



Company	Estia Health Ltd
Code	EHE
Meeting	AGM
Date	11 November, 2021
Venue	Virtual
Proxy Collector	Peter Aird

Number attendees at meeting	5 shareholders, 15 visitors, 25 employees/directors
Number of holdings represented by ASA	10
Value of proxies	\$258,810
Number of shares represented by ASA	115,027
Market capitalisation	\$588m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	No

Chair Optimistic on Outlook, with Estia remaining financially strong

Chair Dr Gary Weiss gave a positive and optimistic presentation on the performance (Profit after tax \$6M after settling the shareholder class action (\$12.4M)) and outlook for Estia Health. He indicated that Estia was very well placed to take advantage of changes recommended by the Aged Care Royal Commission that would see older lower quality accommodation removed from the market in favour of higher quality facilities such as Estia provides.

An on-market share buy-back was announced at the meeting. Dr Weiss stated the company's current Market Capitalisation (\$588m) "does not appropriately reflect the intrinsic value of the Company's assets and business". The FY2021 Balance sheet shows Net Assets of \$615m whilst Total Current Assets plus Property, Plant and Equipment totals \$897m, with strong cash assets of \$33.4m and low borrowings (\$113.8m). The buy-back of up to 10% of share capital would be completed within 12 months.

ASA asked the first general question, regarding safety performance and the sharp increase in the company's Lost Time Injury Frequency rate. The CEO had mentioned this in his report, and noted a spike in the middle of the year. This was partly a direct result of Covid infections and also they believed an indirect result of the pressure that staff were under at the time. They are committed to returning to their industry leading performance.

There followed about 9 questions from Mr Steven Mayne, covering issues such as the vulnerability of the business to takeover (no, any discussion confidential), Dr Weiss's workload (he attends all meetings and Board is happy with his input), staffing issues and vaccination (some difficulties, about 100 have left due to vaccination requirements), any Job Keeper support (none) and thoughts on the Royal Commission's recommendations not taken up by the Government (no concerns). The Chair handled questions with courtesy and clear answers were provided.

Moving on to the Agenda Items, I was able to ask about Director's shareholding policy, to be assured that all Directors were in compliance as reported in the Remuneration Report (under Remuneration Governance!).

Moving on to the re-election of Directors, Mr Mayne asked Ms Penrose her view of Dr Weiss' workload and Ms Barlow about her own workload as she is based in New Zealand. Both answered with courtesy.

Moving on to the Amendment to the Constitution (virtual meetings), ASA did not ask about Estia's commitment to face to face General Meetings as the Chair Dr Weiss had made it very clear in his opening remarks that they would always prefer direct contact with shareholders through face to face meetings. Mr Mayne asked about Estia's commitment to face to face meetings, then asked about the significant vote against the Amendment (source unknown). He then complimented the CEO for "sticking around" as many in similar positions had not.

The Remuneration report and Grant of Rights passed easily (97%), Directors were re-elected (>97%) but the Amendment to the Constitution did not pass (73%) as it required a 75% majority.