



NORTHLAKE
WANAKA

Winton FY24 Interim Results Investor Presentation

WINTON

20 February 2024

Presenting Today



Chris Meehan
Chief Executive Officer



Jean McMahon
Chief Financial Officer



WINTON

1. Business Update
2. Financial Overview
3. Market and Outlook





Business Update

H1 FY24 Summary

NZ\$m	H1 FY24	H1 FY23	Movement
	Half Year Ended	Half Year Ended	
	31-Dec-23	31-Dec-22	
Revenue ¹	85.6	92.8	(7.2)
EBITDA ²	14.2	49.7	(35.5)
Profit after income tax	9.7	34.5	(24.8)

Notes: 1. Revenue includes all revenue as per Note 2 in the financial statement on page 17 of the Interim Report FY24.

2. EBITDA is defined as Earnings less Interest, Tax, Depreciation and Amortisation.



Business Highlights

- ✓ 158 units settled to 31 December 2023
- ✓ Strong pre-sale book of \$409.0m continues to protect future revenues
- ✓ Land bank of 6,268 units¹
- ✓ Unlocked land value for residential developments with 66.6% rezoned to date
- ✓ Continued sales across the Northbrook portfolio
- ✓ Resource consent granted for all Northbrook sites
- ✓ Opening of Ayrburn, a new hospitality offering
- ✓ New debt facility to fund Northbrook developments
- ✓ Appointment of Guy Fergusson to the Board
- ✓ Approved and implemented sustainability framework



Continued Momentum

H1 FY24 delivers value for Winton.

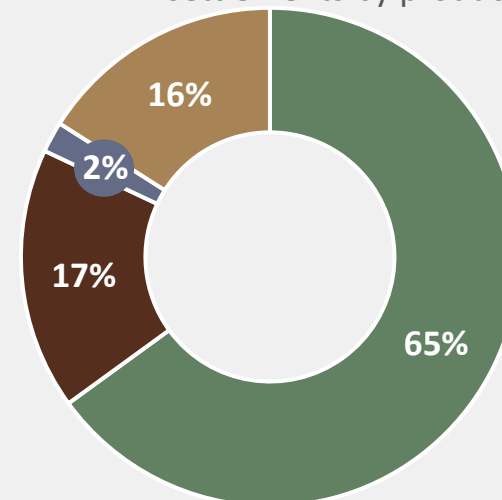
Neighbourhood	Units settled H1 FY24	Units settled H1 FY23	Movement
Lakeside	78	111	(33)
Beaches	16	82	(66)
North Ridge	9	-	9
Northlake	28	13	15
Launch Bay	26	13	13
River Terrace	1	-	1
Total	158	219	(61)
Average revenue per unit (000's)	\$523	\$388	\$135

H1 FY24 Sales

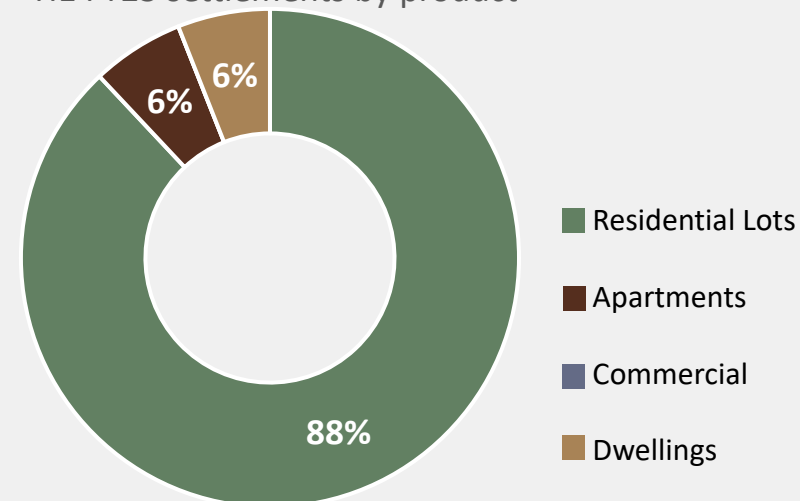
- In H1 FY24, 34.8% of settlements comprised of constructed product¹ compared with 11.9% in H1 FY23.
- Average revenue per unit is \$135k higher in H1 FY24 as a result of the greater proportion of constructed product settled.

Settlements by product type

H1 FY24 settlements by product

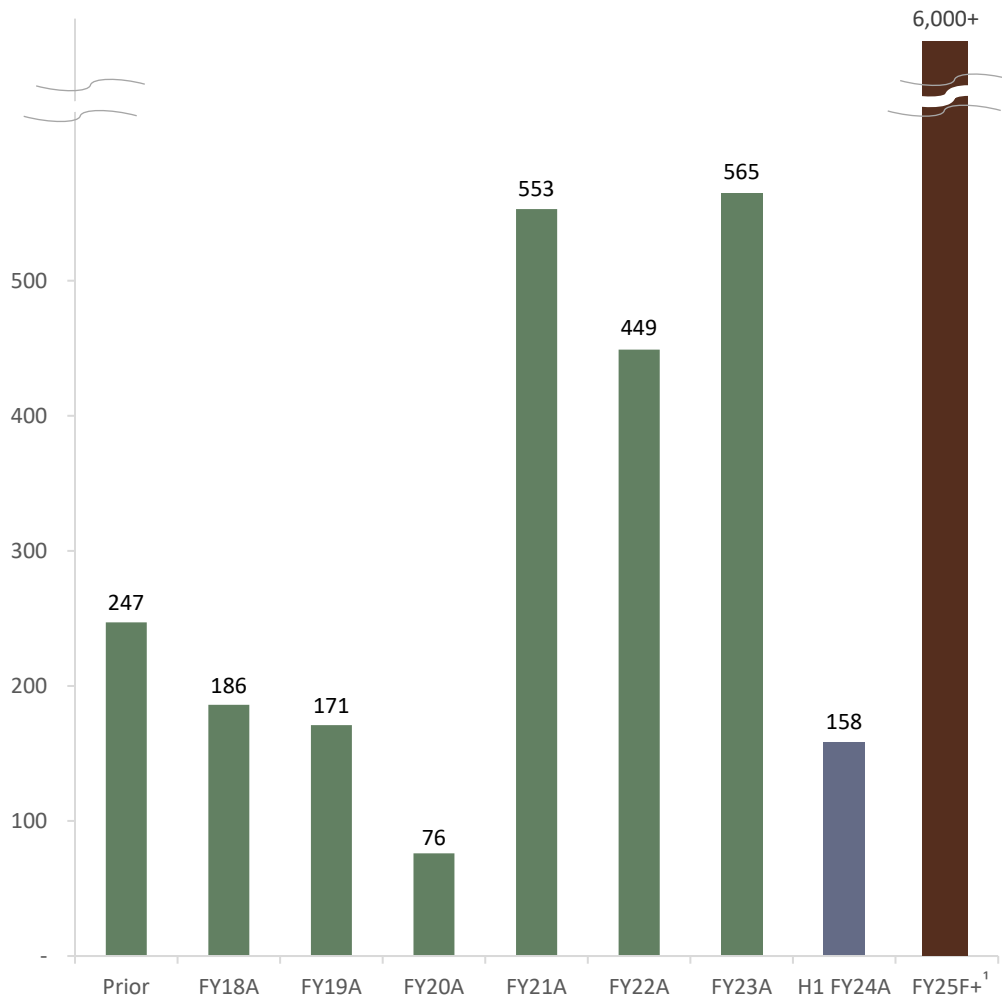


H1 FY23 settlements by product



Significant landbank pipeline

Pipeline of over 6,000 units remain to be delivered in future years.



Settlements include completed communities:

- Longreach – 163 units
- Lakes Edge – 55 units



Unlocking land value

Work behind the scenes continues to unlock land value through re-zoning and consents.



NORTHLAKE



AYRBURN



NORTHBROOK ARROWTOWN



NORTHBROOK LAUNCH BAY

H1 FY24

Northlake

- The plan change for the remaining portion of Stage 18 has been approved – the appeal closed in early February. This increases the yield of this stage by ~30 lots from previous assumptions, providing a total yield of ~130 lots, and allows Winton to fully realise the value of the site.
- Civil works continue on Stage 17.

Northbrook Arrowtown

- Resource consent for Northbrook Arrowtown received in November 2023, the consent is a significant milestone in unlocking value but requires modification.
- A full size show apartment will welcome visitors soon.
- Consent includes an adjacent boutique 16-room hotel, providing accommodation for visitors to both Ayrburn Precinct and Northbrook.

Northbrook Launch Bay

- Northbrook Launch Bay granted resource consent in September 2023.

North Ridge

- The consenting process is underway for the remaining stages.

Sunfield

- We continue to progress the 56 hectares of the property which is currently zoned future urban with a more traditional masterplan supported by current regulation, yielding ~2,000 lots.
- Winton remains firm in its resolve to pursue alternate legislative pathways to rezone the remaining c.150 hectares.

Significant progress onsite

Winton development continues at pace.



NORTHBROOK WYNYARD QUARTER



LAUNCH BAY



BEACHES



LAKESIDE

H1 FY24

Launch Bay Hobsonville

- Jimmy's Point has progressed well with construction of the structure largely complete.
- Show suite for Jimmy's Point is expected to open in April 2024 to showcase the quality of the development to prospective buyers.
- Remaining Ovation Apartments and Launch Bay Townhouses continue to be marketed for sale.

Lakeside Te Kauwhata

- 78 units within stage 3 settled during the period.
- Playground completed and vested to the Waikato District Council in October 2023.
- Lease signed with a Café operator at the Lakeside Commercial hub.
- Earthworks on stages 4 and 5 progressing, while civil works continue on the remaining stage 3 lots.

Beaches Matarangi

- Works continue on stages 14 and 15, with settlements expected to occur in FY24.
- Final works are well progressed, with the Coastal Walkway to Matarangi town centre completed, a key walkable link for the community.
- Completed planting on the eastern lake, and remediation of the salt marsh.
- Remaining lots are actively marketed.

Northbrook

- Early works at Northbrook Wynyard Quarter are complete.
- Significant progress continues on site at Northbrook Wanaka and Northbrook Arrowtown.

Ayrburn

- Well received opening of the Woolshed, Manure Room, Burr Bar and The Dell in December.
- Progressed works on the Barrell room, the Bakery/RM specialty, and fine dining venue Billy's.



Financial Overview

LAUNCH BAY
HOBSONVILLE POINT

H1 FY24 Financial Performance

Winton's financial performance - investing for future returns.

Financial Performance

- Revenues have decreased by 7.7%, primarily due to net 61 fewer units settled in the period. This is offset by constructed product comprising 34.8% of settlements, which commands a price premium over land lots.
- Similarly, cost of sales has increased on the prior period due to a greater proportion of constructed product, offset by some cost efficiencies achieved across Launch Bay and Northlake.
- The fair value gain on investment properties in H1 FY24 of \$2.6m results from the revaluation of Northbrook Launch Bay following the receipt of resource consent in September 2023. This compares to a gain of \$15.6m in H1 FY23, with the lower gain a result of the timing of consents granted, the properties being revalued, and the original purchase price of the underlying land.
- Expenses are elevated on H1 FY23, primarily driven by administrative expenses and selling expenses. Administrative expense increases are a result of an increase in headcount. Selling expenses have increased 29.4%, reflecting additional marketing spend to support Northbrook sales and the opening of Ayrburn.
- EBITDA decreases, excluding the impact for fair value gains, are primarily a result of the combination of fewer settlements, a higher cost of sales resulting from the increase in constructed product over the prior period and higher expenses.

Statement of Financial Performance	unaudited H1 FY24	unaudited H1 FY23	Movement
NZ\$m (unless indicated otherwise)	Half Year Ended	Half Year Ended	
	31-Dec-23	31-Dec-22	
Revenue	85.6	92.8	(7.2)
Cost of sales	(57.0)	(45.7)	(11.3)
Gain on sale of PP&E	(0.2)	0.3	(0.5)
Fair value gain on investment properties	2.6	15.6	(13.0)
Expenses	(16.8)	(13.3)	(3.5)
EBITDA	14.2	49.7	(35.5)
Depreciation and amortisation	(1.2)	(1.1)	(0.1)
Net interest income	0.6	0.3	0.3
Net profit before tax	13.6	48.9	(35.3)
Income tax expense	(3.9)	(14.4)	10.5
Profit after income tax	9.7	34.5	(24.8)

H1 FY24 Financial Position

Winton commits to funding for Northbrook and Lakeside.

Financial Position

- Winton cash increases result from the timing of settlements and debt proceeds, relative to cash outflows for development and operational activity.
- Inventory declines in the half year period are a result of the settlement profile discussed previously, offset by progression of work on site.
- Property plant and equipment increases result primarily from Ayrburn Precinct, alongside the Northbrook Wanaka and Northbrook Arrowtown show suites.
- Winton has entered into a new debt facility with Massachusetts Mutual Life Insurance Company, with a facility limit of \$80m. The facility is ringfenced to the Lakeside development and will function as a working capital facility where drawings will fund the development works at Lakeside. Lakeside settlements will be utilised to extinguish the loan over a period of four years. The loan has provided an initial equity release of \$63.3m which will be used to fund Northbrook development.

Statement of Financial Position	unaudited H1 FY24	audited FY23	
NZ\$m (unless indicated otherwise)	As at	As at	Movement
	31-Dec-23	30-Jun-23	
Cash and cash equivalents	99.3	76.3	23.0
Inventories	236.2	256.7	(20.5)
Investment properties	236.0	207.5	28.5
Property, plant and equipment	64.1	40.5	23.6
Other assets	12.5	9.6	2.9
Total assets	648.1	590.6	57.5
Accounts payable and other liabilities	22.3	30.2	(7.9)
Lease liabilities	10.4	11.0	(0.6)
Taxation payable	21.6	23.4	(1.8)
Deferred tax liabilities	16.0	15.6	0.4
Borrowings	63.3	-	63.3
Total liabilities	133.6	80.2	53.4
Net Assets	514.5	510.4	4.1
NTA cents per share	173	171	2

H1 FY24 Cashflows

Cash generation supports continued growth.

Cashflows

- Receipts from customers are reduced in line with reduced settlements.
- Timing of development activity has driven lower payment to suppliers and land purchase payments.
- Purchases and development of property plant and equipment primarily result from Ayrburn.
- Financing activated primarily result from the drawdown of the Massachusetts Mutual Life Insurance Company facility.
- Dividends are paid following the release of interim and year end results.

Statement of Cashflows	unaudited H1 FY24	unaudited H1 FY23	
NZ\$m (unless indicated otherwise)	Half Year Ended	Half Year Ended	Movement
	31-Dec-23	31-Dec-22	
Cash flows from operating activities			
Receipts from customers	85.3	93.6	(8.3)
Payment to suppliers, employees, and other	(62.4)	(85.7)	23.3
Development land purchases	(5.4)	(25.8)	20.4
Net cash flows from operating activities	17.5	(17.9)	35.4
Cash flows from investing activities			
Investment property purchases	(25.8)	(85.0)	59.2
Acquisition of property, plant and equipment	(24.4)	(8.1)	(16.3)
Other investing activities	-	(1.6)	1.6
Net cash flows from investing activities	(50.2)	(94.7)	44.5
Cash flows from financing activities			
Net Proceeds from borrowings	63.3	-	63.3
Payment of principal portion of lease liabilities	(1.2)	-	(1.2)
Payment of dividends	(6.4)	(3.2)	(3.2)
Net cash flows from financing activities	55.7	(3.2)	58.9
Net increase in cash and cash equivalents	23.0	(115.8)	138.8
Cash and cash equivalents at beginning of the period	76.3	204.8	(128.5)
Cash and cash equivalents at the end of the period	99.3	89.0	10.3

H1 FY24 Dividend

Winton confirms an interim dividend for H1 FY24.

- The Board of Directors has declared a 0.5500 cent net dividend per share, and sits within the target range of 20-40% of distributable earnings for H1 FY24.
- Winton's dividend policy is to target an increasing distribution per share over time within a pay-out ratio of approximately 20-40% of full-year NPAT, excluding any unrealised valuation movement in investment properties.
- We continue to declare and pay dividends twice yearly following the release of interim and annual results.
- Dividends are declared at the Board's discretion and depend on our financial performance.





Market and Outlook

Market and Outlook

We remain cautious of the year ahead, despite positive indicators. We are experienced in navigating challenging market conditions.

- Inflation pressures have eased but remain outside RBNZ targets of 1-3%, with annual inflation at 4.7% at December 2023. This decrease was largely driven by tradeable inflation of 3.0%, as non-tradeable inflation remained elevated at 5.9%¹.
- Net migration remains elevated, with 126,000 migrants arriving in the year to December 2023¹, provisionally an annual record for both arrivals and departures. This is likely to continue to drive demand for housing.
- REINZ data for January 2023 has shown positive signs for the property market. Nationally the house price index has increased 2.2% and the sales count has increased 4.9%² year-on-year.
- Mortgage rates appear to have peaked³.
- Within the context of a challenging economic landscape, Winton is prepared for sales to remain slower and inflation to remain elevated, however we are well-positioned to use current market conditions to our advantage.





Questions

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

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WINTON

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.



Duncan Elley

General Manager,
Project Delivery

- Over 20 years of experience in land development, real estate, finance and investment management.
- Responsible for delivery of development projects.
- Previously at Chenavari Investment Managers and Capmark Bank Europe plc.

Neighbourhood Summary

Winton's 14 communities, with 13 in New Zealand and 1 in Australia.

Communities	Location	Target units ¹	Settled ²	Target units remaining ¹	Pre Sold Units ²
1. Northlake	Wanaka	1,005	(662)	343	72
2. Lakeside	Te Kauwhata	1,672	(808)	864	852
3. Launch Bay	Hobsonville	350	(97)	253	14
4. Sunfield	Auckland	3,957	-	3,957	-
5. Wynyard Quarter	Auckland	183	-	183	12
6. Avon Loop	Christchurch	210	-	210	-
7. Northbrook Arrowtown	Queenstown	212	-	212	-
8. Ayrburn Farm & Precinct	Arrowtown	16	(2)	14	-
9. Beaches	Matarangi	330	(296)	34	14
10. North Ridge	Cessnock (AU)	358	(168)	190	2
11. River Terrace	Cromwell	18	(17)	1	-
12. Parnell	Auckland	6	-	6	-
13. Bridesdale Farm	Queenstown	138	(137)	1	-
14. Cracker Bay	Auckland	-	-	-	-
Total		8,455	(2,187)	6,268	966

Target units remaining by type		
Residential	Retirement	Commercial
208	128	7
852	-	12
39	214	-
3,643	-	314
22	154	7
-	210	-
-	196	16
7	-	7
33	-	1
190	-	-
1	-	-
5	-	1
-	-	1
-	-	-
5,000	902	366

Development Staging

A balanced staging of developments mitigates risk and provides continuity of cashflows.

Project Name	Location	Target units remaining ¹	FY24 - FY32+																		
			FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32+										
Northlake ³	Wanaka	215	Planning, Design and Zoning/Consent	Construction	Settlements																
Lakeside	Te Kauwhata	852	Settlements	Construction	Settlements	Construction	Settlements														
Launch Bay	Hobsonville	39	Settlements	Construction																	
Sunfield ³	Auckland	3,957	Construction	Construction	Construction	Construction	Construction	Settlements	Settlements	Settlements	Settlements	Settlements	Settlements	Settlements	Settlements	Settlements	Settlements	Settlements	Settlements	Settlements	Settlements
Ayrburn Farm	Arrowtown	7	Construction	Construction	Settlements	Settlements															
Beaches ³	Matarangi	34 ²	Settlements	Construction	Construction	Construction															
North Ridge	Cessnock (AU)	190	Construction	Construction	Construction	Construction	Construction	Settlements	Settlements												
River Terrace	Cromwell	1	Settlements																		
Parnell	Auckland	6	Construction	Construction	Settlements	Settlements															
Bridesdale Farm	Queenstown	1	Construction	Construction																	
Villard Wynyard Quarter	Auckland	22						Settlements													
Total Development		5,324																			

Planning, Design and Zoning/Consent ■ Construction ■ Settlements ■

Notes: 1. Target units to be developed from 1 January 2024 onwards on existing projects based on management estimates and masterplans current as at 31 December 2023. Target total units, target product mix and target settlement period may change, including due to planning outcomes and market demand.
 2. FY24-25 Residential and FY26 Campsite.
 3. Includes commercial assets

Development Staging (cont.)

Winton holds investment properties to benefit from annuity income.

Project Name	Location	Target units remaining ¹	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32+
Northbrook Wynyard Quarter	Auckland	154									
Northbrook Avon Loop	Christchurch	210									
Northbrook Arrowtown	Arrowtown	196									
Northbrook Wanaka	Wanaka	128									
Northbrook Launch Bay	Hobsonville	214									
Total Retirement		902									
Lakeside Commercial	Te Kauwhata	12									
Ayrburn Precinct	Arrowtown	7									
Northbrook Wynyard Quarter Commercial	Auckland	7									
Northbrook Arrowtown Commercial	Arrowtown	16									
Total Commercial		42									
Total Portfolio		6,268									

■ Planning, Design and Zoning/Consent
 ■ Construction
 ■ Settlements
 ■ Complete, held as investment