Estia Health

H1 FY23 Financial Results
21 February 2023

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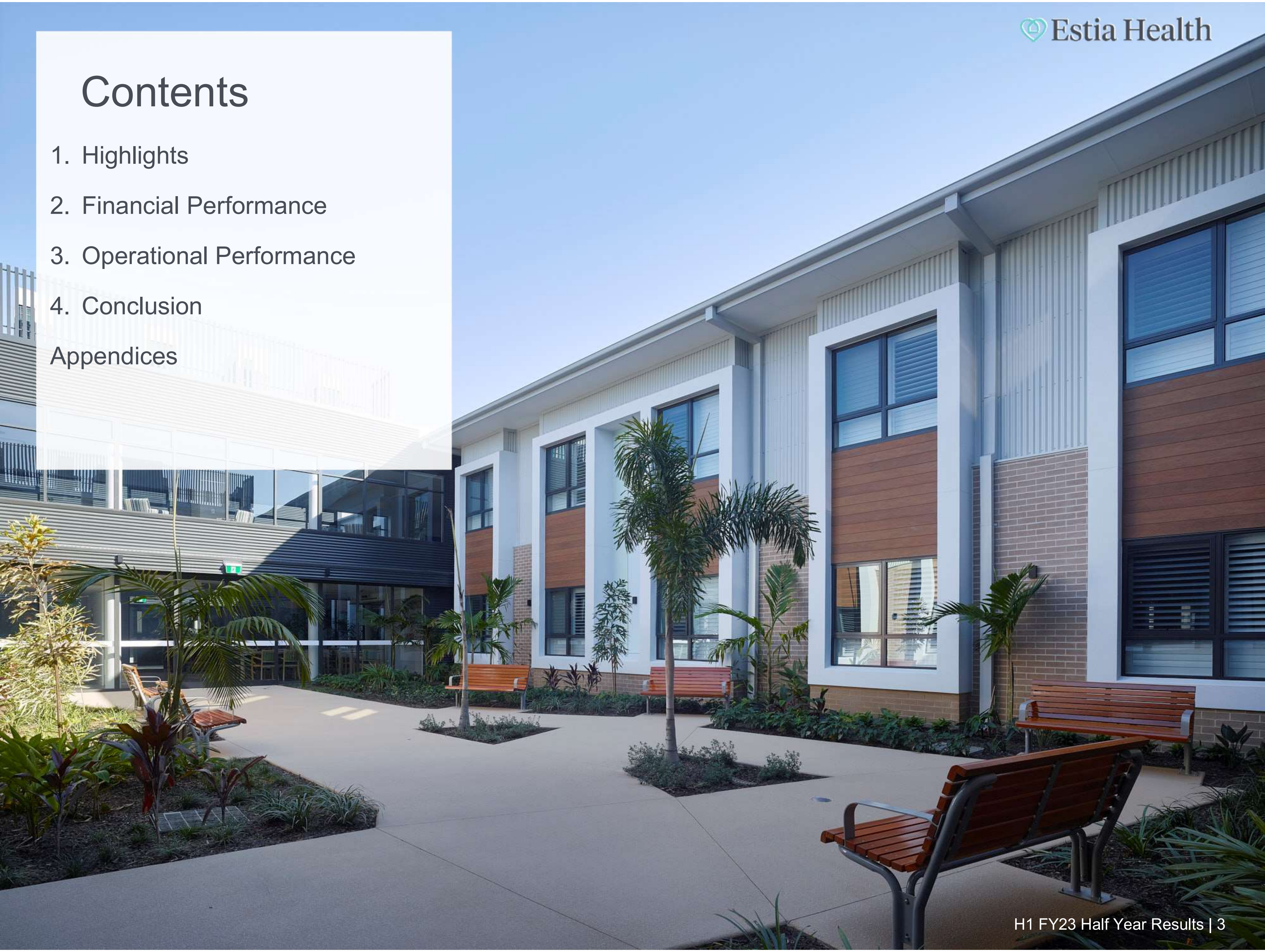
Estia Health Limited
Level 9, 227 Elizabeth Street, Sydney NSW 2000
The release of this information pack has been authorised by the Estia Health Limited Board of Directors



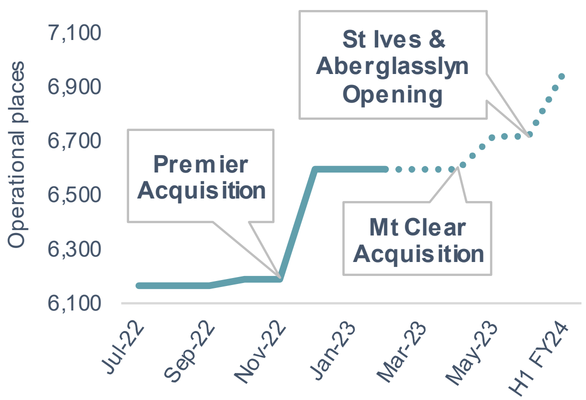
Estia Health

Contents

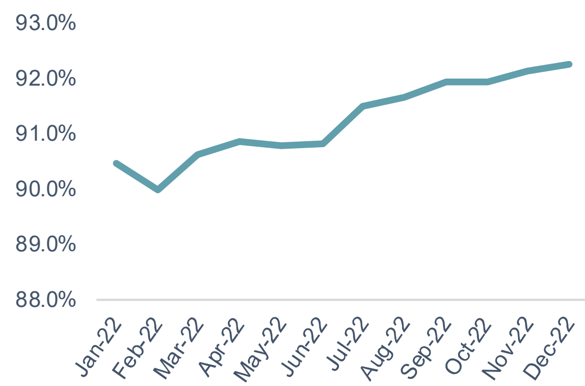
Highlights

- Positive momentum in key indicators driving higher revenue and improvement in margin
- Capacity increase:
  - Successful integration of Premier Health Care homes
  - Mount Clear, Ballarat acquisition announced today
- Increased RAD inflows and COVID-19 grant approvals support a strong balance sheet
- Interim dividend 3.7 cps declared
- On-Market Share Buy Back proposed to recommence 1 April 2023
- ESG:
  - First Sustainability Report published Dec '22
  - LTIFR improvement to 7.3 (industry average 24.8), reflecting active management and investment

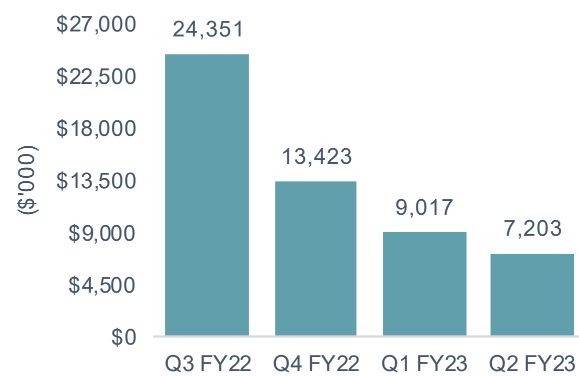
Portfolio Size



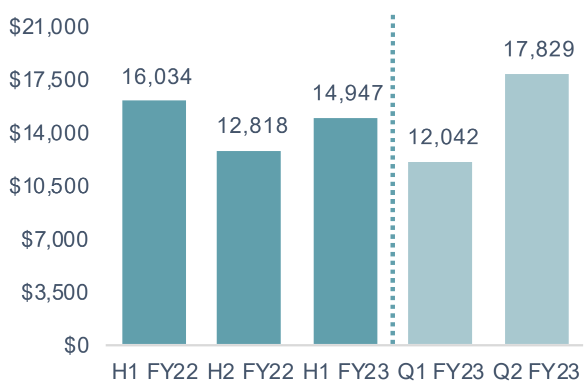
Occupancy



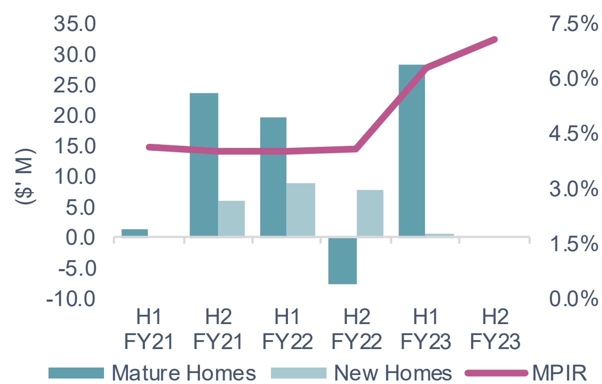
COVID-19 Costs



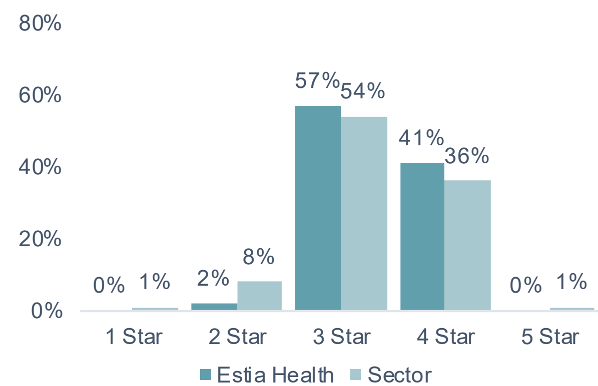
Annualised EBITDA POB[1]



Net RAD Inflows



Star Ratings



1 Represents annualised EBITDA per mature occupied bed prior to COVID-19 impacts

H1 FY23 - Financial Outcomes

91.9% Average Occupancy

- Continued increase from COVID-19 lows
- 94.6% average outside of Victoria
- Spot occupancy on mature portfolio at 17 February 2023 is 92.9%

$28.5m net RAD inflows

- Increase of $36.3m in current resident RAD balances – excluding RADs assumed from the Premier Health Care acquisition
- Probate reduction of $8.7m

$323 total revenue POBD

- Reflects AN-ACC from 1 October 2022
- MPIR increased to 7.06% from 1 January 2023
- Q2 Average Revenue was $331.50 POBD, an increase of $25.30 or 8% from FY22 average

$59.7m Net Debt[1]

- $103.2m after adjusting for prepaid January subsidies of $43.5m
- Includes full settlement of the Premier Health Care Acquisition of ~$60.5m

$16.3m COVID-19 Expenses > 50% reduction on PCP

- $13.3m of grant claims submitted to recover ~80% of these costs
- Costs per day and scale of outbreaks significantly decreased
- Number of days in outbreak reducing

$9.6m NPATA[4]

- Underlying NPATA, excluding acquisition costs and bed licence amortisation
- Post-ANACC and prior period COVID-19 Grants, Q2 NPATA $13.1m

$14,947 EBITDA[2,3] annualised POB ex COVID-19 costs and grants

- Post AN-ACC, Q2 average $17,829 EBITDA annualised POB
- Excluding COVID costs and grants and acquisition costs:
    - H1FY23 EBITDA - $42.8m
    - Q2FY23 EBITDA - $25.6m

3.7 cps interim dividend

- Reinstated interim dividend represents 100% of NPATA excluding acquisition costs
- Fully-franked

1 Net Debt is defined as bank borrowings and overdrafts less cash and cash equivalents
2 Represents the Annualised EBITDA - Mature homes per operating bed excluding COVID-19 incremental costs and grants revenue. A reconciliation of Operating Profit to EBITDA - Mature homes is provided in Appendix B. EBITDA – Mature homes is defined as Earnings before Interest, Tax, Depreciation, Amortisation, specified non-recurring items and imputed DAP revenue on RAD/bond balances resulting from the adoption of AASB 16
3 Mature Homes (which excludes homes from the date of closure) are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year
4 Defined as Net Profit after tax before bed license amortisation and acquisition costs

Acquisitions

Mount Clear Acquisition – 120 places Ballarat, Victoria.

- New build, completed 2019, opened 2020, entirely single ensuite
- Ballarat third largest city in Victoria, >110,000 people
- ~95% occupancy (December 2022) having recently completed ramp-up
- Initial cash settlement[1] ~$17.9m, expected to reduce to $15m in the short term as recent admissions settle RAD payments
- $250k gross cost per place (before RAD/employee deductions, excludes acquisition costs)
- Expected ~$15m RAD liability and ~$0.2m employee liabilities assumed
- ~$3.0m annual EBITDA based on H1 FY23 pre-acquisition performance
- Net purchase price represents ~5 times EBITDA
- Expected to settle 1 May 2023

Premier Health Care Acquisition– 409 places Update

- 409 additional resident places across four high-quality homes in existing operating clusters in SA and QLD
- Settlement completed as planned on 1 December 2022
- Final cash outlay represents a discount to the current cost of constructing new beds
- $46.9m of RADs assumed
- Transaction costs of $6.3 million, predominantly stamp duty, expensed immediately under Accounting Standards
- Successfully integrated into Estia Health's management structures, system and processes with the transition to the Group's digital care system scheduled for H2 FY23
- Occupancy increased by 2.7% since 1 December 2022 settlement
- RAD balance increased by $2.3m at 17 February 2023
- Homes performing as expected

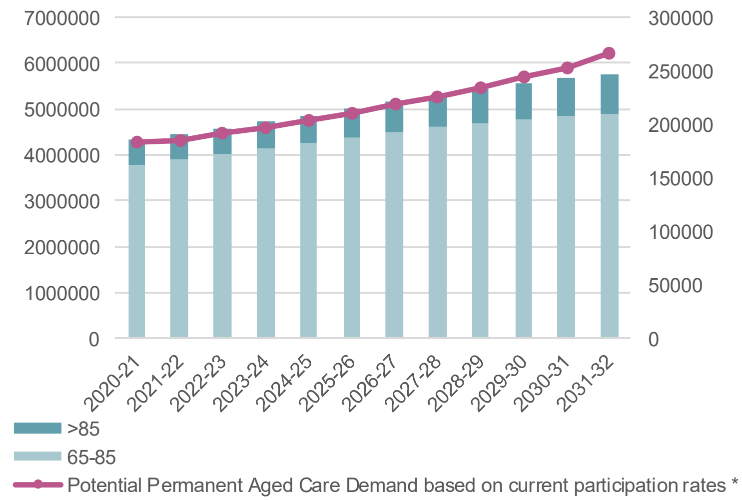
1 Represents estimated cash consideration net of cash acquired

Demographic Trends and Demand

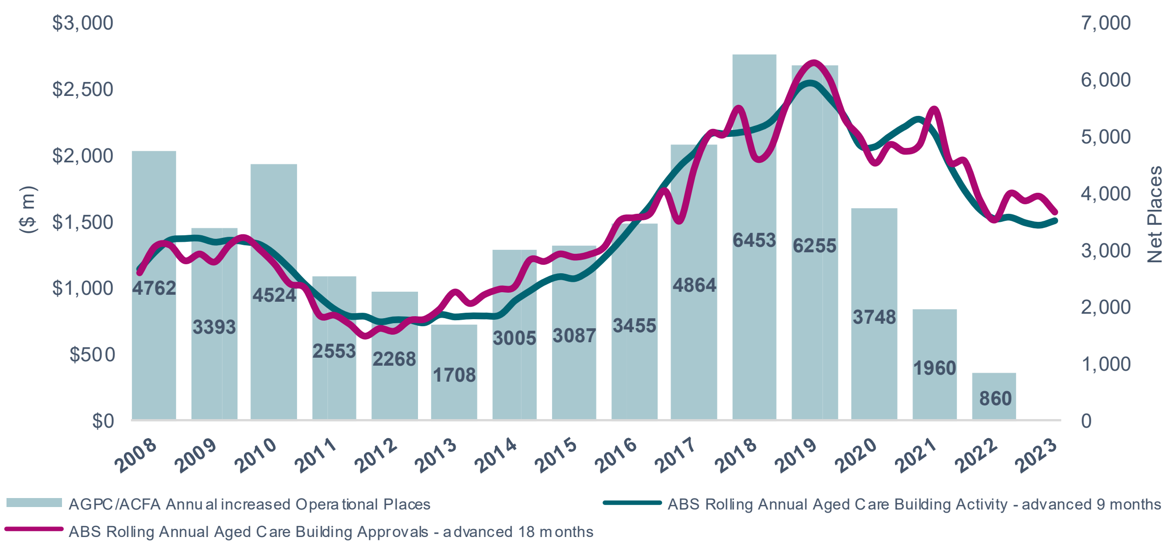
Ageing demographic is expected to increase the number of Australians likely to require residential aged care in the coming years

- The ageing of the Australian population and the influence of the "baby boomer" generation will result in a significant increase in Australia's aged population
- If current participation rates are maintained, the potential growth in residents requiring access to permanent aged care could increase from ~188,000 at 30 June 2021 to in excess of 250,000 by 30 June 2032 – an increase of ~33%
- Even with a lower level of utilisation assumed for residential aged care, there is still expected to be solid growth in demand
- ACFA, in its ninth (and final) report in June 2021[3], estimated that up to 25% of the then existing operational places required substantial refurbishment or replacement
- Since 2019, there has been a significant reduction in new supply entering the market (together with the exit of some providers), which is not expected to materially alter in the short to medium term as higher construction costs challenge feasibilities and perceived regulatory uncertainty impact sentiment

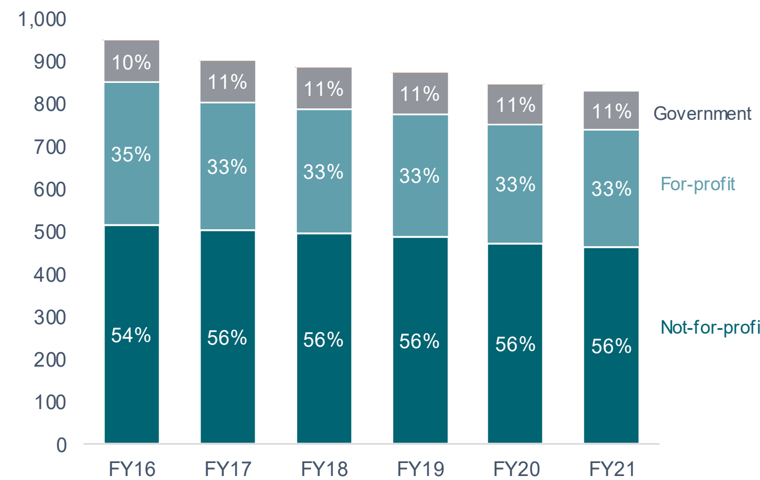
Australia Ageing Population 2021-2032[2]



Advanced rolling annual aged care approvals and completed works vs net place additions[3,4,5]



Residential aged care providers (number of providers)[1]



1 Department of Health and Welfare – People using aged care
2 Australia Government – Centre for Population – National Population Projections 2021
3 ACFA - Ninth Report on the Funding and Financing of the Aged Care Industry – July 2021
4 AGPC - Report on Government Services 2023
5 ABS – September 2022 and December 2022
* Estia Health calculation

Reform

Key Reform areas impacting future financial performance – legislation largely finalised

1. The **abolition of ACAR** restrictive licensing regime, largely already in effect through transitional arrangements;

2. The replacement of **ACFI with AN-ACC,** a case-mix model with independent assessment of residents implemented in October 2022;

3. Government-published **Star Rating System** for all homes effective December 2022;

4. Expansion of the role of the **Independent Hospital and Aged Care Pricing Authority** to provide pricing recommendations to the Government in relation to aged care services to take effect from July 2023; and

5. Introduction of **mandated minimum care minutes** from October 2023:

   - Government defined care minutes includes only RNs, ENs and Personal care Assistants and excludes Allied Health, lifestyle and hospitality staff

   - Current sector care minutes are estimated to be 12-14% below the proposed mandated minimum of 200 minutes/day (moving to 215 mins in October 2024)[1]

   - It remains questionable that the available workforce will be sufficient to meet the requirements across the sector

   - IHACPA will need to consider the costs of required care minutes in their pricing recommendations to maintain sector sustainability and encourage future investment

   - Care models and supporting cost structures will likely need to be considered by providers in light of the mandating of inputs

1 Estimate provided by StewartBrown

2. Financial performance

Summary P&L account

Estia Health

	H1 FY23 6 months $'000	H2 FY22 6 months $'000	H1 FY22 6 months $'000	H1 FY23 vs H2 FY22 $'000	H1 FY23 vs H1 FY22 $'000
Government revenue - excluding temporary funding and grants	255,197	232,398	240,127	9.8%	6.3%
Government revenue - temporary funding / current period grants	610	981	-	(37.8%)	100.0%
Resident and other revenue[1]	81,681	72,632	76,372	12.5%	7.0%
Total operating revenues and current period grants	**337,488**	**306,011**	**316,499**	**10.3%**	**6.6%**
Employee benefits expenses	(241,224)	(221,671)	(222,362)	8.8%	8.5%
Non-wage expenses	(53,513)	(49,460)	(48,585)	8.2%	10.1%
COVID-19 incremental costs	(16,220)	(37,774)	(12,049)	(57.1%)	34.6%
EBITDA - Mature Homes[2,3]	**26,531**	**(2,894)**	**33,503**	**(1016.8%)**	**(20.8%)**
Net gain/(loss) from asset disposals and home closures	(1)	-	166	(100.0%)	(100.6%)
Net gain from homes acquired and new homes in ramp-up[4]	484	661	540	(26.8%)	(10.4%)
EBITDA before COVID-19 grants for prior period expenses and acquisition costs	**27,014**	**(2,233)**	**34,209**	**(1309.8%)**	**(21.0%)**
Depreciation, amortisation and impairment (excluding bed licence amortisation)	(22,722)	(23,396)	(21,726)	(2.9%)	4.6%
Net finance costs	(4,063)	(3,544)	(3,426)	14.6%	18.6%
Profit/(loss) before income tax, COVID-19 grants for prior period expenses, acquisition costs and bed licence amortisation	**229**	**(29,173)**	**9,057**	**(100.8%)**	**(97.5%)**
Associated income tax credit / (expense)	(222)	8,580	(2,922)	(102.6%)	(92.4%)
Profit/(loss) for the period before COVID-19 grants for prior period expenses, acquisition costs and bed licence amortisation	**7**	**(20,593)**	**6,135**	**(100.0%)**	**(99.9%)**
COVID-19 grants for prior period expenses	13,703	6,907	-	98.4%	100.0%
Associated income tax expense	(4,111)	(2,072)	-	98.4%	(100.0%)
Profit/(loss) for the period before acquisition costs and bed licence amortisation	**9,599**	**(15,758)**	**6,135**	**(160.9%)**	**56.5%**
Acquisition costs	(6,580)	-	-	(100.0%)	(100.0%)
Bed Licence amortisation	(40,233)	(40,233)	(20,116)	0.0%	100.0%
Associated income tax credit	11,921	11,740	5,870	1.5%	103.1%
Profit/(loss) for the period	**(25,293)**	**(44,251)**	**(8,111)**	**(42.8%)**	**211.8%**
Total Occupied Bed Days - Mature homes[3]	**1,043,947**	**993,219**	**1,036,924**	**5.1%**	**0.7%**
Occupancy %	**91.9%**	**90.6%**	**92.6%**	**1.3%**	**(0.7%)**

Improving Trends

- **EBITDA** recovery, including COVID related costs, to $26.5m
- $31.5m (10%) increase in **revenue** compared to preceding 6 months generated from :
  - 50k more occupied mature bed days derived from: higher occupancy, increased capacity and additional days in the period
  - ~$10/day increase from AN-ACC from 1 October
  - Other Govt-set fee indexation of 4% from 1 October
  - MPIR increases in July and October
- ~$12m (5.2%) increase in **staff costs** (excluding capacity and additional days impacts) arising from:
  - Enterprise Agreement impacts
  - Increased agency and overtime costs driven by workforce shortages
- ~$2.4m (4.5%) increase in **non-wage expenses** (excluding capacity and additional days impacts) arising from inflationary pressures
- **COVID-19** incremental costs reduced by more than half as outbreak frequency and impact continues to reduce
- **Grant recovery** of FY22 costs increased to $13.7m, no recovery yet for FY23 costs though applications made for $13.2m
- **NPATA before acquisition costs** increases to $9.6m, which will be distributed as a fully franked interim dividend
- **Acquisition costs** relate primarily to stamp duty on the Premier Homes acquisition

1 Resident and other revenue excludes the impact of the imputed DAP revenue on RAD/Bond balances resulting from the adoption of AASB 16
2 A reconciliation of Operating Profit to EBITDA - Mature Homes is provided in Appendix B. EBITDA – Mature Homes is defined as Earnings before Interest, Tax, Depreciation, Amortisation, specified non-recurring items and imputed DAP revenue on RAD/bond balances resulting from the adoption of AASB 16
3 Mature Homes (which excludes homes from the date of closure) are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year
4 Includes $0.1m (H2 FY22 $0.4m, H1 FY22 $0.1m) of incremental COVID-19 costs incurred by homes in ramp-up
*** Excludes the income/net interest impact of Inputted RADS

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Underlying Financial Performance and Key Metrics

	Q1 FY23 3 months $'000	Q2 FY23 3 months $'000	H1 FY23 6 months $'000	H2 FY22 6 months $'000	H1 FY22 6 months $'000
Government revenue - excluding temporary funding and grant	123,619	131,578	255,197	232,398	240,127
Resident and other revenue[1]	40,121	42,170	82,291	73,613	76,372
Total Operating Revenues	**163,740**	**173,748**	**337,488**	**306,011**	**316,499**
Employee benefits expenses [2]	(120,133)	(121,091)	(241,224)	(221,671)	(222,362)
Non-wage expenses [2]	(26,457)	(27,056)	(53,513)	(49,460)	(48,585)
EBITDA Mature Homes (excl COVID-19 incremental costs)[1,2,3,4]	**17,150**	**25,601**	**42,751**	**34,880**	**45,552**
COVID-19 incremental costs (Mature Homes)	(9,017)	(7,203)	(16,220)	(37,774)	(12,049)
EBITDA Mature Homes [1,2,3,4]	**8,133**	**18,398**	**26,531**	**(2,894)**	**33,503**
Total Occupied Bed days	*519,826*	*524,121*	*1,043,947*	*993,219*	*1,036,924*
Permanent Occupied Bed Days	*477,719*	*487,440*	*965,159*	*928,575*	*972,823*
Mature Homes Occupancy	*91.7%*	*92.1%*	*91.9%*	*90.6%*	*92.6%*

Amounts are adjusted to exclude the impact of direct COVID-19 incremental costs and associated grants

Operational statistics [5]	Q1 FY23 3 months	Q2 FY23 3 months	H1 FY23 6 months	H2 FY22 6 months	H1 FY22 6 months
Permanent AN-ACC revenue ($ pobd)		$ 223.72			
Govt revenue - exc temporary funding and grants ($ pobd)	$ 237.81	$ 251.04	$ 244.45	$ 233.98	$ 231.58
Resident and other revenue[1] ($ pobd)	$ 77.18	$ 80.46	$ 78.83	$ 74.12	$ 73.65
Total Operating Revenues ($ pobd)	**$ 314.99**	**$ 331.50**	**$ 323.28**	**$ 308.10**	**$ 305.23**
Employee benefits expenses [2] ($ pobd)	$ 231.10	$ 231.04	$ 231.07	$ 223.18	$ 214.44
Non-wage expenses [2] ($ pobd)	$ 50.90	$ 51.62	$ 51.26	$ 49.80	$ 46.85
EBITDA ex COVID-19 incremental costs ($ pobd)	**$ 32.99**	**$ 48.84**	**$ 40.95**	**$ 35.12**	**$ 43.94**
EBITDA Mature Homes % of revenue[1,2,3,4] (%)	10.5%	14.7%	12.7%	11.4%	14.4%
Annualised EBITDA Mature Homes ($) (excl COVID-19 incremental costs)[1,2]	**$ 12,042**	**$ 17,829**	**$ 14,947**	**$ 12,818**	**$ 16,034**

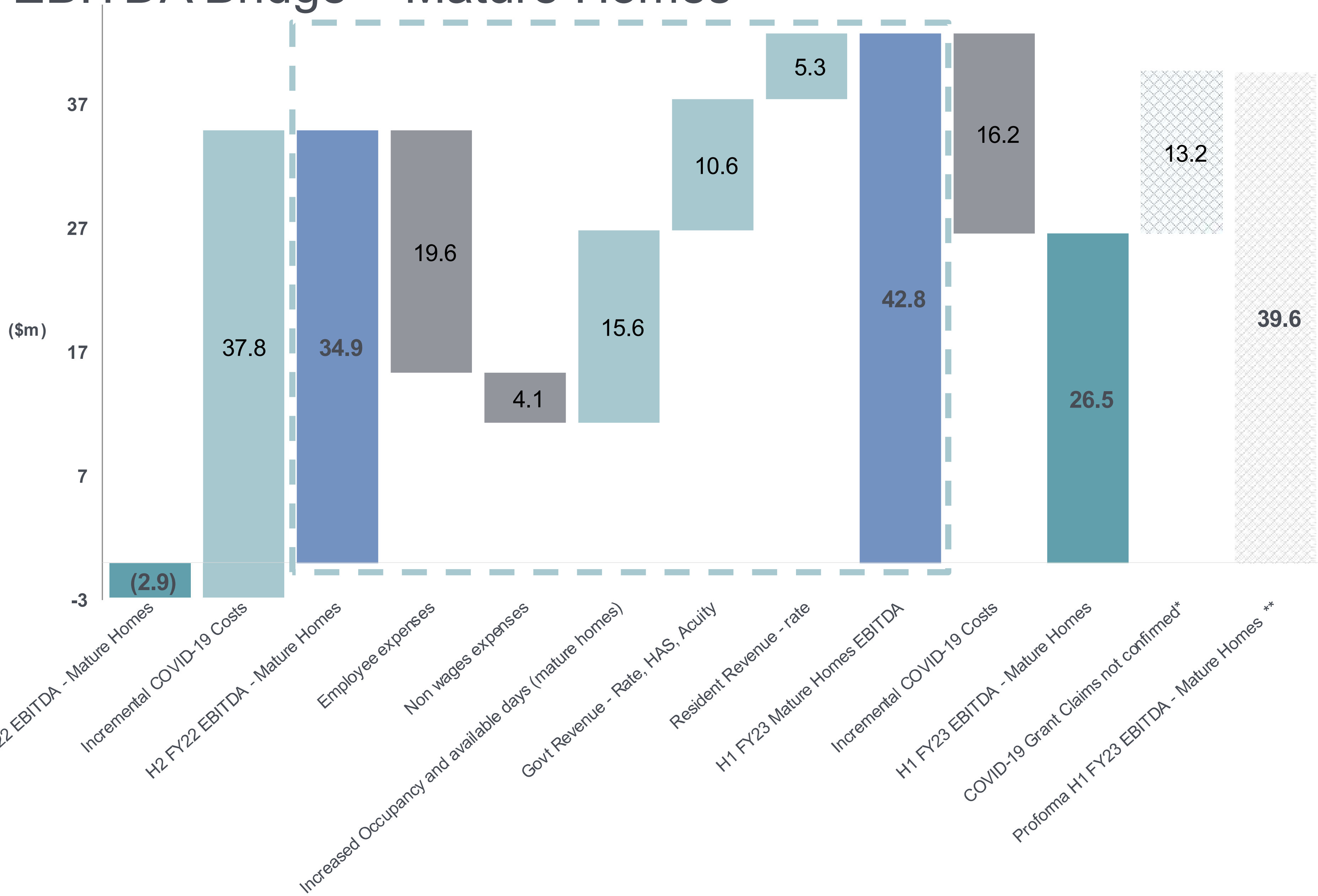
Key Observations

Q2 improvement compared to Q1 is significant across key metrics, most of which are expected to endure into H2.

- Steadily improving **occupancy** following July/August COVID wave
- $17/day increase in **daily revenue** resulting from:
  - Introduction of **AN-ACC** from 1 October with ~$10/day increase in daily rate compared to prior periods, ahead of mandatory care minutes
  - ~4% indexation from Oct '22 of other Govt-set fees including accommodation supplements and basic daily fee
- Staff and non-wage costs increase rates stabilised between Q1 and Q2.
- Reduced impact of COVID outbreaks and associated costs
- Q2 Annualised Mature Homes EBITDA increased to $17,829 Per Occupied bed, a $5,800 increase from Q1 at 14.7% margin

1 Resident and other revenue excludes the impact of the imputed DAP revenue on RAD/Bond balances resulting from the adoption of AASB 16
2 Employee benefits and non-wage expenses exclude incremental COVID-19 expenses and expenses for new homes in ramp-up/acquired and homes closed (from the date of closure)
3 A reconciliation of Operating Profit to EBITDA - Mature Homes is provided in Appendix B. EBITDA – Mature Homes is defined as Earnings before Interest, Tax, Depreciation, Amortisation, specified non-recurring items and imputed DAP revenue on RAD/bond balances resulting from the adoption of AASB 16
4 Mature Homes (which excludes homes from the date of closure) are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year
5 Permanent AN-ACC revenue POB is determined with reference to Permanent Occupied Bed Days. All other metrics are with determine with reference to Total Occupied Bed days

EBITDA Bridge – Mature Homes[1,2,3,4]



1. A reconciliation of Operating Profit to EBITDA - Mature homes is provided in Appendix B
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3. Mature Homes (which excludes homes from the date of closure) are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year
4. EBITDA – Mature home (Adj) is defined as EBITDA – Mature homes adjusted for the impact of temporary funding and/or grants and the direct costs associated with COVID-19

* Represents the estimated COVID-19 grant claims submitted but not yet confirmed or funded prior to 31 December 2022 relating to the period

** Proforma H1 FY23 EBITDA – Mature Homes – adjusted for the impact of COVID-19 grant claims submitted but not yet confirmed or funded prior to 31 December 2022

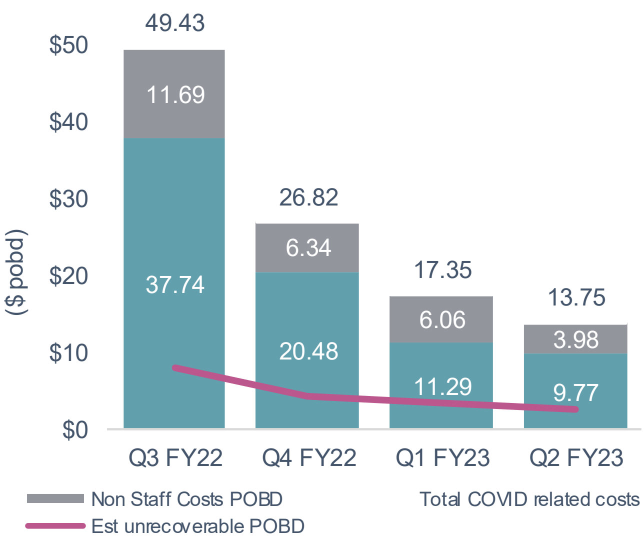
COVID-19 Costs and Grant Recovery

	Q3 FY22 3 months $'000	Q4 FY22 3 months $'000	Q1 FY23 3 months $'000	Q2 FY23 3 months $'000	H1 FY23 6 months $'000
Employee benefits expenses	18,594	10,250	5,869	5,119	10,988
Non-wage expenses	5,757	3,173	3,148	2,084	5,232
Total COVID-19 related expenses (Mature Homes)	**24,351**	**13,423**	**9,017**	**7,203**	**16,220**
Homes in ramp-up/new homes	-	560	-	117	117
Total COVID-19 related expenses (All Homes)	**24,351**	**13,983**	**9,017**	**7,320**	**16,337**
Estimated Grant Recovery (All Homes)	(20,802)	(11,565)	(7,321)	(5,942)	(13,263)
Estimated unrecoverable COVID-19 related costs	**3,549**	**2,418**	**1,696**	**1,377**	**3,074**
% Recovery	**85%**	**83%**	**81%**	**81%**	**81%**
Operational Statistics (Mature Homes) ($ pobd)					
Employee benefits expenses	$ 37.74	$ 20.48	$ 11.29	$ 9.77	$ 10.53
Non-wage expenses	$ 11.69	$ 6.34	$ 6.06	$ 3.98	$ 5.01
Total COVID-19 related expenses	**$ 49.43**	**$ 26.82**	**$ 17.35**	**$ 13.75**	**$ 15.54**
Estimated Grant Recovery	$ 41.52	$ 22.63	$ 14.08	$ 11.15	$ 12.61
Estimated unrecoverable COVID-19 related costs	**$ 7.91**	**$ 4.19**	**$ 3.27**	**$ 2.60**	**$ 2.93**

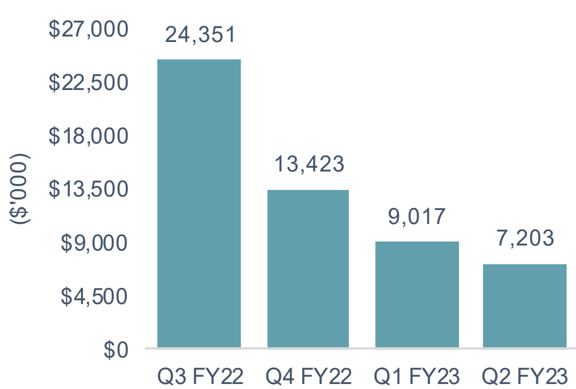
Reducing impact as pandemic eases

- The lower financial impact reflects reduced frequency, duration and severity of outbreaks - driven by easing of public health settings, high vaccination rates and anti-viral treatments
- Although the fourth Omicron wave impacted a high number of homes, the cost impact compared to the July/August wave was proportionately less as evidenced by the falling average cost POBD
- The recovery of some incremental costs through grant schemes reduces the ultimate impact, though the timing of grant approval and resultant income recognition results in a distortion of overall reported financial performance

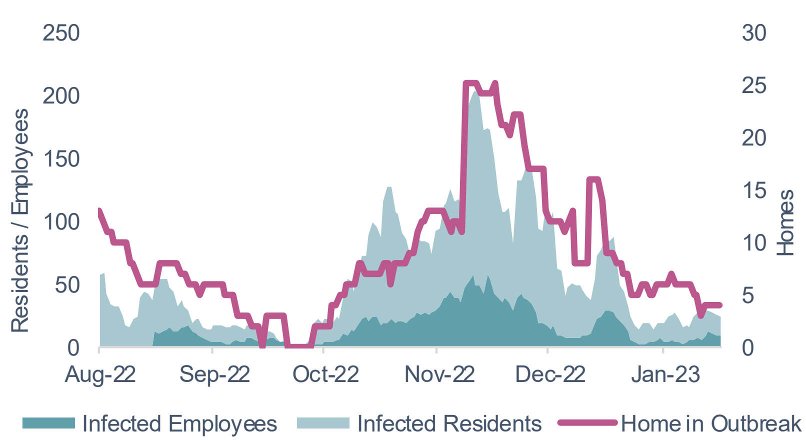
COVID-19 POBD Impacts[1]



COVID-19 Costs



Group COVID-19 Events and Impacts



1. COVID-19 POB impact are determined with reference to mature home incremental costs and estimated grant recoveries

COVID-19 Grant process and application status

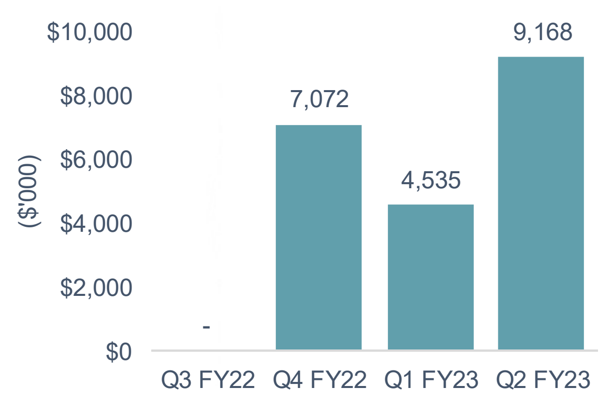
- Government grants provide for the recovery of *some* of the increased costs associated with COVID-19 outbreaks in specific homes but not for preventative measures taken outside of outbreak periods. The Government's stated targets of confirming grants within 6-8 weeks of submission are not being met and are now more than 7 months in arears.
- Based on previous experience and the processes adopted prior to submission of claims, including the independent assurance of its submissions of claims exceeding $150,000, the Group believes that its grant claims meet the eligibility criteria. To date, less than 3% by value of claims processed by the Government have not been accepted.
- The Government has announced that grant reimbursement of COVID-19 costs associated with outbreaks will be extended to 31 December 2023, with some minor amendments to existing criteria and an intended streamlining of the process.
- Total unprocessed grant submissions with the Government at present are $31.4m. Based on experience to date, the Group continues to hold the view that under Australian Accounting Standards, a grant claim will be recognised as income when a formal confirmation letter is received.

Current status of the Group's grant claims submitted and processed:

COVID-19 Grant Status

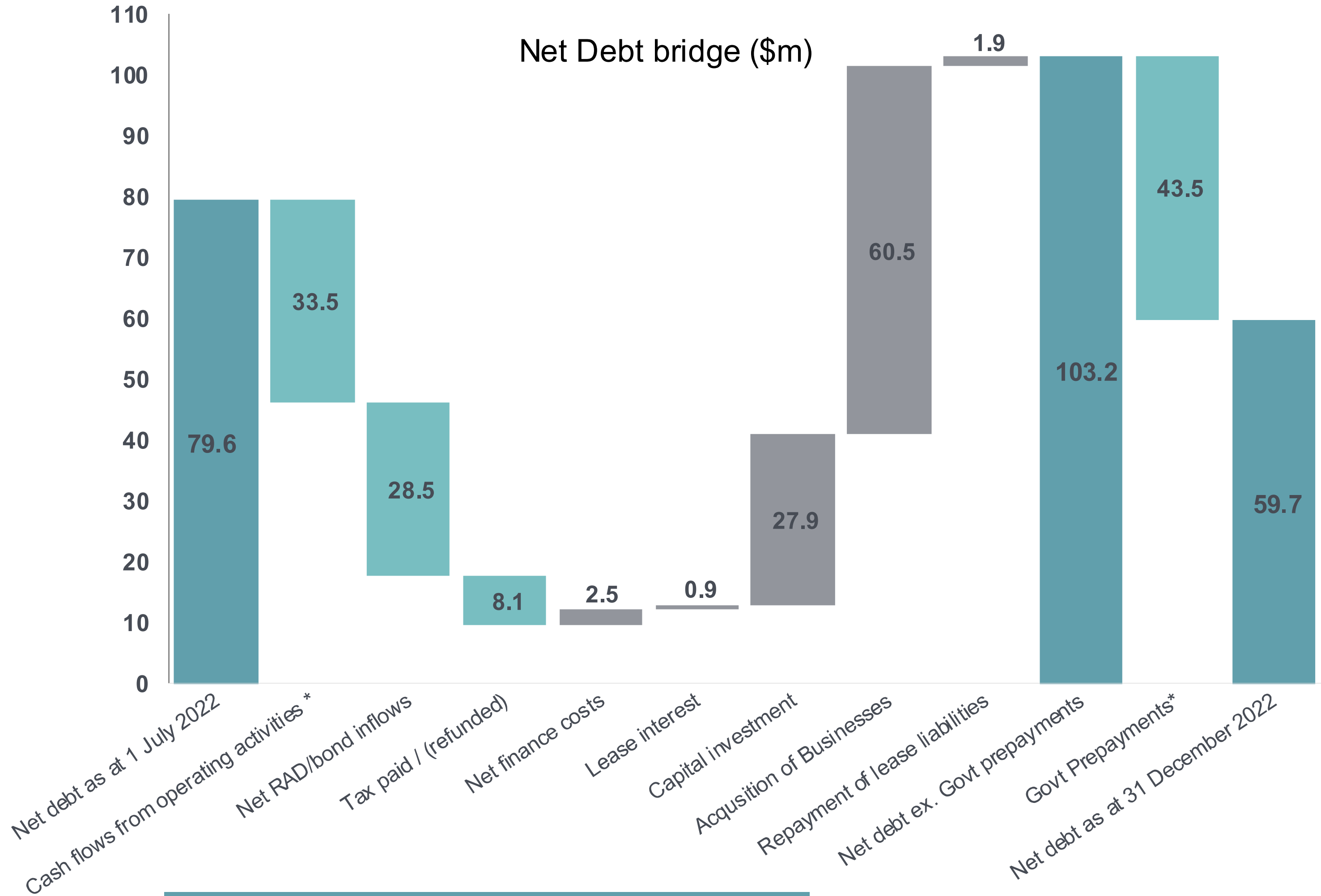
	H1 FY23 $'000	FY22 $'000
Confirmed & Recognised in FY22	-	7,072
Confirmed & Recognised in H1 FY23	-	13,703
Confirmed subsequent to 31 December 2022	90	2,080
Total Confirmed	**90**	**22,855**
Claims rejected	**-**	797
Applied for and still under assessment	13,173	18,196
Total Grants Applied for	**13,263**	**41,848**
Incremental COVID Costs	16,337	50,519
Net Unrecovered	3,074	8,671
% Unrecovered	19%	17%

COVID-19 Grants Approvals



Net Debt and Cash Flow

Sustained balance sheet strength and EBITDA to cash conversation enabling ongoing investment



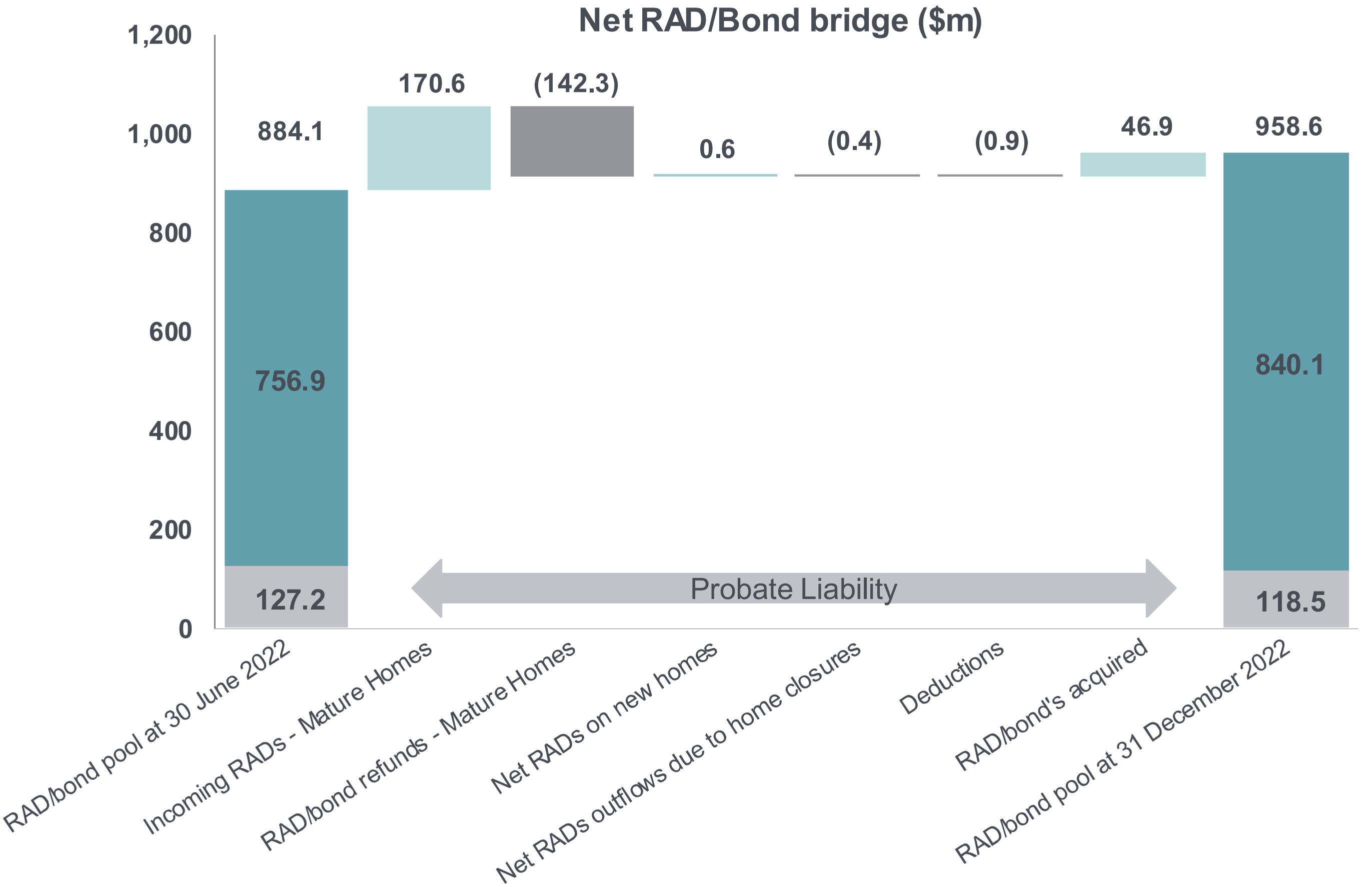
Capital investment	$m
Development (Greenfield)	13.1
Redevelopment (Brownfield)	4.5
Refurbishments	0.9
Home enhancement/Upgrades	9.4
Capital investment pre-acquisiton	**27.9**
Acquisition of Residential Aged Care Facility	60.5
Total Capital investment	**88.4**

Key observations

- Reported Net Debt of $59.7m benefits from $43.5m prepaid January government subsidies (consistent with prior years). Adjusting for this, Net Debt would be $103.2m at 31 December 2022
- Net debt levels reflect continued disciplined capital management
- Capital Investment includes:
  - $17.6m relating to capacity expansion
  - $10.3m on enhancement, upgrades and replacements
  - $60.5m for the Premier Health Care homes acquisition
- Sustained conversion of ~100% EBITDA to cash reflects low working capital needs
- Positive RAD flows of $28.5m
- Net Debt will benefit from the expected $31.4m of grant recovery claims for costs already incurred which are currently with the Government for assessment and processing

1. Undrawn capacity under the Bank Facilities adjusted for ancillary credit facilities on issue and secured under the Syndicated Financing Facility plus cash on hand
* Amounts in total represent $77.0m being the Net operating cashflows before interest, income tax, RAD, accommodation bond and ILU contributions

RADs and bonds



Key observations

- The total RAD balance increased to $958.6m, with a $8.7m reduction in Probate
- Net incoming mature home RAD flows of $28.3m with average incoming agreed RAD prices continuing to increase and remain ~$32k higher than the average outgoing RAD/bond value
- $46.9m of RAD/bonds were acquired as part of the Premier Health Care Acquisition
- There are currently 115 residents holding pre-July 2014 bonds totalling $21.6m at an average value of $188k
- Number of incoming RAD and combination RAD/DAP residents exceeded departing number in the period – partly influenced by increasing interest and the MPIR/DAP rates

Total RAD/bond pool at period end ($m)	31-Dec-22	30-Jun-22	31-Dec-21
Pre-July 2014 bonds for current residents	21.6	26.3	33.0
Post-July 2014 RADs for current residents	818.5	730.6	736.5
Total relating to current residents	**840.1**	**756.9**	**769.5**
Probate balance (former residents pending refund)	118.5	127.2	116.7
Total RAD/bond pool	**958.6**	**884.1**	**886.2**

Resident payment preferences	31-Dec-22	30-Jun-22	31-Dec-21
Concessional	46.1%	47.4%	47.0%
Non-Concessional	53.8%	52.5%	52.8%
Other	0.1%	0.1%	0.2%
RAD's as % of Non-Concessional residents	**49.6%**	**51.2%**	**52.0%**

RAD/bond	31-Dec-22	30-Jun-22	31-Dec-21
Total number of paid RAD/bonds	2,751	2,601	2,670
Average RAD/bond held	$348,444	$339,896	$331,920
Average agreed incoming RAD	$460,106	$452,983	$446,260
Average outgoing RAD/bond	$427,676	$405,621	$398,046

3. Operational Performance

Operational assets

Diversified geographic and demographic portfolio operating in network clusters

Homes
72 operational homes

Places
6,596 operational places

Freehold sites
66 freehold sites

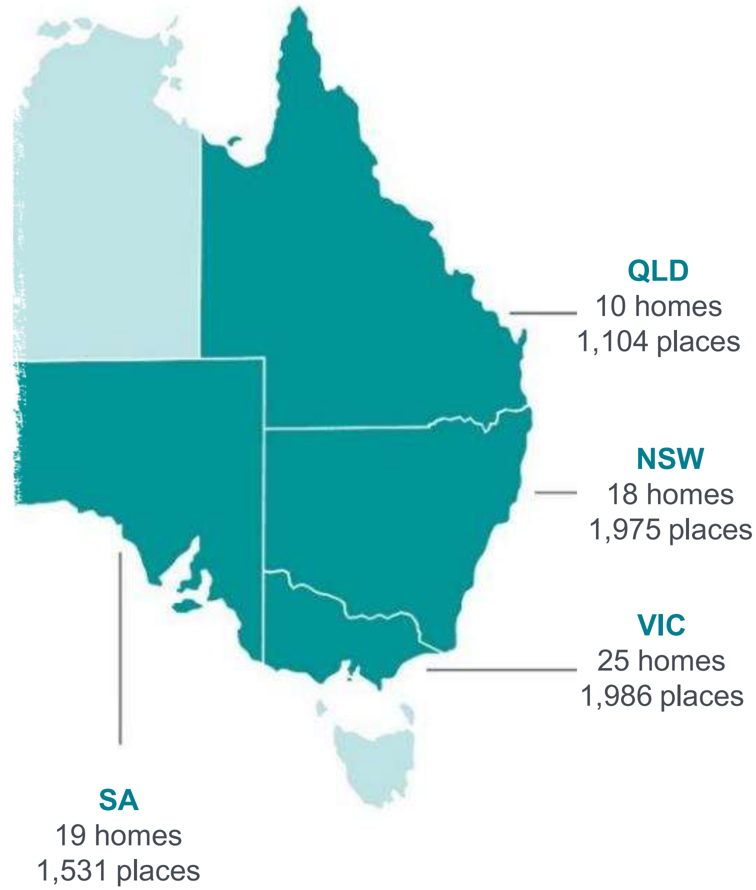
Single rooms
5,537 or 91.7% single rooms

Employees
Approximately 7,800 employees

Residents cared for annually
More than 8,000 residents in FY22

Compliance by requirements
97% ACQSC accreditation requirements fully met

Consumer experience
Over 4,100 consumer experience surveys conducted in the period with 93.4% satisfaction



72 Operational homes	**6,596 places[1]**
Number of single rooms	5,537 (91.7% of total rooms)
Average places per home	92
Significant Refurbishments	68 homes, 6,320 operational places[1]
Freehold sites	66

1. Total operational places at 17 February 2023 of 6,596
2. As reported at 31 December 2022
For the purpose of Consumer Experience - Satisfaction is defined as the percentage of responses that report experience outcomes as “most of the time” or “always”

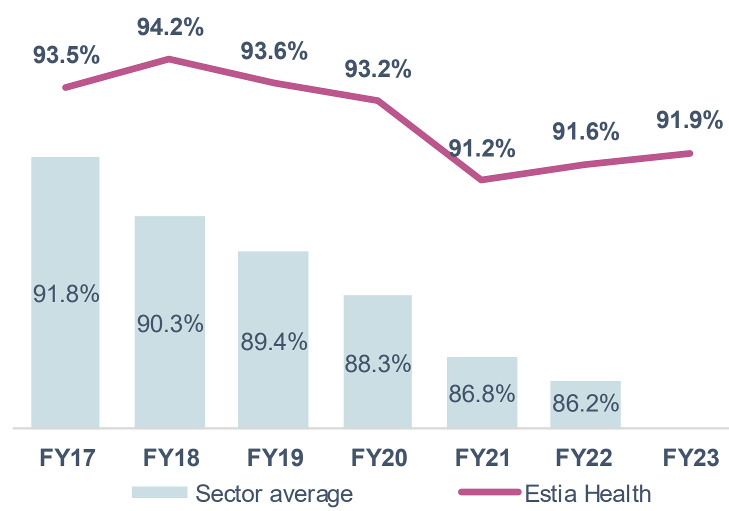
Occupancy trends

Continuing to improve and outperform sector averages

Overall

- Pre-COVID-19 (FY19) average occupancy consistently > 93.5%, above sector averages
- H1FY23 average occupancy 91.9% (H2FY22 – 90.6%), continuing to recover to Pre-pandemic levels
- Outside Victoria, average occupancy was 94.6%, a further improvement from 93.4% in H2FY22.
- The recovery in Victoria is continuing with a 1.2% improvement in the half and further improvement of 2.5% to 88.5% on a spot basis.
- New Homes opened in the last 3 years consistently operate at or close to 100% occupancy

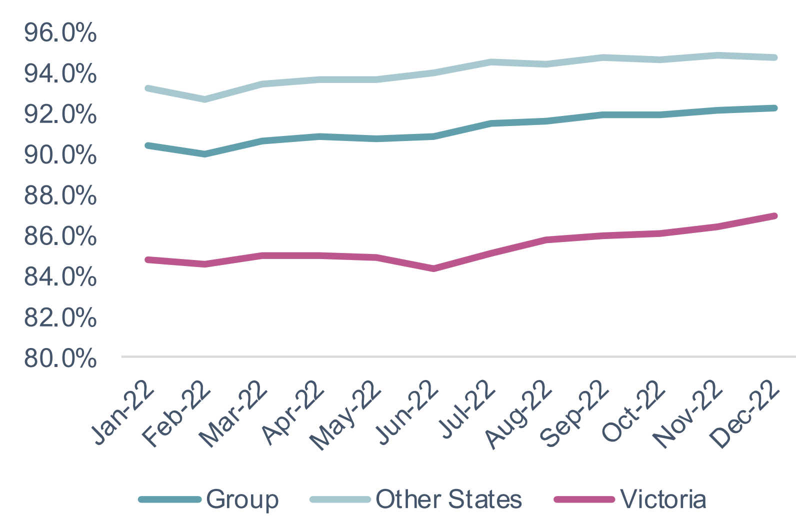
Occupancy Performance [1,2]



Average Mature Homes [3] Occupancy Rates

	H1 FY21	H2 FY21	H1 FY22	H2 FY22	H1 FY23	Spot Rate [4]
Victoria	85.1%	86.8%	88.0%	84.8%	86.0%	88.5%
Other States	93.5%	94.5%	94.8%	93.4%	94.6%	95.0%
Group	90.6%	91.8%	92.6%	90.6%	91.9%	92.9%

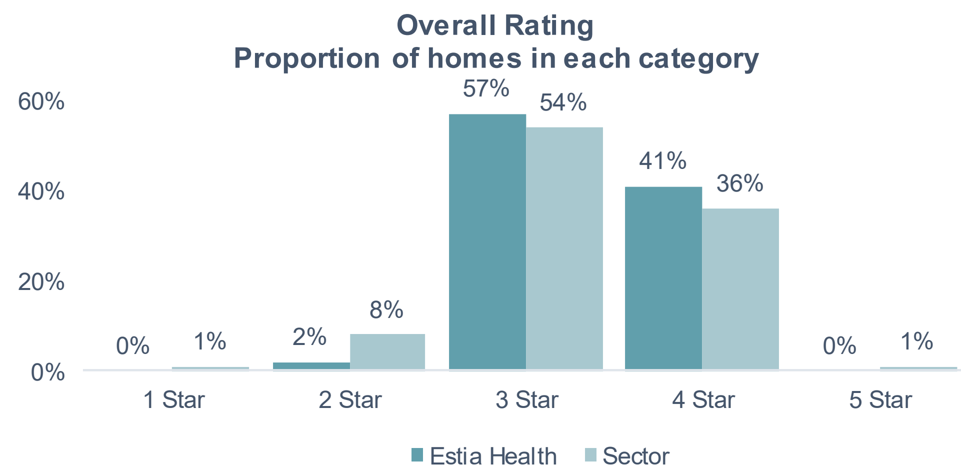
Monthly Average Occupancy – Mature Homes [3]



1. Estia Health Operational Data
2. Productivity Commission (2023) Report on Government Services – 2022
3. Mature Homes (which excludes homes from the date of closure) are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year
4. Spot rate as of 17 February 2023

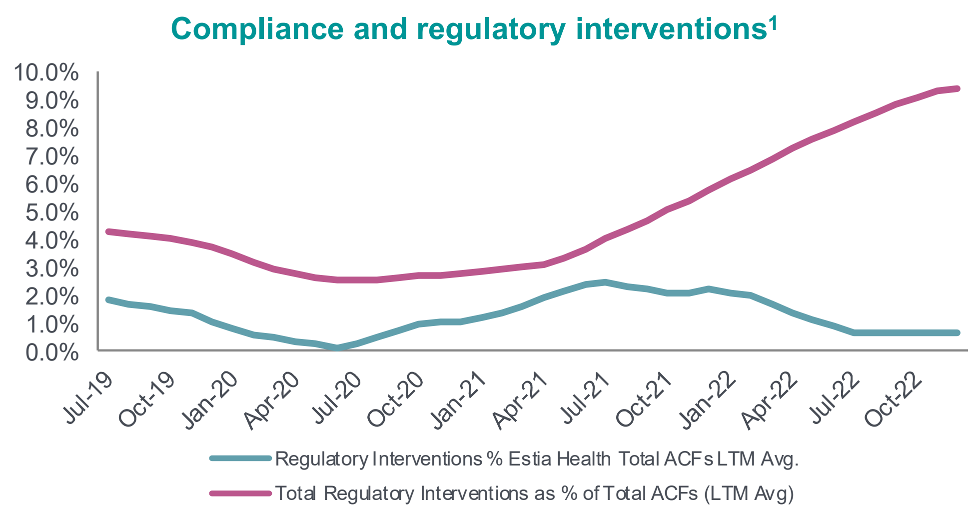
Star Ratings

- Introduced December 2022, updated regularly as status changes
- Good results for Group against sector and peers
- Compliance and Resident experience based on DOHAC collated data
- Quality and Staffing based on Provider submissions
- 98% of Estia Health's homes ranked >= 3 Star, compares to 90% in sector
- 1 Estia Health home scored 2 stars, now returned to 3 stars; overall more than 200 homes in sector recorded 2 stars or less



Accreditation and Compliance Outcomes

- Increased ACQSC sector visits following the pandemic
- 46% of visits within the sector in Q1 FY23 resulted in unmet outcomes
- 20 Estia Health's homes visited during 6 months (17 in H2 FY22)
- 1 homes received non-compliance notices in the period
- Estia Health's regulatory interventions as a percentage of visits are falling compared to sector averages
- All homes remain fully accredited



1 Source MyAged Care weekly regulatory interventions
2 Source Aged Care Quality and Safety Commission – Sector performance report – July – September 2022

Workforce, people and culture

Sector Shortage

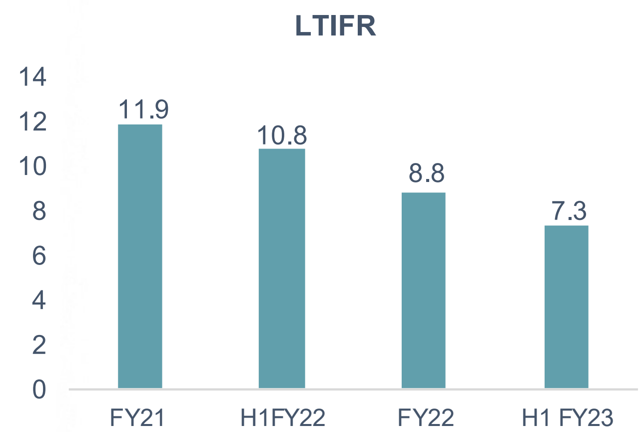
- Cumulative impacts of general worker availability in the economy, combined with sentiment (COVID/RC) and relative pay levels of the sector
- Halt to immigration during pandemic, slow to restart and visa challenges
- CEDA estimated[1]:
  - current shortfall of 35,000 staff
  - Forecast additional 170,000 workers required by 2030
- Additional sector requirement for mandated minutes estimated to represent – 2,200 Registered Nurses and 3,600 personal care workers

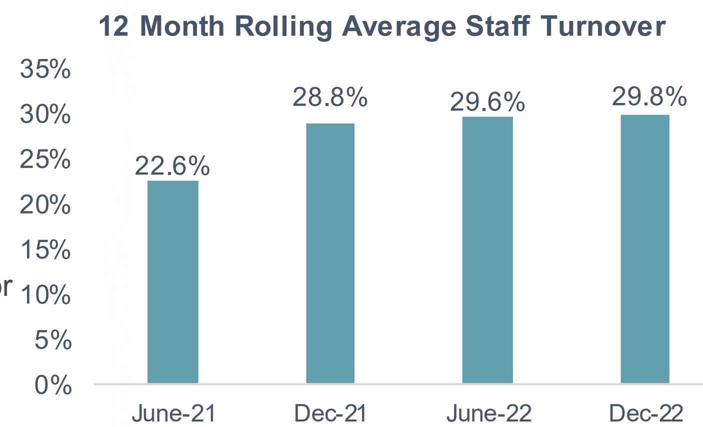
Costs

- Fair Work Commission Work Value Case:
  - Interim decision minimum 15% to direct care staff
  - Submissions made by all stakeholders
  - Government committed to fund outcomes, but has proposed 10% from 1 July 2023
- ~ 94% of staff on Enterprise Agreements – work value case is resulting in difficult bargaining circumstances for both providers and unions
- Stable (but at higher level) agency and overtime, higher average hourly rates
- Cost escalation in non- Enterprise Agreement roles

Internal Response

- Investment and initiatives to:
  - Increase attractiveness of Employee Value Proposition relative to sector
  - Reducing time to hire, systems/processes
  - Investing in training employees through *Estia Academy*
- Staff Turnover stabilised with further initiatives underway to target improvement
- Staff engagement improved slightly to 70%, advocacy reported at 76%
- Safety practices and systems have reduced LTIFR[2] to 7.3 (compared to sector average 24.8) and reduction in workers' compensation costs (supported by self insurance in SA/NSW)





1 Duty of Care: Meeting the Aged Care Workforce Challenge (2021) Committee for Economic Development of Australia
2 LTIFR refers to Lost Time Injury Frequency Rate being the number of lost time injuries occurring in an organisation in a year per 1 million hours worked

Growth

Capacity increase

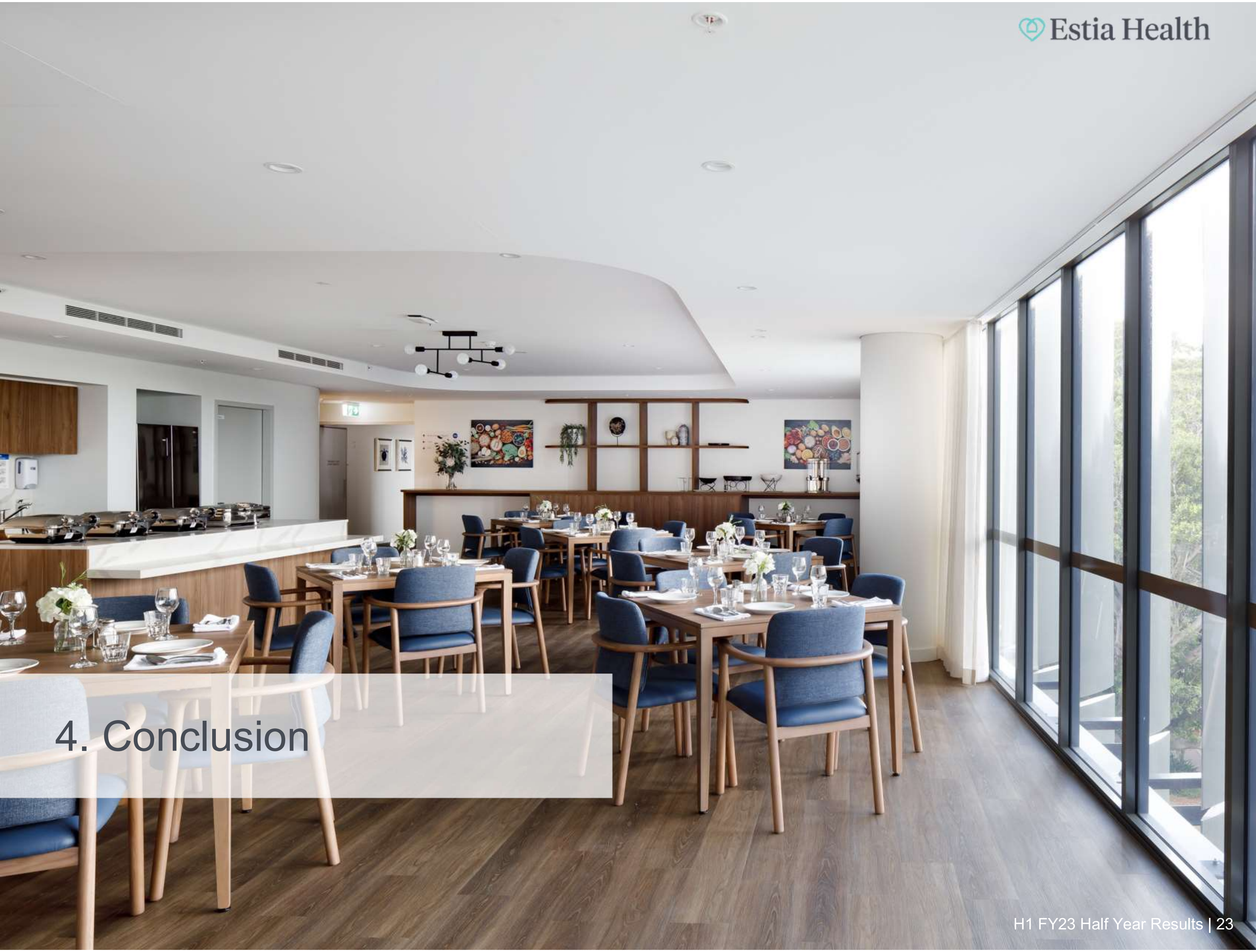
- 30 June 2022 6,163 places
- 31 December 2022 6,596 places + 7.0% (Premier Health Care homes & Burton)
- 30 June 2023 **6,716 places** (Mt Clear)
- H1 FY 24 **6,952 places** (St Ives & Aberglasslyn)
- Forecast of overall increase in available beds of 12.8% from June 2022 to Dec 2023

Opportunity	Nature of Development	Current Places	Estimated Additional Places	Estimated Project Capital ($M)	H2 FY23 and Future Years Capital ($M)	Land for Opportunity Held	Estimated Opening Date
In progress							
Aberglasslyn, NSW	Greenfield	-	118	$35.5	$27.2	✓	H1 FY24
St Ives, NSW	Greenfield	-	118	$47.5	$33.2	✓	H1 FY24
Total			**236**	**$83.0**	**$60.4**		
Planning - Subject to Board Approval [1]							
Toorak Gardens, SA	Brownfield	36	85			✓	
Mt Barker, SA	Greenfield	-	121			✓	
Lockleys, SA	Expansion	90	29			✓	
Bentleigh, Vic	Brownfield	45	63			✓	
Contracted - Subject to settlement [2]							
Findon, SA [2]	Greenfield	-	120				
Myrtle Bank, SA [2]	Brownfield	76	45				
Total			**~ 699 Beds**				

Revenue Diversification

- No change in assessed position on home care; no near-term catalyst to enter market
- Consistent with FY22 results presentation, focus is on opportunities to access additional revenue through leveraging the physical portfolio, both for existing residents in the home and surrounding community
- The reablement clinic at the Blakehurst home is the best demonstration of this intent

1 Projects remain under evaluation, remain subject to final investment and Board approval
2 Contracted with settlement conditions still to be met



4. Conclusion

In conclusion

Financial & Operational FY23

- AN-ACC revenue rates will continue to contribute positive momentum for H2FY23 (in line with Q2FY23), ahead of introduction of mandated care minutes
- Remaining FY22 & FY23 Grant recovery of $31.4 million still to be recognised, extension of scheme into calendar 2023 announced by Government
- Contribution from new acquisitions, particularly Premier Health Care (409 places)
- Occupancy recovery and reducing impact of COVID-19 costs
- MPIR rate of 7.06% will persist and benefit DAP income and likely increase RAD choice
- Fully-franked interim dividend of 3.7cps

Mandated Minutes

- Represents greatest challenge to the sector in the short term
- Challenging for sector to meet the estimated 12-14% increase in workforce
- Models of care will likely be required to adjust, together with consideration of funding levels to maintain sector sustainability

Independent Hospital and Aged Care Pricing Authority

- Significant new independent evidence-based pricing framework for the sector
- Initial recommendation for FY24, cost of care study will inform advice from FY25
- Will need to incorporate increased minutes, labour cost escalation (including . Fairwork Commission case), ongoing non-recoverable COVID-19 costs and increases in Non-wage costs

Capital Management

- Bank debt gearing 1.4 – 1.9X EBITDA
- Dividend distribution 70-100% underlying NPATA
- On-Market Share Buy Back proposed to recommence 1 April 2023

Appendices

Appendix A: Statutory Income Statement

	H1 FY23 6 months $'000	H2 FY22 6 months $'000	H1 FY22 6 months $'000	H1 FY23 vs H1 FY22
Revenues[1]	**359,185**	**329,448**	**341,619**	**5.1%**
Other income	14,313	8,056	910	1472.9%
Expenses				
Employee benefits expenses	(254,630)	(254,566)	(234,207)	8.7%
Administrative expenses	(14,616)	(14,430)	(13,299)	9.9%
Occupancy expenses	(11,865)	(10,802)	(10,285)	15.4%
Resident expenses	(32,488)	(33,992)	(30,241)	7.4%
Depreciation, amortisation and impairment expense[2]	(22,722)	(23,396)	(21,726)	4.6%
Amortisation of bed licences	(40,233)	(40,233)	(20,116)	100.0%
Acquisition costs	(6,580)	-	-	100.0%
Operating profit/(loss) for the period	**(9,636)**	**(39,915)**	**12,655**	**(176.1%)**
Net finance costs[3]	(23,245)	(22,584)	(23,714)	(2.0%)
Profit/(loss) before income tax	**(32,881)**	**(62,499)**	**(11,059)**	**197.3%**
Income tax benefit/(expense)	7,588	18,248	2,948	157.4%
Profit/(loss) for the period	**(25,293)**	**(44,251)**	**(8,111)**	**211.8%**
Earnings per share (cents per share)				
Basic, profit/(loss) for the period attributable to ordinary equity holders of the parent	(9.80)	(17.00)	(3.10)	216.1%
Diluted, profit/(loss) for the period attributable to ordinary equity holders of the parent	(9.80)	(17.00)	(3.10)	216.1%

1 Revenue for H1 FY23 includes $19.2m of imputed DAP revenue on RAD/bond balances (H1 FY22 $20.3m) resulting from the application of AASB 16
2 Depreciation, amortisation and impairment expense for H1 FY23 includes $2.2m of amortisation on leases (H1 FY22 $2.0m) resulting from the application of AASB 16
3 Net financing costs for H1 FY23 includes $19.0m of interest expense (H1 FY22 $20.3m) resulting from the application of AASB 16

Estia Health

Appendix B: Non IFRS Reconciliations

Operating revenue to total revenue

	H1 FY23 $'000	H2 FY22 $'000	H1 FY22 $'000	H1 FY23 vs H1 FY22
Government revenue - excluding temporary funding and grants	255,197	232,398	240,127	6.3%
Government revenue - temporary funding / current period grants	610	981	-	100.0%
Resident and other revenue[1]	81,681	72,632	76,372	7.0%
Total operating revenues and current period grants	**337,488**	**306,011**	**316,499**	**6.6%**
Imputed DAP income on RAD/bond balances (AASB 16 impact)	19,182	19,040	20,288	(5.5%)
Plus Operating revenue from acquired and new homes in ramp-up	3,125	5,379	4,437	(29.6%)
Plus Operating revenue from home closures	-	-	395	(100.0%)
Less Government revenue - temporary funding / current period grants	(610)	(981)	-	(100.0%)
Less Other income (included as part of Other Income)	-	(1)	-	0.0%
Total Revenue	**359,185**	**329,448**	**341,619**	**5.1%**

Operating profit/(loss) for the period to EBITDA – Mature Homes

	H1 FY23 $'000	H2 FY22 $'000	H1 FY22 $'000	H1 FY23 vs H1 FY22
EBITDA - Mature Homes[2,3]	**26,531**	**(2,894)**	**33,503**	**(20.8%)**
Plus Imputed DAP income on RAD/bond balances (AASB 16 impact)	19,182	19,040	20,288	(5.5%)
Net gain/(loss) from asset disposals and home closures	(1)	-	166	(100.6%)
Net gain from homes acquired and new homes in ramp-up	484	661	540	(10.4%)
EBITDA before COVID-19 grants for prior period expenses and acquisition costs	**46,196**	**16,807**	**54,497**	**(15.2%)**
Plus COVID-19 grants for prior period expenses	13,703	6,907	-	100.0%
Less Depreciation, amortisation and impairment (ex bed licence amort)	(22,722)	(23,396)	(21,726)	4.6%
Less Acquisition costs	(6,580)	-	-	(100.0%)
Less Bed Licence amortisation[4]	(40,233)	(40,233)	(20,116)	100.0%
Operating profit/(loss)	**(9,636)**	**(39,915)**	**12,655**	**(176.1%)**

1 Resident and other revenue excludes the impact of imputed DAP revenue on RAD/bond balances resulting from the application of AASB 16
2 Mature Homes (which excludes homes from the date of closure) are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year
3 EBITDA – Mature Homes is defined as Earnings before Interest, Tax, Depreciation, Amortisation, specified non-recurring items and imputed DAP revenue on RAD/bond balances resulting from the adoption of AASB 16
4 Amortisation resulting from the changes to the ACAR regime as announced in FY22

Appendix B: Non IFRS Reconciliations

EBITDA before acquisition costs to EBITDA Mature Homes

	H1 FY23 $'000	H2 FY22 $'000	H1 FY22 $'000	H1 FY23 vs H1 FY22
EBITDA before acquisition costs	**40,717**	**4,674**	**34,209**	**19.0%**
Less COVID-19 grants for prior period expenses	13,703	6,907	-	100.0%
Less Net gain/(loss) from asset disposals and home closures	(1)	-	166	(100.6%)
Less Net gain from homes acquired and new homes in ramp-up	484	661	540	(10.4%)
EBITDA - Mature Homes[1,2]	**26,531**	**(2,894)**	**33,503**	**(20.8%)**

Profit/(loss) for the period to Operating profit/(loss)

	H1 FY23 $'000	H2 FY22 $'000	H1 FY22 $'000	H1 FY23 vs H1 FY22
Profit/(loss) before income tax, COVID-19 grants for prior period expenses, acquisition costs and bed licence amortisation	**229**	**(29,173)**	**9,057**	**(97.5%)**
Plus Associated income tax credit / (expense)	(222)	8,580	(2,922)	(92.4%)
Profit/(loss) for the period before COVID-19 grants for prior period expenses, acquisition costs and bed licence amortisation	**7**	**(20,593)**	**6,135**	**(99.9%)**
Plus COVID-19 grants for prior period expenses	13,703	6,907	-	100.0%
Plus Associated income tax expense	(4,111)	(2,072)	-	(100.0%)
Profit/(loss) for the period before acquisition costs and bed licence amortisation	**9,599**	**(15,758)**	**6,135**	**56.5%**
Less Acquisition costs	(6,580)	-	-	(100.0%)
Less Bed Licence amortisation *	(40,233)	(40,233)	(20,116)	100.0%
Plus Associated income tax credit	11,921	11,740	5,870	103.1%
Operating profit/(loss)	**(25,293)**	**(44,251)**	**(8,111)**	**211.8%**

1 Mature Homes (which excludes homes from the date of closure) are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year

2 EBITDA – Mature Homes is defined as Earnings before Interest, Tax, Depreciation, Amortisation, specified non-recurring items and imputed DAP revenue on RAD/bond balances resulting from the adoption of AASB 16

* Amortisation resulting from the changes to the ACAR regime as announced in FY22.

Estia Health

Appendix C: Financial metrics and trends

	H1 FY23 6 months $'000	H2 FY22 6 months $'000	H1 FY22 6 months $'000	H1 FY23 vs H1 FY22	FY22 12 months $'000	FY21 12 months $'000
Government revenue - excluding temporary funding and grants	255,197	232,398	240,127	6.3%	472,525	443,218
Government revenue - temporary funding / current period grants	610	981	-	100.0%	7,888	21,426
Resident and other revenue[1]	81,681	72,632	76,372	7.0%	149,004	147,406
Total operating revenues and current period grants	**337,488**	**306,011**	**316,499**	**6.6%**	**629,417**	**612,050**
Employee benefits expenses	(241,224)	(221,671)	(222,362)	8.5%	(444,033)	(431,355)
Non-wage expenses	(53,513)	(49,460)	(48,585)	10.1%	(98,045)	(95,033)
COVID-19 incremental costs	(16,220)	(37,774)	(12,049)	34.6%	(49,823)	(24,309)
EBITDA - Mature Homes[3,4]	**26,531**	**(2,894)**	**33,503**	**(20.8%)**	**37,516**	**61,353**
Operating statistics - Mature Homes						
Total Operational/Available Bed Days	1,136,200	1,096,498	1,120,284	1.4%	2,216,782	2,256,916
Total Occupied Bed Days	1,043,947	993,219	1,036,924	0.7%	2,030,143	2,057,794
Occupancy	91.9%	90.6%	92.6%	(0.7%)	91.6%	91.2%
Revenue statistics - Per Occupied Bed Day ("POBD")						
Government revenue - excluding temporary funding and grants	$244.5	$234.0	$231.6	5.6%	$232.8	$215.4
Government revenue - temporary funding / current period grants	$0.6	$1.0	$0.0	100.0%	$3.9	$10.4
Resident revenue	$78.2	$73.1	$73.7	6.1%	$73.4	$71.6
Total revenue	$323.3	$308.1	$305.3	5.9%	$310.1	$297.4
Costs statistics - Per Operational/Available Bed Day						
Employee benefits expenses	$212.3	$202.2	$198.5	7.0%	$200.3	$191.1
Non-wage expenses	$47.1	$45.1	$43.4	8.5%	$44.2	$42.1
COVID-19 incremental costs	$14.3	$34.4	$10.8	32.4%	$22.5	$10.8
Total costs	$273.7	$281.7	$252.7	8.3%	$267.0	$244.0
Annual average EBITDA[1,2,3,4] Per Occupied Bed - Mature Homes	**$9,277**	**$1,475**	**$11,794**	**(21.3%)**	**$6,746**	**$10,883**
Total staff expenses % of revenue[1,2,3,4]	71.5%	72.4%	70.3%	1.7%	70.5%	70.5%
Non-wages expenses % of revenue[1,2,3,4]	15.9%	16.2%	15.4%	3.2%	15.6%	15.5%
EBITDA Mature Homes % of revenue[1,2,3,4]	**7.9%**	**(0.9%)**	**10.6%**	**(25.5%)**	**6.0%**	**10.0%**

1 Resident and other revenue excludes the impact of the imputed DAP revenue on RAD/Bond balances resulting from the adoption of AASB 16
2 Additional Employee and Non-Wage expenses incurred in response to the COVID-19 pandemic
3 A reconciliation of Operating Profit to EBITDA - Mature Homes is provided in Appendix B. EBITDA – Mature Homes is defined as Earnings before Interest, Tax, Depreciation, Amortisation, specified non-recurring items and imputed DAP revenue on RAD/bond balances resulting from the adoption of AASB 16
4 Mature Homes (which excludes homes from the date of closure) are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year

Appendix D: Balance Sheet

	31-Dec-22 $'000	30-Jun-22 $'000	31-Dec-21 $'000
Current assets			
Cash and cash equivalents	35,347	20,411	23,252
Trade and other receivables	12,185	10,261	9,538
Prepayments and other assets	7,794	4,567	11,303
Assets held for sale	-	-	2,830
Income tax receivable	-	11,960	2,623
Consumable supplies	4,108	4,714	-
Derivative financial assets	68	-	-
Total current assets	**59,502**	**51,913**	**49,546**
Non-current assets			
Property, plant and equipment	927,465	840,343	834,687
Investment properties	750	750	750
Goodwill	706,303	681,014	681,014
Other intangible assets	123,600	164,209	204,341
Right of use assets	55,812	56,367	57,400
Prepayments	339	377	417
Derivative financial assets	565	-	-
Total non-current assets	**1,814,834**	**1,743,060**	**1,778,609**
Total assets	**1,874,336**	**1,794,973**	**1,828,155**
Current liabilities			
Trade and other payables	54,598	52,135	50,502
Other financial liabilities	619	466	487
Income received in advance	43,516	-	36,314
Provisions	64,269	63,126	62,397
Income tax payable	648	-	-
Lease liabilities	3,746	3,686	3,729
Refundable accommodation deposits and bonds	958,570	884,069	886,228
Total current liabilities	**1,125,966**	**1,003,482**	**1,039,657**
Non-current liabilities			
Lease liabilities	58,384	58,766	59,569
Provisions	8,895	8,542	6,049
Loans and borrowings	93,720	98,487	28,276
Deferred tax liabilities	69,888	83,959	96,710
Total non-current liabilities	**230,887**	**249,754**	**190,604**
Total liabilities	**1,356,853**	**1,253,236**	**1,230,261**
Net assets	**517,483**	**541,737**	**597,894**

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Appendix E: Cashflow

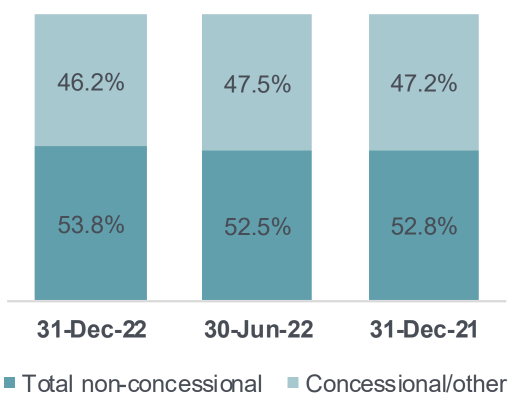
	H1 FY23 6 months $'000	H1 FY22 6 months $'000
Cash flows from operating activities		
Receipts from residents	78,817	74,635
Receipts from government	313,504	275,124
Payments to suppliers and employees	(315,336)	(274,106)
Net operating cash flows before interest, income tax, RAD, accommodation bond and ILU contribution	**76,985**	**75,653**
Interest received	161	-
Income tax (paid)/received	8,100	(3,949)
Finance costs paid	(2,667)	(2,106)
Interest expense on lease liabilities	(906)	(962)
Net cash flows from operating activities before RADs, bonds and ILU entry contribution	**81,673**	**68,636**
RAD, accommodation bond and ILU entry contribution received	171,252	139,277
RAD, accommodation bond and ILU entry contribution refunded	(142,717)	(115,408)
Net cash flows from/(used) in operating activities	**110,208**	**92,505**
Cash flows from investing activities		
Payments for intangible assets	(26)	(1,031)
Proceeds from sale of property, plant and equipment	-	60
Proceeds from sale of assets held for sale	-	3,550
Purchase of property, plant and equipment	(27,850)	(10,973)
Acquisition of aged care facilities	(60,473)	-
Net cash flows used in investing activities	**(88,349)**	**(8,394)**
Cash flows from financing activities		
Proceeds from borrowings	80,000	10,000
Repayment of borrowings	(85,000)	(94,500)
Repayment of lease liabilities	(1,923)	(2,134)
Payments for shares repurchased on-market and incremental costs	-	(1,641)
Dividends paid	-	(6,012)
Net cash flows used in financing activities	**(6,923)**	**(94,287)**
Net increase/(decrease) in cash and cash equivalents	**14,936**	**(10,176)**
Cash and cash equivalents at the beginning of the period	20,411	33,428
Cash and cash equivalents at the end of the period	**35,347**	**23,252**

Appendix F: Resident profile

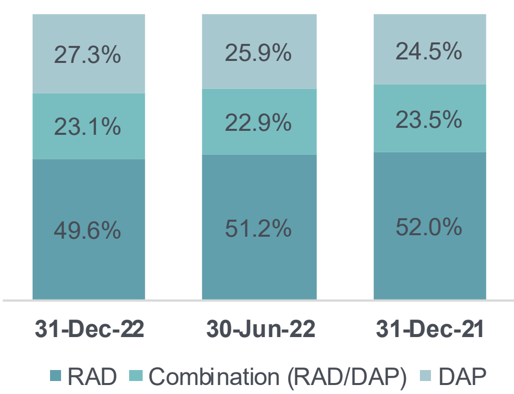
Number of residents	31-Dec-22	30-Jun-22	31-Dec-21
RAD	1,512	1,402	1,461
Combination (RAD/DAP)	703	629	659
DAP	831	710	687
Total non-concessional	**3,046**	**2,741**	**2,807**
Concessional	2,611	2,475	2,499
Other	6	7	9
Total permanent residents	**5,663**	**5,223**	**5,315**
Respite	351	429	321
Total residents	**6,014**	**5,652**	**5,636**
Occupancy	**91.9%**	**91.6%**	**92.6%**

% of permanent residents	31-Dec-22	30-Jun-22	31-Dec-21
RAD	26.7%	26.8%	27.5%
Combination (RAD/DAP)	12.4%	12.1%	12.4%
DAP	14.7%	13.6%	12.9%
Total non-concessional	**53.8%**	**52.5%**	**52.8%**
Concessional	46.1%	47.4%	47.0%
Other	0.1%	0.1%	0.2%
Total permanent residents	**100.0%**	**100.0%**	**100.0%**
Concessional/other	46.2%	47.5%	47.2%

Resident mix (permanent residents)



Non-concessional residents payment preference



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Appendix G: Resident profile (detail)

Number of residents	31-Dec-21	Incoming	Outgoing	Preference changes	30-Jun-22	Incoming	Acquired	Outgoing	Preference changes	31-Dec-22
RAD	1,461	216	285	10	1,402	282	85	263	6	1,512
Combination (RAD/DAP)	659	133	165	2	629	174	43	149	6	703
DAP	687	362	322	(17)	710	459	40	389	11	831
Total non-concessional	**2,807**	**711**	**772**	**(5)**	**2,741**	**915**	**168**	**801**	**23**	**3,046**
Concessional	2,499	464	494	6	2,475	538	142	522	(22)	2,611
Other	9	2	3	(1)	7	1	-	1	(1)	6
Total permanent residents	**5,315**	**1,177**	**1,269**	**-**	**5,223**	**1,454**	**310**	**1,324**	**-**	**5,663**
Respite[1]	321	108	-	-	429	-	16	94	-	351
Total residents	**5,636**	**1,285**	**1,269**	**-**	**5,652**	**1,454**	**326**	**1,418**	**-**	**6,014**

% of permanent residents	31-Dec-21	Incoming	Outgoing	30-Jun-22	Incoming	Acquired	Outgoing	31-Dec-22
RAD	27.5%	18.4%	22.5%	26.8%	19.4%	27.4%	19.9%	26.7%
Combination (RAD/DAP)	12.4%	11.2%	13.0%	12.1%	12.0%	13.9%	11.2%	12.4%
DAP	12.9%	30.8%	25.4%	13.6%	31.5%	12.9%	29.4%	14.7%
Total non-concessional	**52.8%**	**60.4%**	**60.9%**	**52.5%**	**62.9%**	**54.2%**	**60.5%**	**53.8%**
Concessional	47.0%	39.4%	38.9%	47.4%	37.0%	45.8%	39.4%	46.1%
Other	0.2%	0.2%	0.2%	0.1%	0.1%	0.0%	0.1%	0.1%
Total permanent residents	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

1 Respite residents shown on a net incoming/outgoing basis only

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Appendix H: RAD and bond pool

Summary of movements in past periods	H1 FY23	H2 FY22	H1 FY22	FY22	FY21
	$m	$m	$m	$m	$m
Opening RAD/bond balance	**884.1**	**886.2**	**863.9**	**863.9**	**836.3**
Refunds Mature Homes	(142.3)	(127.8)	(110.2)	(238.0)	(225.0)
Inflows Mature Homes	170.6	120.1	129.6	249.7	249.7
Net inflows - Mature Homes	**28.3**	**(7.7)**	**19.4**	**11.7**	**24.7**
Net outflows due to home closures	(0.4)	(1.1)	(4.5)	(5.6)	0.0
Net inflows new homes	0.6	7.8	9.0	16.8	5.9
Total net inflows	**28.5**	**(1.0)**	**23.9**	**22.9**	**30.6**
Deductions	(0.9)	(1.1)	(1.6)	(2.7)	(3.0)
RAD/bond's acquired	46.9	-	-	-	-
Closing RAD/bond balance	**958.6**	**884.1**	**886.2**	**884.1**	**863.9**
Probate balance	118.5	127.2	116.7	127.2	102.8

Total RAD/bond pool at period end	31-Dec-22			30-Jun-22			31-Dec-21		
	$m	#	Average	$m	#	Average	$m	#	Average
Pre-July 2014 bonds for current residents	21.6	115	$187,796	26.3	141	$186,216	33.0	176	$187,334
Post-July 2014 RADs for current residents	818.5	2,289	$357,590	730.6	2,069	$353,136	736.5	2,124	$346,781
Total relating to current residents	**840.1**	**2,404**	**$349,467**	**756.9**	**2,210**	**$342,486**	**769.5**	**2,300**	**$334,580**
Probate balance (former residents pending refund)	118.5	347	$341,356	127.2	391	$325,256	116.7	370	$315,390
Total RAD/bond pool	**958.6**	**2,751**	**$348,444**	**884.1**	**2,601**	**$339,896**	**886.2**	**2,670**	**$331,920**
Average agreed incoming RAD			$460,106			$452,983			$446,260
Average outgoing RAD/bond			$427,676			$405,621			$398,046

RADs held reconciliation to RAD residents	31-Dec-22	30-Jun-22	31-Dec-21
RAD residents	1,512	1,402	1,461
Plus : combinations (RAD/DAP)	703	629	659
Plus : former residents pending refund	347	391	370
Plus : concessional residents who pay a RAC	201	192	193
Less : unpaid RAD residents	(12)	(13)	(13)
Total number of paid RAD/bonds	**2,751**	**2,601**	**2,670**

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Appendix I: Occupancy

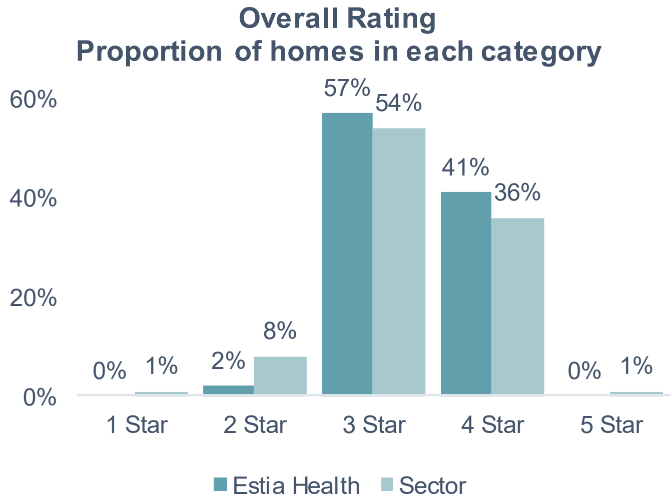
Mature Homes	H1 FY23 6 months	H2 FY22 6 months	H1 FY22 6 months	FY22 12 months	FY21 12 months
Total Mature Home beds available at period end	6,187	6,058	6,058	6,058	6,184
Available beds during period for occupancy calculation					
July-22 to Sep-22	6,163				
Oct-22 to Dec-22	6,187				
Days in period	184	181	184	365	365
Available bed days during period	1,136,200	1,096,498	1,120,284	2,216,782	2,256,916
Occupied days	1,043,947	993,219	1,036,924	2,030,143	2,057,794
Occupancy	**91.9%**	**90.6%**	**92.6%**	**91.6%**	**91.2%**
Total Occupied Bed Days in period					
Mature Homes[1]	1,043,947	993,219	1,036,924	2,030,143	2,057,794
New / acquired homes	10,081	17,572	14,324	31,896	5,164
Total Occupied Bed Days in period	1,054,028	1,010,791	1,051,248	2,062,039	2,062,958
Beds					
Total available beds at start of period	6,163	6,163	6,289	6,289	6,182
New or acquired homes/beds opened during the period	433	-	1	1	109
Homes/beds closed during the period	-	-	(127)	(127)	(2)
Total available beds at period end	**6,596**	**6,163**	**6,163**	**6,163**	**6,289**

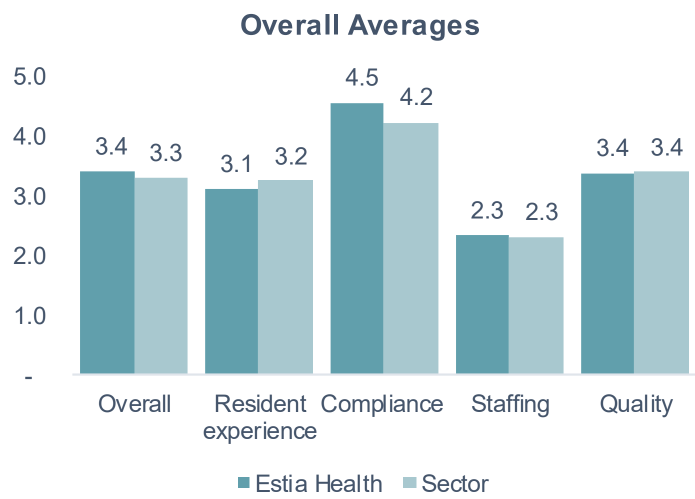
Mature beds from 1 July 2022	
Total Mature Home beds available at 30 June 2022	6,058
New home beds reclassified to mature home beds	105
Total Mature Home beds available at 1 July 2022	**6,163**

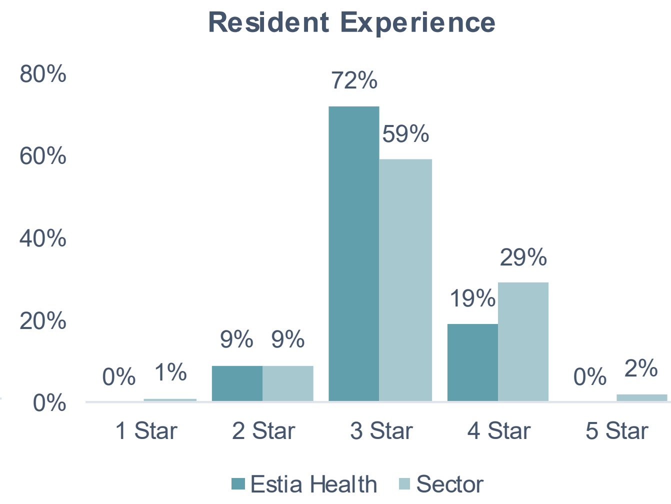
1 Mature Homes (which excludes homes from the date of closure) are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year

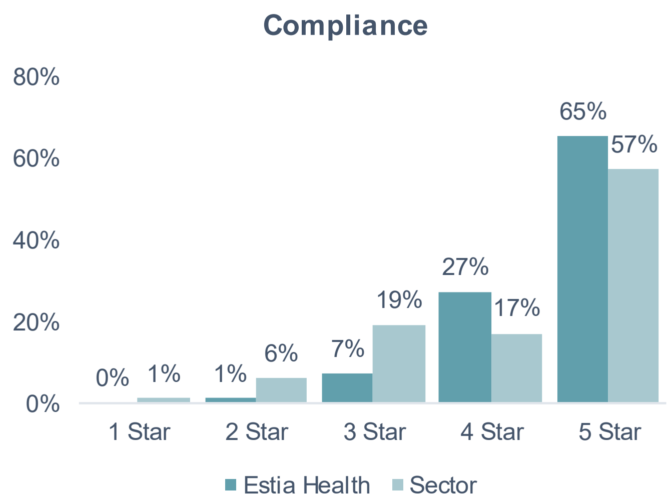
Appendix J: Star Ratings Summary

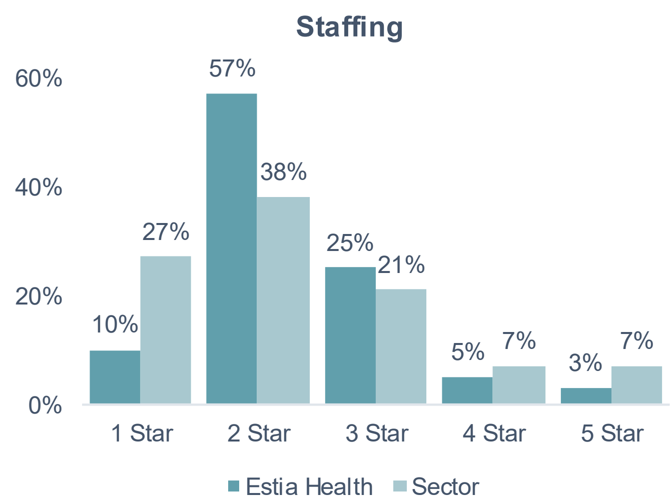
December 2022 initial Star Rating Outcomes

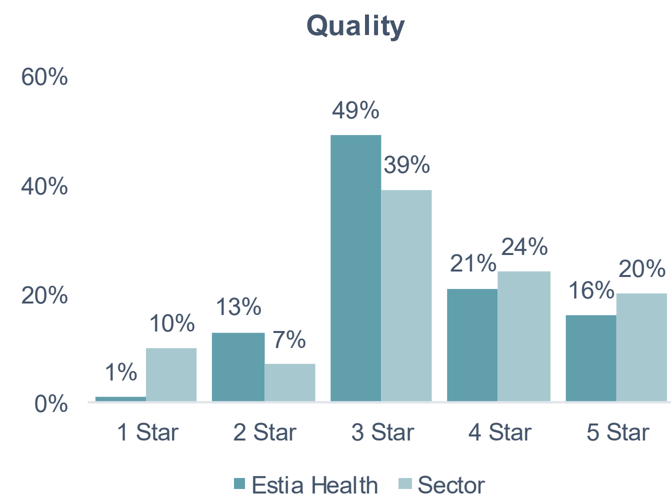












Appendix K: Premier Health Care – Acquisition Accounting

On 1 December 2022, the Group complete the acquisition from Premier Health Care of freehold locations and operations (the "Acquired Businesses") of four residential aged care homes. This included two homes in South Australia and two homes (in ramp-up) in Queensland. The homes align with the Group's existing operating clusters and added 409 high-quality resident aged places. The provisionally recognised amounts arising from the business combination are detailed as follows:

	$'000
Property, plant and equipment	79,756
Deferred tax assets, net	2,933
Consumable supplies	250
Other current assets	210
Refundable accommodation deposits and bonds	(46,883)
Employee liabilities (current)	(903)
Employee liabilities (non-current)	(80)
Other current liabilities	(99)
Fair value of identifiable net assets	**35,184**
Goodwill arising	25,289
Business combination date fair value of consideration transferred	**60,473**
Cost of the combination:	
Purchase consideration paid in cash	60,473
Acquisition costs	6,308
Total cost of the combination	**66,781**

Key Highlights

- Property and Plant and equipment represents the fair value of the fixed assets acquired including land of $25.1m, buildings of $43.9m, and furniture, fixtures and equipment of $10.7m.
- Employee liabilities represents annual leave and long service leave provisions for the transferring employees valued in accordance with the Group's existing entreprise agreements.
- The net deferred tax asset has arisen from the higher un-deducted capital expenditure inherited from the vendor on the buildings acquired above the fair value of them at the date of acquisition.
- Goodwill arising from the acquisition was $25.3m.
- Transaction costs of $6.3m primarily include stamp duties and title transfer fees incurred on the land acquired as part of the acquisition.

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