Lifestyle COMMUNITIES

A Business for Purpose

Macquarie Emerging Leaders Forum

28th November 2018

Our Story

2003
James Kelly, Dael Perlov and Bruce Carter develop business plan

2004
Development of first community at Brookfield - Opened in June 2005

2007
Listed on the Australian Stock Exchange

2012
Major capital raising of $36m

2014
1,000th homeowner moves in

2016
2,000th homeowner moves in/ 10th Community Clubhouse opens

2018
Acquired 16th community site

"Lifestyle Communities redefines the way Australians can downsize in a resort-style community, while still having all the benefits of owning your home and having total independence."

An affordable housing option to the 50% of Australians aged over 50 who have less than $550,000 in total equity

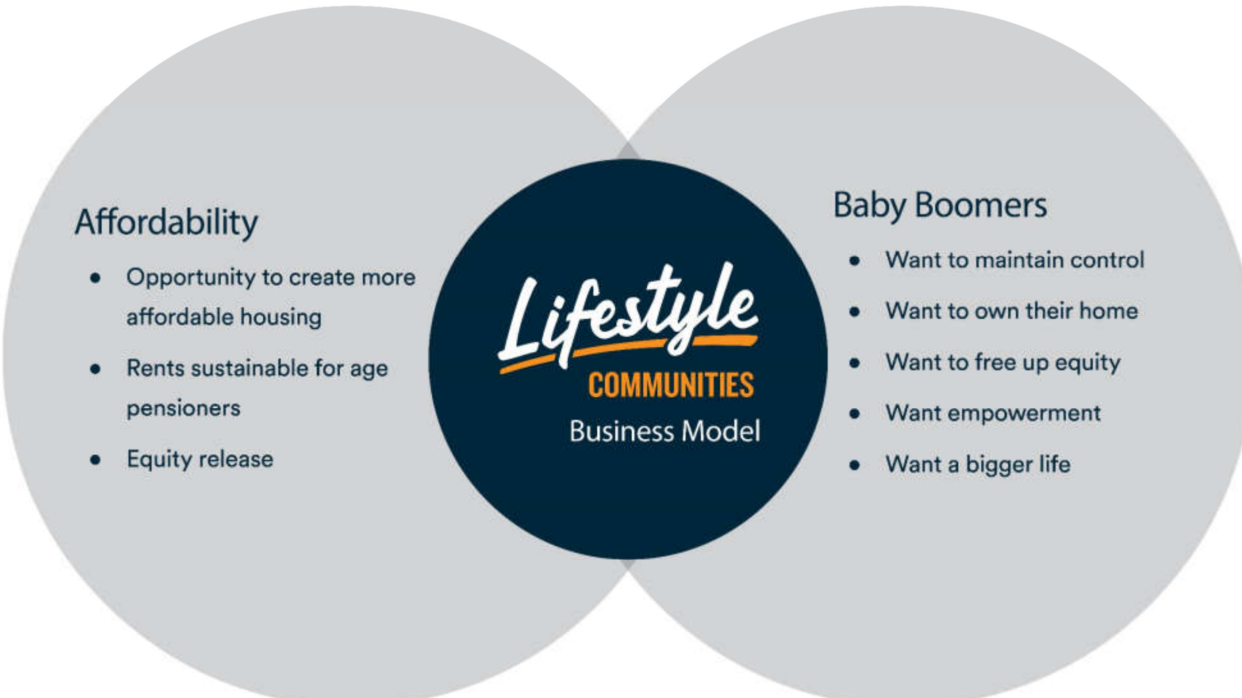
An affordable and sustainable financial model where homeowners can prosper

A respectful but highly engaging service strategy

High quality resort style facilities that exceed expectation

Key themes

Two key emerging trends come together to create the
Lifestyle Communities business model



Community Overview

How does the Lifestyle Communities model of living work?

Homeowners at Lifestyle Communities own their own home and lease the land upon which their homes are located, via a weekly site fee.

75–80%

Homes typically priced at 75-80% of the median house price.

Homeowners at Lifestyle Communities are protected by the Residential Tenancies Act.

On average, release of approximately $129,000 equity upon sale of old home.

90 YEAR LEASE

A 90 year lease provides security of tenure.

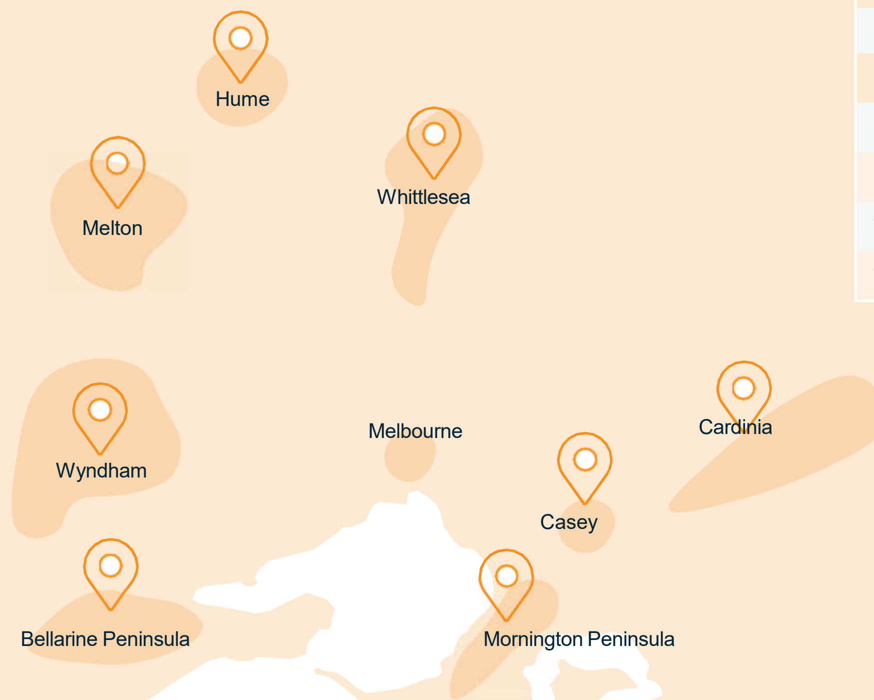
AFFORDABLE LIVING

The weekly site fee is approx. 20% of the Age Pension after receipt of the Commonwealth Rental Assistance.

Acquisition Strategy

Focused on Melbourne and Geelong's growth corridors

- Increasing opportunities to buy superlots from land developers as market softens
- Melbourne has the strategic benefit of flat topography which increases site choice
- Multiple communities can be built in each growth corridor
- Forward planning has created large areas of zoned land in each catchment



LGA	UGA(ha)
Cardinia	3,718
Casey	6,690
Hume	5,558
Melton	10,487
Mitchell	3,587
Whittlesea	2,534
Wyndham	7,313

- Plan to acquire one or two new sites every 12 months

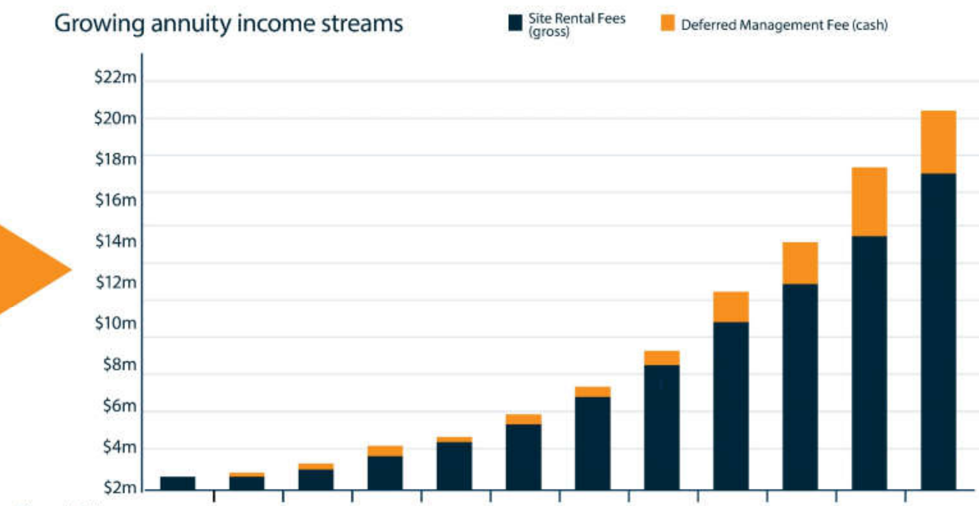
Financial Model

Creates a win-win for homeowners and shareholders

Financial Summary	FY2018 ($ Million)	FY2017 ($ Million)
Net profit after tax attributable to shareholders	$52.7	$27.7
Underlying net profit after tax attributable to shareholders	$33.8	$25.0
Total assets	$358.2	$266.1
Equity	$204.6	$155.5
Dividends (interim and final)	4.5 cents per share	3.5 cents per share
Net debt	$31.4	$43.4
Net debt to net debt plus equity	13.3%	21.8%

CREATING COMMUNITIES

MANAGING COMMUNITIES

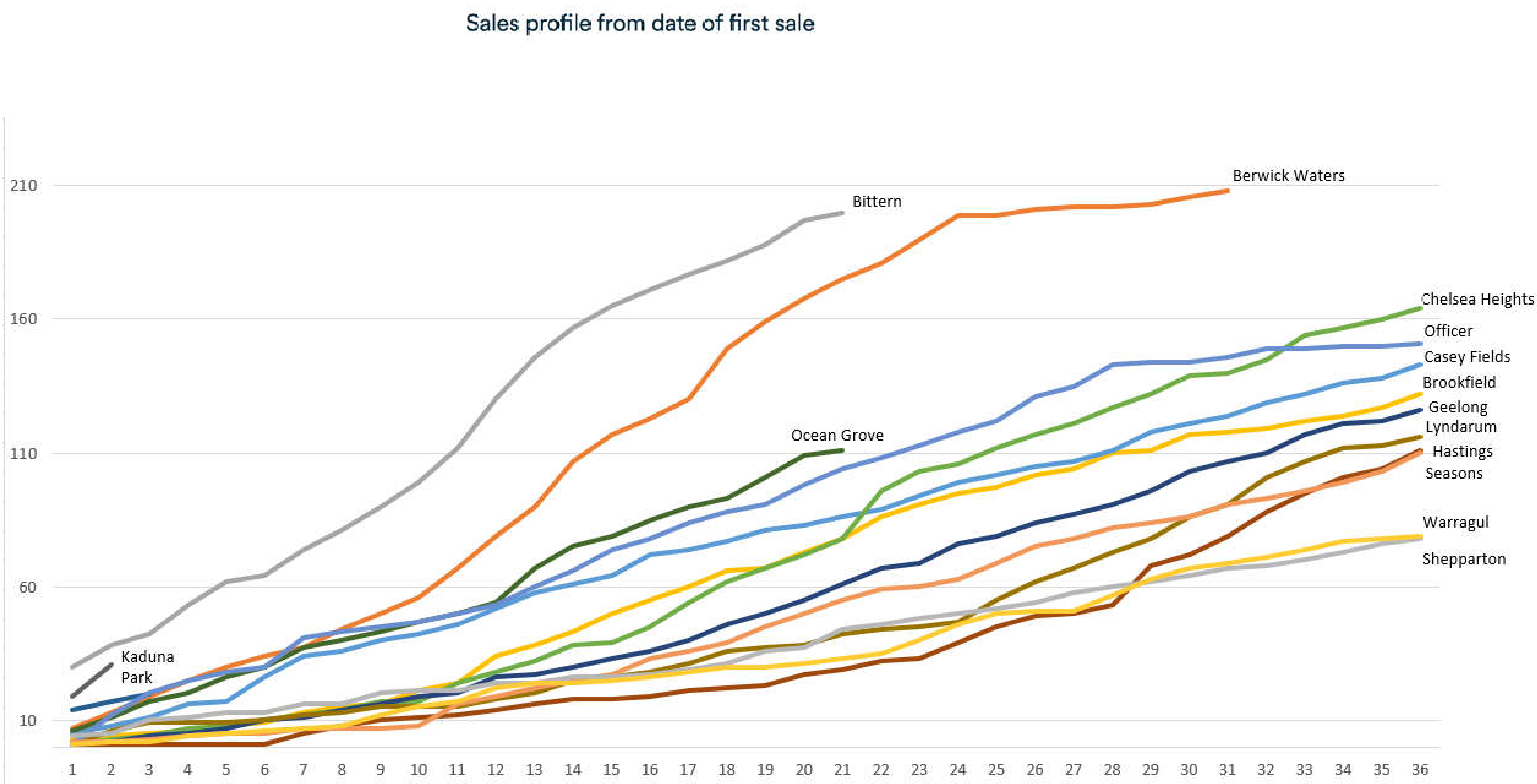


Financial Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total number of homes settled (Cumulative)	100	138	202	305	412	546	695	906	1,146	1,348	1,626	1,947
Number of resales attracting a DMF	-	-	4	11	8	11	10	23	34	52	73	59

- Rentals increase at CPI or 3.5% whichever is the greater
- DMF of 20% after 5 years on the resale price of the home

Sales rates

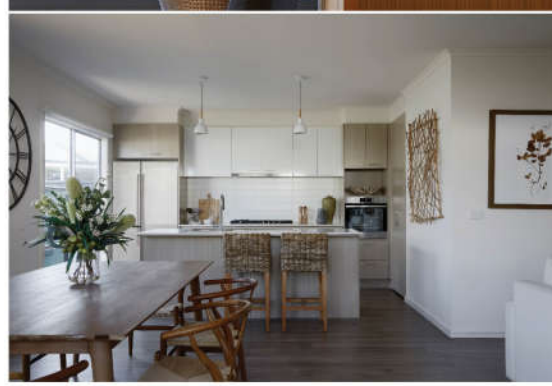
The higher the sales rate, the faster capital is recycled to undertake more communities



Community Evolution

Our community layouts and designs have continued to evolve with the changing needs of the baby boomers

- Contemporisation of the home facades & designs
- Increasing our home sizes to include 3 bedroom and larger 2 bedroom homes with studies
- Wellness programmes becoming more valued and community design evolving to incorporate these programmes
- Homeowners looking for a greater experience as they move through the acquisition process.
- Introducing programmes like 'Lifestyle has Talent' to increase engagement and the homeowner experience



Questions?

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