



# Annual General Meeting Presentation

FINANCIAL YEAR ENDED 30 JUNE 2023

**24 OCTOBER** | 2023

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# CVC LIMITED

1 July 2022 – 30 June 2023



CVC Limited is an  
ASX listed investment  
company with a focus on  
deploying  
capital into real estate  
opportunities



# Annual General Meeting Agenda

24 October 2023

1. Chairman's Introduction

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2. Formal Business of the Meeting

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3. CEO's Presentation

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4. Questions

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# CVC – BOARD OF DIRECTORS

1 July 2022 – 30 June 2023



**Craig  
Treasure**  
*Executive  
Chairman*

Craig has over 35 years' experience in business and property development both in publicly listed and private entities, and brings with him a wealth of knowledge and industry connections within the property sector.

Craig was CEO and Managing Director of ASX listed Villa World Limited (ASX: VLW) until it was acquired and delisted in late 2019.

Craig provides strategic input to the business along with Board leadership, whilst working closely with the executive group developing our people and corporate culture. From a property perspective he provides an experienced overview of the transactions being undertaken by the company.



**Mark  
Avery**  
*Managing  
Director*

Mark is an experienced property executive with more than 20 years of experience gained across private and listed property development and investment groups.

Mark joined CVC in 2010 and has been responsible for the real estate investments since that time. In 2019 he became CEO and Managing Director.

Mark holds bachelor degrees in Commerce and Planning & Design from the University of Melbourne and a Masters of Business Administration from AGSM.



**John  
Leaver**  
*Executive  
Director*

John founded CVC over 30 years ago and has been a key contributor to its strategy and operations since that time.

He served as Managing Director from 1984 to 2001 and is currently an executive of the business.

John has previously been a Director of Sunland Group Limited (ASX: SDG) and multiple other private and public entities.



**Ian  
Campbell**  
*Independent  
Director*

Ian brings to CVC 30 years of experience as a former partner with Ernst and Young and predecessor firms, principally working with entrepreneurial companies in preparing them for growth, sale and the capital markets.

Ian is currently a Non-Executive Chairman of Kip McGrath Education Centres Limited (ASX:KME) and a Non-Executive Chairman of Redox Limited (ASX:RDX).

Ian's previous Non-Executive Director roles include Gloria Jeans Coffees International Pty Limited, Young Achievement Australia Limited and Green's Foods Holdings Pty Limited.

# Business of Meeting



# PROXY VOTES



## Resolution 1 – Adoption of Remuneration Report

For	Against	Abstain	Discretion	Excluded	Total
13,363,036 93.92%	41,013 0.29%	- N/A	824,486 5.79%	41,693,200 N/A	116,824,094

## Resolution 2 – Election of Mr Craig Treasure as a Director of the Company

For	Against	Abstain	Discretion	Excluded	Total
55,014,749 98.51%	5,000 0.01%	- N/A	824,486 1.48%	N/A	116,824,094

## Resolution 3 – Approval of on-market buyback

For	Against	Abstain	Discretion	Excluded	Total
54,997,081 98.48%	22,668 0.04%	- N/A	824,486 1.48%	N/A	116,824,094



# CVC Results Summary

1 July 2022 – 30 June 2023





# CVC LIMITED – FY 2023 RESULTS

1 July 2022 – 30 June 2023

- Net profit after tax of \$13.9m (2022: \$12.9m)
- Net profit after tax attributable to shareholders \$13.4m (2022: \$6.1m)
- Total fully franked dividends paid relating to the period of 9 cents per share (including final dividend paid on 18 August 2023)
- Net Assets per share \$1.55 as at 30 June 2023 excluding non statutory uplift in asset values estimated at \$1.03 per share as a result of independent valuations of property assets classified as inventory
- Corporate note at end of the period \$29.9m (2022: \$48.9m)
- Cash and equivalents at the end of period totalled \$51.2m (2022: \$26.4m)

SEGMENT CONTRIBUTION	2023 \$(m)	2022 \$(m)
Property Investments	24.7	27.4
Non Property Investments	5.8	1.2
Convertible Note / Note interest	(4.4)	(2.9)
Unallocated overhead expenses	(6.8)	(10.5)
Tax effect	(5.4)	(2.3)
<b>Net Profit After Tax</b>	<b>13.9</b>	<b>12.9</b>
<b>Net Profit Attributable to Shareholders</b>	<b>13.4</b>	<b>6.1</b>



# OVERVIEW OF CVC PORTFOLIO – 30 JUNE 2023



Property Investments	<b>Direct Property</b> <ul style="list-style-type: none"> <li>Relates to direct exposure, including in ordinary equity, preference equity, joint ventures and options to acquire an interest in direct property subject to planning outcome</li> <li>Significant uplift has been observed in portfolio via independent third party valuations, yet to flow through to balance sheet due to accounting standards</li> </ul>	72%	81%
	<b>Property Backed Lending</b> <ul style="list-style-type: none"> <li>Comprises loans backed by underlying property assets with registered positions and additional corporate security and personal guarantees</li> <li>CVC exposure to this segment reduced to \$44.1m (2022: \$79.6)</li> <li>Current portfolio of loans includes positions in property located in Victoria and Queensland</li> </ul>	9%	
Other Investments	<b>Non-Property Investments</b> <ul style="list-style-type: none"> <li>Comprises listed investments, unlisted investments and secured lending opportunities that are non-property related</li> <li>Anticipated to remain only a small part of the overall CVC investment portfolio</li> </ul>		8%
Other	<b>Cash</b> <ul style="list-style-type: none"> <li>\$51.2m of cash and cash equivalents</li> </ul>		11%

*All values are based on underlying market values rather than statutory values.*

# CVC – SIGNIFICANT OUTCOMES

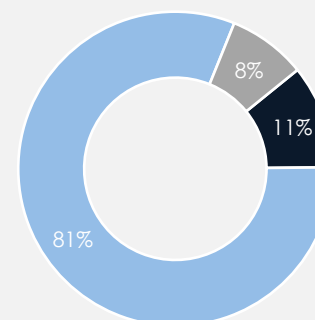
1 July 2022 – 30 June 2023

## Status of Business

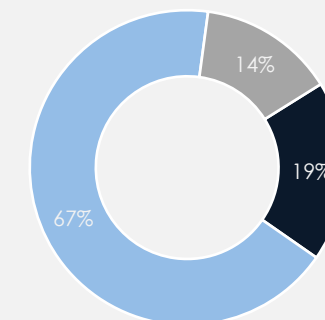
- Capital Management
  - Over \$228m in capital raised, refinanced or repaid from investments during the period
  - New corporate note raised in challenging market
  - Closing cash and forecast capital inflows have business in strong position to execute on current portfolio of investments as well as assess new opportunities
- Reduction in number of investments
  - Continued focus on portfolio rationalisation and increased concentration in investments
  - Focus on business to progress existing property investments and seek out select future high conviction opportunities in this segment
- Significant Investments
  - CVC and its JV partners executed the call option to purchase the Liverpool property with \$32m in deposits now paid. Settlement in 2027 at a contract price of \$165m
  - Donnybrook project settlements have commenced. Significant industrial asset remains to be developed or divested.
  - Marsden Park still delayed and awaiting State Government direction

Segment Investment Allocation	2023 Adjusted %	2023 Statutory %	2022 Statutory %
Property Investment	38.4	67.1	77.9
Unrecognised Valuation Impact of Property Investments	42.7	-	-
Non-Property Investments	8.1	14.1	12.4
Cash and Deposits	10.8	18.8	9.7
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

FY 2023 Adjusted



FY 2023 Statutory



Non-Property Investments   Direct Property   Cash & Deposits





# CVC Events Subsequent

1 July 2023 – 24 October 2023



1 July 2023 – 24 October 2023

In FY2024 the business has identified and invested in two new projects in Victoria

## Officer South

- CVC has deployed capital to support the purchase of 2 parcels of land in the Officer South Employment PSP
- The land is identified as future Industrial land and totals approximately 22Ha
- In partnership with a private developer, the contracts have five year settlement terms, in which time the rezoning of the precinct is anticipated to be completed (Victorian Planning Authority current timetable assumes submitted for final approval by Minister in Late 2024)
- Investment structure will see CVC commit approximately \$19m in funding at a coupon rate of 15%p.a. and equity ownership of 70% of the project

- CVC has partnered with Wilmac Property Group to purchase approximately 8Ha of land in the emerging greenfield suburb of Clyde North in Melbourne's south east
- CVC is a 40% equity participant to this project, committing approximately \$6.7m in capital
- The site is approved for a variety of uses and the business plan is to subdivide and either sell or develop individual allotments
- Settlement of the site will occur in December 2023 and the project is anticipated to occur over a 2-3 year time period





# CVC Outlook

1 July 2023 – 30 June 2024





# OUTLOOK – OBJECTIVES

1 July 2023 – 30 June 2024

CVC has sought an array of investments in property across New South Wales, Queensland and Victoria

We are most focused on unlocking and optimising the significant value which exists in our investment portfolio which comprises some potentially city shaping projects

Objectives	Status
<b>Direct Property Investment</b> <ul style="list-style-type: none"><li>• Maximise value from Donnybrook industrial land. This may include a divestment or the progression of the development</li><li>• Advance planning of Liverpool project with Department of Planning and Environment and Liverpool City Council. Objective to be on exhibition by end of FY 2024.</li><li>• Receive meaningful position from Department of Planning and Environment on Marsden Park North planning</li><li>• Progress initial development works at Burleigh Waters site and progress commercial outcomes on subdivided land</li><li>• Complete development of Harpley Neighbourhood Retail Centre by end of FY 2024</li></ul>	<ul style="list-style-type: none"><li>• Ongoing with strategy to be resolved by Q3 FY2024</li><li>• On Target</li><li>• Expecting direction prior to end of Q2 FY2024</li><li>• Works Commenced</li><li>• On Target</li></ul>
<b>Property Backed Lending</b> <ul style="list-style-type: none"><li>• Seek out attractive risk positions that meet investment hurdle returns</li></ul>	<ul style="list-style-type: none"><li>• Focus has been on direct property investment opportunities, limited new investment in this area in FY2024 to date</li></ul>
<b>Non-Property Investments</b> <ul style="list-style-type: none"><li>• Progress the exit of non core holdings and support higher conviction investee businesses</li></ul>	<ul style="list-style-type: none"><li>• Continued evaluation of divestment opportunities in this segment, no material movement in FY2024</li></ul>
<b>Capital Management</b> <ul style="list-style-type: none"><li>• Manage balance sheet to ensure existing portfolio can be optimised in a capital constrained market</li></ul>	<ul style="list-style-type: none"><li>• Heavy focus of Board and Management to ensure meaningful cash is returned to balance sheet for future commitments</li></ul>

# OUTLOOK – STRATEGY AND FOCUS

1 July 2023 – 30 June 2024

## Investment Activity

- Given the high focus on cashflow management and ensuring a robust liquidity position, the Board considers it is unlikely that new investment opportunities will be undertaken in the balance of the financial year
- The Board is also of the opinion that optimisation of the current investment positions should remain the core activity of the business and management

## Forecast Performance

- The composition of the investment portfolio of CVC does not allow meaningful performance forecasting
- The Board is however confident that the assets held on balance sheet have a strong prospect of value growth over the short and medium term which will drive profits and capital growth

## Capital Management

- Future dividends and share buy backs will be considered with perspective given to capital requirements, business performance and realisation events of investments





## Contact Details

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