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15 February 2023

NZX announcement

Ryman moves to strengthen balance sheet

Ryman Healthcare Limited (Ryman) is raising \$902 million through a 1 for 2.81 accelerated pro rata entitlement offer of new ordinary shares (New Shares), with trading of retail entitlements on the NZX (the Offer).

The purpose of the Offer is to reset Ryman's capital structure, provide funds to strengthen its balance sheet through the repayment of debt and better enable the company to execute its growth framework.

With a history dating back almost 40 years, Ryman has a strong presence in New Zealand and is the largest retirement village operator. In addition, Ryman now has a growing presence in Victoria, Australia. Across both markets Ryman provides homes for more than 13,000 residents across 45 high quality villages in high value suburbs.

Since the start of FY18, Ryman has invested over \$3.9 billion in its portfolio, delivering more than 2,699 independent living units and 1,018 new care beds for residents. During this period Ryman also invested in new sites for its landbank, which provides a platform for growth. Ryman currently has 15 villages under construction and 6,710 units in its current land bank.

This period of accelerated investment, where investing cash flows exceeded operating cash flows, has resulted in elevated levels of debt. Resetting the capital structure with new equity through this Offer will allow Ryman to pay down debt by fully repaying Ryman's USPP notes and reduce pro-forma gearing from 45.3%¹ to 33.9%².

In addition, the Board has determined that no further dividend will be paid for FY23F.

¹ As at September 2022

² As at September 2022



CEO Richard Umbers said, “Our significant recent investment in our portfolio underpins our potential for future growth but has resulted in higher debt than we are comfortable with in current market conditions. The steps announced today will mean we are well capitalised as we seek to meet increased demand for the Ryman way of life, while also increasing cash flow generation and shareholder returns.”

“Ryman is now an established trans-Tasman business, with a compelling retirement village living and aged-care proposition in both markets. With a recapitalised balance sheet, a refreshed leadership team and a newly focused approach to development, we believe we are well placed to take advantage of the opportunities in our business and continue to deliver care that is ‘Good Enough for Mum or Dad’.”

Details of the Offer

Under the Offer, eligible shareholders are being invited to subscribe for New Shares, at a discount to the closing share price before the Offer. Eligible holders of entitlements to subscribe for New Shares can choose to take up their entitlements in whole or in part or not at all.

Importantly, the Board has structured the Offer with a view to maximising fairness for its shareholders, including through providing for eligible retail shareholders with the ability to apply for additional New Shares if they take up their entitlements in full, and also to sell their entitlements on the NZX Main Board.

The Offer is open to eligible shareholders in New Zealand, Australia and a limited number of other jurisdictions. Information about the Offer, including on the eligibility criteria and how to participate, is set out in the Offer Document.



Further information on the Offer is detailed below.

To be read in conjunction with the Offer Document and the Investor Presentation which is available to Eligible Shareholders via our offer website: www.ryman.capitalraise.co.nz

Offer size and structure	<ul style="list-style-type: none">• Underwritten I for 2.81 pro-rata accelerated entitlement offer of with retail entitlements trading, expected to raise \$902 million• Approximately 180.5 million New Shares to be issued under the Offer, representing approximately 35.6% of existing shares on issue
Offer price	<ul style="list-style-type: none">• Offer price of \$5.00 per New Share (Offer Price)<ul style="list-style-type: none">- 17.1% discount to the theoretical ex-rights price (TERP³) of \$6.03- 21.9% discount to Ryman's closing price of \$6.40 on the NZX on Tuesday, 14 February 2023
Institutional Entitlement Offer	<ul style="list-style-type: none">• Institutional Entitlement Offer opens today, Wednesday, 15 February 2023 and closes on Thursday, 16 February 2023• Institutional entitlements not taken up and entitlements of ineligible institutional shareholders will be sold in the institutional shortfall bookbuild which opens on Thursday, 16 February 2023 and closes on Friday, 17 February 2023
Retail Entitlement Offer	<ul style="list-style-type: none">• Eligible retail shareholders have a number of options under the Retail Entitlement Offer, as follows:<ul style="list-style-type: none">- Elect to subscribe for all or part of their pro rata entitlements from 9:00am on the Retail Entitlement Offer open date of Tuesday, 21 February 2023 and by 5:00pm on the Retail Entitlement Offer close date of Monday, 6 March 2023

³ TERP is the theoretical price at which Ryman shares trade immediately after the ex date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Ryman shares trade on the NZX immediately after the ex date for the Entitlement Offer will depend on many factors and may not be equal to TERP. TERP is calculated by reference to the closing price of the Ryman share price as traded on NZX on Tuesday, 14 February 2023 being the last trading day prior to the announcement of the Offer.



	<ul style="list-style-type: none">- For those who elect to subscribe for all of their entitlements, apply to subscribe for additional New Shares in the retail shortfall bookbuild- Sell or transfer all or some of their retail entitlements. Retail entitlements will be traded on the NZX from Monday, 20 February 2023 to Tuesday, 28 February 2023- Do nothing and let their retail entitlements be offered for sale through the retail shortfall bookbuild process managed by the Joint Lead Managers, with any proceeds in excess of the Offer Price paid to the shareholder
Retail Entitlements trading	<ul style="list-style-type: none">• Eligible retail shareholders who opt not to take up their rights in full may sell some or all of their rights on the NZX between Monday, 20 February 2023 to Tuesday, 28 February 2023⁴
Additional New Shares	<ul style="list-style-type: none">• Eligible retail shareholders who take up their Retail Entitlements in full, may also apply for additional New Shares as part of the application process. Any additional New Shares applied for will be issued at the Retail Bookbuild Price, assuming that it is not more than the Maximum Retail Oversubscription Price⁵.
Ranking	<ul style="list-style-type: none">• New Shares are the same class as, will rank equally with existing ordinary shares from their time of issue
Record date	<ul style="list-style-type: none">• 5:00pm Friday, 17 February 2023
Underwriting	<ul style="list-style-type: none">• Fully underwritten by Macquarie Securities (NZ) Limited and UBS New Zealand Limited

Key dates related to the Offer are appended.

⁴ Entitlements purchased on the NZX may only be exercised by purchasers that meet eligibility requirements. In particular, rights may not be exercised by purchasers that are in the United States or who are acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of persons in the United States). Potential purchasers of Entitlements should familiarise themselves with the requirements for exercise, which are set out in the Offer Document.

⁵ The closing price on the NZX Main Board for an Existing Share at the close of trading on the last trading day prior to the Retail Bookbuild (expected to be Wednesday, 8 March 2023). However, if the closing price is less than or equal to the Offer Price, the Maximum Retail Oversubscription Price will be the Offer Price.



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 approximately 13,700 residents, and the company employs 6,800 staff.

Contact:

Investor queries: Hayden Strickett, Head of Investor Relations,
+64 27 303 1132 or hayden.strickett@rymanhealthcare.com

Media queries: Marsha Cadman, Chief Sales and Marketing Officer
+61 414 790 480 or marsha.cadman@rymanhealthcare.com



Appendix

Key dates

Event	Date
General	
Announcement of Offer	Wednesday, 15 February 2023
Record date	Friday, 17 February 2023
Institutional Entitlement Offer	
Institutional Entitlement Offer opens	Wednesday, 15 February 2023
Institutional Entitlement Offer closes	Thursday, 16 February 2023
Institutional Entitlement Offer shortfall bookbuild opens	Thursday, 16 February 2023
Institutional Entitlement Offer shortfall bookbuild closes	Friday, 17 February 2023
Announce results of Institutional Entitlement Offer	Monday, 20 February 2023
Settlement, allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Friday, 24 February 2023
Retail Entitlement Offer	
Retail entitlements commence trading on the NZX on deferred settlement basis	Monday, 20 February 2023
Retail Entitlement Offer opens and Retail Entitlement Offer open communications despatched	Tuesday, 21 February 2023
Retail entitlements commence trading on a normal settlement basis	Friday, 24 February 2023
Close of retail entitlements trading on the NZX	Tuesday, 28 February 2023
Retail Entitlement Offer closes (5:00pm NZDT)	Monday, 6 March 2023



Event	Date
Announce results of Retail Entitlement Offer	Wednesday, 8 March 2023
Retail Entitlement Offer shortfall bookbuild opens	Wednesday, 8 March 2023
Retail Entitlement Offer shortfall bookbuild closes	Thursday, 9 March 2023
Announce results of Retail Entitlement Offer shortfall bookbuild and trading halt lifted	Friday, 10 March 2023
Settlement, allotment and normal trading of New Shares issued under the Retail Entitlement Offer	Tuesday, 14 March 2023
Dispatch of holding statements in respect of New Shares issued under the Retail Entitlement Offer	Tuesday, 14 March 2023

† These dates are subject to change and are indicative only. Ryman reserves the right to alter the timetable, subject to applicable laws and the NZX Listing Rules. Ryman reserves the right to withdraw the Offer at any time prior to the issue of the New Shares at its absolute discretion



Important Notice

The details in this announcement provide general information only. It is not intended as investment, legal, tax or financial advice or recommendation to any person and must not be relied on as such. You should obtain independent professional advice prior to making any decision relating to your investment or financial needs.

No product disclosure statement or prospectus has been prepared in respect of the Offer. A presentation titled "Capital structure and Entitlement offer investor presentation" providing further important information in relation to Ryman and the Offer has been published by Ryman at the same time as this announcement (the Investor Presentation). A copy of the Investor Presentation is available at www.nzx.com under the ticker code "RYM". The Investor Presentation includes details of the rationale for the Offer. It also provides a trading update and explains in more detail the expected impact of the Offer, including a non-exhaustive summary of certain key risks associated with Ryman and the Offer. You should read the Investor Presentation in full, as it contains important information to assist you in making an investment decision in respect of the Offer. In particular, you should read and consider Appendix 2 of the Investor Presentation ("Key Risks") before making an investment decision. Ryman is subject to continuous disclosure obligations under the NZX Listing Rules which require it to notify certain material information to NZX. Market releases by Ryman are available at www.nzx.com under the ticker code "RYM". Ryman recommends that you read its market releases lodged with NZX.

All references to \$ are to New Zealand dollars unless otherwise indicated.

This announcement contains certain forward-looking statements such as indications of, and guidance on, future earnings and financial position and performance. Forward-looking statements can generally be identified by use of words such as 'approximate', 'project', 'foresee', 'plan', 'target', 'seek', 'expect', 'aim', 'intend', 'anticipate', 'believe', 'estimate', 'may', 'should', 'will', 'objective', 'assume', 'guidance', 'outlook' or similar expressions. This also includes statements regarding the timetable, conduct and outcome of the Offer and the use of proceeds thereof, statements about the plans, targets, objectives and strategies of Ryman and statements about the future performance of and outlook for, Ryman's business, including the Company's development pipeline, the Company's guidance and outlook for FY24 and statements in respect of the Company's outstanding debt. Any indications of, or guidance or outlook on, future earnings or financial position or performance and future distributions are also forward-looking statements. All such forward-looking statements involve known and unknown risks, significant uncertainties, judgements, assumptions, contingencies, and other factors, many of which are outside the control of Ryman, are difficult to predict, and which may cause the actual results or performance of Ryman to be materially different from any future results or performance expressed or implied by such forward-looking statements

This communication is not for distribution or release in the United States. This communication does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The entitlements and the New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (U.S. Securities Act), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States, except in transactions exempt from, or not subject to, registration under the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Ryman Healthcare Limited
03 366 4069 | 0800 588 222
92 Russley Road, Christchurch
PO Box 771, Christchurch 8140
rymanhealthcare.co.nz