

Regis Healthcare 2023 AGM report

ASX code	REG
Meeting date	24 October 2023
Type of meeting	Hybrid
Monitor	Peter Aird, assisted by Mike Robey
Pre AGM-meeting	yes, with Chairman Graham Hodges and Tom Sutton, Corporate Development Manager

Meeting Statistics

Number of holdings represented by ASA	8
Number of shares represented by ASA	27180
Value of shares represented by ASA	\$67K
Total number attending meeting	TBA
Market capitalisation	\$728m
ASA open proxies voted	ASA voted in favour of all resolutions

Both the Chairman Mr Gordon Hodges and the CEO Dr Linda Mellors spoke to their ASX-published scripts, which are to be found [here](#). The key message was that the prospects are improving after 5 years of belt tightening brought about by government inaction in the health care sector, coupled with the impact of COVID-19.

Regis is in the best shape it has been for many years and has a strong balance sheet and good credit line, which will enable them to take advantage of consolidation in the sector, by strategic acquisition. Much of this improvement is the outcome of the Royal Commission into Aged Care, which had led to improved wages for employees and better funding of government to providers and so was hoped would stem the exodus of low paid staff from the sector.

The chat in the marketplace was that Regis was an interested party in bidding for the last remaining other listed aged care provider, BlueCross, and without them confirming this, it was pretty evident that they are involved.

The only questions asked at this hybrid meeting were from the ASA:

If you are required to issue more shares as part of a capital raising, will you ensure that you use a renounceable rights-with-trading method, to avoid dilution of retail shareholders? Answer: we will take this into consideration, but for the immediate future, we have an adequate line of credit from the banks.

In the LTI you are using a novel hurdle called the star rating of your homes, which accounts for 50% of the 3-year LTI. We commented that the only other star rating we had encountered in our monitoring was a casino operator and didn't end well. This star rating is a mix of service quality metrics in the homes they operate. The other 50% was an earnings per share measure (EPS). How objective is this star rating and why didn't you use this as a gateway for the entire LTI. That is, if you have a poor star rating for aged care

homes but good EPS, surely you should not award half of the LTI? Answer: the star rating is measured by a third party and was an outcome of the Royal Commission. No response to the gateway question.

Voting on all resolutions was in the high 90% range except for the increase to the Directors pool, which had a 35% against vote. In his explanation for the need for an additional \$200K to the pool, the Chairman stated that they are in the process of recruiting an additional Director to a) return the board to a majority of independents, and b) acquire specific property expertise. The ASA thought that these were reasonable grounds, but two proxy advisors apparently did not.

At the end of the meeting all Directors and the CEO discussed the improved business environment with your monitor.

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