

BKI Investment Company Limited

FY2023 Half Year Results for the Half Year ended 31 December 2022



*BKI is managed by Contact Asset Management
AFSL 494045*

Disclaimer

This material has been prepared by Contact Asset Management on behalf of BKI Investment Company Limited.

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All periods referenced are to 30 June 2022, unless otherwise stated.

Investors should consult their financial adviser in relation to any material within this document.



2023 Half Year Results

For the half year ended 31 December 2022

Result <u>excluding</u> special investment revenue	1H 2023	1H 2022	Movement
Ordinary revenue from Investment Portfolio	\$35.8m	\$31.5m	13%
Total Revenue - Ordinary	\$36.3m	\$32.2m	13%
Operating Result (before tax and special investment revenue)	\$35.1m	\$31.1m	13%
Earnings per share	4.48c	3.98c	13%
Interim Ordinary Dividend per share	3.70c	3.50c	6%
Result including special investment revenue	1H 2023	1H 2022	Movement
Net profit after tax	\$36.8m	\$55.7m*	-34%
Earnings per share	4.94c	7.53c	-34%
Interim Special Dividend per share	0.50c	0.50c	Steady
Total Dividends	1H 2023	1H 2022	Movement
Total Dividends for the Half	4.20c	4.00c	5%

* In 1H 2022 BKI received \$26.2 million in Special Dividend Income, after receiving special dividends from Rio Tinto Limited, Suncorp Group, Milton Corporation, Telstra Corporation and participating in the Metcash Limited, Commonwealth Bank and Woolworths Limited off market share buy backs.

Fully Franked Dividends

Dividend Key Dates for the half year ended 31 December 2022

3.70cps

Ordinary Interim Dividend
Up 6%

0.50cps

Special Dividend
Fully Franked

9th Feb 2023

Last Trading Date
to be eligible for dividends

Dividend Key Dates

Last trading date to be eligible for the dividends	Thursday 9 February 2023
Ex-dividend date	Friday 10 February 2023
Record date	Monday 13 February 2023
DRP nomination	Tuesday 14 February 2023
Dividend payment date	Tuesday 28 February 2023

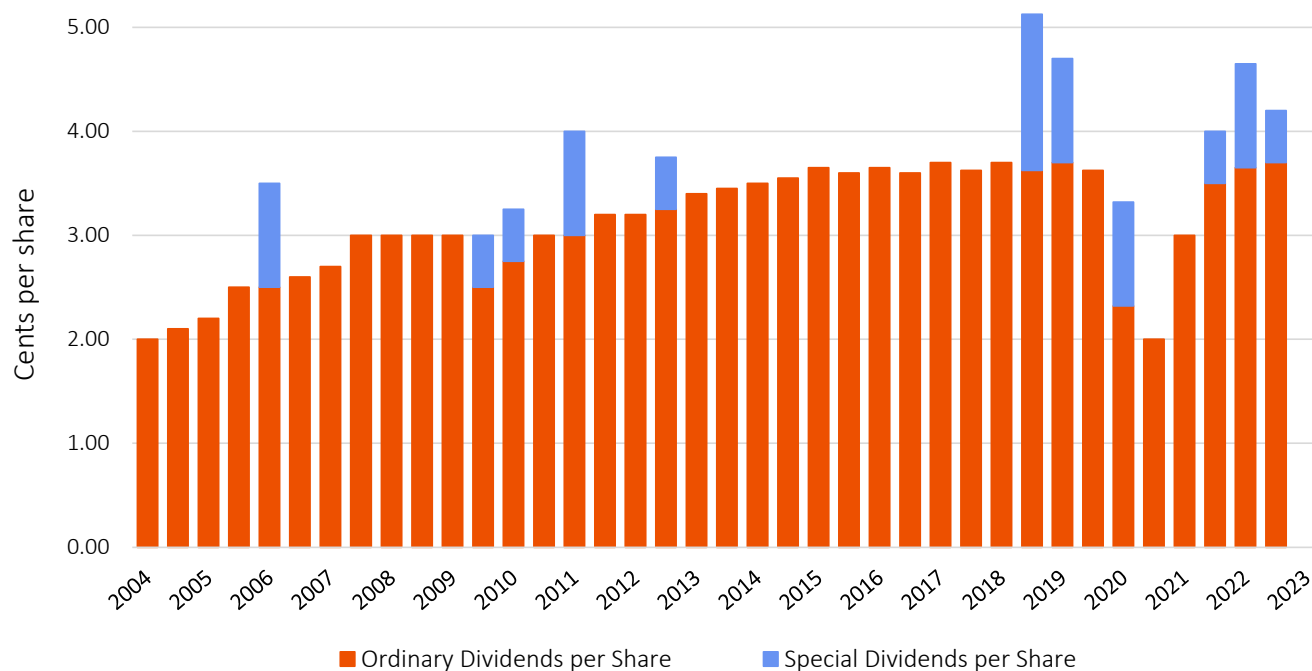
*BKI's DRP offers shareholders the opportunity to acquire further ordinary shares in BKI.
The DRP will not be offered at a discount.*

To obtain access to a DRP form please use the link below:
bkilimited.com.au/dividend-information/



Dividend History

Using the FY2022 Final Dividends, FY2023 Interim Dividends, and a share price of \$1.70, BKI's historical grossed-up dividend yield is 6.9%.



Since listing, BKI has paid out to shareholders:

\$1.27
per share

or

\$922m
in dividends*





BKI Investment Company Limited

Performance



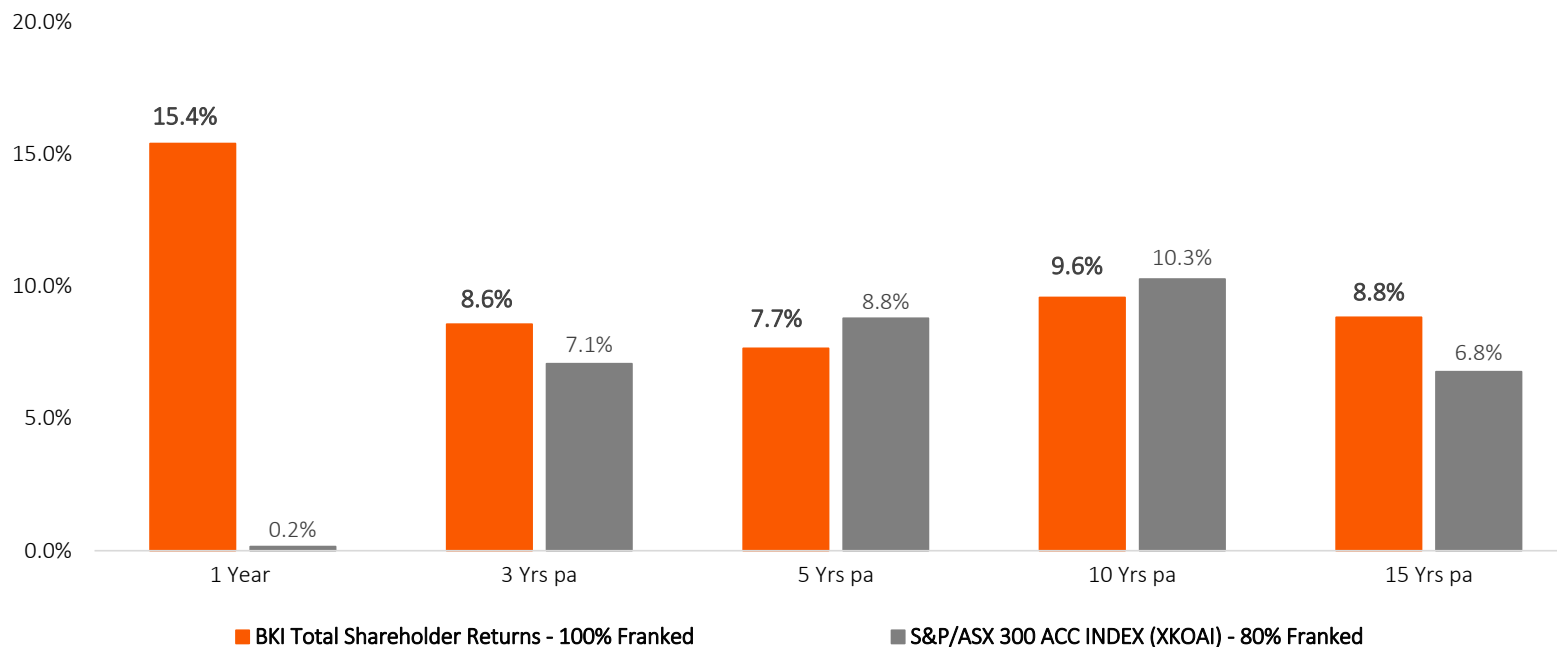
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Total Shareholder Return

As at 31 December 2022

BKI's Total Shareholder Return, including franking credits, was positive 15.4% for the year. Significantly outperforming the S&P/ASX 300 Accumulation Index* by 15.2%.

15.4%
1 Year
Total Shareholder Return



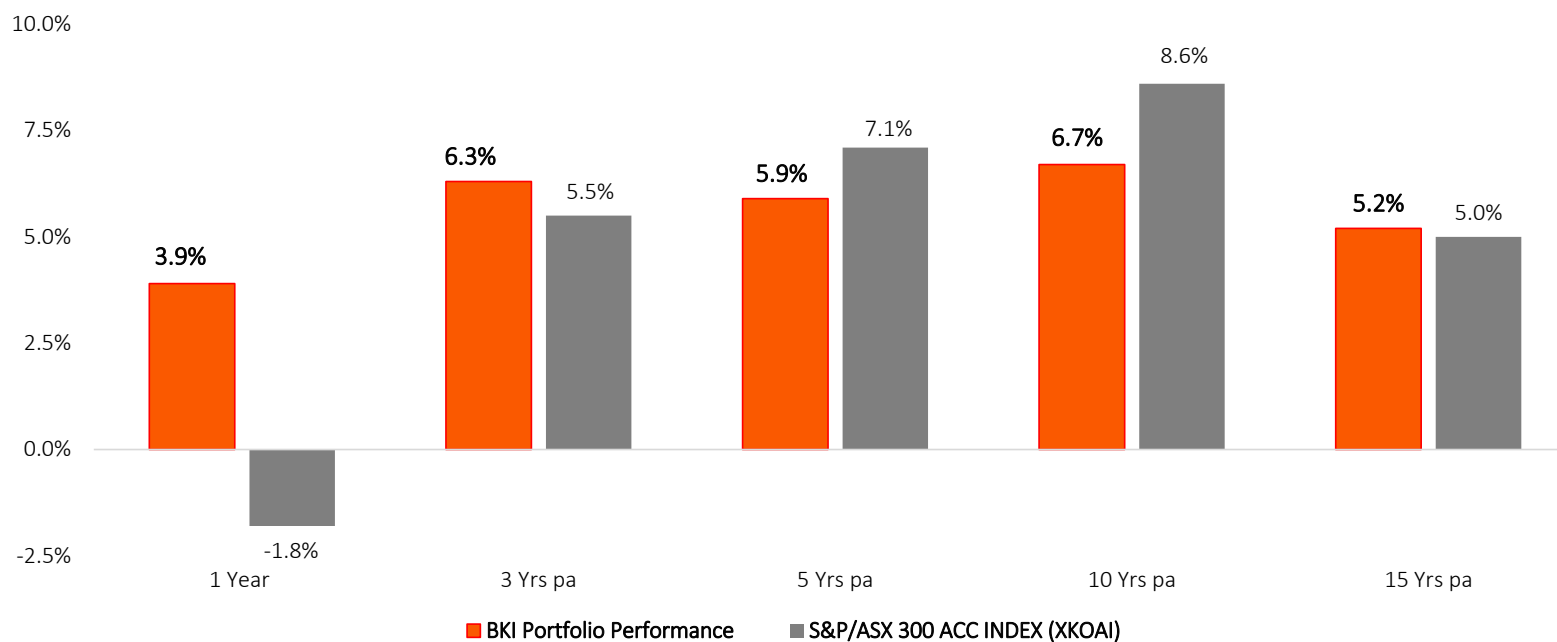
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Net Portfolio Return

As at 31 December 2022

BKI's Net Portfolio Return for the year was positive 3.9%, outperforming the S&P/ASX 300 Accumulation Index by 5.7%.

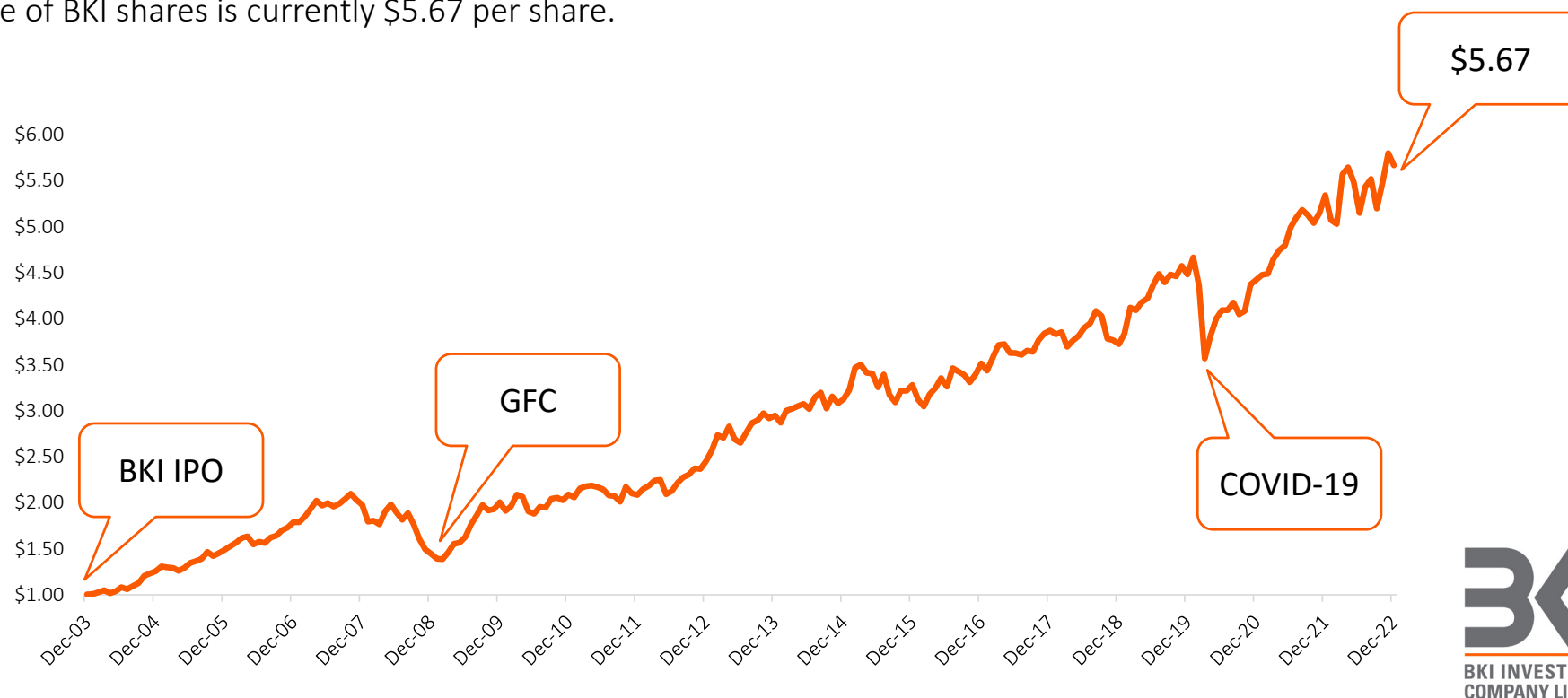
5.7%
1 Year
Portfolio Outperformance



The Benefit of Long-Term Investing

Cumulative Share Price Returns - As at 31 December 2022.

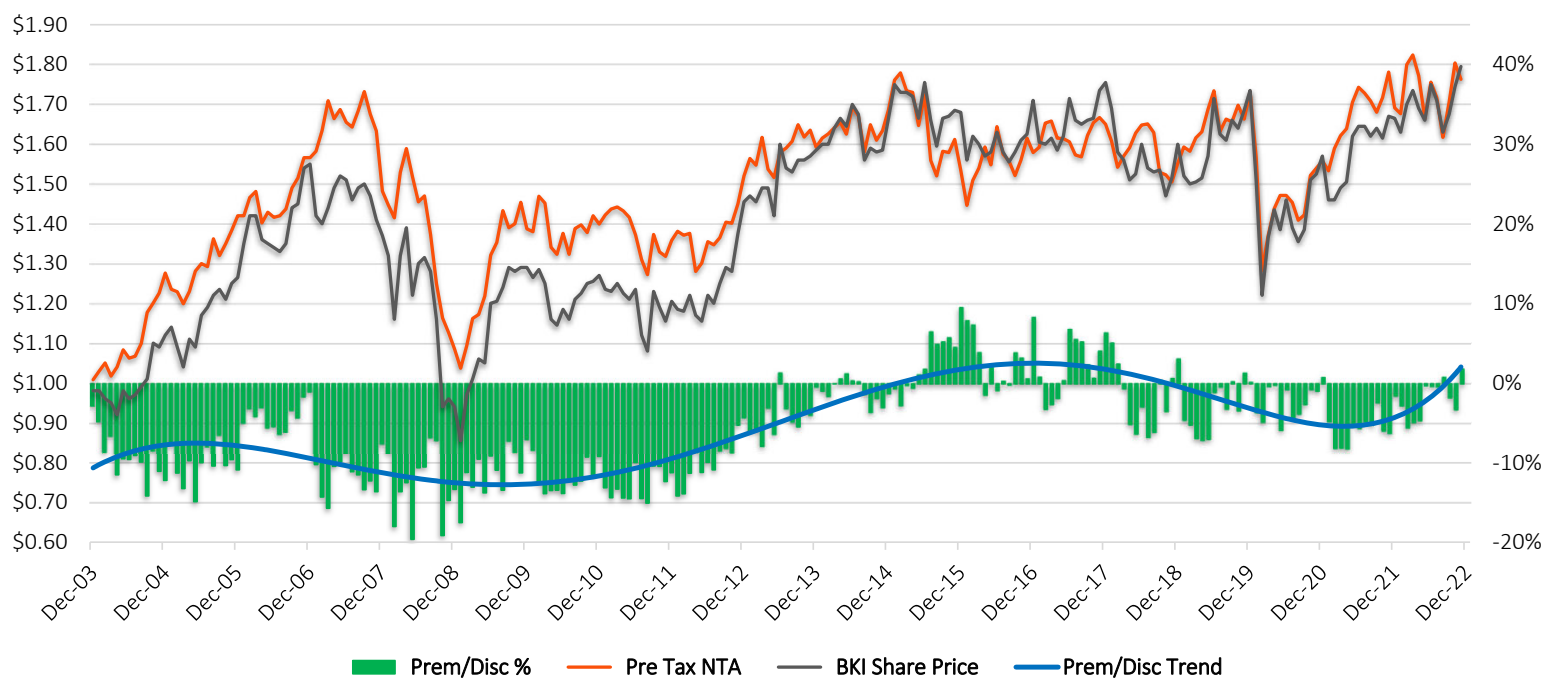
Assuming all dividends were reinvested and using the benefit of franking credits, the cumulative share price of BKI shares is currently \$5.67 per share.



Premium/Discount to NTA

As at 31 December 2022

BKI's Pre-Tax Net Tangible Assets as at 31 December 2022 was \$1.76 and trading at a premium of 1.8%



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BKI Portfolio Discussion



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Portfolio Positioning - Purchases / Disposals

As at 31 December 2022

Purchases
Add

Harvey Norman

AMPOL

Equity Trustees

ORORA

ARB
4X4 ACCESSORIES

Purchases
New

YANCOAL

James Hardie

Nine
entertainment co.

Disposals
Reduce

N/A

Disposals
Exit

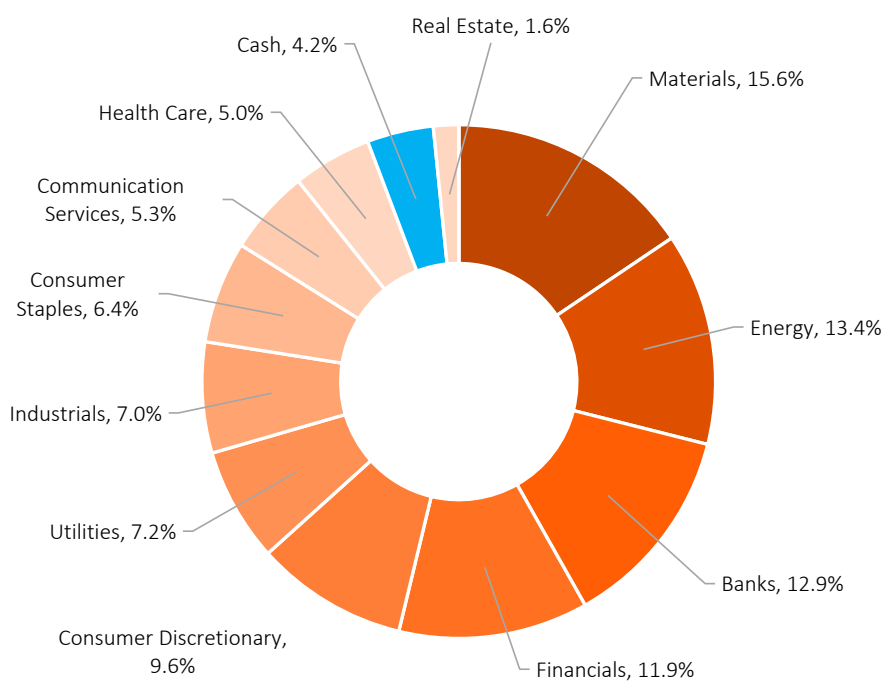
N/A

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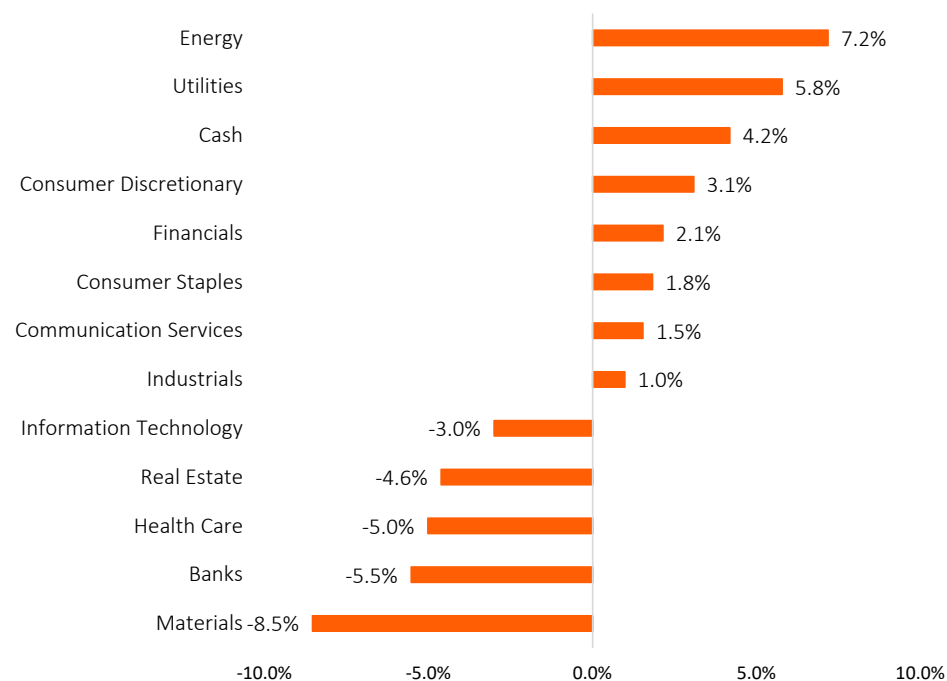
Portfolio Positioning — Exposure/Active Weight by Sector

As at 31 December 2022

Exposure by Sector

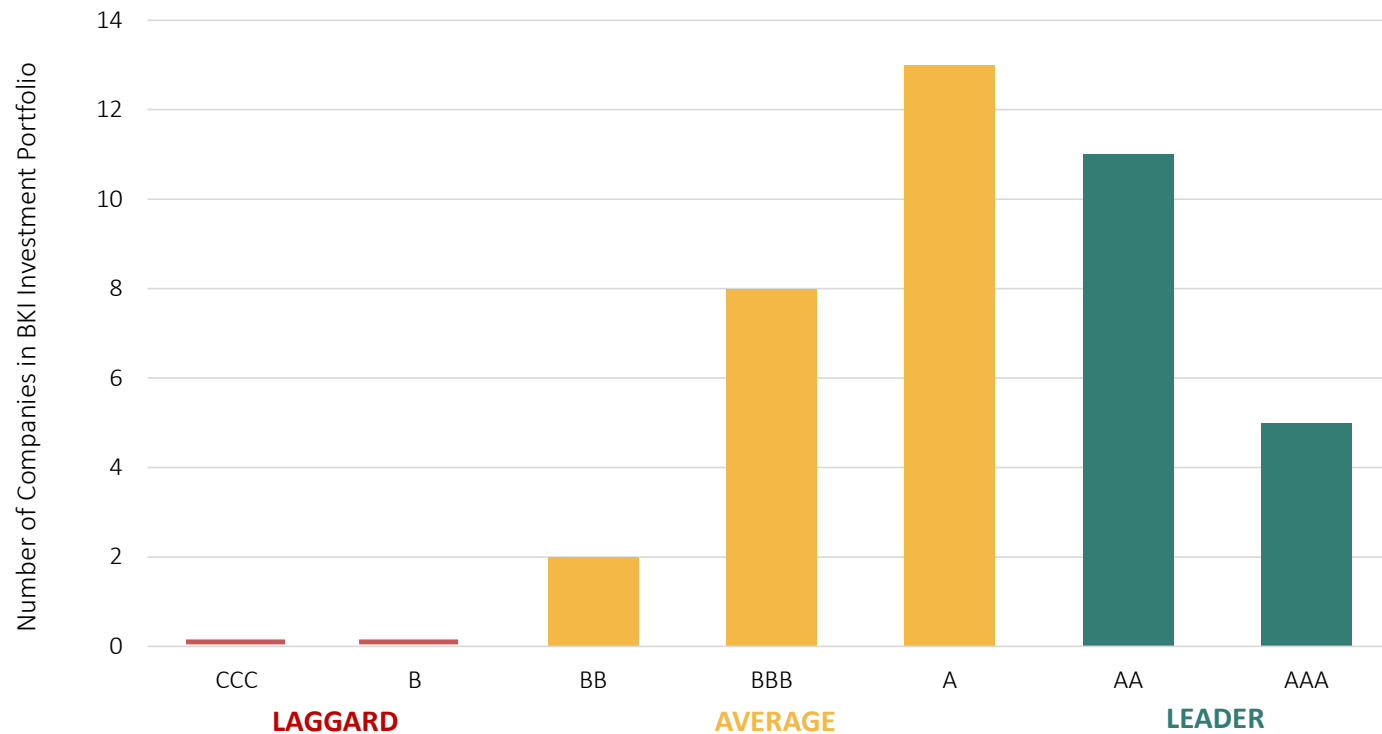


Active Weight by Sector



Portfolio Positioning - MSCI ESG Portfolio Exposure*

A MSCI ESG Rating aims to measure a company's resilience to long-term ESG risks.



Source: BKI, Contact Asset Management. MSCI ESG Rating, A MSCI ESG Rating aims to measure a company's resilience to long-term ESG risks. Companies are scored on an industry-relative AAA-CCC scale across the most relevant Key Issues based on a company's business model.*Ratings include both company, sector and peer group reviews for the companies held within BKI.

Top 25 Investments

As at 31 December 2022

Stock	% of Total Portfolio
1 BHP Group	9.2%
2 Macquarie Group	8.3%
3 APA Group	7.2%
4 Commonwealth Bank	7.2%
5 New Hope Corporation	6.3%
6 National Australia Bank	5.7%
7 Woodside Energy	4.5%
8 Wesfarmers Limited	3.9%
9 Transurban Group	3.4%
10 Woolworths Limited	3.0%
11 Rio Tinto Limited	2.6%
12 Telstra Group Limited	2.6%
13 Ramsay HealthCare	2.5%

Stock	% of Total Portfolio
14 Harvey Norman Holdings	2.4%
15 Amcor	2.2%
16 Sonic Healthcare	2.2%
17 TPG Telecom Limited	2.1%
18 ARB Corporation	1.9%
19 Coles Group	1.4%
20 Suncorp Group	1.4%
21 Yancoal Limited	1.4%
22 Invocare Limited	1.4%
23 Aurizon Holdings	1.3%
24 Goodman Group	1.2%
25 Pendal Group	1.1%
Cash & Cash Equivalents	4.2%
Total	90.6%



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Market Discussion



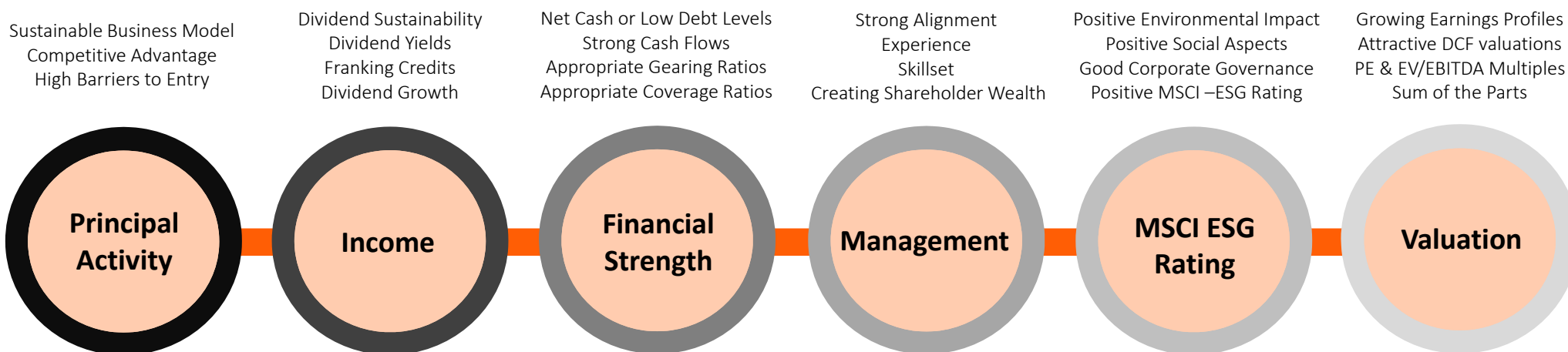
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Focusing On Quality

We have developed an investment process that is proven, robust and repeatable.

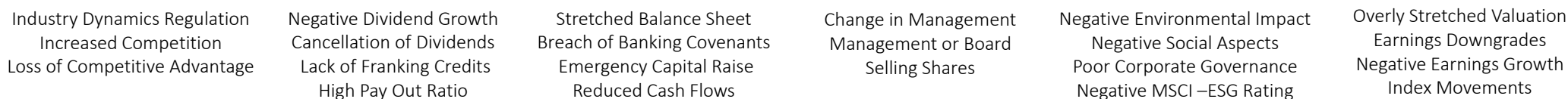
What we consider when we ADD or INCREASE our exposure to a stock.

We invest in companies using the six fundamentals below as part of the stock selection process.



What we consider when SELLING or REDUCING our exposure to a stock

A concentrated portfolio requires constant monitoring as investment cases can change for multiple reasons.

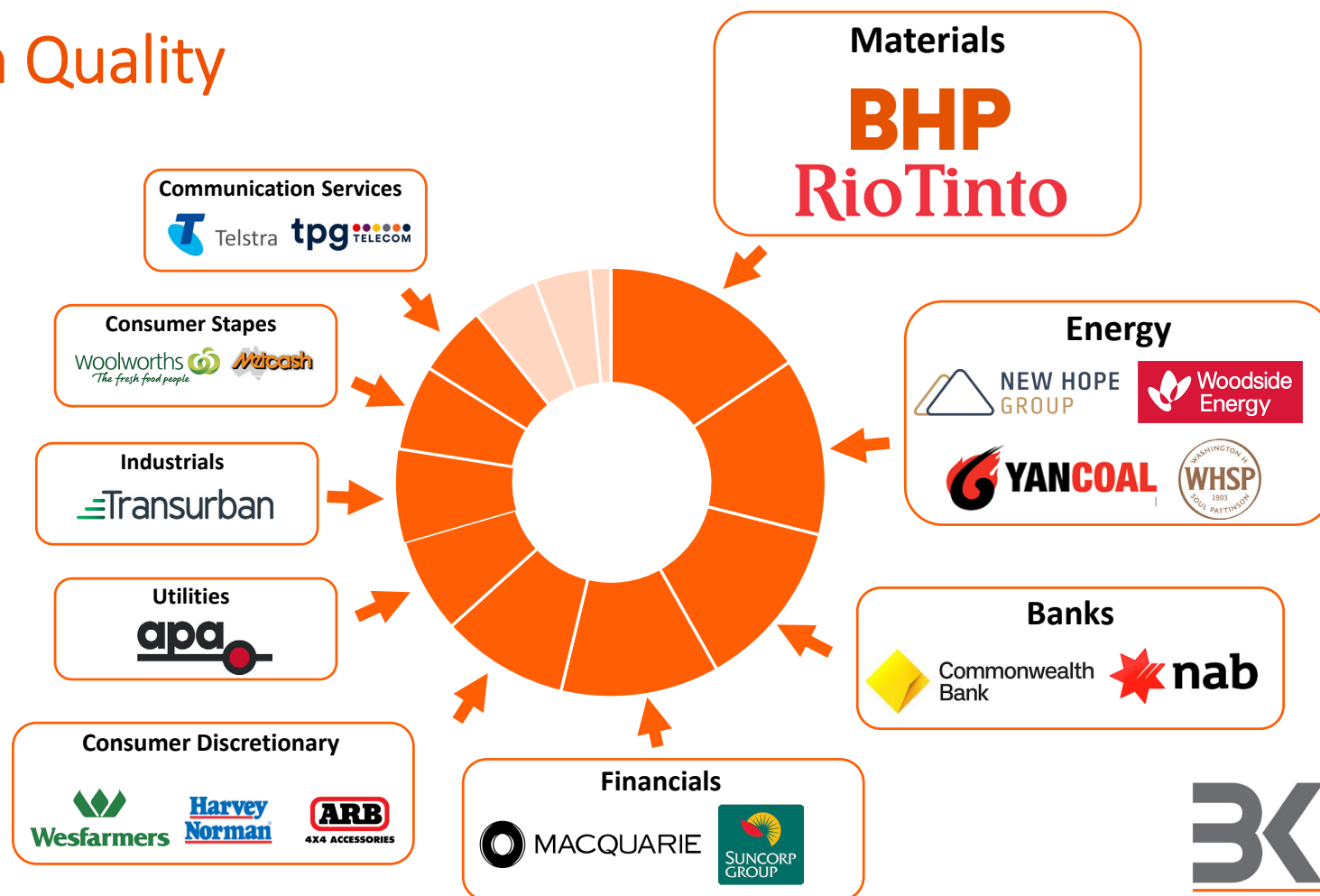


Focusing On Quality

Exposure by Sector

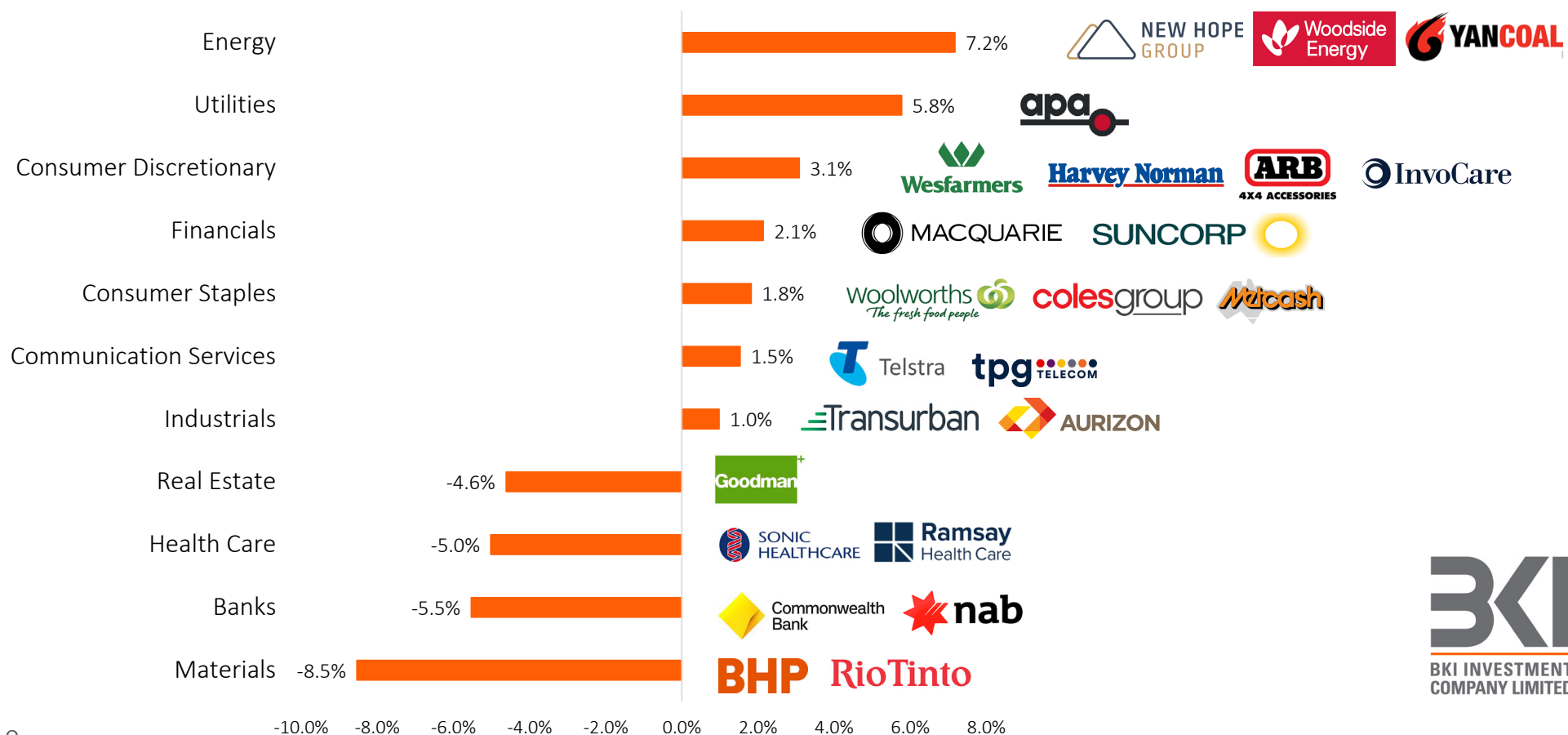
BKI aims to generate an increasing income stream for distribution to shareholders in the form of fully franked dividends.

We achieve this through long term investment in a portfolio of assets that are also able to deliver long term capital growth to shareholders.



Focusing On Quality

Active Weight by Sector



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A sensible, low cost investment option, focused on quality.



Dividend Yield #^

6.9%

1 Year TSR^

15.4% pa

10 Year TSR^

9.6% pa

MER

0.18%

1H FY2023 Net
Operating Result*

+13.0%

Total Assets

\$1,316m



Lonsec Recommended Rating

No
Performance Fees

As at 31 December 2022

Source: BKI, Contact Asset Management, Factset. #Grossed Up (includes the full benefit of Franking Credits) Based on the FY2022 Final dividends and FY2023 Interim dividends. ^TSR (Total Shareholder Return), includes the full benefit of Franking Credits and assumes the reinvestment of all dividends. MER = Management Expense Ratio. *Includes Special Investment Revenue.



For more information, please visit
www.bkilimited.com.au

