

3 May 2021

## Ingenia to acquire portfolio of five coastal holiday parks and lifestyle development site

### Acquisition highlights

- Purchase of large ocean-front land parcel in Bargara, QLD with approval for a 344-home lifestyle community – 100% Ingenia development site
- Acquisition of portfolio of five established coastal holiday parks, expanding presence in key markets, including Victoria
- Combined purchase price of circa \$40 million, offering a combination of immediate earnings accretion and DA approved development
- Portfolio of five holiday parks adds 844 cabins, sites and annuals, increasing holiday park portfolio by over 20%

Ingenia Communities Group (ASX: INA) today announced further expansion of the Group's lifestyle and holidays business with the acquisition of a 16.2-hectare greenfield site and a portfolio of established holiday parks. The acquisitions deliver on the Group's growth strategy, bringing total acquisitions announced year to date to more than \$220 million.

Ingenia Communities Group CEO, Simon Owen, said that it had been a busy period for the Group's acquisition team as they sought to deploy equity from the May 2020 raising into acquisitions aligned with the Group's strategy to materially grow the lifestyle and holidays business.

"Despite a marked increase in competition for quality communities and development sites, we continue to benefit from a pipeline and relationships that have taken many years to establish. The current buoyant market for domestic travel and greater awareness of the stable cash flows generated from our lifestyle communities have underlined the attractiveness of the sectors we operate in and we remain positive about the outlook for the Group as we continue to grow," Mr Owen said.

### **Acquisition of greenfield site in QLD**

Ingenia has entered into an unconditional contract to acquire a 16.2-hectare parcel of ocean-front land in Bargara, Queensland. The site has approval for the development of a 344-home lifestyle community with expansive facilities.

The site enjoys an attractive ocean front location within a popular tourist town which has benefitted from substantial investment in recent years and is well serviced by amenities. Bargara is approximately 20 minutes' drive from Bundaberg and one and a half hours from the Group's highly successful Hervey Bay development. The community is expected to attract local buyers and to draw buyers from outside the area due to the attractive coastal location and current migration patterns.

Ingenia expects to commence development of the site in FY22. The vendor, AEP Developments, has established relationships in the region and will retain a minor interest in the development portion of the project. The development is located in an attractive retiree market and is expected to draw local residents from Bargara and the Bundaberg LGA. The development will draw from a primary catchment of 101,000 persons with the population aged 50 to 74 anticipated to grow by 3.1% over the next 5 years. Median house price in the primary catchment was \$400,000 in 2020.

CEO, Simon Owen said Bargara provides the Group with exposure to a popular retirement destination through an approved long-term project which is expected to contribute settlements in FY23.

“The acquisition adds another large-scale community to our lifestyle portfolio, providing ongoing growth in our rental cashflows as our growing development pipeline is progressed,” Mr Owen said.

### Acquisition of tourism portfolio

Ingenia has agreed terms for the purchase of a portfolio of long-term leasehold holiday and mixed-use parks across key target markets, including Victoria. The acquisition includes 844 income producing sites, including 250 annual/permanent sites which provide a stable cashflow base and represent approximately 30% of park revenues. The acquisition materially increases the scale of the Group’s Holidays portfolio.

	Pre-acquisition	Post-acquisition
Cabins	952	1,122
Annuals	749	999
Sites	2,030	2,454
<b>Total</b>	<b>3,731</b>	<b>4,575</b>

The portfolio increases the Group’s exposure to Victoria with the addition of three parks in key tourist locations. Combined with the recent acquisition of BIG4 Inverloch in December 2020 the acquisitions provide a strong presence in the Victorian market, extending the Group’s holidays footprint and complementing a growing development pipeline in the State.

In addition to expanding the Group’s Victorian footprint, the portfolio includes parks in key tourist locations in Queensland and NSW which extend the holiday parks offer along the East Coast.

Each of the assets sits on leasehold land, with the remaining lease terms ranging from 16 to 20 years. The portfolio is expected to settle in the first quarter of FY22.

CEO, Simon Owen, said he was pleased to further extend the Group’s holidays business through a rare portfolio acquisition. “These assets provide access to attractive locations with opportunities for our team to add value through investment and active management.”

“The outlook for domestic travel remains very attractive and our holiday parks are benefitting with increased occupancy and rates. The portfolio is anticipated to provide an ingoing yield of over 10% and will benefit from revenue management and asset strategies as well as the strong demand for domestic travel,” Mr Owen said.

### Sale of non-core assets

The Group has also exchanged contracts for the sale of its last remaining DMF village and a land parcel in Queensland. The \$2.9 million sale price of the Gladstone DMF village is in line with the Group’s book value at December 2020. A 12-hectare parcel of land at Upper Coomera has also been sold for \$9.6 million. Both sales are anticipated to settle in FY22.

“With the Group’s pro forma LVR moving to the lower end of the policy range (of 30% to 40%) on completion of these acquisitions, we have additional balance sheet capacity which will allow us to continue to capitalise on our strong acquisitions pipeline and invest in development to drive further growth in the Group’s rental base,” Mr Owen said.

The Group reaffirms it is continuing to target EBIT growth of 15 to 20% for FY21, with underlying earnings per security expected to decline 1-2 cents on FY20.<sup>1</sup>

1. Guidance is subject to no material change in market conditions. The decline in underlying earnings per security reflects the timing difference between issuing additional securities and deploying capital.

### Greenfield site, Bargara (QLD)



Further information on the acquisitions and the Group’s recent performance is contained in the presentation lodged with ASX today and via the Investor Briefing to be held today at 2.00pm virtually. The briefing can be accessed via <https://webcast.openbriefing.com/7357/>

*Authorised for lodgement by the Chairman.*

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 over \$1.6 billion.

Across Ingenia Lifestyle, Ingenia Gardens, Ingenia Holidays and Ingenia Rental, the Group has 80 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).