

17 February 2021

Half Year Results to 31 December 2020

Summary

- \$2.98 million operating profit after tax
- A policy of paying quarterly dividends was adopted and the Board declared dividends of 1.1 cents per share for each of the September and December 2020 quarters
- The on-market buyback of QV Equities shares was renewed in September and the Board expects this to be accretive to net tangible assets (NTA)

Financial Results

QV Equities (the Company) today reported an operating profit after tax of \$2.98 million for the half year to 31 December 2020. The reported profit is down on the previous corresponding period reflecting a challenging environment caused by the negative impact of COVID-19 on the profitability and dividends of many companies in the QV Equities portfolio.

2021 Focus

The Company's Board remains focused on addressing the issue of the Company's share price trading at a discount to its net tangible asset backing and the Investment Manager, Investors Mutual Limited (IML) continues to be focused on building long-term value and income for shareholders.

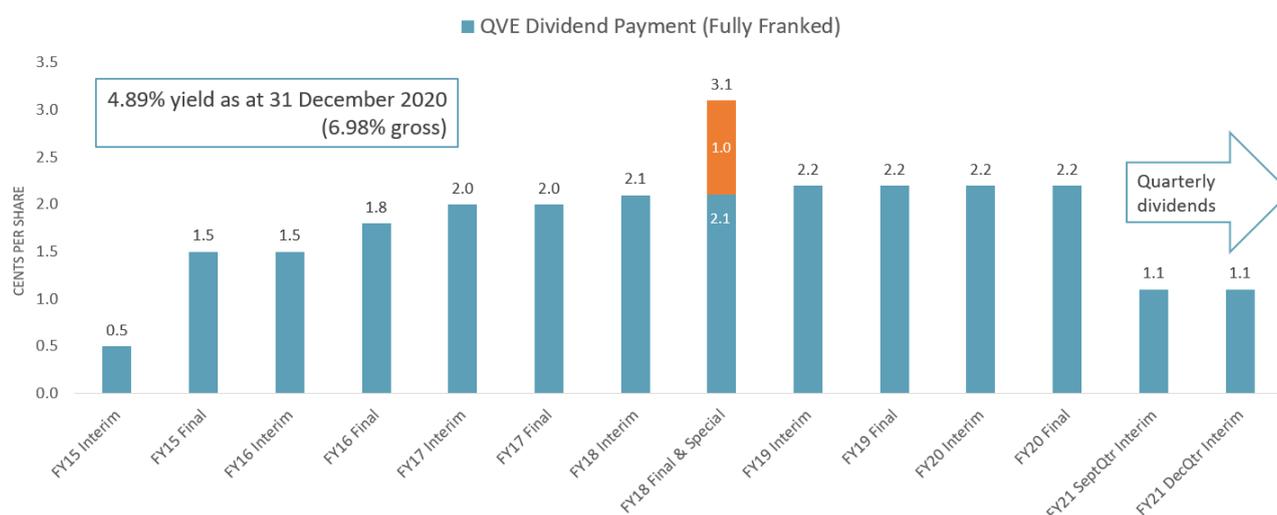
Chairman Peter McKillop said:

"Your Board remains active in considering and implementing initiatives which will address the discount of the market value of the Company's shares to net tangible assets. The Company has sufficient cash reserves not only to take advantage of any market volatility but also to continue to pay dividends to shareholders."

Regular, consistent dividends

In October 2020, the Board adopted a policy of paying quarterly dividends to give shareholders a more regular income stream from their investment in the Company. Also, it is the Board's intention to pay dividends totaling **4.4 cents per share for the 2021 financial year***, in line with dividends paid for the financial year 2020.

On 28 January 2021, the QVE Board declared a **quarterly dividend of 1.1 cents per share** fully franked for the December 2020 quarter which will be paid on 5 March 2021.



*subject to the Company maintaining sufficient profit reserves and there being no material impacts, changes or unforeseen events

Share buyback

The on-market buyback of the Company's shares was renewed in September, extending the buyback to 8 September 2021. Apart from supporting the Company's share price, the main advantage of the buyback is that the shares are purchased at a discount to NTA and cancelled, thereby currently increasing the NTA per share for remaining shareholders.

Under the renewed facility, a further 10% of shares may be purchased over this 12-month period. This is in addition to the shares already purchased under the initial facility.

As at 31 December 2020, over 30 million shares, costing around \$27 million, have been purchased and cancelled since the first buyback commenced in September 2019.

Portfolio Focus

Sharemarkets around the world recovered strongly over the first half of financial year 2021, due to strong Central Bank and government actions as well as investor optimism for an improved economic outlook in 2021. However, many companies' profitability and dividend outlooks continue to be affected by the economic uncertainty.

Anton Tagliaferro, co-Portfolio Manager of QV Equities, said:

"The performance of the sharemarket over the first half of the financial year has been driven by significant speculative activity and many 'concept' stocks, and this has affected QVE's relative performance. We continue to invest in companies that we believe possess the attributes we have always sought – a strong competitive advantage; recurring, predictable earnings; experienced and capable management teams; the ability to grow their earnings over the next three to five years; and that based on our research are trading at a reasonable valuation."

"While many companies in the portfolio cut or reduced their dividends over 2020 as COVID-19 impacted their operations, we are confident that the majority of these companies will restore their dividends in the foreseeable future."

"We remain confident in the quality of the companies held in the portfolio, and in their ability to grow their earnings and resume paying healthy dividends as economic conditions stabilise."

Upcoming Investor Event

We invite all shareholders, advisers and interested investors to join Portfolio Managers **Anton Tagliaferro** and **Simon Conn** for an update on the positioning of the QVE portfolio.

In light of the ongoing pandemic, we will hold an in-person event in Sydney and livestream the event to allow everyone to join us online.

Date:	Thursday 25 March 2021	
Livestream time:	4.30-5.30pm (AEDT)	Register for the livestream
In person time:	4.00 for 4.30pm	Register to attend
Location:	Four Seasons Hotel, 199 George Street, Sydney	

About QV Equities: QV Equities Limited (QVE) is a Listed Investment Company established with the primary objective of providing both long-term capital growth and income, through a diversified portfolio of ASX listed entities outside of the S&P/ASX20 Index. The portfolio is managed by Investors Mutual Limited (AFSL 229988), an award-winning and experienced investment management company with an excellent track record of successfully managing Australian equities since 1998.

We are focused on providing our shareholders with regular communication, investment insights and event invitations. If you would like to receive these invitations and updates on the portfolio, please subscribe on our website qvequities.com or provide your email address to info@qvequities.com

For further information:

www.qvequities.com

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The release of this announcement was authorised by the Board.