



# Eildon Capital Group ASX:EDC

## HALF YEAR RESULTS PRESENTATION

23 February 2021



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# What is Eildon Capital Group (EDC)?

## Eildon Capital Group

Eildon Capital Group is a real estate funds management business and investor.

- Its investment activities cover both debt and equity in real estate.
- The Funds Management platform manages third-party capital on behalf of wholesale investors delivering the Group management fees.

### Eildon Capital Group Strategy

Generate investment opportunities which aim to deliver:

- Capital protection; and
- Enhanced returns

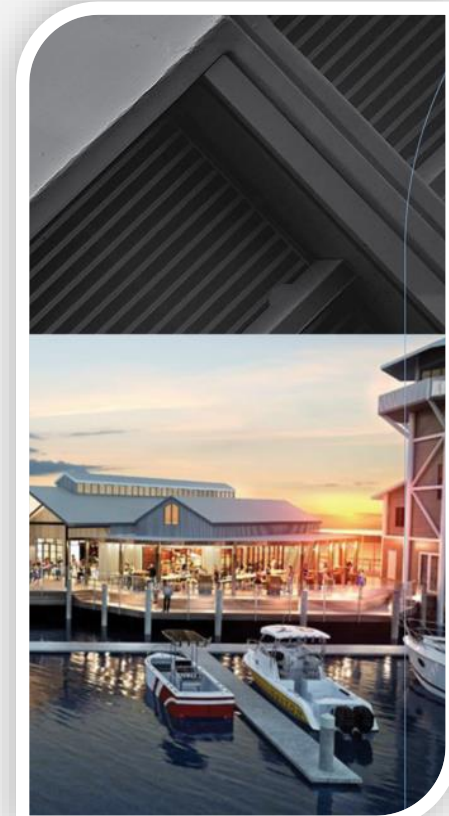
Depending on the nature of opportunity, EDC will allocate investment opportunities between its balance sheet and third-party capital investors.

### Eildon Capital Group Objectives

- Continue to deliver consistent distributions per stapled security (average of >7.2% p.a since inception);
- Enhance earnings in-line with funds management business growth; and
- Grow net assets and share price.



Eildon Capital Group is well positioned for growth





# Half Year Results - 31 December 2020

## Highlights

- Successful internalisation of manager
- Remained fully deployed / committed
- Attractive distribution profile maintained
- Growth in Net Assets per security
- Pipeline of investments opportunities

EPS 6.0 cents	DPS 3.925 cents	Growth in Net Assets of 1.8%	DPS Yield 7.6% <sup>1</sup>
Net profit after tax \$2.5m	New unlisted property funds launched 2	Group assets under management \$220m <sup>2</sup>	Net assets per security \$1.11

All numbers as at 31 December 2020.

1. Based on current distribution payment rate and stapled security price of \$1.05 as at 19 February 2021.

2. Includes balance sheet and third-party AUM.

# Eildon Capital Group - Snapshot at 31 December 2020



## Balance Sheet Investments

6 / \$29m

Debt  
Investments

5 / \$8m

Equity  
Investments

78%

Portfolio Debt  
Exposure

100%

Portfolio in Core  
Markets

## Group Snapshot

\$45.4m

Balance Sheet  
Net Assets

\$220m<sup>1</sup>

Group Assets Under Management

\$4.5m

Co-investment in Funds



7.6%<sup>2</sup>

Distribution yield

1. Includes balance sheet and third-party AUM.

2. Based on a price of \$1.05 per stapled security as at 19 February 2021 and current distribution payment rate.



# Eildon Capital Group - Attractive Investment Attributes



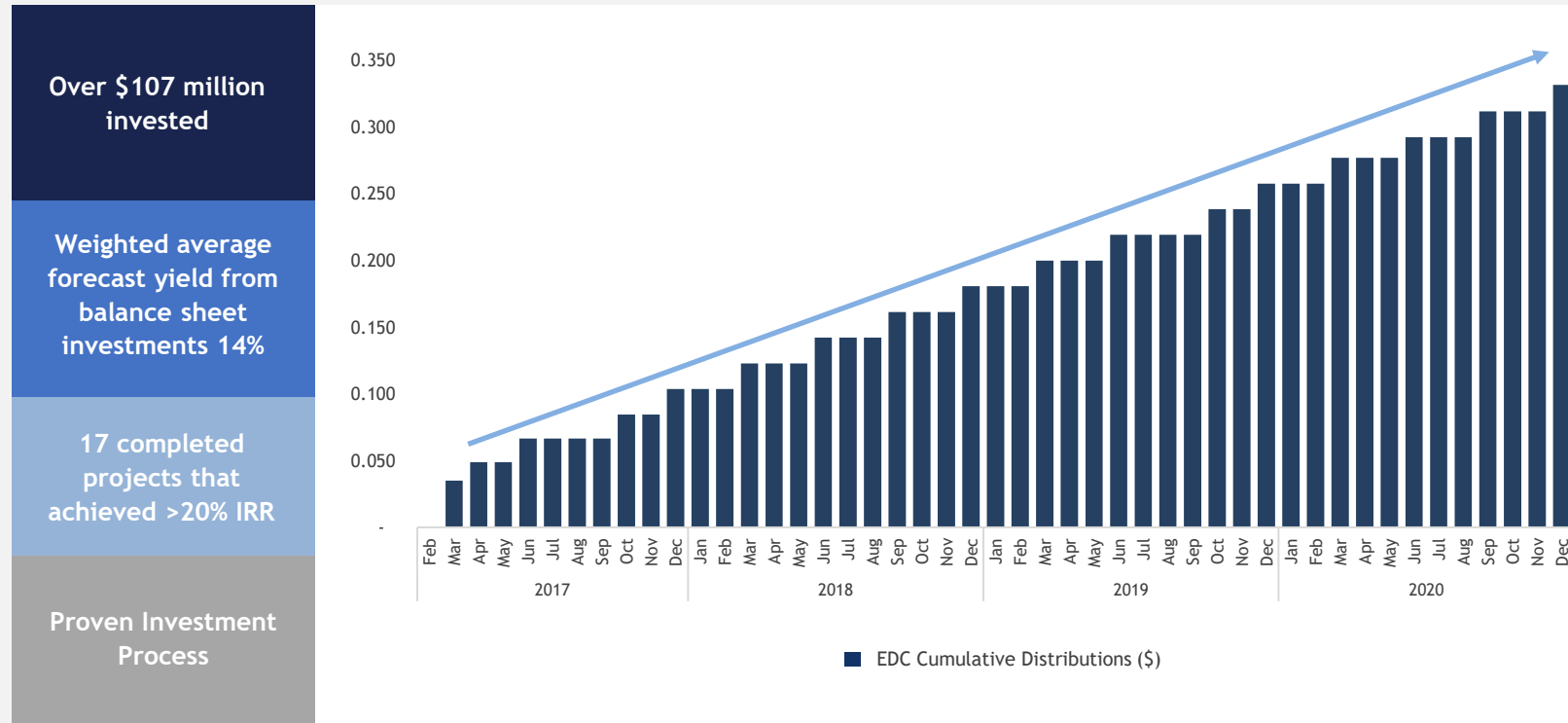
	Targeted distributions of 7.0% - 8.0% p.a of Net Assets (paid quarterly)	 
	High transparency of Net Assets of \$1.11 <sup>1</sup> per security	
	Defensive investment portfolio characteristics with 78% invested in debt	
	Scalable and diverse funds management platform with \$220 million AUM providing pathway to potential EPS growth	
	Highly experienced and stable management team and Board of Directors	

1. As at 31 December 2020.



# Strong historical performance

Eildon Capital Group has delivered consistent DPS growth since IPO, reflecting a CAGR of 2.5% to 31 December 2020\*.

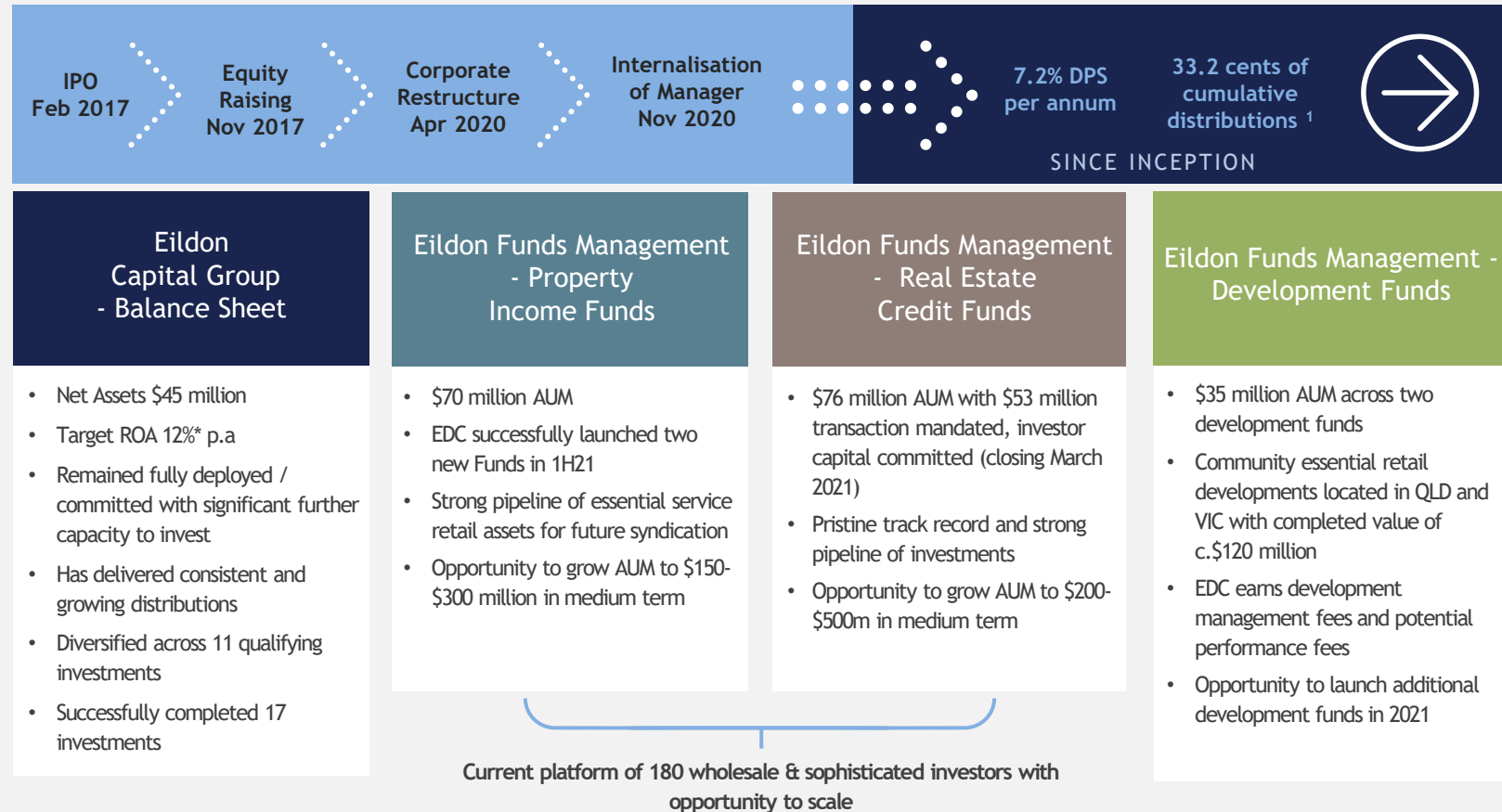


\* EDC's past performance is no guarantee of EDC's future performance.



# Delivering on Strategy

Following internalisation of the funds management business, EDC's new income streams position the Group to grow EPS and Net Assets.



1. As at 31 December 2020.

\*Excluding management fees



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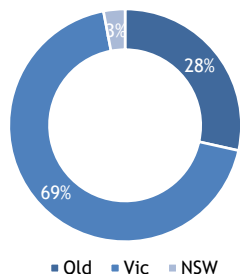


## Eildon Capital Group Balance Sheet Portfolio

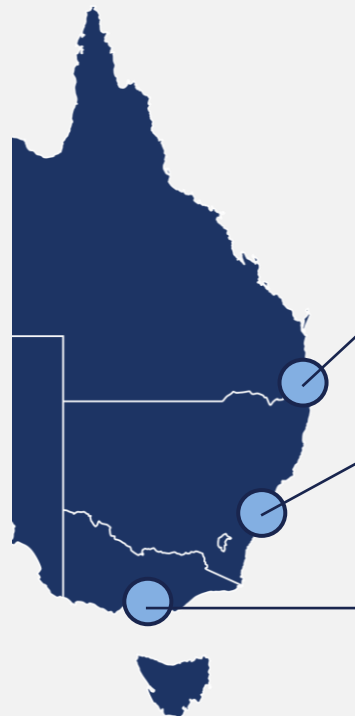
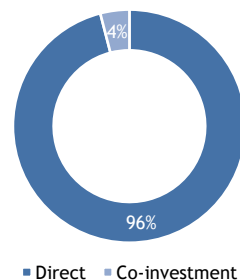
# Eildon Capital Group - Balance Sheet Portfolio - 31 December 2020



EDC Geographic Diversification



EDC Investment Type

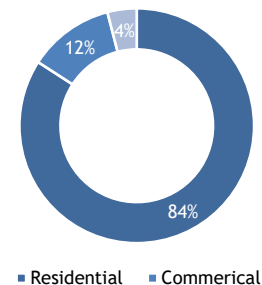


Woolloongabba - Equity  
 Biggera Waters - Senior Debt  
 Kirra Beach - Mezzanine

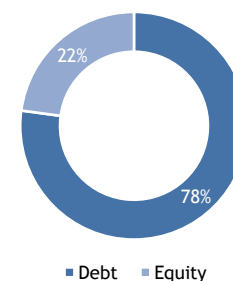
Elara Village Property Fund - Equity  
 Co-investment  
 Turrella - Equity (Option)

East Bentleigh - Mezzanine  
 South Kingsville - Mezzanine  
 BMW Berwick Trust - Equity  
 Co-investment  
 Truganina - Senior Debt  
 Burnley - Equity  
 Beveridge - Senior Debt

EDC Sector Diversification



EDC Investment by Type





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## Eildon Funds Management (EFM) Update



# Eildon Funds Management (EFM)

- Eildon Funds Management Limited is a leading arranger, investor and manager of real estate credit and equity investments within Australia's Commercial Real Estate (CRE) market.
- It holds an Australian Financial Services License (AFSL: 229809)
- Since 2009 EFM's management team, on behalf of Eildon Capital, CVC Limited and third party investors, have been responsible for over 67 real estate backed investments.

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Years of  
Operation

>\$ 800 m

Transaction  
Experience

67+

Real Estate  
Transactions

\$220m

Asset Under  
Management







# Eildon Funds Management Product Lines

## 1. Eildon Property Income Funds

- Eildon Asset Management (EAM) (50% owned by Eildon Funds Management) manages two unlisted income producing property funds with an on-completion value of \$70 million.
- Identified pipeline for a further \$120 million of community essential retail assets.

The investment structure is ideal for investors who desire regular income and are happy to co-invest alongside others.

- The structures are either open-ended or closed-end unlisted wholesale unit trusts.
- Investors will have complete discretion to participate in each individual Investment, in-line with their own investment strategy.
- An Investment Memorandum with returns and other key terms will be issued for each future Investment opportunity.



Fund Details	BMW Narre Warren	Elara Town Centre
Investment Type	Single asset closed-end unlisted property fund	Single asset closed-end unlisted property fund
Fund Term	7 years	7 years
Forecast Distribution Yield (paid quarterly)	7.75%	7.00%
Fund Gearing	50%	50%
Gross Asset Value	\$17 million	\$53 million



# Eildon Funds Management Product Lines

## 2. Eildon Real Estate Credit Funds

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

- Offering wholesale investors access to commercial lending opportunities secured by registered mortgages with expected returns of between 8-10% p.a for senior positions and 12-15% for mezzanine investments;

The Eildon Debt Fund offers investors discretion over which investments they make.

- The Fund is a contributory trust, consisting of a portfolio of individually discrete loans.
- The Fund provides registered first and second mortgage debt to borrowers for commercial purposes.
- The Fund focuses on transactions primarily in Melbourne, Sydney and Brisbane across the residential, commercial, industrial and retail property sectors.

Typical transactions will include providing finance to:

- Land acquisition;
- Construction funding;
- Residual stock refinance; and
- Borrowers for short term funding / bridging opportunities to prepare land for development or other commercial purposes.



X Kirra Beach



C&L, Collingwood



The London, Port Melbourne

Expected Return  
of between  
**10-15** % p.a

Over  
**\$184m**  
Funded across  
17 Deals

**\$76m\***  
Current Funds Under  
Management

**Pristine  
track  
record**

\*Includes \$3.0 million balance sheet co-investment.



# Eildon Funds Management Product Lines

## 3. Eildon Development Funds

### Harpley Town Centre - Werribee, VIC

- 4.4Ha site within Lend Lease Harpley Estate.
- Development to incorporate medical centre, neighbourhood centre, service station and fast food and other commercial uses.
- Development commencing in FY22 with end value projected to be in excess of \$70 million.

### Big Fish Retail and Commercial Centre - Caboolture, QLD

- 15Ha site located on Bruce Highway between Brisbane and Sunshine Coast.
- EFM has been transforming the site into a combined retail and commercial precinct.
- Caltex Travel Centre and McDonalds completed in 2018 and 2020 respectively.
- Negotiated and finalised Agreement for Lease for the development of a 14,042 sqm Bunnings Warehouse.
- EFM is currently in negotiations to enter into an Agreement for Lease with a major Australian supermarket operator, national chain pharmacy as well as bulky good retailers which will anchor the balance of the six hectare site, with an end value projected to be in excess of \$122 million.



Big Fish Retail and Commercial Centre



Harpley Neighbourhood Centre



Harpley Medical Centre

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## Financial Results

# Eildon Capital Group - Half Year Results - Profit & Loss



Profit & Loss	31-Dec-20	31-Dec-19
<b>Items</b>		
Interest Income	2,420,042	3,662,705
Fee Income	1,710,589	40,434
<b>Total income</b>	<b>4,130,631</b>	<b>3,703,139</b>
Share of net profit of associate accounted for using the equity method	203,226	1,599,946
(-) Operating Expenses	1,777,280	668,583
Profit before income tax	2,556,577	4,634,502
Income tax expense	96,083	1,353,767
<b>Net Profit After Tax</b>	<b>2,460,494</b>	<b>3,280,735</b>
<b>EPS per Security</b>	<b>6.01</b>	<b>7.21</b>

# Eildon Capital Group - Half Year Results - Balance Sheet



Balance Sheet	31-Dec-20	30-Jun-20
<b>Assets</b>		
Cash and cash equivalents	6,669,247	8,486,029
Loan investments	29,146,591	30,865,239
Direct property investments	8,213,870	6,483,230
Goodwill	3,683,048	0
Tax assets	471,822	284,282
<b>Other assets</b>	<b>1,503,845</b>	<b>51,307</b>
<b>TOTAL ASSETS</b>	<b>49,688,423</b>	<b>46,170,087</b>
<b>Liabilities</b>		
Distributions payable	975,178	794,867
Tax liabilities	537,617	508,316
Borrowings	1,522,712	0
Other liabilities	1,213,207	271,950
<b>TOTAL LIABILITIES</b>	<b>4,248,714</b>	<b>1,575,133</b>
<b>NET ASSETS</b>	<b>45,439,709</b>	<b>44,594,954</b>

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## EDC Key Personnel



# Eildon Capital Group - Board of Directors

## Mark Avery

Managing  
Director



- Mark is an experienced property executive with 20 years of experience gained across private and listed property development and investment groups.
- He was appointed as Managing Director of Eildon Capital in 2015 and has been responsible for investment sourcing, transaction structuring and corporate strategy.
- Mark holds bachelor degrees in Commerce and Planning & Design from the University of Melbourne and a Masters of Business Administration from AGSM.

## James Davies

Independent  
Chairman



- James has over 30 years experience in investment management across real estate, private equity and infrastructure.
- He has sat on numerous Investment Committees and Boards including as Chairman of Timberlink Australia and Airport Rail Link and is an independent non-executive Director of ASX-listed New Energy Solar.
- James holds a Bachelor of Computing Science from the University of New England, MBA from London Business School and is a Graduate of the Australian Institute of Company Directors.

## Michelle Harpur

Independent  
Director



- Michelle has been a partner in mid-size, large and international law firms since 1992, acting for clients in the banking, then property, industries. She established her own practice, Harpur Phillips, in 2016 with a focus on governance and risk management.
- She is a director of Lifeline Australia, and sits on its Governance and Services Committees. She has a BA and LLB from UNSW and is a Graduate of the AICD.

## Craig Treasure

Independent  
Director



- Craig has more than 30 years' experience in property development, specifically in the residential land and housing sectors along the eastern seaboard of Australia.
- As a licensed surveyor and licensed property developer Craig has previously held a number of senior executive roles and directorships within the property industry.
- His experience is both as a business proprietor and at an executive level with publicly listed entities. Craig was most recently CEO and Managing Director of Villaworld Homes.



# Eildon Capital - Executive Management Team



## Laurence Parisi

Chief Operating Officer



- Laurence has over 19 years' experience in various senior roles within the property investment industry, covering both direct and listed real estate.
- Laurence was previously an Executive Director at Goldman Sachs and Fund Manager of Industria REIT (ADI.ASX) an ASX listed commercial and industrial focused AREIT.
- Laurence has also worked for Credit Suisse and Citi covering the AREIT sector and spent several years at APN as the Head of Private Funds responsible for managing four direct retail property funds and two wholesale direct property funds. Laurence holds a Diploma of Business Accounting, a Diploma of Financial Advising and a Graduate Diploma of Applied Finance and Investment.

## John Hunter

Chief Financial Officer



- John is an experienced finance executive and has held a number of senior roles with private and public companies.
- John has extensive experience in ASX-listed and unlisted public reporting and accounting for property, equity trusts, managed investment companies and schemes, due diligence and compliance.
- John oversees the management and compliance of the investment vehicles within the Group.
- John is a member of Chartered Accountants Australia and New Zealand and holds a Bachelor of Commerce from the Australian National University, an MBA from MGSM and Masters of Applied Finance from Macquarie University.

## Jufri Abidin

Head of Direct Property



- Jufri takes an active role in deal procurement, structuring, due diligence and investment management.
- Jufri has considerable funds management experience gained from his time at APN Property Group, an ASX listed real estate fund manager.
- Jufri has managed the property portfolios of multiple unlisted real estate investment trusts, consisting of up to 60 assets under management, with a combined value of AUD \$500 million.
- Jufri holds a Bachelor of Mechanical Engineering from the University of Melbourne.

## Tiffany McLean

Company Secretary



- Tiffany is a corporate lawyer with 15 years' experience in corporate governance, compliance and capital raisings and has held roles in private practice in Australia and in-house legal in the UK.
- She was recently appointed as joint Company Secretary and has also provided legal services to the Group since 2018, including investments made by the Group and the successful implementation of the internalisation of Eildon Funds Management Limited.
- Tiffany is a member of the Law Society of New South Wales and holds a Bachelor of Laws from Bond University and a Graduate Diploma in Legal Practice from Griffith University



# Eildon Capital - Executive Management Team

## Jonathan Sim

Head of Real Estate Credit



- Jonathan has over 15 years experience in banking and finance and has extensive experience in both debt and equity transactions.
- Jonathan began his career at KPMG and has held a variety of positions in major banks including ANZ, NAB and Bankwest managing loan portfolios in excess of AUD \$500 million. Before Jonathan joined EDC he was an Associate Director at Monark Property Partners.
- Jonathan is a member of Chartered Accountants in Australia and New Zealand and also holds a Bachelor of Commerce from the University of Melbourne.

## Lulu Yang

Distribution and Investor Relations



- Lulu has 15 years of experience in property finance and investment advisory. She was previously an Investment Director at Dacland, a Melbourne-based residential land developer, responsible for capital raising, transaction negotiations and investor communications.
- Lulu began her career in commercial banking with US Bancorp and worked several years as a senior analyst focused on cross-border M&A at Vermilion Partners.
- Lulu holds a Bachelor of Science degree from the University of South Carolina (Columbia) and graduated Cum Laude with double majors in International Business and Finance.

## William Chen

Investment Manager



- William plays a key role in transaction modelling, structuring, reporting and risk assessment.
- Prior to joining EFM, William held roles at various banking and investment companies including CBRE, KPMG and Citic.
- William graduated from The University of Melbourne with a Bachelor of Commerce (Honours in Finance) and has completed Level 3 of The Chartered Financial Analyst Program.



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