

ASX Announcement

20 February 2024

Australian Unity agrees to buy myHomecare

Health, wealth and care group Australian Unity announced today that, in accordance with its strategic ambitions to accelerate the growth of its Home Health portfolio, it has entered into an agreement to purchase the myHomecare Group (MHC) from the shareholders of Enrich Health Group Pty Ltd.

MHC is a national provider of home care and home support services, serving ~20,000 customers. MHC is a for-profit Home Care Package (HCP) funding provider, with service offerings including fully managed and self-managed options to its ~12,000 HCP customers. MHC also provides services to approximately 8,000 Commonwealth Home Support Programme customers.

When combined with Australian Unity's current Home Health operations, the merged business will serve more than 50,000 customers, employ over 6,000 people and provide full continuum of care services— from personal support through to high acuity clinical and hospital-in-the-home services, on a range of fully-managed or self-managed bases.

Announcing the proposed purchase of MHC, Australian Unity's Group Managing Director, Rohan Mead, said that the acquisition will enhance Australian Unity's ability to support thousands of Australians to receive the critical care they need, while relieving pressure on the extended healthcare and aged care sectors.

"The acquisition is another important step in realising the Group's strategies—developing operations that can help address the burgeoning community needs arising from demographic change," said Mr Mead.

"This is a significant opportunity for Australian Unity and underlines the company portfolio's capacity to generate diversified revenues; leverage substantial ongoing investments in technology, logistics, and clinical systems; while at the same time materially increasing the Community and Social Value delivered by the group."

Group Executive – Home Health, Prue Bowden said that the acquisition offers the ability to add 'intelligent scale' to Australian Unity's existing home care services.

ASX code:
AYU

Securities on Issue:

AYUPA – 3,434,000
AYUHC – 321,157
AYUHD – 2,070,000
AYUHE – 2,558,050

Issuer:

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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

“The proposed acquisition enables Australian Unity to deepen its home care offering, particularly in the area of self-managed services. Importantly, the acquisition also delivers a step change in workforce capacity—adding more than 1,000 healthcare workers—enabling Australian Unity to advance into new regions, particularly southeast Queensland, and add to our presence in some existing service geographies” Ms Bowden said.

Under the agreement, Australian Unity has agreed to pay \$285 million for MHC, on a debt and cash free basis, with an initial sum of \$215 million to be paid on completion, with the balance of the purchase price to be paid progressively over an 18-month period following completion. The purchase price is subject to adjustments in accordance with the purchase agreement. Australian Unity is being advised by Greenhill & Co. as financial adviser and King & Wood Mallesons as legal adviser.

Australian Unity intends to fund the acquisition through its current bank facilities and existing funds, which include proceeds from the recent issue of the Australian Unity simple corporate bonds.

Completion of the acquisition is subject to receipt of clearance from the ACCC and certain other conditions.

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This announcement has been authorised for distribution to the ASX by:

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