

22 February 2024

Immediate release to the ASX

### Lifestyle Communities FY24 Half Year Results

#### Key Highlights:

- Ten projects in active development, the most in our history, and two more projects scheduled for launch during 2024
- Annuity revenue increased by 16% with higher rental revenue from an increased number of homes under management and the inflation linked 6.6% rental increase year on year.
- Net profit after tax of \$20.8 million compared to \$25.2 million in the prior comparative period impacted by lower new home settlements (1HFY24: 124 v 1HFY23: 141) and increased pre-sales and marketing costs for new projects which have not yet commenced settlements
- The Lifestyle Communities Board declared an interim fully franked dividend of 5.5 cents per share, consistent with the same period in the prior year
- No change to 3-year settlement guidance of 1,400 to 1,700 new home settlements between FY24 and FY26

Managing Director, Mr James Kelly, said “Market conditions were challenging during 2023. Rapid interest rate rises, and persistent high inflation flowed through the economy impacting many areas of our business. A significant number of insolvencies in the construction industry fuelled a lack of consumer confidence and this has had an impact on our new home settlements with some customers waiting until their home is completed before listing their existing home for sale. In spite of these challenging conditions we are currently holding 420+ presales contracts worth \$287.4+ million and expect new home settlements in FY24 to be a similar to FY23, both underpinned by our strong referral rates of up to 50% of new sales.”

Mr Kelly continued “We are seeing a disconnect between a strong economy, low unemployment, and customers not buying land to build new homes. One of the benefits of our business model is that when the residential market goes through a challenging period, it creates buying opportunities for us to acquire englobo land and increase our development pipeline. We purchased four sites during the first half of FY24 and are currently reviewing a number of high-quality land buying opportunities that are coming to market through mid and smaller tier land developers.”

“Our operating business remains strong with a 16% increase in revenue. We continue to have strong interest in resales with an average time on market of 57 days and an annualised growth of home prices of 10% per annum. This further highlights our customers’ desire to buy ready-to-go product and not take the perceived risk of building a new home. We also launched Club Lifestyle which is a brand and customer differentiating product that enables our 5,300+ homeowners to have a free holiday at Club Lifestyle Bellarine. This offer is now generating the most clicks on our paid social media advertising and is really helping to drive enquiry.”

“We are also about to commence our new small land footprint product up at Yarrowonga and this heralds a new opportunity to look at smaller sites as well as deliver smaller single story 2-bedroom product that is appealing to younger baby boomers and Gen X.”

“The second half of 2024 is an exciting time for the business as we welcome first homeowners at Phillip Island, and commence construction at Yarrowonga and Ocean Grove. We are also looking forward to welcoming homeowners to the opening of our latest state-of-the-art clubhouse at Woodlea.”

Lifestyle Communities® has ten projects in active development and two additional projects planned for launch in FY24 which have all received local council planning approval and are on schedule for launch in the second half. The company will have twelve projects in various stages of completion by the end of FY24. The expected settlement profile of communities in development is shown below:

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	●	●	●	●	●	●	●	●				
Ridgelea (Pakenham)							●	●	●	●	●	●
Riverfield			●	●	●	●	●	●	●	●	●	●
Phillip Island			●	●	●	●	●	●	●	●	●	●
Merrifield						●	●	●	●	●	●	●
Ocean Grove II							●	●	●	●	●	●
Warragul II									●	●	●	●
Clifton Springs											●	●
Yarrowonga						●	●	●	●	●	●	●
Clyde III											●	●
Inverloch												●

● 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 11am (AEDT) the 22<sup>th</sup> of February 2024.

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

[https://vistra.zoom.us/webinar/register/WN\\_NQAdvippQBSwDJQvimVtnA](https://vistra.zoom.us/webinar/register/WN_NQAdvippQBSwDJQvimVtnA)

Once pre-registered, participants will receive an email with a calendar invite that contains a unique link and dialin number, Webinar ID, and passcode. To join the conference call, participants can either use the unique link or by dialling-in details provided in the email. They will then be connected directly.

Those who have already pre-registered prior to this release can still join the call via the existing link / dial-in number provided at the time of registration.

Participants will have the opportunity to ask written or verbal questions during the conference call. Written questions can be asked through the 'Q&A' function. Verbal questions can be asked through the 'Raise Hand' function available on the conference platform.

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