

18 August 2021

Immediate release to the ASX

**Lifestyle Communities FY21 Full Year Results**

The impact of COVID-19 and consequent lockdowns and restrictions continuing through FY21 were significant for all of Victoria and for Victorian businesses. Lifestyle Communities was no exception, with particular limitations imposed on inspections, sales and marketing processes, and our office-based team members. Our operating communities and homeowners were also affected with community facilities shut down in accordance with Government directions. Despite all the disruption, the team opened four new clubhouses, launched three new display home precincts, and welcomed first homeowners to three new communities at Wollert, Deanside, and St Leonards.

Lifestyle Communities' profit after tax was \$91.1 million for the 2021 financial year, underpinned by a \$76 million post-tax non-cash uplift in the value of the company's property portfolio. New home settlements for FY21 were 255 (FY20: 253) and resale settlements attracting a DMF were 105 (FY20: 80) increasing annuity income from site rentals and deferred management fees by 15% to \$32.4 million (FY20: \$28.1 million).

The annuity income from site rentals and the significant increase in resale settlements in the second half of FY21 resulted in Lifestyle Communities' shareholders receiving a final fully franked dividend of 5.0 cents per share, taking the total dividend for the year to 8.0 cents per share, an increase of 45% on the prior year.

Managing Director, Mr James Kelly said "The 2021 financial year was another challenging one for the business with Covid-19 lockdowns in force for almost half the year. These lockdowns have had a significant impact on consumer confidence particularly amongst our target customer base which has negatively affected enquiries, lead times, and subsequent sales. Notwithstanding, community character came to the fore during lockdown as homeowners in our communities showed generosity of spirit to look out for one another in what were very challenging circumstances. I continue to be impressed by the way our team faces into the challenges of Covid-19 and looks for opportunities to continue to delight our customers"

"To deliver new home settlements consistent with last year in this environment was a solid achievement. After the major lockdown from July 2020 to October 2020, the team responded with real determination, achieving 255 new home settlements."

"Although some adjustments were necessary to keep homeowners safe and to comply with public health orders, our community management teams were still able to operate throughout the lockdown and provide support to homeowners through wellness, safety, and connection initiatives. Our community operations team has done a terrific job keeping our homeowners informed and engaged throughout the pandemic. Our sales and marketing teams have focused on online platforms, digital media, and virtual sales appointments to retain momentum and connection with the customer, ensuring cancellation rates didn't increase through successive lockdowns. Rates of referral from existing customers remain high which is a testament to the innovation and service delivery of our team."

“We continued our focus on capital management to ensure the Company remains in a strong financial position going forward. We have agreed terms to extend our existing funding agreements with National Australia Bank, The Commonwealth Bank of Australia, and HSBC Bank Australia to increase the debt facility by \$100 million to a total of \$375 million. This additional liquidity sees the Company well capitalised to secure any future land acquisition opportunities that may arise.”

Mr Kelly said “Pleasingly, we acquired two new sites during the year, plus an additional site on Phillip Island in August 2021, which gives us a future pipeline of over 2,300 homes. We continue to see a number of new land acquisition opportunities come to market and are well funded to continue to purchase high quality sites that meet our investment criteria.”

“We commenced FY22 with 250 new homes sold and awaiting settlement. The construction program is progressing well, and we are looking forward to showcasing our completed clubhouses at Mount Duneed, Wollert, and Deanside over the next 12 months. With the current pipeline of projects, the business has the ability to deliver 1,100 to 1,300 new home settlements and 450 to 550 resale settlements over the next three years subject to the ongoing uncertainty and restrictions in relation to the Covid-19 pandemic on the Victorian property market. We are excited to launch Lifestyle Meridian at Clyde for sale in September 2021. This project will see the next evolution of housing and clubhouse designs and will also feature a first of its kind rooftop solar + centralised battery community micro-grid. The micro-grid innovation will be a key step towards our goal of achieving net zero carbon emissions by no later than 2035”

“After joining the Board four years ago, Georgina Williams has advised that she intends to retire with effect from 31 August. Georgina’s contribution to the Board during that time has been significant, and on behalf of all Board members and management, we offer Georgina our very best wishes for the future. We have commenced an external recruitment process to appoint a new non-executive director and we look forward to welcoming a new Director to the team in the coming months to support our future growth.”

## **Conference call details**

Both James Kelly (MD) and Darren Rowland (CFO) will be available for a teleconference call at 3.00pm (AEDT) on 18 August 2021 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/10014314-l1v3l1f3.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-four residential land lease communities under contract, in planning, in development, or under management.