



## **ECP EMERGING GROWTH LIMITED**

### **APPENDIX 4D STATEMENT**

For the Half-Year Ended 31 December 2023

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## ECP EMERGING GROWTH LIMITED

### APPENDIX 4D STATEMENT

Results for announcement to the market

The reporting period is the half-year ended 31 December 2023, with the corresponding period being 1 July 2022 to 31 December 2022.

### SUMMARY OF RESULTS

In the six months to 31 December 2023 the Investment Portfolio performance was positive 17.8% compared to ASX Small Ordinaries Index which increased by 4.9%.

	2023 \$	2022 \$	Movement %
Revenue from ordinary activities	369,634	321,110	15.1%
Realised and Unrealised gains on investments	5,358,627	3,134,177	71.0%
Net Profit after tax attributable to members	4,259,801	2,601,454	63.7%
Comprehensive Income (after tax) attributable to members	4,259,801	2,601,454	63.7%
Basic earnings per share (cents)	23.23	14.19	63.7%
Comprehensive Income per share (cents)	23.23	14.19	63.7%
Net Tangible Asset backing (NTA) per share (tax on realised gains only) (Cents)	156.2	127.2	22.8%

### DIVIDEND

#### *Interim Dividend per share*

The Directors have resolved to pay an interim dividend of 2.3 cents per share which will be fully franked and will be paid on 15 March 2024.

The record date to determine entitlements to the interim dividend      29 February 2024

#### *Previous corresponding period*

Interim Fully Franked Dividend paid on 9 March 2023      2.2 cents

#### *Dividend Reinvestment Plan*

The Dividend Reinvestment Plan (DRP) will apply to this interim dividend with the price determined by the Directors. The last date for the receipt of an election notice for participation in the DRP will be at close of business on 1 March 2024. There is no foreign conduit income attributable to the dividend.

#### *Capital Gains Components*

The capacity of the Company to facilitate access to the capital gain benefit of the dividend will depend on the Company's capacity to generate capital profits. The interim dividend will include a capital gain component.

## MARKET COMMENTARY

Over the last twelve months, the investment climate has been marked by significant events and trends shaping investments and the general economic outlook. The ongoing geopolitical tensions, including the escalated conflict between Israel and Hamas have contributed to a climate of political uncertainty. These events have had far-reaching economic impacts, further complicating the investment environment.

Amidst these challenges, global inflationary pressures have prompted aggressive interest rate responses from central banks over the past 24 months. More recently, the rhetoric from central banks has softened, encouraging Australian bank economists in forecasting to see rates reducing by the end of 2024. If interest rates do reduce this will certainly have a positive impact on areas of the economy feeling the impact of cost-of-living pressures.

Over the last 12 months one driver of positive market sentiment has been the widespread adoption of generative artificial intelligence technology. The use cases and future possibilities are certain to transform industries. While at present, some of the applications appear to be superficial, it is expected that over time the hype-cycle will turn into a meaningful industry supporting businesses across the board.

## REVIEW OF OPERATIONS

Investment performance for the six months to December 2023 was positive 17.8%, compared to the ASX Small Ordinaries Index increase of 5.8%. The result is an improvement on the prior year six month portfolio performance of positive 11.1% and adds to the since inception average performance, currently 14.0%.

Net profit increased compared to last year by \$1,658,347, due to the portfolio performance mentioned above. The portfolio comprises of companies that the Investment Manager has assessed as high quality growth business with the ability to generate predictable above-average economic returns. In this current market cycle the disciplined approach has produced a better return than the benchmark index and while this is not always the case the current track record is very pleasing.

During the six months to December 2023 the company paid the FY2023 Final Dividend of 2.9 cents per share. At 31 December 2023 the Company maintains sufficient reserves to maintain the annual fully franked dividend of 5.1 cents per share for a further 7 years.

### *Portfolio Performance*

	6 mths to Dec 2023	12 mths to Dec 2023	3 years	5 years	Since Inception (23 Jan 2014) p.a.
ECP Portfolio	17.8%	23.9%	3.5%	17.8%	14.0%
ASX Small Ordinaries	4.9%	4.7%	-1.8%	3.6%	2.9%

## OTHER DISCLOSURES

This report is based on financial statements which have been subject to independent review by the auditor, Augmented Audit Co Pty Ltd.

All the documents comprise the information required by ASX listing Rule 4.2A.3.

This information should be read in conjunction with the Company's most recent Annual Financial Report.

Authorised for announcement by the Board.

For any queries, please contact:

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