

20 July 2021



The Manager
ASX Market Announcements
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Electronic Lodgement

Djerriwarrh Investments Limited (the “Company”) Shareholder Teleconference/Webcast Presentation

Please find attached the presentation to be given at the Shareholder Teleconference/Webcast being held today **Tuesday 20 July 2021 at 3.30pm (AEST)**.

To join the webcast please use the below link:

Webcast Link: <https://edge.media-server.com/mmc/p/avuh6b9k>
(This link will open directly in your internet browser).

Alternatively to join via the teleconference, please use the details below:

Telephone: **1800 175 864 (free call within Australia)**
 1300 212 365 (mobile, free call within Australia)
 +61 2 8373 3550 (outside Australia)

Conference ID: **2044328**

Joining the Conference Call:

1. In the 10 minutes prior to the call start time, call the appropriate dial-in number.
2. Enter the Event Plus passcode **2044328**, followed by the pound or # key and leave any information requested after the tone. You will be joined automatically to the conference. During the call you can indicate if you would like to ask a question by pressing (*1) on your telephone keypad and wait for your name to be announced. International Dial-In Numbers will be available via the Company’s website.

The shareholder presentation material will be released to the ASX on the 20 July 2021 and also made available through our website www.djerri.com.au.

The presentation is available via the Company’s website (www.djerri.com.au)

ASX Release authorised by the Company Secretary



Djerriwarrh Full Year Results | July 2021

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These materials have been prepared solely for the purpose of information and do not constitute, nor are they intended to constitute advice nor an offer or invitation to any person to subscribe for, buy or sell any shares or any other securities.

Agenda

- Overview and Objectives – Mark Freeman
- Financial Year in Summary – Andrew Porter
- Results in Detail – Brett McNeill
- Portfolio Update – Olga Kosciuczyk
- Outlook – Mark Freeman

Overview and Objectives

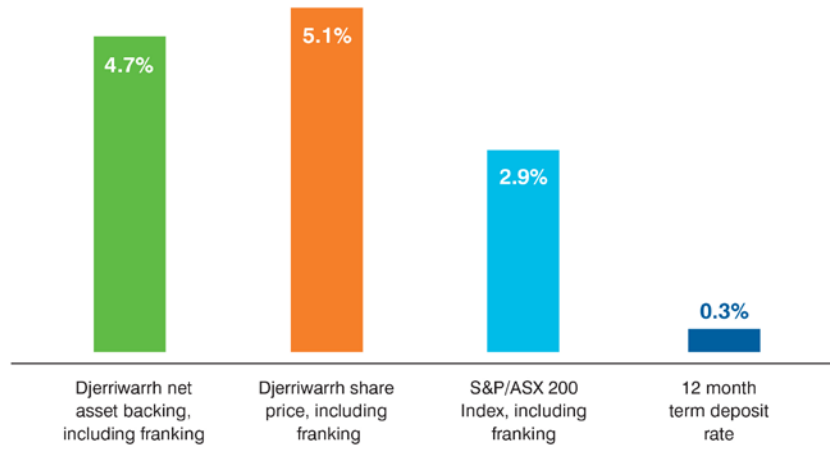
Overview

- Djerriwarrh is one of the largest income focused Listed Investment Companies ('LIC').
- Djerriwarrh listed on the ASX in 1989. Shareholders get the benefit of full transparency associated with being an LIC, as well as the high governance standards delivered by an Independent Board of Directors.
- Djerriwarrh shareholders own the management rights to the company, with no fee leakage to third parties and no performance fees.
- Djerriwarrh is part of the broader group of LIC's, which also includes AFIC, AMCIL and Mirrabooka. This supports a broader research approach and scale of operations.

Investment Objectives

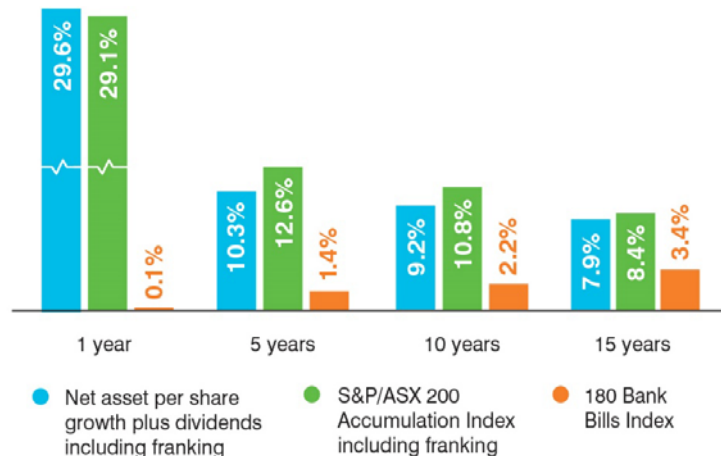
- Djerriwarrh primarily seeks to provide an enhanced level of fully franked income, that is higher than what is available from the S&P/ASX 200 and which is delivered at a low cost to shareholders.
- Djerriwarrh also aims to provide shareholders with attractive investment returns through access to fully franked dividends and growth in capital invested.

Yield vs Benchmark – FY21



Assumes an investor can take full advantage of the franking credits. S&P/ASX 200 Index is the historic yield and 70 per cent franked.

Portfolio Performance to 30 June 2021*



* Assumes an investor can take full advantage of the franking credits. Past performance is not indicative of future performance.



Financial Year in Summary

Financial Year in Summary

	2021		
Profit for the Year	\$30.5m		Down 7.3% from 2020
Net Operating Result	\$31.3m		Up 11.5% from 2020
Fully Franked Dividend	5.75¢ <small>Final</small>	11¢ <small>Total</small>	14 cents total in 2020

	2021		
Portfolio Dividend Yield	4.7% <small>Including franking*</small>		S&P/ASX 200 Index Yield 2.9% (grossed up for franking credits)
Management Expense Ratio	0.45%		0.45% in 2020
Total Portfolio Return	29.6% <small>Including franking*</small>		S&P/ASX 200 Accumulation Index including franking* 29.1%

*Assumes an investor can take full advantage of the franking credits



Results in Detail

Results in Detail: Profit and Loss – Net Operating Result

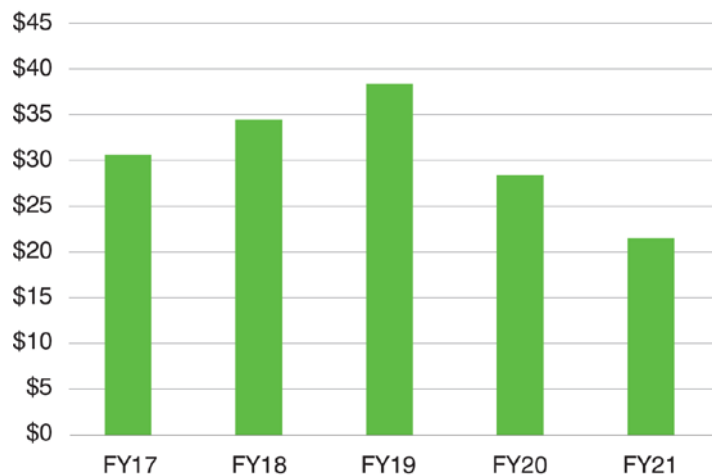
	FY20 \$m	FY21 \$m	Change
Dividend and Distribution Income	\$28.6	\$21.7	-24%
Option Income	\$7.7	\$12.1	58%
Operating Income (incl Other Income)	\$37.1	\$33.9	-9%
Finance and Administration Costs	\$6.3	\$5.1	-19%
Operating Result before Tax Expense	\$30.8	\$28.8	-7%
Income Tax Expense	\$2.8	\$3.8	35%
Net Operating Result	\$28.1	\$25.0	-11%
<i>Net Operating Result per Share</i>	12.5c	10.9c	-13%
<i>Dividends per Share</i>	14.0c	11.0c	-21%

The Company believes the Net Operating Result, which excludes the valuation impact of open option positions, is a better measure of Djerriwarrh's income from its investment activities. The Net Operating Result as presented here excludes the Endeavour Demerger dividend, which was non-cash and carried no franking. Note that the above numbers may not add due to rounding.

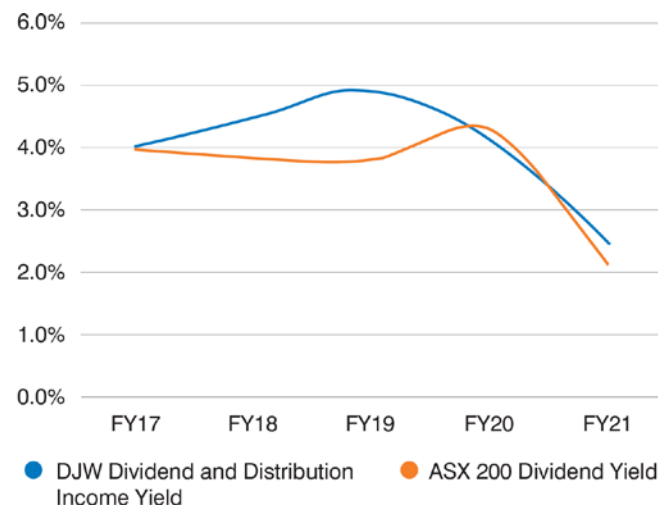
Results in Detail: Profit and Loss – Dividends

	FY20 \$m	FY21 \$m	Change
Dividend and Distribution Income	\$28.6	\$21.7	-24%

Djerriwarrh Dividend and Distribution Income Received (\$m)



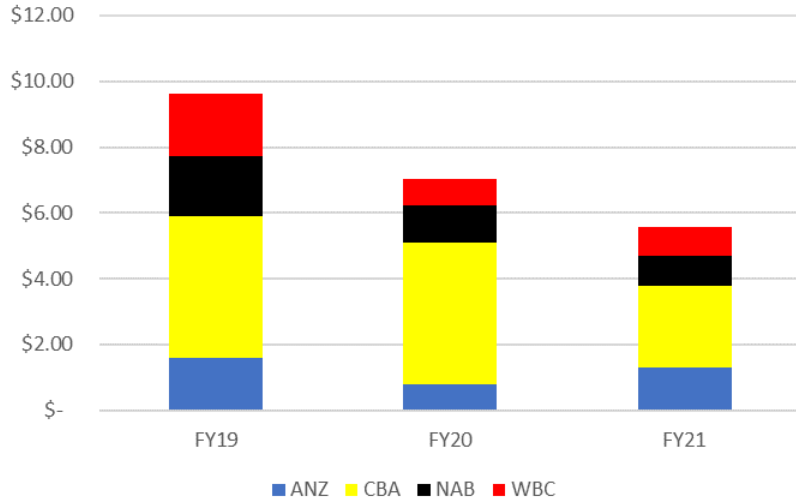
Djerriwarrh Dividend and Distribution Income Yield vs Market



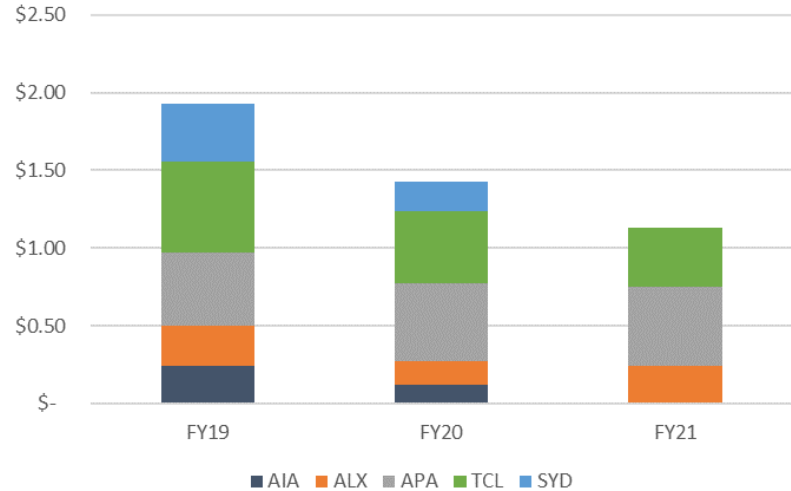
Source: Factset. Note that the Djerriwarrh Dividend and Distribution Income received excludes any non-cash demerger dividends.

Results in Detail: Profit and Loss – Dividends

Major Bank Dividends (per share)



Infrastructure Stock Dividends (per share)

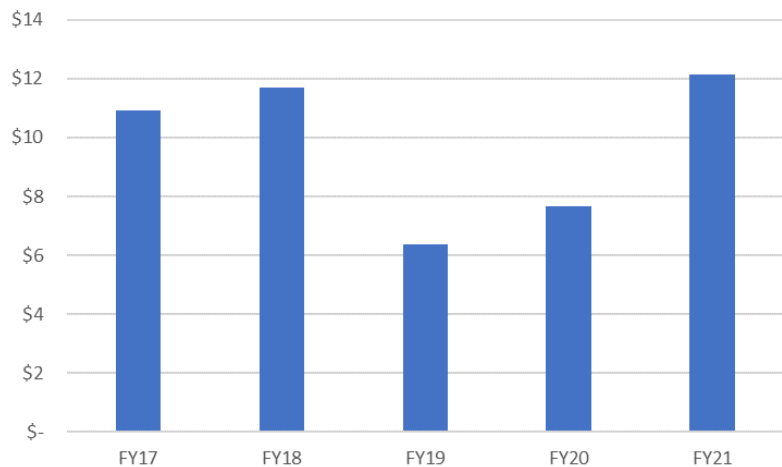


Source: Company Reports. Note that the Financial Year periods relate to Djerriwarrh's Financial Year reporting.

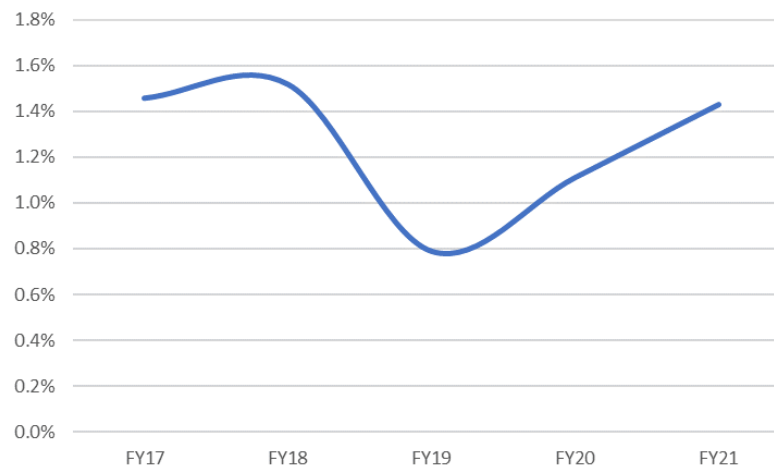
Results in Detail: Profit and Loss – Options

	FY20 \$m	FY21 \$m	Change
Option Income	\$7.7	\$12.1	58%

Djerriwarrh's Option Income Received (\$m)



Djerriwarrh's Option Income Yield



A person wearing a white uniform is shown from the chest down, stacking several cardboard boxes. The boxes are stacked in a pyramid shape, with one box on top of two, which are on top of two more. The person's hands are visible, carefully placing the top box. The background is blurred, showing a warm, yellowish light.

Portfolio Update

Portfolio Update: Changing shape of the Portfolio

Stocks exited



Increased holdings in quality income stocks



In the last two years, our sources of income have shifted from companies where dividend growth looks challenged to companies offering a growing dividend profile.

Portfolio Update: Balancing growth and dividends

Quality companies delivering strong earnings growth which is underestimated by the market over the long term – widest moats, longest growth runways.



Opportunities in quality smaller companies that generate growth and pay solid dividends.



Early identification of quality companies of the future that have the ability to generate growth.



A close-up photograph of a person's hand holding a white smartphone over a grey payment terminal. The terminal is being held by another hand, which has a silver ring on the ring finger. The background is blurred, showing what appears to be a retail or service counter.

Outlook

Outlook

- The ongoing strength of the market has been a feature over the year, with share prices at record highs in some instances.
- The outlook for dividends across the Australian share market is mostly positive.
- The outlook for option income is mostly influenced by market volatility and the level of interest rates – current conditions would suggest expectations for option income to be more subdued than financial year 20/21.
- The short-term outlook appears to hinge on a number of factors, including:
 - ongoing global demand for key commodities that Australia produces;
 - response of the central banks to any concerns about inflation; and
 - how society is placed with regard to COVID-19 conditions.

Irrespective of any short-term factors, we believe that the current portfolio settings should enable Djerriwarrh to achieve its long term objectives.

