JAPARA HEALTHCARE

FY2019 Full Year Results

26 August 2019

JAPARA

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Overview

FY2019 highlights

Strong care and cash flow results with ongoing investment in business operations and developments for improved resident outcomes and future earnings growth

Total revenue

$399.8m

Up 7.1% on FY2018 due mainly to full year contribution of Riviera Health acquisition

Care

100%

100% accreditation record maintained with 10 accreditations over FY2019

Net RAD and ILU inflows

$44.7m

$27.7m RAD uplift from mature homes

EBITDA

$49.6m

Recurring EBITDA of $48.6m up 2.5% on FY2018

Occupancy

93.0%

FY2019 average underlying occupancy[1]

Developments

300+

303 new places added including three new homes

$99.4m net expenditure on land and construction

NPAT[2]

$16.4m

Down 29.6% on FY2018 due to lower non-recurring earnings and increasing depreciation and interest expense on developments in ramp up

Dividends

6.15cps

3.35 cps final dividend (50% franked)
2.80 cps interim dividend (unfranked)

Net debt

$179.0m

Net debt at 30 June 2019 with core net debt of $44.5m and development debt of $134.5m

1. Average occupancy excludes three greenfield developments opened during FY2019 being The Highbury, Brighton-Le-Sands and Rye Sands
2. Profit attributable to members of the Group

JAPARA

Japara’s commitment to quality and care

Japara’s “CREATE” values of compassion, respect, excellence, accountability, teamwork and enjoyment underpin our approach to care

Care vision

- Our vision at Japara is to enrich every life that we touch
- We welcome the special opportunity we have to share in and nurture the lives of our almost 4,000 valued residents under a model centered on providing excellent care and services with dignity and respect
- Registered nurses are rostered on every shift, every day at all Japara homes

Dementia care

- We are proud to be a leader in dementia-specific care and continue to roll out our specialist dementia care model across our new and re-developed homes
- 19 of our homes have specialist, secure dementia care units
- The concept of a small home has been adapted to reflect optimal design and living principles for residents living with dementia
- Our dementia care model, facilitated by dedicated support teams, promotes independence, personal choices and quality of life with residents encouraged to live actively and purposefully reflecting our philosophy of “living life as usual“
- Resident outcomes are overwhelmingly positive with reduced and better managed interventions and improved lifestyle and behaviours

Quality and care standards

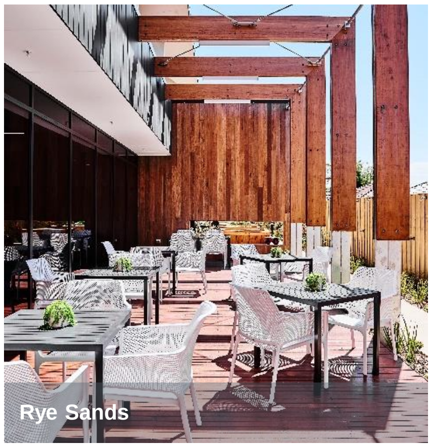
- Japara maintained 100% accreditation across its portfolio in FY2019
- There was an increase in the frequency and duration of accreditation visits in FY2019 with 10 of Japara’s homes re-accredited during the year and a further 57 unannounced assessment contacts

Resident and staff member, Millward

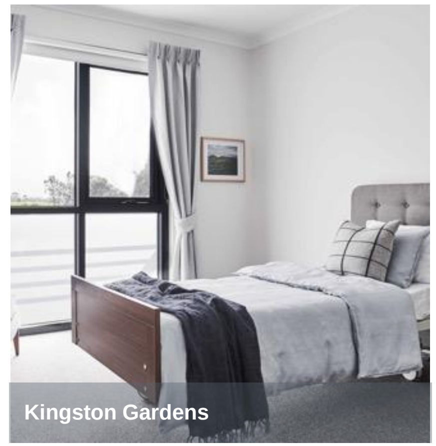
Japara resident, Anglesea

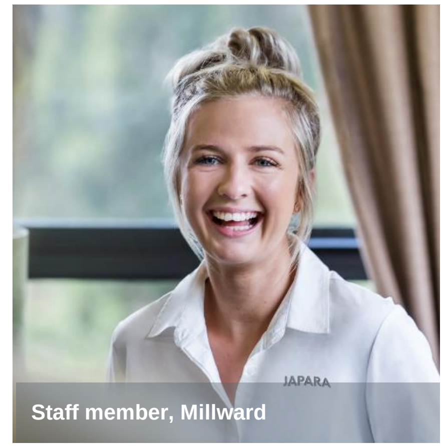
FY2019 strategic initiatives

Measureable achievements from development and people initiatives during the year


Rye Sands


Mirridong


Kingston Gardens



Staff member, Millward

Greenfield developments

- Completion and opening of three new greenfield developments totalling 219 places and our 50th home, Robina Rise in July 2019
- Two homes under construction at Mt Waverley (105 places) and Newport (60 net new places)
- Planning approvals received for several developments including at Belrose (102 places) and Lysterfield (90 places)
- 358 places allocated in 2019 ACAR for greenfield developments

Brownfield developments

- Extensions totalling 84 places completed at Kingston Gardens and Mirridong
- Vacant land adjacent to homes in Victoria and South Australia acquired for future development purposes
- 29 places allocated in 2019 ACAR for brownfield developments

Significant refurbishments

- Six homes significantly refurbished in FY2019 with a further six expected to complete in FY2020
- 33 homes currently qualifying for the maximum accommodation supplement

People

- Our workforce of ~5,600 dedicated staff provide our ~4,000 residents with personalised care 24 hours a day, 7 days a week
- Professor Leanne Rowe AM appointed to the Board bringing extensive clinical experience
- Several additional senior executive appointments during the year to improve consumer engagement and the management of our property portfolio

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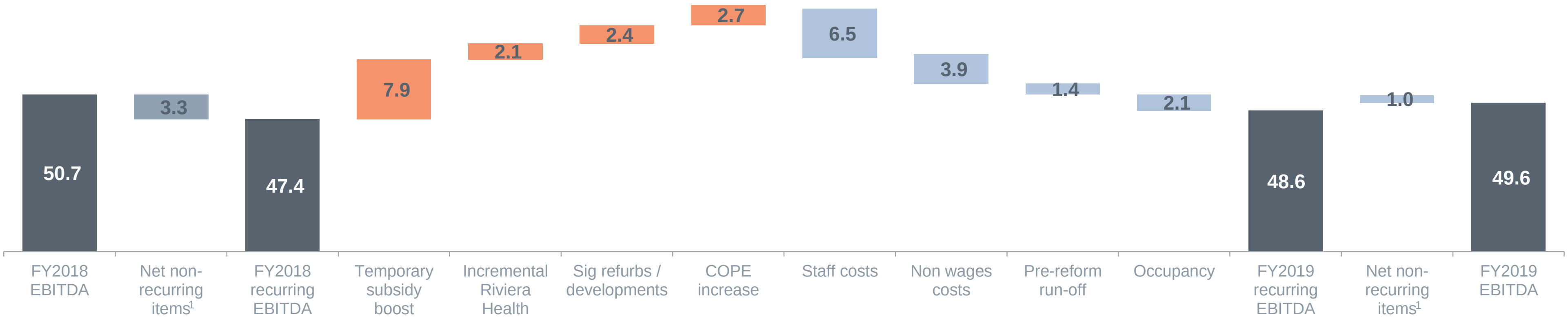
FY2019 earnings

Government temporary subsidy increase mitigated rising staff and other costs and impact of falling occupancy

FY2019 EBITDA bridge ($m)



Highlights

- Significant contribution from Government temporary subsidy increase to ACFI of 9.5% from 20 March 2019 to 30 June 2019
- Riviera Health incremental contribution up on FY2018 by $2.1m to $2.8m (excluding the temporary subsidy increase)
- Wage rate increases exceeded sustainable Government funding growth via ACFI indexation (of 1.2% in FY2019)
- New developments and homes significantly refurbished contributing as expected
- Non-wage cost increases driven by additional advertising for new home openings and to support occupancy, higher utility costs, therapy expenditure and costs associated with preparation for new aged care quality standards introduction
- Average FY2019 occupancy of 93.0%[2] below FY2018. Occupied beds increased by 86 over the period
- Direct Aged Care Royal Commission costs higher than expected at $1.8m

1. Refer to page 30 for a reconciliation of net non-recurring items
2. Average occupancy adjusts for places ramping up at new developments (in FY2019 The Highbury, Brighton-Le-Sands and Rye Sands are excluded) and places offline for refurbishment

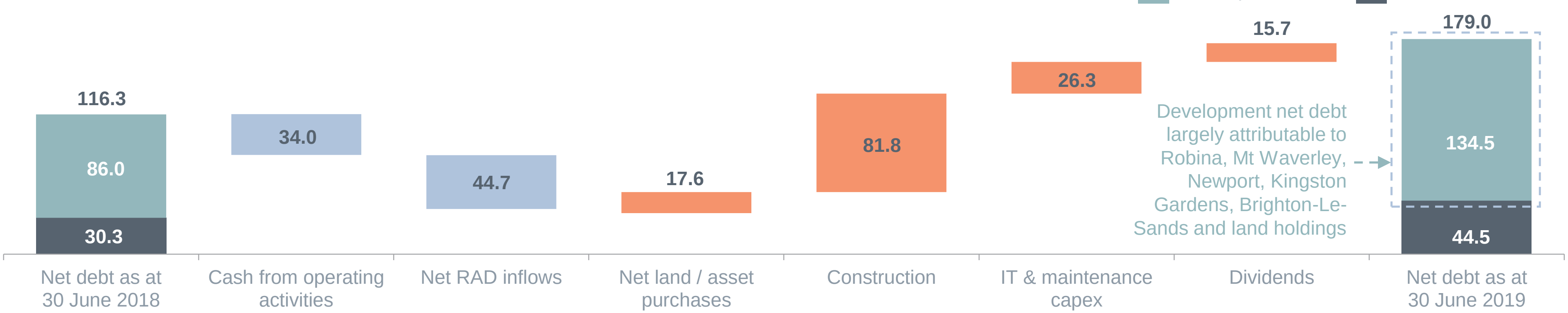
FY2019 NPAT[1] and financial position

NPAT[1] and cash flows reflect significant investment in developments and technology to underpin future growth and provide better outcomes for our residents

Highlights

- FY2019 NPAT[1] of $16.4m (FY2018 of $23.3m) lower largely due to development activities with higher depreciation (increase of $2.8m) and net interest expense (increase of $2.1m) incurred on completed developments
- $99.4m net expenditure on development pipeline comprising predominantly land acquisitions and construction
- IT & maintenance capex includes $17.1m of IT expenditure ($6.9m Wi-Fi rollout, $4.1m ERP system implementation and $1.9m nurse call system upgrade) and $9.2m of maintenance expenditure
- Five year, $345m syndicated loan facility established in December 2018
  - Core net debt of $44.5m (0.9x FY2019 EBITDA)
  - Core debt increased as developments complete and debt is moved from construction to core facility less pay down from cash flows
  - Available liquidity of $166m

FY2019 net debt movement ($m)



1. Profit attributable to members of the Group

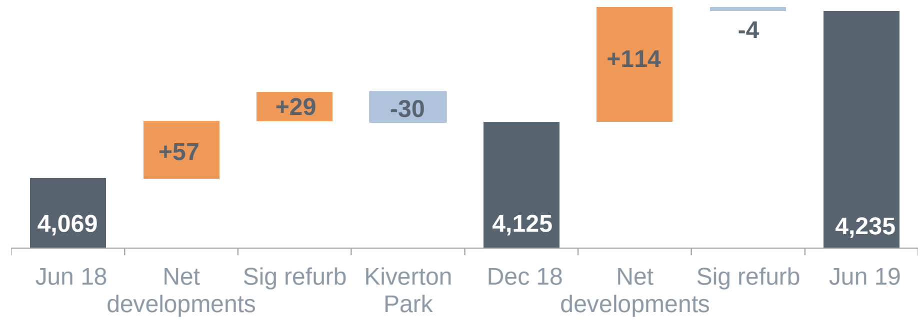
Key operational metrics

Challenging occupancy environment impacting key cost ratios, while increased bed prices have supported RAD inflows

Highlights

- Average FY2019 occupancy of 93.0%[1] below FY2018 and impacted by the Royal Commission. Occupancy at 30 June 2019 was 92.8%[2]
- Since 30 June 2019 occupancy has remained relatively stable as occupied places have increased in line with operational place increases from new developments
- Staff cost to revenue ratio increase primarily caused by reduced occupancy and lower Government revenue combined with increased wages from EBA rate increases
- FY2019 EBITDA per occupied place of $12,994 (vs FY2018 of $13,969)

Operational place movement



Operational metrics	2H FY2019	1H FY2019	2H FY2018	1H FY2018
Number of homes	49	49	48	44
Operational places (end of period)	4,235	4,125	4,069	3,906
Average occupancy[1]	92.2%	93.6%	94.0%	92.3%
Average revenue per occupied bed day ($)[3, 4]	279.6	276.6	276.7	275.0
Average Government revenue per occupied bed day ($)[3]	201.1	201.1	199.8	198.1
Staff costs to revenue[3, 4]	72.6%	69.7%	69.5%	70.3%
Non-wage costs to revenue[3, 4]	17.6%	17.3%	16.6%	16.5%
Average concessional residents[5]	38.5%	39.3%	38.7%	38.2%
Average incoming bed contract price ($'000)	378.1	355.7	323.9	350.6
Net RAD/Bond & ILU loan inflow ($m)	15.8	28.9	15.7	25.9

1. Average occupancy adjusts for places ramping up at new developments (in FY2019 The Highbury, Brighton-Le-Sands and Rye Sands are excluded) and places offline for refurbishment
2. 30 June 2019 occupancy includes all homes but excludes places offline for significant refurbishment and in ramp up
3. Metrics shown exclude the impact of all non recurring items in all periods and the Government temporary subsidy increase in 2H 2019
4. Prior period comparatives have been adjusted to exclude Capital Refurbishment Deduction revenue in those periods
5. Calculated as the number of concessional residents / operational places

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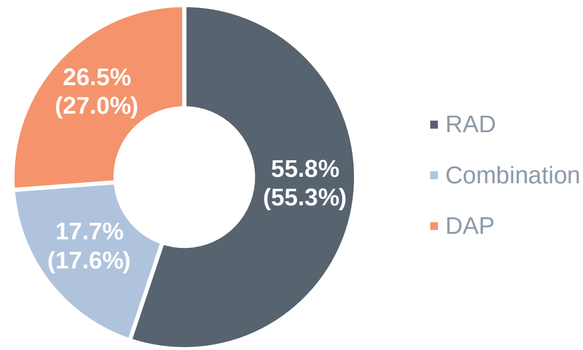
Resident trends

Trends in contract prices and payment preferences of non-concessional residents relatively stable

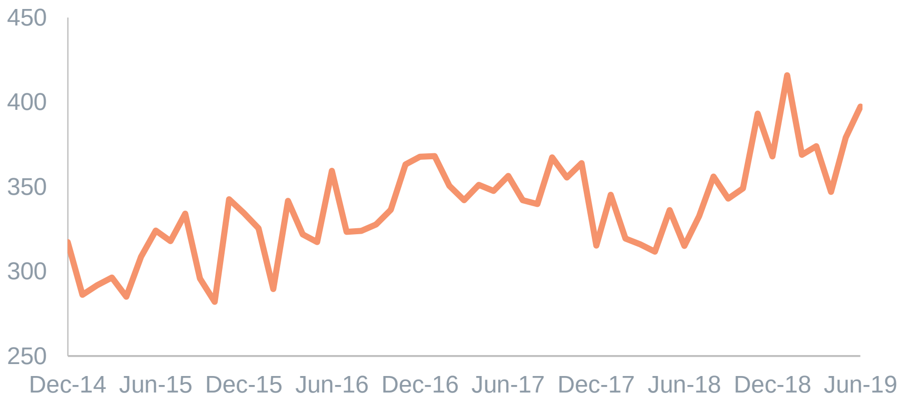
Highlights

- Stable RAD/DAP/combo trends with little change in resident preference evident
- 3,929 residents as at 30 June 2019 with further growth to 3,969 residents as at 23 August 2019
- Average contract values continue to increase with new and refurbished places in particular commanding higher prices

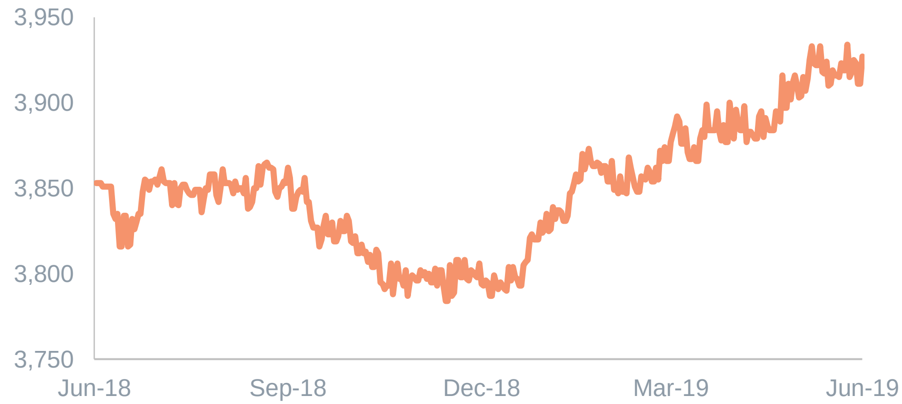
Non-concessional portfolio mix as at 30 June 2019 (30 June 2018 in brackets)



Average incoming bed contract price ($'000)



Total Residents



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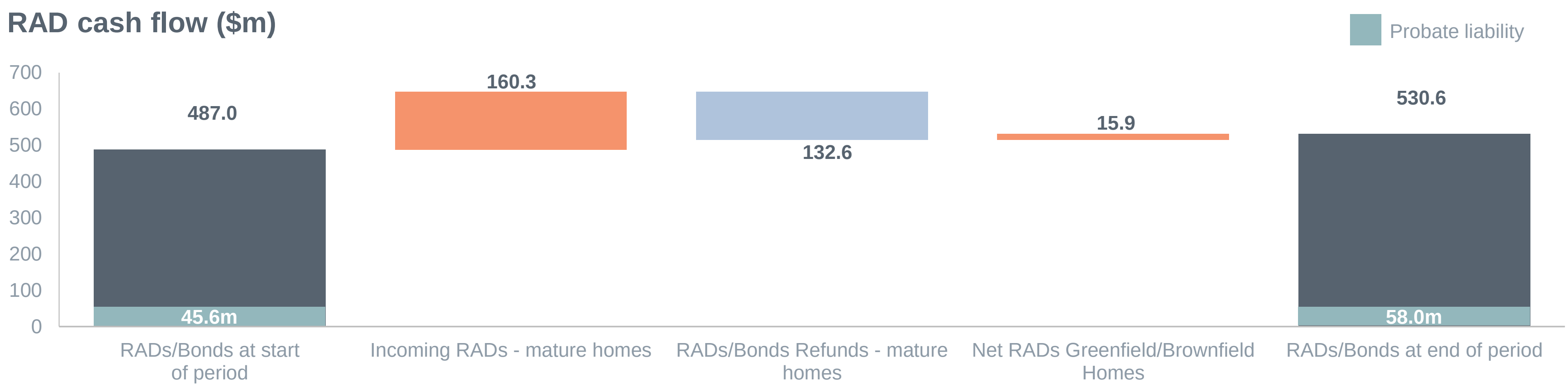
FY2019 RAD liability movement

Growth in mature home RAD inflows with developments expected to contribute further as homes mature



Highlights

- Net RAD liability movement of $43.6m in FY2019
  - $27.7m from mature homes (includes an increase in probate liability of $12.4m and excludes net ILU inflows of $1.1m)
  - $15.9m from completed greenfield and brownfield developments
- FY2020 RAD uplift expected as new homes ramp up
  - Three greenfield homes were commissioned during October and December 2018 and Robina Rise has also recently opened in July 2019
  - An immediate focus on the opening of a new home is building occupied beds quickly, sometimes with non-RAD paying residents, and therefore RAD inflow can be more gradual

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Strategic initiatives

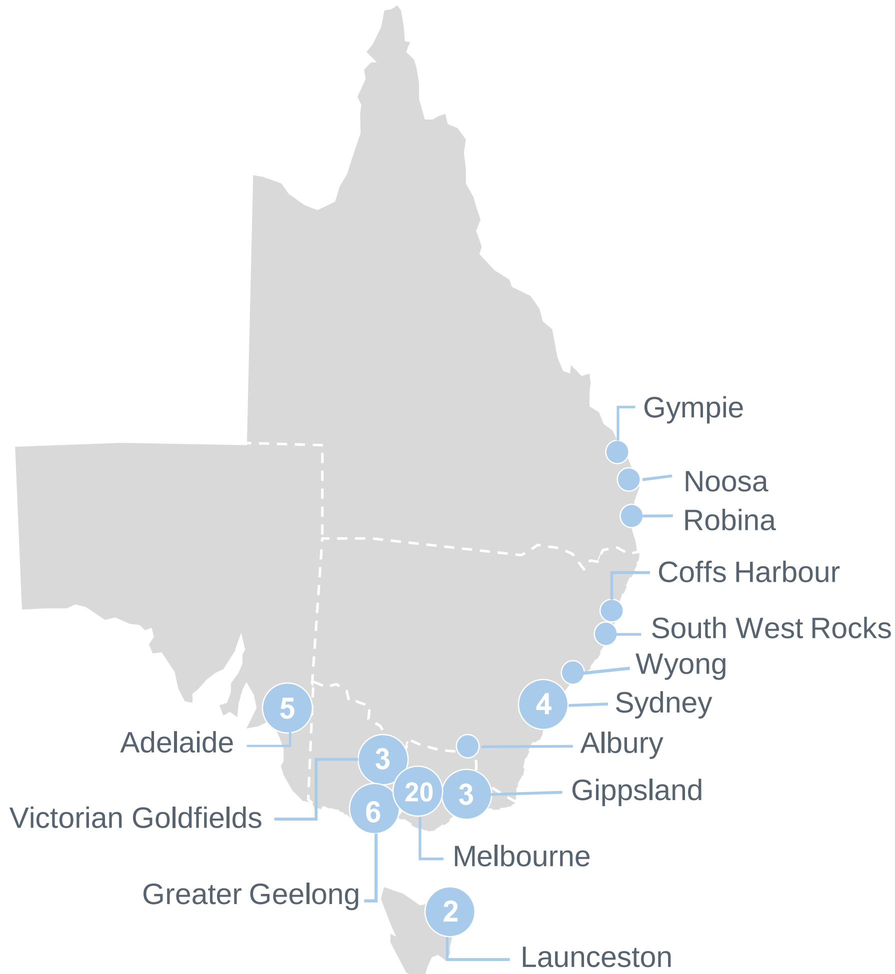
Japara's portfolio

Japara has focused on meeting the communities' care needs by developing new and upgrading existing homes and acquiring medium size portfolios and improving their care and amenity

Portfolio summary and growth

- Japara's aged care portfolio currently comprises 50 homes across five states
  - Two further developments are under construction (Mt Waverley & Newport)
  - Three homes are leased with the remainder owned freehold
- Japara has a greenfield development portfolio comprising:
  - Six owned sites expected to complete over the next 3 years; and
  - Two further regions where licenses are held but sites are required
- Japara also has several brownfield development opportunities and a small number of surplus assets

- Japara has acquired three portfolios with ~1,110 operational places since listing:
  - Whelan Care – August 2014 (258 places plus 41 senior living apartments)
  - Profke – October 2015 (587 places across four homes)
  - Riviera Health – April 2018 (265 places across four homes)
- Japara has also completed 16 developments since listing:
  - 413 new greenfield places at Riverside Views, The Highbury, Brighton-Le-Sands, Rye Sands and Robina Rise
  - Over 350 net new brownfield places at Millward, Mirridong, Albury, Kelaston, Bayview, Kirralee, George Vowell, St Judes, Central Park, Noosa and Kingston Gardens
- A program of home refurbishment has also been undertaken with 33 homes now qualifying as Significantly Refurbished



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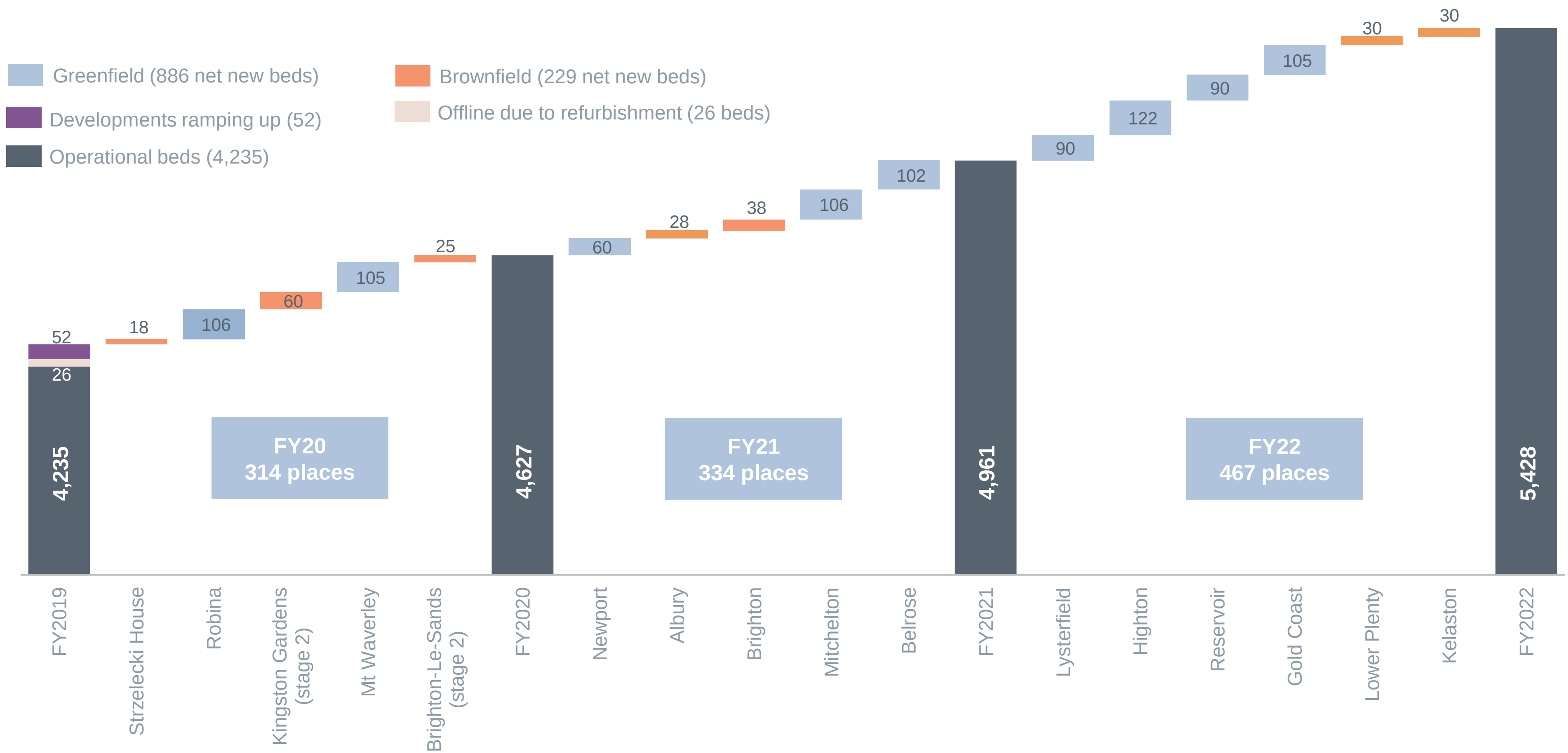
Development pipeline

Japara's near-term development pipeline comprises 1,115 net new places with new developments added on the Gold Coast, Lower Plenty and Kelaston

Near-term development pipeline (net new places)

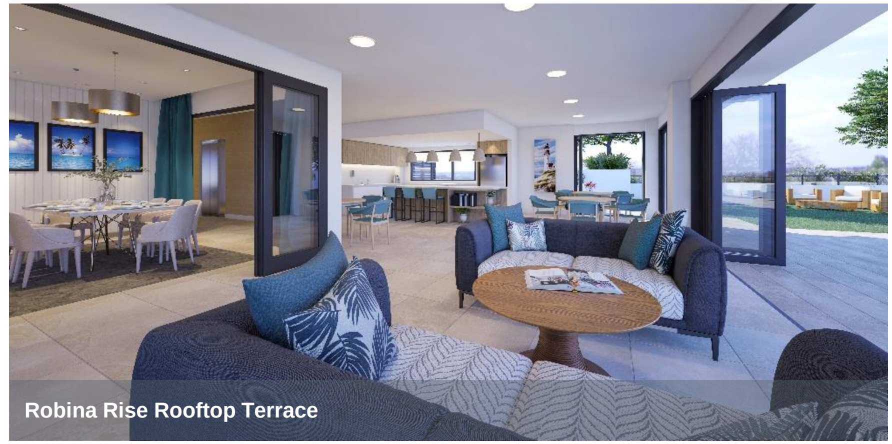


Robina Rise case study

Robina Rise, Japara's newest home, opened in mid-July 2019 and is currently home to 55 residents

Robina Rise (QLD)

- Robina Rise, located in the Gold Coast suburb of Robina, is a new 106 bed home, Japara's fiftieth home
- Robina Rise was designed to include smaller hubs which create a home-like environment
- The 4,719 sqm site was acquired in January 2017 for $5.1m and construction commenced in May 2018
- The total development cost (excluding land) was $28m
- The home includes a 16 place, 'small house' memory support hub, an on-site café, beauty salon, bar and theatre as well as a rooftop garden and entertainment space
- Robina Rise opened on 16 July 2019 and currently has 55 residents[1]



Robina Rise Rooftop Terrace

Robina Rise Aerial

Robina Rise Resident Lounge

1. As at 23 August 2019

FY2019 completed developments

Recently opened greenfield homes performing well

FY2019 development activity

- Rye Sands (opened November 2018)
  - New 99 single room home located on the Mornington Peninsula approximately one hour from Melbourne
  - Currently has 70 residents[1]
- The Highbury, Glen Waverley (opened October 2018)
  - New 60 single room home located in metropolitan Melbourne
  - Currently has 44 residents[1] (June 2019 occupancy of 59 residents)
- Brighton-Le-Sands (opened October 2018)
  - New 60 single room home located in metropolitan Sydney
  - Currently has 56 residents[1]
- Mirridong (opened October 2018)
  - 16 single room, 'small house' memory support accommodation extension to existing Bendigo home
- Kingston Gardens
  - New 68 single room extension opened September 2018
- Six homes significantly refurbished in FY2019 with a further six expected to complete in FY2020
- 33 homes currently qualifying for the maximum accommodation supplement


Rye Sands


The Highbury

1. As at 23 August 2019

Near-term developments update

Good progress made on near-term development pipeline

FY2020 and beyond development activity

- Kingston Gardens, Springvale South
  - Remaining 60 places currently being fully refurbished as stage 2 of the development (expected to open September 2019)
- Strzelecki House, Mirboo North
  - Construction underway on a 14 place extension and significant refurbishment of the existing home due for completion in September 2019
- Mount Waverley (opening 2020)
  - Construction underway on a 105 single bed room home in Melbourne
- Brighton-Le-Sands stage 2 (opening 2020)
  - Construction underway on a 25 place extension of the existing home
- Belrose, Sydney
  - Development approval obtained for a 102 bed home
- Lysterfield, Melbourne
  - Development approval obtained for a 90 bed home
- Highton, Geelong
  - Development approval obtained for a 122 bed home
- Brighton, Melbourne
  - 2,500 sqm of land secured adjacent to Japara’s Elanora home in June 2019 which will enable the future redevelopment of this site
- Oaklands Park, Adelaide
  - 1,219 sqm of land secured adjacent to Japara’s Oaklands home in June 2019 which will facilitate the extension of this home
- March 2019 ACAR
  - 358 places were allocated to Japara for greenfield development in Coolangatta, Carlingford and Mitchelton
  - 29 places allocated to Japara for brownfield development in Albury

Mount Waverley Render

Kingston Gardens Render

Development funding

Japara has made a significant investment in its development pipeline with future RADs expected to reduce debt and provide funding for further growth

Development funding summary

- Japara has continued to invest in greenfield and brownfield developments to underpin future earnings growth
- Developments continue to provide attractive risk-adjusted returns (refer Appendix 7 for indicative greenfield development cash flows)
- Japara has recently delivered 429 net new places and expects to deliver a further 81 net new places with minimal further expenditure required
- Together these 510 places are projected to generate a further ~$100m in RAD inflows (see table for detail)
- Two further greenfield developments currently under construction (Mt Waverley and Newport) are expected to add a further 225 places and contribute ~$68m in RAD inflows
  - ~$47m in capital expenditure still required to complete these developments
- Expected RAD inflows from the above 735 total places assume a 'look through' ~65% RAD preference for non-supported residents and a weighted average RAD to local house price ratio of between 55%-60%
- The existing portfolio also continues to deliver mature home RAD inflows
- In addition, Japara has a number of land holdings and licenses/approvals supporting medium-term growth
- Net debt has increased to $179.0m due to this investment in the portfolio
  - Core net debt of $44.5m (0.9x FY2019 EBITDA)
  - Development debt of $134.5m
  - Available liquidity of $166.0m

Developments ramping up	Net new places	Expected future RADs ($m)	Capex remaining ($m)
Riverside Views	88		-
Rye Sands	99		-
The Highbury	60		-
Brighton-Le-Sands	85		5.2
Kingston Gardens	56		1.2
Mirridong	16		-
Robina Rise	106		-
Total	**510**	**97-101**	**6.4**

Land holdings	Net new places	Book value ($m)
Mitchelton (QLD)	106	6.7
Belrose (NSW)	102	7.4
Lysterfield (VIC)	90	4.7
Highton (VIC)	122	4.3
Reservoir (VIC)	90	7.6
Kingston Way Estate (VIC)	-	6.4
Toukley (NSW)	-	1.8
Bundaberg (QLD)	-	0.7
Glenning Valley (NSW)	-	1.4
Total	**510**	**41.0**

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03

Industry and business observations

Recent sector developments

The sector continues to be subject to a significant amount of review and proposed reform

Royal Commission into Aged Care Quality and Safety

- The Commission has taken a thorough and wide-ranging review of the aged care sector
- Hearings have occurred in all States and Territories except for Tasmania and ACT
  - There have also been Community Forums allowing for direct community access to the Commissioners
- Japara gave evidence to the Royal Commission in Perth from 24 to 26 June 2019 with the focus on:
  - the delivery of Person-Centered Care at our Mitcham home in South Australia; and
  - our processes to meet obligations for compulsory reporting of reportable incidents to the Department of Health
- The Commission's Interim Report is due at the end of October 2019
- The Final Report is expected in April 2020

Aged care provider temporary general subsidy increase

- The Federal Government implemented a $320m general subsidy increase on 20 March 2019 effected via an increase to the rate of residential care basic subsidies of approximately 9.5%
- Japara received an additional $7.9m from this subsidy increase
- This subsidy increase ceased on 30 June 2019

Transition to the new single Aged Care Quality Standards

- New Aged Care Quality Standards came into effect from 1 July 2019, replacing a number of existing standards including the Accreditation Standards, Home Care Standards and Transition Care Standards
- In order to support adherence to the new standards, Japara undertook a comprehensive transition plan, including reviewing all of its current policies and procedures against the new standards and updating them where necessary
- We also implemented an on-line education program to help train our ~5,600 staff in delivering care in line with the new Standards

Resource Utilisation Classification Study (RUCS) update

- In March 2019 the University of Wollongong delivered a suite of seven reports to the Federal Aged Care Minister with recommendations on changing the Government aged care funding structure
- The purpose of this study was to determine the characteristics of residents that drive residential care costs, and use this information to inform the Government's consideration of future reform options
- The RUCS Sector Reference Group (comprising representatives from Government and industry) have agreed to continue meeting to project plan any future changes to the Government's aged care funding model
- Trials of the proposed Australian National Aged Care Classification (AN-ACC) assessment model are expected to commence in late 2019
- A key difference of this model is the use of an external workforce to assess the care needs of the resident (compared to current ACFI internal assessment model subject to external validation audits)

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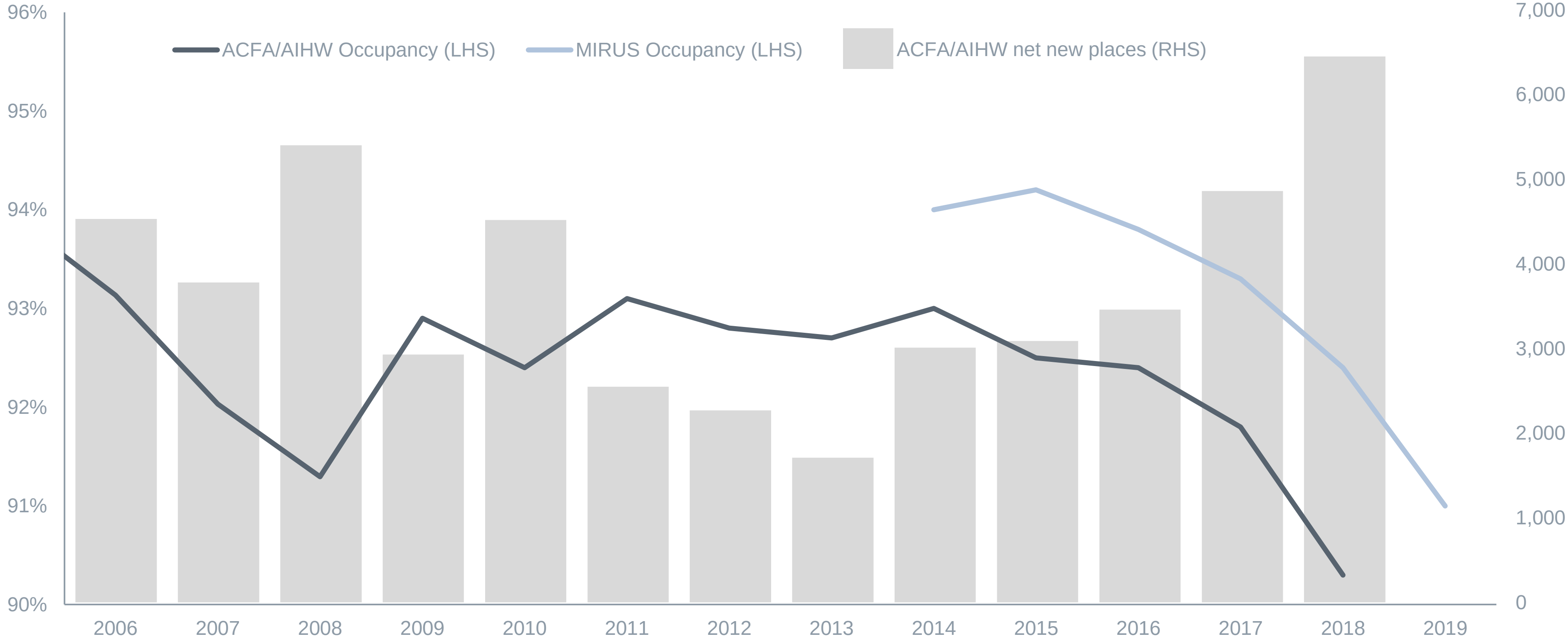
Sector occupancy and net place additions

Sector occupancy has declined over the past four years, particularly in older facilities, as the supply of new places has exceeded growth in resident numbers

Annual residential aged care sector occupancy (LHS) vs annual net place additions (RHS)



Source: AIHW, ACFA, MIRUS Australia
AIHW/ACFA data includes all facilities, places and residents. MIRUS Australia data comprises a sample of approximately 30% of industry facilities, places and residents

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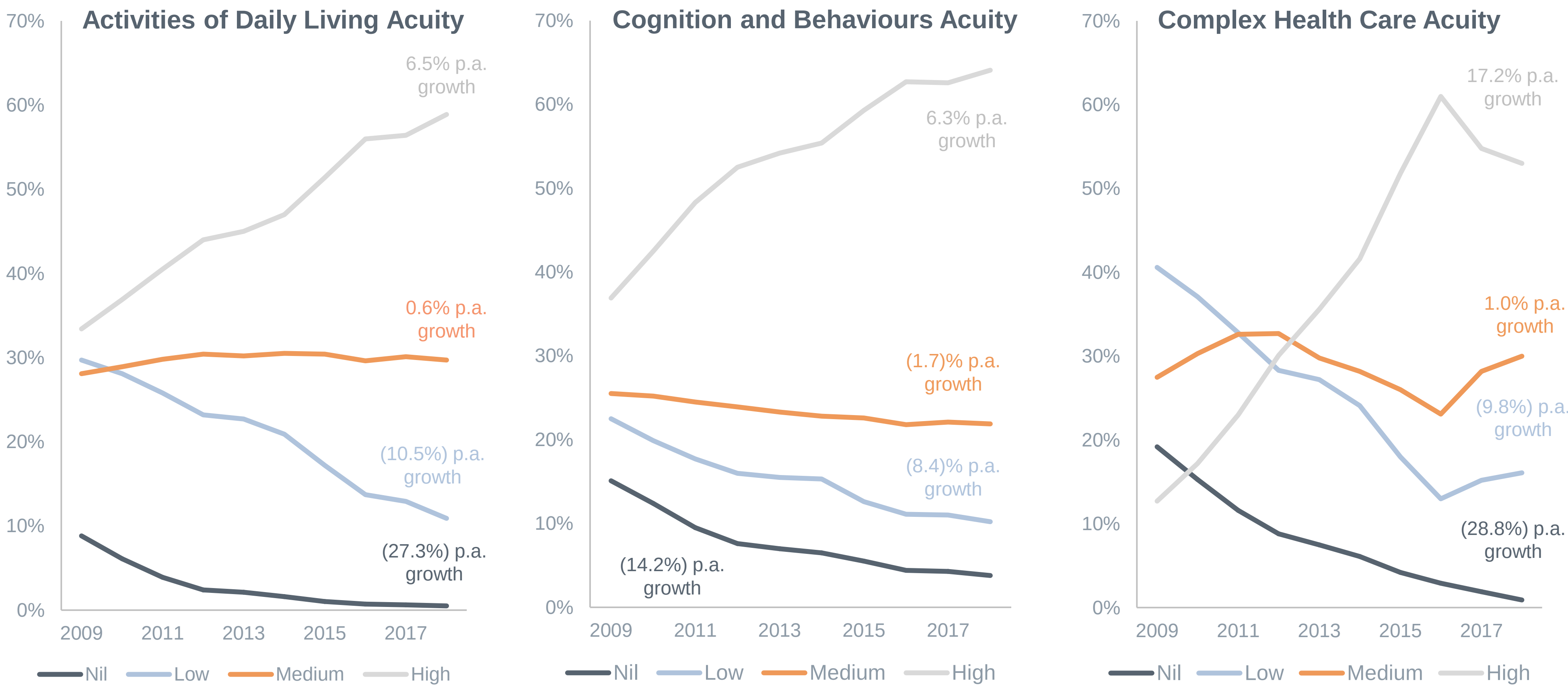
Residential care acuity has increased over time

Overall levels of acuity in residential aged care increased until 2017 when Government scoring changes reduced the measure of acuity in the complex health care domain



Source: GEN Aged Care

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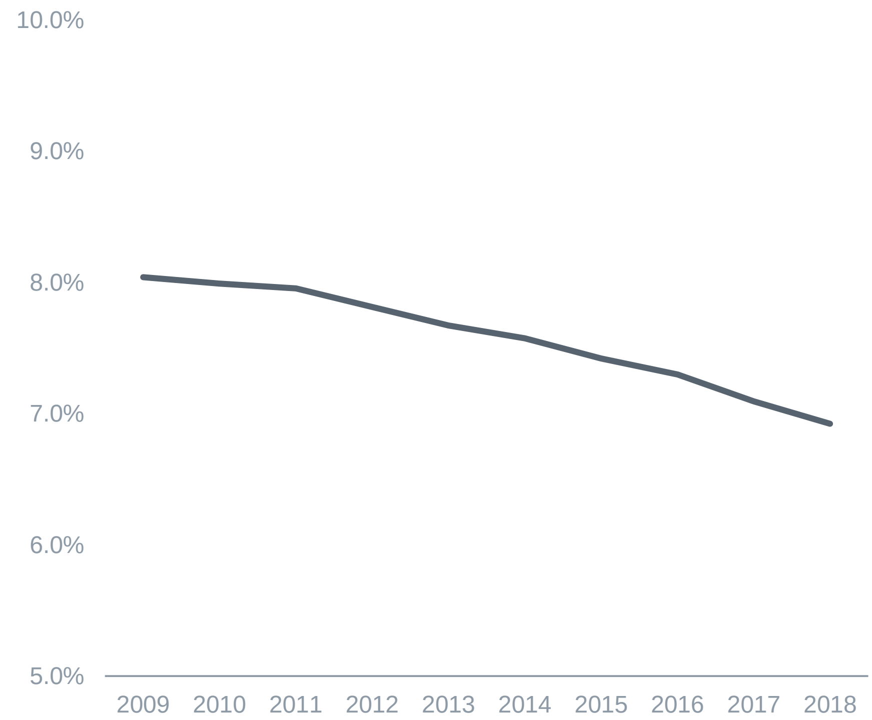
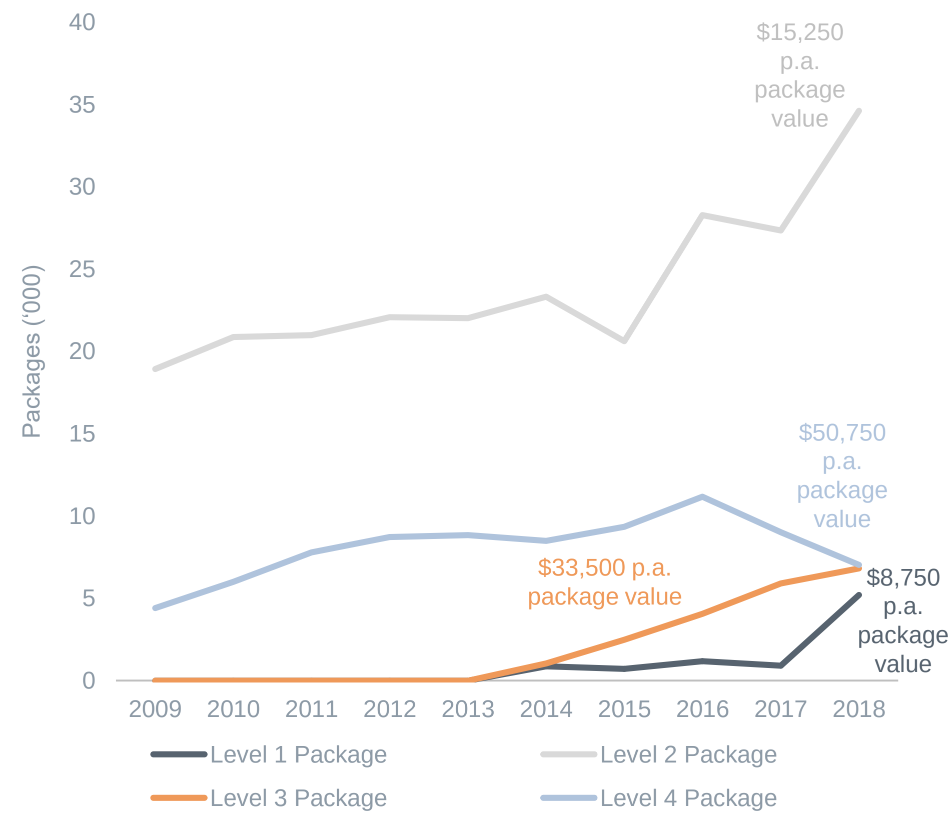
Material impact from home care not evident

The proportion of 70+ year-olds in residential care has dropped over time with no noticeable impact from recent additional home care packages (comprising mainly level 2 packages)

Total residential aged care residents as % of population >70 years



New annual home care recipients by package value ('000)



Source: Australian Bureau of Statistics, ACFA, AIHW, GEN Aged Care

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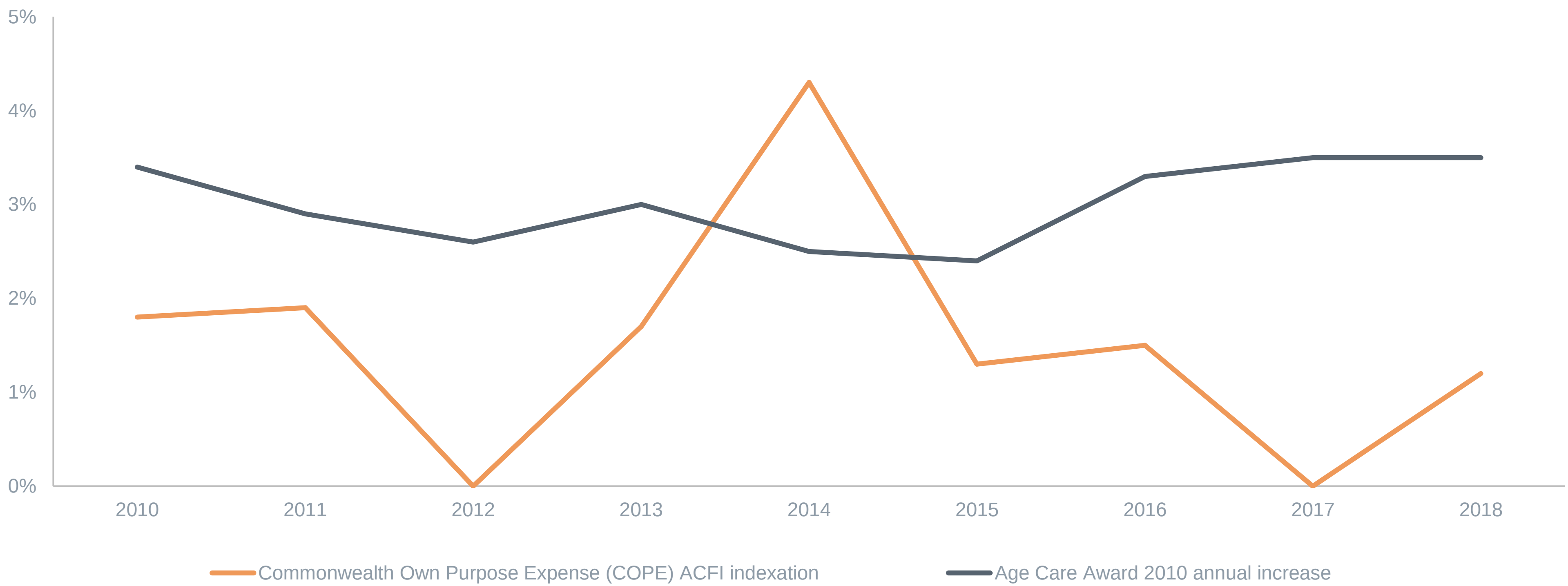
Revenue and expense growth

Annual indexation of Government aged care funding has not kept pace with increases in the largest aged care cost being care staff wages

Annual residential aged care funding and cost escalation rates



Source: GEN Aged Care Data

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04

Summary and outlook

FY2019 summary and FY2020 outlook

Focus on delivery of business initiatives in a challenging environment

FY2019 Summary

- Strong earnings contribution from recently completed greenfield and brownfield developments and refurbishments
- Earnings also boosted by the Riviera Health portfolio acquisition which contributed for the full 12 month period and the Government's temporary subsidy increase
- EBITDA of $49.6m down on FY2018 by 2.2% largely due to non-recurring items with recurring EBITDA up by 2.5%
- Balance sheet strength maintained with net bank debt of $179.0m at 30 June 2019 and available liquidity of $166.0m

FY2020 Outlook

- Japara expects FY2020 EBITDA to be 5% to 10% lower than FY2019
  - Subject to no material changes in market or regulatory conditions
- The funding environment continues to present challenges and occupancy remains below historic levels
- Recently completed developments are expected to help mitigate industry headwinds as they contribute a full year of earnings and annual ACFI indexation is expected to partially offset wage rate increases
- Japara continues to focus on the delivery of its developments with over 300 net new places expected to be opened in FY2020
- Strong cash flow is expected driven by RAD inflows and underpinned by higher bed contract prices


Japara Resident


Japara Resident

05

Appendices

Appendix 1: Detailed Profit and Loss

	FY2019	FY2018	Change	
	$'000	$'000	%	$'000
Revenue				
Government care and accommodation funding	287,735	262,981	9.4%	24,754
Resident fees	107,202	98,542	8.8%	8,660
Other income	4,831	11,665	-58.6%	(6,834)
Total revenue & other income	399,768	373,188	7.1%	26,580
Expenses				
Employee benefits expense	(277,563)	(258,967)	7.2%	(18,596)
Resident costs	(34,225)	(31,874)	7.4%	(2,351)
Other costs	(38,427)	(31,694)	21.2%	(6,733)
Total expenses	(350,215)	(322,535)	8.6%	(27,680)
EBITDA	49,553	50,653	-2.2%	(1,100)
Depreciation and amortisation	(19,995)	(17,150)	16.6%	(2,845)
EBIT	29,558	33,503	-11.8%	(3,945)
Net finance costs	(5,914)	(3,817)	54.9%	(2,097)
Income tax expense	(7,211)	(6,359)	13.4%	(852)
NPAT[1]	16,433	23,327	-29.6%	(6,894)

1. Profit attributable to members of the Group

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Appendix 2: Detailed Statutory Cash Flow Statement

	FY2019 $'000	FY2018 $'000
Cash flows from operating activities:		
Receipts from customers	389,844	361,250
Payments to suppliers and employees	(347,516)	(315,824)
Income taxes paid	(2,347)	(6,342)
Interest received	414	674
Finance costs paid	(6,436)	(4,263)
Net cash provided by operating activities	33,959	35,495
Cash flows from investing activities:		
Purchase of land & buildings	(18,289)	(19,626)
Proceeds from sale of land and buildings	1,671	313
Purchase of plant and equipment	(29,687)	(10,158)
Capital works in progress	(78,387)	(78,753)
Proceeds from sale of surplus resident places	3,416	-
Deposits paid under land contracts	(960)	-
Purchase of resident places	(3,423)	-
Purchase of aged care businesses	-	(40,317)
Net cash used in investing activities	(125,659)	(148,541)
Cash flows from financing activities:		
Proceeds from issue of share capital	1,733	634
Dividends paid	(17,448)	(25,897)
Net proceeds from bank borrowings	65,000	84,500
Proceeds from RADs and ILU resident loans	183,262	190,185
Repayment of RADs/accommodation bonds and ILU resident loans	(138,533)	(148,594)
Net cash provided by financing activities	94,014	100,828
Net increase/(decrease) in cash and cash equivalents held	2,314	(12,218)
Cash and cash equivalents at beginning of the year	29,158	41,376
Cash and cash equivalents at end of the year	31,472	29,158

Appendix 3: Balance Sheet

	30-Jun-19 $'000	30-Jun-18 $'000
Assets		
Current assets		
Cash	31,472	29,158
Trade and other receivables	14,640	9,356
Current tax receivable	-	2,629
Other assets	6,216	6,405
Total current assets	52,328	47,548
Non-current assets		
Trade and other receivables	2,347	1,834
Non-current assets held for sale	2,192	1,728
Property, plant and equipment	787,767	687,720
Investment property	39,200	38,398
Intangible assets	494,801	491,378
Total non-current assets	1,326,307	1,221,058
Total assets	1,378,635	1,268,606
Liabilities		
Current liabilities		
Trade and other payables	27,005	38,570
Other liabilities	8,568	3,650
Borrowings	40,750	21,000
Current tax payable	377	-
Other financial liabilities	554,649	509,348
Employee provisions	36,645	33,456
Total current liabilities	667,994	606,024
Non-current liabilities		
Borrowings	169,750	124,500
Deferred tax liabilities	2,420	563
Employee provisions	3,975	3,741
Other financial liabilities	2,412	-
Total non-current liabilities	178,557	128,804
Total liabilities	846,551	734,828
Net assets	532,084	533,778
Equity		
Issued capital	524,695	522,962
Hedging reserve	(2,412)	-
Retained earnings	9,801	10,816
Total equity	532,084	533,778

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Appendix 4: Non-recurring earnings reconciliation

	FY2019 $m	FY2018 $m
Non recurring items		
Profit on sale of surplus bed licences	3.4	-
Property revaluation gains	0.8	1.7
Profit on sale of land	0.3	-
Royal Commission direct costs	(1.8)	-
Greenfield start-up losses	(1.0)	(0.8)
Redundancies / restructuring	(0.7)	(3.4)
Net gain on acquisition	-	9.6
Capital Refurbishment Deduction adjustment – prior year	-	(2.9)
Corporate office relocation provision and discontinued projects	-	(0.9)
Total	**1.0**	**3.3**

Appendix 5: Portfolio Metrics

	As at 30 June 2019		As at 30 June 2018		Change
Resident mix					
Concessional	1,635	42%	1,627	43%	0.5%
RAD	1,170	30%	1,125	29%	4.0%
DAP	555	14%	549	14%	1.1%
Combination	370	9%	360	9%	2.8%
Pre-reform high-care places	23	1%	35	1%	(34.3%)
Respite	159	4%	115	3%	38.3%
TCP / Other	17	0%	32	1%	(46.9%)
Total residents	3,929	100%	3,843	100%	2.2%
Staffing					
Number of staff (including part time and casuals)	5,628		5,451		3.2%
Places					
Operational places	4,235		4,069		4.1%
Non-operational places	591		466		26.8%
Provisional ACAR allocations	973		922		5.5%
Total places	5,799		5,457		6.3%
Places (metro/major regional, regional split)					
Metro/major regional	4,558	79%	4,231	78%	7.7%
Regional	1,241	21%	1,226	22%	1.2%
Total places	5,799	100%	5,457	100%	6.3%
Geographic spread (places)					
VIC	67%		65%		
NSW	14%		15%		
SA	7%		8%		
QLD	7%		7%		
TAS	5%		5%		
Total	100%		100%		
Funded bed days	1,391,966		1,323,563		5.2%

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Appendix 6: Developments update

Significant greenfield developments program comprising 946 new places

Greenfield developments	Program status	Total new places	Net new places	Estimated resident admission
Robina (Gold Coast)	Completed July 2019	106	106	1H FY2020
Mt Waverley (Melbourne)	Construction	105	105	2H FY2020
Newport (Melbourne)	Construction	120	60	1H FY2021
Mitchelton (Brisbane)	Tender	106	106	1H FY2021
Belrose (Sydney)	Tender	102	102	2H FY2021
Lysterfield (Melbourne)	Detailed design	90	90	1H FY2022
Reservoir (Melbourne)	Town planning	90	90	1H FY2022
Highton (Geelong)	Detailed design	122	122	1H FY2022
Gold Coast	Concept design	105	105	2H FY2022
Total		**946**	**886**	

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Appendix 6: Developments update

Brownfield developments	Program status	Total new places	Net new places	Estimated resident admission
Strzelecki House (Mirboo North)	Construction	18	18[1]	1H FY2020
Kingston Gardens Stage 2 (Springvale)	Construction	60	60	1H FY2020
Brighton-Le-Sands Stage 2 (Sydney)	Construction	25	25	2H FY2020
Albury (NSW)	Tender	28	28	1H FY2021
Brighton (SA)	Tender	52	38	2H FY2021
Lower Plenty (VIC)	Concept design	30	30	2H FY2022
Kelaston (VIC)	Concept design	30	30	2H FY2022
Total		**243**	**229**	

Recent completed developments	Total new places	Net new places	Completed
Noosa (Sunshine Coast)	12	0	1H FY2018
Riverside (Tasmania)	88	88	1H FY2018
Glen Waverley (Melbourne)	60	60	1H FY2019
Rye (Victoria)	99	99	1H FY2019
Brighton-Le-Sands (Sydney)	60	60	1H FY2019
Kingston Gardens Stage 1 (Springvale)	68	-4	1H FY2019
Mirridong (Bendigo)	16	16	1H FY2019
Total	**403**	**319**	

1. Currently 4 beds are off-line during building works

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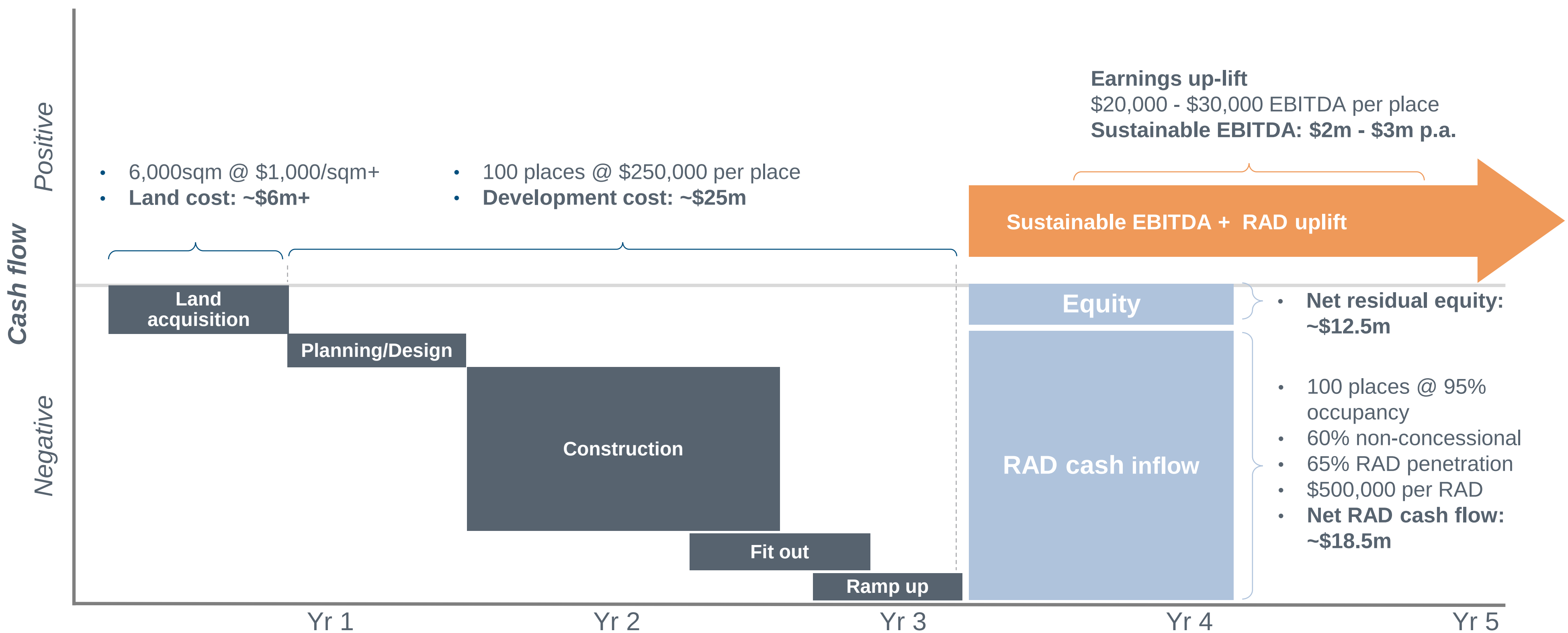
Appendix 7: Development cash flows

Development projects provide quality new aged care homes for residents and also incremental earnings for operators



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