2024 Annual General Meeting

31 October 2024

eureka Group

Meeting Overview

- Chairman’s Address
- CEO Presentation
- Formal Business

Chairman’s Address

Key achievements in FY24

Continued strong underlying financial performance

Strong results	✓	• Underlying EPS[1] of 3.02 cents per share in line with guidance • 13% revenue growth and 20% underlying EBITDA[1] growth pcp reflecting strong resident demand, rental growth and asset acquisitions • Maintained high portfolio occupancy during the year and achieved 98% at year end • Increase in underlying EBITDA margin to 36.9% (pcp 34.6%)
Portfolio value uplift	✓	• Valuation uplift of $14.1m during the year driven by increased village earnings and stable capitalisation rates • Brassall development completed during 2H24. 51 new dwellings fully leased
Acquisitions and developments	✓	• Investment in Eureka Villages WA Fund which acquired 6 villages (321 units) for $44m (excluding transaction costs) in Western Australia, with an overall portfolio occupancy of 98% as at 30 June 2024 • Acquired 14 units in managed villages as part of the individual unit acquisition strategy • Acquired land in Gladstone, Qld for a greenfield development adjacent to the existing managed village
Capital management	✓	• Successful alternative funding for WA portfolio acquisition via Eureka Villages WA Fund demonstrates potential for new funding sources • Gearing levels within Group policy
ESG highlights	✓	• Increased health and wellbeing education and activities for residents • Introduction of energy efficient assets and waste reduction and recycling programs • Food service delivery exceeds new Aged Care Commission guidelines on daily protein requirements
Strengthened Board and management team	✓	• Simon Owen appointed Chief Executive Officer commencing 12 September 2024 • John Whiteman appointed non-executive director commencing 2 September 2024 • Murray Boyte transitioned to non-executive Chair commencing 12 September 2024

1. Refer to page 18 for Definitions

FY24 Highlights

Revenue and earnings growth driven by strong resident demand, rental growth and property valuations

$41.1m
Revenue
↑ 13% FY23

Like-for-like revenue growth 6%

$15.2m
Underlying EBITDA[1]
↑ 20% FY23

Like-for-like village EBITDA growth 7%

$9.1m
Underlying profit before tax[1]
↑ 13% FY23

Growth in underlying results supported by valuation uplifts

$14.1m
Valuation uplift
$25.3m FY23

> 90% of the portfolio has been independently valued since 30 June 2023

3.02 cps
Underlying EPS[1]
2.93 cps FY23

Underlying EPS in line with FY24 guidance

4.37 cps
EPS
6.97 cps FY23

Prior year EPS includes higher valuation uplifts

1.4 cps
FY24 dividends
↑ 4% FY23

48.3 cents
NTA per share
↑ 7% FY23

1. Refer to page 18 for Definitions

Board refresh and CEO appointment

Eureka's board and management are well positioned to deliver on future growth objectives

Chief Executive Officer Appointment

Simon Owen
Incoming Chief Executive Officer

- Simon is a highly experienced and respected leader with over 25 years' experience in leading property and retirement living businesses, including 14 years as Chief Executive Officer and Managing Director of Ingenia Communities Group (ASX:INA)
- As CEO of Ingenia, Simon drove the creation of a leading portfolio of land lease communities, rental retirement communities and holiday parks and saw Ingenia's market capitalisation grow from $30 million to $1.7 billion during his tenure
- Simon joined the company on 12 September 2024

Board Refresh

John Whiteman
Independent Non-Executive Director

- John is a highly credentialed and experienced executive and director with a broad range of funds management experience
- John's executive career includes almost 20 years with AMP Capital, during which he held several positions within the $4.0 billion AMP Capital Fund
- John is currently Chairman of Leyton Funds, which has over $350 million of AUM
- John will commence on 2 September 2024 and will stand for election at Eureka's 2024 Annual General Meeting

Murray Boyte
Chairman

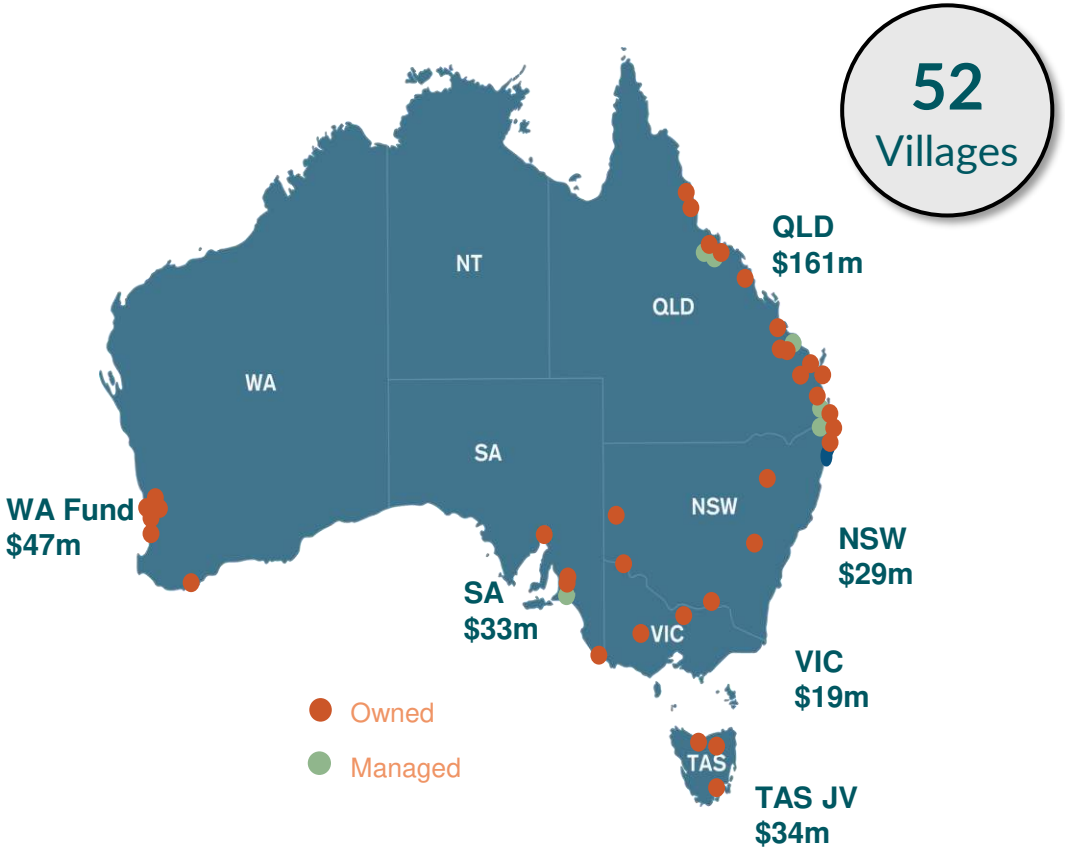
- Murray transitioned from executive duties to Non-Executive Chairman of Eureka from 12 September 2024
- Murray had served as Executive Chairman since 2018 and as Interim CEO since July 2023

CEO Presentation

Scalable affordable build-to-rent seniors living portfolio

Eureka is the only ASX-listed pure play specialist in seniors' rental accommodation

NATIONAL FOOTPRINT (as at 30 June 2024)



PORTFOLIO SNAPSHOT (as at 30 June 2024)

2,835
Units under management

$328m
Assets under management

98%
Occupancy

$274m
Investment property[1]

8.17%
WACR[2]

1. Includes share of assets held in joint venture and WA fund. Excludes management rights assets
2. Refer Definitions on page 18

Building Blocks of EPS Growth over next three years

EPS Growth driven by organic growth and external opportunities

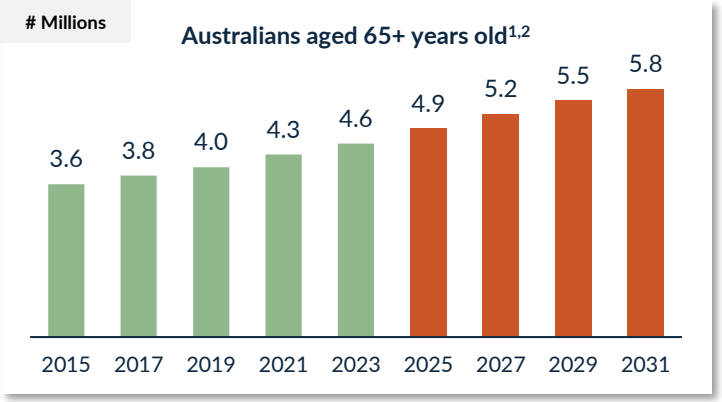
Organic Growth	1	**Operational Excellence**	Focus on occupancy, organic growth and resident experience.
	2	**Great People**	Recruit, develop and retain great people.
	3	**Individual Unit Acquisitions**	70 unit pipeline of managed units to be acquired across four villages (24 units acquired to date in FY25).
	4	**Scale Benefits**	Previous investment in platform capability means growth can be achieved with minimal incremental corporate overhead.
	5	**Village expansions**	Multiple sites with opportunity to deliver additional units at >12.5% return.
External Opportunities	6	**Village Acquisitions**	Fragmented market provides significant opportunity to acquire villages in major metro markets and key regional locations at attractive yields.
	7	**Asset Re-purposing**	Acquisition of existing built form such as caravan parks, motels and regional retirement villages which can quickly be repurposed into rental communities.
	8	**Development**	Development potential on owned sites to deliver 230 additional units at Kingaroy and Gladstone.
	9	**Divestments**	Capital recycling opportunities of $25m in non-core assets.
	10	**Funds Management**	Continue to expand funds management platform and pursue capital light growth initiatives.
	11	**Sector Adjacencies**	Consider logical, accretive expansions into adjacent sectors – all age rental communities, affordable and social housing, etc.

Over 50s rental offers significant growth opportunities

Housing market dynamics supports the need for affordable seniors' rental accommodation

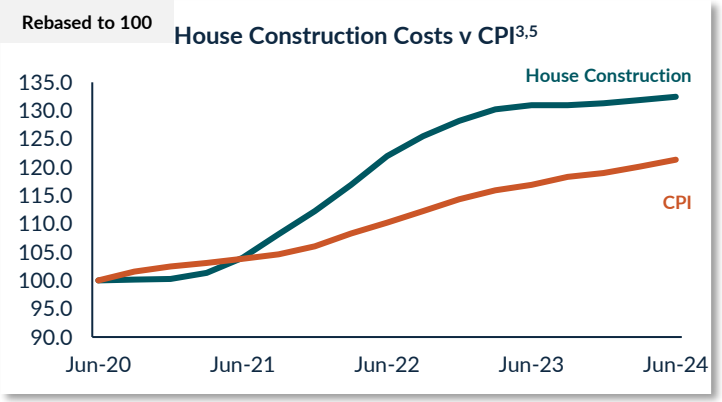
HIGH LEVELS OF DEMAND

- Consistently high occupancy rates of >96% across Eureka's portfolio since FY21
- Several Eureka villages have multi-year wait lists
- **Ageing population** drives future demand. 4.6m of the Australia population >65 years old increasing to 5.8m by 2031[1] (26.1% growth)



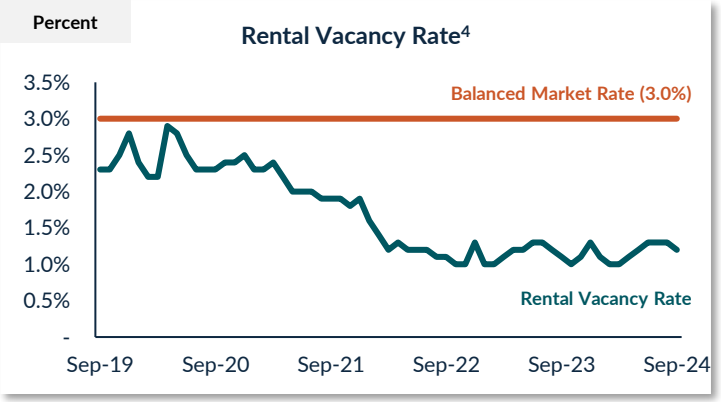
CONSTRAINED SUPPLY

- Deteriorating affordable housing project economics driven by increased construction and financing costs.
- Construction costs have grown 32.4% post COVID outpacing CPI, driving new capital into premium build[3]
- 1.2% national rental vacancy rate remains lower than the 3.0% balanced market vacancy rate[4]



MODULAR HOUSING SOLUTIONS

- Rental villages are 'horizontal' build to rent (BTR)
- Product lends itself to off-site, modular construction which allows for quicker development periods and lease-up, **improving project economics**



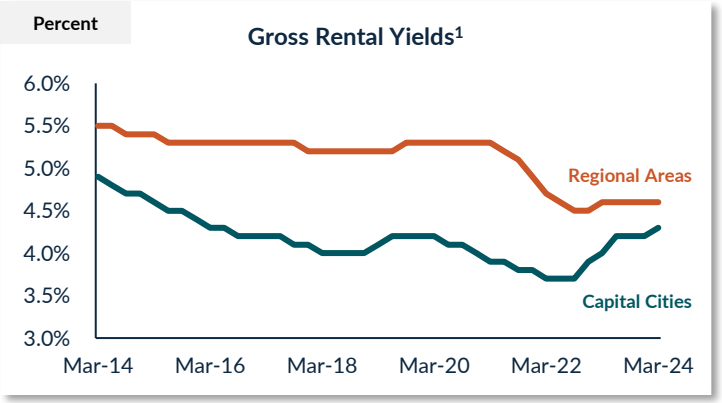
1. ABS National, State and Territory Population (March 2024)
2. ABS Population Projections (November 2023)
3. ABS Producer Price Indexes (June 2024)
4. SQM Research (September 2024)
5. ABS Consumer Price Index (June 2024)

Over 50s rental offers significant growth opportunities

Shares many attributes with residential land lease communities 10 years ago

TARGET KEY REGIONAL MARKETS

- Many seniors/downsizers moving to sea/tree change chasing lifestyle and affordable housing
- Rental yields have been consistently higher in regional areas as compared to capital cities



GOVERNMENT-SUPPORTED REVENUE

- Stable source of revenue as pension payments from the Federal Government are direct debited from residents to Eureka
- Australian pension payments are indexed bi-annually in March and September each year to the higher of CPI and the Pensioner and Beneficiary Living Cost Index, providing Eureka's revenues with **embedded inflation protection**

>95%

Eureka's residents receive the full entitlement of government support payments

GOVERNMENT FUNDING SUPPORTS

- State and federal governments have increased funding support for affordable housing
- $4 billion State government investment supporting the commencement of 10,300 social and affordable homes across QLD, NSW, and VIC[2,3,4]
- $10 billion Federal government investment via the Housing Australia Future Fund (HAFF) to build 40,000 social and affordable homes[5]
- Federal Opposition government proposed to allocate $5 billion in spending towards the construction of 500,000 new homes[6]

$14 billion

in State and Federal Government Investment into Social & Affordable housing

1. PropTrack Rental Report (March 2024 Quarter)
2. Department of Housing, Local Government, Planning and Public Works (QLD Government)
3. Communities & Justice (NSW Government)
4. Regional Housing Fund (Victoria Government)
5. Housing Australia
6. ABC (October 2024)

Strategic Growth Initiatives

In October Eureka announced a $70m capital raise

Provides Eureka with the capital to quickly scale and execute on acquisition opportunities

Consolidates market position and enhances scale (1)

- Reinforces status as Australia's largest owner, operator and developer of seniors' rental communities
- 479 units acquired or to be acquired and 30 development units with minimal incremental corporate overhead
- Pro forma portfolio value of $333m[1] post completion of Acquisitions (22% increase)
- Increases proportion of 100% owned villages within portfolio

Step-change in growth profile (2)

- Acquisition of stabilised assets providing immediate yield, with a weighted average 9.6% yield per annum on cost for Acquisitions under heads of agreement
- Demonstrates Eureka's deal origination capability and access to on and off-market deal flow
- Positions Eureka to materially grow underlying EPS over the next three years

Compelling Acquisitions (3)

- Approximately $57m of Acquisitions comprising operating villages with strong fundamentals and added development potential
- Multiple Acquisitions located in Queensland which is an attractive market for seniors' rental communities and where Eureka's existing rental villages operate at close to 100% occupancy
- Acquisitions are aligned with Eureka's portfolio objectives to acquire high-quality sites located in major metro markets and key regional locations

Supportive market tailwinds and resilient business (4)

- Sector continues to benefit from long-term macroeconomic factors, marked by a growing ageing population, constrained supply of seniors' rental accommodation, continued strong demand for rental accommodation and new government supports for affordable accommodation development
- Inflation-protected, government backed income streams continue to underpin Eureka's EPS profile

Positive financial impact (5)

- FY25 Underlying EBITDA growth of at least 16% on FY24
- FY25 Underlying EPS growth of at least 8% on FY24
- Fully deployed[2] pro forma Underlying EPS growth of at least 19% on FY24
- Pro forma fully deployed[2] NTA of $0.501 per share (3.8% increase on 30 June 2024 NTA of $0.483)
- Pro forma fully deployed[2] gearing of 26.7% (reduced from 36.6% as at 30 June 2024 and below the target range of 30-40%)

1. Includes share of assets held in joint venture and WA fund. Excludes management rights assets
2. Assumes full year impact of deployment of proceeds of the Equity Raising towards the Acquisitions

Acquisition No. 1 – Seniors' Rental Village, Mount Barker SA

DESCRIPTION

- Boutique over 50s rental village located 30km southeast of Adelaide CBD, in Mount Barker, near the Adelaide Hills district
- Comprises 54 single bed units catering for both singles and couples spread across 7 separate single level buildings and a 3 bed managers unit
- Well maintained, gated community that is in close proximity to public transport and other local amenities including a hospital
- Eureka has a strong presence in Adelaide, with two owned and two managed villages which the Mount Barker village will complement
- Village is located in a core market for Eureka, with favourable demographics including a population of 6,946 over the age of 65[1], of which 59% receive the pension[2]
- Demonstrates ability of Eureka management team to source off-market acquisition opportunities
- Contracts exchanged 30 October 2024. Eureka expects to settle on 30 November 2024

Snapshot	Mt Barker, Adelaide Hills, SA
Acquisition Price	$10.3m
Ownership	100%
Units	55
Occupancy	98%[3]
EBITDA Yield (p.a.)	9.2%

ACQUISITION OVERVIEW

1. ABS Census All persons – Mount Barker (2021)
2. DSS Benefit and Payment (December 2021)
3. As at 21 October 2024

Outlook

Trading Update

Occupancy levels remain at 98% with macro tailwinds underpinning future demand

Eureka's rental villages continuing to deliver stable cashflows	• Occupancy presently tracking at 98% - near record high levels • Pension increase of 4.1% for six months to September 2024. Expect FY25 same unit rental growth of 5 – 7% • Across 52 communities the Group presently has 34 communities trading at 100% occupancy
Queensland experiencing particularly strong demand	• One vacancy is forecast across over 1,400 units in Queensland by the end of October 2024 • Some softness in rental rate / occupancy being experienced across select villages in South Australia and Tasmania
General demand for rental accommodation remains very high underpinning Eureka's business model	• Across Australia, current vacancy for residential accommodation is 1.2% as at 30 September 2024[1] • Average rents over past 12 months have increased by 7.2% as at 31 August 2024[2]
Significant supply / demand imbalance for rental accommodation expected to remain in place	• Demand for rental accommodation remains very high driven by strong levels of immigration and overseas students, an ageing population, housing affordability concerns and limited supply • Highly constrained new supply due to cost of construction, lack of access to development funding and availability of suitable land

1. SQM research residential vacancy rates
2. Corelogic research

Guidance and Outlook

Equity Raising Transaction summary	• Eureka has entered into contracts, heads of agreement, is in due diligence or advanced discussions to acquire 441 units across 7 villages and has acquired or is in advanced discussions to acquire 38 single units across 4 managed villages with a total expected investment of $49.9m and has identified $7.5m of village expansion opportunities
	• Acquisitions will be funded via an underwritten Equity Raising of $70.4m at a fixed issue price of $0.61 per share, comprising:
	  • A 1 for 3.4 accelerated non-renounceable pro-rata Entitlement Offer to raise $55.4m; and
	  • An institutional Placement of New Shares to raise $15.0m

Trading update and outlook	• Occupancy presently tracking at 98% - near record high levels • Expect FY25 same unit rent growth of 5 – 7% • Demand for rental accommodation remains very high driven by strong levels of immigration and overseas students, an ageing population, housing affordability concerns and limited supply
Guidance	• FY25 Underlying EBITDA growth of at least 16% on FY24 • FY25 Underlying EPS growth of at least 8% on FY24 • Fully deployed[1] pro forma Underlying EPS growth of at least 19% on FY24

1. Assumes full year impact of deployment of proceeds of the Equity Raising towards Acquisitions

Definitions

EBITDA
(Earnings before interest, tax, depreciation and amortisation)
An unaudited non-IFRS measure. The Directors believe it is a readily calculated measure that has broad acceptance and is referred to by regular users of published financial statements as a proxy for overall operating performance. EBITDA is calculated from amounts disclosed in the financial statements

Eureka
Eureka Group Holdings Limited (ACN 097 241 159)

Gearing
Calculated as net debt (being interest-bearing drawn debt net of cash) divided by net debt plus equity

Net debt
Interest-bearing drawn debt net of cash

Underlying EBITDA
An unaudited non-IFRS measure that represents the operating performance of the Group and excludes valuation adjustments, asset disposals and certain non-core or non-recurring transactions

Underlying EPS
Underlying profit before tax divided by the weighted average number of shares on issue

Underlying profit before tax
Underlying EBITDA less interest, depreciation and amortisation

WACR
Weighted Average Capitalisation Rate

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