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Ryman reports unaudited first half underlying profit of \$95.9 million, up 8.5%

Highlights:

- Unaudited underlying profit \$95.9 million, an increase of 8.5%
- Reported (IFRS) profit increased 32.5% to \$281.5 million, due to investment property revaluations
- Interim dividend of 8.8 cents per share, unchanged from prior year
- Total assets \$9.85 billion, up 18.1% on September last year
- Net assets of \$3.03 billion, up \$579.6 million or 23.6% from a year ago
- Total cash receipts of \$680.5 million in the half, up 40.9% from \$483.1 million last year
- Dividend payment range reset to between 30% and 50% of underlying profit

Ryman Healthcare's unaudited first half underlying profit rose 8.5% to \$95.9 million, with demand for retirement living and aged care remaining strong despite the challenges of COVID-19.

Unaudited reported (IFRS) profit, which includes unrealised fair value gains on investment property, increased 32.5% to \$281.5 million in the six months to September 30.

Shareholders will receive an interim dividend of 8.8 cents per share. The record date for entitlements is December 10, and the dividend will be paid on December 17, 2021.

Group Chief Executive Richard Umbers said the Delta strain of COVID-19 had resulted in lengthy lockdowns in Melbourne and Auckland during the first half, but Ryman villages remained in strong demand.

Total transacted sales rose 48% to \$510 million in the first half. Only 1.2% of the retirement village portfolio was available for resale at September 30.

"When you consider the extent of the lockdowns in Auckland and Melbourne, which are our biggest markets, sales have been remarkably resilient," Mr Umbers said.

The gradual easing of COVID-19 restrictions in Victoria, changes to migration settings in New Zealand and high vaccination rates in both countries were welcome news.

Ryman started work on three new sites during the half at Takapuna in Auckland and Highett and Ringwood East in Melbourne, bringing total villages in construction to 15.

“After 20 months of living in a pandemic we’re used to adapting and doing things differently to keep everyone safe and maintain momentum at the same time. There’s pressure on all our resources but we have strong supply lines and relationships with contractors.

“We expect to see pent-up demand come through in the market as restrictions lift in the next few months and we are cautiously optimistic about the months ahead.

“Since joining Ryman I have been impressed by the commitment of the team to keeping everyone safe, and the extraordinary care they take. I’ve had a warm welcome and I’m looking forward to building on Ryman’s success on both sides of the Tasman.”

Chair Dr David Kerr said the board has adjusted the dividend policy from 50% of underlying profit to a 30%-50% range.

“We have strong long-term growth plans and this change will enhance our ability to continue to deliver the Ryman experience to more communities.”

15 villages currently in construction as at November 19, 2021:

New Zealand	Australia
Lynfield, Auckland (Murray Halberg)	Brandon Park, Melbourne (Nellie Melba)
Devonport, Auckland (William Sanders)	Burwood East, Melbourne (John Flynn)
River Rd, Hamilton (Linda Jones)	Highton, Geelong, Victoria (Charles Brownlow)
Lincoln Rd, Auckland (Miriam Corban)	Ocean Grove, Victoria (Deborah Cheetham)
Havelock North, Hawkes Bay (James Wattie)	Aberfeldie, Melbourne (Raelene Boyle)
Hobsonville, Auckland (Keith Park)	Highett, Melbourne
Riccarton Park, Christchurch (Kevin Hickman)	Ringwood East, Melbourne
Takapuna, Auckland	

Sites in the land bank:

New Zealand	Australia
Kohimarama, Auckland	Essendon, Melbourne
Bishopspark/Park Terrace, Christchurch	Mt Eliza, Victoria
Northwood, Christchurch	Mt Martha, Victoria
Karori, Wellington	Mulgrave, Melbourne
Newtown, Wellington	
Karaka, Auckland	
Cambridge, Waikato	

About Ryman:

Ryman Healthcare was founded in Christchurch in 1984 and owns and operates 43 retirement villages in New Zealand and Australia. Ryman villages are home to 12,800 residents, and the company employs 6,400 staff.

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RYMAN HEALTHCARE LIMITED

KEY STATISTICS

		Sept 21 Half Year Unaudited	Sept 20 Half Year Unaudited	Mar 21 Full Year Audited
Underlying profit (non-GAAP)¹	\$m	95.9	88.4	224.4
Unrealised fair-value movement on retirement-village units	\$m	178.7	124.1	201.2
Deferred tax movement	\$m	6.9	(0.1)	12.6
Impairment – loss on disposal	\$m	-	-	(15.1)
Reported net profit after tax	\$m	281.5	212.4	423.1
Net operating cash flows	\$m	301.1	96.4	413.1
Earnings per share - basic and diluted	cents	56.3	42.5	84.6
Dividend per share	cents	8.8	8.8	22.4
Net tangible assets - basic and diluted	cents	596.0	481.8	557.4
Sales of Occupation Right Agreements				
New sales of occupation rights	no.	189	121	503
Resales of occupation rights	no.	514	456	925
Total sales of occupation rights	no.	703	577	1,428
New sales of occupation rights	\$m	137.7	90.0	395.1
Resales of occupation rights	\$m	311.1	237.5	498.0
Total sales of occupation rights	\$m	448.8	327.5	893.1
Portfolio:				
Aged-care beds	no.	4,165	3,951	4,087
Retirement-village units	no.	8,195	7,689	7,983
Total units and beds	no.	12,360	11,640	12,070
Land bank (to be developed)²				
Aged-care beds	no.	1,575	1,703	1,592
Retirement-village units	no.	4,555	4,468	4,554
Total units and beds	no.	6,130	6,171	6,146

¹ Underlying profit is a non-GAAP* 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 includes realised movement on investment property for units in which a right-to-occupy has been sold during the period and for which a legally binding contract is in place at the reporting date. The occupancy advance for these units may have been received or be included within the trade receivables balance at reporting date.

Underlying profit excludes deferred taxation, taxation expense, unrealised movement on investment properties, and impairment losses on non-trading assets because these items do not reflect the trading performance of the Company. Underlying profit determines the dividend payout to shareholders.

² The land bank is subject to resource and building consent and various regulatory approvals.

*Generally Accepted Accounting Principles

