

## ASX RELEASE

23 August 2023

### HMC CAPITAL DELIVERS OPERATING EARNINGS OF \$82.1 MILLION AND GROWS FUNDS UNDER MANAGEMENT BY 40% TO \$8.1 BILLION

HMC Capital (ASX: HMC) today released its results for the full year ended 30 June 2023. Today's result underscores the group's ability to execute large, complex transactions and grow funds under management despite the subdued M&A and capital markets environment. Key highlights for the period are:

#### Financial highlights

- FY23 operating earnings of \$82.1m or 26.4 cents per share
- Funds management revenue of \$69.7m with recurring revenue up 72% on FY22
- Final dividend of 6.0cps (10% franked) bringing dividend for full-year to 12cps, in-line with FY23 guidance
- Maintained strong capital position with over \$1.1bn of liquid assets and debt capacity

#### Operational highlights

- Total assets under management (AUM) of \$8.1bn<sup>1</sup> up 40% on FY22
- Established first private equity fund (HMC Capital Partners Fund I) in Sep-22
  - \$0.4bn<sup>2</sup> fund has significantly outperformed since inception (+19% total return)<sup>3</sup>
- Established \$0.8bn unlisted institutional fund targeting Last Mile Logistics (LML) real estate in Jun-23
  - Secured major equity commitment from new institutional capital partner, Funds SA
- Established new \$1.1bn<sup>4</sup> Healthcare and Life Sciences (UHF) unlisted real estate fund in May-23
  - \$250m of institutional equity commitments received to date and on track for financial close in Sep-23 to settle tranche 3 of Healthscope portfolio acquisition

#### FY24 guidance and outlook

- Well positioned to deliver strong underlying earnings growth in FY24
- FY24 DPS guidance of 12.0 cents consistent with FY23
- Assessing multiple opportunities to grow FUM and diversify into new alternative asset classes

<sup>1</sup> 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.

<sup>2</sup> Deployed funds under management as at 30 June 2023.

<sup>3</sup> As at 31 July 2023.

<sup>4</sup> Includes contracted settlement of Tranche 3 Healthscope assets by the Unlisted Healthcare Fund settling in Sep-23.

**HMC Managing Director and CEO, David Di Pilla, said** *“We have made significant progress executing on our strategy to build a more sophisticated and diversified business focused on alternative assets. In FY23, we established three major unlisted growth platforms, raised ~\$1.5bn of new equity and grew funds under management by 40%. Our ability to execute large, complex transactions and use our balance sheet to take advantage of strategic opportunities has enabled HMC to maintain its strong momentum in a more challenging capital markets environment.”*

*“Our existing funds are performing strongly which is a testament to our focus on high quality and differentiated investment strategies which are benefitting from powerful secular trends. Our daily needs and healthcare REITs delivered strong FY23 results underscoring the quality of their investment portfolios which are successfully passing through higher property and interest costs.”*

*“Our vision to build a large-scale alternatives platform with institutional capital is now well underway following the establishment of two institutional unlisted funds focused on last mile retail logistics and healthcare & life sciences. In June 2023 we successfully reached an \$800m final close for our last mile logistics fund with the support of Funds SA. We believe this strategy is scalable and capitalises on our proven track record in sourcing and actively managing strategically located daily needs focused real estate.”*

*“And finally, we established an unlisted institutional healthcare fund with over \$1bn of seed assets which formed part of the Healthscope hospital portfolio acquisition in March 2023. This transaction is a good example of HMC’s ability to source highly strategic acquisitions through unique deal structuring and underwriting. Our strategic partnership with Brookfield helped us secure the portfolio on attractive terms. The institutional fund raising is well progressed with multiple investors now investment committee approved and working through final documentation ahead of financial close in September 2023”, Mr Di Pilla said.*

## **FY24 guidance and outlook**

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 \$10bn funds under management<sup>5</sup> target by year-end 2023 (12 months ahead of previous target).

Our 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 to the group.

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.

---

<sup>5</sup> Committed FUM.

## Investor and analyst briefing

An investor and analyst briefing teleconference call, followed by a question-and-answer session, will be held on **Wednesday 23 August 2023 at 10:30am (AEST)**. Investors and analysts wishing to participate can pre-register for the call at: [s1.c-conf.com/diamondpass/10032130-pr97t5.html](http://s1.c-conf.com/diamondpass/10032130-pr97t5.html)

The following webcast link will be available: <http://www.openbriefing.com/OB/5221.aspx>. Participants will need to input their name, email address and company name to register.

A playback of the FY23 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:

### INVESTORS

**Misha Mohl**  
Group Head of Strategy & IR  
+61 422 371 575  
[misha.mohl@hmccapital.com.au](mailto:misha.mohl@hmccapital.com.au)

**Will McMicking**  
Group Chief Financial Officer  
+61 451 634 991  
[william.mcmicking@hmccapital.com.au](mailto:william.mcmicking@hmccapital.com.au)

### MEDIA

**John Frey**  
Corporate Communications  
+61 411 361 361  
[john@brightoncomms.com.au](mailto:john@brightoncomms.com.au)

### About HMC Capital

*HMC Capital is a leading ASX-listed alternative asset manager which specialises in real assets and private equity. We manage approximately \$8bn on behalf of institutional, high net worth and retail investors. We have a highly experienced and aligned team of over 80 professionals with deep investment and 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. Our investment strategies are exposed to sectors benefitting from powerful megatrends such as healthcare, life sciences and last mile retail logistics. We are well positioned to grow our funds under management to over \$20bn in the medium term by scaling our existing platform and expanding into new alternative sectors such as energy transition, infrastructure, and private credit.*

### 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.*

*No guarantee, representation or warranty, express or implied, is made as to the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns, statements or tax treatment in relation to future matters contained in this announcement. The forward-looking statements are based only on information available to HMC Capital as at the date of this announcement. Except as required by applicable laws or regulations, HMC Capital does not undertake any obligation to provide any additional or updated information or revise the forward-looking statements or other statements in this announcement, whether as a result of a change in expectations or assumptions, new information, future events, results or circumstances.*

*This announcement is also subject to the same disclaimer as appears in the Investor Presentation with any necessary contextual changes.*

For personal use only