



ABN 52 126 450 271

18 November 2021

Chairman's AGM Address

On behalf of my fellow Directors, I am pleased to welcome you to this meeting, my ninth as Chairman, and to provide you with this address today.

Our Company recorded its highest ever profit result, driven by very strong investment performance. To recap the 2021 financial year results:

- Ozgrowth Limited recorded a net profit after tax of \$24.9 million;
- The gross portfolio performance returned 62.9% for the year. This figure is quoted before fees and taxes to allow comparison to broader equity market benchmarks;
- The portfolio's annualised return to end October 2021 on a similar basis since inception of our investment activities in 2008 stands at 12.2%, versus a comparative annualised return of 2.4% per annum for the Small Ordinaries Accumulation Index;
- We paid fully franked dividends of \$2.3 million in respect of the period, representing 0.65 cents fully franked per share; and
- Net assets of the Company closed at \$94.8 million, or 27.0 cents per share after tax.

Since inception in 2008, we have now returned 12 cents per share to shareholders by way of fully franked dividends, totalling \$44 million. With the addition of franking credits, this number grosses up to approximately \$63 million, or 17.2 cents per share. For FY2022, the Board has targeted a 0.7 cent per share fully franked dividend.

To date in FY2022, our investment portfolio has continued to perform well. As at 16 November 2021, I am pleased to report the Ozgrowth investment portfolio has increased by 28% since 30th June 2021. By way of comparison, the Small Ordinaries Accumulation Index has risen 6%.

Investment performance financial year to date has benefited from a high level of merger and acquisition activity. This has also been a factor in boosting cash levels of our investment portfolio. Our Investment Manager is wary of increasingly generous valuations being attributed to long-dated growth opportunities. This has prompted some selling down of related positions. As a result of these activities cash holdings have increased from 2% to 20% over the first four months of this financial year.

Last year at the AGM I talked about it being a period of 'cooler heads prevail', and in this past year we were rewarded as shareholders by our team keeping calm and focused on what we do; *finding the best in the west*. This year I am reminded of the Warren Buffett quote "Be fearful when others are greedy, and be greedy when others are fearful."

Finally, as always, I would like to encourage all shareholders to make use the numerous available channels to interact with our Company and the Investment Manager.

I would like to thank you again for your continued support and I look forward to providing further updates throughout the year.

Thank you.

Jay Hughes
Non-Executive Chairman