

17 November 2022

## Annual General Meeting of Ingenia Communities Group

Enclosed is the presentation in relation to today's Annual General Meeting (AGM) of Ingenia Communities Group.

Authorised for lodgement by the Company Secretary.

**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. The Group has over 100 communities across Australia and is included in the S&P/ASX 200.

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).



17 NOVEMBER 2022



ARTIST IMPRESSION - POOLHOUSE  
INGENIA LIFESTYLE CHAMBERS PINES, QLD

# 2022 ANNUAL GENERAL MEETING

CELEBRATING 10 YEARS

# Acknowledgement of Country



As an owner, operator and developer of real estate across Australia, Ingenia Communities acknowledges the traditional custodians of the lands on which we operate.

We recognise their ongoing connection to land, waters and community, and pay our respects to First Nations Elders past, present and emerging.

# Chairman's address



Ingenia Holidays White Albatross, NSW

# Welcome and introduction

Ingenia celebrated 10 years since internalising management in June 2012

**Ingenia Gardens**  
Portfolio of 26 communities  
on internalisation  
2012



**First land lease community**  
2013



**First holiday park**  
2013



**First greenfield development**  
2018



# FY22 result

## Guidance delivered in a year of heightened portfolio growth











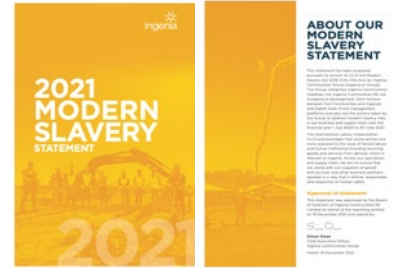
- ◇ Result underpinned by
  - Stable rent base
  - Improving Holiday Parks performance
  - Acquisitions and new home completions
- ◇ Distribution per security up 5% to 11.0 cents
  - Impacted by additional securities on issue



Seachange Emerald Lakes, QLD

# Sustainability

## Focus aligned to strategy, vision and values

FY22 SELECT INITIATIVES	<p><b>Social</b></p> 	<p><b>67%</b></p> <p>Women in the Workplace #1 for gender diversity amongst property companies<sup>1</sup></p>	 <p>Industry Leading Parental Leave Policy</p>	<p><b>Charitable Giving</b></p> <p>Positively impacting our communities</p>	
	<p><b>Environment</b></p> 	 <p>Green Building Council Australia</p> <p>First to commit to large scale future delivery of 261 Green Star Homes</p>	 <p>Solar investment increased</p>	 <p>Partnership to create Net Zero transportable cabin prototype</p>	
	<p><b>Governance</b></p> 	 <p>Second Modern Slavery statement - further development of responsible sourcing framework</p>	 <p><b>Climate Related Resilience and Risk</b></p> <p>Responding to the risks and opportunities posed by a changing climate in both new project design and in existing assets</p>		

1. CEW Senior Executive Census, 2022.

# Sustainability



**Committed to delivering Australia's first Green Star Homes community**

**Contributing to Net Zero transportable cabin prototype through collaboration with Prefabulous**

**Prefabulous**  
Modular architectural design and construction





# Portfolio enhanced

- ◇ \$650 million acquisitions FY22
  - Enhanced market reach and scale
  - Increased exposure to core lifestyle business
- ◇ Recent acquisitions and development pipeline support future returns
- ◇ Ongoing portfolio review to support funding needs and improve portfolio quality and sustainability



# Focus on the future

## Forecasting growth for FY23

- ◇ Fundamental demand drivers remain strong - ageing population and domestic travel
- ◇ FY23 result anticipated to be at the lower end of guidance range
  - EBIT growth of 30-35%; underlying EPS growth of 5-10%
- ◇ Guidance reflects current operating conditions and diverse business
  - Strong demand for our communities and holiday parks
  - Constraints on home completions (labour and weather impacts)

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

Ingenia Lifestyle Freshwater, QLD

# CEO address



Ingenia Holidays One Mile Beach, NSW

# Business overview

COMMUNITIES and SITES\*

**110**

(30 added FY22)

ASSETS

**>\$2.1b**

Owned/Managed

RESIDENTS

**>10,850**

Calling Ingenia home

'ROOM NIGHTS'

**>1.7m pa**

Available across Ingenia Holiday Parks

EMPLOYEES

**>1,250**

(>80% based in regional locations)

RENT

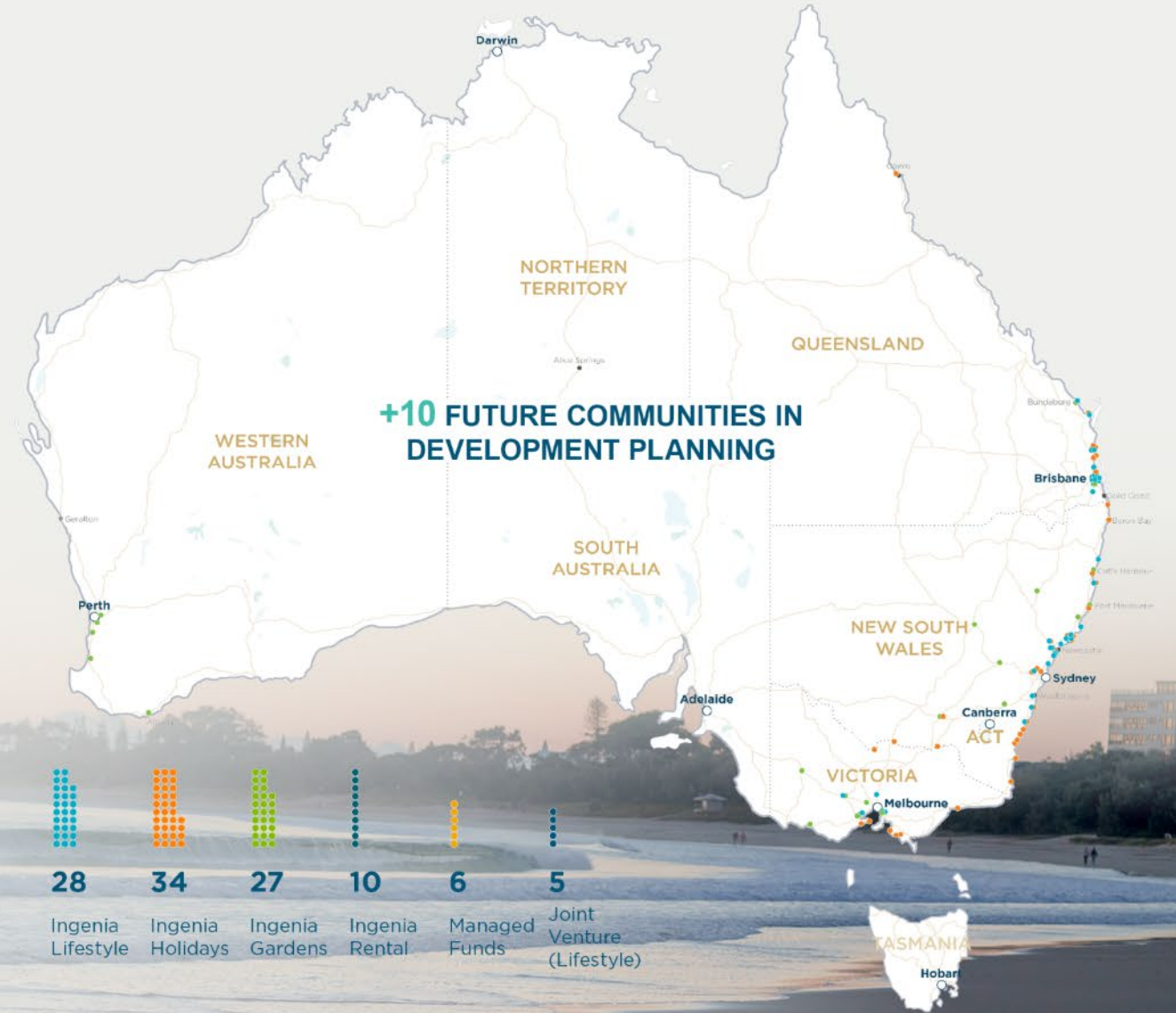
**~15,600**

Income generating homes, villas, cabins and sites

FUTURE DEVELOPMENT

**6,580**

Home sites owned or secured



# FY22 results: financial summary

## PERFORMANCE

REVENUE

**\$338.1m**

+ 14% on FY21

STATUTORY PROFIT

**\$100.6m**

+ 38% on FY21

UNDERLYING EPS

**23.3¢**

(1%) on FY21

OPERATING CASH FLOW

**\$114.9m**

(17%) on FY21

DPS

**11.0 cps**

+ 5% on FY21

LVR

**25.7%**

+ 3.5% on June 2021

INVESTMENT PROPERTY\*

**\$2.1b**

+ 47% on June 2021

NAV

**\$3.75**

+ 24% on June 2021

Key strategy drivers remain intact – ageing population, housing affordability, internal migration patterns and domestic travel support long term demand

Includes Joint Venture and Funds.

Ingenia Lifestyle Hervey Bay, QLD

# Residential communities

## Resilient rents and high occupancy

- ◇ Over FY22, rental sites across Ingenia Lifestyle, Ingenia Rental and Ingenia Gardens increased by 41%
- ◇ Cashflows supported by government payments and CPI linked rents
- ◇ Communities meet growing demand for housing affordability
- ◇ Record demand for affordable rental accommodation

	Lifestyle Rental		Ingenia Gardens	Total
	Land lease communities catering to over 50s	Affordable rental communities catering to all ages	Seniors rental villages	
<b>No. communities</b>	23	9	27	59
<b>No. homes</b>	4,374	1,327	1,437	7,138
<b>Ave rent per week</b>	\$197		\$354	
<b>Rental revenue</b>	\$47.4 million		\$24.4 million	\$71.8m



Artist impression – Ingenia Lifestyle Sunnylake Shores, NSW

Note: Excludes greenfield sites.

# Ingenia Gardens and Ingenia Rental

## Meeting increasing need for affordable rental accommodation

### The need for affordable rentals is significant and growing

- ◇ Approximately 31% of Australia households rent their home (2019-20) – up from 27% in 1999-00
- ◇ The portion of renters renting from private landlords has increased

### Ingenia Gardens occupancy currently 95%

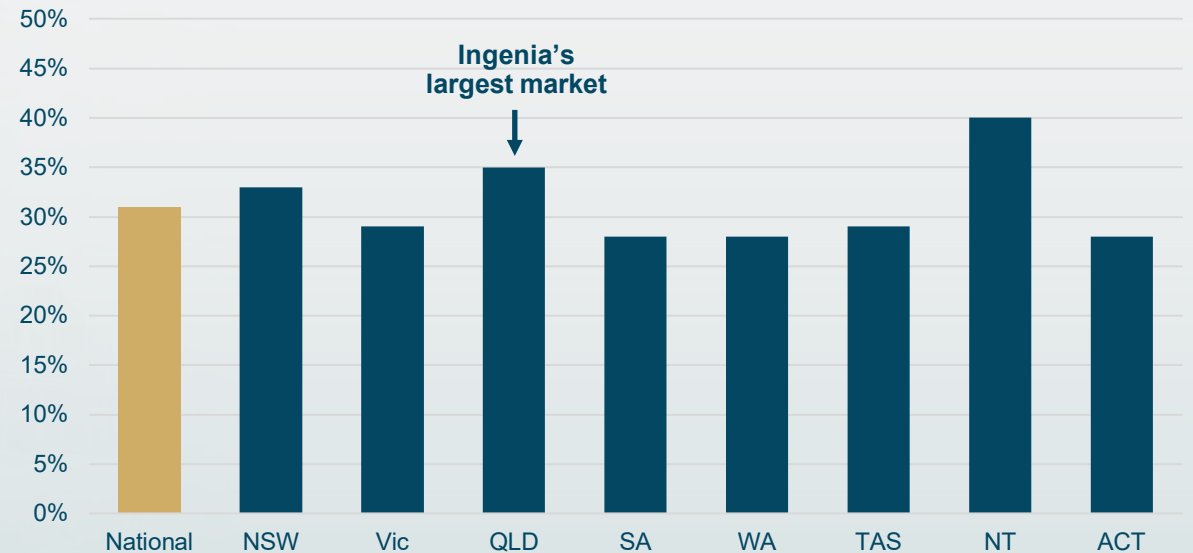
- ◇ Provides community living with support (optional food and care concierge) for seniors



### Ingenia Rental occupancy currently 99% with strong demand

- ◇ Communities in Brisbane, Melbourne and Port Stephens
- ◇ Meets need for 'all age' rentals at an affordable price point
- ◇ Additional accommodation being added to three communities FY23

Percentage of households renting (2019-20)



Source: ABS, Housing Occupancy and Costs 2019-20 financial year.

# Ingenia Lifestyle

## Expanded portfolio with embedded growth

Since entering the sector in 2013 Ingenia has built a leading portfolio

- ◇ Additional acquisitions have added scale and enhanced diversity
- ◇ Strong FY22 operating metrics
  - Average rent growth 5% (FY22)
  - Settlement of 409 new homes

Diverse price points and affordable weekly rents combined with attractive lifestyle opportunity

- ◇ Market awareness building – penetration rate remains low
- ◇ Residents attracted to engaged community living
- ◇ Demonstrating resilient demand – resale and new homes

Development provides pathway to additional scale

- ◇ Opportunity to build sustainable, quality communities
- ◇ Major driver of future growth in rental base





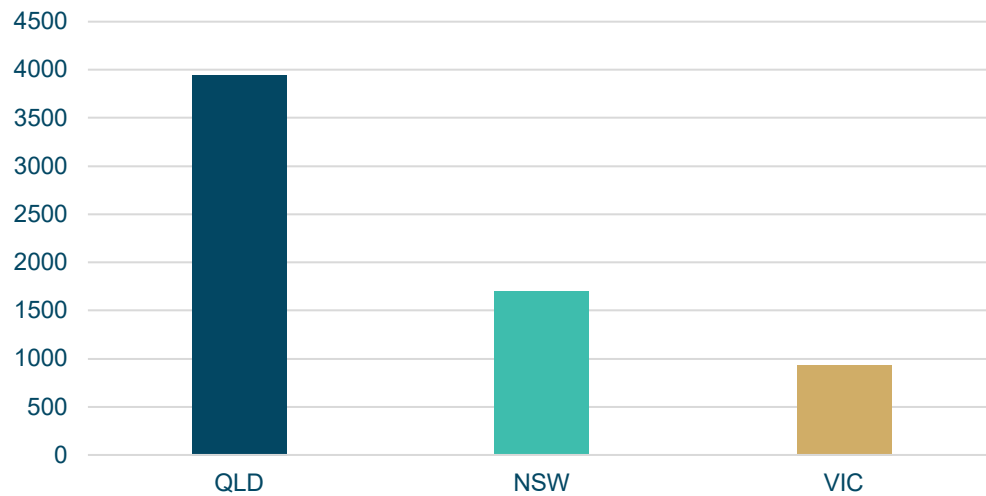
# Development

## Aligned to regions benefitting from population growth and net migration

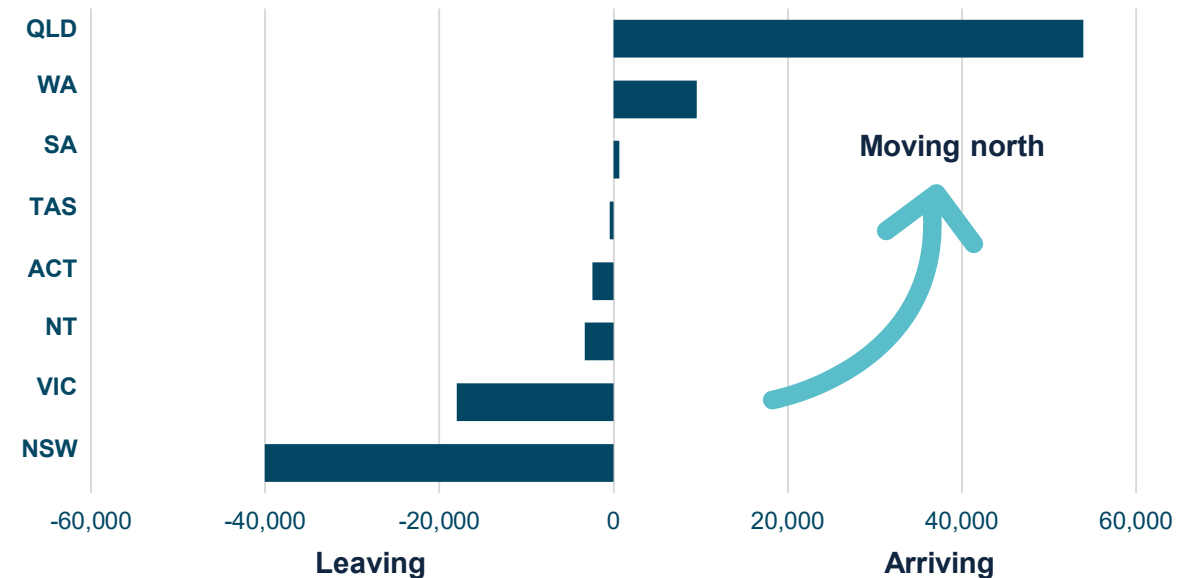
Significant move to regional/coastal markets and QLD driving acquisition strategy

Strong demand from downsizers, supported by affordable price points and migration patterns

Development Pipeline by State  
(30 June 2022)



Net interstate migration  
(last 12 months – change to March 22)<sup>1</sup>



1. Source: Australian Bureau of Statistics, National, state and territory population March 2022

# Market conditions remain challenging

## Labour availability and weather key to home completions

### Consistent availability of trades and extended construction timetables remain key constraint

- ◇ Weather events have exacerbated the impact on construction programs, particularly in Victoria where civil works have been delayed
- ◇ While cost growth is easing and trade availability is anticipated to improve impacts will continue into FY23
- ◇ Ingenia ended FY22 with no inventory – with increased construction times, limited homes have been available to settle year to date

### Recent releases demonstrating firm demand

- ◇ Total of 377 deposits and contracts on hand
- ◇ Additional 130 expressions of interest in place
- ◇ Price growth mitigating cost increases

### Settlements target reduced in line with uncertain operating conditions and outlook

- ◇ Targeting 460-485 settlements FY23

Note: Settlements target includes Joint Venture settlements.



Ingenia Lifestyle Lara, VIC



Ingenia Lifestyle Beveridge, VIC

Ingenia Lifestyle Chambers Pines, QLD

# Ingenia Lifestyle Hervey Bay, Urangan QLD

## URANGAN, QLD

CURRENT DAYS ON MARKET

**17**

MEDIAN SALE PRICE

**\$548K**

+ 55% last 3 years



Source CoreLogic, November 2022



Ingenia Lifestyle  
**Hervey Bay**  
185  
completed homes  
269  
development sites



# Ingenia Holidays

Over FY22, income producing sites across Ingenia Holidays increased by 36%

FY22 result reflected strong demand post operating restrictions 1H22

Continued strong performance into FY23 – higher than forecast rate and occupancy supporting outperformance



BIG4  
INGENIA HOLIDAYS  
WAGGA WAGGA  
INGENIA'S NEWEST  
ACQUISITION



1. 2H22 compared to pre-COVID performance 2H19 (like for like).

# Capital management

## Balance sheet remains well positioned

- ◇ Pro forma June 22 LVR of 26.6%, post announced transactions
- ◇ Current hedging 50% of drawn debt

## Asset recycling aligned to enhancement of portfolio quality and focus on sustainable communities

- ◇ Divestment of \$16 million small regional communities announced October 2022
- ◇ Further divestments planned FY23
- ◇ Limited acquisitions FY23 – focus on development land and coastal holiday parks

## Capital partnerships contributing to capital needs

- ◇ Joint Venture with Sun Communities – three projects commenced
- ◇ Considering additional opportunities for strategic partnerships

# Sustainability – focus aligned to strategy, vision and values

## Commitment to continuing sector leadership



### Environment

- ◇ **Continuing Solar and LED programs**
- ◇ Sustainable development for new communities – Green Star strategy includes sector leadership in adoption of Green Star Homes
- ◇ First detailed emissions disclosures
- ◇ Integration of new acquisitions into programs and reporting

### Social

- ◇ **Ranked #1** for women in executive leadership roles across the property industry<sup>1</sup> (#3 ASX300 companies)
- ◇ Expanded **Diversity and Inclusion** policy
- ◇ New Giving Policy to increase support to **local communities**
- ◇ Delivering positive social impact for residents – affordable lifestyle and engaged community living

### Governance

- ◇ **Human rights assessment** to inform further development of sustainable and robust responsible sourcing
- ◇ **Climate related Resilience and Risk** – expanded exposure assessments to recent acquisitions and identified climate transition risks and opportunities in preparation for first TCFD report
- ◇ Enhanced disclosure via dedicated **Sustainability Report**

1. Chief Executive Women, Senior Executive Census, 2022.

# Outlook

Portfolio growth has enhanced the exposure to seniors housing and domestic travel – both performing well FY23 to date

- ◇ Operational sites increased by 30% to 15,600 sites and development pipeline expanded to 6,580 home sites

Core businesses resilient, assisted by diverse asset base and revenue streams

- ◇ Stability of rent from residential communities continuing uninterrupted
- ◇ Holidays performance above expectations
- ◇ Demand for new homes remains firm, outstripping settlements capacity
  - Medium term target of 2,000 – 2,200 home settlements (to end FY25) as labour issues ease

Focus on people, systems and process to enhance scale benefits following extensive acquisition program FY22

Positioned to capture accelerating demand for lifestyle-based community living and domestic travel – FY23 impacted by construction challenges and weather events

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FY23 result expected to be at lower end of guidance range: Growth in EBIT of 30-35% and underlying EPS growth of 5-10% on FY22

Artist impression - Ingenia Lifestyle Nature's Edge, QLD

# Disclaimer

This presentation was prepared by Ingenia Communities Holdings Limited (ACN 154 444 925) and Ingenia Communities RE Limited (ACN 154 464 990) as responsible entity for Ingenia Communities Fund (ARSN 107 459 576) and Ingenia Communities Management Trust (ARSN 122 928 410) (together Ingenia Communities Group, INA or the Group). Information contained in this presentation is current as at 17 November 2022 unless otherwise stated.

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