

18 August 2021

## **EBIT OF \$94.4 MILLION UP 31%, WITH GROWTH ACROSS ALL KEY METRICS**

### Highlights

- Record EBIT of \$94.4 million, up 31%
- Revenue of \$295.6 million, up 21%
- Underlying EPS of 23.6 cents, up 7%
- Operating cash flow of \$137.6 million, up 105%
- Growing sales pipeline – record 317 deposits and contracts in place
- Significant pipeline of acquisitions secured and under assessment

Ingenia Communities Group (ASX:INA) today announced Underlying Profit of \$77.2 million for the year ending 30 June 2021, an increase of 31% on the previous financial year. Statutory Profit of \$72.8 million was up 131% on the prior year.

Group revenue was up 21%, to \$295.6 million, and EBIT was up 31% to \$94.4 million. Operating cash flow of \$137.6 million was up 105% on FY20. These results were driven by an increase in rental sites, higher new home settlements and strong performance from the Group's holiday communities.

Ingenia achieved a record 380 new home settlements across the Group's development projects, up 17% on FY20, despite conditions being disrupted due to lockdown restrictions. A further ten new homes were settled in the Group's funds operations.

Underlying EPS of 23.6 cents represents a 7% increase on FY20, driven by strong performance across the business and impacted by an increase in weighted average securities on issue as a result of the June 2020 equity raising which was deployed progressively over FY21 as the Group completed acquisitions totalling \$215 million.

The full year distribution is 10.5 cents per stapled security, representing a rise of 5% on a cents per security basis. The 2H21 distribution of 5.5 cents per security will be paid on 23 September 2021.

Ingenia's CEO Simon Owen described the Group's performance as strong despite the challenging environment, demonstrating the overall resilience of the business.

"The health and safety of our residents, guests and staff has remained our first priority in these highly challenging conditions and we are really pleased with the outcomes achieved. The momentum we have maintained despite continuing headwinds is a testament to all of our employees. While we remain responsive to changes in trading conditions and are cautious about the impact of Government restrictions, we are benefitting from the diversity of our community locations and revenue streams as we have continued to trade and grow.

"Our holiday parks have experienced strong demand as international borders remain closed and, as a result, intrastate and interstate travel is buoyant. There are now over 741,000 caravans and campervans registered in Australia<sup>1</sup> – the highest ever on record - reflecting the increasing demand for domestic travel. With an unrivalled network of 29 coastal parks spanning from Torquay on the Victorian Surf Coast through to Cairns in Tropical North Queensland Ingenia is uniquely poised to benefit from many Australians newfound fondness to holiday at home. We believe the five-year outlook for our holiday parks is incredibly positive with considerable tailwinds in place.

"Ingenia's dedicated focus on acquisitions has driven growth in our portfolio scale, aligned with our strategy to grow rent based, annuity style revenue. The addition of thirteen established communities, land acquisitions and over \$200 million in assets now under review, reflects our demonstrated ability to establish ourselves as a sizeable sector leader across our industry.

"Demand drivers remain strong across the industry, and if anything, have improved. An ageing population, housing affordability issues and the appeal of community living post COVID-19 isolation will continue to make Ingenia's communities an attractive proposition. More than ever residents' capacity to fund a comfortable lifestyle is challenging and downsizing to one of our communities is an effective way to make a significant difference to the quality of lifestyle for our residents.

"Ingenia's communities are located in attractive regional locations which are benefitting from strong real estate markets. Net internal migration to Queensland and regional areas has increased since COVID-19. These regional markets have also seen a significant increase in dwelling values over the last 12 months, supporting local sales for new and existing communities.

"Ingenia delivered record home settlements in the second half as sales rebounded, supported by a resilient residential market post COVID-19 lockdowns. The business settled 380 new homes, and our development pipeline continues to grow, with 4,220 potential home sites owned or secured.

"There continues to be solid ongoing demand for our communities and our uninterrupted resident rental streams provide a strong defensive element to our business model. Throughout COVID-19 the strength of our rental business has been demonstrated, with our Lifestyle residential rental income up 38% and Ingenia Gardens at a record 96% occupancy.

"Funds Management remains a key growth platform for the Group as we move forward with plans for a new \$100 million Fund.

"The current pipeline is significant, and we are well positioned to identify and progress opportunities, with a dedicated team focussed on delivering growth in our asset base. Even in these uncertain times, we are well placed to build sector leadership," Mr Owen said.

### Capital management

The Group closed FY21 with a strong balance sheet with long term funding in place. Following establishment of a 7-year facility with the Clean Energy Finance Corporation and extended tenor for existing facilities, the Group has no debt expiry until December 2025. Over \$270 million in cash and available undrawn debt is available, supporting additional investment in growth. Ingenia closed the year with an LVR of 22.2% and 17.5% gearing.

<sup>1</sup> Source: ABS.

## Outlook

Our outlook is strong as the business is trading well but there is an element of short-term uncertainty due to lockdowns.

Government restrictions limiting travel and potential risk around construction activity represent short term challenges; longer term demand fundamentals for affordable seniors housing and domestic travel support growth.

The stability of rent from the Group's residential communities has continued uninterrupted, holiday parks remain responsive to changing conditions and are benefiting from the unique opportunity for domestic travel, and demand for new homes is strong.

However, in light of current uncertainty, FY22 guidance cannot be provided at this time.

Further information is contained in the Group's Financial Statements and Investor Presentation lodged with ASX today.

A Briefing will be held today at 1.30pm (AEST) and can be accessed via <https://www.openbriefing.com/OB/4306.aspx>

***Authorised for lodgement by the Board.***

**ENDS**

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#### About Ingenia Communities Group

Ingenia Communities Group (ASX: INA) is a leading operator, owner and developer of communities offering quality affordable rental and holiday accommodation focussed on the growing seniors' market in Australia. Listed on the Australian Securities Exchange, the Group is included in the S&P/ASX 200 and has a market capitalisation of \$1.9 billion.

Across Ingenia Lifestyle, Ingenia Gardens, Ingenia Holidays and Ingenia Rental, the Group has 89 communities and is continuing to grow through acquisition and development.

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).