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ESTIA HEALTH FY17 FULL-YEAR EBITDA RISES TO $86.5M, IN LINE WITH GUIDANCE

Estia Health Limited (ASX: EHE), one of Australia's largest aged care providers, today reported Full-Year EBITDA rose to $86.5 million[1], in line with guidance, as the company continued to make operational improvements and focus on development-led growth opportunities.

FY17 Highlights

- EBITDA of $86.5 million, in line with guidance
- NPAT of $40.7m up 47%
- Operating revenue up 18% to $524.6 million
- Full-Year average resident occupancy 93.5%
- Net RAD receipts strong at $80.1 million
- Net debt more than halved, gearing reduced to 1.2 x EBITDA
- Fully franked dividend of 8 cents/share declared for FY17
- EPS of 18.2 cents up 21%

Estia Chief Executive Officer Norah Barlow said the result demonstrated that initiatives implemented following a detailed operational and strategic review of the business in FY17 were working and continued to have a positive effect.

"Estia set a range of performance targets during the year and it is pleasing to report that we have delivered on these.

"We achieved EBITDA within guidance, our Full-Year average occupancy was in line with our guidance, our resident mix has stabilised, we maintained our staff costs at the level forecast, and we more than halved our net debt.

"These achievements have been made through the efforts of our great staff here at Estia, and under the direction and guidance of our renewed management and leadership team who continue to position Estia for future growth," she said.

Development Opportunities

Estia continued to execute its expansion and refurbishment plan in FY17, investing a total of $54.8 million, including more than $28.4 million in the Twin Waters and Kogarah greenfield developments which are due to open next month and March 2018 respectively.

Capital Management

A successful $136.8 million capital raising during the year and continued strong operating cash conversion and RAD inflows, combined to strengthen Estia's balance sheet in FY17.

As a result, Estia's net debt more than halved from $223.7 million to $102.3 million during FY17 and its gearing ratio fell to 1.2 x EBITDA - significantly below its target range of 1.5 x to 1.8 x EBITDA.

Estia also successfully renewed loan facilities of $330 million until August 2020, providing greater flexibility for continued growth through the development and refurbishment of existing homes.

[1] After incurring one-off costs and excluding profit from asset disposals

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These loan facilities will also help ensure Estia is well positioned to allow for any changes in RAD choices.

Dividend

Estia is pleased to announce it will pay a fully-franked dividend of 8 cents per share for FY17, representing a payout ratio of 100% of Net Profit After Tax. The record date for the FY17 dividend is 8 September, with payment to be made on 29 September 2017.

Estia also advises it has suspended its Dividend Reinvestment Plan until further notice.

Outlook

Commenting on Estia's outlook for FY18, Mrs Barlow said:

"Estia will continue to focus on improving its operational performance over the next 12 months and executing our expansion and refurbishment plans for existing homes, which will be an important source of future earnings growth.

"Capacity is expected to increase with an additional 136 net new beds expected to be commissioned during FY18, and net RAD inflows are expected to be positive based on a continuation of current operating trends.

"Estia expects to deliver mid-single digit percentage growth in FY18 EBITDA, subject to no material changes in market or regulatory conditions."

-ENDS-

Further Inquiries:
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Investor and Analyst Teleconference Details:
Estia CEO Norah Barlow and CFO Steve Lemlin will host an analyst and investor conference call commencing at 9:30am (AEST) today which will also be webcast.

Dial in details: 1800 123 296 or 02 8038 5221
Conference call ID: 6141 0023
Webcast can be viewed at: http://webcast.openbriefing.com/3886/