

## ASX Announcement

4 July 2023

### Property Valuation Uplift & Upgraded Underlying EBITDA Guidance

Eureka Group Holdings Limited (ASX: EGH) (Eureka) is pleased to announce the following update in relation to its expected results for the year ended 30 June 2023:

- Forecast FY23 Underlying EBITDA<sup>1</sup> guidance has been upgraded to \$12.2 million - \$12.5 million representing annual growth of 16% - 19% over the prior year and exceeds the previous FY23 Underlying EBITDA guidance of \$11.8 million - \$12.1 million.
- Draft independent valuations of Eureka's property portfolio<sup>2</sup> indicate a net revaluation uplift of \$17.5 million or approximately 5.8 cents per share from 31 December 2022 to 30 June 2023. The uplift is net of capital expenditure incurred since 31 December 2022 and improves Eureka's net tangible assets (NTA) per share by approximately 4.4 cents after tax, an 11% increase.

Eureka's Executive Chairman, Mr Murray Boyte, said "The upgraded FY23 Underlying EBITDA guidance reflects the Group maintaining high occupancy and receiving the benefit of strong demand and rental growth, underpinned by CPI adjustments and government rental support.

"The valuation uplift demonstrates Eureka's strategy in the independent senior living segment of the affordable build to rent (BTR) sector being recognised by independent valuation firming the value of the owned assets from a weighted average capitalisation rate of 9.35% to 8.30%.

"We are well positioned to continue to deliver the benefits of executing our growth strategy in FY24 and beyond, through organic growth in rent, strategic development and expansion projects and the deployment of new technology. Eureka continues to experience strong demand and levels of enquiry, evidenced by an occupancy rate exceeding 98% in the majority of its villages."

### Business Update

The Brassall development in south-east Queensland is well progressed, with stage one comprising 10 of the 51 homes on track for completion by 31 July 2023. Rental agreements for 31 homes have already been secured at an average rent in line with or above projected levels.

Eureka's principal lender NAB has extended the Group's \$83 million debt facility through to 31 March 2026.

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<sup>1</sup> Underlying EBITDA is an unaudited non-IFRS measure that represents the operating performance of Eureka and excludes valuation adjustments, asset disposals and certain non-core or non-recurring transactions.

<sup>2</sup> Excluding recently acquired, managed, development and non-core assets.

## **Property Portfolio External Valuations**

In February 2023, Eureka announced that it would engage independent external valuers to value its property portfolio.

The draft independent valuations of 29 villages, including the 5 villages held in joint venture, indicate a net revaluation uplift for Eureka of \$17.5 million from 31 December 2022 book values. The uplift is net of capital expenditure incurred. The valuation uplift substantiates the favourable locations of Eureka's properties and the recognition of the specialised affordable build to rent sector serving the large cohort of retirees seeking rental accommodation.

No material changes are expected upon receipt of the final valuation reports which are subject to review by Eureka's external auditors.

This announcement was approved, and authorised for release, by Eureka's Board of Directors.

### **For further information**

**Investors**, contact Murray Boyte, Executive Chairman on 07 5568 0205.

**Media**, contact John Hurst, Tribune Partners on 0418 708 663

### **Important Information and Disclaimer**

This announcement may contain forward-looking statements, which include all matters that are not historical facts. Without limitation, indications of, and guidance on, future earnings and financial position and performance are examples of forward-looking statements.

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