



ASX Announcement

21 February 2022

**Elanor Investors Group: Strong Growth in Funds Management Earnings;  
Well Positioned for Further Growth**

- HY22 Core Earnings of \$12.3 million (121% increase on HY21)
- HY22 Interim Distribution of 9.05 cents per security (above guidance of 8.80 cents)
- Funds Under Management grew to \$2.4 billion (18% increase on 30 June 2021)
- Strong growth in funds management income to \$20.2 million (35% increase on HY21)
- Property valuations of Elanor's Managed Fund assets increased by \$88.9 million (4.4%) since 30 June 2021 (comparable basis)

Elanor Investors Group ("Elanor" or "Group") is pleased to announce its interim financial results for the half year ended 31 December 2021 ("period").

**Highlights**

- Core Earnings for the period of \$12.3 million (10.06 cents per security)
- Distributions for the period of 9.05 cents per security (payout ratio of 90% of Core Earnings)
- 18% (\$369 million) net growth in Funds Under Management since 30 June 2021 to \$2.4 billion
- Funds management income of \$20.2 million for the period, an increase of 35% on HY21
- Key Funds Management initiatives completed during the period:
  - Acquisition of Cavill Avenue for \$113.5 million for the Elanor Commercial Property Fund (ASX: ECF), growing ECF's portfolio to \$513.2 million
  - On 22 August 2021, the Elanor Retail Property Fund (ASX: ERF) successfully divested the Moranbah Fair property, at book value, for \$28.0 million
  - Acquisition of the Highpoint Health Hub for \$52.9 million for the Elanor Healthcare Real Estate Fund, growing the Fund's portfolio to \$263 million
  - Acquisition of the Warrawong Plaza property for \$136.4 million for the newly established Warrawong Plaza Fund
  - Establishment of the \$346 million Elanor Hotel Accommodation Fund (EHAF), a diversified portfolio of 14 high investment quality hotel accommodation properties with a focus on the luxury and regional hotel sectors. This transaction released \$25 million in growth capital and generated a \$10.5 million gain on sale in HY22
- The valuations of the Group's Managed Funds assets' at 31 December 2021 reflected an increase of 4.4% (\$88.9 million) from 30 June 2021 (on a comparable basis)
- Net Tangible Assets per security of \$1.32 at 31 December 2021
- Gearing for the Group of 25.2% at 31 December 2021 (21.0% as at 30 June 2021)



Commenting on the result, Elanor CEO, Glenn Willis, said: “We are pleased with the 18% growth in our Funds Under Management over the half to \$2.44 billion, and the 35% growth in our funds management income for the period.

Notwithstanding challenging market conditions in some of our investment sectors, we are pleased with the performance of our managed funds over the period. We anticipate a material improvement in the Group’s co-investment earnings in 2H22 as the impacts of COVID-19 restrictions abate.

During the half, we successfully completed a number of significant funds management initiatives including the establishment of EHAF and the Warrawong Plaza Fund, and the acquisition of the Cavill Avenue property by ECF.

We have a strong pipeline of funds management and repositioning opportunities across our investment sectors and we are actively pursuing opportunities in new real estate sectors. The strength of this pipeline supports our target of \$1 billion in FUM growth per annum. Furthermore, we are actively pursuing strategic acquisition initiatives to achieve our growth objectives.

We are well positioned to grow our funds management business and deliver strong growth in securityholder value.”

### **Summary of Financial Results**

A summary of the Group’s results for the period is set out below:

<b>Summary financial results</b>	<b>31 December 2021</b>	<b>31 December 2020</b>
Core Earnings (\$'000)	12,263	5,549
Distributions payable to security holders (\$'000)	11,037	4,994
Core Earnings per stapled security (cents)	10.06	4.59
Core Earnings per weighted average stapled security (cents)	10.46	4.64
Distributions (cents per stapled security)	9.05	4.13
Gearing (net debt / total assets less cash) (%) (equity accounted)	25.2	25.0

### **Funds Management**

The Group generated funds management income of \$20.2 million during the period, a 35% increase on the prior comparative period.

<b>Funds Management Income</b>	<b>31 December 2021 \$'000</b>	<b>31 December 2020 \$'000</b>
Management Fees	12,406	9,398
Leasing and Development Management Fees	2,229	1,821
Acquisition Fees	5,558	3,707
<b>Total</b>	<b>20,193</b>	<b>14,926</b>



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During the six months to 31 December 2021, the Group increased its funds under management from \$2,074.8 million to \$2,444.1 million.

The growth in funds under management has been supported by the significant expansion of the Group's institutional and wholesale capital partners, directly reflecting an increased investment in capital origination.

Elanor's strong investment track record and growing investor base continues to be evidenced by the demand from investors for the Group's managed funds. Elanor has a high calibre investment team and a scalable funds management platform with substantial capacity for growth. Coupled with the Group's balance sheet capital, Elanor is well positioned to grow its funds management business.

### **Outlook**

The Group's key strategic objective remains unchanged: to grow funds under management and securityholder value by delivering strong investment returns for Elanor's capital partners. The Group is acutely focused on growing funds under management earnings and recycling co-investment capital to facilitate growth in funds under management.

Elanor is focussed on being a leading real estate funds manager delivering exceptional investment returns for Elanor's capital partners and making impactful social and environmental contributions to the communities in which we operate.

The Group will continue its strong growth in funds under management through the acquisition of high investment quality assets based on Elanor's investment philosophy and criteria. The Group has a strong pipeline of funds management opportunities. Furthermore, the Group is actively pursuing opportunities in new real estate sectors and strategic acquisition opportunities to deliver its growth objectives.

Please refer to the presentation and financial statements lodged with ASX today for further details regarding Elanor's HY22 result.



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## **Investor Briefing**

Elanor Investors Group will be holding an Investor Briefing Conference Call on Monday 21 February 2022 at 12.00pm, to present and discuss the Group's HY22 results. The Conference details are:

Dial In: 1800 558 698 or +61 2 9007 3187  
Conference ID: 10018613  
Commencement: 12.00pm AEDT

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This announcement has been authorised for release by the Elanor Investors Group Board of Directors.

For further information regarding this announcement please contact:

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## **About Elanor Investors Group**

Listed on the Australian Securities Exchange in 2014, Elanor Investors Group (ASX: ENN) is an investment and funds management business with over \$2.5 billion in assets under management across Australia and New Zealand.

Elanor's key sectors of focus are commercial office, retail, healthcare and hotels, tourism and leisure real estate. Elanor's investment management objective is to acquire and unlock value in real estate assets that provide strong income and capital growth potential.

For more information visit [www.elanorinvestors.com](http://www.elanorinvestors.com)