

22 August 2023

FY23 Results Presentation

Ingenia Communities Group (ASX:INA) provides its FY23 Results presentation.

Authorised for lodgement by the Board.

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).



Ingenia

Ingenia Holidays
Byron Bay, NSW



FY23 RESULTS
22 AUGUST 2023

Executing on strategy

Extend stable rent based cashflow base and grow diverse revenue base

- ◆ High occupancy and strong demand across rental communities
- ◆ Tourism rental income up 36%, driven by growth in rate and occupancy, recent acquisitions and organic investment
- ◆ Average weekly land lease rent up more than 6% reflecting CPI linked growth

Grow land lease business, capitalising on established development pipeline to grow annuity-like rental cashflows

- ◆ Land lease communities scale increased to ~50% of portfolio
- ◆ 35 land lease communities¹ – 23 established communities
- ◆ Development pipeline of 5,778 potential home sites²

Maintain balance sheet capacity

- ◆ Divestment of four non-core assets to recycle capital and improve portfolio quality
- ◆ Actively reviewing portfolio for further capital recycling opportunities
- ◆ LVR at lower end of policy range

Continue prioritisation of ESG program, aligned with vision, purpose and values

- ◆ Three projects targeting Green Star certification, including first Green Star Homes community
- ◆ Climate Strategy in place, first TCFD aligned report released

Position portfolio to benefit from long term demand drivers

- ◆ Ageing population
- ◆ Housing affordability
- ◆ Domestic travel demand

1. Includes assets owned by Ingenia, Joint Venture and managed fund.

2. Includes sites subject to approval and optioned or secured.



Business overview¹

INVESTMENT PROPERTY

\$2.3b

Owned/managed

COMMUNITIES AND SITES

107

FUTURE DEVELOPMENT

5,778

EMPLOYEES

~1,300

(80% based in regional locations)

RENT

~15,500

Income generating homes,
villas, cabins and sites

'ROOM NIGHTS'

~1.7m

Income generating homes,
villas, cabins and sites

FY23 Result in line with Guidance

REVENUE

\$394.5m

+17% on FY22

STATUTORY PROFIT

\$64.4m

(33%) on FY22

EBIT

\$109.3m

+7% on FY22

OPERATING CASH FLOW

\$82.5m

(28%) on FY22

UNDERLYING EPS

20.8¢

(11%) on FY22

NTA

\$3.52

+2% on Jun 2022²

DPS

11.0 cps

Consistent with FY22

LVR

31.4%

+5.7% on Jun 2022

1. Includes assets owned by Ingenia and capital partners and developments in planning. Excludes assets held for sale.
2. June 2022 restated for recognition of deferred taxes and a non-current liability. Refer to Note 1 in the 30 June 2023 Annual Financial Report for further detail.



Financial performance & capital management



Key financials

	FY23	FY22	
Revenue	\$394.5m	\$338.1m	17%
EBIT¹	\$109.3m	\$101.7m	7%
Underlying profit¹	\$84.7m	\$87.9m	(4%)
Underlying EPS¹	20.8c	23.3c	(11%)
Statutory profit	\$64.4m	\$95.8m ²	(33%)
Statutory EPS	15.8c	25.4c ²	(38%)
Operating cash flow	\$82.5m	\$114.9m	(28%)
Distribution per security	11.0c	11.0c	-
	30 Jun 23	30 Jun 22	
Net Tangible Assets (NTA) per security	\$3.52	\$3.46 ²	2%

Underlying lifestyle and holidays businesses performing strongly - industry-wide construction delays experienced in 1H23 starting to abate in the second half

- ◆ Growth in **revenue** - 23 acquisitions over FY22 and FY23, CPI linked rent growth and growth in holidays occupancy and rate
- ◆ **EBIT** in line with guidance, representing strong operational performance, partially offset by investment in people and systems to support expanded portfolio
- ◆ **Underlying EPS** at upper end of guidance range, impacted by rising interest costs
- ◆ **Statutory profit** decline primarily due to impact of lower revaluation increments versus prior year
- ◆ **Operating cash flow** reduced due to significant increase in inventory and work in progress – now 18 active development projects
- ◆ **Stable distribution** per security supports conservative capital management approach

1. EBIT, underlying profit 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. FY22 restated for recognition of deferred taxes and a non-current liability. Refer to Note 1 in the 30 June 2023 Annual Financial Report for further detail.



Underlying rental business delivering growth

Focus on scaling development - earnings impacted by first half construction delays and residential market conditions

EBIT	FY23	FY22	
Residential Communities			
Lifestyle Rental	\$35.9m	\$26.8m	34%
Lifestyle Development ¹	\$33.3m	\$35.8m	(7%)
Ingenia Gardens	\$10.5m	\$11.5m	(9%)
Holidays	\$46.4m	\$35.3m	31%
Other			
Fuel, Food and Beverage	\$1.1m	\$0.9m	22%
Capital partnerships ²	\$2.5m	\$7.0m	(64%)
Portfolio EBIT	\$129.7m	\$117.3m	11%
Corporate costs	(\$20.4m)	(\$15.6m)	31%
EBIT	\$109.3m	\$101.7m	7%
EBIT Margin	27.7%	30.1%	(2%)

- ◆ **Lifestyle Rental** benefitted from CPI linked rental increases and material growth in rent base (twelve communities added over FY22 and FY23)
- ◆ **Development** achieved higher sales prices, offset by impact of longer construction times, slowing residential market and scaling for growth in settlement volumes over the next three years
- ◆ Ingenia **Gardens** EBIT impacted by divestment of two communities and cost growth across wages, utilities and rates
- ◆ **Holidays** revenue driven by increased rate and occupancy, acquisition of new holiday parks and organic investment
- ◆ **Capital partnerships** – FY22 included performance fees on sale of fund assets and origination fees related to the Joint Venture acquisition of land
- ◆ **Corporate costs** impacted by expanded asset base and inflationary cost pressures, including wages growth, increased compliance and governance costs and investment in sustainability and technology to support business

1. Development segment inclusive of development and sales fees from the Group's Joint Venture with Sun Communities (FY23: \$2.1m ; FY22: \$0.7m).

2. Capital partnerships includes contribution from the Joint Venture (excluding sales and development fees) and funds management business.



Capital management

Well positioned balance sheet

Debt Metrics	30 Jun 23	30 Jun 22
Loan to value ratio (covenant <55%)	31.4%	25.7%
Gearing ratio ^{1,3}	25.3%	20.6%
Interest cover ratio (total) (covenant >2x)	4.7x	8.5x
Interest cover ratio (core) (covenant >2x)	5.3x	7.5x
Total debt facility	\$780.0m	\$780.0m
Drawn debt	\$609.1m	\$440.0m
Committed undrawn debt	\$146.7m	\$310.0m

Capacity to fund investment in growth

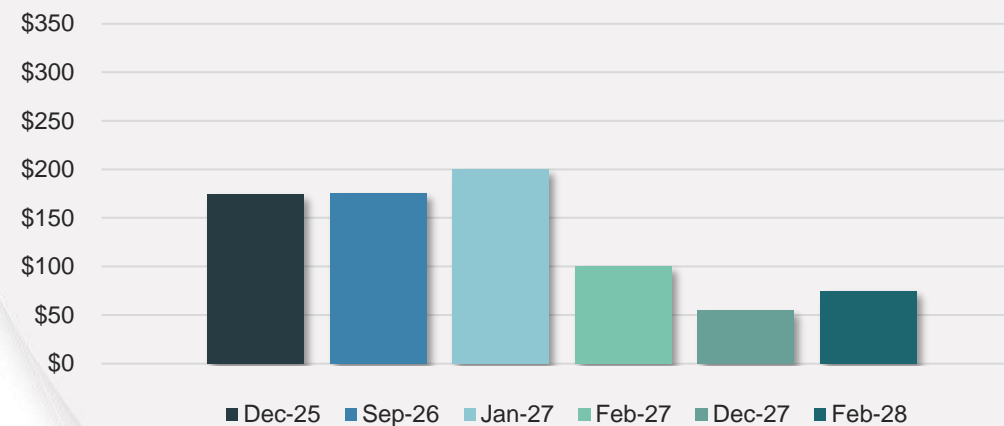
- ◆ \$192 million in cash and available undrawn debt - LVR within target (30-40%)
- ◆ Capital recycling program to further support investment in growth
 - Four assets divested FY23 (\$55 million); \$24.2 million assets held for sale
 - Over \$80 million in additional divestments under offer or due diligence
- ◆ Focus on prudently deploying balance sheet on higher return on capital opportunities

Managing inflation and interest rate risk

- ◆ Rent growth in land lease communities linked to inflation
- ◆ No near term debt expiry risk - next expiry Dec 2025
- ◆ Hedging 53% of drawn debt (fixed rate debt and derivative instruments)

1. Gearing ratio calculated as net debt (borrowings less cash) over total tangible assets (total assets less cash and intangible assets).
 2. At 30 June 2023 all in cost of debt 4.6%, including cost of undrawn available facilities.

Debt Expiry Profile
(\$ million)



4.6%
COST OF
DRAWN DEBT²

31.4%
LVR

3.4YRS
WT AV DEBT
MATURITY



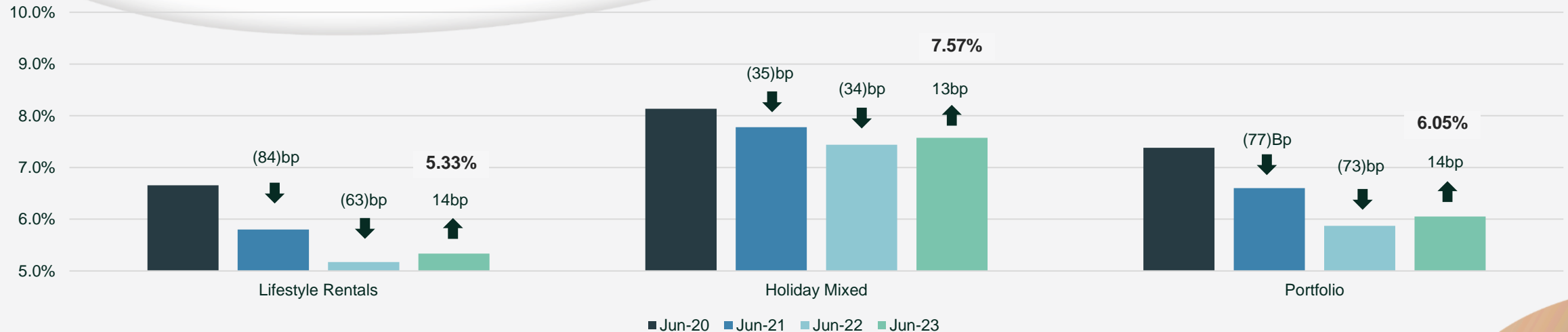
Marginal cap rate expansion offset by continued NOI growth

Portfolio	Av. Cap Rate Jun23 ¹	Av. Cap Rate Jun 22 ¹	Jun 23 ² Book Value
Lifestyle Rental	5.33%	5.19%	\$868m
Holidays & Mixed Use	7.57%	7.44%	\$746m
Ingenia Gardens	8.91%	9.02%	\$168m
Under development ³	Valued on DCF basis with a discount rate range of 6.5 – 22.5% (10.0 – 19.3% Jun 22)		\$275m

- ◆ Independent valuation of 52 assets 2H23 (20 assets 1H23)
- ◆ Portfolio book value supported by high quality stabilised assets, achieving strong income growth, partially offset by cap rate softening

1. Excludes new acquisitions and leasehold assets.
2. Includes assets held for sale, leasehold assets and gross up for finance leases.
3. Refer to Investment Property Note in the financial statements for further information.

Cap rate softening across Lifestyle Residential and Tourism portfolios* over Jun 22 to Jun 23



* Excludes new acquisitions and leasehold assets. Adjusted for divestments.



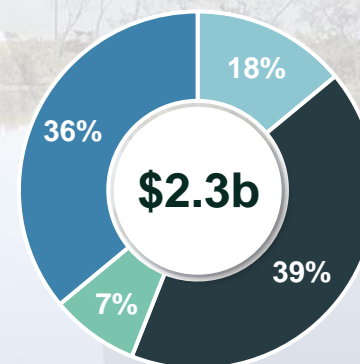
Operating performance



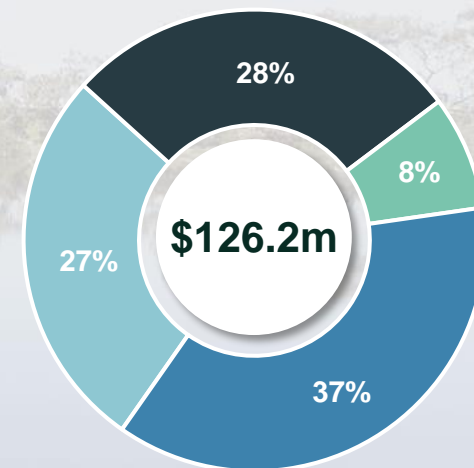
Ingenia Holidays White Albatross, NSW

The Group's \$2.3 billion portfolio has increasing exposure to lifestyle, rental and development land lease communities (now 57% by value)

Property Portfolio by value¹



Portfolio EBIT² (at 30 June 2023)



■ Lifestyle Development ■ Lifestyle Rental ■ Ingenia Gardens ■ Ingenia Holidays

1. Property portfolio includes assets managed by Ingenia and acquisition announced and yet to settle. Excludes assets held for sale.
2. Portfolio EBIT excludes fuel, food and beverage and capital partnerships.



Residential communities

Ingenia Lifestyle, Ingenia Rental and Ingenia Gardens delivering core rental revenue

Cashflows supported by government payments and CPI linked rents

Communities meet growing demand for housing affordability and ageing population

Build out of development sites will be a key driver of future rental income and increased management fees



	Rental communities		
	Ingenia Lifestyle	Ingenia Rental	Ingenia Gardens
	Land Lease	Affordable All-age rental ²	Seniors rental
No. communities ¹	35	10	25
No. homes/sites ^{1,2}	~11,700	~1,700	1,340

1. Includes established communities and developments owned by Ingenia, the Joint Venture and managed funds.
 2. Includes home sites in Mixed-Use communities and development sites optioned or secured (including sites subject to development approval).





Ingenia Lifestyle Rental

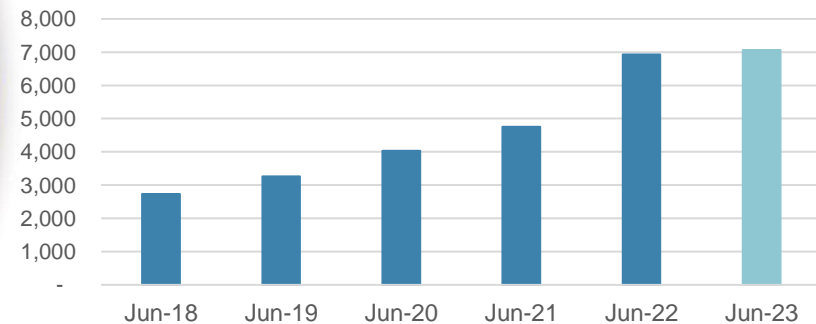
Key Data	FY23	FY22
Total revenue	\$76.8m	\$55.1m
EBIT	\$35.9m	\$26.8m
EBIT margin ¹	48.8%	49.7%
	30 Jun 23	30 Jun 22
Total homes/sites	5,824	5,701
Av. weekly rent ²	\$211	\$197
	30 Jun 23	30 Jun 22
Book Value	\$868.4m	\$827.1m

Segment EBIT up 34%

Significant revenue growth (up 39%)

- ◆ Full year impact of twelve acquisitions
- ◆ More than 367 income producing sites added FY23
- ◆ Benefit of rent increases across portfolio

Lifestyle & Rental sites²



1. Stabilised margin, excludes communities in early phases of development.
 2. Includes homes in Holiday and Mixed-Use communities.



Ingenia Lifestyle

Land lease rent base growing

Significant growth in rental revenues, reflecting larger portfolio

- ◆ CPI linked rent contracts – rents increased across >4,400 homes
- ◆ New home settlements FY23 adding \$2.9m rent per annum
- ◆ More than 260 resales, delivering incremental revenue (commission, refurbishments and rent increases)

Communities generating stable cash flows

- ◆ 100% occupancy and rent collection

Offer an attractive and affordable lifestyle proposition for seniors

- ◆ Average weekly rent represents ~30% of government payments (pension and rent assistance)¹
- ◆ Diverse home prices and locations

Positioned to deliver growth

- ◆ Accelerating development
- ◆ CPI linked rent growth

GROWTH DRIVERS

- ◆ Ageing of population
- ◆ Attractive model – simple financial contract with no exit or Deferred Management Fee (DMF)²
- ◆ Capacity to release equity
- ◆ Affordable lifestyle proposition for ageing demographic (rent and home price)

Ingenia Lifestyle Chambers Pines, QLD



1. Based on single pension rate, including supplements.
2. Three Federation Villages in Victoria have a DMF.



Ingenia Rental (all age rental)

All age 'built to rent' experiencing strong demand

Ingenia Rental communities at peak occupancy

- ◆ All age rental communities meeting demand for affordable rental accommodation (occupancy at 99%)
 - Responding to strong need for safe, affordable rental homes
 - Added 62 new rental homes FY23 – attracting higher rents and improving quality
- ◆ Continuing to invest in embedded growth pipeline – approvals in place for 140 additional rental homes
- ◆ Majority of communities offer long term optionality for higher and better use of land value (e.g. conversion to medium/high density residential)

Low vacancy rates, limited new supply and migration driving demand for affordable rental homes

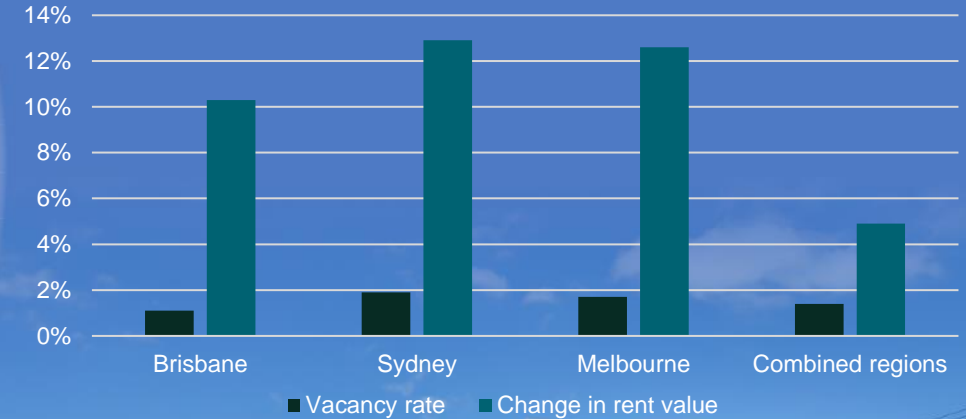
National vacancy rates remain low (June 2023)¹ with demand growing as population expands

- ◆ Surging overseas migration and international students contributing to housing demand
- ◆ Supply remains limited – rental listings below 5 year average

GROWTH DRIVERS

- ◆ Lack of rental supply – particularly at affordable end of market
- ◆ Near record low vacancy rates
- ◆ Heightened demand for affordable rental accommodation as population grows driven by overseas migration and demand for student housing
- ◆ Community lifestyle with security and on-site facilities and management

Vacancy rate vs annual change in rental rates (June 2023)¹



1. Core Logic, Quarterly Rental Review (July 2023).



Ingenia Gardens (seniors rental)

Strong, stable, government supported rent

Ongoing high occupancy delivering stable cash flows

- ◆ Residents attracted to supported environment and social interaction

Attractive yields (average cap rate at 8.9%), supported by stable rents and high occupancy

Majority of residents receive Commonwealth Pension and Rent Assistance

Ingenia Connect enhancing resident experience and length of stay

- ◆ Expansion into lifestyle and new communities has extended the service to over 1,400 residents across 66 communities
- ◆ Supporting longer occupancy and resident tenure - average resident tenure for Ingenia Gardens Connect clients now 4.5 years (vs 3.6 years)
- ◆ Differentiates offer – facilitating government funded in-home care at no cost to residents

Some cost pressures emerging across award wages, utilities, rates and food

GROWTH DRIVERS

- ◆ Growing demand for rental homes and age appropriate accommodation
- ◆ Affordability underpinned by government payments
- ◆ Meets desire for engaged living – communities provide security with option of meal service
- ◆ Ingenia Connect service provides valuable support to age in place
- ◆ Limited new supply

1. Horsham and Tamworth divested November 2022.

Key Data ¹	FY23	FY22
Total revenue	\$27.4m	\$27.2m
EBIT	\$10.5m	\$11.5m
EBIT margin	38.4%	42.3%
	30 Jun 23	30 Jun 22
Total communities	25	27
Total units	1,340	1,437
Av. weekly rent	\$370	\$354
Occupancy*	97.0%	96.9%
	30 Jun 23	30 Jun 22
Book value	\$168.0m	\$167.2m

* Like for like.



Ingenia Lifestyle Development

EBIT of \$33.3 million reflects growing settlements in 2H23 as supply constraints eased

- ◆ Total of 374 home settlements FY23
- ◆ Increasing contribution from Joint Venture fees as new projects contributed

Settlements impacted by extended construction timeframes and supply challenges

- ◆ Commenced FY23 with no inventory and extended build times
- ◆ Limited releases FY23 due to lack of inventory and extended build times
- ◆ Completed 458 homes FY23 (>200 in Q4)
- ◆ 249 settlements 2H23 as homes completed and build times slowly reduced

Resilient demand supported price growth and margin

- ◆ Average home price up 19% to \$487k
- ◆ Average above ground per home margin in targeted range (percentage basis)



Key Data	FY23	FY22
New home settlements (100% INA)	318	353
New home settlements (Sun/Funds)	56	74
Homes constructed	458	402
Gross new home development profit	\$65.5m	\$62.7m
Average home sales price (000's) ¹	\$487	\$408
Other revenue ²	\$2.1m	\$0.7m
EBIT	\$33.3m	\$35.8m
EBIT margin	23.6%	26.7%
	30 Jun 23	30 Jun 22
Book value³	\$275.3m	\$272.9m

GROWTH DRIVERS

- ◆ Ageing population and housing affordability underpin demand
 - Growth in target market (50+) as population ages
- ◆ Growing consumer awareness
- ◆ Desire for lifestyle, security and engaged community living
- ◆ Simple financial model - home ownership retained with no DMF
- ◆ Strong value proposition (ability to realise equity in family home)

1. Ingenia owned projects only. Price inclusive of GST.
 2. Joint Venture sales and development fees.
 3. Includes Holidays and Mixed-Use projects (FY23: \$23.6m ; FY22: \$22.2m).



Ingenia Lifestyle Development

Positioned to capture demand

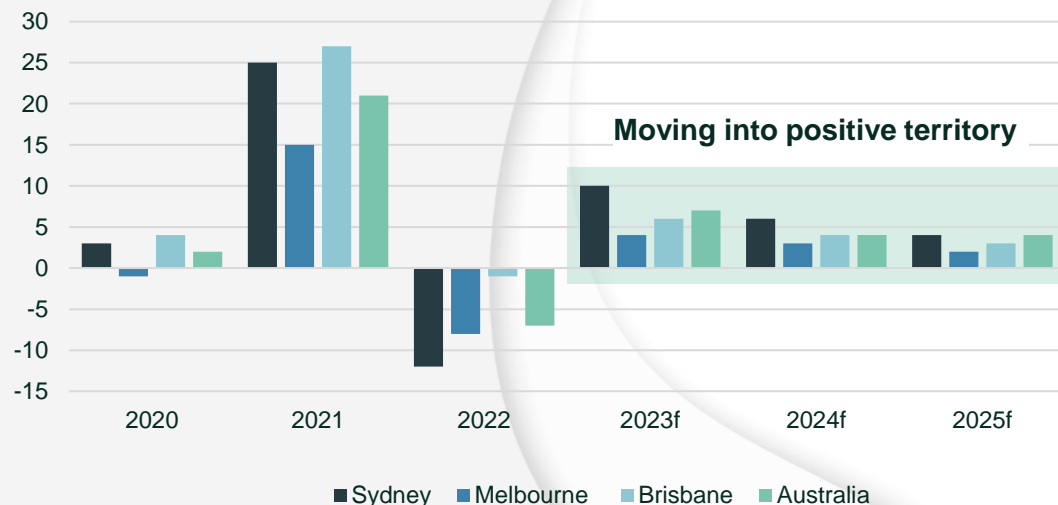
Demand drivers remain strong – ageing population and desire for affordable lifestyle

- ◆ Homes remain attractive for downsizers seeking to release equity and maintain an affordable lifestyle
 - Prices for current projects from \$322k to >\$1m

Accelerating construction activity as supply conditions ease

- ◆ Build timeframes slowly reducing – now averaging 25 weeks
- ◆ Construction cost escalation moderating
- ◆ Build capacity extended – 12 builders across 18 projects

Dwelling price forecasts



Source: Westpac Bulletin, 7 August 2023.

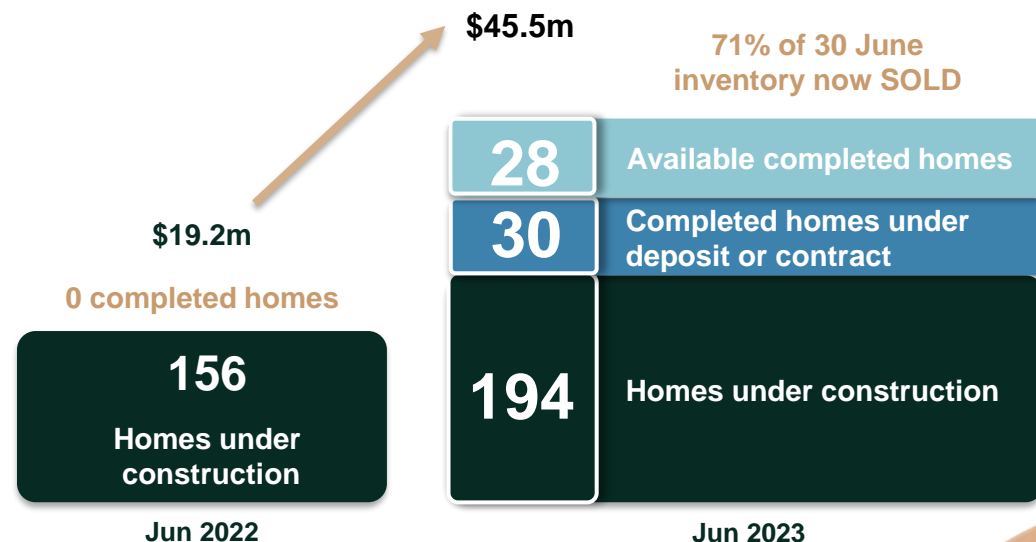
Stabilising construction conditions and availability of inventory supporting increased sales activity

- ◆ Currently 324 contracts and deposits on hand

Buyer caution in response to uncertain market conditions remains key inhibitor to settlements

Continuing to manage inventory in line with demand - speed to scale aligned to improvement in market conditions















Growth in construction and inventory to support increase in settlements FY24



Note: Excludes Joint Venture and homes in mixed use communities.



Extensive pipeline of 5,778 development sites to drive growth

Projects in market				Projects launched 2H23	
					
Bevington Shores, NSW	Hervey Bay, QLD	Parkside Lucas, VIC	Bethania, QLD	Natura (Bobs Farm), NSW	
				 <small>ARTIST IMPRESSION</small>	
Lara, VIC	Chambers Pines, QLD	Sunnylake Shores, NSW	Nature's Edge, QLD	Millers Glen, QLD	
			<div data-bbox="1434 1011 1778 1353"> <p>18 Projects under Construction (14 selling homes)</p> </div>		
Toowoomba, QLD	Freshwater, QLD (JV)	Coomera, QLD			Victoria Point, QLD

Accelerating development activity

Projects under construction launching FY24



Fullerton Cove, NSW (JV)



Morisset, NSW (JV)



Bargara, QLD



Beveridge, VIC

Creation of new communities aligned to focus on sustainable long-term investments

Commenced first projects targeting Green Star certification

- ◆ Fullerton Cove, NSW
- ◆ Beveridge, VIC
- ◆ Bargara, QLD

Ability to realise embedded value

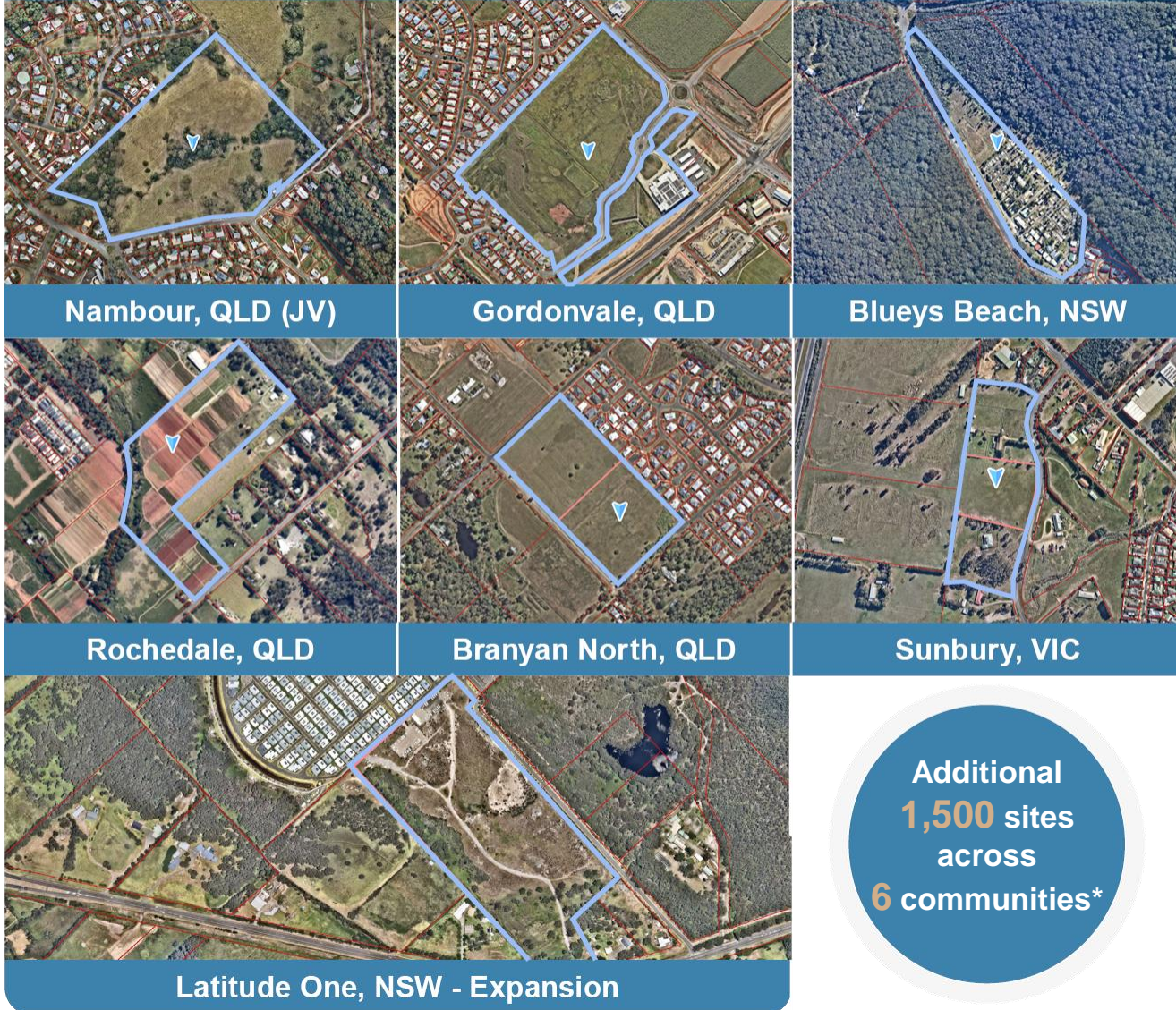
Pipeline provides exposure to diverse markets and price points

Development pipeline by State



Expanded pipeline supporting medium settlements target

Future projects commencing FY24/FY25*



Additional
1,500 sites
across
6 communities*

Targeting 1,600 to 2,000 settlements FY24 - FY26

Continuing focus on pipeline expansion

- ◆ New greenfield site (Gordonvale) acquired March 2023
- ◆ Expansion land at Plantations secured
- ◆ Reviewing >20 sites across target markets

Development pipeline increasing resilient rent base and fees

- ◆ Rapid increase in Joint Venture activity from FY24

Development is a key driver of land lease community creation, delivering capital efficient growth and sustainable long-term investments

*Subject to approvals. Additional sites include sites optioned, secured and yet to settle.



Significant latent development landbank value

Recent development portfolio and platform transactions demonstrate the embedded value within Ingenia's development pipeline

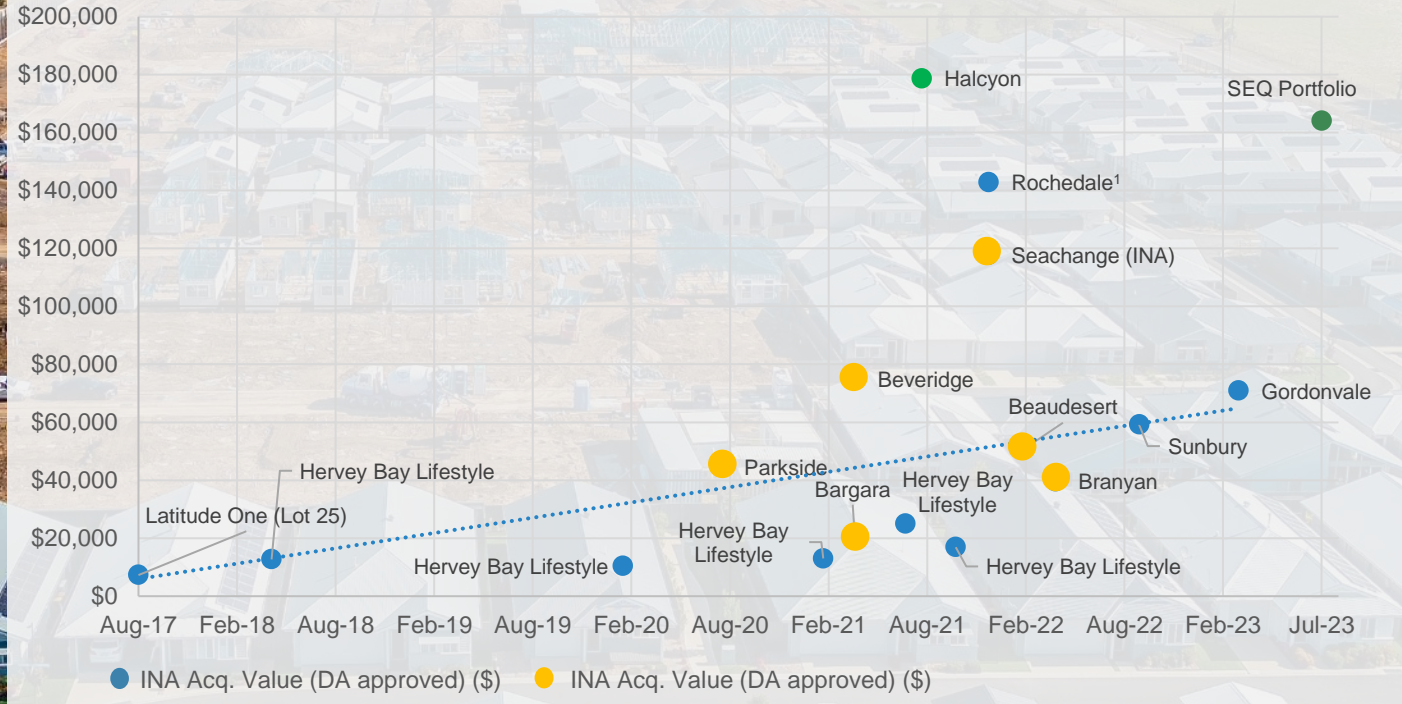
Ingenia's ability to originate attractively priced off-market transactions is a significant competitive advantage

Ingenia's development pipeline has significant embedded value

- ◆ Average purchase price of \$62,000 per site across sites acquired since August 2017
- ◆ 65% of sites DA approved



Acquisition value per site



Source: Ingenia, Company Reports
Note excludes Joint Venture land.

1. A preliminary approval was in place at time of acquisition for a higher density multi-storey development.



Holidays

Ingenia Holidays Cape Paterson, VIC

Over FY23, Ingenia Holidays parks benefitted from an expanded network, buoyant demand and diverse revenue streams

Broadening reach – database now 1.4 million

1,396 permanent homes
2,061 'annual' sites
generating stable rents

Tourism REVPAR up 28% on FY22



Ingenia Holidays

Providing diverse locations and revenue streams

- ◆ Enhancing returns – additional accommodation and recent acquisitions
 - Addition of 38 cabins to existing parks (~50 planned FY24)
 - Cabins - average daily rate (\$129) and occupancy (62%) 12 months to June 23
 - Cabin room nights sold year to June 23 up 25% on prior year
- ◆ Benefit of diverse revenue base – 40% of sites deliver stable rent
- ◆ Focus on organic growth opportunities across each holiday park to diversify and expand revenue base
 - Adding long-term rental cabins to meet demand for accommodation in regional markets (target yield on cost >15%)
 - Introduction of new accommodation types (Airstream, family cabins, glamping tents) attracting higher rates, broadening guest reach and driving occupancy
 - Addition of >30 permanent homes and new annual cabins in FY23

Key Data	30 Jun 23 ¹	30 Jun 22
Holiday cabins	1,411	1,340
Caravan and camp sites	2,954	2,916
Annual sites	1,626	1,697
Permanent sites	1,242	1,251
Total sites	7,233	7,204

1. Includes assets held for sale.



Tourism rental income up 36% on FY22, reflecting acquisitions, rate growth and positive trading conditions

- ◆ EBIT up 31% to \$46.4 million

Improved performance versus FY22

- ◆ Significant rate growth key driver of 28% increase in RevPAR (revenue per available room)
- ◆ Increase in 'off peak' and shoulder bookings
- ◆ Additional cabins added FY23; ongoing accommodation upgrades
- ◆ Increase in interstate travel (bookings up 8%)

Portfolio achieving growth from higher base

- ◆ Moderating rates; occupancy growth focussed on non-peak periods
- ◆ Addition of annuals, new cabins and upgraded accommodation
- ◆ Strong winter bookings and rates versus FY22

Investment in diversity of accommodation and focus on portfolio quality and guest experience to drive benefit from strong fundamentals into the medium term

ONGOING DEMAND FOR DOMESTIC TRAVEL

- ◆ Growth in caravan and campervan registrations
- ◆ Cost of living pressures and challenges of international travel supporting demand
- ◆ Families and seniors provide core customer base
- ◆ Drive holidays growing in popularity, driven by affordability
- ◆ Strong 'repeat customer' base – over 50% of guests

1. FY22 impacted by COVID restrictions (July-October).

2. Other income includes commercial rent, utility recoveries and non rental services (including home sales).

3. Excludes assets held for sale at 30 June. Includes development value (FY23: \$23.6m ; FY22: \$22.2m).

Key Data	FY23	FY22
Tourism rental income ¹	\$97.3m	\$71.8m
Residential rental income	\$11.2m	\$10.7m
Annuals rental income	\$10.6m	\$9.4m
Total rental income	\$119.1m	\$91.9m
Other income ²	\$7.3m	\$4.7m
Total income	\$126.4m	\$96.6m
EBIT	\$46.4m	\$35.3m
EBIT margin	36.7%	39.7%
	30 Jun 23	30 Jun 22
Book value³	\$757.5m	\$692.9m





Capital partnerships



Capital partnerships

Leveraging Ingenia's platform and extending asset base via co-investment

	Sun Communities Joint Venture	Ingenia Managed Funds	Total
No. communities	5	6	11
No. homes/sites	139	1,031	1,170
FY23 home settlements	46	10	56
No. Dev sites	1,182	4	1,186
Assets under management	\$139.6m	\$80.7m	\$220.3m

Development Joint Venture with Sun Communities

The Joint Venture provides Ingenia with a capital partner in the development of greenfield communities

Terms agreed for extension of Joint Venture to November 2030, securing ongoing relationship with experienced partner

Managed funds

Five closed funds invested predominantly in holiday parks and mixed-use communities

Further co-investment partnering opportunities being explored to capitalise on interest in the Group's portfolios



Brisbane

Sydney

Canberra

Joint Venture (Sun Communities)

Managed Funds

Ingenia Holidays Moruya, NSW



Development Joint Venture with Sun Communities (NYSE: SUI)

Building momentum as four projects commence now underway

Ingenia Lifestyle Natura, NSW

Accelerating development activity to increase fee stream and settlements (four projects under development)

- ◆ Freshwater (Burpengary, QLD) now has 131 completed homes; additional 133 sites in place
- ◆ Natura (Bobs Farm, NSW) delivered first settlements June 2023
- ◆ Element (Fullerton Cove, NSW) commenced – targeting 6 star Green Star - Communities rating
- ◆ Archers Run (Morisset, NSW) commenced - 606 approved homes

Hidden Valley community at Nambour, Sunshine Coast (QLD) – 230 approved homes (expected to commence late 2023)













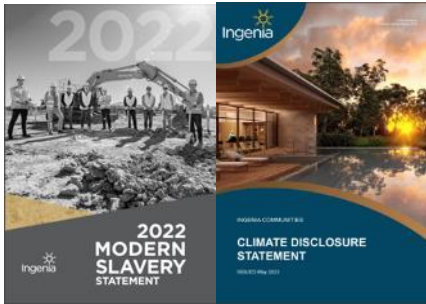
Key Data	FY23	FY22
Ingenia fee income ¹	\$3.1m	\$1.5m
New home settlements	46	56
Joint Venture revenue	\$26.9m	\$24.2m
Joint Venture operating profit	\$8.5m	\$12.2m
Share of (loss)/profit from Joint Venture	(\$4.3m)	\$8.1m
	30 Jun 23	30 Jun 22
Development properties	5	5
Total homes	139	93
Investment carrying value	\$61.8m	\$66.1m

1. Includes development and sales fees which are recognized in the Development segment (FY23: \$2.1m ; FY22: \$0.7m).



Sustainability

Aligned to strategy, vision and values

FY23 SELECT INITIATIVES	<p>Environment</p> 	 <p>Established minimum standards in development with solar, energy efficiency, cost of living benefits and resilience outcomes</p>	 <p>Commenced first projects targeting Green Star – Communities rating (Bargara, Beveridge and Fullerton Cove), including first Green Star Homes community</p>	 <p>Installed public electric vehicle chargers at 3 Holiday parks through EV destination grants – NSW government</p>	
	<p>Social</p> 	<p>66.4%</p> <p>female employees across the organisation</p>	 <p>Commenced inaugural Reconciliation Action Plan – internal working group in place</p>	<p>Charitable Giving</p> <p>Expanded support to Port Stephens Koala Hospital through resident and staff volunteering coupled with financial and in-kind support</p>	
	<p>Governance</p> 	 <p>Third Modern Slavery statement – roll out of responsible sourcing framework</p>	 <p>Strengthened cyber security posture by implementing best-practice security processes</p>	 <p>First Climate Disclosure statement released outlining our climate management approach in alignment with TCFD</p>	





FY24 Guidance

Targeting
underlying EPS of
20.8 cents to
22.3 cents
and EBIT growth of
10% to 15% on
FY23

Outlook and Guidance

Enhanced exposure to sectors with ongoing demand - seniors housing and domestic travel

- ◆ Now ~15,500 operational revenue generating sites
- ◆ Continuing to refine portfolio via select divestments and targeted development activity

Core businesses delivering growth, assisted by diverse asset base and revenue streams

- ◆ Accelerating development pipeline to generate annuity-like rental cashflows (target of 1,600 – 2,000 settlements FY24 – 26)
 - Improved construction visibility and scale
 - 14 projects in market with extensive pipeline in place
- ◆ Growing stable residential rents (development and CPI linked rent growth)
- ◆ Holidays capturing growth from significantly higher base

Positioned to benefit as housing market conditions improve – homes meeting demand for affordable housing and attractive lifestyle

- ◆ Catering to a range of locations and price points

Asset recycling, growing cashflows and balance sheet capacity to fund development activity and investment in embedded growth

Guidance is subject to no material changes in market conditions and no other unforeseen circumstances adversely affecting financial performance.
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.



Appendices

Drift, Bargara, QLD



Appendix 1

Underlying profit

	FY23 (\$m)	FY22 (\$m)
Lifestyle Development	33.3	35.8
Lifestyle Rental	35.9	26.8
Ingenia Gardens	10.5	11.5
Ingenia Holidays	46.4	35.3
Fuel, food & beverage	1.1	0.9
Capital Partnerships	2.5	7.0
Portfolio EBIT	129.7	117.3
Corporate costs	(20.4)	(15.6)
EBIT	109.3	101.7
Share of profit of Joint Venture and Associates	2.6	4.9
Net finance costs	(17.3)	(9.1)
Income tax expense	(9.9)	(9.6)
Underlying profit – Total	84.7	87.9
Statutory adjustments (net of tax)	(20.3)	7.9
Statutory Profit	64.4	95.8¹

1. FY22 restated for recognition of deferred taxes and a non-current liability. Refer to Note 1 in the 30 June 2023 Annual Financial Report for further detail.



Appendix 2

EBIT and underlying profit by segment

	Residential Communities			Tourism	Other		
(\$m)	Lifestyle Development	Lifestyle Rental	Ingenia Gardens	Ingenia Holidays	Fuel, Food and Beverage	Capital Partnerships ¹ and Corporate	Total
Rental income	-	64.9	24.8	119.1	-	-	208.8
Lifestyle home sales	139.3	-	-	-	-	-	139.3
Fuel, food and beverage income	-	-	-	-	19.3	-	19.3
Other income	2.0	11.9	2.6	7.3	-	3.3	27.1
Total segment revenue	141.3	76.8	27.4	126.4	19.3	3.3	394.5
Property expenses	(1.9)	(17.5)	(7.4)	(25.6)	(0.9)	(1.0)	(54.3)
Cost of lifestyle homes sold	(73.8)	-	-	-	-	-	(73.8)
Employee expenses	(20.3)	(16.7)	(7.2)	(40.6)	(4.5)	(9.2)	(98.5)
Service station expenses	-	-	-	(0.1)	(9.3)	-	(9.4)
All other expenses	(12.0)	(6.7)	(2.3)	(13.7)	(3.5)	(11.0)	(49.2)
EBIT	33.3	35.9	10.5	46.4	1.1	(17.9)	109.3
Segment margin	23.6%	48.8% ²	38.4% ³	36.7%	5.9%		27.7%
Share of profit of Joint Venture and Associates							2.6
Net finance expense							(17.3)
Income tax expense							(9.9)
Underlying profit							84.7

1. Includes fees from Joint Venture and funds management.
2. Stabilised margin, excludes communities under development.
3. Horsham and Tamworth divested November 2022.



Appendix 3

Cash flow

	FY23	FY22
	(\$m)	(\$m)
Opening cash at 1 July	14.5	18.8
Rental and other property income	259.2	205.1
Property and other expenses	(189.6)	(148.1)
Proceeds from sale of Lifestyle homes	152.3	144.6
Purchase of Lifestyle home inventory	(116.8)	(75.8)
Net borrowing costs paid	(22.3)	(7.6)
All other operating cash flows	(0.3)	(3.3)
Net cash flows from operating activities	82.5	114.9
Acquisitions of investment properties	(62.9)	(345.0)
Purchase of business (Seachange group) ¹	(16.9)	(262.5)
Net proceeds from sale of investments properties	52.5	9.4
Return of capital/(investment in Joint Venture)	-	(25.7)
Capital expenditure and development costs	(137.3)	(101.3)
Other	(3.5)	(6.6)
Net cash flows from investing activities	(168.1)	(731.7)
Net proceeds from borrowings	169.1	190.0
Net proceeds from equity issues	-	474.5
Distributions to security holders	(44.8)	(39.2)
All other financing cash flows	(7.5)	(12.8)
Net cash flows from financing activities	116.8	612.5
Total cash flows	31.2	(4.3)
Closing cash at 30 June	45.7	14.5

1. \$16.9 million of transaction costs on acquisition of Seachange Group – paid in 1H23 (fully provided for at 30 June 2022).



Appendix 4

Consolidated balance sheet

	30 Jun 23 (\$m)	30 Jun 22 (\$m)
Cash	45.7	14.5
Inventories	54.1	19.5
Investment properties	2,045.6	1,937.9
Investment in Joint Venture	61.8	66.1
Other financial assets	13.4	9.6
Intangibles	102.6	103.2
Other assets	54.9	32.2
Total assets	2,378.1	2,183.0
Borrowings and lease liabilities	661.7	495.6
Other liabilities	179.6	172.9 ¹
Total liabilities	841.3	668.5¹
Net assets	1,536.8	1,514.5¹
Net asset value per security (\$)	\$3.77	\$3.72¹
Net tangible assets per security (\$)	\$3.52	\$3.46¹

1. 30 June 2022 restated for recognition of deferred taxes and a non-current liability. Refer to Note 1 in the 30 June 2023 Annual Financial Report for further detail.



House prices and time on market stabilising across key markets

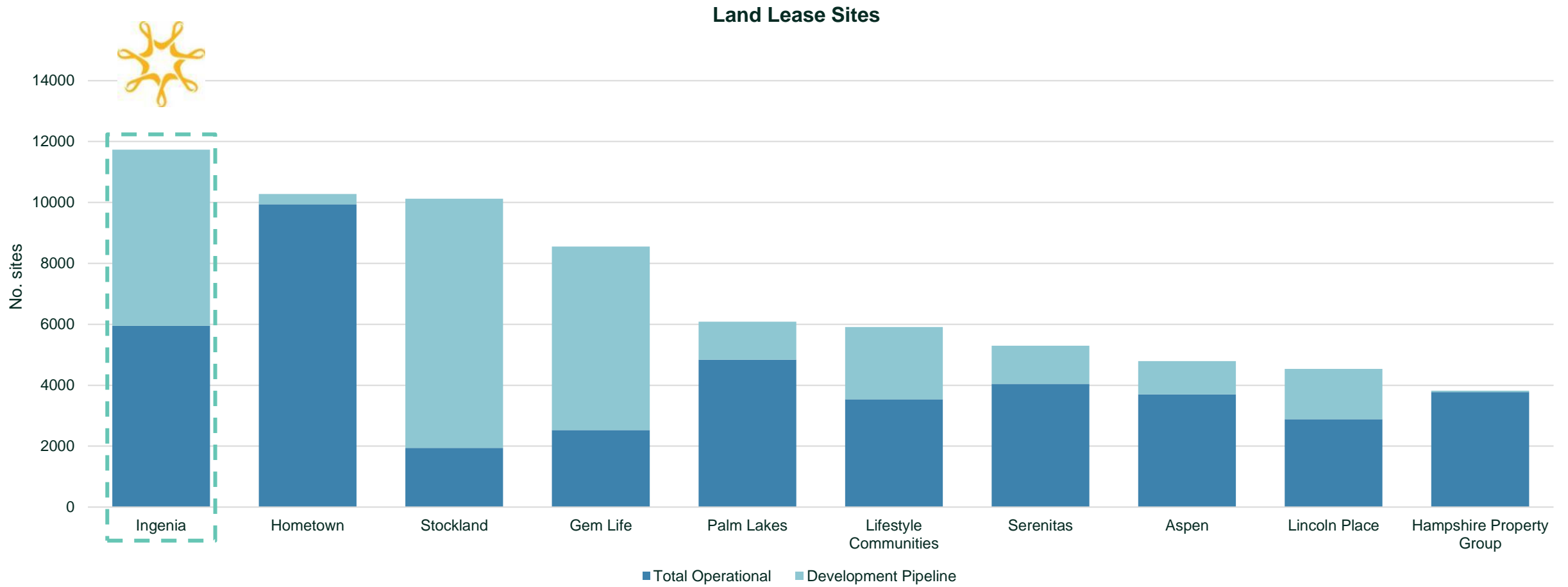
Community Name	LGA	Price growth (12 mths to Jun 23)	LGA Median House Price ('000s)	Days on market (12 mths to Jun 23)	Days on market (year on year change)
NSW					
Natura (Bobs Farm)	Port Stephens	4%	\$830	56	+26
Element (Fullerton Cove)	Port Stephens	4%	\$830	56	+26
Sunnylake Shores	Central Coast	-7%	\$890	61	+48
Archers Run (Morisset)	Lake Macquarie	-1%	\$825	34	+12
QLD					
Nature's Edge	Sunshine Coast	-2%	\$937	46	+31
Hidden Valley (Nambour)	Toowoomba	10%	\$520	27	+16
Hervey Bay	Fraser Coast	10%	\$495	54	+17
Freshwater	Moreton Bay	2%	\$705	27	+8
Bethania	Logan	9%	\$632	29	+19
Chambers Pines	Logan	9%	\$632	29	+19
Drift (Bargara)	Bundaberg	15%	\$460	25	+8
Millers Glen (Beaudesert)	Scenic Rim	6%	\$691	48	+23
Seachange Toowoomba	Toowoomba	10%	\$518	27	+16
Seachange Coomera	Gold Coast	2%	\$975	34	+18
Sanctuary (Victoria Point)	Redland City	-1%	\$770	33	+19
VIC					
Lara	Geelong	-5%	\$725	42	+21
Parkside	Ballarat	-	\$584	56	+28
Beveridge	Mitchell	-3%	\$620	61	+33

New developments broadening offer and price diversity

- ◆ Entry prices for current projects range from \$322k to >\$1m
- ◆ Projects provide affordable lifestyle option for broad cohort of downsizers



Competitive landscape



Source: Ingenia Business Development team estimates, based on public disclosures where available.



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