

RYMAN HEALTHCARE

Half year result

30 September 2019





First half highlights

Underlying profit* of \$103.0 million, up 6.2%

Reported (IFRS) profit up 11.1% to \$188.3 million

Interim dividend increased to 11.5 cents, in line with underlying profit growth

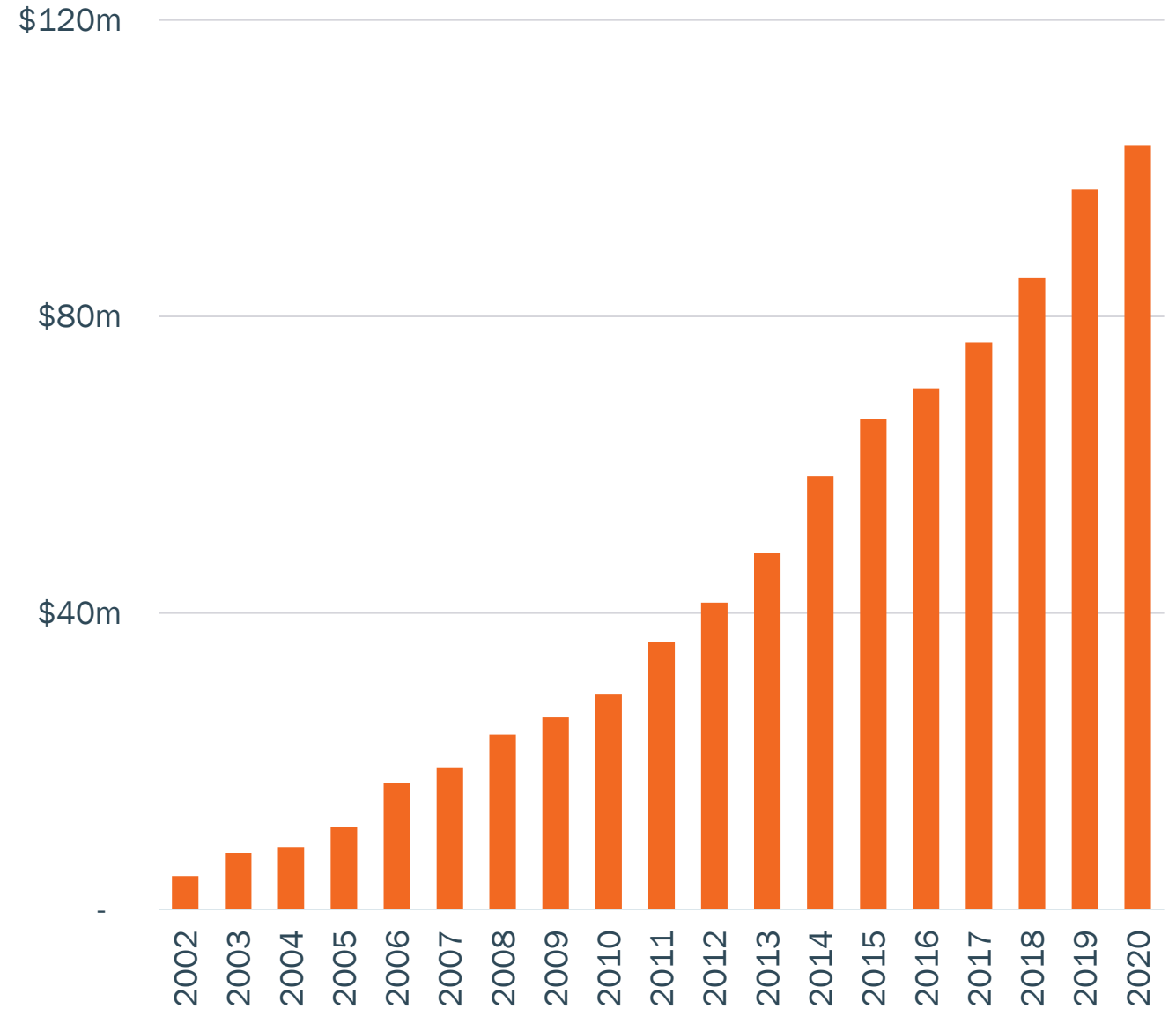
Operating cashflows \$256.1 million, up 17.6%

Total assets up 17.4% to \$7.26 billion on September last year

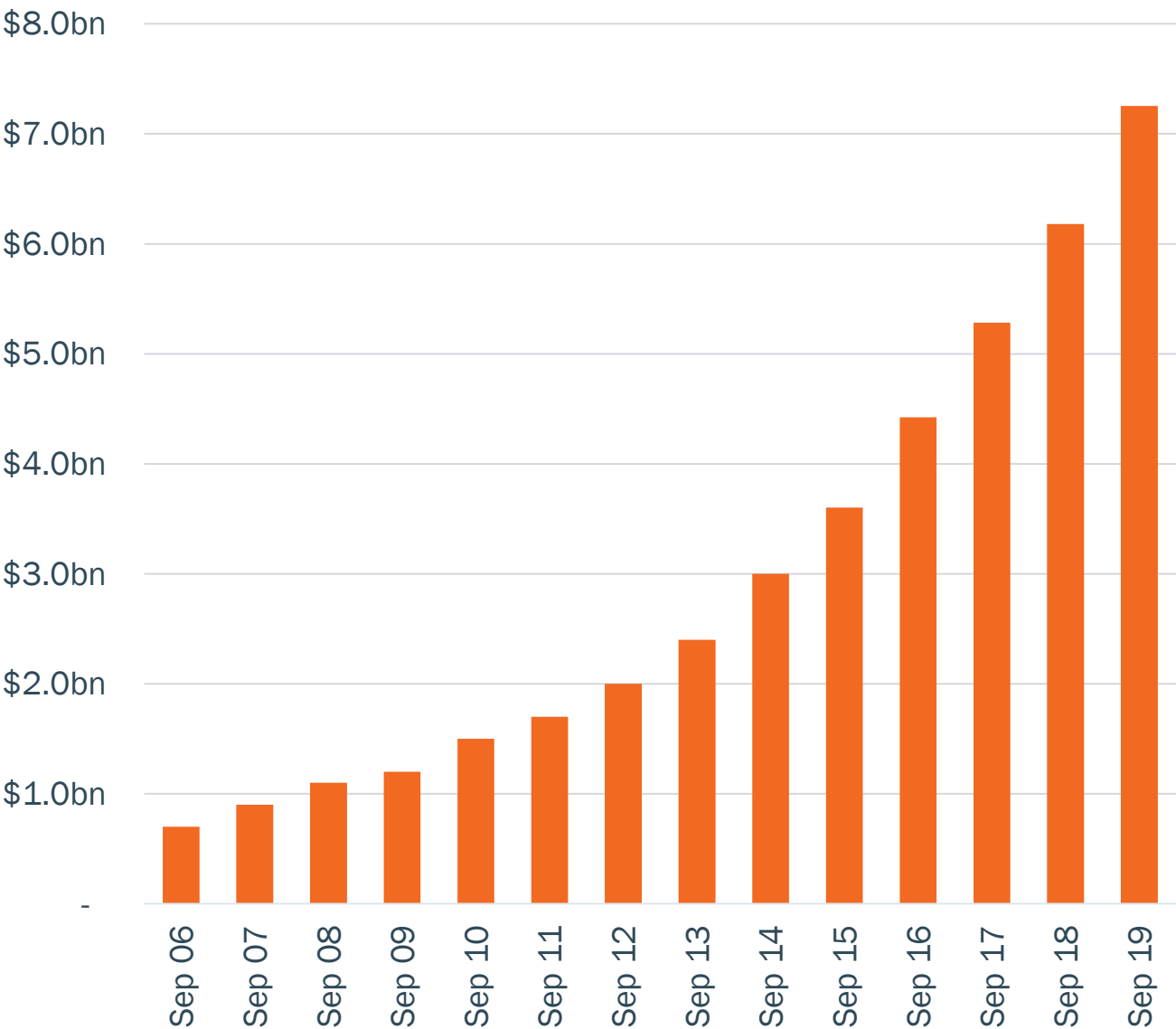
Land bank lifted to 7,074 beds and units

* Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Refer to slide 38 for a breakdown of underlying profit.

First half underlying profit



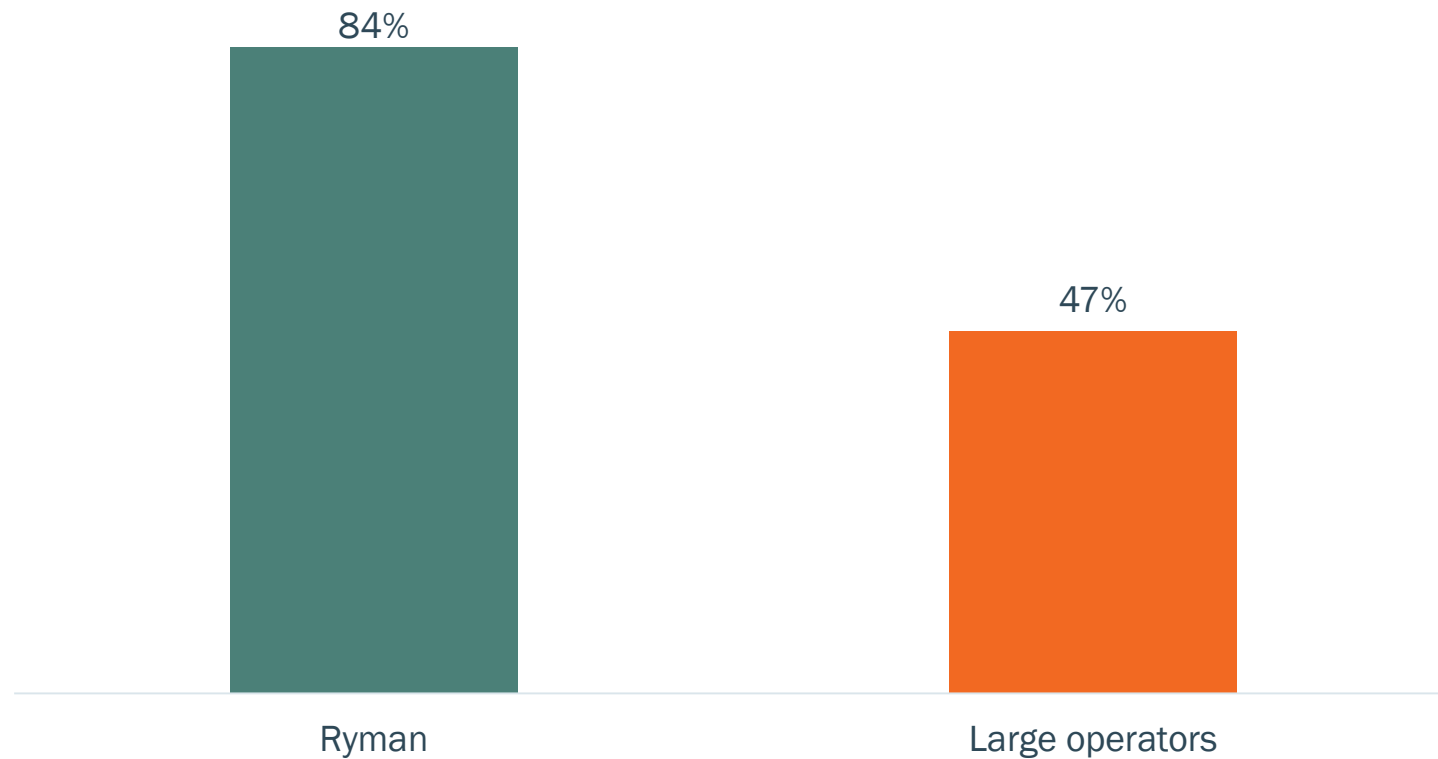
Total assets





The 'gold standard' of care

4 year certification



Source: Ministry of Health. Large operators reflects aged care providers with 15 or more care centres. Data at 11 November 2019.



myRyman Life

Model of Dementia Care





Medical advisory committee

Professor Richard Sainsbury

Emeritus Professor, Geriatric Medicine, Otago University - Geriatrician

Alex de Roo

Pharmacist

Billy Allan

Medication Safety Specialist, Health Quality & Safety Commission

Dr Murray Robson

General Practitioner

Dr Kathleen Potter

Research Doctor

Jenny Thiele

Regional Operations Manager, Ryman. Registered Nurse

Karen Lake

Clinical and Quality Manager, Ryman. Registered Nurse

Victoria Brevoort

Clinical Systems Manager, Ryman. Registered Nurse

Janine Snape

Operations Project Clinical Manager, Ryman

Melanie Asuncion

Clinical Manager, Ryman. Registered Nurse

Meegan Potts

Data Analyst, Ryman



Wed
26 Jun

15:03



Doreen Peterson



Esmae



< Wed, 26 June 2019

10



Morning Cares

11



Change Water Jug



Food and Fluid Chart

12

13



Toileting

14



Active Games



Afternoon Tea

15



Happy Hour

there has been
a change in likesa change in
diagnosis or
symptoms or a10:30
Wed 26**Morning Cares**Doreen needs full assistance when
showering and washingDoreen needs full assistance when
dressing lower and upper bodyEnsure to apply moisturizer to skin and
dentures clean

Put clothes appropriate to weather



56



39.6kg

BP

HR 81

Temp

RR

02

Observation

M

T

W

wels



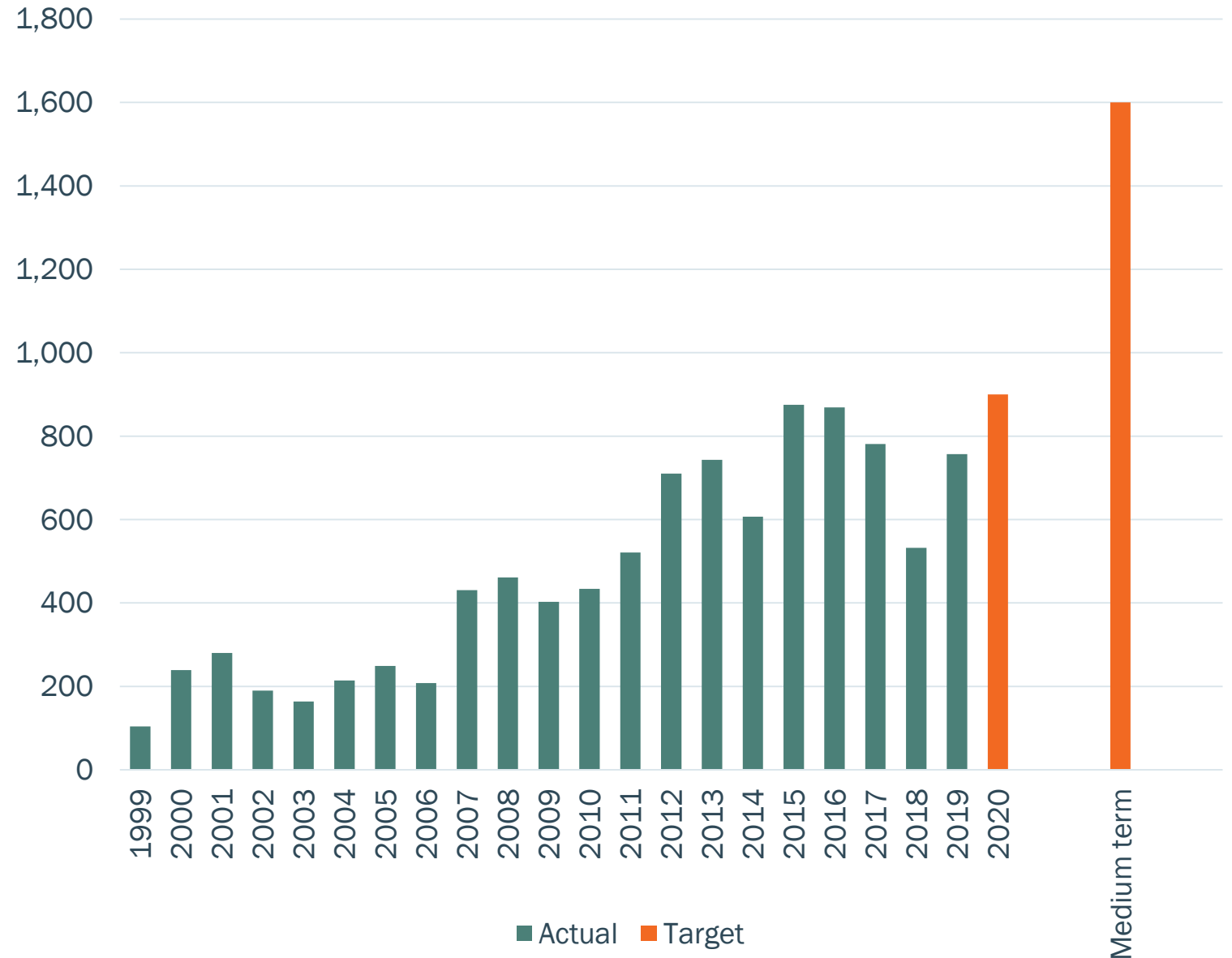


Paula Jeffs has joined our board

	Dr David Kerr	Jo Appleyard	Warren Bell	George Savvides	Claire Higgins	Geoff Cumming	Anthony Leighs	Paula Jeffs
Governance	✓	✓	✓	✓	✓	✓	✓	
Executive Leadership				✓	✓	✓	✓	✓
Finance and Accounting	✓		✓	✓	✓	✓		
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓
Property and Construction		✓	✓			✓	✓	
Health and Safety	✓	✓			✓		✓	✓
Health, Clinical and Aged Care	✓	✓	✓	✓	✓	✓		✓
Digital and Technology	✓			✓				
Human Resources	✓	✓		✓		✓		✓
Strategy	✓	✓	✓	✓	✓	✓	✓	✓

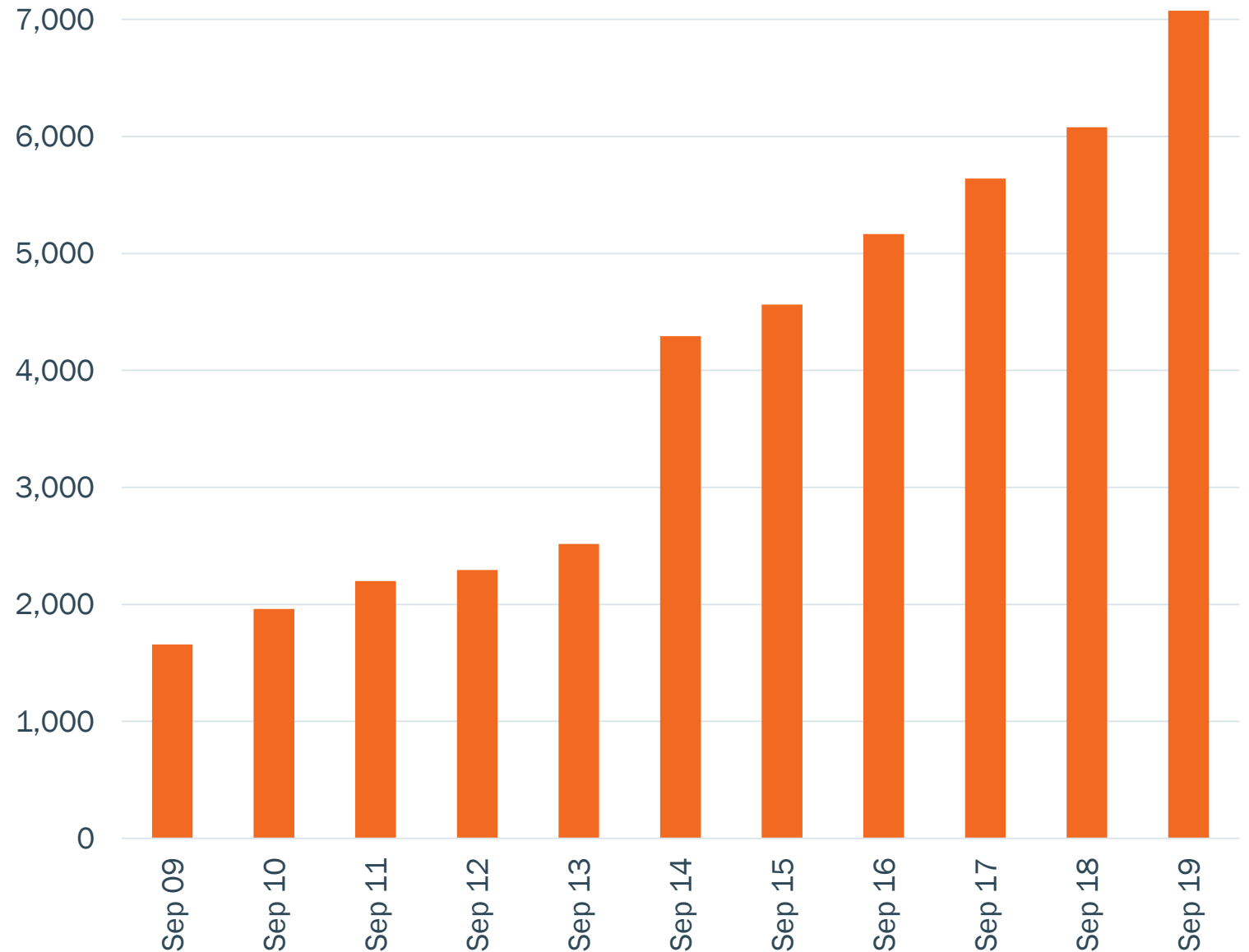


We are lifting our build rate



Note: All data as at 31 March

Our land bank is at record levels



Current sites (as at Sept 2018)



Village



Design



Consenting



Council
approval



Construction

Nellie Melba



Murray Halberg



William Sanders



Linda Jones



Burwood East



Lincoln Road



Havelock North



Highton



Aberfeldie



Hobsonville



Hihett



Ocean Grove



Riccarton



Construction activity target March 2020



Village



Design



Consenting



Council approval



Construction

Nellie Melba



Murray Halberg



William Sanders



Linda Jones



Burwood East



Lincoln Road



Havelock North



Highton



Aberfeldie



Hobsonville



Hihett



Ocean Grove



Riccarton



Target by March 2020
Subject to resource and building consent and various regulatory approvals.
Targeting 12 sites but potential for 13

Aberfeldie Melbourne





Highett
Victoria





Nellie Melba
Melbourne



Highton Victoria



**Burwood East
Melbourne**





Ocean Grove Victoria



Eleven sites in Victoria



Northwood Christchurch



Linda Jones
Hamilton



William Sanders
Auckland



Murray Halberg
Auckland

Lincoln Road Auckland





Havelock North Hawkes Bay





Hobsonville Auckland

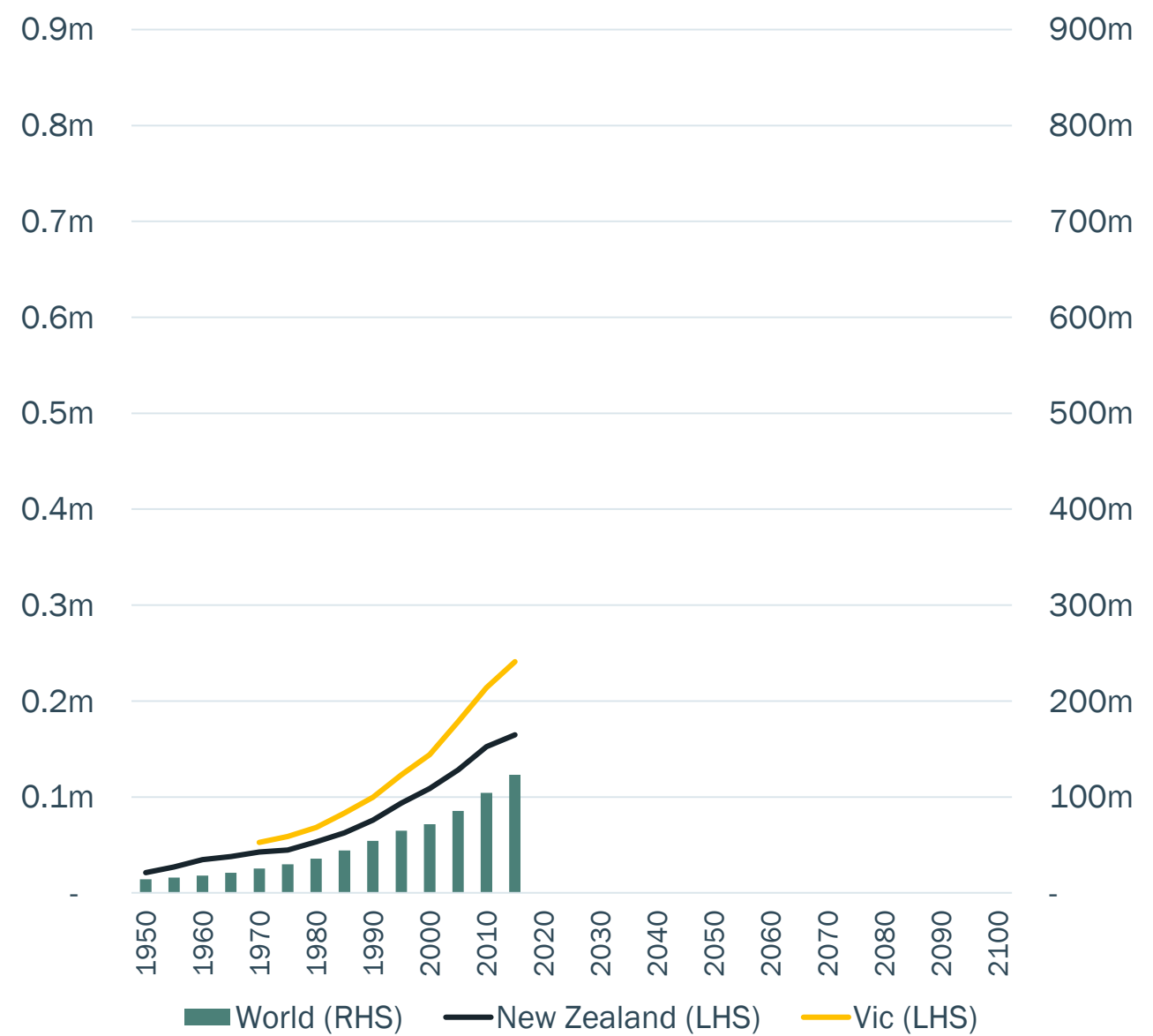


Cheyne Chalmers
Chief Operations Officer



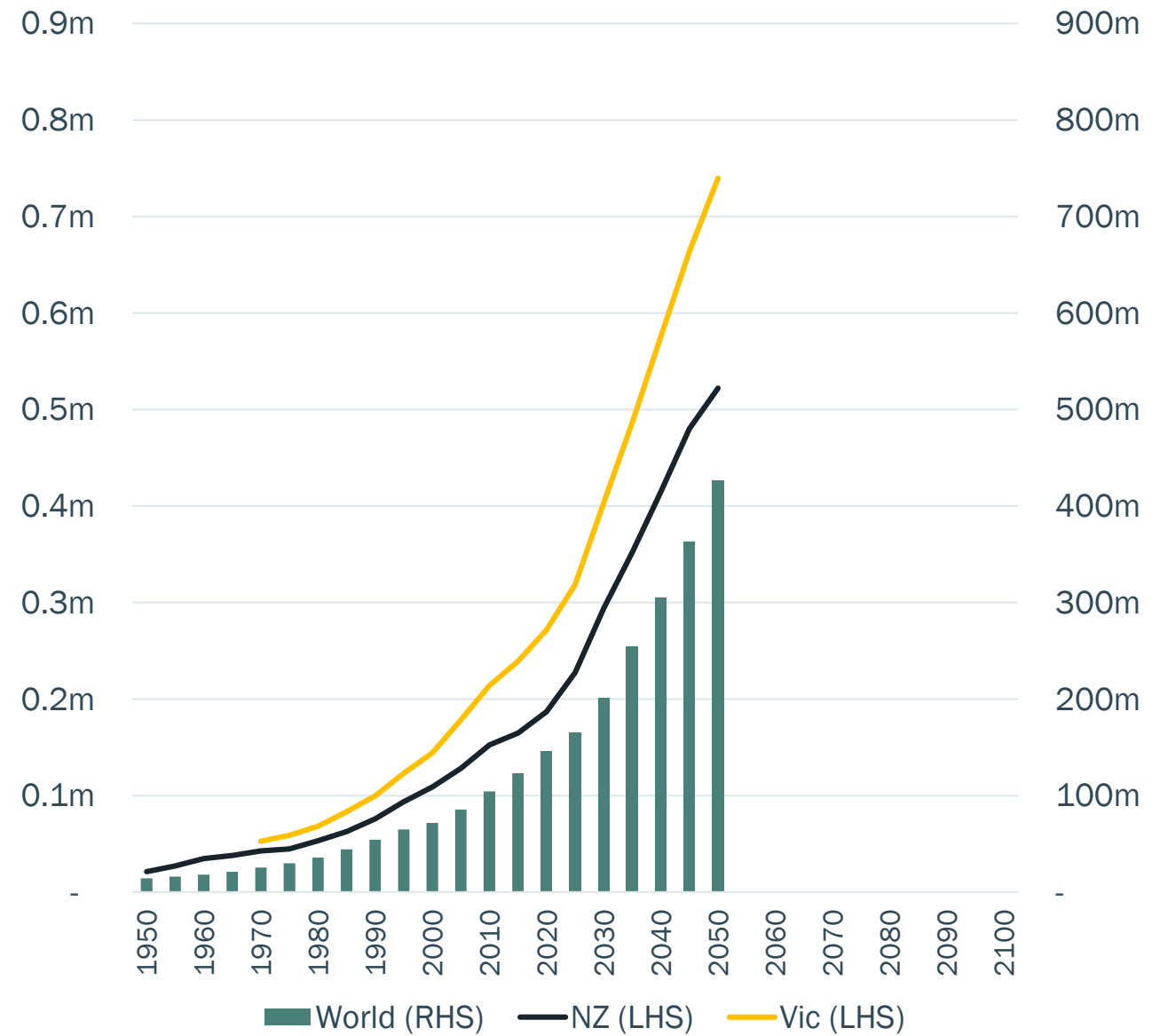


World population growth 80+



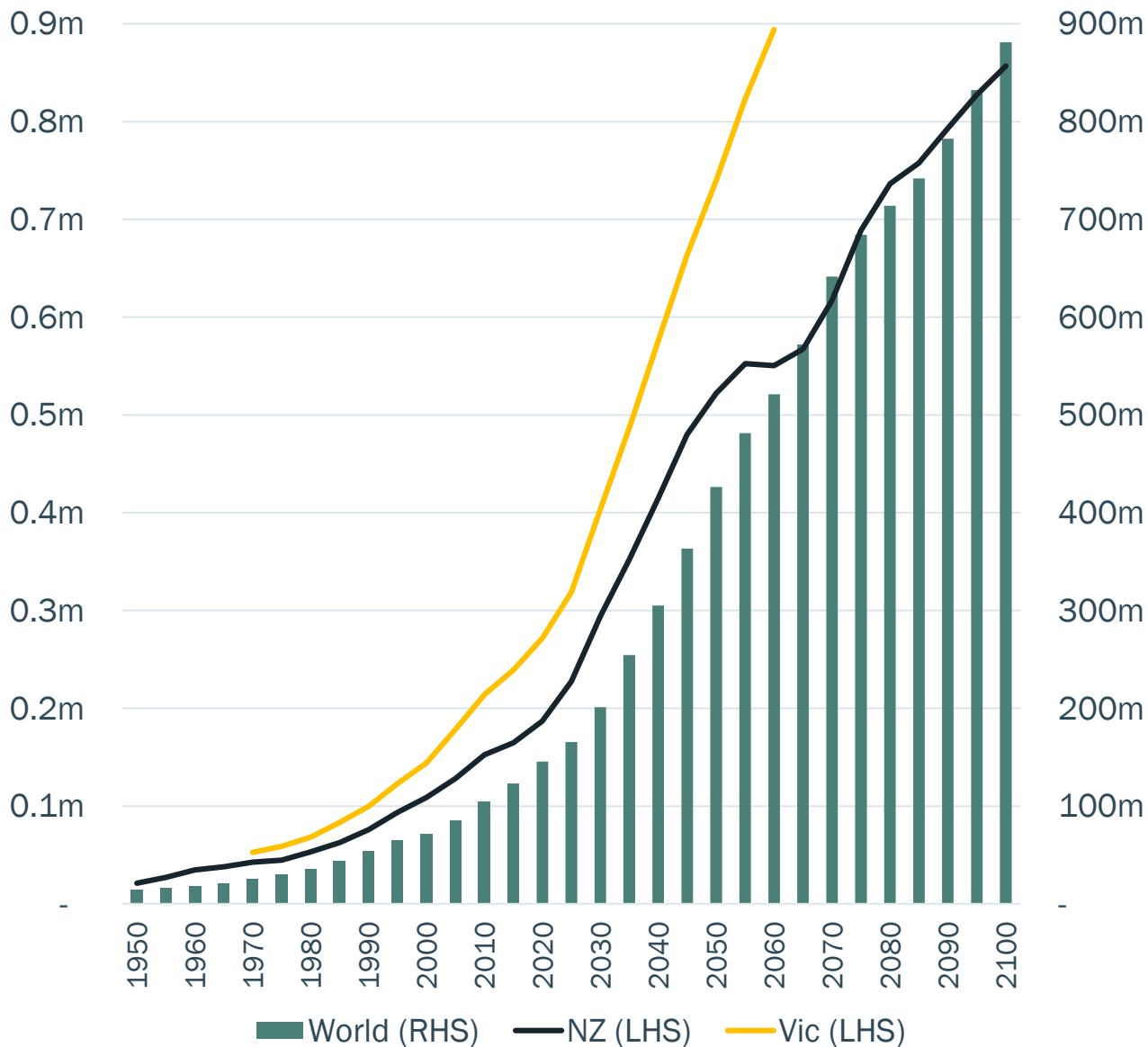
Source: United Nations World Population Prospects 2019, Australian Bureau of Statistics (Series A). Victoria data projections end 2060.

World population growth 80+



Source: United Nations World Population Prospects 2019, Australian Bureau of Statistics (Series A). Victoria data projections end 2060.

World population growth 80+



Source: United Nations World Population Prospects 2019, Australian Bureau of Statistics (Series A). Victoria data projections end 2060.



Reported profit

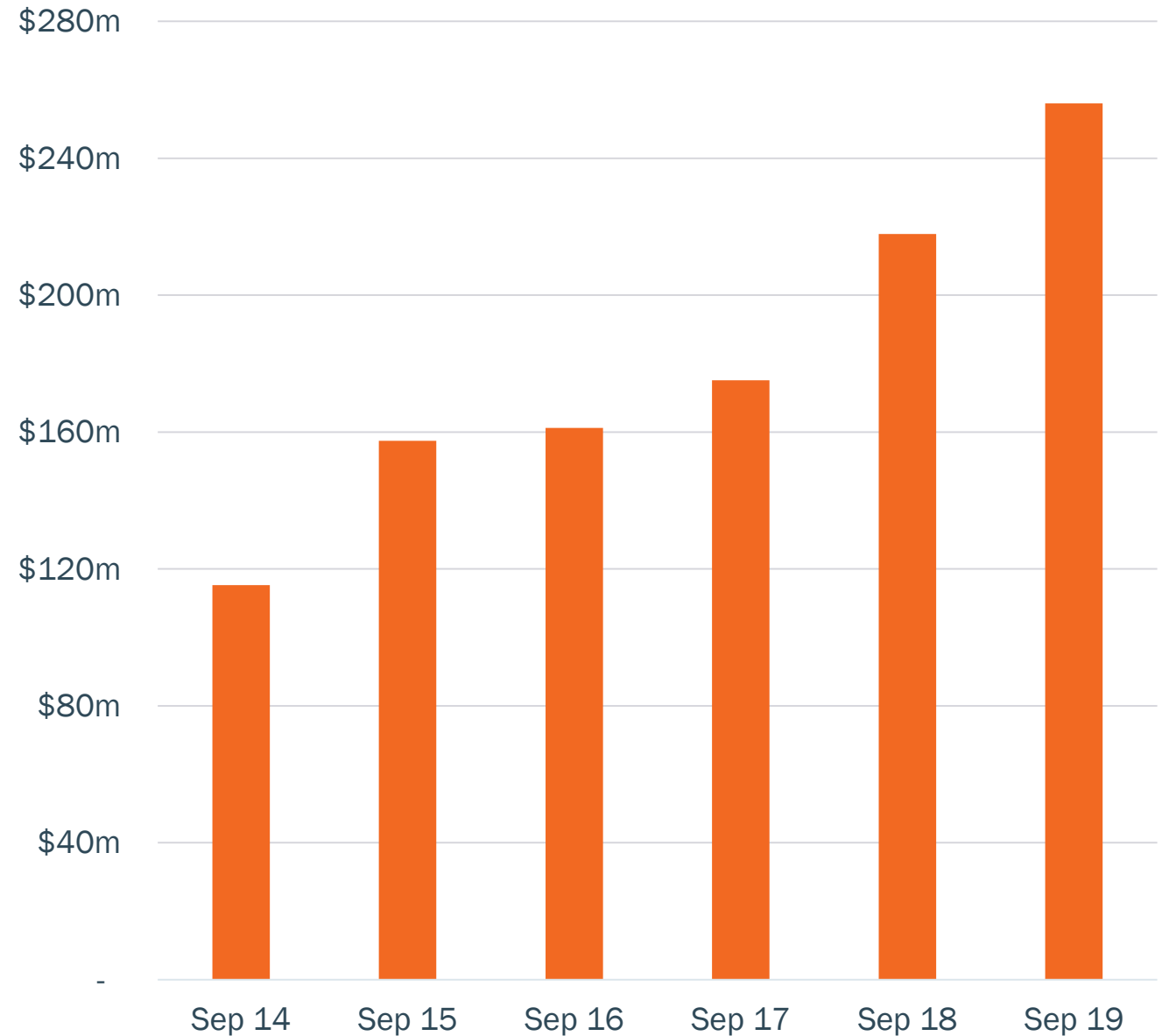
	Half year Sep 20	Half year Sep 19	Full year Mar 19
Underlying profit (non-GAAP)	\$103.0m	\$97.1m	\$227.0m
Unrealised revaluations of investment properties	+\$92.7m	+\$72.8m	+\$102.4m
Deferred tax expense	-\$7.4m	-\$0.4m	-\$3.4m
Reported net profit	\$188.3m	\$169.5m	\$326.0m

Underlying profit is a non-GAAP (Generally Accepted Accounting Principles) 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.



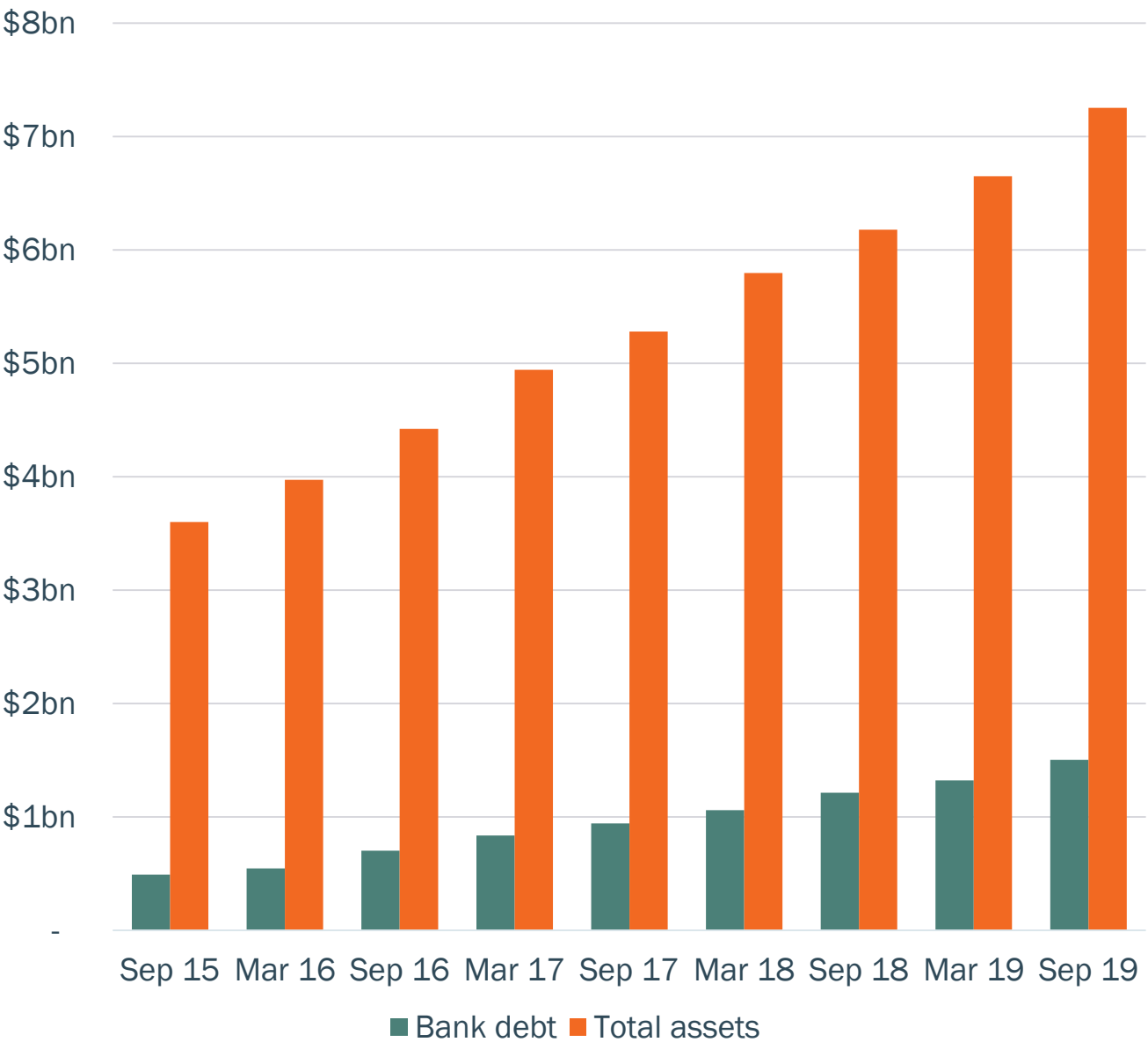
Operating cashflows



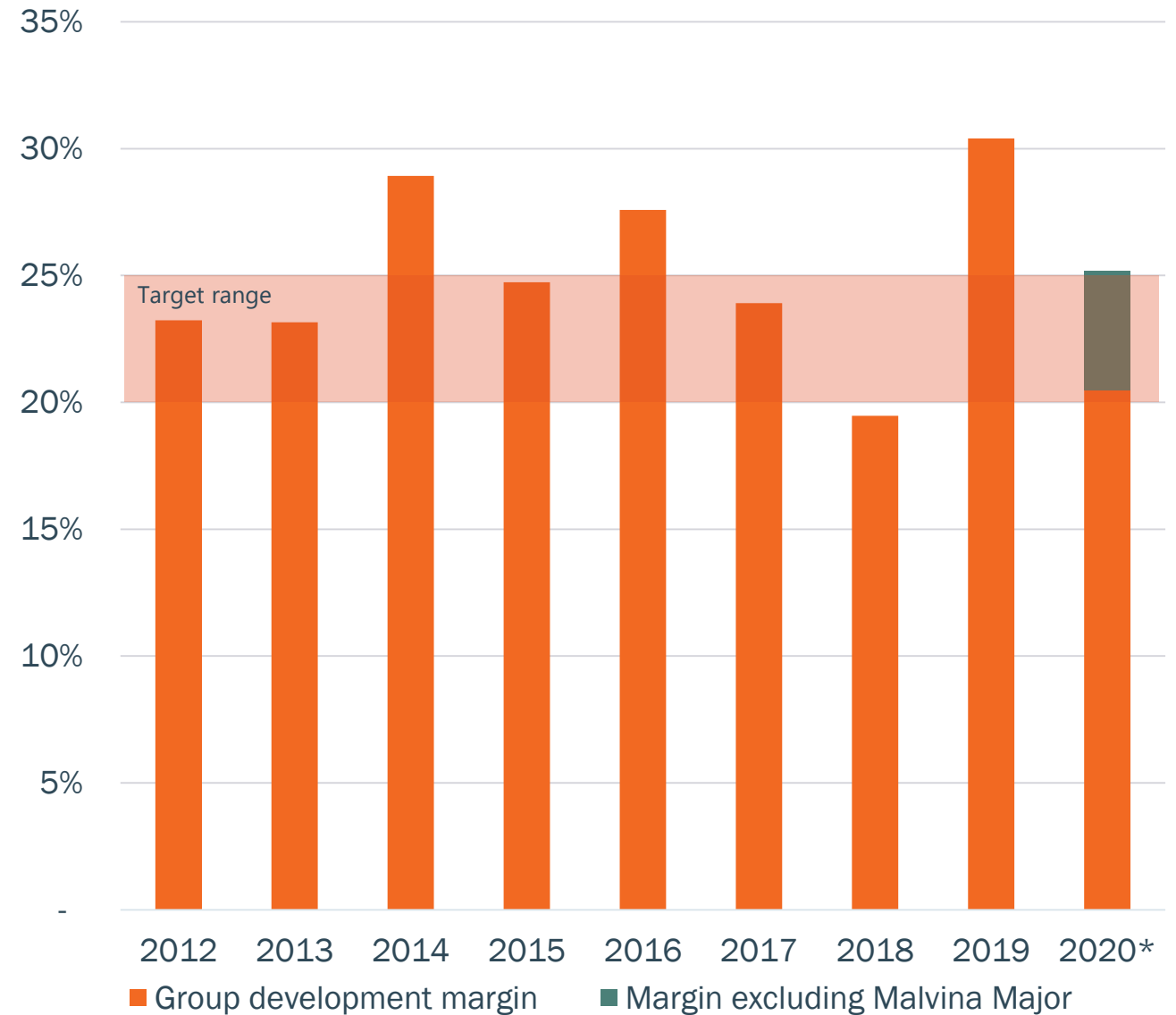
Investing cash flows \$360 million



Total assets

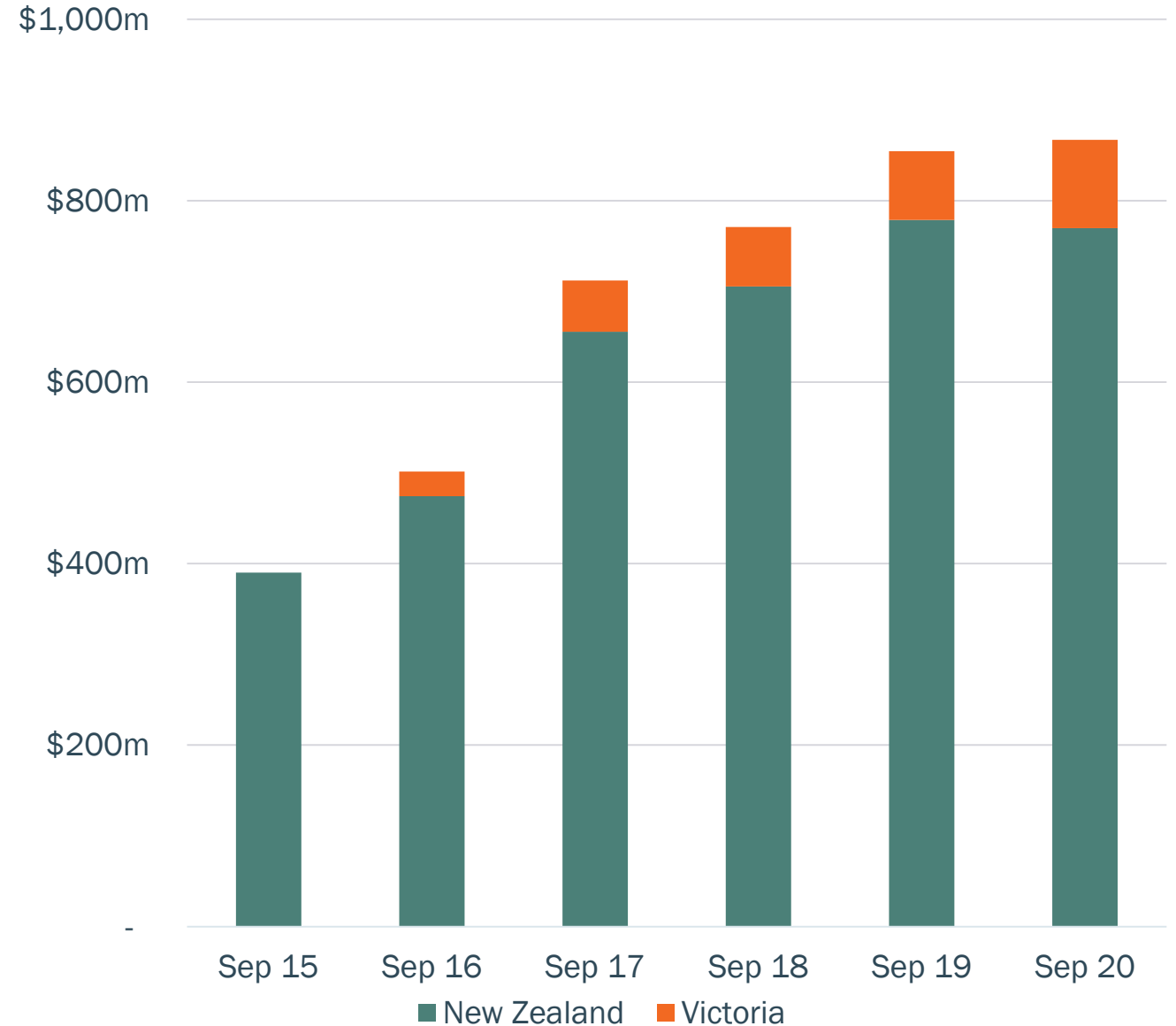


Development margin



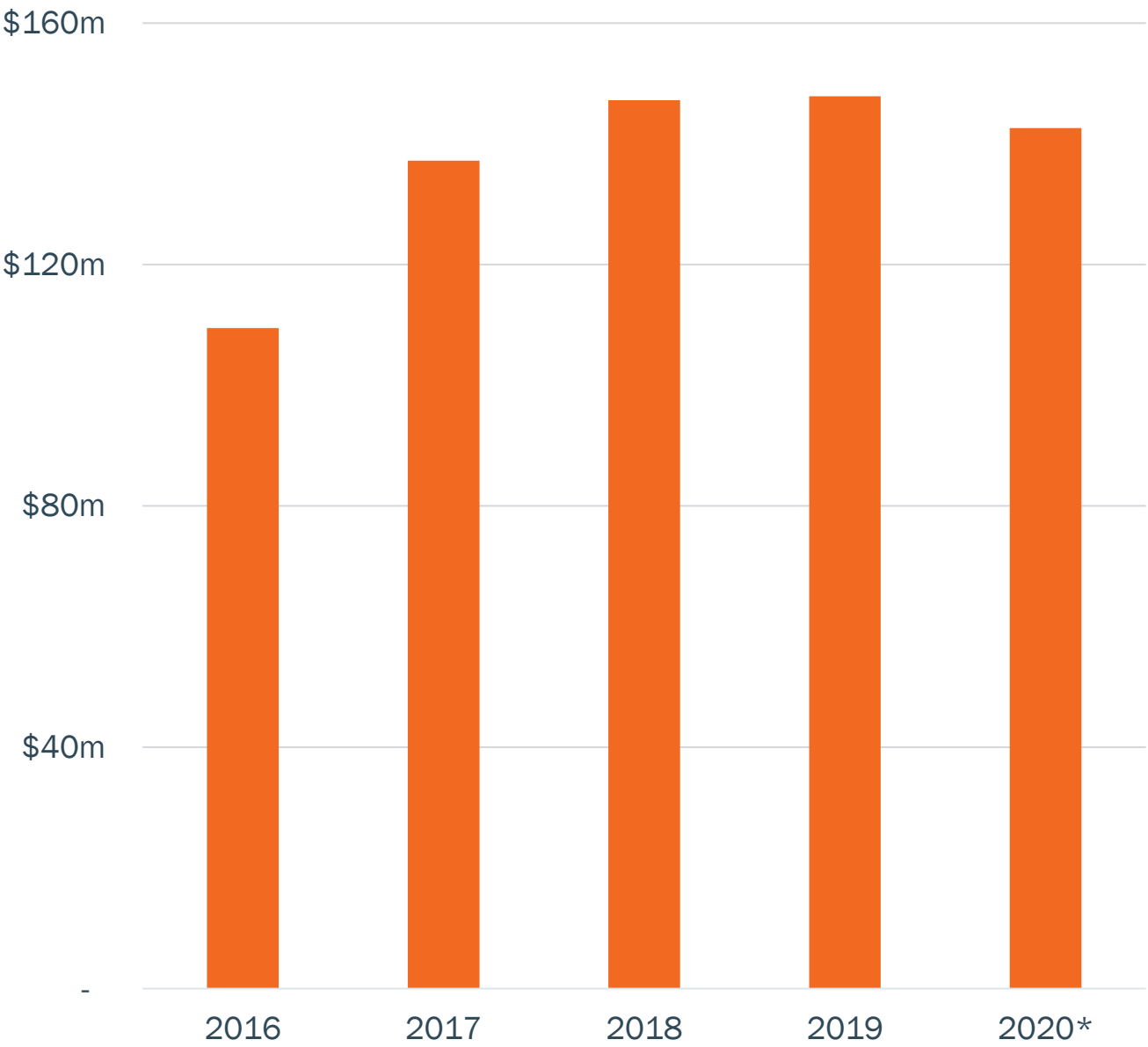
*Development margin at 30 September 2019. All other values at 31 March.

\$867 million resales bank



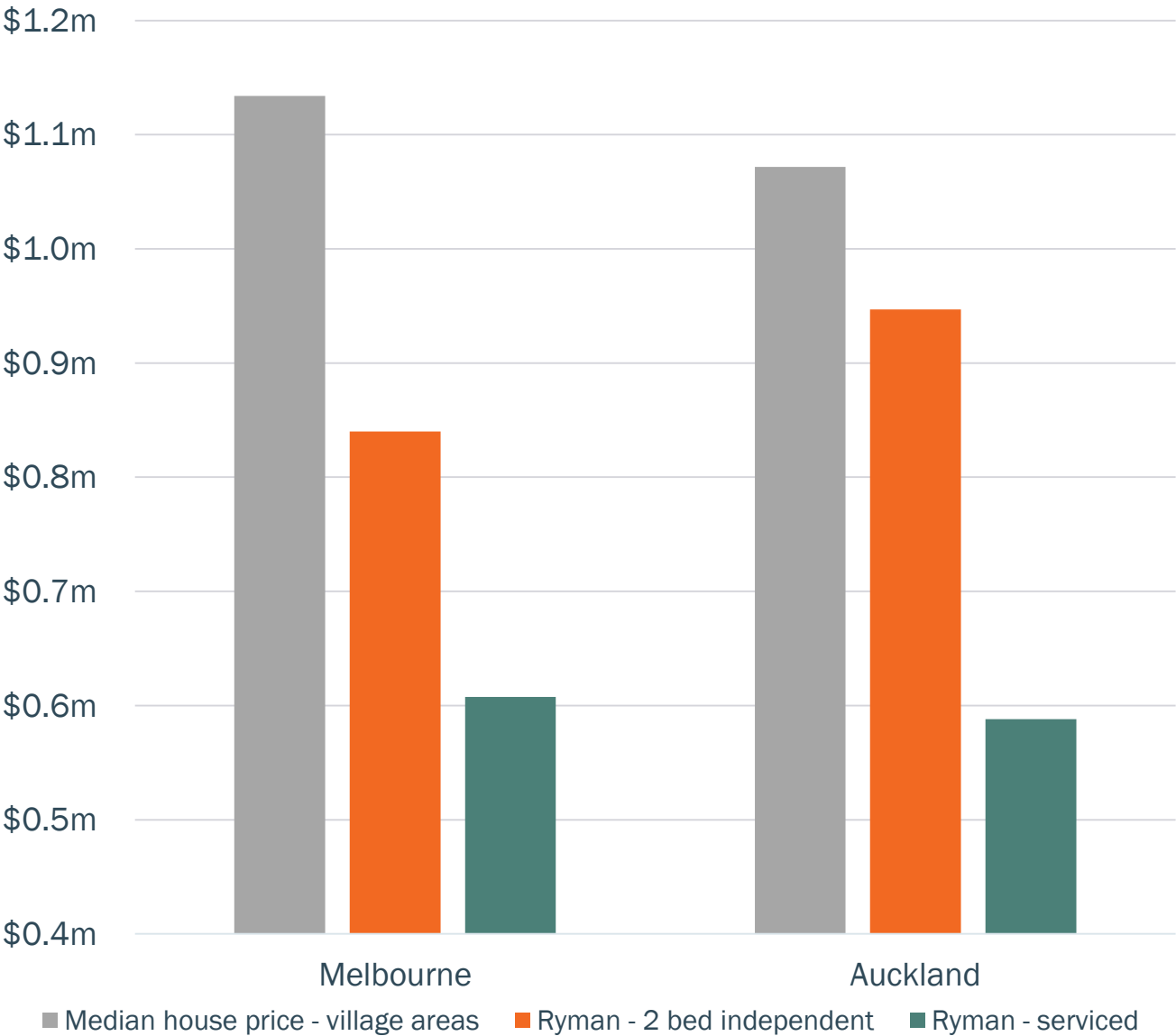
Note: The resale bank represents the extent that the current price exceeds the price paid by the current resident for the unit's occupancy rights.

Value of contracts not booked



*Contracts not booked at 30 September 2019. All other values 31 March. 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



The median house price reflects the average median house price over the last 6 months in the area surrounding our villages.



Long term capital efficiency

\$25 million raised at IPO in 1999

Invested \$4 billion in portfolio
since 1999 with no fresh capital

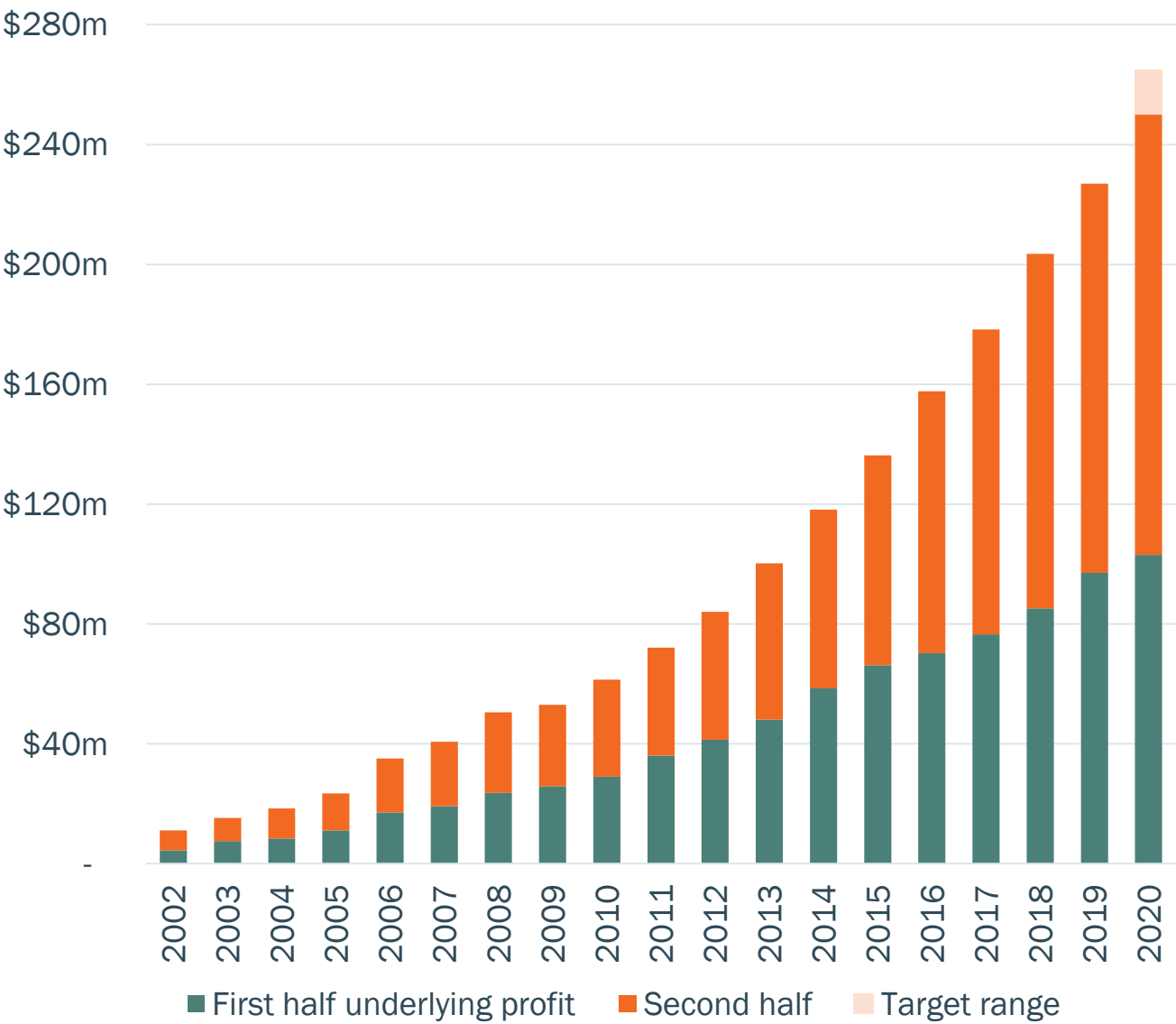
Dividends of over \$860 million
paid since float*

Self-funded growth

Strong balance sheet

* Includes interim dividend of 11.5 cents per share that has been declared and is payable on 13 December 2019.

Underlying profit growth



Appendices





Appendix 1: First half highlights

Underlying profit of \$103 million, up 6.2%

Reported (IFRS) profit up 11.1% to \$188.3 million

Interim dividend increased to 11.5 cents, in line with underlying profit growth

Full year underlying profit expected to be between \$250 million and \$265 million

Operating cash flows \$256.1 million, up 17.6%

Total assets up 17.4% to \$7.26 billion from September last year

\$4.0 billion invested in the portfolio since listing



Appendix 1: First half highlights

Increased investment in resident experience, team development and safety

Continued strong demand for villages with only 1.6% of resale stock unsold

97% occupancy at established care centres

Eleventh site secured in Victoria, target remains to have five villages open by the end of 2020

Record land bank of 7,074 beds and units

Build rate lifting with 12 sites targeted to be under construction by March 2020

Appendix 2: Sale of occupation rights

	Half year Sep 19	Half year Sep 18	Full year Mar 19
Existing units			
Independent	212	186	378
Serviced	242	219	446
	454	405	824
New units			
Independent	196	120	302
Serviced	33	48	112
	229	168	414

Note: 229 new sales of occupation rights for September 2019 includes 47 units rebuilt at Malvina Major



Appendix 3: Development

	Sep 19	Sep 18	Mar 19
Units and beds built			
Retirement village units added	193	199	464
Plus units demolished (Malvina Major)*	41	0	0
Aged care beds built	0	81	293
Total units and beds built	234	280	757
Total retirement village units			
Independent	5,013	4,690	4,915
Serviced	2,058	1,923	1,963
	7,071	6,613	6,878
Total aged care beds			
	3,660	3,448	3,660
Total retirement village units and beds	10,731	10,061	10,538

* Units demolished at Malvina Major reflect redevelopment of Figaro block following Kaikoura earthquakes



Appendix 4: Margins

		Half year Sep 19 \$000s	Half year Sep 18 \$000s	Full year Mar 19 \$000s
	Reference			
New sales				
Realised fair value movement	(Note 3)	31,835	32,850	87,866
Sale of occupation rights	(Key statistics)	160,726	120,447	290,701
Gross development margin		20%	27%	30%
Gross development margin excl Malvina Major		25%	-	-
Resales				
Realised fair value movement	(Note 3)	55,493	49,762	102,600
Resale of occupation rights	(Key statistics)	234,826	202,081	417,358
Gross resales margin		24%	25%	25%



Appendix 5: Cash management fees

		Half year Sep 19 \$000s	Half year Sep 18 \$000s	Full year Mar 19 \$000s
	Reference			
Accrued management fees – opening	(Note 4)	376,161	321,631	321,631
Less: Accrued management fees – closing	(Note 4)	(412,053)	(347,471)	(376,161)
Movement in accrued management fees		(35,892)	(25,840)	(54,530)
Plus: DMF income	Income statement	43,913	38,840	78,944
Plus: Revenue in advance movement	(Note 2)	2,972	3,116	5,890
Plus: GST / accommodation credit adjustment	Not disclosed	623	423	(105)
Plus: Movement in resident loan	Not disclosed	9,566	3,757	8,914
Cash management fees		21,182	20,296	39,113

Appendix 6: Investment property summary

As at 30 September 2019	CBRE unit price inflation assumption					Discount rate
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5+	
Auckland	0.4%	1.0%	2.4%	3.0%	3.5%	12.6%
Rest of New Zealand	0.5%	1.0%	2.0%	2.8%	3.4%	13.3%
Victoria	3.0%	3.4%	3.9%	4.1%	3.7%	14.1%

As 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%
Victoria	2.0%	2.8%	3.6%	4.0%	3.9%	14.1%

As at 31 March 2019	CBRE unit price inflation assumption					Discount rate
	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5+	
Auckland	0.9%	1.8%	2.2%	2.7%	3.2%	12.5%
Rest of New Zealand	0.8%	1.4%	1.9%	2.7%	3.2%	13.3%
Victoria	0.7%	2.6%	3.6%	4.0%	3.9%	14.1%

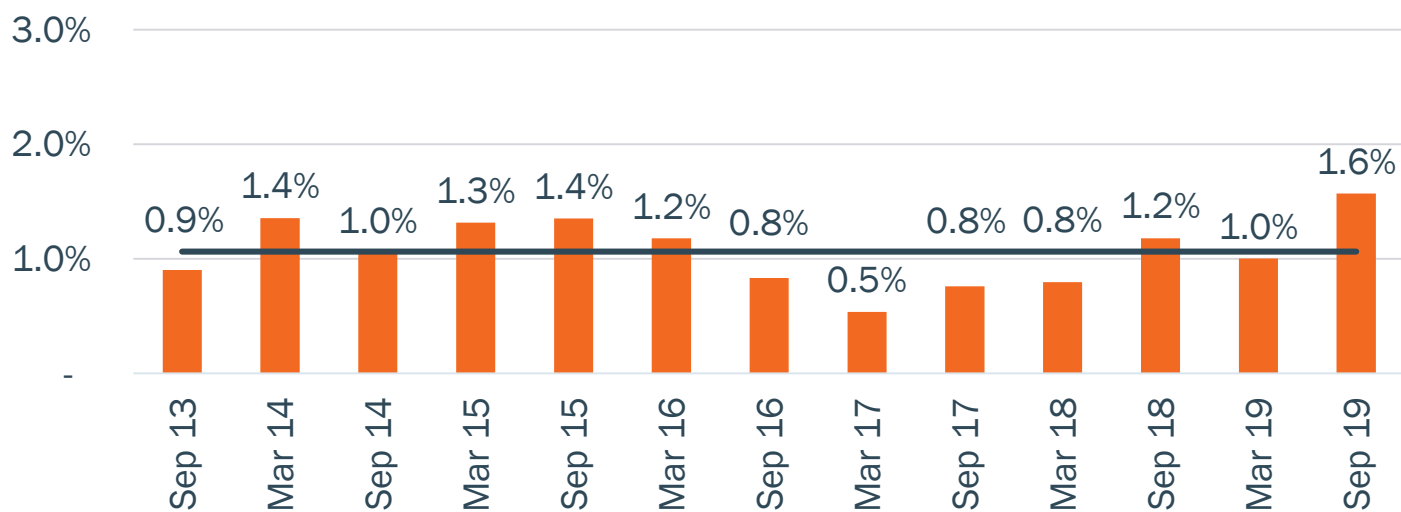
Appendix 7: Operating cash flows

	Sep 19 \$000s	Sep 18 \$000s	Mar 19 \$000s
Resident receipts	162,748	148,059	302,046
Refundable accommodation deposits (net)	26,623	(417)	3,807
Development sales	187,577	162,619	300,351
Resales	205,886	208,006	403,292
Total receipts from residents	582,834	518,267	1,009,496
Interest received	177	265	588
Payments to suppliers and employees	(166,583)	(149,785)	(306,234)
Payments to residents	(150,800)	(145,286)	(283,736)
Interest paid	(9,557)	(5,624)	(18,689)
Net operating cash per the cash flow statement	256,071	217,837	401,425



Appendix 8: Available resale stock

	Half year Sep-19	Half year Sep-18	Full year Mar-19
Independent living units	48	42	29
Serviced apartments	63	36	40
Total resales stock	111	78	69
Total retirement portfolio	7,071	6,613	6,878
Uncontracted stock percentage*	1.6%	1.2%	1.0%

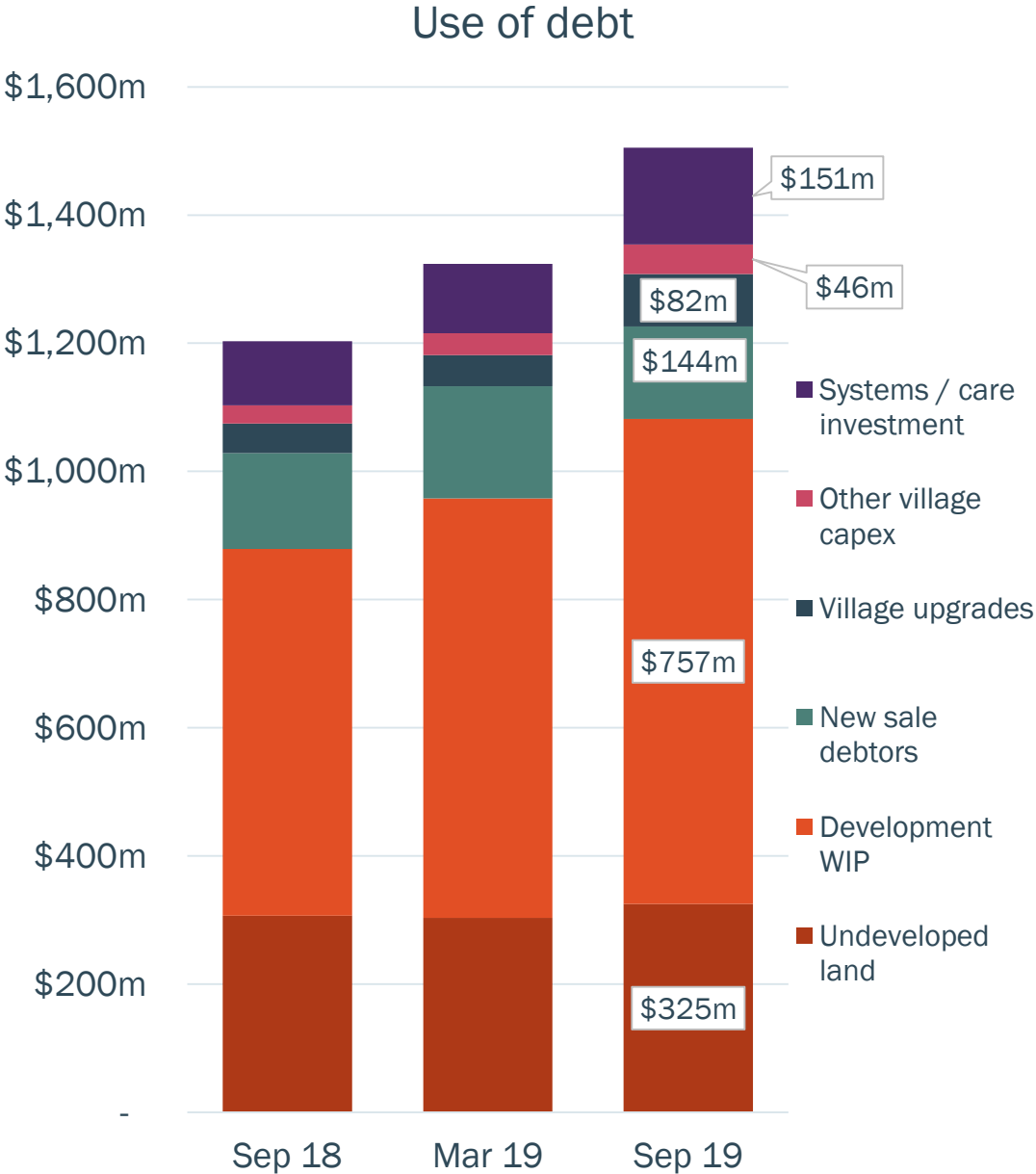


* Uncontracted resales stock as a percentage of total retirement unit portfolio



Appendix 9: Capital management

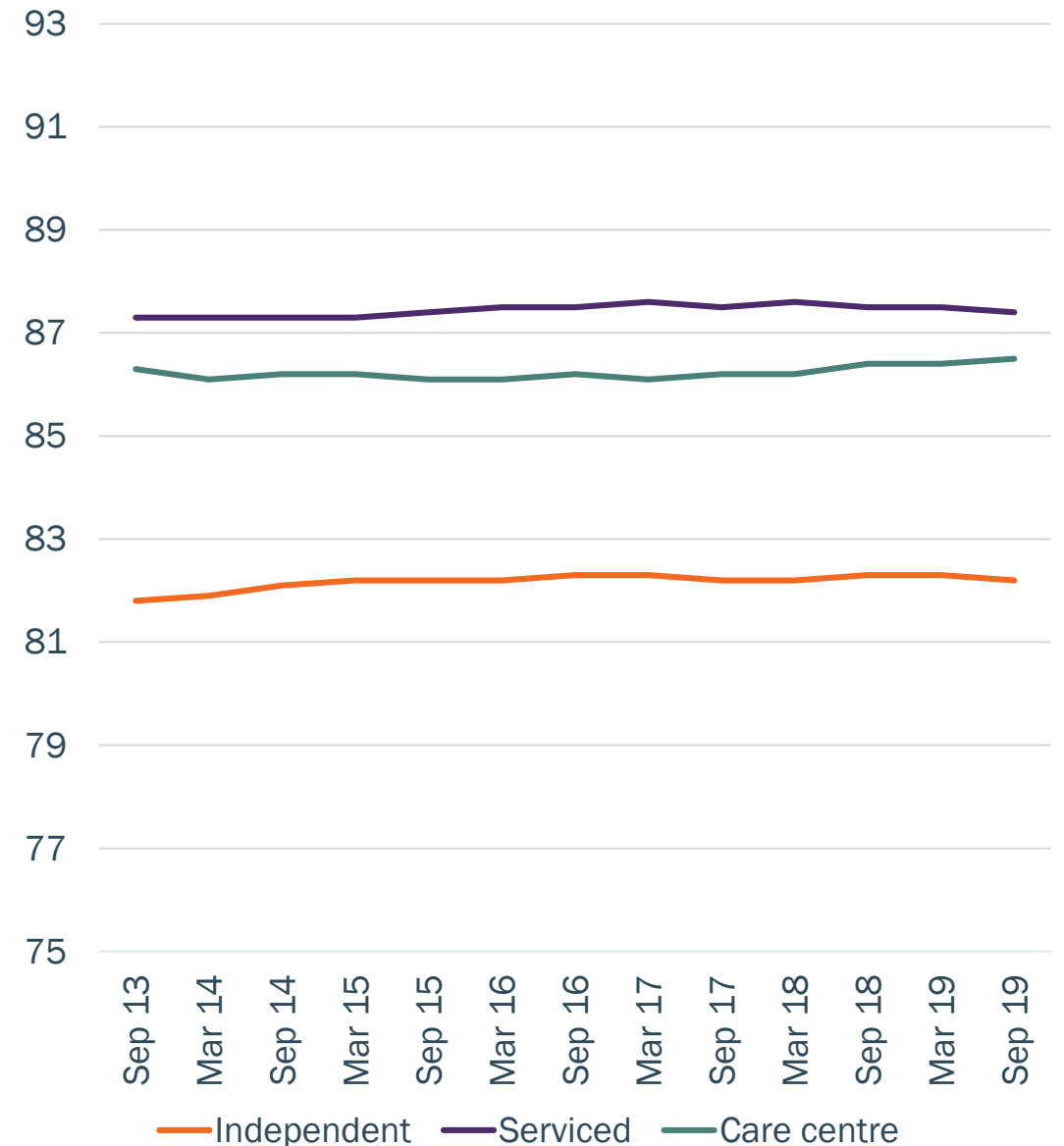
	Half year	Half year	Full year
Gearing (\$m)	Sep 19	Sep 18	Mar 19
Bank debt	\$1,505	\$1,214	\$1,324
Net assets	\$2,294	\$2,053	\$2,170
Total assets	\$7,256	\$6,180	\$6,651
Bank debt/(bank debt + eq)	39.6%	37.2%	37.9%
Bank debt/total assets	20.7%	19.6%	19.9%



Appendix 10: Resident average age and tenure (years)

Average age	Sep 19	Sep 18	Mar 19
Independent	82.2	82.3	82.3
Serviced	87.4	87.5	87.5
Care centre	86.5	86.4	86.4

Average tenure - vacated units	Sep 19	Sep 18	Mar 19
Independent	5.6	5.3	5.7
Serviced	2.8	2.6	2.5





Appendix 11: 12 sites in Auckland

Appendix 12: Asset base

New Zealand (ex 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	254	457
Charles Fleming	Waikanae	40	40	40	79	201	400
Charles Upham	Rangiora	40	40	40	93	261	474
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	Whanganui	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
Linda Jones	Hamilton	-	-	-	-	73	73
Malvina Major	Wellington	90	-	30	39	123	282
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 (ex Auckland)		1,112	523	793	1,323	3,034	6,785

Appendix 12: 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 Heliers	77	-	20	80	69	246
Murray Halberg	Lynfield	42	42	40	86	81	291
Logan Campbell	Greenlane	43	30	43	80	116	312
Possum Bourne	Pukekohe	40	40	40	84	259	463
William Sanders	Devonport	-	-	-	29	53	82
Total units & beds Auckland		457	259	295	640	1,616	3,267
Total units & beds New Zealand		1,569	782	1,088	1,963	4,650	10,052

Victoria

Village	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Weary Dunlop	Melbourne	30	20	32	51	200	333
Nellie Melba	Melbourne	49	39	51	44	163	346
Total units & beds Victoria		79	59	83	95	363	679

New Zealand and Victoria

Total units & beds	1,648	841	1,171	2,058	5,013	10,731
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	Total	% of asset base
Care (hospital, dementia, resthome and serviced)	5,718	53.3%
Independent	5,013	46.7%

Appendix 13: Land bank (New Zealand)

Existing villages	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Diana Isaac	Christchurch	-	-	-	-	30	30
Grace Joel	Auckland	-	-	-	-	96	96
Jean Sandel	New Plymouth	-	-	-	-	59	59
Linda Jones	Hamilton	40	40	40	93	175	388
Murray Halberg	Auckland	-	-	-	-	260	260
William Sanders	Auckland	40	36	36	48	139	299
Total existing villages		80	76	76	141	759	1,132
New sites	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Havelock North	Hawkes Bay	35	35	20	76	147	313
Hobsonville	Auckland	40	40	40	101	276	497
Karori	Wellington	20	20	20	84	178	322
Kohimarama	Auckland	20	40	20	78	125	283
Lincoln Road	Auckland	42	37	42	77	186	384
Newtown	Wellington	20	15	20	56	40	151
Northwood*	Christchurch	30	30	30	60	156	306
Park Terrace / Bishopspark	Christchurch	36	40	40	79	130	325
Riccarton Park	Christchurch	40	40	40	66	226	412
Total new sites		283	297	272	677	1,464	2,993
Total land bank New Zealand		363	373	348	818	2,223	4,125

The land bank is subject to resource and building consent and various regulatory approvals.

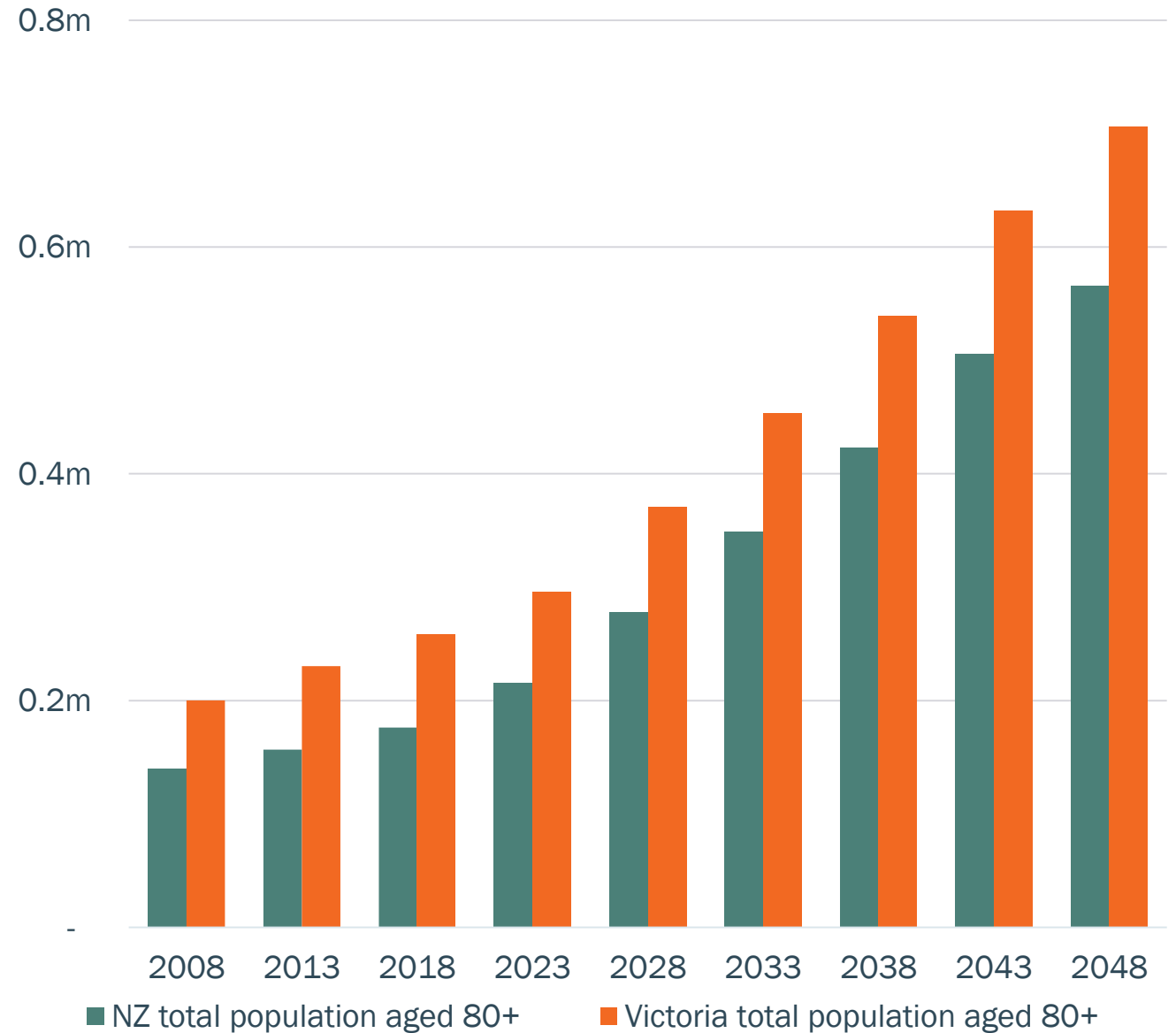
* Site acquisition at Northwood (Christchurch) is subject to Overseas Investment Office approval.

Appendix 13: Land bank (Victoria)

Existing villages	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Nellie Melba	Melbourne	31	-	29	50	165	275
Total existing villages		31	-	29	50	165	275
New sites	Location	Hospital	Dementia	Resthome	Serviced	Independent	Total
Aberfeldie	Melbourne	25	25	24	27	64	165
Burwood East	Melbourne	38	38	38	96	174	384
Coburg	Melbourne	35	35	36	76	200	382
Geelong	Victoria	40	20	40	60	80	240
Mount Eliza	Victoria	40	44	40	55	217	396
Mount Martha	Victoria	40	40	36	37	70	223
Highbett	Melbourne	30	30	20	37	94	211
Ocean Grove	Victoria	40	40	40	53	83	256
Ringwood East	Melbourne	40	40	40	55	242	417
Total new sites		328	312	314	496	1,224	2,674
Total landbank Victoria		359	312	343	546	1,389	2,949
Total land bank New Zealand & Victoria		722	685	691	1,364	3,612	7,074
						Total	% of landbank
Care (hospital, dementia, resthome and serviced)						3,462	48.9%
Independent						3,612	51.1%

The land bank is subject to resource and building consent and various regulatory approvals.

Appendix 14: Population growth 80+



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 2019. 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 principles (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

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