



Company	Hotel Property Investments Limited
Code	HPI
Meeting	AGM
Date	18 Nov 2020
Venue	Virtual, Link https://agmlive.link/HPI20
Monitor	Mike Robey (proxy collect)

Number attendees at meeting	unknown
Number of holdings represented by ASA	16
Value of proxies	\$813,000
Number of shares represented by ASA	250,850
Market capitalisation	\$511m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	No (proxy collection)

I'd love to have a beer with Gunston

The Chair, John Russell, announced his retirement effective Feb 2021. The incoming chair Mr Gunston spoke to the handover after the formal meeting closed. He has been with this real estate investment trust (REIT) since 2013 and believes this experience will be of use to the company in the next phase.

The meeting was modest, with no video, no flashy presentations and in fact no publication of the chair's speech on the ASX. This seems to be in keeping with their frugal approach to expense, mentioned in the questions. The chair was well aware of time delays and left ample time for questions and voting, so handled the meeting well.

HPI, which is a REIT specialising only in pubs, had just prior to COVID-19 renegotiated a number of near-expiry leases by extending these out to 11 years on average. These amounted to over 35% of their total stock, so significantly improved their portfolio weighted average lease expiry (WALE). They also purchase two new pubs for \$60m in total.

The share price at the start of the past financial year has not yet fully been reached again, so we asked the opinion of the Board about the longer-term impacts of COVID-19 on their business. The answer was that the bulk of their properties fortunately are in Qld and SA which have both had quick recoveries from COVID-19. Their advice is that business has returned to normal in both

areas, so there appear to be little lasting impact. That said, they have granted some pubs 6 month rent deferrals totalling \$7.5m, which become payable in full commencing 21 February.

The only questions were from the ASA, on long term impacts of COVID-19 on pub business, on how their management fees benchmarked against other popular REITs (they don't benchmark, but have a modest structure and are frugal), why they didn't do an SPP alongside the institutional placement (timing was awful, just after the COVID-19 hole appeared in the stock market, so they pulled it).