

ASX Announcement

27 August 2025

Transformation program starting to show material results with \$136.2 million Adjusted EBITDA in FY2025

In the year to 30 June 2025, the Australian Unity Group reported consolidated revenues of \$2,602.4 million, up \$505.6 million, Adjusted EBITDA¹ from continuing operations of \$136.2 million, an increase of \$65.8 million, and statutory profit after tax of \$26.6 million, also improved on the prior year by \$49.3 million. The Group's profit for the year (after income tax) from continuing operations was \$29.3 million (30 June 2024: \$24.0 million loss). The Group also delivered \$2.38 billion in Community and Social Value (CSV).

In the current reporting period, the Group continued to make positive progress on the program of activity that commenced in FY2023 that included portfolio adjustments through acquisition and divestments and reshaping the technology function to create a sustainable and efficient operating model geared towards the Group's growth objectives.

The multi-year, multi-faceted programs continued to strengthen the operating portfolio's focus in the areas of Health, Wealth and Care. This portfolio of activities supports our purpose to positively impact the wellbeing of millions. In FY2025, the Group's four operational platforms were Home Health, Insurances², Residential Aged Care and Wealth & Capital Markets (W&CM).

The favourable aggregate results relative to the prior reporting period should be read in conjunction with the Group's portfolio transformation, and associated operationalisation, along with acquisition and integration activities.

¹ In assessing the performance of its operating business segments, the Group uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA). As the name indicates, this measure excludes the effects of tax, depreciation and amortisation, interest on external borrowings and investment income. It also excludes the impact of discontinued operations, Group overheads and other material non-recurring revenue and expenditure. A reconciliation between Adjusted EBITDA and profit/(loss) before income tax from continuing operations is set out in Note 1 (c) to the consolidated financial statements. For the purposes of the financial performance in the Operating and Financial Review, the Group Adjusted EBITDA is the sum of the platform Adjusted EBITDA plus the Corporate Functions.

² Prior to FY2025 reporting, the Insurances platform was known as Retail and included the Group's banking business. On 6 November 2024, Australian Unity Bank Limited signed an agreement to transfer its banking business to Bank Australia.

ASX code:

AYU

Issuer:

Australian Unity Limited
ACN 087 648 888

Securities on Issue:

AYUPA – 5,070,950
AYUHD – 2,070,000
AYUHE – 2,558,050

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The Group invested \$70.2 million of non-recurring expenses into its integration and transformation programs during the financial year (30 June 2024: \$43.8 million) and expects these programs of work to be substantially complete by 31 December 2025. The remaining non-recurring costs to complete the transformation and integration programs are expected to be \$38 – \$48 million. The costs of these programs may be affected if there were to be further material delays in the implementation of the *Aged Care Act 2024* reforms.

Importantly, at the same time these programs are being implemented, the Group has been delivering improved services to Home Health customers, improved operating effectiveness, and generating the expected benefits in line with the financial assumptions that supported the original investment plan.

In the period under review, Australian Unity further progressed the integration of staff, customers and systems for myHomecare Group and IOOF Ltd (now known as Australian Unity Life Bonds Pty Ltd), which were the two businesses acquired in the previous financial year in the Home Health and W&CM platforms. Investment also continued into operating systems for these two platforms, along with Group-wide technology investment to enable innovation and efficiency in an evolving and complex landscape. We also went further in embedding a strategic technology provider, to realise scalable and sustainable technology performance for our future operations.

During the year, the Group announced the transfer of its Australian Unity Bank Limited banking business to Bank Australia Limited. This is expected to be complete in November 2025. Further corporate activity was also progressed with the Group announcing the sale of Australian Unity Investments Limited (AUIL), the responsible entity of the Australian Unity Property Income Fund (PIF), to Newmark Capital.

Additional activities of note during the period included entering into a Project Delivery Deed for the further development of the Queensland University of Technology's new medical and healthcare faculty facilities on Stages 9 and 10 of the Herston Quarter Precinct, in Brisbane, Queensland. We also announced the plan to repurpose progressively the assisted living apartments at The Alba in South Melbourne, Victoria as a Residential Aged Care property.

During the year, the Group faced challenges from regulatory changes and activity across many of its operating businesses, most notably the delay in the implementation of the *Aged Care Act*. The nation experienced a highly fractious environment for the delivery of private health care and challenges related to private hospital operating models. Despite these challenges, which are ongoing, our Insurances platform saw relatively stable policyholder numbers.

While highly supportive of the majority of the aged care regulatory reforms, which will bring major changes in Home Health and Residential Aged Care, during the reporting period, the sector was disappointed by the lack of effective planning and real consultation that led to unheralded and last-minute deferral. The government delay of the release of some 83,000 home care packages at 30 June 2025 impacts individuals who critically need home care services and the sector's ability to recruit more care workers and deliver more critical care services.

Group Managing Director, Rohan Mead said:

“In the year under review, the Group began to see financial uplifts across the business from the multi-year program of portfolio adjustments that commenced in FY2023.

Seeing these emerging results from this ambitious program, confirms that the Group is in a sound position for its strategic ambition of positively impacting the wellbeing of those that we serve, work with, and their communities.

These results were achieved alongside an additional \$70.2 million investment of non-recurring transformation expenses this financial year. The current transformation program is expected to be substantially complete by 31 December 2025.”

Further detail about the Group’s FY2025 CSV is provided in the 2025 Our Impact report available at www.australianunity.com.au/our-impact

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This announcement has been authorised for release by: The board of Australian Unity Limited.

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