



## ASX RELEASE

24 August 2022

### **HMC CAPITAL DELIVERS PRE-TAX FFO OF \$91.0 MILLION, STATUTORY PROFIT OF \$107.3 MILLION AND 321% GROWTH IN EXTERNAL AUM**

#### **Financial highlights**

- FY22 pre-tax FFO of \$91.0m, up 143% on FY21
- FY22 pre-tax FFO per share of 31.0 cents, up 126% on FY21
- Funds management revenues of \$64.1m versus \$10.9m in FY21 (+490%)
- Net cash balance sheet following successful sell-down of remaining direct property<sup>1</sup>
- Undrawn debt facilities and cash of \$332.6m to support growth strategy<sup>2</sup>

#### **Operational highlights**

- External assets under management (AUM) of \$5.8bn, up 321% on FY21<sup>3</sup>
- \$4.6bn of gross transactions in FY22<sup>4</sup> highlighted by the \$2.3bn acquisition of Aventus in Mar-22 and IPO of HealthCo Healthcare & Wellness REIT in Sep-21
- Successfully launched HMC Capital Partners Fund I in Aug-22 with ~\$300m first close fund raising
- First investment for HMC Capital Partners Fund I in Sigma Healthcare (ASX: SIG) up ~22% on purchase price providing strong early fund performance<sup>5</sup>
- On-track to achieving net zero emissions by 2028 through smart energy management program and solar roll-out across platform

#### **FY23 guidance and outlook**

- Well positioned moving into FY23 with strong momentum and a more established and diversified platform following the recent establishment of HMC Capital Partners Fund I
- FY23 DPS of 12.0 cents in line with FY22

<sup>1</sup> Excluding HMC Capital's direct interest in the Camden healthcare development.

<sup>2</sup> including up to \$150m sponsor commitment to HMC Capital Partners Fund I.

<sup>3</sup> As at 30-Jun-22 pro forma for HMC Capital Partners Fund I establishment post-balance date in Aug-22.

<sup>4</sup> Includes acquisitions and disposals by the HMC Group settled in FY22.

<sup>5</sup> As at 22-Aug-22



**HMC Managing Director and CEO, David Di Pilla, said** *“Our strategy and ambition to create Australia’s leading ASX-listed diversified alternative asset manager is now well underway following a period of transformational growth in FY22. We delivered 143% growth in FFO and 321% growth in external AUM which was underpinned by \$4.6bn<sup>4</sup> of gross transactions.”*

*“As a manager we also demonstrated strong discipline and alignment through our proactive response to the rising interest rate environment and market volatility this year. We strengthened the capital position of our funds through opportunistic asset sales which took advantage of the disconnect between property and global capital markets.”*

*“The successful listing of our HealthCo Healthcare and Wellness REIT in September 2021 marked the largest real estate IPO since 2014 and demonstrated the significant investor demand for a diversified healthcare REIT in Australia. HCW exceeded its FY22 PDS FFO per unit forecast and is well capitalised for growth with no debt and significant liquidity to take advantage of attractive investment opportunities including its \$500m development pipeline.”*

*“We also invested in our funds management platform and capability with a number of strategic hires which have expanded our in-house investment and distribution teams. In August 2022 we established our third investment vehicle – HMC Capital Partners Fund I – and our first unlisted product after successfully raising ~\$300m in challenging market conditions.”*

*“HMC Capital Partners Fund I will target undervalued asset rich companies where we can influence positive change. The fund expands our platform into new alternative sectors including private equity and gives us greater flexibility to deploy capital during times of market volatility and dislocation. The fund recently made its first investment in Sigma Healthcare which has seen a ~22%<sup>5</sup> appreciation in its share price since we acquired a ~14% strategic stake,” Mr Di Pilla said.*

## **FY23 guidance and outlook**

In FY22 HMC Capital delivered FFO of 31.0 cps pre-tax (+126%) which included material transactional income (including trading profits).

- We believe this is repeatable as we continue to scale our existing platform and execute on transformational opportunities
- The unpredictable nature of the timing of transactional income makes it challenging to provide an FY23 FFO forecast at this time
- FY23 DPS guidance of 12.0 cents is in-line with FY22

HMC Capital is well positioned moving into FY23 with strong momentum and a more established and diversified platform.

- HMC Capital Partners expands our platform into new alternative sectors including private equity and gives us greater flexibility to deploy capital during times of market volatility and dislocation
- Our two REITs have strong balance sheets to take advantage of compelling investment opportunities including their value enhancing development pipelines



- Today we are announcing two new unlisted real estate fund strategies targeting daily needs and healthcare sectors<sup>6</sup>

*“We are currently tracking 6-12 months ahead of our previously stated AUM growth target of \$10bn by the end of 2024 and we believe the current market environment is creating compelling and strategic opportunities which could accelerate our growth,” Mr Di Pilla said.*

### **Investor and analyst briefing**

An investor and analyst briefing teleconference call, followed by a question-and-answer session, will be held on **Wednesday 24 August 2022 at 10:30am (AEDT)**. Investors and analysts wishing to participate can pre-register for the call at: <https://s1.c-conf.com/diamondpass/10023264-c1t4daw.html>

The following webcast link will be available: <https://webcast.openbriefing.com/8894/> Participants will need to input their name, email address and company name to register.

A playback of the FY22 results webcast will be made available on HMC Capital's website at [www.hmccapital.com.au](http://www.hmccapital.com.au)

This announcement is approved for release by the HMC Capital Board.

For further information, please contact:

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### **About HMC Capital**

*HMC Capital is an ASX-listed diversified alternative asset manager which invests in high conviction and scalable real asset strategies on behalf of individuals, large institutions, and super funds. HMC Capital is the manager of HomeCo Daily Needs REIT (ASX: HDN), HealthCo Healthcare and Wellness REIT (ASX: HCW) and HMC Capital Partners Fund I with external AUM of \$5.8 billion.*

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<sup>6</sup> Subject to market conditions.



*In August 2022, HMC established HMC Capital Partners Fund I, an open-ended unlisted fund providing exposure to a high-conviction investment strategy seeking to generate superior risk-adjusted returns. HMC Capital Partners Fund I targets public and private companies in Australia and New Zealand with real asset backing where there is potential to unlock 'trapped' value through improved capital allocation and portfolio management.*

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