Estia Health

FY20 Half Year Results Presentation

25 February 2020

Estia Health Maroochydore (QLD)

Estia Health

Contents

1. Overview and highlights
2. Financial performance
3. Operations
4. Growth and development
5. Outlook
6. Questions
7. Appendices

Estia Health

1. Overview and highlights

Trusted aged care accessible for all Australians

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69 Operational homes	**6,180 places[1,2,3]**
Number of single rooms	**5,091 (91%)**
Average places per home	**90**
Freehold sites	**62**

Over 7,500 employees

Care delivered to more than 8,000 older Australians annually

One of Australia's leading residential aged care providers

1 Total operational places at 31 December 2019 as shown in Appendix I for mature and new homes
2 At 31 December 2019 42 Homes with 4,049 bed qualify for the significant refurbishment higher accommodation supplement
3 Total operational places 6,181 – 25 February 2020

Caring for older Australians

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Residential aged care is critical to support the health needs of older Australians as underlying demographic trends place increasing demands on Australia's healthcare system

	Unassisted Retirement Living	Home Support	Home Care	Respite Care	Residential Aged Care	Hospital
Level of Health Services	Increasing clinical acuity →					
Size of Market (Govt Subsidies) ($B)	5.0[2]	2.5	2.5	0.7	13.0	74.0[2]
# of people cared (@30 June 2019)	~200,000	840,984[1]	106,707	116,562[1]	182,705	11.3m[1] Hospitalisations
# of providers	402	1,458	928	565+	873	1,350 hospitals

Australian Government – Department of Heath 2018-2019 Report on the Operation of Aged Care Act 1997
Australian Government – Australian Institute of Health and Welfare – Australia's Hospitals at a Glance 2017-18
IBIS World – Retirement Villages in Australia – June 2019

1. CHSP and Respite care data for the 2018-19 year, Hospital data presented is the for year ended 31 December 2018
2. Revenue includes government, individuals and third party

H1 FY20 Financial overview

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$40.9m **EBITDA mature homes (pre-AASB16)**	EBITDA on mature homes (pre-AASB 16)[1,2] of $40.9m; a decline of 12.6% (H1 FY19) during a period of sector margin compression	**$46.3m** **Capital investment**	Investment in new homes, significant refurbishments, sustainability projects and asset replacement and improvement
$14.3m **NPAT**	NPAT of $14.3m a decline of 32.1% (H1 FY19) (does not include the expected gain on Mona Vale of ~$5.5m after tax to be recognised in H2FY20)	**New home performance**	Southport (opened May 2019) reached 100% occupancy in February 2020. Maroochydore (opened August 2019) reached 56% occupancy in February 2020)
93.7% **Average occupancy**	Average occupancy in mature homes of 93.7%, during 1HFY19 increased from FY19. Spot occupancy at 21 February 2020 was 93.6%	**New home opportunities**	Measured development pipeline continues with more than 650 new beds over the next four years in construction or planning
$22.2m **Net RAD inflow**	Net RAD inflows of $22.2m during the period, with a RAD balance of $826.5m at 31 December 2019	**5.4 cents/share** **Fully franked**	Fully franked interim dividend of 5.4 cps declared representing ~100% of NPAT
$35.7m **Operating cashflow**	Represents ~87% EBITDA to cash conversion	**$96.6m** **Net bank debt**	Net bank debt of $96.6m, at 31 December 2019 representing a gearing ratio of 1.2X EBITDA[2] ($130.9m after adjusting for the Government revenue received in advance, representing a gearing ratio of 1.6X EBITDA[2])

The Company remains within its revised guidance for FY20[3]

1 A reconciliation of Operating Profit to EBITDA and EBITDA on mature homes (pre and post AASB 16) is provided in Appendix B. Mature homes are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year. EBITDA is a non-IFRS measure

2 EBITDA pre AASB 16 is defined as Earnings before Interest, Tax Depreciation, Amortisation prior to the adjustment of rental expenditure as a result of the adoption of AASB 16

3 Guidance refers to earnings guidance provided in the ASX Release “Occupancy and Trading Update” dated 9 December 2019

H1 FY20 Operational review

Occupancy and market share

- Average occupancy of 93.7% achieved in mature homes for the period. Demonstrates growth in market share relative to sector occupancy decline
- Strong market response for the new Southport and Maroochydore homes
- Occupancy in mature homes was 93.6% on 21 February 2020

Quality and accreditation

- Governance processes strengthened. Professor of Primary Care appointed as independent Chair of the Clinical Governance Committee
- Aged Care Quality & Safety Commission Customer Experience Reports ("CER") – average 94.6% Satisfaction[1] rating across twelve questions in the CER for Estia Health homes surveyed in December 2019 quarter[2]
- 3 homes have unmet outcomes at the current time
- No homes have been or are under sanctions

People, culture and leadership

- Staff retention stable – 20.4% turnover favourable to industry averages
- Safety performance - LTIFR 5.48 12 month rolling average at 31 January 2020
- Staff culture survey response - Culture of "ambition" with 58% of employees rating Estia Health a "truly great place to work"

Expanding and improving our portfolio

- Accelerated significant refurbishment program continues with a total of 42 homes now qualifying for the higher accommodation supplement and a further 8 homes to be completed in 2HFY20
- Additional 118 bed greenfield project added to pipeline with the acquisition of the Aberglasslyn, NSW project (Maitland region). Land secured for the development of a new 116 bed home in Mt Barker, SA.

Royal Commission

- Interim Report issued October 2019
- Final Report expected November 2020

Estia Health Keysborough (VIC)

1. Satisfaction defined as percentage of responses that report experience as "most of the time" or "always"
2. Six Estia Health homes were surveyed during the December 2019 quarter

2. Financial performance

Summary P&L account

	H1 FY20 6 months $'000	H2 FY19 6 months $'000[5]	H1 FY19 6 months $'000[5]	H1 FY20 vs H1 FY19
Government revenue[1]	215,563	212,791	215,118	0.2%
Resident and other revenue[2]	73,857	73,062	74,532	(0.9%)
Total operating revenues	**289,420**	**285,853**	**289,650**	**(0.1%)**
Employee benefits expenses	198,873	193,951	191,720	3.7%
Non-wage costs	46,594	49,315	48,193	(3.3%)
Rental Expenditure (Pre AASB 16)	3,010	2,862	2,887	4.3%
EBITDA - mature homes (Pre AASB 16)[3,4]	**40,943**	**39,725**	**46,850**	**(12.6%)**
Rental Expenditure (AASB 16 Adjustment)	(3,010)	-	-	
EBITDA - mature homes (Post AASB 16 - Rental Exp Adj)[4]	**43,953**	**39,725**	**46,850**	**(6.2%)**
RAD/Bond Revenue (AASB 16 impact)	(21,945)	-	-	
Temporary funding increase	-	(10,336)	-	
Royal Commission expenses	70	807	914	(92.3%)
Net Loss in period from homes in ramp-up	796	685	-	
Home closure expenses	-	538	-	
EBITDA	**65,032**	**48,031**	**45,936**	**41.6%**
Depreciation and amortisation expense	18,709	15,581	13,138	42.4%
Impairment expense	67	465	-	
Other (gains)/losses	(335)	(136)	100	(435.0%)
Operating profit for the period	**46,591**	**32,121**	**32,698**	**42.5%**
Net finance costs	26,386	3,261	3,729	607.6%
Profit before income tax	**20,205**	**28,860**	**28,969**	**(30.3%)**
Income tax expense	5,894	8,650	7,889	(25.3%)
Profit for the period	**14,311**	**20,210**	**21,080**	**(32.1%)**
Total Occupied Bed Days - Mature Homes[4]	**1,024,460**	**1,019,486**	**1,045,088**	**(2.0%)**

Highlights

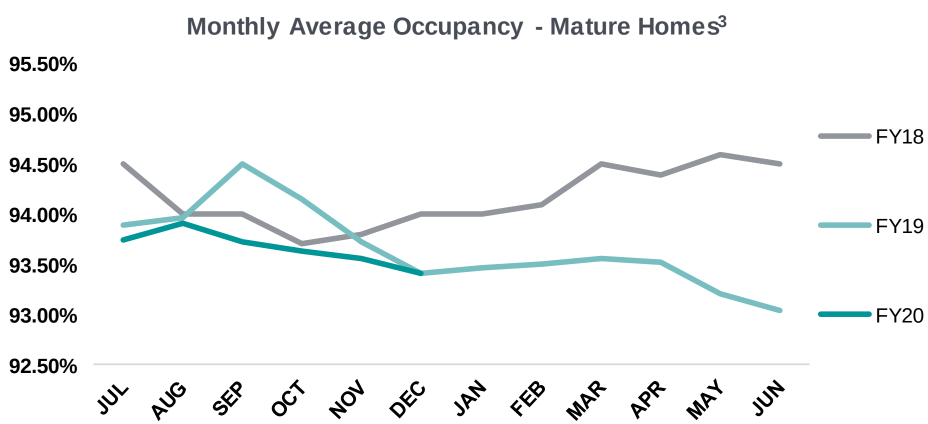
- Revenue decrease of 0.1% as a result of higher revenue rates offset by 20,628 less occupied bed days;
  - 18,768 less bed days from reduced capacity
  - 1,860 less bed days from lower occupancy rates
- Increased staff costs of 3.7% arise primarily from EBA increases and in-sourcing of catering at certain homes during FY19
- Non-wage costs are below H1FY19 and 2HFY19 reflecting tight cost control, procurement and utilities savings at a volume and rate level, and in-sourcing of catering at certain homes during FY19
- As a result of government revenue rate increases being below wage increase levels and fewer occupied bed days EBITDA on mature homes (pre AASB 16) on a like for like basis fell by 12.6%
- Royal Commission costs were small reflecting the fact that Estia Health has not been called nor required to submit any data prior to 31 December 2019
- Net losses on new homes at Southport and Maroochydore of $796k were better than expectations as a result of strong occupancy performance reflecting the market attraction and quality of these homes. 2HFY20 is expected to see a combined net breakeven for these two homes
- Depreciation and amortisation expense includes $2.3m arising from the adoption of AASB 16
- Net Finance Costs includes the impact of the adoption of AASB 16 in relation to operating leases ($1.1m) and RAD paying residents ($21.9m)
- For further details on the impact of the adoption of AASB 16 please refer to Appendix C

1 Government revenue for H2 FY19 excludes the impact of the temporary funding increase
2 Resident and other revenue for H1 FY20 excludes the impact of the RAD/Bond non-cash revenue arising as a result of the adoption of AASB 16
3 EBTIDA pre AASB 16 is defined as Earnings before Interest, Tax Depreciation, Amortisation prior to the adjustment of rental expenditure as a result of the adoption of AASB 16
4 Mature homes are homes that have been opened for more than 12 months or if open for less than 12 months have greater than 85% occupancy at the commencement of the financial year.
5 The Company has adopted the modified retrospective approach when transitioning to AASB 16 (effective 1 July 2019) as a result the comparative periods presented have not been adjusted

Key P&L operating metrics – mature homes

Excludes the impact of the temporary funding increase, Royal Commission expenses, new home ramp-up expenses, home closure costs and the adoption of AASB 16

	H1 FY20 6 months $'000	H2 FY19 6 months[5] $'000	H1 FY19 6 months[5] $'000	H1 FY20 H1 FY19
Occupancy Statistics - mature homes				
Total Operational/Available Bed Days	1,093,696	1,092,706	1,112,464	(1.7%)
Total Occupied Bed Days	1,024,460	1,019,486	1,045,088	(2.0%)
Occupancy	93.7%	93.3%	93.9%	0.2%
Revenue statistics - Per Occupied Bed Day ("POBD")				
Government revenue	$210.4	$208.7	$205.8	2.2%
Resident revenue	$72.1	$71.7	$71.3	1.1%
Total revenue	$282.5	$280.4	$277.1	1.9%
Costs statistics - Per Operational/Available Bed Day				
Staff costs	$181.8	$177.5	$172.3	5.5%
Non-wage costs (excl. facility rentals)	$43.0	$45.4	$43.6	(1.4%)
Total costs (excl. facility rentals)	$224.8	$222.9	$215.9	4.1%
Average EBITDA per Occupied Bed - mature homes[1,2,3]	**$14,588**	**$14,223**	**$16,362**	**(10.8%)**
Total staff cost % of revenue[4]	68.7%	67.8%	66.2%	
Non-wages costs (excl. facility rentals) % of revenue[4]	16.3%	17.4%	16.8%	
EBITDA % of revenue[1,2]	**14.1%**	**13.9%**	**16.2%**	



Highlights

- Total available bed days were 1.7% lower than 1HFY19 as a result of the closure of Mona Vale and room re-configurations or closures at the end of FY19
- Average occupancy of 93.7% in the period was 0.2% lower than 1HFY19
- As a result, overall occupied bed days decreased by 20,628 bed days or 2.0% compared to 1HFY19
- Government Revenue POBD increased by 2.2% reflecting the ACFI increase of 1.4% effective from 1 July 2019, indexation on other subsidies and the impact of the higher accommodation supplements resulting from the significant refurbishment program
- The increase in Resident Revenue POBD was constrained to 1.1% as a result of the reduced MPIR, and competitive pressures on pricing in selected homes
- Staff costs on an Operational/Available Bed Day basis were 5.5% higher than 1HFY19 reflecting EBA increases, the impact of insourcing catering at some homes in FY19 and the relatively fixed nature of staff costs regardless of occupancy levels
- Non-wage cost increases were kept below CPI
- As a result the fall in EBITDA per occupied bed day (pre AASB 16) was restricted to 10.8% during a period of acute sector margin compression
- For further details on operational places please see Appendix I

1 Excludes the impact of the temporary funding increase, Royal Commission expenses, new home ramp-up expenses, home closure costs and the adoption of AASB 16
2 Average EBITDA per Occupied Bed – mature homes is determined after adjusting for the impact of AASB 16. For further details on the impact of the adoption of AASB 16 please refer to Appendix C
3 FY19 and H1 FY20 exclude Southport (opened 27 May 2019) and Maroochydore (opened 26 August 2019) and Mona Vale from its closure in May 2019
4 Resident and other revenue for H1 FY20 excludes the impact of the RAD/Bond revenue arising as a result of the adoption of AASB 16 where as H2 FY19 excludes the impact of the temporary funding increase
5 The Company has adopted the modified retrospective approach when transitioning to AASB 16 (effective 1 July 2019) as a result the comparative periods presented have not been adjusted

Balance sheet, net bank debt and cash flow

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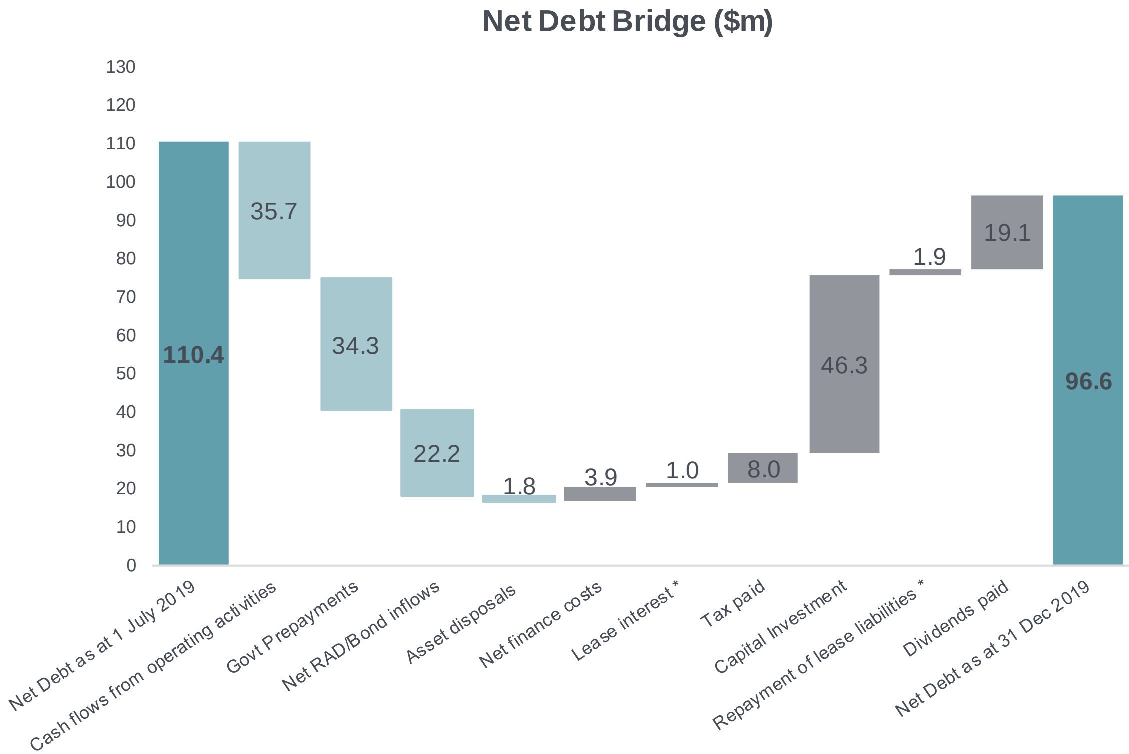


Capital Investment	$m
Development (Greenfield)	11.6
Redevelopment (Brownfield)	9.4
Significant refurbishments	8.5
Home enhancement and sustainability projects	12.1
Intangibles (bed licences and software)	4.7
Total	**46.3**

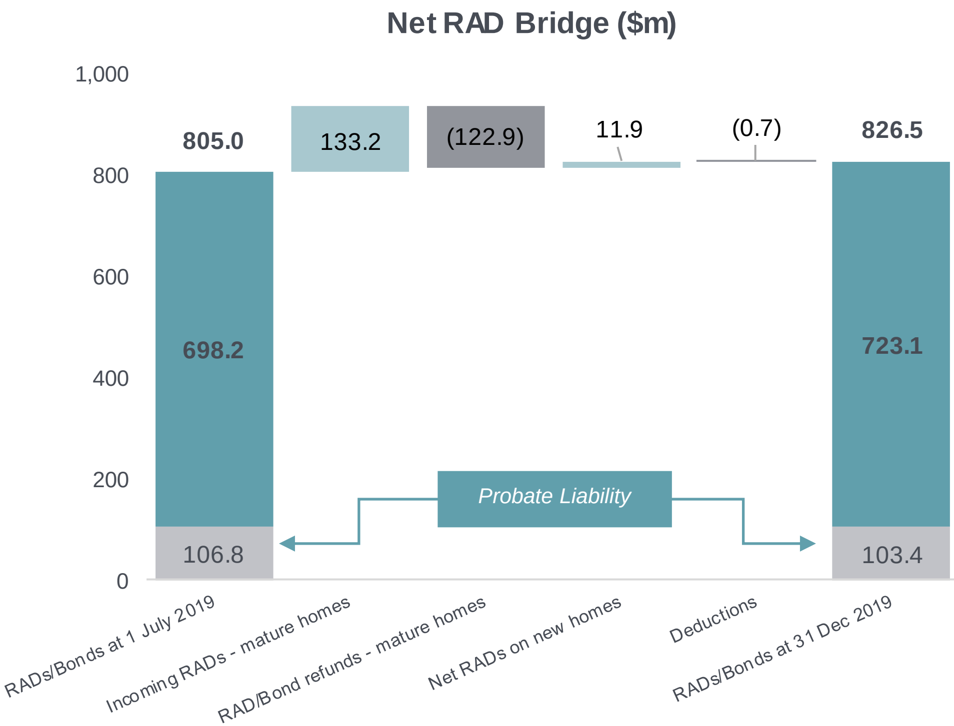
Highlights

- Net bank debt of $96.6m at 31 December 2019, or $130.9m once the impact of the Government January revenue received in advance is excluded
- This represents a Bank Debt Gearing ratio on a pre-AASB16 basis of 1.2X EBITDA, or 0.9X EBITDA on a post AASB 16 basis
- Adjusting for the impact of the Government revenue received in advance, the bank debt gearing on a pre and post AASB 16 basis would be 1.6X and 1.2X EBTIDA respectively
- At 31 December 2019 $21.3m of Net Debt was drawn to fund Construction Work In Progress
- Sustained high level of EBITDA-cash conversion of 87%
- Overall Net RAD/Bond inflow of $22.2m
- Mona Vale disposal proceeds of $10.95m will be collected in 2HFY20
- $46.3m of capital investments in the period
- Strong, well-capitalised balance sheet with total assets of ~$2.0bn supported by $753.8m of shareholders' funds
- $330m Bank facilities were renewed in full in August 2019
- Undrawn capacity of $211.0m at 31 December 2019 provides capacity to absorb short-term RAD movements without adversely impacting investment and development programs[1]
- Prudential Liquidity Policy maintained at a minimum of 5% of RAD/Bond balances

1. Undrawn capacity under the Bank Facilities is adjusted for Bank Guarantees and ancillary credit facilities on issue as at 31 December 2019

* Amounts were previously reported as a component of Cash flows from operating activities and are now reported separately as a result of the adoption of AASB 16

RADs and bonds



Highlights

- Improved transactional activity in the metropolitan housing markets has contributed to a recovery in RAD preferences compared to recent periods, with net RAD inflows on mature homes being $10.3m
- Incoming RADs from mature homes were $133.2m, with an average incoming agreed full RAD price of $436k, an increase from FY19
- RAD refunds at mature homes were $122.9m in total, at an average outgoing agreed price of $388k
- Net incoming RADs from new homes opened in H2 FY19 / H1 FY20 (Southport and Maroochydore) were $11.9m
- The RAD balance including probate liability increased to $826.5m, with the balance associated with current residents increasing to $723.1m
- Average incoming RAD prices continue to increase and remain significantly higher than the average refunded RAD/Bond refunds

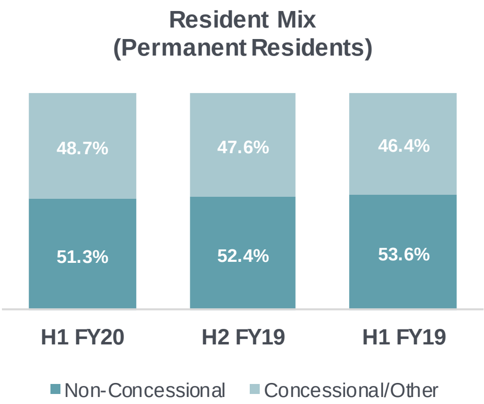
Total RAD/Bond Pool at period end ($m)	31-Dec-19	30-Jun-19	31-Dec-18
Pre-July 2014 Bonds for current residents	74.1	88.9	113.4
Post-July 2014 RADs for current residents	649.0	609.4	598.7
Total relating to current residents	**723.1**	**698.2**	**712.1**
Total relating to former residents pending refund	103.4	106.8	77.9
Total	**826.5**	**805.0**	**790.0**

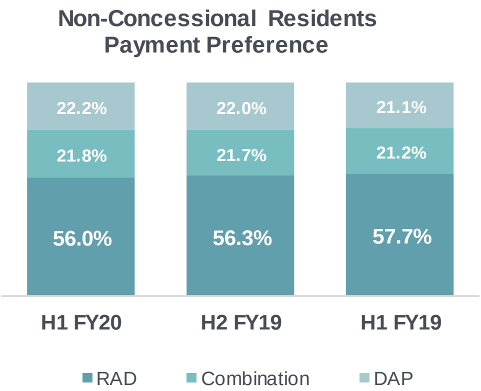
RADs/Bonds	H1 FY20	H2 FY19	H1 FY19
Number of paid RADs/Bonds	2,678	2,671	2,676
Average RAD/Bond held	$308,641	$301,398	$295,207
Average incoming RAD	$436,387	$416,878	$420,315
Average outgoing RAD/Bond	$387,519	$352,232	$352,223

Resident profile at period end

Number of Residents	H1 FY20	H2 FY19	H1 FY19
RAD	1,559	1,560	1,670
Combination	608	601	613
DAP	617	609	611
Total Non-Concessional	**2,784**	**2,770**	**2,894**
Concessional	2,616	2,500	2,475
Other	14	20	28
Total Permanent Residents	**5,414**	**5,290**	**5,397**
Respite	279	282	228
Total Residents	**5,693**	**5,572**	**5,625**

% of Permanent Residents	H1 FY20	H2 FY19	H1 FY19
RAD	28.8%	29.5%	30.9%
Combination	11.2%	11.4%	11.4%
DAP	11.3%	11.5%	11.3%
Non-Concessional	**51.3%**	**52.4%**	**53.6%**
Concessional	48.3%	47.3%	45.9%
Other	0.4%	0.3%	0.5%
Total Permanent Residents	**100.0%**	**100.0%**	**100.0%**





Highlights

- Increase of 121 residents in the overall resident population from 30 June 2019, reflecting the impact of the two new homes
- Increase in concessional population from 45.9% to 48.3%
- Little observed change in the overall portfolio mix of payment preferences at the end of the period

3. Operations

Residential Services – needs based care

- As part of the continuum of care residential services are essential for those who are unable to maintain a fully independent life at home because of their clinical requirements
- Needs based services caring for an increasingly complex resident cohort
- Services are holistic; care involves an array of specialist clinical services through to the psycho-social needs of residents
- Dementia is the second leading cause of death in Australia[1] – greater than 50% of admissions to residential care have a diagnosis of dementia[2]
- Enabler of Home Care through the provision of respite services

Meeting resident care needs

- A registered nurse staffing model to support complex care
- Programs to ensure residents maintain connections with their community
- Partnerships focusing on palliative care programs for residents, family and staff
- Efficient co-ordination of allied health, GP and other clinical services

Home design

- Designing our homes to create a community interface with a home like feel
- Promoting social interaction within the home and out into the local communities through family/function rooms, cinema, cafes and hairdressing salons

Refurbishment program

- Invested over $40m over the last three years across 26 homes and 2,382 beds
- Improved amenity of older homes and competitiveness in local markets
- Material revenue uplift from Higher Accommodation Supplements
- RAD uplift for non-supported residents

1. Australian Bureau of Statistics (2018) Causes of Death, Australia, 2017 (cat. No. 3303.0)
2. The National Centre for Social and Economic Modelling NATSEM (2016) Economic Cost of Dementia in Australia 2016–2056

Quality of Care

Systems and processes

- Group-wide standard operating procedures
- Online resident care management system: supports monitoring of performance and continuous improvement
- Dedicated quality managers provide education and oversight of care and clinical performance
- “Back stop” independent whistle-blower hotline for staff, residents and families
- Upgrading CCTV throughout the group which will be complete in June 2020

Governance

- Clinical performance monitored by Board Risk Committee
- Clinical Governance Committee independently chaired by Professor of Primary Care
- Independent benchmarking of Clinical Indicators introduced 1HFY20 supports quality improvement

Staffing

- Registered Nurses rostered on every shift at every home every day

Aged Care Quality Standards and ACQSC accreditation

- Aged Care Quality & Safety Commission Customer Experience Reports (“CER”) – average 94.6% Satisfaction[1] rating across twelve questions in the CER for Estia Health homes surveyed in December 2019 quarter[2]
- All Estia Health homes reviewed under the ACQSC have been re-accredited
- 3 homes have unmet outcomes at the current time
- No homes have been or are under sanctions

1. Satisfaction defined as percentage of responses that report experience as “most of the time” or “always”
2. Six Estia Health homes were surveyed during the December 2019 quarter

Workforce, people and culture

- Royal Commission interim report: "*workforce that is under pressure and under-appreciated and that lacks key skills*"
- Aligned with the Aged Care Workforce Review[1], Estia Health is committed to attracting, upskilling and retaining Aged Care professionals who can be proud of their important role caring for older Australians

Estia Health's approach

- **Culture**
  - Employee experience survey conducted through BPA Australia every two years. Insights utilised to develop a positive employee experience, attracting values based individuals to support resident care
- **Recruitment**
  - Aim to attract and select values based, long-term employees to support our residents as we grow together
  - Recruit to a capability framework supported by skills development programs and regular appraisals
  - Rigorous reference checks on all new hires with additional psychometric screening for our home leaders
- **Development**
  - Recognition of the importance of both clinical and leadership development
  - Developing a capability based career framework for all roles
  - Investing in our people through our Emerging Leaders and Accelerated Home Leadership programs to encourage long-term careers
- **Safety and wellbeing**
  - Third party specialist WHS support to accelerate injury assessment and RTW
  - Employee Assistance Program (external) to support employee wellbeing

Estia Health's outcomes:

- ~7,500 employees, 94% covered by State-based Enterprise Agreements
- Culture of "ambition" with 58% of employees rating Estia Health a "truly great place to work"
- Staff turnover of 20.4% - favourable to industry averages
- Over 30,000 training hours invested in H1 FY20
- LTIFR 5.48 – 12 month rolling average at 31 January 2020

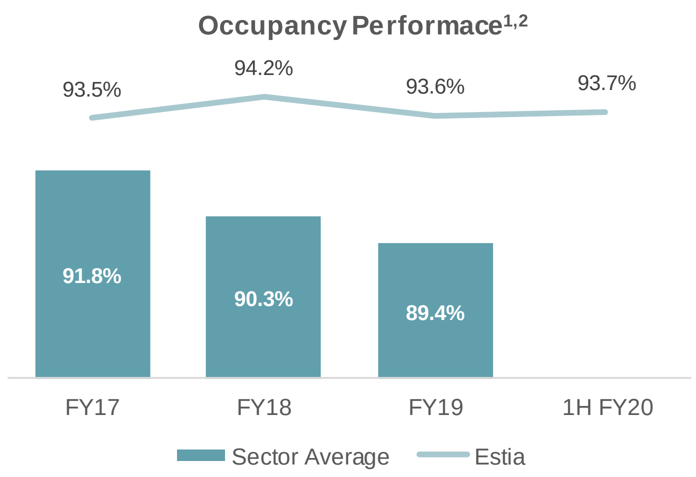
1. A Matter of Care: 2018 Aged Care Workforce Review

Securing market share in a competitive environment

Notwithstanding the stalled reform agenda, the sector is moving towards a more competitive environment, with increasingly discerning, well-informed prospective residents and families

Estia Health's response to securing increased market share is to be more competitive in local communities:

- Focusing on customer acquisition through local marketing and relationship management
- Active response to price and services competition in local markets
- Gaining network efficiency by operating in clusters, offering local communities a range of accommodation types and service levels
- Delivering a community focused resident experience underpinned by high quality service and clinical care



1. Estia Health Operational Data
2. Productivity Commission (2020) Report on Government Services – 2019 (Sector Average data)

Environmental, Social and Governance (ESG)

Estia Health

Sustainability (ESG) committee developed FY20-23 Sustainability Strategy to ensure Estia Health has a positive social impact in the communities in which we operate

Environmental

- Second tranche of 26 energy sustainability projects (Solar and LED) nearing completion – 63 homes with completed projects
- Executive ESG committee reviewing renewable energy targets
- Environmental and Social Risk baseline completed which combined with the materiality assessment to develop the FY20-23 Sustainability Strategy
- Climate change resilience of portfolio - risk exposure assessment underway

Social

- Gender diversity: one of the highest ranked ASX200 companies in the CEW Survey for the third successive year[1]
- Safe workplace initiatives continue: LTIFR 5.48 12 month rolling average at 31 January 2020
- Second Employee Engagement Survey participation rate at 66% of employees with an engagement score of 58% - higher than the residential aged care sector average
- Employee turnover 20.4% - favourable to industry averages
- Diversity Policy introduced to support a diverse and inclusive workforce
- Partner in the Centenarian Portrait Project, a socially driven arts project between young artists and centenarians

Governance

- Seven directors: five of whom are independent non-executive directors
- Clinical Governance Committee strengthened with the appointment of an independent chair and external medical and pharmacy expertise
- Modern Slavery compliance and reporting project progressing in line with expectations for FY20 Modern Slavery Report

Estia Health South Morang (VIC)

1. CEW Senior Executives Survey 2019.

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4. Growth and development

Estia Health Maroochydore (QLD)

Capital investment

Investment of **$46.3m H1 FY20** ($43.4m H1 FY19 / $93.8m FY19) resulting in increased bed capacity while continuing the organisation's refurbishment program focussed on enhancing the resident experience and revenue streams

Development
(Greenfield)

H1 FY20 Investment of $11.6m
- Commissioning of Maroochydore, QLD
- Progression of St Ives (NSW) and Wollongong (NSW)
- Acquisition of Aberglasslyn (NSW) and Mt Barker (SA)

H2 FY20 Indicative Investment $10-12m
- Progression of St Ives, Wollongong and Aberglasslyn

Redevelopment
(Brownfield)

H1 FY20 Investment of $9.4m
- Development of new home at Blakehurst (NSW) and extension at Burton (SA)
- Continuation of existing committed works program

H2 FY20 Indicative Investment $18-20m
- Progression of Blakehurst and Burton
- Brownfield developments of existing homes under assessment

Refurbishment
(Significant, strategic and lifecycle)

H1 FY20 Investment of $25.3m
- Eight homes with 810 beds completed significant refurbishments in the period
- Home enhancement, asset lifecycle replacements and sustainability ($12.1m)
- Intangible investment (bed licences and software) ($4.7m)

H2 FY20 Indicative Investment $30-32m
- Eight additional homes with 805 beds to be significantly refurbished
- Further strategic refurbishments and sustainability projects

FY21 Indicative Investment $95-105m
- *Progressing greenfield and brownfield developments*
- *Completing significant refurbishments and sustainability projects*
- *CCTV program, home asset replacements/lifecycle spend and systems projects*

By targeting a combined growth, redevelopment and refurbishment strategy Estia Health increases capacity, maintains diversity and improves asset quality across its portfolio

New homes in 2019

Southport opened 27 May 2019

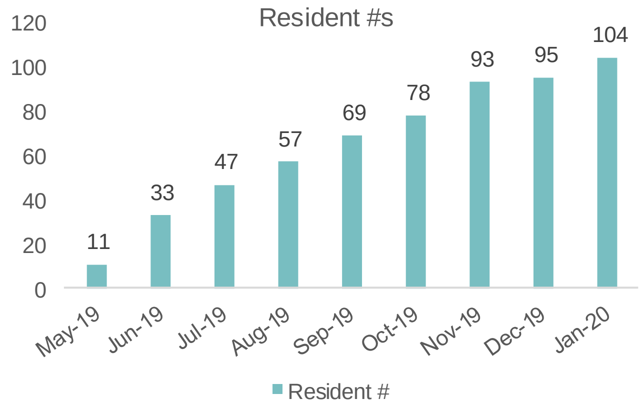
110 single rooms with a dedicated 17 bed memory support unit

Capital investment - $28.6m

104 residents at 31 January 2020

Performance tracking ahead of expectations

RAD pricing $400k to $640k – RAD Balance $10.7m (31 December 2020)



Maroochydore opened 26 August 2019

126 single rooms with a dedicated 18 bed memory support unit

Capital investment - $33.1m

65 residents at 31 January 2020

Performance tracking ahead of expectations

RAD pricing $375k to $650K– RAD Balance $2.5m (31 December 2020)

Future portfolio growth

Estia Health

Development	Nature of Development	Total New Places	Net Additional Places	Land Held	Development Approval	Licenses Secured	Status	Opening
Completed 2019								
Southport, QLD	Brownfield	110	110	✓	✓	✓	Open	May-19
Maroochydore, QLD	Greenfield	126	126	✓	✓	✓	Open	Aug-19
Total		**236**	**236**					
Underway/InProgress								**Expected**
Blakehurst, NSW	Brownfield	108	108	✓	✓	✓	Under Development	1HFY21
St Ives, NSW	Greenfield	118	118	✓	✓	Partial	Under Development	2HFY21
Burton, SA	Brownfield	24	24	✓	In progress	✓	Advanced Planning	2HFY21
Mt Barker, SA	*Greenfield*	*116*	*86*	✓	*In progress*	✓	*Advanced Planning*	*2HFY22*
Aberglasslyn, NSW	*Greenfield*	*118*	*118*	✓	*Submitted*	*Partial*	*Advanced Planning*	*2HFY22*
Wollongong, NSW	*Greenfield*	*115*	*115*	✓	*Submitted*	*Partial*	*Advanced Planning*	*2HFY22*
Toorak Gardens, SA	*Brownfield*	*118*	*82*	✓	*Submitted*	*Partial*	*Advanced Planning*	*2HFY22*
Total		**717**	**651**					

Estia Health

5. Outlook

Royal Commission

- Interim report released October 2019[1] identified three immediate actions:
  - To provide more home care packages to reduce waiting lists
  - To respond to the significant over-reliance on chemical restraints in aged care
  - To stop the flow of younger people with a disability going into aged care
- Government response:
  - Increased funding for 10,000 new home care places
- Final report expected November 2020:
  - *"will set the framework for a complete overhaul of the aged care system — from system philosophy and design, to interactions with health and disability services, to workforce, funding and regulation"*
- Estia Health impact:
  - Not called to appear to date
  - Submitted data requests consistent with multiple providers
    - January 2019 – Clinical care/incident data over five years
    - January 2020 – Staffing hours at all homes over five years
  - No specific requests or follow-up enquiries to date
  - Monitoring of hearings and re-assessing internal operations as appropriate
  - Minimal cost impact to date in FY20

1. Royal Commission into Aged Care Quality and Safety – Interim Report – October 2019

Sector reform - financial sustainability

The aged care sector continues to have strong underlying demographics

The Aged Care Funding Authority ("ACFA") notes *"the level of funding provided by the Government has to support the delivery of quality aged care services, but it should not support inefficient or poorly managed providers or provide higher than necessary funding"*[1].

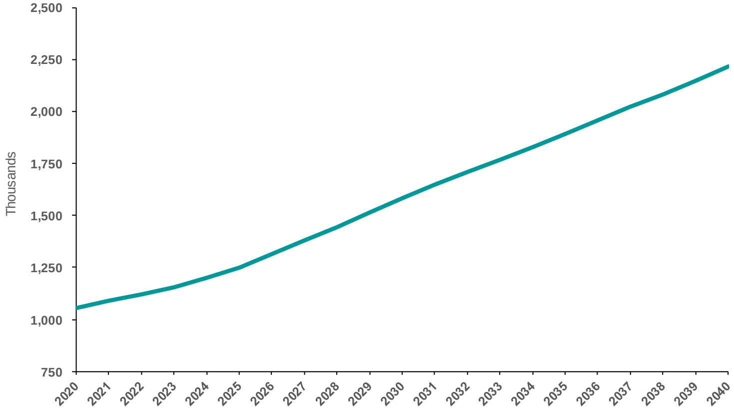
Against the background of developments in aged care in recent years and the challenges confronting the industry, Estia Health supports the areas ACFA has identified from a funding perspective as the characteristic of sustainable aged care system[1]:

- Confidence and trust in the adequacy and stability of government policies
- Stable, predictable, efficient, equitable and effective arrangements for allocating government funding
- Appropriate overall funding
- Funding that is flexible and adaptable to changing demographics and demands: equitable contribution to costs by consumers
- Effective prudential oversight
- Sound management and governance arrangements

Estia Health supports recommendations already made within various reviews and reports provided to Government:

- Removal of the restrictive ACAR licensing constraints to facilitate competitive markets that support consumer choice
- Extension of "user pay" (where able) including abolition of annual and lifetime caps, review of means and asset testing (including full value for the family home) and uncapping of the Basic Daily Fee
- Implementation of Prudential Management Recommendations from Department of Health issued in March 2019
- Indexation of care fees to be more closely aligned with sector wage CPI increases

Projected Population over 80[2]



1. Aged Care Funding Authority ("ACFA") Submission to the Royal Commission April 2019
2. United Nations, Department of Economic and Social Affairs, Population Division. World Population Prospects: The 2019 Revision

Looking forward

Sector

- Future potential demand driven by demographics
- Increasing competitive and consumer driven market conditions will continue to evolve
- Essential component of health care for older Australians
- Unlikely to see short-term margin relief or sector occupancy improvement
- Medium-term regulatory change can create the opportunity for financially sustainability in the sector to keep efficient quality providers of scale in the sector to provide required investment and services to manage future demand
- Consolidation of the sector is expected to continue
- Likelihood of stricter prudential standards will become further barrier to entrants and smaller providers

Estia Health

- Leadership strength and depth
- Strong balance sheet creates opportunities to invest in development pipeline and continued refurbishments
- Disciplined operational and financial management essential in margin-pressured environment
- Financial resources to continue to invest in people, systems and property
- Home portfolio established within manageable networks to optimise management support
- Portfolio of homes well-matched to local demographics, with a high proportion of single-bedded rooms (91%) and an average home size of 90 beds
- Benefits of scale exist across quality, compliance, purchasing, employee support, systems and leadership

Estia Health, as a well-governed, quality-focused operator with both scale and capital, prepared to invest in its people, portfolio, systems and services, is well-positioned to adapt to regulatory change and a more competitive consumer-directed environment.

FY20 Outlook

Subject to no material changes in market or regulatory conditions, Estia Health provides the following outlook:

EBITDA

Unchanged from 9 December 2019 ASX announcement.

Subject to no material change from occupancy and revenue rates observed at the end of November during the remainder of the financial year, full year FY20 EBITDA on Mature Homes on a pre-AASB 16 "like for like" basis within the range of $78m to $82m is expected.

Capital investment

- 2HFY20: ~$58m - $64m
- 2HFY20: $10.95m asset proceeds from Mona Vale sale

- FY21: ~$95-$105m

RAD cash flows

- Mature home RAD inflows to be broadly in line with H1FY20

Gearing

- Target bank debt gearing range to remain between 1.5X-1.9X EBITDA on a pre-AASB 16 basis

Dividends[1]

- Dividend payment ratio to remain in the 70% - 100% of NPAT range

1. The payment of a dividend is at the discretion of the Directors and the level of dividend payout ratio may vary depending on a range of factors including general business and financial conditions; Estia Health's cash flows including consideration of net RAD cash flows; capital expenditure and working capital requirements; potential acquisition opportunities; taxation requirements; and other factors that the Directors consider relevant

Estia Health

6. Questions

7. Appendices

Appendix A: Statutory Income Statement

	H1 FY20 $'000	H1FY19 $'000[5]	Movement
Revenues[1]	**316,082**	**289,650**	**9.1%**
Expenses			
Administrative expenses	9,600	9,467	1.4%
Employee benefits expenses	203,294	191,720	6.0%
Occupancy expenses[2]	12,296	15,780	(22.1%)
Resident expenses	25,790	25,833	(0.2%)
Royal Commission expenses	70	914	(92.3%)
Depreciation, amortisation and impairement expenses[3]	18,776	13,138	42.9%
Other (gains)/losses	(335)	100	(435.0%)
Operating profit for the period	**46,591**	**32,698**	**42.5%**
Net finance costs[4]	26,386	3,729	607.6%
Profit before income tax	**20,205**	**28,969**	**(30.3%)**
Income tax expense	5,894	7,889	(25.3%)
Profit for the period	**14,311**	**21,080**	**(32.1%)**
Earnings per share (cents per share)			
Basic, profit for the period attributable to ordinary equity holders of the Parent	5.49	8.09	(32.1%)
Diluted, profit for the period attributable to ordinary equity holders of the Parent	5.46	8.06	(32.3%)

1 Revenue for H1 FY20 includes $21.9m of RAD/Bond non-cash revenue arising as a result of the adoption of AASB 16
2 Occupancy and Administrative expenses for H1 FY20 no longer include the cost of operating leases as a result of the adoption of AASB 16
3 Depreciation and amortisation expense for H1 FY20 includes $2.3m of amortisation on leases previously classified as operating as a result of the adoption of AASB 16
4 Net financing costs for H1 FY20 includes $23.0m of interest expense on leases previously classified as operating and RAD/Bond’s held as a result of the adoption of AASB 16
5 The Company has adopted the modified retrospective approach when transitioning to AASB 16 (effective 1 July 2019) as a result the comparative periods presented have not been adjusted

Appendix B: Non IFRS Reconciliation of Profit to EBITDA

	H1 FY20 6 months $'000	H2 FY19 6 months[4] $'000	H1 FY19 6 months[4] $'000	H1 FY20 Vs H1 FY19	H1 FY20 Vs H2 FY19
Government revenue[1]	215,563	212,791	215,118	0.2%	1.3%
Resident and other revenue[2]	73,857	73,062	74,532	(0.9%)	1.1%
Total operating revenues	**289,420**	**285,853**	**289,650**	**(0.1%)**	**1.2%**
Employee benefits expenses	198,873	193,951	191,720	3.7%	2.5%
Non-wage costs (excluding leasing costs)	46,594	49,315	48,193	(3.3%)	(5.5%)
Rental Expenditure (Pre AASB 16)	3,010	2,862	2,887	4.3%	5.2%
EBITDA - mature homes (Pre AASB 16)[3]	**40,943**	**39,725**	**46,850**	**(12.6%)**	**3.1%**
Rental Expenditure (AASB 16 Adjustment)	(3,010)	-	-		
EBITDA - mature homes (Post AASB 16 - Rental Exp Adj)	**43,953**	**39,725**	**46,850**	**(6.2%)**	**10.6%**
RAD/Bond Revenue (AASB 16 impact)	(21,945)	-	-		
Temporary funding increase	-	(10,336)	-		
Royal Commission expenses	70	807	914	(92.3%)	(91.3%)
Net loss in period from homes in ramp-up	796	685	-		16.2%
Home closure expenses	-	538	-		
EBITDA	**65,032**	**48,031**	**45,936**	**41.6%**	**35.4%**
Depreciation and amortisation expenses	18,709	15,581	13,138	42.4%	20.1%
Impairment expenses	67	465	-		(85.6%)
Other (gains)/losses	(335)	(136)	100		
Operating profit for the period	**46,591**	**32,121**	**32,698**	**42.5%**	**45.0%**

1 Government revenue for H2 FY19 excludes the impact of the temporary funding increase
2 Resident and other revenue for H1 FY20 excludes the impact of the RAD/Bond non-cash revenue arising as a result of the adoption of AASB 16
3 EBTIDA – mature homes (Pre AASB 16) is defined as Earnings before Interest, Tax Depreciation, Amortisation prior to the adjustment of rental expenditure as a result of the adoption of AASB16
4 The Company has adopted the modified retrospective approach when transitioning to AASB 16 (effective 1 July 2019) as a result the comparative periods presented have not been adjusted

Appendix C : Accounting standard changes – AASB 16

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Property Leases / Refundable Accommodation Deposits

- The adoption of AASB 16 Leases on 1 July 2019 has required lessees to account for all leases under a single on-balance sheet model in a similar way to how finance leases were accounted for in accordance with AASB 117
- For arrangements that provide a resident with the right to occupy a room, the Group has performed a detailed assessment of the contractual arrangements and have determined that the adoption of AASB 16 will result in arrangements being generally defined as a lease for accounting purposes. Where residents have opted to pay a Daily Accommodation Payment, adopting AASB 16 is not expected to result in a material change in the accounting treatment. However, for residents that have chosen to pay a Refundable Accommodation Deposit (RAD) or Bond, the application of AASB 16 would regard there to be a non-cash charge for accommodation. The accounting treatment for the non-cash consideration component of this arrangement results in the recognition of an increase in revenue for accommodation and an increase in interest expense on the outstanding RAD liability, with no net impact on the Profit for the Period
- To assist with the understanding of the impact of the adoption of AASB 16, a reconciliation of reported results for H1 FY20 is shown below

	H1 FY20 Reported	Impact of Operating Leases	Impact of RADs/ Bonds	H1 FY20 Pro Forma Pre AASB 16	H2 FY19 Reported[5]	H1 FY19 Reported[5]
Revenues[1,2]	**316,082**	**-**	**(21,945)**	**294,137**	**296,335**	**289,650**
Expenses						
Administrative expenses	9,600	80	-	9,680	10,315	9,467
Employee benefits expenses	203,294	-	-	203,294	195,084	191,720
Occupancy expenses	12,296	2,930	-	15,226	15,517	15,780
Resident expenses	25,790	-	-	25,790	25,780	25,833
Impairment losses on trade receivables	-	-	-	-	801	-
Royal Commission expenses	70	-	-	70	807	914
EBITDA	**65,032**	**(3,010)**	**(21,945)**	**40,077**	**48,031**	**45,936**
Depreciation and amortisation expenses[3]	18,709	(2,272)	-	16,437	15,581	13,138
Impairment expenses	67	-	-	67	465	-
Other (gains)/losses	(335)	-	-	(335)	(136)	100
Operating profit for the period	**46,591**	**(738)**	**(21,945)**	**23,908**	**32,121**	**32,698**
Net finance costs[4]	26,386	(1,095)	(21,945)	3,346	3,261	3,729
Profit before income tax	**20,205**	**357**	**-**	**20,562**	**28,860**	**28,969**
Income tax expense	5,894	107	-	6,001	8,650	7,889
Profit for the period	**14,311**	**250**	**-**	**14,561**	**20,210**	**21,080**

1 Revenue for H2 FY19 includes the impact of the temporary funding increase
2 Revenue for H1 FY20 includes $ 21.9m of non-cash charge for accommodation revenue arising as a result of the adoption of AASB 16
3 Depreciation and amortisation expense for H1 FY20 includes $2.3m of amortisation on leases previously classified as operating as a result of the adoption of AASB 16
4 Net financing costs for H1 FY20 includes $23.0m of interest expense on leases previously classified as operating and RAD/Bond’s held as a result of the adoption of AASB 16
5 The Company has adopted the modified retrospective approach when transitioning to AASB 16 (effective 1 July 2019) as a result the comparative periods presented have not been adjusted

Appendix D: Balance Sheet

	31-Dec-19 $'000	30-Jun-19 $'000[1]	31-Dec-18 $'000[1]
Current assets			
Cash and cash equivalents	18,387	14,631	15,233
Trade and other receivables	9,766	9,046	6,512
Income tax receivable	-	607	1,618
Prepayments and other assets	12,392	6,195	9,930
Assets held for sale	2,929	-	-
Total current assets	**43,474**	**30,479**	**33,293**
Non-current assets			
Property, plant and equipment	838,146	822,696	787,151
Right of Use Asset	68,850	-	-
Investment properties	1,620	1,620	1,620
Goodwill	817,074	817,074	817,074
Other intangible assets	226,546	222,575	222,437
Prepayments	307	345	291
Total non-current assets	**1,952,543**	**1,864,310**	**1,828,573**
Total assets	**1,996,017**	**1,894,789**	**1,861,866**
Current liabilities			
Trade and other payables	34,971	44,046	39,382
Income Tax Payable	603	-	-
Income received in advance	34,305	-	33,779
Refundable accommodation deposits and bonds	826,539	805,033	789,974
Other financial liabilities	1,267	1,304	1,337
Lease liabilities	4,034	-	-
Provisions	48,648	45,616	44,150
Total current liabilities	**950,367**	**895,999**	**908,622**
Non-current liabilities			
Deferred tax liabilities	103,252	107,775	106,918
Loans and borrowings	115,000	125,000	80,000
Provisions	3,196	4,496	4,488
Lease liabilities	70,356	-	-
Other payables	-	12	43
Total non-current liabilities	**291,804**	**237,283**	**191,449**
Total liabilities	**1,242,171**	**1,133,282**	**1,100,071**
Net assets	**753,846**	**761,507**	**761,795**

1 The Company has adopted the modified retrospective approach when transitioning to AASB 16 (effective 1 July 2019) as a result the comparative periods presented have not been adjusted

Appendix E: Cashflow

	H1 FY20 $'000	H1 FY19 $'000[2]
Cash flows from operating activities		
Receipts from residents	73,470	75,410
Receipts from government	214,639	215,483
Payments to suppliers and employees	(252,421)	(244,032)
Operational cash flows before interest, income tax, RADs and Government Prepayment	**35,688**	**46,861**
Income received in advance	34,305	33,779
Operational cash flows before interest, income tax, and RADs	**69,993**	**80,640**
Interest received	27	53
Finance costs paid	(3,862)	(3,908)
Fiance costs - lease interest (AASB 16)	(1,095)	-
Income tax paid	(7,970)	(9,151)
Net cash flows from operating activities before RADs	**57,093**	**67,634**
RAD, accommodation bond and ILU entry contribution received	145,617	132,287
RAD, accommodation bond and ILU entry contribution refunded	(123,465)	(133,516)
Net cash flows from operating activities	**79,245**	**66,405**
Cash flows from investing activities		
Payments for Intangible assets	(4,702)	(3,921)
Proceeds from sale of property, plant and equipment	1,793	811
Purchase of property, plant and equipment	(41,566)	(43,416)
Net cash flows used in investing activities	**(44,475)**	**(46,526)**
Cash flows from financing activities		
Proceeds from issue of share capital	-	4
Proceeds from bank borrowings	150,000	105,000
Repayment of bank borrowings	(160,000)	(100,000)
Repayment of lease liabilities	(1,915)	-
Dividends paid[1]	(19,099)	(20,848)
Net cash flows from/(used in) financing activities	**(31,014)**	**(15,844)**
Net increase/(decrease) in cash and cash equivalents	**3,756**	**4,035**
Cash and cash equivalents at the beginning of the period	**14,631**	**11,198**
Cash and cash equivalents at the end of the period	**18,387**	**15,233**

1 Dividends paid in H1 FY20 are shown net of the DRP
2 The Company has adopted the modified retrospective approach when transitioning to AASB 16 (effective 1 July 2019) as a result the comparative periods presented have not been adjusted

Appendix F: Financial metrics and trends

	H1 FY20 6 months $'000	H2 FY19 6 months[5] $'000	H1 FY19 6 months[5] $'000	H1 FY20 Vs H1 FY19	H1 FY20 Vs H2 FY19
Government revenue[1]	215,563	212,791	215,118	0.2%	1.3%
Resident and other revenue[2]	73,857	73,062	74,532	(0.9%)	1.1%
Total operating revenues	**289,420**	**285,853**	**289,650**	**(0.1%)**	**1.2%**
Employee benefits expenses	198,873	193,951	191,720	3.7%	2.5%
Non-wage costs (excluding leasing costs)	46,594	49,315	48,193	(3.3%)	(5.5%)
Rental expenditure (Pre AASB 16)	3,010	2,862	2,887	4.3%	5.2%
EBITDA - mature homes (Pre AASB 16)[3,4]	**40,943**	**39,725**	**46,850**	**(12.6%)**	**3.1%**
Rental expenditure (AASB 16 Adjustment)	(3,010)	-	-		
EBITDA - mature homes (Post AASB 16 - Rental Exp Adj)[4]	**43,953**	**39,725**	**46,850**	**(6.2%)**	**10.6%**
Operating statistics - mature homes					
Total Operational/Available Bed Days	1,093,696	1,092,706	1,112,464	(1.7%)	0.1%
Total Occupied Bed Days	1,024,460	1,019,486	1,045,088	(2.0%)	0.5%
Occupancy	93.7%	93.3%	93.9%	(0.3%)	0.4%
Revenue statistics - Per Occupied Bed Day ("POBD")					
Government revenue	$210.4	$208.7	$205.8	2.2%	0.8%
Resident revenue	$72.1	$71.7	$71.3	1.1%	0.6%
Total revenue	$282.5	$280.4	$277.1	1.9%	0.7%
Costs statistics - Per Operational/Available Bed Day					
Staff costs	$181.8	$177.5	$172.3	5.5%	2.4%
Non-wage costs (excl. facility rentals)	$43.0	$45.4	$43.6	(1.4%)	(5.3%)
Total costs (excl. facility rentals)	$224.8	$222.9	$215.9	4.1%	0.9%
Annual average EBITDA[1,2,3] per Occupied Bed - mature homes	**$14,588**	**$14,223**	**$16,362**	**(10.8%)**	**2.6%**
Total staff cost % of revenue[1,2,3]	68.7%	67.8%	66.2%	2.5%	0.9%
Non-wages costs (excl. facility rentals) % of revenue[1,2,3]	16.3%	17.4%	16.8%	(0.5%)	(1.1%)
EBITDA on mature homes as % of revenue[1,2,3]	**14.1%**	**13.9%**	**16.2%**	**(2.1%)**	**0.2%**

1 Government revenue for H2 FY19 excludes the impact of the temporary funding increase
2 Resident and other revenue for H1 FY20 excludes the impact of the RAD/Bond non-cash revenue arising as a result of the adoption of AASB 16
3 EBTIDA – mature homes (Pre AASB 16) is defined as Earnings before Interest, Tax Depreciation, Amortisation prior to the adjustment of rental expenditure as a result of the adoption of AASB 16
4 A reconciliation of Operating Profit to EBITDA and EBITDA on mature homes is provided in Appendix B
5 The Company has adopted the modified retrospective approach when transitioning to AASB 16 (effective 1 July 2019) as a result the comparative periods presented have not been adjusted

Appendix G: Resident profile (detail)

Estia Health

Resident profile - Number of Residents	31-Dec-18	Incoming	Outgoing	30-Jun-19	Incoming	Outgoing	31-Dec-19
RAD	1,670	213	323	1,560	268	269	1,559
Combination (RAD/DAP)	613	165	177	601	209	202	608
DAP	611	387	389	609	422	414	617
Total Non-Concessional	**2,894**	**765**	**889**	**2,770**	**899**	**885**	**2,784**
Concessional	2,475	588	563	2,500	694	578	2,616
Other	28	7	15	20	11	17	14
Total Permanent Residents	**5,397**	**1,360**	**1,467**	**5,290**	**1,604**	**1,480**	**5,414**
Respite	228	54	-	282	-	3	279
TOTAL Residents	**5,625**	**1,414**	**1,467**	**5,572**	**1,604**	**1,483**	**5,693**

Resident profile - as a % of Permanent Residents	31-Dec-18	Incoming	Outgoing	30-Jun-19	Incoming	Outgoing	31-Dec-19
RAD	30.9%	15.7%	22.0%	29.5%	16.7%	18.2%	28.8%
Combination (RAD/DAP)	11.4%	12.1%	12.1%	11.4%	13.0%	13.6%	11.2%
DAP	11.3%	28.5%	26.5%	11.5%	26.3%	28.0%	11.3%
Total Non-Concessional	**53.6%**	**56.3%**	**60.6%**	**52.4%**	**56.0%**	**59.8%**	**51.3%**
Concessional	45.9%	43.2%	38.4%	47.3%	43.3%	39.1%	48.3%
Other	0.5%	0.5%	1.0%	0.4%	0.7%	1.1%	0.4%
Total Permanent Residents	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Appendix H: RAD and bond pool

Summary of movements in past periods	H1 FY20 $m	H2 FY19 $m	H1 FY19 $m	FY19 $m	FY18 $m
Opening RAD balance	805.0	790.0	791.5	791.5	730.2
Refunds mature homes	(122.9)	(91.6)	(130.9)	(222.5)	(206.8)
Inflows mature homes	133.2	108.8	119.0	(227.8)	256.5
Net inflows - mature homes	**10.3**	**17.2**	**(11.9)**	**5.3**	**49.7**
Net outflows due to home closure (Mona Vale)	-	(2.8)	-	(2.8)	-
Net inflows new homes	11.9	1.4	10.7	12.1	13.0
Total net RAD inflows	**22.2**	**15.8**	**(1.2)**	**14.6**	**62.8**
Deductions	(0.7)	(0.8)	(0.3)	(1.1)	(1.5)
Closing RAD balance	**826.5**	**805.0**	**790.0**	**805.0**	**791.5**
Probate balance at end of period	103.4	106.8	77.9	106.8	94.3

Total RAD/Bond Pool at period end	31-Dec-19			30-Jun-19			31-Dec-18		
	$m	#	Average	$m	#	Average	$m	#	Average
Pre-July 2014 Bonds for current residents	74.1	368	$201,487	88.9	434	$204,766	113.4	548	$207,031
Post-July 2014 RADs for current residents	649.0	1,956	$331,795	609.4	1,868	$326,217	598.7	1,852	$323,254
RAD Balance for current residents	**723.1**	**2,324**	**$311,161**	**698.2**	**2,302**	**$303,320**	**712.1**	**2,400**	**$296,716**
Probate Balance (from former residents pending refund)	103.4	354	$292,094	106.8	369	$289,406	77.9	276	$282,081
Total RAD/Bond Pool	**826.5**	**2,678**	**$308,641**	**805.0**	**2,671**	**$301,398**	**790.0**	**2,676**	**$295,207**
Average agreed incoming RAD			$436,387			$416,878			$420,315
Average outgoing RAD/Bond			$387,519			$352,232			$352,223

RADs held reconciliation to RAD Residents	31-Dec-19	30-Jun-19	31-Dec-18
RAD Residents	1,559	1,560	1,670
Plus : Combinations (RAD/DAP)	608	601	613
Plus : former resident RADs/Bonds	354	369	276
Plus : Concessional residents who pay a RAC	186	171	155
Less : Unpaid RAD Residents	(29)	(30)	(38)
Total Number of paid RADs/Bonds held	**2,678**	**2,671**	**2,676**

Appendix I: Occupancy

Mature homes		H1 FY20 6 months	H2 FY19 6 months	H1 FY19 6 months
Total mature home beds available at period end		5,944	5,992	6,046
Available beds during period for occupancy calculation				
	Jul19	5,944		
Days in period		184	181	184
Available bed days during period		1,093,696	1,092,706	1,112,464
Occupied days		1,024,460	1,019,486	1,045,088
Occupancy		**93.7%**	**93.3%**	**93.9%**

Total Occupied Bed Days in period			
Mature homes	1,024,460	1,019,486	1,045,088
New homes[2]	17,077	764	-
Total Occupied Bed Days in period	1,041,537	1,020,250	1,045,088

Beds			
Total available beds at start of period	6,102	6,046	6,046
New homes/beds opened during the period[1]	126	110	-
Homes/beds closed during the period[2]	(48)	(54)	-
Total available beds at period end	**6,180**	**6,102**	**6,046**

Available bed days during the period equals the total available beds multiplied by number of days in the period

1 H1 FY20 increase reflects the opening of Maroochydore (Aug 19) with the H2 FY19 increase reflects opening of Southport (May 19)

2 H1 FY20 decrease of 48 beds within mature home portfolio resulting from beds taken offline effective from 1 July 2019

Appendix J : Indicative new development cashflow

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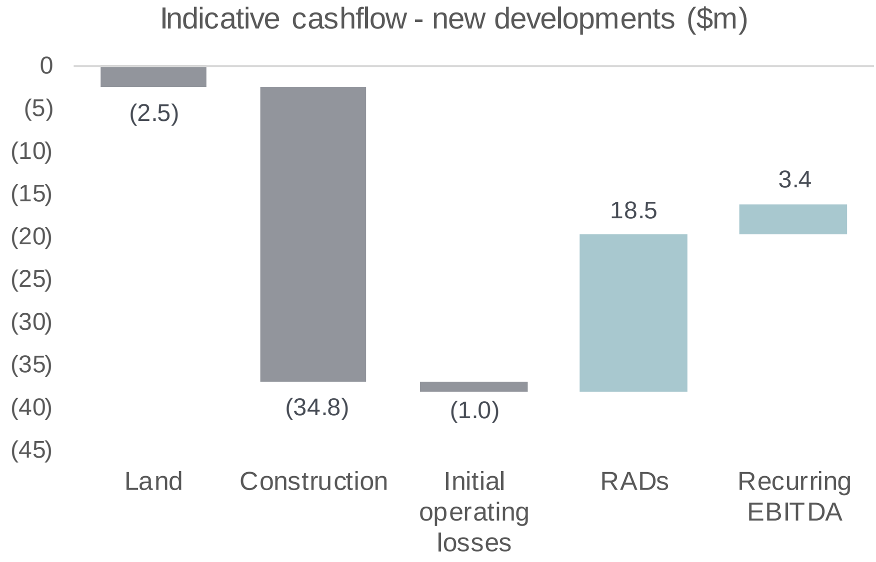
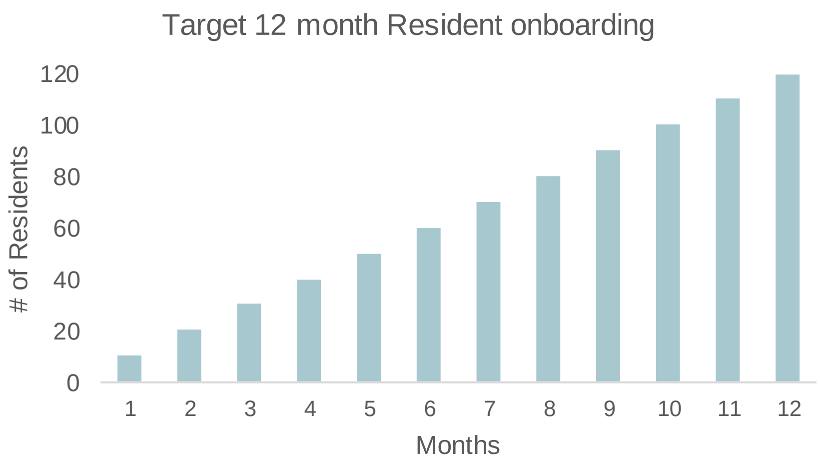


Based On:	
Beds	120
Land costs	$2,500,000
Construction, planning & design per bed	$290,000
Residents:	
Concessional	40%
RADS as % of Non-concessional	60%
Average RAD price	$450,000
Estimated mature RAD pool	$18,450,000
Occupancy	95%
Gross investment cost	$37,300,000
Net of RADs investment cost	$18,850,000



Estia Health Aberglasslyn (NSW)

Appendix K: Board and management

Board of Directors

Name	Title	Appointed
Dr Gary H Weiss, AM	Non-Executive Director and Chairman	NED Feb-16 Chairman Jan-17
Ian Thorley	Chief Executive Officer and Managing Director	COO Oct-16 CEO & MD Nov-18
Norah Barlow, ONZM	Non-Executive Director	NED Nov-14 Acting CEO Sep-16 CEO and MD Oct-16 NED Nov-18
Paul Foster	Non-Executive Director	Feb-16
The Hon. Warwick L. Smith, AO	Non-Executive Director	May-17
Helen Kurincic	Non-Executive Director	Jul-17
Karen Penrose	Non-Executive Director	Oct-18

Executive Leadership

Name	Title	Appointed to Position
Ian Thorley	Chief Executive Officer and Managing Director Chief Operating Officer and Deputy Chief Executive Officer	Nov-18 Oct-16
Sean Bilton	Chief Operating Officer and Deputy Chief Executive Officer	Oct-18
Steve Lemlin	Chief Financial Officer	Feb-17
Mark Brandon, OAM	Chief Policy and Regulatory Officer	Dec-16
Jane Murray	Chief People Officer	Jul-17
Fiona Caldwell	Chief Information Officer	Oct-17
Damian Hiser	Chief Customer Officer	Oct-17
Rita Sheridan	GM, Property and Development	Mar-18
Leanne Laidler	Chief Quality and Risk Officer	May-19

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