

## NZX & ASX RELEASE

28 February 2025

### SUMMERSET POSTS \$206.4M FULL YEAR UNDERLYING PROFIT

- Underlying profit for FY24 of NZ\$206.4m, up 8% on FY23
- Total revenue of NZ\$319.9m up 18% on FY23
- Total assets of NZ\$8.1b, up 16% on FY23
- Three new sites and two land extensions acquired this year in New Zealand
- 1,238 total sales of occupation rights, up 12% on FY23
- 708 new homes under occupation right agreement (ORA) delivered (676 in New Zealand and 32 in Australia)
- Land bank total of 6,147 retirement homes and 1,396 care homes across NZ and Australia
- Gearing ratio at 36.4%
- Development margin of 28.9%
- Final dividend of NZ13.2 cents per share
- Village and care resident satisfaction 97%
- Staff retention 81% up 4% on FY23

Retirement village operator Summerset Group Holdings Limited today announced a record full year underlying profit for the year ending 31 December 2024 of NZ\$206.4 million, up 8% on FY23. IFRS net profit after tax was down to \$339.8 million with the change largely reflective of the fair value movement of investment properties recognised in 2024, relative to 2023.

Summerset Board Chair Mark Verbiest said Summerset was pleased with the business' underlying operating performance in light of 2024's tough macroeconomic environment.

"We have continued to deliver value for our residents and shareholders during a year which has been one of the most challenging we've seen as a company. Like most other businesses in 2024 we had to work within an environment where higher costs, inflation and the subdued residential property market all made our work harder. Despite these challenges, we have continued to grow," Mr Verbiest said.

Summerset delivered its highest ever sales with 1,238 ORA homes contracted for 2024, up 12% on FY23.

Summerset CEO Scott Scoullar said the company's broadacre build strategy was a continued strength.

"We continue to see the benefits of our regionally diverse portfolio with eight regions seeing over 30 sales settlements across 2024, highlighting the broad appeal and strength of our villages nationwide. When we exclude the three new village centre buildings we opened this year our

uncontracted stock is down between 20-50% year-on-year across our home types, a very pleasing result in a tough market,” Mr Scoullar said.

Mr Scoullar said Summerset had continued to live the company’s purpose and ‘bring the best of life’ to its residents with continued high satisfaction scores and external acknowledgement of their work.

“Our resident satisfaction scores have remained extremely high for both village and care reflecting the work our team have put in to provide the best retirement living experience we can.

“We’ve also won a number of awards this year including Gold for the Reader’s Digest 2025 Quality Service Award in the Retirement Villages category, the second year in a row we’ve won this award.”

### **Construction**

Summerset again met its forecast build target, delivering 676 homes under ORA in New Zealand and 32 in Australia, up 10 percent on FY23. The company’s New Zealand deliveries was consistent with guidance provided at the Half Year result where Summerset indicated it would deliver at the lower end of the 675-725 forecast range.

The company was building on 20 sites across New Zealand and Australia in 2024 and delivered some significant projects including the main buildings at its Boulcott (Lower Hutt) and St Johns (Auckland) villages.

Mr Scoullar said Summerset reported a development margin of 28.9% down from 31.6% in FY23, driven by a change in the company’s sales mix with a higher proportion of care and memory care suites sold than previous years.

### **St Johns village opened on time and on budget**

Summerset’s flagship village, St Johns, was delivered on time and on budget in October 2024 and opened officially by New Zealand Prime Minister, Rt. Hon. Christopher Luxon in December. This complex build on the 2.6ha site, in the heart of Auckland, features six multi-storey buildings with excellent views of Auckland city and Rangitoto.

Mr Scoullar said St Johns was a unique opening for the company, delivering a large percentage of the village’s homes in the first stage, along with facilities such as the indoor pool, café and library.

“We typically develop broadacre villages where we deliver homes in a staggered process across multiple years. However, the nature of St Johns has meant we have delivered 60% of its homes on day one. Having care available immediately, along with its facilities increases the appeal to our prospective residents, however it does mean we have higher levels of uncontracted stock than normal.

“So far we have approximately 30% of St Johns’ available homes under contract, a figure we’re pleased with, and which compares very favourably with similar retirement villages in the area which have been open much longer.”

### **Continued progress in Australia**

Mr Scoullar said the company’s Australian development continues to progress, with another

milestone achieved in 2024, the first Australian residents moving into its Cranbourne North village in March.

“Our Cranbourne North village is on track and we’ve commenced construction on the village’s main building which will be home to our first Australian care residents when complete. We’ve also started construction at our second village in Chirnside Park and we have been granted planning permits for our Torquay and Oakleigh South villages.

“We continue to take a measured and cautious approach to our Australian development as we build our knowledge of that market.”

### **New land in New Zealand**

Summerset announced the purchase of three new village sites and two extensions to existing villages in 2024.

The three proposed village sites at Belmont (Auckland), Otaihangā (Kāpiti Coast) and Mission Hills (Napier) are in high demand areas, while the two village extensions at Boulcott (Lower Hutt) and Blenheim will allow Summerset to add profitable new homes to villages where the upfront cost of the village infrastructure has been paid.

“While 2024 has presented business challenges, the softer property market has provided us with opportunities for well-priced acquisitions. We are pleased to have added more than 1,100 new homes to our very strong land bank,” says Mr Scoullar.

### **Aged care funding**

Mr Scoullar said that Summerset was considering changes to its care model due to the state of aged care underfunding in New Zealand.

“While we’ve created greater financial certainty for ourselves, and our residents, by moving to care ORAs at many of our villages there is still a major gap between our aged care funding and the costs of running our care centres.

“We are currently reviewing our policies and where this funding gap is leaving us. We will have to consider making our care centres available to our village residents only and no longer accepting referrals from the public health system.

“It’s not a step we want to take but we need to focus our limited funding and staffing resources on our village residents and their needs. We don’t want to end up overstressing our staff. We know this will mean a bigger burden will be placed on the public health system, but we can’t keep taking the strain.”

### **Looking forward**

“During 2024 we showed the strength of Summerset’s balance sheet despite trading in conditions labelled by some commentators as worse than the Global Financial Crisis. We have worked hard to control our costs, our cash flow is improving, our asset base is strong and our balance sheet is well positioned

“We will continue to grow and bring more New Zealanders and Australians into our retirement villages.”

The Board has declared a final dividend of NZ13.2 cents per share, bringing the total dividend payable for FY24 to NZ24.5 cents per share.

## **ENDS**

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## **ABOUT SUMMERSET**

- Summerset is one of the leading operators and developers of retirement villages in New Zealand, with 40 villages completed or in development nationwide
- In addition, Summerset has seven proposed sites at Belmont (Auckland), Rotorua (Bay of Plenty), Mission Hills (Napier), Masterton (Wairarapa), Otaihanga (Kāpiti Coast), Rolleston (Canterbury) and Mosgiel (Dunedin)
- Summerset also has three villages in development (Cranbourne North, Chirnside Park and Torquay) and four other properties in Victoria, Australia (Craigieburn, Drysdale, Mernda, and Oakleigh South)
- Summerset provides a range of living options and care services to more than 8,700 residents