



8 October 2024

The Manager  
ASX Market Announcements  
Australian Securities Exchange  
Exchange Centre  
Level 4  
20 Bridge Street  
Sydney NSW 2000

Amcil Limited  
ABN 57 073 990 735  
Level 21, 101 Collins St  
Melbourne VIC 3000  
T 03 9650 9911  
F 03 9650 9100  
[invest@amcil.com.au](mailto:invest@amcil.com.au)  
[amcil.com.au](http://amcil.com.au)

**Electronic Lodgement**

**AMCIL Limited  
2024 Annual General Meeting Presentation**

Dear Sir / Madam

The following presentation will be delivered to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully

A handwritten signature in grey ink, appearing to read 'M. Rowe'.

Matthew Rowe  
Company Secretary

Authorised for release by the Company Secretary

**Annual General Meeting  
- Presentation**  
October 2024



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# Agenda

Our Purpose and Approach

Mark Freeman

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Financial Year in Summary

Andrew Porter

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Equity Market Conditions

Mark Freeman

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Portfolio Performance and Activity

Mark Freeman, Jaye Guy and Gilbert Battistella

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Features of the AMCIL Portfolio

Mark Freeman

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Outlook

Mark Freeman

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## **Our Purpose and Approach**



# The Key Unique Benefits of an Investment in AMCIL

The key **unique benefits** of AMCIL are the combination of:

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Focused portfolio invested in quality companies where holding size is not determined by the index weighting

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## **Alignment of interests**

- ✓ Comparatively low management cost
  - ✓ No performance fees
  - ✓ Equity ownership by directors and staff
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Tax effectiveness from a low turnover, long term investment approach

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# A Closer Look at AMCIL's Investment Approach

## Attributes of a high-quality company that we seek:

- Unique assets that are hard to replicate or have an Industry leadership position (or developing one)
- Sustainability of competitive advantage
- Not unduly burdened by external risk factors
- Conservative balance sheets (low debt)
- Consistency of earnings
- Run by effective, passionate management with ownership alignment

## Why this matters:

- The presence of these factors drives a competitive advantage
- Which leads to high return on capital
- And allows for reinvestment opportunities to drive growth
- Which allows for market share capture – and further enhancement of leadership position
- Which combines to deliver long term shareholder value creation

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We seek to buy these companies when we identify long term value and reduce or exit when they no longer meet these characteristics.

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## Financial Year in Summary



# Financial Year in Summary



2024

Profit for  
the Year

\$7.5m

\$7.6 million  
in 2023

Total Fully  
Franked  
Dividend  
Per Share

2.5<sup>¢</sup> Final

0.5<sup>¢</sup> Special

4.0<sup>¢</sup>  
Total

5.0 cents total  
in 2023, including  
a 1.5 cent special  
dividend

2024

Total Portfolio  
Return

20.5%  
Including franking\*

S&P/ASX 200  
Accumulation Index  
including franking\*  
13.5%

Management  
Expense Ratio

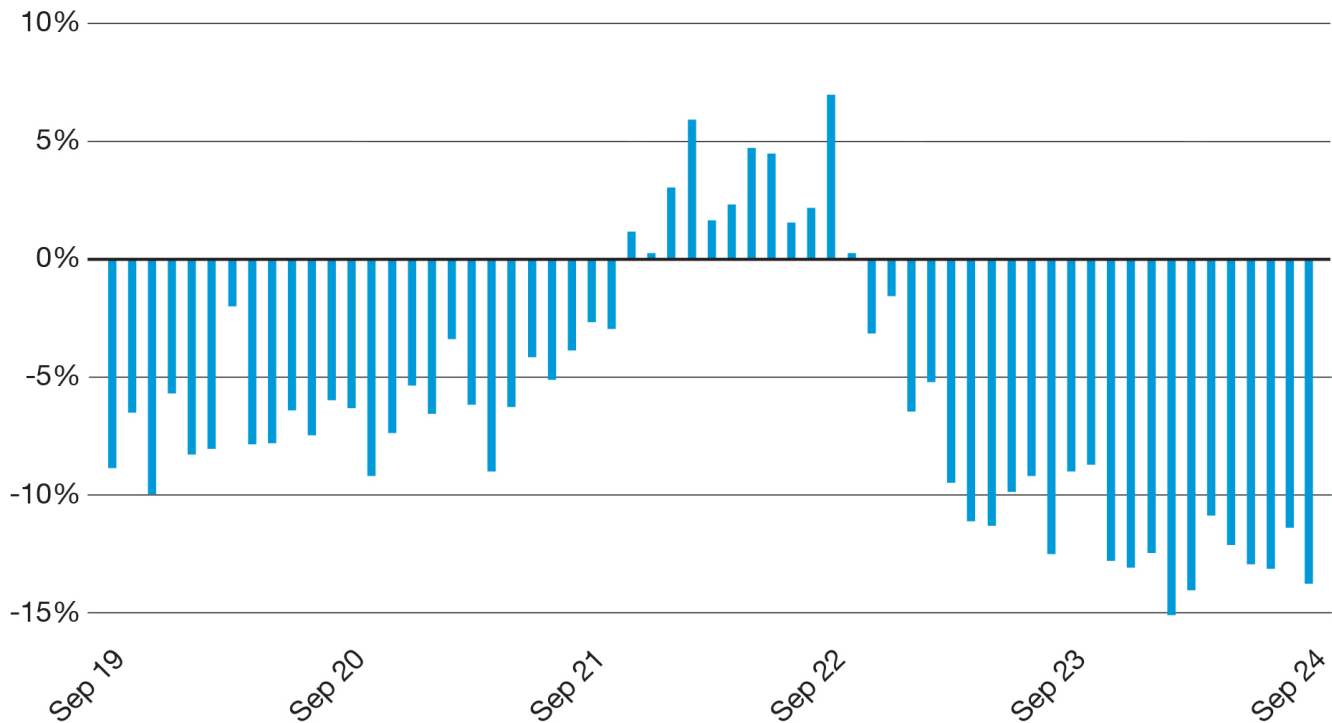
0.56%

0.66% in 2023

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

^Includes 1 cent interim dividend.

# Share Price Relative to Net Tangible Assets (NTA)



30 September 2024

NTA: **\$1.32**

Share price: **\$1.15**



## **Equity Market Conditions**

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Economic growth has been solid, reducing the risk of a recession, however there are now signs of softness in the broader economies.

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Consumer spending is slowing.

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Employment conditions remain reasonable.

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Central Banks shifting towards more neutral / easing bias as inflationary pressures soften.

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China has announced significant easing measures to stabilise market conditions.

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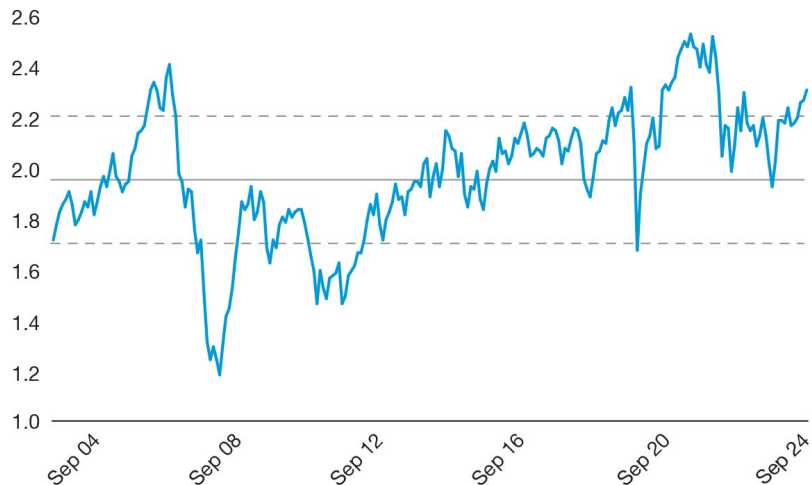
Equity markets look very fully valued.

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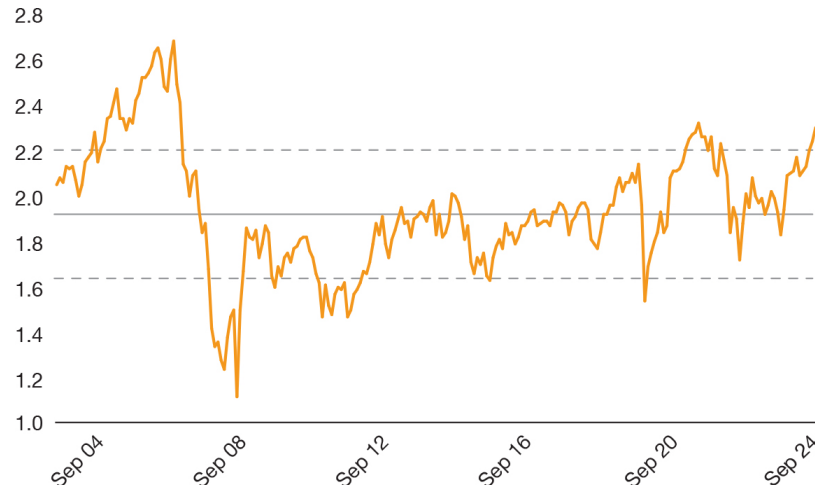
# Equity Market Valuations (Australia) – A Long Term Perspective



**S&P/ASX 200  
Price / Sales**



**S&P/ASX 200  
Price / Book**

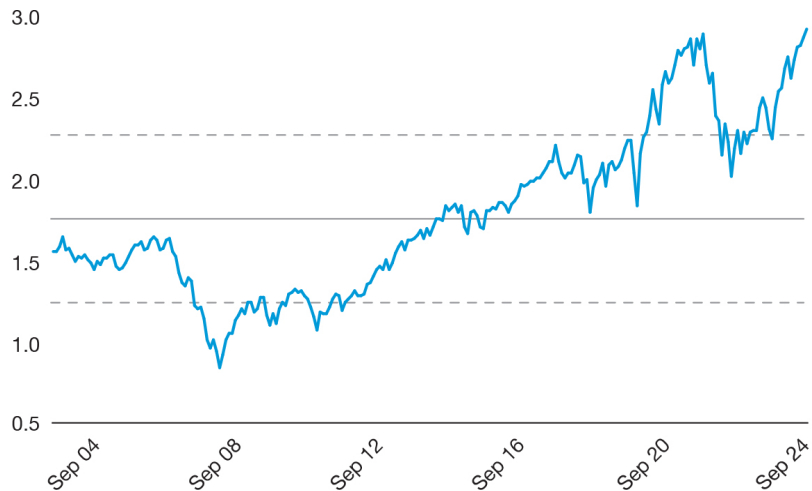


Source: FactSet

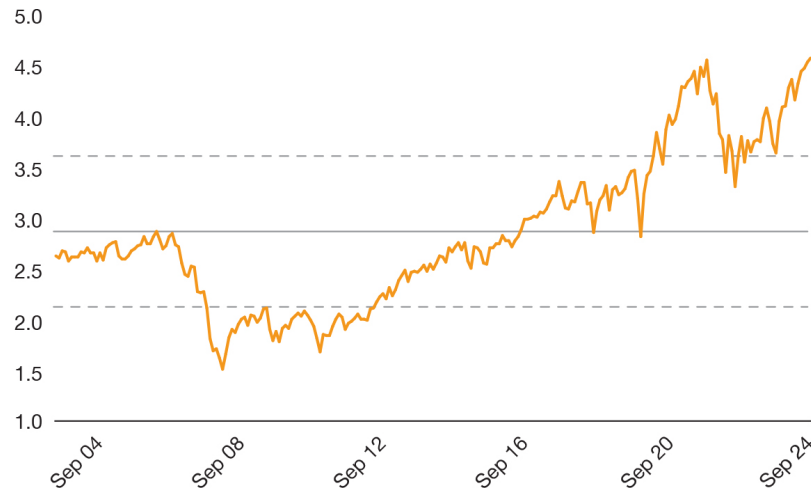


# Equity Market Valuations (United States) – A Long Term Perspective

**S&P 500  
Price / Sales**



**S&P 500  
Price / Book**

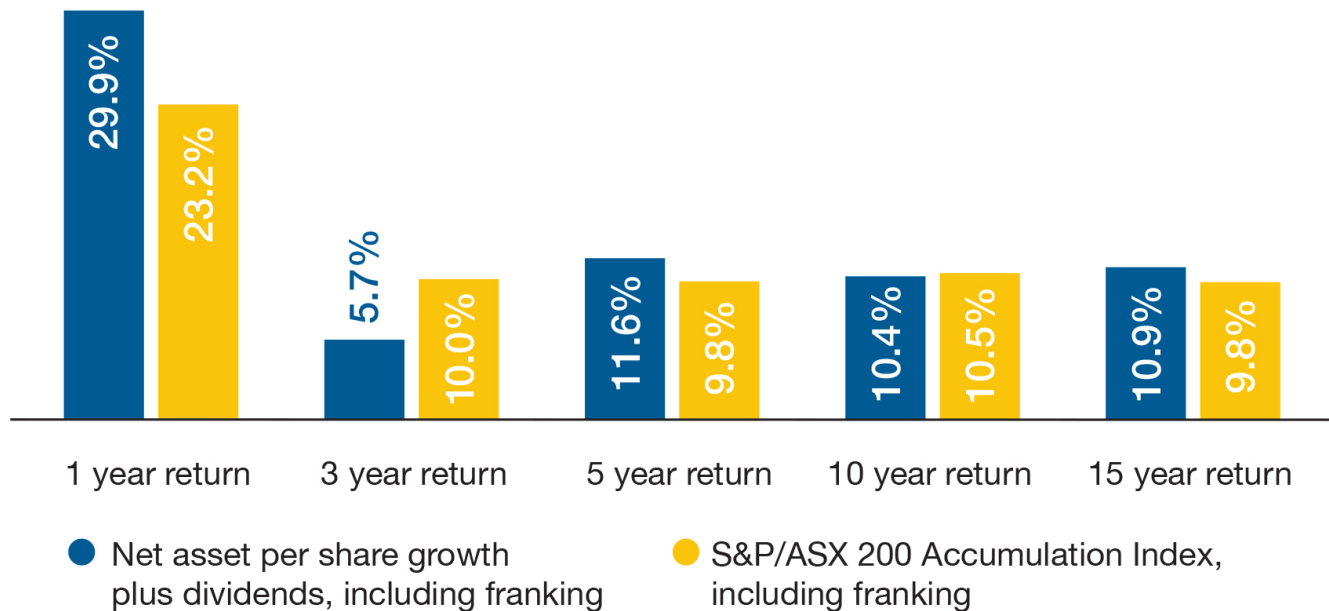


Source: FactSet

A person wearing a dark blue shirt is seated at a wooden desk. Their hands are visible; one hand is using a black calculator with orange buttons, and the other is typing on a silver laptop. A tablet with a bar chart is also on the desk. The background is a blurred office setting with windows.

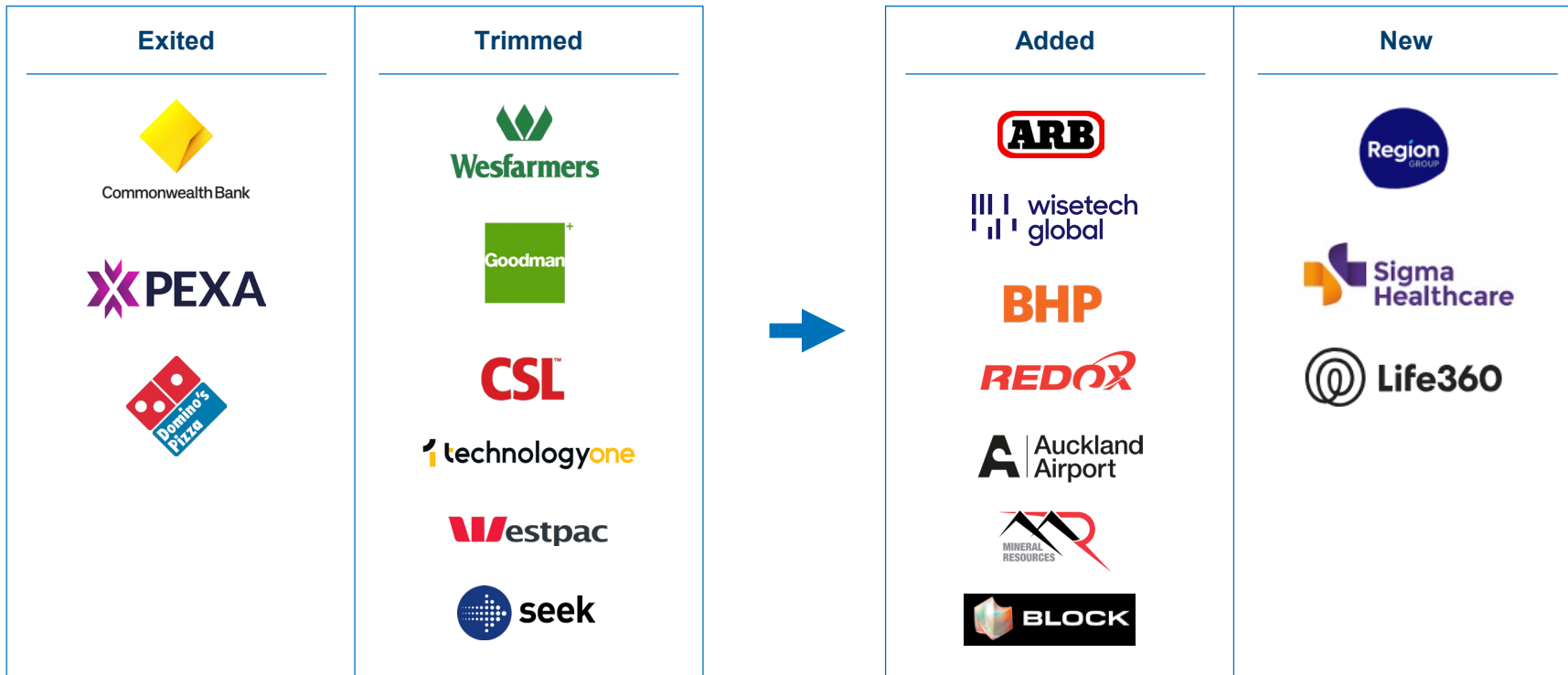
## **Portfolio Performance and Activity**

# Portfolio Performance – Per Annum Returns to 30 September 2024



Figures assume an investor can take full advantage of the franking credits.  
Past performance is not indicative of future performance.

# Recent Portfolio Activity\*



\* Financial year to date. Transactions greater than \$500,000.

# Our Investment Philosophy in Practice

Continue to invest in companies with Income and Quality Stalwart characteristics:



- ✓ New holding
- ✓ Portfolio of high-quality neighbourhood and regional shopping centres
- ✓ Solid balance sheet
- ✓ Earnings set to return to growth
- ✓ Attractive, growing yield

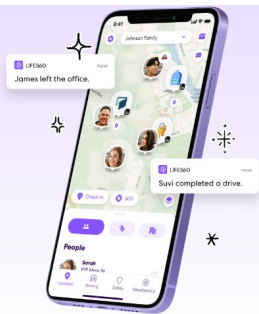


- ✓ Added to existing holding in discounted capital raise
- ✓ Difficult to replace infrastructure asset
- ✓ Freehold land enables precinct wide development
- ✓ Capacity for long term growth



# Our Investment Philosophy in Practice

Initiated small positions in companies with long-term growth potential and owner-driver characteristics:



- ✓ Significant and growing global user base
- ✓ Substantial monetisation opportunity
- ✓ Founder led business
- ✓ No debt



- ✓ Potential merger with (founder led) Chemist Warehouse could be transformational
- ✓ Combined company has large growth potential
- ✓ Subject to ACCC approval
- ✓ Attractive industry fundamentals

# Our Investment Philosophy in Practice

Trimmed (Wesfarmers) and exited (Commonwealth Bank) positions where we saw excessive valuation:



Price/Earnings Ratio (x)

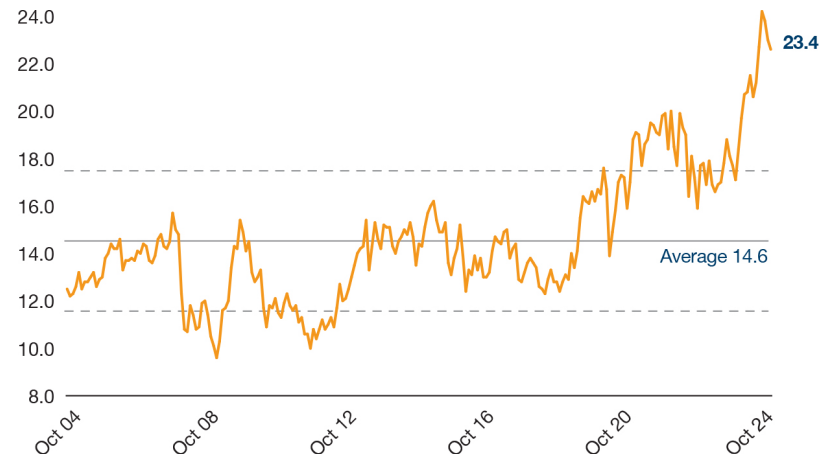


Source: FactSet



Commonwealth Bank











Price/Earnings Ratio (x)













An aerial photograph of a suburban neighborhood. The image shows several houses with varying roof colors (grey, brown, blue) and styles. There are green lawns, mature trees, and a paved road with a curved section. A white text box is overlaid on the left side of the image, containing the text "Features of the AMCIL Portfolio".

## Features of the AMCIL Portfolio

# AMCIL Top 20 Holdings

	Company	% of Portfolio	Ownership Period
1	 <b>CSL</b>	8.2%	13 yrs
2	 <b>MACQUARIE BANK</b>	6.0%	7 yrs
3	 <b>BHP</b>	5.1%	21 yrs
4	 <b>Goodman</b>	4.1%	7 yrs
5*	 <b>Wesfarmers</b>	4.7%	5 yrs
6	 <b>CAR Group</b>	4.1%	7 yrs
7*	 <b>macquarie TECHNOLOGY GROUP</b>	4.0%	5 yrs
8	 <b>Mandirect</b>	4.0%	9 yrs
9	 <b>ARB</b>	3.9%	14 yrs
10*	 <b>Transurban</b>	3.9%	15 yrs

	Company	% of Portfolio	Ownership Period
11*	 <b>James Hardie</b>	3.0%	13 yrs
12*	 <b>ResMed</b>	2.9%	5 yrs
13*	 <b>Westpac</b>	2.8%	3 yrs
14*	 <b>netwealth</b>	2.6%	3 yrs
15*	 <b>Equity Trustees</b>	2.5%	7 yrs
16	 <b>reece</b>	2.2%	7 yrs
17*	 <b>nab</b>	2.2%	2 yrs
18*	 <b>REA Group</b>	2.0%	5 yrs
19	 <b>gentrack</b>	1.9%	1 yr
20*	 <b>ALS</b>	1.9%	2 yrs

\* Note: have been held previously by AMCIL.



# Portfolio Well Positioned For The Future

AMCIL's portfolio is well placed to navigate a wide range of economic outcomes:

Growth					Stalwart	Income
						
						
						
						
						
						
						



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Earnings growth becoming more challenging.

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The ASX200 index trading at all time highs.

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Valuations appear full (against long term metrics).

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Shift in Central Bank policy settings (more neutral/easing) as inflationary pressures soften.

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The portfolio is well positioned to weather portfolio volatility with a focus on quality companies:



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Aligned management  
teams



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Earnings growth drives  
share prices in the long term



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Strong balance sheets  
creates resilience

