

21 February 2024

HALF YEAR RESULTS TO 31 DECEMBER 2023 AND UPDATE REGARDING STRATEGIC REVIEW

Summary

The portfolio returned +4.4% for the half year, ahead of the benchmark's return of +3.7%
\$4.62 million operating profit after tax

The Board announced its intention to pay dividends totalling 5.2 cents per share for this financial year*, in line with the previous year

Monash Advisory Pty Ltd has been appointed as lead advisor to QVE in respect of considering the Company's strategic alternatives.

Financial results

QV Equities (the Company) today reported an operating profit after tax of \$4.62 million for the half year to 31 December 2023.

Dividends

The Board recently declared a fully franked dividend of 1.3 cents per share for the December 2023 quarter, taking the first half total dividends to 2.6 cents per share fully franked. This is in line with the forecast of dividends totalling 5.2 cents per share for the financial year* ending 30 June 2024 as previously announced on 20 October 2023. This is in line with the dividends paid for the prior financial year. Dividends will continue to be paid on a quarterly basis.

Chairman **Peter McKillop** stated:

"Amid continued uncertainty in markets your Board and Investment Manager remained focused on ensuring that you continue to receive a dividend from your investment in QV Equities. The opportunity to receive an annual dividend of 5.2 cents per share is equivalent to a yield of 5.6% for financial year 2024 (calculated on the closing share price on 14 February 2024). With franking credits included, this equates to an 8.0% gross yield."

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

Portfolio performance and outlook

The Company's investment portfolio delivered a return of +4.4% for the half year to 31 December 2023, ahead of the ASX ex20 benchmark's return of +3.7%. After weakness early in the half, the ex-20 sector rallied late in the year, alongside other markets and indexes. The rally was driven by a global easing of inflation pressures, which drove up markets on the expectation of interest rate cuts at some point in 2024.

Simon Conn and **Marc Whittaker**, co-Portfolio Managers of QV Equities, said:

"It was pleasing to see the QVE portfolio rally towards the end of the year, as markets began to recognise the quality and value on offer, particularly in small and mid-cap industrials."

"While inflation is falling in most developed markets, it remains above most central banks' stated targets. We expect market volatility to persist with cost pressures remaining a challenge for companies in 2024. We continue to focus on well-established companies with strong competitive advantages and recurring earnings that are likely to perform well in a range of economic conditions, while actively looking for new opportunities. While small cap industrials have rallied, we believe many

quality small-caps, like those in the QVE portfolio, remain attractively priced and well positioned in an uncertain environment.”

Update on strategic review and appointment of lead advisor

As previously announced by QVE on 31 January 2024, the Board Committee of independent Directors established by the Board commenced a formal evaluation of strategic options available to QVE to maximise value for all QVE shareholders. That strategic review is ongoing, and QVE wishes to advise that it has now appointed Monash Advisory Pty Ltd as lead advisor in respect of the proposed off-market takeover bid announced by WAM Leaders Limited (ASX: WLE) on 31 January 2024, and in respect of the strategic alternatives available to the Company. There is no need for shareholders to take any action at this time. The Company will continue to keep shareholders updated in accordance with its continuous disclosure obligations.

ABOUT QV EQUITIES

QV Equities (QVE) is a listed investment company, which seeks to provide investors with a consistent, sustainable, income stream while also aiming for capital growth over time. QVE invests in companies listed on the Australian Stock Exchange (ASX), outside the S&P/ASX 20 Index.

For further information:

qvequities.com

Jake Waddell

Email: jake.waddell@natixis.com | Mobile: 0417 312 902

The release of this announcement was authorised by the Board.