



2019 SHAREHOLDER ANNUAL MEETING

CEO'S REVIEW



STRATEGY UPDATE

LIVING WELL

Create a profitable and sustainable retirement and aged care business that leads the sector through actively improving the lives and wellbeing of our residents.

BUILDING WELL

Develop integrated retirement living communities for the future, either by adding to or improving existing villages or through acquiring bare land and building villages.

BUYING WELL

Acquire quality retirement villages that are complementary to the overall portfolio composition and deliver long term value through operations or by adding opportunities.

ENGAGING WELL

Deliver quality healthcare and wellbeing services to ageing communities by using our expertise and assets to explore new growth opportunities for the future of our business.

CARE STRATEGY

- 1 Retain high needs-based portfolio composition
- 2 Excellence in care: The Attitude of Living Well
- 3 Increase PAC rates on care beds
- 4 Introduce premium care suite offering in key urban areas
- 5 Conversion of existing care beds and certification of serviced apartments

TRANSFORMING THE CARE MODEL

- Attitude of Living Well delivering better resident outcomes
- Household model provokes move in culture
- Resident-led quality care services overarching principle



MEASURABLE OUTCOMES

- Exceptional NPS result from resident survey
 - +58 in villages and +51 in care facilities, much higher than industry context



- Inaugural staff engagement survey completed
 - 96% determined to give best
 - 83% motivated to go beyond



EXCELLENCE IN CARE

- 96% care occupancy
 - Continues to be significantly above sector at 88%



- Continued excellent Ministry of Health audit results
 - 82% of FY2019 audits achieved 4 years
 - Now 18 facilities with gold standard of 4 years certification (+1 since year end)
 - Clinical standard is substantially above national level

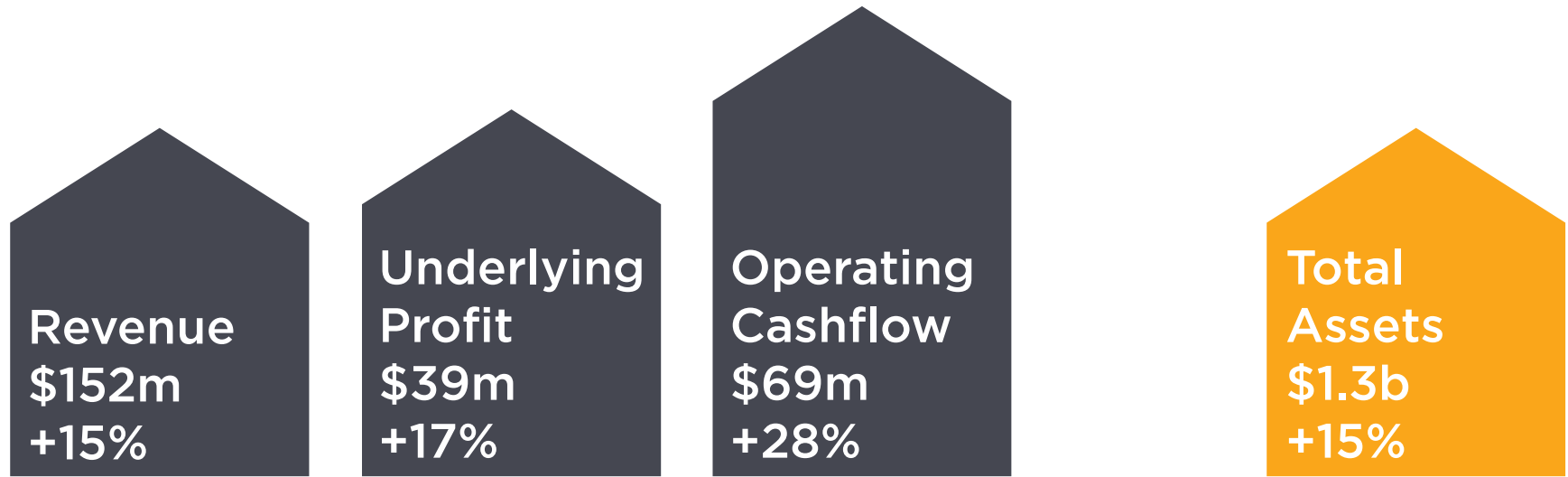


OVERVIEW OF OPERATIONS

- Rollout of resident management system now implemented
- Over 26,000 training modules completed by staff
 - Continue to invest in our people
- No significant health and safety incidents during the period
 - Our Health and Safety Plan has ten goals to be completed before 30 June 2020
 - Arvida aims for continual H&S improvement
- IT roadmap includes investment in enabling technology
- All FY18 acquisitions fully integrated

FINANCIAL OUTPERFORMANCE

- Strong financial results up on lead measures



- 5% accretion in Underlying Profit per share
- 328 ORA sales – 258 resales and 70 new sales
 - Stock levels remain low
 - Pricing and margins increased

INCREASED ASSET BASE

- Total asset base now in excess of \$1.3b, with over \$1.0b of investment property
- Investment property increased \$159m (vs FY18):
 - \$69m of development activity
 - Fair value movements at existing and completed villages
 - \$27m of land acquisitions
- No village acquisitions undertaken in FY2019
- Gearing remains conservative at 25% with headroom to undertake current development programme
- Total net debt of \$186m included:
 - \$48m of development project work in progress
 - \$53m of development land
 - \$62m of inventory

PROJECTS COMPLETED IN FY2019



PARK LANE,
CHRISTCHURCH



COPPER CREST,
TAURANGA



RHODES ON CASHMERE,
CHRISTCHURCH



ARIA BAY,
AUCKLAND

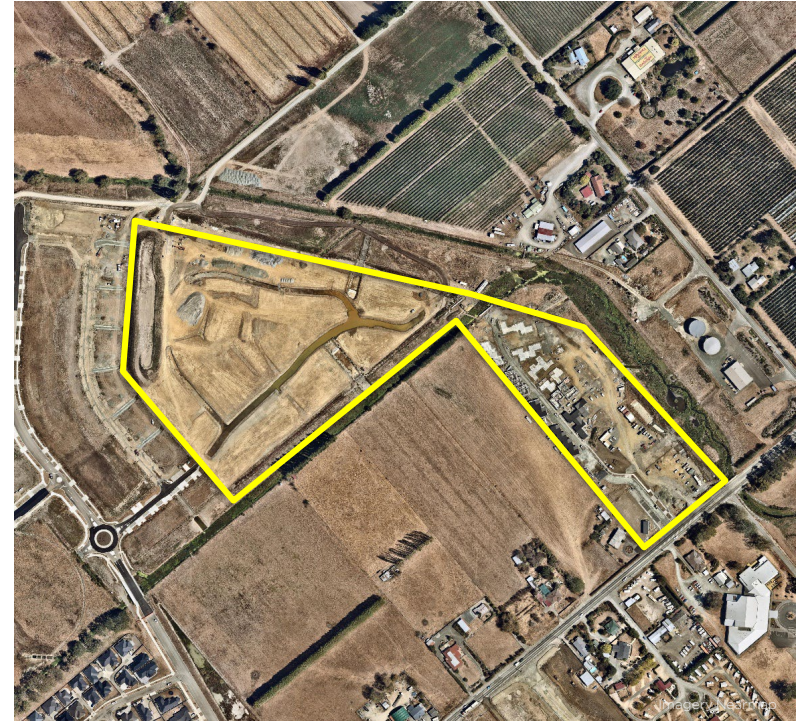


MARY DOYLE,
HAVELOCK NORTH

KEY PROJECTS IN FY2020



VILLAGE AT THE PARK,
WELLINGTON



WAIMEA PLAINS,
RICHMOND



WAIMEA PLAINS RETIREMENT COMMUNITY



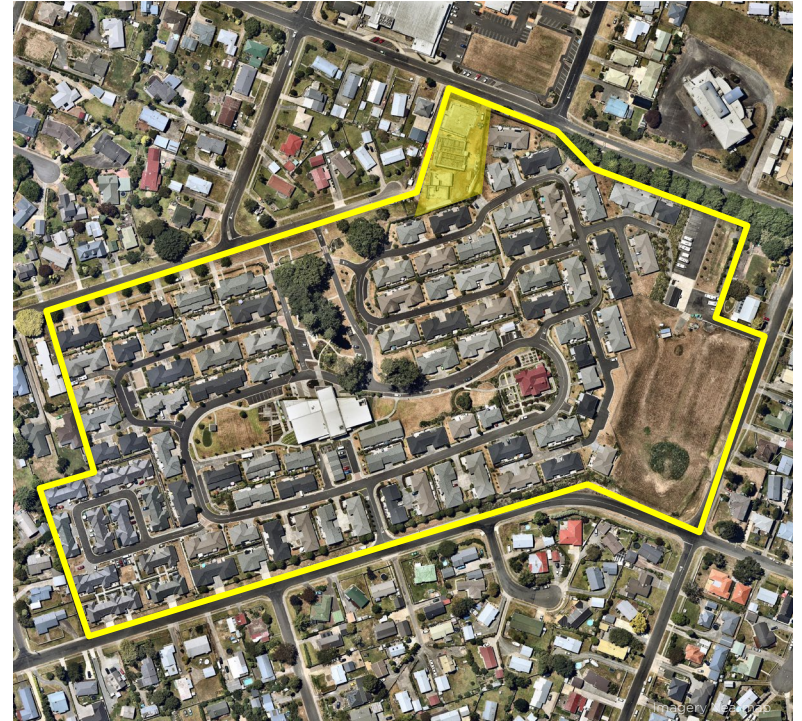
Artist impression. Subject to final investment decision approval.

WAIMEA PLAINS, RICHMOND

KEY PROJECTS IN FY2020



ST ALBANS,
CHRISTCHURCH

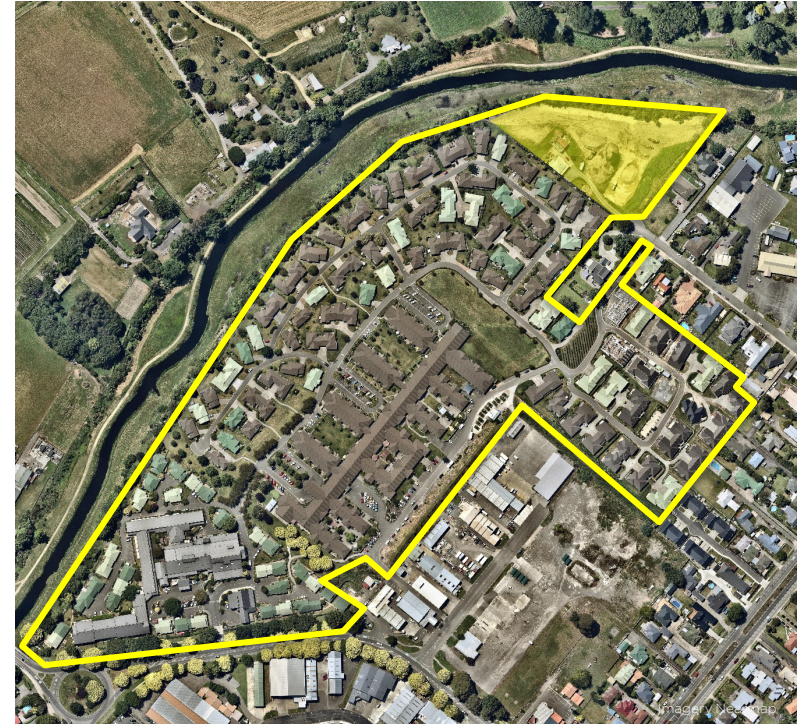


LAURISTON PARK,
CAMBRIDGE

KEY PROJECTS IN FY2020



PARK LANE,
CHRISTCHURCH



MARY DOYLE,
HAVELOCK NORTH

COPPER CREST CARE FACILITY



COPPER CREST, TAURANGA

LAURISTON PARK CARE FACILITY



Artist impression. Subject to final investment decision approval.

LAURISTON PARK, CAMBRIDGE

18HA GREENFIELD SITE IN KERIKERI



HALL RD, KERIKERI

NEW PORTFOLIO ACQUISITION

- On 25 June 2019, announced agreement to purchase three quality villages of scale, or scale potential, for \$180m¹
 - Bethlehem Country Club, Bethlehem Shores and Queenstown Country Club
- Includes agreement to retain vendor development team
- Acquired off-market from interests controlled by Fraser Sanderson, a long-term developer of high-quality retirement villages from whom we have acquired assets previously
- Completion on track to occur 31 July 2019, subject to customary closing conditions

1. Excludes estimated transaction costs of \$4m and estimated working capital and work in progress adjustments of \$6m.

ADJACENT TAURANGA VILLAGES



Located in Bethlehem, approx. 10km to Tauranga centre

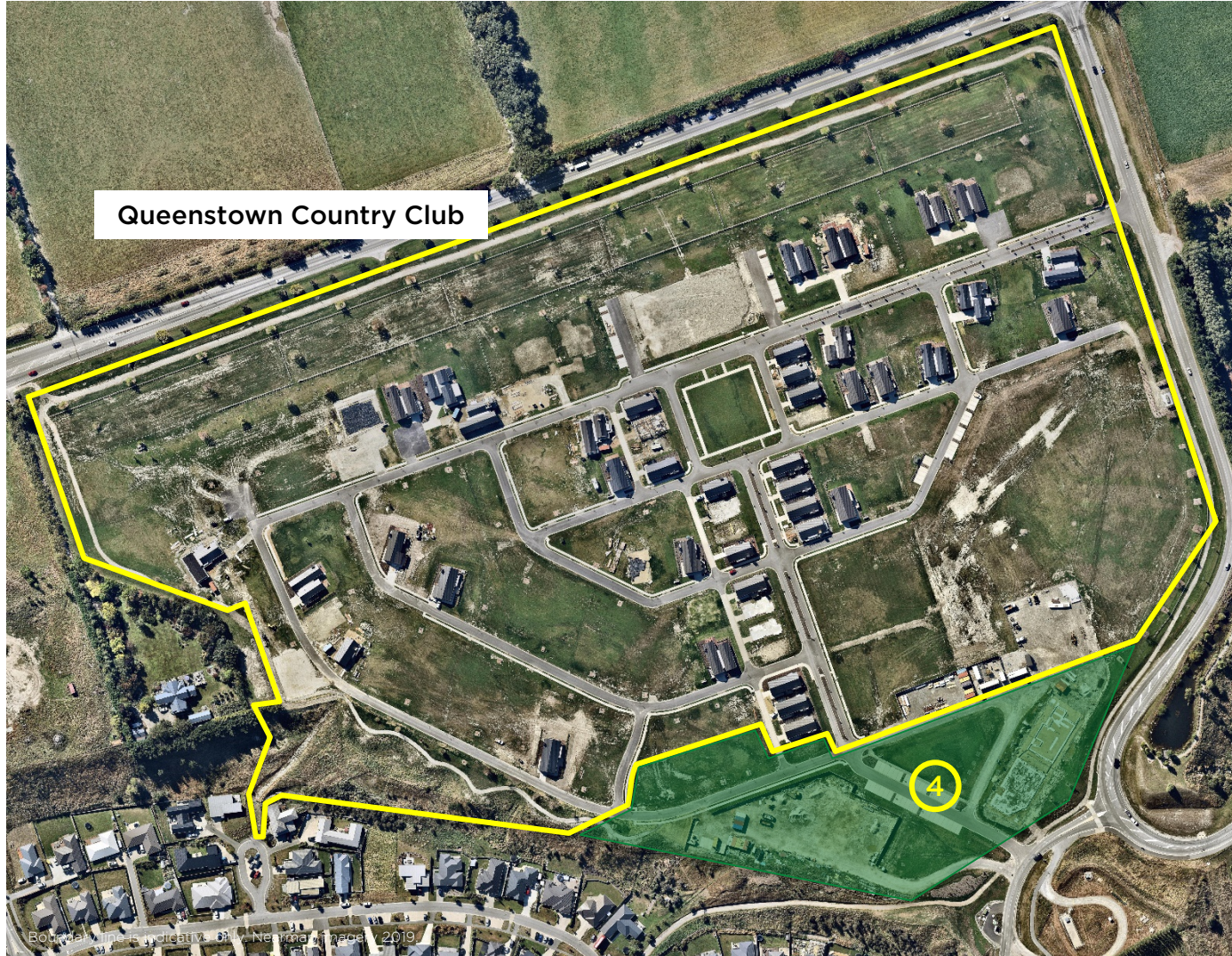


Adds to existing facilities in Tauranga:

1. Bethlehem Shores and Bethlehem Country Club
2. Bethlehem Views (acquired 2016)
3. Copper Crest (acquired 2016)



PRIME LOCATION IN QUEENSTOWN



Located in Shotover Country, Wakatipu Basin

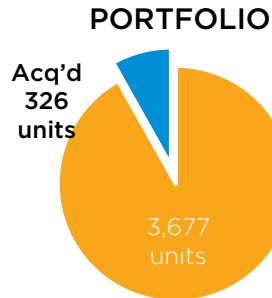


1. Queenstown Country Club
2. Queenstown Airport and Frankton town centre (approx. 5 km)
3. Queenstown centre (approx. 10km)
4. New Commercial Precinct with community and medical amenity

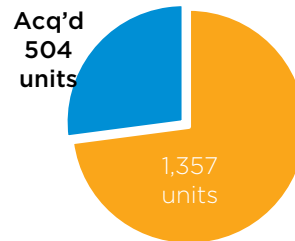
Roadway design by Creative City Networks, 2019

PORTFOLIO TRANSFORMATION

Adds portfolio scale

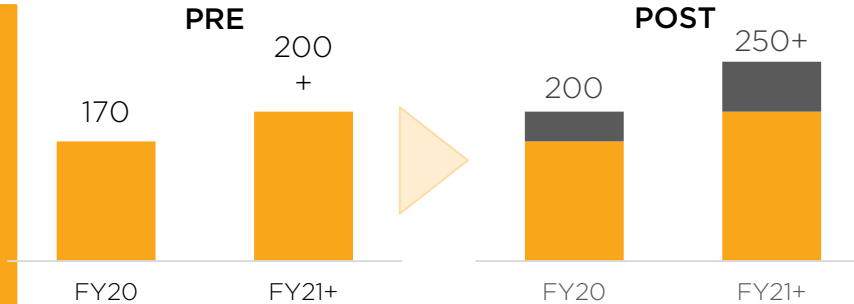


DEVELOPMENT



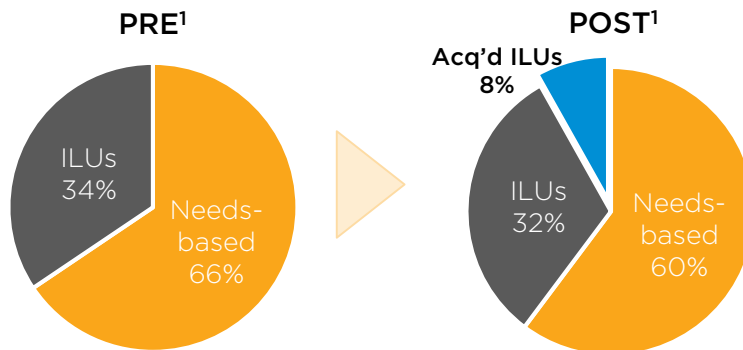
- > 9% increase in existing portfolio and 37% increase in development pipeline²
- > Future development pipeline is largely consented

Increases build rate



- > FY20 delivery now expected to be 200 units
- > Target annual build rate increased to 250+ units from FY21

Retains needs-based composition



- > Needs-based composition remains high at 60%
- > ILU's represent 40% of portfolio
- > Acquisition strategy includes future build of care at Tauranga and Queenstown villages

1. Established units/beds only.
2. Subject to resource consents and final investment decision approval.

FUNDING APPROACH

Acquisition price at \$180m (includes \$53m of land) to be funded by equity and debt:

- \$10m of new shares to Vendor at \$1.343 per share
- \$50m placement of new shares completed at \$1.25 per share
 - Fully underwritten
 - Oversubscribed by NZ and Australian institutions and NZ shareholders
- \$92m 1-for-5.7 pro-rata rights issue at \$1.15 per share
 - Arvida Directors and senior executives to subscribe¹
- Balance funded from a new \$125m 3-year debt facility tranche by current ANZ & BNZ syndicate

1. Arvida directors and senior executives intend to take up all of their entitlements for shares beneficially owned by them under the Offer, except for Michael Ambrose whose associated interests intend to apply for around 68,000 shares under the Offer.

FINANCIAL IMPACT

Based on Arvida's estimated earnings for the portfolio:

- Immediately earnings accretive
- \$15.8m of underlying profit in FY20 (pro forma basis)
- \$19.4m of underlying profit in FY21
- Mid single digit accretion to underlying EPS
- Further earnings growth expected beyond FY21:
 - Future developments; and
 - Maturing of resident profiles
- Post transaction gearing is expected to remain at 25% with sufficient capacity to meet current development pipeline and make additional greenfield site acquisitions
- Dividend policy retained at 50%-70% of underlying profit

RIGHTS ISSUE NOW OPEN

- Rights issue opens today
 - Offer documents sent to eligible shareholders yesterday
 - Applications can be made at **www.shareoffer.co.nz/arvida**
 - Completed applications with monies by 5pm, 15 July to be accepted
- Eligible shareholders can
 1. Apply for entitlement of up to **1** new share for every **5.7** shares held at the record date at a price of **\$1.15** each
 2. Apply for additional new shares above entitlement at the Clearing Price
 3. Apply for nil new shares, in which case your rights will lapse and you may receive some value in Shortfall Bookbuild for rights not taken up

DIVIDEND GROWTH

Total Net FY2019
Dividend

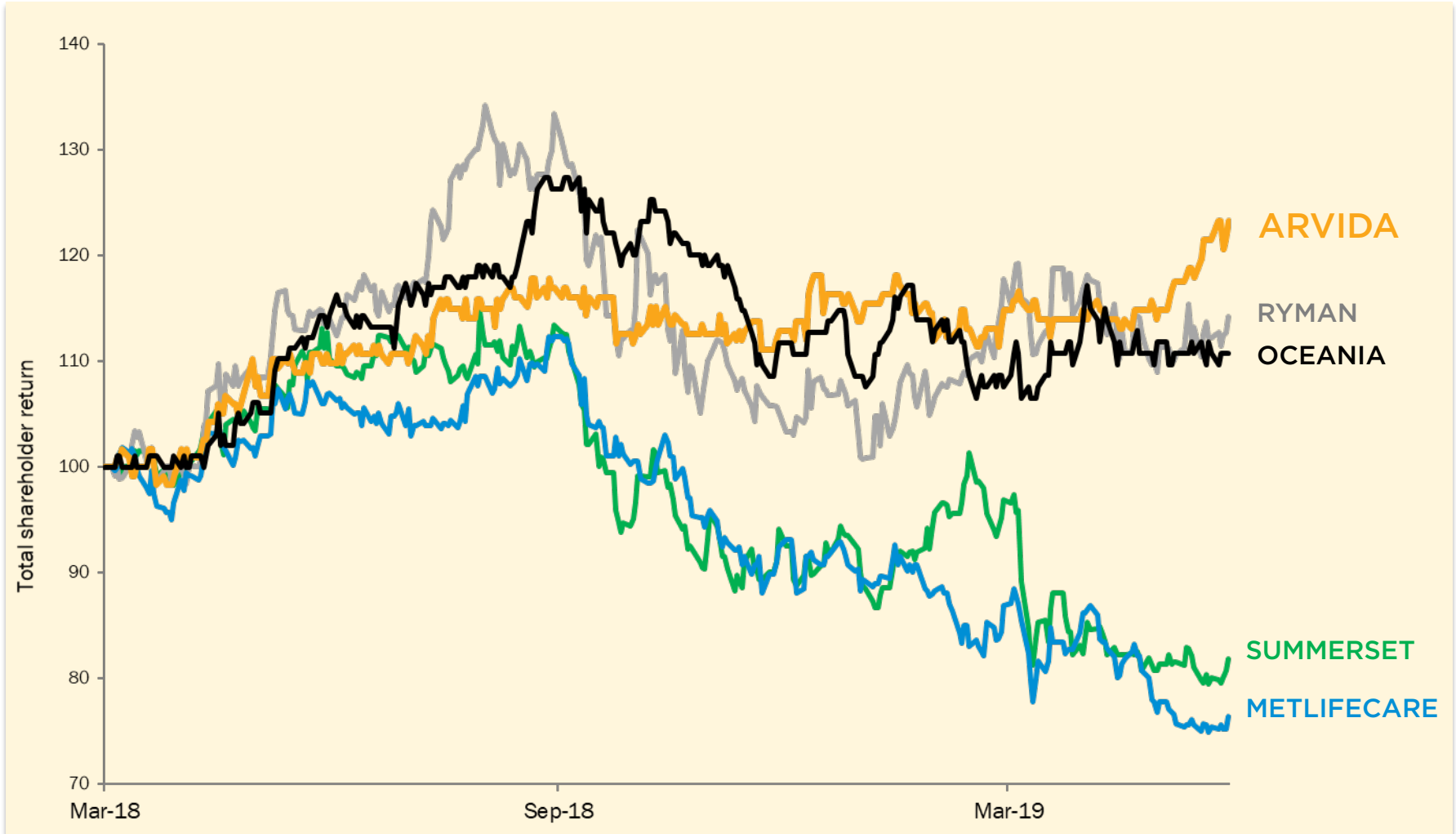
5.35 cps

7% up on last year
Dividend payout at 57% of
Underlying Profit, within
policy range of 50-70%

- Increase in build rate from development activities
- Benefit from embedding The Attitude of Living Well
- Momentum in revenue and earnings continuing
- Demand fundamentals continue to underpin sector outlook
- Challenges remain labour supply, cost pressures and housing market



PERFORMANCE UPDATE



Source: IRESS. Rebased to 100 at 31 March 2018.