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NZX & ASX RELEASE

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SUMMERSET FIRST HALF UNDERLYING PROFIT OF \$75.5M, UP 68%

- Underlying profit for 1H21 of NZ\$75.5 million, up 68% on 1H20
- Reported (IFRS) profit after tax of NZ\$263.8 million, up from \$1.0 million in 1H20
- Total assets of NZ\$4.4 billion, up 27% on 1H20
- Gearing ratio of 28.5%, down from 32.6% at FY20
- Three new sites acquired this year
- 347 new units delivered – a new record for a half year
- 545 sales - a new record for a half year
- Development margin of 21.6%
- Interim dividend of NZ9.9 cents per share

Retirement village operator Summerset Group Holdings Limited has announced a reported (IFRS) profit of NZ\$263.8 million for the six months ended 30 June 2021.

The IFRS profit includes fair value movement on investment property and is up from \$1.0 million for the same period last year, when the long-term financial effects of COVID-19 were unknown.

Summerset reported an underlying profit of NZ\$75.5 million for the six months ended 30 June 2021, a 68% increase on the COVID-19 impacted first half of 2020.

Summerset CEO Scott Scoullar said the current lockdown was a reminder that New Zealand was still operating in an environment dominated by COVID-19.

“We have moved quickly to keep our residents and staff safe by restricting entry to our villages, and protective measures such as having care staff in masks and working in cohorts were already in place when the new community case was announced. We have been here before, and are well placed to look after our residents’ health and wellbeing once again.”

Mr Scoullar said the first lockdown brought home to many people the advantages of retirement village living and that showed in today’s results, which include the highest half year of trading ever for the company. There were record sales buoyed by new villages in Te Awa (Napier), Bell Block (New Plymouth) and Richmond (Nelson/Tasman).

“We are continuing to see strong demand for our brand of retirement living; the database for our soon-to-open Whangārei village stands at 700-plus, and nearly 60% of villas in our developing villages nationwide are pre-sold,” Mr Scoullar said.



Summerset reported a development margin of 21.6%, down slightly from 22.3% for the same period last year. This is in line with the company's longer term expectations of development margins in the 20-25% range.

Total assets grew to NZ\$4.4 billion, up 27% on the same period last year.

Summerset built a record 347 new units – 321 under Occupation Right Agreement (ORA) and 26 care beds – in the first six months of 2021.

“To meet growing demand, we will lift our build rate for this year from between 500 and 550 units under ORA to 550 to 600, plus 52 care beds,” Mr Scoullar said.

The company has just confirmed the purchase of another New Zealand site, this one at Kelvin Grove in Palmerston North. This further boosts what was already the largest land bank of units in New Zealand's retirement village sector and gives Summerset enough secured land to more than double the size of its current New Zealand business.

Summerset opened a new main building at Summerset Richmond Ranges in the first half. All new villages have these main buildings which, as well as being home to serviced apartments, a care centre and a state-of-the-art memory care centre, also house resident amenities such as a gym, café and hairdresser.

“They are an integral part of all new Summerset villages and a key part of our continuum of care model, which is all about bringing the best of life for our residents,” Mr Scoullar said.

“We're looking forward to bringing our model of care to older Australians and are in the final stages of obtaining the planning permit for our first Australian village at Cranbourne North in Melbourne. The design and planning of our second village at Torquay is now well under way. In March we purchased land at Chirnside Park, and we have just bought a further site at Craigieburn, in north Melbourne.

Summerset has again led the way in the sustainability field, becoming the first retirement village operator in New Zealand to link sustainability achievements with funding arrangements under a newly signed agreement.

“As part of our sustainability commitment we are continually looking at sources of renewable energy for our villages, such as the environmentally friendly wood pellet boiler which will be used to heat our St Johns village main building when it opens in 2026,” Mr Scoullar said.

The Summerset Board has declared an unimputed interim dividend of NZ9.9 cents per share. The record date will be 7 September 2021, with payment on 20 September 2021.

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ABOUT SUMMERSET

- Summerset is one of the leading operators and developers of retirement villages in New Zealand, with 33 villages completed or in development nationwide at Aotea, Avonhead, Bell Block, Casebrook, Dunedin, Ellerslie, Hamilton, Hastings, Havelock North, Hobsonville, Karaka, Katikati, Kenepuru, Levin, Lower Hutt, Manukau, Napier, Nelson, New Plymouth, Palmerston North, Pāpāmoa Beach, Paraparaumu, Prebbleton, Richmond, Rototuna, St Johns, Taupō, Te Awa, Trentham, Whanganui, Warkworth, Whangārei and Wigram.
- In addition, Summerset has proposed sites at Half Moon Bay (Auckland) Milldale (Auckland), Parnell (Auckland), Rangiora (Canterbury), Waikanae (Kapiti Coast), Blenheim (Marlborough), Cambridge (Waikato) and Kelvin Grove (Palmerston North), plus four properties in Victoria, Australia, bringing the total number of sites to 45.
- Summerset provides a range of living options and care services to more than 6,600 residents.