

ASX / Media Release

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16 October 2019

Ingenia announces \$131.1 million equity raising to fund acquisitions and accelerate growth

Highlights

- Fully underwritten accelerated non-renounceable pro rata entitlement offer and institutional placement to raise \$131.1 million at \$3.93 per new security
- Acquisition of three lifestyle communities, adding 540 income generating sites and 60 development sites
- Potential to develop over 500 additional home sites via expansion land at one existing community and new Joint Venture greenfield site
- FY20 EBIT guidance increased to 15-20% growth (was 10-15%); underlying EPS guidance maintained at 5-10% growth
- Accretive to underlying EPS in FY21
- Pro forma LVR of 28.5%
- Pro forma NAV increased to \$2.77 from \$2.65
- Capacity to pursue growth initiatives across the Ingenia platform, taking advantage of significant acquisition pipeline

Ingenia Communities Group (ASX:INA) (Ingenia or the Group) today announced a 2 for 17 accelerated non-renounceable pro rata entitlement offer to existing security holders (the Entitlement Offer) to raise \$109.8m and an institutional placement (the Placement) to raise \$21.3m (together, the Equity Raising). The Equity Raising proceeds will be used to expand the Group's portfolio of lifestyle communities and to provide additional equity for the Group's Joint Venture with Sun Communities, Inc. (NYSE: SUI).

Acquisitions

The majority of the funds raised will be used to grow the Group's lifestyle and holidays portfolio through the acquisition of six assets¹, including three established communities. The identified acquisitions, which have a total purchase price of approximately A\$102.7 million² are expected to progressively settle during FY20³ and have been summarised in the table below:

¹ Includes balance sheet acquisitions and additional equity for Joint Venture with Sun Communities.

² Pre transaction costs. Includes Ingenia's share of Joint Venture acquisition.

³ Subject to completion of due diligence, Board approvals and exchange of contracts.

Confidential Park A Brisbane (100% Ingenia)	Mixed-use metro community located in Brisbane with ~150 existing sites plus development upside
Confidential Park B NSW Central Coast (100% Ingenia)	Existing community with ~190 homes plus development upside
Confidential Park C South East QLD (100% Ingenia)	Existing community with ~200 homes and expansion potential
Expansion land NSW North Coast (100% Ingenia)	Potential for an additional 100 homes on land adjacent to an existing lifestyle development
Expansion land Ingenia Holidays Rivershore, Sunshine Coast, QLD (100% Ingenia)	Adjacent land with potential to add approximately 80 new holiday sites
Greenfield site NSW Central Coast (Joint Venture – 50% Ingenia)	Large greenfield site with potential to create a master planned community of ~400 homes

The acquisitions enhance Ingenia’s strategic portfolio weighting to the east coast of Australia, leveraging existing operations. On completion of the acquisitions, Ingenia’s lifestyle portfolio will include over 8,500 income producing sites with 97% of the portfolio (by value) in coastal and metropolitan markets.

Ingenia’s CEO, Simon Owen, said:

“The acquisitions announced today confirm Ingenia’s position as a sector leader in lifestyle communities, as we continue to expand with on-strategy opportunities which are consistent with our focus on building asset clusters in key metro and coastal markets.

The Equity Raising provides capacity to fund further growth initiatives across the Ingenia platform whilst maintaining FY20 underlying EPS guidance and improving our growth outlook.

Our pipeline is supported by a dedicated acquisitions team which is continuing to progress a mix of yielding and growth opportunities and we are confident of our ability to execute on further transactions to deliver future growth.”

Currently under conditional contract is: land adjacent to Ingenia Holidays Rivershore, one of Ingenia’s most attractive holiday communities; and greenfield land on the NSW Central Coast with the potential to create a large-scale lifestyle community.

Additional acquisitions identified for Ingenia’s balance sheet which are under due diligence and expected to settle during FY20⁴ include a metro mixed-use community in Brisbane and coastal lifestyle communities in NSW and QLD, sites and additional development sites. Due diligence is also progressing on land adjacent to another existing Ingenia lifestyle community which will facilitate the expansion of this attractive NSW coastal asset.

In total, the balance sheet acquisitions have a combined purchase price of approximately \$86.0 million⁵, with a further \$16.7 million to be deployed in the Joint Venture with Sun Communities.

⁴ Subject to completion of due diligence, Board approvals and exchange of contracts.

⁵ Pre transaction costs.

Combined, these acquisitions include 540 income producing sites and 640 potential development sites, building the Group's development pipeline to 3,873 potential new homes.

A further \$18.4 million is expected to be deployed on growth opportunities identified for Ingenia's balance sheet and the Joint Venture with Sun Communities. Ingenia is assessing a further twelve land parcels and the Group's pipeline of existing communities continues to be strong, with approximately 20 assets at various stages of negotiation and assessment.

Equity Raising

Ingenia will fund the acquisitions and additional growth capital through the 2 for 17 accelerated non-renounceable pro rata entitlement offer to existing eligible securityholders to raise \$109.8m and a \$21.3m Placement.

The Equity Raising is fully underwritten by Citigroup Global Markets Australia Pty Limited, Goldman Sachs Australia Pty Ltd and Moelis Australia Advisory Pty Limited. New securities issued under both the Entitlement Offer and Placement will be issued at \$3.93 per security (Issue Price). The Issue Price represents a:

- 3.0% discount to the last closing price of \$4.05 on 15 October 2019
- 3.5% discount to the 5-day volume weighted average price (VWAP) of \$4.07 on 15 October 2019
- 2.6% discount to the Theoretical Ex-Rights Price of \$4.04⁶

The Entitlement Offer will comprise an accelerated institutional component open to eligible institutional securityholders (Institutional Entitlement Offer) and a retail component open to eligible retail securityholders (Retail Entitlement Offer).

The offer ratio and Issue Price for New Securities under the Retail Entitlement Offer are the same as for the Institutional Entitlement Offer and Placement.

Sun Communities intends to fully participate in the Entitlement Offer.

⁶ The theoretical ex-rights price (TERP) is a theoretical price at which Ingenia securities should trade at immediately after the ex-date for the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which Ingenia securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to TERP. The TERP is calculated by reference to Ingenia's closing price of \$4.05 on Tuesday, 15 October 2019.

Indicative timetable

Key event	Date
Institutional Placement and Institutional Entitlement Offer	
Announcement of the Placement and Entitlement Offer	16 October
Trading resumes on an ex-Entitlement Offer basis	17 October
Record Date for determining entitlements for the Entitlement Offer (by 7pm AEDT)	18 October
Settlement of New Securities under the Placement and Institutional Entitlement Offer	29 October
Placement, Institutional Entitlement Offer and Early Retail Entitlement securities issued and normal trading commences	30 October
Retail Entitlement Offer	
Retail Entitlement Offer document and acceptance forms despatched	23 October
Retail Entitlement Offer opens	23 October
Retail Entitlement Offer closes	4 November
Settlement of Retail Entitlement Offer and Retail Entitlement shortfall	11 November
Retail Entitlement Offer securities issued	11 November
Normal trading commences for Retail Entitlement Offer securities	12 November
Despatch of holding statements	13 November

Further details on the acquisitions and Equity Raising can be found in the investor presentation lodged with ASX today.

ENDS

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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).

Forward Looking Statements

This announcement may include forward-looking statements. These forward-looking statements are based on Ingenia's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Ingenia, which could cause actual results to differ materially from such statements. Ingenia makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement, to reflect the circumstances or events after the date of this announcement.

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