



12 October 2023

The Manager
ASX Market Announcements
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Electronic Lodgement

**AMCIL Limited
2023 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 2023



Disclaimer

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ABN: 57 073 990 735

Agenda

Our Purpose and Approach

Mark Freeman

Financial Year in Summary

Andrew Porter

Equity Market Conditions

Mark Freeman

Portfolio Performance and Activity

Mark Freeman and Jaye Guy

Features of the AMCIL Portfolio

Mark Freeman

Outlook

Mark Freeman



Our Purpose and Approach

The Key Unique Benefits of an Investment in AMCIL

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



Focused portfolio invested in quality companies where holding size is not determined by the index weighting



Alignment of interests

- ✓ Comparatively low management cost
- ✓ No performance fees
- ✓ Equity ownership by directors and staff



Tax effectiveness from a low turnover, long term investment approach

The Key Unique Benefits of an Investment in AMCIL

Attributes of a high-quality company that we seek:

Industry leadership position (or developing one)

Unique assets that are hard to replicate

Conservative balance sheet (low debt)

Not unduly burdened by external risk factors

Consistency of earnings

Run by effective, backable, passionate people 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

A photograph of a person's hands typing on a laptop keyboard. The laptop is silver and open, resting on a wooden desk. The background is blurred, showing other people and office equipment. A white rectangular box is overlaid on the left side of the image, containing the text "Financial Year in Summary".

Financial Year in Summary

Financial Year in Summary

2023

Profit for the Year	\$7.6m		\$8.1 million in 2022 [#]
Total Fully Franked Dividend	2.5¢ ^{Final} 1.5¢ ^{Special}	5.0¢ Total [^]	3.5 cents total in 2022

[#] Includes the non-cash BHP Petroleum/Woodside merger dividend of \$2.0 million in 2022.

[^] Includes 1 cent per share interim dividend.

2023

Management Expense Ratio	0.66%		0.52% in 2022
Total Portfolio	\$346.1m		Including cash at 30 June. \$328.3 million in 2022

AMCIL





Equity Market Conditions

Economies (and consumers) have held up better than expected but...

Signs are emerging that activity is slowing

Inflation is easing albeit mixed

- Capex inflation is widespread, supply chain pressures are abating and wage inflation remains elevated
 - Companies with strong market positions have demonstrated pricing power
-

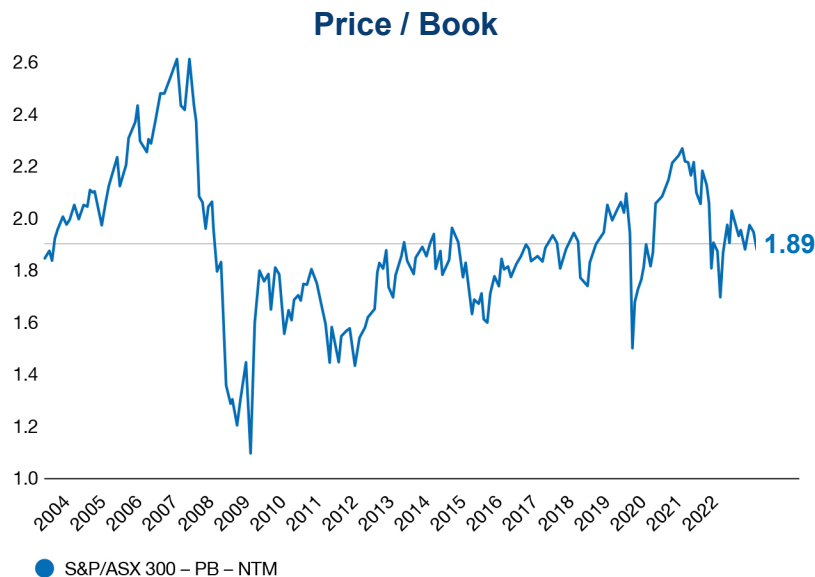
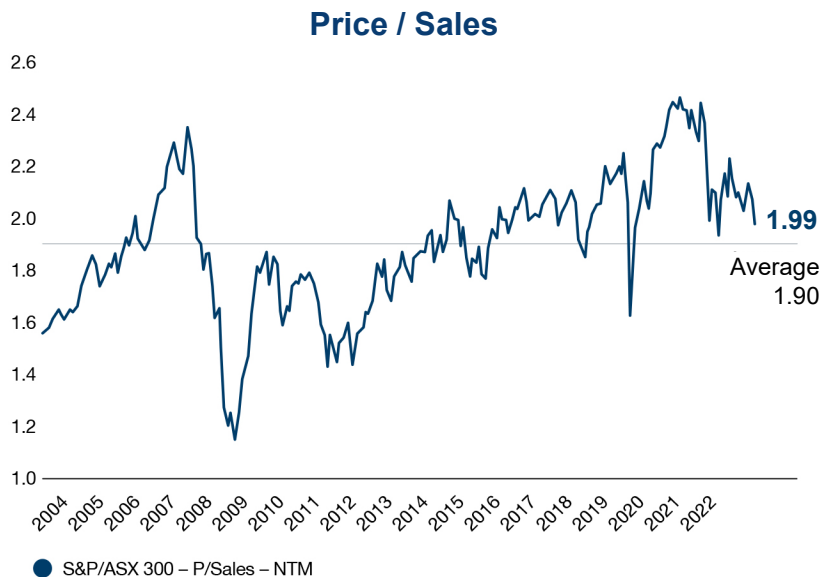
Interest rates appear to be peaking but may remain at elevated levels (relative to recent history)

- Clear implications for company interest costs and valuations
-

Recent reporting season reaffirmed that Quality Companies = Quality Results

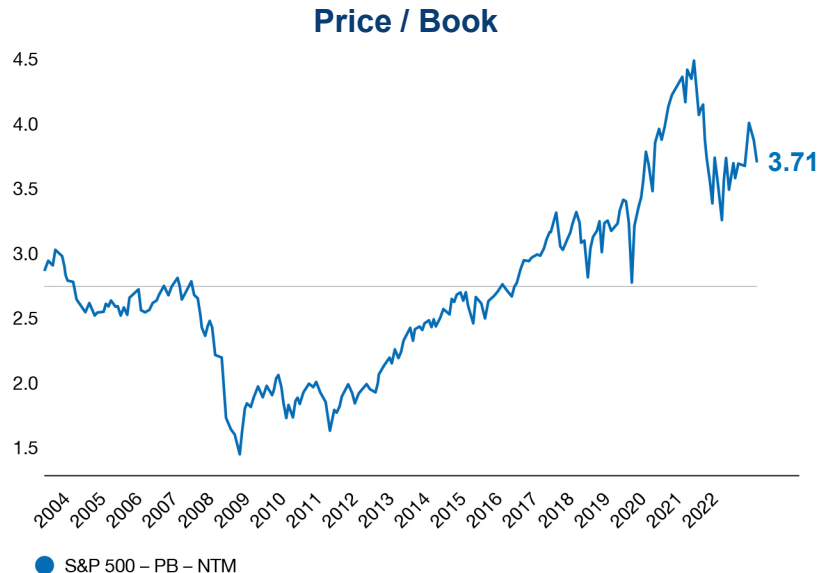
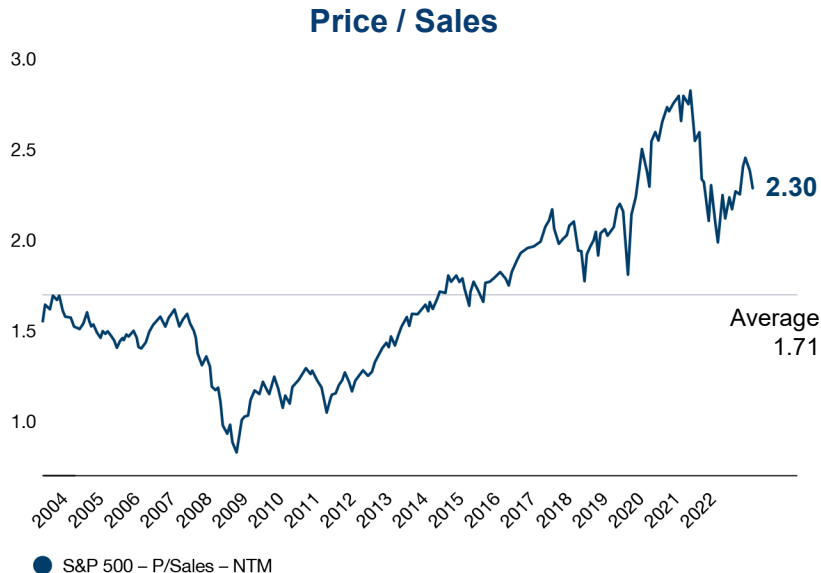
Equity Market Valuation (Australia) – A Long Term Perspective

Price/Earnings indicates fair value though on historically high margins



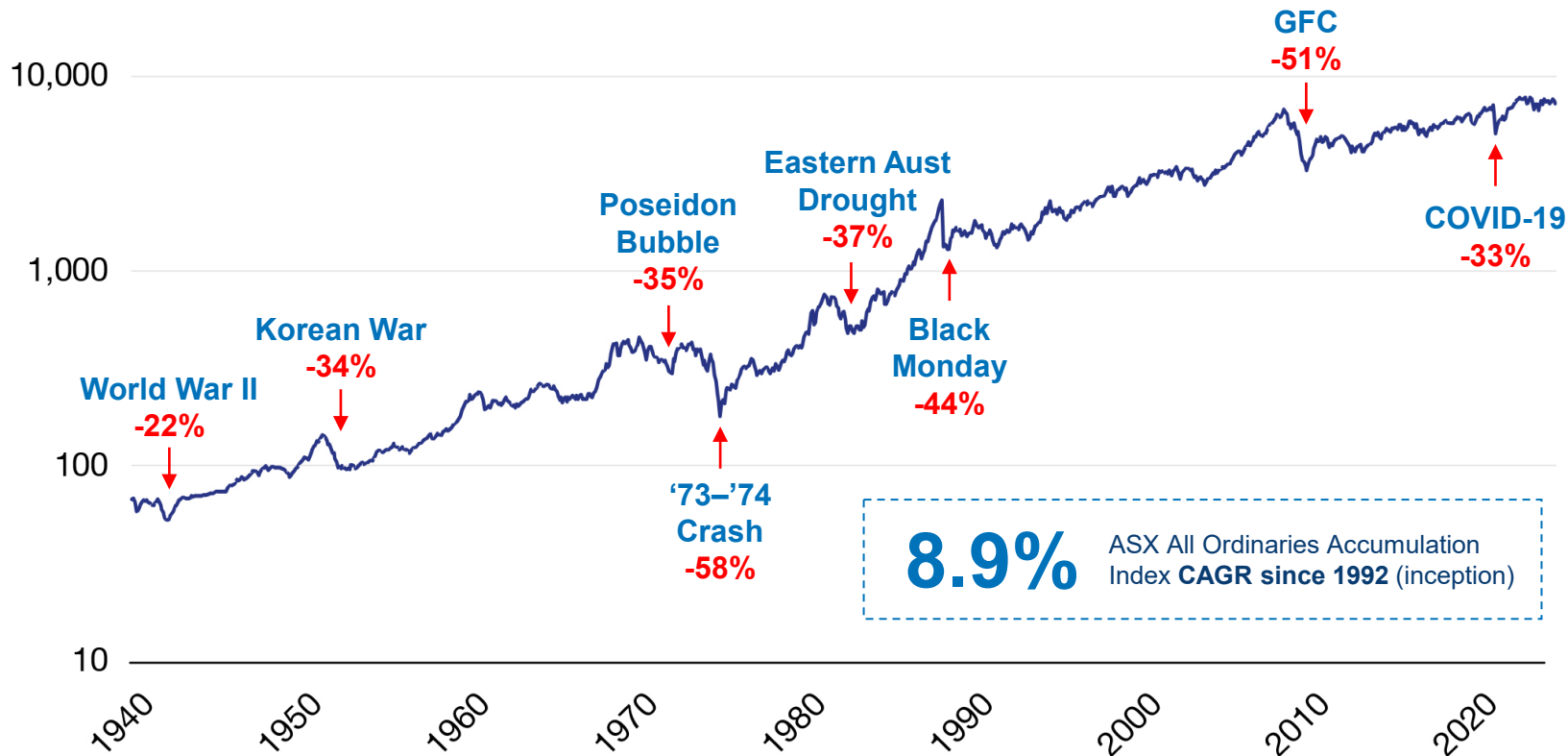
Source: FactSet.

Equity Market Valuation (United States) – A Long Term Perspective



Source: FactSet.

Equity Market Returns – A Long Term Perspective

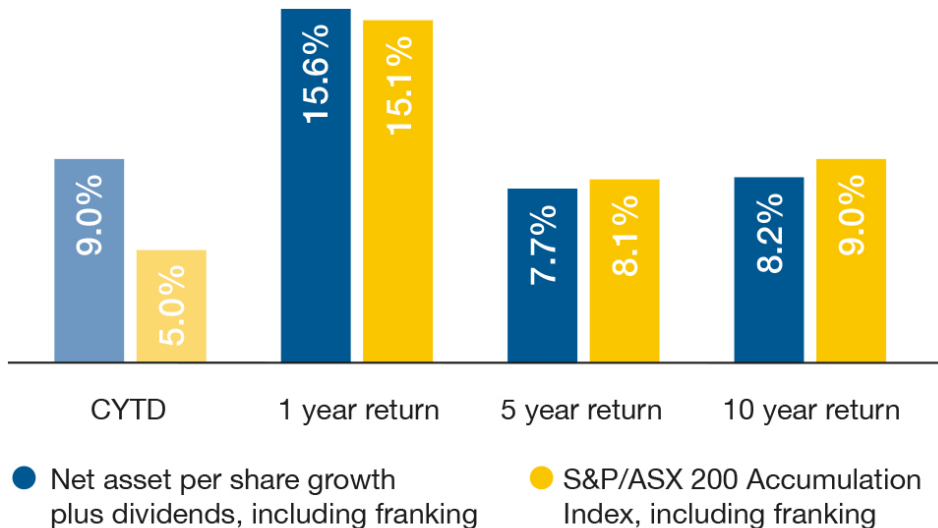


Source: FactSet.



Portfolio Performance and Activity

Portfolio Performance – Per Annum Returns to 30 September 2023

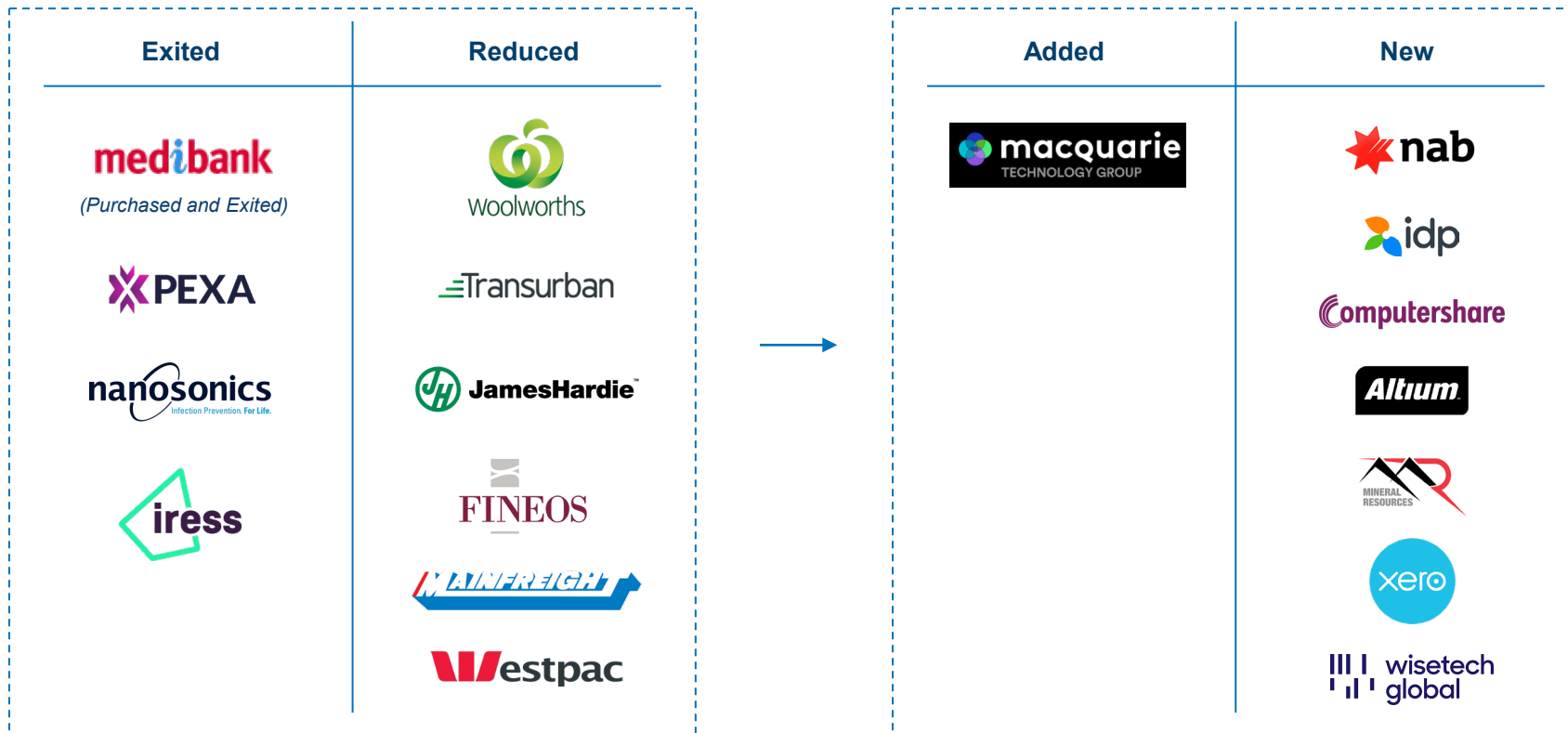


Figures assume an investor can take full advantage of the franking credits.
Past performance is not indicative of future performance.

AMCIL's Investment Objectives

- ✓ Attractive returns through strong capital growth in the portfolio over the medium to long term
- ✓ The generation of fully franked dividends.

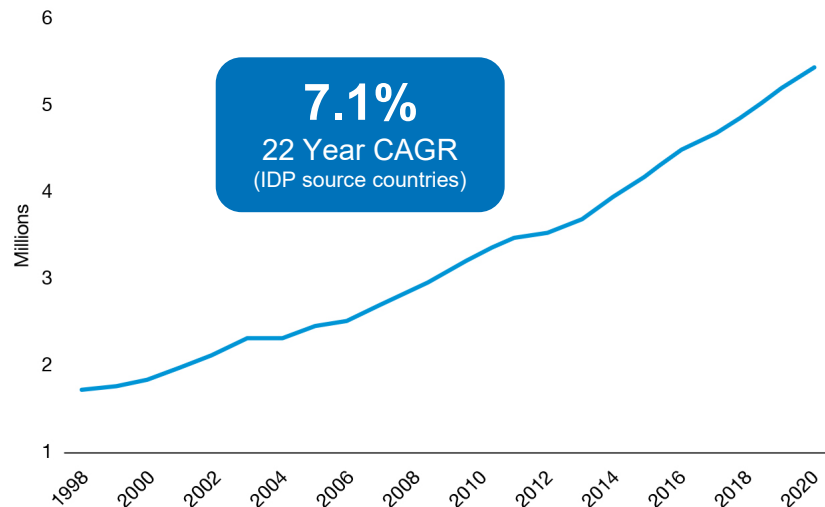
Portfolio Activity – 2023 Calendar Year to Date



Our Investment Philosophy in Practice – New Positions



Outbound internationally mobile students (all countries)*



Source: UNESCO Institute for Statistics

* The chart shows total internationally mobile students for all countries which has grown from 1.7m in 1998 to 5.5m in 2020, a CAGR of 5.4%.

IDP's current source countries represent total volumes that have grown from 0.6 in 1998 to 2.9m in 2020, a CAGR of 7.1%.

Global market leader in English language testing and International Student Placements.

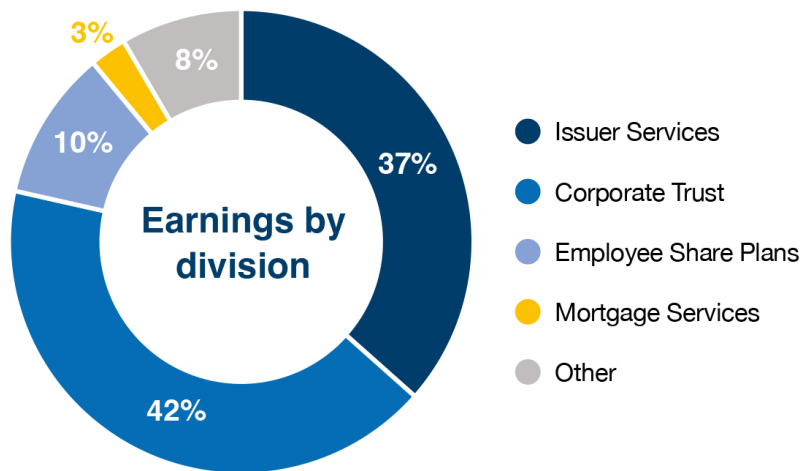
Highly credentialed, backable management.

Substantial market share opportunity in fragmented Student Placement market.

Strong balance sheet.

Share price weakness following the approval of a new competitor to English Language Tests in Canada: created an opportunity to buy.

Our Investment Philosophy in Practice – New Positions



Difficult to replicate market positions in Registry Maintenance, Employee Share Plans and Governance Services.

Backable management with focus on the core business and maintaining discipline with acquisitions.

Balance sheet is rapidly de-gearing, creating latent value.

Potential for further business simplification.

Positively leveraged to higher interest rates.

Our Investment Philosophy in Practice – New Positions

Established smaller positions
in the following:



Replacing IRESS, PEXA and Nanosonics

Common characteristics



Leading tech offering in specialist areas –
Circuit Board Design, Accounting, Logistics



Aligned, backable management teams



Attractive growth opportunity



Track record – demonstrated success
of winning share



Strong balance sheets

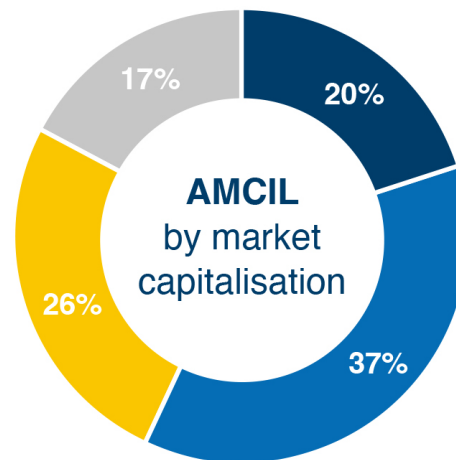
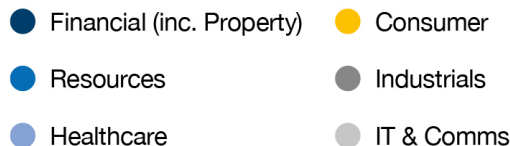
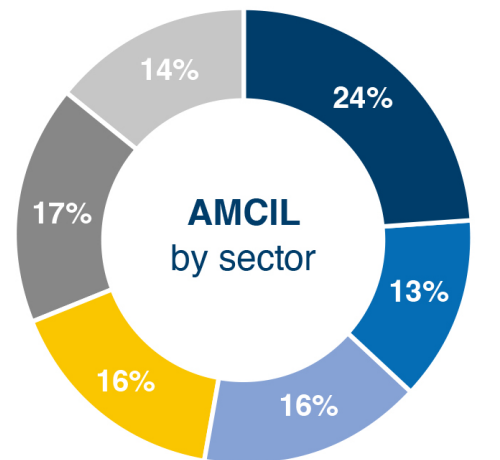


Features of the AMCIL Portfolio

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.



Recent reporting season delivered strong results

Growth Companies



Stalwart Companies



Income Companies



The following holdings have different reporting periods



Some companies have experienced share price weakness



- Market concerns: margin recovery post-COVID, new competing product (Industry Headwinds), and rationale of latest acquisition.
- CSL remains a very high quality business with an attractive growth outlook.



- Market worried about long term Industry Headwinds due to weight loss drugs.
- We think sleep apnea treatment will still be necessary.



- Facing Operational Headwinds related to technology upgrades.
- Near monopoly owner of critical financial infrastructure. Net cash balance sheet.



- Financial Strength reassessed as debt levels test comfort. Have reduced holding.
- Recent trading update was encouraging.



- Financial Strength slow to improve, still not profitable. Have reduced holding.
- Leading software vendor servicing Life, Accident and Health Insurance markets.



Outlook

Key questions on our minds:

- What are the likely effect of higher interest rates on the economy, and stock valuations?
- Implications of rising geopolitical tensions?
- Have recent China policy initiatives been effective in stabilising growth?

While AMCIL is not immune to external risks, our approach positions the portfolio to weather market volatility:

Continued focus on **quality companies**

Seeking to add to these companies when we see value

Backing **aligned management teams**

Share prices are driven by earnings growth in the long term

Strong balance sheets creates resilience and protects against rising interest costs

