

Half year results presentation

Half Year Report 2022

Agenda

- 01 Our highlights
- 02 Our community
- 03 New Zealand development
- 04 Australia development
- 05 Financial performance
- 06 Business performance
- 07 Appendix



Our highlights

Half Year Report 2022

Record underlying profit of \$82.5m up 9% on 1H21

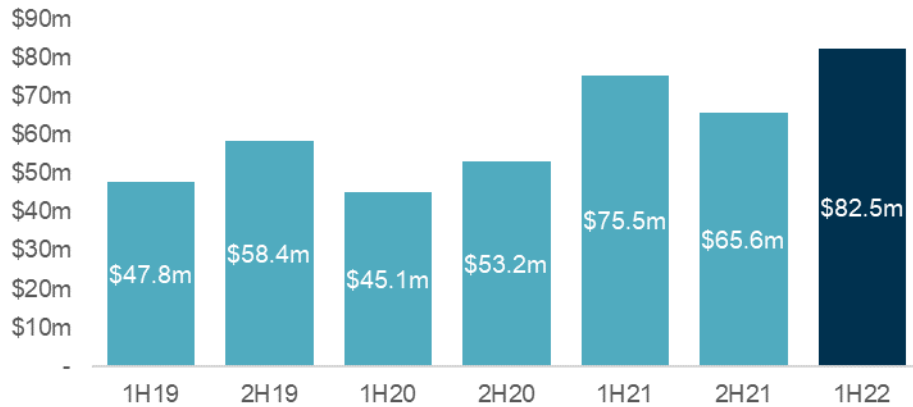
Increase in underlying profit driven by strong performance across our core business functions



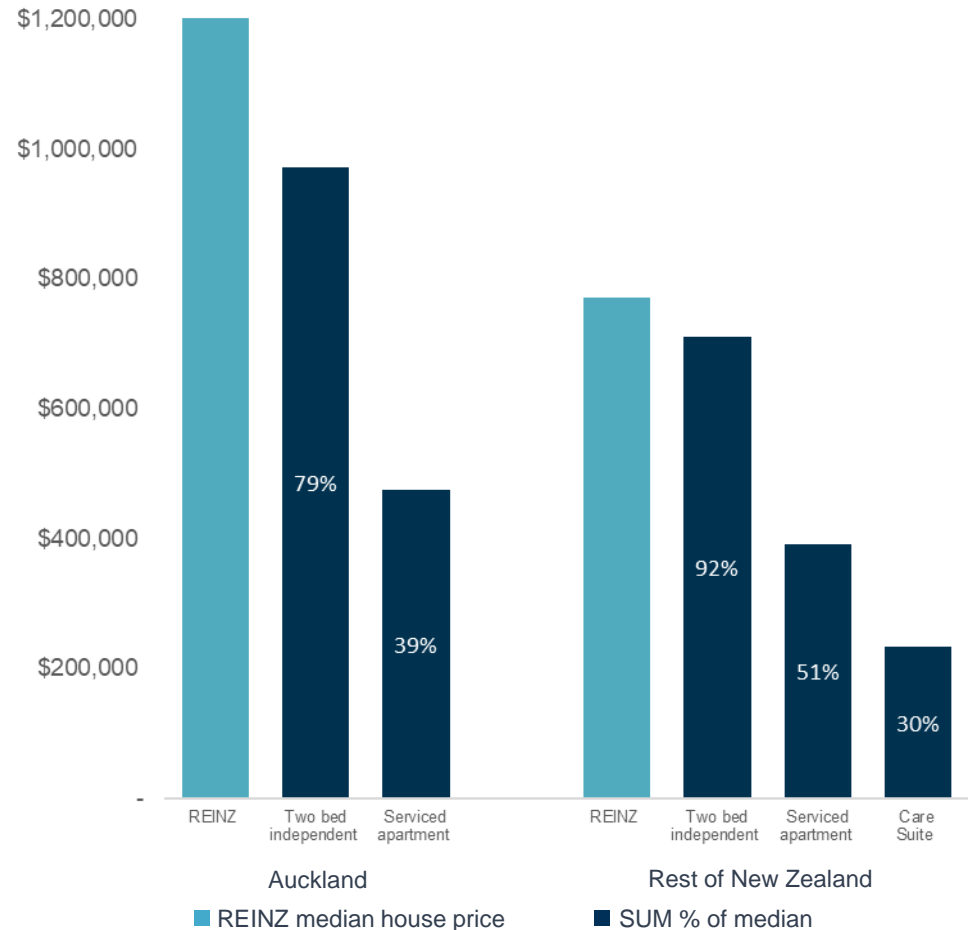
Record underlying profit of \$82.5m up 9% on 1H21

Continue to see strong demand across our villages, unit pricing remains well placed

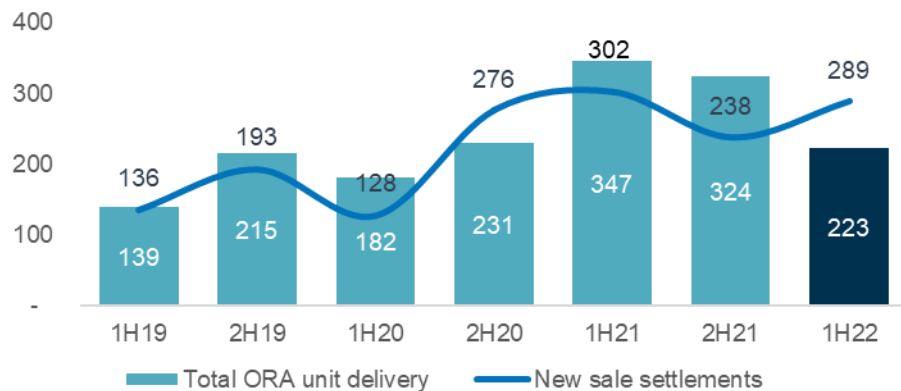
Underlying profit



Sales prices vs median house price



New sale settlements and total ORA unit delivery

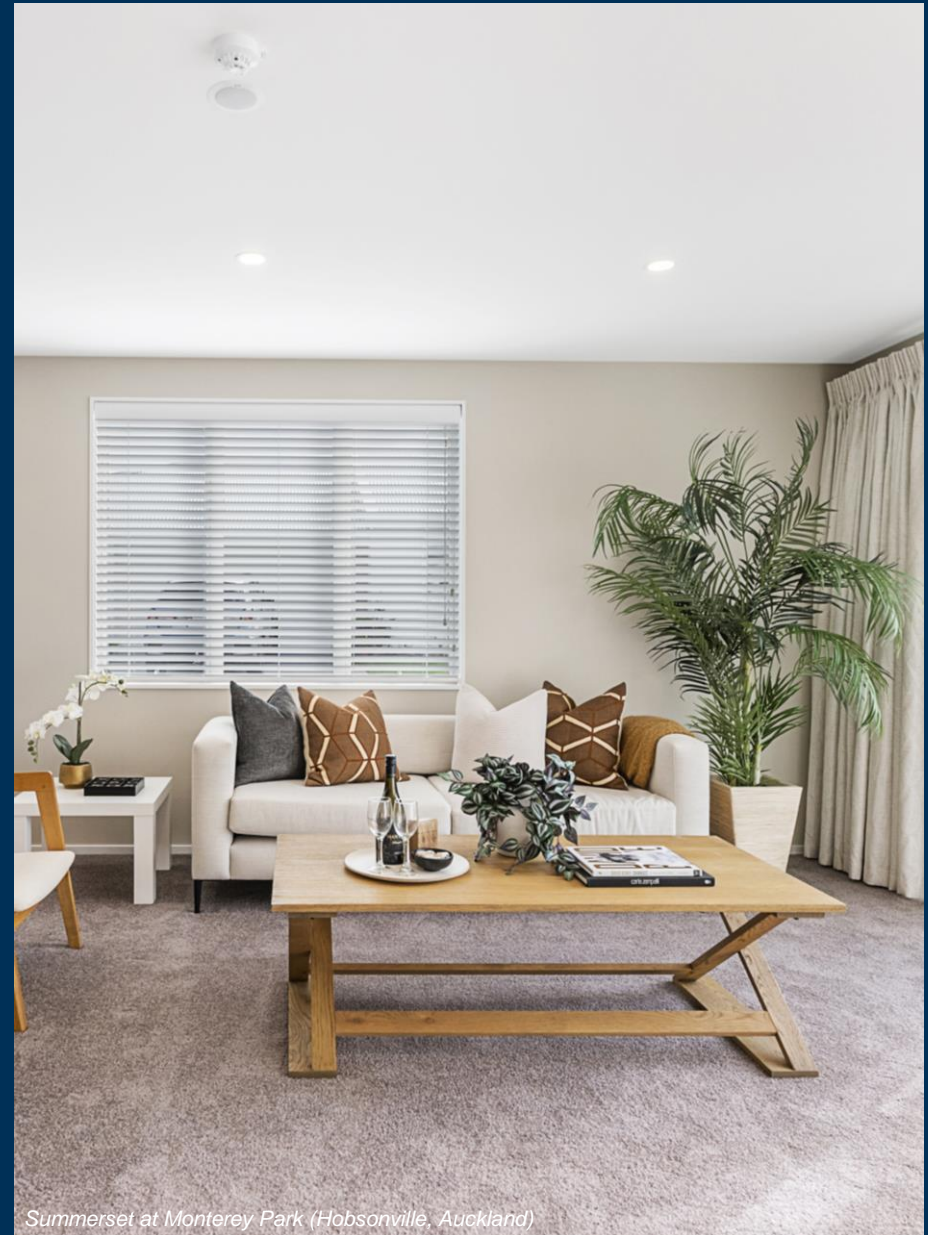


Source: REINZ, June 2022, based on Summerset catchments

1H22 investor highlights

Our results at a glance

-  Record first half underlying profit of \$82.5m, up 9% from \$75.5m in 1H21
-  Net profit after tax (NZ IFRS) of \$134.6m, down from \$263.8m in 1H21, related to lower fair value movement in investment property
-  Gearing ratio of 29.4%, up from 28.5% at 1H21
-  Achieved half year new and resale settlements of 511 total Occupation Rights units
-  A total of 223 villas delivered in the period across ten villages, a record number of villa deliveries for a six month period
-  Uncontracted new sale stock down 23% from FY21
-  Largest New Zealand land bank for a retirement village operator of 5,646 units and beds (6,947 incl. Australia)
-  Three new sites acquired, Masterton (Wairarapa), Fairy Springs (Rotorua) and Mernda (Melbourne)
-  On track to deliver approximately 600 homes in FY22



Summerset at Monterey Park (Hobsonville, Auckland)

Acquisitions – three new sites announced



**Masterton,
Wairarapa**



Approximately 235 independent homes



Rest home and hospital-level care



Memory care centre



**Fairy Springs,
Rotorua**



Approximately 267 independent homes



Rest home and hospital-level care



Memory care centre



**Mernda,
Melbourne**



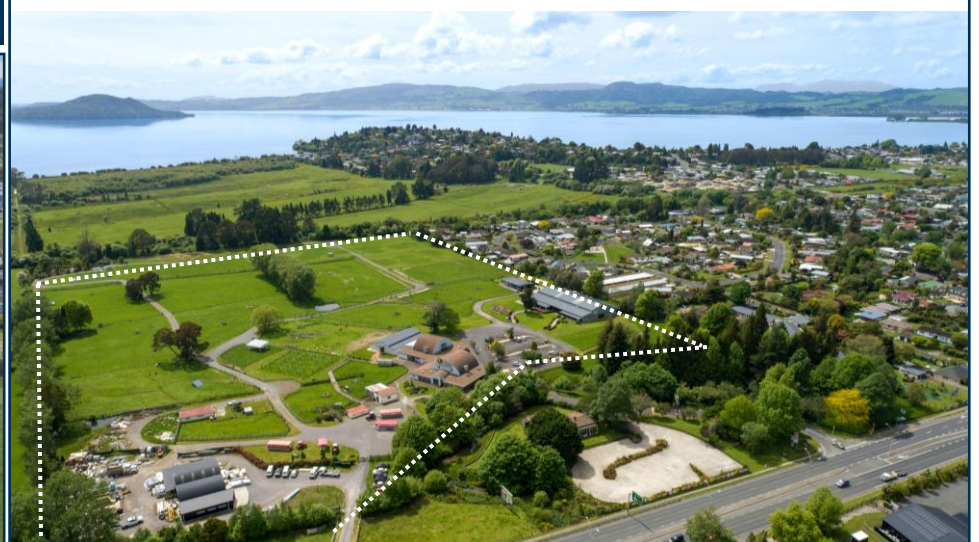
Approximately 304 independent homes



Rest home and hospital-level care



Memory care centre





Our community

Half Year Report 2022

COVID-19 update

Protection of staff and residents remains our focus

- We continue to focus on ensuring our residents are well protected against COVID-19
- Our high rates of vaccination, and the vigilance of our staff, enabled us to respond effectively to Omicron
- We held vaccination clinics at each village for all residents to get their COVID-19 booster (incl. second boosters from July)
- Over 95% of residents are fully vaccinated against COVID-19, with 49% of residents already receiving their second booster*
- As added protection, we also ensured all residents and staff had access to the flu vaccination at each village
- In 1H22 we invested \$3.4m into our COVID-19 response
- To recognise our frontline team's dedication during the Omicron surge we provided a 7% average increase in pay between March and May 2022
- Other measures implemented to restrict the spread of Omicron have included supplying, and 'fit testing' N95 masks for staff, and the use of air purifiers within our care centres
- To support our villages we introduced a Summerset Village Reliever Programme where Head Office staff were trained to step in and assist villages seriously affected by staffing shortages during the height of the Omicron wave



* Residents are only eligible for COVID-19 Booster 2 six months after receiving Booster 1

Our residents

Bringing the best of life to residents every day

- This year we committed to investing \$4.5m in frontline staff and new digital innovations – with a focus on keeping our residents safer and improving their experiences every day
- Developed a number of virtual events which included the “Summerset Sessions” entertainment programme
- Continued the roll out of our Summerset signature exercise class CB Fit, hosting live virtual exercise classes for residents while in restricted COVID-19 levels
- Commenced the roll out of PainChek, a tool that gives a voice to those who cannot reliably verbalise their pain - Summerset is the first aged care provider in New Zealand to use this technology
- Our new Kaitiaki (Wellbeing Assistant) roles continue to expand with 60 people recruited into these roles to support our residents
 - Kaitiaki improve resident independence by providing mobile therapy and also support access and participation in recreational and diversional therapy, especially for residents living with dementia
- Completed bringing our food services in-house, enabling us to improve consistency and develop clear service standards to the benefit of our residents and their guests



OUR RESIDENTS

Bringing the best of life to our residents every day — resulting in high levels of resident satisfaction



Lumin – resident portal

Bringing the best of life to residents every day

- Successfully completed Lumin trial at our Kenepuru village, now underway with the roll out of the technology across our villages
- Lumin is a purpose-built platform specifically aimed at assisting our residents and designed to complement life in modern retirement villages
- Lumin will enhance resident experience by streamlining communication and removing manual processes for bookings of activities and meals
- Key features of the portal include:
 - Providing residents access to village communications (village manager announcements)
 - Allows for easy resident communication via video calling and messaging between residents
 - Enables residents to book village activities, events, meals and other services (e.g. hair appointments)
 - Greater building management capability including integration with doorbells, lights and intercom systems
 - Call bell functionality that supports emergency duress with pendants, buttons and remote sensors
 - Provides medication reminders and wellness module including telemedicine



Our staff

Our staff are key to our success and we are immensely proud of the work they do

- As part of our three year wellbeing strategy and plan we have implemented a range of wellbeing initiatives for staff, a diversity and inclusion plan, and a wellbeing by design process
- Successfully piloted our Diversity Awareness and Inclusion Leadership Programme. This will now be rolled out across the business over the next 12 months
- Continued our core leadership development programmes with increased participation across the business. These now include external courses that focus on talent and succession planning
- Aligned with 'MATES in Construction' to support both mental and physical safety in the construction sector
- Design team recognised as finalists in the Auckland Property People Awards for Best Team and Young Achiever of the Year
- Construction team are finalists in the National Association of Women in Construction Award – Outstanding Achievement in Design



OUR PEOPLE
 People are the heart of Summerset. Our values are:
Strong enough to care
One team
Strive to be the best



Our environment

Environmental performance and sustainability

- This is the final year of our short term carbon reduction target, being a 5% reduction in emissions intensity
- We are on track to achieve this, and also our medium and long term targets which include:
 - Reducing our emissions intensity per square metre by over 60% by 2032
 - Continuing to drive our construction waste avoidance initiative forward
- We are the only retirement village operator in NZ to be carbonzero™ certified and are a member of the Climate Leaders Coalition
- Staff and residents are actively involved in our sustainability initiatives under our “Go Greener” programme
- Undertook the first step of integrating solar panels into existing and developing villages starting with Nelson’s Summerset in the Sun village
- Started to make the switch to electric vehicles (EVs) and continued to introduce EV charging solutions to our villages
- Progressed our innovative new main building design, developed to achieve high levels of sustainability – both operationally and in relation to embodied carbon



Our sustainability affiliations

CLIMATE LEADERS COALITION
ON A MISSION TO REDUCE EMISSIONS IN NEW ZEALAND

CDP™
DISCLOSURE INSIGHT ACTION

TOITŪ
CARBON ZERO

NZGBC
TE KAUNIHERA HANGANGA TAUTAIAO
Member 2022–2023

Harbour
ASSET MANAGEMENT

MSCI

CRAIGS®
INVESTMENT PARTNERS

ISO 14064-1 ORGANISATION

Our Sustainability Policy, Supplier Code of Conduct and Modern Slavery Policy are all available on our website



New Zealand development

Half Year Report 2022



Summerset at Monterey Park (Hobsonville, Auckland)



Summerset St Johns (Auckland)

Development activity

New Zealand summary

- In 1H22 we delivered 223 total units over ten sites, our second highest first half delivery programme ever
- A total of 16 villages in construction across nine regions in New Zealand in 1H22
- Began construction at our Blenheim village in Marlborough
- Good progress made on the four villages which started construction in FY21 – being Lower Hutt, Cambridge, Prebbleton and Waikanae
- On track to deliver the main building at Kenepuru in 2H22 with first residents expected early in 2023
- Construction costs have been tightly managed through our strong procurement and supply agreements
- Lodged plan change for our newly acquired site in Masterton and have reached an out of court agreement with the appellants to our Resource Consent decision at Parnell, this is now with the Court for consideration
- Now have 88% of our NZ land bank fully consented, excluding Masterton and Rotorua (announced today)
- On track to deliver approximately 600 homes in FY22



Summerset Mt Denby (Whangārei)



Summerset Cambridge (Waipā District)



Summerset by the Dunes (Pāpāmoa Beach, Tauranga)



Summerset Rototuna (Hamilton)

Summerset Palms, Te Awa, Napier



Site progress - Mar 2018



Site acquired



Site progress - Dec 2020



Civils complete, 40 independent homes delivered



Site progress - Jun 2021



68 independent villas delivered, main building construction underway



Site progress - Jun 2022



111 independent villas and show home delivered, main building construction well underway



Summerset at Pōhutukawa Place (Bell Block, New Plymouth)



Summerset Boulcott (Lower Hutt, Wellington)



Summerset Waikanae (Kāpiti Coast)



Summerset Richmond Ranges (Tasman District)

Summerset on the Landing, Kenepuru



Site progress - Jun 2019



Civils started, no independent homes delivered



Site progress - Jun 2020



29 independent villas delivered, apartment blocks under construction



Site progress - Jun 2021



51 independent villas and 24 apartments delivered, main building under construction



Site progress - Jun 2022



82 independent villas and 48 apartments delivered, main building nearing completion



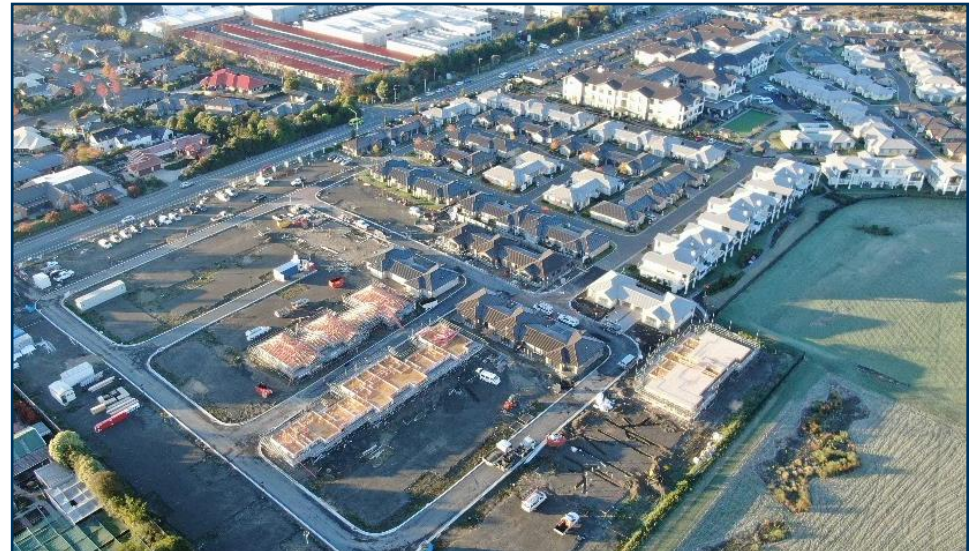
Summerset Blenheim (Marlborough District)



Summerset at Avonhead (Christchurch)



Summerset Prebbleton (Selwyn District)



Summerset on Cavendish (Casebrook, Christchurch)

New Zealand development pipeline

Diversified development pipeline with 23 sites in 1H22, 88% of land bank fully consented**



* New sites purchased

** Excludes newly purchased sites (Masterton and Rotorua)



Australia development

Half Year Report 2022



Development activity

Australia summary

- We now have six Australian sites with the recent acquisition of Mernda
- Continue to look for suitable sites around Victoria to complement the existing properties, with a focus on broad acre opportunities
- Our current Australia pipeline gives us excellent capacity to build over 1,700 units (including Mernda)
- Our first retirement village in Cranbourne North has been consented, and we have completed major earthworks onsite. Civil works are now underway and first villas are expected to be available in Q4 2023
- Consenting is also progressing well at our Chirnside Park site, and we have lodged the planning application for Torquay
- Summerset has been approved to provide residential aged care and home care services in Australia



Artist impression: Summerset Chirnside Park (Melbourne)



Artist impression: Summerset Craigieburn (Melbourne)



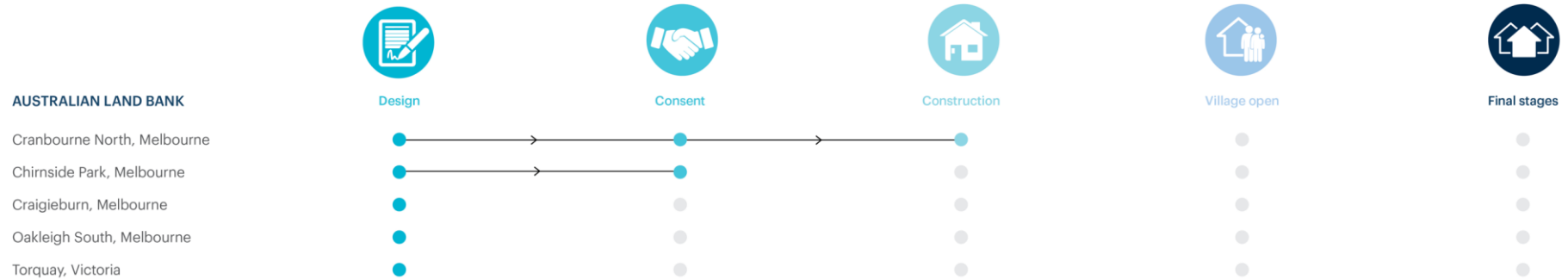
Artist impression: Summerset Oakleigh South (Melbourne)



Artist impression: Summerset Torquay (Victoria)

Australia development pipeline*

Excellent progress made in growing our Australian land bank



*As at 30 June 2022, excludes Mernda



Financial performance

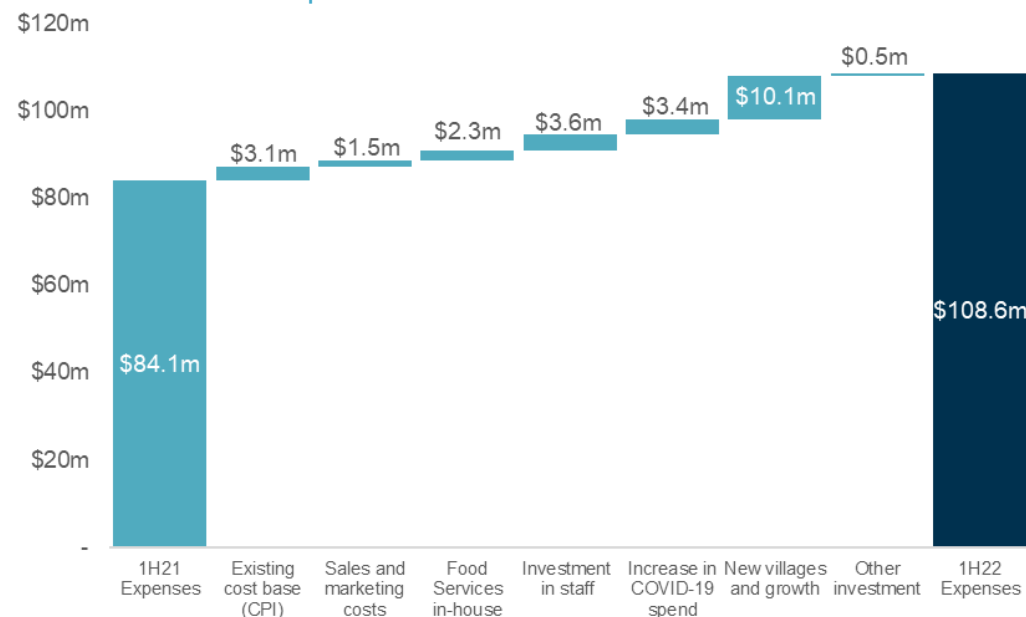
Half Year Report 2022

Reported profit (IFRS)

- IFRS NPAT of \$134.6m, down from \$263.8m 1H21
- Fair value movement of investment property of \$136.7m, including \$94.9m from new unit deliveries
- Total revenue of \$114.1m, up 20% relative to 1H21
- Key movements in expenses include the following:
 - \$10.1m relating to growth in our developing villages
 - \$3.6m on investment in staff, including new roles, training and development
 - \$2.3m associated with bringing food services in-house
 - \$1.5m on sales and marketing costs, including a nationwide advertising campaign post COVID-19
 - \$0.5m associated with other property related expenditure, Australia and one off initiatives to upgrade our IT systems
 - \$3.4m on COVID-19 related expenditure which included \$1.4m on personal protective equipment and \$1.9m on additional staffing
- The increase in net finance costs mostly relates to the increase in bank facility limit (refinanced October 2021)

NZ\$m	1H22	1H21	Variance	FY21
Total revenue	114.1	94.9	20%	205.3
Reversal of impairment on land & buildings	-	-	-	3.4
Fair value movement of investment property	136.7	260.2	(47%)	537.5
Total income	250.8	355.1	(29%)	746.3
Total expenses	108.6	84.1	29%	190.6
Net finance costs	7.3	5.3	36%	12.0
Net profit before tax	134.9	265.6	(49%)	543.6
Tax expense / (credit)	0.3	1.8	(84%)	(0.0)
Net profit after tax	134.6	263.8	(49%)	543.7

Movement in total expenses: 1H21 vs 1H22



Fair value movement

- 1H22 fair value movement of \$136.7m, down 47% on 1H21
- Fair value movement has been driven by:
 - Unit pricing (\$55.4m): Retirement unit price inflation on existing units within the portfolio
 - New units built (\$94.9m): Value of new units delivered in 1H22
 - Stock discount assumptions: Reversal of previous discount applied to stock settled in 1H22 (\$13.0m)
 - Uplift in land bank (\$15.4m): Valuation movement on undeveloped land bank
 - Discount rates (\$2.7m): Change in assumptions used by the valuers
 - Growth rate assumptions (-\$44.8m): Impact of a reduction to short term growth rates within the valuation
- Refer to the appendices (slide 56 and 57) for key assumptions associated with the investment property valuation

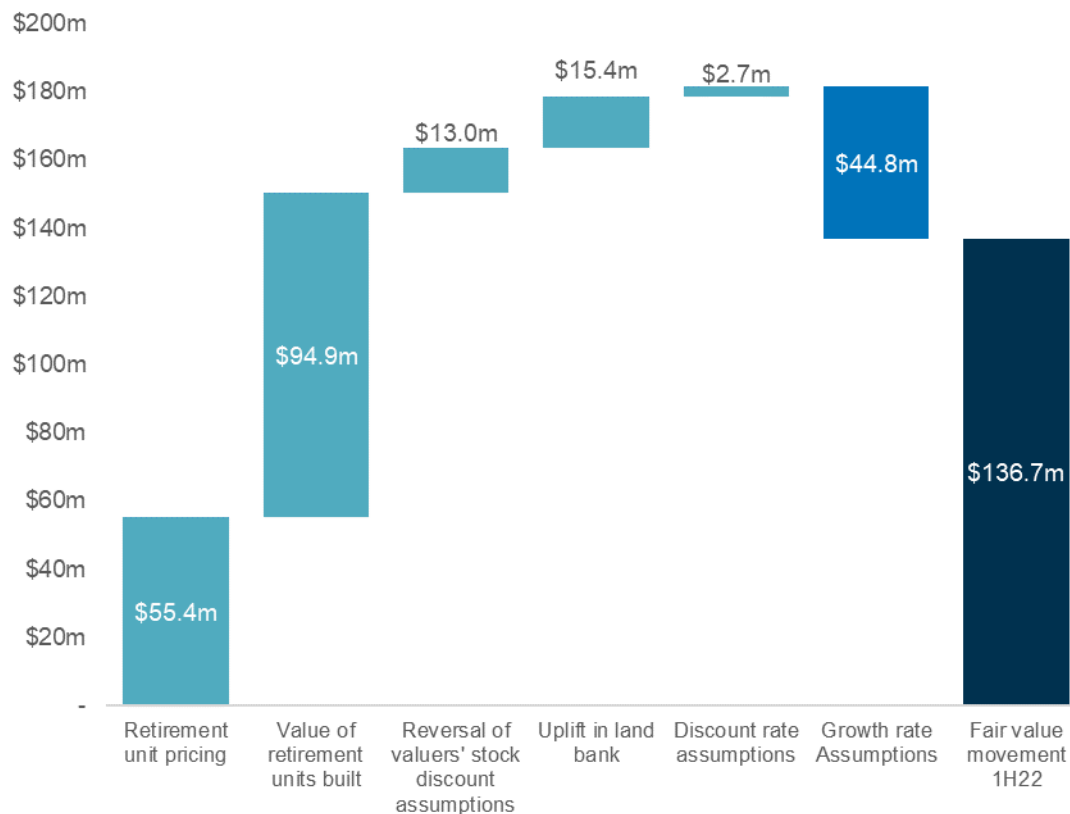
\$136.7m

Fair value movement

\$94.9m

Increase from new units delivered

Fair value movement of investment property 1H22



Note: Fair value movement reflects the movement in villas, apartments and serviced apartments only

Underlying profit

- Underlying profit of \$82.5m, a six month record and up 9% on 1H21
- Continue to achieve improved performance in operating earnings across our core business functions:
 - Care fees and village services of \$68.7m, up 16%
 - Deferred management fee of \$43.9m, up 24%
 - Realised gain on resales of \$31.9m, up 8%
- Realised development margin of \$52.3m, a 29% increase, average margin of \$181k per unit

\$82.5m

Underlying profit

9%

Increase on 1H21 ▲

NZ\$m	1H22	1H21	Variance	FY21
Care fees and village services	68.7	59.5	16%	126.9
Deferred management fees	43.9	35.4	24%	75.2
Realised gain on resales	31.9	29.4	8%	59.9
Realised development margin	52.3	40.7	29%	78.5
Other income & interest received	1.5	0.0	8871%	3.3
Total income	198.3	165.0	20%	343.8
Operating expenses	102.0	79.0	29%	179.0
Depreciation and amortisation	6.6	5.2	28%	11.6
Net finance costs	7.3	5.3	36%	12.0
Total expenses	115.9	89.5	29%	202.6
Underlying profit	82.5	75.5	9%	141.1

Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The Directors have provided an underlying profit measure in addition to IFRS profit to assist readers in determining the realised and unrealised components of fair value movement of investment property, impairment and tax expense in the Group's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions and has been reviewed by Ernst & Young. Underlying profit is a measure which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend payout to shareholders.

Cash flows

- Net operating cash flows of \$190.4m, down 14% from \$222.7m at 1H21 primarily due:
 - Slightly lower volumes of new sale settlements compared to 1H21
 - Timing of resale cash flows relating to outgoing residents. This impacted circa 30 additional units relative to 1H21 but is expected to reverse in 2H22 as a high proportion of these units are now contracted and awaiting settlement
 - Increased operating costs relating to COVID-19, new roles and cost pressures
- Investing cash out flows of \$267.0m, up 44% on 1H21, reflect the following:
 - Acquisition of land
 - Main building spend across six sites, including increased spend on two additional sites (Pāpāmoa and Bell Block)
 - Villa stages across 13 sites
- Net financing cash flows of \$104.6m, up \$138.4m on 1H21 driven by higher net proceeds from borrowings

\$190.4m

Net operating cash flows

14%

Decrease on 1H21 ▼

NZ\$m	1H22	1H21	Variance	FY21
Net operating business cash flow	7.4	35.5	(79%)	45.8
Receipts for residents' loans - new sales	183.0	187.2	(2%)	337.6
Net operating cash flow	190.4	222.7	(14%)	383.4
Purchase of land	(66.5)	(23.8)	180%	(72.0)
Construction of new IP & care facilities	(177.4)	(142.1)	25%	(318.3)
Refurb of existing IP & care facilities	(5.5)	(4.1)	33%	(8.5)
Other investing cash flows	(3.8)	(5.6)	(32%)	(9.7)
Capitalised interest paid	(13.8)	(9.8)	42%	(16.5)
Net investing cash flow	(267.0)	(185.4)	44%	(425.0)
Net proceeds from borrowings	122.5	(20.1)	(709%)	67.1
Net dividends paid	(12.2)	(9.8)	25%	(23.7)
Other financing cash flows	(5.6)	(3.9)	44%	(9.2)
Net financing cash flow	104.6	(33.8)	(409%)	34.2

Balance sheet

- Total assets of \$5.4b, up 23% on 1H21 driven by portfolio growth and the underlying value in our existing villages
- Investment property valuation of \$5.0b, up 22% on 1H21
- Retained earnings are now \$1.7b, up 29% from \$1.3b at 1H21. This continues to positively impact balance sheet strength and company gearing ratios
- Other assets include buildings, which are primarily care centres
- Net tangible assets per share of \$8.91, the highest of all listed operators in the sector

\$5.4b

Total assets ▲ 23%

\$1.7b

Retained earnings ▲ 29%

NZ\$m	1H22	1H21	Variance	FY21
Investment property	4,955	4,066	22%	4,580
Other assets	420.0	309.3	36%	343.5
Total assets	5,375	4,375	23%	4,924
Residents' loans	2,008	1,708	18%	1,847
Face value of bank loans & bonds*	896.9	662.7	35%	749.9
Other liabilities	407.4	386.7	5%	402.1
Total liabilities	3,313	2,757	20%	2,999
Net assets**	2,062	1,618	27%	1,925
NTA (cents per share)	891.3	708.0	26%	835.9

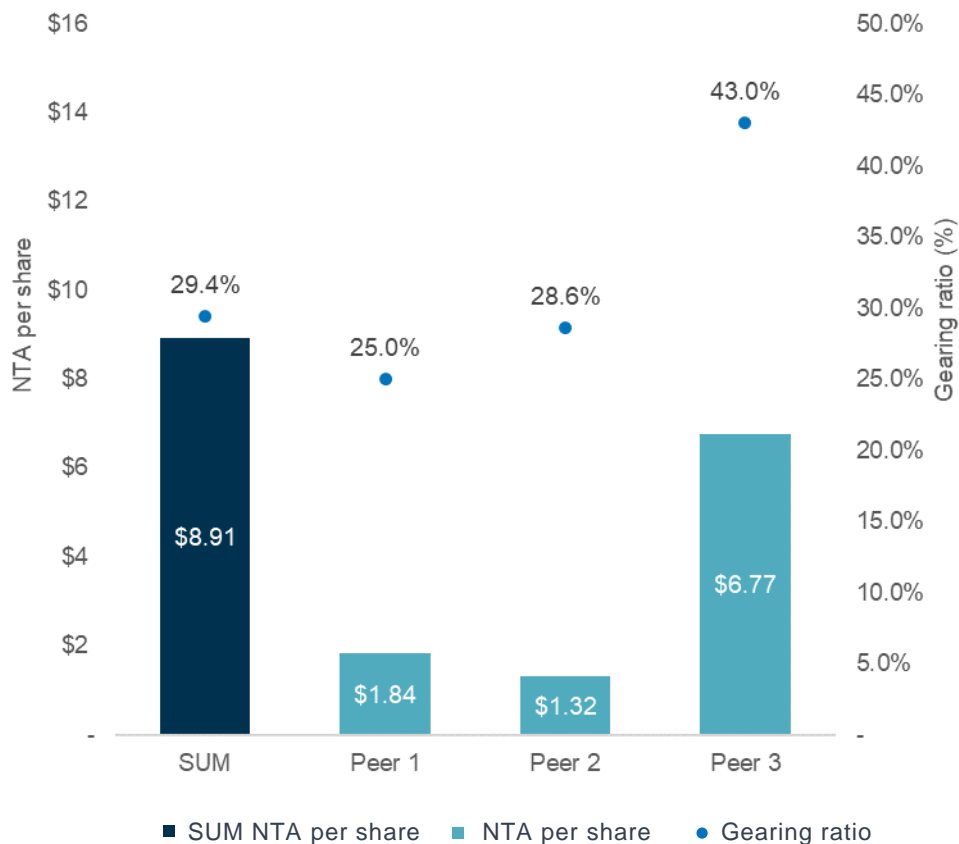
* Face value of drawn bank debt and retail bonds. Excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings.

** Net assets includes share capital, reserves, and retained earnings

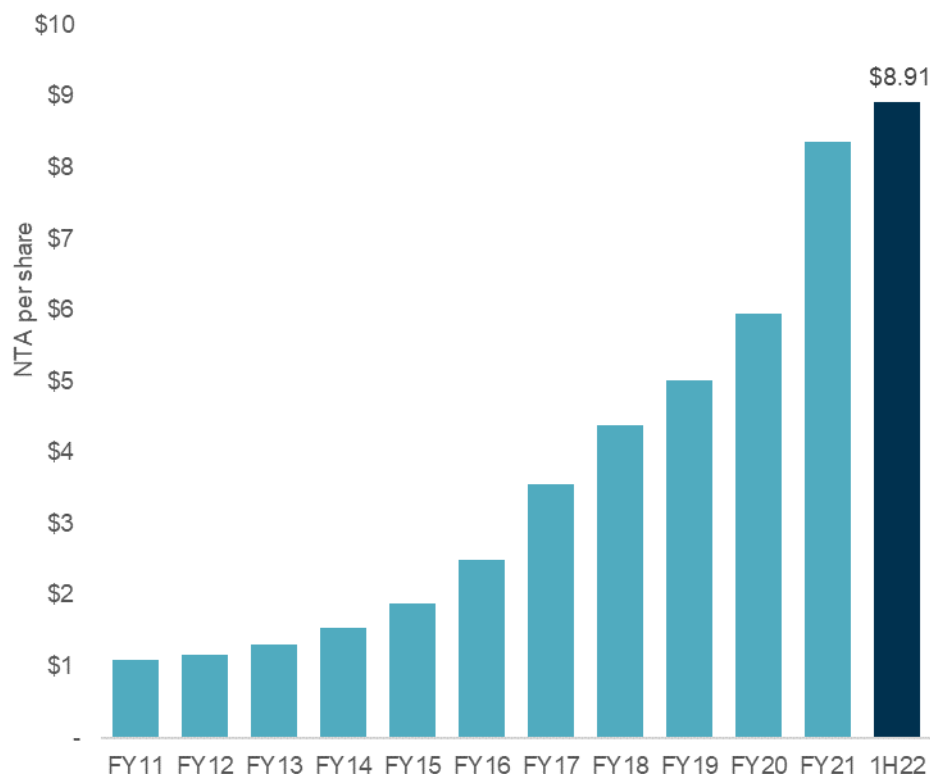
Net tangible assets

Strong financial disciplines underpinning net tangible assets and gearing

Net tangible assets and gearing*



Summerset net tangible assets per share



* Peer results based on most recent results presentations and annual or half year reports

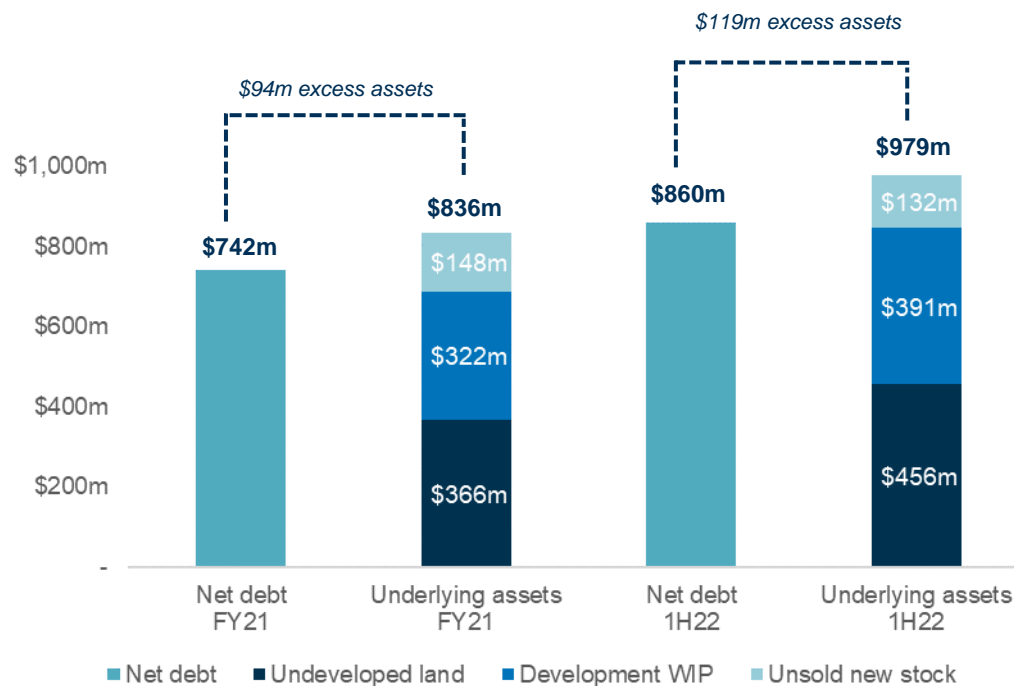
Gearing ratio

- Net debt of \$860.3m* as at 30 June 2022, up from \$741.5m* at FY21
- Uplift in gross debt driven by increased build rate across our developing villages and land settlements in the period
- Gearing ratio of 29.4%, up from 28.5% at 1H21 and 27.8% at FY21
- New Zealand gearing ratio with Australian growth related debt excluded is 23.8%
- Development assets exceed the value of net debt by \$119m, or 14%

29.4%

Gearing ratio

Net debt to underlying assets



	1H22	1H21	Variance	FY21
Gearing ratio (%)**	29.4%	28.5%	3.5%	27.8%
Bank & bond LVR (%)**	32.9%	31.2%	5.4%	29.8%

* Face value of drawn bank debt and retail bonds. Excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings less cash and cash equivalents

** Gearing ratio calculation (net debt / net debt plus book equity) differs from the Summerset Group's bank and bond LVR covenant (Total debt of the Summerset Group / Property value of the Summerset Group)

Funding

- Bank facility approximately \$1.2b, with existing \$375.0m of retail bonds
- Total facility (incl. bonds) has an average tenure of 3.2 years
- Bank facility has undrawn capacity at \$634.8m at 1H22
- Increased capacity since October 2021 provides sufficient headroom to fund growth in Australia, in line with previously signalled plans

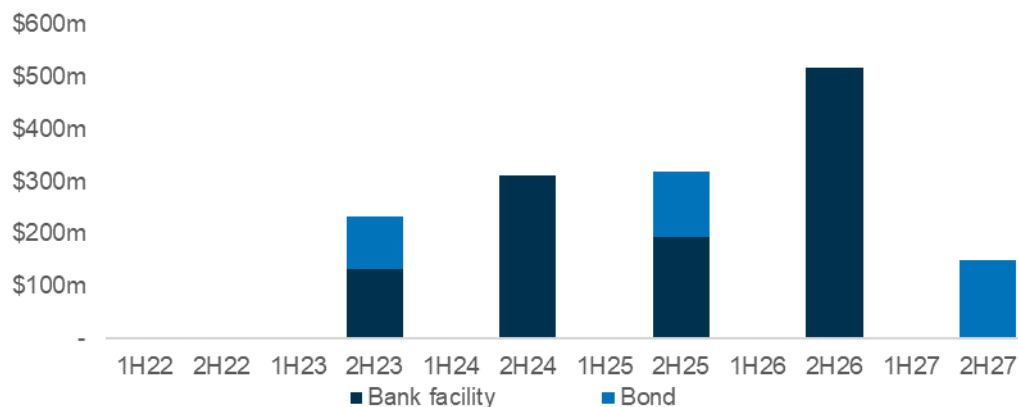
\$1.2b

Bank facility

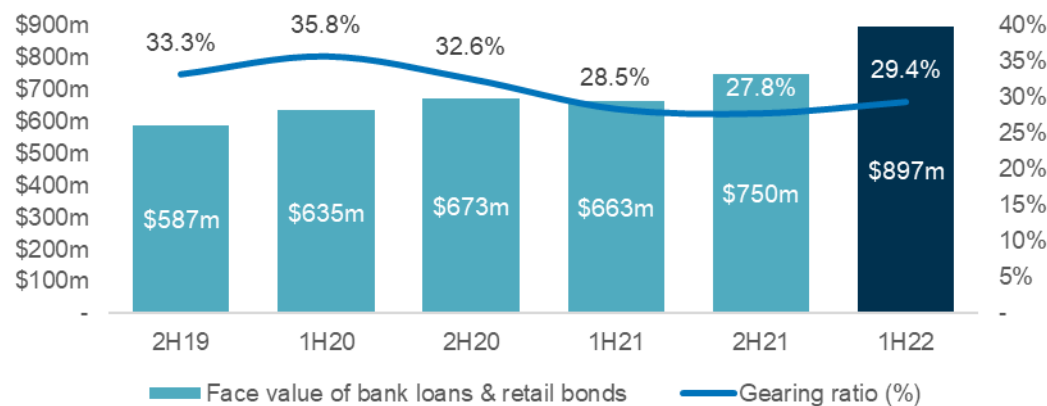
\$375m

Retail bonds

Funding maturity profile



Gross borrowings and gearing



* Face value of drawn bank debt and retail bonds. Excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings less cash and cash equivalents

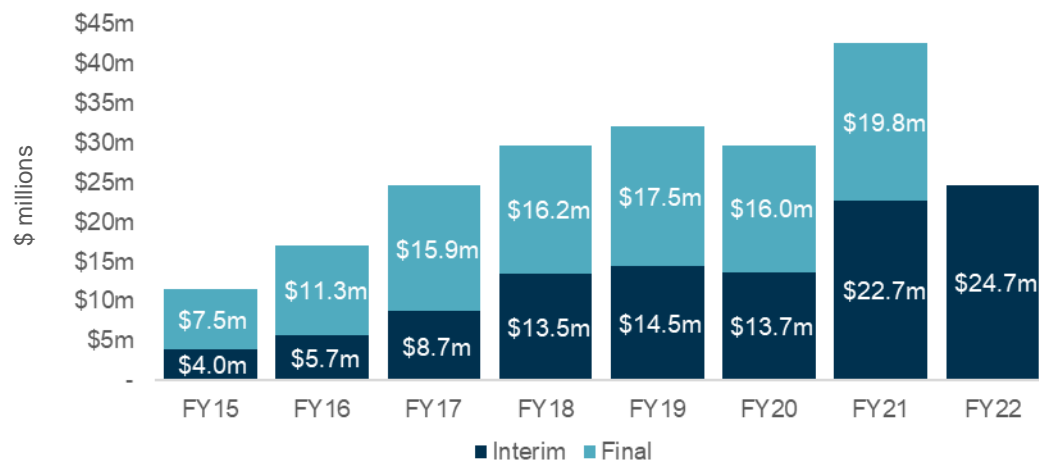
** Gearing ratio calculation (net debt / net debt plus book equity) differs from the Summerset Group's bank and bond LVR covenant (Total debt of the Summerset Group / Property value of the Summerset Group)

Interim dividend

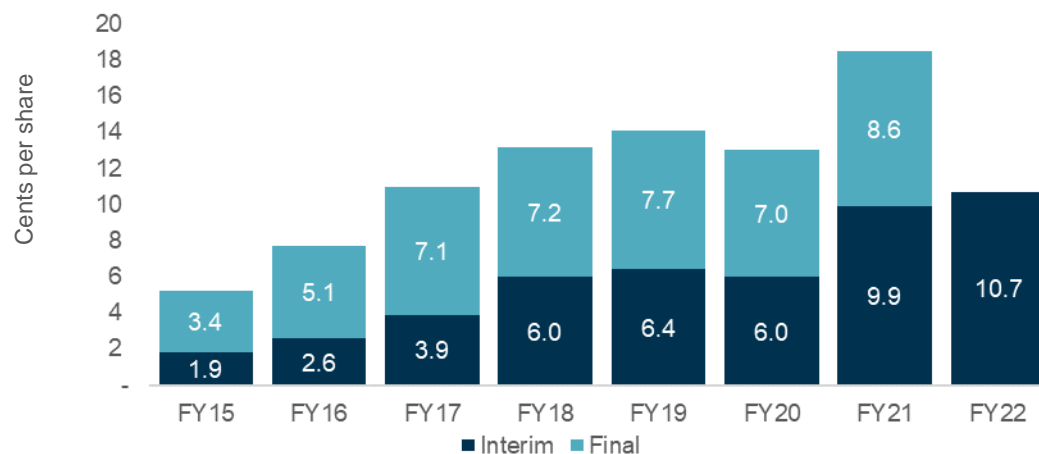
Declared 1H22 interim dividend of 10.7 cents per share

- The Board has declared an unimputed interim dividend of 10.7 cents per share, being 30% of underlying profit
- This represents a payout for 1H22 of approximately \$24.7m, 30% of 1H22 underlying profit
- The dividend reinvestment plan (DRP) will apply to this dividend enabling shareholders to take shares in lieu of the cash dividend
- A discount of 2% will be applied when determining the price per share of shares issued under the DRP
- Eligible investors wishing to take up the DRP must register by 5.30pm NZT on Wednesday 7 September 2022. Any applications received on or after this time will be applied to subsequent dividends
- The interim dividend will be paid on Monday 19 September 2022. The record date for final determination of entitlements to the interim dividend is Tuesday 6 September 2022
- The dividend policy remains 30% to 50% of underlying profit for the full year period. As previously indicated, dividend payments are likely to continue to be at the bottom end of this range given the growth opportunities present for the business at this time

Gross dividend payout per year



Dividend per share





Summerset by the Sea (Katikati, Bay of Plenty)

Business performance

Half Year Report 2022

Retirement unit delivery

Second highest 1H deliveries of 223 total units

- A total of 223 retirement units delivered in the period across ten villages
- This is the second highest number of first half deliveries for Summerset, and a record number of villa deliveries for a six month period
- The balanced delivery profile continues to highlight our diversified construction programme operating across ten regions in New Zealand
- Expect to welcome our first residents into our Prebbleton village in Q4 2022, marking the opening of our fourth Canterbury village
- Kenepuru main building nearing completion, will include rec and admin areas, serviced apartments, memory care apartments and a care centre
- Kenepuru will be the sixth village to provide our market leading memory care in New Zealand

223

Retirement units delivered

10

Regions in construction

1H22 unit delivery				Care units			Total units
	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	
Avonhead	22	-	-	-	-	-	22
Bell Block	18	-	-	-	-	-	18
Casebrook	20	-	-	-	-	-	20
Hobsonville	16	-	-	-	-	-	16
Kenepuru	17	-	-	-	-	-	17
Pāpāmoa	26	-	-	-	-	-	26
Richmond	35	-	-	-	-	-	35
Rototuna	21	-	-	-	-	-	21
Te Awa	18	-	-	-	-	-	18
Whangārei	30	-	-	-	-	-	30
Total	223	-	-	-	-	-	223

Development margin

Realised development margin of \$52.3m, with a 28% development margin

- Realised development margin of \$52.3m, a record half year result and up 29% from \$40.7m in 1H21
- Development margin of 28%, up from 22% in 1H21 driven by:
 - Further strengthening of margins on villa stages with an average margin of around 35%, up from 28% 1H21 and 31% 2H21
 - A lower weighting to apartment settlements relative to 1H21
 - Fewer Auckland settlements across all unit types
- Expect development margin to normalise next year in line with delivery mix that includes more serviced apartments and care units
- New sales benefitted from a balanced nationwide settlement profile, no more than 28% of new sales coming from a single region
- We are expecting development margin for 2H22 to remain consistent with 1H22

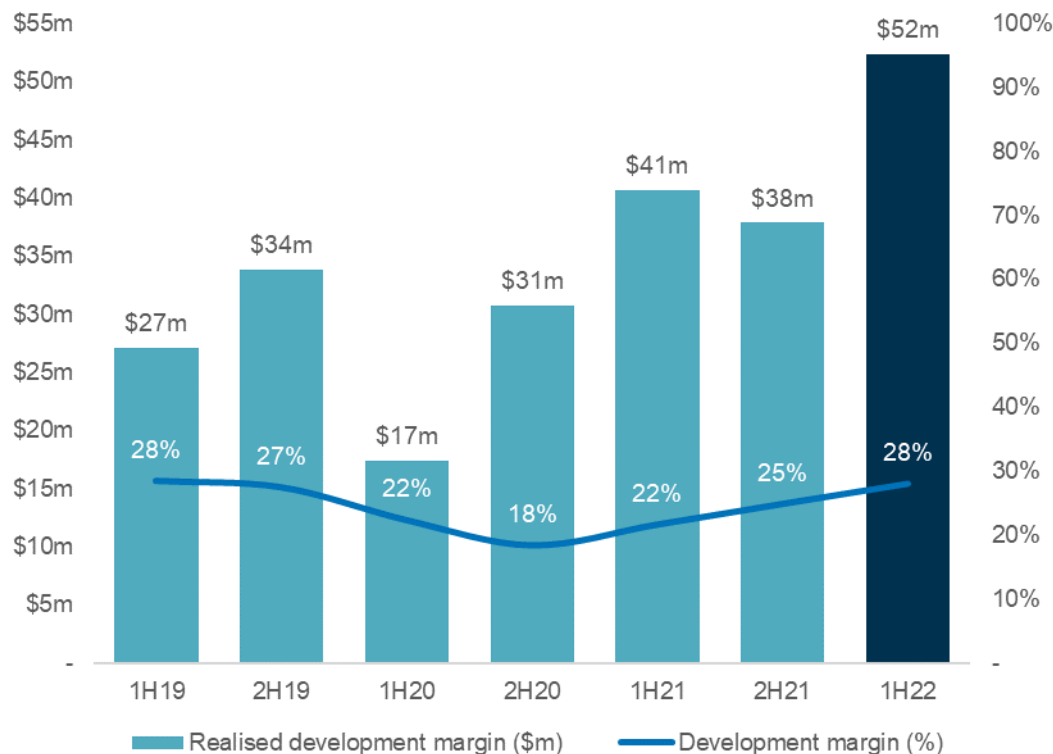
28%

Development margin

\$52.3m

Realised margin ▲ 29%

Realised development margin



New sales

289 new sales in the period, gross proceeds of \$186.8m

- 289 new sales of Occupation Rights in 1H22, the second highest number for a six month period
- Gross proceeds of \$186.8m, in line with the \$188.0m achieved in 1H21 - the increases in average prices offsetting lower total volumes
- Average gross proceeds per new sale settlement of \$646k, up from \$623k on 1H21 (3.8%)
- Seven regions secured more than 20 settlements each
- Looking ahead, we continue to see strong presales with several stages to be delivered in 2H22 already fully presold

289

New sales of
Occupation Rights

\$646k

Average gross
proceeds ▲ 3.8%

New sales	1H22	1H21	Variance	FY21
Gross proceeds (\$m)	186.8	188.0	(1%)	340.3
Villas	182	197	(8%)	335
Apartments	25	47	(47%)	79
Serviced apartments	49	45	9%	92
Memory care apartments	25	7	257%	19
Care suites	8	6	33%	15
Total Occupation Rights	289	302	(4%)	540

New sales stock

Uncontracted stock levels down 23% from FY21

- Good progress made on selling down new sale stock
- Uncontracted new sale stock of 201 units, down from 262 at FY21 (-23%)
- Uncontracted stock as a % of portfolio of 3.8% is now at the lowest level in five years
- The decline in overall stock has been driven by:
 - Good apartment sales at Ellerslie and Kenepuru
 - The sale of serviced apartments, memory care apartments and care suites at Avonhead, Richmond and Rototuna. Over two thirds of these main building units are now contracted or settled
 - The sell down of remaining serviced apartment stock in Auckland and Katikati
- Increase in villa stock driven by high deliveries in the last two months of 1H22, only 21% of all units delivered in the period remain uncontracted
- Like presales, we continue to maintain strong contracted stock levels on delivered units which positions us well for the remainder of the year

201

Uncontracted
new sale stock

3.8%

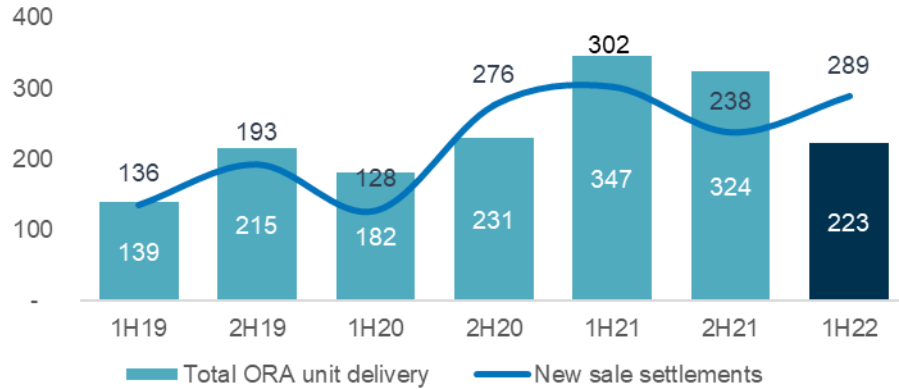
Percentage of
uncontracted stock

New sales stock	1H22	FY21	1H21
Contracted	113	115	93
Uncontracted	201	262	222
Total new sales stock	314	377	315
Contracted	59	54	48
Uncontracted	64	28	24
Villas	123	82	72
Contracted	18	19	17
Uncontracted	40	64	74
Apartments	58	83	91
Contracted	29	26	21
Uncontracted	64	116	79
Serviced apartments	93	142	100
Contracted	4	15	7
Uncontracted	14	28	28
Memory care apartments	18	43	35
Contracted	3	1	-
Uncontracted	19	26	17
Care suites	22	27	17

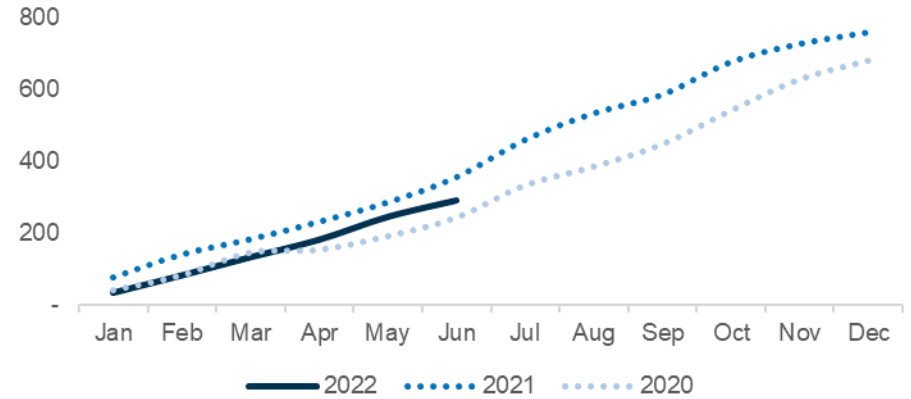
Percentage of uncontracted stock calculated off all units sold under Occupation Right Agreement

New sales performance

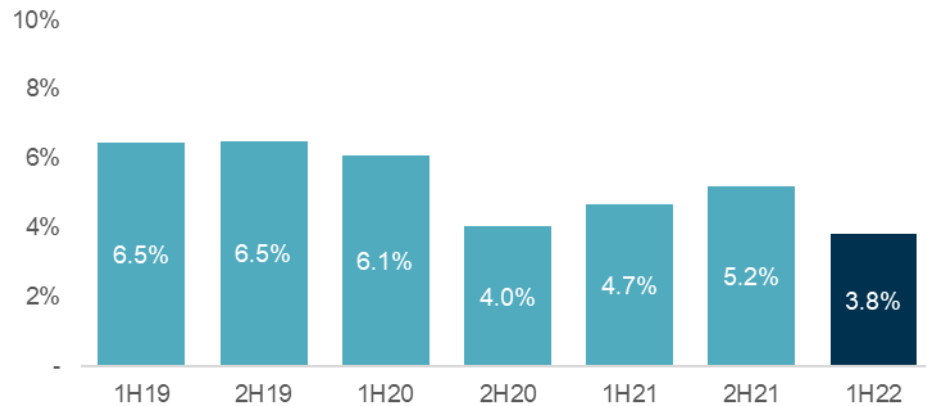
New sale settlements and total ORA unit delivery



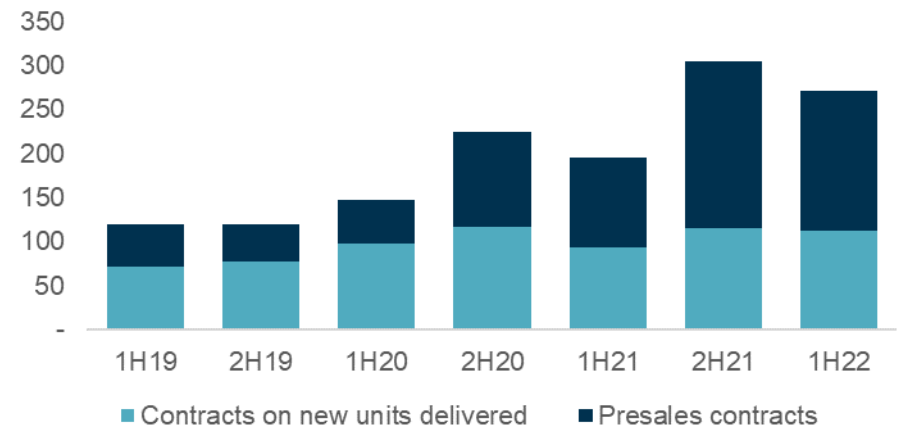
Annual new sales contracts



Uncontracted new sales stock as % of portfolio



Committed new sales pipeline



Resales

Realised gain of \$31.9m, up 8%, embedded value now \$1.5b

- Total resales of 222 Occupation Rights in 1H22, down from 243 in 1H21, but up from 195 in 2H21
- Gross proceeds per resale settlement of \$557k, up 7% from \$521k in 1H21
- Total gross proceeds of \$123.7m, broadly in line with 1H21 as higher average gross proceeds per unit were offset by lower overall resales
- Realised resale gain of \$31.9m with an average gain per unit of \$144k, up 17% on 1H21
- Realised resale gain of 26%, reflects a higher proportion of resales in developing villages and a higher weighting to serviced and memory care apartments
- Villa margins in existing villages continue to track above 33%

222

Resales of Occupation Rights

\$31.9m

Realised resale gain ▲ 8%

Resales	1H22	1H21	Variance	FY21
Gross proceeds (\$m)	123.7	126.6	(2%)	231.3
Realised resale gains (\$m)	31.9	29.4	8%	59.9
Realised resale gains (%)	26%	23%	11%	26%
DMF realisation (\$m)	16.2	17.8	(9%)	32.0
Villas	96	125	(23%)	219
Apartments	27	35	(23%)	58
Serviced apartments	92	79	16%	151
Memory care apartments	6	4	50%	10
Care Suites	1	-	-	-
Total Occupation Rights	222	243	(9%)	438

Embedded value

Embedded value now \$1.5b, up 29%

- Total embedded value now \$1.5b, having increased from \$1.1b at 1H21, a 29% uplift
- Embedded value comprised of:
 - \$1.04b resale gains
 - \$0.43b deferred management fees
- Embedded value per unit is now \$278k, up from \$240k at 1H21, which will provide a strong platform for future earnings growth
- Unrealised resale gain per unit now \$197k, compared to \$164k at 1H21

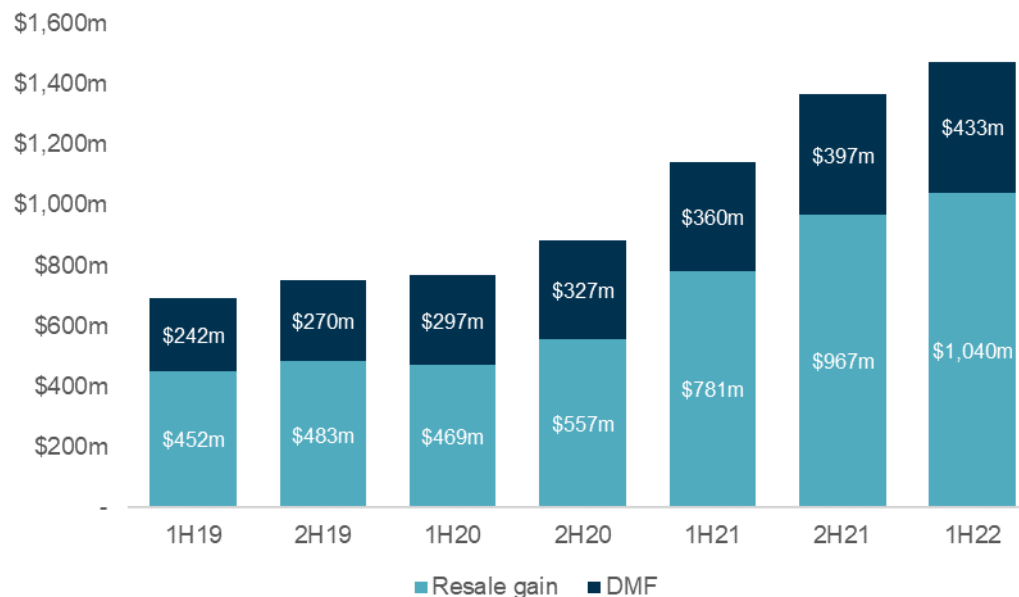
\$1.5b

Embedded value

\$1.0b

Embedded resale gain

Embedded value



	1H22	1H21	Variance	FY21
DMF	\$432.6	\$360.0	20%	\$397.4
Resale gain	\$1,040.4	\$780.9	33%	\$967.3
Embedded value	\$1,473	\$1,141	29%	\$1,365

Resale stock

Available resale stock remains at low levels

- Resale stock has increased from 198 units at FY21 to 233 units at 1H22 (18%)
- The increase in overall stock driven by a record number of vacated units in the period, up 24% on 1H21
- Almost 40% of units vacated in the period did so in the last two months, impacting 1H22 resales cash flow but providing a good platform for sales in 2H22
- Contracted resale stock of 137 units is the highest number of contracted resale units in Summerset's history
- Waitlist numbers continue to be strong at over 1,300

96

Uncontracted
resale stock

1.8%

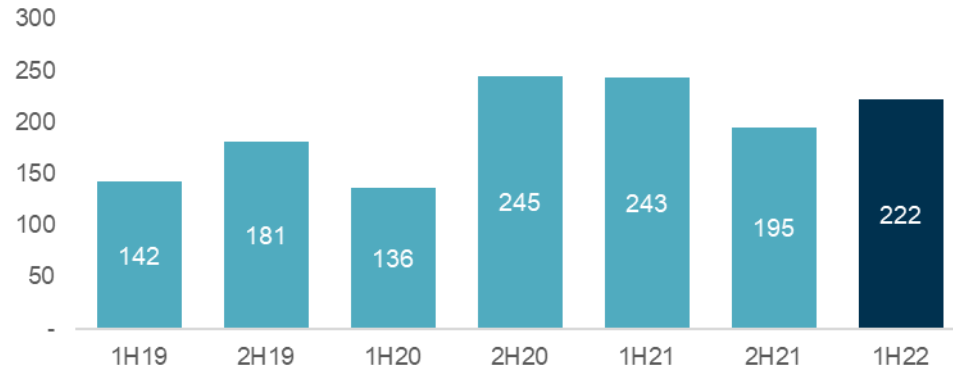
Percentage of
uncontracted stock

Resale stock	1H22	FY21	1H21
Contracted	137	118	87
Uncontracted	96	80	62
Total resale stock	233	198	149
Contracted	68	52	37
Uncontracted	40	18	8
Villas	108	70	45
Contracted	18	15	12
Uncontracted	12	15	12
Apartments	30	30	24
Contracted	47	48	36
Uncontracted	37	46	41
Serviced apartments	84	94	77
Contracted	4	3	2
Uncontracted	6	1	1
Memory care apartments	10	4	3
Contracted	-	-	-
Uncontracted	1	-	-
Care suites	1	-	-

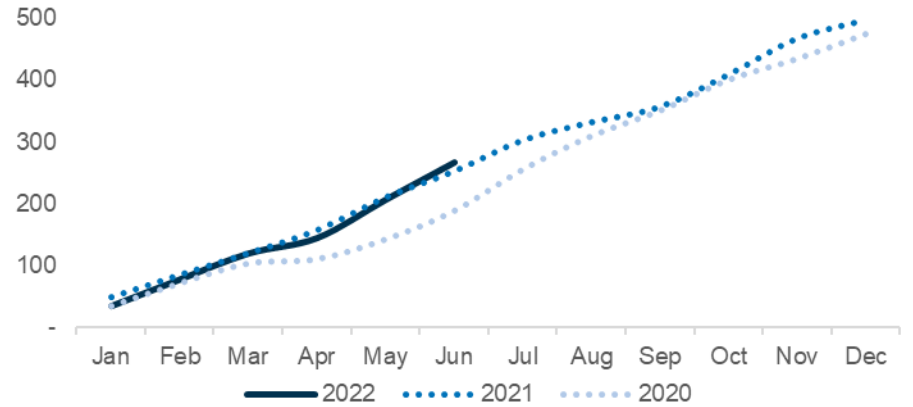
Percentage of uncontracted stock calculated off all units sold under Occupation Right Agreement

Resale performance

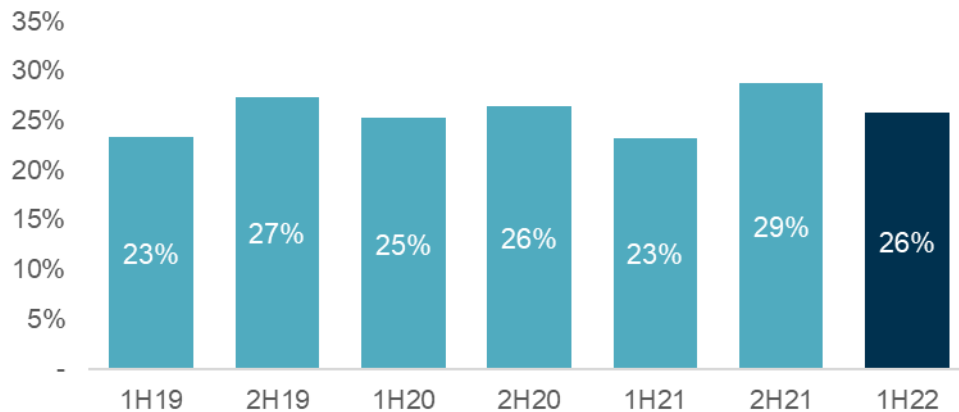
Resale settlements



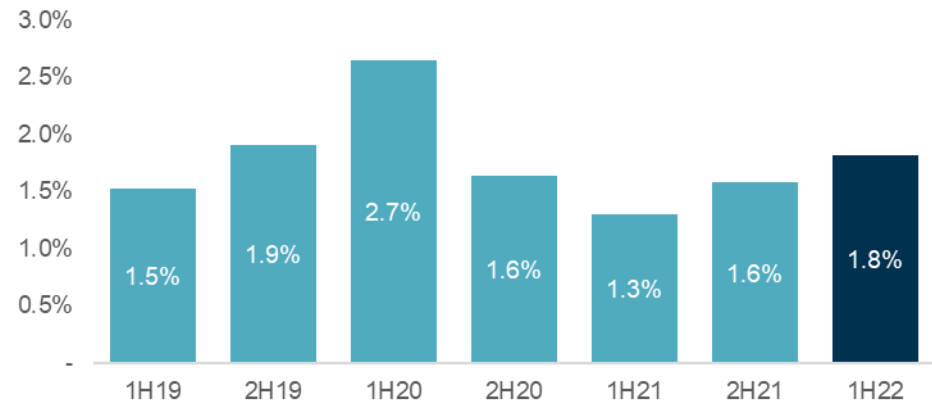
Annual resale contracts



Realised resale gain



Uncontracted resale stock as % of portfolio





Questions

Disclaimer

- This presentation may contain projections or forward looking statements regarding a variety of items. Such forward looking statements are based upon current expectations and involve risks and uncertainties
- Actual results may differ materially from those stated in any forward looking statement based on a number of important factors and risks
- Although management may indicate and believe the assumptions underlying the forward looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward looking statements will be realised
- Furthermore, while all reasonable care has been taken in compiling this presentation, Summerset accepts no responsibility for any errors or omissions
- This presentation does not constitute investment advice

Appendix

- 01 Summerset overview
- 02 Portfolio and land bank
- 03 Underlying profit reconciliation
- 04 Historical trends
- 05 Fair value movement
- 06 Demographics
- 07 Summerset growth
- 08 Customer profile and occupancy



Summerset overview

Diversified portfolio throughout New Zealand



Our people

7,100+

Residents

2,300+

Staff members



Our care

1,098

Care units in portfolio

1,302

Care units in land bank



Our portfolio

5,153

Retirement units in portfolio

5,645*

Retirement units in land bank

\$5.4b

Total assets



● Completed villages ● In development ● Proposed villages

* Land bank as at 30 June 2022, excludes Mernda

Portfolio as at 30 June 2022

6,251 total units including 5,153 retirement units and 1,098 care units

Village	Existing portfolio - as at 30 June 2022						Total units and care beds
	Villas	Retirement units		Memory care apartments	Care units		
		Apartments	Serviced apartments			Care suites	Care beds
Whangārei	33	-	-	-	-	-	33
Northland	33	-	-	-	-	-	33
Ellerslie	38	218	57	-	-	58	371
Hobsonville	147	73	52	-	-	52	324
Karaka	182	-	59	-	-	50	291
Manukau	89	67	27	-	-	54	237
Warkworth	202	2	44	-	-	41	289
Auckland	658	360	239	-	-	255	1,512
Hamilton	183	-	50	-	-	49	282
Rototuna	184	-	56	20	7	36	303
Taupō	94	34	18	-	-	-	146
Waikato	461	34	124	20	7	85	731
Katikati	156	-	30	-	-	27	213
Pāpāmoa Beach	76	-	-	-	-	-	76
Bay of Plenty	232	-	30	-	-	27	289
Hastings	146	5	-	-	-	-	151
Havelock North	94	28	-	-	-	45	167
Napier	94	26	20	-	-	48	188
Te Awa	111	-	-	-	-	-	111
Hawke's Bay	445	59	20	-	-	93	617
Bell Block	78	-	-	-	-	-	78
New Plymouth	108	-	40	-	-	52	200
Taranaki	186	-	40	-	-	52	278

Portfolio as at 30 June 2022

6,251 total units including 5,153 retirement units and 1,098 care units

Village	Existing portfolio - as at 30 June 2022						Total units and care beds
	Retirement units			Care units			
	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	
Levin	64	22	-	10	-	41	137
Palmerston North	90	12	-	-	-	44	146
Whanganui	70	18	12	-	-	37	137
Manawatū-Whanganui	224	52	12	10	-	122	420
Aotea	96	33	38	-	-	-	167
Kenepuru	82	48	-	-	-	-	130
Paraparaumu	92	22	-	-	-	44	158
Trentham	231	12	40	-	-	44	327
Wellington-Kāpiti	501	115	78	-	-	88	782
Nelson	214	-	55	-	-	59	328
Richmond	140	-	56	20	17	26	259
Nelson-Tasman	354	-	111	20	17	85	587
Avonhead	140	-	79	20	17	26	282
Casebrook	197	-	56	20	-	43	316
Wigram	159	-	53	-	-	49	261
Canterbury	496	-	188	40	17	118	859
Dunedin	61	20	20	-	-	42	143
Otago	61	20	20	-	-	42	143
Total	3,651	640	862	90	41	967	6,251

Future development

Largest New Zealand land bank for a retirement village operator of 5,646 units and beds

Village	Landbank – as at 30 June 2022						Total units and care beds
	Villas	Retirement units Apartments	Serviced apartments	Memory care apartments	Care units Care suites	Care beds	
Whangārei	184	-	60	20	27	9	300
Northland	184	-	60	20	27	9	300
Half Moon Bay	-	218	33	20	49	-	320
Hobsonville	16	-	-	-	-	-	16
Milldale	102	124	60	20	27	7	340
Parnell	-	216	36	20	44	-	316
St Johns	11	225	64	-	41	-	341
Auckland	129	783	193	60	161	7	1,333
Pāpāmoa Beach	135	-	60	20	25	11	251
Rotorua	247	-	20	20	10	20	317
Bay of Plenty	382	-	80	40	35	31	568
Cambridge	260	-	60	20	27	9	376
Rototuna	4	-	-	-	-	-	4
Waikato	264	-	60	20	27	9	380
Bell Block	144	-	60	20	25	11	260
Taranaki	144	-	60	20	25	11	260
Te Awa	130	-	56	20	17	26	249
Hawke's Bay	130	-	56	20	17	26	249
Kelvin Grove	240	-	20	20	10	20	310
Manawatū-Whanganui	240	-	20	20	10	20	310
Kenepuru	32	-	86	20	17	26	181
Lower Hutt	46	109	58	14	12	12	251
Masterton	215	-	20	20	10	20	285
Waikanae	217	-	60	20	27	9	333
Wellington-Kāpiti-Wairarapa	510	109	224	74	66	67	1,050

Future development

Largest New Zealand land bank for a retirement village operator of 5,646 units and beds

Village	Landbank – as at 30 June 2022						Total units and care beds
	Villas	Retirement units Apartments	Serviced apartments	Memory care apartments	Care units Care suites	Care beds	
Richmond	128	-	-	-	-	-	128
Nelson-Tasman	128	-	-	-	-	-	128
Blenheim	148	-	60	20	27	9	264
Marlborough	148	-	60	20	27	9	264
Avonhead	23	-	-	-	-	-	23
Casebrook	72	-	-	-	-	-	72
Prebbleton	221	-	60	20	27	7	335
Rangiora	260	-	60	20	27	7	374
Canterbury	576	-	120	40	54	14	804
Total NZ	2,835	892	933	334	449	203	5,646
Chirnside Park	175	-	50	36	36	-	297
Craigieburn	195	-	30	36	36	-	297
Cranbourne North	145	-	50	36	36	-	267
Oakleigh South	44	26	14	16	48	-	148
Torquay	203	-	53	18	18	-	292
Total Australia	762	26	197	142	174	-	1,301
Total NZ and Australia	3,597	918	1,130	476	623	203	6,947

1H22 underlying profit reconciliation

Reconciliation of underlying profit to reported net profit after tax

	1H22	1H21	Variance	FY21
Net profit before tax (IFRS)	134.9	265.6	(49%)	543.6
Net profit after tax (IFRS)	134.6	263.8	(49%)	543.7
Less reversal of impairment on land & buildings	-	-	n/a	(3.4)
Less fair value movement of investment property	(136.7)	(260.2)	(47%)	(537.5)
Add realised gain on resales	31.9	29.4	8%	59.9
Add realised development margin	52.3	40.7	29%	78.5
Add/(less) deferred tax expense/credit	0.3	1.8	(84%)	(0.0)
Underlying profit*	82.5	75.5	9%	141.1

* Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The Directors have provided an underlying profit measure in addition to IFRS profit to assist readers in determining the realised and unrealised components of fair value movement of investment property, impairment and tax expense in the Group's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions and has been reviewed by Ernst & Young. Underlying profit is a measure which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend pay out to shareholders.

Historical trends

Underlying profit 11 year CAGR of 32%

	Half Year Results	11 Year CAGR*	1H22	2H21	1H21	2H20	1H20	FY11 NZX Listed
Operational	New sales of occupation rights	16%	289	238	302	276	128	108
	Resales of occupation rights	12%	222	195	243	245	136	123
	Total sales	14%	511	433	545	521	264	231
	New units delivered**	13%	223	324	347	231	182	122
	Retirement units in portfolio**	13%	5,153	4,930	4,669	4,385	4,195	1,486
	Care units in portfolio***	12%	1,098	1,098	1,035	972	931	327
Financial (NZ\$m)	Total revenue (\$m)	19%	114.1	110.5	94.9	90.4	82.0	33.7
	Net profit after tax (\$m)	46%	134.6	279.9	263.8	229.8	1.0	4.3
	Underlying profit**** (\$m)	32%	82.5	65.6	75.5	53.2	45.1	8.1
	Net operating cash flow (\$m)	22%	190.4	160.7	222.7	174.0	92.8	43.7
	Total assets (\$m)	22%	5,375	4,924	4,375	3,893	3,433	616.9
	Total equity (\$m)	22%	2,062	1,925	1,618	1,355	1,113	233.4
	Interest bearing loans and borrowings (\$m)	26%	886.2	747.0	670.8	687.1	654.8	69.1
	Cash and cash equivalents (\$m)	-	36.6	8.4	19.4	15.8	13.0	9.0
	Gearing ratio (Net D/ Net D+E)	-	29.4%	27.8%	28.5%	32.6%	35.8%	20.5%
	EPS (cents) (IFRS profit)	42%	58.5	122.3	115.9	101.9	0.4	2.4
	NTA (cents)	21%	891.3	835.9	707.3	594.1	491.3	109.3
Development margin (%)	-	28%	25%	22%	18%	22%	6%	

* Compound annual growth rate

** New units delivered includes all retirement units and care units

*** Retirement units include villas, apartments and serviced apartments

**** Care units include memory care apartments, care suites and care beds

***** Underlying profit differs from NZ IFRS reported profit after tax. The measure has been reviewed by Ernst & Young. Refer to slide 54 for a reconciliation between the two measures, and note 2 of the financial statements for detail on the components of underlying profit

Fair value movement

Fair value movement of investment property – key assumptions

Fair value movement of investment property		Value of investment property*	Fair value gain/(loss)	Key valuation assumptions					
Village	Location			NZ\$m	NZ\$m	Discount rate	Growth rate Yr 1	Growth rate Yr 2	Growth rate Yr 3
Summerset by the Park	Manukau	167.6	(1.5)	13.50%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset by the Lake	Taupo	85.6	1.3	15.50%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset in the Bay	Napier	92.4	(0.8)	13.75%	0.5%	1.0%	2.5%	3.0%	3.5%
Summerset in the Orchard	Hastings	102.3	0.5	14.75%	0.5%	1.0%	2.5%	3.0%	3.5%
Summerset in the Vines	Havelock North	85.4	0.8	14.50%	0.5%	1.0%	2.5%	3.0%	3.5%
Summerset in the River City	Whanganui	42.0	0.5	15.13%	1.0%	1.3%	2.5%	2.8%	3.0%
Summerset on Summerhill	Palmerston North	61.4	0.0	14.50%	1.0%	1.5%	2.5%	3.0%	3.5%
Summerset by the Ranges	Levin	38.9	1.1	14.88%	0.5%	1.3%	2.5%	3.0%	3.5%
Summerset on the Coast	Paraparaumu	77.2	(0.9)	14.25%	1.0%	1.5%	2.5%	2.8%	3.5%
Summerset at Aotea	Aotea	124.6	(1.9)	14.25%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset in the Sun	Nelson	184.6	2.1	13.50%	1.0%	1.5%	2.5%	3.0%	3.5%
Summerset at Bishopscourt	Dunedin	62.6	0.3	14.25%	1.0%	1.5%	2.5%	3.0%	3.5%
Summerset down the Lane	Hamilton	157.3	(2.0)	14.00%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset Mountain View	New Plymouth	90.0	0.6	14.50%	1.0%	1.5%	2.5%	2.8%	3.5%
Summerset Falls	Warkworth	221.3	4.9	14.00%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset at Heritage Park	Ellerslie	370.2	(2.4)	14.50%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset at Karaka	Karaka	209.6	(0.1)	13.75%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset at Wigram	Wigram	137.9	3.9	13.75%	1.0%	1.5%	2.5%	3.0%	3.5%
Summerset at the Course	Trentham	208.9	1.3	14.00%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset by the Sea	Katikati	132.4	2.3	14.50%	1.0%	1.5%	2.5%	3.0%	3.5%
Total for completed villages		2,652.2	10.1						

* Value of non land capital work in progress not represented in the above table

Fair value movement

Fair value movement of investment property – key assumptions

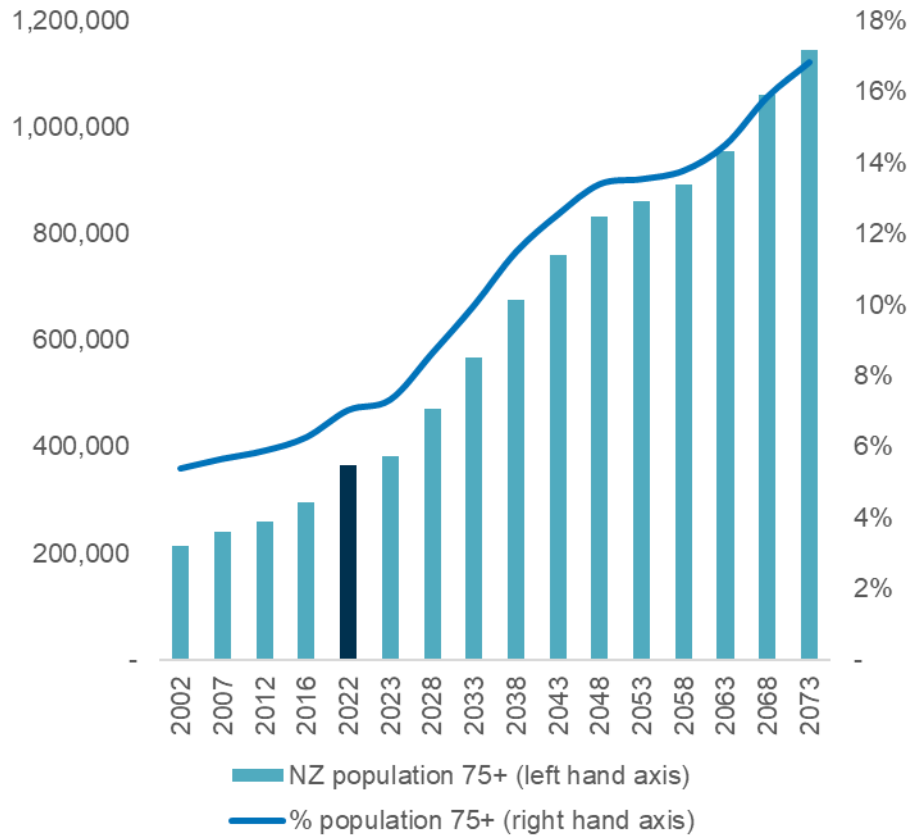
Fair value movement of investment property		Value of investment property*	Fair value gain/(loss) NZ\$m	Key valuation assumptions					
Village	Location			NZ\$m	Discount rate	Growth rate Yr 1	Growth rate Yr 2	Growth rate Yr 3	Growth rate Yr 4
Summerset at Monterey Park	Hobsonville	310.2	5.6	13.75%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset Rototuna	Rototuna	189.9	11.0	14.50%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset on Cavendish	Casebrook	180.1	10.3	15.00%	0.0%	1.0%	2.0%	3.0%	3.5%
Summerset Richmond Ranges	Richmond	149.6	16.4	15.00%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset at Avonhead	Avonhead	157.8	17.8	15.00%	0.0%	1.0%	2.0%	3.0%	3.5%
Summerset on the Landing	Kenepuru	140.6	11.7	15.75%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset Palms	Te Awa	103.1	10.4	15.50%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset by the Dunes	Papamoa	80.1	15.1	15.75%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset Pohutukawa Place	Bell Block	65.9	5.7	15.75%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset Mount Denby	Whangarei	36.6	8.9	16.25%	0.0%	1.0%	2.0%	2.5%	3.5%
Summerset Prebbleton	Prebbleton	13.0	0.3	n/a	n/a	n/a	n/a	n/a	n/a
Summerset Boulcott	Lower Hutt	17.4	0.6	n/a	n/a	n/a	n/a	n/a	n/a
Summerset St Johns	St Johns	44.8	(0.8)	n/a	n/a	n/a	n/a	n/a	n/a
Summerset Waikanae	Waikanae	15.6	(0.2)	n/a	n/a	n/a	n/a	n/a	n/a
Summerset Cambridge	Cambridge	19.9	0.0	n/a	n/a	n/a	n/a	n/a	n/a
Summerset Blenheim	Blenheim	6.5	(0.0)	n/a	n/a	n/a	n/a	n/a	n/a
Total for villages in development		1,531.1	112.6						
Total for proposed villages		380.6	13.9						
Total for all villages		4,563.9	136.7						

* Value of non land capital work in progress not represented in the above table

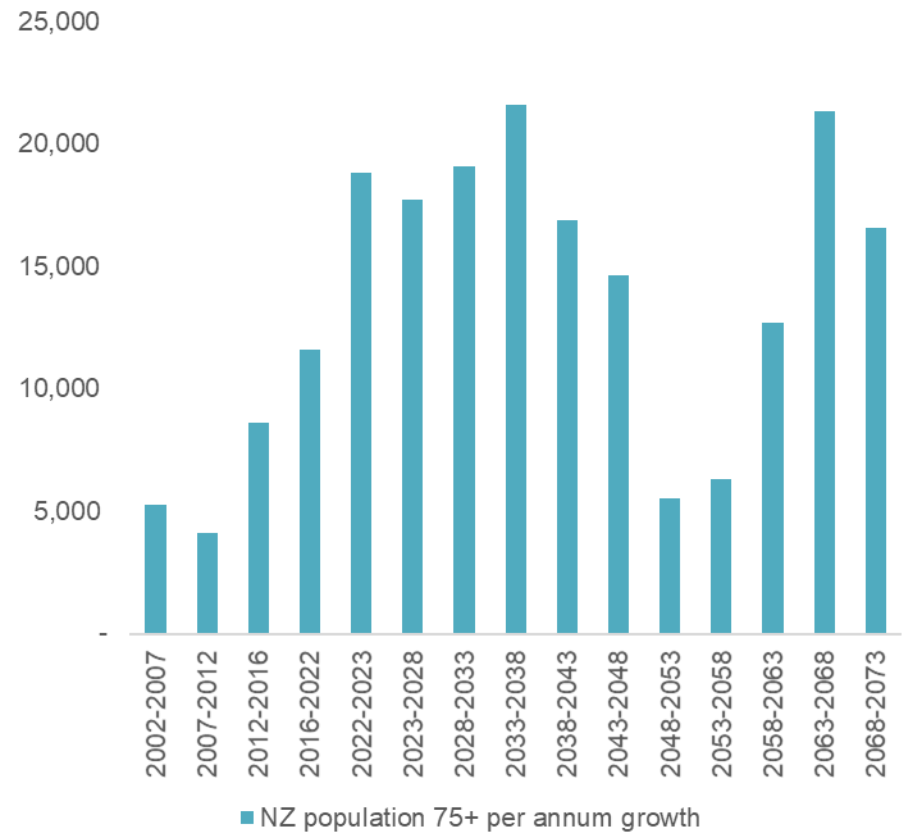
Demographics

Population over 75 years forecast to grow 214% from 2022 to 2073

Population growth 75 years and over



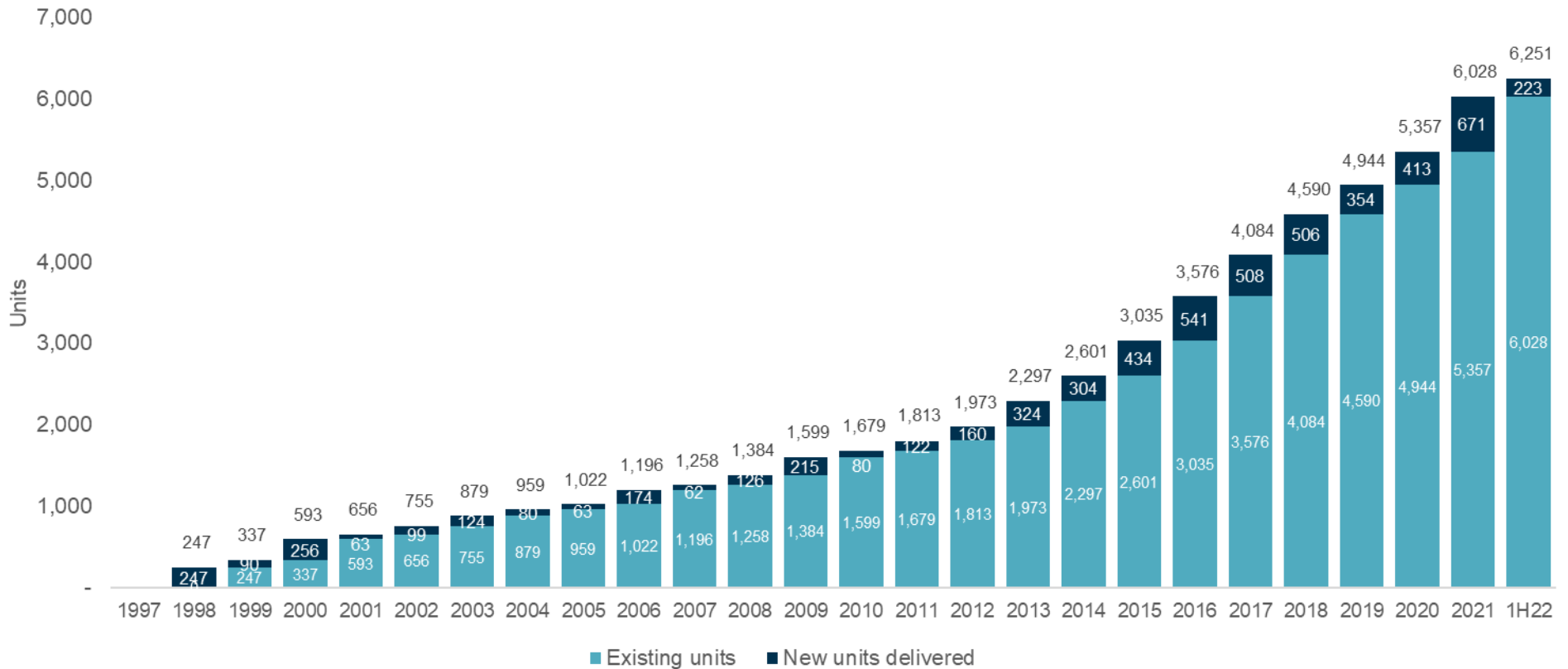
Per annum population growth 75 years and over



Summerset growth

25 years of consistent delivery and growth

Summerset build rate

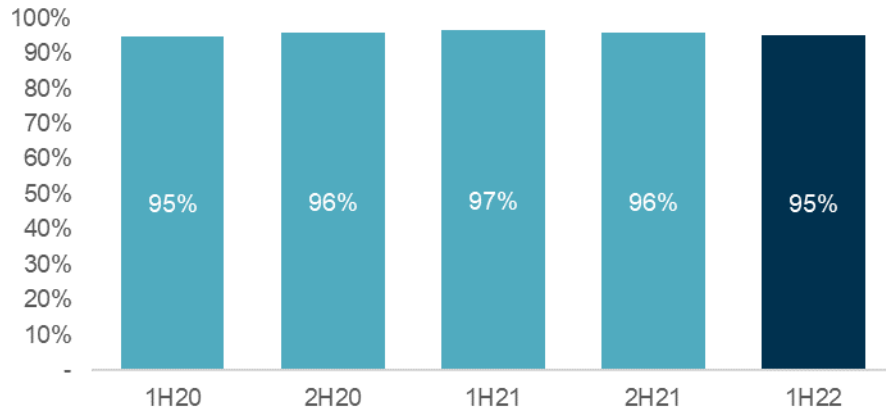


New units delivered includes retirement units, memory care apartments, care suites and care beds

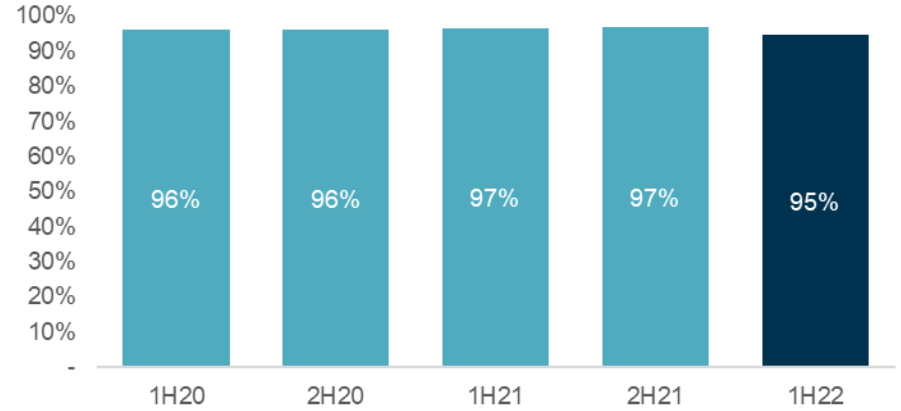
Customer profile & occupancy

Occupancy, tenure and resident demographic statistics

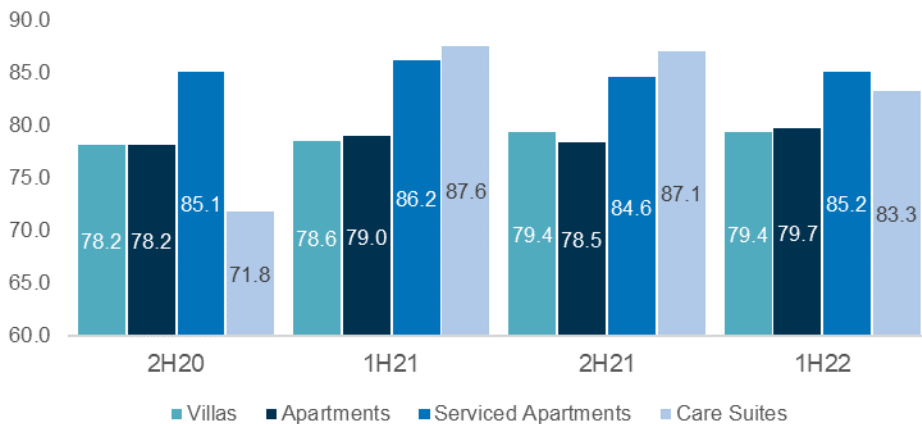
Occupancy – retirement villages



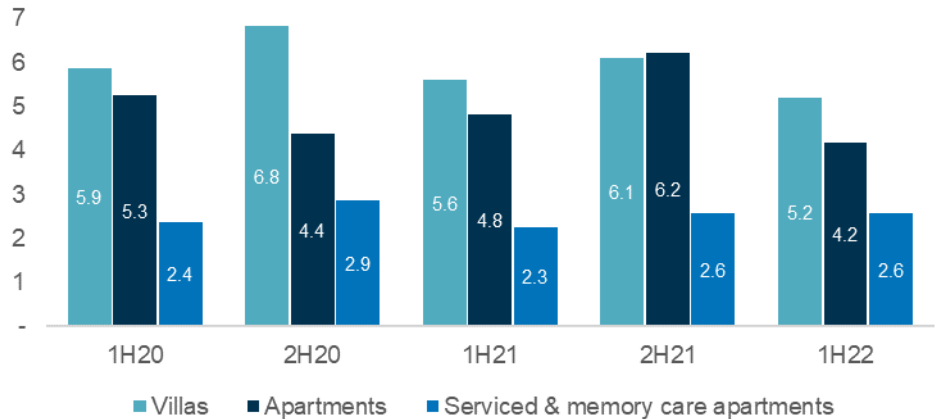
Occupancy – established care centres



Average entry age of residents (years)



Average tenure (years)





Ngā mihi

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