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DISCIPLINED EXECUTION UNDERPINS HY26 PERFORMANCE

- IFRS net profit $171.4m up 92% on HY25
- Cashflow from existing operations (CFEO) $31.0m up 291% on HY25
- Total revenue of NZ$200.3m up 16% on HY25
- Total assets of NZ$9.8b, up 14% on HY25
- Underlying profit for FY26 of NZ$103.4m, down 3% on HY25
- 481 new homes delivered across New Zealand and Australia
- 813 total sales up 17% on HY25 (new sales up 12% and resales 23%)
- Development margin of 20%
- Final dividend of NZ 3.8 cents per share
- Village and care resident satisfaction 91% and 88% respectively

Retirement village operator Summerset Group Holdings announced its HY26 results today for the six months ended 30 June 2026, with an emphasis on disciplined execution.

Summerset CEO Scott Scoullar said the company had made a good start to the year, in an uncertain operating environment, with the half year result reflecting strong sales momentum, disciplined capital management and a continued focus on strengthening cash generation.

“We’re proud to have delivered higher first half sales on last year in this challenging market. At the same time we’ve also continued to bring new homes to market in New Zealand and Australia, and taken deliberate steps to manage development spend, strengthen cash generation and reduce net debt over the next 18 months,” Mr Scoullar said.

IFRS net profit after tax increased to $171.4 million (up 92%) and cash flow from existing operations (CFEO) was up significantly 291% to $31.0m as the company focused on strengthening its cash generation over the medium term. Underlying profit for the half was $103.4m, down 3% on the same period last year reflecting a change in the mix of homes Summerset is selling currently.

Responding to a changing economic environment

Scott Scoullar said 2026’s uncertain economic environment had meant the business had to be even more focused on disciplined delivery and cash generation.

“With the Iran war having an impact on both the New Zealand and Australian economies we’ve worked hard to further strengthen our cashflow and provide increased balance sheet resilience that gives us flexibility when conditions improve.

“We have made the decision to hold our group build rate steady, progressed changes to optimise our shareholder returns, including resetting our deferred management fee (DMF) in

New Zealand to 30%, held our head office costs in line with last year and paced our development activity carefully," Mr Scoullar said.

"We also delivered 813 sales under Occupation Right Agreements (ORAs) during the half, up 17% on 1H25. New sales were up 12% and resales up 23%. Our resales stock is the lowest it's been since 1H22, at just 2.2% of the portfolio," Mr Scoullar said.

Build programme

Summerset delivered 481 new homes across New Zealand and Australia, including new village centre buildings at Whangārei, Cambridge, Waikanae and Cranbourne North in Victoria. These deliveries represent approximately 64% of the company's FY26 build rate target.

Mr Scoullar said Summerset remained on track to hit its forecast group delivery guidance of 700-800 homes with the New Zealand build programme to deliver 600–650 homes and Australia to deliver 100–150 homes.

"Our flexible build programme allows us to balance ongoing growth with disciplined capital management. After several years of increasing build rates, we are holding our group building rate at 600-700 homes in the medium term as we focus on strengthening cash generation and balance sheet resilience," says Mr Scoullar.

"We continue to believe in our long-term strategy and remain the fastest growing retirement village operator in New Zealand, while taking a measured approach to the pace of our growth for now."

Strengthening cash generation while maintaining resident experience

Mr Scoullar said Summerset had maintained tight management of its costs over the half and would continue to focus on the efficiency and effectiveness of its spend.

"We've worked hard to drive efficiencies with our spending, since FY25 we have reduced overhead per unit by 6%.

"We also have a cost savings programme in place which has delivered approximately $26m in savings to date. We continue to progress further opportunities as we work towards our $30-$40m target.

"At the same time, we have taken steps to strengthen future cash generation, including increasing our DMF in New Zealand to 30%. This is expected to generate approximately $35m of additional cash flow over the next five years.

"We're finding the right balance of scaling our costs effectively while at the same time ensuring we don't impact our resident experience. We have continued to invest in the everyday experiences that make village life meaningful including our Summerset Sessions programme, local village activity calendars and digital tools such as Lumin to support connection, participation and communication across our villages.

"Delivering for our residents, and bringing them the best of life, continues to be our focus and we delivered strong resident satisfaction again this half for both our village and care residents."

Measured progress in Australia

In Australia, Summerset continued its staged expansion, with Cranbourne North opening its village centre during the half, and its second village at Chirnside Park opening in August.

The company also decided to sell its Craigieburn site in Victoria following a review of project economics, with settlement expected in Q4.

"We remain confident in the long-term opportunity in Australia, but we will continue to apply strict financial and non-financial hurdles to every development. We have no plans to sell any other sites at this time."

Dividend policy updated to reflect operating cash generation

As part of its regular capital management cycle, Summerset's Board has approved a change to the company's dividend payout policy from underlying profit to a cash-flow basis, aligning shareholder distributions more closely with cash generated from existing operations.

Under the revised policy, dividends will be set within a 20–60% payout range of cash flow from existing operations. For the first half, the Board has declared an interim dividend of 3.8 cents per share, representing approximately 30% of cash flow from existing operations.

The declaration and payment of dividends will remain at the discretion of the Board of Directors.

Outlook

Mr Scoullar said Summerset expects market conditions to remain uneven through the second half but remained confident in the company's strategy, demographic demand and the maturity of its portfolio.

"We have clear targets to guide our progress over this year and through FY27. By the end of 2027 we are targeting net debt below $1.9b and gearing of 33%. We're also targeting CFEO of $70-90m and Care EBITDA of $20-25k per bed.

"These targets give us a clear focus to ensure we're delivering for shareholders, at the same time we will maintain our resident experience and ensure we're providing the experiences and opportunities they value."

ENDS

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ABOUT SUMMERSET

- Summerset is one of the leading operators and developers of retirement villages in New Zealand, with 41 villages completed or in development nationwide

- In addition, Summerset has six proposed sites at Belmont (Auckland), Rotorua (Bay of Plenty), Mission Hills (Napier), Otaihanga (Kāpiti Coast), Rolleston (Canterbury), and Mosgiel (Dunedin)
- Summerset also has four villages in development (Cranbourne North, Chirnside Park, Torquay and Oakleigh South) and has three other proposed sites in Victoria, Australia (Drysdale, Mernda and Mornington)
- Summerset provides a range of living options and care services to more than 10,000 residents