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NZX & ASX RELEASE

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SUMMERSET POSTS \$141.1M FULL YEAR UNDERLYING PROFIT

- Underlying profit for FY21 of NZ\$141.1 million, up 44% on FY20
- Net profit after tax of NZ\$543.7 million, up 136% on FY20
- Total assets of NZ\$4.9 billion, up 26% on FY20
- 978 total sales of occupation rights, up 25% on FY20
- 619 new units under occupation right agreement (ORA) delivered, up 74% on FY20
- Land bank total of 5,406 retirement units and 1,208 care units across NZ and Australia
- Gearing ratio of 27.8%, down from 32.6% at FY20, lowest level since 2013
- Final dividend of NZ8.6 cents per share

Retirement village operator Summerset Group Holdings Limited today announced a full year underlying profit for the year ending 31 December 2021 of NZ\$141.1 million, up 44% on FY20.

Net (IFRS) profit after tax, which includes the impact of revaluation of investment property, was up 136% on FY20 at NZ\$543.7 million.

Summerset Chief Executive Scott Scoullar said 2021 had been an extraordinarily good year for Summerset with record demand and build rates, reflecting the focus that Summerset has had over the last couple of years in keeping our residents safe and well cared for throughout the prevalence of COVID-19.

“We have had a very strong year for occupation right sales, up 25% overall on FY20, and our strongest ever year for pre-sales as well. In 2021, 72% of all deliveries were pre-sold, and as a result both the net profit after tax and the underlying profit for Summerset are company records,” said Mr Scoullar.

In 2022, Summerset will start construction at two new sites in Milldale (Auckland) and Blenheim (Marlborough) and continue construction at another 15 sites around New Zealand.

Mr Scoullar said Summerset had land for another 5,313 units in New Zealand, of which 81% was already consented, and Summerset continues to have the largest NZ listed retirement village land bank in terms of number of units.

“Every new unit we build over the next four years has resource consent, so we are well positioned for further growth in the New Zealand market,” Mr Scoullar said.

Summerset now owns five Australian properties, with earthworks having started at its first Australian retirement village in Melbourne in late 2021. The first retirement units there are expected to be ready by early 2023.

Mr Scoullar said 2021 had been a record year of construction with 619 units under ORA built to keep up with customer demand. The company's build rate guidance for 2021 was 550 - 600 units under ORA and even with the disruptions associated with COVID events we were still able to exceed our market guidance. "Summerset has been the top listed retirement village builder in New Zealand for several years in terms of number of units, but this year our record build rate means we are one of the top residential builders in the country. We continue to focus on providing quality, warm homes at reasonable prices for retirees," he said.

Finding nursing staff has been an ongoing issue for the sector this year. Increases to public sector nursing wages and immigration delays induced by COVID-19 have created a perfect storm for nursing shortages in aged care. The New Zealand Aged Care Association's survey-based estimates indicate there are around 700 vacant positions for registered nurses (RNs) across the aged care industry.

"We increased nurses' pay rates to remain competitive with the public sector again in 2021 to attract and retain the vital nursing staff we need to care for our elderly residents. We continue to be concerned about underfunding in the aged care sector," said Mr Scoullar.

Shareholders will receive a final dividend of NZ8.6 cents per share, bringing the total dividend payable for FY21 to NZ18.5 cents per share, up 42% on FY20.

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ABOUT SUMMERSET

- Summerset is one of the leading operators and developers of retirement villages in New Zealand, with 37 villages completed or in development at Aotea, Avonhead, Bell Block, Blenheim, Cambridge, Casebrook, Cranbourne North (Australia), 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, Waikanae, Wanganui, Warkworth, Whangārei and Wigram.
- In addition, Summerset has proposed sites at Half Moon Bay (Auckland), Milldale (Auckland), Parnell (Auckland), Rangiora (Canterbury) and Kelvin Grove (Palmerston North), and four properties in Victoria, Australia, bringing the total number of sites to 46.
- Summerset provides a range of living options and care services to approximately 7,000 residents.