



21 January 2022

The Manager  
ASX Market Announcements  
Australian Securities Exchange  
Exchange Centre  
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20 Bridge Street  
Sydney NSW 2000

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## Electronic Lodgement

### **Djerriwarrh Investments Limited (“Djerriwarrh”) Shareholder Teleconference/Webcast Presentation**

Please find attached the presentation to be given at the Shareholder Teleconference/ Webcast being held today **Friday 21 January 2022 at 1.30 p.m. (AEDT)**.

To join the webcast please use the below link (this will be made available at [djerri.com.au](http://djerri.com.au)).

**Webcast Link:** Please register for the results webcast [here](#) (This link will open directly in your internet browser). Questions can be asked through the webcast link.

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 2850 (outside Australia)**  
**Conference ID:**                **9980008**

### **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 **9980008**, 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 made available through the Company’s website [www.djerri.com.au](http://www.djerri.com.au).

ASX Release authorised by the Company Secretary



# Djerriwarrh Half Year Results | January 2022

# Disclaimer

Djerriwarrh Investments Limited, its related entity (Australian Investment Company Services Limited, AFSL: 303209) and each of their respective directors, officers and agents (together the *Disclosers*) have prepared the information contained in these materials in good faith. However, no warranty (express or implied) is made as to the accuracy, completeness or reliability of any statements, estimates or opinions or other information contained in these materials (any of which may change without notice) and to the maximum extent permitted by law, the Disclosers disclaim all liability and responsibility (including, without limitation, any liability arising from fault or negligence on the part of any or all of the Disclosers) for any direct or indirect loss or damage which may be suffered by any recipient through relying on anything contained in or omitted from these materials. Any reader is strongly advised to make their own enquiries and seek independent professional advice regarding information contained in these materials.

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

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

# Overview and Objectives

# Overview

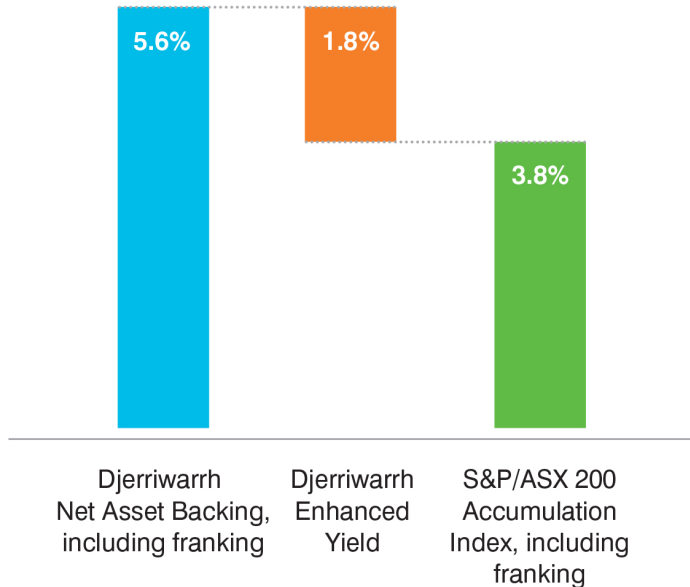
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- Djerriwarrh is one of the largest income focused Listed Investment Companies ('LIC').
- Djerriwarrh listed on the ASX in 1989. Shareholders get the benefit of full transparency associated with being an LIC, as well as the high governance standards 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.

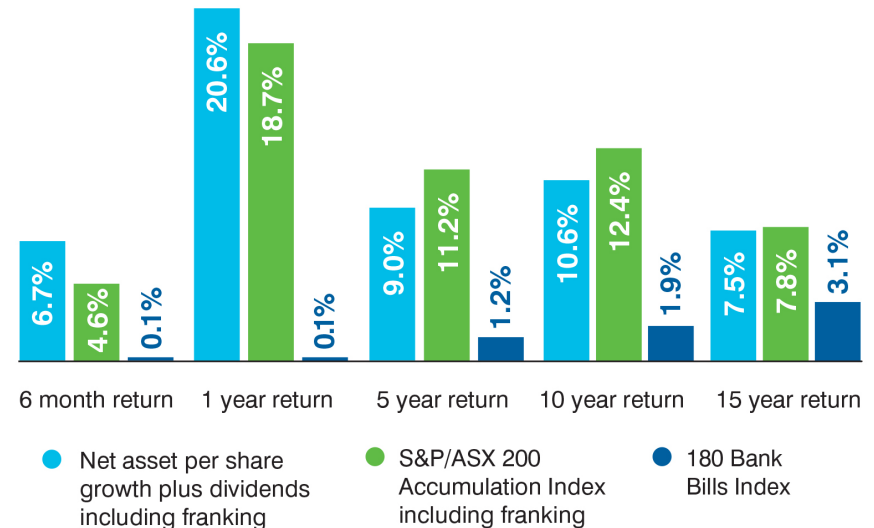
# Investment Objectives

- 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: First Half FY22 (1H22)



## Portfolio Performance to 31 December 2021







## Half Year in Summary



# Half Year in Summary

	2021	
<b>Profit for the Half-Year</b>	<b>\$19.6m</b>	Up 142.2% from 2020
<b>Net Operating Result for the Half-Year</b>	<b>\$18.1m</b>	Up 54.4% from 2020
<b>Fully Franked Interim Dividend</b>	<b>6.75¢</b>	5.25 cents total in 2020

	2021	
<b>Portfolio Dividend Yield</b>	<b>5.6%</b> Including franking*	S&P/ASX 200 Index Yield 3.8% (grossed up for franking credits)
<b>Management Expense Ratio (Annualised)</b>	<b>0.40%</b>	0.34% in 2020
<b>Total Portfolio Return</b>	<b>6.7%</b> Including franking*	S&P/ASX 200 Accumulation Index including franking* 4.6%

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



## Results in Detail

## Half Year Results in Detail: Profit and Loss – Net Operating Result

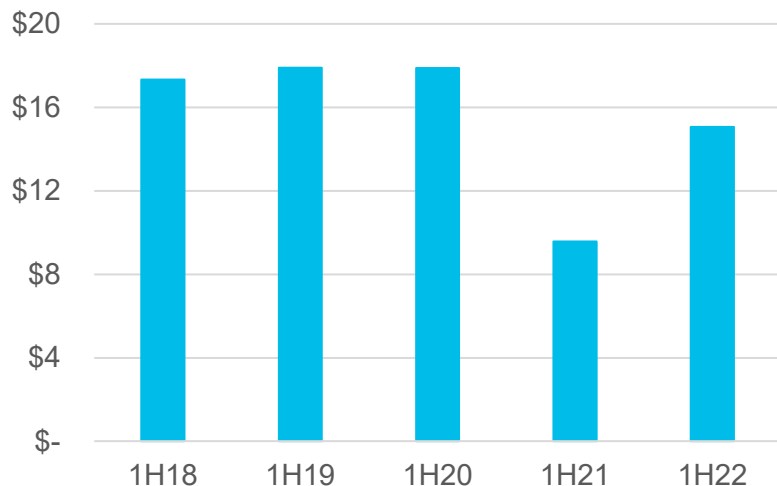
	1H21 \$m	1H22 \$m	Change
Dividend and Distribution Income	\$9.6	<b>\$15.1</b>	57%
Option Income	\$6.1	<b>\$7.9</b>	29%
Operating Income (incl Other Income)	\$15.6	<b>\$22.8</b>	46%
Finance and Administration Costs	\$2.3	<b>\$2.4</b>	6%
Operating Result before Tax Expense	\$13.4	<b>\$20.4</b>	53%
Income Tax Expense	\$1.6	<b>\$2.3</b>	40%
<b>Net Operating Result</b>	<b>\$11.8</b>	<b>\$18.1</b>	<b>54%</b>
<b><i>Net Operating Result per Share</i></b>	<b>5.23c</b>	<b>7.68c</b>	<b>47%</b>
<b><i>Dividends per Share</i></b>	<b>5.25c</b>	<b>6.75c</b>	<b>29%</b>

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. Note that the above numbers may not add due to rounding.

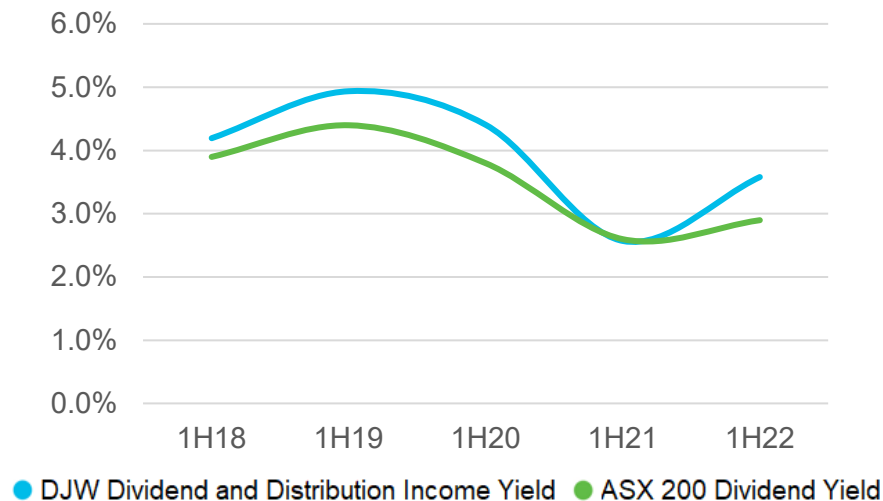
# Half Year Results in Detail: Profit and Loss – Dividends

	1H21 \$m	1H22 \$m	Change
Dividend and Distribution Income	\$9.6	<b>\$15.1</b>	57%

**Djerriwarrh Dividend and Distribution Income Received (\$m)**



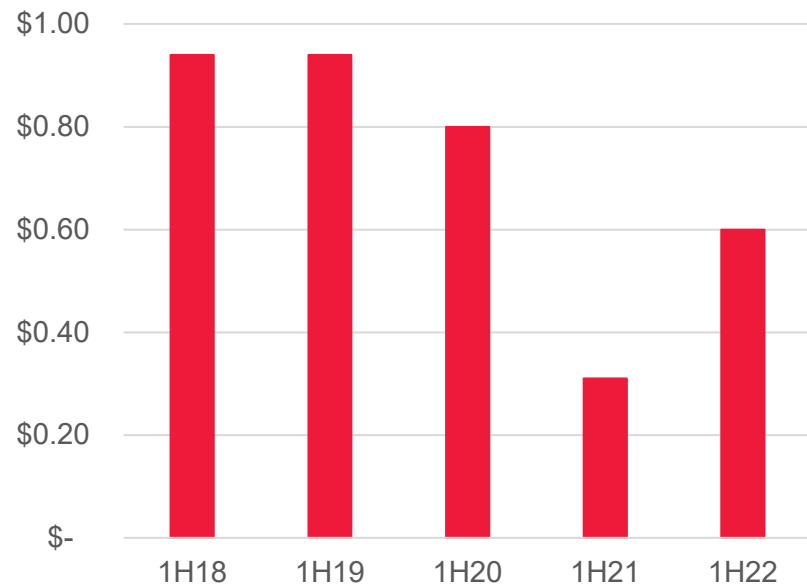
**Djerriwarrh 'Dividend and Distribution Income Received' Yield vs Market Dividend Yield**



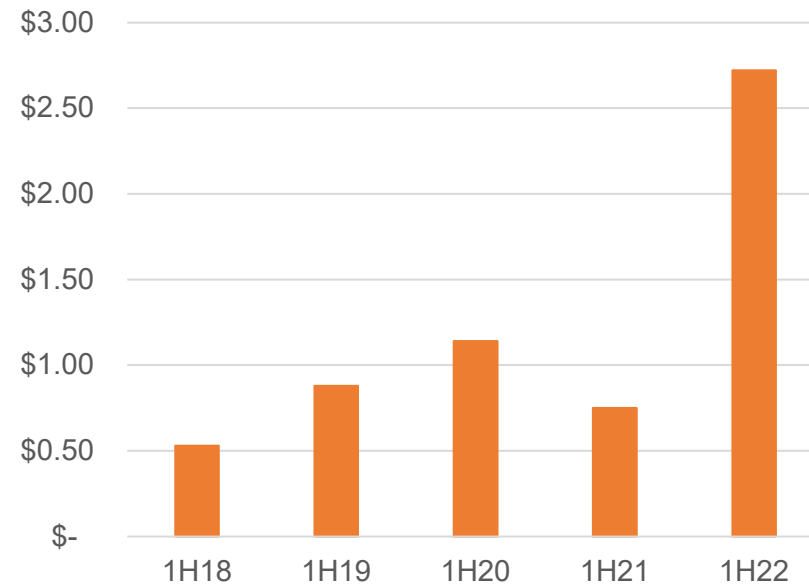
Source: Factset. Note that the Djerriwarrh Dividend and Distribution Income received excludes any non-cash demerger dividends.

# Half Year Results in Detail: Profit and Loss – Dividends

## Bank Dividends (per share): Westpac



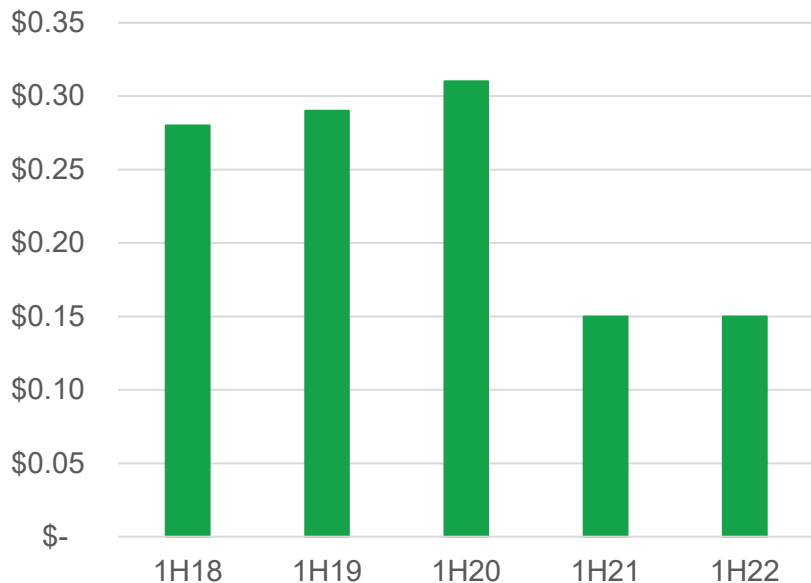
## Resource Dividends (per share): BHP



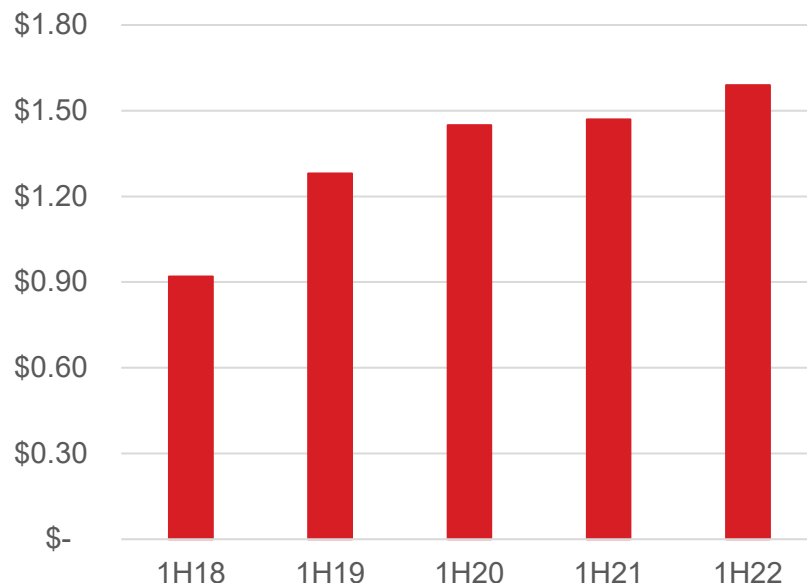
Source: Company Reports. Note that the Half Year periods relate to Djerriwarrh's Half Year reporting.

# Half Year Results in Detail: Profit and Loss – Dividends

## Infrastructure Dividends (per share): Transurban



## Healthcare Dividends (per share):

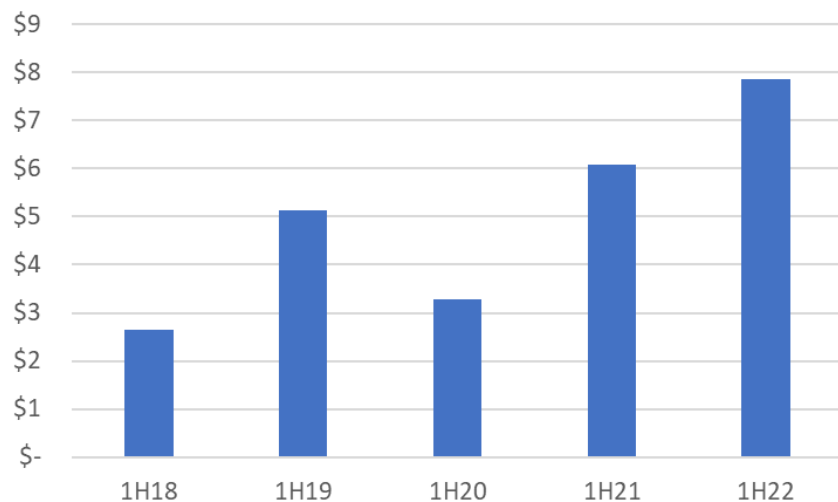


Source: Company Reports. Note that the Half Year periods relate to Djerriwarrh's Half Year reporting.

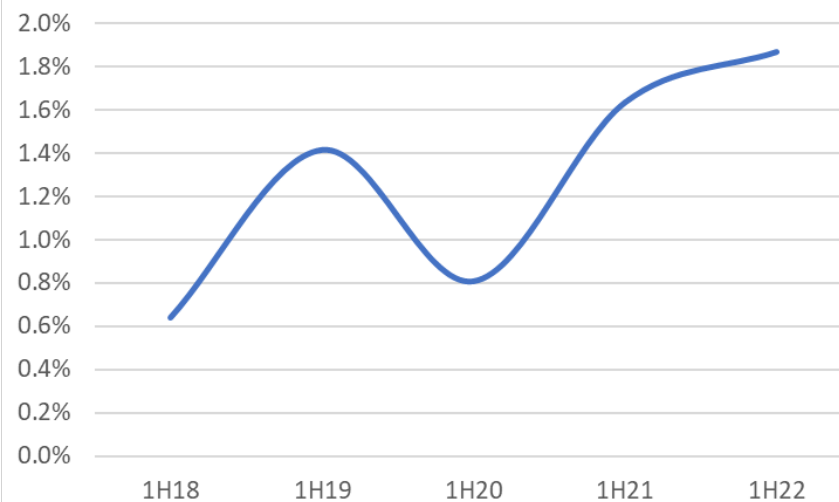
# Half Year Results in Detail: Profit and Loss – Options

	1H21 \$m	1H22 \$m	Change
Option Income	\$6.1	\$7.9	29%

Djerriwarrh's Option Income Received (\$m)



Djerriwarrh's Option Income Yield





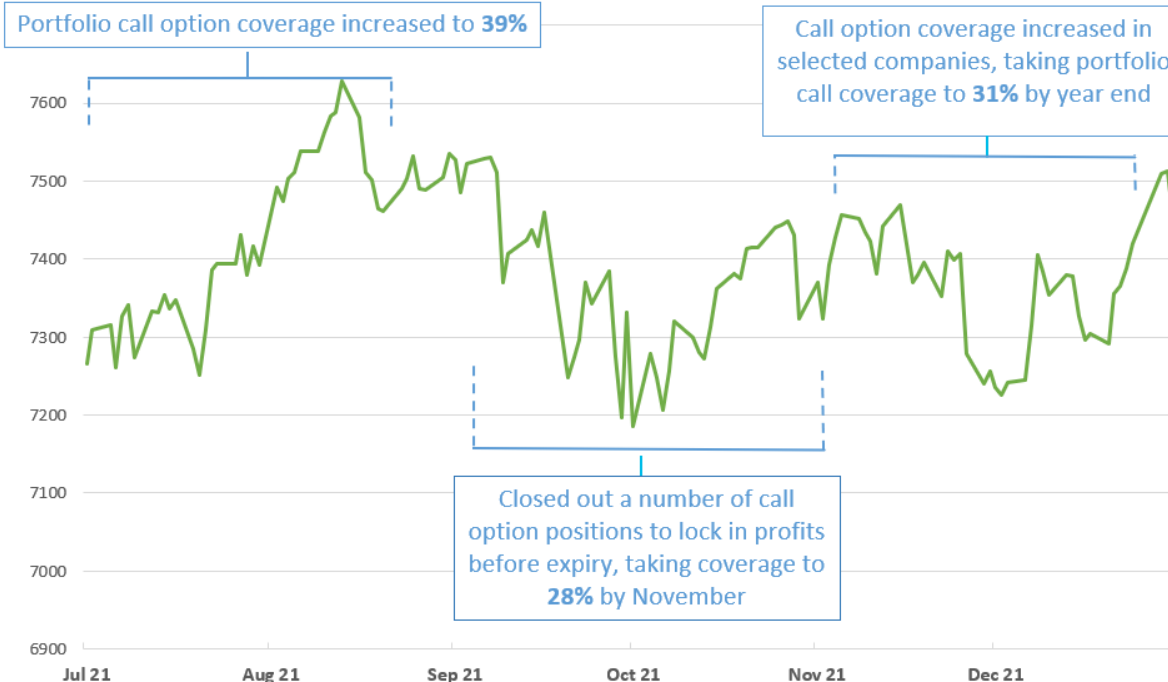


## Portfolio Update

# Portfolio Update: Options

Options are written against selected portfolio holdings in order to generate additional income. The options strategy is a key component of Djerriwarrh's **Enhanced Yield** objective.

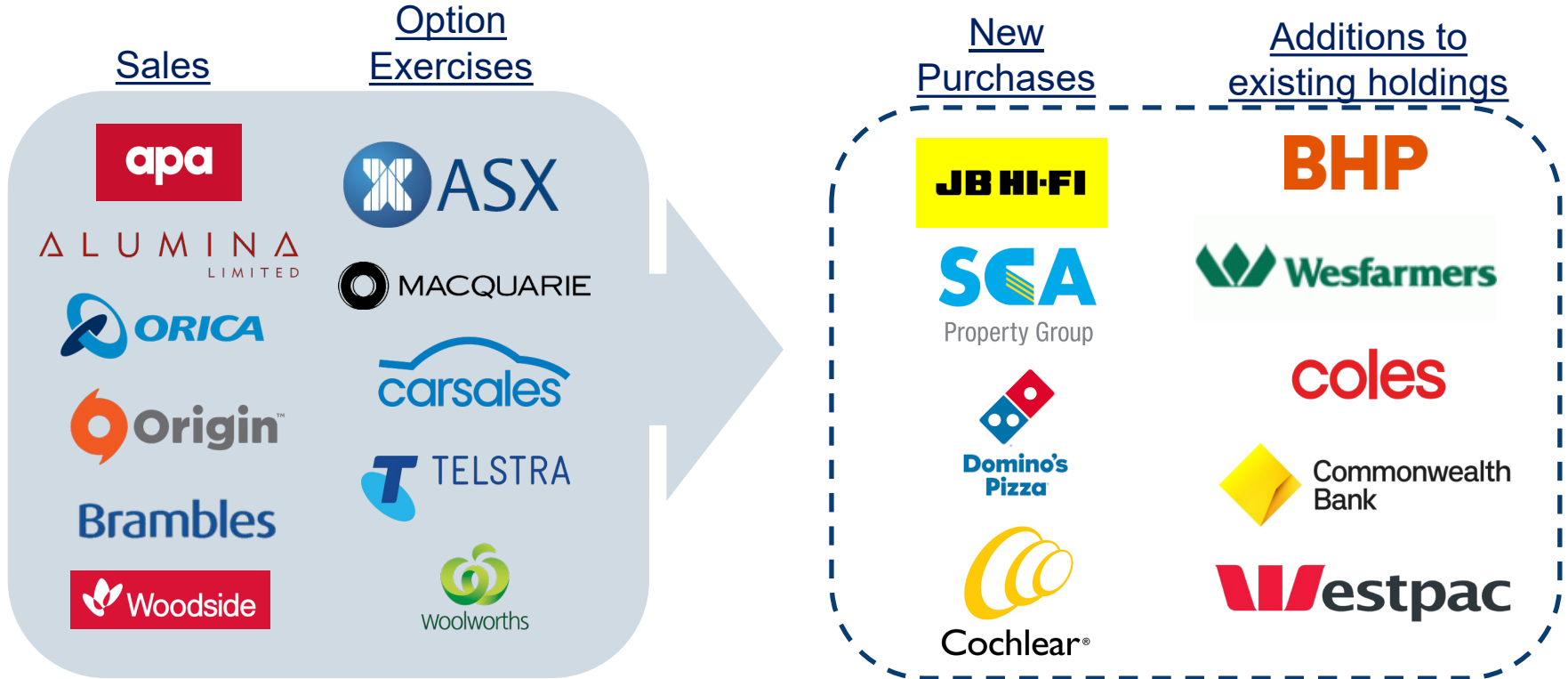
## S&P/ASX 200 Price Index



The level of option income generated each period is largely a result of:

- our option coverage levels;
- option premium prices (dependent on market volatility levels and interest rates); and
- the exercise prices at which we write the options.

# Portfolio Update – Recent transactions



# Portfolio Update – Key Holdings

Constructing a diversified portfolio with the appropriate balance of **Income and Growth** is the key for Djerriwarrh to deliver on its **Enhanced Yield** objective.

Large companies with an above average dividend yield, along with solid long term growth prospects



Large companies with a below average dividend yield, but excellent long term growth prospects



Smaller companies that have the potential for significant long-term growth



A close-up photograph showing 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, suggesting an indoor setting like a cafe or store. A white rectangular box is overlaid on the left side of the image, containing the word 'Outlook' in blue text.

## Outlook

# Outlook

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## Dividends and Option Income

- Our outlook for company dividends for the next six months is largely positive. This is based on our assessment of company outlook statements, balance sheets and dividend payout ratios.
- Beyond this, the iron ore price will be a major determinant of profits and dividends produced by BHP and Rio Tinto from Financial Year 2022 onwards.
- Each of the major banks remain in a strong capital position. Bad debt levels will be a key influence on profits and dividends produced by the major banks from Financial Year 2022 onwards.
- Our ability to generate option income will largely be a result of our option coverage levels, option premium prices and the exercise price at which we write options.

## Markets and Economies

- Inflation and interest rates are key macroeconomic issues globally.
- Real estate and infrastructure are the two sectors that are typically the most sensitive to interest rate changes, but we note that equity markets overall have clearly benefitted from lower interest rate levels.

We continue to believe that owning a diversified portfolio of high quality companies can produce an attractive level of income and capital growth over the long term. As such we believe that the current portfolio settings should enable Djerriwarrh to achieve its long term objectives.



Djerriwarrh  
AUSTRALIAN EQUITIES, ENHANCED YIELD