

BKI Investment Company

Results Presentation

For the half year ended 31 December 2024



BKI is managed by Contact Asset
Management AFSL 494045

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2025 Half Year Results

For the half year ended 31 December 2024

Result <u>excluding</u> special investment revenue	1H FY2025 (\$m)	1H FY2024 (\$m)	Movement (%)
Ordinary revenue from Investment Portfolio	\$32.6	\$32.4	1%
Total Revenue - Ordinary	\$35.0	\$34.9	0%
Operating Result (before tax and special investment revenue)	\$33.8	\$33.8	0%
Earnings per share	3.81(cps)	4.17(cps)	-9%
Ordinary Dividend per share	3.90 (cps)	3.85 (cps)	1%
Result <u>including</u> special investment revenue	1H FY2025 (\$m)	1H FY2024 (\$m)	Movement (%)
Net profit after tax	\$31.2	\$34.4	-9%
Earnings per share	3.87 (cps)	4.31 (cps)	-10%

2025 Half Year Dividend

BKI's interim ordinary dividend is 3.90 cents per share fully franked, up 1% on last year.

Last trading date to be eligible for the dividend is Friday 31 January 2025.

Ex-dividend date is Monday 3 February 2025 and will be paid on Friday 28 February 2025.

Dividend Timetable	Key Dates
Last trading date to be eligible for dividend	Friday 31 January 2025
Ex-dividend Date	Monday 3 February 2025
Record Date	Tuesday 4 February 2025
DRP Nomination	Wednesday 5 February 2025
Dividend Payment Date	Friday 28 February 2025

Neutralised Dividend Reinvestment Plan



BKI's Dividend Reinvestment Plan (DRP) has been an effective mechanism enabling shareholders to reinvest their dividends into additional company shares without incurring brokerage fees. However, our traditional DRP has led to unintended consequences of placing additional pressure on the discount to pre-tax NTA.

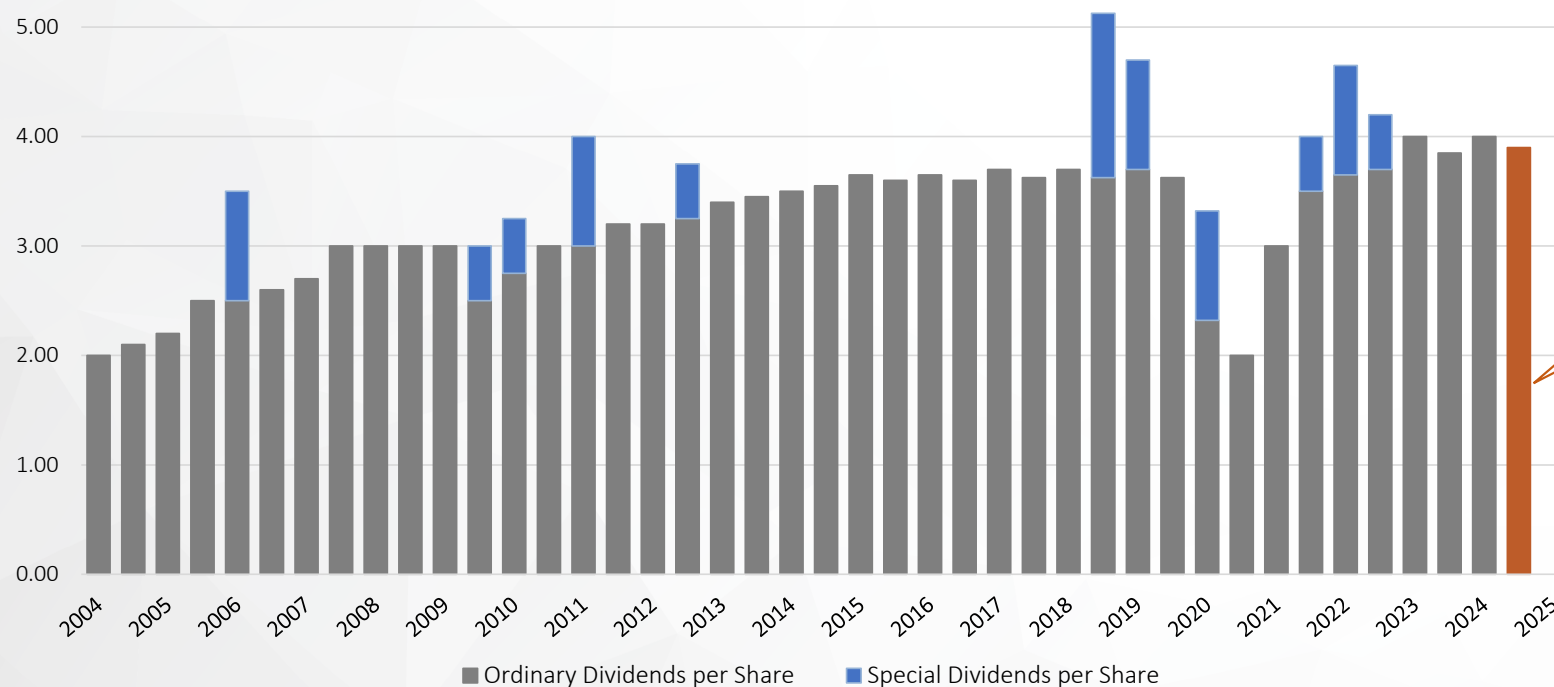
The first half FY2025 DRP will be neutralised. A Neutralised Dividend Reinvestment Plan addresses these concerns by ensuring BKI maintains capital neutrality, aligning with shareholder interests of reducing any discounts to NTA.

Participation in the first half FY2025 DRP will remain voluntary, allowing shareholders to opt in or out based on their financial preferences. To preserve capital neutrality, BKI will (through a third party) execute an on-market share purchase of shares to satisfy its obligations under the DRP. Shares issued under the DRP will be priced at a nil discount to the volume-weighted average price (VWAP) over the specified trading period, encouraging shareholder participation while reflecting fair value. The purchase will be conducted at market prices, ensuring alignment with prevailing market conditions.

A History of Strong Dividends

BKI has a strong history of paying fully franked dividends and offering an attractive yield.

BKI Dividend History



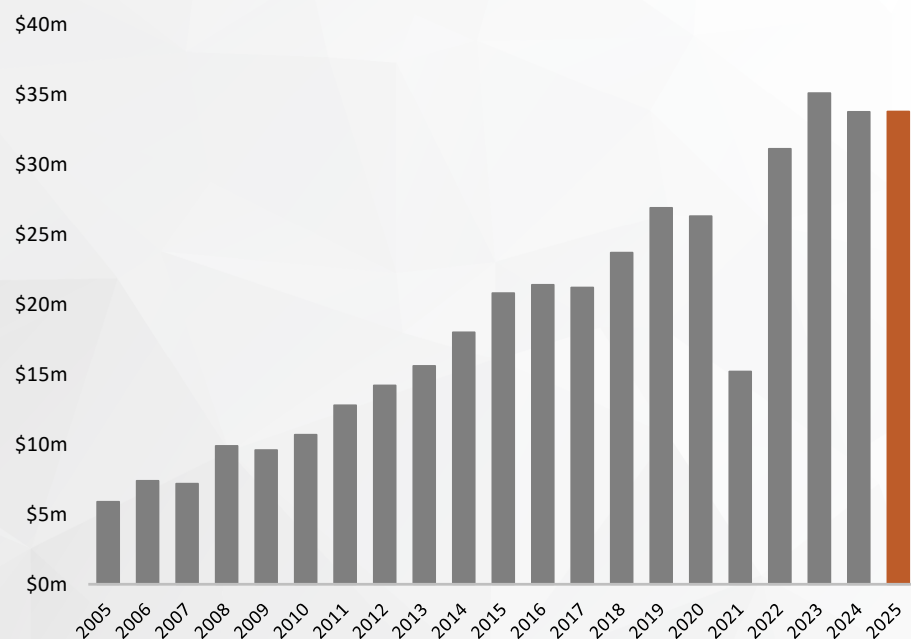
2025 Half Year
Dividend of
3.90cps
up 1% on pcp

Source: BKI, Contact Asset Management

2025 Half Year Results

Following the record result announced in FY2023, BKI has again delivered a solid Net Operating Result during the first half of FY2025.

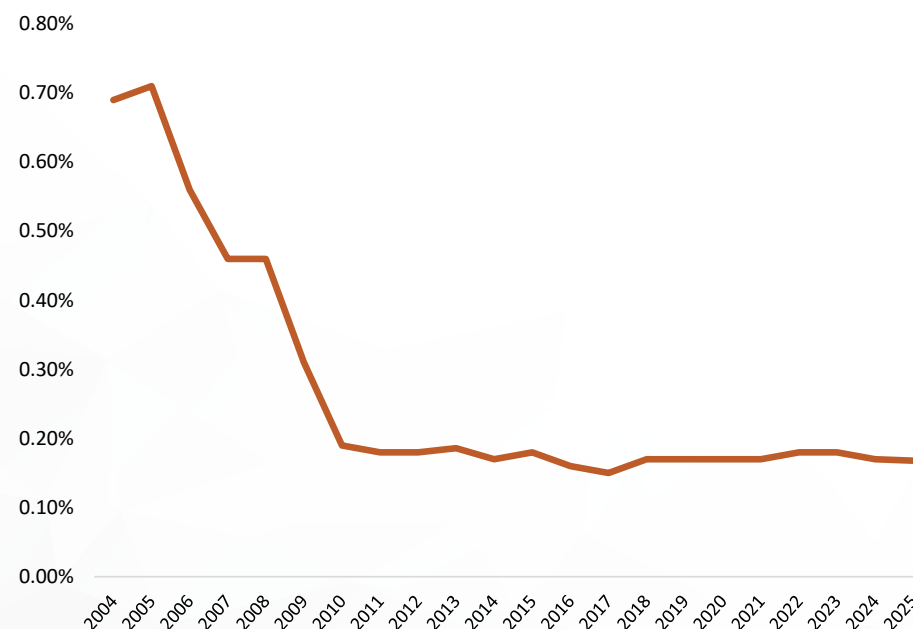
Half Year Net Operating Result (before special dividends)



Source: BKI, Contact Asset Management

Management Expense Ratio (MER)

BKI's MER was 0.168%, down from 0.170% last year



Performance

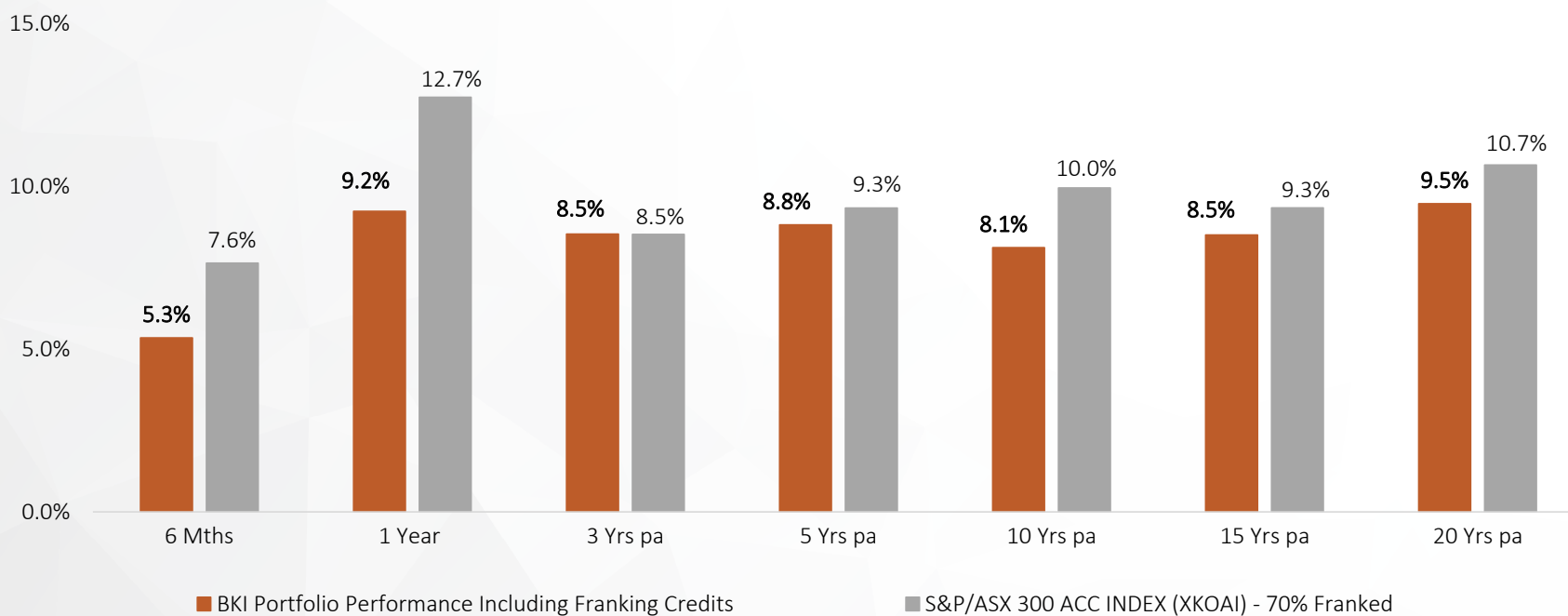
Results Presentation

For the half year ended 31 December 2024

Performance – Portfolio Return

As at 31 December 2024

BKI Portfolio Return

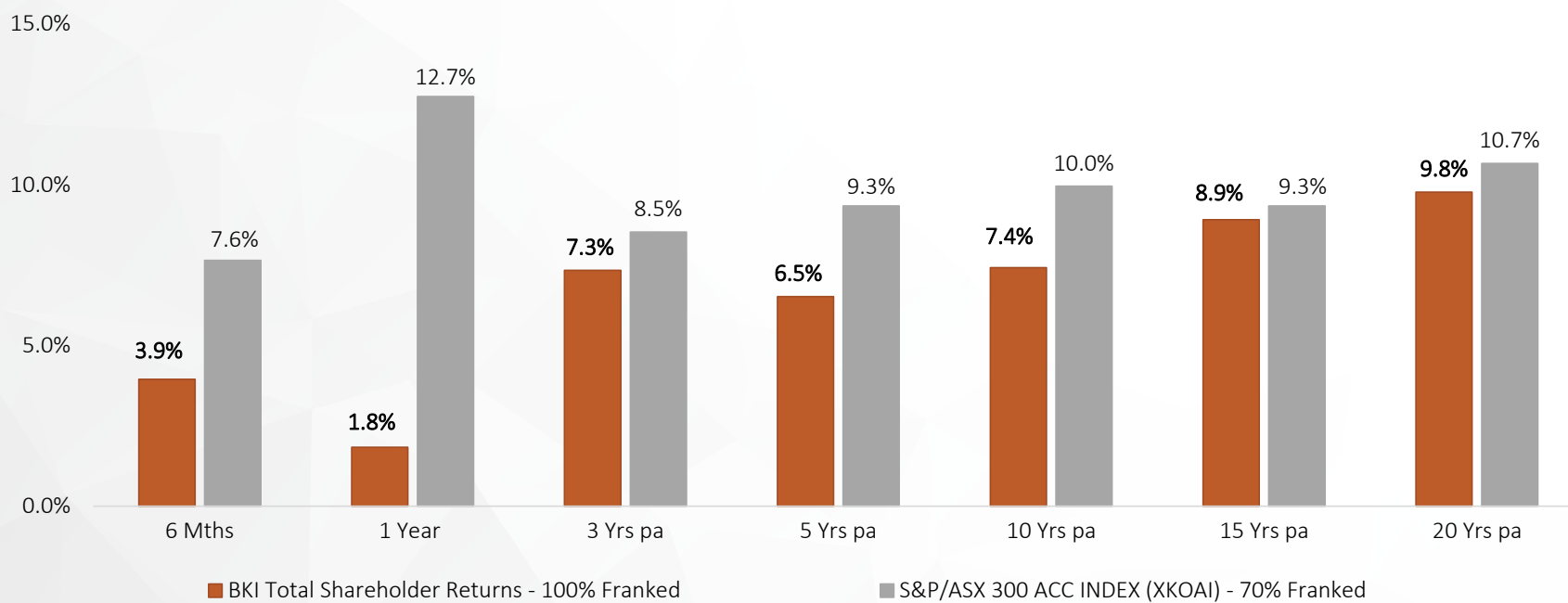


Source: IRESS, Factset, BKI, Contact Asset Management. S&P/ASX 300 Accumulation Index Franked at 70%.

Performance - Total Shareholder Return (TSR)

As at 31 December 2024

Total Shareholder Returns (TSR)



Source: IRESS, Factset, BKI, Contact Asset Management. S&P/ASX 300 Accumulation Index Franked at 70%.

Performance – Cumulative Share Price Returns

As at 31 December 2024



Cumulative Share Price Returns

Assuming all dividends were reinvested and using the benefit of franking credits, the cumulative share price of BKI shares was \$6.87 per share as at 31 December 2024.

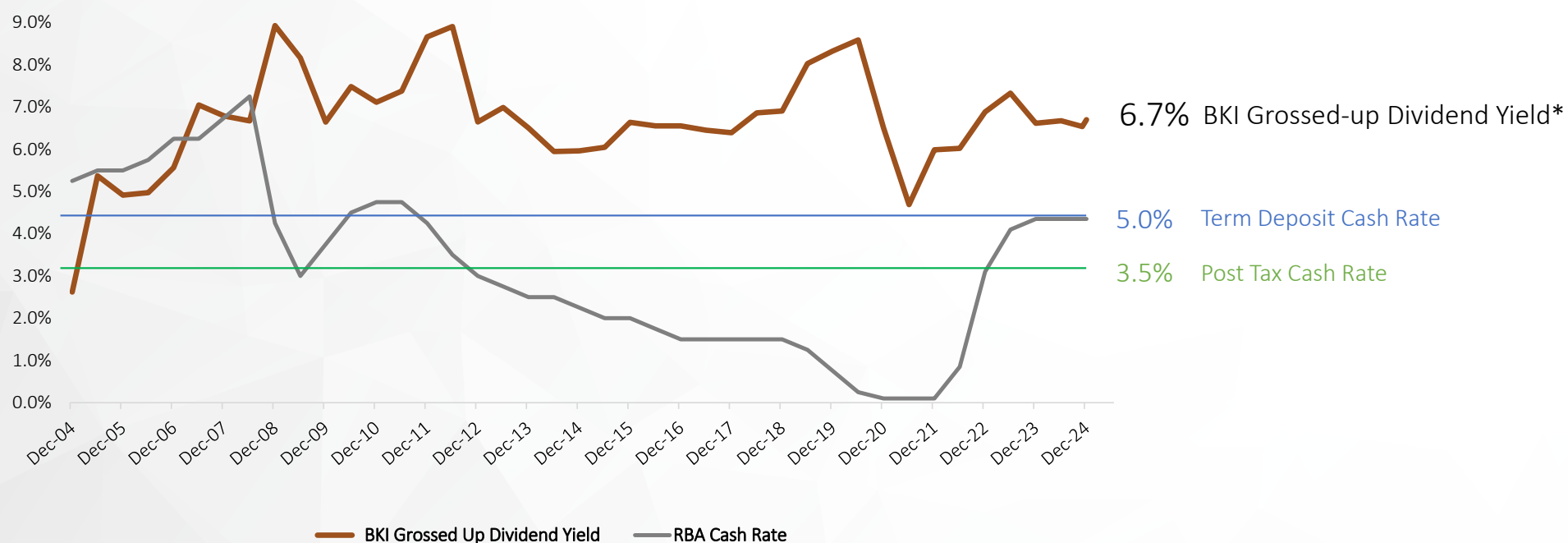


Source: BKI, Contact Asset Management

Performance – Dividend Yield

BKI has a strong history of paying fully franked dividends and offering an attractive yield.

BKI Dividend Yield History



Source: BKI, Contact Asset Management; *BKI's historical grossed-up dividend yield calculated by using the FY2024 Final Dividend and FY2025 Interim Dividend, divided by the BKI share price of \$1.69, as at 31 December 2024, and is based on a tax rate of 30%.

Portfolio Positioning

Results Presentation

For the half year ended 31 December 2024

Portfolio Movements

For the half year ended 31 December 2024

Main Purchases Add



Sales Reduce













Sales Exit



Portfolio Performance

BKI's Top 10 Investments and 1 Year Total Shareholder Returns*

1 <p>BKI Portfolio Weight 8.8%</p>  <p>Commonwealth Bank</p> <p>Total Shareholder Return 34.5%</p>	2 <p>BKI Portfolio Weight 7.5%</p>  <p>BHP</p> <p>Total Shareholder Return -18.8%</p>	3 <p>BKI Portfolio Weight 7.3%</p>  <p>nab</p> <p>Total Shareholder Return 23.4%</p>	4 <p>BKI Portfolio Weight 4.7%</p>  <p>MACQUARIE</p> <p>Total Shareholder Return 21.7%</p>	5 <p>BKI Portfolio Weight 4.5%</p>  <p>Wesfarmers</p> <p>Total Shareholder Return 25.4%</p>
6 <p>BKI Portfolio Weight 4.5%</p>  <p>apa</p> <p>Total Shareholder Return -12.5%</p>	7 <p>BKI Portfolio Weight 4.2%</p>  <p>NHG NEW HOPE GROUP</p> <p>Total Shareholder Return 3.6%</p>	8 <p>BKI Portfolio Weight 3.8%</p>  <p>Transurban</p> <p>Total Shareholder Return 2.3%</p>	9 <p>BKI Portfolio Weight 3.6%</p>  <p>Telstra</p> <p>Total Shareholder Return 5.7%</p>	10 <p>BKI Portfolio Weight 3.6%</p>  <p>Woodside Energy</p> <p>Total Shareholder Return -15.7%</p>

Source: BKI, Contact Asset Management, IRESS. *Total Shareholder Returns Include Dividends.

Portfolio Positioning – Overweight/Underweight

As at 31 December 2024

Overweight Positions

Company	Portfolio Weight	Active Weight	1 Year TSR*
APA Group	4.5%	4.1%	-12.5%
New Hope Group	4.2%	4.1%	3.6%
Macquarie Group	7.3%	3.0%	23.4%
National Australia Bank	3.1%	2.9%	15.2%
Wesfarmers Limited	2.6%	2.5%	13.8%
ARB Corporation	3.8%	2.3%	2.3%
Harvey Norman	3.6%	2.0%	5.6%
Sonic Healthcare	3.6%	1.9%	-15.7%
Amcor PLC	1.9%	1.9%	35.0%
TPG Telecom	2.3%	1.8%	-13.4%

Underweight Positions

Company	Portfolio Weight	Active Weight	1 Year TSR*
CSL Limited	-	(4.9)%	-0.4%
Westpac Banking Corp	-	(4.1)%	39.5%
ANZ Group Holdings	-	(3.3)%	15.3%
Fortescue Ltd	-	(2.0)%	-36.1%
Rio Tinto Limited	-	(1.5)%	-9.0%
Aristocrat Leisure	-	(1.5)%	52.7%
Wisetech Global Ltd	-	(1.5)%	47.5%
REA Group	-	(1.2)%	26.1%
QBE Insurance Group	-	(1.1)%	29.6%
Xero Ltd	-	(1.0)%	40.6%

Source: IRESS, Factset, BKI, Contact Asset Management. *Total Shareholder Returns Include Dividends.

Portfolio Positioning – Top 25

As at 31 December 2024

Stock	% of Total Portfolio
1 Commonwealth Bank	8.8%
2 BHP Group	7.5%
3 National Australia Bank	7.3%
4 Macquarie Group	4.7%
5 Wesfarmers Limited	4.5%
6 APA Group	4.5%
7 New Hope Corporation	4.2%
8 Transurban Group	3.8%
9 Telstra Group Limited	3.6%
10 Woodside Energy Group	3.6%
11 Harvey Norman Holdings Limited	3.1%
12 ARB Corporation	2.6%
13 Suncorp Group	2.6%

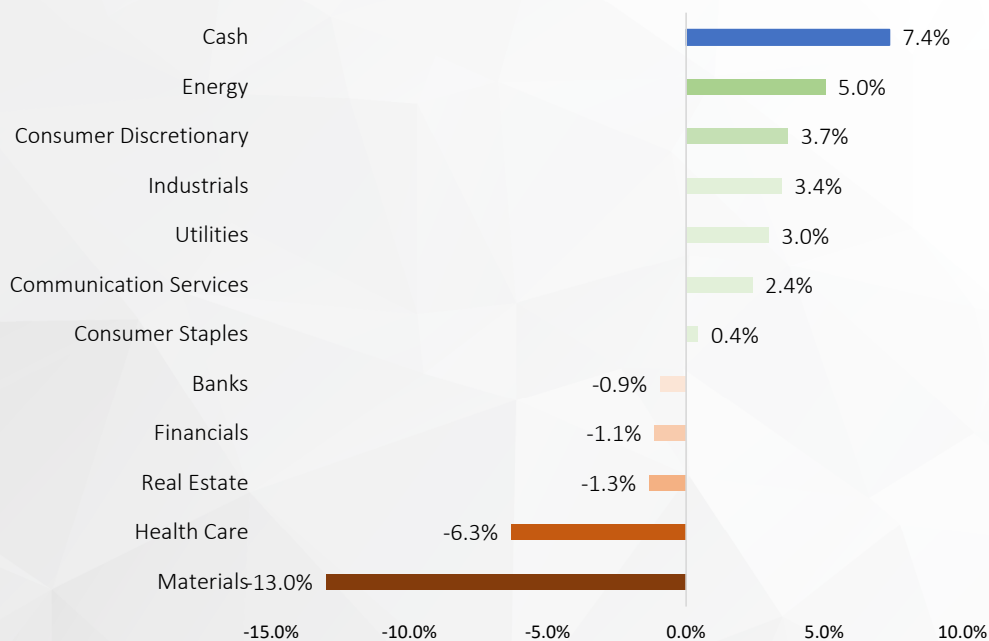
Stock	% of Total Portfolio
14 Woolworths Limited	2.4%
15 Sonic Healthcare	2.3%
16 Goodman Group Limited	2.2%
17 Dalrymple Bay Infrastructure	1.9%
18 Amcor	1.9%
19 Aurizon Holdings	1.8%
20 TPG Telecom Limited	1.7%
21 Stockland	1.6%
22 Coles Group	1.4%
23 Metcash Limited	1.4%
24 Ramsay HealthCare	1.3%
25 Tuas Limited	1.2%
Cash & Cash Equivalents	7.4%
Total	89.3%

Source: IRESS, Factset, BKI, Contact Asset Management.

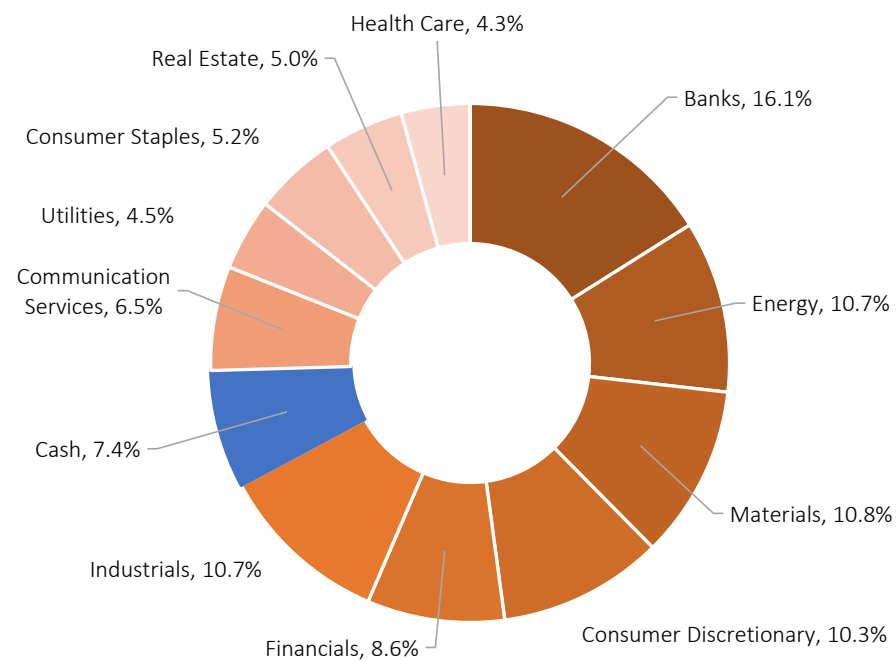
Portfolio Positioning – Active Weight / Exposure

As at 31 December 2024

BKI Portfolio: Active Weight by Sector



BKI Portfolio: Exposure by Sector



Source: IRESS, Factset, BKI, Contact Asset Management.

Equity Market Overview

Results Presentation

For the half year ended 31 December 2024



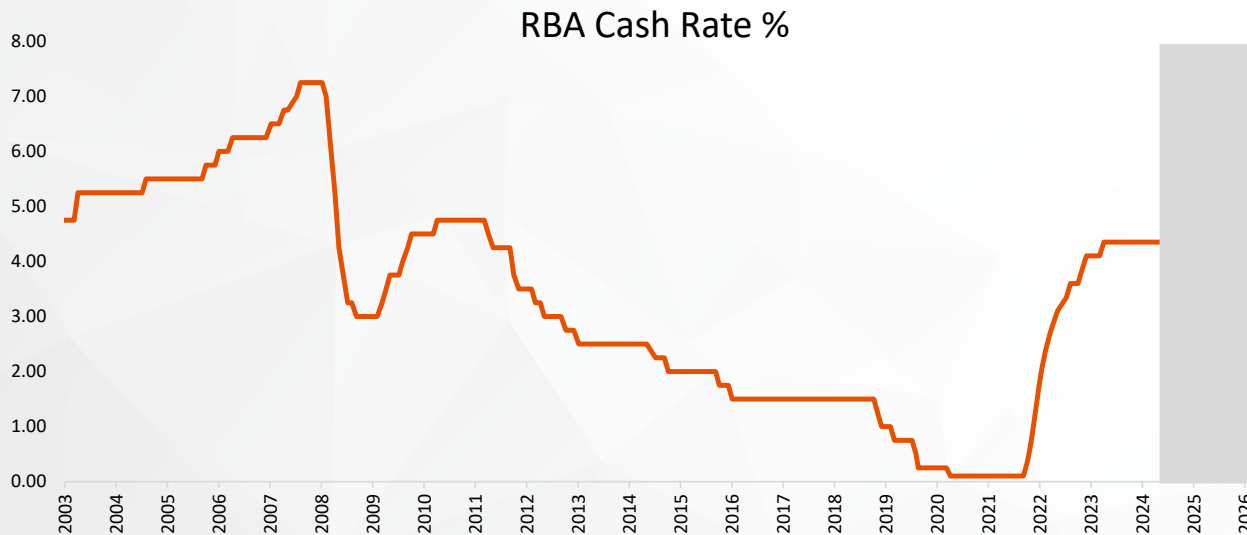
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Equity Market Overview

As at 31 December 2024

Inflation and Official Cash Rates

Inflation remains the central concern in global economic discussions influencing both policy decisions and market sentiment. Looking ahead it is anticipated that the Australian official RBA cash rate will remain steady until mid-2025 with the potential for gradual easing starting thereafter.



Current projections suggest the RBA Cash Rate could fall three times, reaching 3.60% by mid-2026.

Equity Market Overview

As at 31 December 2024

Federal Elections – New Leaders, New Policies

Over 60 countries held elections in 2024. Traditionally, monetary policy tends to ease during election cycles, however, the outcomes of the 2024 elections are poised to reshape the global economic landscape in 2025. The change in US presidency will remain a focal point for financial markets with critical policy decisions expected to drive movements in interest rates, currency valuations, and terms of trade. The forthcoming Australian federal election is also set to be another key event, demanding investor attention with cost of living and energy policy to be defining election issues for Australia.

BKI is well positioned with exposure to Energy, the Energy Transition and Consumer segments.

Energy



Energy Transition



Consumer



Source: BKI, Contact Asset Management.

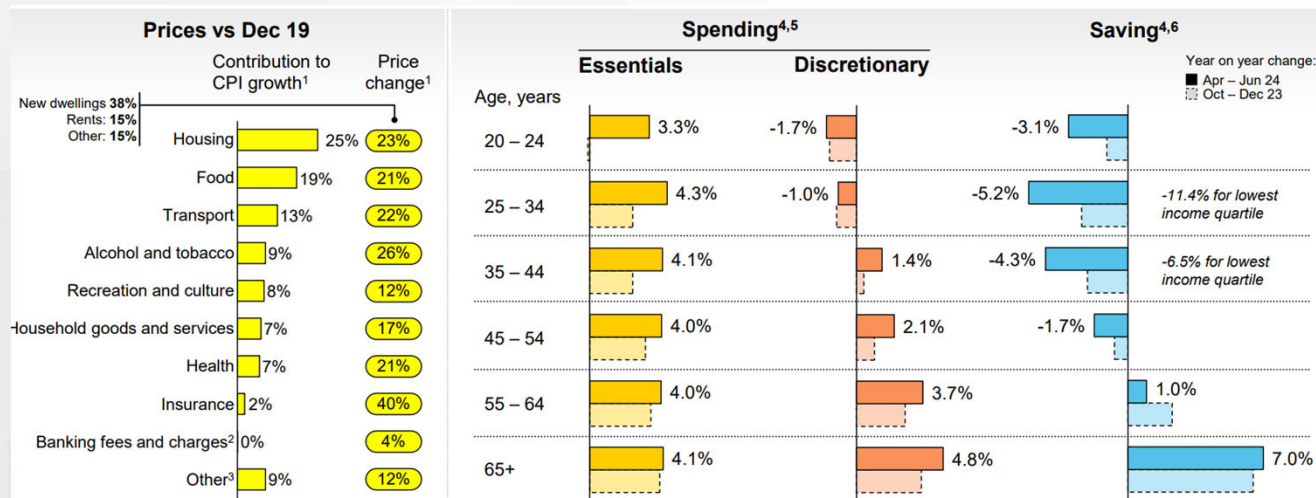
Equity Market Overview

As at 31 December 2024

Two Speed Economy

Australia's economic landscape is growing increasingly polarised. Elevated borrowing costs and stagnating wages are deepening the divide between those who are financially resilient and those struggling under the weight of higher living expenses.

Commonwealth Bank FY2024 Results Presentation



Some demographics have seen the benefit of strong asset values, rental income, equity income and savings buffers, but others are contending with higher living expenses, threatening broader economic cohesion.

1. Source: ABS, as at June 2024. 2. Reported by ABS as deposit and loan facilities (direct charges). 3. Including education, stamp duty and conveyancing, clothing and footwear, communication.

4. Per customer. For spending 13 weeks to end of quarter, for saving the average balance as at end of quarter. Consistently active card customers and CBA brand products only. 5. Spending based on consumer debit and credit card transactions data (excluding StepPay). 6. Includes all forms of deposit accounts (transaction, savings and term) and home loan offset and redraw balances. Trimmed mean excluding top and bottom 5% of customers within each age band. Income quartile calculated across all ages based on customers with income payments to CBA accounts in the 13 weeks to 30 June 2024, considering salary, wages and government benefits.

Source:

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BKI CELEBRATING
20 YEARS
BKI INVESTMENT COMPANY LIMITED


CONTACT
ASSET MANAGEMENT

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