

Third Age Health delivers 1H24 Underlying NPATA¹ of \$694k up 70% and 91% on 1H23 and 2H23 respectively.

1H24 Business Highlights- Unaudited Financial Performance

- The business has continued overall value growth with an additional 8 ARC facilities on-boarded and serviced through 1H24. Rate reviews with clients in line with market changes, funding changes from govt. and further operating efficiencies have contributed to improvements in our half year earnings results.
- TAH launched an ongoing campaign program promoting further 'word of mouth' referral to prospective practitioners during 1H24. This has started to yield some results however the market remains very tight on practitioner resources.
- This update being a 1H24 results announcement we're also pleased to report that our underlying NPATA of \$694k is up 70% on the 1H23.
- 64 ARC facilities contracted at the end of 1H24:
 - The number of ARC patients we provide care to has increased by 22% in 1H24 (to 4,152 residents) compared to the PCP²; 11.8% of total ARC population across NZ currently supported by TAH³.
 - Grew our combined enrolled patient population across both ARC and general practice for 1H24 by 72% when compared to PCP.
- Cost savings identified of circa \$250k pa, in order to re-calibrate the business, have now largely been completed with impact from Q3 onwards.
- TAH has adopted Kaizen, as an ongoing process and productivity improvement program, and as a result of key improvements in our 1st 6 months of program work, we won a top 3 finalist award in the inaugural NZ Kaizen awards early Sept.
- Our general practice network performance continues to be a key focus. We expect improvements to be delivered on positive earnings over the 2H of the year.
- We paid a further \$57k of debt as of 30 September making our total debt repayment for the 1H24 \$733k.
- Clinical Team (Practitioners and other health professionals): We ended 1H24 with 73 clinical team members up 28 (78% increase) compared to 1H23.
- 1H24 vs 1H23 revenue excluding acquired revenue has increased by \$1.2m – 26%

1H24 Financial Highlights (Unaudited)

- **Group revenue** up 60% over 1H23 to **\$7,341k** and 7% over 2H23 (1H23: \$4,578k, 2H23: \$6,889k)
- **Revenue** from ARC core business up 51% over 1H23 to **\$2,720k** and 26% over 2H23 (1H23: \$1,801k, 2H23 \$2,153k).
- **Organic group revenue** up 26% over 1H23 to **\$5,769k** (1H23: \$4,579)

¹ Underlying NPATA is adjusted for (i) non-cash amortisation charges arising as a result of purchase accounting rules (ii) non-recurring provision related to the TADH loan and (iii) non-cash debt revaluation arising as a result of accounting rules post a loan restructure. The loan was restructured during FY23 to fix interest rates to protect against ongoing increases in rates.

² PCP refers to prior comparable period i.e. 1H23.

³ NZACA ARC Industry Profile 2021-22 <https://berl.co.nz/our-mahi/aged-residential-care-industry-profile-2021-22>

- **Underlying NPBTA⁴** up 65% over 1H23 at **\$906k** and 30% over 2H23 (1H23: \$549k, 2H23: \$694k)
- **Underlying NPATA** (adjusted for unaudited tax calculation) up 70% over 1H23 to **\$694k** and 91% over 2H23 (1H23: \$408k, 2H23: \$363k)
- **Statutory NPAT** (adjusted for unaudited tax calculation) up 66% over 1H23 to **\$537k** and 515% over 2H23 (1H23: \$324k, 2H23: \$87K)

Financial Highlights (unaudited) \$'000	1H24	1H23	1H change	2H23	2H change
Revenue	7,341	4,578	+60.3%	6,889	+6.6%
Underlying EBIT	1,096	597	+83.5%	656	+67.0%
EBIT Margin	14.9%	13.0%	+1.9%	9.5%	+5.4%
Underlying NPBTA	906	549	+65.0%	694	+30.4%
Underlying NPBTA%	12.3%	12.0%	+0.3%	10.1%	+2.2%
Underlying NPATA	694	408	+70.1%	363	+91.2%
Underlying NPATA%	9.5%	8.9%	+0.6%	5.3%	+4.2%
Statutory NPAT	537	324	+65.7%	87	+515.3%
Statutory NPAT%	7.3%	7.1%	+0.2%	1.3%	+6.0%
Ordinary dividends per share (cents)	3.96	2.45	+61.6	2.58	+53.5
Return on Equity (TTM)	30.2%	30.3%	-0.1%	3.0%	+27.2%
Return on Capital Employed (TTM)	19.9%	11.7%	+8.2%	14.0%	+5.9%

Dividend Declaration

We are pleased to announce an 2Q fully imputed dividend per share of 2.34 cents, in line with our dividend policy. Combined with the dividend of 1.62 cents paid for 1Q this takes our total dividend declared for the 1H24 to 3.96 cents.

The board of directors of Third Age Health Services Limited has approved the release of this document to the market.

About Third Age Health (NZX:TAH)

Third Age Health is New Zealand's only specialised provider of general practice health care services for older people living in retirement villages, private hospitals, secure dementia units as well as in communities across New Zealand. A dedicated Third Age Health clinical team provides onsite clinics, rostered rounds and after hours on-call healthcare services aimed at supporting the health and wellbeing of older people to improve quality of life. As well as providing clinical services for over 60 aged care facilities throughout New Zealand, Third Age Health owns several general practices providing quality primary healthcare to people of all ages.

www.thirdagehealth.co.nz

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