



BKI Investment Company Limited

Results for the Full Year 2022

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All periods referenced are to 30 June 2022, unless otherwise stated.

Investors should consult their financial adviser in relation to any material within this document.

2022 Full Year Results

For the year ended 30 June 2022

Result <u>excluding</u> special investment revenue	FY2022	FY2021	Movement
Ordinary revenue from Investment Portfolio	\$62.6m	\$39.7m	58%
Total Revenue - Ordinary	\$63.4m	\$40.2m	58%
Operating result after tax	\$58.1m	\$35.7m	63%
Earnings per share	7.84c	4.83c	62%
Final Ordinary Dividend per share	3.65c	3.00c	22%

Result <u>including</u> special investment revenue	FY2022	FY2021	Movement
Net profit after tax	\$100.8m	\$36.6m	175%
Earnings per share	13.60c	4.97c	173%
Final Special Dividend per share	1.00c	0.00c	100%

Total Dividends	FY2022	FY2021	Movement
Total FY2022 Dividends	8.65c	5.00c	73%

2022 Full Year Results

For the full year ended 30 June 2022

Investment Portfolio Revenue

\$62.2m

Up 58%

Operating Result After Tax

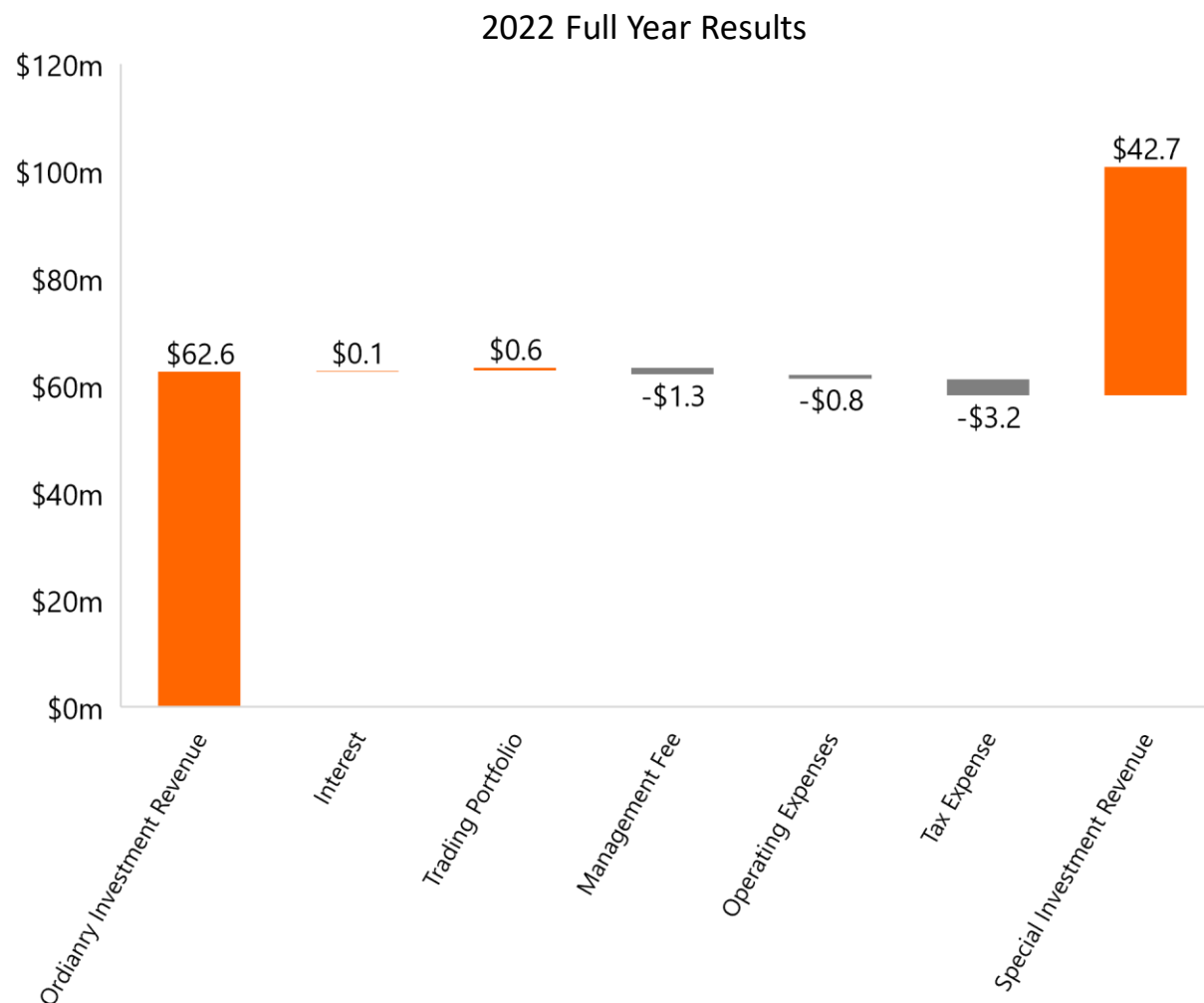
\$58.1m

Up 63%

Net Profit After Tax*

\$100.8m

Up 175%



Ongoing Dividend Improvement

BKI's Top 10 increases in dividend income year on year.

	Company Name	\$ Increase	% Change	% of Total Portfolio	FY23e Dividend Yield
1	BHP Group*	\$7,776,029	180%	8.8%	9.5%
2	New Hope Group	\$4,273,814	825%	3.6%	23.2%
3	Rio Tinto Limited*	\$3,064,607	270%	2.5%	9.7%
4	Woodside Energy*	\$1,595,062	263%	4.3%	8.7%
5	National Australia Bank	\$1,357,687	63%	5.5%	5.9%
6	Macquarie Group	\$995,877	32%	8.7%	4.0%
7	Commonwealth Bank	\$888,267	31%	6.7%	4.5%
8	Pendal Group*	\$888,033	208%	1.0%	9.6%
9	Suncorp Limited	\$744,793	217%	1.4%	6.5%
10	APA Group*	\$685,508	17%	8.0%	4.9%

Special Dividend Income

BKI received a significant amount of Special Dividend income over FY2022.

	Company Name	\$ Special Dividend	Commentary
1	Commonwealth Bank	\$15,102,761	Participation in the Off-Market Buyback
2	BHP Group	\$14,196,978	Non-Cash In-specie distribution of WDS shares
3	Woolworths Limited	\$8,105,466	Participation in the Off-Market Buyback
4	New Hope Group	\$1,683,624	Interim Special Dividend
5	Metcash Limited	\$1,124,842	Participation in the Off-Market Buyback
6	Rio Tinto Limited	\$992,498	Interim and Final Special Dividends
7	Milton Corporation	\$778,347	Special Dividend following WHSP/MLT Merger
8	Telstra Corporation	\$426,223	Interim and Final Special Dividends
9	Smartgroup	\$180,000	Final Special Dividend
10	Suncorp Group	\$122,513	Final Special Dividend

Fully Franked Final and Special Dividends

Final Ordinary Dividend

3.65cps

Up 22%

Final Special Dividend

1.00cps

Up 100%

FY22 Total Dividends

8.65cps

Up 73%

Dividend Key Dates

Last trading date to be eligible for the dividends	Monday 8 August 2022
Ex-dividend date	Tuesday 9 August 2022
Record date	Wednesday 10 August 2022
DRP nomination	Thursday 11 August 2022
Dividend payment date	Tuesday 30 August 2022

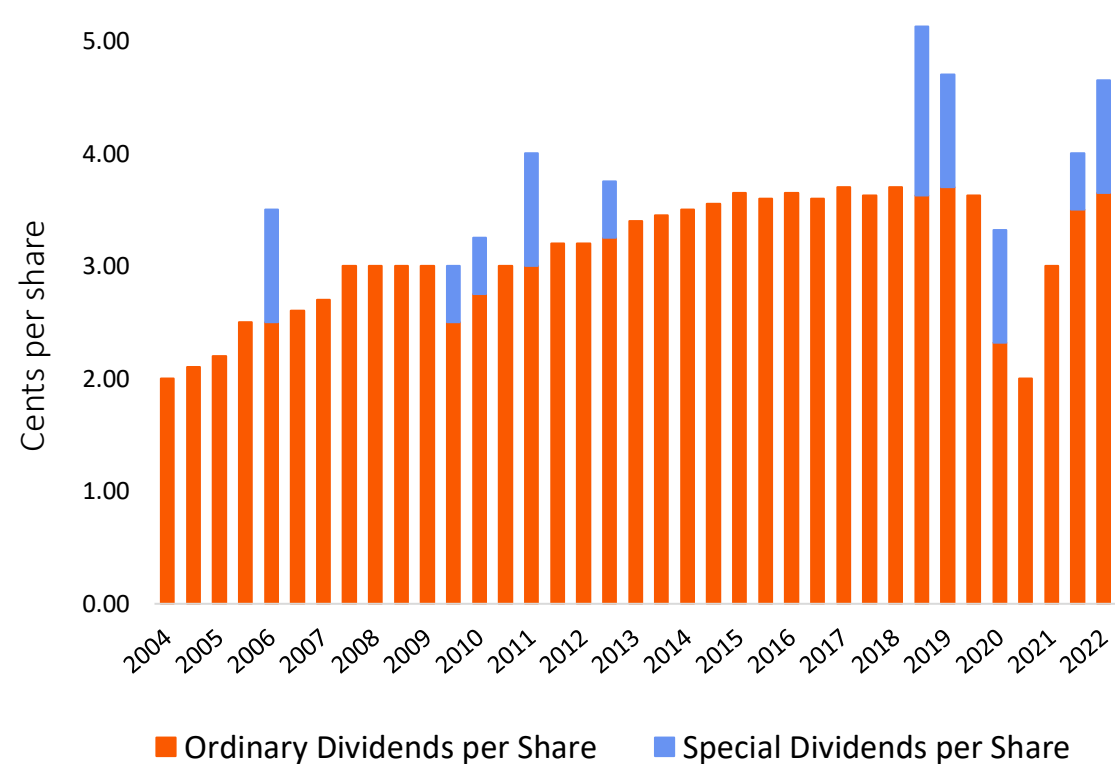
*BKI's DRP offers shareholders the opportunity to acquire further ordinary shares in BKI.
The DRP will not be offered at a discount.*

To obtain access to a DRP form please use the link below:
bkilimited.com.au/dividend-information/

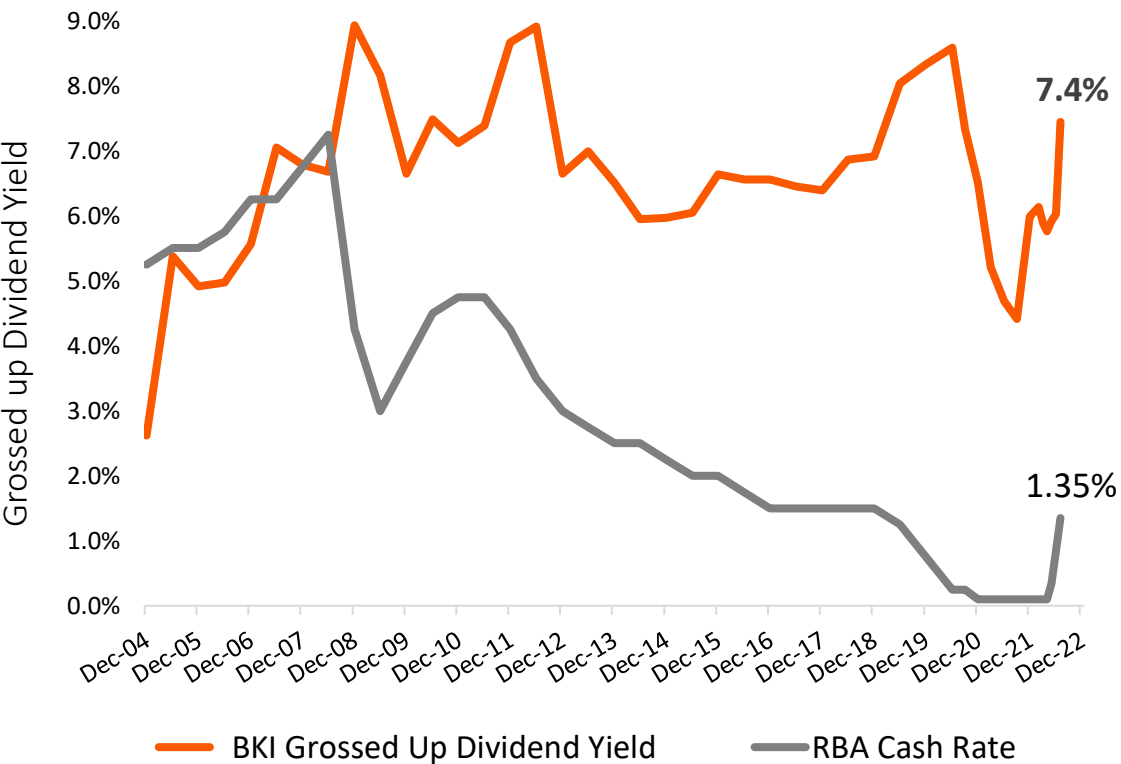
Strong History of Dividend and Yield



BKI has a strong history of paying fully franked dividends and offering an attractive yield.



BKI has paid out \$1.23 per share, or over \$878m in dividends and franking credits to shareholders since listing in 2003[#]



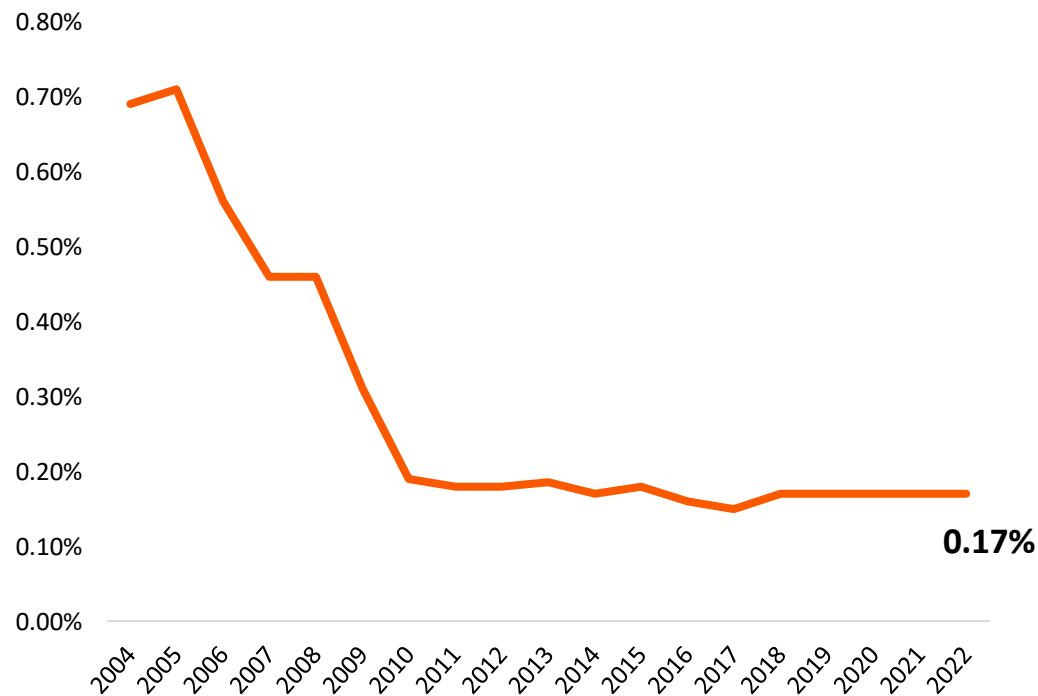
The current BKI grossed up dividend yield is 7.4%*, based on the 4.00cps FY2022 Interim dividends, and the 3.65cps FY2022 Final dividend and 1.00cps Final Special Dividend.

Note: *Grossed up yield includes franking credits and is based on a tax rate of 30% and the share price of \$1.66 as at 30 June 2022. # Includes FY2022 Final Dividends.

Competitive Fee and Compounding Returns

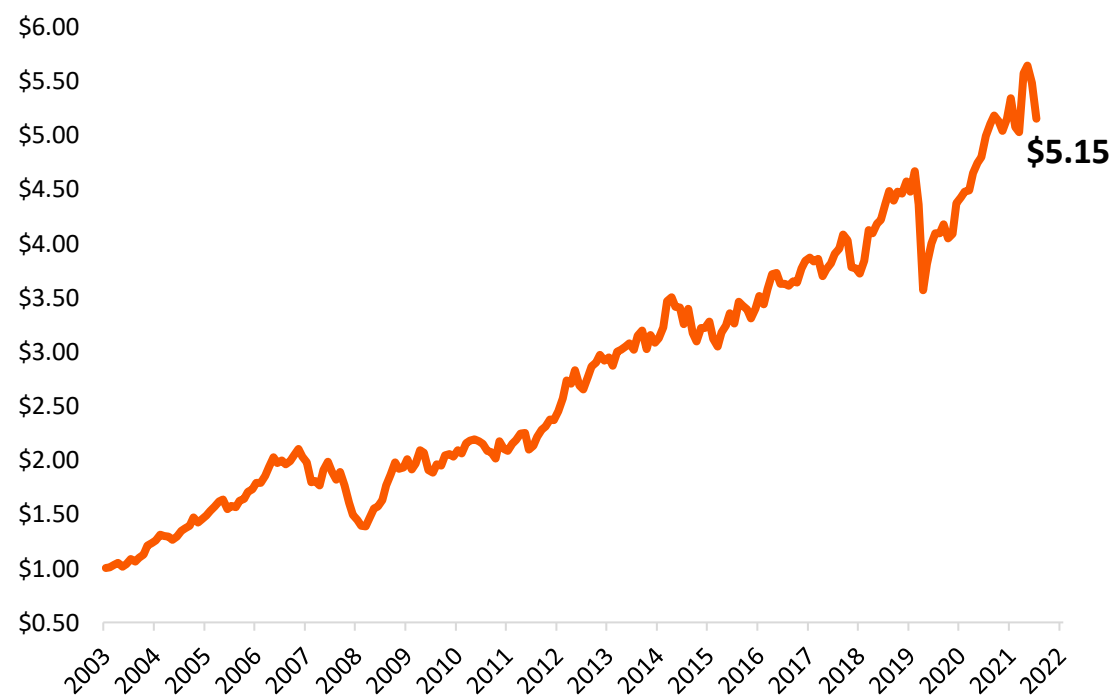


BKI has an investor focused approach. Higher fees don't automatically translate into better returns.



History of BKI's Management Expense Ratio (MER)

We know that small fees have positive impacts on investor returns. BKI offers a very competitive fee structure, with a Management Expense Ratio of 0.17%.



Cumulative Share Price Returns

Assuming all dividends were reinvested and using the benefit of franking credits, the cumulative share price of BKI shares is currently \$5.15 per share as at 30 June 2022.

Rating and Research Update



BKI has maintained its Lonsec Rating of “Recommended”.



BKI has maintained its IIR Rating of “Recommended Plus”.



BKI is currently Ord Minnett’s “Preferred Traditional LIC”



BKI Investment Company Limited

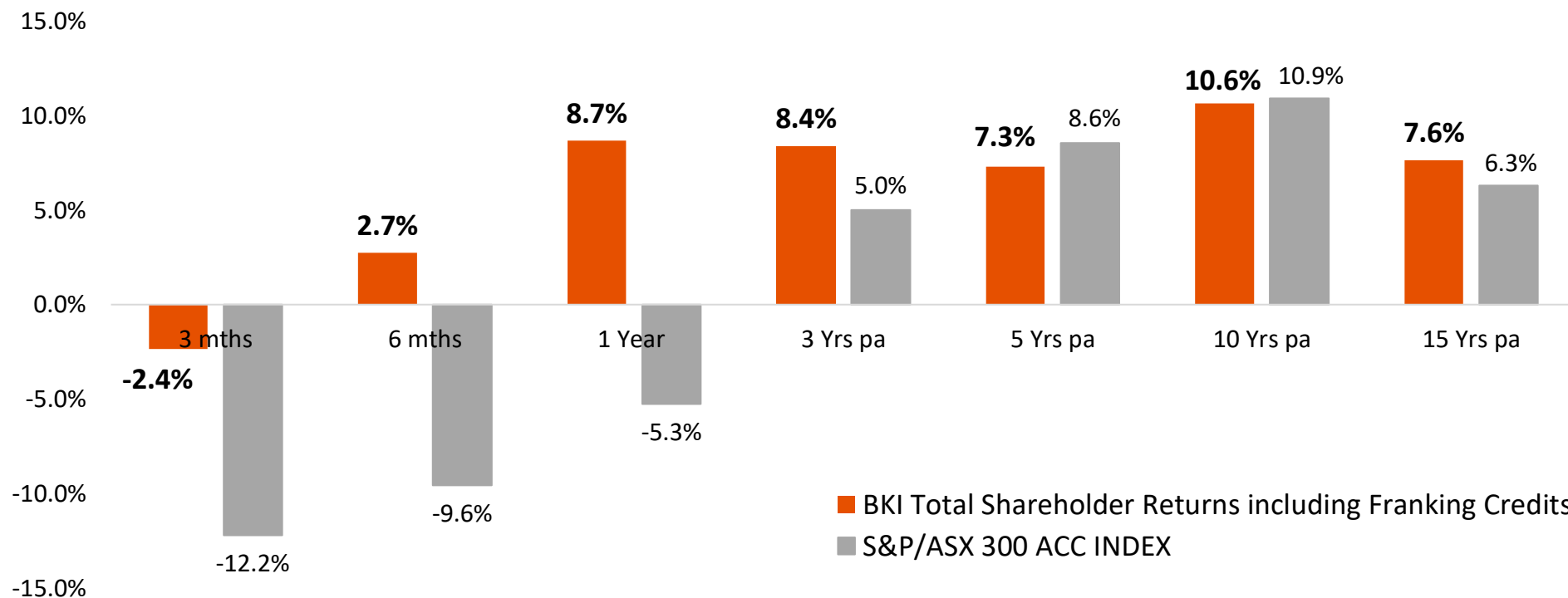
Performance

Total Shareholder Return

As at 30 June 2022

BKI's Total Shareholder Return, including franking credits, was positive 8.7% for the year. Outperforming the S&P/ASX 300 Accumulation Index, franked at 80%, by 14.0%.

BKI's Net Portfolio Return* for the year was positive 1.5%.

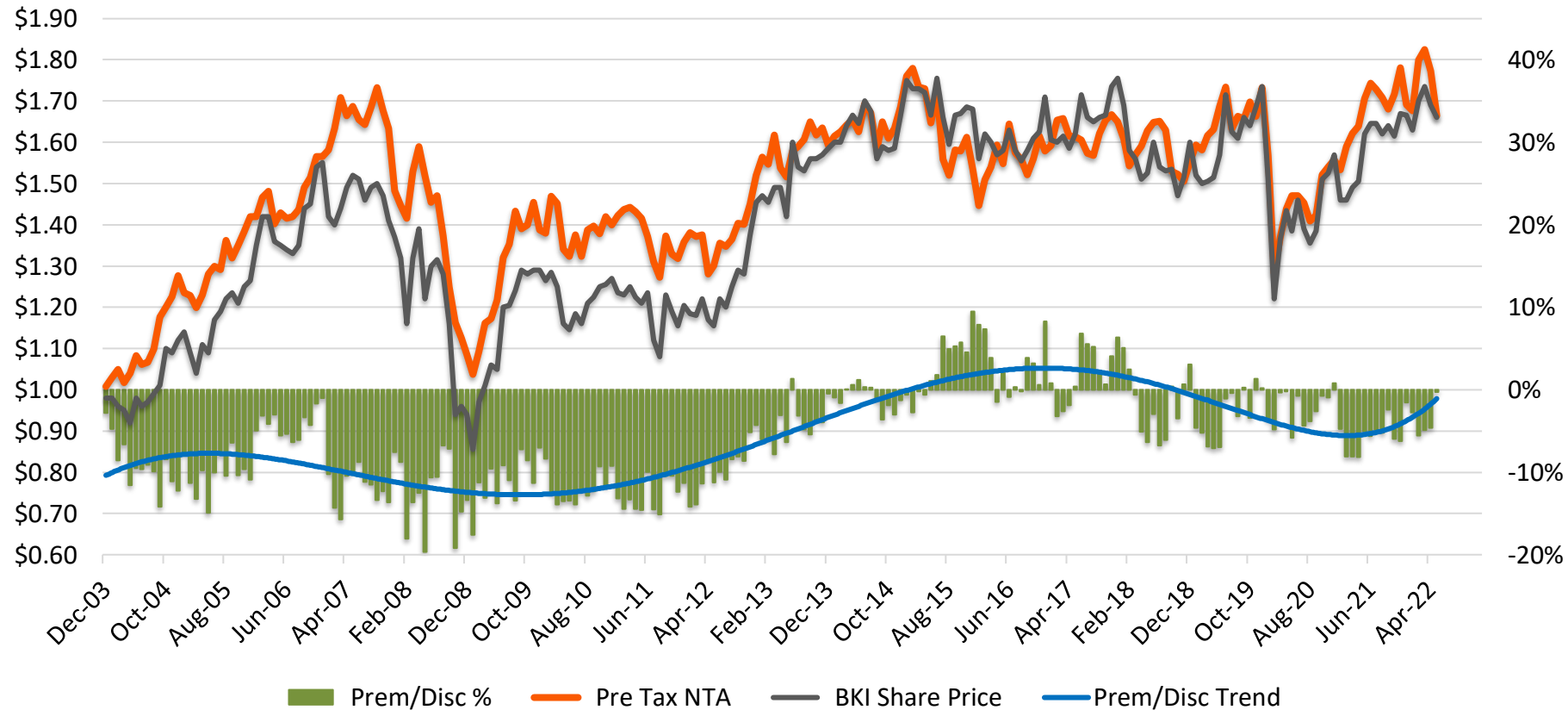


Premium/Discount to NTA

As at 30 June 2022

BKI's Pre-Tax Net Tangible Assets as at 30 June 2022 was \$1.66.

BKI has closed the discount to NTA to 0%





BKI Investment Company Limited

BKI Portfolio Discussion

Portfolio Positioning - Purchases / Disposals

As at 30 June 2022

Purchases Add



Purchases New



Disposals Reduce

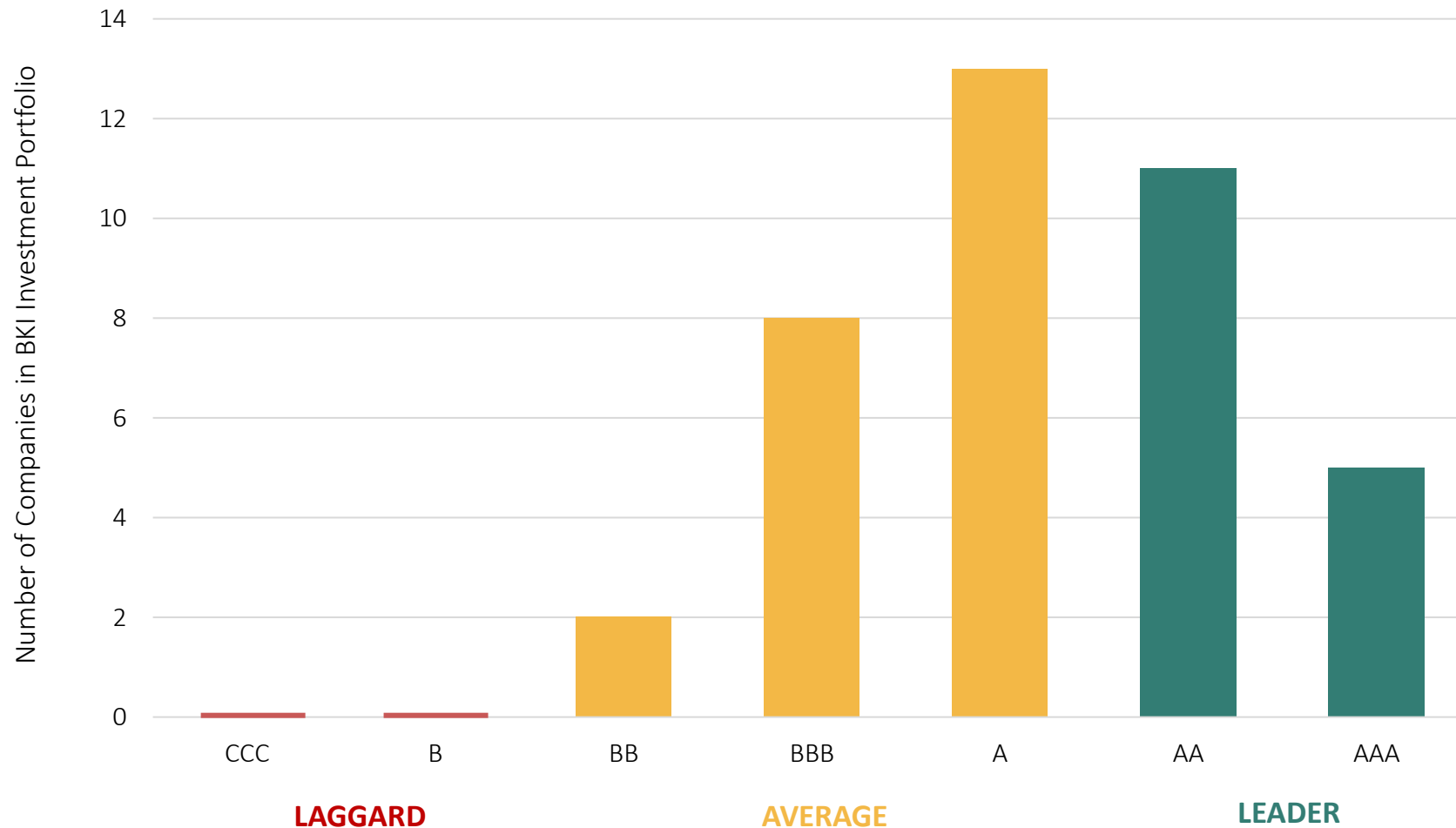


Disposals Exit



Portfolio Positioning - MSCI ESG Portfolio Exposure*

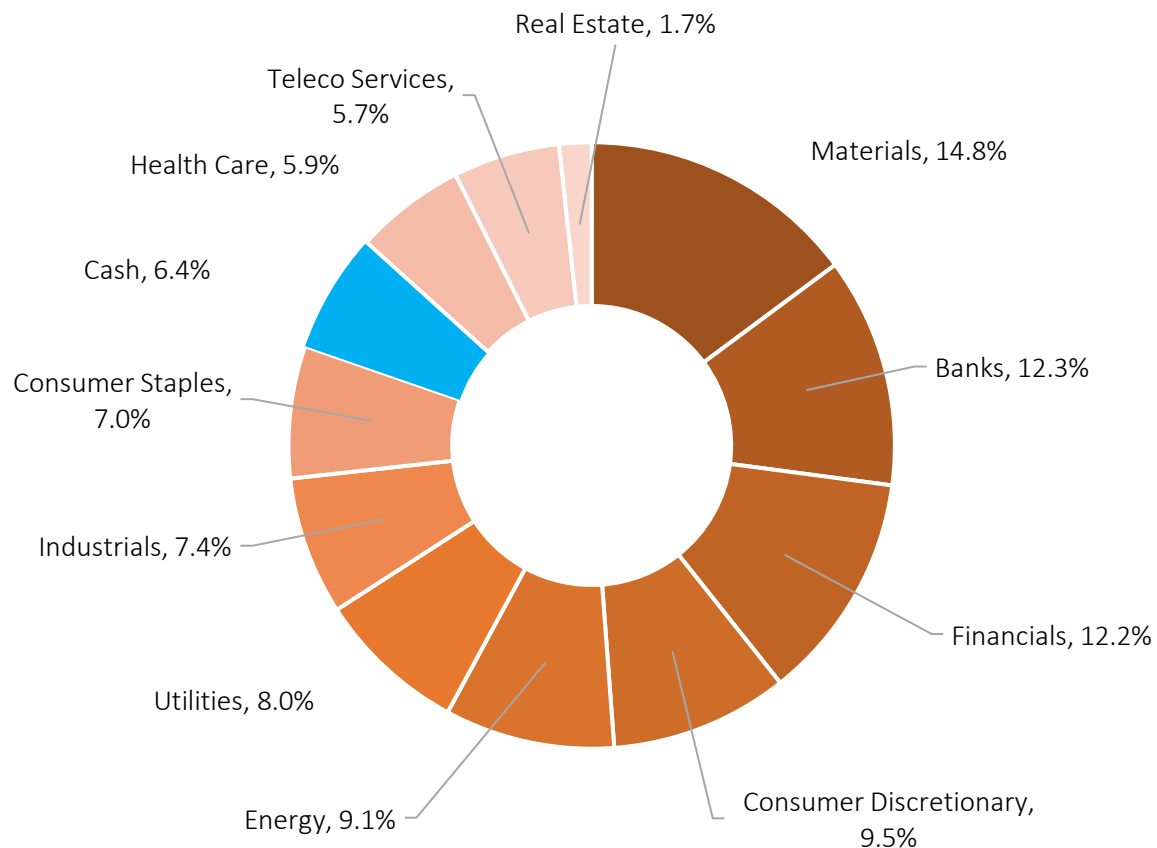
A MSCI ESG Rating aims to measure a company's resilience to long-term ESG risks.



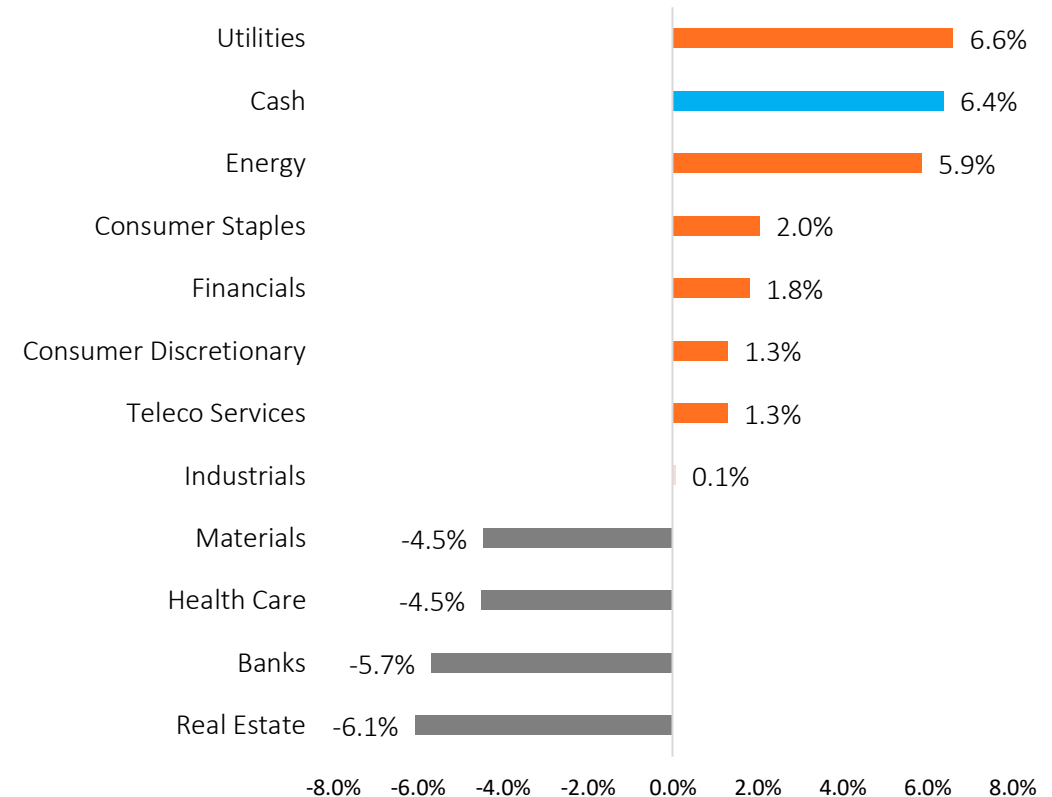
Portfolio Positioning — Exposure/Active Weight by Sector

As at 30 June 2022

Exposure by Sector



Active Weight by Sector



Portfolio Positioning - Active Positions

As at 30 June 2022

Overweight Positions

Company	Active Weight*
APA Group	7.4%
Macquarie Group	5.8%
New Hope Corporation	3.5%
Ramsay Healthcare	2.3%
TPG Telecom	2.3%
ARB Corporation	2.1%
Transurban Group	2.0%
Harvey Norman	1.9%
Sonic Healthcare	1.9%
Amcor	1.8%

Underweight Positions

Company	Active Weight*
CSL Limited	(5.9)%
Westpac Bank	(3.2)%
ANZ Banking Group	(2.9)%
Fortescue Metals	(2.6)%
Santos Limited	(1.2)%
Aristocrat Leisure	(1.1)%
BHP Group	(1.0)%
Newcrest Mining Limited	(0.9)%
South 32	(0.9)%
QBE Insurance	(0.8)%

Top 25 Investments

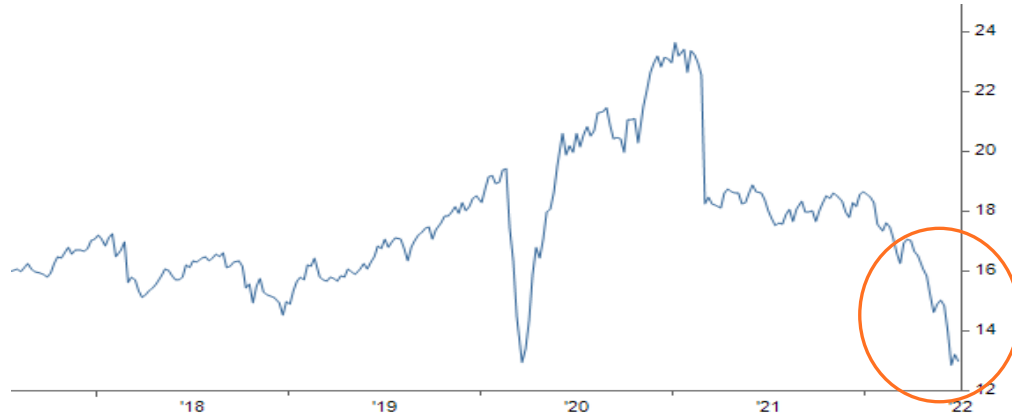
As at 30 June 2022

Stock	% of Total Portfolio
1 BHP Group	8.8%
2 Macquarie Group	8.7%
3 APA Group	8.0%
4 Commonwealth Bank	6.7%
5 National Australia Bank	5.5%
6 Woodside Energy Group	4.3%
7 Transurban Group	4.1%
8 Wesfarmers Limited	3.8%
9 New Hope Corporation	3.6%
10 Woolworths Limited	3.3%
11 Ramsay Healthcare	3.1%
12 TPG Telecom Limited	2.8%
13 Telstra Corporation	2.7%

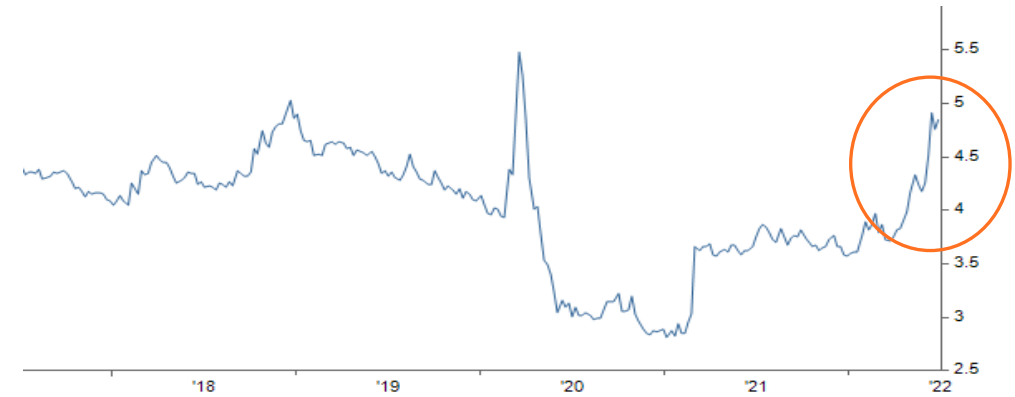
Stock	% of Total Portfolio
14 Sonic Healthcare	2.6%
15 Rio Tinto Limited	2.5%
16 Amcor	2.4%
17 ARB Corporation	2.2%
18 Harvey Norman Holdings	2.1%
19 Coles Group	1.6%
20 Aurizon Holdings	1.4%
21 Invocare Limited	1.4%
22 Goodman Group	1.4%
23 Suncorp Group	1.4%
24 Metcash Limited	1.2%
25 Pandal Group	1.0%
Cash & Cash Equivalents	6.5%
Total	93.1%

Portfolio Positioning – Macro

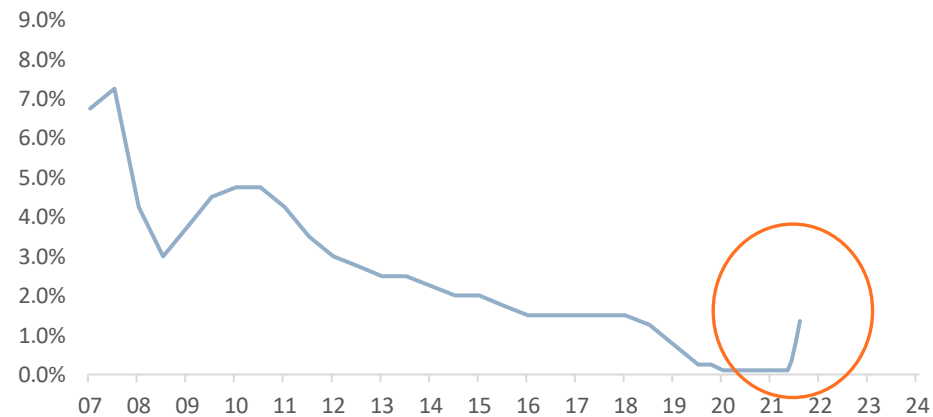
S&P/ASX 300 PE Multiple (X) – Last 5 Years



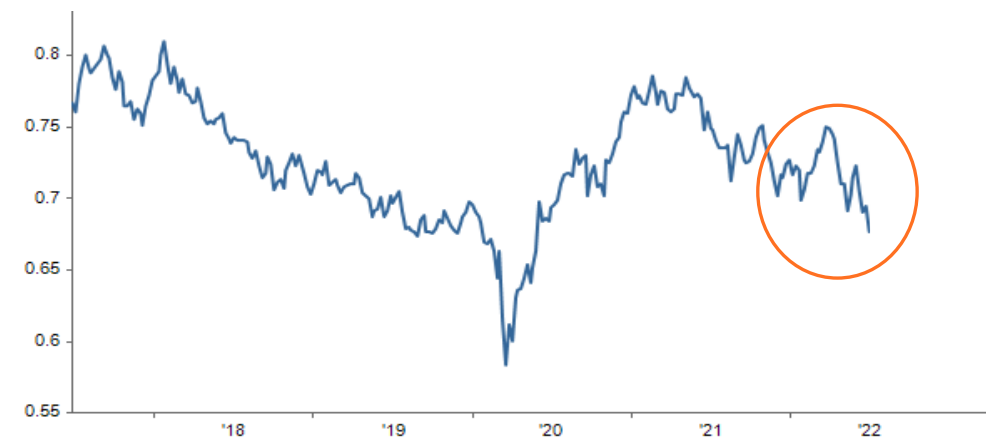
S&P/ASX 300 Dividend Yield (%) – Last 5 Years



RBA Cash Rate – Last 15 Years

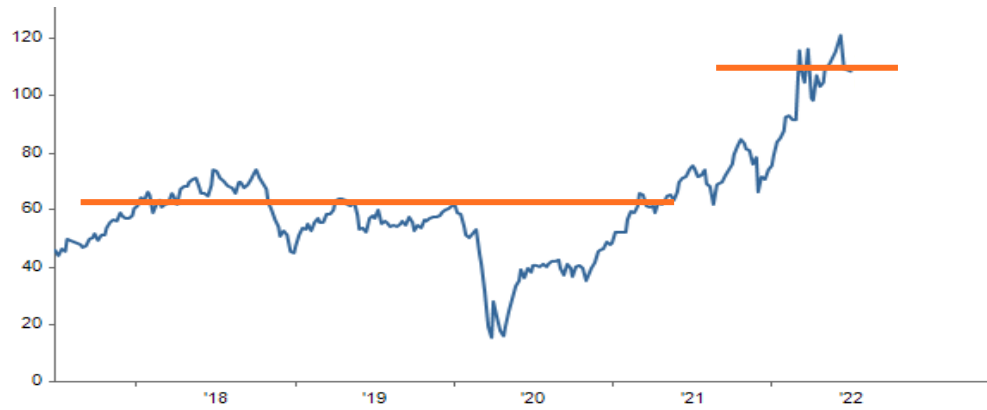


Australian Dollar (\$US) – Last 5 Years

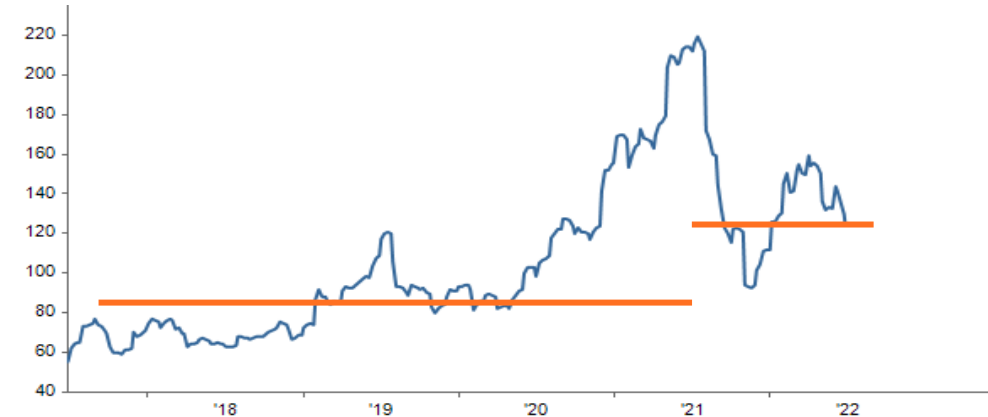


Portfolio Positioning – Resources and Energy

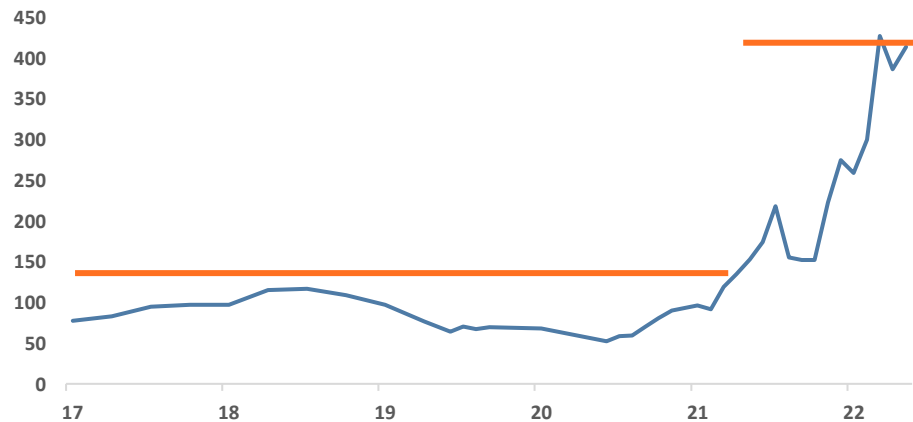
Oil Price – WTI Spot (US\$/bbl) – Last 5 Years



Iron Ore Price (US\$/t) – Last 5 Years



Thermal Coal (gc NEWC 6,000 kcal/kg) – Last 5 Years



Energy/Resources

9.8% Ave FY23 Dividend Yield

8.6X Ave FY23 PE Multiple

20.3% Portfolio Exposure



BHP



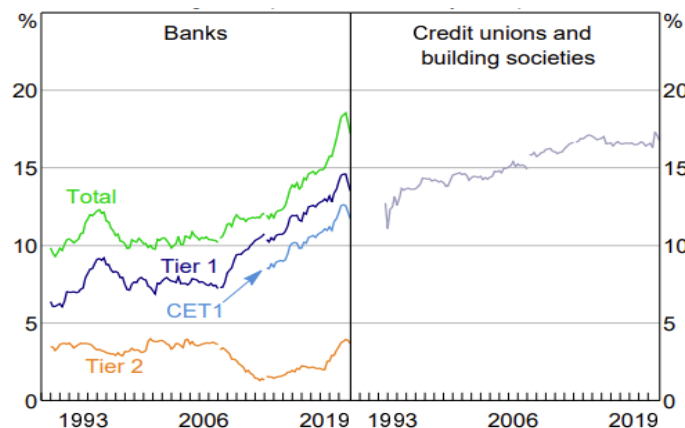
**NEW HOPE
GROUP**

RioTinto

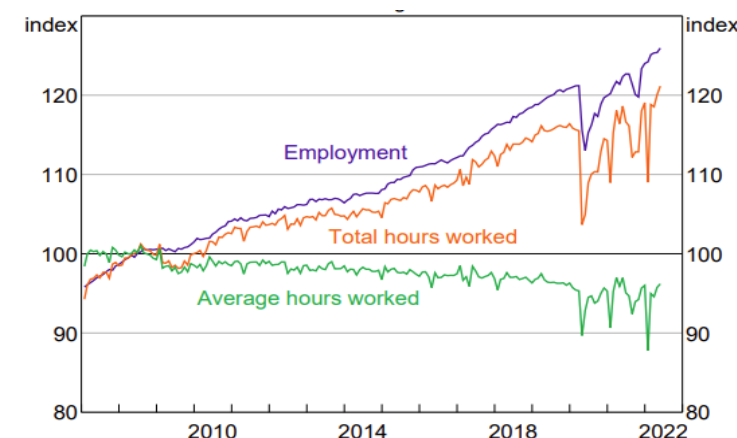


Portfolio Positioning – Banks and Financials

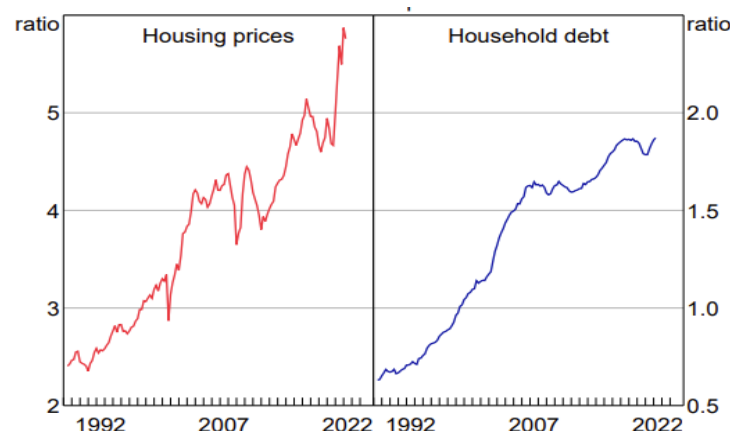
Capital Ratios¹



Employment and Hours Worked²



Increase in House Prices – ABS Housing Prices and Household Debt³



Bank/Financials

5.5% Ave FY23 Dividend Yield

13.7X Ave FY23 PE Multiple

22.4% Portfolio Exposure

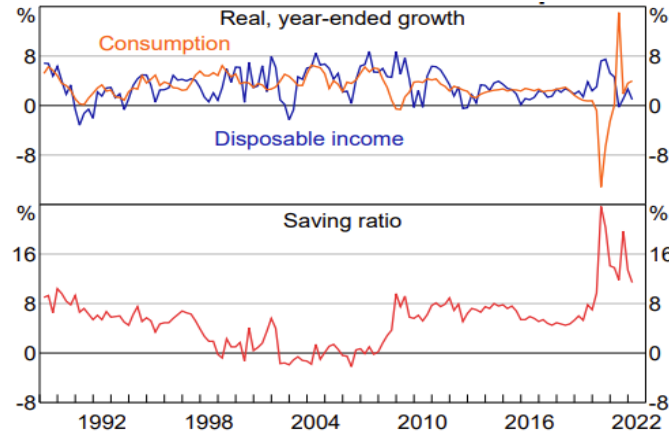


CommonwealthBank

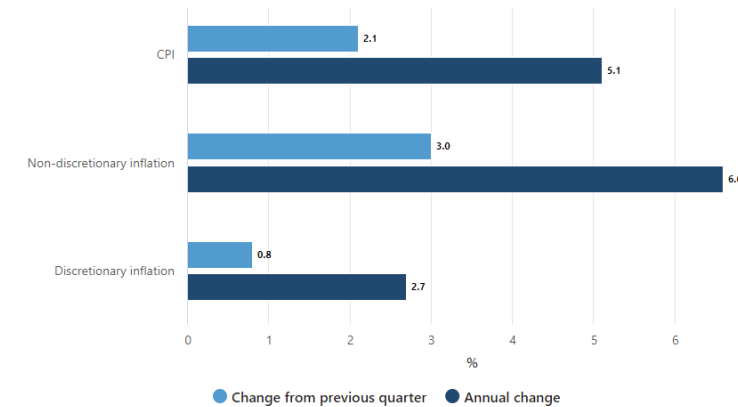


Portfolio Positioning – Consumer and Retail

Positive Savings Ratio - Household Income and Consumption¹



Non-Discretionary Inflation Growth (%)²



Australian Retailer Baskets v's Bonds³



Consumer/Retail

4.2% Ave FY23 Dividend Yield

19.5X Ave FY23 PE Multiple

15.7% Portfolio Exposure



BKI Investment Company

A sensible, low cost investment option, focused on quality.



Dividend Yield #^

7.4%

1 Year TSR^

8.7% pa

10 Year TSR^

10.6% pa

MER

0.17%

Net Profit After Tax*

\$100.8m

Total Assets

\$1,245m



Lonsec Recommended Rating

**No
Performance Fees**

As at 30 June 2022

Source: BKI, Contact Asset Management, Factset. #Grossed Up (includes the full benefit of Franking Credits) Based on the 4.00cps FY2022 Interim dividends, and the 3.65cps FY2022 Final dividend and 1.00cps Final Special Dividend. ^TSR (Total Shareholder Return), includes the full benefit of Franking Credits and assumes the reinvestment of all dividends. MER = Management Expense Ratio. *Includes Special Investment Revenue.



For more information, please visit
www.bkilimited.com.au

