

CVC Limited
ASX:CVC

Annual General Meeting

PRESENTATION

FINANCIAL YEAR ENDED 30 JUNE 2021

Building
◀ partnerships ▶

23 November | 2021

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CVC Limited – Ethos

1 July 2020 – 30 June 2021

Relationships and Perspective



CVC seeks to invest in great people and opportunities. Our focus is often where others are not looking.



Our approach to building partnerships aims to deliver an ongoing investment pipeline through all stages of the economic cycle.



We pride ourselves on protecting capital while generating exceptional investment returns for shareholders.

CVC – Results Summary

1 July 2020 – 30 June 2021

- Detailed presentation of business segments available in Full Year Financial Results Presentation (released 25 August 2021)
- Significant improvement to trading results throughout the period: Net profit after tax of \$28.0m (2020: net loss \$2.7m)
- Net profit after tax attributable to shareholders \$19.5m (2020: net loss \$2.1m)
- Total fully franked dividends paid relating to the period of 8 cents per share (including final dividend paid on 20 August 2021)
- Increase in statutory Net Assets per share from \$1.43 to \$1.56 as at 30 June 2021 with further unrecognised uplift in investment portfolio

SEGMENT CONTRIBUTION	2021 ¹ \$(m)	2020 ² \$(m)
Direct property investment	23.7	(1.1)
Property backed lending	13.7	8.1
Non property investments	10.1	(4.1)
Convertible note interest	(3.0)	(3.6)
Unallocated	(6.6)	(4.3)
Tax effect	(9.9)	2.3
Net Profit After Tax	28.0	(2.7)
Net Profit Attributable to Shareholders	19.5	(2.1)

1. Numbers include the impact of consolidation of Eildon Capital Group into CVC Limited

2. Comparative balances have been changed for consistency



Strategic Direction

1 July 2020 – 30 June 2021

Prime focus on Property Related Investment

Long history of success and proven track record in this segment:

- Deployed \$660m in capital to this segment since 2010
- Allocation of investment has been 60% debt, 40% equity
- Generated pre-tax returns of 15.6%p.a from completed investments
- Unrealised portfolio contains substantial investments held at cost anticipated to generate significant returns in both the short and longer term (Donnybrook, Marsden Park, Liverpool)

Objectives:

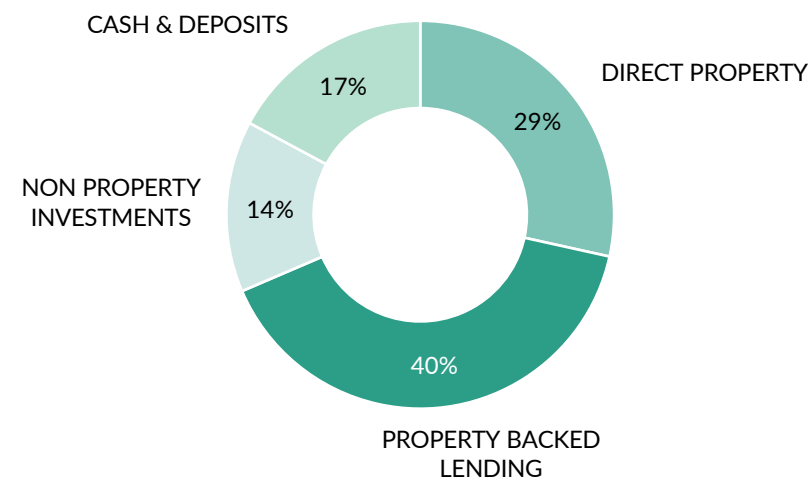
- Optimise returns from significant property investments already on balance sheet
- Continue partnership approach to investment in new opportunities
- Maintain a significant position in real estate lending segment

Foundations of success:

People	Alignment	Conviction
Proactivity	Understanding Risk	Responsiveness
Downside Protection	Simplicity	

SEGMENT INVESTMENT ALLOCATION	2021 %	2020 %
Direct Property	28.46	24.55
Property Backed Lending	40.10	45.91
Non Property Investments	14.29	21.87
Cash and Deposits	17.15	7.67
TOTAL	100.00	100.00

1. Comparative balances have been changed for consistency



Our Pillars of Strength

1 July 2020 – 30 June 2021

> Team

- Craig Treasure appointed as Executive Chairman (Previously MD and CEO of Villa World Limited)
- Have worked together on a large number of transactions as partners in investment for over a decade
- Represented on the ground in New South Wales, Victoria and Queensland

> Network

- We are a capital provider seeking best in market partners
- Review countless deals which provide strong flow of relevant and current market data
- Our consultants and advisors provide a wealth of knowledge and support
- Our partners provide us insight to transactions even if they are not involved

> Balance Sheet and Process

- Strong capital base with cash on hand allows us to act decisively
- Relationship management, deal sourcing, structuring and due diligence are all done by a small team
- No complex hierarchy. We know what we can and can't achieve
- Approach each deal with an open mind and expecting flexibility in thinking will be a key to success

Year to Date

1 July 2020 – 30 June 2021

Events Subsequent to 30 June 2021

- Deployed \$39.5m across 11 new investments
 - \$3.2m property equity
 - \$34.8m property debt
 - \$1.5m non property (including investment into CVC Emerging Companies Fund II)
- Completion of the Elara Neighbourhood Shopping Centre delivering strong profit outcome
- Commencement of construction of Caboolture Retail Centre and Bunnings Warehouse (anticipated completion October 2022 and September 2022 respectively)
- Progressing a liquidity event for the CVC 50% interest in East Bentleigh investment – target FY22 settlement
- Continuation of rezoning progress for
 - Donnybrook – anticipated Q1 CY22
 - Marsden Park North – medium term
 - Liverpool - longer term



CVC Outlook

Forecast Performance

- Nature of investments make forecasting financial year performance difficult, however:
 - Property portfolio expected to commence delivering strong profit and cash return from equity investments during the period;
 - Debt investments anticipated to contribute to earnings in a meaningful manner;
 - Non property investments have potential to contribute to earnings depending on strategic outcomes;
 - Progression of some key property investments may not deliver accounting profit or cash return this period but could advance the value of the business meaningfully as planning outcomes progress.

Capital Management

- The Board is committed to paying dividends having regard to both profitability and underlying performance of the investments of the business
- Fully franked dividends for the 2021 Financial Year totalled 8 cents per share reflecting a yield of 4%p.a. based on 30 June 2021 closing price and a payout ratio of 48%
- Subject to satisfactory results being achieved in FY22, the Board is targeting similar dividend payments this period
- The convertible note remains within lending covenants
- Continue to evaluate the merit of both share and convertible note buybacks



CVC Limited Proxy Results

Meeting Resolutions

Resolution 1 – Adoption of Remuneration Report

For	Against	Abstain	Discretion	Excluded	Total
13,434,987	31,769	30,478,392	843,768	68,000	44,856,916

Resolution 2 – Election of Mr Ian Campbell as a Director

For	Against	Abstain	Discretion	Excluded	Total
31,813,148	12,420,000	-	623,768	-	44,856,916

Resolution 3 – Election of Mr Craig Treasure as a Director

For	Against	Abstain	Discretion	Excluded	Total
44,233,148	-	-	623,768	-	44,856,916

Resolution 4 – Approval of CVC Employee Long-Term Incentive Plan

For	Against	Abstain	Discretion	Excluded	Total
13,655,530	369,226	30,140,392	623,768	68,000	44,856,916

Resolution 5 – Grant of Performance Rights to Mr Mark Avery

For	Against	Abstain	Discretion	Excluded	Total
13,644,987	379,769	30,140,392	623,768	68,000	44,856,916

Resolution 6 – Grant of Performance Rights to Mr Craig Treasure

For	Against	Abstain	Discretion	Excluded	Total
13,644,987	379,769	30,140,392	623,768	68,000	44,856,916

Resolution 7 – On-Market Buy Back

For	Against	Abstain	Discretion	Excluded	Total
44,197,262	35,886	-	623,768	-	44,856,916

Resolution 8 – Spill Resolution (Conditional Item)

For	Against	Abstain	Discretion	Excluded	Total
1,163,715	43,046,765	22,668	623,768	-	44,856,916



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