



# EILDON CAPITAL GROUP

ASX:EDC

FULL YEAR RESULTS  
PRESENTATION

31/08/2020



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# ① PERFORMANCE HIGHLIGHTS

## EILDON CAPITAL GROUP – FY20 RESULT HIGHLIGHTS

### Highlights

- Successful stapling restructure
- Consistent investment philosophy
- Growth in NTA of 3% per share
- Successfully implemented off-market buyback
- Attractive distribution profile maintained
- Portfolio well protected against property market softening

#### STATUTORY PROFIT

\$4.7m

↑ 7.8%  
From FY19

#### INVESTED CAPITAL

84%

As % of Net Tangible  
Assets

#### DIVIDEND YIELD

7.2%<sup>1</sup>  
p.a.

Paid quarterly

#### NET TANGIBLE ASSETS

↑ \$1.09  
Per share

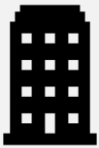
↑ 3%  
From FY19

1. Represents a weighted average distribution yield based on a security price of 99.5 cents as at 30 June 2020.

## EILDON CAPITAL GROUP – ATTRACTIVE INVESTMENT ATTRIBUTES



Consistent distributions from interest income and fees (paid quarterly)



High transparency of Net Tangible Assets



Defensive investment portfolio characteristics (Look-through LVR 66%)



NTA growth potential via equity positions



Highly experienced and proven local management team

## ② GROUP PERFORMANCE

# EILDON CAPITAL GROUP – SHAREHOLDER ASSET GROWTH SINCE INCEPTION

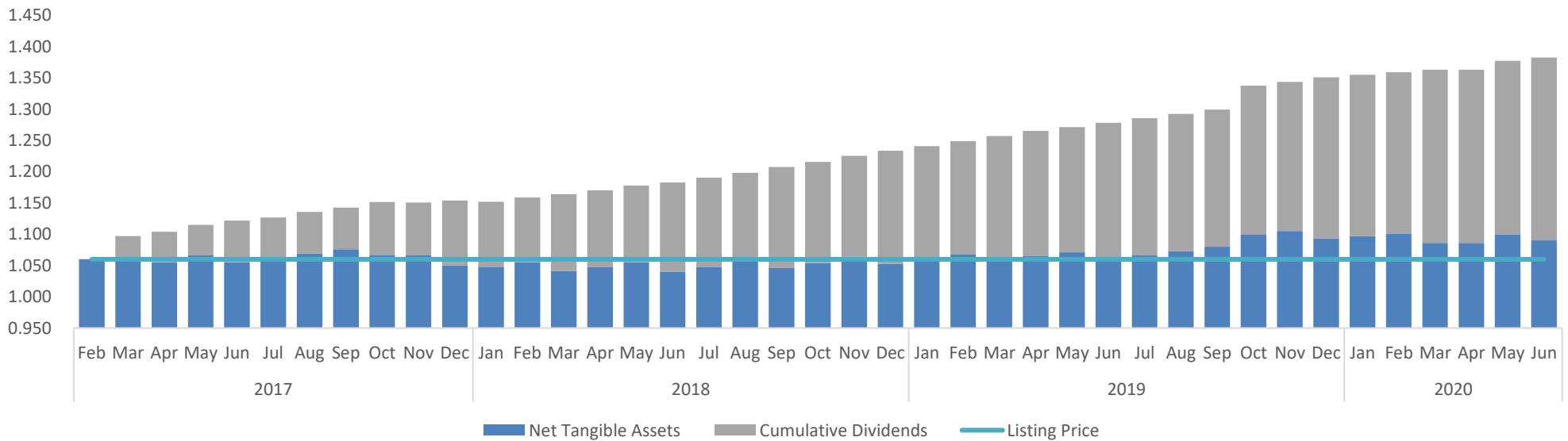
29.3c in  
distributions paid since  
listing

9.4% annualised  
returns  
(NTA + Cumulative  
Distributions)

Portfolio has been fully  
deployed/committed  
over a sustained  
period

NTA + Cumulative  
Distribution  
growth rate 0.9c  
per security / month  
(Past 12 Months)

NTA & Accumulated Distributions Since ASX Listing



## EILDON CAPITAL GROUP – INVESTMENT PERFORMANCE SINCE INCEPTION

- Committed and / or deployed capital has totalled \$105m since inception
- Importantly the 16 completed investments have delivered strong annualised returns on a drawn basis (including interest and fees)

24

INVESTMENTS  
undertaken since  
ASX listing

\$105m<sup>1</sup>

INVESTED /  
COMMITTED  
into qualifying investments

16

COMPLETED  
investments

ZERO  
IMPAIRMENTS

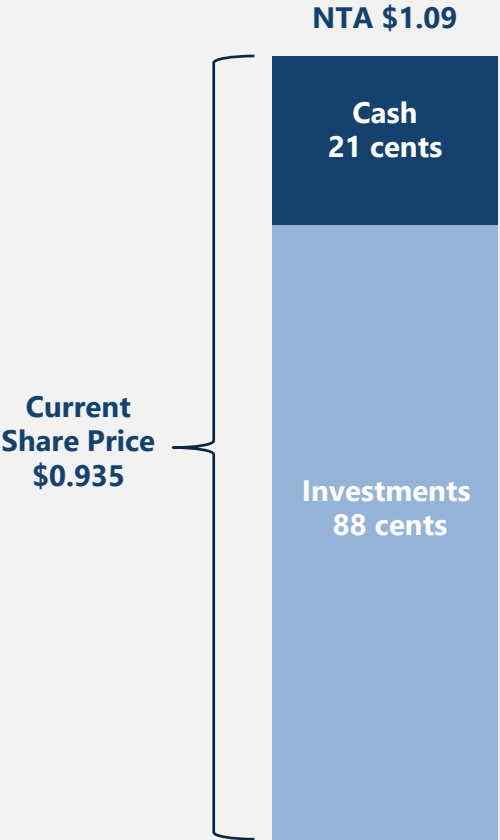
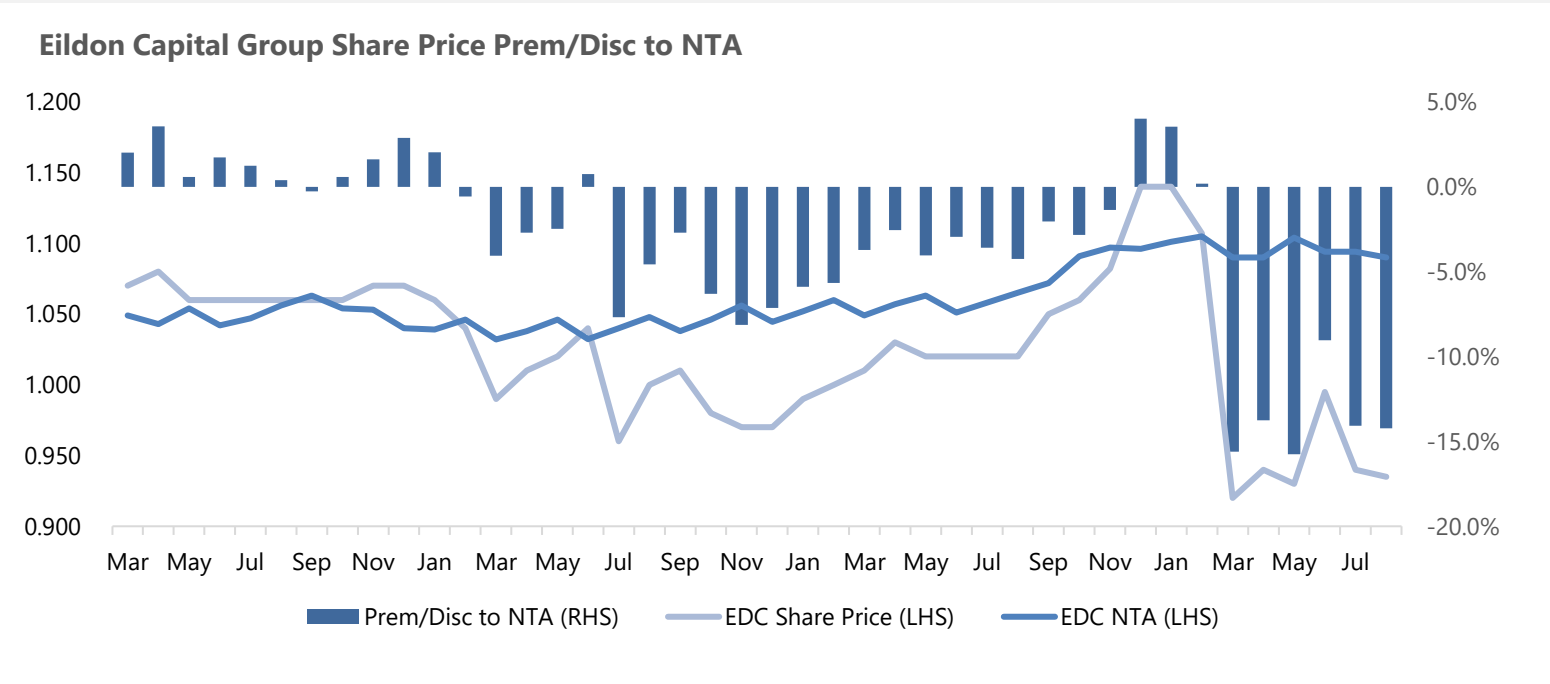
STRONG  
Investment process

1. Based on peak investment exposure.



# EILDON CAPITAL GROUP – PERFORMANCE AND NET TANGIBLE ASSETS

- NTA has grown in addition to the cash payment of 7.3c over the year in dividends / distributions
- Eildon Capital Group is currently trading at a Discount to Net Tangible Assets of 14% whilst offering a dividend yield of 7.8%<sup>1</sup>
- No impairments or provisions made in current NTA of \$1.09

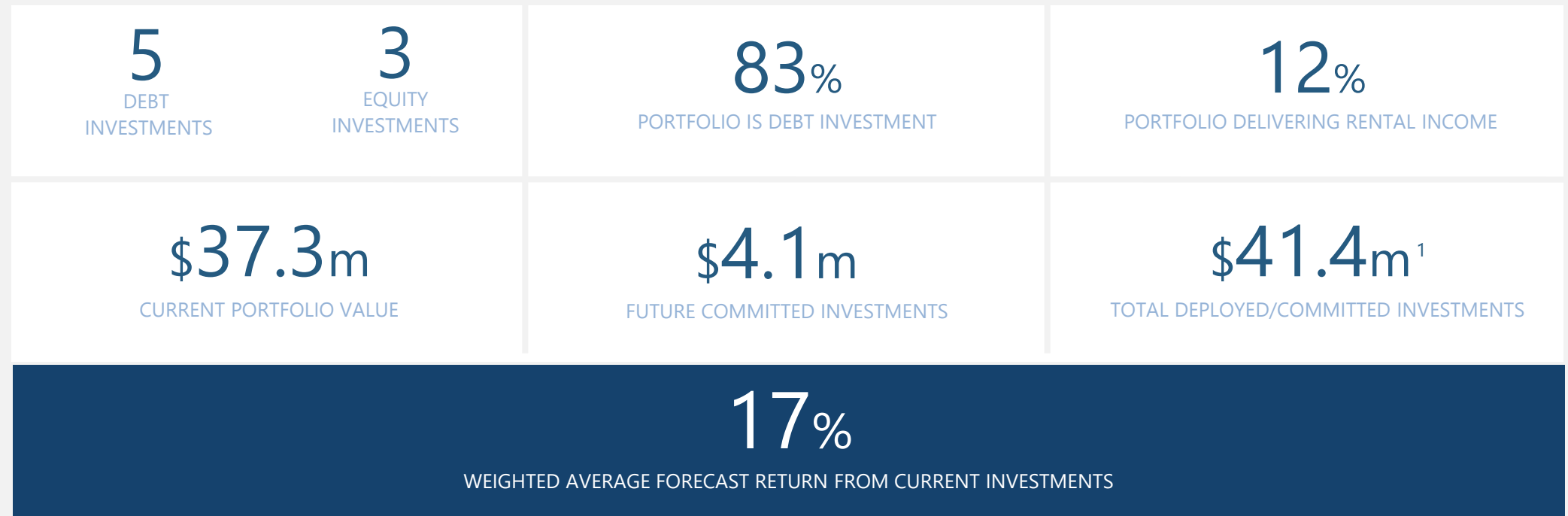


1. Based on closing price of 93.5 cents on 26 August 2020 and distributions paid in FY20.

## ③ PORTFOLIO UPDATE

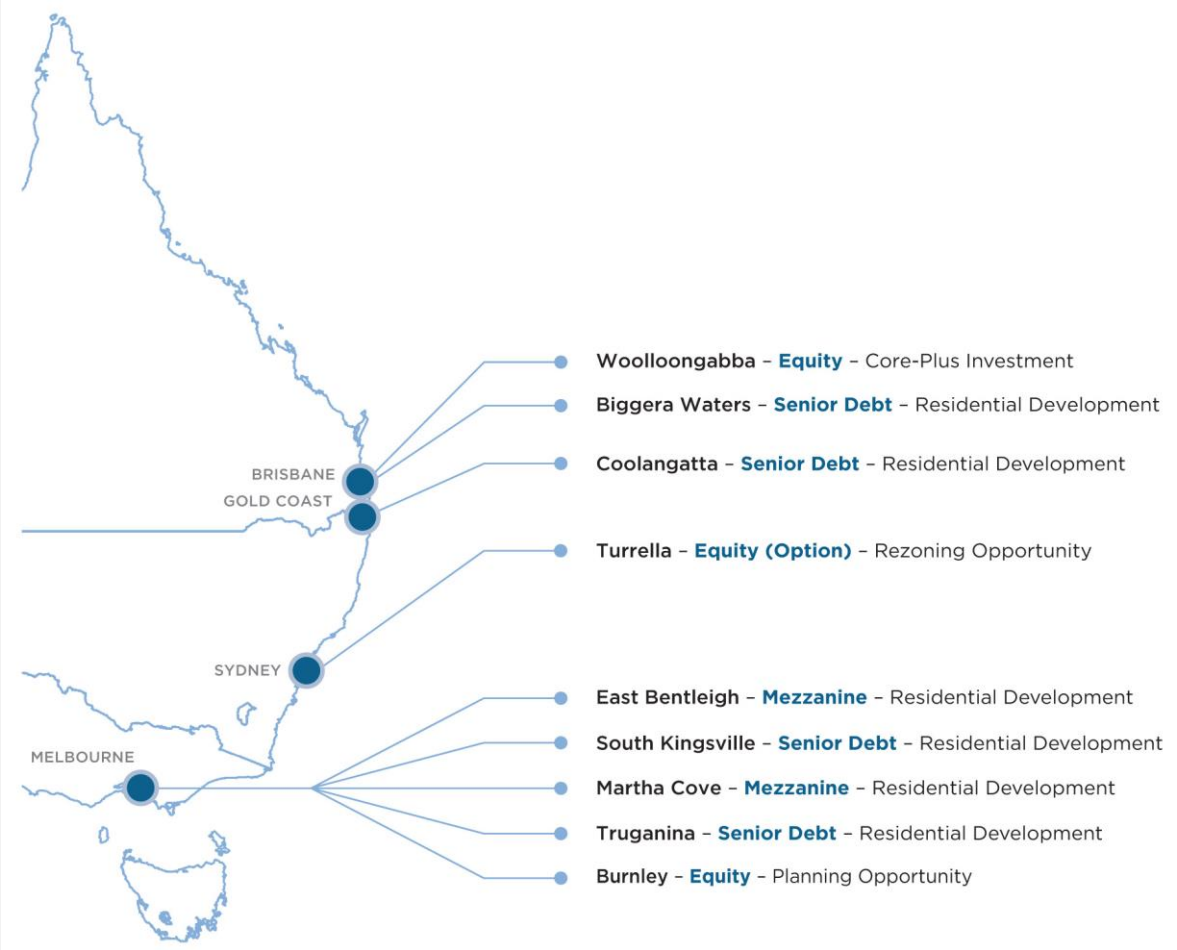
## EILDON CAPITAL GROUP – PORTFOLIO STATUS - 30 JUNE 2020

- Current portfolio consists of 8 investments spread across NSW, VIC and QLD
- Capital is fully deployed or committed into qualifying investments
- The Manager is please to report all investments are performing as expected and are forecast to deliver returns consistent with original investment assumptions

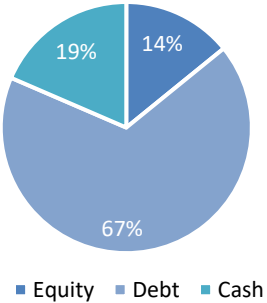


1. Includes commitments made post year end.

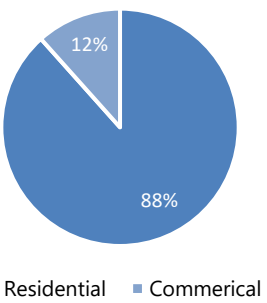
# EILDON CAPITAL GROUP – INVESTMENT PORTFOLIO - 30 JUNE 2020



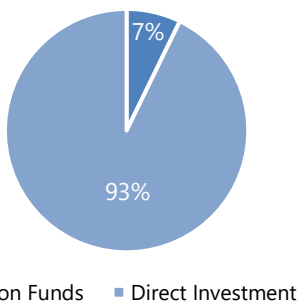
EDC Portfolio Composition



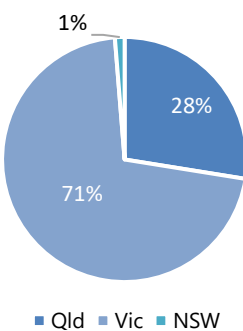
EDC Sector Diversification



EDC Investment Type



EDC Geographic Diversification



Note: Location map includes deployed and committed investments.

## EILDON CAPITAL GROUP – DEBT INVESTMENTS AS AT 30 JUNE 2020

5

DEBT  
INVESTMENTS

100%

AUSTRALIAN PROJECTS

17%

WEIGHTED AVERAGE  
ANNUALISED RETURN

0.7<sub>year</sub>

WEIGHTED AVERAGE  
DURATION

66%

WEIGHTED AVERAGE  
LVR

100%

LOCATED IN CORE MARKETS  
(Qld, Vic, NSW)



MARTHA COVE, VIC (ARTISTS IMPRESSION)



X KIRRA, QLD (ARTISTS IMPRESSION)



BIGGERA WATERS, QLD (ARTISTS IMPRESSION)



X KIRRA, QLD (ARTISTS IMPRESSION)

## EILDON CAPITAL GROUP – EQUITY INVESTMENTS AS AT 30 JUNE 2020

Eildon Capital Group currently holds 3 equity positions. The concept behind these investments is that they aim to provide securityholders to enhanced returns associated with planning process outcomes. They represent 17% of the investment portfolio.

3  
EQUITY  
INVESTMENTS

### Woolloongabba (JV Equity Investment) 12% of portfolio

Property purchased as industrial / commercial investment. Benefits from high density DA Approval which has potential to deliver significant upside when market is favourable for residential development.

### Burnley (JV Equity Investment) 4% of portfolio

Repositioning project with upside through planning. Seeking planning permit for residential uses in prime inner city location.

### Turrella (JV Option Investment) 1% of portfolio

Capital light investment. EDC holds a share of an option position in a project aiming to achieve rezoning of industrial land to residential. Project is well serviced by public transport in an emerging area.



WOOLLOONGABBA, QLD – DA APPROVED SCHEME

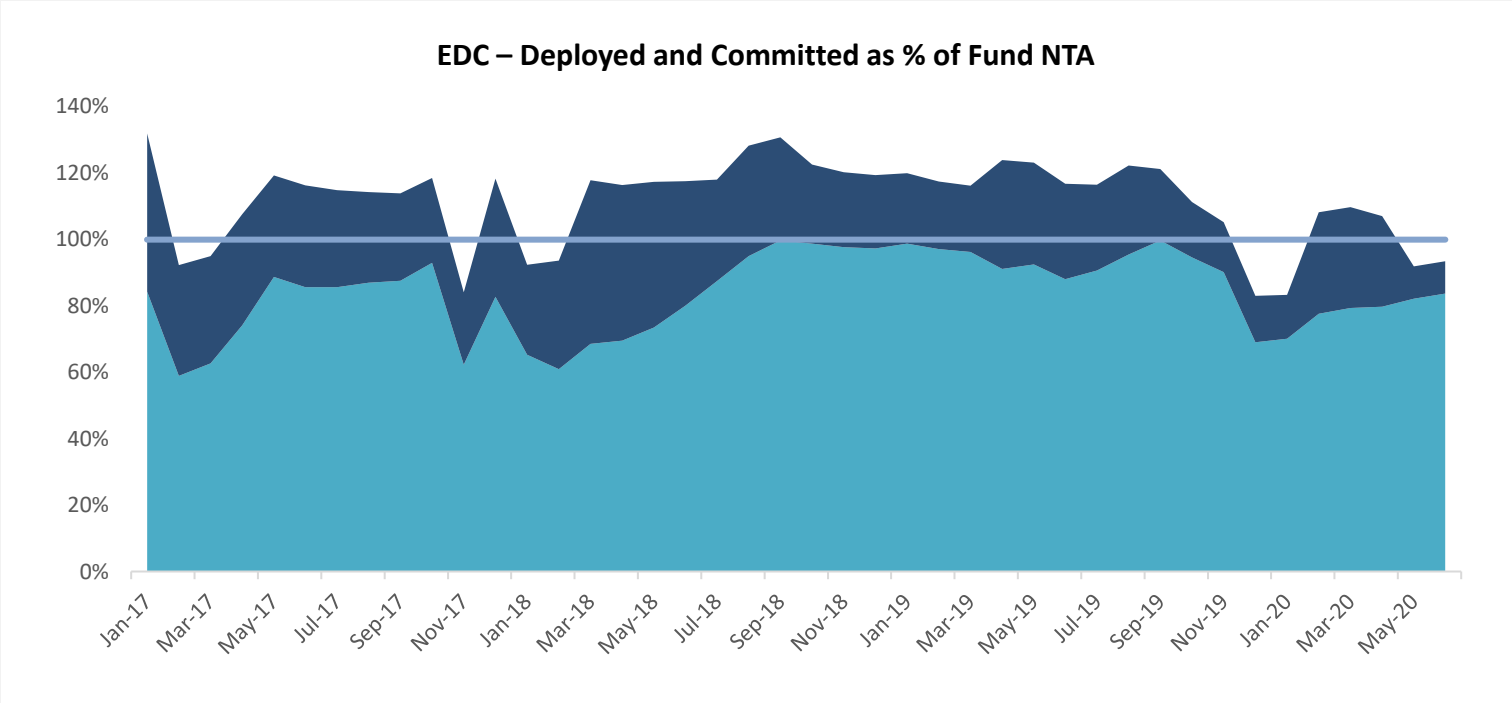
PROJECT	STATE	STYLE	LOCATION	INVESTMENT COMMENCED	STATUS	FORECAST REALISATION / PLANNING OUTCOME
Woolloongabba	QLD	Core Plus	Brisbane Central	2016	Development Approval	FY 2021 / Achieved
Burnley	VIC	Development	Melbourne Fringe	2018	Planning Commenced	FY 2022 / FY 2021
Turrella	NSW	Rezoning	Sydney Middle Ring	2017	Planning Process	FY 2022 / FY2022

## EILDON CAPITAL GROUP – STRONG AND CONSISTENT HISTORICAL PERFORMANCE

- 24 investments undertaken since IPO
- 16 investments successfully completed since IPO demonstrating strong investment process
- Average completed project IRR of 22% per annum achieved before fees and taxes

COMPLETED INVESTMENTS	INVESTMENT TYPE	LOCATION	INVESTMENT TERM (months)	INVESTMENT SIZE (\$m)	REPAID
Biggera Waters, QLD	Senior Debt	QLD	27	<b>4.36</b>	✓
Kingsgrove, NSW	Equity (Option)	NSW	29	<b>0.16</b>	✓
Gordonvale, QLD	Senior Debt	QLD	15	<b>0.51</b>	✓
Newstead, QLD	Senior Debt	QLD	9	<b>4.00</b>	✓
Beaumaris, VIC	Mezzanine Debt	VIC	28	<b>4.15</b>	✓
Carrara, QLD	Senior Debt	QLD	16	<b>10.47</b>	✓
Springwood, QLD	Senior Debt	QLD	12	<b>8.70</b>	✓
Hawthorn, VIC	Senior Debt	VIC	17	<b>3.64</b>	✓
Coburg, VIC	Senior Debt	VIC	30	<b>4.04</b>	✓
McCrae, VIC	Mezzanine Debt	VIC	18	<b>0.85</b>	✓
Bulimba, VIC	Mezzanine Debt	QLD	3	<b>3.93</b>	✓
Sandringham, VIC	Mezzanine Debt	VIC	21	<b>1.91</b>	✓
Safety Beach, VIC	Senior Debt	VIC	18	<b>4.76</b>	✓
Vermont South, VIC	Senior Debt	VIC	12	<b>3.07</b>	✓
Biggera Waters, QLD	Senior Debt	QLD	9	<b>7.01</b>	✓

# EILDON CAPITAL GROUP – HISTORICAL COMMITTED AND DEPLOYED CAPTIAL






COMMITTED INVESTMENT PROFILE	INVESTMENT TYPE	INVESTMENT TERM	STATE	INVESTMENT SIZE (\$m)	COMMITTED
Burnley	Equity	-	Vic	\$1.2	✓
Truganina	Senior Debt	15 Months	Vic	\$2.9	✓



## ④ FINANCIAL RESULTS

## EILDON CAPITAL GROUP – FULL YEAR RESULTS – PROFIT & LOSS

<b>REVENUE</b> <b>\$7.8m</b>	 <b>2.0%</b> <small>From FY19</small>
<b>NET PROFIT AFTER TAX</b> <b>\$4.7m</b>	 <b>7.8%</b> <small>From FY19</small>
<b>EPS</b> <b>\$10.50c</b>	 <b>9.8%</b> <small>From FY19</small>

PROFIT & LOSS	30-Jun-20	30-Jun-19	Change
<b>Items</b>			
Interest Income	<b>5,523,047</b>	7,355,087	
Fee Income	<b>95,976</b>	208,602	
Realised Profit	<b>520,994</b>	-	
Other Income	-	2,858	
Equity Method	<b>1,653,058</b>	70,227	
<b>Total Income</b>	<b>7,793,075</b>	7,636,774	156,301
			-
(-) Operating Expenses	<b>1,309,047</b>	1,370,333	61,286
<b>Profit before income tax</b>	<b>6,484,028</b>	6,266,441	217,587
Income tax expense	<b>1,753,575</b>	1,879,933	
<b>Net Profit After Tax</b>	<b>4,730,453</b>	4,386,508	343,945
<b>EPS per Security</b>	<b>10.50</b>	<b>9.56</b>	

## EILDON CAPITAL GROUP – FULL YEAR RESULTS – BALANCE SHEET

TOTAL ASSETS \$46.2m	↓ \$3.6m From FY19
NTA \$1.09	↑ 3% From FY19
LIABILITIES \$1.57m	↓ \$0.02m From FY19

BALANCE SHEET	30-Jun-20	30-Jun-19	Change
<b>Assets</b>			
Cash and cash equivalents	8,486,029	6,936,845	
Loan investments	30,865,238	37,778,119	
Direct property investments	6,483,230	4,665,146	
Other assets	335,590	401,411	
<b>TOTAL ASSETS</b>	<b>46,170,087</b>	49,781,521	-7.3%
<b>Liabilities</b>			
Distributions payable	794,867	1,028,189	
Tax liabilities	508,316	493,761	
Other liabilities	271,950	74,001	
<b>TOTAL LIABILITIES</b>	<b>1,575,133</b>	1,595,951	-1.3%
<b>NET ASSETS</b>	<b>44,594,954</b>	48,185,570	-7.5%

Note: Net Assets fell during FY20 due to the off-market buy back of \$5.0m of Securities as a result of the restructure, otherwise, Net Assets would have increased by 2.8%.

## ⑤ EILDON FUNDS MANAGEMENT - THE MANAGER

## EILDON FUNDS MANAGEMENT– ABOUT THE MANAGER

Eildon Funds Management (EFM) is a leading arranger, investor and manager of real estate development, credit and equity investments within Australia's Commercial Real Estate (CRE) market.

- Since 2009 the management team of Eildon Funds Management has been responsible for over \$740 million in investments, representing 65 opportunities.
- EFM has delivered investment performance that is relied upon by Sophisticated, Family Offices and Institutional investors globally.
- EFM has offices located in Melbourne and Sydney.

10

YEARS OF  
OPERATION

\$740<sub>m</sub>

TRANSACTION  
EXPERIENCE

65+

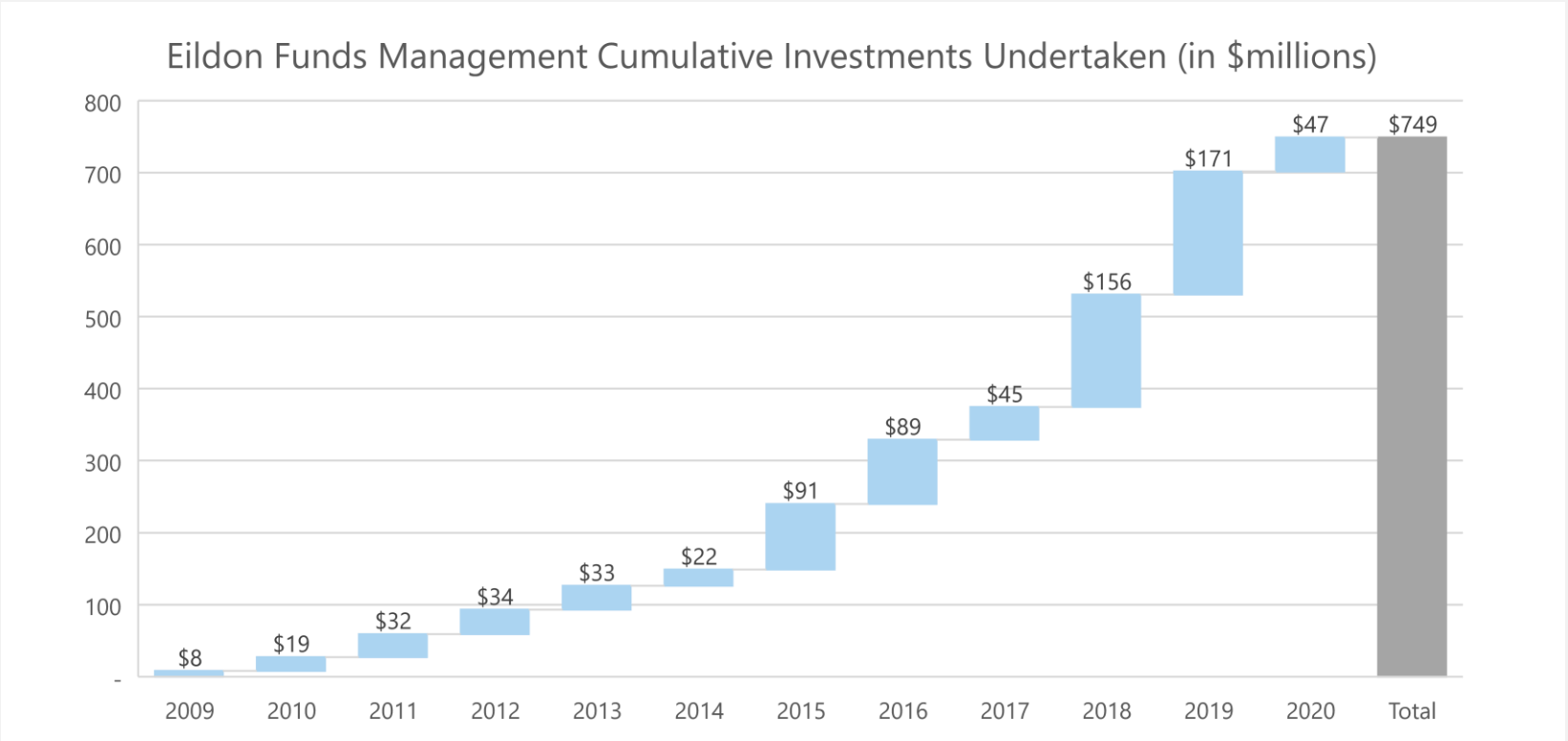
REAL ESTATE  
backed investments

2

LOCATIONS  
across Australia

# EILDON FUNDS MANAGEMENT– TRACK RECORD

- Since 2009 Eildon Funds Management has been responsible for over 65 real estate backed investments, with completed investments delivering average returns to investors in excess of 20% per annum.
- EFM has a strong track-record of managing investments in QLD, VIC and NSW across the residential, retail, industrial and commercial segments of the real estate investment and development market.



## ⑥ MANAGEMENT & INVESTMENT PROCESS

## EILDON CAPITAL GROUP – KEY DETAILS

METRIC	EILDON CAPITAL GROUP (EDC.AX)
<b>Investment Strategy</b>	<p>Eildon Capital Group's Investment Strategy aims to participate in a diverse range of property related opportunities and to partner with property participants that have experience in their particular field. Eildon Capital Group aims to achieve its strategy by investing in property based investment opportunities, whilst maintaining a sector focus., including as:</p> <ul style="list-style-type: none"> <li>• a landowner;</li> <li>• a joint venture partner;</li> <li>• a lender; or</li> <li>• an investor.</li> </ul>
<b>Manager</b>	Eildon Funds Management Limited
<b>Responsible Entity</b>	Eildon Funds Management Limited
<b>Distributions</b>	Paid Quarterly
<b>Base Management Fees</b>	<p>0.75% of Net Asset Value</p> <p>1.0% of capital invested</p>
<b>Performance Fee</b>	20% over annualised hurdle rate of 9.0% per annum



# EILDON CAPITAL GROUP – INVESTMENT PROCESS

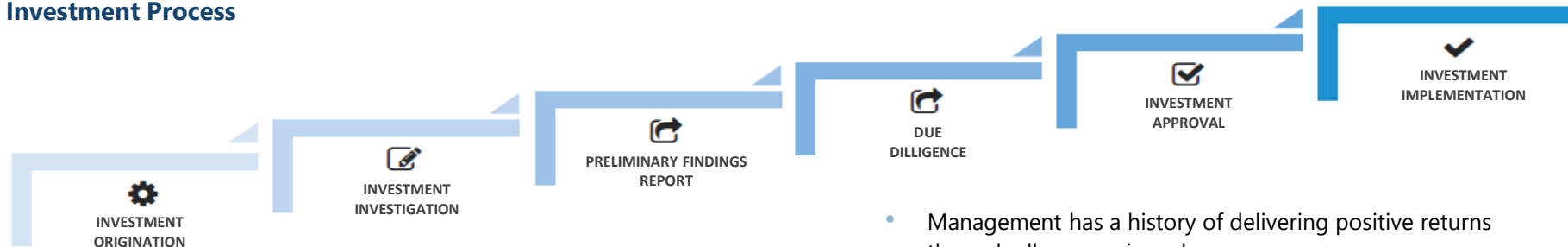
## Risk Management

The Manager has a long history of undertaking property investment and conducts full diligence on all aspects of transactions

- General property market trends and conditions
- Local market analysis
- Quality and experience of the project partner/sponsor
- Financial feasibility outputs

- Sensitivity analysis
- Legal framework
- Risk mitigation

### Investment Process



- Flexibility in capital investment (debt and/or equity) across all property asset classes
- Excellent industry networks which provide access to quality deal flow – established over 30 year history

- Management has a history of delivering positive returns through all economic cycles
- Strong due diligence capability, ability to partner with strong counter parties
- Funding solutions are attractive to partners, and provide solutions that banks and other lenders cannot

# EILDON CAPITAL GROUP– EXPERIENCED GOVERNANCE AND MANAGEMENT TEAM

## EILDON CAPITAL LIMITED BOARD OF DIRECTORS

### **MARK AVERY – Executive Director**

Mark began his professional career at Macquarie Group in 2002 in the property finance and residential development divisions. Mark has also worked for private and listed property development and investment groups. Mark commenced at CVC Limited in 2010 and has been responsible for all of the group's real estate investment activities, including being appointed as Managing Director of Eildon Capital in 2015. Mark was appointed CEO of CVC Limited in August 2019. Mark holds bachelor degrees in Commerce and Planning & Design from the University of Melbourne.

### **JAMES DAVIES – Chairman**

James has over 30 years experience in investment management across real estate, private equity and infrastructure. He has sat on numerous Investment Committees and Boards including as Chairman of Timberlink Australia and Airport Rail Link and is an independent non-executive Director of ASX-listed New Energy Solar. James holds a Bachelor of Computing Science from the University of New England, MBA from London Business School and is a Graduate of the Australian Institute of Company Directors.

### **MICHELLE HARPUR – Independent Director**

Michelle has been a partner in mid-size, large and international law firms since 1992, and has recently established her own practice, Harpur Phillips. She sits on the Governance Committee of Lifeline Northern Beaches. She has a BA and LLB from UNSW and has also completed the Company Directors Course with the AICD.

### **CRAIG TREASURE – Independent Director**

Michelle has been a partner in mid-size, large and international law firms since 1992, and has recently established her own practice, Harpur Phillips. She sits on the Governance Committee of Lifeline Northern Beaches. She has a BA and LLB from UNSW and has also completed the Company Directors Course with the AICD.

## INVESTMENT TEAM

### **LAURENCE PARISI – Fund Manager**

Laurence has over 19 years' experience in various senior roles within the property investment industry, covering both direct and listed real estate. Laurence was previously an Executive Director at Goldman Sachs and Fund Manager of Industria REIT (ADI.AX) an ASX listed commercial and industrial focused AREIT. Laurence has also worked for Credit Suisse and Citi covering the AREIT sector and spent several years at APN as the Head of Private Funds responsible for managing four direct retail property funds and two wholesale direct property funds. Laurence holds a Diploma of Business Accounting, a Diploma of Financial Markets and a Graduate Diploma of Applied Finance and Investment.

### **JOHN HUNTER – CFO and Company Secretary**

John is CFO and Company Secretary of CVC Limited. John joined CVC in 2006 and has overseen the management of a number of investment vehicles. John has extensive experience in ASX-listed and unlisted public reporting and accounting for property, equity trusts, managed investment companies and schemes, due diligence and compliance. John is a member of Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce from the Australian National University, an MBA from MGSM and Masters of Applied Finance from Macquarie University.

### **JUFRI ABIDIN – Investment Manager**

Jufri takes an active role in deal procurement, structuring, due diligence and investment management. Jufri has considerable funds management experience gained from his time at APN Property Group, an ASX listed real estate fund manager. Jufri has managed the property portfolios of multiple unlisted real estate investment trusts, consisting of up to 60 assets under management, with a combined value of AUD\$500 million. Jufri holds a Bachelor of Mechanical Engineering from the University of Melbourne.

### **JONATHAN SIM – Investment Manager**

Jonathan is an experienced real estate finance professional with extensive experience in both debt and equity transactions. Jonathan began his career at KPMG, where he worked in the audit area. He has held a variety of positions in major banks including ANZ, NAB and Bankwest. Most recently Jonathan was an Associate Director at Monark Property Partners. Jonathan is a member of Chartered Accountants in Australia and New Zealand and also holds a Bachelor of Commerce from the University of Melbourne.



# EILDON CAPITAL GROUP

## CONTACT DETAILS

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