

OCEANIA HEALTHCARE LIMITED
2017 ANNUAL
GENERAL MEETING



OCEANIA
HEALTHCARE

Agenda

- 01 Welcome
- 02 Introduction to Directors and Management
- 03 Chair's Address
- 04 CEO's Address
- 05 Business of Meeting
- 06 Other Business

Introduction to Oceania's Directors



Oceania has a highly experienced Board with a diverse range of skills



Liz Coutts
Chair and
Independent Director

ONZM, BMS, FCA
Joined - 2014



Alan Isaac
Independent Director

CNZM, BCA, FCCA, FCIS
Joined - 2015



Kerry Prendergast
Independent Director

CNZM, MBA, NZRN, NZM
Joined - 2016



Hugh FitzSimons
Non-Executive Director

BEC LLB (Hons)
Joined - 2012



Patrick McCaw
Non Executive Director

BCA (Hons), MBA, CA
Joined - 2017



Chair's Address – Liz Coutts

“Oceania is a care business – it is at the core of what we deliver to our residents”



MAUREEN PLOWMAN

Browns Bay, Auckland

CEO's Address – Earl Gasparich

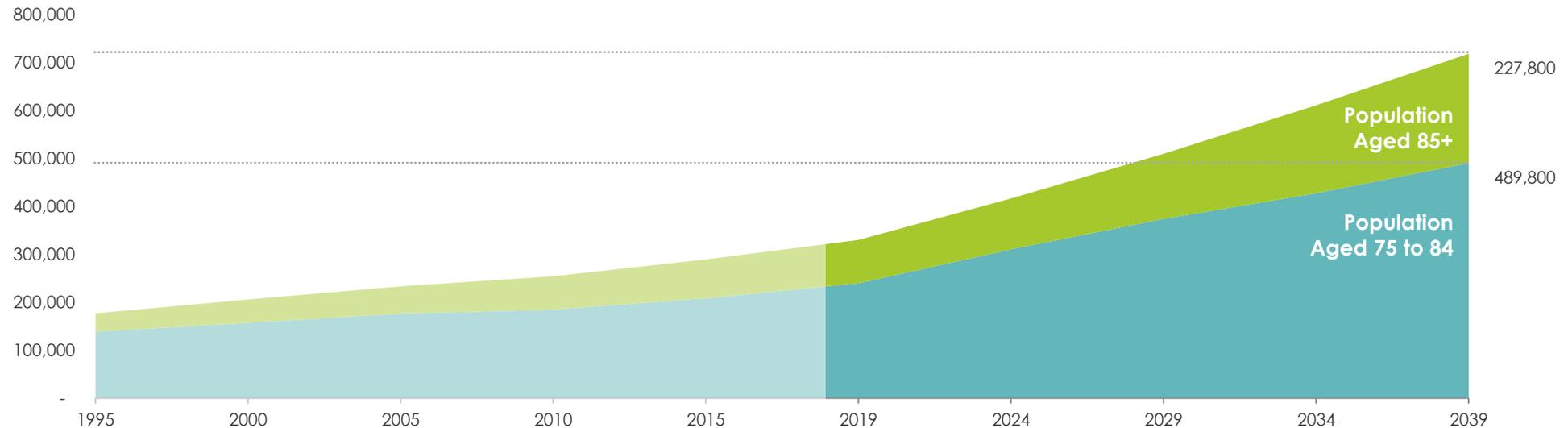
“This is a company with a heart and a strong sense of purpose”

We are a “needs based” business



Oceania is well positioned to deliver services to meet the increasing demand for aged care and retirement village living

Estimated population growth¹



Continuing growth and ageing of the New Zealand population is expected to **significantly increase demand for aged care** over the next 20 years



There has been a low level of net aged Care Bed additions² over the past decade



Oceania has pioneered the ORA model over care beds to improve commercial returns from building new beds

1. Statistics New Zealand population forecasts as at March 2017. 2. Average annual growth of 0.8% from 2013 – 2016.

Our growth will be delivered from executing our existing pipeline

Oceania is well positioned to take advantage of increasing demand for aged care and retirement village living

Portfolio and landbank overview



	Care Beds	Care Suites	Units	Total
Total Existing¹	2,580	242	1,054	3,876
Development Pipeline ³		635	1,103	1,738
Less decommissions	(354)	0	(72)	(426)
Net Development Pipeline²	(354)	635	1,031	1,312
Total post development	2,226	877	2,085	5,188

✓ During FY17 we completed 44 apartments at Lady Allum in Milford, Auckland, and have sold 29 within the first 5 months of opening

✓ We currently have 316 units and beds under construction

Oceania's site locations



1. Comprising 48 operating facilities and 2 undeveloped sites. Facility numbers as at 31 May 2017, updated from the IPO forecasts. 2. Current and planned developments. 3. Includes 348 Care Studios which may be initially sold with a PAC, and may subsequently be sold under an ORA. 4. Future composition assumes execution of current planned development of Oceania's Brownfield Development landbank.



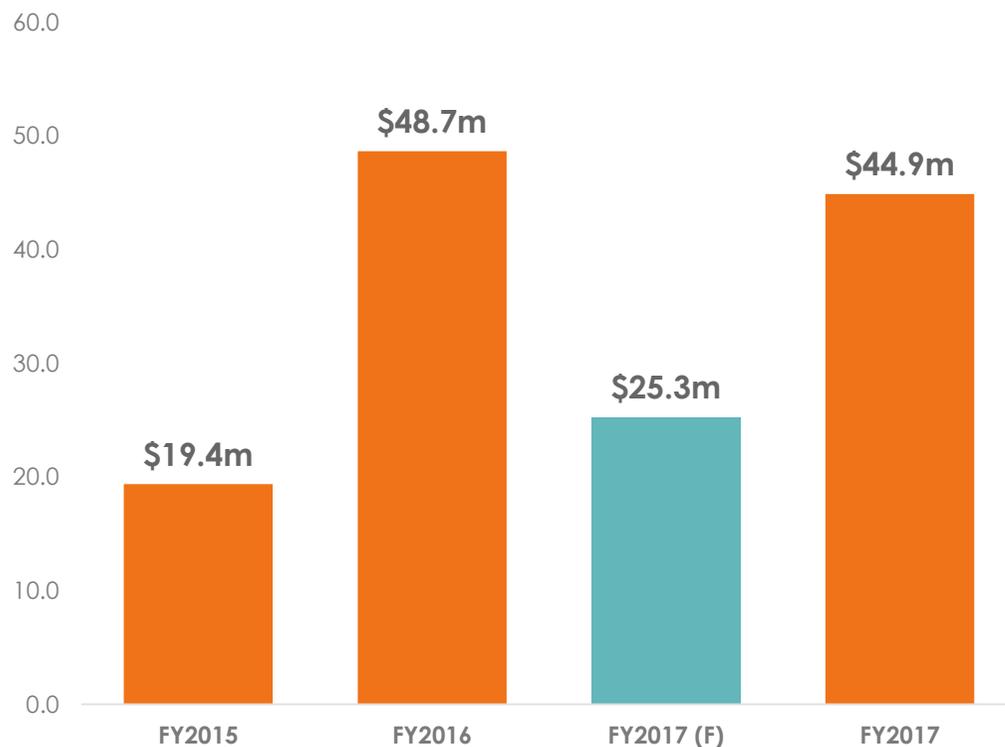
FY2017 Financial Results

FY2017 Financial highlights



We **exceeded the FY2017 IPO Forecasts** with Reported NPAT \$19.6m ahead of the IPO Forecast

Reported Net Profit After Tax (NPAT)



- ✓ Operating revenue and expenses were slightly ahead of the IPO Forecast
- ✓ The revaluation of our retirement village assets was \$57.2m, \$19.9m above the IPO Forecast
- ✓ Reported NPAT for FY2017 of \$44.9m was \$19.6m above the \$25.3m in the IPO Forecast

FY2017 Financial highlights



We **exceeded the FY2017 IPO Forecasts** with Pro Forma Underlying NPAT ahead of the IPO Forecast

Pro Forma Underlying Net Profit After Tax (NPAT)



- ✓ Pro Forma Underlying NPAT for FY2017 of \$34.0m was ahead of the IPO Forecast of \$33.5m.
- ✓ Underlying NPAT is used to monitor financial performance and, in future, to determine our dividend payments

1. References to FY2017(F) in this document refer to the IPO Forecasts as presented in the Product Disclosure Statement dated 31 March 2017.
2. Refer to page 78 of the Product Disclosure Statement dated 31 March 2017 for a description of the pro forma items.
3. Underlying NPAT is a non-GAAP measure used by Oceania to monitor business performance and, in future, to determine dividend distributions. Underlying NPAT is reported in the operating segment note of Oceania's audited consolidated financial statements.

Care segment



The Care segment was **\$0.2m ahead of the IPO Forecast** with EBITDA per bed (excluding decommissioned sites) of \$12,648 compared to \$12,614 in the IPO Forecast

NZ\$m	FY2014	FY2015	FY2016	FY2017 (A)	FY2017 (F)
Operating revenue	149.1	151.1	155.8	152.8	152.4
Expenses	(120.6)	(121.5)	(122.0)	(120.9)	(120.6)
Underlying EBITDA¹	28.5	29.7	33.9	31.9	31.7
EBITDA per Care Bed / Suite (excl. decommissioned sites)	\$10,873	\$11,577	\$12,854	\$12,648	\$12,614

- ✓ Occupancy of 90.4%, ahead of the IPO Forecast and above the national average of 86%¹
- ✓ Mix of occupied hospital beds to total occupied beds was ahead of the IPO Forecast
- ✓ Premium charging (PAC and DMF) ahead of the IPO Forecast and 19% up on FY2016. Average daily premium charge of \$11.18 vs \$10.52 in the IPO Forecast
- ✓ The outcomes announced to date with respect to the Equal Pay settlement have been broadly in line with expectations



¹. This is Pro Forma Underlying EBITDA – refer to page 78 of the Product Disclosure Statement dated 31 March 2017 for a description of the pro forma items . ² Source – New Zealand Aged Care association 31 March 2017 survey

Village segment



The Village segment was **\$0.3m ahead of the IPO Forecast** with strong resale and development margins.

NZ\$m	FY2014	FY2015	FY2016	FY2017 (A)	FY2017 (F)
Operating revenue	14.8	17.0	19.7	20.6	20.1
Realised gains on resales	4.8	7.0	14.1	12.7	12.8
Realised development margin	1.9	2.5	4.5	5.2	4.9
Operating expenses	(7.8)	(9.1)	(10.5)	(11.7)	(11.2)
Underlying EBITDA	13.6	17.4	27.7	26.8	26.5

- 
 Continued growth in annuity-like Deferred Management Fees with an increase of 10% over FY2016
- 
 Further improvement in average resales margins from 25.5% in FY2016 to 27.4% in FY2017 (or \$113k per unit and \$42k per care suite)
- 
 Resale prices increased by 6.9% from FY2016

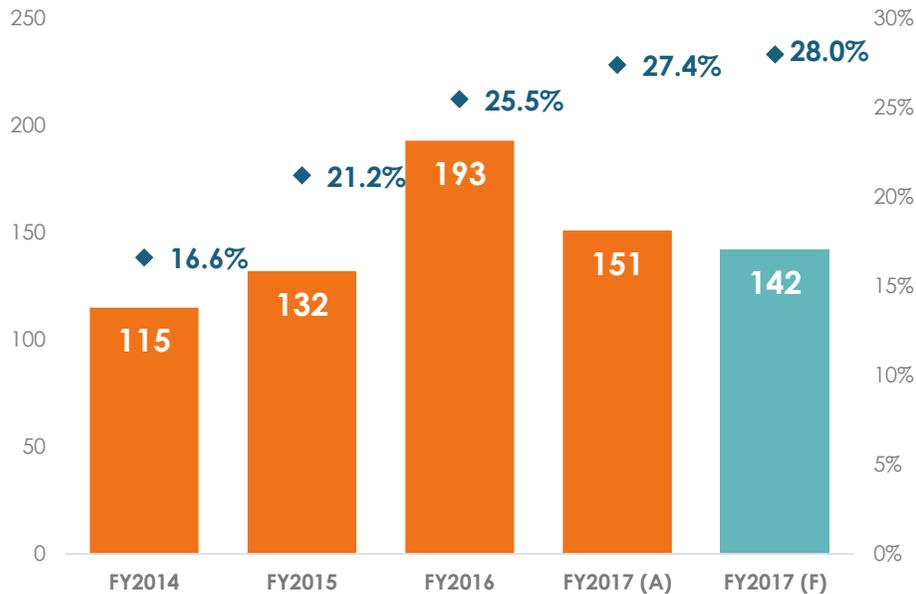


Village segment

The Village segment was **\$0.3m ahead of the IPO Forecast** with strong resale and development margins.

Resales volume and margin

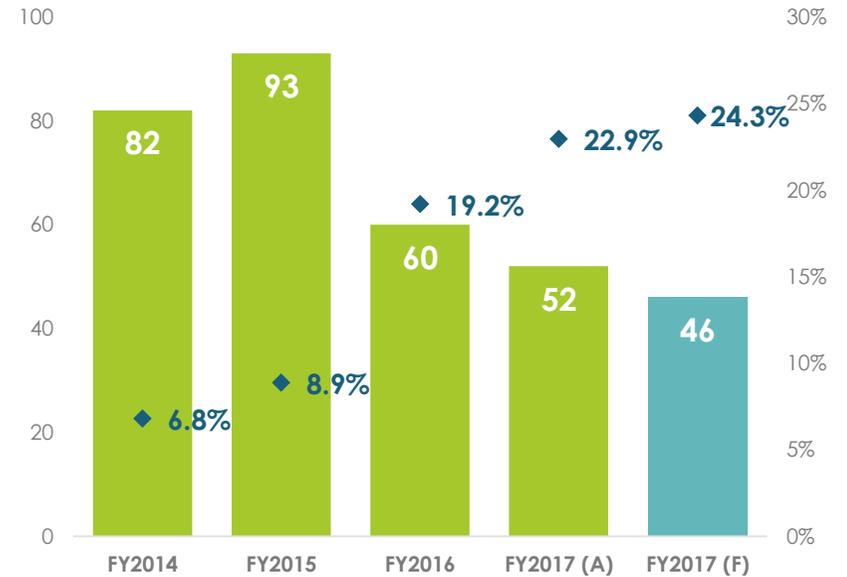
NZD \$000s



■ Resales Volume ◆ Resales Margin

Development sales volume and margin

NZD \$000s



■ Development Volume ◆ Development Margin

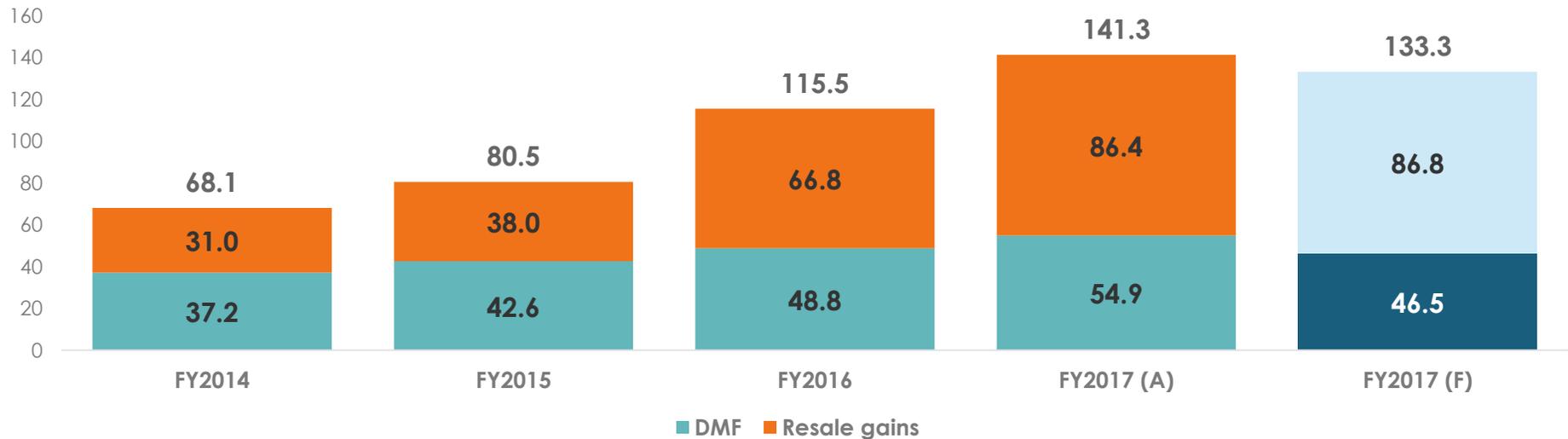
Embedded value



The **embedded value in Oceania's portfolio has increased significantly** over the last three years to \$183.1m and will underpin ongoing DMF cash flows and resale gains

Embedded value per unit¹

NZD \$000s



Embedded Value profile

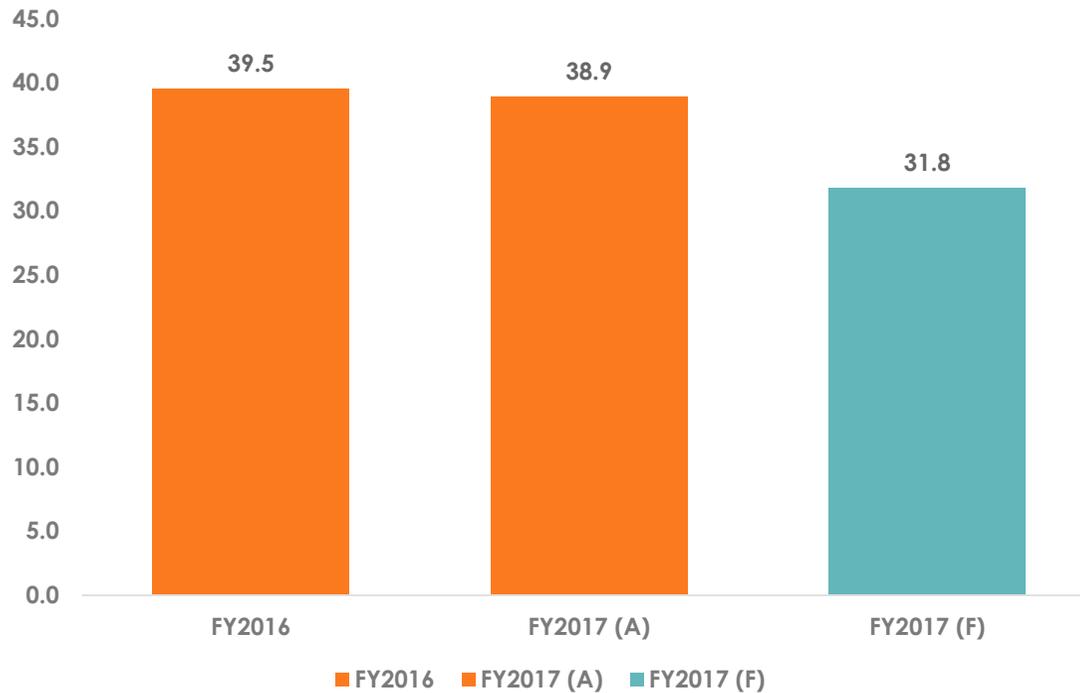
NZ\$m	FY2014	FY2015	FY2016	FY2017 (A)	FY2017 (F)
Embedded value	83.8	101.6	145.0	183.1	174.7
Embedded value per Unit (NZ\$)	68,119	80,531	115,545	141,298	133,325

Strong cashflows

A core strength of Oceania is our recurring cashflows from our care segment and mature village portfolio supplemented by cashflow from development of our landbank

Operating cash flows

NZD \$Ms



We generated \$38.9m of operating cashflow in FY2017, \$7.1m ahead of the IPO Forecast.



This includes sales proceeds from new units and beds of \$22.8m.



Our balance sheet is robust



The capital raised from the IPO has significantly improved our financial position

Development debt to Underlying development assets

NZD \$Ms



- ✓ Our total assets increased from \$782.9m as at FYE2016 to \$918.2m as at FYE2017
- ✓ Our conservative gearing of 15.3% and headroom under our debt facilities provides us the flexibility to:
 - Accelerate our existing pipeline; or
 - Undertake further acquisitions.

Leverage metrics

YEAR ENDING 31 MAY

	FY2017 (A)	FY2017 (F)
Net debt	\$84.4m	\$98.6m
Net debt / (net debt + equity)	15.3%	18.6%

1. Underlying Development Assets include the fair value of development land as at 31 May 2017 as assessed by CBRE and the fair value of WIP at development sites. For completed sites this has been adjusted for sales proceeds received.

Acquisition of 22-24 View Rd, Mt Eden

We have entered into an agreement to acquire 22-24 View Rd, adjacent to our Eden Facility in Auckland



- ✓ We have secured a 2,668m² site (in red) adjacent to Eden Village (in orange)
- ✓ Eden Village currently has 67 care suites and 40 apartments



4

MEADOWBANK

Meadowbank, Auckland

Our Key Developments

Meadowbank Village



MEADOWBANK

Meadowbank, Auckland

- ✓ Two stages of 56 units already complete and sold down
- ✓ Stage Three (62 apartments and 30 care suites) due to complete in January/February 2018. 22 under application.
- ✓ 187 apartments and 102 care beds on completion

Maureen Plowman Village



- ✓ Prime waterfront location in Browns Bay, Auckland
- ✓ Comprises 64 apartments and 44 care suites
- ✓ Completion expected in May 2019, pre-sales to commence in February 2018
- ✓ Strong levels of interest from potential purchasers

Elmwood Village



- ✓ Extension of large existing village (125 units, 27 care suites and 111 care beds) in The Gardens, Manurewa, Auckland
- ✓ 25 villas under construction
- ✓ Completion expected in October, November 2017
- ✓ 7 pre-sales at prices above our IPO Forecasts

Melrose Village



- ✓ Prime 5.7 hectare site in Tauranga overlooking the Tauranga Harbour
- ✓ Stage One comprises 81 care suites and commenced in July 2017
- ✓ Remaining stages (216 apartments and villas) have a resource consent with Stage Two building consent process now underway
- ✓ Approximately 250 retirement village units on completion in addition to 81 care suites

Stoke Village



- ✓ We have commenced a further stage of 10 Nikau villas at our Stoke Village in Nelson.
- ✓ These are based on an affordable villa concept that retains a high quality finish

Operational highlights



FY2017 was another excellent year for Oceania



- ✓ Continued our excellent Ministry of Health audit results (8 facilities at the maximum of 4 years, all others at 3 years)
- ✓ Commenced the implementation of a new clinical information system
- ✓ Winner of the Senior Lifestyle Cuisine Award (third year in a row)
- ✓ Winner of the New Zealand Aged Care Association overall excellence in care award (third year in a row)

RESOLUTIONS



OCEANIA
HEALTHCARE



01

That Elizabeth Coutts, who retires by rotation, and being eligible, offers herself for re-election, be re-elected as a director of the Company.

02

That Hugh FitzSimons, who retires by rotation, and being eligible, offers himself for re-election, be re-elected as a director of the Company.

03

That the Directors be authorised to fix the remuneration of PricewaterhouseCoopers as the auditor of the Company for the ensuing year.

General Business



Questions from the floor

Please state your name, whether you are a shareholder, or if a proxy holder, the name of the shareholder represented

THANK YOU



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