



Ingenia Lifestyle Bethania, QLD

**INGENIA COMMUNITIES GROUP**

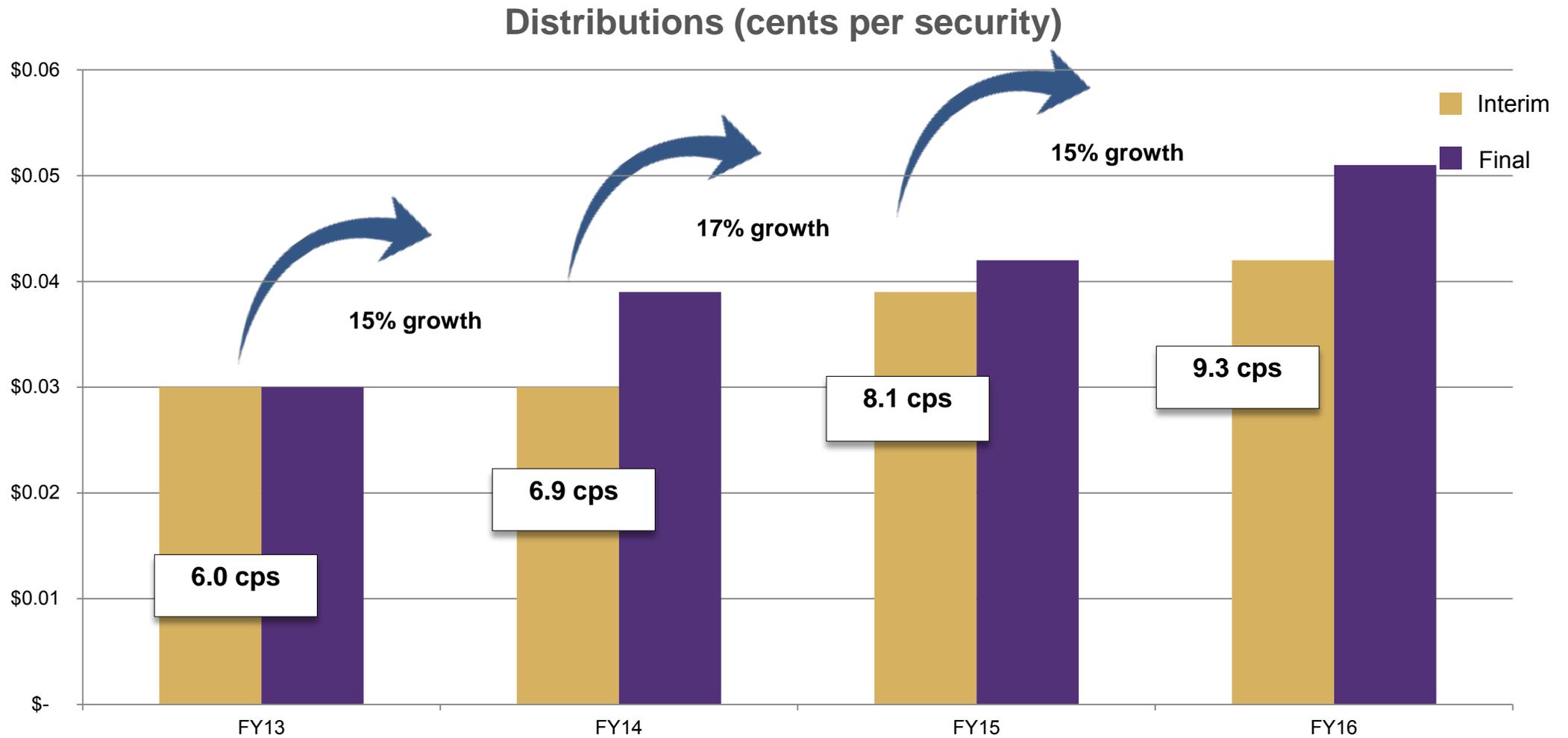
# 2016 Annual General Meeting

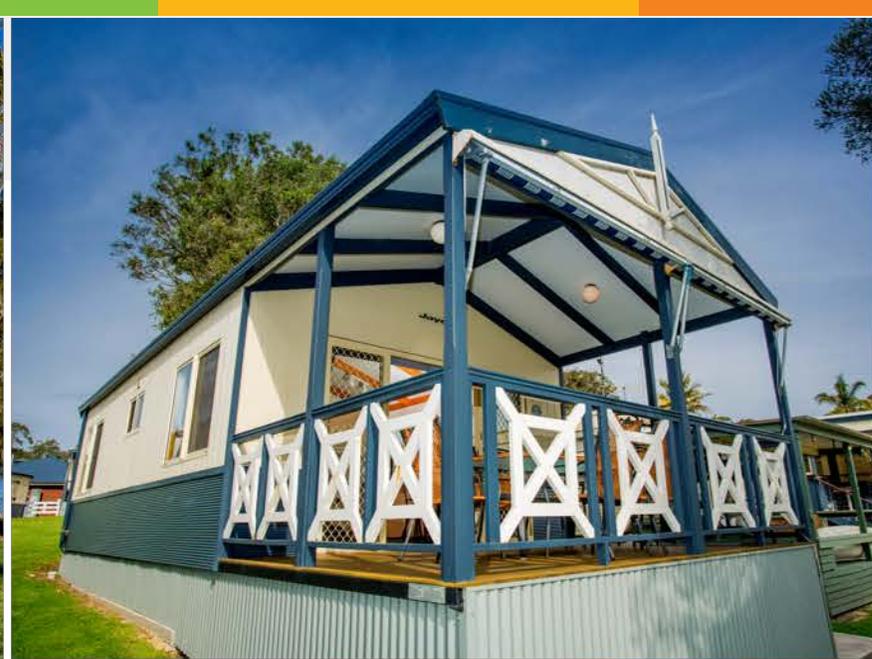
15 November 2016

# FY16 Achievements: Strategy

<b>Expansion of cash yielding asset base</b>	✓ Lifestyle Parks portfolio grown – six assets acquired or contracted
<b>Capital initiatives</b>	✓ Successful capital raising to fund growth
	✓ DRP in place
	✓ Debt facility extended to \$224 million
<b>Development contribution increased</b>	✓ Development underway in thirteen communities
	✓ Settlement of 107 new homes
<b>Strong financial results and increased returns to investors</b>	✓ Distribution per security up 15%
	✓ Underlying profit up 20%

# Distributions Continuing to Increase





Ingenia Holidays Ocean Lake, Wallaga Lake, NSW

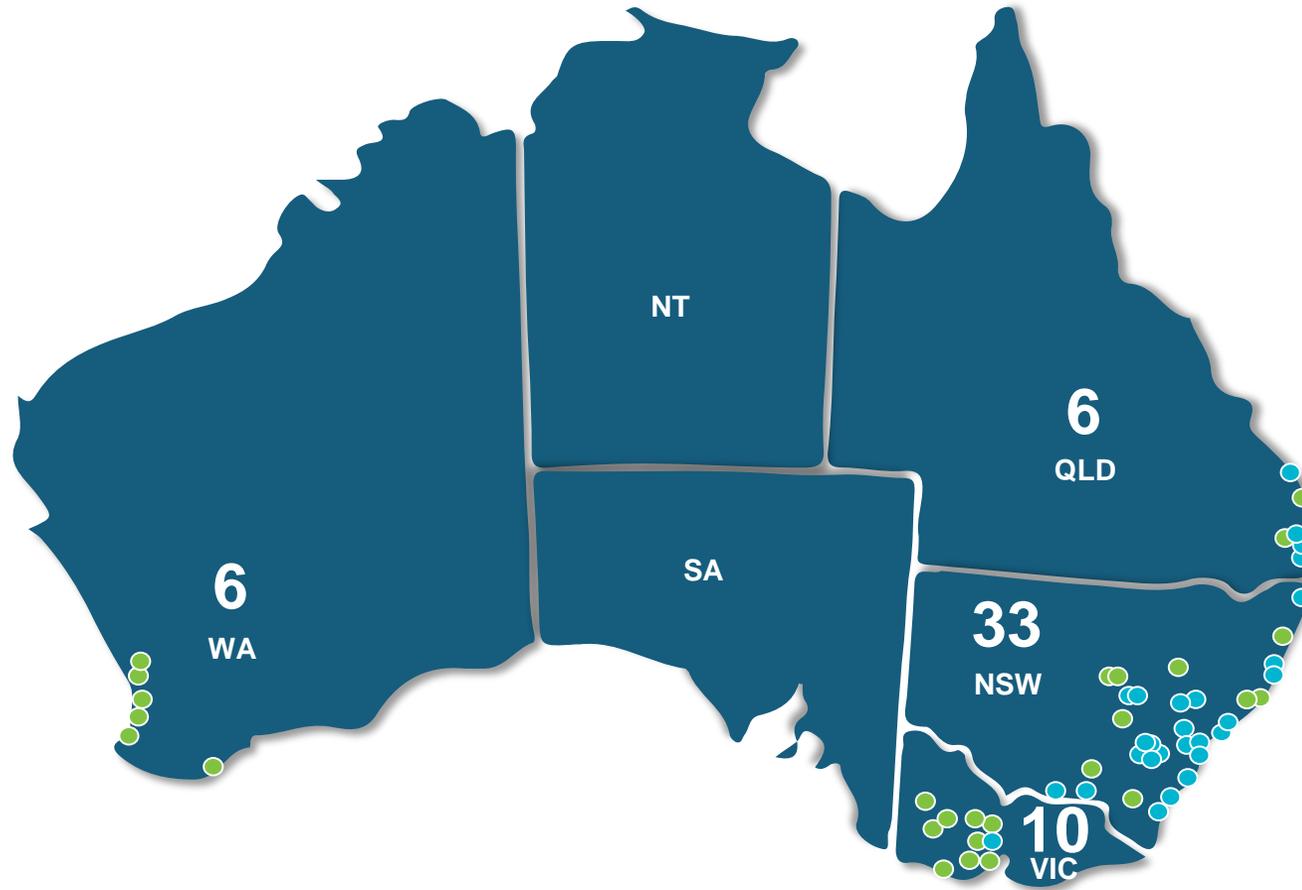
# The Future



Ingenia South West Rocks, NSW



# Solid Base For Growth Established



31 RENTAL COMMUNITIES

29 LIFESTYLE AND HOLIDAY COMMUNITIES



# Delivering on Strategy

## Grow exposure to lifestyle & holiday communities

- ✓ Acquired first Greenfields community
- ✓ Development underway at 13 communities with more soon to commence
- ✓ Now own 29 communities with a further 6 under option or contract

## Improve financial performance

- ✓ FY16 Underlying Profit from continuing operations \$20.2 million – up 20%
- ✓ FY16 distribution per security increased to 9.3 cents - up 15%
- ✓ Strong operating cashflow of \$21.0 million - up 133%

## Improve operations

- ✓ Garden Villages occupancy - 90.7% at 30 June 2016
- ✓ Sales momentum building – 107 settlements FY16 (up 106% on prior year)

## Maintain capacity for growth

- ✓ Debt capacity increased to \$224 million
- ✓ Funds from equity raising and DRP invested in lifestyle and holiday communities
- ✓ Divested majority position in DMF portfolio

# Business Overview

*Creating Australia's best lifestyle communities*



4,000 Residents



Over 3,100 occupied permanent homes

1,800 tourism sites

760 annuals



Annual revenue \$107 million

Stable rent base - \$1 million /per week



Over 2,280 new home sites secured

29 LIFESTYLE AND HOLIDAY COMMUNITIES

31 RENTAL COMMUNITIES

Ingenia has

60 Australian Communities & growing

Portfolio now

\$490 million



# Key Financials

## Strong operating earnings and cashflow

KEY FINANCIAL METRICS	FY16	FY15	CHANGE	
Statutory profit	\$24.3m	\$25.7m	(5.6%)	
Revenue	\$107.1m	\$76.0m	40.9%	
Underlying profit – continuing operations <sup>1</sup>	\$20.2m	\$16.8m	20.0%	
Distribution per security	9.3c	8.1c	14.8%	
Operating cashflow	\$21.0m	\$9.0m	132.8%	
	<b>Jun 16</b>	<b>Jun 15</b>		
Loan to value ratio (LVR)	24.9%	22.6%	2.3%	
Core interest cover ratio (ICR)	3.73x	2.68x	39.2%	
Net asset value (NAV) per security	\$2.45	\$2.34	4.7%	

- **Statutory profit** marginally down – tax benefit reducing as profit grows
- Growth in **underlying profit** attributable to recent acquisitions and new home sales
- **Distribution** growing in line with earnings
- Strong **operating cashflow**
- Significant improvement in **Core ICR** driven by growing rental base

1. 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.

# Purpose, Vision and Values

## Vision

Our vision  
is to create  
Australia's best  
lifestyle  
communities

## Our Values



The spirit of  Ingenia

# Portfolio Update



Ingenia Lifestyle Chain Valley Bay, NSW

# Ingenia Settlers (DMF)

- > Divestment of the majority of the DMF portfolio (5 assets) completed in October 2016
  - Forum Partners and Ingenia established separate vehicle
  - Ingenia to retain a 10% economic interest (\$2.2 million net investment)
  - Exploring opportunities to divest remaining three villages
- > Forum Partners is a global real estate investment management firm with plans to grow its investment
- > Capital released (\$41 million) to be redeployed in lifestyle and holiday communities by March 2017



Ingenia Settlers Lakeside, Ravenswood WA

# Ingenia Garden Villages and Ingenia Care

**Ingenia is the largest owner/operator of seniors rental accommodation in Australia  
– 31 communities**

## **Occupancy and rent growth driving operational performance**

- Return stable on lower asset base (3 villages sold Jun-15)
- Average rent increased by \$10 per week (3.1% growth)

## **Portfolio occupancy 90.7%**

- Average resident tenure now 3 years

## **Ingenia Care now accessed by over 400 residents**

## **No new rental villages being built**

- Increasingly valuable, strategic portfolio



# Ingenia Lifestyle and Holidays

## Size and growth in permanent rentals driving operational performance

- Average weekly site rent increased to \$149 per week – up 2.7% over past 12 months

## Development profit building as number of projects, business scale and capacity increase

- Over 2,280 development home sites secured

## Growing exposure to high quality metro and coastal locations

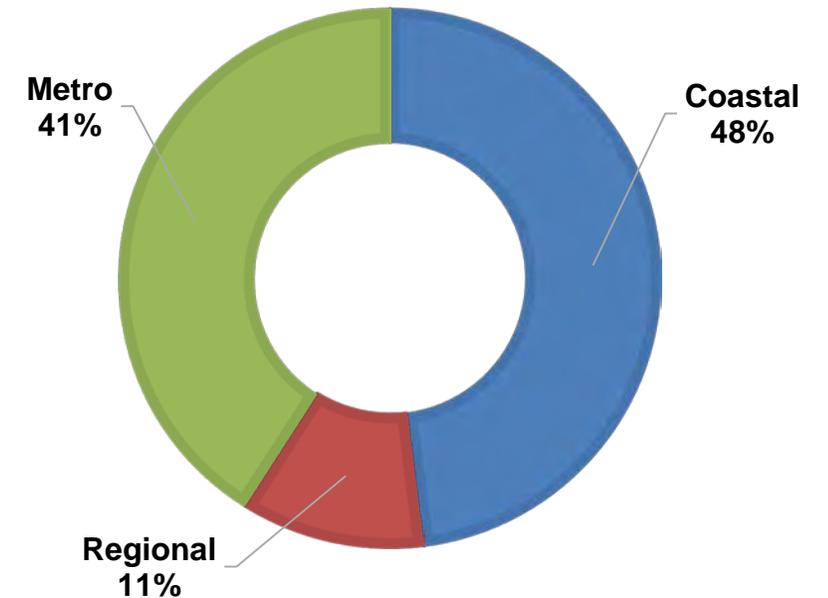
- Metro and coastal now represent 89% of portfolio

## Our Portfolio

- > 1,700 permanent sites
- > 760 annual sites
- > 1,800 short-term sites

## 29 LIFESTYLE & HOLIDAY COMMUNITIES

Current portfolio location (by value)<sup>1</sup>



1. Includes post 30 June settlements. Excludes announced acquisitions yet to settle.

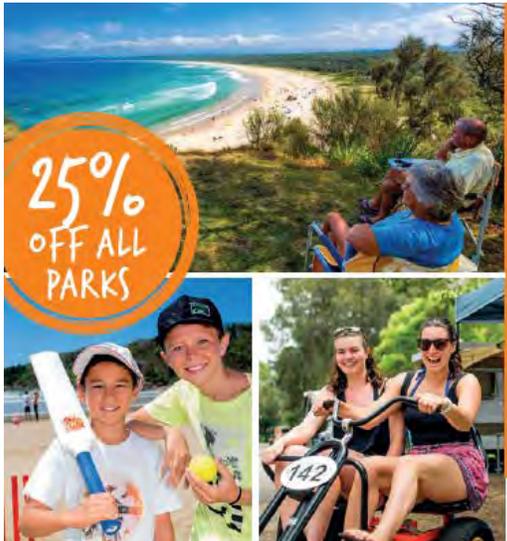
# Holiday and Short-term Accommodation

Aligned with Ingenia's focus on affordable seniors living



## Ingenia Holidays

- > 620 cabins
- > 760 annuals
- > 1,180 sites



**25% OFF ALL PARKS**

*Thinking about a holiday?*

Perhaps a weekend winery getaway or a family coastal escape is in order? Remember, as a valued Investor of Ingenia Communities you're entitled to **25% off** at all of our Ingenia Holidays parks to make taking a break just a little easier.

Simply mention your **Family & Friends Discount Voucher** when booking over the phone and present the voucher on arrival to receive your investor discount.\*

With an ever expanding list of great locations throughout NSW and south east Queensland you're bound to find the perfect spot for your next holiday at [www.ingeniaholidays.com.au](http://www.ingeniaholidays.com.au)

\*Terms and Conditions Apply. Phone bookings only. Subject to availability, cannot be used in peak periods or in conjunction with any other offer.

**Ingenia Holidays**

AN INGENIA COMMUNITY

View our parks online at [www.ingeniaholidays.com.au](http://www.ingeniaholidays.com.au)

### Complementary business with significant upside

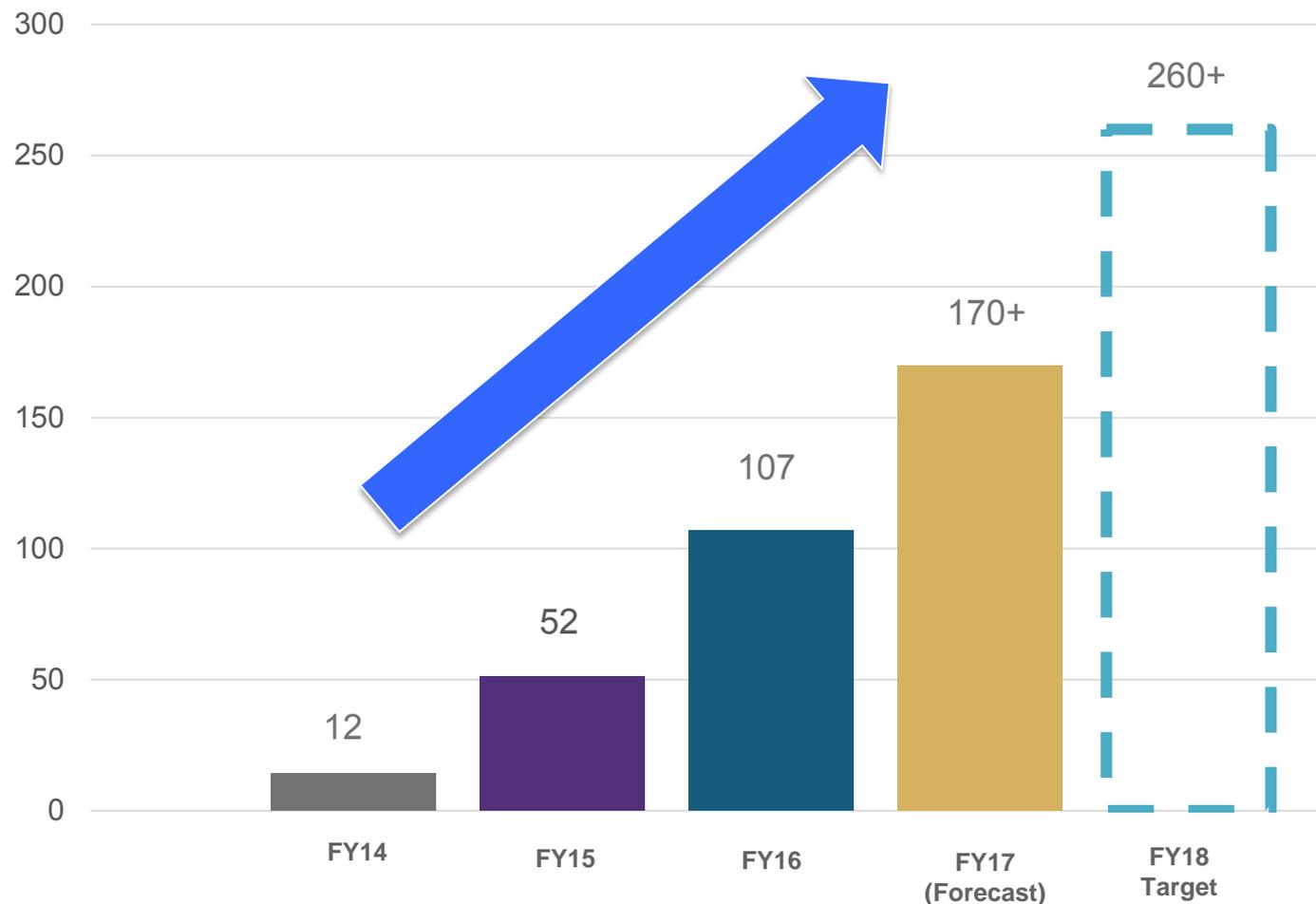
1. Tourism and short-term accommodation provides attractive cashflows, underpinned by strong repeat visitations, and increasing rental and annual residents
2. Aligned with ageing of the population – caravan registration growing at 2.5 times faster than car registrations
3. Annuals represent families or seniors who have purchased their holiday home on Ingenia's land and pay an annual site rental – huge growth market and similar characteristics to permanent residents
4. Tourism and short term accommodation preserves long-term development optionality for key coastal and metro parks
5. Tourism parks are often first touch point with prospective residents and their families



# Development Pipeline Expanded – Over 2,280 Potential New Home Sites

## Targeting further strong growth in sales

- > Focus on large-scale, multi-year development projects in quality metro and coastal markets
- > Supplemented by expansion and conversion of existing and targeted lifestyle and tourism parks



Existing Large Scale Projects	
1. Lara – Outer Melbourne	161 sites
2. Bethania – Brisbane	194 sites
3. Chambers Pines – Brisbane	256 sites
4. Stoney Creek – Sydney	78 sites
5. Conjola – NSW South Coast	119 sites
6. Avina Van Village – Sydney	250 sites
Under Contract / Option	
7. Upper Coomera – Gold Coast	180 sites
8. Latitude One – NSW Coast	229 sites
9. Hervey Bay – QLD Fraser Coast	180 sites

# Building Sales Momentum

## On target to deliver 170+ settlements FY17

- > As at 14 November 55 homes settled (year to date) with 58 exchanged contracts and 55 deposits on hand
- > Average sale price of over \$296,000 with average margin of over \$105,000 (to 31 October)



# Recent Acquisitions



Avina Van Village – July 2015

# Avina Van Village, Sydney

DA lodged for 247 new homes



Indicative artist impression

# Ingenia Lifestyle Bethania, Brisbane

- > Acquired July 2015
- > On acquisition - 54 homes and community facilities with approval for 76 homes



Aerial – August 2015



# Ingenia Lifestyle Bethania, Brisbane

New roads and  
25 new homes  
added

Aerial – October 2016

# Ingenia Lifestyle Chambers Pines, Brisbane



- > Acquired March 2015
- > Partially complete community of 204 homes/units and adjacent golf course



Golf Course

Immediate development opportunity  
Approved and serviced sites

Aerial – March 2015

# Ingenia Lifestyle Chambers Pines, Brisbane

- > DA secured for 256 new homes
- > Development works now underway for new club house and first stage of 14 homes
- > Existing rental village of 118 units and a lifestyle community of 84 homes



Aerial – November 2016

# Ingenia Holidays Lake Conjola

> DA now lodged for 119 new homes on golf course land



DA lodged for  
119 new homes



# Outlook

- ▶ Own, operate, develop and acquire a leading portfolio of rental, lifestyle and holiday communities
- ▶ Continue sales growth as new projects launch to achieve target of 170+ settlements for FY17
- ▶ Divest remaining DMF assets to provide additional capital for reinvestment in lifestyle & holiday communities
- ▶ Improve securityholder returns



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