



Gateway Lifestyle Group UBS Australasia Conference 2016



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Gateway Lifestyle's Impact

9,661
sites

54
communities

Over
8,400
residents

343
employees



* Figures include settled acquisitions of Terrigal Sands and Rockhampton

Our sector and key drivers

SECTOR OVERVIEW

Evolved from caravan industry

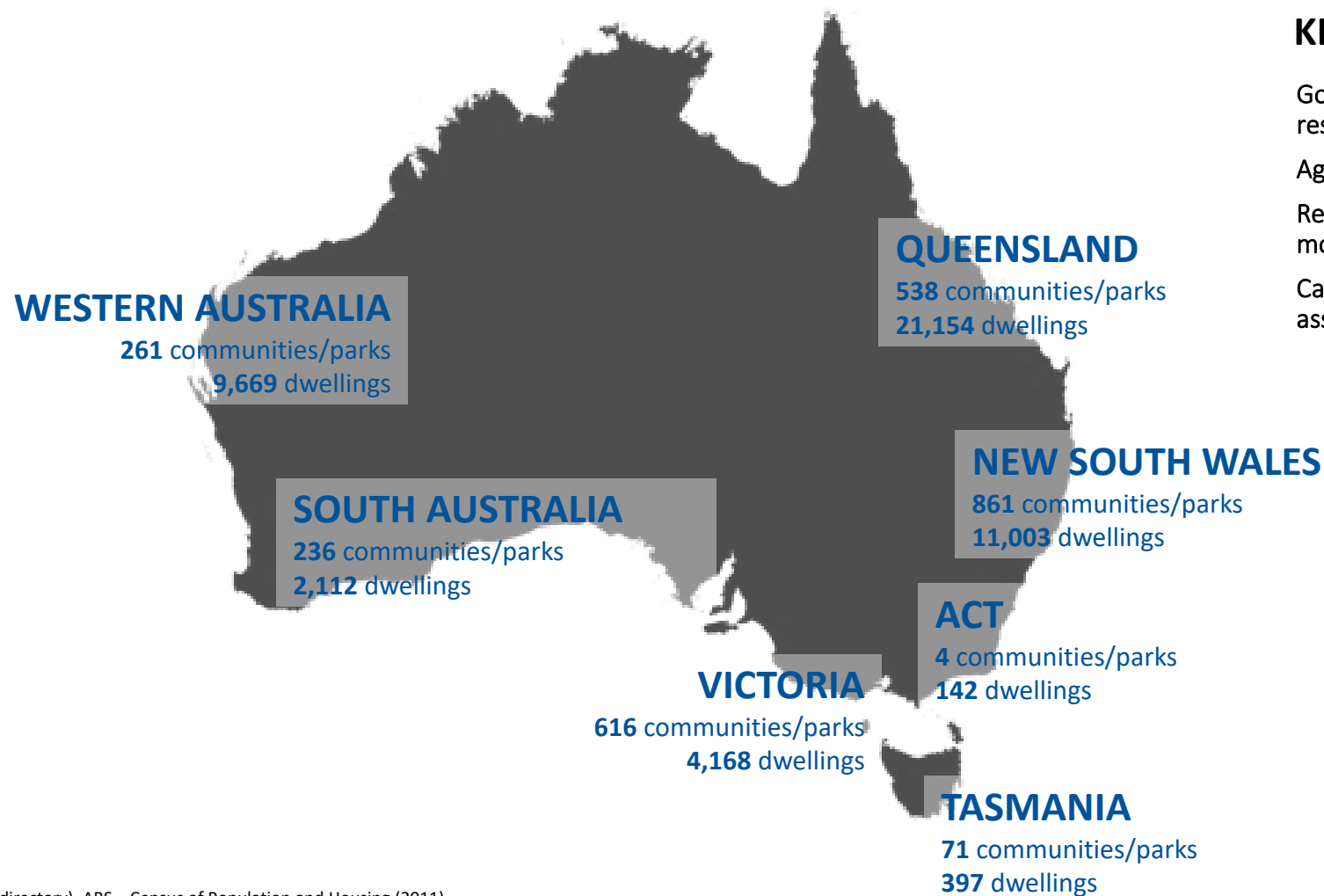
Land lease business model

Fragmented with over 1500 individually owned communities

4 listed players and 9 companies with greater than 6 communities in Australia

Over 2,000 communities across Australia

No direct government funding



KEY SECTOR DRIVERS

Government assistance to residents

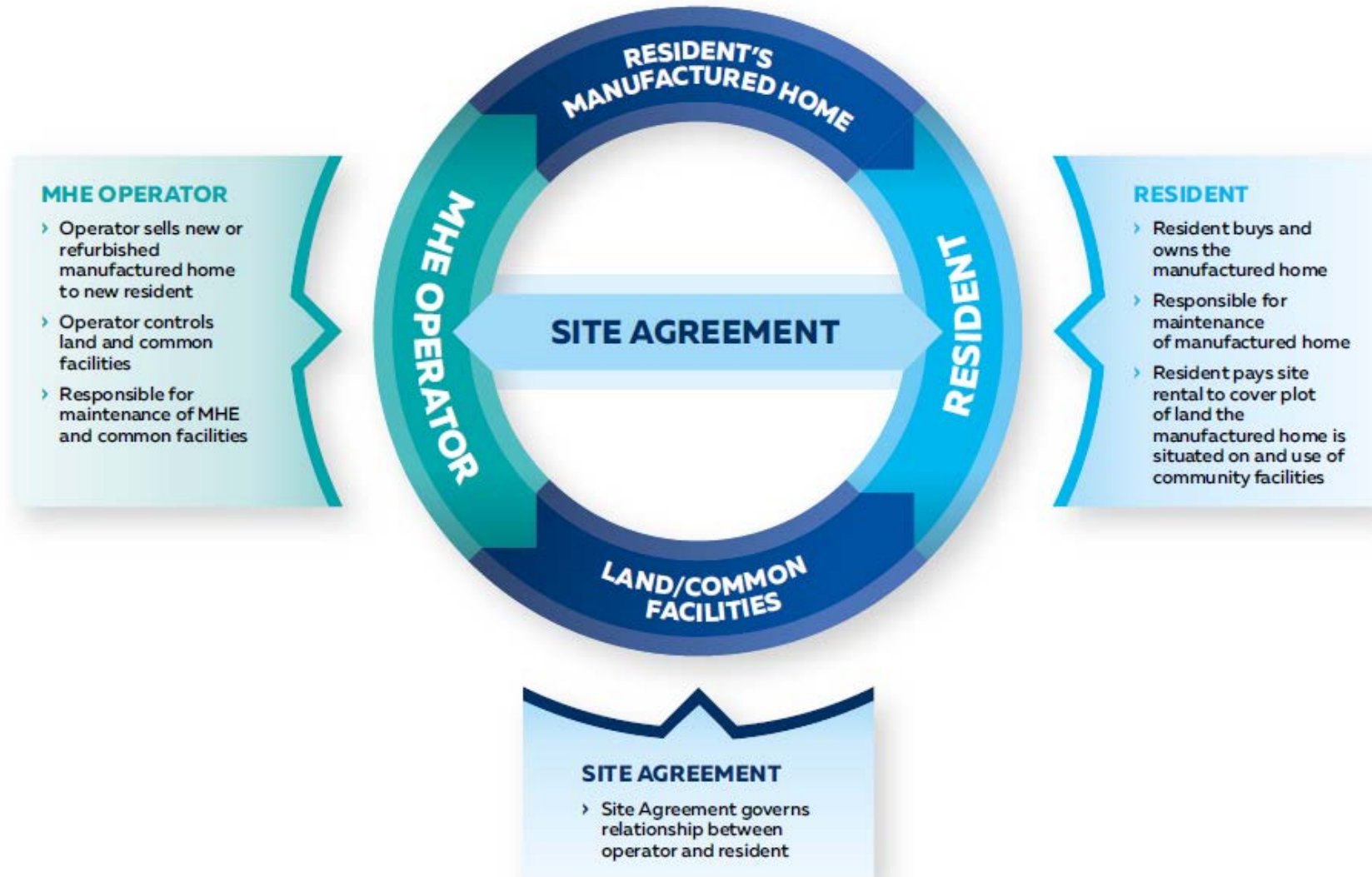
Aging population

Residential property price movements

Cap rate compression driving asset values

1. Source: GoSeeAustralia (caravan parks directory), ABS – Census of Population and Housing (2011)

Our integrated and efficient business model





OPERATIONS

Key performance metrics for FY16

Operational Outcomes	Growth Outcomes	Financial Outcomes
262 home settlements	\$147m of acquisitions across 17 communities ¹	\$44.8m underlying net profit after tax (\$38.9m statutory net profit after tax)
\$100k gross profit per home settled (41% margin)	3,892 Sites with the potential for new MHEs	17.12 cents underlying earnings per security ² (14.6 cents statutory earnings per security) ²
\$141 pw average manufactured home site rent	\$145m acquisition debt capacity ³	10.88 cents distributions per security (\$29.9m distributions paid or declared)

1. Excluding transaction costs and including the post balance date settlement of Terrigal Sands

2. Volume Weighted Securities (VWS) are calculated based upon the absolute number securities on issue pre and post the equity raise.

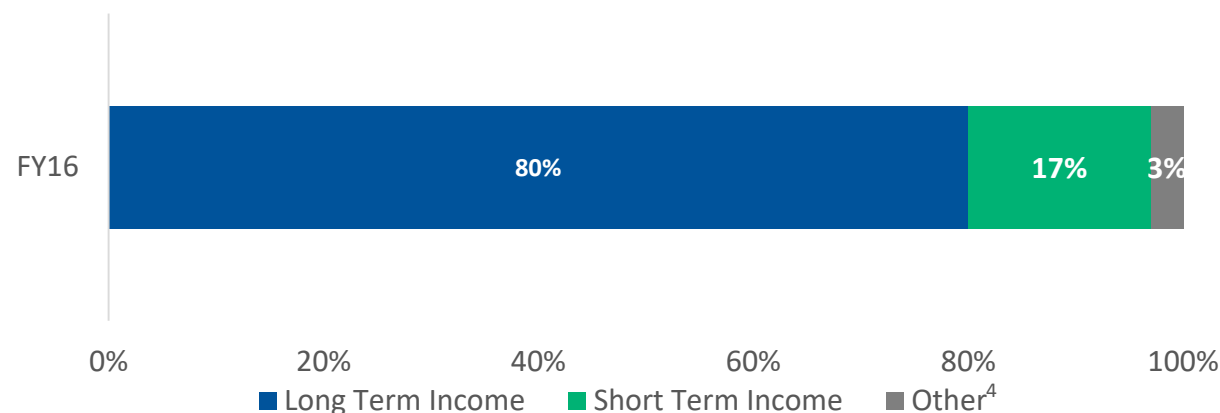
3. As at 30 June 2016 excludes post balance date settlement of Terrigal Sands acquisition

Portfolio summary

- Total portfolio consists of 5,769 occupied manufactured home sites and over 8,400 residents
 - 3,892 potential development sites
 - Balanced mix of mature and growth assets
- Acquired 17 communities in FY16 for \$147 million¹ and the acquisition of Rockhampton in September resulting in a total of 54 communities
 - Rockhampton acquisition settled on 30 September 2016 for \$10.75 million

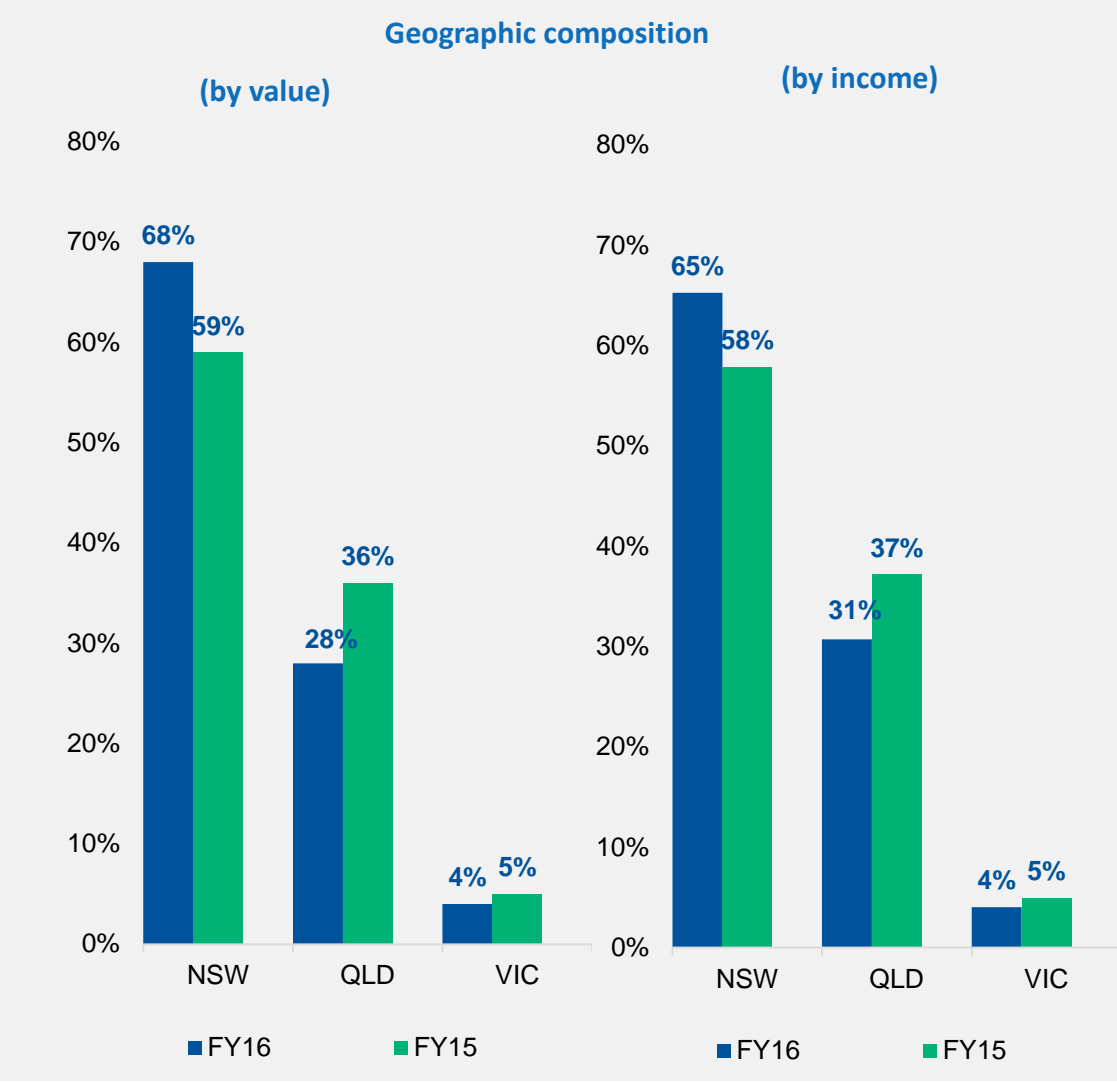
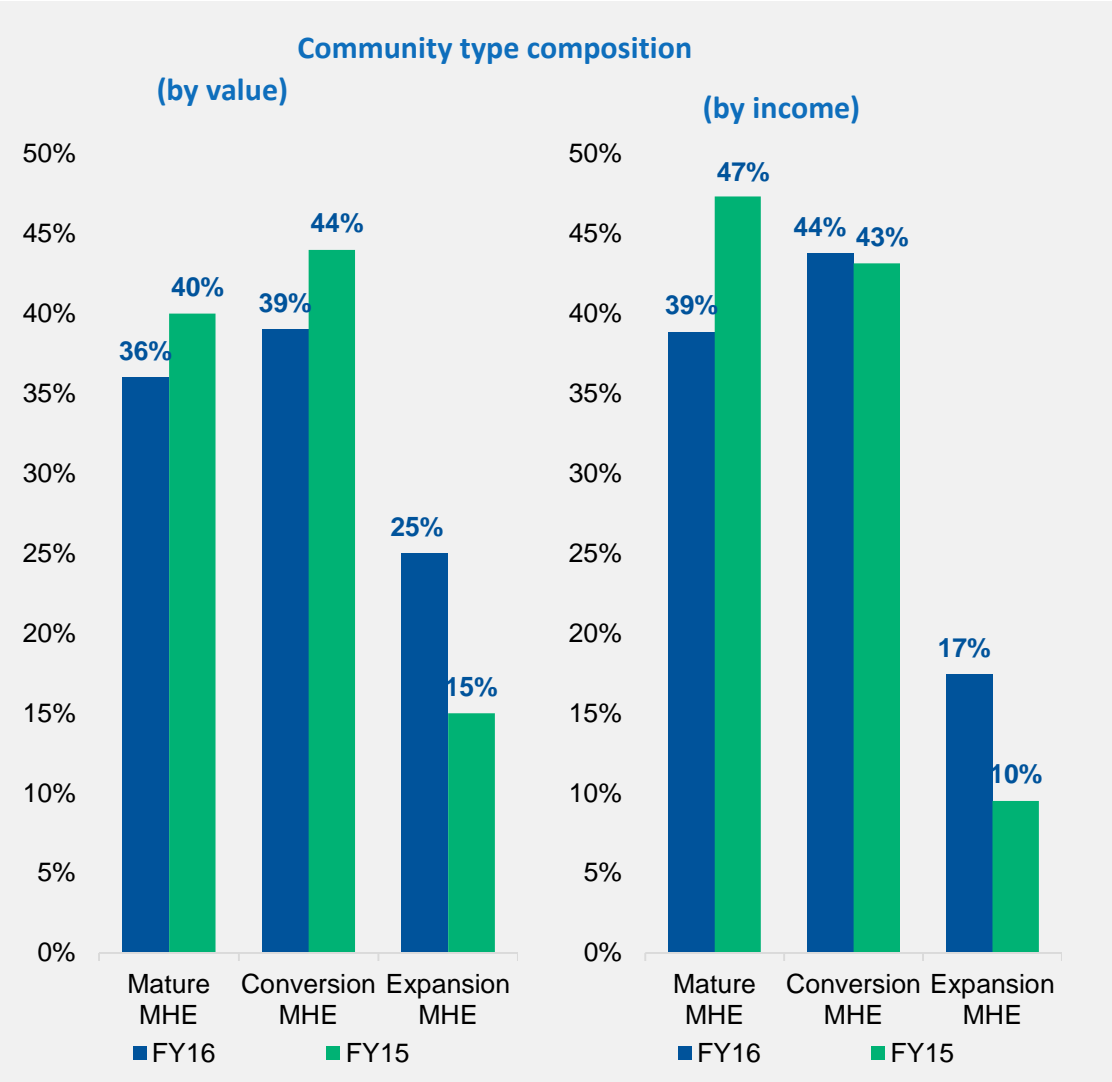
Communities	Qty	Total sites	Total sites %	Occupied manufactured home sites	Development sites
Mature MHEs ¹	18	2,814	33%	2,699	115 ²
Expansion MHEs	13	2,597	24%	1,494	1,103 ²
Conversion MHEs	23	4,250	43%	1,576	2,674 ³
TOTAL¹	54	9,661		5,769	3,892

Rental revenue attribution



1. Includes settled acquisition of Terrigal Sands
 2. Development sites for mature and expansion assets on a 1:1 conversion ratio
 3. Development sites for conversion assets on a 3:2 conversion ratio
 4. Other income includes utilities recharges

Portfolio composition

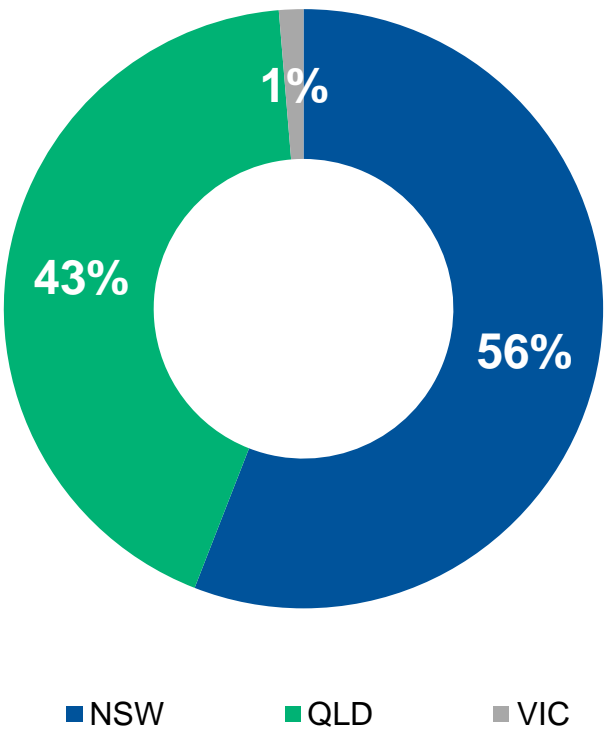


Portfolio – Mature MHE overview¹

Communities	Qty	Total sites	Occupied manufactured home sites	Occupancy ²	Asset value
NSW	10	1,524	1,415	93%	\$110.4m
QLD	7	1,240	1,234	99%	\$84.4m
VIC	1	50	50	100%	\$2.6m
TOTAL	18	2,814	2,699	96%	\$197.4m

- Strong occupancy rate of 96% - minimal vacancy across all but two communities where additional land is under development
- Occupied manufactured home sites contribute 80% of rental revenue base providing long term stable income base
- Steady valuation uplifts reflecting land and income improvements alongside cap rate compression
- Continue to see opportunities for acquisitions across this asset class
- 115 development sites² – incorporates regeneration opportunities in communities such as Stanhope Gardens, Edgewater and Bremer Waters

Geographic composition (by value)



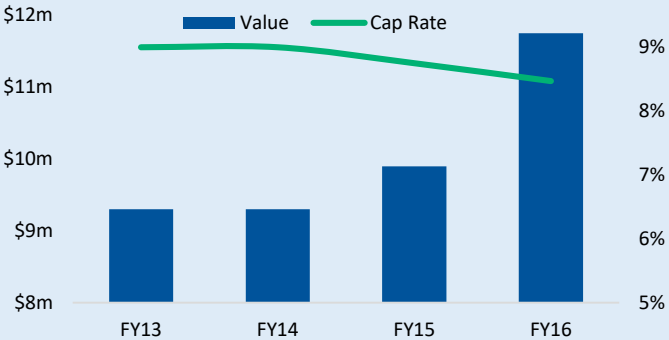
1. Includes settled acquisitions of Terrigal Sands and Rockhampton
2. Calculated as total number of manufactured home sites available for new manufactured homes in comparison to total number of sites. All sites are on a ratio of 1:1 with existing occupied manufactured home sites

Mature communities delivering stable revenue growth

Gateway Lifestyle Regal Waters



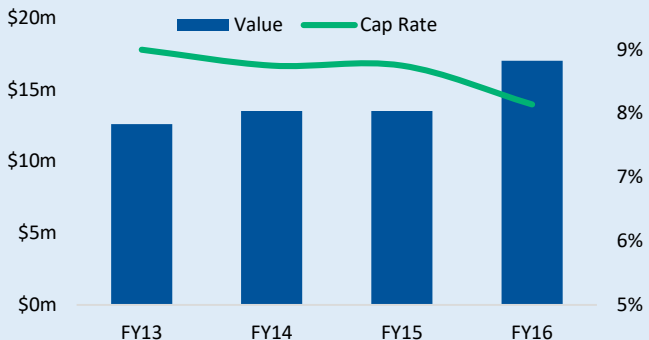
- Cap rate compression of 50bps and stable long term income driving value
- Further value-add with approval of additional 28 sites to be developed and corresponding uplift in value of \$2.4 million since acquisition



Gateway Lifestyle Edgewater



- Significant cap rate compression of 60bps in 12 months
- Additional expansion of the community across ~5 hectares driving further value uplift

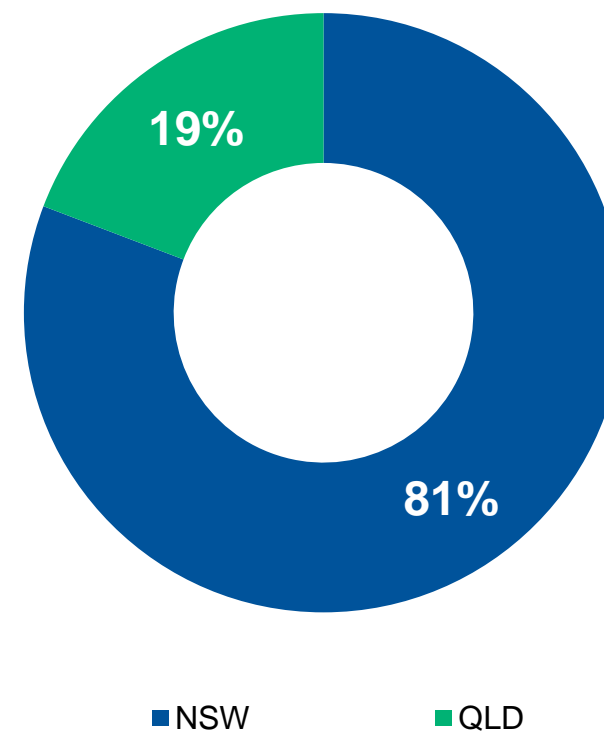


Portfolio – Expansion MHE overview

Communities	Qty	Total sites	Occupied manufactured home sites	Vacant sites	Occupancy ¹	Asset value
NSW	10	2,210	1,204	1,106	54%	\$105.6m
QLD	3	387	290	97	75%	\$25.1m
VIC	-	-	-	-	-	-
TOTAL	13	2,597	1,494	1,103	58%	\$130.7m

- Occupied site rental revenue covers community expenses at ~30% occupancy with each additional site sold reflecting incremental value to asset level EBITDA
- Vacant sites reflect mature development ratio of 1:1
- Incorporates two greenfield sites with ~260 sites approved for development

Geographic composition (by value)



1. Calculated as total number of manufactured home sites available for new manufactured homes in comparison to total number of sites. All sites are on a ratio of 1:1 with existing occupied manufactured home sites

Expansion communities driving sales

Gateway Lifestyle Valhalla



- Delivered ~\$15 million in development revenue with 42 settlements in FY16
- Increasing value of long term income stream
- Award winning community driving strong sales and settlements
- Anticipate strong sales over FY17 and FY18

Gateway Lifestyle Belmont



- Acquired with immediate expansion potential over 12 sites
- 10 settlements delivered in Q416
- Community now mature with strategic regeneration opportunities

Gateway Lifestyle Albury



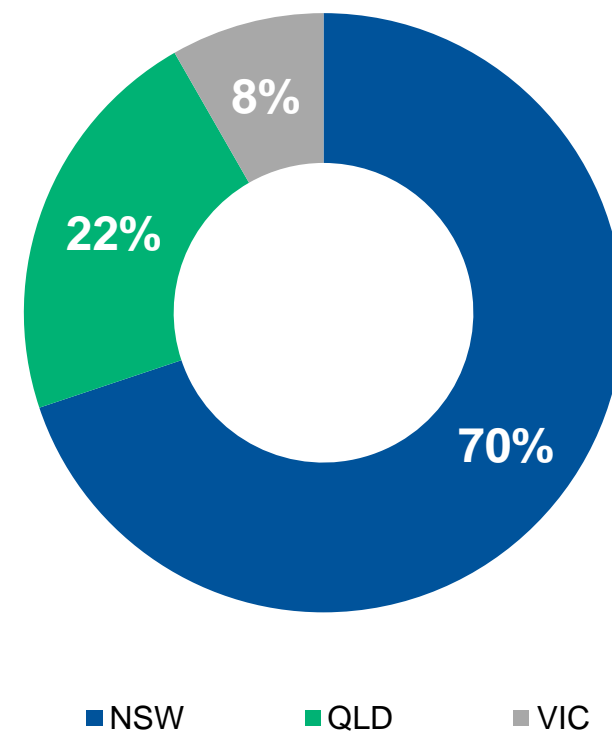
- Acquired with 106 occupied sites and 45 fully serviced development sites
- Sales launched in Q2FY17 with a ~3 year target sell down period

Portfolio – Conversion MHE overview

Communities	Qty	Total sites	Occupied manufactured home sites	Potential development sites ¹	Asset value
NSW	16	2,862	1,311	1,551	\$144.8m
QLD	4	1,079	196	883	\$45.3m
VIC	3	309	69	240	\$17.2m
TOTAL	23	4,250	1,576	2,674	\$207.3m

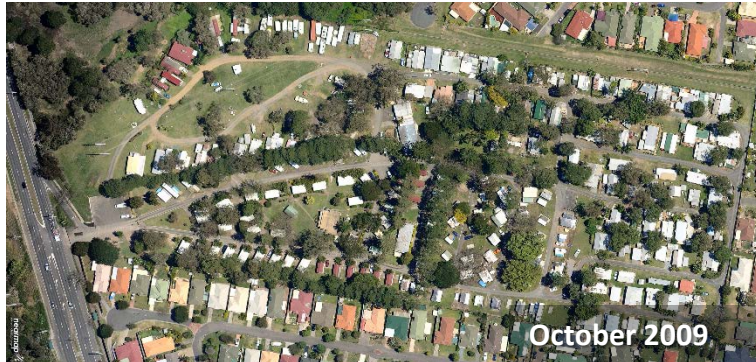
- Equates to 43% of the total portfolio
- Provides 2,674 development sites¹ with potential of ~2,000 manufactured home sites
 - Assets will be transformed into manufactured home sites subject to relevant approvals
- Asset class composition
 - Consists of 37% occupied manufactured home sites
 - Remainder consists of either tourism or non-income producing sites under development

Geographic composition (by value)



1. Converted at a ratio of 2 manufactured homes for every 3 potential development sites

Conversion building community – Bayside case study



- Acquired the community as a mixed use park in 2009 and commenced development in 2012
- At acquisition community was valued at \$9.25m and was revalued in July 2015 for \$11.7m with ~\$25m of development revenue received over the period
- Community is now close to 100% occupied with manufactured homes
 - Regeneration opportunity remains in one part of the community

Accelerated conversion set to create value – Aspley case study



FY17	FY18	FY19	FY20
DEVELOP/ SALES	SALES	SALES	COMPLETION
In ground works Community centre	Display homes/ off the plan	Majority off the plan	Fully occupied MHE

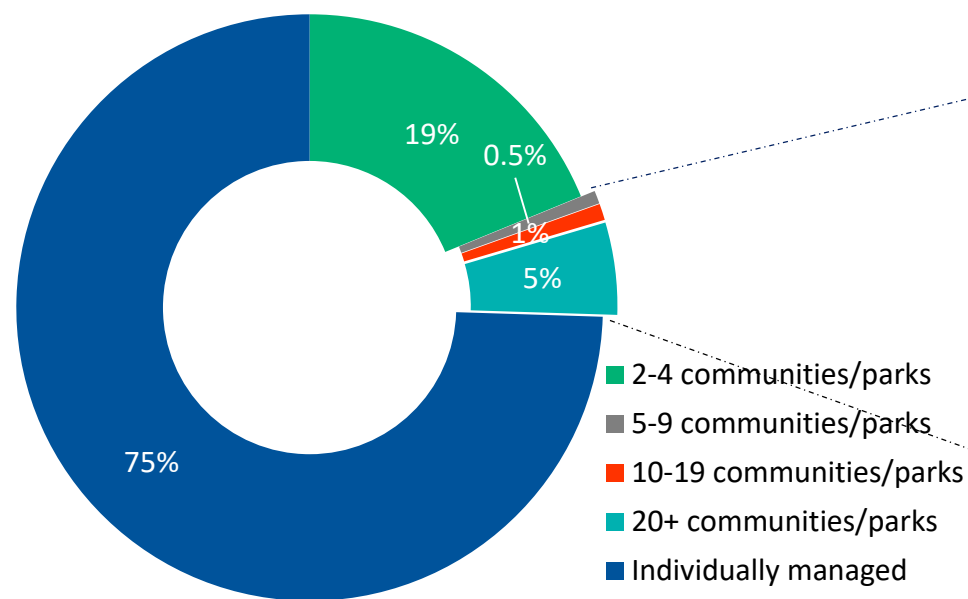


- Commenced initial development in 2015 with second stage commenced in Q3FY16
- Strategic decision to progress development of remaining community made in mid 2016 taking all short term income offline
- Sales commenced in late FY16 – ground works close to complete with Community Centre to be complete in Q3FY17

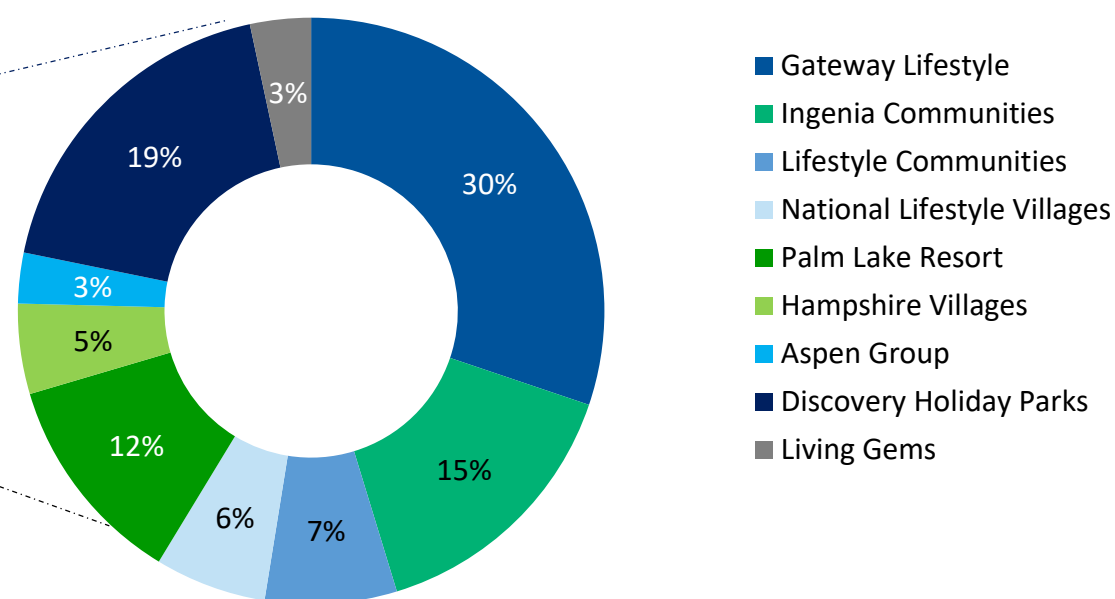
Acquisition pipeline remains strong

- Acquisition pipeline remains consistent
 - 1-2 years of ‘cottage industry’ acquisitions remaining with ~70% of communities still individually owned and managed
 - Further sector consolidation in future years as viable individual MHE acquisitions lessens
- Forecast acquiring a further ~\$80m over the remainder of the financial year
 - Focused on mature, expansion and greenfield communities
 - Targeting ~90% of long term income base within 3-5 year timeframe

Overall sector composition



Key sector participants



1. Source: Company website, UBS Research



QUESTIONS AND ANSWERS

