**NZX RELEASE**

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## Ryman Healthcare reports FY25 results

### Operational highlights

- Pricing model changes has driven a step change in deferred management fee (DMF) increasing the value of the future contract book
- Improving sales contracts[1] momentum through the fourth quarter
- Total ORA sales broadly flat at 1,523 on a record FY24 (1,574) demonstrating the quality and demand for Ryman villages
- Highest build rate (950) on record with four main buildings opened and three villages completed

### Financial highlights

- Extensive two-year financial reporting review complete providing improved transparency and comparability
- Operating earnings before interest and taxation, depreciation and amortisation and fair value adjustments (EBITDAF) up from $14.8 million to $45.5 million reflecting improvements in both village and non-village performance
- Net profit after tax (NPAT) of -$436.8 million, down from -$169.7 million in FY24 (restated) impacted by several one-off and non-cash items
- Free cash flow of -$94.2[2] million, in-line with the equity raise outlook
- Net interest-bearing debt down $840 million to $1,665 million, predominantly driven by $1.0 billion equity raise

### Strategic highlights

- Operational reset well underway with $23 million of annualised cost removed in the second half and targeting double this by the end of FY26
- Balance sheet strengthened following completion of $1.0 billion equity raise reducing gearing to 28.1% and improving resilience in challenging market conditions
- Portfolio, strategy and capital management review is underway and will complete in FY26

[1] Gross sales contracts reflect signed RV unit application forms, including internal transfers from existing residents, and exclude the impact of cancelled applications.
[2] Institutional Term Loan (ITL) cash break costs of $19.0 million excluded for consistency with free cash flow guidance provided at the time of the equity raise. Refer to slide 34 of the FY25 Results Presentation for reconciliation.

CEO Naomi James said "FY25 has been a year of significant reset. We are pleased to have made a step change in the value of new contracts and removed $23 million of annualised costs in the second half of FY25. While there is still work to be done, we start the year with a strong balance sheet, reset in revenue and cost performance well underway and a portfolio positioned to deliver cash and returns as the housing and economic cycle improves. Our offering, with a focus on providing exceptional care for our residents remains industry leading, and our portfolio is uniquely positioned as demand for retirement living and aged care increases."

**Financial results**

Ryman Healthcare (Ryman) reported FY25 revenue of $760.7 million (up 10% on restated FY24) and NPAT of loss of -$436.8 million (restated FY24: -$169.7 million), impacted by one-off costs and non-cash asset write-downs and a higher interest expense.

Net tangible assets (NTA) per share declined from 589.7cps at 30 September 2024 to 418.2cps at 31 March 2025, driven predominantly by financial reporting changes to valuations and cost capitalisation, and additional shares on issue from the equity raise.

Free cash flow of -$94.2 million was in-line with the February outlook. This was up from -$186.9 million year on year reflecting moderated levels of development spend.

As previously signalled, the FY25 financial statements were significantly impacted by accounting changes across revenue recognition, valuations and cost capitalisation. All FY25 outlook, cost savings and capital management targets outlined at the time of the equity raise were met or exceeded. The completion of the financial reporting review did mean that additional NTA impacts were identified and reflected in the accounts.

Chair Dean Hamilton said "We have completed our two-year extensive Board-led review of our financial reporting, adopting a more conservative stance on revenue recognition, removing director judgement from asset valuations, increasing transparency of performance and improving the comparability of our accounts to others in the sector. We acknowledge that the changes have been significant and, in some cases, complex. While it has been challenging to work through, we believe the improved transparency and consistency will put us in a stronger position."

James said "While there is still some way to go, the changes that we have been making in our operational reset are beginning to be realised through improved core operating performance year on year. Operating EBITDAF up $30.7 million reflecting improvements in both village and non-village performance."

Village operating EBITDAF increased $33.9 million reflecting both fee and DMF growth, and cost controls. Gross non-village operating expenses declined $9.5 million, predominantly reflecting the new support and services structure and cost control across corporate expenses.

## Operational performance

In challenging market conditions, Ryman achieved 1,523 ORA sales, in line with February guidance and broadly flat on the year prior. Unoccupied units rose from 974 (10.6% of portfolio) to 1,239 (12.7% of portfolio) largely driven by new serviced apartments following the opening of four main buildings in the period.

Following the previously signalled soft third quarter, momentum in sales contracting (lead indicator) has improved in the fourth quarter. Pricing model changes implemented in 2H25 have driven a 40% increase in average DMF to 28.8% on new resident contracts increasing the value of the future contract book.

James said "Selling down existing stock remains a significant opportunity to drive cash flow. Our sales effectiveness continues to strengthen, and we are confident this will drive ongoing improvement in sales performance over FY26 as the team builds a stronger pipeline of contracts from levels seen in the second half of FY25. Importantly, we are achieving a significantly higher DMF on new contracts which will underpin revenue growth and improved business performance in the years ahead."

Occupancy remains high in Ryman's mature villages across both aged care (96.3%) and retirement living (92.8%). Resident sentiment is positive as demonstrated by a stable Net Promoter Score (NPS) across care and independent residents.

"Our residents are the heart of Ryman and have been for more than 40 years. This is reflected in recognition from our residents where this week we were again named as New Zealand's Most Trusted Brand in this category by Reader's Digest, winning the award for the eleventh time, as well as our ability to attract a growing level of premiums and continued high occupancy. It is the dedication of our team members who bring our purpose to life every day by delivering exceptional care that enriches the lives of our residents."

## Regulatory environment and impacts to the provision of care

In September, the Australian Government introduced the Aged Care Bill 2024, bringing changes that James said will make the sector more investable.

"We strongly support the reform in Australia that enables flexible funding models and the means-tested co-contribution model for both residential aged care and the Support at Home Programme. We believe these changes demonstrate how reform can improve the delivery of aged care, making it more equitable for ageing citizens and more sustainable for providers."

The New Zealand Government's own report into aged care funding has identified that the sector is underfunded and a substantial increase in the regulated care price is required. We look forward to the Government concluding its review to address this," said James. Ryman confirmed earlier this year that it is reviewing its aged care bed capacity in New Zealand.

"This issue is sector wide and needs to be addressed urgently to ensure the medium to long-term ability of the sector to provide enough aged care beds for older New Zealanders."

## Development update

FY25 reflects a record build year in Ryman's history. Ryman completed four main buildings, welcoming residents to Miriam Corban, Keith Park, James Wattie, and Bert Newton villages. Hubert Opperman in Mulgrave also opened its first independent townhouses, bringing the total number of operational villages to 49: nine in Victoria and 40 in New Zealand.

James said "It's has been a record period of main building delivery, with four in one year, and it will take time to fill these. The buildings are wonderful additions for our residents who can now enjoy all of the amenities and experience of living in a Ryman village, along with the ability to leverage their access to our continuum of care."

The build rate for the year totalled 950 units and beds, including 301 independent living units, 290 serviced apartments and 359 aged care beds (all on a completed basis). Three villages were completed, reducing the number of sites under construction from 10 to seven. Ryman remains focussed on completing in-flight stages and selling down existing stock, with the timing of future development to be aligned with market demand.

## Operational reset

Ryman has made significant changes through its business transformation programme, which aims to improve its financial performance through releasing cash from the balance sheet, sustainable business improvement and a disciplined approach to growth.

Progress achieved to date includes the changes to its services and support structure, a new revenue model for its retirement units, and commencing the transition to an outsourced design, development and construction delivery model.

"So far, we have achieved $23 million of annualised savings in gross non-village operating expenses and are targeting a similar level of savings across a broad range of Group expenses by the end of FY26," said James.

"We are getting off the development treadmill and focussing on the operating performance of the business, setting up for higher quality cash earnings and a disciplined approach to growth," said James.

Ryman continues to review its existing villages and land bank to prioritise the best opportunities for value-accretive growth. The land bank represents a significant opportunity to release cash from sites which are not likely to be developed, with undeveloped land holdings valued independently at $369 million.

This review is part of a wider portfolio and strategy review to deliver a detailed and clear plan to deliver value-accretive portfolio growth.

## Capital management

Ryman successfully raised $1.0 billion in March, enhancing financial stability and resilience in the current market. Net interest-bearing debt has reduced $840 million to 1,665 million with gearing falling to 28.1% reflecting lower debt and balance sheet movements.

Dividends remain suspended and Ryman will undertake a review of its capital management policy, including the dividend policy, in FY26, noting that any future dividend policy is expected to be based on cash flow.

## FY26 outlook

"We continue to drive operating performance with a clear focus on releasing cash and reducing costs. Cash performance in FY26 will benefit from lower cost structures in support services, lower capital spend as in-flight stages complete and lower interest costs following the capital raise." said James.

FY26 guidance:

- Total sales of ORAs (occupation basis): 1,100 to 1,300 (FY25: 1,523) at higher DMF
- Targeting of doubling of annualised cost saving from $23 million to $46 million by the end of FY26
- 266–330 build rate including 80 aged care beds and 186-250 RV units (FY25: 950)
- Capex of between $260–320 million (FY25: $535.3 million) including $180–230 million on development activity (FY25: $458.2 million) and $80–90 million on existing operations (FY25: $77.1 million)
- Ryman's guidance for FY26 reflects the current environment and its assessment of future trends.

## Industry leadership in retirement living and aged care

James said, "As markets recover, we are confident that the changes we are making to our business will enhance our financial performance and strengthen our position as industry leaders in retirement living and aged care.

As the ageing populations in New Zealand and Australia continue to grow and the gap between aged care bed supply and demand widens, our model will become increasingly valuable to the residents we serve, and to our shareholders.

We deeply value the contribution that our over 15,000 residents make in our communities across New Zealand and Australia. Ryman is privileged to provide communities that offer our residents both choice in retirement living and peace of mind with access to industry leading care as their needs change."

**ENDS**

**Authorised by**:
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**About Ryman:**
Ryman Healthcare was founded in Christchurch in 1984 and owns and operates 49 retirement villages in New Zealand and Australia. Ryman villages are home to 15,200 residents, and the company employs 7,800 staff.

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