

# EUMUNDI GROUP LIMITED

## CEO's Presentation 2023 Annual General Meeting



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# FY23 performance summary

## ✓ Solid result achieved in an inflationary environment

Year ended 30 June (\$000)	2023	2022	2021
Revenue from ordinary activities	30,113	27,684	26,216
<b>Profit after tax excluding finance costs, fair value adjustments and government subsidies</b>	<b>3,861</b>	<b>3,437</b>	<b>2,475</b>
Finance costs net of tax	(1,079)	(511)	(413)
<b>Profit after tax excluding fair value adjustments and government subsidies</b>	<b>2,782</b>	<b>2,926</b>	<b>2,062</b>
Net gain / (loss) on fair value adjustment of investment properties after tax	(1,305)	4,085	1,769
Government subsidies after tax	-	11	432
<b>Reported profit after tax</b>	<b>1,477</b>	<b>7,022</b>	<b>4,263</b>
Net gain on fair value adjustment of land and buildings after tax	3,740	6,081	4,313
<b>Total comprehensive income</b>	<b>5,217</b>	<b>13,103</b>	<b>8,576</b>
<b>Earnings per share (cents)</b>	<b>3.3</b>	<b>16.7</b>	<b>10.3</b>
<b>Earnings per share excluding fair value adjustments (cents)</b>	<b>6.3</b>	<b>7.0</b>	<b>5.0</b>

- Revenue increased by 8.8% to \$30.113M from \$27.684M in FY22
- Finance costs net of tax increased by 111% to \$1.079M due to higher interest rates with the impact mitigated by lower net debt
- Net profit after tax excluding fair value adjustments and government subsidies decreased by 4.9% to \$2.782M from \$2.926M in FY22
- Reported profit after tax of \$1.477M was achieved after a net loss on revaluation of investment properties of \$1.305M net of tax

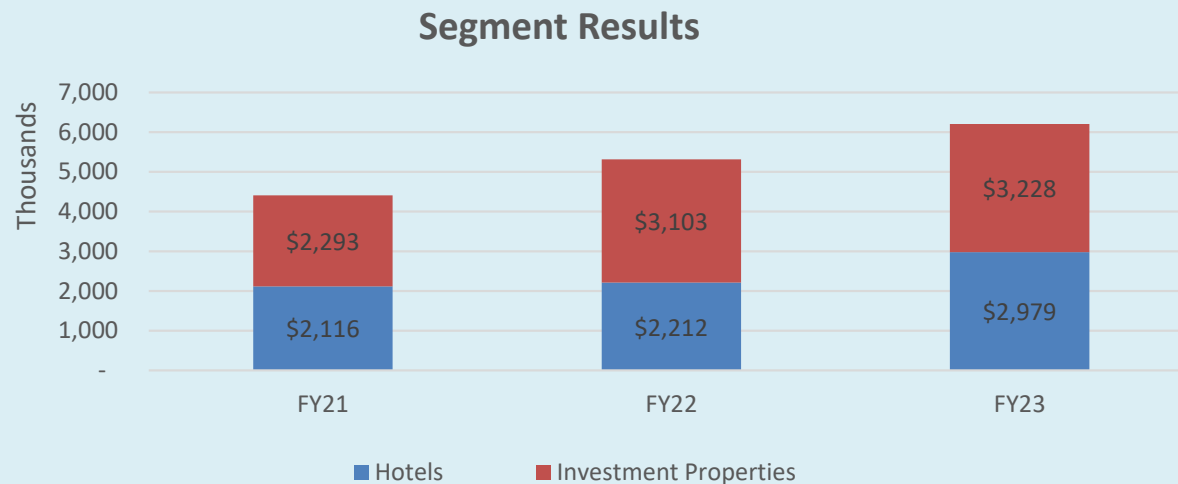
# FY23 segment contributions

## Hotels segment result \$2.979M up 34.6%

- Gaming gross revenues increased
- Improved gross profit from bar, bistro and retail liquor sales
- Higher commissions and rebates
- Expenses managed

## Investment properties result \$3.228M up 4.0%

- Full year of Court House Hotel and fixed annual rise
- Plough Inn CPI rent increase
- Improved leasing outcomes and annual increases at Aspley centres



Represents earnings before finance expenses, tax, depreciation, unallocated items and fair value adjustment on investment properties – refer to the Segment Information in Note 3 of the FY23 Financial Statements

# Review of hotels

## Ashmore Tavern

- Kitchen and bathroom upgrades completed late Q1FY23 delivering improved efficiency and function capacity
- Gaming and facial recognition equipment upgrades Q3 FY23
- Major carpark repairs undertaken Q4 FY23
- On-premise revenue growth achieved



## Aspley Central Tavern

- Cash security equipment upgrades Q2FY23
- Gaming and facial recognition upgrades Q3FY23
- Major refrigeration repairs Q3FY23

# Review of hotel investment properties

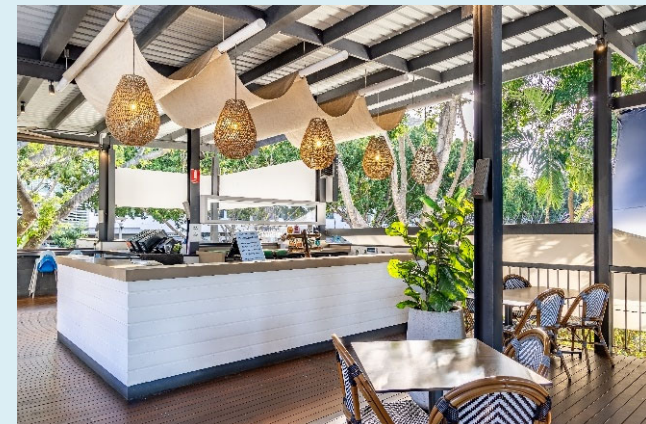
## Court House Hotel, Murwillumbah, NSW

- Long term, triple net lease
- Experienced multi-venue operator
- Fixed annual rises
- Full year of income in FY23
- Reliable income stream



## The Plough Inn (head lease) Southbank, Brisbane, QLD

- Long term, triple net lease
- Experienced multi-venue operator
- CPI based rises
- Solid income producing asset
- Located in Brisbane's major tourism precinct



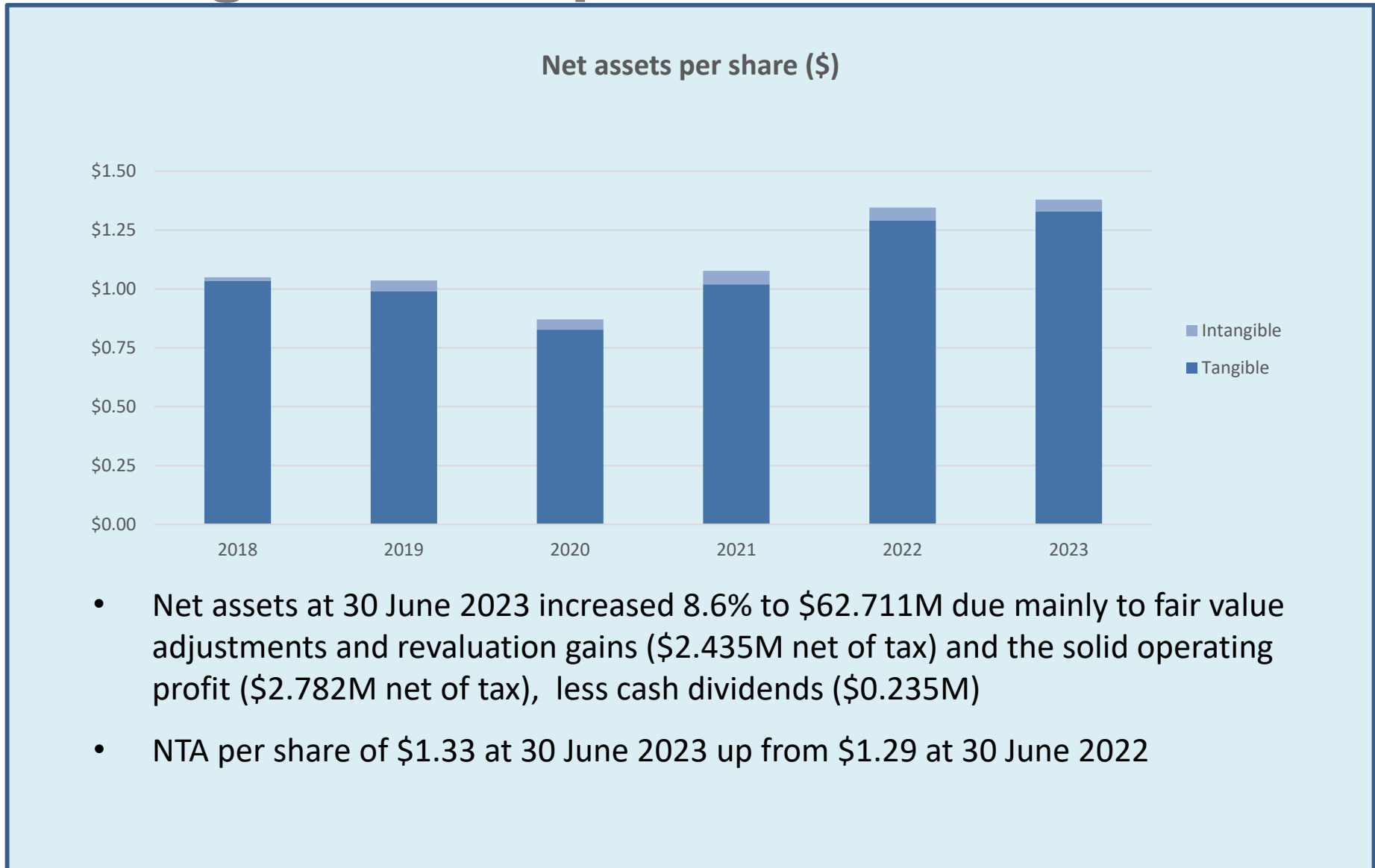
# Review of retail investment properties

## Aspley Shopping Centre & Aspley Arcade Shopping Villages, Aspley, Brisbane, QLD

- Improved contribution
- Combined WALE 4.52 years
- Combined vacancy rate 9.2% with five vacancies remaining

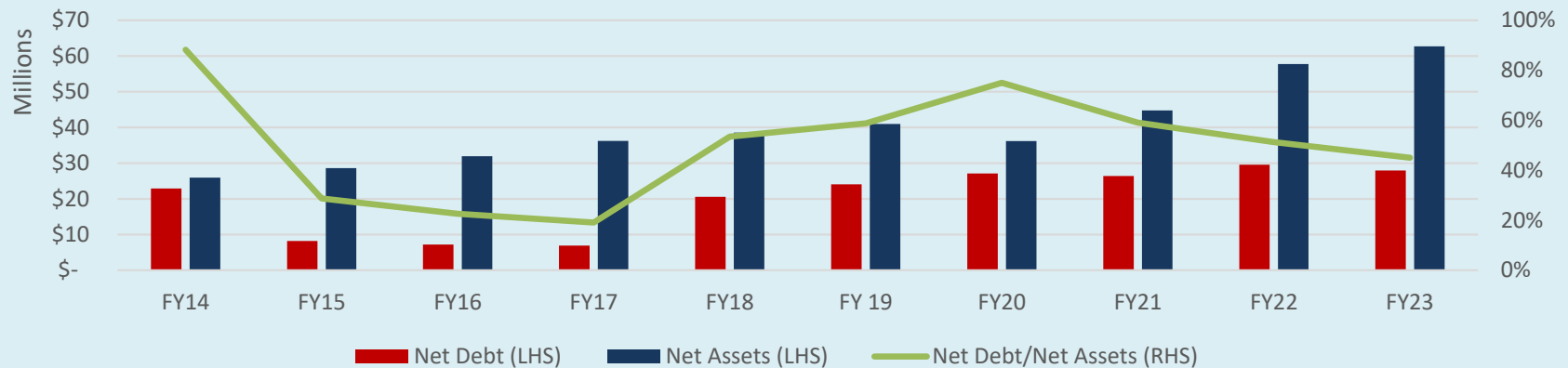


# Strong financial position



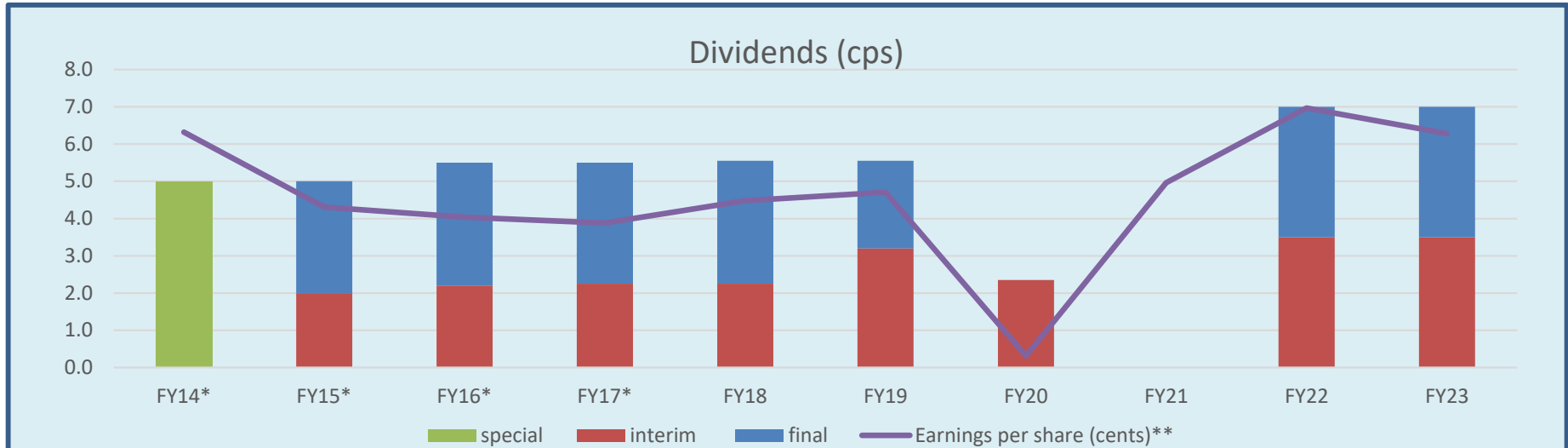


# Strong financial position (cont'd)



- Net debt decreased by \$1.643M to \$27.958M at 30 June 2023
- Total capital investments of \$2.769M in FY23
- Funded by cash inflows from operations of \$4.890M
- Gearing ratio (net debt to total equity) decreased from 51.3% to 44.6%
- Interest cover of 3.6 times in FY23 comfortably serviced debt
- Commercial borrowing facilities renegotiated on favourable terms with tenure to October 2025
- Access to undrawn commercial borrowing facilities of \$7.251M as at 31 October 2023

# Dividends



- Total FY23 ordinary dividends of 7.0 cents per share
  - Fully franked (at 25%) interim dividend of 3.5 cents per share
  - Fully franked (at 25%) final dividend of 3.5 cents per share
- Total dividends of 48.45 cents per share paid since June 2014\*
- Dividend Reinvestment Plan utilised to preserve cash
  - DRP participation rate of 92% for FY23 final dividend

\* adjusted for 1:10 share consolidation

\*\* excl fair value adjustments and government subsidies

# Outlook

## Hotels

- Ashmore Tavern
  - Gaming remains strong
  - Bar and bistro YOY Q1 growth but softening expected
  - Retail liquor sales down
  
- Aspley Central Tavern
  - Gaming remains strong
  - Bar and bistro stable
  - Retail liquor sales down

# Outlook (cont'd)

## Investment Properties

- Plough Inn
  - Stable business with predictable annual rent rises
- Court House Hotel
  - Stable business with fixed annual rent rises
- Aspley Shopping Centre and Aspley Arcade Shopping Village
  - Revenue growth with annual rises and potential new leases at shopping centres
  - Increased interest rates and inflation impacting lease offers, but interest in remaining five vacancies

# Outlook (cont'd)

- Uncertain economic conditions following interest rates and inflation increases over past 12 months
- Potential market pressures in coming year
- Ability to respond quickly to market opportunities
- Completed capital upgrades across the hotel and investment property portfolio underpin future performance
- Quality assets with strong cash flows