



Annual Meeting

Arvida Group Limited
21 July 2023



Board of directors



Anthony Beverley
Chair & Independent
Director



Susan Peterson
Independent
Director



Paul Ridley-Smith
Independent
Director



Michael Ambrose
Independent
Director



Apology:
Susan Paterson
Independent
Director

2023 Annual Meeting **AGENDA**

Chair's address

CEO's address

Discussion

Formal business

General business

Unless otherwise stated, all information provided in this presentation is for the year ended as at 31 March 2023.
For further information, refer to our website arvida.co.nz or NZX.com

A photograph of a modern building with a dark, gabled roof and a prominent stone chimney. The building is surrounded by a well-maintained lawn and several trees, some of which are in the process of changing color. In the background, there are rolling hills and mountains under a clear blue sky. The overall scene is bright and sunny, suggesting a clear day.

Chair's Address Anthony Beverley

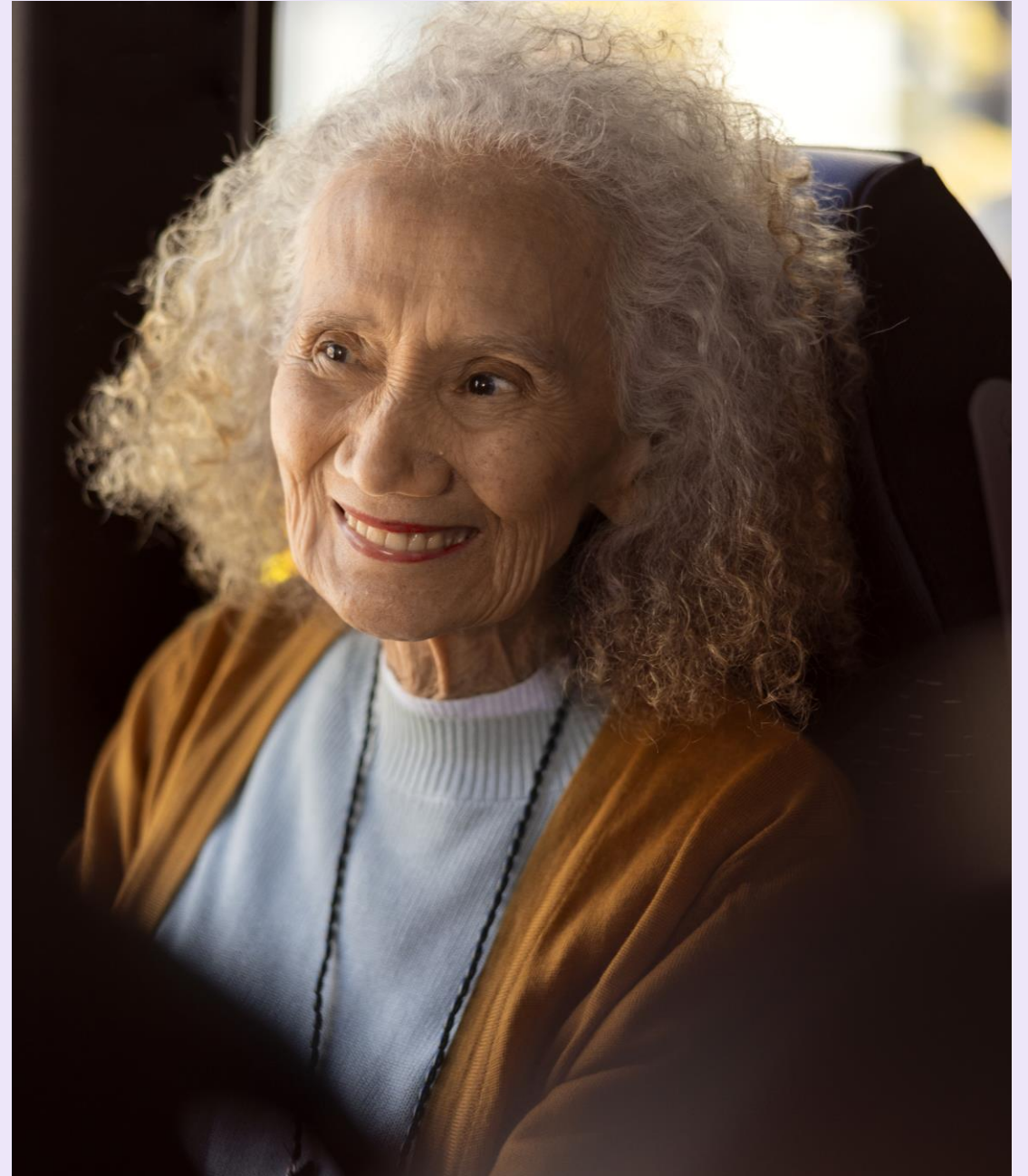
CEO's Address

Jeremy Nicoll

Arvida is well positioned

Delivering to our strategy

- Arvida provides outstanding lifestyles for older New Zealanders
- Demand to live in a Arvida community is high, underpinned by ageing population trends
- A strong balance sheet that is conservatively geared and headroom to deliver on planned growth
- A disciplined approach to managing our capital base

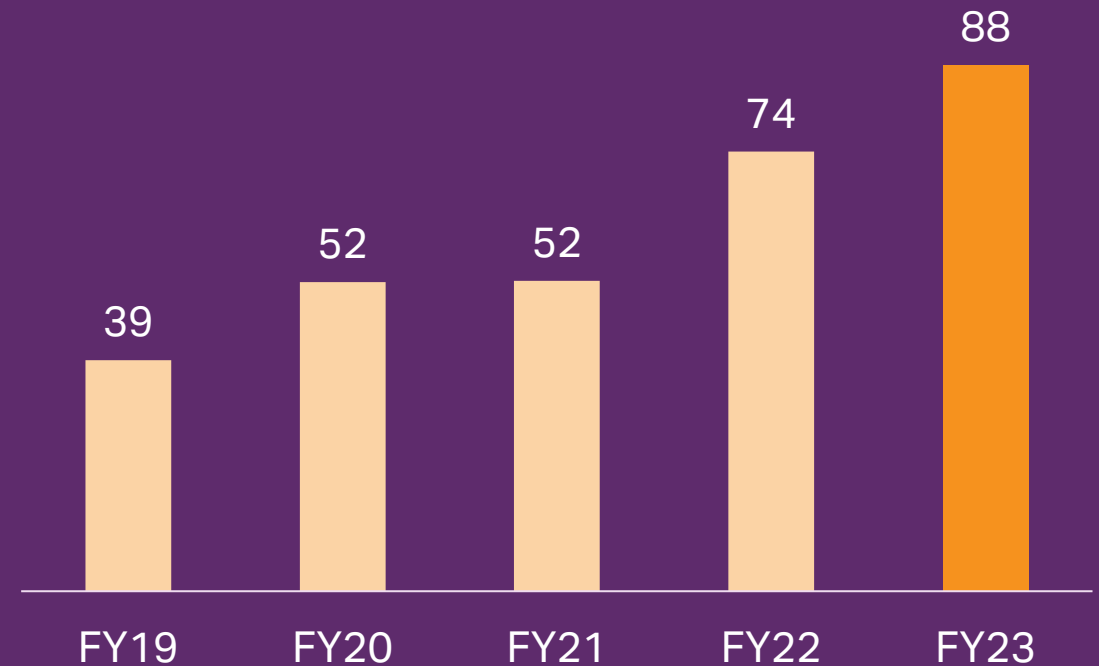


FY23 Financial highlights

Reported financial performance

- Record underlying profit of \$88.0m, up 20% from \$73.5m in FY22
- Strong increase in annuity EBITDA up 30% to \$83.6m from \$64.6m in FY22
- Net profit after tax of \$82.5m, down 59% on IP fair value movements of \$80.4m that included Parklane impairment for flood damage
- Net operating cash flows of \$152.6m, broadly flat on FY22

Underlying Profit¹ NZ\$m



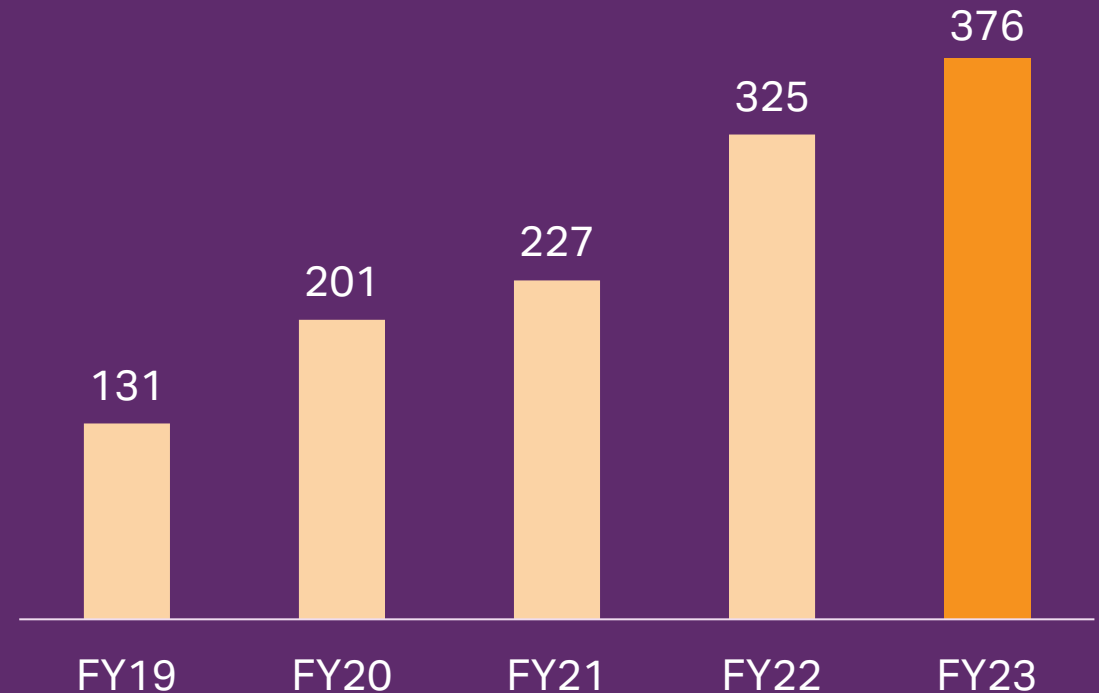
1. Underlying Profit is a non-GAAP unaudited financial measure and differs from NZ IFRS net profit after tax. A reconciliation to Reported Net Profit after Tax is provided in the financial section of the FY23 results presentation and definition appended.

FY23 Financial highlights

Sales performance

- Record resale and new sale settlements of \$376.4m occupation rights, up 16% on FY22
- 59% increase in resale gains to \$69.1m
- Resale margin increased to 32% from 26% in FY22, and volumes increased 10% to 371 units
- New sales volume down on delays to delivery programme, but gains up 10% to \$27.8m on higher price and margin

Total Resale & New Sale Settlements NZ\$m

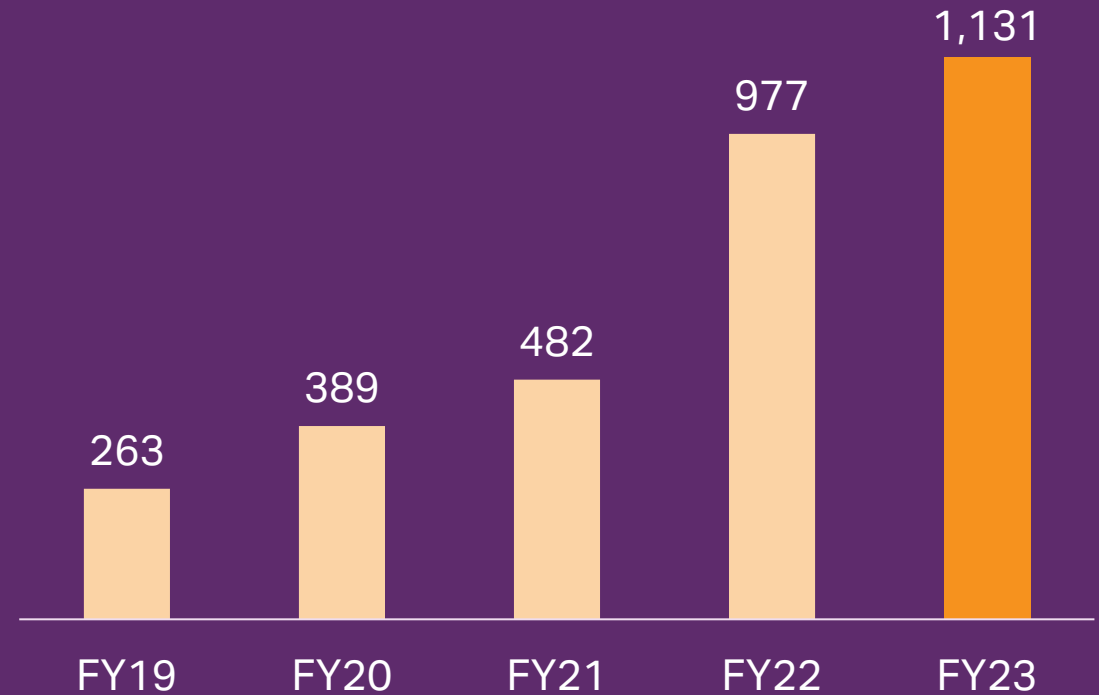


FY23 Financial highlights

Balance sheet capacity

- Total assets increased to \$3.8b, with \$3.4b of investment property
- Investment property up \$366m on development activity and increase in fair values
- Embedded value increased to \$1.1b, representing \$1.56 per share
- NTA at \$1.90 per share, up from \$1.84 in FY22
- Gearing at 31% was within our 25-35% target range
- ICR at 2.7x above covenant with relief to Sept 2025

Embedded value \$m



Investing in our teams

- Investment in our employee brand, 2-3 year timeframe of roll out refreshed proposition
- Driving improved engagement, up from 7.2 to 7.5 against a global peer benchmark of 7.8
- Surveys confirm purpose & culture key attraction; retention at 70%
- Nurses represent 8% workforce, casual workforce has increased in current environment
- Workforce is 76% female, gender pay gap 0.5%
- Focus on supporting teams with career development, 45,000 course completions underpin training / maintaining high clinical standards



Resident-led experience

- Covid response has been key priority over last couple of years, but moved to normalise pandemic plan at the beginning of year
- Excellent NPS scores again: +38 independent residents and +59 care residents
- Rated #1 in Canstar Blue 'Most Satisfied Customers' retirement category
- Waimea Plains won 'Resident-led Sustainability Initiative' category at RVA Awards
- Brand campaign has been highly successful



Sustainability highlights

- Significant work and engagement across the business on sustainability initiatives
- Diversion of waste from landfill key target
- Well advanced on XRB's climate disclosures
- GHG emissions reported and assured
- Work completed to calculate Scope 3 emissions
- Developed emissions reduction model & plan
- Published Climate Related Disclosures report, Inventory Report and ESG Global portal
- Ranked highly in external benchmarking – CDP, MSCI, S&P Global



Governance

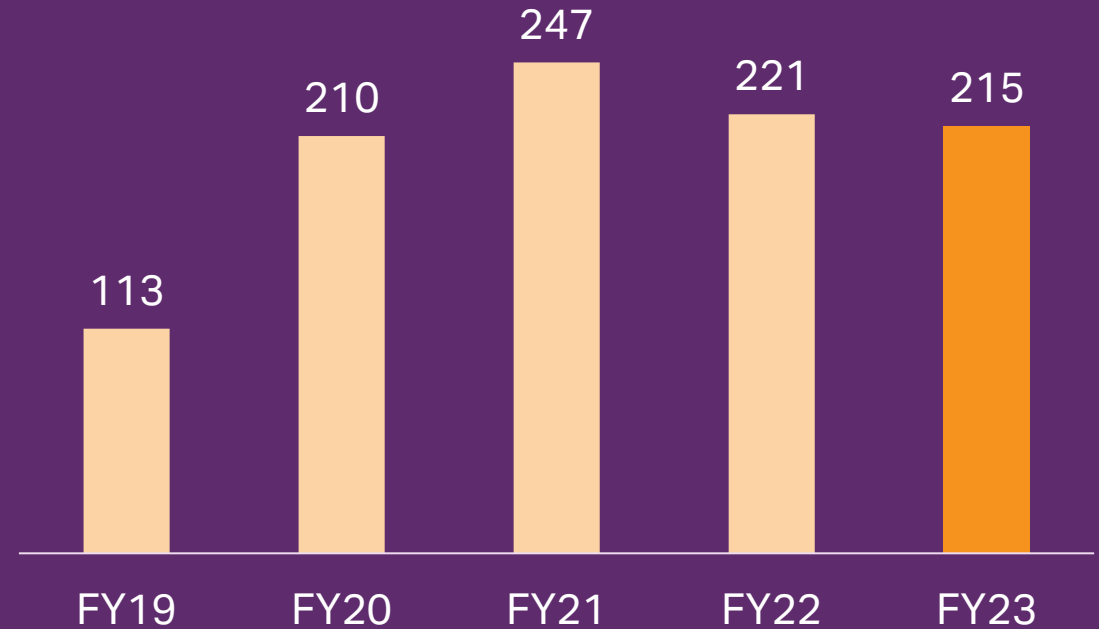
- Developed Māori Health and Ola Manuia plans in conjunction with implementation of new Nga Paerewa governance standards
- Remit & renaming of People and Remuneration Committee to reflect broader consideration of people issues
- Supported our front line teams with Covid payment through Omicron wave; and those team members on lower pay bands
- Continue to support Parklane residents and team members affected by flooding in Auckland weather event



Development highlights

- Delivered 215 units, a miss to 250+ target with Aria Bay now completing this month
- Included 63 care suites at Lauriston Park, opened in June
- FY24 delivery target retained at 200 units, subject to market conditions
- Acquisition of 2 development sites announced, increasing land bank to 2,200+ units

New units developed (units)



Development milestone | Lauriston Park Care Suite



Development programme | Aria Bay apartments



Development programme | Te Puna Waiora



Development programme | Whai Mauri Ora



Development programme | Bethlehem Shores



Development programme | Queenstown Country Club



Future development | Warkworth



Outlook

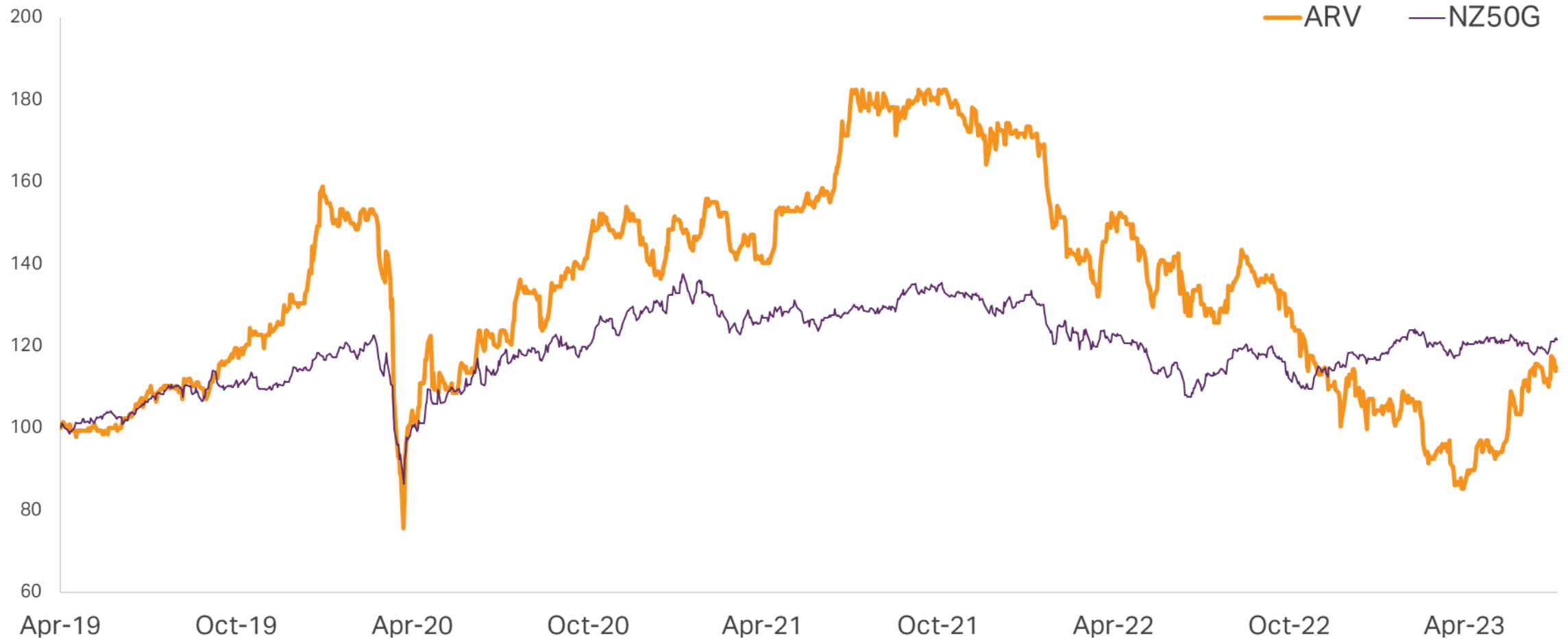
- Indicators for economy and property market beginning to steady but still with challenges
- Shortages in care workforce stabilising
- Care funding rates increased by 8.6-11.3% from 1 July
- Lower reported Covid infection rates positive for continued normalisation of care occupancy
- Pending regulatory reviews and sector focus
- Capital market sentiment continues to overhang total shareholder returns

"The Board and management team have placed considerable focus confirming a robust framework applies to capital commitments, balance sheet capacity and cash management.

Development projects are structured and managed to match the operating and investment requirements of the business within capital capacity limits."

Anthony Beverley
Chair

Shareholder returns



Strategy in action

Proactive strategy to set the business for resilient growth in the current market

Priorities	<hr/> Capital discipline to ensure ongoing resilience	<hr/> Critical areas matured to enhance productivity	<hr/> Focus on cash to lift capture
Focus Areas	<p>Near-term development programme prioritised to villas</p> <p>Intensive / brownfield builds phased, preference to higher value sites</p> <p>Prudent on capital deployment</p> <p>Funding plan alignment to development profile</p>	<p>People strategy to lift employment brand proposition</p> <p>Workforce planning post-Covid</p> <p>IT roadmap</p> <p>Organisational design improvements</p>	<p>Core profitability improved</p> <ul style="list-style-type: none"> • Care occupancy • Fees & service packages <p>Sales momentum</p> <p>Conversion of care beds/serviced apartments to premiumise</p>



Questions?



Formal Business

How to vote

1. Tick the relevant box on your voting form in respect of the resolution being voted on
2. If you did not bring your voting form with you, you should have been given a voting form at the registration desk on arrival
3. If you are a proxy holder and the shareholder has given directions as to voting on every resolution, you will not have been issued with voting papers
4. If you have been overlooked, please let one of the Computershare representatives know immediately
5. On completion of voting, your forms will be collected

An update of the votes already received for each resolution will be provided

Resolutions 1 & 2

Re-election of Directors

Explanatory information:

- In accordance with the Company's constitution and the NZX Listing Rules, Paul Ridley-Smith & Michael Ambrose retire at this meeting, however both Mr Ridley-Smith & Mr Ambrose offer themselves for re-election
- The board has determined that Mr Ridley-Smith & Mr Ambrose will be independent directors for the purposes of the NZX Listing Rules, if re-elected
- Mr Ridley-Smith & Mr Ambrose have abstained from any consideration by the Board on their re-election and will abstain from voting their shares, and any discretionary proxies they hold
- The Board recommends shareholders vote in favour of the re-election of both Mr Ridley-Smith & Mr Ambrose

Resolution 1

Re-election of Mr Ridley-Smith

Paul Ridley-Smith
Independent Director
Chair of People & Remuneration Committee

Date of first appointment
May 2015

Date last re-elected
July 2020



Resolution 1

Re-election of Mr Ridley-Smith

That Paul Ridley-Smith be re-elected as a Director of Arvida

The Board unanimously supports the re-election of Mr Ridley-Smith

Resolution 2

Re-election of Mr Ambrose

Michael Ambrose
Independent Director
Chair of Audit & Risk Committee

Date of first appointment
January 2014

Date last re-elected
July 2020



Resolution 2

Re-election of Mr Ambrose

That Michael Ambrose be re-elected as a Director of Arvida

The Board unanimously supports the re-election of Mr Ambrose

Resolution 3

Directors' Remuneration

Explanatory information:

- Director fees were approved at the 2021 Annual Meeting
- The pool available for payment of the then five directors was set at \$640,000 comprising \$557,000 allocated to directors for scheduled board and committee work and \$83,000 allocated to any additional payments for abnormal and particularly time intensive projects or transactions outside the scope of normal board work
- The Board is proposing that \$32,500 of the \$83,000 allocated for ad hoc fees be reallocated to
 - provide the directors with an approximate 3% per annum increase in the amount of remuneration payable to all Directors (in their capacity as Directors) for scheduled Board and Committee meetings; and
 - increase the remuneration for the Chair of the People & Remuneration Committee to reflect the increased scope of that Committee and role
- The total pool available for director remuneration remains at \$640,000

Resolution 3

Directors' Remuneration

Office	Current Remuneration (\$)	Proposed Remuneration (\$)	Amount of Increase (\$)
Chair	165,000	173,500	8,500
Director	90,000	94,500	4,500
Chair of Audit & Risk Committee	12,000	12,500	500
Chair of People & Remuneration Committee	8,000	12,500	4,500
Members of the Audit & Risk and People & Remuneration Committees	3,000	3,250	250
Subtotal of Committed Fees	557,000	589,500	32,500
Ad hoc fees for abnormal and particularly time intensive projects or transactions outside the scope of typical Board work	83,000	50,500	(32,500)
Maximum Fee Pool	640,000	640,000	-

Resolution 3

Directors' Remuneration

The Director's fee pool was last set in 2021

It is proposed that \$32,500 of the \$83,000 previously allocated to ad hoc fees outside the scope of typical Board work, be reallocated to increase the amount of remuneration payable to all Directors for scheduled board and committee meetings

The Directors and any of their associated persons will abstain from voting any of their shares, and any incidental proxies they hold, on Resolution 3

Resolution 4

Auditor's Remuneration

Resolution sought:

Fix Ernst & Young's remuneration as auditor

Rationale:

- Pursuant to Section 207S of the Companies Act 1993, board seeks approval to fix the remuneration of the auditor

Resolution 4

Auditor's Remuneration

That the Board is authorised to fix the auditor's remuneration

The Board unanimously supports the resolution

Provisional voting

Resolution	For		Against		Discretionary	
Resolution 1: Mr Ridley-Smith	248,617,200	96.87%	90,738	0.04%	7,934,907	3.09%
Resolution 2: Mr Ambrose	233,574,066	91.63%	14,030,833	5.50%	7,318,736	2.87%
Resolution 3: Director Fees	240,893,916	94.88%	5,129,520	2.02%	7,857,979	3.10%
Resolution 4: Auditor Fees	248,075,414	96.79%	482,458	0.19%	7,749,845	3.02%

Provisional voting numbers as at 20 July 2023

General business





Questions?

Meeting close



Arvida At a glance

PEOPLE

6750+
Residents

2900+
Team members

PORTFOLIO

36⁺³
Communities

43%
Needs based

\$1.1b
Embedded value

4126
ORA Units

1544
Care beds

2229
Units in landbank

\$3.8b
Total assets

