MEDIA RELEASE
24 May 2023

OCEANIA DELIVERS SOLID RESULT AND EXECUTES ON FIVE YEAR PLAN

Oceania today announced unaudited Underlying Earnings before interest, tax, depreciation and amortisation (u/EBITDA) of $80.0m for the year ended 31 March 2023, a $3.8m or 5% increase on the year ended 31 March 2022.

Highlights

- Total assets increased during the year by $347m to $2.5b as at 31 March 2023. The increase comprised the Remuera Rise and Bream Bay Village acquisitions of $57.0m, capital expenditure of $164.0m and fair value increases of $31.0m (pcp fair value increase $105.2m).
- Realised gains from new sales and resales increased by 5% to $59.4m (pcp $56.3m) with strong development and resale margin performance.
- 233 units and care suites delivered across Stage One of the Helier, Auckland, Lady Allum in Auckland, St Johns Wood in Taupo, Stoke in Nelson and Woodlands in Motueka sites.
- Current level of drawn down debt and bonds is $550.3m, net of cash. Undrawn net debt headroom is $174.7m. Loan to value ratio is 36.9%.
- Launched our 2023-2030 sustainability framework and committed to the Science Based Target Initiative for reducing our GHG emissions.
- Change in Dividend Policy to 30% to 50% of Underlying Earnings before Interest and Tax to provide investment for growth.
- Declared final dividend of 1.3 cents per share (not imputed). Record date is 7 June 2023 and will be paid on 21 June 2023.

31 March 2023 unaudited non-GAAP trading measures 12 months vs 12 months

$m's	12 months to 31 March	12 months to 31 March	Growth	
	2023	2022	$m	%
Underlying EBITDA	80.0	76.2	3.8	5.0%
Underlying NPAT[1]	58.6	56.7	1.9	3.4%
Sales Volume	408	450		
Occupancy %	90.4%	92.0%		

31 March 2023 audited GAAP statutory measures 12 months vs 12 months

$m's	12 months to 31 March	12 months to 31 March	Growth	
	2023	2022	$m	%
Operating Revenue	247.2	231.1	16.1	7.0%
Reported NPAT	15.4	61.1	(45.7)	(74.8%)
Operating Cashflow	70.2	105.5	(35.3)	(33.5%)
Total Assets	2,544.9	2,197.7	347.2	15.8%
Dividend (cents per share)	3.2	4.4		

[1]Underlying NPAT is a non-GAAP (unaudited) financial measure and differs from Reported NPAT by replacing the unrealised fair value adjustment in property values with the Board's estimate of realised components of movements in investment property value and to eliminate other unrealised, deferred tax and one-off items. A reconciliation is included within the Annual Report and the Investor Presentation.

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Oceania has delivered 5% growth in Underlying EBITDA for the year ended 31 March 2023 which primarily reflects the continued maturity of the portfolio supporting increased deferred management fee and resale gains.

Oceania's Total Assets increased to $2.5bn as at 31 March 2023 largely as a result of the continued development across 11 sites during the period as well as the developments at The Helier (Auckland), Lady Allum (Auckland) and The Bellevue (Christchurch) being valued as complete together with the acquisition of Bream Bay Village and Remuera Rise in July 2022 and positive fair value increases of $31.0m (pcp fair value increases $105.2m).

For the year ended 31 March 2023, operating cashflow was $70.2m, compared to $105.5m for the year ended 31 March 2022. This reflects an investment in future growth through the buy back of units at development sites and a lower number of new sales in the current year.

Capital structure and capital management remain a key area of focus for the business. Oceania has a proven record of cash generation from its existing site developments and remains focused on consistently achieving positive outcomes in recycling cash. Oceania CEO, Brent Pattison noted "We recognise that an optimal cash recovery profile will be a key driver of value and growth as development margins come under pressure in future periods and as we continue to extend the development pipeline."

As part of its capital management programme, Oceania continues to review its current portfolio of sites in order to ensure optimal capital allocation and the recycling of cash within the business, with an emphasis on considering the future of sites that no longer fit Oceania's strategy. Oceania has entered into an agreement to sell two of its Auckland care sites to a smaller, experienced operator. This agreement is conditional on the purchaser obtaining the consent of the Ministry of Health and Te Whatu Ora to the transfer and the sale is expected to settle in August 2023.

Despite the current head winds facing the residential property market and the sector, we continue to see a good level of enquiry for sales across our 48 sites. The sector continues to be supported by a growing population of older New Zealanders who are seeking improved security, lifestyle and health outcomes while remaining part of their local community. Brent Pattison, said "While Oceania has certainly observed an increase in the average days to sell its independent living villas and apartments, we have observed higher levels of enquiry for our premium offering. Oceania offers an attractive downsizing option for residents within their local community as well as providing a trusted pathway to high quality care through our highly successful care suite product."

Oceania currently has 409 units and care suites under construction at eight sites across New Zealand. In the 12 month period to 31 March 2023, 233 care suites and units were delivered at Stage One of The Helier (St Heliers, Auckland), Lady Allum (Milford, Auckland), St Johns Wood (Taupo), Stoke (Nelson) and Woodlands (Motueka, Tasman).

Oceania Chair, Liz Coutts said "Oceania has made tangible progress over the last year in progressing its sustainability ambitions. Oceania has committed to the Science Based Target initiative and is currently working towards its implementation of climate-related financial disclosures". We have also prepared our first Sustainability Framework, following an extensive process gaining insights from a wide range of stakeholders, including residents and our people.

Oceania Chair Liz Coutts advises the Board have approved a change in the dividend policy, applying from 1 October 2022 to a pay out ratio of 30% to 50% of Underlying Earnings Before Interest and Tax, in order to provide investment in growth. In line with this policy the Board have declared a final dividend of 1.3 cents per share (not imputed). The record date for the dividend is 7 June 2023 and the dividend will be paid on 21 June 2023. The Dividend Reinvestment Plan will apply to the dividend payable on 21 June 2023 at a discount of 1.0% to the volume weighted average price of shares sold on the NZX Main Board over a period of five trading days starting on 6 June 2023.

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