



Results for announcement to the market		
Name of issuer	Ryman Healthcare Limited	
Reporting Period	Year to 31 March 2021	
Previous Reporting Period	Year to 31 March 2020	
Currency	NZD	
	Amount (000s)	Percentage change
Revenue from continuing operations	\$452,411	7.2%
Fair value movement of investment properties	\$416,847	188.6%
Total income	\$872,641	53.5%
Net profit/(loss) from continuing operations	\$423,061	59.8%
Total net profit/(loss)	\$423,061	59.8%
Underlying profit (non-GAAP) – see explanation below	\$224,449	-7.3%
Interim/Final Dividend		
Amount per Quoted Equity Security	13.6 cents	
Imputed amount per Quoted Equity Security	Not imputed	
Record Date	4 June 2021	
Dividend Payment Date	18 June 2021	
	Current period	Prior comparable period
Net tangible assets per Quoted Equity Security (cents per share)	557.4	452.6
A brief explanation of any of the figures above necessary to enable the figures to be understood	<p>Underlying profit is a non-GAAP (Generally Accepted Accounting Principles) 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.</p> <p>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.</p>	

	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 pay-out to shareholders.
<b>Authority for this announcement</b>	
Name of person authorised to make this announcement	David Bennett
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Date of release through MAP	21 May 2021

Audited financial statements accompany this announcement.



## **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:

<b>New Zealand</b>	<b>Australia</b>
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:

<b>New Zealand</b>	<b>Australia</b>
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

		<b>Mar 21</b>	<b>Mar 20</b>
		<b>Full Year</b>	<b>Full Year</b>
		<b>Audited</b>	<b>Audited</b>
<b>Underlying profit (non-GAAP)<sup>1</sup></b>	<b>\$m</b>	<b>224.4</b>	<b>242.0</b>
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)	-
<b>Reported net profit after tax</b>	<b>\$m</b>	<b>423.1</b>	<b>264.7</b>
<b>Net operating cash flows</b>	<b>\$m</b>	<b>413.1</b>	<b>449.8</b>
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
<b>Sales of Occupation Right Agreements</b>			
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
<b>Portfolio:</b>			
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
<b>Land bank (to be developed)<sup>2</sup></b>			
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

<sup>1</sup> Underlying profit is a non-GAAP<sup>®</sup> 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.

<sup>2</sup> The land bank is subject to resource and building consent and various regulatory approvals.

\*Generally Accepted Accounting Principles



## RYMAN HEALTHCARE LIMITED

Consolidated income statement  
For the year ended 31 March 2021

	Notes	2021 \$000	2020 \$000	Variance %
Care fees		359,241	333,398	7.8%
Management fees		93,170	88,713	5.0%
Interest received		103	547	-81.2%
Other income		3,280	1,225	167.8%
<b>Total revenue</b>		<b>455,794</b>	<b>423,883</b>	<b>7.5%</b>
Fair-value movement of investment properties	4	416,847	144,438	188.6%
<b>Total income</b>		<b>872,641</b>	<b>568,321</b>	<b>53.5%</b>
Operating expenses		(395,306)	(349,249)	13.2%
Depreciation and amortisation expense		(32,368)	(28,616)	13.1%
Finance costs		(19,365)	(19,309)	0.3%
Loss on disposal		(15,102)	-	0.0%
<b>Total expenses</b>		<b>(462,141)</b>	<b>(397,174)</b>	<b>16.4%</b>
<b>Profit before income tax</b>		<b>410,500</b>	<b>171,147</b>	<b>139.9%</b>
Income-tax credit		12,561	93,563	-86.6%
<b>Profit for the year</b>		<b>423,061</b>	<b>264,710</b>	<b>59.8%</b>
<b>Earnings per share</b>				
Basic and diluted (cents per share)	7	84.6	52.9	59.8%

## Consolidated statement of comprehensive income For the year ended 31 March 2021

	2021 \$000	2020 \$000
<b>Profit for the year</b>	<b>423,061</b>	<b>264,710</b>
<i>Items that will not be later reclassified to profit or loss</i>		
Revaluation of property, plant and equipment (unrealised)	195,793	-
	<b>195,793</b>	-
<i>Items that may be later reclassified to profit or loss</i>		
Fair-value movement and reclassification of cash flow hedge reserve	7,057	(10,416)
Deferred tax movement recognised in cash flow hedge reserve	(1,976)	2,916
Movement in cost of hedging reserve	3,753	-
Deferred tax movement in cost of hedging reserve	(1,051)	-
(Loss)/Gain on hedge of foreign-owned subsidiary net assets	(4,414)	1,205
Gain/(Loss) on translation of foreign operations	16,546	(5,674)
	19,915	(11,969)
<b>Other comprehensive income</b>	<b>215,708</b>	<b>(11,969)</b>
<b>Total comprehensive income</b>	<b>638,769</b>	<b>252,741</b>

All profit and total comprehensive income is attributable to parent company shareholders and is derived from continuing operations.

The accompanying notes form part of these financial statements.



**RYMAN HEALTHCARE LIMITED**  
Consolidated statement of changes in equity  
For the year ended 31 March 2021

	Issued capital \$000	Asset revaluation reserve \$000	Cash flow hedge reserve \$000	Cost of hedging reserve \$000	Foreign- currency translation reserve \$000	Treasury stock \$000	Retained earnings \$000	Total equity \$000
<b>Balance at 1 April 2019</b>	<b>33,290</b>	<b>257,775</b>	<b>(9,643)</b>	-	<b>(5,876)</b>	<b>(27,465)</b>	<b>1,922,049</b>	<b>2,170,130</b>
Profit for the year	-	-	-	-	-	-	264,710	264,710
Other comprehensive income for the year	-	-	(7,500)	-	(4,469)	-	-	(11,969)
Total comprehensive income for the year	-	-	(7,500)	-	(4,469)	-	264,710	252,741
Treasury stock movement	-	-	-	-	-	(4,894)	-	(4,894)
Dividends paid to shareholders	-	-	-	-	-	-	(117,000)	(117,000)
<b>Balance at 31 March 2020</b>	<b>33,290</b>	<b>257,775</b>	<b>(17,143)</b>	-	<b>(10,345)</b>	<b>(32,359)</b>	<b>2,069,759</b>	<b>2,300,977</b>
<b>Balance at 1 April 2020</b>	<b>33,290</b>	<b>257,775</b>	<b>(17,143)</b>	-	<b>(10,345)</b>	<b>(32,359)</b>	<b>2,069,759</b>	<b>2,300,977</b>
Profit for the year	-	-	-	-	-	-	423,061	423,061
Other comprehensive income for the year	-	195,793	5,081	2,702	12,132	-	-	215,708
Total comprehensive income for the year	-	195,793	5,081	2,702	12,132	-	423,061	638,769
Treasury stock movement	-	-	-	-	-	(3,030)	-	(3,030)
Dividends paid to shareholders	-	-	-	-	-	-	(107,500)	(107,500)
<b>Balance at 31 March 2021</b>	<b>33,290</b>	<b>453,568</b>	<b>(12,062)</b>	<b>2,702</b>	<b>1,787</b>	<b>(35,389)</b>	<b>2,385,320</b>	<b>2,829,216</b>

The accompanying notes form part of these financial statements.



# RYMAN HEALTHCARE LIMITED

Consolidated balance sheet

At 31 March 2021

	Notes	2021 \$000	2020 \$000
<b>Assets</b>			
Cash and cash equivalents		20,171	34,374
Trade and other receivables		542,798	425,942
Inventory		26,738	-
Advances to employees		11,141	10,224
Property, plant and equipment	3	1,658,583	1,386,072
Investment properties	4	6,837,278	5,760,060
Intangible assets		42,444	38,119
Deferred tax asset (net)		32,456	22,455
<b>Total assets</b>		<b>9,171,609</b>	<b>7,677,246</b>
<b>Equity</b>			
Issued capital	7	33,290	33,290
Reserves		410,606	197,928
Retained earnings		2,385,320	2,069,759
<b>Total equity</b>		<b>2,829,216</b>	<b>2,300,977</b>
<b>Liabilities</b>			
Trade and other payables	9	106,072	183,975
Employee entitlements		32,034	25,678
Revenue in advance		71,817	64,301
Derivative financial instruments		28,611	23,809
Refundable accommodation deposits		113,666	74,571
Interest-bearing loans and borrowings		2,274,093	1,741,613
Occupancy advances (non-interest bearing)	5	3,702,215	3,247,177
Lease liabilities		13,885	15,145
<b>Total liabilities</b>		<b>6,342,393</b>	<b>5,376,269</b>
<b>Total equity and liabilities</b>		<b>9,171,609</b>	<b>7,677,246</b>
<b>Net tangible assets</b>			
Basic and diluted (cents per share)	7	557.4	452.6

The accompanying notes form part of these financial statements.

# RYMAN HEALTHCARE LIMITED

Consolidated statement of cash flows

For the year ended 31 March 2021

	Notes	2021 \$000	2020 \$000
<b>Operating activities</b>			
Receipts from residents		1,176,401	1,129,933
Interest received		229	573
Payments to suppliers and employees		(421,135)	(345,765)
Receipt from Government for wage subsidy		14,227	-
Repayment to Government for wage subsidy		(14,227)	-
Payments to residents		(323,810)	(315,903)
Interest paid		(18,566)	(19,047)
<b>Net operating cash flows</b>	2	<b>413,119</b>	<b>449,791</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment		(219,416)	(265,177)
Purchase of intangible assets		(9,462)	(9,712)
Purchase of investment properties		(577,504)	(401,612)
Capitalised interest paid		(37,179)	(34,911)
Advances to employees		(917)	(2,071)
<b>Net investing cash flows</b>		<b>(844,478)</b>	<b>(713,483)</b>
<b>Financing activities</b>			
(Repayment)/drawdown of bank loans (net)		(36,713)	421,874
Proceeds from the issue of retail bonds		150,000	-
Proceeds from US Private Placement notes		416,874	-
Dividends paid		(107,500)	(117,000)
Purchase of treasury stock (net)		(3,029)	(4,895)
Repayment of lease liabilities		(2,476)	(1,913)
<b>Net financing cash flows</b>		<b>417,156</b>	<b>298,066</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(14,203)</b>	<b>34,374</b>
Cash and cash equivalents at the beginning of the year		34,374	-
<b>Cash and cash equivalents at the end of the year</b>		<b>20,171</b>	<b>34,374</b>

The accompanying notes form part of these financial statements.

**RYMAN HEALTHCARE LIMITED**  
Selected notes to the consolidated financial statements  
For the year ended 31 March 2021

## I. Summary of Accounting Policies

Ryman Healthcare Limited is a profit-oriented entity incorporated in New Zealand and develops, owns, and operates integrated retirement villages, resthomes, and hospitals for the elderly within New Zealand and Australia.

Ryman Healthcare Limited is a Financial Markets Conduct Act reporting entity under the Financial Reporting Act 2013 and the Financial Markets Conduct Act 2013. Its financial statements comply with these Acts.

The company and its wholly-owned subsidiaries comprise the Ryman Group (the Group).

### **Basis of preparation**

These financial statements for the year ended 31 March 2021 have been extracted from the audited annual Group financial statements for the year ended 31 March 2021 and have been prepared to satisfy the Group's NZX reporting obligations.

The audited financial statements have been prepared under the same accounting policies and basis as those used in the prior year's interim and annual financial statements.

The financial statements were approved by the Board of Directors on 20 May 2021.

The information is presented in thousands of New Zealand dollars.

### **Adopting new and amended standards and interpretations**

In the current year, the Group adopted all mandatory new and amended standards and interpretations.

We are not aware of any NZ IFRS Standards or Interpretations that have recently been issued or amended that have not yet been adopted by the Group that would materially impact the Group for the annual report period ending 31 March 2021.

### **COVID-19**

The outbreak of COVID-19, declared by the World Health Organization as a global pandemic on 11 March 2020, resulted in an increase in uncertainty in both global and local markets.

Both New Zealand and Australia have responded well to the virus with strong public health measures and a range of economic stimulus packages. However, despite the response, there remains uncertainty as to the ongoing impact of the virus on market conditions in New Zealand and Australia. In Australia, Victoria has been through two waves of infection and corresponding lockdowns, succeeding in reducing the spread of infection, and New Zealand has responded with localised increases in alert level to suppress transmission of the virus.

Throughout the pandemic the Group's primary focus has been to protect the safety of both residents and staff. When necessary access restrictions have been put in place at villages, additional personal protective equipment has been procured for staff, and other costs incurred in supporting residents and staff.

Under lockdown conditions the ability of new residents to enter villages is limited, meaning fewer sales can be settled, and the restrictions at development sites results in construction activity being reduced. The Group continues to adapt its policies and procedures to operate in the conditions created by COVID-19.

The Group has assessed the impact of COVID-19 and has concluded that additional uncertainty regarding the valuation of property, plant and equipment (note 3) and valuation of investment properties (note 4) has resulted from the pandemic. Further disclosure as to the impact of COVID-19 is included in the relevant notes.

## RYMAN HEALTHCARE LIMITED

Selected notes to the consolidated financial statements (continued)

For the year ended 31 March 2021

### 2. Reconciliation of net profit after tax with net cash flow from operating activities

	2021 \$000	2020 \$000
<b>Net profit after tax</b>	<b>423,061</b>	<b>264,710</b>
<b>Adjusted for:</b>		
<b>Movements in balance sheet items</b>		
Occupancy advances	518,292	482,962
Accrued management fees	(59,116)	(64,051)
Refundable accommodation deposits	32,470	40,558
Revenue in advance	7,515	6,456
Trade and other payables	4,845	5,507
Trade and other receivables	(92,565)	(81,124)
Inventory	(26,738)	-
Employee entitlements	6,356	1,844
<b>Non-cash items:</b>		
Depreciation and amortisation	29,892	26,829
Depreciation of right-of-use assets	2,476	1,787
Loss on disposal	15,102	-
Deferred tax	(12,561)	(93,563)
Unrealised foreign-exchange (gain)/loss	(19,063)	2,314
<b>Adjusted for:</b>		
Fair-value movement of investment properties	(416,847)	(144,438)
<b>Net operating cash flows</b>	<b>413,119</b>	<b>449,791</b>

Net operating cash flows includes net occupancy advance receipts from retirement-village residents of \$787.7 million (2020: \$755.3 million).

Also included in operating cash flows are net receipts from refundable accommodation deposits of \$27.9 million (2020: \$41.1 million).

Net operating cash flows also include management fees collected of \$48.0 million (2020: \$44.6 million).

## RYMAN HEALTHCARE LIMITED

Selected notes to the consolidated financial statements (continued)

For the year ended 31 March 2021

### 3. Property, plant and equipment

All completed resthomes and hospitals included within the definition of freehold land and buildings were revalued to fair value based on an independent valuation report prepared by registered valuers, CBRE Limited, at 31 March 2021, in line with NZ IFRS 13 – *Fair Value Measurement*. These revaluations are undertaken every 2 years, unless there is sustained market evidence of a significant change in fair value.

The valuers used multiple valuation techniques to estimate and determine fair value. The valuer made key assumptions that include capitalisation of earnings (using capitalisation rates ranging from 11.0 percent to 15.0 percent), together with observed transactional evidence of the market value per care bed (ranging from \$70,000 to \$230,000 per care bed).

As the valuer uses several valuation techniques a significant decrease in the capitalisation rate could but may not necessarily result in a significantly higher fair-value measurement. Conversely, a significant increase in the capitalisation rate could but may not necessarily result in a significantly lower fair-value measurement.

A significant increase in the market value per care bed could but may not necessarily result in a significantly higher fair-value measurement. Conversely, a significant decrease in the market value per care bed could but may not necessarily result in a significantly lower fair-value measurement.

#### Uncertainty due to COVID-19

The valuation of completed resthomes and hospitals performed by CBRE Limited at 31 March 2021 is based on the information available to them at the time of the valuation and relies on several inputs.

Given the current situation with COVID-19 there is an increase in the estimation uncertainty in determining the fair value of completed resthomes and hospitals at 31 March 2021 compared to previous valuations.

CBRE comment that the ultimate economic impact COVID-19 will have on the aged care sector is unknown and will depend on both the scale and longevity of the pandemic, future outbreaks, and the lock down responses of the Governments in New Zealand, Victoria and Australia.

Given the heightened uncertainty and unknown impact that COVID-19 may have in the future, a higher degree of caution should be exercised when relying upon the valuation. Values and incomes may change more rapidly and significantly than during standard market conditions.

Occupancy in the Group's mature aged-care facilities has not been impacted by COVID-19.

#### Disposal of land

During the year, the Group sold the land in Coburg, Melbourne. The sale led to a loss on disposal of \$15.1 million which has been recognised in the income statement.

## RYMAN HEALTHCARE LIMITED

Selected notes to the consolidated financial statements (continued)

For the year ended 31 March 2021

### 4. Investment properties

	<b>2021</b>	<b>2020</b>
	<b>\$000</b>	<b>\$000</b>
<b>At fair value</b>		
Balance at beginning of financial year	5,760,060	5,081,607
Additions	624,926	541,272
<b>Fair-value movement:</b>		
<i>Realised fair-value movement:</i>		
• new retirement-village units	108,377	105,757
• existing retirement-village units	107,317	109,565
	215,694	215,322
<i>Unrealised fair-value movement</i>	201,153	(70,884)
	416,847	144,438
Net foreign-currency exchange differences	35,445	(7,257)
Net movement for the year	1,077,218	678,453
<b>Balance at end of financial year</b>	<b>6,837,278</b>	<b>5,760,060</b>

The realised fair-value movement arises from the sale and resale of rights to occupy to residents. Investment properties are not depreciated and are fair valued. As the fair value of investment property is determined using inputs that are unobservable, the Group has categorised investment property as Level 3 under the fair-value hierarchy in line with NZ IFRS 13 – *Fair Value Measurement*.

The carrying value of completed investment property is the fair value as determined by an independent valuation report prepared by registered valuers CBRE Limited, at 31 March 2021. This report combines discounted future cash flows and occupancy advances received from residents for retirement-village units that are complete or nearing completion, for which there is an unconditional agreement to occupy.

#### Uncertainty due to COVID-19

The valuation of investment properties performed by CBRE Limited at 31 March 2021 is based on the information available to them at the time of the valuation and relies on several inputs, as outlined below.

Given the current situation with COVID-19 there is an increase in the estimation uncertainty in determining the fair value of investment property at 31 March 2021 compared to previous years.

The material valuation uncertainty within the New Zealand and Australian valuations at 31 March 2020 has been removed. This has been replaced with CBRE commenting on higher than normal market uncertainty within their valuations.

Given the heightened uncertainty and unknown impact that COVID-19 may have in the future, a higher degree of caution should be exercised when relying upon the valuation. Values and incomes may change more rapidly and significantly than during standard market conditions.

Comparable transactions and market evidence has been limited during the pandemic and CBRE have placed less reliance on previous market evidence for comparison purposes.

## RYMAN HEALTHCARE LIMITED

Selected notes to the consolidated financial statements (continued)

For the year ended 31 March 2021

### 4. Investment properties (continued)

To reflect this uncertainty CBRE Limited adjusted their assumptions on recycle frequencies for independent units at mature villages, near-term house price inflation for independent units, and discount rates in their valuation at 31 March 2020. As the level of uncertainty has decreased and markets have become more accustomed to operating under COVID-19 conditions, CBRE have reversed some of the adjustments in determining the valuation at 31 March 2021.

#### Key assumptions

The valuer used significant assumptions that include house-price inflation (ranging from 0.5 percent to 4.20 percent nominal) (2020: -2.0 percent to 3.5 percent) and discount rate (ranging from 12.00 percent to 16.50 percent) (2020: 12.25 percent to 16.25 percent).

#### Sensitivity

A 0.5 percent decrease in the discount rate would result in a \$91.3 million higher fair-value measurement. Conversely, a 0.5 percent increase in the discount rate would result in a \$85.3 million lower fair-value measurement.

A 0.5 percent decrease in the 5-year plus growth rate would result in a \$168.7 million lower fair-value measurement. Conversely, a 0.5 percent increase in the 5-year plus growth rate would result in a \$140.8 million higher fair-value measurement.

Other inputs used in the fair-value measurement of the Group's investment property portfolio include the average age of residents and the occupancy period.

A significant increase in the average age of entry of residents or the long-term nominal house-price inflation rate would result in a significantly higher fair-value measurement. Conversely, a significant decrease in the average age of entry of residents or the long-term nominal house-price inflation rate would result in a significantly lower fair-value measurement.

#### Work in progress

Investment property includes investment property work in progress of \$653.0 million (2020: \$508.2 million), which has been valued at cost. For work in progress cost represents fair value.

## RYMAN HEALTHCARE LIMITED

Selected notes to the consolidated financial statements (continued)

For the year ended 31 March 2021

### 5. Occupancy advances (non-interest bearing)

	2021 \$000	2020 \$000
Gross occupancy advances (see below)	4,205,105	3,686,813
Less management fees and resident loans	(502,890)	(439,636)
<b>Closing balance</b>	<b>3,702,215</b>	<b>3,247,177</b>
	2021 \$000	2020 \$000
<b>Movement in gross occupancy advances</b>		
Opening balance	3,686,813	3,203,851
Plus net increases in occupancy advances:		
• new retirement-village units	395,094	386,673
• existing retirement-village units.	107,317	109,566
Net foreign-currency exchange differences	21,807	(4,276)
Decrease in occupancy advance receivables	(5,926)	(9,001)
<b>Closing balance</b>	<b>4,205,105</b>	<b>3,686,813</b>

Gross occupancy advances are non-interest bearing.

The decrease in occupancy advance receivables shows the net movement in occupancy advance that has resulted from:

- units that have been re-sold but the previous resident has yet to be repaid; and
- units that have been repaid but the unit remains unsold at balance date.

### 6. Dividend

On 21 May 2021 a final dividend of 13.6 cents per share was declared and will be paid on 18 June 2021. The record date for entitlements is 4 June 2021.

### 7. Share capital

Issued and paid-up capital consists of 500,000,000 fully paid ordinary shares (2020: 500,000,000). All shares rank equally in all respects.

Basic and diluted earnings and net tangible assets per share have been calculated on the basis of 500,000,000 ordinary shares (2020: 500,000,000 shares).

Shares purchased on market under the leadership share scheme are treated as treasury stock until vesting to the employee.

### 8. Commitments

The Group had commitments relating to construction contracts amounting to \$180.6 million at 31 March 2021 (2020: \$200.9 million).



## RYMAN HEALTHCARE LIMITED

Selected notes to the consolidated financial statements (continued)

For the year ended 31 March 2021

### 9. Trade and other payables

Trade payables are typically paid within 30 days of the invoice date or on the 20th of the month following the invoice date. Other payables at 31 March 2021 includes \$26.0 million (2020: \$102.4 million) for the purchase of land.

### 10. Operating Segments

The Ryman Group operates in one industry, being the provision of integrated retirement villages for older people in New Zealand and Australia. The service provision process for each of the villages is similar, and the class of customer and methods of distribution and regulatory environment is consistent across all the villages.

In presenting information on the basis of geographical areas, net profit, underlying profit, and revenue are based on the geographical location of operations. Assets are based on the geographical location of the assets.

	New Zealand \$000	Australia \$000	Group \$000
<b>Year ended 31 March 2021</b>			
Revenue	405,396	50,398	455,794
Underlying profit (non-GAAP)	192,286	32,163	224,449
Deferred tax credit	5,861	6,700	12,561
Unrealised fair-value movement	192,582	8,571	201,153
Impairment – loss on disposal	-	(15,102)	(15,102)
Profit for the year	390,729	32,332	423,061
Non-current assets	7,230,298	1,340,463	8,570,761
	New Zealand \$000	Australia \$000	Group \$000
<b>Year ended 31 March 2020</b>			
Revenue	383,117	40,766	423,883
Underlying profit (non-GAAP)	199,877	42,154	242,031
Deferred tax credit	86,142	7,421	93,563
Unrealised fair-value movement	(44,092)	(26,792)	(70,884)
Profit for the year	241,927	22,783	264,710
Non-current assets	6,260,370	946,336	7,206,706

## RYMAN HEALTHCARE LIMITED

Selected notes to the consolidated financial statements (continued)  
For the year ended 31 March 2021

### 11. Subsequent events

The directors resolved to pay a final dividend of 13.6 cents per share or \$68.0 million, with no imputation credits attached, to be paid on 18 June 2021.

#### **Refinance of loans and borrowings**

Subsequent to 31 March 2021, the Group refinanced the NZD and AUD bank loan facilities. Following the refinance, the facilities total \$1.65 billion (NZD bank loan facility) and AUD\$370 million (AUD bank loan facility).

The Group also entered into an AUD\$250 million, 7-year institutional term loan (ITL).

Following the refinance, the total interest-bearing loans and borrowing facilities of the Group (including bank loans, retail bonds, USPP notes and ITL) are NZD\$2.18 billion and AUD\$652 million. The weighted average maturity profile of the Group's interest-bearing loans and borrowings is 4.79 years.