

RYMAN HEALTHCARE

Full year result

31 March 2019





Audited full year highlights

Underlying profit* up 11.5% to \$227 million

Reported (IFRS) profit down 16.0% to \$326 million

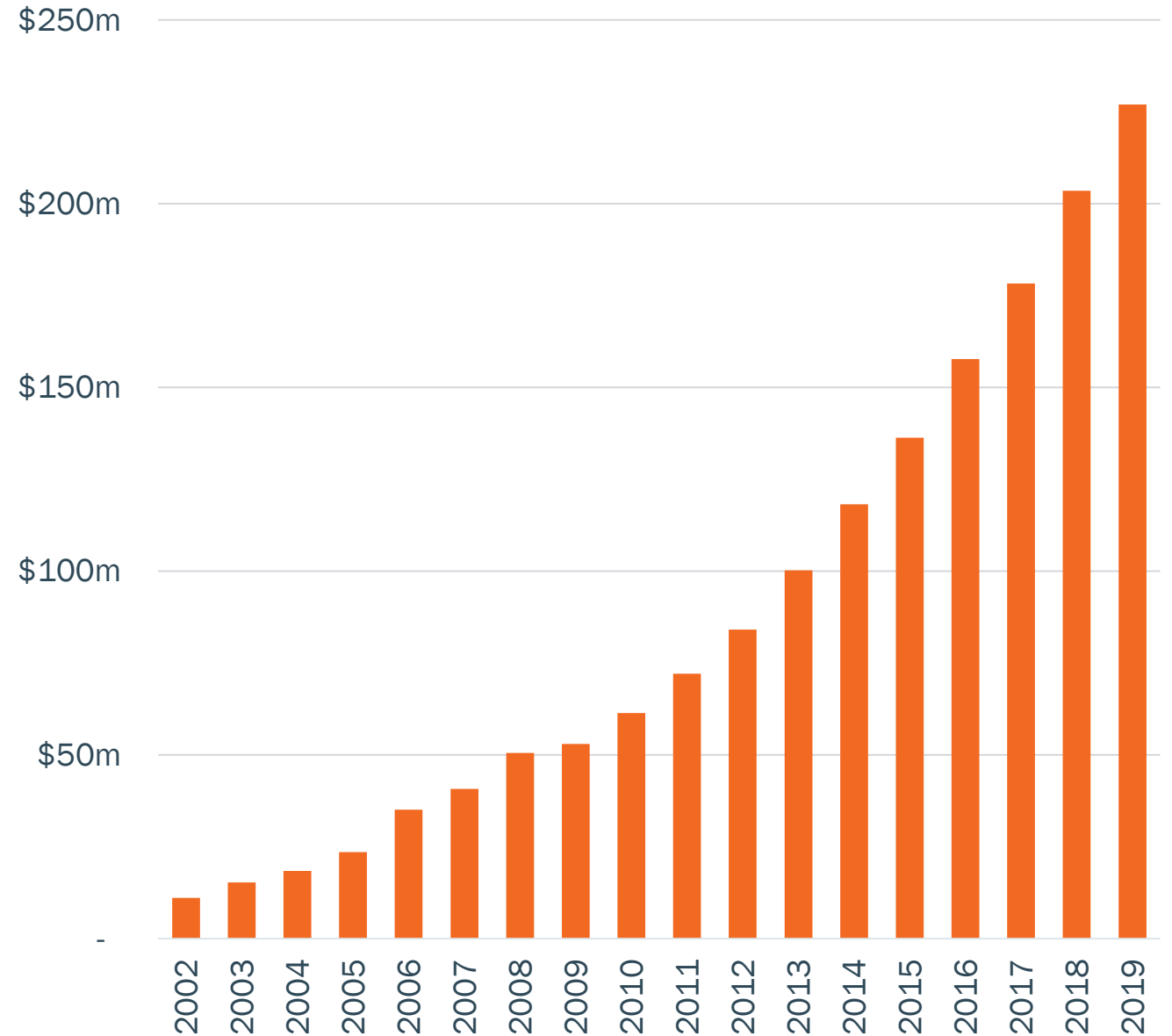
Full year dividend increased to 22.7 cents, in line with underlying profit growth

Operating cashflows \$401 million, up 15%

Land bank lifted to 7,000 beds and units

* Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Refer to slide 34 for a breakdown of underlying profit.

17 years of underlying profit growth

















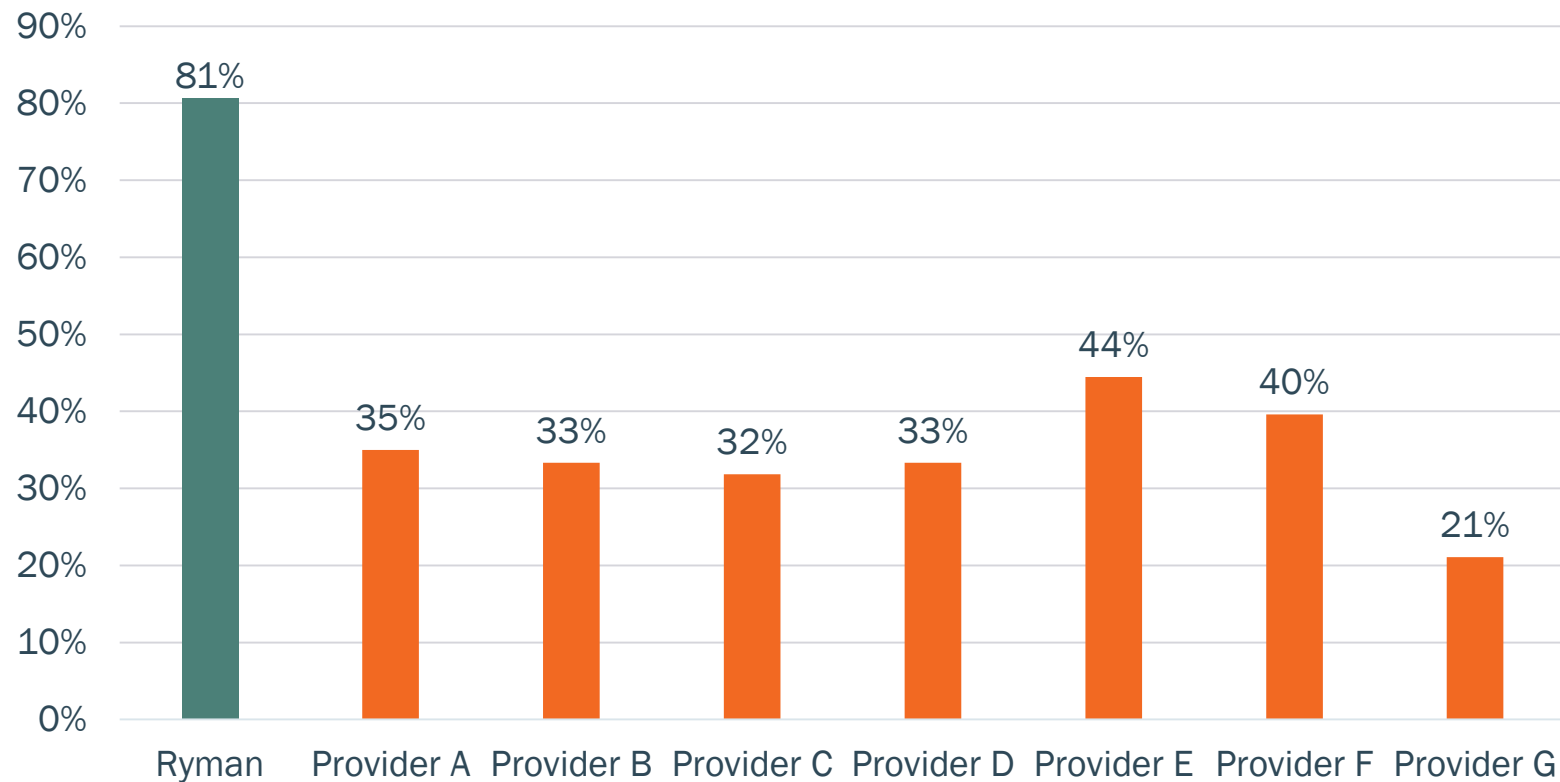
RYMAN HEALTHCARE

**Retirement living and
care you can trust**



The 'gold standard' of care

4 year certification



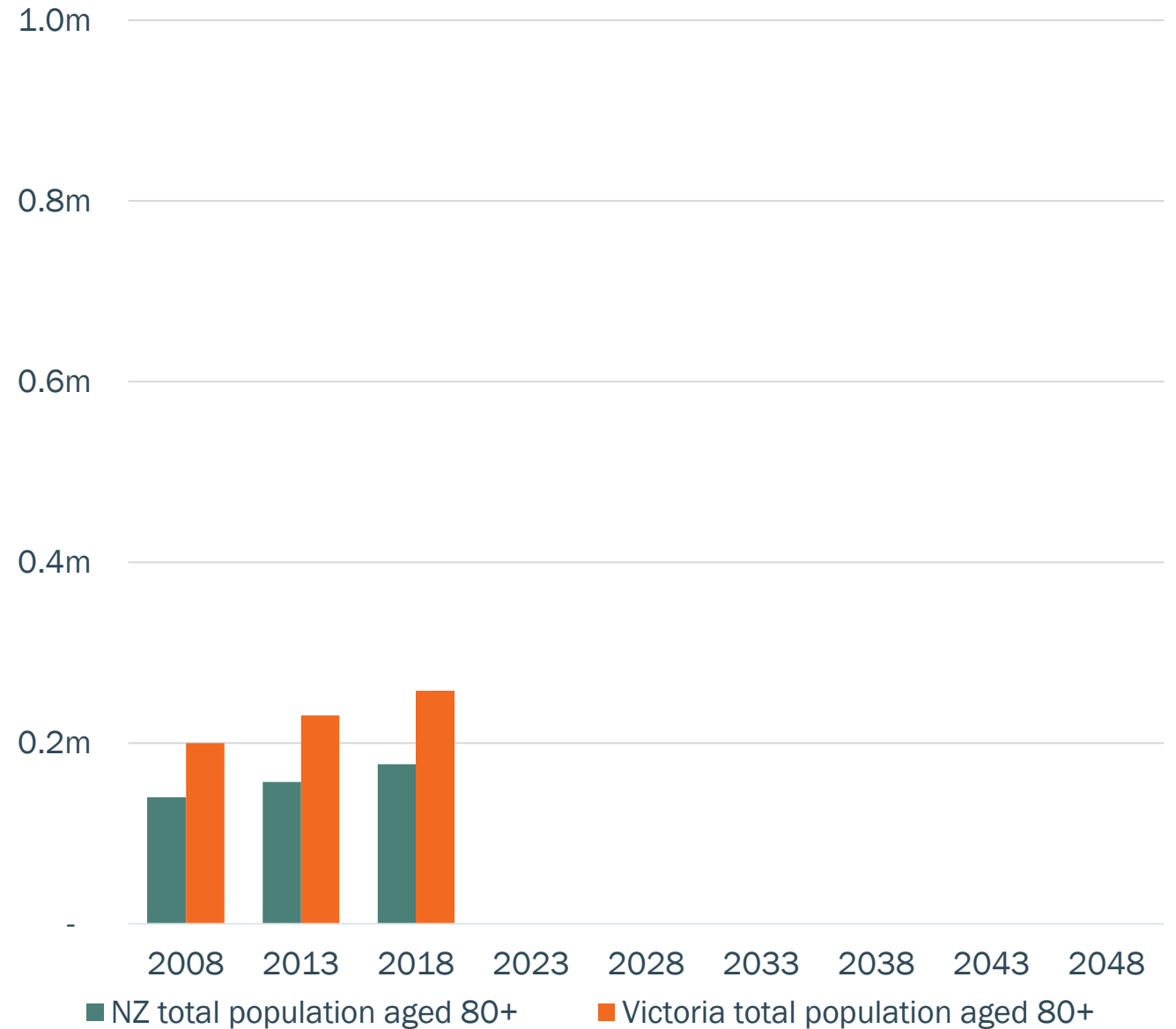
Source: Ministry of Health. Percentage of care centres with four years' certification by operator (aged care providers with 15 or more care centres). Data at 20 May 2019.

Introducing Ryman Delight

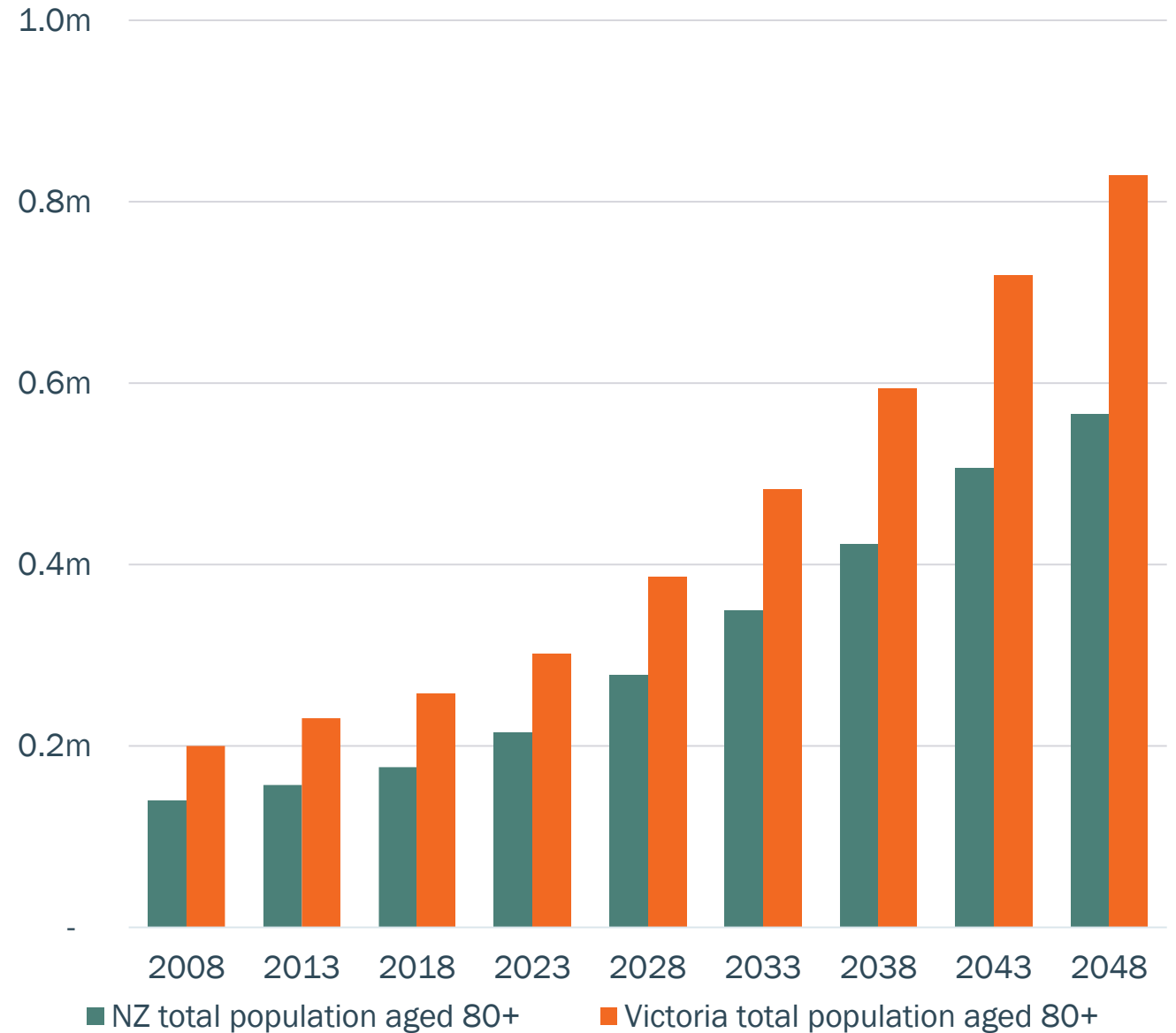
- MOCKTAILS -	- BAR SNACKS -	- COFFEE -
Virgin sangria. Orange juice, berries, green grapes and cinnamon. \$5.00	Ryman Pizza. \$9.50	Short black. \$2.00
Ruby red. Cranberry, grapefruit, soda water, mint leaves. \$5.00	Ploughman's platter - cheese, pickles, cured meats, breads and dips. \$7.50	Long black. \$2.00
Spicy tomato juice. Tomato juice, olive oil, hot sauce, salt and pepper, served in a lemon wedge. \$3.00	Fries and aioli. \$4.50	Flat white. \$2.00
Colada. Pineapple juice and coconut cream. \$4.00	Soup of the day with Artisan bread rolls. \$4.90	Cappuccino. \$2.00
Virgin long island iced tea. Strong tea, ginger beer and lemon. \$3.00	Prawn croquettes with smokey tomato dip. \$6.50	Latte. \$2.00



Population growth 80+

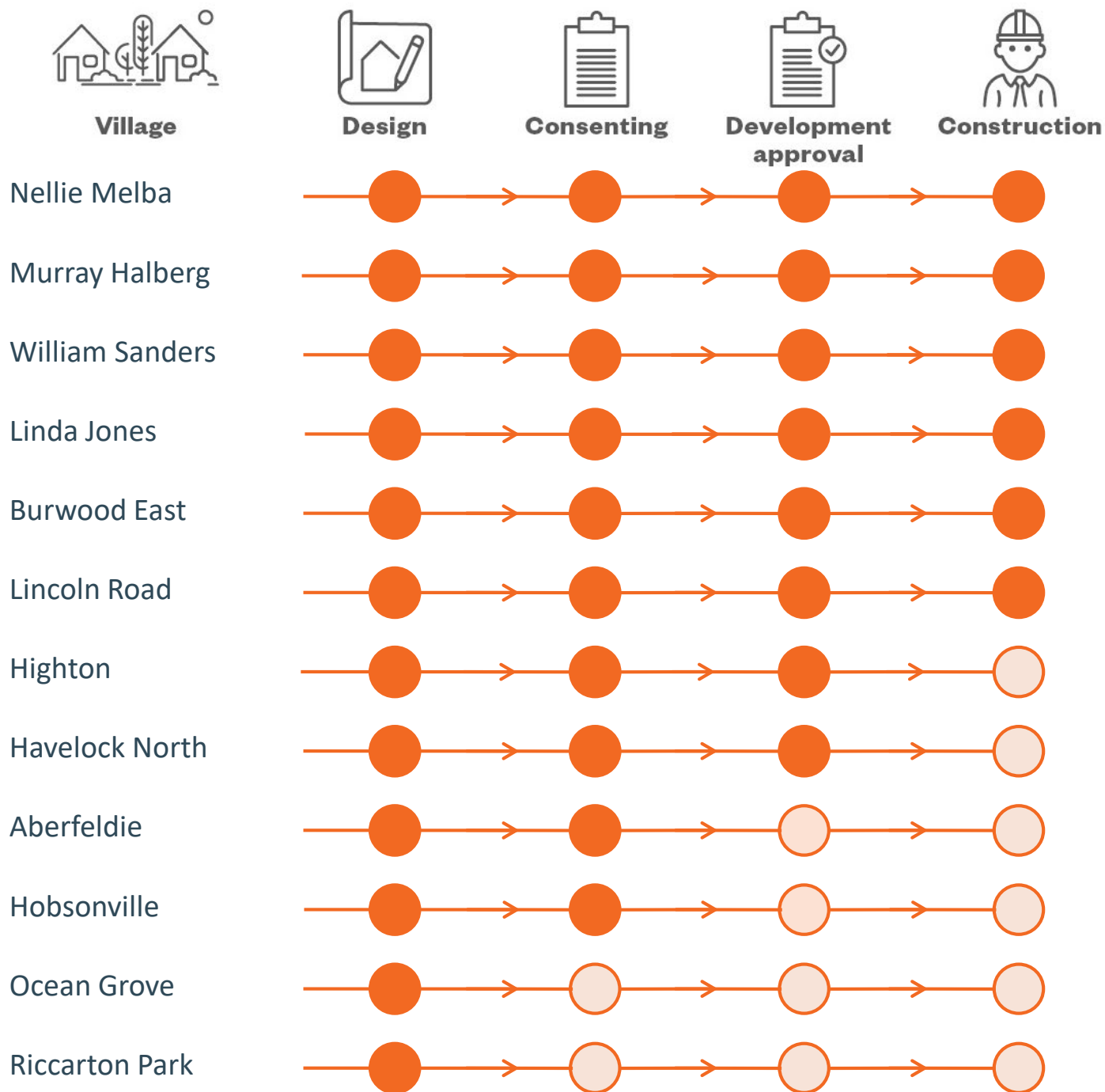


Population growth 80+





Construction activity



Lifting the build rate



Nellie Melba



Murray Halberg



William Sanders



Linda Jones



Burwood East



Lincoln Road



Highton



Havelock North



Aberfeldie



Hobsonville



Ocean Grove



Riccarton Park



Target in 12 months

Subject to resource and building consent and various regulatory approvals.





Nellie Melba
Melbourne



Nellie Melba
Melbourne



Ocean Grove Victoria

Site boundary is indicative only



Ringwood East Melbourne

Site boundary is indicative only

Burwood East Melbourne



Highton

Geelong



Site boundary is indicative only

Aberfeldie Melbourne



Site boundary is indicative only



William Sanders
Auckland



Linda Jones
Hamilton



Murray Halberg
Auckland





Kohimarama Auckland

Site boundary is indicative only



Riccarton Park

Christchurch

Site boundary is indicative only



Park Terrace Christchurch

Site boundaries are indicative only



Havelock North Hawkes Bay

Site boundary is indicative only

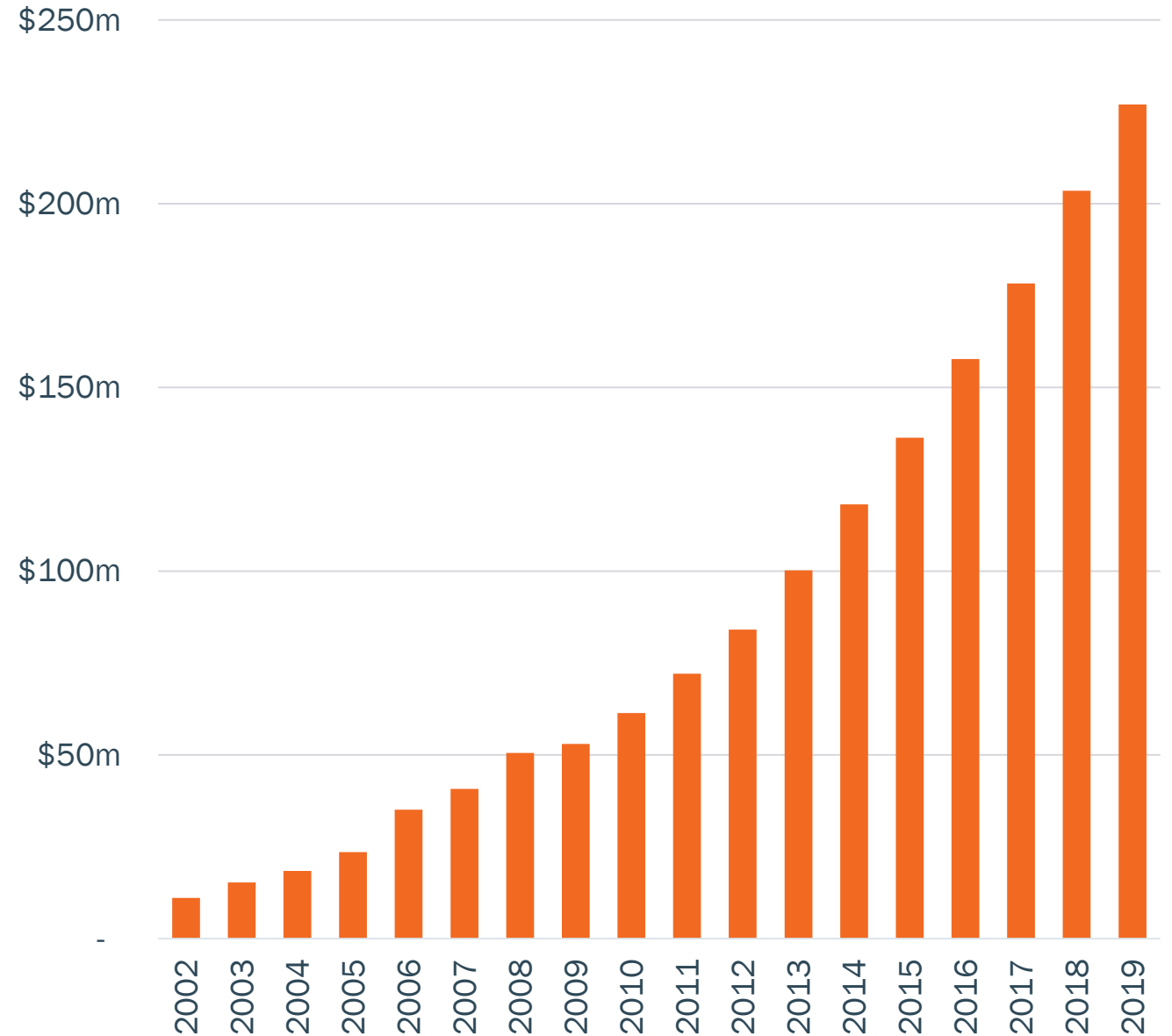








17 years of underlying profit growth



Reported profit

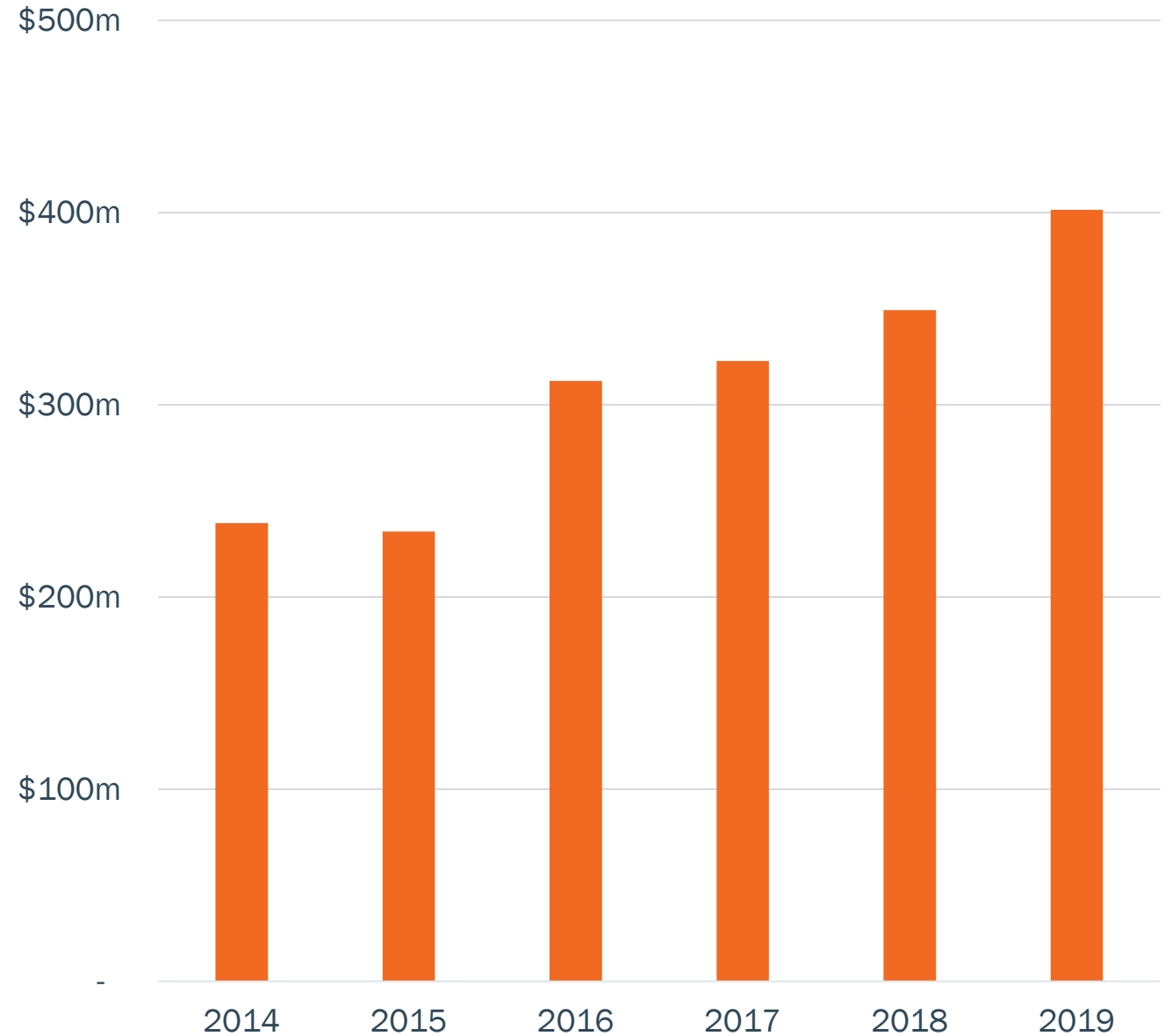
	Mar 19	Mar 18
Underlying profit (non-GAAP)	\$227.0m	\$203.5m
Unrealised revaluations of investment properties	+\$102.4m	+\$185.3m
Deferred tax expense	-\$3.4	-\$0.6m
Reported net profit after tax	\$326.0m	\$388.2m

Underlying profit is a non-GAAP (Generally Accepted Accounting Principles) measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and so may not be comparable to similar financial information presented by other entities. The Group uses underlying profit, with other measures, to measure performance. Underlying profit is a measure that the Group uses consistently across reporting periods.

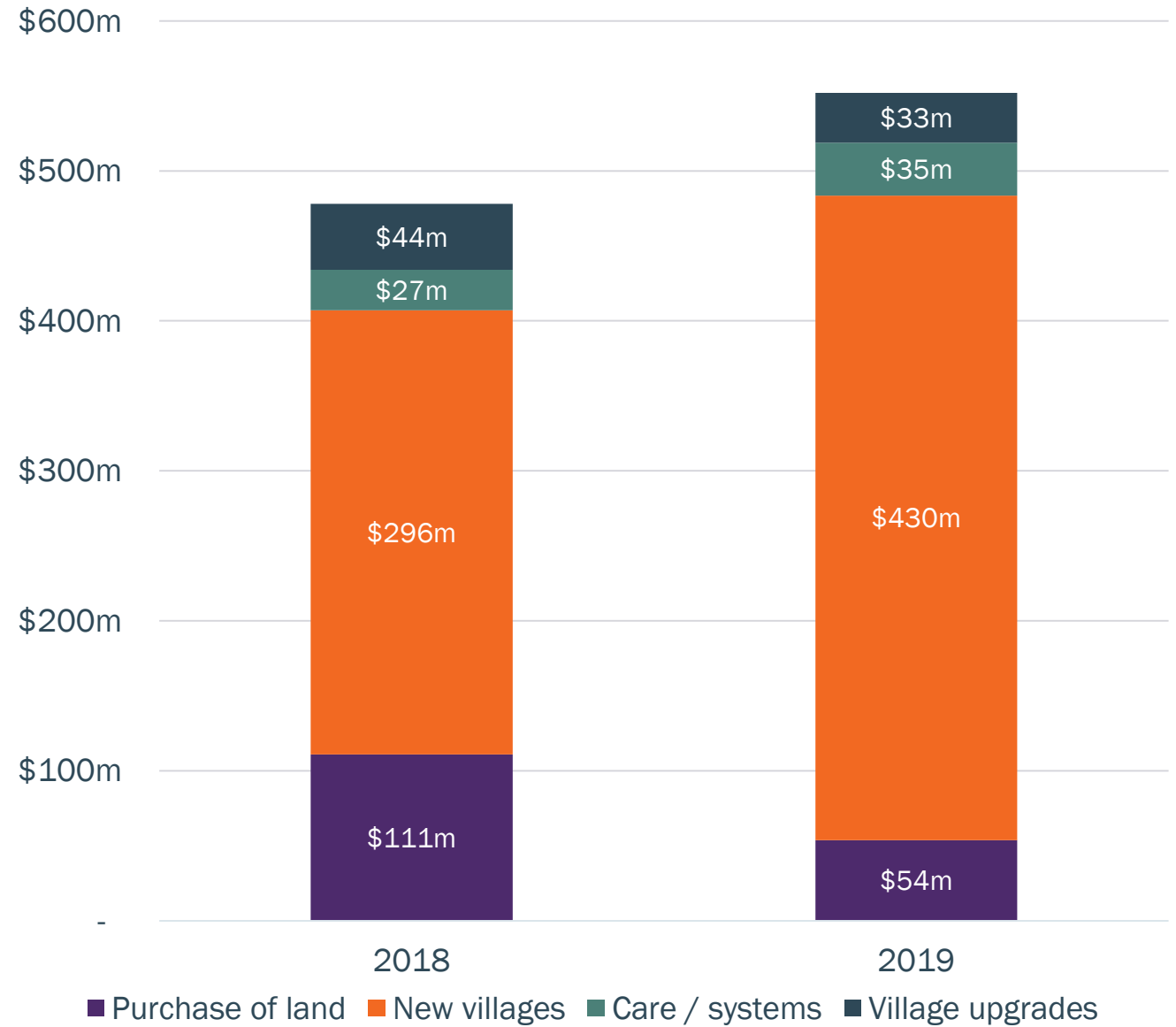
Underlying profit excludes deferred taxation, taxation expense, and unrealised gains on investment properties because these items do not reflect the trading performance of the company. Underlying profit determines the dividend payout to shareholders.



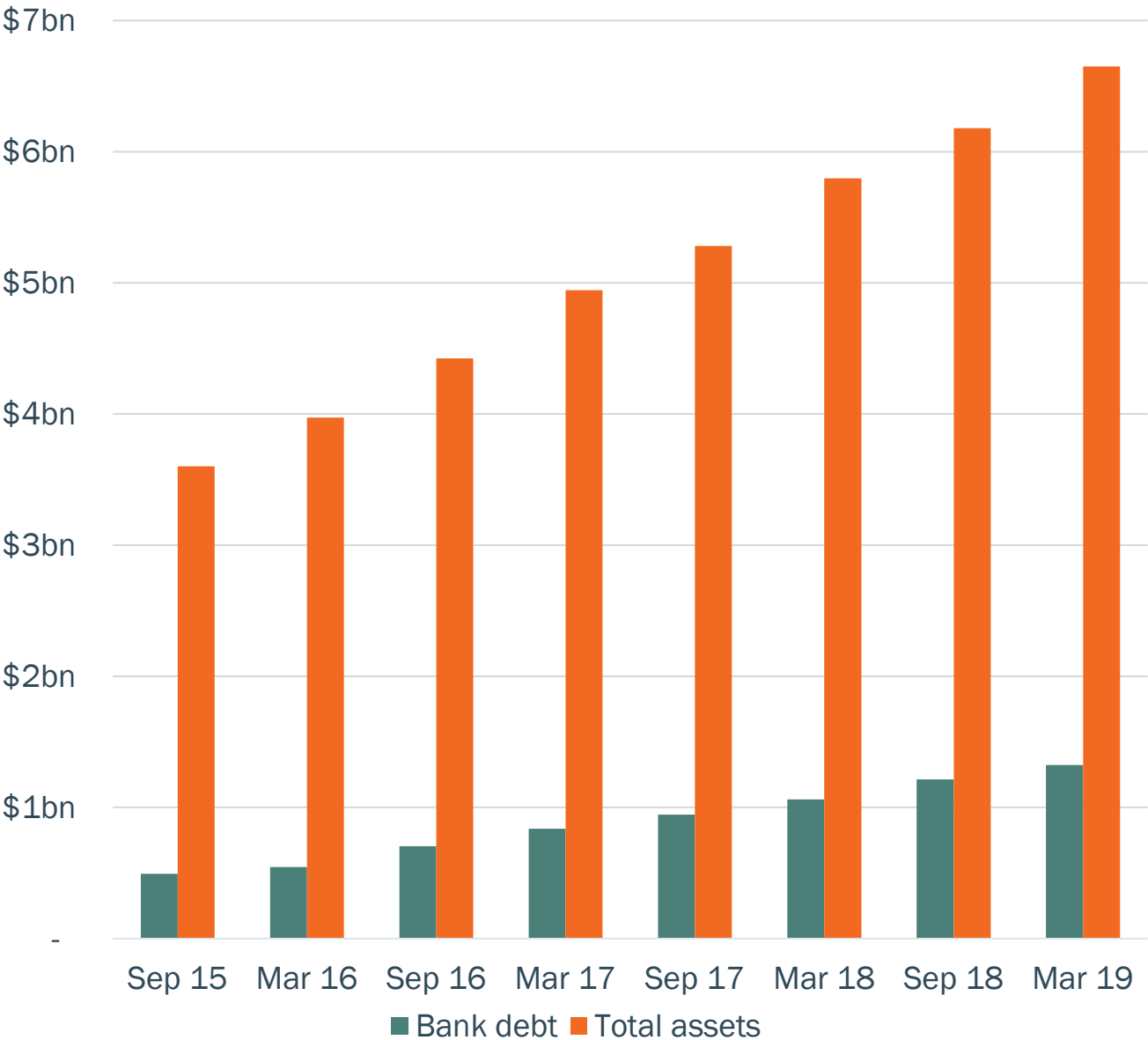
Operating cashflows



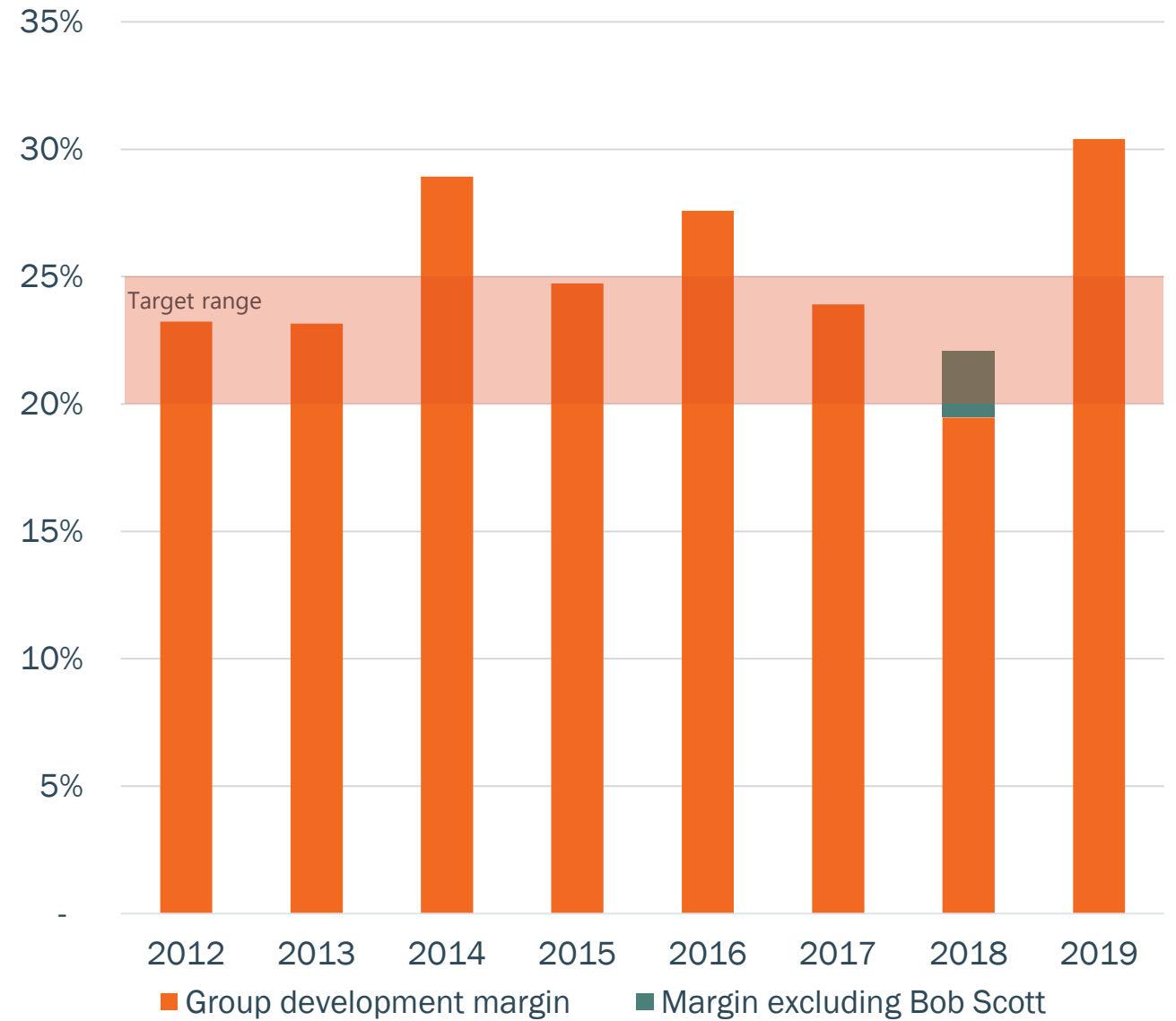
Investing cash flows \$552 million



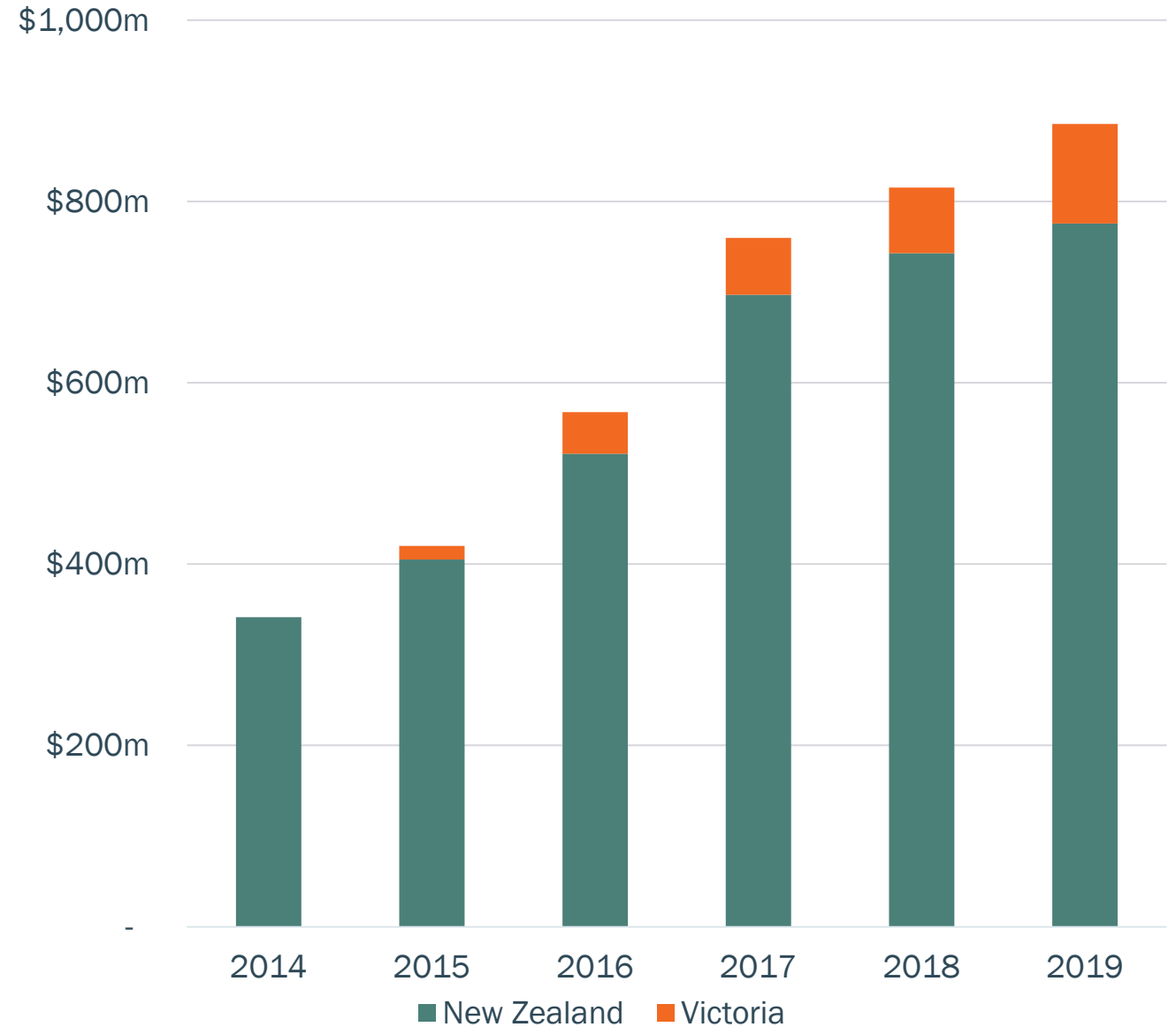
Total assets



Development margin

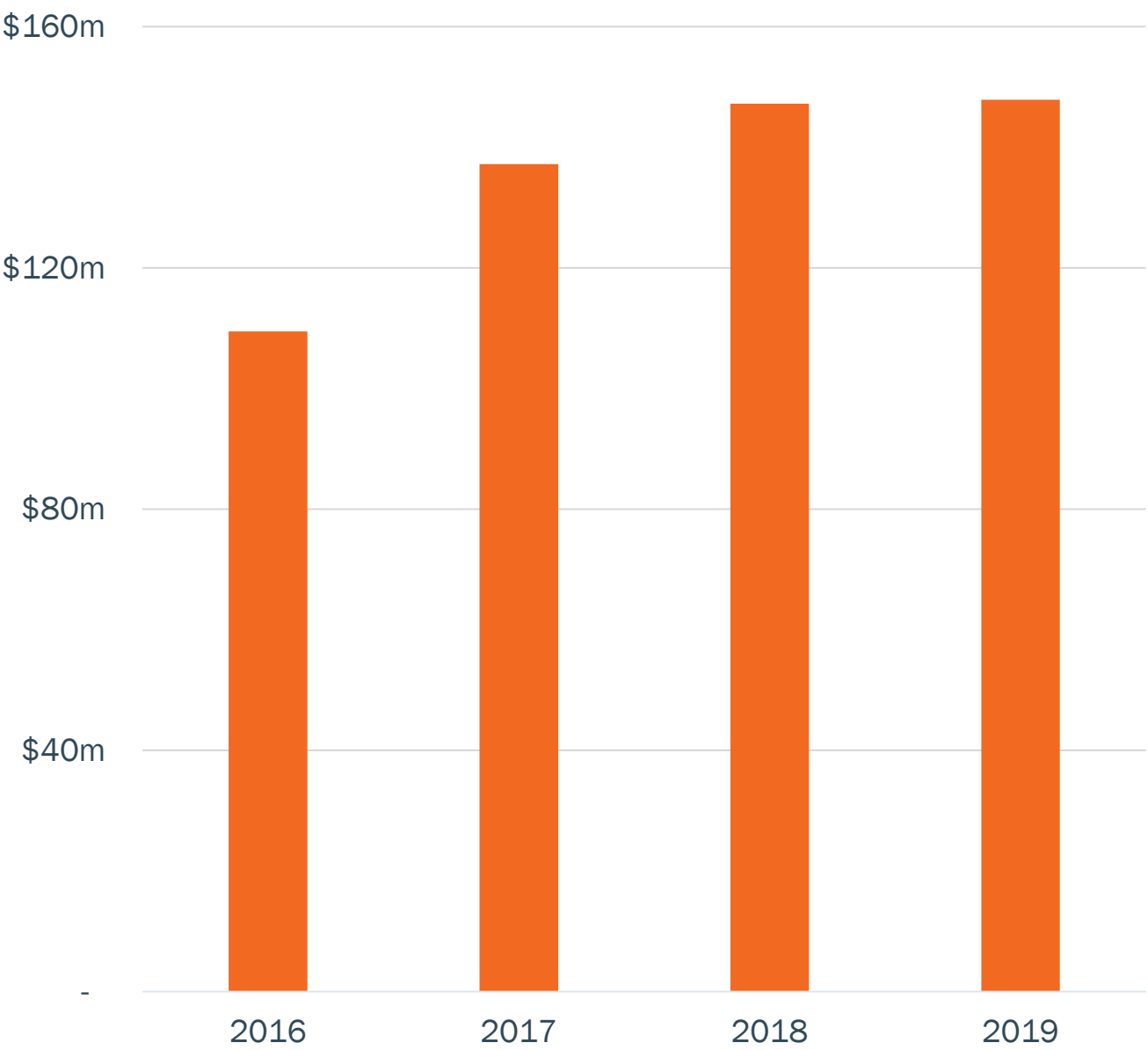


\$885 million resales bank



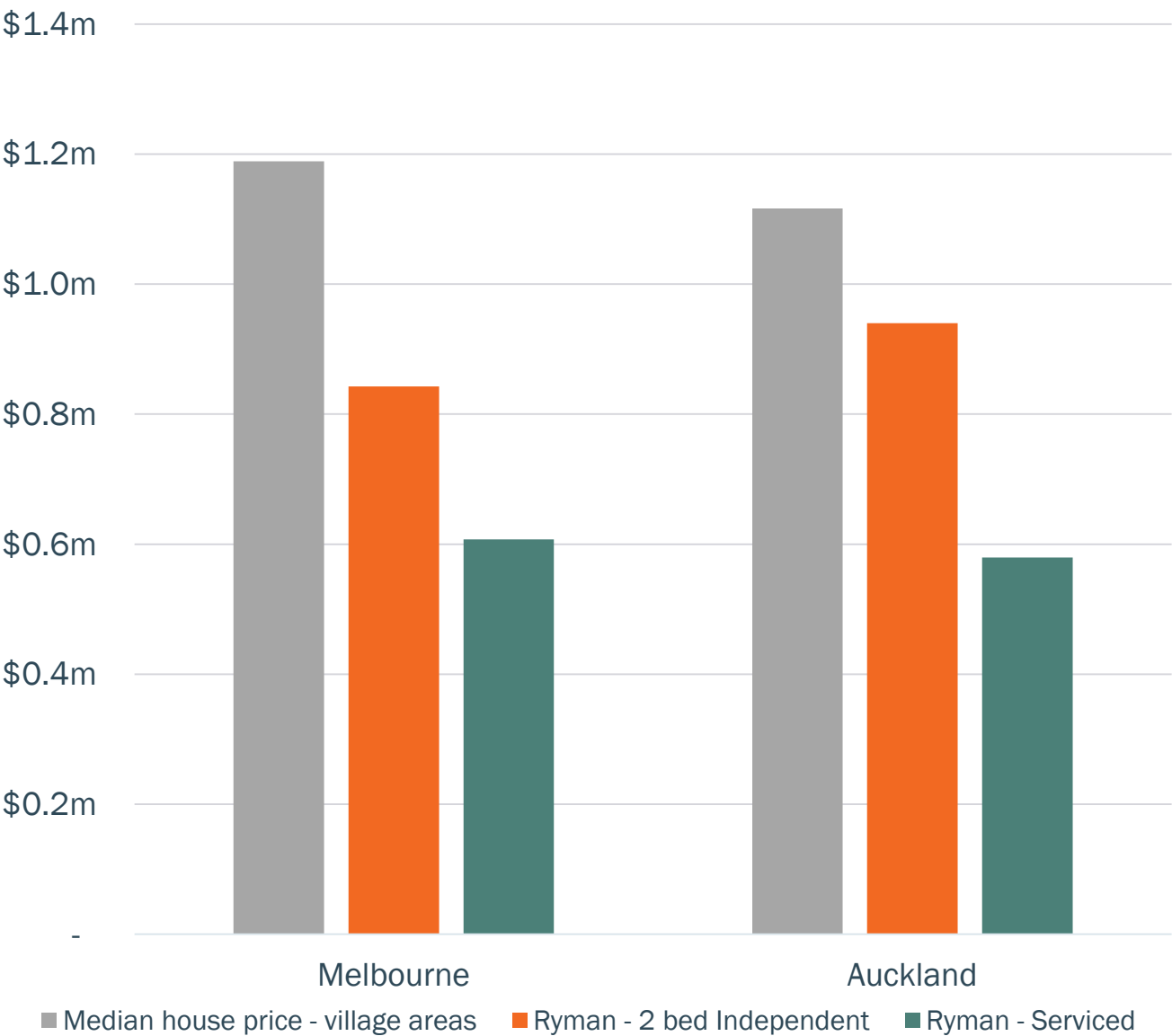
The resale bank represents the extent that the current price exceeds the price paid by the current resident for the unit's occupancy rights.

Value of contracts not booked



Presales are unconditional occupation right agreements which have been entered into by residents but have not been booked as the unit is not yet near complete.

Sales price vs median house price



The median house price reflects the average median house price over the last 6 months in the area surrounding our villages.



Long term capital efficiency

\$25 million raised at IPO in 1999

Invested \$3.7 billion in portfolio
since 1999 with no fresh capital

Dividends of over \$800 million
paid since float*

Self-funded growth

Strong balance sheet

* Includes final dividend of 11.9 cents per share that has been declared and is payable on 21 June 2019.



Appendices





Appendix 1: Full year highlights

Underlying profit up 11.5% to \$227 million

Reported (IFRS) profit down 16% to \$326 million

Full year dividend increased to 22.7 cents, in line with underlying profit growth

Operating cash flows \$401 million, up 15%

Cash receipts up 15% to \$1 billion

757 units and beds built, up 42%



Appendix 1: Full year highlights

Increased investment in improving the resident experience

Increased investment in team pay and development

Continued strong demand for villages with only 1% of resale stock unsold at year end

97% occupancy at established care centres

Tenth site secured in Victoria, target remains to have five villages open by the end of 2020

Landbank lifted by 18% with more than 7,000 beds and units at 20 villages planned

Build rate lifting with 12 sites planned to be under construction in the coming year

Appendix 2:

Sale of occupation rights

	Mar 19	Mar 18
Existing units		
Independent	378	377
Serviced	446	448
	824	825
New units		
Independent	302	365
Serviced	112	93
	414	458



Appendix 3: Development

	Mar 19	Mar 18
Units and beds built		
Retirement village units built	464	446
Aged care beds built	293	86
	757	532
Total retirement village units		
Independent	4,915	4,513
Serviced	1,963	1,901
	6,878	6,414
Total aged care beds	3,660	3,367
Total retirement village units and beds	10,538	9,781



Appendix 4: Margins

	Reference	Mar 19 \$000s	Mar 18 \$000s
New sales			
Realised fair-value movement	(Note 7)	87,866	58,955
Sale of occupation rights	(Key statistics)	290,701	307,282
Gross development margin		30%	19%
Resales			
Realised fair-value movement	(Note 7)	102,600	107,233
Resale of occupation rights	(Key statistics)	417,358	414,619
Gross resales margin		25%	26%



Appendix 5: Asset base

New Zealand (ex Auckland)

Village	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Anthony Wilding	Christchurch	80	33	35	50	110	308
Bob Owens	Tauranga	40	40	40	79	218	417
Bob Scott	Petone	40	40	34	89	254	457
Charles Fleming	Waikanae	40	40	40	79	201	400
Charles Upham	Rangiora	40	40	40	93	261	474
Diana Isaac	Christchurch	40	40	40	79	256	455
Ernest Rutherford	Nelson	49	25	20	75	124	293
Essie Summers	Christchurch	41	24	30	58	22	175
Frances Hodgkins	Dunedin	-	-	51	32	42	125
Hilda Ross	Hamilton	68	40	43	51	167	369
Jane Mander	Whangarei	60	32	20	71	183	366
Jane Winstone	Wanganui	20	20	29	50	54	173
Jean Sandel	New Plymouth	39	33	39	62	171	344
Julia Wallace	Palmerston North	43	21	20	50	111	245
Kiri Te Kanawa	Gisborne	46	15	34	62	105	262
Linda Jones	Hamilton	-	-	-	-	22	22
Malvina Major	Wellington	90	-	30	39	117	276
Margaret Stoddart	Christchurch	-	-	41	25	20	86
Ngaio Marsh	Christchurch	81	-	30	40	119	270
Princess Alexandra	Napier	60	24	24	54	70	232
Rita Angus	Wellington	49	-	20	50	99	218
Rowena Jackson	Invercargill	70	26	61	46	103	306
Shona McFarlane	Lower Hutt	59	-	20	50	130	259
Woodcote	Christchurch	-	-	49	7	18	74
Yvette Williams	Dunedin	57	30	3	32	-	122
Total units & beds New Zealand (ex Auckland)		1,112	523	793	1,323	2,977	6,728

Appendix 5: Asset base

Auckland

Village	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Bert Sutcliffe	Birkenhead	40	40	40	81	225	426
Bruce McLaren	Howick	41	40	42	74	192	389
Edmund Hillary	Remuera	114	30	50	60	373	627
Evelyn Page	Orewa	60	37	20	66	248	431
Grace Joel	St Helliers	77	-	20	80	69	246
Murray Halberg	Lynfield	42	42	40	20	40	184
Logan Campbell	Greenlane	43	30	43	80	116	312
Possum Bourne	Pukekohe	40	40	40	84	259	463
William Sanders	Devonport	-	-	-	-	53	53
Total units & beds Auckland		457	259	295	545	1,575	3,131
Total units & beds New Zealand		1,569	782	1,088	1,868	4,552	9,859

Victoria

Village	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Weary Dunlop	Melbourne	30	20	32	51	200	333
Nellie Melba	Melbourne	49	39	51	44	163	346
Total units & beds Victoria		79	59	83	95	363	679

New Zealand and Victoria

Total units & beds	1,648	841	1,171	1,963	4,915	10,538
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	Total	% of asset base
Care (hospital, dementia, resthome and serviced)	5,623	53.4%
Independent	4,915	46.6%

Appendix 6: Land bank (New Zealand)

Existing villages	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Diana Isaac	Christchurch	-	-	-	-	30	30
Grace Joel	Auckland	-	-	-	-	96	96
Jean Sandel	New Plymouth	-	-	-	-	59	59
Linda Jones	Hamilton	40	40	40	93	226	439
Murray Halberg	Auckland	-	-	-	66	292	358
William Sanders	Auckland	40	36	36	77	139	328
Total existing villages		80	76	76	236	842	1,310

New sites	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Havelock North	Hawkes Bay	35	35	20	78	147	315
Hobsonville	Auckland	40	40	40	101	276	497
Karori	Wellington	40	40	40	70	175	365
Kohimarama	Auckland	40	40	40	74	143	337
Lincoln Road	Auckland	42	37	42	77	186	384
Newtown	Wellington	28	20	28	46	55	177
Park Terrace / Bishopspark*	Christchurch	36	40	40	79	130	325
Riccarton Racecourse	Christchurch	40	40	40	55	224	399
Total new sites		301	292	290	580	1,336	2,799
Total land bank New Zealand		381	368	366	816	2,178	4,109

The land bank is subject to resource and building consent and various regulatory approvals.

* Site acquisitions at Bishopspark (Christchurch) and Riccarton Racecourse (Christchurch) are subject to Overseas Investment Office approval.

Appendix 6: Land bank (Victoria)

Existing villages	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Nellie Melba	Melbourne	31	-	29	50	165	275
Total existing villages		31	-	29	50	165	275

New sites	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Aberfeldie	Melbourne	25	25	24	27	64	165
Burwood East	Melbourne	44	44	44	91	174	397
Coburg	Melbourne	35	35	35	85	221	411
Highton	Victoria	34	33	33	60	80	240
Mount Eliza	Melbourne	40	40	40	70	315	505
Mount Martha	Melbourne	40	40	36	36	72	224
Ocean Grove	Victoria	40	40	40	53	94	267
Ringwood East*	Melbourne	40	40	40	77	222	419
Total new sites		298	297	292	499	1,242	2,628
Total land bank Australia		329	297	321	549	1,407	2,903

Total land bank New Zealand & Australia	710	665	687	1,365	3,585	7,012
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	Total	% of landbank
Care (hospital, dementia, resthome and serviced)	3,427	48.9%
Independent	3,585	51.1%

The land bank is subject to resource and building consent and various regulatory approvals.

* In May 2019, Ryman entered into an unconditional sale and purchase agreement for the acquisition of land at Ringwood East (Melbourne).

Appendix 7: Cash management fees

		Mar 19	Mar 18
	Reference	\$000s	\$000s
Accrued management fees – opening	(Note 12)	321,631	270,370
Less: Accrued management fees – closing	(Note 12)	(376,161)	(321,631)
Movement in accrued management fees		(54,530)	(51,261)
Plus: DMF income	Income statement	78,944	70,087
Plus: Revenue in advance movement	(Note 21)	5,890	7,253
Plus: GST / accommodation credit adjustment	Not disclosed	(105)	(310)
Plus: Movement in resident loan	Not disclosed	8,914	8,999
Cash management fees		39,113	34,768

Appendix 8: Investment property summary

At 31 March 2019	CBRE unit price inflation assumption					Discount rate
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5+	
Auckland	0.9%	1.8%	2.2%	2.7%	3.2%	12.5%
Rest of New Zealand	0.8%	1.4%	1.9%	2.7%	3.2%	13.3%
Victoria	0.7%	2.6%	3.6%	4.0%	3.9%	14.1%

At 31 March 2018	CBRE unit price inflation assumption					Discount rate
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5+	
Auckland	0.9%	1.9%	2.4%	3.0%	3.5%	12.5%
Rest of New Zealand	0.9%	1.5%	2.0%	2.8%	3.3%	13.4%
Victoria	3.6%	3.6%	3.6%	3.8%	3.9%	14.0%



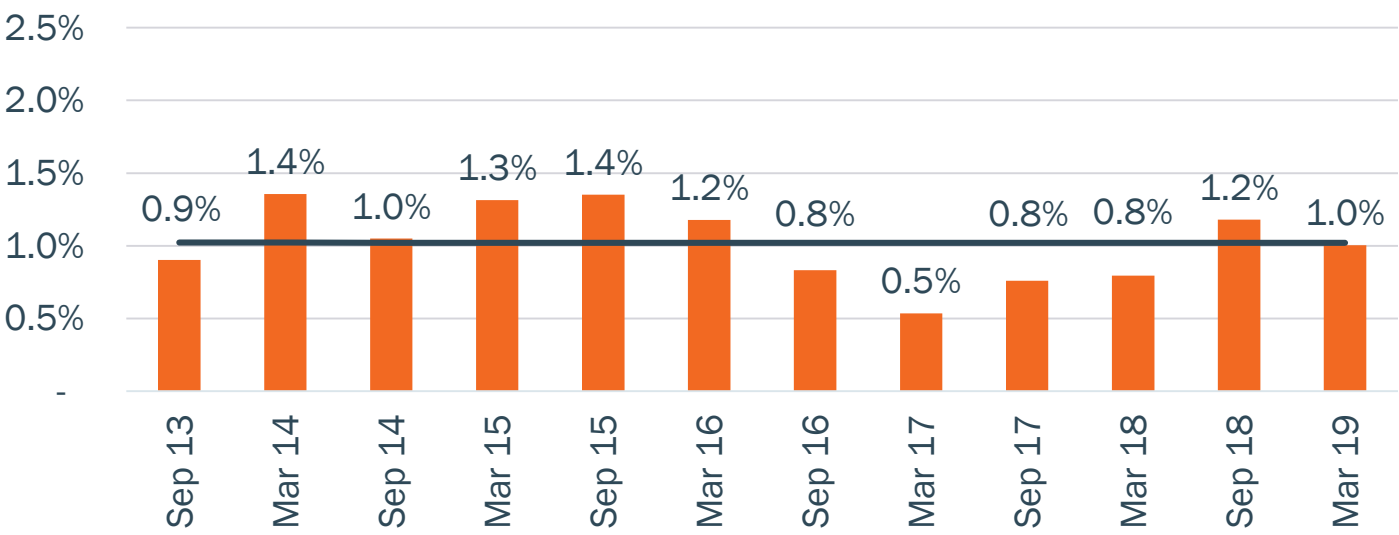
Appendix 9: Operating cash flows

	Mar 19	Mar 18
	\$000s	\$000s
Resident receipts	302,046	268,359
Refundable accommodation deposits (net)	3,807	3,101
Development sales	300,351	238,820
Resales	403,292	364,860
Total receipts from residents	1,009,496	875,140
Interest received	588	515
Payments to suppliers and employees	(306,234)	(270,231)
Payments to residents	(283,736)	(241,676)
Interest paid	(18,689)	(14,491)
Net operating cash per the cash flow statement	401,425	349,257



Appendix 10: Available resale stock

	Mar 19	Mar 18
Independent living units	29	26
Serviced apartments	40	25
Total resales stock	69	51
Total retirement portfolio	6,878	6,414
Uncontracted stock percentage *	1.0%	0.8%



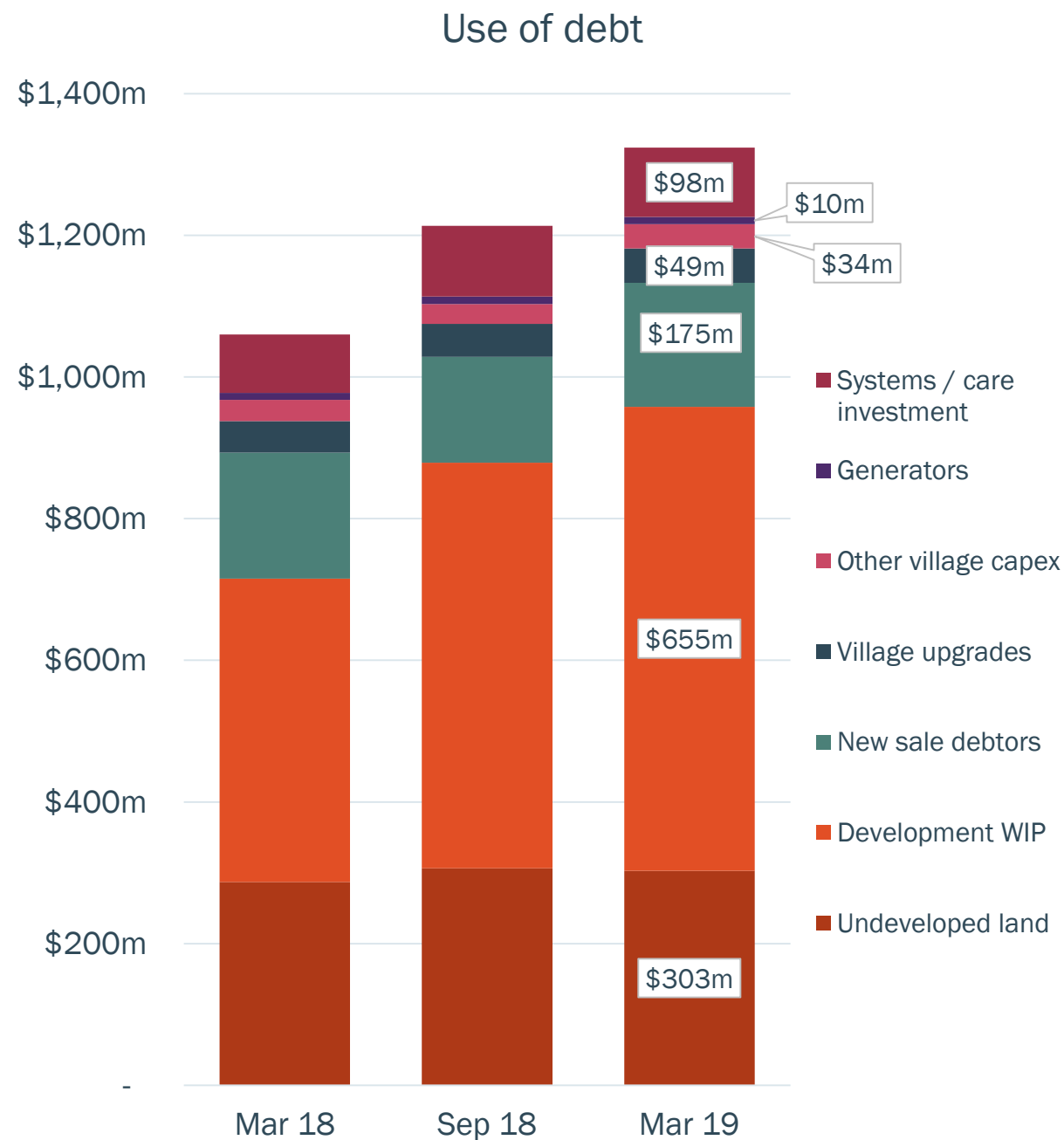
* Uncontracted resales stock as a percentage of total retirement unit portfolio



Appendix 11: Capital management

Gearing (\$m)	Mar 19	Mar 18
Net debt	\$1,324	\$1,060
Net assets	\$2,170	\$1,941
Gearing ratio *	38%	35%

* Gearing ratio calculated as bank debt / bank debt plus equity

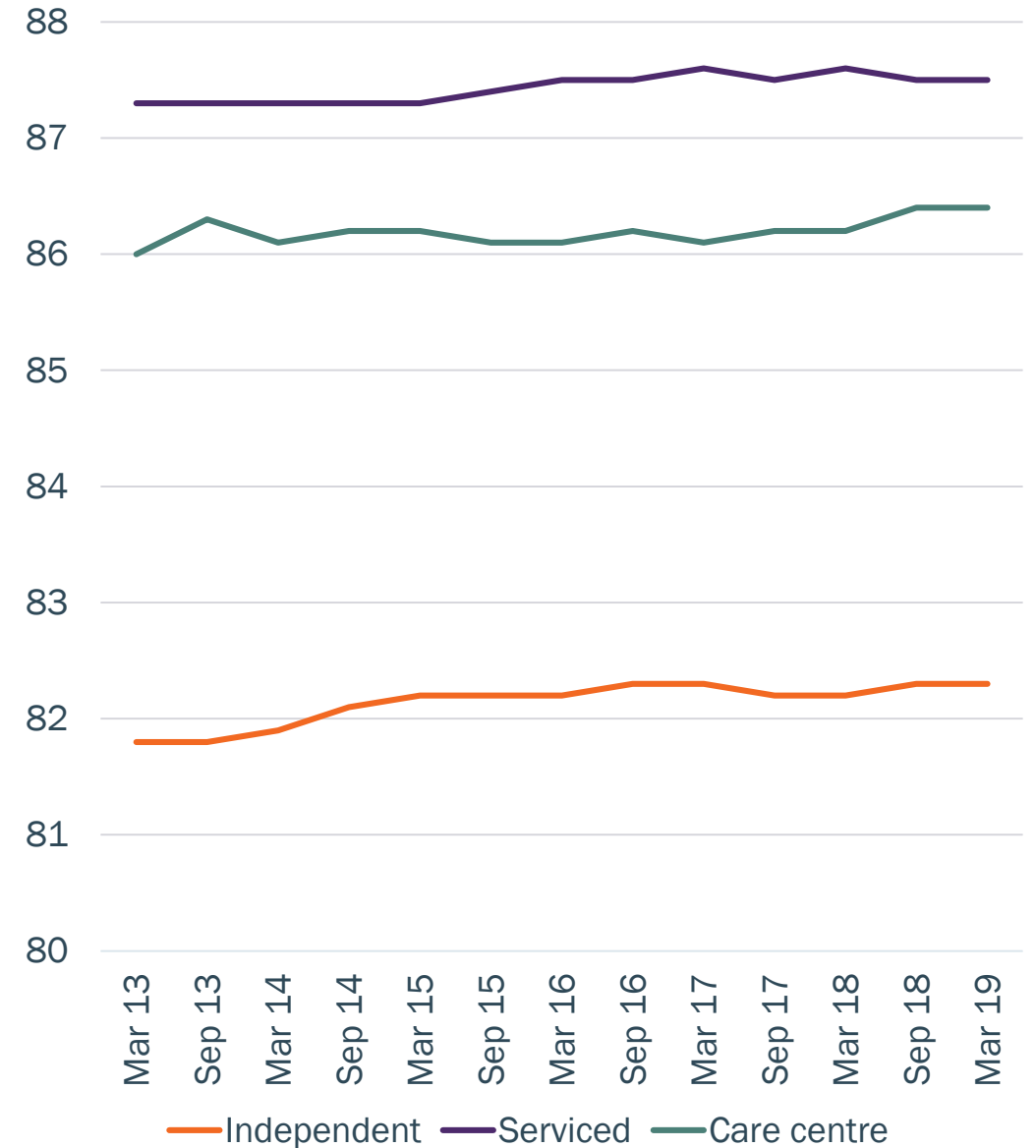


Appendix 12:

Resident average age and tenure (years)

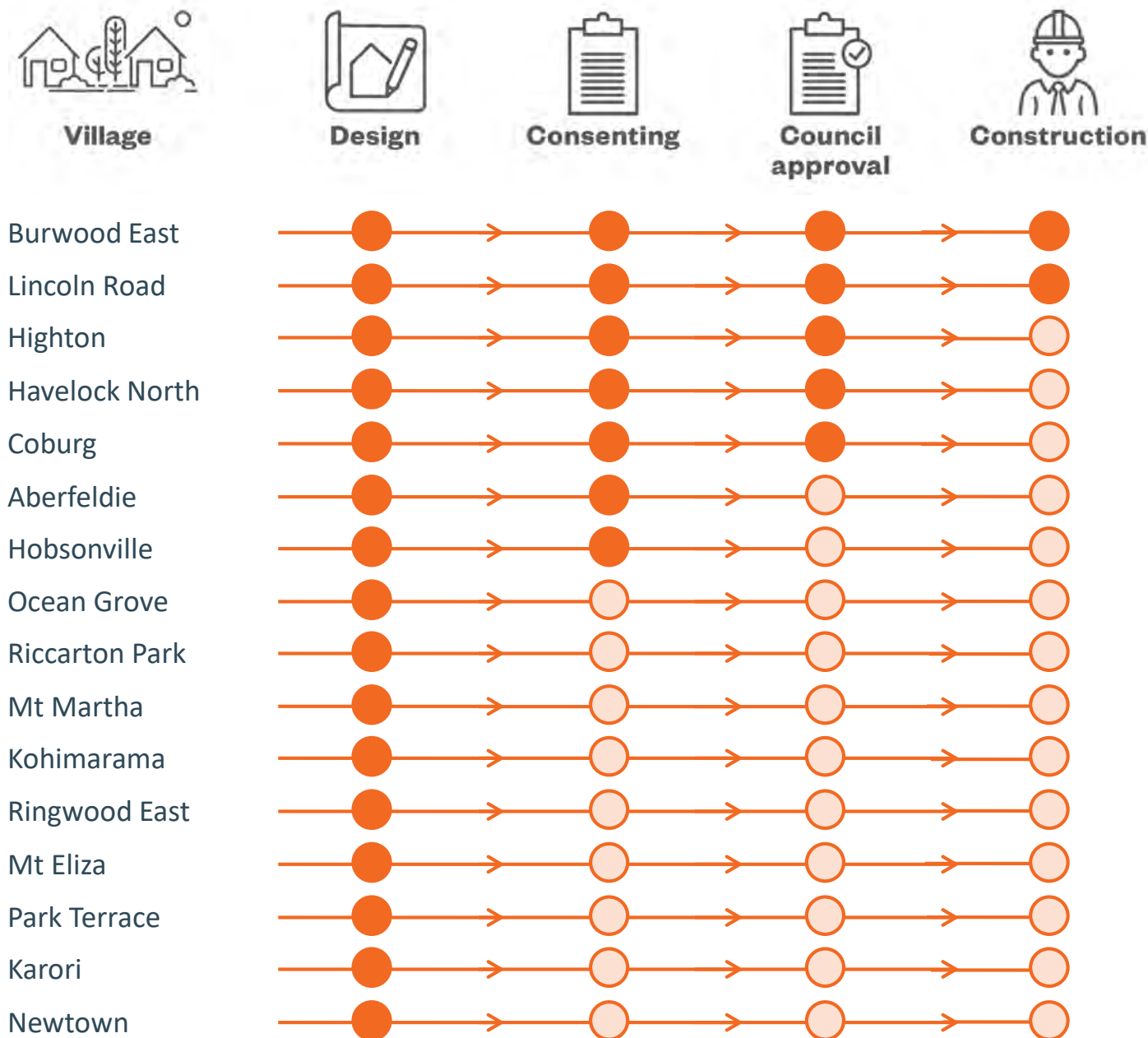
Average age	Mar 19	Mar 18
Independent	82.3	82.2
Serviced	87.5	87.6
Care centre	86.4	86.2

Average tenure - vacated units	Mar 19	Mar 18
Independent	5.5	4.8
Serviced	2.6	3.0



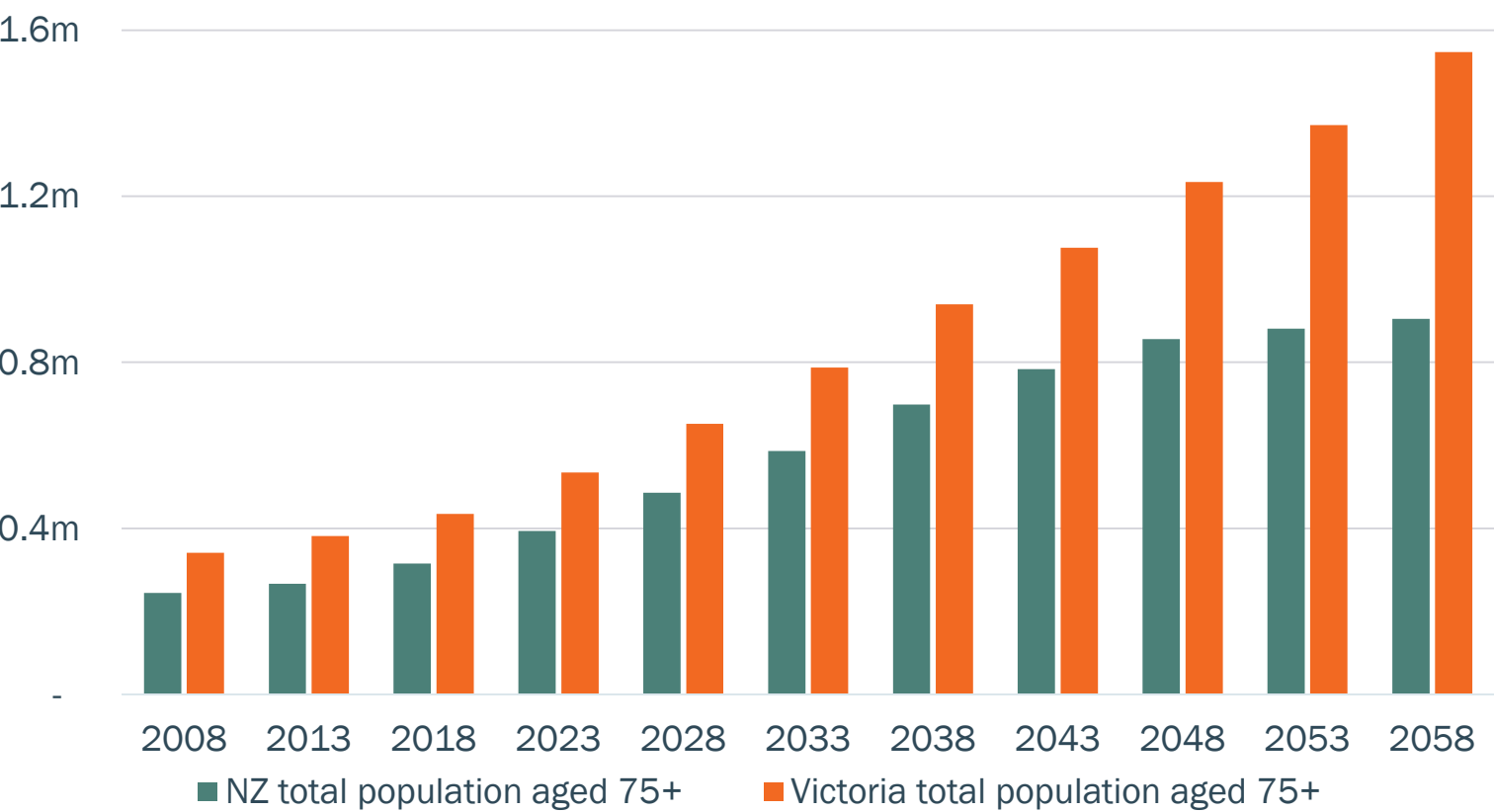
Appendix 13:

16 villages in
the pipeline
8 in NZ,
8 in Victoria



Appendix 14:

Population growth 75+





Appendix 15: Ten sites in Victoria



Appendix 16: 12 sites in Auckland



Disclaimer

This presentation

This presentation sets out information relating to Ryman Healthcare Limited's full year result for the period to 31 March 2019. It should be read in conjunction with all other material which we have released, or may release, to NZX from time to time. That material is also available on our website at www.rymanhealthcare.com.

Purpose of this presentation

This presentation is for information purposes only. It is not an offer of financial products, or a proposal or invitation to make any such offer. It is not investment advice or a recommendation in relation to financial products, and does not take into account any person's individual circumstances or objectives. Every investor should make an independent assessment of Ryman on the basis of expert financial advice.

Forward-looking statements

This presentation contains forward-looking statements and projections. These reflect our current expectations, based on what we think are reasonable assumptions. However, any of these forward-looking statements or projections may be materially different due to a range of factors and risks. Ryman gives no warranty or representation as to our future financial performance or any future matter.

Non-GAAP information

Some of the financial information in this presentation has not been prepared in accordance with generally accepted accounting principles (i.e. it is non-GAAP financial information). This includes, in particular, our 'underlying profit' which Ryman has used for many years as a means of showing our profit absent any unrealised valuation movements. Ryman has historically used underlying profit as the basis for determining dividend payments to shareholders. We show our underlying profit together with our reported profit based on NZ IFRS (a GAAP measure).

Disclaimer

To the maximum extent permitted by law, we will not be liable (whether in tort including negligence, contract, statute or otherwise) to you or any other person in relation to this presentation, including any error or omission in it.