
Annual General Meeting 2023

High conviction diversified alternative asset manager

11:00am (Sydney time)
Wednesday, 15 November 2023
Level 7, 1 Macquarie Place, Sydney

ACKNOWLEDGEMENT OF COUNTRY

HMC Capital acknowledges the Traditional Custodians of country throughout Australia and celebrates their diverse culture and connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples

Agenda

- #1** WELCOME & INTRODUCTION
- #2** CHAIR AND CEO ADDRESS
- #3** FORMAL BUSINESS



Chris Saxon
Chair



David Di Pilla
*Group Managing
Director & CEO*

WELCOME & INTRODUCTION

HMC Capital Board of Directors



David Di Pilla
*Group Managing
 Director and CEO*



Chris Saxon
Chair



Susan Roberts
Non-Executive Director



Zac Fried
Non-Executive Director



Greg Hayes
Non-Executive Director



Kelly O'Dwyer
Non-Executive Director



Brendon Gale
Non-Executive Director

MANAGING DIRECTOR & GROUP CEO ADDRESS

HMC Capital Overview

ASX-listed alternative asset manager led by experienced and aligned management team

\$8.1bn

Funds under management¹

93%

TSR since IPO²

#5

Funds established

>80

Professionals

Overview

- 1**

ASX-listed alternative asset manager

Outperformed the S&P/ASX 200 index by 70% since listing in Oct-19²
- 2**

Capital Sources

Diversified investor base spanning retail, high net worth and listed and wholesale institutions
- 3**

Track Record

Ability to execute large, complex value creating transactions is our competitive advantage
- 4**

High Conviction

Targeted deployment into sectors with attractive long-term fundamentals
- 5**

Alignment

Management and board collectively own a significant shareholding in the company

Funds Management Platform

Leading ASX-listed alternative asset manager

REAL ESTATE	<p>Listed \$6.5bn³ FUM</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> Home Co. <small>est. 2020</small> </div> <div style="text-align: center;"> Health Co. <small>est. 2021</small> </div> </div>	<p>Unlisted \$1.8bn FUM¹</p> <ul style="list-style-type: none"> ▪ Last Mile Logistics (est. 2023) ▪ Health & Life Sciences (est. 2023) 	
PRIVATE EQUITY	<p>Unlisted \$0.4bn FUM</p> <ul style="list-style-type: none"> ▪ HMC Capital Partners Fund I (est. 2022) ▪ High conviction strategic stakes in listed companies <div style="text-align: right; margin-top: 10px;"> </div>		
FUTURE GROWTH	<div style="border: 1px solid #f0e68c; background-color: #f0e68c; padding: 10px; width: 80px; margin: 0 auto;"> Energy Transition </div>	<div style="border: 1px solid #f0e68c; background-color: #f0e68c; padding: 10px; width: 80px; margin: 0 auto;"> Value Add Infrastructure </div>	<div style="border: 1px solid #f0e68c; background-color: #f0e68c; padding: 10px; width: 80px; margin: 0 auto;"> Private Credit </div>

Notes: All figures as at 30 June 2023 unless otherwise stated. Where returns are mentioned on this slide, past performance is not a reliable indicator of future performance.

1. Committed FUM. Includes undrawn equity plus debt for Last Mile Logistics Fund and contracted settlement of tranche 3 Healthscope assets in Sep-23. Includes \$1.1bn of FUM for HCW with \$0.6bn of HCW assets already captured in unlisted healthcare fund FUM.
2. As at 10 November 2023. HMC IPO price of \$3.35 adjusted by \$0.67/security to exclude HDN in-specie distribution. Assumes dividends reinvested on ex-dividend date.
3. Includes HCW's FUM of \$1.7bn which includes HCW's proportionate share of assets (\$0.6bn) in the unlisted health & life sciences fund. HCW's FUM is \$1.1bn excluding this.

Results Overview

Established 3 major new unlisted growth platforms and expanded institutional investor base

FINANCIAL RESULT

Operating Earnings
26.4cps
\$82.1m

Final Dividend
6.0cps
10% franked

Net Tangible Assets +
Undrawn Debt
\$1.1bn

FUNDS MANAGEMENT

Funds Under Management
\$8.1bn
+40% on FY22¹

Equity Raised
\$1.5bn
71% unlisted

Funds Management Revenue
\$69.7m
Recurring revenue up
72% on FY22

NEW FUNDS ESTABLISHED



Private Equity Fund

HMC Capital Partners Fund I (HMC-CP) launched in Sep-22 and delivering strong investment performance since inception



Last Mile Logistics Fund

\$800m first close in Jun-23 for new unlisted institutional fund targeting last mile retail logistics properties



Healthcare & Life Sciences Fund

New \$1.3bn fund established in May-23². Secured \$650m of equity commitments including 3 new major institutional investors

Well capitalised to expand into new asset classes and accelerate growth via M&A, transaction underwriting and asset warehousing

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1. Committed FUM. Includes undrawn equity plus debt for Last Mile Logistics Fund and contracted settlement of tranche 3 Healthscope assets in Sep-23. Includes \$1.1bn of FUM for HCW with \$0.6bn of HCW assets already captured in unlisted healthcare fund FUM.

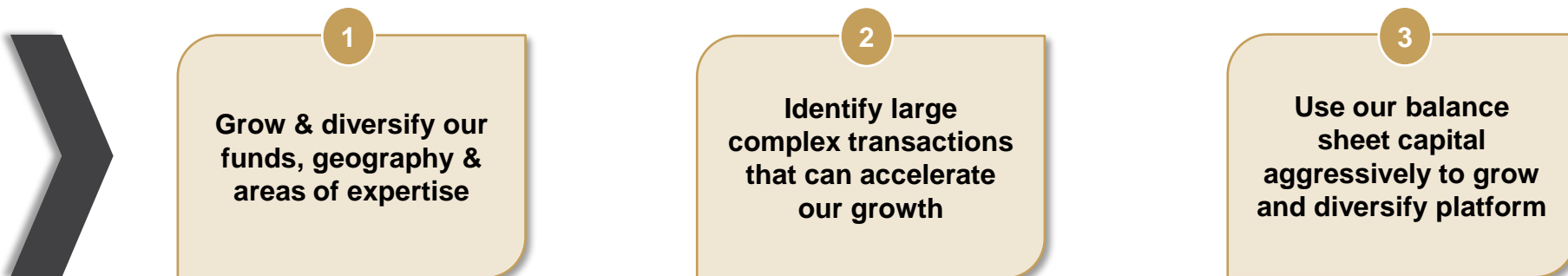
2. \$1.3bn as at Sep-23 including committed brownfield projects.

HMC Capital Strategy

High return on equity alternative asset manager

Strategy	To be a diversified large-scale alternative asset manager	<p>Business models and scale we admire</p>   
Financial Target	20%+ return on equity target over the medium-term	
Competitive Advantage	Creating value through large-scale and complex transactions	
New Business	Targeting strategic opportunities which are scalable and expand our existing capability	

Strategies to grow FUM to \$20bn+ over the medium-term



HMC Capital's Sustainability Framework

Sustainable practices that drive long term value creation and positive community impact

ENVIRONMENTAL

- On track with Net Zero Energy Roadmap
- 24% reduction in scope 1 & scope 2 carbon emissions¹
- Solar PV now active in 16 sites² across HDN and HealthCo, with further 5 sites under installation
- Tier 1 solar partner chosen and engaged for Solar roll out across feasible sites within the portfolio
- Now installed EMS at 30 sites, with a further 5 installations underway³, exceeding targets of 15% for energy consumption reduction⁴
- HDN's South Nowra & Mackay developments targeting 4 Star Green Star rating
- Portfolio average of 4 Star NABERS Energy rating and 5.1 Star NABERS Water rating³
- 73% LED lighting conversion achieved across portfolio, with ongoing roll-out plans committed
- Electric Vehicle chargers roll out progressing

SOCIAL

- Establishment of HMC Capital Foundation to accelerate the delivery of our social impact commitments
- National Partnership with Eat Up to commence in FY24
- 50% gender diversity achieved organisation-wide and across independent board director positions
- Progressed Reflect Reconciliation Action Plan for implementation in FY24
- Sustainability Committee formed with quarterly meetings scheduled
- Nil employee Lost-Time Injuries in FY23
- Supported Lismore community post-flood during the rebuild and relaunch of our HomeCo Lismore centre. Celebrated re-opening with Family Community Day.



GOVERNANCE

- Received a rating of AA (on a scale of AAA – CCC) in the MSCI ESG Ratings assessment⁵
- Signatory to UN PRI & UN Global Compact
- HDN awarded 2023 ESG Regional Top-Rated company with Morningstar Sustainalytics
- Member of ANREV and GBCA
- ESG KPIs established for leadership team
- Responsible investment standards adopted for all acquisitions
- Lodged inaugural Modern Slavery Statement for HDN
- GRI reporting framework standards adopted⁶

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA



New Growth Frontiers

Our entry into new sectors will support our strategy to maintain our strong FUM growth trajectory

Assessing multiple strategic growth opportunities to significantly grow FUM

Situation overview

- HMC Capital is investigating a range of opportunities to diversify into new alternative asset classes
- Our focus is on differentiated investment strategies which are scalable and supported by structural growth trends
- Opportunities under review include
 - complementary platforms which expand our funds management capability; and
 - strategic M&A opportunities for both our existing funds as well as new capital partnerships
- Any investment into new opportunities will be benchmarked against our 20%+ ROE target
- We will only invest in opportunities where we have or can see a pathway to building a competitive advantage
- HMC may warehouse seed investments on balance sheet for new funds or capital partnerships

Whilst HMC is well capitalised we will remain disciplined with our capital

Future growth opportunities

1 Real Estate	<ul style="list-style-type: none"> ▪ Future series of Last Mile Logistics (LML) funds ▪ Greenfield healthcare development pipeline \$1bn+ ▪ New global healthcare & life sciences fund
2 Private Equity	<ul style="list-style-type: none"> ▪ New institutional mandates for HMC Capital Partners Fund I (HMC-CP) ▪ Corporate M&A opportunities including large-scale take private transactions with new institutional capital partnerships
3 Energy Transition / Infrastructure	<ul style="list-style-type: none"> ▪ Potential to onboard new team with track record or acquire established platform with renewable energy development capability and pipeline
4 Private Credit	<ul style="list-style-type: none"> ▪ Assessing platform opportunities which can be scaled and diversified into new credit segments ▪ We remain cautious at this point of the credit cycle

Outlook and Guidance

Well positioned to maintain strong growth trajectory and establish new major capital partnerships

FY24 Outlook & Guidance

- HMC Capital is well positioned to grow funds under management over the next 12 months and beyond.
 - We remain on-track to achieve our \$10bn¹ funds under management target by year-end 2023 (12 months ahead of previous target).
- Existing real estate and private equity platforms are performing strongly and are well positioned for continued growth with low gearing and favourable underlying sector fundamentals.
- In addition, HMC is actively exploring a range of growth opportunities in new alternative asset classes.
 - HMC is strongly capitalised with \$1.1bn of liquid investments and undrawn debt capacity²
- HMC expects to deliver strong underlying earnings growth in FY24 and consistent with previous years, the group also has the potential to generate meaningful earnings from activities such as investments, underwriting and asset warehousing.
- FY24 dividend per share guidance of 12.0 cents is reaffirmed

Investment landscape remains conducive for HMC to capitalise on value enhancing growth opportunities

FORMAL BUSINESS

Annual Report 2023

Financial Report, Directors' Report and Auditor's Report

To receive and consider the Financial Report, Directors' Report and Auditor's Report for the year ended 30 June 2023.

Resolution 1

Remuneration Report

To consider and, if thought fit, to pass the following non-binding resolution as an **ordinary resolution**:

"That the Remuneration Report for the year ended 30 June 2023 be adopted."

Please note: Resolution 1 is advisory only and does not bind the Directors of the Company.

Resolution 1

Proxy Voting Results

For:	97.29%
Open:	0.12%
Against:	2.59%

Resolution 2

Election of Director – Susan Roberts

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Susan Roberts, being eligible, be elected as a Director of the Company."

Resolution 2

Proxy Voting Results

For:	98.49%
Open:	0.07%
Against:	1.44%

Resolution 3

Re-Election of Director – The Hon. Kelly O'Dwyer

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That The Hon. Kelly O'Dwyer, being eligible, be re-elected as a Director of the Company."

Resolution 3

Proxy Voting Results

For:	97.22%
Open:	0.07%
Against:	2.71%

Resolution 4

Issue of Performance Rights to David Di Pilla

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue Performance Rights to David Di Pilla under the Employee Equity Plan on the terms and conditions set out in the Explanatory Memorandum”.

Resolution 4

Proxy Voting Results

For:	87.57%
Open:	0.16%
Against:	12.27%

Resolution 5

Approval of the Employee Equity Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 7.2, Exception 13 and for all other purposes, Shareholders approve the issue of any Equity Securities under the Employee Equity Plan during the three years following the date of this Meeting, on the terms and conditions summarised in the Explanatory Memorandum.”

Resolution 5

Proxy Voting Results

For:	96.54%
Open:	0.11%
Against:	3.35%

Resolution 6

Approval of the Non-Executive Director Equity Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of Fee Sacrifice Rights, and the allocation of Shares in the Company on vesting of those Fee Sacrifice Rights, under the Non-Executive Director Equity Plan on the terms and conditions summarised in the Explanatory Memorandum.”

Resolution 6

Proxy Voting Results

For:	97.46%
Open:	0.07%
Against:	2.47%

Resolution 7

Ratification of Prior Issue of December Placement Options

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, the issue of 2,455,102 Placement Options announced to ASX on 23 November 2022 on the terms and conditions summarised in the Explanatory Memorandum is ratified under and for the purposes of Listing Rule 7.4 and for all other purposes.”

Resolution 7

Proxy Voting Results

For:	99.41%
Open:	0.07%
Against:	0.52%

Resolution 8

Ratification of Prior Issue of March Placement Shares

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, the issue of 35,714,286 Placement Shares announced to ASX on 30 March 2023 on the terms and conditions summarised in the Explanatory Memorandum is ratified under and for the purposes of Listing Rule 7.4 and for all other purposes.”

Resolution 8

Proxy Voting Results

For:	99.37%
Open:	0.08%
Against:	0.55%

Further Information

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