

# Investor Presentation

February 2016



**WESTOZ**  
INVESTMENT COMPANY LIMITED

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# Westoz Investment Company Limited Overview

- WIC is a specialist listed investment company
- Its portfolio is managed by Westoz Funds Management Pty Ltd
- The investment focus is to generate a consistent positive return over the medium term on its portfolio of assets
- The portfolio is focused on small to mid cap listed companies, generally with a connection to Western Australia
- It holds a concentrated portfolio of securities which may from time to time consist of large levels of cash
- It aims to benefit shareholders from share price appreciation based on growth in underlying asset values and dividend payouts

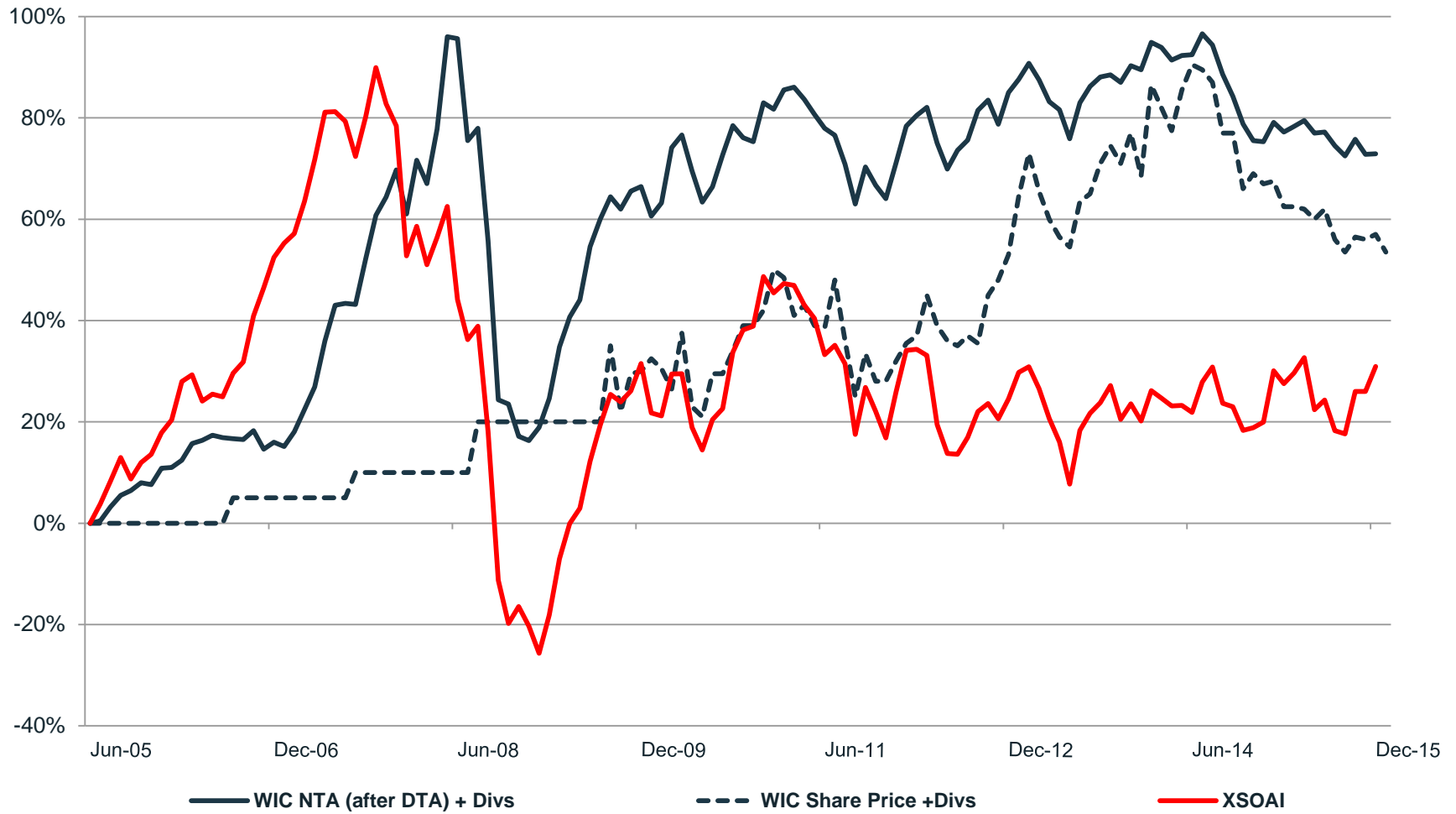
## Company Details, 31 January 2016

Last Price	\$0.815
Last Net Assets Per Share (includes DTA)	\$0.963
Shares on issue	129.2m
Options (\$1.05 strike, Aug 2016 expiry)	12.9m
Market Cap	\$105m
Net Asset Value (includes DTA)	\$124m

## Shareholders

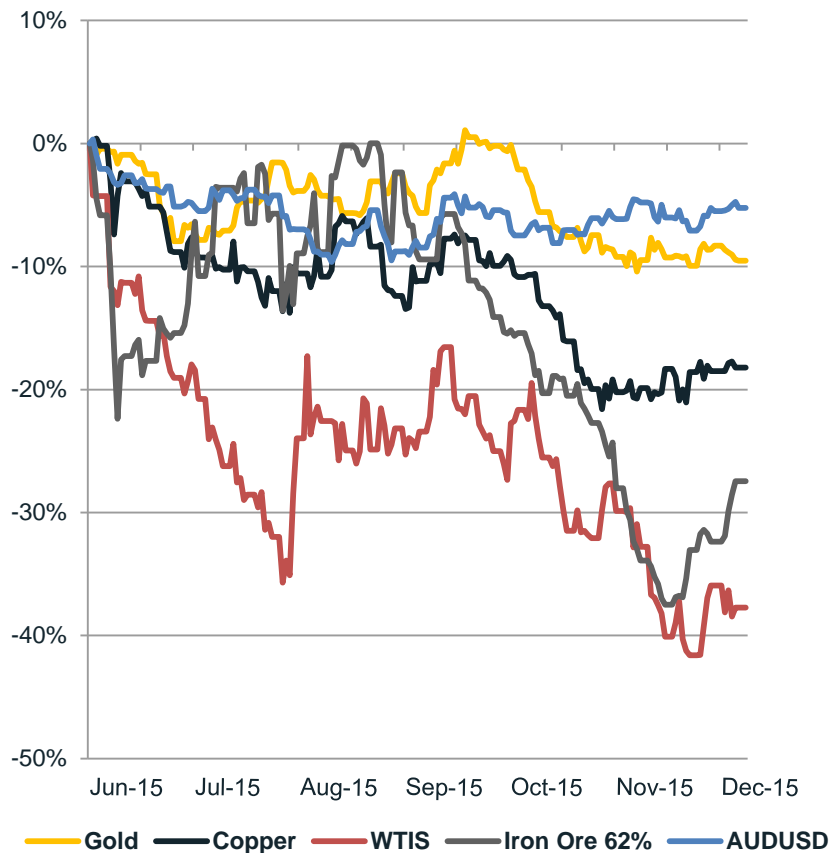
Euroz Limited	26%
Geoffrey Brown	7%
Wilson Asset Management	5%
Total number of shareholders	1,437

# Returns Since Inception

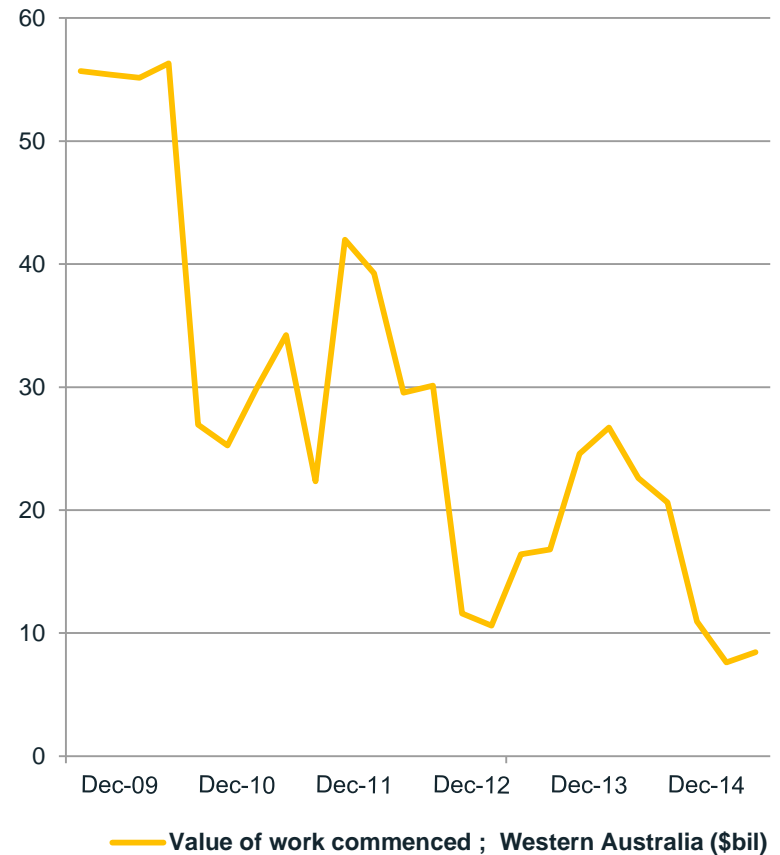


## Western Australia Remains Challenging:

Key commodities over the half...



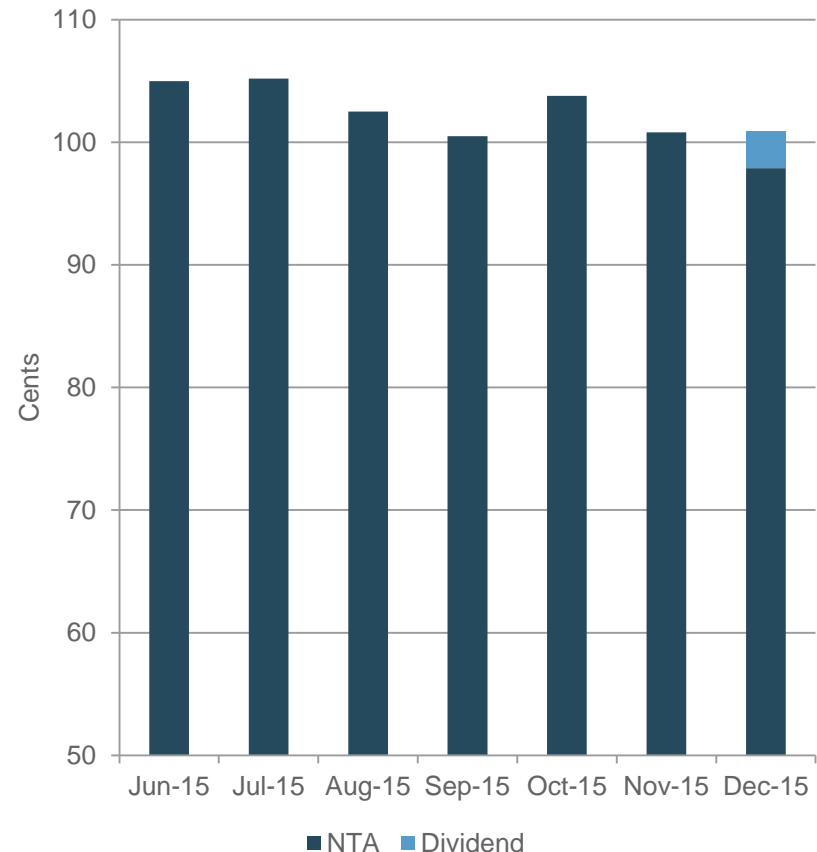
Construction activity since the 2009 peak...



# First Half 2016 Financial Year

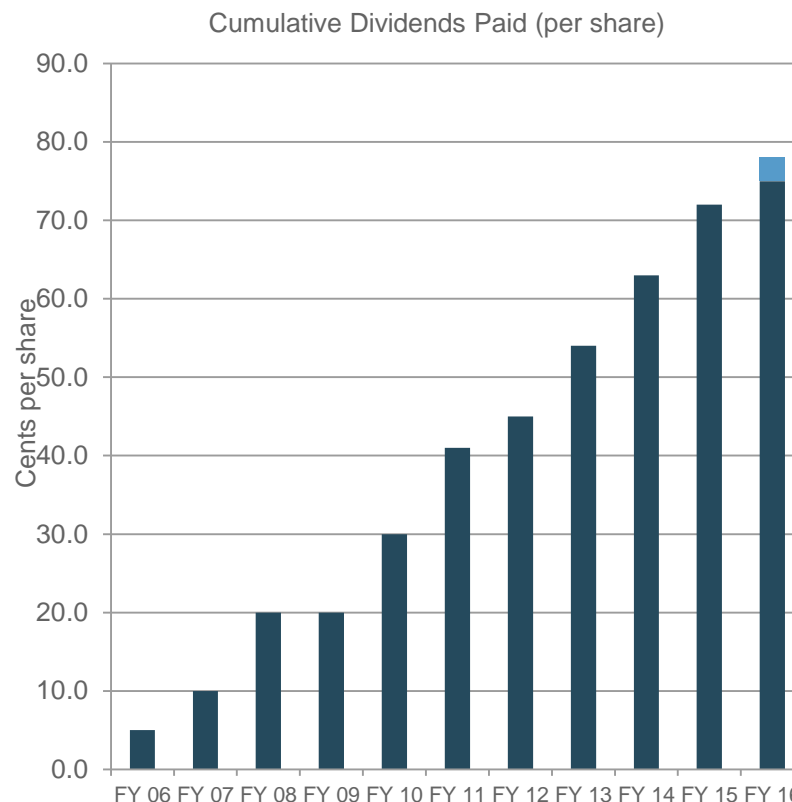
- Portfolio performance (pre fees and taxes) down 6.2% in December half
- After tax loss of \$5.3 mil
- Includes dividend income of \$3.0 mil
- Net tangible assets at year end \$126 mil, down from \$135 mil at start
- Net tangible assets include deferred tax assets of \$11.7 mil (\$4.8 from realised losses and \$6.9 from unrealised)
- On a per share basis, net assets (including deferred tax assets) fell from 105.0 cents to 97.9 cents after allowance for dividend.

Monthly NTA (after DTA) and Dividends



- Dividend Policy
  - Intend paying a consistent stream of dividends to investors
  - Will consider levels of realised profits, retained earnings and franking credits
  - Target 6.0 cents per share for FY 2016
- Bonus Option Issue
  - 1 option to acquire a new share at 105 cents for every 10 held
  - Exercisable at any time prior to 31 August 2016.
- Amendment to DRP
  - On market buyback component

## Dividend History Since inception



## Investment Decision considerations

- Bottom up focus, decisions made on a stock by stock basis
- Quality of Management paramount
- Potential to generate cash from operations or assets
- Balance sheets appropriately structured for delivery of equity returns
- Valuation parameters, predominately price/earnings

## Investment Environment

- Global equity market sentiment poor
- Tough operating environment for many West Australian focused companies
- Elevated small industrial valuations warrant caution
- Always pockets of opportunity, even in resources space



January Portfolio	
Cash	41.3%
Finbar Group Limited	7.1%
Cedar Woods Properties Limited	6.8%
Automotive Holdings Group Limited	6.4%
Mount Gibson Iron Limited	5.0%
Broadspectrum Limited	3.2%
Credit Corp Group Limited	2.9%
Western Areas Limited	2.9%
Programmed Maintenance Services Limited	2.6%
Villa World Limited	2.6%
McMillan Shakespeare Limited	2.5%
IMF Bentham Limited	2.2%
Short Positions	-1.5%
Other	16.0%
	100.0%

- Cash position elevated at 41% of assets; 33% at 30 June 2015
- Industrial proportion of fund steady at 44%.
- Reduction to property positions and resource focused industrials
- Several disclosed positions in East Coast industrials
- Resources investments currently represent 15% of fund
- Reduced exposure to overseas resource projects
- Increased exposure to domestic resources with strong balance sheets

# Thank you

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