Ingenia

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INGENIA COMMUNITIES GROUP

Goldman Sachs Ninth Annual Mid-Cap Conference

Contents

Business overview

creating Australia's best lifestyle communities

Over **6,700**
Income producing sites

Over **5,000** rental and lifestyle residents

790,000 'room nights' p.a
Cabins, caravan and camping

Stable rent base **~$1.5 million/pw**

2,840 Development sites on balance sheet or under option

10 communities under development

Portfolio now
$700 million

Ingenia has
59 Australian communities

33 LIFESTYLE AND HOLIDAY COMMUNITIES **26 RENTAL VILLAGES**

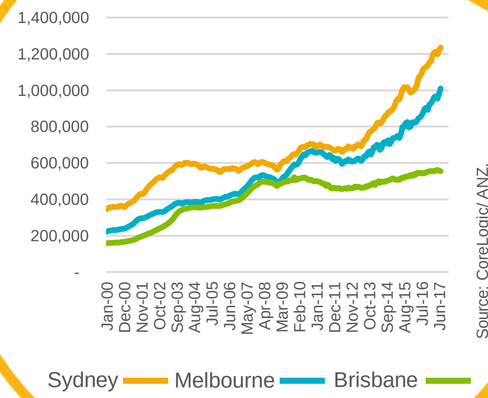
Note: Excludes communities sold subsequent to December 2017, communities under option and two Settlers villages unless specified.

Ingenia operates across three rental segments

	Ingenia Gardens	Ingenia Lifestyle	Ingenia Holidays
Lease type	Residential lease	Residential site agreement	Short-term
Tenure	Ave. 3 years	Perpetual	Daily/weekly Ave. stay 4 nights
Annual rental (per annum)	~$17,300	~$8,400	Cabin ~$13,400 - ~$45,500 Sites ~$7,700
Typical resident/guest profile	Single, 75+	Couple, 65+	Grey nomads/families

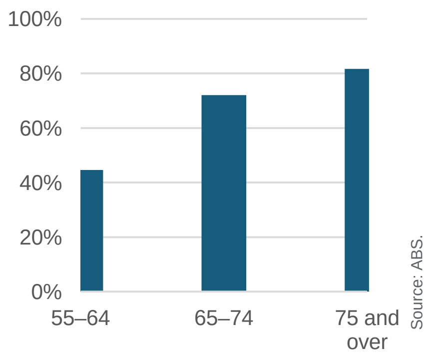
Underlying demand drivers remain strong
many seniors will struggle to fund a comfortable retirement

Median House Price
($)



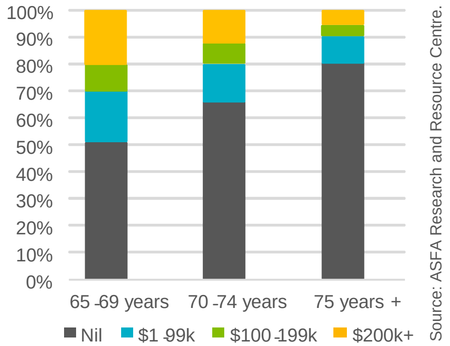
Key capital cities have recorded strong growth over the past 20 years

Home Ownership
(Age)



…and with 82% of seniors owning their homes outright with no mortgage

Limited savings or superannuation
Superannuation account balances



…but 4 out of 5 seniors have less than $100k in superannuation

Pension

According to ASFA a couple requires $60,457 a year to fund a comfortable retirement. The age pension is only $31,995[(1)]

…downsizing provides a way to fund a comfortable retirement

1. AFSA Super Guru – figures from September Quarter 2017. Pension represents base rate.

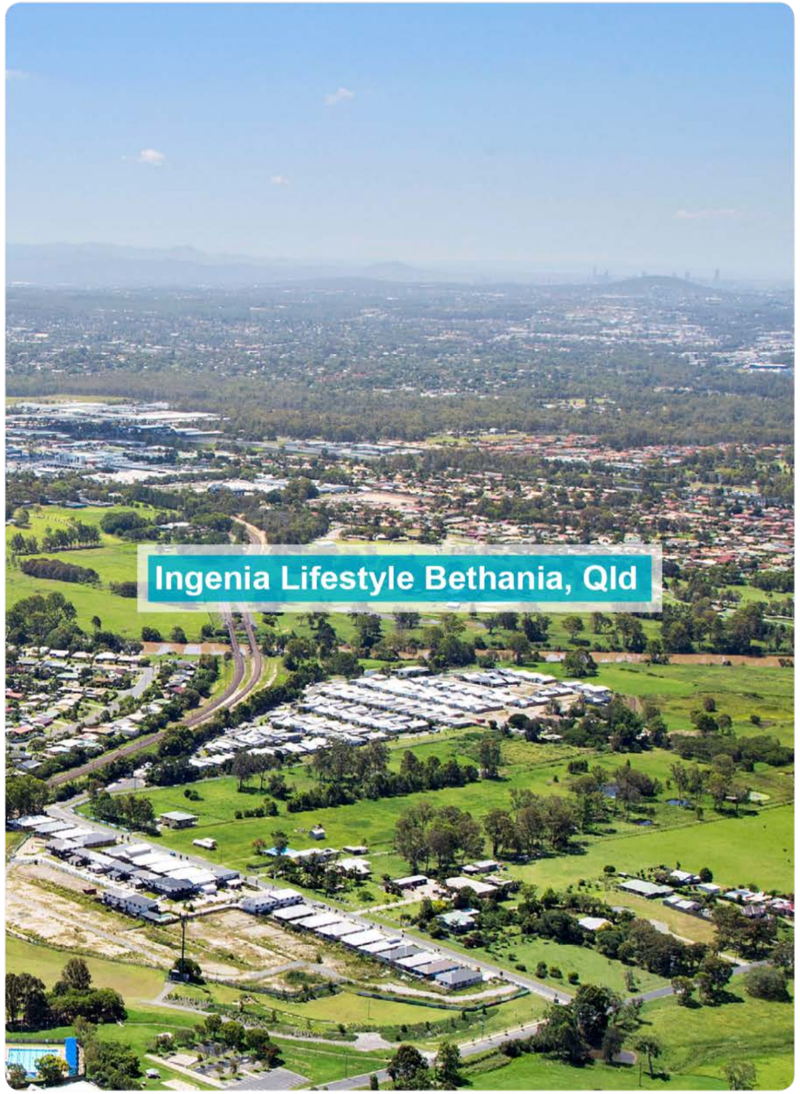
Pension changes supportive of model

From 1 July eligible seniors can contribute up to $300,000 ($600,000 for a couple) into their super from the sale of their primary place of residence

- Commonly referred to as 'downsizer contributions'
- Need to be over 65 and selling a current or former primary place of residence owned for minimum 10 years
- Most likely to benefit self-funded retirees who have a level of income and assets that precludes them from receiving a full of part pension
- No need to satisfy age criteria or work test (provided >65)

Positive for lifestyle communities as enables self-funded retirees to downsize out of the family home and structure their affairs to maximise superannuation income

1H18 results highlights



FINANCIAL	EBIT $19.3 million – **up 41%** on 1H17 Underlying profit EPS 7.1 cents – **up 18%** on 1H17 Revenue of $76.9 million – **up 17.6%** on 1H17
STRATEGY	Non-core asset sales well progressed Over **7,000** income producing sites Over **2,840** development sites secured (89% in metro and coastal locations)
OPERATIONS	Lifestyle and Holidays rental income **up 55%** on 1H17 Lifestyle and Holidays EBIT margin increased 600 basis points on 1H17 to **36.4%** High occupancy across Ingenia Gardens portfolio – **91%**
DEVELOPMENT	On track to deliver **260 – 280** new home settlements in FY18 Successful launch of **first greenfield** project All approvals in place for FY19 target of **>350 settlements**

Capital management
well positioned to fund development pipeline

Debt Metrics	31 Dec 17	30 Jun 17
Loan to value ratio (covenant <50%)	35.1%	27.7%
Gearing ratio[1]	28.1%	21.8%
Interest cover ratio (covenant >2%)	4.9x	5.5x
Net Asset Value per security	$2.53	$2.50
Total debt facility ($m)	300.0	300.0
Drawn debt ($m)	231.4	166.5
Net debt ($m) (excl. finance leases)	224.3	156.9

$58M DEBT CAPACITY

3.9% ALL IN COST OF DEBT

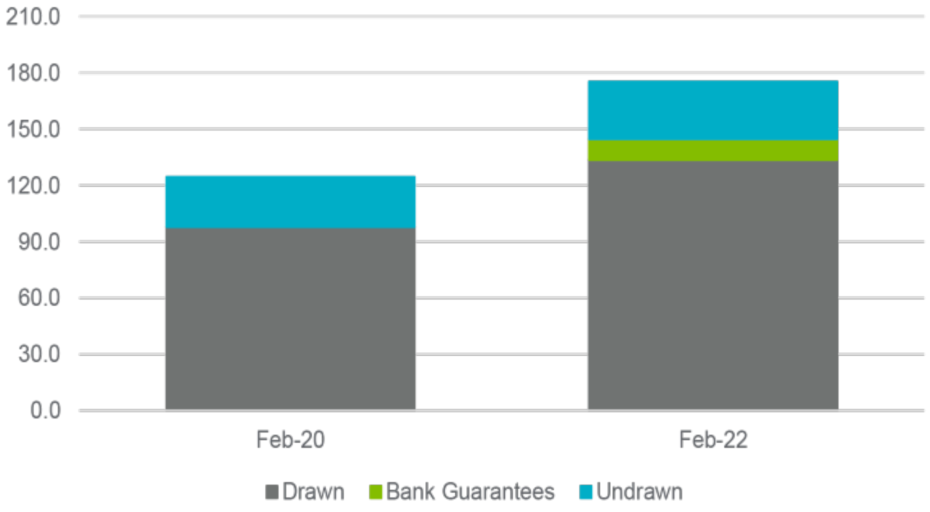
35.1% LOAN TO VALUE RATIO

3.3YRS WT AV DEBT MATURITY

Funding growth

- Non-core asset sales providing capital for reinvestment
- Eight assets ($35m) divested year to date
- Growing cash inflows – operations and home sales
- DRP remains in place
- Debt facility increase and extension well progressed

Facility Maturity Profile



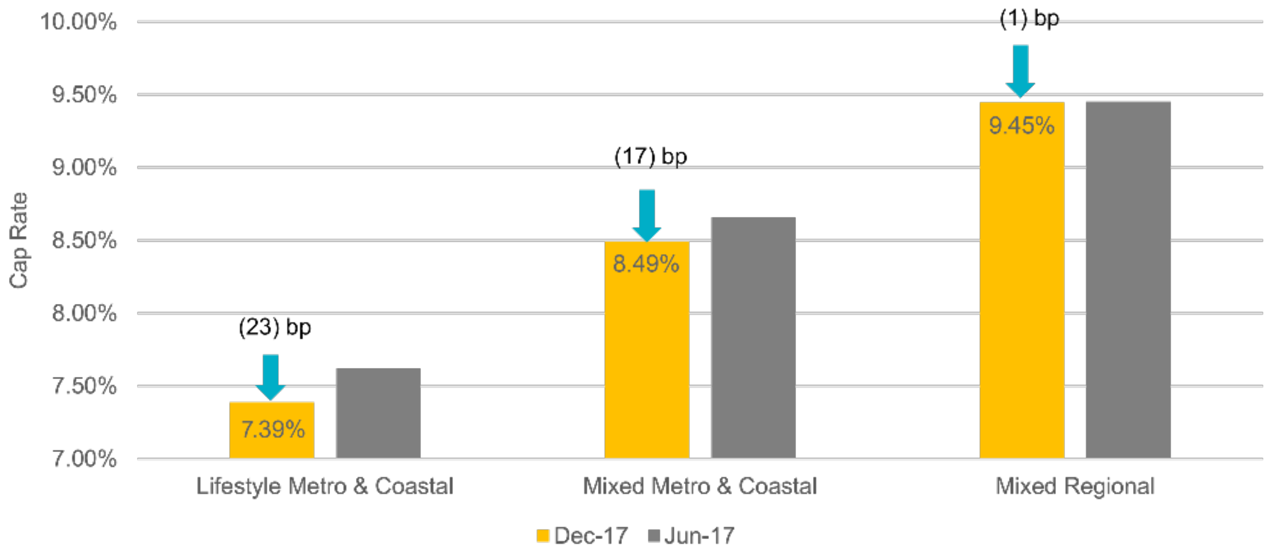
1. Gearing ratio calculated as net debt over total tangible assets.

Growth in value across core portfolios
lifestyle capitalisation rates continue to compress

Portfolio	Av. Cap Rate Dec17[1]	Av. Cap Rate Jun17[1]	Dec17 Book Value ($m)
Lifestyle and Holidays	8.16%	8.37%	585.4[2]
Ingenia Gardens	9.97%	9.92%	143.2

1. Excludes acquisitions and leasehold assets.
2. Includes assets held for sale.

Continued cap rate sharpening across Lifestyle and Holidays portfolio* over last 6 months



* Excludes acquisitions and leasehold assets.

- Independently valued 23 assets 1H18 (thirteen lifestyle and holiday communities)
- Garden Villages and Lifestyle and Holidays portfolios value up 5.6% ($36.4 million) like for like
- Valuers continue to lag – recent transactions occurring ~75 basis points below valuations

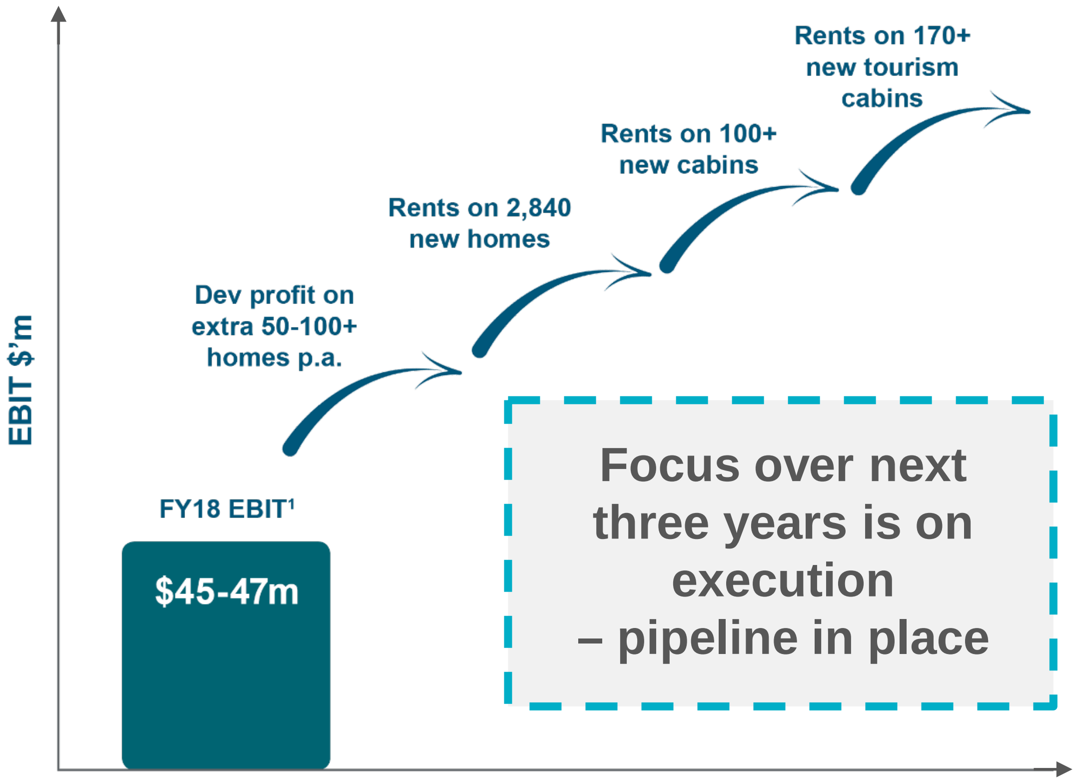
Future growth

Ingenia Holidays Lake Conjola, NSW

Ingenia

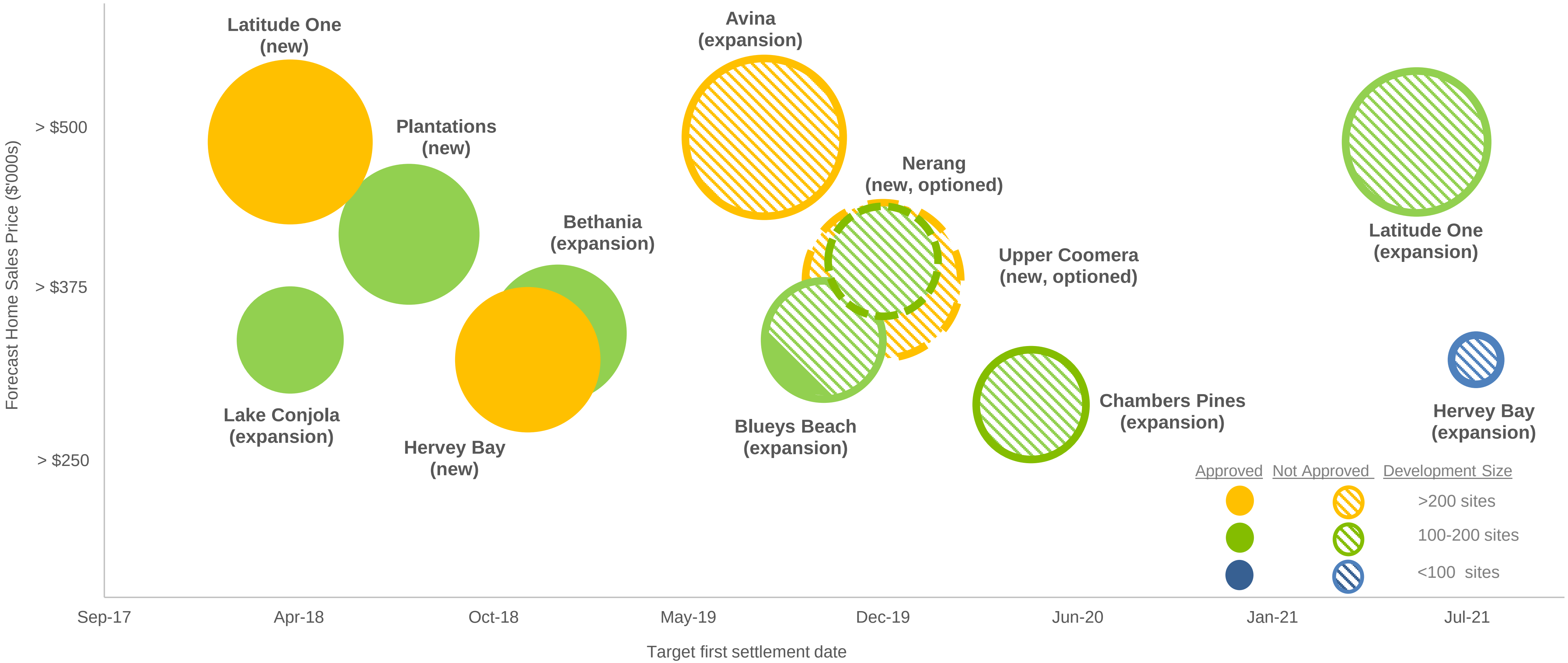
Excellent visibility on future earnings growth

- Increase development to 350+ homes p.a
- Add land rents on 2,840 new homes
- Add 100 new rental cabins at Chambers Pines, Sheldon and Durack
- Add 170 new tourism cabins[2] across key holiday parks



1. Guidance provided November 2017
2. Development includes conversion of some sites

Significant development pipeline in place
targeting twelve new or expansion projects



- Market leading platform in place
- All approvals secured for FY19 targeted settlements

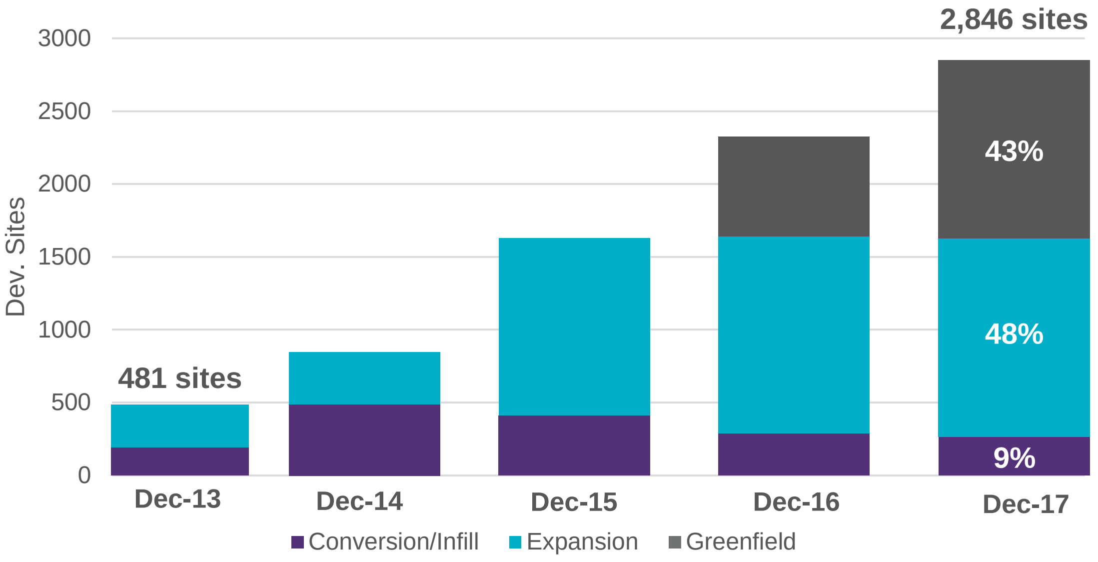
Note: Timing and prices are indicative and subject to change. Includes assets under option.

Ingenia's development business has evolved

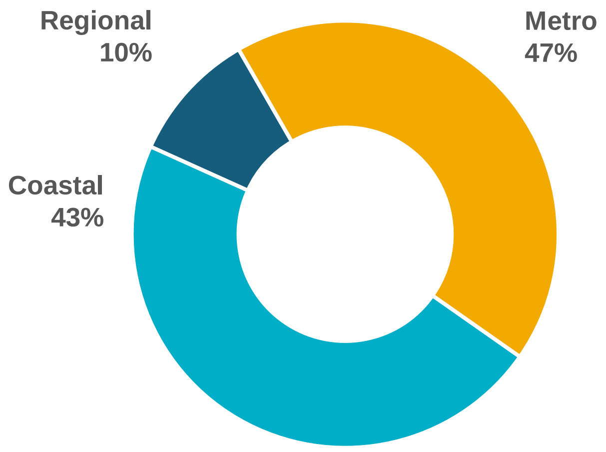
focus now on large expansion and greenfield projects

- Over the past three years, Ingenia's development pipeline has been extended and reshaped, moving from tourism conversions (e.g. Ettalong) towards expansions (e.g. Bethania) and greenfields projects (e.g. Latitude One)
- Expansion and greenfields developments typically offer higher sales rates and margins with extended project timelines

Growth in size of pipeline



No. sites by location (Dec 17)



Rapid growth in settlements since entering the market in 2014

target sector leadership in new home sales

Average settlement growth >140%
(FY14 - FY18)

FY14	FY15	FY16	FY17	FY18	FY19	FY20*
12	52	107	211	260-280 (forecast)	350+ (forecast)	

Coastal Conversion
(Ettalong, NSW Central Coast)
- 31 homes
- Homes built off-site
- Sold out within 7 months

First Metro Conversion
(Stoney Creek, Sydney)
- 140 homes
- Homes built off-site
- Strong sales rate

First Metro Expansion
(Lara, Vic)
- 177 homes
- Homes built on-site

First Greenfield
(Latitude One, Mid NSW Coast)
- Homes built on-site
- DA for 270 homes
- Successful 'pre-launch sales'
- Average price >$480k

New greenfield and expansion projects
(Metro and Coastal)
- Plantations, NSW, 196 sites
- Hervey Bay, QLD, 224 sites
- Avina, NSW, 247 sites

Existing multi-year projects established in market
- Latitude One
- Lake Conjola
- Bethania
- Chambers Pines

*Growth subject to capital availability and market conditions.

Ingenia Lifestyle Latitude One, Port Stephens NSW
first greenfield project well progressed

> Masterplanned community with 270 new homes and quality facilities

> Staged launch strategy generated pent up demand

- Over 70 homes deposited or contracted
- Average sales price >$480,000 ($359,000 - $605,000)

Ingenia Lifestyle Latitude One, Port Stephens NSW

Ingenia Lifestyle The Grange, Morisset NSW

expansion of existing community well progressed

- Expansion (56 sites) of established community
- First settlements commenced in October 2017
- Further 33 homes on site with service connections underway
- 23 homes deposited or contracted
  - Average home price >$380,000
  - Comparable new homes sold in 2014 for $260,000

Ingenia Lifestyle The Grange, Morisset NSW

expansion of existing community well progressed

Ingenia

Ingenia Holidays Lake Conjola, Lake Conjola NSW

new homes on track for settlements from April

- Creation of new lifestyle precinct complementing successful tourist park
- Stage 1 (39 homes) civil infrastructure works well progressed with completion due Q4-18
- First homes now on site with 2 – 3 homes per week delivered from March
- Settlements from April 2018
  - 20 homes contracted or deposited
  - Average home price >$345,000

Ingenia homes being constructed offsite in Queensland

Outlook

Market outlook remains positive

ageing of population and housing affordability will drive growth

Macro/Residential Housing

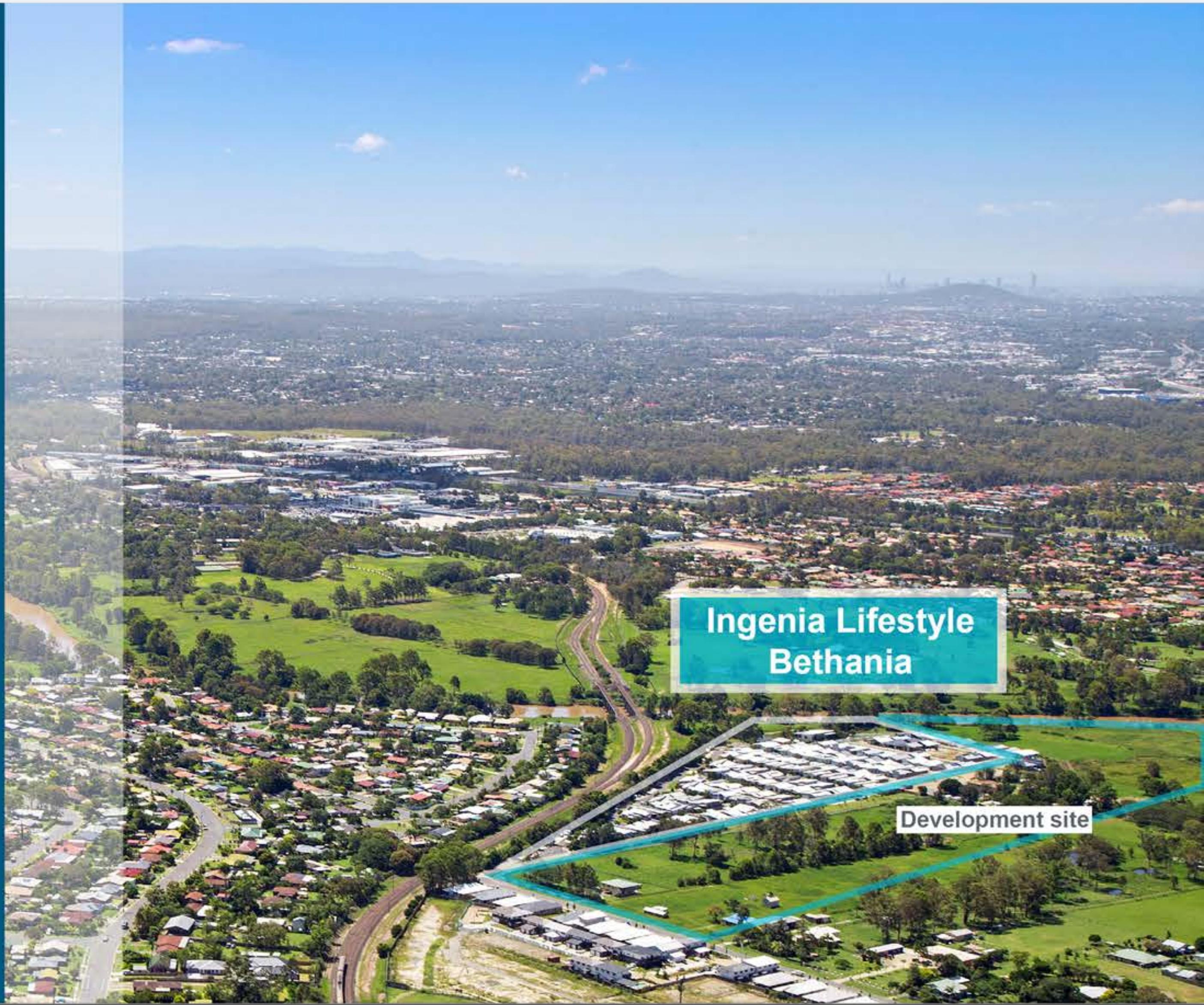
- Housing affordability and ageing population driving long-term demand
- Slowdown in residential housing remains key risk – diverse product, price point and market exposure provide mitigation

Customer Demands

- Growing consumer awareness of lifestyle model and differences from traditional retirement models
- Product and model continuing to evolve, broadening market appeal

Competition and Market

- Increasing activity in lifestyle market
- Likely increased regulatory requirement for retirement villages but expect limited impact on lifestyle communities



Outlook: further growth and capital recycling

Improve performance of existing assets to drive revenue growth and leverage operating and sales platform

Accelerate build out of development pipeline to deliver new rental contracts and increase margins

Continue asset recycling to fund development growth

Confirm on track to deliver FY18 guidance: EBIT of $45-47 million; EPS (underlying profit) of 15.6c+

Forecasting 260-280 settlements in FY18 and 350+ in FY19 with margins continuing to expand

Guidance subject to no material change in market conditions.

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