

30 August 2023

*By Electronic Lodgement*

Market Announcements Office  
ASX Ltd  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam

## Shareholder webinar reminder and presentation on full year results

The Board invites you to the shareholder webinar tomorrow morning at 10.00am (AEST). The webinar will provide an update on the Company's full year financials and investments from the Company's Director and Plato Investment Management's Managing Director, Dr Don Hamson.

Shareholders are invited to register at the following link: [PL8 FY2023 Results Presentation](#)

The presentation slides are available below.

Authorised by:

Calvin Kwok  
Company Secretary

# COMPANY FULL-YEAR FY23 RESULTS

PLATO INCOME MAXIMISER LIMITED

ASX: PL8



Plato  
INCOME MAXIMISER

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**Note:** Past performance is not a reliable indicator of future performance.

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# Agenda

01

PL8 Company Update

02

Market update

03

Questions



# PL8 Company Update



# FY23 results highlights

## CONTINUING TO DELIVER ON COMPANY OBJECTIVES

FY23 profit	FY23 Portfolio performance (incl. franking)	Total dividends paid in FY23
\$57.4m	+ 15.8% <sup>1</sup> (- 0.8% to benchmark <sup>2</sup> )	6.6c <sup>3</sup>

- FY23 operating profit after tax of \$57.4 million (+\$70.2m to FY22)
- Total dividends of \$0.066 per share, equivalent to annualised distributed yield of 7.8%<sup>1,4</sup>
- Total portfolio return of +15.8%<sup>1</sup>, -0.8% compared to benchmark of +16.6% (+0.1% p.a. to benchmark since inception date of April 2017)
- Distributed income of +7.8% for the year, +1.7% compared to benchmark of +6.1% (+2.2% p.a. to benchmark since inception date of April 2017)
- \$85.8 million raised via Share Purchase Plan (SPP)

<sup>1</sup> Including franking credits, net of portfolio related fees, costs and taxes.

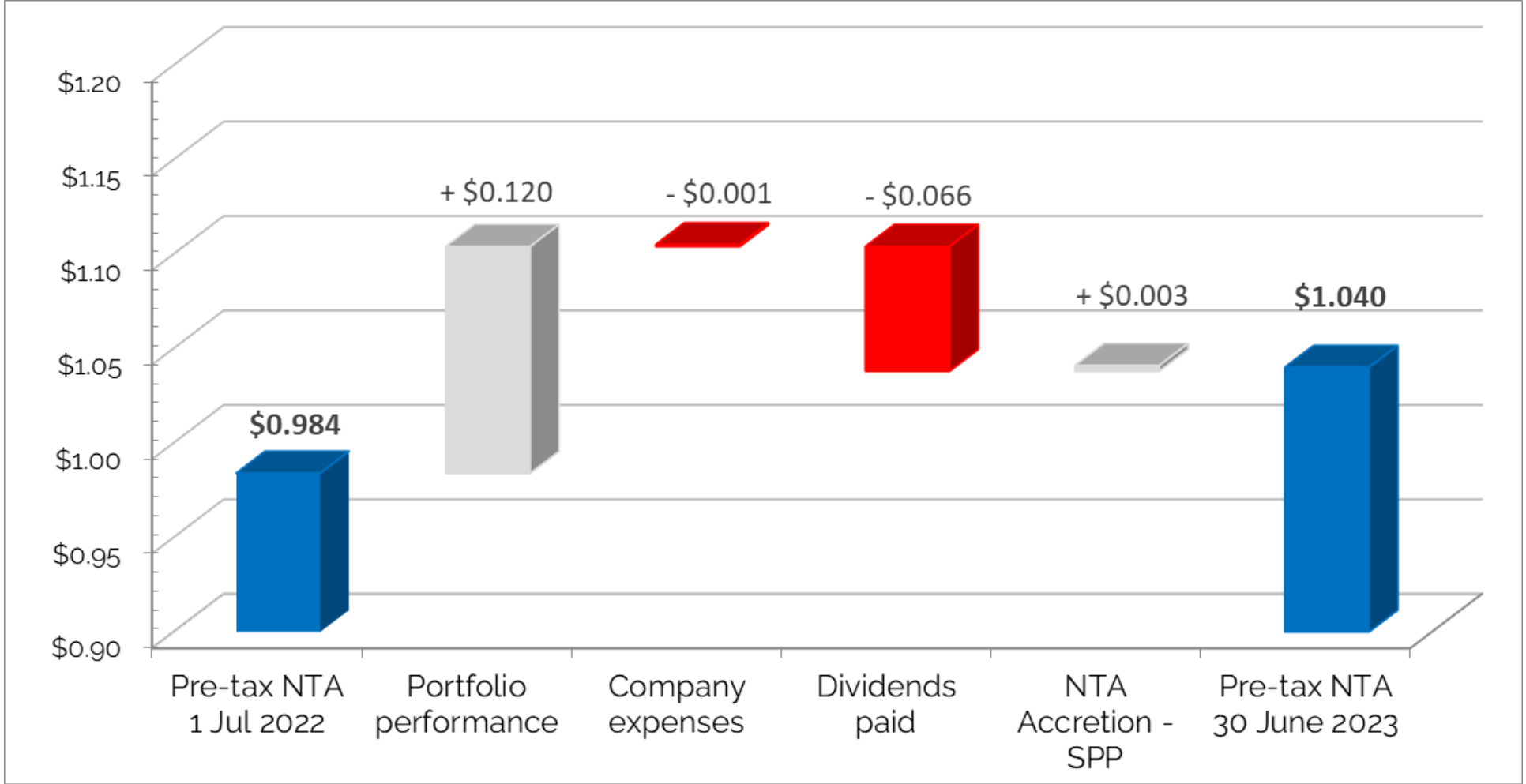
<sup>2</sup> S&P/ASX 200 Franking Credit Adjusted Daily Total Return Index (Tax-Exempt)

<sup>3</sup> Paid via 12 consecutive \$0.0055 monthly dividends

<sup>4</sup> Calculated as monthly dividends paid (including franking credits) divided by average month-end share price over the period, annualised

# PL8 NTA performance breakdown for FY23

PRE-TAX NTA PER PL8 SHARE\*



Source: Plato. \*Excludes franking credits. Portfolio performance is net of management fees.

# PL8 investment portfolio performance

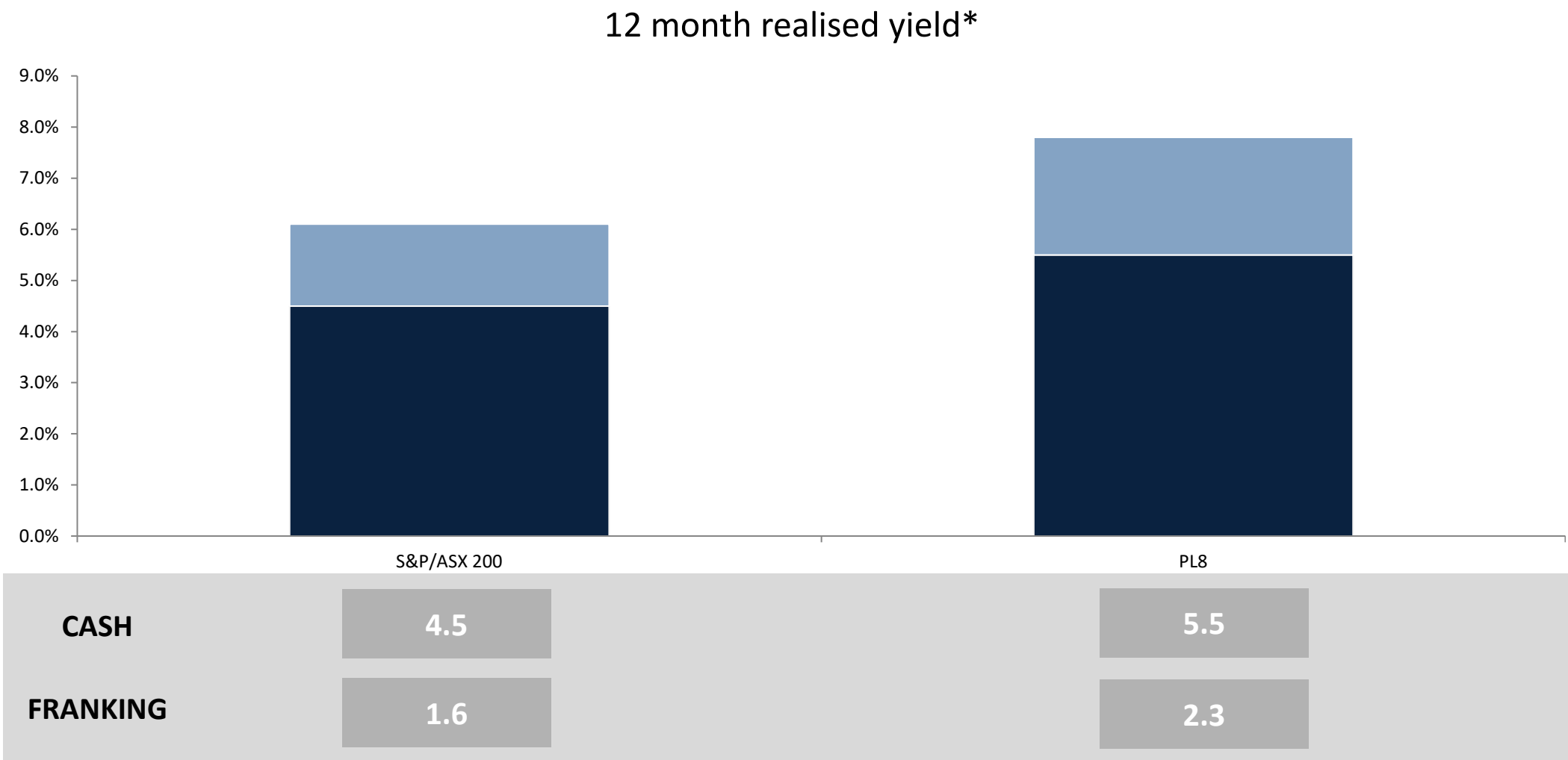
PERFORMANCE TO 30 JUNE 2023 AFTER FEES AND COSTS\*

Including Franking	12 Months	Since Inception p.a.** (28/4/2017)
Portfolio	15.8%	9.0%
S&P/ASX200 Tax Exempt	16.6%	8.9%
Active	-0.8%	0.1%

\*Inclusive of the net impact of GST and Reduced Input Tax Credits. Past performance is not a reliable indicator of future performance. \*\*Annualised from Inception date: 28 April 2017

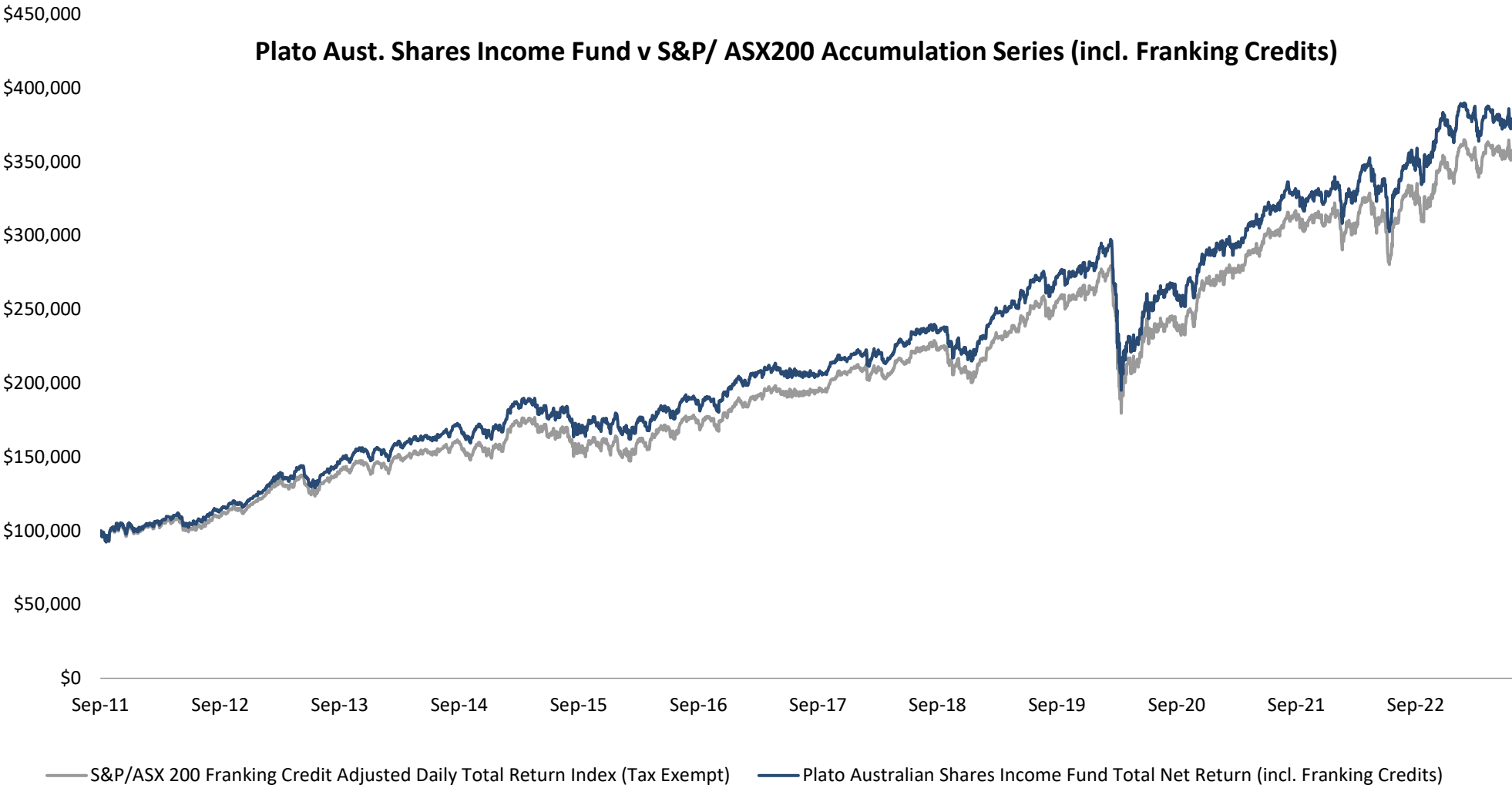


# PL8 delivering high income



\*to 30 June 2023, Plato, Bloomberg

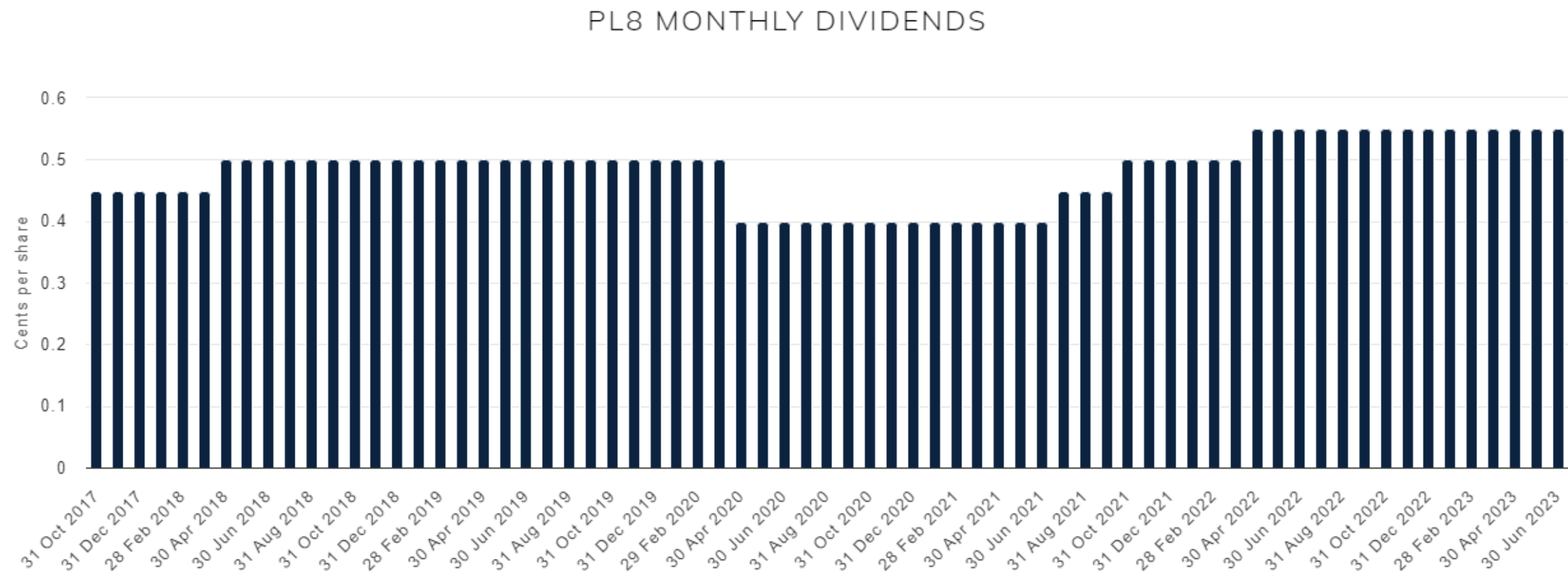
# PL8 portfolio outperforming the Benchmark over full investment cycle



Source: Plato, Bloomberg. Past performance is not a reliable indicator of future performance.

# Delivering consistent monthly income

MONTHLY DIVIDENDS STEADY AT HIGHER LEVEL OF \$0.0055 PER SHARE

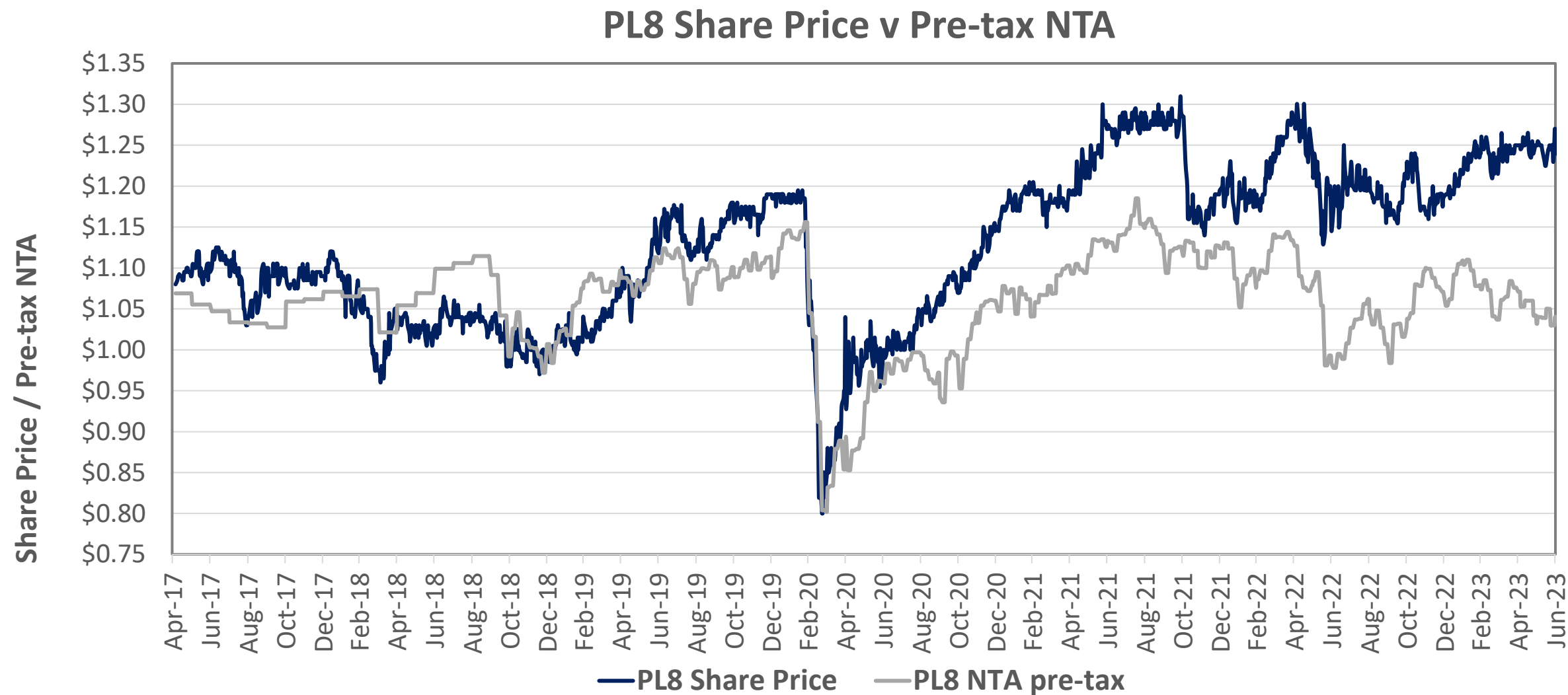


Only Australian LIC paying monthly fully franked dividends

Source: Plato. While monthly income has been consistent since October 2017, this may change in the future. The declaration of dividends by the company is at the full discretion of the board (unlike trusts where income must be fully distributed each financial year)

# Share price at a premium to NTA

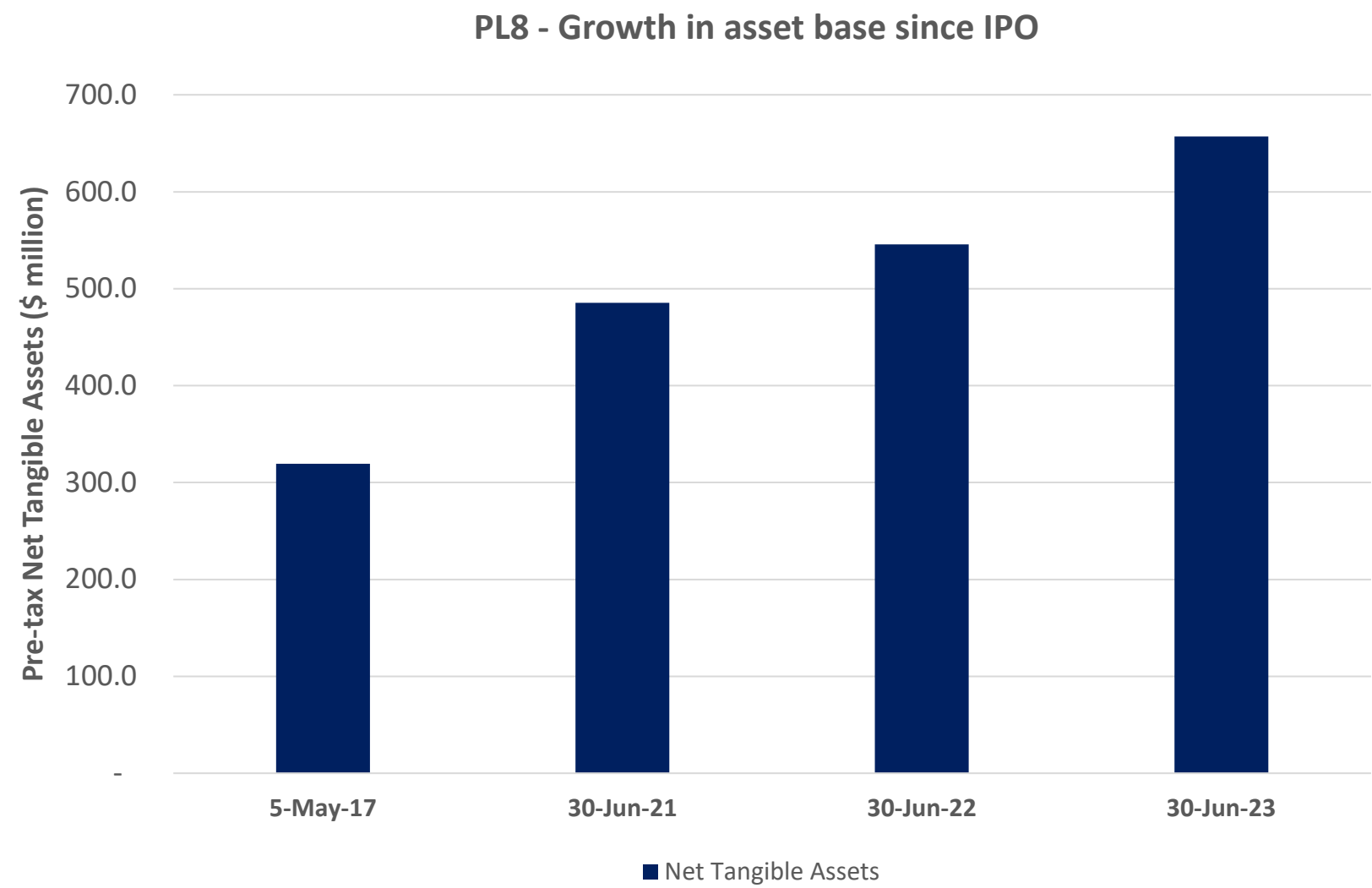
PL8 PRICE VERSUS PRE-TAX NTA SINCE LISTING



Source: Plato, IRESS. Past performance is illustrative only and not indicative of future performance.

# Growing asset base improves liquidity and lowers costs

PL8 ASSET BASE UP >100% SINCE IPO



Source: Plato, Automic, ASX  
Company net assets at IPO is net of IPO costs. Current net assets is after the payment of \$0.369 per share in dividends since inception.

# Market Update



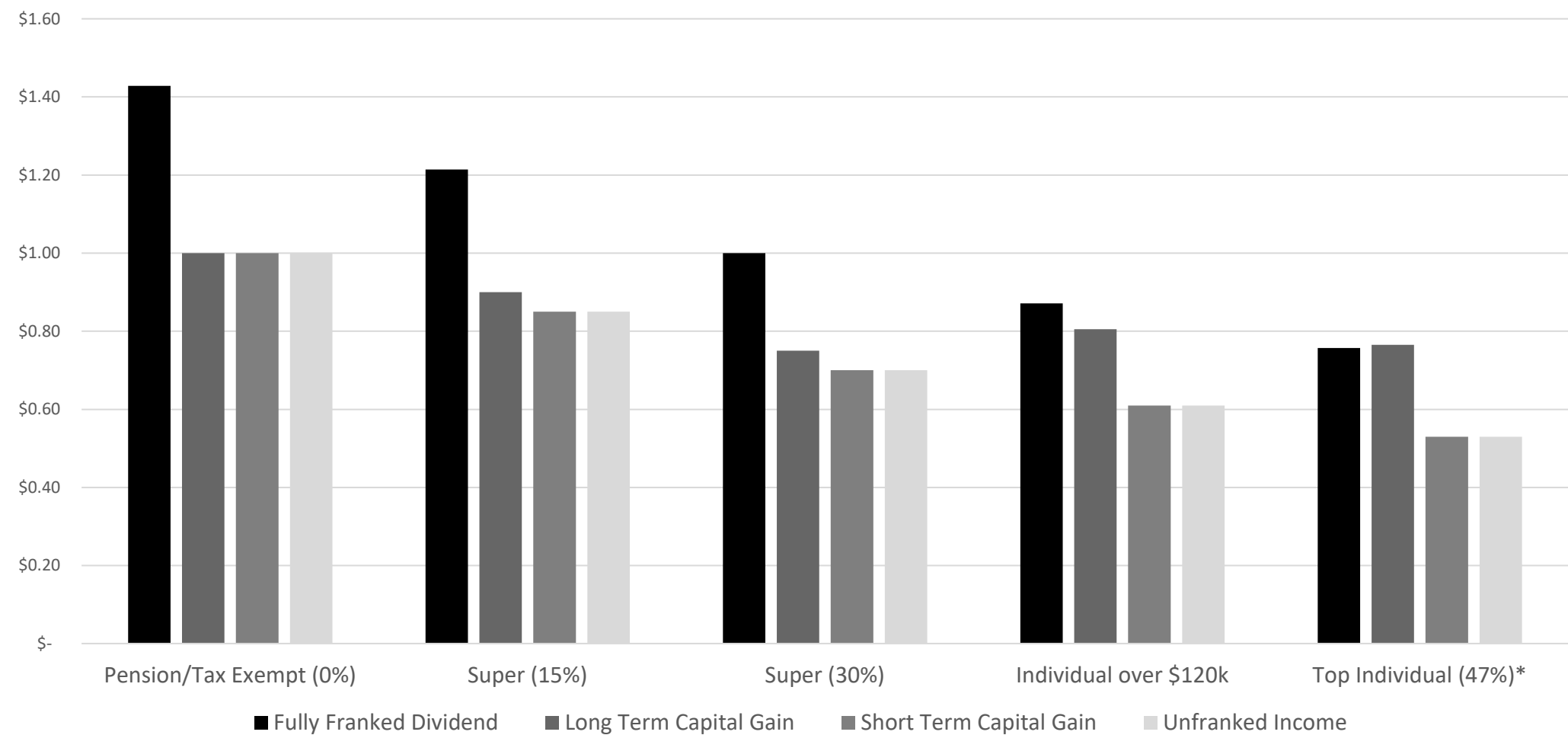


# Retirees are different

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- Retirees are different to accumulators
- They need to live off the income from their investments:
  - Investment income replaces regular salary
- They are taxed differently:
  - The first \$1.9m in pension phase superannuation is tax free whereas accumulation superannuation is taxed at 15%
- They face longevity risk:
  - Risk of outliving your investments
  - Significant evidence that retirees prefer to live off income rather than significantly drawdown on capital

# Pension phase super tax rates are different (what about that super cap?)

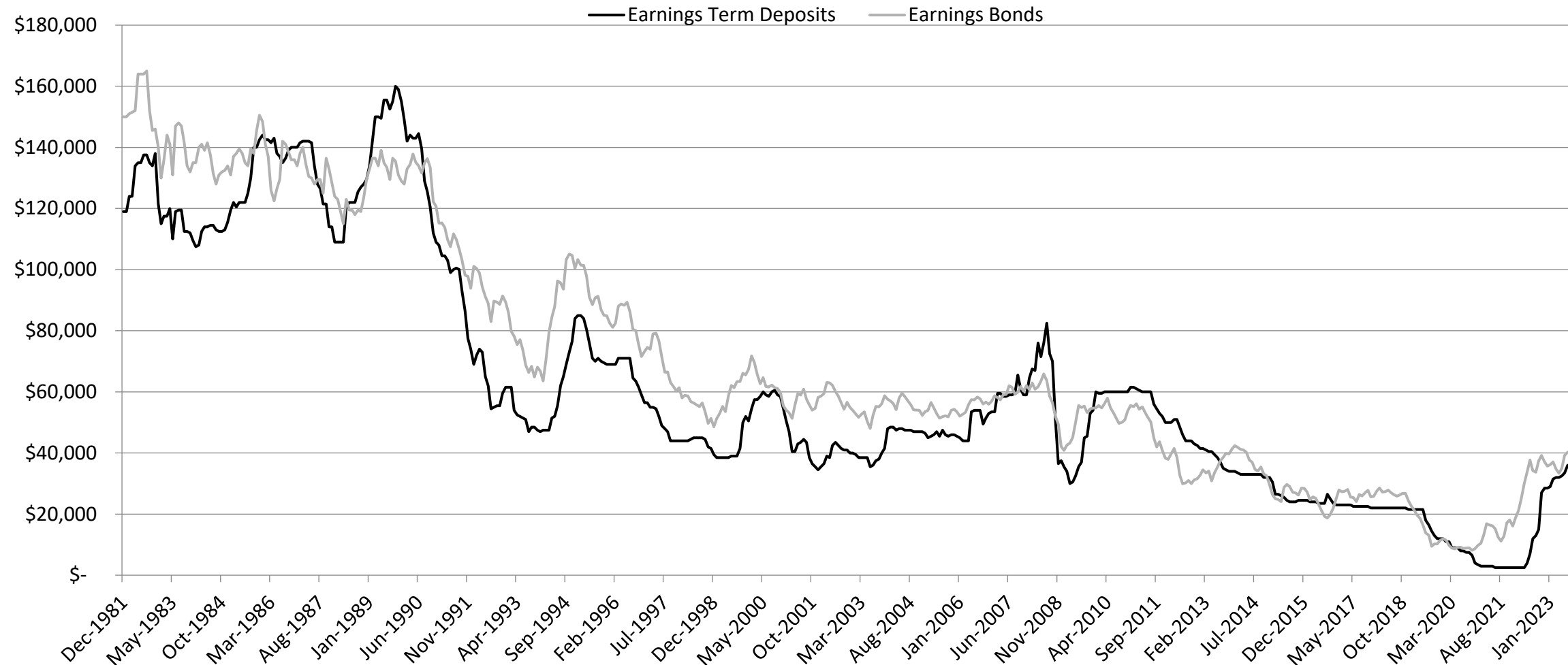


Tax effectiveness depends on your tax status!

Source : ATO, Plato using 1 July 2023 tax rates including Medicare levy. After tax value of \$1 of pre-tax return)

# Interest rates are rising...

## Nominal earnings on \$1m

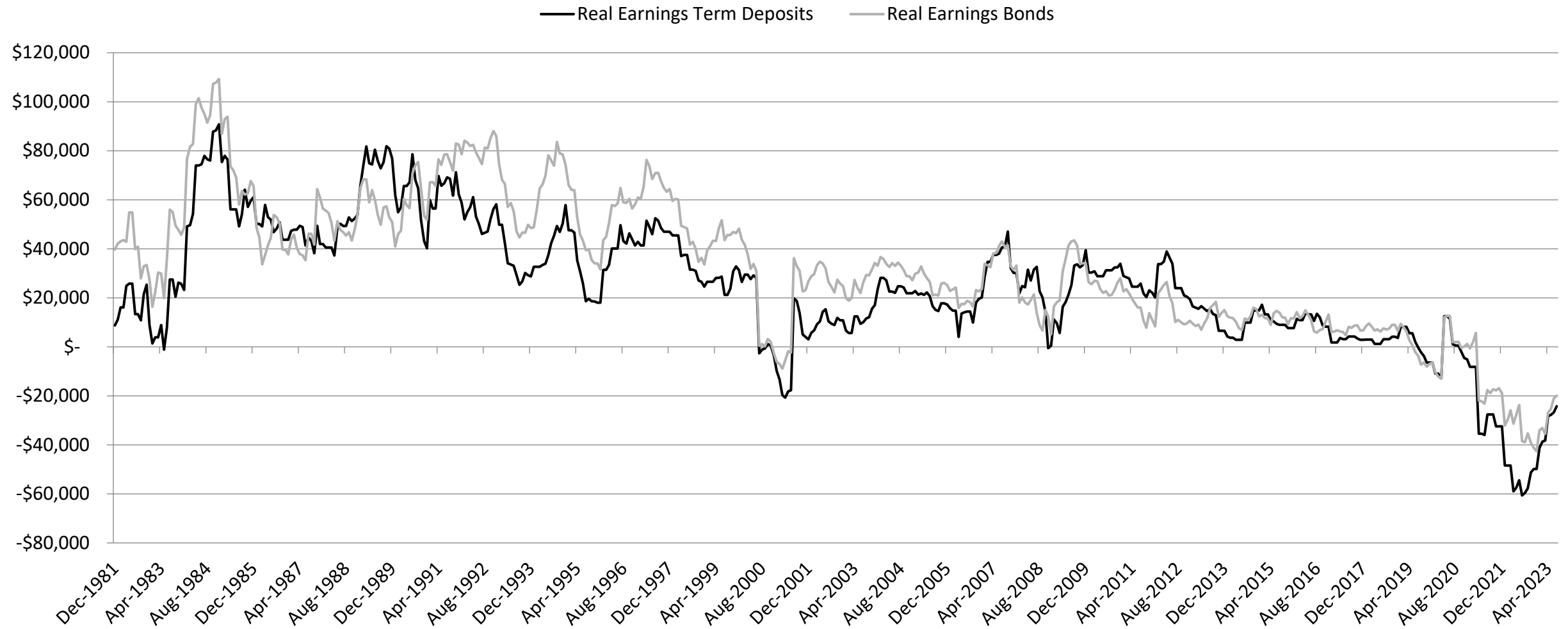


...but what about inflation?

Source : Plato, RBA updated to 31/7/2023

# Safe assets now losing you money

## Real after inflation earnings on \$1m



Inflation hit 7.8% in 2022, still 6%

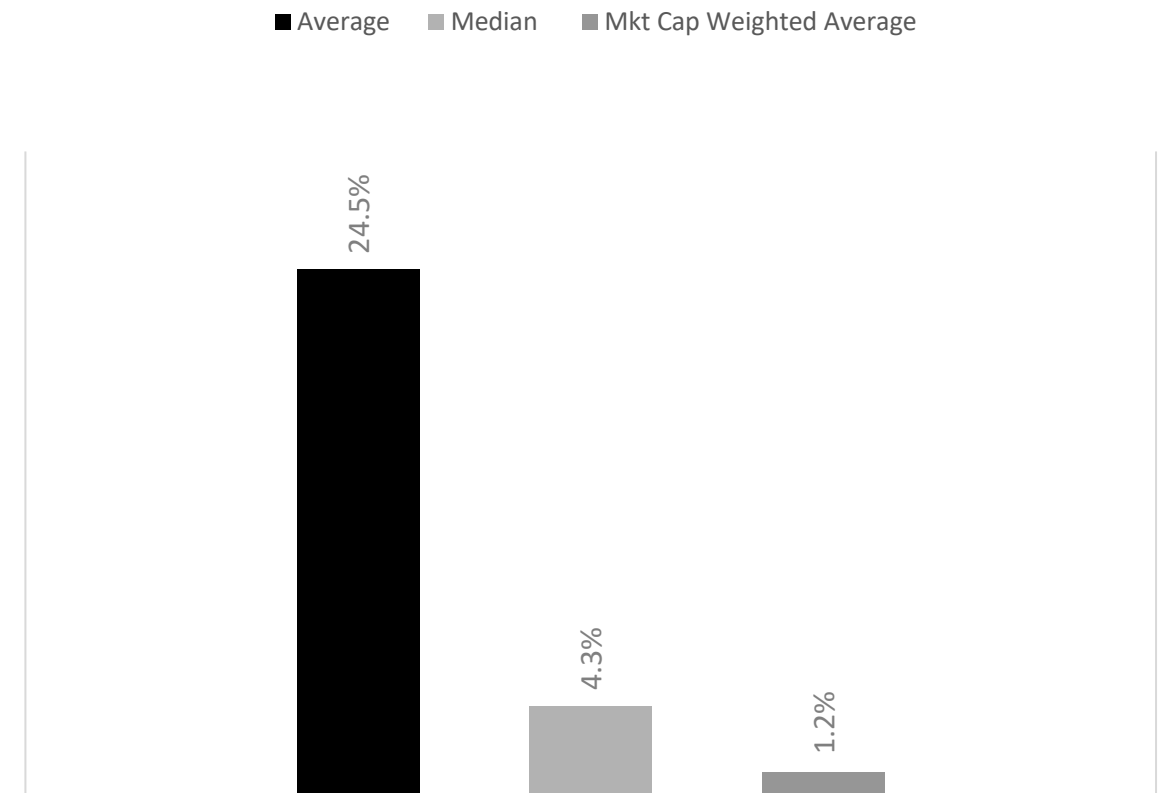
Source: Plato, RBA, 31 July 2023.

# Results season August 2023 - Dividends

## Dividends Up but some retracement

- Over \$29bn in dividends have been declared, 21.2% less than last year.
- Strong dividend increases:
  - IAG (80%), QBE Insurance (56%), Suncorp (59%), Commonwealth Bank (14%) and Medibank Private (14%) in financials.
  - Super Retail (60%), Woolworths (9%) and CarSales (33%)
- 2 companies in ASX200 (Costa and Iress) omitted their dividend.
- Dividend Cuts:
  - South32 (81%), BHP (52%), Evolution (33%) and Rio Tinto (32%) in Resources.
  - Ramsay Healthcare (48%), Bega (45%), Dominoes (37%), Downer (33%) and Perpetual (33%).
- 57% of companies increased dividends, 13% had flat dividend and 29% reduced dividends.

## AUG 2023 CHANGE IN DIVIDENDS PCP



Source: Plato, Bloomberg, S&P200

\* Plato estimates

\*\* Companies mentioned on this slide are illustrative only and not a recommendation to buy or sell any particular security

# Reporting Season Analysis

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## BHP Group



# BHP

- FY23 NPAT of US\$13.4b down 37% vs pcp, in line with market expectations.
- Dividend declared was US80c, 54% lower than last year which equates to an annual gross dividend yield of 8.6%. Payout ratio is 59%.
- Oz Minerals takeover completed. Increases BHP's exposure to copper and provides synergies with existing mines (>US\$50m p.a.).
- Commodity demand expected to be buoyant from India but China's demand contingent on effectiveness of recent policy measures.

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Source: Plato, Bloomberg



# Reporting Season Analysis

CBA



- Good result, FY23 Cash NPAT of \$10,164m, up 6% from PCP but down 3% vs 1H given peak in margins.
- Interim Dividend 240c vs 210c last year, up 14%. Equates to 6.5% annual gross yield.
- Payout Ratio 74% of FY23 Earnings
- 2H Net Interest Margin 2.05% around market expectations (2.10% in 1H FY23). CET1 Capital Ratio = 12.2% (increase of 0.8%). Buyback of \$1bn.
- Bad debts of 12bps, home loan arrears picking up in June but still at low levels, balances in offset accounts grew 6.6%. home lending grew at 5.0%, Business lending grew at 11.4%, 1.4x system.
- Deposits are funding 75% of loans.

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Source: Plato, Bloomberg

# Reporting Season Analysis

## JB Hi-fi

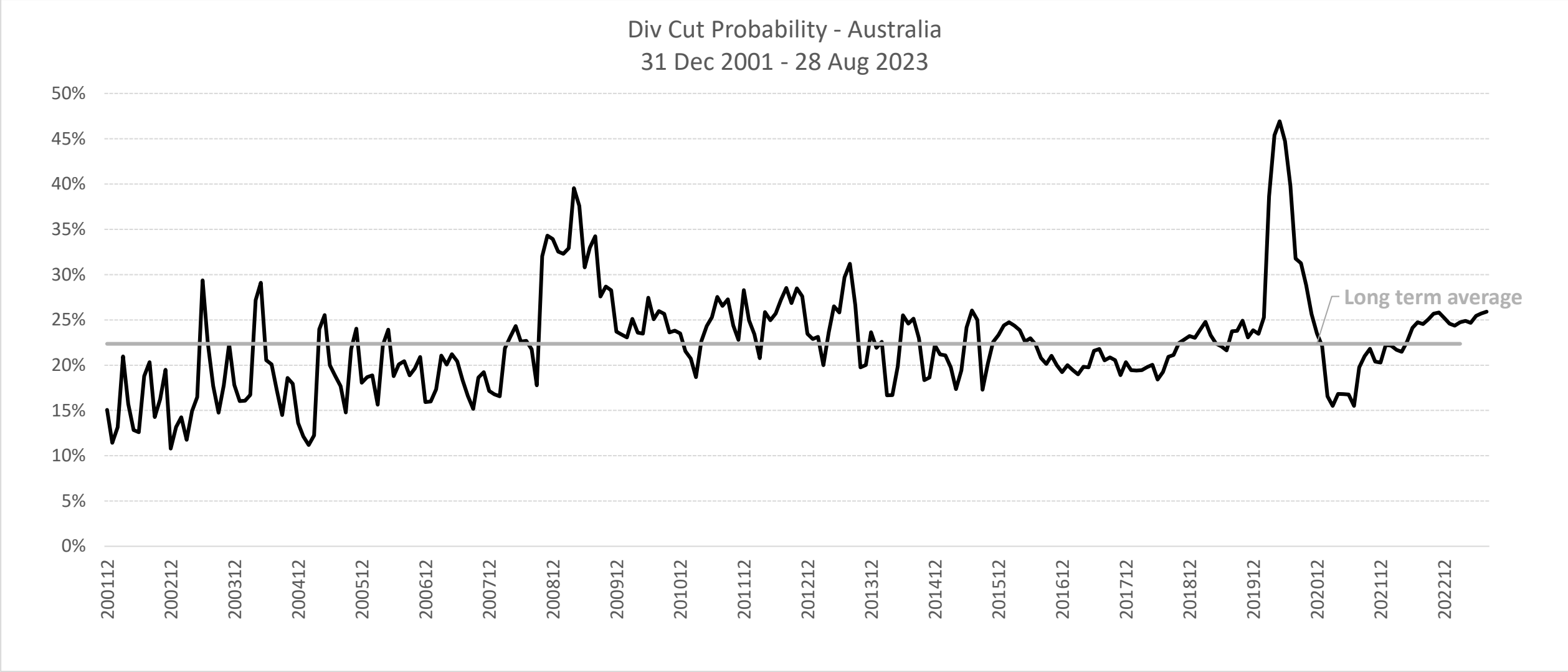


- FY23 sales up 4.3% (up 35.7% vs pre-Covid), EPS up 0.1% (up 120.7% vs pre-Covid) but 4% above expectations.
- Final Dividend 115c vs 153c last year (25% reduction). Equates to 9.6% annual gross yield. 65% payout ratio.
- July LFL sales slowed from the elevated levels seen in the first half of FY23
  - JB Aust : down 1.8% vs FY23, up 38.7% vs FY19.
  - JB NZ : up 10.0% vs FY23, up 27.9% vs FY19.
  - The Good Guys : down 12.0% vs FY23, and up 22.0% vs FY19.

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Source: Plato, Bloomberg

# Dividend cut risk rising but still within normal range

Average % chance of dividend cuts for Australian market



Source: Plato, based on MSCI World IMI (Australian portion)

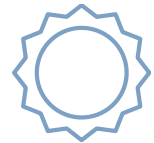
# The income summary

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## — **Bad news: Interest rates are rising quickly**

- Rising interest rates will challenge asset prices but “safe assets” face negative real returns



## — **Good news: Dividends are still strong**

- Plato dividend cut model still fairly benign
- Balance sheets are strong
- Active management critical in avoiding dividend traps as uncertainty rises

# Questions

THANK YOU

