

# Virtual Investor Briefing

# Introduction

## AGENDA

- Welcome
- Introduction: Simon Owen, Ingenia Communities
- Ingenia Holidays Update: Ben Hesketh, Ingenia Communities
- Panel: Tourism Landscape - COVID and Beyond
  - Facilitator - Lyndel Gray, CCIA
  - Phillipa Harrison, Tourism Australia
  - John McLaren, Sun Communities
  - Simon Owen, Ingenia Communities
- Panel Q&A
- Case Study: Natalie Kwok, Ingenia Communities
- Outlook: Ben Hesketh/Simon Owen, Ingenia Communities
- Questions: Simon Owen, Ingenia Communities



Simon Owen, CEO & Managing Director  
Ingenia Communities



Ben Hesketh Acting GM Holidays  
Ingenia Communities



Natalie Kwok, GM Acquisitions, Legal & Tax  
Ingenia Communities



John McLaren, President and COO  
Sun Communities



Lyndel Gray, Chief Executive Officer  
Caravan & Camping Industry Association  
(CCIA), NSW



Phillipa Harrison, Managing Director  
Tourism Australia

# Portfolio overview

>1,000 Cabins  
 >2,200 Sites  
 >1.1m Room nights  
 >1,300 Annuals



**LEGEND**

- ★ Resort
- Holiday
- ◆ Short Stays

## Prime holiday locations

The Ingenia Holidays business consists of 27 holiday parks along Australia's East Coast, from Victoria to Cairns

### QUEENSLAND

- ★ 1. Cairns Coconut
- 2. Hervey Bay
- 3. Noosa
- ★ 4. Rivershore
- 5. Landsborough
- ◆ 6. Taigum

### PORT STEPHENS

- ★ 12. Soldiers Point
- ★ 13. Upcoming acquisition
- ★ 14. One Mile Beach

### SOUTH COAST

- 20. Moruya
- 21. Shoalhaven Heads
- 22. Wairo Beach
- ★ 23. Lake Conjola
- 24. Tomakin
- 25. Broulee
- 26. Ocean Lake

### NEWCASTLE & HUNTER

- 15. Lake Macquarie
- 16. Hunter Valley

### NORTH COAST

- 7. Kingscliff
- 8. Byron Bay

### OUTER SYDNEY

- 17. Avina
- ◆ 18. Sydney Hills
- ◆ 19. Nepean River

### MID NORTH COAST

- ★ 9. White Albatross
- 10. South West Rocks
- ★ 11. Bonny Hills

### VICTORIA

- ★ 27. Upcoming acquisition



# BIG4 Inverloch Holiday Park

## Expands holidays footprint with addition of one of Victoria's largest and best located parks

Located on 8.4 hectares, in a scenic holiday and fishing destination within two hours of Melbourne

Iconic, multi-award winning park with a mix of accommodation across holiday park (freehold) and foreshore camping (leasehold)

- Revenue underpinned by 100 annual sites
- Accommodation includes 50 cabins/units/glamping tents and 287 powered/unpowered sites

Resort style facilities (indoor pool and water park, camp kitchen, games room, tennis court and TV room)

Identified upside as strategies implemented

- Additional marketing channels
- Rate/revenue management
- Site reconfiguration



# Middle Rock Holiday Park and Village

## Key asset in an established cluster

Mixed-use community located in popular Port Stephens region

Situated on One Mile Beach, with close proximity to existing Ingenia Holiday and Lifestyle communities

Well maintained community including tourist accommodation and a separate residential village with established sites

Holiday park comprising 213 sites and resort style facilities

- Accommodation includes 39 cabins, 67 annuals and 108 powered sites
- High level of amenity with outdoor pool, café, jumping pillow, playground and barbeque

Middle Rock Village includes 74 permanent residential sites with clear delineation from holiday park

Growth potential through implementation of identified strategies

- Additional marketing channels
- Rate/revenue management
- Site reconfiguration



# Strategy and portfolio evolution

## Strategy and portfolio have evolved

- First community acquired in April 2013 – Ettalong Beach (mixed-use)
- Move from conversion strategy to dedicated tourism focus
- Investment in dedicated resources with strong capability in asset and revenue management

## Attractive fundamentals with opportunity to acquire and add value

- Complementary business with significant upside
- Strong, predictable cash flows – underpinned by repeat visitation and annual residents
- Focus on larger scale assets with upside through reconfiguration and application of digital platforms
- Ability to enhance returns through application of asset and revenue management skills
- Ability to manage mixed assets provides competitive advantage in acquisitions

**Pre COVID the portfolio performed well, delivering consistent cashflows**

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# Ingenia Holidays update



POOL AREA AT **INGENIA HOLIDAYS RIVERSHORE RESORT, QLD**

# Industry overview

The caravan and camping sector is a large and relatively stable industry which has been evolving and delivering growth

- Traditionally resilient, caravanning and camping has been growing in popularity with continued growth leading into the pandemic
- Since 2010<sup>1</sup>
  - An additional 5.5 million caravan and camping trips have been taken
  - An extra 17.3 million nights spent caravanning and camping annually
  - Over 196,000 recreational vehicles have been manufactured and registered

These underlying drivers have been assisted by the recent COVID pandemic and a resurgence of/reconnection with this style of holiday experience



1. Caravan Industry Association of Australia: 2020 Caravan and Camping State of Industry.

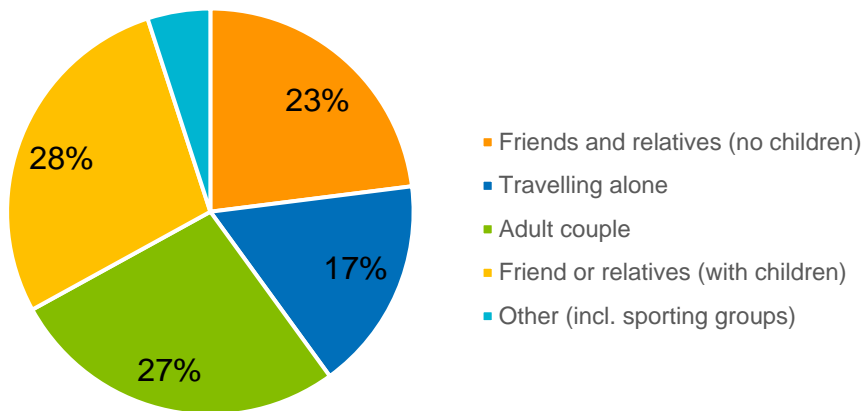


# 2019 Industry snapshot

## In 2019 caravanning and camping became Australia's most popular holiday choice

- Generated \$23.1 billion economic impact on the Australian economy annually
- Exceeded 60 million total visitor nights and 14 million trips
- Domestic travellers key driver of growth
  - Visitor nights up 11% to 59 million
  - Total of 14 million trips (up 9%)
- International visitor nights grew 2% to 4.8 million

Domestic Trips by Traveller Type (%)



Source: Caravan Industry Association of Australia: 2020 Caravan and Camping State of Industry.

**\$2.1**

**BILLION**

of revenue generated by Caravan Parks (+6%)

**\$1.2<sup>B</sup>**

**CABINS**

**\$840<sup>M</sup>**

**POWERED SITES**

**\$72<sup>M</sup>**

**UNPOWERED SITES**

**30 to 54**

year old age group accounts for **46%** of

**DOMESTIC CARAVAN & CAMPING TRIPS**

**6.4 MILLION TRIPS + 10%**

**55+**

age group accounts for **44%** of

**DOMESTIC NIGHTS**

**4.2 MILLION TRIPS + 13%**

Emerging Young/Midlife segment continued to grow

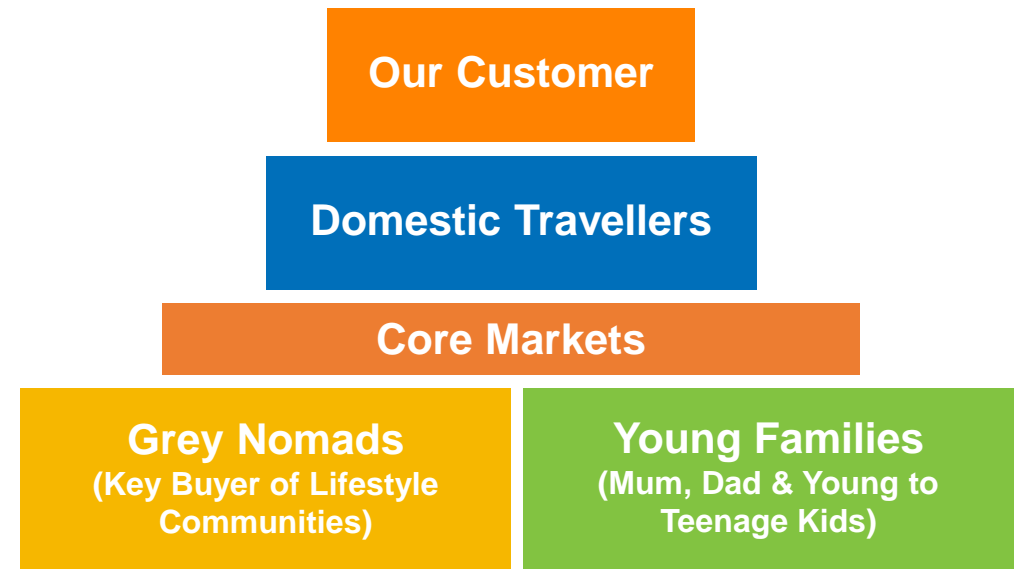
# Ingenia Holidays strategy

## Focus on attracting and retaining guests through exceptional experiences

- ✓ Create exceptional experiences for our guests
- ✓ Grow market share and expand market capture to adjacent sectors
- ✓ Introduce new higher yielding customers
- ✓ Remix asset offers (stock and amenities) to reposition, improve yield and valuation metrics

### Key focus

- ✓ Provide exceptional customer service
- ✓ Deliver the best in park experiences
- ✓ Create 'sticky' customers (and reduce cost of customer acquisitions)
- ✓ Create brand advocacy and awareness
- ✓ Leverage digital and social platforms to personalise customer interaction



# Unique Partnerships and In Park experiences

Focus on attracting and retaining guests through exceptional experiences

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Ingenia Holidays  
OFFICIAL PARTNER OF THE SOUTH SYDNEY RABBITOHS

## HOLIDAYS BUNNANZA

ENTER NOW

30 PRIZES UP FOR GRABS

**MAJOR PRIZE**  
THE ULTIMATE GAME DAY EXPERIENCE

- Flights for you and three mates\*
- Dinner with the team
- Attend the pre-game training session
- Game day tickets and hospitality
- 2 Nights at Ingenia Holidays with transfers

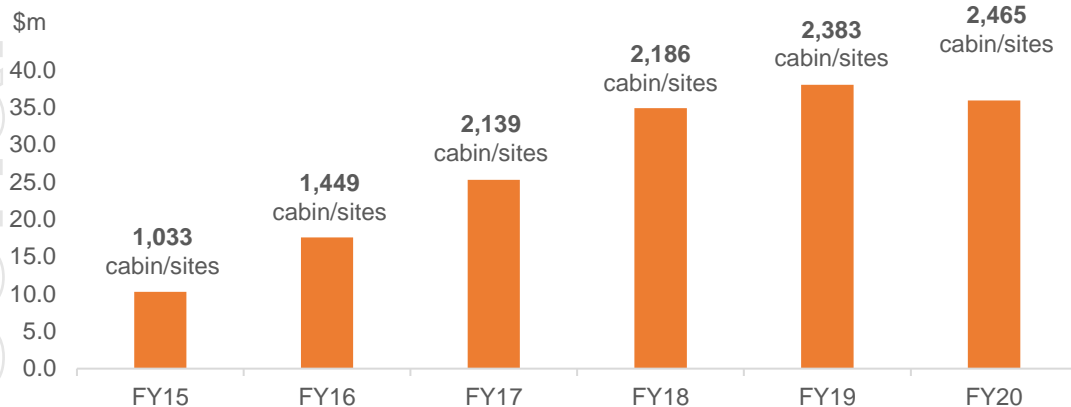
Prize valued at \$3,000



# COVID interrupted expected FY20 growth

- FY20 revenue down 6% - impacted by Park closures over peak trading periods
- Rapid response to COVID
  - Cost management, stand down of casual staff and receipt of JobKeeper partially offset lower earnings
  - Park closures utilised to undertake maintenance and refurbishment works
- Implementation of COVID safe plans and operational changes
  - Signage and capacity restrictions put in place to ensure compliance
  - Contactless check in
  - “Ingenia Clean”
- Marketing and online platforms updated with current information pending park re-opening, including COVID safe messaging
- Strong relaunch strategy

Revenue (\$m)



	FY20	FY19
<b>Revenue</b>	<b>\$35.9m</b>	<b>\$38.0m</b>
<b>Cabins</b>		
Occupancy	55%	59%
REVPOR <sup>1</sup>	\$135	\$149
<b>Sites</b>		
Occupancy	46%	50%
REVPOR <sup>1</sup>	\$46	\$47

1. REVPOR: Revenue per occupied room.

# Annuals provide stable revenue

- Annual sites common in mixed use parks
- Annuals place their holiday home/caravan on the site
  - Provides a holiday home at an affordable price
  - No need to book ahead of time
  - Available 180 days per year
- Provide stable, long term income with flexibility for conversion (rent paid on full year, not usage)
- During COVID annual sites continued to generate revenue, providing a stable revenue base for parks such as Lake Conjola



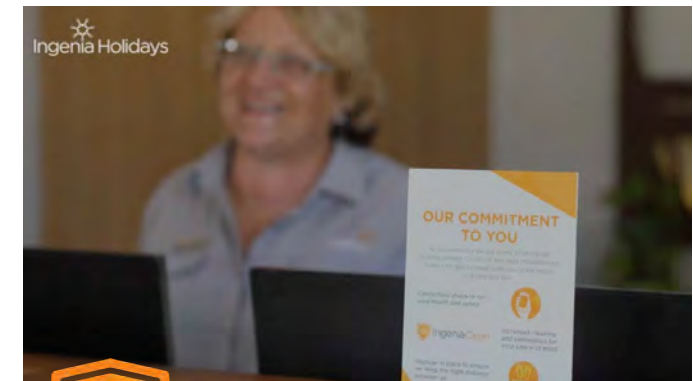
New annuals at  
**Ingenia Holidays**  
**Lake Conjola**



# COVID relaunch strategy



TV campaign into QLD and NSW metro and regional markets.



# Recent trends and performance

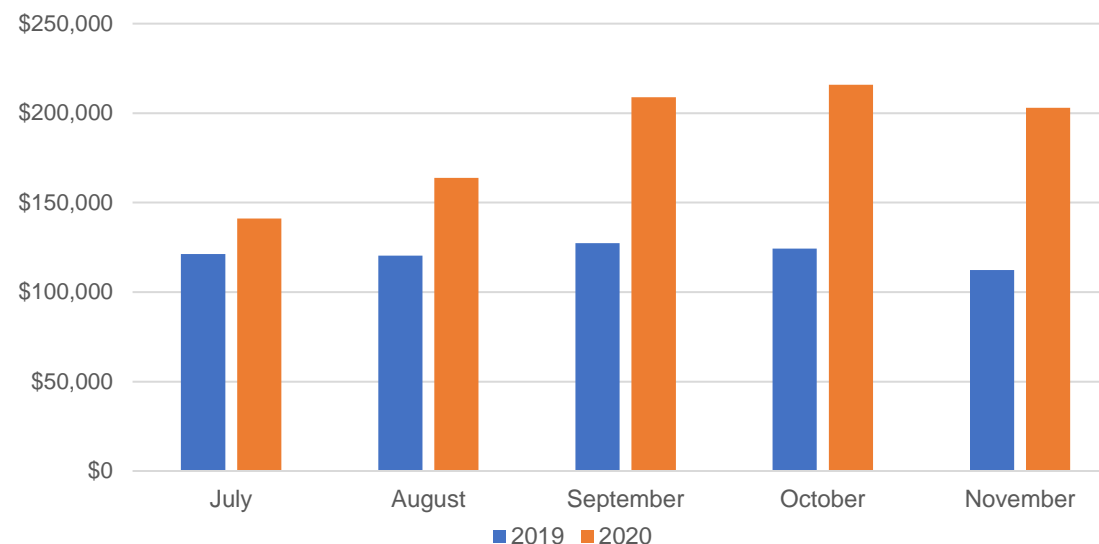
## Post COVID demand has been strong

### Holiday parks are outperforming other accommodation types post COVID restrictions

- Significant increase in bookings as restrictions eased
  - Parks within drive distance of cities exhibiting strongest demand with a high portion of intrastate travellers
  - Cairns Coconut and Sydney parks reliant on interstate and group bookings impacted by ongoing border closures
- Opening of intrastate borders further strengthened demand with average daily booking revenue increasing
  - Daily bookings accelerating into holiday season (anticipated to slow into Christmas as availability is absorbed)

<b>Strongest performance from NSW Coastal parks</b>	<b>Border closures and loss of group/corporate travel impacted Q1</b>
Customers choosing to travel closer to home	Cairns and QLD parks impacted by loss of interstate travel
Parks 2-4 hours from Newcastle and Sydney particularly strong demand	Sydney parks servicing CBD mid-week demand and sporting groups impacted by restrictions

Average Per Day Booking Revenue



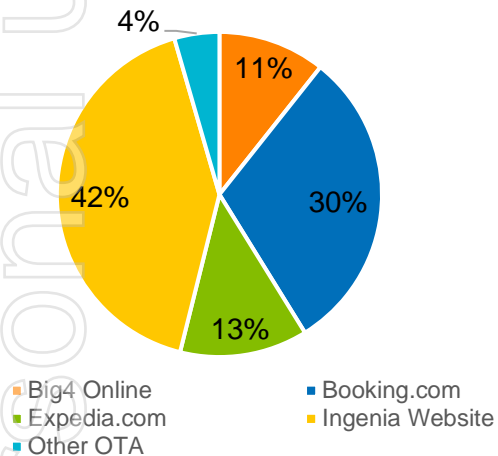
# Recent trends and performance

## Customer base is expanding

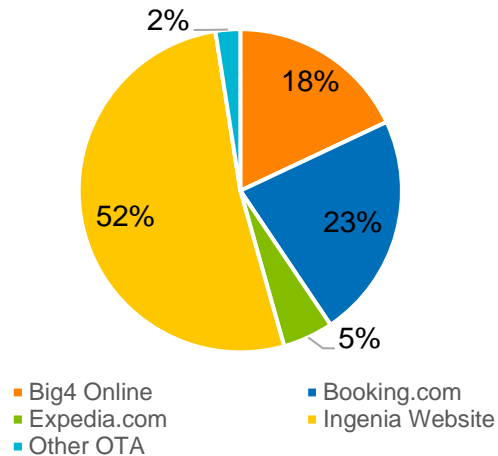
- Stronger traffic through ingeniaholidays.com.au
  - Online bookings through Ingenia Holidays site up materially – now more than 50% of bookings
  - Lower use of Online Travel Agents (OTAs), providing cost savings and greater engagement
- Customer profile expanding to younger age groups
  - Bookings for 18-24 year and 25-34 year age brackets up

- Caravan park experience appealing to diverse guests
  - Represents 'safe', 'low touch', self contained environment, with ability to take short breaks
  - Accessible Coastal and regional locations
  - Experience based options appealing to a range of interests (fishing, surfing, wine tasting)
- Average length of stay increased by 17% to 4.1 nights

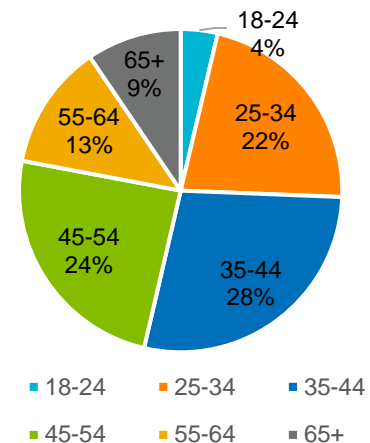
Source of Online Bookings - YTD Nov FY20



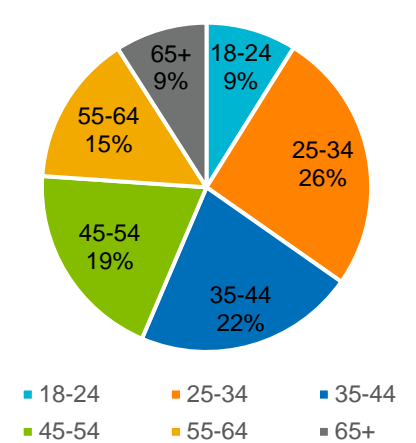
Source of Online Bookings - YTD Nov FY21



Ingeniaholidays.com.au – YTD Nov - FY20



Ingeniaholidays.com.au – YTD Nov - FY21





# Portfolio Diversity

Catering to different macro and micro markets

Diverse locations and accommodation options appealing to different experiences and interests



# Recent trends and performance

## Customer insights

### Strong endorsement from first time guests and repeat visitors



Property: **Ingenia Holidays Bonny Hills, NSW**  
Posted: **September 29, 2020**



Property: **Ingenia Holidays Lake Conjola**  
Posted: **September 20, 2020**



Property: **Ingenia Holidays Broulee**  
Posted: **October 30, 2020**



Property: **Rivershore Resort Maroochydore, QLD**  
Posted: **October 23, 2020**

THIS REVIEW HAS BEEN RESPONDED TO. [VIEW RESPONSE](#)

#### Nice Quiet Park

**leonardf60**, *Raymond Terrace, Australia (9/27/20)*  
Very impressed with park it was a great family park but also very relaxing and quiet. Great access to beach as well for leisurely walks. This was our first trip in our caravan and Bonny Hills was a great first stop for us. Not too busy but comfortable and relaxing.

THIS REVIEW HAS BEEN RESPONDED TO. [VIEW RESPONSE](#)

#### Perfect family getaway spot!!!

**ashleigh0rr**, *Canberra, Australia (9/19/20)*  
My fiancé and I love getting away with our two boys. this was our first trip away after borders opened after Covid and we had the best time! The facilities at the park are excellent and so much fun! We can't wait to come back again with more of our extended family!

#### We will be back!

**mtOct2020** (10/29/20)  
Fantastic park - staff simply amazing! Facilities clean and well maintained - pool a great size! Easy beach access and smooth check in. Friendly family atmosphere and very knowledgeable about the local area. Kids and I had a fantastic stay! Thank you so much.

#### Excellent place for families we had a great time definitely be back

**streekgien**, *Torquay (10/22/20)*  
Excellent place for families we had a great time definitely be back close to everything kids had a ball on the water slides free kayak use and movie for the kids at night. Price was reasonable and very clean amenities



Property: **Ingenia Holidays Lake Macquarie**  
Posted: **October 24, 2020**  
Trip type: **Couple**



Property: **Ingenia Holidays One Mile Beach**  
Posted: **October 12, 2020**



Property: **Ingenia Holidays South West Rocks**  
Posted: **March 23, 2020**  
Trip type: **Family**



Property: **Ingenia Holidays Avlna**  
Posted: **October 11, 2020**

THIS REVIEW HAS BEEN RESPONDED TO. [VIEW RESPONSE](#)

#### Pleasantly surprised

**ozzy\_emg**, *Sydney (10/22/20)*  
My husband and I just returned from 3 nights at Ingenia Lake Macquarie. We were supposed to be on a cruise but due to covid it was cancelled. I had never stayed in a caravan park before but I can tell you it won't be my last. I found a mid week deal in a waterfront cabin and we decided to book it just to get away and relax.

THIS REVIEW HAS BEEN RESPONDED TO. [VIEW RESPONSE](#)

**Dave Walkerden** (10/11/20)  
My 16 year old daughter said "this is the best Holiday Park ever". The experience from the very first contact was warm and welcoming. We had specific needs for our large caravan and annexe set-up and the staff provided us with everything we needed. Aside from being right next to the most amazing beach, the park itself has a great holiday vibe and it's great just to stroll around the grounds. It's nestled in a beautiful forest setting yet just 10 minutes drive to a major shopping centre and the bustling Nelson bay holiday precinct.

The whole place comes alive with kids on bikes and scooters, people heading to and from the beach or the park's great swimming pool. The Pizzas from the local cafe are crazy good too. It has amazing resort style common rooms, BBQ's everywhere and a general happy holiday atmosphere right up until 10pm when, like a miracle, the place quiets down thanks to the most polite and efficient security staff I've ever encountered and everybody gets a good night's sleep (at least that was our experience).

I've been to plenty of Holiday parks, including Ingenia parks elsewhere, and I reckon the key to a great one is the staff and management. Ingenia Holidays One Mile Beach has nailed it. We're going back next school holidays for sure. [See Less](#)

#### 3 br deluxe villa

**Lara0000** (3/22/20)  
This park is just amazing. Booked last minute accommodation due to cruise cancellation and we couldn't have asked for a better weekend. The villa was beautiful, clean, well laid out and everything you could want. The park is in a great spot within walking distance to main town area, swimming spots etc. The staff in reception were so lovely and accommodating - nothing was too much trouble - thanks guys for ensuring we had a great weekend.

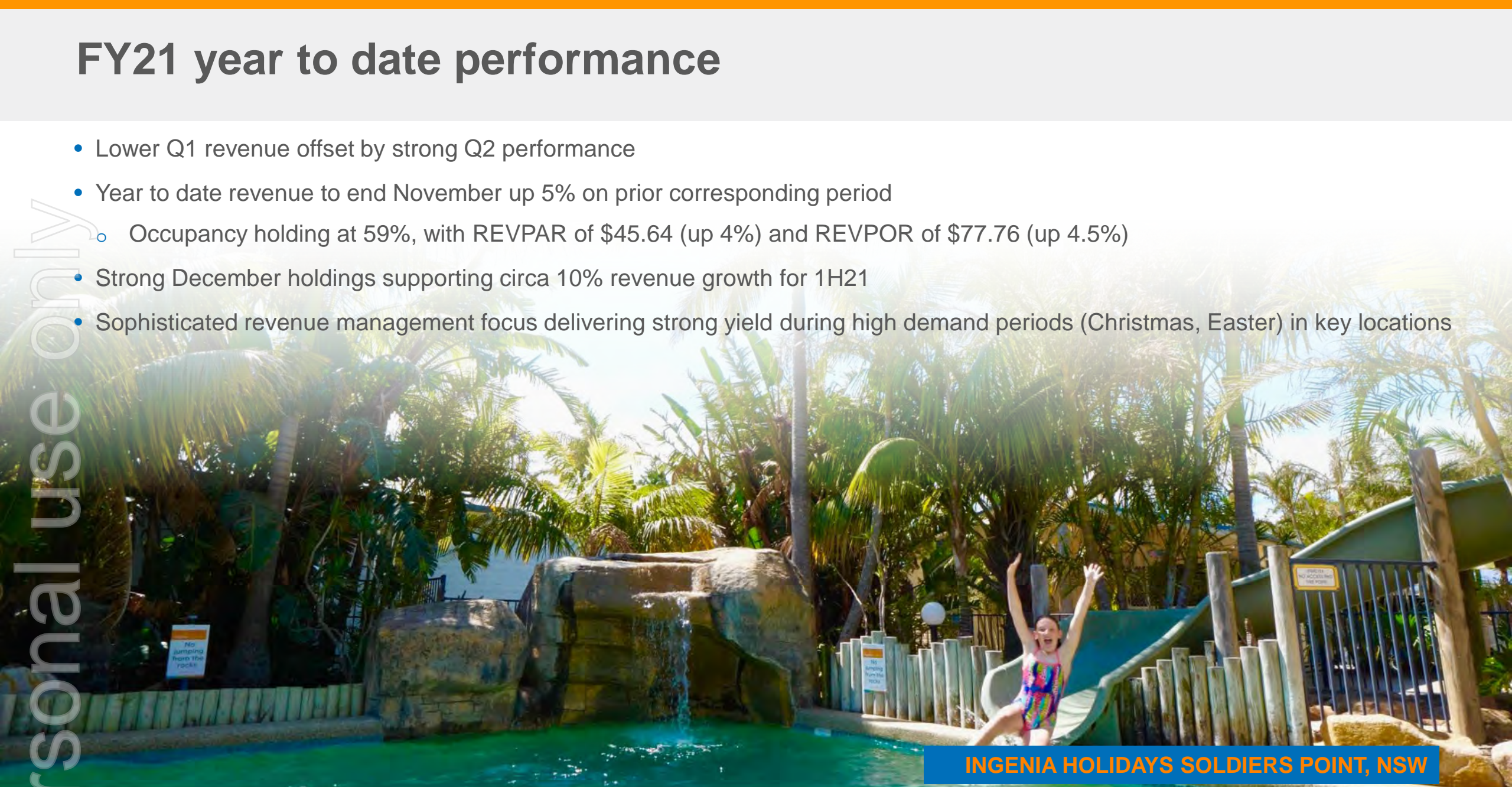
#### Our families first time here at we loved it recommend it

**Kerri-ann**, *Australia (10/11/20)*  
Good: Everything

# FY21 year to date performance

- Lower Q1 revenue offset by strong Q2 performance
- Year to date revenue to end November up 5% on prior corresponding period
  - Occupancy holding at 59%, with REVPAR of \$45.64 (up 4%) and REVPOR of \$77.76 (up 4.5%)
- Strong December holdings supporting circa 10% revenue growth for 1H21
- Sophisticated revenue management focus delivering strong yield during high demand periods (Christmas, Easter) in key locations

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INGENIA HOLIDAYS SOLDIERS POINT, NSW

# Panel Session: Tourism Landscape: COVID and beyond



**SPLASH PARK AT  
INGENIA HOLIDAYS CAIRNS COCONUT, QLD**

# Case Study: Maximising Value



**INGENIA HOLIDAYS SOLDIERS POINT, NSW**

# Valuing holiday park assets

- Valuations for holiday park assets driven by current and future cashflows
  - Existing Village Value - future operating cash flows of already installed sites and any required maintenance expenditure
  - Development Value - future incremental net operating profits and net future below the ground capital expenditure required to realise value
- Cap rates for holiday parks currently in the range of 7.25% to 9.0% (excl. leasehold) - significant variation by property based on location, scale, asset composition/accommodation mix, development upside
- Levers to add value
  - Asset intensification
  - Asset conversion – lower yielding sites to higher yielding cabins
  - Asset refurbishment to improve rate and occupancy
  - Revenue management and OTAs
  - Marketing and improved customer experience



# Case Study: Ingenia Holidays Soldiers Point

## Located at Soldiers Point on the NSW Central Coast approx. 2.5 hours from Sydney

- Acquired in October 2015
- Strong coastal holiday location with proximity to tourism attractions
- Established 2.8 hectare park with facilities and in park activities focussed on the family market (including indoor and outdoor pools, jumping cushion, tennis, bike track and playground)
- Acquisition price of \$10.5 million (8.6% cap rate)
- On acquisition
  - 66 short-term sites (28 cabins/38 caravan and camp sites)
  - 22 annuals
  - 23 permanent sites
  - Avg room rate/night \$83/night
  - Turnover \$1.9m per annum
- Significant upside identified



ON ACQUISITION **INGENIA HOLIDAYS SOLDIERS POINT, NSW**

# Case Study: Ingenia Holidays Soldiers Point

## Reconfiguration and investment strategy (\$3 million capital invested since acquisition)

### Stage 1

- Installation of 2 x premium 3BR Phoenix Cabins
- Installation of 3 x 2BR Kentia Cabins
- Conversion of managers residence to accommodation
- Conversion of low yield Permanent sites

### Stage 2

- Installation of 4 x 2BR Aloha Cabins
- Conversion of 3 x low yield motor home sites into 2 x Premium Powered Sites
- Resurfacing Roadways

### Stage 3 (current)

- Installation of 4 x 2BR Aloha Cabins
- Relocation of permanents to allow higher yielding tourism sites
- Conversion of annuals to premium ensuite sites
- Addition of Airstream accommodation



TODAY **INGENIA HOLIDAYS SOLDIERS POINT, NSW**

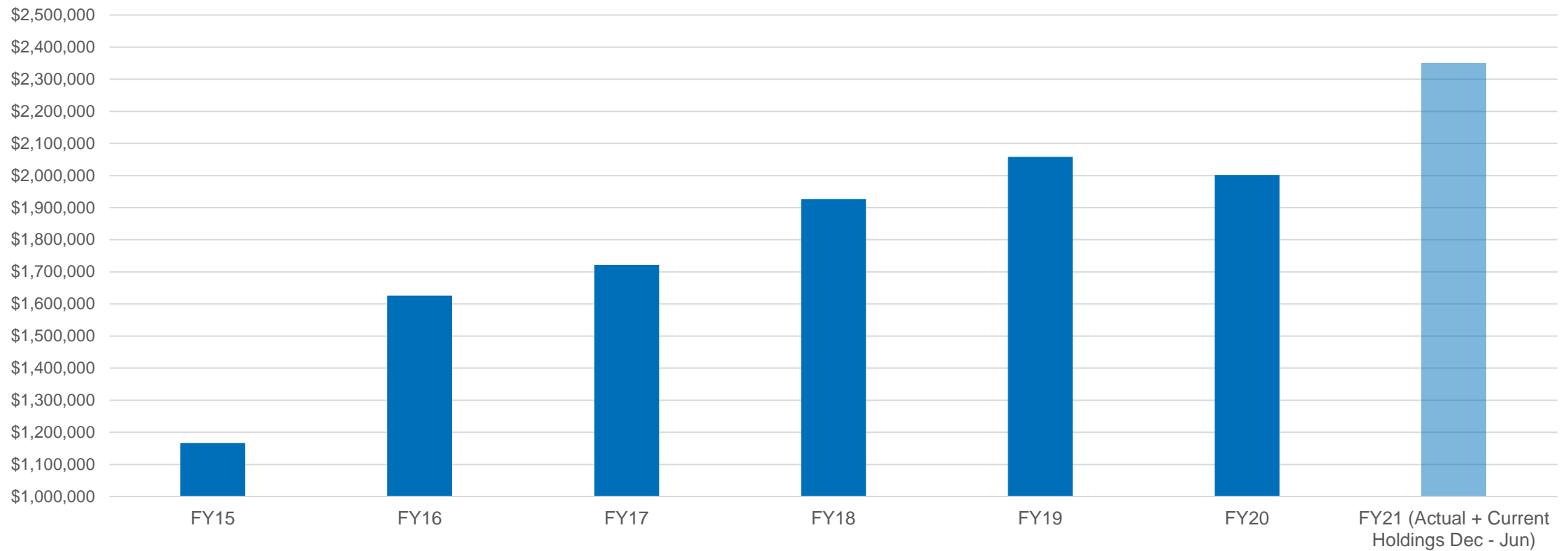
## June 2020

- Valuation \$16.3m (Cap rate: 8.1%)
- Total sites increased to 118
  - 88 short-term sites – including 35 cabins (5 new and 5 conversions)/53 caravan and camp sites
  - 13 annuals
  - 19 permanents
- Improved operating metrics
  - Occupancy up from 37% to 55% (FY20, normalised)
  - REVPOR up over 50%
  - Avg room rate/night \$125/night FY20 (normalised)
  - Turnover \$2.4 million per annum (normalised)
- Project IRR: 11% (to June 2020)



# Case Study: Ingenia Holidays Soldiers Point

## Soldiers Point - Total Tourism Revenue



FY15 and FY16 (to acquisition) based on historical vendor data. Park acquired 29/10/15.

# Case Study: Ingenia Holidays Soldiers Point – Premium Facilities and Unique Experiences

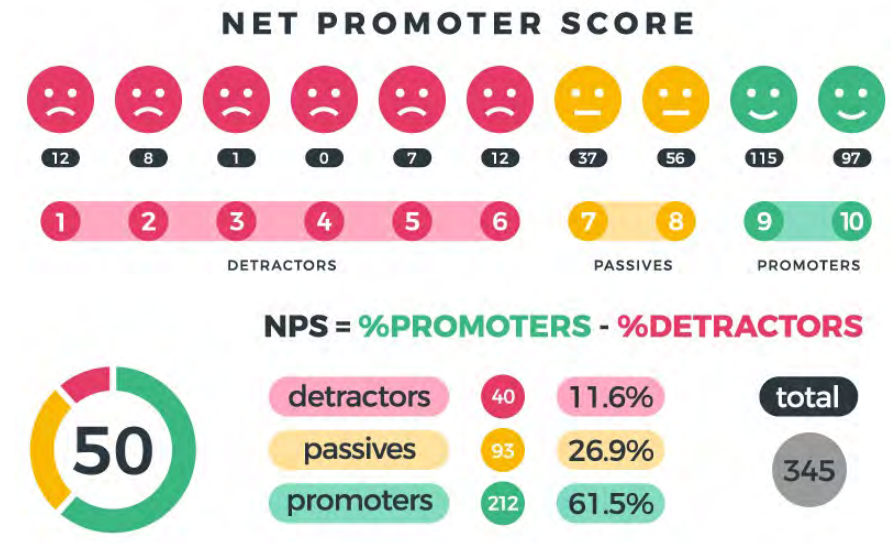
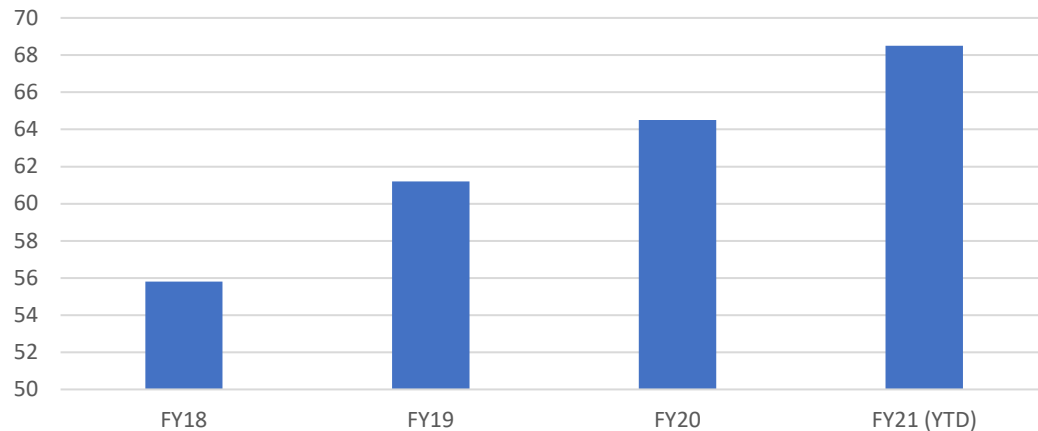


# Driving sustainable growth

## Customer Experience

- Focus on maximising benefit of strong demand to drive longer-term growth
  - Investing in training and automation
  - Responding to changing guest demands
  - Innovation in recruitment
  - Net Promoter Score

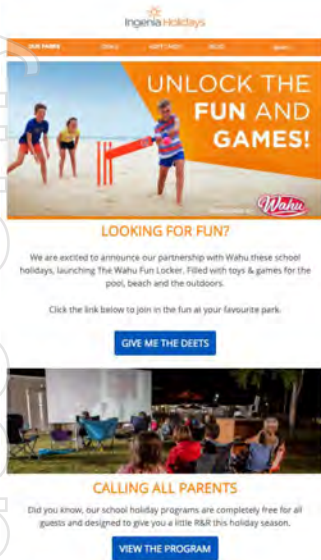
### Ingenia Holidays – Net Promoter Score



Blueprint

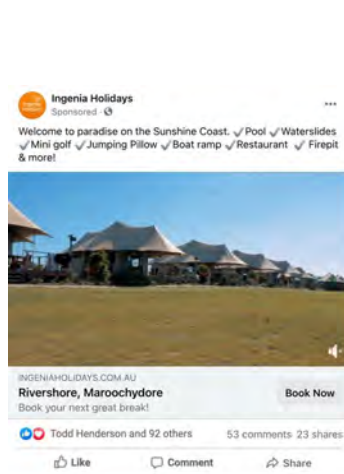
# Current Initiatives: Marketing

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## Email

321k subscribers  
17m emails sent last 12 months



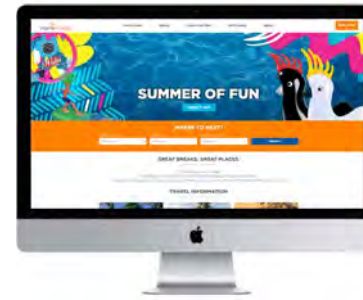
## Facebook

117k followers



## Instagram

12k followers



## Website

972k visitors last 12 months



## Virtual Tour

62k Virtual Tours /  
across 159  
accommodation types



## Park Virtual Tour

Launching December 2020  
First holiday park Virtual Tour

# Current Initiatives: Marketing

## Wahu Summer of Fun

Summer 20/21

- Marketing partnership between Ingenia Holidays, Wahu and BIG W
- Brand alignment targeting young families market
- In park activations attracting future bookings
- Leverage exposure through BIG W stores nationally
- Collaborative competitions to drive awareness and database acquisition in BIG W and on ingeniaholidays.com.au



# Current Initiatives: Product Innovation

Evolving guest experience and product to respond to emerging needs




Airstream 'caravan' accommodation  
Soldiers Point, 2H21



Sky deck cabins include rooftop decks, outdoor fireplace and barbeque  
Ingenia Holidays South West Rocks, from Dec 2020




# Current Initiatives: Ingreenia





**Are you ready for a challenge?**

Be water wise and take a 4 minute shower.  
Let's work together to save water.



The perfect 4 minute shower songs right here!



## From grey to green.

Every bucket helps our environment.  
Water saved can then be used for our plants and grass.

**Thank you!**



## Go slow on the H2O...

Let's be water wise together!



**Did you know?** A 4 minute shower uses 36 litres of water!



**You can help!** Collect grey water as you shower and use the bucket provided to help water our gardens and grass.



# Outlook

## Strong outlook for Ingenia Holidays business

- Year to date performance now slightly ahead of FY20, despite impact of COVID on Q1
- Forward bookings well ahead of prior year – outlook for 2H21 remains positive, pending no unforeseen events
  - Holiday periods present strong opportunities to maximise growth
- Focus on regaining growth trajectory of business prior to COVID
- Tourism drivers in the short term provide a unique opportunity
- Longer term the outlook remains positive as underlying demand drivers remain in place
  - Ageing population (key users of caravan parks)
  - Emerging younger market
  - Opportunity to convert new guests to repeat customers





# Questions

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# Thank You

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