REGIS HEALTHCARE LIMITED

Regis Elermore Vale NSW

Results for the half year ended 31 December 2018

22 February 2019

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22 FEBRUARY 2019

RESIDENT CARE AND SERVICES

Regis Healthcare is one of Australia’s leading aged care providers and delivers quality care, through more than 8,000 committed employees, including innovative ageing in place, residential, respite and dementia care to help residents live well.

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01

Business and financial highlights 1H FY19

FINANCIAL HIGHLIGHTS 1H FY19

Industry wide challenges impacting steady state business, new Facilities performing well

Revenue of	Normalised[1] EBITDA of	Normalised[1] NPAT of
$318m	**$56.7m**	**$24.7m**
8% higher than 1H FY18	7% lower than 1H FY18 Normalised[1], 1% higher than 2H FY18	In line with guidance

Net RAD cashflow
$72.1m

- Normalised[1] 1H FY19 EBITDA was lower than 1H FY18 and reflects:
  - A solid performance from the group of new Facilities ramping up
  - Industry wide occupancy headwinds impacted the steady state portfolio
  - A net improvement in earnings from the Facilities acquired from Presbyterian Care Tasmania
  - Federal Government cuts to residential aged care funding, indexation and the associated increase in expenses implemented in 2017 and 2018
- Normalised[1] NPAT of $24.7m. This was in line with guidance and 19% lower than 1H FY18
- Net operating cashflow of $109.1m[2], includes net RAD cashflow of $72.1m[3] which exceeded the full year FY18 result of $62.6m, as a result of a strong performance from the Facilities ramping up
- Capital expenditure of $42.6m[4]
- Average occupancy of 92.8%, with 31 December closing occupancy of 92.2%
- Fully franked interim dividend of 8.12 cents per share declared, 100% of reported NPAT

1. 1H FY19 results have been normalised to remove the one off impact of the direct costs associated with the Royal Commission process, of $0.4m EBITDA and $0.3m of NPAT. Refer to the Glossary in Appendix A for definitions and Appendix F for the reconciliation of reported to normalised results, which have been prepared in accordance with ASIC Regulatory Guide 230 – Disclosing non-IFRS financial information
2. Excluding $36.4m government funding received in advance
3. Consists of $73.1m of RAD cash inflow less $1m of outflow in relation to Independent Living unit resident funds
4. Capital expenditure on developments, significant refurbishment and other projects

KEY OPERATIONAL STATISTICS

Operations continued to perform well in the face of industry headwinds

KEY OPERATIONAL STATISTICS[1]	1H FY18 Normalised	2H FY18 Normalised	FY18 Normalised[2]	1H FY19 Normalised[2]	
Total operational places	6,436		6,753	7,142	1H FY19 increase reflects the delivery of 3 new greenfield Facilities – Port Coogee, WA, Elermore Vale, NSW and Lutwyche, QLD
Revenue ($m)	295.9	298.5	594.4	318.2	Uplift from growth and COPE increase offset by Federal Government funding cuts and associated expenses, EBA increases and Occupancy
EBITDA ($m)	61.0	56.1	117.1	56.7	
Average occupancy (%)[3]	93.1%	93.7%	93.4%	92.8%	Ramp up Facilities delivered solid performance. Steady State Facilities impacted by industry wide Occupancy headwinds
Occupancy (%) at end of period	92.5%		94.0%	92.2%	
Revenue per occupied bed day($)[3]	284	283	283	287	
Government income per occupied bed day($)[3]	197	198	198	201	Annual COPE increase and increased contribution from Significant Refurbishment offset by Federal Government funding cuts
Resident income per occupied bed day ($)[3]	80	80	80	81	
Staff costs per revenue (%)	66.1%	67.4%	66.9%	68.4%	Reflects EBA increases for the year which are higher than the COPE increase and higher staff costs to revenue % in the ramping up Facilities
RADs held (#)[4]	2,469		2,500	2,589	
RADs held ($m)[5]	906.8		945.1	1,016.2	
Average RAD held ($000's)[6]	367.3		378.0	392.5	
Average incoming RAD ($000's)[6]	464.8		467.9	478.7	Reflects contributions from both Facilities ramping up and the steady state portfolio
Average incoming DAP rate per day ($)[7]	41.61		42.36	46.10	Increased contributions from ramping up Facilities. For combination payments the average % DAP paid is 60%

1. As per Glossary definitions unless otherwise noted
2. As per definition Glossary (Appendix A) – refer Appendix E and F for reconciliation between Reported and Normalised results
3. Average across the reporting period (12 months or 6 months)
4. Includes all RADs held – full and partial at their weighted value
5. Excludes ILU resident entry contributions
6. Includes partial RADs at full notional value and excludes lump sums received from partially supported residents
7. Includes full and partial DAPs at actual value and excludes daily accommodation contributions received from partially supported residents

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EARNINGS

EBITDA[1] results affected by headwinds from Government cuts to residential aged care funding

- 1H FY19 EBITDA was 7% lower than 1H FY18[1] and in line with the $56.1m result in the 2H of FY18. This reflects growth offset by industry headwinds:
  - Facilities ramping up contributed a higher level of EBITDA, less the operating losses incurred by three Facilities in this group which are in their first year of operation
  - The Presbyterian Care Tasmania portfolio made a greater EBITDA contribution and continues to progress towards the steady state portfolio run rate
  - The headwinds from the Government cuts to residential aged care funding continued to impact EBITDA, including the indexation freeze and the expenses associated with changes to the ACFI funding instrument.
  - Lower occupancy across the Industry impacted the Steady State portfolio, particularly in several of the older Facilities and those Facilities with some shared rooms. The Facilities ramping up performed to expectations from an occupancy perspective.
  - Staffing expenses were higher than 1H FY18 as a % of revenue. The increase from 1H FY18 to 1H FY19 was $21.5m in total. The key items in this include:
    - $5.3m for the “steady state” Facilities (EBA increases, which averaged circa 3.0% across the aged care business)
    - $16.1m for ramping up and acquired Facilities

SIGNIFICANT 1H FY19[1] EBITDA MOVEMENTS COMPARED TO 1H FY18

1. Note – 1H FY19 results are Normalised. For comparison purposes all FY18 figures are based on normalised results. Refer Appendix A for glossary and Appendix F for reconciliation between reported and normalised results

PROFIT

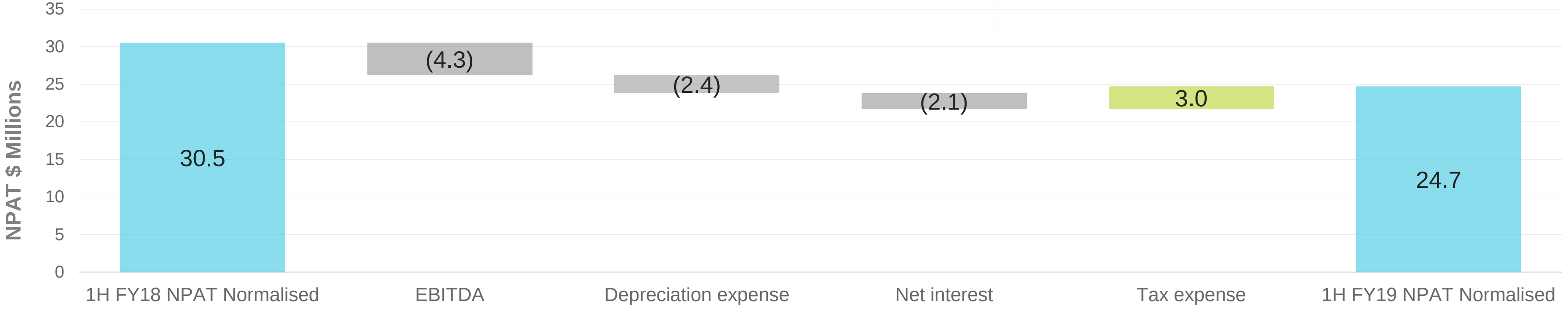
NPAT in line with guidance

1H FY19 NPAT was in line with the full year guidance of $47 to $51 million:

- 1H FY19 EBITDA was broadly in line with guidance
- Interest and depreciation expenses have increased as a result of the completion of greenfield developments
- Effective tax rate of circa 28%

Residents at Regis Port Stephens NSW

SIGNIFICANT 1H FY19[1] NPAT MOVEMENTS COMPARED TO 1H FY18



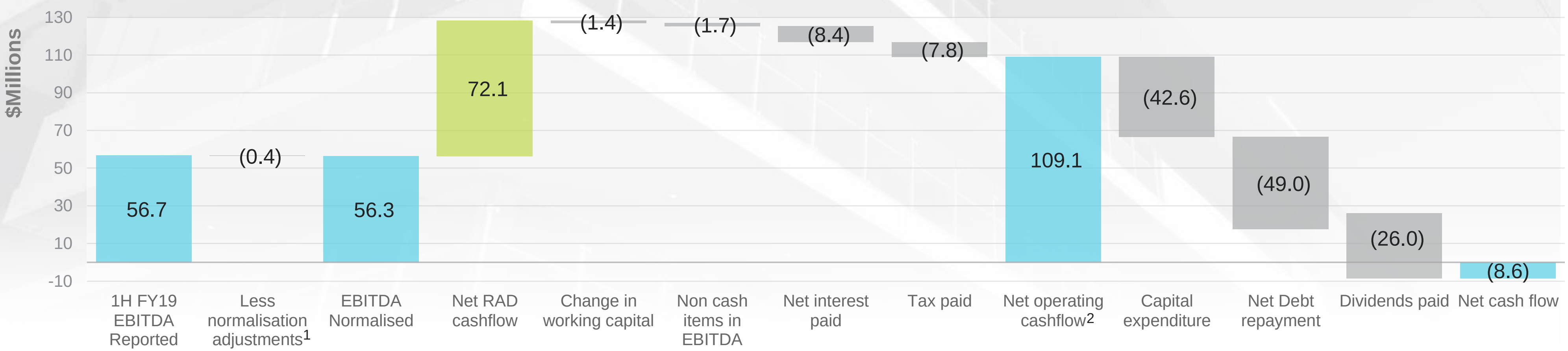
1. As per definition glossary (Appendix A)

CASHFLOW

Net RAD cashflow of $72.1m for the half exceeded the full year result for FY18

- Net operating cashflow of $109.1m underpinned by:
  - Normalised EBITDA of $56.7m
  - Net RAD cashflow of $72.1m
    - 1H FY19 result exceeded the full year FY18 net RAD cashflow $62.6m
    - Facilities ramping up performed to expectations, both in terms of the number and value of RADs
    - Average incoming RADs in the steady state portfolio showed a modest improvement
- Key investment activities included total capex on development, significant refurbishment, land and other projects of $42.6m
- Future RAD cashflow from development sites ramping up will continue to be used to repay debt

KEY 1H FY19 CASHFLOW MOVEMENTS



1. As per definition in Glossary, Appendix A
2. $36.4m of government funding received in advance in January has been excluded from the net operating cashflow

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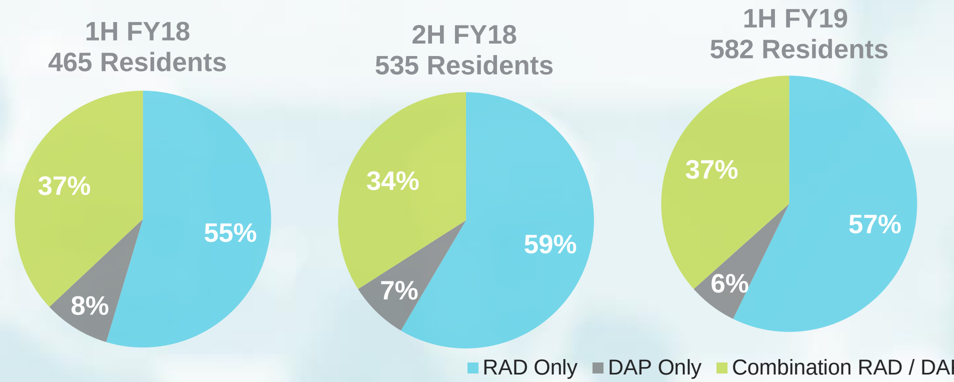
RESIDENT PROFILE

Profile of RAD / DAP mix and combination payments is consistent with prior periods

- As at 31 December 2018, 47.7% of the portfolio were paying a RAD (in part or in full), marginally higher than 30 June 2018, which was 45.9%
- The Significant Refurbishment program now has circa 2,488 eligible residents living in an enhanced environment, for which the company receives the higher accommodation supplement[2]

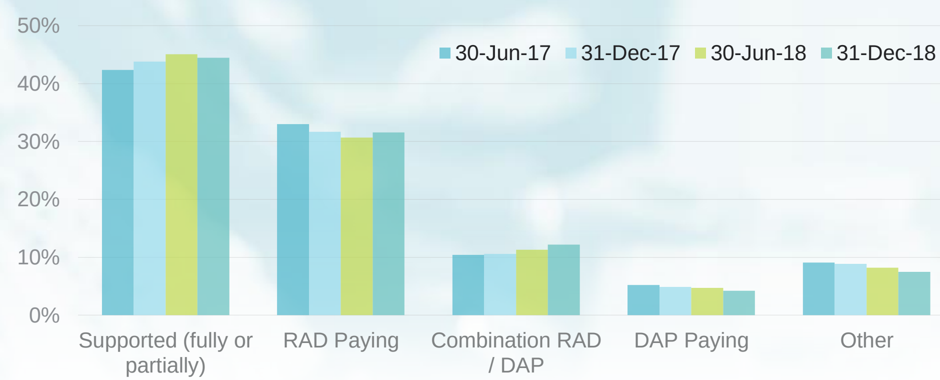
PROFILE OF ACCOMMODATION PAYMENT TYPES FOR INCOMING RESIDENTS[1]



RESIDENT TENURE STATISTICS

	31 December 2017	31 December 2018
Resident tenure[3]	2.37 years	2.35 years
Average duration of stay[4]	2.81 years	2.86 years

CHANGE IN TOTAL RESIDENT PROFILE[5]



1. Permanent, non supported residents based on the Aged Care Act for those entering care after 1 July 2014
2. As at 31 December 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

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02

Portfolio Overview and Growth Strategy

PORTFOLIO OVERVIEW

One of the largest providers of Residential Aged Care in Australia

As at 31 December 2018	Total
Number of Facilities	63
Total places	8,323
Total operational places	7,142
Total bedrooms	6,432
% operational places in single bedroom	84%
% single bedrooms as a % of total bedrooms	93%
Average Facility size (number of operational places)	113
Club Services Facilities	21
Facilities approved as Significantly Refurbished[1]	41

- Three new Facilities were delivered during 1H FY19. The Company now has 63 Facilities, of which 21 offer Club Services
- The Significant Refurbishment program continued, with a further 7 Facilities approved at the end of the 1H FY19
- Regis continues to review the older Facilities and those with some shared rooms as part of an Asset renewal program

Total operational places

7,142

63 Facilities

REGIS FACILITY NETWORK

1. The total Regis Facilities approved as Significantly Refurbished including Club Services Facilities is 56. 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.

GROWTH STRATEGY

Four current areas of focus

FOCUS ON PERFORMANCE OF RAMP UP FACILITIES, QUALITY OF EXISTING PORTFOLIO AND CONTINUING TO DELIVER FURTHER GROWTH

New Facilities ramping up to achieve pro forma outcomes	• These new Facilities delivered from the development pipeline have created high quality Facilities. These are ramping up their operations with a focus on Care, Quality and Compliance. Solid progress is being made towards achieving the company proforma for EBITDA, net RAD cashflow and Occupancy • The net RAD inflow from these Facilities has been and will continue to be used to retire debt
Asset renewal plan	• Asset renewal program with a focus on older Facilities and shared rooms • Extensions planned for several Facilities where land is available and additional scale makes sense
Development of Greenfield facilities	• 2 greenfield development projects are nearing construction. • The current greenfield pipeline will deliver circa 600 new places • Focus continues to be on urban locations which can support a Club Services offer
Acquisition of single facilities and portfolios	• A number of Aged Care acquisition opportunities have been / are being analysed • Some have been poor quality assets or had compliance issues • Market activity appears to be increasing although completed transactions are few, with reasons for sale varied

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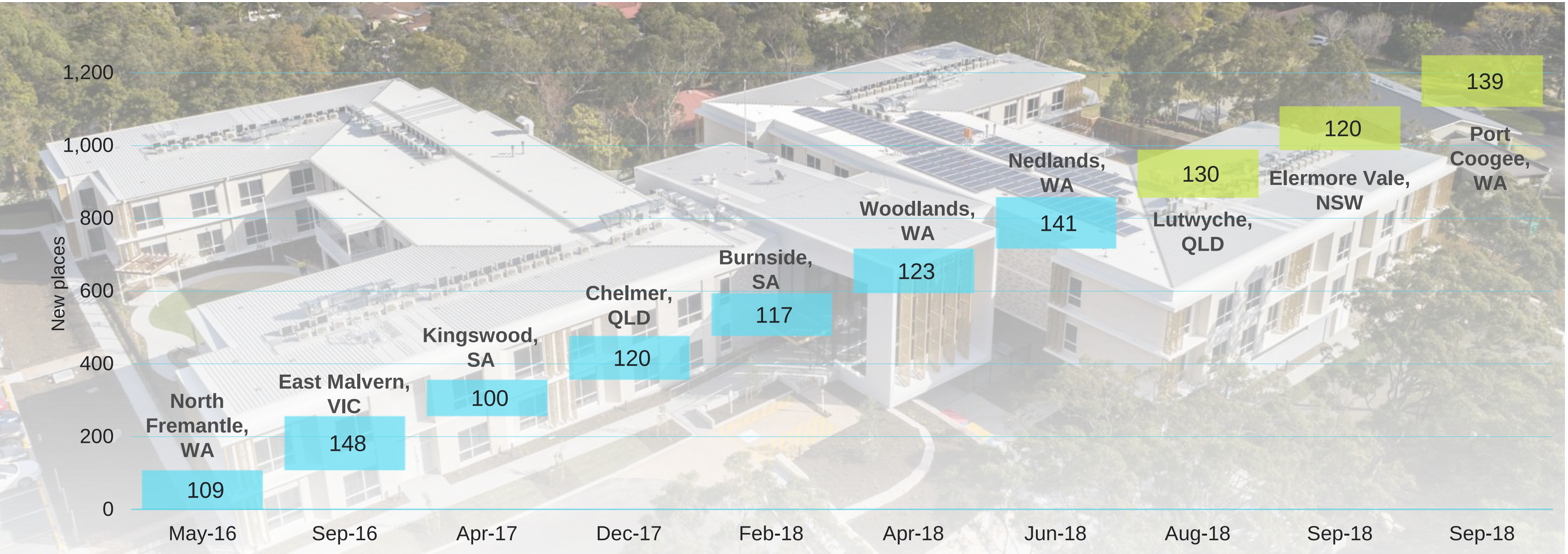
PORTFOLIO OVERVIEW – FACILITIES RAMPING UP

The program has delivered 1,247 new places by the end of 1H FY19



- These developments have delivered high quality Facilities, on or ahead of schedule on key care, operational and financial metrics
- As at 31 December 2018, 663 or 53%, of the 1,247 places were occupied and $176m of net RAD cashflow had been collected
- It is anticipated that a further $155m - $205m[1] of net RAD cashflow will come from the completion of the ramp up

1. Represents 1,247 new places assuming 95% occupancy, circa 65% of all residents being RAD payers with an average incoming RAD of $460k, less RADs collected to date

GROWTH STRATEGY – AGED CARE DEVELOPMENT PROGRAM

Development program – greenfield developments and extensions

Total new places 655

Development	Total new places	Net additional places	Club Services	Land held	Development approval	Provisional Allocations /Licences in hand	Expected construction start	First resident expected	Milestone update
Regis Camberwell, VIC	90	90	✓	✓	✓	Partially	2HFY19	FY21	Development approval received
Regis Gatton extension, QLD	30	30		✓	✓	✓	FY20	FY21	Land purchased to enable extension of current 60 place Facility
Regis Playford extension, SA	33	33		✓		✓	FY20	FY21	Extension of current 125 place Facility
Regis Palm Beach, QLD	150	150	✓	✓	Lodged	Partially	FY20	FY22	Development approval process underway. Timing to be confirmed once approved
Regis Inala (Blackburn South), VIC, Stage 1	202	126	✓	✓	✓	Partially			Civil works have commenced. Timing to be confirmed based on timing of RVs.
Regis Greenmount, WA – Stage 2	150	111	✓	✓	✓	Partially			Timing to be confirmed following the mobilisation of the other WA developments
Total	**655**	**540**							

Net additional places 540

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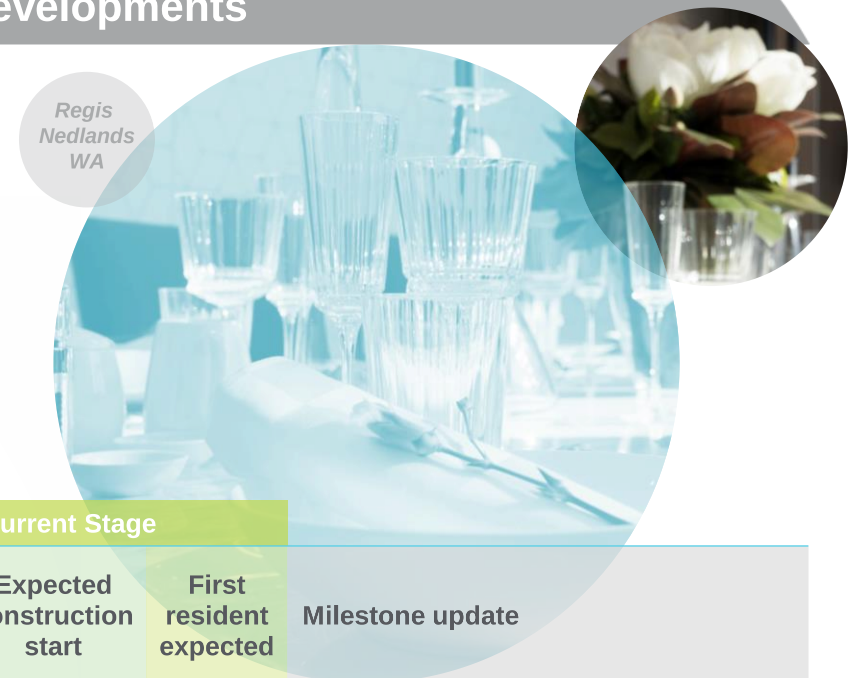
GROWTH STRATEGY - RETIREMENT LIVING DEVELOPMENTS

Regis has commenced the first of its Retirement Living Developments



- Regis has 588 Independent Living Units across 6 Retirement Villages (RVs), each of which is co-located with Aged Care Facilities (ACFs)
- Experience shows that co-located RVs and ACFs can be complementary, offering a continuum of care to residents
- The Blackburn South, VIC and Nedlands, WA locations are in the Company's current development program and are described in more detail in the Supporting Information

	Total Project						Current Stage			
Retirement Living Development	**Total site area (sqm)**	**Existing co-located Aged Care**	**Current # Units**	**No. Stages**	**Planning Approval**	**Planned new RV Units (circa)**	**Stage #**	**Expected construction start**	**First resident expected**	**Milestone update**
Blackburn South, VIC	85,000	✓	269	9	✓	350-450	1	2H FY19	FY21	• Preparatory civil works completed • Masterplan finalised • Undertaking detailed design for Stage 1 • Market research to review commercial options for residents underway
Nedlands, WA	74,000	✓	81	9	✓	320	1	FY20	FY22	• Masterplan finalised • Planning Approval received in December for all stages
Total						**670**				

DEBT

As anticipated, debt has been reduced as a result of cashflow from RADs

- The reduction in debt of $40m since the 30 June 2018 has been driven by increased RAD cashflow ($72m net RAD cashflow in 1H FY19)
- It is anticipated that a further $155m - $205m[1] of net RAD cashflow will come from the completion of the ramp up of the 1,247 new places which were delivered by the end of 1H FY19. This will be used to pay down debt.

Debt reduction of $40m

SUMMARY – DEBT POSITION

$ million	As at 31 Dec 2017	As at 30 June 2018	As at 31 Dec 2018	Comment
Total Net Debt	**347.9[3]**	**403.8**	**363.6[3]**	• **Reduced by $40m**
Development debt – Aged Care[2]	244.0	183.6	52.6	• Development debt is moved into "core debt" once a new development site is opened. In 1H FY19, $131m of debt relating to the 3 new developments has been moved to core debt
Development debt – RVs[2]	9.3	11.1	12.0	• RV related development debt will be repaid via proceeds from RV sales • Increase driven by civil works commencing at the Blackburn South, VIC location
Core debt	94.6	209.1	299.0	• Core debt is repaid by net RAD cashflow and surplus operating cashflow. • The opening of 3 new developments during the 1H of FY19 means capex and land value of $131m has been moved from development debt to core debt
Core debt to EBITDA (x)	0.8x	1.8x	2.6x	

- Total debt of $363.6m is well within covenants within the current facility limit of $540m
- Core debt to EBITDA ratio is 2.6x
- Debt is now reducing
- Capital expenditure in 1H FY19 was $42.6m, of which $41.0m was associated with Aged Care and $1.6m with RVs

1. Represents 1,247 new places assuming 95% occupancy, circa 65% of all residents being RAD payers with an average incoming RAD of $460k, less RADs collected to date
2. Development debt is defined as the total value of work in progress at the end of the period shown in Section 3 "Assets and Growth" in the Company's Statutory Financial reports
3. Net debt as at 31 December 2017 and 2018 excludes the $32m of Government funding that was received in advance in December 2017, that relates to January 2018 and $36m received in advance in December 2018 that relates to January 2019.

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AGED CARE INDUSTRY UPDATE

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

Resident at Regis Dandenong Vic

Regis supports the Royal Commission and any measures that mean senior Australians are able to consistently receive quality aged care. We will work with the Royal Commission and government to ensure the aged care industry is sustainable into the future.

Royal Commission into Quality and Safety

- The Royal Commission's interim report is to be provided by 31 October 2019 and its final report no later than 30 April 2020
- The Commissioners are the Honourable Richard Tracey AM RFD QC and Ms Lynelle Briggs AO and the Commission is based in Adelaide
- Terms of Reference were announced 9 October 2018
- A preliminary hearing about the operation of the Commission was held on 18 January
- The first hearings have been about key features of the aged care, quality, safety and complaints system, about how that system works in practice and at a general level
- The first information requests were received by Approved Providers in December. The 100 largest providers were invited to respond by 7 January, smaller providers by 8 February. Regis lodged its submission on time and in full
- Public submissions are presently being invited

Funding package to support older Australians

- On 10 February the Federal Government announced a new $662 million package to support older Australians
- The announcement stated that "The $320 million residential aged care component equates to approximately $1,800 per permanent resident and will provide additional support to the sector, over the next 18-months, to deliver quality aged care services while the Government considers longer-term reform funding options".

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03

Summary and Outlook

1H FY19 SUMMARY

Continues to reflect growth from Facilities ramping up offset by Government funding cuts and occupancy headwinds

1H FY19 PERFORMANCE

- The Facilities ramping up delivered solid performance against all key metrics – Care, Quality and Compliance, EBITDA, occupancy and RADs
- The steady state portfolio was impacted by industry wide occupancy headwinds, which effected both income and number of RAD payers
- Despite the industry wide residential aged care Federal Government funding cuts and indexation freeze, revenue per occupied bed day of $287 was achieved compared with $284 in 1H FY18 as a result of growth initiatives
- The reduction in EBITDA reflected the usual increase in staff costs from EBA increases, as well as occupancy pressure and the impact of the funding cuts
- Net operating cashflow of $109.1m and net RAD cashflow of $72.1m reflects Facilities Ramping up delivering to expectations. 1H FY19 net RAD cashflow exceeded the full year FY18 result
- Fully franked interim dividend declared of 8.12 cents per share, 100% of reported NPAT[1]
- Development activities continue as per the Company's growth strategy:
  - The development program continues with circa 600 new places in the current pipeline
  - Acquisition opportunities continue to be assessed

Regis Elermore Vale NSW

1. For the FY19 final dividend, it is anticipated that the Company's Franking % will be in the range of 70% to 100%

OUTLOOK

FY19 NPAT is anticipated to be in the range of $47m to $51m

- As per previous guidance[1], FY19 NPAT (normalised) is anticipated to be in the range of $47m to $51m:
- 2H FY19 EBITDA is anticipated to be broadly in line with 1H FY19. This includes:
  - Income from the Significant Refurbishment program
  - Increased contribution from the Facilities ramping up
  - Earnings growth from the PresCare Tasmania Facilities as integration progresses
  - Industry wide Occupancy headwinds affecting the steady state portfolio
  - The further effects of the Federal Government funding cuts and expenses associated with the changes to the ACFI tool
  - An expected contribution from the Federal Government funding package to support older Australians announced by the Prime Minister on 10 February[2]
- Direct costs associated with responding to the Aged Care Royal Commission will also be normalised in the 2H[3]
- Aged Care capex spend is anticipated to be circa $60m
- It is still anticipated that Facilities ramping up will contribute EBITDA of circa $25m per annum when all new developments reach their steady state in FY21, growing from $5.5m in FY19
- From 2H FY19 to FY21, a further $155m - $205m of net RAD cashflow is anticipated to come from the completion of the ramp up of the new Facilities which comprised 1,247 new places

Regis Hurstville NSW

1. Provided at the Regis Healthcare AGM on 25 October 2018
2. On the 10 February 2019, the Federal Government announced a one off $320m funding package for residential aged care. The announcement stated "The $320 million residential aged care component equates to approximately $1,800 per permanent resident and will provide additional support to the sector over the next 18 months, to deliver quality aged care services while the Government considers longer-term reform funding options". The Company has assumed that this payment of $1,800 per resident will be received for it's circa 5,800 permanent residents and that half of this payment will be received in FY19.
3. As at 31 January, the year to date expense for FY19 was circa $800k

04

Appendices

APPENDIX A - GLOSSARY

Glossary

Reported	Agrees to or is derived from the results contained in Regis' annual or half year statutory financial reports.
Normalised	Normalised results are categorised as non-IFRS financial information prepared in accordance with ASIC Regulatory Guide 230 – Disclosing non-IFRS financial information. In FY2018 and 1H FY2019 Normalisations were made to the Reported information to assist readers to better understand the financial performance of the underlying business and these Normalised results have been used as the basis for comparison, ie Revenue, EBITDA and NPAT comparisons are to Normalised results – refer to Appendix E & F for the reconciliation of Reported to Normalised results.
FY2018 Normalised	Agrees to or is derived from the results contained in the 30 June 2018 statutory financial report, normalised to exclude one off acquisition costs related to the acquisition of the PresCare business. Refer to Appendix E for a reconciliation of Reported FY2018 results to Normalised FY2018 results for Revenue, EBITDA, NPBT and NPAT.
1H FY2019 Normalised	Agrees to or is derived from the results contained in the 31 December 2018 statutory financial report, normalised to exclude one off cost related to the Royal Commission. Refer to Appendix F for a reconciliation of Reported 1H FY2019 results to Normalised 1H FY2019 results for Revenue, EBITDA, NPBT and NPAT.
ACFI	Aged Care Funding Instrument
COPE	Commonwealth Own Purpose Expenses Indexation
DAP	A Daily Accommodation Payment
RAD	A "Refundable Accommodation Deposit", being an amount of money that does not accrue daily and is paid or payable to an Approved Provider by a resident for the resident's accommodation in an aged care facility. A RAD is payable when the care recipient dies; the care recipient ceases to be provided with care by the Approved Provider, or the service ceases to be certified.

APPENDIX B - FINANCIALS

Income Statement

($ millions)	1H FY2018 Normalised	2H FY2018 Normalised	FY2018 Normalised[1]	1H FY2019 Normalised[1]	Variance 1H FY2018 Normalised to 1H FY2019 Normalised
Revenue					
Government revenue	207.3	209.0	416.3	222.6	7%
Resident revenue	83.9	84.9	168.8	89.9	7%
Other revenue	4.8	4.5	9.2	5.6	18%
Revenue	**295.9**	**298.5**	**594.4**	**318.2**	**8%**
Other Income	1.1	0.0	1.1	1.7	57%
Less interest income[2]	(0.2)	(0.2)	(0.4)	(0.1)	(56%)
Total Income excluding interest	**296.8**	**298.3**	**595.1**	**319.8**	**8%**
Operating Expenses					
Staff expenses	(196.2)	(201.3)	(397.4)	(217.7)	11%
Resident care expenses	(17.1)	(17.8)	(34.9)	(18.6)	9%
Administration & fixed facility expenses	(13.7)	(13.9)	(27.6)	(16.6)	21%
Occupancy expenses	(8.8)	(9.3)	(18.0)	(10.2)	16%
Total operating expenses	**(235.8)**	**(242.2)**	**(478.0)**	**(263.1)**	**12%**
EBITDA	**61.0**	**56.1**	**117.1**	**56.7**	**(7%)**
Depreciation and amortisation	(14.0)	(13.6)	(27.6)	(16.3)	17%
EBIT	**47.0**	**42.5**	**89.5**	**40.4**	**(14%)**
Net interest[2]	(3.9)	(4.9)	(8.8)	(5.9)	53%
Net profit before tax	**43.1**	**37.6**	**80.7**	**34.4**	**(20%)**
Income tax expense	(12.6)	(11.2)	(23.8)	(9.8)	(23%)
Net profit after tax (NPAT)	**30.5**	**26.4**	**56.9**	**24.7**	**(19%)**

1. As per definition, Glossary (Appendix A) - refer to Appendix E & F for reconciliation between reported and normalised results.
2. Net interest includes interest expense less interest income. For financial reporting purposes, revenue includes interest income. In the table above this interest income has been included in the "Net interest expense" line.

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APPENDIX C - FINANCIALS

Cash Flow Statement

($ millions)	1H FY2018 Normalised	2H FY2018 Normalised	FY2018 Normalised	1H FY2019 Normalised	Funding received in advance	1H FY2019[2]
EBITDA Normalised[1]	**61.0**	**56.1**	**117.1**	**56.7**		**56.7**
Less: Normalisations	(3.3)	(0.6)	(3.9)	(0.4)		(0.4)
EBITDA Reported	**57.7**	**55.5**	**113.2**	**56.3**		**56.3**
Change in net working capital	0.9	0.5	1.4	(1.4)		(1.4)
Government funding received in advance[2]	0.0	0.0	0.0	36.4	(36.4)	0.0
Non–cash items in EBITDA	(2.7)	(0.0)	(2.7)	(1.7)		(1.7)
Net receipts from RADs and ILU entry contribution	23.2	39.4	62.6	72.1		72.1
Net interest paid	(6.4)	(8.6)	(15.0)	(8.4)		(8.4)
Income tax paid	(13.6)	(12.1)	(25.7)	(7.8)		(7.8)
Net operating cashflow before investment and financing activities	**59.1**	**74.7**	**133.8**	**145.5**	**(36.4)**	**109.1**
Purchase of property, plant and equipment & other non-current assets	(115.0)	(102.1)	(217.2)	(42.6)		(42.6)
Purchase of businesses net of cash acquired[3]	(28.3)	(0.2)	(28.5)	0.0		0.0
Cash used in investing activities	**(143.3)**	**(102.4)**	**(245.7)**	**(42.6)**		**(42.6)**
Net cashflow before financing activities	**(84.2)**	**(27.6)**	**(111.8)**	**102.8**	**(36.4)**	**66.4**
Debt drawdown/(repayment)	106.5	49.7	156.2	(49.0)		(49.0)
Dividends paid	(30.2)	(27.9)	(58.0)	(26.0)		(26.0)
Net cashflow	**(7.9)**	**(5.8)**	**(13.7)**	**27.8**	**(36.4)**	**(8.6)**

1. As per definition, Glossary (Appendix A) - refer to Appendix E & F for reconciliation between reported and normalised results
2. Excludes Government funding received in advance in Dec 2017 and Dec 2018 (prepaid in December for January income).
3. Purchase of business net of cash acquired in FY2018 represents the Pres Care acquisition cost

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APPENDIX D - FINANCIALS

Balance Sheet

(As at, $ millions)	30-Jun-2018 Reported	31-Dec-2018 Reported	Funding received in advance	31-Dec-2018[1]
Cash and cash equivalents	7.8	35.6	(36.4)	(0.8)
Trade and other receivables	6.9	7.1		7.1
Income tax receivable	4.6	6.2		6.2
Other current assets	4.8	7.6		7.6
Total current assets	**24.1**	**56.6**	**(36.4)**	**20.2**
Property, plant and equipment	1,127.1	1,142.4		1,142.4
Investment Property	129.0	132.4		132.4
Intangible assets	478.4	478.4		478.4
Total non–current assets	**1,734.6**	**1,753.2**	**0.0**	**1,753.2**
Total assets	**1,758.7**	**1,809.8**	**(36.4)**	**1,773.4**
Trade and other payables	59.8	90.2	(36.4)	53.8
Provisions	54.0	55.3		55.3
Income tax payable	0.0	0.0		0.0
Other financial liabilities[2]	989.2	1,058.4		1,058.4
Total current liabilities	**1,103.0**	**1,203.9**	**(36.4)**	**1,167.5**
Interest-bearing loans and borrowings	411.6	362.8		362.8
Provisions	4.7	5.0		5.0
Deferred tax liabilities	59.1	61.5		61.5
Total non–current liabilities	**475.4**	**429.3**	**0.0**	**429.3**
Total liabilities	**1,578.4**	**1,633.2**	**(36.4)**	**1,596.8**
Net assets	**180.3**	**176.6**	**0.0**	**176.6**
Equity				
Issued capital	272.8	273.2		273.2
Retained earnings/(accumulated losses)	4.4	0.4		0.4
Reserves	(96.9)	(97.1)		(97.1)
Total Equity	**180.3**	**176.6**	**0.0**	**176.6**

1. Excludes Government funding received in advance in Dec 2017 and Dec 2018 (prepaid in December for January income).
2. Other financial liabilities as at 31 Dec 2018, include RAD liability of $1,016.2m and ILU entry contribution of $42.2m

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APPENDIX E - FINANCIALS

Reported to Normalised Reconciliation
– Full Year Ended 30 June 2018

Year ended 30 June 2018 ($ millions)	Revenue	EBITDA	NPBT	NPAT
FY2018 Reported results	**594.4**	**113.2**	**76.8**	**53.9**
Acquisition related expenses (Pres Care)		3.9	3.9	3.0
FY2018 Normalised results	**594.4**	**117.1**	**80.7**	**56.9**

APPENDIX F - FINANCIALS

Reported to Normalised Reconciliation
– Half Year Ended 31 December 2018

Half year ended 31 December 2018 ($ millions)	Revenue	EBITDA	NPBT	NPAT
1H FY2019 Reported results	**318.2**	**56.3**	**34.0**	**24.4**
Royal Commision Costs		0.4	0.4	0.3
1H FY2019 Normalised results	**318.2**	**56.7**	**34.4**	**24.7**

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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, 'FY18' refers to the year ended 30 June 2018.