

# THORNEY OPPORTUNITIES LTD

FY2022 Results

August 2022

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## ABOUT TOP

Thorney Opportunities Ltd (TOP) is an ASX-listed investment company that invests in listed and unlisted equities and financial assets, in a variety of sectors, including media, automotive, energy, engineering and mining services and financial services.

Our primary focus is on the careful selection of investments which enables us to be a constructive catalyst towards unlocking the value in the companies identified. TOP is managed by the privately owned Thorney Investment Group pursuant to a long-term investment management agreement.



**01**

Producing absolute  
returns for shareholders  
over the medium- to  
long-term



**02**

Delivering a strong  
fully franked  
dividend stream to  
shareholders

# KEY FY2022 HIGHLIGHTS

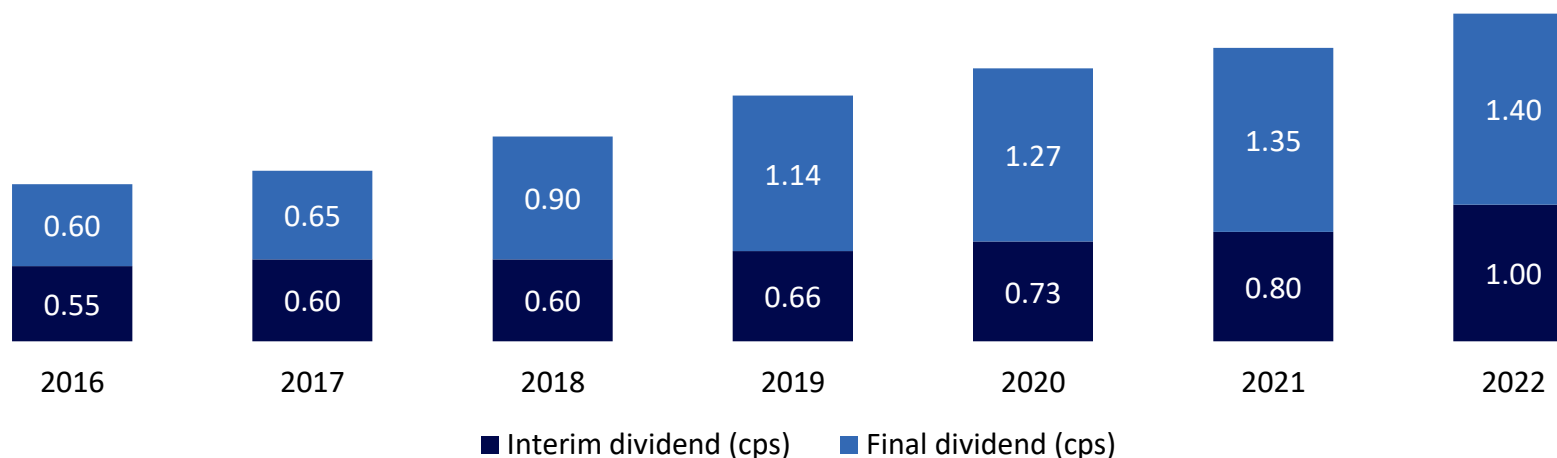


|  |            |   |
|--|------------|---|
| Net loss after tax for the full year                   | \$3.7m     |   |
| Fully franked final dividend per share                 | 1.40 cents | Up 3.7% on FY2021                             |
| Total dividends incl. interim dividend paid March 2022 |            | Up 11.6% for the 12 months ended 30 June 2022 |
| NTA per share (before tax)                             | 67.5 cents | Down 7.0% on FY2021                           |
| NTA per share (after tax)                              | 66.4 cents | Down 5.7% on FY2021                           |

The FY2022 total dividend has been increased by 11.6% in line with TOP's objective of delivering a strong fully franked dividend stream to shareholders.

Subject to performance, TOP continues to anticipate growth in total dividends for FY2023.

## TOP Fully Franked Dividend History





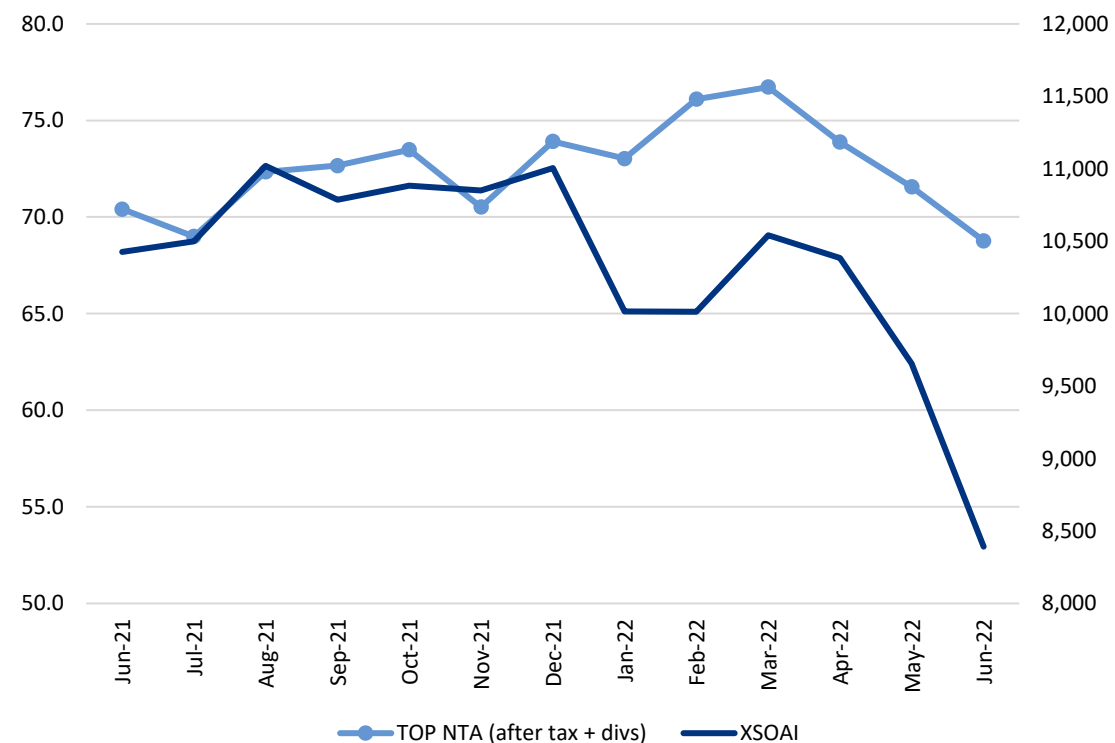
# TOP 10 INVESTMENTS AS AT 30 JUNE 2022



| RANK | COMPANY                               | % OF PORTFOLIO |
|------|---------------------------------------|----------------|
| 1    | 20 Cashews Pty Ltd (ACM)*             | 28.3           |
| 2    | MMA Offshore                          | 12.7           |
| 3    | Money3 Corporation                    | 11.9           |
| 4    | Austin Engineering                    | 8.7            |
| 5    | Southern Cross Electrical Engineering | 6.8            |
| 6    | Consolidated Operations Group         | 5.3            |
| 7    | Service Stream                        | 4.7            |
| 8    | Ardent Leisure Group                  | 4.4            |
| 9    | AMA Group                             | 2.9            |
| 10   | Retail Food Group                     | 2.8            |

\*TOP's investment in ACM is via its holding of 20 Cashews Pty Ltd which has an underlying investment in ACM.

## TOP NTA V S&P SMALL ORDINARIES ACCUM. INDEX 12 MONTHS TO 30 JUNE 2022



The TOP investment portfolio (including the benefit of dividends) finished the year ended 30 June 2022 down 3.3%, outperforming the S&P Small Ordinaries Index which declined 19.5%, an outperformance of 16.2%.

The decline in the NTA over the period was largely due to continued market volatility on inflationary concerns and interest rates rises both in Australia and the US.

The Directors have declared a final dividend of 1.40 cents per share, fully franked, an increase over the prior corresponding period of 3.7%. The final dividend will be paid on 30 September 2022. Total dividends declared/paid for FY2022 are 2.40 cents per share, representing an increase of 11.6% over the prior corresponding period.



Money3 Corporation Ltd (MNY.ASX) continues to make solid progress towards its goal of growing its loan book well beyond \$1b. Its share buyback continues to operate and reflects the strong confidence of the Board and Management in the Group's financial performance and future growth prospects. It continues to pay strong dividends, having announced a 7.0 cents per share final dividend earlier this week.

Australian Community Media (20 Cashews) performed well as the business transformation continued in earnest, including a full refinance by the Commonwealth Bank of Australia, representing a strong endorsement of the achievements to date. Digital subscriptions and advertising revenue have grown over FY2022 with further growth anticipated. The project to consolidate various prop-tech real estate media businesses has progressed positively and the new entity will be known as View Media Group. During FY2022, a significant return on investment was received from the realisation from 20C's investment in PRT Company Ltd (formerly Prime Media Group Ltd) following the completed transaction with Seven West Media Group Ltd.

MMA Offshore Ltd (MRM.ASX) continued to secure new contracts in a sector benefitting from increased activity and spend, as well as divesting non-core assets, leading to a strengthening of its balance sheet. MRM is well placed to benefit from higher earnings in future periods and we are confident the market will continue to recognise the quality of this company.

Austin Engineering Ltd (ANG.ASX) and Southern Cross Electrical Engineering Ltd (SXE.ASX) each demonstrated the underlying strengths in their businesses and the experience in their management teams. Both companies retain very strong forward order books, and we are optimistic on the ability of these firms to deliver exceptional earnings performance in the future.

Service Stream Ltd (SSM.ASX) was another beneficiary from the broad infrastructure spend environment, combined with an effective integration of its acquisition of Lendlease Services in late 2021.



COG Financial Services Ltd (COG.ASX) had a successful year of achievements in FY2022, as the company continued to expand its network and advisory groups. We anticipate further growth from the company in FY2023 and beyond.

Two investments where profitable outcomes were achieved in FY2022 were Ardent Leisure Group Ltd (ALG.ASX) and Angel Seafood Holdings (AS1.ASX).

TOP's ALG investment was liberated early in July 2022, returning approximately \$5.6m for redeployment following completion by ALG of the sale of its Main Event business in the USA.

On a smaller scale, the takeover of AS1 was completed in June 2022, returning approximately \$0.6m to TOP for redeployment.

EarlyPay Ltd (EPY.ASX) was impacted by the broader fintech sector volatility, but the Company has enjoyed robust trading volumes and strong growth momentum, leading to a suite of earnings upgrades over the period.

AMA Group Ltd (AMA.ASX) has been a disappointing investment for TOP as it continues to be impacted by labour and supply chain constraints and some onerous contracts. TOP assisted AMA with a recapitalisation of the Company's balance sheet, completed in October 2021 and the onus is now on the Board and management to restore value for shareholders.

## OUTLOOK

Regardless of the considerable challenges that the world is currently facing, the TOP investment team remains cautiously optimistic.

We are beginning to see some initial signs that the worst of the global market declines may be over with signs that the pressure on supply chains the fuelled inflationary pressures may be easing and, as a consequence, it is possible that central banks will not go as hard with interest rate hikes as previously expected.

This would be a positive for markets and TOP is well placed to benefit. However, shares still remain at risk of further falls over the months ahead as recession fears continue.

Against this backdrop, we continue to believe that our value-based investment approach will deliver strong performance for shareholders over time.



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