



**Summerset Group Holdings Limited**  
Level 27 Majestic Centre, 100 Willis St, Wellington  
PO Box 5187, Wellington 6140  
**Phone:** 04 894 7320 | **Fax:** 04 894 7319  
**Website:** [www.summerset.co.nz](http://www.summerset.co.nz)

## **MEDIA RELEASE**

**17 AUGUST 2020**

### **SUMMERSET FIRST HALF UNDERLYING PROFIT OF \$45.1M**

- Underlying profit for 1H20 of NZ\$45.1 million, down 6% on 1H19
- Reported (IFRS) profit after tax of NZ\$1.0 million
- Total assets of NZ\$3.4 billion, up 13% on 1H19
- 139 new retirement units delivered
- 264 total sales of occupation rights
- Interim dividend of NZ6.0 cents per share

Retirement village operator Summerset Group Holdings Limited has announced an underlying profit of NZ\$45.1 million for the first half of 2020.

Summerset CEO Julian Cook said the result was at the top end of market guidance provided in early July which forecast underlying profit between NZ\$40 million and NZ\$45 million.

“Despite the impacts of COVID-19 on trading conditions in the first half of 2020 the result is pleasing and demonstrates the underlying strength of Summerset’s business. Following the April-May lockdown we saw sales and settlements rebound strongly.”

Mr Cook said it was too early to know how recent COVID-19 developments would impact on the business in the second half. He said Summerset closed its five Auckland retirement villages on Wednesday 12 August with level 3 restrictions put in place. These restrictions include no visitors on sites, temperature testing of staff and face masks being worn by staff in care centres. Summerset’s care centres across the country also closed to visitors as a precautionary measure.

The reduction in IFRS profit after tax compared to prior periods was primarily caused by a negative fair value movement in investment property. The negative movement was due to more conservative house price inflation forecasts by the valuer, and fewer units delivered in the half year due to COVID-19 related construction restrictions.

Mr Cook said the reduction in investment property value was less than 1% overall.

As at 30 June 2020, total assets were NZ\$3.4 billion, up 13% on 30 June 2019, and net assets at NZ\$1.1 billion. The company reported a development margin of 22.3%, in line with previously signalled expectation of margins in the 20-25% range.

Summerset delivered 139 new homes in the half year and anticipates delivering between 300 and 350 homes by year end, depending on the current and possible future COVID-19 lockdowns over the coming months. This compares to an expected build rate of 400 retirement units for 2020 prior to the COVID-19 pandemic.



It launched three new retirement villages and opened its main building at its Casebrook village in Christchurch over the six months. The new villages are in Tauranga, Napier and New Plymouth.

Casebrook's three-storey main building opened in early March, and has a care centre, 56 serviced apartments, and 20 memory care apartments designed for people living with dementia. More than half of the apartments had sold in three months and the 43-bed care centre was almost full.

In addition, Summerset lodged development approval for its first Australian retirement village in Cranbourne North, Melbourne. Mr Cook said the company hoped to receive approval for Cranbourne and start preliminary earthworks before the year is out. Master planning and engagement with council over a second site in Torquay, Victoria was also progressing positively.

Mr Cook said Summerset was closely watching the COVID-19 outbreak in Victoria, but the company's development was still in the early stages.

Summerset was accredited as dementia friendly by Alzheimers New Zealand in April, after 18 months of work towards meeting the award's standards. Mr Cook said the award reflected the company's commitment to providing the best of life for all its residents.

"We are proud to be recognised as dementia friendly by Alzheimers New Zealand. It shows our residents and their families that we are serious about looking after the growing number of people living with dementia," Mr Cook said.

After considering recent COVID-19 developments, the Board has declared an unimputed interim dividend of NZ6.0 cents per share. The record date will be Monday 31 August, with payment on Friday 11 September.

## **ENDS**

### **For investor relations enquiries:**

Scott Scoullar  
CFO and Deputy CEO  
[scott.scoullar@summerset.co.nz](mailto:scott.scoullar@summerset.co.nz)  
029 894 7317

### **For media enquiries:**

Jenny Bridgen  
Communications Manager  
[jenny.bridgen@summerset.co.nz](mailto:jenny.bridgen@summerset.co.nz)  
021 408 215

## **ABOUT SUMMERSET**

- Summerset is one of the leading operators and developers of retirement villages in New Zealand, with 31 villages completed or in development across the country. In addition, Summerset has eight sites for development in Milldale (Auckland), Parnell (Auckland), Prebbleton (Canterbury), Rangiora (Canterbury), Waikanae (Kapiti Coast), Blenheim (Marlborough), Cambridge (Waikato) and Lower Hutt (Wellington), plus two properties in Victoria, Australia, bringing the total number of sites to 41.
- It provides a range of living options and care services to more than 5,700 residents.
- The Summerset Group has villages in Aotea, Avonhead, Bell Block, Casebrook, Dunedin, Eilerslie, Hamilton, Hastings, Havelock North, Hobsonville, Karaka, Katikati, Kenepuru, Levin, Manukau, Napier, Nelson, New Plymouth, Palmerston North, Papamoa Beach, Paraparaumu, Richmond, Rototuna, St Johns, Taupo, Te Awa, Trentham, Wanganui, Warkworth, Whangarei and Wigram.