



Date: **21 February 2022**

ASX Code: **TOP**

Solid portfolio performance driven by media, financial services, infrastructure and resource sector exposure, interim dividend increased 25%

Thorney Opportunities Ltd (ASX:TOP) is pleased to announce its financial results for the half-year ended 31 December 2021 (1H22).

Key 1H22 highlights (vs 1H21):

- **3.1% increase in NTA for the six months ended 31 December 2021**
- **4.7% total shareholder return, including final dividend paid September 2021**
- **Net profit after tax of \$6.9 million**
- **Underpinned by continued diversity in the portfolio with contributions from media, financial services, infrastructure and resource services**
- **9.4% per annum growth in NTA (including payment of fully franked dividends) since inception**
- **Increase in the carrying value of Australian Community Media investment following its strong underlying performance and positive results from continued transformation**
- **Interim dividend up 25% to 1.00 cent per share (fully franked)**
- **Investor webinar at 11.00am (AEDT) today – Monday, 21 February 2022**

Commenting on TOP's performance over 1H22, Chairman Alex Waislitz said:

"We are extremely enthusiastic about a number of portfolio positions and the opportunity to grow shareholder value given those companies' attractive fundamentals. In particular, TOP's largest listed position in Money3 Corporation (ASX:MNY) and our exposure to the infrastructure and resources services sector via Austin Engineering Limited (ASX:ANG), Southern Cross Electrical Engineering Group Limited (ASX:SXE), MMA Offshore Limited (ASX:MRM), Decmil Group Limited (ASX:DCG) and Service Stream Limited (ASX:SSM). In addition, our largest unlisted position in Australian Community Media (ACM) provides significant upside opportunities given its next phase of transformation and the future growth opportunities that exist.

"With an investment portfolio that provides substantial growth opportunities, we are very focused on reducing and eliminating the discount of our share price to net tangible assets. To support this, we are increasing and enhancing communications with our shareholders and continuing the on-market share buyback."

Portfolio performance

The NTA gained 3.1% over 1H22 to 75.3 cents per share (before tax) and 72.6 cents per share (after tax). Total shareholder returns of 4.7%, including final dividend paid in September 2021.

Australian Community Media

TOP increased the carrying value of its investment in ACM following its strong underlying performance in 1H22 and the distribution from PRT Company Limited (formerly Prime Media Group Limited) (ASX:PRT) following Seven West Media Limited's (ASX:SWM) acquisition of the regional media business and assets of PRT, and the refinance of ACM's debt facilities.

ACM, and its associates, is the largest shareholder in PRT with an interest of approximately 23%. TOP's investment in ACM is via its holding of 20 Cashews Pty Ltd which has an underlying investment in ACM.

The carrying value of TOP's investment has increased by approximately \$12.5 million since 30 June 2021 to a value of \$34.0 million, making it TOP's largest investment.

Money3 Corporation

TOP remains very optimistic about its second largest portfolio holding, Money3 Corporation. The Company continues to pursue growth in its loan book to \$1 billion and beyond and is generating increased franked dividends for shareholders.

As disclosed in TOP's December 2021 NTA update, Money3 secured additional funding that month to fund the next phase of its future growth.

MMA Offshore

In 1H22, MMA Offshore made a voluntary prepayment under its syndicated debt facility, reducing its debt by \$15 million, thereby reducing its annual interest costs by approximately \$600,000 per annum (based on the current interest rate).

Austin Engineering

During 1H22, Austin Engineering extended its long-term partnership with resources giant Rio Tinto (ASX:RIO) with the signing of a five-year mining products and service supply contract, valued at up to \$300 million over the life of the contract, effective from 16 December 2021.

The Company also established six new partnerships located in Australia (Queensland and New South Wales) and New Zealand, and expects this new focus will give it a significant advantage in securing new customer orders and increase revenue in key locations across the Asia-Pacific region.

Austin Engineering also successfully implemented the first stage of its global strategy to reduce operating costs, significantly lifting EBITDA margin in H1 2022, and the partnership expansion is the key next step to increase revenue through developing market share.

TOP continues to be enthusiastic about the outlook for Austin Engineering under the leadership of its new Chief Executive Officer, David Singleton.

AMA Group

AMA Group Limited (ASX:AMA) remained significantly COVID-19 affected through much of the half and monthly repair volumes were at their lowest level in October 2021.

As the impacts of the Delta variant subsided and COVID-19 related restrictions began to ease in November, repair volumes increased. However, absolute repair volumes in December were impacted by the shortened work month due to the summer holiday period. The strength of the rebound in repair volumes was also impacted as the population quickly transitioned from government mandated restrictions to self-imposed isolation and caution due to the Omicron variant.

Southern Cross Electrical Engineering

Southern Cross Electrical Engineering continued to grow its order book over 1H22, securing several new contracts, and having significant growth opportunities across the resource and infrastructure sectors.

Palla Pharma

Following the disappointing announcement by Palla Pharma Limited (ASX:PAL) that it was entering into voluntary administration on 17 December 2021, TOP wrote down its investment to nil. PAL negatively impacted TOP's after tax NTA by 2.8 cents per share.

Financial performance

TOP's net profit after tax for 1H22 was \$6.9 million.

Directors declared an interim dividend (fully franked) of 1.00 cent per share, up 25% on pcp. The 1H22 dividend has been increased as TOP is endeavouring to move towards equalising the interim and final dividends. Subject to performance, TOP continues to anticipate growth in total dividends for FY2022.

Investor Briefing

Chairman, Alex Waislitz, will host a webinar for investors at 11.00am (AEDT) today - Monday 21 February 2022.

To pre-register for the webinar please use this link:

https://us02web.zoom.us/webinar/register/WN_exYz53-IQk-9vXJIHGhUDQ

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About Thorney Opportunities Ltd

Thorney Opportunities Ltd (TOP) is an ASX listed investment company (LIC) which concentrates on producing absolute returns for shareholders over the medium to long term. Its primary focus is on the careful selection of investments which enables TOP to be a constructive catalyst towards unlocking the value in the companies that it identifies. TOP invests in listed and unlisted equities and financial assets, in a variety of sectors, including media, automotive, energy and pharmaceutical.

TOP is managed by the privately owned Thorney Investment Group (TIG) pursuant to a long-term investment management agreement. TIG has grown its own portfolio substantially over the past two decades and it is this same strategy that TOP employs as it carefully selects its investments. Through the investment management agreement, TOP has access to the same investment team and deal flow as TIG and has already co-invested with TIG in a number of the investments that TOP has undertaken so far. You can invest in TOP by purchasing shares on the Australian Securities Exchange (ASX).

For more information visit: <https://thorney.com.au/thorney-opportunities/>