



6 September 2024

ASX Compliance
ListingsComplianceSydney@asx.com.au

To whom it may concern

Response to ASX Aware Letter dated 29 August 2024

Ingenia Community Group (**INA**) provides the following response to the ASX Aware Letter dated 29 August 2024:

1. **Does INA consider that any measure of its statutory or underlying earnings for the 2024 financial year as disclosed in the Results Announcements ('Results') differed materially from the market's expectations, having regard to the Earnings Guidance?**

In your response, please have regard to ASX's commentary in paragraph 4(a) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

No. Whilst INA's FY24 results exceeded earnings guidance, the outperformance was not material having regard to ASX's commentary in paragraph 4(a) of section 7.3 of Guidance Note 8.

2. **Please explain the basis for the view provided in response to question 1, including details of:**

2.1 **the Earnings Guidance; and**

2.2 **the date when INA first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, the Earnings Guidance.**

2.1. In INA's FY23 results announcement on 22 August 2023 INA provided the market with the following earnings guidance for FY24 (**Earnings Guidance**):

- (a) EBIT growth of 10 - 15% (**EBIT Guidance**); and
- (b) underlying earnings per security (**EPS**) of 20.8 - 22.3 cps (**EPS Guidance**).

In INA's trading and guidance update on 27 May 2024, INA advised that it was on track to deliver stated FY24 guidance at upper end of the guidance range.



INA's FY24 EBIT was \$125.7 million which exceeded the upper end of the EBIT Guidance by \$2.2 million, an outperformance of 2%¹.

INA's FY24 underlying EPS was 23.3 cps which exceeded the upper end of the EPS Guidance by 1.0 cps, an outperformance of 4.5%.

2.2 INA did not become aware with a reasonable degree of certainty that its FY24 earnings would vary from, or be in line with, the upper end of its Earnings Guidance until after market close on the day before INA's FY24 Results announcement.

3. **Does INA consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of INA's securities?**

Please answer separately for each measure of earnings referred to in the Results.

No.

4. **If the answer to question 3 is "no", please provide the basis for that view.**

Refer to the answer at 2.2 above.

5. **If the entity first became aware of the variance before the release of Results Announcements, did INA make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe INA was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps INA took to ensure that the information was released promptly and without delay.**

Not applicable.

6. **Please provide details of any other explanation INA may have for the trading in its securities following the release of the Results Announcements.**

Ingenia cannot speculate as to the market's reaction and consequent trading following the release of the Results Announcements, however in the context of anecdotal feedback received from investors and analysts after the Results Announcements it is reasonable to surmise that the broader update to the market in relation to strategy, outlook and guidance was well received and formed part of the trading price rise immediately after Results. Some of the key items touched on by Ingenia, that could have had a potential impact include:

¹ FY23 EBIT was \$109.3 million which has been adjusted to \$107.4 million for the purposes of comparison with FY24 EBIT due to an accounting change which now includes movements arising from the settlement of contractual cashflows for ground leases (30 June 2024 = \$1.5 million and 30 June 2023: \$1.2 million) and financial liabilities (30 June 2024: \$0.8 million and 30 June 2023: \$0.6 million), as disclosed in INA's results announcement of 20 August 2024.



- Clarity around future strategy for the Group – with the provision of a 1,3 and 5 year plan presented by the Group's new CEO who commenced in April 2024. This included clear target metrics for business segments, specifically development. Since the new CEO was appointed there has been significant focus by investors and analysts on his view on strategy and future returns;
- FY25 guidance set out further growth in both EBIT and EPS demonstrating positive momentum; and
- Ingenia maintaining its 3-year target on home settlements from FY24-FY26, was well received in the context of the residential market and the removal of guidance on home settlements by a peer in the market the prior week.

7. **Please confirm that INA is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**
8. Yes, INA is in compliance with the Listing Rules, including Listing Rule 3.1.
9. **Please confirm that INA's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of INA with delegated authority from the board to respond to ASX on disclosure matters.**

Yes. INA's response has been authorised and approved by the Chair in accordance with INA's published Continuous Disclosure Policy.

Please do not hesitate to contact me if you have any queries or wish to discuss any of the information in this letter.

Yours faithfully

Charisse Nortje
Company Secretary
Ingenia Communities Group



29 August 2024

Reference: 98801

Ms Charisse Nortje
Company Secretary
Ingenia Communities Group
Level 33, 88 Cumberland Street
The Rocks NSW 2000

By email

Dear Ms Nortje

Ingenia Communities Group ('INA'): ASX Aware Letter

ASX refers to the following:

- A. INA's announcements released on the ASX Market Announcements Platform ('MAP') on 20 August 2024 in connection with its full year results ('Results Announcements'), being:
 - 1.1 "Appendix 4E and Financial Statements FY24", released on MAP at 9:38 am;
 - 1.2 "Business Primed for Growth - Exceeding Guidance in FY24", released on MAP at 9:40 am;
 - 1.3 "FY24 Results Presentation", released on MAP at 9:41 am; and
 - 1.4 "FY24 Property Portfolio", released on MAP at 9:42 am.
- B. The change in the price of INA's securities from \$5.08 immediately prior to the release of the Results Announcements to a high of \$5.485 following the release of the Results Announcements.
- C. INA's announcement "Trading and Guidance Update" released on MAP on 27 May 2024 at 8:49 am in which INA reaffirmed earnings guidance for the 2024 financial year ('Earnings Guidance').
- D. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.
- E. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity."
- F. Section 4.4 in *Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B* titled "When does an entity become aware of information?"
- G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure as follows.
 - "3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:
 - 3.1A.1 One or more of the following 5 situations applies:
 - It would be a breach of a law to disclose the information;
 - The information concerns an incomplete proposal or negotiation;

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

- H. ASX's policy position on "market sensitive earnings surprises", which is detailed in section 7.3 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular:

"...If an entity becomes aware that its earnings for the current reporting period will differ materially (downwards or upwards) from market expectations, it needs to consider carefully whether it has a legal obligation to notify the market of that fact."...

"...An earnings surprise will need to be disclosed to the market under Listing Rule 3.1 if it is market sensitive – that is, it is of such a magnitude that a reasonable person would expect information about the earnings surprise to have a material effect on the price or value of the entity's securities."...

Request for information

Having regard to the above, ASX asks INA to respond separately to each of the following questions and requests for information:

1. Does INA consider that any measure of its statutory or underlying earnings for the 2024 financial year as disclosed in the Results Announcements ('Results') differed materially from the market's expectations, having regard to the Earnings Guidance?

In your response, please have regard to ASX's commentary in paragraph 4(a) of section 7.3 of Guidance Note 8 about when a variation from market expectations may be material.

2. Please explain the basis for the view provided in response to question 1, including details of:

2.1 the Earnings Guidance; and

2.2 the date when INA first became aware with a reasonable degree of certainty that its expected earnings for the relevant reporting period would vary from, or be in line with, the Earnings Guidance.

3. Does INA consider that, at any point prior to the release of the Results Announcements, there was a variance between its expected earnings and its estimate of market expectations for the relevant reporting period of such a magnitude that a reasonable person would expect information about the variance to have a material effect on the price or value of INA's securities?

Please answer separately for each measure of earnings referred to in the Results.

4. If the answer to question 3 is "no", please provide the basis for that view.
5. If the entity first became aware of the variance before the release of Results Announcements, did INA make any announcement prior to the release of the Results Announcements which disclosed the relevant variance? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe INA was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps INA took to ensure that the information was released promptly and without delay.

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6. Please provide details of any other explanation INA may have for the trading in its securities following the release of the Results Announcements.
 7. Please confirm that INA is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
 8. Please confirm that INA's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of INA with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **9:00 AM AEST Friday, 6 September 2024**.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, INA's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out above and may require INA to request a trading halt immediately if trading in INA's securities is not already halted or suspended.

Your response should be sent by e-mail to ListingsComplianceSydney@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on MAP.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in INA's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to INA's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that INA's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A. The usual course is for the correspondence to be released to the market.

Yours sincerely

ASX Compliance