

WINTON

WINTON FY23 INTERIM RESULTS INVESTOR PRESENTATION

22 FEBRUARY 2023



BEACHES
MATARANGI

Presenting today



Chris Meehan
Chief Executive Officer



Jean McMahon
Chief Financial Officer

Contents

1. Business Highlights and Update
2. Financial Overview
3. Guidance and Outlook



WINTON

BUSINESS HIGHLIGHTS AND UPDATE



LAKESIDE
TE KAUWHATA

H1 FY23 Business Highlights



**NORTHBROOK
WANAKA**

- ✓ 219 settlements at a 12.2% higher average sales price, earning \$85.1m of revenue
- ✓ Improved Gross Margin of 46.3%
- ✓ Execution onsite by talented project team and contractors
- ✓ Significantly progressed luxury retirement living brand, Northbrook
- ✓ Launched premium freehold apartment products in Parnell and Wynyard Quarter
- ✓ High degree of pre-sales has served us well through a softer market
- ✓ Pre-sale book of \$565.8m as at 31 December 2022
- ✓ Continue to operate on an ungeared basis and benefit from strong balance sheet
- ✓ Established with MaxCap a \$200m Medium Density Development Fund
- ✓ Grew Winton team by 37% to execute growth plans

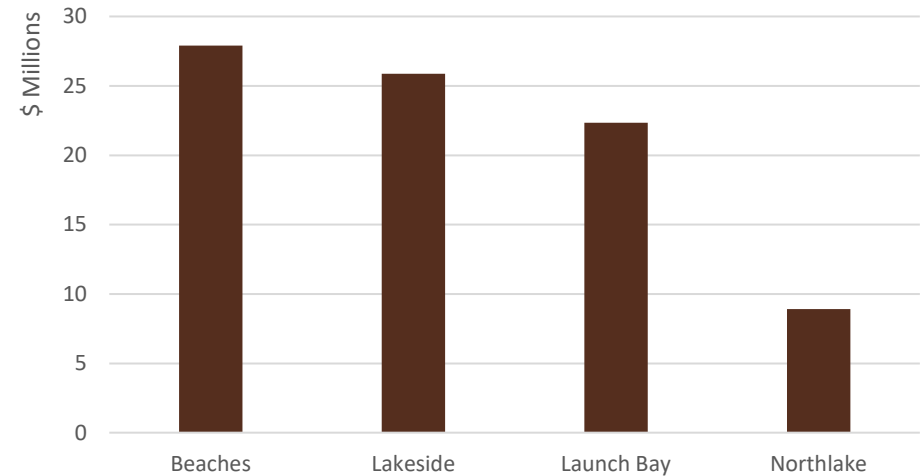
Development Plan Execution

Completed and settled 219 units including residential lots, dwellings, and apartments.



H1 FY23

Revenue Settled in H1 FY23



Neighbourhood

Units Settled H1 FY23

Lakeside	111
Beaches	82
Launch Bay	13
Northlake	13
Total	219

Works Continued at Pace

Progressed works on future stages, navigating supply chain shortages and poor weather conditions.

H1 FY23

Northlake Wanaka

- Civil works across stage 16 are nearing completion.
- The remaining 10 duplexes are on track for completion in H2 FY23.
- Construction works are well underway and progressing well at the townhouses, commercial and apartment projects.

River Terrace Cromwell

- All works on lifestyle lots and dwellings are finished, bringing the project to completion.

Lakeside Te Kauwhata

- Construction of Lakeside Commercial is nearing completion.
- Significant works carried out across completed and future stages.

North Ridge Cessnock

- Stages 3 and 4 complete, awaiting practical completion sign-off from Council.
- Stages 5 and 6, drainage complete, roading well advanced and services being installed.



Beaches Matarangi

- Earthworks largely complete in Stages 9 to 13 with all 4 lakes in the development now constructed. Earthworks to be completed in Stages 14 and 15.
- Civil works, roading, services installation and landscaping well advanced in Stages 9 to 13.

Waterfall Park/Ayrburn Arrowtown

- Remediation of historic buildings and other works well advanced for the Ayrburn hospitality precinct.

Launch Bay Hobsonville

- Ovation completed at the end of November 2022, with settlement and residents moving in shortly after.
- Launch Bay Townhouses progressing with cladding works completed, internal fit out works are now underway.
- Jimmy's Point basement works are progressing well, with excavation completed and precast panels currently being installed.

De-Risked And Well Positioned For Changing Market

Gross
Pre-Sales¹
\$566m

Pipeline of
Existing
Projects²
6,751 units

Pipeline
residential Lot
Weighting²
78%

Forecasted FY23
Revenue Pre-
Sold
97.9%

Forecasted FY23
Development Costs
Under Contract
100%



Development
Portfolio
27 Projects

Across
14
Communities

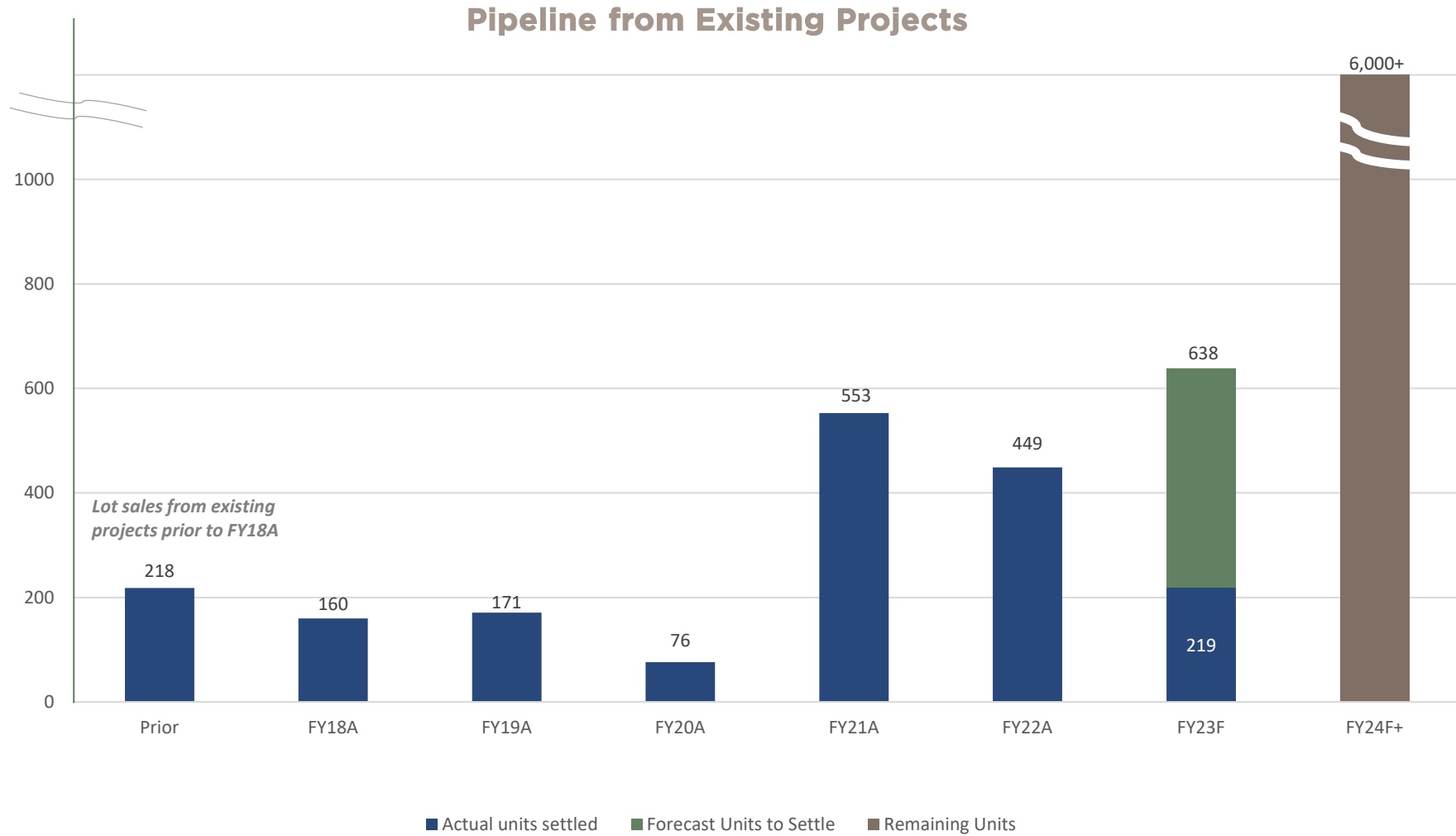
FY23 Revenue
Incurring Projects
7 Projects

Retirement
Living Pipeline²
907 units

H1 FY23
Settlements
219

Winton's Pipeline

Over 6,751 units remaining in the landbank pipeline from existing projects¹.



Progressed Luxury Retirement Living Vision, Northbrook

Leveraging our existing expertise and capability in residential land acquisition and development to build and operate luxury later living retirement villages.



Northbrook

- Julian Cook, Director of Retirement, has continued to build out the Northbrook team, appointing an operations manager, clinical manager, marketing manager and sales manager who is starting to establish the sales team.
- Appointed the world-class architect Woods Bagot.
- All projects have progressed both in design and operational consideration. Focus on the Northbrook difference, apartment sizes, ceiling heights, room spaces, the premium quality of the fit-out, and amenities.
- Flagship Northbrook show suite under construction at Wynyard Quarter in Auckland.
- Northbrook Wanaka continues at pace with building consent documentation completed and negotiations being completed with our nominated build partner. Construction is underway including the show suite.
- All projects have resource consents submitted and Wanaka has been granted.

Moving forward at Sunfield

A forward-thinking and innovative '15-minute community' powered by the sun and 90% less cars.



**SUNFIELD
PAPAKURA**

Sunfield

- We are moving forward with the 50 hectares of the property, which is currently zoned future urban with a more traditional masterplan supported by current regulation, yielding ~2,000 lots.
- In parallel, Winton is absolutely firm in its resolve to pursue alternate legislative pathways to rezone the remaining c.150 hectares of the Sunfield land, including the Resource Management Act.
- Winton has issued proceedings in the Auckland High Court under the Commerce Act, alleging anti-competitive conduct by Government housing agency Kāinga Ora.
- Winton is seeking Court declarations that Kāinga Ora's conduct is unlawful and in breach of the Commerce Act, and an order requiring Kāinga Ora to consider Sunfield for assessment under the UDA, as well as substantial damages for Kāinga Ora's conduct to date.

Sunfield

Sunfield is an interconnected '15 minute' neighbourhood located in Papakura Auckland, where residents can work, live and play. By integrating recreation, health, schools, employment and retail, close to residential areas, the day to day to needs of a diverse kiwi community can be reached in 15 minutes. Enabling a car-less, solar powered neighbourhood allows for truly local living and takes a big step towards New Zealand's goal of carbon neutrality.

Key features:

- 3,643 healthy homes.
- 50 hectares of employment land.
- 22.8 hectares of parks and wetlands.
- Creates over 11,000 permanent jobs.
- 90% less cars.
- Solar power throughout project.

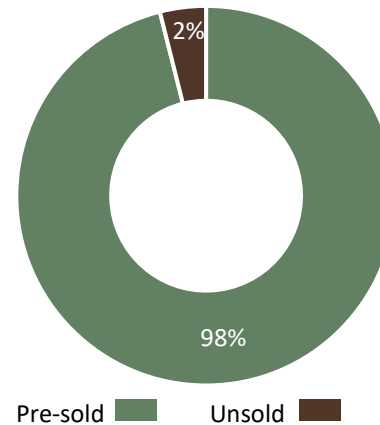
Focused on Key Deliverables Onsite in FY23

FY23 will be a record year for Winton with 638 units forecast for delivery of which 219 units have settled with the remaining 419 units to settle in H2 FY23.

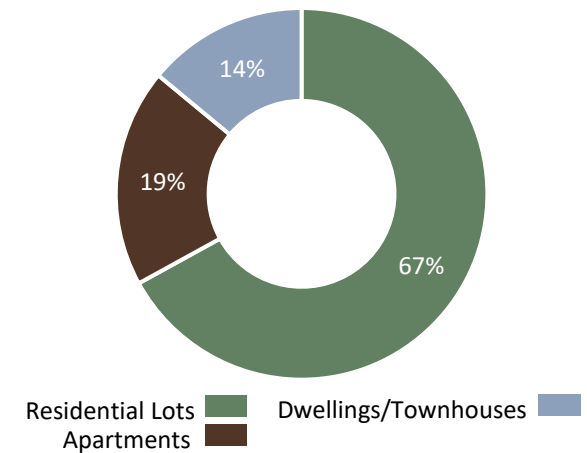


Neighbourhood	Units to Settle FY23
Lakeside	264
Beaches	148
North Ridge	122
Northlake	83
Launch Bay	15
River Terrace	6
Total	638

FY23F Revenue Pre-Sold



Total FY23F Revenue by Product



WINTON

FINANCIAL OVERVIEW



LAUNCH BAY
HOBSONVILLE POINT

H1 FY23 Financial Performance

Headline numbers are consistent with forecasted delivery of projects with improved gross profit margin.

NZ\$m (unless indicated otherwise)	H1 FY23 6 Months Ended 31 December 2022	H1 FY22 6 Months Ended 31 December 2021	Movement
Revenue	85.1	44.3	+40.8
Number of settled units (#)	219	128	+91
Gross profit	39.4	19.3	+20.1
Gross profit margin	46.3%	43.5%	+2.8%
EBITDA	49.7	2.8	+46.9
Pro forma EBITDA	49.7	8.5	+41.2
Profit after income tax	34.5	1.3	+41.2
Pro forma profit after income tax	34.5	7.1	+27.4

One-off listing and offer costs are removed in the pro forma numbers to demonstrate the business's underlying performance.

H1 FY23 Financial Performance

Winton's financial performance in H1 FY23 is consistent with its forecast settlement profile.

Statement of Financial Performance NZ\$m (unless indicated otherwise)	H1 FY23 6 Months Ended 31 Dec 2022	H1 FY22 6 Months Ended 31 Dec 2021	Movement
1 Revenue	85.1	44.3	40.8
Number of settled units (#)	219	128	91
Average revenue per unit (NZ\$000)	388	346	42
Cost of sales	(45.7)	(25.0)	(20.7)
Gross profit	39.4	19.3	20.1
Gross profit margin	46.3%	43.5%	2.8%
Other income	7.6	1.0	6.6
2 Fair value gain on investment properties	15.6	-	15.6
Gain on sale of property, plant and equipment	0.3	-	0.3
Selling expenses	(3.1)	(5.7)	2.6
Property expenses	(0.6)	(0.3)	(0.3)
Administrative expenses	(8.9)	(5.5)	(3.4)
Share-based payment expense	(0.6)	(0.1)	(0.5)
Offer costs	-	(5.9)	5.9
EBITDA	49.7	2.8	46.9
Amortisation	(0.2)	-	(0.2)
Depreciation	(0.9)	(0.4)	(0.5)
EBIT	48.6	2.4	46.2
Interest	0.3	(0.1)	0.4
Profit before tax	48.9	2.3	46.6
Income tax expense	(14.1)	(1.0)	(13.1)
Profit after income tax	34.5	1.3	32.2
Pro forma EBITDA	49.7	8.5	41.2
Pro forma Profit after income tax	34.5	7.1	27.4

1

We settled 219 units, including land lots and residential homes, at a 12.2% higher average sales price than H1 FY22, reflecting settlements of units in more mature developments. The number of units settled was 71.1% more than the comparable period attributable to the timing of settlements impacting the prior period.

2

Fair value gain of \$15.6m at Northbrook Wanaka and Lakeside Commercial following resource consent receipt and progress on site.

H1 FY23 Financial Position

Winton has historically operated with a conservative level of debt in its capital structure.

Statement of Financial Position		FY23	FY22	
NZ\$m (unless indicated otherwise)		As at 31 Dec 2022	As at 30 June 2022	Movement
Current assets				
1 Cash and cash equivalents		89.0	204.8	(115.8)
Restricted cash		-	0.8	(0.8)
Accounts receivable, prepayments, and other receivables		6.1	4.9	1.2
Inventories		107.1	95.6	11.5
Total current assets		202.2	306.1	(103.9)
Non-current assets				
Inventories		128.6	86.3	42.3
Deposits paid on investment property acquisitions		-	7.2	(7.2)
2 Investment properties		188.5	80.5	108.0
Property, plant and equipment		22.9	16.1	6.8
Right-of-use assets		11.4	0.6	10.8
Intangible assets		2.7	0.1	2.6
Total non-current assets		354.1	190.8	163.3
Total assets		556.3	496.9	59.4
Current liabilities				
Accounts payable, accruals, and other payables		28.8	24.9	3.9
Taxation payable		15.3	8.0	7.3
Total current liabilities		44.1	32.9	11.2
Non-current				
Lease liability		10.4	0.3	10.1
Deferred tax liabilities		16.1	9.6	6.5
Total non-current liabilities		26.5	9.9	16.6
Total liabilities		70.6	42.8	27.8
Share capital		386.6	386.6	-
Foreign currency translation reserve		(0.1)	0.3	(0.4)
Share-based payment reserve		1.5	0.8	0.7
Retained earnings		97.7	66.4	31.3
3 Total equity		485.7	454.1	31.6

1

Winton's Cash and cash equivalents has reduced by \$115.8m due to settlement of acquisitions and continued investment in existing projects.

2

Acquisition of Northbrook Wynyard and Cracker Bay during H1 FY23.

3

Total equity has increased by \$31.6m mainly due to \$34.5m net profit after tax offset by dividends paid of \$3.2m.

H1 FY23 Statement of Cash Flows

Following a successful capital raise, Winton is well positioned to execute its strategy.

Statement of Cashflows	FY23 6 Months Ended 31 Dec 2023	FY22 6 Months Ended 31 Dec 2022	Movement
NZ\$m (unless indicated otherwise)			
Cash flows from operating activities			
Receipts from customers	93.6	47.3	46.3
Interest received	1.3	0.2	1.1
Net GST received / (paid)	3.7	(1.3)	5.0
1 Payment to suppliers and employees	(89.7)	(50.3)	(39.4)
Purchase of development land	(22.2)	-	(22.2)
Deposits paid on unconditional contracts for land	(3.6)	(10.2)	6.6
Interest and other finance costs paid	(0.5)	(3.7)	3.2
Income tax paid	(0.5)	-	(0.5)
Net cash flows from operating activities	(17.9)	(18.0)	0.1
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	1.3	-	1.3
2 Acquisition of land for investment properties	(63.9)	-	(63.9)
Intangible assets acquired	(2.9)	-	(2.9)
Payments to suppliers and employees for investment properties	(21.1)	-	(21.1)
Acquisition of property, plant and equipment	(8.1)	(0.7)	(7.2)
Net cash flows from investing activities	(94.7)	(0.7)	(94.0)
Cash flows from financing activities			
3 Proceeds from the issue of new shares	-	350.0	(350.0)
Payment of offer costs	-	(18.4)	18.4
Payment of dividends	(3.2)	-	(3.2)
Net cash flows from financing activities	(3.2)	331.6	(334.8)
Net increase in cash and cash equivalents	(115.8)	312.9	(428.7)
Cash and cash equivalents at beginning of the period	204.8	35.0	169.8
Cash and cash equivalents at the end of the period	89.0	347.9	(258.9)

1

Payment to suppliers and employees has increased due to additional recruitment of staff and works being completed across more sites.

2

Acquisition of land for investment properties is primarily made up of Northbrook Wynyard and Cracker Bay.

3

Proceeds from the issue of new shares is in relation to Winton's successful IPO which raised \$350m on 17 December 2021.

FY23 Dividend

Winton confirms a dividend for H1 FY23.



- The Winton Board has declared a 2.0600 dividend per share for the six months ending 31 December 2022, in line with the Company's updated dividend policy to exclude any unrealised valuation movements in investment properties.
- The interim dividend amount is reflective of the lower end of the revised FY23 guidance and a 20% pay-out ratio.
- The dividend is fully imputed at 0.8011 cents per share.
- Our dividend policy is to target an increasing distribution per share over time within a pay-out ratio of approximately 20-40% of full-year distributable earnings¹.
- Dividends are declared at the Board's discretion and depend on our financial performance.

1. Distributable earnings is net profit after tax excluding any fair value gain/loss on investment properties.

GUIDANCE AND OUTLOOK



**NORTHLAKE
WANAKA**



WINTON

**ALTA VILLAS
NORTHLAKE**

WINTON

**ALTA VILLAS
NORTHLAKE**

WINTON

**ALTA VILLAS
NORTHLAKE**

WINTON

Annual FY23 Guidance

Winton continues to operate with confidence, reaffirming updated guidance issued on 3 February 2023.



- On 3 February 2023 we updated guidance for the 12 months ending 30 June 2023. The change to guidance is driven by delivery delay of pre-sold projects attributable to heavy January rainfall in the North Island. As a result, we have already lost 83% of this summer's earthwork season, incurred water damage to pre-ordered supplies and expect supply chain implications to the industry.
- For FY23, we now expect net profit after tax¹ of between \$72.4 million and \$82.4 million. This compares to the FY23 forecast provided at the time of IPO of \$98.9 million. The revised guidance remains above the FY22 declared net profit after tax of \$31.7 million.
- Any net profit after tax not realised in FY23 is expected to be realised in H1 FY24, as these profits are largely pre-sold and there are no sunset dates in relation to the delayed units that would put this at risk.
- Cyclone Gabrielle has further solidified this change to our full year expectations, with no further amendment to guidance.

This guidance is subject to no material adverse changes or unforeseen events, no material development delays, material settlement defaults or any further material Covid restrictions.

1. Excluding any unconfirmed fair value revaluation of investment properties for FY23.

Market and Outlook

In Winton's established market-leading position, with a history of successful developments and extensive development pipeline, Winton will continue to execute its growth strategy, outperforming competitors and taking market share.



- The double-digit year on year growth experienced in the New Zealand housing market in recent years was unsustainable, amplified by Covid's impact on the housing market, which was unprecedented.
- We expect sales prices to continue to decline from their COVID-triggered peak at the end of 2021 until inflation has stabilised.
- We successfully operated in the pre-COVID market with robust profit margins and the ability to create and fund new projects and will continue to do so as we move through the current sales cycle.
- The recent weather events will likely have further supply chain implications for the industry.
- In this environment, the strategy adapts to accommodate low pre-sales for the majority of the market as buyers prefer to buy completed properties. Instead, we will focus on high net worth pre-sales where buyers are more immune to the current economic conditions through premium urban residential offerings and our luxury retirement offering Northbrook.
- FY23 is expected to be a record year for Winton as we deliver more land lots and homes than we ever have before.
- Going into the remainder of the year and into the next, we are in a strong financial and market position to continue to deliver our pre-sold product, create ongoing revenue opportunities and use softer market conditions to our advantage for further land acquisition and construction delivery.

WINTON

QUESTIONS



**NORTHLAKE
WANAKA**



WINTON

NORTHBROOK
WANAKA

APPENDICES

Management Team

PRESENTING TODAY



Chris Meehan

Chief Executive
Officer

- Founded Winton in 2009.
- Over 30 years' real estate experience.
- Strategic and operational leadership.
- Founded the Belle Property real estate franchise in Australia, and grew the business to 20+ offices across Australia and New Zealand.



Jean McMahon

Chief Financial
Officer

- Over 18 years' experience in real estate, finance and investment.
- Responsible for finance, tax and accounting functions.
- Previously at Property for Industry, Lloyds Banking Group and KPMG.



Simon Ash

Chief Operating
Officer

- Over 18 years' experience in real estate, finance and investment banking.
- Responsible for oversight of Winton's business operations.
- Previously at Macquarie Group and Brookfield Financial.



Justine Hollows

General Manager,
Corporate Services

- Over 18 years' experience in law, including property development, transactional and leasing work.
- Responsible for legal oversight, risk management, compliance, and human resources.
- Previously at Auckland International Airport, Bell Gully, and Minter Ellison.



Julian Cook

Director of
Retirement

- Over 20 years' experience in corporate finance and retirement living.
- Responsible for leading and executing Winton's retirement living strategy.
- Previously held CEO and CFO roles at Summerset Group and spent 12 years at Macquarie Group.

RECONCILIATION OF PRO FORMA EBITDA

A bridge summary of pro forma EBITDA and NPAT

NZ\$m (unless indicated otherwise)	H1 FY23	H1 FY22	
Selected Financial Information	6 Months Ended 31 Dec 2022	6 Months Ended 31 Dec 2021	Movement
Earnings before interest expense, taxation and depreciation (EBITDA)	49.7	2.8	46.9
Pro forma adjustments:			
Transaction costs relating to the Offer	-	5.9	(5.9)
Incremental listed company costs	-	(0.2)	0.2
Total pro forma adjustments:	-	5.7	(5.7)
Pro forma EBITDA	49.7	8.5	41.2

All values in \$000's	H1 FY23	H1 FY22	
Selected Financial Information	6 Months Ended 31 Dec 2022	6 Months Ended 31 Dec 2021	Movement
Profit after income tax	34.5	1.3	33.2
Pro forma adjustments:			
Transaction costs relating to the Offer	-	5.9	(5.9)
Incremental listed company costs	-	(0.2)	0.2
Tax impact of pro forma adjustments	-	0.1	(0.1)
Total pro forma adjustments:	-	5.8	(5.8)
Pro forma Profit after income tax	34.5	7.1	27.4

Description of pro forma adjustments

In determining the use of pro forma adjustments, the Board has considered only those items that they believe are required to ensure consistency and comparability of the financial information over the Historical Periods and the Prospective Periods.

The pro forma adjustments that Winton considers are appropriate are explained below:

- Removal of the one-off transaction costs relating to the Offer; and
- Adding an estimate of the incremental costs that will be incurred by Winton as a publicly listed company.

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All amounts are disclosed in New Zealand dollars (NZ\$) unless otherwise indicated.

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BEST BY DESIGN
