

# **EUMUNDI GROUP LIMITED**

**CEO's Presentation  
2015 Annual General Meeting**

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# FY15 achievements

- ✓ Divestment of non-core shopping centre at Bribie Island for a favourable price (completed February 2015)
- ✓ Major renovations at Aspley Central Tavern (completed August 2015)
- ✓ Significant reduction in borrowings and favourable restructure of loan terms
- ✓ Increase in NTA per share from 8.0 cents at 30 June 2014 to 8.7 cents at 30 June 2015
- ✓ Commencement of fully franked ordinary dividends (interim and final FY15 payments)
- ✓ Maintained strong underlying profitability and operating cash flows

# Successfully divested non-core asset

- Divestment of the Bribie Harbour Shopping Village in February 2015 for \$13.15 million
  - Sale price was consistent with the revaluation of this asset that occurred at 31 December 2014
- Solid strategic decision for the Group which avoided the need to invest further capital into that asset
- Funds were redeployed to improve the Group's balance sheet position and fund its future growth

# Eumundi's financial position improved significantly during FY15

## Increase in net assets

- Net assets at 30 June 2015 were \$28.63 million, an increase of 10.2% from \$25.89 million at 30 June 2014
- NTA per share increased from 8.0 cents to 8.7 cents over the year

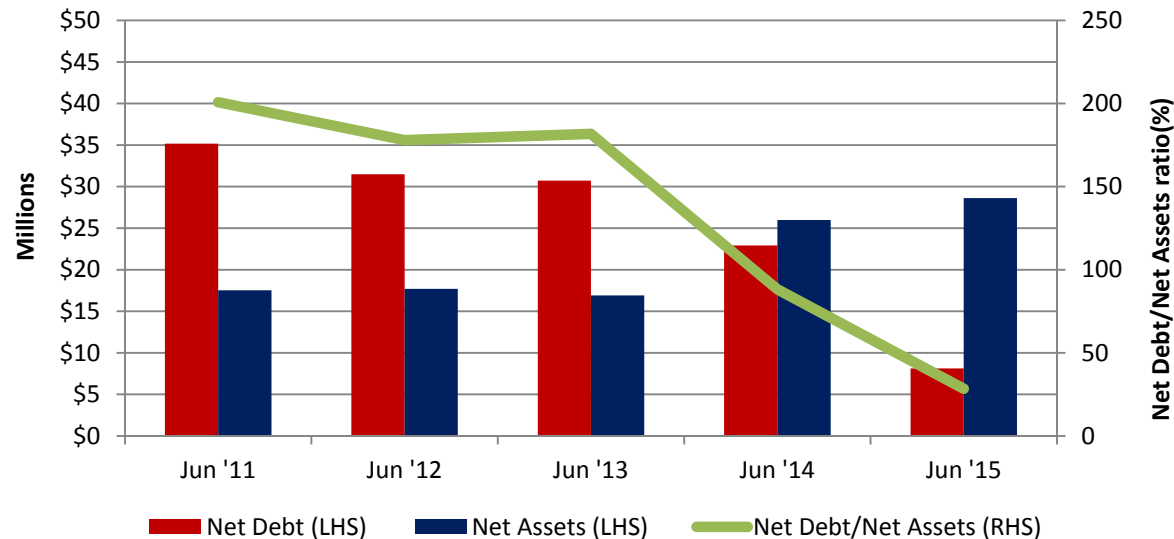
## Significant reduction in borrowings

- Total borrowings decreased from \$24.32 million at 30 June 2014 to \$9.69 million at 30 June 2015.
- Net debt of \$8.23 million at 30 June 2015 represents a significantly improved net debt to equity ratio of 28.8% (2014: 88.2%)

## Financing costs reduced

- With net debt significantly reduced, financing costs were materially lower at \$0.83 million in FY15, compared with \$1.51 million in FY14

# Transformation of balance sheet since 2011



- Since June 2011, the Group has exhibited strong growth in net assets and a significant decline in net debt
- Eumundi has never been in a stronger financial position, with a net debt to net assets ratio of 28.8% at 30 June 2015
- The Group now has the capacity to sustain dividends, develop its core assets and consider expansion opportunities

# Invested for growth in hotel operations

- Major renovation of Aspley Central Tavern commenced in March 2015
- Capital works completed in August 2015
- Total cost of \$1.1 million (inclusive of P&E)
- Impact on FY15 and 1HFY16 financial results due to closure of kitchen facilities and disruption to general operations
- Board and management are very pleased with the outcome:
  - Modern renovations including changes to entry, bistro, bar, TAB and gaming lounge
  - Increased internal and external dining capacity
  - Improved function capability and service
- Improved sales are expected across the Aspley Central Tavern's bar, restaurant and gaming operations in the coming year

# Aspley Central Tavern renovations

**Main Entry - August 2015**



**Main Entry - September 2013**



**Bistro- August 2015**



**Bistro- September 2013**





# Aspley Central Tavern renovations

**Bistro and Bar- August 2015**



**Bistro and Bar- September 2013**



**Sports Bar and TAB - August 2015**



**Sports Bar and TAB - September 2013**



# Aspley Central Tavern renovations

## New outdoor dining area





# Aspley shopping centres

- The Group's leasing strategy at Aspley Shopping Centre and Aspley Arcade Shopping Village resulted in increased rental income and a reduction in the overall vacancy rate from around 9% to 6% at year end
- The Aspley Shopping Centre was improved with an upgrade to the Aspley Central Tavern
- Further works are being considered to enhance leasing opportunities



# Ashmore Tavern

- FY15 contribution increased by 4.7% over prior year despite continued difficult Gold Coast market trading conditions
- Strong Gaming performance with turnover up 5.5% on the prior year following room upgrades of \$0.125 million
- Bar and Bistro turnover down 7.5% on FY14
- Retail and wholesale liquor turnover down 4.5% on FY14

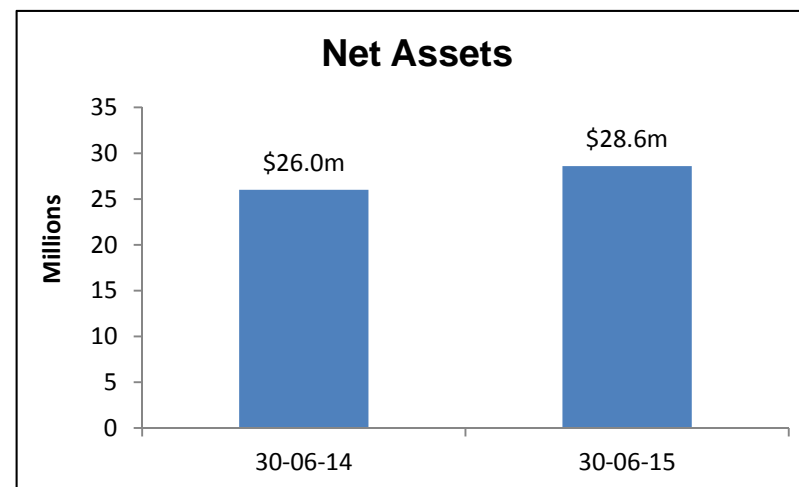
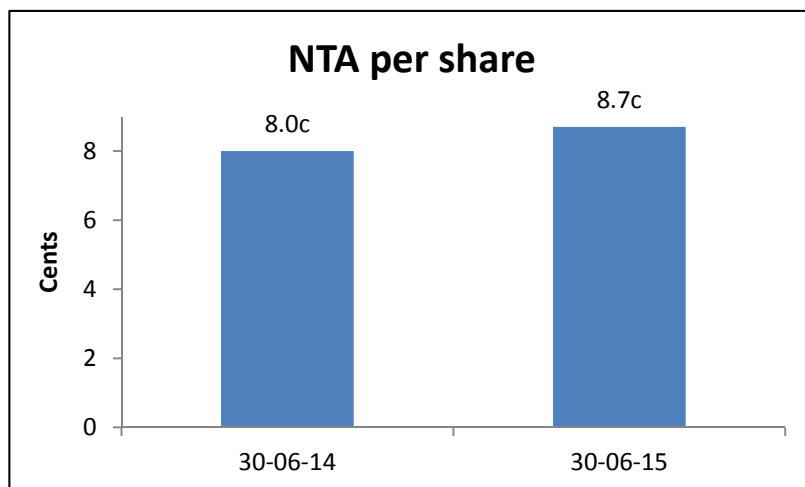


# Strong underlying profit for FY15

Year ended 30 June (\$'000)	2014	2015	Change
Total revenue	23,617	22,444	-5%
Reported profit after tax	3,166	2,298	-27%
Net gain on fair value adjustment of investment property	1,701	925	
<b>Profit after tax excluding fair value adjustment</b>	<b>1,465</b>	<b>1,373</b>	<b>-6%</b>

- The Board is pleased with the strong underlying performance given the significant developments that occurred during the period
- The result was achieved despite the disruption from the major refurbishment of the Aspley Central Tavern and the sale of the Bribie Harbour Shopping Village
- FY15 reported profit after tax equates to EPS of 0.72 cps
- Cash flow from operations during the year was \$2.67 million (FY14: \$2.67 million)

# Growth in NTA



- Net tangible asset backing per share increased from 8.0 cents at 30 June 2014 to 8.7 cents at 30 June 2015 (an increase of 8.8% after payment of the 0.2 cps interim dividend)
- Net assets at 30 June 2015 were \$28.63 million, an increase of 10.2% from \$25.89 million at 30 June 2014

# Ordinary dividend payments commenced

- Commencement of fully franked ordinary dividends following an initial special dividend in June 2014
- A total of 1.0 cent in fully franked dividends paid since June 2014

Dividend	Amount	Payment Date
FY15 Final	0.3 cps	19 October 2015
FY15 Interim	0.2 cps	27 March 2015
FY14 Special	0.5 cps	27 June 2014

- The Group's Dividend Reinvestment Plan provides shareholders with the ability to reinvest cash dividends in additional shares
  - Take up rate for FY15 final dividend was 88%
- Capacity to fully frank future dividends: franking account balance at 30 June 2015 of \$0.80 million

# Outlook

- Ongoing focus on hotel and leasing revenue streams
- Enhance performance of existing operations
  - Continued improvement of Gaming facilities
  - Upgrade of retail liquor premises early 2016
    - Ashmore liquor barn refurbishment (\$0.2 million)
    - Detached bottle shop upgrade programme (\$0.1 million)
  - Ashmore Tavern redevelopment design/planning mid 2016
  - Aspley Shopping Centre upgrade design/planning mid to late 2016
- Investigate opportunities for expansion of hotel operations



# **EUMUNDI GROUP LIMITED**

Thank you