

# ASX Announcement

28 February 2024

## **Australian Unity announces half-year result for HY24 and acceleration of its Home Health portfolio**

In the six months to 31 December 2023, the Australian Unity Group's total revenue<sup>1</sup> and other income, excluding benefit funds, increased to \$831.4 million (31 December 2022: \$750.9 million). In the period under review total expenses, excluding financing costs and benefit funds, were \$800.8 million (31 December 2022: \$706.2 million).

The overall outcome represents a small decline in the aggregate financial position, with operating earnings for the half-year of \$38.8 million—a decrease of \$4.3 million or 10.0 percent on the prior corresponding period.

This was achieved while the Australian economy continued to experience residual instability coupled with global challenges. In this context, the Group delivered sound financial results, and it implemented initiatives to adjust its business activities consistent with the long-term strategy of developing its commercially sustainable business portfolio, in the area of wellbeing.

Profit after tax for the half-year under review was \$1.4 million, compared to \$15.0 million in the prior corresponding period. During the period, the Group incurred \$18.0 million of transformation costs across its business units (31 December 2022: \$6.6 million), which arose as the Group has reshaped its portfolio and internal operating models. This follows changes in the portfolio in the period with the divestment of the Advice business, together with investments in new operations and transformation of existing operations.

The largest single operating business investment in the period was the purchase of IOOF Ltd (renamed Australian Unity Life Bonds Limited). The Group also supported the withdrawal of NorthWest interests in the Australian Unity Healthcare Property Trust.

The Group's operations are conducted currently through four business platforms: Home Health; Retail; Specialist Care; and Wealth & Capital Markets (W&CM).

<sup>1</sup> HY2023 comparative information has been restated following adjustments made to prior year financial statements due to the implementation of AASB 17 *Insurance Contracts*. Further information about the nature and impact of the restatement is included in the HY2024 Interim Report at Note 1.

**ASX code:**

AYU

**Securities on Issue:**

AYUPA – 3,434,000

AYUHC – 321,157

AYUHD – 2,070,000

AYUHE – 2,558,050

**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

As announced to the market on 20 February 2024, the Group has entered into an agreement to purchase the myHomecare Group (MHC)<sup>2</sup>. This acquisition is in line with the Group's strategic ambitions, including to accelerate growth of the Home Health platform.

MHC is a national provider of home care and home support services and when combined with Australian Unity's current Home Health operations, the merged business will serve more than 50,000 customers, employ over 6,000 people and provide a full continuum of care service—from personal support through to high acuity clinical and hospital-in-the-home services, on a range of fully-managed or self-managed bases.

Other developments of note for the Group's platforms included:

- Sound results across the Group's business platforms.
- Investment in transforming business processes and technology in the Home Health platform and setting up the future business model to meet the growing needs and expectations of customers.
- Stabilisation of Private Health Insurance (PHI) policyholder numbers within the Retail platform, noting that the prior corresponding period reflected the release of the deferred claims liability.
- Following the deferral of the 2023 PHI premium, the Minister for Health and Aged Care approved a 2024 premium increase of 1.42% which will come into effect from 1 April 2024.
- Strong aged care occupancy levels across our mature facilities in our Specialist Care platform, and the continued positive sales momentum for the two newest residential aged care facilities.
- A Purpose-Built Student Accommodation Fund established as part of the social infrastructure agenda.

The Group also announced today that the board of Australian Unity Limited (Board) has determined an interim fully franked dividend of \$2.5068 per MCI to be paid on 15 April 2024.

**Group Managing Director Rohan Mead said:**

"In the half-year under review, the Group implemented initiatives and adjusted operations in pursuit of long-term strategies of developing a commercially sustainable portfolio that creates and sustains member, customer and community value in the area of wellbeing."

"Australian Unity seeks to develop operations that directly address the burgeoning needs of our customers and the community."

"The proposed acquisition of the myHomecare Group combined with existing Home Health offerings will help to address pressure on the extended healthcare and aged care sectors, while providing support to Australia's aging population."

<sup>2</sup> Subject to regulatory approval

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This announcement was authorised for release by the Australian Unity Limited Board.

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