



20 August 2020

Company Announcements Office
ASX Limited
Exchange Centre
Level 4, 20 Bridge Street
Sydney NSW 2000

Dear Sir/Madam

Attached is the Elanor Investors Group (ASX:ENN) FY20 Results Presentation.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Symon Simmons". The signature is fluid and cursive.

Symon Simmons
Company Secretary
Elanor Funds Management Limited

Authority and Contact Details

This announcement has been authorised for release by the Board of Directors of Elanor Funds Management Limited

For further information regarding this announcement please contact:

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Company Secretary
Elanor Funds Management Limited
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ELANOR INVESTORS GROUP

FY20 Results Presentation

20 August 2020

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FY20 Results Overview

FY20 Results Overview

| | |
|-------------------------------|---|
| Funds Under Management | \$1,692m 22.0% increase on FY19 |
|-------------------------------|---|

| | |
|--|--|
| ASX Listed Funds Under Management | \$709m 108.0% increase on FY19 |
|--|--|

| | |
|--------------------------------|--|
| Funds Management Income | \$21.5m 43.0% increase on FY19 |
|--------------------------------|--|

| | |
|----------------------|--|
| Core Earnings | \$15.4m 12.0% decrease on FY19 |
|----------------------|--|

| | |
|-----------------------------------|--|
| Distributions Per Security | 9.51c 40.8% decrease on FY19 1HFY20 distribution 50.5% increase on 1HFY19 |
|-----------------------------------|--|

| | |
|------------------------------|--|
| Gearing^{1,2} | 29.7% Increased from 28.4% at 30 June 20 |
|------------------------------|--|

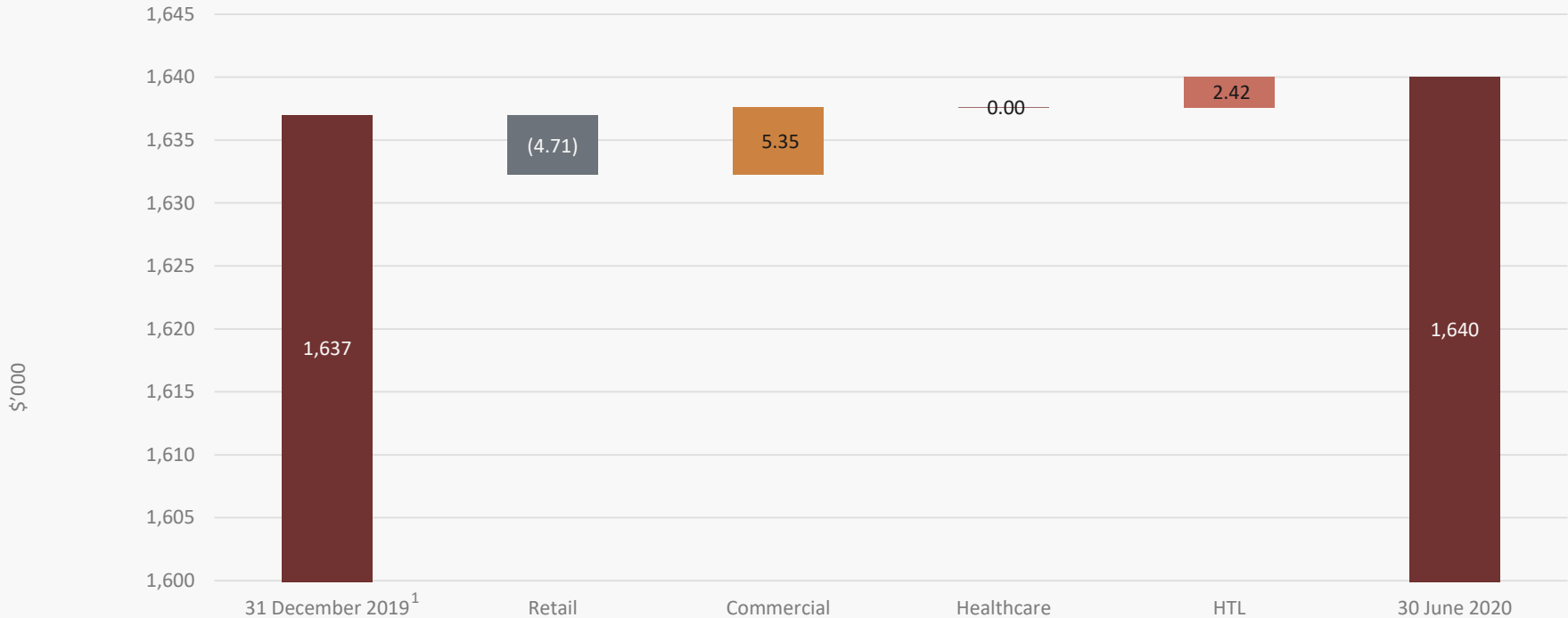
- Listed Elanor Commercial Property Fund in December 2019. FUM of \$381.6m at 30 June 2020
- Established managed funds in FY20 with a combined gross asset value of \$180.3m as at 30 June 2020
- Elanor Retail Property Fund FUM of \$327.8m as at 30 June 2020
- Listed Elanor Commercial Property Fund in December 2019. FUM of \$381.6m at 30 June 2020
- FY20 Management Fees of \$15.5m, an increase of 54.4%
- Increase of 27.4% in annualised recurring Funds Management fees, including cost recoveries, to \$14.4m
- Distributions from Co-investments of \$5.8m, down from \$7.4m
- 2HFY20 Core Earnings of \$3.0m (reflecting the impact of the COVID-19 pandemic)
- Stapled securities on issue increased by 19.8% to 119.6m at 30 June 2020
- 2HFY20 distribution suspended due to the uncertain operating and market conditions as a result of the COVID-19 pandemic
- The Group has significant capital to facilitate future growth
- Gearing includes \$60m of unsecured 5 year Corporate Notes. Secured gearing ratio at 30 June 2020 of 4.7%. Average tenure 2.4 years with first maturity April 2022

1. Based on equity accounting Elanor Metro and Prime Regional Hotel Fund, Elanor Luxury Hotel Fund and Bluewater Square Syndicate
 2. Net debt / (total assets less cash)

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FY20 Highlights

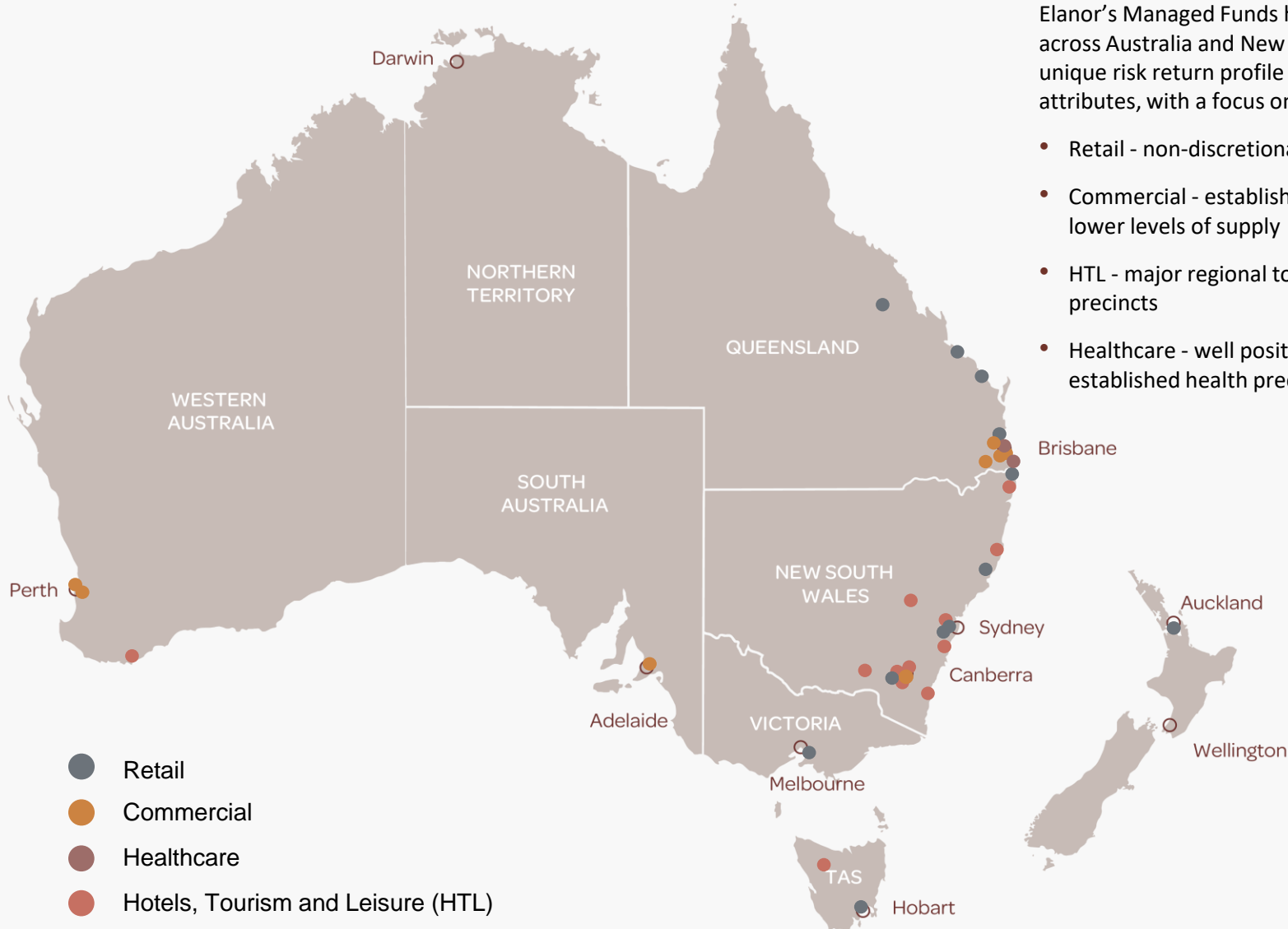
Asset Values in ENN's Managed Funds Reflect Disciplined Investment Approach



- The aggregate re-valuations of the Group's Managed Funds' assets grew 0.2% from 31 December 2019, a direct result of the Group's disciplined, risk-first approach to real estate investment
- The asset values across the sectors reflect:
 - Retail: strong rental collections for April, May and June 2020 given high proportion of non-discretionary tenants (ERF: 78% of April-June 2020 rents collected as at 31 July 2020)
 - Commercial: strategically positioned properties in recovering markets with strong tenant covenants (incl. Government); no Sydney or Melbourne CBD exposure
 - Hotels Tourism & Leisure (HTL): high proportion of regional assets benefiting from growing domestic tourism demand
 - Healthcare: resilient sector with properties strategically located in established health precincts

1. Asset values as at 31 December 2019 and acquisition value for assets acquired since 31 December 2019

Elanor's Investments Competitively Positioned in their Respective Markets

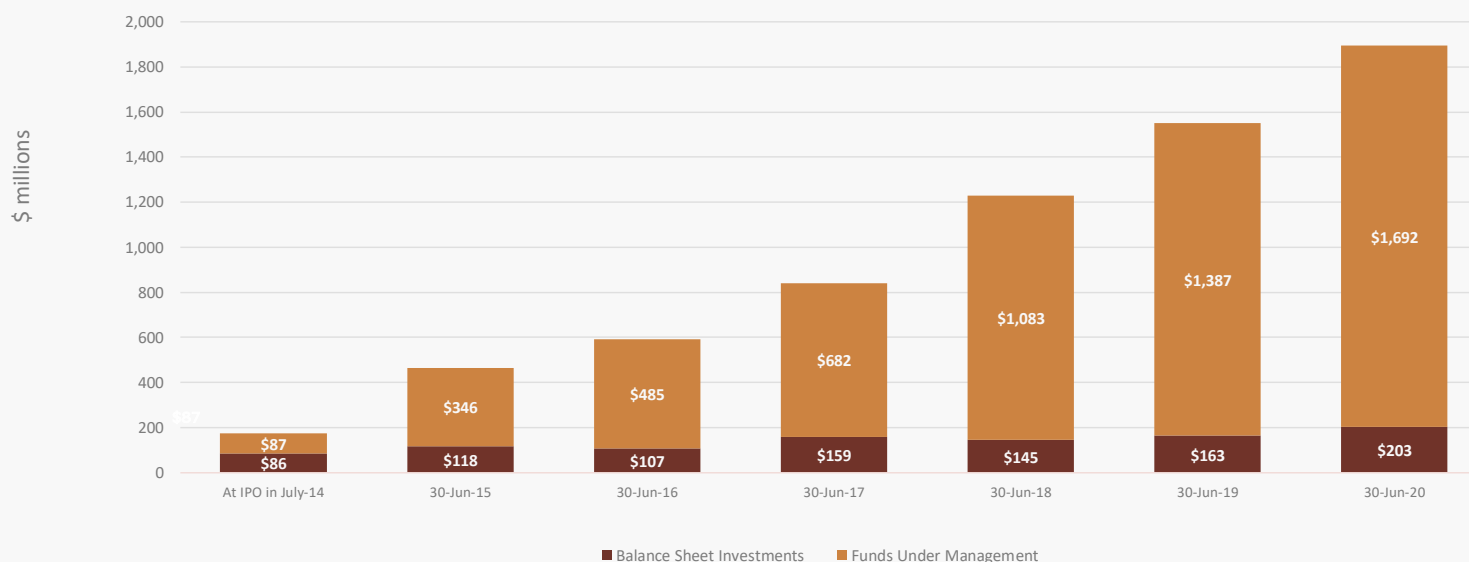


Elanor's Managed Funds have acquired assets across Australia and New Zealand based on their unique risk return profile and real estate attributes, with a focus on:

- Retail - non-discretionary retail
- Commercial - established office precincts with lower levels of supply
- HTL - major regional tourism and commercial precincts
- Healthcare - well positioned assets in established health precincts

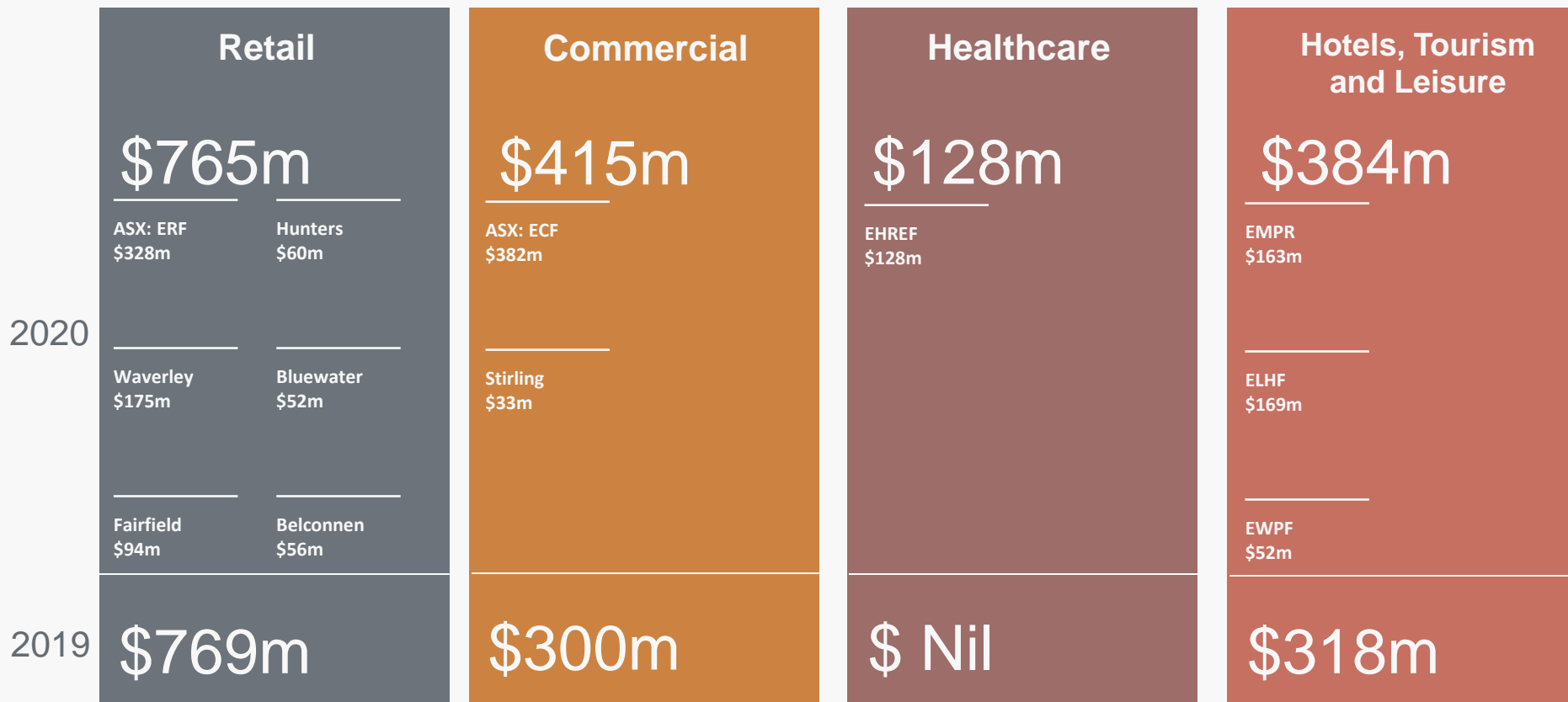
Continued Growth in AUM: 24% Year on Year

FUM Compound Annual Growth Rate (CAGR) of 64% p.a. since listing in July 2014



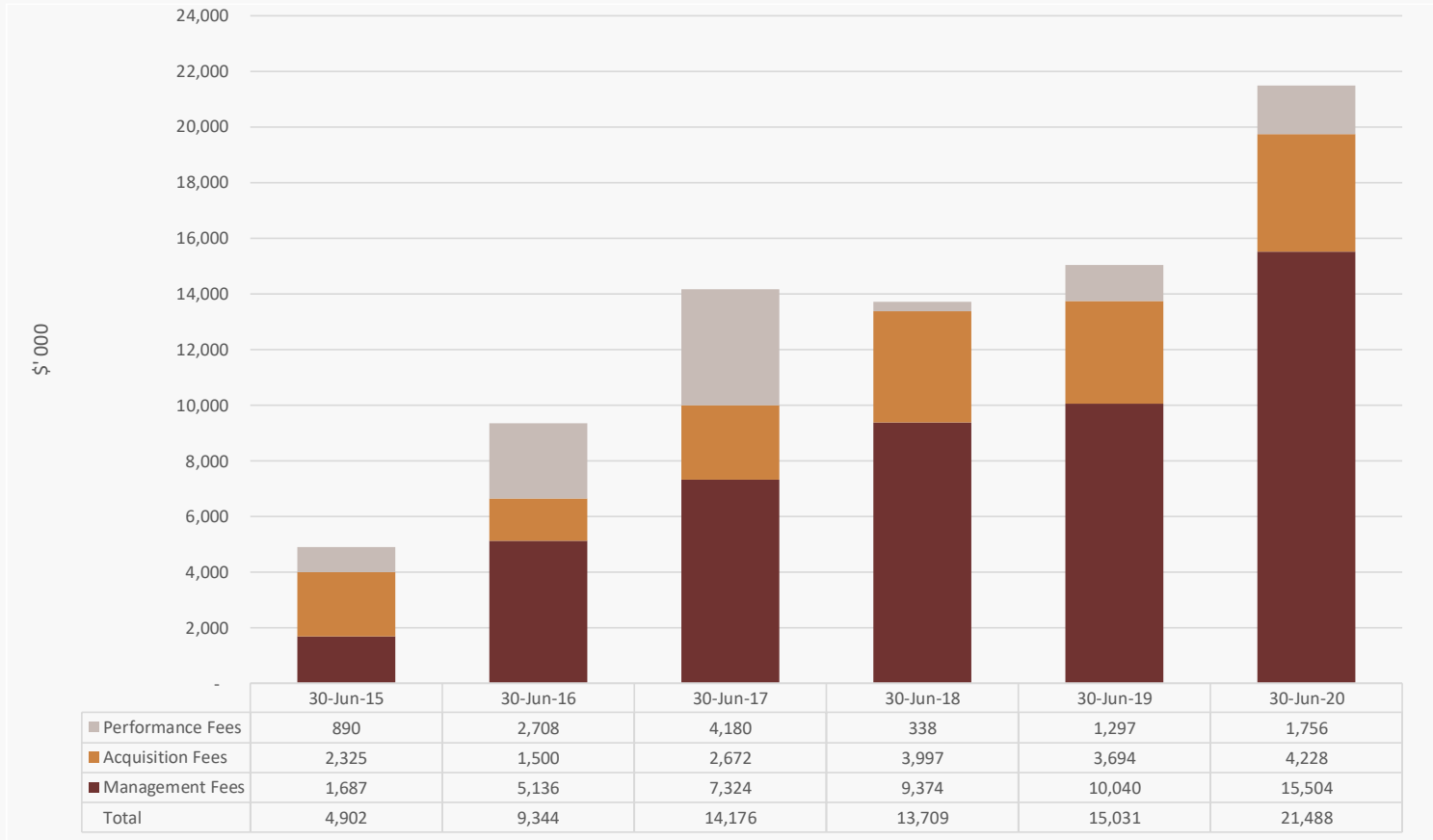
- Funds Under Management (FUM) of approximately \$1.7bn as at 30 June 2020 reflects a CAGR of 64% since Elanor's IPO in July 2014
- ASX Listed FUM grew to \$0.71 billion, an increase of 108% during FY20 following the listing of the Elanor Commercial Property Fund in December 2019
- Total funds under management and balance sheet investments of approximately \$1.9bn

Diversified FUM Across Elanor's Investment Sectors of Focus



- Four new multi-asset Funds established during the year, each with opportunities for growth:
 - Elanor Commercial Property Fund (ASX: ECF)
 - Elanor Luxury Hotel Fund (ELHF)
 - Elanor Healthcare Real Estate Fund (EHREF)
 - Elanor Wildlife Park Fund (EWPF)

Continued Growth in Funds Management Income: 43% Year on Year



- Funds management income grew to \$21.5m, an increase of 43%
- Management fees grew to \$15.5m, an increase of 54%
- Recurring funds management income grew by 27% to \$14.4m (excludes development and leasing fees)
- Development and leasing fees from repositioning projects and hotel refurbishments of \$1.8m in FY20
- Acquisition fees and performance fees adversely impacted in 2HFY20 due to the COVID-19 pandemic

Scalable Funds Management Platform Well Positioned for Growth



People

- High calibre, long tenure and experienced senior executives
- Strong track record of delivering investment performance
- Team located across the country

Process

- Non-discretionary and value-add town centre retail
- Quality tenant covenants for strategically located commercial and healthcare office assets
- Regionally located hotel, tourism and leisure assets

Platform

- Deep capability to execute differentiated strategy
- ASX listed Fund Manager with \$1.7bn of FUM
- 'Capital Lite': balance sheet growth capital of \$107 million (capital recycling)

Performance

- Average realised Managed Fund Investment Total Return (IRR) of 20% p.a. since IPO in 2014
- 64% CAGR in FUM since IPO in 2014
- Asset values held through COVID



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Strategy and Business Overview

Elanor Investors Group: 'Pure Play' Real Estate Funds Manager

| | |
|---|--|
| <p>Real Estate Funds Manager</p> | <ul style="list-style-type: none"> • \$1.7bn of FUM • ASX listed FUM of \$0.71bn • Annualised recurring Funds Management fees of \$14.4m and growing • Balance Sheet comprises cash, short term receivables and Co-investments in Managed Funds |
| <p>Well Positioned for Growth</p> | <ul style="list-style-type: none"> • Active pipeline in all investment sectors of focus • Growth capital of approximately \$107m as at 30 June 2020 |
| <p>Strong and Differentiated Capability Across Key Real Estate Sectors</p> | <p>Commercial: Office FUM of \$0.41bn and Healthcare FUM of \$0.13bn</p> <ul style="list-style-type: none"> • Active asset management delivering strong risk adjusted returns from high investment quality commercial and healthcare properties that are competitively positioned in recovering markets <p>Retail: FUM of \$0.77bn</p> <ul style="list-style-type: none"> • Value-add assets that deliver high risk adjusted returns through repositioning <p>Hotels, Tourism and Leisure: FUM of \$0.38bn</p> <ul style="list-style-type: none"> • High investment quality accommodation hotels with near term operational and strategic value-add opportunities • Exposure to strongly growing Australian regional tourism and leisure sectors |
| <p>Highly Scalable Platform</p> | <ul style="list-style-type: none"> • Invested in senior management capabilities across acquisition, asset and development management, institutional partnerships and capital raising |
| <p>Strong Track Record of Investment Returns</p> | <ul style="list-style-type: none"> • Average total realised returns (IRR) of 20% p.a. from Managed Funds since listing in 2014 |

Funds Management Strategy

Strategic Objective



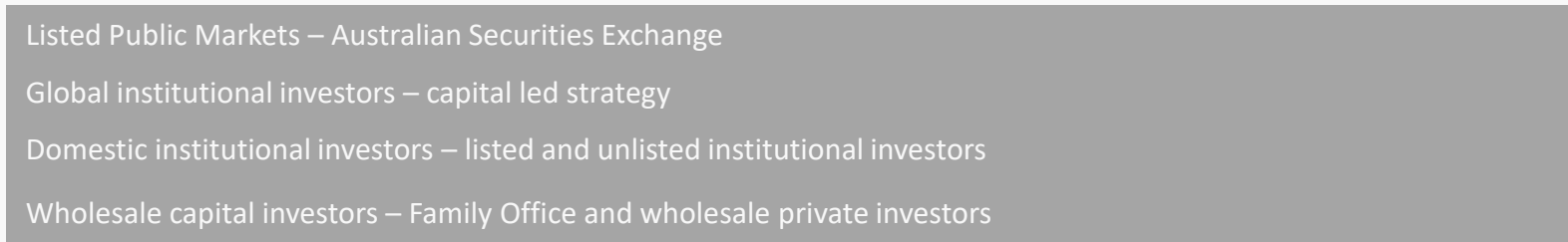
Provide superior investment results to deliver on strategic objective

Real Estate Sector Focus



Co-investment with capital partners ('Capital Lite')

Capital Partners



ENN Generates Consistent Transactional Income

As an active Fund Manager and investor, ENN continues to generate consistent and growing levels of transactional cash earnings from:

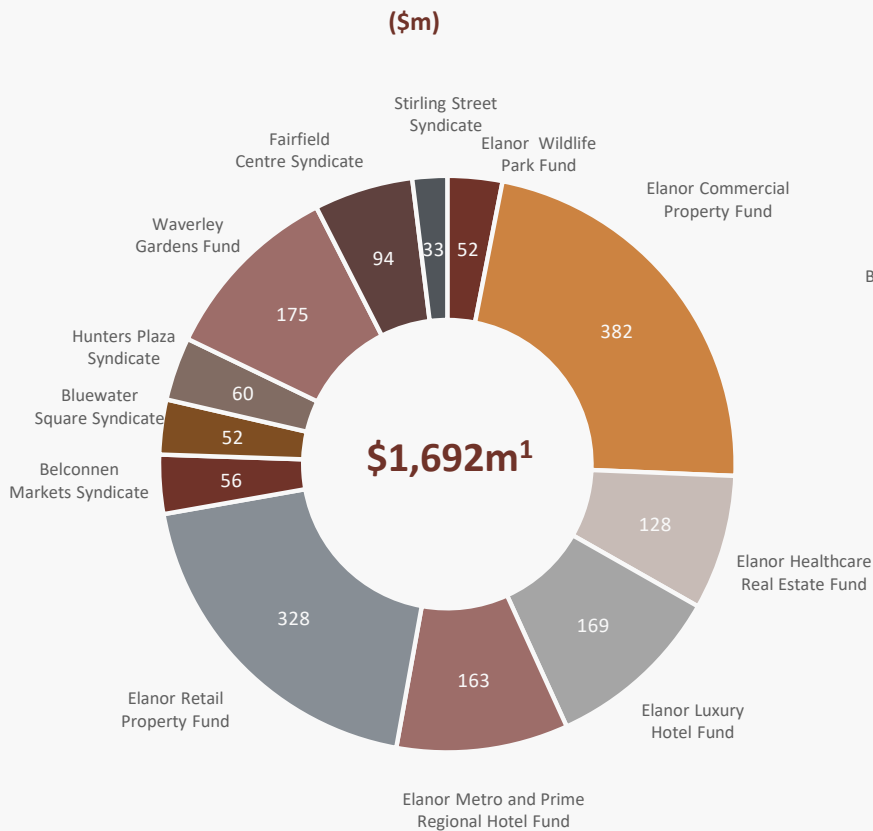
- Performance fees
- Gains on the sale of Co-investments in the Group's Managed Funds
- Gains on the sale of balance sheet assets primarily to seed new Funds Management initiatives

Transactional income included in Core Earnings since FY16 comprises:

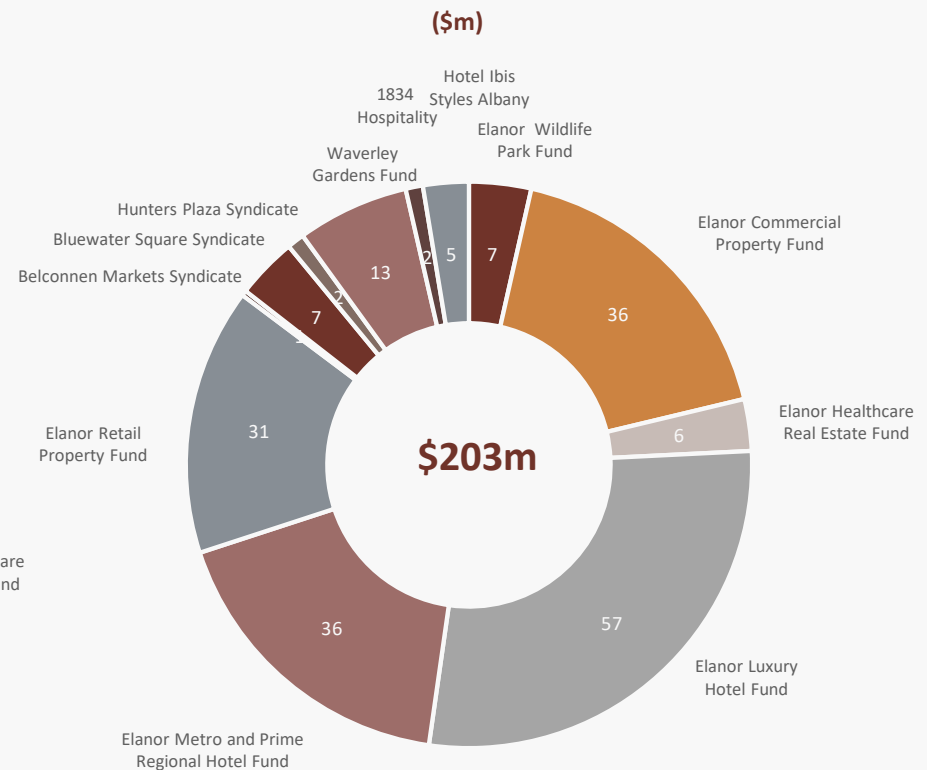
| | FY16 | FY17 | FY18 | FY19 | FY20 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Performance Fees | 2,709 | 4,180 | 338 | 1,297 | 1,756 |
| Gain on Sale of Co-investments | - | - | - | 1,189 | 4,178 |
| Gain on Sale of Balance Sheet Assets | 952 | - | 6,805 | 5,905 | 6,000 |
| | 3,661 | 4,180 | 7,143 | 8,391 | 11,934 |

Funds Under Management and Investment Portfolio

MANAGED FUNDS



INVESTMENT PORTFOLIO



1. Consistent with the basis on which ENN's base management fees are calculated, figures reflect the Gross Asset Value of the various managed funds

The Group has Significant Capital to Facilitate Future Growth

| Existing Capital Available to Facilitate Future Growth | (\$m) |
|--|------------|
| Cash and receivables | 23 |
| Capital management; recycling Co-investment capital (anticipated to be recycled to cash in FY21) | 84 |
| Total Growth Capital | 107 |

- The Group has approximately \$107m of balance sheet growth capital, including ‘capital recycling’ of its Co-investments in Elanor Luxury Hotel Fund and Elanor Metro and Prime Regional Hotel Fund (10% Co-investment holding objective)
- The Group has an active pipeline in its key investment sector focuses of commercial and healthcare office real estate, retail real estate and the accommodation hotels, tourism and leisure sectors



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Financial Results

Core Earnings Analysis

| Contribution to Core Earnings | FY19 \$'000 | FY20 \$'000 |
|---|------------------------|------------------------|
| Funds management income | 15,032 | 21,487 |
| Co-investment earnings | 7,423 | 5,837 |
| Balance sheet investment earnings | 5,702 | 2,010 |
| Profit on sale of assets and co-investments | 7,094 | 10,349 |
| Other income | - | 205 |
| Corporate overheads | (13,365) | (16,208) |
| STI (Core Earnings impact) | (631) | (1,572) |
| Other expenses | - | (1,770) |
| EBITDA | 21,255 | 20,338 |
| Depreciation and amortisation | (796) | (597) |
| Operating profit before interest and tax | 20,459 | 19,741 |
| Interest income | 2,088 | 1,770 |
| Borrowing costs | (4,536) | (5,424) |
| Operating profit before tax | 18,011 | 16,087 |
| Income tax (expense)/benefit | (463) | (653) |
| Core Earnings | 17,548 | 15,434 |
| Operating EPS (cents) | 18.32 | 14.73 |
| DPS (cents) | 16.06 | 9.51 |

- Increase in Funds Management income of 43.0% to \$21.5m (refer page 10 of this presentation for a breakdown of Funds Management income)
- Co-investment earnings reflects distributions received/receivable from Co-investment in the Group's Managed Funds. Elanor Retail Property Fund, Elanor Luxury Hotel Fund, Elanor Metro and Prime Regional Hotel Fund and Elanor Wildlife Park Fund suspended 2HFY20 distributions as a result of the operational and market impacts of the COVID-19 pandemic
- Balance sheet investment earnings incorporates the earnings of Featherdale Wildlife Park up to 29 November 2019 when it was sold to the Elanor Wildlife Park Fund
- Profit on sale of assets and Co-investments primarily comprises the profit on the sale of Featherdale Wildlife Park (not retained by the Group for growth capital) and the share of profit on the sale of Cradle Mountain Lodge by the Elanor Metro and Prime Regional Hotel Fund during the year

Adjusted Balance Sheet¹

| Balance Sheet as at 30 June 2020 | \$'000 |
|--|----------------|
| Assets | |
| Cash | 17,255 |
| Receivables | 6,514 |
| Inventories | 19 |
| Financial assets | 19,101 |
| Other current assets | 4,801 |
| Property, plant and equipment | 7,573 |
| Equity accounted investments | 197,839 |
| Intangibles | 600 |
| Deferred tax assets | 1,783 |
| Total assets | 255,485 |
| Liabilities | |
| Payables and other current liabilities | 5,306 |
| Liabilities associated with assets held for sale | 2,119 |
| Other current liabilities | 2,682 |
| Interest bearing liabilities | 88,064 |
| Other non-current liabilities | 248 |
| Deferred tax liabilities | 2,012 |
| Total liabilities | 100,431 |
| Net assets | 155,054 |
| Number of securities (m) | 119,579 |
| NAV per security | \$1.30 |
| NTA per security | \$1.29 |
| Gearing (ND / TA less cash) | 29.7% |

- Net assets of \$155.1m as at 30 June 2020 (\$159.1m as at 30 June 2019)
- Co-investment in Elanor Managed Funds of \$197.8m (\$123.8m as at 30 June 2019)
- Interest bearing debt of \$88.1m as at 30 June 2020 (\$83.5m as at 30 June 2019), including \$60m of unsecured 5 year Corporate Notes
- Gearing of 29.7%; secured gearing ratio of 4.7% at 30 June 2020

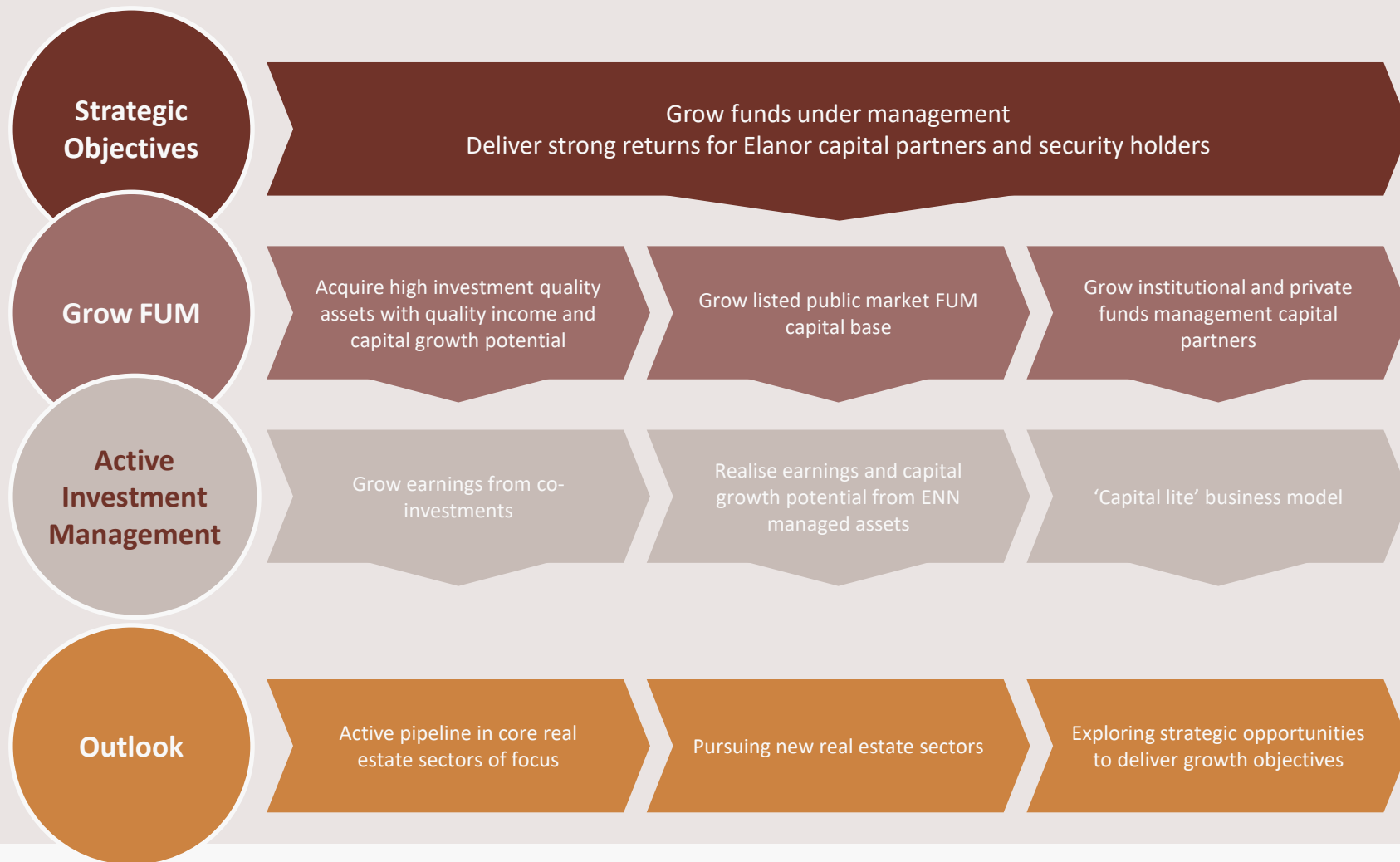
1. Statutory balance sheet has been restated to reflect the co-investment in Bluewater Square Syndicate, Elanor Metro and Prime Regional Hotel Fund and Elanor Luxury Hotel Fund on an equity accounted basis, not consolidation



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Strategy and Outlook

ENN Strategy and Outlook



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