

16 August 2023

QV Equities Limited ('QVE') - Full Year 2023 Results Announcement

Key Results

- Full year, after-tax profit was \$9.2 million, up 49% on FY22
- A final, fully-franked dividend of 1.3 cents per share (cps) will be paid on 1 September, taking the full year's dividends to 5.2 cents (4.8 cents FY22)
- The full year's dividends are an increase of 8.3% on the year prior and equate to a gross yield of 7.9%*, including franking credits

QV Equities Limited ('the Company') reported a net after-tax profit of \$9.2 million for the year to 30 June 2023, compared to \$6.1 million for the 2022 financial year.

Chairman **Peter McKillop** said of the result: "While share markets enjoyed a strong financial year it was a more difficult year for small cap stocks, particularly small cap industrials. This trend adversely affected the Company's investment portfolio, meaning a more modest return for the financial year. However, the quality of the companies in the investment portfolio enabled us to increase dividends to shareholders. Dividends for the financial year totalled 5.2 cents, which equates to a gross yield of 7.9%*, including franking credits."

The Company announced on 31 July, 2023 a final, fully-franked dividend of 1.3 cents per share (cps) to be paid to shareholders on 1 September, 2023. For the full year, the Company's fully-franked ordinary dividend totalled 5.2 cents. The dividend announcement can be read on the Company's [website](#) or the ASX.

QVE Portfolio and Performance

The Company's investment portfolio delivered a return before tax and after fees of +4.2% for the year ended 30 June 2023, compared to the benchmark's (ASX 300 ex20 Accumulation Index) return of +14.9%.

Simon Conn, Senior Portfolio Manager at the Company's Investment Manager, Investors Mutual Limited ('IML'), said:

"It was a tale of two halves for the QVE investment portfolio. The investment portfolio struggled in the first half of the financial year as investors preferred speculative, overpriced technology stocks and cyclical resources stocks, to the good quality, resilient and cash generative companies we have always preferred. However, as markets gravitated back towards quality and value stocks over the second half of the year, the relative performance of the QVE investment portfolio improved significantly.

We believe the economic outlook remains uncertain, given consumer softness and higher costs of living. While inflation remains significantly higher than the cash rate, real interest rates remain negative. This is unsustainable in our view and suggests that interest rates may need to increase further. In this context, a focus on fundamentals and resilient companies remains key, and we believe this will hold QVE in good stead over the coming year."

* Calculated on the closing share price on 30 June, 2023

Year in Summary FY2023

Profit After Tax \$9,180,337 (\$6,148,699 in FY22)			
Earnings Per Share (cents) 4.02 Basic (2.64 in FY22)	Investment Portfolio Return (Pre-tax)* +4.2%	Benchmark# 14.9%	ASX 300* 14.4%
Dividends 5.2 cps Fully Franked (declared for FY23) (4.8 cps in FY22)	Investment Portfolio Return (Post-tax)* +3.2%		
Net Assets** \$239,263,370 (\$243,126,059 in FY22)		Net Tangible Assets (NTA) \$1.00 (pre-tax cum div) \$1.05 (post tax cum div)	

All data as at 30 June 2023 unless otherwise specified. *Returns are measured for the 2023 financial year after total expenses #S&P/ASX300 ex20 Accumulation Index. ** Whilst the portfolio had a positive return of 3.2% the reduction in Net Assets was mainly due to dividends and expense payments.

Annual General Meeting Date

Shareholders are invited to attend the Annual General Meeting ('AGM') on **Wednesday, 25 October 2023 at 10am** (AEDT) at Dexus Place, Auditorium, Level 5, 1 Margaret Street, Sydney, NSW 2000. Following the AGM, IML will provide an update for shareholders on the Company's portfolio.

Shareholders will receive further information about the AGM in September.

Please note the closing date for Director nominations for the AGM is **5 September 2023**.

On-Market Buyback

An on-market share buyback has been in place since September 2019. Apart from supporting the Company's share price, the main advantage of the buyback is that the shares are being purchased at a discount to NTA, on purchase the shares are cancelled, thereby increasing the NTA per share for the remaining shareholders.

Since the buyback commenced in 2019, the Company has purchased 49.1 million shares at a cost of \$44.8 million to 31 July 2023. The Company purchased 1.4 million shares at a cost of \$1.3 million during financial year 2023.

About QV Equities: 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 Accumulation Index. The portfolio is managed by IML, an award-winning and experienced investment management company with an excellent track record of successfully managing Australian equities since 1998.

For further information: www.qvequities.com

Release authorised by the Board.