Ryman Healthcare 2024 Annual Shareholder Meeting Webcast and Transcript

A recorded webcast of Ryman Healthcare's 2024 Annual Meeting is now available. To view, please click on https://edge.media-server.com/mmc/p/z3sbr23r

A transcript of the meeting is attached.

About Ryman:
Ryman Healthcare was founded in Christchurch in 1984 and owns and operates 48 retirement villages in New Zealand and Australia. Ryman villages are home to 14,600 residents, and the company employs 7,700 staff.

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Start of Transcript

Dean Hamilton: Good morning, everyone, and welcome to Ryman Healthcare's 2024 Annual Shareholder Meeting. My name is Dean Hamilton. I joined the Board in June last year, becoming Chair in August. Following the resignation of former Group CEO Richard Umbers in April this year I transitioned to an Executive Chair role. This is a temporary role until a new Group CEO is in place.

As Chair it is my pleasure to welcome all shareholders to the meeting, both here in person and online. I would also like to welcome all the Ryman team who have joined us today, including members of our senior executive team.

Joining me this morning on stage are fellow directors Anthony Leighs, Paula Jeffs, James Miller, Geoff Cumming, Claire Higgins, Kate Munnings and David Pitman. Also on stage are Deborah Marris, our Group General Counsel and Company Secretary, and Rob Woodgate, our Group Chief Financial Officer.

For today's proceedings I will provide an overview of the last financial year and an outlook of the year ahead. Following this we will move to the meeting resolutions, of which we have three, and then on to general business where you will have the opportunity to ask questions. Following the conclusion of the meeting we invite you to join us for refreshments afterwards.

You will have a chance to ask questions and vote on each of the meeting resolutions as they are considered. I will provide further instructions as we move through the meeting. However, if you encounter any issues please refer to the virtual portal guide or you can phone the helpline on 0800 200 220.

You can send through your questions at any time via the online portal by clicking the link shown here on screen. I would encourage you to do so as early as possible as this will allow us to answer these questions at the appropriate time during the meeting.

Voting on the resolutions will be conducted by way of a poll. For shareholders joining us in person today you would have validated or been given your shareholder voting card. If you are a shareholder and did not register on arrival and wish to vote please make your way to the registration desk outside the room and staff from MUFG will assist you.

Shareholders joining us online will be able to cast a vote using the electronic voting card received when online registration was validated. To vote you will need to click on the Get a Voting Card button within the online meeting platform, which is shown here. You will be asked to enter your shareholder or proxy number to validate your voting card. Voting will remain open until five minutes after the conclusion of the meeting.

The Company Secretary has confirmed to me that the Notice of Meeting has been sent to shareholders and other persons entitled to receive it. We have not received any apologies. The Company's constitution prescribes a quorum of shareholders. Based on the information from the Registrar I can confirm that we have a quorum present here today.

Proxies have been appointed for the purposes of this meeting in respect of approximately 417 million shares, representing approximately 61% of the total number of shares outstanding.

I would like to thank shareholders for participating in today's meeting. My fellow Directors and I will vote all discretionary proxies we have received in favour of the resolutions as set out in the Notice of Meeting. As detailed in the Notice of Meeting, all Directors unanimously support each resolution.

Our Annual Report for the year ended 31 March 2024 has been circulated to shareholders. This is available online on the Investor section of our website and the New Zealand Stock Exchange. Copies are also available in the foyer.

There is no doubt that we are in a period of change as Ryman embarks on getting fit for the future. Whilst Ryman continues to set the benchmark for retirement living and quality of care for our residents, in terms of returns to you, our shareholders, we have fallen well short in recent years.

Rest assured, as a Board and management team we are very focused on improving our financial performance, which we believe over time should be reflected in an improved share price.

As we embark on our new future we are clear on two things; our residents remain at the heart of everything we do because without delighted residents there is no Ryman, and secondly, our villages are the place where we create our value. That is where our assets are, that is where we deliver our fabulous services. Everything else we do is in support of these two guiding principles.

As we highlighted at our recent result, we are refining our strategy and driving an improvement program that will place a much stronger emphasis on our financial performance, while maintaining our commitment to purpose driven care and exceptional resident experience.

We know we need to create a more balance existence between care and financial performance. We are focusing on three areas for our financial improvement; (1) improving the performance of our villages, (2) improving the efficiency of our new developments and (3) creating a sustainable and fit for purpose overhead structure to support our villages and new development opportunities. We need to get fit for the future.

I am looking forward to working with the team and eventually our new Group CEO as we focus intently on restoring our financial performance and, with that, our returns to shareholders. More on these areas later.

There has been significant change at both Board and management over the past 15 months. Three Directors have retired from the Board and four new Directors have been appointed, demonstrating our commitment to refresh our Board membership and bring in new capability and experience to governing your Company.

Of the four new Directors two of those were appointed post the Annual Shareholder Meeting last year. Both of those Directors, therefore, are up for re-election today.

Kate Munnings joined the Board on 1 November 2023. Kate brings extensive commercial healthcare experience from her role as CEO at Virtus and COO role at Ramsay in Australia where she oversaw the operation of some 80 hospitals. Earlier in her career Kate held senior roles in construction and facilities management.

David Pitman joined the board on 1 May of this year. He brings strong leadership, strategic and transformation experience across a range of sectors, including retirement living in Australia. David has held senior roles at Boston Consulting Group in Australia and the US and as well as The Stockton Group in Australia.

I'm delighted that we have been able to attract two new Directors of the quality of Kate and David.

In addition to these two new Directors, Dr Bernadette Eather has joined Ryman's Clinical Governance Committee as a Clinical Advisor. Bernadette started her role on 2 April this year, replacing Dr David Kerr, who retired 31 March.

Bernadette is a highly regarded clinical governance professional in Australia. She is the Chief Nurse and Clinical Services Director for Ramsay Health Care, prior to which she was

New South Wales Director of Patient Safety at the Clinical Excellence Commission. She brings valuable external oversight and input to our clinical governance processes.

We have also made several changes to our Board sub-committees and all of these committees have new Chairs. James chairs Audit Finance and Risk, Paula chairs our People Safety and Remuneration, Kate chairs our Clinical Governance and Anthony chairs our Governance and Nominations.

We have also established a temporary Board Oversight Committee to oversee my performance during my time as Executive Chair. Paula chairs that as the Lead Independent Director and is supported by James and Anthony.

2024 will see the retirement of two Directors. Geoff Cumming will be retiring at the end of today's meeting. Geoff rejoined the Board in 2018, having been a substantial shareholder in Ryman since its listing in 1999. Geoff has been a passionate supporter of Ryman for a long period of time and I'm sure will continue to stay close to the Company. On behalf of the Board, Geoff, I would like to thank you for your significant contribution.

Claire Higgins will be stepping down at the end of the calendar year after 10 years on the Board. Claire stepped into the role of Interim Chair in November 2022 and was instrument in the capital raise and the subsequent Board renewal. Claire, whilst it's premature to say farewell as it is your last day [unclear] and it's appropriate to thank you today for your contribution, particularly over the last 18 months. Thank you, Claire.

There has also been significant change in our senior leadership team over the last year. In April 2024 we announced that Group CEO Richard Umbers had resigned. I would like to thank Richard for his energy and commitment during his time leading Ryman. The search for a new Group CEO is well underway. Our goal, all going well, is to have someone physically in the seat by the end of this calendar year.

In November '23 we appointed Rob Woodgate as our new Group Chief Financial Officer. Rob joined us from Fulton Hogan where he was the Group CFO and he has a strong track record as a senior finance leader, bringing a wealth of experience to the role at an important time.

A number of longstanding employees have left in the last 12 months. I would like to take the opportunity to thank them all for their efforts.

Ryman has traditionally used underlying profit as the key measure of its financial performance. We now believe that there are better indicators of performance that are more closely tied to our audited financial accounts.

We have turned our focus to three key financial metrics. Firstly, the cashflow from our existing operations, secondly, the cashflow from our development activity, and thirdly, our net profit before tax and fair value movements per share.

The first two measures are cash measures. We believe cashflow, like in any traditional business, is the most objective measure of performance over time. Existing operations and new developments have very different performance drivers and cashflows and we believe are best reported on separately. The combination of these two measures we term as free cashflow.

Net profit before tax and fair value measures the operating performance of our existing villages. It excludes development activity, it excludes refinancing gains on occupation rights and the unrealised valuation movement in the portfolio between the start and the finish of the year.

The latter will fluctuate year to year and over time we believe, whilst it's very relevant to the growth and shelters equity, it is unrealised because, as you all know, we don't sell the underlying properties to residents. We instead grant a right to occupy.

Our financial results for the year ended 31 March 2024 were disappointing on a number of fronts. Firstly, on the positive side, we reported an 18% increase in revenue to $689.9 million, driven by growth in our care, village and deferred management fees, primarily as our new villages continued to mature.

However, the combined impact in impairments and one-off costs, some $283.9 million in total, has led to a significant reduction in reported net profit after tax to just $4.8 million, against the $257.8 million we achieved the prior year.

The result has been achieved in a particularly challenging operating environment with residential property markets subdued and cost inflation impacting all areas of our business. We took the necessary decision to reassess the carrying value of our land bank sites in light of the current economic environment and with a high hurdle on whether they could be financially successful new developments.

This led to two sites being deemed unsuitable for us at Karori and Kohi and these will be put up for sale in coming months. The two sites that we had started but paused have now been written down and brought back into our land bank at Ringwood in Victoria and Takapuna. Despite these non-cash write downs, it was pleasing we achieved an improvement in our cashflow from our existing operations to $43.3 million compared to minus $8 million last year.

Contributing to this was a record number of resale settlements of occupation rights, which in my view, continues to underline the attractiveness of Ryman as a place for residents to live.

Ryman achieved an underlying profit of $270 million, down 11% on the $302 million achieved in the prior year, and within our February 2024 guidance of $265 million to $285 million.

The reduction in underlying profit was primarily a result of lower margins on new developments which have suffered from higher costs to complete, the impact of delays, and higher interest costs.

We are committed to prudent capital management. The Board made the decision during the year to suspend dividends. The need to continue to spend capital to complete our village buildings, to deliver on our promise to residents, and the desire to limit increased borrowings being key factors behind what I believe to be a logical decision and in the best interests in the short term of shareholders.

As previously communicated, the Company intends to undertake a further review of the dividend policy at fiscal year '26. It's important to note that any future dividend policy is expected to be based on cash flow.

At March 2024, net interest bearing debt was $2.51 billion, up $210 million from the March 2023 number. However, in line with our position at September '23. We had total funding headroom at March of $507.5 million.

Gearing of 36.2% has increased 3.1 percentage points reflecting both higher debt and the impact on shareholders equity from valuation movements and impairments. This sits slightly above our medium-term target of 30% to 35% gearing.

The financial focus of the Board is to strengthen cash flow outcomes from our existing operations, to release capital from our inflight developments, and grow the value of Ryman whilst gradually reducing our net debt position.

Turning to new developments. During FY24 we completed developments at both John Flynn in Melbourne and William Sanders in Devonport. These are fabulous new villages for our residents, with state-of-the-art amenities and a continuum of care.

We also opened the main building at Deborah Cheetham in Ocean Grove, welcoming residents into our sixth main building in Australia. At year end, we had 10 villages under active construction, including nine of which were already open.

The current build program is unusually skewed to main buildings, of which four are expected to be completed in FY25. Since year end, I'm pleased to announce that the main buildings at Miriam Corban and James Wattie, as shown, have both opened.

Our village and regional teams have done a fantastic job of operationalising these buildings which offer a wide range of village amenities and are a key part of our proposition for new residents.

Care beds and serviced apartments in these buildings will now gradually fill over the next couple of years, with both new residents and existing Ryman residents who transition from independent living to more care-based offerings.

We are very focused on finishing the 10 inflight projects on time and at our forecast cost which will allow us to repay bank debt as we sell down the occupation rights. We have increased our focus on the efficiency of potential brand new village developments, with a much stronger lens on expected cash recycling.

We expect to operate with a smaller land bank going forward and with a smaller number of developments underway at any one time. We need to have the capital discipline to only start a development when we know we have the financial capacity to finish it.

At March 2024 we had 5371 units and beds available for development, including 2627 at sites already under active development, and 2744 at our land banks where we are yet to have started building.

Ryman is committed to our sustainability journey and decarbonising our operations. We are pleased to have released our first sustainability report in May this year which showcases progress across our three priority areas of climate change, quality care, and Indigenous engagement.

This report is available on our website and I'd encourage you to read it. During the year we announced that our greenhouse gas emissions targets have been validated by the Science Based Targets initiative.

This achievement has been reached following Ryman formally setting an emissions reduction target of 42% for our scope 1 and 2 emissions to be achieved by 2030, relative to our starting position in 2021.

We remain committed to reducing our environmental footprint. The procurement of renewable energy is a key initiative in our emissions reduction plan. In 2023 we signed a long-term power purchasing agreement with Solar Bay, through Mercury Energy.

As part of this agreement, during FY24, Ryman's New Zealand electricity emissions were offset by renewable energy certificates, which helped to materially reduce our New Zealand based emissions.

In addition, in our 2024 annual report, we have published our first climate related financial disclosures, as required by the New Zealand External Reporting Board. The disclosure report outlines how we are embedding climate considerations into our business model, as well as the impact of our business is having on the climate.

This year, Ryman celebrated a number of key achievements. We were proud to open three new villages during the year, welcoming our first residents at Northwood, not far from here, Patrick Hogan in Cambridge, and Bert Newton in Victoria.

In addition, as mentioned earlier, we opened a new care centre at Deborah Cheetham in Melbourne. We finished the year with 48 operating villages, home to some 14,600 residents.

We continue to be recognised by the industry for delivering great care and by the community for their trust in our brand. We were proud to be named Reader's Digest Most Trusted Brand in aged care and retirement living in New Zealand for the 10th time.

In addition, we won four awards at the 2024 Asia Pacific Eldercare Innovation Awards, including Operator of the Year for the second year running. We also continued to play an important role in our local communities, working with our teams and residents to raise funds for the Fred Hollows Foundation across New Zealand and Australia, who work tirelessly to put an end to avoidable blindness.

We are committed to improving our financial performance. As I mentioned earlier, we are focused on three key areas. Firstly, improving the financial performance of our existing villages. We are looking at both revenue and cost opportunities. What is the optimal mix of our deferred management fee, weekly fees, and the services that we offer?

On the cost side, how do we match the operating efficiencies of our best performing villages right across our portfolio? Secondly, we need to improve the financial efficiency of our new village developments. We have been unable to fully recycle our build costs with the first sell down of occupation rights across 14 of our last 16 developments.

Many reasons have driven this, including a combination of challenging land sites, higher construction cost inflation than we thought when we started, greater overheads, our own changes to scope once underway, or significant delays through either COVID or financial prudence.

This has come at a significant cost to shareholders. However, the best thing for residents and shareholders now is for us to finish the 10 developments that are underway and to meet our revised forecasts. I'm very confident our team can do this.

In terms of new developments, we intend to delay putting any spades in the ground until we are very confident that any new development can 100% recycle capital. Thirdly, we need to re-create a sustainable overhead structure that supports the villages.

We have, over the last eight years, seen our support costs grow at a faster rate than our unit and bed numbers. At Ryman, we have to become leaner in what we do. All of these three areas are under current review. We know change is necessary and we will be leaning into this in coming months. We look forward to providing an update on that at our interim result in November.

Ryman released its external auditor independence policy in December 2023, providing guidance on the appointment and independence of the external auditor. The policy requires the tendering and formal assessment of the external auditor at least every 10 years.

The Company's current auditor, Deloitte, has been our auditor since listing on the stock exchange in 1999, a total of 25 years. Deloitte has worked constructively with the Company as its auditor since this time.

In accordance with the external auditor independence policy, the Company carried out a tender process overseen by Ryman's audit, finance and risk committee. Following a careful review and consideration of the responses, the committee recommended to the Board that PwC Auckland was the most suitable appointment as the external auditor for the current financial year and looking ahead.

The Board agreed with the recommendation of that committee and seeks approval today from you, our shareholders, for the appointment of PwC Auckland as auditor for the financial year commencing 1 April 2024.

The decision to recommend a change of auditor in no way reflects the performance of Deloitte, or the services that they have provided to Ryman. We would like to thank Deloitte for the services they've given the Company during their 25 year tenure as our auditor.

Throughout the year, Ryman continued to advocate for change to the current aged care funding models in both New Zealand and Australia. As the ageing population expands and age longevity increases, more older people are occupying hospital beds and require care, putting huge pressure on healthcare systems around the world.

As highlighted in the first phase of a Te Whatu Ora Health New Zealand commission review, the sector in New Zealand is facing unprecedented challenges and financial pressures. Leading to care bed closures by some operators and limited new builds despite growing demand.

Despite this independent review in their hands, Te Whatu Ora, with limited consultation, has provided only a 3.2% increase in funding for the whole sector for the current year and said that they will provide financial support to weaker operators on a case by case basis.

We, at Ryman, don't believe that is the right answer for aged care in New Zealand. We question what measure of sustainability, let alone incentive to grow with new beds, does that provide the broader sector which has some 37,000 care beds? Two thirds of which are actually in charitable and private hands.

We need governments to acknowledge the crucial role that retirement living sector has to play in meeting the housing and health needs of the growing number of older people in both countries.

We believe the government needs to change the funding mechanism rather than tinkering at the edges. At Ryman, we believe that New Zealanders deserve to have a choice in the products and services they receive as they age.

If it's not fixed, aged care will inevitably become a broader healthcare issue. Instead of paying - the government paying $250 a night to aged care providers, Te Whatu Ora will be paying $1400 a night for a public hospital bed and blocking those beds from the general public.

We're optimistic that the new coalition government will see the bigger picture here and create positive change to enable sustainable and equitable access for New Zealanders. In Australia, Ryman has been actively engaging with the government on similar issues.

It provided a submission to the Aged Care Taskforce, which subsequently provided recommendations to the government earlier this year, including support for a co-contribution model.

We are hopeful of bipartisan support being reached in current negotiations shortly. The changes will be a positive sign for the industry and make investing in new aged care assets in Australia potentially more attractive than in New Zealand.

Looking ahead. Current economic conditions remain challenging in both New Zealand and Australia, and it is unclear when interest rates will begin to decline and support the improved housing market conditions and liquidity.

Incoming residents to a Ryman independent living village in most cases need to sell their home in order to fund an occupation right. As a result, residential market conditions do in fact have an impact on the timing and affordability for potential new residents.

Most market commentators are expecting tough housing conditions to continue for the balance of calendar 2024. At Ryman we can do little about these external factors. However, we do need to be focused on improving our own performance.

There continues to be demand for living in a Ryman village, as evidenced by strong demand for our independent living opportunities, noting we achieved over 1500 ORA settlements last financial year, our high care bed occupancy at our existing villages and the growing occupancy at our new care facilities.

We are assuming that tough housing market conditions will continue for the balance of our financial year. In my mind, market conditions simply reinforce our need to get fit for the future.

Our guidance for the full year remains unchanged from what we disclosed at the full year result. We expect to be cash flow positive. We expect to build between 850 and 950 retirement village units and aged care beds. We expect to spend between $700 million and $820 million on capital expenditure.

Your Board is positive about the future of Ryman. We are energised by the need for change and are committed to improving Ryman's financial performance, whilst at the same time maintaining great care and great experience for our residents. I thank you very much for your time.

Before we move to general business and your opportunity to ask questions of both the Board and management, we will now move to the formal meeting resolutions which were outlined in the notice of meeting.

Each resolution set out in the notice of meeting is to be considered as an ordinary resolution and, as such, must be approved by a simple majority of the votes cast by shareholders entitled to vote and voting on each resolution.

A poll will be held on each of today's resolutions. For those of you here today, you will be issued a voting card. Please mark your voting intention for each resolution and the voting cards will be collected at the conclusion of the meeting.

If you require assistance with this, please see MUFG outside the room. For those of you voting online, you will need to click get voting card within the online meeting platform. Please mark your electronic voting card in the way you wish to vote by clicking for, against, or abstain.

Once you have made your selection please click submit vote on the bottom of the card to lodge your vote. Please refer to the virtual meeting online portal guide or use the help line specified if you require assistance.

A quick reminder, voting will remain open until five minutes after the conclusion of the meeting. Results of the vote will be announced via the New Zealand stock exchange. The outcome of proxy votes received prior to the meeting will be displayed for your information after voting on all the resolutions.

There will be an opportunity for shareholders to ask questions on each matter being put to the shareholders. For the sake of good order, shareholder questions raised should relate directly to the matter currently being considered.

There will be time at the end to ask general questions. When I call for questions, can shareholders present in the room please wait until a microphone is provided to you and clearly state your name.

I will take questions from those present in the meeting first before moving onto any questions from shareholders online. I ask that in the interest of fairness to all shareholders attending this meeting, that anyone wishing to ask questions be as concise as possible and be considerate of other shareholders also wishing to ask questions.

Turning to resolution 1. Pursuant to section 207P(2) of the *Companies Act 1993*, the Board seeks approval of the shareholders to the appointment of PwC Auckland as the auditor of the Company and pursuant to section 207S of the *Companies Act 1993,* to authorise the Board to fix the auditor's remuneration for the ensuing year.

The Board unanimously supports the appointment of PwC Auckland as the external auditor. Are there any questions of the Board concerning the resolution from shareholders in the room? Are there any questions online?

Moderator: There are no questions online.

Dean Hamilton: Thank you. I now propose that PwC Auckland is appointed as auditor of the Company and the Board is authorised to fix the auditor's remuneration for the year. Please mark your voting cards in the way you wish to vote by ticking for, against, or abstain in the appropriate place on the voting card.

Turning to resolution 2. Under NZX listing rules 2.7.1, a director appointed by the Board must not hold that office, without re-election, past the next annual general meeting following the director's appointment.

Kate Munnings was appointed as a non-executive director by the Board with effect from 1 November 2023. Kate accordingly retires and offers herself for re-election today. Kate is considered by the Board to be independent. The Board unanimously supports the re-election of Kate. She will now introduce herself. Thank you, Kate.

Kate Munnings: Thank you, Dean and good morning, everyone. My name is Kate Munnings and as you've heard, I joined the Ryman Board in November 2023, and today I seek your support for my re-election.

Ryman Healthcare is an iconic company and I am honoured to have the opportunity to serve you on the Company's Board. Thank you for the opportunity to share what I hope to bring to the Ryman Board and to the wider Ryman family.

My career has been quite diverse and I think it marries nicely with the needs of Ryman, at this stage of the company's history. I started my career many, many years ago as an assistant in nursing, working in aged care.

I generally worked night duty because I was training to be an RN. So I spent many nights talking with residents about their lives and experiences, as well as providing residents and their families with nursing care and support.

So I bring to Ryman frontline experience in caring for residents and I have a deep understanding of how important that responsibility is for a company like Ryman. I then became an registered nurse and specialised in HIV and AIDS nursing.

AIDS patients in the 80's were ostracised and isolated, often for reasons that had nothing to do with their disease. That experience led me to study law and I left one of the most loved professions and joined one of the least loved when I became a solicitor in the 1990s. I spent 12 years in private legal practice, specialising in construction law and I progressed to partner and had a leadership role in the international law firm Baker McKenzie.

I spent those years in private practice, solving complex legal and commercial problems for my clients. So, I bring to Ryman an understanding of legal issues in the property and construction sector, as well as experience in solving the complex legal problems.

I then left private practice and spent eight years at ASX listed company, Transfield Services as their Chief Risk & Legal Officer and Company secretary, there I did extensive international M&A work and corporate governance advisory work, across Australia, New Zealand, the US, Canada, Chile and the United Emirates.

This was a dramatic change, as in that role, I was a corporate lawyer, advising an ASX listed Board on their responsibilities as directors; developing an enterprise risk management program and running large international acquisitions. So I bring to Ryman an understanding of corporate law, risk management and corporate governance.

When I eventually moved into an operations role, I was responsible for Transfield Services construction, logistics and consulting businesses across Australia and New Zealand. This included providing facilities management services in complex environments such as social housing, schools and defence bases.

My business unit was also responsible for rolling out the NBN across Australia and the fibre rollout for Enable, here in Christchurch. So, I bring to Ryman operational experience in running a facilities management and logistics business in sensitive environments, as well as experience in running a construction business which included a large infrastructure project here in Christchurch.

After 23 years working outside of healthcare, I returned to the sector about 10 years ago. Since then, I have been running large health care organisations, first as Chief Operating Officer at Ramsay Health Care and then as Chief Executive Officer at Virtus Health Care.

So, I bring to Ryman operational and leadership experience in running complex health services, where I was required to balance the need to provide exceptional patient care, with sustainable commercial performance.

Importantly, I have also led a number of transformation programs. They include a significant transformation program across Ramsay's hospital network, where I was responsible for 73 private and public hospitals; another program across 46 Assisted Reproduction Technology clinics that spanned five countries at Virtus and I also guided a transformation program from a Board role across eight hospitals and multiple primary health networks at South-East Sydney Local Health District.

So, I bring to Ryman experience in delivering transformation programs in large complex healthcare environments. My experience also includes delivering impact from a governance role.

I was previously a director of South-Eastern Sydney Local Health District and Ramsay Hospital Research Foundation. I currently Chair the Digital Health CRC and have recently been appointed to the Board of Wesfarmers Limited, an iconic company with operations across Australia and New Zealand.

So, I bring to Ryman governance experience as a director of large and complex organisations. I commit to you, that I will bring all that I have learned in my career to the Ryman Board. I will help to support and guide the Ryman team and I will work extremely hard to ensure that Ryman delivers on its ambition and promise of providing exceptional care to residents and exceptional returns to shareholders. Thank you.

Dean Hamilton: Thank you, Kate. Are there any questions for Kate or the Board concerning this resolution from shareholders in the room?

Are there any questions online?

[Unidentified Company Representative]: There are no questions online.

Dean Hamilton: I now propose that Kate Munnings be re-elected a director of the company. Thank you. Please mark your voting cards in the way you wish to vote by ticking for, against or abstain in the appropriate place on the voting card.

Now turning to resolution 3. Under NZX Listing Rule 2.7.1 a director appointed by the Board must not hold office without re-election past the next Annual Meeting following the director's appointment.

David Pitman was appointed as a non-executive director by the Board with effect from 1 May this year. David accordingly retires and offers himself for re-election at the 2024 Annual Meeting.

David is considered by the Board to be independent. The Board unanimously supports the re-election of David. David will introduce himself now.

David Pitman: Thank you Dean. Good morning. My name is David Pitman and as you've heard Dean mention, I joined the Ryman Board on 1 May 2024 and today I seek your support for re-election. As this is my first time before you, it seems appropriate to give you a sense of my background.

I have accumulated 40 years' experience in general, operational and financial management, strategy development and M&A in Executive and consulting roles. My undergraduate training was at the University of Sydney where I earned a Bachelor of Aeronautical Engineering with honours, which led to a nine year career in the aviation sector, holding commercial management roles in Sydney and Los Angeles with responsibilities for aircraft maintenance and product support businesses.

Wishing to broaden my career, I undertook an MBA at the University of New South Wales, from which I was chosen to attend the Wharton School in Philadelphia on exchange. Upon completing my degree, I joined the Boston Consulting Group, where I remained for 12 years advising on a diverse range of issues from competitive strategy through to transformation across many industrial sectors including financial services, industrial goods, airlines, forestry and consumer products. I served clients in Australia and New Zealand and also in the USA, being based in Los Angeles again for a period of time.

I became a Partner of the Global firm in 2003 and, having developed some expertise in shareholder value management, I was chosen to lead the Corporate Finance and Strategy practice in the Asia Pacific region.

In 2007, I transitioned to Stockland Corporation as Executive General Manager of Strategy and Corporate Development, later assuming the role of CEO of Stockland's Retirement Living division.

In that role, I led a transformation of the Retirement business, growing the portfolio from 24 Melbourne-focused villages to a national network of 62 villages through a combination of organic development and acquisition.

Cash profitability was restored and grown in both established operations and in new village development and the culture of the organisation became more performance-oriented, while retaining high levels of resident satisfaction and employee engagement, outperforming the relevant external benchmarks. I also drank a lot of cups of tea.

After more than six years at Stockland, I returned to BCG as a partner again, this time in Boston, Massachusetts, as Global Finance Director, overseeing the firm’s finance operations, accounting and control across 50 countries. I subsequently relocated back to Sydney in 2018 with my family, assuming a senior advisor role at BCG before moving into private consulting.

I am excited to have the opportunity to be involved with Ryman, a business which has earned a reputation for outstanding resident care and high-quality villages. The business is now undergoing a transformation and, as one of your representatives on the Board, I can say I am personally committed to seeing that we maintain our record of great care while driving a material improvement in shareholder value.

If elected today, I look forward to leveraging my experience in finance, strategy, property and retirement living to help achieve that goal. I would appreciate your support to be re-elected as a Director of Ryman. Thank you.

Dean Hamilton: Thank you, David. Are there any questions for David or the Board concerning this resolution from shareholders in the room?

Are there any questions online?

[Unidentified Company Representative]: There are no questions online.

Dean Hamilton: I now propose that David Pitman be re-elected a director of the Company. Thank you. please mark your voting cards in the way you wish to vote by ticking for, against or abstain in the appropriate place on the card.

I am sure you'll join me in being delighted that we've been able to attract new directors of the quality of Kate and David and we're delighted that they've settled in very well to the Board as you would hope.

I would now like to give shareholders the opportunity to ask questions - whether related to the presentations, the Financial Statements, or the management of the Company. We will do our very best to answer these.

Shareholders online can continue to provide questions through the portal, and we will also address questions from the room. If you are asking a question from the floor please state your name, whether you are a shareholder, or if a proxy holder, the name of the shareholder represented.

Please wait until we bring a microphone to you so that the people in the room as well as online can clearly hear you. Do we have any questions in the room? Down here.

Malcolm Aim: (Shareholder) Good morning. [Malcolm Aim]. I'm speaking on behalf of my wife, [Annie] who is right here. The first thing is we've heard nothing about the Park Terrace property. I don't think there was anything in the Annual Report. I'm wondering if you could tell me what the plans are for that.

Secondly, I wonder whether Ryman's fixed weekly fees policy is the right one because Summerset, who seem to have stolen an arch on Ryman's do not have a fixed fees policy and increase their weekly fees each year. Those are my questions.

Dean Hamilton: Thank you for your questions. On Park Terrace, we have no immediate plans for that. It's a development that we would like to do at some stage. In terms of our financial capability, we have our hands full with 10 on the go at the moment.

As I look back, some of the trouble that we got ourselves into was having too much on our plate. When the music got challenging through COVID, we had over 14 live developments and that really stretched our capability.

So I think we just have to have that capital discipline to get done what we have in flight; a lot of these we've committed to existing residents, that are there already. We haven't finished the main buildings. We need to get that done and deliver on our promise and then we need to look at what's going to come next. Park Terrace is definitely part of that review.

We're committed to Christchurch. We've got a lot of villages in Christchurch. Kevin Hickman underway, Northwood underway. I'm sure we'll get to that at some stage. We'd all love that to be done. It's a little bit of an eyesore on the side of the river there but yes, I think we just have to be disciplined in the current position.

In terms of your comment on fixed versus indexing, yes, that’s currently under our review. Certainly, fixing has been part of the Ryman way and residents value that but at the same time it's proven to be very expensive because as you'd all know, probably if you're in private residence, your rates bill has gone through the roof, your insurance bill has gone through the roof.

Getting a plumber probably costs twice what it used to. So those have just become expensive and we didn't anticipate that when we set the fee in 2016 or 2017 and they are fixed for life. So that's certainly been quite a financial drag on us. We're staring at that now and we may well offer a choice I think. It's under consideration. It's a good point.

Other questions in the room? This lady here in the pink has put her hand up twice.

Monica Chang: (Shareholder) Hello. Hi, [Monica Chang]. I'm a shareholder. I have two questions. One is on the slide there was an indicator of a net asset per share that's $6 and the formula is a bit strange. It use - equity usually is residual after the asset deduct the liability.

It sounds a bit boring what my question is, but in small letters it says it deduct intangible asset and then tax asset and it come to $6. I think that's a bit strange compared to current share price. There was another one.

Dean Hamilton: Sorry, is, shall I answer that? Would you like…

Monica Chang: (Shareholder) Could I ask both questions first?

Dean Hamilton: Of course.

Monica Chang: (Shareholder) I might forget it straight away.

Dean Hamilton: Sure. One of us is going to forget it straight away.

Monica Chang: (Shareholder) There's another one. I understand the Company went through a lot of change so it says it's getting fit for the future, but from the whole presentation I failed to see what competitive landscape is like in both New Zealand and Australia.

I would love to see more on that because we're buying the share for the future and also a little bit benchmarking how we are doing because we are seeing what the Company thinks but I would think we'll be objective to see some external forces and players situation.

Dean Hamilton: Sure, thank you. Yes, so in terms of the NTA, it's a relatively traditional measure. So for us it's our shareholders equity and then that will be our net asset backing. Then to be a tangible asset backing, we deduct two things.

We deduct our intangible, which is primarily our computer systems that we've invested in, but also our deferred tax asset. So those two things under most accounting definitions get deducted from an NTA. So without those deductions it's about $6.60. With those deductions, it's about $6.01.

Let's put that to one side. We have traditionally traded at a premium to those numbers. We've traded at a premium to our shareholders funds and over the last four years we've steadily detracted down such that we're now trading today roughly $4.50. So that's about 0.7 of that number. I think at our peak we might be three times that.

So the whole sector has come down no more so than Ryman. I think in part that is because we've really been challenged by our new developments and we've taken on a lot more debt and I think that's hurt our equity. So we're very conscious of our desire to trade that back up.

Ideally over time, can we get back to a premium? Time will tell, but certainly that's a reasonable ambition to be trading back in our share price at least equivalent to what our equity is worth. That's the first point.

On the second point, we look a lot internally at our competitive position relative to what other people are doing. We didn't present it today. I thought half an hour of listening to me was probably going to be enough, but rest assured we are very external in our perspectives as well because you can become quite insular.

No, we certainly look at what our main competitors in New Zealand do. I think probably in 20 years there are very few competitors if you look out there today. You just have to watch the news as an advert for Arvida before it or other people's villages. So we're very conscious that we need to be very aware of what competitors do and that potential residents have choice.

We need to make sure we continue to have great care; great resident experience and our commercials are also competitive and we do a similar thing in Australia as well. So maybe next time we'll present some of that, but certainly internally we look at that a lot.

Next question. Some questions down here or there's one you're walking past.

Marlene Rowan: (Shareholder) My name's [Marlene Rowan] and I'm a shareholder. In relation to the fixed fees - and you alluded to the fact that the Board is presently looking at those for existing residents, they have signed a legal agreement, therefore their fixed fee couldn't be altered, could it?

Dean Hamilton: Correct. Yes. If I wasn't clear, that's totally confirmed. It would be for a future resident. So it's fixed for life.

Marlene Rowan: (Shareholder) So you say in the future, if you do decide to change the weekly fixed fee, would that mean that people have a choice to have the fixed fee or to have the annual fee reviewed?

Dean Hamilton: Yes. We haven't landed on that decision at the moment, but just to be very, very clear, those contracts are sacrosanct. We will not change an existing resident at all. It would be the resident who starts, for example, tomorrow here's the contractual terms that we will propose and that will have a fixed fee element in it.

That's been part of the Ryman way. The consideration will be should it also have a choice where people can have a fee that goes up over time at the pension or whatever rate that happens to be. We haven't made that decision, but we fully expect we will continue to have a fixed fee alternative.

Marlene Rowan: (Shareholder) Thank you.

Dean Hamilton: There's a gentleman up there that we've walked past a couple of times. We've got plenty of time. We'll get through the questions.

Alan McNaughton: (Shareholder) [Alan McNaughton]. You mentioned cost overruns and I've got two questions, one about difficult sites and I thought if you was buying a site, you would look at what was wrong with it, what was needed to be done to that site before you've actually made an offer to buy it.

The second question is you talked about making changes to the buildings. With the amount of buildings Ryman has done, I find it strange how you have to go back and make major changes to the buildings you're actually going to complete when you've had a lot of experience in doing others.

Dean Hamilton: Sure, two good questions and certainly ones the Board’s asked as well. So in terms of the complex sites, some of those have been we’ve known those, for example, something like Murray Halberg, that’s quite a steep site and they were aware of it, clearly you walk to it and it was a steep site, so it was always going to be a steep site. That probably proved more challenging to build on than what we thought.

We, for example, in the land bank at Takapuna, we did due diligence on that. It ended up that it had more poor ground conditions than what we thought, even despite our due diligence. So that was disappointing, so we’ve had to remediate chemicals that were found in the ground there and we’re largely done with that. So that’s in a couple of situations where the ground has been more challenging than what we had originally hoped.

In terms of changes to building, it's not really a cookie cutter approach, so every village is slightly different in terms of scale and mix and location and sometimes we've decided to change from potentially [unclear] these things, we buy a piece of land, get it consented, start building, the competitive dynamic can sometimes change, the market dynamic can sometimes change and sometimes it makes sense to change what we're building [inaudible] at the time, but that's an expense and we consider that at the time. So most of those things are in response to something that we're seeing either around. When you make those changes in flight, they're not cheap options.

Plenty of [inaudible] lessons learnt on the last 16. Next question please.

Unidentified Participant: (Shareholder) I'm shaken as well as stirred. Around 2018 the shares were $16, now they're [unclear] have you got a target at all for share price recovery?

Dean Hamilton: Sure, it's a very dangerous place for a Board to go. I think ultimately what we can be accountable for is the financial performance of the organisation and that's what we have to be very focused on and ultimately the share, people will value the shares as they value them. I think in my experience over time, very dangerous when boards start having share price targets or share price expectation or this is how you should value it. Ultimately that's up to investors and analysts. So we need to be very focused on improving our financial performance.

Over time that's highly corelated with improved share price, so we expect if we're getting that direction right, ultimately the share price should follow it. Where it ends up will be your decision, not mine at the end of the day.

Unidentified Participant: (Shareholder) Sure. Second question, you mentioned one of the key things was to increase the cash flow of existing buildings. Have you got any specific details on that or is that still being reviewed?

Dean Hamilton: That's under review and it's going to be an opportunity to look at – we've got a lot of assets sitting there, they're valued at $10 billion in our balance sheet and we need to improve the financial returns on that. Partly the fixed fee has hurt us, as we've honoured that over time and we'll continue to honour it, I think no one expected to see rates going up by 15% per annum and my sense is they're going to continue to go up. My house bill insurance the other day went up 15%. That's the second year in a row they've done that.

So I think they were hard to predict four to five years ago when you set those and that's gone past it. So we need to make sure we don't do that to ourselves again, because that would be not very clever. So I think we need to look at that weekly structure, we need to look at the services that we offer and are we being paid for those things, but we're very conscious as well that we're not going to lean in and take a whole lot of services out, we're not going to reduce our quality of care, so it's a gentle way through that ultimately, we're very conscious that we need to continue to deliver great care.

Unidentified Participant: (Shareholder) So nothing specific then?

Dean Hamilton: Correct, yes, but as I said, we are looking at the DMF for new residents, we are looking at the weekly fee for new residents. They will be quite specific and we expect to come out with a new version of those in coming months. So we'll be very specific in a couple of months.

Unidentified Participant: (Shareholder) Just a final quick question, do any of the Directors have put their names down for a Ryman village?

Dean Hamilton: Geoff?

Geoffrey Cumming: A few years, a few years.

Dean Hamilton: Next question.

Frank Stewart: (Shareholder, New Zealand Shareholders Association) Thanks, my name is Frank Stewart, I'm a shareholder and I also represent the New Zealand Shareholders Association. We do a report card on your annual report each year and it's reasonably good in terms of how you meet our requirements. Just a quick question. I estimate there's about 90 people in this room, how many people are online?

Dean Hamilton: That's a good question, do we know that?

[Unidentified Company Representative]: There's 281 attendees online.

Dean Hamilton: Which is interesting, isn't it, I was talking to the person who was facilitating this, they're saying a few years ago it used to be two-to-one the other way, twice as many people here as there were online and that's three to one, incredible isn't it? But I think the hybrid kind of works quite well. I think the Shareholders Association, Oliver, when we've spoken to him, supports that, so I think ultimately it's something for everybody, isn't it? We have no intention of removing our physical meeting, I think it's nice to be able to physically meet our shareholders and at the same time, some people who can’t attend, they’re not all living in Christchurch, I think it’s a good combination actually.

Next question? Joanna.

Joanna Hickman: (Shareholder) [Joanna Hickman], shareholder, just wonder if you can give an indication of how trading has been for the first four months of this financial year.

Dean Hamilton: Sure. It’s been quite challenging. I think 2024 was expected to be the great year. When I joined the Board in May last year, New Zealand was in a challenging time, interest rates were high, but most forecasters were expecting 2024 to be a good year. I think 2024 for the New Zealand economy, not just Ryman, has proved to be more challenging than 2023. I think we’re seeing unemployment rise, just go to Wellington recently, 2,000 public servants have been laid off in that town, so that’s certainly – if you talk ed to restaurant owners, I talked to a cab driver, it’s quite challenging.

So I think 2024 has proved more challenging. You see the external commentators on residential markets, I think there was one this morning that’s saying the fifth month in a row that Auckland residential prices have been down. So I think the external settings, Joanna, have been quite challenging. We’re no different to those things. We have got stock that we are looking to bring new residents into at the same time as other people have got stock to bring new residents into.

We’re still occupying, people are still coming in, we’re still doing that, close to 100 a month. So we’re still continuing, business hasn’t stopped. But it’s certainly proving harder to get every new resident. People are doing incentive offers, et cetera. So I think year on year we’ll be broadly similar to the first quarter of last year. But we’re hopeful of interest rate reductions, we’re hopeful of a buoyant return to residential markets, but that can’t come soon enough, but we don’t control that somehow. It’s competitive.

Any online question please?

[Unidentified Company Representative]: The first online question is from [Bruce Rivers]. The shares have devalued considerably and returns have been zilch. Are management and team taking measures to rectify the situation?

Dean Hamilton: Returns have been zilch. Look Bruce, as a Board and management, we couldn’t agree more. We do feel for shareholders, it’s totally unacceptable to have a share price that’s done that. You’ve seen that we’ve leaned in and made substantial changes not only to Board and management, but also in the way in which we do things and hopefully we'll be announcing some changes to those things at the interim result in November. We do need to make progress, so yes, I fully concur, it's been disappointing and we need to look forward and do our best to improve financial performance and hopefully the share price follows.

But we're here for the long term. We're building 50-year assets. Ryman's a fabulous business. It's having a tough period but I'm very energised as a Chair that we have a positive path through and we'll return to very good performance.

[Unidentified Company Representative]: The next question online is from [Lyn and Brent Goldsworthy]. How do you balance the many stakeholders across the business whilst also investing in marketing and sponsorship to attract future residents?

Dean Hamilton: I think that's a good question. I think the first point is we're 100% focused on our existing residents. Now they've got to be at the heart of everything that we do. I probably, since being chair, would have visited nearly 20 of our villages and it's just every day you go in there, you see, they're just the criticality of that experience and they're key that is the Ryman way. So first up, whole focus on the current resident.

But we also have to an eye on the next resident, because ultimately we do have people leaving our facilities, even just moving through our continuum of care and the whole economic model works better when the place is full because we're sharing the costs of running the business over more residents. So there is a return for both existing residents and the organisation to have that full.

So we have to have an eye on the next person and the next person and so how do we do that? We need to be top of mind, so when everyone's thinking about retirement, they think about Ryman. How do we do that? Ideally that's – I think our strongest support is through word of mouth. People have had a great experience or they know someone's who had a great experience, that's our first and foremost, but also we have to have visibility, so that might be on television, that might be at sport, that might be in theatre, thinking about when people think retirement, we want them to think Ryman.

So it's competitive out there, way more competitive than it was 20 years ago and so we are balancing the existing residents, but also having an eye on the future and that's something the Board and management have to balance.

[Unidentified Company Representative]: The next question is from [Valerie Carter]. Have you sold the Karori site?

Dean Hamilton: No. Signs are going up in the next month and we're going to run an expressions of interest program, which is disappointing to not be building another site in Wellington. Wellington is short of care beds. We thought we had a site in Karori that would do that. By the time we got through consenting, we had a number of challenges both in terms of preserving what became a historical building overlay, which we didn't anticipate, the council gave us less density, which is some irony, given the lack of care beds in Wellington and earthquake standards have just continued to increase in Wellington, so the cost to build way, way more than what it was when we built the site.

So we can't see a way through that, so we're better to take our money off the table, which is a pity. I was at our four Wellington villages the other day, they're all full. So we'd love to be able to build another one, but I think Wellington is making it quite hard to do that.

[Unidentified Company Representative]: The next online question is from [Andrew McKenzie]. Has there been any progress around government funding for care beds? If so, what progress?

Dean Hamilton: Sure. I think there's two elements to that. There's an annual funding round in New Zealand where Te Whatu Ora provide funding to the aged care providers, including ourselves, some 37,000 beds and they have a rate per day depending on how sick you are, that they provide the aged care providers, to deliver those services. They do that annually and the ACA, which is the association of aged care providers, so we're on that, all the operators are on that, I'm on the Board of that, we told them that we believed the industry had cost increases of 11%. They've gone and given the industry 3%.

Now clearly there's a long line of people at Te Whatu Ora looking for money and the government's leaned in there in the last week and removed the whole board, put in a commissioner, so there are obviously a lot of internal watching as well at the moment. We're disappointed at 3%. We think the industry deserves more than that. That level of funding struggles to support new builds of care, so the industry is leaning into that, despite the wave of ageing that's happening in the population. If the government continues to fund it like that, people just won't build new care beds.

So we think there's the three point – the annual funding round is obviously one element and the bigger element is the industry is lobbying for a change in the way in which the industry is funded to allow for more co-contribution for people who can pay and can afford to pay, should be allowed to pay, whereas at the moment that's capped within the government's scheme. So we think there's an answer there. It's a very similar answer to where the Australian Government is going. We think there's a blueprint right in front of them, so we're hopeful that in the next 12 months we might see some legislative change. But the near-term news on the funding round has been frustrating.

[Unidentified Company Representative]: The next question is from Andrew McKenzie. Arvida is in the process of being sold. Has Ryman had any unsolicited buy out discussions or offers?

Dean Hamilton: No. That was easy.

[Unidentified Company Representative]: The next question is from Andrew McKenzie. The cash flow estimates have not been updated since year end. Since then rates are up close to 20% across the country. Has this increase been assumed in budget?

Dean Hamilton: The rates, so we have offered guidance on free cash flow, which is essentially every bit of cash that comes into the business and everything that goes out of the business, so it's quite a simple metric. That will be shown on what was our opening debt and what's our closing debt. We're forecasting that our closing debt will be lower than our starting debt and we still continue to do so despite the challenging conditions.

Any more questions online?

[Unidentified Company Representative]: The next question online is from [John Haylock]. I've worked in the construction industry all of my working life and I'm only too aware of the impact the building has on waste. I know at the rest home my mum is at that they are recycling batteries from hearing aids. Does the food waste likely go to a piggery? It seems that everything from when the unit is renovated is dumped in skips. Can Ryman look at possibly doing their bit to enable recycling some of what is going to landfill?

Dean Hamilton: Yes, we're certainly looking at that as part of our sustainability efforts, both the construction intensity in terms of the amount of materials that we use and the type of materials that we use and then obviously what happens to material waste, particularly when we do our refurbishments, et cetera. So that is definitely on Board and management's agenda as part of our sustainability effort.

Any more questions?

[Unidentified Company Representative]: The next question is from shareholder named Sam. What preference would Ryman take on building its own ICT systems or utilising off-the-shelf products for upcoming operations and plans?

Dean Hamilton: Sure. I think ultimately we have invested a lot in our own internal ICT systems, particularly the My Ryman. That's proven to be a relatively expensive route to go, but I think we will always look at the option of buying off the shelf or building our own best of breed. I think the bias we're heading towards, though, is more off the shelf if we can.

Any more questions?

[Unidentified Company Representative]: The next question is from shareholder named Sam. Will there be more or less investment into the Australian market by Ryman given the financial prudency of the Company and will the relatively high interest rates in the foreseeable future impact the strategy?

Dean Hamilton: I think we, as a Board, barring unforeseen incidences in demand, fully expect to finish our 10 land banks that are currently underway. We think that should be the priority for our capital. Where we allocate our next piece of capital is that in New Zealand and Australia, we have 10 bits of land that are not built on. Five of those are in Australia, five of those are in New Zealand, so we do have choice, which is a great position to be in and we do have those in various places around the country, in New Zealand as well, so again we have choice.

So I think what we'll be doing, when we do get back into building new villages, rather than the 10 that we're currently finishing, we will look at what's our total care return, what's the demand in these environments, what's our cost of debt in those environments. So yes, we'll be putting all those factors into where we believe is the best use of capital. I think it's going to be a critical part of us going forward, that whole capital discipline piece.

We need to be very sure when we start a village we can complete it and we need to be very sure when we start a village that we can recycle our capital back out of it and not continue to build bank debt. That just puts a lot of financial strain on the organisation, which is not good. So we will be very considered when we build the next village. But we will build future villages. I don't see a future of Ryman not growing, it's an element of where and when, because we do have enough land bank now to see us through for at least the next five years.

[Unidentified Company Representative]: There are no further questions online.

Dean Hamilton: Any more questions in the room? One more down here.

Marlene Rowan: (Shareholder) My name's [Marlene Rowan] and I'm an investor. This doesn't only apply to Rymans, it applies to all retirement villages and that's in relation to staffing. If it wasn't for the Asian people especially who come to work in New Zealand and work in the retirement industry, in my opinion the retirement industry couldn't operate in New Zealand. I'm sure the Board as well as the rest of us visit people in retirement villages and the person in the village will talk about the staff and how lovely they are. If they come from the Philippines, or China, or wherever they may come from. Has the Board considered staffing in the future and this problem and are they afraid of the future in relation to staffing? Thank you.

Dean Hamilton: Thank you. I think we've got great staff. When you see around these villages - that's what slightly frustrates me actually, versus the Government's approach to what they're considering to fund the aged care. It's just fabulous what our staff do and I'm sure that the other villages are almost as good, probably not as good. They genuinely care, these people, and [unclear]. We've got a great variety of people, great backgrounds, great sets of experiences.

We had a challenge in COVID with - when people couldn't move and there were nursing shortages and caregiver shortages. We've noticed that - we've seen a noticeable change in that, which is great. So we're fully staffed in all of our villages which is good and [unclear] may that continue.

So in our discussions with the Government [we've opened] a new care centre at Miriam Corban in Auckland. We've opened a new care centre in James Wattie and Hastings, and we're about to open a new care centre in Keith Park and you'll correct me if I'm wrong, Shane, but we have been able to staff those up as we had hoped. So, yes, the current conditions are good but we're very conscious of that. They are critical. Okay. Thank you.

We're nearing the end of today's meeting. Looking ahead, 2024 is a significant year for Ryman marking our 40th anniversary since opening our very first village in New Zealand. Our 10-year anniversary since opening [unclear]. We have an exciting future ahead. Over the next 30 years New Zealand's population of seniors aged 65 plus will grow from 850,000 to 1.5 million people.

In Australia, it's projected that older people will make up 23% of the total population. We have an industry-leading reputation in retirement living and care. We have a scale with 48 operating villages across New Zealand and Victoria. We have over 14,500 residents and a high satisfaction rating of their experience living at a Ryman Village.

As importantly, we have a strong sense of purpose amongst our [unclear]. We need to make the changes now so that when conditions improve we are much fitter and much better placed to capitalise.

Before I close I would like to acknowledge and thank our people and our teams. You make our culture unique and are an integral part [unclear] to say a very special thanks to you, our shareholders. It's been a tough couple of years. We're grateful for your ongoing support and your confidence in our capacity to deliver in the future. We'll be doing our very best.

I would like to thank my fellow directors who I know are all very [unclear]. We know we need to improve profitability of our operations and the efficiency of our new villages. We're very focused on getting Ryman fit for the future.

Now I would like to invite you to join us for refreshments and an opportunity to catch up. We have our senior leadership team here. So please [unclear] representatives on your way out.

Thank you again very much for your attendance today and I look forward to catching up over a cup of tea. Thank you.

End of Transcript