Full year results presentation

Full Year Report 2023

Agenda


Summerset Cambridge, Waikato District

Our highlights

Full Year Report 2023

FY23 investor highlights

Record underlying profit of $190.3m in FY23, up 11% on FY22 with strong sales pipeline in place to start FY24

- Record underlying profit of $190.3m, up 11% from $171.4m in FY22
- Net profit after tax (NZ IFRS) of $436.3m, up 62% from $269.1m in FY22
- Record realised development margin of $121.2m, up 16% on FY22 and realised resale gain of $88.1m, up 26% on FY22
- Net operating cash flows of $398.2m, a company record and up 8% from $369.2m in FY22
- Total assets now $6.9b, up 19% on FY22, total equity of $2.6b and sector leading net tangible assets per share of $11.10
- Record 1,103 total settlements comprising 560 new sales and 543 resales, up 10% on FY22
- Committed sales pipeline of 395 units under contract at 31 December 2023, an increase of 11% on FY22
- Excellent resident satisfaction scores maintained, retirement villages achieving 96%, and care centres 95% in 2023
- Four new villages opened in New Zealand, at Blenheim, Lower Hutt, Milldale and Waikanae and first Australian retirement units delivered at Cranbourne North (Melbourne)


Summerset at Monterey Park (Hobsonville)

Record underlying profit of $190.3m up 11% on FY22

Record underlying profit of $190.3m in FY23, up 11% on FY22 with strong sales pipeline in place to start FY24

$436.3m
Net profit after tax

FY22 $269.1m

$398.2m
Net operating cash flows

FY22 $369.2m

$190.3m
Underlying profit

FY22 $171.4m

31.6%
Development margin

FY22 29.7%

36.5%
Resales cash margin

FY22 37.5%

$1.6b
Embedded value

FY22 $1.5b

643
Units delivered to be sold under Occupation Right*

FY22 625

1,103
Sales of Occupation Rights

FY22 1,007

6,909
New Zealand and Australia land bank (including care)

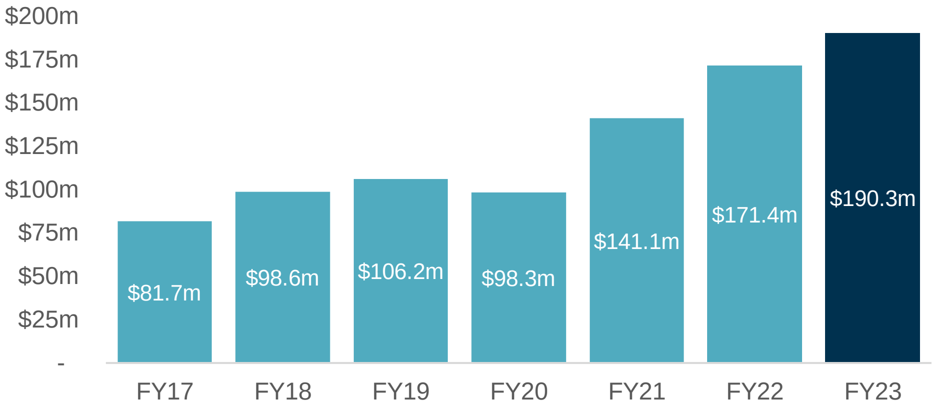
FY22 7,364

** 633 units in New Zealand and 10 units in Australia to be sold under Occupation Right Agreement*

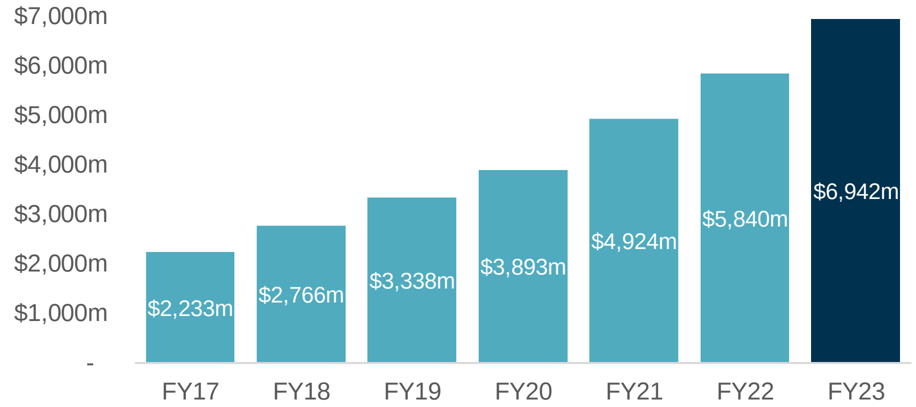
Record underlying profit of $190.3m up 11% on FY22

Consistent asset growth over time continues to strengthen balance sheet

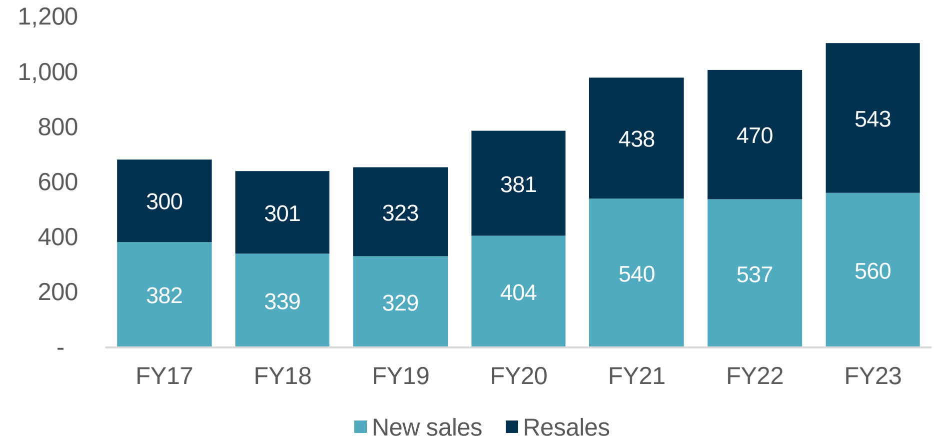
Underlying profit



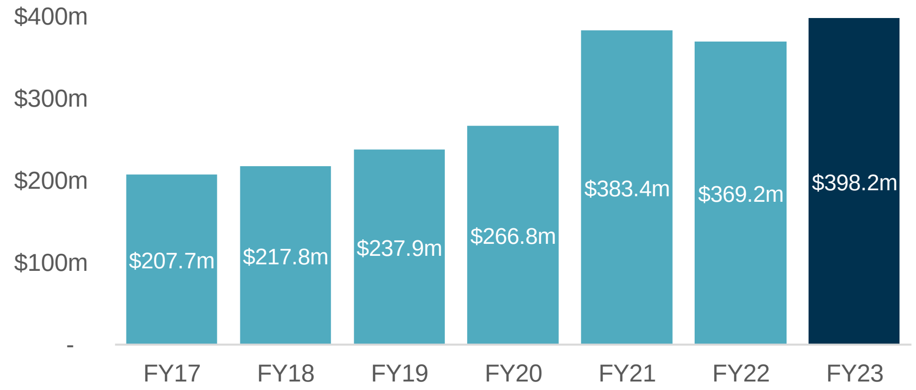
Total assets



Total settlements of occupation rights



Net operating cash flows



Looking back – FY23 milestones

A showcase of key events from the past year

Cyclone Gabrielle support

Kenepuru main building opens

Cambridge village opens

St Johns sales launch

Summerset Oakleigh South

February

Our people from Hawke's Bay and around the country support residents during Cyclone Gabrielle

Opened our largest main building to date, the 12,500 sqm village centre at our Kenepuru village

March

Solar panels installed on pool house at Karaka

First residents move into our Cambridge village

April

Presales at St Johns launched

May

Half Moon Bay receives resource consent

Released our first Sustainability Review ESG report

June

Development plan for Oakleigh South, Melbourne approved

Looking back – FY23 milestones

A showcase of key events from the past year


Aged Advisor Award


Mosgiel acquisition


Rolleston acquisition


Cranbourne North first units


Bell Block main building opens


Chirnside Park Smoking Ceremony

July

Summerset's "Think Green" programme won the RVA's Operator-led Sustainability Award

First units delivered at Summerset Boulcott (Lower Hutt)

August

Summerset wins gold for "Group Provider Nationwide" in Aged Advisor's 2023 people's choice annual awards

Announced the purchase of our new sites in Rolleston and Mosgiel, New Zealand

September

Bell Block main building officially opened

First units delivered at Summerset Blenheim and Summerset Waikanae

October

Chris Lokum joins Summerset as the new GM People & Culture

Announced as naming rights sponsor for the GT NZ motorsport championship

November

Te Awa main building officially opened

Welcome to Country and Smoking Ceremony performed by the Bunurong People at Chirnside Park (Melbourne)

Winner of Reader's Digest 2024 Quality Service Award for the Retirement village category

Resource consent granted for Kelvin Grove (Palmerston North)

December

First units delivered at Summerset Cranbourne North and Summerset Milldale

Our strategy – FY23 progress

Summerset builds, owns and operates integrated retirement villages, creating vibrant, happy communities for residents and our people that delivers on our purpose – bringing the best of life

BRINGING THE BEST OF LIFE

Our strategic goals are underpinned by our desire to bring increased **wellbeing** to our customers and our people by harnessing the power of **innovation** and weaving **sustainability** into our work

DELIVER NEW ZEALAND'S BEST RETIREMENT VILLAGES

We create **vibrant**, connected **communities** with skilled, caring and dedicated people right across New Zealand. We want to **grow the reach** of our villages by making them available to more retirees in more locations throughout New Zealand

FY23 progress:

- Named the 'Best Provider Nationwide' in the Aged Advisor annual People's Choice Awards
- Resident portal, Lumin, rolled out to seven villages, enabling more vibrant communication with residents
- Launched a suite of holiday homes, providing short term accommodation to residents, their friends & families
- Purchased new sites at Rolleston (Selwyn District) and Mosgiel (Dunedin)
- $192m positive cash flow recycled out of our last ten completed village developments, a 14.1% cash margin

INVEST IN OUR PEOPLE

Summerset's people are vital to its success. We are **committed** to providing sustainable, meaningful career pathways and opportunities. We are **focused on the health, safety** and the **wellbeing of our employees** to ensure they can be at their **best** at work, and at home

FY23 progress

- Enhanced parental leave offering to complement our sector leading employee benefits
- Assisted our people with the cost of living, gifting $250 to over 1,600 staff across the organisation
- Partnered with Careerforce to upskill frontline staff, and continued our Leadership Development Programme
- Supported employee representative groups including our Pride Network & Women in Construction forum
- Engagement and retention both increased in 2023

CREATE ATTRACTIVE NEW PRODUCTS AND SERVICES

To match our customers' expectations we strive to create new products, amenities and services with a **continuum of care** at the heart of our offering. Our products are **tailored** to the needs of individual communities, but will always look to exceed the demands of customers who may want more

FY23 progress:

- New main building and villa designs underway for provincial and regional areas
- Care Centre upgrades for our first-generation villages in progress at Levin, Havelock North and Trentham
- Flagship village, St Johns, on track to deliver the first units, main building and care centre in 2H24
- Installing ceiling hoists in care centres to assist residents & our people with more comfortable and safe bed access

ONE TEAM

STRONG ENOUGH TO CARE

STRIVE TO BE THE BEST

Our strategy – FY23 progress

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GROW IN AUSTRALIA

Summerset is **ambitious** about its **future** in Australia. We are excited to be taking our **established brand** of retirement village living into the Australian market - we plan to **deliver thriving communities**, grow our team, and expertise as we open villages in Victoria

FY23 progress:

- Delivered first villas at our first Australian village, Cranbourne North in Melbourne
- Enabling works underway at Chirnside Park
- Oakleigh South development plan and Craigieburn planning permit approved
- Continue to look for new sites in Victoria to complement our existing pipeline of over 2,100 units and beds
- Now exploring opportunities in other Australian states to support our wider Australian expansion strategy

BE A GOOD CORPORATE CITIZEN

We are proud of our **industry leading** approach to sustainability, making significant improvements in this space over the last five years. This is the start of our journey - we will **continue to focus** on finding new opportunities to better ourselves, utilise sustainable lending and meet our growing disclosure obligation

FY23 progress

- Published our Sustainability Review document and Climate-Related Disclosures for FY23
- Have five, ten and 15-year emissions intensity reduction targets, audited annually by Toitū
- Investing in solar, embodied carbon, water usage measurement, food waste and EV infrastructure to help achieve our sustainability targets
- Now sponsor over 200 local clubs that align with our residents' interests and Summersets' brand and values

BE A MORE EFFICIENT AND EFFECTIVE BUSINESS

To match our customers' expectations we strive to create new products, amenities and services with a **continuum of care** at the heart of our offering. Our products are **tailored** to the needs of individual communities, but will always look to exceed the demands of customers who may want more

FY23 progress:

- Vibe digital signage installed in village staff rooms to improve interaction and communication with our people
- New onboarding processes introduced to improve administration requirements for the business
- Begun the rollout of VCare for mobile, allowing our people to update care notes more efficiently, enabling them to spend more time with residents

ONE TEAM

STRONG ENOUGH TO CARE

STRIVE TO BE THE BEST

Summerset

Our community

Full Year Report 2023

Our residents

Bringing the best of life to residents every day

- Named the 'Best Provider Nationwide' in the Aged Advisor annual People's Choice Awards, with five villages also named as finalists in their categories
- Our retirement village achieved 96% resident satisfaction with 95% for our care centre residents in 2023
- Increased the range of events offered to residents, including a Best Garden competition, a nationwide Summerset Challenge Quiz, and the "Summerset Sessions" entertainment series
- Now offer a suite of holiday homes that provide short term accommodation to residents, their friends and family - bringing new destinations and our communities closer together
- Progressed the rollout of Lumin, our resident experience platform, which is now in seven villages with a further eight to follow over the next 12 months
- Opened three new main buildings in Bell Block, Kenepuru and Te Awa allowing more residents to enjoy the excellent care and recreation facilities within these buildings
- Commenced the installation of ceiling hoists above beds in all care centres, giving our people the ability to assist residents with more comfortable and safe access to their bed
- Enhanced our medication optimisation and falls prevention management to ensure better quality of life for care residents
- Continued our work to refurbish our older care centres with Levin, Havelock North and Trentham all underway

OUR RESIDENTS

Bringing the best of life to our residents every day — resulting in high levels of resident satisfaction

Our people

Our people are key to our success, and we are immensely proud of the work they do

- Improved our sector leading employee benefits, enhancing our parental leave offering to complement our wide range of existing benefits
- Recognised that the cost of living was impacting our people, gifting a one-off payment of $250 to over 1,600 staff
- Completed the rollout of our digital signage platform ‘Vibe’ to better communicate with our people in our villages
- Supported the establishment of employee representative groups including Summerset’s Pride Network and the Women in Construction Forum
- Partnered with Careerforce to upskill our frontline staff, giving all motivated people the ability to learn and grow at Summerset
- Procurement team named finalists in two categories at the NZ Procurement Excellence Forum’s 2023 awards
- Increased our focus on diversity and inclusion, all managers having training in 2023
- Now into the fourth year our leadership development programme with our village and clinical leaders completing the programme in 2023
- Introduced a new three-year health and safety strategy to ensure we are doing everything to protect our people



OUR PEOPLE

People are the heart of Summerset. Our values are:

Strong enough to care

One team

Strive to be the best

Community support

Promoting and supporting our communities

- Media investment in the sector was highly competitive in 2023, with Summerset continuing to lead in brand consideration
- Our focus remains on growing our brand and presence in both New Zealand and Victoria
- We continue to increase the range of organisations we support, and sponsorship opportunities that align with our brand and our values
- In October we became naming rights sponsor for the GT NZ motorsport championship
- Reaffirmed our partnerships with organisations in key areas important to our residents and their families. These include:
  - New Zealand Symphony Orchestra
  - Netball New Zealand
  - Wellington Free Ambulance
  - Bowls New Zealand
  - Dementia New Zealand
  - Alzheimers New Zealand
  - Hato Hone St John Therapy Pet Programme
- Our villages now work with over 200 local community clubs, including bowls, golf, croquet, bridge and theatre groups

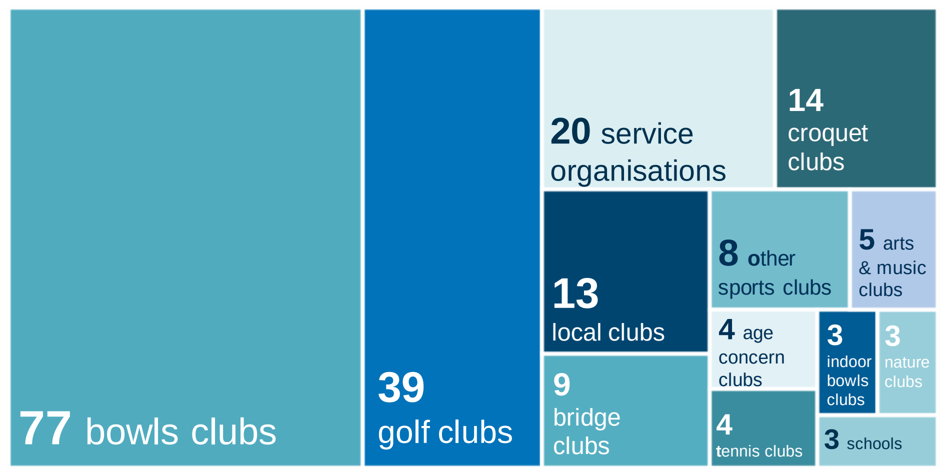
Netball New Zealand


Bowls New Zealand


New Zealand Symphony Orchestra


Wellington Free Ambulance

Community engagement



Our environment

Full Year Report 2023

Our environment

Environmental performance and sustainability

- Summerset is a market leader in sustainability in the retirement and aged care sectors, performing well on key rating indices
- We strive to develop, build and manage more sustainable retirement villages in both New Zealand and Australia
- Now invested over $1.5m in renewable energy opportunities and solution projects to reduce our carbon emissions
- Enhanced our electric vehicle infrastructure – our EV charge station roll out progressing well with nine villages now also having electric vehicles available for residents to use
- Successfully installed solar panels at our Nelson, Karaka and Manukau villages, and have commenced the roll out of solar onto our new main buildings, starting at our Richmond village
- Introduced formal measurement of water consumption and installed water meters to better understand water usage in our villages
- Piloted a food waste reduction initiative in conjunction with the Retirement Villages Association (RVA) and the University of Otago
- Implemented other new environment initiatives that include the planting of an orchard at our Whangārei village and the replanting of a māhoe forest adjacent to our Waikanae village
- Our Sustainability Report and climate related disclosures, which summarise our sustainability progress over past five years, are available on our website (www.summerset.co.nz)


Electric vehicle rollout


Solar implementation


Waste diversion

Latest sustainability ratings

MSCI

AAA

ESG RATING (2023)

FORSYTH BARR

A-

ESG RATING (2023)

Aged care sector average B-
New Zealand average C+

CRAIGS INVESTMENT PARTNERS

4.9

ESG RATING (2022)

Rating scored out of 5
Aged care sector average 4.4
New Zealand average 4.3

CDP DRIVING SUSTAINABLE ECONOMIES

A-

SUPPLIER ENGAGEMENT (2022)

Rates our supply chain engagement on climate related issues

CDP DRIVING SUSTAINABLE ECONOMIES

B

CLIMATE CHANGE (2023)

Health care organisations around the world achieved an average score of ‘C’

Our environment

Environmental performance and sustainability

- We have been successfully measuring, managing, and reporting on our carbon footprint since 2017 (our base year)
- Winner of Best Operator Led Initiative at the 2023 RVA Sustainability Awards for achieving a 16% reduction against our original 2017- 2022 Toitū emissions target of 5%
  - New target is to reduce emissions intensity 34% per square metre by 2027 on a baseline year of 2022
  - Long term target remains to reduce emissions intensity 62% per square metre by 2032
- Member of the Climate Leaders Coalition, meeting the Statement of Ambition for membership - being a reduction in emissions to limit future warming to 1.5 degrees Celsius
- Our focus on waste minimisation and construction waste avoidance efforts were recognised externally, winning a 2023 Construction Sector Beacon Award
- Investigating the implementation of a staff Workride scheme as part of our scope 3 supply chain reporting, supported by feedback from our 2023 Employee Commuting Survey
- Established a working group to manage the volume of embodied carbon in materials and product quantities on selected unit typologies - enabling us to continue exploring the use of more sustainable materials
- New supplier engagement programme in place, focusing on reducing emissions within our value supply chain

Emissions source & measure	2017 (Base year)	2021	2022	2023
Gas Emissions from gas used per main building m^2 (tCO_2e/m^2)	0.013	0.012	0.012	0.011
Fuels Emissions from fuels used per operational village (tCO_2e/village)	9.77	11.23	12.32	13.34
Electricity (scope 2) Emissions from electricity used per main building m^2 (tCO_2e/m^2)	0.017	0.019	0.018	0.001
Travel Emissions used from travel per head office staff member (tCO_2e/Head office staff)	2.96	1.01	1.90	2.46
Waste Emissions from waste per total residents & staff (tCO_2e/Residents + Staff)	0.116	0.097	0.096	0.043
Resident electricity Emissions from resident electricity per resident (tCO_2e/Resident)	0.336	0.274	0.304	0.155
Paper Emissions from paper per staff member (tCO_2e/Staff)	0.020	0.011	0.009	0.007

2017 - 2022 Original short-term target	2023 – 2027* New short-term target	2017 – 2032* Long-term target
5% Reduction in emissions intensity per $1m of revenue by 2022 (2017 base year)	**34%** Reduction in emissions intensity per square metre by 2027 (2022 base year)	**62%** Reduction in emissions intensity per square metre by 2032 (2017 base year)
16% Reduction achieved	**15%** Reduction to date	**18%** Reduction to date

Our emissions are independently audited by Toitū Envirocare to the ISO14064-1: 2018 standard
** Emissions reduction targets are science aligned and cover scopes 1 and 2*

Our sustainability framework and targets

Our vision is to develop villages responsibly, creating a sustainable future for all

STRATEGIC GOALS	Reduce our impact on the planet through efficiency and innovation	Contribute to the economic prosperity of Aotearoa New Zealand	Create caring communities for our residents and employees
OUR FOCUS AREAS	• Reduce carbon footprint • Reduce landfill waste • Energy efficiency • Measure water take • Sustainable design and construction practices • Embrace technology including solar	• Adapt to economic conditions • Fulfil sustainability-linked lending criteria • Provide a secure and sustainable business for shareholders • Fulfil governance and compliance obligations	• Act ethically and responsibly • Support local communities • Provide a safe workplace • Staff wellbeing • Diversity and inclusion • Grow stakeholder understanding of sustainability
OUR TARGETS	**5 year – Short term carbon target:** Reduce emissions intensity by 34% by 2027 **10+ year - Long term target** Reduce emissions intensity per sqm by 62% by 2032 **15+ year** - Carbon net zero by 2050	**Sustainability Linked Loans:** 1. Ongoing dementia certification and increase dementia beds 2. 5% year on year reduction in carbon intensity per sqm scopes 1, 2, 3 net full value chain 3. Diversion of construction waste from landfill (selected scopes)	**Scope 3 target:** Engage and encourage 67% of our supply chain to measure and report their emissions by 2027 (based on scope 3 emissions)
SUSTAINABLE DEVELOPMENT GOALS	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action; 14 Life below water; 15 Life on land	8 Decent work and economic growth; 17 Partnerships for the goals	3 Good health and well-being; 4 Quality education; 5 Gender equality; 11 Sustainable cities and communities

Our affiliates

TOITŪ NET CARBON ZERO ISO 14064-1 ORGANISATION

NZGBC TE KAUNIHERA HANGANGA TAUTAIAO Member 2022–2023

CLIMATE LEADERS COALITION ON A MISSION TO REDUCE EMISSIONS IN NEW ZEALAND

Lifemark

Aged Care Matters

Our climate action plan

Our climate action plan summarises how we are tackling the challenge of decarbonisation and transition

OUR PRIORITIES	DESIGN & CONSTRUCTION	DECARBONISATION OF VILLAGES	MANAGING OPERATIONAL EFFICIENCIES

OUR INITATIVES

Design and Construction
- We're taking a holistic, sustainable design approach where designing for operation needs is considered up-front, and where we actively look to utilise low carbon construction processes, materials and products

Smart Water Management
- Adopting smart water management practices across our villages' entire lifecycle

Solar Generation
- Installation of solar panels on new and existing villages reduces our emissions and reliance on the national grid

Gas Transition
- Staged transition of existing villages off gas to a more sustainable alternative

Embodied Carbon
- We are calculating the embodied carbon of standard typologies within our built environment to assist in identifying opportunities and ways where we can reduce our impact

Electrification of Fleet
- Transitioning our fleet vehicles away from fossil fuels to electric vehicles and hybrid alternatives

Minimising Waste
- Continued focus on waste minimisation through recovery and diversion and advancing a circular economy mindset

Energy Efficiency
- Optimisation and fine tuning of our building management systems coupled with energy efficient technology to reduce overall energy use

Summerset at P[illegible] Place (Bell Block, New Plymouth)

Summerset

New Zealand development

Full Year Report 2023

Summerset Milldale (Auckland)

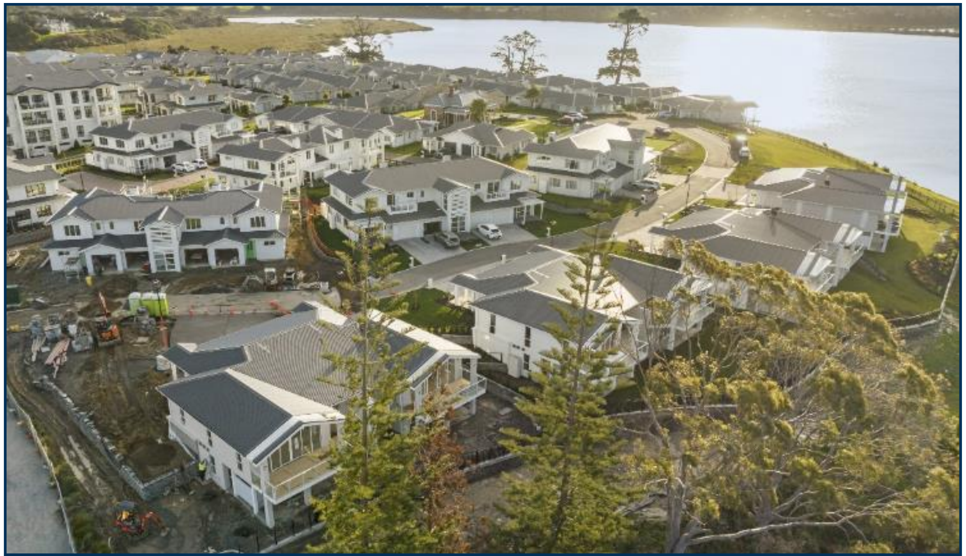
Summerset St Johns (Auckland)

Development activity

New Zealand summary

- Delivered 633 units to be sold under Occupation Right and 49 care beds over 14 sites in FY23, deliveries weighted to the second half of the year and at the lower end of market guidance, in line with economic conditions
- Now have a total of 14 villages in construction across ten regions in New Zealand
- Completed our successful Hobsonville and Kenepuru villages, home to over 700 residents, and returning a cash margin to the business of 13%
- Two main buildings delivered at Te Awa and Bell Block in 2H23, following Kenepuru that opened to residents in 1H23
  - Sales in all three villages have been strong, already around 60% of units sold
- Four new villages opened with first units delivered at Blenheim, Lower Hutt, Milldale and Waikanae
- Progressed the upgrade of three of our older care centres, at Havelock North, Levin and Trentham,
- Two new sites acquired in FY23, in Rolleston and Mosgiel
- Construction at St Johns progressing well, first deliveries remain on track for Q3 2024 with presales strong
- Granted resource consent for Kelvin Grove, along with our Half Moon Bay and St Johns extensions
- Successfully completed plan change for Masterton, and lodged resource consent

Summerset Mt Denby (Whangārei)



Summerset at Monterey Park (Hobsonville, Auckland)

Summerset Cambridge (Waipā District)

Summerset by the Dunes (Pāpāmoa Beach, Tauranga)

Summerset Pōhutukawa Place (Bell Block, New Plymouth)

Site progress – December 2023

144 independent villas delivered

Main building with 56 serviced apartments, 20 memory care apartments, 19 care suites and 21 care beds delivered

Rest home and hospital level care available

Summerset Palms (Te Awa, Napier)

Site progress – December 2023

- 181 independent villas delivered
- Main building with 56 serviced apartments, 20 memory care apartments, 15 care suites and 28 care beds delivered
- Rest home and hospital level care available

Summerset Waikanae (Kāpiti Coast)

Summerset Boulcott (Lower Hutt, Wellington)

Summerset on the Landing (Kenepuru, Wellington)

Summerset Richmond Ranges (Tasman)

Summerset Blenheim (Marlborough District)

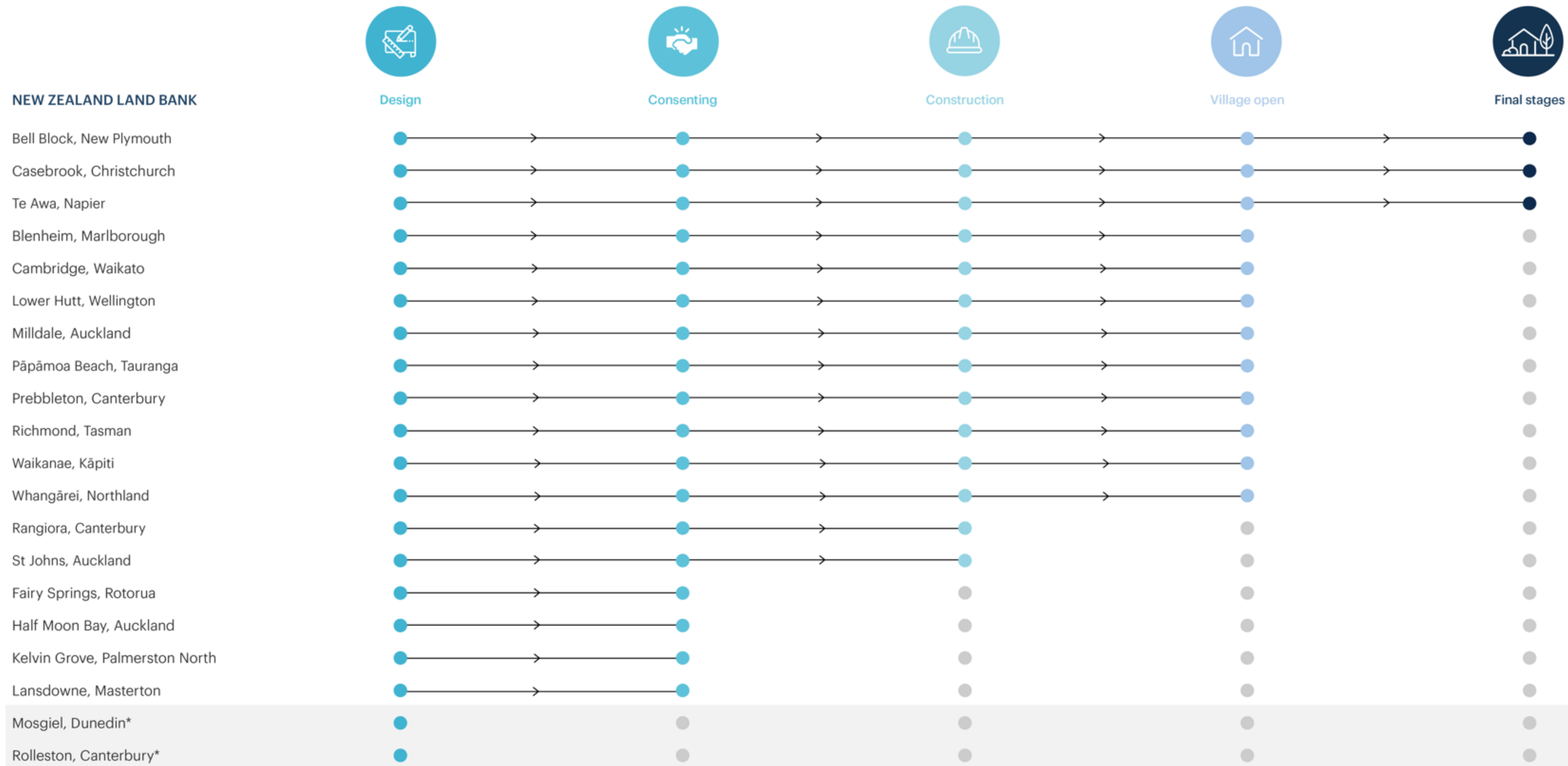
Summerset Rangiora (Waimakariri District)

Summerset on Cavendish (Casebrook, Christchurch)

Summerset Prebbleton (Selwyn District)

New Zealand development pipeline

Diversified development pipeline with 20 sites in FY23



** New sites purchased in FY23*

Project cash profits

- Summerset developments produce positive net cash flows (net cash position) upon completion, this means they carry no debt once built
- The villages currently under development in New Zealand are expected to return over $235.0m in positive net cash flows on completion
- These net cash flows represent the project cash profits from village development
  - 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
  - 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 $40m per project

$3.1b+

Forecast capital investment

$235m+

Projected net cash position

Village	Development Stage	Forecast Capital Investment ($m)	Forecast Net Cash Position* ($m)
St Johns	Early stages	$250m+	($5m) - $80m
Lower Hutt	Early stages		
Cambridge	Early stages		
Milldale	Early stages		
Rangiora	Early stages	$200m+	($5m) - $30m
Waikanae	Early stages		
Prebbleton	Early stages		
Whangārei	Mid stages		
Richmond	Last stages		
Pāpāmoa Beach	Mid stages	$150m +	$25m - $45m
Casebrook	Last stages		
Bell Block	Last stages		
Te Awa	Last stages		
Blenheim	Early stages	$100m +	$0m-$5m
Total NZ		**$3.1b - $3.3b**	**$235m+**

Avonhead, Hobsonville Extension, Kenepuru and Rototuna removed from table since FY22, total net cash position relating to these four developments $78.8m

Project cash profits

- Our last ten villages to complete recycled around $195.2m of positive cash flow
- This is an average cash margin of 14.1%
- Two villages were completed in FY23, these were Kenepuru and our Hobsonville extension
- These villages recycled a combined $32.7m from village development
- 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

14.1%

Cash margin*

$195m

Project cash profit

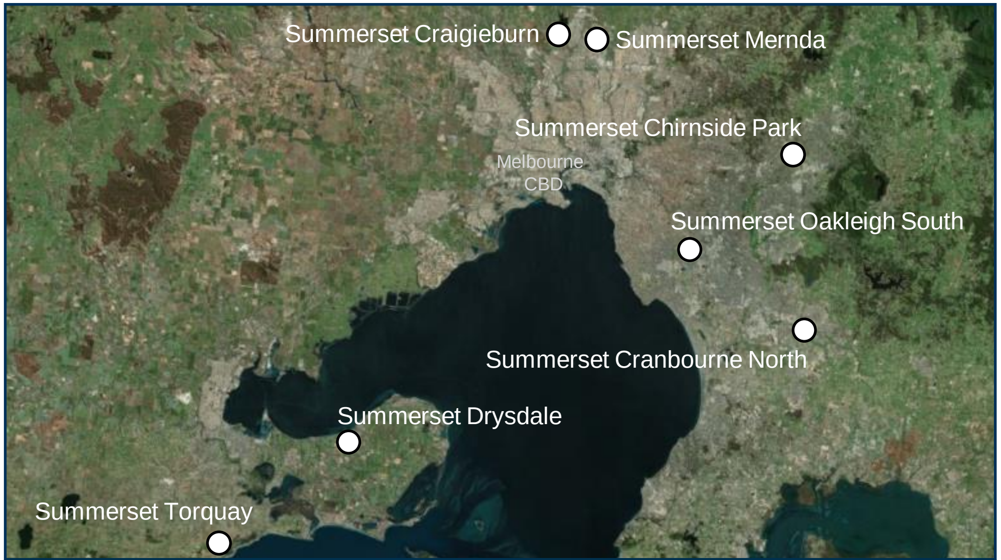
Village	Type	Total units		Project cash profit	Cash Margin
		Retirement units	Care units		
Avonhead	Broadacre	244	63	$26.0m	18.8%
Ellerslie	Mid rise	313	53	$29.6m	11.7%
Hobsonville	Mid rise	250	52	$23.2m	14.6%
Hobsonville Extension	Mid rise	38	-	$22.2m	34.6%
Karaka	Broadacre	241	50	$24.4m	23.0%
Katikati	Broadacre	186	27	$9.4m	15.0%
Kenepuru	Mid rise	266	43	$10.5m	5.4%
Rototuna	Broadacre	244	63	$20.1m	13.7%
Warkworth Extension	Broadacre	79	-	$16.4m	42.0%
Wigram	Broadacre	212	49	$13.1m	16.7%
Total				**$195.2m**	**14.1%**

** Cash margin is the project cash profit divided by new sales receipts*


Summerset Cranbourne North (Melbourne, Victoria)

Australia development

Full Year Report 2023



Summerset Australia

Site progress - Summerset Cranbourne North (Melbourne)

Development activity

Australia summary

- Development at our Australian sites on track with several major milestones achieved in FY23
- Summerset's first Australian retirement units were completed in Q4 at Cranbourne North, with our first village residents moving in early in 2024
- Enabling works are underway at Chirnside Park and construction will commence in Q1 2024
- Oakleigh South development plan unanimously approved by Council in June 2023, with detailed design now underway
- Planning permit also approved for Craigieburn, and the planning application processes for our remaining Australian sites at Drysdale, Mernda and Torquay are well advanced
- The current Australian pipeline gives us capacity to build over 2,100 units (including 450 beds)
- We continue to look for suitable new village development opportunities, including sites beyond Victoria as part of our wider Australian expansion strategy
- Summerset is a Commonwealth Government approved provider of both residential aged care and home care services across Australia

Summerset Cranbourne North (Melbourne)

Site progress – December 2023

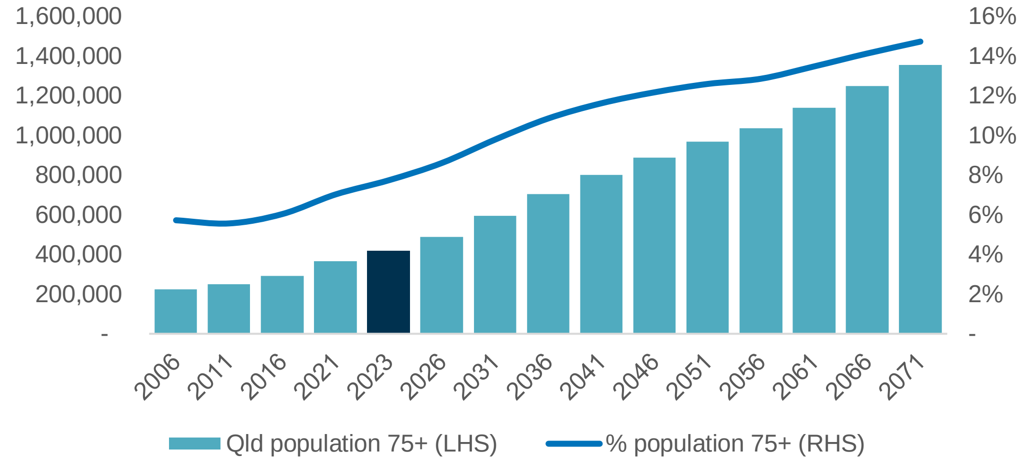
- 10 independent villas delivered
- Main building with 34 assisted living apartments and 72 care beds to commence construction in FY24
- Rest home and hospital level care will be available

Australia expansion

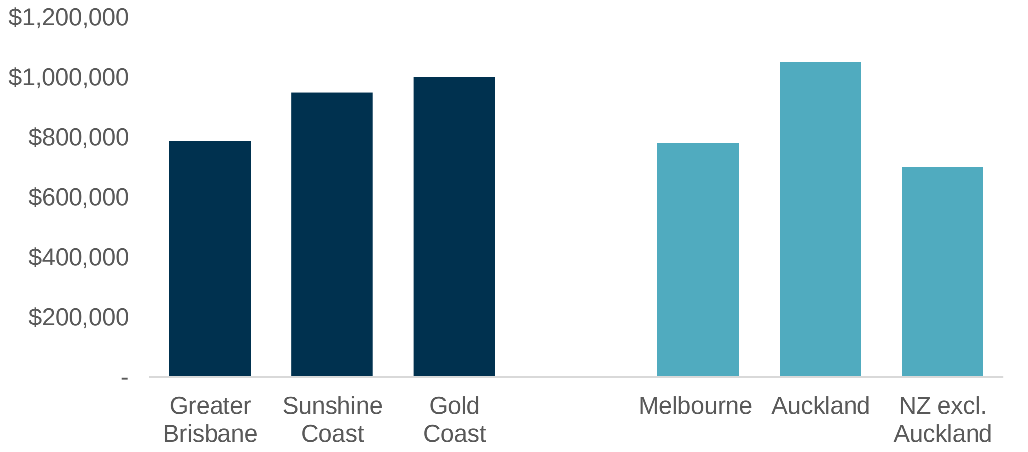
Queensland seen as logical next step for expansion in Australia

- Summerset has been active in Australia since 2018, establishing strong local management expertise and acquiring seven sites (a pipeline of over 2,100 units)
- We are on track to meet the growth targets set out for entry into Australia and with our first retirement units now delivered, we are commencing the second stage of our growth strategy - expansion into other Australian states
- This planned move will provide portfolio diversity and an ability to manage market movements with a greater level of flexibility, similar to our development approach in New Zealand
- Queensland has been identified as the next logical step, having supportive residential house prices and strong forecast population growth
- The state also has a favourable lifestyle appeal to our target audience and is supported by excellent economic growth prospects and development opportunities
- During this phase we will continue to target new broad acre opportunities in Greater Melbourne and Victoria, alongside investigating opportunities in Queensland to support our longer-term Australian growth strategy

Queensland population growth 75 years and over



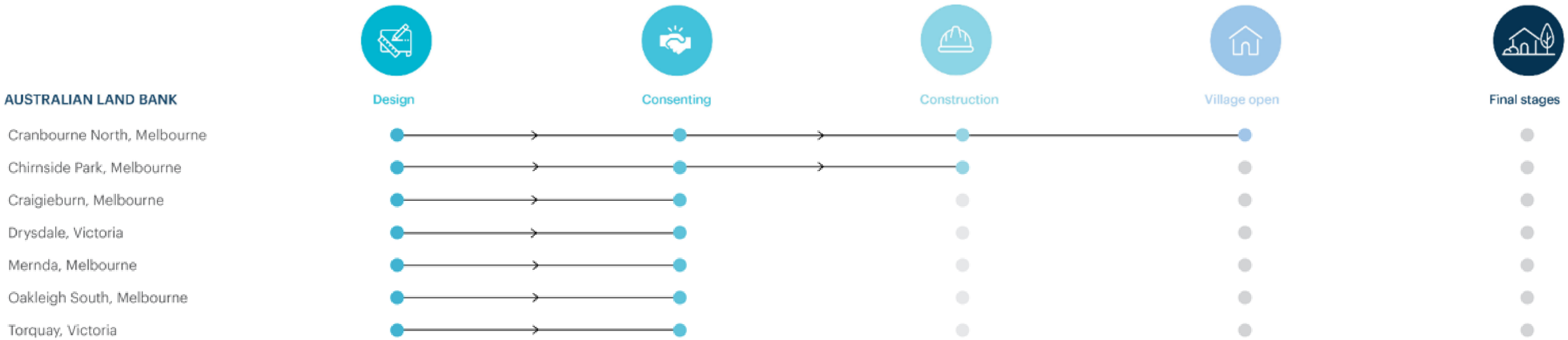
Median residential housing market comparison



Source: Australian Bureau of Statistics, CoreLogic Australia and the Real Estate Institute of New Zealand (REINZ)

Australia development pipeline

Now have seven villages in planning and development across Victoria




Clark Coastal, Summerset at Monterey Park (Hobsonville)

Financial performance

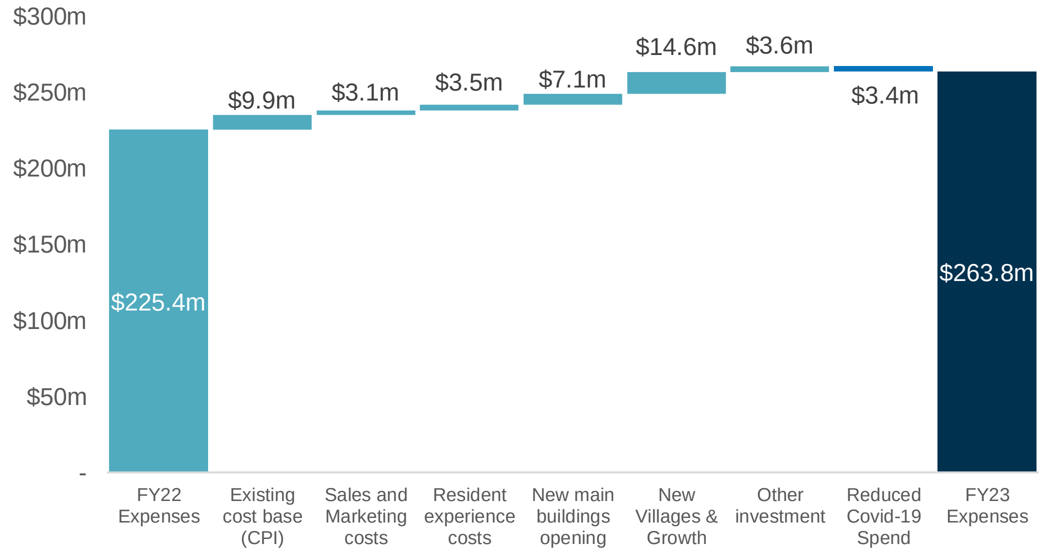
Full Year Report 2023

Reported profit (IFRS)

- IFRS NPAT of $436.3m, 62% up on FY22 and the second highest in Summerset's history
- Record total revenue of $272.2m, up 14% on FY22
- Total expenses of $263.8m, up 17% on FY22
- Key movements in expenses include the following:
  - $9.9m on inflationary cost pressures, with almost 75% relating to wages, followed by insurance, rates and electricity
  - $3.1m for increased spend on sales and marketing costs, primarily relating to targeted campaigns and an increase of spend in Australia
  - $3.5m on resident experience costs such improvements to food services, village happy hours and celebrations, and an increase in the number of fitness classes and other recreation activities offered
  - $21.7m on new villages, as signalled, with three main buildings opening in FY23 that included a combined 384 units ($7.1m uplift)
- Increase in net finance costs is driven by movement in market interest rates and increased net debt in line with the uplift in overall build program

NZ$m	FY23	FY22	Variance	FY21
Total revenue	272.2	238.7	14%	205.3
Reversal of impairment on land & buildings	-	-	-	3.4
Fair value movement of investment property	441.6	268.8	64%	537.5
Total income	**713.8**	**507.5**	**41%**	**746.3**
Total expenses	263.8	225.4	17%	190.6
Net finance costs	27.5	17.0	62%	12.0
Net profit before tax	**422.5**	**265.1**	**59%**	**543.6**
Tax expense / (credit)	(13.8)	(4.0)	250%	(0.0)
Net profit after tax	**436.3**	**269.1**	**62%**	**543.7**

Movement in total expenses: FY22 vs FY23



Fair value movement

- Fair value movement of $441.6m, up 64% on FY22
- Fair value movement has been driven by:
  - New units built ($159.1m): Value of new units delivered in FY23
  - Unit pricing ($121.3m): Retirement unit price inflation on existing units within the portfolio
  - Movement in land bank ($64.8m): Valuation movement on St Johns and the undeveloped land bank
  - Growth rate assumptions ($46.9m): Valuers adopting more standard short term growth rates within the valuation in line with the residential property market cycle
  - Discount rates ($30.4m): Change in assumptions used by the valuers
  - Stock discount assumptions: Reversal of previous discount applied to stock settled in FY23 ($23.5m)
- Refer to the appendices (slide 66 and 67) for key assumptions associated with the investment property valuation

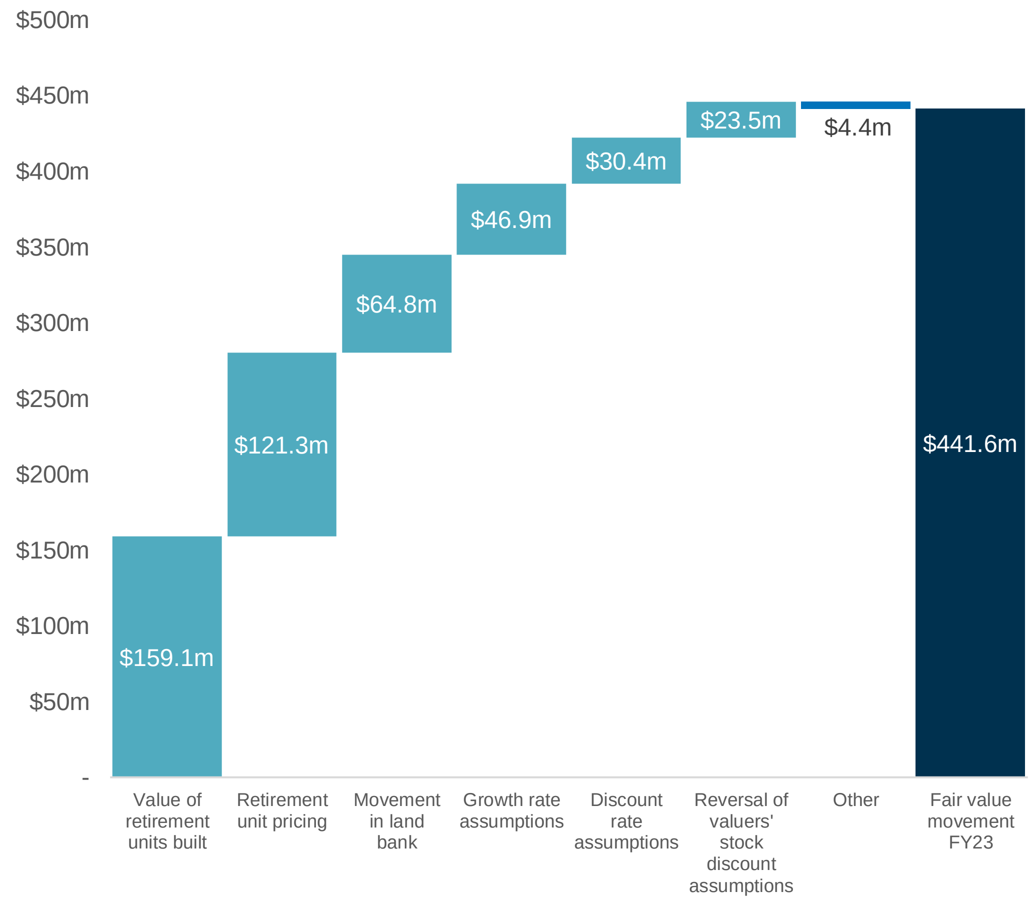
$441.6m

Fair value movement

$159.1m

Increase from new units delivered

Fair value movement of investment property FY23



Underlying profit

- Record underlying profit of $190.3m, up 11% on FY22
- The increase is driven by the following:
  - Realised development margin of $121.2m, a 16% increase on FY22, with an average margin of $216k per unit, and record new sale settlements
  - Deferred management fee of $104.6m, up 13%
  - Realised gain on resales of $88.1m, up 26%, with an average margin of $162k, and record resale settlements

$190.3m

Underlying profit

11%

Increase on FY22 ▲

NZ$m	FY23	FY22	Variance	FY21
Care fees and village services	165.9	144.6	*15%*	126.9
Deferred management fees	104.6	92.3	*13%*	75.2
Realised gain on resales	88.1	70.2	*26%*	59.9
Realised development margin	121.2	104.9	*16%*	78.5
Other income & interest received	1.7	1.7	*(3%)*	3.3
Total income	**481.6**	**413.8**	***16%***	**343.8**
Operating expenses	248.0	211.8	*17%*	179.0
Depreciation and amortisation	15.8	13.6	*16%*	11.6
Net finance costs	27.5	17.0	*62%*	12.0
Total expenses	**291.3**	**242.4**	***20%***	**202.6**
Underlying profit	**190.3**	**171.4**	***11%***	**141.1**

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 audited 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.

Cash flows

- Net operating cash flows of $398.2m, up from $369.2m at FY22
- Net operating business cash flows of $131.5m, which includes:
  - Deferred management fees of $155.8m for FY23
  - Investment in working capital to support the business through difficult trading conditions. This comprised a $2.8m uplift in the repurchase of stock from outgoing residents and an increase in advances in resident loans for residents transferring of $16.4m relative to FY22
- Increase in refurbishment costs driven by volume and age of units terminating alongside planned investment in common spaces - new furniture, solar installation, cafe upgrades, LED lighting and generators
- Investing cash out flows of $668.5m, up 3% on FY22, with the following projects advancing in the period:
  - Main buildings at Bell Block, Cambridge, Pāpāmoa, Lower Hutt, Te Awa and Whangārei
  - Apartment blocks at Lower Hutt and St Johns
  - Civils spend at new sites including Milldale, Rangiora and Waikanae
  - Villa construction at 14 villages in New Zealand, and Cranbourne North in Melbourne, Australia

$398.2m

Net operating cash flows

8%

Increase on FY22 ▲

NZ$m	FY23	FY22	Variance	FY21
Net operating business cash flow*	131.5	110.3	*19%*	130.9
Receipts for residents' loans - new sales**	266.7	258.9	*3%*	252.5
Net operating cash flow	**398.2**	**369.2**	***8%***	**383.4**
Sale and purchase of land	(56.5)	(179.1)	*(68%)*	(72.0)
Construction of new IP & care facilities	(523.3)	(427.9)	*22%*	(318.3)
Refurb of existing IP & care facilities	(19.5)	(11.0)	*78%*	(8.5)
Care centre upgrades	(1.7)	-	-	-
Other investing cash flows	(14.6)	(9.5)	*54%*	(9.7)
Capitalised interest paid	(52.8)	(24.2)	*118%*	(16.5)
Net investing cash flow	**(668.5)**	**(651.7)**	***3%***	**(425.0)**
Net proceeds from borrowings	322.9	342.2	*(6%)*	67.1
Net dividends paid	(34.3)	(28.2)	*22%*	(23.7)
Other financing cash flows	(31.0)	(14.6)	*113%*	(9.2)
Net financing cash flow	**257.7**	**299.5**	***(14%)***	**34.2**

Free cash flow reconciliation NZ$m	FY23	FY22	Variance	FY21
Net operating business cash flow	131.5	110.3	*19%*	130.9
Refurb of existing IP & care facilities	(19.5)	(11.0)	*78%*	(8.5)
Interest paid on borrowings	(28.4)	(14.3)	*99%*	(12.4)
Other investing cash flows	(14.6)	(9.5)	*54%*	(9.7)
Payments in relation to lease liabilities	(2.6)	(1.9)	*36%*	(1.8)
Summerset free cash flow	**66.3**	**73.6**	*(10%)*	**98.5**

** Net operating business cash flows includes care fees and village services, interest received, payments to suppliers and employees, DMF on new sales, DMF on resales, all other net receipts from residents' loans – resales*

*** Receipts for residents' loans – new sales is total new sales receipts less DMF on new sales*

Balance sheet

- Total assets of $6.9b, up 19% on FY22 driven by portfolio growth and the underlying value in our existing villages
- Investment property valuation of $6.4b, up 18% on FY22
- Retained earnings are now $2.1b, up 22% from $1.8b at FY22. This continues to positively impact balance sheet strength and company gearing ratios
- Other assets include buildings, primarily care centres which are valued annually
- Net tangible assets per share now a sector leading $11.10

$6.9b

Total assets ▲ 19%

$2.1b

Retained earnings ▲ 22%

NZ$m	FY23	FY22	Variance	FY21
Investment property	6,407	5,418	*18%*	4,580
Other assets	534.5	422.6	*26%*	343.5
Total assets	**6,942**	**5,840**	***19%***	**4,924**
Residents' loans	2,507	2,165	*16%*	1,847
Face value of bank loans & bonds*	1,399	1,074	*30%*	749.9
Other liabilities	430.2	407.5	*6%*	402.1
Total liabilities	**4,336**	**3,647**	***19%***	**2,999**
Net assets**	**2,605**	**2,193**	***19%***	**1,925**
Embedded value	**1,620**	**1,488**	***9%***	**1,365**
NTA (cents per share)	**1,110**	**943.9**	***18%***	**835.9**
Retained earnings	**2,150**	**1,766**	***22%***	**1,542**

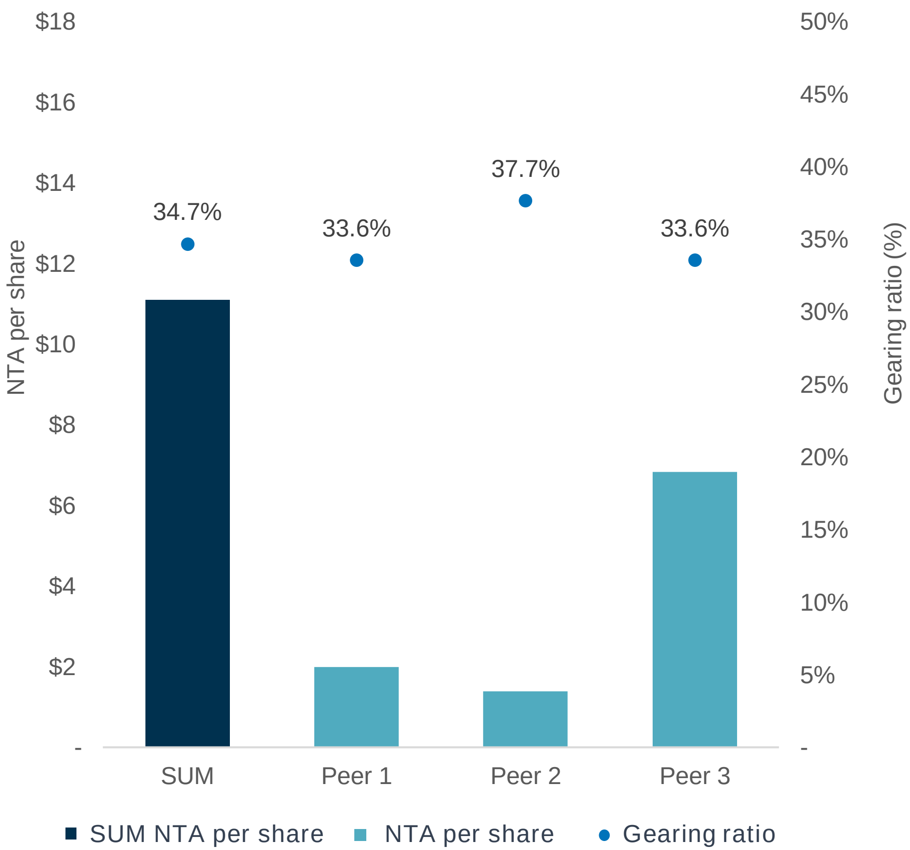
** Face value of drawn bank debt and retail bonds. Excludes capitalised and amortised transaction costs for loans and borrowing, and fair value movement on hedged borrowings*

*** Net assets includes share capital, reserves, and retained earnings*

Net tangible assets

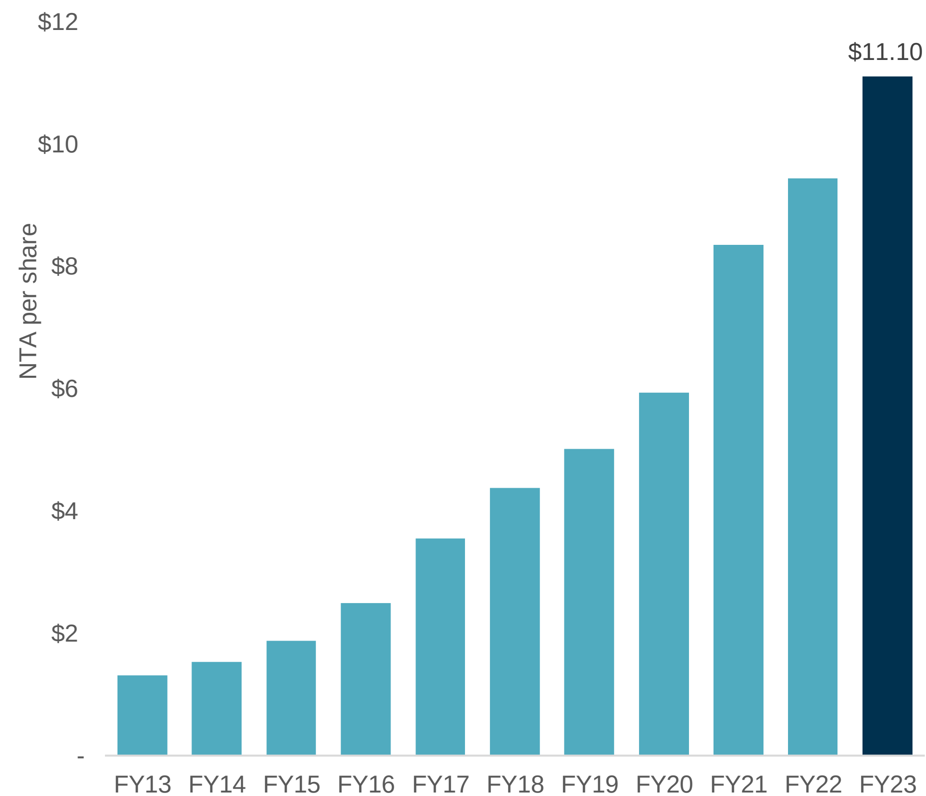
Strong financial discipline underpinning net tangible assets and gearing

Net tangible assets and gearing*



** Peer results based on most recent NZX disclosures*

Summerset net tangible assets per share



Funding

- Bank facility approximately $1.5b, with existing $450.0m of retail bonds at 31 December 2023
- As at 31 December 2023, 59% of total debt was hedged at fixed interest rates, resulting in a weighted average interest rate of 5.09% for FY23, up from 3.42% in FY22
- Total facility (incl. bonds) has an average tenor of 3.5 years
- Total bank facilities were refinanced in September with an increase of $300.0m in additional capacity
- Bank facility has undrawn capacity of $564.3m as at 31 December 2023
- Retail bond of $100.0m was repaid on 11 July 2023
- Retail bond offer of $75.0m with ability to accept oversubscriptions of $50.0m to be released the week beginning 26 February 2024

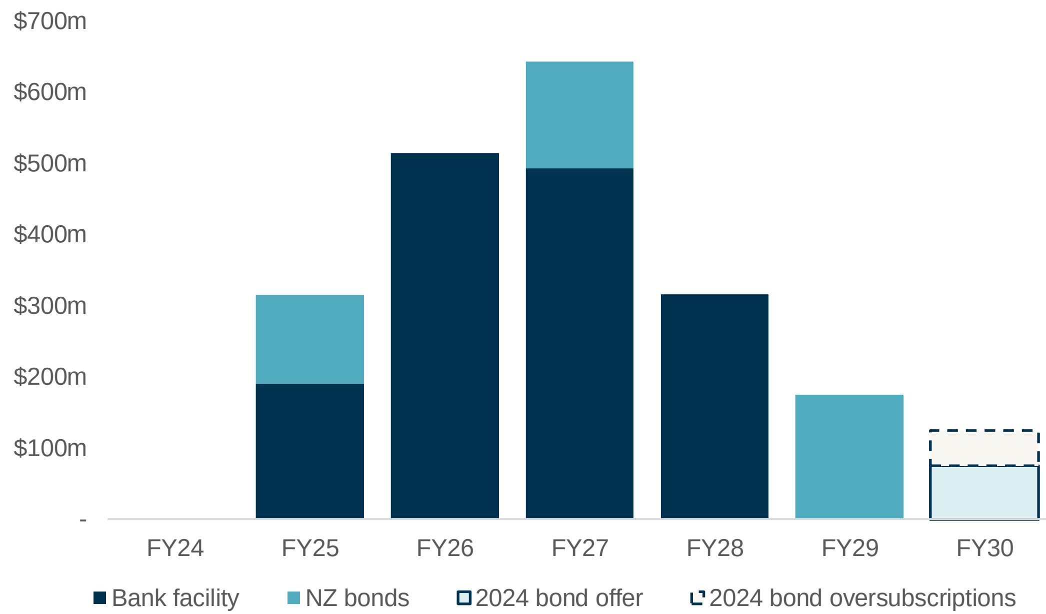
$1.5b

Bank facility

$450m

Retail bonds

Funding maturity profile



Development assets

- Development assets exceed the value of net debt by $263.6m, or 19%
- Development assets comprise:
  - $603.0m relating to undeveloped land, being the fair value of our Australia and New Zealand land bank
  - $644.4m for development WIP (villages under construction), and
  - $402.5m from unsold new sale stock, which is all delivered new sale stock that is yet to settle
- Net debt of $1,386m* at FY23, up from $1,049m* at FY22

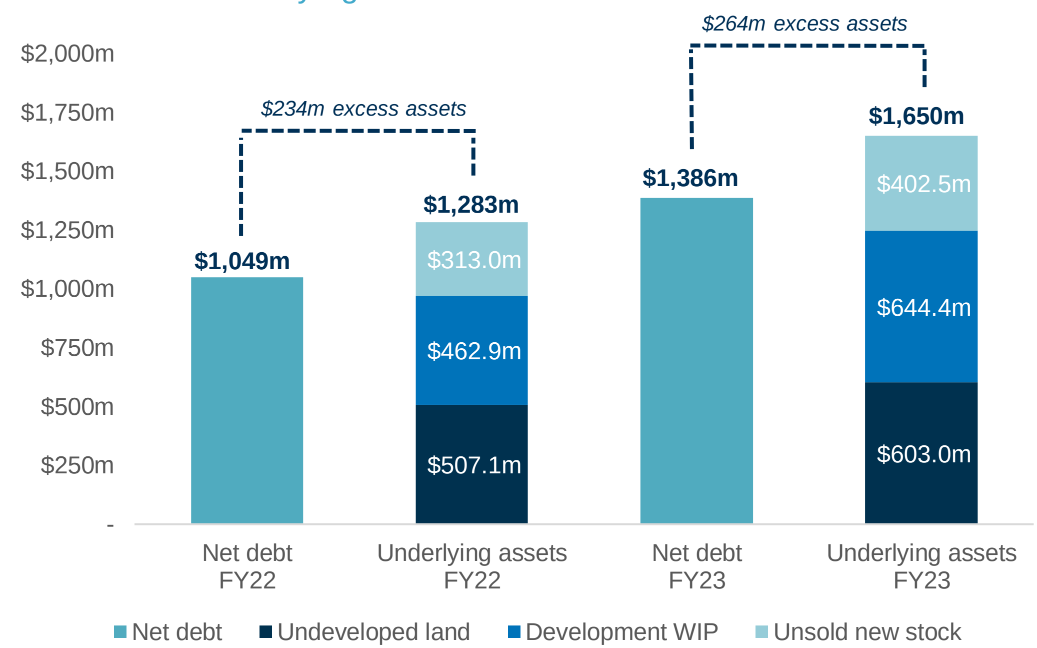
$1.7b

Underlying development assets

36.4%

Bank & bond LVR

Net debt to underlying assets



Ratio	FY23	FY22	% change	FY21
Gearing ratio (%)**	34.7%	32.4%	*7%*	27.8%
Bank & bond LVR (%)**	36.4%	35.3%	*3%*	29.8%

** 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)*

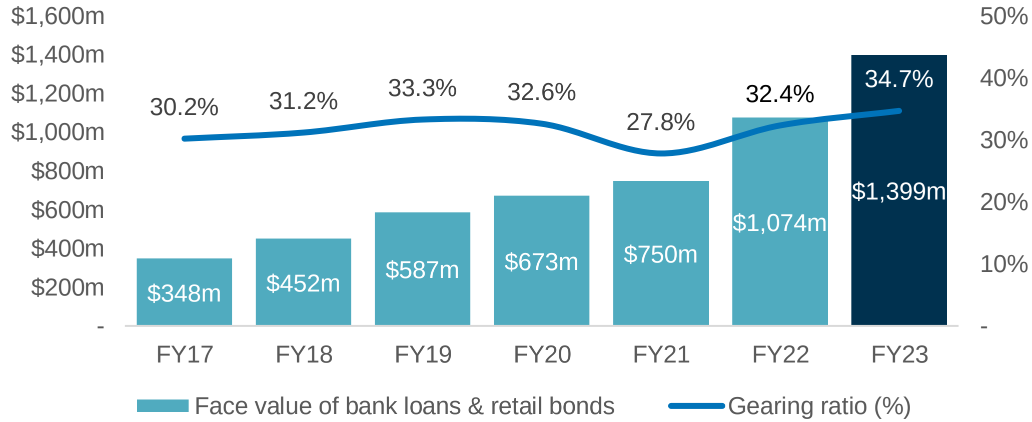
Debt measures

- Gross debt of $1.399b*, up from $1.074b* at FY22
- Uplift in gross debt driven by increased construction activity across our developing villages and land settlements in the period
- Gearing ratio** of 34.7%, slightly up on FY22 but down from 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 27.7%
- Summerset's ICR coverage is 201%, more than double the required covenant measure, providing a high degree of covenant headroom for the business

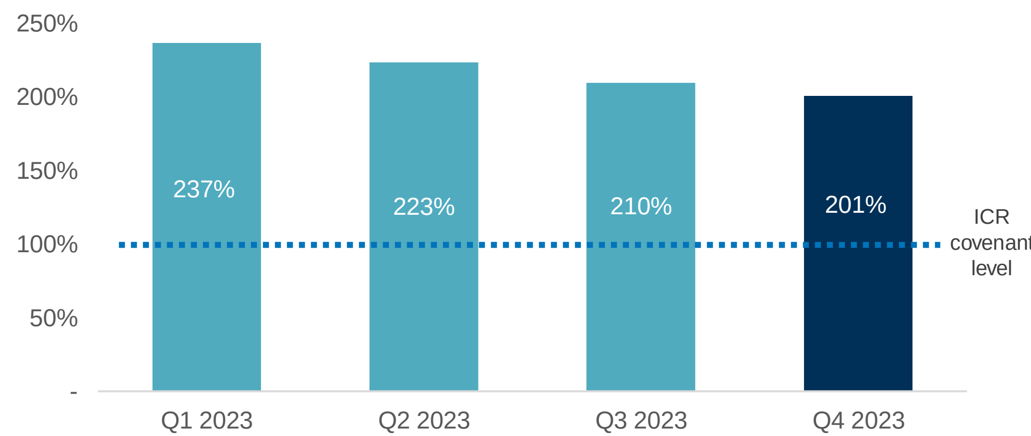
34.7%
Gearing ratio

201%
ICR coverage

Gross borrowings and gearing



ICR coverage ratio



** 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 less cash and cash equivalents*

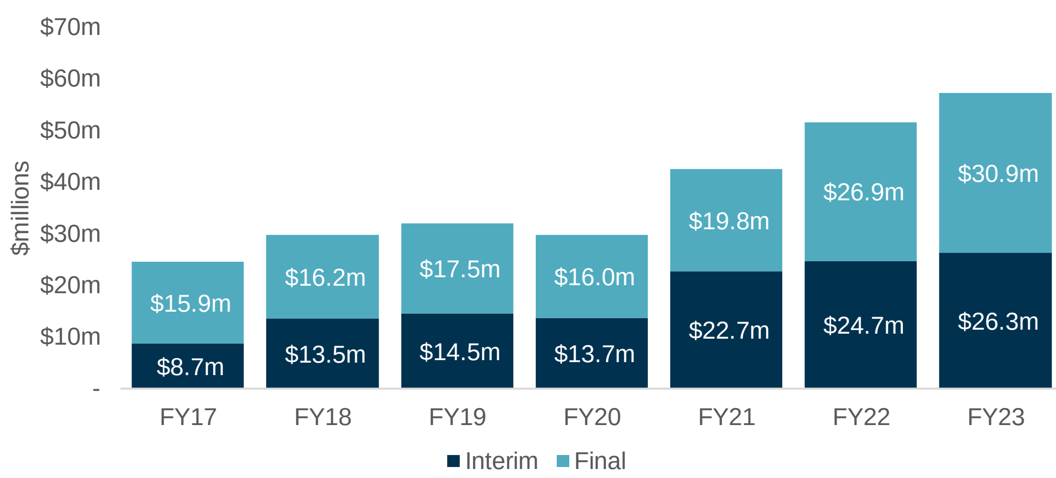
*** Gearing ratio calculation (net debt / net debt plus book equity) differs from the Summerset Group's bank and bond LVR covenant (total debt of the Summerset Group / property value of the Summerset Group)*

Final dividend

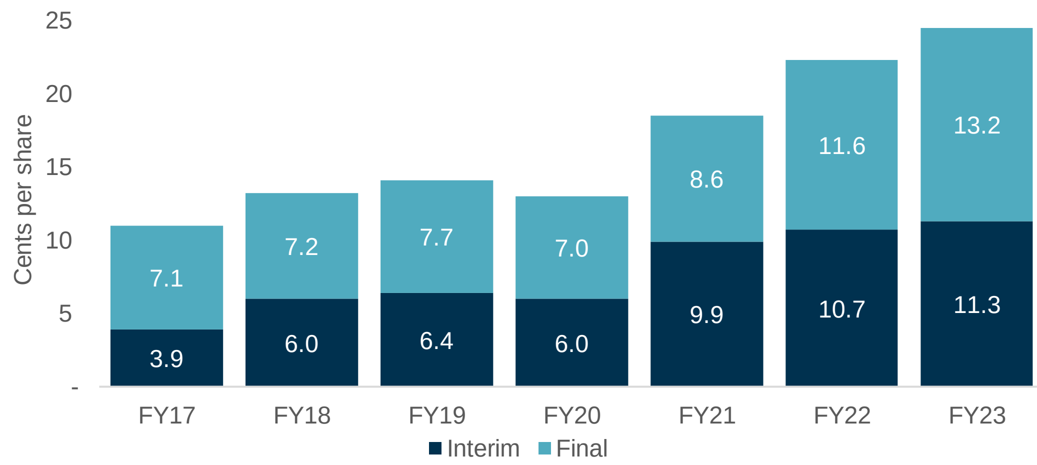
Declared FY23 final dividend of 13.2 cents per share

- The Board has declared an unimputed final dividend of 13.2 cents per share, being 30% of underlying profit
- This represents a payout for FY23 of approximately $57.3m
- 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 22 March 2024. The record date for final determination of entitlements to the final dividend is Monday 11 March 2024

Gross dividend payout per year



Dividend per share



Dividend policy review

Dividend policy updated to 20% to 50% of Underlying profit

- Summerset's growth strategy is to deliver expansion opportunities in New Zealand and Australia, that produce competitive returns for shareholders
- For FY23, the Board has undertaken a review of the dividend policy to ensure our approach remains appropriate moving forward
- Our review benchmarked the current policy against NZX and ASX companies, tested alternatives and canvassed feedback from retail and institutional investors
- Overall, the review highlighted that using underlying profit as the basis is consistent with industry peers, is easy to understand, free from technical adjustments and investors are comfortable with this approach
- The board have decided to leave the dividend measure unchanged, however, make a small adjustment to the payout range to 20% to 50% of underlying profit to ensure the board retains flexibility as the business continues to grows
- This gives Summerset scope to maintain long-term financial health, while ensuring it continues to give its investors an appropriate return on their investment

Cumulative dividend payout (2018 to 2023)

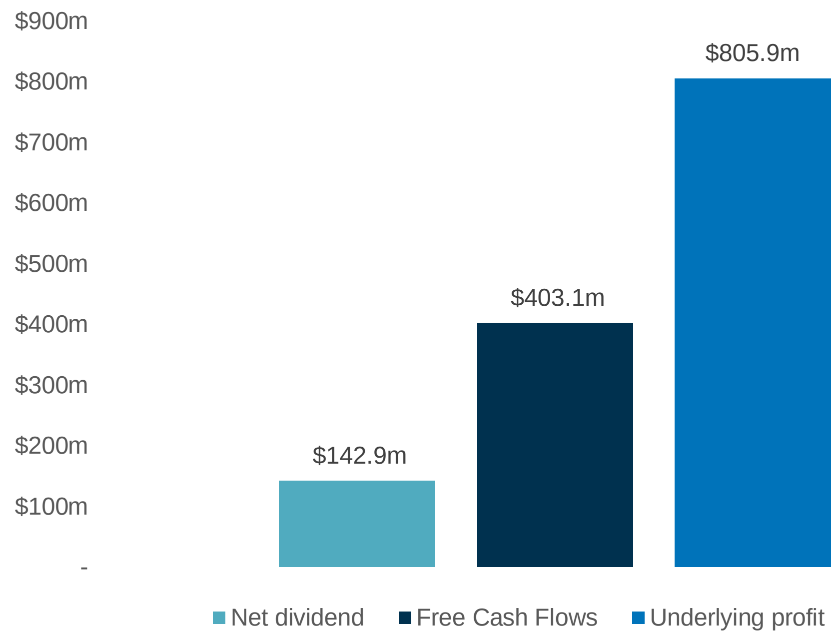


Chart Summary

- Since 2018, Summerset has paid out a cumulative dividend of $142.9m* compared to free cash flows of $403.1m, and underling profit of $805.9m
- Net dividend is the cumulative dividend paid between 2018 and 2023 based on the current policy of 30% to 50% of underling profit (paid out at 30% of underlying profit each year), net of dividend reinvestment plan uptake
- Summerset free cash flow is calculated as follows:
  - Net operating business cash flows (Care fees and village services, interest received, payments to suppliers and employees, deferred management fees on new sales, deferred management fees on resales, all other net receipts from residents' loans – resales)
  - **Less:** Refurbishment of retirement units, village facilities and care centres, payment for intangible assets and other, interest paid on borrowings, payments in relation to lease liabilities
- Underlying profit is the cumulative underlying profit earned between 2018 and 2023

** Cumulative dividend paid net of dividend reinvestment plan uptake*

Business performance

Full Year Report 2023

Retirement unit delivery

Record 692 total units delivered in FY23, includes first deliveries in Australia

- 692 total units delivered in the period across 15 villages, including 569 retirement units and 123 care units
- Of these, 643 will be sold under Occupation Right Agreement, the remaining 49 being care beds
- Four new villages opened in New Zealand at Blenheim, Lower Hutt, Milldale and Waikanae
- First Australian retirement units delivered at Cranbourne North
- Deliveries in 2023 carried a heavy weighting to the second half of the year with main buildings opening at Te Awa and Bell Block during 2H23
- Main building at Pāpāmoa Beach will open early in 2024 and St Johns remains on track with first deliveries expected in 2H24
- Expect a New Zealand build rate of approximately 675 to 725 units to be sold under Occupation Right in FY24

FY23 unit delivery	Retirement units			Care units			Total units
	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	
Bell Block	33	-	56	20	19	21	149
Blenheim	15	-	-	-	-	-	15
Cambridge	42	-	-	-	-	-	42
Casebrook	37	-	-	-	-	-	37
Hobsonville	14	-	-	-	-	-	14
Kenepuru	11	-	-	-	-	-	11
Lower Hutt	9	20	-	-	-	-	29
Milldale	19	-	-	-	-	-	19
Pāpāmoa Beach	46	-	-	-	-	-	46
Prebbleton	43	-	-	-	-	-	43
Richmond	44	-	-	-	-	-	44
Te Awa	40	-	56	20	15	28	159
Waikanae	27	-	-	-	-	-	27
Whangārei	47	-	-	-	-	-	47
Total NZ	**427**	**20**	**112**	**40**	**34**	**49**	**682**
Cranbourne North	10	-	-	-	-	-	10
Total Australia	**10**	**-**	**-**	**-**	**-**	**-**	**10**
Total Group	**437**	**20**	**112**	**40**	**34**	**49**	**692**

Development margin

Record realised development margin of $121.2m, with a 32% development margin

- Record realised development margin of $121.2m, an increase of 16% on FY22
- Development margin of 32%, up from 30% in FY22 driven by improved margins across all unit types
  - Villa margins increased to an average of 38% across 16 villages
  - Apartment margins of 22% included the first units at our Lower Hutt village
  - Margins for serviced apartments, memory care apartments and care suites, all increased to above 10%
- Margins have benefitted from our long-term supplier relationships and well managed procurement contracts
- Average development margin per unit was $216k, up from $195k in FY22, and $145k in FY21

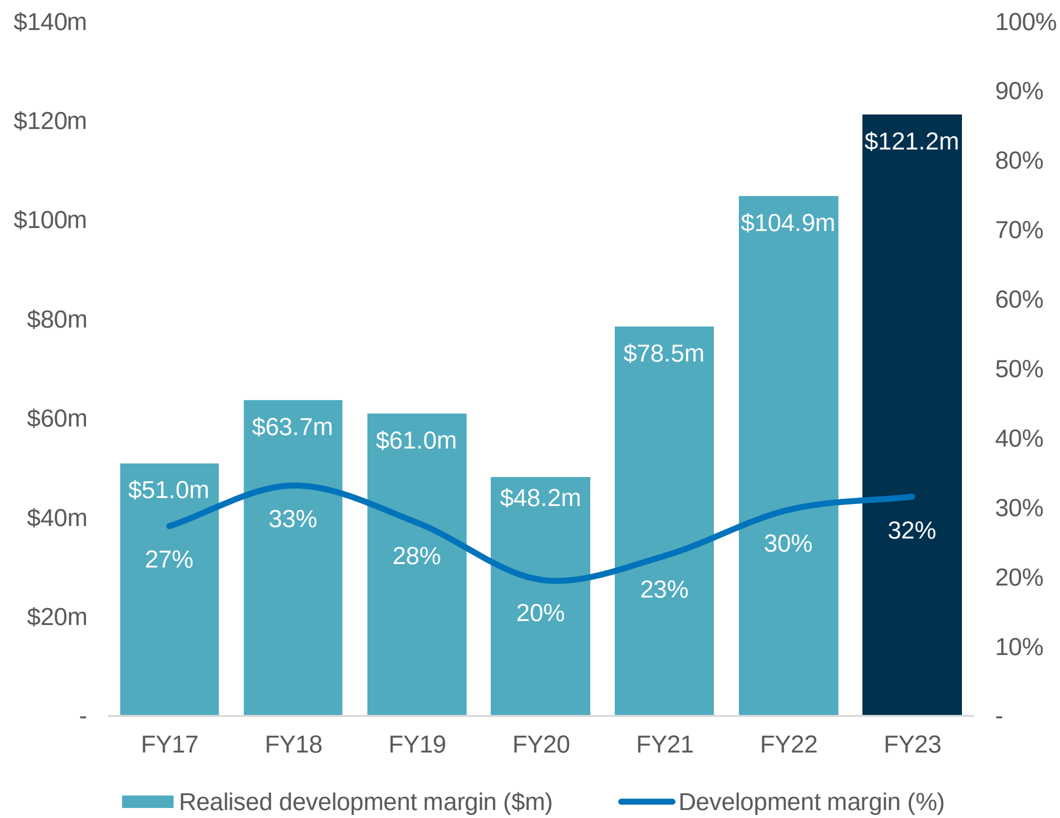
32%

Development margin

$121.2m

Realised margin ▲ 16%

Realised development margin



New sales

Record 560 new sales in the period, gross proceeds of $384.0m

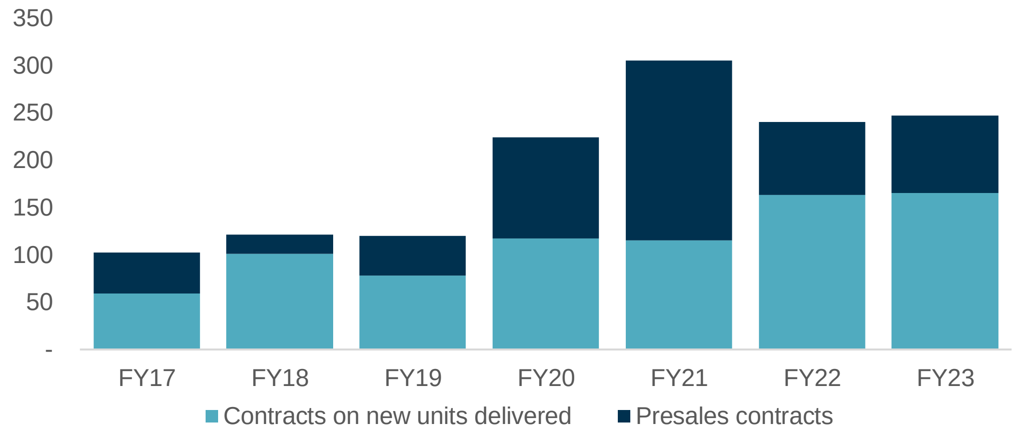
- A record 560 new sales of Occupation Rights in FY23, up 4% on the 537 settled in FY22
- Record gross proceeds of $384.0m, up 9% on FY22
- Average gross proceeds per new sale settlement now $686k, up from $658k in FY22
- New sales growth driven by serviced apartments (+52%) and care suites (+194%)
- Our best performing villages were Kenepuru (114 new sales), Bell Block (66 new sales) and Richmond (66 new sales)
- All regions with stock secured over 25 settlements each, highlighting the strength of our diversified portfolio that can be flexed to align with market conditions
- Unit pricing continues to be reviewed monthly and current contract rates show prices are appropriately aligned to prospective residents' expectations

560
New sales of Occupation Rights

$686k
Average gross proceeds ▲ 4%

New sales	FY23	FY22	*Variance*	FY21
Gross proceeds ($m)	**384.0**	**353.4**	***9%***	**340.3**
Villas	329	350	*(6%)*	335
Apartments	20	46	*(57%)*	79
Serviced apartments	132	87	*52%*	92
Memory care apartments	29	37	*(22%)*	19
Care Suites	50	17	*194%*	15
Total occupation rights	**560**	**537**	***4%***	**540**

Committed new sales pipeline



New sales stock

380 uncontracted stock as at FY23, impacted by almost 250 units delivered in Q4

- Uncontracted stock as a % of total portfolio of 6.0% is up from 5.4% at FY22
- This was expected with our delivery programme for FY23 heavily weighted to the second half of the year
  - 78% of the 692 deliveries were delivered in 2H23
- Record number of units under contract at 165, including 113 villas
- Good progress made in serviced apartment, memory care apartment and care suite stock, reducing by 9% with 186 delivered in 2H23
- When normalised for Q4 deliveries, uncontracted stock as a % of portfolio is 4.4% and in line with the lower end of historical performance

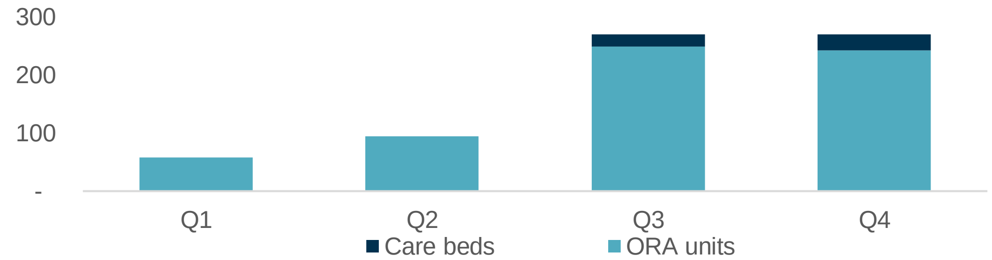
380
Uncontracted new sale stock

6.0%
Percentage of uncontracted stock

New sales stock	FY23	FY22
Contracted	165	163
Uncontracted	380	308
Total new sales stock	**545**	**471**
Contracted	113	103
Uncontracted	217	131
Villas	**330**	**234**
Contracted	9	11
Uncontracted	25	26
Apartments	**34**	**37**
Contracted	35	41
Uncontracted	85	100
Serviced apartments	**120**	**141**
Contracted	2	3
Uncontracted	35	23
Memory care apartments	**37**	**26**
Contracted	6	5
Uncontracted	18	28
Care suites	**24**	**33**

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

FY23 deliveries



Resales

Record 543 resales in the period, up 16% on FY22 with realised resale gain of $88.1m

- Total gross proceeds of $318.6m, up 21% on FY22
- This was driven by higher average gross proceeds per unit and higher overall resales settlements
- Record resales of 543 Occupation Rights in FY23, up from 470 in FY22, a 16% increase
- This included 174 resales in Q4, which is a company record and 18% above the previous record quarter (Q2 2023)
- Gross proceeds per resale settlement of $587k, up 5% from $561k in FY22
- Realised resale gain of $88.1m with an average gain per unit of $162k, up 9% on FY22

543

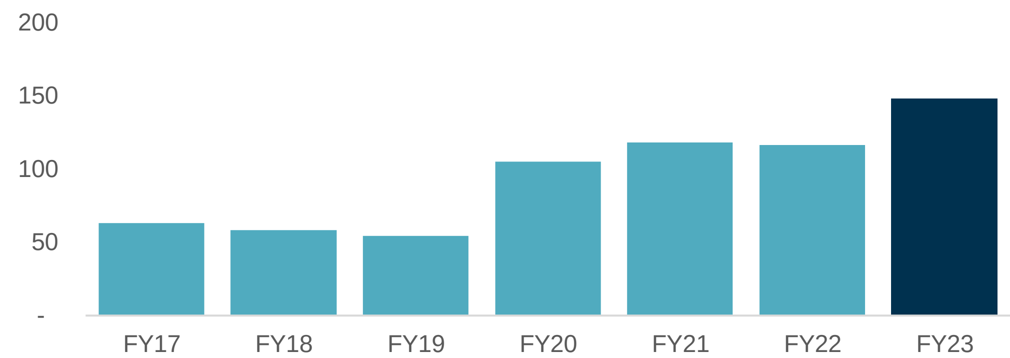
Resales of Occupation Rights

$88.1m

Realised resale gains ▲ 26%

Resales	FY23	FY22	*Variance*	FY21
Gross proceeds ($m)	**318.6**	**263.6**	***21%***	**231.3**
Realised resale gains ($m)	88.1	70.2	*26%*	59.9
Realised resale gains (%)	28%	27%	*4%*	26%
DMF realisation ($m)	41.5	34.5	*20%*	32.0
Villas	238	201	*18%*	219
Apartments	55	51	*8%*	58
Serviced apartments	208	185	*12%*	151
Memory care apartments	29	26	*12%*	10
Care Suites	13	7	*86%*	-
Total occupation rights	**543**	**470**	***16%***	**438**

Committed resales pipeline



Resales cash margin

Cash margin on resales of 37% with $115.7m realised in FY23

- Resales cash margin of 37% in FY23 with an average margin of $214k per unit, up from $210k in FY22
- Average refurbishment costs per unit of $20k, up from $8k in FY22 due to higher proportion of rollovers on stock with long tenures in our established villages
  - These units being upgraded to match the fitout of units at our new villages
- Sales and marketing costs reflect costs associated with commissions, sales manager salaries and direct marketing costs for our resale villages

$115.7m

Cash margin on resales

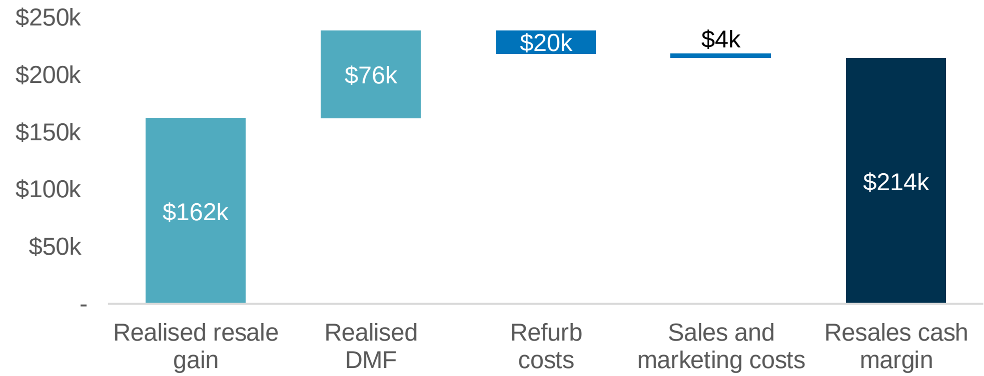
$214k

Realised resale cash margin

Resales	FY23	FY22	Variance
Gross proceeds ($m)	**318.6**	**263.6**	***21%***
Realised resale gains ($m)	88.1	70.2	*26%*
DMF realisation ($m)	41.5	34.5	*20%*
Refurb of existing IP*	(11.6)	(4.6)	*156%*
Sales and marketing costs	(2.3)	(2.1)	*14%*
ILU cash margin on resale	**115.7**	**98.0**	***18%***
Gross proceeds per unit ($k)	586.8	560.8	*5%*
Net cash per unit ($k)	238.8	222.7	*7%*
Average refurb cost per rollover ($k)	(20.1)	(8.1)	*149%*
Sales and marketing costs per unit ($k)	(4.3)	(4.4)	*(2%)*
Cash margin on resale per unit ($k)	**214.4**	**210.2**	***2%***
Cash margin %	**37%**	**37%**	***(3%)***

** Excludes refurbishment costs relating to common areas*

Resales cash margin per unit



Embedded value

Embedded value now $1.6b, up 9% on FY22

- Total embedded value now $1.6b, having increased from $1.5b at FY22, a 9% uplift
- Embedded value comprised of:
  - $1.07b resale gains
  - $0.55b deferred management fees
- Embedded value per unit now $255k, in line with the $261k at FY22
- Unrealised resale gain per unit now $168k, 3% above the $162k achieved on the 543 resales of Occupation Rights in FY23

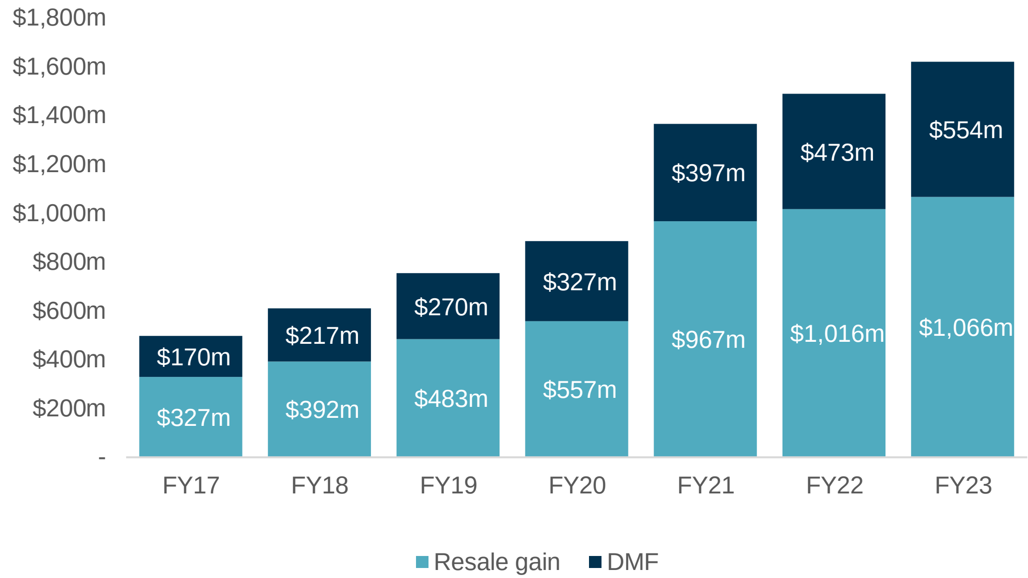
$1.6b

Embedded value ▲ 9%

$1.1b

Embedded resale gain

Embedded value



NZ$m	FY23	FY22	Variance	FY21
DMF	$554.3	$472.7	*17%*	$397.4
Resales gain	$1,066	$1,016	*5%*	$967.3
Embedded value	**$1,620**	**$1,488**	***9%***	**$1,365**

Resale stock

Uncontracted resale stock remains low

- Resale stock has increased from 266 units at FY22 to 292 units at FY23
- The increase in overall stock was driven by a record number of vacated units in the period, up 8% on FY22
- Now have a record number of resale units under contract at year end of 148, up 28% on FY22
- Uncontracted stock is 2.3% of portfolio with 144 total uncontracted units, down from 150 at FY22 and 155 at 1H23
- Continue to see consistent strong demand in our villages with a waitlist of over 1,500

144

Uncontracted resale stock

2.3%

Percentage of uncontracted stock

Resales stock	FY23	FY22
Contracted	148	116
Uncontracted	144	150
Total resales stock	**292**	**266**
Contracted	92	57
Uncontracted	83	81
Villas	**175**	**138**
Contracted	17	14
Uncontracted	15	13
Apartments	**32**	**27**
Contracted	36	40
Uncontracted	34	52
Serviced apartments	**70**	**92**
Contracted	2	4
Uncontracted	6	4
Memory care apartments	**8**	**8**
Contracted	1	1
Uncontracted	6	-
Care suites	**7**	**1**

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


Summerset Pohutukawa Place (Bell Block)

Questions

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 Down the Lane (Hamilton)

Appendix

Summerset overview

Diversified portfolio throughout New Zealand and Australia

Our portfolio

6,087
Retirement units in portfolio

5,571
Retirement units in land bank

$6.9b
Total assets

Our care

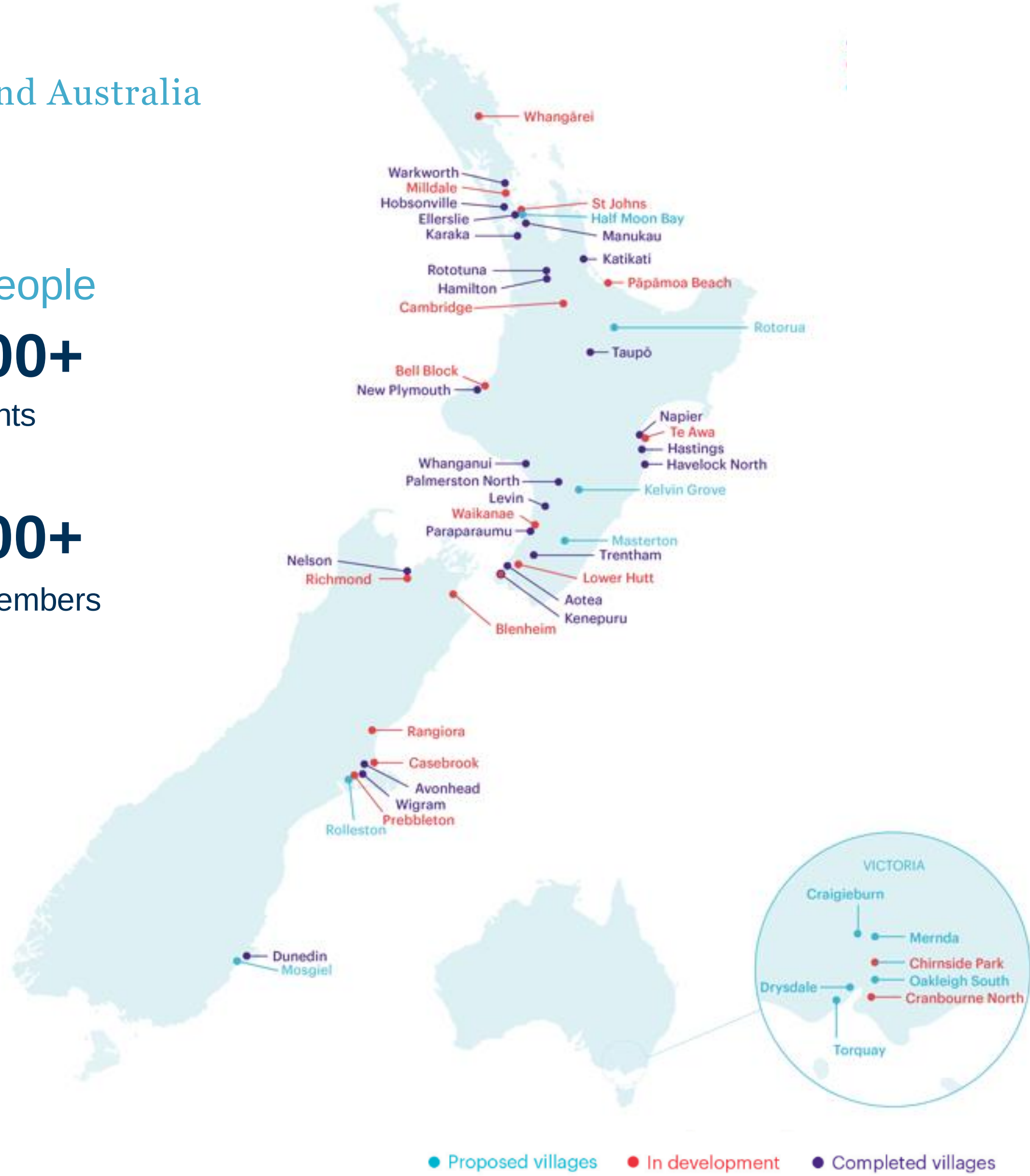
1,284
Care units in portfolio

1,338
Care units in land bank

Our people

8,000+
Residents

2,800+
Staff members



Portfolio as at 31 December 2023

7,371 total units including 6,087 retirement units and 1,284 care units

Existing portfolio - as at 31 December 2023							
	Retirement units			Care units			
Village	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	Total units and care beds
Whangārei	118	-	-	-	-	-	118
Northland	**118**	**-**	**-**	**-**	**-**	**-**	**118**
Ellerslie	38	218	57	-	-	58	371
Hobsonville	163	73	52	-	-	52	340
Karaka	182	-	59	-	-	50	291
Manukau	89	67	27	-	-	54	237
Milldale	19	-	-	-	-	-	19
Warkworth	202	2	44	-	-	41	289
Auckland	**693**	**360**	**239**	**-**	**-**	**255**	**1,547**
Cambridge	45	-	-	-	-	-	45
Hamilton	183	-	50	-	-	49	282
Rototuna	188	-	56	20	7	36	307
Taupō	94	34	18	-	-	-	146
Waikato	**510**	**34**	**124**	**20**	**7**	**85**	**780**
Katikati	156	-	30	-	-	27	213
Pāpāmoa Beach	152	-	-	-	-	-	152
Bay of Plenty	**308**	**-**	**30**	**-**	**-**	**27**	**365**
Hastings	146	5	-	-	-	-	151
Havelock North	94	28	-	-	-	45	167
Napier	94	26	20	-	-	48	188
Te Awa	181	-	56	20	15	28	300
Hawke's Bay	**515**	**59**	**76**	**20**	**15**	**121**	**806**
Bell Block	144	-	56	20	19	21	260
New Plymouth	108	-	40	-	-	52	200
Taranaki	**252**	**-**	**96**	**20**	**19**	**73**	**460**
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 31 December 2023

7,371 total units including 6,087 retirement units and 1,284 care units

Existing portfolio - as at 31 December 2023							
	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	9	20	-	-	-	-	29
Paraparaumu	92	22	-	-	-	44	158
Trentham	231	12	40	-	-	44	327
Waikanae	27	-	-	-	-	-	27
Wellington-Kāpiti	**567**	**135**	**164**	**20**	**17**	**114**	**1,017**
Blenheim	15	-	-	-	-	-	15
Nelson	214	-	55	-	-	59	328
Richmond	214	-	56	20	17	26	333
Nelson-Tasman	**443**	**-**	**111**	**20**	**17**	**85**	**676**
Avonhead	165	-	79	20	17	26	307
Casebrook	264	-	56	20	-	43	383
Prebbleton	78	-	-	-	-	-	78
Wigram	159	-	53	-	-	49	261
Canterbury	**666**	**-**	**188**	**40**	**17**	**118**	**1,029**
Dunedin	61	20	20	-	-	42	143
Otago	**61**	**20**	**20**	**-**	**-**	**42**	**143**
Total NZ	**4,357**	**660**	**1,060**	**150**	**92**	**1,042**	**7,361**
Cranbourne North	10	-	-	-	-	-	10
Total Australia	**10**	**-**	**-**	**-**	**-**	**-**	**10**
Total NZ and Australia	**4,367**	**660**	**1,060**	**150**	**92**	**1,042**	**7,371**

Future development

Largest New Zealand land bank for a retirement village operator of 4,741 units and beds

Landbank – as at 31 December 2023							
	Retirement units			Care units			
Village	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	Total units and care beds
Whangārei	99	-	60	20	27	9	215
Northland	**99**	**-**	**60**	**20**	**27**	**9**	**215**
Half Moon Bay	-	218	33	20	49	-	320
Milldale	111	34	60	20	27	9	261
St Johns	11	225	55	19	30	-	340
Auckland	**122**	**477**	**148**	**59**	**106**	**9**	**921**
Cambridge	215	-	60	20	27	9	331
Waikato	**215**	**-**	**60**	**20**	**27**	**9**	**331**
Pāpāmoa Beach	59	-	60	20	15	21	175
Rotorua	260	-	20	20	10	20	330
Bay of Plenty	**319**	**-**	**80**	**40**	**25**	**41**	**505**
Te Awa	60	-	-	-	-	-	60
Hawke's Bay	**60**	**-**	**-**	**-**	**-**	**-**	**60**
Bell Block	78	-	-	-	-	-	78
Taranaki	**78**	**-**	**-**	**-**	**-**	**-**	**78**
Kelvin Grove	183	-	20	20	10	20	253
Manawatū-Whanganui	**183**	**-**	**20**	**20**	**10**	**20**	**253**
Lower Hutt	41	89	56	10	30	-	226
Masterton	236	-	20	20	10	20	306
Waikanae	190	-	60	20	27	9	306
Wellington-Kapiti-Wairarapa	**467**	**89**	**136**	**50**	**67**	**29**	**838**
Richmond	52	-	-	-	-	-	52
Nelson-Tasman	**52**	**-**	**-**	**-**	**-**	**-**	**52**

Future development

Largest New Zealand land bank for a retirement village operator of 4,741 units and beds

Landbank – as at 31 December 2023							
	Retirement units			Care units			
Village	Villas	Apartments	Serviced apartments	Memory care apartments	Care suites	Care beds	Total units and care beds
Blenheim	125	-	30	20	10	10	195
Marlborough	**125**	**-**	**30**	**20**	**10**	**10**	**195**
Casebrook	6	-	-	-	-	-	6
Prebbleton	143	-	60	20	27	9	259
Rangiora	260	-	60	20	27	9	376
Rolleston	267	-	20	20	10	20	337
Canterbury	**676**	**-**	**140**	**60**	**64**	**38**	**978**
Mosgiel	245	-	20	20	10	20	315
Otago	**245**	**-**	**20**	**20**	**10**	**20**	**315**
Total NZ	**2,641**	**566**	**694**	**309**	**346**	**185**	**4,741**
Chirnside Park	185	-	28	-	-	72	285
Craigieburn	267	-	20	-	-	72	359
Cranbourne North	151	-	34	-	-	72	257
Drysdale	300	-	20	-	-	72	392
Mernda	284	-	20	-	-	72	376
Oakleigh South	50	44	-	-	-	66	160
Torquay	209	30	28	-	-	72	339
Total Australia	**1,446**	**74**	**150**	**-**	**-**	**498**	**2,168**
Total NZ and Australia	**4,087**	**640**	**844**	**309**	**346**	**683**	**6,909**

FY23 underlying profit reconciliation

Reconciliation of underlying profit to reported net profit after tax

Financial (NZ$m)	FY23	FY22	Variance	FY21
Net profit before tax (IFRS)	422.5	265.1	59%	543.6
Net profit after tax (IFRS)	**436.3**	**269.1**	**62%**	**543.7**
Less reversal of impairment on land & buildings	0.0	0.0	0%	(3.4)
Less fair value movement of investment property	(441.6)	(268.8)	64%	(537.5)
Add realised gain on resales	88.1	70.2	26%	59.9
Add realised development margin	121.2	104.9	16%	78.5
Add/(less) deferred tax expense/credit	(13.8)	(4.0)	250%	(0.0)
Underlying profit*	**190.3**	**171.4**	**11%**	**141.1**

** 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 audited by Ernst & Young. Underlying profit is a measure which the Group uses consistently across reporting periods. Underlying profit is used to determine the dividend pay out to shareholders.*

Historical trends

Underlying profit 12 year CAGR of 30% since listing

	Full Year Results	12 Year CAGR*	FY23	FY22	FY21	FY20	FY19	FY11 NZX listed
Operational	New sales of occupation rights	15%	560	537	540	404	329	108
	Resales of occupation rights	13%	543	470	438	381	323	123
	Total sales	**14%**	**1,103**	**1007**	**978**	**785**	**652**	**231**
	New units delivered**	16%	692	651	671	413	354	122
	Retirement units in portfolio***	12%	6,087	5,518	4,930	4,442	4,086	1,486
	Care units in portfolio****	12%	1,284	1,161	1,098	972	868	327
Financial (NZ$m)	Total revenue ($m)	19%	272.2	238.7	205.3	172.4	153.9	33.7
	Net profit after tax ($m)	**47%**	**436.3**	**269.1**	**543.7**	**230.8**	**175.3**	**4.3**
	Underlying profit*** ($m)**	**30%**	**190.3**	**171.4**	**141.1**	**98.3**	**106.2**	**8.1**
	Net operating cash flow ($m)	20%	398.2	369.2	383.4	266.8	237.9	43.7
	Total assets ($m)	22%	6,942	5,840	4,924	3,893	3,338	616.9
	Total equity ($m)	22%	2,605	2,193	1,925	1,355	1,132	233.4
	Interest bearing loans and borrowings ($m)	28%	1,394	1,060	747.0	687.1	597.1	69.1
	Cash and cash equivalents ($m)	-	12.6	25.3	8.4	15.8	21.5	9.0
	Gearing ratio (Net D/ Net D+E)	-	34.7%	32.4%	27.8%	32.6%	33.3%	20.5%
	EPS (cents) (IFRS profit)	44%	187.4	116.7	238.2	102.3	78.6	2.4
	NTA (cents)	21%	1,110	943.9	835.9	594.1	502.0	109.3
	Development margin (%)	-	32%	30%	23%	20%	28%	6%

** Compound annual growth rate*

*** 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 64 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	176.8	8.9	13.50%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset by the Lake	Taupō	100.7	11.0	14.50%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset in the Bay	Napier	102.3	5.8	13.75%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset in the Orchard	Hastings	111.6	5.7	14.50%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset in the Vines	Havelock North	90.9	3.2	14.25%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset in the River City	Whanganui	48.3	3.7	14.88%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset on Summerhill	Palmerston North	69.3	5.4	14.50%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset by the Ranges	Levin	42.9	1.9	14.75%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset on the Coast	Paraparaumu	87.4	4.0	14.25%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset at Aotea	Aotea	135.5	4.7	14.00%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset in the Sun	Nelson	187.7	0.2	13.50%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset at Bishopscourt	Dunedin	68.3	3.9	14.25%	1.25%	1.50%	2.50%	3.00%	3.50%
Summerset down the Lane	Hamilton	160.3	3.3	14.00%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset Mountain View	New Plymouth	96.6	5.4	14.50%	1.25%	1.50%	2.50%	3.00%	3.50%
Summerset Falls	Warkworth	233.6	6.3	14.00%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset at Heritage Park	Ellerslie	374.3	6.3	14.50%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset at Karaka	Karaka	223.3	12.4	13.75%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset at Wigram	Wigram	151.0	10.5	13.75%	1.00%	1.50%	2.50%	3.00%	3.50%
Summerset at the Course	Trentham	216.6	6.9	14.00%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset by the Sea	Katikati	138.2	2.4	14.50%	1.25%	1.50%	2.50%	3.00%	3.50%
Summerset Rototuna	Rototuna	205.2	11.1	14.00%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset at Avonhead	Avonhead	203.4	9.9	14.00%	1.00%	1.50%	2.00%	3.00%	3.50%
Summerset at Monterey Park	Hobsonville	364.4	33.6	13.50%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset on the Landing	Kenepuru	240.9	41.9	14.00%	1.00%	1.50%	2.00%	2.50%	3.50%
Total for completed villages		**3,830**	**208.2**						

** 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 on Cavendish	Casebrook	255.5	29.8	14.00%	1.00%	1.50%	2.00%	3.00%	3.50%
Summerset Richmond Ranges	Richmond	220.8	19.8	14.50%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset Palms	Te Awa	200.3	17.1	14.50%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset by the Dunes	Pāpāmoa Beach	145.8	17.7	15.00%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset Pohutukawa Place	Bell Block	161.9	32.3	14.50%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset Mount Denby	Whangārei	112.2	11.8	15.00%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset Cambridge	Cambridge	62.7	17.9	16.50%	1.00%	1.50%	2.00%	3.00%	3.50%
Summerset Prebbleton	Prebbleton	74.2	11.3	16.50%	1.00%	1.50%	2.00%	3.00%	3.50%
Summerset Blenheim	Blenheim	18.7	2.9	16.50%	1.00%	1.50%	2.00%	3.00%	3.50%
Summerset Milldale	Milldale	49.0	4.1	16.50%	1.00%	1.50%	2.00%	3.00%	3.50%
Summerset Boulcott	Lower Hutt	56.7	8.6	16.00%	1.00%	1.50%	2.00%	3.00%	3.50%
Summerset Waikanae	Waikanae	38.8	7.4	16.50%	1.00%	1.50%	2.00%	2.50%	3.50%
Summerset Rangiora	Rangiora	11.2	(0.3)	n/a	n/a	n/a	n/a	n/a	n/a
Summerset St Johns	St Johns	239.9	73.7	n/a	n/a	n/a	n/a	n/a	n/a
Summerset Cranbourne North	Melbourne - Cranbourne North	20.8	(1.1)	n/a	n/a	n/a	n/a	n/a	n/a
Total for villages in development		**1,669**	**253.1**						
Total for proposed villages		**427.8**	**(19.7)**						
Total for all villages		**5,926**	**441.6**						

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

Care centre valuation

Care centre valuation – key assumptions

Value of care facilities		Total care beds (non ORA)	Total care units (ORA)	Value of care facility	Assumed capitalisation rate	Assumed value per equivalent bed**
Village	Location	No.		NZ$m	%	NZ$'000
Summerset by the Park	Manukau	54	0	10.1	12.75%	172.4
Summerset in the Bay	Napier	48	0	6.7	13.50%	121.9
Summerset in the Vines	Havelock North	45	0	3.1	14.00%	72.1
Summerset in the River City	Whanganui	37	0	2.7	15.75%	68.8
Summerset on Summerhill	Palmerston North	44	0	4.3	15.00%	97.5
Summerset by the Ranges	Levin	41	10	9.0	14.50%	99.0
Summerset on the Coast	Paraparaumu	44	0	4.1	14.50%	93.2
Summerset in the Sun	Nelson	59	0	9.7	13.25%	117.4
Summerset at Bishopscourt	Dunedin	42	0	5.9	13.50%	126.1
Summerset down the Lane	Hamilton	49	0	7.1	12.75%	119.4
Summerset Mountain View	New Plymouth	52	0	7.4	13.50%	120.3
Summerset Falls	Warkworth	41	0	6.5	13.50%	130.3
Summerset at Karaka	Karaka	50	0	10.0	12.75%	164.5
Summerset at Wigram	Wigram	49	0	8.4	13.00%	134.4
Summerset at the Course	Trentham	44	0	5.4	14.00%	99.3
Summerset by the Sea	Katikati	27	0	4.1	14.25%	120.3
Summerset at Heritage Park	Ellerslie	58	0	11.6	13.00%	173.5
Summerset at Monterey Park	Hobsonville	52	0	9.9	12.50%	160.7
Summerset Rototuna	Rototuna	36	27	24.9	12.75%	115.1
Summerset on Cavendish	Casebrook	43	20	21.1	12.75%	125.0
Summerset Richmond Ranges	Richmond	26	37	27.1	12.75%	111.8
Summerset at Avonhead	Avonhead	26	37	25.1	12.75%	109.4
Total for existing care facilities		**967**	**131**	**224.2**		
Summerset Palms	Te Awa	28	35	27.4	13.00%	105.8
Summerset Pohutukawa Place	Bell Block	21	39	31.7	13.00%	108.1
Summerset on the Landing	Kenepuru	26	37	31.9	12.75%	106.8
Total for new care facilities*		**75**	**111**	**91.0**		
Total for all villages		**1,042**	**242**	**315.2**		

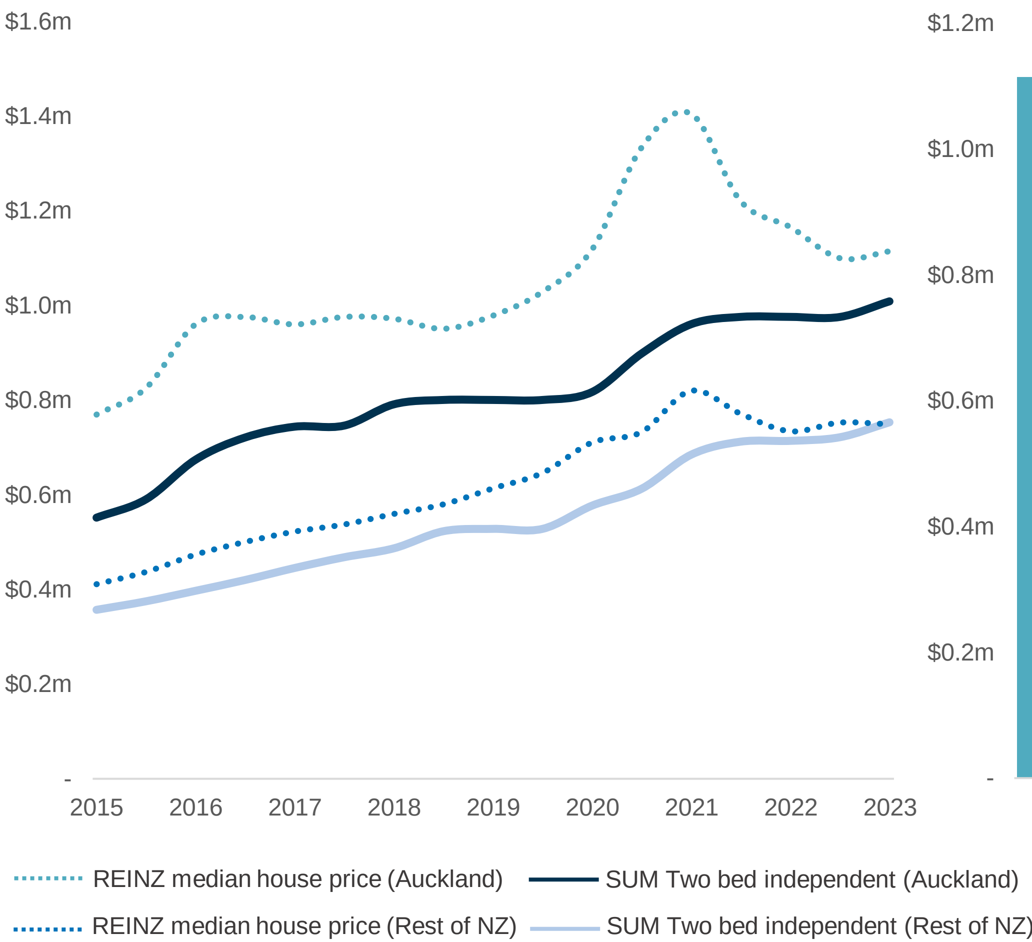
** Built subsequent to the last care centre valuation as at 31 December 2022*

*** Value for assumed beds includes the non-ORA profits from care beds and serviced and memory care apartments only*

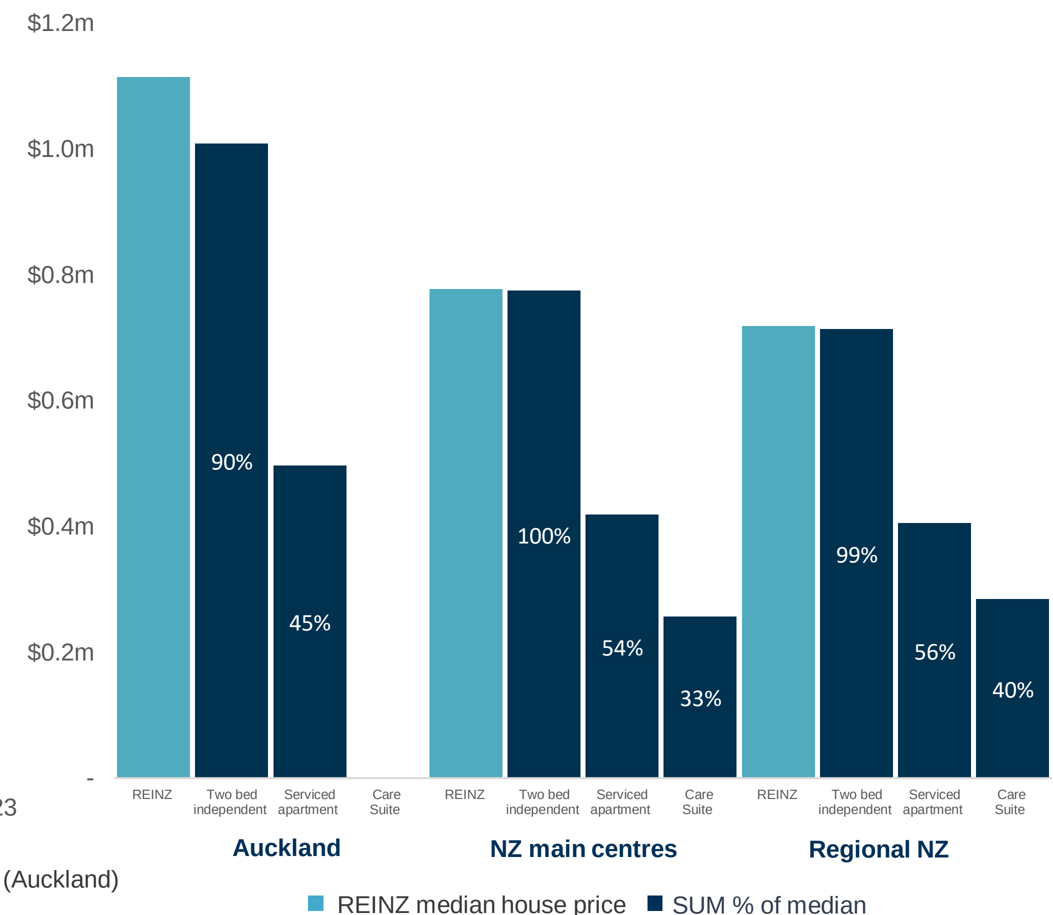
Sales price relativity

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

Long term sales price relativity



Sales price relativity vs median house price

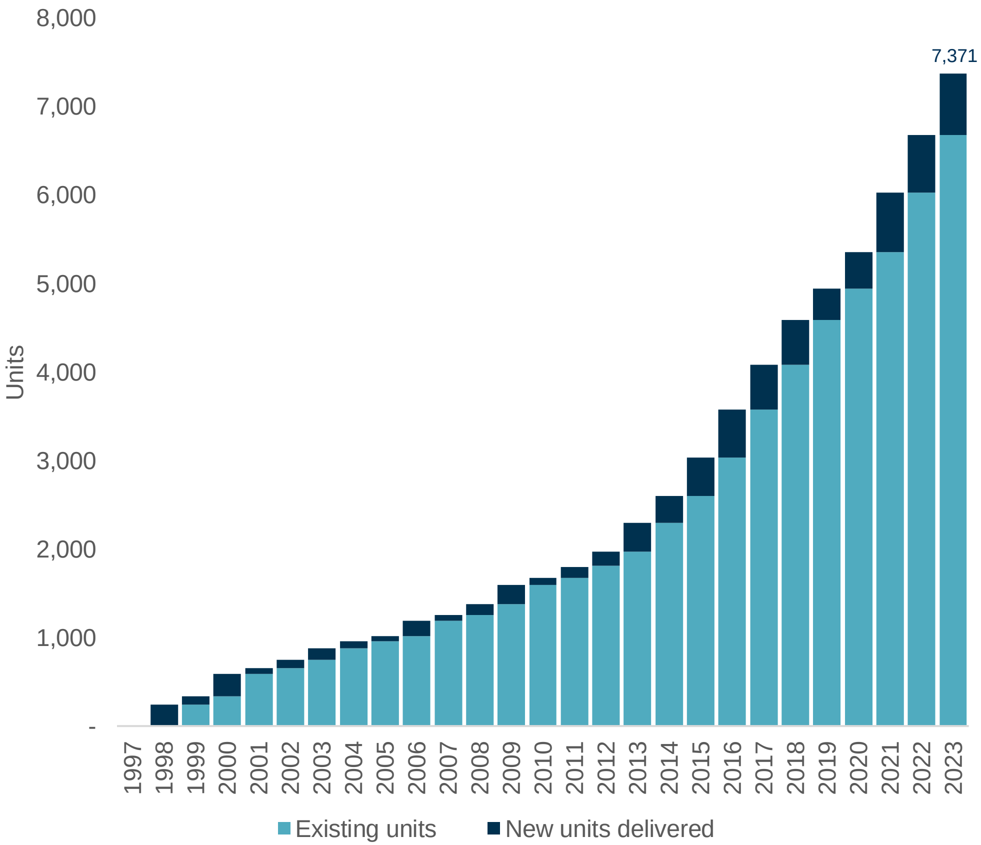


Source: REINZ, December 2023, based on Summerset catchments

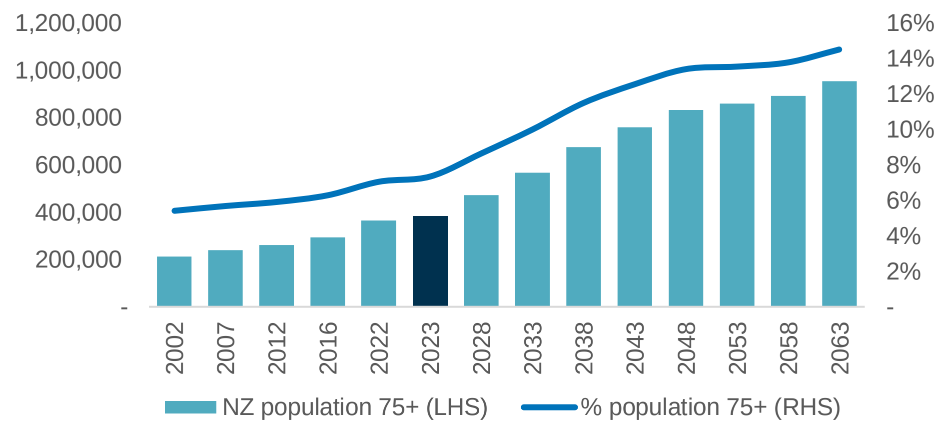
Summerset growth and key demographics

25 years of consistent delivery and growth

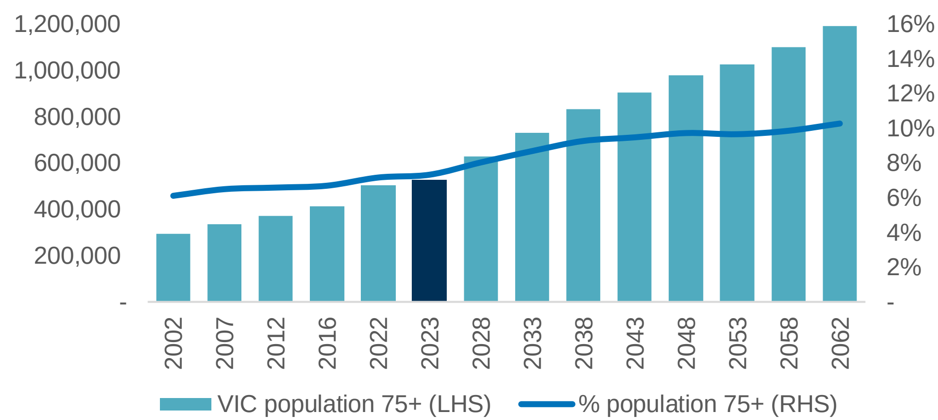
Summerset build rate



New Zealand population growth 75 years and over



Victoria population growth 75 years and over



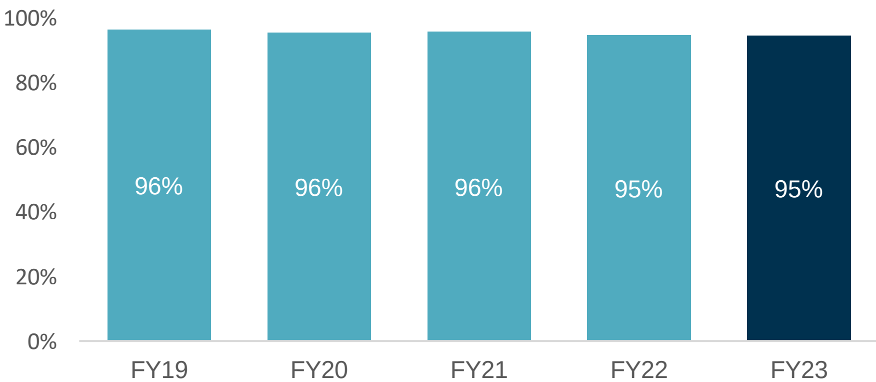
New units delivered includes retirement units, memory care apartments, care suites and care beds

Source: Australian Bureau of Statistics and Statistics New Zealand

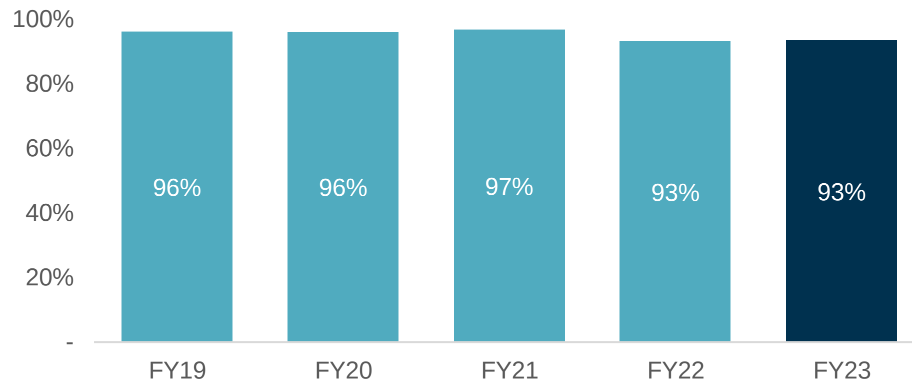
Customer profile & occupancy

Occupancy, tenure and resident demographic statistics

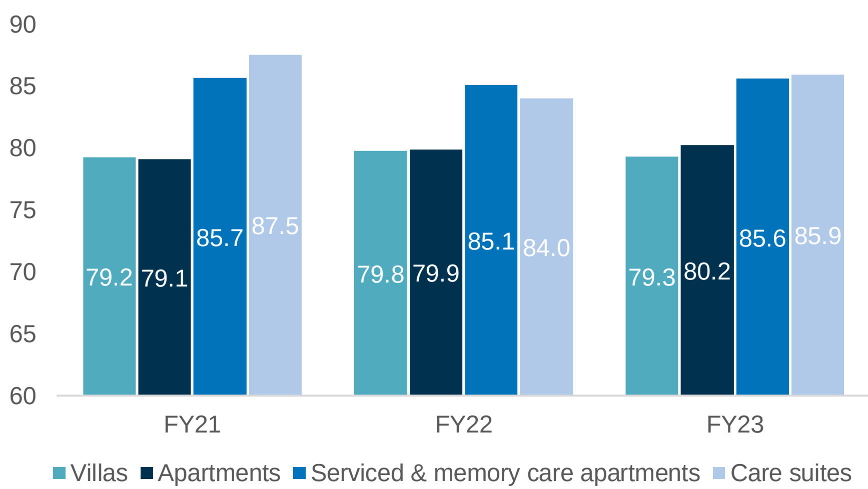
Occupancy – retirement villages



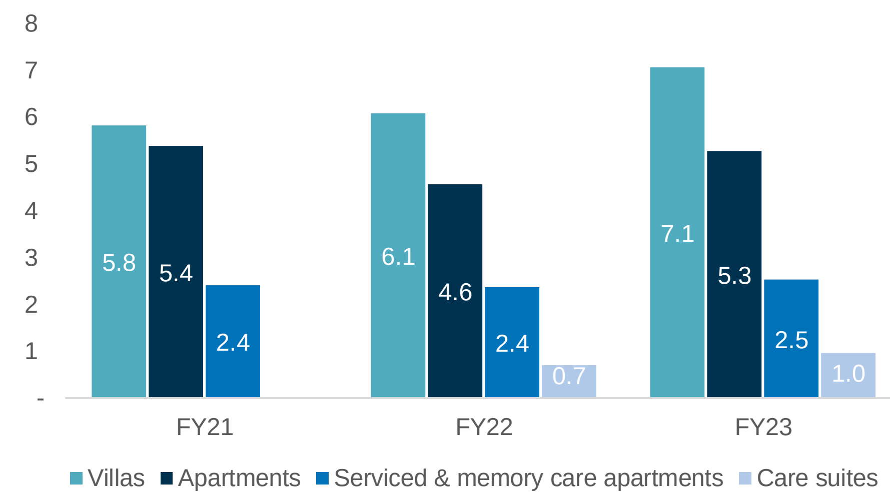
Occupancy – established care centres



Average entry age of residents (years)



Average tenure (years)



Ngā mihi

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