

WINTON

MARKET ANNOUNCEMENT

NZX: WIN / ASX: WTN

22 February 2023

WINTON ON TRACK TO DELIVER RECORD YEAR IN FY23

Winton (NZX: WIN / ASX: WTN) is pleased to release its interim results for the six months ending 31 December 2022 (H1 FY23) with revenue of \$85.1 million, a gross profit margin of 46.3%, earnings before interest, tax, depreciation and amortisation (EBITDA) of \$49.7 million and \$34.5 million profit after tax.

Chris Meehan, Chair and CEO of Winton said: "This is a fantastic result for the half year. We settled 219 units¹ delivering \$85.1 million revenue which was 91.9% higher than H1 FY22 and delivered \$34.5 million profit after tax."

"We deliver these results at a time of a softer housing market, high inflation and increasing interest rates where our pre-sales from prior years have done their role to provide security of income into the future. As at 31 December 2022, pre-sales were \$565.8 million²."

"We also deliver these results at a time when New Zealand is dealing with the cleanup from the January storms and Cyclone Gabrielle. The full extent of the damage and cost for New Zealand is unknown and the effects will be ongoing as the remediation and rebuild occurs. I acknowledge the distressing situation for many and those personally impacted."

"NZ median sales prices have decreased 12% from their COVID triggered peak and we expect them to continue to decline 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. In this environment, the strategy adapts to accommodate low pre-sales for the majority of the market as buyers prefer to buy completed properties and focus on high net worth pre-sales where buyers are more immune to the current economic conditions. Aligned with this, we have continued to make good progress with our luxury retirement offering Northbrook and premium freehold apartment products in Parnell and Wynyard Quarter."

"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."

"We finish the half year in a strong position with a landbank yield of up to 6,751 units, including 907 retirement living units, cash holdings of \$89.0 million and zero debt."

¹ Units comprise residential land lots, dwellings, townhouses, apartments, retirement living units and commercial units.

² Winton pre-sells properties by signing a contract with buyers prior to completion of a unit who pay a deposit on signing the contract (which is held in Winton's solicitors' trust account) and then pay the balance on completion. Pre-sales are recognised as revenue when the unit is settled.

Relative to the prior corresponding period, Winton's gross profit was \$39.4 million, 204.1% ahead of H1 FY22. During the first half of FY23, the timing of development and construction programmes resulted in Winton settling 71.1% more units than H1 FY22, which saw revenue 91.9% higher than the same period in FY22, and cost of sales up 82.6%.

During H1 FY23 Winton continued executing development plans across its 14 masterplanned neighbourhoods and 27 projects including completing Stages 5, 7 and 8 at Beaches Matarangi, Stage 2 at Lakeside Te Kauwhata, Ovation apartments at Launch Bay Hobsonville Point and the Stage 15 homes at Northlake Wanaka.

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. Development is well underway at Northbrook Wanaka, including the construction of the show suite. The flagship Northbrook show suite is also under construction at Wynyard Quarter in Auckland.

The vision for Ayrburn restaurant precinct is coming together as Winton gets closer to opening the doors before the end of 2023. A marketing manager has been employed and further operational appointments will be made in the next few months. Next door at Waterfall Park, the civil works on the retirement precinct are advancing at pace.

The extreme rainfall over summer and the storms at the end of January meant Winton lost 83% of this summer's earthwork season by the end of January and incurred water damage to pre-ordered supplies compounding expected supply chain implications to the industry. As a result, on 3 February 2023 Winton updated guidance for FY23 reflecting delivery delay of pre-sold projects.

Winton now expects to deliver net profit after tax³ of between \$72.4 million and \$82.4 million, subject to no material adverse changes or unforeseen events. 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 Winton's full year expectations.

The Winton Board has declared a 2.06 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.

Winton's Interim Report and all future financial reports will be publicly available on our website [Winton Land Limited Investor Centre](#). You may at any time, request a hard copy (or an electronic copy) of the most recent and future Annual Reports free of charge. You can do so through our share registry, Link Market Services, including by updating your communication preferences online through the Investor Centre.

Ends.

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³ Excluding any unconfirmed fair value revaluation of investment properties for FY23.

About Winton

Winton is a residential land developer that specialises in developing integrated and fully masterplanned neighbourhoods. Across its 14 masterplanned communities, Winton has a portfolio of 27 projects expected to yield a combined total of circa 7,000 residential lots, dwellings, apartment units, retirement village units and commercial lots. Winton listed on the NZX and ASX in 2021.

www.winton.nz