



ASX Announcement

24 August 2022

**Elanor Investors Group: Strong Growth in Funds Management Earnings
Well Positioned for Further Growth**

- FY22 Core Earnings of \$18.3 million, or 14.98 cents per security (21% increase on FY21)
- 2H22 Distribution of 4.43 cents per security (above guidance of 4.05 cents)
- Growth in funds under management of \$649 million to \$2.72 billion (31% increase on FY21)
- Strong growth in funds management income to \$41.3 million (39% increase on FY21)
- Recurring funds management income of \$32.2 million (48% increase on FY21)
- Significantly improved trading conditions in Q4 FY22 in the hotels, tourism and leisure sector expected to result in improved management fees and co-investment earnings in FY23

Elanor Investors Group (“ENN” or “Group”) is pleased to announce its financial results for the year ended 30 June 2022 (“period”).

Highlights

- Core Earnings for the year of \$18.3 million (14.98 cents per security)
- Distribution for the year of 13.48 per security (90% payout ratio); 2H22 Distribution of 4.43 cents per security
- Growth in funds under management of \$649 million to \$2.72 billion (31% increase on FY21)
- Funds management income of \$41.3 million for the year (39% increase on FY21); Recurring funds management income increased 48% to \$32.2 million
- The valuations of the Group’s comparable managed funds asset portfolio at 30 June 2022 reflected an increase of 7.9% (\$165 million) from 30 June 2021
- Net Tangible Assets (NTA) per security of \$1.40 at 30 June 2022
- Gearing of 30.2% at 30 June 2022

Commenting on the results, ENN CEO, Glenn Willis, said: “Delivering 31% growth in funds under management and 39% growth in funds management income was a pleasing result given the challenging market conditions in some of our investment sectors. This reflects our active management approach, the strength of our funds management platform and our ability to identify high investment quality opportunities across the sectors we operate in.

“Following the significantly improved trading conditions in Q4 FY22 in the hotels, tourism and leisure sector, in particular, we expect an improvement in management fees and co-investment earnings in FY23. Our differentiated real estate funds management capability positions us well for further growth, with the prevailing environment presenting an increasing number of ‘high-value’ investment opportunities. With a strong pipeline and growing capital partner base, we are well positioned for further strong growth in funds under management and Securityholder value.”



Summary of Financial Results

A summary of the Group's financial results for the period is set out below:

Summary financial results	Group 30 June 2022	Group 30 June 2021
Core Earnings (\$'000)	18,259	15,146
Distributions payable to Securityholders (\$'000)	16,433	13,632
Core Earnings per stapled security (cents)	14.98	12.52
Core Earnings per weighted average stapled security (cents)	15.56	11.32
Distributions per stapled security (cents)	13.48	11.27
Gearing (net debt / total assets less cash) (%) (equity accounted)	30.2	20.9

Funds Management

The Group generated funds management income of \$41.3 million (FY21: \$29.7 million), a 39% increase on the prior comparative period.

Funds Management Income	30 June 2022 \$'000	30 June 2021 \$'000
Management Fees	27,135	18,732
Leasing and development management fees	5,076	3,090
Acquisition Fees	9,104	6,061
Performance Fees	-	1,806
Total	41,315	29,689

During the year, Elanor increased its funds under management from \$2,073.2 million to \$2,721.9 million. The growth in funds under management has been supported by strong growth in Elanor's institutional and private wholesale investors base, reflecting the Group's strong investment track record and investments in capital origination.

Significant funds management initiatives completed during the year include:

- The acquisition of the commercial office property located at 50 Cavill Avenue, Gold Coast, QLD for \$113.5 million by the Elanor Commercial Property Fund (ASX: ECF) in August 2021
- The divestment of the Moranbah Fair property, at book value (\$28.0 million), for the Elanor Retail Property Fund (ASX: ERF)
- The establishment of the Elanor Hotel Accommodation Fund (EHAF) in September 2021, creating a \$346.2 million hotel fund (as at the establishment date)
- The acquisition of Highpoint Health Hub in Ashgrove, QLD, for \$51.9 million in October 2021 for the Elanor Healthcare Real Estate Fund. The Fund's property portfolio is valued at \$289.3 million (as at 30 June 2022)



Funds Management (continued)

- The establishment of the Warrawong Plaza Fund in October 2021 to acquire the Warrawong Plaza shopping centre in Wollongong, NSW, for \$136.4 million
- The acquisition of the 19 Harris Street property in Pyrmont for \$185.0 million by the Harris Street Fund in May 2022, with the Elanor Commercial Property Fund (ASX: ECF) acquiring a 49.9% interest in the fund alongside Elanor's wholesale private capital partners
- The acquisition of the Estate Tuscany accommodation hotel, Pokolbin, NSW for \$12.8 million in June 2022 for the Elanor Hotel Accommodation Fund (EHAF), growing the value of the Fund's portfolio to \$364.6 million (as at 30 June 2022)

Subsequent to 30 June 2022, ENN has completed the following significant funds management initiatives:

- The acquisition of Sanctuary Inn Tamworth, NSW, for EHAF in August 2022 for \$16.5 million
- Securityholder approval of the privatisation and delisting of the Elanor Retail Property Fund (ASX: ERF) in August 2022. The privatisation and delisting comprises the syndication of the Fund's Tweed Mall property to Elanor's wholesale private capital partners, a security buy-back offer and the delisting of ERF to become the Elanor Property Income Fund (EPIF). EPIF will be an open-ended, multi-sector, property fund generating reliable income from a portfolio of high investment quality real estate assets

ENN's strong investment track record continues to drive demand from wholesale and institutional investors for the Group's managed funds. Elanor has a high calibre and scalable funds management platform with substantial capacity to grow funds under management. Further investment has been made in the platform during the year and, coupled with the Group's balance sheet capital, Elanor is well positioned to grow its funds management business.

Outlook

The Group's key strategic objective remains unchanged: to grow funds under management and Securityholder value by delivering strong investment returns for Elanor's capital partners. The Group is acutely focused on growing funds management earnings and recycling co-investment capital to facilitate growth in a 'capital-lite' manner.

Elanor remains focused on being a leading real estate funds manager delivering exceptional investment returns for Elanor's capital partners and making impactful social and environmental contributions to the communities in which we operate.

The Group will continue to achieve strong growth in funds under management through the acquisition of high investment quality assets based on Elanor's investment philosophy and criteria. The Group has a strong pipeline of funds management opportunities. Furthermore, the Group is actively progressing funds management opportunities in new real estate sectors, in addition to pursuing strategic opportunities to deliver its growth objectives.

Please refer to the FY22 results presentation and financial statements lodged with ASX today for further details of Elanor's FY22 result.



Investor Briefing

Elanor Investors Group will be holding an Investor Briefing Conference Call on 24 August 2022 at 12.00pm, to present and discuss the Group's FY22 results. The Conference details are:

Toll-Free Dial In: 1800 558 698 or +61 2 9007 3187

Conference ID: 10023518

Commencement: 12.00pm AEST

Pre-Registration: <https://s1.c-conf.com/diamondpass/10023518-gs7dyf.html>

This announcement has been authorised for release by the Elanor Investors Group Board of Directors.

For further information regarding this announcement please contact:

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About Elanor Investors Group

Listed on the Australian Securities Exchange in 2014, Elanor Investors Group (ASX: ENN) is an investment and funds management business with over \$2.7 billion in assets under management across Australia and New Zealand. Elanor's key sectors of focus are commercial office, retail real estate and hotels, tourism and leisure. Elanor's investment management objective is to acquire and unlock value in real estate assets that provide strong income and capital growth potential.

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