



## **METLIFECARE PURSUES ACCELERATED GROWTH**

- Delivery of new units/beds projected to double in FY17
- Targeting a sustained programme of 300 plus units/beds per annum from FY19
- Forecast development margin of 15%+
- Focused land acquisition strategy
- Operational improvements through greater commercial intensity
- Differentiated market offering

Metlifecare Limited is today updating investors and analysts on the company's redefined strategic goals and delivery plan. A copy of the presentation is available in the investor section of the company's website.

Metlifecare CEO Glen Sowry said the market update sets out how the company will build on its strong base to enhance shareholder value through a number of initiatives, including an accelerated development programme.

Mr Sowry said that in the five months since joining Metlifecare, he has worked with the Executive Team and the Board to review and redefine the company's strategic priorities.

"There are many growth opportunities in our sector. We serve New Zealand's fastest-growing demographic, and we have a leading position in two of the country's highest value-growth regions. Our focus is on targeted growth and we have taken time to carefully consider where our offering currently fits in the market, as well as where it should fit in future."

Metlifecare recently reported a record annual result, driven by a buoyant property market and record new development sales and resales. Based primarily in the upper North Island, the company is New Zealand's leading listed retirement village operator in the high-growth regions of Auckland and the Bay of Plenty.

Mr Sowry said the company would be focusing on three key areas, being acceleration of its development programme; capturing maximum value from its existing portfolio; and competitive differentiation.

"Our development programme has been stress-tested and revised, and we now have an accelerated programme that we are confident of delivering." The company is forecasting to more than double the delivery of new units and care beds to 229 in FY17, with this number steadily increasing to a minimum of 300 new units or care beds per year by FY19.

Looking further ahead, Mr Sowry said Metlifecare had improved its land acquisition strategy with enhanced mapping and clear investment criteria. "A number of opportunities are currently being explored, and we expect to complete at least one land purchase in FY17 to add to the existing pipeline of development projects."

Development margin improvement is also a priority. The company has invested in strengthening the development team in the past year, resulting in significantly increased capacity and capability for project planning, design, procurement and management. Strengthened systems,



processes and supplier partnerships are likely to drive improved cost, quality and timeframes, and the company is consequently expecting its overall development margin to meet or exceed the minimum level of 15% in FY17.

Along with renewed emphasis on development, Mr Sowry said Metlifecare would continue to focus on optimising returns from its existing portfolio. "This is the engine that drives our business. Our record result for FY16 demonstrates the quality of our villages, which continue to deliver excellent gains from resales. We have a first-class portfolio and we will continue to drive value growth through increased commercial intensity.

Mr Sowry said the strategic review has enabled Metlifecare to be clear about its competitive positioning. "Each village within our portfolio is unique and designed to integrate with its local community. Our emphasis on self-directed care enables greater independence and community engagement for our residents. However, we are also mindful of the need for continuum of care, and are planning to more than double the amount of hospital-level care accommodation that we offer."

The company would continue to build a differentiated position, based on comprehensive research, market segmentation and ongoing monitoring of the evolving needs of the market. Mr Sowry said this would guide Metlifecare in focusing on the areas most important to its existing and future residents. "We intend to take a leadership position by significantly raising the bar on the food and dining offering to drive increased resident satisfaction and brand positioning. We are working with leaders in the hospitality sector to create a new level of dining and hospitality experience."

Mr Sowry said he was excited by Metlifecare's growth prospects and believes the foundations are now in place to grow. "We have an excellent portfolio, strong fundamentals, and most importantly, the capability and capacity to capture and execute our opportunities."

Further information on the company and, in particular, on the company's strategic goals and delivery plan, can be found in the Investor Update released with this announcement. This announcement should be read alongside the Investor Update.

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**[metlifecare.co.nz](http://metlifecare.co.nz)**

**About Metlifecare:**

Metlifecare is a leading New Zealand owner and operator of retirement villages, providing rewarding lifestyles and care to more than 5,000 New Zealanders. Established in 1984, it currently operates 24 villages, located primarily in high-value and high-growth regions of New Zealand's upper North Island. Metlifecare is listed on the NZX and ASX.