

17 August 2022

Immediate release to the ASX

Lifestyle Communities FY22 Full Year Results

Key Highlights:

- New home settlements increased from 255 in FY21 to 401 in FY22
- Resale settlements attracting a DMF increased from 105 in FY21 to 143 in FY22
- Total homes under management increased to 3,193 with a further 2,150+ home sites in the development pipeline
- Annuity income rose 25% to \$40.6 million (FY21: \$32.4 million) driven by the increased number of homes under management
- Underlying profit after tax rose 69% to \$61.4 million for the 2022 financial year with market-based property valuation changes lifting statutory profit after tax to \$89.9 million
- Shareholders will receive a final fully franked dividend of 6.0 cents per share, taking the total dividend for the year to 10.5 cents per share, an increase of 31% on the prior year.

Lifestyle Communities settled 401 new homes in FY22 increasing its homes under management to 3,193 and lifting underlying profit by 69%. The company now has over 4,500 homeowners living in its 19 operating communities spread across Melbourne's growth corridors, the Mornington and Bellarine Peninsula, and to Shepparton in the North.

Managing Director, Mr James Kelly said "To say this year was an unusual one for the business is an understatement. Lockdowns for the first four months of the year were followed by a large upswing in demand through the Christmas/New Year period as pent-up demand and a "life is short" sentiment coming out of lockdown saw strong sales and increasing desire to free up equity through downsizing. More recently we have seen inflationary pressures through supply chain challenges and rising interest rates. As a business, we took decisions to build latency into our delivery timeframes, ensuring that we had sufficient stock to meet pre-sales commitments as we emerged from the pandemic shutdowns. To deliver 401 new home settlements in this environment was a really pleasing result."

Mr Kelly said "In addition to the Phillip Island site which we announced in August 2021, we acquired three more sites during the year, which gives us a future pipeline of over 2,150 homes. This will underpin our continued growth for the next 3 to 5 years. We continue to see new land acquisition opportunities come to market and are well funded to continue to purchase high quality sites that meet our investment criteria. FY22 saw the completion of construction at Mount Duneed and Kaduna Park as well as the opening of the clubhouse at St Leonards. Wollert, Deanside and St Leonards are all selling well and we were very pleased to welcome our first homeowners at Lifestyle Meridian."

In FY22 the company invested \$1.6m to upgrade its IT systems. The digital transformation included:

- Launch of new website,
- Implementation of SAP as our finance system
- Introduction of Salesforce including a homeowner portal

The upgraded systems provide a 360-degree view of our customer from their first engagement through to their move-out day, a journey which can be more than 10 years. These systems enable automation and scalability as the business grows and are a key platform to better facilitate customer interactions.

Mr Kelly said “These systems are a key platform to deliver the next evolution of our customer experience and enable us to maintain the personal touch with our customers as we continue to grow. We are particularly excited to launch our homeowner portal which will provide our homeowners with a simple to use platform to stay in touch, engage with content, access benefits, book their facilities, and communicate directly with Lifestyle in real time from any device”.

The company plans to launch 7 new sites for development and sale during FY23 increasing the total projects in various stages of development to 11 by FY25. With land already in the pipeline, the company is planning to deliver 1,400 to 1,700 new home settlements between FY23 and FY25. An uplift of circa 30% compared to the previous 3-year settlement range.

Settlement profile of communities in development

Community	FY23				FY24				FY25			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Mount Duneed												
Kaduna Park												
Wollert												
Deanside												
St Leonards												
Clyde (Meridian)												
Woodlea												
Bellarine												
Pakenham												
Clyde (Riverfield)												
Phillip Island												
Merrifield												
Ocean Grove												

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

Looking forward to FY23 Mr Kelly said “Supply chain challenges are expected to persist in the near term but our construction program is progressing well at this stage. FY23 settlements are expected to be consistent with FY22 but the launch of the 7 new projects during the year will see a step up in settlements in FY24 and FY25 as new projects come online at Woodlea, Phillip Island, St Leonards, Clyde, Bellarine, Pakenham, Merrifield and Ocean Grove. Resale settlements attracting a DMF are anticipated to be in the range of 550 to 750 over the next 3 years. We have the capacity to secure three new sites per year and we continue to investigate further land acquisition opportunities in Melbourne's key growth corridors.”

In closing, Mr Kelly Said “I’d like to thank our amazing team for their initiative during an extraordinary FY22. I’m very proud of the results that we’ve delivered and our team’s continued dedication to our homeowners. We are excited to launch Lifestyle Bellarine for sale in September 2022. This project will commence the next evolution of our homeowner experience strategy which will seek to offer benefits and experiences to Lifestyle Homeowners beyond the boundaries of their direct community.”

Conference Call Details:

Both James Kelly (MD) and Darren Rowland (CFO) will be available for a teleconference call at 3.00pm (AEDT) on 17 August 2022 following the results release.

To listen to the presentation and ask questions, participants must pre-register using the following pre-registration link:

<https://s1.c-conf.com/diamondpass/10022678-4mflk7.html>

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

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 twenty-six 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.