

QV Equities – update

September 2022



QV
Equities Ltd.

IML INVESTORS
MUTUAL LTD

- ☐ Listed 22 August 2014
- ☐ Focused on Ex-20 stocks
- ☐ Often less researched opportunities
- ☐ Focus on long-term capital growth & income
- ☐ A diversified set of well-established, good quality companies
- ☐ Cash for deployment

Investment Philosophy

We seek to buy and own:

Companies with a **competitive advantage**,

with **recurring earnings**,

run by **capable management**,

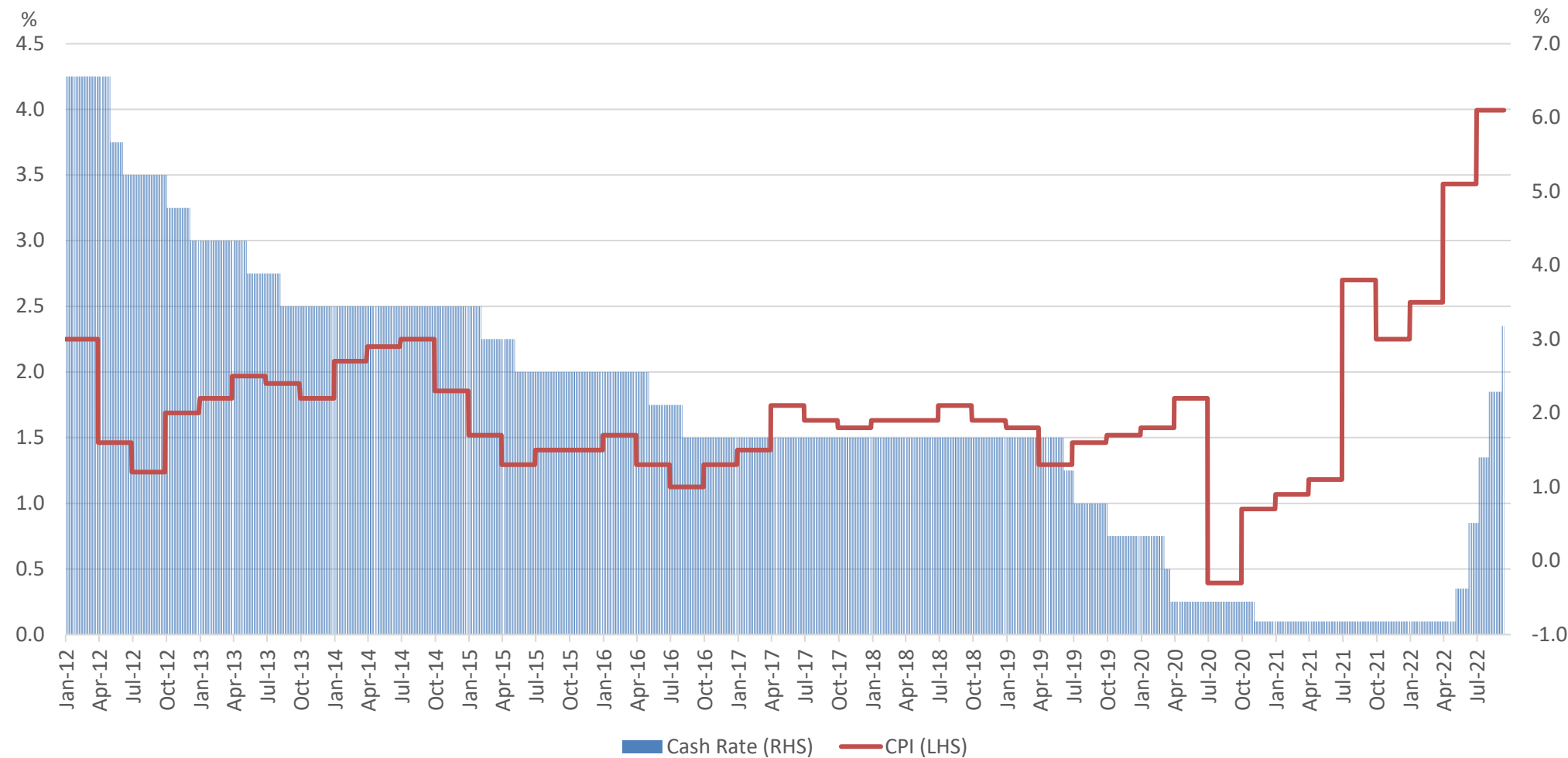
that can **grow**,

.....at a **reasonable price**.

Patience and discipline required as a long term investor

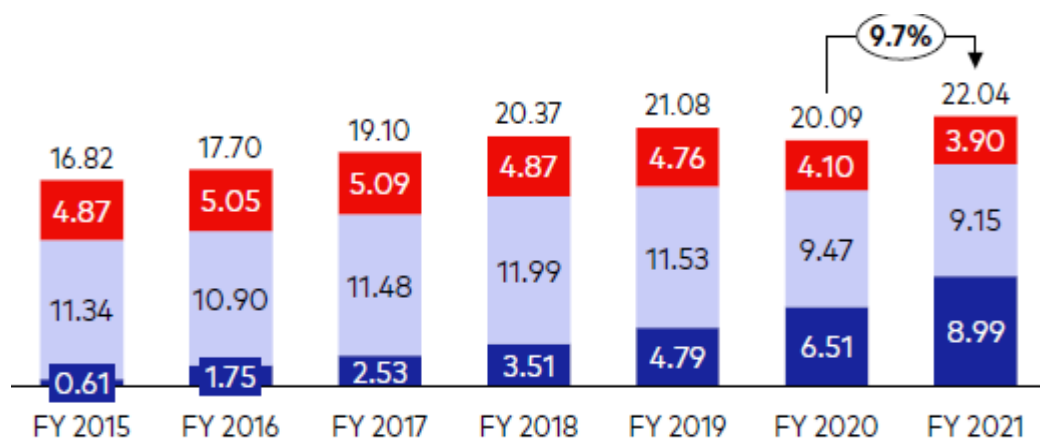
Market	IML
Short term focus	Long term focus
Momentum driven	Valuation driven
Upgrade / Downgrade mania	Disciplined focus on 'quality'
Daily information flow	In-depth research

Last 10 years: Australia cash rate v CPI



- Well managed, strategic infrastructure, and strong asset (land) backing with optionality.
- Fuel Security Service Payment underwrites refining profitability.
- Ampol rebranding has been successful.
- Double digit earnings accretion and high teens cash flow accretion from the Z Energy acquisition.
- Strong demand for transport fuels into the medium-term but ALD well positioned to lead fuel transition.
- FY23 PE of 11.8x and yielding 4.9%.

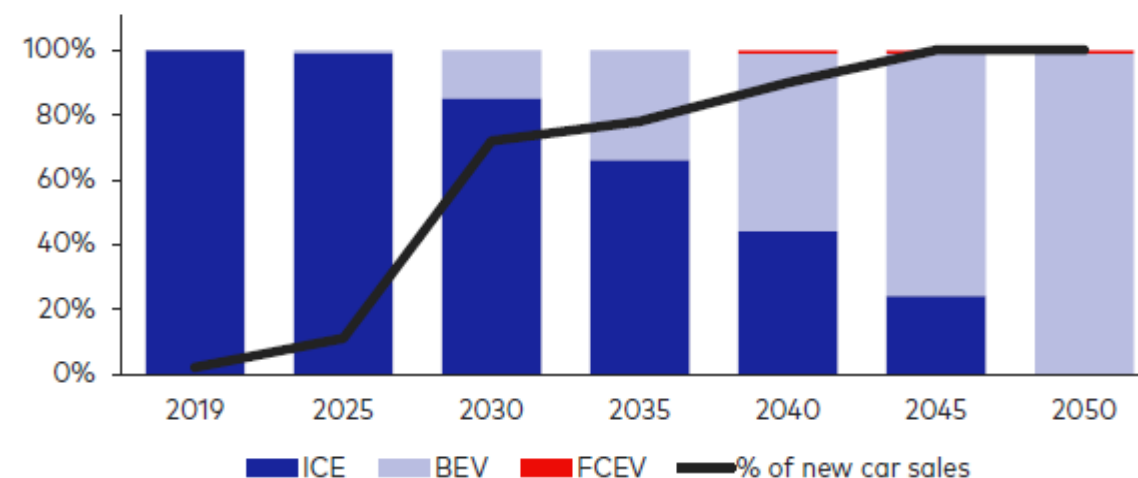
Fuel and Infrastructure volumes - BL



Convenience Retail Australian Wholesale International

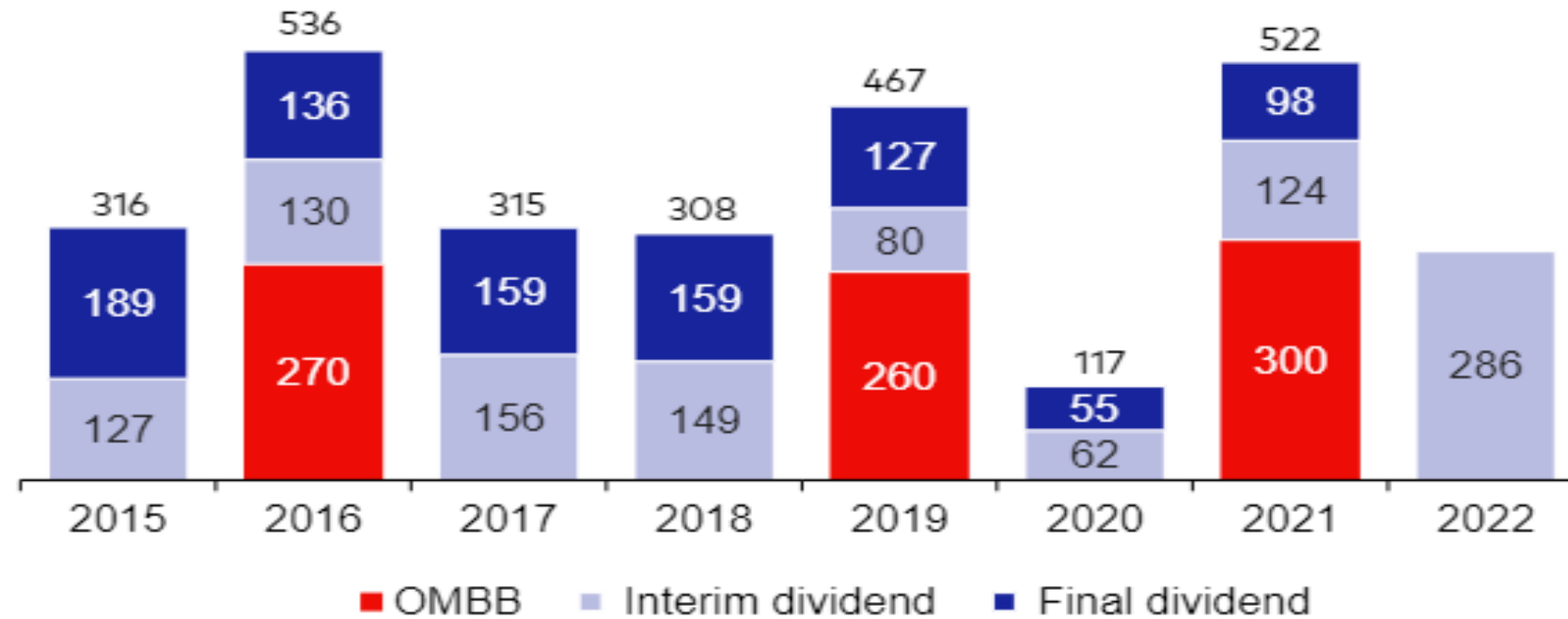
Past performance is not a reliable indicator of future performance

Road transport fleet mix by fuel type



Source: Ampol & IML as at 12 September 2022

Capital returns since 2015² (A\$M)



~\$2.9bn of surplus capital returned

~\$1.25bn of franking credits returned

~12% of shares on issue repurchased

Notes: 2 – Dividends are recorded in relation to the financial year they were declared and the Off Market Buy backs are recorded in the year they are completed.

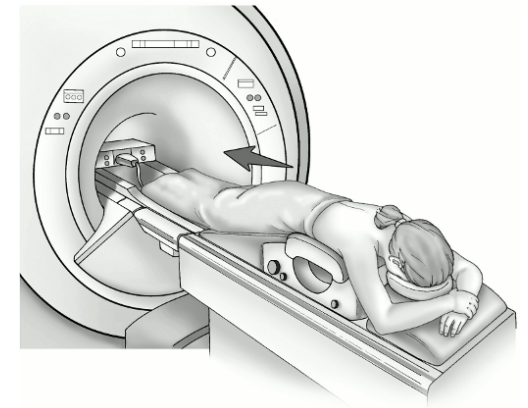
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Source: Ampol 3rd Annual Jeffries Asia Forum Presentation; 9 September 2022

- ❑ 4th largest radiology company in Aust
- ❑ Hub and spoke model with regional focus allows higher utilisation
- ❑ Recent acquisition in Queensland and NZ

Two long term growth drivers:

- Aging population
 - Improvements in technology
- ❑ MRI's & PET's enables earlier screening, diagnosis and treatment of:
 - Breast & Prostrate cancer &
 - Spinal fractures
 - P/FCF: 11.7x; yield 4.0% - FY24



- ❑ Casino operator in NZ & Australia:
 - Auckland
 - Adelaide
 - Hamilton
- ❑ On-going revenue trends recovering, with EGMs particularly strong
- ❑ Nearing the end of a major capex program
- ❑ Free option value on NZ online casino regulation.
- ❑ PE: 14.2x FY24; Dividend yield 5.3%



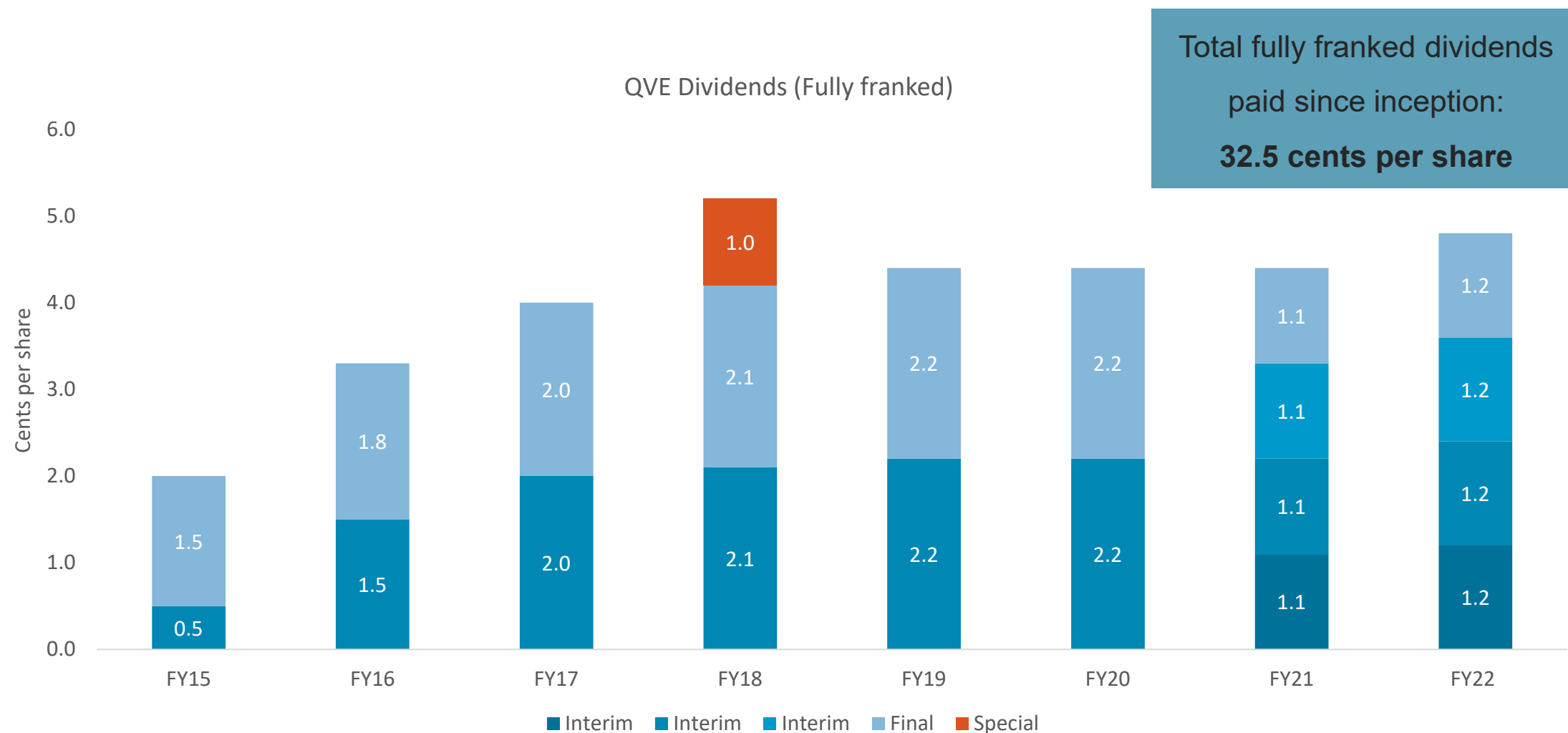
Top 10 stocks

Top 10 holdings	Weight
Aurizon	5.5%
Orica	5.3%
Ampol	4.6%
Amcor	4.3%
Sonic Healthcare	3.5%
Coles	3.4%
The Lottery Corporation	3.3%
Skycity Entertainment	3.1%
Pact	3.1%
IAG	2.5%

Past performance is not a reliable indicator of future performance

Source: QVE;
As at 31 August 2022

Historical Dividends to QVE Shareholders



ASX Announcements; As at 17 August 2022
Past performance is not a reliable indicator of future performance

Source: QVE Annual reports & QVE Announcements



Performance & NTA – as at 31 August 2022

NET TANGIBLE ASSETS (NTA)*	QVE-ASX
NTA before tax	\$1.06
NTA after tax	\$1.08

*The before and after tax NTA numbers relate to the provision for tax on net profit in addition to deferred tax on the un-realised gains/losses in the Company's investment portfolio. The Company is a long term investor and does not intend disposing of its total portfolio. Under current Accounting standards, the Company is required to provide for tax on any gains/losses that might arise on such a theoretical disposal, after utilisation of brought forward losses. All figures are unaudited and approximate.

PERFORMANCE*	QVE's NTA (pre tax)	QVE's NTA (after tax)	BENCHMARK
1 Month	-1.6%	-0.9%	+1.7%
3 Months	-3.2%	-2.0%	-1.4%
1 Year	+0.6%	+1.4%	-5.7%
3 Years	+3.8%	+3.7%	+4.7%
Since Inception Total Return p.a	+5.8%	+5.1%	+8.8%

The above returns are after fees and assumes all declared dividends are reinvested and excludes tax paid for pre-tax NTA. Past performance is not indicative of future performance.

QVE's strategy

- ❑ Always on the look out for well-established, good quality stocks at the right price
- ❑ Topping up on favoured stocks in weakness
- ❑ Writing call options opportunistically to generate extra income
- ❑ Cash being used to buy back shares at the current discount to NTA

Q & A

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