



Ryman Healthcare reports 1H26 results

27 November 2025

Ryman Healthcare Limited (Ryman) today announced its results for the six months ended 30 September 2025, delivering its first positive free cash flow¹ result in a decade.

Chief Executive Officer Naomi James said the result represents a major milestone in Ryman's transformation.

"We've turned an important corner in our transformation, with the balance sheet reset providing a robust foundation for sustainable performance. The business has stabilised, momentum is returning, and we are delivering results with meaningful progress achieved against FY26 priorities. Our focus is now moving to accelerating performance across our portfolio of high quality retirement villages."

Cost-out initiatives are tracking ahead of expectations, while a refreshed sales strategy is rebuilding momentum and demonstrating confidence in Ryman's new standard 30% deferred management fee (DMF) offering.

Following its \$1.0 billion equity raise in February 2025 and the full refinancing of its \$2.0 billion bank facilities in November, Ryman's balance sheet reset is now complete with its new funding structure aligned with its operating model.

Operational highlights

- Pricing model changes fully embedded with significant uplift in average DMF on ORA sales from 20.7% in 1H25 to 28.8% in 1H26
- Sales volumes rebuilding with two quarters of sequential growth; 704 sales in 1H26 (Q1: 337 / Q2: 367)
- Increasing utilisation of recently delivered care capacity and strong growth in room pricing
- Kevin Hickman main building and final stage at Nellie Melba both completed in July 2025

Financial highlights

- First positive free cash flow¹ result in over a decade of \$56.2 million
- Total revenue up 13%, with growth in both pricing and utilisation, while total costs fell 2%
- Net loss after tax of -\$45.2 million (-4.4cps) with reduced fair value movement from the prior year but with property valuations stable in 1H26
- Full bank refinancing achieved of \$2.0 billion with an average facility tenor of five years and improved pricing and covenants

Strategic highlights

- Annualised cost-out¹ achieved to date of \$40 million; FY26 target now lifted to \$50–60 million (from \$46 million) as turnaround advances

- Strategy and capital management review progressing with update to be provided at an investor day on 3 February 2026
- The New Zealand Government's formation of a Ministerial Advisory Group to recommend changes to the aged care funding model marks an important step toward sector reform and long-term sustainability.

Financial results

Ryman's financial performance has strengthened significantly with total revenue growth of 13% underpinned by its increasing resident base and strong fee growth. Total costs fell 2%, driven by cost-out initiatives gaining traction, stronger performance across both mature and developing villages and lower interest costs. This led to a \$57.6 million reduction in losses before tax and fair value movements¹.

Free cash flow lifted to \$56.2 million, up \$108.7 million, driven primarily by strong development cash flows, reflecting new units being sold down and the scaling back of development investment. Cash flow from existing operations was broadly flat, with improving cash from village operations offset by increased bought back stock on hand.

Net profit declined from \$82.0 million in 1H25 to a loss of -\$45.2 million, with the improvement in operating earnings being offset by lower fair value movements. Earnings per share declined from 11.9cps to -4.4cps, reflecting lower profit and higher shares on issue.

First time segmentation of retirement village and aged care financials has provided greater insight to business performance, aligned with FY26 strategic priorities.

Sales and operational performance

Improved sales performance and disciplined execution drove a clear rebuild in sales momentum in the first half. Higher contract conversions were supported by quality leads from well-attended village open days and targeted pricing and incentives. As a result, Ryman has lifted FY26 sales guidance to 1,300–1,400 ORA sales, up from the previous range of 1,100–1,300.

Total vacant RV stock increased from 1,239 at March 2025 to 1,335 at September 2025, partly due to the delivery of 179 new units, including major apartment stages at Kevin Hickman and Nellie Melba. Vacant RV stock under contract increased slightly from 367 to 380, supported by a stronger focus on lead quality reflected in improved conversion rates and settlement times.

James said: "We remain focused on selling down stock as a significant opportunity to drive cash flow. We are confident our sales effectiveness will support continued progress over FY26. Importantly, our significantly higher DMF value on new contracts will underpin revenue growth and improved business performance in the years ahead."

Resident sentiment remains positive with net promoter scores (NPS) improving across all accommodation types in 2025 and recognised externally through awards voted on by residents and their families.

Aged care occupancy is high across Ryman's mature villages, with capacity in five recently opened care centres filling ahead of expectations, demonstrating strong demand for Ryman's high quality aged care offering. Care pricing has seen robust growth year on year, with average daily room premiums up 10% in New Zealand and average refundable accommodation deposit (RAD) balances up 5% in Australia.

Development update

Following a comprehensive Trans-Tasman recruitment process, Ryman Healthcare is pleased to share the appointment of Richard Stephenson as Chief Development and Property Officer. Richard brings deep sector experience, with more than 20 years working across the retirement living and

aged care sectors in New Zealand and Australia. The addition of Richard to the Senior Executive Team positions Ryman for a return to disciplined growth and supports the continued delivery of high-quality communities for residents.

Richard will join Ryman in early 2026 and will lead development and property functions across New Zealand and Australia.

Delivery of remaining in-flight projects is progressing to plan, with sites under active development down from seven to four.

The opening of the Kevin Hickman main building in July marked the fifth main building opened in the past 18 months. The final stage of Nellie Melba opened in July, completing the village. The main buildings at Northwood and Patrick Hogan are under construction and expected to open in mid-2026 and the first half of 2027 respectively. Remaining stages at Hubert Opperman have undergone a comprehensive redesign, reducing capital intensity and optimising unit mix to better meet market demand. Updated plans are expected to be finalised and approved next calendar year, allowing for the commencement of construction, which will be delivered under the outsourced model.

The timing of future stages at developing villages will be aligned with market demand, reflecting Ryman's commitment to a disciplined approach to growth.

"At our investor day in February, we'll share more on the land bank review, including sites which have been earmarked for future development and additional sites selected for divestment. We're pleased to have already secured two sales from the review, with Park Terrace contracted for \$42 million and Mount Eliza for \$35 million in recent weeks." said James.

Aged care reforms progressing

Ryman welcomes the New Zealand Government's announcement of a Ministerial Advisory Group to ensure the aged care sector can sustainably meet future demand.

"This is a critical step toward addressing the funding gap in aged care. Sustainable funding is essential to both maintaining existing capacity and growing the additional capacity needed for future growth in demand, and we are ready to play our part in the solution." said James.

The Ministerial Advisory Group will provide direct advice to the Ministers of Health and Seniors on reforms to New Zealand's aged care funding model. The group will deliver its recommendations ahead of the 2026 General Election, with the Government signalling its intention to implement changes from 2027.

Earlier this year, Ryman confirmed it was reviewing its aged care bed capacity in New Zealand due to sector-wide underfunding, and two care centres have since been closed.

Recent reforms to the Australian Aged Care Act are enhancing the Government's co-contribution funding model, with clinical costs fully government-funded and accommodation and other living costs means-tested. Changes to refundable accommodation deposits (RADs) - including a 2% annual retention capped at 10% over five years - are expected to generate a meaningful revenue uplift.

Balance sheet reset complete

In November 2025 Ryman successfully completed a full refinancing of its \$2.0 billion syndicated loan facilities, extending the average tenor to five years and introducing a new structure that enhances flexibility and better aligns with Ryman's operating model.

In addition, Ryman listed on the ASX on 1 October 2025, broadening access for Australian and international investors to a proven operator with the largest retirement living and aged care business in New Zealand and a growing footprint in Australia.

Ryman is undertaking a review of its capital management framework in FY26, including its dividend policy, with an update to be provided at the February 2026 investor day.

Net tangible assets (NTA) per share is down slightly to \$4.06 at 30 September, reflecting steady investment, property valuations and previously announced restatements to the March 2025 balance sheet relating to suspended contributions.

Industry recognition

In October, Ryman won several resident and family-voted awards, including National Best Group Provider, the Aged Care Large Facility South Island Award for Ernest Rutherford Village, and an Enduring Excellence Award for Diana Isaac Village at the Seniors New Zealand 'NZ's Best Awards' for retirement villages and aged care facilities.

"Our team feels privileged to serve more than 15,000 residents who call Ryman villages home and make our communities such special places to live." said James.

Outlook

Sales in the second half of FY26 are expected to remain broadly in line with the first half, reflecting mixed market conditions and the timing of unit delivery, which was weighted toward the first half. We anticipate ongoing variability as the property markets recover at differing speeds - Victoria is showing positive momentum while Auckland is yet to show meaningful improvement.

Cost-out initiatives are ahead of plan, with annualised costs savings achieved up from \$23 million at March 2025 to \$40 million at September 2025. Ryman now expects to achieve annualised savings of \$50–60 million by the end of FY26, up on prior guidance.

Updated FY26 guidance:

- Sales of ORAs² (occupation basis) of 1,300 to 1,400 at higher DMF (FY25: 1,523, previous guidance: 1,100–1,300)
- Annualised cost saving target¹ of \$50–60 million (FY25: \$23 million, previous guidance: \$46 million)
- Build rate of 330 including 80 aged care beds and 250 RV units (FY25: 950, previous guidance: 266–330)
- Capex¹ of \$235–265 million (FY25: \$535.3 million, previous guidance: \$260–320 million) including \$170–190 million on development activity (FY25: \$458.2 million, previous guidance: \$180–230 million) and \$65–75 million on existing operations (FY25: \$77.1 million, previous guidance: \$80–90 million)
- Ryman's guidance for FY26 reflects the current environment and its assessment of future trends.

"Our near-term focus remains on continuing to build sales momentum, releasing cash from the business and driving operational efficiencies. Ryman is well positioned for cash flow growth with significant leverage to a housing cycle rebound, New Zealand aged care funding reforms, the strengthening demographic tailwinds from an ageing population and growing scarcity of quality care." said James.

Footnote 1: The metric is classified as non-GAAP, meaning it does not adhere to a standardised definition under GAAP (Generally Accepted Accounting Practice). Non-GAAP measures are presented to assist investors in understanding Ryman's performance. It may not be comparable to similar financial information presented by other entities.

Footnote 2: Reported sales figures reflect retirement village units only and exclude refundable accommodation deposits (RADs) and ORAs on aged care accommodation.

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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 15,300 residents, and the company employs 7,800 staff.

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