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Ryman reports unaudited first half underlying profit of \$138.8 million, up 44.8%; announces introduction of dividend reinvestment plan

Ryman Group results for six months to 30 September 2022

- Unaudited underlying profit of \$138.8 million, up 44.8% on the same period last year, driven by strong resale margins
- Unaudited reported (IFRS) profit decreased 31.1% to \$194.0 million due to lower unrealised revaluation gains of investment property
- Interim dividend of 8.8 cents per share (unchanged from last year), representing 31.7% of underlying profit, and eligible for the dividend reinvestment plan
- Total assets of \$12.03 billion, up 9.7% from \$10.97 billion as at 31 March 2022
- Cash receipts from residents of \$714.7 million, up 5.0% on the first half last year
- Booked sales of occupation rights up 9.8% driven by strong growth in Australia
- Resales stock remains low at 1.7% despite softening housing market conditions
- Resilient aged care occupancy of 94% for our mature villages, notwithstanding the re-emergence of COVID through the winter months

Ryman Healthcare has reported an unaudited first half underlying profit of \$138.8 million, up 44.8% on the same period last year, driven by strong resale margins as well as continued strong growth in its Australian business.

Unaudited (IFRS) profit decreased 31.1% to \$194.0 million, reflecting lower unrealised fair value gains on investment property.

Shareholders will receive an interim dividend of 8.8 cents per share, unchanged from last year, representing 31.7% of underlying profit. The record date for entitlements is December 9, and the dividend will be paid on December 16, 2022.

As part of today's announcement, Group CEO Richard Umbers advised that the Board of Directors has approved the establishment of a dividend reinvestment plan, which will apply to the interim dividend.

"This reflects feedback from our shareholders and provides us with more flexibility to manage our balance sheet as part of our ongoing capital management," said Mr Umbers.

“We are currently in a rapidly changing and uncertain macro-economic environment in both our markets, and the Board and management are mindful of the impact this is having on our business. We are therefore closely monitoring our cashflows and capital management.”

Participation in the dividend reinvestment plan is optional and investors can choose to reinvest their dividends into Ryman shares or continue receiving a cash dividend. An offer document and details on how to participate will be provided to shareholders in the coming days.

In reflecting on the result, Mr Umbers said that it demonstrated Ryman was now an established trans-Tasman business, with a compelling proposition in both New Zealand and Australia.

He highlighted the increase in booked sales of occupation rights, which were up 9.8% on the first half of last year.

Ryman’s development programme continues to progress, with work under way on 10 sites in New Zealand and another five in Australia.

First half development highlights included commencing construction in Cambridge, New Zealand, and in Australia receiving planning approval for the Mulgrave site and completing the Charles Brownlow and Raelene Boyle villages.

Mr Umbers reflected on the recent investor day and village tour, held in Auckland last month.

“At our recent investor day, I was pleased to present a number of initiatives already under way that are improving the performance of our business, and while this is a good result for the half, we want to do better. I am confident that we have the strategy, the team, and the ability to deliver and we look forward to expanding this programme of work.”

Chairman Greg Campbell commented, “in a year characterised by increasing uncertainty this is a pleasing result which gives us confidence as we face into some continuing and new market headwinds, including a cost inflationary environment, a challenging property market and an underfunded aged care sector.”

Mr Campbell also advised that after ten years on Ryman’s Board, George Savvides would be retiring at the next annual meeting of shareholders in July 2023.

“I want to take this opportunity to thank George for his contribution to Ryman since he joined the board in 2013. As our first Australian-based director his input has been invaluable in supporting our growth in the Australian market,” he said.

Fifteen new villages currently under construction

New Zealand (10)	Australia (5)
Lynfield, Auckland (Murray Halberg)	Brandon Park, Melbourne (Nellie Melba)
Devonport, Auckland (William Sanders)	Burwood East, Melbourne (John Flynn)
River Rd, Hamilton (Linda Jones)	Ocean Grove, Victoria (Deborah Cheetham)
Lincoln Rd, Auckland (Miriam Corban)	Highbury, Melbourne (Bert Newton)
Havelock North, Hawkes Bay (James Wattie)	Ringwood East, Melbourne
Hobsonville, Auckland (Keith Park)	
Riccarton Park, Christchurch (Kevin Hickman)	
Northwood, Christchurch	
Takapuna, Auckland	
Cambridge, Waikato	

Twelve sites in the land bank

New Zealand (7)	Australia (5)
Kohimarama, Auckland	Mt Eliza, Victoria
Park Terrace, Christchurch	Essendon, Melbourne
Karori, Wellington	Coburg North, Melbourne
Newtown, Wellington	Kealba, Melbourne
Karaka, Auckland	Mulgrave, Melbourne
Rolleston, Canterbury	
Taupō, Waikato	

About Ryman:

Ryman Healthcare was founded in Christchurch in 1984 and owns and operates 45 retirement villages in New Zealand and Australia. Ryman villages are home to 13,900 residents, and the company employs 6,800 staff.

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RYMAN HEALTHCARE LIMITED
KEY STATISTICS

		Sept 22	Sept 21	Mar 22
		Half Year	Half Year	Full Year
		Unaudited	Unaudited	Audited
Underlying profit (non-GAAP)¹	\$m	138.8	95.9	255.0
Unrealised fair-value movement on retirement-village units	\$m	89.3	178.7	467.1
Deferred tax movement	\$m	(23.3)	6.9	(29.2)
Impairment loss	\$m	(10.8)	-	-
Reported net profit after tax	\$m	194.0	281.5	692.9
Net operating cash flows	\$m	243.7	301.1	586.0
Earnings per share - basic and diluted	cents	38.8	56.3	138.6
Dividend per share	cents	8.8	8.8	22.4
Net tangible assets - basic and diluted	cents	713.5	596.0	676.6
Sales of Occupation Right Agreements				
New sales of occupation rights	no.	216	189	560
Resales of occupation rights	no.	556	514	983
Total sales of occupation rights	no.	772	703	1,543
New sales of occupation rights	\$m	188.0	137.7	455.9
Resales of occupation rights	\$m	394.7	311.1	623.9
Total sales of occupation rights	\$m	582.6	448.8	1,079.8
Portfolio:				
Aged-care beds	no.	4,299	4,165	4,239
Retirement-village units	no.	8,667	8,195	8,538
Total units and beds	no.	12,966	12,360	12,777
Land bank (to be developed)²				
Aged-care beds	no.	1,623	1,575	1,635
Retirement-village units	no.	5,087	4,555	4,671
Total units and beds	no.	6,710	6,130	6,306

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