



23 March 2021

The Manager  
ASX Market Announcements  
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## Electronic Lodgement

### AMCIL Limited Shareholder Telephone / Webcast Presentation

Please find attached the presentation to be used in the shareholder telephone / webcast briefing being held today **Tuesday 23 March 2021 at 3.30pm (AEDT)**.

To join please use the below link:

**Webcast Link:** <https://edge.media-server.com/mmc/p/z9ncc3dv>  
(This link will open directly in your internet browser).

Alternatively to join via the teleconference, please use the details below:

**Telephone:** 1800 175 864 (free call within Australia)  
1300 212 365 (mobile, free call within Australia)  
+61 2 8373 3550 (outside Australia)  
**Conference ID:** **2999839**

#### Joining the Conference Call:

1. In the 10 minutes prior to the call start time, call the appropriate dial-in number.
2. Enter the Event Plus passcode **2999839**, followed by the pound or # key and leave any information requested after the tone. You will be joined automatically to the conference. During the call you can indicate if you would like to ask a question by pressing (\*1) on your telephone keypad and wait for your name to be announced. International Dial-In Numbers will be available via the Company's website.

The presentation will be available under the News section of the Company's website  
[www.amcil.com.au](http://www.amcil.com.au)

ASX Release authorised by the Company Secretary



**Shareholder Presentation March 2021**



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# Our Approach

# AMCIL – Our Purpose and Approach

## Purpose

To deliver returns from Australian and New Zealand equities which exceed the market over the medium to long term through strong capital growth and the generation of fully franked dividends.

## Approach



High Quality  
Companies



Above  
Market  
Growth



Invest with  
Conviction



Focused  
Portfolio but  
Diversified



Both Larger  
& Smaller  
Companies

# AMCIL's Investment Approach – focus on investing in quality companies that can grow over the long term

## High Quality companies:

- Have a leadership position (or developing one) in their industry
- Have a sustainable competitive advantage and/or unique assets
- Reinvest to defend and enhance their position
- Deliver returns (ROIC) above their cost of capital
- Have conservative balance sheets (low debt)
- Run by passionate management who are good stewards of capital, often owner/drivers who have a deep understanding of the industry and their business

## Growing over the long term:

- Large market opportunity
- Ability to take market share
- Preference for consistency of earnings growth

## Seek to buy these companies when we identify long term value





## Financial Results

# Six months to 31 December 2020

|                                |                                             |                                                          |
|--------------------------------|---------------------------------------------|----------------------------------------------------------|
|                                | 2020                                        |                                                          |
| Profit for the Half-Year       | \$1.9m                                      | \$3.8 million in 2019                                    |
| Share Purchase Plan            | \$18.2m<br><small>Raised</small>            | 27.1% of shareholders participated                       |
| 6 Month Total Portfolio Return | 18.6%<br><small>Including franking*</small> | S&P/ASX 200 Accumulation Index including franking* 13.7% |

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

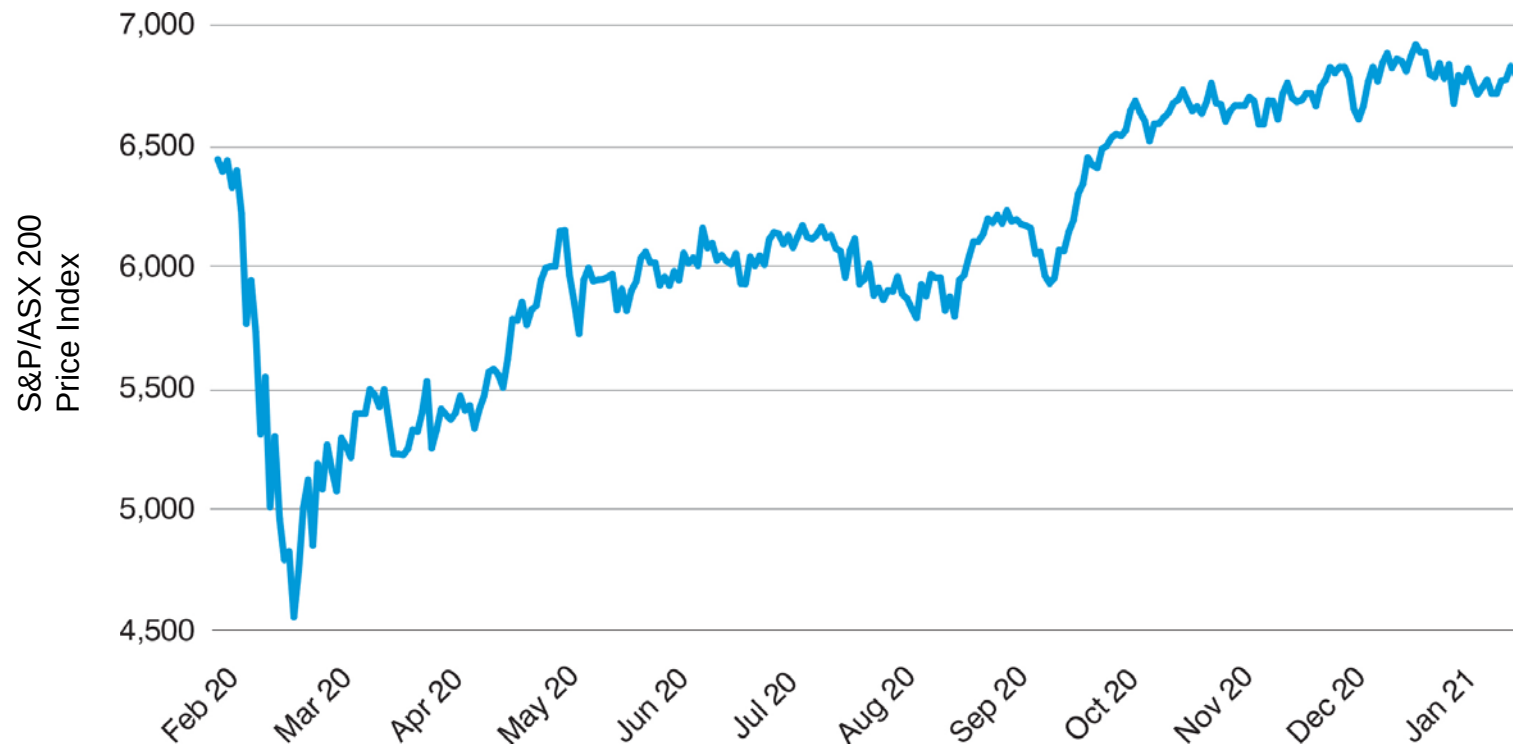
|                                       |          |                           |
|---------------------------------------|----------|---------------------------|
|                                       | 2020     |                           |
| 6 Month Total Shareholder Return      | 19.0%    | Share price plus dividend |
| Management Expense Ratio (Annualised) | 0.53%    | 0.59% in 2019             |
| Total Portfolio                       | \$344.5m | \$287.0 million in 2019   |



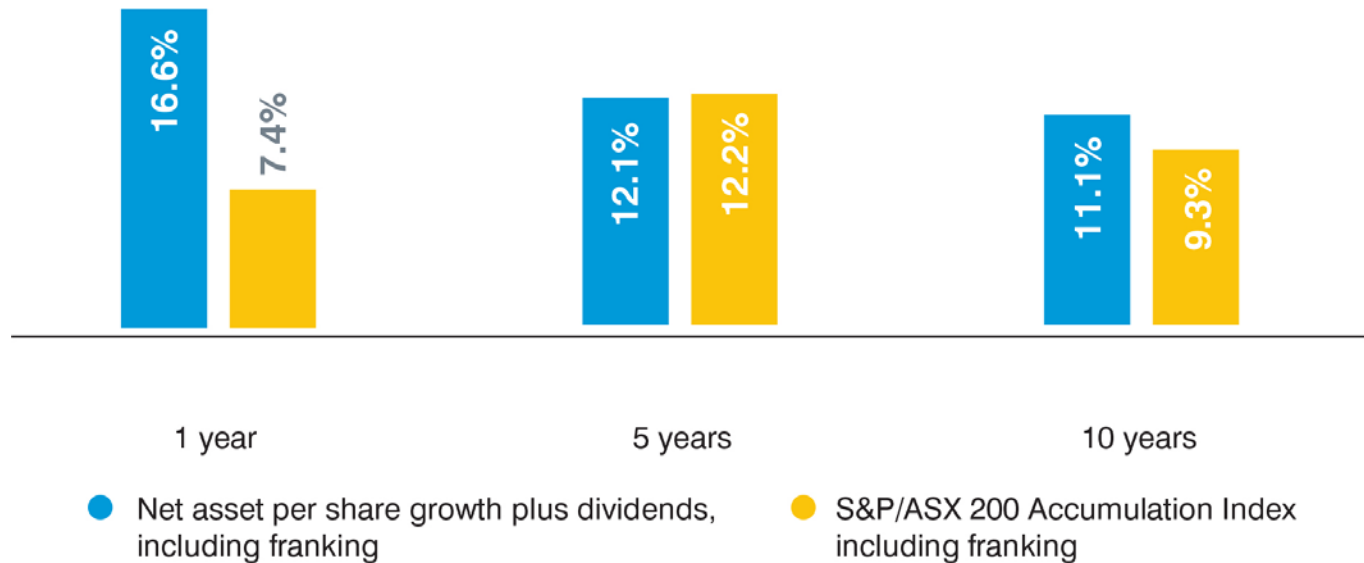
A photograph of a modern industrial manufacturing facility. In the foreground, a yellow robotic arm is positioned over a work area. The background shows a complex network of pipes, cables, and other industrial equipment. The scene is brightly lit, typical of a factory environment.

## **Market Conditions and Portfolio Performance**

# COVID19 uncertainty provided some long term opportunities



# Focusing on Quality Stocks - Portfolio Performance to 28 February 2021



\* 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.

Some of the portfolio's larger positions have performed strongly, although the recent rotation in the market has seen a small pull-back in these stocks – we remain confident in these holdings

12 month return to 31/1/2021

Average return 1/2/2021 to 5/3/2021

60% to 110%



**Objective**



-7%

40% to 60%

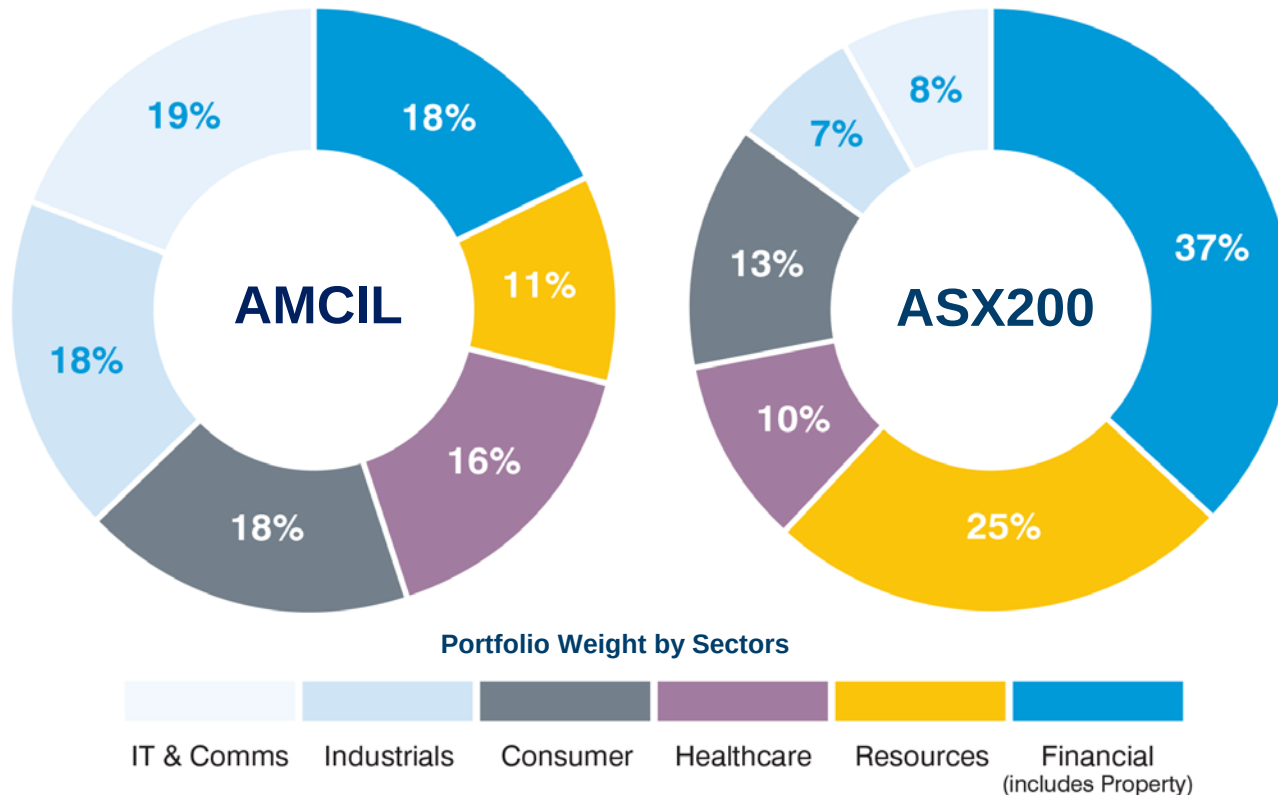
**Breville**



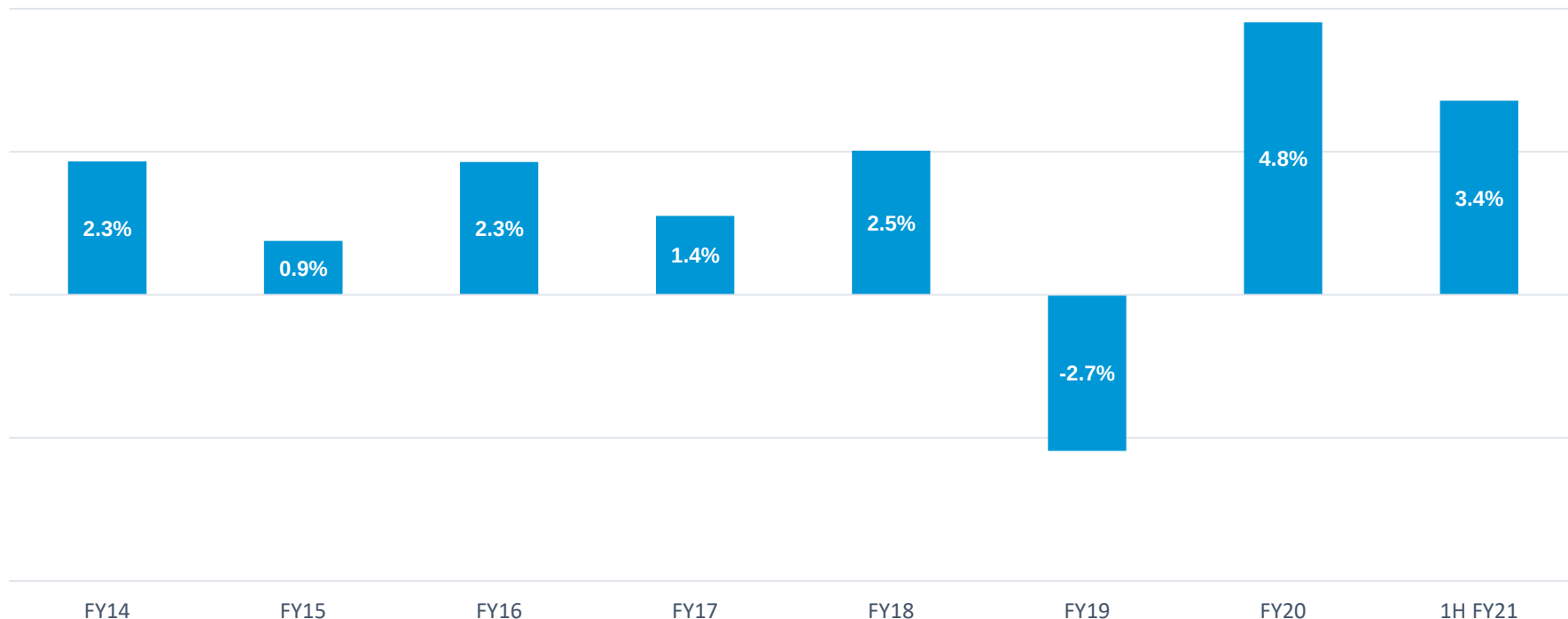
-7%



## A spread of high quality businesses across different sectors helps us remain long term in our focus



## AMCIL's non ASX200 index holdings have delivered consistent contribution to outperforming the benchmark



## Exposure to selected smaller companies is an attractive differentiating feature of AMCIL's portfolio



A \$1,000 investment in AMCIL has **\$270** invested in these high quality companies, while a \$1,000 investment in the ASX200 index has only **\$7** exposure.

# AMCIL has good exposure to long term global growth opportunities

Holdings that have successfully grown such that a majority of earnings coming from larger offshore markets

27% of the AMCIL portfolio



Holdings that are establishing encouraging positions in larger offshore markets

14% of the AMCIL portfolio



# AMCIL has good exposure to more domestically focused businesses with strong market positions

## Retailers

10% of  
the AMCIL  
portfolio



## Online classifieds

6% of  
the AMCIL  
portfolio



## Infrastructure

8% of  
the AMCIL  
portfolio



## Strongly growing sectors of the economy

6% of  
the AMCIL  
portfolio

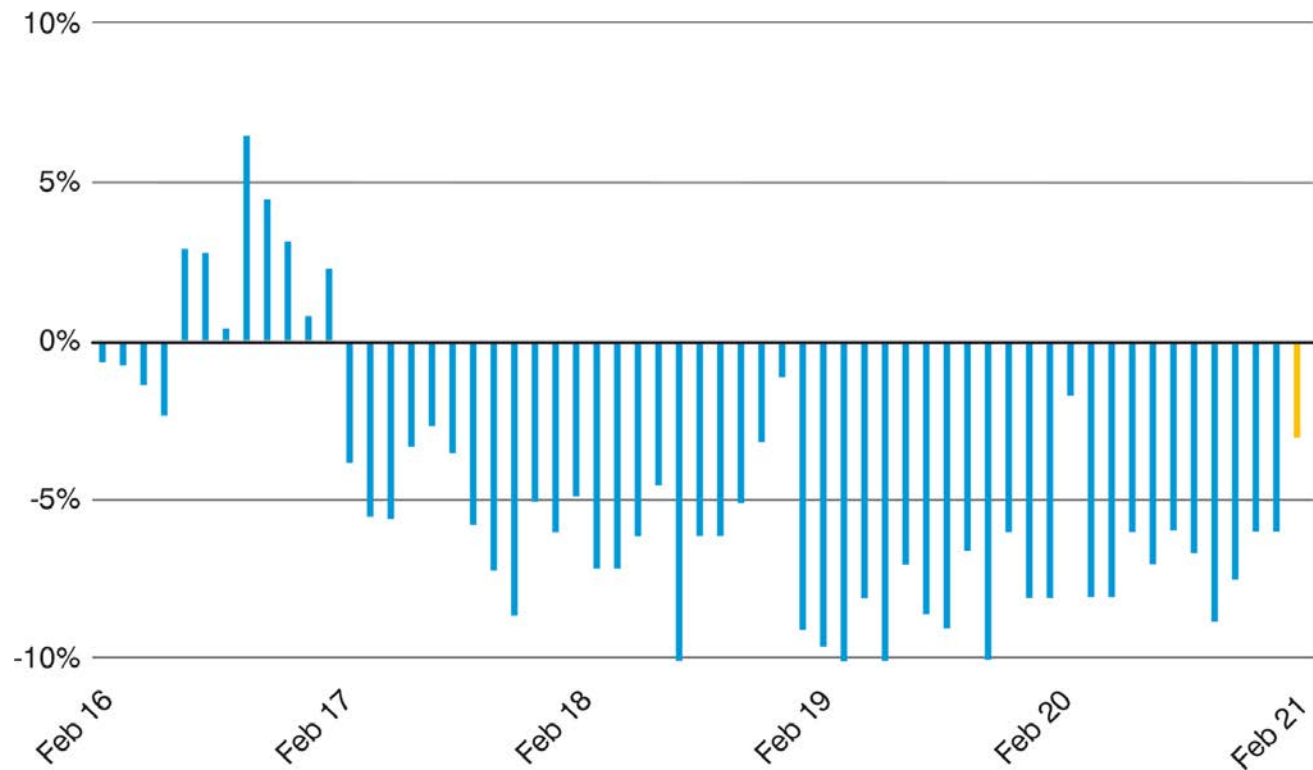




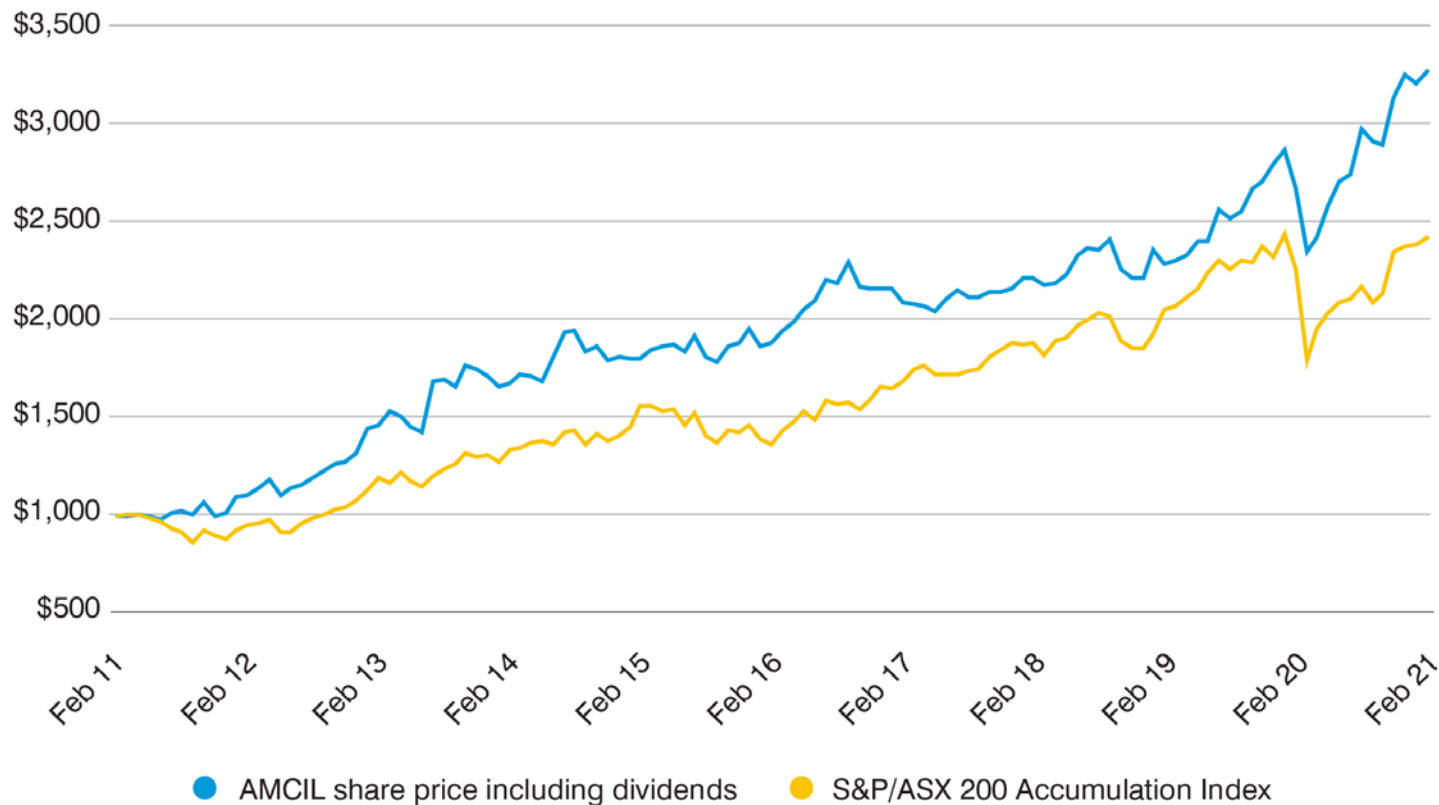
## Most significant recent stock purchases – July 2020 to February 2021



# Share price to net asset backing per share



# 10-year shareholder return (including franking) against the S&P/ASX 200 Index – to 28 February 2021



## Closing Comments



# Current market

**ASX 200 firms trade at an average forward PE 18.2x, which is 27% above the 20-yr average**



Source: Goldman Sachs Global Investment Research, FactSet.

**High PE firms trade at an average forward PE 42.3x, which is 77% above the 20-yr average**



Source: Goldman Sachs Global Investment Research, FactSet.

# Closing comments

- AMCIL's long-term quality focus provides exposure to a portfolio with attractive growth in capital across a broad range of market sectors
- We have a proven capability of finding quality emerging companies to enhance our returns
- Recent stimulus in response to covid-19 has boosted markets to quite fully priced levels
- We will not alter our approach with market rotations - risk of chasing shorter term investment ideas, to the detriment of our long-term objectives
- We will continue to seek to invest in high quality businesses where we see fundamental long term value opportunities emerge
- Periods of market rotation may result in short term portfolio underperformance however this can be beneficial to providing long term opportunities for the portfolio



