

10 November 2022

## Trading and guidance update

Ingenia Communities Group (ASX: INA) today announced that following a review of the Group's current trading results, and forecasts across the operating and development divisions, the Group's FY23 result is expected to be at the lower end of the FY23 guidance range (EBIT growth of 30-35% and underlying EPS growth of 5-10%<sup>1</sup>).

The Group is presently holding over 380 contracts and deposits and experiencing strong demand for new lifestyle homes however due to continuing shortages and delays with qualified trades and civil contractors as well as wet weather stoppages being experienced across the three Victorian development projects, there is no longer a pathway to achieving 525-550 settlements as previously forecast. Based on current construction timetables the Group is forecasting 460-485 settlements for FY23.

The Group is able to maintain the current lower end of guidance due to strong performance across the Group's diverse business, including:

- strong demand across the portfolio of 40 holidays communities
- an increase in new home sale margins
- ongoing high occupancy across the rental communities
- consistent strong rental cashflows from the Gardens and Lifestyle communities.

Ingenia Communities Group CEO, Simon Owen, said that the holidays and residential divisions were trading above expectations, with demand for domestic travel and rental accommodation driving strong results from these businesses.

"We continue to see heightened demand for affordable rental accommodation, with key markets such as Brisbane experiencing record low levels of vacancy, strong rate growth and limited new supply. Across Ingenia Rentals occupancy sits at over 98%. Our holiday parks are exceeding expectations with recent winter trading and the level of forward bookings as we head into the peak summer period supporting high occupancy through the year. The Ingenia Gardens and Ingenia Lifestyle communities are continuing to provide stable, resilient cash flows, with rental growth.

"Across our active developments we have recommenced home releases and are seeing strong demand. New sales prices are holding firm and development margins are increasing however trade availability remains a constraint on home completion and development progress. Recent inclement weather, particularly in Victoria, where we have three key projects, has caused further challenges. With a longer lead time for home completion this is an inventory led issue which we continue to work on to meet customer demand.

"While there are some early positive indications that trade availability is beginning to improve, we remain cognisant of the impact of external factors and continue to monitor market conditions and development progress," Mr Owen said.

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<sup>1</sup> Guidance is subject to no material changes in market conditions and no other unforeseen circumstances adversely affecting financial performance, including further weather impacts, supply chain and labour shortages. EBIT and underlying EPS are non-IFRS measures which exclude non-operating items such as unrealized fair gains/(losses) and gains/(losses) on asset sales.

The longer term outlook for development remains positive, with the demographic drivers of an ageing population, low penetration rates and growing customer awareness supporting the Group's target of 2,000 to 2,200 home settlements over the three years to end FY25.

Consistent with the Group's focus on capital recycling to fund a modest level of acquisition over FY23, the sale of three small, regional communities, was announced on 27 October. The subsequent acquisition of two greenfield development sites (announced on 3 November) reflects the emphasis on enhancing the portfolio and increasing exposure to larger, high quality, sustainable communities.

The Group's balance sheet is well positioned to support ongoing capital requirements with June 2022 pro forma LVR (post announced transactions) at 26.6%.

***Authorised for lodgement by the Chairman.***

**ENDS**

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**About Ingenia Communities Group**

Ingenia Communities Group (ASX: INA) is a leading operator, owner and developer of communities offering quality affordable rental and holiday accommodation focussed on the growing seniors' market in Australia. Listed on the Australian Securities Exchange, the Group is included in the S&P/ASX 200 and has a market capitalisation of over \$1.5 billion.

Across Ingenia Lifestyle, Ingenia Gardens, Ingenia Holidays and Ingenia Rental, the Group has over 100 communities.

Ingenia Communities Holdings Limited (ACN 154 444 925), Ingenia Communities Fund (ASRN 107 459 576) and Ingenia Communities Management Trust (ARSN 122 928 410). The Responsible Entity for each scheme is Ingenia Communities RE Limited (ACN 154 464 990) (AFSL415862).