

## **Summerset AGM 2026**

### **CHAIR SPEECH**

#### **Introduction**

It is my pleasure to address you today at this annual general meeting as Summerset's Board Chair.

Over the past financial year, the wider business environment continued to be challenging, with a sluggish economy and property market in New Zealand. Despite this, Summerset has delivered another strong operating result for residents and shareholders, remaining disciplined on build rate and costs while continuing to grow our portfolio.

Our underlying profit for FY25 was \$234.2 million, up 13% on the prior year, reflecting further increased sales and continued portfolio growth. We also lifted our Net Tangible Assets per share by \$1.32 over the year to \$13.75, and the Board has declared dividends totalling 24.5 cents per share for FY25, consistent with FY24.

The Board remains focused on maintaining a prudent balance sheet and strong liquidity. Note, we repay debt after the completion of developments, we're not carrying core debt within the operating side of the business. At year end, our gearing was 37.1%, debt was approximately \$1.97 billion, and we retained \$627 million of undrawn debt capacity, alongside strong lender support. This gives us flexibility as we progress major village developments across New Zealand and Australia.

I'd like to share key aspects of our performance and progress, which are fully detailed in our FY25 Annual Report released in February.

Our FY25 result reflects the strength of our core broadacre model and a disciplined approach to sales, build rate and costs. Looking ahead to FY26, the Board's priorities are to continue supporting portfolio growth in both New Zealand and Australia, but only while maintaining balance sheet and cashflow disciplines.

#### **Business Performance**

FY25 was another strong year for sales, with 1,560 occupation right sales (805 new sales and 755 resales) – a 26% increase on FY24. We also met our New Zealand build rate guidance, delivering 637 homes under ORA, and made significant progress across our development pipeline in both New Zealand and Australia.

As the business has continued to grow, the Board is also focused on disciplined cost management. While we expected some cost growth as our village footprint expands in both New Zealand and Australia, we are carefully scrutinising expenditure and supporting management to find efficiencies, while protecting the quality of service our residents receive.

We also continued to experience high demand and enquiry for our offering. The number of the population aged 75+ continues to grow at a reasonable clip. There continues to be a significant number who have a desire for improved lifestyle, health, and a greater sense of community. Despite the economic conditions, our addressable customer market continues to grow and will do for some decades.

At year end, Summerset's total unit portfolio reached 8,673 units (up from 7,970 at FY24), and we continued to scale our teams across villages, construction sites and offices in New Zealand and Australia.

### *New Zealand*

Our construction team worked across 18 villages in New Zealand during FY25 and delivered 637 homes under ORA, in line with our forecast build rate. Major milestones included the delivery of our Cambridge village centre and significant apartment delivery at St Johns (120 apartments), alongside a major build at Boulcott. In the first quarter of FY26 we officially opened the new village centre buildings at Cambridge, Waikanae and Whangārei. Completing so many large buildings at once did impact operating cashflow but we knew that and are now through that concentrated building period.

We continue to be committed to expanding our footprint and enhancing our offerings to meet the growing demand for our services, demand which is continuing despite, and perhaps somewhat because of, the current environment. Today, we have 44 villages completed or under development, including 10 greenfield sites, and a well-diversified land bank of around 6,672 units and care beds across New Zealand and four current sites under development in Victoria, Australia, with a further three proposed, giving us flexibility in the rate and location of development.

### *Australia*

In Australia, we continue to follow a measured and deliberate growth plan.

A major milestone in FY25 was completing our first village centre building at Cranbourne North in December. We will introduce aged care in Australia there for the first time, alongside assisted living apartments and a full suite of village amenities.

We delivered 56 homes in Australia in FY25, including 46 at Cranbourne North and the first 10 villas at our second village, Chirnside Park. Construction also progressed at Oakleigh South and Torquay, with civil works underway as we progress these sites towards first ILU deliveries, currently expected from 2027. In FY26, we expect to build 100–150 homes in Australia and continue building our brand and sales momentum as Cranbourne North's village centre comes fully into operation.

## **Financial Performance**

Scott will speak in more detail shortly about our financial performance for FY25 and the drivers behind our result. As Chair, I wanted to add a specific comment on cashflow, because it is a clear focus for many of our shareholders.

In FY25 we generated net cash from operating activities of \$548.2 million, up from \$443.2 million in FY24 reflecting the strength of our trading performance and cash receipts from residents as our portfolio continues to grow.

It's important to recognise that Summerset is still, in many respects, a relatively young growth company. A meaningful portion of our portfolio is either still in development, or is early in its economic life, and that affects the cash profile of the business. In newer villages, there is typically a period where cash is absorbed as we complete village centre buildings and other shared facilities, before those villages reach a more mature, steady-state position.

We have focussed on improving the transparency of our cashflow disclosures, which you can see in our latest full year investor presentation, because they show an important point - cashflows mature and strengthen as villages move from build into established operations. As more of our portfolio enters that phase, we expect to see a growing contribution of cash flow from existing operations.

## **Sustainability Initiatives**

We are proud of our approach to sustainability and have continued to lift our focus from embedding sustainability to delivering measurable results. This year, we again released our Sustainability Review and Climate-related Disclosures alongside our Annual Report.

This document outlines our successes over 2025 as well as the risks and opportunities that climate change presents for us as a business.

In FY25 our sustainability initiatives and milestones included installing more than 1,500 solar panels, diverting 5,624 tonnes of construction waste from landfill, standardising reduced-carbon concrete for future builds, and meeting all three of our sustainability-linked lending performance targets again.

We also remain on track to meet our near-term science-based target of a 49% reduction in Scope 1 and 2 emissions intensity per square metre by 2028, against a 2022 base year.

## **Regulatory environment**

Both the Australian and New Zealand governments are progressing changes to legislation relevant to our sector.

In New Zealand, the Government has indicated it plans to introduce changes to the Retirement Villages Act in 2026. The proposed package includes ceasing weekly fees after a resident vacates, preventing operators charging for maintenance of operator-owned chattels, and paying interest after six months if a home remains

unsold. The most significant proposed change is a requirement for villages to buy back units if they are not sold after 12 months.

Summerset's practices already align with these proposed settings: our weekly fees stop when a resident leaves, we don't charge for maintenance or repairs of chattels we own, and we already pay interest after six months if a home remains unsold.

The vast majority of our resale homes sell within four to five months, so we don't expect the proposals to impact us materially, but we will continue to engage constructively with officials and industry bodies, undertake scenario analysis, and advocate for settings that support residents while maintaining a sustainable model as the legislation progresses.

In Australia, a new Aged Care Act came into force in November 2025. Our Australian team has been working to ensure our policies, systems and training meet the new requirements, and we are confident we can meet these standards from day one as we introduce care services in FY26.

## **Conclusion**

Over recent months, we have seen heightened economic uncertainty following the conflict in the Middle East. As a Board, our approach in this environment is straightforward: we will continue to manage the build programme actively, keep a wary eye on the supply chain and signs of potential construction cost inflation, maintain a tight focus on costs, and maintain prudent balance sheet and operating settings, so we remain resilient through volatility.

We will continue to monitor conditions closely, and if we see a material change in demand, settlement timing, or cost pressures, we will update the market accordingly.

I'd like to thank my fellow directors for their work and support over the last year and to thank the Summerset team for all that they do in supporting our purpose and vision.

Thanks also to our shareholders for their support and trust in us as we work to continue to grow and build excellent retirement villages.

I will now hand over to Summerset's Chief Executive, Scott Scoullar.

**ENDS**