



# 2019 ANNUAL GENERAL MEETING

Creating Australia's best lifestyle and holiday communities

Ingenia Lifestyle Hervey Bay, QLD





Ingenia Lifestyle  
THE GRANGE



**Jim Hazel**  
Chairman

# Overview: FY19

## Ingenia continues to grow its rental income base, supported by development

- Resilient business model established
- Existing homes, cabins and sites paying rent – generating stable, growing cash flows
- Development Joint Venture with Sun Communities and expansion into funds management diversify capital base, create new fee income and improve return on equity
- Record home settlements and expanding margins
- Additional \$73 million assets acquired





# Strategy focused on growing stable rental returns

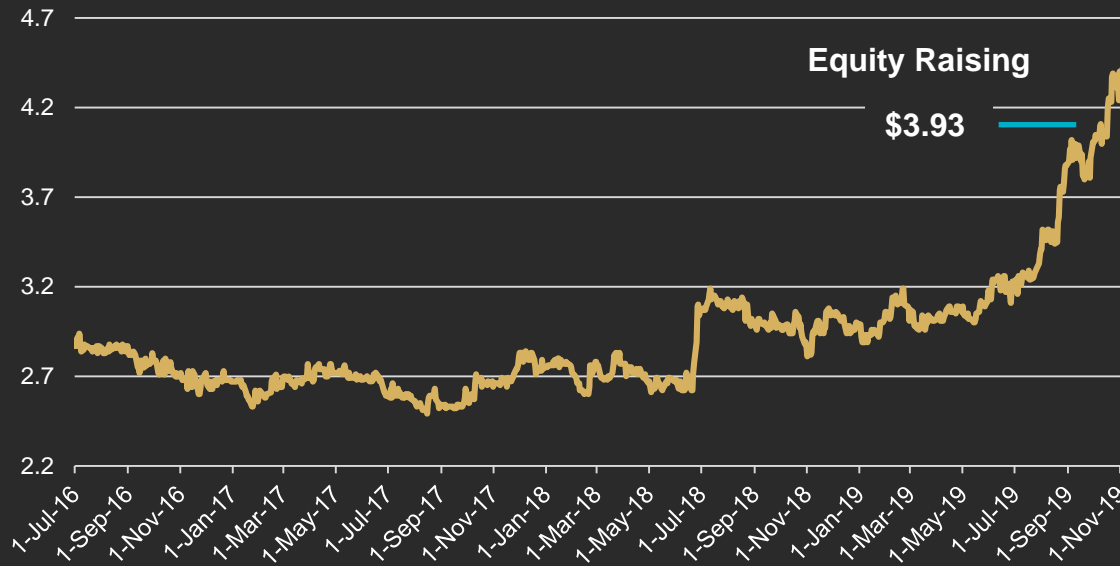
## \$73 million of established communities and expansion land acquired

- Mixed-use community, at Byron Bay, NSW
  - › 269 permanent homes and holiday sites
- Rivershore Holiday Resort, Sunshine Coast, QLD
  - › 95 holiday sites
- Brisbane North, Aspley, QLD
  - › 350 site permanent rental community
- Ingenia Lifestyle, Lara, VIC
  - › 6.8 hectares of land adjacent to 210 home community
- Chambers Pines, Logan, QLD
  - › 4.2 hectares of expansion land adjacent to 310 home community

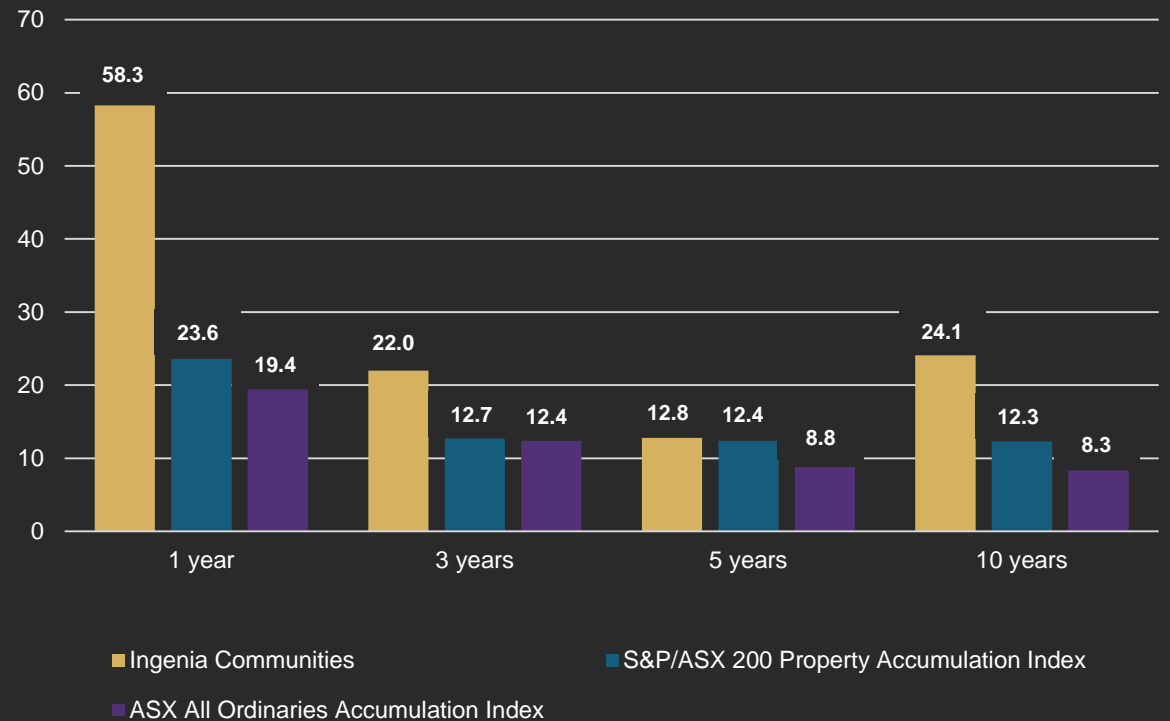


# Security price and total return

## Ingenia Security Price (\$)



## Total Securityholder Return (%) to October 2019



Source: IRESS.

Source: UBS: Australian REIT Month in Review, October 2019.

# First Joint Venture Project: Burpengary, Queensland



Development underway at Ingenia Lifestyle Freshwater, QLD



Artist impressions – Ingenia Lifestyle Freshwater, QLD





# Creating Australia's best lifestyle and holiday communities



**BE ACTIVE!**





# Outlook

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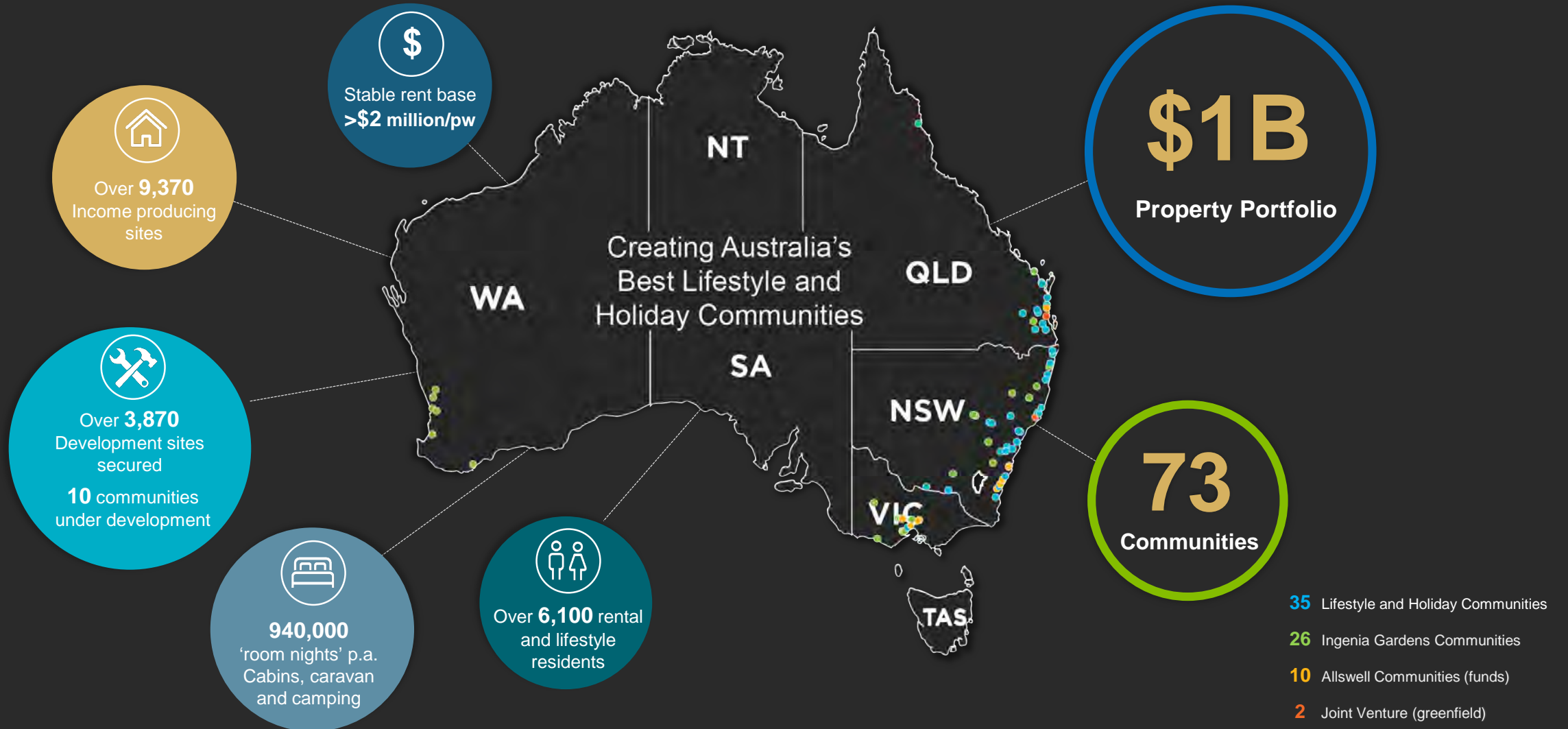
# **SIMON OWEN**

**CEO & Managing Director**



# Business Overview

## Rental base growing through acquisition and development





# Key financials

Successful integration of new assets delivering increased earnings

KEY FINANCIAL METRICS	FY19	FY18	
Revenue	\$228.7m	\$189.5m	↑ 21%
EBIT <sup>1</sup>	\$61.5m	\$48.8m	↑ 26%
Statutory profit	\$29.3m	\$34.2m	↓ 14%
Underlying profit <sup>1</sup>	\$47.2m	\$36.8m	↑ 28%
Underlying EPS <sup>1</sup>	21.0c	17.7c	↑ 19%
Operating cash flow	\$59.3m	\$47.2m	↑ 26%
Distribution per security	11.20c	10.75c	↑ 4.2%
	<b>30 JUN 19</b>	<b>30 JUN 18</b>	
Net Asset Value (NAV) per security	\$2.65	\$2.57	↑ 3%



# Expansion into funds management

## Generating new revenue streams and capital efficiency

### Acquisition of established funds management business (Eighth Gate Capital) complete August 2019

- Six funds with \$140 million in assets under management
- Investment of \$19.6 million to acquire business and interest in funds
- Expect to generate >\$2 million in fee revenue per annum

### Adds over 1,600 income producing sites (homes and holiday sites) to platform

- Assets in NSW, SE QLD and Victoria – branded Allswell Communities
- Includes 160 home greenfield site in Ballarat, Victoria
- Ingenia has the right to acquire assets if/when funds' assets are realised





# Successful equity raising now complete

## Proceeds to fund on-strategy acquisitions and growth

**\$131.1 million raised for six identified acquisitions and additional growth**

- Three established assets (540 income producing sites)
- Two parcels of expansion land adjacent to existing communities
- Equity for Joint Venture to fund large greenfield site under conditional contract
- Growth capital (\$18.4 million)

**Strong demand from existing and new investors**

- Participation by over 1,100 investors in the Retail Entitlement Offer which raised \$16.7 million





# First transaction due to be complete end November

## Colonial Village, Brisbane

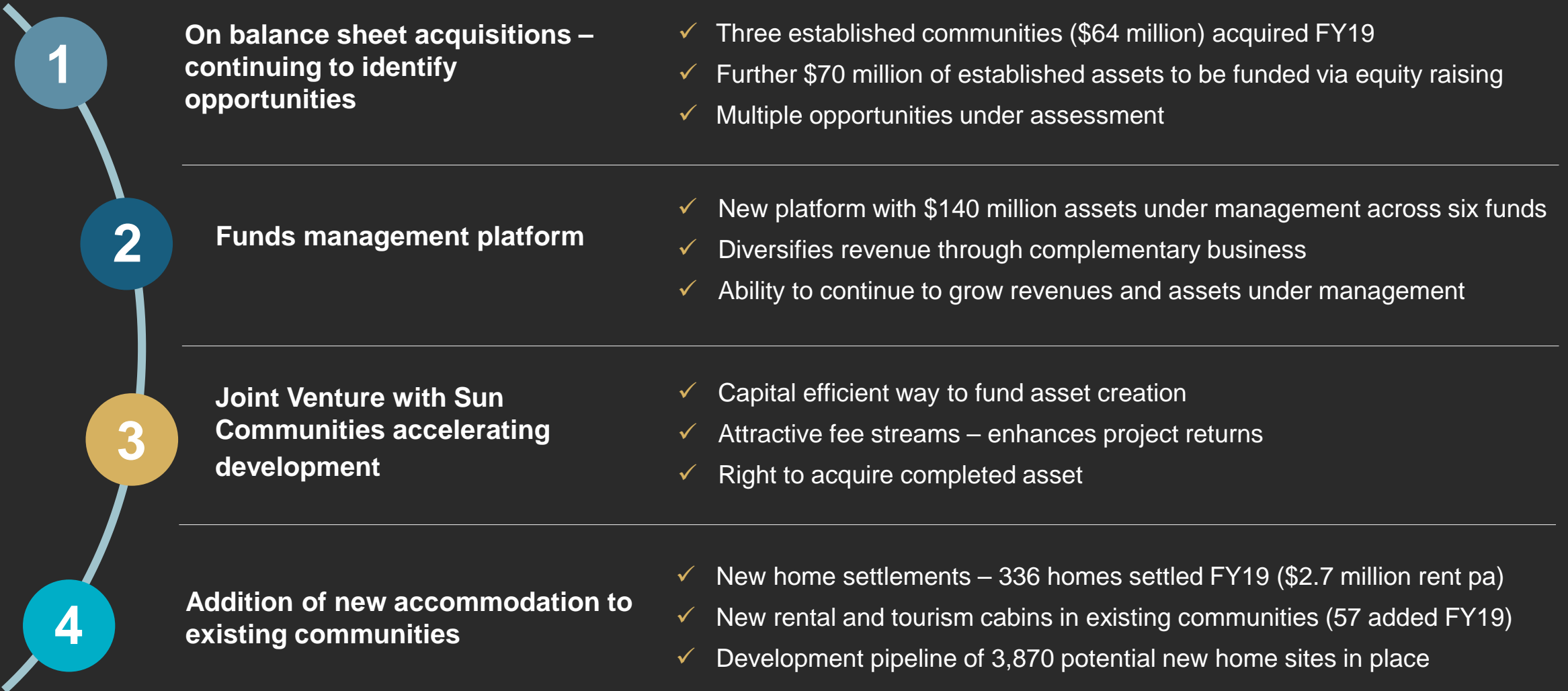


- Well presented mixed-use community in Taigum, 16 km north of Brisbane CBD
- Comprises 110 permanent homes and 40 short-term cabins and units as well as ~10 development sites
- Median suburb house price \$540,000
- Ingoing yield 7.5% on acquisition price
- Multiple value-add opportunities identified



# Delivering future growth

## Building rental base and enhancing capital efficiency





# Greenfield communities: Latitude One

## Attractive lifestyle with quality homes and facilities

**Ingenia Lifestyle Latitude One – first greenfield community experiencing strong demand**

- Premium community with extensive infrastructure and facilities supporting 270 new homes
- Project launched November 2017
- 123 homes now settled
  - Contracts and deposits in place for a further 55 homes

**First use of new designs, construction methods and sales and marketing methodology**



# Greenfield communities: Hervey Bay

## Attractive lifestyle with quality homes and facilities

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**Ingenia Lifestyle Hervey Bay – third greenfield community progressing well**

- Works commenced end 2018 on 253 home lifestyle community
- First homes now being constructed
- 26 deposits and contracts in place

**First settlements expected December 2019**



Artist impression of clubhouse, Ingenia Lifestyle Hervey Bay, QLD

# Sales outlook remains positive

Record 336 new home settlements delivered FY19 with strong demand at key projects

## Year to date settlements tracking ahead of FY19

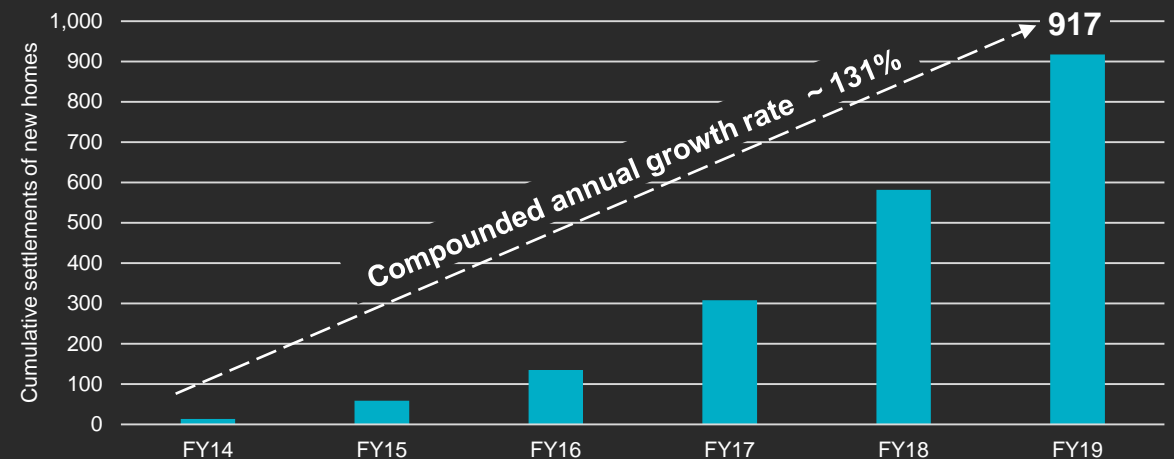
- Settlement of 89 homes FY20 year to date (up 21% on prior year)
- Further 243 homes deposited or contracted
- Margins consistent with FY19
- General market conditions for home sales have improved, however consumers remain cautious

## Creation of new rental contracts through development remains attractive

- The 917 rental contracts created to date now deliver over \$7 million in rental revenue per annum



Cumulative new home settlements



Note: Excludes settlements from assets which have been divested.



# Giving back to our communities

## Driving resident and team engagement

### Partnership with Ronald McDonald House Charities® Australia

- First ever National Family Room Partner, providing support across all 18 locations
- Cash donation and in kind support

### Strong sense of engagement from Ingenia team

- “Meals from the Heart” program in NSW, Queensland, Victoria and Western Australia (seven houses) – now in second year
- Gifted VIP holiday experiences hosted by Ingenia’s holiday parks allowing site teams to participate

### Extends resident engagement, supplementing established locally based community activities

- Fund raising and support for local charities and community groups a key part of community activity program
- Communities support groups including schools, pre-schools, RSPCA, Rotary, Cancer Council and Surf Life Saving



Charities supported include:



For all creatures great and small.



Cancer Council Australia





# Recent awards

## Caravan & Camping Industry Association

Land Lease Living Community of the Year	Ingenia Lifestyle The Grange
Land Lease Living Community Engagement	Ingenia Lifestyle Plantations
Employee of the Year – Holiday Park	Tess Clark
Employee of the Year – Community	Misty Lovis
Outstanding Contribution by a Young Achiever	Christopher Stokoe

## Queensland Tourism Awards

Gold - Caravan and Holidays Parks	Ingenia Holidays Cairns Coconut
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# FY20 focus

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- 1 Improve performance of existing assets to drive growth in rental revenue
- 2 Execute Joint Venture business plan, delivering opportunities for capital light growth and additional revenue streams
- 3 Continue asset recycling to fund growth
- 4 Continue focus on sales and marketing to successfully launch new projects and deliver new rental contracts
- 5 Capitalise on opportunities to expand development pipeline to deliver new rental contracts and support development Joint Venture growth
- 6 Integrate funds management business and deliver performance for fund investors

**Grow investor returns through delivery of FY20 guidance - growth in EBIT of 15 - 20% and underlying EPS growth of 5% - 10%**

1. EBIT and underlying EPS are non-IFRS measures which exclude non operating items such as unrealised fair value gains/(losses) and gains/(losses) on asset sales.
2. Guidance is subject to no material adverse change in market conditions and timing of key development projects.



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