Tuesday, 7 May 2024

Immediate release to the ASX

Investor Presentation

Attached is a presentation that will be delivered by Lifestyle Communities Limited to investors at the 2024 Macquarie Australia Conference held in Sydney from 7 to 9 May 2024.

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.

Lifestyle Communities®

A Business for Purpose

Lifestyle® COMMUNITIES | Life. Unlimited.

Business **snapshot**

We’re champions for facilitating a bigger life for our homeowners.

A cohort of like-minded working, semi-retired and retired downsizers who belong to a generation that’s seen more change than any before; and possibly any to come.

- *21 years* in the making
- *Customer and homeowner centric*
- *3,650+ homes* under management
- *5,300+ Victorians* call Lifestyle Communities home
- *32 communities* in active development or under management

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How do we differentiate?

- Relentless focus on a highly impactful customer journey that amplifies moments that matter – *service*
- Nurture a culture that is customer and homeowner centric – *up to 50% of sales from referral*
- Design and provide facilities that meet and exceed the needs of our emerging customers – *invest more*
- Provide benefits that go beyond the home – *Club Lifestyle*
- Long term focus on looking after our communities – *the 30-year plan*

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Club **Lifestyle**

Key Drivers:

- Provide a fantastic benefit to our homeowners – ***drives referral***
- Differentiate against competitors – ***drives market share***
- Help drive sales – ***“my home comes with a free holiday”***

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What do we sell?

We don't sell homes, we change people's lives

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Our unique Exit Fee

Co-investing with our homeowners

Homeowners can fund their exit fee through property price growth over time [3]

- Key point of difference and customer benefit *"Live now, pay later"*
- Creates a long term vested interest in ensuring that the communities are maintained and improved
- Drives our 30-year reinvestment plan in each community
- Proof is in the pudding – 9.5% p.a. resale price growth over the last 10 years [1]
- 24.5% average gain to homeowners on exit after paying the exit fee [2]

	FY23	FY22	FY21	FY20	FY19
No. of resales	**178**	156	121	102	71
Average tenure (years)	**6.6**	6.1	6.0	5.5	5.3
Average DMF rate	**17.1%**	16.9%	16.7%	15.8%	16.4%
Average purchase price (move in)	**324,553**	315,392	305,838	290,318	277,152
Average sales price (move out)	**485,707**	437,808	403,548	391,525	394,698
Move out price less move in price	**161,154**	122,416	97,710	101,207	117,546
Average annual price growth	**9.7%**	8.9%	6.6%	7.7%	9.3%
Average DMF Paid to Lifestyle	**81,545**	71,665	65,435	61,440	65,001
Average cash gain to Homeowners on exit	**79,609**	50,751	32,275	39,767	52,545
Total DMF received	**11,824,060**	**10,248,070**	**6,870,675**	**4,930,140**	**3,445,050**

1. Calculated as move-out price less move-in price divided by tenure. 2. Calculated as average cash gain to homeowners who exited in FY23 divided by average purchase price at move-in. 3. Subject to market outcomes and tenure within the community

Property market **update**

Residential housing market has softened.
Impacted by:

- Rapid interest rate rising cycle
- High inflation
- Insolvencies in the construction industry impacting consumer confidence
- Land tax changes for investors

Medium term macro dynamics remain positive:

- Low unemployment
- Housing demand outstripping supply
- Net immigration
- Ageing and under-funded population
- State and Federal Government focus area

Interest rate certainty and improving consumer confidence will be catalysts

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Changing times, changing tactics.

- Recognising the current market conditions in Victoria
- Leaning into increased security concerns and financial stress

Our latest radio ad

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So why raise capital?

Positions the business well for when the cycle turns

Provides balance sheet strength in a period of slower settlements

Avoids the need to slow the development engine and reduce supply in the medium term

Enables counter-cyclical acquisition of high-quality land

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Medium Term Settlement Outlook

Increasing project velocity supports increased new home settlements in FY25

Estimated New Home Settlements [1]

Community	FY24	FY25
Wollert	44-46	25
Deanside	32-34	35-40
St Leonards - The Waves	3	
St Leonards - The Shores	6	50-55
Meridian	68-72	40-45
Woodlea	26-30	35-45
Bellarine	55-60	55-65
Phillip Island	12-14	55-60
Riverfield	43-45	65-70
Ridgelea		~15
Merrifield		~20
Ocean Grove		~20
Yarrawonga		~10
Warragul		
Clifton Springs		
Clyde III		
Inverloch		
Total	**290 - 310**	**425 - 475**

- Increasing settlement outlook due to higher number of projects contributing settlements
- In FY24, Woodlea, Phillip Island, St Leonards and Riverfield only delivered settlements for part of the year
- Ridgelea, Merrifield, Ocean Grove, and Yarrawonga will all commence first settlements in the second half of FY25
- Warragul, Clifton Springs, Clyde III and Inverloch will commence settlements beyond FY25
- FY25 Settlement revenue expected to be between \$260 million and \$300 million[2]

1. Estimate only. Subject to new home sales, home delivery, and market conditions. 2. Subject to settlements outcomes and mix of home sales

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Balance Sheet Capacity

- Net Debt is currently $325 million. Total debt facility is $700 million.
- Post 31 December we have settled land at Merrifield, Clifton Springs, and Yarrawonga. Total Investment = $68 million.
- Debt to assets ratio expected to be ~25% [1] at 30 June 24. Longer term target range between 30% and 40%
- Interest cover ratio expected to be ~3x at 30 June 24[2]. Longer term we aim to remain above 3x. Covenant is >2.5x
- Development spend in FY25 expected to be between $270 million and $290 million [3]

Upcoming Land Settlements [4]

Community	$'m	Timing
Warragul	12.9	Oct-24
Ocean Grove	40.1	Jan-25
Clyde III	40.3	Jan-25
Inverloch	30.0	Jan-25

1. Calculated as net debt divided by assets less accrued land commitments not yet settled. 2. Adjusted EBITDA for covenant testing purposes amended by agreement with our lending syndicate to exclude the impact of infrastructure costs expensed through cost of goods sold. Covenant adjusted to >2.5x as part of the amendment. 3. Timing subject to completion of contract milestones. Development spend includes housing, infrastructure, sales and marketing costs, and interest on development debt. 4. Indicative only. Timing subject to contract terms and satisfaction of conditions precedent.

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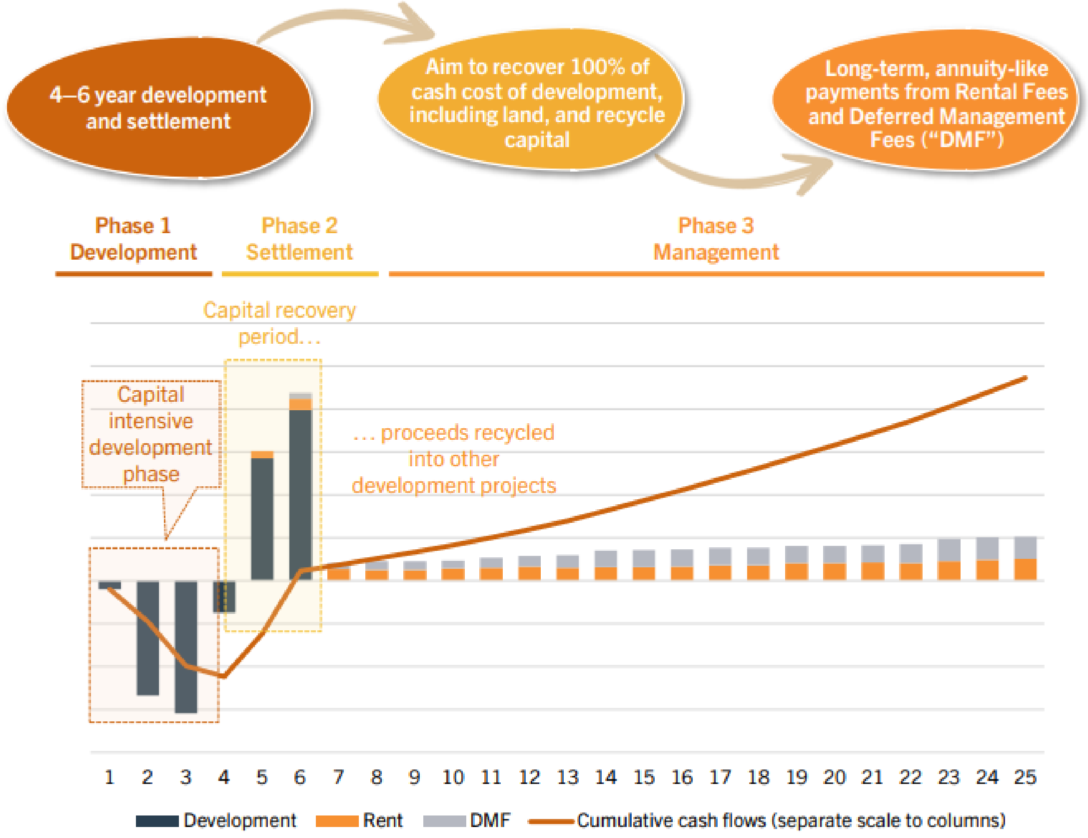
Summary

- FY24 has been a unique period as we have adjusted to the rapidly changing environment
- The steps we have taken provide balance sheet strength during a period of slower settlements
- Counter-cyclical land acquisitions positions the business well for when the cycle turns
- At its core, our model has not changed

Illustrative example of unlevered Greenfield development cash flow profile (years)[2]



Any Questions?

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