



22 February 2023

The Manager
ASX Market Announcements
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Electronic Lodgement

AMCIL Limited
Half Year Review to 31 December 2022

Dear Sir / Madam

Please find attached the Half Year Review to 31 December 2022 that is being sent to shareholders.

Yours faithfully

A handwritten signature in grey ink, appearing to read 'M Rowe', with a stylized, flowing script.

Matthew Rowe
Company Secretary

Release authorised by Matthew Rowe, Company Secretary



Half-Year Review
to 31 December
2022



AMCIL MANAGES A FOCUSED PORTFOLIO COVERING LARGE AND SMALL COMPANIES IN THE AUSTRALIAN EQUITY MARKET. AS A RESULT, SMALL COMPANIES BY MARKET SIZE CAN HAVE AN EQUALLY IMPORTANT IMPACT ON PORTFOLIO RETURNS AS LARGER COMPANIES IN THE AUSTRALIAN MARKET.

Contents

1	Half-Year in Summary	15	Summarised Statement of Changes in Equity
2	About the Company	16	Holdings of Securities
6	Review of Operations and Activities	23	Major Transactions in the Investment Portfolio
12	Top 20 Investments	24	Company Particulars
13	Income Statement	25	Shareholder Information
14	Balance Sheet		

Half-Year in Summary

	2022	
Profit for the Half-Year	\$4.1m	Up 13.9% from 2021
Fully Franked Interim Dividend	1.0¢	1.0 cents in 2021
Total Six-Month Portfolio Return	4.6% <small>Including franking*</small>	S&P/ASX 200 Index including franking* 10.8%
Total Six-Month Shareholder Return	-2.5%	Share price plus dividend
Management Expense Ratio (Annualised)	0.64%	0.46% in 2021
Total Portfolio (Including Cash) at 31 December 2022	\$323.6m	\$412.7 million in 2021

* Assumes a shareholder can take full advantage of the franking credits.

About the Company

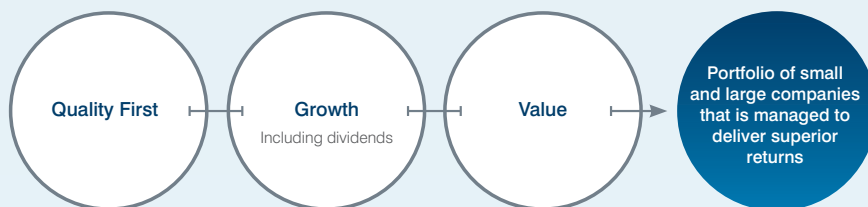
AMCIL manages a focused portfolio covering large and small companies in the Australian equity market. As a result, small companies by market size can have an equally important impact on portfolio returns as larger companies in the Australian market.

Investment Objectives

Attractive returns through strong capital growth in the portfolio over the medium to long term.

The generation of fully franked dividends.

How AMCIL Invests – What We Look For in Companies



Approach to Investing

Investment Philosophy

We seek to create a diversified portfolio of quality companies which are likely to sustainably grow their earnings and dividends over a medium to long term time frame.

Our assessment of quality includes criteria such as the board and management, financial position, pricing power as well as some key financial metrics such as return on capital employed, return on equity, the level of gearing in the balance sheet, margins and free cash flow. The structure of the industry and a company's competitive position in its industry are also important indicators of quality. Linked to this assessment of quality is the ability of companies to grow earnings over time, which ultimately should produce good dividend and capital growth.

Recognising value is also an important aspect of AMCIL's investment approach. Our assessment of value tries to reflect the opportunity a business has to prosper and thrive over the medium to long term. Given the focused nature of the portfolio, AMCIL is more active in managing the holdings. Our preference is that positions will be held for the long term. However, in managing the risk in the portfolio, the Company is prepared to scale back or exit holdings completely if the investment case alters markedly, the position becomes too large in the portfolio or share prices become excessively high.

In managing the portfolio in this way, we believe AMCIL can offer investors returns in excess of the S&P/ASX 200 Index over the long term.

Given the greater concentration of the portfolio, there may be periods when the performance of AMCIL can vary quite markedly from the Index. The objective is to deliver outperformance over the medium to long term.

From time to time, the Company also uses options written against some of its investments and a small trading portfolio to generate additional income.

Approach to Environmental, Social and Governance (ESG) Issues

Environmental, Social and Governance (ESG) issues are taken into account as part of our investment process when assessing companies. As a long term investor, we seek to invest in companies that have strong governance and risk management processes, which includes consideration of environmental and social risks given the potential for these factors to impact investment performance.

We are also closely monitoring the development of international standards for ESG reporting as these may further inform our approach going forward.

We regularly review and meet with companies to ensure ongoing alignment of ESG issues with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.

About the Company

continued

Approach to Investing continued

As reporting becomes more standardised, assessment of commitments and plans by companies to reach net zero by 2050 will also be considered having regard to the industry in which it operates, their progress against these plans and their broader contribution to social good in addressing the challenge of reducing global carbon emissions. In applying external data for benchmarking*, the current carbon intensity of AMCIL's portfolio is considerably less than the S&P/ASX 200 Index.

- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses is the best approach to avoiding socially harmful businesses. We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers and wider communities. We consider a range of matters including safety, diversity and modern slavery as part of the investment process.
- We invest in high-quality companies with strong governance processes, and management and boards whose interests are closely aligned with shareholders. The investment process includes an assessment of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also closely scrutinise a company's degree of transparency and disclosure.

Engagement with Companies

Voting on resolutions is one of the key functions that a shareholder has in ensuring better long term returns and management of investment risk:

- We take input from proxy advisers but conduct our own evaluation of the merits of any resolution.
- We vote on all Company resolutions as part of our regular engagement with the companies in the portfolio. Our voting record is on the Company's website.
- We actively engage with companies, including when we have concerns those resolutions are not aligned with shareholders' interests. We acknowledge that high-quality companies may face ESG challenges. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.

* Data provided by ISS ESG.
Portfolio at 30 June 2022.



— Review of Operations and Activities —

Profit and Interim Dividend

Half-year profit of \$4.1 million was up 13.9 per cent from \$3.6 million in the previous corresponding period. Income from operating activities increased from \$4.6 million to \$5.5 million, as there was an improvement in dividends from a range of holdings in the portfolio with the largest increase coming from Transurban Group, Mainfreight, Woodside Energy Group (acquired from the BHP demerger) and ALS which is a new holding. There was also increased income from option activity from writing call options against some selected holdings in the portfolio.

The Board declared an interim dividend of 1 cent per share fully franked, the same as last year's interim dividend. The interim dividend is sourced from capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain, known as an 'LIC capital gain',

attached to this dividend is 1.43 cent per share. This enables some shareholders to claim a tax deduction in their tax return.

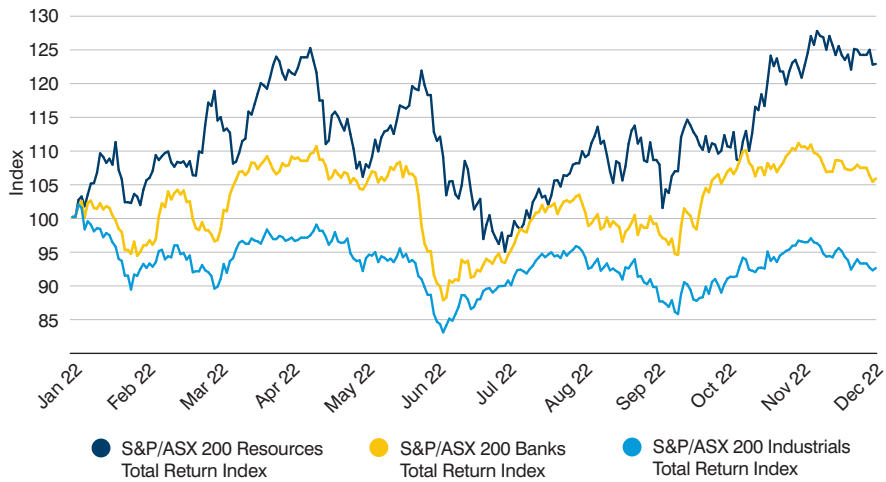
The management expense ratio for AMCIL is 0.64 per cent (annualised), with no additional fees. The increase was driven predominantly by the fall in the value of the portfolio in comparison to the corresponding period last year.

Market and Portfolio Performance

The Australian share market performance over the six-month and 12-month periods to 31 December 2022 continued to be heavily influenced by external factors. Inflation concerns driving interest rate increases continued to weigh on the share prices of growth companies. In addition, the tight supply in energy and some resource markets drove strong share price outcomes in these sectors.



Figure 1: Key Sector Market Returns, 12 Months to 31 December 2022



Source: FactSet



— Review of Operations and Activities —

continued

The S&P/ASX 200 Accumulation Index delivered a return of 10.8 per cent over the six months to 31 December 2022. AMCIL's portfolio was up 4.6 per cent over this period. Both of these figures include the benefit of franking.

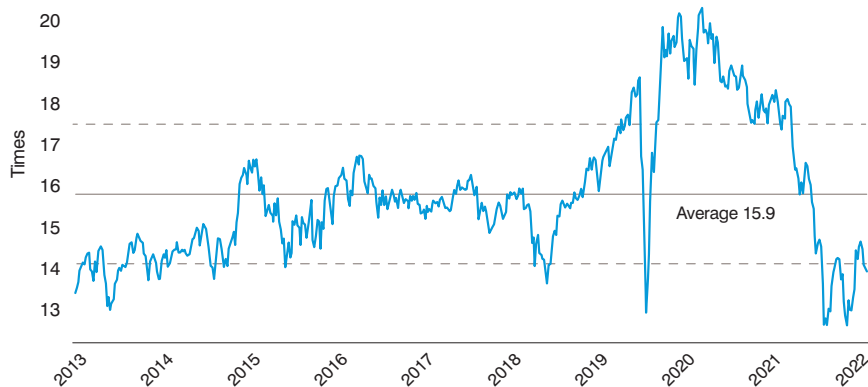
Despite our outlook for the long term prospects of companies across the portfolio remaining strong, many of our large portfolio holdings saw material declines in their share prices during 2022. Several companies in the portfolio that performed particularly well over the 2021 calendar year, and strongly over three and five years to the end of calendar 2022, experienced marked falls in their share prices during 2022 as rising interest rates trimmed market valuations (Figure 2).

Large portfolio weightings in James Hardie Industries, ARB Corporation and Mainfreight were particularly impactful on the recent underperformance of the portfolio.

This dynamic contributed to the 12-month portfolio underperformance, with AMCIL down 18.8 per cent including franking, in comparison to the S&P/ASX 200 Accumulation Index, which was relatively flat at positive 0.5 per cent including franking over this period.

Our underweight position in the energy sector (up 49 per cent) and materials sector (up 13 per cent) proved an additional headwind to relative 12-month portfolio performance. Over the long term, we remain confident in the performance

Figure 2: S&P/ASX 200 Index Price Earnings Ratio



Source: FactSet

of the portfolio against these sectors, given our holdings have higher and more consistent return on capital as well as superior growth in earnings profile.

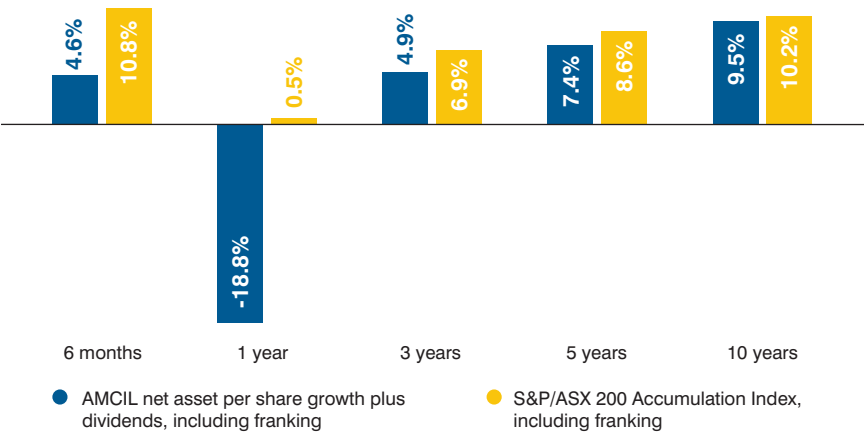
The long term performance of the portfolio, which better aligns with our investment time frames, was 9.5 per cent per annum for the 10 years to 31 December 2022. This is slightly behind the Index return over the same period of 10.2 per cent. Both of these figures include the benefit of franking. AMCIL's performance numbers are after costs and tax.

Adjustments to the Portfolio

Portfolio activity during the period was relatively modest as we preferred to be patient, waiting for value opportunities to emerge before adding to our preferred holdings. Following a period of elevated trimming of positions responding to the market buoyancy of 2021, sales activity was also reduced through the period.

Recent purchases in the investment portfolio included a new stock in ALS, a strong global industry participant in providing testing solutions for the life sciences, industrial and commodities sectors.

Figure 3: Portfolio Performance to 31 December 2022, Including the Benefit of Franking*



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

Per annum returns other than six months. AMCIL's performance figures are after costs.

— Review of Operations and Activities —

continued

Recognition of the changing market conditions for our most preferred holdings meant we took a patient approach to increasing positions. BHP, Wesfarmers and EQT Holdings (participation in a share placement) were the most material additions to existing positions.

Positions were reduced in IRESS, Macquarie Telecom Group, Nanosonics and Temple & Webster as the portfolio weightings of these companies were higher than our preferred positioning relative to other holdings in the portfolio. This trimming also provided headroom for the future opportunities that we expect to arise in volatile markets.

We also continued to monitor for excess valuation, which saw a reduction in our Cochlear holding.

Share Price Performance

At 31 December 2022, the share price (at \$1.02 cents) was trading at a 2 per cent discount to the asset backing per share of \$1.04 per share (Figure 4).

Figure 5 outlines the total share price return (including dividends and franking)

from an investment of \$1,000 in AMCIL over 10 years versus the return from the S&P/ASX 200 Index, including franking over the same period.

Outlook

While the outlook for inflation and interest rates will remain in focus, we see the outlook for corporate earnings becoming the more important factor for market direction. In an inflationary cost environment with slowing economic activity, many companies' earnings resilience will be tested.

Despite the immediate caution that these conditions generate, we view the long term prospects of our portfolio holdings as relatively strong, with the ability to generate attractive returns and market share gains through challenging economic conditions a key tenet of our portfolio construction.

We enter this period with a good level of cash in anticipation that continued volatile equity market conditions are likely to provide attractive long term investment opportunities for the portfolio.



Figure 4: Share Price Relative to Net Asset Backing

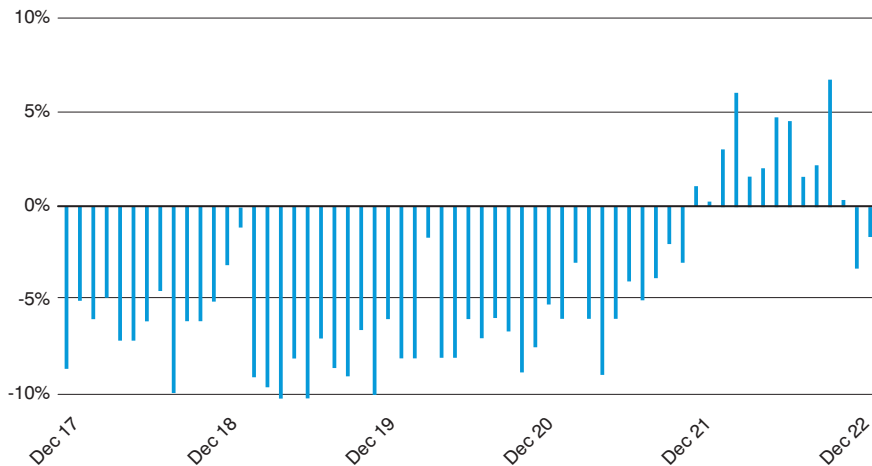
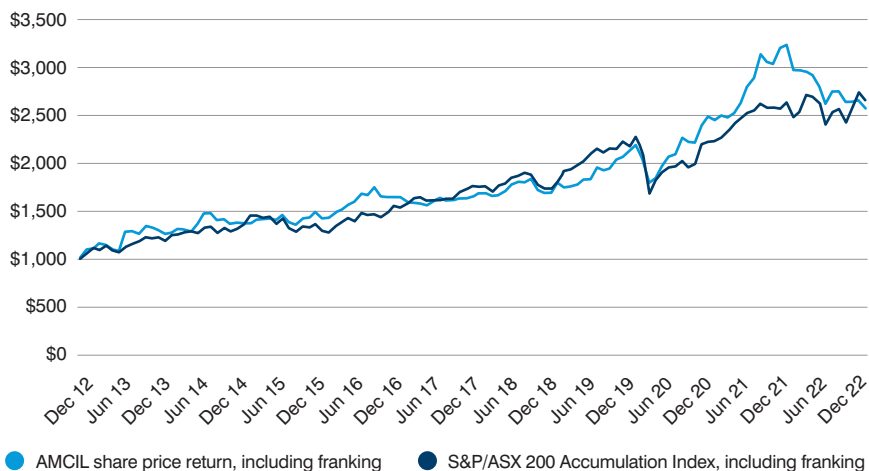


Figure 5: Performance of an Investment of \$1,000 in AMCIL Shares Including Dividends and Franking Over 10 Years to 31 December 2022



Assumes the reinvestment of dividends. This chart calculates the benefit of franking credits at the time dividends are paid for both AMCIL and the Index. In practice there is a timing difference between receipt of the dividend and the realisation of the franking benefit in the following tax year.

Top 20 Investments

As at 31 December 2022

Includes investments held in both the investment and trading portfolios.

Value at Closing Prices at 30 December 2022

		Total Value \$ Million	% of the Portfolio
1	CSL*	35.4	11.4
2	BHP*	19.6	6.3
3	Wesfarmers*	17.8	5.7
4	Macquarie Group	17.8	5.7
5	Transurban Group	17.7	5.7
6	Mainfreight	17.4	5.6
7	Westpac Banking Corporation*	14.1	4.5
8	Woolworths Group	11.9	3.8
9	Goodman Group	11.3	3.6
10	ResMed	9.9	3.2
11	James Hardie Industries	9.8	3.2
12	Macquarie Telecom Group	9.6	3.1
13	Carsales.com*	9.5	3.1
14	Auckland International Airport	8.5	2.7
15	EQT Holdings	8.1	2.6
16	Commonwealth Bank of Australia	8.0	2.6
17	Netwealth Group	6.8	2.2
18	ARB Corporation	6.6	2.1
19	Domino's Pizza Enterprises	6.1	2.0
20	ALS	6.0	1.9
Total		252.0	

As percentage of total portfolio value (excludes cash)

81.1%

* Indicates that options were outstanding against part of the holding.

Income Statement

For the Half-Year Ended 31 December 2022

	Half-Year 2022 \$'000	Half-Year 2021 \$'000
Dividends and distributions	4,974	4,592
Revenue from deposits and bank bills	214	-
Net gains/(losses) on trading and options portfolios	320	(3)
Total income	5,508	4,589
Finance costs	(46)	(59)
Administration expenses	(1,070)	(935)
Profit before income tax expense	4,392	3,595
Income tax (expense)/credit	(282)	12
Profit for the half-year	4,110	3,607
	Cents	Cents
Earnings per share	1.32	1.20

Balance Sheet

As at 31 December 2022

	31 Dec 2022 \$'000	30 June 2022 \$'000
Current assets		
Cash	12,919	21,714
Receivables	460	1,992
Total current assets	13,379	23,706
Non-current assets		
Investment portfolio	310,916	306,643
Deferred tax assets	574	-
Total non-current assets	311,490	306,643
Total assets	324,869	330,349
Current liabilities		
Payables	87	1,093
Options written portfolio	270	60
Tax payable	307	10,239
Total current liabilities	664	11,392
Non-current liabilities		
Deferred tax liabilities – other	-	127
Deferred tax liabilities – investment portfolio	20,584	17,860
Total non-current liabilities	20,584	17,987
Total liabilities	21,248	29,379
Net assets	303,621	300,970
Shareholders' equity		
Share capital	223,243	221,801
Revaluation reserve	30,914	27,337
Realised capital gains reserve	30,788	37,266
Retained profits	18,676	14,566
Total shareholders' equity	303,621	300,970

Summarised Statement of Changes in Equity

For the Half-Year Ended 31 December 2022

	Half-Year 2022 \$'000	Half-Year 2021 \$'000
Total equity at the beginning of the half-year	300,970	335,343
Dividends paid	(7,651)	(13,285)
Shares issued – Dividend Reinvestment Plan	1,449	2,284
Costs of share issues	(7)	(10)
Total transactions with shareholders	(6,209)	(11,011)
Profit for the half-year	4,110	3,607
Revaluation of investment portfolio	6,882	35,998
Provision for tax on revaluation	(2,132)	(10,882)
Revaluation of investment portfolio (after tax)	4,750	25,116
Total comprehensive income for the half-year	8,860	28,723
Realised gains on securities sold	582	16,842
Tax on realised gains on securities sold	591	(5,533)
Net realised gains on securities sold	1,173	11,309
Transfer from revaluation reserve to realised gains reserve	(1,173)	(11,309)
Total equity at the end of the half-year	303,621	353,055

A full set of AMCIL's interim accounts are available on the Company's website.

Holdings of Securities

As at 31 December 2022

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784 and posted to AMCIL's website: amcil.com.au).

Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units or stapled securities.

Code	Name	Principal Activity	Number Held 2022 '000	Market Value 2022 \$'000
AIA	Auckland International Airport	Owner and operator of New Zealand's largest airport. It operates through the following segments: aeronautical, retail and property	1,150	8,499
ALQ	ALS	Provider of analytical laboratory services to mining, life sciences, energy and industrial clients	491	6,005
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	258	6,621
ASX	ASX	Operator of Australia's largest securities exchange	55	3,731
BHP*	BHP	Diversified international resources company	432	19,555

Code	Name	Principal Activity	Number Held 2022 '000	Market Value 2022 \$'000
BMT	Beamtree Holdings	Healthcare company that provides clinical decision support software known as 'Rippledawn', which automates human decision-making processes in healthcare organisations	9,205	3,176
BRG	Breville Group	Manufacturer and wholesaler of electrical consumer products	262	4,811
CAR*	Carsales.com	Largest online automotive classifieds business in Australia. It also has interests in leading online automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Thailand and Mexico	461	9,521
CBA	Commonwealth Bank of Australia	Banking and wealth management services	78	8,034
COH*	Cochlear	Provider of implantable hearing solutions, operating throughout the Americas, Europe and Asia Pacific. Its products include cochlear, bone conduction and acoustic implants	20	4,029

Holdings of Securities

As at 31 December 2022 continued

Code	Name	Principal Activity	Number Held 2022 '000	Market Value 2022 \$'000
CSL*	CSL	Biopharmaceutical company that researches, develops, manufactures and markets products to treat and prevent serious human medical conditions	123	35,420
DMP	Domino's Pizza Enterprises	Largest international master franchise owner of the Domino's pizza brand with operations in Australia, Europe and Asia	92	6,065
EQT	EQT Holdings	Provider of private client, trustee, estate administration and funds management services	323	8,094
FCL	FINEOS Corporation	Global software company that provides software solutions to the life, accident and health insurance industry	2,619	3,994
FPH	Fisher & Paykel Healthcare Corporation	Designer, manufacturer and marketer of a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea	230	4,894
GMG	Goodman Group	Engages in the development, owning and management of industrial property and business space in Australia and overseas	653	11,336

Code	Name	Principal Activity	Number Held 2022 '000	Market Value 2022 \$'000
IRE	IRESS	Provider of share market and wealth management information systems	441	4,207
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	371	9,794
MAQ	Macquarie Telecom Group	Provider of voice and telecommunication services as well as data hosting and co-location services to businesses and government customers	161	9,597
MFT	Mainfreight (NZX listed)	Provider of managed warehousing and international and domestic freight forwarding services	277	17,431
#	Marketplacer (unlisted)	Software company that provides the technology and infrastructure needed to establish and maintain online marketplaces for retail and B2B customers	977	557
MQG	Macquarie Group	Diversified financial services business operating in banking, financial advisory, investment and funds management services	107	17,806

Holdings of Securities

As at 31 December 2022 continued

Code	Name	Principal Activity	Number Held 2022 '000	Market Value 2022 \$'000
NAN	Nanosonics	Engages in the research, development and commercialisation of infection control and decontamination products and related technologies	840	3,602
NWL	Netwealth Group	Diversified financial services company providing independent investment platform services to institutional, corporate and retail clients	560	6,774
PXA	PEXA Group	Australia's leading, fully integrated digital property settlements platform, allowing buyers and sellers to more efficiently settle the sale of a home	476	5,691
REA	REA Group	Leading digital media business focusing on online property portals in Australia and overseas	48	5,323
REH	Reece	Distributor and retailer of plumbing, building and hardware supplies	381	5,384
RMD	ResMed	Developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders	320	9,907

Code	Name	Principal Activity	Number Held 2022 '000	Market Value 2022 \$'000
STO	Santos	Australian energy company that engages in the exploration, development, transportation and marketing of natural gas	640	4,570
TCL	Transurban Group	Developer and operator of electronic toll roads in Australia and overseas	1,366	17,728
TPW	Temple & Webster	Operator of an online retailer of furniture and homewares. It provides lifestyle products from Australian and international designers	502	2,314
WBC*	Westpac Banking Corporation	Banking and wealth management services	603	14,065
WDS	Woodside Energy Group	Engages in the exploration, evaluation, development and production of hydrocarbon and oil and gas properties	68	2,411

Holdings of Securities

As at 31 December 2022 continued

Code	Name	Principal Activity	Number Held 2022 '000	Market Value 2022 \$'000
WES*	Wesfarmers	Diversified conglomerate with retailing operations in department stores, home improvement and office supplies. The group also operates businesses involved in coal mining, energy, chemicals, fertilisers, industrial and safety products	389	17,835
WOW	Woolworths Group	Operator of general merchandise consumer stores and supermarkets in Australia and New Zealand	354	11,863
Total				310,646

* Indicates that options were outstanding against part of the holding.

Major Transactions in the Investment Portfolio

Acquisitions	Cost (\$'000)
ALS	5,597
BHP	2,020
EQT Holdings (entitlement offer/placement)	1,534
Wesfarmers	1,513
Westpac Banking Group	1,501

Disposals	Proceeds (\$'000)
IRESS	7,737
Cochlear	3,701
Nanosonics	2,152
Temple & Webster	2,148
Macquarie Telecom Group	1,612

Complete disposal from the portfolio.

New Companies Added to the Portfolio

ALS

Company Particulars

AMCIL Limited (AMCIL)

ABN 57 073 990 735

Directors

Rupert Myer AO, Chairman
Mark Freeman, Managing Director
Jodie Auster
Roger Brown
Michael Hirst
Siobhan McKenna
Jonathan Webster AM

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@amcil.com.au
Website amcil.com.au

For enquiries regarding net asset backing
(as advised each month to the Australian
Securities Exchange):

Telephone 1800 780 784 (toll free)

Shareholder Information

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Shareholder

Enquiry Lines 1300 653 916
+61 3 9415 4224
(from overseas)

Facsimile +61 3 9473 2500

Website [investorcentre.com/au/
contact](http://investorcentre.com/au/contact)

For all enquiries relating to shareholdings, dividends and related matters, please contact the share registrar as above.

Securities Exchange Code

AMH Ordinary shares

Shareholder Meetings

Sydney Shareholder Meeting

Time 11.30am
Date Friday 17 March 2023
Venue Wesley Conference Centre
220 Pitt Street Sydney

Melbourne Shareholder Meeting

Time 11.30am
Date Monday 20 March 2023
Venue ZINC Federation Square
Swanston Street and
Flinders Street Melbourne

Perth Shareholder Meeting

Time 11.30am
Date Tuesday 21 March 2023
Venue Parmelia Hilton
14 Mill Street Perth

Adelaide Shareholder Meeting

Time 11.30am
Date Wednesday 22 March 2023
Venue Adelaide Convention Centre
North Terrace Adelaide

Brisbane Shareholder Meeting

Time 11.30am
Date Friday 24 March 2023
Venue Brisbane Convention Centre
and Exhibition Centre
Glenelg Street South Brisbane

Canberra Shareholder Meeting

Time 11.30am
Date Monday 27 March 2023
Venue QT Canberra
1 London Circuit Canberra

