

# EUMUNDI GROUP LIMITED

## 2019 Annual General Meeting



# Agenda

- Chairman's Welcome
- CEO's Presentation
- Formal Business

# EUMUNDI GROUP LIMITED

## Chairman's Welcome 2019 Annual General Meeting



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## CEO's Presentation 2019 Annual General Meeting



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# FY19 performance summary

- ✓ The Company's overall result was solid

Year ended 30 June (\$'000)	2019	2018	Change
<b>Total revenue</b>	<b>24,938</b>	<b>24,782</b>	<b>1%</b>
<b>Reported profit after tax</b>	<b>1,974</b>	<b>3,900</b>	<b>-49%</b>
Net gain on fair value adjustment of investment property	(173)	(2,253)	-92%
<b>Profit after tax excluding fair value adjustment</b>	<b>1,801</b>	<b>1,647</b>	<b>9%</b>

- Reported profit in previous year was boosted by fair value adjustments on investment properties
  - Excluding fair value adjustments, net profit after tax increased by 9% to \$1.801 million in FY19
  - FY19 result included a \$0.334 million income tax benefit on restatement of deferred tax on the change of corporate tax rate from 30% to 27.5%
  - The reduction in after tax profit, excluding fair value adjustments and restatement of deferred taxes, of 11% was as expected given the competitive trading environment and the impact of the Company's works program in particular
- ✓ NTA per share of 99.1 cents as at 30 June 2019 down slightly from 103.5 cents last year, reflecting the purchase of 7 gaming authorities for \$1.27 million
  - ✓ Fully franked ordinary dividends (interim and final FY19 payments) of 5.55 cents per share (FY18: 5.55 cents per share)

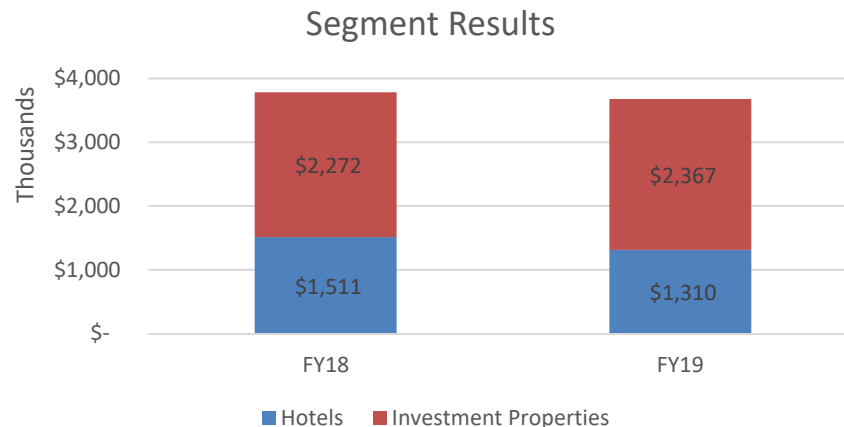
# FY19 segment contributions

## Investment Properties result increased by 4% to \$2.37 million:

- revenues from The Plough Inn head lease in FY19 increased reflecting full year contribution in current year
- contribution from the Aspley investment properties reduced due to disruption and vacancy during the capital works

## Hotels segment result decreased by 13% to \$1.31 million:

- decreased contribution from the Ashmore Tavern due to lower gaming contribution
- increased contribution from Aspley Central Tavern



Represents earnings before finance expenses, tax, depreciation, unallocated items and fair value adjustment on investment properties – refer to the Segment Information in Note 6 of the 2019 Financial Statements

# Review of Hotels

## Solid performance overall from Ashmore & Aspley Central Taverns

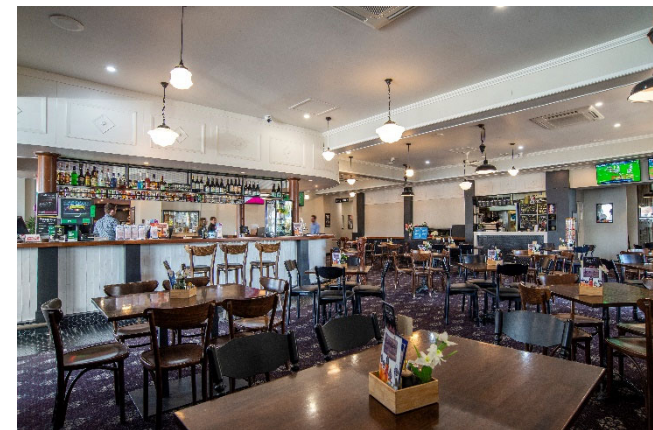
Ashmore Tavern turnover stable

- bar and bistro up 8%
- retail and wholesale liquor up 2%
- gaming revenues down 6%



Aspley Central Tavern turnover growth 5.7% achieved during refurbishment

- gaming revenues up 17.6%
- bar & bistro down 3.9%
- retail liquor down 15.8%





# Review of Hotels (cont)

## Ashmore Tavern improvements

Gaming equipment upgrades in Q1 FY19: total cost \$0.145 million



Sports bar upgrade in Q3 FY19: total cost \$0.085 million



# Review of Hotels (cont)

## Ashmore Tavern improvements (cont)

Kitchen and lounge bar refurbishment commenced in Q4 FY19, completed in Q1 FY20: total cost \$0.338 million



# Review of Hotels (cont)



# Review of Hotels (cont)

## Aspley Central Tavern

- gaming fleet upgrades in Q3 FY19: total cost \$0.083 million
- acquired seven gaming authorities in Q4 FY19, representing an increase from 35 to 42 authorities: total cost \$1.269 million



# Review of Investment Properties

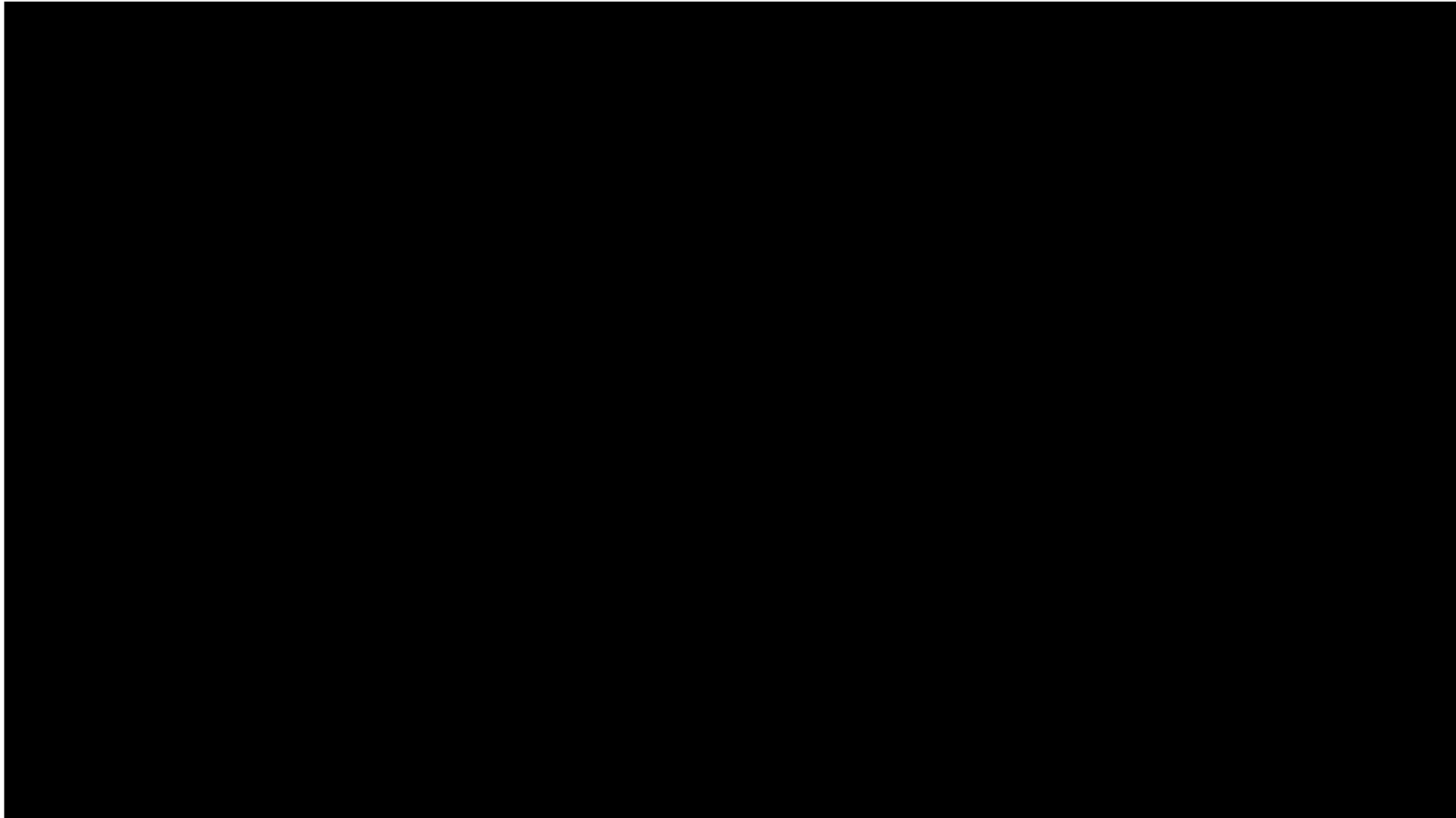
## The Plough Inn (head lease)

- Experienced operator
- Lessee improvements undertaken to increase deck capacity and provide additional bar facility
- Reliable income stream
- Predictable annual rises

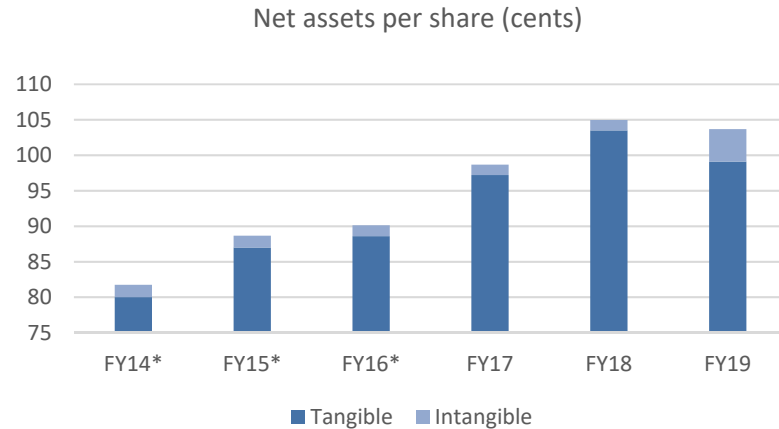
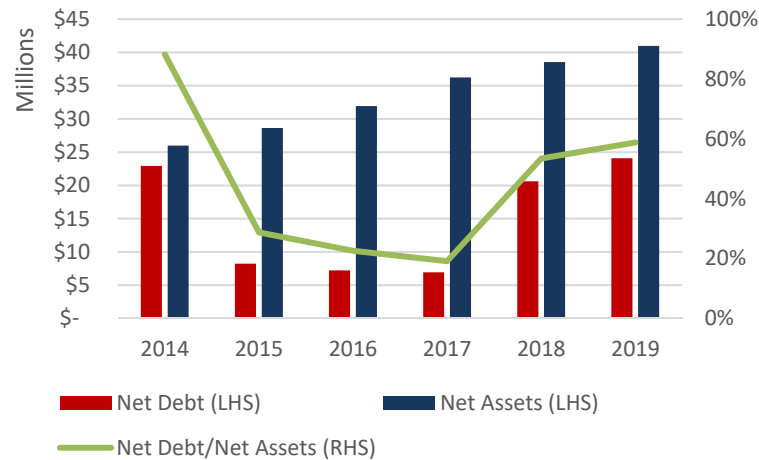


## Aspley Shopping Centre & Aspley Arcade Shopping Village

- Capital works program progressed during FY19
- Construction cost for redevelopment and upgrade of shopping centre: \$3.53 million
- Reduced contribution during site works
- Vacancy rate 24.1% throughout works
  - WALE of 2.02 years
- Retail leasing difficult



# Investment for growth



\*adj for 1:10 consolidation

- Net assets at 30 June 2019 were \$41.0 million, an increase of 6.2%, due to solid performance of the Group's investment property and hotel operations
- NTA per share of 99.1 cents at 30 June 2019 down from 103.5 cents at 30 June 2018 representing acquisition of gaming authorities for Aspley Central Tavern
- Total capital investments of \$6.506 million, funded from strong operating cash flows and debt facilities
  - Aspley Shopping Centre, Aspley Central Tavern and Ashmore Tavern: \$3.35 million
  - Aspley Arcade Shopping Village: \$2.16 million
  - gaming authorities: \$1.27 million
- Cash flow from operations in FY19 of \$3.16 million (FY18: \$2.98 million)
- Net debt increased by \$3.46 million to \$24.08 million at 30 June 2019: Net debt to net assets ratio of 59% remains comfortable

# Dividends

- Total fully franked FY19 ordinary dividends of 5.55 cents per share (FY18: 5.55 cents per share)
  - interim dividend of 3.20 cents per share
  - final dividend of 2.35 cents per share
- Shareholders have received regular fully franked ordinary dividends since June 2014
- A total of 32.1 cents in fully franked dividends paid since June 2014 (adjusted for 1:10 share consolidation)
- Continued strong support of Dividend Reinvestment Plan with participation rate of 96%



# Outlook

## Ashmore Tavern

- local economic conditions remain tough
- enhance performance through further capital improvements
  - lounge atrium in Q4 FY20: budget \$0.5 million
  - sports bar deck, gaming room and dining expansion in Q2 FY21: budget \$2 million

## Aspley Central Tavern

- gaming room works in July - August 2019 caused significant disruption as expected
- improvement anticipated post completion of centre and venue works

## Aspley Central Shopping Centre

(Aspley Shopping Centre and Aspley Arcade Shopping Village)

- rental income remains affected by capital works program with only minor works remaining
- leasing campaign underway in challenging market

# **EUMUNDI GROUP LIMITED**

**Formal Business  
2019 Annual General Meeting**



# Ordinary business

## Financial Reports

To receive and consider the Company's Annual Report comprising the Directors' Report and Auditors' Report, Directors' Declaration, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows and notes to and forming part of the financial statements for the Company and its controlled entities for the financial year ended 30 June 2019.

# Re-election of Vernon Alan Wills

## Resolution 1 - Re-election of Vernon Alan Wills as a director

To consider and, if thought fit, pass the following as an Ordinary Resolution of the Company:

*“That Vernon Alan Wills, who retires by rotation in accordance with the Company’s Constitution and, being eligible, offers himself for re-election, be re-elected as a Director of the Company.”*

Proxies	Number	%
For	9,763,336	97.59%
Open	236,260	2.37%
Against	3,752	0.04%
Abstain	7,478,843	N/A

# Remuneration Report

## Resolution 2 - Remuneration Report

To consider and, if thought fit, pass the following as an Ordinary Resolution of the Company:

*“That, for the purposes of section 250R(2) of the Corporations Act, and for all other purposes, the Remuneration Report forming part of the Company’s 2019 Annual Report be adopted.”*

**Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.**

Proxies	Number	%
For	8,037,388	98.53%
Open	106,770	1.31%
Against	13,247	0.16%
Abstain	0	N/A

# Amendment of constitution

## Resolution 3 – Amendment of Constitution

*That, for the purposes of section 136(2) of the Corporations Act 2001 (Cth) and for all other purposes, with effect immediately upon the passing of this Resolution, Rule 83 of the Company's Constitution is deleted and replaced with the following:*

### **83 ASX Listing Rule Restricted Securities**

*At times when the Company's shares are listed for quotation on the ASX, for so long as the Company has any restricted securities on issue and despite any other provision in this Constitution:*

- a) a holder of restricted securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
- b) if the restricted securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the restricted securities are to be kept on the entity's issuer sponsored subregister and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
- c) the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of restricted securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*

# Amendment of constitution (cont)

- d) *a holder of restricted securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or the ASX;*
- e) *if a holder of restricted securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues; and*
- f) *in this Rule 83 and for the purposes of this Constitution generally when used in connection with this Rule 83 or its subject matter, the following words and phrases have the meaning given to them in the Listing Rules: “class”; “dispose” or “disposal” (which include using an asset as collateral - see chapter 19 of the Listing Rules); “holding lock”; “issuer sponsored subregister”; “restricted securities”; “restriction deed”; and “securities”.*

<b>Proxies</b>	<b>Number</b>	<b>%</b>
For	17,373,394	99.39%
Open	106,770	0.61%
Against	457	<0.01%
Abstain	-	N/A

# General business

To consider any other business as may be lawfully put forward in accordance with the Constitution of the Company.