



Half-Year Financial Report 2024

Generating enduring success

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Appendix 4D

Half Year Financial Report
31 January 2024
ASX Listing Rule 4.2A

Results for announcement to the market

		31 January 2024	31 January 2023	Change
		\$m	\$m	\$m
Revenue from continuing operations	up 34% to	387.9	290.5	97.4
Profit After Tax attributable to members	down 33% to	302.5	453.0	(150.5)
Regular Profit After Tax attributable to members ¹	down 49% to	241.3	475.7	(234.4)
Net Cash Flows From Investments ²	up 7% to	263.4	246.5	16.9

Dividends

		Cents per share	Franking %
This period			
Interim Dividend		40.0	100 %
Record date for determining entitlement to interim dividend	18 April 2024		
Date the interim dividend is payable	10 May 2024		
Previous corresponding period			
Interim Dividend		36.0	100 %

No dividend reinvestment plan was in operation during the reporting period.

Net Tangible Assets per share

	31 January 2024	31 January 2023
	\$	\$
Net Tangible Asset backing per ordinary security ³ (based on the Consolidated Statement of Financial Position)	27.20	25.85
Net Asset Value (pre-tax) per ordinary security (based on the NAV statement included in the Investment Portfolio Financial Information)	31.97	29.05

Reporting Period

The reporting period for this report is the half year ended 31 January 2024. The previous corresponding period ('pcp') is the half year ended 31 January 2023. Washington H. Soul Pattinson & Company Limited is the Parent Entity referred to as "Soul Patts" or "The Company" throughout this report.

1. Regular Profit After Tax is a non-statutory profit measure and represents Net Profit After Tax attributable to shareholders of Soul Patts, before Non-Regular Net Profit After Tax. A reconciliation to statutory Net Profit After Tax is included in the Directors' Report and Operating Review on page 24 of the accompanying 2024 Half Year Financial Report.
2. Net Cash Flow From Investments represents the cash flows generated by Soul Patts, from its investment portfolio, after deducting corporate costs, income tax, and Non-Regular cash flows. Refer to the Glossary on page 54 of the accompanying 2024 Half Year Financial Report for further details.
3. Net Tangible Assets are calculated using consolidated net assets, less intangible assets, right-of-use assets and lease liabilities.

Commentary on Results

This Appendix 4D should be read in conjunction with the Half Year Financial Report and any public announcements made by the Company in accordance with the continuous disclosure requirements under the *Corporations Act 2001* and ASX Listing Rules.

A detailed explanation of the statutory operating results is contained in the Review of Operations section in the Directors' Report and Operating Review of the accompanying Half Year Financial Report.

As an investment house, Soul Patts does not consider profit to be an accurate reflection of investment performance. The key drivers of success are growth in the capital value of the portfolio (Net Asset Value) and a growing yield as measured by Net Cash Flow From Investments. Commentary on these measures is provided in the Chairman and CEO & Managing Director's Review and in the Portfolio Review of the Half Year Financial Report.

Changes to subsidiaries, associates, and joint arrangements

There were no material entities over which control, joint control or significant influence was gained or lost during the period.

Audit

The Half Year Financial Report has been reviewed by Soul Patts' external auditors.

About Soul Patts

Generating enduring success

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Reporting Period

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Our commitment to long-term investing continues to generate enduring success for our shareholders with an unbroken track record of dividend payments since 1903.

The Soul Patts portfolio benefits from an unconstrained mandate which allows us to pursue a truly diversified and uncorrelated range of investments. Our current portfolio houses more than 200 individual investments in private, public, and real assets. We are disciplined in our approach, and active when opportunities arise, supported by our strong balance sheet and reputation as trusted stewards of our shareholders’ capital.

Our values-based culture has been developed over multiple generations, including the fourth generation of the founding Pattinson family who are represented in our Chairman, Robert Millner.

Our investment philosophy is grounded in over 100 years of experience:

Long-term commitment

We back businesses to grow value over the long term. We invest in businesses that can be enduringly successful and we believe in the power of compounding returns.



Strength of conviction

We are a values-led business that believes in common sense, doing what is right, and backing our people. Our investment outperformance versus the broader market can be achieved by seeking hidden value and having the courage to pursue it.



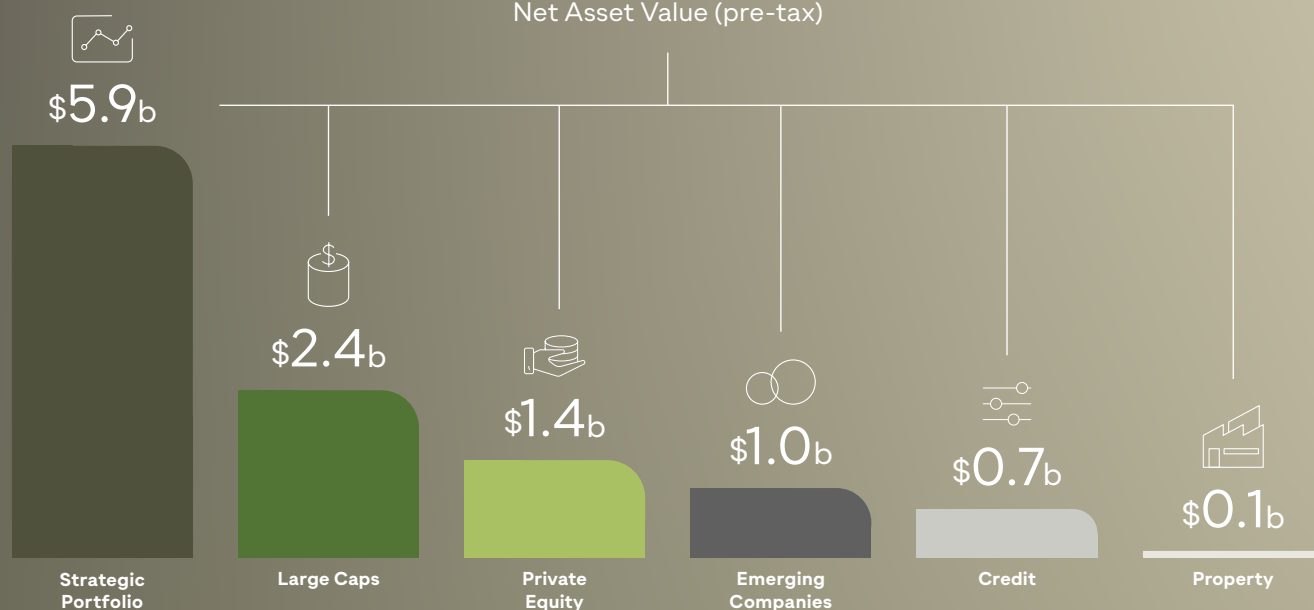
Unconstrained opportunity

We don’t have constraints on investment opportunities, the growth of our business, or the potential of our people. Our flexibility is a key competitive advantage.



\$11.5b

Total Portfolio
Net Asset Value (pre-tax)



Strategic Portfolio

Significant investments in listed companies with low correlations, the majority held over the long-term, generally with board representation.

Read more on page 8



Large Caps

Actively managed investments focused on listed companies that deliver earnings growth and dividends over the long-term.

Read more on page 10



Private Equity

Investments in unlisted companies with strategic merger & acquisition opportunities. We have flexible investment structures and undefined investment horizons.

Read more on page 11



Emerging Companies

Actively managed equity and equity-like investments in ASX ex-100 companies and unlisted companies.

Read more on page 12



Credit

Actively managed credit investments – comprising loans, bonds, and structured instruments – aimed at achieving strong risk adjusted returns.

Read more on page 13



Property

Actively managed direct property investments and equity accounted joint ventures, largely positioned towards infrastructure development.

Read more on page 14

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Performance Overview

Statutory Report¹

Group Statutory NPAT

\$302.5m

(33.2)% vs 1H23

Group Regular NPAT

\$241.3m

(49.3)% vs 1H23

Key Performance Indicators

Net Cash Flows
From Investments

\$263.4m

6.9% vs 1H23

Total Return (1H24)

8.3%

2.4% above Index²

Total Return (last 12 months)

13.3%

6.0% above Index²

Interim Dividend
History

Interim Dividend
(fully franked)

24 year Compounded
Annual Growth Rate

40cps

11.1% vs 1H23

9.6%

Final
Interim



1. Refer to the Review of Operations on page 21 for a detailed explanation of Statutory Consolidated Net Profit After Tax results.

2. Total Return is defined in the glossary on page 54. All Ordinaries Accumulation Index (XAO Total Return) which includes dividend reinvestment returned 5.9% and 7.3% for the 6 month and 12 month periods to 31 January 2024, respectively.

Operating highlights

Transaction turnover

\$2.4_b

in buying and selling

Additional investment

\$1.6_b

invested across public equities, private investments and new loans

Cash

\$394.2_m

available to support ongoing investment opportunities

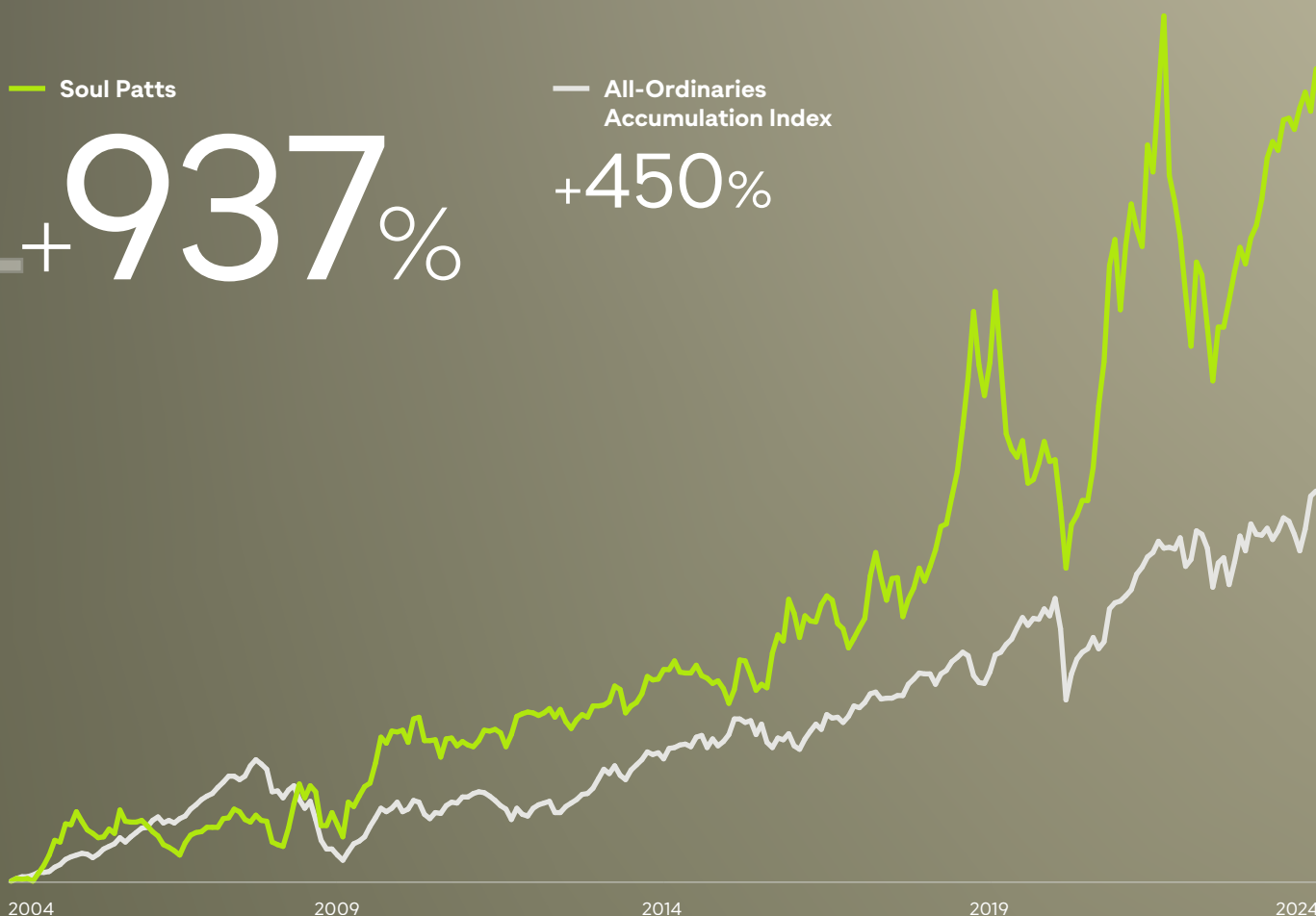
20 year Total Shareholder Return

— Soul Patts

+937%

— All-Ordinaries
Accumulation Index

+450%



Chairman and CEO & Managing Director's Review

Dear Shareholders,

On behalf of the Board of Directors, we present the Washington H. Soul Pattinson and Company Limited (“Soul Patts”) Half Year Financial Report for the 6 month period to 31 January 2024 (1H24).

Soul Patts offers shareholders exposure to a diversified range of investments that span multiple asset classes, various industries, and different areas of the company capital structure. We actively manage our investment portfolio mix with the aim to perform throughout market cycles and generate capital and income growth for shareholders over the long-term.

Performance against our investment objectives

During 1H24, our portfolio outperformed the broader market to deliver value for shareholders. This performance is measured against three key objectives:

1. Continue increasing the Net Asset Value of our collective portfolio of investments;
2. Increase cash generation from investments to pay dividends; and
3. Manage investment risk to protect shareholder capital.

The Net Asset Value of our total portfolio increased to \$11.5b during the period, driven by the performance of our listed equity and private credit investments. For the 6 months to 31 January, this represents a Total Return¹ of 8.3%, outperforming the All Ordinaries Accumulation Index by 2.4%.

For the twelve months to 31 January, our portfolio delivered a Total Return of 13.3% representing a 6.0% outperformance against the Index².

Our total portfolio generated Net Cash Flow From Investments of \$263.4m, an increase of 6.9% on the previous corresponding period (pcp), driven by the continued growth of our Credit Portfolio and dividend income from the Strategic Portfolio. This performance enabled the Board to declare a fully franked interim dividend of 40 cents per share to shareholders (1H23: 36 cents fully franked), increasing 11.1% on the pcp and continuing our track record of dividend growth into a 24th consecutive year.

When it comes to managing investment risk, we believe we have positioned the portfolio mix to best suit the macro environment. This is a clear strategic advantage in uncertain markets, like the one we have been operating in.

Investment activity across the portfolio

Soul Patts was highly active during the 6 month period, with the team conducting a total of \$2.4b in transactions across the portfolio equating to over two-thirds of the transaction volumes during all of FY23. This included \$475.1m deployed across the Credit Portfolio, which we are actively replenishing with new loans, and a strategic acquisition for the Private Equity Portfolio that targets vertical integration across our agricultural farmland assets.

The buying activity was dominated by \$1.1b of purchases in listed equity investments, with strategic growth opportunities identified across large and small caps. A new and notable investment includes uranium producer NexGen Energy (ASX:NXG) using convertible bonds and direct equity. This investment has performed strongly following positive developments in the uranium market and global demand for nuclear energy. Our Emerging Companies Portfolio has increased uranium investments since 2018, taking advantage of the industry's attractive growth tailwinds and its role in the global energy transition, alongside our exposure to coal, copper and private infrastructure.

Another example is our increased ownership of Perpetual Limited (ASX:PPT) during the half. We believe the complexity of the Perpetual Group and recent market backdrop has weighed on the share price, and took the opportunity to build on an existing long-term holding. We are attracted to Perpetual's business and the increased exposure it provides to the financial services segment.

Within our Strategic Portfolio of large cornerstone shareholdings, Tuas Limited (ASX:TUA) was a strong performer during the period. Tuas was spun out of TPG Telecom in 2020 as a Singaporean telecommunications business that is transitioning from a consumer mobile business into a full telecommunications service provider. Tuas' share price increased 65% during 1H24 and Soul Patts' 25.4% stake is valued at \$377.1m, more than double its value of \$161.5m at 1H23. While our stake in Tuas is small relative to the size of our total portfolio, it is illustrative of our desire to be part of the growth of newer investments that may well be considered strategic investments of the future.

1. Based on pre-tax Net Asset Value adjusted for dividends paid
2. All Ordinaries Accumulation Index (XAO Total Return) which includes dividend reinvestment returned 5.9% and 7.3% for the 6 month and 12 month periods to 31 January 2024, respectively

Continued dividend growth

Soul Patts has an exceptional track record of paying dividends to shareholders, supported by a diversified mix of investments and our long-term focus on cash generation. The Directors have resolved to pay a fully franked ordinary interim dividend of 40 cents per share. The record date for the interim dividend will be 18 April 2024, with payment due on 10 May 2024.

The last day to purchase shares and be eligible to receive the interim dividend is 16 April 2024. This continues our exceptional track record of regularly increasing dividend payments, at a compounded annual growth rate of 9.6% over the last 24 years.

We are focused on delivering long-term capital and income growth directly to shareholders through sustainable growth in dividends and our share price. Long-term Total Shareholder Returns generated by Soul Patts over 10, 15 and 20 year periods have outperformed the All Ordinaries Accumulation Index³ by 3.1%, 2.9%, and 3.5% per annum, respectively.

Investing for long-term value creation

Soul Patts remains well positioned with a diversified and uncorrelated portfolio of assets designed to produce cash flows over the long-term. Our unconstrained mandate to invest in any sized business, any industry, using any type of capital means we can aim to respond to market conditions and reduce the volatility of earnings longer-term. We can be flexible and creative in our approach to transactions, with our own asset-backed scrip offering investors an attractive opportunity in a diversified investment house.

Our team is increasingly active in assessing and executing good quality dealflow across the portfolio, supported by \$502.6m of investment plans that are committed but undrawn. Our approach to portfolio construction continues to be disciplined, targeting high quality businesses that bring diversity, strong cash generation and long term growth tailwinds.



Robert Millner AO
Chairman

21 March 2024



Todd Barlow
CEO & Managing
Director

21 March 2024



3. All Ordinaries Accumulation Index (XAO Total Return) which includes dividend reinvestment returned 8.6%, 10.1%, and 8.9% per annum for the 10, 15, and 20 year periods to 31 January 2024, respectively

Portfolio Review



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Portfolio Review

Overview

Soul Patts strives to build a portfolio of diverse businesses in segments with economic or structural tailwinds. The combined portfolio is divided by asset class to reflect the key drivers of portfolio strategy and returns.

Key investment themes over the recent 6 month period can be seen in the changing portfolio mix, in particular the increased value of listed equity investments in the Emerging Companies and Strategic Portfolios. The decline in Net Working Capital reflects a highly active period of capital allocation to new investments.

Portfolio Net Asset Value

The Net Asset Value summarised in this table does not reflect portfolio performance but rather the changes in portfolio allocation or mix and market movements during 1H24. Refer to Performance Overview on page 2 of this report for total return performance.

Portfolio as at 31 Jan 2024	Value of Soul Patts' Holding \$m	Allocation	Change from 6 months prior \$m	
Strategic	5,876.5	51%	684.0	13%
Large Caps	2,435.2	21%	130.1	6%
Private Equity	1,402.2	12%	203.7	17%
Emerging Companies	990.9	9%	362.2	58%
Credit	696.5	6%	44.1	7%
Property	110.9	1%	(1.7)	(2)%
Net Working Capital	26.5	—%	(718.1)	(96)%
NAV (pre-tax)	11,538.7	100%	704.3	7%

Refer to page 18 for details of the valuation basis used for each portfolio.

The Recent Investment Environment

Calendar year 2024 started strongly for equity markets in Australia with the S&P/ASX200 closing at record highs in January 2024, inspired by easing inflation and the prospect of interest rate cuts. Interest rates are broadly expected to remain flat at 4.35%, while inflation came in at 4.1% for the December quarter, exceeding market expectations.

In an investment market characterised by higher rates, inflationary and geopolitical pressures, our portfolio was able to produce strong risk-adjusted returns and outperform the broader market during the 1H24 period. In the 6-months to 31 January 2024, the value of Soul Patts' total portfolio increased 7% to \$11.5b. On a total return basis, which adds back dividends paid, the portfolio returned 8.3% while the All Ordinaries Accumulation Index returned 5.9%.

It was an active period for capital allocation broadly across the portfolio, dominated by buying in listed equities in response to market opportunities. We believe the portfolio is well positioned to withstand ongoing volatility in markets with a diversified spread of asset classes.

The Australian economy has shown resilience in the face of interest rate hikes. We expect monetary policy to remain restrictive in Australia during calendar 2024, with inflation above the Reserve Bank's mandated target range of 2-3%. The investing environment remains volatile. Despite corporate earnings surprising to the upside and the likelihood of economic recession falling, our view is that there is risk in the outlook and that public market valuations are broadly elevated in the context of the higher rate environment.

With this backdrop, Soul Patts continues to invest in a diverse range of assets in order to build a resilient portfolio. The availability of and access to liquidity ensures our team can move quickly on new investment opportunities and benefit from periods of market dislocation.

Portfolio Review continued



Strategic Portfolio

Net Asset Value

\$5,876.5m

% of Group

51%

Net Cash Flow From Investments

\$169.6m

◆ up 8.2% on the pcip

Portfolio composition

Interests in TPG, New Hope, Brickworks, Tuas, Apex, Pengana, Aeris Resources, Perpetual

Strategy

Significant investments in largely uncorrelated listed companies, generally with board representation

Background

Soul Patts holds cornerstone shareholdings – the majority held over the long-term – across a diverse range of industries with low correlations.

Performance

In 1H24, the portfolio delivered a total return of 11.3%, an outperformance of 5.4% compared to the All Ordinaries Accumulation Index, which delivered a total return of 5.9%.

While the operational performance of each investment is mixed, Soul Patts' ability to outperform the Index was driven by growth in the market value of our investments, led by Brickworks, Tuas, New Hope, and TPG. A brief summary of the underlying financial performance of the three significant investments in the portfolio during the reporting period is outlined below, obtained from the external investor presentations and financial reports of the investees.

New Hope Corporation Limited (ASX: NHC)

- For 1H24, New Hope announced a Net Profit After Tax of \$251.7m for 1H24 (1H23: \$668.6m); average thermal coal realised prices decreased from A\$467.4 per tonne in 1H23 to A\$197.03 per tonne in 1H24
- Soul Patts received total dividends of 30 cents per share in 1H24 from New Hope, down 46% on the pcip
- Outlook will be focused on ongoing capital management initiatives and continued ramp up at the New Acland mine
- Source: <https://newhopegroup.com.au/half-year-results-fy24/>

Brickworks Limited (ASX: BKW)

- For 1H24, Brickworks announced an underlying Net Loss After Tax from continuing operations of \$37m, compared to an underlying Net Profit After Tax from continuing operations of \$410m in the pcg; Brickwork Group's underlying EBIT was a loss of \$84m, compared to an underlying EBIT profit of \$569m in the pcg due to lower property contributions
- Soul Patts received total dividends of 42 cents per share in 1H24 from BKW, up 2% on the pcg
- Following a period of significant investment, the short-term priority is to maximise cash generation. Within property, structural trends towards e-commerce and the digital economy will continue to drive demand for prime industrial facilities and the building products business is well placed to meet the demands of the expected building boom over the next decade in Australia and North America
- Source: <https://investors.brickworks.com.au/>

TPG Telecom Limited (ASX: TPG)

- For FY23, TPG's adjusted Net Profit After Tax was \$584m (FY22: \$646m); adjusted EBITDA was \$1,930m (FY22: \$1,793m) and in line with guidance, driven by growth in consumer mobile service revenue and Vision Network wholesale revenue
- Operating free cash flow was \$167m, up 81.5% on the pcg
- Soul Patts received total dividends of 9 cents per share in 1H24, unchanged from the pcg
- TPG expects FY24 EBITDA to be between \$1,950-2,025m
- TPG is continuing a strategic review of its fibre network infrastructure assets
- TPG expects over the medium-term that working capital, capex and interest costs will normalise
- Source: <https://www.tpgtelecom.com.au/investor-relations/asx-announcements>

Contribution to Soul Patts

The Strategic Portfolio contributed Net Cash Flow From Investments of \$169.6m, up 8.2% on the pcg primarily due to the increased income related to New Hope.

Outlook

The Strategic Portfolio remains fundamental to Soul Patts' cash generation, with the goal to develop other investments within the broader group portfolio that could be considered strategic in future.

Portfolio Review continued

Large Caps Portfolio

Net Asset Value

\$2,435.2m

% of Group

21%

Net Cash Flow From Investments

\$47.8m

▼ down 23.8% on the pcip

Portfolio composition

Companies within the ASX200 Index

Strategy

Actively managed Australian listed equities generating consistent income and capital growth over the long term

Background

The Large Caps Portfolio is an index unaware, actively managed portfolio designed to generate capital and income growth over the long-term, while also acting as a source of liquidity for the broader group portfolio.

Performance

The Large Caps Portfolio delivered a total return of 7.7% during the period, an outperformance of 1.9% compared to the benchmark ASX200 Accumulation Index return of 5.8%.

Soul Patts sold \$392.7m and purchased \$392.5m of new or increased investments during 1H24, with the portfolio closing the period with 35 positions.

Sector underweights of note include Banks and Materials, with the portfolio weighted towards Healthcare, Industrials and Consumer Discretionary. The three largest positions by size – Macquarie Group, BHP and CSL – are unchanged since 31 July 2023.

Contribution to Soul Patts

The Large Caps Portfolio contributed Net Cash Flow from Investments of \$47.8m, down 23.8% on the pcip attributable to the reduced size of the portfolio when compared to pcip.

Outlook

The Large Caps Portfolio is actively managed and maintains a preference for companies that can deliver reliable near-term earnings growth, and / or sustainable dividend yield.

Private Equity Portfolio



Net Asset Value

\$1,402.2m

% of Group

12%

Net Cash Flow From Investments

\$13.3m

◆ flat on the pcp

Portfolio composition

Ampcontrol, Aquatic Achievers, Soul Patts Agriculture, Ironbark, plus other smaller investments

Strategy

Long term investments in unlisted companies to support their growth

Background

The Private Equity Portfolio comprises established businesses with strong demand tailwinds, aligning with our investment themes of education, financial services, food security and agriculture, and the energy transition.

Soul Patts is attracted to growth companies where we can be a supportive, long-term capital partner. Our open mandate and flexible approach means these investments may be wholly owned or partially owned.

Activity

During the period, Soul Patts Agriculture completed the strategic acquisition of Redland Fruit. It included key processing infrastructure that vertically integrates operations at our orchard assets across southern New South Wales and Victoria. Controlling processing and sales (domestic and export channels) will enable us to manage market risk more effectively.

With the ability to service our southern citrus farms, the acquisition included a large-scale fruit packing and processing plant with automatic storage and retrieval systems. This targets cost efficiency and economies of scale to the production base for Soul Patts Agriculture. The acquisition also included 1,150ha of farmland assets with apple, pear and stone fruit orchards, as well as water rights.

1H24 was also focused on integrating the seven strategic acquisitions executed during 2H23 across our largest private equity investments: Soul Patts Agriculture, Aquatic Achievers, Ampcontrol, and Ironbark. Ironbark, which had \$65.9b in funds under management at 31 December 2023, completed the acquisition of Invest Blue during 1H24.

Contribution to Soul Patts

The Private Equity Portfolio contributed Net Cash Flow From Investments of \$13.3m which was flat on the pcp and reflects Soul Patts continued investment to support growth.

Outlook

Soul Patts continues to assess acquisition opportunities on a selective and disciplined basis. FY23 was a highly active period for the portfolio, with FY24 focused on integrating acquisitions to extract value and synergies.

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Portfolio Review continued

Emerging Companies Portfolio

Net Asset Value

\$990.9m

% of Group

9%

Net Cash Flow From Investments

\$10.8m

▼ a decrease of 55.0% on the pcip

Portfolio composition

ASX Ex-100 listed equities and structured equity investments

Strategy

Exposure to faster growing companies often benefitting from structural changes and trends in the domestic and global economy

Background

The Emerging Companies Portfolio is comprised of ASX Ex-100 equities and structured equity investments.

The portfolio has exposure to profitable businesses with developed business models operating in attractive industries in addition to earlier stage companies with strong growth prospects.

Performance

The Emerging Companies Portfolio delivered a total return of 7.7% in 1H24, an outperformance of 4.0% compared to the ASX Small Ordinaries Accumulation Index which returned 3.7% over the same period.

The portfolio benefited from positive developments in the uranium market, which the portfolio has been trading in since 2018, with investments in Paladin Energy, Boss Energy, and more recently NexGen Energy increasing in value. In addition, investments were made across industrials, mining services and energy during 1H24.

Contribution to Soul Patts

The Emerging Companies Portfolio contributed Net Cash Flow From Investments of \$10.8m, a decrease of 55.0% on the pcip, reflecting lower realised trading gains during 1H24 (in contrast to unrealised gains which increased significantly compared to the pcip).

Outlook

Soul Patts remains positive on the outlook for the existing portfolio and that the market will continue to present opportunities in small and emerging companies. The higher rate environment broadly represents a headwind for small companies but the portfolio is highly concentrated and direct access to deal flow supports the ability to target strong risk-adjusted returns.

Credit Portfolio

Net Asset Value

\$696.5m

% of Group

6%

Net Cash Flow From Investments

\$51.9m

◆ an increase of 176.1% on the pcip

Portfolio composition

Corporate loans, bonds, and structured credit investments

Strategy

Investments in different types of credit related financial instruments across an investee's capital structure aimed at optimising the portfolio's risk adjusted returns

Background

The Credit Portfolio (formerly known as Structured Yield Portfolio) comprises investments in corporate loans, bonds, and structured credit instruments targeting the following characteristics: ongoing cash yield; strong asset backing; security and seniority to equity investors; and, in some cases upside exposure to be gained through equity warrants or conversion rights.

During 1H24, \$241.0m of additional capital was deployed into new loans across various structures which included public and private companies, operating across sectors including consumer discretionary, industrials and energy and resources. During the period, \$195.0m of loans were repaid across the portfolio.

Contribution to Soul Patts

The portfolio contributed Net Cash Flow From Investments of \$51.9m an increase of 176.1% on the pcip, reflecting the growth of the portfolio over the past 18 months.

Outlook

The Credit Portfolio has a pipeline of further opportunities that continue to be explored, in addition to undrawn but committed funds totalling \$370.7m at 31 January 2024.

Portfolio Review continued



Property Portfolio

Net Asset Value

\$110.9m

% of Group

1%

Net Cash Flow From Investments

\$0

◆ no change on the pcip

Portfolio composition

Direct property and equity
accounted joint ventures

Strategy

Actively managed Australian
property investments

Background

Soul Patts' direct Property Portfolio comprises eight assets with a combined value of \$110.9m. Largely concentrated in the Sydney region, these assets are positioned towards development opportunities. From a broader portfolio perspective, we are mindful of our look-through exposure to industrial property in Brickworks which holds a large portfolio of premium industrial property.

Outlook

Soul Patts continues to look for development and value adding opportunities across all sectors in a market that has been disrupted by rapid interest rate increases. The portfolio's retirement lifestyle development in partnership with Provectus in Cronulla – Sage by Moran – is also expected to complete during 2H24.



Net Working Capital

Net Asset Value

\$26.5m

As at 31 January 2024, the Net Working Capital Portfolio included a net cash position of \$28.2m, a decrease of \$657.8m on 31 July 2023 following an active investment period. The net cash position comprises:

% of Group

0.2%

- Cash of \$394.2m at an average yield of 4.4%
- Gross interest-bearing debt of \$366.0m at an average cost of debt of 2.4%

Net Cash Flow From Investments

\$(30.0)m

▼ down 2.0% on the pcg

Soul Patts also maintains significant unutilised borrowing facilities which, when combined with current cash balances, ensures we are able to quickly deploy substantial capital into new investment opportunities.

Net Cash Flow From Investments from Net Working Capital was down 2% on the pcg reflecting higher income tax on Regular items, largely offset by increased net interest income earned on cash and term deposits during the half year.

Portfolio composition

Intersegment/unallocated assets and liabilities e.g. cash, interest-bearing liabilities, other assets and liabilities

Strategy

Provides portfolio liquidity

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Investment Portfolio Financial Information

Soul Patts is a diversified investment entity that manages its investments on a portfolio basis. In contrast to the consolidated financial report, the portfolio information reflects the entity's activities as an 'investor' and provides details of its investments (subsidiaries, associate entities and other investments), which in some cases will differ from the statutory accounting treatment.

The Directors have presented this information (unaudited, non-IFRS) as they consider the disclosure enhances the understanding of the financial position and results attributable to members and users of the financial statements.

The NAV on page 18 is grouped according to the relevant valuation bases that apply to each individual portfolio. Assets are valued at Cost, Market Value, External Fair Value, or Directors' Fair Value as shown in the NAV statement included in the Portfolio Review on page 7.

The values in the Statement of Financial Position on page 31 differ to the NAV statement due to the following accounting methodologies:

	Financial statement measurement	NAV statement methodology
Investments in controlled entities	Controlled entity investments are consolidated into the group financial position and results.	Market Value, External Fair Value, or Directors' Fair Value
Investment in associates	Associates are equity accounted with the balance in the statement of financial position increasing by the Group's share of each associate's result and decreasing by any dividends received.	Market Value, External Fair Value, or Directors' Fair Value

The Net Cash Flow From Investments reflects the dividend income, interest income and realised gains on trading assets received by the Parent Entity (rather than consolidated cash flows of the Group), after deducting corporate costs, income tax and excluding Non-Regular cash flows. The Board declares dividends having regard to Net Cash Flow From Investments.

Net Asset Value Statement

as at 31 January 2024

1

Strategic Portfolio	Valuation Basis ¹	Holding	\$m
Brickworks Limited	MV	43.1%	1,925
New Hope Corporation Limited	MV	39.2%	1,791
TPG Telecom Limited	MV	12.8%	1,257
Tuas Limited	MV	25.4%	377
Apex Healthcare Berhad	MV	29.6%	195
Pengana Capital Group Limited	MV	36.4%	40
Aeris Resources Limited	MV	31.4%	32
Other Strategic investments at MV			240
Other Strategic investments at EFV			20
Total value of Strategic Portfolio			5,877

2

Large Caps Portfolio		\$m
BHP Group Limited	MV	232
Macquarie Group Limited	MV	207
CSL Limited	MV	188
Goodman Group Limited	MV	123
Wesfarmers Limited	MV	122
Other Large Cap investments at MV		1,550
Other Large Cap investments at DFV		20
Other Large Cap investments at EFV		(7)
Total value of Large Caps Portfolio		2,435

3

Private Equity Portfolio	\$m
Private Equity investments at EFV	91
Private Equity investments at DFV	1,250
Private Equity investments at Cost	61
Total value of Private Equity Portfolio	1,402

4

Credit Portfolio	\$m
Credit investments at Cost	628
Credit investments at DFV	69
Total value of Credit Portfolio	697

5

Emerging Companies Portfolio	\$m
Emerging Companies investments at MV	799
Emerging Companies investments at DFV	81
Emerging Companies investments at EFV	111
Total value of Emerging Companies Portfolio	991

6

Property Portfolio	\$m
Property investments at EFV	78
Property investments at DFV	33
Total value of Property Portfolio	111

Working Capital	\$m
Cash	394
Convertible Notes	(225)
Other interest bearing liability	(141)
Other working capital	(1)
Total Working Capital	27

Consolidated Net Asset Value pre-tax	11,539
---	---------------

Estimated net capital gains tax liability	(1,239)
---	---------

Consolidated Net Asset Value post-tax	10,300
--	---------------

Fully paid ordinary shares (millions)	361
--	------------

NAV per share (pre-tax)	31.97
--------------------------------	--------------

NAV per share (post-tax)	28.53
---------------------------------	--------------

1. Refer to the glossary of terms on pages 53 and 54 for the definitions of MV (Market Value), DFV (Directors' Fair Value), EFV (External Fair Value) and Cost.

Parent Entity Net Cash Flow From Investments

for the half year ended 31 January 2024

Dividend and distribution income

\$m

1

Brickworks Limited	28
New Hope Corporation Limited	100
TPG Telecom Limited	21
Apex Healthcare Berhad	2
Pengana Capital Group Limited	1

2

BHP Group Limited	5
Macquarie Group Limited	3
CSL Limited	1
Goodman Group Limited	1
Wesfarmers Limited	2
Other Large Cap investments	25

3

Private Equity investments	13
----------------------------	----

4

Credit investments	13
--------------------	----

5

Emerging Company investments	7
------------------------------	---

Total dividend and distribution income	222
---	------------

4

Interest income (from cash and Credit investments)	59
---	-----------

Other revenue	7
----------------------	---

Realised and Unrealised fair value gains	140
---	-----

Corporate costs	(23)
------------------------	------

Other expenses	(3)
-----------------------	-----

Finance costs	(7)
----------------------	-----

Regular profit before income tax expense	395
---	-----

Income tax expense	(66)
---------------------------	------

Regular profit after income tax expense	329
--	------------

Regular profit after income tax expense	329
--	------------

Adjusted for:

Non-cash fair value gains	(104)
---------------------------	-------

Non-cash tax expense	38
----------------------	----

Net Cash Flow From Investments	263
---------------------------------------	------------

Net Cash Flow From Investments (cents per share)	73.0
---	-------------

Dividends paid/payable

- Interim of 40 cents per share payable 10 May 2024	144
---	-----

Total dividends paid/payable	144
-------------------------------------	------------

Payout ratio

Total dividends as a percentage of Net Cash Flow From Investments	54.8%
---	-------

The Board declares dividends having regard to Net Cash Flow From Investments. The above demonstrates the underlying support Net Cash Flow From Investments currently provides to dividends declared.

Reconciliation of Parent Regular NPAT to Parent Statutory NPAT

for the half year ended 31 January 2024

	2024 \$m
Regular profit after income tax expense	329
Adjusted for: Non-Regular items after tax	
Impairment expense related to associates	(65)
Change in unrecognised deferred tax assets	24
Non-Regular unrealised gain on other financial assets	14
Other	(1)
Profit after income tax expense	301

Reconciliation of Consolidated net assets to NAV

for the half year ended 31 January 2024

	2024 \$m
Consolidated net assets (Statutory)	8,992
Adjust listed associates to MV	1,870
Adjust unlisted associates and subsidiaries to DV	240
Adjust Capital Gains tax liability on above ¹	(785)
Remove non-controlling interest	(13)
Other	(4)
Consolidated Net Asset Value post-tax	10,300

1. The NAV (post-tax) reflects the capital gains tax payable that would arise if Soul Patts disposed of all of its assets at the pre-tax values adopted.

Directors' Report and Operating Review

The Directors of Washington H. Soul Pattinson and Company Limited ("Soul Patts") present their report for the reporting period ended 31 January 2024.

Directors

The following persons are Directors of Soul Patts for the whole of the half year and up to the date of this report unless otherwise noted:

- **Robert Millner AO** Chairman
- **Todd Barlow** Managing Director
- **Michael Hawker AM** Lead Independent Director
- **David Baxby**
- **Tiffany Fuller**
- **Joanne (Joe) Pollard**
- **Josephine Sukkar AM**

Thomas Millner retired as a Director of Soul Patts on 31 December 2023.

Review of Operations

Revenue from continuing operations (revenue from ordinary activities)

Revenue from continuing operations of \$387.9m was up \$97.4m or 34% on the pcpc.

Key variances were:	\$m
• Higher Revenue from contracts with customers arising from growth in Ampcontrol (\$60.7m) including that of Androck which was acquired in 2H23, Aquatic Achievers (\$23.0m) following the Kirby and Carlile acquisitions in FY23, and Soul Patts Agriculture (\$5.9m)	90.8
• Higher Interest revenue arising from growth in the Credit Portfolio and higher interest from term deposits	32.3
Partly offset by:	
• Lower Dividend and distribution income following a repositioning of the Large Caps Portfolio	(24.7)
• Lower Other revenue	(1.0)
Total increase in Revenue from continuing operations	97.4

Profit after tax attributable to members

The Statutory Consolidated Net Profit After Tax attributable to members for the reporting period ended 31 January 2024 was \$302.5m compared to a net profit of \$453.0m in the pcpc, a decrease of \$150.5m or 33%.

The primary reasons for the decrease in Statutory Consolidated Net Profit After Tax were:	\$m
• Lower Regular Net Profit After Tax of \$241.3m, compared to \$475.7m on the pcpc, primarily resulting from lower contributions from the Strategic Portfolio, offset partly by higher trading income in the Emerging Companies Portfolio and interest income in the Credit Portfolio. Further explanations of these variances are provided in this report.	(234.4)
Partly offset by:	
• Higher Non-Regular Profit After Tax due to increased Non-Regular deferred tax benefit (\$92.7m) and gains on deemed disposals of associates (\$62.8m). These were partly offset by higher impairment expense (\$52.7m) and other items (\$21.7m) which are detailed in the Reconciliation between Consolidated Regular Profit After Tax and Consolidated Net Profit After Tax on pages 24 and 25.	83.9
Total decrease in Statutory Consolidated Net Profit After Tax attributable to members	(150.5)

Directors' Report and Operating Review continued

The following table sets out reported Group Statutory Net Profit After Tax attributable to members on a Regular and Non-Regular basis, by portfolio:

Consolidated Profit After Tax attributable to members Portfolio	Regular 31 Jan 24 \$'000	Regular 31 Jan 23 \$'000	Non-Regular 31 Jan 24 \$'000	Non-Regular 31 Jan 23 \$'000	Reported 31 Jan 24 \$'000	Reported 31 Jan 23 \$'000
Strategic	98,296	405,271	50,798	(43,722)	149,094	361,549
Large Caps	38,223	56,360	—	901	38,223	57,261
Private Equity	3,349	(133)	(11,658)	12,646	(8,309)	12,513
Credit	39,555	17,206	—	—	39,555	17,206
Emerging Companies	71,850	10,515	(1,823)	16,469	70,027	26,984
Property	1,585	(3,830)	440	1	2,025	(3,829)
Intersegment/unallocated	(11,525)	(9,670)	23,445	(8,995)	11,920	(18,665)
Profit/(loss) after income tax for the half year attributable to members	241,333	475,719	61,202	(22,700)	302,535	453,019

Regular Net Profit After Tax and Non-Regular Net Profit After tax are defined in the Glossary on page 52.

Portfolio Performance

The following section contains a brief analysis of how each portfolio performed compared to the pcp on a Consolidated Statutory Net Profit After Tax basis.

Strategic Portfolio

The Statutory Net Profit After Tax contribution from the Strategic Portfolio was \$149.1m, down \$212.5m or 59%.

The primary reasons for the decrease were:

	\$m
Lower current reporting period Regular Net Profit After Tax of \$98.3m, compared to \$405.3m in the pcp as a result of lower share of profits from Brickworks and New Hope. Share of Regular profit from Brickworks decreased \$181.1m predominantly as a result of lower property contributions compared to 1H23. Share of Regular profit from New Hope decreased \$138.4m as the pcp was driven by record thermal coal prices.	(307.0)
Non-Regular Profit After Tax of \$50.8m resulting primarily from a reduction in deferred tax liabilities on associate investments (due to Brickworks loss for the period as well as an increased franking balance of New Hope as a result of taxes paid). This compared to a loss of \$43.7m in the pcp, which included a \$52.5m non-cash loss on deemed disposal of shares in associates.	94.5
Total	(212.5)

Large Caps Portfolio

The Large Caps Portfolio Statutory Net Profit After Tax contribution of \$38.2m was \$19.0m lower when compared to the pcg.

Regular Net Profit After Tax decreased by \$18.1m from lower ordinary dividend income in the current reporting period, following a reduced portfolio size after repositioning in the prior year.

Private Equity Portfolio

The Private Equity Portfolio made a Statutory Net (Loss) After Tax of \$8.3m, a reduction of \$20.8m compared to the pcg.

The primary reasons for the lower contribution were:

	\$m
Regular Net Profit After Tax increased primarily due to higher contributions from Ampcontrol (\$6.1m) and Aquatic Achievers (\$1.8m), partly offset by Soul Patts Agriculture (\$4.7m).	3.5
Non-Regular Profit After Tax decreased \$24.3m on pcg driven primarily by impairment expenses on associate investments of \$19.2m, Refer to pages 24 and 25 for additional detail of Non-Regular items in the respective periods.	(24.3)
Total	(20.8)

Credit Portfolio

The Statutory Net Profit After Tax contribution from the Credit Portfolio was \$39.6m, up \$22.3m on the pcg. The increased contribution was due to growth in the size of the portfolio generating higher interest income and loan fees.

Emerging Companies Portfolio

The Emerging Companies Portfolio Statutory Net Profit After Tax contribution of \$70.0m was \$43.0m higher when compared to the pcg.

Regular Net Profit After Tax increased by \$61.3m to \$71.9m from higher mark-to-market gains on the trading portfolio compared with the pcg.

The movement in the Non-Regular profit (loss) after tax was primarily the result of a gain on derecognition of an equity accounted associated (Clover Corporation) of \$22.7 in the prior year.

Property Portfolio

The Property Portfolio Statutory Net Profit After Tax contribution of \$2.0m was \$5.9m higher when compared to the pcg due to a net investment property portfolio devaluation affecting the pcg.

Intersegment and unallocated

In the current reporting period, the Statutory Net Profit After Tax contribution from intersegment and unallocated items was \$11.9m compared with a loss of \$18.7m in the pcg.

Regular Net (Loss) After Tax increased by \$1.9m, as higher financing costs were largely offset by increased interest income from cash and term deposit balances held during the period.

The increase in Non-Regular Profit after Tax of \$32.4m was largely driven by previously unrecognised deferred tax assets which have been recognised in the current period.

Directors' Report and Operating Review continued

Reconciliation between Consolidated Regular Profit After Tax and Consolidated Net Profit After Tax

A reconciliation between Consolidated Regular Profit After Tax attributable to members and Consolidated Net Profit After Tax attributable to members is set out below. The Directors have presented this information as they consider the disclosure enhances the understanding of the financial results to shareholders and other users of the financial statements.

The allocation of revenue and expense items between Regular and Non-Regular Net Profit After Tax is consistent with the pcp. Transactions between business segments are on an arm's length basis in a manner similar to transactions with third parties.

Half year ended 31 January 2024	Strategic Portfolio \$'000	Large Caps Portfolio \$'000	Private Equity Portfolio \$'000	Credit Portfolio \$'000	Emerging Companies Portfolio \$'000	Property Portfolio \$'000	Intersegment/unallocated ¹ \$'000	Consolidated \$'000
Consolidated Regular Profit/(loss) After Tax attributable to members	98,296	38,223	3,349	39,555	71,850	1,585	(11,525)	241,333
Consolidated Non-Regular items after tax								
Share of Non-Regular items from equity accounted associates	(7,947)	—	4,638	—	—	—	—	(3,309)
(Loss)/gain on deemed disposal of equity accounted associates	(1,033)	—	11,336	—	—	—	—	10,303
Deferred tax benefit/(expense) recognised on equity accounted associates	78,852	—	(610)	—	1,003	440	—	79,685
Changes in unrecognised deferred tax assets	—	—	—	—	—	—	24,310	24,310
Impairment expense on equity accounted associates	(32,679)	—	(19,286)	—	(2,826)	—	—	(54,791)
Acquisition costs expensed	—	—	(6,574)	—	—	—	(865)	(7,439)
Other items	13,605	—	(1,162)	—	—	—	—	12,443
Total Consolidated Non-Regular items after tax	50,798	—	(11,658)	—	(1,823)	440	23,445	61,202
Consolidated Profit/(loss) After Tax attributable to members	149,094	38,223	(8,309)	39,555	70,027	2,025	11,920	302,535
(Less)/add: profit/(loss) attributable to non-controlling interests	—	—	(336)	299	—	—	54	17
Consolidated Profit/(loss) after tax	149,094	38,223	(8,645)	39,854	70,027	2,025	11,974	302,552

1. Intersegment/unallocated represents Soul Patts revenue and corporate costs that are not allocated to individual segments.

Half year ended 31 January 2023	Strategic Portfolio \$'000	Large Caps Portfolio \$'000	Private Equity Portfolio \$'000	Credit Portfolio \$'000	Emerging Companies Portfolio \$'000	Property Portfolio \$'000	Intersegment/unallocated ¹ \$'000	Consolidated \$'000
Consolidated Regular Profit/(loss) After Tax attributable to members	405,271	56,360	(133)	17,206	10,515	(3,830)	(9,670)	475,719
Consolidated Non-Regular items after tax								
Share of Non-Regular items from equity accounted associates	(23,223)	—	29,333	—	—	—	—	6,110
(Loss)/gain on deemed disposal of equity accounted associates	(52,509)	—	—	—	10	—	—	(52,499)
Gain on derecognition of equity accounted associates	—	—	—	—	22,741	—	—	22,741
Deferred tax benefit/(expense) recognised on equity accounted associates	32,010	—	(5,441)	—	(6,283)	—	—	20,286
Changes in unrecognised deferred tax assets	—	—	—	—	—	—	(8,994)	(8,994)
Impairment expense on equity accounted associates	—	—	(2,088)	—	—	—	—	(2,088)
Deferred consideration adjustment on the sale price of Round Oak	—	—	(9,134)	—	—	—	—	(9,134)
Other items	—	901	(24)	—	1	1	(1)	878
Total Consolidated Non-Regular items after tax	(43,722)	901	12,646	—	16,469	1	(8,995)	(22,700)
Consolidated Profit/(loss) After Tax attributable to members	361,549	57,261	12,513	17,206	26,984	(3,829)	(18,665)	453,019
Add: loss attributable to non-controlling interests	—	—	(175)	—	—	—	—	(175)
Consolidated Profit/(loss) after tax	361,549	57,261	12,338	17,206	26,984	(3,829)	(18,665)	452,844

1. Intersegment/unallocated represents Soul Patts revenue and corporate costs that are not allocated to individual segments.

Directors' Report and Operating Review continued

Interim Dividend

The Directors have resolved to pay an interim dividend of 40.0 cents per share in respect of the half year ended 31 January 2024, an increase of 11.1% over last half year's interim dividend of 36.0 cents per share. The dividend will be fully franked and is payable on 10 May 2024.

Events Subsequent to the Reporting Date

Refer to Note 11 of the Financial Report. The Directors are not aware of any other event or circumstance since the end of the reporting period not otherwise dealt with in this report or the Financial Report that has or may significantly affect the operations of the Soul Patts Group, the results of those operations, or the state of affairs of the Soul Patts Group in subsequent reporting periods.

Notwithstanding, the Company continues to see its portfolio entities explore opportunities to make strategic acquisitions. Some of these opportunities, if they proceed, may be material to those entities and (as a consequence) the Company. The Company may support these opportunities through providing debt or equity funding to those entities and by providing those entities with access to its transaction experience and capabilities.

Auditor's Independence Declaration

The lead auditor's independence declaration for the half year ended 31 January 2024 has been received and is included on page 27.

Rounding of Amounts

Soul Patts is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that legislative instrument, amounts in the Directors' Report and Financial Report have been rounded to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the Board of Directors:



Robert Millner AO

Director - Chairman

21 March 2024



Todd Barlow

CEO & Managing Director

Auditor's Independence Declaration



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Washington H. Soul Pattinson and Company Limited

As lead auditor for the review of the half-year financial report of Washington H. Soul Pattinson and Company Limited for the half-year ended 31 January 2024, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b) no contraventions of any applicable code of professional conduct in relation to the review; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Washington H. Soul Pattinson and Company Limited and the entities it controlled during the financial period.

A handwritten signature in black ink, appearing to read 'Ernst & Young', is written above the printed name.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Ryan Fisk', is written above the printed name.

Ryan Fisk
Partner
Sydney
21 March 2024

Financial Report

Financial Statements

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Consolidated Statement of Comprehensive Income

for the half year ended 31 January 2024

	Notes	31 January 2024 \$'000	31 January 2023 \$'000
Revenue from continuing operations			
Revenue from contracts with customers	5.1	252,348	161,550
Dividend and distribution income		70,135	94,862
Interest revenue		63,894	31,601
Other revenue		1,476	2,472
Total revenue from continuing operations		387,853	290,485
Other gains and losses	5.2	190,991	32,937
Share of results from equity accounted associates	6	46,285	369,382
Expenses			
Cost of sales		(163,051)	(118,363)
Administration expenses		(115,708)	(74,876)
Impairment expense	5.3	(55,954)	(2,446)
Other expenses		(8,789)	(3,051)
Finance costs		(15,297)	(9,478)
Profit before income tax expense from continuing operations		266,330	484,590
Income tax benefit/(expense)	5.4	36,222	(22,612)
Profit after income tax expense from continuing operations		302,552	461,978
Loss after income tax expense from discontinued operations ¹		—	(9,134)
Profit after income tax expense for the half year		302,552	452,844
Profit for the half year is attributable to:			
Members of the Company		302,535	453,019
Non-controlling interests		17	(175)
Profit after income tax expense for the half year		302,552	452,844
Other comprehensive income/(loss)			
Items that will not be reclassified subsequently to profit or loss:			
Profit/(loss) from revaluation of investments and other assets, after tax		129,575	(173,109)
Share of associates' reserves, after tax		(1,613)	1,348
Items that may be reclassified subsequently to profit or loss:			
Gain on cash flow hedges, net of amounts reclassified to profit/(loss), after tax		14	1,097
Exchange differences from translation of foreign operations, after tax		24	12
Changes in equity reserves, after tax		—	(14)
Share of associates' cash flow hedge and other reserves, after tax		(13,208)	24,898
Total other comprehensive profit/(loss), net of tax		114,792	(145,768)
Total comprehensive income for the half year		417,344	307,076
Total comprehensive income for the half year is attributable to:			
Members of the Company		417,327	307,331
Non-controlling interests		17	(255)
Total comprehensive income for the half year		417,344	307,076

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

1. Discontinued operations relate to the sale of Round Oak on 1 July 2022.

Consolidated Statement of Comprehensive Income

continued

for the half year ended 31 January 2024

	31 January 2024 \$'000	31 January 2023 \$'000
Profit attributable to Members of the Company:		
Continuing operations	302,535	462,153
Discontinued operations ¹	—	(9,134)
Profit attributable to Members of the Company for basic earnings	302,535	453,019
Interest on convertible notes, after tax	1,160	1,150
Profit attributable to Members of the Company adjusted for the effect of dilution	303,695	454,169

	31 January 2024 000's	31 January 2023 000's
Weighted average number of ordinary shares	360,968	360,968
Less weighted average number of treasury shares ²	(40,798)	(40,937)
Weighted average number of ordinary shares for basic EPS	320,170	320,031
Effects of dilution from convertible notes ³	6,537	6,430
Weighted average number of ordinary shares adjusted for the effect of dilution	326,707	326,461

	Cents	Cents
Earnings per share from continuing operations		
Basic earnings per share	94.49	144.40
Diluted earnings per share ³	92.96	139.10
Earnings per share from discontinued operations¹		
Basic loss per share	—	(2.90)
Diluted loss per share ³	—	(2.80)
Earnings per share attributable to Members of the Company		
Basic earnings per share	94.49	141.50
Diluted earnings per share ³	92.96	136.30

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

1. Discontinued operations relate to the sale of Round Oak on 1 July 2022.

2. Includes adjustment for treasury shares and the reciprocal interest with Brickworks Limited (2024: 40,635,229 shares);(2023: 41,019,273 shares).

3. Diluted earnings per share assumes any long term incentive rights that vest in future reporting periods are expected to be satisfied by purchasing shares on the market.

Consolidated Statement of Financial Position

for the half year ended 31 January 2024

	Notes	31 January 2024 \$'000	31 July 2023 \$'000
Current assets			
Cash and cash equivalents		459,906	311,811
Term deposits		55	668,259
Trade receivables and other assets		143,697	136,884
Loan receivables		69,422	125,529
Inventories		70,854	63,118
Biological assets		23,523	12,487
Assets classified as held for sale		126	126
Trading assets		455,762	348,889
Other financial assets		10,411	50,195
Total current assets		1,233,756	1,717,298
Non-current assets			
Loan receivables		527,758	441,701
Investment in associates	6	2,757,182	2,875,925
Long term equity investments		3,943,438	3,757,766
Other financial assets		759,836	210,529
Investment properties		84,721	84,278
Property, plant and equipment		565,971	366,428
Right-of-use assets		89,142	83,604
Intangible assets		275,114	259,658
Total non-current assets		9,003,162	8,079,889
Total assets		10,236,918	9,797,187
Current liabilities			
Trade payables and other liabilities		113,096	105,279
Interest bearing liabilities	7	141,704	221,554
Lease liabilities		12,306	11,359
Other financial liabilities		—	8,477
Current tax liabilities		7,130	3,434
Provisions		22,124	25,138
Total current liabilities		296,360	375,241
Non-current liabilities			
Interest bearing liabilities	7	393,153	125,925
Lease liabilities		83,617	78,097
Other financial liabilities		5,942	—
Deferred tax liabilities		454,308	471,044
Provisions		11,784	11,867
Total non-current liabilities		948,804	686,933
Total liabilities		1,245,164	1,062,174
Net assets		8,991,754	8,735,013
Equity			
Share capital		4,683,474	4,683,474
Reserves		(202,285)	(320,179)
Retained profits		4,497,736	4,358,577
Equity attributable to Members of the Company		8,978,925	8,721,872
Non-controlling interests		12,829	13,141
Total equity		8,991,754	8,735,013

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

for the half year ended 31 January 2024

	Equity attributable to Members of the Company				Non-controlling interest \$'000	Total equity \$'000
	Share capital \$'000	Retained profits \$'000	Reserves \$'000	Total \$'000		
Total equity at the beginning of the half year 1 August 2023	4,683,474	4,358,577	(320,179)	8,721,872	13,141	8,735,013
Net profit for the half year after tax	—	302,535	—	302,535	17	302,552
Other comprehensive income for the half year	—	—	114,792	114,792	—	114,792
Total comprehensive income for the half year	—	302,535	114,792	417,327	17	417,344
Transactions with owners						
Dividends provided for or paid ¹	—	(163,376)	—	(163,376)	(586)	(163,962)
Share based payment transactions	—	—	3,102	3,102	—	3,102
Transactions with non-controlling interests	—	—	—	—	257	257
Total equity at the half year ended 31 January 2024	4,683,474	4,497,736	(202,285)	8,978,925	12,829	8,991,754

	Equity attributable to Members of the Company				Non-controlling interest \$'000	Total equity \$'000
	Share capital \$'000	Retained Profits \$'000	Reserves \$'000	Total \$'000		
Total equity at the beginning of the half year 1 August 2022	4,680,159	3,952,995	(184,767)	8,448,387	10,512	8,458,899
Net profit/(loss) for the half year after tax	—	453,019	—	453,019	(175)	452,844
Other comprehensive loss for the half year	—	—	(145,688)	(145,688)	(80)	(145,768)
Total comprehensive income/(loss) for the half year	—	453,019	(145,688)	307,331	(255)	307,076
Transaction with owners						
Dividends provided for or paid ¹	—	(185,980)	—	(185,980)	(106)	(186,086)
Share based payment transactions ²	3,315	—	(1,639)	1,676	—	1,676
Convertible debt buy-back-New Hope	—	—	(45,434)	(45,434)	—	(45,434)
Transactions with non-controlling interests	—	—	(47)	(47)	1,314	1,267
Total equity at the half year ended 31 January 2023	4,683,474	4,220,034	(377,575)	8,525,933	11,465	8,537,398

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

1. After the elimination of \$20.7m (43.1%) of Soul Patts dividend paid to Brickworks (1H23: \$23.4m (43.1%)).

2. Share capital increased from on market disposals of treasury shares. Share based payment reserve is adjusted for rights granted, net of those vesting during the period.

Consolidated Statement of Cash Flows

for the half year ended 31 January 2024

	Note	31 January 2024 \$'000	31 January 2023 \$'000
Cash flows from operating activities			
Receipts from customers inclusive of GST		259,957	208,896
Payments to suppliers and employees inclusive of GST		(275,619)	(197,328)
		(15,662)	11,568
Dividends and distributions received		208,447	320,316
Interest received		59,418	22,069
Interest on lease liabilities		(993)	(926)
Payments for trading assets		(648,260)	(119,391)
Proceeds from sale of trading assets		369,426	346,870
Acquisition costs expensed		(6,574)	(24)
Finance costs paid		(9,897)	(6,685)
Income taxes paid		(29,229)	(54,674)
Net cash (outflow)/inflow from operating activities		(73,324)	519,123
Cash flows from investing activities			
Payments for property, plant, equipment and intangibles		(77,187)	(116,444)
Proceeds from sale of property, plant and equipment and intangibles		913	15,851
Payments for acquisition and development of investment properties		(538)	(2,829)
Proceeds from sale of investment properties		18	89,345
Payments for equity investments		(339,126)	(186,205)
Proceeds from sale of equity investments		333,500	483,050
Payments to acquire equity accounted associates		(12,708)	(32,978)
Payments for acquisition of businesses, net of cash acquired		(156,192)	(537)
Payments for deferred consideration		(3,200)	—
Payments from sale of businesses, net of cash received		—	(29,180)
Loan repayments from external and related parties		157,541	59,543
Loans advanced to external and related parties		(200,931)	(258,437)
Net proceeds from term deposit		667,300	—
Net cash inflow from investing activities		369,390	21,179
Cash flows from financing activities			
Dividends paid to members of the Company	2	(184,094)	(209,362)
Dividends paid by subsidiaries to non-controlling interests		(586)	—
Proceeds from external borrowings		296,233	120,952
Repayments of external borrowings		(252,827)	(305,606)
Principal repayments of lease liabilities		(6,740)	(4,429)
Payment for shares acquired for the employee long term incentive plan		—	(3,064)
Net cash outflow from financing activities		(148,014)	(401,509)
Net increase in cash and cash equivalents		148,052	138,793
Cash and cash equivalents at the beginning of the financial year		311,811	506,327
Effects of exchange rate changes on cash and cash equivalents		43	154
Cash and cash equivalents at the end of the half year		459,906	645,274

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

01 Basis of preparation

Washington H. Soul Pattinson and Company Limited (Soul Patts or The Company) is a for profit company listed on the Australian Securities Exchange (ASX:SOL).

The financial report for the half year ended 31 January 2024 is a general purpose financial report and has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The financial report presents reclassified comparative information where required for consistency with the current half year's presentation.

The Half Year Financial Report does not include all the notes of the type normally included in annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial report for the year ended 31 July 2023 and any public announcements made by Soul Patts during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001* and the Australian Securities Exchange Listing Rules.

The accounting policies adopted in this report are consistent with those of the previous financial year and the corresponding half year reporting period, except for the required adoption of new standards effective as of 1 August 2023. These did not have a material impact on the interim financial report. The Company has not early adopted any standard, interpretation, or amendment that has been issued but is not yet effective.

This interim financial report was authorised for issue by the Board on 21 March 2024.

02 Payment of Dividends to Shareholders

	2024	2023	2024	2023
	\$'000	\$'000	Cents per share	Cents per share
Dividends paid during the half year				
Fully franked final dividend	184,094	155,216	51	43
Fully franked special dividend	—	54,146	—	15
Total dividends paid	184,094	209,362	51	58

Dividends not recognised at half year end

In addition to the above dividends, since half year end, the Directors have resolved to pay:

Fully franked interim dividend	144,387	129,948	40	36
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This dividend is due to be paid on 10 May 2024 (2023:12 May 2023). As the dividend was not declared by the Directors until 21 March 2024 a provision was not recognised as at 31 January 2024.

No dividend reinvestment plan was in operation during the reporting period.

Total number of ordinary shares on issue at the end of the reporting period was 360,967,863 (31 January 2023: 360,967,863).

03 Business combinations

Summary of acquisitions in the current reporting period

Acquisition of Redlands assets (Private Equity Portfolio)

On 26 September 2023, the Group acquired Redlands assets for a total purchase consideration of \$151.9m. The business assets include fruit orchards, water entitlements as well as a processing facility and logistics assets.

The value of net assets recognised in the 31 January 2024 financial statements are based on provisional assessments of their fair value. The finalisation of the fair value of the acquired assets and liabilities at acquisition date will be completed within the 12 month measurement period in accordance with the Group's accounting policy.

A summary of the provisional allocation of assets and liabilities acquired is as follows:

	Redlands 26 September 2023 \$'000
Prepayments and other assets	852
Inventories	1,500
Property, plant and equipment	148,551
Intangibles	6,729
Trade and other payables	(4,763)
Provisions	(920)
Fair value of net identifiable assets	151,949
Provisional goodwill on acquisition	—
Fair value of net assets acquired	151,949
Cash flows from acquisition	
Cash paid at acquisition	151,949
Cash outflow from investing activities	151,949
Acquisition related costs	6,756
Cash outflow from operating activities	6,756
Total cash outflow	158,705
Revenue contribution	
Acquisition date until 31 January 2024	13,518
If the acquisition had occurred on 01 August 2023	19,585
Profit before tax contribution	
Acquisition date until 31 January 2024	2,790
If the acquisition had occurred on 01 August 2023	(790)

Notes to the Financial Statements continued

Summary of acquisitions in the prior financial year ended 31 July 2023

In the prior financial year, the following Private Equity Portfolio acquisitions occurred:

	Kirby 31 March 2023	Carlisle Swimming 30 June 2023	Androck 31 May 2023
Acquiring entity	Aquatic Achievers	Aquatic Achievers	Ampcontrol
Percentage of equity acquired	100%	100%	100%
Description of acquiree	Operator of a group of swimming schools located in and around Perth, WA.	Operator of a group of swimming schools located in Sydney, NSW.	Provides supply, manufacturing and re-engineering services to the underground mining industry in Eastern Australia.
Status of provisional accounting	Provisional	Provisional	Provisional
Update on outstanding matters from provisional accounting	There has been no material change to the provisional amounts as presented in the 2023 Annual Report	There has been no material change to the provisional amounts as presented in the 2023 Annual Report	There has been no material change to the provisional amounts as presented in the 2023 Annual Report
Total purchase consideration	\$10.8m	\$74.2m	\$21.1m

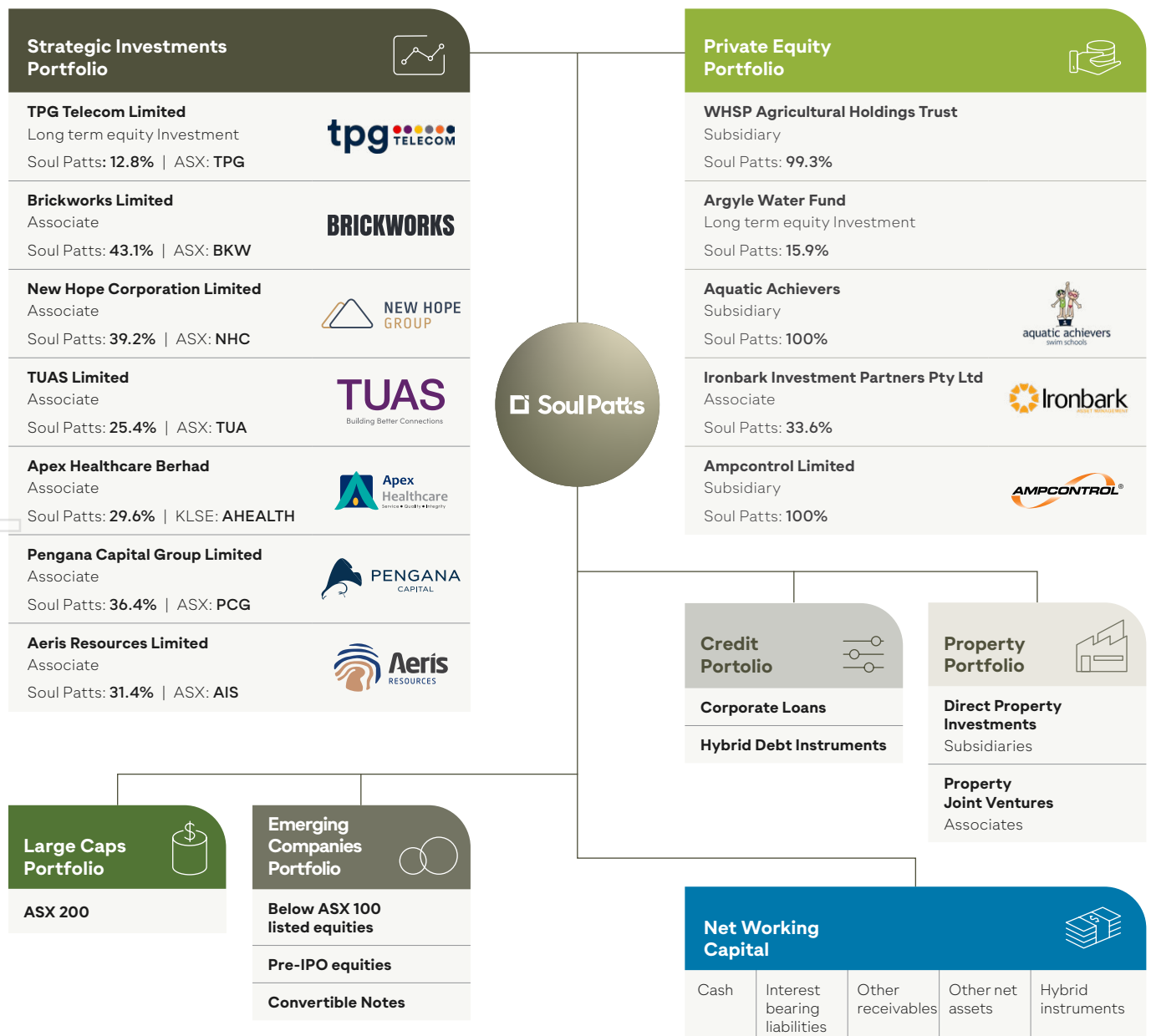
04 Segment Information

Segment reporting

The Group is an investment house that operates within six segments based on its investment portfolio allocation. All segments are predominately based in Australia.

The Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM), who is responsible for allocating resources and assessing performance of the operating segments, and has been identified as the Board of Soul Patts.

The Group's operating segments are outlined below:



Notes to the Financial Statements continued

Reporting Segments	Strategic Portfolio \$'000	Large Caps Portfolio \$'000	Private Equity Portfolio \$'000	Credit Portfolio \$'000	Emerging Companies Portfolio \$'000	Property Portfolio \$'000	Intersegment/ unallocated ¹ \$'000	Consolidated \$'000
Half year ended 31 January 2024								
Profit/(loss) after tax from continuing operations	149,094	38,223	(8,645)	39,854	70,027	2,025	11,974	302,552
Profit/(loss) after tax for the half year	149,094	38,223	(8,645)	39,854	70,027	2,025	11,974	302,552
Less/add: (Profit)/loss attributable to non-controlling interests	—	—	336	(299)	—	—	(54)	(17)
Profit/(loss) after tax attributable to members of the Company	149,094	38,223	(8,309)	39,555	70,027	2,025	11,920	302,535

Reporting Segments	Strategic Portfolio \$'000	Large Caps Portfolio \$'000	Private Equity Portfolio \$'000	Credit Portfolio \$'000	Emerging Companies Portfolio \$'000	Property Portfolio \$'000	Intersegment/ unallocated ¹ \$'000	Consolidated \$'000
Half year ended 31 January 2023								
Profit/(loss) after tax from continuing operations	361,549	57,261	21,472	17,206	26,984	(3,829)	(18,665)	461,978
Loss after tax from discontinued operations	—	—	(9,134)	—	—	—	—	(9,134)
Profit/(loss) after tax for the half year	361,549	57,261	12,338	17,206	26,984	(3,829)	(18,665)	452,844
Add: Loss attributable to non-controlling interests	—	—	175	—	—	—	—	175
Profit/(loss) after tax attributable to members of the Company	361,549	57,261	12,513	17,206	26,984	(3,829)	(18,665)	453,019

1. Intersegment/unallocated represents Soul Patts revenue and corporate costs that are not allocated to individual segments.

05 Revenue and expense

Profit/(loss) for the half year includes the following items that are significant due to their size, nature or incidence:

5.1 Revenue

	31 January 2024 \$'000	31 January 2023 \$'000
Revenue from contracts with customers		
Revenue from sale of goods	138,811	87,868
Rental revenue	1,418	954
Revenue from services	112,119	72,728
Total revenue from contracts with customers	252,348	161,550

Disaggregation of revenue

The Group presents disaggregated revenue based on what each major subsidiary provided to customers by geographical regions and the timing of transfer of goods and services.

	31 January 2024 \$'000	31 January 2023 \$'000
Major product lines		
Electrical and electronic engineering services and equipment	201,194	140,539
Other goods and services	51,154	21,011
Total revenue from contracts with customers	252,348	161,550
Geographical regions		
Australia	244,462	155,825
Other	7,886	5,725
Total revenue from contracts with customers	252,348	161,550
Timing of revenue recognition		
Goods and services transferred at a point in time	154,916	99,490
Goods and services transferred over time	97,432	62,060
Total revenue from contracts with customers	252,348	161,550

Major customers

In the current reporting period, there is no individual customer which represents more than 10% of total revenue from contracts with customers.

In the previous corresponding period (pcp), revenue of \$19.9m was derived from one external customer of Ampcontrol, a subsidiary within the private equity portfolio, representing 14% of Ampcontrol's total revenue from contracts with customers.

Notes to the Financial Statements continued

5.2 Other gains and losses

	31 January 2024 \$'000	31 January 2023 \$'000
Gain on trading assets and other financial assets	159,180	52,827
Gain on sale of tangible assets	94	781
Gain on derecognition of equity accounted associates	—	22,741
Gain/(loss) on deemed disposal of equity accounted associates	10,303	(52,499)
Gain on revaluation of non-financial assets	17,472	7,911
Other	3,942	1,176
Total other gains and losses	190,991	32,937

5.3 Impairment expense

	Note	31 January 2024 \$'000	31 January 2023 \$'000
Impairment expense			
Investment in associates	6	(54,793)	(2,088)
Intangibles		(1,161)	(358)
Total impairment expense		(55,954)	(2,446)

5.3.1 Impairment of equity accounted associates

During the half year ended 31 January 2024, impairment expenses were recognised on listed investments in Aeris (\$27.3m) and Pengana (\$5.4m) and impairments in unlisted investments totalling \$22.1m (2023: \$2.1m).

5.4 Income tax (benefit)/expense

	31 January 2024 \$'000	31 January 2023 \$'000
Reconciliation of prima facie tax expense to income tax expense		
Profit before income tax expense from continuing operations	266,330	484,590
Loss before income tax expense from discontinued operations	—	(10,568)
Tax at the Australian rate of 30% (2023: 30%)	79,899	142,207
Tax effect of amounts which are not deductible/(assessable) in calculating taxable income:		
Net impairment expenses	16,786	734
Franking credits received (excluding controlled and associate entities)	(15,671)	(30,766)
Tax benefit on the carrying value of equity accounted associates	(96,832)	(106,364)
Under provision for income tax	563	4,322
Changes in unrecognised deferred tax assets	(18,911)	8,994
Other	(2,056)	2,051
Total income tax (benefit)/expense	(36,222)	21,178
Effective tax rate:	(13.6)%	4.5 %
Income tax (benefit)/expense reported in statement of profit or loss	(36,222)	22,612
Income tax benefit attributable to discontinued operations	—	(1,434)
Total income tax (benefit)/expense	(36,222)	21,178

Soul Patts effective tax rate of (13.6)% (1H23: 4.5%) varies from the 30% statutory rate predominantly due to franked dividend income received from the investment portfolio as well as Soul Patts share of increased franking credits available for future distribution by our associate investments. These items represent tax that has effectively already been paid, through the operation of the dividend imputation system.

Notes to the Financial Statements continued

06 Investment in associates

	Reporting Date	Place of Incorporation	Group's percentage of holding at balance date		Contribution to Group result for the period		Carrying value	
			31 January 2024 %	31 January 2023 %	31 Jan 2024 Total \$'000	31 Jan 2023 Total \$'000	31 Jan 2024 Total \$'000	31 July 2023 Total \$'000
Brickworks Limited								
Manufacturer of building products and investor	31-Jul	Australia	43.1	43.1	(56,715)	109,905	780,596	846,719
New Hope Corporation Limited								
Mining and exploration activities	31-Jul	Australia	39.2	37.8	99,097	239,902	1,483,963	1,503,917
Other associates¹	various	various	various	various	3,903	19,575	492,623	525,289
Share of results from associates					46,285	369,382	2,757,182	2,875,925
Fair value gain on reclassification of associate to financial asset					—	22,741		
Loss on sale of equity accounted associates' shares, net of tax					—	(6)		
Gain/(loss) on deemed disposal of equity accounted associates ¹					10,303	(52,499)		
Deferred tax benefit recognised on equity accounted associates					79,685	20,286		
Net impairment expense of associates ²					(54,793)	(2,088)		
Net contribution from associates					81,480	357,816		

1. During the period, Ironbark acquired another business in exchange for scrip consideration, resulting in a dilution of Soul Patts' interest from 43.5% to 33.6% and a gain on deemed disposal of \$12.0m. There were no other significant changes in holdings.

2. Impairment expense during the half year included listed investments in Aeris (\$27.3m) and Pengana (\$5.4m) and impairments in unlisted investments totalling \$22.1m.

07 Interest bearing liabilities

	Note	31 January 2024 \$'000	31 July 2023 \$'000
Current liabilities			
Secured			
Convertible notes (Soul Patts)	7.1.2	—	220,142
Equity finance loans (Soul Patts)	7.1.1	141,293	—
Equipment finance loans (Soul Patts Agriculture)	7.2	411	1,412
Total current interest bearing liabilities		141,704	221,554
Non-current liabilities			
Secured			
Convertible notes (Soul Patts)	7.1.2	221,096	—
Market rate loan (Soul Patts Agriculture)	7.2	160,000	70,500
Capital development facility (Soul Patts Agriculture)	7.2	—	52,920
Equipment finance loan (Soul Patts Agriculture)	7.2	378	2,110
Secured loans (Ampcontrol)	7.3	11,679	395
Total non-current interest bearing liabilities		393,153	125,925
Total interest bearing liabilities		534,857	347,479
Less: cash and cash equivalents and term deposits		(459,961)	(980,070)
Net debt/(cash)		74,896	(632,591)
Financing facilities		745,089	402,517
Less: facilities utilised at reporting date			
Convertible bonds		(221,096)	(220,142)
Equity finance and other loan facilities		(313,761)	(127,337)
Facilities unutilised at reporting date		210,232	55,038

The fair values of interest bearing liabilities materially approximate their respective carrying values as at 31 January 2024.

Notes to the Financial Statements continued

Financing facilities

As at 31 January 2024, the Group had the following financing facilities in place:

7.1 Soul Patts

7.1.1 Equity finance facilities

As at 31 January 2024, Soul Patts had access to secured financial asset finance with a number of financiers.

As security for borrowings under these facilities, Soul Patts transfers ownership of title over certain securities to the finance provider. Upon repayment of the debt, legal title of the investments is transferred back to Soul Patts. As Soul Patts retains the risks and benefits of ownership of the transferred investments, including the right to receive dividends, these securities continue to be included as assets on the Group and Soul Patts statement of financial position.

During the half year ended 31 January 2024, Soul Patts borrowed \$266.3m and repaid \$125.0m under Equity finance facilities. This remaining \$141.3m was used in financing the purchase of investments.

The tenor for borrowings at 31 January 2024 under these facilities was 30 days, and the average cost was 5.1% pa.

Capacity to draw further funds under these facilities is a function of the prevailing value of the pool of securities that is eligible to be loaned.

7.1.2 Convertible notes

During the year ended 31 July 2021, Soul Patts issued convertible notes with an aggregate principal amount of \$225.0m. There has been no movement in the number of these convertible notes since the issue date.

The notes are convertible at the option of the noteholders into ordinary shares. As a result of the FY23 final dividend, the conversion price was adjusted to \$34.4189 (31 July 2023: \$34.99) per share at any time up to the date falling five business days prior to the final maturity date (29 January 2026). Any notes not converted will be redeemed on 29 January 2026 at the principal amount of the notes plus any accrued but unpaid interest.

The holders of the notes had the right to exercise an option by 2 January 2024 to trigger redemption of all or some of the notes for an amount equal to 100% of the principal amount of the notes plus any accrued but unpaid interest. However, no convertible noteholder elected to exercise their put option prior to its expiration. The notes have been classified as non-current as at 31 January 2024.

The notes carry interest at a rate of 0.625% pa which is payable semi-annually in arrears on 29 January and 29 July.

7.2 Soul Patts Agriculture

During the current reporting period, Soul Patts Agriculture entered into a two year secured loan facility which settled in January 2024, paying out all previous facilities held with another financier. The new facility expires on 23 January 2026.

Security given includes first ranking mortgages over property and specific pieces of agricultural machinery, water entitlements and water leases, as well as other general security interests.

In addition, to finance the purchase of various pieces of agricultural equipment, Soul Patts Agriculture entered into various financing agreements with a financier. These credit contracts are specific to the agricultural equipment and are secured with a mortgage over the equipment for a term ranging between 35 to 60 months. The following table summarises the total available finance facilities, including the amounts drawn and remaining undrawn at the reporting date.

	31 January 2024				31 July 2023			
	Drawn	Undrawn	Total	Weighted average interest rate	Drawn	Undrawn	Total	Weighted average interest rate
	\$m	\$m	\$m	%	\$m	\$m	\$m	%
Working capital	—	2.0	2.0	6.5	—	4.0	4.0	5.1
Market rate	160.0	186.9	346.9	5.9	70.5	—	70.5	5.6
Capital development	—	—	—	—	52.9	24.9	77.8	5.6
Total	160.0	188.9	348.9		123.4	28.9	152.3	
Uncommitted equipment finance facility	—	—	—	—	2.5	1.5	4.0	6.1
Agricultural equipment finance facility	0.8	—	0.8	2.2	1.0	—	1.0	1.7

7.3 Ampcontrol

During the current reporting period, Ampcontrol secured an increase to its existing syndicated flexible working capital facility, up to \$55.0m (31 July 2023: \$38.0m) which expires on 28 June 2025. The facility is secured by fixed and floating charges over Ampcontrol's assets and subsidiaries. In addition, uncommitted equipment finance facilities of \$10.0m are available.

	31 January 2024				31 July 2023			
	Drawn	Undrawn	Total	Weighted average interest rate	Drawn	Undrawn	Total	Weighted average interest rate
	\$m	\$m	\$m	%	\$m	\$m	\$m	%
Cash advance facilities	11.7	11.3	23.0	5.5	0.4	19.6	20.0	5.4
Bank overdraft	—	10.0	10.0	5.4	—	5.0	5.0	—
Bank guarantees	14.4	7.6	22.0	—	—	13.0	13.0	—
Total	26.1	28.9	55.0		0.4	37.6	38.0	
Uncommitted equipment finance facility	6.6	3.4	10.0	6.3	—	—	—	—

Notes to the Financial Statements continued

08 Fair value estimation

Fair value hierarchy

The following table represents the Group's assets and liabilities measured and recognised at fair value using a three level hierarchy, based on the degree to which inputs used in fair value measurement are observable.

The valuation techniques and inputs for significant level 3 assets are consistent with those of the previous reporting period.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 January 2024				
Financial assets/(liabilities) measured at fair value				
Trading assets	453,487	—	2,275	455,762
Other financial assets	506,630	132,289	131,328	770,247
Long term equity investments	3,759,932	90,430	93,076	3,943,438
Contingent consideration	—	—	(4,080)	(4,080)
Other financial liabilities	—	(5,942)	—	(5,942)
Non-financial assets measured at fair value				
Investment properties	—	—	84,721	84,721
Biological assets	—	—	23,523	23,523
Farmland assets	—	—	161,964	161,964
Assets/(liabilities) for which fair values are disclosed				
Loan receivables at amortised cost	—	—	597,180	597,180
Interest bearing liabilities	—	(534,857)	—	(534,857)

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
As at 31 July 2023				
Financial assets and liabilities measured at fair value				
Trading assets	334,684	—	14,205	348,889
Other financial assets	55,697	97,712	107,315	260,724
Long term equity investments	3,599,991	93,430	64,345	3,757,766
Contingent consideration	—	—	(10,139)	(10,139)
Other financial liabilities	—	(8,477)	—	(8,477)
Non-financial assets measured at fair value				
Investment properties	—	—	84,278	84,278
Biological assets	—	—	12,487	12,487
Farmland assets	—	—	116,532	116,532
Assets/(liabilities) for which fair values are disclosed				
Loan receivables at amortised cost	—	—	567,230	567,230
Interest bearing liabilities	—	(347,479)	—	(347,479)

Fair value measurements using significant unobservable inputs (level 3)

The following table presents the change in level 3 items for the half year ended 31 January 2024:

	Trading assets \$'000	Other financial assets \$'000	Long term equity investments \$'000	Contingent consideration \$'000	Investment properties \$'000	Biological assets \$'000	Farmland assets \$'000	Loans receivables at amortised cost \$'000
Opening balance at 1 August 2023	14,205	107,315	64,345	(10,139)	84,278	12,487	116,532	567,230
Acquisitions	—	69,225	27,398	(78)	461	—	1,367	175,495
Acquisitions of businesses	—	—	—	48	—	—	37,116	—
Disposals/repayments	(10,692)	(52,262)	—	5,958	—	—	—	(157,642)
Transfer from level 1 – trading assets (listed)	2,275	—	—	—	—	—	—	—
Change in fair value due to biological transformation	—	—	—	—	—	17,472	—	—
Transfer to inventory	—	—	—	—	—	(6,436)	—	—
Reclassification in property, plant and equipment	—	—	—	—	—	—	9,953	—
(Loss)/gain recognised in profit and loss	3,267	270	—	469	(18)	—	—	1,946
Fair value adjustments	—	—	1,333	—	—	—	—	—
Capitalised interest	—	—	—	(338)	—	—	—	10,151
Depreciation	—	—	—	—	—	—	(3,004)	—
Reclassification	(6,780)	6,780	—	—	—	—	—	—
Closing balance at 31 January 2024	2,275	131,328	93,076	(4,080)	84,721	23,523	161,964	597,180

09 Contingent liabilities

The Group had unrestricted access at 31 January 2024 to bank guarantee facilities of \$37.0m (31 July 2023: \$30.0m). At 31 January 2024, the Group had drawn down on these facilities by \$17.2m (31 July 2023: \$15.0m).

The Group includes subsidiaries that have operations in a range of industries. From time to time and in the ordinary course of business there may be litigation, fines or other regulatory actions. At the reporting date, there are no matters of this nature which are expected to result in a material effect on the financial position of the Group.

Notes to the Financial Statements continued

10 Commitments

	31 January 2024 \$'000	31 July 2023 \$'000
Capital expenditure contracted for the period but not recognised as liabilities is as follows:		
Within one year	36,485	14,951
One to five years	3,668	12,523
More than five years	—	—
	40,153	27,474
Other contracted commitments		
Investments in Credit Portfolio	370,673	271,503
Investments in Private Equity Portfolio	71,893	259,724
Investments in Property Portfolio	60,000	—
	502,566	531,227

11 Events after the reporting period

Since the end of the financial period, no matters or circumstances have arisen that have or will significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

Notwithstanding the Company continues to see its portfolio entities explore opportunities to make strategic acquisitions.

Some of these opportunities, if they proceed, may be material to those entities and (as a consequence) the Company. The Company may support these opportunities through providing debt or equity funding to those entities and by providing those entities with access to its transaction experience and capabilities.

Directors' Declaration

In the opinion of the Directors of the Company:

1. The financial statements and notes, as set out on pages [29](#) to [48](#), are in accordance with the *Corporations Act 2001*, including:
 - a. complying with Accounting Standards and the Corporations Regulations 2021;
 - b. giving a true and fair view of the financial position as at 31 January 2024 and the performance for the half year ended on that date of the Consolidated Entity;
2. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



Robert Millner AO
Director - Chairman

Dated this 21 March 2024



Todd Barlow
CEO & Managing Director

Independent Auditor's Review Report to the Members



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent auditor's review report to the members of Washington H. Soul Pattinson and Company Limited

Conclusion

We have reviewed the accompanying half-year financial report of Washington H. Soul Pattinson and Company Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 January 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- Giving a true and fair view of the consolidated financial position of the Group as at 31 January 2024 and of its consolidated financial performance for the half-year ended on that date; and
- Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 January 2024 and its performance for the

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A stylized, handwritten signature of 'Ernst & Young' in dark blue ink.

Ernst & Young

A stylized, handwritten signature of 'Ryan Fisk' in dark blue ink.

Ryan Fisk
Partner
Sydney
21 March 2024

Glossary of Terms

The below summarises certain terms relating to our business that are made throughout the half year report and defines the performance measures that we use to analyse and discuss our results.

References

"**Soul Patts**" or "**The Company**" refers to the Parent Entity, Washington H. Soul Pattinson & Company Limited.

"**Soul Patts Group**" or "**The Group**" refers to the consolidated Group that is Washington H. Soul Pattinson & Company Limited and its controlled subsidiaries.

Investors in Soul Patts are referred to as **shareholders**, **members** or **owners**.

Holdings is the number of shares held directly and/or indirectly by Soul Patts as a percentage of the total number of shares on issue.

Throughout the Annual Report, the following subsidiaries, associates, and portfolio investments are referenced as follows:

Major Subsidiaries

- **Ampcontrol:** Ampcontrol Limited
- **Aquatic Achievers:** WHSP Aquatic Achievers Pty Ltd
- **Soul Patts Agriculture:** WHSP Agriculture Holding Trust
- **Pitt Capital:** Pitt Capital Partners Limited

Major Associates

- **Brickworks:** Brickworks Limited
- **New Hope:** New Hope Corporation Limited
- **Tuas:** Tuas Limited
- **Aeris:** Aeris Resources Limited
- **Apex:** Apex Healthcare Berhad
- **Pengana:** Pengana Capital Group Limited
- **Ironbark:** Ironbark Investment Partners Pty Limited

Portfolio investments

- **TPG:** TPG Telecom Limited
- **Argyle Water Fund:** Water Fund managed by Argyle Capital Partners.

Investment Portfolio Financial Information

Investment Portfolio Financial Information represents the results and position of the Company.

Portfolios

Soul Patts is a diversified investment house that operates within six segments (portfolios), which are based on its investment portfolio allocation, supported by a working capital portfolio.

Strategic Portfolio: comprises significant investments in largely uncorrelated listed companies where Soul Patts generally has board representation.

Large Caps Portfolio: an actively managed, Australian listed equities portfolio, which seeks to generate consistent income and capital growth over the long term. It does not aim to replicate any stock market index.

Private Equity Portfolio: includes long term investments in unlisted companies to support their future growth.

Credit Portfolio: includes investments in corporate loans, bonds, and structured instruments. The portfolio can invest in different types of financial instruments across an investee's capital structure to optimise the portfolio's risk adjusted returns. Investments are usually structured as loans and convertible notes with an ongoing cash yield, strong asset backing, security and seniority to equity investors. The Credit Portfolio was formerly known as the Structured Yield Portfolio.

Emerging Companies Portfolio: includes investments in attractive, early stage and high growth companies that are listed, about to undertake an Initial Public Offering (IPO) or are at a pre-IPO stage. It aims to provide exposure to fast growing companies often benefiting from structural changes and trends in the domestic and global economy.

Property Portfolio: comprises direct property investments that are actively managed with an aim to generate long term returns from ownership, as well as investments in property development joint ventures.

Net Working Capital: comprises cash, borrowings and other assets and liabilities supporting the funding and operations of the portfolio investing activity and corporate office.

Performance Measures

Definitions of performance measures, including IFRS and non-IFRS measures, are presented below in alphabetical order. We have specifically identified those measures which are IFRS measures.

Adjusted Net Asset Value (post tax) Per Share: Net Asset Value (post tax) increased for the value of dividends paid by the parent entity over the relevant period, divided by the total issued ordinary shares of the Company at period end.

Basic Earnings Per Share (EPS) is an IFRS measure calculated by dividing the consolidated net profit after tax attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the reporting period excluding treasury shares and excluding shares representing the reciprocal interest with Brickworks.

Cost is the amount of consideration (cash or other assets) paid at the time of acquisition, less any impairment or expected credit loss.

Directors' Fair Value (DFV) is based on an internal valuation methodology and assumptions approved by the Directors of Soul Patts.

Diluted Earnings Per Share (DPS) is an IFRS measure calculated by dividing the consolidated net profit after tax attributable to owners of the Company after adding back the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares, by the weighted average number of ordinary shares that would have been outstanding assuming the conversion of dilutive potential ordinary shares. It assumes any long term incentive rights that vest in future reporting periods are expected to be satisfied by purchasing shares in the market and excluding treasury shares and excluding shares representing the reciprocal interest with Brickworks.

External Fair Value (EFV) is a fair value based on advice received from independent external valuers.

Fair Value (FV) is defined under IFRS as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is inclusive of External Fair Value, Directors' Fair Value, and Market Value.

Glossary of Terms continued

Performance Measures (continued)

Group Statutory Net Profit After Tax (NPAT) is referring to the IFRS measure, consolidated Net Profit After Tax attributable to the shareholders of Soul Patts.

Group Regular Net Profit After Tax (NPAT) is a non-statutory profit measure which represents the consolidated profit after tax attributable to shareholders of Soul Patts, before Non-Regular items.

Internal Rate of Return (IRR) is the annual rate of growth calculated as the discount rate where the present value of all cash flows during the period equals zero, including the opening and closing NAV (including unrealised valuation gains) as the first and last cash flow.

Market Value (MV) is based on the last sales price as quoted on the Australian Securities Exchange or other securities exchanges on the reporting date. These investments are subject to market price fluctuations.

NAV, or Net Asset Value (pre-tax), is the value of all Soul Patts' assets less all liabilities, excluding any capital gains tax payable upon the sale of its assets. Assets may be valued at Cost, Directors' Fair Value, External Fair Value, or Market Value.

Net Asset Value (post-tax) is the Net Asset Value (pre-tax) less the estimated capital gains tax liability that would arise if Soul Patts disposed of all of its assets at the pre-tax values adopted.

Net Cash Flow From Investments represents the cash flows generated by Soul Patts, as parent entity, from its investment portfolio, after deducting corporate costs, income tax, and Non-Regular cash flows. Includes dividends and distributions from investments, interest income, and realised gains on assets held for trading. The Directors determine interim and final dividends based on Soul Patts' Net Cash Flow From Investments.

Net Cash Flow From Investments Per Share is calculated by dividing Net Cash Flow From Investments by the total issued ordinary shares of the Company at period end.

Net Tangible Assets is defined in the ASX listing rules as total assets of the consolidated entity less all intangible assets and total liabilities ranking ahead of, or equally with claims of the Company's ordinary security.

Net Tangible Asset backing per ordinary security is calculated by dividing Net Tangible Assets by: the total issued ordinary shares of the Company excluding treasury shares and excluding shares representing the reciprocal interest with Brickworks.

Net Working Capital comprises intersegment/unallocated assets and liabilities (e.g. cash, interest bearing liabilities, etc.).

Non-Regular refers to items of income, expense, or cash flow, which by nature are outside the ordinary course of business or are part of ordinary activities but are unusual due to their size (such as disposals of investments in subsidiaries and associates).

Non-Regular Net Profit After Tax (NPAT) refers to the sum of Non-Regular items of income and expense, net of applicable tax, attributable to shareholders of Soul Patts.

Payout Ratio is the proportion of ordinary dividends that Soul Patts pays to shareholders in relation to its Net Cash Flow From Investments, expressed as a percentage.

Regular Net Profit After Tax (NPAT) is a non-statutory profit measure and represents net profit after tax attributable to shareholders of Soul Patts, before Non-Regular Net Profit After Tax. Regular items refer to the core or recurring business activities that are expected to continue into the future and contribute to profit and loss.

Statutory Net Profit After Tax (NPAT) is referring to the IFRS measure, Net Profit After Tax attributable to the Members of Soul Patts.

Total Shareholder Return (TSR) or Total Return is a performance measure that combines capital appreciation (e.g. market price changes or revaluation) with all income distributed by the investment over the period, excluding the benefit of any franking credits distributed. It is expressed as a percentage by referencing the value of the investment at the beginning of the period.

Registered Office

Level 14, 151 Clarence Street,
Sydney NSW 2000

Telephone: (02) 9210 7070

Facsimile: (02) 9210 7077

www.soulpatts.com.au

Share Register

Computershare Investor Services

GPO Box 2975, Melbourne Victoria 3001

Telephone: 1300 850 505 (within Australia)
+61 3 9415 4000 (International)

www.investorcentre.com/contact

Auditors

Ernst & Young

200 George Street,
Sydney NSW 2000

GPO Box 2646,
Sydney NSW 2001

Telephone: (02) 9248 5555

Facsimile: (02) 9248 5959

www.ey.com/en_au

Soul Patt's

Washington H. Soul Pattinson
and Company Limited

ABN 49 000 002 728

ASX Code: SOL