



## **MEDIA RELEASE NOVEMBER 20, 2020**

### **Ryman reports unaudited first half underlying profit of \$88.4 million, a decrease of 14.2% due to the impact of COVID-19**

#### **Key points:**

- Unaudited underlying profit \$88.4 million, a decrease of 14.2% due to COVID-19 challenges
- Reported (IFRS) profit increased 12.8% to \$212.4 million, due to investment property revaluations
- Interim dividend 8.8 cents per share, representing 50% of underlying profit
- Trading activity severely restricted in Victoria for six months due to COVID-19, and for more than two months in New Zealand
- \$50 million investment in pandemic response to protect residents and staff since January 2020
- Total assets \$8.34 billion, up 14.9% on September last year
- Three villages open in Victoria, endeavouring to have five villages open by the end of 2020
- No cases of COVID-19 to date among 12,000 residents and 6,100 staff across New Zealand and Victoria
- Continued strong demand for aged care in New Zealand and Victoria, mature care occupancy at 97%
- Only 1.9% of resale units unsold at the end of September
- Cash collections from new sales of \$275 million anticipated in the second half, up from \$118 million in the second half of last year
- Continued heavy investment in 12 new villages – up from four sites two years ago – creating much needed homes, care and more than 2,000 jobs
- First residents moved into three new villages in first half

Ryman Healthcare's unaudited first half underlying profit has dropped by 14.2% to \$88.4 million, due to the impact of COVID-19.

Unaudited reported (IFRS) profit, which includes unrealised fair value gains on investment property, increased 12.8% to \$212.4 million in the six months to September 30.

Shareholders will receive an interim dividend of 8.8 cents per share in line with underlying profit. The record date for entitlements is December 11, and the dividend will be paid on December 18, 2020.

Chief Executive Gordon MacLeod said the pandemic had increased costs and restricted sales and construction activity in key markets.

But with lockdowns coming off in Victoria and a buoyant housing market in New Zealand, Ryman was expecting conditions to improve in the second half, and the company had a record number of new villages in the pipeline to take advantage of the recovery.

“It has been a tough six months due to the ongoing impact of the pandemic, which increased costs substantially and restricted our ability to sell in key markets during the extended lockdowns,” Mr MacLeod said.

“We’re really pleased with the way our teams have coped with the COVID-19 challenge and it is testament to them that we have not had any cases of the virus among our residents.

“While there is likely to be some ongoing uncertainty due to the pandemic, there is clearly a lot of pent-up demand in the housing market and we are in a good position to continue to invest heavily in new homes and jobs.

“We are anticipating cash collections of at least \$275 million in the second half from new sales. With 12 villages in progress and more on the way, we will be creating more than 2,000 jobs as well as homes and care for more than 4,000 residents.”

Ryman’s integrated villages and high-quality care continued to be in strong demand in the first half, with care occupancy in established villages running at 97%. Only 1.9% of the retirement village portfolio was available for resale at September 30.

Mr MacLeod said the focus in the coming year would continue to be on keeping villages COVID-19 free, developing the team, innovating to improve the experience of living and working in a Ryman community, and delivering new villages to meet demand.

The construction team continued to build at a reduced rate in Victoria and Ryman is planning to have five villages open in the state by December 31, although there is potential for this to be slightly delayed because of COVID-19.

“It was a stretch target when we set it five years ago and it will be a significant achievement by the team. We have built an outstanding record for care and reputation for quality in Victoria and we think this will serve us well in the recovery.”

Ryman is now looking to recruit a chief executive for its Australian operations for the first time as the company gears up to expand in Victoria and into other Australian states.

Dr Kerr said Ryman would not be issuing year-end guidance because of ongoing uncertainties around COVID-19.

The pandemic had reinforced the benefits of living in a retirement village, Dr Kerr said.

“COVID-19 has been a once-in-a-generation challenge and we have learned a lot.

“One thing we know for sure – the security and reassurance of living in a Ryman community is more important than ever. We think this will result in even more demand for the quality of life that we offer in our villages in the years ahead.”

### Twelve new villages currently under way:

<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
Lincoln Rd, Auckland (Miriam Corban)	Ocean Grove, Victoria
Havelock North, Hawkes Bay (James Wattie)	Aberfeldie, Melbourne
Hobsonville, Auckland	
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	Coburg, Melbourne

**About Ryman:** Ryman Healthcare was founded in Christchurch in 1984 and owns and operates 39 retirement villages in New Zealand and Australia. Ryman villages are home to 12,000 residents, and the company employs 6,100 staff.

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## RYMAN HEALTHCARE LIMITED

### KEY STATISTICS

		Sept 20 Half Year Unaudited	Sept 19 Half Year Unaudited	Mar 20 Full Year Audited
<b>Underlying profit (non-GAAP)<sup>1</sup></b>	<b>\$m</b>	<b>88.4</b>	<b>103.0</b>	<b>242.0</b>
Plus unrealised fair-value movement on retirement-village units	\$m	124.1	92.7	(70.9)
Less deferred tax movement	\$m	(0.1)	(7.4)	93.6
<b>Reported net profit after tax</b>	<b>\$m</b>	<b>212.4</b>	<b>188.3</b>	<b>264.7</b>
<b>Net operating cash flows</b>	<b>\$m</b>	<b>96.4</b>	<b>256.1</b>	<b>449.8</b>
Earnings per share - basic and diluted	cents	42.5	37.7	52.9
Dividend per share	cents	8.8	11.5	24.2
Net tangible assets - basic and diluted	cents	481.8	452.5	452.6
<b>Sales of Occupation Right Agreements</b>				
New sales of occupation rights	no.	121	229	513
Resales of occupation rights	no.	456	454	923
Total sales of occupation rights	no.	577	683	1,436
New sales of occupation rights	\$m	90.0	160.7	386.7
Resales of occupation rights	\$m	237.5	234.8	483.2
Total sales of occupation rights	\$m	327.5	395.5	869.9
<b>Portfolio:</b>				
Aged-care beds	no.	3,951	3,660	3,911
Retirement-village units	no.	7,689	7,071	7,423
Total units and beds	no.	11,640	10,731	11,334
<b>Land bank (to be developed)<sup>2</sup></b>				
Aged-care beds	no.	1,703	2,098	1,891
Retirement-village units	no.	4,468	4,976	4,704
Total units and beds	no.	6,171	7,074	6,595

<sup>1</sup> 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 excludes deferred taxation, taxation expense and unrealised gains on investment properties 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