



MEDIA RELEASE May 21, 2021

Ryman reports audited full year underlying profit of \$224.4 million

Key points:

- Audited underlying profit \$224.4 million, 7.3% down due to COVID-19 challenges
- Audited reported (IFRS) profit increased 59.8% to \$423.1 million, due to investment property revaluations
- Final dividend of 13.6 cents, taking the full year dividend to 22.4 cents per share, 50% of underlying profit.
- Ryman has returned more than \$1.03 billion to shareholders since it listed in 1999, when it raised \$25 million
- Record final quarter new sales and resales as market recovers
- Total assets of \$9.17 billion, up 19.5%
- Continued strong demand for aged care in New Zealand and Victoria, mature care occupancy at 97%
- Only 1.4% of resale units unsold at the end of March
- Five villages opened in Victoria by December 2020
- Three new sites purchased, one in Melbourne and two in New Zealand
- No cases of COVID-19 to date among 12,500 residents and 6,100 staff across New Zealand and Victoria

Ryman Healthcare has reported a full year underlying profit of \$224.4 million, with a second half recovery driven by record sales.

Audited reported (IFRS) profit, which includes unrealised fair value gains on investment property, increased 60% to \$423.1 million in the year to March 31, 2021.

Shareholders will receive a final dividend of 13.6 cents per share, taking the total dividend for the year to 22.4 cents per share, which is 50% of underlying profit. The record date for entitlements is June 4, and the dividend will be paid on June 18, 2021.

Chief Executive Gordon MacLeod said transactions and building activity had recovered after a challenging first half due to COVID-19.

“We bore the brunt of the COVID-19 lockdowns in the first half. In the final quarter we achieved record new sales and resales, which was no mean feat after a tough year.”

“I couldn’t be more proud of how the team has performed – not only to keep COVID-19 out of all of our villages and keep everyone safe – but also to power through and keep on innovating, developing and growing,” Mr MacLeod said.

In December Ryman achieved its long-term target of having five villages open in Victoria by the end of 2020, and Ryman has another six villages in the pipeline in Australia.

Ryman has bought new village sites at Essendon in Melbourne, and at Karaka and Cambridge in New Zealand. Ryman has sold its Coburg site in Melbourne after opting to buy a more attractive site in nearby Essendon.

Approval was received to build new villages at Ringwood East in Melbourne, Northwood in Christchurch and two Auckland villages at Takapuna and Kohimarama.

Ryman's total assets grew by 19.5% during the year. The company has diversified \$825 million of debt funding.

A NZ\$150 million retail bond issue in New Zealand, a US\$300 million USPP private debt placement and an A\$250 million institutional term loan were all oversubscribed, Mr MacLeod said.

"The debt issuances allowed us to take our plans to a wider audience of funders and we were delighted with the response. We ended the year with a stronger balance sheet, and new diversified long-term debt funding with weighted average tenor of nine years with plenty of headroom.

"We have had record cash collections of \$1.18 billion during the year to support our largest ever building programme, and we are planning to have 14 villages under construction, seven in Australia and seven in New Zealand later this year.

Ryman's integrated villages and high-quality care continued to be in strong demand, with care occupancy in established villages running at 97%.

Only 1.4% of Ryman's portfolio was available for resale at March 31, down from 1.9% at September 30, 2020. Ryman built 736 new beds and units during the year.

Chairman Dr David Kerr said a highlight was the response to the COVID-19 vaccine rollout, with both residents and staff jumping at the chance to get vaccinated.

"Getting vaccinated is the best thing anyone can do to keep themselves and their loved ones safe," Dr Kerr said.

"We're achieving care resident vaccine rates above 95%, which is really pleasing."

"Our villages are safe havens for older people where they can expect to live well and with the best of care on hand if they need it. The COVID pandemic has made this security about the future top of mind for older people, and we expect demand will continue to grow."

Ryman's development pipeline of 25 new villages would provide homes for more than 6,800 residents and would generate anticipated capital proceeds of \$5.3 billion with recurring income of \$420 million, subject to market conditions and consenting outcomes.

"With the vaccine rollout in full swing and huge potential in our pipeline of new villages, we've put ourselves in a tremendous position for the years ahead," Dr Kerr said.

Ryman will have returned more than \$1.03 billion to shareholders since listing in 1999 after its next dividend is paid on June 18. In 1999 Ryman raised \$25 million from investors.

Twelve new villages currently under construction:

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
Havelock North, Hawkes Bay (James Wattie)	Aberfeldie, Melbourne
Hobsonville, Auckland (Keith Park)	
Riccarton Park, Christchurch	

Sites in the land bank:

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

About Ryman: Ryman Healthcare was founded in Christchurch in 1984 and owns and operates 41 retirement villages in New Zealand and Australia. Ryman villages are home to 12,500 residents, and the company employs 6,100 staff.

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RYMAN HEALTHCARE LIMITED

KEY STATISTICS

		Mar 21	Mar 20
		Full Year	Full Year
		Audited	Audited
Underlying profit (non-GAAP)¹	\$m	224.4	242.0
Unrealised fair-value movement on retirement-village units	\$m	201.2	(70.9)
Deferred tax movement	\$m	12.6	93.6
Impairment – loss on disposal	\$m	(15.1)	-
Reported net profit after tax	\$m	423.1	264.7
Net operating cash flows	\$m	413.1	449.8
Earnings per share - basic and diluted	cents	84.6	52.9
Dividend per share	cents	22.4	24.2
Net tangible assets - basic and diluted	cents	557.4	452.6
Sales of Occupation Right Agreements			
New sales of occupation rights	no.	503	513
Resales of occupation rights	no.	925	923
Total sales of occupation rights	no.	1,428	1,436
New sales of occupation rights	\$m	395.1	386.7
Resales of occupation rights	\$m	498.0	483.2
Total sales of occupation rights	\$m	893.1	869.9
Portfolio:			
Aged-care beds	no.	4,087	3,911
Retirement-village units	no.	7,983	7,423
Total units and beds	no.	12,070	11,334
Land bank (to be developed)²			
Aged-care beds	no.	1,592	1,891
Retirement-village units	no.	4,554	4,704
Total units and beds	no.	6,146	6,595

¹ Underlying profit is a non-GAAP[®] measure and differs from NZ IFRS profit for the year. 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

