

18 July 2024

## Immediate release to the ASX

### FY24 Key Results and Forward Guidance Withdrawn

#### Summary:

- Subject to finalisation of the Company's audit, FY24 operating profit after tax<sup>1</sup> expected to be in the range of \$52.4m to \$53.4m (FY23: \$71.1m)
- New home settlements in FY24 were 311 (FY23:356) and resale settlements in FY24 were 151 (FY23: 178)
- Average time on market for established homes sold in FY24 was 63 days and average annual capital growth on those sales was 10.02%. On average, homeowners made a profit of \$86k after paying the Deferred Management Fee (DMF)
- Property valuations have been completed but also remain subject to finalisation of the Company's audit. Balance sheet valuation of the investment property portfolio is \$1.14 billion (FY23: \$962 million). Weighted average rent capitalisation rate at the end of FY24 is 5.21% (FY23: 5.14%) and average DMF valuation at the end of FY24 is \$64k per home (FY23: \$61k per home)
- Lifestyle Communities announces that all forward-looking guidance it has previously provided is withdrawn due to the difficulty in quantifying the impact the uncertainty caused by recent media coverage might have on future sales and settlements

Managing Director, Mr James Kelly, said: "There is no doubt that interest rate rises, persistent high inflation, and ongoing insolvencies in the building sector impacted consumer confidence in FY24. Despite these challenges, we achieved 376 new home sales, which is the fourth highest result in our history."

"The FY24 result, in a challenging market, is a testament to the resilience of our model and how strongly it continues to resonate with customers. We have always preferred the DMF model because it lowers the upfront entry cost for people buying into one of our communities. This enables customers to release more equity to supplement their lifestyle. Capital gains made over time typically assist with paying the DMF. Customers who sold their homes in FY24 did so in an average of 63 days and made an average profit of \$86k after paying the DMF."

"Recent media coverage largely focused on exit fees without considering the lower entry price that our homeowners typically pay, nor the other benefits we offer. As noted previously, we reject the allegations made in the Victorian Civil and Administrative Tribunal (VCAT) applications by the group of homeowners at Wollert and will defend them accordingly. Given the angst the media coverage has caused homeowners across our communities, we have written to VCAT to request an urgent case management hearing with a view to progressing things as quickly as possible."

1. Operating profit after tax is a non-IFRS measure provided to give a better understanding of the performance of the company. It excludes the adjustment to property valuations caused by changes in assumptions used by independent valuers.

“We have been heartened by the support from our homeowners across all our communities who felt the portrayal of Lifestyle Communities in the media coverage was not representative of our business or their lived experience. However, due to the difficulty in quantifying the impact the uncertainty caused by recent media coverage might have on future sales and settlements, all forward-looking guidance previously provided is withdrawn.”

### **Conference Call Details**

James Kelly (MD) and Darren Rowland (CFO) will be available for a teleconference call at 9.00am (AEST) on 14 August 2024 following the release of the FY24 results.

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

[https://vistra.zoom.us/webinar/register/WN\\_ieJDBAsQQ-qZw1QFBOVASw](https://vistra.zoom.us/webinar/register/WN_ieJDBAsQQ-qZw1QFBOVASw)

Once pre-registered, participants will receive an email with a calendar invite that contains a unique link and dial-in 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.

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 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.