



Regis Healthcare

Acquisition of assets from Masonic Care Queensland

7 March 2016

Transaction Highlights

The acquisition will increase the Regis operational places by 14%

Key Statistics – Masonic Care Qld Transaction

Operational Places

711

14% increase to the existing Regis portfolio

RAD Pool¹

\$50.1m

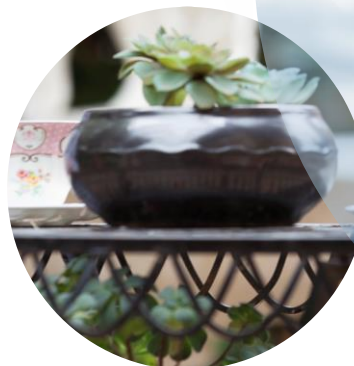
Average RAD \$246k

Investment

\$163m

On a net basis²

- ☐ Transaction to complete on 1 June 2016³
- ☐ EPS accretive in FY17
- ☐ Opportunity to improve EBITDA to a level consistent with Regis portfolio run rate
- ☐ Potential RAD uplift circa \$50m
- ☐ Funded from cash reserves and existing debt facilities
- ☐ Capital expenditure of \$5m is anticipated during FY17 including Significant Refurbishment
- ☐ Future development potential on each site



Combined
operational
places

5,968

54 facilities

1. As at 31 December 2015. Final calculations will be as at 31 May 2016 and will be disclosed in the Regis Healthcare full year audited accounts.

2. Net of RADs and Staff leave provisions

3. Subject to the approval of the Department of Health of the transfer of licences

Masonic Care Qld, Portfolio Details

711 additional high quality operational places in well located facilities

Operational
Places
711
99% single
bed rooms

Masonic Care Queensland Portfolio:

- ❑ 711 Aged Care places across 6 facilities in 4 locations – in Brisbane, Cairns, Townsville and Tin Can Bay
- ❑ 62% of the places are in the Brisbane metropolitan area
- ❑ Well presented buildings with 99% single bed rooms
- ❑ The 3 major locations also include 244 Independent Living Units (ILUs) and surplus land (26,000 sqm) enabling development opportunity
- ❑ Sandgate in Brisbane is a campus location with 3 aged care facilities and Independent Living Units
- ❑ 98%¹ Occupancy
- ❑ Facilities currently operating below Regis standard EBITDA

Masonic Portfolio RAD details¹

RAD pool acquired (\$millions)	\$50.1
% Portfolio paying RAD ²	29%
Average RAD / RAD paying resident (\$000's)	\$246

Portfolio fit with Regis:

- ❑ Has a strong fit with the current Regis Healthcare network in Brisbane and North Queensland
- ❑ There is potential uplift to the existing RAD pool of circa \$50m
- ❑ EBITDA results will benefit from integration with Regis Management systems and processes

244
Independent
Living Units and
26,000 sqm for
development

1. As at 31 December 2015

2. In full or in part

Masonic Care Qld, Portfolio Details

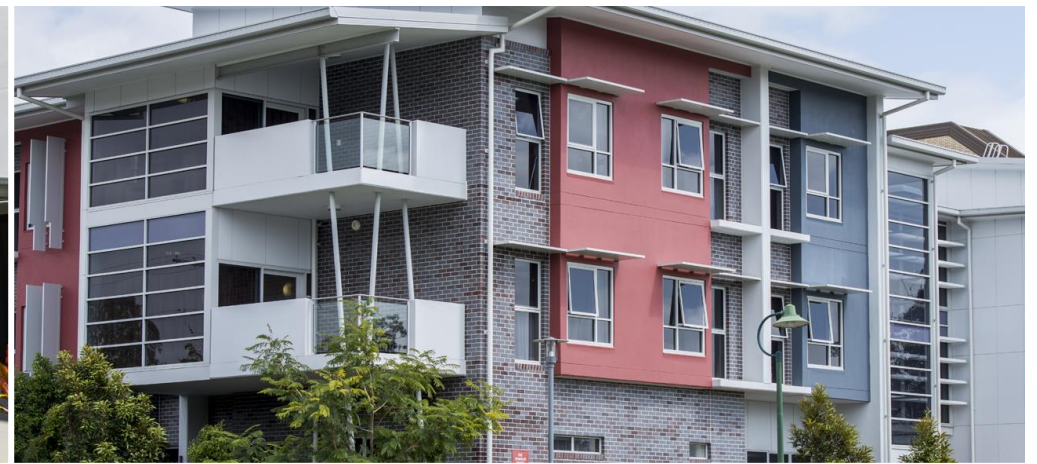
Quality, well located assets – strong fit with Regis Healthcare operational network in QLD

Aged Care Facilities	Operational Places	Single Rooms	Construction Date	Independent Living Units	Provides Home Care or Day Therapy	Development Opportunity	Significantly Refurbished
Sandgate Campus:				53	✓	✓	
Lucinda	156	156	2011	–	–	–	–
Musgrave	235	235	Various ²	–	–	–	✓
Griffith	50	50	Pre 1990	–	–	–	Planned
Morinda Aged Care, Cairns	123	123	2015 / 2008	62	✓	✓	–
Karinga Aged Care, Townsville	127	119	70% of site, 2012	85	✓	✓	✓
Tin Can Bay	20	20	1997	–	–	✓	–
Total¹	711	703		200			

1. Portfolio also includes 4 non aged care sites with a combined 14 Independent Living Units, and 30 Affordable Retirement Units, included in the 244 ILUs

2. Pre 1990, 20% of places refurbished in 2015

Masonic Care Qld, Portfolio Details



Portfolio Overview including Masonic Care Assets

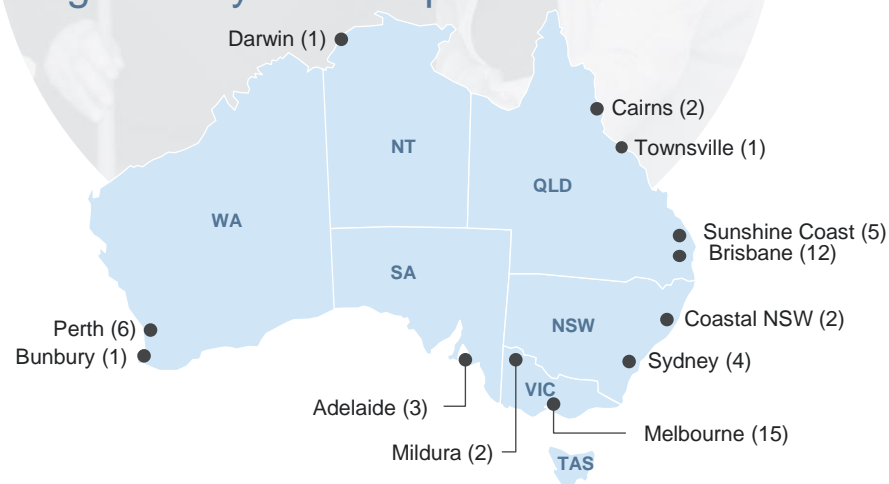
Regis continues to execute its growth strategy

Key aged care portfolio statistics post transaction

	Regis ¹	Masonic	Total
Number of facilities	48	6	54
Total places	6,012	723	6,735
Total operational places	5,257	711	5,968
Total rooms	4,440	707	5,147
Total single bed rooms	3,980	703	4,683
Percentage of operational places in a single bed room	76%	99%	78%
Percentage of rooms that are single bed rooms	90%	99%	91%
Average facility size (number of operational places)	110	119	111
Facilities approved as significantly refurbished	18	2	20

Total
operational
places
5,968
54 facilities

Regis facility network post transaction²



1. Projected as at 1 June 2016, including opening of 60 places at Caboolture, QLD and 109 places at North Fremantle, WA, noting that a further 93 places will then close at Regis Park on 30 June.

2. Based on projected Regis network as at 1 June 2016 which includes the opening of Regis North Fremantle, Perth.

FY16 Impact

High quality assets for a net purchase price of \$163 million

FY16 impact

- ❑ The transaction will bring the total Regis portfolio to 5,968 operational places with 91% single bed rooms
- ❑ Strong fit with Regis operational network in Brisbane and Cairns
- ❑ Transaction details:
 - RAD pool of \$50.1m
 - \$163 million net price will be financed from cash reserves and existing debt facilities. This will not impact the company's ability to fund the existing development pipeline or greenfield development strategy
- ❑ Due to one off transaction costs such as stamp duty, integration and acquisition related expenses, there will be a reduction in FY16 earnings of between:
 - \$13m to \$15m EBITDA
 - \$9m to \$10.5m NPAT



Outlook

The acquisition will contribute positively to earnings in FY17

FY17 Outlook

- There will be a positive impact on EBITDA, in the range of \$10-\$12m in FY17 and NPAT circa \$1-\$2m
- Occupancy is already at target levels
- Due to the high quality and location of the assets there is opportunity for RAD uplift
- Capital expenditure of \$5m is anticipated during FY17 including Significant Refurbishment

Beyond FY17

- Regis anticipates a greater contribution from this portfolio as the acquired facilities achieve the Regis EBITDA run rate.
- There will be expansion opportunity resulting from the use of the surplus land of 26,000 sqm
- Following the execution of the existing development pipeline, Regis will have circa 6,800 operational places by the end of FY19.



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