

CHAIRMAN'S ADDRESS

101st Annual General Meeting of Shareholders

Tuesday, 13 August 2024

Welcome to Whitefield's 2024 Annual General Meeting.

2024 Results

Whitefield generated an Operating Profit after Tax of \$20,433,642 in its financial year ended 31st March 2024. This outcome equated to growth in underlying earnings per share of 10%.

This further year of strong income growth reflected a continuation of the post-COVID recovery in earnings of pandemic affected industries (such as insurance and property) as well as a more resilient Australian economy than many had expected.

Investments contributing to revenue growth for the year included the major trading banks, insurers IAG, and QBE, energy retailers AGL and Origin as well as Computershare, Helia Group, Super Retail Group, Carsales, Promedius and Flight Centre.

On the expense front, operating cost growth was contained to 2% for the year, while tax expenses rose slightly due to a higher proportion of unfranked income generated across the period.

The company's investment portfolio generated a strong outright return of 19.9% across the 12 months to March 2024, a result that was consistent with the rapid rally in the Australian equity market in the latter months of the year.

Whitefield's portfolio return over 10 years amounts to 8.0%pa and over 40 years 11.5%pa (this 40 year return being 1% per annum above the return of Whitefield's benchmark index).

Dividends

Whitefield declared and paid fully franked dividends of 10.25 cents per ordinary share for both the half year and full year, amounting to a total distribution of 20.5 cents across the 12 months.

In line with the company's objective of providing consistency of income flow to shareholders, Whitefield has maintained or increased its ordinary share dividend in every year since the start of the dividend imputation system in the late 1980s.

Whitefield is increasingly close to the point where it could consider further increases to its ordinary dividend, however shareholders should appreciate that any decision will be subject to the generation of a further leg of sustainable income growth from our investments and dependent on the economic and market conditions at the time.

Outlook

As we move into the later months of the 2024 calendar year, inflation, interest rates and consumer resilience are the most notable factors likely to influence the outlook for the Australian share market.

With the costs of raw materials and labour having risen, and in many cases continuing to rise, core inflation is likely to remain elevated for an extended period. Continued strong population growth will be both a source of economic growth and a contributor to inflationary pressure. At the same time, consumers are facing higher costs of goods, services and housing and this is being reflected in lower consumption volumes.

Central banks now face the contradictory task of balancing evidence of the softening consumer against the threat of rising inflation in forming their policy decisions on the level of official interest rates.

For investment markets - consumer weakness and cost pressures have some potential to constrain profits for some businesses – particularly on a short term basis. Over time however, the ability for companies to adequately cover their costs by lifting their own prices and for consumer well-being to improve as wages rise are offsetting factors that ultimately are favourable for economic activity.

Historically it has been important for investors to have exposure to assets whose earnings and value respond favourably to inflation. This can be seen in the longer term performance of the Australian share asset class over inflationary periods in the past such as the 1970s-1990's era.

Whitefield provides investors with a convenient way for investors to obtain that exposure and to benefit from the longer term growth of the Australian industrial economy.

The company looks forward to reporting to shareholders on its results as we progress through the 2025 financial year.

Angus Gluskie

Chairman