

ASX:LIC

20 July 2022

Immediate Release to the ASX

Lifestyle Communities Update on FY22 Profit

Key Highlights

- FY22 new home settlements of 401 (FY21: 255) and 143 resale settlements attracting a deferred management fee (FY21: 105)
- FY23 to FY25 three-year guidance – New home settlements of 1,400 to 1,700 and 550 to 750 resale settlements attracting a deferred management fee

Lifestyle Communities Limited (ASX: LIC) (“Company”) advises that it has finalised the year-end valuation process for its portfolio of 26 communities that are fully developed, partially developed or waiting to commence development.

A combination of new home settlements achieved in FY22, a continued compression in capitalisation rates for land lease assets, and movements in the residential property market, has resulted in a \$92.6m uplift in the value of the Company’s property portfolio (FY21: \$108.6m). This will impact the statutory profit result for FY22. Capitalisation rates on the annuity rental stream have compressed from a range of 5.5% – 5.75%, to a range of 4.87% – 5.25% across the portfolio. The weighted average capitalisation rate is 5.18% (FY21: 5.57%).

Subject to the finalisation of the year-end audit, the Company expects to report net profit after tax attributable to shareholders of \$88.4m – \$89.4m (FY21: \$91.1m). Excluding the impact of the changes in property valuation assumptions, the underlying profit after tax is expected to increase from \$36.4m in FY21 to a range of \$60.5m – \$61.5m in FY22. The uplift between FY21 and FY22 is primarily driven by increased new home settlements and an increase in annuity income driven by a higher number homes under management. New home settlements for FY22 were 401 (FY21: 255) and resale settlements attracting a deferred management fee were 143 (FY21: 105), increasing annuity income by 25% to \$40.6m (FY21: \$32.4m).

With the land already in the pipeline, the Company is planning to deliver 1,400 to 1,700 new home settlements between FY23 and FY25. FY23 settlements are expected to be consistent with FY22 before a step up in FY24 and FY25 as new projects come online at Woodlea, Phillip Island, St Leonards, Clyde, Leopold, Pakenham, Merrifield and Ocean Grove. Resale settlements attracting a deferred management fee are anticipated to be in the range of 550 to 750 over the next 3 years.

The Company will announce its audited FY22 financial results on 17 August 2022 and further details will be provided at this time.

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.