

MEDIA RELEASE

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METLIFECARE REPORTS STRONG SALES GROWTH DESPITE ECONOMIC HEADWINDS

Metlifecare Limited's (NZX: MET) (Metlifecare or the Company) performance summary for the six-month period ending 31 December 2022:

- **Total occupation right agreement sales of \$193.2m, 21.3% higher than the prior comparable period ended 31 December 2021 – growth in sales volume of 12.0%**
- **Reported net profit after tax of \$12.8 million, down from \$114.3 million in the period ended 31 December 2021**
- **Total assets \$5.346 billion, up from \$4.967 billion at 30 June 2022**
- **Total equity \$2.093 billion, up from \$2.074 billion at 30 June 2022**
- **Debt to valuation ratio 34.4%, up from 28.1% at 30 June 2022**
- **Development land bank of over 3,200 units and beds as at 31 December 2022**
- **Acquisition of two villages and aged care communities in Christchurch**
- **Sustainable-linked loan facility limit increased to \$1.45 billion to support accelerated growth and development pipeline**
- **Delivery of the first premium Care Suites increasing the continuum of care across the portfolio**

Financial result

Retirement village and aged care operator Metlifecare today reported a net profit after tax of \$12.8 million for the six-month period ending 31 December 2022 despite economic headwinds from rapidly rising inflation and cost of living, and the continued decline in the residential housing market.

The net profit after tax includes a fair value gain on investment property of \$46.7 million (compared to a fair value gain of \$129.6 million at 31 December 2021). This gain was largely driven by strong resale and new development pricing during the period, which supported growth in the valuation of Metlifecare's existing portfolio. The resilience of Metlifecare's business was also demonstrated by total sales of occupation right agreements for the period being \$33.9m (21.3%) higher than the prior comparable period and total sales volumes for the period increasing by 12.0%, both despite challenges in the general residential property market.

Operating revenue from continuing operations was \$98.3 million, a 31% increase compared to the six-month period to 31 December 2021 (\$74.9 million), due to strong growth in deferred management fees from resales and new development village sales, and six months' revenue attributable to six retirement villages acquired from The Selwyn Foundation in February 2022.

Metlifecare's balance sheet has continued to grow, with total assets increasing by \$378.9 million over the six-month period to \$5.346 billion at 31 December 2022, underpinned by the acquisition of the Merivale and The Village Palms retirement villages and care communities in Christchurch in November 2022, and the completion of new independent living units across our development villages. Total debt rose by \$246.7 million to \$989.2 million due to the ramping up of new development activity, increasing the Company's future development landbank and the Merivale and The Village Palms retirement village acquisitions. The Company's balance sheet remains robust with net assets of \$2.093 billion supporting a debt to valuation ratio of 34.4% (up from 28.1% at 30 June 2022).

Focus on the Full Potential Plan

Despite the economic headwinds, Metlifecare remains focused on delivering on its Full Potential (Strategic) Plan, which sets out the Company's strategic roadmap for transformational growth. The Company has already made significant progress in the delivery of its plan, with a now well-established internal development team achieving consistent growth in new unit delivery, a large future development landbank of 3,200 units and beds in place, and a rapidly expanding premium aged care offering – the Company expects to be operating over 1,000 care beds by 30 June 2023. All of this growth has been delivered with a genuine dedication to investment in sustainability, people and technology.

Key highlights in the six months ended 31 December 2022 include:

- The acquisition of two retirement villages and care communities in Christchurch, Merivale and The Village Palms, bringing the Group's portfolio to 36 operating retirement villages and 20 co-located aged residential care centres
- Completing the first stage of development at Orion Point (Hobsonville, West Auckland) of 34 two and three-bedroom independent living units (with the first residents having been welcomed in January 2023)
- The completion of the new community centre and a further seven apartments at Pohutukawa Landing (Beachlands, Auckland)
- The first premium Care Suites completed at Greenwich Gardens (Greenhithe, Auckland) and The Avenues (Tauranga) retirement villages
- The acquisition of further land adjacent to existing villages in Tauranga, Kāpiti and Christchurch enabling potential future expansion of these villages
- Launch of a nationwide television campaign following the refresh of the Metlifecare Brand
- The Avenues (Tauranga) retirement village becoming the first Alzheimers New Zealand Dementia Friendly accredited village in the portfolio
- Increasing Metlifecare's bank debt financing flexibility and capacity to \$1.45 billion (up from \$1.25 billion) under Metlifecare's Sustainability-Linked Loan

In addition, in February 2023, Metlifecare became the first retirement village operator in Australasia to have its emissions reduction targets validated by the global Science Based Targets initiative (SBTi)

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

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About Metlifecare:

Metlifecare is a leading New Zealand operator of retirement villages, providing rewarding lifestyles and premium independent living and aged residential care to almost 7,000 New Zealanders. Established in 1984, it currently owns and operates a portfolio of 36 villages in areas with strong local economies, supportive demographics and high median house prices, located predominantly in New Zealand's upper North Island but with recent village and greenfield site acquisitions in the South Island.