

16 August 2023

Immediate release to the ASX



Lifestyle Communities FY23 Full Year Results

Key Highlights:

- Revenue from community management increased by 16% from \$40.6million to \$47.2million
- Operating profit after tax increased from \$61.4m in FY22 to \$71.2m in FY23, excluding the impact of the changes in property valuation assumptions.
- New home settlements for FY23 were 356 homes (FY22 401)
- Resale settlements of 178 (FY22: 156)
- Shareholders will receive a final fully franked dividend of 6.0 cents per share, taking the total dividend for the year to 11.5 cents per share
- 3 Year Settlement guidance rolled forward – See below for details.

Managing Director, Mr James Kelly said “Lifestyle Communities celebrates 20 years of operations this year and it is a privilege to have settled our 3,500th home and welcomed our 5,000th homeowner in this milestone year. Adding to our existing trademarks, we successfully registered the trademark for the words “Lifestyle Communities”, a proud moment for me personally, and an important step in protecting the substantial investment we have made in developing our brand over many years”.

Mr Kelly said “For 20 years we’ve stuck to our plan of being the most customer centric and innovative provider of high-quality affordable housing for those looking to downsize in Victoria and we’re seeing it pay dividends as we start to leverage our scale to provide even more value back to our homeowners. The launch of Club Lifestyle in May is one of the most exciting initiatives in our history and provides all homeowners at Lifestyle Communities with access to a free holiday at our new custom-built resort on the Bellarine Peninsula. Homeowners staying at Club Lifestyle will have the choice of staying in one of the 28 custom designed villas, park their van in the caravan park sites, or use the motor homes, all for free throughout the year. We believe this reinforces our credentials of being long-term managers, continually adding value to the homeowner experience and driving referral.”

“New home settlements were lower than we would have liked in FY23 due to new customers at two projects taking slightly longer to list their homes for sale. However, we have a strong pre-sales pipeline, and the property market is looking positive into the spring selling season in Melbourne. The operating business performed well, growing homes under management and delivering strong price growth in resales. Operating cash flow was negative this year with leverage increasing in line with our plan to commence construction at seven new projects. Our balance sheet is in good shape and operating cash flow is expected to turn positive when we recycle our capital through settlements at the new projects “

Looking forward to FY24 Mr Kelly said “With the seven new projects that commenced construction this year, we’re expecting to see settlements in FY24 weighted to the second half as we welcome new homeowners to those communities for the first time. With the land already in the pipeline and our continuing land acquisition cycle, we are planning to deliver 1,400 to 1,700 new home settlements between FY24 and FY26. Resale settlements attracting a DMF are anticipated to be in the range of 550 to 750 over the next 3 years. We continue to investigate further land acquisition opportunities in Melbourne’s growth corridors and key regional centres.”

“As cost-of-living pressures continue to increase, many people are starting to realise how living in a Lifestyle Community can ease financial pressures by freeing up equity from the family home, lowering day to day living costs, and providing access to a suite of features and benefits to mitigate some of the cost-of-living pressures being felt in this high inflation environment”.

Due to the long-term nature of our business the company provides guidance in 3-year ranges which are influenced by the number of projects in development and our land acquisition cycle. The ranges for the relevant periods are shown below:

	FY22	FY23	FY24	FY25	FY26
New home settlements					
FY22 — 3 year range	1,100 to 1,300				
FY23 — 3 year range		1,400 to 1,700			
FY24 — 3 year range			1,400 to 1,700		
Actual results achieved	401	356	tbc	tbc	tbc
Established home settlements					
FY22 — 3 year range	450 to 550				
FY23 — 3 year range		550 to 750			
FY24 — 3 year range			550 to 750		
Actual results achieved	156	178	tbc	tbc	tbc

The expected settlement profile of communities in development is shown below. The table has been rolled forward for the next 3 years and updated to include new land acquisitions at Clifton Springs and Yarrawonga.

Community	FY24				FY25				FY26			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Wollert	●	●	●	●	●							
Deanside	●	●	●	●	●							
St Leonards - The Waves	●											
St Leonards - The Shores					●	●	●	●	●	●	●	●
Meridian	●	●	●	●	●	●	●	●				
Woodlea	●	●	●	●	●	●	●	●	●	●	●	●
Bellarine	●	●	●	●	●	●	●	●	●	●	●	●
Pakenham					●	●	●	●	●	●	●	●
Riverfield			●	●	●	●	●	●	●	●	●	●
Phillip Island			●	●	●	●	●	●	●	●	●	●
Merrifield					●	●	●	●	●	●	●	●
Ocean Grove							●	●	●	●	●	●
Warragul								●	●	●	●	●
Clifton Springs											●	●
Yarrawonga								●	●	●	●	●

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

Conference Call Details

Both James Kelly (MD) and Darren Rowland (CFO) will be available for a teleconference call at 3.00pm (AEST) on 16 August 2023 following the results release.

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

<https://registrations.events/direct/OCP60883>

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, participants should dial the number provided and enter the passcode and unique pin when prompted. They will then be connected directly.

Participants will have the opportunity to ask questions during the conference call by dialing-in '*1' (star, 1) on their telephone keypad.

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

James Kelly
Managing Director
Ph: (03) 9682 2249
Email: james.kelly@lifestylecommunities.com.au

About Lifestyle Communities

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