

360 Capital Group ASX: TGP

2019 Annual Results Presentation

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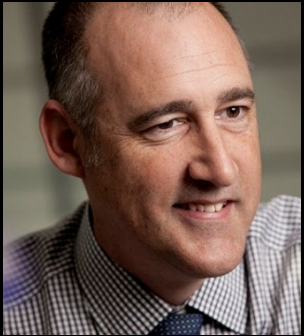
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“Our Purpose is to be a leading Australian investor and fund manager of alternative assets, who partner with our stakeholders to identify, invest and realise on opportunities.”



Through FY19 we invested in people to execute on this strategy and organically grow our businesses



360 Capital



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Tony Pitt
Group Managing
Director



Glenn Butterworth
Group CFO



James Storey
Head of Real
Assets



Dennison Hambling
Head of Public
& Private Equity



Chris Chase
Head of Private
Credit

21 August 2019

1. Executing on Alternative Assets Strategy

Our Investment Philosophy

- Although our investment strategies have expanded, our investment philosophy has not:

“We are a high conviction investor who invests alongside our stakeholders and partners with a focus on maximising returns over an agnostic investment term.

Pushing ourselves to think outside of traditional investment parameters allows us to see opportunities that others miss and realise value others can’t.

Drawing on our team of highly skilled investment and sector-specific specialists, we will continue to execute on strategies with strong thematic, while remaining nimble and cohesive as a Group.”



Alternative Asset Strategy

FINANCE
PRODUCT DISTRIBUTION
GOVERNANCE AND COMPLIANCE
GROWTH CAPITAL

REAL ASSETS	PRIVATE EQUITY	PUBLIC EQUITY	CREDIT
360 Capital Total Return Fund (ASX:TOT)	360 Capital Core Plus Equity Fund	360 Capital Equity Fund (ASX: to be listed Q4)	360 Capital High Yielding Credit Fund (ASX: to be listed Q3)
360 Capital Digital Infrastructure Partners			
360 Capital Digital Infrastructure Fund (ASX: TDI)			

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2. Group Highlights

FY19 Key Highlights- Pre 30 June

- Maximised our exit of Asia Pacific Data Centre Group for \$154.8 million
- Repaid all debts and became debt free across entire platform
- Announced expanded investment strategy into alternative assets
- Entered into Equities Funds Management joint venture with Dennison Hambling
- Received remaining sale proceeds from previous business sale to Centuria
- Entered into Digital Infrastructure Management joint venture with David Yuile
- TOT averaged \$56.6 million in 1st mortgage loans, with repayments achieving an average IRR 15.9% p.a¹

\$177m

Cash Balance

\$0

Debt

Two

Joint Ventures

1. IRR calculated excluding Port Coogee repayments, as Port Coogee loan remains ongoing

FY19 Key Highlights- Post 30 June

- Closed \$50.0 million in pre-IPO funding for 360 Capital Digital Infrastructure Fund
- Acquired two data centre interests in 360 Capital Digital Infrastructure Partners
- Launched IPO and further \$65 million raising of 360 Capital Digital Infrastructure Fund
- Chris Chase appointed Head of Private Credit to build out Group's corporate credit strategy

\$115m

IPO of Digital
Infrastructure Fund

2

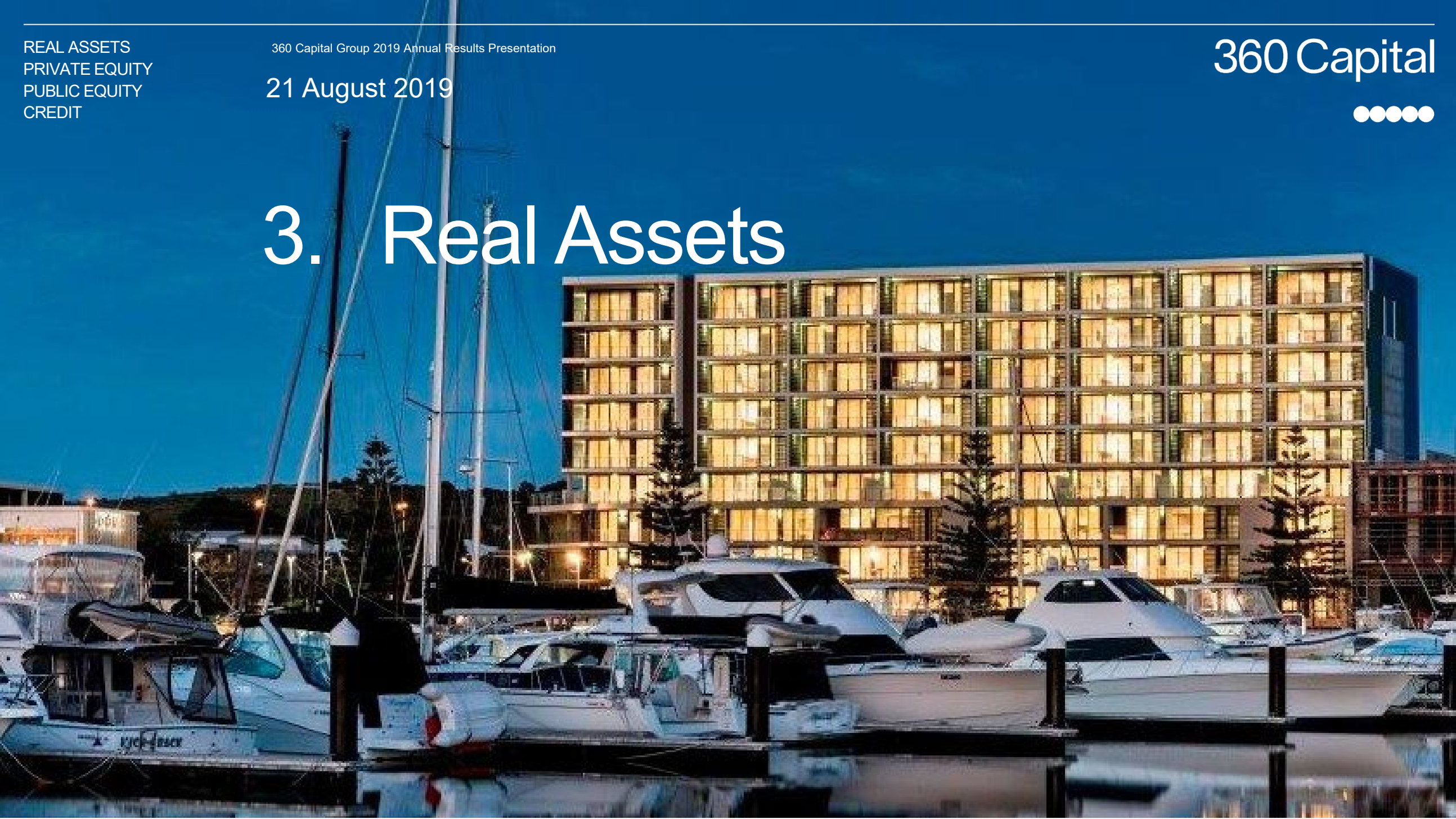
Data centres purchased

IPO

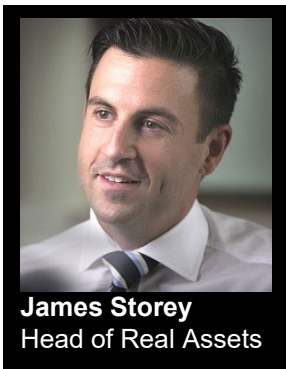
360 Capital Digital
Infrastructure Fund

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3. Real Assets



Real Assets – 360 Capital Total Return- Strategy



\$42.3m
Cash balance

\$46.1m
Senior loans
written FY19

\$86.7m
Gross Assets

\$1.19
Core NTA per
security



- **TOT is the Group's ASX-listed real estate vehicle**
- **TGP owns 26.3% of TOT and receives fees from management and loan origination through 50% ownership of AMF Finance**

TOT's investment strategy is focused on 4 key areas:

- **Direct real estate**
 - Asset repositioning
 - Rezoning / redevelopment
 - Income generating real estate
- **Indirect real estate**
 - Operating businesses
 - Strategic equity investments
 - Participation in mergers and acquisitions
- **Real estate debt**
 - First and second mortgage
 - Preferred equity
- **Non-performing real estate debt**
 - Distressed financing
 - Non-performing loans
 - Recapitalisation

Loan portfolio



Progressively drawn senior

Development of 94 apartments in Western Sydney

Net Realisation¹: \$46.7m
Facility Amount²: \$31.8m
(68% LVR / 79% LTC)

Term: 24 months

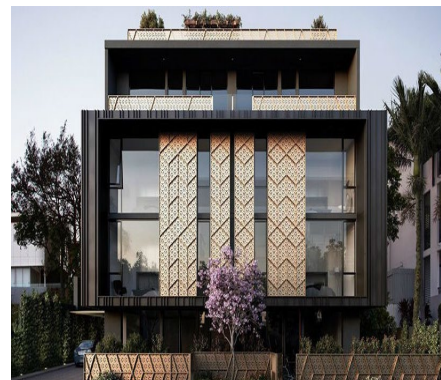


Cash advance senior³

Medium density complex comprising 109 waterfront, residential apartments in Port Coogee, W.A.

Net Realisation¹: \$13.2m
Facility Amount²: \$8.0m
(61% LVR)

Term: 18 months



Cash advance senior

Medium density complex comprising 22 luxury apartments in New Farm, QLD

Net Realisation¹: \$8.0m
Facility Amount²: \$4.7m
(58% LVR)

Term: 12 months



Mezzanine

Construction of pre-leased hotel in Perth, WA

Net Realisation¹: \$76.0m
Facility Amount²: \$7.6m
(70% LVR / 78% LTC)

Term: 24 months



Progressively drawn senior

Development of 28 room residential accommodation facility in Coogee NSW

Net Realisation¹: \$11.4m
Facility Amount²: \$8.0m
(70% LVR / 80% LTC)

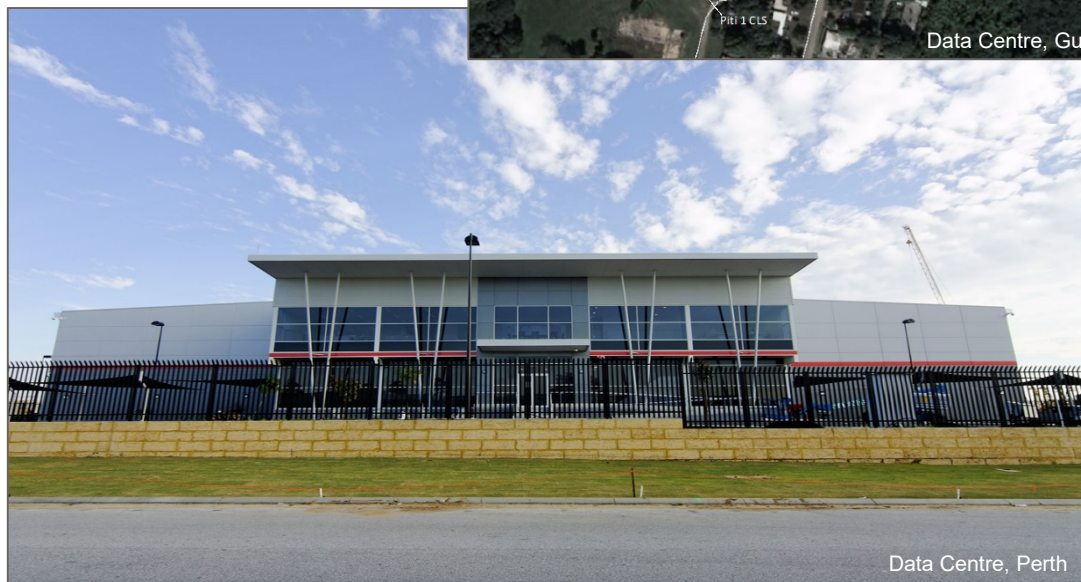
Term: 19 months

1. Net Realisation based on "As If Complete" valuation (net of GST & selling costs)
2. Facility amount including capitalised interest and fees
3. Loan amended 28 June 2019

Real Assets – 360 Capital Digital Infrastructure Fund



David Yuile
JV Partner - 360 Capital
Digital Management PL



- Launch of 360 Capital Digital Infrastructure Partners in 50/50 joint venture with data centre and telecommunication expert, David Yuile
- Strong pipeline of acquisition opportunities
- Interest from global partners to invest in Partnership

Post 30 June

- Acquisition of interest in Guam operating data centre for \$7.8 million
- Acquisition of Perth data centre for \$37.0 million
- Investment in a convertible note in global hyperscale data centre operator for \$10.6 million
- \$50 million pre-IPO funding completed
- \$115 million IPO of 360 Capital Digital Infrastructure Fund forecast to listed in October 2019 on ASX

Real Assets – 360 Capital Digital Infrastructure Fund



- Digital Infrastructure Partners has four core investment areas to focus on:
 1. data centres
 2. dark fibre and fibre-based networks
 3. cell towers, small cell sites
 4. other related digital infrastructure
- TGP has co-invested \$25m into the Fund as long term co-investment capital
- TGP underwrote third party pre-IPO funding of \$25m
- 1.0% gross assets management fee to Investment Manager
- 20% performance fee p.a. to the Investment Manager over 10% IRR, 80/20 thereafter
- IPO scheduled for September 2019

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4. Private & Public Equity

Private & Public Equity



- 50/50 joint venture established with Dennison Hambling, Head Public & Private Equity
- TGP has right to purchase 100% upon FUM >\$300 million (consideration paid in TGP securities)
- Previously CIO of First Samuel, Dennison was responsible for \$660m portfolio, returning 11.2% p.a. over 11 year history
- Equity joint venture has secured a material investment mandate from Institutional client
- Brisbane office established
- 360 Capital Core Plus Equity Fund launch Q2 FY20
- Group has committed \$10m as long term co-investment capital
- Potential IPO of LIC in Q4 FY20

\$10m

TGP Co-investment
commitment

Fund Est.

360 Capital Core Plus
Equity Fund

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5. Credit



Credit Strategies



- Expansion of real estate credit into other forms of credit investment strategies
- Systems/committees/licensing already in place, enabling the expansion of current lending business activities
- Appointment of Chris Chase, Head of Private Credit
- Chris has more than 12 years experience at Macquarie, CBA and ANZ
- Current establishing 360 Capital High Yielding Credit Fund – Target to list on ASX Q3 FY20
- Strategy of providing credit to small and mid tier Australian corporates
- Opportunity to cross sell between credit and equity strategies
- Australian Banks restricted corporate lending creating opportunity for private credit opportunities to corporates
- High Investor demand seeking secured yield from credit products



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6. Financials

Financials - 30 June 2019 Balance Sheet



	30 Jun 19 (\$m)	30 Jun 18 (\$m)	Change (\$m)	Change (%)
Cash	177.2	10.0	167.2	
Asia Pacific Data Centre Group	-	156.5	(156.5)	
360 Capital Total Return Fund	21.6	18.3	3.3	
111 St Georges Terrace	-	20.3	(20.3)	
Retail Fund	-	19.5	(19.5)	
Retail Fund - Additional units	2.2	4.3	(2.1)	
AMF Finance Joint Venture	0.4	0.4	-	
Receivables	0.9	2.7	(1.8)	
Other assets	13.6	16.6	(3.0)	
TOTAL ASSETS	215.9	248.6	(32.7)	(13.2)%
Loan Facility	-	20.0	(20.0)	
Other liabilities	0.9	6.8	(5.9)	
TOTAL LIABILITIES	0.9	26.8	(25.9)	(96.5)%
NET ASSETS	215.0	221.8	(6.8)	(3.1)%
Securities on issue	230.8	228.6	2.3	1.0%
NTA per Security	\$0.93	\$0.97	\$(0.04)	(3.6)%

\$177m

Cash balance

As at 30 June 2019, TGP had a cash balance of \$177.2m

\$25m

Digital Fund Co-investment post period

Post period, \$25.0m long term co-investment into 360 Capital Digital Infrastructure Fund

\$75m

Capital available for co-investment and business growth

The Group seeks to maintain a minimum of \$75 million of cash and therefore has a further \$50m for co-investment and sponsoring business growth

\$0.93

NTA per security

Net Tangible Assets (NTA) reduction due to the impact of special distribution in FY19 (97.0 cps at 30 June 2018)

Note: Segment Balance Sheet based on management accounts includes Other assets - ESP Loan receivable of \$12.3 million (2018: \$15.8 million)

Financials - FY19 Profit and Loss

\$2.3m

Finance revenue

Finance revenue of \$2.3m, a 156% increase over FY18, offset by investment revenue falling from \$12.7m to \$5.9m during the period (\$0.9m at 30 June 2018)

\$1.6m

Statutory NPAT attributable to securityholders

90.1% decrease in statutory net profit attributable to securityholders (\$16.2m at 30 June 2018)

\$4.8m

Operating profit

Operating profit after tax of \$4.8 million reflecting a 55.1% decrease on prior year (\$10.7m at 30 June 2018)

2.3 cps

Earnings per security

Earnings per Security of 2.3 cps for the period reflects a 54.0% decrease on the prior period (5.0 cps at 30 June 2018)

5.0 cps

Distributions per security

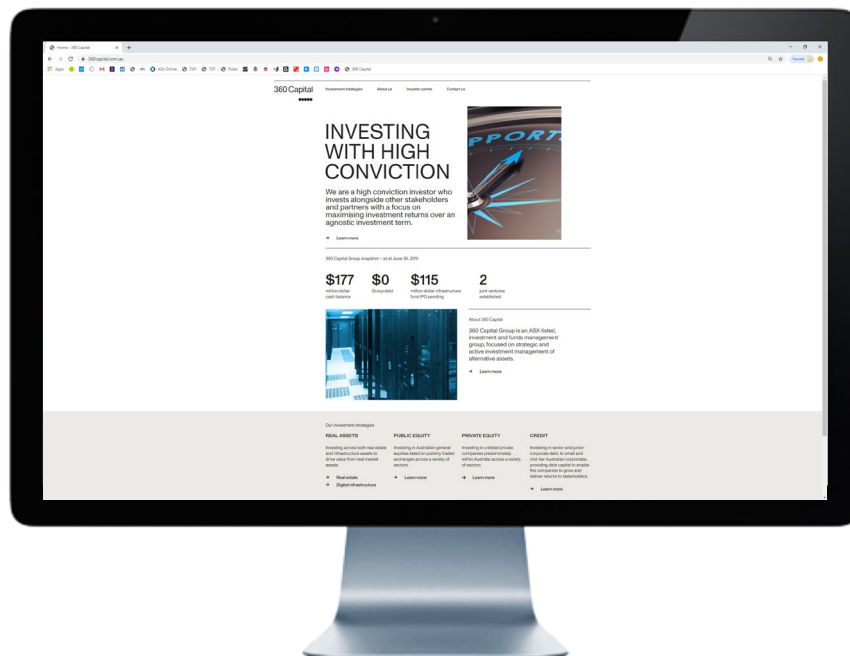
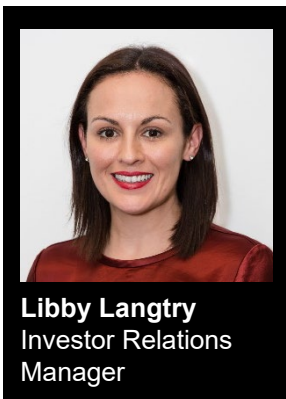
Distributions of 5.0cps for the period including 3.0cps special fully franked dividend (5.5 cps at 30 June 2018)

	30 Jun 19 (\$m)	30 Jun 18 (\$m)	Change (\$m)	Change (%)
Management Fee Revenue	0.6	0.5		
Investment Revenue	5.9	12.7		
Finance Revenue	2.3	0.9		
Debt Origination Revenue	-	0.4		
TOTAL REVENUE	8.8	14.5	(5.7)	(39.3)%
Employment Expenses	2.8	-		
Operating expenses	1.2	3.4		
OPERATING EARNINGS BEFORE INTEREST & TAX	4.8	11.1	(6.3)	(56.8)%
Interest Expense	0.7	1.2		
OPERATING PROFIT BEFORE TAX	4.1	9.9	(5.8)	(58.6)%
Income Tax Expense	(0.7)	(0.8)		
OPERATING PROFIT AFTER TAX	4.8	10.7	(5.9)	(55.1)%
Non-Cash and significant one-off items	(3.2)	5.5		
STATUTORY PROFIT AFTER TAX	1.6	16.2	(14.6)	(90.1)%
OPERATING EPS	2.3 cps	5.0 cps	2.7 cps	(54.0)%
DISTRIBUTIONS/DIVIDENDS CPS	5.0 cps	5.5 cps	0.5 cps	(9.1)%

Note: Segment Profit and Loss based on management accounts. Refer to Note 1 in the Financial Report.

7. Investor Relations and Capital Partners

Investor Relations and Capital Partners



www.360capital.com.au

- Group has launched new website to improve customer experience
- Appointment of Libby Langtry as Investor Relations Manager
- Appointment of Alvin Leach as BDM
- Group continues to build relationships and uncover transactions with likeminded global capital partners
- Group managed funds continue to look at diversifying its capital sources across listed and unlisted investor bases

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8. FY20 Key Focuses

Key Focus FY20

- Complete \$115 million IPO of 360 Capital Digital Infrastructure Fund and deploy c.\$55 million of available capacity into digital assets
- Continue to grow TOT's capital base to keep pace with the Group's real estate lending pipeline and fund other real estate opportunities
- Launch listed investment trust for credit strategy in 3rd Quarter
- Launch listed investment company for equities strategy in 4th Quarter
- Build out distribution capability and continue to work with capital partners on transactions
- Forecast distribution of 4.0cps for FY20 (paid quarterly)
- Maintain high levels of cash on TGP balance sheet for opportunities

5

Target ASX Listed Funds

4.0cps

FY20 DPS forecast

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Questions

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