



Ryman Healthcare



Half year result – September 2018



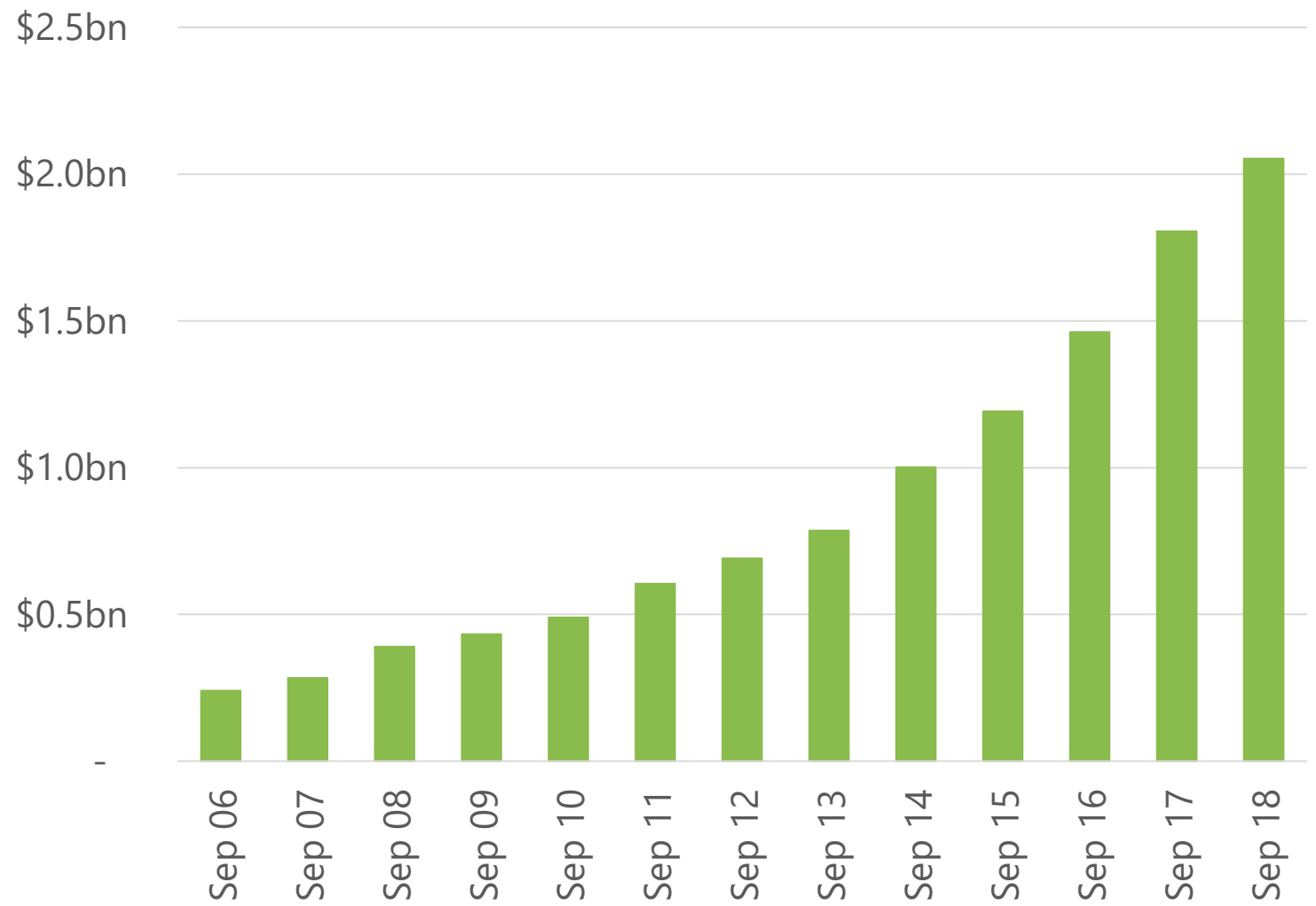
First half highlights

- Unaudited underlying profit* up 13.9% to \$97.1 million
- Reported profit down 16.3% to \$169.5 million
- Interim dividend 10.8 cents per share; up 13.7%
- Operating cashflows \$217.8 million, up 24.4%
- 16 new villages in the pipeline, nine in NZ and seven in Victoria

* Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Refer to appendix 1 for a breakdown of underlying profit.



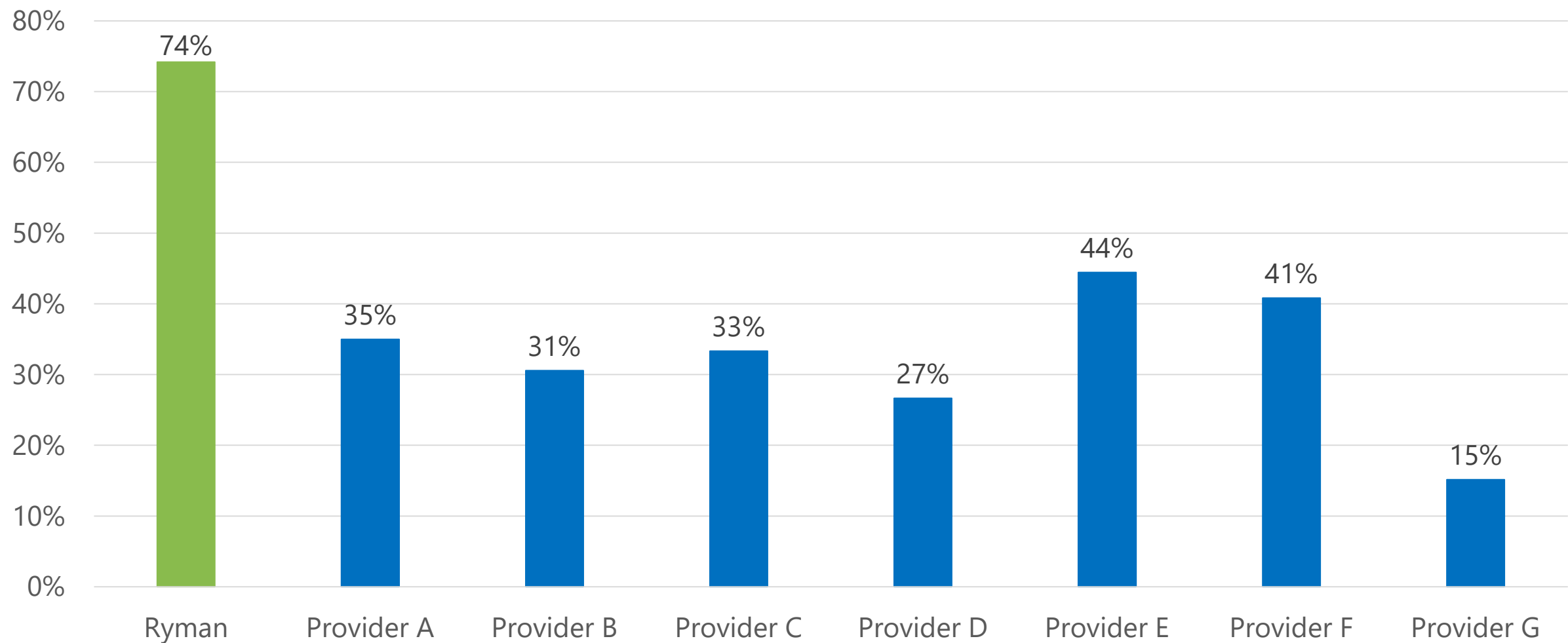
Net assets







Four year certification – ‘gold standard’ of care



Source: Ministry of Health. Percentage of care centres with four years' certification by operator (aged care providers with 15 or more care centres). Data as at 22 November 2018.



Rowena Jackson



Malvina Major



Dementia summit

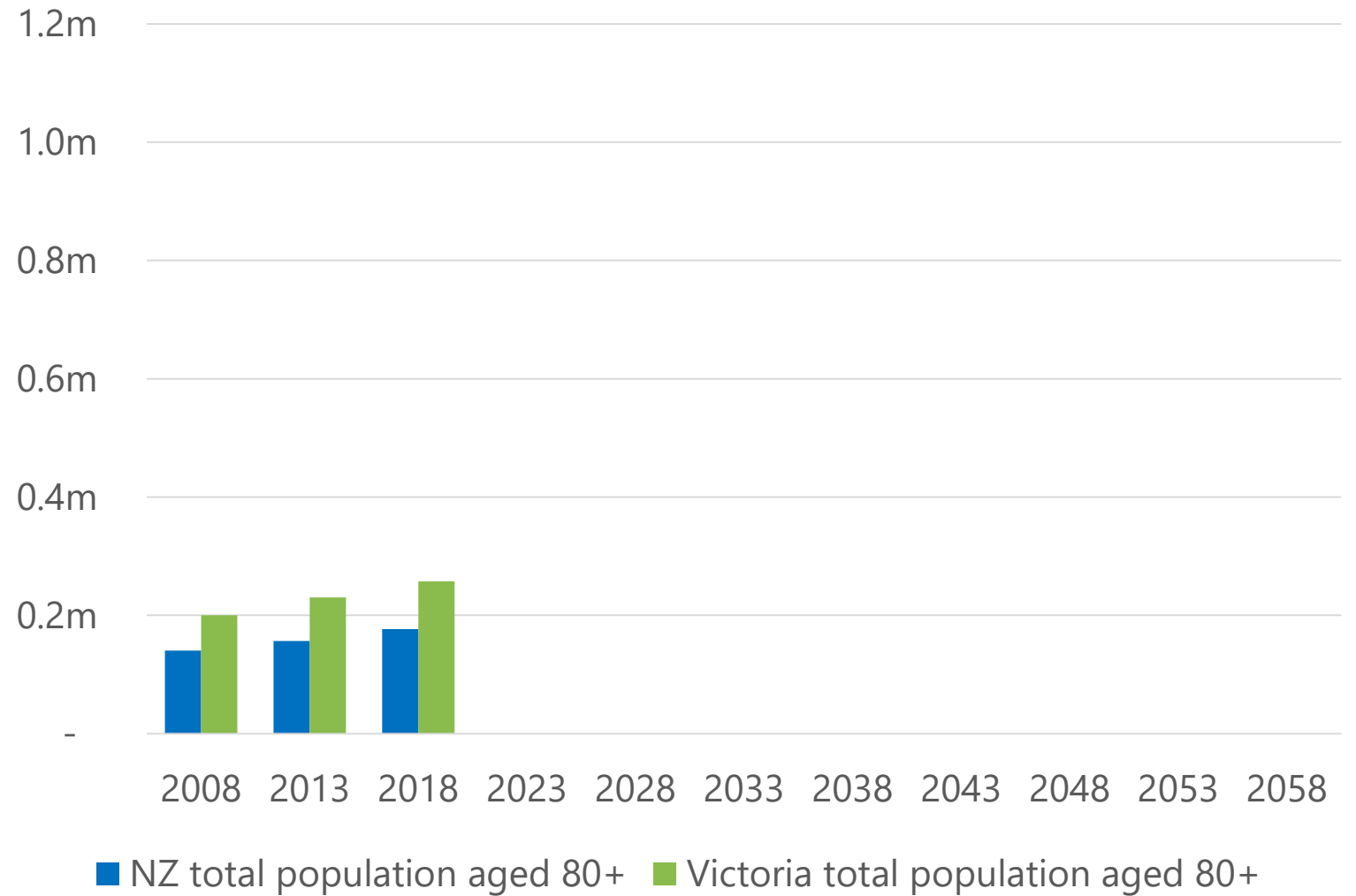
Devonport construction team







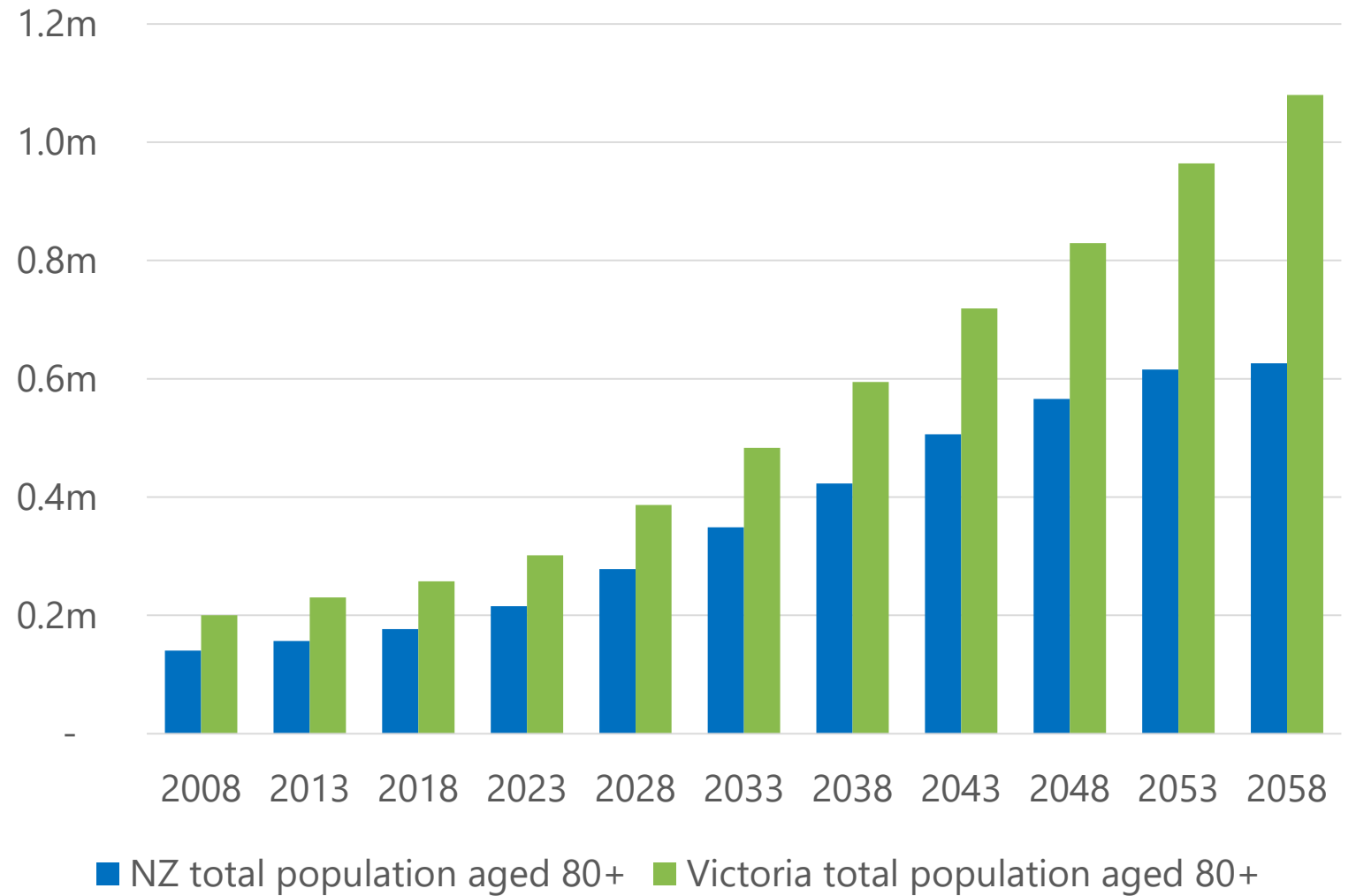
Population growth 80+



Source: Statistics NZ, Australian Bureau of Statistics (Series A)



Population growth 80+



Source: Statistics NZ, Australian Bureau of Statistics (Series A)

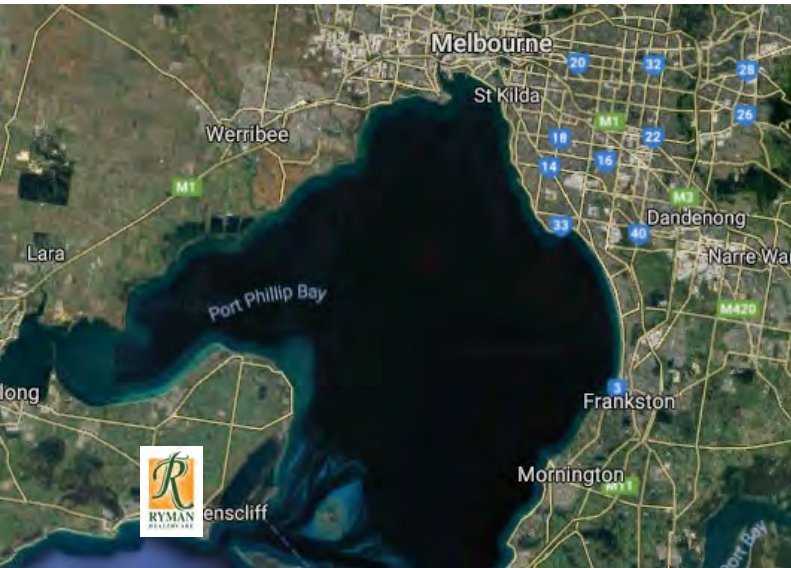


RYMAN
CONSTRUCTION





Ocean Grove – Victoria



Nine sites in Victoria





2 Vida Street



Ave Maria College



Our Lady of the



Our Lady of the
Nativity School

Boundy's SUPA IGA



De Rosa Pharmacy

Essendon Blinds
& Screens



Calmer Cafe



Aberfeldie – Melbourne

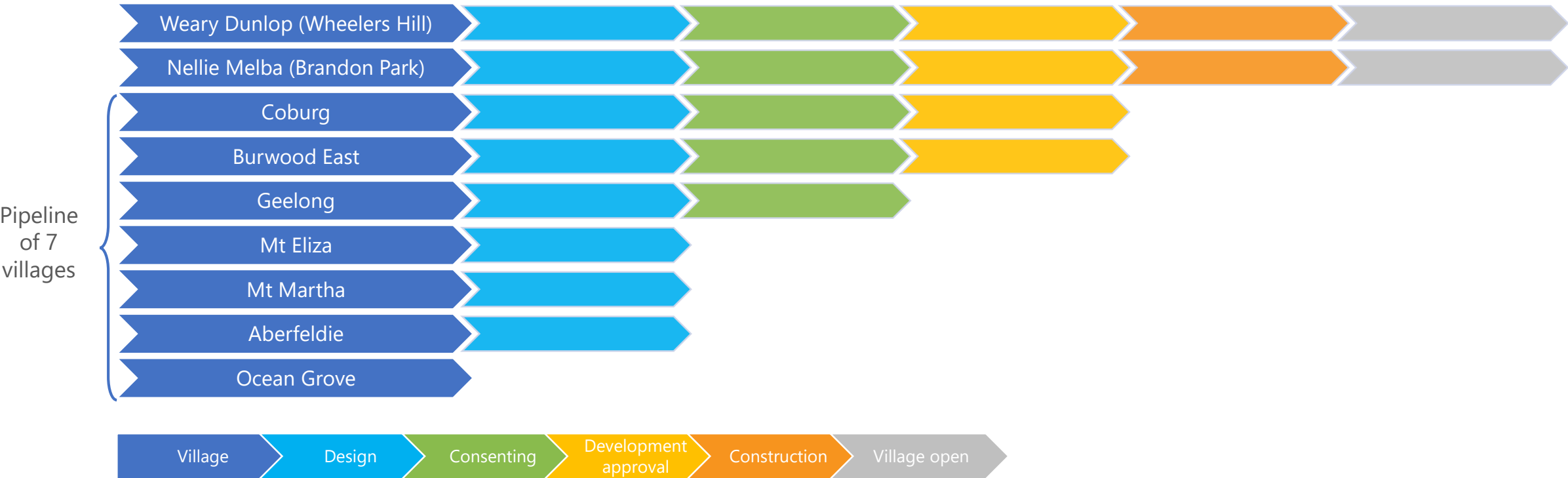
Geelong – Victoria



Nellie Melba – Melbourne



Pipeline of 7 villages in Victoria





Lincoln Road – Auckland



River Road – Hamilton



Lynfield – Auckland



William Sanders – Devonport, Auckland

Pipeline of 9 villages in New Zealand









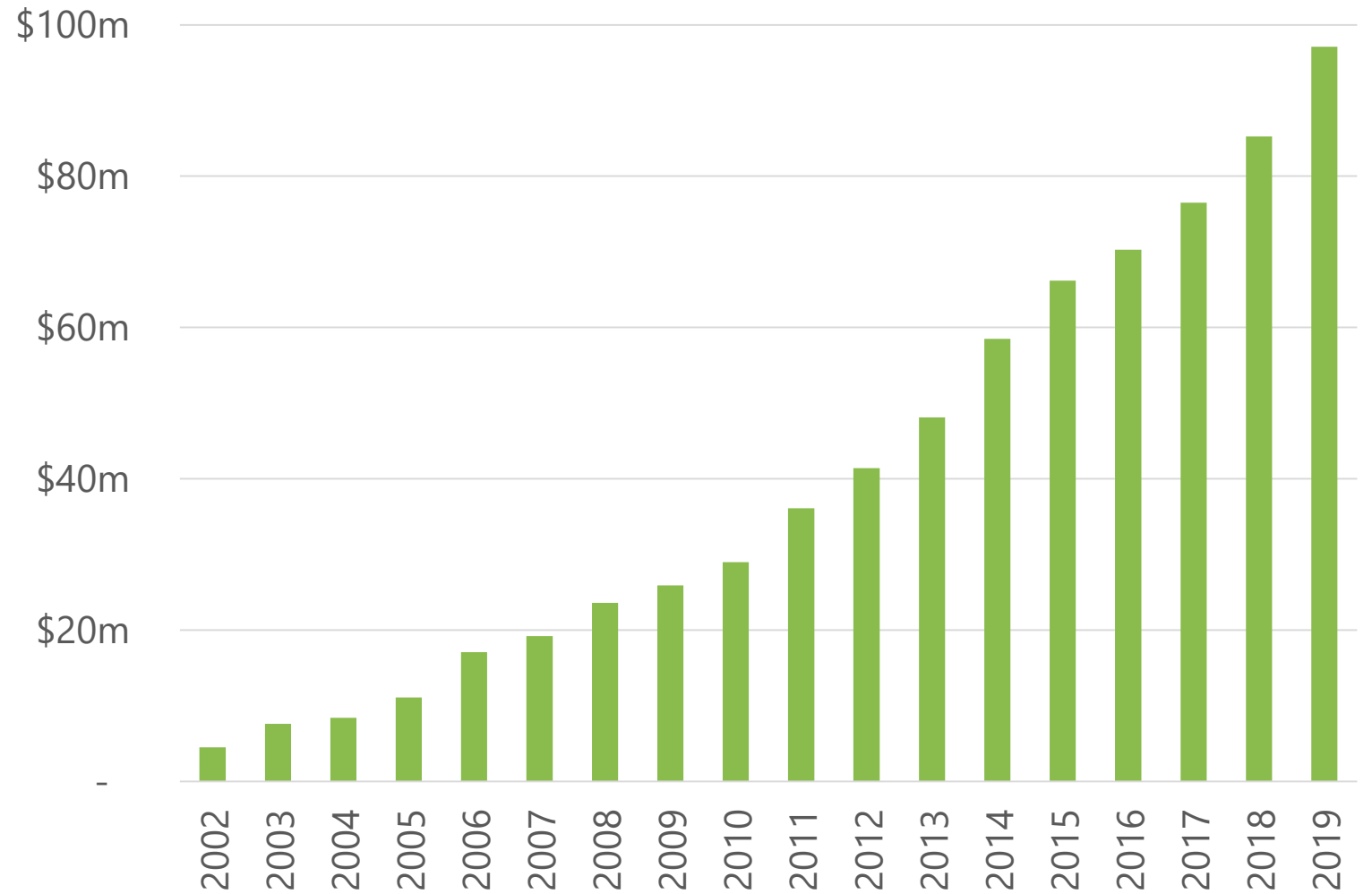
Bert Sutcliffe – Auckland

Photo courtesy of independent resident Graham Orbell



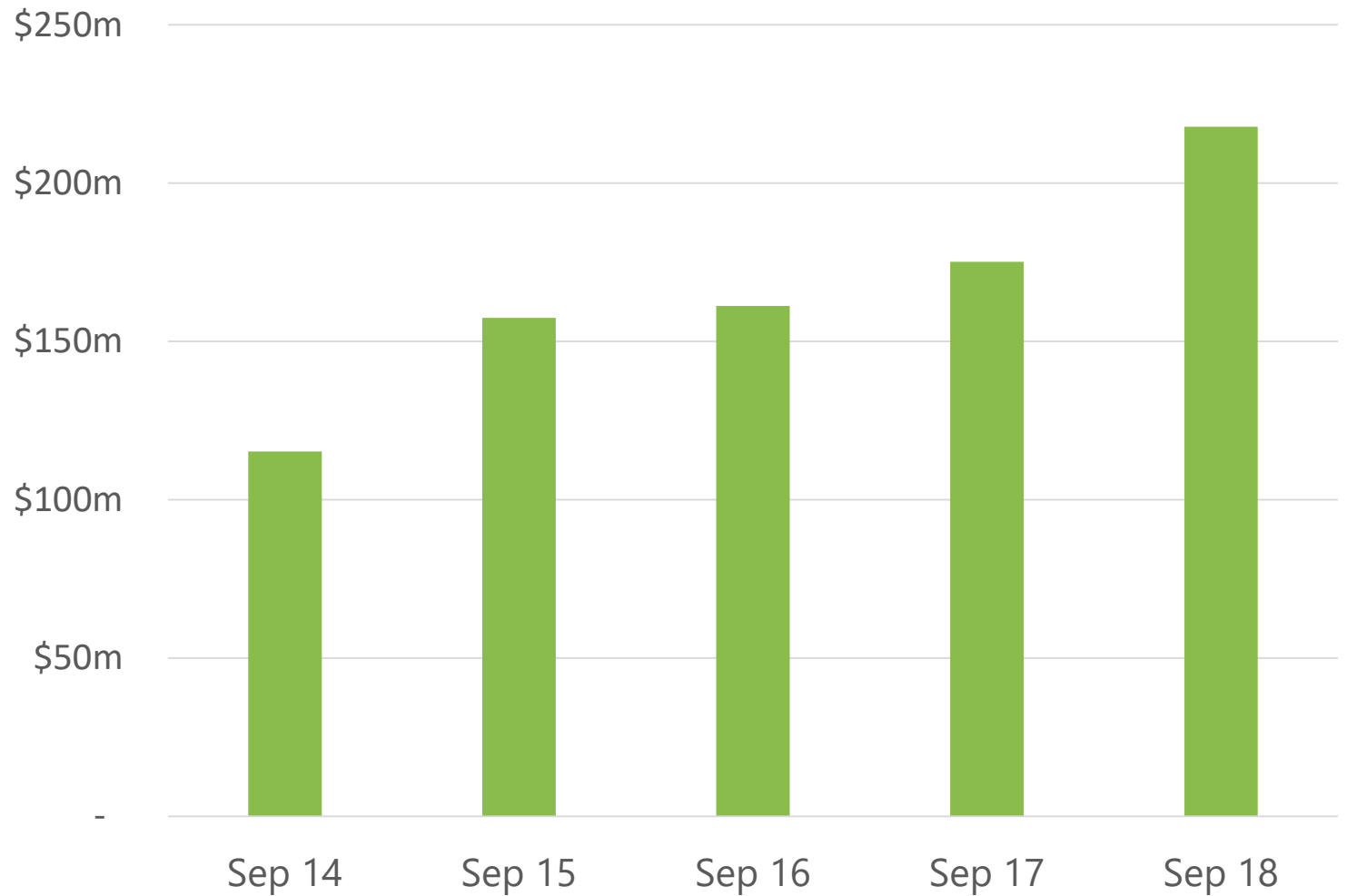


First half underlying profit growth



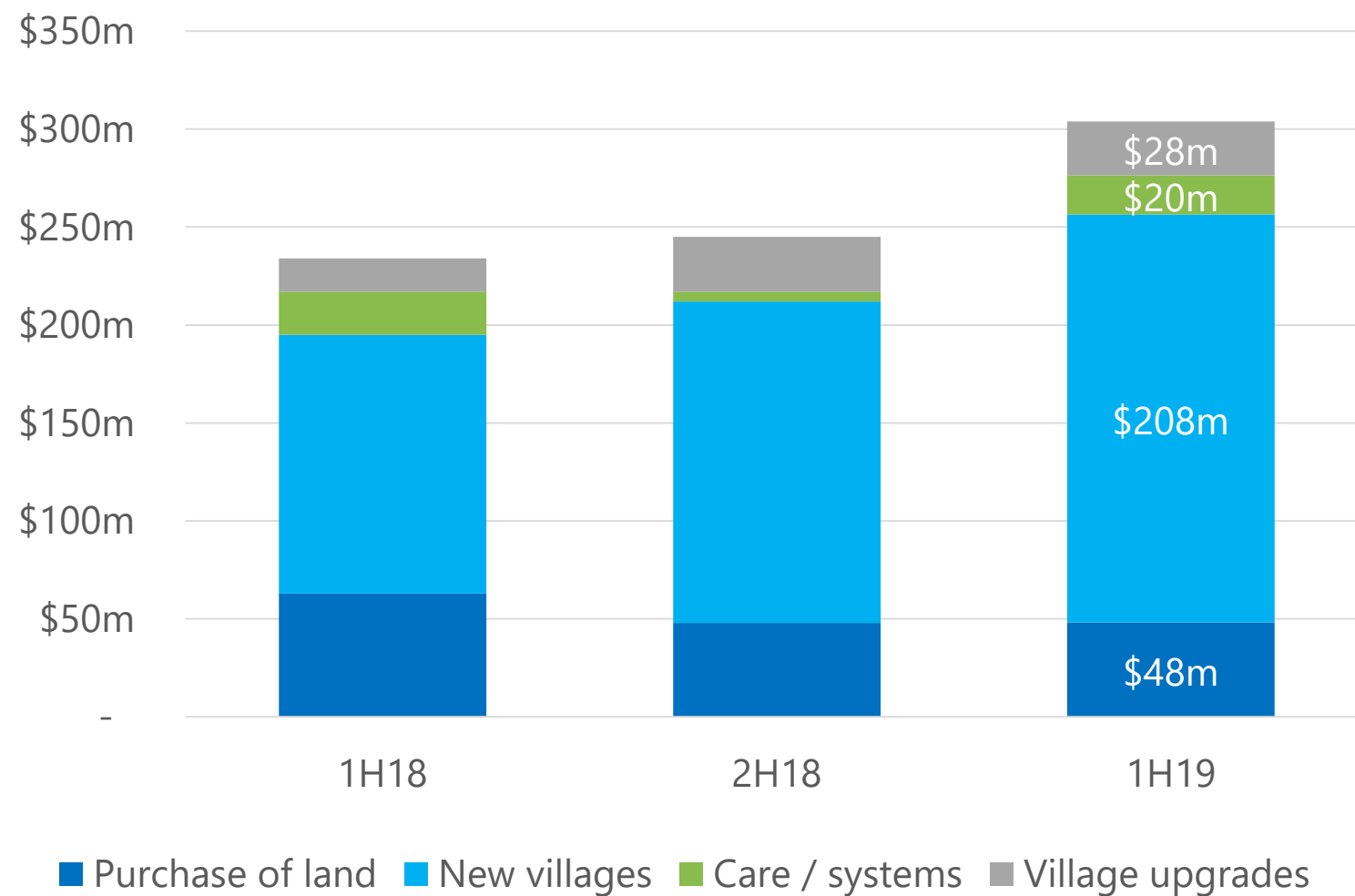


First half operating cashflows



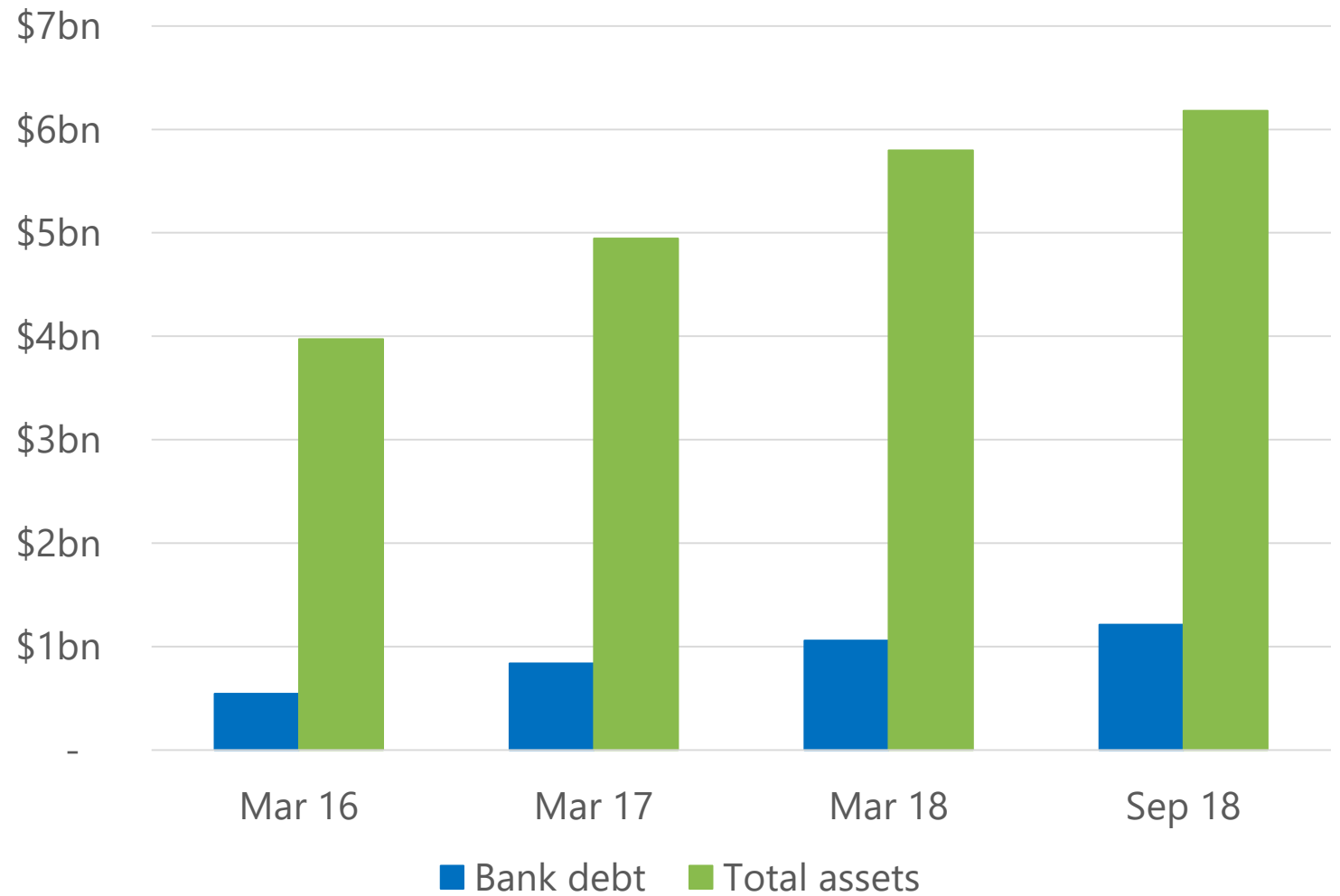


1H19 investing cash flows - \$304m



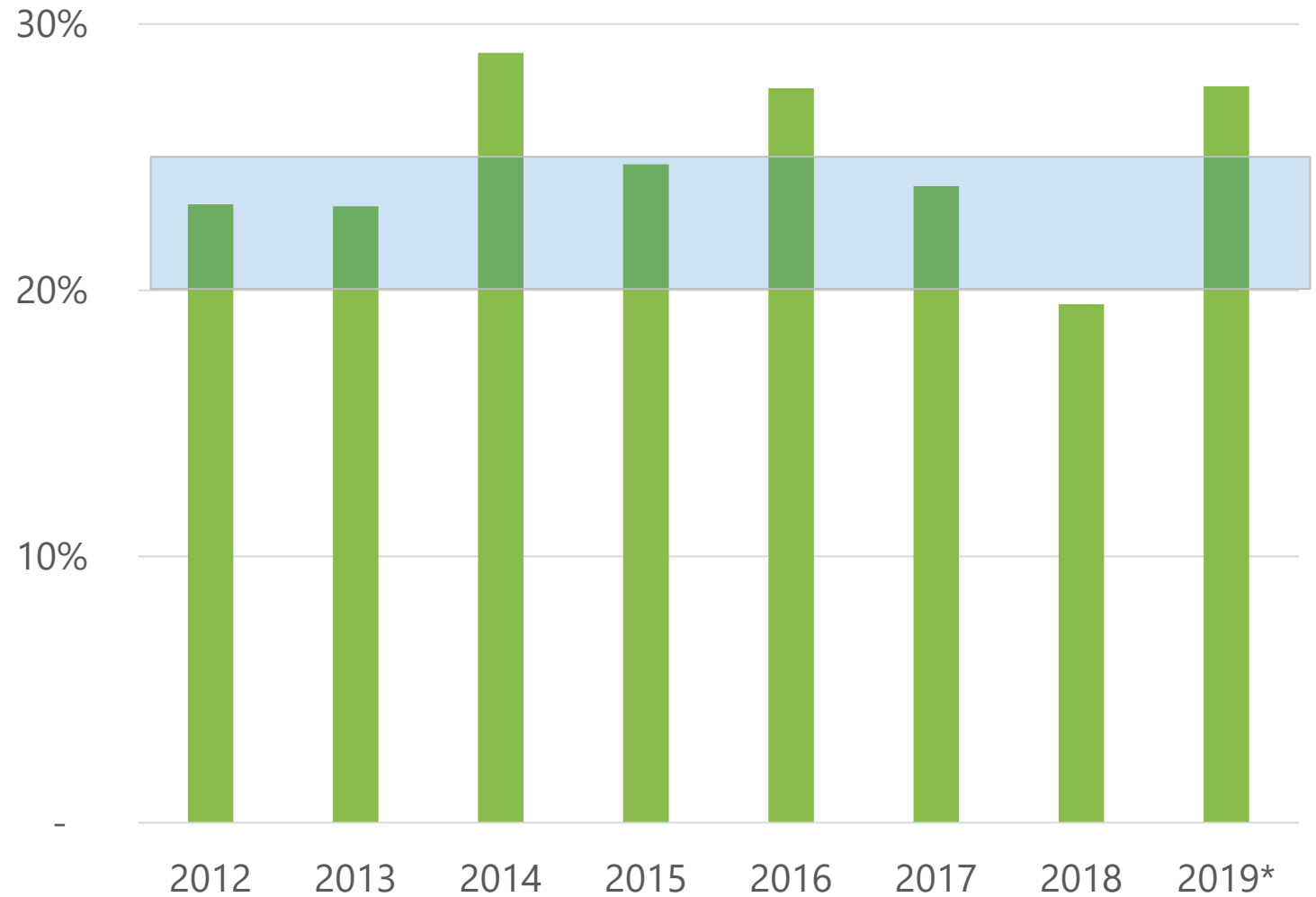


Total assets





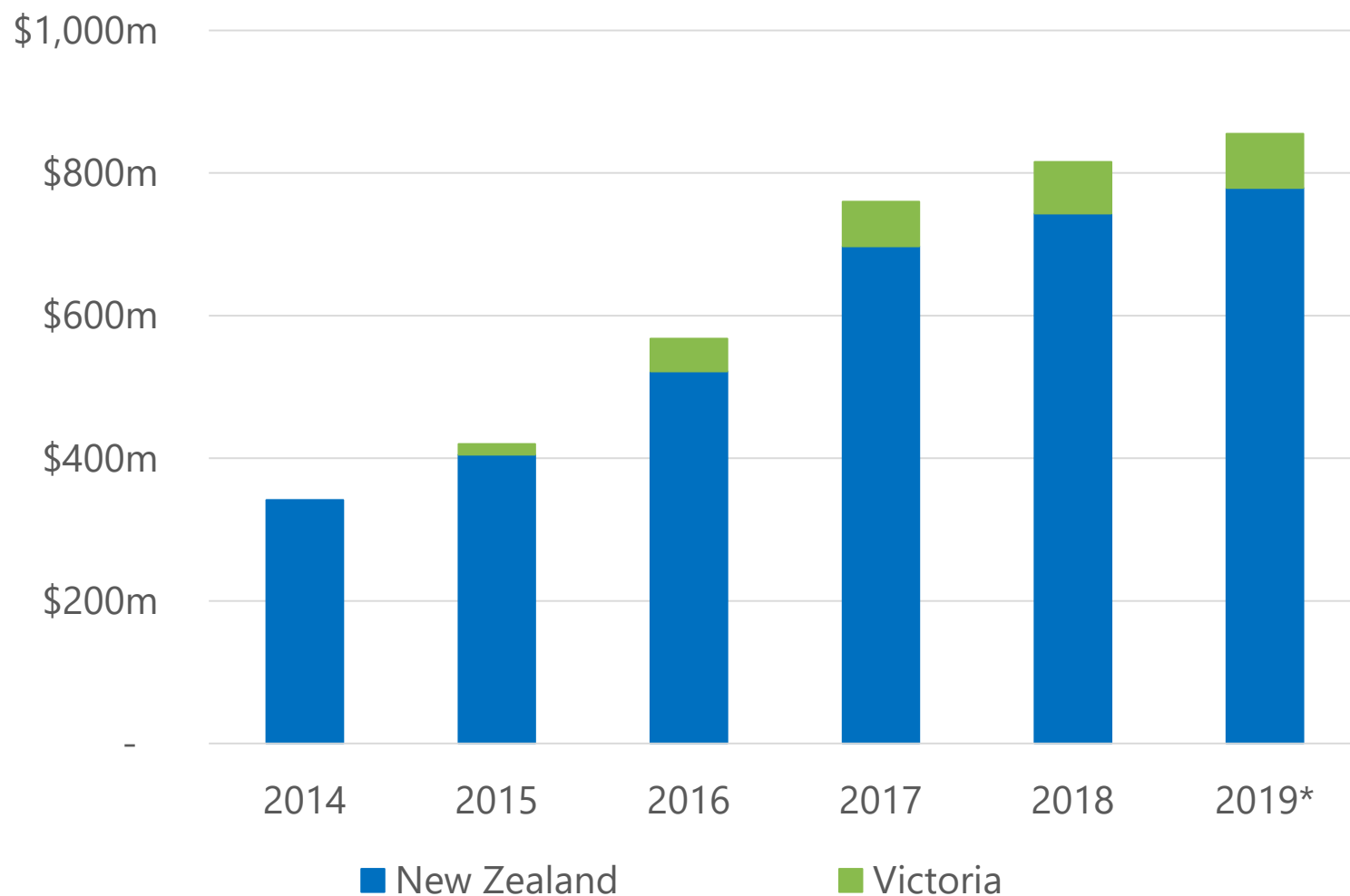
Development margin



*Development margin for the period to 30 September 2018. All other values full year.



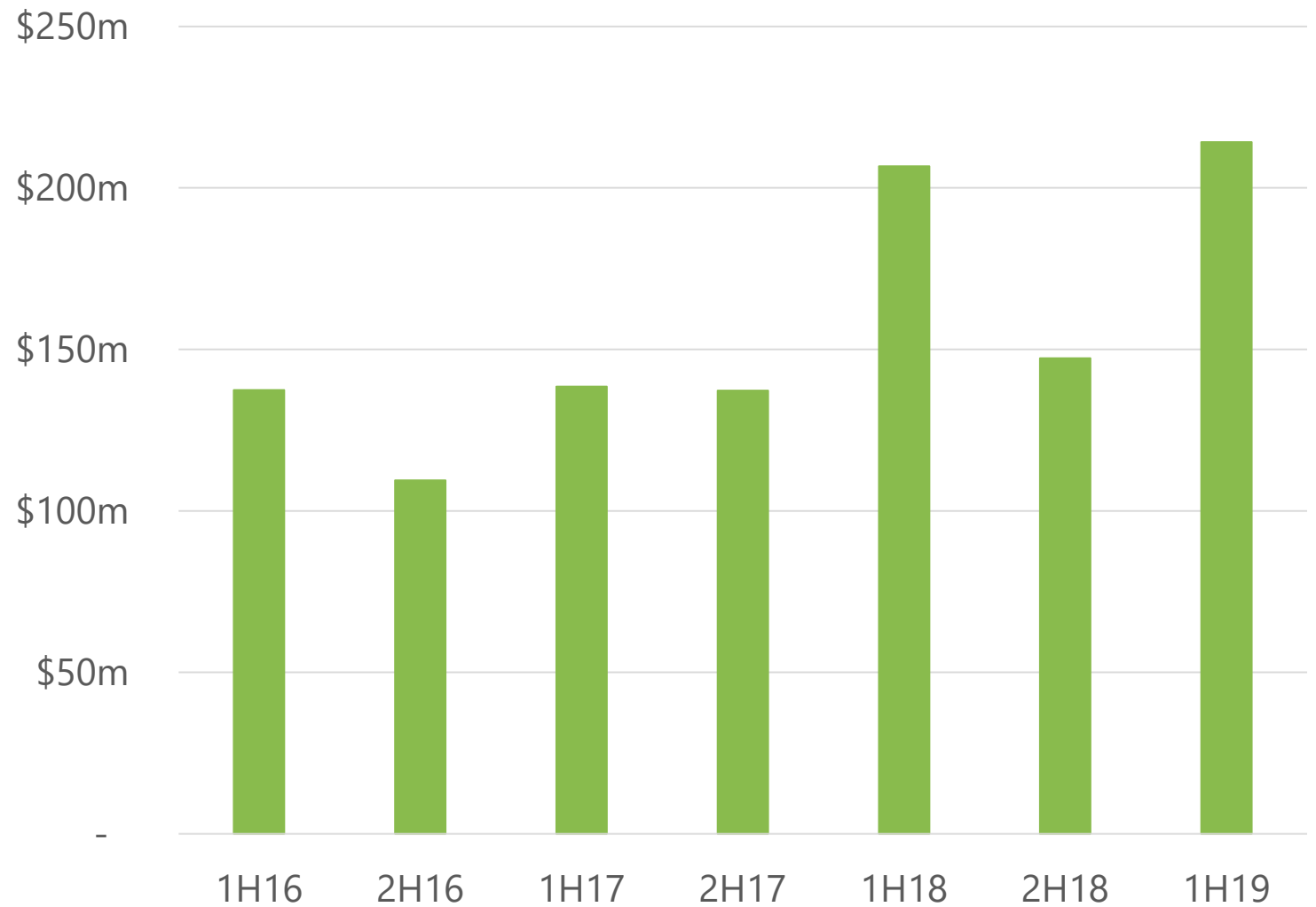
\$855 million resale bank



*Resales bank at 30 September 2018. All other values at 31 March. The resale bank represents the extent that the current price exceeds the price paid by the current resident for the unit's occupancy rights.



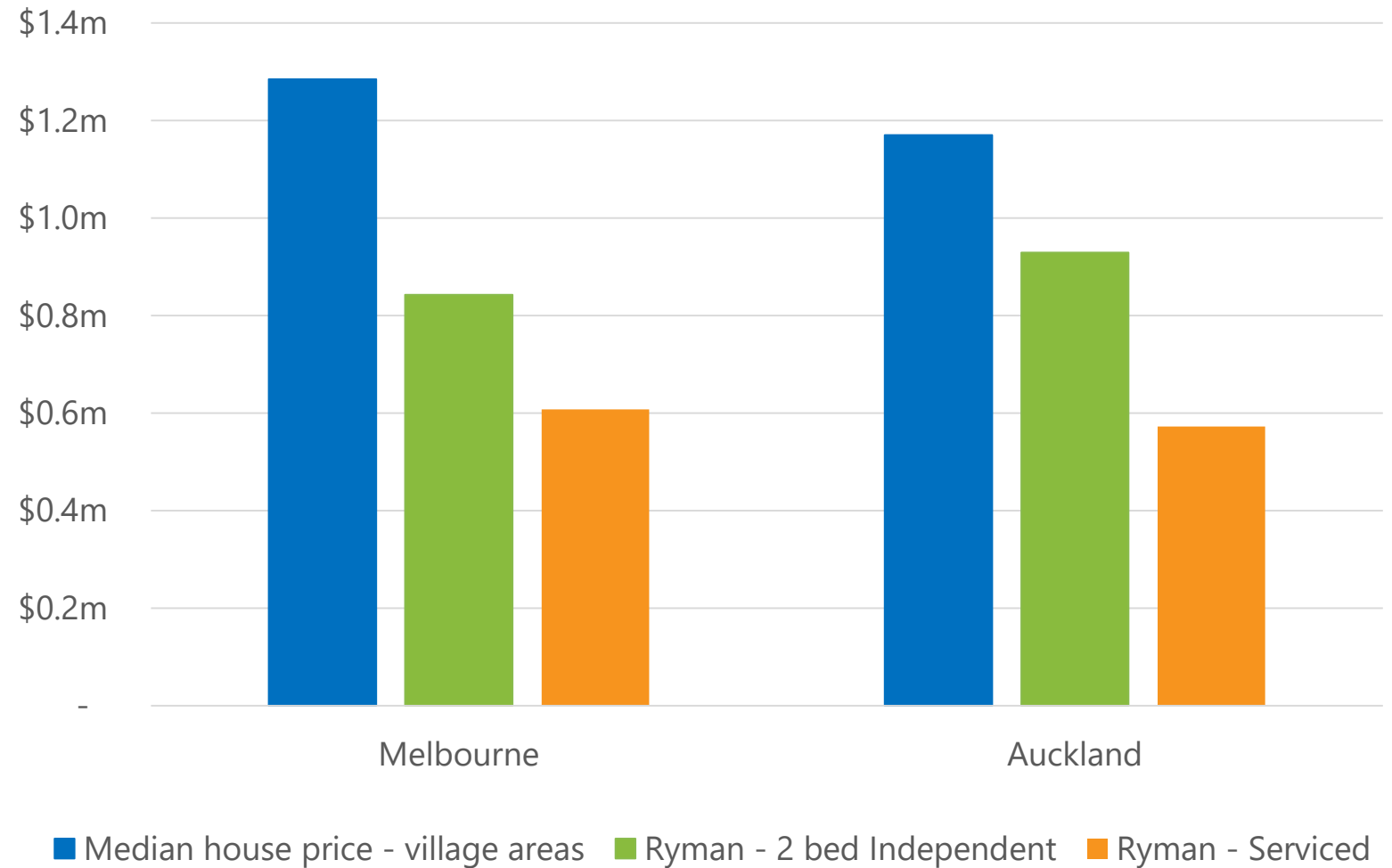
Presales



Note: Presales are unconditional occupation right agreements which have been entered into by residents but have not been booked as the unit is not yet near complete



Sales price vs median house price





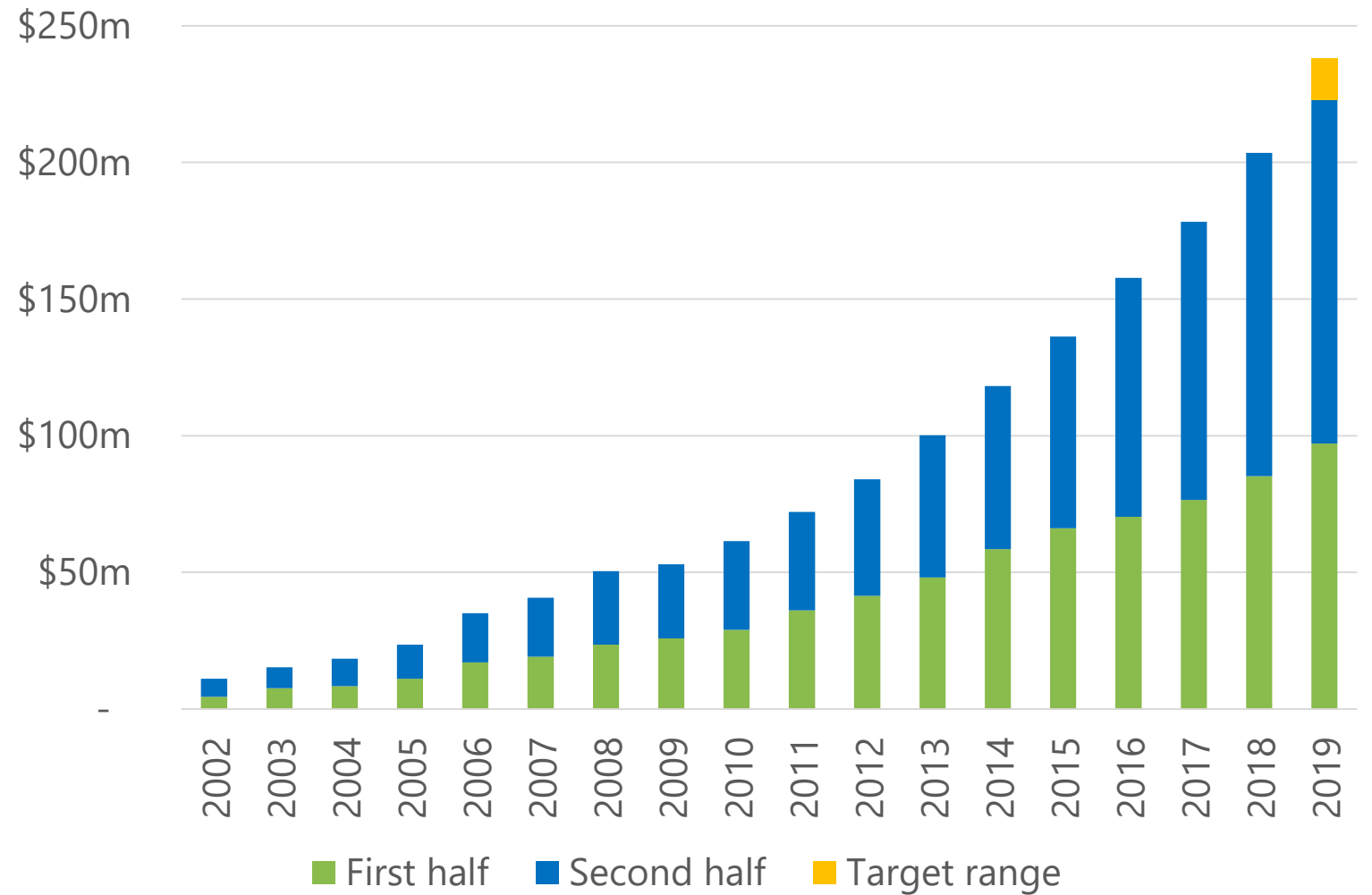
Long term capital efficiency

- \$25 million raised at IPO in 1999
- Invested \$3.4 billion in portfolio since 1999 with no fresh capital
- Dividends of over \$740 million paid since float*
- Self-funded growth
- Strong balance sheet

* Includes 1H19 dividend of 10.8 cents per share that has been declared and is payable on 14 December 2018.



Underlying profit growth





Appendices



Appendix 1: Reported profit

Underlying profit (non-GAAP)	\$97.1m
Unrealised revaluation of investment properties	+\$72.8m
Deferred tax expense	-\$0.4m
Reported net profit	\$169.5m

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 therefore may not be comparable to similar financial information presented by other entities. Underlying profit is used by the Group, in conjunction with other measures, to measure performance. Underlying profit is a measure which 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.



Appendix 2: First half highlights

- Underlying profit up 13.9% to \$97.1 million
- Reported profit down 16.3% to \$169.5 million
- Interim dividend 10.8 cents per share, up 13.7%
- Operating cashflows \$217.8 million, up 24.4%
- Net assets \$2.1 billion, up 13.7%
- Increased investment in care, staff pay and development
- Ninth site secured, and second village opened, in Victoria
- Construction due to begin at third and fourth villages in Victoria



Appendix 3: Sale of occupation rights

	Half year Sep 18	Half year Sep 17	Full year Mar 18
Existing units			
Independent	186	184	377
Serviced	219	210	448
	405	394	825
New units			
Independent	120	111	365
Serviced	48	46	93
	168	157	458



Appendix 4: Development

	Half year Sep 18	Half year Sep 17	Full year Mar 18
Units and beds built			
Retirement village units built	199	112	446
Aged care beds built	81	-	86
	280	112	532
	Half year Sep 18	Half year Sep 17	Full year Mar 18
Total retirement village units			
Independent	4,690	4,241	4,513
Serviced	1,923	1,819	1,901
	6,613	6,060	6,414
Total aged care beds	3,448	3,281	3,367
Total retirement village units and beds	10,061	9,341	9,781



Appendix 5: Margins

	Reference	Half year Sep 18	Half year Sep 17	Full year Mar 18
New sales		\$000s	\$000s	\$000s
Realised fair-value movement	(Note 3)	32,850	15,612	58,955
Sale of occupation rights	(Key statistics)	120,447	90,520	307,282
Gross development margin		27%	17%	19%
Resales				
Realised fair-value movement	(Note 3)	49,762	52,844	107,233
Sale of occupation rights	(Key statistics)	202,081	201,830	414,619
Gross resales margin		25%	26%	26%

Appendix 6: Asset base

New Zealand (excluding Auckland)

Village	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Anthony Wilding	Christchurch	80	33	35	50	110	308
Bob Owens	Tauranga	40	40	40	79	218	417
Bob Scott	Petone	40	40	34	89	207	410
Charles Fleming	Waikanae	40	40	40	79	201	400
Charles Upham	Rangiora	40	40	40	93	225	438
Diana Isaac	Christchurch	40	40	40	79	256	455
Ernest Rutherford	Nelson	49	25	20	75	124	293
Essie Summers	Christchurch	41	24	30	58	22	175
Frances Hodgkins	Dunedin	-	-	51	32	42	125
Hilda Ross	Hamilton	68	40	43	51	167	369
Jane Mander	Whangarei	60	32	20	71	183	366
Jane Winstone	Wanganui	20	20	29	50	54	173
Jean Sandel	New Plymouth	39	33	39	62	171	344
Julia Wallace	Palmerston North	43	21	20	50	111	245
Kiri Te Kanawa	Gisborne	46	15	34	62	105	262
Malvina Major	Wellington	90	-	30	39	117	276
Margaret Stoddart	Christchurch	-	-	41	25	20	86
Ngaio Marsh	Christchurch	81	-	30	40	119	270
Princess Alexandra	Napier	60	24	24	54	70	232
Rita Angus	Wellington	49	-	20	50	99	218
Rowena Jackson	Invercargill	70	26	61	46	103	306
Shona McFarlane	Lower Hutt	59	-	20	50	130	259
Woodcote	Christchurch	-	-	49	7	18	74
Yvette Williams	Dunedin	57	30	3	32	-	122
Total units & beds New Zealand (excluding Auckland)		1,112	523	793	1,323	2,872	6,623

Appendix 6: Asset base

Auckland

Village	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Bert Sutcliffe	Birkenhead	40	40	40	81	225	426
Bruce McLaren	Howick	41	40	42	74	192	389
Edmund Hillary	Remuera	114	30	50	60	373	627
Evelyn Page	Orewa	60	37	20	66	248	431
Grace Joel	St Helliers	77	-	20	80	69	246
Lynfield	Auckland	-	-	-	-	40	40
Logan Campbell	Greenlane	43	30	43	82	106	304
Possum Bourne	Pukekohe	40	40	40	84	259	463
Total units & beds Auckland		415	217	255	527	1,512	2,926
Total units & beds New Zealand		1,527	740	1,048	1,850	4,384	9,549

Victoria

Village	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Weary Dunlop	Melbourne	30	20	32	51	200	333
Nellie Melba	Melbourne	-	-	51	22	106	179
Total units & beds Victoria		30	20	83	73	306	512

New Zealand and Victoria

Total units & beds	1,557	760	1,131	1,923	4,690	10,061
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	Total % of asset base	
Care (hospital, dementia, resthome and serviced)	5,371	53%
Independent	4,690	47%
Total units & beds	10,061	100%

Appendix 7: Land bank (New Zealand)

Existing villages	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Jean Sandel	New Plymouth	-	-	-	-	59	59
Bob Scott	Lower Hutt	-	-	-	-	47	47
Logan Campbell	Auckland	-	-	-	-	10	10
Charles Upham	Rangiora	-	-	-	-	36	36
Total existing villages		-	-	-	-	152	152

New sites	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
William Sanders	Auckland	40	36	36	77	192	381
Lynfield	Auckland	42	42	40	86	292	502
River Road	Hamilton	40	40	40	93	248	461
Lincoln Road	Auckland	42	37	42	77	186	384
Hobsonville	Auckland	40	40	40	80	250	450
Karori	Wellington	40	40	40	70	175	365
Park Terrace	Christchurch	35	20	16	66	53	190
Newtown	Wellington	28	20	28	46	55	177
Diana Isaac	Christchurch	-	-	-	-	50	50
Havelock North	Hawkes Bay	34	33	33	59	166	325
Total new sites		341	308	315	654	1,667	3,285
Total landbank New Zealand		341	308	315	654	1,819	3,437

The land bank is subject to resource and building consent.

Appendix 7: Land bank (Australia)

Existing villages	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Nellie Melba	Melbourne	80	39	29	72	222	442
Total existing villages		80	39	29	72	222	442

New sites	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Coburg	Melbourne	35	35	35	85	221	411
Burwood East	Melbourne	44	44	44	91	174	397
Mount Eliza	Melbourne	40	40	40	70	315	505
Geelong	Victoria	34	33	33	60	86	246
Mount Martha	Melbourne	20	20	40	56	79	215
Aberfeldie	Melbourne	24	24	24	32	80	184
Ocean Grove*	Victoria	40	40	40	53	68	241
Total new sites		237	236	256	447	1,023	2,199
Total landbank Australia		317	275	285	519	1,245	2,641

Total land bank New Zealand & Australia	658	583	600	1,173	3,064	6,078
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	Total	% of landbank
Care (hospital, dementia, resthome and serviced)	3,014	50%
Independent	3,064	50%
Total land bank	6,078	100%

The land bank is subject to resource and building consent.

* In November 2018 Ryman entered into an unconditional sale and purchase agreement for the acquisition of land at Ocean Grove.



Appendix 8: Cash management fees

		Half year	Half year	Full year
	Reference	Sep 18	Sep 17	Mar 18
		\$000s	\$000s	\$000s
Accrued management fees – opening	(Note 4)	321,631	270,370	270,370
Less: Accrued management fees – closing	(Note 4)	(347,471)	(297,249)	(321,631)
Movement in accrued management fees		(25,840)	(26,879)	(51,261)
Plus: DMF income	Income statement	38,840	33,756	70,087
Plus: Revenue in advance movement	(Note 2)	3,116	4,362	7,253
Plus: GST / accommodation credit adjustment	Not disclosed	423	(5)	(310)
Plus: Movement in resident loan	Not disclosed	3,757	3,649	8,999
Cash management fees		20,296	14,883	34,768

Appendix 9: Investment property summary



At 30 September 2018	CBRE unit price inflation assumption					Discount rate
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5+	
Auckland	0.9%	1.9%	2.4%	3.0%	3.5%	12.5%
Rest of New Zealand	0.9%	1.5%	2.0%	2.8%	3.3%	13.4%
Melbourne	2.0%	2.8%	3.6%	4.0%	3.9%	14.1%

At 30 September 2017	CBRE unit price inflation assumption					Discount rate
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5+	
Auckland	1.0%	2.0%	2.4%	3.0%	3.5%	12.5%
Rest of New Zealand	0.9%	1.5%	2.0%	2.8%	3.3%	13.4%
Melbourne	3.6%	3.6%	3.6%	3.8%	3.9%	14.0%

At 31 March 2017	CBRE unit price inflation assumption					Discount rate
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5+	
Auckland	2.0%	2.0%	2.8%	2.8%	3.1%	12.4%
Rest of New Zealand	2.0%	2.0%	2.1%	2.1%	2.5%	13.4%
Melbourne	2.0%	2.0%	2.0%	2.0%	2.5%	14.0%

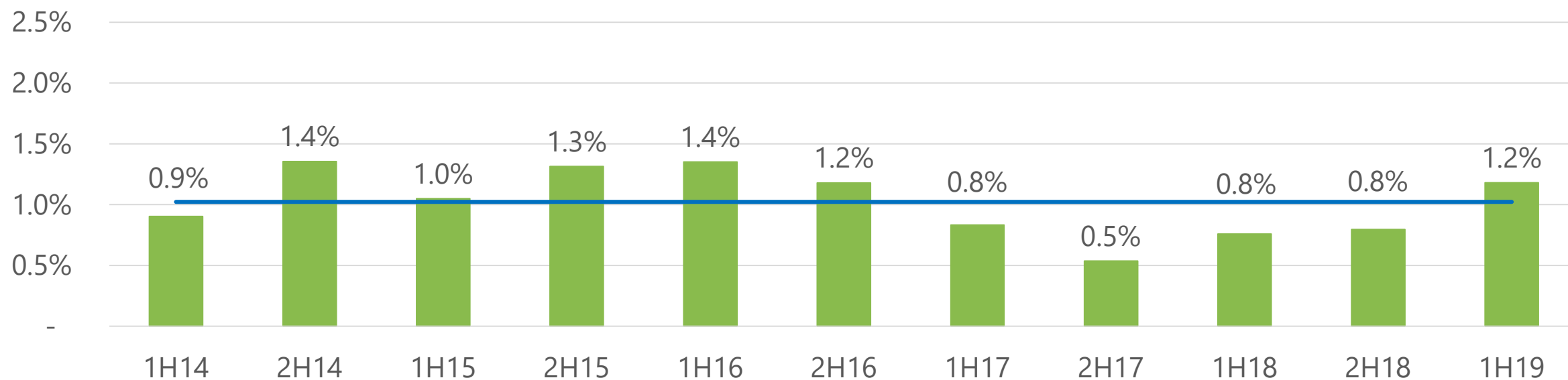


Appendix 10: Operating cash flows

	Half year Sep 18	Half year Sep 17	Full year Mar 18
	\$000s	\$000s	\$000s
Resident receipts	148,059	129,971	268,359
Refundable accommodation deposits (net)	(417)	1,069	3,101
Development sales	162,619	130,324	238,820
Resales	208,006	162,523	364,860
Total receipts from residents	518,267	423,887	875,140
Interest received	265	160	515
Payments to suppliers and employees	(149,785)	(132,753)	(270,231)
Payments to residents	(145,286)	(109,078)	(241,676)
Interest paid	(5,624)	(7,105)	(14,491)
Net operating cash per the cash flow statement	217,837	175,111	349,257

Appendix 11: Available resale stock

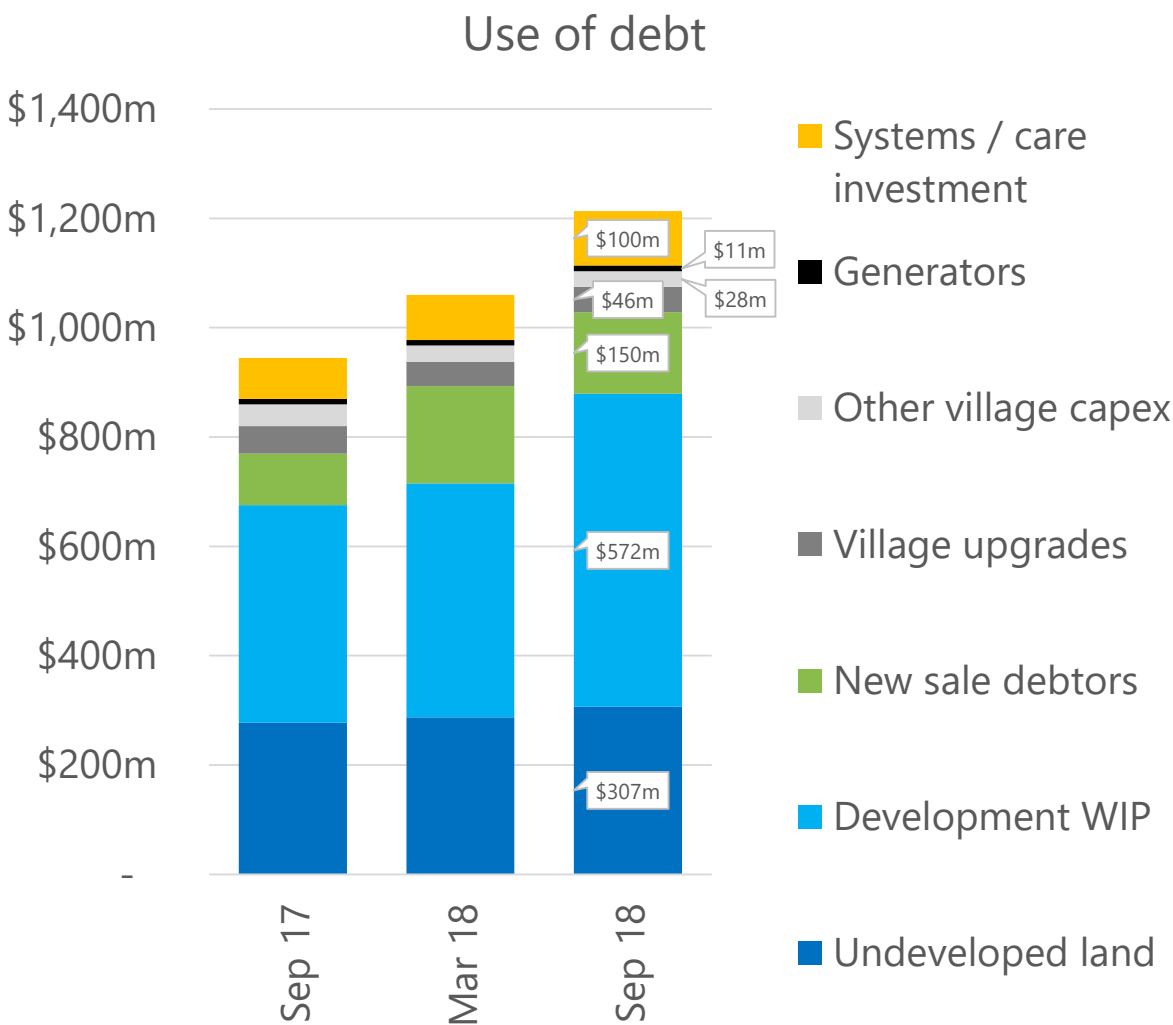
	Half year Sep 18	Half year Sep 17	Full year Mar 18
Independent living units	42	16	26
Serviced apartments	36	30	25
Total resales stock	78	46	51
Total retirement portfolio	6,613	6,060	6,414
Uncontracted stock percentage*	1.2%	0.8%	0.8%



* Uncontracted resales stock as a percentage of total retirement unit portfolio

Appendix 12: Capital management

	Half year	Half year	Full year
Gearing (\$m)	Sep 18	Sep 17	Mar 18
Net debt	\$1,214	\$945	\$1,060
Net assets	\$2,053	\$1,805	\$1,941
Gearing ratio *	37%	34%	35%

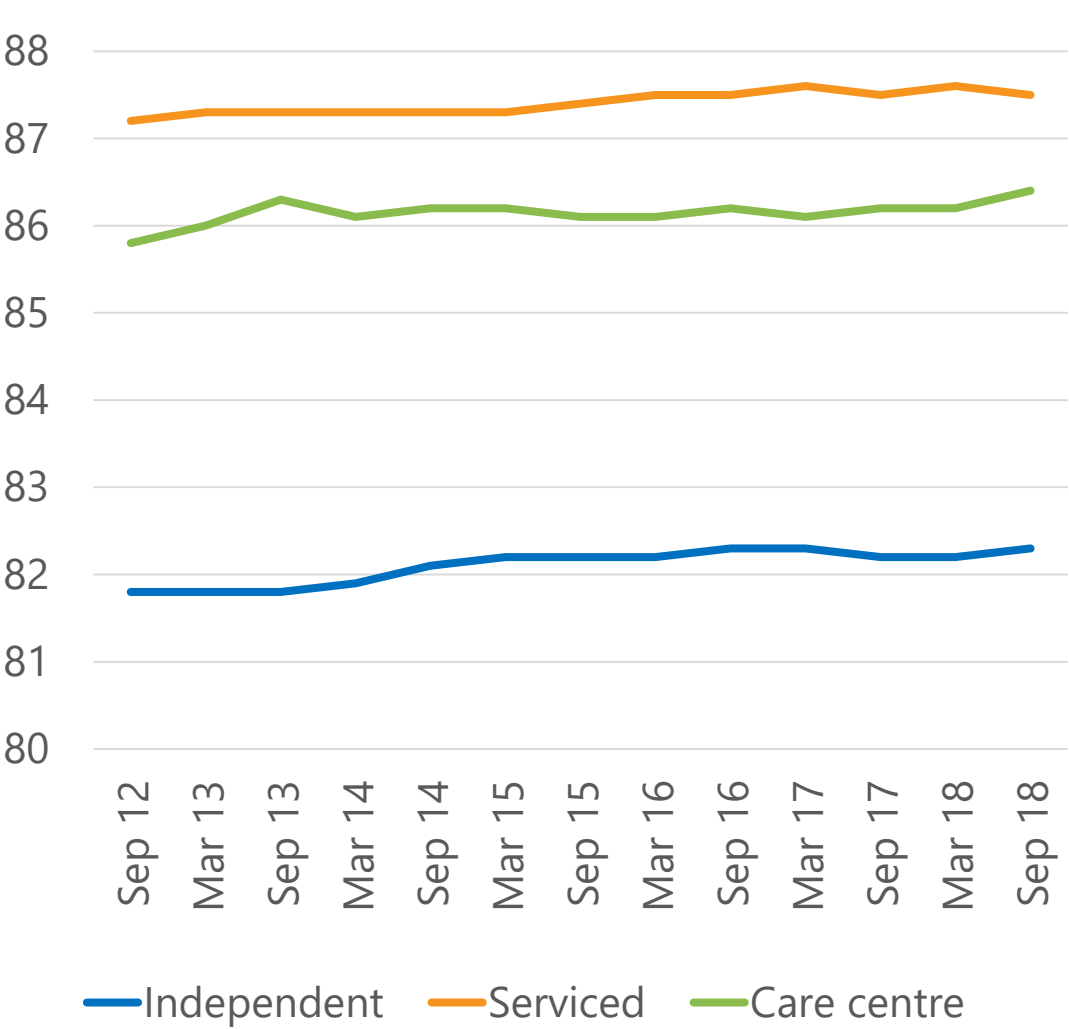


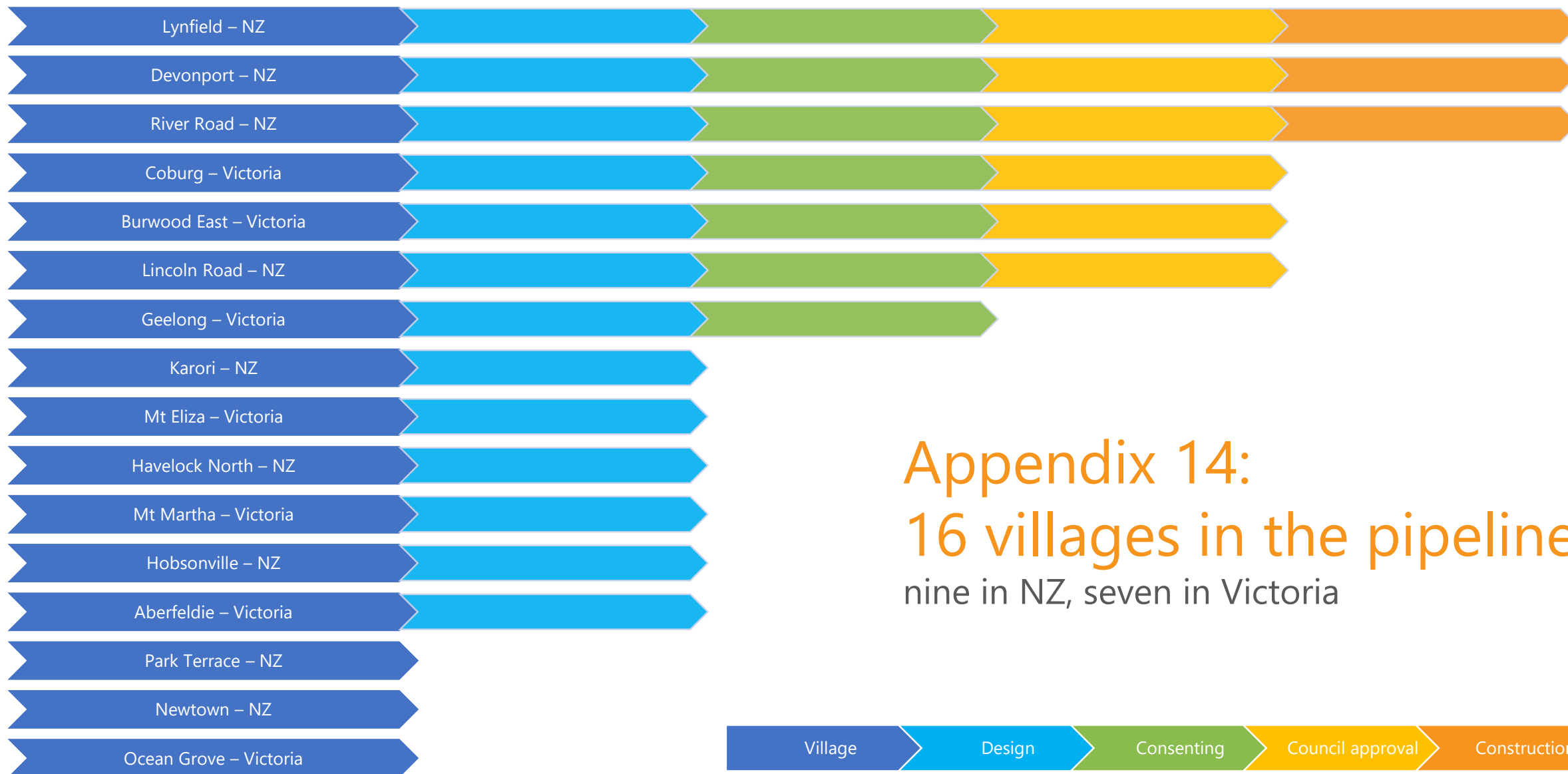
* Gearing ratio calculated as bank debt / bank debt plus equity

Appendix 13: Resident average age and tenure (years)

Average age	Sep 18	Sep 17	Mar 18
Independent	82.3	82.2	82.2
Serviced	87.5	87.5	87.6
Care centre	86.4	86.2	86.2

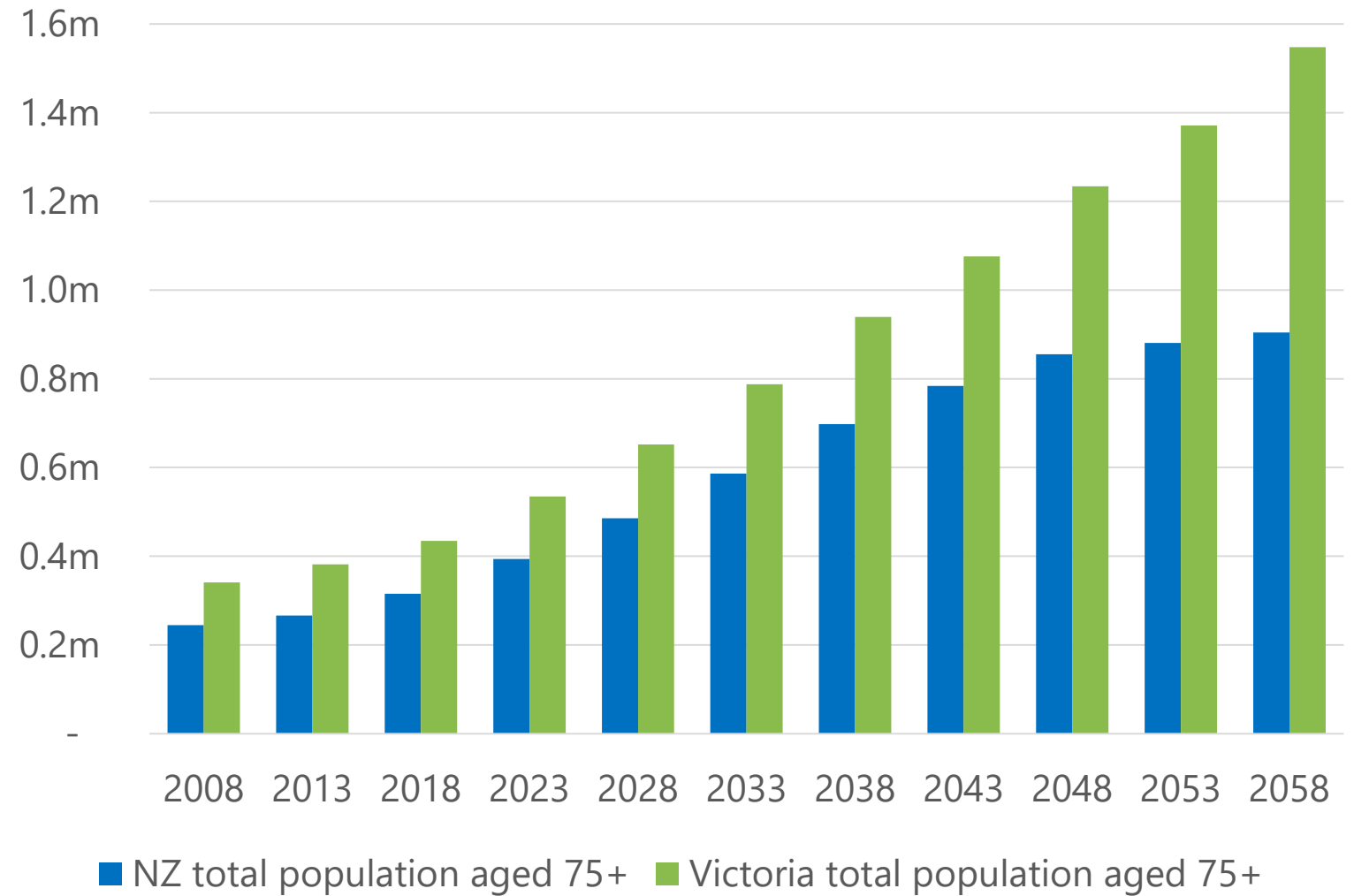
Average tenure - vacated units	Sep 18	Sep 17	Mar 18
Independent	5.3	5.4	4.8
Serviced	2.6	2.9	3.0







Appendix 15: Population growth 75+



Source: Statistics NZ, Australian Bureau of Statistics (Series A)

Disclaimer

This presentation

This presentation sets out information relating to Ryman Healthcare Limited's half year result for the period to 30 September 2018. It should be read in conjunction with all other material which we have released, or may release, to NZX from time to time. That material is also available on our website at www.rymanhealthcare.com.

Purpose of this presentation

This presentation is for information purposes only. It is not an offer of financial products, or a proposal or invitation to make any such offer. It is not investment advice or a recommendation in relation to financial products, and does not take into account any person's individual circumstances or objectives. Every investor should make an independent assessment of Ryman on the basis of expert financial advice.

Forward-looking statements

This presentation contains forward-looking statements and projections. These reflect our current expectations, based on what we think are reasonable assumptions. However, any of these forward-looking statements or projections may be materially different due to a range of factors and risks. Ryman gives no warranty or representation as to our future financial performance or any future matter.

Non-GAAP information

Some of the financial information in this presentation has not been prepared in accordance with generally accepted accounting practice (i.e. it is non-GAAP financial information). This includes, in particular, our 'underlying profit' which Ryman has used for many years as a means of showing our profit absent any unrealised valuation movements. Ryman has historically used underlying profit as the basis for determining dividend payments to shareholders. We show our underlying profit together with our reported profit based on NZ IFRS (a GAAP measure).

Disclaimer

To the maximum extent permitted by law, we will not be liable (whether in tort including negligence, contract, statute or otherwise) to you or any other person in relation to this presentation, including any error or omission in it.