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Ryman reports audited full year underlying profit of \$255.0 million

Key points:

- Audited underlying profit \$255.0 million, up 13.6%
- Audited reported (IFRS) profit increased 63.8% to \$692.9 million.
- Final dividend of 13.6 cents per share, taking the full year dividend to 22.4 cents, or 43.9% of underlying profit
- Total cash receipts of \$1.40 billion, up 18.7%
- Total assets of \$10.97 billion, up from \$9.17 billion last year.
- Continued strong demand for aged care in New Zealand and Victoria, only 1.4% of resale units unsold at the end of March
- Four new sites purchased, and additional land purchased at two existing villages

Ryman Healthcare has reported a record full year audited underlying profit of \$255.0 million, helped by a resilient performance through COVID and a strong recovery in Victoria.

Audited reported (IFRS) profit, which includes unrealised fair value gains on investment property, increased 63.8% to \$692.9 million in the year to March 31.

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 (43.9% of underlying profit). The record date for entitlements is June 3, and the dividend will be paid on June 17, 2022.

Group Chief Executive Richard Umbers said it was a strong result which proved that Ryman had the capability to deliver in challenging times.

“We’ve got a resilient business model and a fantastic team. We have been able to keep our residents and team safe and have set new benchmarks for clinical care.

“We are also very committed to improving the financial performance as we execute our plans, and continue to acquire land, build new villages, refurbish existing ones, and sell both new and refurbished units.

“We are transitioning from managing through COVID to living with COVID.”



Mr Umbers said the second half was impacted by the arrival of Omicron, but Ryman's operations in Victoria led the recovery with record fourth quarter sales.

"There's no doubt that the Omicron wave had an impact, but we've been pleased to see strong sales in Victoria in February and March. We anticipate a similar recovery in New Zealand later in the year."

Total group sales - which includes both new and resale units topped 1,500 for the first time. Only 1.4% of Ryman's portfolio was available for resale at March 31.

Mr Umbers said Ryman won a COVIDSafe innovation award from the Victorian Chamber of Commerce for how it supported and cared for residents through COVID and was named the Most Trusted Brand in its sector by Readers Digest for the eighth time in New Zealand.

"Both these awards recognise what a superb job our team has done in protecting residents from COVID. The pandemic has emphasised the advantages of living in a supportive and caring community. Our reputation is stronger than ever which is reflected in the continued strong demand for our villages."

Growth ambitions remain on track, and capital expenditure continues to be closely managed. Construction momentum was maintained despite the challenges of COVID, and Ryman currently has 16 sites under construction in New Zealand and Victoria.

Ryman purchased four new sites during the year and added additional land at another two existing villages. The new sites are at Kealba, Coburg North and Mulgrave in Victoria and Rolleston in New Zealand. Additional land was purchased to extend Ryman's Essendon and Ocean Grove villages in Victoria.

Ryman's total assets grew to nearly \$11 billion during the year driven by our build programme, investment in higher value sites and fair value gains.

At 31 March, Ryman had approximately \$750 million of debt headroom and in April 2022 issued a further \$290 million through a second USPP. Ryman has now diversified \$1.13 billion of debt away from bank debt.

Once constructed, Ryman's development pipeline of 29 new villages will provide homes for an additional 9,000 residents, and anticipated capital proceeds of over \$6.80 billion.



Sixteen new villages currently under construction:

New Zealand

Lynfield, Auckland (Murray Halberg)
Devonport, Auckland (William Sanders)
River Rd, Hamilton (Linda Jones)
Lincoln Rd, Auckland (Miriam Corban)
Havelock North, Hawkes Bay (James Wattie)
Hobsonville, Auckland (Keith Park)
Riccarton Park, Christchurch (Kevin Hickman)
Northwood, Christchurch
Takapuna, Auckland

Australia

Brandon Park, Melbourne (Nellie Melba)
Burwood East, Melbourne (John Flynn)
Highton, Victoria (Charles Brownlow)
Ocean Grove, Victoria (Deborah Cheetham)
Aberfeldie, Melbourne (Raelene Boyle)
Highett, Melbourne
Ringwood East, Melbourne



Sites in the land bank:

New Zealand

Kohimarama, Auckland
Park Terrace, Christchurch
Karori, Wellington
Newtown, Wellington
Karaka, Auckland
Cambridge, Waikato
Rolleston, Canterbury

Australia

Mt Eliza, Victoria
Mt Martha, Victoria
Essendon, Melbourne
Coburg North, Melbourne
Kealba, Melbourne
Mulgrave, Melbourne

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 13,200 residents, and the company employs 6,700 staff.

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RYMAN HEALTHCARE LIMITED KEY STATISTICS

		Mar 22 Full Year Audited	Mar 21 Full Year Audited
Underlying profit (non-GAAP)ⁱ	\$m	255.0	224.4
Unrealised fair-value movement on retirement-village units	\$m	467.1	201.2
Deferred tax movement	\$m	(29.2)	12.6
Impairment – loss on disposal	\$m	-	(15.1)
Reported net profit after tax	\$m	692.9	423.1
Net operating cash flows	\$m	586.0	413.1
Earnings per share - basic and diluted	cents	138.6	84.6
Dividend per share	cents	22.4	22.4
Net tangible assets - basic and diluted	cents	676.6	557.4
Sales of Occupation Right Agreements			
New sales of occupation rights	no.	560	503
Resales of occupation rights	no.	983	925
Total sales of occupation rights	no.	1,543	1,428
New sales of occupation rights	\$m	455.9	395.1
Resales of occupation rights	\$m	623.9	498.0
Total sales of occupation rights	\$m	1,079.8	893.1
Portfolio:			
Aged-care beds	no.	4,239	4,087
Retirement-village units	no.	8,538	7,983
Total units and beds	no.	12,777	12,070
Land bank (to be developed)²			
Aged-care beds	no.	1,635	1,592
Retirement-village units	no.	4,671	4,554
Total units and beds	no.	6,306	6,146

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