

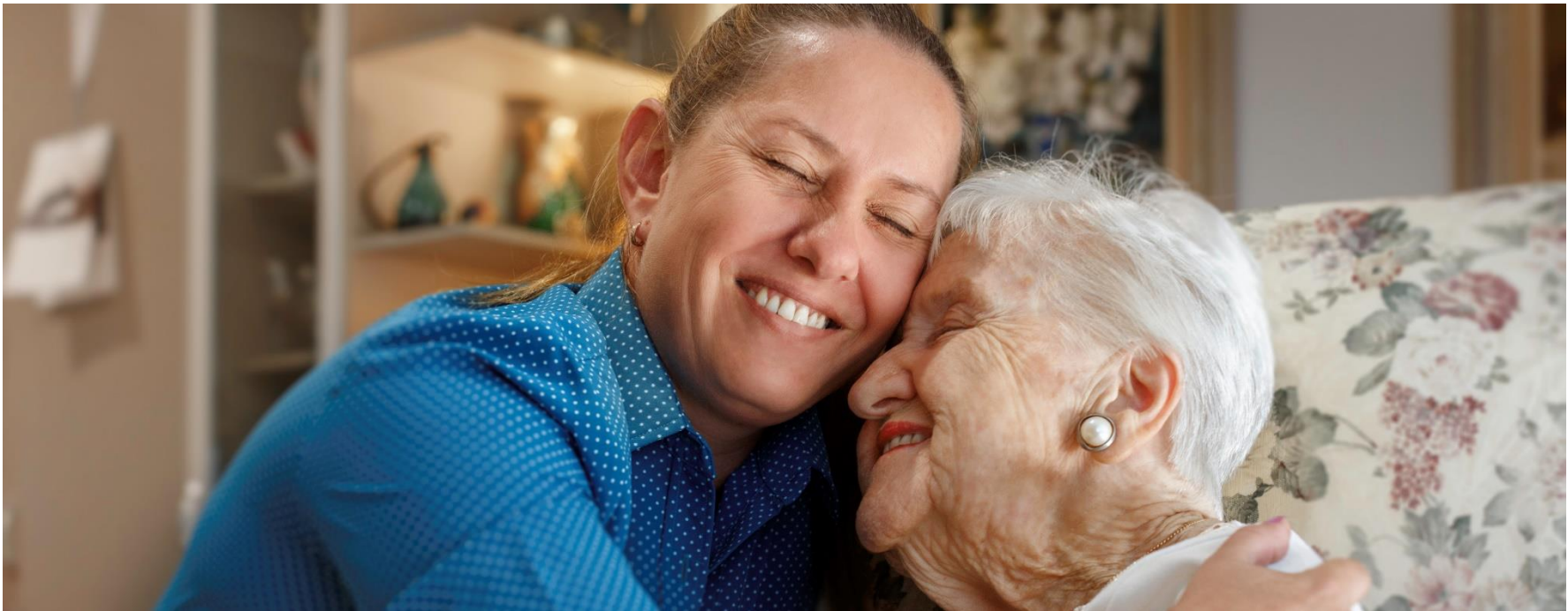


Results Presentation Annexure

Results for the year ended 30 June 2019

28 August 2019



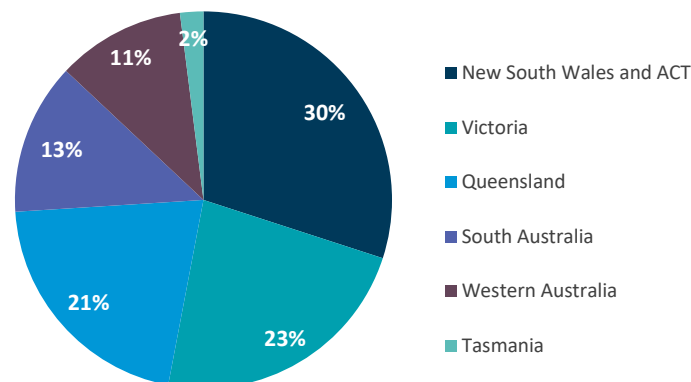


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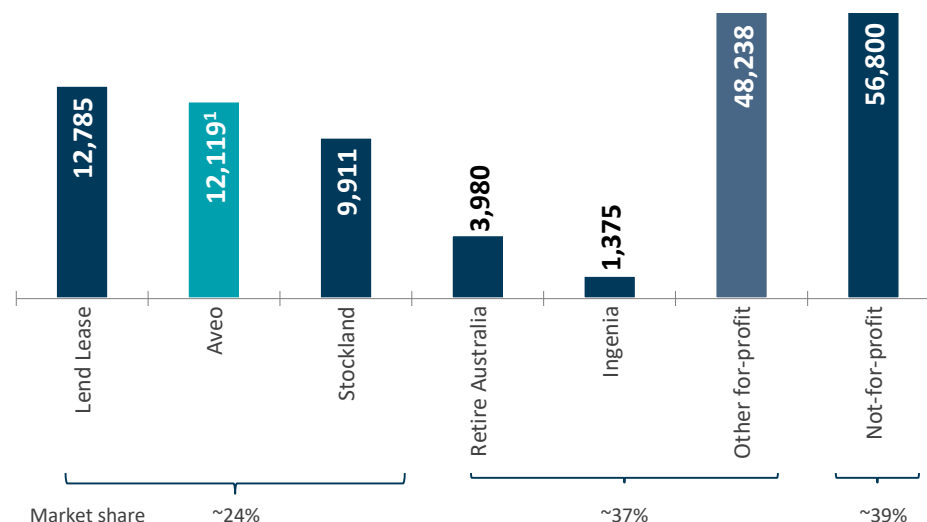
Australian Retirement Sector

- An estimated 184,000 retirees live in retirement communities throughout Australia representing approximately 6% of the population over 65 years of age
- Aveo residents make up 7.6% of the total estimated retirees in retirement communities¹
- For-profit operators make up circa 61% of the market while the other 39% is operated by non-profit organisations
- Majority of accommodation is single-level or low-rise villas with community facilities
- Most common title structure is leasehold with DMF (circa 75% of Aveo portfolio is leasehold)
- The typical ILU costs approximately 64% of the median house price in the same postcode
- The industry average age of residents is 81 compared to an average of 83 at Aveo communities

Retirement Village Units by State



Retirement Village Operators by Units Managed



¹ Includes Aveo's Australian portfolio only.

Sources: Company Announcements 2019; PriceWaterhouseCoopers, Property Council Retirement Census 2018; Retirement Living Council, Grant Thornton, National Overview of the Retirement Village Sector 2014.



Section i. Sector Information

Section ii. Strategy

Section iii. Retirement Information

Section iv. Change of Treatment in Underlying
Profit Recognition in FY20

Section v. Non-Retirement Information

Section vi. Profit and Loss

Section vii. Balance Sheet

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Business Components of the Aveo Long Term Strategy

Established Business	Development	Care and Support Services
<ul style="list-style-type: none"> Existing DMF/CG generating retirement communities and associated non-DMF fee revenue Target gross margin for DMF/CG resale product of greater than 30% (before reinstatement costs, marketing and sales costs and overhead costs) Ongoing unit buyback and subsequent resale program (target margin 5% – 10%) Target written and settlement sales rates at levels of 10% – 12% Introducing Freedom care offering to selected communities in the Aveo portfolio Increase unit pricing in line with residential market price growth Improve Aveo contract terms and options for residents Maintain cost efficient operational structures 	<ul style="list-style-type: none"> Major Development projects comprising a mix of greenfield, brownfield and redevelopments Existing Major Development pipeline of over 4,500 units to be developed over 5 – 10 years Delivery target of at least 500 new units from Major Developments p.a. (target margin 16% – 20% pre-interest)¹ Minor Development of Freedom conversion and Freedom original units to assist in rolling out Freedom product targeting 150 units p.a. post FY20 (target margin 35% – 40% pre-interest)² Continue to expand pipeline through selected new site acquisitions Future acquisitions of new sites must meet required investment return metrics 	<ul style="list-style-type: none"> Existing high care income from four co-located aged care facilities owned and operated by Aveo Continual delivery of new aged care facilities to support an increase in the integrated retirement community offering Existing pipeline of 850 aged care beds Preference to deliver one new RACF p.a.³ Low care in-home services to residents via Aveo Care at Home offering Increase penetration rate for Aveo Care at Home within communities Aveo owned Allied Healthcare providers integrated into retirement community operations

¹ FY20 - 62, returning to 500+ by FY22.

² FY20 - 125, FY21+ - 150.

³ FY20 - No deliveries planned



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Retirement – Our Portfolio



- Aveo owns 94 existing communities across the east coast and Adelaide
- Aveo also owns five existing communities in the south-east of the United States of America
- Communities predominantly located in prime metropolitan locations
- Australian portfolio characterised by mature communities with 63 communities more than 20 years old, with established resident communities

Portfolio Snapshot

Units	Communities	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline ³ – Units	Pipeline – Beds	Total Units (Future)
Aveo ¹	89	7,836	1,367	1,389	10,592	283	10,875	4,300	561	15,736
Aveo Healthcare ²	5	1,275	169	83	1,527	123	1,650	96	105	1,851
Total Australia	94	9,111	1,536	1,472	12,119	406	12,525	4,396	666	17,587
Aveo – US	5	15	260	-	275	-	275	-	-	275
Total Aveo	99	9,126	1,796	1,472	12,394	406	12,800	4,396	666	17,862

¹ Includes 34 units not offered for accommodation purposes e.g. managers' units.

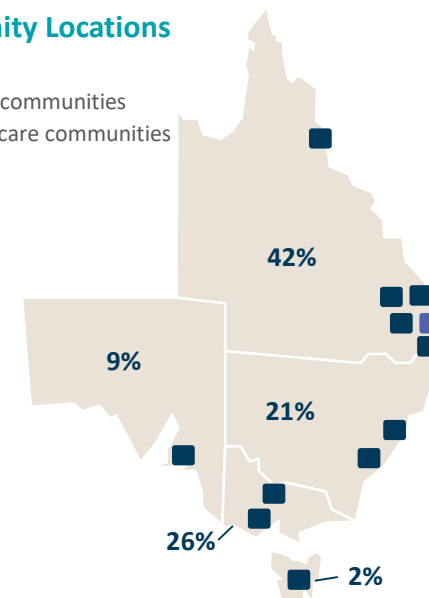
² Includes 9 units not offered for accommodation purposes e.g. managers' units; Aveo Healthcare is 86% owned by Aveo.

³ Development pipeline net of 321 units to be redeveloped.

Aveo Community Locations

Legend

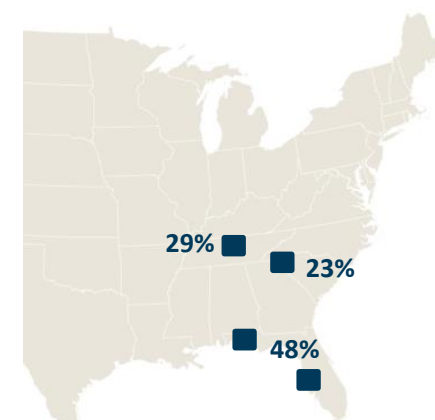
- Aveo Group communities
- Aveo Healthcare communities



US Senior Living Locations

Legend

- US Senior communities



Retirement Community Portfolio – Aveo



Aveo Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
Queensland Communities										
Amity Gardens	Ashmore	119	-	-	119	-	119	-	-	119
Aspley Court	Aspley	118	44	-	162	-	162	-	-	162
Bridgeman Downs	Bridgeman Downs	113	73	-	186	-	186	-	-	186
Carindale	Carindale	163	41	-	204	-	204	249	100	553
Clayfield	Clayfield	-	-	39	39	-	39	-	-	39
Cleveland Gardens	Ormiston	154	-	66	220	-	220	-	-	220
Lindsay Gardens	Buderim	122	52	-	174	-	174	-	-	174
Manly Gardens	Manly	168	-	-	168	-	168	-	-	168
Morayfield	Caboolture South	-	-	104	104	-	104	-	-	104
Newmarket	Newmarket	75	-	-	75	-	75	183	-	258
Newstead	Newstead	144	55	-	199	99	298	-	-	298
Peregian Springs	Peregian Springs	189	48	-	237	-	237	-	-	237
Redland Bay	Redland Bay	-	-	81	81	-	81	24	-	105
Robertson Park	Robertson	90	32	-	122	-	122	115	-	237
Robina	Robina	126	-	-	126	-	126	-	-	126
Rosedale	Rosedale	-	-	110	110	-	110	-	-	110
Southport Gardens	Southport	90	-	-	90	-	90	215	-	305
Springfield	Springfield	104	48	-	152	-	152	2,204	144	2,500
Sunnybank Green	Sunnybank	56	-	-	56	-	56	-	-	56
Tanah Merah	Slacks Creek	-	-	124	124	-	124	20	-	144
The Domain	Ashmore	323	52	-	375	-	375	-	-	375
The Parks	Earlville	157	-	-	157	-	157	-	-	157

Retirement Community Portfolio – Aveo



Aveo Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline – Units	Pipeline – Beds	Total Units (Future)
Queensland Communities (Cont.)										
Toowoomba Bridge Street	Toowoomba	-	-	58	58	-	58	-	-	58
Toowoomba Taylor Street	Toowoomba	-	-	103	103	-	103	-	-	103
Tranquility Gardens	Helensvale	115	-	-	115	-	115	-	-	115
Palmview	Palmview	38	-	-	38	-	38	100	-	138
Sanctuary Cove	Sanctuary Cove	-	-	-	-	-	-	163	-	163
The Rochedale Estates	Rochedale	-	-	-	-	-	-	219	-	219
Total QLD		2,464	445	685	3,594	99	3,693	3,492	244	7,429
New South Wales Communities										
Banora Point	Banora Point	125	-	-	125	-	125	-	-	125
Banora Point	Banora Point	-	-	84	84	-	84	-	-	84
Bayview Gardens	Bayview	262	38	-	300	73	373	-	-	373
Bella Vista	Bella Vista	64	-	-	64	-	64	400	144	608
Camden Downs	Camden South	65	-	-	65	-	65	-	-	65
Coffs Harbour	Coffs Harbour	-	-	50	50	-	50	-	-	50
Fernbank	St Ives	156	37	-	193	-	193	-	-	193
Island Point	St Georges Basin	101	-	-	101	-	101	54	-	155
Lindfield Gardens	East Lindfield	138	40	-	178	-	178	-	-	178
Manors Of Mosman	Mosman	133	21	-	154	-	154	-	-	154
Maple Grove	Casula	112	-	-	112	-	112	-	-	112
Minkara Resort	Bayview	159	43	-	202	51	253	-	-	253
Mosman Grove	Mosman	31	37	-	68	-	68	-	-	68

Retirement Community Portfolio – Aveo



Aveo Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline – Units	Pipeline – Beds	Total Units (Future)
New South Wales Communities (Cont.)										
Mountain View	Murwillumbah	220	51	-	271	-	271	-	-	271
Newcastle	Newcastle	95	-	-	95	-	95	205	123	423
Peninsula Gardens	Bayview	77	34	-	111	-	111	-	-	111
Pittwater Palms	Avalon	127	41	-	168	-	168	-	-	168
Tamworth	Tamworth	-	-	56	56	-	56	20	-	76
Tweed Heads	Tweed Heads	-	-	70	70	-	70	-	-	70
Total NSW		1,865	342	260	2,467	124	2,591	679	267	3,537
Victoria Communities										
Balwyn Manor	Balwyn	-	53	-	53	-	53	-	-	53
Bendigo	Bendigo	-	-	96	96	-	96	-	-	96
Bentleigh	Bentleigh	27	43	-	70	-	70	-	-	70
Botanic Gardens	Cranbourne	157	-	-	157	-	157	-	-	157
Cherry Tree Grove	Croydon	354	36	-	390	-	390	-	-	390
Concierge Balwyn	Balwyn	-	-	71	71	-	71	-	-	71
Concierge Bayside	Hampton	86	-	-	86	-	86	-	-	86
Domaine	Doncaster	167	-	-	167	-	167	-	-	167
Dromana	Safety Beach	-	-	67	67	-	67	-	-	67
Edrington Park	Berwick	149	-	35	184	-	184	-	-	184
Fountain Court	Burwood	130	-	42	172	-	172	-	-	172
Geelong	Grovedale	-	-	48	48	-	48	-	-	48
Hampton Heath	Hampton Park	53	-	-	53	-	53	-	-	53
Hunters Green	Cranbourne	210	-	-	210	-	210	-	-	210
Kingston Green	Cheltenham	108	40	-	148	-	148	-	-	148

Retirement Community Portfolio – Aveo



Aveo Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
Victoria Communities (Cont.)										
Lisson Grove	Hawthorn	-	39	-	39	-	39	-	-	39
Mingarra	Croydon	174	-	-	174	60	234	84	50	368
Oak Tree Hill	Glen Waverley	147	-	47	194	-	194	-	-	194
Pinetree	Donvale	73	-	-	73	-	73	-	-	73
Roseville	Doncaster East	111	-	38	149	-	149	-	-	149
Sackville Grange	Kew	97	-	-	97	-	97	-	-	97
Springthorpe	Macleod	88	-	-	88	-	88	-	-	88
Sunbury	Sunbury	102	-	-	102	-	102	-	-	102
The George	Sandringham	74	36	-	110	-	110	-	-	110
Toorak Place	Toorak	54	-	-	54	-	54	-	-	54
Veronica Gardens	Northcote	58	54	-	112	-	112	-	-	112
Total VIC		2,419	301	444	3,164	60	3,224	84	50	3,358
South Australia Communities										
Ackland Park	Everard Park	30	20	-	50	-	50	-	-	50
Carisfield	Seaton	103	-	-	103	-	103	-	-	103
Crestview	Hillcrest	88	-	-	88	-	88	-	-	88
Fulham	Fulham	68	27	-	95	-	95	-	-	95
Glynde Lodge	Glynde	80	-	-	80	-	80	-	-	80
Gulf Point	North Haven	55	-	-	55	-	55	-	-	55
Kings Park	Kings Park	19	31	-	50	-	50	-	-	50
Leabrook Lodge	Rostrevor	62	-	-	62	-	62	-	-	62
Leisure Court	Fulham Gardens	43	-	-	43	-	43	-	-	43

Retirement Community Portfolio – Aveo



Aveo Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
South Australia Communities (Cont.)										
Manor Gardens	Salisbury East	40	32	-	72	-	72	-	-	72
Melrose Park	Melrose Park	89	36	-	125	-	125	-	-	125
Riverview	Elizabeth Vale	53	-	-	53	-	53	-	-	53
The Braes	Reynella	103	28	-	131	-	131	-	-	131
The Haven	North Haven	36	31	-	67	-	67	-	-	67
Westport	Queenstown	62	-	-	62	-	62	-	-	62
Total SA		931	205	-	1,136	-	1,136	-	-	1,136
Tasmania Communities										
Derwent Waters	Claremont	112	45	-	157	-	157	-	-	157
Mowbray Links	Mowbray	45	29	-	74	-	74	45	-	119
Total TAS		157	74	-	231	-	231	45	-	276
Total Aveo Communities		7,836	1,367	1,389	10,592	283	10,875	4,300	561	15,736

Retirement Community Portfolio – Aveo Healthcare



Aveo Healthcare Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
Queensland Communities										
Albany Creek	Albany Creek	304	-	83	387	-	387	-	-	387
Clayfield	Albion	236	-	-	236	-	236	-	105	341
Cleveland	Cleveland	110	28	-	138	-	138	-	-	138
Durack	Durack	523	104	-	627	123	750	-	-	750
Taringa	Taringa	102	37	-	139	-	139	-	-	139
Labrador	Labrador	-	-	-	-	-	-	96	-	96
Total Aveo Healthcare Communities		1,275	169	83	1,527	123	1,650	96	105	1,851
Total Australian Communities		9,111	1,536	1,472	12,119	406	12,525	4,396	666	17,587

Retirement Community Portfolio – Aveo US



US Seniors Communities	Location	ILUs	SAs	Freedom SAs	Existing Total	Aged Care Beds	Existing Units & Beds	Pipeline - Units	Pipeline - Beds	Total Units (Future)
US Communities										
Fort Walton Beach	Fort Walton Beach, Florida	-	58	-	58	-	58	-	-	58
Sun City Center	Ruskin, Florida	-	42	-	42	-	42	-	-	42
Tampa	Tampa, Florida	-	32	-	32	-	32	-	-	32
Seneca	Seneca, South Carolina	15	47	-	62	-	62	-	-	62
Franklin	Franklin, Tennessee	-	81	-	81	-	81	-	-	81
Total US Seniors Communities		15	260	-	275	-	275	-	-	275
Total All Communities		9,126	1,796	1,472	12,394	406	12,800	4,396¹	666	17,862

¹ Development pipeline net of 321 units to be redeveloped.

Retirement Sales Update



- The Aveo Way Contracts have been well received since introduction in September 2018 as shown below

	Aveo Essentials ¹	Aveo Way	Aveo Certainty
% of Contracts Settled²	▪ 5%	▪ 62%	▪ 24%
DMF Rate	▪ 35%	▪ 35%	▪ 35%
DMF Accrual Period	▪ Five years	▪ Three years	▪ Three years
Money Back Guarantee	▪ Within three months of entry	▪ Within six months of entry	▪ Within six months of entry
Buyback Guarantee	▪ 12 months from departure	▪ Six months from departure	▪ Six months from departure
Additional Membership Benefits ³	▪ NA	▪ NA	<ul style="list-style-type: none"> ▪ Transfer to nearest Freedom units with no extra DMF ▪ Transfer to nearest RACF⁴ ▪ Transfer to any similar unit in Australian portfolio with no extra DMF
Membership Cost	▪ No cost	▪ No cost	▪ \$2,000 p.a paid upon exit

¹ Only available for ILUs.

² As at the end of FY19.

³ All three contracts include a number of retail and other benefits e.g. no refurbishment or sale costs on exit. Only available for transfers to a unit/apartment with a list price less than or equal to the list price of the resident's existing unit/apartment. All transfers are subject to availability and any one resident is limited to a maximum of two transfers.

⁴ For Newstead, Durack and Mingarra and transfers from Clayfield to Newstead; Springfield and Robertson Park to Durack, the net equity in the resident's product will be treated as the RAD price.

Retirement Results – Further Information



- Total Established Business revenue was marginally higher than FY18, reflecting steady Established Business sales levels in FY19
- Development revenue decreased due to the composition of projects which were delivered and lower Minor Development sales
- Care and Support Services revenue increased with the continual take up of beds in the Newstead RACF
- Newstead is not fully occupied yet and so running cost shortfall offsets performance across other RACFs

Key Performance Indicators	FY19	FY18	Change
Segment revenue			
Established Business	\$168.5m	\$164.3m	3%
Development	\$240.2m	\$394.4m	(39%)
Care and Support Services	\$53.3m	\$42.0m	27%
Total Retirement revenue	\$462.0m	\$600.7m	(23%)
Profit contribution			
Established Business	\$47.5m	\$59.4m	(20%)
Development	\$11.1m	\$80.6m	(86%)
Care and Support Services	(\$1.4m)	\$0.8m	NM
Total Retirement contribution	\$57.2m	\$140.9m	(59%)
EBIT contribution			
Established Business	\$46.5m	\$58.9m	(21%)
Development	\$10.9m	\$80.5m	(86%)
Care and Support Services	(\$4.2m)	(\$0.9m)	366%
Total Retirement EBIT	\$53.2m	\$138.6m	(62%)
Sales Volumes (units)			
Established Business sales	615	622	(1%)
Development sales	286	352	(19%)
Total	901	974	(7%)
Total value of units transacted	\$408.1m	\$457.4m	(11%)

Components of Established Business Profit Contribution



- The Established Business is based on the on-sale of existing units in the portfolio to new incoming residents. These transactions generate DMF/CG income for Aveo.
- DMF/CG generating transactions occur in the form of resales and buyback purchases (Aveo purchases the unit to on-sell to an incoming resident)
- Gross DMF/CG = Number of DMF/CG Generating Transactions x Average Transaction Value x Average DMF/CG Margin %
- Buyback sales are on-sales of bought back units to incoming residents which generate profit when units are sold above cost
- Buyback Sales Profit = Buyback Sales x Average Transaction Value x Average Margin %
- Profit from DMF/CG and buyback sales is offset by the costs of reselling and operating the portfolio

Established Business		FY19	FY18	FY17
DMF/CG				
DMF/CG generating transactions ¹		730	785	1,177
Average transaction value	x	\$382k	\$381k	\$358k
Average DMF/CG margin %	x	27.6%	27.9%	27.3%
Gross DMF/CG	=	\$76.9m	\$83.5m	\$115.0m
Reinstatement costs	-	(\$9.5m)	(\$8.5m)	(\$9.3m)
DMF/CG profit	=	\$67.4m	\$75.0m	\$105.7m
Buyback sales				
Buyback sales		216	186	226
Average transaction value	x	\$327k	\$324k	\$307k
Average margin %	x	3.7%	5.7%	10.2%
Buyback sales profit	=	\$2.6m	\$3.4m	\$7.3m
Profit contribution				
DMF/CG profit		\$67.4m	\$75.0m	\$105.7m
Buyback sales profit	+	\$2.6m	\$3.4m	\$7.3m
Other income	+	\$20.9m	\$20.6m	\$19.7m
Marketing/commission expenses	-	(\$17.9m)	(\$13.8m)	(\$19.4m)
Village expenses	-	(\$4.2m)	(\$1.8m)	(\$1.1m)
Other expenses	-	(\$21.4m)	(\$24.0m)	(\$38.4m)
Total profit contribution	=	\$47.5m	\$59.4m	\$73.8m

¹ Resales, operating buyback purchases and Freedom conversion (Refer to slide 19).

Note: Refer to A5 for group targets.

Components of Development Profit Contribution



- The development business is based on the delivery of new units (Major Development) and the sale of units undergoing substantial refurbishment and/or conversion to Freedom (Minor Development)
- Major Development gross profit is generated when new units are delivered at values above cost
- Major Development Gross Profit = New Stock Delivered x Average Transaction Value x Average Margin %
- Minor Development gross profit is generated when units are sold at values above cost
- Minor Development Gross Profit = Settlements x Average Transaction Value x Average Margin %
- Gross development profit is offset by the costs associated with selling development stock and overhead

Development		FY19	FY18	FY17
Major Development				
Delivery of new stock		419	506	266
Average transaction value	x	\$478k	\$652k	\$520k
Average margin %	x	20.9%	28.0%	19.0%
Major Development gross profit¹	=	\$41.8m	\$92.3m	\$26.3m
Minor Development				
Minor Development settlements		75	127	80
Average transaction value	x	\$533k	\$508k	\$343k
Average margin %	x	39.9%	43.3%	47.0%
Minor Development gross profit	=	\$15.9m	\$27.8m	\$12.9m
Profit contribution				
Major Development gross profit		\$41.8m	\$92.3m	\$26.3m
Minor Development gross profit	+	\$15.9m	\$27.8m	\$12.9m
Marketing expenses	-	(\$18.3m)	(\$16.3m)	(\$8.4m)
Holding costs	-	(\$7.2m)	(\$1.3m)	(\$0.5m)
Other expenses ²	-	(\$21.1m)	(\$22.0m)	(\$5.2m)
Total profit contribution	=	\$11.1m	\$80.6m	\$25.2m

¹ Includes profit adjustments from deliveries where actual sales price were higher/lower than expected and/or actual expenses were higher/lower than expected.

² Relates mainly to overhead expenses.

Note: Refer to A5 for group targets.

Retirement Buyback Stock – Further Information



- Operating buyback purchases (DMF/CG generating) include discretionary, internal transfers and mandatory buybacks
- Buyback sales increased by 16% on FY18
- Operating buyback units increased from FY18 as times to settle increased requiring units to be bought back on a mandatory basis (both contractual and legislative)
- 46 units were bought back under the Aveo Way Contracts money back guarantee in FY19 (on entry)

Established Business	FY19	FY18	Change
Opening operating buyback units	357	295	21%
Add: units bought back	341	298	14%
Less: units sold	(216)	(186)	16%
Less: units classified as IPUC ¹	-	(53)	(100%)
Add: other stock movements	5	3	67%
Closing operating buyback units	487	357	36%
Total value of operating buyback units	\$159.8m	\$118.6m	35%
Average price of units	\$328k	\$332k	(1%)

¹ Units bought back for redevelopment purposes are held in IPUC.

Units Bought Back	FY19	FY18	Change
Operating buyback purchases			
Discretionary	56	120	(53%)
Mandatory ²	213	140	52%
Subtotal	269	260	3%
Internal transfers	26	24	8%
Total operating buyback purchases (DMF/CG generating)	295	284	4%
Money back guarantee buybacks	46	14	229%
Total operating buyback purchases	341	298	14%

² Includes statutory and contractual buybacks (including buyback guarantee).

Major Development – Further Information



- Total of 419 new units delivered in FY19
- Continue to target development margins for Major Development of 16% – 20% (pre-interest)
- In view of current sales rates, deliveries have been reduced for FY20, with deliveries to take place at Newcastle and Island Point only
- Management focus remains on selling existing new stock before development activity is resumed at previous rates
- An average delivery target of 500 units p.a. to resume once market recovers

Major Development	FY19	FY18	Change
Opening major units available	570	289	97%
Add: units delivered	419	506	(17%)
Less: units reconfigured	(1)	-	NM
Less: development units sold	(211)	(225)	(6%)
Closing major units available	777	570	36%
Total value of units available for sale	\$423.8m	\$346.8m	22%
Average price of units available for sale	\$545k	\$608k	(10%)

Minor Development – Further Information



- Continue to target development margins for Minor Development of 35% – 40% (before funding costs)
- 646 Minor Development units are forecast to be sold down over the next five years

Development	FY19	FY18	Change
Opening minor development units	329	392	(16%)
Add: Freedom conversion units bought back	36	65	(45%)
Less: minor development units sold	(75)	(127)	(41%)
Less: other stock movements	3	(1)	(400%)
Closing minor development units available	293	329	(11%)
Units to be converted	353	392	(10%)
Total minor development forecast to be sold	646	721	(10%)
Carrying value of units	\$74.6m	\$76.9m	(3%)
Average carrying value of units	\$255k	\$234k	9%

Minor Development – Further Information



Community	Total units ³	Sold under Freedom	% Sold under Freedom	Units under refurbishment or available	Units to be converted	Total Minor developments forecast to be sold
Conversion Villages						
Edrington Park ¹	35	18	51%	1	16	17
Albany Creek ¹	83	36	43%	-	47	47
Cleveland Gardens ¹	66	22	33%	-	44	44
Concierge Balwyn ¹	71	20	28%	20	31	51
Fountain Court ¹	42	11	26%	13	18	31
Roseville ¹	38	10	26%	12	16	28
Oak Tree Hill ¹	47	10	21%	20	17	37
The George	110	21	19%	22	67	89
Lisson Grove	39	7	18%	17	15	32
Kingston Green	40	7	18%	15	18	33
Balwyn Manor	53	9	17%	33	11	44
Concierge Bayside	86	8	9%	25	52	77
Total Conversion Villages	710	179	25%	178	352	530
Original Freedom Villages^{1,2}						
Freedom Banora Point	15	12	-	3	-	3
Freedom Bendigo	53	34	-	19	-	19
Freedom Bridge Street	5	3	-	2	-	2
Freedom Coffs Harbour	29	15	-	14	-	14
Freedom Dromana	57	25	-	31	1	32
Freedom Geelong	5	4	-	1	-	1
Freedom Launceston	33	2	-	31	-	31
Freedom Morayfield	10	8	-	2	-	2
Freedom Redland Bay	2	-	-	2	-	2
Freedom Tamworth	5	4	-	1	-	1
Freedom Tanah Merah	1	-	-	1	-	1
Freedom Taylor Street	16	8	-	8	-	8
Total Original Freedom Villages	231	115	-	115	1	116
Total	941	294	-	293	353	646

¹ Community valued on Freedom unit price and contract assumptions (see slide 15 for further detail).

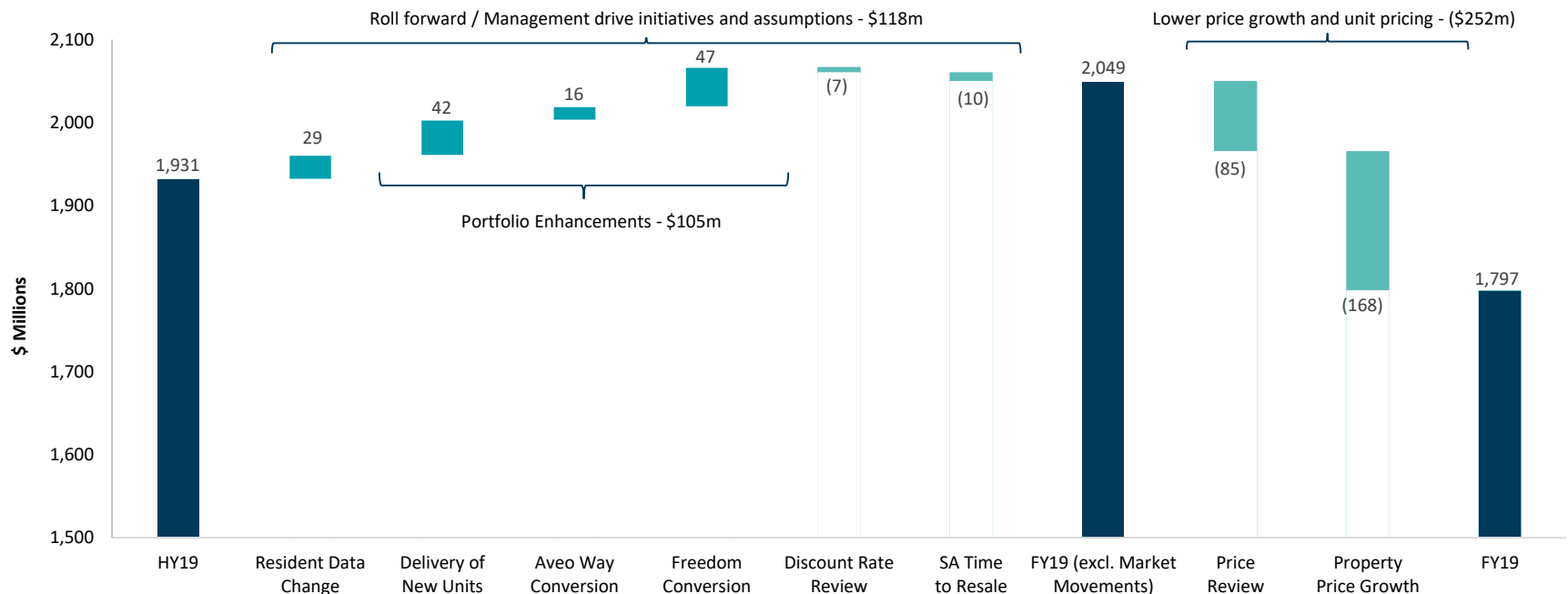
² Excluding villages that are completed and sold.

³ Including adjustments since acquisition.

Net Retirement Portfolio Revaluation – HY19 to FY19



- The net valuation of the retirement portfolio decreased by \$134m from \$1,931m in HY19 to \$1,797m in FY19
- Implementation of management initiatives resulted in a valuation uplift
 - New DMF income stream created on the delivery of new units, and update of resident data
 - Adoption of Aveo Way contracts and transition of villages to Freedom Aged Care
- However, the overall valuation was down due to market-driven factors
 - Lower property price growth assumptions adopted
 - 20 year average property price growth rate of 3.38% (HY19: 3.65%)



Retirement – Investment Property Valuation



- No property price growth is assumed in the short term
- Long term property price growth has been revised downwards from 4.25% in FY18 to 3.75% in FY19 for ILUs/converted Freedom units, and from 4.25% in FY18 to 2.5% in FY19 for SAs
- Resident age, historical resident length of stay and resident entry age support current long term tenure assumptions
- Total portfolio real estate value steady at \$5.1b compared to FY18
- \$1.4b (FY18: \$1.3b) of embedded DMF/CG (amount paid to Aveo if all residents sold their units at balance date)

Assumptions and Portfolio Metrics		FY19	FY18
Discount rate		12.5%-15.50%	12.5%-15.25%
Future property price growth	Short Term	0%	3.5%
	Medium Term	2.0%-3.5%	3.5%-4%
	Long Term	2.5%-3.75%	3.5%-4.25%
Initial resident tenure – new units (years) ¹	ILUs	13.5	13.5
	SAs	5.8	5.5
Subsequent resident tenure (years) ¹	ILUs	10.5	10.5
	Freedom SAs	4.5	4.5
	SAs	4.8	4.5
NPV of annuity streams		\$1,797.2m	\$1,991.9m
Current average resident length of stay (years)	ILUs	7.9	7.6
	SAs	4.4	4.1
Average resident length of stay on exited residents (years)	ILUs	9.7	9.9
	SAs	4.2	4.1
	Overall	7.7	7.8
Current average age of residents (years)	ILUs	82.4	82.2
	SAs	87.4	86.9
	Overall	83.3	83.0
Average age of resident entry – Last 12 months	ILUs	76.5	76.9
	SAs	84.7	84.1
	Overall	78.9	78.9
Average unit pricing	ILUs	\$464k	\$482k
	Freedom SAs	\$401k	\$380k
	SAs	\$207k	\$196k

¹ Includes 0.5 years for ILU/Converted Freedom units and 0.8 years for SA time to resale after resident has exited.

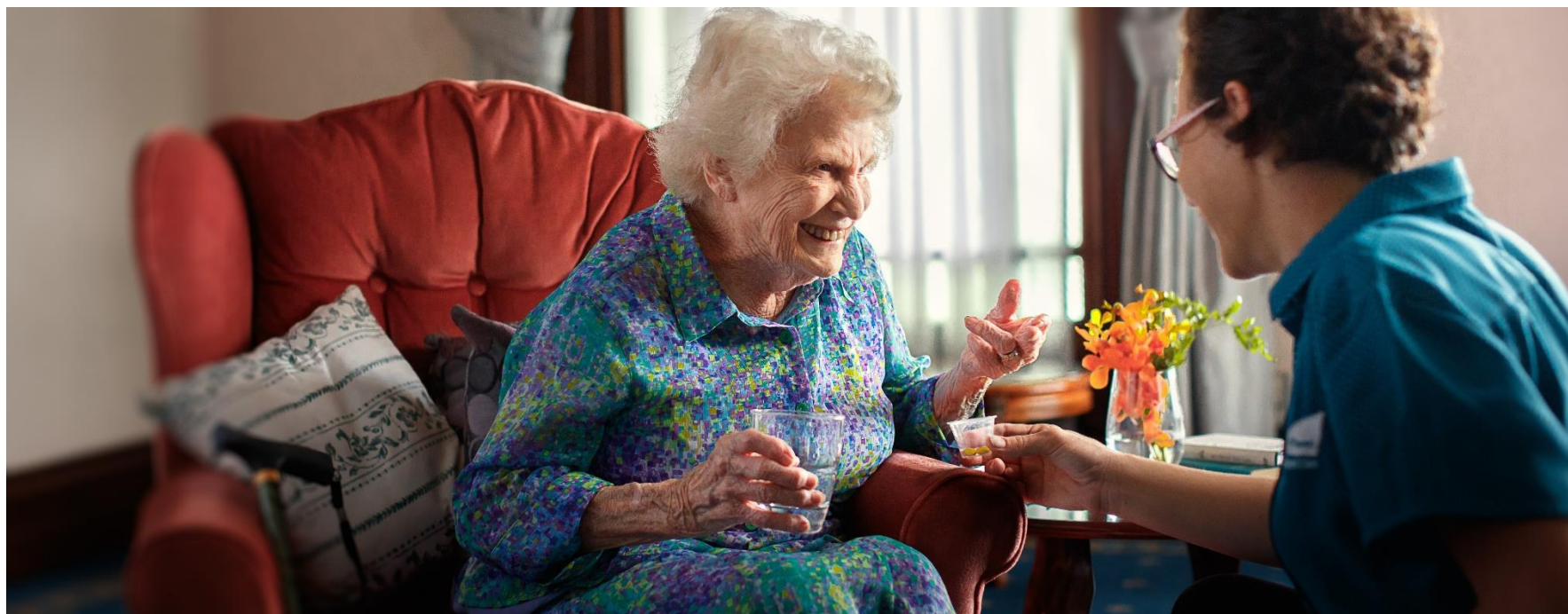
Retirement – Investment Property Sensitivities



- Valuation sensitivities analysis on the key assumptions were conducted and outlined below
 - **Long term property price growth** depends on various factors including the age, location, quality of facilities, residential property market, etc. The valuation is sensitive to this assumption as the DMF and CG earned per resale is based on the forecast unit price.
 - **Subsequent tenure** depends on the characteristics of new residents who replace existing residents. Increased tenure will decrease sales rates due to a reduced rate of units being made available while decreased tenure will have the reverse effect.
 - **Discount rates** reflect a combination of portfolio investment characteristics and risks. As resident tenures can be relatively long, discount rates can have a strong impact on the valuation.
 - **Unit prices** are set based on the current level of demand and vacancy at Aveo's communities and are forecast based on the assumed property price growth rate. This impacts the forecast DMF and CG generated and in turn the valuation.

Retirement Investment Property Annuity Stream Sensitivity (\$m)					
Long term property price growth	+1.0%	+0.5%	2.50%-3.75%	(0.5%)	(1.0%)
Value of established portfolio	\$2,090	\$1,936	\$1,797	\$1,669	\$1,619
Subsequent tenure – ILUs (years) ¹	8.5	9.5	10.5	11.5	12.5
Value of established portfolio	\$1,929	\$1,859	\$1,797	\$1,744	\$1,697
Discount rate	(1.0%)	(0.5%)	12.50%-15.50%	+0.5%	+1.0%
Value of established portfolio	\$2,015	\$1,901	\$1,797	\$1,703	\$1,618
Market value of units (change)	+5.0%	+2.5%	-	(2.5%)	(5.0%)
Value of established portfolio	\$1,923	\$1,860	\$1,797	\$1,742	\$1,673

¹ Includes 0.5 years for time to resale after resident has exited.



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Restatement of Underlying and Statutory Profit based on Settlement



- Underlying profit after tax is restated to provide a view of the impact on Major Development profit on settlement
- Settled units that were delivered in prior periods result in a statutory adjustment to reverse the profit previously recognised when the unit was delivered
- There is no impact on statutory profit

Profit on Delivery vs Settlement	FY19	FY18	FY17
Gross profit on delivery			
Units delivered	419	506	266
Sales value	\$200.2m	\$329.8m	\$138.2m
COGS: development	(\$158.4m)	(\$237.5m)	(\$111.9m)
Gross profit	\$41.8m	\$92.3m	\$26.3m
Margin %	21%	28%	19%
Gross profit on settlement			
Units settled	211	225	154
Sales value	\$124.2m	\$139.9m	\$83.0m
COGS: development	(\$94.4m)	(\$106.2m)	(\$66.0m)
Gross profit	\$29.9m	\$33.7m	\$17.0m
Margin %	24%	24%	20%
Variance between profit on settlement and delivery			
Units	(208)	(281)	(112)
Sales value	(\$76.0m)	(\$189.9m)	(\$55.2m)
COGS: development	\$64.0m	\$131.3m	\$45.9m
Gross profit	(\$12.0m)	(\$58.6m)	(\$9.3m)
UPAT / Statutory profit reconciliation			
UPAT based on delivery	\$50.1m	\$127.2m	\$108.4m
Adjustment to profit on delivery	(\$12.0m)	(\$58.6m)	(\$9.3m)
Tax and OEI	\$2.4m	\$16.6m	\$2.4m
UPAT based on settlement	\$40.5m	\$85.2m	\$101.5m
Non-operating results	(\$263.6m)	\$237.9m	\$144.5m
Profit on delivery recognised in previous periods	\$9.6m	\$42.0m	\$6.9m
Statutory profit based on settlement	(\$213.4m)	\$365.1m	\$252.9m



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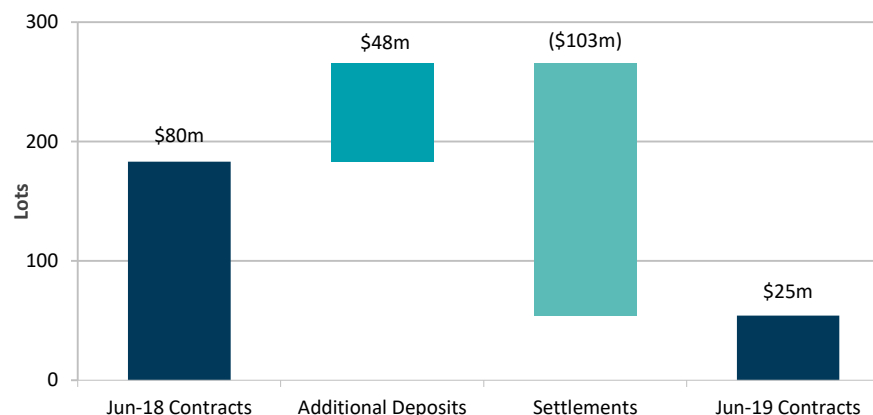
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Non-Retirement



- Deposits are strong with 54 on hand
- Land estates are expected to be largely sold by FY20, with final settlements in FY21
- Inventory balance of \$81m as at 30 June 2019¹

Deposit Flow



	Location	Remaining Lots at 30 June 2019	Pre-Sold Lots	Available Lots ²	Percentage Sold ³	FY19 Settlements
Active projects						
Saltwater Coast, Point Cook	VIC	44	29	15	66%	97
Peregian Springs and Ridges	QLD	106	21	85	20%	53
The Rochedale Estates, Rochedale	QLD	32	4	28	13%	54
Mackay and other	QLD	4	--	4	--	8
Total active projects		186	54	132	29%	212
Inactive projects						
Currumbin ⁴	QLD	348	--	348	--	--
Total projects		534	54	480	10%	212

¹ Carried at lower of cost or net realisable value.

² Includes unreleased stages.

³ Calculated as pre sold lots/remaining lots.

⁴ Currently to be sold on an englobo basis.



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Statutory Income Statement



	FY19 (\$m)	FY18 (\$m)	Change
Profit/(loss) from continuing operations before income tax	(307.2)	410.4	(175%)
Income tax expense	86.5	(44.2)	(296%)
Profit/(loss) after tax	(220.7)	366.2	(160%)
Non-controlling interest	7.3	(1.1)	NM
Net profit/(loss) after tax attributable to stapled securityholders of the group	(213.4)	365.1	(158%)

Reconciliation of Statutory Profit to Underlying Profit



	FY19			FY18		
	Gross (\$m)	Tax & NCI (\$m)	Net (\$m)	Gross (\$m)	Tax & NCI (\$m)	Net (\$m)
Statutory profit/(loss) after tax and non-controlling interest			(213.4)			365.1
Retirement						
Change in fair value of retirement investment properties	350.1	(90.8)	259.3	(203.5)	26.5	(177.0)
Other	(4.5)	1.5	(3.0)	(12.6)	3.7	(8.9)
Total Retirement	345.6	(89.3)	256.3	(216.1)	30.2	(185.9)
Non-Retirement						
Sale of Gasworks	(9.4)	2.8	(6.6)	(33.6)	(20.1)	(53.7)
Inventory write-down to net realisable value	5.6	(1.7)	3.9	-	-	-
Other	7.0	(2.1)	4.9	1.9	(0.2)	1.7
Total Non-Retirement	3.3	(1.0)	2.3	(31.7)	(20.3)	(52.0)
Other	6.6	(1.6)	5.0	-	-	-
Underlying profit after tax and non-controlling interest			50.1			127.2

Reconciliation of Underlying Profit to Segment Notes



	Underlying Profit (\$m)	Change in Fair Value of Retirement Investment Properties (\$m)	Change in Fair Value of Non-Retirement Inventory (\$m)	Other (\$m)	Statutory Result (\$m)
Retirement					
Established Business	47.5	(277.6)	-	2.2	(227.9)
Development	11.1	(72.6)	-	2.3	(59.2)
Care and Support Services	(1.4)	0.1	-	-	(1.3)
Total Retirement	57.2	(350.1)	-	4.5	(288.4)
Total Non-Retirement	33.2	-	(5.6)	2.4	30.0
Group overheads and incentive scheme	(19.2)	-	-	(6.6)	(25.8)
EBITDA	71.1	(350.1)	(5.6)	0.3	(284.2)
Depreciation and amortisation	(4.7)	-	-	-	(4.7)
EBIT	66.4	(350.1)	(5.6)	0.3	(289.0)
Interest and borrowing expense	(18.3)	-	-	-	(18.3)
Profit/(loss) before tax	48.1	(350.1)	(5.6)	0.3	(307.2)
Income tax	1.6	84.0	1.7	(0.8)	86.5
Profit/(loss) after tax	49.7	(266.1)	(3.9)	(0.4)	(220.7)
Non-controlling interests	0.4	6.8	-	0.1	7.3
NPAT attributable to Aveo Group	50.1	(259.3)	(3.9)	(0.4)	(213.4)

Statutory Profit and Loss by Consolidated Segment



	Retirement ¹ (\$m)	Non-Retirement (\$m)	Other (\$m)	Total FY19 (\$m)	Retirement ¹ (\$m)	Non-Retirement (\$m)	Other (\$m)	Total FY18 (\$m)
Sale of goods revenue	-	95.8	-	95.8	-	178.4	-	178.4
Revenue from rendering of services	173.3	-	-	173.3	230.0	11.4	-	241.4
Other revenue	5.7	-	-	5.7	4.8	0.7	-	5.5
Cost of sales	(71.5)	(52.6)	-	(124.1)	(57.8)	(129.1)	-	(186.9)
Change in fair value of investment properties	(397.5)	9.4	-	(388.1)	288.5	33.5	-	322.0
Change in fair value of resident loans	94.1	-	-	94.1	(35.5)	-	-	(35.5)
Change in fair value of financial assets and financial liabilities	2.2	-	-	2.2	11.1	-	-	11.1
Employee expenses	(33.3)	-	(23.7)	(57.0)	(36.8)	(5.6)	(14.7)	(57.1)
Marketing expenses	(31.3)	(1.7)	-	(33.0)	(25.6)	(2.2)	(3.6)	(31.4)
Occupancy expenses	(2.1)	-	(1.5)	(3.6)	(1.7)	-	(2.2)	(3.9)
Property expenses	(0.2)	-	-	(0.2)	(0.2)	(2.1)	-	(2.3)
Administration expenses	(17.1)	-	(6.8)	(23.9)	(13.1)	(0.3)	(5.7)	(19.1)
Other expenses	(14.7)	(15.3)	5.4	(24.6)	(11.3)	(2.5)	4.0	(9.8)
Net gain on business combination	-	-	-	-	1.5	-	-	1.5
Finance costs	-	-	(18.3)	(18.3)	-	-	(4.3)	(4.3)
Inventory write-down to net realisable value	-	(5.6)	-	(5.6)	-	-	-	-
Share of net gain of equity-accounted investments	0.1	-	-	0.1	0.8	-	-	0.8
Profit/(loss) from continuing operations before income tax	(292.3)	30.0	(44.9)	(307.2)	354.7	82.2	(26.5)	410.4
Income tax (expense)	-	-	86.5	86.5	-	-	(44.2)	(44.2)
Profit/(loss) for the period	(292.3)	30.0	41.6	(220.7)	354.7	82.2	(70.7)	366.2
Non-controlling interests	-	-	7.3	7.3	-	-	(1.1)	(1.1)
Net profit/(loss) attributable to stapled securityholders of the Group	(292.3)	30.0	48.9	(213.4)	354.7	82.2	(71.8)	365.1

¹ In the statutory accounts, Retirement has been segmented into Established Business, Development, and Care and Support.

Reconciliation of Retirement Segment Revenue to Segment Notes



	FY19 (\$m)	FY18 (\$m)	Change
Segment revenue			
Established Business	168.5	164.3	3%
Development	240.2	394.4	(39%)
Care and Support Services	53.3	42.0	27%
Total Retirement segment revenue	462.0	600.7	(23%)
Adjustments			
Established Business			
Sales revenue – buyback sales ¹	(70.6)	(60.2)	17%
Deferred management fee – cash vs accrual	11.4	75.2	(85%)
US Seniors	16.4	15.5	6%
Other	0.1	(1.9)	(105%)
Development			
Development revenue ¹	(240.2)	(394.2)	(39%)
Care and Support Services			
Equity-accounted profits	(0.1)	(0.3)	(83%)
Retirement revenue per segment note	179.0	234.8	(24%)

¹ Segment revenue for underlying profit includes profits that are reflected in the segment note as changes in fair value.

Interest Expense Reconciliation



	FY19 (\$m)	FY18 (\$m)	Change
Interest expense¹	36.3	29.9	21%
Less: capitalised interest			
Retirement			
Greenfield communities	(10.1)	(15.0)	(33%)
Brownfield communities	(1.7)	(1.9)	(13%)
Redevelopment	(4.4)	(5.8)	(24%)
Non-Retirement			
Residential communities	(1.4)	(2.4)	(42%)
Commercial	(0.4)	(0.5)	(30%)
Total capitalised interest¹	(17.9)	(25.6)	(30%)
Net finance costs	18.3	4.3	327%
Add: Capitalised interest expenses in COGS			
Retirement	4.8	2.4	99%
Residential communities	16.3	31.3	(48%)
Total capitalised interest in COGS	21.1	33.7	(37%)
Finance costs including capitalised interest expensed in COGS	39.4	38.0	4%

¹ Interest expense paid and total capitalised interest represents only those amounts recognised in underlying profit after tax.

Income Tax Reconciliation



	FY19 (\$m)	FY18 (\$m)	Change
Statutory profit/(loss) from continuing operations before tax	(307.2)	410.4	NM
Less: Aveo Group Trust Contribution ¹	10.7	(16.7)	NM
Corporation profit/(loss) before tax	(296.5)	393.7	NM
Add/(less):			
Unrecognised temporal differences added to/(utilised) during the year	7.7	(155.3)	NM
Benefit of previously unrecognised tax losses on capital account utilised during the year	-	(99.3)	NM
Other non-deductible items (net of non-assessable items)	0.7	8.3	(92%)
Corporation adjusted taxable profit/(loss)	(288.1)	147.4	NM
Tax (benefit)/expense	(86.5)	44.2	NM
Statutory effective tax rate ²	28%	11%	17%
Underlying profit before tax	48.2	162.6	(70%)
Income tax (benefit)/expense	(1.6)	35.1	NM
Underlying effective tax rate	NM	22%	NM

¹ Excluding change in fair value of available for sale financial assets eliminated on consolidation.

² Calculated as adjusted tax expense or benefit divided by statutory profit/(loss) before tax.

Tax Losses

- Recognised tax losses sit mainly within the Aveo wholly-owned group (\$343m) and some within the Aveo Healthcare group (\$37m)
- A significant contributor to current and accumulated tax losses is the conversion from older style contracts (which give rise to tax payable on receipt and a tax deduction on termination), to newer style contracts including the Aveo Way (under which no tax is payable or deductible)
- Once this conversion is complete, tax losses will stop growing

Tax Expense & Losses ¹	FY19 (\$m)	FY18 (\$m)	Change
Tax (benefit)/expense	(86.5)	44.2	NM
Cash tax paid	-	(0.3)	NM
Cash (loss)/benefit	(86.5)	43.9	NM
Tax expense			
Tax losses ²	(44.0)	(12.9)	241%
On valuation gains/(losses)	(84.0)	35.5	NM
Other deferred tax	41.5	21.3	95%
Total tax (benefit)/expense	(86.5)	43.9	NM
Opening accumulated tax losses ²	335.9	323.0	4%
Movement for year	44.0	12.9	241%
Closing accumulated tax losses²	379.9	335.9	13%
Income	379.9	335.9	13%
Capital	-	-	NM

¹ Net tax effect of recognised tax losses.

² Excluding RVG.

Management Expenses



Management Expenses ¹ by Category	FY19 (\$m)	FY18 (\$m)	Change
Employee expenses ²	47.1	47.2	(0%)
Occupancy expenses	1.9	2.4	(20%)
Administration expenses	16.7	14.1	18%
Other expenses	1.6	1.3	26%
Total	67.3	65.0	4%
Divisional expenses	51.4	47.4	9%
Corporate expenses	15.8	14.1	12%
Brand marketing expenses	-	3.5	NM
Total	67.3	65.0	4%

¹ Management expenses excludes STI/LTI, sales and marketing related costs and property related costs.

² Excludes costs funded by residents through community budgets.



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Summary Statutory Balance Sheet



	FY19 (\$m)	FY18 (\$m)	Change
Assets			
Retirement			
Investment properties (refer A44)	6,117.7	6,158.9	(1%)
Property, plant and equipment	140.5	135.2	4%
Intangibles	3.2	4.8	(34%)
Total Retirement	6,261.4	6,298.9	(1%)
Non-Retirement			
Inventories (refer A46)	81.4	95.2	(14%)
Property, plant and equipment	3.2	3.3	(2%)
Total Non-Retirement	84.6	98.5	(14%)
Cash/receivables/other	232.1	318.2	(27%)
Total assets	6,578.2	6,715.6	(2%)
Liabilities			
Resident loans and retirement deferred revenue	3,355.8	3,227.4	4%
Interest bearing liabilities	787.5	687.7	15%
Deferred tax	112.6	198.8	(43%)
Other liabilities (including payables, provisions, deferred revenue)	272.0	303.6	(10%)
Total liabilities	4,527.9	4,417.5	2%
Net assets	2,050.3	2,298.1	(11%)
NTA per stapled security (\$)	3.50	3.92	(11%)

Management Balance Sheet



	%	FY19 (\$m)	%	FY18 (\$m)	Change
Assets					
Retirement					
Retirement investment properties ¹		2,711.5		2,876.8	(6%)
Property, plant, equipment and intangibles		143.7		140.0	3%
Total Retirement (refer A43)	97%	2,855.2	97%	3,016.8	(5%)
Non-Retirement					
Inventories – commercial		20.8		26.3	(21%)
Inventories – residential communities		60.6		68.9	(12%)
Property, plant, equipment and intangibles		3.2		3.3	(2%)
Total Non-Retirement	3%	84.6	3%	98.5	(14%)
Total divisional assets	100%	2,939.9	100%	3,115.3	(6%)
Other assets (including cash and trade receivables)		232.1		318.2	(27%)
Total assets		3,171.9		3,433.6	(8%)
Liabilities					
Interest bearing liabilities		787.5		687.7	15%
Deferred tax liabilities		112.6		198.8	(43%)
Other liabilities (including payables, and provisions)		221.6		248.9	(11%)
Total liabilities		1,121.6		1,135.5	(1%)
Net assets		2,050.3		2,298.1	(11%)

¹ Net of resident loans, deferred income and deferred payment for development land.

Retirement Management Balance Sheet



	FY19 (\$m)	FY18 (\$m)	Change
Established Business			
NPV of annuity streams	1,797.2	1,991.9	(10%)
US Seniors	49.3	57.5	(14%)
Buyback units (operating)	159.8	118.6	35%
Total Established Business	2,006.3	2,168.0	(7%)
Development			
Major development units			
Investment property under construction	206.8	285.1	(27%)
New units available for first occupancy	423.8	346.8	22%
Total Major Development	630.6	631.9	(0%)
Minor development units			
Freedom conversion development units	61.7	62.4	(1%)
Freedom original development units ¹	12.9	14.5	(11%)
Total Minor Development	74.6	76.9	(3%)
Total Development	705.2	708.8	(1%)
Care and Support Services			
Property, plant, equipment and intangibles	143.7	140.0	3%
Total Retirement assets	2,855.2	3,016.8	(5%)

¹ Freedom original development units represent the original units that were part of the Freedom Aged Care acquisition.

Investment Property Summary



	FY19 (\$m)	FY18 (\$m)	Change
Retirement			
NPV of annuity streams	1,797.2	1,991.9	(10%)
Investment properties under construction	206.8	285.1	(27%)
New units available for first occupancy	423.8	346.8	22%
Operating buyback units	159.8	118.6	35%
Freedom Minor Developments			
Conversion development units	61.7	62.4	(1%)
Original development units	12.9	14.5	(11%)
Total Freedom Minor Developments	74.6	76.9	(3%)
Retirement (domestic) net valuation	2,662.2	2,819.3	(6%)
Resident loans	3,029.8	2,960.6	2%
Deferred income	325.9	266.8	22%
Deferred payment for development land	50.5	54.7	(8%)
US Seniors	49.3	57.5	(14%)
Total Retirement investment property	6,117.7	6,158.9	(1%)
Total investment properties per balance sheet	6,117.7	6,158.9	(1%)

Property, Plant and Equipment / Intangibles



	FY19 (\$m)	FY18 (\$m)	Change
Property, plant and equipment			
Residential aged care facilities ¹	97.2	101.2	(4%)
Buildings ²	38.8	31.9	22%
Other	7.8	5.4	44%
Total property, plant and equipment	143.8	138.5	4%
Intangibles ³	3.2	4.8	(33%)
Total property, plant and equipment/intangibles	147.0	143.3	3%

¹ Newstead, Durack, Bayview, Mingara and Minkara.

² Peregian Springs Golf Club, Newstead commercial, Bella Vista commercial and Springfield wellness centre.

³ Mainly consists of software licenses.

Non-Retirement Inventories Summary



	FY19 (\$m)	FY18 (\$m)	Change
Inventories			
Residential communities ¹	60.6	68.9	(12%)
Commercial ²	20.8	26.3	(21%)
Total inventories	81.4	95.2	(14%)

¹ FY19 includes Point Cook, Rochedale, Peregian Springs, Ridges and Currumbin.

² FY19 includes Albion and Mackay.

Movement in Net Tangible Assets per Security



	Net Tangible Assets (\$m)	No. of Securities (m)	NTA per Security (\$)
As at 30 June 2018	2,261.5	577.0	3.92
Statutory net profit ¹	(213.4)	-	(0.37)
Other comprehensive income	(4.4)	-	(0.01)
Movements in intangible assets ²	1.6	-	-
Movements in reserves ¹	(1.3)	-	-
Provision for FY19 distribution	(26.0)	-	(0.05)
On-market buyback of securities	(0.2)	(0.1)	-
Equity settled employee benefits	4.8	1.8	0.01
As at 30 June 2019	2,022.6	578.7	3.50

¹ Acquisition of non-controlling interests and equity settled employee benefits.

² Principally software licences.



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Funds From Operations and Adjusted Funds from Operations

	FY19 (\$m)	FY18 (\$m)	Change
Underlying profit after tax	50.1	127.2	(61%)
Major Development			
Profit recognised on delivery	(41.8)	(92.3)	(55%)
Profit that would be recognised on settlement	29.9	33.7	(11%)
Profit adjusted on settled basis	(12.0)	(58.6)	(80%)
Tax impact	2.4	16.6	(86%)
Adjusted underlying profit after tax	40.5	85.2	(52%)
Other adjustments:			
Profit from equity-accounted investments	(0.1)	(0.6)	(91%)
Depreciation	4.7	3.0	58%
Capitalised interest	(17.9)	(25.6)	(30%)
Capitalised interest included in COGS	21.1	33.7	(37%)
Amortisation of leasing incentives	-	1.2	NM
Deferred income tax expense	(4.0)	18.5	(121%)
Funds From Operations (FFO)¹	44.4	115.4	(62%)
Retirement capex	(11.2)	(13.5)	(17%)
Community facility capex	(0.2)	(2.3)	NM
Non-Retirement leasing commissions, tenant incentives and maintenance capital expenditure	-	(2.2)	NM
Adjusted Funds From Operations (AFFO)¹	33.0	97.4	(66%)

¹ FFO and AFFO reflect Property Council of Australia guidelines.

Distributions

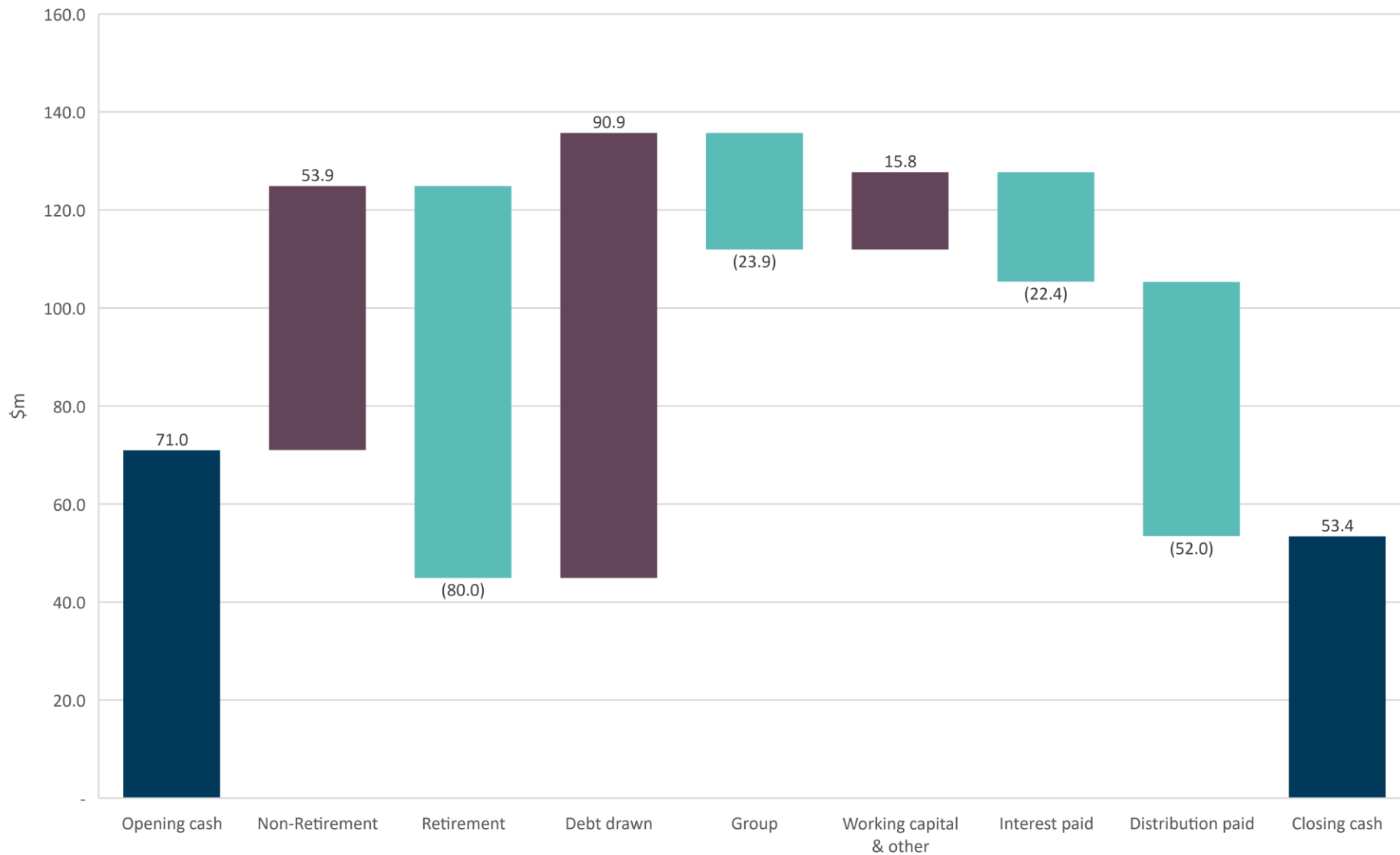


- FY19 distribution of 4.5cps to be paid 30 September 2019
- Consistent with target distribution amount based on 40% – 60% of FY19 underlying profit payout range

	FY19 (\$m)	FY18 (\$m)	Change
Underlying Profit After Tax	50.1	127.2	(61%)
Funds from operations ¹	44.4	115.4	(62%)
Adjusted funds from operations ¹	33.0	97.4	(66%)
Distribution declared	26.0	51.9	(50%)
Distribution as a % of UPAT	52%	41%	11%
Distribution as a % of FFO	59%	45%	14%
Distribution as a % of AFFO	79%	53%	26%

¹ FFO and AFFO reflect Property Council of Australia guidelines.

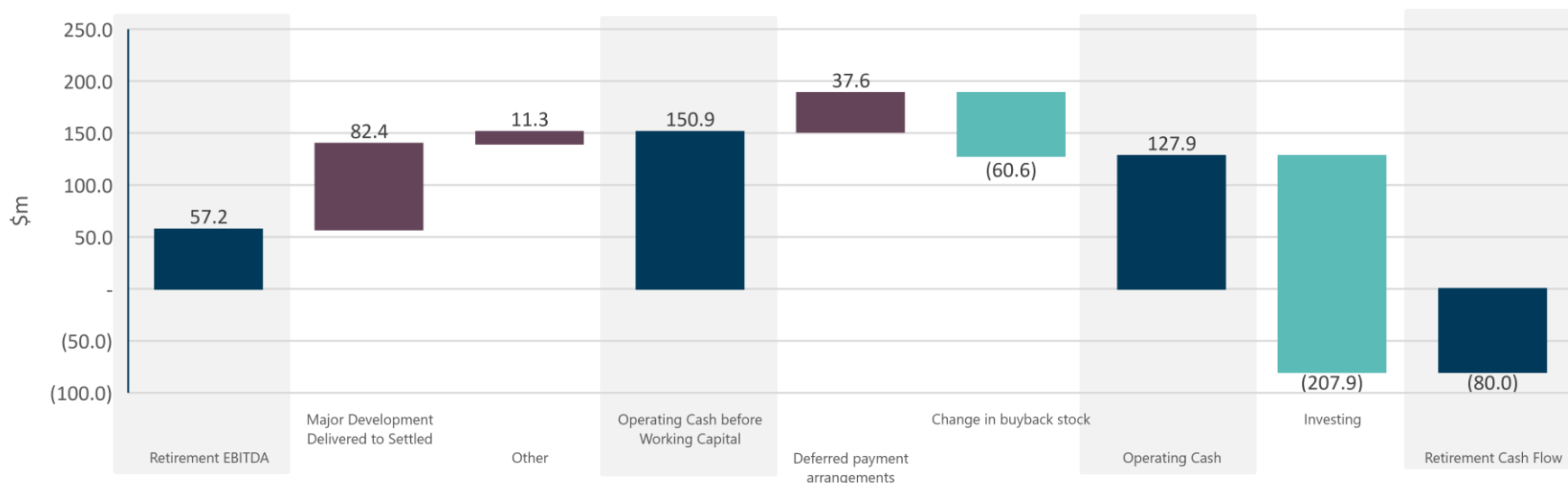
Cash Flow Reconciliation



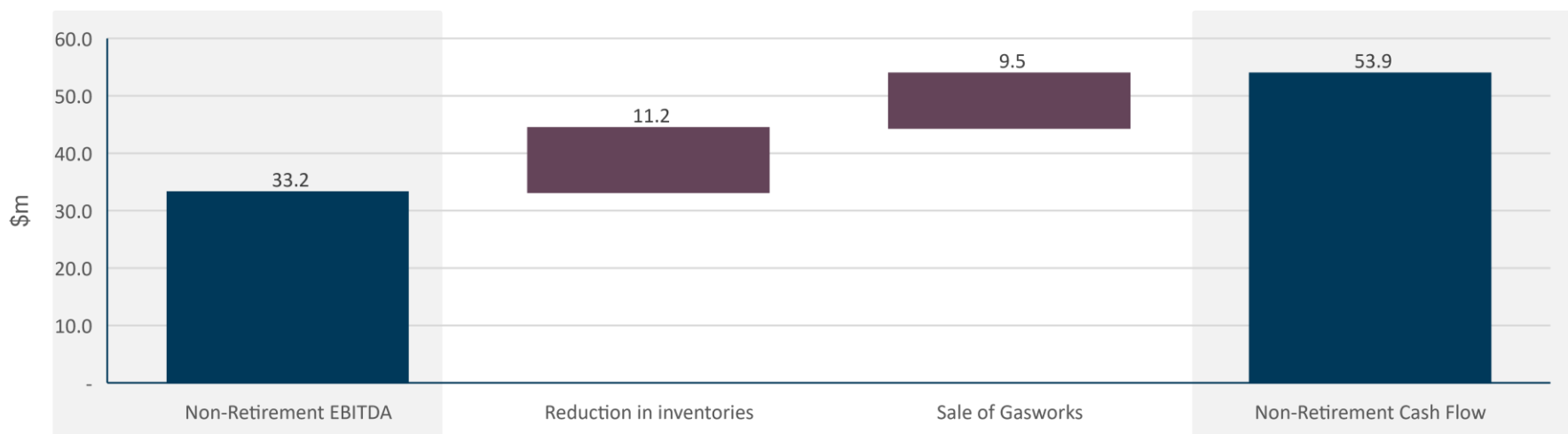
Divisional Cash Flow Reconciliations



Retirement EBITDA to Cash Flow



Non-Retirement EBITDA to Cash Flow

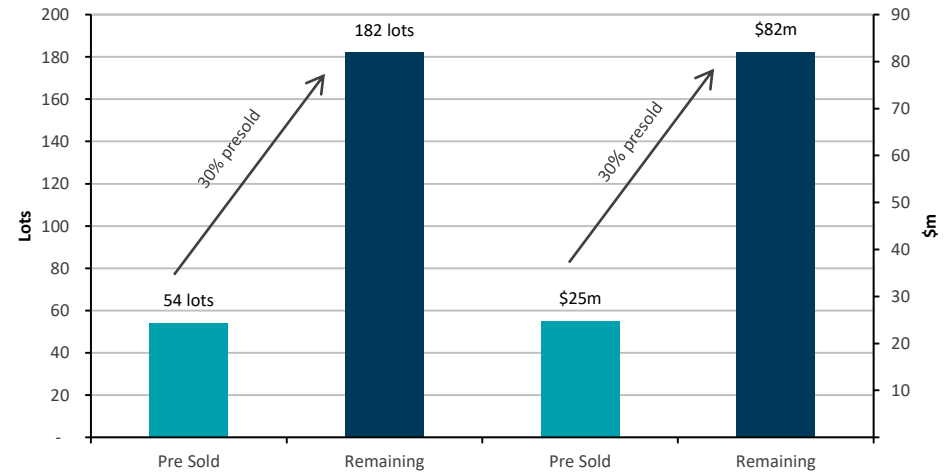


Retirement Development Capital Requirements



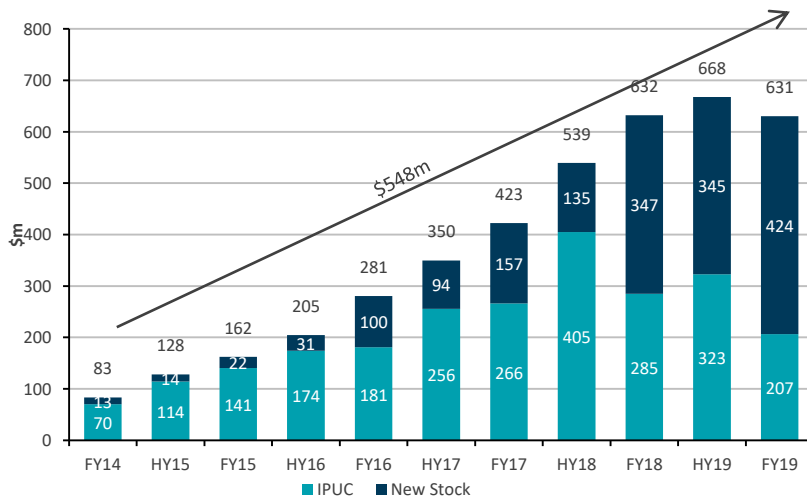
- Since FY14 capital investment in Major Developments has increased by \$548m. \$631m is currently invested in completed new retirement units and the development pipeline.
- The sale of the remaining \$81m in inventory and \$424m of retirement new stock will provide further required funding inflows
- In FY19 Non-Retirement projects generated a net cash inflow of \$52m

Sell down of Non-Retirement Inventory¹

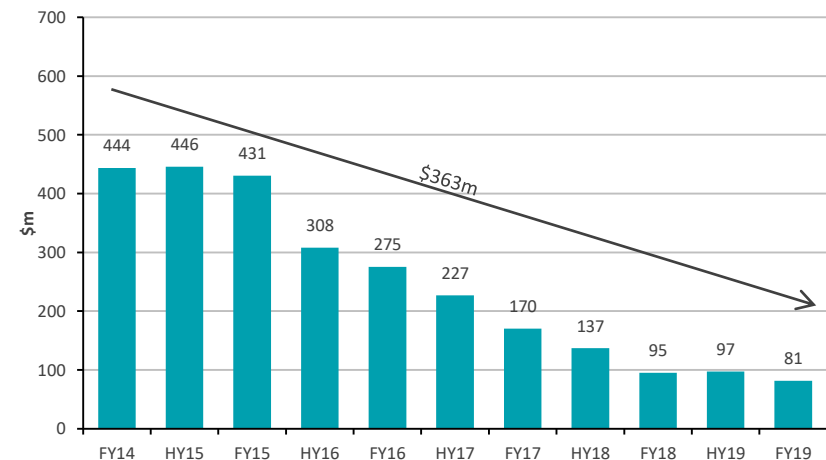


¹ Excluding Mackay and Currumbin.

Capital Investment in Major Developments



Capital Realised From Sale of Non-Retirement Inventory



Financial Covenants



- All financial covenants met

Covenant		FY19	Required
Aveo Group Syndicated Facility			
EBITDA to interest expense of the consolidated group (12 months rolling)	Group ICR	2.6x	≥ 2.0x
Total assets less cash and resident loans/net debt	Group Gearing Ratio	21.3%	≤ 30.0%
Established Business, Care and Support Services and unallocated overheads to interest expense (12 months rolling)	Retirement ICR (Core)¹	2.9x	≥ 2.0x
Drawn debt less cash/retirement valuation and non-retirement valuation	LVR	27.0%	≤ 30.0%
Aveo Healthcare Facility			
Total assets less cash and resident loans/Bank debt less cash	Gearing Ratio	30.0%	≤ 30.0%
EBITDA (excluding Major Developments and adjusted for Fair Value of assets and resident loans)/finance charges ²	ICR	4.8x	≥ 2.0x
Drawn ³ debt less cash/retirement valuation	LVR	17.3%	≤ 30.0%

¹ Includes net cashflow from Retirement, Established Business and Care and Support, offset by unallocated overheads to interest expense of facility A and B only.

² Finance charges are only for Facility A.

³ Drawn debt for Facility A.

Summary of Debt Facilities



Summary of Debt Facilities	Facility Limited (\$m)	Maturity (\$m)	Maturity Date	Maturity (\$m)	Maturity Date
Aveo Group syndicated facility	600.0	600.0	July 2021	-	-
US Seniors	35.8	35.8	November 2027	-	-
Aveo Healthcare facility	157.1	57.1	December 2019	100.0	December 2020 ¹
Total facilities	792.9				
Drawn	792.4				
% Drawn	99.9%				

Note: All shown as AUD.

¹ As at 27/8/2019.



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Financial Summary



	FY19	FY18	FY17	FY16	FY15	FY14
Financial Metrics						
Net profit/(loss) attributable to securityholders	(\$213.4m)	\$365.1m	\$252.8m	\$116.0m	\$58.0m	\$26.1m
Underlying net profit after tax ¹	\$50.1m	\$127.2m	\$108.4m	\$89.0m	\$54.7m	\$42.1m
Total assets	\$6,578.2m	\$6,715.6m	\$5,955.1m	\$4,094.5m	\$3,392.8m	\$3,269.8m
Total debt	\$787.5m	\$687.7m	\$573.1m	\$462.0m	\$359.5m	\$344.6m
Total equity	\$2,050.3m	\$2,298.1m	\$1,978.7m	\$1,660.4m	\$1,505.6m	\$1,429.5m
Reported gearing ²	21.3%	16.8%	16.9%	17.4%	13.8%	15.8%
Market capitalisation	\$1,087.9m	\$1,402.1m	\$1,604.9m	\$1,715.3m	\$1,326.7m	\$1,030.2m
Security price at period end	\$1.88	\$2.43	\$2.78	\$3.17	\$2.58	\$2.06
Reported earnings per security	(36.9cps)	63.3cps	44.2cps	22.1cps	11.6cps	5.9cps
Underlying earnings per security	8.7cps	22.0cps	18.9cps	17.0cps	10.9cps	9.5cps
Dividends and distributions paid	\$26.0m	\$51.9m	\$52.0m	\$43.5m	\$25.8m	\$20.0m
Dividends and distributions per security	4.5cps	9.0cps	9.0cps	8.0cps	5.0cps	4.0cps
Net tangible assets per security	\$3.50	\$3.92	\$3.37	\$3.00	\$2.85	\$2.78

¹ Underlying profit reflects statutory profit as adjusted to reflect the Directors' assessment of the result for the ongoing business activities of the Group, in accordance with AICD/Finsia principles of recording underlying profit.

² Measured as net debt divided by total assets net of cash and resident loans.

FY20 Calendar



Date	Event	Location
28 August	FY19 Results Announcement @ 10:30am	Sydney
29-30 August	Private Roadshow	Sydney
2-3 September	Private Roadshow	Melbourne
9-10 September	Private Roadshow	Auckland

	Term and Definition	
A	▪ A	Relevant page in Annexure
	▪ AFFO	Adjusted Funds from Operations
	▪ AICD	Australian Institute of Company Directors
	▪ Average margin	Ratio of gross profit to revenue
	▪ Aveo Way contracts	Suite of three contracts – Aveo Essentials, Aveo Way and Aveo Certainty
B	▪ BBSY	Bank Bill Swap Bid Rate
C	▪ COGS	Cost of Goods Sold
	▪ CPS	Cents Per Security
D	▪ Deposits on Hand	Number of deposits held for contracts yet to settle
	▪ Development Density (Low)	Detached or semi-detached broad-acre development
	▪ Development Density (Med)	Apartment (up to three floors) development
	▪ Development Density (High)	Apartment (over three floors) development
	▪ DMF	Deferred Management Fee
E	▪ DMF/CG	Deferred Management Fee / Capital Gains
	▪ EBIT	Earnings Before Interest and Taxes
	▪ EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
	▪ EPS	Earnings Per Security
	▪ Established Business	Existing revenue generating retirement communities
F	▪ Freedom	Freedom Aged Care
	▪ FFO	Funds From Operations
G	▪ Gross Profit	Revenue less cost of goods sold
I	▪ ICR	Interest Cover Ratio
	▪ ILU	Independent Living Unit
	▪ Internal transfer	Transfer of an existing resident from one Aveo unit to another
L	▪ Long term	Five years plus
	▪ LVR	Loan to value ratio

	Term and Definition	
M	▪ Major Development	Construction of new units on vacant land or airspace
	▪ Medium term	Less than or equal to five years
	▪ Minor Development	Reconfiguration of existing saleable product into new product different in nature
N	▪ NCI	Non-controlling interest
	▪ NM	Not Meaningful
	▪ NPAT	Net Profit After Tax
	▪ NTA	Net Tangible Assets
O	▪ Occupancy	Ratio of units occupied to units available for occupancy
	▪ Operating buyback purchases	Units that are bought back by Aveo from exiting retirement residents
R	▪ RACF	Residential Aged Care Facility
	▪ RAD	Refundable Accommodation Deposit
	▪ Redevelopment buyback purchases	Repurchase of units from exiting residents for the purpose of redevelopment
	▪ Resales	Resident to resident retirement unit sale
	▪ Retirement Development	Inclusive of Major and Minor Developments
S	▪ RVG	Retirement Villages Group
	▪ SA	Serviced Apartment
	▪ Settlement sales rate	Sum of unit resales and buyback sales divided by total available units
	▪ Short Term	One year
	▪ STI/LTI	Short term incentive / Long term incentive
U	▪ UPAT	Underlying Profit After Tax
W	▪ Written sales rate	Sum of all deposits taken for the period divided by total available units



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