



Ingenia Lifestyle Latitude One, NSW

INGENIA COMMUNITIES GROUP

2017 Annual General Meeting

Meeting outline

1. Chairman's Welcome
2. Business Update
3. Resolutions

Ingenia Lifestyle Chambers Pines, Brisbane

Chairman's welcome

NON-EXECUTIVE DIRECTORS

CHAIRMAN

Jim Hazel

DEPUTY CHAIRMAN

Rob Morrison

DIRECTOR

Amanda Heyworth

DIRECTOR

Philip Clark

DIRECTOR

Valerie Lyons

EXECUTIVES

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Simon Owen

CHIEF FINANCIAL OFFICER (ACTING)

Scott Noble

COMPANY SECRETARY

Leanne Ralph

Ingenia Communities Group Board of Directors



Jim Hazel
Chairman



Phil Clark
Non-Executive Director



Rob Morrison
Deputy Chairman



Valerie Lyons
Non-Executive Director



Amanda Heyworth
Non-Executive Director



Simon Owen
CEO and Managing Director

Jim Hazel, Chairman



Ingénia Holidays One Mile Beach, NSW

FY17 achievements

Expansion of Lifestyle and Holidays portfolio	✓ Lifestyle and holiday communities portfolio growth – twelve assets acquired or contracted
Capital initiatives	✓ Successful capital raising to fund growth ✓ DRP in place ✓ Debt facility extended to \$300 million
Development contribution increased	✓ Development underway in twelve communities ✓ Settlement of 211 new homes
Strong financial results and increased return to investors	✓ Distribution per security up 9.7% ✓ Earnings Before Interest and Tax (EBIT) up 32.6%

Solid base for growth established



\$170 million acquisitions in past 12 months

Oct 16	Ingenia Holidays Hervey Bay, NSW
Oct 16	Ingenia Holidays Avina, NSW
Dec 16	Ingenia Lifestyle Latitude One, NSW
Jan 17	Ingenia Holidays Blueys Beach, NSW
Mar 17	Ingenia Holidays Cairns Coconut, QLD
May 17	Ingenia Holidays Bonny Hills, NSW
Jun 17	Ingenia Lifestyle Durack Gardens, QLD
Aug 17	Ingenia Lifestyle Eight Mile Plains, QLD
Aug 17	Ingenia Lifestyle Plantations, NSW

KEY

Orange dot	Recent acquisitions
Blue dot	Ingenia Lifestyle and Holidays
Green dot	Ingenia Gardens

Simon Owen, CEO



Ingenia Lifestyle Latitude One, NSW

Business overview

Creating Australia's best lifestyle and holiday communities



Over **5,500** rental and lifestyle residents



4,000
Occupied permanent homes



790,000+
holiday 'room nights' p.a



Annualised revenue **>\$175 million**
Stable rent base **>\$1.5 million/pw**



2,690+
Potential development sites

35 LIFESTYLE AND HOLIDAY COMMUNITIES

31 RENTAL VILLAGES

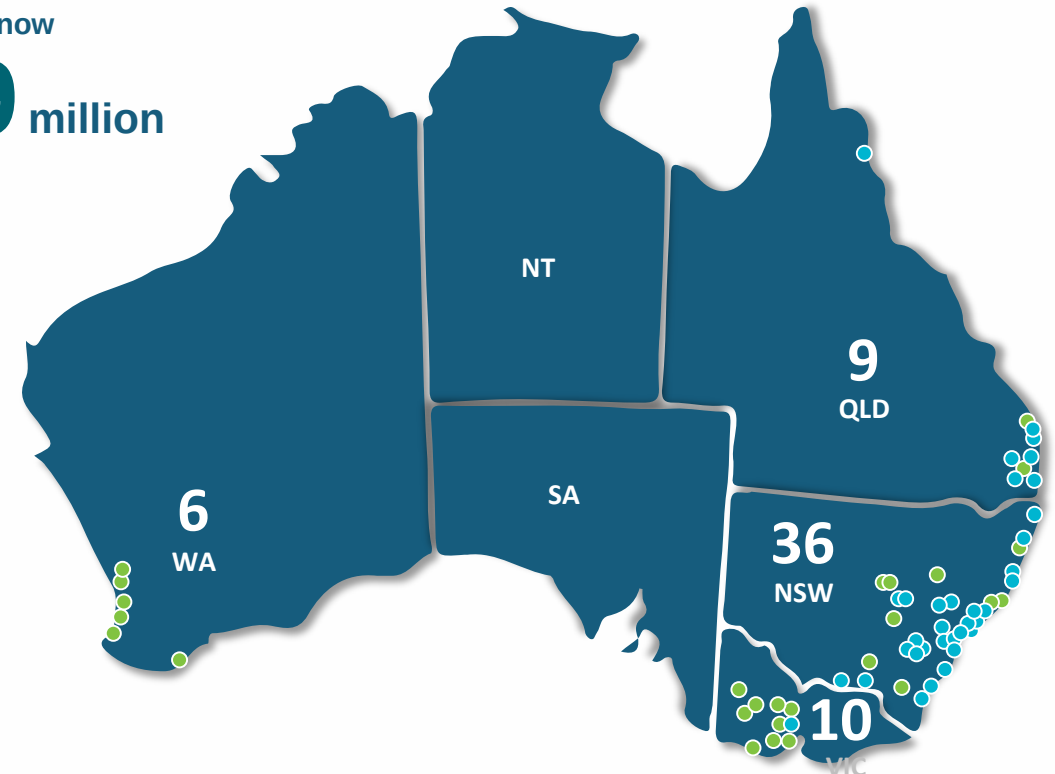
Note: Excludes assets under option. Excludes three Settlers Villages.

Ingenia has

66 Australian communities & growing

Portfolio value now

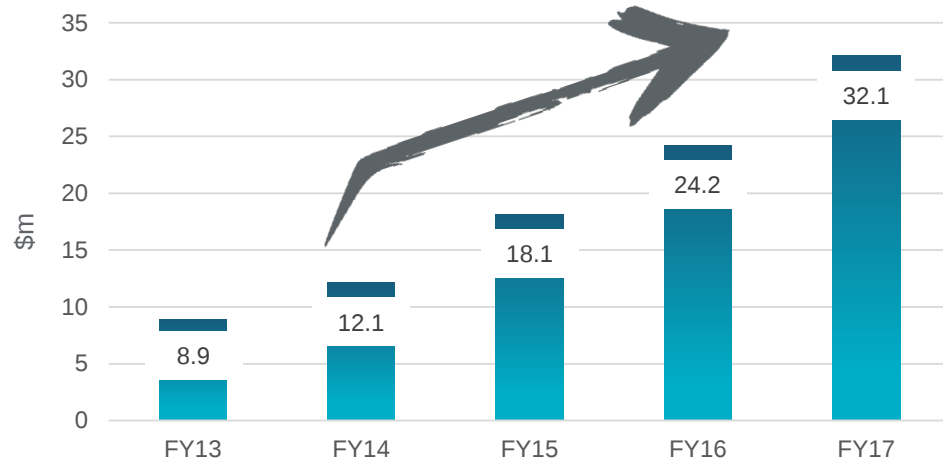
\$689 million



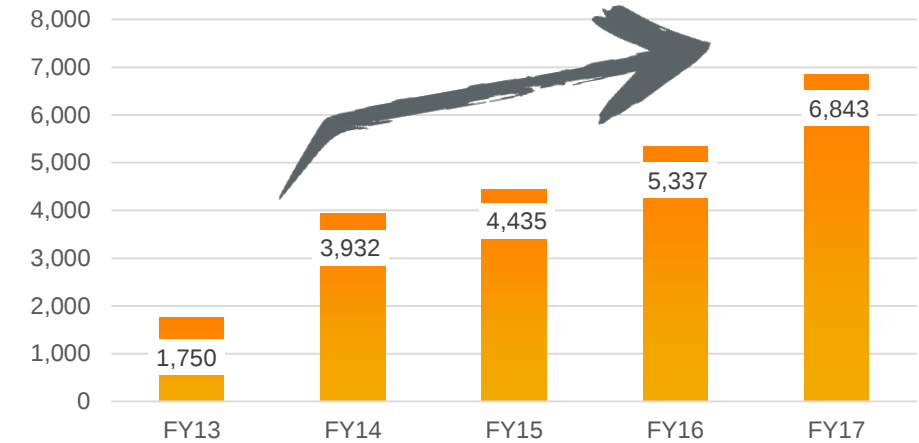
A five year story

Delivering growth with significant embedded value

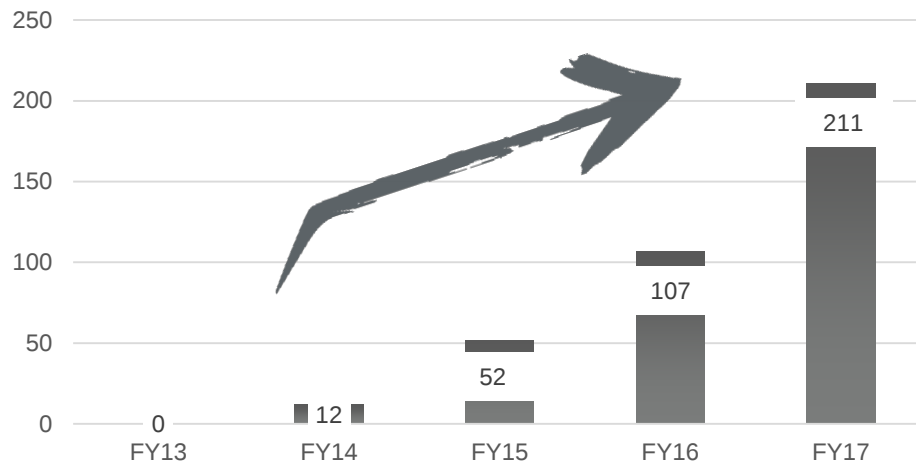
EBIT (Continuing Operations)



Income Generating Sites



New Home Settlements



Ingenia Gardens Occupancy (%)



Scott Noble, CFO (Acting)



Ingénia Lifestyle The Grange, NSW

Key financials

Strong operating earnings and cashflow

KEY FINANCIAL METRICS	FY17	FY16	CHANGE	
Revenue	\$149.9m	\$107.1m	40.0%	  Revenue growth, reflecting strong performance from the core business and contribution from acquisitions
EBIT	\$32.1m	\$24.2m	32.6%	  EBIT above guidance - result driven by significant sales momentum
Statutory profit ¹	\$26.4m	\$24.3m	8.6%	
Underlying profit – continuing operations ²	\$23.5m	\$20.2m	16.3%	
Underlying profit EPS – continuing operations	13.0c	13.4c	(3.0%)	  Underlying EPS impacted by May 17 capital raising – funds not fully deployed until August 17
Operating cashflow	\$30.3m	\$21.0m	44.3%	  Strong operating cashflow driven by rental and tourism earnings and new home sales
Distribution per security	10.2c	9.3c	9.7%	  Distribution of 10.2c – up 9.7% on FY16
Effective tax rate	7%	-	NM	  Increase in tax rate driven by increased contribution from development

1. FY17 statutory profit includes \$12.7 million fair value write-off of acquisition transaction costs (FY16: \$5.5 million), loss on sale of Settlers \$7.6 million.

2. Underlying profit is a non-IFRS measure designed to present, in the opinion of the Directors, the results from the ongoing operating activities of INA in a way that reflects underlying performance. Underlying profit excludes items such as unrealised fair gains/(losses), and adjustments arising from the effect of revaluing assets/liabilities (such as derivatives and investment properties). These items are required to be included in Statutory Profit in accordance with Australian Accounting Standards. Underlying profit has not been audited or reviewed by EY.

Capital management

Well positioned to fund development pipeline

\$81M
DEBT
CAPACITY¹

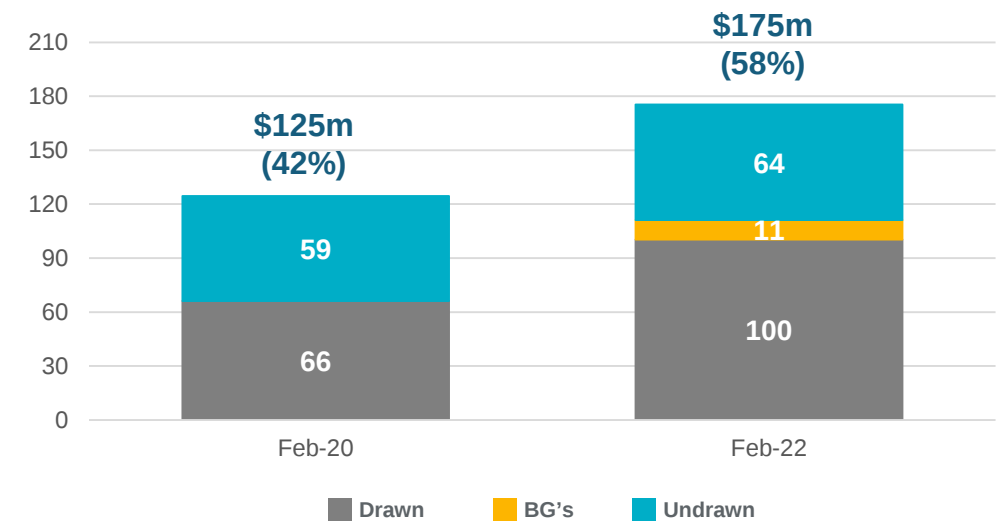
\$100M
FACILITY
INCREASE

33.3%
LOAN TO
VALUE
RATIO¹

3.8 YEARS
WEIGHTED
AVERAGE
DEBT
MATURITY

DEBT METRICS - 30 JUNE	2017	2016
Loan to value ratio (covenant <50%)	27.7%	24.9%
Core interest cover ratio (ICR)	3.5x	3.7x
Net asset value (NAV) per security	\$2.50	\$2.45
Total facility (\$m)	300.0	200.0
Drawn debt (\$m)	166.5	99.1

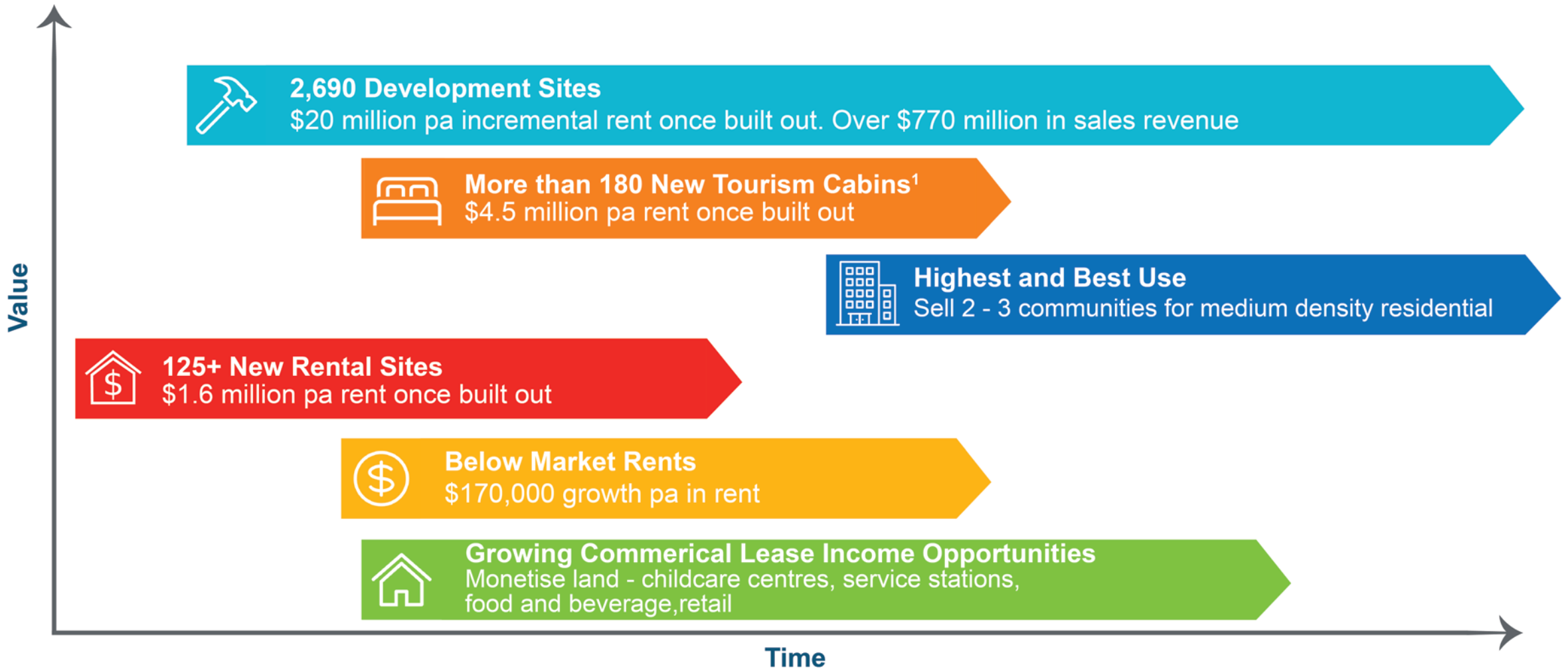
DEBT MATURITY (\$m) - 30 June 2017



¹ Pro forma, post acquisition of Ingenia Lifestyle Eight Mile Plains and Ingenia Lifestyle Plantations.

Ingenia value levers

Significant embedded opportunity within the portfolio to create superior value



¹ Includes some site conversions.

Embedded growth

Ingenia Holidays Cairns Coconut offers significant opportunity



Acquired March 2017

- One of Australia's leading holiday resorts
- Ingoing yield of >8%

Strong performance since acquisition

- Occupancy up 8% on prior year
- Average daily rate up 5% on prior year

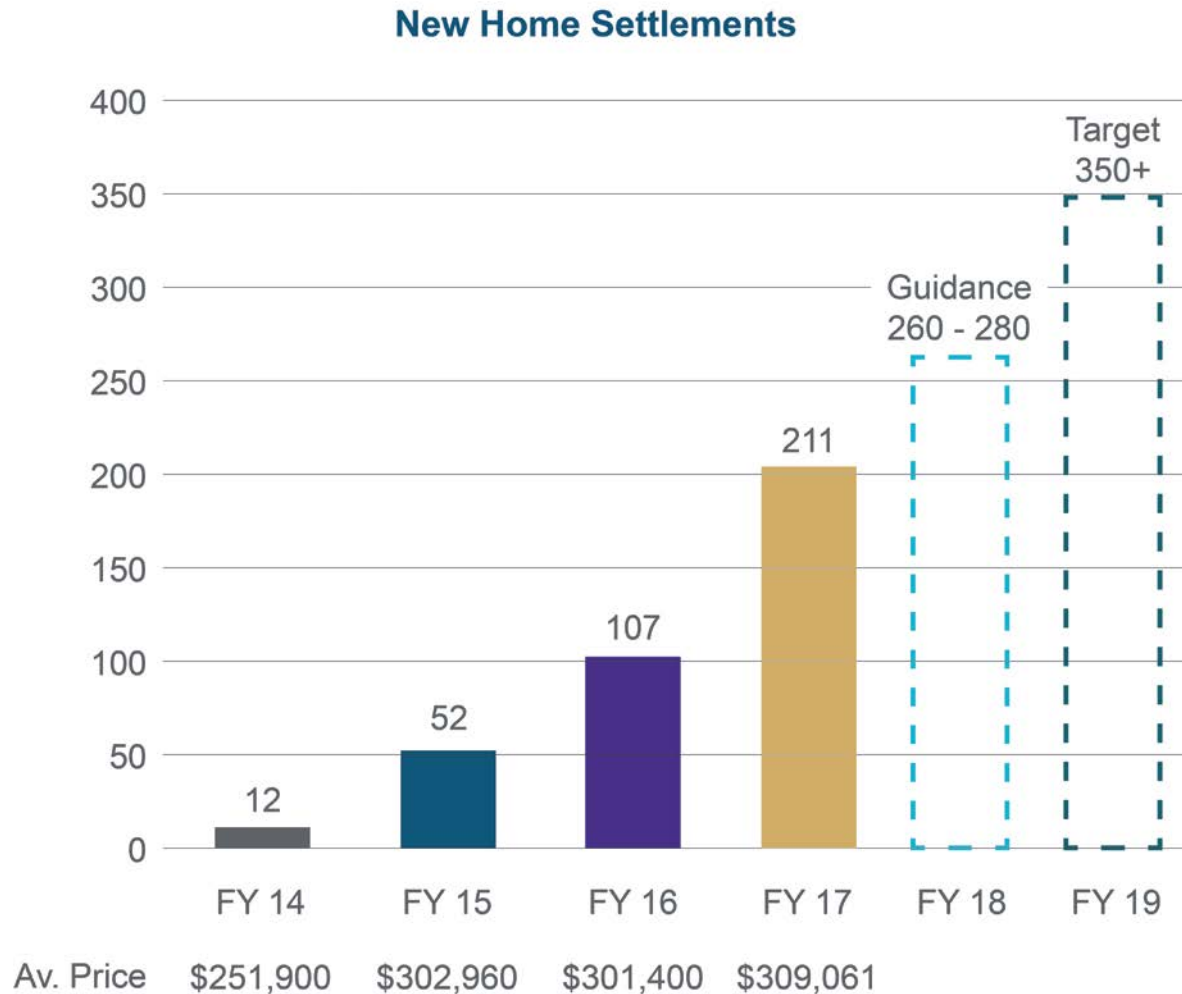
Significant organic growth upside

- Approvals in place for 34 new cabins
- Targeted return on new capital invested of 18 – 20% (IRR)
- Four new villas installed (\$138,000 each) – anticipated yield >24%



Investing in growth

Acceleration of new home settlements driving earnings growth



FY17 settled 211 new homes (up 97% on FY16)

- Contributing to improved operating margin and yield at key development communities

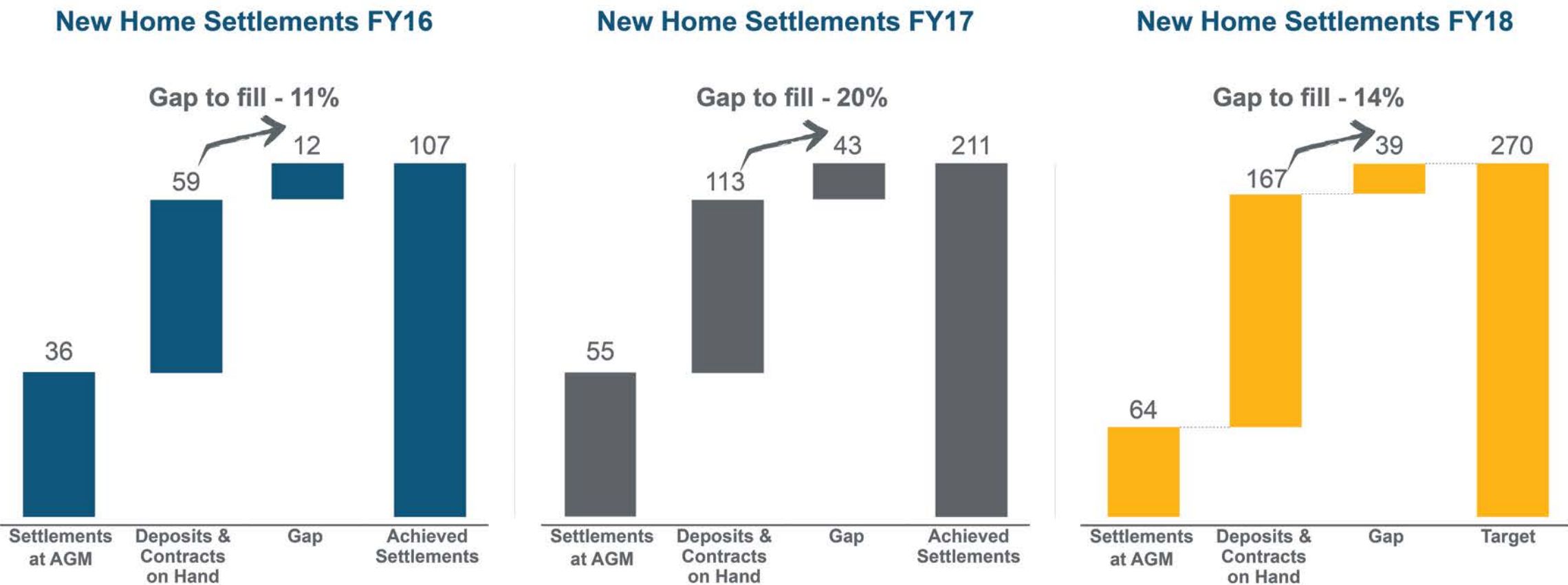
Large metro and coastal projects support future sales and margin growth

- Metro and coastal projects offer higher margins and greater sales velocity

Three new projects now commenced – settlements forecast from March 18

- Latitude One, The Grange and Lake Conjola (NSW)

Sales update



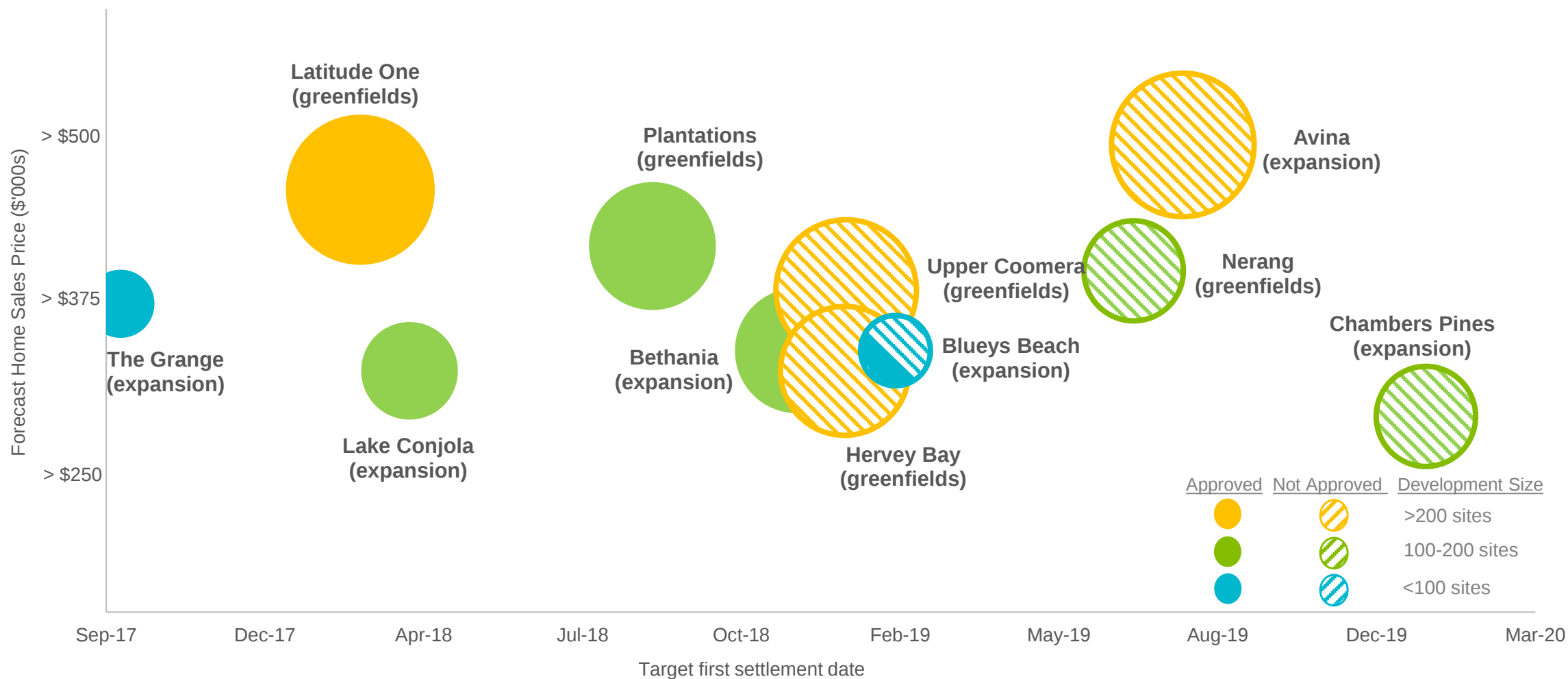
Note: Includes First Choice Club deposits.

Investing in growth

Market leading pipeline secured

Expect to launch ten new or expansion projects over two years

Pipeline supplements current 'in market' projects



Ingenia Lifestyle Latitude One (NSW, Port Stephens)

First greenfield project on track

- Greenfield development comprising 229 new homes (seeking increase to 270 sites)
- Civil infrastructure works on schedule
- Additional 12.8 hectares acquired for longer term expansion (STCA)
- Settlement forecast to commence from April 2018
 - 82% of homes released SOLD
 - Average price > \$450,000



Home Design 102 - 2 bed, 2 bath, 1 garage



Home Design 104 - 3 bed, 2 bath, 2 garage

Ingenia Lifestyle Chambers Pines, Brisbane

- Major expansion (256 homes) underway
- Additional land optioned for 120 new homes
- Will create one of the largest lifestyle communities in SE Queensland



Ingenia Lifestyle Bethania, Brisbane

- Adjacent land acquired at \$25,500 per site
- DA now in place for additional 188 homes



Updated and expanded guidance

	FY18 Previous (Aug 17)	FY18 New	Comment	Growth on FY17
New home settlements	260 - 280	260 - 280	Strong contracts and deposits on hand but dependent on Q4 settlements at Latitude One, Lake Conjola and The Grange	 >23%
Margin on new home settlements	~\$110k	\$115k +	Driven by rising home prices and build cost scale efficiencies	 >18%
EBIT	\$42 - 46 million	\$45 - 47 million	Improvement driven by higher home sales margins, operating performance and increasing certainty on asset sale timing	 >40%
EPS (underlying profit)	N/A	15.6 cents +	New guidance (FY17: 13.0 cents)	 >20%

Note: Guidance is subject to no material change in market conditions.

Outlook: organic growth and capital recycling

- ▶ Improve performance of existing assets to drive revenue growth and leverage operating and sales platform
- ▶ Accelerate development pipeline to deliver new rental contracts and increase development margins
- ▶ Progress sales of non-core assets under conditional contract or offer to fund future growth
- ▶ Deliver FY18 EBIT (\$45-47 million) and EPS (15.6 cents +)



Thank you



Ingenia Holidays One Mile Beach, NSW

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