



Regis Shenley Manor, Victoria



OUR
PURPOSE

Personalised
and respectful care
that embraces the
experience of
ageing

FY22 Half-Year Results Presentation

23 February 2022

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- Aged Care Sector Reform
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Aged Care Sector Reform

Aged Care Environment Increasingly Challenging

Now more than 6 years of challenging environment for aged care sector, including providers

Two and a half years of Royal Commission Inquiry, in addition to multiple previous inquiries and reports highlighting the same issues

2 years of COVID-19 pressures on residents, clients, families and workforce

Ongoing sector funding shortfalls and workforce supply constraints

Major sector reform program underway - complex changes impacting all aspects of sector performance and sentiment

Sector support through funding and policy reform lagging urgent needs and expectations

Aged Care Sector Reform (continued)

Regis Actively Participating in Government Reform Agenda

Key Matters in H1 FY22 (external)

- ▶ Australian Government response to Royal Commission recommendations
 - Bill #1 (1 July 2021) - restrictive practices, home care funding and aged care financing (including abolishment of ACFA)
 - Bill #2 (before Parliament) - funding (ACFI); worker screening; codes of conduct; SIRS in Community Care; governance; information sharing & collaboration; prudential regulation (RADs); expansion of Independent Hospitals Pricing Authority's functions
- ▶ Aged Care Reform Network
 - Constructive input
 - Working towards single industry body
- ▶ Aged Care Workforce Industry Council
- ▶ Workforce supply constraints
- ▶ COVID-19 including Omicron and vaccination rollout
- ▶ SIRS Phase 2
- ▶ Aged Care Financial Reporting Rules
- ▶ NDIS

Key Matters in H1 FY22 (internal)

- ▶ Regis timetable for reform
- ▶ Strategic Plan 2022-2024
- ▶ Enterprise risk review
- ▶ Data intelligence:
 - Demographics
 - Modelling of reform outcomes
 - Workforce planning
 - Competitor analysis
 - IT infrastructure projects
 - New leadership capability framework
- ▶ Advocating better alignment of Aged Care and NDIS standards whilst working closely with the NDIS in relation to behaviour support requirements

COVID-19

- ▶ Regis continues to maintain all necessary support to protect residents, clients and employees
- ▶ Key features of response are Pandemic Planning Committee, PPE hubs, testing protocols and Outbreak Management Plans
- ▶ Regis has been impacted by the current Omicron outbreak since mid December 2021
- ▶ All residents, employees and volunteers offered vaccination
- ▶ 94% of residents eligible for a booster dose have received one
- ▶ Regis has mandated a COVID-19 vaccination policy for the workforce which includes the booster dose in addition to State and Territory directions
- ▶ COVID-19 protection measures now ingrained as business as usual with ongoing infection prevention and control (including PPE) included in cost profile of both outbreak and non-outbreak homes
- ▶ Impact of lockdowns has led to revenue reduction and higher costs across the sector
- ▶ H1 FY22 COVID-19 costs incurred of \$4.5 million. Additional costs of PPE (including rapid antigen tests) and staff expenses will be incurred in H2 FY22 in both outbreak and non-outbreak homes
- ▶ No COVID-19 Government funding has been received during the first half of the year to support the substantial preventative and protective activities (including PPE) put in place by the Company



Financial Performance

Regis Kuluin, Queensland

H1 FY22 Financial Overview

- ▶ Revenue from services of \$364.2 million, up 3.1% on pcp
 - ▶ Average occupancy of 89.3% (H1 FY21: 88.3%)
 - ▶ Additional \$10 per day Basic Daily Fee
- ▶ Adjusted EBITDA¹ of \$44.1 million (H1 FY21²: \$39.0 million)
 - ▶ Excludes COVID-19 expenses of \$4.5 million
- ▶ NPATA¹ of \$10.6 million (H1 FY21²: \$8.5 million)
 - ▶ Excludes amortisation of operational places - refer page 31
- ▶ Statutory net loss after tax of \$3.7 million
- ▶ Net operating cash flow of \$126.7 million³ including net RAD receipts of \$47.1 million
- ▶ Net debt of \$60.8³ million, reduction of \$82.7 million (57.6%) on pcp
- ▶ Capital expenditure of \$30.7 million
 - ▶ Includes acquisition of NSW land parcel
- ▶ Board of Directors resolved to pay an interim dividend of 3.52 cents per ordinary share (50% franked) payable 8 April 2022 (record date 11 March 2022)

Revenue from Services	Net Operating Cash Flow ³
\$364.2 million ▲	\$126.7 million ▲
Average Occupancy	Net RAD Cash Inflow
89.3% ▲	\$47.1 million ▲
COVID-19 Costs	Net Debt
\$4.5 million ▲	\$60.8 million ▼
Adjusted EBITDA ^{1,2}	Capital Expenditure
\$44.1 million ▲	\$30.7 million ▲
NPATA ¹	Interim Dividend
\$10.6 million ▲	3.52 cents ▲

¹Refer page 36 for definitions of Non-IFRS Financial Measures and reconciliation of statutory results to non-IFRS measures on page 30

²Refer page 32 for details of restatement of prior corresponding period

³Includes Government funding received in advance for January 2022 of \$40.1 million (H1 FY21 \$39.6 million)

Financial Summary

\$ millions	H1 FY22	Restated ¹ H1 FY21	△ H1 FY21 to H1 FY22
Revenue from services	364.2	353.1	3.1%
Other income ²	31.4	35.2	(10.8%)
Staff expenses ³	260.0	253.4	(2.6%)
Adjusted EBITDA ⁴	44.1	39.0	13.1%
COVID-19 Expenses	4.5	9.7	53.6%
NPATA ⁴	10.6	8.5	24.7%
NPAT ⁴	(3.7)	8.5	(143.3%)
Capital expenditure	30.7	7.6	303.3%
Net RAD cash inflow	47.1	4.7	902.1%
Net operating cash flow	126.7	88.6	43.0%
Net debt	60.8	143.5	57.6%
Average occupancy % ⁵	89.3%	88.3%	1.0 pt
Staff expenses / revenue from services % ³	71.4%	71.8%	0.4 pts
Basic EPS (cents per share)	(1.22)	2.83	(143.1%)

- ▶ H1 FY22 revenue from services of \$364.2 million includes:
 - Additional \$10 per day BDF (Government funded)
 - COPE indexation of 1.1%
- ▶ No COVID-19 funding received in H1 FY22
- ▶ Staff expenses includes:
 - Impact of staff shortages leading to significant additional overtime and use of agency contractors
 - EA wage increases only partially offset by 1 July 2021 COPE indexation of 1.1%

- ▶ H1 FY22 result includes one-off COVID-19 costs of \$4.5 million
- ▶ Capital expenditure of \$30.7 million (H1 FY21: \$7.6 million)
 - Includes \$15.2 million purchase of land at Belrose NSW for future aged care development
- ▶ Net debt at 31 December 2021 of \$60.8 million - \$82.7 million or 57.6% reduction on pcp
 - Net RAD cash inflow of \$47.1 million

¹Refer page 32 for details of restatement of prior corresponding period

²Includes \$31.4 million of imputed income on RADs and Bonds (Restated H1 FY21: \$32.7 million)

³Excludes COVID-19 related staff expenses

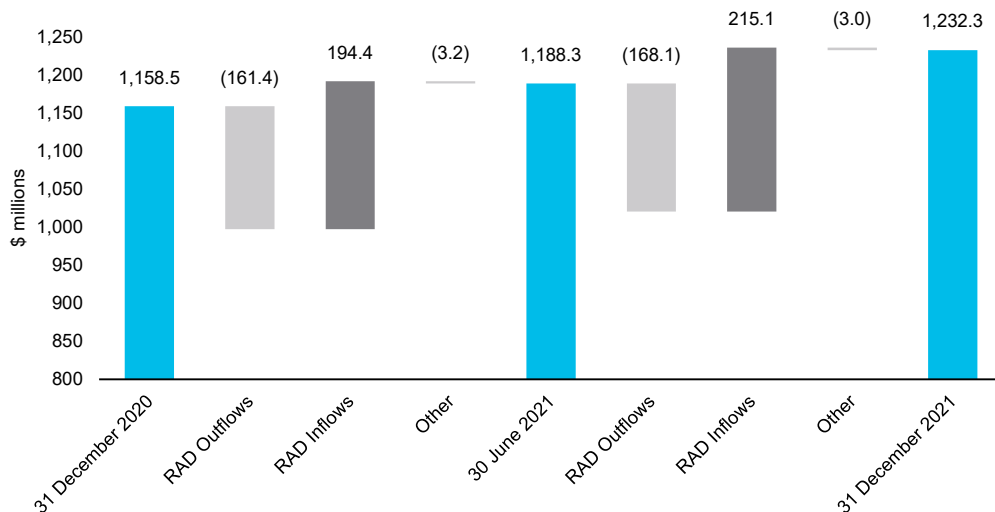
⁴Refer page 36 for definitions of Non-IFRS Financial Measures

⁵Based on average available operational places of 7,104 (H1 FY21: 7,170)

Key Operational Statistics

Operational Statistics	H1 FY22	H1 FY21	Δ H1 FY21 to H1 FY22
Average available operational places (#) ¹	7,104	7,170	(0.9%)
Total occupied bed days	1,167,834	1,164,842	0.3%
Average occupancy (%)	89.3	88.3	1.0pt
Aged care revenue per occupied bed day (\$)	304.7	289.2	5.4%
Aged care Government revenue per occupied bed day ² (\$)	219.1	206.1	6.3%
Aged care resident revenue per occupied bed day (\$)	85.6	83.1	3.0%
Aged care staff expenses per occupied bed day ³ (\$)	207.1	201.1	(2.9%)
RADs held (#)	2,826	2,721	3.9%
RADs held (\$m)	1,232.30	1,158.5	6.4%
Average RAD held (\$000's)	436.1	425.7	2.4%
Average incoming RAD (\$000's)	479.9	459.0	4.6%

Net RAD Movements



- ▶ Movement in average available operational places mainly attributable to FY21 closure of Melbourne-based home
- ▶ H1 FY22 average occupancy improvement to 89.3% (H1 FY21: 88.3%) due to management initiatives despite impact of COVID-19 pandemic. Spot occupancy at 18 February 2022 was 90.4%
- ▶ Government revenue per occupied bed day increased due to additional \$10 per day Basic Daily Fee, higher resident acuity and COPE (1.1%)
- ▶ Staff expenses per occupied bed day increased due to impact of EA wage increases and staff shortages leading to use of agency contractors and additional overtime
- ▶ Increase in RADs held included net RAD cash inflow \$47.1 million (H1 FY21: \$4.7 million) despite reduction in average available operational places
- ▶ Probate liabilities of \$147.9 million included in RAD balance (H1 FY21: \$135.6 million)

¹Across portfolio of 64 homes

²No COVID-19 funding in H1 FY22. H1 FY21 excludes COVID-19 funding

³Excludes COVID-19 related staff expenses

One-Off / Normalisation Items

The following one-off items are included in Profit and Loss:

\$ millions (before tax)	H1 FY22	H1 FY21
COVID-19 staff and other expenses	4.5	9.7
COVID-19 Income	-	(7.7)
Profit on sale of passive assets	-	(2.5)
Cyber-security incident	-	0.4
Total	4.5	(0.1)

The following normalisation item is included in Profit and Loss:

\$ millions	H1 FY22
Amortisation of operational places	20.3
Reversal of related deferred tax liability	(6.0)
Total	14.3

▶ H1 FY22 COVID-19 expenses include:

- \$3.7 million of staff costs
- \$0.8 million in PPE and other related costs

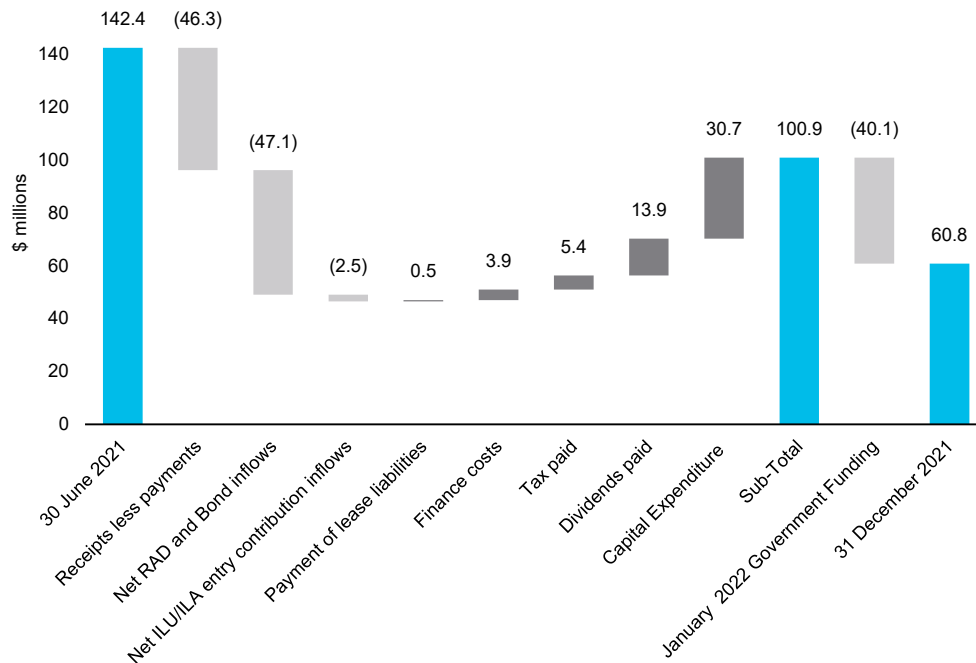
NB Aged Care Support Program grant applications in excess of \$3 million have been lodged subsequent to 31 December 2021 for homes directly impacted by COVID-19. Claims have not been included in H1 FY22 income pending outcome of grant applications

▶ In response to the Australian Government's decision to deregulate operational places from 1 July 2024, the Group has reassessed the useful life of its operational places and commenced amortising the value of operational places from 1 October 2021 on a straight line basis over their remaining economic life to 30 June 2024 including the partial reversal of related deferred tax liability (Refer Appendix E)

Net Debt and Cash Flow

\$ millions	Purpose	Limit	Maturity
Debt Facility A	Working capital	150.0	March 2023
Debt Facility B	Working capital	275.0	March 2024
Debt Facility C	Residential village developments	70.0	March 2024
Debt Facility D	LC/bank guarantees	20.0	March 2024
Total Syndicated Facilities		515.0	

Net Debt Movements



¹Includes Government funding received in advance for January 2022 of \$40.1 million (H1 FY21 \$39.6 million)

²Based on rolling 12-month Adjusted EBITDA as a ratio to net debt (excluding January 2022 funding received in advance)

Cash Flow

- ▶ Net cash flow from operating activities of \$126.7 million¹ (H1 FY21: \$88.6 million)
- ▶ Net RAD cash inflow of \$47.1 million (H1 FY21: \$4.7 million) despite COVID-19 related lockdowns that impacted a number of Regis' homes

Net Debt

- ▶ Repaid \$42.5 million (H1 FY21: \$43.0 million) of bank borrowings
- ▶ Significantly reduced leverage ratio² to 1.3x
- ▶ \$150 million (Facility A) syndicated debt refinancing to be completed by 30 June 2022
- ▶ Net debt of \$60.8 million¹ down 57.6% of pcp

Dividends

- ▶ H2 FY21 final dividend of 4.63 cents per ordinary share (50% franked) paid 30 September 2021
- ▶ H1 FY22 interim dividend of 3.52 cents per ordinary share (50% franked) payable 8 April 2022

Capex

- ▶ Capital expenditure of \$30.7 million mainly related to \$15.2 million Belrose NSW land purchase and maintenance and refurbishment of homes

Capital Expenditure

\$ millions	H1 FY22
Replacement Capital Expenditure - Residential Aged Care Homes	13.5
Replacement Capital Expenditure - Retirement Villages	1.3
Development - Belrose	15.2
Development - Camberwell	0.3
Development - Other	0.4
Total Capital Expenditure	30.7

Replacement Capital Expenditure

- ▶ Primarily maintenance capital expenditure

Residential Aged Care Developments

- ▶ **Belrose** - Acquisition of land (with approved plans)
- ▶ **Camberwell** - Represents consultant costs

Home and Retirement Village Refurbishments

- ▶ Refurbishment capital expenditure at existing homes and retirement villages

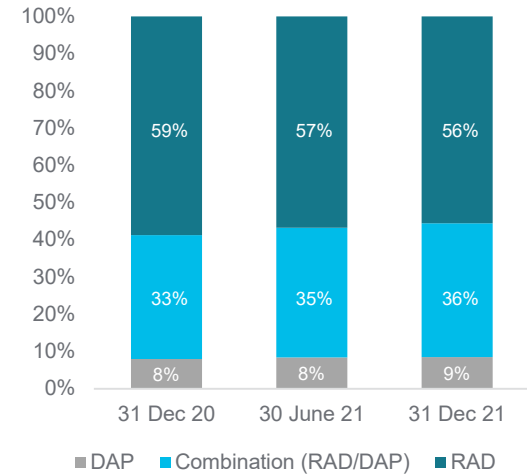
Resident Profile

	31 December 2020	30 June 2021	31 December 2021
Number of Residents			
RAD	1,797	1,790	1,753
Combination (RAD/DAP)	1,018	1,100	1,135
DAP	243	265	269
Total Non-Concessional	3,058	3,155	3,157
Concessional	2,885	2,823	2,807
Other	71	64	92
Total Permanent Residents	6,014	6,042	6,056
Respite	373	303	348
Total Residents	6,387	6,345	6,404

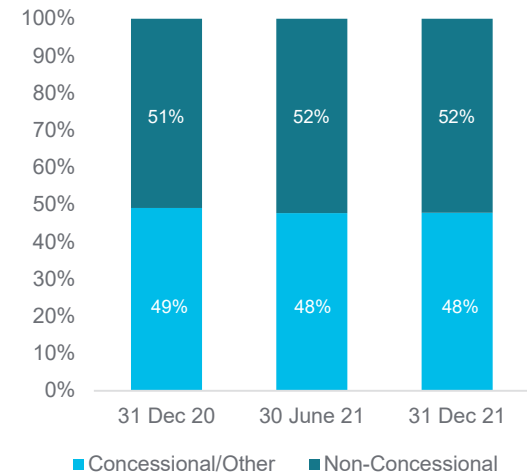
Resident Profile as % of Permanent Residents	31 December 2020	30 June 2021	31 December 2021
RAD	30%	30%	29%
Combination (RAD/DAP)	17%	18%	19%
DAP	4%	4%	4%
Total Non-Concessional	51%	52%	52%
Concessional	48%	47%	46%
Other	1%	1%	2%
Total Permanent Residents	100%	100%	100%

- ▶ 90.7% occupancy as at 31 December 2021
- ▶ Decrease in RAD payment choice in line with industry trend
- ▶ Increase in RAD/DAP combinations

Payment Preference (Non-Concessional)



Resident Mix (Permanent Residents)





Other Matters

Regis Salisbury, Queensland

Other Matters

Potential Employee Entitlement Underpayments

- ▶ As disclosed in the 2021 Annual Financial Report, Regis announced to the ASX on 9 August 2021 that it had identified potential underpayments of employee entitlements to certain current and former employees under its enterprise agreements
- ▶ These payment shortfalls had arisen because some employee entitlements due under various enterprise agreements were recorded inaccurately in the payroll system. This led to incorrect payments to a number of employees
- ▶ Regis, with the assistance of external advisors, commenced a review to determine the extent of the underpayments looking back 6 years. While this review is ongoing, based on preliminary analysis, Regis provided \$35 million in other provisions as at 30 June 2021 in relation to the issue. The provision remains at \$35 million as at 31 December 2021

Workforce Challenge

- ▶ A major issue facing aged care providers is that the spread of the COVID-19 Omicron variant has placed additional strain on a workforce that had already been experiencing significant pressure. The ongoing presence of the COVID-19 virus may lead to additional staffing disruption and financial pressures

Oneview Healthcare PLC

- ▶ On 21 December 2020, Oneview Healthcare PLC lodged a claim in the Supreme Court of Victoria against Regis seeking damages for alleged breach of a collaboration agreement between the two parties. Regis has engaged external legal counsel and intends to strongly defend the matter

Subsequent Event - COVID-19

- ▶ Regis has continued to be impacted by the widespread Omicron variant with multiple homes experiencing outbreaks from mid December 2021. Regis has implemented Outbreak Management Plans across the impacted homes. Residents have continued to be provided with care, services and support, and the Group has provided, at a minimum, updates every 1-2 days to the homes' residents, families and employees. High levels of vaccination rates have provided additional protection to residents and staff against the outbreaks. Regis offers condolences to the families of those residents who passed away with the virus
- ▶ Depending on the spread of the virus, it also has the potential to significantly disrupt the financial position of the Group including a decline in occupancy levels and significantly increased costs to continue to protect residents, clients and staff. The Group continues to work closely with health and regulatory authorities



Strategy Update

Regis Port Coogee, Western Australia

Aged Care Environment Requires Adaptive Strategic Response

Pandemic has forced greater focus on tactical management of clinical and business outcomes

- Clinical training, controls, systems, reporting and governance
- Workforce management and support
- Procurement and operations, PPE hubs and vaccine rollouts
- Communications - residents, families, regulators, Government and other Providers

Management has ensured the 'urgent' has not crowded out the 'important'

Continued to deliver on structured 3-year strategic plan which will keep Regis at the forefront of the best industry Providers

Clear and Focused 3-Year Strategy

OUR VALUES

- Optimism
- Passion
- Integrity
- Respect

OUR PURPOSE

Personalised and respectful care that embraces the experience of ageing

OUR BEHAVIOURS

- We have a relentless customer focus
- We are transparent and accountable
- We are collaborative
- We all own quality and safety
- We continuously improve

WHO WE SERVE

Our Residents
 Our Clients
 Our People
 Our Care Partners
 Our Community
 Our Shareholders

OUR PRIORITIES & GOALS



THE REGIS CULTURE OF CARE

Our goals:

- We deliver Personal Care
- We deliver Safe Care
- We deliver Effective Care
- We deliver Integrated Care



POSITIVE PEOPLE AND PRACTICE

Our goals:

- We empower, support and enable our people
- We ensure the right people are in the right roles
- We keep people physically safe and psychologically well
- We provide an inclusive and flexible workplace



Our goals:

- We transform our living, care, services and work through digital enablers
- We expand and develop our property and service portfolio
- We lead in operational excellence
- We build positive partnerships
- We embrace environmental sustainability



Regis Culture of Care

Regis continues to provide care that is safe, effective, integrated and personal

In Place:

- ▶ Board Clinical Governance and Care Committee
- ▶ Clinical Governance Framework
- ▶ Clinicians on Board and Executive
- ▶ Registered Nurses rostered at all homes 24/7
- ▶ Expert clinical support teams, including nurse on call program
- ▶ Sophisticated clinical, care and experience data insights
- ▶ Open disclosure, whistleblower and transparency processes
- ▶ Quality research projects with leading universities and partners
- ▶ Electronic clinical management system
- ▶ Expert catering teams, chefs and external dietitian
- ▶ Tailored lifestyle programs
- ▶ Additional services program
- ▶ All employees have vaccination against influenza

FY22 Priorities:

Complete

- ▶ All residents, employees and volunteers offered three doses (including booster) of COVID-19 vaccine on site
- ▶ Additional clinical, care and research partnerships
- ▶ Digital technology improvements to reduce administration burden and release more time to care (ongoing)
- ▶ Additional quality and safety indicators

In-Train

- ▶ Consumer Engagement Strategy
- ▶ Research Strategy
- ▶ Model of care reviews
- ▶ Electronic medication management system



Positive People and Practice

Regis People - attracting, developing, empowering and retaining the best talent

In Place:

- ▶ Fit for purpose training
- ▶ Scholarship Program for accredited training
- ▶ Expert clinical and portfolio support teams
- ▶ Confidential Employee Assistance Program (EAP)
- ▶ Wellbeing programs and supports, increased during COVID-19
- ▶ Diversity and inclusion policies and programs
- ▶ Annual reporting of pay equity
- ▶ Executive and manager health checks
- ▶ Regis Spirit program - appreciation, opportunity & community
- ▶ Annual engagement survey
- ▶ Performance review, development and talent mapping
- ▶ Career planning and progression across all roles
- ▶ >25,000 followers across social media channels

FY22 Priorities:

Complete

- ▶ Launched new leadership capability framework
- ▶ Additional academic and research partnerships
- ▶ External review of safety program and outcomes
- ▶ Occupational violence prevention program

In-Train

- ▶ Workforce strategy
- ▶ Full review of learning and development framework
- ▶ Aged Care Industry Voluntary Code of Practice



Ensuring Our Future

Transformational change through digital enablers, operational excellence and growth

In Place:

- ▶ 3-year Strategic Plan
- ▶ Key participant in Aged Care Reform Network
- ▶ Home Care strategy
- ▶ Residential aged care
- ▶ Contracts with local and sustainable companies
- ▶ Cybersecurity strategy and maturity assessments
- ▶ Identification of market opportunities
- ▶ Continuous improvement and learning philosophies driven from Board and Executive through to frontline teams



FY22 Priorities:

Completed

- ▶ Brand refresh
- ▶ Removal of remaining triple and quad rooms

In-Train

- ▶ Preparation for new activity-based funding program
- ▶ Upgrades to finance system
- ▶ Reassessment of climate risks
- ▶ Strengthen data and predictive analytics
- ▶ Resident and family self-service application
- ▶ Additional research and innovation partnerships
- ▶ Retirement Living strategy

Environmental, Social and Governance (ESG)

Regis' environment, social and governance commitments

Circle of Care

- 30-year history of caring for older people
- Health, safety and wellbeing at work, at home and in the community
- COVID-19 preparations and response; surety of PPE supply for our workforce; balance of risk for our resident communities; importance of social connections; vaccination clinics
- Respectful workplaces; EAP support; Behaviours of Concern taskforce to reduce avoidable injuries
- NDIS training
- Consumer reference groups, consumer advisory committee

Shared Value Creation

- Return to shareholders
- Employ nearly 9000 people across Australia; Engagement Survey action plans in place; long standing development pathways, talent identification and career planning
- Support and trade fairly with local and national food, consumables and other providers; local construction and maintenance industries
- Work with partners who share our values and aspirations
- New partnership with the Shared Value Project

Governance

- Diverse Board with Independent Chairman and Directors, Founders with 30-years experience and commitment and MD/CEO; skills matrix informed new Independent Director appointment
- Formal Board Committees, Charters and Policies with regular review
- Gender balanced Board and Executive; annual pay parity check
- Refreshed Risk Management Framework and Policy; reviewed risk appetite across all areas
- Independent whistle-blower and complaints provider
- External review of safety culture completed
- Payroll remediation project commenced

Environment and Climate Change Resilience

- Reduced carbon emissions through solar panels and LED light programs
- Reviewed design standards for new facilities and refurbishments
- Recycling programs; waste reduction; edible gardens; worm farms
- Partnership with Turtle Tribe to procure biodegradable toothbrushes for our residents
- COVID-19 has required additional single use PPE, disposable crockery and cutlery, and generated increased clinical waste. Any changes to reduce environmental impact will be within appropriate safety parameters

Aged Care Developments

Regis' greenfield developments and extensions program

Development	State	New Places	Net Additional Places	Club Services	Land Held	Development Approval	Provisional Allocation & Licences in Hand	Update
Regis Camberwell	VIC	112	112	✓	✓	✓	Partial	▶ To be recommenced once funding environment improves
Regis Toowong	QLD	120	120	✓	✓	✓	✓	▶ Received council development approval ▶ On hold
Regis Belrose	NSW	105	105	✓	✓	✓	✓	▶ Land acquired 4 August 2021
Regis Gatton (Extension)	QLD	30	30		✓	✓	✓	▶ Received council development approval ▶ On hold
Regis Playford (Extension)	SA	33	33		✓	✓	✓	▶ Received council development approval ▶ On hold
Regis Inala (Stage 1)	VIC	202	126	✓	✓	✓	Partial	▶ On hold
Regis Greenmount (Stage 2)	WA	150	111	✓	✓	✓	Partial	▶ On hold
		752	637					

- ▶ Parcel of land situated in Belrose, NSW was acquired in August 2021. Planning has commenced for a new residential aged care home
- ▶ Developments paused pending more certainty surrounding future funding of industry



Outlook

Regis Lutwyche, Queensland

Outlook

Performance

- ▶ Workforce strategy in place to address sector staff shortages
- ▶ Sector reform financial implications
 - Changes to care funding model
 - Requirement for mandated care minutes
- ▶ Fair Work Commission outcome for workforce pay
- ▶ COVID-19 impact including direct costs and supply chain constraints
- ▶ Management focus to improve occupancy through quality care, service and accommodation

Business Growth and Development

- ▶ Recommencement of development program once funding certainty achieved leading to sufficient returns on invested capital
- ▶ Execution of Home Care expansion strategy
- ▶ Balance sheet positioned to take advantage of emerging opportunities

Earnings Guidance

- ▶ Given the current uncertain policy and funding environment, and direction and impact of the COVID-19 pandemic, the Board does not believe it prudent to put forward any earnings guidance at this stage





Questions

Regis Shenley Manor, Victoria



Appendices

Regis Home Care



Appendix A: Income Statement

\$ millions	H1 FY22	Restated ¹ H1 FY21
Revenue from Services		
Government revenue	260.2	253.0
Resident revenue	100.1	96.4
Other revenue	3.9	3.7
Revenue from Services	364.2	353.1
Other income ²	31.4	35.2
Total Revenue	395.6	388.3
Operating Expenses		
Staff expenses	(260.0)	(253.4)
Resident care expenses	(25.7)	(22.8)
Administration expenses	(21.7)	(19.3)
Occupancy expenses ³	(12.0)	(10.6)
COVID-19 expenses	(4.5)	(9.7)
Total Operating Expenses	(323.9)	(315.8)
Depreciation ⁴	(20.8)	(22.4)
Amortisation ⁵	(20.3)	-
Finance costs ⁶	(35.7)	(37.7)
Profit Before Tax	(5.1)	12.3
Income tax benefit / (expense)	1.4	(3.8)
Net Profit/(Loss) After Tax	(3.7)	8.5

¹Refer page 32 for details of restatement of prior corresponding period

²Other income includes imputed income on RADs and Bonds of \$31.4 million (restated H1 FY21: \$32.7 million) in accordance with AASB 16 *Leases* - refer page 30

³Occupancy expenses excludes operating leases \$0.7 million (H1 FY21: \$0.7 million) in accordance with AASB 16 *Leases*

⁴Depreciation and amortisation includes \$0.5 million (restated H1 FY21: \$0.5 million) relating to right-of-use assets in accordance with AASB 16 *Leases*

⁵Amortisation of operational places from 1 October 2021 to 30 June 2024 on a straight line basis in accordance with Accounting Standards - refer page 31

⁶Finance costs include \$31.6 million (H1 FY21: \$32.9 million) of imputed interest charge on RADs and Bonds and \$0.2 million (restated H1 FY21: \$0.2 million) of interest expense on leases payable in accordance with AASB 16 *Leases*

Appendix B: Statement of Financial Position

\$ millions	31 December 2021	30 June 2021
Cash and cash equivalents	44.0	3.9
Trade and other receivables	12.2	9.1
Other current assets	12.1	8.9
Income tax receivables	0.1	-
Total Current Assets	68.4	21.9
Property, plant and equipment ¹	1,111.3	1,101.6
Investment property	160.0	158.7
Right-of-use assets	4.7	5.0
Intangible assets	443.4	463.7
Total Non-Current Assets	1,719.4	1,729.0
Total Assets	1,787.8	1,750.9
Bank overdraft	15.9	14.9
Trade payables and other liabilities	110.3	52.7
Lease liabilities	1.0	1.1
Provisions	111.6	112.1
Other liabilities	1,273.9	1,227.9
Income tax payable	-	2.1
Total Current Liabilities	1,512.7	1,410.8
Interest bearing loans and borrowings	88.9	131.4
Provisions	7.2	7.3
Deferred tax liabilities	48.8	53.4
Lease liabilities	5.7	6.0
Total Non-Current Liabilities	150.6	198.1
Total Liabilities	1,663.3	1,608.9
Net Assets	124.5	142.0
Issued capital	273.6	273.5
Retained earnings/(accumulated losses)	(51.9)	(34.3)
Reserves	(97.2)	(97.2)
Total Equity	124.5	142.0

¹Freehold residential aged care properties valued on historical cost basis

Appendix C: Cash Flow Statement

\$ millions	H1 FY22	H1 FY21
Cash Flows from Operating Activities		
Receipts from customers and Government subsidies	396.2	391.1
Payments to suppliers and employees	(309.8)	(305.2)
Operational Cash Flows Before Interest, Income Tax, and RADs	86.4	85.9
Finance costs paid	(3.9)	(4.7)
Income tax (paid) / received	(5.4)	2.3
Net Cash Flows from Operating Activities before RADs	77.1	83.5
RAD and accommodation bond cash inflows	215.2	176.1
RAD and accommodation bond cash outflows	(168.1)	(171.5)
Entry contribution inflows	6.4	1.7
Entry contribution outflows	(3.9)	(1.2)
Net Cash Flows from Operating Activities	126.7	88.6
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	-	25.2
Purchase of property, plant and equipment	(29.4)	(7.2)
Capital expenditure in relation to investment properties	(1.3)	(0.4)
Purchase of businesses, net of cash acquired	-	-
Net Cash Flows from/(used in) Investing Activities	(30.7)	17.6
Cash Flows from Financing Activities		
Proceeds from / (repayments of) bank borrowings	(42.4)	(43.0)
Dividends paid	(13.9)	(12.1)
Payment of lease liabilities	(0.5)	(0.5)
Net Cash Flows from/(used in) Financing Activities	(56.8)	(55.6)
Net increase/(decrease) in cash and cash equivalents	39.2	50.6
Cash and cash equivalents at the beginning of the period	(11.1)	(4.1)
Cash and Cash Equivalents at the End of the Period	28.1	46.5

Appendix D: Non-IFRS Reconciliation

\$ millions	H1 FY22	Restated ¹ H1 FY21
Profit Before Income Tax	(5.1)	12.3
Depreciation	20.8	22.4
Amortisation ²	20.3	-
Finance costs	35.7	37.7
Reported EBITDA³ (post AASB 16)	71.7	72.4
RAD/Bond imputed revenue (AASB 16 impact)	(31.4)	(32.7)
Occupancy lease expense (AASB 16 impact)	(0.7)	(0.7)
Reported EBITDA³ (pre AASB 16)	39.6	39.1
Add/(deduct) one-off items:		
COVID-19 Government funding and grants	-	(7.7)
COVID-19 expenses	4.5	9.7
Profit on sale of assets	-	(2.5)
Cyber-security incident costs	-	0.4
Net fair value gain on investment properties	-	-
Impact of regulatory penalties	-	-
Adjusted EBITDA³ (pre AASB 16)	44.1	39.0
RAD/Bond imputed income (AASB 16 impact)	31.4	32.7
Occupancy lease expense (AASB 16 impact)	0.7	0.7
Adjusted EBITDA³ (post AASB 16)	76.2	72.3

¹Refer page 32 for details of restatement of prior corresponding period

²Amortisation of operational places from 1 October 2021 to 30 June 2024 on a straight line basis in accordance with Accounting Standards - refer page 31

³Refer page 36 for definitions of Non-IFRS Financial Measures

Appendix E: Deregulation of Operational Places

- ▶ In response to the Royal Commission into Aged Care Quality and Safety's final report, the Australian Government announced in the 2021-22 Budget that it would be investing \$17.7 billion into an aged care reform package. As part of this package, there will be no further Aged Care Approval Rounds (ACAR). From 1 July 2024, residential aged care places (operational places or bed licences) will be assigned directly to senior Australians, giving consumers more control to choose an approved provider that best suits their residential aged care needs
- ▶ 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"), the Group has reassessed and commenced amortising the value of operational places from 1 October 2021 on a straight line basis over their remaining economic life to 1 July 2024. This has resulted in a before tax amortisation expense in the profit and loss for the half-year ended 31 December 2021 of \$20.3 million with no impact to the cash flows of the Group
- ▶ The reassessment of useful life is considered to be a change in accounting estimate under Australian Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*
- ▶ The intended market deregulation of operational places presents new opportunities for Regis to invest in geographic areas previously not open to the Group. The removal of operational places will most likely increase competition around quality of care, service and accommodation, which should be an advantage to providers such as Regis that have a strong balance sheet and access to capital to further develop the sector

Consolidated Statement of Profit or Loss - For the half-year ended 31 December 2021 \$ millions	H1 FY22
Amortisation of operational places	(20.3)
Reversal of related deferred tax liability	6.0
Impact on Profit/(Loss) after tax for the Period	(14.3)

Appendix F: Impact of Prior Year Restatement

Imputed Income and Expense on RADs

- ▶ The Company adopted AASB 16 *Leases* from 1 July, 2019, where it concluded that it is a lessor where a resident has chosen a RAD or Bond arrangement under which to receive residential aged care services. The arrangement is accounted for by recognising a non-cash increase in income, with a corresponding non-cash increase in finance costs on the outstanding RAD liability, with no net impact on the result for the period
- ▶ This imputed income was calculated in the prior year by applying the current Maximum Permissible Interest Rates (MPIR) applicable to the period, however, the Company has reviewed the calculation and determined that the MPIR rates applicable at the date of entry for each resident should have instead been applied
- ▶ This has been corrected by restating each of the affected financial statement line items for the prior year. There is no impact to the consolidated statement of financial position, and the following table summarises the impact on the consolidated financial statements
- ▶ There is no impact on net profit after tax for the prior half-year ended 31 December 2020, and therefore has no impact on basic or diluted earnings per share. As the adjustment relates to non-cash items, there is also no impact on the total operating, investing or financing cash flows for the half-year ended 31 December 2021

Consolidated Statement of Profit or Loss - For the half-year ended 31 December 2020 \$ millions	As Previously Reported	Adjustments	As Restated
Imputed income on RADs and Bonds	23.7	9.0	32.7
Imputed interest charge on RADs and Bonds	(23.7)	(9.0)	(32.7)

Appendix F: Impact of Prior Year Restatement (continued)

Potential Employee Underpayments

- ▶ As previously reported, Regis has identified potential underpayments of employee entitlements to certain current and former employees under its enterprise agreements. These payment shortfalls have arisen because some employee entitlements due under various enterprise agreements were recorded inaccurately in the payroll system
- ▶ The impact of the potential underpayment on profit before income tax for the financial half-year ended 31 December 2020 was \$3.6 million with the remaining amount recorded as a prior period restatement in accordance with Australian Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*

Consolidated Statement of Profit or Loss - For the half-year ended 31 December 2020 \$ millions	As Previously Reported	Adjustments	As Restated
Staff expenses	(249.8)	(3.6)	(253.4)
Income tax expense	(4.9)	1.1	(3.8)
Profit/(Loss) after tax for the Period	11.0	(2.5)	8.5

Appendix G: Australian Government Response to Royal Commission

Impact on Regis

Highlights:

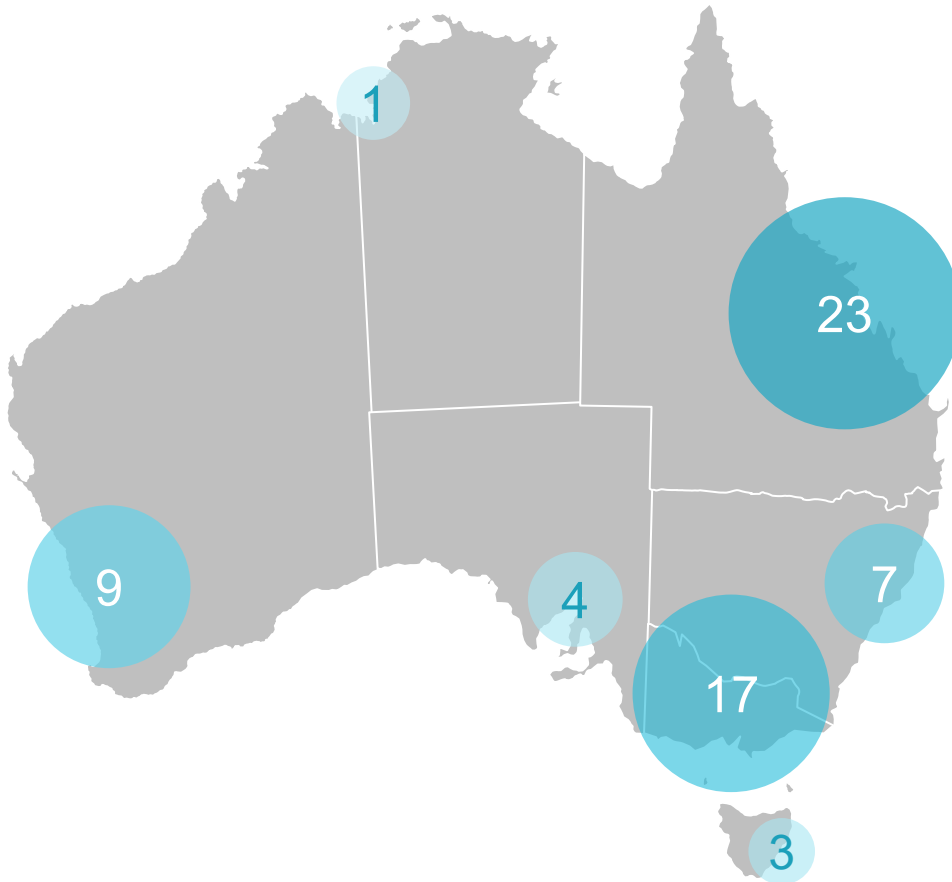
- ▶ Government budget allocation of \$17.7 billion over forward estimates
 - Including \$3.2 billion of Government funded Basic Daily Fee and \$3.9 billion to increase the amount of front-line care (ie care minutes) in residential aged care, and \$7.5 billion of additional home care funding
- ▶ Narrative of system reform
- ▶ Activity-based funding mechanism under IHPA - “pricing for quality”
- ▶ Abolition of operational places increases competition around quality, service and accommodation; opens up market opportunities for Regis in desirable locations
- ▶ Transparency and accountability - care provision, funding, prudential requirements
- ▶ A number of controls are in place including corporate governance, clinical governance, prudential controls, food and nutrition standards, RNs on site 24/7, career pathways

Areas of Concern:

- ▶ Aged Care Act review and key reforms later than expected
- ▶ Some years until substantial additional funding flows to providers
 - To date, \$500 million of Basic Daily Fee (BDF) funding has been allocated to providers; over \$300 million to regulators
- ▶ Workforce supply risk and pay competitiveness
- ▶ Additional non-value adding regulatory burden and compliance
- ▶ RADs to remain, but uncertainty exists in relation to viable long-term plan for capital funding
- ▶ Provider and investor ROI remain unsustainable

Appendix H: Regis is a Well Established National Provider

Residential Aged Care, Home Care and Retirement Living



49

Number of Homes: Metropolitan

15

Number of Homes: Regional

64

Total number of homes

64

Number of freehold sites

7,104

Average available operational places (31 December 2021)

6,011

Number of single rooms

92%

Single rooms as a percentage of total rooms

111

Average number of places per home

Appendix I: Definitions of Non-IFRS Financial Measures

H1 FY21 means half-year ended 31 December 2020

H2 FY21 means half-year ended 30 June 2021

FY21 means full-year ended 30 June 2021

H1 FY22 means half-year ended 31 December 2021

Capital expenditure represents payments for property, plant and equipment

EBITDA refers to earnings before interest, tax, depreciation and amortisation

Adjusted EBITDA refers to EBITDA excluding imputed income on RADs and Bonds of \$31.4 million (restated H1 FY21: \$32.7 million), COVID-19 / one-off expenses and including operating lease expense of \$0.7 million (H1 FY21: \$0.7 million)

Net Debt is calculated as interest-bearing liabilities, less cash and cash equivalents

NPAT refers to statutory net profit after income tax

NPATA refers to NPAT before amortisation of operational places

ROI refers to return on investment

PPE refers to personal protective equipment

PP&E refers to property, plant & equipment

ACFI means Aged Care Funding Instrument

COPE means Commonwealth Own-Purpose Expense

PCP means prior corresponding period

Operational Places means a residential aged care place that is allocated to an approved provider under the Aged Care Act 1997, is available for a person to receive care and attracts Government funding

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

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

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)

Leverage Ratio Leverage ratio is calculated as Adjusted EBITDA on a rolling 12-month basis as a ratio to net debt (excluding Government funding received in advance)

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This Presentation contains the summary information about the current activities of Regis Healthcare Limited and its controlled entities (Regis Healthcare or the Group). It should be read in conjunction with the Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange (ASX), including the half-year Consolidated Financial Report and associated Media Release released today, which are available at www.asx.com.au.

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Non-IFRS Financial Information

This presentation uses Non-IFRS financial information including capital expenditure, EBITDA, Adjusted EBITDA, NPATA, operating cash flow, net debt and leverage ratio. These terms are Non-IFRS measures used by the Group, the investment community and Regis Healthcare's Australian peers with similar business portfolios. Regis Healthcare uses these measures for its internal management reporting as it better reflects what Regis Healthcare considers to be the underlying performance of the Group.