

23 February 2017

ESTIA HEALTH FY2017 HALF YEAR RESULTS EBITDA AT \$43M, REAFFIRMS FULL-YEAR GUIDANCE

Estia Health Limited (ASX: EHE), one of Australia's largest aged care providers, today reported EBITDA of \$43 million in 1H FY17 and reaffirmed full-year earnings guidance as it continued to implement initiatives from a company-wide strategic and operational review.

Highlights

- Revenue increased by 5% to \$263m
- Achieved EBITDA of \$43m, on track to meet full year EBITDA guidance of \$86m - \$90m
- Net RAD receipts of \$38.7m
- Successful capital raise of \$136.8 million which has significantly strengthened the Balance Sheet
- Net debt reduced to \$140.1m as at 31 January 2017

Estia Chief Executive Officer Norah Barlow said the result reflected the challenges of the first half but also showed signs of improvement as initiatives from the wide-ranging strategic review started to gain traction.

"EBITDA performance was satisfactory, given we were implementing several structural improvements from the strategic review during the half year period.

"We've undertaken a range of key initiatives, including a new leadership team and management structure, which puts us back on track and provides the Company with a fresh platform to deliver sustainable earnings growth.

"We have also strengthened the balance sheet through our \$136.8 million capital raising which has allowed us to reduce our debt.

"Our business strategy for the remainder of the year will be to continue optimising the performance of our existing portfolio of assets; undertaking significant refurbishment projects while continuing development projects at the appropriate time.

"While occupancy rates did show a decline during the half, it has been pleasing to note that the initiatives put in place have had results, with overall occupancy at 12 February 2017 now at 93.5%."

Leadership and management team regeneration

Board Changes:

Mr Pat Grier retired as Estia Chairman on 31 December 2016 and has continued in a Non-Executive Director role. Dr Gary Weiss replaced Mr Grier as Chairman.

Senior management changes:

- Norah Barlow appointed as CEO
- Ian Thorley appointed as COO
- Steve Lemlin appointed as CFO

Successful capital raising

The Company completed an underwritten \$136.8m non-renounceable entitlement offer of 1 new share for every 3 existing shares at an offer price of \$2.10. The proceeds of the offer have been fully allocated to debt reduction.

Outlook

“While significant progress has been achieved, rebuilding our management team, improving operational performance and strengthening our balance sheet, there is still much work to be done. The next six to eighteen months is about executing on our strategy, which is focused on business improvement and delivering on the opportunities that we have in hand,” Mrs Barlow stated.

The detailed results are available on the Company’s website

www.estiahealth.com.au/investor-centre

Estia CEO, Norah Barlow and CFO, Steve Lemlin will host an analyst and investor conference call commencing at 9am (AEST) on Thursday, 23 February.

-ENDS-

For further information:

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Investor and analyst teleconference details: Participants can dial in using the number below to join the teleconference briefing. Please quote the conference ID provided.

Dial in details: (+61 2) 8038 5221

Conference call ID: 6089 5433

Synchronised slides are available to be viewed at: <http://webcast.openbriefing.com/3241/>