

MEDIA RELEASE

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METLIFECARE REPORTS STRONG ASSET GROWTH

Metlifecare Limited's (NZX: MET) (Metlifecare or the Company) performance summary for the year ended 30 June 2022:

- **Operating revenue from continuing operations for the year ended 30 June of \$165.1m up from \$143.6m in the prior year (30 June 2021)**
- **Reported net profit after tax of \$78.7 million, down from a profit of \$304.4 million for prior year (30 June 2021)**
- **Total assets \$4.967 billion, up from \$4.078 billion at 30 June 2021**
- **Total equity \$2.074 billion, up from \$1.842 billion at 30 June 2021**
- **Debt to valuation ratio 28.1%, up from 16.6% at 30 June 2021**
- **Multiple large-scale development projects underway and a future pipeline of strategic land acquired**
- **Acquisition of portfolio of six villages and aged care communities and a commercial laundry from The Selwyn Foundation in February 2022**
- **\$1.25 billion sustainable-linked loan established**

Financial result

Retirement village and aged care operator Metlifecare today reported a net profit after tax of \$78.7 million for the year ended 30 June 2022 despite continuing uncertainty surrounding the economic impacts of COVID-19, rapidly rising inflation, and a softening in the residential housing market.

The net profit after tax includes a fair value gain on investment property of \$111.4 million (compared to a fair value gain of \$335.5 million at 30 June 2021), reflecting the continuing strength of the Company's portfolio despite the moderation of key assumptions in the valuation of investment property as a result of those economic factors noted above.

Operating revenue from continuing operations was \$165.1 million, a 15% increase over the prior year (being \$143.6 million), due to higher deferred management fees and four months revenue from the acquisition from The Selwyn Foundation. Offsetting these, the Company has invested significant costs to deliver on its Full Potential Plan: the five-year transformational growth strategy to increase the company's landbank and development pipeline, provide geographic diversification and expand its aged care offering, all underpinned by ambitious ESG (Environment, Social, Governance) targets.

Metlifecare's balance sheet has continued to grow, with total assets increasing significantly over the year by \$889.4 million to reach \$4.967 billion at 30 June 2022, underpinned by the acquisition from The Selwyn Foundation and the completion of new independent living and care beds. Debt rose by \$384.8 million to \$742.6 million, reflecting strong momentum in increasing the Company's landbank and delivering on the development pipeline. With net assets now sitting at \$2.074 billion, up 12.6% on 30 June 2021, the balance sheet remains robust with debt to valuation ratio sitting at 28.1%.

Delivering on the Full Potential Plan

Metlifecare Chief Executive Officer Earl Gasparich noted that “Metlifecare is already a very different business to what our owners, EQT, acquired in November 2020.

Last year we developed our Full Potential Plan, which set out the Company’s strategic roadmap for significant transformational growth. Over the past year, we have laid the foundations for change, resourced our teams and commenced executing the plan. We are now moving at considerable pace and achieving a number of early wins.”

Key highlights in the year include:

- Resetting the Company’s vision and cultural values, which is based on people being at the heart of everything we do, and refreshing and launching Metlifecare’s new brand
- The acquisition from The Selwyn Foundation bringing the Company’s portfolio to 33 retirement living and aged care villages.
- Completing the development of 199 residential units or care beds during the year and opening new village stages and aged care centres at Fairway Gardens (Botany, Auckland), Edgewater (Pakuranga, Auckland), Pohutukawa Landing (Beachlands, Auckland) and Gulf Rise (Red Beach, Hibiscus Coast).
- Acquiring six premium greenfield sites in Havelock North, Clevedon, Mangawhai, Whenuapai, Pukekohe and Wanaka, providing Metlifecare a clear pathway to future growth with now more than 3,000 units and care beds in its landbank across multiple geographical locations.
- The acquisition, alongside Metlifecare’s joint venture partner, of further land in Palmerston North, and commencing development of further independent living apartments for the Palmerston North village.
- The launch of Metlifecare’s Sustainable Finance programme, which included issuing New Zealand’s largest ever Sustainability Linked Loan, increasing the Company’s bank debt financing flexibility and capacity to \$1.25 billion and making Metlifecare the first retirement village operator in Australasia to be fully debt funded by sustainable financing.

Sustainability

Metlifecare is beginning to deliver on its commitment to driving sustainability across the business and its aspiration to become a leader of sustainability innovation in the retirement village industry.

Highlights for the year include re-engaging with stakeholders to understand what is really important to them in relation to sustainability, completing a comprehensive greenhouse gas inventory for the Company, becoming a signatory to the Science-based targets initiative (SBTi), kicking off a range of sustainability initiatives at the Company’s villages and achieving a Green Star 6 design rating at the care building at Gulf Rise Village.

Acquisition of two Christchurch retirement villages

On 24 August 2022, Metlifecare announced it had signed a Sale and Purchase Agreement to acquire the Merivale Retirement Village and The Village Palms in Christchurch. The acquisition will see Metlifecare return to the South Island, further enhancing its geographical presence in New Zealand, increase the aged care offering within its portfolio, and increase its development landbank through the further expansion potential at the Merivale Retirement

Village – all important objectives in the Company's growth strategy.

The transaction is subject to certain conditions, including obtaining required consents from the Ministry of Health, Te Whatu Ora - Health New Zealand and the Statutory Supervisor, and is expected to complete in the fourth quarter of 2022 should all conditions be met.

Further commentary and detail in relation to the above is set out in the notes to the financial statements.

This announcement is authorised for release to the market by the board of Metlifecare.

ENDS

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About Metlifecare:

Metlifecare is a leading New Zealand owner and operator of retirement villages, providing rewarding lifestyles and outstanding care to more than 7,000 New Zealanders. Established in 1984, it currently owns and operates a portfolio of 33 villages in areas with strong local economies, supportive demographics and high median house prices, located predominantly in New Zealand's upper North Island.