



Washington H. Soul Pattinson and Company Limited

## Results Presentation



### Business Overview

**DIVERSIFIED  
PORTFOLIO**

**LONG TERM  
INVESTOR**

**CONSERVATIVE  
AND VALUE  
FOCUSED**

**OVER THE LAST 15  
YEARS WHSP HAS**

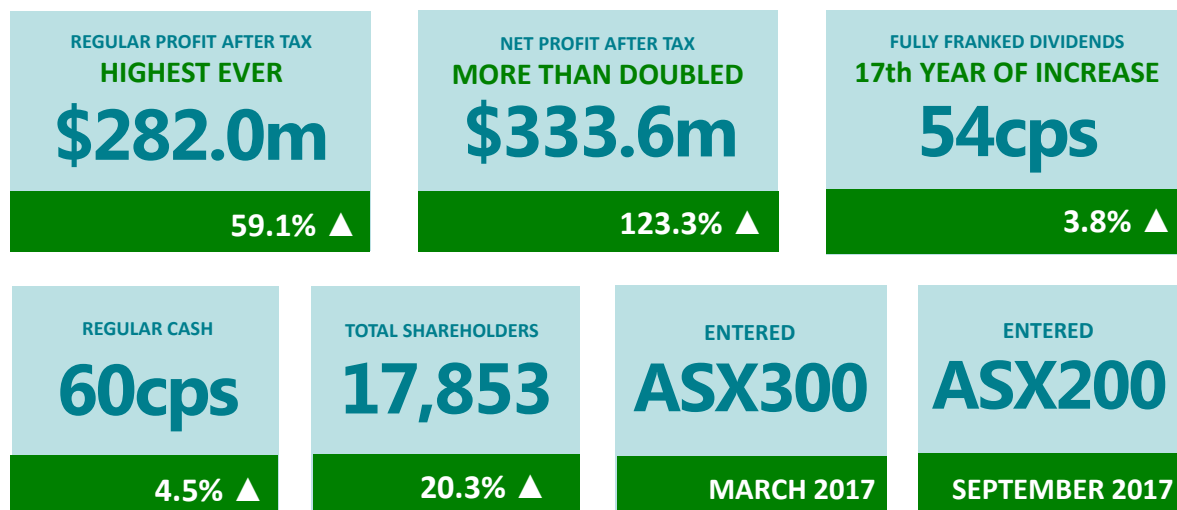
**CONTINUALLY  
INCREASED DIVIDENDS**  
(growing at a compound  
annual growth rate of 9.4% pa)



**DELIVERED A TSR OF  
12.8% PER ANNUM**  
(outperforming the All Ords  
Accumulation Index by 3.9% pa)



## Key Highlights Year Ended 31 July 2017



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## Group Result (Consolidated)

Year Ended 31 July 2017

Group Profit After Tax:	\$333.6m	up 123.3%
Group Regular Profit After Tax*	\$282.0m	up 59.1%
Improved regular contributions across the portfolio, Notably:	<ul style="list-style-type: none"> <li>▪ New Hope up 2,412%</li> <li>▪ TPG up 14.3%</li> <li>▪ Brickworks up 6.1%</li> <li>▪ API up 16.8%</li> </ul>	
Net profit from non-regular items	\$51.6m	up \$79.4m

\* Regular profit after tax is a non-statutory profit measure and represents profit from continuing operations before non-regular items. A reconciliation to statutory profit is included in the Preliminary Final Report – Note 3, Segment information.

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## Portfolio Performance As at 31 July 2017

	WHSP's Holding %	Value of Holding \$m	12 month movement	
TPG Telecom	25.2%	1,305 *	(1,433)	(52.3%)
Brickworks	44.0%	867 *	(120)	(12.2%)
New Hope Corporation	59.6%	793 *	0	0%
Financial Services Portfolio	-	409 ^	149	57.2%
API	19.4%	167 *	(64)	(27.7%)
CopperChem and Exco Resources	100%	84 ^	24	39.1%
Apex	30.3%	49 *	4	8.5%
TPI Enterprises	18.9%	40 *	11	39.6%
Other Listed Investments		447 *	(45)	(9.2%)
Other Unlisted Investments		72 ^	(17)	(18.7%)
Property Portfolio (net of borrowings)		208 ^	31	17.9%
Cash and other net assets		25	(49)	(65.6%)
<b>Net assets value (pre-tax)</b>		<b>4,466</b>	<b>(1,509)</b>	<b>(25.0%)</b>

Pre tax net asset value  
\$4.5 billion or  
**\$18.66 per share**

Tax payable if disposed of on  
31 July 2017  
**\$787 million**

\* Market value

^ Directors' valuations

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## WHSP Total Shareholder Returns

as at 31 July 2017

Annualised Returns	1 Year	2 Years	3 Years	5 Years	10 Years	15 Years
<b>WHSP</b>	<b>4.5%</b>	<b>17.2%</b>	<b>8.8%</b>	<b>9.6%</b>	<b>9.6%</b>	<b>12.8%</b>
All Ord. Accum. Index	6.6%	5.3%	5.3%	10.8%	3.7%	8.9%

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## WHSP Total Shareholder Returns

15 years to 31 July 2017



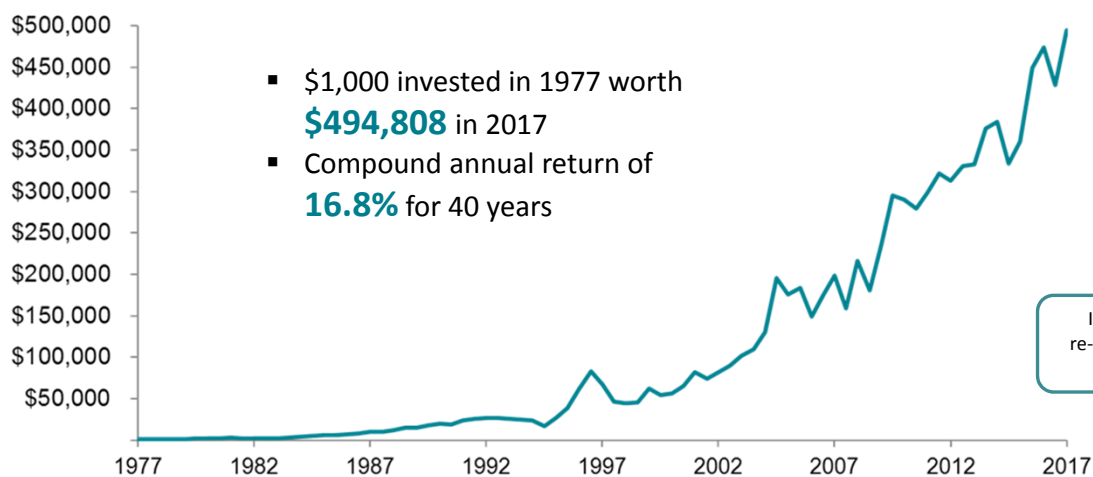
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## WHSP Total Shareholder Returns

Wealth Creation over 40 years



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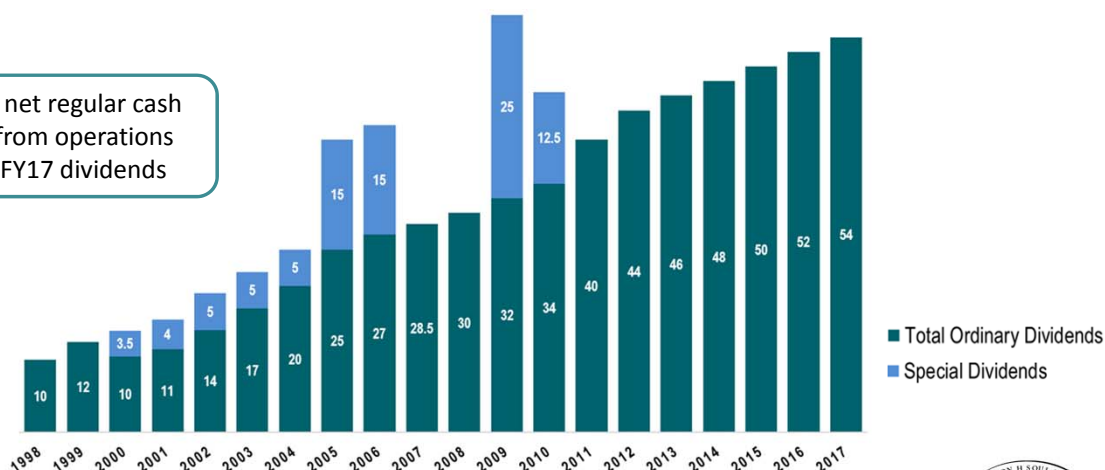


## 20 Year Dividend History

Final Dividend: 32 cents per share fully franked, up 3.2%

Total Dividends for the year: 54 cents fully franked, up 3.8%

90.0% of net regular cash inflows from operations paid as FY17 dividends



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## TPG Telecom Limited

Year Ended 31 July 2017



Percentage ownership	25.2%
Value of shareholding	\$1,305m
Contribution to WHSP profit	\$104.1m
Dividends paid to WHSP	\$33.1m

- EBITDA \$890.8m, up 5%
- Profit After Tax \$413.8m, up 9%
- EPS increased by 6% to 47.9 cents per share
- Underlying EBITDA \$835.0m, up 8%
- Final Dividend of 2 cents per share fully franked, 7.5 cents in 2016
- Total Dividends of 10 cents per share fully franked, 14.5 cents in 2016

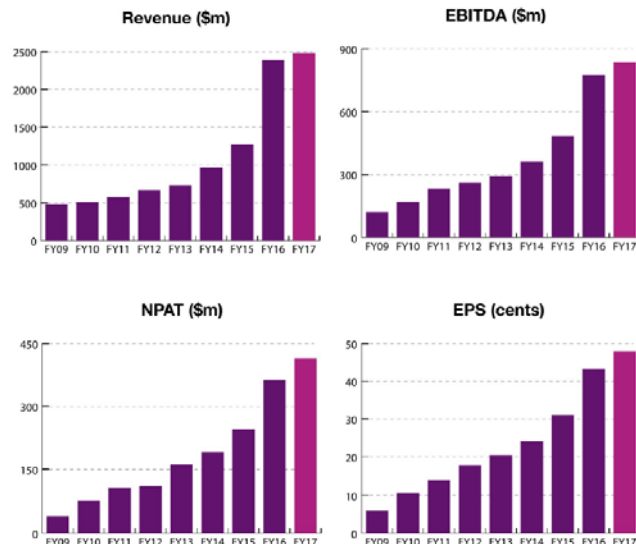
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# TPG Telecom Limited

## 9 Year Performance



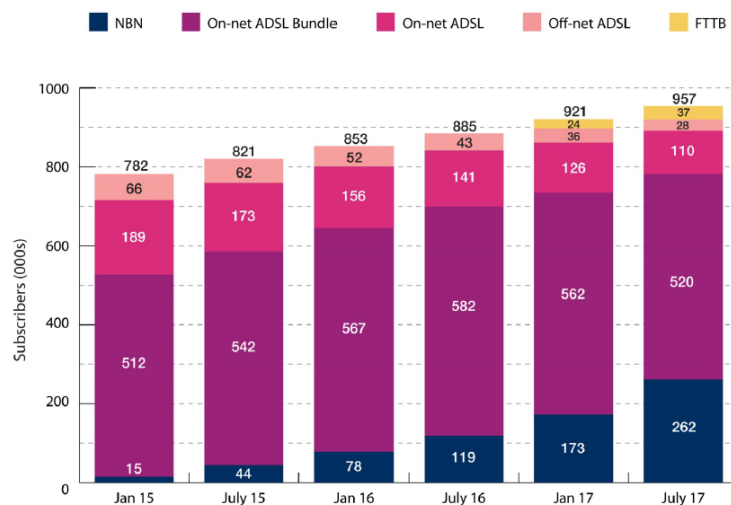
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# TPG Telecom Limited

## Broadband Subscribers



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## TPG Telecom Limited

Market Leading Products



### TPG NBN



### TPG ON-NET BROADBAND



### TPG FTTB



### TPG MOBILE



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## Brickworks Limited

Year Ended 31 July 2017

## BRICKWORKS LIMITED

Percentage ownership	44.0%
Value of shareholding	\$867m
Contribution to WHSP profit	\$36.3m*
Dividends paid to WHSP	\$32.2m

- Profit After Tax \$186.2m, up 138.2%
- Record underlying NPAT \$196.4m, up 33.6%
- Property EBIT \$90.6m, up 23.3%
- Building Products EBIT \$65.0m, down 13.7% due to WA market conditions and restructuring
- Final Dividend of 34 cents per share fully franked, an increase of 6.3%
- Total Dividends of 51 cents per share fully franked, an increase of 6.3%

\* Excludes the WHSP profit taken up by Brickworks under the equity accounting method.

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## Brickworks Limited

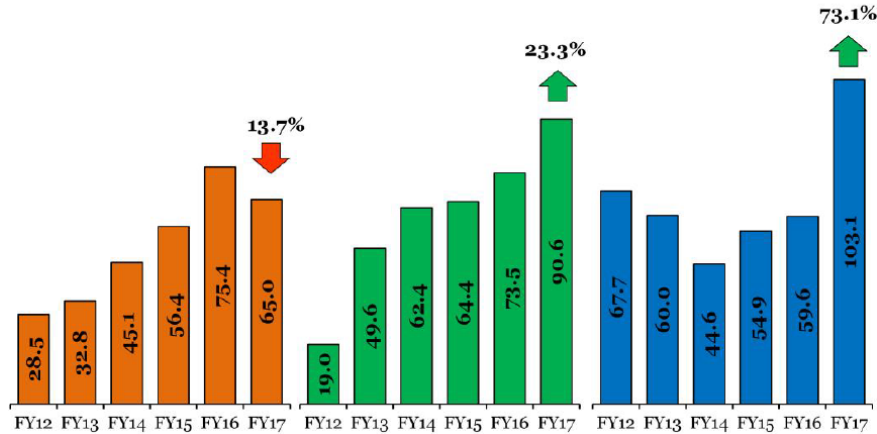
### EBIT Comparison

**BRICKWORKS**  
LIMITED

#### Building Products

#### Property

#### Investments



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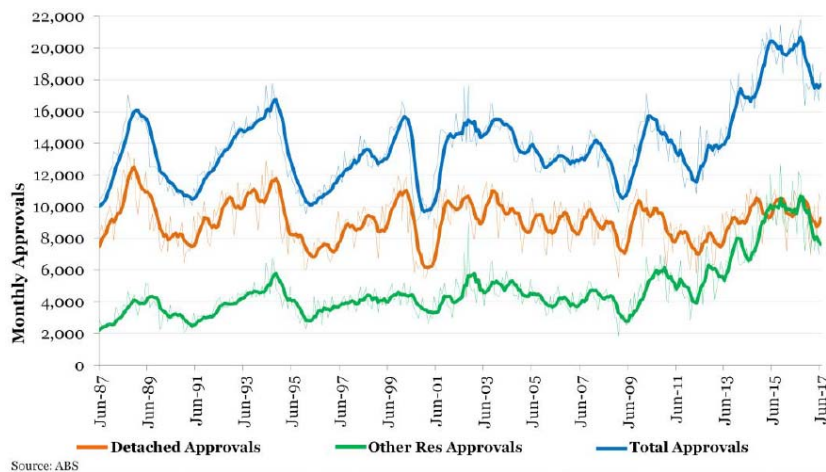
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## Brickworks Limited

### Australian Building Approvals 6 month moving average

**BRICKWORKS**  
LIMITED



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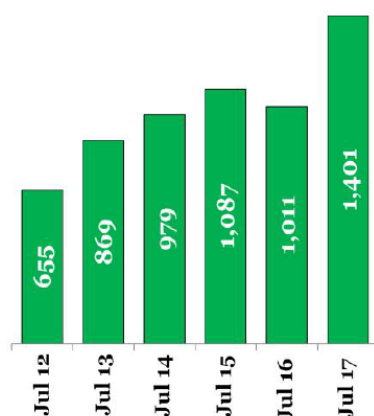


## Brickworks Limited

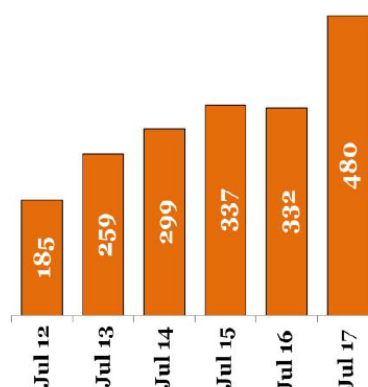
Industrial Property Trust

**BRICKWORKS**  
LIMITED

Total Trust Assets (\$m)



Brickworks 50% Equity Value (\$m)



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## New Hope Corporation Limited

Year Ended 31 July 2017



Percentage ownership	59.6%
Value of shareholding	\$793m
Contribution to WHSP result	\$83.8m
Dividends paid to WHSP	\$29.7m

- Profit after tax before non-regular items \$128.7m, up 2,459%
- Profit after Tax \$140.6m, up \$194.3m
- Final Dividend of 6 cents per share fully franked, an increase of 200%
- Total Dividends of 10 cents per share fully franked, an increase of 150%
- Results driven by higher coal prices and full year of Bengalla coal mine

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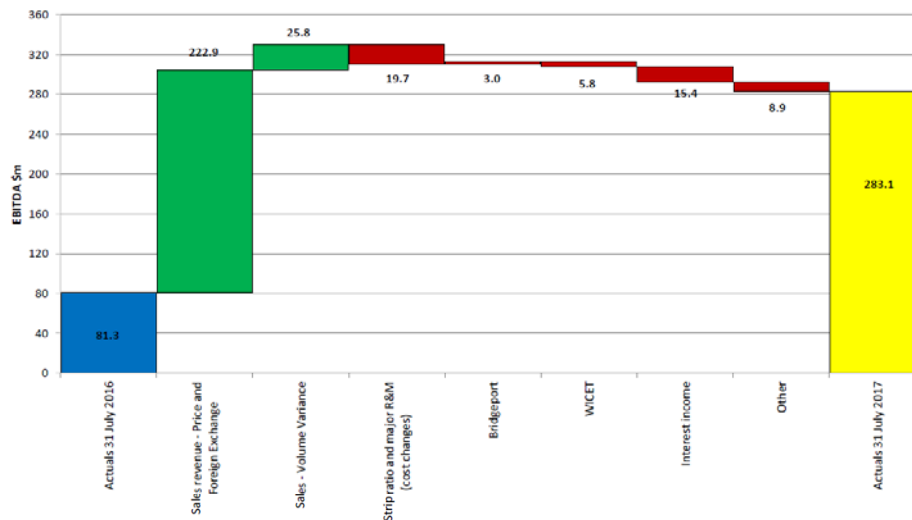


## New Hope Corporation Limited

EBITDA Comparison - before non-regular items



**NEW HOPE  
GROUP**



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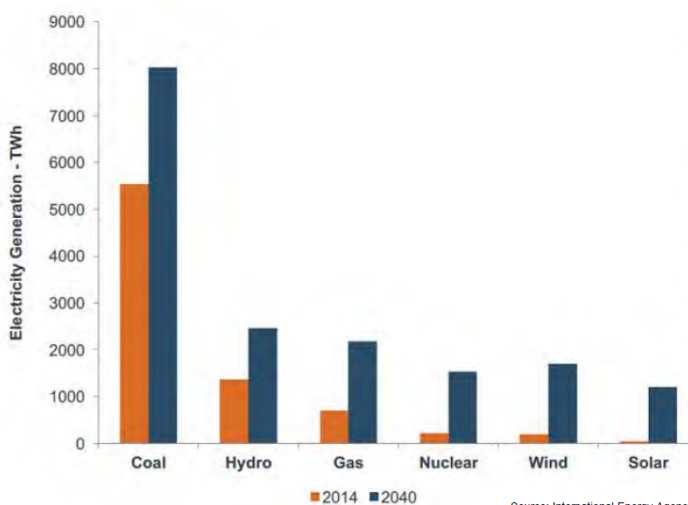


## New Hope Corporation Limited

Asia Electricity Forecast to 2040 by generation source



**NEW HOPE  
GROUP**



The IEA forecast coal consumption to decrease in the OECD, but still grow substantially in non-OECD countries - particularly in Asia.

Coal-fired power plants in Non-OECD Asian countries are projected to increase their output by 2,500 TWh by 2040 – approximately ten times Australia's current total electricity output.

Australia will be a key supplier of high quality coal to these countries that are building HELE power plants.

Source: International Energy Agency, World Energy Outlook, 2016. Minerals Council of Australia, Presentation to Coalition Resources and Energy Committee 2017.

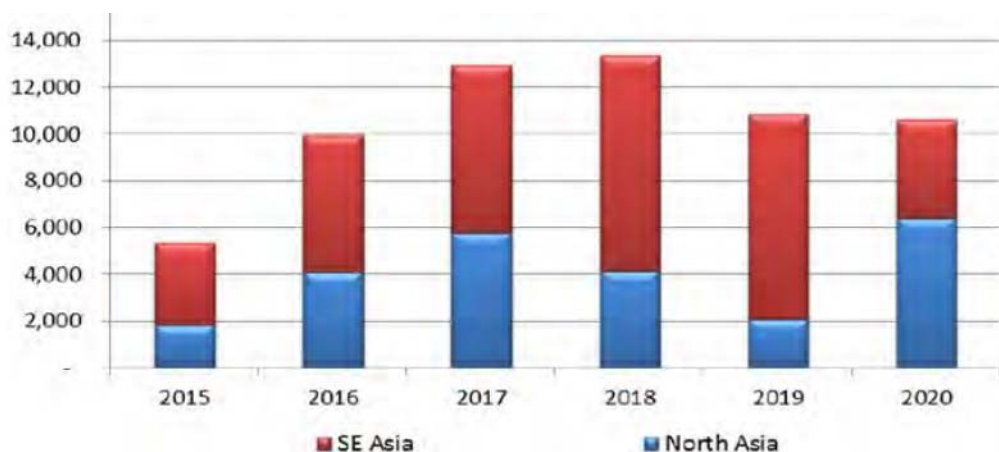
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## New Hope Corporation Limited

ASIA Incremental Coal-fired Capacity (MW)



Source: HDR Salva



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## Financial Services Portfolio



Value of Portfolio*	\$409m
Contribution to WHSP profit	\$13.1m
Dividends paid to WHSP	\$13.8m

- Pengana Capital Group – merger of:
  - Pengana Capital; and
  - Hunter Hall
- Hunter Hall Global Value – global securities
- URB Investments – urban renewal

	% held
BKI Investment Company Limited	9.5
Contact Asset Management Pty. Limited	20.0
Hunter Hall Global Value Limited	10.0
Milton Corporation Limited	4.5
Pengana Capital Group Limited	39.2
Pitt Capital Partners Limited	100
URB Investments Limited	12.4

\* Markets values and Directors' valuations



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## Australian Pharmaceutical Industries Limited



Percentage ownership	19.4%
Value of shareholding	\$167m
Contribution to WHSP profit*	\$14.2m
Dividends paid to WHSP**	\$8.4m

### Half Year Ended 28 February 2017

- Total revenue \$2.0 billion, up 12.7% on previous corresponding period
- EBIT of \$48.6m, up 9.0%
- Underlying NPAT \$29.1m, up 15.0%
- NPAT \$29.1m, up 27.2%
- Fully franked interim dividend 3.5 cents per share, up 40%

\* For the 12 months to 28 February 2017

\*\* For the 12 months to 31 July 2017

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## CopperChem Limited and Exco Resources Limited

Year Ended 31 July 2017



Percentage ownership	100%
Value of shareholdings*	\$84m
Contribution to WHSP result	(\$2.9m)

- Moving from pure exploration activities to production
- Revenues from White Dam gold project of \$18.4m in FY17 – increasing in FY18
- Approval to develop Wallace gold project near Cloncurry
- Purchase of the Stockman copper-zinc project

\* Directors' valuations

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## Apex Healthcare Berhad



Percentage ownership	30.3%
Value of shareholding	\$49m
Contribution to WHSP profit*	\$3.3m
Dividends paid to WHSP	\$1.3m

### Half Year Ended 30 June 2017

- Revenue \$92.7m, up 5.4% (in MYR) on previous corresponding period
- NPAT \$6.1m, up 23.7% (in MYR)
- Interim dividend of 1.7 cents per share, up 6.8% (in MYR)

The devaluation of the MYR has negatively affected Apex's results when they are stated in AUD. For this reason the percentage movements shown above are based on MYR movements.

\* For the 12 months to 30 June 2017

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## TPI Enterprises Limited



Percentage ownership	18.9%
Value of shareholding	\$40m
Contribution to WHSP result*	(\$2.9m)

- Manufacturer narcotic raw material for pain relief medication
- One of only eight companies licensed globally
- Manufacturing cost advantage
- Has secured multiple sources of poppy straw (main raw material)
- Announced acquisition of an opiate and tableting business in Norway, will allow production from poppy straw to pain relief tablets

\* For the 12 months to 30 June 2017

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## WHSP

### Property Portfolio

- Total equity value of WHSP's property portfolio is \$208m (4.7% of portfolio)
- Invested in three new properties with renewal potential (jointly held with URB Investments)
- Maintained investments:
  - Two office buildings in Pennant Hills
  - Four hectares in Castle Hill
- Construction of two bus depots in Victoria
  - Completed
  - Sale proceeds \$20.1m



Carrington Road, Castle Hill

## Washington H. Soul Pattinson and Company Limited

### A Diversified Investment House

