

14 December 2023

Immediate release to the ASX

Lifestyle Communities amends its debt facility

Lifestyle Communities Limited (ASX code: LIC) advises that it has agreed commercial terms with its lending group to refresh and modernise its existing common terms deed. A summary of the material changes to the facility is as follows:

- Total facility size increased from \$525 million to \$700 million
- Tranche 1 - \$110 million – which was due to expire in June 2025 has been amended and upgraded to \$285 million expiring in December 2028
- Interest Cover Ratio (ICR) covenant reduced from 2x to 1.5x for the next four reporting periods before stepping up to 1.75x for the remainder of the term
- Loan to value ratio (LVR) covenant calculation updated to include the value of joint venture assets which were previously excluded
- Existing lenders NAB, CBA and HSBC all reaffirmed their commitment to the syndicate and revised terms
- New lenders Westpac and ANZ added to the banking group

The Company anticipates increasing the utilisation of the facility throughout the five-year term. Increased utilisation will be subject to existing internal capital management disciplines and covenant requirements.

Lifestyle Communities® Managing Director James Kelly said “We could not be happier to have the support of five top tier banks who are as committed as we are to increasing the supply of high-quality affordable housing. We were in cycle to rollover Tranche A of our existing facility and to be able to use that process to upsize our facility, improve our tenor, introduce two new lenders, and modernise the terms of our facility agreement is a fantastic outcome and really sets the business up for the next 5 years and beyond.

The rapidly rising interest rate environment and macro-economic conditions has had an effect on consumer sentiment, and this has resulted in some customers taking longer to list their family home for sale. As a result, settlements for FY24 will be even more heavily weighted to the second half as some of the anticipated settlements from the 5 projects currently settling in the first half have pushed out to the second half. This will add to the three new projects commencing settlements for the first time in the second half. Homeowners that have listed their existing homes for sale are continuing to see strong prices, low time on market, and are benefiting from limited stock on the external market. Our sales this year are higher than the same period last year and cancellation rates have remained consistent. Cash flow from community operations continues to increase underpinned by rental and DMF from the increasing number of homes under management”.

Authorised for release 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 thirty-two residential land lease communities under contract, in planning, in development, or under management.

Forward-looking statement

This announcement contains forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and performance are examples of forward-looking statements. Forward-looking statements, including projections or guidance on future earnings and estimates, are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.