

ASX RELEASE

Eumundi Group announces net profit after tax of \$3.621 million for FY24

Earnings per share of 7.71 cents

Net asset backing of \$1.39 per share

Eumundi Group Limited (the “**Group**”), the Queensland hotel and investment property company, reported a profit after tax of \$3.621 million for the year ended 30 June 2024 (“**FY24**”), equating to earnings per share of 7.71 cents.



The current year profit includes a \$0.630 million fair value gain on revaluations of the Group’s investment properties net of tax, of which \$0.380 million pertains to The Plough Inn, \$0.151 million relates to the Aspley Arcade Shopping Village and \$0.099 million relates to the Court House Hotel.

The reported net profit after tax is a 145% increase on the prior year result of \$1.477 million which included a \$1.305 million diminution on fair value adjustment of the Group’s investment properties net of tax.

Total comprehensive income in FY24 was \$4.324 million. This included a fair value gain on revaluation of land and buildings net of tax of \$0.703 million related to the Ashmore Tavern of \$0.415 million and \$0.288 million related to the Aspley Shopping Centre.

In the prior year, total comprehensive income of \$5.217 million included revaluation gains of \$3.740 million net of tax, primarily reflecting the significant appreciation the value of the Ashmore Tavern.

Net profit from ordinary activities after tax before fair value adjustments and revaluations net of tax was \$2.991 million in FY24, an increase of 8% from \$2.782 million in FY23.



The FY24 result is summarised below:

Year ended 30 June (\$'000)	FY24	FY23	Change
Revenue from ordinary activities	30,432	29,733	2%
Net profit from ordinary activities after tax before finance costs and fair value adjustments net of tax	4,262	3,863	10%
Finance costs net of tax	(1,271)	(1,081)	18%
Net profit from ordinary activities after tax before fair value adjustments net of tax	2,991	2,782	8%
Net gain/ (loss) on fair value adjustment of investment properties net of tax	630	(1,305)	(148%)
Reported net profit after tax	3,621	1,477	145%
Fair value revaluations of land and buildings net of tax	703	3,740	(81%)
Total comprehensive income	4,324	5,217	(17%)
Earnings per share (cents)	7.71	3.33	132%
Net assets per share (\$)	1.39	1.38	1%
Dividends (cents per share)			
Interim dividend, fully franked at 25% (FY24: fully franked at 25%)	3.50	3.50	
Final dividend fully franked at 25% (FY23: fully franked at 25%)	3.75	3.50	
Total	7.25	7.00	

Comments on result

Further details on the FY24 financial result and the significant operational developments for the Group during the period are provided below:

- The Ashmore Tavern reported an uplift in gaming revenues of 8% during FY24, delivering a 6% increase in contribution. Bistro sales increased by 14% compared with FY23, however this prior period included the impact of the 1QFY23 kitchen redevelopment. Bar sales were on par with the prior year. Overall contribution from bar and bistro increased by 6% in FY24. Retail liquor sales decreased by 3% compared with FY23 largely attributable to reduced consumer spend, leading to a trend towards value purchases, and the impact of heightened market competition.
- Aspley Central Tavern revenues were more markedly impacted by the difficult trading conditions of FY24 and increased local competitor activity. Nonetheless, an increase in gaming revenues of 4% was achieved during FY24 delivering a 5% increase in contribution. Bistro sales were in line with FY23, while bar sales decreased by 4%. Retail liquor sales decreased by 8% due to cost-of-living pressures and heightened local competition, while margins were also squeezed, falling by 11%. This resulted in a decline of 33% in retail contribution.
- The Group's investment property revenues increased as the result of annual rent rises.



Strong cash flows

Net operating cash inflows remained strong at \$4.220 million, with the reduction from the previous corresponding period attributable solely to an increase in finance costs and tax payments. Finance costs paid increased by 27% due to higher interest rates, notwithstanding the Group's reduced level of borrowings. Tax payments included a \$0.521 million final FY23 income tax payment and instalments were higher following an increase in the Group's tax instalment rate. Receipts from customers less payments to suppliers and employees were slightly above the prior year at \$7.233 million.

Cash outflows from investing activities of \$0.565 million predominantly reflected the replacement of the Group's hotel point-of-sale system and installation of solar equipment at the Ashmore Tavern.

Financing cash outflows of \$3.830 million mainly comprised the repayment of borrowings of \$3.345 million and lease liabilities of \$0.213 million. Cash dividend payments of only \$0.220 million reflected the continued strong uptake by shareholders of the Group's dividend reinvestment plan.

Solid financial position

The Group's net asset backing per share of \$1.39 as at 30 June 2024 represents a slight increase on the prior year. The strong operating performance of the Group's hotel operations and investment properties, as well as the net fair value adjustment and revaluation gains of \$1.333 million after tax, was offset by the payment to shareholders of 7.0 cents per share in fully franked dividends during FY24. Net tangible assets per share was \$1.34 as at 30 June 2024.

Net debt of \$24.775 million as at 30 June 2024 represented a reduction of 11% from \$27.958 million in the prior year, resulting in a reduction in the gearing ratio (net debt: total equity) from 45% to 37% during this period. While finance costs have increased as noted previously due to interest rate rises, debt was comfortably serviced by interest cover (operating EBIT: interest) of 3.4 times in FY24.

The Group renegotiated commercial borrowing facilities on favourable terms and conditions during FY24 to extend expiry dates. Undrawn commercial loan facilities of \$8.746 million were available at balance date, providing both working capital and the ability to respond to further growth opportunities that may be identified.

Dividends

The Board has declared an increased final dividend of 3.75 cents per share, fully franked at a 25% corporate tax rate. The Record Date for the final dividend is Friday, 30 August 2024 and the dividend will be paid on Wednesday, 11 September 2024. This brings total fully franked dividends in respect of FY24 to 7.25 cents per share, including the fully franked (at 25%) interim dividend of 3.5 cents per share paid to shareholders on 14 March 2024.

The Eumundi Group Limited Dividend Reinvestment Plan ("DRP") will apply to the final dividend. Shareholders who have not previously elected to participate in the DRP or who wish to vary their DRP participation should update their details online at www.investorcentre.com or by calling Computershare Investor Services on 1300 552 270 to obtain a DRP Election/Variation Form. The election notice must be received by the share registry on or before 5pm Brisbane Time on Wednesday, 4 September 2024 to be effective for the final dividend.

Mandatory direct credit applies to this dividend payment. Where holders have already provided payment instructions, no further action will be required. Shareholders who have not previously provided direct credit payment details, or who wish to update their details, should do so online at www.investorcentre.com or by calling Computershare Investor Services on 1300 552 270.

Shareholders are reminded that for administrative convenience and cost, a minimum cash payment of \$5 will apply and that cash payments below this value will not be paid.

Outlook

In summary, the Group's hotel operations and investment properties have performed well during the year and the Group is in a very sound financial position with reduced debt and a strong equity ratio. With continuing high inflation and interest rates, the Board is mindful that market conditions will remain challenging. However, this may also create opportunities and the Board remains optimistic about the Group's future prospects given the quality of its assets, the strength of its cash flows and the determination and capability of its experienced management team.



Suzanne Jacobi
Chief Executive Officer

Approved by the Directors for lodgement.

To receive future Eumundi Group communications via email please update your preferences via www.computershare.com.au/easyupdate/EBG

