



INGENIA COMMUNITIES GROUP

Overview & Development

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Business update

Simon Owen, CEO



Ingenia Lifestyle Latitude One, NSW

Aerial – 15 May 2018

Business overview

creating Australia's best lifestyle communities



Over **6,700**
Income producing sites



Over **5,000** rental and
lifestyle residents



790,000 'room nights' p.a
Cabins, caravan and camping



Stable rent base ~\$1.5
million/pw



2,840 Development sites on
balance sheet or under option
10 communities under
development

Ingenia has

59 Australian
communities



Note: Excludes communities sold subsequent to December 2017, communities under option and two Settlers villages unless specified.

Delivering on targets

Ingenia has delivered on key strategic goals

- ✓ Divest non core assets to refocus portfolio on Australian rental communities
- ✓ Establish scalable platform and significant lifestyle communities presence
- ✓ Build a quality portfolio in key markets with embedded growth

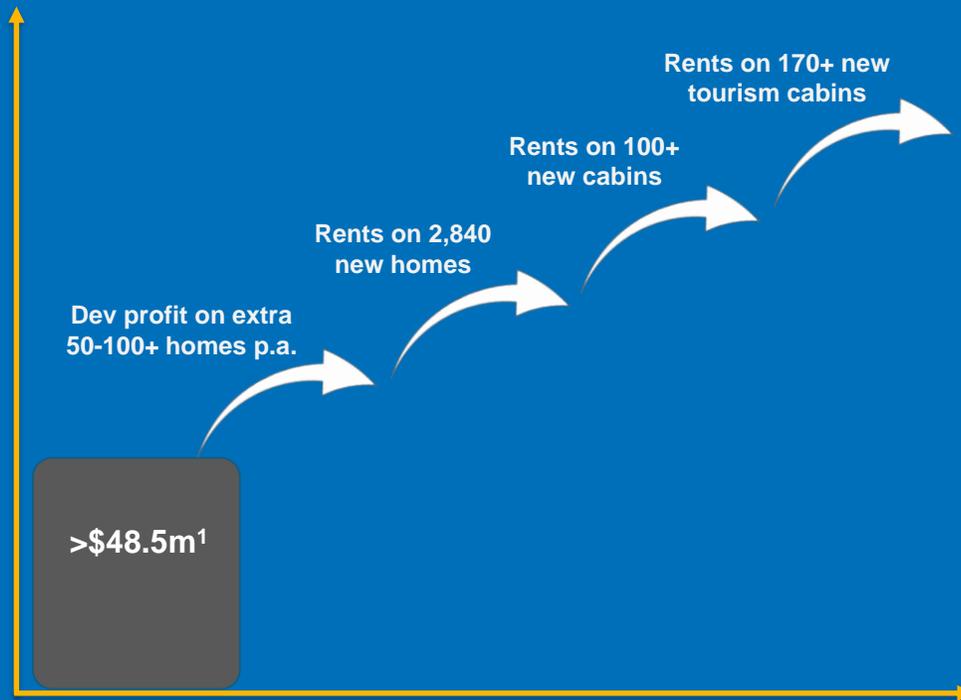
Ingenia has consistently met guidance

FY17	Target/Guidance	Outcome
Initial guidance – new home settlements	150	
Upgraded guidance – new home settlements	190	211
EBIT ¹	\$30 million	\$32.1 million
FY18 initial guidance	Target/Guidance	
New home settlements	260 – 280	
EBIT ¹	\$42 – 46 million	
FY18 upgraded guidance (Nov 17)	Target/Guidance	Current Forecast
New home settlements	260 – 280	280-285
EBIT ¹	\$45 - 47 million	>\$48.5 million
Underlying EPS ¹	>15.6 cents	>17.2 cents

1. EBIT and Underlying EPS are non-IFRS measures which exclude items such as unrealised fair gains/(losses) and adjustments arising from the effect of revaluing assets/liabilities.

Excellent visibility on future earnings growth

- > Increase new home settlements
- > Add land rents on 2,840 new homes
- > Add 100 new rental cabins at Chambers Pines, Sheldon and Durack
- > Add 170 new tourism cabins across key holiday parks



1. Revised guidance provided June 2018.



The Grange: Ingenia's first lifestyle community



Ingenia Lifestyle The Grange, Morisset NSW

final stage of development almost complete

- Expansion (56 sites) of established community
- First settlements commenced in October 2017
- 46 homes deposited, contracted or settled
 - › Average home price >\$384,000
 - › Prices range from \$325,000 to \$462,000

Major development precinct

April 2018

Development Overview: The Grange

Acquired March 2013

- Established community comprising 145 homes with upside through addition of 30-40 new homes
- Approval for six new homes
- In 2013/14 new homes sold for \$200-300k
- Purchase price \$10 m
- Capitalisation rate 9.45%
- Ave. weekly rent \$155

Development and asset optimisation

- Built new clubhouse, connected community to sewer
- Procured DA for 56 new homes on adjoining 'irrigation land'
- Ongoing buyback and refurbishment of homes

On completion

- Community comprising over 200 homes with upgraded facilities
- Current ave. weekly rent \$162
(Rent on new homes \$179 per week)
- Forecast value¹ \$17.5 m
- Capitalisation rate¹ 6.9%
- Forecast development IRR (unlevered, pre-tax) >20%

1. 1. Forecast once development complete. Forecast value excludes gross development profits realised (estimated to be over \$9 million).

Evolution of development



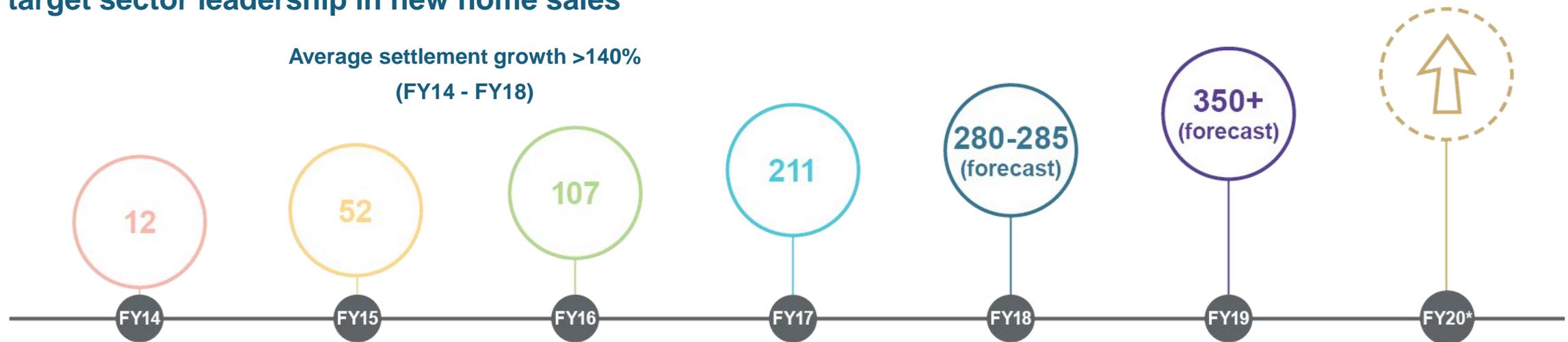
Ingenia Holidays Lake Conjola, NSW

Aerial – 7 March 2018

Rapid growth in settlements since entering the market in 2014

target sector leadership in new home sales

Average settlement growth >140%
(FY14 - FY18)



Coastal Conversion

(Ettalong, NSW Central Coast)

- 31 homes
- Homes built off-site
- Sold out within 7 months



First Metro Conversion

(Stoney Creek, Sydney)

- 140 homes
- Homes built off-site
- Strong sales rate



First Metro Expansion

(Lara, Vic)

- 177 homes
- Homes built on-site



First Greenfield

(Latitude One, Mid NSW Coast)

- Homes built on-site
- DA for 270 homes
- Successful 'pre-launch sales'
- Average sale price >\$494,000

New greenfield and expansion projects

(Metro and Coastal)

- Lara, VIC
- Plantations, NSW
- Hervey Bay, QLD
- Blueys Beach, NSW

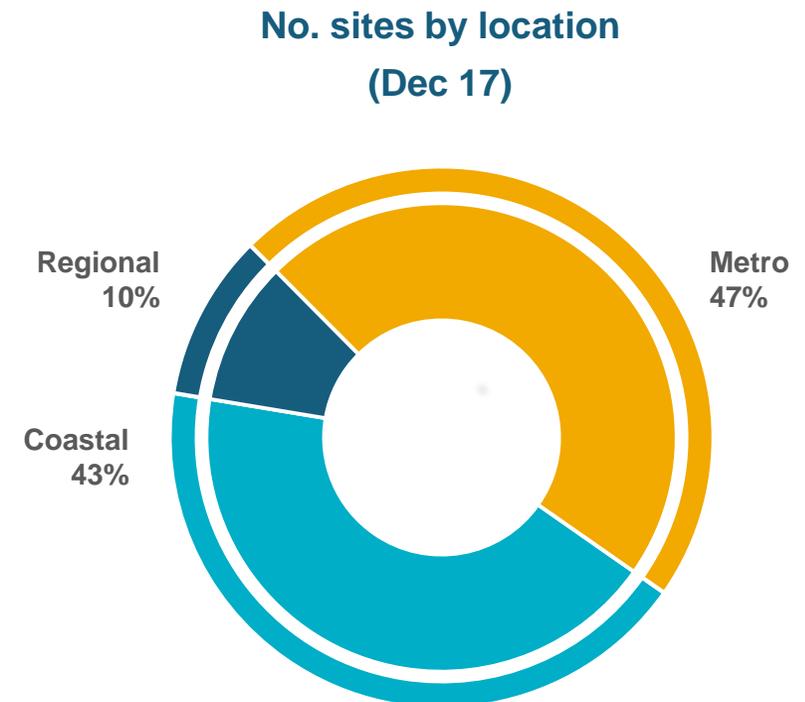
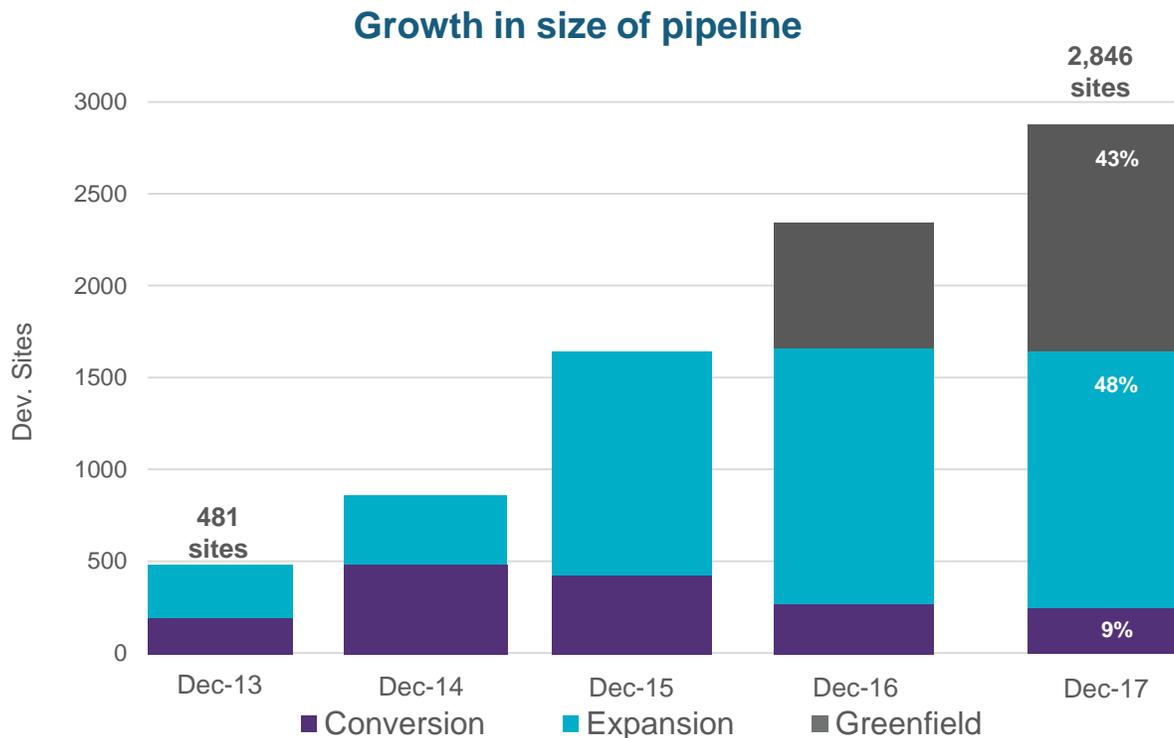
Existing multi-year projects established in market

- Latitude One
- Lake Conjola
- Bethania
- Chambers Pines

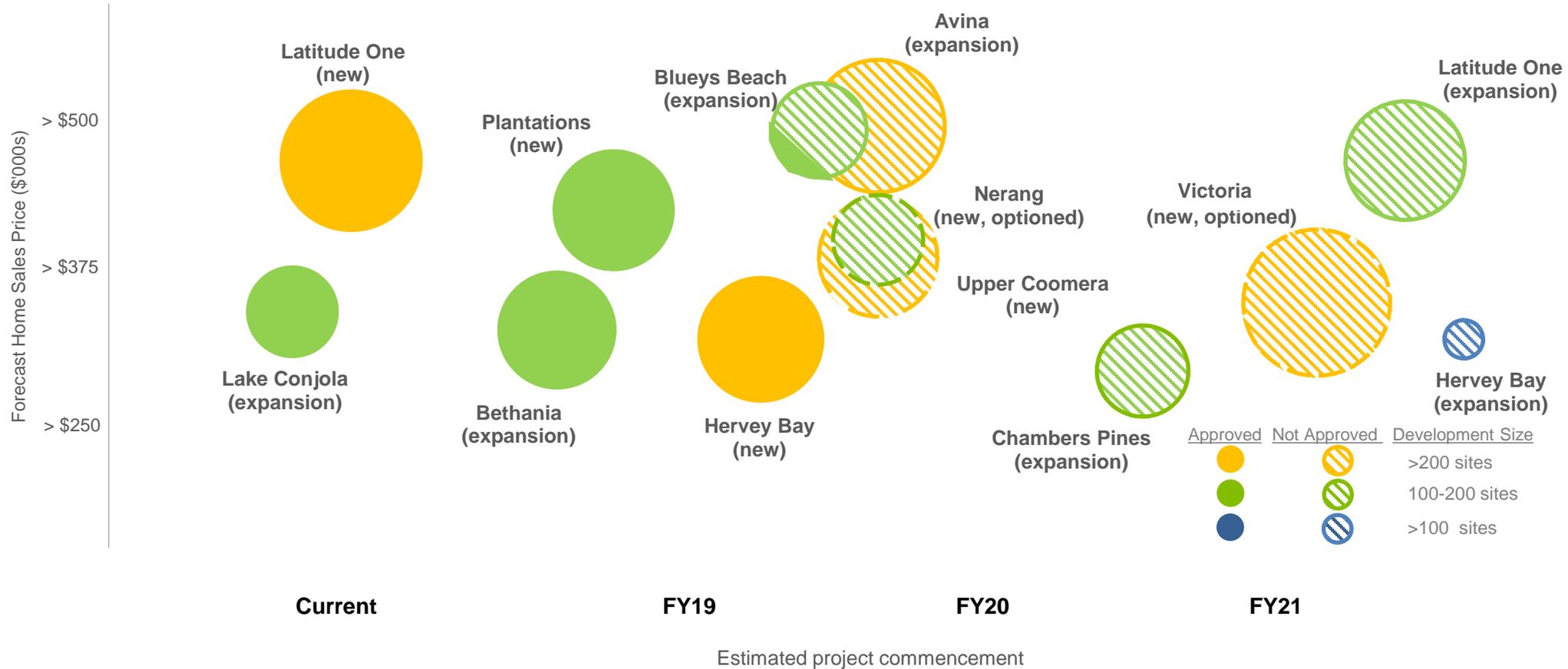
*Growth subject to capital availability and market conditions.

Focus now on larger expansion and greenfield projects

- > Over the past three years, Ingenia's development pipeline has been extended and reshaped, moving from tourism conversions (e.g. Ettalong) towards expansions (e.g. The Grange, Bethania) and greenfields projects (e.g. Latitude One, Plantations)
- > Expansion and greenfields developments typically offer higher sales rates and margins with extended project timelines



Significant pipeline underpinning sustainable growth



- > Market leading platform in place
- > All approvals secured for FY19 targeted settlements

Note: Timing and prices are indicative and subject to change. Includes assets under option.

Development – structure and process

strong inhouse team improves speed to market and margins

Key capabilities	Deliverables
> Project management	<ul style="list-style-type: none">> Manage and compress delivery timetable> Procurement efficiencies with key onsite trades> Ensure safe work site
> Design management	<ul style="list-style-type: none">> Improved lot layout efficiencies (maximise yield)> Speed to market, design innovation and quicker site analysis
> Customer Service Officer	<ul style="list-style-type: none">> Better move-in experience for residents and their families> Increased referrals
> Risk & Compliance	<ul style="list-style-type: none">> Safer work site
> Development management	<ul style="list-style-type: none">> Detailed feasibilities> Project improvements – increased yield, maximise premium lots

Supply chain

well established supplier relationships across diverse markets

- > Ingenia owned home designs enable competitive tender process with prequalified builders
- > Strong relationships formed with factory and on-site builders in key markets
- > Ingenia volume commitments and standardised designs means builders prepared to accept lower margins
- > Assessing opportunity for high volume importing of homes from China (already accessing rental cabins)



Ezi Build Group Pty Ltd



Evolution of development diversifying building methodologies

	Manufactured / relocatable homes built off-site	Relocatable homes built on-site
Product & Design	Constrained to transport and installation requirements – steps required	Able to meet market demand for level access homes and 'bricks and mortar' style
Cost	Low cost housing including transport cost	Additional cost in preliminaries and concrete slab – progress payments have a greater impact on working capital
Timing	10 – 12 weeks	~12-16 weeks allowing for wet weather contingency and concrete slab
Pricing	Affordable price point	Higher prices achievable based on traditional residential style and level access



Overview: Latitude One

Acquired December 2016 (DA in place for 229 homes)

- > Located on 29.2 hectares 50 kilometres from Newcastle (Port Stephens LGA)
- > Opportunity to create new master planned seniors community in strong coastal market
- > Acquired from private owner who retains an interest

Project enhanced via increase in site yield and product innovation

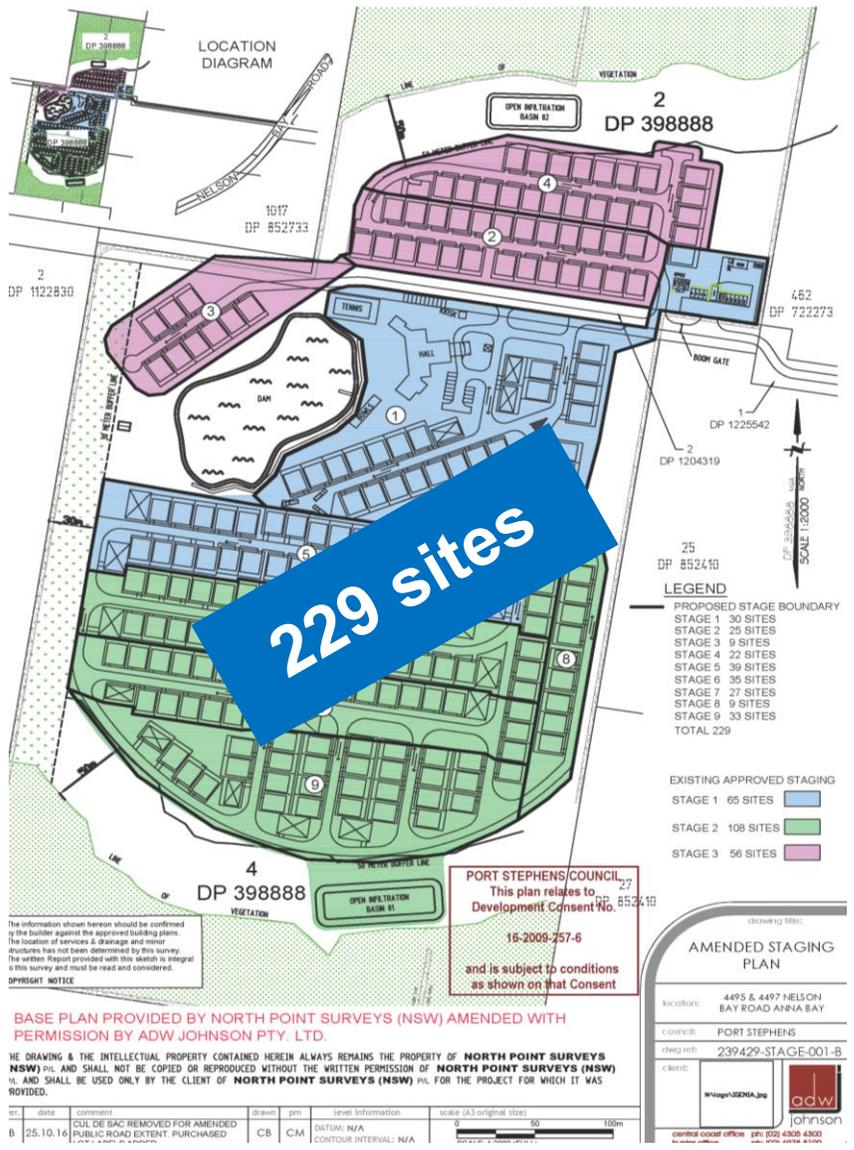
- > Reconfigured project to increase yield from 229 to 270 homes
- > Achieved approval to build premium relocatable homes on site
- > Evolution of premium home designs and finishes
- > Focus on design excellence - facilities include indoor and outdoor pool, bowling green, library, cinema, croquet lawn and community garden

“First Choice Club” presales significantly reduced project risk

Targeting an unlevered, pre-tax IRR of >20%

Masterplan

reconfigured masterplan - design efficiency and enhanced site yield



Development milestones

- > Site acquired December 2016
- > Works commenced on site mid 2017
- > Lead in works completed December 2017
- > Adjoining 12 hectares of land (Lot 25) acquired July 2017
- > First homes commenced construction December 2017 – initial settlements from June 2018
- > Community facility commencing July 2018 – to complete FY19
- > In discussion with Council to procure development approval for Lot 25

Key

- — — Existing site area
- — — Lot 25



Construction



Questions



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