

FY21 Annual Results: Third Age Health Reports 6.8% Net Profit from continuing operations lift on Record Revenues

Third Age Health Services (NZX:TAH), a medical service provider for the aged care sector, has reported an increase in net profit after tax from continuing operations of 6.8 per cent and record revenues for the full year ending 31 March 2021. Adjusted profit which excludes one-off listing costs of \$166,847 increased 23.9 per cent.

Revenue for the year reached a new record of \$5.5 million, up 4.4 per cent on the previous year - resulting in pre tax profit of \$1.6 million.

The company has repaid all bank debt during the period, helping to position the primary care provider for future acquisitions of medical practices that support growth in their core business.

CEO Michael Haskell says it has been a solid year for Third Age.

He says having successfully completed the listing, the business is well positioned for further growth - both organically and via an acquisition based expansion programme.

“Our share offer to wholesale investors prior to our NZX listing was oversubscribed. We were able to distribute a special dividend to shareholders in March.”

“Growth from the two sectors we operate in has continued with the number of patients we care for increasing over the second half of 2021. We believe the current trajectory will see us achieve another positive result in the coming financial year,” he says.

Haskell says the demand for their services is driven by a growing aged care sector and the appeal of their business model which provides patients with a consistent primary care provider relationship.

“Third Age Health is a primary care provider to some of the largest aged care facility operators in New Zealand.”

“Our people were exceptional in helping the New Zealand aged care sector manage the disruption of Covid-19 and we couldn’t be more proud of them.”

"Our model provides consistency for a growing market segment that places a high value on a traditional patient care model and the reassurance of having a familiar face as their primary care provider."

"Increased demand from our customers means we are now looking to acquire compatible medical practices - helping us to expand our current team of over 35 primary care providers," Haskell says.

Bevan Walsh, Chairman of Third Age Health, says the Company has navigated its way through the COVID pandemic well due to its standard operating model which includes the supply of remote management and telehealth services, and which were already well entrenched in the Company.

"New Zealand has been relatively well insulated from the impact of COVID compared to many other markets and while we have seen increased need for our telehealth services at times, our 6000+ registered patients in aged residential care facilities, private hospitals, secure dementia facilities and the broader community still need to be seen regularly by our team of primary care providers.

"The board of Third Age Health acknowledge our operational personnel and practitioners, and our clients' own dedicated staff, for their absolute attention to meeting patient needs which was especially evident during the COVID lockdowns. It took total dedication, and adaptability, and we thank everyone involved at all levels," he says.

Dividend

The board is pleased to declare a final dividend of 3.91 cents per share taking the total dividend for the year to 18.28 cents per share. We will continue to target our dividend policy of 75 per cent of net profit after income tax from continuing operations being distributed to our shareholders.

-Ends-



Results for announcement to the market		
Name of issuer	Third Age Health Services Limited	
Reporting Period	12 months to 31 March 2021	
Previous Reporting Period	12 months to 31 March 2020	
Currency	NZD	
Unaudited results	These results are from financial statements which are in the process of being audited	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$5,490	4%
Total Revenue	\$5,490	4%
Net profit/(loss) from continuing operations	\$1,041	7%
Total net profit/(loss)	\$1,041	(21%)
Adjusted profit (non-GAAP) – see explanation below	\$1,208	24%
Final Dividend		
Amount per Quoted Equity Security	\$0.03908767	
Imputed amount per Quoted Equity Security	\$0.01520076	
Record Date	4 June 2021	
Dividend Payment Date	18 June 2021	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security (cents per share)	13.1	1.5
A brief explanation of any of the figures above necessary to enable the figures to be understood	Adjusted profit is a non-GAAP (Generally Accepted Accounting Practice) measure and differs from NZ IFRS profit for the year. Adjusted profit does not have a standardised meaning prescribed by GAAP and so may not be comparable to similar financial information presented by other entities. The Group uses adjusted profit, with other measures, to measure performance. Adjusted profit is used when a financial year includes significant non-operating items (such as gains, impairments, expenses) because these items do not reflect the trading performance of the Group. For the year ended 31 March 2021 costs associated with listing on the NZX have been deemed an adjusting item.	
Authority for this announcement		
Name of person authorised to make this announcement	Michael Haskell	
Contact person for this announcement	Michael Haskell	
Contact phone number	+64-21-653124	
Contact email address	michael@thirdagehealth.co.nz	
Date of release through MAP	31-May-21	

Third Age Health Services Limited and subsidiaries

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2021

	Group 2021 NZ\$	Group 2020 NZ\$
Service revenue	5,490,374	5,260,440
Cost of sales	(2,169,140)	(2,335,666)
Gross profit	3,321,234	2,924,774
Other income	52,059	366
Costs of employees, contractors, and directors	(1,145,341)	(749,596)
Listing expenses	(166,847)	-
Finance costs	(43,059)	(70,387)
Share based payments expense	-	(185,102)
Professional and consulting fees	(75,824)	(129,803)
Depreciation and amortisation	(113,531)	(57,132)
Other expenses	(275,709)	(286,331)
Profit before income tax	1,552,982	1,446,789
Income tax expense	(511,509)	(471,805)
Profit after income tax from continuing operations	1,041,473	974,984
Discontinued operations		
Profit for the year from discontinued operations	-	347,632
Profit for the year	1,041,473	1,322,616
Other comprehensive income		
<i>Items that may be reclassified to profit or loss:</i>		
Exchange differences on translation of discontinued operations	-	(7,119)
Total other comprehensive income	-	(7,119)
Total comprehensive income for the year	1,041,473	1,315,497
Total comprehensive income for the year arises from:		
Continuing operations	1,041,473	974,984
Discontinued operations	-	340,513
	1,041,473	1,315,497
Earnings per share		
From continuing and discontinued operations:		
Basic earnings per share (cents per share)	11.1	14.8
Diluted earnings per share (cents per share)	11.0	14.6
From continuing operations:		
Basic earnings per share (cents per share)	11.1	10.9
Diluted earnings per share (cents per share)	-	10.8

Third Age Health Services Limited and subsidiaries

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

	Share Capital NZ\$	Foreign Currency Translation Reserve NZ\$	Share Based Payment Reserve NZ\$	Retained earnings NZ\$	Total NZ\$
Balance at 1 April 2019 (Audited)	(1,290,399)	7,119	421,777	831,939	(29,564)
Profit for the year	-	-	-	1,322,616	1,322,616
Other comprehensive income	-	(7,119)	-	-	(7,119)
Total comprehensive income for the year	-	(7,119)	-	1,322,616	1,315,497
Share buyback	(260,946)	-	-	-	(260,946)
Shares issued	250,890	-	-	-	250,890
Dividend	-	-	-	(600,000)	(600,000)
Share based payments	-	-	185,102	-	185,102
Balance at 31 March 2020 (Audited)	(1,300,455)	-	606,879	1,554,555	860,979
Profit for the year	-	-	-	1,041,473	1,041,473
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,041,473	1,041,473
Shares issued	1,531,151	-	-	-	1,531,151
Dividend	-	-	-	(1,400,000)	(1,400,000)
Transaction costs arising on issue of shares	(57,569)	-	-	-	(57,569)
Balance at 31 March 2021 (Unaudited)	173,127	-	606,879	1,196,028	1,976,034

Third Age Health Services Limited and subsidiaries

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	Unaudited Group 2021 NZ\$	Audited Group 2020 NZ\$
Cash flows from operating activities		
Receipts from operating activities	5,473,449	5,644,365
Interest paid	(43,059)	(72,257)
Interest received	30,368	366
Income taxes paid	(398,650)	(451,084)
Payments to suppliers and employees	(3,511,811)	(3,780,450)
Net cash from operating activities	1,550,297	1,340,940
Cash flows from investing activities		
Payments to purchase property, plant and equipment	-	(4,921)
Cash derecognised on disposal of subsidiary	-	(3,332)
Proceeds from disposal of Third Age Health Australia	-	100,096
Net cash flows generated by investing activities	-	91,843
Cash flows from financing activities		
Repayment of borrowings	(673,000)	(795,018)
Proceeds from borrowings	-	715,000
Payments to related parties	-	(570,546)
Deposits received under share purchase plan	308,313	72,413
Repayment of share purchase plan deposits	-	-
Principal elements of lease payments	(50,911)	-
Dividends paid	(1,400,000)	(586,799)
Payments for share buybacks	-	(3,591)
Proceeds from issuing shares	1,266,370	213,864
Payments for costs of issuing shares	(57,569)	-
Net cash flows used in financing activities	(606,797)	(954,677)
Net increase in cash and cash equivalents	943,500	478,106
Cash and cash equivalents at the beginning of the year	885,681	407,575
Cash and cash equivalents at the end of the year	1,829,181	885,681

Third Age Health Services Limited and subsidiaries

Consolidated Statement of Financial Position

As at 31 March 2021

	Unaudited Group 2021 NZ\$	Audited Group 2020 NZ\$
Current assets		
Cash and cash equivalents	1,829,181	885,681
Trade and other receivables	344,656	306,039
Loan receivable	59,066	-
Total current assets	2,232,903	1,191,720
Non-current assets		
Property, plant and equipment	11,452	14,757
Right-of-use-assets	227,174	-
Intangible assets	781,869	835,303
Loan receivable	297,317	360,950
Deferred tax asset	19,757	8,239
Total non-current assets	1,337,569	1,219,249
Total assets	3,570,472	2,410,969
Current liabilities		
Trade and other payables	592,374	439,265
Borrowings	-	126,000
Current tax liabilities	319,109	156,999
Employee share purchase plan deposits	345,170	161,037
Lease liabilities	52,986	-
Total current liabilities	1,309,639	883,301
Non-current liabilities		
Borrowings	-	547,000
Lease liabilities	180,071	-
Deferred tax liability	104,728	119,689
Total non-current liabilities	284,799	666,689
Total liabilities	1,594,438	1,549,990
Net assets	1,976,034	860,979
Equity		
Share capital	173,127	(1,300,455)
Share based payment reserve	606,879	606,879
Retained earnings	1,196,028	1,554,555
Total equity	1,976,034	860,979
Net tangible assets (cents per share)	13.1	1.5

Third Age Health Services Limited and subsidiaries

Other selected financial information

For the year ended 31 March 2021

1. Adjusted profit (non-GAAP)	Unaudited	Audited
	Group	Group
	2021	2020
	NZ\$	NZ\$
Adjusted profit (non-GAAP) ¹	1,208,320	974,984
Listing expenses	(166,847)	-
Reported net profit after tax from continuing operations	1,041,473	974,984

¹Adjusted profit is a non-GAAP* measure and differs from NZ IFRS profit for the year. Adjusted profit does not have a standardised meaning prescribed by GAAP and so may not be comparable to similar financial information presented by other entities. The Group uses adjusted profit, with other measures, to measure performance. Adjusted profit is used when a financial year includes significant non-operating items (such as gains, impairments, expenses) because these items do not reflect the trading performance of the Group. For the year ended 31 March 2021 costs associated with our initial listing on the NZX have been deemed an adjusting item.

*Generally Accepted Accounting Practice

2. Dividends

	Unaudited		Audited	
	2021		2020	
	Cents per share	NZ\$	Cents per share	NZ\$
Interim dividend	4.12	400,000	-	-
Special dividend	10.26	1,000,000	-	-
Final dividend ¹	3.91	381,105	6.66	600,000
	18.28	1,781,105	6.66	600,000

¹The final dividend for the year ended 31 March 2021 was declared on 30 May 2021 therefore it is treated as a non adjusting post balance date event for financial reporting purposes