

# ASX Announcement

26 February 2025

## Australian Unity Limited – Half-Year Investor Update

Please find attached Australian Unity Limited's Investor Update relating to the financial results for the half-year ended 31 December 2024.

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

**For further information:**

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Manager – Public Affairs

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**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

**Enquiries:**

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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

Australian Unity Limited

# Investor update

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Financial results for the half-year ended 31 December 2024



Australian Unity Limited is pleased to invite you to our investor presentation teleconference for the half-year ended 31 December 2024

If you are unable to attend, you are welcome to email any queries you may have to Malin Eek:  
[meek@australianunity.com.au](mailto:meek@australianunity.com.au)

We will endeavour to respond to your queries by email or during the teleconference

**Date**

Thursday 27 February 2025

**Time**

9:30am to 10:30am AEDT

**Registration:**

To access the teleconference participants must register in advance via the link below:

<https://s1.c-conf.com/diamondpass/10045094-2bohd6.html>

Once registered, each participant will be provided with dial in numbers, an event passcode and a participant PIN

Please dial in 10 minutes prior to the scheduled start of the event

# Important information

This notice applies to all information provided as a part of this presentation including, without limitation, these slides, associated presentations and any oral presentations by the representatives of Australian Unity Limited ACN 087 648 888 (AUL) or its officers, directors, employees, agents, advisers or consultants made in connection with or arising out of this presentation (**Information**).

The Information is intended solely for discussion purposes and for no other purpose. The Information is general only and does not purport to be complete. It should be read in conjunction with AUL's other periodic and continuous disclosure announcements. It is not financial product advice, and no reliance should be placed on the Information or opinions contained therein. The Information does not take into account the investment objectives, financial situation or specific needs of any particular or potential investor.

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Subject to applicable law, AUL assumes no obligation to update, review or revise any of the Information, whether due to new information, future events or otherwise.



Australian Unity acknowledges the Traditional Owners of the lands and waters within Australia and recognises the important connection to Country that Aboriginal and Torres Strait Islander peoples have.

# Agenda and presenters

1. Overview and Group highlights
2. Business results
3. Summary and outlook



**Rohan Mead**  
Group Managing Director and CEO



**Darren Mann**  
Group Executive - Finance & Strategy and  
Chief Financial Officer

# Overview and Group highlights



# Overview of Australian Unity

Established in 1840, we are Australia's first wellbeing company, with more than 370,000 members, over 700,000 customers, and more than 9,500 employees

As a social enterprise and mutual, our purpose is to positively impact the wellbeing of millions

## Our purpose

To positively impact the wellbeing of millions

## Our areas of operation

Health, Wealth & Care

## Our vision

To enable Real Wellbeing for our members, customers and community through our portfolio of commercially sustainable businesses

## Our organisational pillars



Put our members  
and customers front  
and centre



Deliver sustainable  
financial  
performance



Make a positive  
difference in our  
community



Create a great  
place to work



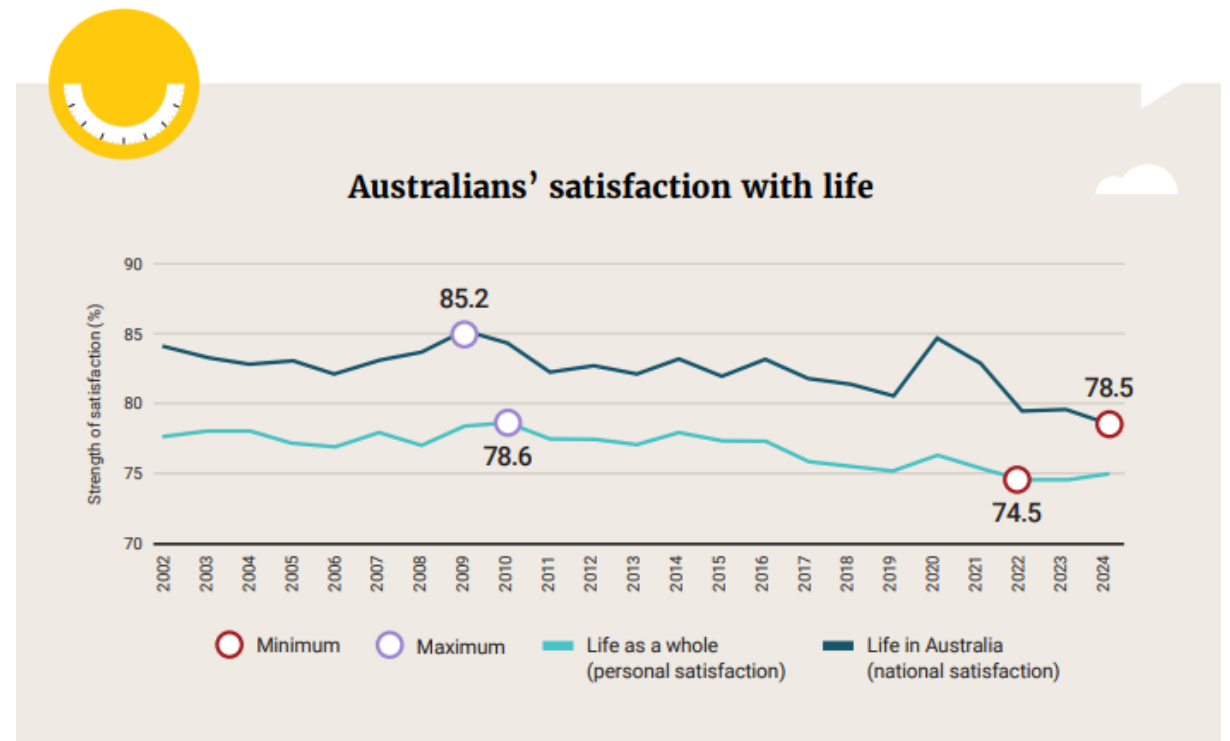
# Australian Unity Wellbeing Index

The external circumstances the company operated under, were evidenced in the 2024 results of the Australian Unity Wellbeing Index.

The 2024 study found that satisfaction with life in Australia has hit a record low, with younger Australian adults feeling the brunt of financial challenges amid a cost-of-living crisis.

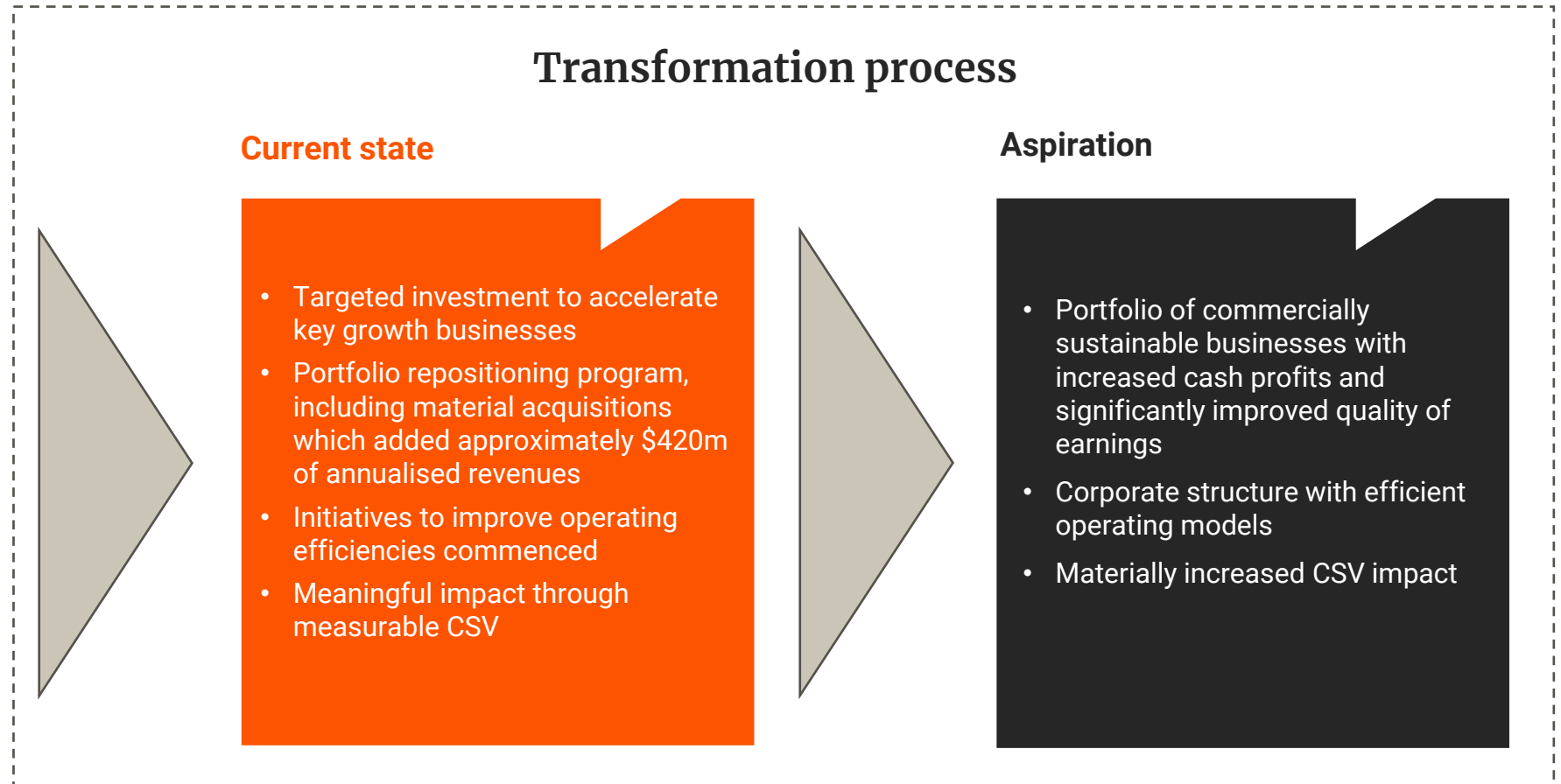
## Key findings:

- **Record low satisfaction with life in Australia:** Australians' overall satisfaction with their personal lives remained close to its lowest level recorded, while satisfaction with life in Australia reached its lowest level in the survey's 24-year history.
- **Young adults are not alright:** Adults aged 18-34 years reported the highest feelings of mental distress and loneliness and some of the lowest levels of personal wellbeing of any group across the adult lifespan.
- **Generational divides in financial wellbeing:** One in two adults under 55 years old reported going without essential items because of money pressures and felt financially worse off than their parents were at their age.
- **Financial deprivation matters to personal wellbeing:** Once again, those facing financial hardship, such as insecure housing, low incomes, or unemployment, reported some of the lowest levels of personal wellbeing.



# Transformation agenda – stages of implementation

Transformation commenced in FY2023 and will continue to progress through to FY2026



# HY2025 operational review

## In the six months to 31 December 2024, the Group:

- Continued to progress our multi-faceted transformation and integration program, and further strengthened our position as one of Australia's leading Health, Wealth and Care businesses
- Progressed strategic portfolio adjustments across its four business platforms Home Health, Residential Aged Care, Retail, and Wealth & Capital Markets

## Our HY2025 results:

- Reported a profit for the half-year (after income tax) of \$11.7m and Adjusted EBITDA<sup>1</sup> from continuing operations of \$58.0m
- Included in the profit was a loss from discontinued operations of \$1.2m<sup>2</sup>. The Group's profit from continuing operations (after income tax) was \$12.9m
- The aggregate results can be attributed to our portfolio transformation and associated operationalisation, along with acquisition and integration activities
- Invested a further \$33.4m of non-recurring expenses into the transformation and integration program
- The results also reflect persisting external challenges such as high interest rates, cost of living pressures, the escalating health imperative with an ageing population and increasing burden of chronic disease, and the ongoing tightness of the labour market

The Board has determined an interim fully franked dividend of \$2.4932 per MCI to be paid on 15 April 2025<sup>3</sup>

<sup>1</sup> 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 Group overheads and other material non-recurring expenditure. A reconciliation between Adjusted EBITDA and profit/(loss) before income tax from continuing operations is set out in Note 2 (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

<sup>2</sup> Full details are set out in Note 21 of the consolidated financial statements

<sup>3</sup> The financial effect of this dividend has not been brought to account in the financial statements for the half-year ended 31 December 2024 and will be recognised in subsequent financial reports

# Transformation agenda – progress

## FY2024 priorities

### Strategic programs and investment

- Continued to reorganise and optimise business platforms
- Implemented corporate efficiency program, including:
  - Commenced upgrade of our Private Health Insurance processing system with material multi-year investment from FY2024
  - Commenced Home Health transformation including design and implementation of a new operating model
  - Commenced Australian Unity Life transformation including new registry system, automation and reduced operational expenditure
  - Invested materially in human resources systems to support scalability, logistics competitiveness and growth in human services operations
  - Invested an additional \$50m in Australian Unity Healthcare Property Trust (HPT) which helped to facilitate the withdrawal of Northwest interests
  - Continued investment to strengthen cybersecurity
  - Evolved our social impact reporting, CSV, in Our Impact 2024

### Portfolio optimisation

- Accelerated key portfolio opportunities in targeted businesses including Home Health, Social Infrastructure and Australian Unity Life including:
  - \$285m *myHomecare Group* (MHC) acquisition\*
  - \$41m acquisition of Australian Unity Life Bonds Limited (AULBL), which was IOOF Ltd, Insignia Financial Ltd's investment bonds business
  - \$17m social infrastructure funds support (specialist disability accommodation and purpose-built student accommodation)
  - Herston Quarter Stage 9 acquisition for precinct optimisation
- Divested the Advice business, Australian Unity Property Limited (including management rights for Australian Unity Diversified Property Fund), and the management rights of Australian Unity Future of Healthcare Fund
- Entered into agreements to divest the management rights in Altius Asset Management

## HY2025 progress

- Australian Unity Bank Limited signalled the sale of its banking business to Bank Australia Limited. Transfer is expected to be complete in late 2025
- Opened the Wyvern Private Hospital in New South Wales
- Divested the management rights in Altius Asset Management
- Australian Unity Funds Management Limited retired as responsible entity of Australian Unity Wholesale Cash Fund, Altius Sustainable Short Term Income Fund, Altius Green Bond Fund and Altius Sustainable Bond Fund
- Announced the motion to wind up the Australian Unity Office Fund, for which an Australian Unity Group related party is the Responsible Entity
- Invested an additional \$24.3m in the Australian Unity Healthcare Property Trust (AUHPT), bringing our total balance sheet investment to ~\$148.4m
- Continuation of key transformation activities from FY2024

\* The Group agreed to pay \$285 million on a debt and cash free basis, which was subject to adjustments in accordance with the purchase agreement

# Business results



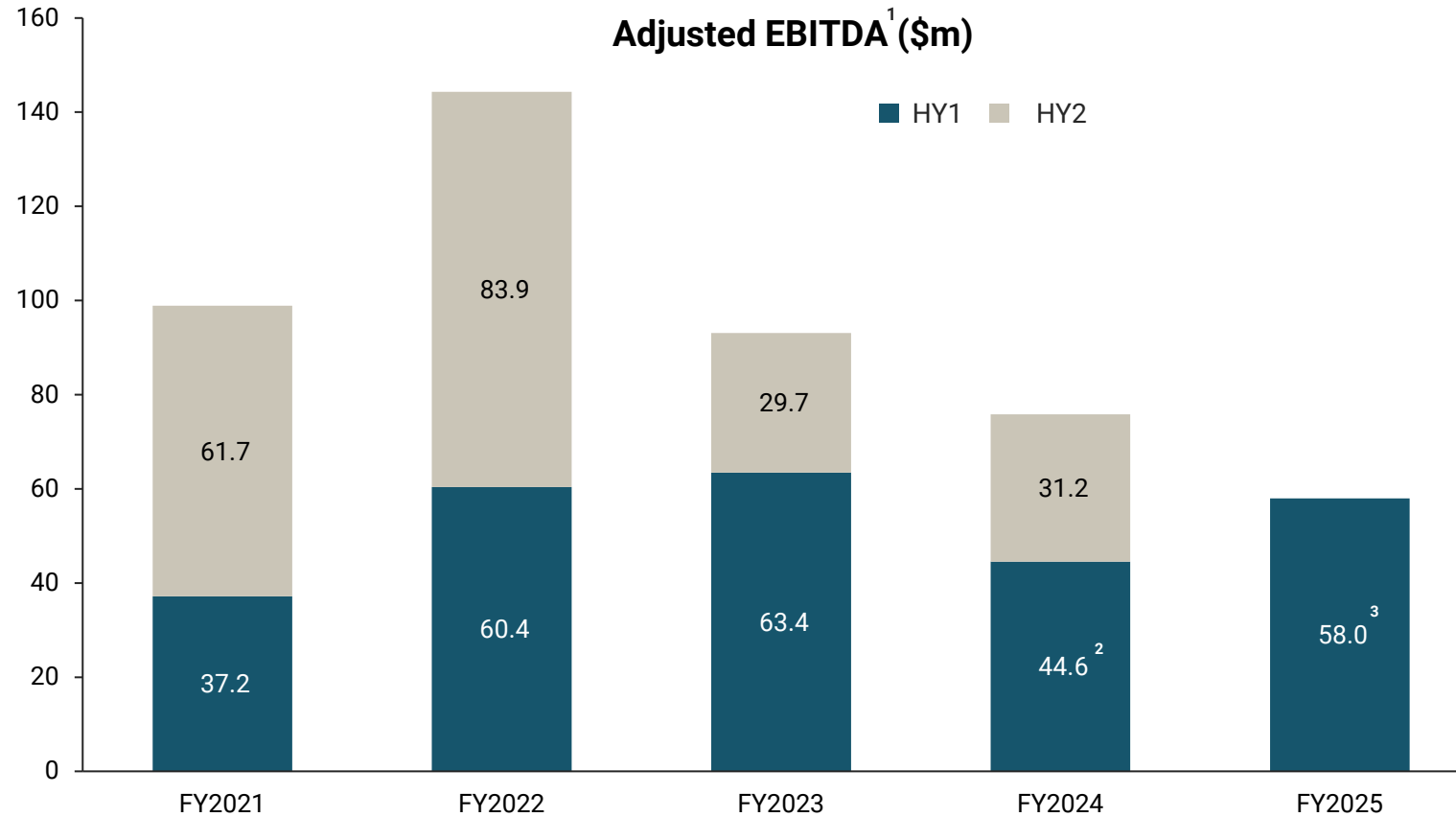
# HY2025 financial summary

Key financial statistics	HY2025 (\$m)	HY2024 <sup>1</sup> (\$m)	Change (\$m)
Revenue and other income from continuing operations	1,322.3	979.3	343.0
Expenses from continuing operations, excluding financing costs	(1,202.9)	(884.4)	(318.5)
Adjusted EBITDA <sup>2</sup> from continuing operations	58.0	44.6	13.4
Profit from continuing operations (after income tax)	12.9	1.1	11.8
Profit for the half-year (after income tax)	11.7	1.4	10.3
MCI dividend	12.6	8.6	4.0

<sup>1</sup> Comparative information has been reclassified to reflect the impact of a discontinued operation. Full details are set out in Note 21 of the consolidated financial statements

<sup>2</sup> 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 Group overheads and other material non-recurring expenditure. A reconciliation between Adjusted EBITDA and profit/(loss) before income tax from continuing operations is set out in Note 2 (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

# HY2025 key metrics

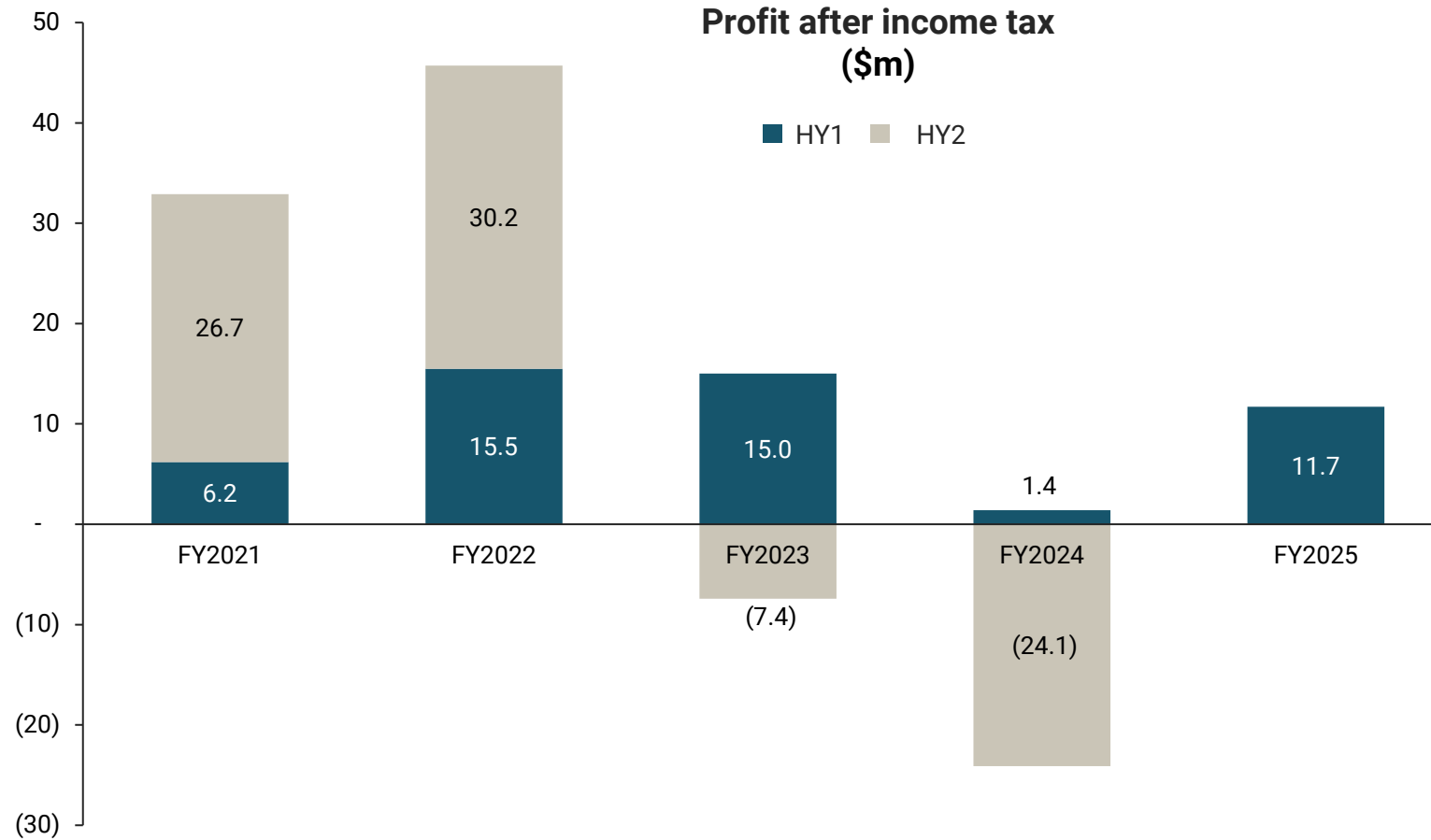


<sup>1</sup> In assessing the performance of its operating business segments, the Group uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (Adjusted EBITDA). As the name indicates, this measure excludes the effects of tax, depreciation and amortisation, interest on external borrowings and investment income. It also excludes Group overheads and other material non-recurring expenditure. A reconciliation between Adjusted EBITDA and profit/(loss) before income tax from continuing operations is set out in Note 2 (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

<sup>2</sup> Comparative information has been reclassified to reflect the impact of a discontinued operation. Full details are set out in Note 21 of the consolidated financial statements

<sup>3</sup> FY2025 HY1 represents continuing operations

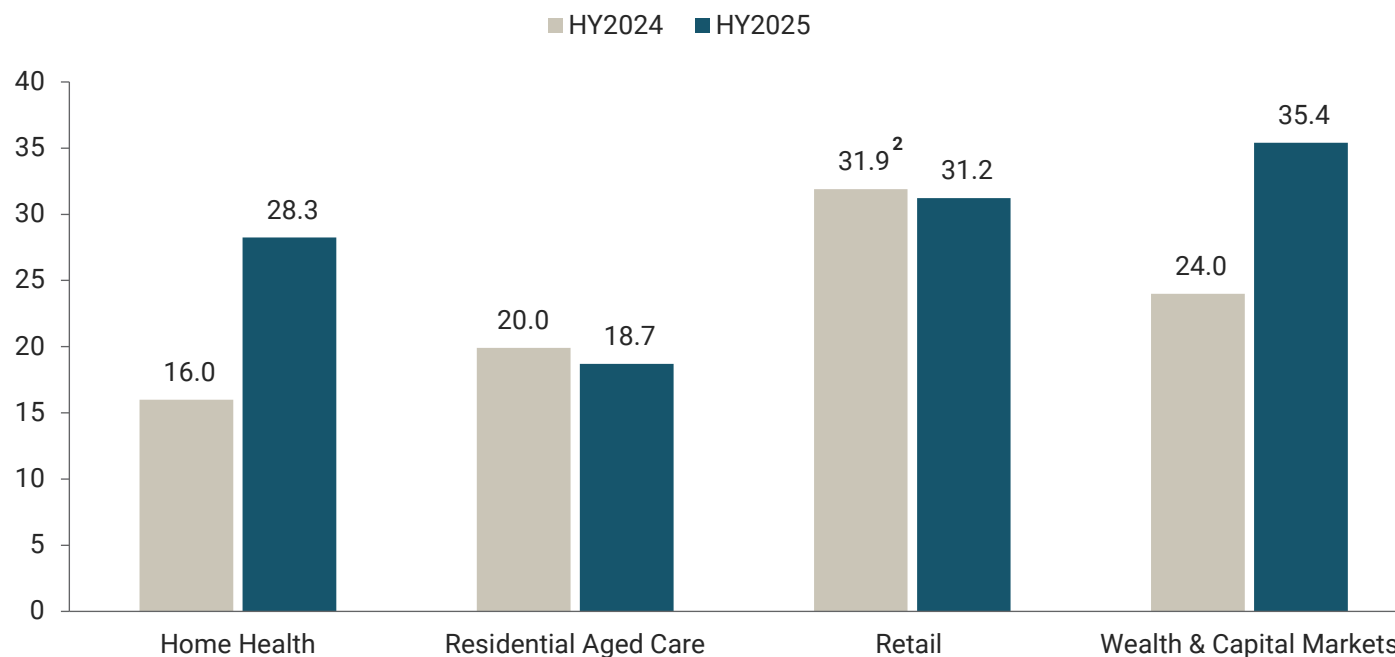
# HY2025 key metrics





# HY2025 segment earnings

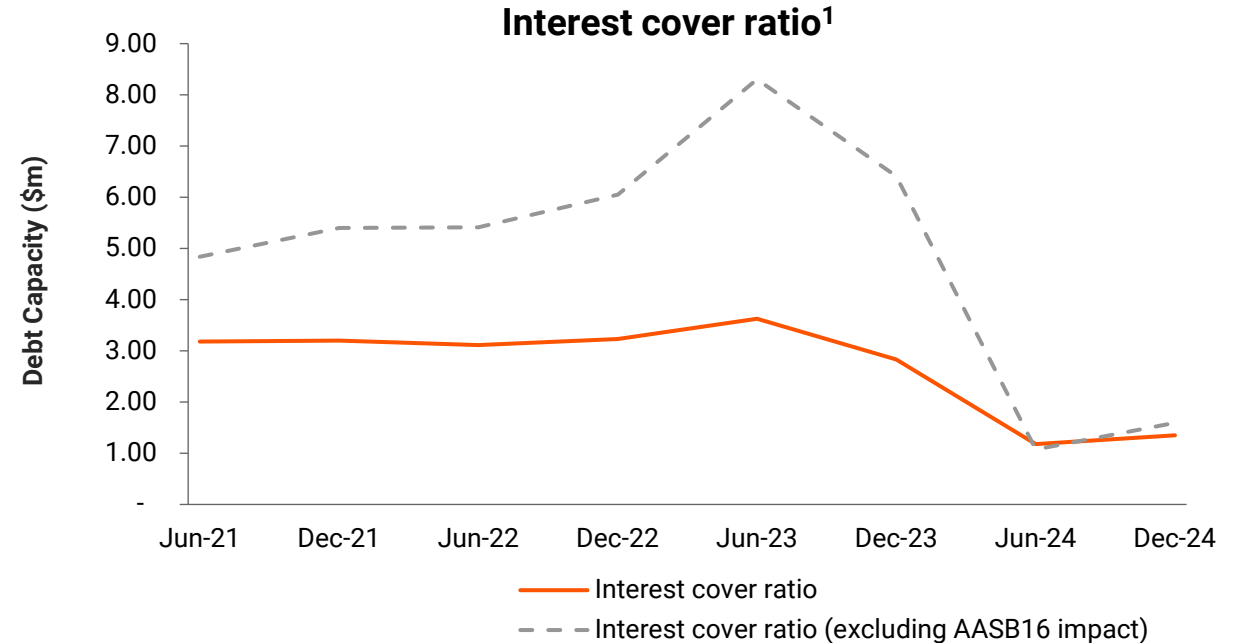
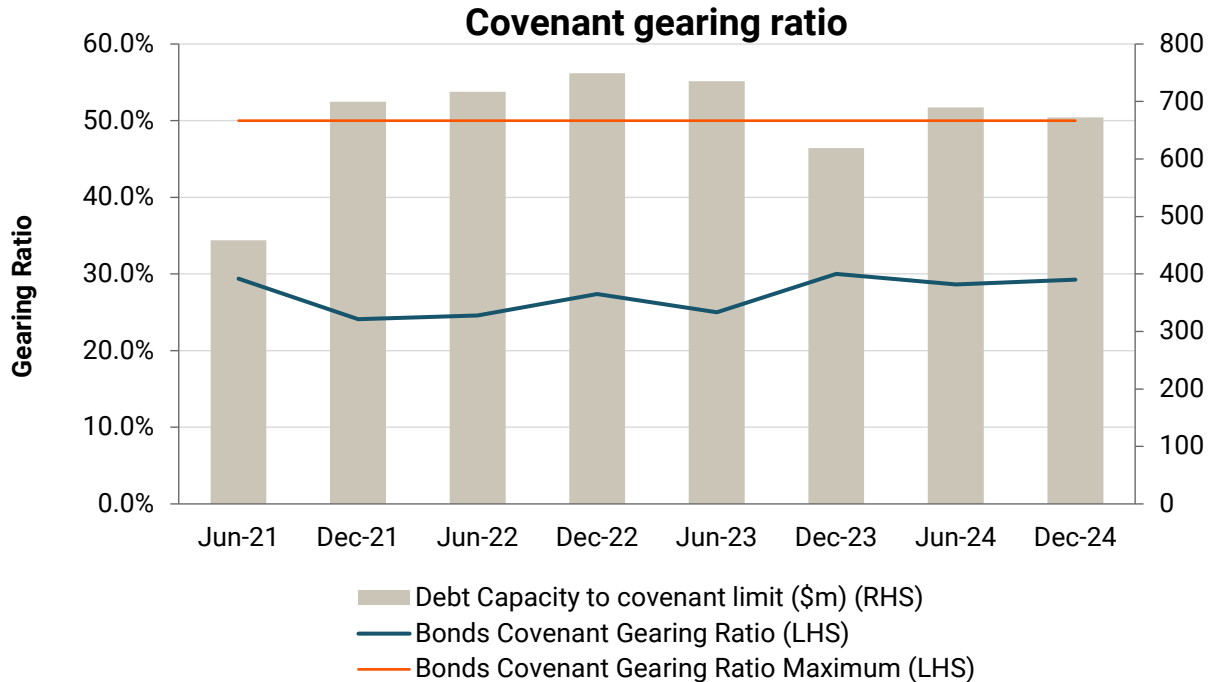
## Adjusted EBITDA<sup>1</sup> from continuing operations (\$m)



<sup>1</sup> 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 Group overheads and other material non-recurring expenditure. A reconciliation between Adjusted EBITDA and profit/(loss) before income tax from continuing operations is set out in Note 2 (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

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# Gearing analysis and interest cover

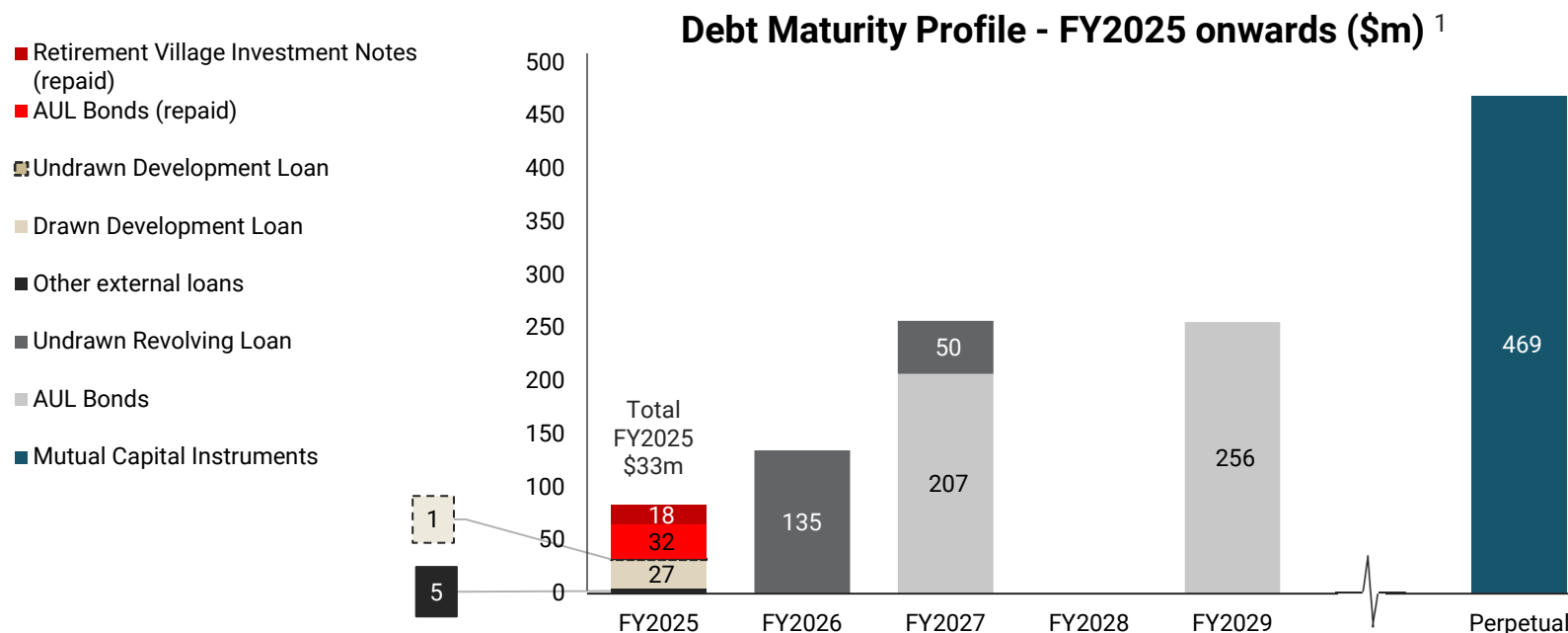


## Ratios at 31 December 2024

- Bonds covenant gearing ratio 29.3% based on covenant gearing calculations. The AUL MCI issuance contributes towards equity in the calculation
- Interest cover ratio 1.35 times, including the impact of AASB16 Leasing. Excluding the impact of AASB16 the interest cover ratio is 1.59 times

<sup>1</sup> Interest cover ratio is not a debt covenant and is included for illustrative purposes, the value is calculated on a rolling 12-month basis, and includes transformation costs included in the Statutory result for FY24 and HY25. Adjusted for the non-recurring expenses of \$33.4m in the transformation and integration program in HY25 the ratio would be 1.77 times including the impact of AASB16 Leasing and 2.75 times excluding the impact of AASB16.

# Building balance sheet flexibility and resilience



## Ongoing capital management supported retirement of RVINs and Series C bonds:

- RVIN Series 5 (\$18m) and the outstanding Series C bonds (\$32m) were repaid at maturity in HY2025
- As of December 2024, AUL has a strong liquidity position of \$185m of undrawn committed debt facilities and \$92m of cash and cash equivalents <sup>2</sup>

<sup>1</sup> Funding maturity profile shows consolidated interest bearing liabilities at 31 December 2024 that contribute to the Covenant Gearing Ratio debt (excluding Authorised Deposit-Taking Institution (ADI) borrowings) and Australian Unity Limited's MCIs, which contribute towards gearing ratio equity

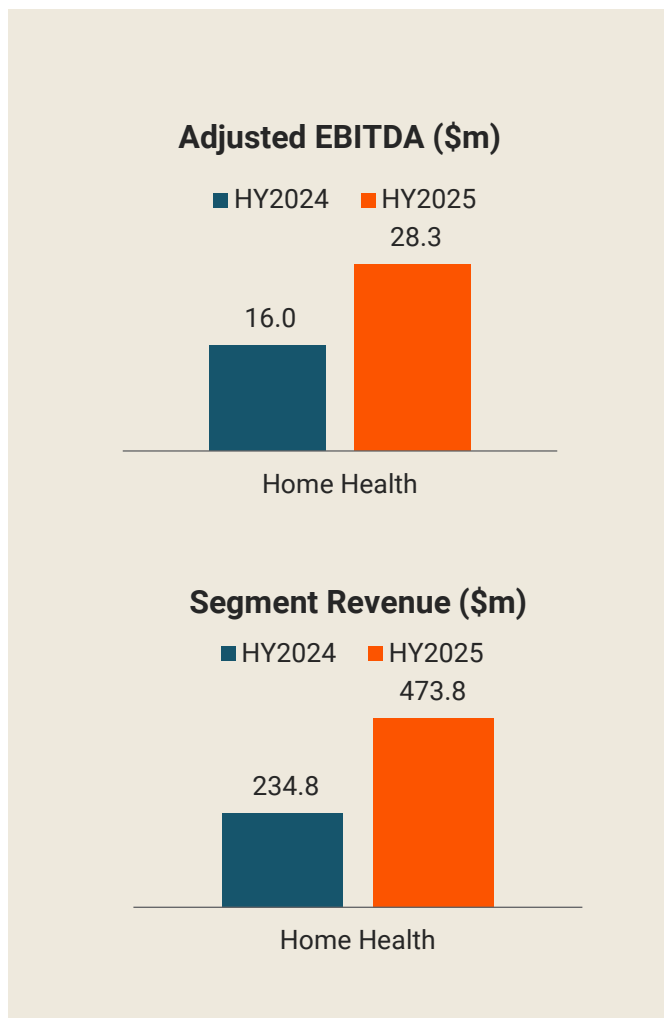
<sup>2</sup> As per Note 9 of the consolidated financial statements

# Home Health



# Home Health

The platform provides a range of in-home health services across both community and virtual settings



## Highlights

- Segment revenue growth was attributable to the operationalisation of the FY2024 acquisition of *myHomecare Group* (MHC)
- Recorded a strong financial result, Adjusted EBITDA at 76.9% above prior corresponding period
- MHC acquisition contributed \$8.5m towards Adjusted EBITDA—a combination of \$18.0m of EBITDA net of \$9.5m of integration costs
- Continued to invest in transforming the operating model to meet the growing needs and expectations of customers, and in preparation for the Government’s *Support at Home* policy, due to commence from 1 July 2025
- Invested a further \$21.0m into the transformation and integration program
- Delivered a total 118.6m safe minutes of care during the reporting period, an increase of 22.5% (31 December 2023: 96.8m). This result includes 23.7m safe minutes of care attributable to the MHC acquisition
  - Delivered a 10.2% increase in hospital substitution programs delivered (31 December 2023: 3,602)
  - Delivered a 13.0% increase in mental health interactions (31 December 2023: 101,142)
  - Delivered approx. 8.2m safe minutes of care to Indigenous customers, an increase of 17.2% on the prior corresponding period (31 December 2023: 7.0m)
- Increased Home Care packages by 0.9% (30 June 2024: 23,820 packages)
- Overall reduction in customers by 3.0% (30 June 2024: 56,945 customers) and a reduction in Healthcare workers by 3.8% (4,675 workers), reflecting an effective balancing of demand and supply.

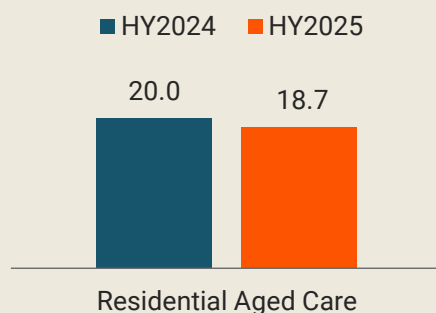
# Residential Aged Care



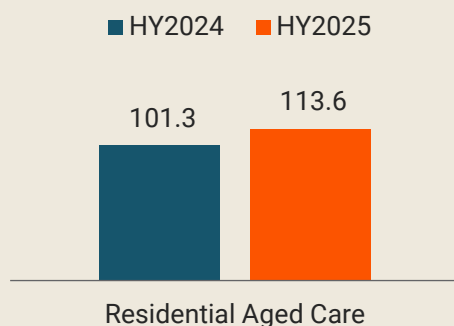
# Residential Aged Care

The platform owns, operates and develops aged care services across 12 facilities in New South Wales, Victoria and Queensland

## Adjusted EBITDA (\$m)



## Segment Revenue (\$m)



## Highlights

- Solid revenue growth primarily driven by higher resident numbers following the successful sale of new rooms at The Alba in South Melbourne, Victoria and Walmsley in Kilsyth, Victoria
- Further revenue growth attributable to increased government funding to support wage increases under the Fair Work Commission's *Aged Care Work Value Case*, and the anticipated increase in mandated minimum care minutes from October 2024
- Notably, the platform saw reduced reliance on one-off government grant funding through the *Outbreak Management Supplement* of \$0.3m, compared to the COVID-19 government grant funding in the previous corresponding period (31 December 2023: \$0.6m)
- Operating expenses increased which was predominately driven by an escalation in wage and wage-related costs, together with higher utilities expenses and increased repairs and maintenance expenses. Consequently, Adjusted EBITDA experienced a modest decline
- Occupancy levels averaged 96.7% in our mature homes—4.1 percentage points above the sector average of 92.6% and 2.1 percentage points above the sector top quartile<sup>2</sup>
- The newest aged care facility in the portfolio, The Alba, South Melbourne, Victoria, which opened in August 2023, reached 97.9 percent occupancy as at 31 December 2024
- At 31 December 2024, the platform had 1,983 employees who supported 1,178 residents

<sup>1</sup> Stewart Brown Aged Care Financial Performance Survey (September 2024): <https://www.stewartbrown.com.au/news-articles/26-aged-care/304-2025-01-aged-care-financial-performance-survey-analysis-report>

# Retail

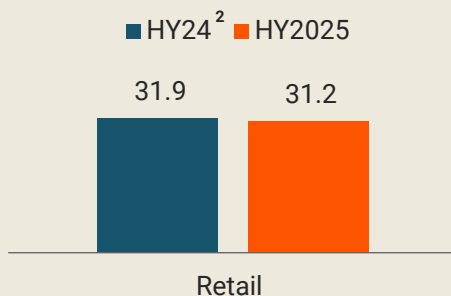




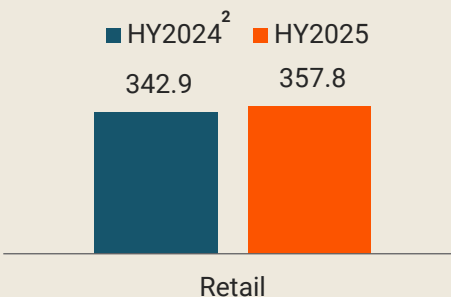
# Retail

The platform brings together Australian Unity's private health insurance (PHI), banking business and distribution of general insurance products

## Continuing Operations Adjusted EBITDA (\$m)



## Continuing Operations Segment Revenue (\$m)



### Highlights

- On 6 November 2024, Australian Unity Bank Limited signed an agreement to transfer its banking business to Bank Australia Limited in late 2025
  - Transition preparations have commenced for all banking customers
  - In the review period, the sale is reported as a discontinued operation

### Continuing operations highlights (PHI and distribution of general insurance products<sup>1</sup>)

- Financial results were driven by a return to more familiar conditions in PHI post pandemic, and substantial finalisation of policyholder givebacks. This was accompanied by the return of significant inflation in claims and provider costs
- Operating expenses, including claims, were higher than the prior corresponding period primarily as a result of an \$18.5m increase in claims net of risk equalisation for the PHI business
- A marginal decrease in Adjusted EBITDA was largely attributable to increased PHI claims
- The number of PHI policyholders (excluding overseas visitors cover policyholders) decreased slightly to 160,421 in highly competitive market conditions (30 June 2024: 162,455)

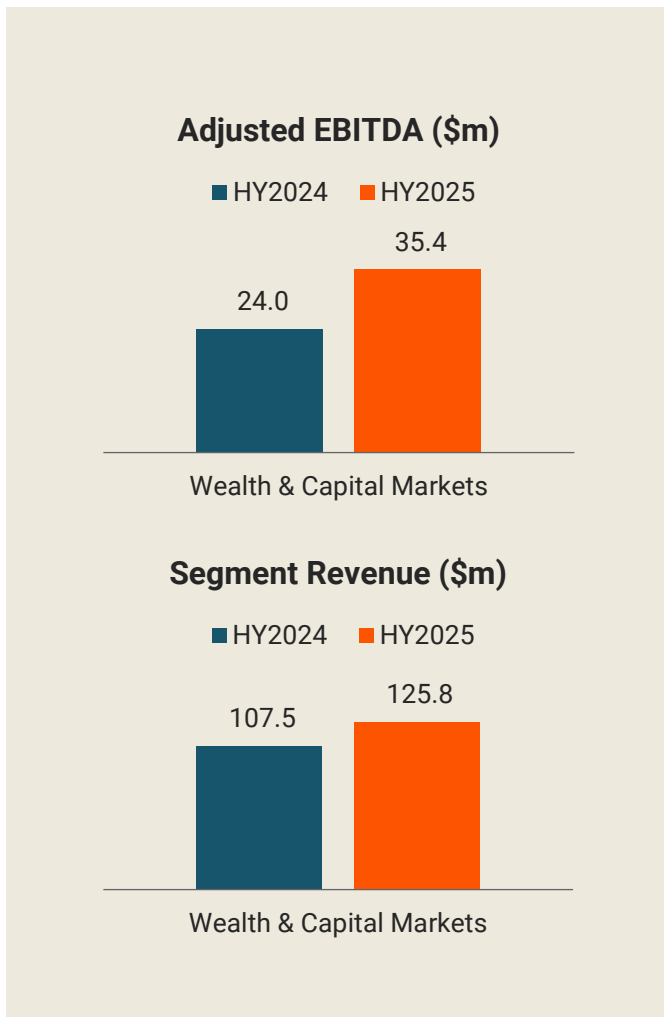
<sup>1</sup> General Insurance is not part of the banking business divestment. As a continuing operation, relevant information has been retained

<sup>2</sup> Comparative information has been reclassified to reflect the impact of a discontinued operation. Full details are set out in Note 21 of the consolidated financial statements

# Wealth & Capital Markets (W&CM)



The platform comprises funds management, social infrastructure, retirement living, investment bonds and trustees businesses



### Highlights

- The total segment revenue and Adjusted EBITDA increase over the prior corresponding period largely related to profit on the divestment of the management rights in Altius Asset Management and the revaluation of Herston Quarter as the precinct stages are being developed and activated
- Portfolio adjustments included the application to transfer the business of Australian Unity Life Bonds Limited to Lifepan Australia Friendly Society Limited, which was approved by the Australian Prudential Regulation Authority (APRA) with effect from 1 December 2024
- The total gross value of funds under management, administration and advice (FUMAA) decreased to \$17,382.1m at 31 December 2024, which is consistent with platform strategy (30 June 2024: \$18,756.7m). The movement largely relates to the divestment of the management rights in Altius Asset Management
- The retirement communities portfolio, which includes 24 retirement villages across New South Wales, Victoria and Queensland, achieved 80 resale settlements (31 December 2023: 125) with total related revenue of \$34.2m (31 December 2023: \$42.4m). At 31 December 2024, occupancy levels remained strong at 93.6% across the portfolio, which was slightly lower than the prior corresponding period (30 June 2024: 94.8%)

# Summary and outlook



# Summary and outlook

- Our focus for FY2025 is to progress successfully the transformation of our portfolio and its operational integration
- Transformation is designed to support underlying cash earnings with further planned improvements in FY2026

## Organisational focus and pillars



### Our focus for FY2025

We will continue our transformation agenda, to realise our vision of enabling real wellbeing for our members, customers and community through a portfolio of commercial, sustainable businesses



Put our members and customers front and centre



Deliver sustainable financial performance



Make a positive difference in our community



Create a great place to work



**Australian  
Unity**



**Real Wellbeing**