

## ASX / Media Release

14 November 2017

### Ingenia Communities 2017 Annual General Meeting

#### Chairman's Address

Ladies and Gentlemen,

On behalf of the Board and management, I welcome you to Ingenia Communities Group's Annual General Meeting.

It is a pleasure to be here today and to provide you all with an overview of last year's achievements and our outlook for the current financial year.

I am pleased with the results that we reported for the 2017 financial year as we continued to grow and invest in the business, constructing a quality portfolio of lifestyle communities in line with our strategy to establish Ingenia as a leader in this market.

Ingenia delivered strong growth in the 2017 financial year:

- Underlying profit was up over 16%
- Earnings Before Interest and Tax of \$32.1 million was above market guidance representing growth of over 30%
- We settled over 200 new homes, creating new rental contracts and doubling gross development profit.

Importantly for many of our investors, the distribution per security grew for the fourth consecutive year and at 10.2 cents was up 9.7%.

These results were principally driven by the growth in our lifestyle and holidays business.

Despite these achievements our security price has not delivered growth – a frustration for the Board and, I know, our investors. With the security price currently at \$2.70, Ingenia continues to trade above the Group's Net Asset Value per security of \$2.50 at 30 June 2017. As we deliver strong forecast growth in FY18 and our focus moves to internally funding future growth we expect a positive impact on securityholder returns. I would also note that senior management forfeited their long term incentive scheme options this year as vesting conditions were not achieved.

Supported by our investors, we continued to invest in this business in line with our focus on affordable seniors housing and stable rental cashflows. The growth in Australia's ageing population, combined with a lack of savings beyond the family home for many retirees underpin this strategy.

As you will know we raised \$74.1 million in May via a capital raising to fund the expansion of this portfolio and we now own 35 lifestyle and holiday assets and a large development pipeline opportunity in this space.

With the market for lifestyle assets becoming more competitive we are pleased to have a clear path to growth through our development pipeline, which provides the potential for an additional 2,690 home sites. As more capital enters the sector, the value of our assets is increasing and the benefit of growing through the build out of our pipeline is increasingly attractive.

As a Board we remain focussed on prudent management of our capital needs. We broadened our banking partners and increased our debt capacity to \$300 million over the past year. Combined with debt, the Group's growing cashflows and divestment of non-core assets will fund near-term future growth.

As always, the Board remains conscious of the need to grow returns to securityholders. Ingenia has raised significant capital over the last few years as we have invested in establishing a significant asset base and building a development business. We appreciate that development activities take time to deliver earnings to investors but we remain confident in the opportunity represented by the creation of new lifestyle communities for seniors that provide affordable community based accommodation.

We are beginning to see the benefits of this focus as our management team executes on our strategy and we capitalise on growing demand from an ageing population for contractually simple and financially attractive living options.

Supporting the current momentum in the business and the positive outlook I am pleased to advise that today we are upgrading our earnings guidance for the current year. Simon will take you through the details in a moment.

Before I move to Simon's address I would like to thank my fellow directors for their dedication and in particular to acknowledge Phil Clark. Phil has been on this Board since June 2012 and it will be his last Annual General Meeting as he will be stepping down as a Non-Executive Director. Phil oversaw the creation of Ingenia Communities Group and has been a Director since inception. The Board and management have benefitted from his experience in Australian real estate and capital markets as Ingenia embarked on a period of great change. Phil has seen the business move from the ING umbrella and grow to establish its own identity and a bright future. We will miss his professionalism and healthy scepticism. He has not, we are sure, finished in corporate life. On behalf of all securityholders and my fellow Directors I would like to thank Phil for his commitment over many years and wish him all the best.

As part of the Board's ongoing renewal process and reflecting the considerable change going on in the Australian seniors market, earlier this year Valerie Lyons joined the Board to fill a vacancy. Valerie brings considerable first hand operational and strategic knowledge of the sector having previously held CFO and CEO roles in organisations including Uniting AgeWell, Villa Maria and Southern Cross Care (Vic). You will have the chance to hear from Valerie and vote on her election later in the meeting.

My fellow Directors, the management team and I look forward to continuing to grow returns as we capitalise on the embedded growth within Ingenia's portfolio and leverage our investment in people and systems.

I will now hand over to Simon for his CEO update.

**ENDS**