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NZX & ASX RELEASE

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SUMMERSET PROVIDES EARNING GUIDANCE FOR 1H20

Summerset Group advises that its underlying profit for the six months ended 30 June 2020 is forecast to be between NZ\$40 million and NZ\$45 million.

Relative to 1H19 underlying profit this guidance is between 6% and 16% lower, reflecting the significant impacts of COVID-19.

Summerset CEO Julian Cook said the company was pleased with the result given the circumstances.

No forecast has been provided for NZ IFRS net profit after tax due to a key component of this profit measure (fair value movement of investment property) being unavailable until after the completion of an independent valuation process.

Summerset delivered 139 new retirement units in the first half. The lockdown saw construction at 13 sites across the country close for six weeks.

Mr Cook said, "Summerset is on-track to reach its revised year end build target of 300-350 new retirement units, down from 400 before the COVID-19 pandemic."

No earnings guidance is provided for the full year given the evolving outlook for the remainder of the year.

As noted in previous guidance, Summerset continues to ensure it has strong financial management disciplines in place with close to \$350m of unutilised funding capacity available.

At this stage, given trading conditions, the directors anticipate being in a position to pay an interim dividend.

Underlying profit differs from NZ IFRS net profit after tax. The directors provide an underlying profit measure to assist investors in determining the realised and non-realised components of fair value movement of investment property and tax expense in the Group's income statement. Underlying profit is an industry-wide measure which the Group use consistently from period to period.

ENDS



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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 5,500 residents. The Summerset Group has villages in Aotea, Avonhead, Bell Block, Casebrook, Dunedin, Ellerslie, 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.