



# Eildon Capital Group ASX:EDC

## Full Year Results Presentation FY22

24 August 2022







## Eildon Capital Group **Evolution**



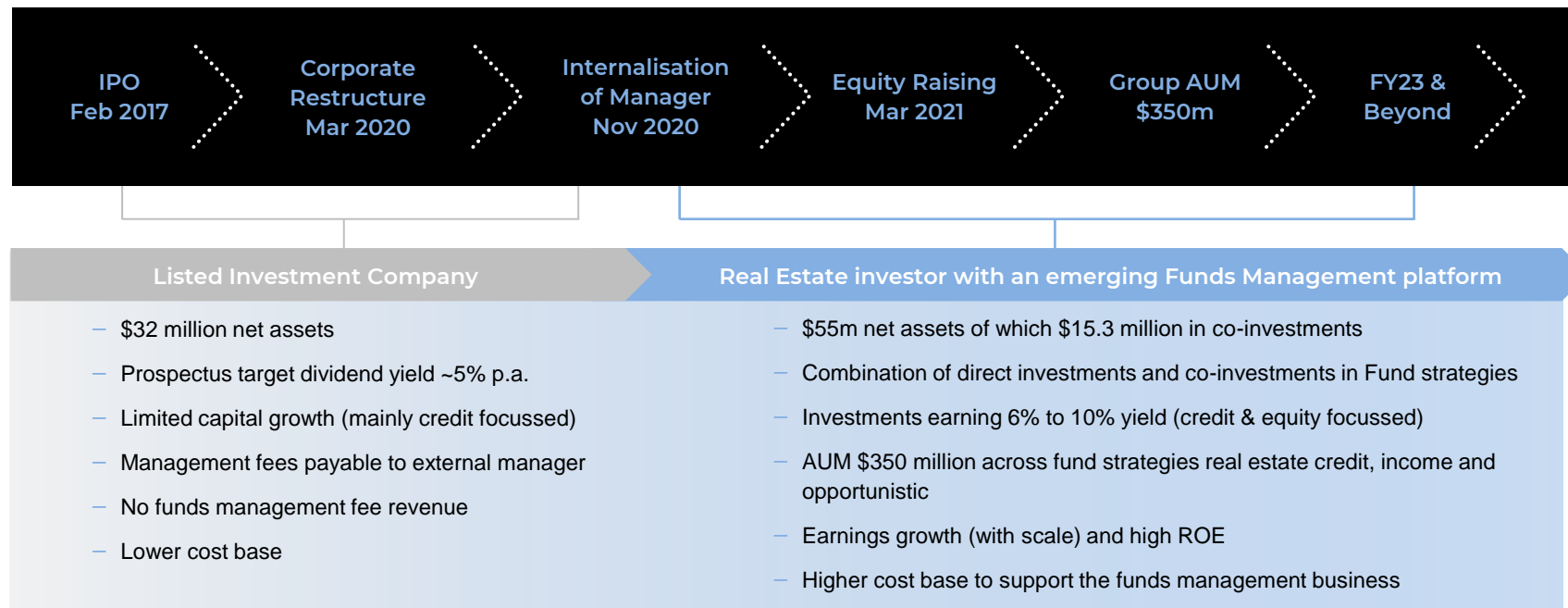
ASX-listed  
specialist real  
estate investor and  
fund manager

- Eildon Capital Group (EDC) is an ASX-listed real estate investment and funds management business with over \$350 million Assets Under Management.
- Eildon's investment activities cover both credit and equity in real estate.
- The Group creates investment opportunities for sophisticated investors which strives to deliver:
  - Enhanced returns; and
  - Capital protection.
- Eildon co-invests alongside its investor clients utilising its \$55 million balance sheet capacity, demonstrating strong alignment of interest.



# Evolution of Eildon Capital Group

Transitioned from Real Estate LIC to Real Estate Investor and Fund Manager





# Eildon Capital Group – key performance metrics since IPO

	FY17	FY18	FY19	FY20	FY21	FY22
Balance Sheet Net Assets (millions)	\$32	\$48	\$48	\$45	\$52	\$55
Assets Under Management (AUM) (millions)	-	-	-	-	\$267	\$350
Funds Management Fee Revenue (millions)	-	-	-	-	\$3.0	\$3.9
Net Asset Value (NAV) (30 June)	\$1.06	\$1.04	\$1.05	\$1.09	\$1.11	\$1.16
Dividends / Distributions (cents paid)	6.70 <sup>1</sup>	7.50	7.70	7.33	8.00	7.50
Share price (as at 30 June)	\$1.06	\$0.99	\$1.03	\$0.93	\$1.02	\$0.99
Dividend / Distribution Yield*	6.3%	7.6%	7.5%	7.9%	7.8%	7.6%
Dividend / Distribution Yield (pre-tax**)	9.0%	10.8%	10.7%	11.3%	-	-

\* Dividend yield calculated using 30 June financial year closing price 1. To 31 July 2017

\*\* Dividend / Distribution yield pre-tax



# Eildon Capital Group – key performance metrics since IPO

## 5-year Cumulative Total Return ASX200 vs Eildon Capital Group (EDC)







## Eildon Capital Group **Highlights**



## Eildon delivered a strong FY22 result whilst growing group AUM and funds management revenue.

### Key FY22 financial metrics:

- Net Profit After Tax of \$6.2 million, up 26% driven by strong underlying investment returns
- Average capital deployment of 89% throughout FY22
- Group net assets of \$55 million, up 5.2%
- NTA and NAV up to \$1.09 and \$1.16 per security up 5.8% and 4.5% respectively
- Distributed 7.5 cents per security from Eildon Capital Trust which represents 80% of Group NAV
- Additional earnings in Eildon Capital Limited of 5.4 cents per security which are held as retained earnings
- Co-investments increased to \$15.3 million, along side investor clients
- Zero balance sheet corporate debt or impairments

### Strong AUM growth:

- Funds Management revenue of \$3.9 million (2021: \$3.0 million) in the period
- Assets Under Management (AUM) up 31% to \$350 million (2021:\$267 million) driven by new fund initiatives
- As foreshadowed, the Eildon Health & Education Fund was seeded, initial portfolio valued at \$23 million
- Successful launch of the EAM Caboolture Property Fund, valued at \$56 million
- Eildon Debt Fund (EDF) increased its portfolio to \$146 million (2021: \$118 million)
- Zero impairments, long track record of successful investment
- Fully integrated platform with 12 staff across Melbourne and Sydney

### Outlook:

- Pipeline of opportunities under control across credit and equity total >\$130 million to support AUM growth
- Specific focus on real estate credit, property income and opportunity funds
- Forecast distributions for FY23 between 5.5 - 6.0 cents per stapled security to be paid from Eildon Capital Trust supported by income producing investments and co-investments (80% of Group NAV)
- Potential for NAV growth through non-income producing equity investments
- Potential EPS growth from funds management initiatives
- **Forecasts are subject to there being no material adverse change in market conditions or unforeseen events**

Note: All figures as at 30 June 2022. Group AUM includes Balance Sheet assets of Eildon Capital Group.



# Full Year 2022 key performance indicators

## Group Highlights



\$6.2m

Net profit after tax



12.9cps

FY22  
Earnings per security



\$1.16

Net assets  
per security



\$350m<sup>1</sup>

Group assets under  
management



26%

OVER FY21



12%

OVER FY21



4.5%

OVER FY21



31%

OVER FY21

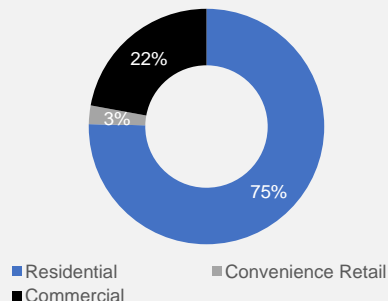


# Property Investment

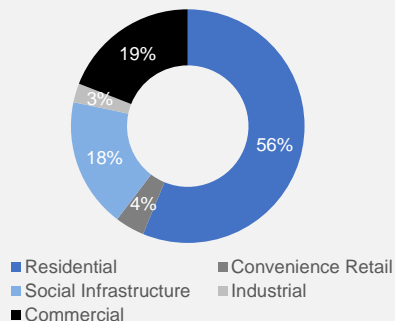
## Underpinning Distributions and Supporting Growth in Funds Management Earnings

- EDC's investments (\$44.3 million) generated \$4.0 million in income and \$3.0 million increase in carrying value in FY22
- Income yield from property investments average 9.2% (weighted) excluding non-income producing equity investments
- EDC co-investments across credit and equity positions valued at \$15.3 million
- Stable income generated from investments supporting Group distributions
- Balance Sheet investment diversification improving as the Group grows funds management initiatives providing co-investment opportunities

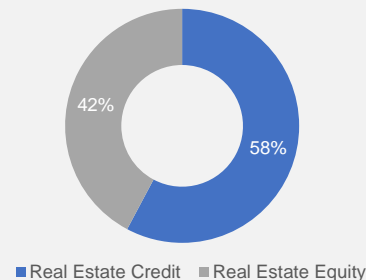
**FY21 Sector Diversification**



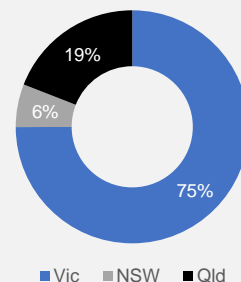
**FY22 Sector Diversification**



**Eildon Balance Sheet Investment by Type**



**Eildon Balance Sheet Geographic Diversification**



Net Tangible Assets  
Per Security

**\$1.09**

**\$55m**

Net Assets  
(Zero Corporate Debt)

Net Assets  
Per Security

**\$1.16**

**9.2%**  
Weighted Average  
Income Yield

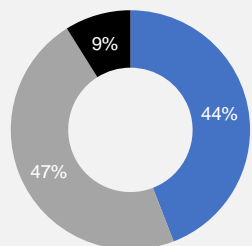
Note: All figures as at 30 June 2022.



# Funds Management

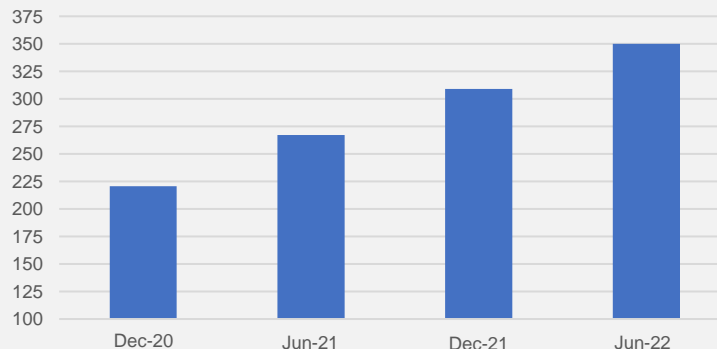
- Group Assets Under Management increased to \$350 million, up 31% over FY21
- Launch of the EAM Caboolture Property Fund, valued at \$56 million, \$31.4 million of equity raised
- Seeded new Eildon Health & Education Property Fund, \$23 million AUM with strong pipeline
- New Eildon Pooled Credit Fund to be launched in FY23
- Pipeline of opportunities under control across credit and equity total >\$130 million to support AUM growth

**Eildon AUM Diversification**



- Eildon Income Funds
- Eildon Credit Funds
- Eildon Opportunity Funds

**Eildon Funds Management AUM Growth (\$m)**



**\$350m**

Group Assets Under Management

1. Real Estate Credit
2. Property Income Funds
3. Opportunity Funds

**\$130m**

Pipeline of opportunities under control

Note: All figures as at 30 June 2022. Group AUM includes Balance Sheet assets of Eildon Capital.



# Eildon Funds Management product offering

## Eildon Capital Trust

Balance Sheet  
Co-investments

**\$15.3m**

Further capacity to  
co-invest and support growth in funds  
management initiatives

## Eildon Funds Management AUM up 31% to \$350 million

### Property Income Funds

#### KEY FOCUS

- Convenience Retail
- Large Format Retail
- Health & Education

Number of  
funds

**4**

Assets under  
management

**\$136m\***

Controlled  
pipeline of  
opportunities

**\$95m**

### Real Estate Credit Funds

#### KEY FOCUS

- Grow Eildon Debt Fund (EDF)
- Launch Eildon Pooled Fund

Funded 35  
deals since  
inception  
totalling

**\$365m**

Current  
Assets under  
management

**\$146m\***

Typical  
investment  
terms

**12-24  
months**

### Opportunity Funds

#### KEY FOCUS

- Agnostic multi sector strategies
- Develop-to-core Funds

Number of  
funds

**2**

Assets under  
management

**\$28m**

Completed  
value of  
projects

**\$108m**

Note: All figures as at 30 June 2022. Group AUM of \$350M includes Balance Sheet assets of Eildon Capital. \*Includes EDC co-investments.



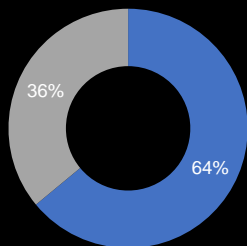


## Financial Results



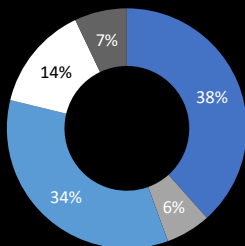
# Eildon Capital Group – Full Year Results – Profit and Loss

**EDC Group Revenue**



■ Property Investments  
■ Funds Management

**EFM Profit Before Tax**



■ Funds Management Fees ■ Fund Establishment Fees  
■ Facility Fees ■ Project Management Fees  
■ Admin

PROFIT & LOSS	30-Jun-22	30-Jun-21	30-Jun-20
<b>Eildon Capital Group</b>			
Property Investment Income	4,022,527	4,503,161	6,140,017
Mark to market revaluation	3,080,939	1,323,781	1,653,058
Fund Management Fees	1,529,726	562,311	-
Fund Establishment Fees	246,000	748,750	-
Facility Fees	1,365,394	790,960	-
Project Management Fees	575,161	274,839	-
Admin & Other	288,343	31,506	-
<b>Total Revenue</b>	<b>11,108,090</b>	<b>8,235,308</b>	<b>7,793,075</b>
Corporate Overheads	(4,241,310)	(2,847,898)	(1,309,047)
<b>Profit Before Tax</b>	<b>6,866,780</b>	<b>5,387,410</b>	<b>6,484,028</b>
Income Tax Expense	(663,226)	(460,227)	(1,753,575)
<b>Net Profit After Tax</b>	<b>6,203,554</b>	<b>4,927,183</b>	<b>4,730,453</b>
<b>EPS per Security (Diluted)</b>	<b>12.9</b>	<b>11.5</b>	<b>10.5</b>

Balance Sheet Property Investments

Funds Management Revenue

Includes investment in funds management platform growth



# Eildon Capital Group – Full Year Results – Balance Sheet



**\$1.16**

**Net Asset Value  
per security**  
(HY22: \$1.12)



**Zero**

**Balance Sheet  
gearing**

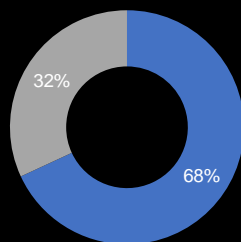


**\$8.2m**

**Cash on Hand**

Supporting growth initiatives

**Eildon Balance Sheet Investments**



■ Real Estate Credit ■ Real Estate Equity

EDC Balance Sheet	30-Jun-22	31-Dec-21
<b>ASSETS</b>		
Real Estate Equity Investments	14,301,098	10,010,648
Real Estate Credit Investments	30,528,329	35,400,285
Goodwill (Eildon Funds Management - EFM)	3,460,077	3,460,077
Cash	8,180,442	5,312,828
Other assets	2,515,330	2,001,682
<b>Total assets</b>	<b>58,985,276</b>	<b>56,185,520</b>
<b>LIABILITIES</b>		
Trade and other payables	555,082	1,636,390
Other liabilities	3,708,219	1,642,760
<b>Total liabilities</b>	<b>4,263,301</b>	<b>3,279,150</b>
<b>Net assets</b>	<b>54,721,975</b>	<b>52,906,370</b>



# Eildon Capital Group - reconciliation of NTA and NAV

Eildon Capital Group Balance Sheet	Value (\$)	Value per Security (\$)
Direct Real Estate Credit Investments*	14,352,529	0.30
Direct Real Estate Equity Investments*	14,636,735	0.31
Eildon Property Income Funds - Co-investments	4,050,542	0.09
Eildon Credit Funds - Co-investments	11,234,540	0.24
Cash	8,132,195	0.17
Other Assets & Liabilities	(1,144,643)	(0.02)
<b>Net Tangible Assets Per Security</b>	<b>51,261,898</b>	<b>1.09</b>
Goodwill (Eildon Funds Management - EFM)	3,460,077	0.07
<b>Net Asset Value</b>	<b>54,721,975</b>	<b>1.16</b>



Kingsville, Melbourne



Burnley, Melbourne



Malvern, Melbourne



Woolloongabba, Brisbane

\*See Appendix for further details.





## Eildon Capital Group **FY23 Outlook**



# Focussed on our funds management growth strategy

## Positive momentum to grow AUM beyond \$350m

- Eildon remains focussed on growing its exposure in convenience retail, large format retail and health and education sectors across its funds management strategies in credit, income and opportunity funds which are supported by strong investor demand.
- Borrower demand for flexible finance solutions remains strong as the real estate lending environment is favourable for non-bank lenders. Eildon expects CRE credit opportunities to increase with market uncertainty and increasing investor demand.
- Pipeline of opportunities under control across credit and equity total >\$130 million to support AUM growth.

## Balance Sheet delivering stable income while funds management revenue grows

- The Group's strong balance sheet and cash reserves provides the ability to fund growth initiatives and new strategies within the Australian Real Estate market across credit and equity.
- Balance Sheet investments continue to generate income supporting quarterly distributions.

## Group FY23 Guidance

- Global markets remain volatile driven by rising interest rates as central banks try to contain inflation. Eildon expects that this may impact real estate values and investor appetite leading into FY2023 as interest rates normalise.
- Forecast distributions for FY23 between 5.5 - 6.0 cents per stapled security to be paid from Eildon Capital Trust supported by income producing investments and co-investments (80% of Group NAV).
- Potential for NAV growth through non-income producing equity investments.
- Potential EPS growth from Funds Management initiatives.
- **Forecasts are subject to there being no material adverse change in market conditions or unforeseen events.**





## Appendix



# Eildon Capital Group – Balance Sheet direct investments

Direct investments aligned to a strategy of a LIC. As these investments mature over the next 1 to 3 years, the Group will re-deploy the capital into funds management strategies.

## Malvern Road TOORAK

### PREFERRED EQUITY

\$4.4m

- Development of 13 apartments and a 2-level basement (with 26 car parking spots) apartment building located in the affluent suburb of Toorak, Melbourne called 'Clendon'
- Pre-sales commenced, good levels of enquiry
- Construction expected to commence 1H23 with completion in FY24



## Logan Road WOOLLOONGABBA

### EQUITY

\$8.5m

- 9,361 sqm development site located in Woolloongabba, Brisbane
- Site improvements include office/warehouse with total lettable area of 9,887 sqm
- Currently leased to ASX listed tenant (AP Eagers)
- Mixed-use development has been approved





# Eildon Capital Group – Balance Sheet direct investments

Direct investments aligned to a strategy of a LIC. As these investments mature over the next 1 to 3 years, the Group will re-deploy the capital into Funds Management strategies.

## BURNLEY MALTINGS

### EQUITY

\$1.8m

- 4,500 sqm (net saleable area) development site located in Burnley, Melbourne
- 37 three story dwellings and three silo apartments containing 63 carparks in a full basement
- Formal Planning approval received in June 2022
- Marketing campaign commencing 1H23



## KINGSVILLE APARTMENTS

### MEZZANINE DEBT

\$14.4m

### LOAN TO VALUE

68%

- 420 dwellings master plan development located in Kingsville, Melbourne
- Current product breakdown includes 269 apartments and 114 townhouses
- Formal Planning Approval received in April 2022





# Eildon Capital Group - Property Income Funds

## EAM ELARA VILLAGE PROPERTY FUND

**CLOSED**

Gross Asset Value	Equity Raised	Sector
\$64m	\$30.1m	Convenience Retail

- A new 8,137 sqm Town Centre, in 'Elara Estate' Marsden Park, Sydney
- Anchored by Coles, Goodstart Early Learning and Castle Medical Centre on long-term leases
- 100% occupied and trading strongly



## EAM CABOOLTURE PROPERTY FUND

**CLOSED**

Asset Value	Equity Raised	Sector
\$56m	\$30.4m	Convenience Retail

- A brand-new convenience retail shopping and large format centre under construction expected to reach practical completion 1H23
- Anchored by Coles, Chemist Warehouse, KFC and PET stock on long-term leases
- 90% of tenancies committed, remaining tenancies in final negotiations





# Eildon Capital Group - Property Income Funds

## EAM BERWICK MOTOR TRUST

**CLOSED**

### Asset Value

\$19m

### Equity Raised

\$10.0m

### Sector

Retail

- A new 3,055 sqm BMW Dealership and Service Centre, located in Narre Warren, Victoria
- Tenanted on a long-term lease



## EILDON HEALTH & EDUCATION FUND

**Seeded**

### Gross Asset Value

\$23m

### Equity Raised

\$11.5m

### Sector

Social Infrastructure

- Portfolio of newly constructed Early Learning Centres located in Victoria
- Tenanted on long-term leases to a highly experienced operator, Montessori Beginnings
- Strong pipeline of organic growth opportunities





# Eildon Capital Group - Eildon Debt Fund (EDF)

## EILDON REAL ESTATE CREDIT FUNDS

### Eildon Debt Fund (EDF) – Contributory Mortgage Fund

- Offering wholesale investors deal specific access to commercial lending opportunities secured by registered mortgages;
- Expected investor returns of between 8-9% p.a for senior positions and 11-14% for mezzanine investments;
- Investment terms average 12-18 months; and
- Growth in the Eildon Debt Fund platform continues to provide fee generation as well as co-investment opportunities for the EDC balance sheet.

### Examples of recent Eildon Debt Fund investments

FOR INFORMATION ONLY ONLY

**First Mortgage - Investment Opportunity**

**Senior Debt Land Facility (85% LVR)**

**10%+ IRR**

**KEY HIGHLIGHTS**

- Investment Opportunity:** The investment is a highly competitive, first mortgage facility secured by a registered mortgage over a prime commercial property in the heart of the CBD.
- Strong Underpinning:** The property is a highly sought-after commercial building with a long lease term and a strong tenant base.
- Highly Competitive:** The facility is highly competitive and offers a high return on investment.
- Strong Management:** The property is managed by a highly experienced and professional team.

FOR INFORMATION ONLY ONLY

**First Mortgage Land Facility - Investment Opportunity**

**Senior Debt Land Facility (85% LVR)**

**8.5% p.a Yield**

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FOR INFORMATION ONLY ONLY

**North Shore - Investment Opportunity**

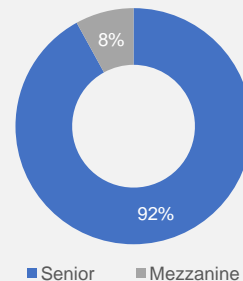
**Senior Debt Construction Facility (85% LVR)**

**16% IRR**

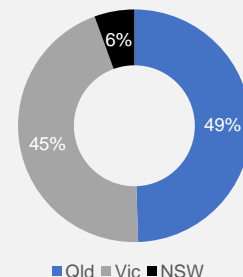
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- Strong Management:** The property is managed by a highly experienced and professional team.

Eildon Debt Fund Investment by Type



Eildon Debt Fund Geographic Diversification



Expected Return of between  
**8-14% pa**

**\$146m**  
Current Funds Under Management

**\$11m**  
Average Loan Size

Pristine  
track record

Note: All figures as at 30 June 2022.



# Eildon Capital Group - Eildon Debt Fund (EDF) track record

## Eildon Debt Fund (EDF) – Contributory Mortgage Fund

- Offering wholesale investors access to commercial lending opportunities secured by registered mortgages with expected returns of between 8-9% p.a for senior positions and 11-14% for mezzanine investments

35

INVESTMENTS  
undertaken since  
launching Fund

\$324m

INVESTED /  
COMMITTED  
into qualifying credit  
investments

16

COMPLETED  
investments

ZERO  
Impairments

STRONG  
Investment process



# Eildon Capital Group - Opportunity Funds

## CABOOLTURE DEVELOPMENT FUND

**CLOSED**

### DEVELOPMENT MANAGEMENT

- 15Ha site located on the Bruce Highway between Brisbane and the Sunshine Coast
- EFM has been transforming the site into a combined retail and commercial precinct
- Development of a 14,042sqm Bunnings Warehouse, construction underway
- Construction of Caboolture Shopping Village is underway, anchored by Coles the project's end value is \$56 million.



## HARPLEY DEVELOPMENT FUND

**CLOSED**

### DEVELOPMENT MANAGEMENT

- 4.4Ha site within Lend Lease Harpley Estate
- Development into corporate medical centre, neighbourhood centre, service station and fast food and other commercial uses
- Development commencing in FY23 with end value projected to be in excess of \$94 million





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