



ASX RELEASE

6 May 2021

PRESENTATION – 2021 MACQUARIE AUSTRALIA CONFERENCE

Home Consortium (ASX:HMC) releases the attached presentation to be delivered virtually at the 2021 Macquarie Australia Conference today.

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For further information please contact:

INVESTORS

Misha Mohl
Head of Strategy & Investor Relations
+61 422 371 575
misha.mohl@home-co.com.au

Will McMicking
Group Chief Financial Officer
+61 451 634 991
william.mcmicking@home-co.com.au

MEDIA ENQUIRIES

John Frey
Corporate Communications Counsel
+61 411 361 361
john@brightoncomms.com.au

Authorised for release by the Board of Home Consortium

About HomeCo

HomeCo is focused on the ownership, development and management of real assets. HomeCo manages a property portfolio of assets with our tenants spanning daily needs, leisure and lifestyle, healthcare, wellness and government services enterprises across Australia.

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This announcement contains certain forward-looking statements, which may include indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies that are subject to change without notice and involve known and unknown risks, uncertainties, assumptions, contingencies and other factors, many of which are beyond the control of Home Consortium. Actual results, performance or achievements may differ materially from those expressed or implied in those statements and any projections and assumptions on which these statements are based.

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19 Bay Street
Double Bay NSW 2028
1300 466 326
info@home-co.com.au

Home Consortium Limited
ABN 94 138 990 593
(trading as Home Consortium)
home-co.com.au

Home Consortium Developments Limited
ACN 635 859 700

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Home Consortium



Home Consortium

Macquarie Australia Conference
Presentation



6 May 2021

Home Consortium overview

ASX-listed real asset manager

Overview

- Home Consortium Limited (HomeCo) is a leading real asset manager which invests on behalf of individuals, large institutions and super funds
- Since listing on the ASX in Oct-19, HomeCo is the best performing constituent in the S&P/ASX 300 property index
- HomeCo manages a ~\$2 billion national property portfolio across real estate sectors including retail, healthcare and social infrastructure
- HomeCo is the manager of HomeCo Daily Needs REIT (HDN) which listed in Nov-20 and owns \$1.3bn of assets⁴
- HomeCo is targeting the establishment of both a listed and unlisted fund focused on health and wellness sectors (HealthCo) by 2H21 with an initial equity raise of \$1.0bn

Key statistics

Total Shareholder Return¹	75% since IPO
Assets Under Management	~\$2bn
Market Capitalisation¹	\$1.4bn
Gearing	Net cash ⁴

HomeCo Strategic Pillars



- Fund co-investments create alignment of interests
 - 10-15% long term target
- Daily Needs REIT
 - ~\$240m co-investment (26.6%)²
- HealthCo (proposed)
 - HMC to contribute ~\$350m seed portfolio³
- Further asset recycling
 - \$182m remaining LFR assets post recent HDN acquisitions



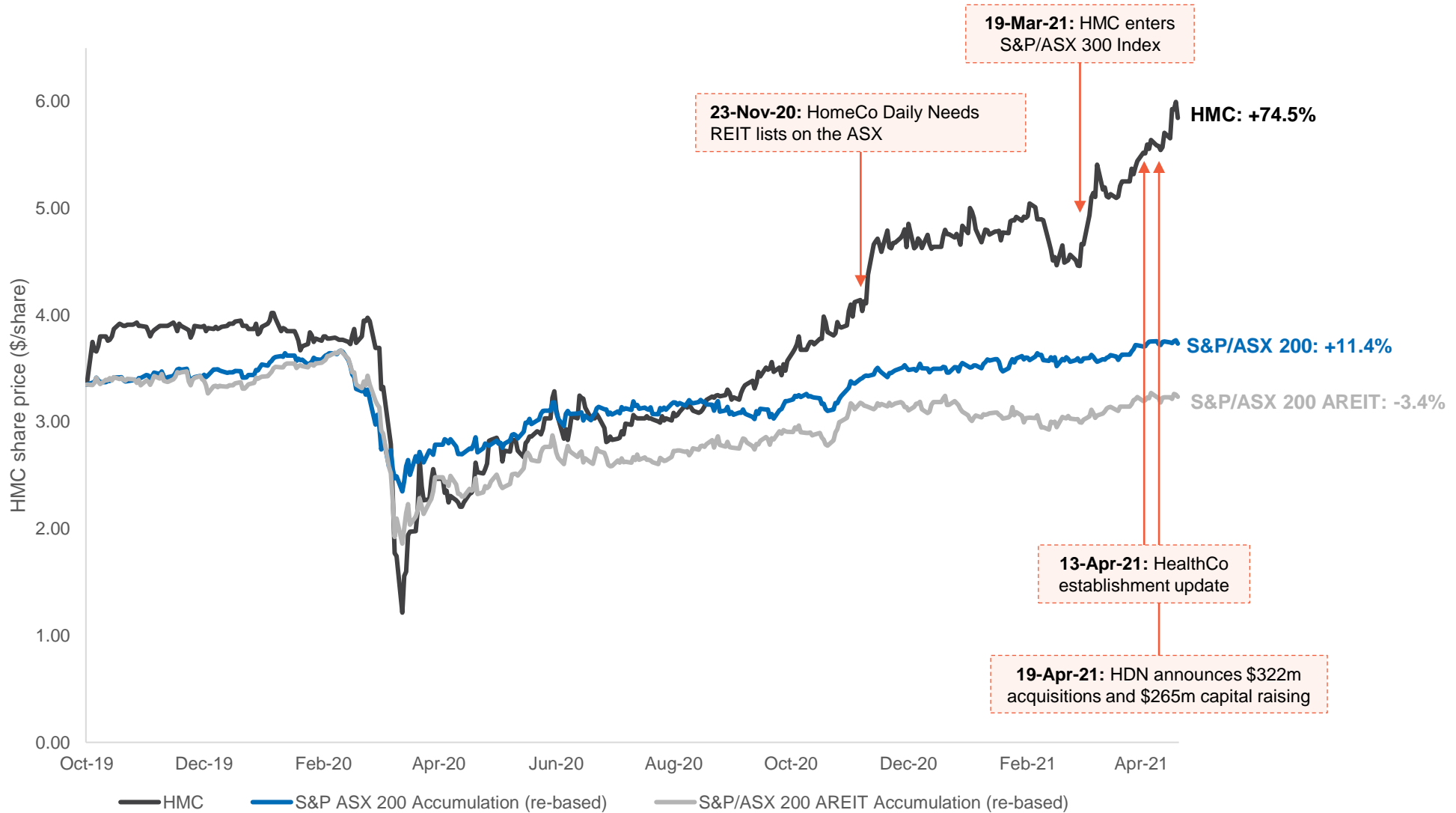
- Successfully repurposed the Masters portfolio
 - ~350,000 sqm GLA repurposed to date
- Significant long term development potential in our existing asset base
 - ~1.5 million sqm land (31% site coverage)
- Majority of developments undertaken in the funds
 - Attractive ROIC
 - Positions funds to generate enhanced returns and growth



- ~\$2 billion of total AUM
 - \$1.3bn 3rd party AUM⁴
 - 90% growth since IPO
- Existing capital supports ~\$5bn+ FUM target
 - Net cash position⁴
- High quality recurring fee streams
 - IM, PM, leasing, development, acquisitions and disposals

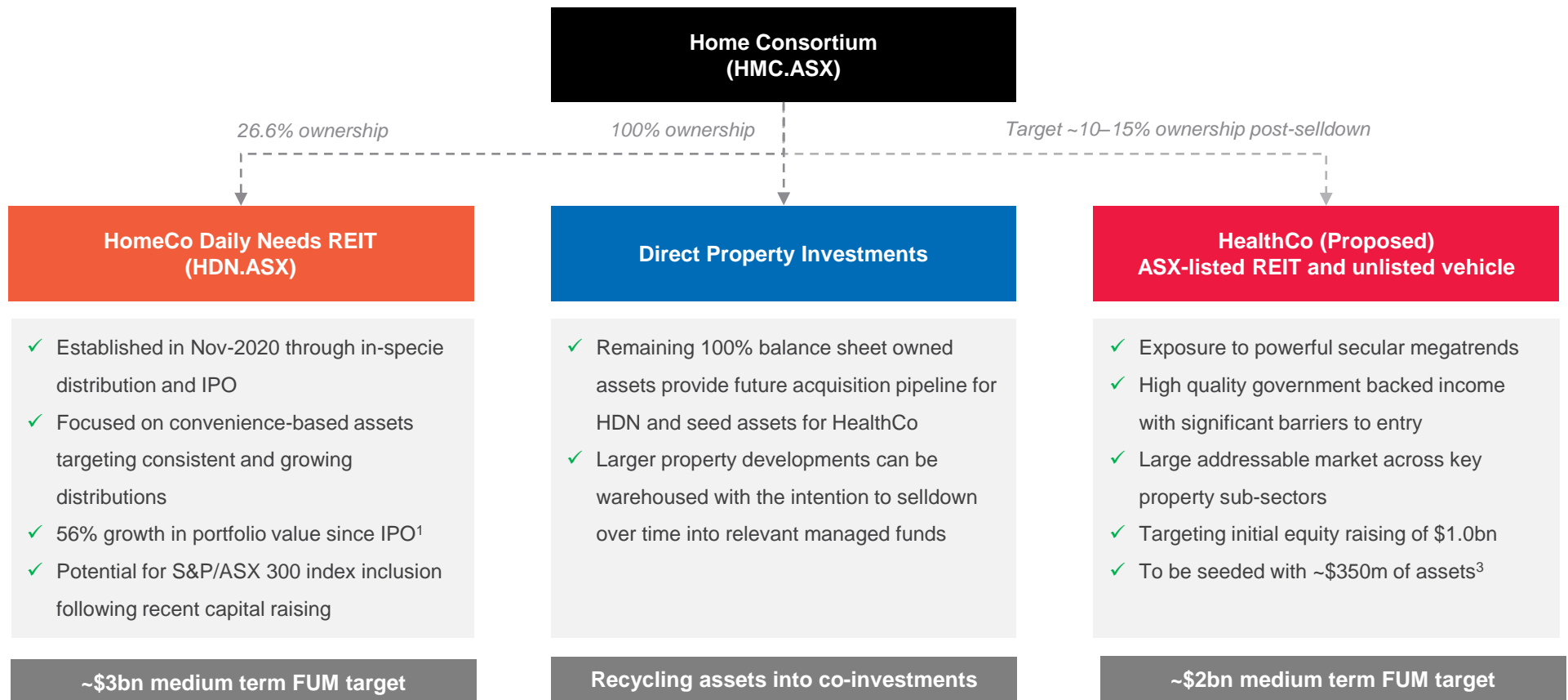
Total shareholder return since IPO

HMC has **significantly outperformed** the S&P/ASX 200 Index (+63.1%) and the S&P/ASX 200 AREIT Index (+77.9%) since IPO



Funds management strategy

HMC is transitioning to a capital light fund manager with scalable platforms and a strong commitment to creating long term value for our investors

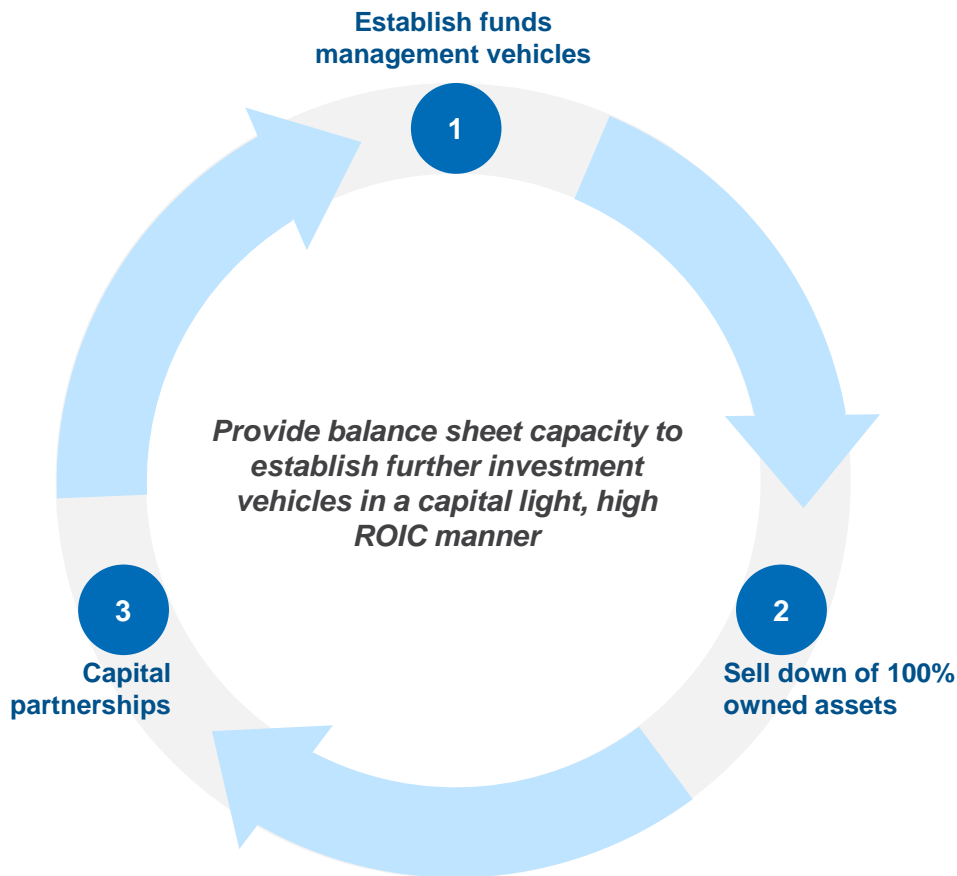


HMC is committed to creating enduring value for investors through the careful stewardship of their capital and a long term investment focus based on a bottom-up portfolio construction approach

Notes: 1. Assumes acquisition of 7 large format retail assets from HomeCo announced on 19 April 2021 at Jun-21 draft valuations. 2. Nov-20 to Jan-21. 3. On an as-complete basis

Asset recycling

Asset recycling to drive meaningful FUM and FFO growth under a capital light model



Asset recycling initiatives

1 Establish funds management vehicles

- ✓ Established first fund through the listing of the HomeCo Daily Needs REIT on the ASX in Nov-20
- ✓ Establishment of HealthCo on track for initial equity raise of ~\$1.0bn in 2H 2021 across both an ASX-listed REIT and unlisted wholesale vehicle

2 Sell down of 100% owned assets

- ✓ 2 non-core regional NSW assets sold (Bathurst & Rutherford)
- ✓ Proposed \$266m sale of 7 LFR assets to HDN
- ✓ \$368m¹ of remaining direct property investments to:
 - Seed assets for HealthCo
 - Provide future LFR pipeline for HDN
 - Complete developments and sell non-core assets to third parties

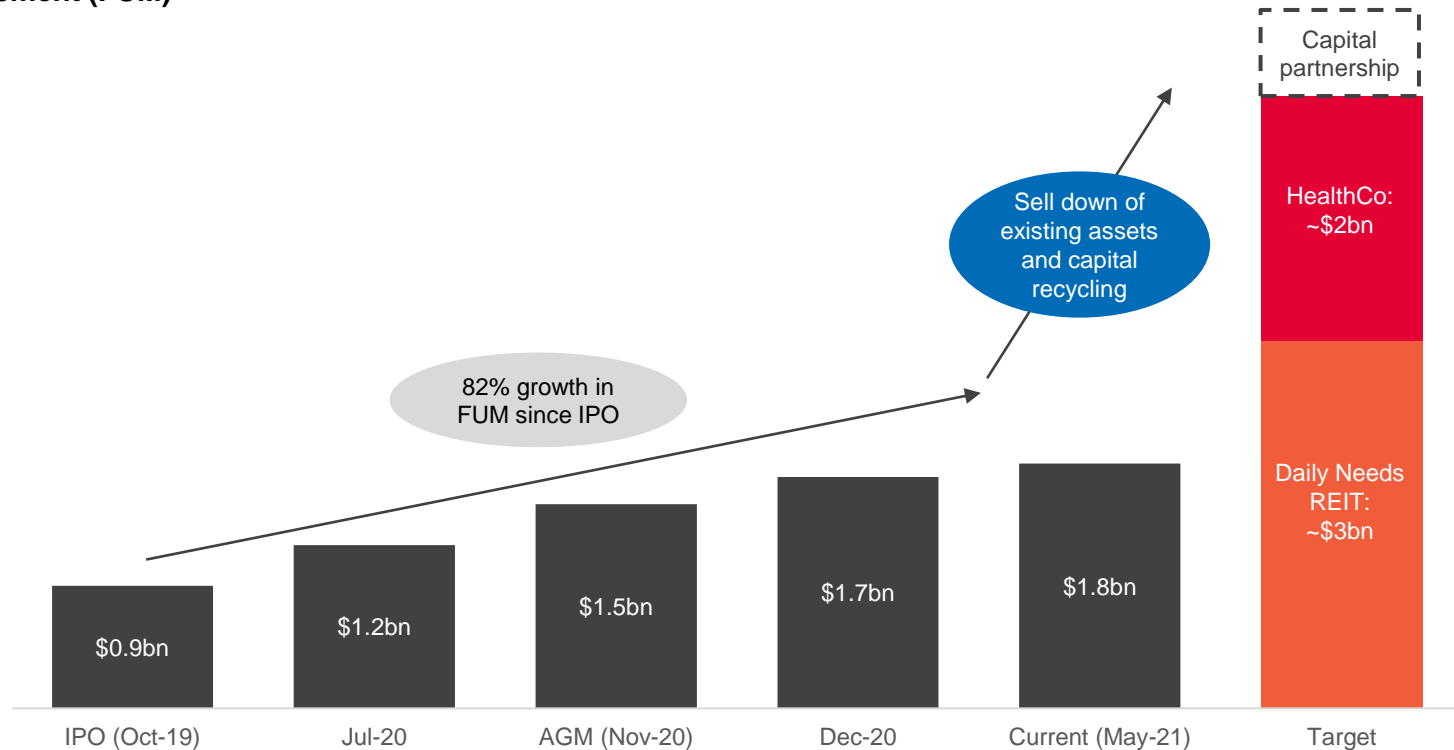
3 Capital partnerships

- ✓ Key focus to drive further FUM growth with institutional capital partners via co-investments in large scale assets or investment in unlisted wholesale funds

Ability to leverage existing asset base and grow FUM and FFO

Positioned to grow fee generating FUM to \$5bn+ with existing capital base

Funds Under Management (FUM)



Assets (#)	30	36	40	44 ¹	45 ¹	\$5bn+ FUM
3rd party AUM (\$bn)	\$0.0bn	\$0.0bn	\$0.8bn	\$1.0bn	\$1.3bn ²	
Gearing (%)	31.8%	32.4%	28.8%	13.6%	Net cash	

Positioned to grow FUM to ~\$5bn by recycling 100% owned assets into ~10-15% co-investment stakes. Potential to increase this further through establishing capital partnerships

Notes: 1. Includes assets contracted at Proxima and Gregory Hills Home Centre. Excludes Ballarat call option. 2. Includes Armstrong Creek. Includes proposed sale of 7 LFR assets to HDN.

Funds management – HomeCo Daily Needs REIT

Highly strategic acquisitions and capital raising further enhance HDN’s investment proposition

Overview of HDN equity raising and acquisitions

- On 19 April 2021, HDN announced \$322m of strategic asset acquisitions and a \$265m underwritten accelerated non-renounceable entitlement offer
- HMC committed to take-up its full entitlement for its 26.6% co-investment, fully-funded the cost of the bonus units and sold the portfolio of 7 LFR assets at a 6% (\$17.3m) discount to draft Jun-21 independent valuations

Key HDN statistics

	31-Dec-20	Pro forma
Market capitalisation	\$625m	\$901m
Gearing	34.5%	32.1%
Portfolio valuation ¹	\$978m	\$1,300m
Properties	19	27
WACR ²	5.91%	6.09%
Site coverage	31.7%	30.7%

Transaction highlights

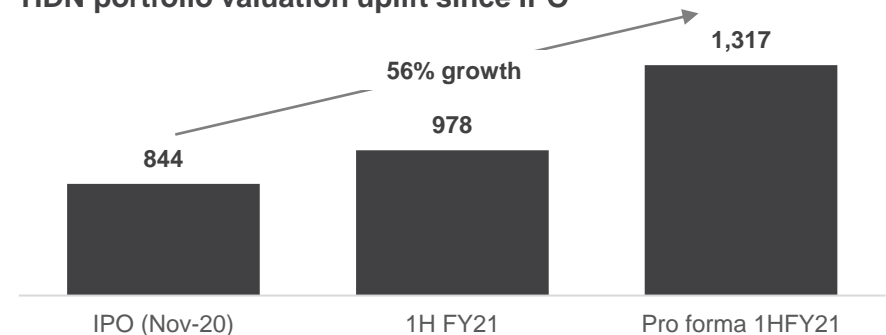
Substantially improves portfolio quality, scale & diversification

FFO accretive in FY22 and deleverages balance sheet

Demonstrates strong alignment with manager

Positions HDN for potential S&P/ASX 300 Index inclusion

HDN portfolio valuation uplift since IPO

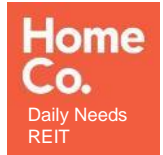


Source: IRESS (30-Apr-21)

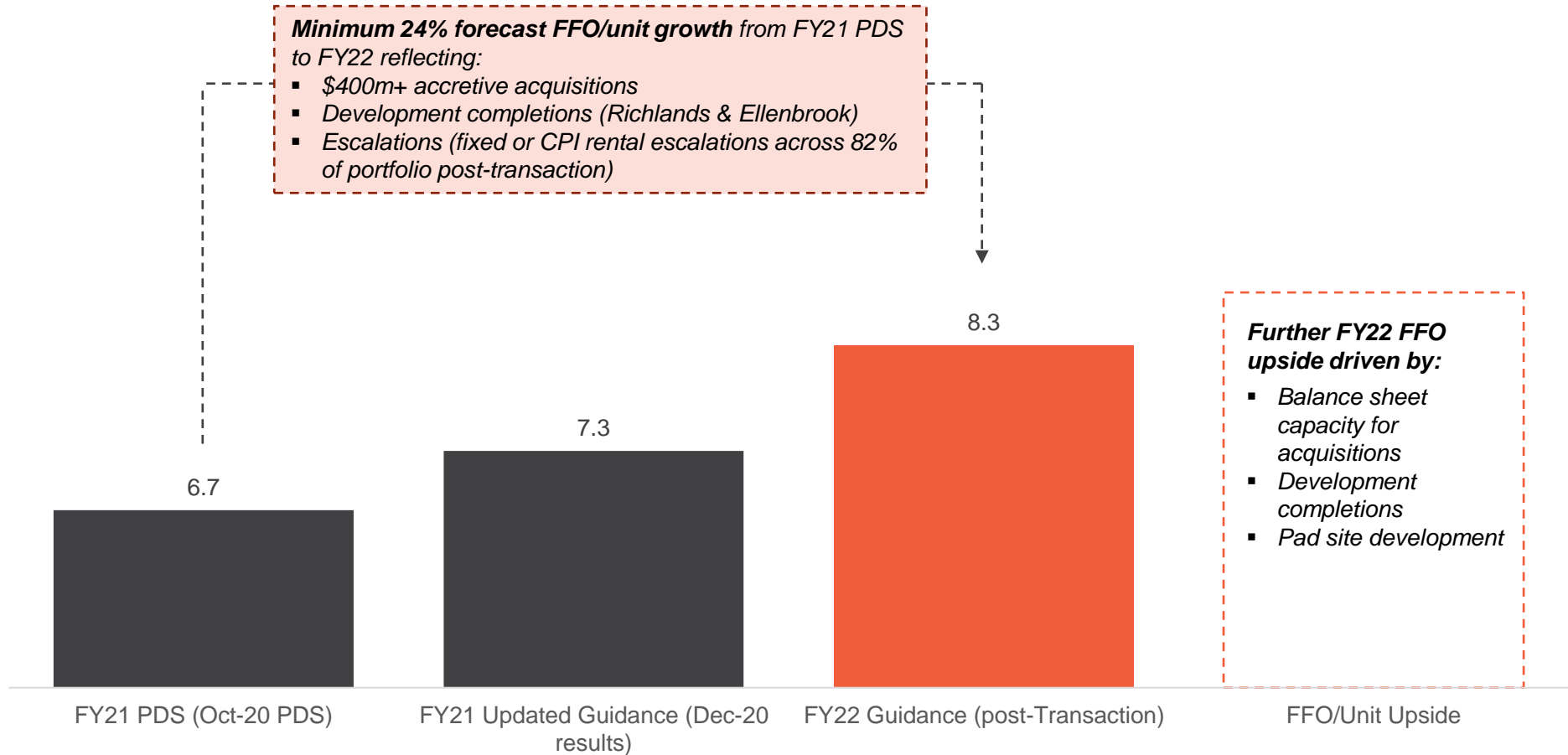
Notes: 1. Both 31-Dec-20 and Pro forma include Parafield. Pro forma excludes expected \$17m uplift on LFR Portfolio based on 30 Jun 21 draft independent valuations. 3. Calculated by fair value of properties as at 31 Dec 20

Funds management – HomeCo Daily Needs REIT

Building on HDN’s strong FFO growth trajectory since IPO



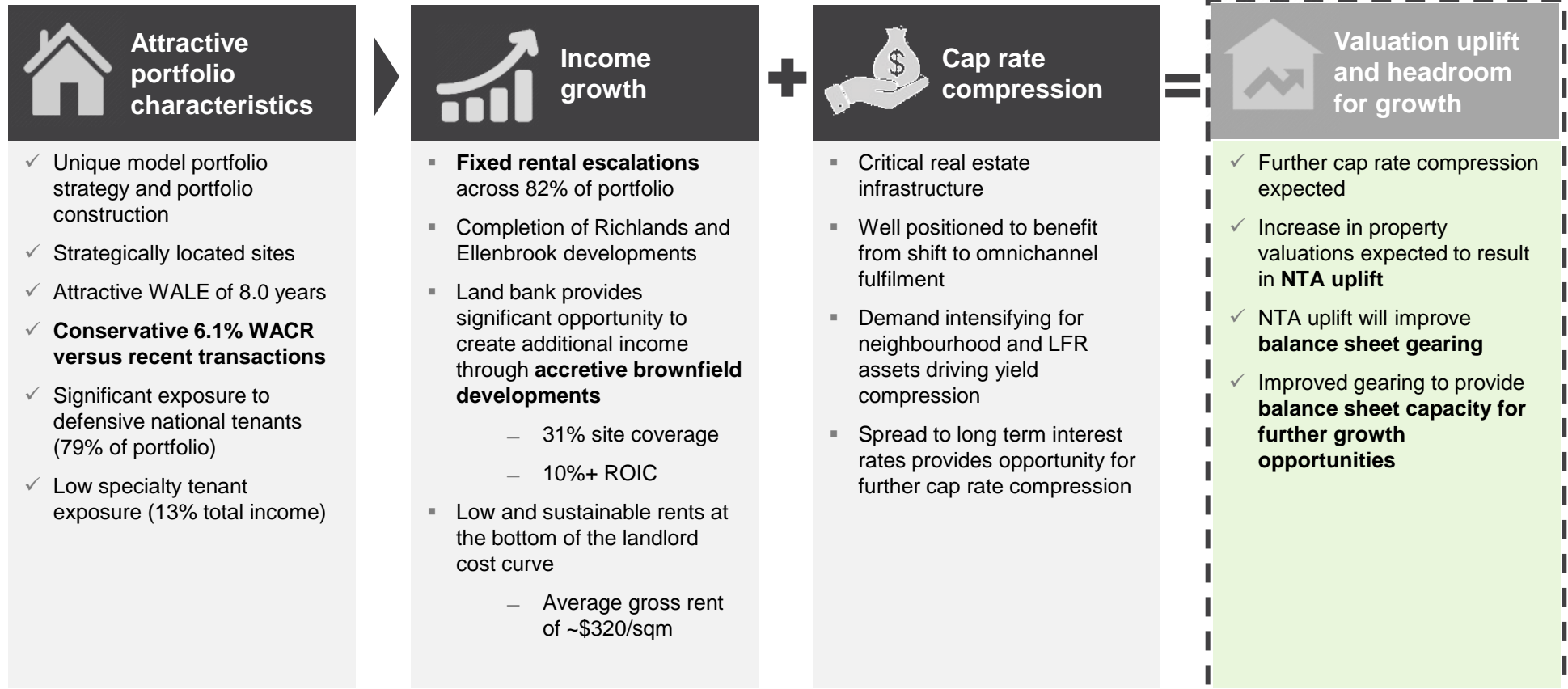
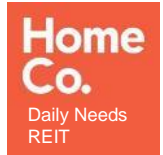
HDN FFO (cpu)



HMC has demonstrated the strong alignment with HDN and is committed to HDN's strategy to deliver stable and growing distributions

Funds management – HomeCo Daily Needs REIT

HDN is well positioned to deliver strong total returns with multiple growth drivers



Funds management – HealthCo

HomeCo is well progressed towards establishing HealthCo by 2H 2021



HealthCo establishment update (13 April 2021)

- HomeCo continues to progress the establishment of both an ASX-listed REIT and unlisted wholesale vehicle (HealthCo)
- Targeting initial equity raising of \$1.0 billion¹ (double previous target of \$500m)
- HealthCo Advisory Board and Portfolio Manager appointed
 - Specialist Advisory Board comprises leaders across the private hospital, medical, childcare and financial services sectors
- Appointment of Financial Advisers and Joint Lead Managers
 - Macquarie Capital (Australia), Morgan Stanley Australia Securities Limited and Morgans Financial Limited
- Acquisition pipeline continues to grow
 - ~\$800m of assets under due-diligence²

HealthCo rationale: Why target Health, Wellness & Government Services?

- 1 Ageing population with increasing rates of chronic illness**
The number of people in Australia aged 65+ is set to grow by 70% to a total of 6.5 million over the next 20 years, whilst the very aged cohort (>85 years old) within this group is set to quadruple over this time to 1.8 million
- 2 Medical advancements driving improvements in detection and treatment**
In Australia, life expectancy is increasing in part due to improvements in detection technologies along with new chronic disease treatments
- 3 Significant and growing government expenditure on aged care, healthcare, childcare and welfare**
The Australian Government estimates it will spend in excess of \$1 trillion on essential health services and social welfare from FY20-24
- 4 Greater consumer focus and expenditure on Health & Wellness**
The Health sector currently represents ~6.7% of Australian's household consumption versus ~4.5% 20 years ago
- 5 Australian Government expenditure on Health & Government services is at all time highs and will continue to grow**
Treasury estimates Australia's net debt-to-GDP ratio will reach ~36% in FY21 post-COVID and continue growing to ~44% by FY24 with the face value of Australian Government bonds to exceed \$1 trillion by FY22

Global megatrends underpin these segments creating a compelling investment proposition for these alternative sub sectors

Source: ABS, Productivity Commission, Federal Government Budget, Australian Treasury
 Notes: 1. Including HomeCo's initial seed investment. 2. Including seed assets of \$350m ('as complete' valuation).

Outlook and guidance

Reaffirming FY21 FFO and dividend guidance

- **HomeCo reaffirms FY21 FFO guidance of no less than \$35.0m (12.9 cents per security)**
 - FY21 guidance is provided on the basis of no unforeseen circumstances or further extended COVID-19 lockdowns and government-mandated restrictions
- **HomeCo reaffirms FY21 dividend guidance of 12.0 cents per security**
- HomeCo's distribution policy is expected to evolve as it transitions to a capital light funds management model with enhanced reinvestment opportunities which can drive attractive returns in excess of HomeCo's cost of capital.
 - This compares to HomeCo's managed funds (e.g. HDN.ASX) which intends to payout a higher proportion of funds from operations consistent with their respective distribution policies and broader strategies to provide stable and growing distributions

ESG policy

HomeCo’s ESG ambition is to be a leader amongst its peers – to create an institutional grade strategy and approach to investing and asset management

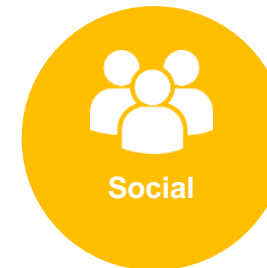
HomeCo’s Sustainability Approach and Policy

- *We believe that sustainable investments are aligned to long-term value creation and should not be dilutive to returns. It is how ‘good’ investments are done*
- *HomeCo became a signatory to the **UNPRI** and a **GRESB** participating member in February 2021. These two organisations will provide an investment and reporting framework to help shape HomeCo’s future initiatives and strategies, including how we tackle the defining issue of our time – Climate Change*
- *In addition to setting targets to achieve the de-carbonisation agenda, HomeCo will be establishing a “CommunityCo” strategy to support local community engagement across its assets*
- *HomeCo’s sustainability strategy and initiatives will enjoy the oversight of a newly created sustainability sub-committee of the Board. Given the strategic intent of HomeCo, a dedicated governing committee will ensure the delivery of HomeCo’s Sustainability ambition*

ESG framework



- Energy efficiency programs being planned and implemented
- Focus on better water and waste management
- Renewal and regeneration of ageing assets



- Investment into essential retail and service providers
- Supporting ageing population through healthcare and wellness
- Creation of daily needs infrastructure in high growth areas



- Establishment of a sustainability sub-committee of the Board
- Consistent standard in diligence to target attractive returns on investments
- Transparent reporting
- Systematic monitoring of assets

Driving positive impact through deliberate sustainable portfolio construction

HomeCo participating memberships



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Disclaimer

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