

20 August 2024
ASX Announcement

FY24 Results Announcement

FY24 Financial Highlights

- Net Profit After Tax of \$2.0m
- Cash Flow from Operations stronger at \$2.9m
- Cash Inflows from Operations of \$11.0m¹
- Largest performance fee received to date of \$3.4m
- Paid \$4.4m capital return to shareholders on 28 March 2024
- Strong Balance Sheet with \$26.8m in Net Assets (no debt)

FY24 Asset Management Highlights

- Assets Under Management (AUM) of \$540m (net of over \$60m capital returned on Pet Fund and Scout Ventures Fund III), +12% fund inflows on PCP
- Achieved second realised exit and performance fee after generating a 50% return on equity and 18% p.a. IRR from the sale of Petspiration Group (PETstock)
- First two exits have returned \$205m to investors, a realised IRR of 18% p.a.
- Sector tailwinds strengthening, as allocations to private markets increase

Auctus Investment Group Limited ('Auctus') is pleased to provide the following update on the business:

Auctus today announces FY24 results, with a Net Profit After Tax of \$2.0m resulting in earnings of 2.65c per share. This result was driven by strong Recurring Revenue of \$6.6m, which grew by 6.1% over the same period. Cash Flow from Operations grew 7.3% to \$2.9m.

This result is particularly pleasing considering the proceeds returned to investors from both the Pet Fund and Scout Ventures Fund III, which combined, returned over \$60m in capital and a further \$30m in net investor profit.

AUM closed FY24 at \$540m, of which approximately 77% is allocated to investments in the United States (US) with the remainder deployed domestically. Our US exposure is split equally between the US student housing portfolio and exposure in late-stage, growth private equity and pre-IPO opportunities via both US Opportunities Fund I & II and our Venture Capital limited partner Funds.

¹ Excluding interest and dividends

Realising returns across strategies

A key component of Auctus' strategy is managing duration of investments while maximising exit outcomes for investors. It has been 5 years since the first Fund was launched, and we are pleased to be returning capital to investors across multiple strategies, while continuing to deploy capital into exciting new opportunities.

Auctus has now delivered two investment exits, which together, returned \$205m across our Energy Storage and Pet Funds. In addition, Scout Ventures Fund III (US Venture Capital) has started returning capital in its fourth year after the exit of Tomahawk Robotics to AeroEnvironment (NYSE: AVAV). This exit is on track to return half the Fund, with a further nineteen active positions remaining. There are a number of standout portfolio companies remaining in Fund III, and our recently launched Scout Ventures Fund IV is already having significant momentum.

Our US student housing portfolio is currently undertaking asset sales in strong markets, so we look forward to realising solid capital growth and commencing the return of capital. With inflation easing in the US and the Fed on track to commence lowering rates, we expect to see upward valuation momentum in our existing portfolio.

In addition, our strong free cash flow bolstered by performance fees from exits have seen us return a total of \$8.2m in capital to shareholders over the last 2 financial years (FY24: \$4.4m or 6 cents per share & FY23: \$3.8m or 5 cents per share).

US Opportunities Fund I

The \$100m US Opportunities Fund I (USO I) closed in the last quarter of FY24. This portfolio has a concentrated investment strategy spread across three core companies, Healthcare Tech (SAAS), Online ID verification and Space and Aerospace. Each of these investments are now valued at over US\$1bn, have significant recurring revenue, and the potential for substantial revenue growth in years to come.

US Opportunities Fund II

After the success of USO I, Auctus launched US Opportunities Fund II (USO II) in June 2024. USO II, which is in capital raising mode, will be a \$200m 5-year fund with a similarly concentrated investment strategy. The first two investments in USO II operate in Advanced Materials and Artificial Intelligence. Both have come from years of technical research out of Ivy League universities and have multi-billion-dollar addressable markets.

Our deal pipeline, via our trusted US investment partners, remains incredibly robust and we look forward to growing our portfolio over the next 12 months.

US Student Housing Growth & Income Fund

The Fund was established to acquire and manage high-quality purpose-built student housing assets located within close proximity to top-tier, 4-year public universities across the United States (US), and drive value through operational efficiencies and capital upgrades.

The strength of this strategy has been validated over the last 12 months as occupancy and rental increases have outweighed a rapidly rising interest rate environment. The NTA of the Fund improved to \$1.65 at the end of June.

Luxury Escapes Fund

Luxury Escapes (Lux) has continued to grow both top line revenue and gross profit with FY24 being a record year. The business has near tripled Total Transaction Volume (TTV) since our initial investment reflecting significant expansion and market traction. As a result, we anticipate that this impressive increase in TTV will translate into substantial growth in EBITDA.

The investment is at the halfway mark of its expected hold period, and we believe the segment of the market in which Lux operates, will continue to be strong. Given recent transactions in the sector and the brand recognition and customer loyalty Lux enjoys, it is well positioned to leverage these favourable market conditions.

Managing Director, Campbell McComb said:

"As Auctus enters its sixth year of operation, we continue to be extremely excited about where the business is currently positioned, the quality of our underlying holdings and the growth potential for high quality private market investments. This excitement is also driven by the tailwinds of a growing domestic retirement savings market and an increasing allocation to private markets across wealth managers, high net worth investors and family offices.

As we continue to see our total addressable market increase in years to come, we look forward to providing investors with truly differentiated offerings that add value to their portfolios."

- ENDS

This announcement has been authorised for release by the Board of AVC

For all shareholder enquiries please contact:

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About Us

Auctus Investment Group Limited is an ASX listed global investment manager with \$540M Assets Under Management (AUM), focusing on opportunities across private equity, infrastructure, and private real estate. Our core investment thesis is investing in sectors with strong tailwinds and potential to scale. Auctus provides access to these private market investments for wholesale, family office and sophisticated investors.