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SUMMERSET POSTS \$171.4M FULL YEAR UNDERLYING PROFIT

- Underlying profit for FY22 of NZ\$171.4 million, up 21.5% on FY21
- Net profit after tax of NZ\$269.1 million, down 50.5% on FY21
- Total assets of NZ\$5.8 billion, up 18.6% on FY21
- Four new sites acquired this year across New Zealand and Australia
- 1,007 total sales of occupation rights, up 3% on FY21
- 625 new units under occupation right agreement (ORA) delivered
- Land bank total of 5,985 retirement units and 1,379 care units across NZ and Australia
- Gearing ratio remains low at 32.5%
- Development margin of 29.7%
- Final dividend of NZ11.6 cents per share

Retirement village operator Summerset Group Holdings Limited today announced a record full year underlying profit for the year ending 31 December 2022 of NZ\$171.4 million, up 21.5% on FY21, driven by strong development returns and growth in deferred management fees.

Net profit after tax (IFRS) was NZ\$269.1 million for the year ended 31 December 2022, this reflects a level of fair value movement more consistent with historical trends, FY21 was influenced by the very strong property conditions at that time.

Summerset Chief Executive Scott Scoullar said demand for Summerset's offering, which is driven by factors like community, security and life events, continued to be strong in 2022 with 1,007 ORA sales, the first time the company has had over 1,000 total settlements, which reflects a strong resale portfolio.

"The average age of our residents is 81 – they move into a Summerset village for a number of reasons that are often distinct from how the property market is performing. A sense of security and community is valuable, and we believe these will continue to drive demand regardless of the wider economic landscape."

Mr Scoullar said 2022 had also been a record year of construction with the delivery of 625 units under ORA. Summerset reported a development margin of 29.7% up from 23.1%, for the same period last year. The company expects that development margins will return to be within the 20-25% range over the medium term.

At the end of 2022 Summerset completed the build of its newest care centre (including its state-of-the-art memory care centre) at its Kenepuru (Porirua) village with residents moving in this month. Similar offerings are set to be completed at Te Awa (Napier), Papamoa (Tauranga), and Bell Block (New Plymouth) later in 2023.



Mr Scoullar said investing in care and the experience of residents remains a key focus for the business.

“Our continuum-of-care model is a key consideration for people looking at our villages. We continue to focus on providing excellent care and we’ve begun the process of refurbishing some of our older care facilities to ensure they meet the expectations of our residents.

“We’ve also introduced new technology to make the lives of residents easier including Lumin screens, PainChek, and virtual reality activities including our MultiBall interactive exerplay.”

Summerset grew its development pipeline announcing the purchase of four new sites in 2022 – Rotorua and Masterton in New Zealand, and Mernda and Drysdale in Victoria, Australia.

The company now owns seven Australian properties, with earthworks having started at its first Australian retirement village in Melbourne’s Cranbourne North in late 2021. The first retirement units there are under construction with pre-sales beginning in the first half of this year. Chirnside Park property gained consent in late 2022.

Mr Scoullar said the company was saddened by the large scale of devastation that has occurred around New Zealand last week, and particularly in the Gisborne and Hawke’s Bay regions, due to Cyclone Gabrielle.

“We were extremely relieved that all our residents and staff were safe and unharmed. Our impacted villages were our four Hawke’s Bay villages (Napier, Te Awa, Hastings and Havelock North) which all lost power and communications, while our Warkworth and Whangārei villages also suffered power outages due to the cyclone.

“Our buildings are undamaged and we were able to continue to care for our residents throughout, thanks to our very dedicated staff. We ran essential services on generator power and we were fully supplied with food and medication throughout the outages. Staff from Wellington and Christchurch flew into Napier to assist their colleagues and to provide all our residents with support and hot meals while the power was off. We also reached out to smaller not-for-profit aged care providers to offer assistance during the cyclone.

“Now that the cyclone has passed we’re focused on recovery. Our villages are now running in a normal manner but there are some hard times ahead for some of our staff who lost their homes or had property severely damaged. We’ve set up a \$250,000 disaster relief fund to help them through this difficult time and we’ll continue to offer support as they, and the Hawke’s Bay region, recover.”

Looking ahead Mr Scoullar said that Summerset was well prepared for the year ahead.

“We remain focused on growing our land bank, development of new villages, providing an excellent retirement experience for our residents and delivering value for our shareholders,” said Mr Scoullar.

Shareholders will receive a final dividend of NZ11.6 cents per share, bringing the total dividend payable for FY22 to NZ22.3 cents per share, up 20.5% on FY21.

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ABOUT SUMMERSET

- Summerset is one of the leading operators and developers of retirement villages in New Zealand, with 38 villages completed or in development nationwide
- In addition, Summerset has five proposed sites at Half Moon Bay (Auckland), Parnell (Auckland), Rotorua (Bay of Plenty), Kelvin Grove (Palmerston North), and Masterton (Wairarapa)
- Summerset also has seven properties in Victoria, Australia, bringing the total number of sites to 50.
- Summerset provides a range of living options and care services to more than 7,400 residents.