



ASX Announcement

Non-binding indicative proposal to acquire Regis Healthcare Limited

19 November 2020 – Washington H. Soul Pattinson and Company Limited (“WHSP”) announced today that with its partner Ashburn Pty Ltd, an entity controlled by Mr Bryan Dorman (a co-founder and major shareholder of Regis Healthcare Limited (“Regis”)), it has submitted a non-binding, indicative proposal to acquire all of the share capital of Regis for consideration of A\$1.85 per share (subject to due diligence) (“Proposed Price”) via a scheme of arrangement. Ashburn Pty Ltd controls 27.2% of Regis’ ordinary shares on issue.¹

The Proposed Price presents Regis shareholders with an attractive opportunity to realise value for their shares, representing a:

- 25% premium to A\$1.475, being the closing price of Regis shares on 19 November 2020;
- 59% premium to A\$1.163, being the 1-month VWAP² of Regis shares on 19 November 2020; and
- 64% premium to A\$1.125, being the 3-month VWAP³ of Regis shares on 19 November 2020.

WHSP has proposed two alternative forms of consideration to Regis shareholders, being full cash consideration or a scrip alternative in a newly incorporated company, allowing Regis shareholders to retain an exposure to Regis as a privately operated business. Further details of the non-binding indicative proposal are set out in WHSP’s announcement to ASX of 19 November 2020 in relation to becoming a substantial holder of Regis.

WHSP expects that the proposal will be attractive to Regis shareholders and looks forward to engaging collaboratively with the Board of Regis to progress this opportunity in the interests of its shareholders.

Mr Rob Millner, Chairman of WHSP said:

“WHSP is a patient and long-term investor and is committed to providing access to capital and support to Regis as it navigates through this challenging period and transitions to a new operating environment in the future.

“Given the regulatory uncertainty and funding challenges currently facing the aged care industry, WHSP believes that Regis’ long-term prospects will be best served in a privately owned setting and that WHSP’s

¹ WHSP has partnered with Ashburn Pty Limited by entering into a Commitment Deed in order to make the non-binding, indicative proposal. The Commitment Deed is set out in full in WHSP’s announcement to ASX of 19 November 2020 in relation to becoming a substantial holder of Regis and is an agreement that is in accordance with section 609(7) of the Corporations Act 2001 (Cth).

² VWAP is calculated based on market value traded on the ASX divided by the market volume traded on the ASX. VWAP calculated from 20 October 2020 to 19 November 2020 (inclusive).

³ VWAP is calculated based on market value traded on the ASX divided by the market volume traded on the ASX. VWAP calculated from 20 August 2020 to 19 November 2020 (inclusive).

long investment horizons and access to capital make it and Ashburn Pty Ltd logical partners to oversee Regis' growth and development."

Mr Bryan Dorman said:

"I am passionate about the aged care industry and its incredibly important role in the community. The regulatory uncertainty and challenges facing the residential aged care sector are significant. As a founder and shareholder of Regis, I believe that WHSP's proposal offers compelling value for Regis' shareholders. Further, WHSP's longer term investment strategy will provide the strength and stability for the benefit of our residents and employees."

WHSP has appointed Credit Suisse as financial adviser and MinterEllison as legal counsel.

Investor enquiries:

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This ASX announcement has been authorised for release by the Chairman of the Board and the Managing Director.

About the Consortium

Washington H. Soul Pattinson and Company Limited

WHSP is a leading Australian investment house with a long history of investing in a diverse range of industries. WHSP has been a key feature of the Australian healthcare landscape since its inception in 1903, when it was formed via the merger of two pharmacy operators. Since this time, it has broadened its investment portfolio to diverse sectors including telecommunications, pharmaceuticals, property, construction, resources, financial services and retirement living. WHSP is the second oldest publicly listed company on the ASX, with a current market capitalisation of A\$6.9 billion and is one of only a few listed companies that has been successfully managed by the same family from the outset.

WHSP holds a diversified portfolio of uncorrelated investments across listed equities, private equity, property and loans. Its flexible mandate is a key advantage to generating returns by allowing WHSP to make long-term investment decisions and adjust the portfolio by changing the mix of investment classes over time. WHSP's objective is to deliver superior returns to its shareholders by creating capital growth along with steadily increasing dividends. WHSP has a strong track record of delivering outperformance over the long-term, with WHSP increasing its ordinary dividends per share every year since 2000 at a compound annual growth rate of 9.2%.

Ashburn Pty Ltd / Bryan Dorman

Ashburn Pty Ltd is the trustee of the Dorman Family Trust and is associated with Mr Bryan Dorman. Mr. Dorman is a founding director and, through the Dorman Family Trust, founding shareholder of Regis. From its commencement in the early 1990s until 2014, Bryan was the Chairman of Regis (and Executive Chairman until 2008) – during which time he oversaw the management and growth of the Company. Bryan was also the National President of the former aged care industry body, the Aged Care Association of Australia, from 2004 to 2012, and was actively involved in the development of the industry and shaping its future.