



# Promisia Healthcare Limited

2022 Annual  
Shareholders' Meeting





# AGENDA

- Chair's Presentation
- CEO Presentation
- Shareholder Discussion
- Resolutions
- Other Business
- Close of the Meeting

## **BOARD**

**STEPHEN UNDERWOOD**

Independent Chair

**THOMAS BRANKIN**

Executive Director

**HELEN DOWN**

Independent Director

**ANDREW MITCHELL**

Executive Director

## **MANAGEMENT**

**STUART BILBROUGH**

Chief Executive Officer

**VIRGINIA DYALL-KALIDAS**

General Manager Group Facilities

**ANGIE MEHLHOPT**

Financial Accountant



# CHAIR'S PRESENTATION

Stephen Underwood

# OUR PORTFOLIO

Promisia Healthcare has a portfolio of four aged care facilities, specialising in high needs and specialised aged care.

Our group comprises more than 350 available beds and 16 independent living villas, with a further 28 villas under construction.

All facilities are fully owned by Promisia.

## Attractive Locations:

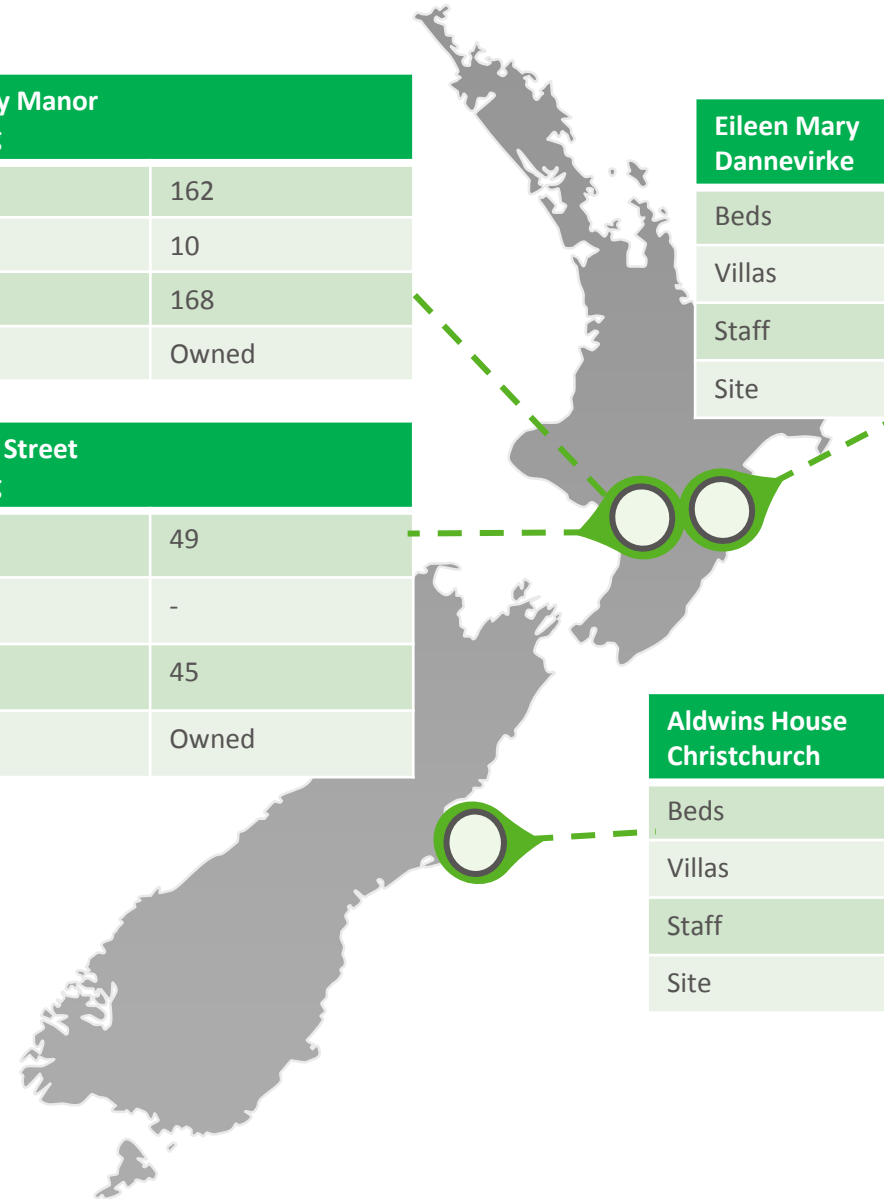
Located in well established and well serviced urban areas and are integrated into their local communities.

Ranfurly Manor Fielding	
Beds	162
Villas	10
Staff	168
Site	Owned

Nelson Street Fielding	
Beds	49
Villas	-
Staff	45
Site	Owned

Eileen Mary Dannevirke	
Beds	58
Villas	6
Staff	58
Site	Owned

Aldwins House Christchurch	
Beds	145
Villas	-
Staff	61
Site	Owned





Aldwins House, Christchurch



Eileen Mary, Dannevirke



Nelson St, Fielding



Ranfurly Manor, Fielding

## FY22 HIGHLIGHTS AND KEY EVENTS

- First full year operating in the aged care sector
- Continued to deliver high quality care within the challenges of the Covid-19 environment
- Positive progress against strategic objectives
- Primary focus on building occupancy of Aldwins House and strengthening the operational platform of the business
- Acquisition of Aldwins House land and buildings
- Appointment of Stuart Bilbrough as CEO
- Appointment of Andrew Mitchell to the Board

## POSITIVE PROGRESS AGAINST FY22 STRATEGIC OBJECTIVES

- ✓ Increased occupancy at Aldwins House
- ✓ Commenced the Ranfurly Village development
- ✓ Ongoing: Marketing and sales of new villas and care suites at Ranfurly
- In progress: Standardisation of systems across the group
- In progress: Development of people strategy

## FY22 SUMMARY OF FINANCIAL PERFORMANCE

Financial Year NZ \$000's	FY22	FY20/21* 5 months
Operating Revenue	18,996	6,060
Gain on lease termination	943	-
Fair value movement	(222)	1,250
EBITDAF <sup>1</sup>	4,473	(234)
Net profit after tax	2,027	56
Total assets	51,535	58,227
Cash and cash equivalents	2,411	1,219
Debt	17,154	17,833
Net operating cashflow	3,755	566

\*Prior FY20/21 period reflects five months of operation as an aged care business

1. EBITDAF is operating earnings before interest, tax, depreciation, amortisation and fair value adjustments

- Profitable business with strengthening cashflows and balance sheet
- Total income of \$19.9m includes gain on lease termination of \$0.94m
- Earnings excluding fair value movements (EBITDAF) were \$4.5m
- Net gain after tax on continuing operations \$2.0m
- Total assets \$51.5m, including cash and cash equivalents of \$2.4m
- Net debt \$17.2m as at 31 March 2022, in line with the prior year
- Investment property values down through forecast national property value tightening.



# OUTLOOK

FY23: Expect continued growth in earnings as strategic initiatives are progressed

## OUR STRENGTHS

- New leadership with many years' industry involvement
- A diversified growth strategy
- Stable revenue streams with significant growth opportunity
- High calibre employees
- Local facilities in strong communities
- Existing growth opportunities



# CEO'S PRESENTATION

Stuart Bilbrough



# ATTRACTIVE SECTOR OPPORTUNITY

**Strong demand underpinned by favourable population demographics**

The number of people in New Zealand aged over 75 will double from 350,000 to 600,000\* over the next decade. The aged care facilities and retirement villages currently available in New Zealand cannot accommodate the expected increase in demand and new facilities will need to be built.

**Growing demand for high needs and specialist aged care, particularly in regional New Zealand**

12% of people over 75 are in care. 3,000 new care beds are required in New Zealand each year. There are insufficient beds being built to cater for the demand, particularly in regional New Zealand

**Retirement villages currently cater for a low % of those over 75.**

There are approximately 49,000\* residents in retirement villages. This is 14% of all adults over 75. Based on a this percentage, this will increase to 84,000 over the next decade. JLL estimates an average build per annum of 1,864 units which is too low to meet likely demand.

**Variety of care and business models in the sector, with different care offerings**

Business models range from companies focused on building retirement villages with villas and apartments which do not provide care (independent living), through to higher needs care providers. Growing demand for continuity of care with higher care offerings on site.

\* Source: JLL Research, Statistics New Zealand

## FY23 STRATEGIC OBJECTIVES

1. Continue to grow occupancy.
2. Broaden revenue mix through growing the occupational rights agreement side of the business. This reduces reliance on Government funding.
3. Look at bed mix opportunities where hospital level care tends to yield a higher margin than rest home.
4. Standardisation of systems across the Group and development of people.
5. Continuing to look at opportunities to develop independent living villas and care suites on new and existing sites.

1. A big focus for 2023 is to continue to increase the occupancy and operational efficiencies at Aldwins House. This facility is now breaking even financially and expected to be profitable this financial year.
2. We have recently hired a full time Sales Executive to focus on selling the villas and care suites at Ranfurly Manor.
3. Improvement of systems and processes especially around rostering is a key early focus of the FY23 year.
4. We are focusing on value adding roles that will support and grow the Promisia Healthcare business.
5. Developments are being investigated as part of the longer term growth strategy.

## INCREASING OCCUPANCY AT ALDWINS HOUSE, CHRISTCHURCH

- Progressive opening of facility to meet demand
- Increased occupancy from 22 beds to 90 beds out of 100 beds currently available
- Further 45 beds to become available in FY23
- Full Occupancy capacity is 145 beds
- Acquisition of Aldwins House land and buildings in April 2022.



# BROWNFIELD DEVELOPMENT: RANFURLY VILLAGE

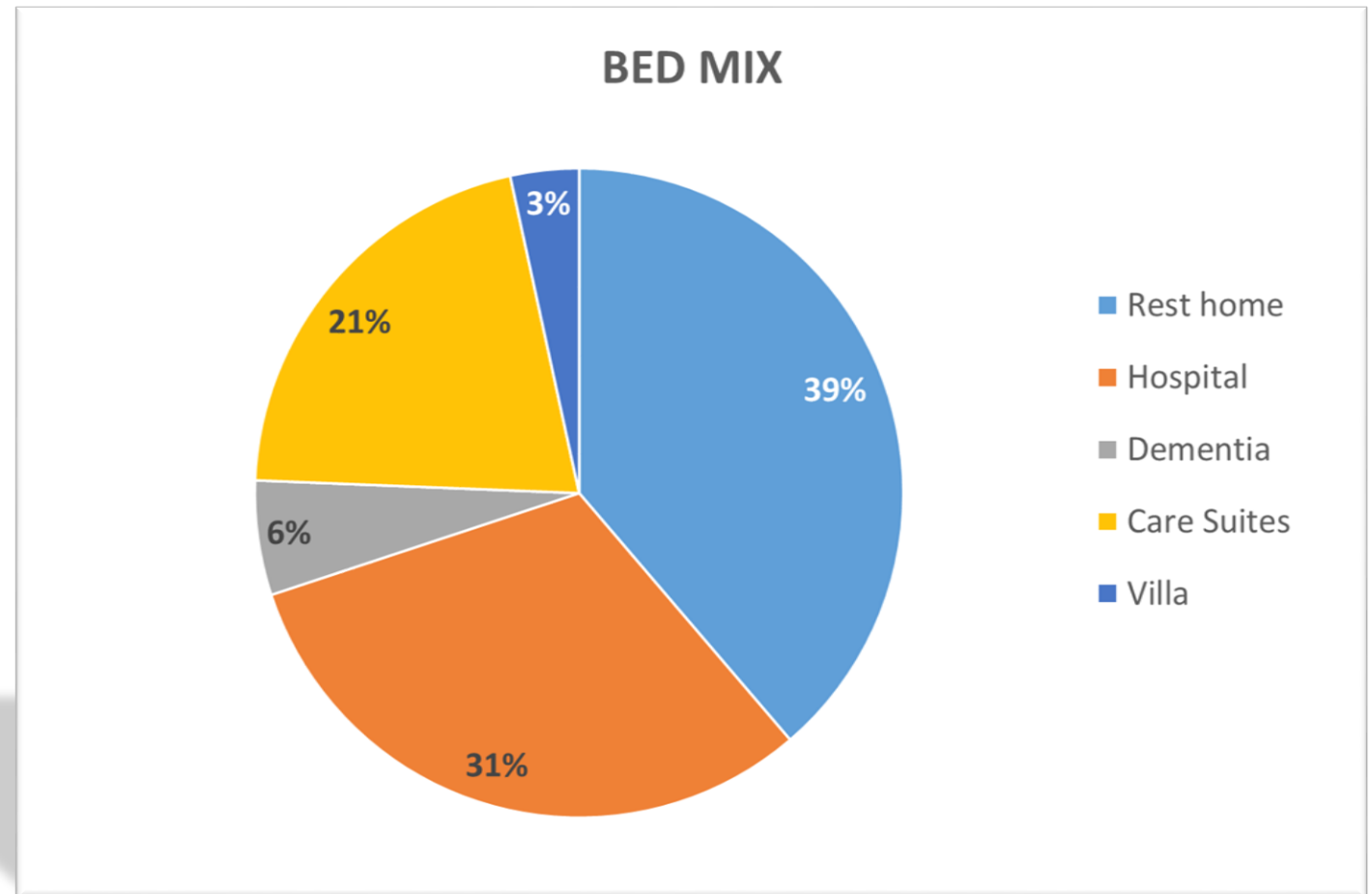
- Ranfurly Manor is the largest aged care provider in Fielding
- Brownfield development opportunity on 1 hectare of adjoining bare land
- Total planned development is for 32 villas and 10 apartments
- Promisia will acquire title to the development on completion. No capital investment required. Interest free loan from developer. Purchase price to be paid from proceeds from the initial sale of an ORA for each new villa or apartment.
- Full time Sales Executive appointed to sell down the completed villas and care suites.





## BROADEN REVENUE MIX

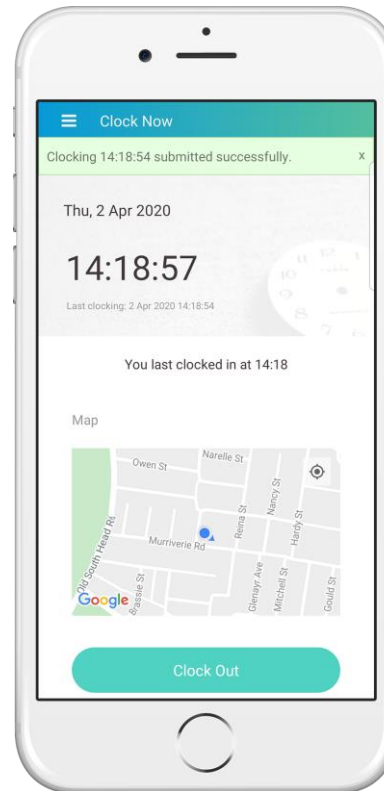
- Increase the number of retirement villas to grow revenue from sale of retirement village ORAs.
- Broaden the range of services offered at each facility and increase the number of beds requiring higher levels of care and revenue (hospital and dementia) where there is local demand.
- Review accommodation supplement strategy.





## STRENGTHENING OUR BUSINESS

- Investment in business infrastructure to integrate our four villages and create a strong foundation for growth
- Standardising systems across the group
- New payroll and rostering system
- Ongoing investment in technology and people.





# SHAREHOLDER DISCUSSION

# RESOLUTIONS

**Resolution 1:** To record the re-appointment of William Buck New Zealand as auditor of the Company and to authorise the Directors to fix the auditor's remuneration for the ensuing year.

**Resolution 2:** That Andrew Mitchell, who was appointed as a Director by the Board during the year, be elected as a Director of the Company.

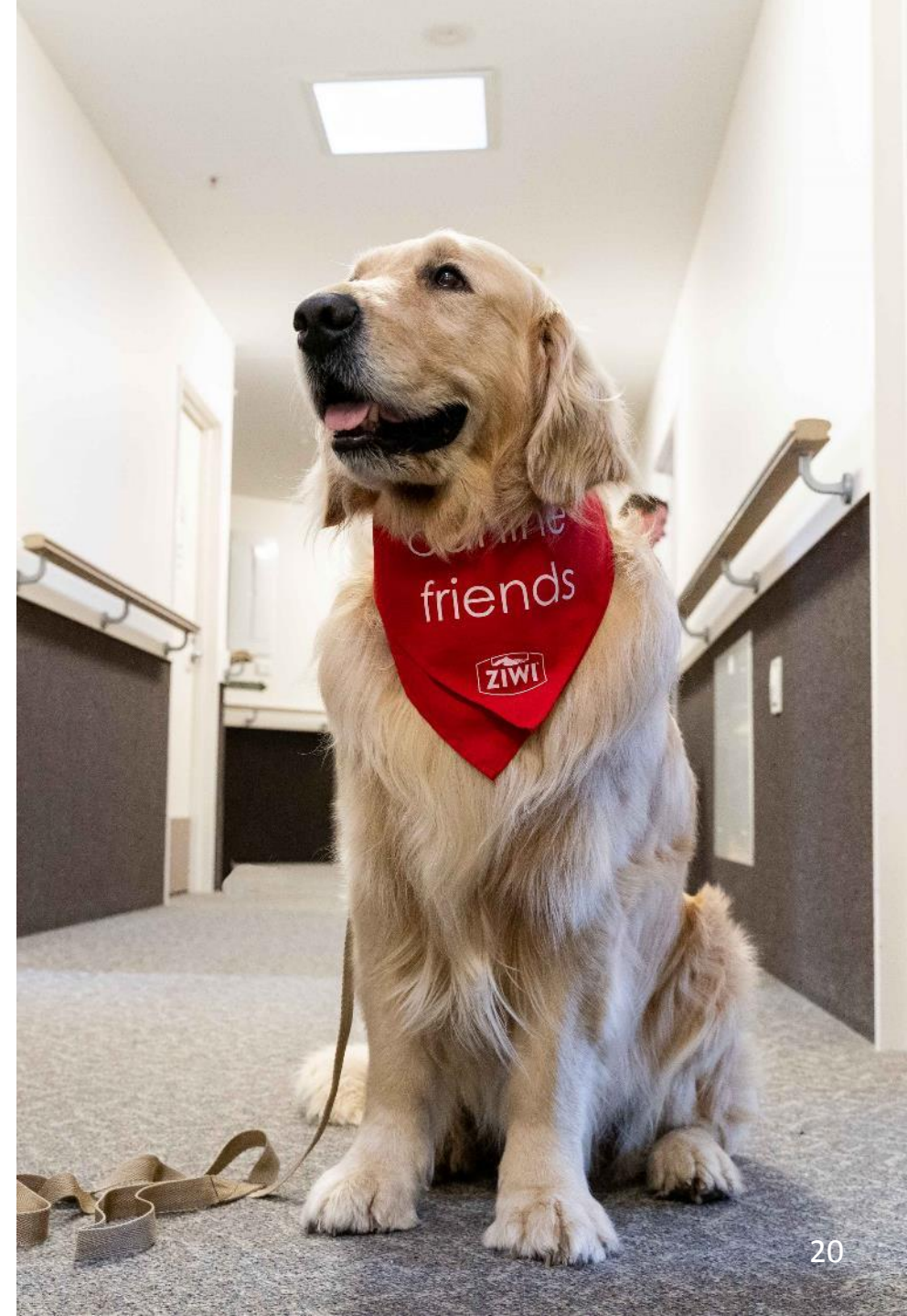
**Resolution 3:** That Tom Brankin, who retires by rotation and is eligible for re-election, be re-elected as a Director of the Company.

All voting will be by way of a poll.

# OTHER BUSINESS

# CLOSE OF THE MEETING

**Promisia**  
HEALTH AND CARE



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