



Investor Presentation

Full Year Result FY23



Presenting *Today*

Andrew Peskett
Chief Executive Officer
BA (Hons), LLB



Wendy Jenkins
Chief Financial Officer
MCom, MBA, CA





Agenda



OVERVIEW OF FY23 PERFORMANCE

Demonstrating profitable growth



ANALYSIS OF RESULT

Continuation of a strong track record



POSITIONING RADIUS CARE

Strategy update



APPENDICES

Key operational and financial metrics
Summary Profit and Loss, Balance Sheet and Cash Flow



Overview of *FY23 Performance*

DEMONSTRATING PROFITABLE
GROWTH

FY23 Business *Highlights* and *Key Events*



Profitable Growth

10% increase in revenue and 32% increase in underlying EBITDA.



Strong Occupancy

Maintaining well above industry average occupancy with higher mix of high acuity and specialist care.



Increased Property Ownership

Acquisition of four strategic leased sites in Auckland, Hamilton, Palmerston North and Dunedin.



Strategic Acquisitions

Acquisition of Matamata Country Lodge, an integrated care home and retirement village with 81 care beds and 46 ORA units with a strong first six months of performance.



Growth of Development Pipeline

Successful completion of the Thornleigh Park 24 care bed extension on budget.



Successful Nurse Recruitment

Over 140 international nurses recruited directly to help fill vacancies and support our team.

FY23 *Financial* Highlights



Financial Performance

- Reported Net Loss After Tax of (\$2.1m) down from a profit of \$2.7m due to property revaluations and higher interest costs.
- Underlying EBITDA up 32% to \$14.2m.
- AFFO of \$4.0m down from \$4.2m due to higher interest costs.
- Underlying EBITDAR per care bed in line with FY22 at \$19.9k.
- Accommodation supplements increased 17% to \$7.9m.



Balance Sheet Position

- Total assets of \$356.6m.
- Investment properties of \$70.1m, up \$24.1m from FY22.
- Property, plant and equipment of \$133.9m, up \$60.0m from FY22.
- Lease liabilities of \$121.5m, down from \$142.5m in FY22.
- Updated freehold going concern valuations indicates \$9m of intrinsic goodwill not captured in net asset values.



Our *People*



Successfully recruited over 140 international nurses via direct channels filling vacancies in the portfolio from domestic nursing shortages.



The success of the international nurse recruitment program has led Radius Care to set up a subsidiary to provide bureau nursing services, both internally and externally.



Innovative use of virtual nurses to reduce health and safety incidents and improve well-being.



After several years of ongoing COVID-19 management, the Radius Care values of Commitment, Courage and Compassion were strongly on display in an extraordinary way during the floods and storms of early 2023.



Steady gains in Net Promotor Score (NPS) survey results every six months.

Analysis of *Result*

CONTINUATION OF
STRONG TRACK
RECORD

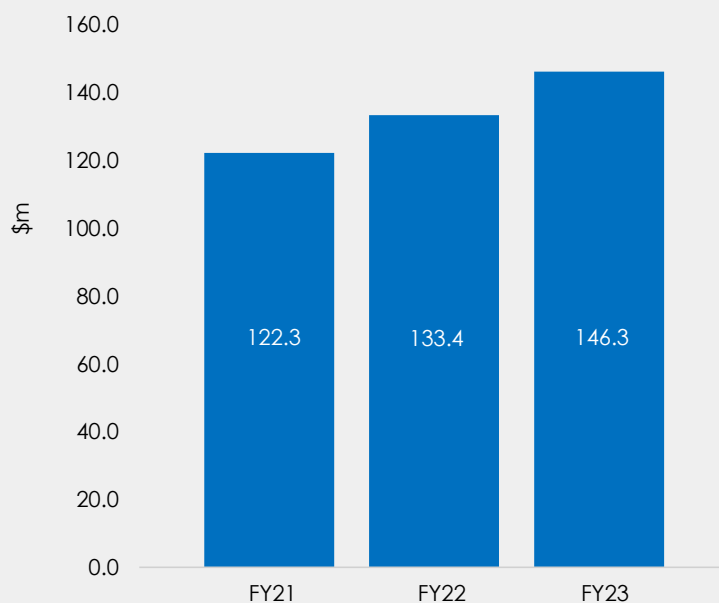


Financial *Performance* Overview

Our strong operational performance drove improvements in financial performance despite challenging market conditions.

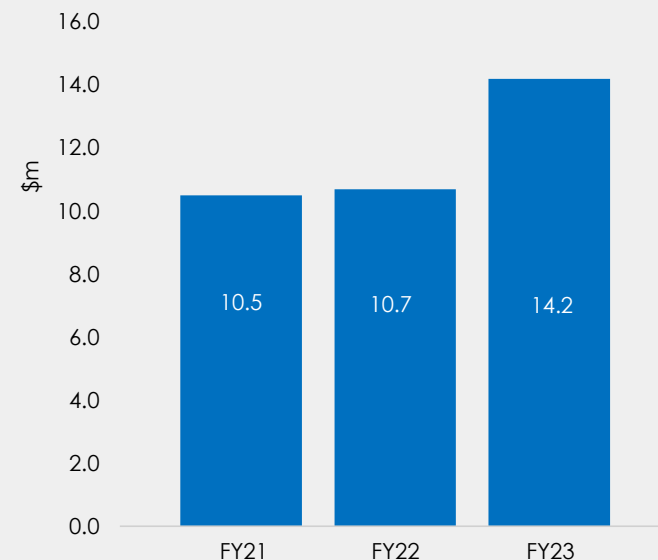
Total Revenue¹

FY23 Revenue of \$146.3m up 10% vs pcp



Underlying EBITDA

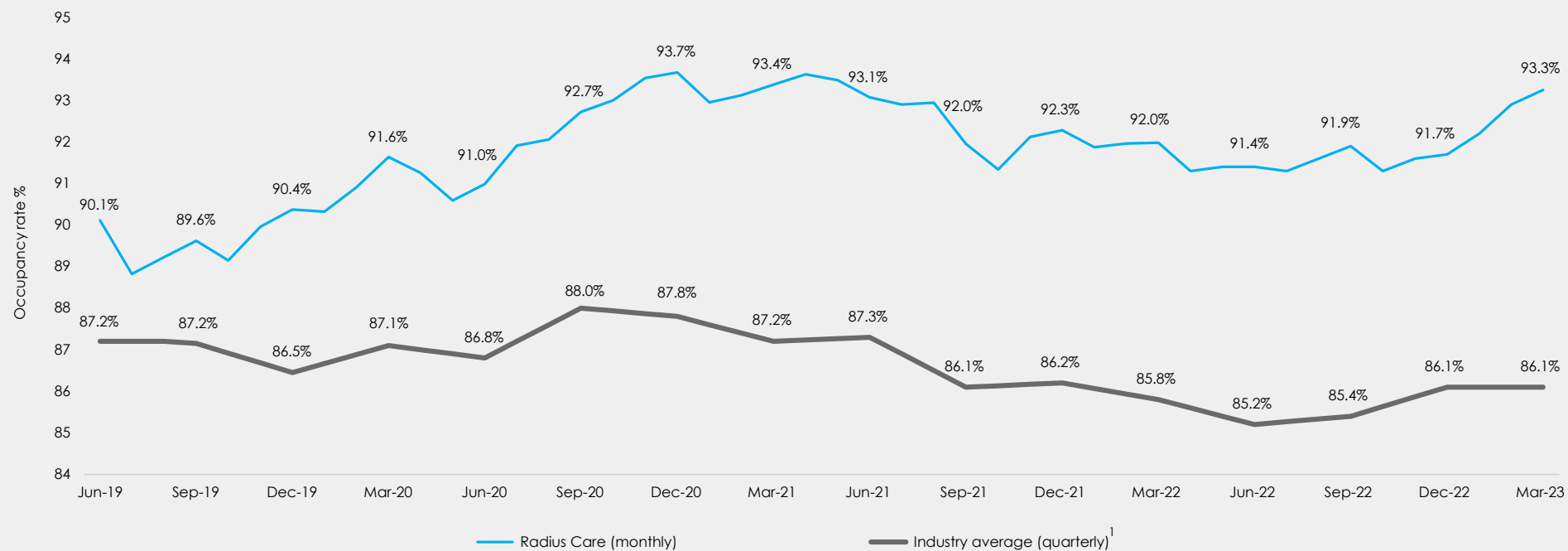
Underlying EBITDA of \$14.2m, up 32% vs pcp



¹ Total revenue excludes other income

Occupancy

Strong occupancy of 93.3% at 31 March 2023 remaining well above industry averages.

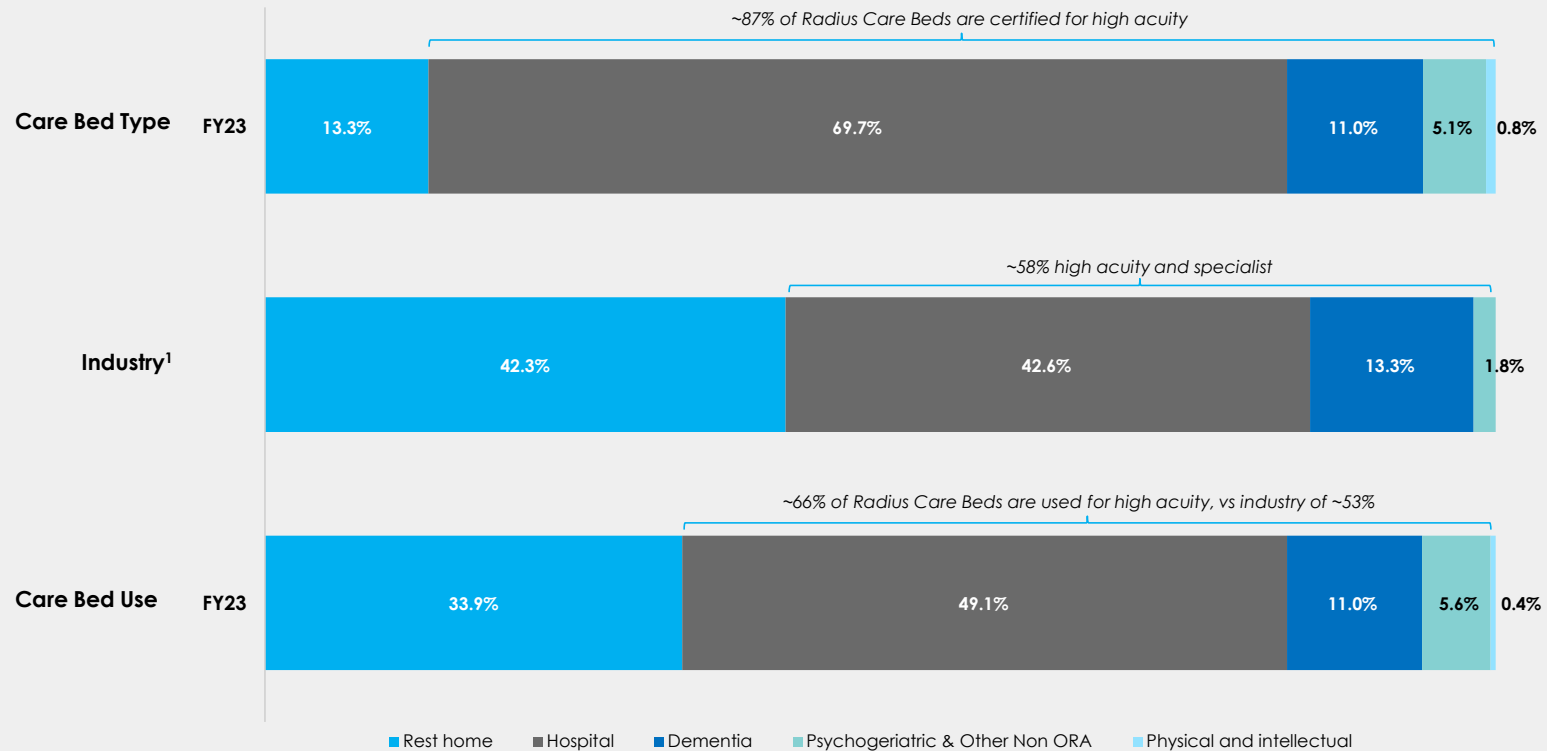


¹ Source: Industry Information based on NZACA Occupancy – Te Whatu Ora Aged Residential Care Quarterly Reporting Survey as at 31 March 2023. Includes ORA ARRC-certified beds and their residents

Bed Mix

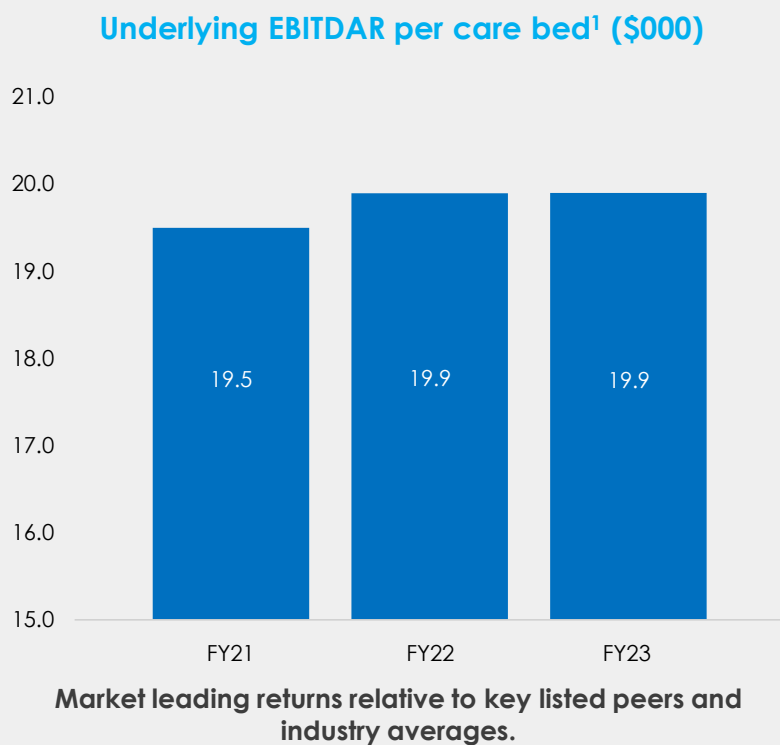
87% of the portfolio are beds certified for high acuity and specialist care with significant flexibility of care.

This aligns with the sector dynamics of 'aging in place' reducing the need for rest home level care and increasing the need for higher acuity care.



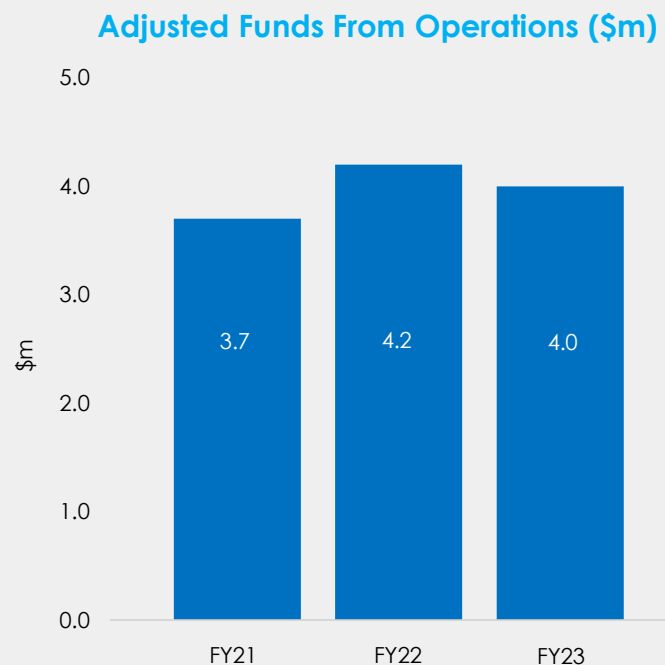
¹ Source: CBRE analysis, October 2022

Continued *Strong* Underlying EBITDAR per Care Bed



AFFO and Dividends

AFFO of \$4.0m, down from \$4.2m in the comparative period due to higher interest costs.



Dividends

FY23 Total Dividends

Radius Care paid a gross interim dividend of 0.7c per share totalling \$1.4m. Radius Care will not pay a final dividend in respect of the FY23 financial year.

DRP

A Dividend Reinvestment Plan (DRP) was implemented for the interim dividend paid in January 2023.



Strategy Update

Strategy Update

Since listing Radius has demonstrated successful execution against its core strategic pillars



Acquisition of strategically important facilities operated by Radius Care

Greater control over strategic sites, allowing value enhancing initiatives to be implemented.

- ✓ Acquired four Ohaupo Properties (settled 5 August 2021).
- ✓ Acquired four UCG Properties (settled 6 May 2022).



Opportunistic value accretive acquisitions

Grow the portfolio organically by taking advantage of a higher fragmented market.

- ✓ Acquisition of Clare House (settled 1 November 2021).
- ✓ Acquisition of Matamata Country Lodge (settled 29 September 2022).



Brownfield developments

Add value to the portfolio while expanding into new products like care suites while reducing execution risk.

- ✓ Completed Thornleigh Park 24 bed extension on budget.
- ✓ Brownfield potential identified at owned sites comprising six care beds, 169 care suites and 18 independent living units.



Greenfield developments

Selective development of new villages aligned with Radius Care's focus on care.

- ✓ Further work undertaken to prepare for Northwood village development in Belfast, Christchurch likely to commence in FY25.

Transforming a recent acquisition

Matamata Country Lodge

Radius Care has a strong track record of undertaking opportunistic value accretive acquisitions.

The acquisition of Matamata Country Lodge has provided an opportunity to realise cost efficiencies in the Care Facility, such as the reduction in wage to revenue costs through more efficient rostering.

Scale efficiencies have also been realised with the ability of being able to incorporate corporate functions such as IT, marketing and finance and corporate contracts such as food services.

\$4.2m of company-owned ORA units are currently being actively marketed for sale or have contracts on them which is likely to deliver strong cash generation in FY24.

Matamata Country Lodge has increased in value since acquisition by \$4.3m.



81 care beds



46 retirement
village units



18 villa development
pipeline



Development Completed
Thornleigh Park



24 care beds

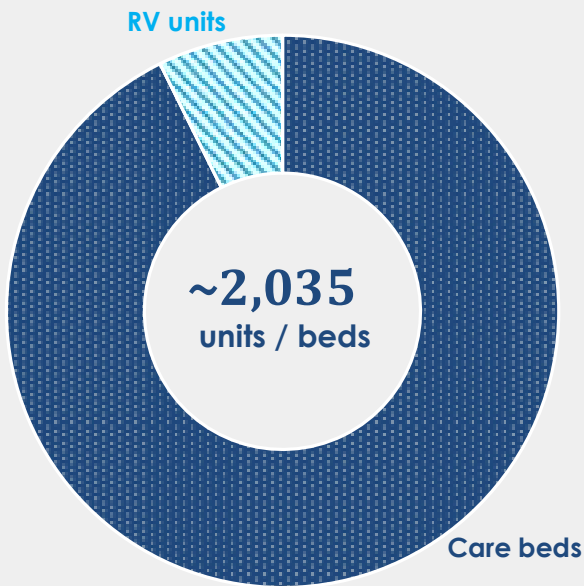


Opened and being
occupied in FY24

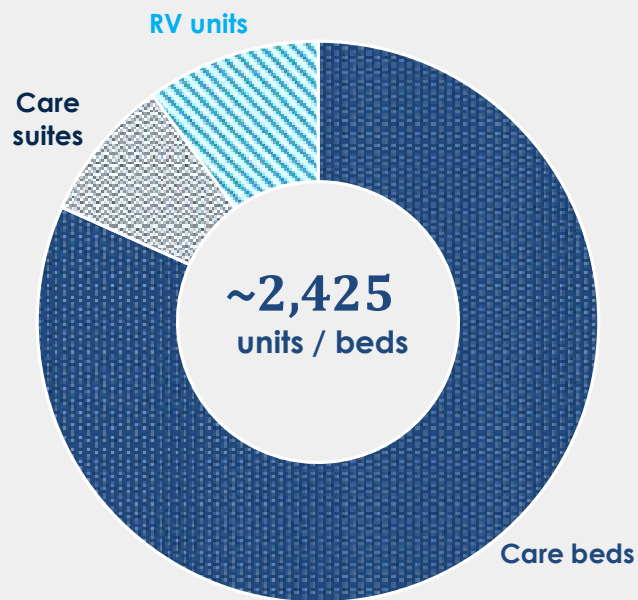


Future *Portfolio* Developments

Current portfolio



Future portfolio¹





FY24 Outlook



Improved operating performance focused on continuing to drive market leading returns.



Execution of a comprehensive business improvement program including streamlining operations.



Timing of selective developments to be assessed based on market conditions.



Establish sustainability programme and prepare for climate-related disclosure reporting.



Appendices



Key Investment Highlights

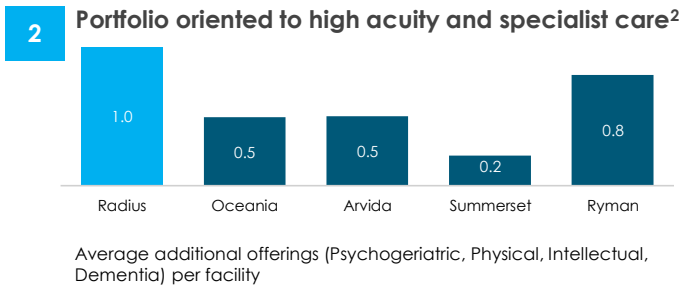
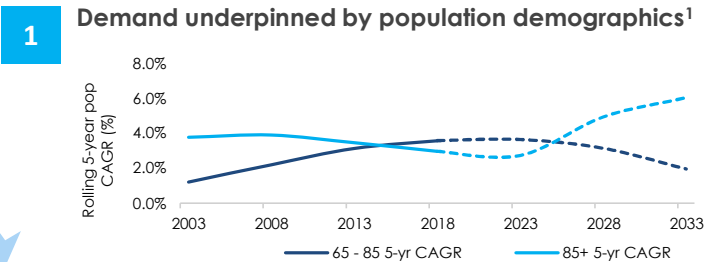
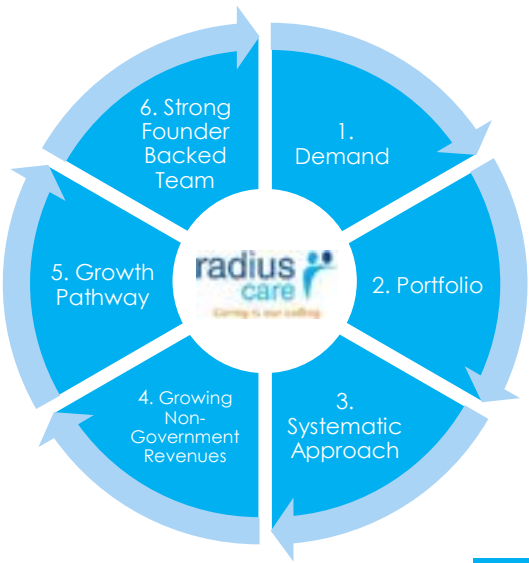
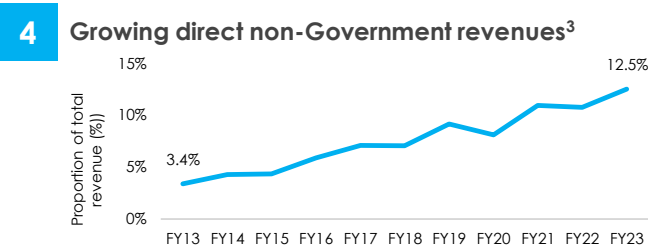
The Radius Care growth pipeline provides unique exposure to a high acuity, specialised care provider that remains committed to and focused on delivering compassionate and outstanding clinical care outcomes.

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Strong founder backed team
**Brien Cree**
Founder and Executive Chair
**Andrew Peskett**
Chief Executive Officer

5

Clear growth pathway via
1) Purchase of strategically important facilities' land and buildings
2) Brownfield and greenfield development with ownership of land and buildings
3) Opportunistic acquisitions



3

Systematic approach to provision of care

1) Centralised head-office systems and support

2) High level of audit Continuous Improvement awards

3) Immigration accreditation and nursing innovation

4) Early engagement through Radius Online Shop

¹ Source: Statistics New Zealand
² Source: Ministry of Health audit reports as disclosed on Ministry of Health website – <https://www.health.govt.nz/your-health/certified-providers/aged-care/> based on data as at 20 October 2022
³ Includes accommodation supplements, retirement village units, Radius Online Shop and other privately paid revenues

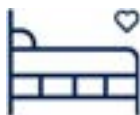
At a Glance



1,880+
Beds



1,750+
Employees

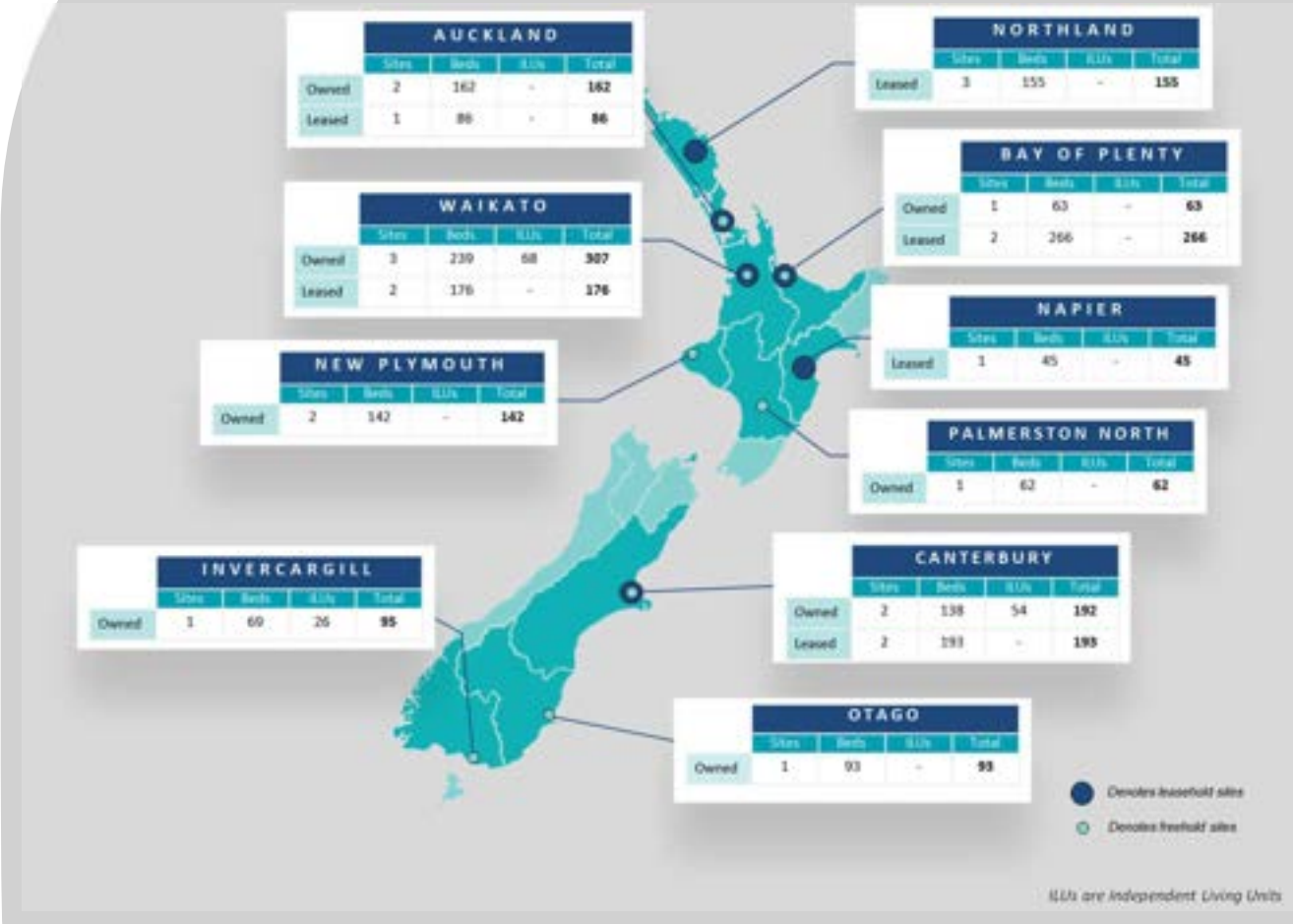


92.7%
Care Beds



7.3%
ILUs

National aged care focused portfolio with strong regional presence, owning 13 and leasing 11 of the 24 sites nationwide



Key operational and financial metrics

Operating Metrics				
	FY23	FY22	FY21	FY20
Number of Care Beds (period end) ¹	1,889	1,784	1,715	1,704
Average Care Bed Occupancy ²	91.8%	92.5%	92.4%	90.0%
Underlying EBITDAR per Care Bed ³ (000s)	\$19.9	\$19.9	\$19.5	\$17.2
Number of Units (period end) ⁴	148	101	76	73
Number of new Unit sales	-	4	6	8
Number of existing Unit resales	8	8	7	-
Realised gains on resales (m)	\$0.8	\$0.4	\$0.5	-
Realised development margins (m)	-	\$0.1	\$0.3	\$0.4
Cash DMF realised upon resale (000s)	\$295	\$476	\$525	-
Average resale price (000s)	\$464	\$389	\$407	-
Average new unit sale price (000s)	-	\$403	\$408	\$403

Accommodation Supplements				
	FY23	FY22	FY21	FY20
Accommodation Supplements Revenue	\$7.9m	\$6.8m	\$5.6m	\$4.9m
Number of Care Beds (period end) ¹	1,889	1,784	1,715	1,704
Number of Available Care Beds with Accommodation Supplements	1,287	1,174	1,146	1,138
Percentage of Care Beds with Accommodation Supplements	68.1%	65.8%	66.8%	66.8%

1 Comprises Care Beds occupied, available to be occupied or unavailable due to refurbishment
2 Total occupied Care Bed days divided by total Care Bed days available during the period
3 Pro forma Underlying EBITDAR for aged care (as set out in the lower right table) divided by the average number of Care Beds occupied during the period

DMF terms for Retirement Village units				
<ul style="list-style-type: none"> 30% over three years average resident tenure during FY23 is 4.2 years 				
Revenue Split				
\$m	FY23	FY22	FY21	FY20
Aged Care	142.3	130.6	119.5	112.2
Retirement Village	2.8	2.0	1.6	1.1
Other	1.2	0.8	1.2	0.7
Total revenue⁵	146.3	133.4	122.3	114.0

4 Comprises Units occupied, available to be occupied or unavailable due to refurbishment
5 Total revenue excludes Other income

Financials

Statement of Comprehensive Income

- Underlying EBITDA up 32% to \$14.2m.
- Reported Net Loss After Tax of (\$2.1m) down from a profit of \$2.7m in FY22 due to property revaluations and higher interest costs.
- Underlying EBITDAR per Care Bed flat at \$19.9k.

(\$000)	FY23	FY22	FY21
Revenue			
Revenue from contracts with customers	144,467	132,052	121,217
Deferred management fees	1,801	1,328	1,081
Total revenue	146,268	133,380	122,298
Change in fair value of investment property	765	1,088	2,879
Government subsidy received	189	-	794
Interest income	67	62	71
Gain on acquisition of previously leased property assets	1,781	1,403	-
Gain on business acquisition	927	-	-
Total revenue and other income	149,997	135,933	126,042
Expenses			
Employee costs	(93,097)	(82,368)	(74,457)
Depreciation expense	(9,979)	(11,194)	(11,552)
Finance costs	(12,479)	(9,091)	(9,706)
Loss on valuation of revalued land and buildings	(3,028)	-	-
Other expenses	(34,398)	(30,199)	(28,298)
Total expenses	(152,981)	(132,852)	(124,013)
Profit/(Loss) before income tax	(2,984)	3,081	2,029
Income tax refund/(expense)	878	(408)	(324)
Profit/(Loss) for the year	(2,106)	2,673	1,705
Other comprehensive income for the year			
<i>Items that will not be reclassified subsequently to profit and loss</i>			
Revaluation of property, plant and equipment, net of tax	3,558	-	1,104
Income tax on other comprehensive income	(874)	-	-
Other comprehensive income for the year	2,684	-	1,104
Total comprehensive income	578	2,673	2,809

Financials

Statement of Financial Position

- Investment properties of \$70.1m, up \$24.1m from FY22.
- Property, plant and equipment of \$133.9m, up \$60.0m from FY22.
- Lease liabilities of \$121.5m, down from \$142.5m in FY22.

(\$000)	FY23	FY22	FY21
Assets			
Cash and cash equivalents	515	2,088	2,761
Trade and other receivables	13,071	9,882	7,181
Held for sale assets	891	-	-
Inventories	753	768	548
Current tax asset	1,321	-	-
Investment properties	70,143	46,014	31,675
Property, plant and equipment	133,870	73,839	33,459
Right-of-use assets	112,464	133,912	177,170
Intangible assets	19,797	19,757	16,996
Deferred tax assets	3,770	3,885	3,635
Total assets	356,595	290,145	273,425
Liabilities			
Cash and cash equivalents (overdraft)	2,894	-	-
Trade and other payables	20,543	16,901	14,911
Current tax liabilities	-	444	1,135
Borrowings	97,687	30,000	27,212
Deferred management fees	6,973	1,553	1,178
Refundable occupation right agreements	34,104	28,616	20,591
Lease liabilities	121,530	142,543	184,305
Total liabilities	283,731	220,057	249,332
Net assets	72,864	70,088	24,093
Equity			
Share capital	56,813	51,732	5,932
Reserves	9,529	6,812	6,812
Retained earnings	6,522	11,544	11,349
Total equity	72,864	70,088	24,093

Financials

Statement of Cash Flows

(\$000)	FY23	FY22	FY21
Cash flows from operating activities			
Receipts from residents for care fees and village fees	140,699	129,796	122,337
Receipts of Government subsidy	1,269	-	1,210
Payments to suppliers and employees	(124,697)	(111,696)	(101,161)
Proceeds from the sale of Refundable Occupation Right Agreements	3,715	4,726	3,927
Payments for the repurchase of Refundable Occupation Right Agreements	(2,847)	(1,766)	(464)
Interest received	67	62	71
Interest paid – borrowings	(6,506)	(1,436)	(883)
Interest paid – lease liabilities	(5,934)	(7,655)	(8,823)
Income tax paid	(1,729)	(2,154)	(1,744)
Net cash provided by operating activities	4,037	9,877	14,470
Cash flows from investing activities			
Proceeds from the sale of property, plant and equipment	7	50	54
Acquisitions, net of cash acquired, and other	(500)	(14,000)	-
Payments for the purchase of property, plant and equipment	(58,681)	(38,431)	(4,140)
Payments for village developments	(53)	(411)	(965)
Net cash used in investing activities	(59,227)	(52,792)	(5,051)
Cash flows from financing activities			
Proceeds from issue of shares capital	-	48,229	-
Share issue transaction costs	-	(2,429)	-
Proceeds from bank borrowings	56,169	2,788	-
Repayment of bank borrowings	-	-	(4,215)
Principal payments of lease liabilities	(2,554)	(3,868)	(4,028)
Dividends paid	(2,892)	(2,478)	(732)
Net cash provided by/(used in) financing activities	50,723	42,242	(8,975)
Reconciliation of cash and cash equivalents			
Cash and cash equivalents at beginning of the year	2,088	2,761	2,317
Net (decrease)/increase in cash and cash equivalents held	(4,467)	(673)	444
Cash and cash equivalents at end of year	(2,379)	2,088	2,761

Financials

Underlying Earnings and AFFO Calculation

(\$000)	FY23	FY22	FY21
Net Profit Before Tax	(2,984)	3,081	2,029
Remove: Change in fair value of investment property	(765)	(1,088)	(2,879)
Remove: Gain on acquisition of previously leased properties	(1,781)	(1,403)	-
Remove: Gain on business acquisition	(927)	-	-
Remove: Loss on revaluation	3,028	-	-
Include: Realised gains on asset sales	796	351	480
Include: Realised development margins	-	90	343
Remove: Depreciation expense	9,979	11,194	11,552
Remove: Interest Income	(67)	(62)	(71)
Remove: Interest Expense	12,479	9,091	9,706
Include: Pre-NZ IFRS 16 operating lease expense	(8,488)	(11,522)	(12,850)
EBITDA	11,270	9,732	8,310
Underlying Adjustments:			
COVID-19 Adjustments	1,588	730	(204)
Other Adjustments	1,344	278	2,395
Underlying EBITDA	14,202	10,740	10,501
Net interest expense (bank and other loans)	(6,439)	(1,374)	(812)
Current tax expense	18	(1,331)	(2,155)
Income tax impact from adjustments	(736)	(282)	(270)
Maintenance capital expenditure	(3,068)	(3,574)	(3,543)
AFFO	3,977	4,179	3,721

Directory of facilities

LEASED								
FACILITY	LOCATION	CARE BEDS	UNITS	CURRENT LEASE TERM	TIME TO NEXT RENEWAL	RIGHTS OF RENEWAL	TIME TO FINAL EXPIRY	LANDLORD
Kensington	Hamilton	96	-	10 yrs	1.1 yrs	2 x 10 yrs	11.1 yrs	A
Potter Home	Whangarei	55	-	20 yrs	6.6 yrs	2x 15 yrs	36.6 yrs	B
Rimu Park	Whangarei	55	-	20 yrs	6.6 yrs	2x 15 yrs	36.6 yrs	B
Waipuna	Auckland	86	-	30 yrs	23.8 yrs	-	23.8 yrs	C
Hampton Court	Napier	45	-	10 yrs	5.9 yrs	-	5.9 yrs	D
Baycare	Northland	45	-	12 yrs	3.0 yrs	3x 12 yrs	39.0 yrs	E
Matua	Tauranga	149	-	30 yrs	19.6 yrs	-	19.6 yrs	F
Althorp	Tauranga	117	-	15 yrs	5.4 yrs	3x 10 yrs	35.4 yrs	G
Millstream ¹	Ashburton	80	-	35 yrs	28.3 yrs	-	28.3 yrs	H
Millstream Apartments ¹	Ashburton	19	-	5 yrs	1.4 yrs	2x 5 yrs	11.4 yrs	H
Glaisdale	Hamilton	80	-	15 yrs	9.2 yrs	2x 15 yrs	39.2 yrs	I
Hawthorne	Christchurch	94	-	10 yrs	7.1 yrs	2x 10 yrs	17.1 yrs	J
Total leased		921	-	n/a	n/a	n/a	n/a	
Average leased		77	-	17.7 yrs	9.8 yrs	n/a	25.4 yrs	

¹ Millstream and Millstream Apartments are one facility but Millstream Apartments has a separate lease to the main facility.

Directory of facilities

OWNED			
FACILITY	LOCATION	CARE BEDS	UNITS
St Helenas	Christchurch	52	-
Thornleigh Park	New Plymouth	87	-
Lexham Park	Katikati	63	-
Heatherlea	New Plymouth	55	-
Taupaki Gables	Kumeu	60	-
Windsor Court	Ohaupo	76	-
Elloughton Gardens	Timaru	86	-
Clare House	Invercargill	69	-
Clare House Village	Invercargill	-	26
Arran Court	Auckland	102	-
Peppertree	Palmerston North	62	-
St Joans	Hamilton	82	-
Fulton Home	Dunedin	93	-
Windsor Court Village	Ohaupo	-	22
Elloughton Grange Village	Timaru	-	54
Matamata Country Lodge	Matamata	81	-
Matamata Retirement Village	Matamata	-	46
Total owned		968	148
Average owned		74	37

TOTAL		
FACILITY	CARE BEDS	UNITS
Leased	921	-
Owened	968	148
TOTAL	1,889	148

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This presentation sets out information relating to Radius Care's full year result for the period to 31 March 2023. As such, it should be read in conjunction with the preliminary results for Radius Care and its subsidiaries for the period ended 31 March 2023 ("**Preliminary Results**") and other material that Radius Care has released to NZX along with this presentation. That material is also available at www.radiuscare.co.nz.

In certain sections of this presentation, Radius Care has chosen to present certain financial information exclusive of the impact of significant items. A number of non-GAAP financial measures are used in this presentation which are used by management to assess the performance of the business and have been derived from the Preliminary Results. You should not consider any of these financial measures in isolation from, or as a substitute for the information provided in the Preliminary Results.

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