



## **MEDIA RELEASE NOVEMBER 18, 2016**

### **Ryman reports first half profit of \$76.5 million, up 9%**

Eleven new villages in the pipeline

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Ryman Healthcare's underlying profit rose 9% to \$76.5 million in the first half, while valuation gains lifted reported profit after tax by 41% to \$187 million.

Ryman shareholders will receive an increase of 16% in their interim dividend to 8.5 cents per share, which will be paid on December 9. The record date for entitlements is December 2.

Chairman Dr David Kerr said strong gains from the resale of occupancy rights had driven the result and, as previously signalled, a busy construction programme has set the stage for a bigger second half.

"We've made good progress thanks to growing resident demand for our unique Ryman-style villages and a strong real estate market. The four new villages we opened this year are rapidly expanding to meet that demand, and are on track to be completed within the next 12-18 months."

On completion the four new villages in Birkenhead, Rangiora, Pukekohe and Petone will collectively be home to over 2,200 residents.

Shareholders' equity had increased by 23% to \$1.46 billion compared to last September, as pent up gains in the portfolio continued to lift. A strong balance sheet and growing operating cash flows had allowed Ryman to invest a record \$272 million in new villages, innovation and upgrades to existing villages during the half.

Occupancy in Ryman's established care centres was running at 97% during the first half, well ahead of the industry average of 89%.

Dr Kerr said the first half had been the busiest on record across all fronts, and had also seen the successful implementation of several new innovations. All of Ryman's frontline village staff received new uniforms, and the rollout of the first stage of Ryman's new app, myRyman Roster, was close to complete. Project Delicious, a revamp of Ryman's food delivery, was also on its way to villages.

"Our focus continues to be on delivering a better experience for our residents and our staff," Dr Kerr said. "The innovations we've introduced at our villages have been really well received, and the next cab off the rank is food service. Food is a subject close to our residents' hearts, and we think Project Delicious will win a lot of fans."

Ryman moved a step closer towards its goal of having five villages open in Melbourne by 2020, with the recent acquisition of its fifth site in the suburb of Coburg. The company also purchased the landmark Moondah Estate at Mt Eliza in September.

Construction of the company's second village at Brandon Park is targeted to start in the next few months, as soon as development approval has been received. "We continue to see significant potential in Melbourne for Ryman villages, and we look forward to working with each of the local communities as we develop our plans," said Dr Kerr.

During the half Ryman had also replenished its New Zealand landbank with the acquisition of a new site in Hobsonville, Auckland. Dr Kerr said Ryman would continue to build new villages in both New Zealand and Melbourne, where there was a growing shortage of care and retirement living options as the population ages.

"Our aim is to give residents the chance to stay in the areas they love without having to leave to get care and support. We have eleven new villages in the pipeline which will serve a growing need in each of those communities."

On outlook, Dr Kerr said that increased scale has prompted the company to express guidance on underlying profit as a range of potential outcomes. For the full year underlying profit was expected to be in the range of \$175 million to \$185 million. "We are targeting steady growth again for the full year, which we would view as a satisfactory result given that we will not have any development contribution from Melbourne this year."

Dr Kerr said that the company's aim was to expand at a sustainable rate, and to deliver a better, bigger and brighter Ryman for residents, families and staff. "We've achieved some important milestones in the half with the implementation of several new innovations, and we've got plenty more to come. For shareholders, our medium term target remains to grow our underlying profit and dividends by 15% per annum – doubling the company's profits every five years."

**New villages opened:**

Petone, Lower Hutt: Construction continuing.  
Birkenhead, Auckland: Construction continuing.  
Pukekohe: Construction continuing.  
Rangiora, North Canterbury: Construction continuing.

**New village under construction:**

Greenlane, Auckland: Ground work complete, construction under way.

**New villages in consenting phase:**

Devonport, Auckland  
Brandon Park, Melbourne  
Tropicana, Auckland  
River Rd, Hamilton

**New villages in planning and design phase:**

Burwood East, Melbourne  
Mt Eliza, Melbourne  
Coburg, Melbourne  
Hobsonville, Auckland

Newtown, Wellington  
Site A, New Zealand

**About Ryman:** Ryman Healthcare was founded in Christchurch in 1984 and owns and operates 30 retirement villages in New Zealand and Australia. Ryman villages are home to over 10,000 residents, and the company employs over 4,500 staff.



For further information, photos, interviews or comment please contact Corporate Affairs Manager David King on 03 366 4069 or 021 499 602.