

REGIS HEALTHCARE LIMITED

Business Overview and Development Update



Regis
Lutwyche
QLD

UBS Conference
13 November 2018



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Business overview



Regis
Port Coogee
WA

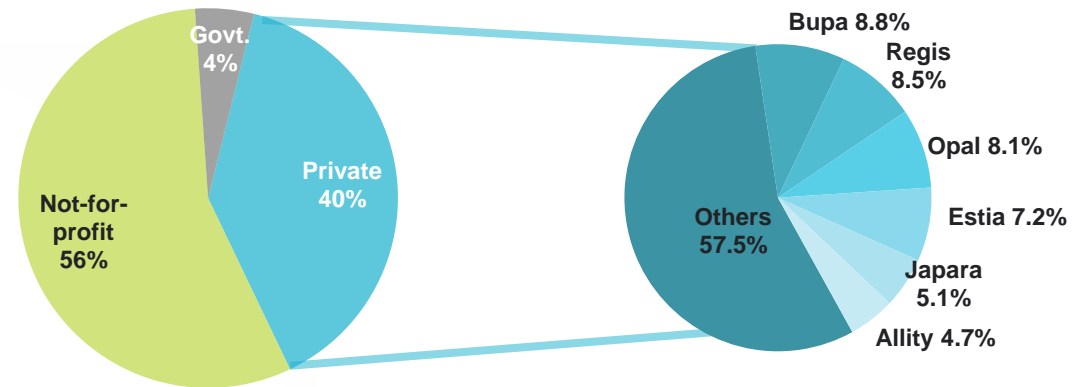
RESIDENTIAL AGED CARE MARKET

Highly fragmented market with 2,672 facilities operated nationally

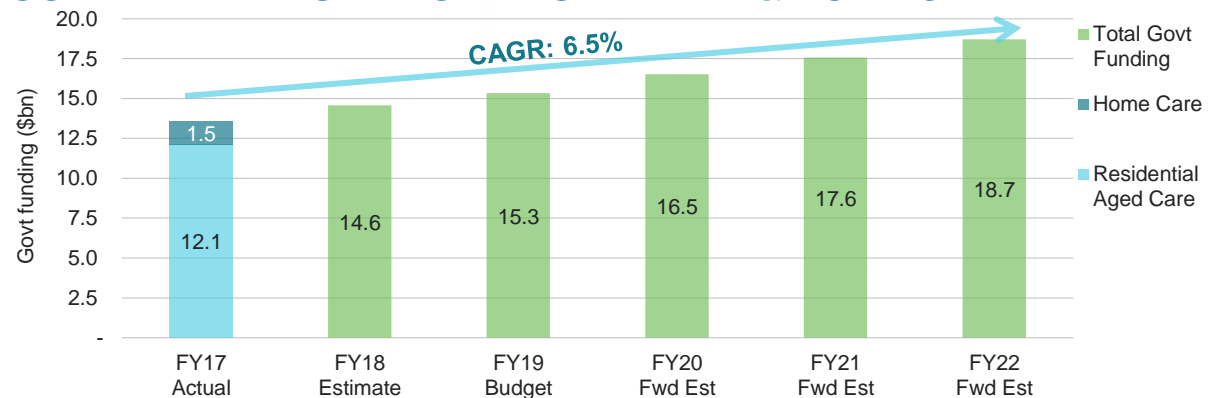
KEY INDUSTRY DYNAMICS¹

- \$17.8 billion industry size by annual revenue
- \$12.1 billion of government funding paid to aged care providers in FY17, \$4.7 billion was resident funded. \$1.0² billion was from other sources
- Federal Government funding is expected to increase at an average rate of 6.5% per annum between FY17 and FY22⁷
 - Aged Care places/Home Care packages growth over this same period is expected to increase by 7%
- Circa 207,000³ places, needs to increase by 88,000 during the next decade to meet required demand as the Australian population ages
- Supply is currently regulated via the issuing of licences by the Federal Government
- Unique capital funding model (RADs) supports development, which comprised 55% of funding sources⁴

RESIDENTIAL AGED CARE SECTOR COMPOSITION IN AUSTRALIA⁵



GOVERNMENT FUNDING – RESIDENTIAL & HOME CARE^{6,7}



1. Aged Care Financing Authority (ACFA) Report dated July 2018
2. Other revenue includes interest, asset revaluations, donations and other revenue items
3. Aged Care Service Listing as at 30 June 2018
4. ACFA Report dated July 2018, Table 10.2 on page 117
5. Estimate based on 30 June 2018 Aged Care Service List, Provider data, ACFA Report dated July 2018 and Regis analysis
6. Sourced from Federal Government Budget Papers (actual and forecast funding)
7. From the 2018-19 Federal Budget, the Department Residential Aged Care and Home Care funding is presented on an aggregated basis

RESIDENTIAL AGED CARE MARKET

A Royal Commission into Aged Care Quality and Safety was announced on 16 September 2018



Regis
Rose Bay
NSW

- Terms of Reference were announced 9 October 2018
- The Honourable Justice Joseph McGrath and Ms Lynelle Briggs AO have been appointed as Commissioners
- The Royal Commission’s interim report is to be provided by 31 October 2019 and its final report no later than 30 April 2020

WHO IS REGIS ?

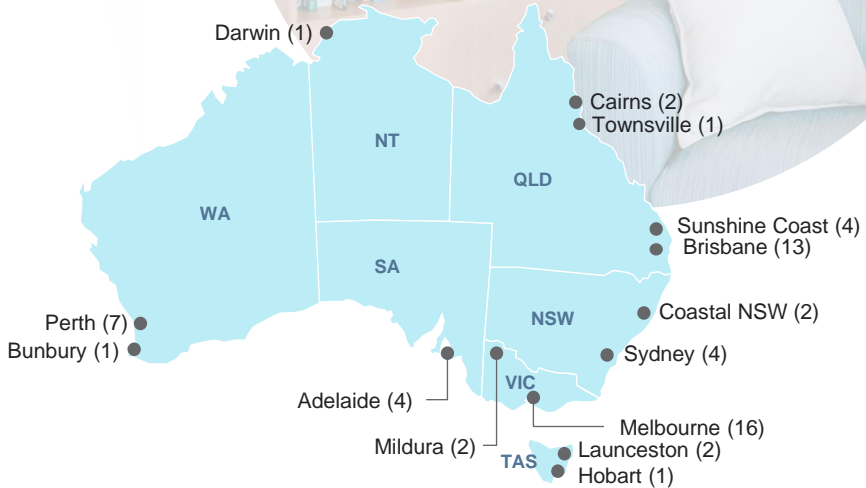
One of the largest providers of Residential Aged Care in Australia

As at 30 June 2018	Total
Number of Facilities	60
Total places	8,323
Total operational places	6,753
Total bedrooms	6,043
% operational places in single bedroom	83%
% single bedrooms as a % of total bedrooms	93%
Average Facility size (number of operational places)	113
Club Services Facilities	19
Facilities approved as Significantly Refurbished ¹	35

Total operational places
6,753
60 Facilities

- Regis' portfolio is one of the most geographically diversified portfolios in Australia
- Regis' facilities are primarily located in metropolitan areas
- Many of the facilities and services offerings are targeted at the premium end of the market
- The company has more than 25 years of experience in developing, acquiring and managing facilities and caring for residents

REGIS FACILITY NETWORK



1. The total Regis Facilities approved as Significantly Refurbished including Club Services Facilities is 47. The number in the table is provided net of Club Services Facilities to support modelling due to the low number of qualifying residents in those Facilities. Qualifying Supported residents receive a Higher Accommodation Supplement under the Aged Care Legislation at these Facilities.

WHO ARE OUR RESIDENTS ?

Elderly Australians requiring Residential Aged Care

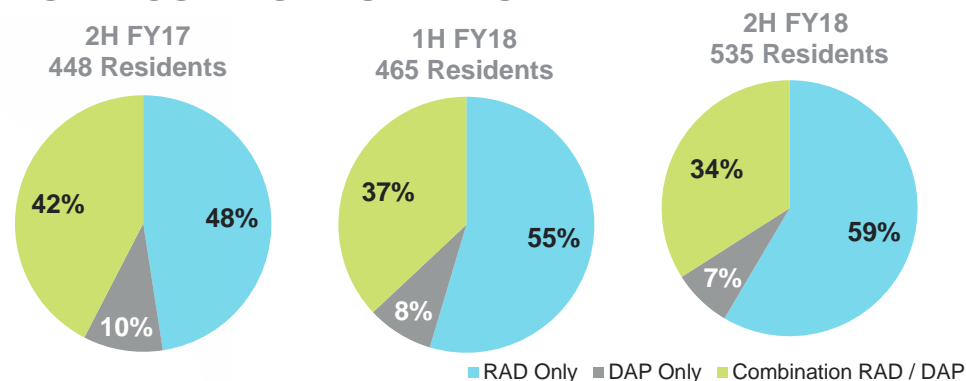
- At present, the average age of residents in the portfolio is 84 and the majority are classified as requiring high care
- Most residents have sought permanent accommodation, but some respite accommodation is also provided
- Our resident profile shows a mix between residents who fund their own accommodation, and those who are supported by the Government
- Circa 45% of the portfolio have elected to pay a RAD (full or combination), which provides a source of funds to support the development program
- Circa 45% of permanent residents are supported. The Significant Refurbishment program now has circa 85% of these living in an enhanced environment and receiving the higher supplement²

RESIDENT TENURE STATISTICS

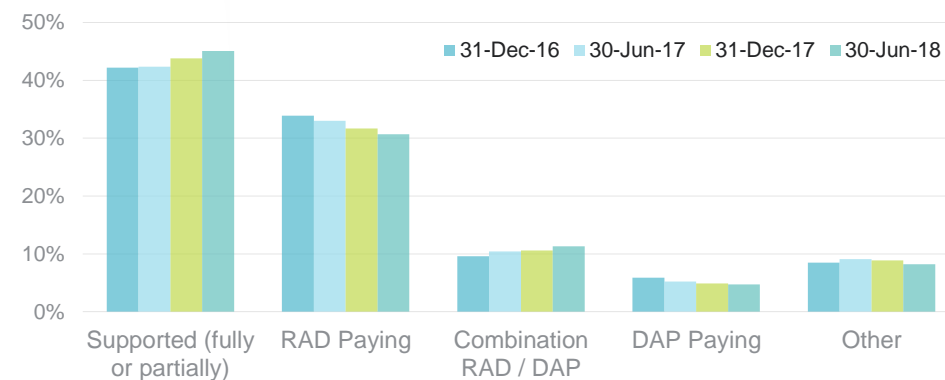
	30 June 2017	30 June 2018
Resident tenure ³	2.38 years	2.40 years
Average duration of stay ⁴	2.88 years	2.84 years

1. Permanent, non supported residents based on the Aged Care Act for those entering care after 1 July 2014
 2. As at 30 June 2018
 3. Average length of stay of permanent residents who departed during that 12 month period
 4. Average length of stay of all permanent residents as at that date
 5. All residents, as at end of period. Note DAP paying group includes pre 1 July 2014 Accommodation Charge paying residents

PROFILE OF ACCOMMODATION PAYMENT TYPES FOR INCOMING RESIDENTS¹



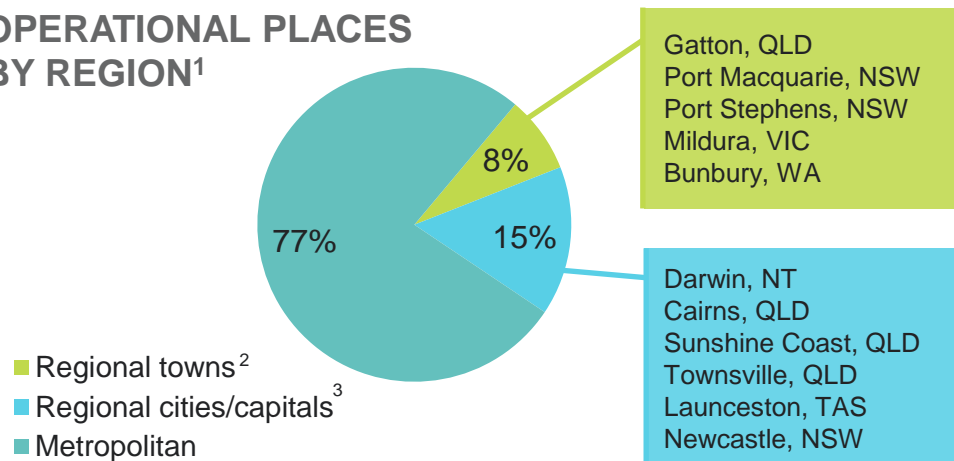
CHANGE IN TOTAL RESIDENT PROFILE⁵



OUR AGED CARE FACILITIES

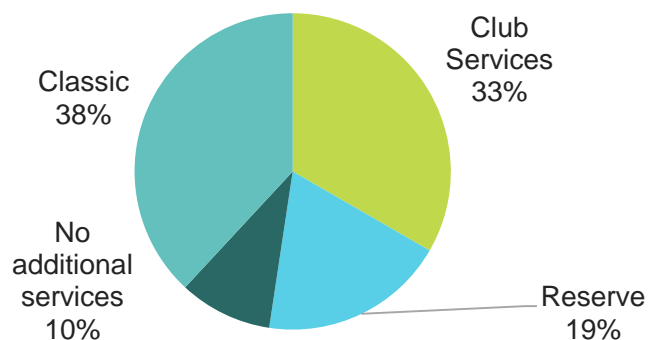
Regis' aged care portfolio is one of the largest and most diversified in Australia

OPERATIONAL PLACES BY REGION¹

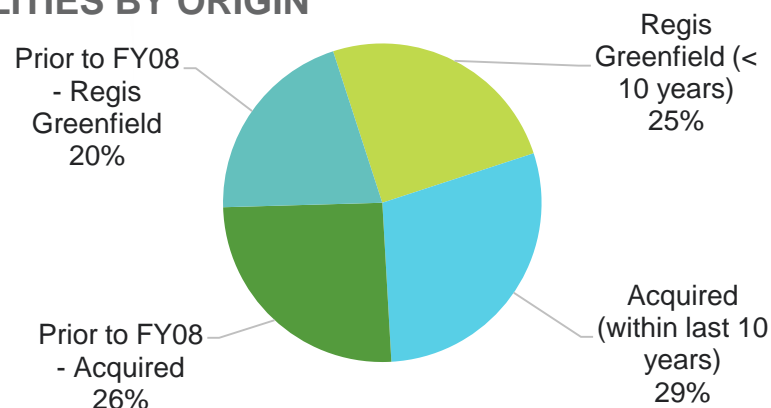


ASSET VALUE	\$m
As at 30 June 2014	\$579
New land and buildings – development program	\$449
New land and buildings - acquisitions	\$211
Other additions less accumulated depreciation	\$17
Total as at 30 June 2018	\$1,256⁴

FACILITIES BY ADDITIONAL SERVICES PRODUCT¹



FACILITIES BY ORIGIN



1. Anticipated as at 30 September

2. <100k population, as at 2016 census

3. >100k population, as at 2016 census

4. Includes Investment Properties (i.e. retirement villages) assets of \$129m plus all aged care Property, plant and equipment of \$1,127m as per the Company's Statutory Financial reports

OUR PEOPLE

The development of our people is critical with a workforce now exceeding 7,000

- ❑ A year on year improvement in Regis' Employee Engagement results measured via extensive staff surveys demonstrated both high and improving levels of commitment in FY18
- ❑ Cutting edge analytics are used to ensure our recruitment and selection processes capture job candidates who are both committed to a career in aged care and who genuinely care
- ❑ Regis is an industry leader in the establishment of development programs for our people. Examples of this include the following:
 - A proprietary development program for Registered Nurses, **"Flourish"**, which is now well embedded with in excess of 700 nurses having participated in and been developed through this program. Outcomes include outstanding improvement in team leadership and clinical supervision
 - 124 business leaders graduated from **"Quest"**, the Company's intensive Leadership Development program designed specifically for our aged care leaders
 - Project **"Lift"** – which reinforces Registered Nurses as being front and centre in our care model and uses their clinical skills to advantage – has earned accolades and enthusiasm from our clinical fraternity



>700
Registered
Nurse Graduates
from the
"Flourish"
Program

OUR CARE FOCUS DRIVES OPERATIONAL SOLUTIONS

Quality of care provided based on the individual needs of each resident

Our commitment to the quality of care we provide at our facilities is based first and foremost on the *individual* care requirements of each of our residents.

That focus on residents' individual care needs means we adjust the staffing levels, skills mix and resources as required to provide the appropriate care.

This flexibility is important in ensuring we can adjust staffing rosters according to residents' assessed needs and also the occupancy levels at each facility.

Our frontline care, which includes nurses on every roster, is also supported and complemented by the dedicated resources and infrastructure of our wider organisation.

That includes services such as our centrally located Nurse on Call, Help Desk and other Support Services to assist our nursing staff in caring for our residents.



02

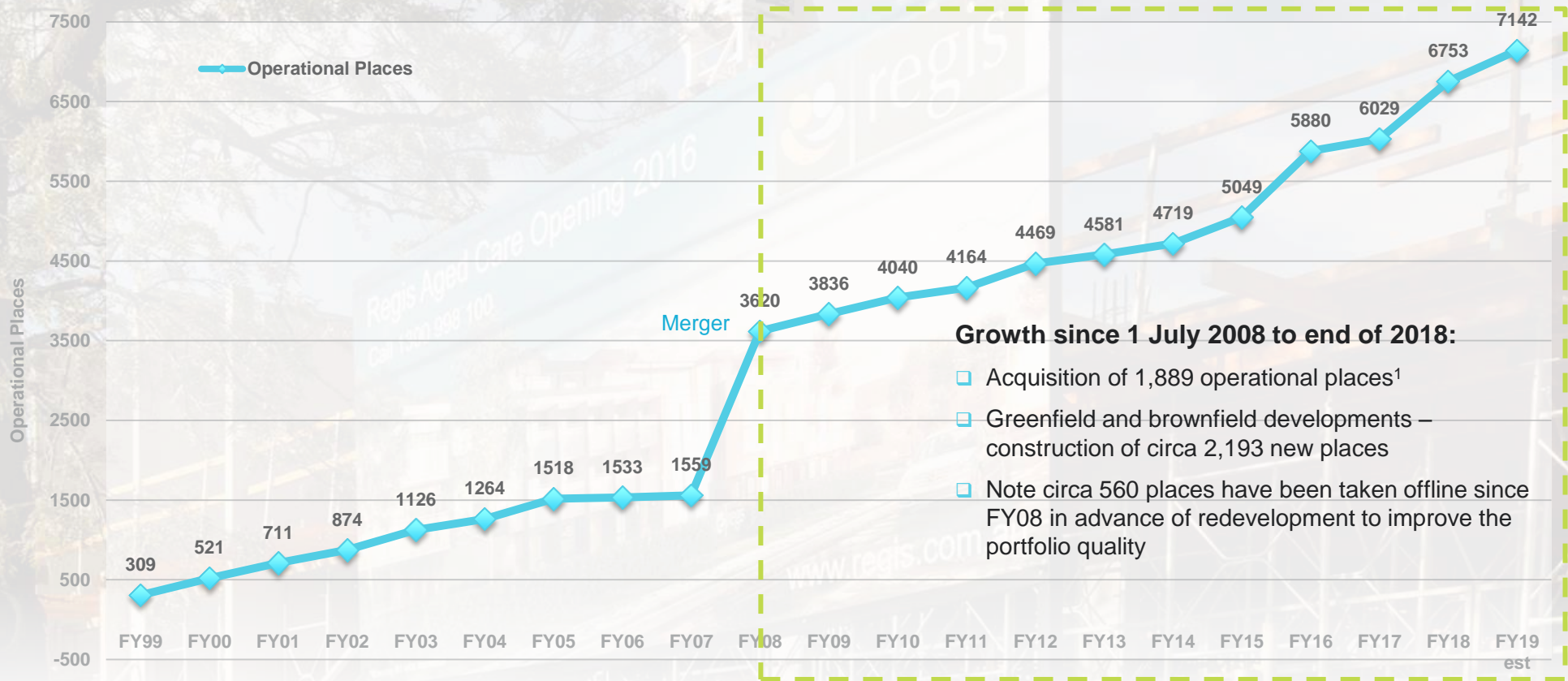
Development Update



REGIS' GROWTH PROFILE

Regis has grown through both development and acquisition

Timeline of portfolio growth, last 20 years

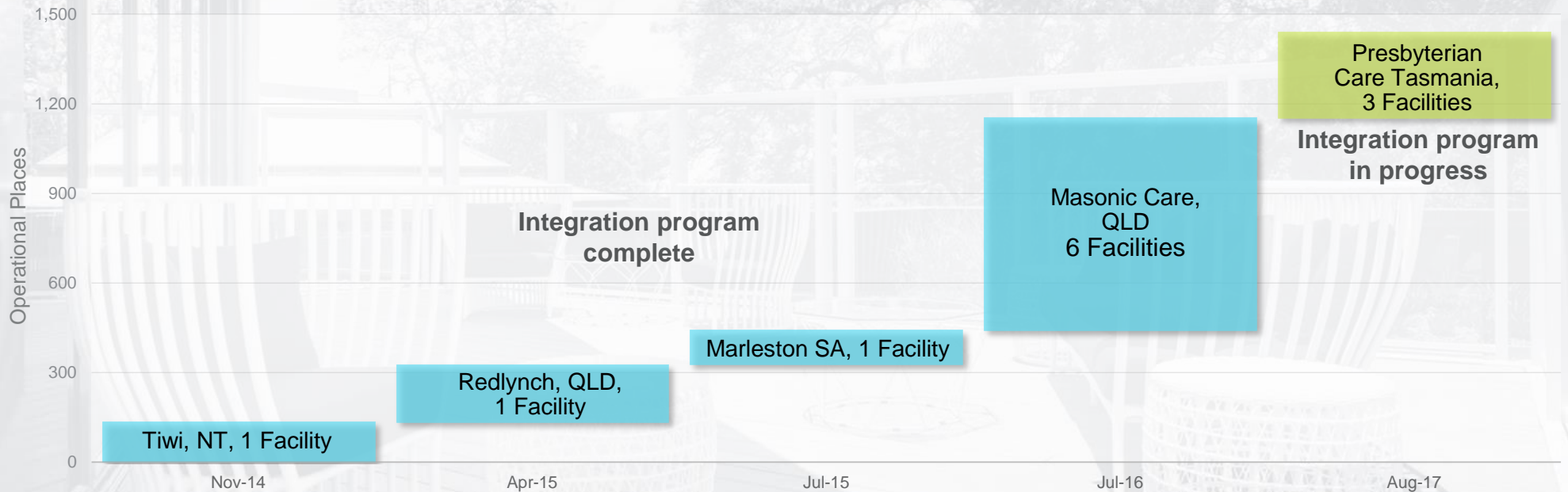


1. 1,909 places acquired less 20 from the divestment of Tin Can Bay, Qld on 30 June 2017

ACQUISITIONS

Acquisitions have formed a key part of the Company's Growth strategy

Five acquisitions have completed since listing, all purchased from not for profits



Acquisitions have formed a significant part of the Company's growth:

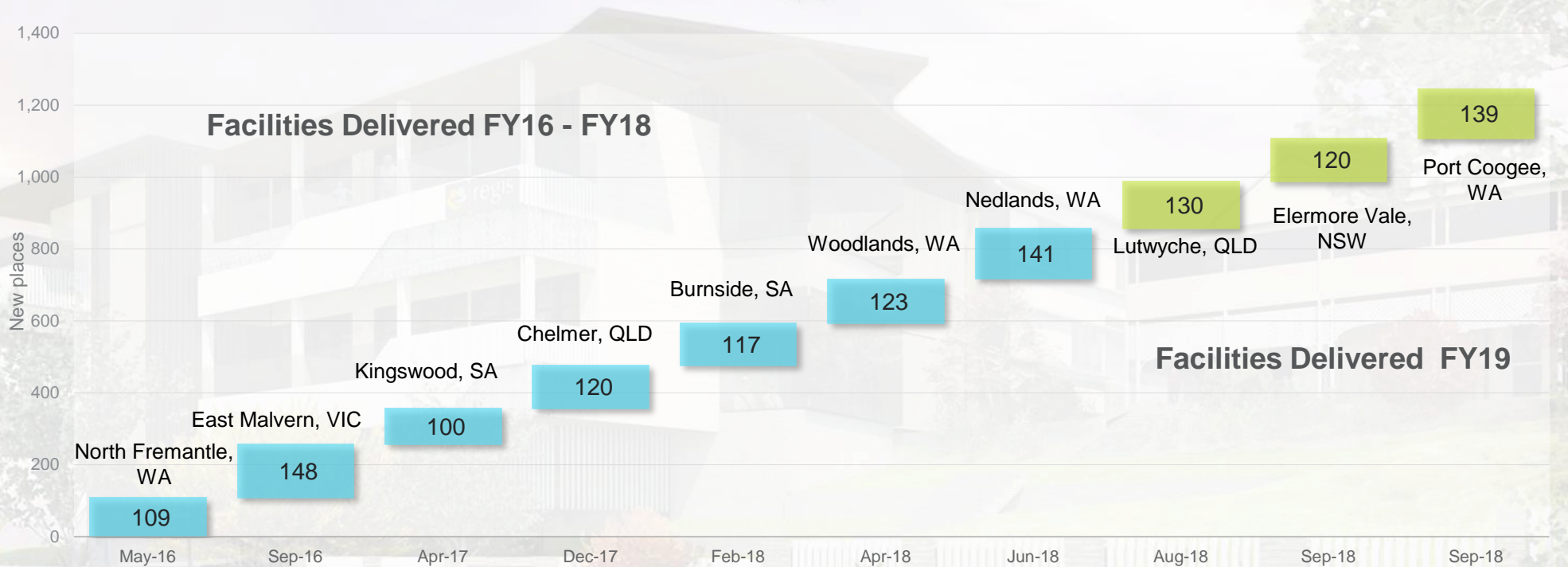
- All high quality facilities with circa 98% single rooms with private ensuites. Each are of scale with the smallest being 86 places
- The Significant Refurbishment program has been completed at each Facility
- All acquisitions are performing to the Regis EBITDA run rate except for Presbyterian Care Tasmania ("PCT"), which is still in the integration process. As previously indicated, it is anticipated that PCT will be EPS accretive in FY19 and progressing towards Regis run rate

The company anticipates opportunities to arise over the next 18-24 months, which will be assessed according to our usual criteria.

1,440
Places
acquired
since listing

PORTFOLIO OVERVIEW – DEVELOPMENTS

The current program has delivered 1,247 new places

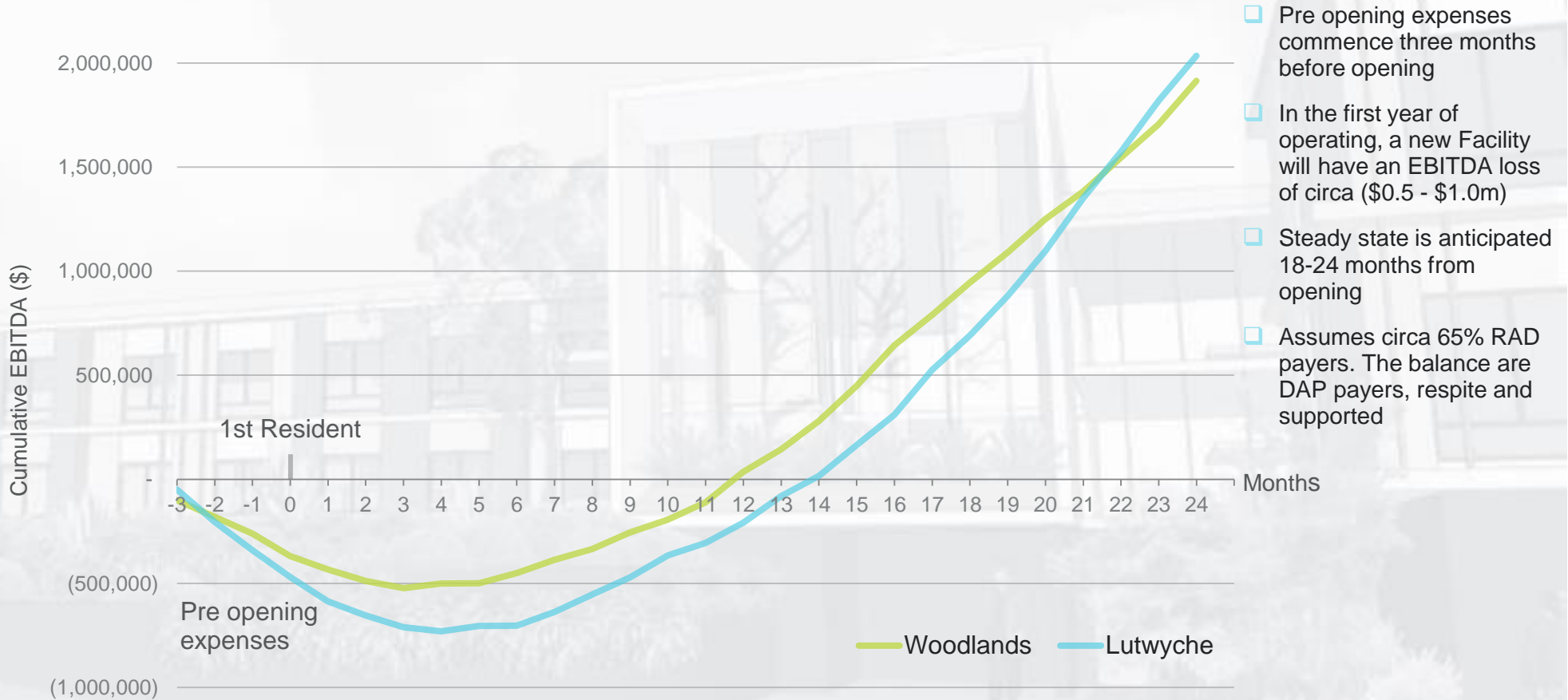


□ With the current development program complete, the focus is now on:

- Repayment of debt through RADs from the newly opened Facilities
- Prioritisation of ACF development program
- Progression of the Retirement Village developments
- Continuing to review acquisition opportunities

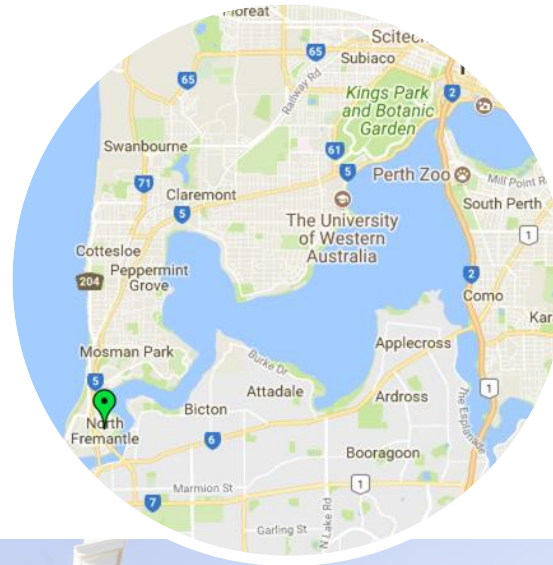
EBITDA PROFILE – NEW DEVELOPMENTS

EBITDA ramp up profile examples: Woodlands and Lutwyche



Profile

Suburb	North Fremantle
Distance from CBD	14km
Median House Price	\$1.1 million
Population ≥ 70 in catchment area	20,500
Opened	May 2016
Total places	109
Single bed rooms / private ensuite	100%
Ramp up occupancy status	Complete
Approval to advertise RADs > \$550k?	✓
Club Services?	✓



**FACILITY PROFILE:
REGIS NORTH
FREMANTLE,
PERTH WA**



The facility originally known as Regis Hillcrest was closed for redevelopment in 2014. This involved the demolition of the 60s style buildings and complete refit of the heritage listed mansion which now holds a café, private diningroom, cinema and hairdressing salon. Located near the Swan River, the development includes 8 apartment style rooms.



Profile	
Suburb	East Malvern
Distance from CBD	11km
Median House Price	\$1.8 million
Population ≥ 70 in catchment area	80,000
Opened	September 2016
Total places	148
Single bed rooms / private ensuite	100%
Ramp up occupancy status	>75%
Approval to advertise RADs > \$550k?	✓
Club Services?	✓

FACILITY PROFILE: REGIS EAST MALVERN, MELBOURNE VIC



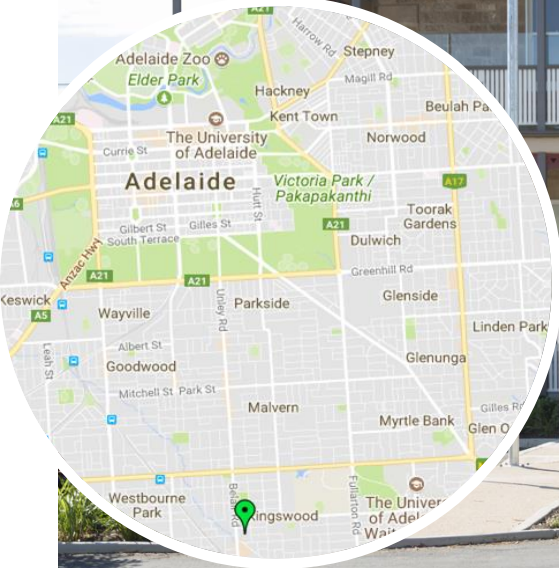
Originally owned by The Salvation Army and operated as a nursing home and hostel from the 60's, the "Weeroona" Facility was closed and demolished for redevelopment. Located 11km from the Melbourne CBD, the luxury facility features contemporary furnishings and a lifestyle precinct. Included are 19 apartments.

Profile

Suburb	Kingswood
Distance from CBD	5km
Median House Price	\$1.0 million
Population ≥ 70 in catchment area	31,000
Opened	April 2017
Total places	100
Single bed rooms / private ensuite	100%
Mobilisation status	>75%
Approval to advertise RADs > \$550k?	✓
Club Services?	✓



**FACILITY PROFILE:
REGIS
KINGSWOOD,
ADELAIDE SA**



regis
KINGSWOOD

- Reception ↗
- Waiting Bays ↗
- PICK-UP AND DROP-OFF ZONE
- Visitors Parking ←
- Staff Parking ←
- Loading Bay ↑
- ALL DELIVERIES VIA RUGBY ST

Originally owned by The Salvation Army and acquired by Regis in 2006, the “Sunset” Facility was outdated, characterised by 4 bed rooms with shared bathrooms and not suited to high care needs. This Facility was closed in October 2015 and demolished for redevelopment. We retained a heritage building, which has been refurbished as a lifestyle precinct.





Profile	
Suburb	Chelmer
Distance from CBD	7km
Median House Price	\$1.0 million
Residents ≥70 in catchment area	13,500
Opened	November 2017
Total places	120
Single bed rooms / private ensuite	100%
Ramp up occupancy status	>50%
Approval to advertise RADs > \$550k?	✓
Club Services?	✓

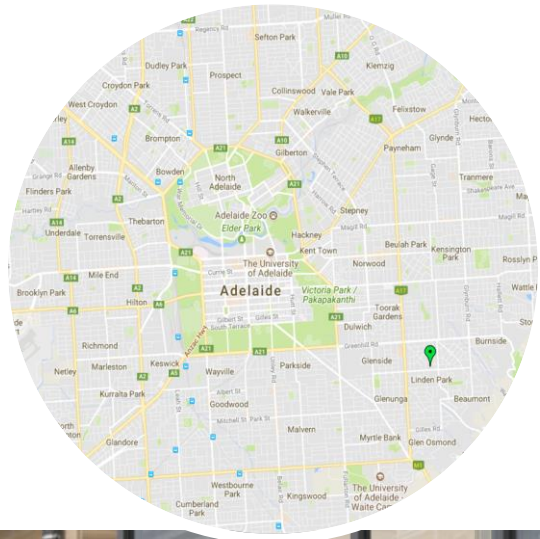
FACILITY PROFILE: REGIS CHELMER, BRISBANE QLD



Regis Chelmer is a purpose-built ageing-in-place facility that has a faithfully restored 1890s mansion on site. The Facility is topped with a magnificent rooftop Club lounge. Club Services includes benefits such as chef designed and cooked meals, a personal safe, Foxtel, WiFi and an onsite café exclusively for Club Services members.

Profile

Suburb	Linden Park
Distance from CBD	5km
Median House Price	\$906k
Population ≥ 70 in catchment area	19,500
Opened	February 2018
Total places	117
Single bed rooms / private ensuite	100%
Ramp up occupancy status	>25%
Approval to advertise RADs > \$550k?	✓
Club Services?	✓



**FACILITY
PROFILE:
REGIS
BURNSIDE,
ADELAIDE SA**

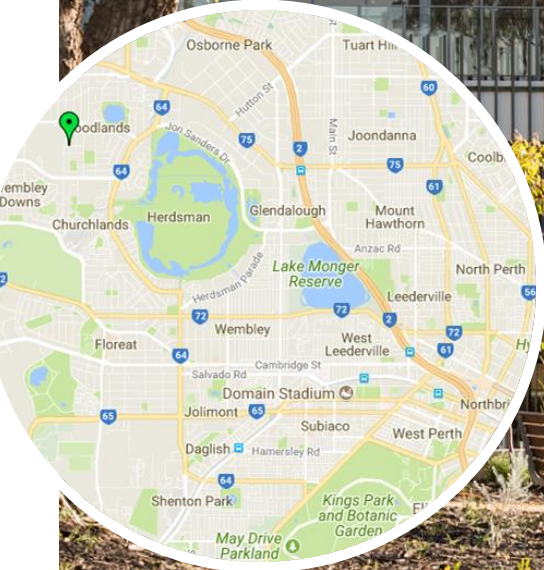


A complex “campus” site that has previous had 2 aged care facilities, the new Regis Burnside building is a stand alone Facility co-located with an older Facility, that is well located 5km from the Adelaide CBD. The new building features the Regis Club Services offering.



Profile	
Suburb	Woodlands
Distance from CBD	10km
Median House Price	\$1 million
Population ≥ 70 in catchment area	12,000
Opened	April 2018
Total places	123
Single bed rooms / private ensuite	100%
Ramp up occupancy status	>50%
Approval to advertise RADs > \$550k?	✓
Club Services?	✓

FACILITY PROFILE: REGIS WOODLANDS, PERTH WA



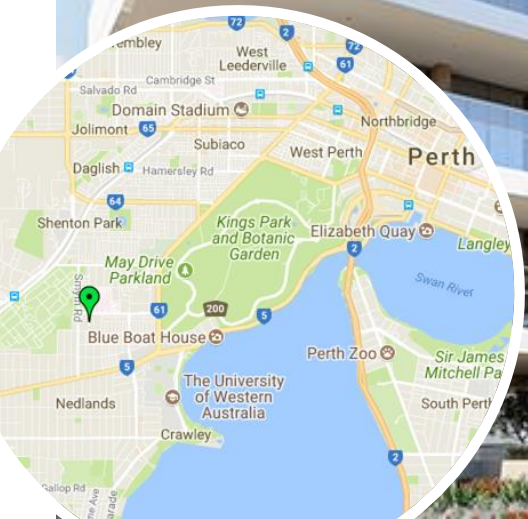
Located approximately 10kms from the Perth CBD, Woodlands is a modern, architecturally designed Facility. Spanning three levels it has extremely generous common areas for residents to access including a private dining room. As the facility is a Club Services facility, residents will be able to access the hotel-like features.

Profile

Suburb	Nedlands
Distance from CBD	6km
Median House Price	\$1.6m
Population ≥ 70 in catchment area	6,500
Opening	June 2018
Total places	141
Single bed rooms / private ensuite	100%
Ramp up occupancy status	>50%
Approval to advertise RADs > \$550k?	Submitted
Club Services?	✓



**DEVELOPMENT
PROFILE:
REGIS
NEDLANDS,
PERTH WA**

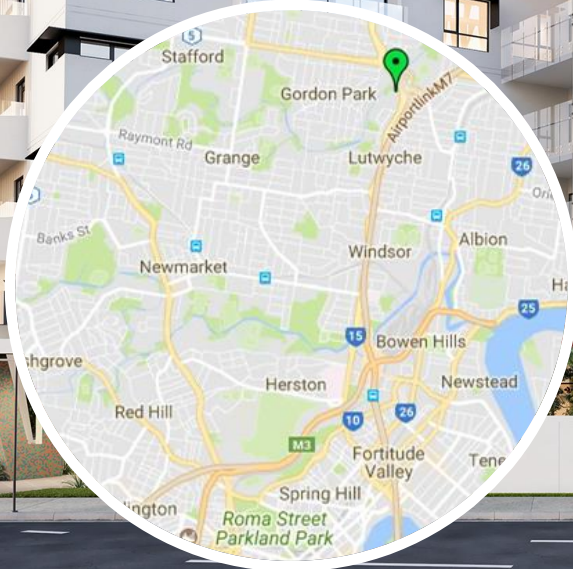


This Facility represents the first stage of redevelopment of this campus site, following closure of the original building for demolition in FY16. This new Facility includes the usual Regis Club features and also offers rooftop terraces that offer views towards the Swan River. This Facility also includes 17 apartments (bedroom, living room and a balcony).



Profile	
Suburb	Lutwyche
Distance from CBD	6km
Median House Price	\$890k
Population ≥ 70 in catchment area	34,000
Opened	August 2018
Total places	130
Single bed rooms / private ensuite	100%
Ramp up occupancy status	>25%
Approval to advertise RADs > \$550k?	Yes
Club Services?	✓

DEVELOPMENT PROFILE: REGIS LUTWYCHE, BRISBANE QLD



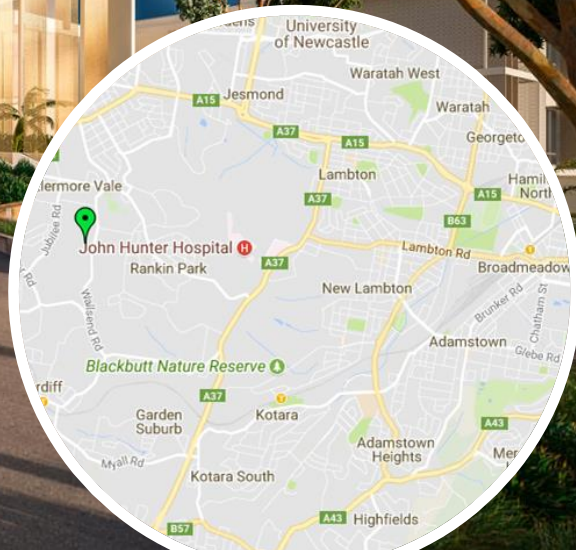
This site is located only 6kms north of the Brisbane CBD. The development is a six level Facility that will provide city views. There is a generous amount of common spaces for residents including a private deck on each level, wellness centre, plus courtyards. Other features also include private dining rooms, cinemas, cafes and day spa.

Profile

Suburb	Elernmore Vale
Distance from CBD	10km from Newcastle
Median House Price	\$585k
Population ≥ 70 in catchment area	11,000
Opened	September 2018
Total places	120
Single bed rooms / private ensuite	100%
Ramp up occupancy status	>25%
Approval to advertise RADs > \$550k?	N/A
Club Services?	No



**DEVELOPMENT
PROFILE:
REGIS
ELERMORE
VALE, NSW**

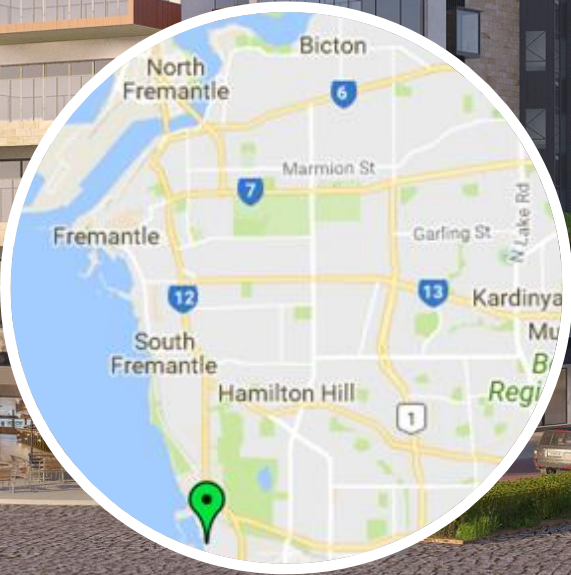


The Elernmore Vale Facility offers an innovative three-storey facility which has 30 beds dedicated towards dementia care. The facility has an elevated location and will offer treetop canopy views out towards the Hunter Valley region.



Profile	
Suburb	North Coogee
Distance from CBD	19km
Median House Price	\$900k
Population ≥ 70 in catchment area	21,000
Opening scheduled	September 2018
Total places	139
Single bed rooms / private ensuite	100%
Ramp up occupancy status	<25%
Approval to advertise RADs > \$550k?	Yes
Club Services?	✓

DEVELOPMENT PROFILE: REGIS PORT COOGEE, PERTH WA



The Port Coogee facility is the third Regis greenfield development to open in WA this year and has a prime location, directly adjacent to the marina. Given its location, the facility is built over six levels to take advantage of the sweeping water views over the marina and out towards the setting sun each evening.

03

Summary

SUMMARY

Growth will be driven by the greenfield development program and acquisitions

Greenfield Development

Greenfield development activities continue in line with the Company's growth strategy

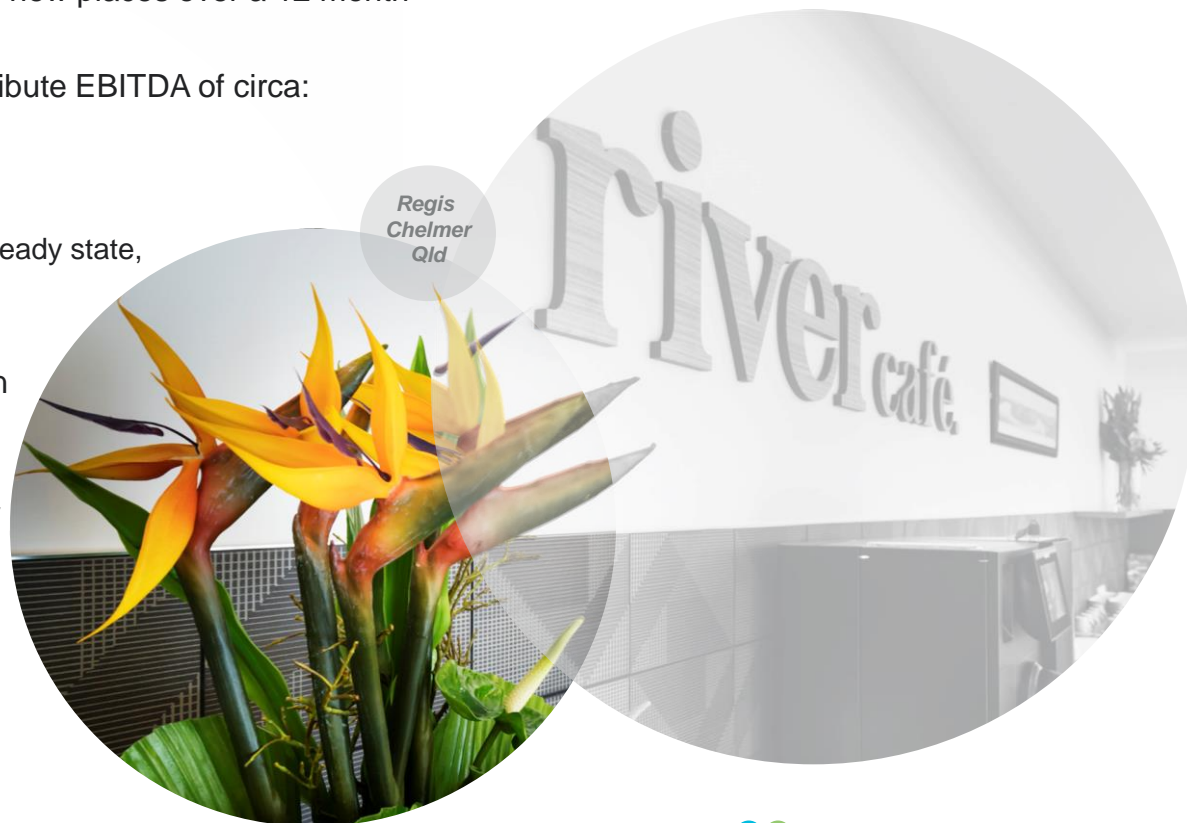
- The development pipeline will have contributed a total of 1,247 new places when the current construction projects are complete, including 890 new places over a 12 month period from December 2017

It is anticipated that Facilities in the ramp up stage will contribute EBITDA of circa:

- \$2.5m in FY18
- \$5.5m in FY19
- \$25m per annum when all new developments reach their steady state, which is anticipated to occur during FY21
- From FY19 to FY21, a further \$220m - \$270m of net RAD cashflow is anticipated to come from the completion of the ramp up of the development sites. This will be used to pay down debt
- As disclosed at the AGM, as at the 18th October our year to date net RAD cash inflows were \$41m

Acquisitions

- The Presbyterian Care Tasmania acquisition will be EPS accretive in FY19
- The Company anticipates a number of acquisition opportunities will come to market over the next 18-24 months



IMPORTANT NOTICE

This presentation contains general information about the activities of Regis Healthcare Limited (Regis) which is current as at 30 June 2018. It is in summary form and does not purport to be complete. It presents financial information on both a statutory basis (prepared in accordance with Australian accounting standards) which comply with International Financial Reporting Standards (IFRS) as well as information provided on a non-IFRS basis.

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All amounts are in Australian dollars. All references starting with 'FY' refer to the financial year ended 30 June.

For example, 'FY17' refers to the year ended 30 June 2017.