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# Financial Results

Half Year FY2022



# WHSP is a unique investment product in the Australian market

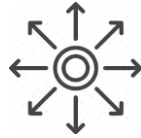


## Through WHSP, an investor has the opportunity to gain exposure to:

- A range of asset classes across sectors, including private equity, private credit and property
- Investment strategies that have delivered above market returns for decades
- Steady and growing dividends
- A management team with a strong track record of execution and active stewardship of capital

# Our Investment Philosophy

## DIVERSIFIED



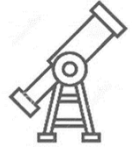
Diverse range of uncorrelated investments across listed equities, private equity & venture capital, property, structured credit and cash

## UNCONSTRAINED



A flexible investment mandate allows WHSP to invest in and support companies from an early stage and grow with them over the long-term

## LONG TERM



Disciplined and value focussed approach to investing through market cycles to deliver returns over the long term

## GROWING DIVIDENDS



Track record of paying a consistent and increasing dividend for over 20 years

## CAPITAL PROTECTION



Portfolio of assets generating reliable cash through market cycles which serves to protect downside in market corrections

## TRUSTED PARTNER



Partnering with attractive companies looking to access growth capital and undertake strategic M&A

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# Half Year Performance

Period ending 31 January 2022

# Half year ended 31 January 2022 – Profit After Tax

Group Regular profit excludes one-off events and better reflects underlying performance of major investments

Group Regular  
NPAT<sup>1</sup>

**\$343.7m**  
▲ 281% on pcp

Group Statutory  
NPAT<sup>2</sup>

**(\$643.1m)**  
▼ 1,033% on pcp

## Group Regular NPAT significantly increased

- Increased commodity prices (New Hope, Round Oak)
- Property profits in Brickworks
- Higher dividend income from Milton merger

## Statutory NPAT impacted by goodwill impairment

- One-off, non-cash impairment of goodwill from Milton merger

**1. Group Regular NPAT:** Regular profit after tax is a non-statutory profit measure and represents profit from WHSP's continuing operations before non-regular items. A reconciliation to statutory profit is included in the 2022 Half Year Financial Report – Alternative Performance Measures.

**2. Group Statutory NPAT:** Profit after tax attributable to members. A reconciliation between consolidated Group regular profit after tax and statutory profit after tax is included in the 2022 Half Year Financial Report – Alternative Performance Measures.

# Half year ended 31 January 2022 – Key Performance Indicators

WHSP is focused on increasing the asset value of the portfolio and generating increasing cash from investments to fund dividends

Net Cash from  
Investments<sup>3</sup>

**\$182.6m**  
▲ 114% on pcp

WHSP Portfolio  
Value

**\$9.0b**  
▲ 56% in 1H22

## Strong increase in cashflow supports dividends

- Net Cashflow From Investments up 114% on pcp (higher dividends from major investments, trading profits and dividends from acquired Milton portfolio)
- Cashflow per share increased 42% on pcp

## Portfolio outperformed the market

- NAV per share (pre-tax) up 3.4% during the half
- NAV per share (post-tax) up 17.7% during half
- All Ords Index down 5.2% for the period

**3. Net Cash from Investments:** Net cash flows from investments are after Parent Entity corporate costs and exclude the effects of non-regular cash inflows and outflows to demonstrate the underlying cash flows generated by the Parent Entity's investment portfolio. The Board of the Consolidated Entity declares dividends having regard to net cash flows from investments.

# Merger with Milton Corporation

Milton has successfully been integrated and is already providing significant benefits

## INCREASED NAV

After-tax Net Asset Value per share increased 17.7% through the half (compared to -5.2% for the Index). Pre-tax NAV increased 3.4%

## GREATER DIVERSIFICATION

WHSP is now a more diversified portfolio and has the liquidity to continue to diversify across asset classes

## INCREASED LIQUIDITY

WHSP now has 55,161 shareholders (up 87% for the half) with greater index participation and market capitalisation

## INCREASED CASHFLOW

Milton enhances cashflow and provides liquidity to source higher yielding investments over time.  
Net cashflow for the half was up 42% per share

## EXPANDED MANAGEMENT

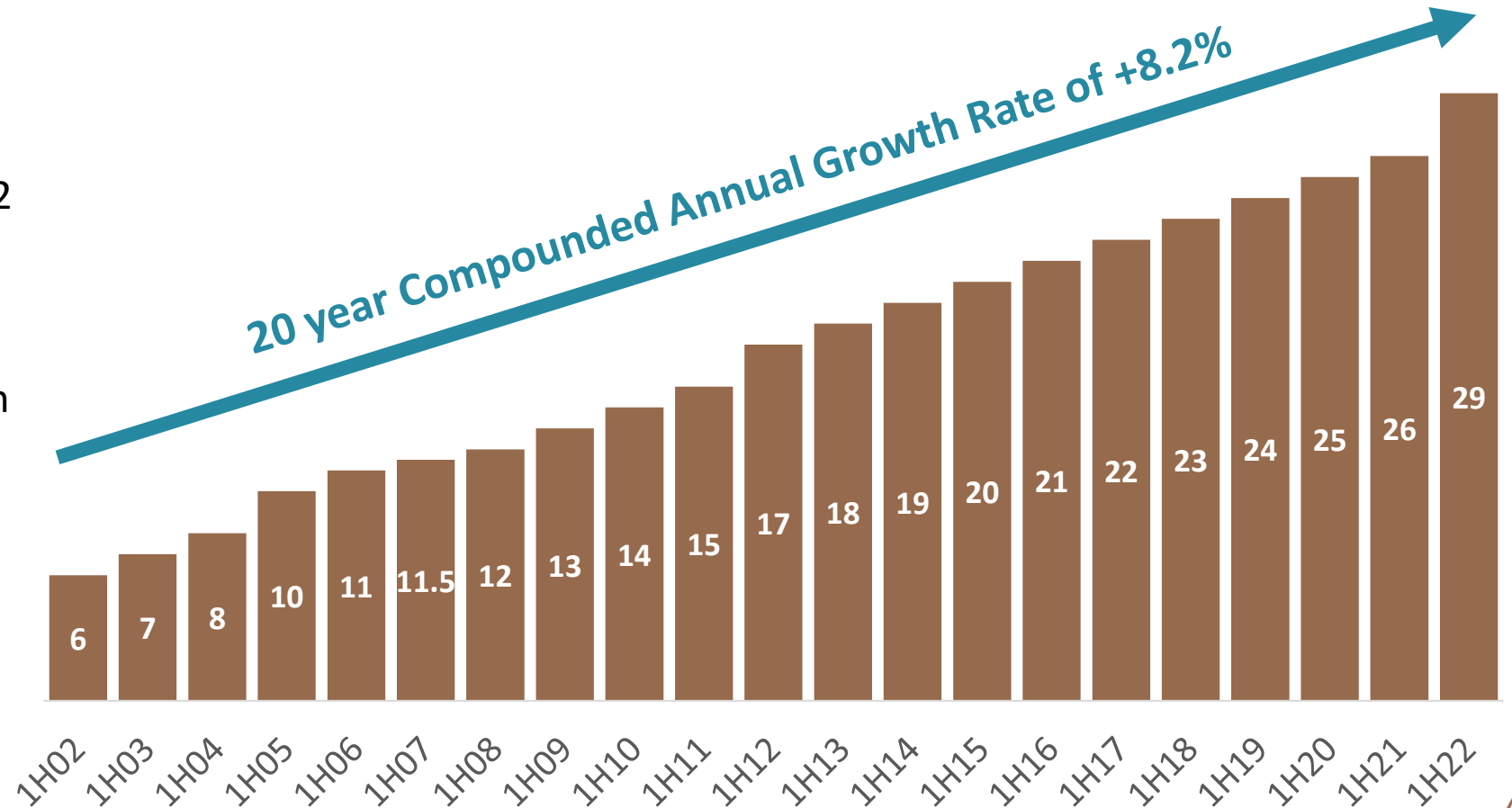
The WHSP and Milton teams are highly complementary and integration has been seamless



# Dividends

FY22 Interim Dividend up 11.5%. Over 20 years of Interim Dividend growth

- Strong operating cashflow permits higher dividends
- WHSP has declared an FY22 Interim Dividend of 29cps, fully franked (up 11.5%)
- 24<sup>th</sup> consecutive increase in Interim Dividends

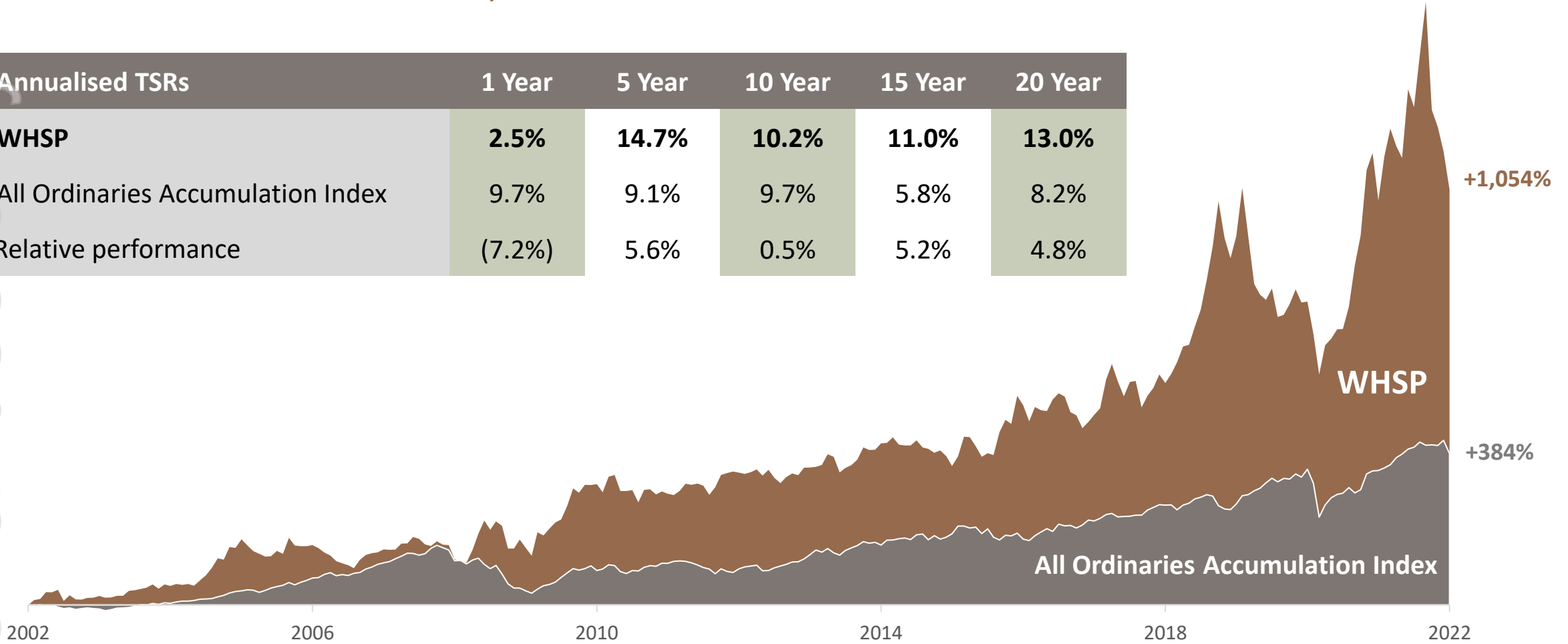




# Total shareholder returns

An investment in WHSP over the last 20 years has increased over 10 times

Annualised TSRs	1 Year	5 Year	10 Year	15 Year	20 Year
<b>WHSP</b>	<b>2.5%</b>	<b>14.7%</b>	<b>10.2%</b>	<b>11.0%</b>	<b>13.0%</b>
All Ordinaries Accumulation Index	9.7%	9.1%	9.7%	5.8%	8.2%
Relative performance	(7.2%)	5.6%	0.5%	5.2%	4.8%



Cumulative performance to 31 January 2022 (Including reinvestment of dividends)

Source: Capital IQ

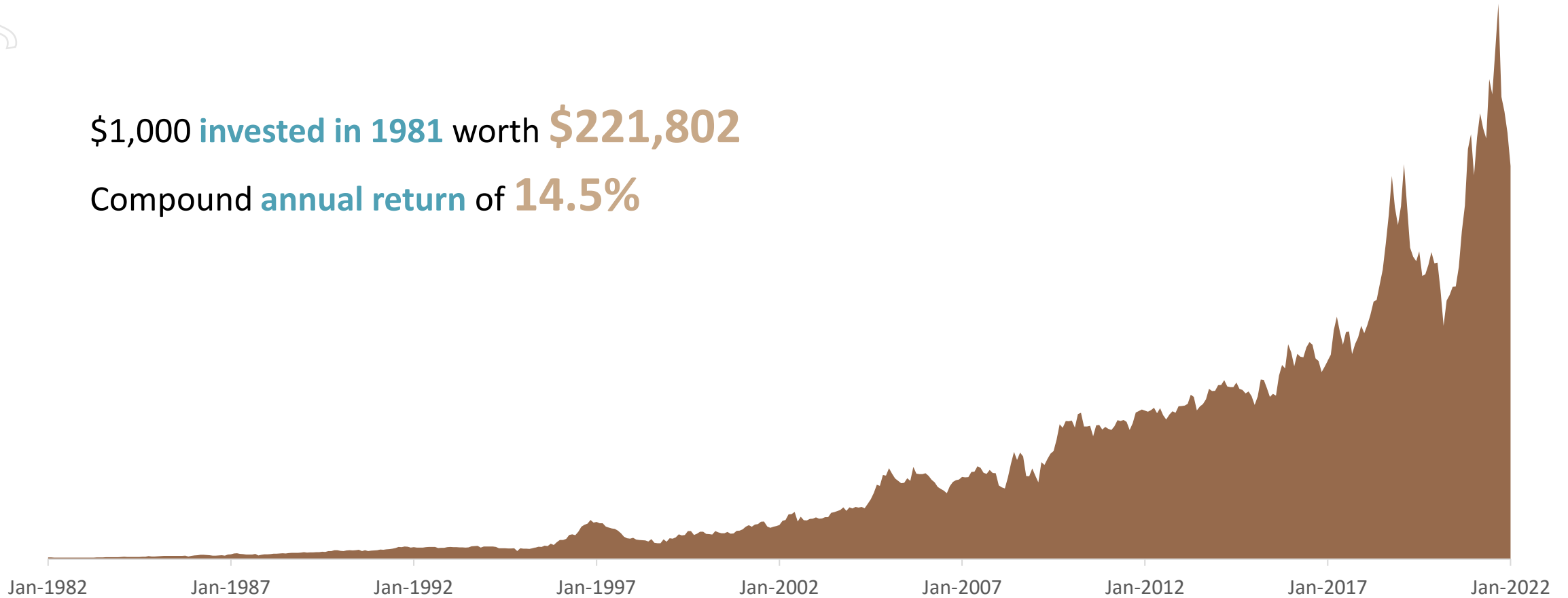


# Long-term total shareholder returns

WHSP has provided strong equity returns over the last 40 years

\$1,000 invested in 1981 worth **\$221,802**

Compound annual return of **14.5%**



Source: Capital IQ

Cumulative performance to 31 January 2022 (Including reinvestment of dividends)

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# Portfolio overview

# Portfolio overview

Net Asset Value (pre-tax) as at 31 January 2022 was \$9.0 billion, an increase of 56% over the last 6 months

Portfolio	Value (\$m)
Strategic portfolio <sup>(1)</sup>	\$4,125m
Large cap portfolio <sup>(1)</sup>	\$3,376m
Private equity portfolio <sup>(2)</sup>	\$650m
Emerging companies portfolio <sup>(1),(2)</sup>	\$531m
Structured yield portfolio <sup>(1),(2)</sup>	\$360m
Property <sup>(2)</sup>	\$174m
Net working capital <sup>(2)</sup>	(\$175m)
<b>Net asset value (pre-tax)</b>	<b>\$9,042m</b>

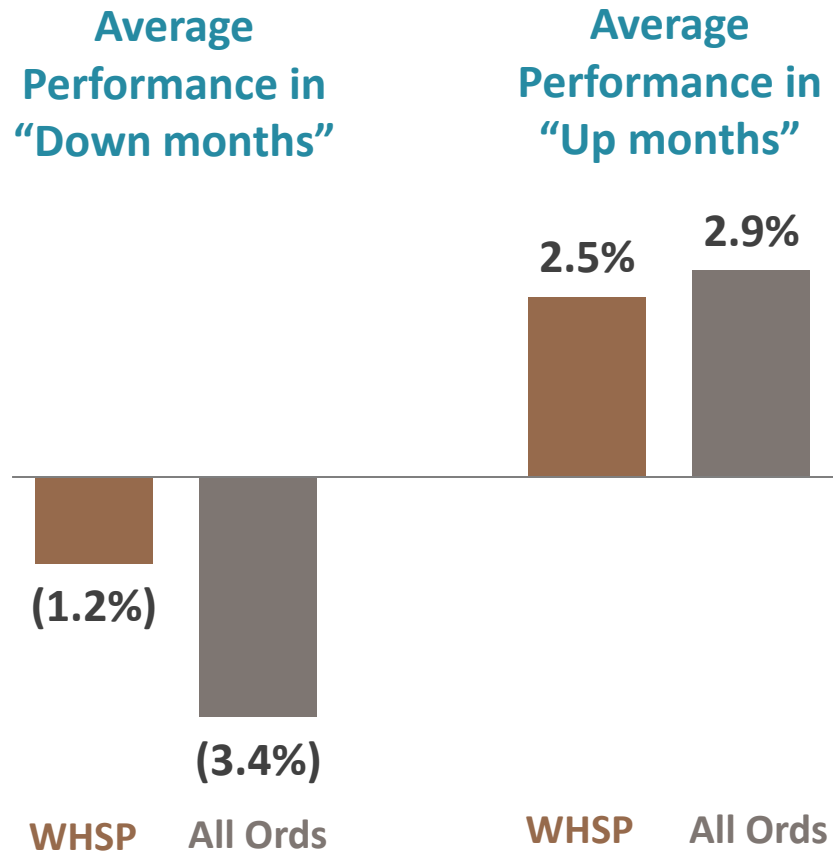
- WHSP Strategic portfolio is now 45.6% of total portfolio, down from 68.5%
- Pre-tax value of the portfolio increased by 56% over the 6 months to 31 January 2022 (including Milton assets acquired through the period)
- On a per share basis, the increase was 3.4% (against a market return of negative 5.2%)
- Large cap portfolio has grown to 37.3% of portfolio
- Liquidity position improved by ~\$350m contributed to by net sales
- Ample liquidity available for new investments due to a strong working capital position

As at 31 January 2022

1. At market value
2. At cost or Directors' valuation

# Investment environment

Asset markets will remain volatile with rising interest rates favouring profitable assets with robust cash flows



- Volatile asset markets entering a period of uncertainty with elevated valuations (equity markets a proxy)
- Interest rates look set to increase meaningfully due to inflationary concerns
- Commodity prices elevated, and likely to remain so
- WHSP portfolio focused on investments that have strong defensible cash flows and growing earnings and dividends
- WHSP portfolio is positioned well for rising rate, inflationary or volatile market environment

Source: Capital IQ

1. **Down months:** All Ordinaries Accumulation Index negative return months

2. **Up months:** All Ordinaries Accumulation Index positive return months

# Strategic portfolio

WHSP has a portfolio of cornerstone shareholdings in diversified industries with low correlations

Value	\$4,125 million
% of portfolio	46%
Net cash flow	\$87.6 million
Portfolio composition	Interests in TPG, New Hope, Brickworks, Tuas, Apex and Pengana
Strategic rationale	Significant investments in uncorrelated listed companies with board representation

- API stake sold to Wesfarmers (further top-up payment to be received in March 2022)
- Delivered a total return (net asset growth plus dividends) of 3.8% over 6 months to 31 January 2022
- New Hope, Tuas and Pengana delivered significant gains – partly offset by TPG, Brickworks and Apex

## Current portfolio

- 12.6% of TPG
- 39.9% of New Hope
- 25.4% of Tuas
- 43.3% of Brickworks
- 29.8% of Apex Healthcare
- 36.5% of Pengana



# Large caps

Large Caps portfolio aims to generate long-term capital and income growth

Value	\$3,376 million
% of portfolio	37%
Net cash flow	\$36.9 million
Portfolio composition	Companies within the ASX-100 index
Strategic rationale	Actively managed Australian equities delivering strong dividends and providing portfolio liquidity

- Sold Milton's stake in Brickworks and WHSP, as required by the Scheme of Arrangement
- Delivered a total return (net asset growth plus dividends) of -3.2% over 1H FY22, versus ASX200 Accumulation Index return of -3.8%
- Portfolio actively rebalanced in the context of broader WHSP exposures and rising rate environment
- Underlying economic conditions remain supportive of investing in listed equities with improved earnings, economic growth and strong savings rates
- Commodities very well supported in terms of prices and equity valuations
- Uncertain global security environment increases overall risk



# Private equity

WHSP has a growing portfolio of private companies which are platforms for further growth

Value	\$650 million
% of portfolio	7%
Net cash flow	\$37.4 million
Portfolio composition	Round Oak, Ampcontrol, Ironbark, Agricultural and Water investments, Aquatic Achievers
Strategic rationale	Investments in unlisted companies to support their growth

- NPAT contribution of \$30.5 million in 1H FY22
- Contribution to Net Cash flow from Investments increased 274% on pcp
- Round Oak contributed \$16.8 million (2021: \$12.8 million). Increased production at Jaguar mine and higher commodity prices for copper and zinc
- Increased contributions from Ampcontrol, Ironbark and Aquatic Achievers
- We expect to allocate additional capital to expand this portfolio of private investments which in turn provide platforms for further growth
- Multiple avenues for growth in existing and new opportunities



Agriculture



aquatic achievers swim schools



# Emerging companies

WHSP is an active investor and partner in both listed and pre-IPO emerging companies

Value	\$531 million
% of portfolio	6%
Net cash flow	\$20.9 million
Portfolio composition	Ex-ASX100 listed equities and unlisted growth companies
Strategic rationale	Exposure to fast growing companies often benefiting from structural changes and global trends

- Delivered a total return (net asset growth plus dividends) of 6.5% over 1H FY22
- Outperformed the ASX Small Ordinaries Accumulation Index by 11.1% through the same period
- Net Cash Flow From Investments (including cash from trading) of \$20.9m, up 158% over pcp
- WHSP have ample liquidity to increase the size of the portfolio should opportunities present

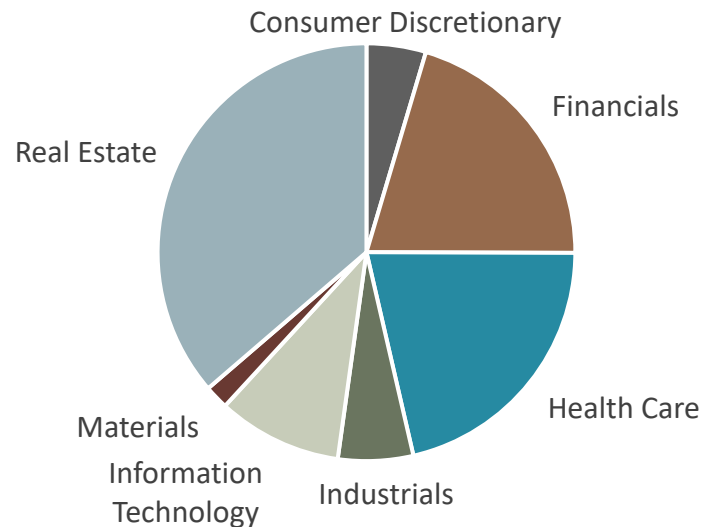


# Structured yield

Investing across the capital structure to optimise risk adjusted returns on attractive opportunities

Value	\$359.7 million
% of portfolio	4%
Net cash flow	\$10.9 million
Portfolio composition	Corporate loans or hybrid instruments
Strategic rationale	To invest in financial instruments across an investee's capital structure to optimise the portfolio's risk adjusted returns

- Net Cash Flow From Investments of \$10.9m, up 19% over pcp
- 27 investments across a range of industries
- WHSP have expertise in long term investing across the capital structure
- Can provide attractive risk/return outcomes for WHSP and investee companies
- Seeking to opportunistically grow the structured yield portfolio by leveraging existing expertise and relationships



# Property

The property portfolio comprises actively managed direct property investments

Value	\$174.2 million
% of portfolio	2%
Net cash flow	\$nil
Portfolio composition	Direct property and equity accounted joint ventures
Strategic rationale	Actively managed Australian property to deliver superior returns when compared to passive ownership

- Underweight direct property due to look-through interest in Brickworks' industrial portfolio
- Tight supply of industrial property
- Industrial development asset acquired in Kirrawee, NSW
- Retirement lifestyle development (Sage by Moran at Cronulla, NSW) is currently under construction. Forward sales are ahead of expectations
- Non-controlling interests in multiple broad acre residential development JVs from merger with Milton



Sage by Moran, Cronulla



Industrial property, Castle Hill

# Net working capital

WHSP has access to significant liquidity for new opportunities

Value	(\$175.1 million)
% of portfolio	(2%)
Net cash flow	(\$2.0 million)
Portfolio composition	Net interest-bearing liabilities and other assets and liabilities
Strategic rationale	Provide portfolio liquidity

- Net working capital position of negative \$175 million
- \$411m of interest-bearing debt with an average cost of 0.72% p.a.
- Significant liquidity from:
  - cash balance of \$166m
  - additional debt capacity at low cost
  - assets identified for sale in the portfolio

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