

ASX Announcement

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The Manager
Company Announcements Office
Australian Securities Exchange Limited
Level 4, Exchange Centre
20 Bridge Street
Sydney NSW 2000

Regis reports strong earnings growth and cash flow generation

Regis Healthcare Limited (ASX: REG) (Regis), a leading provider of high-quality aged care, is pleased to present its H1 FY25 results.

Results Overview

- Revenue from services of \$564.2 million, up 18% on pcp
- Underlying EBITDA¹ of \$68.1 million, up 31% on pcp
- Underlying EBIT² of \$44.4 million, up 523% on pcp
- NPAT³ of \$24.4 million, up 301% on pcp
- Net operating cash flow of \$208.6 million, up 37% on pcp, including refundable accommodation deposits (RADs) net cash inflow of \$85.8 million
- Net cash of \$179.9 million⁴ at 31 December 2024, up 965% from 31 December 2023
- Board of Directors resolved to pay an interim dividend of 8.09 cents per ordinary share (60% franked) representing 100% of H1 NPAT payable 10 April 2025

Operational Highlights

- Mature homes average occupancy of 95.7%⁵, significantly up on 93.6% in pcp
 - Increase in occupied bed days from 1.217 million to 1.313 million
- Improvement in average overall star rating from 3.32 (Q1 FY24) to 3.56 (Q1 FY25)⁶
- Average care minutes per resident per day increased from 210.1 minutes (Q1 FY25) to 215.3 minutes (Q2 FY25)⁷
- Opening of Regis Camberwell, 112-bed greenfield development in November 2024
- Acquisition of two premium homes with 262 beds on Victoria's Mornington Peninsula in December 2024

Regis' Managing Director and CEO Dr Linda Mellors said, "Regis has delivered another set of strong financial results in terms of occupancy uplift, revenue, EBITDA, NPAT and cash flow. We were pleased to complete the acquisition of two premium homes on Victoria's Mornington Peninsula from Ti Tree Operations in December 2024, and signed an agreement in January 2025 to acquire BodeWell Community Care to double the size of our home care business."

"Care funding increased significantly from 1 October 2024, with higher AN-ACC to fund an increase in the care minutes mandate and aged care worker pay rises. We welcomed the passing of the new Aged Care Act in November 2024 with bi-partisan support, ahead of a 1 July 2025 effective date. The Government's response to the Taskforce recommendations will provide a financial boost to providers and has encouraged Regis to invest in further greenfield and brownfield developments."

"Regis finished the six-month period with significant net cash to support our growth agenda. We continue to invest significantly in strategic growth initiatives for the long-term success of our business. Our brand-new home in Camberwell, Victoria, opened to residents in November 2024, and we expanded and progressed our pipeline of greenfield developments in Melbourne, Sydney and Brisbane."

Financial and Operating Results

\$ millions	H1 FY25	H1 FY24	Change %
Revenue from services	564.2	480.1	17.5%
Other income ⁸	58.6	49.1	19.3%
Staff expenses	425.2	366.5	16.0%
Underlying EBITDA ¹	68.1	52.1	30.7%
Underlying EBIT ²	44.4	(10.5)	522.9%
NPAT ³	24.4	(12.1)	300.6%
Net operating cash flow	208.6	151.9	37.3%
Net RAD cash inflow	85.8	42.9	100.0%
Capital expenditure	32.7	30.5	7.2%
Net cash	179.9	16.9	964.5%
Average occupancy % ⁵	95.7%	93.6%	2.1 pts
Staff expenses / revenue from services %	75.4%	76.3%	(0.9) pts
Underlying EBITDA ¹ margin	12.1%	10.9%	1.2 pts
Basic EPS (cents per share)	8.09	(4.03)	300.7%

Trading Performance

Revenue from services increased by 18% to \$564.2 million, benefitting from improved AN-ACC funding in October 2024 to cover the Fair Work Commission (FWC) - Work Value Case (stage 3), Annual Wage Review (AWR) and uplift in care minutes. The revenue increase also included a contribution from recent acquisitions. Mature homes average occupancy increased to 95.7% from 93.6% (pcp) with a spot rate of 96.0% at 21 February 2025.

Staff expenses rose 16% to \$425.2 million as the business recruited frontline staff and increased worked hours in response to the rise in Government mandated care minutes from 1 October 2024. Staff costs were also impacted by the 3.75% AWR increase to minimum award wages from 1 July 2024 and other EBA increases. Non-staff costs including consumables and utilities also experienced significant increases over the six-month period.

Underlying EBITDA increased 31% as a result of improved occupancy, contribution from recent acquisitions, and the AN-ACC increase from 1 October 2024.

Cash and Capital Management

Net operating cashflow increased 37% to \$208.6 million (H1 FY24: \$151.9 million), including net RAD cash inflow of \$85.8 million (H1 FY24: \$42.9 million). RAD inflows benefitting from an increase in residents, as well as a shift in consumer preference towards 100% RAD payers. Capital expenditure of \$32.7 million (H1 FY24: \$30.5 million) included the completion of construction at Camberwell, commencement of construction at Toowong, and increased investment in the refurbishment of existing homes.

Net cash of \$179.9 million at 31 December 2024 (\$16.9 million at 31 December 2023) was driven by increased occupancy, additional AN-ACC funding from Government, strong net RAD cash inflow, and January 2025 Government funding received in advance (\$73.3 million).

New Aged Care Act

The new Aged Care Act passed both Houses of Parliament with bi-partisan support in November 2024. The Act includes a funding chapter (Note: Rules not fully released yet), which captures the Government's response to the Aged Care Taskforce recommendations including:

- Direct care: Government to fund care related costs; and residents with means to co-contribute towards everyday living and accommodation costs
- Everyday living: there will be a further increase in the hotelling supplement, which will be means tested
- Accommodation: Maximum RAD room price without requiring approval from IHACPA increased from \$0.55m to \$0.75m on 1 January 2025

- RAD retention will be re-introduced, where providers will retain 2% p.a. of new RADs (capped at 5 years) from 1 July 2025
- Transition Taskforce established to support the aged care sector

One-Off and Non-Recurring Items

The following income and expense items (net expense of \$6.2 million before tax) incurred in the six-month period are one-off/non-recurring in nature:

- Government grant income (COVID-19 related) - \$3.7 million
- COVID-19 outbreak related expenses - \$2.0 million
- Ti Tree acquisition and integration costs - \$3.9 million
- Increase in employee entitlements - FWC's Work Value Case (stage 3) - \$2.6 million
- Strategic investment in human resources systems - \$1.0 million
- Professional services costs incurred in relation to employee entitlements underpayments program of work - \$0.5 million
- Other gains - \$0.1 million

Acquisitions

The Ti Tree acquisition which completed on 2 December 2024, added 2 residential aged care homes with 262 beds in Capel Sound and Mornington in Victoria. The integration is progressing well, with Regis' organisational governance and processes in place.

In January 2025, Regis announced the acquisition of BodeWell Community Care which increases the scale of Regis' existing home care business in Melbourne and extends operations into South-East Queensland. Revenue of the combined business doubles to ~\$30 million with more than 2,500 clients. The transaction is expected to complete by 1 April 2025, subject to regulatory approvals.

Property Developments

Regis Camberwell (VIC), a new 112-bed greenfield development opened in November 2024. Construction has commenced at Toowong (QLD), with construction soon to commence at two further greenfield developments in Belrose (NSW) and Carlingford (NSW). Regis secured two further sites during H1 FY25 in Essendon (VIC) and Coburg (VIC), with contracts signed and settlement to occur in H1 FY26. Regis Bulimba (QLD) is planned to be closed later in the 2025 calendar year.

Dividends

The Board of Directors resolved to pay an interim dividend of 8.09 cents per ordinary share totalling \$24.4 million (60% franked), payable on 10 April 2025 (record date 14 March 2025). The interim dividend pay-out represents 100% of NPAT.

Outlook

Regis welcomed the passing of the new Aged Care Act which is expected to improve sector returns. Regis continues to adapt to a changing regulatory environment and expects to benefit over time from new funding legislation, an increased ageing population, improved workforce availability, and strategic growth initiatives.

Regis will continue to use its strong balance sheet, substantial debt facility and disciplined management of the business, to support the active pursuit of further material strategic acquisitions and greenfield developments to drive increased shareholder value.

For further information, contact:

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A teleconference and webcast will be held by Regis' Managing Director and CEO Dr Linda Mellors and CFO Mr Rick Rostolis at 10am AEDT. Registration details are as follows:

<https://www.regis.com.au/investor-information/forward-calendar/>

This document was authorised for release to the ASX by the Board of Directors.

About Regis

Regis is one of the largest aged care operators in Australia. Founded over 30 years ago, Regis currently provides services to more than 9,500 older Australians through residential aged care homes, home care service hubs, day therapy and respite centres, and retirement villages. Regis prides itself on providing high quality care and services through its team of over 11,500 dedicated employees. To learn more about Regis [click here](#).

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1. Non-IFRS financial information, while not subject to an audit or review, has been extracted from the Financial Report, which has been subject to review by the Group's external auditors. Underlying earnings before interest, tax, depreciation and amortisation ('Underlying EBITDA'), which excludes imputed income on RADs and Bonds of \$51.7 million and one-off items, and includes operating lease expense of \$0.6 million, is reported in order to provide shareholders with a greater understanding of financial performance. A reconciliation of profit before income tax to Underlying EBITDA is provided in the FY25 Half-Year Results Investor Presentation
 2. Underlying EBIT refers to earnings before interest and tax, which excludes imputed income on RADs and Bonds of \$51.7 million, and one-off items, and includes operating lease expense of \$0.6 million
 3. NPAT refers to net profit after income tax
 4. Includes January 2025 Government funding received in advance of \$73.3 million
 5. Mature homes average occupancy excludes Regis Camberwell (112 beds) which opened to new residents in November 2024
 6. Q1 FY25 (1 July 2024 - 30 September 2024)
 7. Q2 FY25 (1 October 2024 - 31 December 2024) - as submitted to DHAC
 8. Includes \$51.7 million of imputed income on RADs and Bonds (H1 FY24: \$36.5 million)