

# EUMUNDI GROUP LIMITED

## CEO's Presentation 2021 Annual General Meeting



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# FY21 performance summary

- ✓ Record result achieved following completion of capital works initiatives

Year ended 30 June (\$000)	2021	2020	2019
<b>Total revenue</b>	26,216	20,715	24,938
<b>Profit after tax excluding fair value adjustment and government subsidies</b>	2,071	125	1,807
Net gain / (loss) on fair value adjustment of investment properties after tax	1,769	(1,544)	167
Government subsidies net of tax	423	397	-
<b>Reported profit/(loss) after tax</b>	4,263	(1,022)	1,974
Net gain/(loss) on fair value adjustment of land and buildings after tax	4,313	(3,695)	559
<b>Total comprehensive income</b>	8,576	(4,717)	2,533
Earnings per share (cents)	10.3	(2.5)	5.2

- Revenue increased to \$26.216M from \$20.715M in FY20
- Net profit after tax excluding fair value adjustments and government subsidies increased to \$2.071M from \$0.125M in FY20
- Net gain on fair value adjustment of investment property and land and buildings reflects reversal of FY20 write-downs

- ✓ NTA per share of 102.0 cents as at 30 June 2021, up 23.3% from 82.7 cents last year

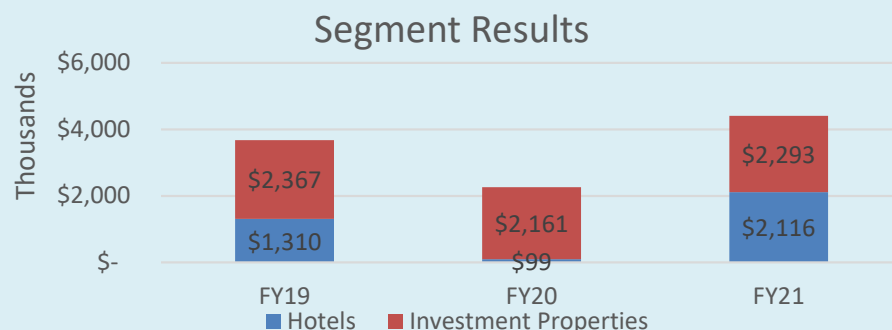
# FY21 segment contributions

## Hotels segment result increased to \$2.116M from \$0.099M in prior year

- Prior year result reflects mandatory COVID-19 closure of hotel bar, bistro and gaming operations in Q4 FY20
- Q1- Q3 FY21 revenues reflect strong initial result at Aspley Central Tavern after re-opening post COVID-19, offset by constrained Ashmore Tavern trading due to redevelopment works and COVID-19 capacity limits
- Q4 FY21 revenues improved following Ashmore Tavern expansion
- Retail liquor continued to perform strongly throughout FY21 although corporate sales impacted by closure of tourism operations

## Investment properties result increased 6% to \$2.293M

- Leasing remained difficult in H1 FY21 with high vacancy level
- Significant new leases commenced late H2 FY21
- Plough Inn revenue remains steady



Represents earnings before finance expenses, tax, depreciation, unallocated items and fair value adjustment on investment properties – refer to the Segment Information in Note 5 of the FY21 Financial Statements

# Review of hotels

## Ashmore Tavern capital works deliver growth capability

### Atrium bistro (replaced bistro deck Q1 FY21 )

- capacity 120 patrons
- all year/ all weather use
- function capability



### Sports bar dining deck (new Q1 FY21)

- capacity 60 patrons
- covered outdoor area with fans, heaters and weather screens
- function capability

# Review of hotels (cont'd)

## Ashmore Tavern capital works deliver growth capability (cont'd)

### Gaming lounge (new Q3 FY21)

- area increased by 77% to 202m<sup>2</sup>
- dedicated bar, smoking area, toilets and coffee lounge



### Garden bistro (new Q3 FY21)

- capacity 60 patrons
- all year/ all weather use
- function capability

### Garden deck (new Q3 FY21)

- capacity 85 patrons
- covered outdoor area with fans, heaters and weather screens
- function capability



# Review of hotels (cont'd)

## Aspley Central Tavern achieves strong performance

### Improved gaming facilities

- new expanded gaming lounge in Q2 FY20
- dedicated bar, smoking area and coffee lounge
- extended trading hours approved in Q1 FY21
- acquired 3 further gaming licences in Q4 FY21



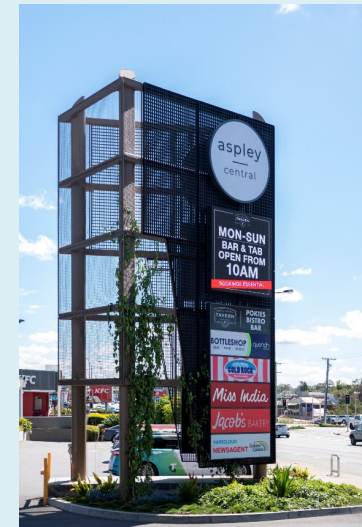
**Bar, bistro and retail uplift following shopping centre upgrade in FY20**

# Review of investment properties

## Aspley Central - Aspley Shopping Centre & Aspley Arcade Shopping Village

Capital works program completed in Q2 FY20 with leasing improving in H2 FY21

- Vacancy rate reduced from 29.9% to 16.7% in FY21
- WALE increased from 3.07 years to 5.29 years in FY21

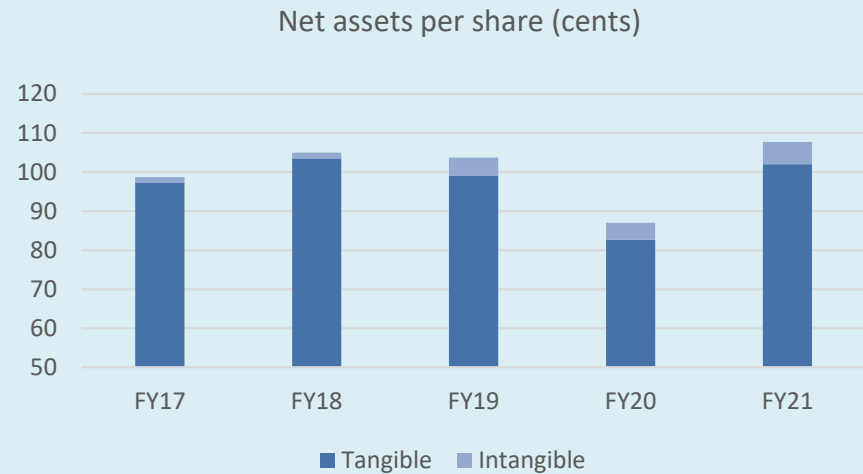
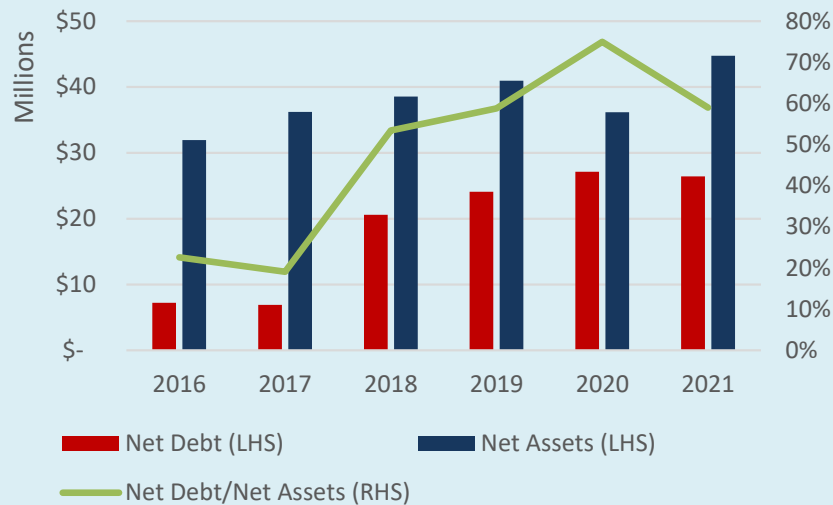


## The Plough Inn (head lease)

- Experienced operator
- Reliable income stream
- Predictable annual rent rises



# Solid financial position



- Net assets at 30 June 2021 were \$44.8M, an increase of 24.7%, due to fair value adjustments of the group's investment properties (\$1.769M gain net of tax) and land and building assets (\$4.313M gain net of tax)
- NTA per share of 102.0 cents at 30 June 2021 up from 82.7 cents at 30 June 2020
- Total capital investments of \$5.353M, funded from operating cash flows
  - Aspley Shopping Centre, Aspley Central Tavern and Ashmore Tavern: \$5.062M
  - Aspley Arcade Shopping Village: \$0.291M
- Cash flow from operations in FY21 was \$6.277M (FY20: \$1.160M) predominantly due to increased cash inflow from on-premise hotel operations
- Net debt decreased by \$0.714M to \$26.417M at 30 June 2021. Gearing ratio (net debt to net equity) decreased to 59%. Debt is comfortably serviced (cover of 7.72 times) with interest rates at record lows

# Courthouse Hotel, Murwillumbah, NSW

- Acquired for \$6.4M including costs in August 2021
- Initial cap rate of 6.25%
- Leased to experienced hotel operator for initial 15 year term plus 4 x 10 year options
- Rent \$375K per annum with 3% annual rises
- Triple net lease – all outgoings, repairs and capital works payable by lessee
- Acquisition funded by existing and new borrowing facilities
- Expected contribution of \$260K net of tax in FY22
- Upgrade to venue currently being undertaken by lessee



# Outlook

## Hotels

- COVID-19 business closures Q1 FY22 have adversely impacted results without the benefit of JobKeeper in Q1 FY21
- Planned Ashmore Tavern kitchen expansion and bathroom upgrade in Q4 FY22 at an estimated cost of \$1M. Disruption expected during works
- Aspley Central Tavern revenue growth expected with improved leasing at shopping centres

# Outlook (cont'd)

## Investment Properties

### Aspley Shopping Centre and Aspley Arcade Shopping Village

- Improved leasing, however softer rentals and higher incentives are occurring
- WALE up from 5.29 years at 30 June 2021 to 5.46 years at 31 October 2021
- Vacancy decreased from 16.7% at 30 June 2021 to 11.38% at 31 October 2021
- Terms negotiated for new leases – further positive impact expected in H2 FY22
- Continuing improvement with improved leasing at shopping centres

### Plough Inn

- Stable business with predictable annual rent rises

### Courthouse Hotel

- Expected FY22 contribution \$260K net of tax

# Outlook (cont'd)

- Capital improvements to hotels and shopping centres provide a solid platform for growth despite short term COVID-19 impacts
- Further COVID-19 impacts are possible with re-opening of national and international borders in late H1 FY22
- Access to undrawn commercial borrowing facilities of \$6.691M remains as at 31 October 2021 after funding acquisition of the Courthouse Hotel
- In the absence of unforeseen circumstances, it is the intention of the board to recommence the payment of dividends with an interim dividend in respect of H1 FY22