



4 October 2022

The Manager  
ASX Market Announcements  
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**Electronic Lodgement**

**AMCIL Limited  
2022 Annual General Meeting Presentation**

Dear Sir / Madam

The following presentation will be delivered to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully

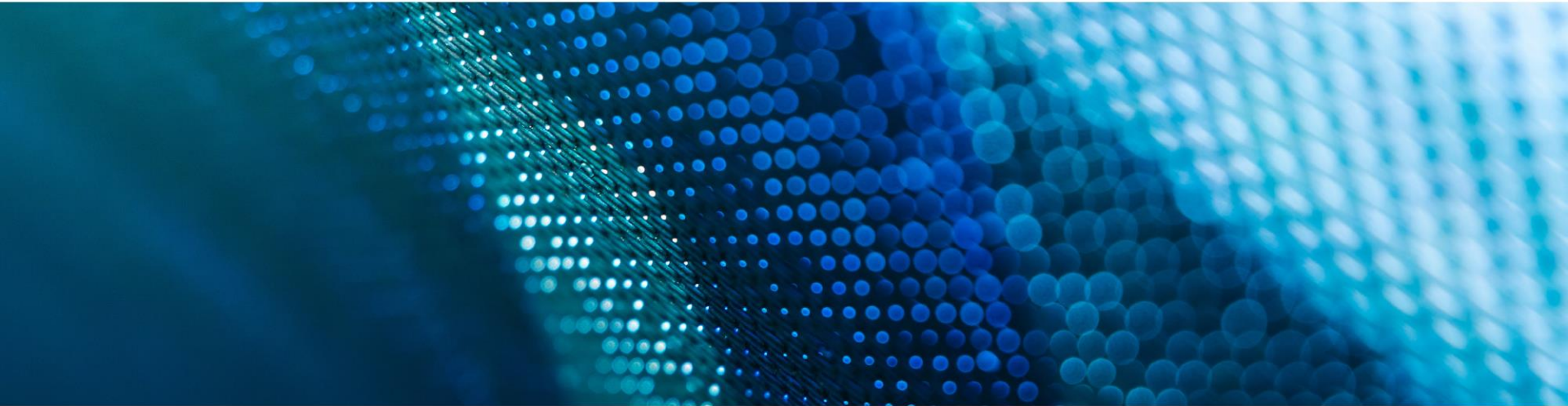
A handwritten signature in grey ink, appearing to read 'Matthew Rowe'.

Matthew Rowe  
Company Secretary

Authorised for release by the Company Secretary



Annual General Meeting  
October 2022



# Board Members

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**Rupert Myer AO**  
Chairman and Independent  
Non-Executive Director



**Mark Freeman**  
Managing Director



**Jodie Auster**  
Independent Non-Executive  
Director



**Roger G Brown**  
Independent Non-Executive  
Director



**Michael J Hirst**  
Independent Non-Executive  
Director



**Siobhan L McKenna**  
Independent Non-Executive  
Director



**Jon Webster AM**  
Independent Non-Executive  
Director

# How to ask a question

- To ask a written question select the Q & A icon
- Select the topic your question relates to from the drop-down list
- Type your question in the text box and press the send button
- To ask a verbal question follow the instructions below the broadcast window.

The screenshot shows a web interface with four tabs: 'Broadcast', 'Vote', 'Q & A', and 'Documents'. The 'Q & A' tab is selected and highlighted with a purple underline. Below the tabs is a large text box labeled 'Your question(s)'. Below this text box is the instruction 'You may enter a question using the field below.' followed by a dropdown menu labeled 'Select Topic'. Below the dropdown menu is a smaller text box with the instruction 'Questions are limited to 2000 characters.' and a 'Send' button. The text box shows '0 character(s)'.

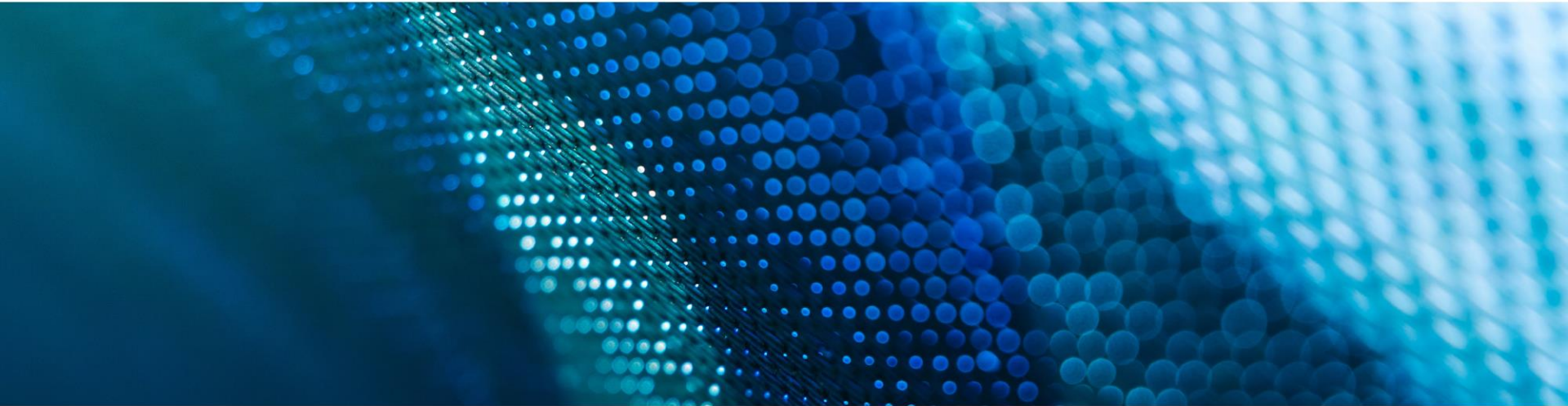
# How to vote

- When the poll is open, select the vote icon at the top of the screen
- To vote, select either For, Against or Abstain
- You will see a vote confirmation
- To change or cancel your vote “click here to change your vote” at any time until the poll is closed

The screenshot displays a web interface for a virtual meeting. At the top, there is a navigation bar with four icons: a monitor for 'Broadcast', a document with a red '1' for 'Vote' (which is the active tab), a speech bubble for 'Q & A', and a folder for 'Documents'. Below the navigation bar, a grey header reads 'Items of Business'. The first item is '2A Re-elect Mr Sam Sample as a Director'. Underneath this item is a row of three buttons: 'FOR', 'AGAINST', and 'ABSTAIN'. The second item is '2B Re-elect Ms Jane Citizen as a Director'. Below this item is a green circular checkmark icon, followed by the text 'We have received your vote For' and a link that says 'Click here to change your vote.'.



Annual General Meeting  
October 2022  
Presentation



# Disclaimer

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These materials have been prepared solely for the purpose of information and do not constitute, nor are they intended to constitute advice nor an offer or invitation to any person to subscribe for, buy or sell any shares or any other securities.



## Our Purpose and Approach





# The Key Unique Benefits of an Investment in AMCIL

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The key **unique benefits** of AMCIL are the combination of:



Consistency of long term returns



Alignment of interests

- ✓ Comparatively low management cost
- ✓ No performance fees



Tax effectiveness from a low turnover, long term investment approach

# AMCIL's Investment Approach

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## Attributes of a high-quality company that we seek:

- Industry leadership position (or developing one)
- Unique assets that are hard to replicate
- Conservative balance sheets (low debt)
- Not unduly burdened by external risk factors
- Consistency of earnings
- Run by effective, passionate management with ownership alignment

## Why this matters:

- The presence of these factors drives a competitive advantage
- Which leads to high return on capital
- And allows for reinvestment opportunities to drive growth
- Which allows for market share capture – and further enhancement of leadership position
- Which combines to deliver long term shareholder value creation

**We seek to buy these companies when we identify long term value**

# ESG components are integrated into our Investment Framework



## Approach to Environmental, Social and Governance (ESG) factors

- Assessment of ESG risk factors is an important part of our investment process as the sustainability of a business is a key input in our assessment of a company.
- As a long term investor, we seek to invest in companies that have strong governance and risk management processes, which includes consideration of environmental and social risks.
- We regularly review companies to ensure ongoing alignment with our investment framework.



## Engagement with companies

Voting on resolutions is one of the key functions that a shareholder has in ensuring better long term returns and management of investment risk:

- We conduct our own evaluation of the merits of any shareholder resolution and also take input from proxy advisors.
- We vote on all company resolutions as part of our regular engagement with companies.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests.



## Financial Year in Summary

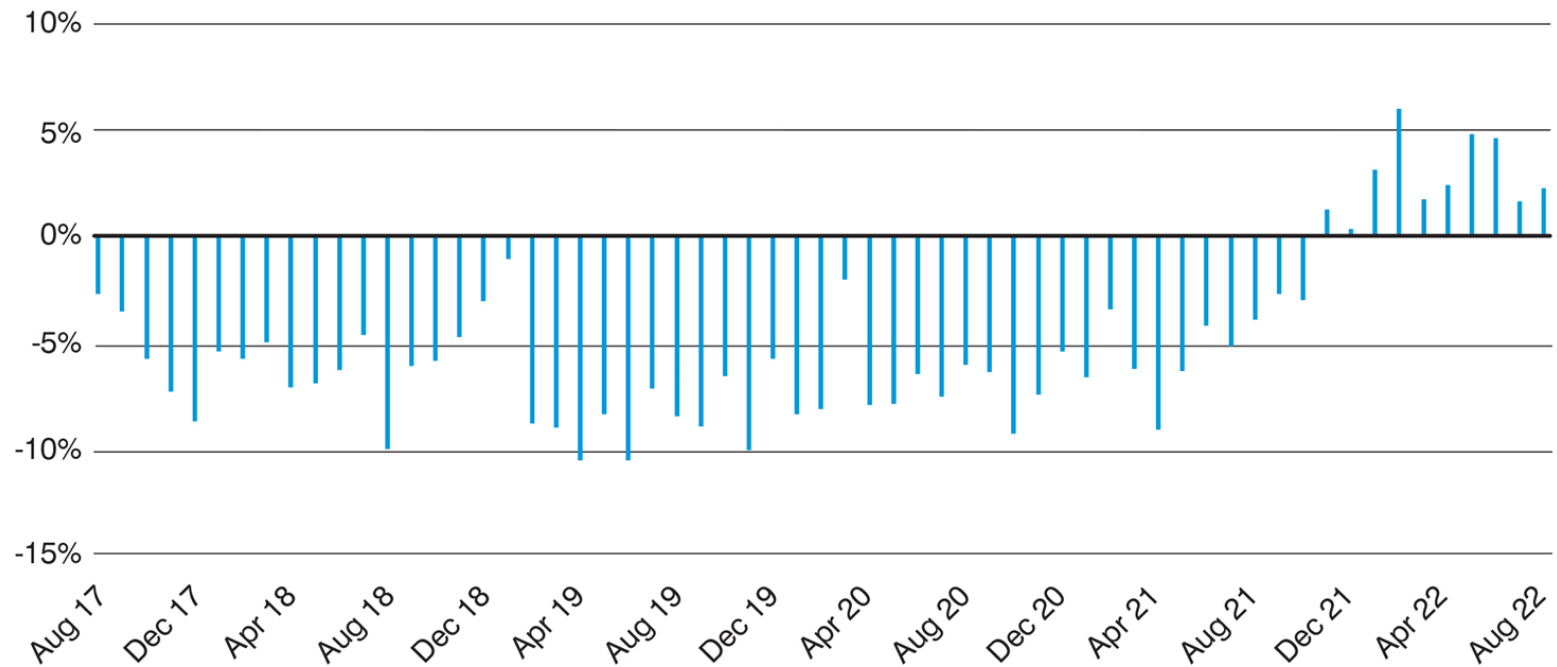


# Financial Year in Summary

	2022				
Profit for the Year	\$8.1m		Up 19.8% from 2021	Total Shareholder Return	-6.5%
					Share price plus dividend including franking*
Total Fully Franked Dividend	2.5¢ Final	3.5¢ Total	4.5 cents total in 2021, includes 2 cent special dividend per share	Management Expense Ratio	0.52%
					0.56% in 2021
Total Portfolio Return	-14.3% Including franking*		S&P/ASX 200 Accumulation Index including franking* -5.1%	Total Portfolio	\$328.3m
					Including cash at 30 June. \$382.8 million in 2021

\* Assumes an investor can take full advantage of the franking credits.

# Share Price Premium/(Discount) to NTA



# Equity Market Conditions

# The Costs of Living are Surging

Australia's annual headline inflation rate jumped to 7% in July 2022, **the highest level since mid-1990** and is **climbing at a faster pace** than wages growth.

**In July 2022 it cost (on average):**



**+29% more**  
to fuel a car



**+18% more**  
to pay for electricity\*



**+15% more**  
for a basket of fruit and  
vegetables



**+12% higher**  
monthly repayment on a  
30-year variable mortgage

\* From June 2021 to June 2022

**As compared to July 2021**



# Global Conditions are Changing



Source: Financial Times, February 2022



Source: AFR, July 2022



Source: The Wall Street Journal, June 2022

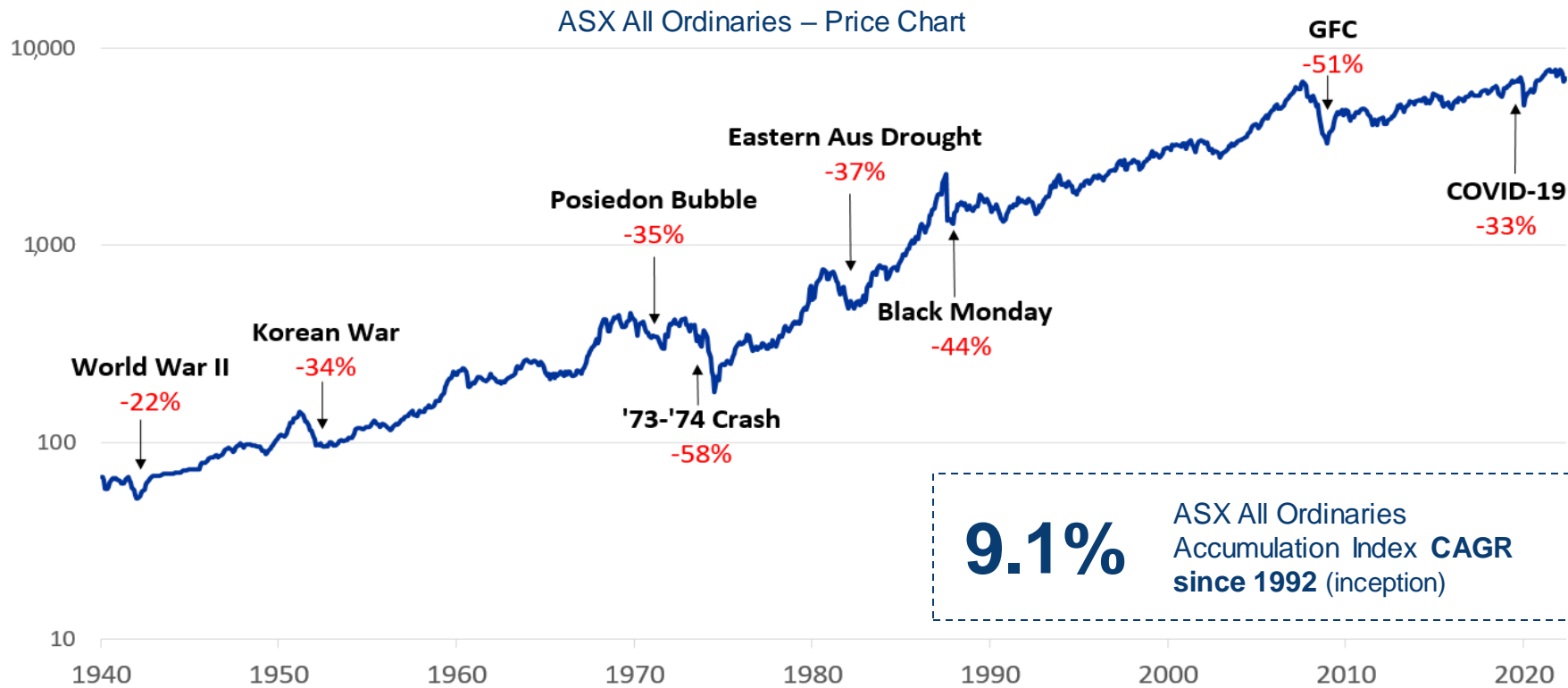


Source: Reuters, June 2022



Source: Financial Times, August 2022

# Equity Markets Have Overcome Bad News Before

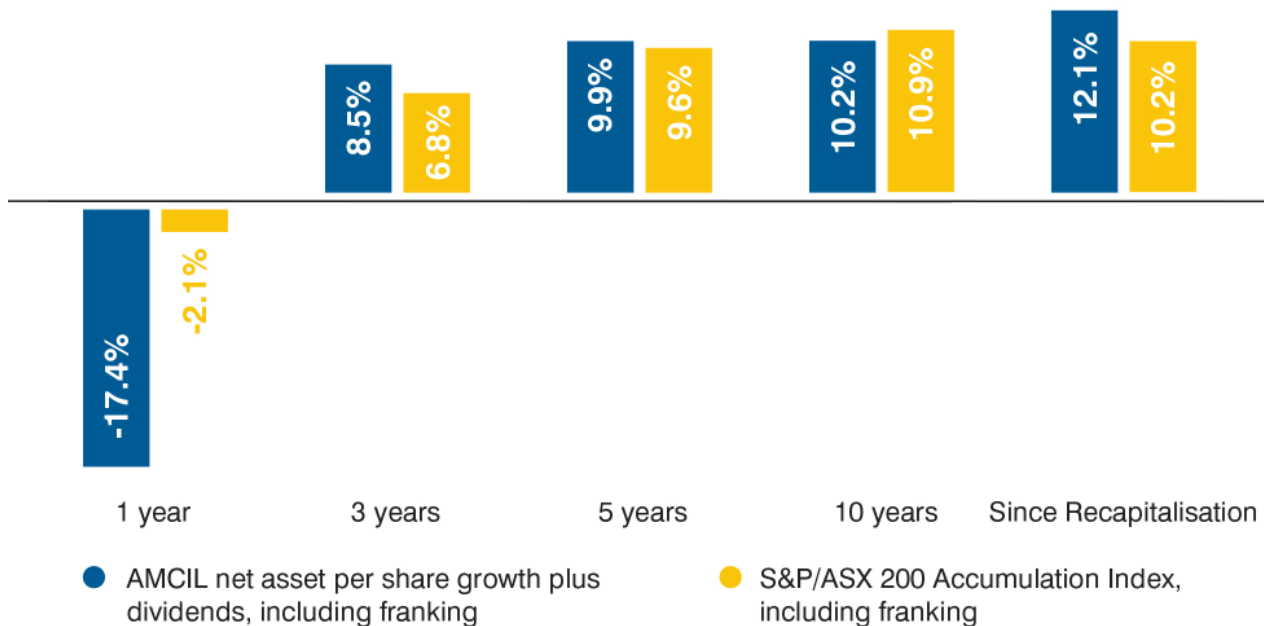




## Portfolio Performance and Activity



# Portfolio Performance – Per Annum Returns to 31 August 2022\*



\* Assumes an investor can take full advantage of the franking credits. AMCIL's portfolio return is also calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses or tax.

Past performance is not indicative of future performance.

# Our Recent Underperformance

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## **AMCIL portfolio considerations:**

- Strong prior performance of key holdings
  - Tax aware investment approach – largely maintained existing positions
  - Some selling, generally due to excessive valuation:
    - incurred \$10m CGT in FY22 (generating franking credits) – approx. 280 bp performance impact
- 

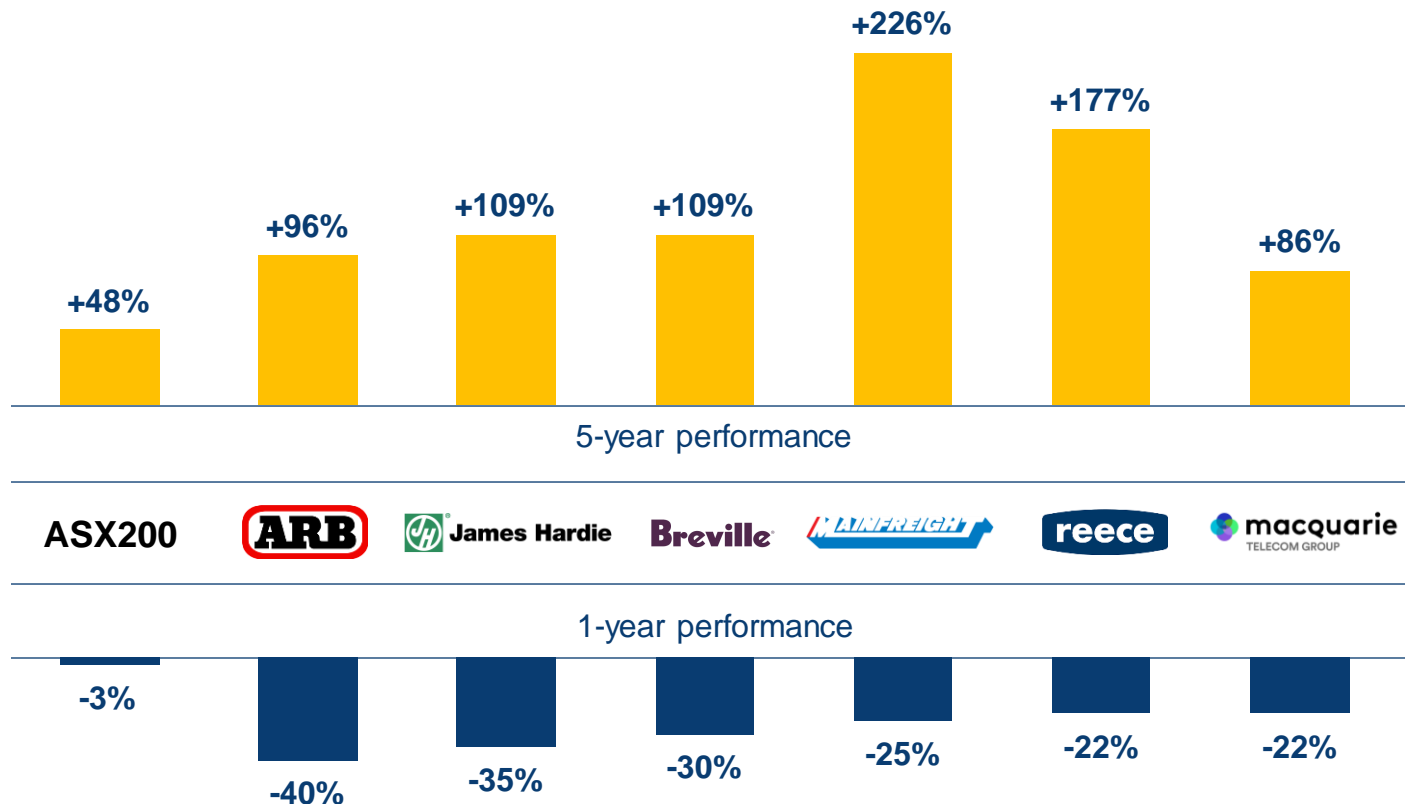
## **Equity market considerations:**

- Interest rate increases weigh on the valuation of long term growth companies more
  - Resource stocks strongly outperformed – Ukraine war, constrained supply
- 

## **Looking forward:**

- We maintain a strong belief in our investment approach
- Conviction in the business fundamentals and long term outlook for our holdings undiminished
- The valuation retracement of key holdings enhances their future return outlook (ceteris paribus)

# AMCIL Key Holdings – A Longer Term Context Against Recent Falls



# Cyclical Sectors with Strong Recent Performance – A Longer Term Context



## UTILITIES ASX 200 Index



## ENERGY ASX 200 Index



# How We Managed the Portfolio\* During Recent Market Volatility



Raised additional cash in March 2022 for investment through SPP - \$10 million



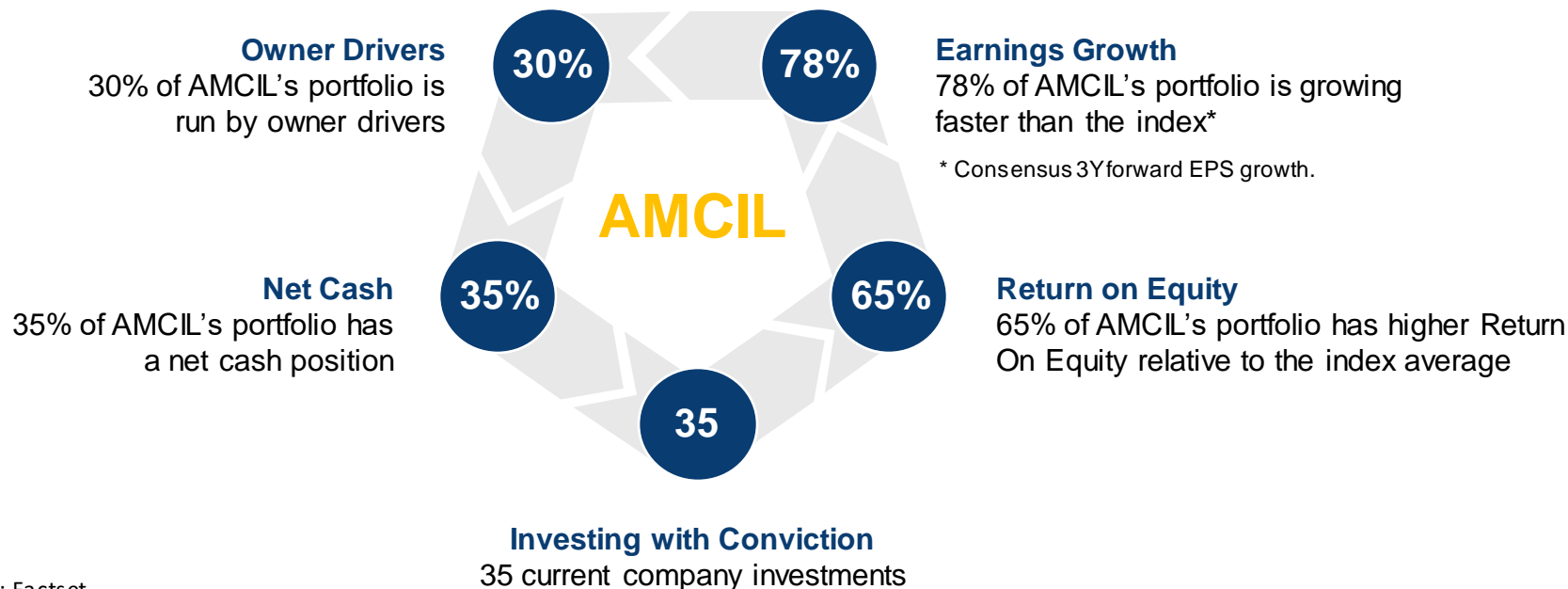


## Features of the AMCIL Portfolio



# AMCIL's Portfolio Quality Markers

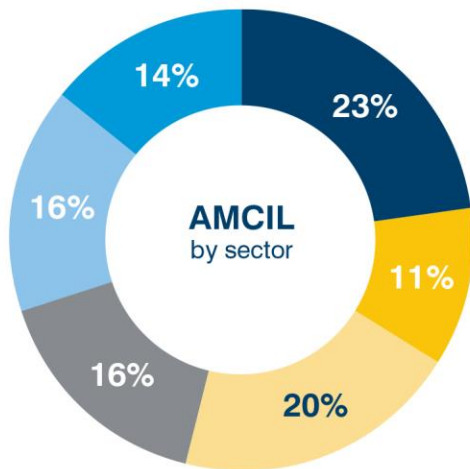
'Quality' for AMCIL means seeking high returning businesses with attractive earnings growth potential, aligned backable managers and Balance Sheet strength.



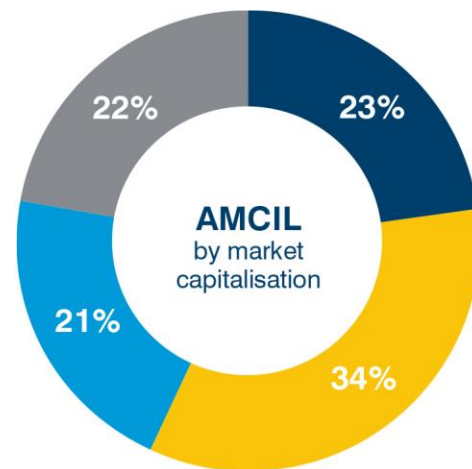
Source: Factset

# AMCIL's Portfolio Diversification

A spread of high quality of **small and large businesses** operating across **different sectors** and **geographies** gives us long term confidence across a variety of possible equity market and economic conditions.



IT & Comms    Healthcare    Financial (inc. Property)  
Industrials    Consumer    Resources



<\$5bn    \$5bn-\$15bn  
\$15bn-\$50bn    <\$50bn

# AMCIL Companies' Leadership Extends Around the World

Our companies are  
established leaders in



**25+**  
COUNTRIES

**CSL™**

**Transurban**

**ARB**

**A** Auckland  
Airport



REA Group

**Wesfarmers**

**PEXA**



Woolworths

**Domino's**



**ResMed**

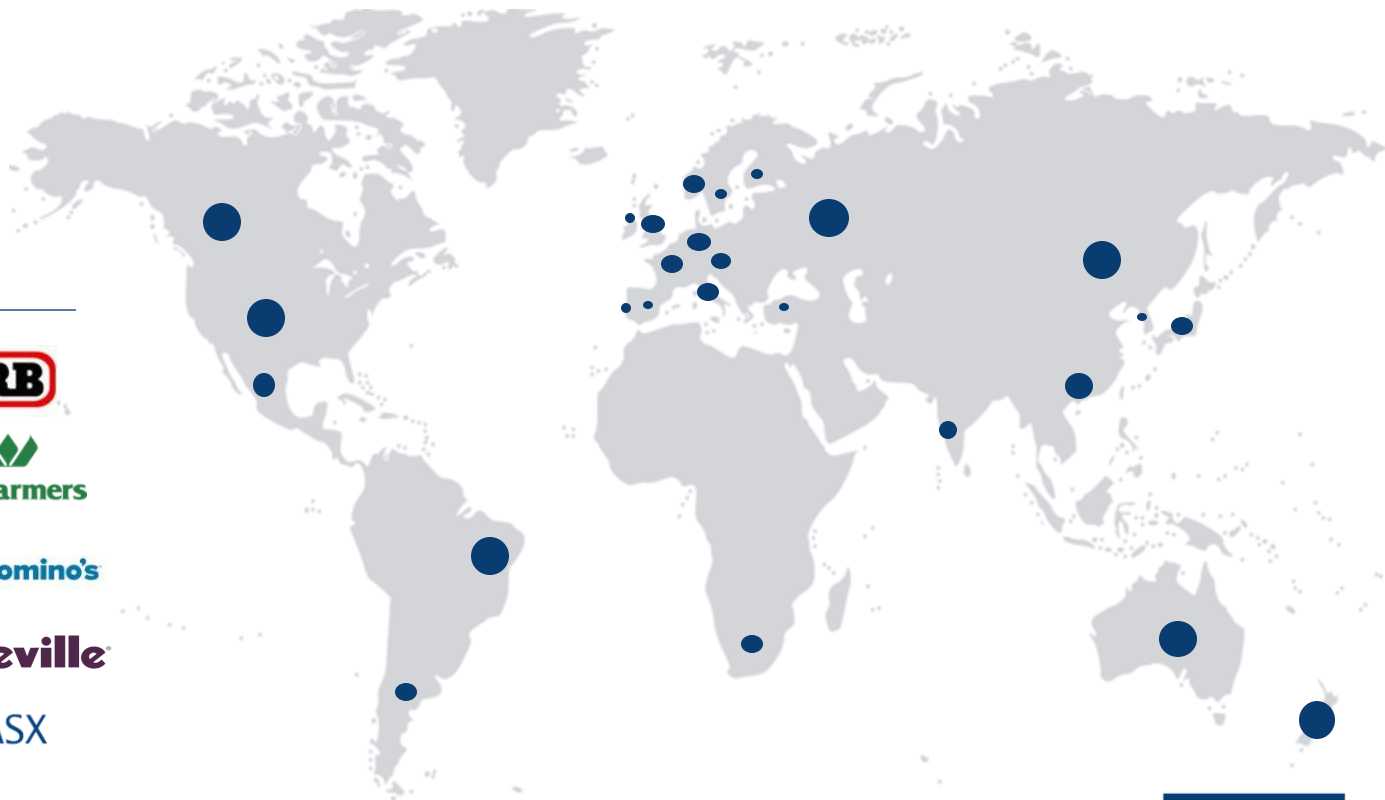
**Breville®**

**Fisher & Paykel**  
HEALTHCARE



Cochlear®

**ASX**



# AMCIL's Holdings – A Closer Look at Market Leadership



A **global leader** in the ownership, management and development of industrial property

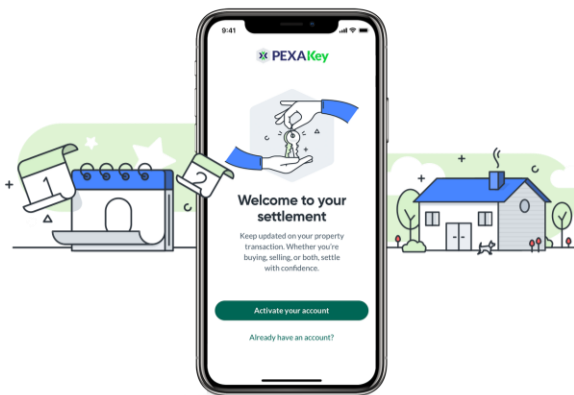
Prior experience of founder **Greg Goodman** in tough cycles leads to sector leading Balance Sheet strength

**Owner driver** culture allows for heavy skew to 10-year management remuneration – attractive point of differentiation

Goodman's Development Work in Progress **has grown four-fold** over the last 6 years and now sits at **\$13.6b**

Strong **industry tailwinds** sees high current tenant occupancy and attractive ongoing long term development opportunities

# AMCIL's Holdings – A Closer Look at Market Leadership



A **pioneer** and **leader** in digital property settlements in Australia

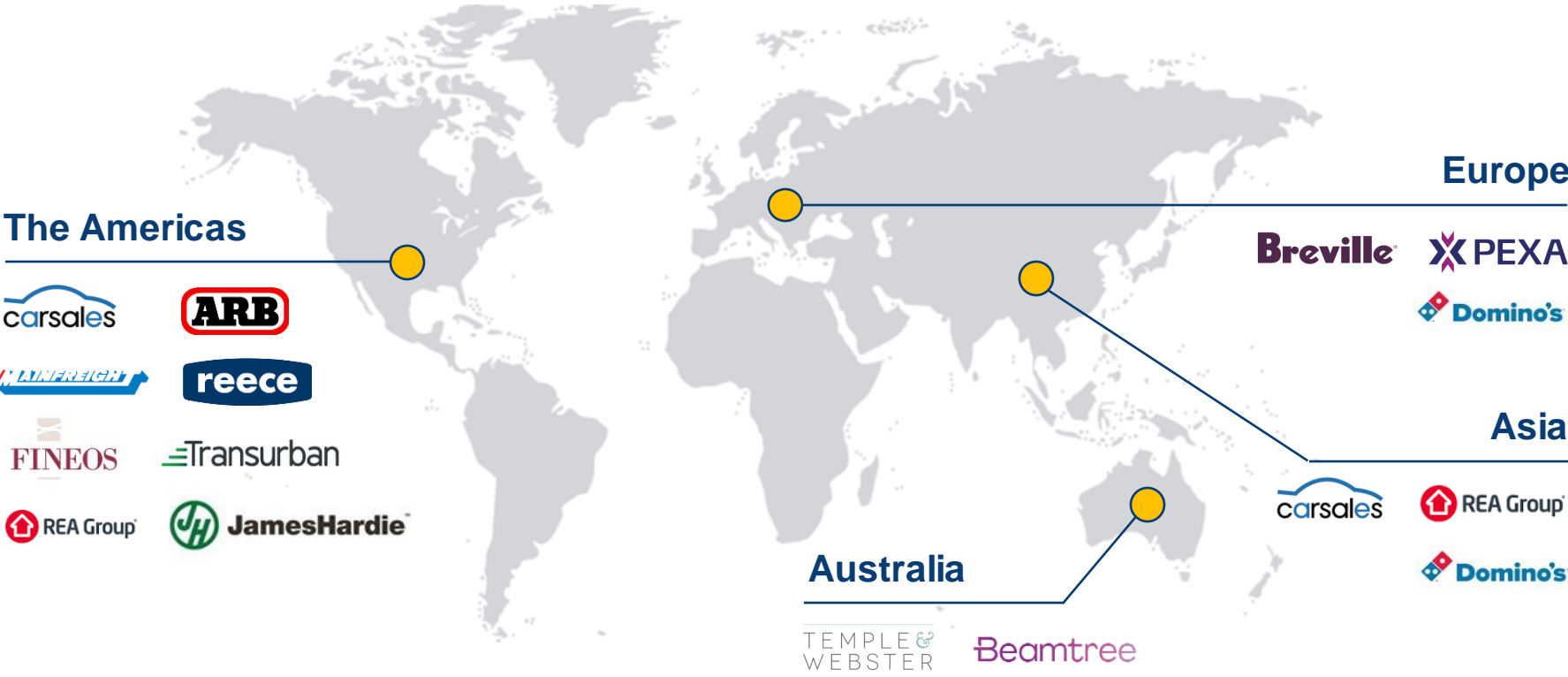
Established in 2010 – since facilitated **four million property transactions** valued at more than **\$600b**

Now handles more than **80% of property transfer transactions** and **90% of refinancing transactions** in Australia

Has developed a **deep network** of Practitioner Firms, Financial Institutions, the RBA, Land Titles Offices and State Revenue offices

Taking their know-how to **larger offshore markets**, starting in the UK

# AMCIL's Emerging Leaders



# AMCIL's Holdings – A Closer Look at Market Leadership

## Breville®



High **consumer recognition** for quality, durable, aesthetically pleasing and easy to use kitchen appliance product development

Entered the North American market in 2002, have **organically grown** sales to \$600 million AUD since, growing 12% pa over the last 10 years

Refreshed **globally experienced management team** are driving growth through direct distribution in many new geographies

Investing in global operating systems and product differentiation with a **long term** lens



The background of the slide is an abstract composition. It features a dark, textured blue field. Overlaid on this are several elements: bright, diagonal streaks of yellow and orange light in the upper left; a vertical band of cyan light on the right; and various rectangular and triangular shapes in shades of red, orange, and yellow, some appearing as if they are floating or falling. The overall effect is dynamic and futuristic.

## Outlook

# Portfolio Outlook

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## Questions that we can't answer:

- At what level will interest rates peak?
- Will central banks successfully avoid a recession?
- When will the Russia and Ukraine war end?
- Will there be further disruptive COVID strains?

We choose to answer different questions in response. In tougher economic conditions:

- ✓ **Quality attributes** of a company matter even more
- ✓ Market leaders typically **grow their market share faster**
- ✓ **Share prices are driven by earnings growth in the long term**

AMCIL