
FY23 RESULTS PRESENTATION

High conviction diversified alternative asset manager

23 August 2023

ACKNOWLEDGEMENT OF COUNTRY

HMC Capital acknowledges the Traditional Custodians of country throughout Australia and celebrates their diverse culture and connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples

Agenda

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David Di Pilla
Group Managing
Director & CEO



Will McMicking
Group CFO



Misha Mohl
Group Head of
Strategy, Research
& IR

HMC Capital Overview

ASX-listed alternative asset manager led by experienced and aligned management team

\$8.1bn

Funds under management¹

109%

TSR since IPO²

#5

Funds established

>80

Professionals

Overview

- 1

ASX-listed alternative asset manager

Outperformed the S&P/ASX 200 index by 84% since listing in Oct-19²
- 2

Capital Sources

Diversified investor base spanning retail, high net worth and listed and wholesale institutions
- 3

Track Record

Ability to execute large, complex value creating transactions is our competitive advantage
- 4

High Conviction

Targeted deployment into sectors with attractive long-term fundamentals
- 5

Alignment

Management and board collectively own a significant shareholding in the company

Funds Management Platform

Leading ASX-listed alternative asset manager

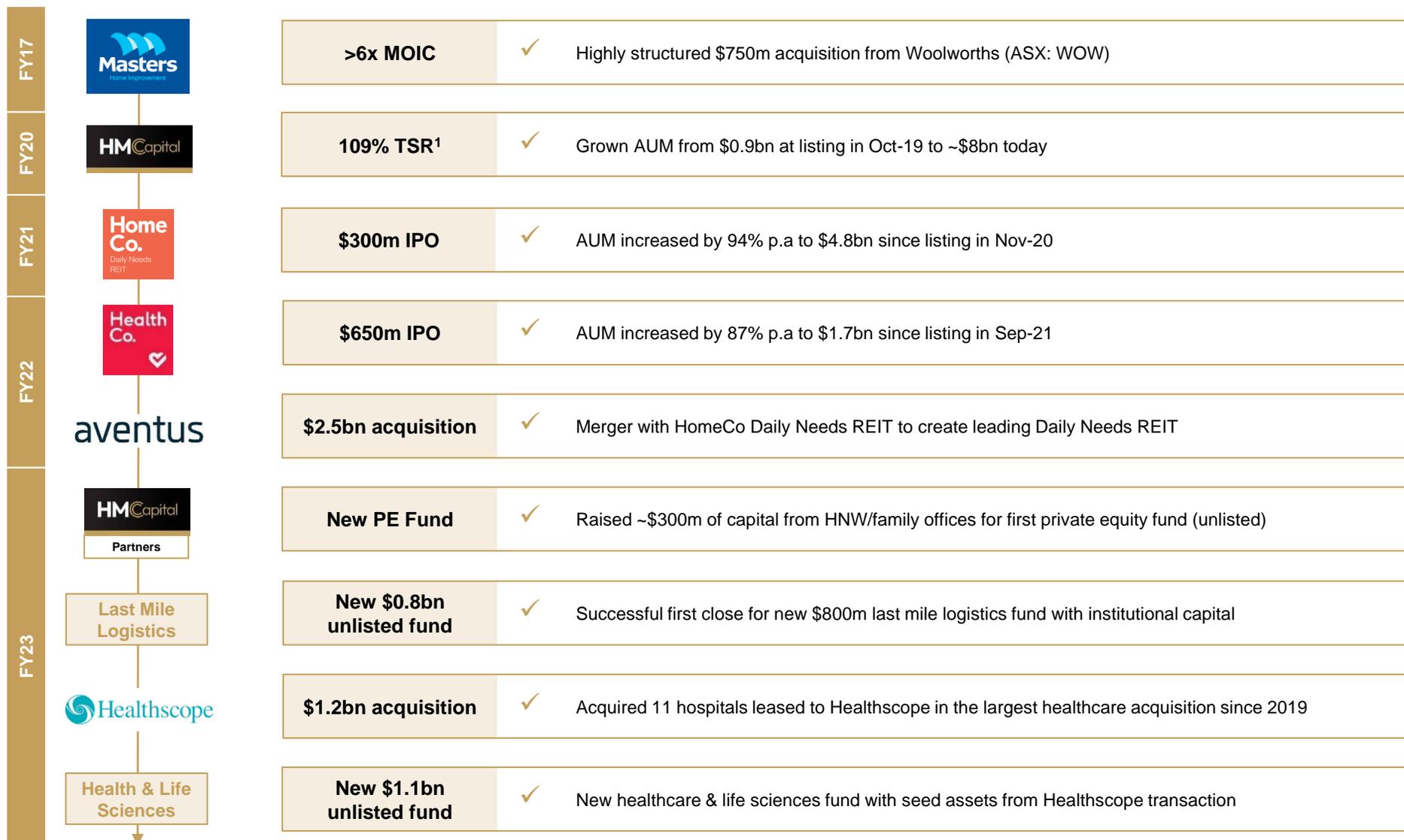
REAL ESTATE	<p>Listed \$6.5bn³ FUM</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> est. 2020 </div> <div style="text-align: center;"> est. 2021 </div> </div>	<p>Unlisted \$1.8bn FUM¹</p> <ul style="list-style-type: none"> ▪ Last Mile Logistics (est. 2023) ▪ Health & Life Sciences (est. 2023) 	
PRIVATE EQUITY	<p>Unlisted \$0.4bn FUM</p> <div style="display: flex; justify-content: space-between; align-items: center;"> <ul style="list-style-type: none"> ▪ HMC Capital Partners Fund I (est. 2022) ▪ High conviction strategic stakes in listed companies <div style="text-align: right;"> </div> </div>		
FUTURE GROWTH	<div style="border: 1px solid #0070C0; padding: 10px; background-color: #FFF9C4;">Energy Transition</div>	<div style="border: 1px solid #0070C0; padding: 10px; background-color: #FFF9C4;">Value Add Infrastructure</div>	<div style="border: 1px solid #0070C0; padding: 10px; background-color: #FFF9C4;">Private Credit</div>

Notes: All figures as at 30 June 2023 unless otherwise stated. Where returns are mentioned on this slide, past performance is not a reliable indicator of future performance.

1. Committed FUM. Includes undrawn equity plus debt for Last Mile Logistics Fund and contracted settlement of tranche 3 Healthscope assets in Sep-23. Includes \$1.1bn of FUM for HCW with \$0.6bn of HCW assets already captured in unlisted healthcare fund FUM.
2. As at 18 August 2023. HMC IPO price of \$3.35 adjusted by \$0.67/security to exclude HDN in-specie distribution. Assumes dividends reinvested on ex-dividend date.
3. Includes HCW's FUM of \$1.7bn which includes HCW's proportionate share of assets (\$0.6bn) in the unlisted health & life sciences fund. HCW's FUM is \$1.1bn excluding this.

Investment Track Record

Our business has rapidly grown and evolved through successful fund raising & capital deployment



Notes: All figures as at 30 June 2023 unless otherwise stated. Where returns are mentioned on this slide, past performance is not a reliable indicator of future performance.
 1. As at 18 August 2023. HMC IPO price of \$3.35 adjusted by \$0.67/security to exclude HDN in-specie distribution. Assumes dividends reinvested on ex-dividend date.

RESULTS OVERVIEW

Results Overview

Established 3 major new unlisted growth platforms and expanded institutional investor base

FINANCIAL RESULT

Operating Earnings
26.4cps
\$82.1m

Final Dividend
6.0cps
10% franked

Net Tangible Assets +
Undrawn Debt
\$1.1bn

FUNDS MANAGEMENT

Funds Under Management
\$8.1bn
+40% on FY22¹

Equity Raised
\$1.5bn
71% unlisted

Funds Management Revenue
\$69.7m
Recurring revenue up
72% on FY22

NEW FUNDS ESTABLISHED



Private Equity Fund

HMC Capital Partners Fund I (HMC-CP) launched in Sep-22 and delivering strong investment performance since inception



Last Mile Logistics Fund

\$800m first close in Jun-23 for new unlisted institutional fund targeting last mile retail logistics properties



Healthcare & Life Sciences Fund

New \$1.1bn fund established in May-23. \$250m of institutional equity commitments received to date and on track for financial close in Sep-23

Well capitalised to expand into new asset classes and accelerate growth via M&A, transaction underwriting and asset warehousing

Notes. All figures as at 30 June 2023 unless stated otherwise.

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FUNDS MANAGEMENT

HMC Capital Strategy

High return on equity alternative asset manager

Strategy	To be a diversified large-scale alternative asset manager	<p>Business models and scale we admire</p>   
Financial Target	20%+ return on equity target over the medium-term	
Competitive Advantage	Creating value through large-scale and complex transactions	
New Business	Targeting strategic opportunities which are scalable and expand our existing capability	

Strategies to grow FUM to \$20bn+ over the medium-term



HMC Capital Economic Flywheel

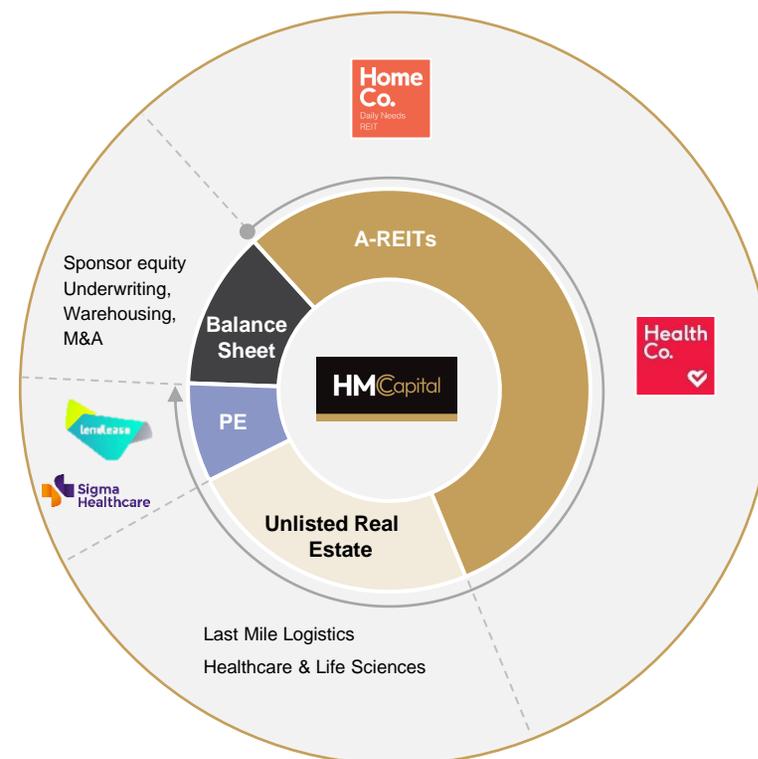
Our economic flywheel driven by ability to execute large, complex transactions



HMC funds management platform today

- 1 Listed Real Estate**
 - Two ASX-listed REITs with investment strategies exposed to megatrends in the healthcare & daily needs retail sectors
- 2 Unlisted Real Estate**
 - Scalable platforms matching institutional capital with high conviction real estate investment opportunities
- 3 Private Equity**
 - Differentiated strategy with potential to facilitate significant capital partnering opportunities
- 4 Balance Sheet**
 - Leverage existing capital base to grow FUM – **\$1.1bn of liquid investments and undrawn debt capacity**

Existing platform can be significantly scaled with minimal additional cost



1. Committed FUM. Includes undrawn equity plus debt for Last Mile Logistics Fund and contracted settlement of tranche 3 Healthscope assets in Sep-23. Includes \$1.1bn of FUM for HCW with \$0.6bn of HCW assets already captured in unlisted healthcare fund FUM

Healthscope Hospital Portfolio Case Study

High ROE transaction underpinned by unique deal structuring and underwriting support by HMC

\$1.2bn

Acquisition price¹

>\$700m

HCW AUM growth

\$1.1bn

New unlisted healthcare fund²

20%+

Return on equity

Transaction highlights

- ✓ Capitalised on rare opportunity to acquire large scale private hospital portfolio in Australia leased to leading national operator
- ✓ Formed strategic partnership with Brookfield to secure portfolio at compelling pricing (below replacement cost)
- ✓ Re-structured Healthscope lease to secure enhancements to income security, growth and development upside
- ✓ Strategic use of HMC balance sheet to underwrite the transaction and provide fully-funded unconditional proposal

HMC transaction support

- \$123m of sub-underwriting commitments in HCW equity raise
- Fully-funded issue of bonus units to support HCW equity raise
- \$325m equity commitment to underwrite unlisted fund raising³
- Improved HCW cost structure via reduced management fee

High return on equity transaction

Fees		Comment
Acquisition	~\$12m	\$1.2bn transaction
Underwriting	~\$1m	Sub underwriting of retail entitlement offer
Investment		
Asset management	~\$10m p.a	Recurring fees (listed and unlisted fund)
Development		
Total	~\$23m	All-in fee income (first year)

Expected to deliver return on equity over 20% target return

New Growth Frontiers

Our entry into new sectors will support our strategy to maintain our strong FUM growth trajectory

Assessing multiple strategic growth opportunities to significantly grow FUM

Situation overview

- HMC Capital is investigating a range of opportunities to diversify into new alternative asset classes
- Our focus is on differentiated investment strategies which are scalable and supported by structural growth trends
- Opportunities under review include
 - complementary platforms which expand our funds management capability; and
 - strategic M&A opportunities for both our existing funds as well as new capital partnerships
- Any investment into new opportunities will be benchmarked against our 20%+ ROE target
- We will only invest in opportunities where we have or can see a pathway to building a competitive advantage
- HMC may warehouse seed investments on balance sheet for new funds or capital partnerships

Whilst HMC is well capitalised we will remain disciplined with our capital

Future growth opportunities

1 Real Estate	<ul style="list-style-type: none"> ▪ Future series of Last Mile Logistics (LML) funds ▪ Greenfield healthcare development pipeline \$1bn+ ▪ New global healthcare & life sciences fund
2 Private Equity	<ul style="list-style-type: none"> ▪ New institutional mandates for HMC Capital Partners Fund I (HMC-CP) ▪ Corporate M&A opportunities including large-scale take private transactions with new institutional capital partnerships
3 Energy Transition / Infrastructure	<ul style="list-style-type: none"> ▪ Potential to onboard new team with track record or acquire established platform with renewable energy development capability and pipeline
4 Private Credit	<ul style="list-style-type: none"> ▪ Assessing platform opportunities which can be scaled and diversified into new credit segments ▪ We remain cautious at this point of the credit cycle

A-REITs | HomeCo Daily Needs REIT

Strong rental growth and portfolio fundamentals offsetting impact of rising interest & capitalisation rates

\$4.8bn

Funds under management

\$0.6bn

Development pipeline

\$434m

Sponsor investment²

Open-ended

ASX-listed

1 Investment Strategy

- Own high quality real estate in mission critical locations for Australia's leading daily needs and omnichannel retailers

2 Investment Thesis

- Low and sustainable rents at the bottom of the retail cost curve
- Underutilised landbank with only 37% site coverage
- Secure income via long-term leases to credit worthy tenants

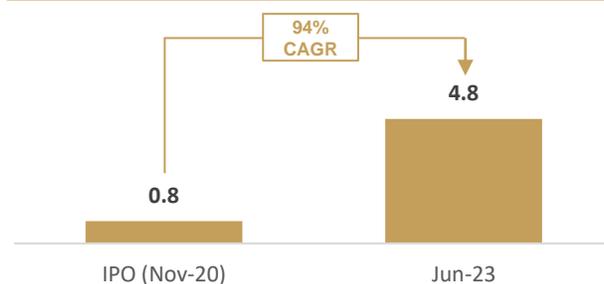
3 FY23 Highlights

- DPU of 8.3cpu, representing 7.2% DPU yield¹
- +6.0% leasing spreads, 99% rent collection & 99% occupancy
- Rental growth offsetting cap rate expansion in valuations

4 Future Growth

- \$600m accretive development pipeline with ~7% target ROIC
- Strategic investment in unlisted last mile logistics fund provides HDN with ROFR to acquire assets which have been successfully repositioned into core daily needs assets

FUM growth (%)



Investment strategy



Notes: Figures for 12 months ending 30 June 2023 unless otherwise stated.

1. Based on 30-Jun-23 share price of \$1.15. 2. Carrying value of investments in associates and joint ventures.

A-REITs | HealthCo Healthcare & Wellness REIT

Transformational Healthscope acquisition significantly enhances portfolio quality and scale

\$1.7bn

Funds under management¹

>\$1bn

Development pipeline²

\$167m

Sponsor investment³

Open-ended

ASX-listed

1 Investment Strategy

- Own critical healthcare infrastructure spanning hospitals, life sciences, childcare, aged care & primary health hubs
- Beneficiary of Australia's rapidly ageing and growing population and increased health spending and awareness

2 Investment Thesis

- 4.2% WARR (70% of leases include CPI linked escalations)
- 100% unadjusted cash rent collection
- Long-term predominantly net leases to high quality operators

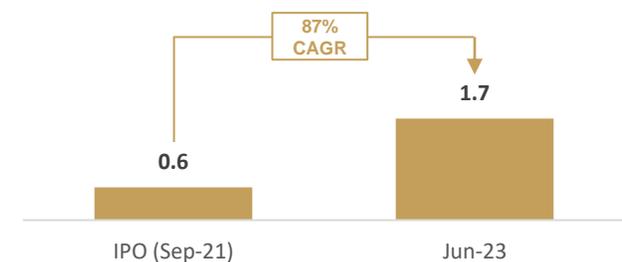
3 FY23 Highlights

- Run-rate Q4FY23 DPU of 8.0cpu, representing 5.4% DPU yield⁴
- 100% rent collection & 99% occupancy
- \$1.2bn Healthscope hospital portfolio acquisition

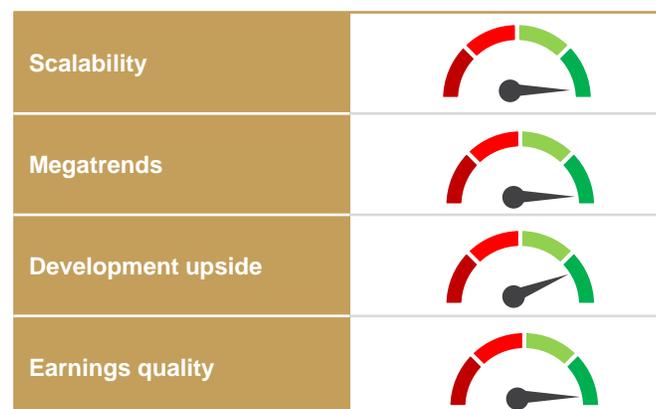
4 Future Growth

- \$1bn+ accretive development pipeline² including brownfield and greenfield hospital developments
- Ongoing focus on capital recycling to improve portfolio quality

FUM growth (%)



Investment fundamentals



Notes: Figures for 12 months ending 30 June 2023 unless otherwise stated.

1. HCW FUM is \$1.1bn excluding its proportionate share of assets (\$0.6bn) in the unlisted healthcare fund. 2. Based on 100% ownership. 3. Carrying value of investments in associates and joint ventures. 4. Based on 18-Aug-23 share price of \$1.47.

Unlisted Real Estate | Last Mile Logistics

Successfully reached \$800m first close for institutional fund targeting last mile retail logistics assets

\$0.8bn

Committed FUM

\$0.2bn

Deployed FUM

12.5%

Co-investment from HDN

10%+

Target equity IRR

Fund Overview

1 Investment Strategy

- The Last Mile Logistics (LML) Fund series will target traditional retail properties which can be repositioned to provide last mile omni-channel solutions for Australia's leading daily needs retailers

2 Fund Overview (Fund I)

- Core plus unlisted fund
- Initial term of 7 years
- Target gearing: approximately 50%

3 Future Growth

- HMC intends to establish a series of funds over time with institutional investors to significantly grow the strategy
- HMC is in discussions with additional institutional investors for new LML fund series

Fund update

- In Jun-23 HMC secured a \$350m equity commitment from Funds SA in addition to the previously announced \$50m commitment from HDN
- The initial equity funding provides ~\$800m of investment capacity
- Complementary strategy with the fund targeting acquisitions not suited to HDN's investment mandate
- The fund's first acquisition at Menai Marketplace was revalued 17% above its Mar-23 purchase price after securing major lease renewals and rental uplift

Unlisted Real Estate | Healthcare & Life Sciences

New \$1.1bn unlisted institutional fund seeded with 7 Healthscope private hospitals

\$1.1bn

Deployed FUM¹

40-50%

Target gearing

~50%

Co-investment from HCW

10%+

Target equity IRR

Fund Overview

1 Investment Strategy

- The Healthcare & Life Sciences Fund (UHF) will own and develop institutional grade hospital and life sciences real estate underpinned by favourable long-term healthcare megatrends

2 Fund Overview

- Unlisted fund targeting 10%+ levered returns on operating assets and 12%+ on greenfield developments
- Liquidity review in year 7
- Target gearing: 40-50%

3 Future Growth

- Potential to grow the fund to \$2bn+ with strategic acquisitions and large-scale greenfield developments
- Seed portfolio has ~\$340m² of brownfield developments
- HMC has also secured several greenfield hospital development opportunities (\$1bn+ potential end value)

Fund update

- As previously announced, UHF was established in May-23 with the settlement of \$474m of Healthscope hospitals with equity funding support from HCW. Major hospital, Knox, was revalued 25% above its May-23 purchase price following the completion of a brownfield development project (stage 1)
- Tranche 3 of Healthscope hospitals (\$470m) on track to settle in Sep-23 with funding from new domestic and foreign institutional investors
- Fund-raising is well progressed with \$250m of equity commitments from 3 institutional investors. HMC will fund the remaining equity commitment of ~\$75m and is in advanced discussions with multiple investors to acquire this position

1. Includes contracted settlement of Tranche 3 Healthscope assets by Unlisted Healthcare Fund settling in Sep-23.
 2. Development pipeline represents estimated end value on a 100% basis (~\$175m cost to complete).

Private Equity | HMC Capital Partners Fund I

Significant fund outperformance since inception supports future fund-raising ambitions

\$0.4bn¹

Deployed FUM

3

Strategic stakes

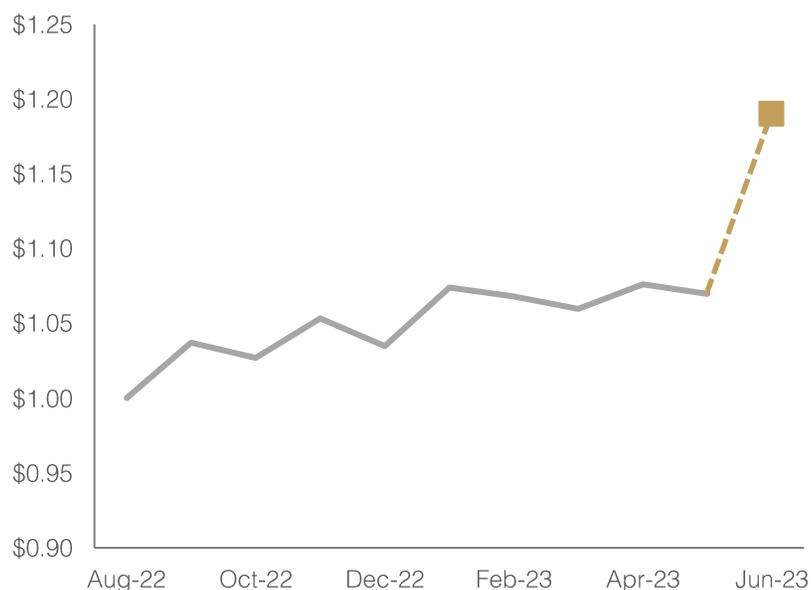
\$150m

Sponsor investment

Open-ended

Unlisted fund

Net asset value per unit since inception^{2,3,4}



High conviction strategy targeting undervalued asset rich businesses where we can help unlock value

Fund update

- Fund established in Sep-22 with ~\$300m initial equity raising from predominantly HNW investors and family offices
- Since inception HMCCP has returned ~19%⁴, outperforming the S&P/ASX 300 accumulation index by ~10%
 - Sigma (ASX: SIG) investment is up over 20% since \$3bn contract win from Chemist Warehouse in Jun-23
- Early success demonstrating benefits of differentiated strategy which provides benefits of both public and private equity investment approach
- Deployed into two new high conviction opportunities including Lendlease (ASX: LLC) and a third opportunity which is currently confidential
- Seeking to grow fund to ~\$1.5bn over the medium-term
 - In discussions with institutional investors in relation to mandate opportunities on individual investments
- Secured 'favourable' rating from SQM in Mar-23
 - On-track to secure additional ratings in 1H FY24

1. As at 30 June 2023 including leverage. 2. Performance figures are quoted net of fees. Figures may not sum due to rounding. 3. Inception date 31 August 2022. Past performance should not be taken as an indicator of future performance. 4. 31 July 2023 NAV is unaudited.

HMC Capital's Sustainability Framework

Sustainable practices that drive long term value creation and positive community impact

ENVIRONMENTAL

- On track with Net Zero Energy Roadmap
- 15% reduction in carbon emissions¹
- Solar PV now active in 16 sites across HDN and HealthCo, with further 5 sites under installation
- Tier 1 solar partner chosen and engaged for Solar roll out across feasible sites within the portfolio
- Installed EMS at 29 sites, with installation progressing at an additional 5 sites, resulting in a 23%² reduction in energy consumption
- HDN's South Nowra & Mackay developments targeting 4 Star Green Star rating
- Portfolio average of 4 Star NABERS Energy rating and 5.1 Star NABERS Water rating
- 73% LED lighting conversion achieved across portfolio, with ongoing roll-out plans committed¹
- Electric Vehicle chargers roll out progressing

SOCIAL

- Establishment of HMC Capital Foundation to accelerate the delivery of our social impact commitments
- National Partnership with Eat Up to commence in FY24
- 50% gender diversity achieved organisation-wide and across independent board director positions
- Progressed Reconciliation Action Plan
- Sustainability Committee formed with quarterly meetings scheduled
- Nil employee Lost-Time Injuries³
- Supported Lismore community post-flood during the rebuild and relaunch of our HomeCo Lismore centre. Celebrated re-opening with Family Community Day.



GOVERNANCE

- Received a rating of AA (on a scale of AAA – CCC) in the MSCI ESG Ratings assessment
- Signatory to UN PRI & UN Global Compact
- HDN awarded 2023 ESG Regional Top-Rated company with Morningstar Sustainalytics
- Member of ANREV and GBCA
- ESG KPIs established for leadership team
- Responsible investment standards adopted for all acquisitions
- Lodged inaugural Modern Slavery Statement
- GRI reporting framework standards adopted⁴

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA



FINANCIALS

Earnings Summary

Strong growth in underlying investment and funds management segments

\$ million	FY22	FY23
Direct property earnings & other income	11.1	0.3
Share of associate profit (FFO) ¹	22.8	31.1
Share of HMC-CP profit	0.0	28.0
Investment income	33.9	59.4
Funds management revenue	64.1	69.7
Corporate expenses	(21.1)	(25.7)
Property funds management expenses	(10.4)	(21.5)
Finance costs (net)	(3.7)	(4.2)
Other	0.1	(0.3)
Trading profit on sale of property	28.0	4.8
Operating earnings before tax²	91.0	82.1
Income tax expense ³	(2.0)	0.0
Operating earnings post tax	89.0	82.1
WASO (m)	293.3	310.9
Operating earnings post tax (cps)	30.3	26.4
DPS (cps)	12.0	12.0

1. Share of associate profit (FFO) represents HMC's share of HDN and HCW FFO for the period, not recognised in statutory profit / (loss)

2. Operating earnings was previously described by HMC Capital as Funds from Operations (FFO) and is a non-IFRS financial measure

3. Income tax expense excludes the impact of deferred tax movements.

Investments

- FY23 investment income increased by \$25.5m to \$59.4m and was driven by the share of HMC Capital Partners Fund I (HMC-CP) profits which recorded a 19% return on HMC's \$150m investment
- Direct property income reduced in FY23 following the sale of remaining properties held on balance sheet in FY22

Funds Management

- Funds management revenue increased \$5.6m (+8.7%) in FY23 with strong growth in recurring revenues offsetting a moderation in acquisition and disposal fees
- Underlying management fees (excl. acquisition & disposal fees) increased \$24.0m (+71.6%) with the full run-rate benefit of recent FUM additions to come through in FY24

Other

- FY23 trading profits included a cash gain on the sale of HMC's interest in the Last Mile Logistics Fund to a new institutional investor
- Nil FY23 income tax expense given utilisation of historical tax losses
- Final dividend of 6.0 cents per share has also been announced and will be 10% franked, taking total FY23 dividends to 12 cents per share

Funds Management revenue

FUM growth resulted in recurring (non-transactional) revenue of \$57.5m (+72% on FY22)

\$ million	FY22	FY23
Base management fees	20.0	35.6
Acquisition / disposal fees	30.6	12.2
Investment management revenue	50.6	47.8
Property management fees	7.8	13.7
Leasing & Development management fees	5.7	8.0
Property management revenue	13.5	21.7
Other	0.0	0.2
Total funds management revenue	64.1	69.7

Funds management revenue

- 78% growth in base management fees reflecting significant growth in funds under management including the full year impact of HCW, the AVN acquisition (by HDN) and the maiden year of HMC-CP
- Moderation in acquisition & disposal fees in FY23 reflected reduced acquisition activity in the two listed REITs. FY22 included a \$22.3m fee received in relation to the AVN transaction. ~\$5m acquisition fee following settlement of tranche 3 of Healthscope transaction to be recognised in 1H FY24
- HMC-CP materially exceeding the performance fee hurdle of 7.0% p.a. (20% fee) which is payable on the fund's 2-year anniversary (HMC has not accrued any revenue in FY23 for performance fees)

Balance Sheet

Flexible balance sheet with NTA increasing to \$883m (\$2.54 ps)

\$ million	HMC Standalone			
	Jun-22 HMC	Jun-23 HMC	Jun-23 HMC-CP	Jun-23 Consolidated
Cash and cash equivalents	57.6	20.4	28.3	48.8
Equity accounted investments	608.7	612.5	0.0	612.5
HMC-CP investment ¹	-	178.0	n/a	n/a
Investments held at fair value	-	42.0	371.2	413.2
Derivative financial assets	14.4	-	-	-
Intangible assets	186.8	186.8	0.0	186.8
Other assets	45.5	83.3	0.2	83.5
Total assets	913.0	1,123.1	399.7	1,344.8
Borrowings	-	(36.3)	(50.0)	(86.3)
Deferred tax liabilities	(32.6)	(34.5)	0.0	(34.5)
Other liabilities	(34.4)	(18.5)	(5.0)	(23.5)
Total liabilities	(66.9)	(89.4)	(55.0)	(144.4)
Net assets	846.0	1,033.6	344.7	1,200.4
Less: HMC-CP NCI				(166.8)
Net assets				1,033.6
Shares on issue (m)	299.6	347.6		
NTA per share ²	\$2.31	\$2.54		
Gearing ³	Net cash	1.8%		

Balance Sheet

- HMC net assets increased in the 12 months to Jun-23 by \$188m to \$1,034m, driven by a \$164m equity raising announced in Mar-23 to support a major hospital portfolio acquisition by HealthCo and a new unlisted healthcare REIT
- As part of the transaction HMC provided equity sub-underwriting support for HealthCo's equity raising and invested \$75m equity in HealthCo
- HMC Capital Partners Fund I commenced in FY23 and is consolidated on the HMC balance sheet due to HMC's 52% interest. HMC's equity share of Jun-23 net assets is \$178m which includes a fair value gain of \$28m
- Other assets includes a \$37.6m deposit paid for the final tranche of Healthscope assets

1. HMC share of HMC-CP net assets (being \$344.8m less non controlling interest of \$166.8m as at Jun-23)

2. Net tangible assets per share excludes right of use assets, lease liabilities, provisions, deferred tax assets and liabilities and non-controlling interests.

3. Balance sheet gearing is defined as borrowings (excluding unamortised establishment costs) less cash and cash equivalents divided by total assets excluding cash and cash equivalents and deferred tax assets.

Capital Management

Undrawn debt of \$239m and net tangible assets of \$883m continue to provide funding capacity to support HMC managed funds and new FUM initiatives

\$ million	HMC Standalone	
	Jun-22	Jun-23
Bank debt		
Maturity	Nov-23	Jan-24
Limit	275.0	275.0
Drawn	-	36.5
Cash and undrawn debt		
Undrawn debt	275.0	238.5
Cash at bank	57.6	20.4
Total cash and undrawn debt	332.6	258.9
Key metrics		
Gearing ¹	nil	1.8%
% of debt hedged	nm	0%
Weighted avg. cost of debt ³	nm	5.4%

Capital management

- Existing \$275m senior secured bank facility maturity date has been extended to November 2024 post balance date
- Undrawn debt of \$239m supported by net tangible assets of \$883m
- HMC announced a \$260m equity commitment in March 2023 to underwrite the new unlisted healthcare REIT fund raising which is expected to close in Sep-23. \$75m of the total underwrite is expected to be required and drawn in Sep-23 (\$37m net cost to HMC after adjusting for deposits paid of \$38m)

1. Balance sheet gearing is defined as borrowings (excluding unamortised establishment costs) less cash and cash equivalents divided by total assets excluding cash and cash equivalents and deferred tax assets.

2. Weighted average cost of debt excludes undrawn line fees and establishment fees given the majority of the facility is undrawn.

OUTLOOK AND GUIDANCE

Outlook and Guidance

Well positioned to maintain strong growth trajectory and establish new major capital partnerships

FY24 Outlook & Guidance

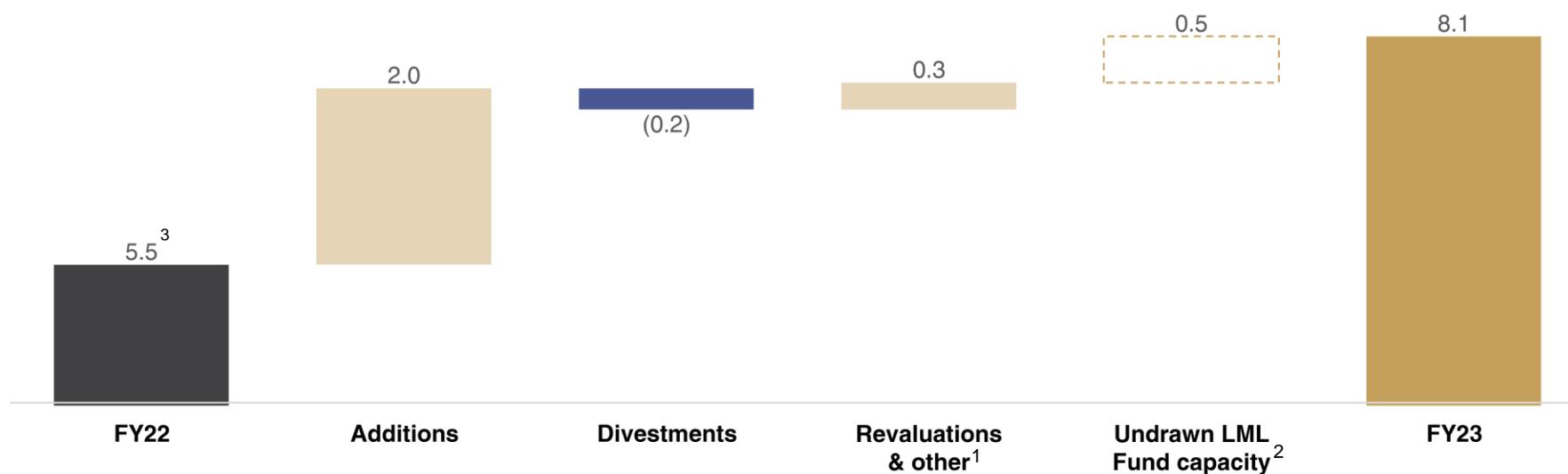
- HMC Capital moves into FY24 with strong momentum and conviction about the potential to grow funds under management over the next 12 months and beyond.
 - We remain on-track to achieve our \$10bn¹ funds under management target by year-end 2023 (12 months ahead of previous target).
- Existing real estate and private equity platforms are performing strongly and are well positioned for continued growth with low gearing and favourable underlying sector fundamentals. Importantly, these platforms can be significantly scaled with minimal incremental cost.
- In addition, HMC is actively exploring a range of growth opportunities which could further grow and diversify our funds under management into new alternative asset classes.
 - Importantly, HMC is strongly capitalised with \$1.1bn of liquid investments and undrawn debt capacity
- As a result, HMC is well positioned to deliver strong underlying earnings growth in FY24. Consistent with previous years, the group also has the potential to generate meaningful earnings from activities such as underwriting, investments and asset warehousing.
- HMC provides FY24 DPS guidance of 12 cents which is consistent with FY23.
 - Our strategy is to maintain this dividend which will result in a reduced payout ratio over time. This will enable HMC to re-invest retained earnings into value enhancing growth opportunities.

Investment landscape remains conducive for HMC to capitalise on value enhancing growth opportunities

APPENDICES

Funds Under Management

Committed FUM (\$bn)



FUM (\$bn)	FY22 ³	Additions	Divestments	Revaluations, other & LML capacity ^{1,2}	FY23
Listed Real Estate	5.5	0.6	(0.2)	0.0	6.0
Unlisted Real Estate	-	1.1	-	0.7	1.8
Private Equity	-	0.3	-	0.1	0.4
Group	5.5	2.0	(0.2)	0.8	8.1

1. Other includes net impact of capital expenditure, revaluations and movements in gross asset value.
 2. Reflects currently undrawn capacity at LML Fund.
 3. FY22 reported FUM of \$5.8bn included \$0.3bn of additional FUM from the post balance date establishment of HMC Capital Partners Fund I.

Funds Management Platform



	Nov-20	Sep-21	Aug-22	Mar-23	May-23
Established	Nov-20	Sep-21	Aug-22	Mar-23	May-23
Sector focus	Daily needs retail property	Healthcare	High conviction strategic stakes	Daily needs transition assets	Hospitals & life sciences
Capital source	ASX listed	ASX listed	Unlisted	Unlisted	Unlisted
Investors	Retail & Institutional	Retail & Institutional	Wholesale	Institutional	Institutional
Fund term	Open-ended	Open-ended	Open-ended	Fixed-term	Open-ended
HMC co-investment (%)	14%	16%	52%	Nil	~10% (target 0%)
FUM (\$bn) ¹	\$4.8bn	\$1.7bn ⁵	\$0.4bn	\$0.8bn ⁶ (\$0.2bn deployed)	\$1.1bn
Gearing (%)	33% ²	29% ³	n.a	43%	37%
Available liquidity (\$bn)	\$0.2bn	\$0.1bn ⁴	n.a	\$0.6bn	\$0.3bn ⁷

LISTED

UNLISTED

Notes: All figures as at 30 June 2023 unless otherwise stated. Where returns are mentioned on this slide, past performance is not a reliable indicator of future performance.

1. Committed FUM. Includes undrawn equity plus debt for Last Mile Logistics Fund and contracted settlement of tranche 3 Healthscope assets in Sep-23. 2. Pro-forma adjusted for the disposal of Midland which is expected to settle in Sep-23. 3. Pro-forma for (i) settlement of Tranche 3 and subsequent deconsolidation of the UHF; and (ii) \$79.3m asset sales in FY24. 4. Post contracted asset sales (proceeds used to paydown debt). 5. HCW FUM is \$1.1bn excluding its proportionate share of assets in the unlisted healthcare fund. 6. Including committed equity. 7. \$0.1bn post-settlement of Tranche 3.

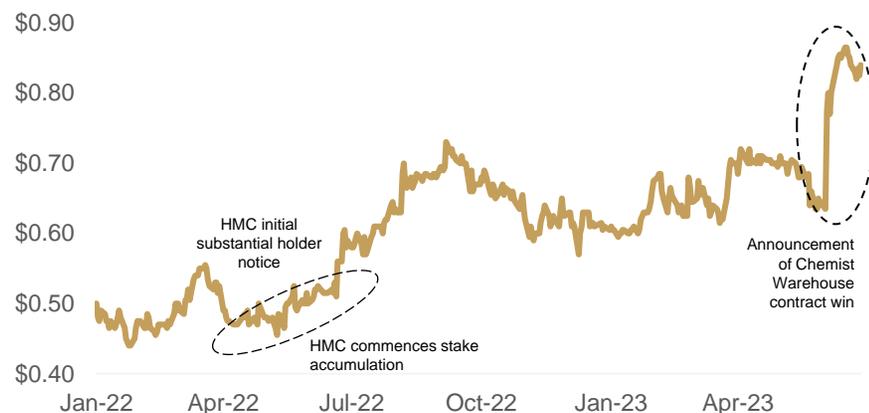
Private Equity | HMC Capital Partners Fund I

High conviction strategy targeting undervalued 'asset rich' businesses where we can help unlock value

Overview of two disclosed high conviction strategic stakes



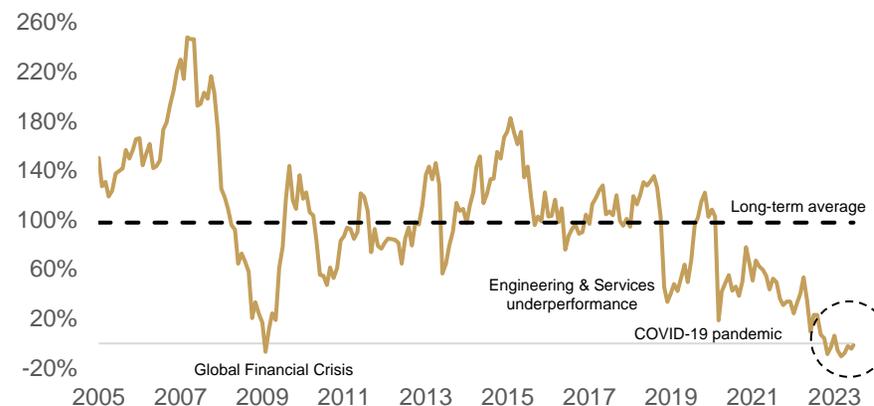
Share price performance



- Current ~19% stake is a strategic long-term holding
- Highly strategic independent business in a sector with high entry barriers and compelling healthcare megatrends
- Winning the Chemist Warehouse supply contract was step 1 in our vision for SIG to become a much larger healthcare platform
- We believe there are further opportunities to leverage SIG's existing DC¹ network to grow throughput with limited incremental investment



Premium / (discount) to NTA backing



- Acquired ~4% strategic stake² at average price below NTA backing
- Company is midway through a five-year strategic reset (2021 to 2026) after a prolonged and severe earnings downgrade cycle
- HMC is supportive of LLC's strategy to transition to a more focused, capital efficient business but we believe this needs to be accelerated and executed more decisively
- We believe its shares are significantly undervalued with the potential to re-rate to over \$14/share post turnaround

1. Distribution centre. 2. HMC Capital and its managed entities.

Gross real estate transactions

FY23 Gross transactions¹

	HDN	HCW	LML	UHF	Total
Acquisitions (\$bn)	0.1	0.5	0.2	0.9	1.7
Disposals (\$bn)	0.2	0.0	-	-	0.2
Net transactions (\$bn)	(0.1)	0.4	0.2	0.9	1.4
Gross transactions (\$bn)	0.3	0.4	0.2	0.9	1.9

1. Excludes contracted transactions expected to settle in FY24.

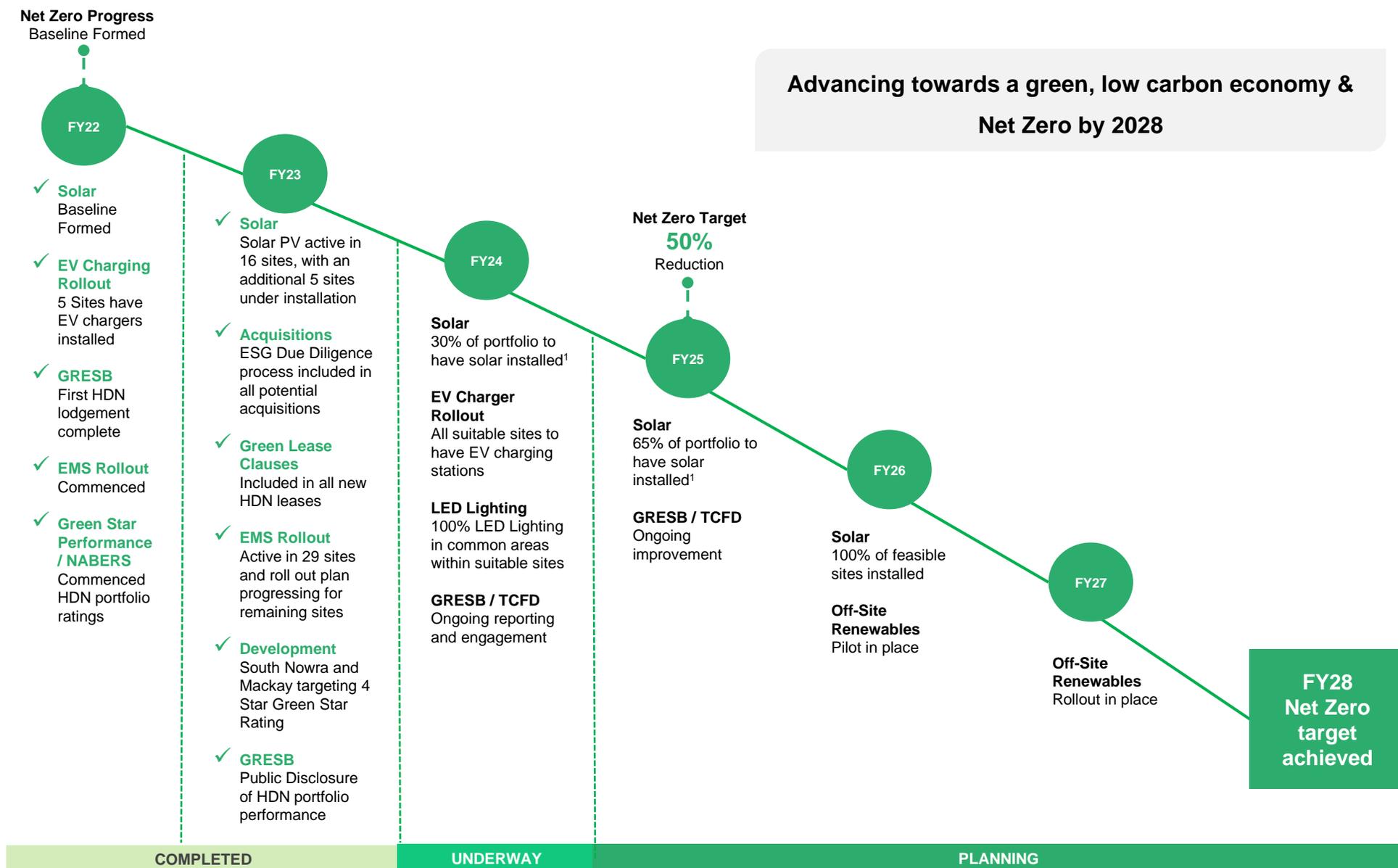
Additional financial information

FFO reconciliation to net profit/(loss) after tax

\$ million	FY22	FY23
Operating earnings post tax	89.0	82.1
Non-controlling interest	-	26.2
Deferred income tax expense	(12.1)	(2.6)
Straight-lining of rental income	(0.6)	-
Amortisation of borrowing costs	(1.8)	(0.4)
Acquisition and transaction costs	(11.4)	(5.3)
Net fair value movements	0.7	(3.6)
Share of associate profit	48.3	(11.9)
Gain on investment in associates	16.9	-
Impairment expenses	(21.3)	-
Depreciation	(0.5)	(1.2)
Statutory profit/(loss)	107.3	83.3

HMC Capital's Sustainability Framework

Net-Zero Roadmap for HMC Capital REITs - Scope 1 & 2 emissions reduction roadmap



1. % of feasible solar sites.

Further Information

Investors and analysts

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