

19 July 2022



The Manager
ASX Market Announcements
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Electronic Lodgement

Djerriwarrh Investments Limited (the “Company”) Results Webcast Presentation

Please find attached the presentation to be given at the Results Webcast Presentation being held today **Tuesday 19 July 2022 at 3.30pm (AEST)**.

Webcast

To join the webcast please use the following link: [Webcast Link](#) (This link will open directly in your internet browser).

Conference Call

Alternatively to join via the teleconference, please register using the following link: [conference call registration link](#)

Upon registering for the conference call you will have the option to dial in or to be called directly. International dial in numbers are available through the registration process.

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.

The shareholder presentation material will be available on our website www.djerri.com.au.

ASX Release authorised by the Company Secretary



Full Year Results July 2022



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Agenda

Overview and Objectives Mark Freeman

Financial Year in Summary Andrew Porter

Results in Detail Brett McNeill

Portfolio Update Olga Kosciuczyk

Outlook and SPP Brett McNeill

The background features a complex pattern of overlapping, semi-transparent lines in shades of blue and green, creating a sense of depth and movement. A solid white horizontal band runs across the middle of the image, serving as a backdrop for the text.

Overview and Objectives

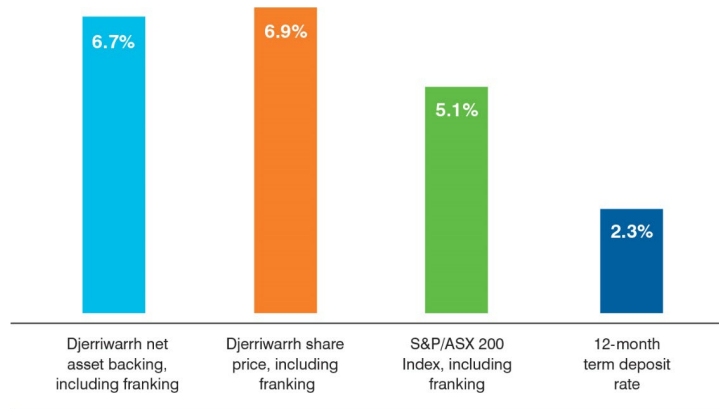
Overview

- 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 Index 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.

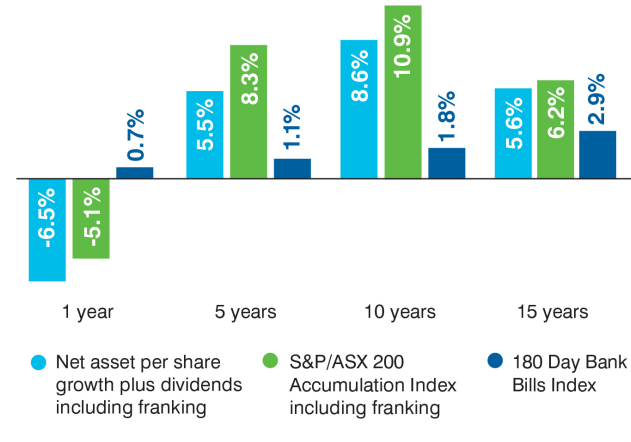
Yield* vs Benchmark – FY22



*Yield at 30 June 2022 (based on the interim dividend paid and final dividend declared)

Note: Assumes an investor can take full advantage of the franking credits

Portfolio Performance to 30 June 2022*



* 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

	2022		
Profit for the Year	\$44.5m		Up 45.9% from 2021
Net Operating Result	\$40.4m		Up 29.3% from 2021
Fully Franked Dividend	7.0¢ <small>Final</small>	13.75¢ <small>Total</small>	11 cents total in 2021
Portfolio Dividend Yield	6.7% <small>Including franking*</small>		S&P/ASX 200 Index Yield 5.1% (grossed up for franking credits)

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

	2022		
Management Expense Ratio	0.45%		0.45% in 2021
Total Portfolio Return	-6.5% <small>Including franking*</small>		S&P/ASX 200 Accumulation Index including franking* -5.1%
Total Portfolio	\$783.0m		Including cash at 30 June. \$839.8 million in 2021



Results in Detail



Results in Detail: Profit and Loss – Net Operating Result

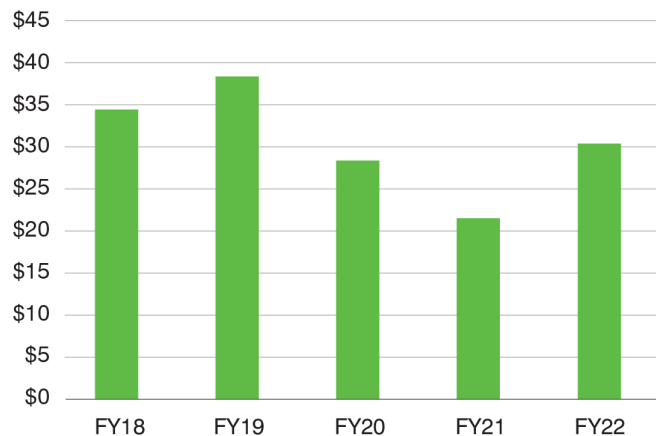
	FY21 \$m	FY22 \$m	Change
Dividend and Distribution Income	\$21.7	\$30.7	41%
Option Income	\$12.1	\$12.5	3%
Operating Income (incl Other Income)	\$33.9	\$43.2	27%
Finance and Administration Costs	\$5.1	\$5.2	2%
Operating Result before Tax Expense	\$28.8	\$38.0	32%
Income Tax Expense	\$3.8	\$4.0	5%
Net Operating Result	\$25.0	\$33.9	36%
Net Operating Result per Share	10.9c	14.3c	31%
Dividends per Share	11.0c	13.75c	25%

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 Results as presented here exclude merger and demerger dividends (BHP in FY22, EDV in FY21), which were non-cash. Note that the above numbers may not add due to rounding.

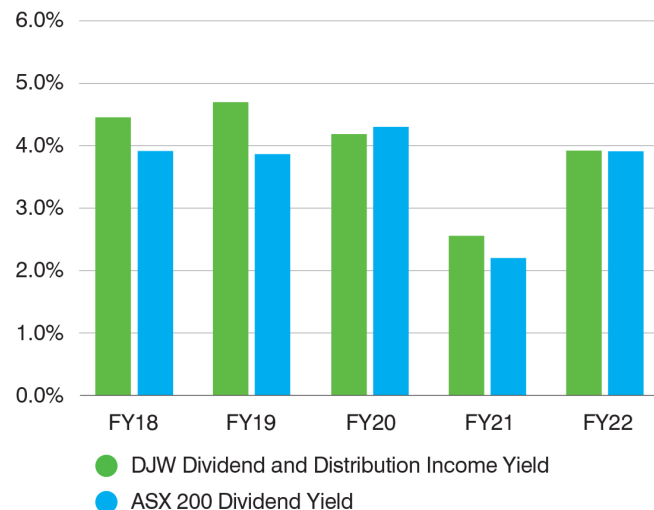
Results in Detail: Profit and Loss – Dividends

	FY21	FY22	Change
Dividend and Distribution Income	\$21.7m	\$30.7m	41%

Djerriwarrh Dividend and Distribution Income Received (\$m)



Djerriwarrh Dividend and Distribution Income Yield vs Market



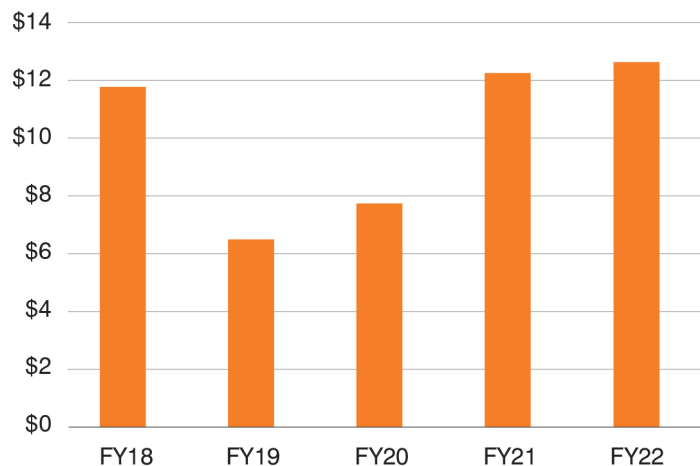
Source: FactSet; Note that the Djerriwarrh Dividend and Distribution Income Received and Income Yield excludes any non-cash merger and demerger dividends, while the ASX 200 Dividend Yield includes any non-cash merger and demerger dividends.

[Djerriwarrh Full Year Results – July 2022](#)

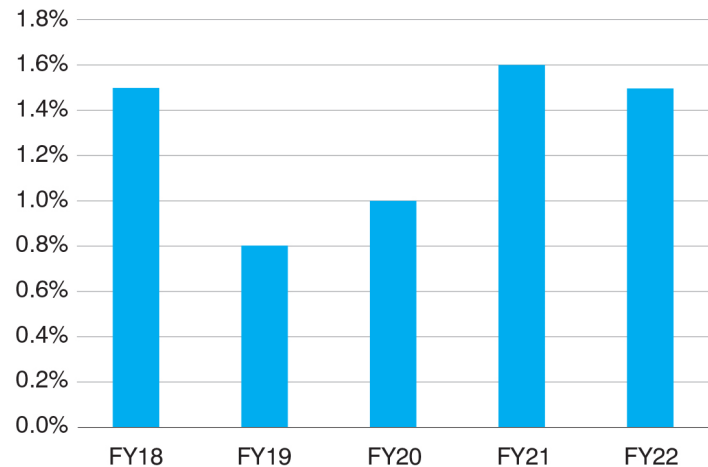
Results in Detail: Profit and Loss – Options

	FY21	FY22	Change
Option Income	\$12.1m	\$12.5m	3%

Djerriwarrh's Option Income Received (\$m)



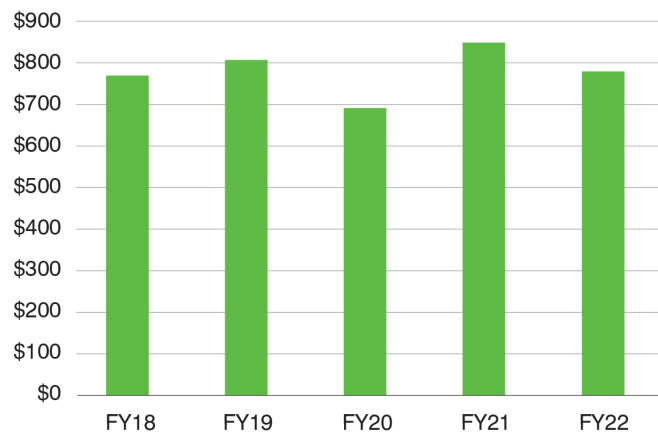
Djerriwarrh's Option Income Yield



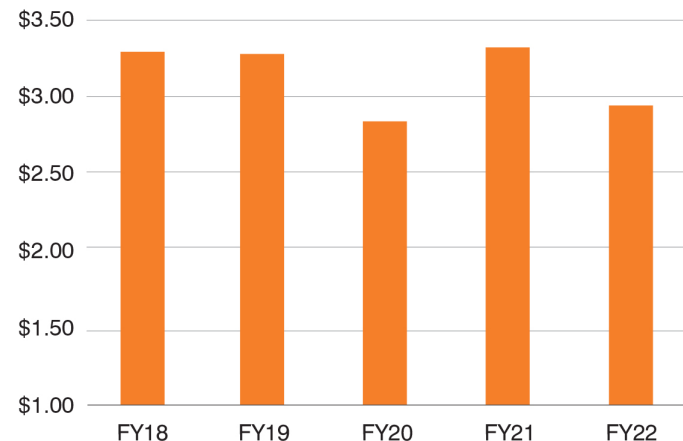
Results in Detail: Balance Sheet

	FY21	FY22	Change
Investment Portfolio	\$849m	\$784m	-8%
Net Tangible Assets per share	\$3.32	\$2.95	-11%

Djerriwarrh's Investment Portfolio (\$m)



Djerriwarrh's Net Tangible Assets (per share)

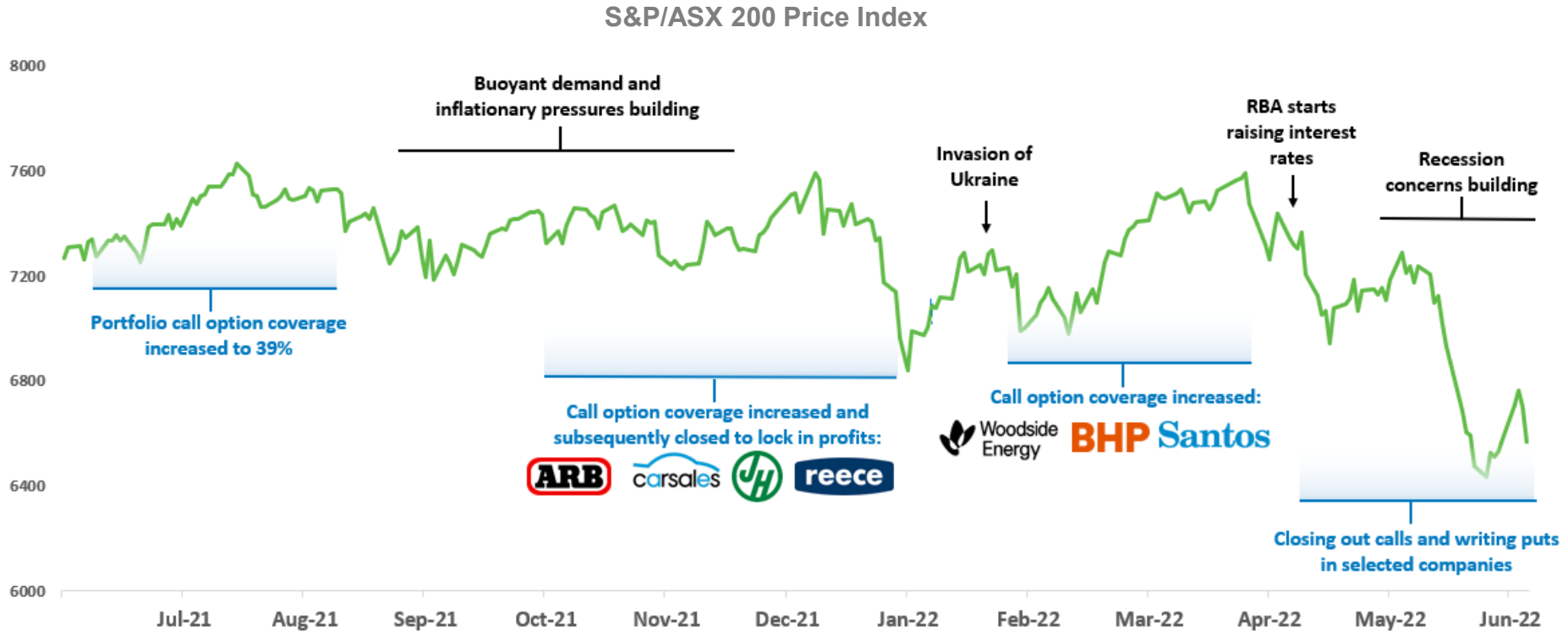




Portfolio Update



Active management of the options portfolio has seen us lock in significant income



Market volatility presented attractive opportunities to redistribute capital



Djerriwarrh is well positioned for further market volatility

Constructing a diversified portfolio of **high-quality** companies across different sectors and with the appropriate balance of **Income and Growth** is the key for Djerriwarrh to deliver on its Investment Objectives in a variety of market conditions.

Key Portfolio Statistics

\$784m	52
Portfolio Value	Stocks in the Portfolio
28%	2%
Call Option Exposure	Put option exposure
\$2.95	
Net Tangible Asset (NTA) Backing per share	

Source: Based on 30 June 2022 Portfolio.

Top 20 Holdings





Outlook



Outlook

- Equity market conditions have changed dramatically from the beginning of this calendar year, resulting in a significant downward repricing of equities.
- Against this backdrop we remain confident in the quality and diversification of our investment portfolio. Our outlook for dividends over the medium term remains positive, given the positioning of balance sheets and dividend payout ratios across our portfolio. But in the short term, increased levels of inflation and higher interest rates mean there is a risk of reported results and outlook statements disappointing.
- The upcoming company results season will provide us with insights into the likely impact on company profits and dividends. Therefore, we expect to be in a better position to assess the impact on Djerriwarrh's Dividend and Distribution Income post the upcoming Australian profit reporting season.
- In terms of our Option Income, recent higher equity market volatility levels, as well as higher interest rates, are a positive for option premiums and hence the ability to earn option income as a seller of call and put options. Balancing this out somewhat is the likelihood that we will have lower call option coverage if the market remains at these lower levels compared to last year.

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

Details of Share Purchase Plan (SPP) July/August 2022

- Up to a maximum of \$30,000 per registered shareholder.
- Shares issued under the SPP will rank equally for future dividends.
- The SPP issue price will be the lower of \$2.78 per share or by applying a 2.5% discount to the volume-weighted average price of Djerriwarrh shares traded on the ASX and Cboe Australia automated trading systems over the 5 ASX trading days up to and including the day on which the SPP is scheduled to close rounded down to the nearest cent.
- Record date Monday, 18 July, applications to be sent to shareholders 26 July.
- Offer closes Thursday, 18 August.
- Shares expected to be issued Thursday, 25 August.



Djerriwarrh

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