Home Consortium

ASX RELEASE

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HOMECO GROWS EXTERNAL AUM TO $5.2 BILLION IN 1H FY22 AND UPGRADES FY22 FFO GUIDANCE TO 29.0 CPS REPRESENTING 121% GROWTH ON FY21[1]

Financial highlights

- 1H FY22 pre-tax FFO of 11.0 cps, up 51% on 1H FY21
- 1H FY22 statutory profit of $78.3m
- Dec-21 net cash position[2]

Operational highlights

- External assets under management (AUM) of $5.2bn, up 280% on FY21[3]
- ~$3.5bn gross transactions in 1H FY22[4] highlighted by two major transactions:
  - Transformative acquisition of Aventus by HomeCo Daily Needs REIT (ASX: HDN) creates Australia's leading daily needs REIT with portfolio value increasing to $4.4bn
  - Successfully listed HealthCo Healthcare & Wellness REIT (ASX: HCW) in Sep-21 with AUM growing by 30% to $0.8bn[3] in Dec-21
- Published inaugural ESG report in Dec-21 – targeting scope 1 & 2 net zero emissions by 2028

FY22 outlook and guidance

- Upgrading FY22 pre-tax FFO guidance to at least 29.0 cps (previously 26.0 cps), up 121% on FY21[1]
- FY22 DPS guidance of 12.0 cents reaffirmed
- Interim FY22 DPS of 6.0 cents (100% franked)

HMC Managing Director and CEO, David Di Pilla, said *"1H FY22 was another transformational period for our group with ~$3.5bn of gross transactions including the successful acquisition of Aventus Group and the listing of HealthCo Healthcare and Wellness REIT. These highly strategic transactions will generate significant long-term value for shareholders and further demonstrate HMC's ability to originate and execute large-scale transactions. Our ambition is to be Australia's leading diversified alternative asset manager. Accordingly, we continue to invest in high quality talent to expand our elite management team and capability."*

[1] Pre-tax basis.
[2] Refer slide 20 of investor presentation.
[3] Pro forma for HDN merger with Aventus to complete post 31-Dec-21.
[4] Includes acquisitions and disposals. Pro forma for HDN and Aventus merger.

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FUNDS MANAGEMENT

Transformational six-month period

HMC grew external AUM by $3.8bn to $5.2bn, up 280% on FY21 and up 431% on the prior corresponding period. The primary contributors to this were net acquisitions of $2.9bn, $0.7bn from the IPO of HCW, net revaluation gains of $0.4bn and $0.1bn of development expenditure.

As at 31 December 2021, HMC owned $157m of direct property investments ($208m in FY21) comprising $137m of LFR assets and its $20m JV interest in Camden Stages 1-3. In October, HMC provided HCW with a call option giving it the right to acquire Camden Stage 1 at a 5% discount to independent value post development completion (expected early 2023). HMC expects to realise these investments in the short-term and intends to redeploy the proceeds into higher returning funds management initiatives to further grow AUM.

HMC's $462m of co-investments as at Dec-21 include its 25% and 20% interest in HDN and HCW, respectively. Post balance date, HMC exercised a call option to acquire 34.2m AVN shares from BBRC for $118m. HMC has also elected to receive HDN scrip consideration in lieu of cash for the $22.3m merger related acquisition fee. HMC's pro forma co-investment in HDN is expected to be 14%, in-line with its strategy to own 10-15% co-investments in its ASX-listed REITs.

HomeCo Daily Needs REIT (ASX: HDN) update

- Merger with Aventus on-track to be implemented in early March 2022, creating Australia's leading daily needs REIT
- Proforma portfolio value of $4.4bn, up 186% on FY21[5]
- 1H FY22 FFO of 4.0 cpu, up 38% on 1H FY21
- Upgraded FY22 pro forma FFO/unit guidance to 9.3 cents, up 4.5% on prior guidance of 8.9 cents[5]
- Pro forma NTA/unit of $1.40, up 13%[6] on Jun-21 following $350m of net valuation gains[5]
- Strong growth outlook underpinned by $500m+ development pipeline and annual capex target of >$60m at 7.0%+ ROIC
- Well positioned to benefit from the secular shift to omni-channel retailing with a strategic network of last mile infrastructure and rents at the bottom of the retail landlord cost curve

HealthCo Healthcare & Wellness REIT (ASX: HCW) update

- Australia's leading diversified healthcare REIT
- Listed in Sep-21 following a highly successful IPO roadshow with strong retail and institutional investor demand (IPO upsized to $650m versus initial plans to raise $500m)
- Strong 1H FY22 results and on-track to hit upgraded FY22 FFO and PDS DPU guidance
- Net cash position of $56m provides funding capacity for value accretive development pipeline
- NTA/unit of $1.94 versus $1.86 at IPO (+4.3%) driven by property revaluations
- Potential NOI growth of over 90% embedded in existing portfolio and development pipeline
- Exciting $500m+ development pipeline including ~$140m of committed development projects which remain on budget and are tracking ahead of schedule
- Well positioned to benefit from megatrends underpinning long-term healthcare demand growth including ageing population, technological advancements, and evolving consumer preferences

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[5] Pro forma for HDN merger with Aventus to complete post 31-Dec-21.
[6] Pro forma Jun-21 NTA/unit of $1.24 post Aventus and HDN merger per announcement 18 October 2021.

OUTLOOK AND GUIDANCE

HMC Managing Director and CEO, David Di Pilla, said *"The outlook for higher interest rates and inflation is driving increased market volatility and a repricing of risk assets in both Australia and globally. The proposed establishment of HMC Capital Partners later this financial year will provide another growth platform and source of capital to take advantage of increased market volatility and target unique high conviction investment opportunities. This is consistent with our strategy to establish scalable growth platforms and diversify our sources of capital."*

"HMC is well capitalised with low gearing and has significant liquidity to support our growth ambitions. We are well positioned to grow AUM to over $10bn by 2024."

HMC is pleased to provide the following guidance:

- Pre-tax FFO of at least 29.0 cents per share[7], up +121% on FY21[8] and represents a +12% upgrade on our prior guidance of 26.0 cents which was upgraded in Oct-21. Upgrade supported by strong transactional income and trading profits on the sale of remaining direct property on balance sheet
- Reaffirming FY22 DPS guidance of 12.0 cents (41% pre-tax FFO payout ratio)

HMC's decision to maintain its distribution at 12.0 cents will see a further reduction in the payout ratio to 41%. This approach is consistent with HMC's transition to a high growth business with greater re-investment opportunities. HMC will maintain a flexible approach with regard to future distributions as it continually assesses its capital needs.

Investor and analyst briefing

An investor and analyst briefing teleconference call, followed by a question and answer session, will be held on **Thursday 24 February 2022 at 10:00am (AEDT)**. Investors and analysts wishing to participate can pre-register for the call at: https://s1.c-conf.com/diamondpass/10019078-ak94jx.html

The following webcast link will be available: https://webcast.openbriefing.com/8384/ Participants will need to input their name, email address and company name to register for the 10:00am webcast.

-ENDS-

[7] Outlook statements have been made barring any unforeseen circumstances and on the basis that COVID-19 government-mandated restrictions do not escalate beyond the present circumstances.
8 Growth relative to FY21 pre-tax FFO per share.

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Authorised for release by the Home Consortium Board

About Home Consortium

HMC is an ASX-listed fund manager which invests in high conviction and scalable real asset strategies on behalf of individuals, large institutions and super funds.

HMC is the manager of HomeCo Daily Needs REIT (ASX: HDN) and HealthCo Healthcare and Wellness REIT (ASX: HCW) with external AUM of $5.2 billion.

Important Notice - Forward-Looking Statements

This announcement contains certain forward-looking statements, which may include indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of Home Consortium. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based.

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