



Eildon Capital Group

ASX:EDC

Half Year Results Presentation FY23

24 February 2023



ASX-listed
specialist real
estate investor and
fund manager

- Eildon Capital Group (EDC) is an ASX-listed real estate investment and funds management business with over \$280 million Assets Under Management.
- Eildon's investment activities cover both credit and equity in real estate.
- The Group creates investment opportunities for sophisticated investors which strive to deliver:
 - Enhanced returns; and
 - Capital protection.
- Eildon co-invests alongside its investor clients utilising its \$52 million (net assets) balance sheet capacity, demonstrating strong alignment of interest.



Eildon Capital Group **Highlights**

Half Year 2023 key performance indicators

Group Highlights



\$2.0m

Net profit after tax



4.0cps

HY23
Earnings per security



2.9cps

HY23 Distributions
per security



\$1.17

Net assets
per security



\$282m¹

Group assets under
management



>\$75m

Real estate debt AUM



\$164m

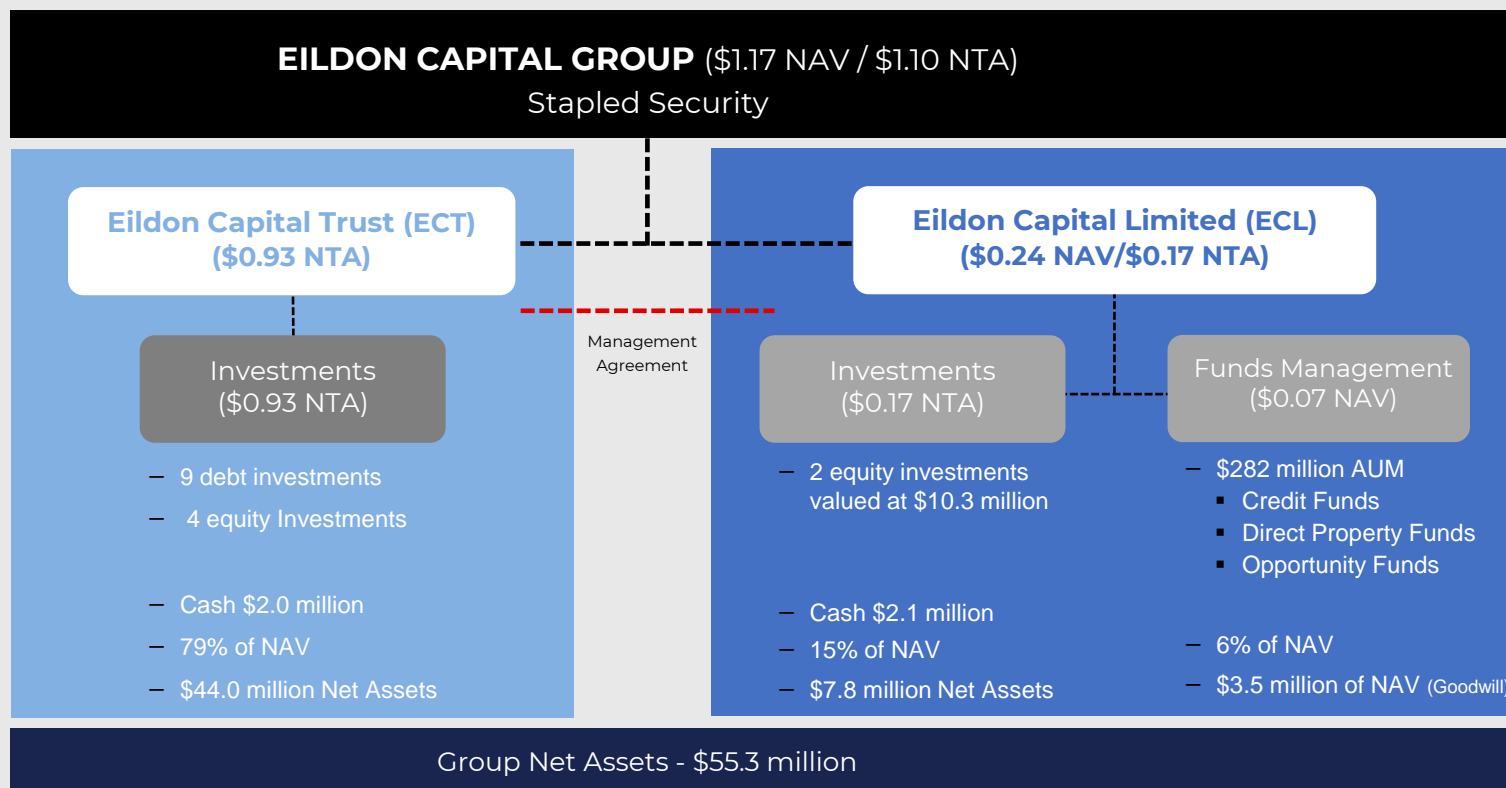
Real estate equity
AUM



\$1.10

Net tangible assets
per security

Eildon Capital Group corporate structure





Eildon Capital Trust (ECT)

Eildon Capital Trust portfolio composition

ECT Providing Group Distributions

Eildon Capital Trust	Value (\$)	Value per Security (\$)
Eildon Debt Fund co-investments (9 Investments)	24,978,545	0.52
Eildon Direct Property Funds co-investments (3 Investments)	4,587,051	0.10
Preferred equity investment (1 investment)	5,059,200	0.11
Cash	5,459,415	0.12
Loan receivable from ECL	4,669,754	0.10
Other Assets & Liabilities	(747,805)	(0.02)
Eildon Capital Trust - Net Assets	44,036,160	0.93

PROFIT & LOSS	31-Dec-22	31-Dec-21
Eildon Capital Trust	\$	\$
Interest income	2,386,001	2,259,981
Distribution	308,242	232,789
Fee income	-	101,033
Total Revenue	2,694,243	2,593,803
Management fees (payable to ECL)	(430,643)	(355,538)
Interest expenses	(300,882)	(207,060)
Other expenses	(183,678)	(158,977)
Total Expenses	(915,203)	(721,575)
Profit Before Tax	1,779,040	1,872,228

9

Credit
Investments

8.6%

Weighted average yield
on credit investments

66%

Weighted average LVR
on credit investments

4

Equity Investments

Note: All figures as at 31 December 2022.

Eildon Capital Trust portfolio composition

Providing
Group
Distributions

100%

Eastern seaboard
investment portfolio

15%

Floating rate loans

0%

Loans in arrears

21%

Senior debt
land loans

28%

Senior debt
construction loans

\$3.0m

Average loan size

Note: All figures as at 31 December 2022.

Eildon Capital Trust – key debt investments

Sample of ECT co-investments in Eildon Debt Fund (EDF).

SENIOR DEBT	ECT \$2.2m
Bundalong (Vic)	
<ul style="list-style-type: none">– 7-lot residential sub-division project (with 5-lots fronting the Murray River)– Strong level of pre-sales with 4-lot sales to date, providing full debt cover of the senior debt civil works construction and development facility– On-site civil works to commence shortly	

SENIOR DEBT	ECT \$1.7m
Cheltenham (Vic)	
<ul style="list-style-type: none">– DA approval was achieved for an industrial unit / show-room development during the term of the loan– Marketing campaign underway to secure pre-sales for a construction facility (the expected repayment source)	



MEZZANINE DEBT	ECT \$15.4m
South Kingsville Apartments	
<ul style="list-style-type: none">– 420 dwellings master plan development located in Kingsville, Melbourne– Current product breakdown includes 269 apartments and 114 townhouses– Stage 1 construction commenced	

SENIOR DEBT	ECT\$0.8m
Werribee (Vic)	
<ul style="list-style-type: none">– In-fill site located in Lend Lease masterplan community– Seeking DA approval for a childcare centre with space for up to 90 children– Interest serviced monthly with a floating interest rate linked to BBSW	



Eildon Capital Trust – equity investments

Sample of ECT co-investments in Eildon Asset Management and Eildon Funds Management direct property funds.

EQUITY	ECT \$0.5m
EAM Berwick Motor Trust	
<ul style="list-style-type: none"> – A modern BMW Dealership and Service Centre, located in Narre Warren, Victoria – Fully tenanted on a long-term lease – Fund gross asset value \$18.8 million 	

EQUITY	ECT \$1.3m
EAM Elara Property Fund	
<ul style="list-style-type: none"> – A new 8,137 sqm Town Centre, in 'Elara Estate' Marsden Park, Sydney – Anchored by Coles, Goodstart Early Learning and Castle Medical Centre on long-term leases – 100% occupied and trading strongly – Fund gross asset value \$64 million 	



PREFERRED EQUITY	ECT \$5.0m
Malvern Road Toorak	
<ul style="list-style-type: none"> – Development of 13 apartments and a 2-level basement apartment building located in the affluent suburb of Toorak, Melbourne called 'Clendon' – 2 pre-sales achieved, good levels of enquiry – Construction commenced 1H23 with completion in FY24 	

EQUITY	ECT \$2.8m
EFM Health & Education Fund	
<ul style="list-style-type: none"> – Portfolio of newly constructed Early Learning Centres located in Victoria – Fully tenanted on long-term leases to a highly experienced operator, Montessori Beginnings – Strong pipeline of organic growth opportunities – Fund gross asset value \$25 million 	



Eildon Capital Trust - historical financial performance

Eildon Capital Trust Providing Group Distributions

- Eildon Capital Trust was stapled to Eildon Capital Limited as part of a restructure in April 2020.
- Eildon Capital Trust is managed by Eildon Capital Limited with a management agreement in place.
- The table below illustrates the underlying performance of Eildon Capital Trust within the Eildon Capital Group stapled security.
- Eildon Capital Group quarterly distributions are 100% funded by Eildon Capital Trust.

Eildon Capital Trust (ECT)	HY Jun 2020	HY Dec 2020	HY Jun 2021	HY Dec 2021	HY Jun 2022	HY Dec 2022
Investment Revenue from ECT portfolio	\$1.4m	\$2.0m	\$1.8m	\$1.9m	\$2.0m	\$1.8m
Gross Return on Capital (%) (annualised)	8.4%	13.2%	10.7%	11.1%	9.7%	10.8%
Return on Capital (%) (net of expenses) (annualised)	7.6%	11.0%	8.6%	8.8%	9.2%	8.3%
ECT NTA per Security	91 cents	92 cents	92 cents	92 cents	92 cents	93 cents
ECT distributions per Security	1.55* cents	3.9 cents	4.0 cents	4.0 cents	3.5 cents	2.9 cents

Note: All figures as at 31 December 2022. *Prior to Group restructure in April 2020, distributions were paid from Eildon Capital Limited.



Eildon Capital Limited **(ECL)**

Eildon Capital Limited – direct equity investments

Legacy direct investments implemented prior to internalising Eildon Funds Management. These legacy investments are anticipated to mature over the next 1 to 3 years.

BURNLEY MALTINGS

EQUITY

ECL \$1.8m

- 4,500 sqm (net saleable area) development site located in Burnley, Melbourne
- 37 three story dwellings and three silo apartments containing 63 carparks in a full basement
- Formal Planning approval received in June 2022
- Marketing campaign commenced 1H23



Logan Road WOOLLOONGABBA

EQUITY

ECL \$8.5m

- 9,361 sqm development site located in Woolloongabba, Brisbane
- Site includes office/warehouse with total lettable area of 9,887 sqm
- Currently leased to ASX listed tenant (AP Eagers)
- Mixed-use development has been approved
- Initial equity contribution \$3.4 million

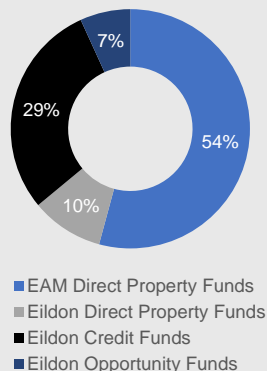


Eildon Capital Limited – Funds Management

Eildon Funds Management

- Group Assets Under Management \$282 million.
- Launch of the Eildon Harpley Town Centre Property Fund, valued at \$80 million, capital raising underway, expected to be closed H2 FY23.
- New Eildon Pooled Credit Fund to be launched in FY23.
- Total Profit Before Tax since Internalisation of \$2.9 million (Goodwill valuation \$3.5million).

**Eildon Funds Management
AUM Diversification**



Note: All figures as at 31 December 2022. Group AUM includes Balance Sheet assets of Eildon Capital.

PROFIT & LOSS

	31-Dec-22	31-Dec-21
Eildon Funds Management	\$	\$
Management Fees	1,138,594	1,280,559
Establishment Fees	-	246,000
Project Management Fees	240,000	335,161
Facility Fees	528,093	458,901
Admin and Other	332,071	104,261
Total Revenue	2,238,758	2,424,882
Corporate overheads	(1,850,480)	(1,658,094)
Profit Before Tax	388,278	766,788

\$282m

Group Assets Under
Management

1. Real Estate
Credit Funds
2. Direct Property
Funds
3. Opportunity
Funds

>\$100m

Pipeline of
opportunities under
control

Funds Management platform

Eildon Funds Management \$282 million AUM

Eildon Capital Trust

Balance Sheet
Co-investments

\$34.6m

Further capacity to
co-invest and support growth in funds
management initiatives

Direct Property Funds

KEY FOCUS

- Convenience Retail
- Large Format Retail
- Health & Education

Number of
funds

4

Assets under
management

\$164m*

Controlled
pipeline of
opportunities

\$95m

Real Estate Credit Funds

KEY FOCUS

- Grow Eildon Debt Fund (EDF)
- Launch Eildon Pooled Fund

Funded 40
deals since
inception
totalling

\$380m

Current
Assets under
management

\$75m*

Typical
investment
terms

**12-24
months**

Opportunity Funds

KEY FOCUS

- Agnostic multi sector strategies
- Develop-to-core Funds

Number of
funds

2

Assets under
management

\$21m

Completed
value of
projects

\$104m

Note: All figures as at 31 December 2022. Group AUM of \$282m includes Balance Sheet assets of Eildon Capital Group. *Includes EDC co-investments and Eildon Asset Management Pty Ltd as trustee for Eildon Asset Management Trust (**EAM**) managed funds (EFM owns 50% of EAM).

Funds Management product lines

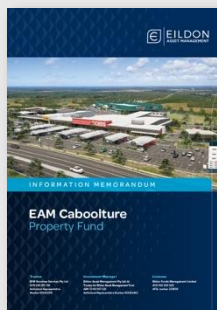
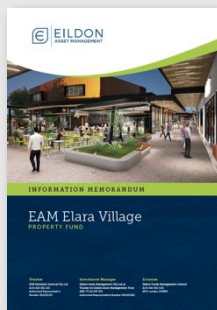
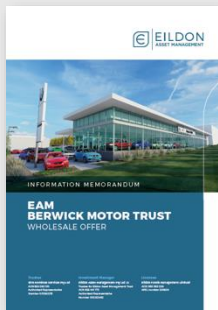
Eildon Direct Property Funds

- EAM Caboolture Property Fund reached practical completion in the period, centre trading well.
- Launch of the Eildon Harpley Town Centre Property Fund, valued at \$80 million, capital raising underway, expected to be closed H2 FY23.
- EFM benefits from an identified pipeline for a further \$100 million of community essential real estate.

\$164m

Current Assets Under Management

Eildon Direct Property Funds



* EFM owns 50% of EAM (the Investment Manager of EAM Berwick Motor Trust, EAM Elara Village Property Fund and EAM Caboolture Property Fund).

Funds Management product lines

Eildon Real Estate Credit Funds

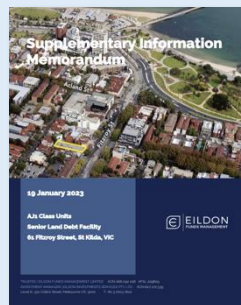
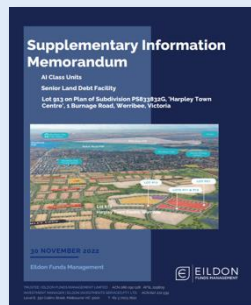
Eildon Debt Fund (EDF) – Contributory Mortgage Fund

- Offering wholesale investors deal specific access to commercial real estate lending opportunities secured by registered first and second mortgages;
- Successfully repaid in excess of \$88 million of investor funds during the period resulting in an outsized 20%+ IRR return for investors;
- Recent investments delivering investors strong risk-adjusted returns of 10%+ p.a. reflecting the recent increase in the risk-free rate; and
- Strong deal flow of land and construction finance first and second mortgage opportunities under assessment to provide fee generation and EDC balance sheet co-investment opportunities.

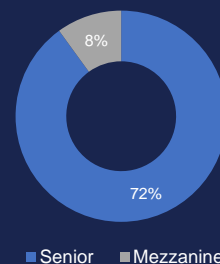
\$75m

Current Assets Under Management

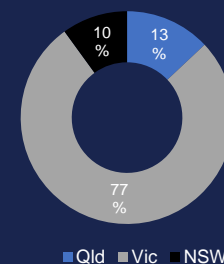
Examples of recent Eildon Debt Fund investments



Eildon Debt Fund Investment by Type



Eildon Debt Fund Geographic Diversification

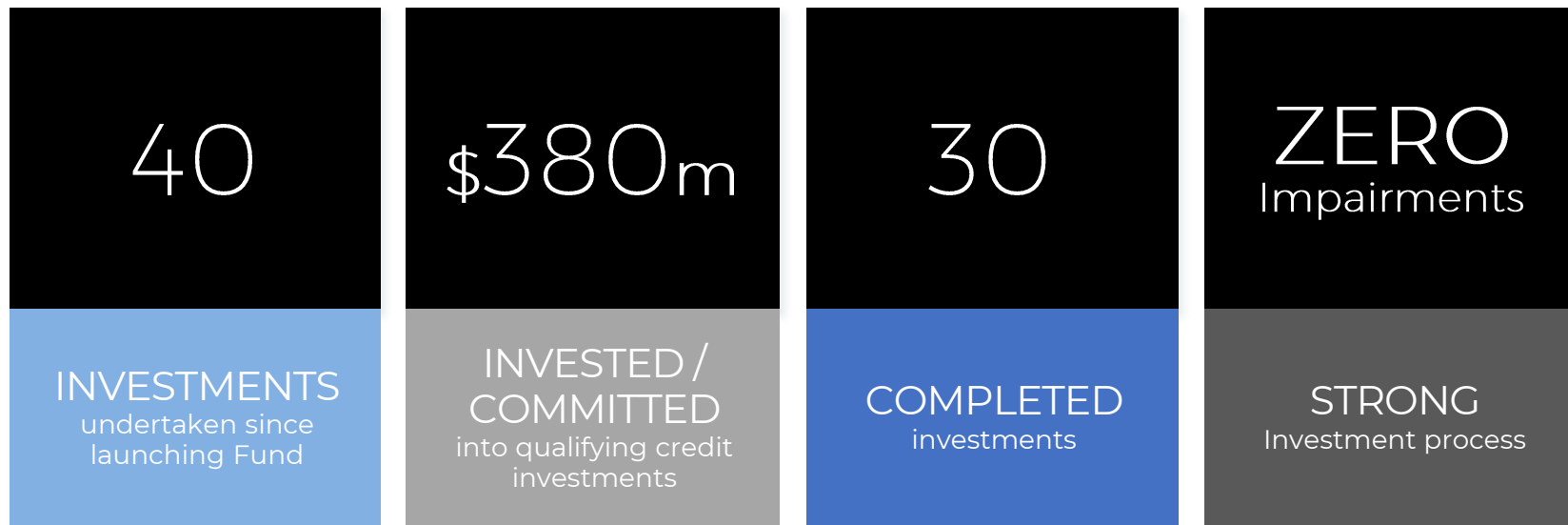


Note: All figures as at 31 December 2022.

Funds Management product lines

Eildon Debt Fund (EDF) – track record

- Offering wholesale investors access to commercial lending opportunities secured by registered mortgages with expected returns of between 9-11% p.a for senior positions and 12-14% for mezzanine investments.
- Recent investments and pipeline opportunities expected to deliver on the higher end of the expected return ranges for senior and mezzanine investments.



Funds Management product lines

Eildon Opportunity Funds

Harpley Town Centre – Werribee, VIC

- 4.4Ha site within Lend Lease Harpley Estate
- Development into corporate medical centre, neighbourhood centre, service station and fast food and other commercial uses
- Development commencing in FY23 with end value projected to be in excess of \$96 million

Big Fish Retail and Commercial Centre – Caboolture, QLD

- 15Ha site located on the Bruce Highway between Brisbane and the Sunshine Coast
- EFM has been transforming the site into a combined retail and commercial precinct
- Development of a 14,042sqm Bunnings Warehouse, construction underway
- Construction of Caboolture Shopping Village nearing completion

\$21m

Current Assets Under
Management



Harpley Neighbourhood Centre



Big Fish Retail and Commercial Centre



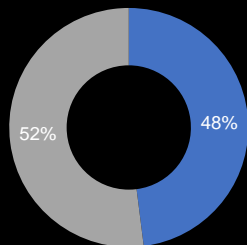
Big Fish Retail and Commercial Centre



Financial **Results**

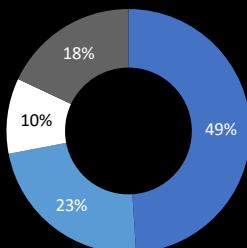
Eildon Capital Group – Half Year Results – Profit and Loss

EDC Group Revenue



■ Property Investments
■ Funds Management

EFM Profit Before Tax



■ Funds Management Fees
■ Facility Fees
■ Project Management Fees
■ Admin

PROFIT & LOSS	31-Dec-22	31-Dec-21
Eildon Capital Group		
Property Investment Income	2,119,678	2,115,460
Fund Management Fees	1,138,594	1,280,559
Fund Establishment Fees	-	246,000
Facility Fees	528,093	458,901
Project Management Fees	240,000	335,161
Admin & Other	405,323	291,755
Total Revenue	4,431,688	4,727,836
Corporate Overheads	(2,667,050)	(2,358,690)
Profit Before Tax	1,764,638	2,369,146
Income Tax Benefit/ (Expense)	243,493	(343,814)
Net Profit After Tax before revaluations	2,008,131	2,025,332
Mark to market revaluations	-	662,844
Net Profit After Tax	2,008,131	2,688,176
EPS per Security (Diluted)	4.0	5.6

Balance Sheet Property Investments
ECT / ECL

Funds Management Revenue

Eildon Capital Group – Half Year Results – Balance Sheet



\$1.17

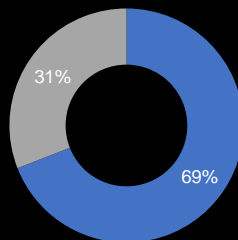
**Net Asset Value
per security**
(HY22: \$1.12)



Zero

**Balance Sheet
gearing**

**Eildon Balance
Sheet Investments**



■ Real Estate Credit
■ Real Estate Equity



\$7.6m

Cash on Hand

Supporting growth initiatives

EDC BALANCE SHEET	ECT	ECL	EDC	EDC
ASSETS			31-Dec-22	31-Dec-21
Real Estate Equity Investments	4,587,051	10,295,321	14,882,372	14,301,098
Real Estate Credit Investments	33,210,673	-	33,210,673	30,528,329
Goodwill (Eildon Funds Management - EFM)	-	3,460,077	3,460,077	3,460,077
Cash	5,417,229	2,176,795	7,594,024	8,180,442
Other assets	4,759,086	(899,279)	3,859,807	2,515,330
Total assets	47,974,039	15,032,914	63,006,953	58,985,276
LIABILITIES				
Trade and other payables	3,147,006	1,253,554	4,400,560	555,082
Other liabilities	790,874	2,475,155	3,266,029	3,708,219
Total liabilities	3,937,880	3,728,709	7,666,589	4,263,301
Net assets	44,036,159	11,304,205	55,340,364	54,721,975

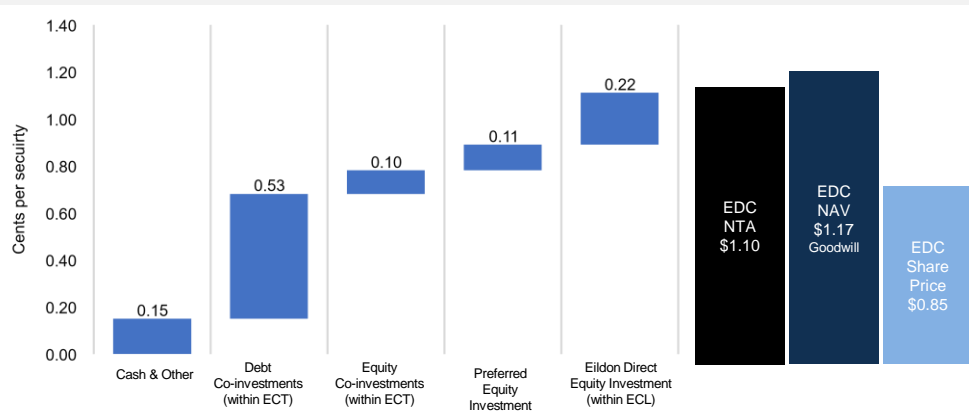
Eildon Capital Group (EDC) reconciliation of NAV and NTA

Reconciliation of NAV and NTA

- EDC closing price of 22 February 2023 was \$0.85 per security; 23% discount to NTA.
- Group cash and debt investments represent 69 cents of EDC's NTA or 81% of current share price.
- EDC NTA of \$1.10 per security comprised 9 debt and 4 equity investments.

Eildon Capital Group Balance Sheet	Value (\$m)	Value per Security (\$)	Cumulative value per security (\$) / % of NAV
Group Net Asset Value Per Security	55.3	1.17	100%
Eildon Funds Management - Goodwill	3.5	0.07	1.17 / 100%
Group Net Tangible Assets Per Security	51.9	1.10	1.10 / 94%
Other Assets & Liabilities	(0.64)	(0.01)	1.10 / 94%
Eildon Direct Equity investments (within ECL)	10.3	0.22	1.11 / 95%
Preferred Equity Investment	5.1	0.11	0.89 / 76%
Eildon Equity Investments - Co-investments (within ECT)	4.6	0.10	0.79 / 67%
Eildon Debt Investments - Co-investments (within ECT)	24.9	0.53	0.69 / 59%
Group Cash	7.6	0.16	0.16 / 14%

Group NTA / NAV vs Share Price





Eildon Capital Group **FY23 Outlook**

Group key focus and outlook

1. Simplifying group investment portfolio

- Focus on debt investments via Eildon Debt Fund.
- Redeploy capital invested within Eildon Capital Trust into floating rate debt investments from fixed as investments mature.
- Simplify investment portfolio between Eildon Capital Trust and Eildon Capital Limited.

2. Continue to grow Funds Management platform and product line

- Borrower demand for flexible finance solutions remains strong as the real estate lending environment is favourable for non-bank lenders.
- New Eildon Harpley Property Fund, valued at \$80 million, capital raising underway.
- New Eildon Pooled Credit Fund Launch of the to be launched in FY23.
- Pipeline of opportunities under control across credit and equity total >\$100 million to support AUM and revenue growth.

3. Continue to invest balance sheet of ECT into debt investments to support distributions

- **Revised forecast distribution guidance for FY23 of 6.0 cents per stapled security to be paid from Eildon Capital Trust** supported by income producing investments and co-investments (79% of Group NAV).
- The Group's strong balance sheet and cash reserves provides the ability to fund growth initiatives and new strategies within the Australian Real Estate market across credit and equity.
- Balance Sheet investments continue to generate income supporting quarterly distributions.
- **Forecasts are subject to there being no material adverse change in market conditions or unforeseen events.**

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