

13 April 2022

Ingenia trading and guidance update

Ingenia Communities Group (ASX: INA) provides the following update to the Group's trading activity and FY22 guidance, in light of continuing supply chain challenges and shortages of skilled labour which are causing delays in new home completion. These delays have been exacerbated by the flow on impact of recent unprecedented rainfall.

As a result of these conditions, FY22 settlements are now anticipated to be in the range of 400 to 425. The Group is targeting EBIT growth of 5% to 10% on FY21 and underlying EPS is anticipated to be 1-2 cents below FY21.¹

Development and sales

Since announcing the Group's results in February 2022, the impact of significant rain events in late February and March have led to further delays in key projects across Queensland and NSW, with homes scheduled for completion in Q4 FY22 now expected to settle in early FY23. The Group's Queensland projects across Hervey Bay, Sunshine Coast, Logan and Gold Coast have experienced significant delays, with rainfall closing sites and limiting access.

While the Group has been working closely with builders to accelerate works to mitigate supply chain and weather delays, the ability to manage project timelines has become limited by the lack of available labour. An industry wide shortage of key trades has materially impacted the Group's projects, resulting in additional delays and greater uncertainty. These challenges are not anticipated to abate this financial year as the demand for key trades is further impacted by insurance work following severe storm and flood damage in South East Queensland and Northern New South Wales.

Demand for homes across the Group's development projects continues to be at record levels. To date the Group has settled 227 new homes with a further 460 homes deposited or contracted. The average new home sales price and margins remain consistent with the first half and the Group continues to increase pricing of new home releases to maintain margins.

Ingenia has a stable team of financially sound core builders and is working with them to respond to current conditions. The Group continues to target settlements to 1,800 – 2,000 over the three years to FY24.

Ingenia Holidays

While cancellations were experienced over recent wet weather events, Ingenia Holidays has continued to perform well, with revenue up 45% on prior year (year to date) and bookings through to June 2022 remaining strong. Barring no further unexpected weather or COVID related disruptions, the Holidays business is anticipated to deliver growth on FY21 for the full financial year, despite the impact of park closures and lockdowns in the first half.

CEO of Ingenia, Simon Owen, said: “Demand for our lifestyle communities under development has never been stronger. With over 460 deposits and contracts on hand, our challenge remains the timing of home completions which are experiencing additional delays as the demands created by recent weather events increase uncertainty in our supply chain and access to key trades continues to be a material constraint on project timelines.

“Our Holidays business is experiencing buoyant conditions with the removal of COVID restrictions and the return of interstate travel driving additional demand.”

“The business remains in a strong position with growth in the asset base and accelerating development supporting returns into FY23. While we are continuing to navigate an unprecedented construction environment, the strong demand we have for homes, the positive outlook for our holidays business and the material growth in our development pipeline, position the business for earnings growth into the future.”

Authorised for lodgement by the Chairman.

ENDS

1. Guidance is subject to no material changes in market conditions and no other unforeseen circumstances adversely affecting financial performance, including further impacts of COVID-19 or adverse weather. EBIT and underlying EPS are non-IFRS measures which exclude non-operating items such as unrealised fair gains/(losses) and gains/(losses) on asset sales.

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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 \$2 billion.

Across Ingenia Lifestyle, Ingenia Gardens, Ingenia Holidays and Ingenia Rental, the Group has over 100 communities and is continuing to grow through acquisition, development, and expansion.

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).