

27 November 2023

### Radius Care Delivers 50% Uplift in First Half Year Underlying EBITDA

Radius Residential Care Limited (NZX: RAD) today announced its results for the six months ended 30 September 2023, the first half of the FY24 year.

#### Highlights:

- Underlying EBITDA of \$10.5m<sup>1</sup>, 50% up on comparative period and at the upper end of guidance issued to the market.
- AFFO of \$2.9m, 16% up on comparative period.
- Occupancy 93.0% at period end, ahead of industry average.
- Execution of business improvement programme, delivering \$1.3m annual savings.
- All facilities now fully staffed.
- Establishment of RConnect, Radius internal staffing bureau.

“We are a specialist care provider with a clear focus on our core business. Radius Care has once again delivered industry leading results and a strong financial performance, which is a testament to our exceptional people who have continued to deliver exceptional care to our residents” said Andrew Peskett, Radius Care’s CEO.

#### People

“I want to give immense thanks to our staff for their resilience over the last few years and the way they’ve continued to offer the very best of Radius Care to our residents every day. The results we’ve achieved point to our operational capability as well as the commitment of our team”.

Radius Care is fully staffed. The overseas nurse recruitment programme was intensified last year and Internationally Qualified Nurses were successfully recruited to fill all vacancies. These new team members have completed their New Zealand accreditation as Registered Nurses and are leading the exceptional Radius Care provided to our residents.

#### Business Performance

Radius Care’s business has delivered strong growth across its key metrics.

Occupancy levels remained strong and above industry averages. Occupancy for September averaged of 93.0%. The strong operating performance was assisted by staffing stability, reduced external staffing costs and improved mix. We also increased our accommodation supplement revenue for our premium rooms, and new funding levels in place from 1 July 2023 boosted revenue in the second quarter.

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<sup>1</sup> Underlying EBITDA is a non-GAAP (unaudited) financial measure. A reconciliation is included within the Investor Interim Report and the Investor Presentation.

“The establishment of RConnect has been a highlight of the first half year. Our internal staffing bureau has been a key factor in controlling our cost base, through reducing external staffing costs. More recently, RConnect is also sourcing staff for external customers” said Mr Brien Cree, Radius Care’s Executive Chair.

“The quality of our operating performance and financial results of the last six months demonstrate the value of our clear focus on our core business. We’re continuing to position our operations in line with Radius Care’s strategy to deliver accelerated growth and continue to go from strength to strength”.

### **Financial Performance**

Revenue increased 21% on the prior period to \$84.5m excluding other income.

Radius Care’s key performance measure, Underlying EBITDA, was \$10.5m, compared to \$7.0m achieved for the comparative period. The result was driven by stronger operating metrics across the business.

AFFO of \$2.9m was earned, 16% up on the \$2.5m earned in the comparative period.

Net Profit After Tax was \$1.4m, down 18% on \$1.7m for the comparative period, which included \$1.8m of one-off gains related to previously leased properties.

Radius Care recently confirmed the short-term bridge facilities held with ASB Bank had been extended for four months to be repaid on 31 January 2024, recognising the progress on Radius Care’s debt management programme. The sale of one care home is due for settlement on 16 January 2024, and the expected net sale proceeds of approximately \$19m will repay debt. With the Board actively progressing the sale of another care home, Radius Care will be in a stronger position and able to progress its planned growth strategy more rapidly.

### **Development Update**

During the last two years, Radius Care has completed four large property transactions, acquiring the land and buildings of eight care homes that were previously leased, and the acquisition of two integrated care homes and retirement villages. These acquisitions have increased the opportunities for brownfield developments to expand these facilities without adding significant additional fixed overhead.

Planning, preparation and consenting has continued on brownfield developments at Taupaki Gables in West Auckland and Lexham Park in Katikati, which will extend these sites. Advance planning is also continuing for the previously announced full-service retirement village and care home in Belfast, Christchurch.

### **Outlook**

Radius Care expects the improved operating results and momentum in the first half of FY24 to continue for the remainder of the year.

The Board expects to resume dividend payments following completion of the debt management programme.

ENDS

### **RADIUS RESIDENTIAL CARE LIMITED**

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### 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 24 aged care facilities, of which it owns 13 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 1,900 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.