Summerset

# Results presentation

For the six months to 30 June 2024

Summerset Group Holdings Ltd

*Summerset at Monterey Park (Hobsonville, New Zealand)*

# Agenda

# 1H24 Reporting updates

## Updated reporting measures included within the presentation

| | |
|---|---|
| **Underlying profit and segment reporting** | • Maintain underlying profit as a key performance measure<br>• Segment reporting for care EBITDA, village EBITDA and corporate overheads now provided |
| **Operating expenses** | • Disclosures on care, village and corporate overhead expenses provided<br>• Operating expenses split by main cost items (e.g. sales and marketing, employee and property)<br>• Split of total operating costs and costs capitalised to projects provided |
| **Cash flows** | • Cash flow presentation reverted to standard IFRS format based on feedback for alignment across the New Zealand RV sector |
| **Definitions** | • New disclosure of key definitions for improved clarity – includes clear descriptions of development margin, annuity EBITDA, operating expenses and project cash profits to assist with comparison of performance between operators |
| **Assurance** | • 2024 external audit RFP underway and expected to be completed by FY24 |

# 01
# Our highlights

Half Year Report 2024

# Who we are

## About Summerset

Summerset **builds, owns and operates** integrated retirement villages

We create **vibrant, happy communities** for residents and our people that delivers on our purpose – bringing the best of life to our **8,400+** residents

We are the **second largest** and **fastest growing** retirement village operator in New Zealand

Our existing portfolio has **6,300+ retirement units and 1,300+ care units**, including our 30 units in Australia

We have a consistent and structured approach to growing our business - our land bank has **5,300+ retirement units and 1,300+ care units**, includes expansion in **Australia,** with a focus on **broad acre development**

# Underlying profit of $89.9m up 3% on 1H23

First half underlying profit of $89.9m, up 3% on 1H23 with total settlements of 588, up 22% on 1H23

**$102.2m**
Net profit after tax
**1H23** $133.1m

**$191.6m**
Operating cash flows
**1H23** $146.7m

**$89.9m**
Underlying profit
**1H23** $87.2m

**28.3%**
Development margin
**1H23** 33.5%

**35.1%**
Resales cash margin
**1H23** 35.2%

**$1.6b**
Embedded value
**1H23** $1.5b

**331**
Units delivered to be sold under Occupation Right*
**1H23** 152

**588**
Sales of Occupation Rights
**1H23** 483

**6,638**
New Zealand and Australia land bank (including care)
**1H23** 7,495

** 311 units in New Zealand and 20 units in Australia to be sold under Occupation Right Agreement*

# Investor highlights

## First half underlying profit of $89.9m, up 3% on 1H23 with total settlements of 588, up 22% on 1H23

| | |
|---|---|
| **Financial** | • First half underlying profit of $89.9m, up 3% from $87.2m in 1H23<br>• Resale gain of $45.7m (up 32% on 1H23) and development margin of $51.7m<br>• First half operating cash flows of $191.6m, up 31% from $146.7m in 1H23<br>• Total assets of $7.4b, up 17% on 1H23, with total equity of $2.7b and NTA per share of $11.43 |
| **Development and sales** | • Total settlements of 588 (290 new sales and 298 resales), up 22% on 1H23. Achieved a sector leading total of 1,206 combined New Zealand settlements over the past 12 months<br>• Delivered 352 units and remain on track to conservatively deliver at the lower end of FY24 guidance of 675 to 725 units to be sold under Occupation Right Agreement<br>• Forecast net cash position from NZ villages under development of over $245.0m with development assets exceeding the value of net debt by $248.3m, or 16% |
| **Acquisitions and Australia** | • New site announced at Mission Hills, Napier that will deliver approximately 270 independent homes and a care centre to meet the growing demand for retirement living in Napier<br>• Welcomed our first Australian residents at Cranbourne North in March<br>• Commenced construction at our second Australian village at Chirnside Park, Melbourne |

# Looking back – 1H24 milestones

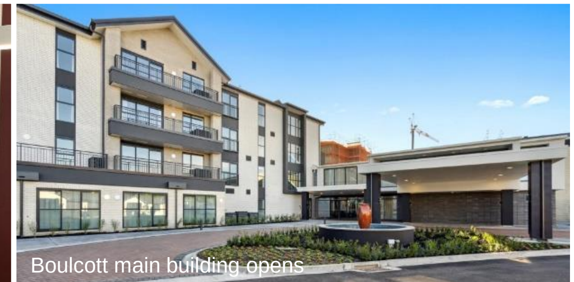
## A showcase of key events from the six months


Pāpāmoa Beach main building opens


First Australian residents


Construction cadets graduates


Civils underway at Chirnside Park


Boulcott main building opens


Casebrook village completed

**February**
Pāpāmoa Beach main building opens

**March**
First Australian residents move into our Cranbourne North village

Celebrated Frontliner Day, thanking our hardworking frontline staff

**April**
Civils construction commences at Chirnside Park

First graduates complete Summerset's Construction Cadet Programme

Construction of Casebrook village completed

**May**
Oakleigh South receives planning permit

Development plan approved for Torquay

**June**
Boulcott village main building opens

Summerset Milldale (Auckland, New Zealand)

# 02
# Business update

Half Year Report 2024

# Business update

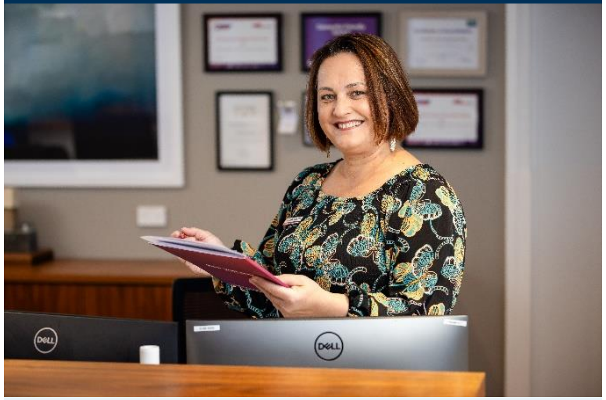
## Summerset remains well placed to navigate the ongoing uncertainty in the wider economy

### FY24 deliveries

**FY24 delivery guidance maintained**

- FY24 build rate to be at the bottom end of guidance range of 675 to 725 total ORA units in New Zealand
- Conservative build rate will allow Summerset to manage stock levels at each village
- Now in construction at 14 broad acre sites in New Zealand and two in Melbourne which ensures strong diversification of locations

### Cost control



**Expenditure review complete**

- Full review of operating expenses undertaken in 1H24
- 1H24 gross operating expenses up 1% from 2H23
- Cost savings supported by a dedicated procurement team and long-standing relationships with key suppliers
- Emphasis will remain on maintaining cost efficiencies without compromising on delivering the best of life to our residents

### Sales

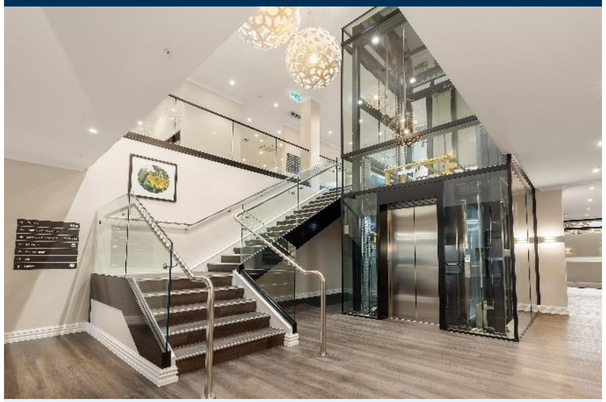
**Sales continue to perform well**

- Strong sales performance under challenging market conditions. Achieved over 1,200 total New Zealand settlements in the past 12 months, the highest in sector
- Good levels of enquiry at villages, up 17% on 1H23
- 588 total settlements YTD with over 350 units under contract to start 2H24
- Sales prices remain robust

# Business update

## Summerset remains well placed to navigate the ongoing uncertainty in the wider economy

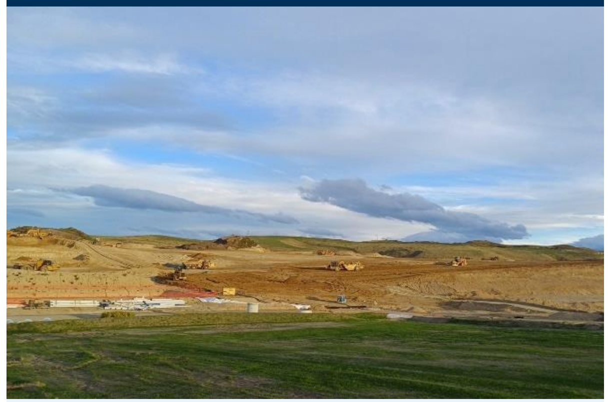
### Balance sheet



**Balance sheet remains strong**

- Summerset carries no core debt, with villages fully recycling the capital required to build them on completion
- Forecast capital recycling of $245.0m from 14 NZ villages under development
- Gearing ratio of 36.2% with unallocated facilities of $551.3m available
- Development assets exceed the value of net debt by $248.3m, or 16%

### Land bank



**Land bank in place to grow the business**

- Business remains well positioned to deliver sustained growth from diversified broad acre land bank in NZ and VIC
- New site announced at Mission Hills, provides continuity to pipeline with first units expected from 2027 onwards
- Large number of quality opportunities in the market at present

### St Johns

**Progress on track**

- Village on track to open in 2H24
- Care and serviced apartments sales launched in June 2024
- Strong level of presales with circa $90m of sales contracts in place
- Village now open for prospect viewings of staged sales apartments
- Peak working capital for the site still expected to be in line with the opening of stage one

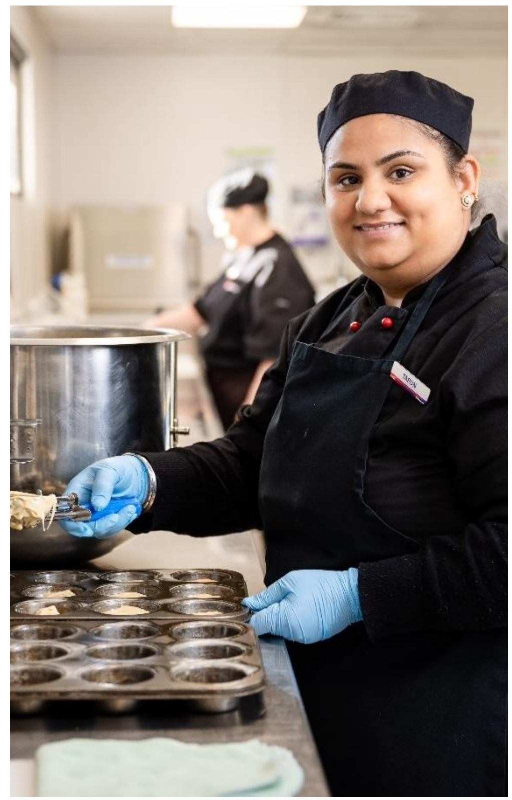

# 03
# Our community

# Bringing the best of life

## Bringing the best of life to residents and staff

- We are committed to making Summerset a place where our residents and staff can live their best life
- Extended our highly successful holiday home initiative, adding Casebrook and Ellerslie, with one in Wellington coming soon
- Launched Retire Ready, a financial wellbeing series for those planning for, or at retirement age
    - The series is aimed at helping current and future residents understand the steps they need to take to create the retirement they want
- Progressed the roll out of our resident experience services platform, Lumin, now installed at 15 villages with a further three to be completed by the end of this year
    - Lumin provides entertainment programmes, newsletters and activities schedules, allows residents to book village events, order services, message the village team or other residents
- Piloting a National Clinical Support Service of Registered Nurses available 24/7 to support in-village teams
- Continued health scholarships in collaboration with Waitaha iwi at Pāpāmoa Beach village to support students to attain their undergraduate degree in the health sector
- Staff engagement of 8.2 out of 10, putting Summerset in the top 25% of global healthcare providers using the same engagement survey





# Our environment

## Environmental performance and sustainability

- Summerset is a market leader in sustainability in the retirement and aged care sectors
- Our ambition is to develop, build and manage sustainable retirement villages in New Zealand and Australia
- Named a Sustainability leader in the 2024 Australian Financial Review (Property and Construction category)
- Double finalist at the Retirement Village Association (RVA) Sustainability awards for our national waste free construction initiative, and our solar panels project at our Richmond village
- Released our Sustainability Review and Climate-Related Disclosures Report, the first time the company has reported its climate-related disclosures
- Continued focus on waste minimisation - providing items from care centre upgrades, such as commercial kitchen appliances, to local community groups for reuse
- Construction waste avoidance initiative continues, our sites diverting over 2,500 tonnes of waste from landfill in 1H24
- Completed our second major solar panel retrofit in May at Rototuna, consisting of over 280 panels on the main building
- New solar-powered street lighting trials to commence at our Havelock North and Paraparaumu villages
- Extended the rollout of our EV charger network and number of electric vehicles across our village portfolio with growing demand for use from our residents

Solar implementation – Summerset Richmond Ranges


Village EV pool car


Waste free construction

Reusing care centre appliances

# Marketing & community support

## Promoting and supporting our communities

- We have a continued focus on growing our brand and presence in both New Zealand and Victoria
- Summerset now works with 220 local community clubs, including bowls, golf, croquet, bridge and theatre groups
    - Community involvement in Victoria is growing - our most recent partnership being with the Torquay Bowls Club
- New national brand campaign launched in April, Summerset leads the market in brand consideration
- Positive levels of enquiry achieved in 1H24, total enquiry up 17% on 1H23 and now generating almost double the enquiry we were five years ago
- Announced as a finalist in the 2024 New Zealand Marketing Awards for Excellence in Long-Term Marketing Strategy
- Consistently recognised as a Highly Commended Trusted Brand by Reader’s Digest and most recently received gold in the Quality Service Award category
- Continue to support and sponsor organisations that align with our brand and our values - including Netball New Zealand, Bowls New Zealand, GT NZ Championship, The New Zealand Symphony Orchestra, Braintree Trust and Hato Hone St Johns

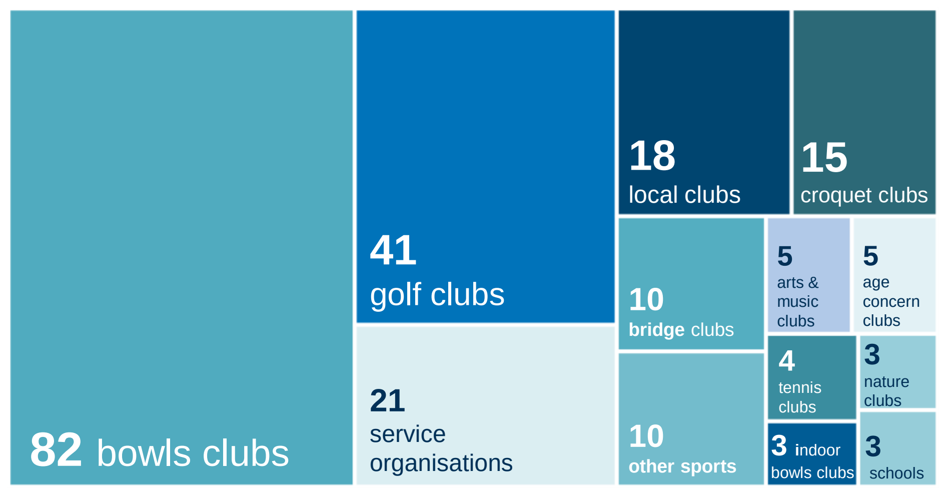

GT NZ Championship


Bowls New Zealand


New Zealand Symphony Orchestra


Hato Hone St Johns

### Community engagement



*Summerset Milldale (Auckland, New Zealand)*




# 04
# New Zealand development

Summerset Mission Hills (Napier)


Summerset Mission Hills (Napier)

# New site – announced today

## Summerset Mission Hills

- Acquisition of a 10.9ha broad acre site in Napier, to be home to our third village in the city
- The site will offer approximately 270 independent homes, a care centre with rest home and hospital level care and a wide range of recreation amenities
- Napier is a highly desirable location for our target audience and is undersupplied for RV living due to scarcity of land
- The site sits within a wider development designed to include approximately 800 homes, a centrally located neighbourhood centre with boutique retail and amenities, community reserve and event facilities
- The site is also well positioned with Napier city and the Hawke's Bay Airport both located within an 11-minute drive
- The catchment for the village has favourable demographics with a 75+ population of approximately 5,500 people rising to over 7,000 by 2033
- We expect the location to complement our existing villages in the city that both see strong demand from prospective residents and high occupancy levels

Summerset Milldale (Auckland)

Summerset St Johns (Auckland)

# Development activity

## New Zealand summary

- Delivered 311 units to be sold under Occupation Right and 21 care beds across 11 sites in 1H24
- Currently have 14 villages in construction across ten regions in New Zealand, with a further three care centre upgrades underway at Havelock North, Levin and Trentham
- Won Gold at the 2024 Master Builders Commercial Project Awards for our Kenepuru main building
- Completed our successful Casebrook village, home to almost 500 residents, and returning a cash margin to the business of $34.7m
- Two main buildings delivered at Pāpāmoa Beach and Lower Hutt in 1H24
- Bulk earthworks at Rangiora complete with civils works progressing well and construction of first units underway (first deliveries expected in 1H25)
- Construction at St Johns on track, first deliveries due in 2H24 – will include independent apartments, serviced apartments, memory care apartments, the care centre and main building recreation spaces
- Granted resource consent for extension land at Kelvin Grove, Palmerston North with resource consent applications being progressed for Masterton and Rotorua
  - Over 70% of NZ landbank now consented

Summerset Mt Denby (Whangārei)

Summerset Half Moon Bay (Auckland)

Summerset Cambridge (Waipā District)

Summerset by the Dunes (Pāpāmoa Beach, Tauranga)

Summerset Palms (Te Awa, Napier)

Summerset Waikanae (Kāpiti Coast)

Summerset Boulcott (Lower Hutt, Wellington)

Summerset Richmond Ranges (Tasman)

Summerset Blenheim (Marlborough District)

Summerset Rangiora (Waimakariri District)

Summerset on Cavendish (Casebrook, Christchurch)

Summerset Prebbleton (Selwyn District)

# New Zealand development pipeline

## Diversified development pipeline of 20 sites*


** Excludes care centre upgrades at three sites (Havelock North, Levin and Trentham)*

*** New site purchased*

# Project cash profits

- Summerset developments produce positive net cash flows (net cash position) upon completion, this means they carry no debt after first sell down
- The villages currently under development in New Zealand are expected to return over $245m in positive net cash profits on completion
- These net cash flows represent the project cash profits from village development
- All expense and revenue inputs are updated regularly as part of our internal development management processes
- Villages in early-stage development are likely to experience at least one residential property cycle during construction, improving the net funding position significantly over the life of the project
- Overall, the four villages in the 'last stage' of development are forecast to return between $25m and $50m per project

**$3.5b+**

Forecast capital investment

**$245m+**

Projected net cash position

| Development Stage | Village | Forecast capital investment | Forecast net cash position |
|---|---|---|---|
| Last stages | Bell Block<br>Pāpāmoa Beach<br>Richmond<br>Te Awa | $150m - $200m | $25m - $50m |
| **Last stage villages** | | **$0.7b+** | **$140m+** |
| Mid stages | Cambridge<br>Lower Hutt<br>Prebbleton<br>Whangarei | $200m - $300m | ($10m) - $20m |
| **Mid stage villages** | | **$0.9b+** | **$25m+** |
| Early stages | Blenheim<br>Half Moon Bay<br>Milldale<br>Rangiora<br>St Johns<br>Waikanae | $150m - $500m | ($20m) - $90m |
| **Early stage villages** | | **$1.8b+** | **$75m+** |
| **Total Group** | | **$3.5b+** | **$245m+** |

*Casebrook removed from table since FY23, returning a project cash profit of $34.7m*

**Project Cash Profit:**

The final cash return from developing a village. Incorporates the land cost, ILU costs, recreation and administration facility costs, care centre costs, management fees (incl. a share of corporate overheads), interest costs and the first-time sales proceeds for all units sold under Occupation Right

# Project cash profits

- Our last 11 villages to complete recycled around $229.9m of positive cash flow
- This is an average cash margin from village development of 14.6% with a per ORA unit cash margin of $92k
- While the final cash position requires completion of the village to be calculated, it is a useful metric to help understand the average cash return per ORA unit that is delivered and settled by Summerset
- Casebrook was completed in 1H24, with cash profit of $34.7m returned from village development
    - This is an average per ORA unit of $100k
- Extensions to established villages generate the highest cash returns as the care and common area costs are already covered by the existing village
- These positive net cash flows from development allow us to recycle capital for new projects, repay debt and distribute to shareholders through the payment of dividends

**14.6%**
Project cash profit

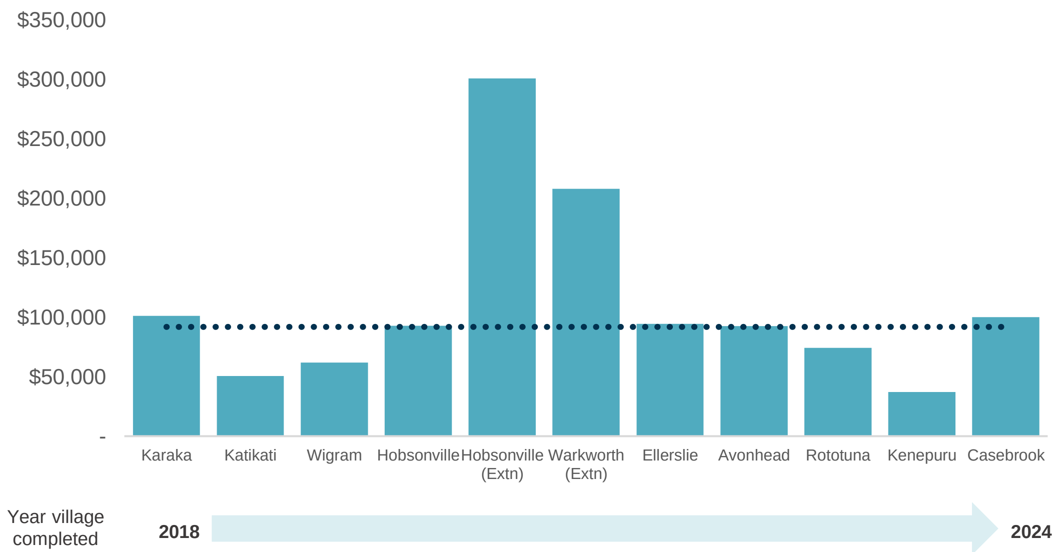
**$229.9m**
Cash margin from village development

| Village | Year complete | ORA units | Non-ORA units | Project cash profit | Cash margin |
|---|---|---|---|---|---|
| Completed villages | 2018 to 2023 | 2,154 | 324 | $195.2m | 14.1% |
| Casebrook | 2024 | 346 | 43 | $34.7m | 18.0% |
| **Total** | | **2,500** | **367** | **$229.9m** | **14.6%** |

**Completed villages:**

Completed villages includes Avonhead, Ellerslie, Hobsonville, Hobsonville extension, Karaka, Katikati, Kenepuru, Rototuna, Warkworth extension and Wigram

### Average net cash position per unit delivered and settled*

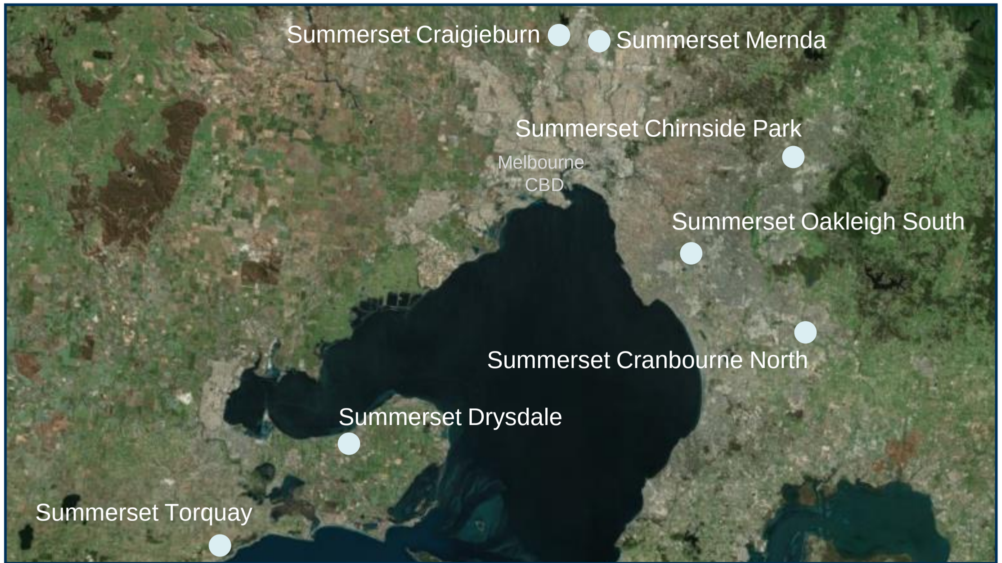



** Chart excludes eight bespoke units within Hobsonville Extension*

*Summerset Cranbourne North (Melbourne, Victoria)*




# 05
# Australia development




**Summerset Australia**

**Site progress - Summerset Chirnside Park (Melbourne)**

# Development activity

## Australia summary

- Significant milestone for Summerset with the first Australian residents welcomed at Cranbourne North
- Stage one now complete at Cranbourne North with 20 villas delivered in 1H24, bringing total units delivered to 30
- Construction now underway for stage two at Cranbourne North, with the main building and stage three scheduled to commence in 2H24
- Civil construction underway at our second Australian village, Chirnside Park
- Project cash profit from Cranbourne North and Chirnside Park, both in early-stage construction, currently forecast to return a cash margin of between breakeven and -$15m
- Oakleigh South Planning Permit was unanimously approved by Council in May, construction to commence in 2H24
- Development Plan for Torquay approved by Council with Planning Permit lodged and civils expected to commence in 2H24
- The current Australian pipeline gives us capacity to build over 2,100 units (including over 450 beds)
- We continue to look for suitable new village development opportunities, including sites in Queensland as previously announced

# Summerset Cranbourne North (Melbourne)

**Site progress – June 2024**

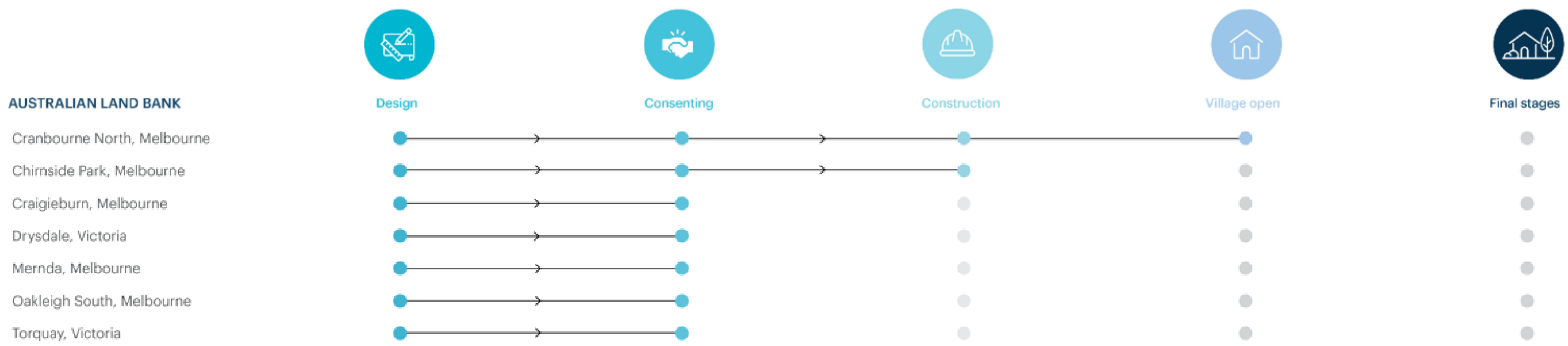
30 independent villas delivered

Main building with 34 assisted living apartments and 72 care beds to commence construction in 2H24

Rest home and hospital level care will be available

# Australia development pipeline

## Now have seven villages in planning and development across Victoria




Summerset Boulcott (Lower Hutt, New Zealand)

# 06
# Financial performance

Half Year Report 2024

# Reported profit (IFRS)

- IFRS NPAT of $102.2m, down from $133.1m in 1H23
- Fair value movement of investment of $128.4m, including $49.6m from new units delivered
- Total revenue of $151.6m, up 18% relative to 1H23
- Summerset has maintained its disciplined approach to cost control as deliveries and our portfolio size grows, and wider economic conditions remain challenging
- Cost management initiatives in 1H24 resulted in total expenses of $146.5m, in line with the $144.8m in 2H24 – inclusive of two main buildings opening in the period at Pāpāmoa Beach and Lower Hutt
    - Summary of key expense movements provided on slide 34
- Increase in tax expense resulting from change in tax rules effective from 1 January 2024 removing depreciation for 'non-residential' buildings in New Zealand

**$102.2m**

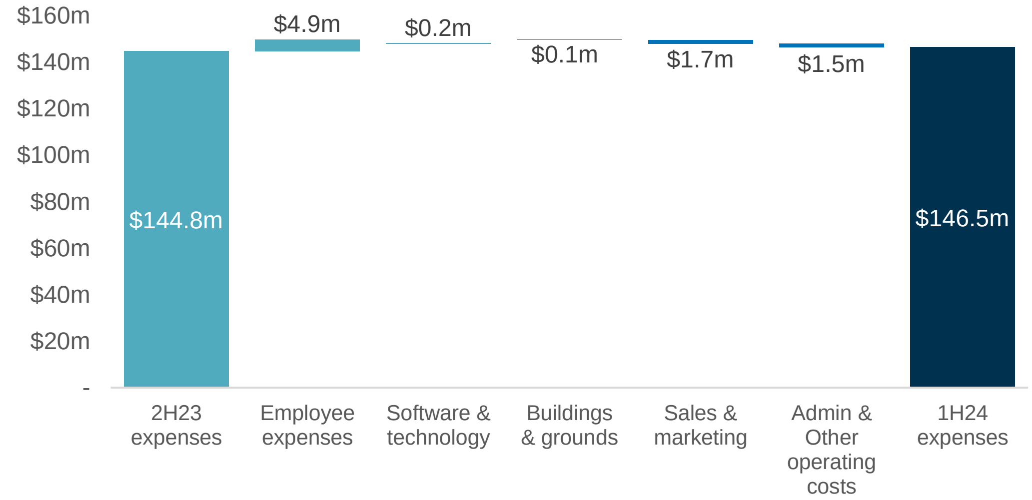
Net profit after tax

**23%**

Decrease on 1H23

| NZ$m | 1H24 | 1H23 | Variance | FY23 |
|---|---|---|---|---|
| Total revenue | 151.6 | 128.2 | *18%* | 272.2 |
| Fair value movement of investment property | 128.4 | 131.5 | *(2%)* | 441.6 |
| **Total income** | **280.0** | **259.7** | ***8%*** | **713.8** |
| Total expenses | 146.5 | 119.0 | *23%* | 263.8 |
| Net finance costs | 12.8 | 12.6 | *1%* | 27.5 |
| **Net profit before tax** | **120.8** | **128.1** | ***(6%)*** | **422.5** |
| Tax expense / (credit) | 18.6 | (5.0) | *(476%)* | (13.8) |
| **Net profit after tax** | **102.2** | **133.1** | ***(23%)*** | **436.3** |

## Total expenses



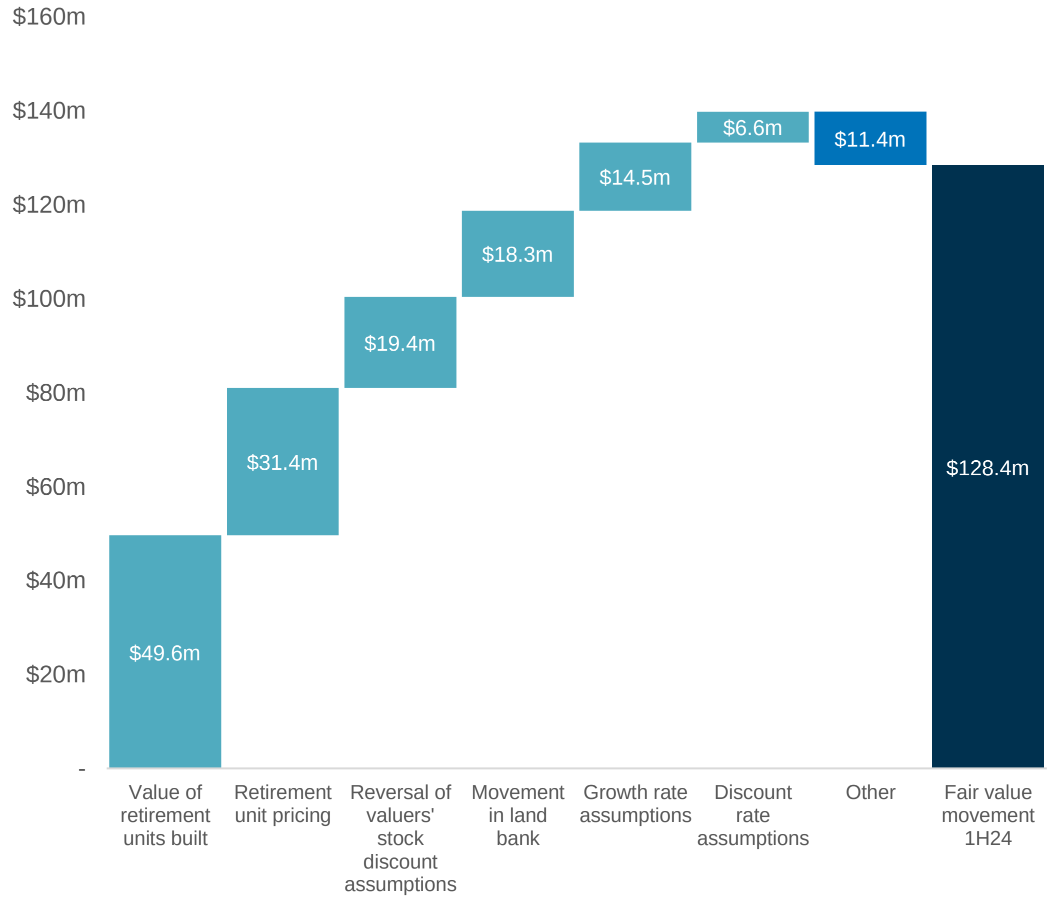
# Fair value movement

- Fair value movement of $128.4m, in line with 1H23
- Fair value movement has been driven by:
  - New units built $49.6m: Value of new units delivered in 1H24
  - Unit pricing $31.4m: Retirement unit price inflation on existing units within the portfolio
  - Movement in land bank $18.3m: Valuation movement on St Johns and the undeveloped land bank
  - Growth rate assumptions $14.5m: Valuers adopting more standard short term growth rates within the valuation in line with the residential property market cycle
  - Discount rates $6.6m: Change in assumptions used by the valuers
  - Other movements primarily relate to the valuers' adjustments for OPEX recovery from weekly fees within the valuation
- Refer to the appendices (slides 63 and 64) for key assumptions associated with the investment property valuation

**$128.4m**
Fair value movement

**$49.6m**
Increase from new units delivered

## Fair value movement of investment property 1H24



# Underlying profit

- Underlying profit remains an important financial measure - used to benchmark performance, show the core drivers of the business and how they grow over time, with earnings that are easily understood
- Record first half underlying profit of $89.9m, up 3% from $87.2m in 1H23
  - 1H24 underlying profit up 9% when normalised for the sale of three bespoke villas at Hobsonville in 1H23 - these units had a combined margin of $4.9m
- This result was underpinned by strong growth in village EBITDA, up 22% on 1H23 with village services, deferred management fees and realised gain on resale up a combined $22.7m
- Care EBITDA of -$1.4m impacted by the opening of two main buildings at Pāpāmoa Beach and Lower Hutt and the cost drag associated with this while the units fill
  - Care fees up 22% reflected the sell down of main buildings opened in prior periods
- Profit after refurbishment costs up $1.4m to $82.9m in 1H24

  Refurbishment costs incorporate expenditure on units sold under Occupation Right when vacated (e.g. paint, carpet, kitchen and bathroom upgrades, external upgrades, etc)

**$89.9m**

Underlying profit

**3%**

Increase on 1H23 ▲

| NZ$m | 1H24 | 1H23 | Variance | FY23 |
|---|---|---|---|---|
| Care fees | 61.6 | 50.6 | *22%* | 109.6 |
| Deferred management fees | 3.0 | 2.3 | *35%* | 4.7 |
| Realised gain on resales | 0.1 | 0.2 | *(24%)* | 0.2 |
| Care operating expenses | (66.2) | (50.8) | *30%* | (115.2) |
| **Care EBITDA** | **(1.4)** | **2.3** | ***(1.6)*** | **(0.6)** |
| Village services | 29.3 | 25.1 | *17%* | 52.8 |
| Deferred management fees | 54.9 | 47.6 | *15%* | 99.8 |
| Realised gain on resales | 45.6 | 34.4 | *33%* | 87.9 |
| Village operating expenses | (36.4) | (30.8) | *18%* | (66.7) |
| **Village EBITDA** | **93.4** | **76.2** | ***22%*** | **173.8** |
| Interest and other revenue | 2.7 | 2.7 | *1%* | 5.4 |
| Head office expenditure (post capitalisation) | (34.6) | (30.1) | *15%* | (66.1) |
| **Annuity EBITDA** | **60.1** | **51.1** | ***18%*** | **112.5** |
| Realised development margin | 51.7 | 56.0 | *(8%)* | 121.2 |
| **Underlying EBITDA** | **111.9** | **107.1** | ***4%*** | **233.7** |
| Depreciation and amortisation | (9.2) | (7.3) | *25%* | (15.8) |
| Finance costs | (12.8) | (12.6) | *1%* | (27.5) |
| **Underlying profit** | **89.9** | **87.2** | ***3%*** | **190.3** |
| Refurbishment costs | (7.1) | (5.7) | *25%* | (11.6) |
| **Profit after refurbishment costs** | **82.9** | **81.5** | ***2%*** | **178.8** |

**Underlying Profit:**

Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The Directors have provided an underlying profit measure in addition to IFRS profit to assist readers in determining the realised and unrealised components of fair value movement of investment property, impairment and tax expense in the Group's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions and has been reviewed by Ernst & Young. Underlying profit is a measure which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend payout to shareholders.

# Segment earnings

- Summerset has two core business segments, being ongoing operations and construction activity
- Ongoing operations incorporates care and village EBITDA, head office support (e.g. management time, IT, sales and marketing costs, administration), other revenue, depreciation and amortisation
- These are the ongoing earnings of the business that are generated from operating retirement villages and care centres
  - For 1H24, underlying profit from ongoing operations was $59.5m
  - With refurbishment costs included, profit from ongoing operations was $52.4m in 1H24
- Construction activity incorporates earnings from the first-time sale of ORA units (realised development margin), head office expenditure (such as sales and marketing costs for first time sell down) and expensed finance costs
- These are earnings for the business that are generated from building and selling down ORA units in our retirement villages and care centres
  - For 1H24, underlying profit from construction activity was $30.4m

**$59.5m**
Ongoing operations

**$30.4m**
Construction activity

| NZ$m | Ongoing operations | Construction activity | 1H24 |
|---|---|---|---|
| Care fees | 61.6 | - | 61.6 |
| Deferred management fees | 3.0 | - | 3.0 |
| Realised gain on resales | 0.1 | - | 0.1 |
| Care operating expenses | (66.2) | - | (66.2) |
| **Care EBITDA** | **(1.4)** | **-** | **(1.4)** |
| Village services | 29.3 | - | 29.3 |
| Deferred management fees | 54.9 | - | 54.9 |
| Realised gain on resales | 45.6 | - | 45.6 |
| Village operating expenses | (36.4) | - | (36.4) |
| **Village EBITDA** | **93.4** | **-** | **93.4** |
| Interest and other revenue | 2.7 | - | 2.7 |
| Head office expenditure (post capitalisation) | (26.0) | (8.5) | (34.6) |
| **Annuity EBITDA** | **68.7** | **(8.5)** | **60.1** |
| Realised development margin | - | 51.7 | 51.7 |
| **Underlying EBITDA** | **68.7** | **43.2** | **111.9** |
| Depreciation and amortisation | (9.2) | - | (9.2) |
| Finance costs | - | (12.8) | (12.8) |
| **Underlying profit** | **59.5** | **30.4** | **89.9** |
| | | | |
| Refurbishment costs | (7.1) | - | (7.1) |
| **Profit after refurbishment costs** | **52.4** | **30.4** | **82.9** |

**Underlying Profit:**

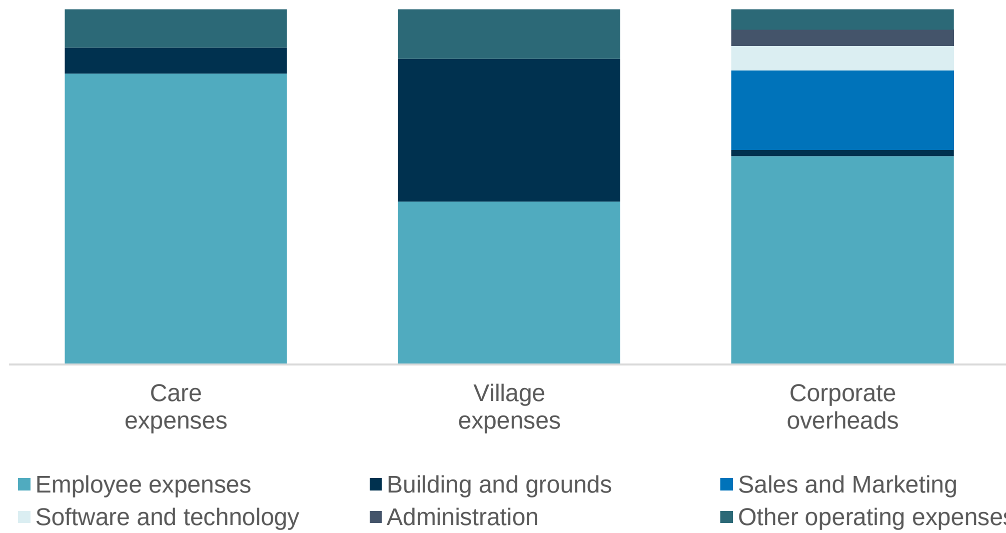
Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The Directors have provided an underlying profit measure in addition to IFRS profit to assist readers in determining the realised and unrealised components of fair value movement of investment property, impairment and tax expense in the Group's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions and has been reviewed by Ernst & Young. Underlying profit is a measure which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend payout to shareholders.

# Operating expenses

- Gross operating expenses of $167.1m, down 1% on 2H23
- Employee expenses of $109.3m, up 6% on 2H23 across care, village and corporate with the key drivers being:
    - Wage increases for existing staff of $0.7m
    - New roles of $5.4m in line with portfolio growth and the opening of new main buildings
- Building and grounds of $19.9m, in line with 2H23
- Sales and marketing costs of $14.0m, down from $15.1m with the key change being lower settlements and commissions
- Administration costs of $2.9m, down from $5.0m in 2H23 with lower travel costs and reduced consultancy spend in the period
- Decrease in other operating expenses to $16.4m, down $4.9m with the main drivers being lower land investigation costs and reduced discretionary spend within corporate overheads
- No village or care expenses are capitalised

| NZ$m | 1H24 | 2H23 | *Variance* | 1H23 | FY23 |
|---|---|---|---|---|---|
| Employee expenses | 109.3 | 103.1 | *6%* | 85.2 | 188.3 |
| Building and grounds | 19.9 | 20.0 | *(1%)* | 17.4 | 37.4 |
| Sales and marketing | 14.0 | 15.1 | *(7%)* | 11.9 | 27.0 |
| Software and technology | 4.4 | 4.1 | *7%* | 3.3 | 7.5 |
| Administration | 2.9 | 5.0 | *(41%)* | 4.1 | 9.1 |
| Other operating expenses | 16.4 | 21.3 | *(23%)* | 15.6 | 36.9 |
| **Gross operating expenses** | **167.1** | **168.6** | ***(1%)*** | **137.6** | **306.2** |
| Capitalised to projects | (29.9) | (32.3) | *(7%)* | (25.9) | (58.2) |
| **Reported operating expenses** | **137.2** | **136.3** | ***1%*** | **111.7** | **248.0** |
| | | | | | |
| Care expenses | 66.2 | 64.4 | *3%* | 50.8 | 115.2 |
| Village expenses | 36.4 | 35.9 | *1%* | 30.8 | 66.7 |
| Corporate overheads | 34.6 | 36.0 | *(4%)* | 30.1 | 66.1 |
| **Reported operating expenses** | **137.2** | **136.3** | ***1%*** | **111.7** | **248.0** |

## 1H24 Gross operating expenses



# Cash flows

- Operating cash flows of $191.6m, up 31% from $146.7m in 1H23
- Increase in operating cash flows driven by increases in care and village services (up 16%) and net receipts for residents' loans – resales, up $42.8m
- Increase in resales cash flow reflects an increase in overall resales (up 23% on 1H23) and a reduction in buybacks of vacant stock in the period (impacted 1H23 by circa $25m)
- Payments to suppliers and employees increased in line with the opening of two main buildings at Lower Hutt and Pāpāmoa Beach
- Investing cash outflows of $293.8m in the period, down 12% on 1H23 and includes the following:
  - Apartment and main building spend at St Johns and Lower Hutt
  - Main buildings at Cambridge, Whangarei and Milldale
  - Civils spend at Chirnside Park, Half Moon Bay, Waikanae, Rangiora and Blenheim
  - Villa construction across our New Zealand and Australian sites
- Construction of new IP & care facilities of $231.0m, down 4% from 1H23 compared to a 31% increase in Operating cash flows over the same the period

**$191.6m**

Operating cash flows

**31%**

Increase on 1H23 ▲

| NZ$m | 1H24 | 1H23 | Variance | FY23 |
|---|---|---|---|---|
| Receipts from residents: | | | | |
| Care fees and village services | 89.9 | 77.8 | *16%* | 165.3 |
| Net receipts for residents' loans - resales | 65.7 | 22.9 | *187%* | 104.6 |
| Receipts for residents' loans - new sales | 168.8 | 158.2 | *7%* | 362.7 |
| Interest received | 0.5 | 0.9 | *(50%)* | 1.7 |
| Payments to suppliers and employees | (133.2) | (113.2) | *18%* | (236.2) |
| **Operating cash flows** | **191.6** | **146.7** | ***31%*** | **398.2** |
| Sale and (purchase) of land | (1.2) | (53.8) | *(98%)* | (56.5) |
| Construction of new IP & care facilities | (231.0) | (240.3) | *(4%)* | (523.3) |
| Refurb of existing IP & care facilities | (10.2) | (7.7) | *32%* | (19.5) |
| Care centre upgrades | (3.2) | (0.4) | *709%* | (1.7) |
| Other investing cash flows | (11.0) | (5.9) | *86%* | (14.6) |
| Capitalised interest paid | (37.1) | (23.9) | *55%* | (52.8) |
| **Investing cash flows** | **(293.8)** | **(332.1)** | ***(12%)*** | **(668.5)** |
| Net proceeds from borrowings | 143.1 | 226.9 | *(37%)* | 322.9 |
| Net dividends paid | (17.4) | (17.7) | *(2%)* | (34.3) |
| Other financing cash flows | (15.2) | (14.2) | *7%* | (31.0) |
| **Financing cash flows** | **110.4** | **195.0** | ***(43%)*** | **257.7** |

# Balance sheet

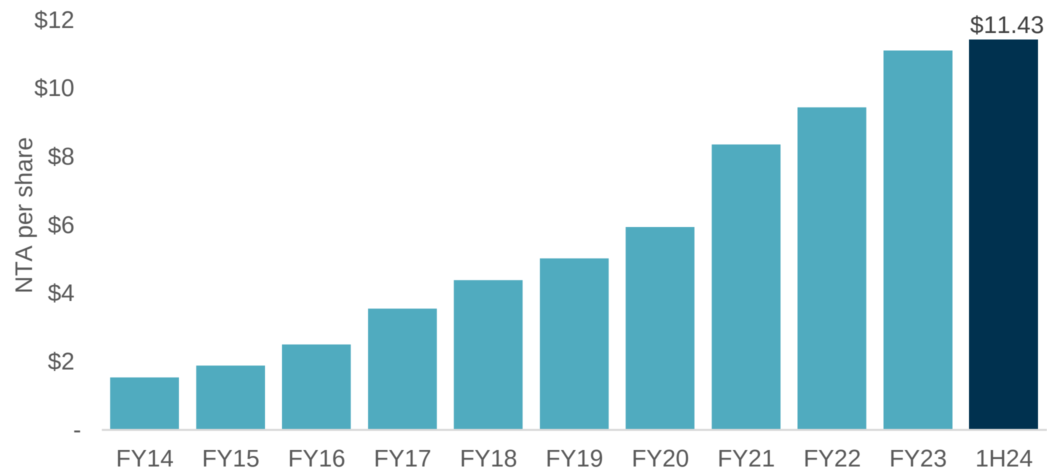
- Total assets of $7.4b, up 17% on 1H23, driven by portfolio growth and the underlying value in our existing villages
- Investment property of $6.8b, up 17% on 1H23
- Other assets include buildings, primarily care centres, which are valued annually
- Continue to grow shareholder value with net tangible assets per share of $11.43, up 16% on 1H23

**$7.4b**
Total assets ▲ 17%

**$2.2b**
Retained earnings ▲ 19%

| NZ$m | 1H24 | 1H23 | Variance | FY23 |
|---|---|---|---|---|
| Investment property | 6,794 | 5,795 | *17%* | 6,407 |
| Other assets | 569.2 | 502.8 | *13%* | 534.5 |
| **Total assets** | **7,363** | **6,298** | ***17%*** | **6,942** |
| Residents' loans | 2,671 | 2,287 | *17%* | 2,507 |
| Face value of bank loans & bonds | 1,548 | 1,307 | *18%* | 1,399 |
| Other liabilities | 446.4 | 398.1 | *12%* | 430.2 |
| **Total liabilities** | **4,666** | **3,991** | ***17%*** | **4,336** |
| **Net assets** | **2,697** | **2,307** | ***17%*** | **2,605** |
| | | | | |
| **Embedded value** | **1,643** | **1,522** | ***8%*** | **1,620** |
| **NTA (cents per share)** | **1,143** | **987.7** | ***16%*** | **1,110** |
| | | | | |
| **Retained earnings** | **2,221** | **1,873** | ***19%*** | **2,150** |

## Summerset net tangible assets per share




**Definitions:**

Face value of drawn bank debt and retail bonds. Excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings

Net assets includes share capital, reserves, and retained earnings

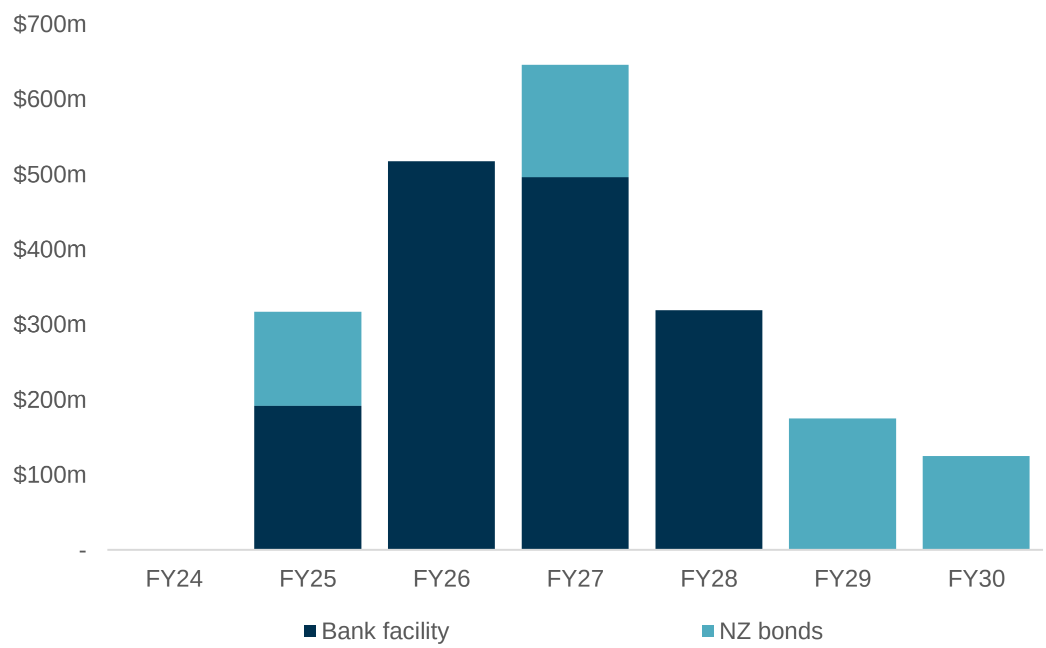
# Funding

- Bank facility approximately $1.5b, with existing $575m of retail bonds at 30 June 2024
- As at 30 June 2024, 52% of total debt was hedged at fixed interest rates, resulting in a weighted average interest rate of 5.43% for 1H24
- Total facility (incl. bonds) has an average tenor of 3.1 years
- Bank facility has undrawn capacity of $551.3m as at 30 June 2024
- Retail bond of $125.0m was issued on 8 March 2024

**$1.5b**
Bank facility

**$575m**
Retail bonds

Funding maturity profile



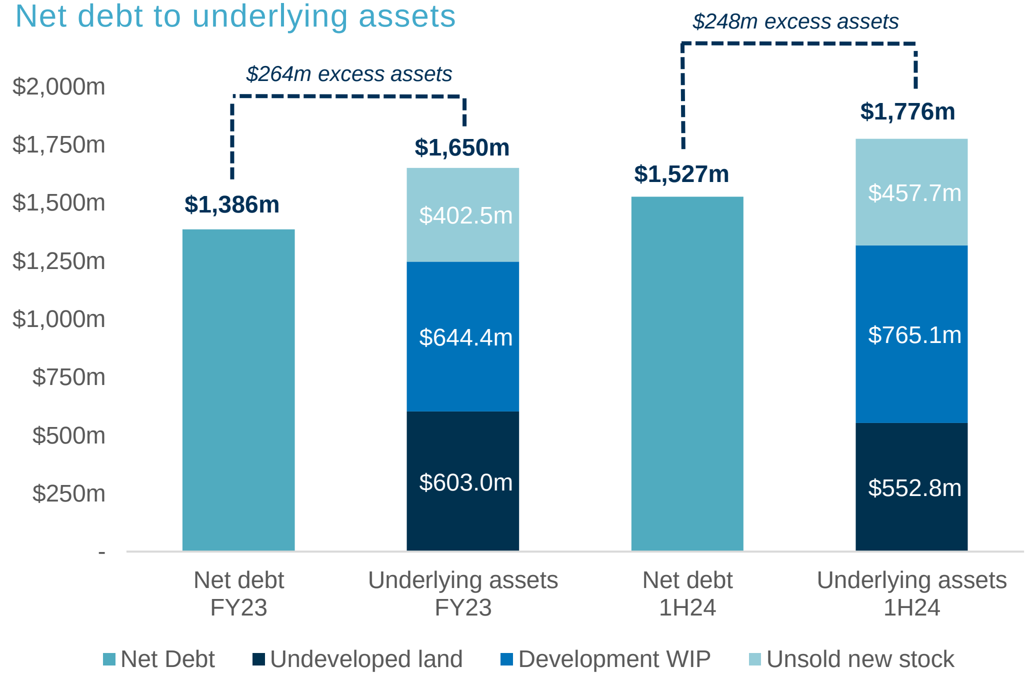
# Development assets

- Development assets exceed the value of net debt by $248.3m, or 16%
- Development assets comprise:
  - $552.8m relating to undeveloped land, being the fair value of our Australia and New Zealand land bank
  - $765.1m for development WIP at cost (villages under construction), and
  - $457.7m from unsold new sale stock, which is all delivered new sale stock that is yet to settle
    - $116.7m of delivered stock was contracted and awaiting settlement at 30 June 2024
- Net debt of $1,527m at 1H24, up from $1,386m at FY23

**$1.8b**
Underlying development assets

**38.0%**
Bank & bond LVR

## Net debt to underlying assets




| NZ$m | 1H24 | 1H23 | Variance | FY23 |
|---|---|---|---|---|
| Gearing ratio (%) | 36.2% | 35.5% | *2%* | 34.7% |
| Bank & bond LVR (%) | 38.0% | 39.1% | *(3%)* | 36.4% |

**Definitions:**

Net debt is the face value of drawn bank debt and retail bonds less cash and cash equivalents. Excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings

Gearing ratio calculation (net debt / net debt plus book equity) differs from the Summerset Group's bank and bond LVR covenant (total debt of the Summerset Group / property value of the Summerset Group)

# Debt measures

- Gross debt of $1.5b, up from $1.3b at 1H23
- Uplift in gross debt driven by increased construction activity across our developing villages in the period
- Gearing ratio of 36.2%, slightly up on 35.5% at 1H23
- Summerset remains well placed to execute on its growth ambitions
  - The business holds no core debt
  - New Zealand gearing ratio with Australian growth related debt excluded is 28.8%
- Summerset's ICR coverage is 203%, more than double the required covenant measure, providing a high degree of covenant headroom for the business

**Definitions:**

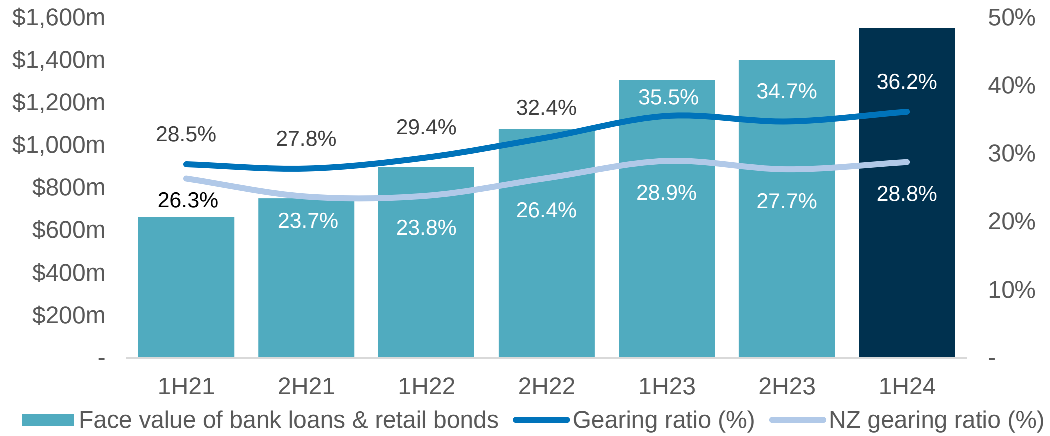
Face value of drawn bank debt and retail bonds. Excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings

Gearing ratio calculation (net debt / net debt plus book equity) differs from the Summerset Group's bank and bond LVR covenant (total debt of the Summerset Group / property value of the Summerset Group)

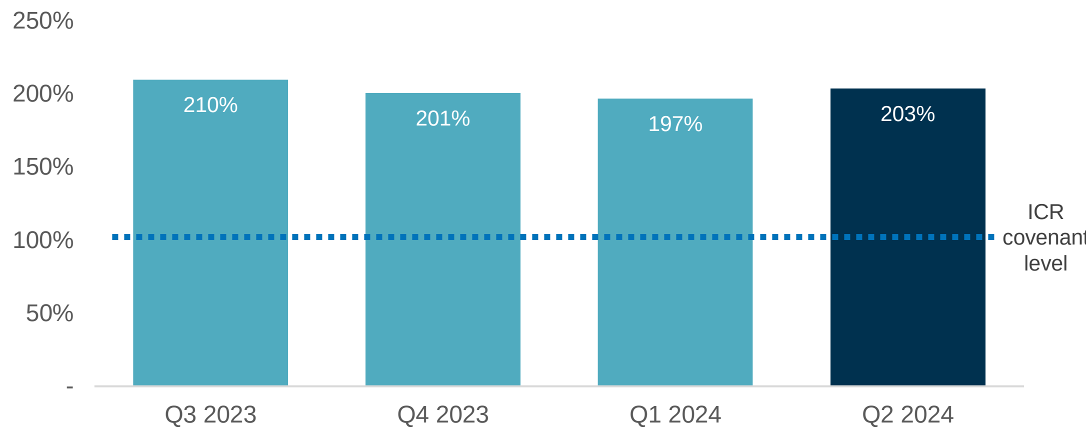
**36.2%**
Gearing ratio

**203%**
ICR coverage

## Gross borrowings and gearing




## ICR coverage ratio

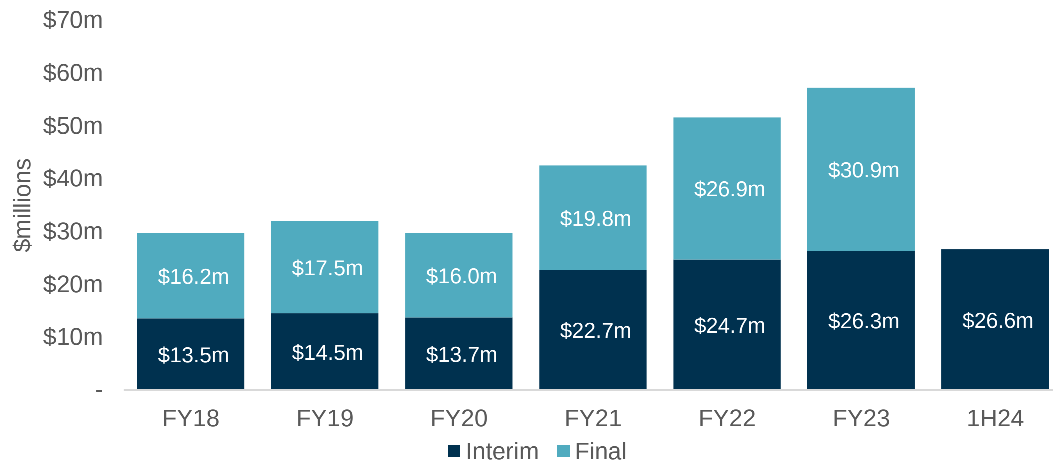


# Interim dividend

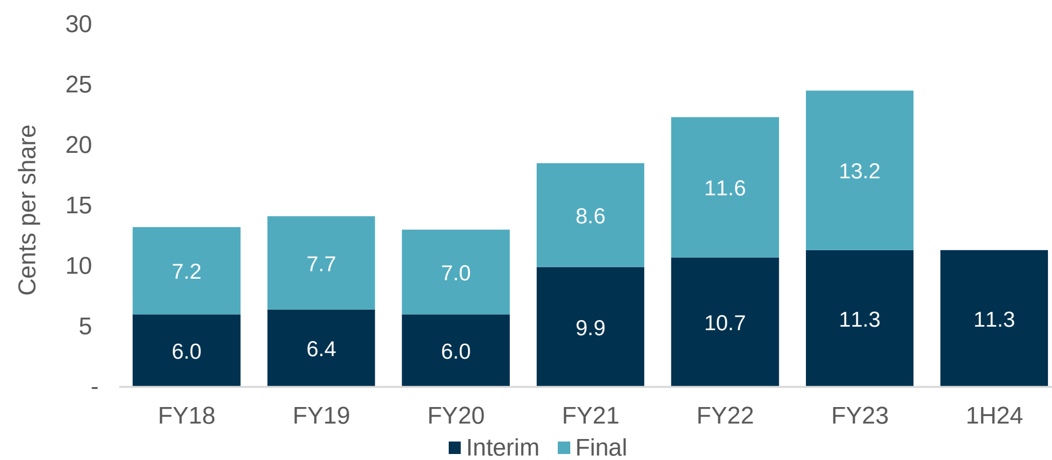
## Declared 1H24 interim dividend of 11.3 cents per share

- The Board has declared an unimputed interim dividend of 11.3 cents per share, being 29.6% of underlying profit
- This represents a payout for 1H24 of approximately $26.6m
- The dividend reinvestment plan (DRP) will apply to this dividend enabling shareholders to take shares in lieu of the cash dividend
- A discount of 2% will be applied when determining the price per share of shares issued under the DRP
- The final dividend will be paid on Friday 20 September 2024. The record date for final determination of entitlements to the updated dividend is Monday 9 September 2024

## Gross dividend payout per year




## Dividend per share




# 07
# Business performance



Summerset

# Retirement unit delivery

## 352 total units delivered with 332 in New Zealand, and 20 villas in Australia

- 352 total units delivered in the period across 12 villages, including 277 retirement units and 75 care units
- Of these, 331 will be sold under Occupation Right Agreement, the remaining 21 being care beds
- Main buildings delivered at Pāpāmoa Beach (February) and Lower Hutt (late May)
- 20 retirement units delivered at Cranbourne North, bringing total Australian portfolio to 30 villas
- St Johns remains on track to deliver first units in 2H24
- FY24 deliveries being actively managed to market conditions – expect to deliver at the lower end of the 675 to 725 guidance range for units to be sold under Occupation Right Agreement

| 1H24 unit delivery | Retirement units | | | Care units | | | Total units |
|---|---|---|---|---|---|---|---|
| | Villas | Apartments | Serviced apartments | Memory care apartments | Care suites | Care beds | |
| Bell Block | 18 | - | - | - | - | - | 18 |
| Blenheim | 21 | - | - | - | - | - | 21 |
| Cambridge | 20 | - | - | - | - | - | 20 |
| Casebrook | 6 | - | - | - | - | - | 6 |
| Lower Hutt | 4 | - | 35 | 15 | - | - | 54 |
| Milldale | 13 | - | - | - | - | - | 13 |
| Pāpāmoa Beach | 20 | - | 56 | 20 | 19 | 21 | 136 |
| Prebbleton | 20 | - | - | - | - | - | 20 |
| Richmond | 9 | - | - | - | - | - | 9 |
| Te Awa | 18 | - | - | - | - | - | 18 |
| Whangārei | 17 | - | - | - | - | - | 17 |
| **Total NZ** | **166** | **-** | **91** | **35** | **19** | **21** | **332** |
| | | | | | | | |
| Cranbourne North | 20 | - | - | - | - | - | 20 |
| **Total Australia** | **20** | **-** | **-** | **-** | **-** | **-** | **20** |
| | | | | | | | |
| **Total Group** | **186** | **-** | **91** | **35** | **19** | **21** | **352** |

# Development margin

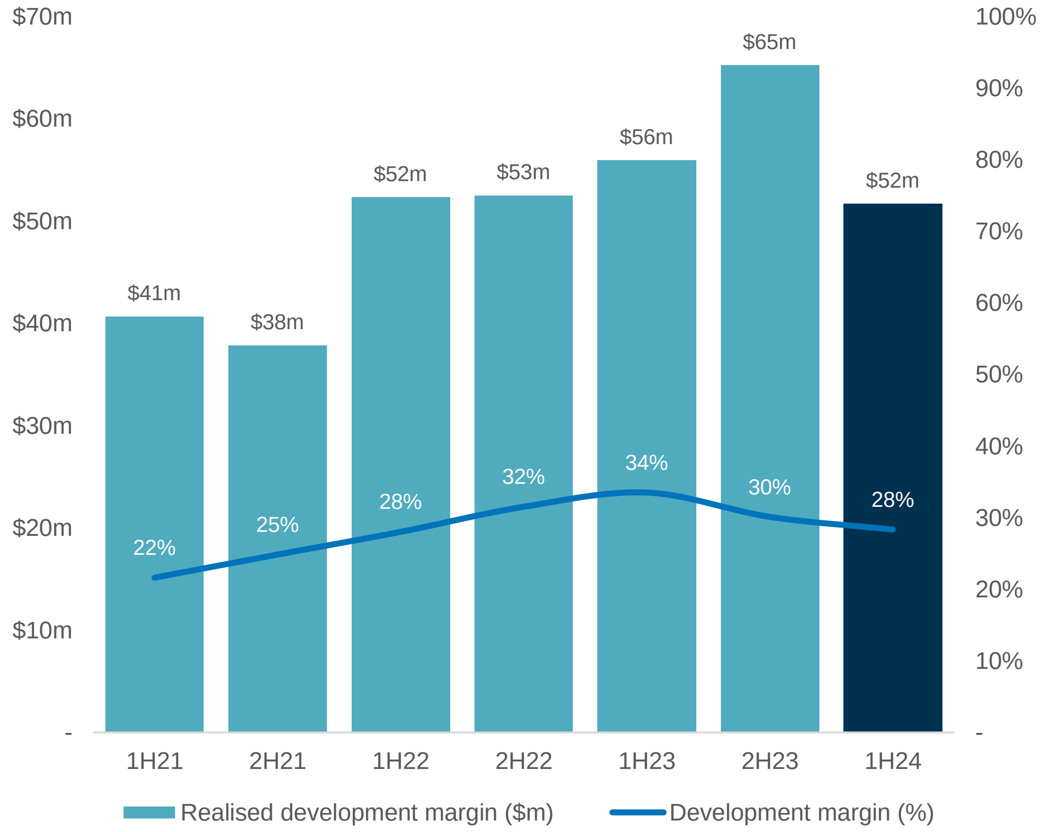
## Realised development margin of $51.7m, with a 28% development margin

- Realised development margin of $51.7m with a 28% margin, compared to 34% at 1H23
- Development margin reflective of changes in sales mix in line with the delivery of four main buildings in the past 12 months
- Unit margins continue to track above medium term guidance of 20% to 25%
  - Villa margins of 38%, in line with the 40% achieved in 1H23
  - Apartment margins of 22%, in line with 1H23
  - Average margin on serviced apartments, memory care apartments and care suites of 7%

**28.3%**
Development margin

**$51.7m**
Realised margin ▼ 8%

Realised development margin



# New sales

## 290 new sales in the period, gross proceeds of $182.4m

- 290 new sales of Occupation Rights in 1H24, up 20% on the 241 settled in 1H23
- Gross proceeds of $182.4m, up 9% on 1H23
- 151 villas and 12 apartments settled during 1H24
- New sales growth driven by serviced apartments (up 31%) and care suites (up 121%)
- Average gross proceeds per new sale of $629k, down from $694k in 1H23 due to the increased proportion of serviced apartments and care suites settled in the period
- Best performing villages were Te Awa (73 new sales), Pāpāmoa Beach (43 new sales) and Bell Block (41 new sales)
- Five regions secured over 30 settlements each, highlighting the benefits of regional diversification

**290**

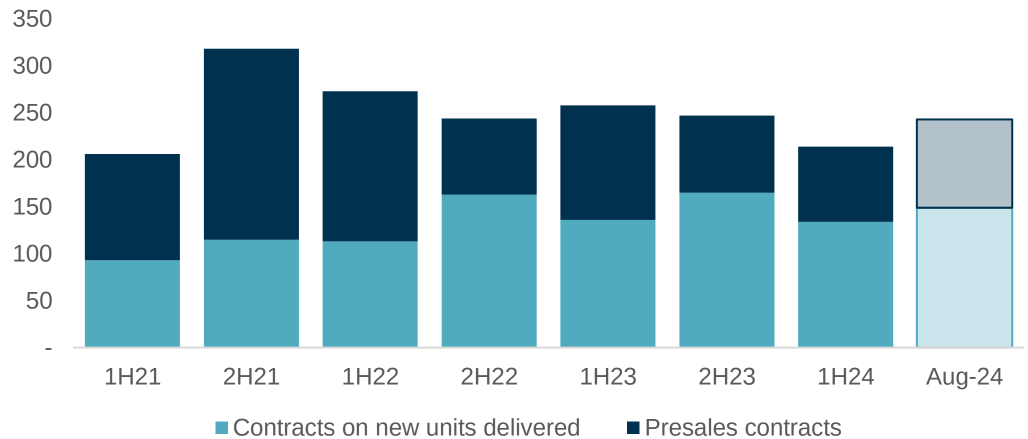
New sales of Occupation Rights

**$629k**

Average gross proceeds ▼ 9%

| New sales | 1H24 | 1H23 | Variance | FY23 |
|---|---|---|---|---|
| **Gross proceeds ($m)** | **182.4** | **167.3** | ***9%*** | **384.0** |
| Villas | 151 | 141 | *7%* | 329 |
| Apartments | 12 | 12 | - | 20 |
| Serviced apartments | 72 | 55 | *31%* | 132 |
| Memory care apartments | 13 | 14 | *(7%)* | 29 |
| Care Suites | 42 | 19 | *121%* | 50 |
| **Total occupation rights** | **290** | **241** | ***20%*** | **560** |

### Committed new sales pipeline



# New sales stock

## 142 total delivered units under contract

- 142 delivered units under contract, including eight villas at Cranbourne North in Australia
- Increase in care-based stock driven by the delivery of two main buildings during the period
- Excellent progress made on selling down the three main buildings that opened in FY23 – over 70% of these units now occupied
- Age of stock well placed, almost 50% of uncontracted stock delivered in the past six months
- 2H24 deliveries heavily weighted to St Johns (196 units) with limited other deliveries in the half allowing for sell down of stock recently delivered

**142**

Delivered units under contract

**Two**

Main buildings opened in 1H24

| New Zealand new sales stock | 1H24 | FY23 |
|---|---|---|
| Contracted | 134 | 165 |
| Uncontracted | 448 | 380 |
| **Total new sales stock** | **582** | **545** |
| | | |
| Contracted | 94 | 113 |
| Uncontracted | 243 | 217 |
| **Villas** | **337** | **330** |
| Contracted | 6 | 9 |
| Uncontracted | 18 | 25 |
| **Apartments** | **24** | **34** |
| Contracted | 24 | 35 |
| Uncontracted | 113 | 85 |
| **Serviced apartments** | **137** | **120** |
| Contracted | 8 | 2 |
| Uncontracted | 51 | 35 |
| **Memory care apartments** | **59** | **37** |
| Contracted | 2 | 6 |
| Uncontracted | 23 | 18 |
| **Care suites** | **25** | **24** |

| Australia new sales stock | 1H24 | FY23 |
|---|---|---|
| Contracted | 8 | 2 |
| Uncontracted | 20 | 8 |
| **Villas** | **28** | **10** |

# Resales

## 298 resales in the period, up 23% on 1H23 with realised resale gain of $45.7m

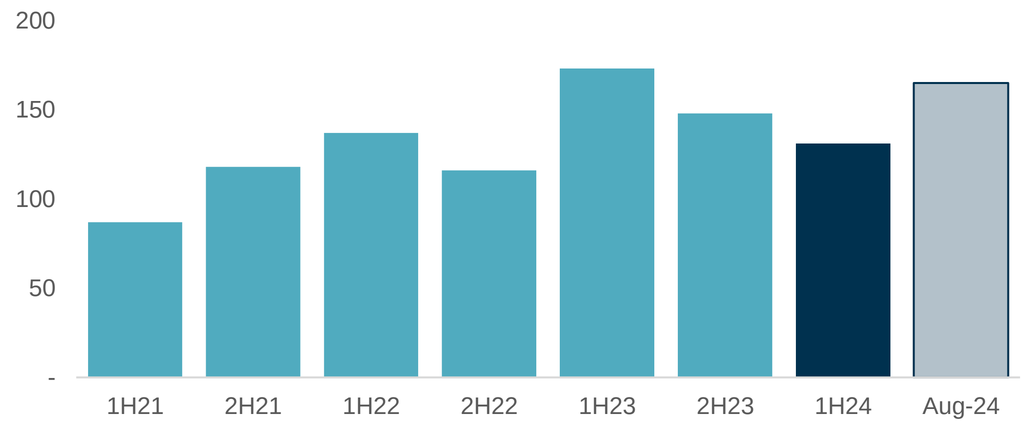
- Total gross proceeds of $177.5m, up 33% on 1H23
- This was driven by higher average gross proceeds per unit and higher overall resales settlements
- 298 Occupation Rights settled in 1H24, up from 242 in 1H23, a 23% increase
- This included a record quarter in Q2 of 177 resales
- Gross proceeds per resale settlement of $596k, up 8% from $551k in 1H23
  - Average villa resales price of $773k, up from $736k in 1H23
- Realised resale gain of $45.7m with an average gain per unit of $153k, up 7% on 1H23
- DMF realisation of $24.3m, up 36% on 1H23
- Villas and apartments comprised 55% of resales, up from 49% in 1H23, driving growth in settlement value

**298**
Resales of Occupation Rights

**$45.7m**
Realised resale gains ▲ 32%

| Resales | 1H24 | 1H23 | Variance | FY23 |
|---|---|---|---|---|
| **Gross proceeds ($m)** | **177.5** | **133.4** | ***33%*** | **318.6** |
| Realised resale gains ($m) | 45.7 | 34.6 | *32%* | 88.1 |
| Realised resale gains (%) | 26% | 26% | *0%* | 28% |
| DMF realisation ($m) | 24.3 | 17.9 | *36%* | 41.5 |
| Villas | 134 | 94 | *43%* | 238 |
| Apartments | 29 | 24 | *21%* | 55 |
| Serviced apartments | 111 | 103 | *8%* | 208 |
| Memory care apartments | 15 | 15 | - | 29 |
| Care Suites | 9 | 6 | *50%* | 13 |
| **Total occupation rights** | **298** | **242** | ***23%*** | **543** |

### Committed resales pipeline



# Resales cash margin

## Cash margin on resales of 35% with $61.6m realised in 1H24

- Resales cash margin of 35% in 1H24 with an average margin of $209k per unit, up from $194k in 1H23
- Average refurbishment costs per unit of $22k, in line with the $19k in 1H23
- Sales and marketing costs reflect costs associated with commissions, sales manager salaries and direct marketing costs (e.g. local radio and print, billboards, event open days) for our resale villages

**$61.6m**

Cash margin on resales

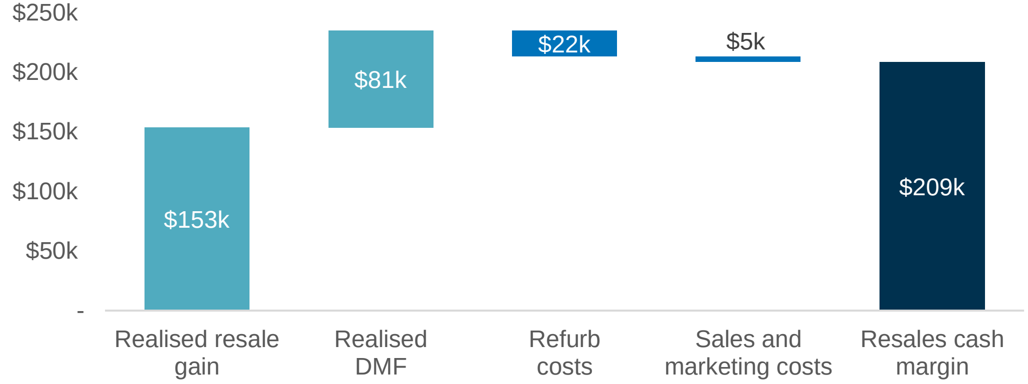
**$209k**

Realised resale cash margin

| Resales | 1H24 | 1H23 | Variance | FY23 |
|---|---|---|---|---|
| **Gross proceeds ($m)** | **177.5** | **133.4** | ***33%*** | **318.6** |
| Realised resale gains ($m) | 45.7 | 34.6 | *32%* | 88.13 |
| DMF realisation ($m) | 24.3 | 17.9 | *36%* | 41.53 |
| Refurb of existing IP* | (7.1) | (5.7) | *25%* | (11.6) |
| Sales and marketing costs | (1.3) | (0.9) | *43%* | (2.3) |
| **Cash margin on resale** | **61.6** | **45.9** | ***34%*** | **115.7** |
| Gross proceeds per unit ($k) | 595.6 | 551.4 | *8%* | 586.8 |
| Net cash per unit ($k) | 234.8 | 216.7 | *8%* | 238.8 |
| Average refurb cost per rollover ($k) | (21.8) | (18.6) | *17%* | (20.0) |
| Sales and marketing costs per unit ($k) | (4.5) | (3.9) | *16%* | (4.3) |
| **Cash margin on resale per unit ($k)** | **208.5** | **194.3** | ***7%*** | **214.4** |
| **Cash margin %** | **35%** | **35%** | ***(1%)*** | **37%** |

** Excludes refurbishment costs relating to common areas*

## Resales cash margin per unit



# Embedded value

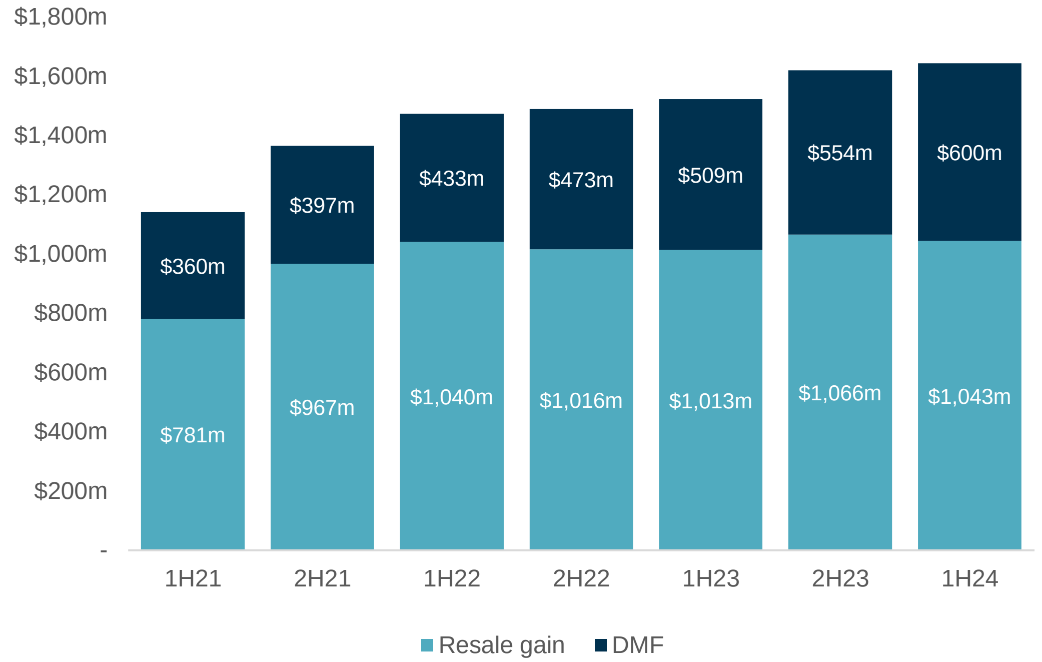
## Embedded value now $1.6b, up 8% on 1H23

- Total embedded value now $1.6b, up 8% from $1.5b at 1H23
- Embedded value comprised of:
  - $1.04b resale gains
  - $0.60b deferred management fees
- Embedded value per unit now $247k, down 5% on 1H23, driven by realisation and portfolio growth
- Record $147.3m of embedded value realised in the past 12 months, up 35% on the comparative period
- Unrealised resale gain per unit now $157k, in line with the $153k achieved on the 298 resales of Occupation Rights in 1H24
- Embedded value continues to grow as our portfolio matures, providing a strong platform for growth in operating cash flows

**$1.6b**
Embedded value ▲ 8%

**$600m**
Embedded DMF

### Embedded value




| | 1H24 | 1H23 | Variance | FY23 |
|---|---|---|---|---|
| DMF | $599.6 | $509.3 | *18%* | $554.3 |
| Resale gain | $1,043 | $1,013 | *3%* | $1,066 |
| **Embedded value** | **$1,643** | **$1,522** | ***8%*** | **$1,620** |

# Resale stock

## Uncontracted resale stock remains low

- Resale stock of 311 units, up from 292 units at FY23
- Increase was driven by a record 324 units that vacated in 1H24, up 7% on 1H23
- Almost 65% of stock vacated in the last six months with 116 units vacating in the past three months
- Contracted resale stock remains well placed with 131 units under contract at 1H24
- Uncontracted stock remains in line with 1H23 at 2.7% of portfolio
- Continue to see consistent longer term demand in our villages with a waitlist of over 1,500

**131**
Contracted resale stock

**2.7%**
Percentage of uncontracted stock

| Resales stock | 1H24 | FY23 |
|---|---|---|
| Contracted | 131 | 148 |
| Uncontracted | 180 | 144 |
| **Total resales stock** | **311** | **292** |
| | | |
| Contracted | 78 | 92 |
| Uncontracted | 106 | 83 |
| **Villas** | **184** | **175** |
| Contracted | 8 | 17 |
| Uncontracted | 20 | 15 |
| **Apartments** | **28** | **32** |
| Contracted | 36 | 36 |
| Uncontracted | 42 | 34 |
| **Serviced apartments** | **78** | **70** |
| Contracted | 6 | 2 |
| Uncontracted | 7 | 6 |
| **Memory care apartments** | **13** | **8** |
| Contracted | 3 | 1 |
| Uncontracted | 5 | 6 |
| **Care suites** | **8** | **7** |

*Percentage of uncontracted stock calculated off all units sold under Occupation Right Agreement*

Summerset at Avonhead (Christchurch, New Zealand)




# 08
# Questions



Summerset

# Disclaimer

- This presentation may contain projections or forward looking statements regarding a variety of items. Such forward looking statements are based upon current expectations and involve risks and uncertainties
- Actual results may differ materially from those stated in any forward looking statement based on a number of important factors and risks
- Although management may indicate and believe the assumptions underlying the forward looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward looking statements will be realised
- Furthermore, while all reasonable care has been taken in compiling this presentation, Summerset accepts no responsibility for any errors or omissions
- This presentation does not constitute investment advice

Summerset Boulcott (Lower Hutt, New Zealand)

# 09 Appendix

Half Year Report 2024

# Appendix contents

# Key terms

## Summerset key terms

| | |
|---|---|
| Underlying profit | Non-GAAP financial measure used by Summerset to monitor financial performance and determine dividend distributions. Calculated by making the following adjustments to reported Net Profit after Tax: Removing the change in fair value in investment properties, removing any impairment, removing non-operating one-off items, adding back realised gains from resales, adding back realised development margin from new sales, removing the deferred taxation component of taxation expense so only the current tax expense is reflected |
| Annuity EBITDA | EBITDA from care and village operations with adjustments for interest income, other revenue and head office expenditure. It excludes any earnings from development |
| Development margin | The first time ORA sales receipt less the cost for developing each unit sold under ORA. Costs incorporate the land cost, share of infrastructure costs (e.g. roading, civils), direct ILU costs, share of other costs (e.g. landscaping, FF&E), management fees (incl. a share of corporate overheads) and interest costs. Development margin excludes recreation and administration facility costs and care centre costs (for non-ORA units) |
| Project cash profits | The final cash return from developing a village. They incorporate the land cost, ILU costs, recreation and administration facility costs, care centre costs, management fees (incl. a share of corporate overheads), interest costs and the first-time sales proceeds for all units sold under Occupation Right |
| Cash margin from village development | The project cash profit from a village development divided by gross new sales receipt from first sell down |
| Ongoing operations | Earnings from operating villages and care centres. Incorporates care and village EBITDA, head office support (e.g. management time, IT, sales and marketing costs, administration), other revenue, refurbishment costs, depreciation and amortisation |
| Construction activity | Earnings from the construction and first-time sale of ORA units. Incorporates realised development margin, direct head office expenditure (sales and marketing costs for first time sell down) and expensed finance costs |
| Completed villages | Villages where all units, the care centre and common facilities have been completed and delivered |
| Realised resale gain | The difference in resale unit sales price between the incoming resident and the previous resident. Excludes DMF (shown separately) and forms part of Underlying profit and Annuity EBITDA |
| Resale cash margin | The realised cash margin on resale of a unit – includes realised resale gain, realised deferred management fee, refurbishment costs and sales and marketing expenditure relating to the resale of the unit |

# Key terms

## Summerset key terms

| | |
|---|---|
| Care EBITDA | Care fees from providing care (e.g. rest home and hospital care), deferred management fees from care units and realised resale gain from care units less costs of operating the care centres. Excludes any allocation of head office cost |
| Village EBITDA | Village services revenue (e.g. weekly fees), deferred management fees from retirement units and realised resale gain from retirement units less costs of operating retirement villages. Excludes any allocation of head office cost |
| Head office costs | The head offices functions that support the business in effectively operating our retirement villages and care centres. These include employee expenses (e.g. management), sales and marketing costs for the villages, software and technology costs, travel costs, directors' fees, consultancy costs and compliance costs |
| Employee expenses | Staff wages for villages, care and head office, excludes sales team salaries included below under sales and marketing costs |
| Building and grounds expenses | Insurance costs, Council rates, utilities and repairs and maintenance costs |
| Sales and marketing costs | Local and national advertising costs, sales commissions, sales incentives and wages for sales staff and sales management |
| Software and technology costs | General IT operating expenditure including investment in software costs, hardware costs and license fees |
| Other operating costs | All other operating costs which includes food costs, medical costs, legal fees, consultancy and travel costs, directors' fees |
| Deferred management fees | Resident fee, charged under ORA (the standard rate is 25% of the ORA price) which is deducted from the amount repaid to the outgoing resident upon resale of the unit. The fee is in consideration for the right to accommodation and the use of communal facilities over the entire length of a residents stay |
| Embedded value | Non-GAAP measure that reflects the balance of DMF accrued by the resident and the resale gain (being the difference between the price paid by the last resident and the price that would be paid by an incoming resident across the portfolio) at reporting date |
| ORA unit | Any retirement or care unit sold under an occupation right. Can include villas, apartments, serviced apartments, memory care apartments and care suites |
| Retirement unit | Villa, apartment and serviced apartment sold under ORA |
| Care unit | Memory care apartments, care suites and care beds either sold under ORA or available on a daily charge |

# Summerset overview

## Diversified portfolio throughout New Zealand and Australia

### Our portfolio

**6,364**
Retirement units in portfolio

**5,301**
Retirement units in land bank

**$7.4b**
Total assets

### Our care

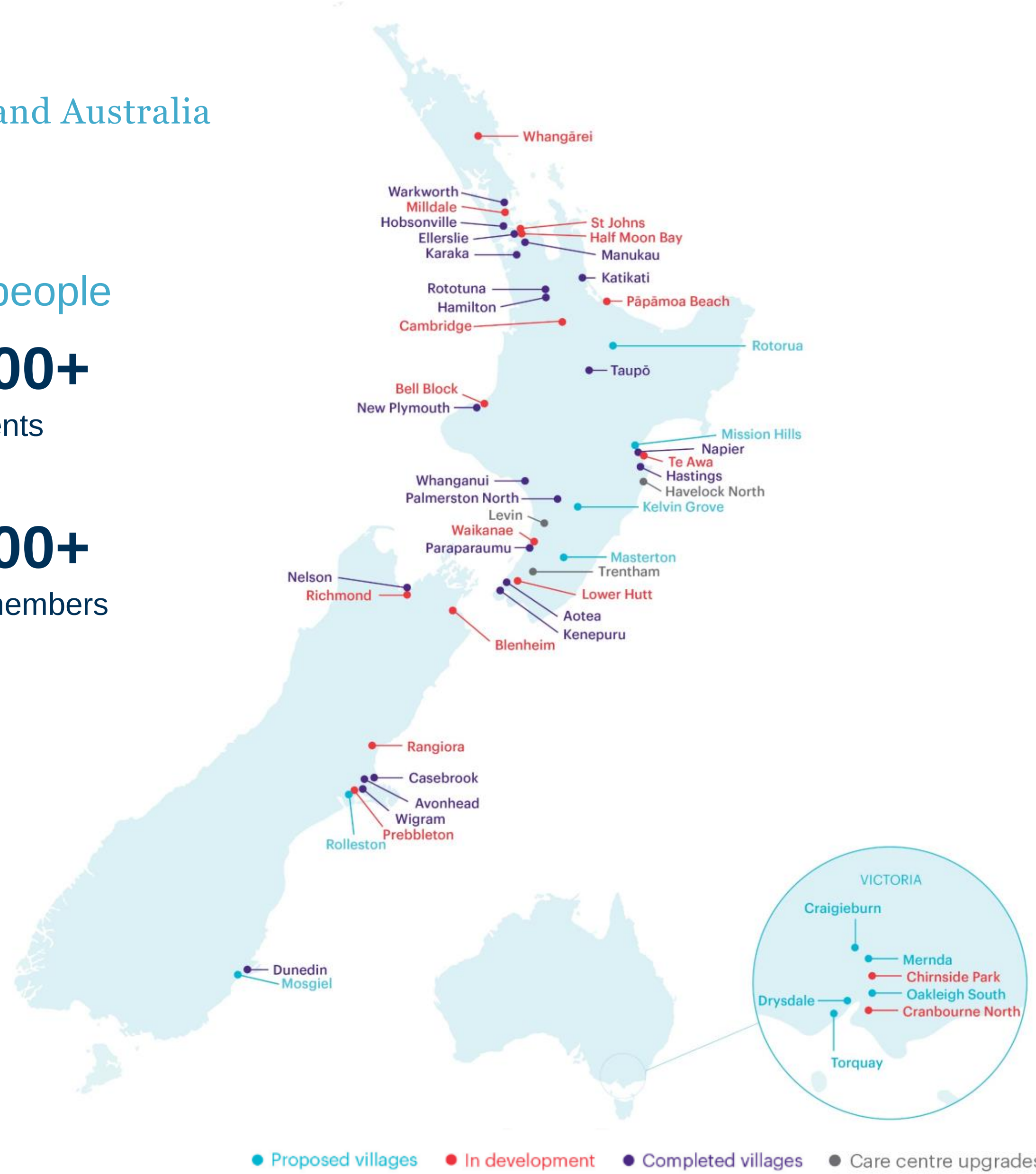
**1,359**
Care units in portfolio

**1,337**
Care units in land bank

### Our people

**8,400+**
Residents

**2,900+**
Staff members



# Portfolio as at 30 June 2024

## 7,723 total units including 6,364 retirement units and 1,359 care units

| | Existing portfolio - as at 30 June 2024 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retirement units | | | Care units | | | |
| Village | Villas | Apartments | Serviced apartments | Memory care apartments | Care suites | Care beds | Total units and care beds |
| Whangārei | 135 | - | - | - | - | - | 135 |
| **Northland** | **135** | **-** | **-** | **-** | **-** | **-** | **135** |
| Ellerslie | 38 | 218 | 57 | - | - | 58 | 371 |
| Hobsonville | 163 | 73 | 52 | - | - | 52 | 340 |
| Karaka | 182 | - | 59 | - | - | 50 | 291 |
| Manukau | 89 | 67 | 27 | - | - | 54 | 237 |
| Milldale | 32 | - | - | - | - | - | 32 |
| Warkworth | 202 | 2 | 44 | - | - | 41 | 289 |
| **Auckland** | **706** | **360** | **239** | **-** | **-** | **255** | **1,560** |
| Cambridge | 65 | - | - | - | - | - | 65 |
| Hamilton | 183 | - | 50 | - | - | 49 | 282 |
| Rototuna | 188 | - | 56 | 20 | 7 | 36 | 307 |
| Taupō | 94 | 34 | 18 | - | - | - | 146 |
| **Waikato** | **530** | **34** | **124** | **20** | **7** | **85** | **800** |
| Katikati | 156 | - | 30 | - | - | 27 | 213 |
| Pāpāmoa Beach | 172 | - | 56 | 20 | 19 | 21 | 288 |
| **Bay of Plenty** | **328** | **-** | **86** | **20** | **19** | **48** | **501** |
| Hastings | 146 | 5 | - | - | - | - | 151 |
| Havelock North | 94 | 28 | - | - | - | 45 | 167 |
| Napier | 94 | 26 | 20 | - | - | 48 | 188 |
| Te Awa | 199 | - | 56 | 20 | 15 | 28 | 318 |
| **Hawke's Bay** | **533** | **59** | **76** | **20** | **15** | **121** | **824** |
| Bell Block | 162 | - | 56 | 20 | 19 | 21 | 278 |
| New Plymouth | 108 | - | 40 | - | - | 52 | 200 |
| **Taranaki** | **270** | **-** | **96** | **20** | **19** | **73** | **478** |
| Levin | 64 | 22 | - | 10 | - | 41 | 137 |
| Palmerston North | 90 | 12 | - | - | - | 44 | 146 |
| Whanganui | 70 | 18 | 12 | - | - | 37 | 137 |
| **Manawatū-Whanganui** | **224** | **52** | **12** | **10** | **-** | **122** | **420** |

# Portfolio as at 30 June 2024

## 7,723 total units including 6,364 retirement units and 1,359 care units

| Existing portfolio - as at 30 June 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retirement units | | | Care units | | | |
| Village | Villas | Apartments | Serviced apartments | Memory care apartments | Care suites | Care beds | Total units and care beds |
| Aotea | 96 | 33 | 38 | - | - | - | 167 |
| Kenepuru | 112 | 48 | 86 | 20 | 17 | 26 | 309 |
| Lower Hutt | 13 | 20 | 35 | 15 | - | - | 83 |
| Paraparaumu | 92 | 22 | - | - | - | 44 | 158 |
| Trentham | 231 | 12 | 40 | - | - | 44 | 327 |
| Waikanae | 27 | - | - | - | - | - | 27 |
| **Wellington-Kapiti** | **571** | **135** | **199** | **35** | **17** | **114** | **1,071** |
| Blenheim | 36 | - | - | - | - | - | 36 |
| Nelson | 214 | - | 55 | - | - | 59 | 328 |
| Richmond | 223 | - | 56 | 20 | 17 | 26 | 342 |
| **Nelson-Tasman** | **473** | **-** | **111** | **20** | **17** | **85** | **706** |
| Avonhead | 165 | - | 79 | 20 | 17 | 26 | 307 |
| Casebrook | 270 | - | 56 | 20 | - | 43 | 389 |
| Prebbleton | 98 | - | - | - | - | - | 98 |
| Wigram | 159 | - | 53 | - | - | 49 | 261 |
| **Canterbury** | **692** | **-** | **188** | **40** | **17** | **118** | **1,055** |
| Dunedin | 61 | 20 | 20 | - | - | 42 | 143 |
| **Otago** | **61** | **20** | **20** | **-** | **-** | **42** | **143** |
| **Total NZ** | **4,523** | **660** | **1,151** | **185** | **111** | **1,063** | **7,693** |
| | | | | | | | |
| Cranbourne North | 30 | - | - | - | - | - | 30 |
| **Total Australia** | **30** | **-** | **-** | **-** | **-** | **-** | **30** |
| | | | | | | | |
| **Total NZ and Australia** | **4,553** | **660** | **1,151** | **185** | **111** | **1,063** | **7,723** |

# Future development

## Largest New Zealand land bank for a retirement village operator of 4,462 units and beds

| Landbank – as at 30 June 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retirement units | | | Care units | | | |
| Village | Villas | Apartments | Serviced apartments | Memory care apartments | Care suites | Care beds | Total units and care beds |
| Whangārei | 82 | - | 60 | 20 | 15 | 21 | 198 |
| **Northland** | **82** | **-** | **60** | **20** | **15** | **21** | **198** |
| Half Moon Bay | - | 232 | 17 | 20 | 26 | - | 295 |
| Milldale | 101 | 36 | 60 | 20 | 15 | 21 | 253 |
| St Johns | 11 | 225 | 55 | 19 | 30 | - | 340 |
| **Auckland** | **112** | **493** | **132** | **59** | **71** | **21** | **888** |
| Cambridge | 195 | - | 60 | 20 | 15 | 21 | 311 |
| **Waikato** | **195** | **-** | **60** | **20** | **15** | **21** | **311** |
| Pāpāmoa Beach | 39 | - | - | - | - | - | 39 |
| Rotorua | 260 | - | 20 | 20 | 10 | 20 | 330 |
| **Bay of Plenty** | **299** | **-** | **20** | **20** | **10** | **20** | **369** |
| Havelock North | - | - | - | - | 26 | 8 | 34 |
| Te Awa | 42 | - | - | - | - | - | 42 |
| **Hawke's Bay** | **42** | **-** | **-** | **-** | **26** | **8** | **76** |
| Bell Block | 60 | - | - | - | - | - | 60 |
| **Taranaki** | **60** | **-** | **-** | **-** | **-** | **-** | **60** |
| Kelvin Grove | 183 | - | 20 | 20 | 10 | 20 | 253 |
| **Manawatū-Whanganui** | **183** | **-** | **20** | **20** | **10** | **20** | **253** |
| Levin | 7 | - | - | - | 15 | 5 | 27 |
| Lower Hutt | 37 | 89 | 22 | - | 30 | - | 178 |
| Masterton | 236 | - | 20 | 20 | 10 | 20 | 306 |
| Trentham | - | - | - | - | 26 | 8 | 34 |
| Waikanae | 190 | - | 60 | 20 | 15 | 21 | 306 |
| **Wellington-Kapiti-Wairarapa** | **470** | **89** | **102** | **40** | **96** | **54** | **851** |

# Future development

## Largest New Zealand land bank for a retirement village operator of 4,462 units and beds

| Landbank – as at 30 June 2024 | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Retirement units | | | Care units | | | |
| Village | Villas | Apartments | Serviced apartments | Memory care apartments | Care suites | Care beds | Total units and care beds |
| Richmond | 35 | - | - | - | - | - | 35 |
| Nelson-Tasman | 35 | - | - | - | - | - | 35 |
| Blenheim | 104 | - | 30 | 20 | 10 | 10 | 174 |
| Marlborough | 104 | - | 30 | 20 | 10 | 10 | 174 |
| Prebbleton | 123 | - | 60 | 20 | 15 | 21 | 239 |
| Rangiora | 260 | - | 40 | 20 | 27 | 9 | 356 |
| Rolleston | 267 | - | 20 | 20 | 10 | 20 | 337 |
| Canterbury | 650 | - | 120 | 60 | 52 | 50 | 932 |
| Mosgiel | 245 | - | 20 | 20 | 10 | 20 | 315 |
| Otago | 245 | - | 20 | 20 | 10 | 20 | 315 |
| **Total NZ** | **2,477** | **582** | **564** | **279** | **315** | **245** | 4,462 |
| | | | | | | | |
| Chirnside Park | 185 | - | 28 | - | - | 72 | 285 |
| Craigieburn | 267 | - | 34 | - | - | 72 | 373 |
| Cranbourne North | 131 | - | 34 | - | - | 72 | 237 |
| Drysdale | 300 | - | 34 | - | - | 72 | 406 |
| Mernda | 284 | - | 20 | - | - | 72 | 376 |
| Oakleigh South | 50 | 44 | - | - | - | 66 | 160 |
| Torquay | 209 | 30 | 28 | - | - | 72 | 339 |
| **Total Australia** | **1,426** | **74** | **178** | **-** | **-** | **498** | 2,176 |
| | | | | | | | |
| **Total NZ and Australia** | **3,903** | **656** | **742** | **279** | **315** | **743** | 6,638 |

*Excludes Mission Hills, Napier, which was acquired post 30 June 2024, adding approximately 270 independent homes and a care centre to the land bank*

# 1H24 underlying profit reconciliation

## Reconciliation of underlying profit to reported net profit after tax

Financial (NZ$m)

| | 1H24 | 1H23 | Variance | FY23 |
|---|---|---|---|---|
| Net profit before tax (IFRS) | 120.8 | 128.1 | *(6%)* | 422.5 |
| **Net profit after tax (IFRS)** | **102.2** | **133.1** | *(23%)* | **436.3** |
| Less fair value movement of investment property | (128.4) | (131.5) | *(2%)* | (441.6) |
| Add impairment of assets and other one-off costs | 0.1 | - | - | - |
| Add realised gain on resales | 45.7 | 34.6 | *32%* | 88.1 |
| Add realised development margin | 51.7 | 56.0 | *(8%)* | 121.2 |
| Add/(less) deferred tax expense/ (credit) | 18.6 | (5.0) | *(476%)* | (13.8) |
| **Underlying profit** | **89.9** | **87.2** | *3%* | **190.3** |

**Underlying Profit:**

Underlying profit is a non-GAAP measure and differs from NZ IFRS profit for the period. Underlying profit does not have a standardised meaning prescribed by GAAP and therefore may not be comparable to similar financial information presented by other entities. The Directors have provided an underlying profit measure in addition to IFRS profit to assist readers in determining the realised and unrealised components of fair value movement of investment property, impairment and tax expense in the Group's income statement. The measure is used internally in conjunction with other measures to monitor performance and make investment decisions and has been reviewed by Ernst & Young. Underlying profit is a measure which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend payout to shareholders.

# Historical trends

## Historical trends across operational and financial metrics

| | Half year results | 1H24 | 2H23 | 1H23 | 2H22 | 1H22 | 2H21 | 1H21 | 2H20 | 1H20 | 2H19 | 1H19 | 2H18 | 1H18 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Operational | New sales of occupation rights | 290 | 319 | 241 | 248 | 289 | 238 | 302 | 276 | 128 | 193 | 136 | 194 | 145 |
| | Resales of occupation rights | 298 | 301 | 242 | 248 | 222 | 195 | 243 | 245 | 136 | 181 | 142 | 147 | 154 |
| | **Total sales** | **588** | **620** | **483** | **496** | **511** | **433** | **545** | **521** | **264** | **374** | **278** | **341** | **299** |
| | New units delivered | 352 | 540 | 152 | 428 | 223 | 324 | 347 | 231 | 182 | 215 | 139 | 289 | 217 |
| | Retirement units in portfolio | 6,364 | 6,087 | 5,670 | 5,518 | 5,153 | 4,930 | 4,669 | 4,385 | 4,195 | 4,076 | 3,861 | 3,722 | 3,433 |
| | Care units in portfolio | 1,359 | 1,284 | 1,161 | 1,161 | 1,098 | 1,098 | 1,035 | 972 | 931 | 868 | 868 | 868 | 868 |
| Financial (NZ$m) | Care fees | 61.6 | 59.0 | 50.6 | 50.4 | 45.8 | 45.4 | 39.4 | 39.4 | 35.7 | 35.3 | 33.0 | 32.5 | 28.8 |
| | Deferred management fees | 3.0 | 2.5 | 2.3 | 1.9 | 1.4 | 0.8 | 0.4 | - | - | - | - | - | - |
| | Realised gain on resales | 0.1 | 0.1 | 0.2 | 0.5 | 0.1 | 0.2 | 0.1 | 0.2 | 0.1 | - | - | 0.1 | - |
| | Care operating expenses | (66.2) | (64.4) | (50.8) | (52.2) | (48.3) | (45.7) | (37.2) | (40.8) | (27.6) | (29.2) | (27.7) | (26.9) | (24.6) |
| | **Care EBITDA** | **(1.4)** | **(2.8)** | **2.3** | **0.6** | **(1.1)** | **0.6** | **2.8** | **(1.2)** | **8.2** | **6.0** | **5.3** | **5.6** | **4.2** |
| | Village services | 29.3 | 27.7 | 25.1 | 24.1 | 21.6 | 20.5 | 18.9 | 17.4 | 16.5 | 15.8 | 14.8 | 14.1 | 12.8 |
| | Deferred management fees | 54.9 | 52.3 | 47.6 | 46.5 | 42.5 | 39.0 | 34.9 | 32.0 | 28.7 | 27.4 | 25.1 | 23.3 | 22.3 |
| | Realised gain on resales | 45.6 | 53.5 | 34.4 | 37.8 | 31.8 | 30.3 | 29.3 | 30.2 | 15.6 | 22.6 | 14.3 | 13.7 | 14.9 |
| | Village operating expenses | (36.4) | (35.9) | (30.8) | (30.8) | (27.1) | (25.1) | (21.5) | (23.9) | (17.4) | (18.5) | (15.8) | (15.4) | (14.0) |
| | **Village EBITDA** | **93.4** | **97.5** | **76.2** | **77.6** | **68.8** | **64.7** | **61.6** | **55.7** | **43.4** | **47.3** | **38.4** | **35.7** | **36.0** |
| | Interest and other revenue | 2.7 | 2.7 | 2.7 | 1.9 | 2.9 | 4.8 | 1.2 | 1.6 | 1.1 | 1.5 | 1.1 | 1.5 | 1.8 |
| | Head office expenditure (post capitalisation) | (34.6) | (36.0) | (30.1) | (27.1) | (26.6) | (29.3) | (20.3) | (24.4) | (12.8) | (17.8) | (13.4) | (17.2) | (14.4) |
| | **Annuity EBITDA** | **60.1** | **61.2** | **51.1** | **53.1** | **44.0** | **40.9** | **45.3** | **31.6** | **39.9** | **37.0** | **31.4** | **25.6** | **27.7** |
| | Realised development margin | 51.7 | 65.2 | 56.0 | 52.5 | 52.3 | 37.8 | 40.7 | 30.8 | 17.4 | 33.9 | 27.1 | 37.9 | 25.8 |
| | **Underlying EBITDA** | **111.9** | **126.5** | **107.1** | **105.6** | **96.3** | **78.7** | **86.0** | **62.3** | **57.3** | **70.9** | **58.5** | **63.5** | **53.5** |
| | Depreciation and amortisation | (9.2) | (8.5) | (7.3) | (7.0) | (6.6) | (6.4) | (5.2) | (4.2) | (3.9) | (3.9) | (3.9) | (3.8) | (2.9) |
| | Finance costs | (12.8) | (14.9) | (12.6) | (9.7) | (7.3) | (6.7) | (5.3) | (5.2) | (8.3) | (8.6) | (6.8) | (6.3) | (5.4) |
| | **Underlying profit ($m)** | **89.9** | **103.1** | **87.2** | **89.0** | **82.5** | **65.6** | **75.5** | **53.0** | **45.1** | **58.4** | **47.8** | **53.4** | **45.2** |
| | Refurbishment costs | (7.1) | (6.0) | (5.7) | (3.8) | (3.7) | (3.0) | (2.5) | (3.0) | (2.5) | (2.5) | (1.5) | (1.8) | (1.2) |
| | **Profit after refurbishment costs** | **82.9** | **97.2** | **81.5** | **85.2** | **78.7** | **62.6** | **73.0** | **50.0** | **42.6** | **55.9** | **46.3** | **51.6** | **44.0** |
| | Operating cash flow | 191.6 | 251.5 | 146.7 | 178.8 | 190.4 | 153.7 | 229.7 | 174.0 | 92.8 | 144.6 | 93.3 | 217.8 | 92.8 |
| | Total assets ($m) | 7,363 | 6,942 | 6,298 | 5,840 | 5,375 | 4,924 | 4,375 | 3,893 | 3,433 | 3,338 | 3,028 | 2,766 | 2,451 |
| | Total equity | 2,697 | 2,605 | 2,307 | 2,193 | 2,062 | 1,925 | 1,618 | 1,355 | 1,113 | 1,132 | 1,054 | 979 | 871 |
| | EPS (cents) (IFRS profit) | 43.5 | 130.1 | 57.3 | 58.2 | 58.5 | 122.3 | 115.9 | 101.9 | 0.4 | 36.9 | 41.7 | 53.5 | 43.8 |
| | NTA (cents) | 1,143 | 1,110 | 988 | 944 | 891 | 836 | 707 | 594 | 491 | 502 | 471 | 438 | 392 |

**Definitions:**

- New units delivered includes all retirement units and care units
- Retirement units include villas, apartments and serviced apartments
- Care units include memory care apartments, care suites and care beds
- Underlying profit differs from NZ IFRS reported profit after tax. The measure has been reviewed by Ernst & Young. Refer to slide 61 for a reconciliation between the two measures, and note 2 of the financial statements for detail on the components of underlying profit

# Fair value movement

## Fair value movement of investment property – key assumptions

| Fair value movement of investment property | | Value of investment property* | Fair value gain/(loss) | Key valuation assumptions | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Village | Location | NZ$m | NZ$m | Discount rate | Growth rate Yr 1 | Growth rate Yr 2 | Growth rate Yr 3 | Growth rate Yr 4 | Growth rate Yr 5+ |
| Summerset by the Park | Manukau | 179.5 | 1.6 | 13.50% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset by the Lake | Taupō | 103.1 | 1.6 | 14.50% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset in the Bay | Napier | 105.7 | 2.7 | 13.75% | 1.25% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset in the Orchard | Hastings | 113.7 | 1.8 | 14.50% | 1.25% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset in the Vines | Havelock North | 92.4 | 0.9 | 14.25% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset in the River City | Whanganui | 49.5 | 1.0 | 14.88% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset on Summerhill | Palmerston North | 71.1 | 1.6 | 14.50% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset by the Ranges | Levin | 44.0 | 0.8 | 14.75% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset on the Coast | Paraparaumu | 89.6 | 1.5 | 14.25% | 1.00% | 2.00% | 2.50% | 3.00% | 3.50% |
| Summerset at Aotea | Aotea | 137.2 | 1.2 | 14.00% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset in the Sun | Nelson | 191.6 | 3.6 | 13.50% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset at Bishopscourt | Dunedin | 70.1 | 2.3 | 14.25% | 1.25% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset down the Lane | Hamilton | 158.4 | (2.3) | 14.00% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset Mountain View | New Plymouth | 99.3 | 2.4 | 14.50% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset Falls | Warkworth | 233.3 | (0.8) | 14.00% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset at Heritage Park | Ellerslie | 375.7 | 1.1 | 14.50% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset at Karaka | Karaka | 223.3 | (0.3) | 13.75% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset at Wigram | Wigram | 156.4 | 5.2 | 13.75% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset at the Course | Trentham | 216.7 | (0.3) | 14.00% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset by the Sea | Katikati | 141.6 | 3.1 | 14.50% | 1.50% | 2.25% | 2.75% | 3.00% | 3.50% |
| Summerset Rototuna | Rototuna | 207.3 | 1.8 | 14.00% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset at Avonhead | Avonhead | 205.5 | 2.1 | 13.75% | 1.00% | 1.50% | 2.00% | 3.00% | 3.50% |
| Summerset at Monterey Park | Hobsonville | 362.6 | (2.2) | 13.50% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset on the Landing | Kenepuru | 244.0 | 3.3 | 14.00% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset on Cavendish | Casebrook | 260.4 | 2.7 | 13.75% | 1.00% | 1.50% | 2.00% | 3.00% | 3.50% |
| **Total for completed villages** | | **4,132** | **36.3** | | | | | | |

** Value of non land capital work in progress not represented in the above table*

# Fair value movement

## Fair value movement of investment property – key assumptions

| Fair value movement of investment property | | Value of investment property* | Fair value gain/(loss) | Key valuation assumptions | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Village | Location | NZ$m | NZ$m | Discount rate | Growth rate Yr 1 | Growth rate Yr 2 | Growth rate Yr 3 | Growth rate Yr 4 | Growth rate Yr 5+ |
| Summerset Richmond Ranges | Richmond | 225.8 | 1.4 | 14.50% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset Palms | Te Awa | 226.6 | 17.1 | 14.50% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset by the Dunes | Pāpāmoa Beach | 195.6 | 15.2 | 14.50% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset Pohutukawa Place | Bell Block | 184.9 | 15.3 | 14.50% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset Mount Denby | Whangarei | 127.8 | 5.3 | 15.00% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset Cambridge | Cambridge | 78.5 | 3.4 | 16.25% | 1.00% | 1.50% | 2.00% | 3.00% | 3.50% |
| Summerset Prebbleton | Prebbleton | 90.3 | 6.3 | 16.25% | 1.00% | 1.50% | 2.00% | 3.00% | 3.50% |
| Summerset Blenheim | Blenheim | 33.4 | 2.4 | 16.50% | 1.00% | 1.50% | 2.00% | 3.00% | 3.50% |
| Summerset Milldale | Milldale | 60.9 | 3.9 | 16.50% | 1.00% | 1.50% | 2.00% | 3.00% | 3.50% |
| Summerset Boulcott | Lower Hutt | 92.8 | 10.0 | 15.75% | 1.00% | 1.50% | 2.00% | 3.00% | 3.50% |
| Summerset Waikanae | Waikanae | 42.7 | 3.3 | 16.50% | 1.00% | 1.50% | 2.00% | 2.50% | 3.50% |
| Summerset Cranbourne North | Cranbourne North | 41.5 | (7.7) | 13.50% | 3.97% | 2.74% | 3.04% | 3.04% | 3.02% |
| Summerset Rangiora | Rangiora | 13.7 | 2.3 | n/a | n/a | n/a | n/a | n/a | n/a |
| Summerset St Johns | St Johns | 313.0 | 23.3 | n/a | n/a | n/a | n/a | n/a | n/a |
| Summerset Half Moon Bay | Half Moon Bay | 35.4 | (1.0) | n/a | n/a | n/a | n/a | n/a | n/a |
| Summerset Chirnside Park | Chirnside Park | 50.6 | (1.3) | n/a | n/a | n/a | n/a | n/a | n/a |
| **Total for villages in development** | | **1,814** | **99.1** | | | | | | |
| **Total for proposed villages**** | | **343.9** | **(7.0)** | | | | | | |
| **Total for all villages** | | **6,289** | **128.4** | | | | | | |

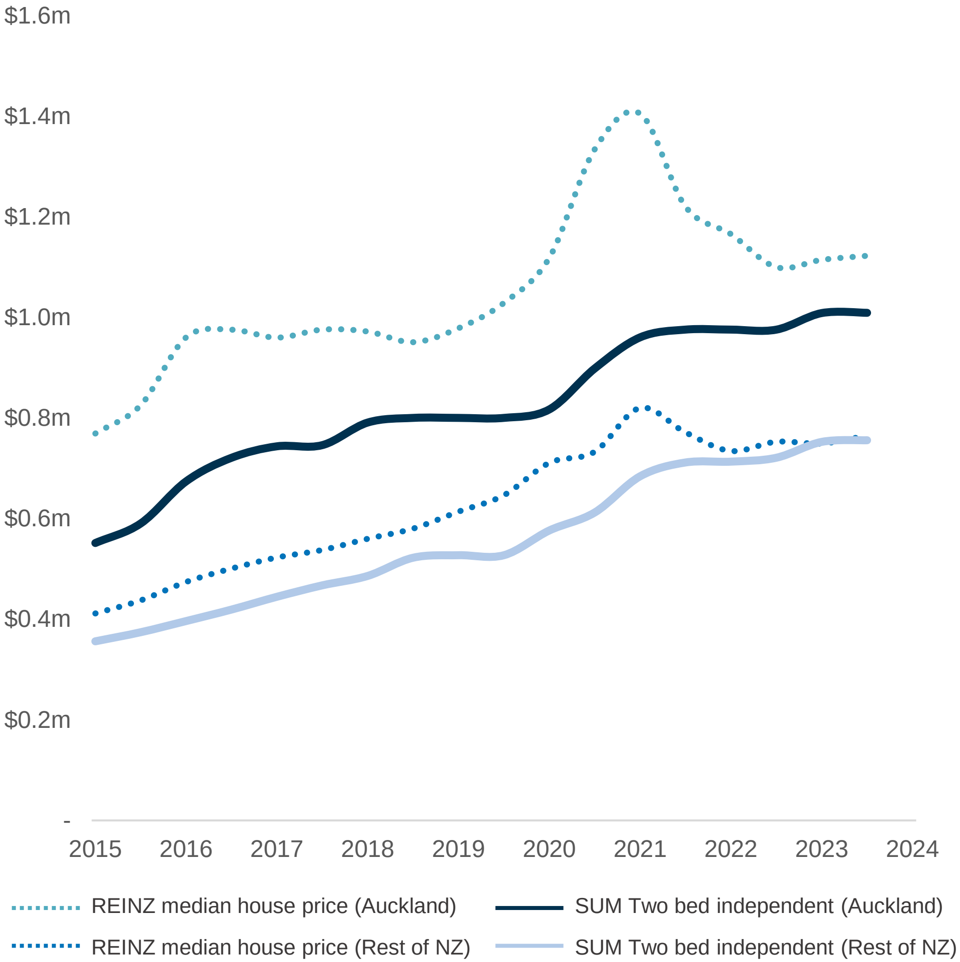
** Value of non land capital work in progress not represented in the above table*

*** Proposed villages includes assets held for sale – refer to note 5 in the Annual report*

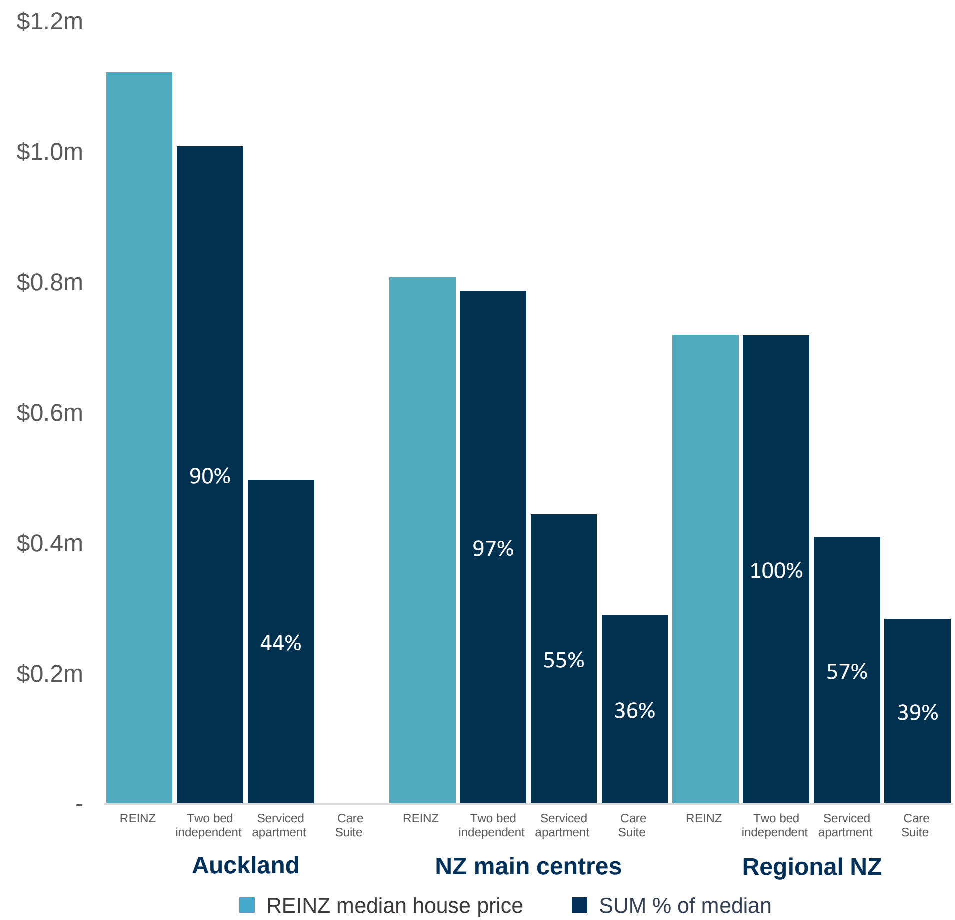
# Sales price relativity

## Continue to watch the residential market closely, unit pricing remains well placed

### Long term sales price relativity




### Sales price relativity vs median house price

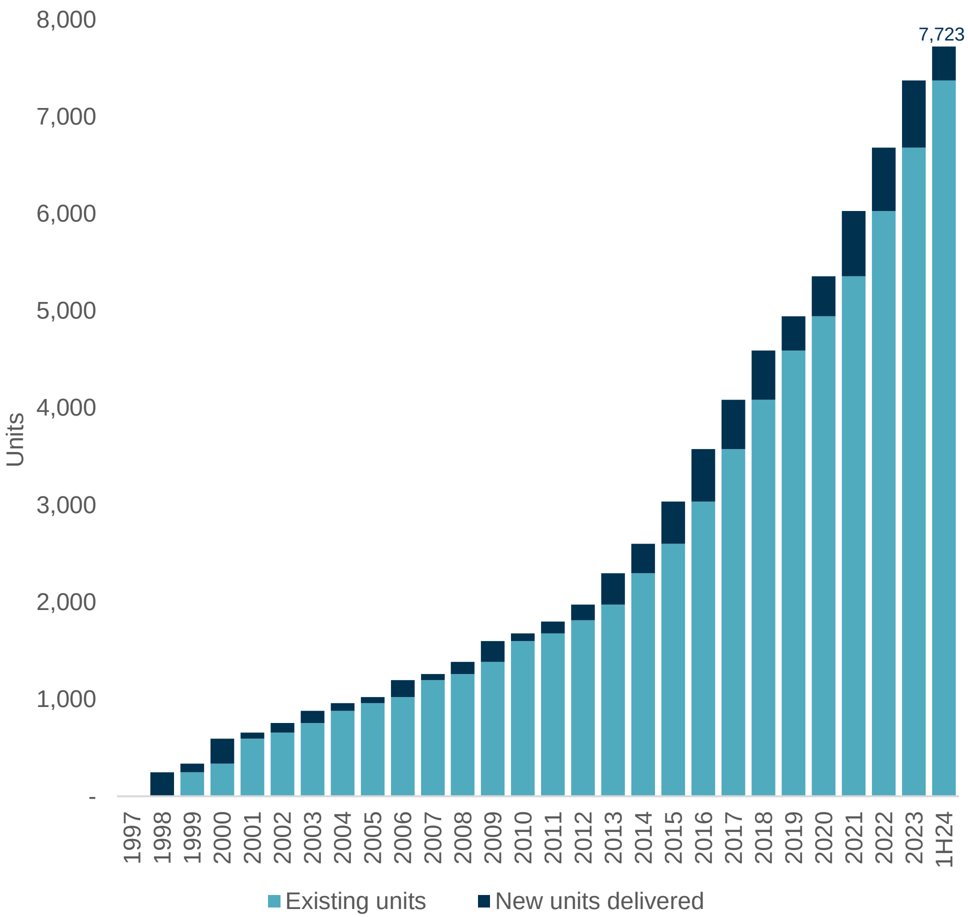



*Source: REINZ, June 2024, based on Summerset catchments*

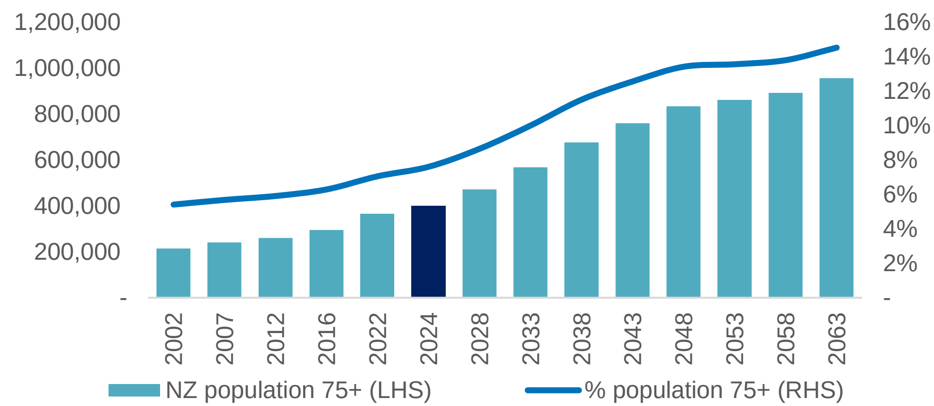
# Summerset growth and key demographics

## 26 years of consistent delivery and growth

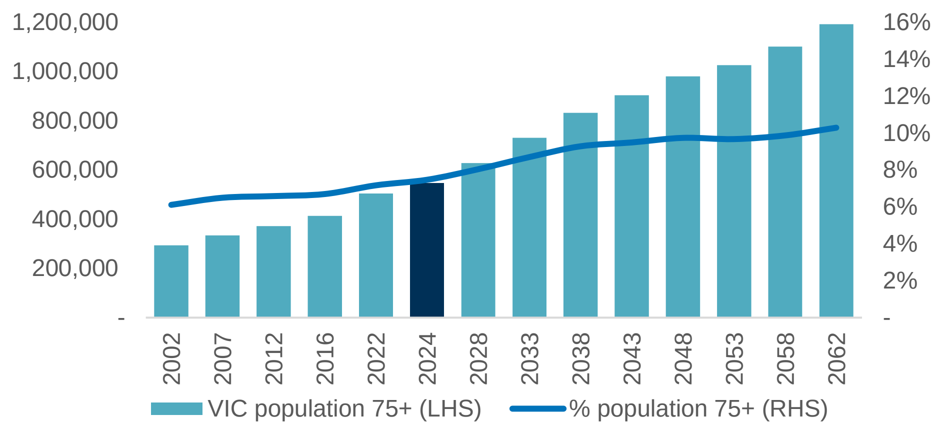
### Summerset build rate




### New Zealand population growth 75 years and over




### Victoria population growth 75 years and over



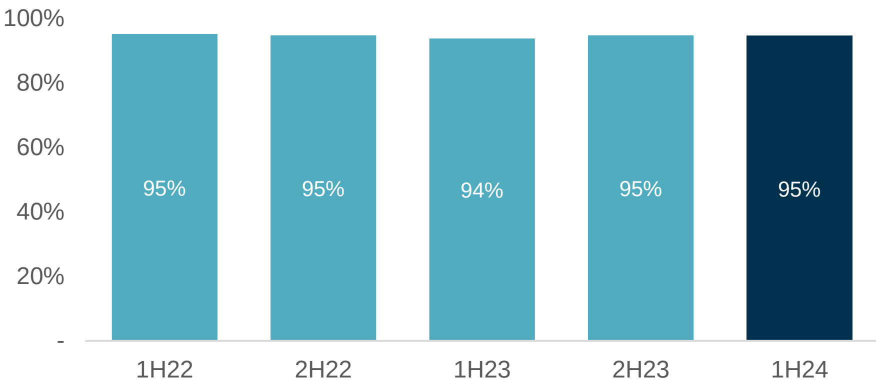

*New units delivered includes retirement units, memory care apartments, care suites and care beds*

*Source: Australian Bureau of Statistics and Statistics New Zealand*

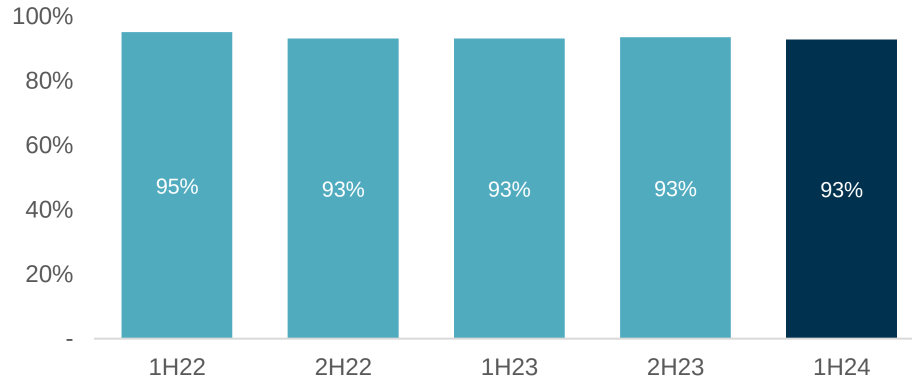
# Customer profile & occupancy

## Occupancy, tenure and resident demographic statistics

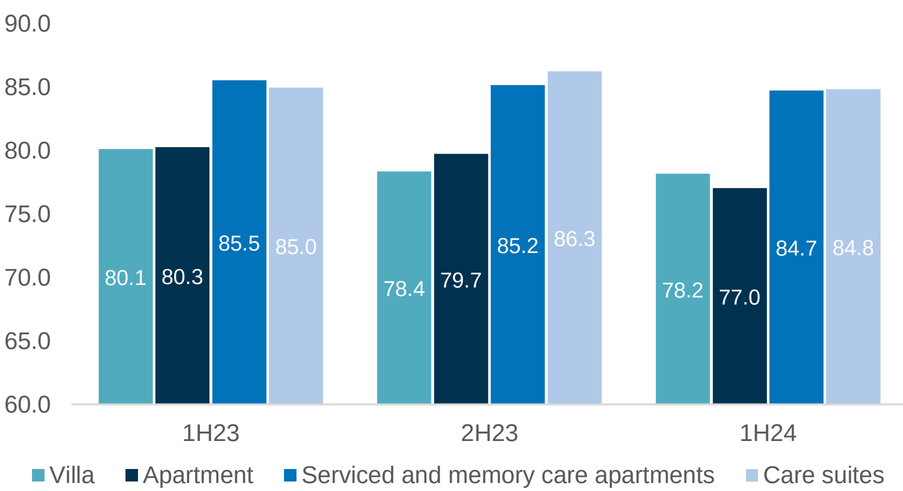
### Occupancy – retirement villages



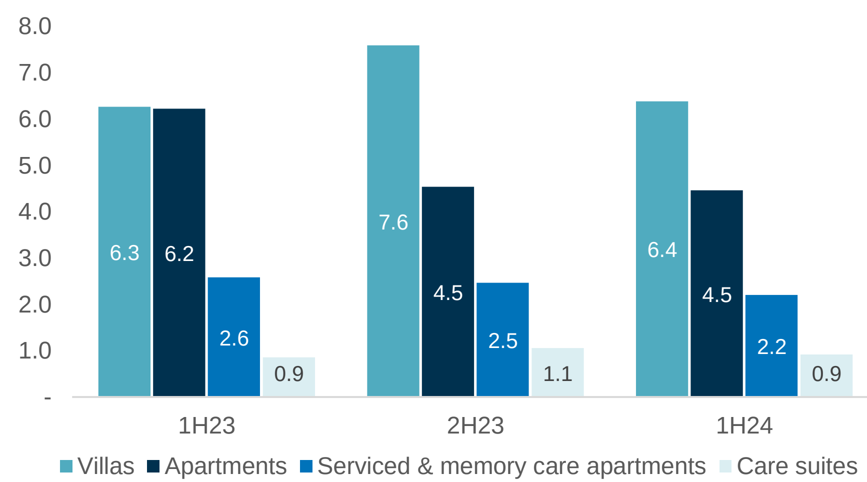

### Occupancy – established care centres




### Average entry age of residents (years)




### Average tenure (years)




# Ngā mihi

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