

22 February 2023

## Half Year Results to 31 December 2022

### Summary

- \$4.78 million operating profit after tax, up 42%
- The Board announced its intention to pay dividends totalling 5.2 cents per share for this financial year\*, up 8% on the previous year

### Financial Results

QV Equities (the Company) today reported an operating profit after tax of \$4.78 million for the half year to 31 December 2022. The reported profit is up 42% on the previous corresponding period due to increases in the income received for dividends, options trading and interest income.

### Dividends

The Board recently declared a fully franked dividend of 1.3 cents per share for the December 2022 quarter, taking the first half total dividends to 2.6 cents per share fully franked. This is in line with the forecast of dividends totalling 5.2\* cents per share for the financial year ending 30 June 2023 as previously announced on 19 October, 2022. This represents an increase of 8.3%, or 0.4 cents per share, on the dividends paid for the prior financial year. Dividends will continue to be paid on a quarterly basis in equal instalments.

Chairman Peter McKillop stated:

*"In these challenging investment times your Board and Investment Manager are focused on ensuring that you continue to receive a sustainable dividend from your investment in QV Equities. The opportunity to receive an annual dividend of 5.2 cents per share is equivalent to a yield of 5.6% for financial year 2023 (calculated on the closing share price on 14 February 2023). With franking credits included, this equates to an 8.0% gross yield."*

\*subject to the Company maintaining sufficient profit reserves and there being no material impacts, changes or unforeseen events

### Portfolio Performance and Outlook

The Company's investment portfolio delivered a flat return for the 6 months to 31 December 2022, behind the ASX ex-20 benchmark's return of +8.4.

Simon Conn, co-Portfolio Manager of QV Equities, said:

*"The second half of CY 2022 was a volatile period for investors, particularly for those invested in small and mid cap companies. Many investors switched to large cap companies in search of liquidity as they became concerned about rising rates and uncertain economic conditions."*

*The portfolio lagged the benchmark for the six months to December due to our very low weighting to resources companies, which we remain cautious of due to their cyclical nature and high valuations, as well as disappointing performances from a handful of stocks. Given the continued uncertain economic conditions, our focus remains on owning good quality companies which we believe will not be overly impacted by slower demand conditions."*

*Looking forward, we expect volatility and economic uncertainty to remain for some time. We are wary that markets seem to have priced in an early easing of interest rate increases due to inflation coming off its highs. We believe there are risks to this scenario, so we continue to invest in well-established companies with strong competitive advantage and resilient, recurrent earnings. The recent price drop in the share prices of industrial stocks means that many are beginning to look attractive and we believe our portfolio is well positioned to ride out the uncertainty and perform well over the medium to long term."*

**About QV Equities:** QV Equities Limited (QVE) is a Listed Investment Company established with the primary objective of providing both long-term capital growth and income, through a diversified portfolio of ASX listed entities outside of the S&P/ASX20 Index. The portfolio is managed by Investors Mutual Limited (AFSL 229988), an award-winning and experienced investment management company with an excellent track record of successfully managing Australian equities since 1998.

We are focused on providing our shareholders with regular communication, investment insights and event invitations. If you would like to receive these invitations and updates on the portfolio, please subscribe on our website [qvequities.com](http://qvequities.com) or provide your email address to [info@qvequities.com](mailto:info@qvequities.com)

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The release of this announcement was authorised by the Board.