



Summerset

Investor Presentation

Summerset Group Holdings Limited
October 2024

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

Welcome

Agenda

1. Who we are
2. Our strategy and opportunity
3. Investment summary
4. Questions



Will Wright

Chief Financial Officer



Who we are

Who we are

Summerset overview

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

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

We have a portfolio of **6,300+ retirement units and 1,300+ care units**, including our first ten units in Australia

Our land bank has **5,300+ retirement units and 1,300+ care units**, including expansion in **Australia**, with a focus on **broad acre development**

Our purpose

Summerset overview

Summerset creates **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 proud of our **industry leading** approach to sustainability, making significant improvements in this space over the last five years and we are **only just beginning**

Our residents

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

Our people

People are at the heart of Summerset.

Our values are:

Strong enough to care

One team

Strive to be the best

Key numbers

Diversified portfolio throughout New Zealand and Australia



Our financials

\$436.3m*

Net profit after tax

\$398.2m*

Net operating cash flows

\$1.6b

Embedded value



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



Our people

8,400+

Residents

2,900+

Staff members



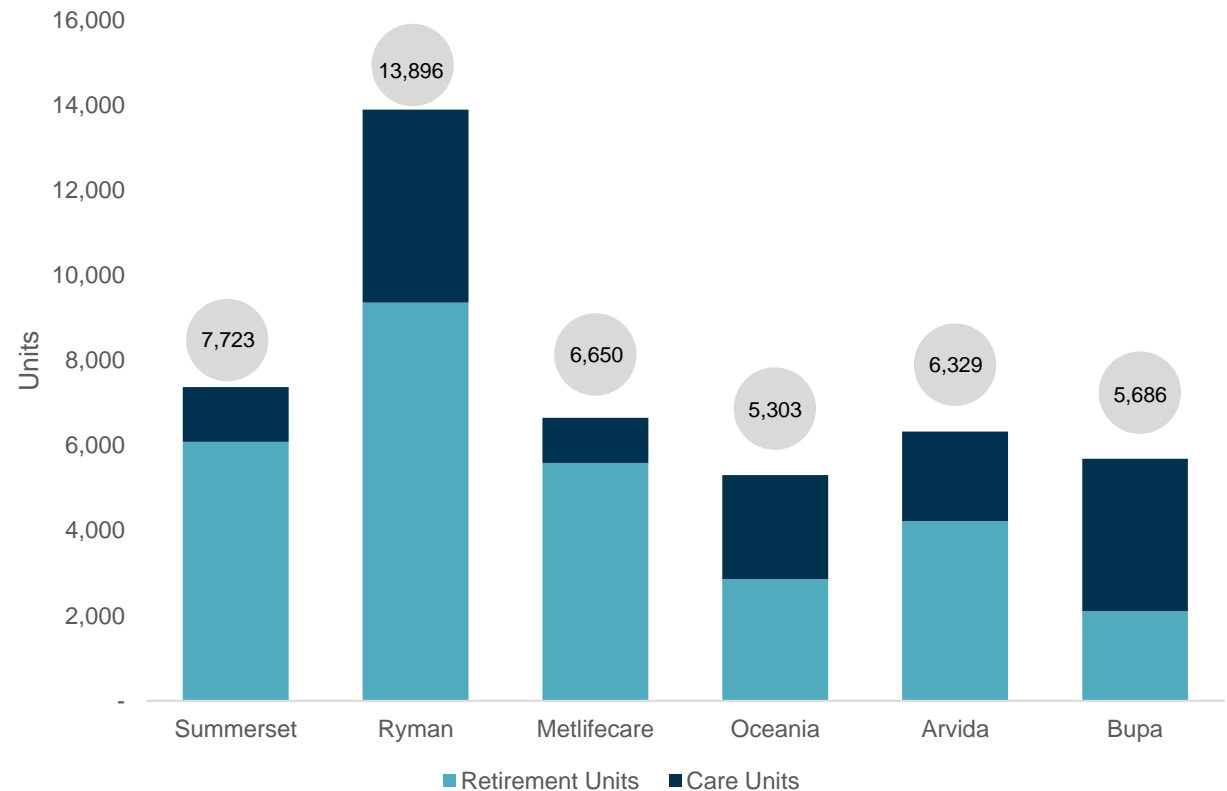
*NPAT and NOCF relate to the most recent financial year, 31 December 2023

Retirement village sector overview

NZ has six main operators, accounting for circa 60% of total market share

- Currently ~ **45,000 retirement units** in NZ across approximately 620 villages
- **Six major operators**, Summerset, Ryman, Metlifecare, Oceania, Arvida and Bupa
- Summerset is **the second largest and fastest growing** provider, with 14% retirement unit and 6% aged care market share
- Market underpinned by **strong demographics**. NZ's total 75+ population is expected to increase by almost 200% over the next 50 years

NZ portfolio by main operator*



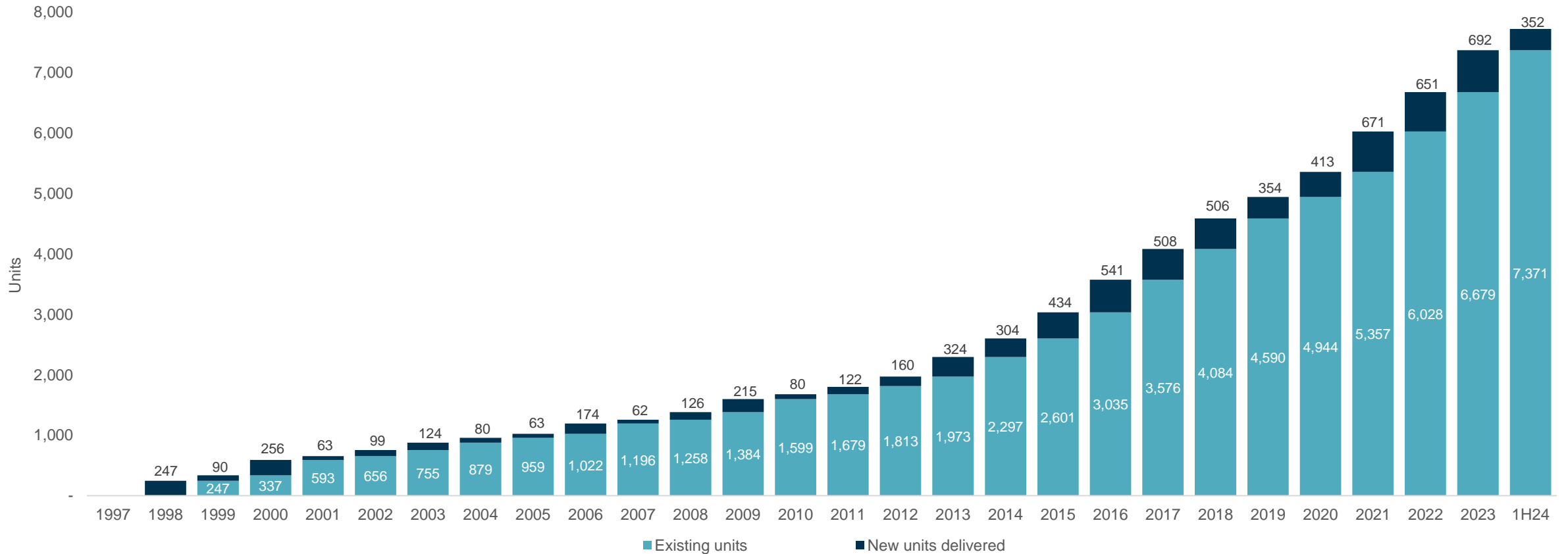


Track record &
opportunity

An unmatched track record of growth

Over 26 years of consistent delivery and growth

Summerset build rate

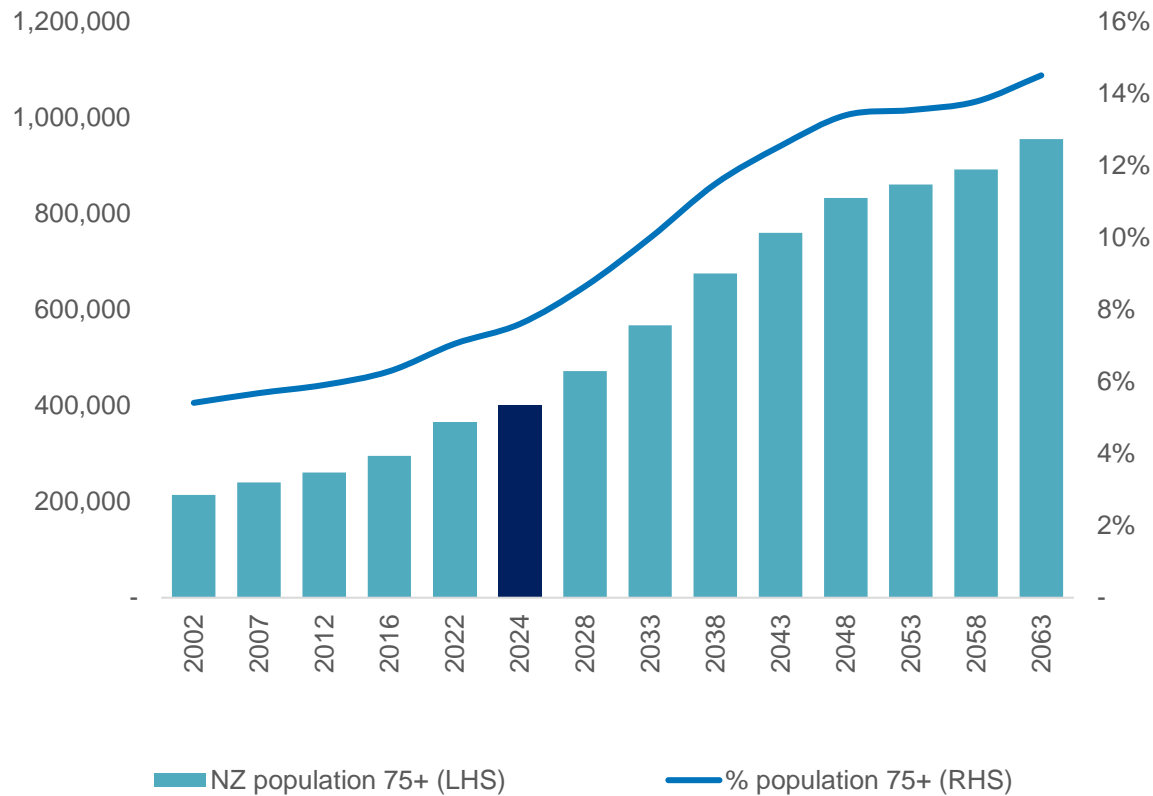


New units delivered includes retirement units, memory care apartments, care suites and care beds

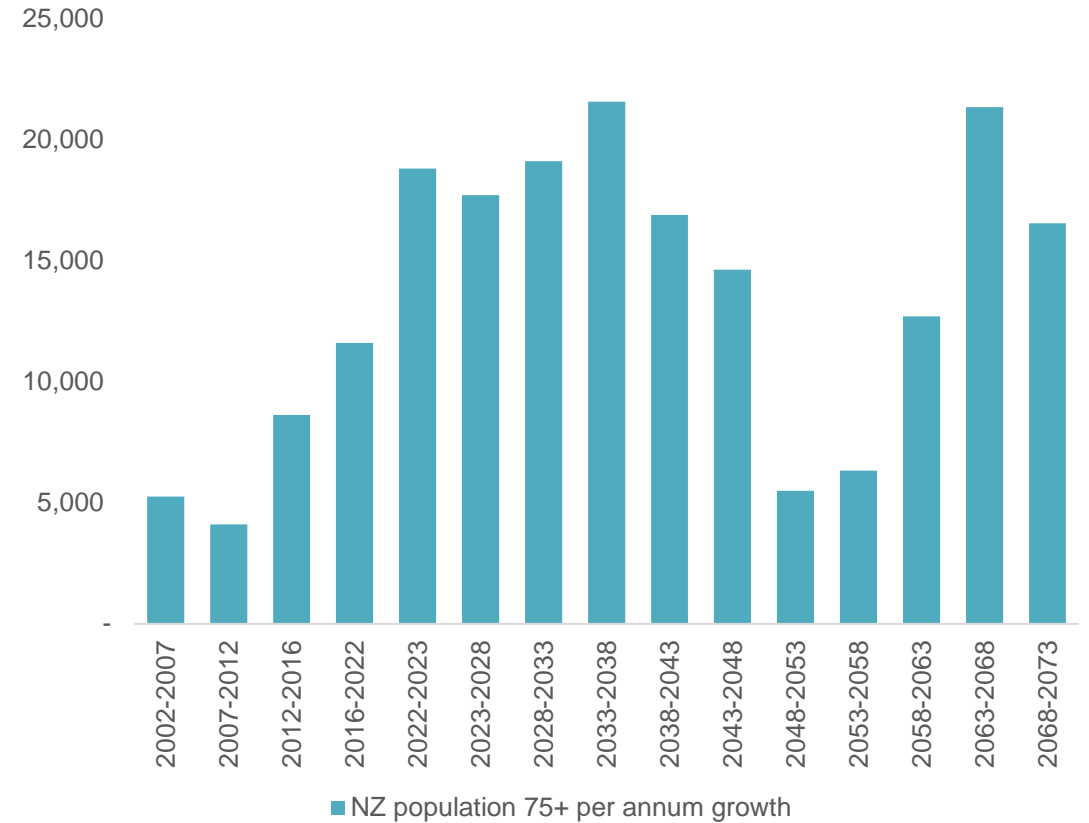
Compelling demographics

NZ population over 75 years forecast to grow almost 200% from 2024 to 2073

New Zealand 75+ Population Projections



Per annum population growth 75 years and over

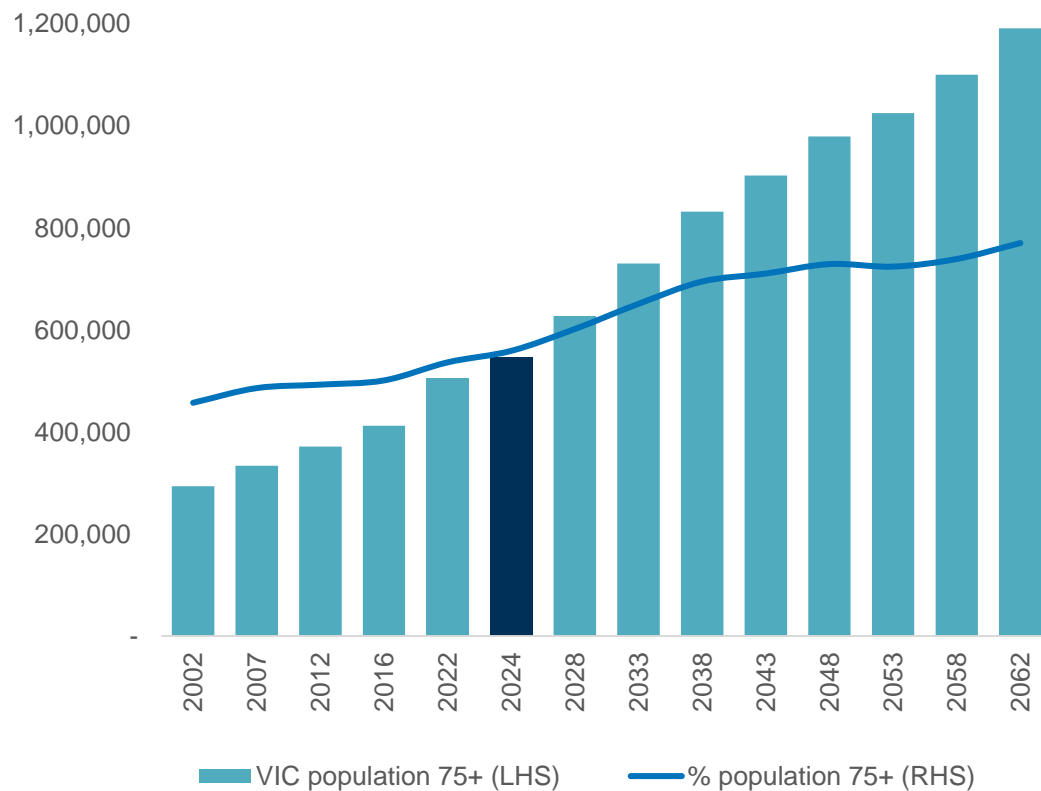


Source: Statistics New Zealand – National population projections

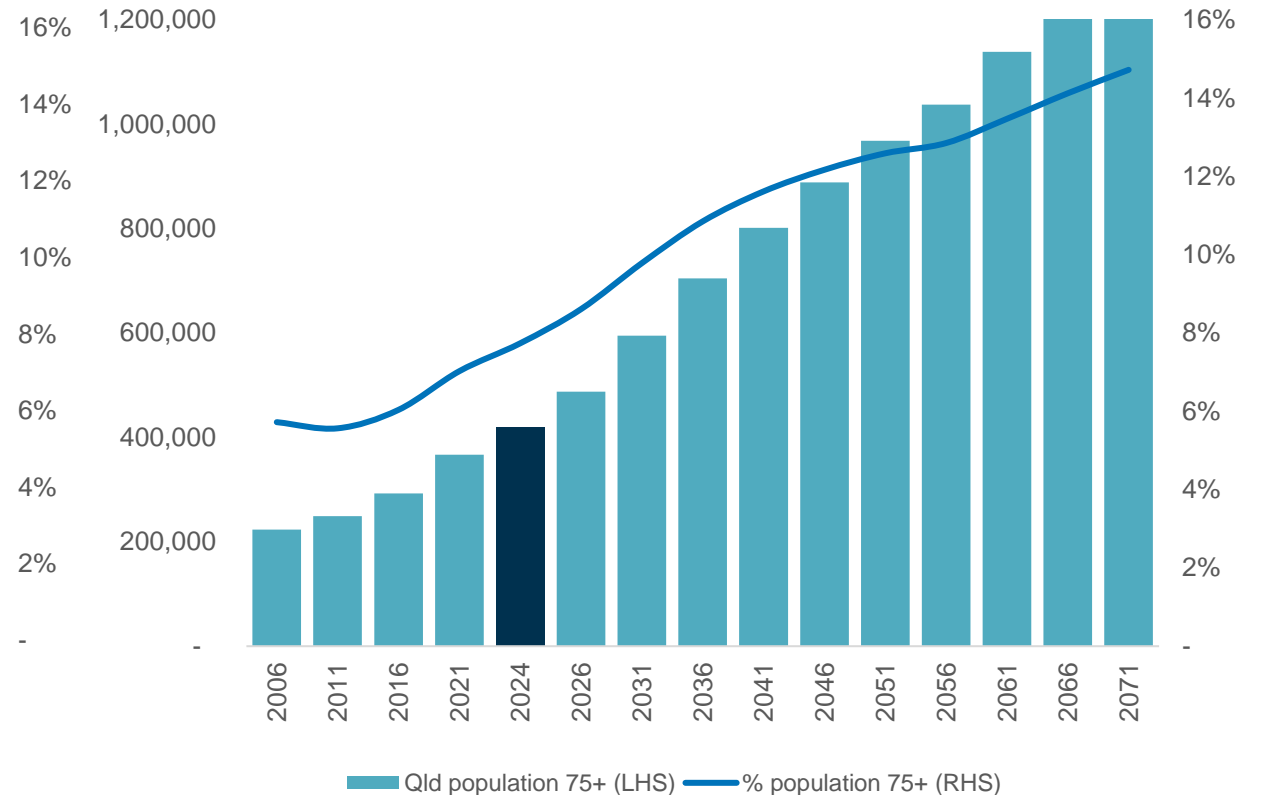
Compelling demographics

The Australian demographics are very similar

Victoria 75+ Population Projections



Queensland 75+ Population Projections



Source: Australia Bureau of Statistics – Population projections

The Australian opportunity

Summerset has a clear point of difference in the Australian market

- Summerset has been active in Australia since 2018, establishing **strong local management expertise** and acquiring seven sites
- The current **Australian pipeline** gives us capacity to build over 2,100 units (including nearly 500 beds)
- Demographics are very similar to New Zealand
- Care continuum will offer a significant **competitive advantage** in the market



- Queensland has been identified as the next logical step, supported by **strong demographics**

27 villages proposed, or in development in NZ & Australia



Summerset Milldale (Auckland)



Summerset by the Dunes (Pāpāmoa Beach, Tauranga)



Summerset Cranbourne North (Melbourne)



Summerset Richmond Ranges (Tasman)



Summerset Palms (Te Awa, Napier)



Summerset Waikanae (Kapiti Coast)

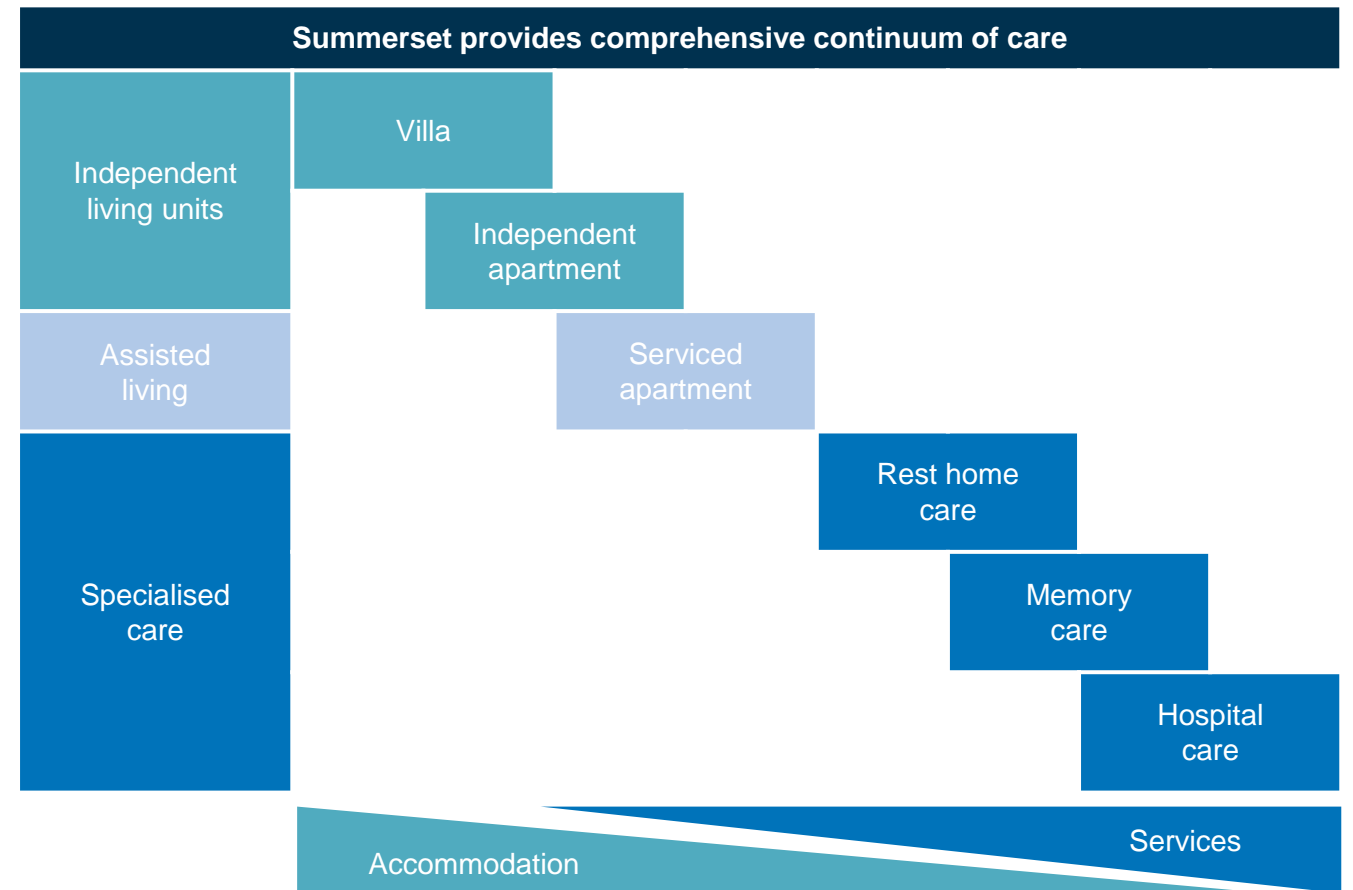


Our business model

Continuum of care is crucial

Advantages of Summerset continuum of care model

- Residents benefit by staying within the village community as they transition through **our care continuum**
- We are a leading care provider – **focus on quality** not scale
- **Industry-leading** dementia strategy, memory care centres and support through our villages
- Our continuum of care model is rare in Australia and will offer a significant **competitive advantage** in that market

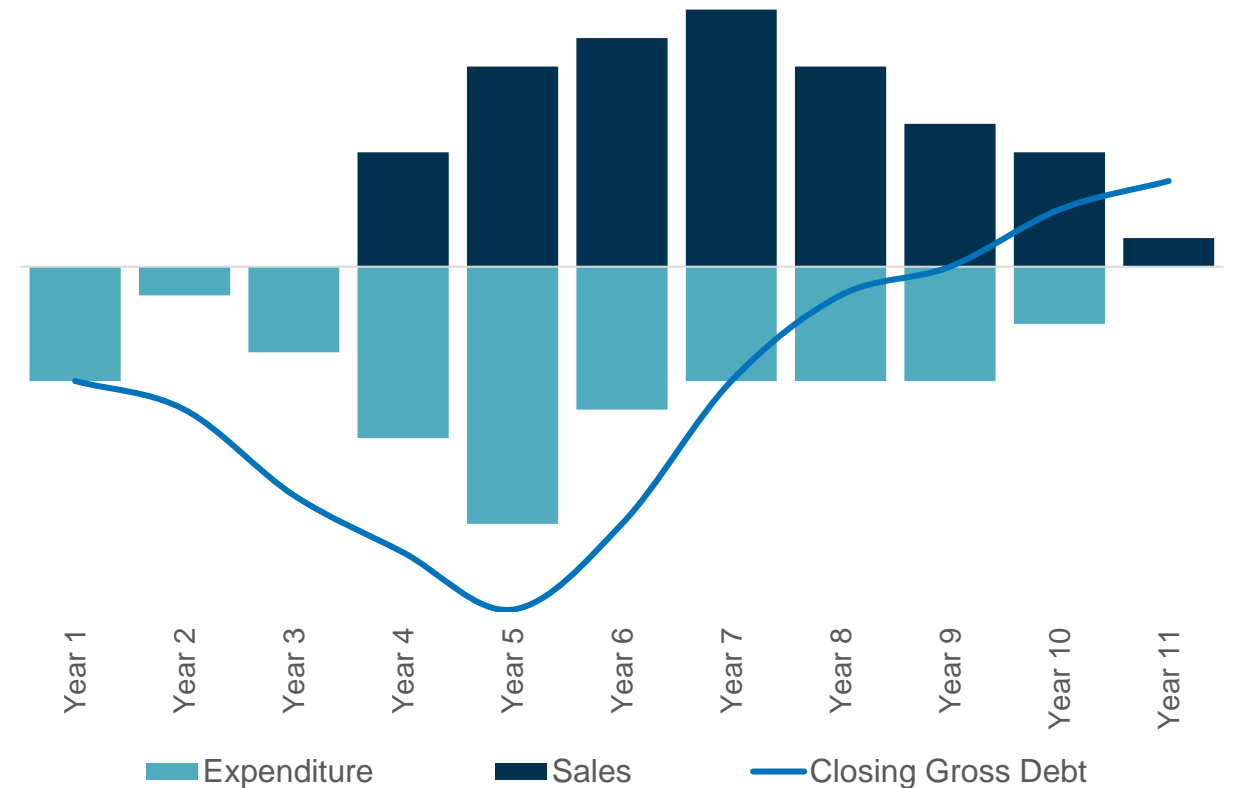


Capital recycling

9 years average development cash flow recycling

- Summerset's internal development model has an average village construction timeline of approximately **eight to ten years**
- Gross development **debt peaks at around year five** with the delivery of the main building
- All development expenditure (incl. land, interest and management fee) is **fully recycled by year nine**
- On completion, our villages achieve a theoretical cash **margin of 7.1%** - last 11 completed sites exceeding this, achieving an overall cash margin of 14.6%

Broadacre development cash flows

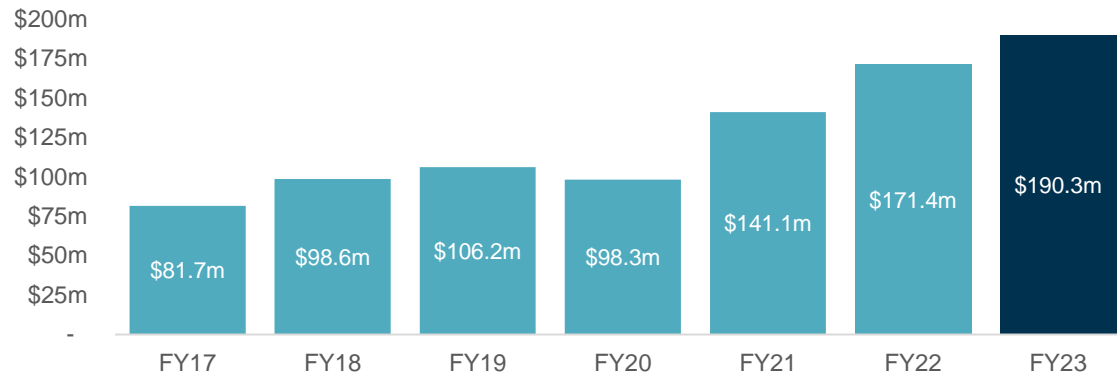


Development cash flows incorporate the land cost, ILU costs, recreation and administration facility costs, care centre costs, management fees (incl. a share of corporate overheads), interest costs and the first-time sales proceeds for all units sold under Occupation Right. Projections based on current operating conditions

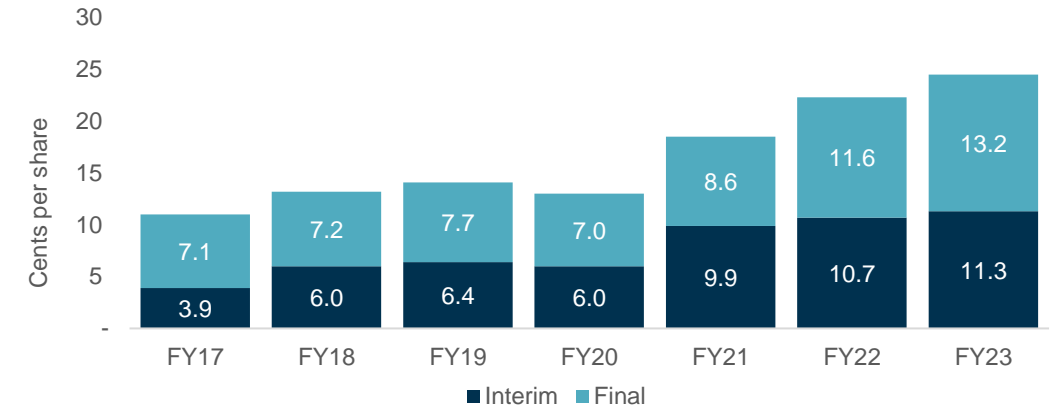
Value to shareholders

Consistent asset growth continues to strengthen balance sheet

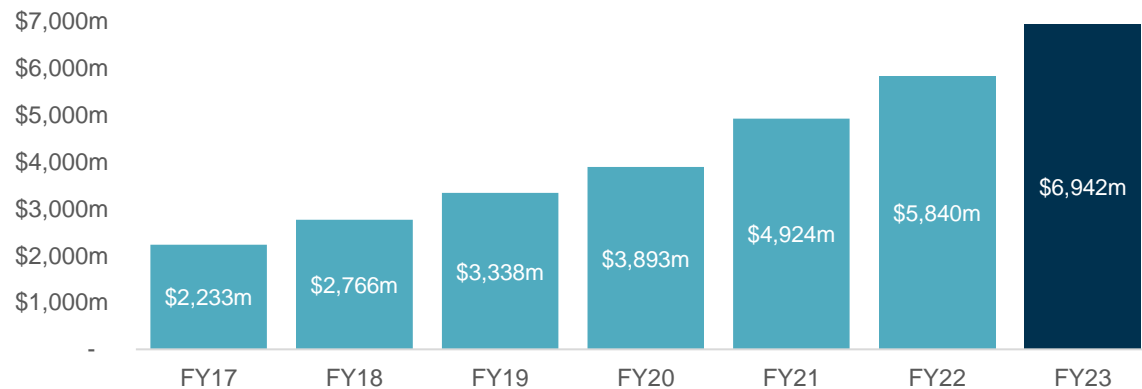
Underlying profit*



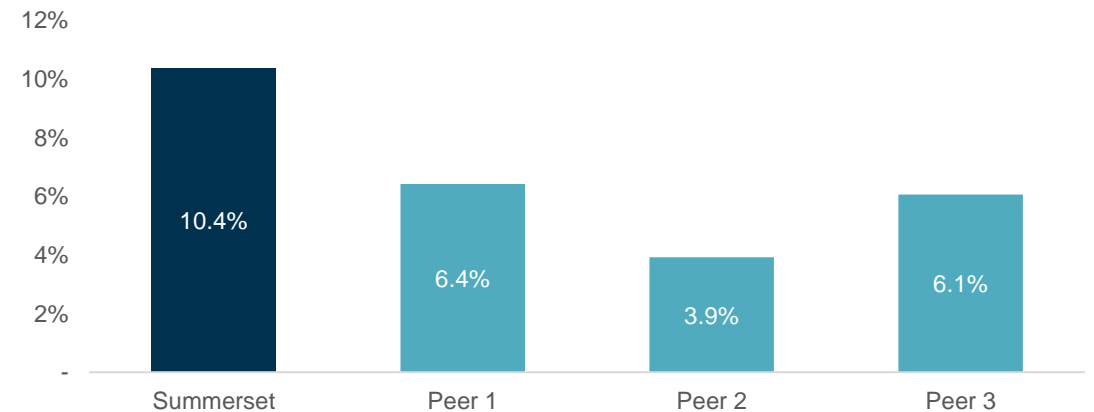
Dividend*



Total assets*



Portfolio growth*



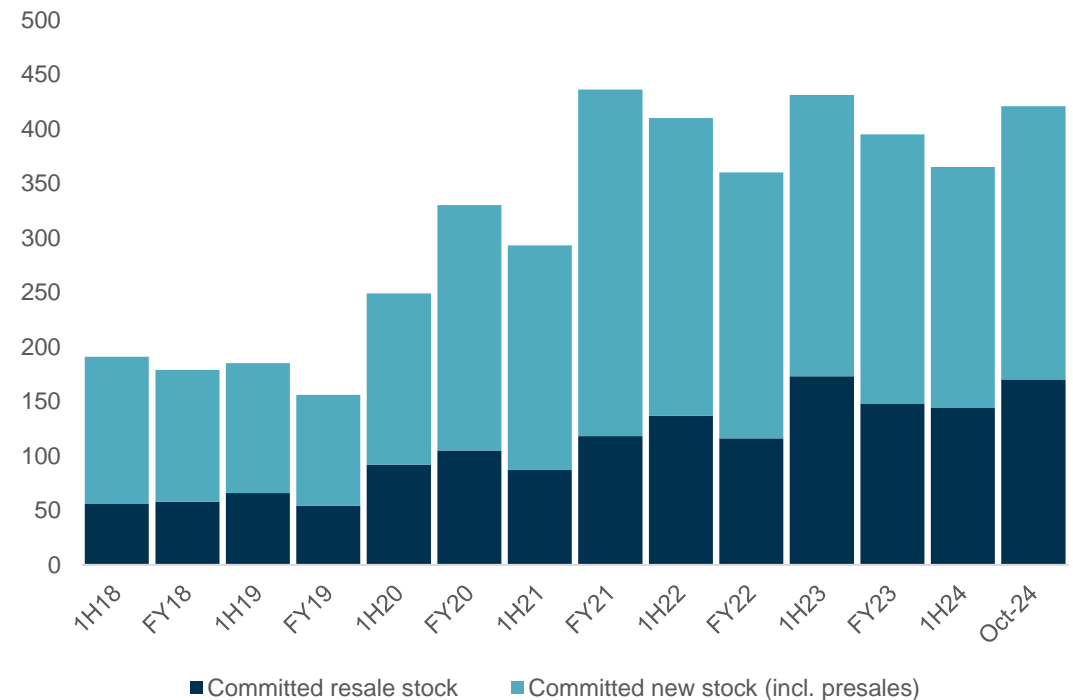
* Most recent financial year

Sales momentum

Demand remains high against a challenging macroeconomic backdrop

- 289 total settlements for Q3 2024 comprising 129 new sales and 160 resales
- Q3 was third highest quarter ever, up 11% on the previous year
- Continues to be a challenging market but we still have highly motivated prospective residents wanting to move into a Summerset village
- Forward pipeline remains strong with over 420 committed sales in the pipeline
- St Johns now open with first residents moving in across October

Committed sales pipeline



Summary

- 1 **Compelling demographics** in the retirement village and aged care sector, driven by an ageing population and increasing market penetration
- 2 **Well positioned for growth.** New Zealand largest retirement village land bank. Successful track record of delivering new units
- 3 **Australia is a substantial opportunity** to replicate the growth and success in NZ with capacity to build over 2,100 units across seven villages. Queensland identified as the next logical step for expansion
- 4 **Strong balance sheet** with quality assets, a prudent approach to capital management and positive capital recycling





Questions



Ngā mihi