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## **NZX & ASX RELEASE**

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### **Summerset HY Results 2022**

#### **SUMMERSET FIRST HALF UNDERLYING PROFIT OF \$82.5M, UP 9.2%**

- Underlying profit for 1H22 of NZ\$82.5m, up 9.2% on 1H21
- Reported (IFRS) profit after tax of NZ\$134.6m
- Total assets of NZ\$5.4 billion, up 22.9% on 1H21
- Gearing ratio of 29.4%
- Three new sites acquired this year across New Zealand and Australia
- 223 new retirement units delivered, our second highest first half ever
- 511 sales for the half
- Development margin of 28.1%
- Interim dividend of NZ10.7 cents per share

Retirement village operator Summerset Group Holdings Limited has announced an underlying profit of \$82.5 million for the six months ended 30 June 2022, a 9.2% increase on the first half of 2021.

Summerset CEO Scott Scoullar said this was an excellent result, particularly considering the disruptions that the arrival of Omicron created in the half.

“Omicron first arrived in our villages in January and our staff have been working extremely hard to keep residents safe. Our residents in the care and memory care centres are at most risk from COVID-19, in order to keep them safe we’ve had to take a more cautious approach than the rest of the country and continuously adjust our pandemic response to ensure we stay ahead of potential issues for our residents.

“The work we’ve done has meant that Summerset has dealt with this Omicron wave exceptionally well. It’s not just our village staff who have had to juggle the complexities of Omicron either, our building sites around the country have been impacted and yet we continue to be on track to meet our building targets.”

Mr Scoullar said that in addition to the Omicron wave, Summerset had responded well to the economic and housing market pressures in New Zealand over the last six months.

“We are continuing to see strong demand for our retirement living offer, prices for our retirement villages are robust in the face of a changing property market. While the residential property market rose significantly over the two years to December 2021, we did not increase our own pricing at the same rate. This provided us with a buffer going into what could be a flat to declining market in the coming months.



“We’re not seeing excesses of stock or any changes in demand either, our available retirement units have stayed steady, and demand doesn’t appear to be tethered to the property market.

“Enquiry levels remain high, and waitlists are strong and currently we’re not seeing any increase in days to sell or settle for people moving into a Summerset home. Our total sales for the half were 511, limited principally by availability of stock.”

Summerset reported a development margin of 28.1% up from 21.6%, for the same period last year, exceeding the company’s longer-term expectations of development margins in the 20-25% range.

Total assets grew to NZ\$5.4 billion, up 22.9% on the same period last year.

Summerset delivered 223 total units, its second highest first half ever.

“We’re on track to deliver approximately 600 units this year. We expect to deliver our new main building at our Kenepuru village in the second half of this year with the first residents moving in early in 2023, said Mr Scoullar.

Summerset has confirmed the purchase of three new sites also, two in New Zealand (Masterton and Rotorua) and one in Australia (Mernda, Victoria).

The New Zealand sites will each offer over 300 units and further boost Summerset’s land bank of units, the largest in New Zealand’s retirement village sector, and gives Summerset enough secured land to more than double the size of its current New Zealand business.

Mernda is Summerset’s sixth Australian site and gives Summerset capacity to build approximately 1,700 units in Victoria.

“We’re pleased to continue to find quality sites to grow our business where we’ll be able to introduce more New Zealanders and Australians to our retirement village lifestyle.

“We have completed major earthworks at our first Australian village in Cranbourne North. We are working with Major Road Projects Victoria who are developing the road next to our site to sequence our infrastructure work with their work, and last week began civil infrastructure on site,” Mr Scoullar said.

The Summerset Board has declared an unimputed interim dividend of NZ10.7 cents per share. The record date will be 6 September 2022, with payment on 19 September 2022.

ENDS

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## **ABOUT SUMMERSET**

- Summerset is one of the leading operators and developers of retirement villages in New Zealand, with 36 villages completed or in development nationwide
- In addition, Summerset has seven proposed sites at Half Moon Bay (Auckland), Milldale (Auckland), Parnell (Auckland), Rotorua (Bay of Plenty), Kelvin Grove (Palmerston North), Masterton (Wairarapa), and Rangiora (Canterbury)
- Summerset also has six properties in Victoria, Australia, bringing the total number of sites to 49
- Summerset provides a range of living options and care services to more than 7,100 residents