

ASX Announcement

23 February 2022

Australian Unity delivers first-half profit increase for FY22

Wellbeing group Australian Unity (the Group) today announced a profit after tax of \$15.5 million for the half-year to 31 December 2021—a 149.0 percent increase on the \$6.2 million¹ reported in the prior corresponding period.

The Group's total revenue and other income increased to \$835.0 million (31 December 2020: \$818.0 million¹), while total expenses, excluding financing costs, were \$794.1 million (31 December 2020: \$767.2 million¹).

The overall outcome for the half-year represented a significant improvement in the aggregate trading position, with operating earnings for the half-year of \$13.8 million—an increase of \$1.9 million on the prior corresponding period.

However, the COVID-19 pandemic continued to be felt in many ways across the Group's businesses. It required the ongoing implementation of extraordinary measures to seek to protect aged care residents, home care customers and the employees who support them; the provision of hardship relief for health insurance and banking customers; and responses to the effects of adjusted economic circumstances.

Highlights of the half-year included:

- Sound results within the Private Health Insurance (PHI) business, and positive results in Banking, Wealth & Capital Markets, and Independent & Assisted Living businesses.
- Ongoing improvement in the Home Care Services business model and further progress in developing improved and sustainable patient and outcome-focused healthcare services.
- Continued advancement of the Group's social infrastructure agenda, including the acquisition of the aged care and retirement living owner-operator Greengate Partnership Pty Ltd.
- The raising of \$230.1 million from investors through the Group's second Mutual Capital Instrument (MCI) issuance—in line with a focus on the maintenance of a solid balance sheet position.

¹ Comparative information has been restated following adjustments made to prior year financial statements. Further information about the nature and impact of the restatement is included in the FY22 Australian Unity Limited Interim Report at Note 15.

ASX code:
AYU

Securities on Issue:
AYUPA – 3,434,000
AYUHC – 1,150,192
AYUHD – 2,070,000

Issuer:
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The listing of Australian Unity Securities on the ASX does not affect Australian Unity Limited's status as a mutual entity

Group Managing Director Rohan Mead said:

“Despite the ongoing impact of the COVID-19 pandemic, the Group delivered an improved and solid financial result for the half year to 31 December 2021.

“We also continued advancing our strategy of building a commercially sustainable portfolio of businesses that provides member, customer and community value and is supportive of personal and community wellbeing.

“Despite the ongoing impact of COVID-19 and the consequential pressures on its individual businesses, the Group remains positive about its capacity to respond to these challenges and continue building on the considerable opportunities arising from an external environment of uncertainty and market disruption.”

The Group also announced today that its Board has determined an interim fully franked dividend of \$2.4932 per MCI to be paid on 19 April 2022.

Key financial metrics by business platforms

Independent & Assisted Living

For period ended:	31/12/21 \$M	31/12/20 \$M	CHANGE %
Total segment revenue ¹	291.3	246.4	18.2
Adjusted EBITDA ^{1, 2}	27.5	26.4	4.2
Other results:			
Home Care Services revenue ¹	169.8	158.7	7.0
Remedy Healthcare revenue	21.3	19.8	7.5
	31/12/21 Number	30/06/21 Number	CHANGE Number
Retirement village ILUs	2,749	2,496	253
Aged care beds	1,012	786	226

¹ Comparative information has been restated following adjustments made to prior year financial statements. Further information about the nature and impact of the restatement is included in the FY22 Australian Unity Limited Interim Report at Note 15.

² Adjusted EBITDA: the measure the Group uses in assessing the operating performance of its business segments. This measurement basis excludes the effects of tax, depreciation and amortisation, interest on external borrowings and investment income. It also excludes material non-recurring expenditure and shared services costs. See note 2 to the Consolidated Financial Statements in Australian Unity Limited's Interim Report for the half-year ended 31 December 2021.

Retail

	31/12/21	31/12/20	CHANGE
For period ended:	\$M	\$M	%
Total segment revenue	355.6	348.8	2.0
Adjusted EBITDA	40.1	38.9	3.0
Gross claims paid	305.0	298.2	2.3
Other results:		30/06/21	CHANGE
		\$M	%
Bank gross loan portfolio	951.0	918.7	3.5
Australian Unity Bank total assets	1,170.9	1,150.8	1.7
	31/12/21	30/06/21	CHANGE
	Number	Number	%
PHI policyholders (AUHL, excluding OVC policyholders ³)	172,468	174,827	(1.3)
Australian Unity Bank customers	25,624	25,986	(1.4)

Wealth & Capital Markets

	31/12/21	31/12/20	CHANGE
For period ended:	\$M	\$M	%
Total segment revenue	104.9	82.6	27.0
Adjusted EBITDA ⁴	30.1	9.8	207.0
Other results:	31/12/21	30/06/21	CHANGE
	\$B	\$B	%
Investments funds under management and advice	11.06	10.46	5.8
Property under management	4.25	4.10	3.7
Property under development	1.10	1.25	(11.8)
Lending and debt facilities on behalf of investors	2.01	1.86	8.0
Funds under advice	10.18	9.36	8.8
Funds under trusteeship	0.35	0.37	(5.9)
Life & Super funds under management and administration	2.58	2.51	2.6
Total net assets under management and administration (AUMA) ⁵	29.44	27.89	5.6

³ Overseas Visitor Cover

⁴ Adjusted EBITDA of Wealth & Capital Markets for the half-year ended 31 December 2021 included a revaluation gain of \$20.3 million arising from a business combination as set out in the FY22 Australian Unity Limited Interim Report at note 16(b).

⁵ AUMA is the aggregate value of assets under management and administration, excluding cross-investments (investments by Australian Unity funds in other funds managed or operated by Australian Unity or our associates).

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This announcement has been authorised for distribution to the ASX by:

The Board of Australian Unity Limited

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