



Regis Legana, Tasmania



OUR
PURPOSE

Personalised
and respectful care
that embraces the
experience of
ageing

FY24 Full-Year
Results Presentation

26 August 2024



Acknowledgement of Country








Regis acknowledges the Traditional Owners of Country throughout Australia and recognises the continuing connection to lands, waters and communities.
We pay our respect to Elders past and present.

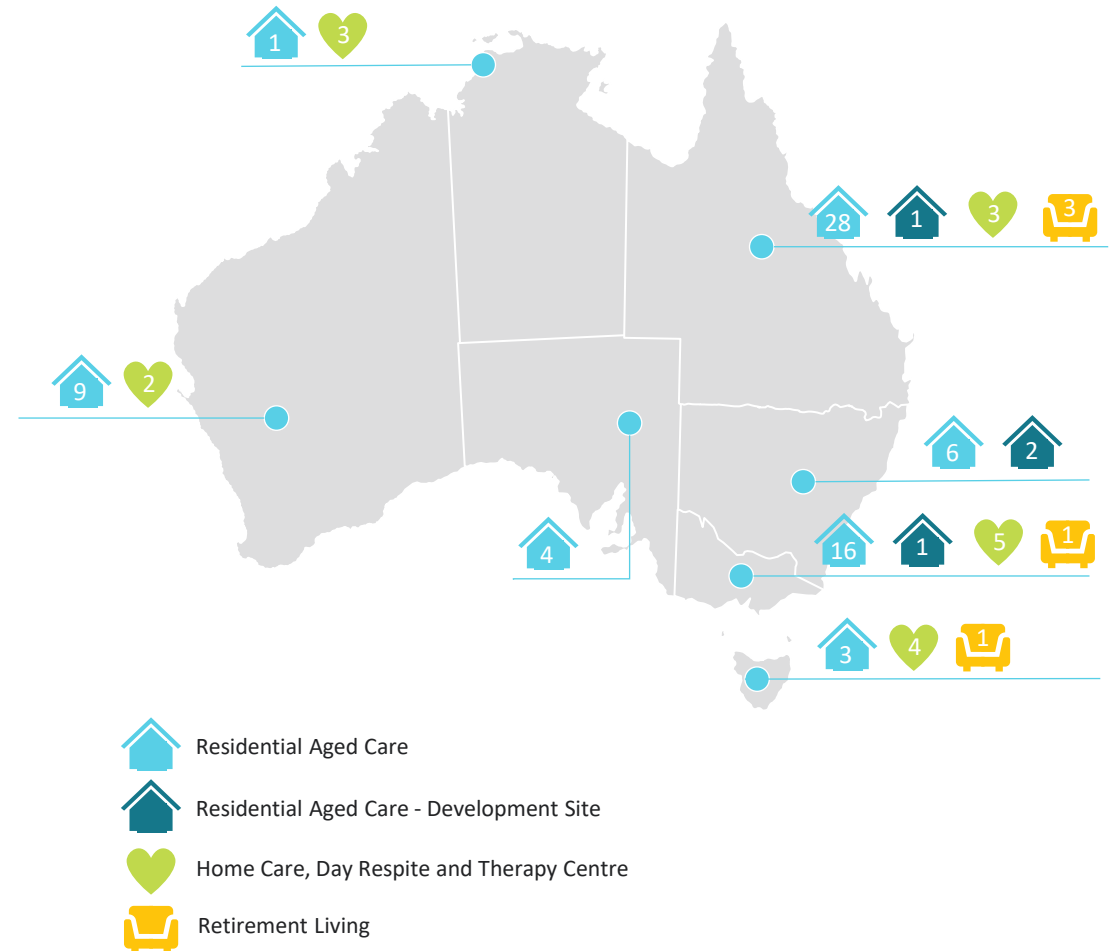
Artwork by Charmaine Mumbulla



Regis is a Leading Residential Aged Care Provider

One of the largest and most geographically diverse aged care portfolios

-  **30+** years in the aged care industry
-  **~7,500** available operational places
-  **67** aged care homes (100% freehold ownership)
-  **93%** single rooms as a percentage of total rooms
-  **~11,000** employees
-  **95.3%** spot occupancy (30 June 2024)
-  FY24 underlying EBITDA **\$107.2 million**, up 28.7%



Contents



- Aged Care Industry Overview
- Financial and Operational Performance
- Strategy Update and Outlook
- Questions
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Regis Norwood, Tasmania

Aged Care Industry Overview

Residential Aged Care - Market Dynamics

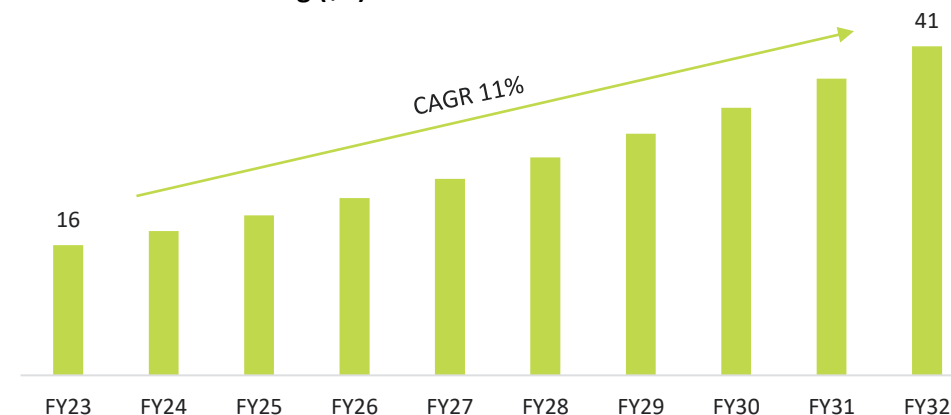
Increasing Government funding

- ▶ Ageing population to drive growth in demand for aged care
- ▶ Government funding for residential aged care forecast to increase 11% per annum to \$41 billion^{1,2} by FY32
- ▶ 94% of resident care funding provided by Government, primarily through AN-ACC²

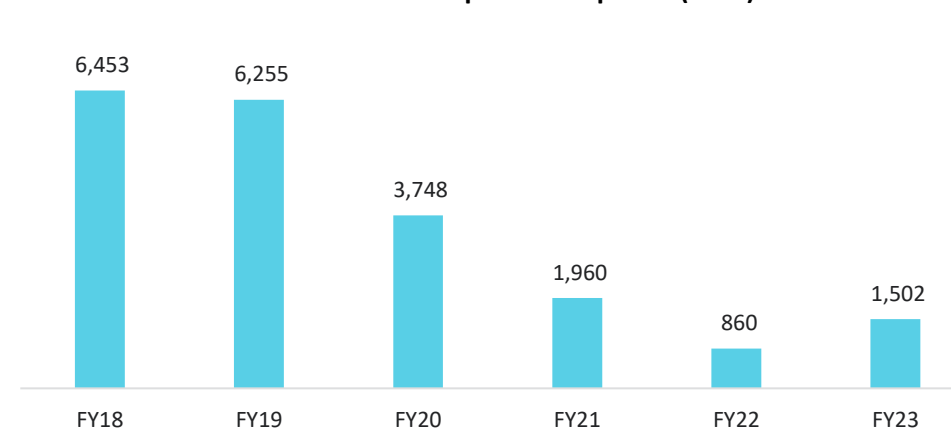
Improved provider returns needed to build and refurbish beds

- ▶ New residents have higher quality expectations and seek premium service offering
- ▶ Current development activity is not meeting growing demand
 - ~4,300 net new beds built in the last 3 years³
- ▶ Capital investment required for new builds and refurbishments estimated at \$55-\$72 billion over the next decade⁵
- ▶ Sector viability has improved following funding reforms
 - 65% of providers profitable at 31 December 2023⁴
- ▶ Only 36% of homes in the sector meeting care minute targets⁵ noting workforce challenges
- ▶ Industry requires improved returns through adoption of Aged Care Taskforce recommendations

Government funding (\$b)^{1,2}



Net annual movement in sector operational places (beds)³



¹Australian Government Productivity Commission Report on Government Services 2024

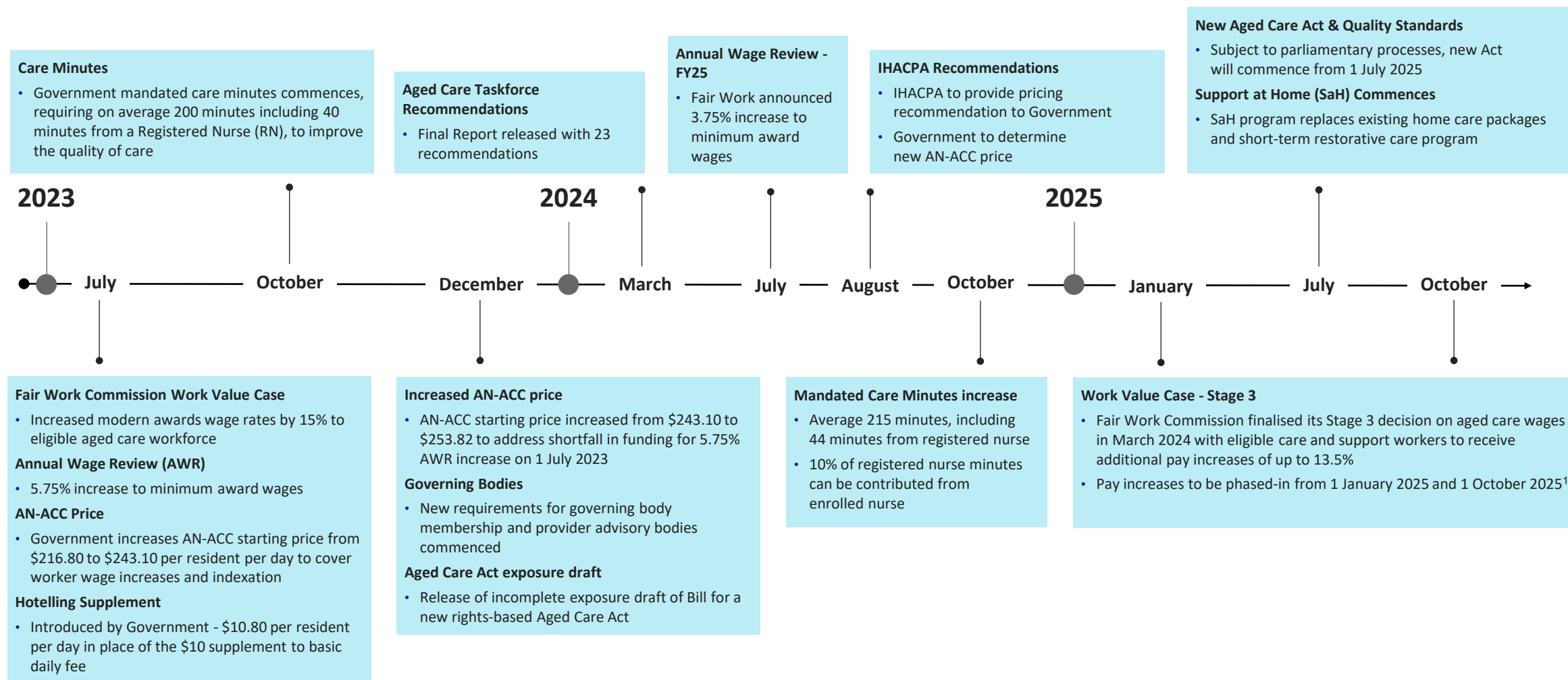
²Australian Government - Final Report on the Aged Care Taskforce

³Colliers - Aged Care 2024 - A Wave of Change: Is the Aged Care Sector Ready?

⁴Department of Health and Aged Care - Quarterly Financial Snapshot, Aged Care Sector (Quarter 2 2023-24)

⁵UTS Ageing Research Collaborative (UARC) - Australia's Aged Care Sector: Mid-Year Report 2023-24

Industry Reform and Sector Changes



¹Fair Work Commission decision - 27 June 2024

Potential Funding Reforms - Key Aged Care Taskforce Recommendations

Direct Care

Recommendation 9: Government to fund care

- ▶ Focus Government funding in residential aged care on care related costs
- ▶ Significant role for resident co-contributions in non-care aspects (everyday living and accommodation)

Everyday Living

Recommendation 10: Increase funding for everyday living

- ▶ Daily living funding needs to cover full cost of services
- ▶ Comprise Basic Daily Fee (BDF) and a supplement
- ▶ Supplement to be paid by residents with means, or by Government

Accommodation

Recommendation 12: Phasing out RADs

- ▶ Independent review in 2030
- ▶ Transition sector by 2035 to no longer accept RADs, move to rental-only model, provided the 2030 review determines financial sustainability, adequate capital for sector, and care, remains affordable for consumers

Recommendation 13: RAD retention

- ▶ Providers retain a portion of new RADs to improve sector sustainability
- ▶ Based on length of stay, with cap on tenure to protect longer stay residents

Recommendation 14: Review accommodation supplement

- ▶ Review maximum accommodation supplement
- ▶ Improve incentives for providers to meet the accommodation design principles

Recommendation 15: Improve accommodation funding

- ▶ Develop package of measures to improve accommodation funding (eg increase to maximum room pricing)



Regis Legana, Tasmania

Financial and Operational Performance

FY24 Overview

- ▶ Revenue from services of \$1,014.1 million, up 29.9% on pcp
- ▶ Underlying EBITDA¹ of \$107.2 million, up 28.7% on pcp
- ▶ Underlying EBITA¹ of \$61.5 million, up 55.3% on pcp
- ▶ NPATA¹ of \$35.6 million, up 24.7% on pcp
- ▶ Statutory net loss after tax of \$21.4 million, impacted by non-cash bed licence amortisation²
- ▶ Net operating cash flow of \$252.3 million, up 139.8% on pcp
- ▶ Net cash of \$64.9 million at 30 June 2024 (FY23 net debt: \$6.0 million)
- ▶ Board of Directors resolved to pay a final dividend of 6.64 cents per ordinary share (50% franked) payable 25 September 2024
 - Final dividend pay-out represents 100% of NPATA excluding one-off items

Operational Highlights

- ▶ Average occupancy of 94.1%, significantly up on 91.5% in the pcp, resulting in increase in occupied bed days from 2.332 million to 2.517 million
- ▶ Acquired and integrated CPSM Pty Ltd (CPSM), a premium aged care business in South-East Queensland with 5 homes and 644 beds
- ▶ Improvement in average overall star rating from 3.32 (Q1 FY24) to 3.62 (Q3 FY24)³
- ▶ Q4 FY24 average care minutes increased to 210.5 minutes, up from 187.9 in Q1 FY24⁴
 - Care minutes increase linked to AN-ACC funding model

Revenue from Services	Average Occupancy
\$1,014 million ▲	94.1% ▲
Underlying EBITDA ¹	Average Overall Star Rating ³
\$107.2 million ▲	3.62 ▲
NPATA ¹	Average Care Minutes ⁴
\$35.6 million ▲	210.5 ▲
Net Operating Cash Flow	Net Cash
\$252.3 million ▲	\$64.9 million ▲
Net RAD Cash Inflow	Final Dividend
\$141.0 million ▲	6.64 cents ▲

¹Refer page 30 for definitions of Non-IFRS financial measures and page 29 for reconciliation of statutory results to Non-IFRS financial measures

²Net loss after tax includes \$81.4m bed licence amortisation (before tax) during the year

³Q3 FY24 (1 January 2024 - 31 March 2024)

⁴Q4 FY24 (1 April 2024 - 30 June 2024) as submitted to DHAC (per resident per day)

Financial Summary

\$ millions	FY24	FY23	△ FY23 to FY24
Revenue from services	1,014.1	780.6	29.9%
Other income ¹	104.3	117.0	(10.9%)
Staff expenses	776.4	597.0	30.1%
Underlying EBITDA ²	107.2	83.3	28.7%
Underlying EBITA ²	61.5	39.6	55.3%
NPATA ²	35.6	28.5	24.7%
Net operating cash flow	252.3	105.2	139.8%
Net RAD cash inflow	141.0	43.6	223.4%
Capital expenditure	66.9	53.5	25.0%
Net cash / (debt)	64.9	(6.0)	1,181.7%
Average occupancy %	94.1%	91.5%	2.6 pts
Staff expenses / revenue from services %	76.6%	76.5%	0.1 pts
Basic EPS (cents per share)	(7.11)	(9.46)	24.8%
NPATA per share ³ (cents per share)	11.81	9.48	24.6%

Care Minutes - FY24	Q1	Q2	Q3 ⁴	Q4 ⁵
Registered nurses	35.0	38.5	38.4	40.0
Enrolled nurses/ Personal care workers	152.9	171.8	167.7	170.5
Total	187.9	210.3	206.1	210.5

Star Ratings	Q4 FY23	Q1 FY24	Q2 FY24	Q3 FY24
Average overall star rating	3.28	3.32	3.52	3.62

► Revenue from services benefitted from:

- 12% increase in AN-ACC starting price from 1 July 2023 and further 4% increase from 1 December 2023
- Average occupancy uplift from 91.5% to 94.1%
- CPSM acquisition which contributed \$51.8 million from 1 December 2023

► Increase in staff expenses due to:

- Fair Work Commission's (FWC) Work Value Case increasing modern awards wage rates by 15% for direct care workers (Government funded) and FWC's Annual Wage Review (AWR) decision to increase minimum award wages by 5.75% from 1 July 2023
- Recruitment of frontline staff to address Government care minute mandate
- CPSM acquisition

► Underlying EBITDA, which excludes one-off items, increased 28.7% to \$107.2 million, including \$7.5 million contribution from CPSM since acquisition

► Stable EBITDA margin a result of pass-through of AN-ACC uplift to staff (FWC Work Value Case), offset by increased labour costs primarily due to care minute requirements

► Net operating cash flow of \$252.3 million included net RAD cash inflow of \$141.0 million

► Capital expenditure of \$66.9 million included Camberwell greenfield residential aged care development, refurbishment of homes and strategic technology investments

► Net cash of \$64.9 million driven by increased occupancy, additional Government funding, strong net RAD cash inflow and acquisition of CPSM

► Given global shortage of nurses, Regis continues to invest in initiatives to attract a greater number of registered nurses, including expansion of recruitment capability, providing enhanced career pathways, and working with various partners to recruit candidates

¹Includes \$81.5 million of imputed income on RADs and Bonds (FY23: \$62.9 million)

²Refer page 30 for definitions of non-IFRS financial measures

³Net profit after tax before amortisation of operational places divided by FY24 weighted average number of shares on issue

⁴Q3 FY24 (1 January 2024 - 31 March 2024) includes 5 CPSM homes acquired 1 December 2023

⁵Q4 FY24 (1 April 2024 - 30 June 2024) as submitted to DHAC

Drivers of Shareholder Value

Operational Statistics	FY24	FY23	△ FY23 to FY24
Average available beds (#) ¹	7,313	6,980	4.8%
Total occupied bed days	2,516,666	2,332,063	7.9%
Average occupancy (%)	94.1%	91.5%	2.6 pts
Aged care revenue per occupied bed day (\$)	395.3	326.8	21.0%
Aged care Government revenue per occupied bed day (\$) ²	291.0	230.7	26.1%
Aged care resident revenue per occupied bed day (\$)	104.3	96.1	8.5%
Aged care staff expenses per occupied bed day (\$) ³	287.0	228.4	25.7%
Average RAD held (\$000) ⁴	493.7	478.7	3.1%
Average incoming RAD (\$000) ⁵	517.1	490.6	5.4%

- Average occupancy improved to 94.1% and increased in every State and Territory. Spot occupancy at 30 June 2024 was 95.3% (19 August: 95.5%)
- Increase in aged care Government revenue due to additional AN-ACC 1 July 2023 (\$26.30 prpd) and introduction of a hotelling supplement (\$10.80 prpd), together with further increase in AN-ACC at 1 December 2023 (~\$10 prpd)
- Increase in aged care staff expenses mainly due to FWC Work Value case, Government care minutes mandate, EBA increases and Annual Wage Review (AWR) impact
- Aged care resident revenue primarily consists of Basic Daily Fee, which is linked to the Aged Pension and indexed twice per year in September (3.1%) and March (1.8%)

¹Across portfolio of homes (30 June 2024: 7,461 available beds)

²Excludes COVID-19 grants

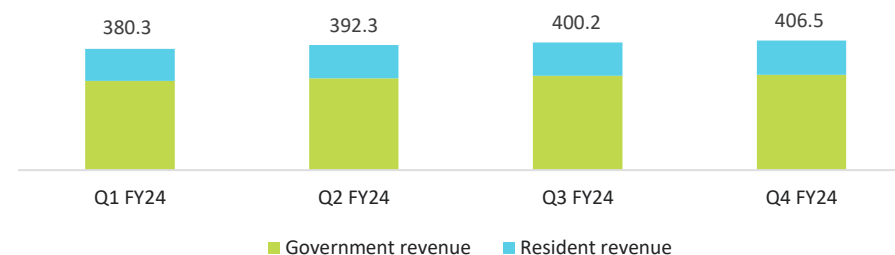
³Excludes COVID-19 outbreak staff expenses

⁴Average RAD held by 100% RAD payers

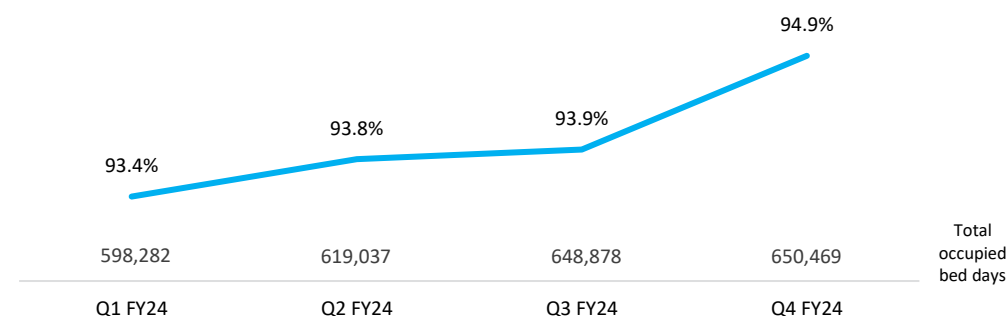
⁵Average incoming RAD for 100% RAD payers

⁶Probate liabilities of \$205.7 million (FY23: \$177.5 million) included in 30 June 2024 RAD balance

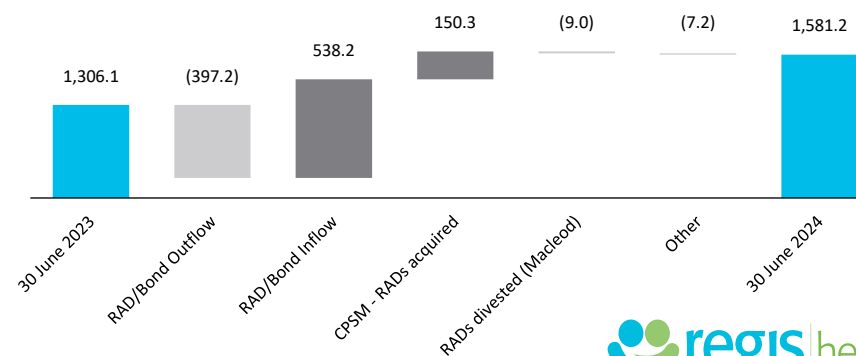
Aged care revenue per occupied bed day (\$)



Average Quarterly Occupancy (%)



Net RAD/Bond Movements (\$m)⁶



One-Off / Non-Recurring Items

The following one-off / non-recurring items are excluded from underlying EBITDA:

\$ millions (before tax)	FY24	FY23
CPSM acquisition and integration costs	(7.6)	-
Government grant income	13.7	32.5
COVID-19 outbreak related expenses	(4.6)	(16.5)
Strategic investment in human resources systems	(6.6)	-
Net gain on disposal of non-current assets	5.1	11.7
Write-off of capital work in progress and other write-downs	-	(12.8)
Increase in employee entitlements (Fair Work Commission decision) ¹	-	(7.3)
Fair value gain on investment property	-	7.2
Professional services costs incurred in relation to employee entitlements underpayments program of work	(2.1)	(3.1)
Other net losses	(0.2)	(0.1)
Total	(2.3)	11.6

Deregulation of Operational Places

- As a result of the Australian Government's decision to discontinue operational places from 1 July 2024, and in accordance with Accounting Standards and the guidelines issued by the Australian Securities and Investments Commission ("ASIC"), Regis has reassessed and fully amortised the value of operational places as at 30 June 2024. This has resulted in a before tax amortisation expense in the profit and loss for the full-year ended 30 June 2024 of \$81.4 million with no impact to the cash flows of the Group

CPSM Acquisition

- Includes \$5.6 million landholder duty payable to the Queensland State Revenue Office (not tax deductible)

Government Grant Income

- Government grant income of \$13.7 million includes:
 - \$7.3 million COVID-19 Aged Care Support Grant
 - \$3.0 million Aged Care Outbreak Management Supplement²
 - \$3.4 million of Historical Leave Liability Grant Opportunity³

Net Gain on Disposal of Non-Current Assets

- Divested home in Macleod, Victoria (63 beds), vacant land and sub-scale retirement villages in Queensland

Employee Entitlements Underpayments

- During FY24, Regis commenced its remediation payment process and made payments of \$28.6 million
- Due to the complexity involved in determining the amount and timing of final remediation costs, Regis continues to engage with its external advisors and regulatory authorities, including the Fair Work Ombudsman

¹Represents increase to employee entitlements expense at 30 June 2023 required to reflect the Fair Work Commission's decision to increase modern award wage rates by 15% from 30 June 2023

²Aged Care Outbreak Management Supplement of \$2.81 per resident per day was introduced during the financial year to replace the COVID-19 Aged Care Support Grant and contributes to the cost of planning for, and managing outbreaks, including COVID-19 and other infectious diseases for the period 1 February 2024 to 31 December 2024

³Represents income recognised for increased leave entitlements resulting from FWC's decision to increase modern award wage rates by 15% from 30 June 2023. The Government grant is to fund 50% of the uplift to employee entitlements

Cash and Capital Management

\$ millions	Purpose	Limit	Maturity
Facility A	Working capital/M&A	150.0	March 2026
Facility B	Working capital/M&A	175.0	March 2027
Facility C	Residential village developments	70.0	March 2027
Facility D	LC/bank guarantees	10.0	March 2027
Total Syndicated Facility		405.0	

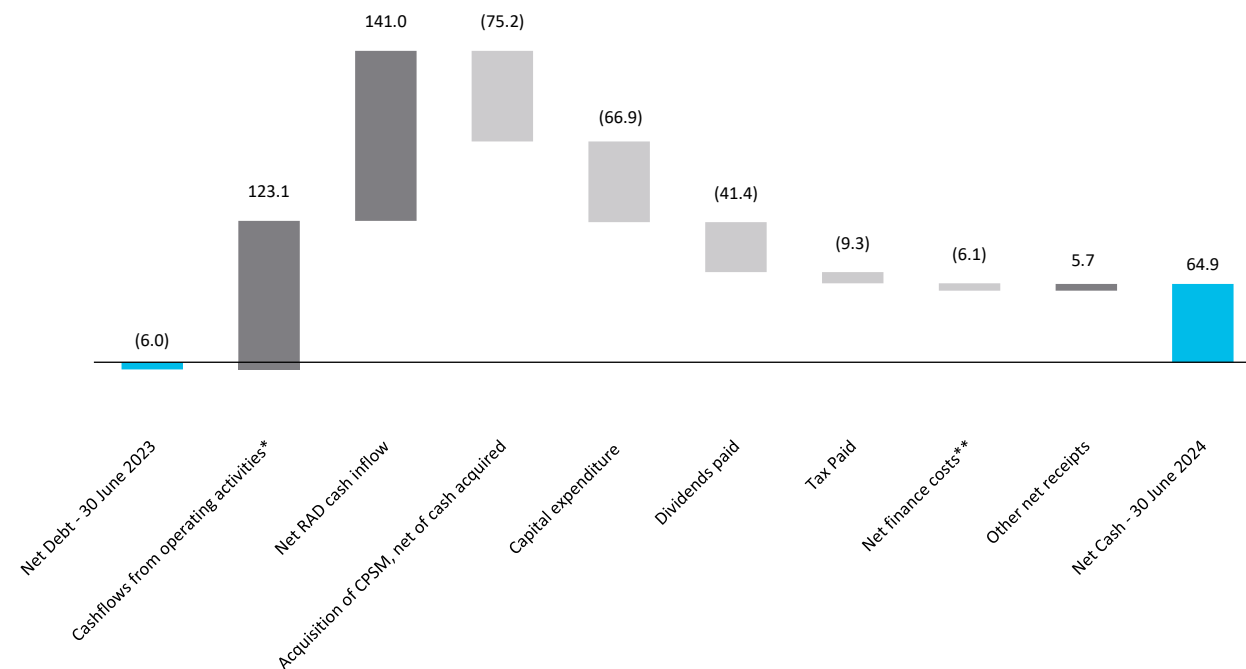
Net Cash / (Debt)

- \$70.9 million improvement in net cash position driven by:
 - \$123.1 million net cash inflow from operating activities, before interest, income tax and RADs
 - \$141.0 million net RAD cash inflow
 - \$75.2 million net outflow relating to the acquisition of CPSM
 - \$66.9 million investment in capital expenditure including Camberwell greenfield development and other refurbishments projects
 - \$41.4 million dividends paid
- Regis remains a highly cash generative business with significant capacity to fund its future growth agenda including developments and acquisitions

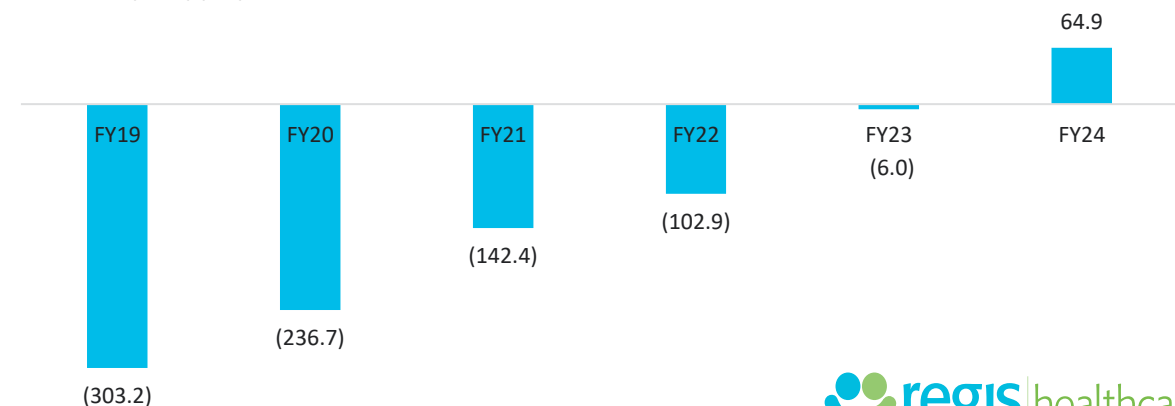
Dividends

- FY24 interim dividend of 6.28 cents per ordinary share (50% franked) paid 11 April 2024
- FY24 final dividend of 6.64 cents per ordinary share (50% franked) payable 25 September 2024

FY24 Net Cash / (Debt) Movements (\$m)



Net Cash / (Debt) (\$m)



*Cashflows from operating activities before interest, income tax and RADs

**Excludes imputed interest on RADs and Bonds of \$81.5 million

Capital Expenditure

\$ millions	FY24	FY23
Property		
Development	33.9	30.0
Maintenance & Refurbishment Capital Expenditure - Residential Aged Care Homes	30.3	15.1
Maintenance Capital Expenditure - Retirement Villages	1.2	2.0
Technology		
Strategic Technology Investment	1.5	6.4
Total	66.9	53.5

Development

- ▶ Camberwell - construction of new 112-bed residential aged care home in Melbourne nearing completion with opening planned for late 2024
- ▶ Toowong - construction soon to commence on 123-bed residential aged care development project in Brisbane

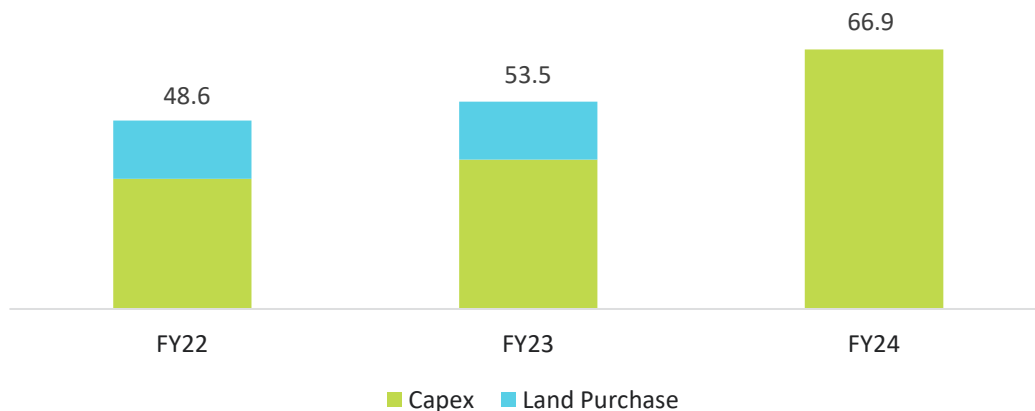
Maintenance & Refurbishment

- ▶ With rising occupancy and expected future resident demand, maintenance of existing homes is an important strategic focus
- ▶ Maintenance - regular and ongoing capex undertaken across residential aged care homes and retirement villages
- ▶ Refurbishment - increased investment across mature homes

Technology Investment

- ▶ Substantial investment in core financial and clinical systems over last three years provides ability to operate more efficiently and at a greater scale
- ▶ Projects undertaken in FY24 included strategic investment in human resources systems (time & attendance, recruitment and HRIS)
- ▶ Technology investment creates better staff experience and retention

Capex (\$m)



Resident Profile

Number of Residents ^{1,2}	30 June 2024	31 December 2023	30 June 2023
RAD (100%)	2,190	2,212	1,890
Combination (RAD/DAP)	1,115	1,111	981
DAP	355	336	353
Total Non-Concessional	3,660	3,769	3,224
Concessional	3,009	3,041	2,796
Other	124	132	132
Total Permanent Residents	6,793	6,832	6,152
Respite	319	280	371
Total Residents³	7,112	7,112	6,523

Resident Profile as % of Permanent Residents	30 June 2024	31 December 2023	30 June 2023
RAD (100%)	32%	32%	31%
Combination (RAD/DAP)	17%	17%	16%
DAP	5%	5%	6%
Total Non-Concessional	54%	54%	53%
Concessional	44%	44%	45%
Other	2%	2%	2%
Total Permanent Residents	100%	100%	100%

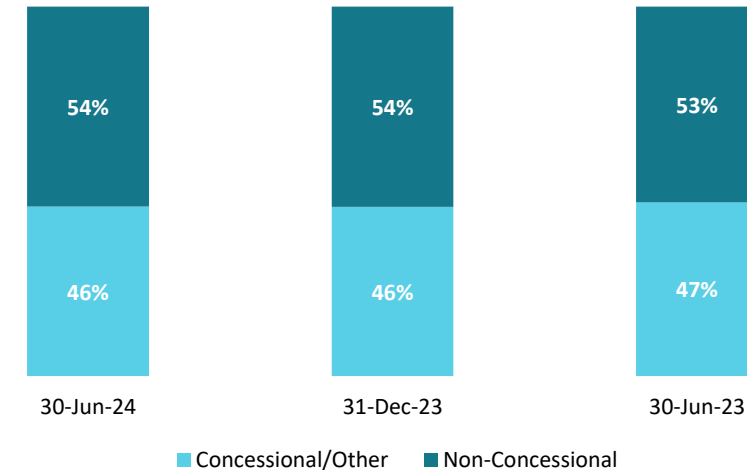
- ▶ Continued high level of RAD paying residents contributed to strong cash inflows
- ▶ MPIR increased from 7.46% at 30 June 2023 to 8.34% at 30 June 2024
- ▶ No significant movement in RAD/DAP mix given increase in MPIR

¹Number of residents at period end includes CPSM (30 June 2024, 31 December 2023)

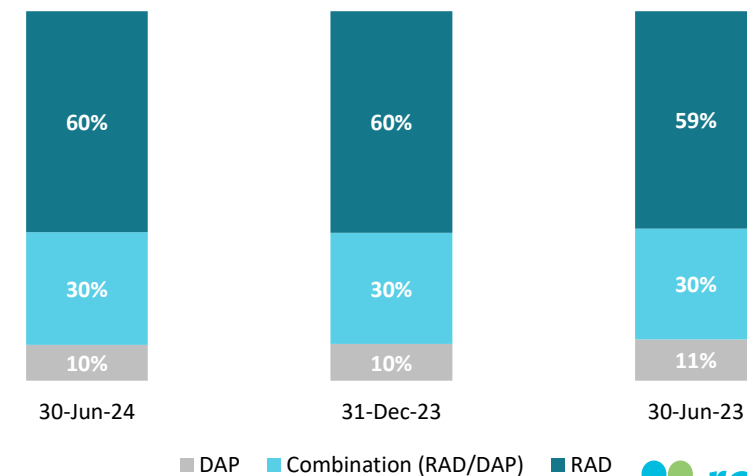
²30 June 2023 excludes CPSM residents

³30 June 2024 excludes Regis Macleod which was divested in June 2024 (48 residents).
H2 FY24 occupancy increase driven by further improvement in Queensland

Resident Mix (Permanent Residents)



Payment Preference (Non-Concessional)



■ DAP ■ Combination (RAD/DAP) ■ RAD



Strategy Update and Outlook

Regis Strategy

Our Purpose: Delivering personalised and respectful care that embraces the experience of ageing



Care and Service Excellence

- ▶ Trusted and caring professionals
- ▶ Personalised care, services and experience
- ▶ Quality built environment
- ▶ Unrivalled customer value
- ▶ Communication excellence



A Responsible Business

- ▶ Engaged employees who live our values
- ▶ Accountable compliance, governance & risk management
- ▶ Disciplined financial management
- ▶ Sustainable property portfolio
- ▶ Consistent and efficient practices



Future Ready

- ▶ Fast and agile approach
- ▶ Innovative and improvement focussed
- ▶ Scalable and transferable systems
- ▶ Sustainable business practices
- ▶ Strong financial position

Key enablers



An Integrated model of care
across all our care offerings



Supporting our people
through innovation in
education and training



Digital innovation
to support all we do

Operational Highlights

Quality of leadership, people, culture and systems drives shareholder value

Clinical & Quality

- ✓ Implemented Continuity of Carer model
- ✓ Circle of Care strategy enhances safety & wellbeing
- ✓ 98% of ACQSC assessed accreditation requirements met
- ✓ Expansion of Consumer Advisory Committees
- ✓ Developed specialist roles in infection & wound prevention

Technology

- ✓ Electronic medication management
- ✓ Clinical management system
- ✓ Cybersecurity enhancements
- ✓ Designed and commenced rollout of new human resources system

Our People

- ✓ Introduction of early intervention program introduced to help injured employees return to work sooner
- ✓ Industry leading lost time injury frequency rate (LTIFR) of 6 versus industry average of 24¹
- ✓ Business resilience framework at all homes
- ✓ Expanded talent acquisition team
- ✓ New Diversity & Inclusion Action Plan rolled-out

Growth

- ✓ Successful acquisition and integration of CPSM
- ✓ Regis Camberwell greenfield development remains on track and on budget
- ✓ Significant investment in refurbishment works across Regis homes
- ✓ Rationalisation of non-income producing assets

¹Safe Work Australia. LTIFR by industry per the Australian and New Zealand Standard Industrial Classification (ANZSIC)

Environmental, Social & Governance (ESG)

Regis’ sustainability program comprises five key pillars that support the United Nations Sustainable Development Goals

Caring for the Environment



We aim to minimise our environmental footprint to preserve and regenerate our shared natural world for future generations



Caring for our Local Communities



We prioritise putting our local communities first for positive economic impact



Caring for our People



We commit to maintaining our Culture of Care for our residents and clients while extending it to our people, our care partners, our community and our shareholders



Caring for Excellence



We hold ourselves to the highest standards of behaviour, ethics and operations to continue delivering a prosperous organisation



Caring for Society



We advocate for systemic improvements and reform in aged care ensuring viable and quality access for now and into the future



*Regis has identified which of the United Nations’ 17 Sustainable Development Goals, are relevant to each key pillar

CPSM Acquisition Update

- ▶ 5 residential aged care homes in South-East Queensland with 644 beds
- ▶ Transaction completed on 1 December 2023
- ▶ \$75.2 million net cash consideration
 - FY23 EBITDA multiple of 5.7x
- ▶ \$117,000 net cost / bed
- ▶ \$150.3 million of RADs assumed
- ▶ Average occupancy of 97% in FY24 (7 months)
- ▶ Integration completed - Regis management structures, operating processes and technology in place



Regis Magnolia, Queensland



Regis Camp Hill, Queensland

Growth Program - Approved Greenfield Developments

Camberwell, VIC - in development

- ▶ 112 beds
- ▶ 4-level residence
- ▶ Land area ~4,300 sqm
- ▶ Various room types: standard and large single ensuite rooms
- ▶ Opening planned for late 2024



Development progress

Toowong, QLD - construction due to commence

- ▶ 123 beds
- ▶ 5-level residence
- ▶ Land area ~5,248 sqm
- ▶ Various room types: standard single ensuite rooms and large suites



Artist's impression of Regis Toowong, QLD

Growth Program - Future Greenfield Developments

Belrose, NSW

- ▶ Northern beaches of Sydney with ocean views
- ▶ 99 beds
- ▶ 3-level residence
- ▶ Land area ~21,451 sqm
- ▶ Various room types: standard and deluxe single ensuite rooms
- ▶ Development approval in place
- ▶ Tendered in FY24, under assessment



Artist's impression of Regis Belrose, NSW

Carlingford, NSW

- ▶ West Sydney designed with large outdoor landscaped areas and communal activity spaces
- ▶ 101 beds
- ▶ 3-level residence
- ▶ Land area ~7,065 sqm
- ▶ Various room types: standard and deluxe single ensuite rooms
- ▶ Development approval in place
- ▶ Tendered in FY24, under assessment



Artist's impression of Regis Carlingford, NSW

Outlook



Improved workforce availability

- ▶ Increased permanent staffing levels reducing agency, staff turnover and training costs
- ▶ Drives better resident outcomes



Funding

- ▶ IHACPA - new AN-ACC funding model
- ▶ Taskforce Recommendations - awaiting Government response



High occupancy

- ▶ Demographic shift with ageing population and increasing requirements of Baby Boomers
- ▶ Insufficient new supply to meet demand expected to push occupancy higher



Greenfields

- ▶ Opening of Regis Camberwell
- ▶ Development of greenfield sites
- ▶ Construction costs remain a focus



Strategic acquisitions

- ▶ Participation in industry consolidation
- ▶ Specific criteria drives disciplined approach
- ▶ Delivers more immediate shareholder benefits



Regis Legana, Tasmania

Questions



Regis Blackburn, Victoria

Appendices

Appendix A: Income Statement

\$ millions	FY24	FY23
Revenue from Services		
Government revenue	743.8	549.6
Resident revenue	262.1	221.9
Other revenue	8.2	9.1
Revenue from Services	1,014.1	780.6
Other income ¹	104.2	117.0
Total Revenue from Services and Other Income	1,118.3	897.6
Operating Expenses		
Staff expenses	(776.4)	(597.0)
Resident care expenses	(62.4)	(57.6)
Administration expenses	(37.5)	(30.7)
Occupancy expenses ²	(50.5)	(52.6)
Total Operating Expenses	(926.8)	(737.9)
Depreciation ³	(46.7)	(45.1)
Amortisation ⁴	(81.4)	(81.4)
Finance costs ⁵	(91.5)	(73.6)
Loss Before Income Tax	(28.1)	(40.4)
Income tax benefit	6.7	11.9
Loss for the Period	(21.4)	(28.5)

¹Other income includes imputed income on RADs and Bonds of \$81.5 million (FY23: \$62.9 million) in accordance with AASB 16 *Leases* and \$13.7 million (FY23: \$32.5 million) of Government grant income

²Occupancy expenses includes \$5.6 million of landholder duty relating to the acquisition of CPSM and excludes the cost of operating leases as a result of the adoption of AASB 16 *Leases*

³Depreciation includes \$1.0 million (FY23: \$1.4 million) relating to right-of-use assets in accordance with AASB 16 *Leases*

⁴Amortisation of operational places from 1 October 2021 to 30 June 2024 on a straight-line basis in accordance with Accounting Standards

⁵Finance costs include \$81.5 million (FY23: \$62.9 million) of imputed interest charge on RADs and Bonds and \$0.2 million (FY23: \$0.3 million) of interest expense on leases payable in accordance with AASB 16 *Leases*

Appendix B: Consolidated Statement of Financial Position

\$ millions	FY24	FY23
Cash and cash equivalents	64.9	61.3
Trade and other receivables	17.0	40.0
Other current assets	11.0	7.7
Assets held for sale	9.9	2.9
Total Current Assets	102.8	111.9
Property, plant and equipment	1,221.1	1,110.2
Right-of-use assets	3.5	3.5
Operational places and goodwill	363.3	321.3
Investment property	117.8	116.6
Deferred tax assets	4.0	-
Total Non-Current Assets	1,709.7	1,551.6
Total Assets	1,812.5	1,663.5
Trade payables and other liabilities	80.5	56.7
Lease liabilities	0.9	0.8
Provisions	117.5	124.5
Other financial liabilities	1,628.1	1,350.7
Liabilities directly associated with assets held for sale	-	0.7
Total Current Liabilities	1,827.0	1,533.4
Interest-bearing loans and borrowings	-	67.3
Lease liabilities	2.9	2.9
Provisions	5.5	4.9
Deferred tax liabilities	-	16.6
Total Non-Current Liabilities	8.4	91.7
Total Liabilities	1,835.4	1,625.1
Net Assets	(22.9)	38.4
Contributed equity	274.1	273.8
Reserves	(95.1)	(96.3)
Accumulated losses	(201.9)	(139.1)
Total Equity	(22.9)	38.4

Appendix C: Cash Flow Statement

\$ millions	FY24	FY23
Cash Flows from Operating Activities		
Receipts from residents and Government subsidies	1,002.3	779.3
Government grants received	35.9	10.3
Payments to suppliers and employees	(915.1)	(718.1)
Operating Cash Flows Before Interest, Income Tax, and RADs	123.1	71.5
Net finance costs paid	(6.1)	(10.5)
Income tax paid	(9.3)	(0.8)
Net Cash Flows from Operating Activities before RADs	107.7	60.2
RAD and accommodation bond cash inflows	538.2	443.0
RAD and accommodation bond cash outflows	(397.2)	(399.4)
ILU/ILA entry contribution inflows	8.8	7.6
ILU/ILA entry contribution outflows	(5.2)	(6.2)
Net Cash Flows from Operating Activities	252.3	105.2
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(65.7)	(51.4)
Capital expenditure (investment property)	(1.2)	(2.1)
Net proceeds from sale of property, plant and equipment	3.1	7.4
Net proceeds from sale of business	1.6	-
Net proceeds from sale of investment property	1.0	52.6
Acquisition of a subsidiary, net of cash acquired	(75.2)	-
Net Cash Flows (used in) / from Investing Activities	(136.6)	6.5
Cash Flows from Financing Activities		
Proceeds from borrowings	90.0	57.0
Repayment of borrowings	(159.6)	(85.9)
Payment of lease liabilities	(1.1)	(1.2)
Dividends paid on ordinary shares	(41.4)	(13.0)
Net Cash Flows used in Financing Activities	(112.1)	(43.1)
Net increase in cash and cash equivalents	3.6	68.6
Cash at the beginning of the period	61.3	(7.3)
Cash at the End of the Period	64.9	61.3

Appendix D: Non-IFRS Reconciliation

\$ millions	FY24	FY23
Profit/(Loss) Before Tax	(28.1)	(40.4)
Depreciation ¹	46.7	45.1
Amortisation ²	81.4	81.4
Net finance costs ³	87.5	72.9
Reported EBITDA (AASB 16)	187.5	159.0
Add/(deduct) one-off items:		
CPSM acquisition and integration costs ⁴	7.6	-
Government grant income ⁵	(13.7)	(32.5)
COVID-19 outbreak related expenses	4.6	16.5
Strategic investment in human resources systems	6.6	-
Net gain on disposal of non-current assets	(5.1)	(11.7)
Write-off of capital work in progress and other write-downs	-	12.8
Increase in employee entitlements (Fair Work Commission decision)	-	7.3
Fair value gain on investment property	-	(7.2)
Professional services costs incurred in relation to employee entitlements underpayments program of work	2.1	3.1
Other net losses	0.2	0.1
Underlying EBITDA⁶ (AASB 16) excluding one-off/non-recurring items	189.8	147.4
RAD/Bond imputed income (AASB 16 impact)	(81.5)	(62.9)
Operating lease expense (AASB 16 impact)	(1.1)	(1.2)
Underlying EBITDA⁶ excluding one-off/non-recurring items	107.2	83.3

¹Depreciation includes \$1.0 million (FY23: \$1.4 million) relating to right-of-use assets in accordance with AASB 16 *Leases*

²Amortisation of operational places on a straight-line basis in accordance with Accounting Standards

³Net finance costs comprises \$91.5 million of finance costs (FY23: \$73.6 million), partially offset by \$4.0 million of finance income (FY23: \$0.7 million)

⁴CPSM acquisition and integration costs includes \$5.6 million of landholder duty payable to the Queensland State Revenue Office and other transaction and integration related costs

⁵Government grant income includes \$7.3 million for COVID-19 Aged Care Support Grant, \$3.0 million for Aged Care Outbreak Management Supplement and \$3.4 million for Historical Leave Liability Grant

⁶Refer page 30 for definition of Underlying EBITDA

Appendix E: Definitions of Non-IFRS Financial Measures

	ACFI	means Aged Care Funding Instrument
	AN-ACC	means Australian National Aged Care Classification
	AWR	refers to Annual Wage Review where every year, the Fair Work Commission reviews the National Minimum Wage and minimum rates of pay in modern awards to decide if they should be increased. Any changes generally come into effect on 1 July
Capital Expenditure		represents payments for property, plant and equipment
	DAP	means a daily accommodation payment, being a rental-style, non-refundable daily payment to pay for accommodation. The DAP is calculated based on the refundable deposit multiplied by the maximum permissible interest rate and divided by 365 days
	DHAC	Department of Health and Aged Care
	EBA	refers to Enterprise Bargaining Agreements which are agreements made between employers, employees and their union, about terms and conditions of employment
	FY23	means full-year ended 30 June 2023
	FY24	means full-year ended 30 June 2024
	H1 FY24	means half-year ended 31 December 2023
	H2 FY24	means half-year ended 30 June 2024
	IHACPA	Independent Health and Aged Care Pricing Authority
	MPIR	means the maximum permissible interest rate calculated in accordance with Section 6 of the Fees and Payments Principles 2014 (No. 2) (Aged Care Act)
Net Debt		is calculated as interest-bearing liabilities, less cash and cash equivalents
	NPAT	refers to net profit after income tax
	NPATA	refers to NPAT before amortisation of operational places
Operational Places		means a residential aged care place that is allocated to an Approved Provider under the Aged Care Act 1997 and is available for a person to receive care, and attracts Government funding
	PCP	means prior corresponding period
	PP&E	refers to property, plant & equipment
	RAD	means 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 repayable when the care recipient discharges; the care recipient ceases to be provided with care by the Approved Provider; or the service ceases to be certified
Reported EBITDA		refers to earnings before interest, tax, depreciation and amortisation
	ROI	refers to return on investment
Underlying EBITDA		refers to earnings before interest, tax, depreciation and amortisation, excluding imputed income on RADs and Bonds, and one-off items, and including operating lease expense
Underlying EBITA		refers to earnings before interest, tax and amortisation, excluding imputed income on RADs and Bonds, and one-off items, and including operating lease expense

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