

21 May 2025

Radius Care Continues Strong Growth with Record FY25

Radius Residential Care Limited (NZX: RAD) today released its audited financial statements for the year ended 31 March 2025, confirming another record operating and financial performance.

Key financial highlights:

- EBITDAR per occupied bed¹ of \$27.9k, +13% up on FY24.
- Underlying EBITDA¹ of \$23.5m, +20% up on FY24, adjusted for the sale of a care home.
- Operating Cashflow of \$20.1m, +42% up on FY24.
- AFFO¹ of \$8.8m, +18% up on FY24.
- Profit Before Tax of \$10.5m, up +191% on FY24.
- Net debt reduced by -8% to \$67.7m.
- Cash final dividend of 0.8cps (up 14% on FY24 final dividend), with full imputation credits resulting in a gross dividend of 1.11cps, to be paid on 19 June 2025.

“Radius Care is a specialist provider of essential healthcare services across New Zealand. Strengthening occupancy in our aged care business demonstrates there is ongoing demand for high quality residential aged care services, and in particular for high acuity hospital care” said Brien Cree, Radius Care’s Founder and Executive Chairman.

People

Andrew Peskett, Radius Care’s CEO, commented “Radius Care has over 1,900 exceptional people in our team, providing exceptional care to our residents. Our people provide such a high standard of care that we have increased the number of care homes with the maximum four-year certification to 16 (from seven last year). Importantly, our people are very engaged - staff turnover has reduced to 17%. We are excited to welcome the residents and team at St Allisa in Christchurch to Radius Care later this month.”

Business performance

Mr Peskett said “the record operating performance was driven by a number of factors:

1. Strong aged care occupancy, averaging 92.8% for FY25 (vs 91.8% for FY24), and lifting to 93.9% in the last week of FY25.
2. Improved mix, with higher revenue, high-acuity hospital and ACC-supported admissions.
3. Increased Accommodation Supplement revenue (+\$1.0m / +11% vs FY24).
4. Contribution of Cibus Catering (51% interest acquired on 1 October 2024).

¹ These measures are non-GAAP (unaudited) financial measures. A reconciliation between the financial statements and these measures is included in the Investor Presentation.

5. Reduced debt and lower interest rates decreasing interest costs by \$3.4m.”

Financial performance

Radius Care’s key performance measure, pre-NZ IFRS16 Underlying EBITDA, was a record \$23.5m compared to the previous record of \$20.9m achieved for the comparative period.

Underlying EBITDAR per bed was \$27.9k in FY25 compared to \$24.7k in FY24. This key performance metric demonstrates Radius Care’s ongoing ability to deliver industry-leading performance.

Profit Before Tax was \$10.5m, an improvement of +\$6.9m vs \$3.6m reported in FY24.

AFFO of \$8.8m was generated, +18% above the comparative period, as higher underlying income was partially offset by increased capital investment. Cashflow from Operations was \$20.1m, +42% above the comparative period.

Net Profit After Tax increased to \$7.4m from a loss of \$8.5m in FY24 (the prior year included a one-off non-cash tax expense as a result of a change in tax regulations relating to depreciation on commercial buildings).

Borrowings further reduced during the year, with a \$5.8m reduction in Net Debt as a result of increased operating cashflow and AFFO.

Dividend policy

The Board has adopted an updated dividend policy with a payout range of between 40% and 70% of AFFO. This is expected to support both sustained dividend growth and increased retained cash for growth investment and debt reduction.

Dividend

The Board has declared a final dividend of 0.8 cents per share for the FY25 year, 14% above the FY24 final dividend, bringing total FY25 dividends to 1.45 cents per share (47% of AFFO). The final dividend will carry full imputation credits, resulting in a gross dividend of 1.11 cents per share, and will be paid on 19 June 2025. The Board has determined that the Dividend Reinvestment Plan (DRP) will not apply to this dividend.

Execution of our capital-light growth strategy

The recent acquisition and sale and leaseback of the 109-bed St Allisa care home, expected to complete on 30 May 2025, will expand our core business with minimal capital commitment. Radius Care is actively progressing projects with private investors to deliver purpose built leased care homes from FY27. In addition, a new 100-bed care home is planned to be constructed in Christchurch and leased to Radius Care, with first admissions in 2027.

Revenue from additional services within the aged care sector grew during the year. The 51% interest in Cibus Catering delivered incremental EBITDA (after minority interest) of \$0.5m from 1 October. Radius Care has commenced home care services: the company provides high-acuity private home care to several clients and has been recently accredited as an ACC supplier. The first ACC-supported clients have been transitioned to Radius Care.

Outlook

Trading during the first weeks of FY26 is ahead of the prior period, with occupancy of 94.4% in April 2025 (compared to 93.9% in the last week of FY25).

Radius Care expects continued growth in key financial metrics (Underlying EBITDA, EBITDAR per bed and AFFO) in FY26, further boosted by a full year of earnings contribution from Cibus Catering Limited, and the addition of St Allisa's 109 beds to the portfolio from 31 May 2025.

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About Radius Care

Radius Residential Care Limited was founded in 2003 and listed on the NZX in December 2020. Radius Care provides essential healthcare services to elderly New Zealanders, offering the full range of accommodation and care options in communities throughout the country. Today, Radius Care operates 23 aged care facilities, of which it owns 12 and leases 11, and on 30 May 2025, the St Allisa Care Home in Christchurch will become Radius Care's 24th facility. Four of the owned facilities also include retirement villages and Radius Care's online shop sells specialist assisted-living products. The company employs over 1,900 people, including highly qualified healthcare staff who are committed to providing the very best in nursing care, and has expanded its services, establishing RConnect, a Nurse and Carer bureau and Home Care provider. A 51% holding in Cibus Catering was acquired in October 2024. Cibus provides menu planning and nutrition management services to the aged care sector, as well as full-service kitchen and food management to 25 care homes across New Zealand, including 11 Radius Care sites. For more information visit radiuscare.co.nz or check out our Facebook page @RadiusCareNZ.

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