

ASX RELEASE

20 February 2024

HMC DELIVERS OPERATING EARNINGS OF \$57.8 MILLION AND ANNOUNCES THREE MAJOR NEW STRATEGIC GROWTH INITIATIVES

HMC Capital (ASX: HMC) today released its results for the half year ended 31 December 2023. The result demonstrates the operating leverage in HMC's business, significant fund outperformance and strong fundraising momentum. In addition, HMC has today announced a new operating structure which reflects its more diversified business following three new growth initiatives being announced today.

Financial highlights

- 1H FY24 operating earnings of \$57.8m or 16.6cps (+100% on 1H FY23)
- Total revenue of \$90.0m (+85% on 1H FY23)
- Net cash balance sheet with \$1.2bn liquidity including liquid assets and debt capacity

Operational highlights

- Funds under management (FUM) of \$8.5bn¹ (+37% on 1H FY23) and over \$10bn including development pipeline and new growth initiatives
- Successfully completed fundraising for new \$1.3bn unlisted institutional Healthcare Fund (UHF)
- Capital Partners Fund I outperforming following landmark Sigma / Chemist Warehouse merger
- Last Mile Logistics (LML) Fund I outperforming (23% IRR since inception)² and primed for growth

New growth initiatives

- Established New Capital Solutions platform to manage strategic balance sheet investments
 - New division to be led by highly experienced capital markets banker Robert Vanderzeil
- Establishing new Energy Transition platform to capitalise on investment opportunity of a generation
 - Establishing highly credentialed investment team which will be led by Angela Karl
- Acquiring North American Digital Infrastructure development platform (StratCap) for US\$28.5m³
 - Scalable platform operating in North America with deep origination capability and pipeline

FY24 guidance and outlook

- Pre-tax operating EPS of no less than 33cps⁴ including investment gains and performance fees
- Reaffirming DPS guidance of 12.0 cents

¹ Committed FUM. Includes undrawn equity plus debt for LML.

² As at 31 January 2024

³ Binding term sheet signed.

⁴ Guidance assumes no adverse fair value movements on the carrying value of HMC's investments from 1 February 2024 to the end of the financial year.

HMC Managing Director and CEO, David Di Pilla, said *“Our first half results are pleasing and reflect the growing momentum across our more diversified platform. I’m particularly proud of the strong performance HMC’s funds are delivering for our investors. This has been achieved in challenging market conditions and is a testament to our focus on sectors with compelling long duration thematic trends. Our brand and investment track record are increasingly resonating with institutional investors looking for partners which can source unique and differentiated investment opportunities.*

“During the half we completed fundraising for our \$1.3bn unlisted healthcare fund. We introduced four major domestic and global institutional investors demonstrating our expanding fundraising capability. Since acquiring the Healthscope hospital portfolio in October 2023, the fund has already unlocked ~\$200 million of net investment gains. In addition, HMC has fully recycled its \$75m investment in the fund as part of underwriting the unlisted fundraising.

“Our private equity strategy, HMC Capital Partners Fund I is also significantly outperforming following the announcement of a landmark proposed merger between our portfolio company Sigma Healthcare and Chemist Warehouse. This is a great case study which highlights the fund’s unique strategy to unlock value and we are well positioned to repeat this with the fund’s other investment companies.

“HMC today announced a new divisional structure which reflects our continued evolution into a much more diversified business following the establishment of three major new platforms in energy transition, capital solutions and digital infrastructure. Importantly, these initiatives are consistent with our stated strategy to build a large-scale and increasingly global funds management platform. We are incredibly excited about the growth potential we are now embedding into our platform. We are confident that this platform can grow FUM well beyond \$20bn over the next few years.”, Mr Di Pilla said.

FY24 guidance and outlook

HMC is well positioned to transition into a high ROE global alternative asset manager, with our more diversified platform on-track to scale FUM beyond \$20bn over the medium-term.

We highlight the following:

- We have strong fundraising momentum across our existing funds which are performing well
- We are confident we can repeat the success of our Sigma investment with our other private equity investments
- Our REITs are delivering strong organic growth and will benefit from the more favourable interest rate environment which is emerging
- Our new growth platforms in Energy Transition, Digital Infrastructure are highly scalable
- Our newly established Capital Solutions business is already profitable and well positioned to take advantage of opportunities originated across the broader HMC group
- Actively evaluating opportunities to build new platforms in global Healthcare and private credit; and
- HMC remains strong capitalised to drive its growth strategy with \$1.2bn of liquid investments and undrawn debt capacity.

HMC enters 2H FY24 with strong momentum generating additional investment gains (realised and unrealised) since 31 December 2023.⁵ Assuming no adverse fair value movements on HMC's investments over the balance of the financial year, HMC is well placed to deliver pre-tax operating EPS of no less than 33 cents per share in FY24.

- This includes \$12.5m performance fee revenue from HMC Capital Partners Fund I expected to be realised in the second half of FY24⁶
- HMC reaffirms its FY24 dividend guidance of 12 cents per share which is consistent with our strategy to maintain the dividend and re-invest retained earnings into high ROE growth opportunities.

Investor and analyst briefing

An investor and analyst briefing teleconference call, followed by a question-and-answer session, will be held on **Tuesday 20 February 2024 at 10:30am (AEST)**. Investors and analysts wishing to participate can pre-register for the call at: [Link](#)

The following webcast link will be available: [Link](#). Participants will need to input their name, email address and company name to register.

A playback of the 1H FY24 results webcast will be made available on HMC Capital's website at www.hmccapital.com.au

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

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About HMC Capital

HMC Capital is a leading ASX-listed diversified alternative asset manager focused on real estate, private equity, energy transition and digital infrastructure. We manage over \$10bn on behalf of institutional, high net worth and retail investors. We have a highly experienced and aligned team with deep investment and

⁵ As at 31 January 2024.

⁶ Initial 24-month performance fee testing date expected to be brought forward to 30 June 2024 from 31 August 2024. Based on trading as at 31 January 2024

operational expertise. Our point of difference is our ability to execute large, complex transactions. This has underpinned our rapid growth in funds under management since listing in October 2019 and track record of generating outsized returns for our investors. We are well positioned to grow our funds under management to over \$20bn in the medium term.

Important Notice - Forward-Looking Statements

This announcement contains certain forward-looking statements, which may include indications of, and guidance on, future earnings, financial position and performance. 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 HMC Capital. 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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