



ASX Announcement

27 February 2023

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

- HY23 Core Earnings of \$10.3 million, or 8.35 cents per security
- HY23 Interim Distribution of 7.51 cents per security (above guidance of 7.30 cents)
- Funds Under Management of \$2.9 billion (6% increase since 30 June 2022); \$254 million managed fund equity raised during the period for \$457 million of funds under management
- Strong growth in funds management income to \$29.9 million (48% increase on HY22)
- Recurring funds management income of \$19.5 million (33% increase on HY22)
- Property valuations of Elanor's Managed Fund assets increased by \$77.2 million (3.0%)

Elanor Investors Group ("ENN" or "Group") is pleased to announce its interim financial results for the half year ended 31 December 2022 ("period").

**Highlights**

- Core Earnings for the period of \$10.3 million (8.35 cents per security)
- Distribution for the period of 7.51 cents per security (payout ratio of 90% of Core Earnings)
- Growth in Funds Under Management of \$152 million to \$2.9 billion (6% increase since 30 June 2022)
- \$254 million managed fund equity raised during the period for \$457 million of funds under management
- Over \$200 million capital returned to managed fund investors from successful investment realisations
- Funds management income of \$29.9 million for the period (48% increase on HY22); Recurring funds management income increased 33% to \$19.5 million
- Strong growth in Fund Management EBITDA to \$13.3 million (71% increase on HY22)
- The valuations of the Group's comparable managed funds asset portfolio at 31 December 2022 reflected an increase of 3.0% (\$77.2 million) from 30 June 2022
- Net Tangible Assets (NTA) per security of \$1.34 at 31 December 2022
- Gearing of 27.2% at 31 December 2022

Commenting on the results, ENN CEO, Glenn Willis, said: "We are pleased with the significant progress made over the period in positioning Elanor for strong growth in funds under management.

Over the period, we achieved 48% growth in funds management income and 71% growth in funds management EBITDA. Furthermore, the Group's risk first approach to investing delivered a 3% increase (\$77 million) in the valuation of the Group's managed funds asset portfolio over the period. These achievements reflect both the strength of our funds management platform and our ability to identify high investment quality opportunities across our investment sectors.

With the prevailing environment presenting an increasing number of investment opportunities, our highly scalable real estate funds management capability positions us well for strong growth in both 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:

<b>Summary financial results</b>	<b>Group 31 December 2022</b>	<b>Group 31 December 2021</b>
Core Earnings (\$'000)	10,290	12,263
Distributions payable to Securityholders (\$'000)	9,261	11,037
Core Earnings per stapled security (cents)	8.35	10.06
Core Earnings per weighted average stapled security (cents)	8.66	10.46
Distributions per stapled security (cents)	7.51	9.05
Gearing (net debt / total assets less cash) (%) (equity accounted)	27.2	25.2

## **Funds Management**

The Group generated funds management income of \$29.9 million (HY22: \$20.2 million), a 48% increase on the prior comparative period.

<b>Funds Management Income</b>	<b>31 December 2022 \$'000</b>	<b>31 December 2021 \$'000</b>
Management Fees	16,651	12,406
Leasing and Development Management Fees	2,808	2,229
Acquisition Fees & Equity Raise Fees	4,006	5,558
Performance Fees	6,444	-
<b>Total</b>	<b>29,909</b>	<b>20,193</b>

During the six months to 31 December 2022, the Group increased its funds under management from \$2.7 billion to \$2.9 billion. The growth in funds under management has been supported by 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 period include:

- the privatisation and delisting of the Elanor Retail Property Fund (ASX: ERF) and launch of the open-ended, unlisted, multi-sector Elanor Property Income Fund (EPIF) with an initial portfolio value of \$117 million;
- the acquisition of the Tweed Mall shopping centre by the newly established Tweed Mall Mixed-use Real Estate Fund for \$87 million;
- the recapitalisation of the \$289 million Elanor Healthcare Real Estate Fund in December 2022 (providing a full liquidity event for investors) and establishment of a partnership with an Asian-based institutional real estate investor to grow the Fund's portfolio of core healthcare real estate assets;
- the acquisition of Sanctuary Inn Tamworth, NSW, by Elanor Hotel and Accommodation Fund (EHAF) in August 2022 for \$16.5 million;



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### **Funds Management (continued)**

- the repositioning and refinancing of the Riverside Plaza shopping centre following execution of the value-add strategy at the Centre – generating a valuation uplift of \$49 million and a capital return to investors of 52 cents per unit (reflecting an IRR of 45.0% since the Fund's inception);
- the acquisition of the Chateau Yering Hotel in Yarra Valley, Victoria and the Wildes Boutique Hotel in Kangaroo Valley, NSW for \$30.8 million by EHAF, growing the Fund's portfolio of high investment quality hotel accommodation properties to \$424 million (to be completed in early March 2023).
- the acquisition by Elanor of Country Place, an award-winning conference and events centre located in the Dandenong Ranges in Victoria, for \$6 million. Country Place will be converted and repositioned into a significant regional accommodation property suitable for EHAF (to be completed in early March 2023); and
- the acquisition of the Riverton Forum shopping centre by the Riverton Forum Fund in December 2022 for \$98.8 million (to be completed in early March 2023).

ENN's strong investment track record (average realised IRR of 20%) continues to drive demand from both wholesale and institutional investors. 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 period and coupled with the Group's balance sheet capital, Elanor is well positioned for significant growth in funds under management.

### **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 its mission to be the leading real estate funds manager known for delivering exceptional investment returns for its capital partners and making impactful social and environmental contributions to our communities.

With the prevailing environment presenting an increasing number of investment opportunities, our highly scalable real estate funds management platform positions us well for strong growth in both funds under management and Securityholder value.

Please refer to the HY23 results presentation and financial statements lodged with ASX today for further details of Elanor's HY23 result.



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### **Investor Briefing**

Elanor Investors Group will be holding an Investor Briefing Conference Call on 27 February 2023 at 1.00pm, to present and discuss the Group's HY23 results. The Conference details are:

Toll-Free Dial-In: 1800 809 971 or +61 2 9007 3187

Conference ID: 10028268

Commencement: 1.00pm AEDT

Pre-Registration: <https://s1.c-conf.com/diamondpass/10028268-ter5wd.html>

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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 \$2.9 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.

[www.elanorinvestors.com](http://www.elanorinvestors.com)