

ASX / Media Release

Ingenia delivers strong performance – confirms FY18 guidance

20 February 2018

- Revenue of \$76.9 million, up 17.6% on 1H17
- EBIT of \$19.3 million, up 40.9% on 1H17
- Underlying Profit of \$14.6 million, up 37.7% on 1H17
- Underlying earnings per security (EPS) of 7.1 cents, up 18.3% on 1H17
- Year to date settlement of 117 new homes - further 207 homes contracted or deposited
- On track to deliver 260-280 new home settlements in FY18

Ingenia Communities Group (ASX:INA) today announced Underlying Profit of \$14.6 million for the half year ended 31 December 2017, an increase of 37.7% on the previous corresponding period.

The Group generated strong operating cash flow of \$11.3 million, up 7.6% on 1H17. Revenue of \$76.9 million was up 17.6% on 1H17, which included a 55% increase in Lifestyle and Holidays rental income.

Ingenia has declared a half year distribution of 5.1 cents per stapled security, with payment to be made on 14 March 2018. The distribution, which is consistent with the 1H17 distribution, reflects the Group's focus on internally funding the future capital requirements of the business, and the strong development pipeline in place.

Ingenia's CEO, Simon Owen, said the result demonstrated the benefit of successfully integrating quality acquisitions to the Group's platform and delivering on embedded growth across the Group in rental cash flows and development earnings.

"Our earnings were underpinned by rental income, comprising 80% of portfolio EBIT. The Group has presently settled 117 new homes at a margin of approximately \$114,000. A strong second half sales forecast is supported by 207 contracts and deposits – including 72 at Ingenia's Latitude One, The Grange and Lake Conjola projects."

“The Group’s first greenfield project is significantly exceeding internal targets. To date, over 70% of released homes have been sold at an average price exceeding \$475,000. There are presently thirty eight homes under construction and the first residents are expected to move in from late April.”

“Margins across the business continue to improve, with scale benefits emerging.”

“Our tourism business is performing strongly with the result benefitting from acquisitions, including Cairns Coconut, and a growing digital and brand presence.”

“We continue to refine the portfolio in line with strategy and announced the divestment of three non-core assets in the half, providing \$17 million in capital to recycle into our lifestyle developments.”

“Looking forward to FY19, it is very pleasing that all approvals are now in place for our targeted 350 plus settlements.”

Capital Management

Ingenia is well positioned to fund the development pipeline going forward. This includes non-core asset sales providing capital for reinvestment, further growing cash inflows as home sales and operating cash flows increase, utilising existing debt and the Group’s distribution reinvestment plan.

At 31 December 2017 Ingenia’s loan to value ratio (LVR) was 35.1%, within the Group’s target range of 30-40% and well below banking covenant of 50%.

Outlook

Ingenia has experienced a strong start to the second half. The Group is focused on accelerating the build-out of its development pipeline to deliver new rental contracts and increase scale and margins across the business. Asset recycling will continue to help fund development growth.

Ingenia confirms prior FY18 guidance of: EBIT in the range of \$45-\$47 million; new home settlements of 260-280; and EPS (underlying profit) of at least 15.6 cents per security.

ENDS

For further information please contact:

Donna Byrne
Group Investor Relations Manager
P 02 8263 0507
M 0401 711 542

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).