



ASX Announcement

Shareholder Company Briefings

2 November 2022- Following the release of Washington H Soul Pattinson and Company Limited's (ASX:SOL) FY22 Preliminary Final Report, shareholders were invited to Company Briefings in Sydney, Melbourne and Adelaide.

Attached is the presentation to be presented at these Shareholder Briefings.

Enquiries:

Todd Barlow, Managing Director – 02 9210 7070

This ASX announcement has been authorised for release by the Company Secretary.



Welcome to the WHSP Shareholder Briefing

November 2022

Presenters



Robert Millner
Chairman



Todd Barlow
CEO & Managing Director



David Grbin
Chief Financial Officer



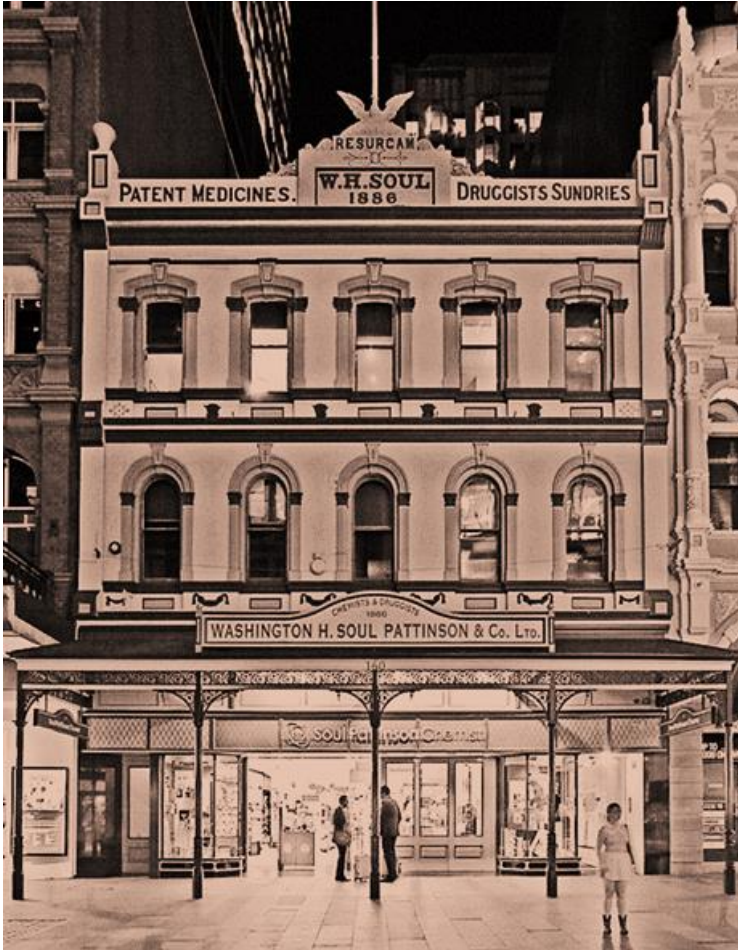
Brendan O'Dea
Chief Investment Officer



Overview

Our evolution

WHSP is one of Australia's oldest and most respected companies with a history of disciplined investing



- Founded in 1872 – Pitt Street Pharmacy
- Listed in 1903 – second oldest listed company on ASX
- Never missed paying a dividend
- Now a diversified investment company with a market capitalisation c\$10b
- ASX100 company; 44th largest on the ASX by market capitalisation
- Robert Millner, fourth generation Chairman
- 60,000+ shareholders

WHSP is a unique investment strategy in the Australian market



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

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

FY22 highlights

WHSP is focused on increasing the asset value of the portfolio and generating increasing cash from investments to fund dividends while managing risk through appropriate portfolio construction

PORTFOLIO OUTPERFORMANCE

NAV per share (pre-tax)
outperformed Index by 20.2%

NAV per share (post-tax)
outperformed Index by 34.9%

INCREASED CASH GENERATION

Net Cash Flow From Investments¹
per share **increased 28% on FY21**

Total Ordinary Dividends 72cps,
up 16.1% on FY21

Special Dividend of 15cps

MANAGING RISK

Successful integration of Milton

Increased diversification

Managing through volatile markets
and changing macro conditions

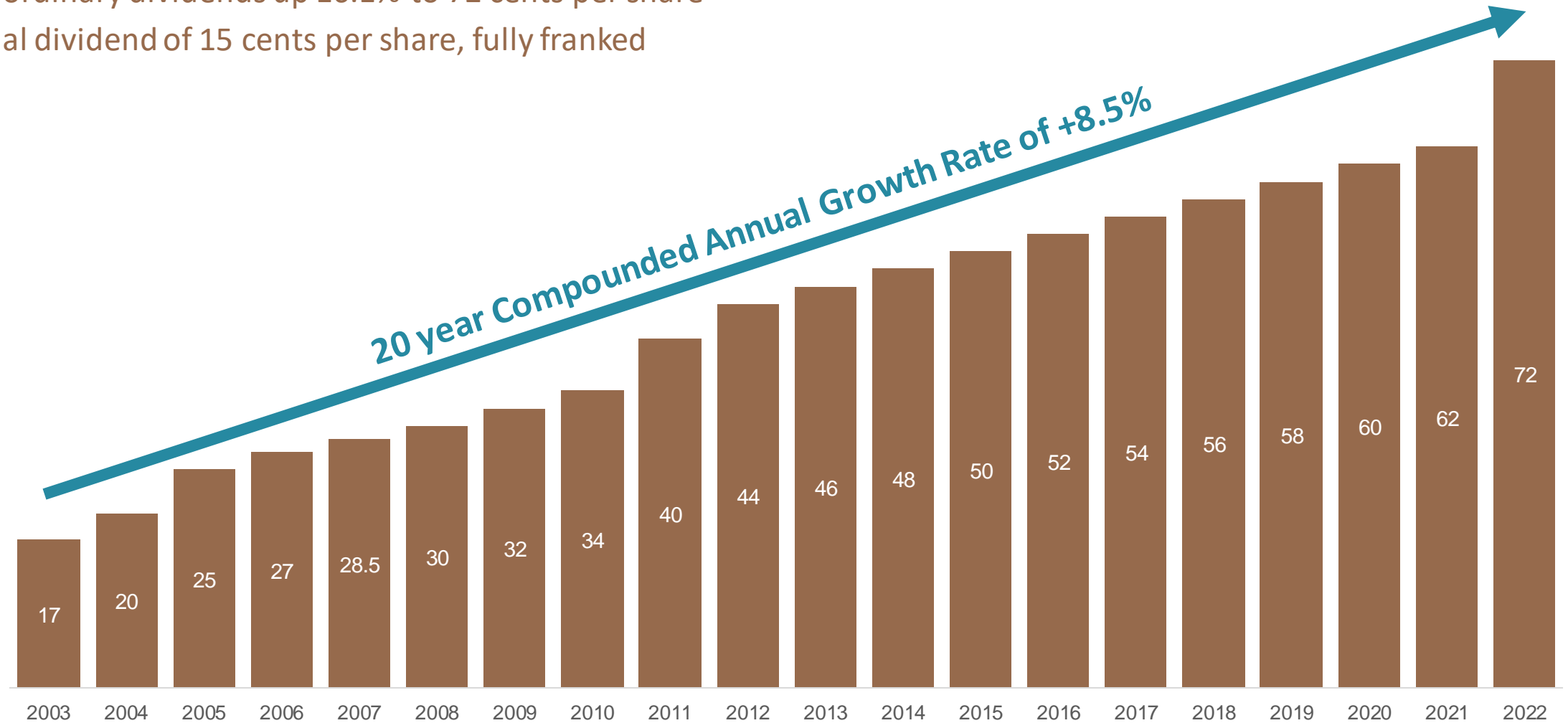
Increased liquidity to take
advantage of new opportunities

1. Net Cash Flows From Investments are after Parent Entity corporate costs and exclude the effects of non-regular cash inflows and outflows to demonstrate the underlying cash flows generated by the Parent Entity's investment portfolio. The Board of the Consolidated Entity pays dividends having regard to Net Cash Flows From Investments.

Dividends

FY22 ordinary dividends up 16.1% to 72 cents per share

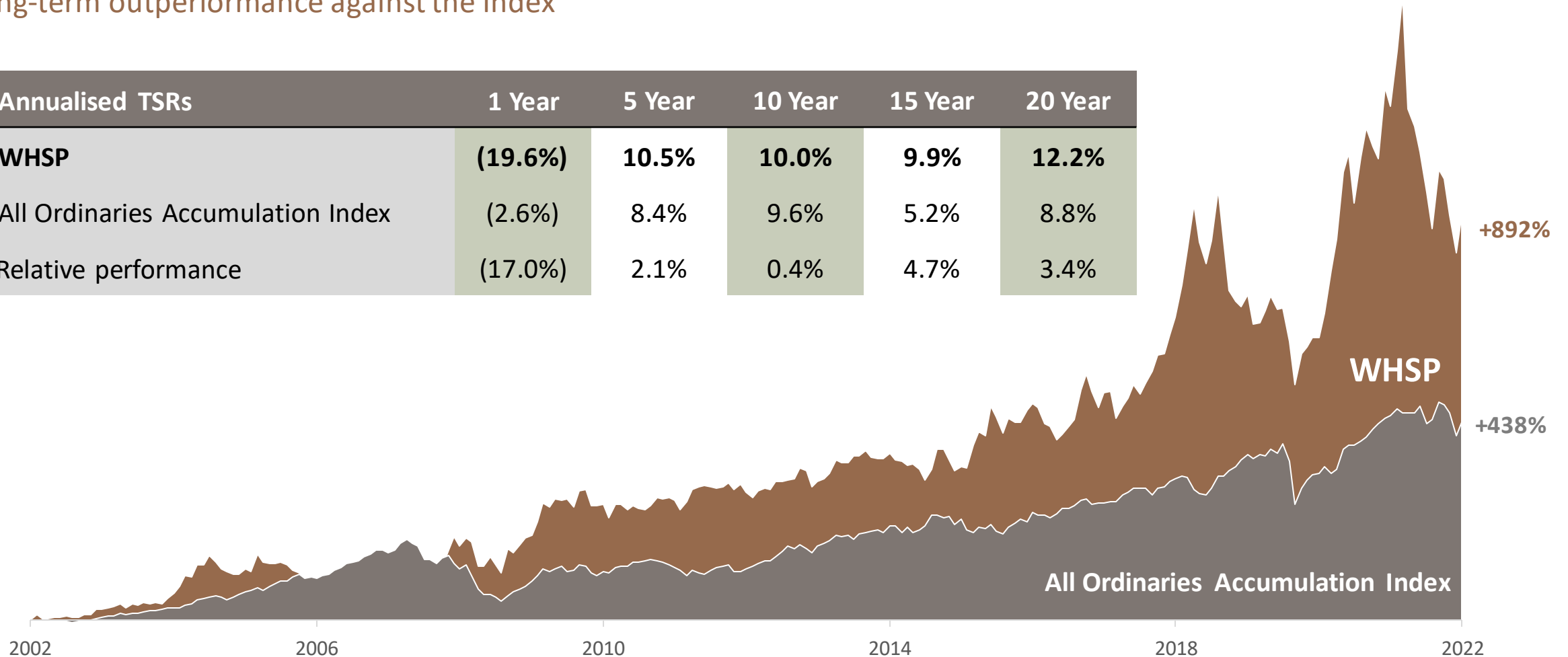
Special dividend of 15 cents per share, fully franked



Total shareholder returns

Long-term outperformance against the Index

Annualised TSRs	1 Year	5 Year	10 Year	15 Year	20 Year
WHSP	(19.6%)	10.5%	10.0%	9.9%	12.2%
All Ordinaries Accumulation Index	(2.6%)	8.4%	9.6%	5.2%	8.8%
Relative performance	(17.0%)	2.1%	0.4%	4.7%	3.4%



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

Source: Capital IQ

Comparative long-term total shareholder returns

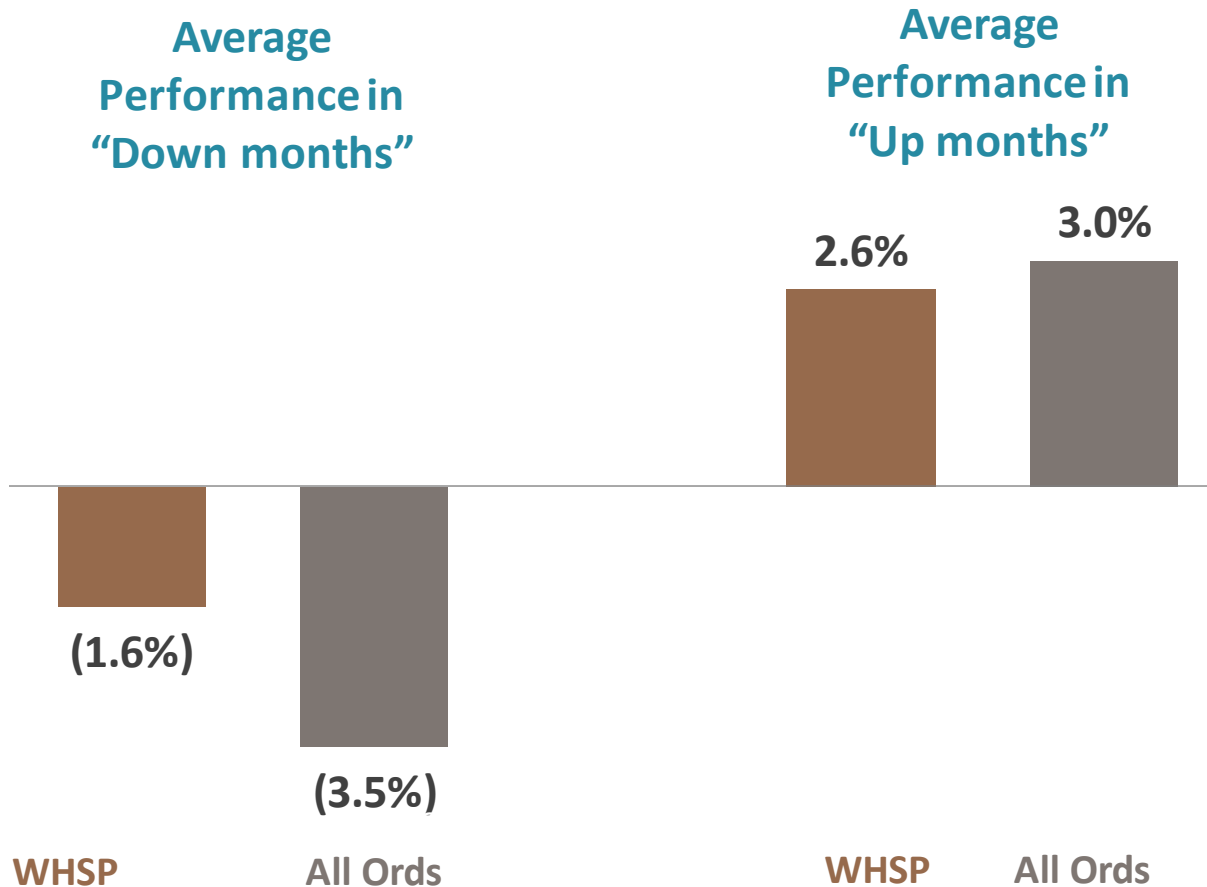
**\$10k invested
1 July 1992**

30 year return ¹		
SOL shares ¹	\$281,084	11.8% p.a
Australian shares ²	\$131,413	9.0% p.a
International shares ³	\$94,184	7.8% p.a
Australian listed property ⁴	\$90,243	7.6% p.a
Australian Bonds ⁵	\$55,588	5.9% p.a

Sources: Vanguard Research, Capital IQ. Notes: 1. Returns to 30 June 2022 with dividends reinvested. 2. S&P/ASX All Ordinaries Total Return Index. 3. MSCI World ex-Australia Net Total Return Index. 4. S&P/ASX 200 A-REIT Total Return Index. 5. Bloomberg AusBond Composite 0+ Yr Index.

Capital protection

Challenging and volatile markets will favour profitable assets with robust cash flows



- Over the last 20 years, the All Ordinaries Accumulation Index had a negative return 34% of the months.
- WHSP's share price outperformed the market by an average of 1.9% per month in these down months.

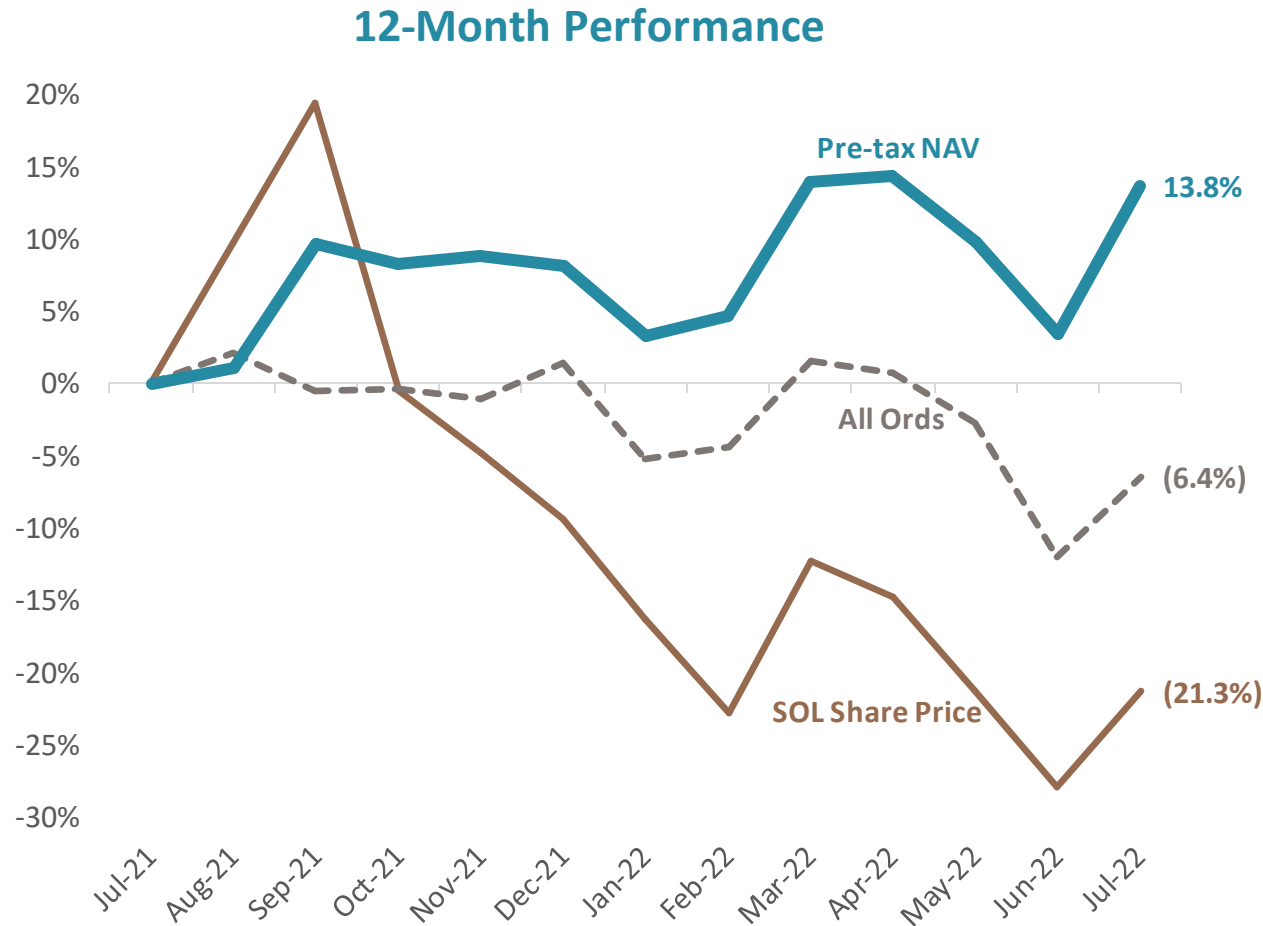
Source: Capital IQ

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

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

Recent share price performance

The share price has not correlated with portfolio performance over the last 12 months



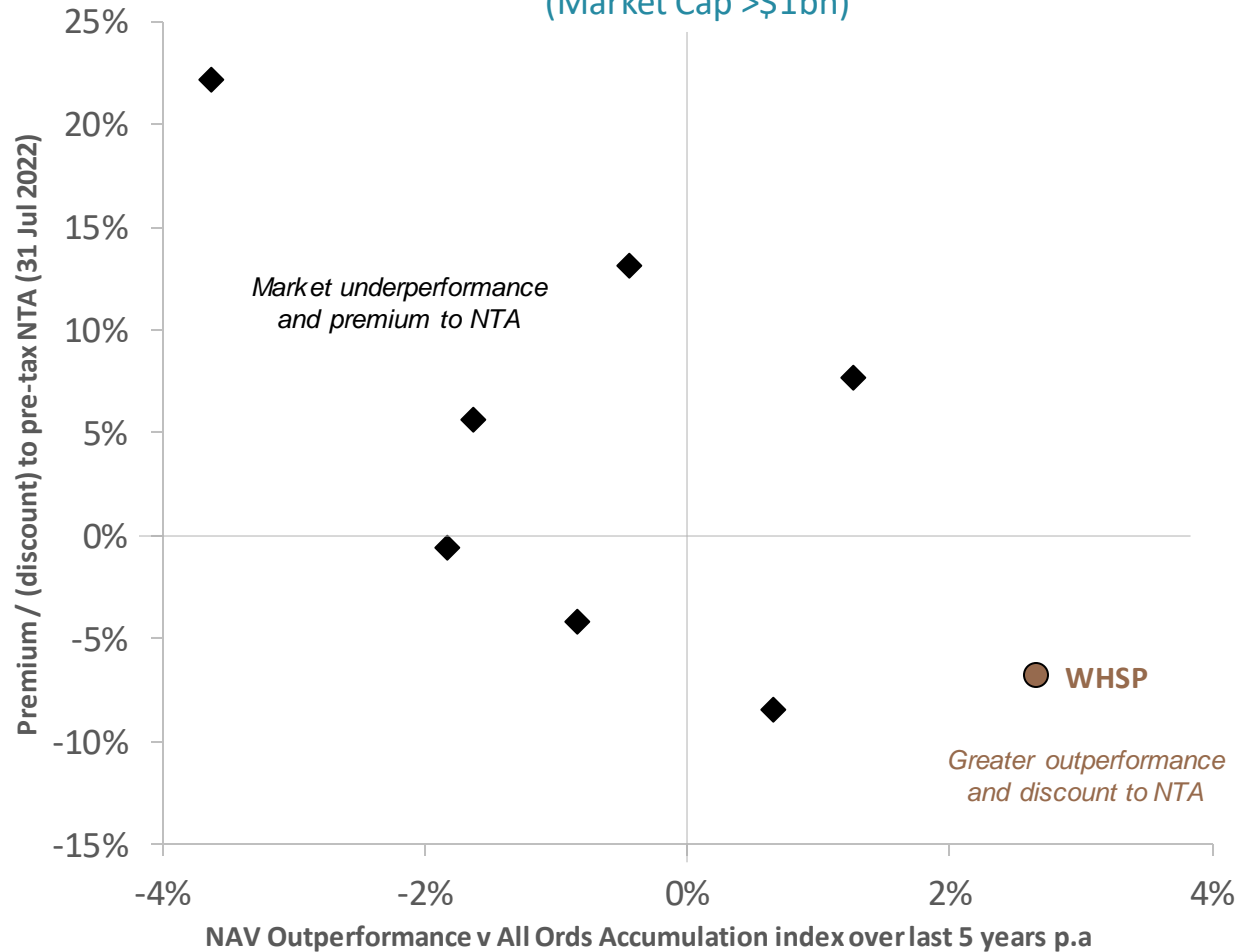
- During FY22 the growth in pre-tax NAV outperformed the:
 - All Ords by 20.2%; and
 - SOL share price by 35.1%
- Share price as at 31 July 2022 represented a 6.9% discount to the pre-tax NAV per share

How is WHSP different from listed investment companies?

Increased diversification, steady dividends and greater outperformance

WHSP vs ASX Listed Investment Companies

(Market Cap >\$1bn)



- Greater diversification and flexibility
- Higher conviction portfolio
- History of protecting capital
- Consistent dividend growth
- Strong long-term outperformance
- WHSP is trading at a discount to NTA



Financial results

Understanding WHSP financials

STATUTORY REPORTING

Net Profit After Tax (**NPAT**)

Earnings Per Share (**EPS**) growth

Balance Sheet

KEY METRICS WE FOCUS ON

Net Cash Flow From Investments (**NCFFI**)
and growth in NCFFI per share

Dividend growth

Net Asset Value (**NAV**) and growth in NAV
per share (pre and post-tax)

Portfolio allocation

Full year ended 31 July 2022 – Profit After Tax

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

**Group Regular
NPAT²**

\$834.6m
▲ 154% on FY21

Group Regular NPAT significantly increased

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

**Group Statutory
NPAT³**

(\$12.9m)
▼ 105% on FY21

Statutory NPAT impacted by goodwill impairment

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

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

3. Group Statutory NPAT: Profit after tax attributable to members. A reconciliation between consolidated Group regular profit after tax and statutory profit after tax is included in the 2022 Preliminary Final Report – Alternative Performance Measures.



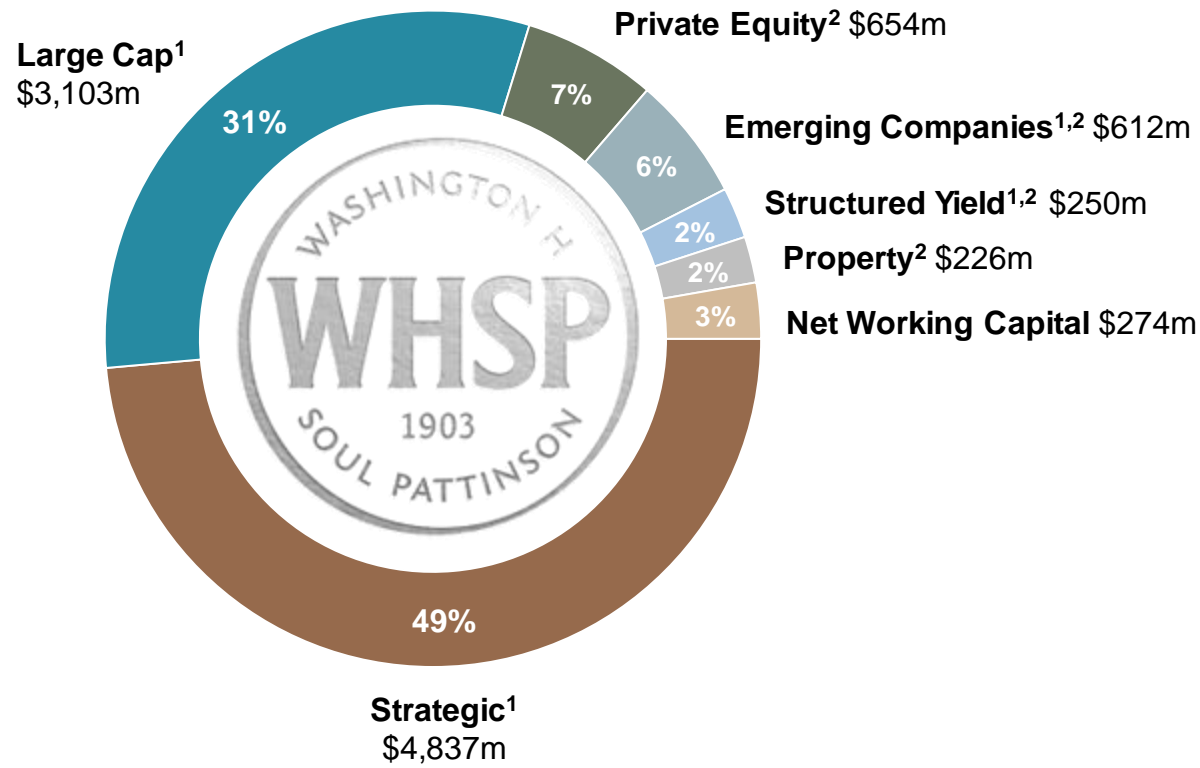
Portfolio overview

Portfolio overview

Net Asset Value increased 72% in FY22 with improved liquidity for new investments

\$10bn pre-tax NAV - Portfolio Composition

at 31 July 2022



(1) At market value

(2) At cost or Directors' valuation

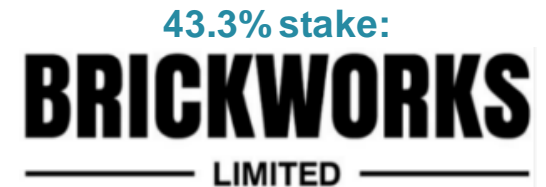
- Value of the portfolio increased by **72%** over the 12 months to 31 July 2022 – Milton merger main contributor
- NAV per share increased by **13.8%** – substantially outperforming a market return of negative 6.4%
- Liquidity position improved by **~\$735m**

Strategic portfolio

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

Value	\$4,837 million
% of portfolio	48.6%
Net cash flow	\$168.7 million
Portfolio composition	Interests in TPG, New Hope, Brickworks, Tuas, Apex, Pengana and Aeris Resources
Strategic rationale	Significant investments in uncorrelated listed companies with board representation

- WHSP's Round Oak private equity investment merged with Aeris Resources and is a new strategic equity position exposed to the Australian copper industry
- API stake sold to Wesfarmers during the year
- Portfolio delivered a total return of **25.8%** over 2022



Large caps

Aims to generate long-term capital and income growth

Value	\$3,103 million
% of portfolio	31.2%
Net cash flow	\$116.9 million
Portfolio composition	Companies within the ASX-100 index
Strategic rationale	Actively managed Australian equities delivering strong dividends and providing portfolio liquidity

- Portfolio rebalanced in the context of broader WHSP exposures and to achieve a more defensive risk profile
- Significant amounts of cash raised to increase financial flexibility of broader group
- Outperformed Index total return by **1.6%** in FY22



Large caps

Active period for the portfolio post Milton merger

Purchases	Purchases	Disposals	Disposals
Add	New	Reduce	Exit
   	   	  	   

Large caps

Top 30 Investments

#	Stock	% of Portfolio
1	Macquarie Group Limited	11.7%
2	Commonwealth Bank of Australia	8.4%
3	BHP Group Limited	6.6%
4	CSL Limited	6.0%
5	Wesfarmers Limited	5.4%
6	National Australia Bank Limited	5.0%
7	Woolworths Group Limited	4.5%
8	BKI Investment Company Limited	3.6%
9	Transurban Group	3.4%
10	Johns Lyng Group Limited	2.8%
11	Eagers Automotive Limited	2.7%
12	Ancor plc	2.4%
13	ALS Limited	2.3%
14	Bank of Queensland Limited	2.3%
15	carsales.com Ltd	2.2%

#	Stock	% of Portfolio
16	Coles Group Limited	2.2%
17	Rio Tinto Group	2.1%
18	Ramsay Health Care Limited	2.0%
19	ASX Limited	1.9%
20	Suncorp Group Limited	1.8%
21	Endeavour Group Limited	1.6%
22	Perpetual Limited	1.2%
23	Cleanaway Waste Management Limited	1.2%
24	Goodman Group	1.1%
25	Sonic Healthcare Limited	1.1%
26	Woodside Energy Group Ltd	1.0%
27	ARB Corporation Limited	1.0%
28	AUB Group Limited	1.0%
29	InvoCare Limited	0.8%
30	Technology One Limited	0.8%
Total		90.1%

Private equity

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

Value	\$654 million
% of portfolio	6.6%
Net cash flow	\$40.1 million
Portfolio composition	Ampcontrol, Ironbark, Agricultural and Water investments, Aquatic Achievers
Strategic rationale	Investments in unlisted companies to support their growth

- Contribution to Net Cash flow from Investments increased **213%** on pcp
- Round Oak investment moved from private equity to strategic following the successful merger with Aeris Resources
- Total return of **19.1%** in FY22



Agriculture



Emerging companies

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

Value	\$612 million
% of portfolio	6.1%
Net cash flow	\$27.6 million
Portfolio composition	Ex-ASX100 listed equities and unlisted growth companies
Strategic rationale	Exposure to fast growing companies often benefiting from structural changes and global trends

- Delivered a total return of **-3.4%** over 12 months to 31 July 2022
- Outperformed the ASX Small Ordinaries Accumulation Index by **7.5%** over the 12-month period
- Net Cash Flows From Investments of **\$27.6m**



Structured yield

Investing across the capital structure for improved risk adjusted returns on attractive opportunities

Value	\$250 million
% of portfolio	2.5%
Net cash flow	\$19.7 million
Portfolio composition	Corporate loans or hybrid debt instruments
Strategic rationale	To invest in financial instruments across an investee's capital structure to optimise the portfolio's risk adjusted returns

- Net cash flow from investments of \$19.7m, up **18.7%** over pcp
- Total return of **17.9%**
- Portfolio has a running cash yield of **9%**
- 11 investments across a range of industries

Property

The property portfolio comprises actively managed direct property investments

Value	\$226 million
% of portfolio	2.3%
Net cash flow	\$1.6 million
Portfolio composition	Direct property and equity accounted joint ventures
Strategic rationale	Actively managed Australian property to deliver superior returns when compared to passive ownership

- Strong revaluations in 2022 with portfolio return of +47%
- Net cash flow +14.3%
- Underweight direct property due to indirect interest in Brickworks' industrial portfolio



Sage by Moran, Cronulla



Industrial property, Castle Hill

Net working capital

WHSP has access to significant liquidity for new opportunities

Value	\$274 million
% of portfolio	2.8%
Portfolio composition	Cash, interest-bearing liabilities and other assets and liabilities
Strategic rationale	Provide portfolio liquidity

- Cash on hand as at 31 July of **\$486** million
- \$414m of interest-bearing debt with a current average cost of 1.75% p.a.
- Significant liquidity from:
 - cash
 - Unutilised debt
 - assets identified for sale in the portfolio



Strategy and outlook

Portfolio settings

WHSP's investment style is well-suited to the current environment

FOCUSED ON COST AND QUALITY

- Increasing **diversification** of uncorrelated assets
- Major strategic investments in **high quality** businesses:
 - telecommunications subscriptions
 - energy
 - industrial/logistics property
- **Resilience** from profitable low cost operations
- **Robust, defensible** business models
- **Market power** to pass on inflationary costs

FLEXIBLE AND OPPORTUNISTIC

- Increased **cash levels** and other liquidity to invest in new opportunities at more reasonable prices
- Flexibility allows us to take advantage of **market dislocation**:
 - private equity
 - structured yield
- **Long-term view assists investing through volatility**

Why invest in WHSP?

DISCIPLINED

- Long term approach to investing
- Conservative and cost conscious

DELIVER

- A history of outperformance over the long term
- Lower volatility and risk

DIVIDENDS

- A history of stable and growing dividends
- Diversified portfolio provides greater security

DEFENSIVE

- Portfolio of uncorrelated investments that perform throughout the cycle
- Bias to resilient, cash generating, quality businesses

Important dates for shareholders

Final Dividend Ex-Date:

Friday, 18 November 2022

Final Dividend Record Date:

Monday, 21 November 2022

Dividend Payment Date:

Monday, 12 December 2022

Annual General Meeting:

Friday, 9 December 2022

Commencing 12pm at the Wesley Conference Centre, 220 Pitt Street, Sydney



Q & A

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