

17 August 2022

## QV Equities Limited - Full Year 2022 Results Announcement

### Key Results

- The portfolio delivered a positive return of +1.6% for the year (benchmark -9.0%)
- Full year, after-tax profit was \$6.1 million, up 9.1% on FY21
- A final, fully-franked dividend of 1.2 cents per share (cps) will be paid on 3 September, taking the full year fully-franked dividends to 4.8 cents (4.4 cents in FY21)

The Company reported a net after-tax profit of \$6.1 million for the year to 30 June 2022, compared to \$5.6 million for the 2021 financial year. The portfolio returned +1.6% for the financial year, compared to its benchmark's (ASX300 ex-20 Accumulation Index) negative return of -9.0%.

Chairman **Peter McKillop** said of the result: "It was a challenging environment for investors in the second half of the year, so it was pleasing that the portfolio's value increased by 1.6% for the year. This compares favourably to the benchmark's return of negative -9.0%. Also, I'm pleased we were able to continue our policy of paying quarterly dividends, and in fact increased our dividends by 9.1% on the previous year".

The Company announced on 29 July, 2022 a final, fully-franked dividend of 1.2 cents per share (cps) will be paid to shareholders on 2 September, 2022. For the full year, the Company's fully-franked ordinary dividend is 4.8 cents. The dividend announcement can be read on the Company's [website](#) or the ASX. Your Board recognises the importance of maintaining adequate reserves to allow these regular dividend payments and to this end had \$29 million of capital profits and profits reserves at the end of FY22 prior to the payment of the final dividend.

### QVE Portfolio and Performance

The Company's portfolio delivered a return before tax and after fees of +1.6% for the year ended 30 June 2022, compared to the benchmark's (ASX 300 ex20 Accumulation Index) return of -9.0%.

**Anton Tagliaferro**, Investment Director at the Company's Investment Manager, Investors Mutual Limited ('IML'), said: "The portfolio benefited from its avoidance of highly speculative and over-priced technology stocks and from its low exposure to highly cyclical sectors such as the Resources and Consumer Discretionary sectors. The strongest performers over the year included companies like AusNet Services, Amcor, Orica and Ampol as well as companies like New Hope Coal and Origin Energy which moved higher as sanctions and disrupted supply from the Russian invasion of Ukraine put upward pressure on prices.

"The year to 30 June 2022 was a year of two distinct parts, with world sharemarkets continuing to hit record highs in the first half spurred on by optimism about the economic outlook as interest rates remained at all-time lows in many parts of the world. We then saw a reversal of fortunes in the second half as the emergence of high inflation caused Central Banks to raise interest rates. This, along with the withdrawal of unprecedented government and central bank stimulus, prompted investor concerns of a global recession. This caused a broad-based sell off in sharemarkets, especially in economically sensitive sectors and speculative companies with very little earnings or cashflow."

"With increased volatility in markets, and investors exhibiting a greater level of caution, fundamentals are coming back into favour and this should continue to suit our investing style as can be seen by the way QVE has performed over the past year."

## Year in Summary FY2022

<b>Profit after tax</b> <b>\$6,148,699</b> (\$5,633,706 in FY21)	<b>Management Expense Ratio</b> <b>1.14%</b> (1.11% in FY21)		
<b>Earnings Per Share (cents)</b> <b>2.64</b> Basic (2.26 in FY21)	<b>Portfolio Return (Pre-tax)*</b> <b>+1.6%</b>	<b>Benchmark*#</b> <b>-9.0%</b>	<b>ASX 300*</b> <b>-6.8%</b>
<b>Dividends</b> <b>4.8 cps</b> Fully Franked (declared for FY22) (4.4 cps in FY21)	<b>Portfolio Return (Post-tax)*</b> <b>+2.4%</b>		
<b>Net Assets**</b> <b>\$243,126,059</b> (\$263,369,217 in FY21)	<b>Net Tangible Assets (NTA)</b> <b>\$1.04</b> (pre-tax cum div) <b>\$1.06</b> (post tax cum div)		

All data as at 30 June 2022 unless otherwise specified. \*Returns are measured for the 2022 financial year. #S&P/ASX300 ex20 index  
\*\*Whilst the portfolio had a positive return of 2.4% the reduction in Net Assets are mainly due to the share buybacks and dividend payments.

## Annual General Meeting Date

Shareholders are invited to attend the Annual General Meeting (AGM) on **Wednesday 26 October 2022** at 10am (AEDT). Following the AGM, Investors Mutual will provide an update for shareholders on the Company's portfolio. It is intended that the AGM is conducted in-person in Sydney, subject to government advice regarding corporate events. Shareholders will receive further information about the AGM in September.

Please note the closing date for Director nominations for the AGM is **Wednesday 7 September 2022**.

## On-Market Buy-Back

Your Board is endeavouring to reduce the discount between the net tangible assets (NTA) per share and the Company's sharemarket price.

An on-market share buyback has been in place since September 2019. Apart from supporting the Company's share price, the main advantage of the buyback is that the shares are being purchased at a discount to NTA. On purchase the shares are cancelled, thereby increasing the NTA per share for remaining shareholders.

Since the buyback commenced, the Company has purchased 47.7 million shares at a cost of 43.6 million to 17 August 2022.

**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, an award-winning and experienced investment management company with an excellent track record of successfully managing Australian equities since 1998.

For further information: [www.qvequities.com](http://www.qvequities.com)

Release authorised by the Board.