



ASX Announcement

23 August 2021

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

- Core Earnings of \$15.1 million
- Growth in Funds Under Management to \$2.1 billion, an increase of 23% on FY20
- Strong growth in funds management income to \$29.7 million for the year, an increase of 38% on FY20
- 41% increase in annualised recurring Funds Management Income to \$21.8 million
- The value of Elanor's comparable Managed Fund assets increased by 5% (\$70 million) during FY21

Elanor Investors Group ("ENN" or "Group") is pleased to announce its preliminary financial results for the year ended 30 June 2021 ("Period").

Highlights

- Core Earnings for the Period of \$15.2 million, 11.27 cents per security
- Distribution for the six months to 30 June 2021 of 7.14 cents per security, reflecting a payout ratio of 90% of Core Earnings; Total distributions for the Period of 11.27 cents per security
- Growth in Funds Under Management of \$0.4 billion to approximately \$2.1 billion
- Funds management income of \$29.7 million for the Period, an increase of 38.2%
- Annualised recurring funds management income increased 40.7% to \$21.8 million
- Key Funds Management initiatives completed during the Period:
 - Establishment of the Clifford Gardens Fund in June 2021 which acquired the Clifford Gardens shopping centre in Toowoomba QLD for \$145.0 million
 - Establishment of the Burke Street Fund in November 2020 which acquired the commercial office and healthcare properties in 2 Burke Street and 163 Ipswich Road, Woolloongabba QLD for \$80.2 million.
 - Three acquisitions by the Elanor Healthcare Real Estate Fund, growing the value of the fund's portfolio to approximately \$209 million:
 - Woolloongabba Community Health Centre in Brisbane, QLD for \$37.3 million in October 2020,
 - 2 Civic Boulevard in Rockingham, WA for \$22.9 million in December 2020,
 - Broadway Medical Centre in Ellenbrook, WA for \$12.0 million in May 2021.
 - The acquisition of the Hunter Valley Zoo in May 2021 for the Elanor Wildlife Park Fund, growing the Elanor Wildlife Park Fund to over \$60 million
 - The establishment of the Riverside Plaza Syndicate in September 2020 which acquired the Riverside Plaza neighbourhood shopping centre in Queanbeyan, NSW for \$60.0 million
 - Elanor Retail Property Fund completed the sale of Auburn Central in December 2020 for \$129.5 million (4.0% premium to book value), following its transformation to a triple-supermarket anchored, metropolitan neighbourhood shopping centre

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- Subsequent to 30 June 2021, Elanor has completed the following significant funds management initiatives:
 - On 2 August 2021, the Elanor Commercial Property Fund (ASX: ECF) acquired the commercial office property located at 50 Cavill Avenue, Gold Coast, QLD for \$113.5 million, growing ECF's portfolio to 8 commercial office assets valued at \$498 million.
 - On 19 August 2021, the Group announced the establishment of the \$346 million Elanor Hotel Accommodation Fund (through the acquisition of the Elanor Luxury Hotel Fund and the Albany Hotel Syndicate by the Elanor Metro and Prime Regional Hotel Fund), thereby releasing \$25 million of growth capital for Elanor and generating a \$10.5 million gain on sale for ENN in 1HFY22.
 - On 22 August 2021, the Elanor Retail Property Fund (ASX: ERF) successfully executed its strategy to divest the Moranbah Fair property at its book value of \$28.0 million.
- The valuations of the Group's comparable Managed Funds asset portfolio at 30 June 2021 reflected an increase of 5% (\$70 million) from 30 June 2020
- Net Tangible Assets per security grew by 11% to \$1.43, reflecting growth in the value of the underlying properties in ENN Managed Funds
- Gearing of 21.0%, down from 29.7% at 30 June 2020

Commenting on the results, ENN CEO, Glenn Willis, said: "We are pleased with the 23% growth in our Funds Under Management over the year and the 38% growth in our funds management income over the period.

Despite challenging market conditions in some of our investment sectors we are pleased with performance of the funds over the period.

Given our pipeline of funds management opportunities across all our sectors of focus and the significant expansion in our wholesale and institutional capital partner base during the year, we are well positioned for further strong growth in funds under management and securityholder value."

Summary of Preliminary Financial Results

A summary of the Group's preliminary results for the Period is set out below:

Summary financial results	Group 30 June 2021	Group 30 June 2020
Core Earnings (\$'000)	15,146	15,434
Distributions payable to security holders (\$'000)	13,632	11,714
Core Earnings per stapled security (cents)	12.52	13.09
Core Earnings per weighted average stapled security (cents)	11.32	14.73
Distributions per stapled security (cents)	11.27	9.51
Gearing (net debt / total assets less cash) (%) (equity accounted)	21.0	29.7



Funds Management

The Group generated funds management income of \$29.7 million (FY20: \$21.5 million), a 38% increase on the prior comparative period.

Funds Management Income	30 June 2021 \$'000	30 June 2020 \$'000
Management Fees	18,732	15,504
Leasing and development management fees	3,090	-
Acquisition Fees	6,061	4,228
Performance Fees	1,806	1,755
Total	29,689	21,487

During the year, Elanor increased its funds under management from \$1,692 million to \$2,075 million.

The growth in funds under management has been supported by a significant expansion in wholesale private investor base and institutional capital partners, reflecting the Group's continued focus in this area.

Elanor's strong investment track record (average realised IRR of 19%) continues to be evidenced by the demand from investors for the Group's funds. Elanor has a high calibre investment management team and a scalable funds management platform with substantial capacity for growth.

Outlook

The Group's key strategic objective remains unchanged: to deliver strong investment returns for Elanor's capital partners and securityholders. The Group will look to grow income from managed funds and redeploy co-investment capital to facilitate future funds management growth in a 'capital-lite' manner.

Elanor is committed to growing funds under management through the acquisition of high investment quality assets based on the Group's investment philosophy of acquiring assets with strong and differentiated market positions. While market conditions in some of our sectors of focus remain challenging and uncertain, the Group has a strong and mature pipeline of funds management opportunities. Furthermore, the Group is actively pursuing opportunities in new real estate sectors and continues to explore strategic opportunities to deliver its growth objectives.

Please refer to the FY21 Preliminary Results Presentation and preliminary financial statements lodged with ASX today for further details of ENN's FY21 result.



Investor Briefing

Elanor Investors Group will be holding an Investor Briefing Conference Call on 23 August 2021 at 12.00pm, to present and discuss the Group's FY21 results. The Conference details are:

Toll-Free Dial In: 1800 809 971

Conference ID: 10014984

Commencement: 12.00pm AEST

Pre-Registration: <https://s1.c-conf.com/diamondpass/10014984-325masf.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 \$2.3 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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