

13 February 2023

Immediate release to the ASX

Lifestyle Communities FY23 Half Year Results

Key Highlights:

- Four out of seven planned project launches for FY23 have been completed in the first half
- Lifestyle Communities will have eleven projects in various stages of delivery by the end of FY23
- Net profit after tax of \$25.3 million compared to \$27.5 million in the prior period driven by lower new home settlements (1HFY23: 141 v 1HFY22: 161)
- Annuity revenue increased by 20.7% with higher rental revenue from an increased number of homes under management and higher deferred management fees from an increased number of established home resales and higher resale prices
- Integrated micro-grid at Meridian under construction and design completed to implement similar micro grids at the seven new communities launching this year
- The Lifestyle Communities Board declared an interim fully franked dividend of 5.5 cents per share, up from 4.5 cents per share paid for the same period in the prior year

Lifestyle Communities Limited (ASX: LIC) has launched four out of seven new projects planned for FY23 bringing the total number of projects currently under development to eight. Three additional projects planned for launch in FY23 have all received local council planning approval and are on schedule for launch in the second half. The company will have eleven projects in various stages of delivery by the end of FY23. The expected settlement profile of communities in development is shown below:

Community	FY23				FY24				FY25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mount Duneed	●											
Kaduna Park	●											
Wollert	●	●	●	●	●	●	●	●	●			
Deanside	●	●	●	●	●	●	●	●	●			
St Leonards - The Waves	●	●	●	●	●							
St Leonards - The Shores								●	●	●	●	●
Meridian	●	●	●	●	●	●	●	●	●	●	●	●
Woodlea				●	●	●	●	●	●	●	●	●
Bellarine				●	●	●	●	●	●	●	●	●
Pakenham						●	●	●	●	●	●	●
Riverfield						●	●	●	●	●	●	●
Phillip Island						●	●	●	●	●	●	●
Merrifield							●	●	●	●	●	●
Ocean Grove										●	●	
Warragul												●

- Represents typical settlement rate
- Represents tail of development which is often a slower settlement rate

Note: Woodlea, Bellarine, St Leonards - The Shores, and Phillip Island were launched in the first half of FY23. Riverfield, Merrifield, and Pakenham are scheduled for launch in the second half. Ocean Grove and Warragul will launch in future periods subject to planning approval.

The Company achieved a net profit after tax of \$25.3 million for the first half of the 2023 financial year, compared to \$27.5 million in the same period last year. Lower new home settlements (1HFY23: 141 compared to 1HFY22: 161) is the primary driver of the reduction in profit relative to the prior comparative period but this is expected to reverse in the second half as pre-sold homes settle. Annuity revenue increased by 20.7% with higher rental revenue from an increased number of homes under management and higher deferred management fees from an increased number of established home resales and higher resale prices. This was offset by increased sales and marketing costs to bring the new projects to market and increases in corporate overheads to support the increased activity levels.

The 20.7% increase in annuity income resulted in Lifestyle Communities' shareholders receiving an interim fully franked dividend of 5.5 cents per share, up from 4.5 cents per share paid for the same period in the prior year.

Managing Director, Mr James Kelly, said "It's been an exciting time for the business as we have brought four new projects to market in the space of six months. These new projects and the three more that will launch in the second half of FY23 are a key catalyst for a planned step up in our settlements in the second half of FY24 and into FY25. We are happy with the sales results at our new projects and demand for high quality affordable housing remains strong."

"We have onboarded 46 new team members in the last six months, primarily in front of house roles to support the increased activity levels associated with the new projects. Our careful recruitment process has ensured we have onboarded some fantastic new talent who have embraced our unique culture and share our passion for customer experience".

The company maintained its previous guidance of delivering between 1,400 to 1,700 new home settlements between FY23 and FY25. FY23 full year settlements are expected to be consistent with FY22 before a step up in FY24 and FY25 as the new projects come online and increase the number of projects contributing settlements. In November 2022, the company executed contracts with its lending syndicate to increase its debt facilities by \$150 million to \$525 million. The additional debt will support the continued growth of the development pipeline over the next 3–5 years.

Mr Kelly said "We are very pleased to have acquired a new site in Warragul during the period. Warragul is a beautiful township located south-east of Melbourne, and we look forward to complementing our established community with a 205-home development in this growing catchment. Our integrated solar plus centralised battery micro-grid at Lifestyle Meridian is under construction and we have adopted this design for all seven projects launching this year. With cost of living continuing to rise, there's no better time to free up equity from the empty nest and move into a Lifestyle Community".

Conference call details

Both James Kelly (MD) and Darren Rowland (CFO) will be available for a teleconference call at 3.00pm (AEDT) today the 13th of February 2023.

To listen to the presentation, participants must pre-register, using the pre-registration link:

<https://s1.c-conf.com/diamondpass/10027519-4lof99.html.html>

Once pre-registered, participants will receive an email with a calendar invite that contains a dial in number, passcode and a unique pin. Just prior to 3.00pm (AEDT), participants should dial the number provided, and enter the passcode and unique pin when prompted. They will then be connected directly.

Authorised for lodgement by the Board. For further information please contact:

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About Lifestyle Communities

Based in Melbourne, Victoria, Lifestyle Communities develops, owns and manages affordable independent living residential land lease communities. Lifestyle Communities has twenty-eight residential land lease communities under contract, in planning, in development, or under management.