care studios which may be initially sold with a PAC and may subsequently be sold under an ORA.

# Developments completed in 1HY2023

127 care suites completed in 1HY2023 at two sites. Though disruptions persist in the construction industry, stages at two key strategic sites were completed since March 2022.

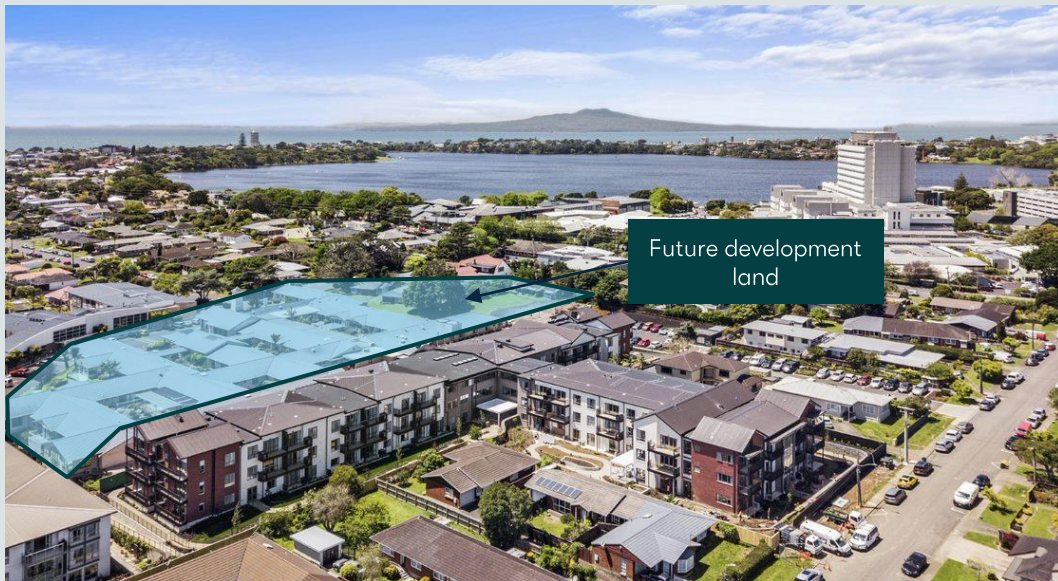
## Lady Allum Milford, Auckland

Completed in September 2022



113

Care Suites



## Woodlands Motueka

Completed in August 2022



14

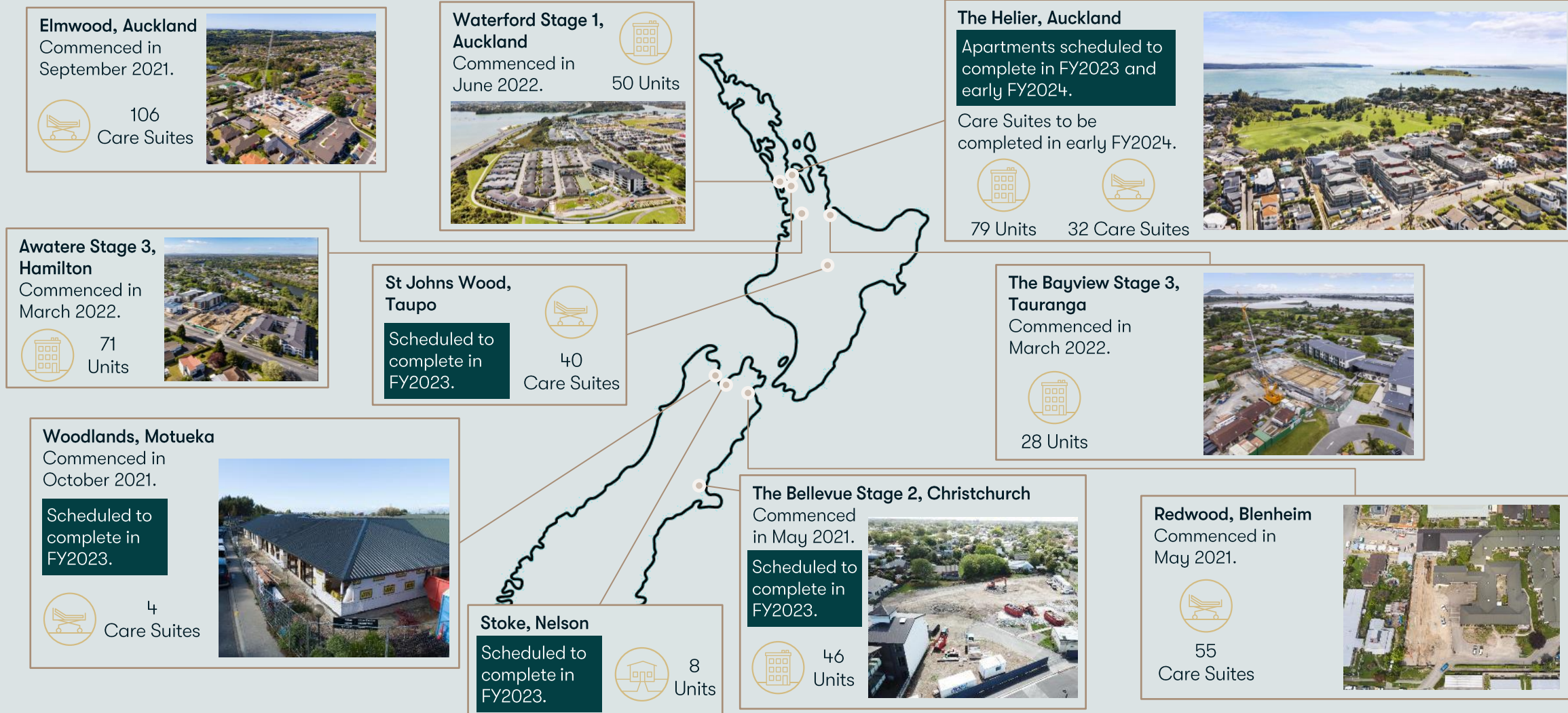
Care Suites



# Developments under construction

Oceania currently has 519 units and care suites under construction at 10 sites across New Zealand.

Oceania currently has construction underway across 10 sites nationwide





# Greenfield and M&A strategy underway with 650+ future units



Greenfield expansion allows us the flexibility to pursue a “right product for the right location” strategy. Our developments at Waterford, Bream Bay, Franklin and The Helier demonstrate progress in our Greenfield capabilities and represent 650+ future units and care suites.

## Waterford Hobsonville Point, Auckland

Acquired in FY2022

Development pipeline



**112** Apartments & Care Suites

### Progress update

We have more than doubled the number of consented apartments in the first stage of development at Waterford to 50 (from 24). Planning of Stage 2 of development is underway.



## Bream Bay Village Ruakaka, Northland

Acquired in 1HY2023

Development pipeline



**~150** Villas & Care Suites<sup>1</sup>

### Progress update

Acquired 0.45Ha of development land in 1HY2023. Oceania also holds an option to acquire 6.7Ha of neighbouring land – it is expected this option will be executed in 2023.



1. Including the development potential of the additional 6.7Ha of land over which Oceania has an option to acquire.

# Greenfield and M&A strategy underway with 650+ future units



Greenfield expansion allows us the flexibility to pursue a “right product for the right location” strategy. Our developments at Waterford, Bream Bay, Franklin and The Helier demonstrate progress in our Greenfield capabilities and represent 650+ future units and care suites.

## Franklin Pukekohe, Auckland

Settled in FY2022

### Progress update

Stage 1 Resource Consent granted and site preparation work underway. Design work ongoing with building consents expected to be lodged FY2023.

 **106**  
Care Suites

 **43**  
Apartments

 **134**  
Villas



## The Helier St Heliers, Auckland

Completion of first apartments expected March 2023

### Progress update

A successful launch event for the site generated strong interest in presales. Development is on track for completion in FY2023 and early FY2024.

 **32**  
Care Suites

 **79**  
Apartments





# CFO Address: Kathryn Waugh

# Embedding Sustainability in our DNA



ESG underpins Oceania's strategic pillars, and we are currently refreshing our strategy and framework as we work to embed ESG across our organisation. A new Sustainability Subcommittee of the Board has been established to oversee our sustainability journey.

## Our Sustainability Linked Loan Key Performance Indicators

During the period, we agreed our first Sustainability Linked Loan and set out our Sustainable Finance Framework.

Our Sustainability Linked Loan links our \$500m five year bank facilities to achieving ambitious environmental and social goals.



### Green house gas emissions

Oceania will reduce its greenhouse gas emissions in line with targets approved by the international Science Based Targets initiative (SBTi).



### Construction waste

Oceania will increase its diversion rate of construction waste away from landfill.

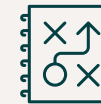


### Care resident wellbeing

Oceania will work to improve the experience and well being of residents through excellent quality of care and resident wellbeing.

## Key workstreams

In addition to further embedding our ESG practices, some of our key workstreams for the next 6 - 12 months are detailed below. An update of progress will next be provided at the time of our FY2023 Annual Report.



### Science Based Targets

We are measuring our material scope 3 emissions inventory, drafting our carbon reduction plan and preparing for submission to the SBTi.



### TCFD and Climate Risk Disclosures

We are working through our TCFD implementation roadmap and preparing for climate risk disclosures.



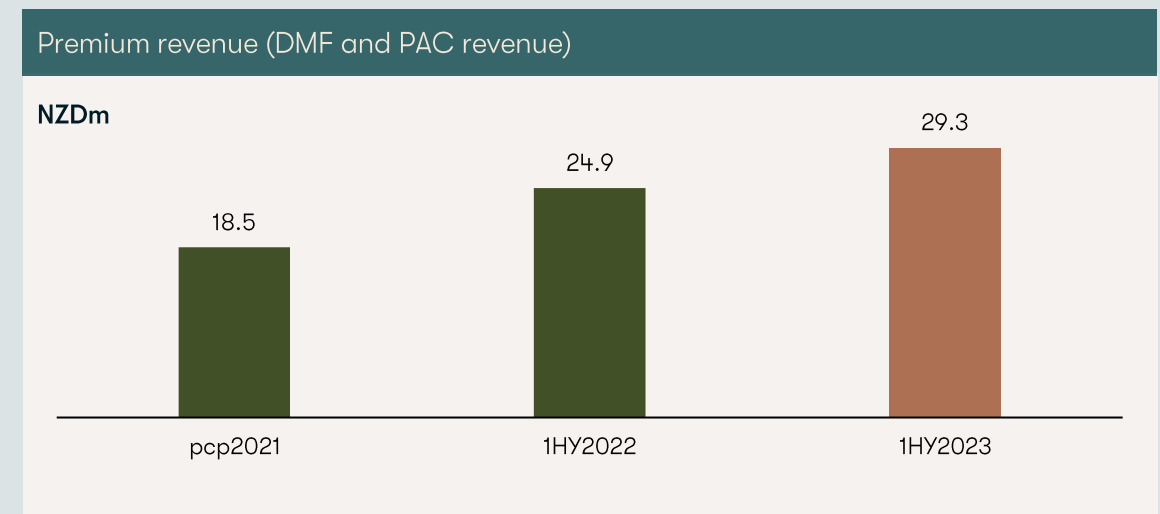
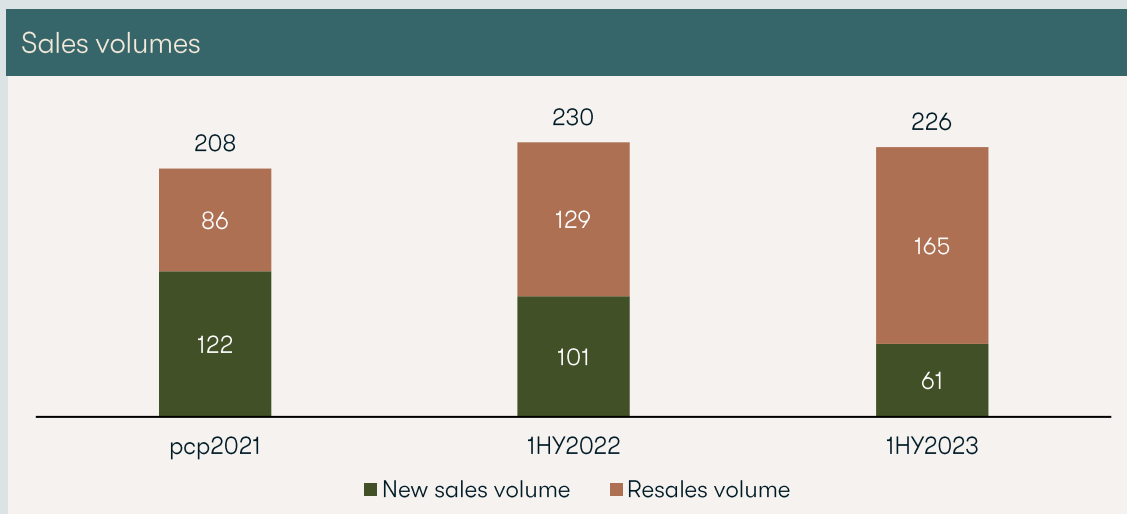
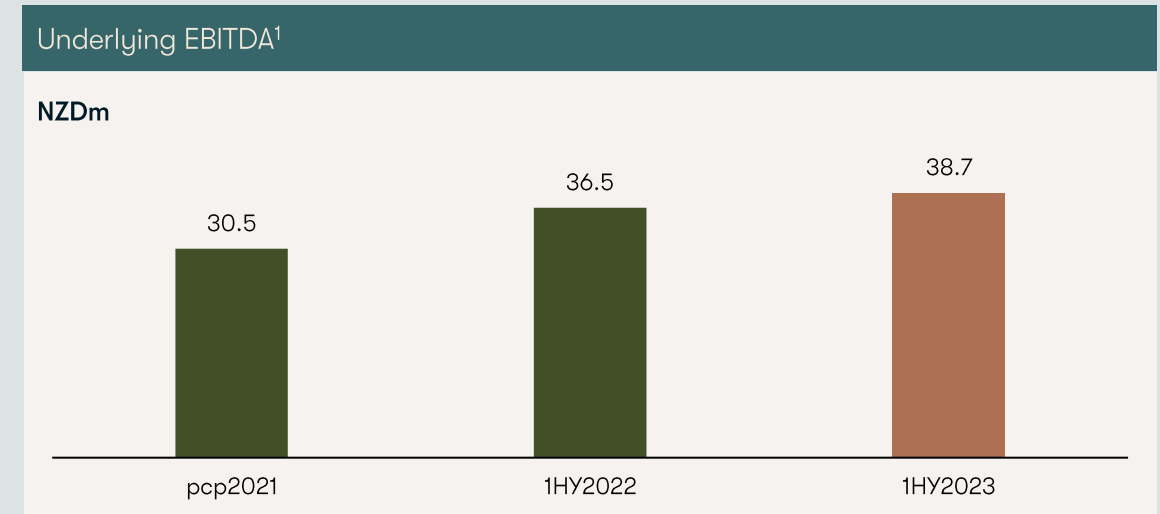
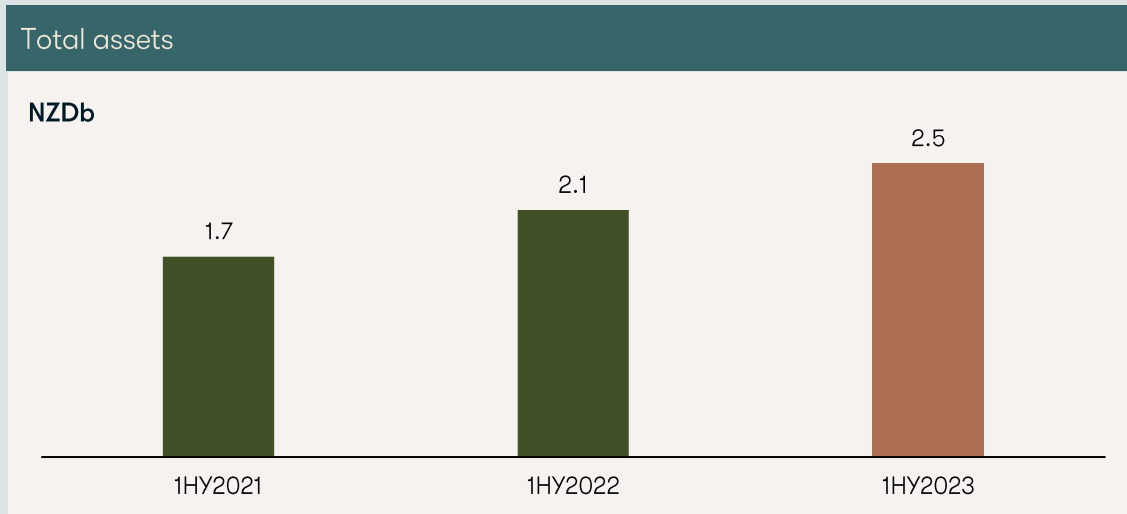
### Updating our ESG Framework

We are currently refreshing our strategy and framework as we work to embed ESG across our organisation. The process will set our social and environmental goals and measures for the coming years.

# 1HY2023 trading highlights



Recurring premium revenue underpins our result with DMF and PAC revenue for 1HY2023 of \$29.3m, an 18% increase on 1HY2022.

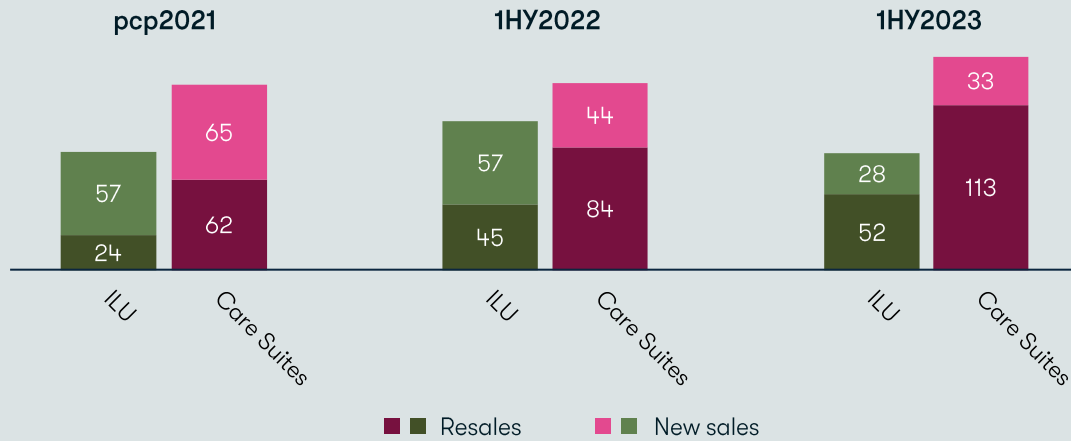


1. The COVID wage subsidy of \$1.8m was received in April 2020 and repaid in May 2021. Both 1HY2022 and pcp2021 have been pro-forma adjusted to exclude the receipt and subsequent repayment of the wage subsidy respectively.

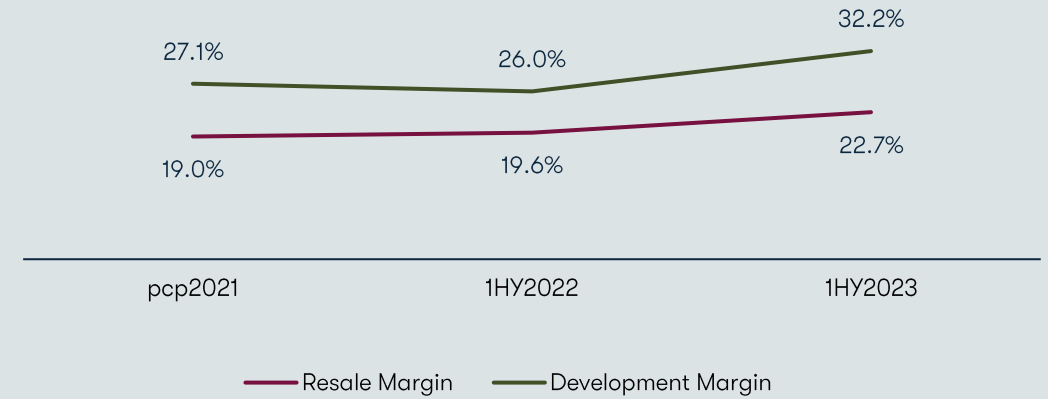
# Sales update

Total sales volumes in line with pcp, while development and resale margins both increased, illustrating Oceania's ability to hold pricing despite housing market headwinds.

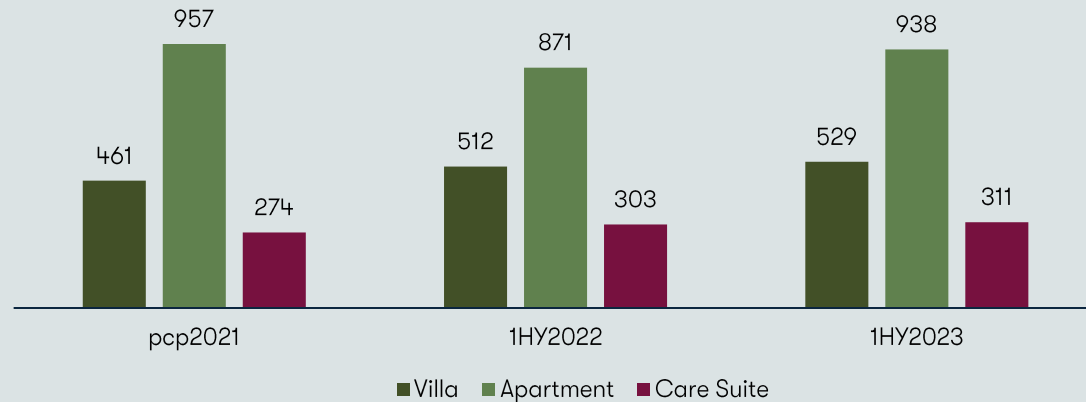
Sales volumes



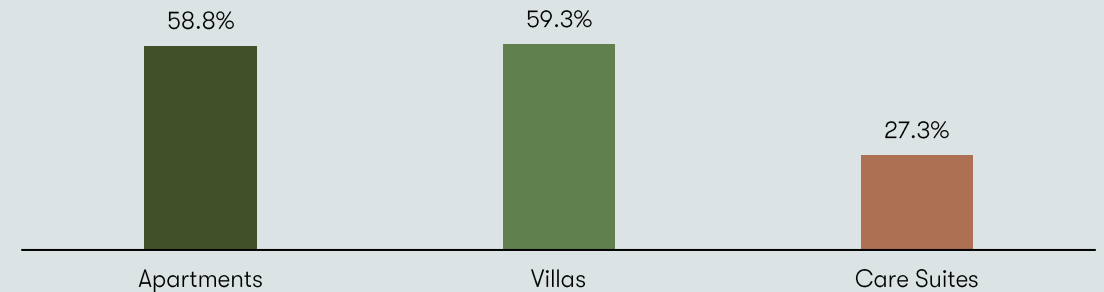
Development and resale margins



Average sales prices (new sales and resales)  
NZD000s



Average CBRE affordability ratio of Oceania residences

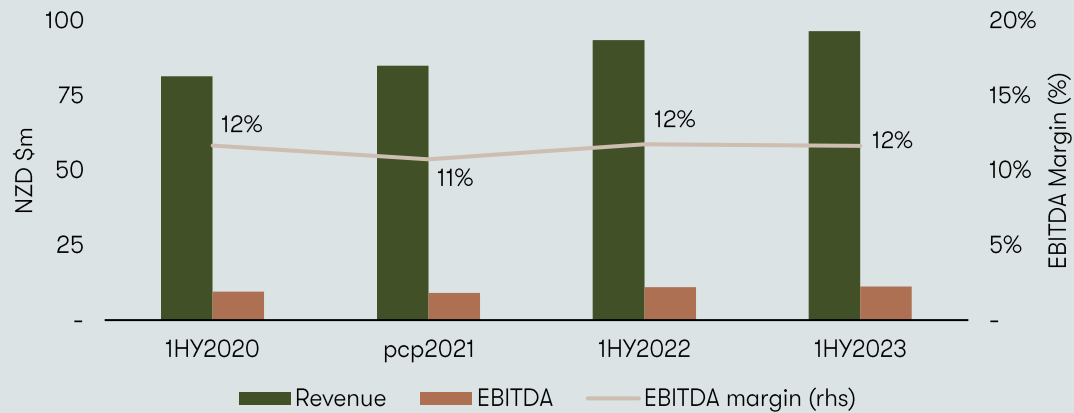


# Premium care revenue

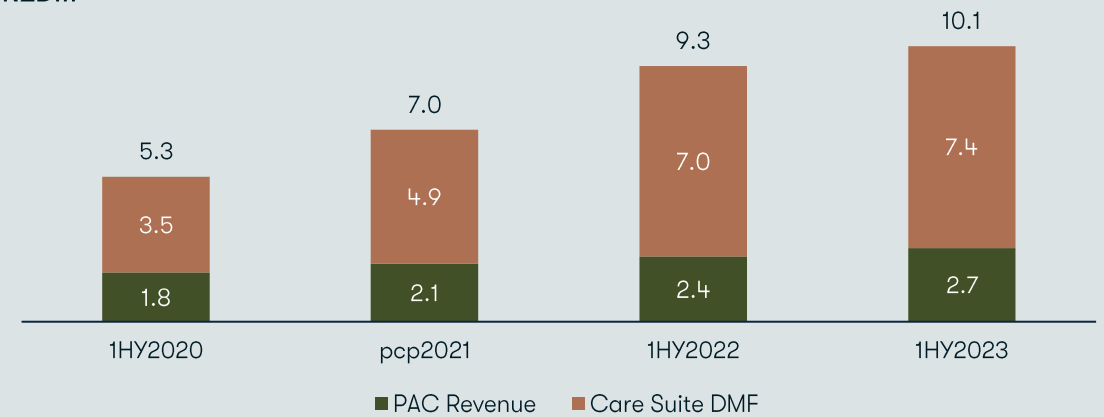
An increase in premium revenue streams has enabled us to maintain EBITDA margins.

## Premium accommodation charge (PAC) and care deferred management fee (DMF) offerings

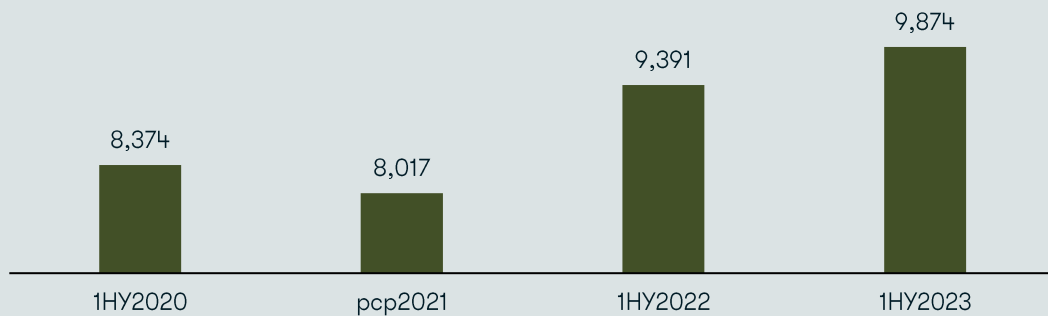
Care segment total revenue, Underlying EBITDA and Underlying EBITDA margin



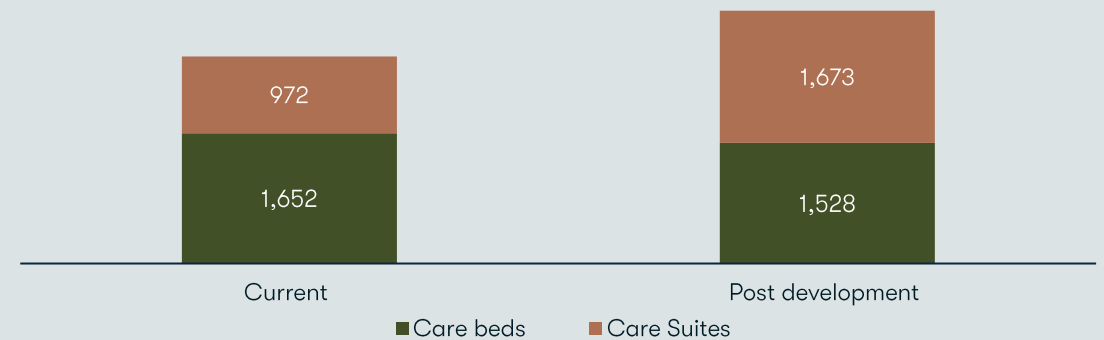
Premium care revenue NZDm



Care EBITDA per bed



Further premiumisation from ongoing development

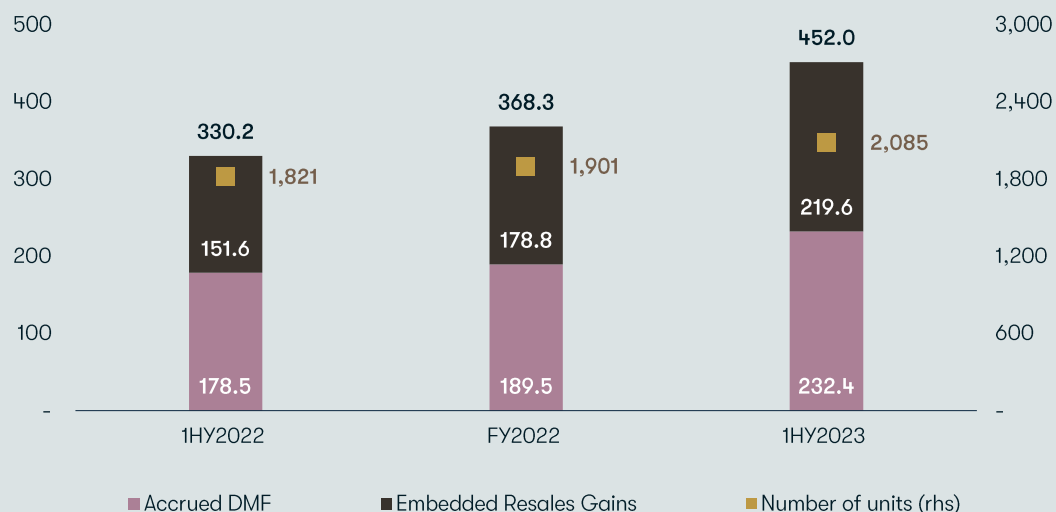


# Embedded value in existing portfolio



The embedded value in our portfolio has increased 23% since March 2022 to \$452.0m as at 1HY2023 and will underpin the future realisation of cash flows from deferred management fees and resale gains.

Embedded Value  
NZDm



- Embedded value in Oceania’s portfolio is \$452.0m, up 23% since March 2022.
- Embedded value includes:
  - \$232.4m of accrued DMF cash flows to be realised; and
  - \$219.6m of resale gains.
- The growth in embedded value reflects the acquisitions of Remuera Rise and Bream Bay Village, as well as growth in our portfolio, migration to our standard contractual terms at existing villages and a higher price point for the sale and resale of units and care suites.

## Summary of Embedded Value Calculation

NZDm	As at 1HY2023	As at FY2022	As at 1HY2022
Estimated sale/resale price of all units <sup>1</sup>	1,541.0	1,332.4	1,207.9
less: Unsold stock <sup>2</sup>	(270.0)	(258.1)	(225.6)
less: Resident liabilities (contractual)	(819.0)	(706.0)	(652.1)
<b>equals: Embedded value</b>	<b>452.0</b>	<b>368.3</b>	<b>330.2</b>

1. Calculated as the current/estimated sale or resale price of all units/care suites as determined by CBRE.

2. Value of unsold stock represents the sales prices of units/care suites which are not under contract, as they are either newly constructed or have been bought back from the previous outgoing residents.



# Balance sheet



Total assets increased by \$253m from 31 March 2022 driven by growth in the value of retirement village and care properties through acquisitions and continued development. Oceania's net adjusted value is \$1.34 per share as at 30 September 2022.

## Balance sheet

NZDm	1HY2023	FY2022
<b>Assets</b>		
Cash and trade receivables	99.4	82.8
Property, plant and equipment	696.3	686.6
Investment properties and right of use asset	1,581.7	1,419.7
Assets held for sale	64.8	-
Intangible assets	8.5	8.6
<b>Total assets</b>	<b>2,450.8</b>	<b>2,197.7</b>
<b>Liabilities</b>		
Refundable occupation right agreements	884.9	775.8
Borrowings and lease liability <sup>1</sup>	507.9	390.0
Other liabilities	93.9	83.0
<b>Total liabilities</b>	<b>1,486.8</b>	<b>1,248.8</b>
<b>Equity</b>		
Contributed Equity	709.1	705.3
Retained Deficit	(59.4)	(54.7)
Reserves	314.4	298.3
<b>Total equity</b>	<b>964.1</b>	<b>948.8</b>
<b>Net tangible assets</b>	<b>955.5</b>	<b>940.2</b>

1. Includes lease liabilities of \$9.4m as at 30 September 2022 (\$9.9m as at FY2022).

## Net adjusted value ("NAV")

NZDm	1HY2023	FY2022
Property, plant and equipment (including WIP)	696.3	686.6
Investment property (including WIP)	1,581.7	1,419.7
<b>Sub Total</b>	<b>2,278.1</b>	<b>2,106.3</b>
less: Investment property ORA Gross Up	(704.3)	(611.7)
less: Adjustment for CBRE – care suites	(140.7)	(131.0)
add: Other	34.3	(4.9)
<b>CBRE plus WIP</b>	<b>1,467.3</b>	<b>1,358.6</b>
less: Net Debt	(506.8)	(380.0)
<b>Net Adjusted Value</b>	<b>960.5</b>	<b>978.7</b>
Shares on Issue	715.2	710.2
<b>Net Adjusted Value per Share</b>	<b>1.34</b>	<b>1.38</b>

- Current headroom in bank facilities of \$221.8m
- NAV of \$1.34 per share as at 1HY2023.
- The NAV reflects the value of existing sites, plus the land and WIP at development sites. As such, the present value of net development cash flows and future earnings at development sites are excluded.



# Questions



# Appendices.

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- 02 Income Statement
- 03 Care segment
- 04 Village segment
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# 01 Underlying earnings



Underlying EBITDA of \$38.7m for the 6 month period ended 30 September 2022, a 6% increase on 1HY2022.

## Reconciliation of underlying adjustments

NZDm	1HY2023	1HY2022	Var	FY2022
Reported Net profit after tax	11.2	36.9	(25.7)	61.1
add: Repayment / (receipt) of wage subsidy	-	1.8	(1.8)	1.8
less: Change in fair value of investment property and impairment of PPE	(14.7)	(32.1)	17.4	(69.0)
add: Impairment of goodwill	0.7	0.3	0.4	0.4
add: Realised gains on resales	16.4	10.6	5.8	23.5
add: Realised development margin	12.7	15.3	(2.6)	32.9
less: Deferred tax	(2.6)	(1.7)	(0.9)	(4.9)
Add: Care suite depreciation	4.4	4.8	(0.4)	8.4
add: Rental expenses in relation to right of use asset <sup>1</sup>	-	1.9	(1.9)	2.5
add: Other	(0.3)	(10.4)	10.1	0.0
<b>Underlying NPAT</b>	<b>27.8</b>	<b>27.5</b>	<b>0.3</b>	<b>56.7</b>
add: Depreciation and amortisation (buildings)	1.4	1.5	(0.1)	3.1
Add: Depreciation and amortisation (chattels, leasehold improvements and software)	3.5	3.5	(0.0)	7.1
add: Finance costs	6.0	3.9	2.1	9.3
<b>Underlying EBITDA</b>	<b>38.7</b>	<b>36.5</b>	<b>2.2</b>	<b>76.2</b>

## Segmental underlying adjustments

NZDm	1HY2023	1HY2022	Var	FY2022
Aged Care (ex. care suite margins)	11.2	11.0	0.3	22.1
Retirement Village (incl. care suite margins)	40.2	37.3	2.9	78.6
Other	(12.8)	(11.8)	(1.0)	(24.4)
<b>Underlying EBITDA</b>	<b>38.7</b>	<b>36.5</b>	<b>2.2</b>	<b>76.2</b>

- Underlying EBITDA for 1HY2023 was \$2.2m (6.0%) above 1HY2022.
- Consistent with previous results, we calculate Underlying NPAT on a basis that adds back depreciation on care suites to better reflect the economic substance of our asset base and assists with comparability to our peers.
- The COVID wage subsidy of \$1.8m was received in April 2020 and repaid in May 2021. 1HY2022 has been proforma adjusted to exclude the repayment of the wage subsidy.

1. Rental expense of \$1.9m in FY2022 relates to the right of use asset at Everil Orr village. There is a corresponding credit in IP which is also removed as part of this adjustment.

# 02 Income statement



Total Comprehensive Income for the period of \$27.3m. Key valuation assumptions remained largely consistent from 1HY2022 with minor adjustments to growth and discount rates.

## Summary of income statement

NZDm	1HY2023	1HY2022	Var	FY2022
Operating revenue	122.1	113.9	8.2	231.1
Operating expenses	(113.9)	(106.1)	(7.8)	(216.5)
Change in fair value of IP, impairment of PP&E and other <sup>1</sup>	16.0	41.4	(25.4)	69.6
<b>Operating Profit</b>	<b>24.3</b>	<b>49.3</b>	<b>(25.0)</b>	<b>84.3</b>
Finance costs	(6.3)	(4.1)	(2.2)	(9.4)
Depreciation (buildings)	(5.8)	(6.3)	0.5	(11.5)
Depreciation (chattels) and amortisation	(3.5)	(3.5)	0.0	(7.1)
<b>Profit/(loss) before Income tax</b>	<b>8.6</b>	<b>35.3</b>	<b>(26.6)</b>	<b>56.3</b>
Taxation benefit/(expense)	2.6	1.7	0.9	4.9
<b>Reported Net Profit/(Loss) after Tax</b>	<b>11.2</b>	<b>36.9</b>	<b>(25.7)</b>	<b>61.1</b>
Other Comprehensive Income	16.1	25.7	(9.7)	53.3
<b>Total Comprehensive income</b>	<b>27.3</b>	<b>62.7</b>	<b>(35.4)</b>	<b>114.4</b>

## Key IP and PP&E CBRE valuation assumption changes

Drivers	As at 1HY2023		As at FY2022	
<b>Investment Property</b>				
PPGR – Long Term (low-high)	2.50%	3.50%	2.50%	3.50%
PPGR – Short Term (low-high)	-	3.00%	0.50%	3.00%
Discount Rates (low-high)	14.00%	21.25%	14.00%	20.00%
Average Incoming Price - Villas	\$603,789		\$583,156	
Average Incoming Price – Apartments	\$913,240		\$867,833	
<b>Property, Plant and Equipment</b>				
Cap rate (low-high)	11.50%	16.50%	11.50%	16.50%
EBITDAR per bed (low-high, \$000s)	\$8.9	\$22.8	\$10.1	\$16.4
Average Incoming Price – Care Suites	\$314,784		\$305,000	

- Property price growth rate and discount rate assumptions remained largely constant in 1HY2023, with slight reductions in short term growth rates
- Positive fair value movements in FY2022 largely driven by increases in CBRE's ingoing price assumptions
- DMF revenue increased by 18% to \$26.6m in 1HY2023 compared to 1HY2022 (\$22.6m).

1. Fair value movement includes impact from right of use asset (Everil Orr village). This is a lease arrangement under which Oceania is the village operator.

# 03 Care segment



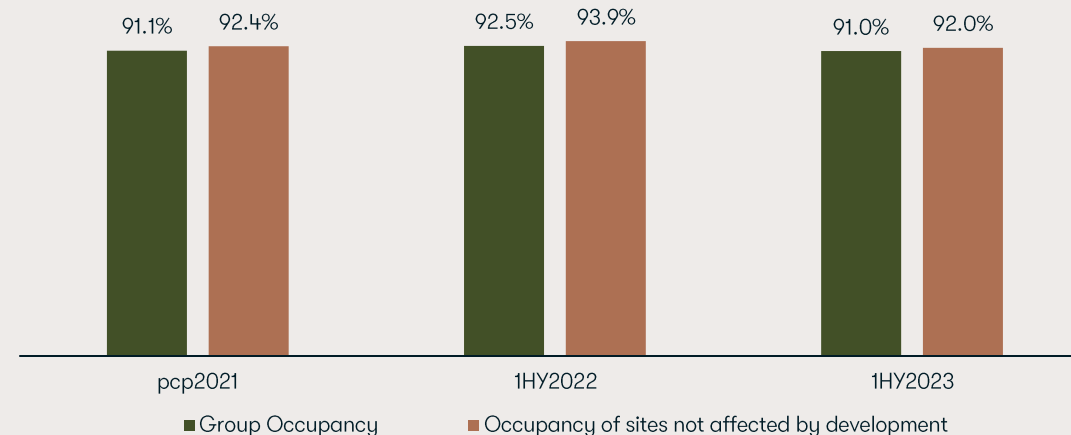
EBITDA per bed of over \$9,800. Key drivers of care performance were group occupancy of 91% and continued increases in premium revenue as our care suite portfolio matures.

## Aged care underlying EBITDA

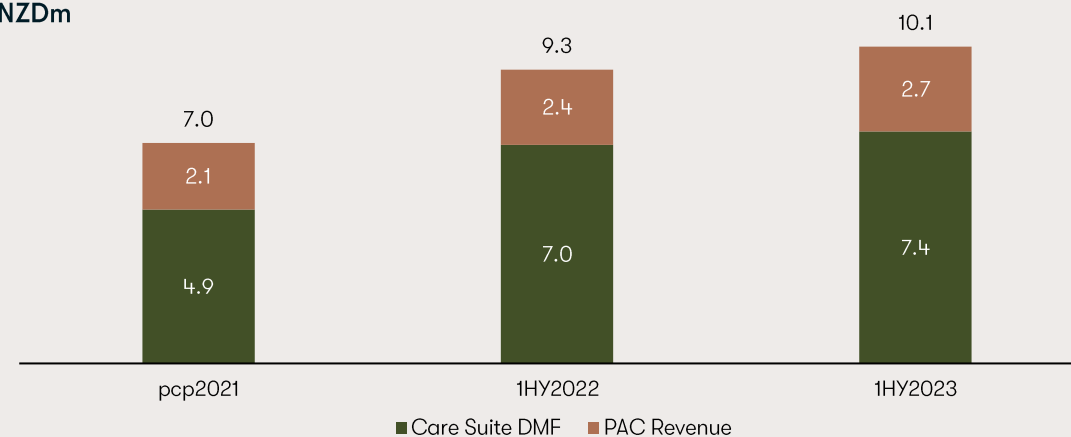
NZDm	1HY2023	1HY2022	Var	FY2022
Total aged care operating revenue	96.6	93.5	3.1	188.7
Total aged care expenses	(85.3)	(82.5)	(2.8)	(166.7)
<b>Aged Care Underlying EBITDA</b>	<b>11.2</b>	<b>11.0</b>	<b>0.3</b>	<b>22.1</b>
<b>EBITDA per care bed / suite (all sites)<sup>1</sup></b>	<b>9,874</b>	<b>9,391</b>	<b>483</b>	<b>9,537</b>

Plus: Other aged care related earnings included within the Village Segment <sup>2</sup>				
Care suite development margin	3.9	4.8	(0.9)	7.5
Care suite resale gains	4.9	3.3	1.6	8.1
<b>Total Aged Care related Underlying EBITDA</b>	<b>20.1</b>	<b>19.1</b>	<b>1.0</b>	<b>37.6</b>
<b>Total Aged Care related Underlying EBITDA per bed / suite (all sites)</b>	<b>17,613</b>	<b>16,291</b>	<b>1,323</b>	<b>16,255</b>

## Occupancy rates



## Premium revenue NZDm



1. Based on all occupied beds across all care sites, including centres that are ramping up / down as a result of past / future development.

2. Development margin & resale gains on care suites are included within the Village Segment for underlying profit and statutory reporting purposes as the ORAs are issued by Oceania Village Company Limited. As these margins are in lieu of daily premium charges under the traditional model, these earnings are aggregated above to present a more complete picture for the Care segment.

# 04 Village segment



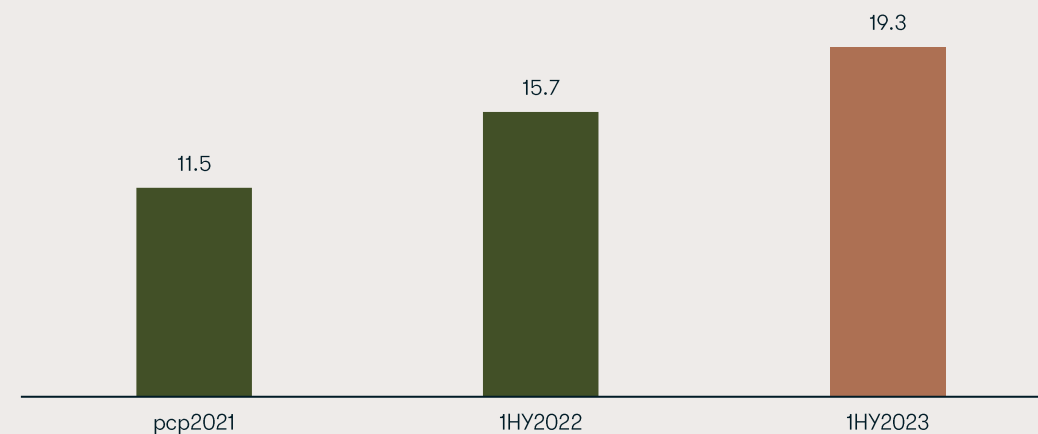
Sales volumes steady relative to 1HY2023 but underlying EBITDA up driven by continued growth in DMF and resale gains as the portfolio matures.

## Village underlying EBITDA

NZDm	1HY2023	1HY2022	Var	FY2022
Villa and apartment DMF	19.3	15.7	3.6	33.1
Retirement village service fees	4.5	3.7	0.8	7.6
Other revenue	1.9	1.4	0.5	2.8
<b>Total retirement village operating revenue</b>	<b>25.6</b>	<b>20.7</b>	<b>4.9</b>	<b>43.5</b>
Realised gains on resales	16.4	10.6	5.8	23.5
Realised development margin	12.7	15.3	(2.6)	32.9
Village site operating expenses	(13.3)	(9.7)	(3.6)	(20.5)
Resident share of capital gains	(1.1)	0.4	(1.6)	(0.8)
<b>Total retirement village expenses</b>	<b>(14.5)</b>	<b>(9.3)</b>	<b>(5.2)</b>	<b>(21.3)</b>
<b>Retirement village Underlying EBITDA</b>	<b>40.2</b>	<b>37.3</b>	<b>2.9</b>	<b>78.6</b>
Total resale volume	165	129	36	266
Total new sales volume	61	101	(40)	184
<b>Total sales volume</b>	<b>226</b>	<b>230</b>	<b>(4)</b>	<b>450</b>

Less: Aged care related earnings included within the Village Segment				
Care suite development margin & resale gains	(8.8)	(8.1)	(0.7)	(15.5)
<b>Village Underlying EBITDA (ex. care)</b>	<b>31.4</b>	<b>29.3</b>	<b>2.1</b>	<b>63.1</b>

## Villa and apartment DMF revenue NZDm



- Total sales volume of 226 in 1HY2023, down slightly vs 1HY2022 sales of 230.
- Continued strong growth in DMF in the Village segment as developments sell down and resales occur at higher price points.
- Continued growth in resale gains as Oceania realises the embedded value within its portfolio as it matures.

# 05 Cash flow



Operating cash flow of \$31.4m for 1HY2023 compared to \$52.5m for 1HY2022.

## Statement of cash flows

NZDm	1HY2023	1HY2022	Var	FY2022
Receipts from customers	90.9	97.0	(6.2)	190.1
Payments to suppliers and employees	(112.2)	(113.1)	0.9	(215.5)
Rental payments in relation to right of use asset	-	(1.9)	1.9	(2.5)
Receipts from new ORA	100.4	109.3	(8.9)	214.2
Payments for outgoing ORA	(41.5)	(35.7)	(5.8)	(70.0)
Net interest	(6.2)	(3.3)	(3.0)	(10.8)
<b>Net cash inflow from operating activities</b>	<b>31.4</b>	<b>52.5</b>	<b>(21.1)</b>	<b>105.5</b>
Payments for property, plant and equipment and intangible assets	(35.8)	(25.2)	(10.6)	(56.3)
Payments for investment property & investment property under development	(45.8)	(61.0)	15.2	(106.3)
Payments for business assets	(56.7)	(56.2)	(0.5)	(56.2)
<b>Net cash outflow from investing activities</b>	<b>(138.4)</b>	<b>(142.5)</b>	<b>4.1</b>	<b>(218.8)</b>
Proceeds from borrowings	153.6	70.9	82.7	162.5
Proceeds from bond & share issues (net of transaction costs)	-	119.5	(119.5)	118.3
Repayment of borrowings	(38.0)	(154.3)	116.3	(218.3)
Dividend paid	(12.5)	(9.2)	(3.4)	(19.4)
<b>Net cash inflow from financing activities</b>	<b>103.1</b>	<b>26.9</b>	<b>95.7</b>	<b>43.1</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(3.9)</b>	<b>(63.1)</b>	<b>78.7</b>	<b>(70.2)</b>
Cash & equivalents at beginning of period	9.7	79.9	(70.2)	79.9
<b>Cash and cash equivalents at end of period</b>	<b>5.8</b>	<b>16.8</b>	<b>(11.0)</b>	<b>9.7</b>

- Receipts from new ORAs of \$100.4m
- The rental payments in relation to right of use asset in FY2022 relates to the arrangement at Everil Orr. An equal receipt is included in receipts from new ORAs.
- Cash outflows from investing activities included settlement of the Remuera Rise and Bream Bay Village acquisitions (\$56.7m) in 1HY2023. Development capex in line with 1HY2023 reflecting Oceania's increased build rate and units currently under construction.



# 06 Borrowings

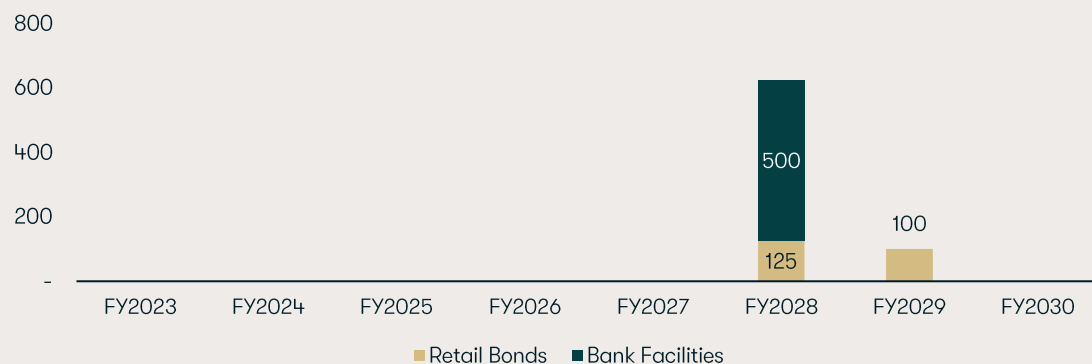


Oceania holds significant headroom in its \$725m of debt facilities, to be used for future developments and land acquisitions.

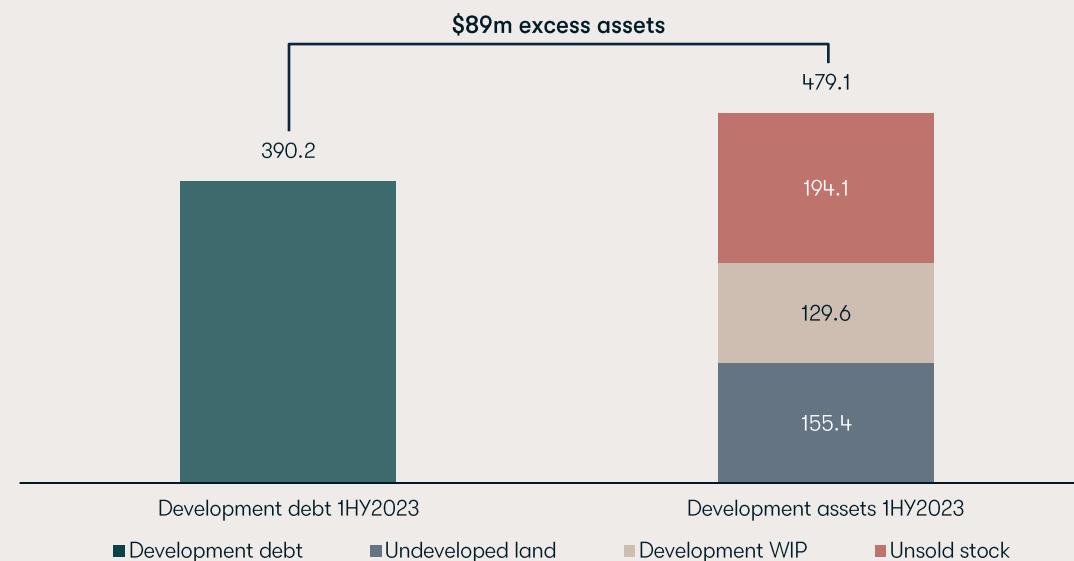
## Net debt

Debt facilities	Facility limit as at 30 September 2022	Drawn amount as at 1HY2023	Headroom as at 30 September 2022
General / corporate	\$235m	\$113.0m	\$122.0m
Development facility	\$265.0m	\$165.2m	\$99.8m
Retail Bonds	\$225.0m	\$225.0m	-
<b>Total limits / borrowings</b>	<b>\$725.0m</b>	<b>\$503.2m</b>	<b>\$221.8m</b>
Cash	n/a	(\$5.8m)	\$5.8m
Finance leases	n/a	\$9.4m	n/a
<b>Total net debt</b>		<b>\$506.8m</b>	

## Pro-forma debt tenor profile (NZDm)



## Development debt to underlying development assets (NZDm)<sup>1</sup>



## Credit metrics

Period ending	As at 1HY2023	As at FY2022
Net debt	\$506.8m	\$380.0m
Net debt / (net debt + equity)	34.5%	28.6%
Loan to value ratio	38.6%	30.8%

1. Development debt excludes Oceania's general / corporate facility.

# 07 Portfolio summary



As at 30 September 2022.

Facility	Region	Care beds	Care suites	Village units	Total
<b>NORTH ISLAND</b>					
Bream Bay Village	Ruakaka	-	-	83	83
Totara Park	Rodney	-	-	30	30
The Sands	North Shore	-	44	64	108
Greenvalley Lodge	North Shore	50	-	-	50
Lady Allum	North Shore	-	113	129	242
Te Mana	North Shore	46	-	-	46
Waterford	Waitakere	-	-	100	100
Amberwood	Waitakere	67	-	-	67
Remuera Rise	Auckland	12	-	58	70
Eden	Auckland	-	65	89	154
Everil Orr <sup>1</sup>	Auckland	52	-	-	52
Meadowbank	Auckland	-	63	193	256
Wesley	Auckland	51	-	-	51
Elmwood	Manukau	111	48	129	288
St Johns Auckland	Manukau	-	-	18	18
Takanini	Manukau	91	-	-	91
Franklin	Franklin	44	-	-	44
Awatere	Hamilton	-	90	103	193
Whitianga	Whitianga	53	-	10	63
Elmswood	Tauranga	38	-	-	38
The BayView	Tauranga	-	81	134	215
Ohinemuri	Paeroa	68	-	8	76
Victoria Place	Tokoroa	51	-	-	51
St Johns Wood	Taupo	37	25	18	80
Wharerangi	Taupo	47	-	21	68
Duart	Hastings	66	-	-	66
Eversley	Hastings	50	-	6	56
Gracelands	Hastings	81	11	119	211
Atawhai	Napier	56	27	46	129
Woburn	Hawke's Bay	33	-	-	33
Eldon	Paraparaumu	83	12	-	95
Elderslea	Upper Hutt	102	22	12	136
Heretaunga	Upper Hutt	38	20	-	58
Hutt Gables	Upper Hutt	-	-	46	46

Facility	Region	Care beds	Care suites	Village units	Total
<b>SOUTH ISLAND</b>					
Marina Cove	Picton	-	-	26	26
Green Gables	Nelson	-	61	40	101
Otumarama	Nelson	32	7	-	39
Stoke	Nelson	-	-	116	116
Redwood	Blenheim	42	19	46	107
Woodlands	Tasman	23	34	36	93
Holmwood	Christchurch	29	17	-	46
Middlepark	Christchurch	33	21	-	54
Palm Grove	Christchurch	28	57	32	117
The Oaks	Christchurch	69	36	32	137
The Bellevue	Christchurch	-	71	22	93
Addington Lifestyle	Christchurch	69	28	-	97
<b>TOTAL (NORTH AND SOUTH ISLANDS)</b>		<b>1,652</b>	<b>972</b>	<b>1,766</b>	<b>4,390</b>

1. Everil Orr excludes 49 ILUs completed in FY18 and FY20 that were developed by the Methodist Mission.

# 08 Development pipeline



Status as at 30 September 2022.

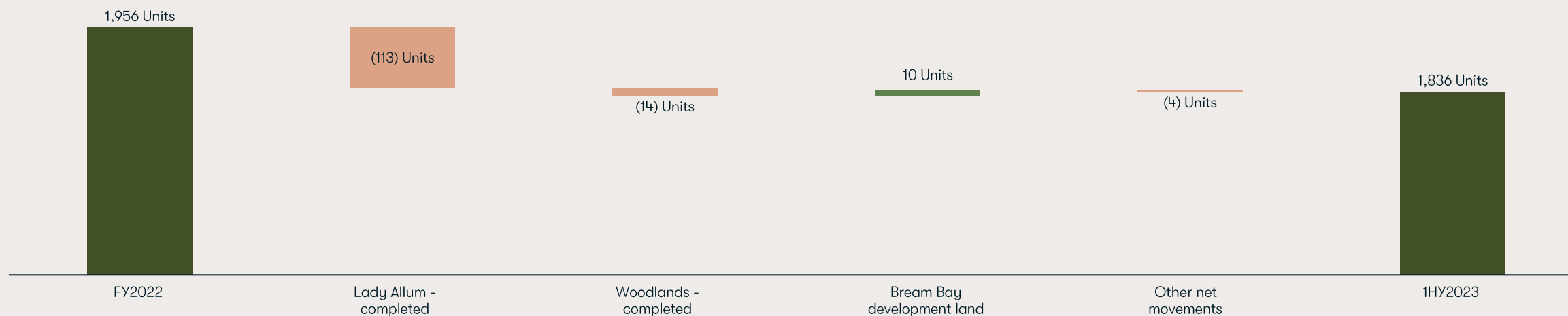
Sites	Stage	Status	ILUs	Care suites	Gross units	Net units	Notes
Meadowbank	Stage 6	Consented	-	40	40	40	
Awatere (formerly Trevellyn)	Stage 3	Under Construction	71	-	71	71	Commenced construction FY2022
The BayView (formerly Melrose)	Stage 3	Under Construction	28	-	28	28	Commenced construction FY2022
	Stages 4-6	Consented	107	-	107	107	
The Bellevue (formerly Windermere)	Stage 2	Under Construction	46	-	46	46	Commenced construction FY2022
Lady Allum	Stage 2	Consented	69	-	69	69	
	Stage 3	Consented	68	-	68	68	
Waterford	Stage 1	Under Construction	50	-	50	50	Commenced Construction 1HY2023
Redwood		Under Construction	-	55	55	55	Commenced construction FY2022
St Johns Wood		Consented	-	40	40	22	Scheduled for completion FY2023
Woodlands		Under Construction	-	4	4	(4)	Scheduled for completion FY2023
Stoke		Under Construction	8	-	8	6	Commenced Construction 1HY2023
Eversley		Consented	-	58	58	52	
Elmwood	Stage 1	Under Construction	-	106	106	76	Commenced construction FY2022
	Stage 2-3	Consented	229	-	229	133	
	Stage 4	Planned	81	-	81	70	
The Helier (formerly Waimarie Street)		Under Construction	79	32	111	111	
Other	Auckland	Consented	140	106	246	246	
	Hawkes Bay	Planned	26	46	72	72	
	Nelson	Planned	17	-	17	2	
	Auckland	Planned	37	62	99	99	
	Various	Planned	28	77	105	54	
	Various	Held for sale	19	107	126	126	
Total Consented / under construction			<b>983</b>	<b>534</b>	<b>1,517</b>	<b>1,246</b>	
Total Pipeline			<b>1,103</b>	<b>733</b>	<b>1,836</b>	<b>1,599</b>	

# 09 Reconciliation of portfolio movements



	As at FY2022	Changes in existing capacity	Conversion of beds to care suites	Conversion of units to care suites	New units acquired	New units delivered	Changes in pipeline – gross units added	Changes in pipeline – decommissions	As at 1HY2023
<b>Existing</b>									
Care beds	1,725	(79)	(6)		12				1,652
Care suites	854	(15)	6			127			972
Units	1,625				141				1,766
<b>Pipeline</b>									
Care beds	(208)							84	(124)
Care suites	821					(127)	(2)	9	701
Units	1,002						8		1,010
<b>Total</b>	<b>5,819</b>	<b>(94)</b>	<b>-</b>	<b>-</b>	<b>154</b>	<b>-</b>	<b>6</b>	<b>93</b>	<b>5,977</b>

## Movements in gross pipeline since FY2022



1. Changes in capacity and pipeline now includes forecast care suite conversions in the pipeline. Totals as at 30 September 2022 reconcile to both the total existing and future post development portfolios on slide 5.

# 10 Summary of unit sales



New Sales	pcp2018	pcp2019	pcp2020	pcp2021	1HY2022	1HY2023
Villa	6	21	5	19	13	-
Apartment	24	32	31	38	44	28
Care suite	5	25	63	65	44	33
<b>Total</b>	<b>35</b>	<b>78</b>	<b>99</b>	<b>122</b>	<b>101</b>	<b>61</b>
Average development margin	29.2%	30.1%	39.6%	27.1%	26.0%	32.2%

Resales	pcp2018	pcp2019	pcp2020	pcp2021	1HY2022	1HY2023
Villa	27	32	26	15	27	28
Apartment	14	15	23	9	18	24
Care suite	19	59	68	62	84	113
<b>Total</b>	<b>60</b>	<b>106</b>	<b>117</b>	<b>86</b>	<b>129</b>	<b>165</b>
Average resale margin	32.5%	29.1%	20.3%	19.0%	19.6%	22.7%

Average resale gain per unit / care suite	pcp2018	pcp2019	pcp2020	pcp2021	1HY2022	1HY2023
Villa	139,759	179,219	103,462	123,867	182,352	242,969
Apartment	126,750	118,467	154,991	127,222	135,333	198,375
Care suite	47,474	49,373	29,449	51,573	39,036	43,115
Average resale gain	107,500	98,349	70,575	72,099	82,469	99,613

# 11 Capital expenditure and reconciliation of resales cash flow



1HY2023 capital expenditure in line with 1HY2022 as Oceania continues to develop at an increased build rate. Growth in resales cash flows as Oceania's portfolio matures and resells at higher price points.

## Breakdown of Capital Expenditure

NZDm	1HY2023	1HY2022
Acquisitions	61.6	66.7
Development capital expenditure	71.5	71.0
Maintenance capital expenditure		
- Aged care	1.9	2.1
- Retirement village	1.9	1.8
- IT and other	1.5	0.8
<b>Total conversions and maintenance</b>	<b>5.3</b>	<b>4.8</b>
<b>Total capex per statutory cashflow statement</b>	<b>138.4</b>	<b>142.5</b>

## Reconciliation of resales cash flow

NZDm	1HY2023	1HY2022
Receipts from New ORAs	100.4	109.3
less: Payments for Outgoing ORAs	(41.5)	(35.7)
less: Cash Inflow From New Sales	(37.5)	(59.1)
<b>Net Resales Cash flow</b>	<b>21.4</b>	<b>14.6</b>
<b>Made up of:</b>		
Resale Gains	16.4	10.6
DMF Realised	13.0	10.2
less: Net Deferred Cash Settlements	(1.4)	(3.1)
less: Development Buybacks	(5.8)	(1.8)
less: Net Buybacks <sup>1</sup>	(1.1)	(1.1)
less: Resident Share of Capital Gains	(1.7)	(0.3)
less: Other Cash amounts paid/received from resales	2.0	0.0
<b>Net Cash flows from Resales</b>	<b>21.4</b>	<b>14.6</b>

1. Net Buybacks is the difference between the gross ORA payments made in relation to units bought back (and not resold) during the year and the gross ORA receipts from units resold during the year that were bought back in prior financial years.

# 12 Definition of Underlying NPAT



## Underlying Profit (or Underlying NPAT)

Underlying Profit is a non-GAAP measure used by the Group to monitor financial performance and is a consideration in determining dividend distributions. Underlying profit measures require a methodology and a number of estimates to be approved by Directors in their preparation. Both the methodology and the estimates may differ among companies in the retirement village sector that report underlying financial measures. Underlying profit is a measure of financial performance and does not represent business cash flow generated during the period.

Oceania calculates Underlying Profit by making the following adjustments to Net Profit after Tax:

- Removing the change in fair value of investment properties (including right of use investment property assets) and any impairment or reversal of impairment of property, plant and equipment;
- Removing any impairment of goodwill;
- Removing any gains or losses from the sale or decommissioning of assets;
- Removing any rental expenditure in relation to right of use investment property assets;
- Adding back the Directors' estimate of realised gains on resale of occupation right agreement units and care suites;
- Adding back the Directors' estimate of realised development margin on first sale of new ORA units or care suites following the development, or conversion of an existing care bed to a care site or conversion of a rental unit to an ORA Unit;
- Adding back depreciation on care suites; and
- Adding back the deferred taxation component of taxation expense so that only current tax expense is reflected.

## Resale Gain

Directors' estimate of realised gains on resales of ORA units and care suites (i.e. the difference between the incoming residents ORA licence payment and the ORA licence payment previously received from the outgoing resident) is calculated as the net cash flow received, and receivable, at the point that the ORA contract becomes unconditional and has either 'cooled off' or where the resident is in occupation at balance date.

## Development Margin

The Directors' estimate of realised development margin is calculated as the cash received, and receivable, in relation to the first sale of new ORA units and care suites, at the point that the ORA contract becomes unconditional and has either 'cooled off' or where the resident is in occupation at balance date, less the development costs associated with developing the ORA units and care suites.

- Construction costs directly attributable to the relevant project, including any required infrastructure (e.g. roading) and amenities related to the units (e.g. landscaping) as well as any demolition and site preparation costs associated with the project. The costs are apportioned between the ORA units and care suites, in aggregate, using estimates provided by the project quantity surveyor. The construction costs for the individual ORA units or care suites sold are determined on a pro-rated basis using gross floor areas of the ORA units and care suites;
- An apportionment of land valued based on the gross floor area of the ORA units and care suites developed. The value for Brownfield development land is the estimated fair value of land at the time a change of use occurred (from operating as a care facility or retirement village to a development site), as assessed by an external independent valuer. Greenfield development land is valued at historical cost; and
- Capitalised interest costs to the date of project completion apportioned using the gross floor area of ORA units and care suites developed.

Development costs do not include:

- Construction, land (apportioned on a gross floor area basis) and interest costs associated with common areas and amenities or any operational or administrative areas.

The Directors' estimate of development margin for conversions of care beds to care suites and rental units to ORAs is calculated based on the difference between the ORA licence payment received on the settlement of sales of newly converted ORA units and care suites and the associated conversion costs. Conversion costs comprise:

- In the case of conversion of care beds to care suites, the actual refurbishment costs incurred; and
- In the case of conversions of rental units to ORA units, the actual refurbishment costs incurred and the fair value of the rental unit prior to conversion.

# 13 Glossary



## **ARCC**

Aged Residential Care Contract

## **Care suite**

A room or studio certified for the provision of care by the Ministry of Health which has been licensed under an ORA.

## **DMF**

Deferred Management Fees, charged under an ORA, of a maximum of 30% of the Occupation Licence Payment, which are deducted from the refund paid to the departing resident upon resale of the unit or care suite. These are in consideration for the right to use communal facilities etc over the entire length of stay.

## **DRP**

Dividend Reinvestment Plan.

## **FY20XX**

12 month audited financial year. For the purposes of this presentation, other than in respect of FY2023 and FY2022, FY20XX will refer to financial years ended 31 May 20XX, as they have been defined in previous disclosures.

## **ILU**

Independent living units (villas and apartments) licensed under an ORA.

## **IP**

Investment Property.

## **IPO**

Initial Public Offering (of shares in Oceania).

## **NPAT**

Net Profit After Tax.

## **ORA**

An occupation right agreement that confers on a resident the right to occupy a unit or care suite subject to certain terms and conditions set out in the agreement.

## **PAC**

Premium accommodation charge on a care bed for accommodation provided above the mandated minimum.

## **pcp20XX**

6 month period ended 30 September 20XX (i.e. “prior corresponding periods” to the 6 month period ended 30 September 2022).

## **PPE**

Property, Plant and Equipment.

## **PPGR**

Property Price Growth Rate.

## **Resale Margin**

Resale gain, as included in the definition of underlying profit, divided by the ORA licence payment previously received from the outgoing resident.

## **RN**

Registered nurse

## **Unit**

Includes independent villas and apartments.

## **WIP**

Work in progress.

## **1HY20XX**

6 month period ending, in financial years up to and including FY2021, 30 November 20XX and in financial years from and including FY2022, 30 September 20XX.



# 14 Important notice and disclaimer



This presentation has been prepared solely by Oceania Healthcare Limited ("Oceania"). You must read this disclaimer before making any use of this presentation and the accompanying material or any information contained in it ("Document").

The presentation includes non-GAAP financial measures for development sales and resales which assist the reader with understanding the volumes of units settled during the period and the impact that development sales and resales during the period had on occupancy as at the end of the period.

The addition of totals and subtotal within tables and percentage movements may differ due to rounding.

The information set out in this Document is an overview and does not contain all information necessary to make an investment decision. It is intended to constitute a summary of certain information relating to the performance of Oceania for the period ending 30 September 2022. Please refer to the Financial Statements for the period ended 30 September 2022 that have been released along with this presentation.

The information in this presentation does not purport to be a complete description of Oceania. In making investment decisions, investors must rely on their own examination of

Oceania, including the merits and risks involved. Investors should consult their own legal, tax and/or financial advisors in connection with any acquisition of financial products.

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