PRESENTATION OF FY20 RESULTS

Arvida Group Limited
Year Ended 31 March 2020

26 May 2020

FY20 RESULT HIGHLIGHTS

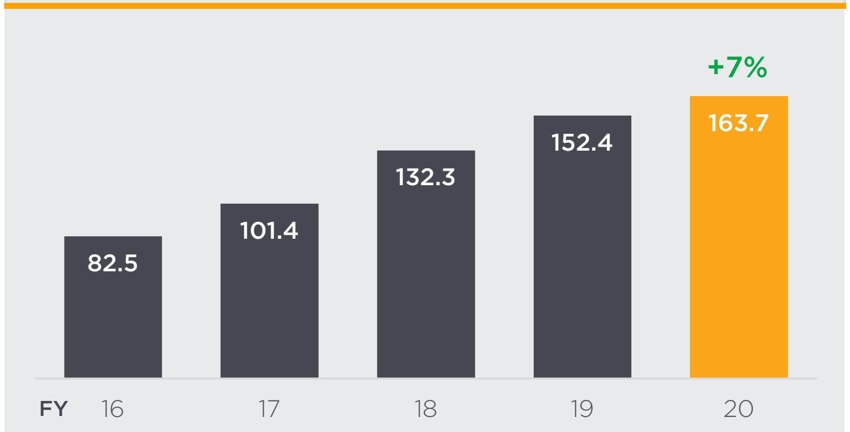
Continued financial and operational performance

- Covid-19 well managed with no positive cases recorded across residents and staff
- $13.1m lift in Underlying Profit[1] to $51.7m
- Continued high care occupancy at 95% underpins strong cash flows
- 20 care centres (80%) have now attained gold standard 4 year Ministry certification
- Resale margin maintained at 23%
- Resale volumes up 19%; total resale proceeds up 30% to $87.1m
- Delivered 210 new units for FY20, ahead of guidance
- Development margin of 18% on $44.3m new unit sales in period
- Three new high quality villages acquired
- Engagement survey recorded 96% staff give their best everyday
- Continued excellent results in resident NPS scores

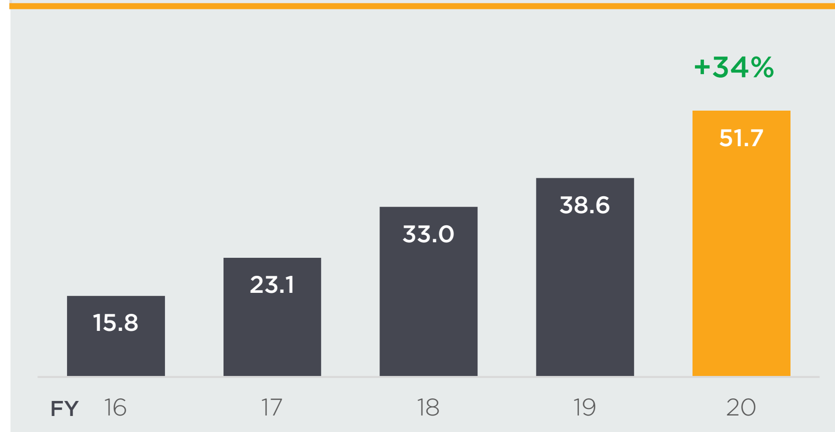
1. Underlying Profit is a non-GAAP unaudited financial measure and differs from NZ IFRS net profit after tax. A reconciliation to Reported Net Profit after Tax is provided in the financial section of this presentation and definition appended.

CONTINUED UNDERLYING GROWTH

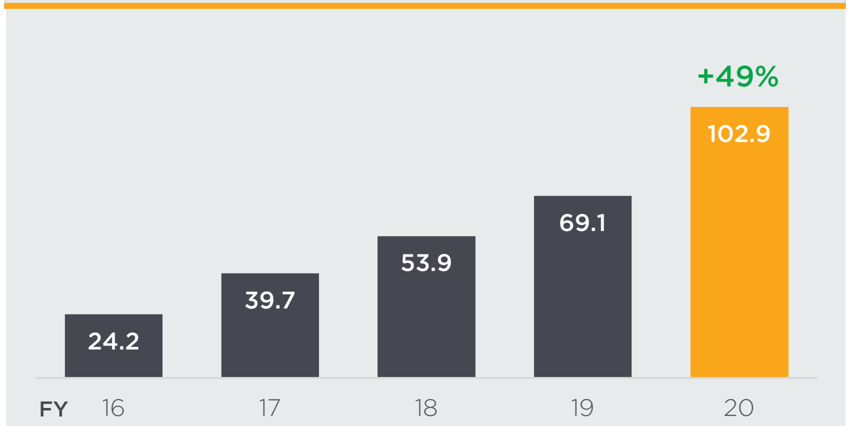
Revenue ($m)



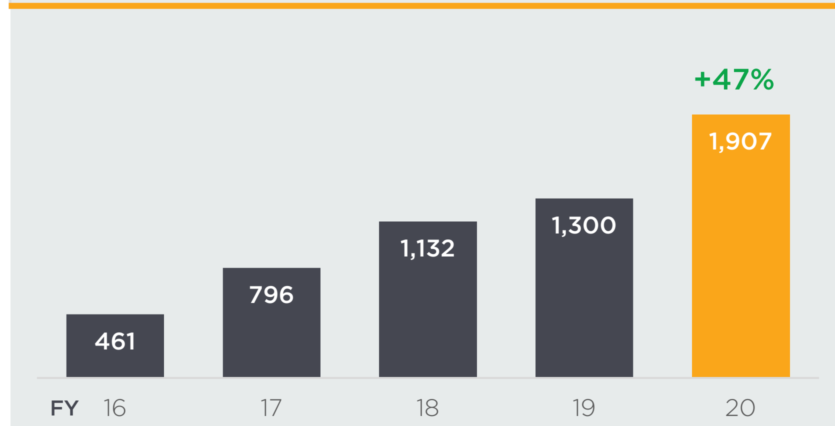
Underlying Profit[1] ($m)



Operating Cash Flow ($m)



Total Assets ($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 this presentation and definition is appended.

STRATEGY UPDATE

EFFECTS OF COVID-19

- In early February, we were fast to action a pandemic response team to monitor developments and communicate actions to village and care personnel:
  - Established at Group level and comprised members of our senior leadership team
  - Advised by expert virologist Professor Lance Jennings
- Concerted and coordinated effort across 32 locations, multiple construction sites and support offices
- Challenges of Covid-19 were only just emerging as FY20 came to a close

FY20 Financial impact

- Higher operating costs:
  - Additional rosters: Greater caution than Ministry guidelines resulted in more staff away from work, with replacements for shifts required. These cases were generally not covered by the Government's wage or leave subsidy schemes
  - Higher PPE costs: In addition to the normal PPE stock, over 100,000 face masks, 4,000 face shields, 2,000 gowns and 400,000 gloves were acquired
  - Higher cleaning costs: Clear Facilities contracted to spray/fog all common areas across the Group plus general costs of additional cleaning substances
  - Higher security costs: Guards in place at each village during Alert Levels 3 and 4
- Lower sales during March 2020 with a number of settlements cancelled or deferred

FY21 Anticipated financial impact

- Negative impact on the Group's FY21 operational costs, sales volumes, sales margins and earnings expected from effects of required containment measures and disruption to sales and construction activities
- The decline in earnings is also expected to lead to a decrease in free cash flow in FY21 compared to the previous year.

OUR STATED STRATEGY

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.

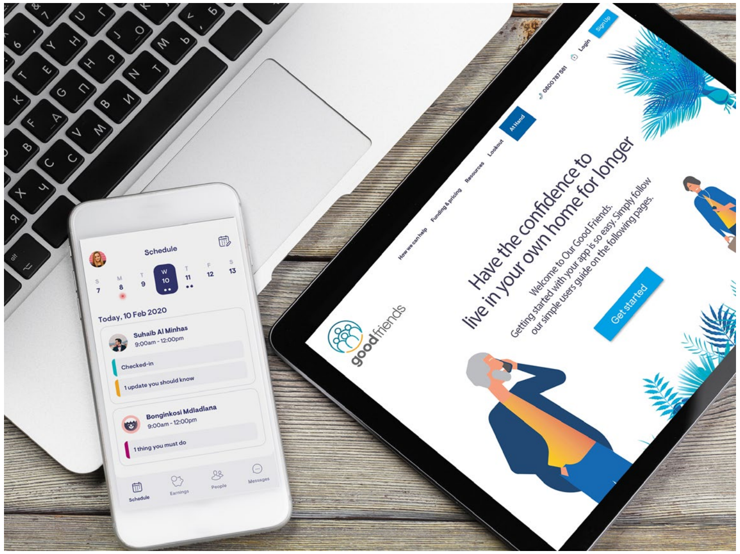
ENGAGING WELL

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.

- Clear and simple strategy remains delivering sustainable value for shareholders:
  - to sustain and enhance our core business
  - to develop quality villages
  - to acquire complementary villages
  - to deliver quality services to ageing communities

GOOD FRIENDS PILOT

- Continued to progress key business growth initiatives core to delivering our community centric strategy
- Well advanced in developing a community engagement platform that will allow delivery of healthcare and wellbeing services to ageing communities and residents
- Concluded development agreement with Five Good Friends to modify their Australian technology platform for exclusive use in NZ
- Core features to include:
  - Person centered peer-to-peer technology
  - Shares information with the authorised representative
  - Standard functionality such as visit schedules, profiles of helpers and members, helper check in and check out, visit progress, visit date and time editing, visit rating and visit notes
  - Service delivery is underpinned by the technology bringing transparency and efficiency
  - Observational data interpreted through machine learning to inform care team of changes in health leading to early intervention and better health outcomes
  - Integrations with point solutions possible such as medical monitoring, fall sensors, emergency assistance
- Pilot will take place in Christchurch in FY21 in conjunction with the completion of the Wellness Centre build at Park Lane



3D Render of Wellness Centre at Park Lane

BUSINESS OVERVIEW

ARVIDA IS CARE FOCUSED

	CARE	VILLAGE		
	Assisted Living **Beds**	Assisted Living **SAs/Care**	Independent **ILUs**	**Total**
North Island	896	314	1,349	2,559
South Island	792	373	439	1,604
Total existing stock	**1,688**	**687**	**1,788**	**4,163**
Brownfield	-	503	679	1,182
Greenfield	-	154	347	501
Development pipeline	**-**	**657**	**1,026**	**1,683**
Decommissions	(113)	(7)		(120)
Total built	**1,575**	**1,337**	**2,814**	**5,726**
	Standard (govt funded) & PAC (premium charge) beds	Subject to ORA with DMF structure; care services delivered	Subject to ORA with DMF structure; villas & apartments	Current portfolio is 57% needs-based accomm.

Portfolio Changes

- Three villages were acquired from Sanderson Group for $180m funded through a combination of $142m new equity capital, $10m vendor scrip and a tranche of new bank debt
  - Completion occurred on 31 July 2019 as scheduled with integration complete
  - Added 356 ILUs (30 ILUs delivered in FY20) and future development of 463 units
- Wendover Retirement Village in Christchurch was closed, and the property was subsequently sold, during the year, reducing the portfolio by 43 beds and 11 serviced apartments
- Construction activities delivered 210 units (see page 15)

1. Portfolio metrics include Village at the Park in which Arvida has a 50% interest.

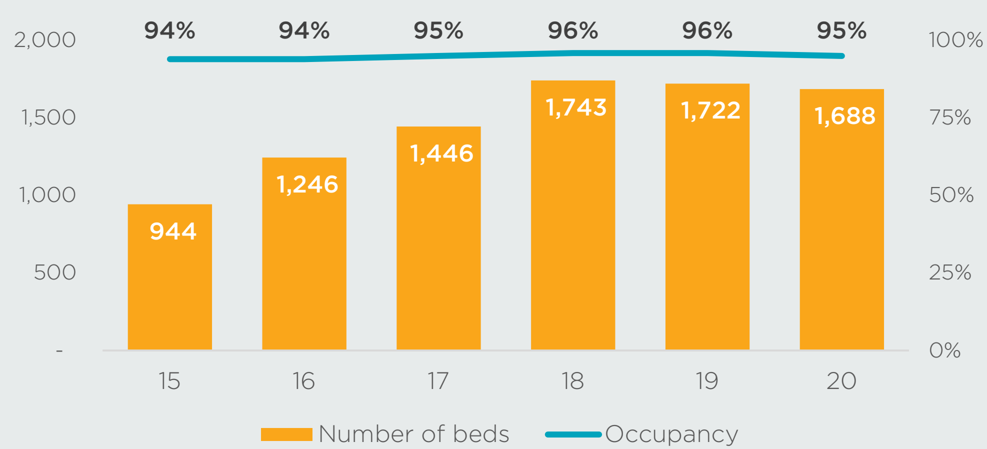
CARE OPERATIONS

NZ$m	FY20	FY19	YoY change
Rest home fees	36.7	37.6	*(2%)*
Dementia fees	15.1	14.8	*2%*
Hospital fees	50.4	48.5	*4%*
Premium fees	5.1	4.5	*13%*
Other revenue	2.3	2.9	*(21%)*
Care revenue	**109.6**	**108.3**	*1%*
Serviced apartment fees	10.5	10.7	*(2%)*
Total care revenue	**120.1**	**119.0**	*1%*

Aged Care Strategy

1. Retain high needs-based portfolio composition
2. Excellence in care: Arvida's 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

Care Facility Occupancy



Care Facility Commentary

- Integrated sites are considered as one business unit
- Rest home fees fell due to the decommissioning of 63 rest home beds from the closure of Wendover and the redevelopment of Aria Bay
- Premium fees at $5.1m, were up 13% on FY19
- The five standalone care facility sites with a total of 435 beds (26% of beds) generated $6.7m of EBITDA (2019: $7.6m). On an annualised basis, this equates to $15.5k EBITDA per bed, which compares to $17.9k per bed assumed by the valuers as at 31 March 2020 across these sites
- Care margin squeeze due to DHB bed rates not keeping pace with inflation in nurse pay rates, insurance, council rates and cost of core supplies

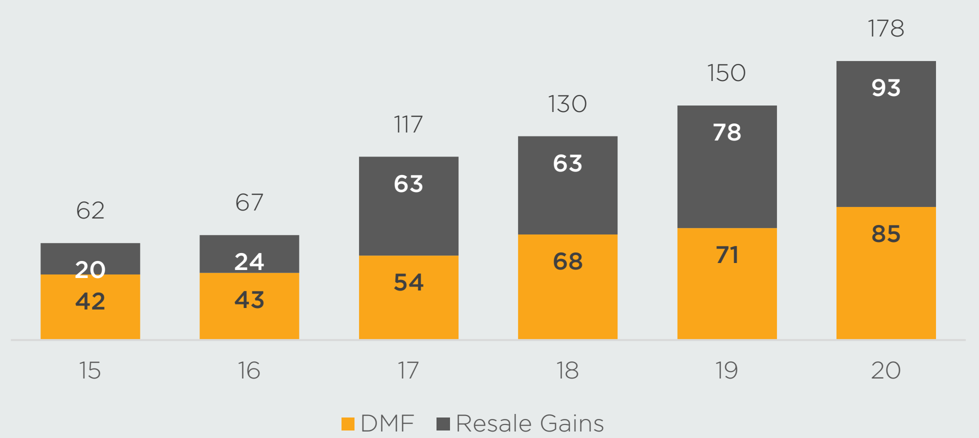
VILLAGE OPERATIONS

NZ$m	FY20	FY19	YoY change
RV weekly fees	11.6	9.3	*25%*
Deferred management fees	28.9	21.4	*35%*
Other revenue	2.3	2.1	*10%*
Operating revenue	**42.8**	**32.8**	*30%*
Realised gains on resales	23.7	19.5	*22%*
Realised development margin	15.6	7.5	*108%*
Total income	**82.1**	**59.8**	*37%*

Retirement Village Strategy

1. Invest in scale and quality adding value through brownfield development
2. Develop greenfield villages that offer a continuum and caters for future residents' needs
3. Maintain the development pipeline to deliver 200+ units p.a.
4. Engagement with communities to promote retention of active links
5. Fair approach to contracts

Embedded Value[1] ($000 per unit)



Embedded Value Composition ($000 per unit)

Average Embedded Value	ILUs	SAs	Total
Resale gains	114	39	93
DMF	100	49	85
Total embedded value	214	88	178

- Total portfolio Embedded Value (EV) was $389m. Of the $126m increase since FY19, $88m relates to the acquisition of the three new villages. On a per share basis, EV represents 72 cents per share, a 13% increase on FY19
- EV is an indicator of the potential future cash flows from realised resale gains and deferred management fee receivables

1. Embedded Value ("EV") per unit is an internal calculation based on the data in the independent valuation reports for all occupied units: Resale Gain EV is calculated by reference to the current unit price less the ingoing unit price less any capital gain sharing; DMF EV is calculated by reference to the contractual amount owed at valuation date

EXCELLENT OUTCOMES

Annual NPS resident satisfaction survey

Care NPS
+52
+1 on FY19

Village NPS
+55
-4 on FY19

Second staff engagement survey

> 96% determined to give best
> 85% motivated to go beyond

Engagement index at
86%
+8% on FY19

New Zealand Aged Care Association

2020 Legendary Service to the Aged Residential Care Sector Award

Our Vision:
To improve the lives and wellbeing of our residents by transforming the ageing experience

Introduced customer-led model of care called **ATTITUDE OF LIVING WELL™** that brought about cultural change across organisation

Benefits measured:

> Industry leading care occupancy, significantly above the sector
> 20 (or 80%) of 25 care facilities now hold the gold standard 4-year certification from Ministry of Health; balance all 3-years
> Wellness Team entrenched in organisation culture and rolling-out Wellness leadership program across the sites
> Industry recognition and accolades for programme: Dr Trevor Jarvis Commitment to Adult Learning Award from Bradford University

95% Occupancy

80% 4-year cert

OPERATIONAL HIGHLIGHTS

- The eCase resident management system is now in its second year of operation and is delivering productivity benefits across all care facilities in the Group
- The Medimap platform has now been implemented in all care facilities. Medimap is an electronic prescription integration platform which enables prescriptions to be generated for supply from a pharmacy electronically once the prescriber has charted the medication or completed a scheduled medication review. Its administration system records time frames for administration, full identification on who is doing what and when, along with detailed medication reports based on an individual resident or facility
- In March 2020 a cloud-based, AI-driven, accounts payable automation platform was launched. Esker is now in operation across half of the companies within the Group and has already proven to improve the productivity of the finance team and improve the oversight of the payables function
- Over 31,000 training modules completed by staff through the Altura remote learning platform, compared to 26,000 in FY19. The system provides career development and talent programmes. During the COVID-19 crisis it enabled us to deliver training programmes across the Group to ensure that all staff members were kept up to date with the latest procedures
- No significant health and safety accidents or injuries during the year, with operational and development sites being well managed. One incident was notified to Worksafe NZ relating to work practices at height. No further actions resulted.
- New VOIP systems have been implemented at several villages to enable the efficient delivery of phone of data services to residents. Take up of the new system at these sites has been circa 55%
- Sustainability policy adopted by the Board to provide guidance for prioritising our actions, applying principles that guide our approach to sustainability. We took steps to measure and actively manage our environmental impact. Toitu engaged to measure and audit our carbon emissions with FY20 emissions data to form base year. All FY20 carbon emission generated through car and air travel offset by the purchase of 100 tonnes of carbon credits

DEVELOPMENT

Waimea Plains
8ha in Richmond

FY20 DEVELOPMENT ACTIVITY

FY20 Delivery (units)	Villas	Apts	SAs	Total Units	Total Beds
Lauriston Park	12	-	-	12	-
Bethlehem Country Club	6	-	-	6	-
Bethlehem Shores	9	-	-	9	-
Glenbrae Village	-	10	-	10	-
Mary Doyle	14	-	-	14	-
Village at the Park	-	24	-	24	-
Waimea Plains	38	-	-	38	-
St Albans	-	25	-	25	-
Park Lane	-	49	-	49	-
Rhodes on Cashmere	-	8	-	8	-
Queenstown Country Club	15	-	-	15	-
Total	**94**	**116**	**-**	**210**	**-**

Commentary

- 210 new units delivered, ahead of guidance provided post the Sanderson village acquisition of 200 new units
- 95 new units were delivered in March, just as lockdown commenced
- Development activity was across 11 sites nationally
- The development team was expanded during the year to strengthen our in-house construction capabilities with a team of builders and other associated trades added to the construction team. Over 70 employees were added bringing benefits in the areas of construction cost and development oversight
- The development team were able to work from home during the lockdown period and continued to advance their development plans
- The construction teams were unable to work from home. Despite this, all construction employees were retained on full pay. This was assisted by a wage subsidy claim totalling $380k for these employees
- The new villages delivered 30 new units including 8 new units completed prior to settlement

PROJECTS COMPLETED IN FY20

LAURISTON PARK,
CAMBRIDGE

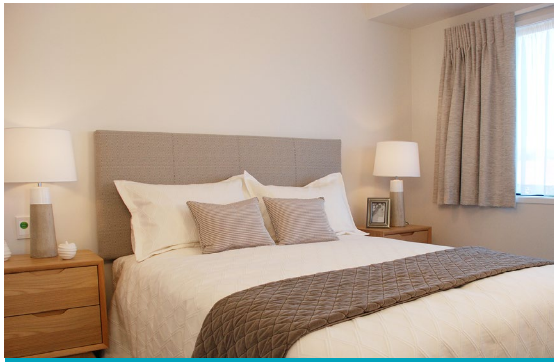
12 Villas delivered in 1H20
10 settled (2 under contract)

BETHLEHEM COUNTRY CLUB,
TAURANGA

6 Villas
5 settled

BETHLEHEM SHORES,
TAURANGA

9 Villas
9 settled



GLENBRAE VILLAGE,
ROTORUA

10 Apartments
5 settled

MARY DOYLE,
HAVELOCK NORTH

14 Villas
8 settled (3 under contract)

VILLAGE AT THE PARK,
WELLINGTON

24 Apartments delivered in 1H20
24 settled

PROJECTS COMPLETED IN FY20

PARK LANE,
CHRISTCHURCH

49 Apartments delivered on lockdown
3 under contract

WAIMEA PLAINS,
RICHMOND

38 12 single bdrm townhouses and 26 villas
29 settled (2 under contact)

ST ALBANS,
CHRISTCHURCH

25 Apartments delivered 4Q20
5 settled (4 under contract)

RHODES ON CASHMERE,
CHRISTCHURCH

8 Apartments
1 settled (2 under contract)

QUEENSTOWN COUNTRY CLUB,
QUEENSTOWN

15 Villas
13 settled (1 under contract)

FY20 NEW UNIT SALES

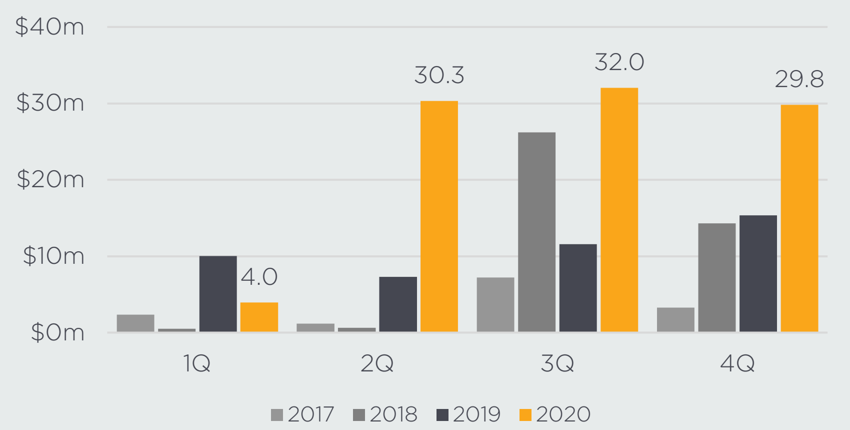
New Sales Analysis[1]	FY20	FY19	YoY change	FY18
ILUs	119	64	86%	73
Serviced apartments	7	1	600%	2
Care suites	0	5	-100%	4
Total new units sold	**126**	**70**	80%	**79**
Value $m	96.1	44.3	117%	41.7
Av. value per new sale $000	**763**	**633**	21%	**528**
Development gain $m	15.6	7.5	107%	6.5
Development margin %	18%	18%		19%

1. The figures above include Village at the Park , which is 50% owned by Arvida. The "Value $m" line includes 100% of the value and the "Development gain $m" line includes 50% of gains. A table is appended that excludes Village at the Park from the above.

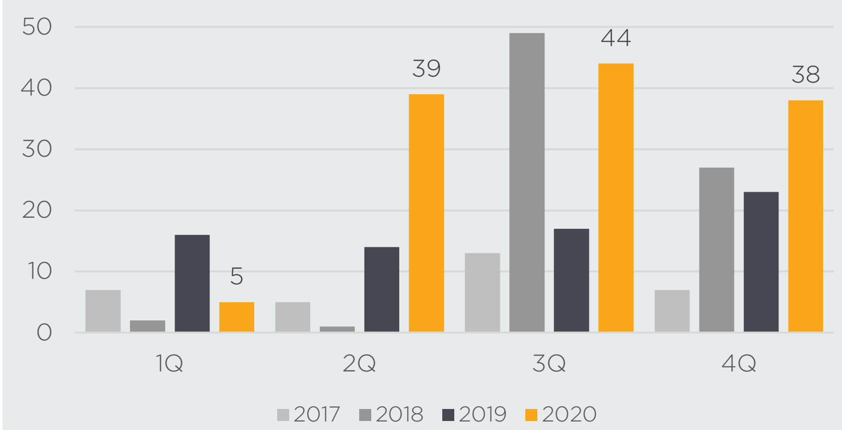
Commentary

- Gross proceeds up 117% to $96.1m
- 1H20 deliveries largely sold down with strong sales activity at Lauriston Park, Mary Doyle, Waimea Plains and Village at the Park
- Covid-19 shutdown had an impact on March settlements, with approx. $3m gains deferred
- Average ORA values per new sale settlement grew to $763k, a 21% increase on last year
- Development margin was steady at 18%, with $15.6m of development gains
- Average sales value per unit increased to $790k/ILU and $307k/SA

Quarterly Sales Trend ($m)



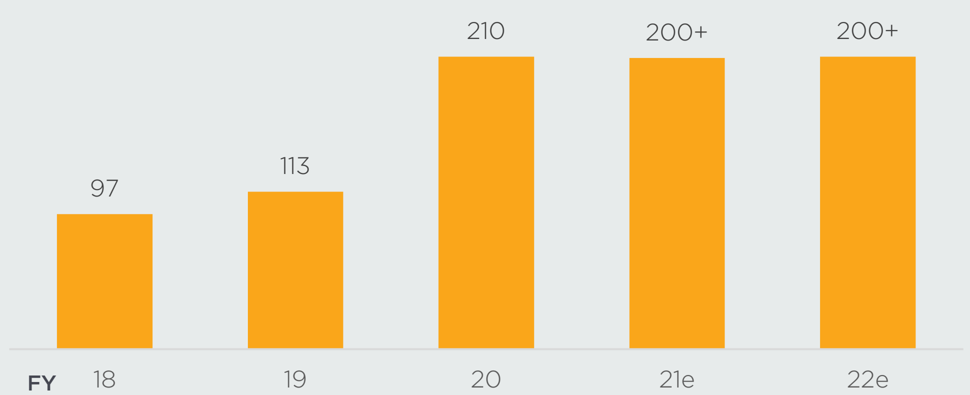
Quarterly Sales Trend (units)



REVISED FY21 DELIVERY PROGRAMME

FY21 Delivery	Villa	Apt	Care Suite	Total
Aria Bay	-	-	59	59
Copper Crest	-	29	55	84
Bethlehem Country Club	15	-	-	15
Bethlehem Shores	7	-	-	7
Glenbrae Village	-	8	-	8
Mary Doyle	7	-	-	7
Waimea Plains	25	-	-	25
Queenstown Country Club	15	-	-	15
Total	**69**	**37**	**114**	**220**

New Unit Delivery

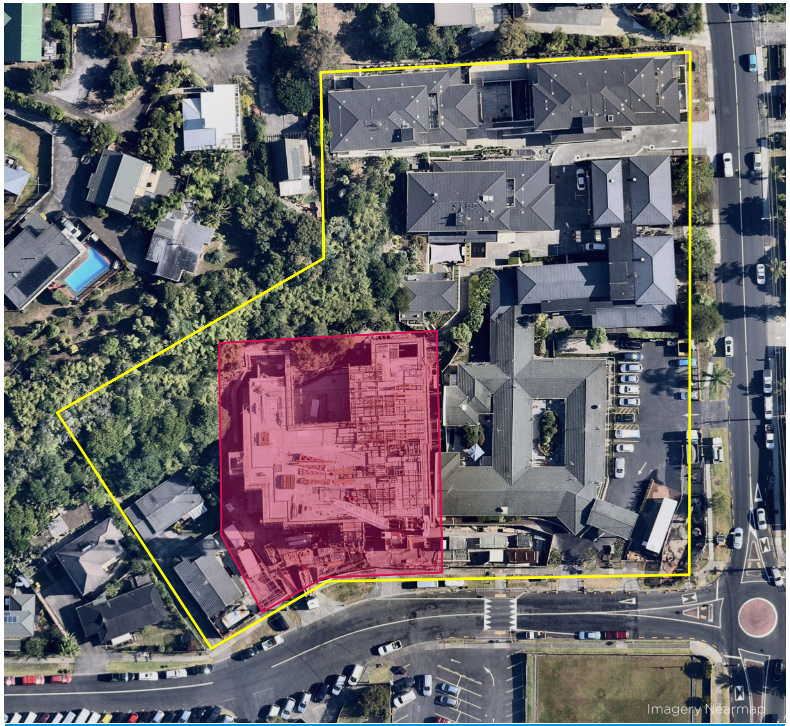


Commentary

- Previous build rate guidance for FY21 and beyond was a target delivery of 250+ units annually
- The Board has considered current market conditions and set a revised delivery guidance for FY21 and FY22 of 200+ units, which prioritises completion of current developments with a more flexible approach to the approval of new development stages
- FY21 delivery includes completion of two key projects representing 65% of projected delivery. This includes 84 units at Copper Crest and 59 units at Aria Bay that were due for delivery in 3Q FY21
- A range of factors could impact FY21 delivery timeframes including additional Covid-19 related shutdowns of construction sites or disruption to supply lines. In addition, the impact of Covid-19 on the residential housing market will be closely monitored to ensure the supply of new units does not exceed projected demand
- Villa construction can be phased to demand, with good presale interest and commitments for planned FY21 villa construction
- In addition, works will continue with resident clubhouses at Queenstown Country Club and Waimea Plains, the Wellness Centre at Park Lane and the completion of the pool area at Bethlehem Shores

1. The figures above include Village at the Park , which is 50% owned by Arvida.

KEY PROJECTS DELIVERING IN FY21



ARIA BAY, AUCKLAND

59
Care Suites

Construction of the Living Well care centre comprising 59 care suites (including 18 dementia) is well advanced. The building is largely closed in, with the roof on and interior fitout progressing.

With time lost due to the Covid-19 shutdown completion is now late FY21.

On completion, residents from the existing adjacent care building will be relocated into the new centre to make way for the remainder of the site to be re-developed.

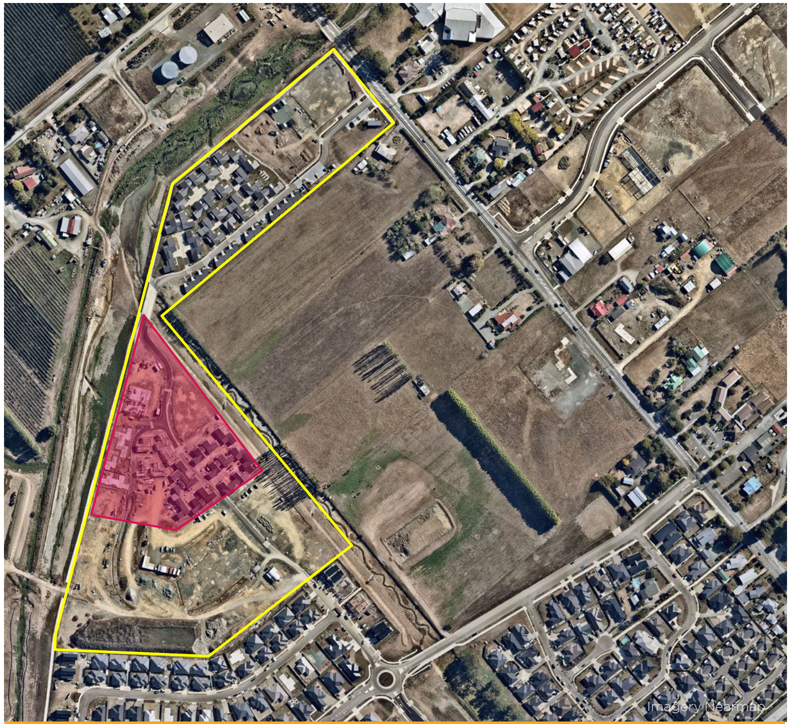
KEY PROJECTS DELIVERING IN FY21

COPPER CREST, TAURANGA

84
Care Suites & Apts

Construction of the Living Well care and apartments building is well progressed with the two care wings fully closed in and the apartment wings well advanced. On completion the building will comprise 29 serviced apartments and 55 care suites in five households, including one dementia household.

Currently completion is still anticipated this financial year, despite time lost due to the Covid-19 shutdown.



WAIMEA PLAINS, RICHMOND

25
Villas

Stage 2 villa construction (25 units) is advancing well, with over half having cladding and windows installed. Construction of the residents' clubhouse has commenced with the floor-slab laid and some frames stood.

Stage 2 villas are expected to be complete in FY21 and the clubhouse in FY22.

WAIMEA PLAINS RETIREMENT COMMUNITY

WAIMEA PLAINS, RICHMOND

222
Units

Waimea Plains is our first greenfield development and is to be developed in stages over the next 5 years.
The first stage of villas was completed this year, with 29 of 38 units sold. The second stage of 25 villas and the residents' clubhouse are currently under construction. Recently the Board approved the construction of the third stage of villas.
The outwardly facing community concept is being planned and will be a key component of the offering. It forms part of the village and helps make that connection to the community by creating a neighbourhood that includes a range of hospitality, health and recreational facilities.

DEVELOPMENT PIPELINE OF 1,683 UNITS

DEVELOPMENT STAGING

	UNITS		DESIGN	CONSENTING	CONSTRUCTION	SALES
Mary Doyle	7	Villas	→	→	→	→
Bethlehem Country Club	15	Villas	→	→	→	→
Bethlehem Shores	182	Villas, Apartments & Care	→	→	→	→
Queenstown Country Club	266	Villas, Apartments & Care	→	→	→	→
Glenbrae	16	Care & Apartments	→	→	→	→
Copper Crest	86	Villas, Apartments & Care	→	→	→	
St Albans	25	Care & Apartments	→	→	→	
Rhodes on Cashmere	42	Care & Apartments	→	→	→	
Aria Bay	116	Care & Apartments	→	→	→	
Lauriston Park	96	Care & Apartments	→	→		
Cascades	130	Care & Apartments	→	→		
Aria Park	95	Care & Apartments	→	→		
Village at the Park	25	Villas	→	→		
Lansdowne Park	50	Villas	→	→		
Oakwoods	31	Apartments	→			
TOTAL BROWNFIELD	1,182					

	UNITS		DESIGN	CONSENTING	CONSTRUCTION	SALES
Waimea Plains	222	Villas, Apartments & Care	→	→	→	→
Kerikeri	279	Villas, Apartments & Care	→	→		
TOTAL GREENFIELD	501					
TOTAL	1,683					

FY20 FINANCIALS

REPORTED PROFIT (IFRS)

NZ$m	FY20	FY19	YoY change	FY18
Care & village service fees	129.6	125.6	*3%*	109.9
Deferred management fees	29.0	21.4	*35%*	18.1
Other revenue	5.1	5.4	*(5%)*	4.3
Total revenue	**163.7**	**152.4**	*7%*	**132.3**
Gain on acquisition of villages	3.7	0.0	*nm*	0.0
Changes in fair values	20.0	46.3	*(57%)*	42.0
Share of profit arising from JV (net of tax)	2.8	3.4	*(16%)*	5.1
Total income	**190.2**	**202.2**	*(6%)*	**179.4**
Operating expenses	(139.6)	(129.8)	*8%*	(108.8)
Depreciation	(5.8)	(5.0)	*15%*	(4.3)
Total expenses	**(145.4)**	**(134.9)**	*8%*	**(113.0)**
Operating profit	**44.8**	**67.3**	*(33%)*	**66.4**
Financing costs	(4.1)	(3.6)	*12%*	(2.3)
Impairment of goodwill	(17.9)	(1.5)	*1,081%*	(1.2)
One-off items	(0.6)	(0.3)	*109%*	(1.0)
Profit before income tax	**22.2**	**61.9**	*(64%)*	**61.9**
Income taxation	20.4	(2.8)	*(630%)*	(4.3)
Net profit after tax	**42.6**	**59.1**	*(28%)*	**57.6**

Commentary

- Revenue grew 7% to $163.7m on continuing strong core financial performance and the new acquisitions
- DMF revenue was up 35% which included a $5.9m contribution from the new acquisitions for eight months
- Fair value increases were dampened by the changes to valuer assumptions as a result of Covid-19. The values still increased, which reflects the delivery of new units and the increase in existing unit pricing during the year being offset by more conservative growth and discount rates
- Operating expenses increased 8% due to the acquired villages, higher nursing costs, inbuilt increases in caregiver rates, higher minimum wages, increasing insurance costs and higher property rates
- The reintroduction of a 2% depreciation deduction for commercial buildings resulted in a significant goodwill impairment and a deferred tax credit

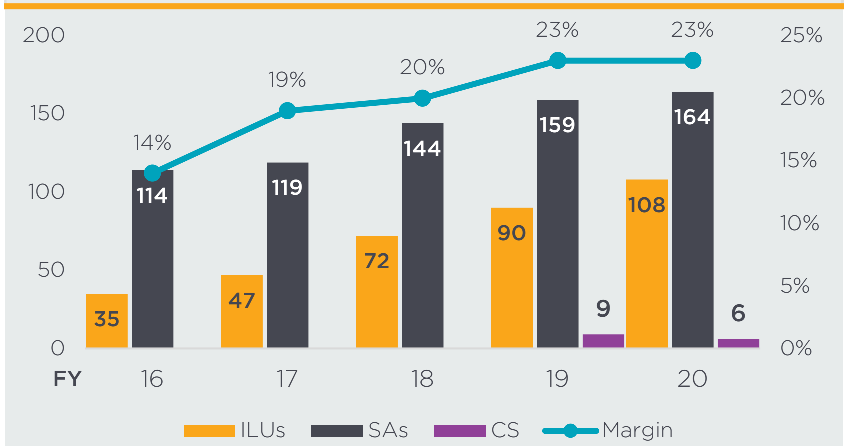
ORA RESALES

Resales Analysis	FY20	FY19	YoY change	FY18
Villas / apartments	108	90	*20%*	72
Serviced apartments	164	159	*3%*	144
Care suites	6	9	*-33%*	-
Total resales	**278**	**258**	*8%*	**216**
Value $m	104.8	87.1	*20%*	67.0
Av. value per resale $000	**377**	**338**	*12%*	**310**
Resale gains $m	23.7	19.5	*21%*	13.3
Resale margin %	23%	23%		20%

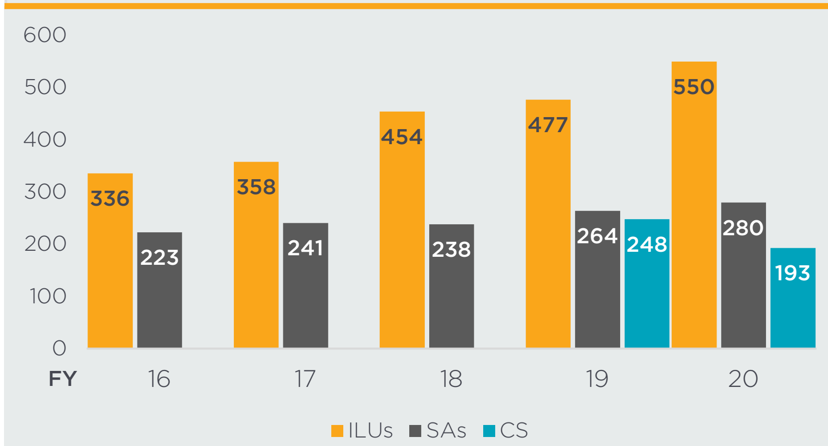
Commentary

- Resale of 278 units, 8% up on FY19
- Occupancy remains high, with 88 units available for resale of which 46 units are contracted
- Gross proceeds of $104.8m, with average value per resale up 12% to $377k
- Realised $23.7m of resale gains on consistent resale margins of 23%
- Resale prices were achieved at 4% above the unit pricing assumed in 31 March 2019 independent valuations
- DMF realised on resales was $16.4m

Resale Volumes and Margins



Average Resale Prices ($000)



Note, the figures above include Village at the Park. A table is appended that excludes Village at the Park from the above.

UNDERLYING PROFIT RECONCILIATION

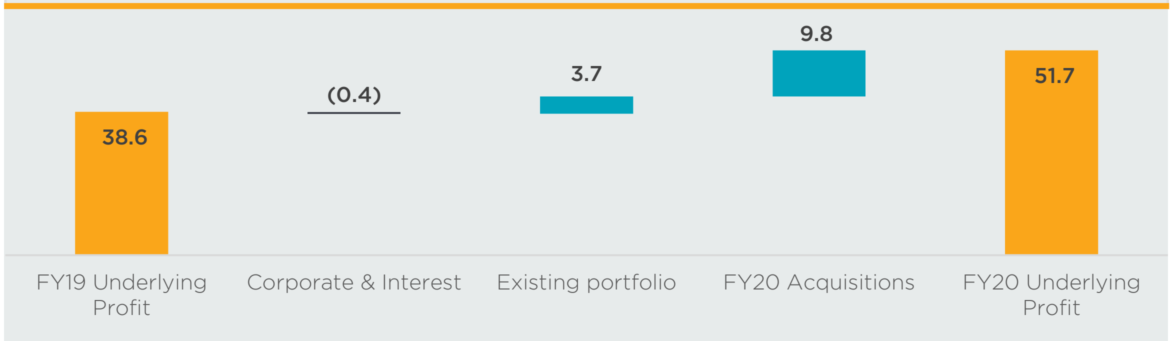
NZ$m (Unaudited)	FY20	FY19	YoY change	FY18
Net profit after tax	42.6	59.1	*(28%)*	57.6
Less: Change in fair values	(22.1)	(49.1)	*(55%)*	(47.0)
Add: Deferred tax	(23.1)	(0.2)	*nm*	0.3
Add: Impairment of goodwill	17.9	1.5	*nm*	1.2
Add: Gain on acquisition of villages	(3.7)	0.0	*nm*	0.0
Add: One-off costs	0.8	0.3	*199%*	1.0
Underlying operating profit	**12.4**	**11.6**	*7%*	**13.2**
Add: Gains on resales	23.7	19.5	*21%*	13.3
Add: Gain on sale of new units	15.6	7.5	*107%*	6.5
Underlying profit[1]	**51.7**	**38.6**	*34%*	**33.0**

1. Underlying Profit is a non-GAAP unaudited financial measure and differs from NZ IFRS net profit after tax. A definition is appended.

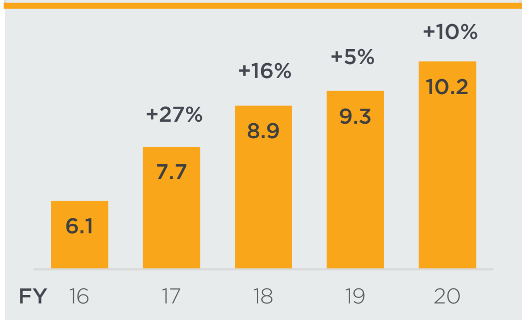
Commentary

- Underlying Profit increased 34% to $51.7m
- On a cents per share basis, the increase in Underlying Profit was 10%, representing a CAGR of 14% over the last 5 years
- The acquisition of new villages during the year contributed $9.8m to the underlying profit
- Higher ORA sales volumes of 404 sales (up 23% on FY19) drove the increase in total gains

Movements in Underlying Profit (NZ$m)



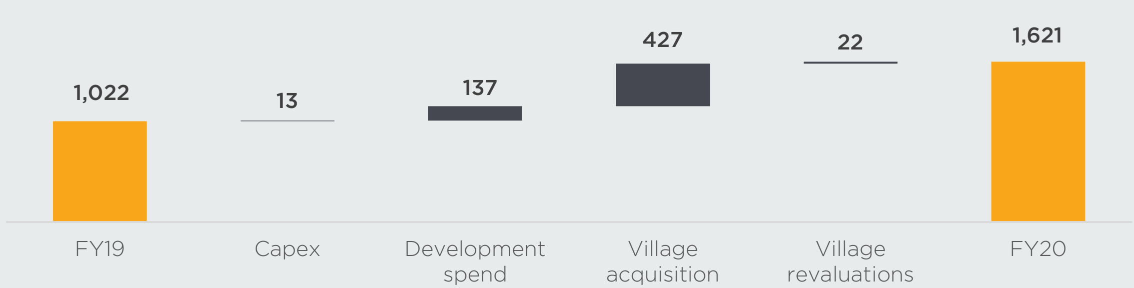
Underlying Profit (cents per share)



BALANCE SHEET

NZ$m	FY20	FY19
Cash and cash equivalents	4.2	4.6
Property, plant and equipment	183.2	168.7
Investment property	1,621.1	1,021.6
Investment in JV	25.9	24.3
Intangibles	36.0	54.0
Other assets	36.7	26.4
Total assets	**1,907.1**	**1,299.6**
External debt	312.5	190.1
Residents' loans	769.5	466.1
Deferred tax liability	3.6	27.7
Other liabilities	98.9	66.0
Total liabilities	**1,184.5**	**749.9**
Net assets	**722.6**	**549.7**

Movements in Investment Property (NZ$m)



Commentary

- Total asset base now $1.9b, with over $1.6b of investment property
- Valuations of retirement villages completed by CBRE and JLL and a summary of the assumptions used is contained within the appendix
- The valuers made adjustments to their key assumptions as a result of Covid-19. These included: increasing discount rates; reducing unit growth rates in years one and two; and reducing the number of rollovers in year one
- The value of Investment Property increased $0.6b mainly as a result of: $427m of acquisitions; $143m of development activity and $22m of fair value increases
- The valuers completed the two-yearly review of care facility valuations. This saw an increase of $3m in the freehold going concern value of the facilities. The main changes saw an increase in the land and building values, partially offset by a fall in the goodwill component

CAPITAL STRUCTURE

NZ$m	FY20	FY19	YoY change	FY18
Investment property	1,621	1,022	*59%*	863
Less: ORA / DMF	(813)	(490)	*66%*	(436)
Retirement villages	808	532	*52%*	427
Add: Care facilities	196	201	*(2%)*	201
	1,004	733	*37%*	628
Add: Investment in JV	26	24	*8%*	21
Implied value	**1,030**	**757**	*36%*	**649**
Less: Net debt	(309)	(186)	*66%*	(119)
Net implied value	**721**	**571**	*26%*	**530**
Net implied value per share	$1.33	$1.38		$1.28

Commentary

- Total net debt of $309m includes development project work in progress of $93m, development land of $100m and inventory of $104m
- Extensions to the bank debt facility limit and tenure was implemented in June 2019 and April 2020
- Post year end, the facility limit is now $475m split across four tranches with a weighted average tenure of 3.0 years
- The earliest expiry is a $100m tranche with an expiry date of September 2021
- Interest rate hedges at balance date equated to 27% of drawn debt. Hedges have a weighted average maturity of 3.9 years and a fixed rate of 2.6%
- Implied share value impacted issuance of new shares to part fund the acquisitions at an issue price lower than the net implied value per share

Bank Debt Facilities

NZ$m	FY20	FY19	YoY change	FY18
Debt per accounts	312.5	190.1	*64%*	122.2
Plus: Capitalised costs	0.5	0.4	*25%*	0.3
Drawn debt	313.0	190.5	*64%*	122.5
Less: Cash	4.2	4.6	*(9%)*	3.1
Total Net Debt	**308.8**	**185.9**	*66%*	**119.4**
Gearing (ND / ND + E)	30%	25%		19%

Bank Covenants

	Actual	Covenant
Interest cover	3.1x	2.25x
Loan to value	34.8%	50%

CASH FLOWS

NZ$m	FY20	FY19	YoY change	FY18
Receipts from residents for care fees and village services	132.6	130.9	*1%*	113.1
Residents' loans from resales	90.9	76.3	*19%*	63.3
Residents' loans from new sales	75.8	39.6	*92%*	27.9
Repayment of residents' loans	(62.9)	(46.3)	*36%*	(37.7)
Payments to suppliers and employees	(128.1)	(124.3)	*3%*	(106.3)
Financing costs	(3.4)	(3.3)	*2%*	(1.9)
Taxation	(2.1)	(3.8)	*(45%)*	(4.6)
Net cash flow from operating activities	**102.9**	**69.1**	*49%*	**53.9**
Purchase of property, plant and equipment and intangible assets	(6.1)	(4.3)	*42%*	(9.9)
Payments for village acquisitions	(179.0)	0.0	*nm*	(43.8)
Purchase of investment properties	(146.4)	(105.5)	*39%*	(68.4)
Proceeds from sale of assets	3.4	0.0	*nm*	0.0
Capitalised interest paid	(6.3)	(3.2)	*97%*	(1.9)
Bank overdraft acquired from subsidiaries	0.0	0.0	*nm*	3.0
Payments for investments in JV	0.0	0.0	*nm*	(11.9)
Net cash flow from investing activities	**(334.4)**	**(113.0)**	*196%*	**(132.9)**
Net cash flow from financing activities	**231.2**	**45.3**	*410%*	**80.9**

Capital Expenditure

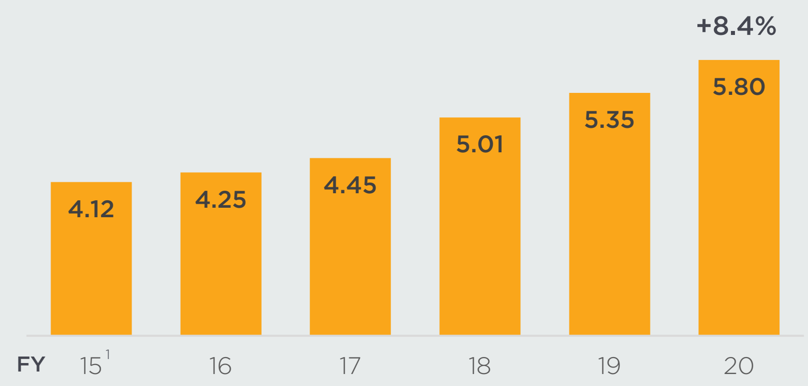
NZ$m	FY20
Acquisitions	179.9
Purchase of furniture & fittings	4.0
Purchase of construction plant	0.6
Development capital expenditure	135.1
ILU refurbishment	4.6
SA unit refurbishment	2.2
Care facility refurbishment	0.5
General building works	2.9
EQ Remedial Works	0.7
Care suite upgrades	0.0
Unit title buybacks	5.5
Adjustment for accruals	(1.6)
Total capital expenditure	**334.4**
Is represented by:	
Payments for acquisitions	179.0
Purchase of prop., plant & equip.	6.1
Purchase of investment property	146.4
Proceeds from sale of assets	(3.4)
Capitalised interest	6.3
Net cash from investing activities	**334.4**

DIVIDEND AND OUTLOOK

Commentary

- 4Q dividend of 1.45 cps declared bringing the total dividend for FY20 to 5.80 cps, 8% up on FY19:
  - 61% of Underlying Profit, which is in line with the midpoint of the Board's target 50-70% payout range
  - Entitlement record date is 3 June, payment 11 June 2020
- Ordinary dividend has no imputation credits attached and there is no supplementary dividend payable for non-resident shareholders
- The underlying business is continuing to perform well, despite the impacts of Covid-19 on the cost base and sales activity
- Dividend guidance for FY21 will be provided when the earnings impact of Covid-19 is better understood

Dividend (cents per share)



Sector Challenges

- Cost pressures in relation to nurse pay rates, insurance, property rates and PPE costs. We are active with industry bodies to ensure funding levels fairly compensate increased costs
- Underfunding of the additional Covid-19 costs by Government agencies
- Uncertain residential housing market as the economy adjusts to incorporate the impact of Covid-19
- We continue to monitor the Covid-19 impacts on the construction market and land prices
- Labour supply is expected to be of concern with closure of the borders due to Covid-19

Business Outlook

- The projected build rate from development activities has flattened and, as a result, the rate of future growth in earnings will be lower than previously expected
- With a large development pipeline in place, capital allocation decisions will focus on deploying capital to development projects with lower risk profiles and lower total expenditure
- Benefits of being a large-scale operator will come to the fore in a post Covid-19 environment. Smaller operators may struggle to raise funding for new development initiatives
- The benefits of the embedded Attitude of Living Well™ care model will maintain our high level of care occupancy

1. Annualised. Arvida paid a dividend of 1.03 cps in respect of the FY15

APPENDIX

PORTFOLIO AT 31 MARCH 2020

	Village	Region	Villas	Apts	SA	CS	RH	H	D	FY21	FY22+^
1	Kerikeri	Kerikeri	-	-	-	-	-	-	-	-	279
2	Aria Bay	Auckland North	-	34	17	-	37	-	-	59	57 (37)
3	Aria Gardens	Auckland North	-	-	-	-	43	91	20	-	-
4	Aria Park	Auckland City	-	-	46	-	30	54	-	-	95 (93)
5	Cascades	Hamilton	-	5	32	-	42	32	-	-	130
6	Lauriston Park	Cambridge	183	-	-	-	-	-	-	-	96
7	Bethlehem Views	Tauranga	-	-	-	-	18	50	20	-	-
8	Copper Crest	Tauranga	156	-	-	-	-	-	-	84	2
9	Bethlehem Country Club	Tauranga	151	3	-	-	-	-	-	15	-
10	Bethlehem Shores	Tauranga	155	-	-	-	-	-	-	7	175
11	Glenbrae	Rotorua	78	-	36	-	13	28	-	8	8
12	Mary Doyle	Havelock North	172	48	38	8	26	64	60	7	-
13	Olive Tree	Palmerston North	95	-	43	-	22	12	17	-	-
14	Molly Ryan	New Plymouth	35	-	28	-	20	13	-	-	-
15	Waikanae	Kapiti	4	-	20	-	27	32	-	-	-
16	Lansdowne	Masterton	69	-	29	-	25	25	-	-	50
17	Village at the Park[1]	Wellington	38	123	-	17	-	42	33	-	25
18	Ashwood	Blenheim	18	-	35	-	47	48	26	-	-
19	The Wood	Nelson	5	-	37	-	30	47	-	-	-
20	Oakwoods	Nelson	116	-	45	-	22	26	-	-	31
21	Waimea Plains	Tasman	38	-	-	-	-	-	-	25	197
22	Bainlea House	Rangiora	-	-	-	-	-	-	27	-	-
23	Bainswood on Victoria	Rangiora	-	-	-	-	24	33	-	-	-
24	Bainswood	Rangiora	4	-	14	-	25	-	-	-	-
25	St Albans	Christchurch	-	21	57	-	9	10	-	-	25
26	Ilam	Christchurch	-	-	45	-	22	34	20	-	-
27	Mayfair	Christchurch	11	-	23	-	29	35	-	-	-
28	Maples	Christchurch	-	-	25	-	49	3	-	-	-
29	St Allisa	Christchurch	-	-	-	-	55	34	20	-	-
30	Park Lane	Christchurch	8	78	45	-	22	20	-	-	-
31	Rhodes	Christchurch	-	42	-	-	-	-	-	-	42
32	Queenstown Country Club	Queenstown	47	-	-	-	-	-	-	15	251
33	Strathallan	Timaru	51	-	47	-	10	45	20	-	-
	TOTALS		1,434	354	662	25	647	778	263	220	1,463

^ Gross units expected to be delivered (expected decommissions shown in brackets). Subject to final investment decision approval.
# Portfolio metrics presented as if a 100% interest held. Arvida has a 50% interest in Village at the Park.

Arvida

RV VALUATION SUMMARY 31 MARCH 2020

$000 Village	Region	Valuer	2019 RV Valuation	2020 RV Valuation	Fair Value Movement	Discount Rate	Embedded Value
Aria Bay	Auckland	CBRE	34,350	33,100	(1,583)	14.63%	7,409
Aria Gardens	Auckland	-	-	-	-	-	-
Aria Park	Auckland	JLL	18,650	18,005	(341)	13.70%	9,288
Cascades	Hamilton	CBRE	14,950	16,425	(100)	14.38%	5,271
Lauriston Park	Cambridge	JLL	46,100	51,250	4,065	13.50%	40,842
Views Lifecare	Tauranga	-	-	-	-	-	-
Copper Crest	Tauranga	CBRE	56,500	55,515	475	14.25%	39,959
Bethlehem Country Club	Tauranga	CBRE	-	64,825	588	14.25%	57,374
Bethlehem Shores	Tauranga	CBRE	-	81,880	11,166	14.25%	50,524
Glenbrae	Rotorua	CBRE	15,000	17,910	1,433	16.25%	12,318
Mary Doyle	Havelock North	CBRE	62,485	60,815	1,862	15.13%	44,474
Olive Tree	Palmerston North	CBRE	11,610	16,480	97	15.75%	12,184
Molly Ryan	New Plymouth	JLL	9,630	9,250	(654)	15.75%	6,151
Waikanae Country Lodge	Kapiti	CBRE	3,100	3,295	102	16.13%	1,771
Lansdowne Park	Masterton	JLL	20,760	20,865	170	13.50%	12,953
Ashwood Park	Blenheim	JLL	8,470	6,800	(758)	13.85%	3,276
The Wood	Nelson	CBRE	8,400	9,150	817	13.63%	3,662
Oakwoods	Nelson	JLL	35,925	35,680	(212)	14.00%	25,247
Waimea Plains	Richmond	CBRE	12,400	18,840	6,812	16.25%	853
Bainlea House	Rangiora	-	-	-	-	-	-
Bainswood on Victoria	Rangiora	-	-	-	-	-	-
Bainswood	Rangiora	CBRE	1,700	1,455	113	15.63%	672
St Albans	Christchurch	CBRE	14,900	25,240	2,119	14.38%	3,077
Ilam	Christchurch	JLL	10,725	10,295	(943)	12.50%	3,798
Mayfair	Christchurch	JLL	6,370	6,180	(573)	14.75%	2,822
Maples	Christchurch	JLL	4,280	4,150	(62)	15.70%	2,232
St Allisa	Christchurch	-	-	-	-	-	-
Park Lane	Christchurch	CBRE	24,750	49,585	(1,909)	14.38%	7,165
Rhodes on Cashmere	Christchurch	CBRE	25,150	33,840	3,070	14.75%	4,750
Queenstown Country Club	Queenstown	CBRE	-	37,800	(612)	17.50%	4,697
Strathallan	Timaru	JLL	16,120	16,150	177	15.25%	12,673
Total for developed villages			**462,325**	**704,780**	**25,319**		**375,442**
Kerikeri Site	Kerikeri	CBRE	14,375	15,000	(197)	n.a	n.a
Total for consolidated villages ^			**476,700**	**719,780**	**25,122**		
Village at the Park #	Wellington	CBRE	46,100	47,350	3,347	14.50%	26,643

Portfolio metrics presented as if a 100% interest held. Arvida has a 50% interest in Village at the Park.
^ Excludes the fair value adjustment for Wendover Retirement Village of $2.9m

Arvida

VALUATION INPUTS FOR ILUs

$000 Village	No. of Units	Ave. Ingoing Price	Ave. Current Price	Valuer Growth Rate Assumptions Yr 1	Yr 2	Yr 3	Yr 4	Yr 5+	Ave. Resident Age	Tenure
Aria Bay	34	884	929	(2.0%)	0.0%	2.0%	3.0%	3.5%	79	8.1
Aria Gardens	-	-	-	-	-	-	-	-	-	-
Aria Park	-	-	-	-	-	-	-	-	-	-
Cascades	5	513	619	(2.0%)	0.0%	1.0%	2.0%	3.5%	81	8.4
Lauriston Park	183	445	588	0.0%	1.3%	2.8%	3.0%	3.5%	80	8.7
Views Lifecare	-	-	-	-	-	-	-	-	-	-
Copper Crest	156	553	737	(2.0%)	0.0%	2.0%	2.5%	3.5%	78	9.0
Bethlehem Country Club	154	693	919	(2.0%)	0.0%	2.0%	2.5%	3.5%	80	8.9
Bethlehem Shores	155	920	1,088	(2.0%)	0.0%	2.0%	2.5%	3.5%	76	9.3
Glenbrae	78	282	414	(2.0%)	0.0%	2.0%	2.5%	3.0%	85	7.7
Mary Doyle	220	450	588	(2.0%)	0.0%	2.0%	2.5%	3.5%	83	8.4
Olive Tree	95	390	460	(2.0%)	0.0%	0.5%	2.0%	3.0%	82	8.4
Molly Ryan	35	345	425	0.0%	1.3%	2.5%	3.0%	3.3%	87	7.0
Waikanae Country Lodge	4	344	498	(2.0%)	0.0%	1.5%	2.0%	3.0%	84	8.4
Lansdowne Park	69	425	530	0.0%	1.3%	2.5%	3.0%	3.3%	82	8.4
Ashwood Park	18	304	347	0.0%	1.3%	2.8%	3.0%	3.3%	86	6.9
The Wood	5	437	531	(2.0%)	0.0%	2.0%	3.0%	3.5%	87	5.9
Oakwoods	116	398	504	0.0%	0.8%	2.8%	3.0%	3.5%	82	8.2
Waimea Plains	38	554	540	(2.0%)	0.0%	2.0%	2.5%	3.5%	78	8.3
Bainlea House	-	-	-	-	-	-	-	-	-	-
Bainswood on Victoria	-	-	-	-	-	-	-	-	-	-
Bainswood	4	255	261	0.0%	0.0%	2.0%	2.5%	3.0%	87	6.7
St Albans	21	525	531	0.0%	0.0%	2.0%	3.0%	3.5%	79	7.3
Ilam	-	-	-	-	-	-	-	-	-	-
Mayfair	11	398	433	0.0%	1.3%	2.0%	2.8%	3.5%	82	7.3
Maples	-	-	-	-	-	-	-	-	-	-
St Allisa	-	-	-	-	-	-	-	-	-	-
Park Lane	86	590	580	0.0%	0.0%	2.0%	3.0%	3.5%	81	8.1
Rhodes on Cashmere	42	543	874	0.0%	0.0%	1.5%	3.0%	3.5%	84	7.7
Queenstown Country Club	47	1,136	1,151	(5.0%)	0.0%	1.5%	2.5%	3.0%	77	8.8
Strathallan	51	382	482	0.0%	1.3%	2.0%	2.5%	3.2%	84	8.2
Kerikeri Site	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Village at the Park #	161	486	586	(2.0%)	0.0%	2.0%	2.5%	3.5%	82	8.9

Portfolio metrics presented as if a 100% interest held. Arvida has a 50% interest in Village at the Park.

VALUATION INPUTS FOR SAs/CARE SUITES

$000				Valuer Growth Rate Assumptions						
Village	No. of SAs	Ave. Ingoing Price	Ave. Current Price	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5+	Ave. Resident Age	Tenure
Aria Bay	17	417	568	0.0%	1.0%	2.0%	3.0%	3.5%	89	4.6
Aria Gardens	-	-	-	-	-	-	-	-	-	-
Aria Park	46	481	565	0.0%	0.5%	2.8%	3.0%	3.5%	85	5.0
Cascades	32	317	409	0.0%	0.0%	1.0%	2.0%	3.5%	88	4.7
Lauriston Park	-	-	-	-	-	-	-	-	-	-
Views Lifecare	-	-	-	-	-	-	-	-	-	-
Copper Crest	-	-	-	-	-	-	-	-	-	-
Bethlehem Country Club	-	-	-	-	-	-	-	-	-	-
Bethlehem Shores	-	-	-	-	-	-	-	-	-	-
Glenbrae	36	216	255	0.0%	0.0%	1.0%	2.5%	3.0%	88	4.3
Mary Doyle	46	186	214	0.0%	1.0%	2.0%	2.5%	3.0%	86	4.8
Olive Tree	43	197	215	0.0%	0.0%	1.0%	2.5%	3.0%	88	4.3
Molly Ryan	28	208	220	0.0%	1.3%	2.5%	3.0%	3.3%	89	4.3
Waikanae Country Lodge	20	224	297	0.0%	1.0%	1.5%	2.0%	2.5%	84	4.8
Lansdowne Park	29	250	284	0.0%	1.3%	2.5%	3.0%	3.3%	86	4.6
Ashwood Park	35	198	203	0.0%	1.3%	2.8%	3.0%	3.3%	87	4.1
The Wood	37	225	252	0.5%	1.0%	2.0%	3.0%	3.5%	90	4.1
Oakwoods	45	245	274	0.0%	0.8%	2.8%	3.0%	3.5%	87	4.4
Waimea Plains	-	-	-	-	-	-	-	-	-	-
Bainlea House	-	-	-	-	-	-	-	-	-	-
Bainswood on Victoria	-	-	-	-	-	-	-	-	-	-
Bainswood	14	151	157	0.5%	1.0%	2.0%	2.0%	2.5%	88	4.2
St Albans	57	252	281	0.5%	1.0%	2.0%	3.0%	3.5%	89	4.3
Ilam	45	268	294	0.0%	1.3%	2.5%	2.8%	3.5%	88	4.1
Mayfair	23	246	274	0.0%	1.3%	2.0%	2.8%	3.5%	87	4.1
Maples	25	194	245	0.0%	1.3%	2.0%	2.5%	3.5%	89	4.2
St Allisa	-	-	-	-	-	-	-	-	-	-
Park Lane	45	257	295	0.5%	1.0%	1.5%	2.5%	3.0%	87	4.4
Rhodes on Cashmere	-	-	-	-	-	-	-	-	-	-
Queenstown Country Club	-	-	-	-	-	-	-	-	-	-
Strathallan	47	257	282	0.0%	1.3%	2.0%	2.5%	3.2%	87	4.4
		-								
Kerikeri Site	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Village at the Park #	17	241	256	0.00%	1.50%	2.00%	2.50%	3.00%	83	4.3

Portfolio metrics presented as if a 100% interest held. Arvida has a 50% interest in Village at the Park.

ADDITIONAL DISCLOSURES

Sales Analysis excluding Village At The Park				
FY20	Resales		New Sales	
	Units	$000	Units	$000
Villas / apartments	95	52,358	95	76,488
Serviced apartments	165	45,080	7	2,150
Care suites	4	772	-	-
Total Sales	**264**	**98,210**	**102**	**78,638**
Value $m	98.2		78.6	
Av. value per sale $000	**372**		**771**	
Gains $m	23.1		14.1	
Margin %	23%		18%	

Head Office Costs	FY20	FY19
Employee costs	6.4	6.2
Other	3.0	3.1
Total expense	**9.4**	**9.3**
Capitalised wages	2.5	1.6

DEFINITIONS

Underlying Profit (or Underlying NPAT)

Underlying Profit is a non-GAAP unaudited financial measure used by Arvida to monitor financial performance and determine dividend distributions.

Arvida calculates Underlying Profit by making the following adjustments to Reported Net Profit after Tax:

- Removing the change in fair value of investment properties, property, plant and equipment and derivatives (from the Statement of Comprehensive Income);
- Removing any impairment of goodwill;
- Removing any loss on disposal of chattels from the decommissioning of development sites;
- Removing any gains on acquisition of subsidiaries;
- Adding back the Directors' estimate of realised gains on occupation right agreement units;
- Adding back the Directors' estimate of realised development margin on the cash settlement of the first sale of new ORA units following the development or conversion to an ORA unit;
- Adding back the deferred taxation component of taxation expense so that only current tax expense is reflected; and
- Adding back transaction costs.

Resale Gain

The Directors' estimate of realised gains on resales of ORA is calculated as the net cash flow received by Arvida on the settlement of the resale of pre-existing ORAs (i.e. the difference between the ORA licence payment received from the incoming resident and the ORA licence payment previously received from the outgoing resident).

Development Margin

The Directors' estimate of realised development margin is calculated as the cash received on settlement of the first sale of new ORA units less the development costs associated with developing the ORA units.

Development costs include:

- Construction costs directly attributable to the relevant project, including any required infrastructure (e.g. roading) and amenities related to the units (e.g. landscaping) as well as any demolition and site preparation costs associated with the project. The costs are apportioned between the ORA units, in aggregate, using estimates provided by the project quantity surveyor. The construction costs for the individual ORA units sold are determined on a pro-rated basis using gross floor areas of the ORA units;
- An apportionment of land valued based on the gross floor area of the ORA units and care suites developed. The value for brownfield development land is the acquisition cost or the estimated fair value of land at the time a change of use occurred (from operating as a care facility or retirement village to a development site), as assessed by an external independent valuer. Greenfield development land is valued at historical cost; and
- Capitalised interest costs to the date of project completion apportioned using the gross floor area of ORA units developed.

Development costs do not include:

- Construction, land (apportioned on a gross floor area basis) and interest costs associated with common areas and amenities or any operational or administrative areas.

IMPORTANT NOTICE

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Forward-looking statements are subject to any material adverse events, significant one-off expenses or other unforeseeable circumstances.

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