



MEDIA RELEASE 22 January 2021

## **Oceania records increase in First Half Unaudited Underlying EBITDA**

Oceania Healthcare, Aged Care and Retirement Village Operator and Developer, announced today an unaudited half year underlying earnings before interest, tax, depreciation and amortisation (EBITDA) of \$35.4 million for the six months ended 30 November 2020, a 2.0% (\$0.7m) increase compared to the prior corresponding period (pcp).

### **Highlights**

- A 2.0% increase (\$0.7m) in unaudited underlying EBITDA compared to the prior corresponding period
- Unaudited Reported Net Profit after tax (NPAT) of \$24.8m, up \$9.9m on the prior corresponding period
- Sales volumes (for both independent living apartments and villas, as well as care suites) 44% ahead of the prior corresponding period
- Successfully navigating the challenges of the COVID-19 pandemic, with no COVID-19 cases recorded to date in any of Oceania Healthcare's aged care centres or retirement villages
- The completion of 28 apartments and 61 care suites at Green Gables (Nelson) in September 2020
- On track to complete 217 new independent living units (apartments and villas) and care suites prior to 31 March 2021
- Operating cashflow increased 30.9% to \$74.6m as a result of strong sales volumes
- Total assets increased to \$1.7 billion, up 11.8% (\$177.1m) on November 2019 primarily due to significant development capital expenditure during the period
- Completion of a heavily oversubscribed retail bond issue in October 2020, raising \$125 million
- Interim dividend of 1.3 cents per share (not imputed) announced. This will have a record date of 10 February 2021 and will be paid on 24 February 2021. The Dividend Reinvestment Plan will apply to this dividend



\$ million	Half Year Ended 30 November		Growth	
	2020	2019	\$m	%
Unaudited				
Reported Operating Revenue	105.0	97.9	7.1	7.3%
Reported NPAT	24.8	14.9	9.9	66.4%
Underlying EBITDA	35.4	34.7	0.7	2.0%
Underlying NPAT	23.3	24.8	(1.5)	(6.0%)
Operating Cash Flow	74.6	57.0	17.6	30.9%
Total Assets	1,673.6	1,496.5	177.1	11.8%
Interim Dividend (cents/ share)	1.3	2.3		

Oceania Healthcare CEO Earl Gasparich advised that “the company achieved very strong sales volume across both new sales and resales over the first half of the financial year, as well as experiencing continued strong demand for our premium care suites across the country. Sales volumes are 44.1% up on the prior corresponding period as many new residents have enjoyed the benefit of retirement village living in what has been an uncertain year. The 20.6% increase in resale volumes is particularly pleasing as a key indicator of the quality of Oceania Healthcare’s annuity earnings streams.”

Oceania Healthcare’s aged care segment has demonstrated incredible resilience this year, despite the restrictions of the Government lockdowns. “We noted in our last annual report for the year ended 31 May 2020 that our aged care earnings were at a point of inflection following three years of redevelopment and increasing the proportion of premium rooms in the portfolio, so it is pleasing to record a 15.3% increase in underlying EBITDA from our Care segment and corresponding increase in earnings per bed over the interim period” said Mr Gasparich. Aged care occupancy also increased to 92.1%, compared to 91.6% last year. “We opened 61 new care suites at Green Gables in Nelson in September as we continue to successfully execute our aged care strategy through the redevelopment of our brownfields sites, and our care suite sales volumes have experienced a fivefold increase over the past three years”.

Operating Cash Flow was particularly strong over the period, increasing from \$57.0 million to \$74.6 million (30.9%). Total assets also increased by \$177.1 million to \$1.7 billion primarily reflecting the significant development capital expenditure invested in the portfolio over the period. Net debt of \$311.4 million as at 30 November 2020 represents a gearing level of 32.3% (net debt to net debt plus equity).

Oceania Healthcare’s significant development programme continues to be delivered on time and on budget, with Oceania Healthcare on track to complete 217 aged care beds and



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retirement village units by the end of this financial year (31 March 2021), in line with previous guidance. Oceania Healthcare has resource consents in hand for 84.2% of its 1,780 unit/bed development pipeline which are planned to be delivered over the next six years.

In the second half of the year, Oceania Healthcare is scheduled to complete retirement village apartments at The Bellevue in Christchurch and The BayView in Tauranga, with a further three brownfields developments and one greenfields development underway.

“We were very pleased with our \$125.0 million inaugural domestic retail bond issue in October 2020 that has provided us with diversity of funding and tenor and will help facilitate Oceania Healthcare’s future growth.” said Mr Gasparich.

Oceania Healthcare Chair Liz Coutts advised the Board declared an interim dividend of 1.3 cents per share (unimputed). The record date is 10 February 2021 and payment date 24 February 2021. The Dividend Reinvestment Plan (DRP) will apply to the dividend payable on 24 February at a discount of 2.5% to the volume weighted average price of shares sold on the NZX Main Board over the period of the five trading days starting 9 February 2021.

## **ENDS**

For all media enquiries, please contact Kelly Bennett on 021 380 035.

This release should be read in conjunction with the Financial Statements contained within the Interim Report.