

Regis Healthcare 2024 AGM Report

ASX code	REG
Meeting date	Tuesday, 26 November 2024
Type of meeting	Hybrid
Monitor	Peter Aird
Pre AGM-meeting	With Chair Graham Hodges and Tom Sutton

Meeting Statistics

Number of holdings represented by ASA	5
Number of shares represented by ASA	20,880
Value of shares represented by ASA	\$137,000
Total number attending meeting	30, 18 Shareholders, 12 visitors
Market capitalisation	\$1.9 billion
ASA open proxies voted	ASA voted in favour of all the resolutions.

A small group attended the AGM at the company's Head Office. The Chair and CEO addressed the meeting, presenting a positive view of the way ahead for Regis and the sector, with Regis currently having a high bed occupancy (>96%) and staffing becoming much easier since the changes to award wages. The acquisition of CPSM (3 sites, QLD) and the opening of a new facility in Camberwell (112 beds, Vic) had been done without extending long term debt.

Resolutions were then presented with questions taken at each item.

Questions online were taken first. Stephen Mayne asked 4 questions:

- the continued appointment of EY as Auditor and the signing of the Audit by only one Auditor (Chair indicated that the signing Auditor rotated on a 5-year basis, they believed that an Auditor familiar with the business was advantageous, the Auditor also pointing out that 5 different Partners were used during the Audit for specialist advice),
- Any comment on the recent sell down of retiring Director Brian Dorman's shareholding and role of major shareholder Directors (Chair indicated that the Board was collegiate and no change was expected with Mr Dorman retiring).
- Any comment from Mr Dorman on his time on the Board (pleased with the successful navigation through previous difficult years and very pleased with the way the current Government is supporting the sector).
- Noting recent statutory losses and the state of the Balance sheet compared to Market Capitalisation of circa \$2b (losses due to bed licence write off after change in government policy, business continues to perform well and note that Regis fully owns 68 aged care facilities).

- Thanks for the hybrid meeting and publication of proxy voting prior to the meeting.

Another shareholder asked about the reason the dividends were only 50% franked (as that's all the franking credits available and Regis prefers to maximise dividends).

At the meeting, ASA noted Mr Dorman's contribution to the company and asked:

- The reason for the STI safety metric being missed (Regis very happy with their industry leading safety performance, STI metric missed due to one additional LTI),
- The Audit of valuations of property and the balance sheet negative equity (Auditor indicated the asset values were subject to Audit and that the use of historical costs for facilities was in accordance with Accounting Standards). Questioned after the meeting, the Auditor also indicated that ASIC had been approached but had shown no interest.
- Comment of the recommendation of the Aged Care Taskforce on RAD's (pleased that some retention of the RAD is returning to allow the funds to be used for refurbishments and renovations. No one has yet provided a satisfactory alternative funding model to replace the RAD)
- The continuing payment of 100% of the adjusted Net Profit in Dividends (Regis remains in a strong cash position to achieve its objectives, finding planned expansions were not a problem and in view of the difficult last 5+ years, Board pleased to reward shareholders).

The meeting then moved through Resolutions 2 to 5, with NED Christine Bennett speaking to her re-election, whilst Ms Jodie Leonard was unable to attend the meeting due to ill health. A statement was read on her behalf.

Resolution 6 on the grant of performance rights to the CEO generated questions on the shareholding of the CEO (bought into Regis on accepting CEO position and currently has over 284'k share, has not sold any) and the use of the STAR rating as and LTI measure (now becoming well accepted as a measure of performance, inputs are being heavily audited).

All resolutions passed easily >97%.

An audio web cast of the meeting, including questions, was provided on the company website.

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