

ASX / Media Release

26 June 2018

Upgrade to guidance - underlying EPS up 10% with settlements continuing to accelerate

Highlights

- Guidance for FY18 underlying earnings per security (EPS)¹ increased from >15.6 cps to >17.2 cps (up 10% on previous guidance and up 32% on prior year)
- Forecast 280-285 new home settlements for FY18, up 33% on prior year and above guidance
- Close the year with 160 deposits and contracts in place (up 19% on prior year)
- Remain on track to deliver 350+ settlements in FY19 (up 25% on FY18)
- Debt facilities refinanced, providing longer tenure and increased loan capacity
- Contracts exchanged for additional \$24.5 million in non-core asset sales

Ingenia Communities Group (ASX:INA) today announced that the Group expected to exceed its FY18 guidance and was well placed to continue its established track record of growth with progress on two additional asset sales and the successful refinance of the Group's funding facility.

In FY18 the Group expects to deliver between 280-285 new home settlements, including twelve settlements at the Group's first greenfield project, Latitude One in Port Stephens, NSW, compared to the prior guidance range of 260-280 homes. This represents at least 33% growth in settlements on the record 211 settlements achieved in FY17.

FY18 EBIT and underlying EPS¹ are also forecast to exceed prior guidance as the Group sees the benefit of strong performance across the existing asset base and increasing sales volumes and prices. EBIT is now anticipated to be over \$48.5 million, above previous guidance of \$45-47 million. Underlying earnings per security is also anticipated to demonstrate above guidance growth, with a forecast of over 17.2 cps (up from more than 15.6 cps and a 32% increase on FY17).

1. EBIT and underlying EPS are non-IFRS measures which exclude items such as unrealised fair gains/(losses) and adjustments arising from the effect of revaluing assets/liabilities.

Simon Owen, CEO of Ingenia Communities said today's announcement continues to demonstrate the momentum within the business.

"We are pleased to announce that we expect to comfortably exceed our guidance and that the Group will close the year with some 160 contracts and deposits in place, providing 46% coverage of our forecast 350+ settlements target for FY19," Mr Owen said.

Ingenia recently launched its second greenfields project, Ingenia Lifestyle Plantations, on the NSW Mid Coast and the initial market response suggests another successful development.

Asset sales continuing to progress

Ingenia also announced further progress on its capital recycling program.

Following the settlement of \$35 million of asset sales over the year to date, Ingenia has now exchanged unconditional contracts for the sale of Settlers Cessnock, one of the Group's two remaining deferred management fee (DMF) communities. The sale of Settlers Cessnock for \$2.5 million (net of resident loans), is at a slight discount to December 2017 book value and is expected to settle in July 2018.

In addition, Ingenia has exchanged contracts for the sale of the Group's Rouse Hill community. The sale, which remains subject to a number of conditions, is anticipated to realise net proceeds of approximately \$22 million. Settlement of the sale, which remains conditional, is anticipated to occur in FY19.

Finance facility extended

The Group has been successful in refinancing the Group's loan facilities, delivering \$50 million of increased debt capacity (total facility limit of \$350 million). The term on approximately half of this facility has been increased to 5 years. As a result, short term expiry risk has been mitigated, with the weighted average term to maturity extended to 4.3 years and the first expiry in February 2022. The new terms include a slight reduction in margin.

Ingenia's CEO, Simon Owen, said the continuing progress on asset sales and ongoing support from the Group's banks demonstrated Ingenia's ability to fund development. With development continuing to grow, funds from asset sales will be quickly redeployed into higher growth development projects where the Group continues to see the best opportunity to create quality, well planned communities that meet the growing demand from seniors for attractive living options.

Ingenia is conducting a tour of Ingenia Lifestyle Latitude One and Ingenia Lifestyle The Grange this week and additional information on these projects will be lodged with the ASX in conjunction with the tour.

The Group will release its FY18 full year results on 21 August 2018.

ENDS



New homes now settling at Latitude One, NSW Coast.

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).