



AGM Presentation

25 November 2019

*Building Long Term
Shareholder Value*



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CVC Results Summary

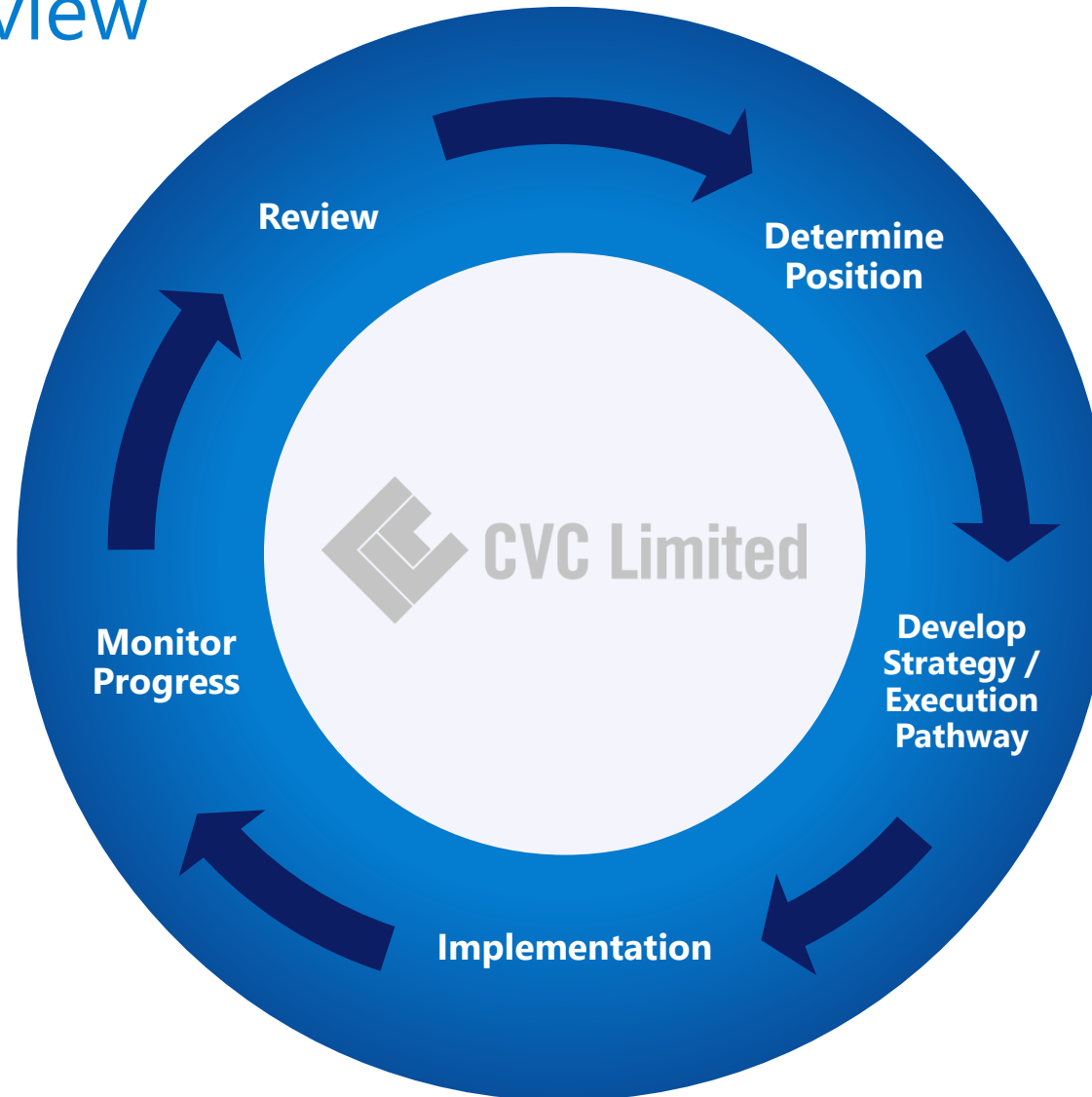
1 JULY 2018 – 30 JUNE 2019

- NPAT profit of \$1.0m (2018: profit \$27.1 million); NPAT loss attributable to shareholders of \$2.1 million (2018: profit \$22.7 million)
- Completion of the development of the Bunnings and associated bulky goods centre at Port Macquarie, New South Wales and Caltex travel centre at Caboolture, Queensland
- The continued refurbishment of the Mooloolaba Wharf, Queensland with the rejuvenation of the centre with re-leasing and repositioning of retail tenancies
- Advances made in planning approvals for property projects at Marsden Park, Donnybrook, Liverpool, Turrella, Kingsgrove and Bentleigh
- Increased ownership in the Liverpool and Turrella projects in New South Wales to approximately 67% which, along with Marsden Park, East Bentleigh and Donnybrook, are expected to provide long term value to shareholders
- Strong contribution to earnings from property backed lending
- Completion of the capital raising by the CVC Emerging Companies Fund and the launch of Eildon Debt Fund, with a combined total Funds Under Management of approximately \$100 million
- Payment of fully franked dividends of 15 cents per share during the year
- Undertook a strategic review of the operations of CVC which has led to a repositioning of the business

Segment Contribution	2019 \$'millions	2018 \$'millions
Direct property investment	16.4m	15.4m
Property backed lending	5.8m	8.4m
Funds management	1.5m	1.6m
Commercial debt and alternative assets	0.3m	1.2m
Listed investments	(5.7m)	13.7m
Private equity and venture capital	(1.7m)	1.6m
Convertible note interest	(4.3m)	(0.1m)
Unallocated	(11.3m)	(9.0m)
Tax effect	-	(5.7m)
Net Profit After Tax	1.0m	27.1m



Business Review





Simplification of Business Model

Previous model

- Diversified investment company with many different strategies
- Focus on preserving diversification across a number of investment segments, and within those segments
- Investment in smaller less concentrated positions
- Complexity in explaining and capitalising on CVC core competencies
- Resourcing reflective of a requirement to have wide coverage of many investment segments



Simplified model

- ✓ Reduce number of strategies and do them well
- ✓ No absolute requirement to have a diversified portfolio
- ✓ Investment strategies centred around CVC's core competencies and skills
- ✓ Cost reduction due to efficiency of having lower number of investments and less diverse investment universe



Simplification Pathway

	Goal	Progress	Next Steps
Investment Strategy	<ul style="list-style-type: none"> Rationalised investment portfolio High conviction positions with ability to influence outcomes 	<ul style="list-style-type: none"> Strategic review undertaken to identify non-core elements of business model 	<ul style="list-style-type: none"> Continue to simplify portfolio Update market on rebalanced portfolio post 31 December 2019.
Refocus / Reposition	<ul style="list-style-type: none"> Focus on core competencies Market understands the CVC position and offering 	<ul style="list-style-type: none"> Development of strategy to capitalise on core skills of investment team Established ongoing review framework and timetable 	<ul style="list-style-type: none"> Continued adherence to streamlined business plan Continue to educate investors and market about progress
Reduce Costs	<ul style="list-style-type: none"> Cost of running business corresponds with a simplified strategy 	<ul style="list-style-type: none"> Cost base significantly reduced (c.\$1.5m of annual costs have been removed) 	<ul style="list-style-type: none"> Continue to monitor and improve efficiency to ensure sustainable operating cost base and sufficient resources to deliver returns
Divestments	<ul style="list-style-type: none"> Maximise value of CVC investment portfolio Remove core investments from portfolio 	<ul style="list-style-type: none"> Divestment of approximately \$33m of investments in listed equities and private equity segments Rebalancing of the portfolio in this period directed toward property debt opportunities 	<ul style="list-style-type: none"> Patient and focused approach to divestment of non-core investments



About CVC – Direct Property Investments

1 JULY 2018 – 30 JUNE 2019

2019 Return

Invested
at 30 June 2019

\$31.1m²

Profit

\$16.4m

Return

55%¹

No. of Investments

15

2020 Objectives

- Continue progression of key investments through planning and repositioning
- Identification of shorter term development / investment opportunities either directly or in conjunction with key partners to grow recurrent income and source opportunities for the funds management segment
- Finalise pre-lease commitments for the Caboolture development and commencement of the development of stage 2
- Identification of long term property holdings to supplement the income from existing major projects currently progressing through planning

Investment Summary

Project Completion/Advancement:

- Completion of the Bunnings retail centre development in Port Macquarie
- Continued refurbishment and repositioning of the Mooloolaba Wharf
- Completion of the Caltex travel centre at Caboolture

Advancement of major planning projects:

- Marsden Park (Exhibition of PSP)
- Donnybrook (Exhibition of PSP)
- East Bentleigh (VPA Strategic Site)
- Turrella (Planning Commenced)
- Liverpool (Collaboration Area)

Commercialisation of significant projects:

- Caboolture (Negotiations progressing with major retail operator to anchor the balance of the site)

1. Return is calculated as annual earnings divided by the average of total opening and closing direct property investments, net of property debt, during the financial year.

2. Invested amount at 30 June 2019 includes direct property investment, net of specific property debt.



About CVC – Property Backed Lending

1 JULY 2018 – 30 JUNE 2019

2019 Return

Invested
at 30 June 2019

\$41.3m

Profit

\$5.8m

Return

16%¹

No. of Investments

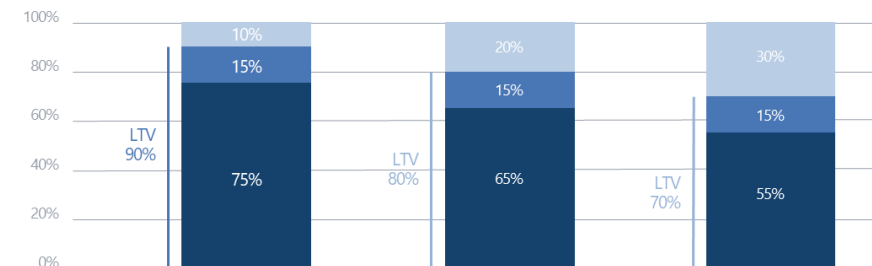
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2020 Objectives

- Increase investment position in secured mortgage loans, across both senior and mezzanine opportunities on solid risk adjusted returns
- Utilise funds management capability to partner with other investors to gain access to larger loan positions that would ordinarily be too large for CVC alone

Investment Summary

- With tightening credit markets and property value volatility, this has generated greater loan opportunities that are generating higher returns and improved security on loans
- Given the current state of the market, there has been a greater focus on risk management, with more rigorous deal assessment process and investment management, including independent review of project feasibility, developer, project sensitivity and market analysis



COVENANTS	PRE - GFC CAPITAL COMPOSITION	2009 - 2015 CAPITAL COMPOSITION	2016 - 2018 CAPITAL COMPOSITION
Senior LTV (LTC)	≤ 75% (90%)	≤ 65% (80%)	≤ 55% (70%)
Total Debt LTV (LTC)	≤ 90% (100%)	≤ 80% (90%)	≤ 70% (85%)
Minimum Pre-Sale / Debt Coverage	50 - 80%	80 - 100%	100%
Minimum Recourse	Non-recourse to limited recourse	Limited recourse to full recourse	Full recourse

Equity

Stretched Senior or Mezzanine

Senior

1. Return is calculated as annual earnings divided by the average of total opening and closing loan balances during the financial year.



About CVC – Funds Management

1 JULY 2018 – 30 JUNE 2019

2019 Return



2020 Objectives

- Continuing investment into property funds management opportunities where CVC has core skills and industry reach
- Increase contribution to group revenue from management fees/performance fees
- Continuing to support the development of external fund manager relationships, while providing the opportunity to deploy uncommitted funds to generate recurrent income.
- Continued successful management of Eildon Capital Limited (ASX: EDC) through Eildon Funds Management, now a wholly owned subsidiary of CVC
- Australian Invoice Finance continues to grow its loan factoring operations, with the support of CVC and a new investor base
- Bigstone Finance continues to grow its commercial loan portfolio, with total loans written during the financial year increasing by 216%

Investment Summary

- CVC rolled out new fund offerings, including:
 - CVC Emerging Companies Fund, a joint venture between CVC and Evans Dixon, raised \$45 million focused on investing in unlisted and listed emerging companies;
 - The establishment of the Eildon Debt Fund contributory mortgage fund, with approximately \$50 million of loans funded and a further \$20 million of commitments since November 2018; and



1. Return is calculated as annual earnings divided by the average of total opening and closing investments in funds management opportunities during the financial year.

About CVC – Alternative Assets/Debt

1 JULY 2018 – 30 JUNE 2019

2019 Return

Invested
at 30 June 2019

\$9.9m

Profit

\$0.3m

Return

3%¹

No. of Investments

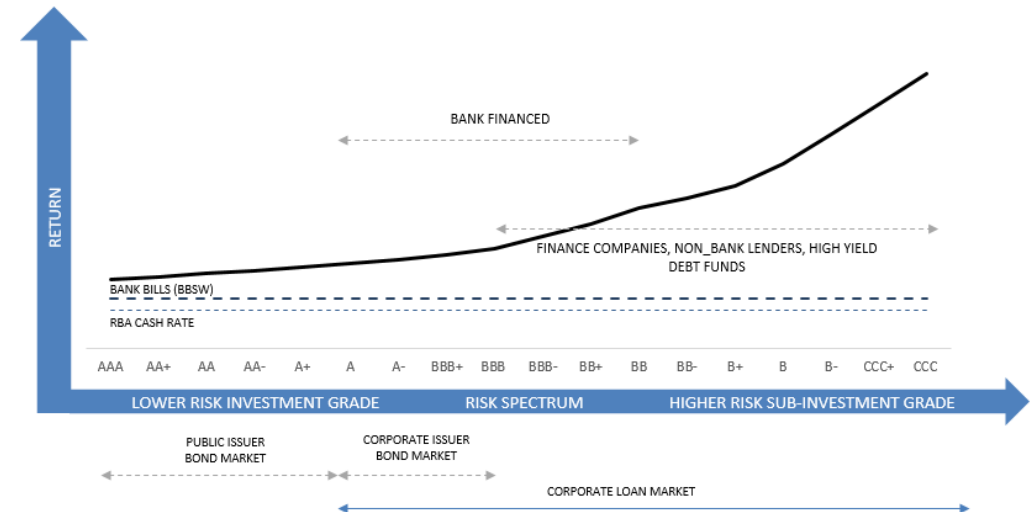
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2020 Objectives

- Increase investment through fund managers, with established networks and robust credit policies, such as Bigstone Finance
- Provide highly secure, asset backed income generating loans
- Maintain borrowers and business segments

Investment Summary

- Transaction flow in this segment has been strong as major banks reduce their risk and tightening available credit, especially to the Small to Medium and middle market borrowers
- CVC has provided funding to support the growth of loan portfolios external fund managers



1. Return is calculated as annual earnings divided by the average of total opening and closing loan balances during the financial year.



About CVC – Listed Investments

1 JULY 2018 – 30 JUNE 2019

2019 Return

Invested
at 30 June 2019

\$59.8m

Profit

(\$5.7m)

Return

(8.0%¹)

No. of
Investments

43

2020 Objectives

- The objective is to rebalance the portfolio to more concentrated holdings in high conviction investments
- Continue to work closely with investee companies to create value

Investment Summary

- Substantial positive contributions from CYC, MSV and PBP
- Substantial negative contributions from BNO, INP and IDZ
- The process of rebalancing the investment portfolio commenced over the course of the second half of the financial year

1. Return is calculated as annual earnings divided by the average of total opening and closing listed investments during the financial year.

2. Based on last trade price available on 21 November 2019

CVC's current investment portfolio as at 21 November 2019 is as follows:

CVC Major Holdings			
Name	Code	% Ownership	Value (AUD) ²
Cyclopharm Ltd	CYC	10.1%	\$8.4m
Mitchell Services Ltd	MSV	5.3%	\$5.5m
TasFoods Ltd	TFL	14.0%	\$5.6m
Universal Biosensors	UBI	13.4%	\$4.5m
Heritage Brands Ltd	NSX.HBA	7.7%	\$4.3m
Longtable Group Ltd	LON	6.5%	\$2.4m
Telix Ltd	TLX	0.4%	\$1.7m
Vita Life Sciences Ltd	VLS	3.5%	\$1.2m
			\$33.6m



About CVC – Private Equity Investments

1 JULY 2018 – 30 JUNE 2019

2019 Return

Invested at 30 June 2019	\$11.1m	Profit	(\$1.7m)	Return	(11% ¹)	No. of Investments	38
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2020 Objectives

- Rebalance the portfolio to more concentrated holdings in high conviction investments
- Continue to work closely with investee companies to create value and/or identify transaction opportunities
- Work with CVC Emerging Companies Fund and its team to foster its growth as a distinct investment strategy

Investment Summary

- Investments in Cleanspace and Think Conveyancing were sold as seed investments into the CVC Emerging Companies Fund
- Sale of PrimeQ generating a 103% uplift on the original investment
- Continuing to review investment opportunities with the objective of rebalancing the portfolio to more concentrated holdings with increasing investment size in high conviction positions

1. Return is calculated as annual earnings divided by the average of total opening and closing listed investments during the financial year.



Year to Date

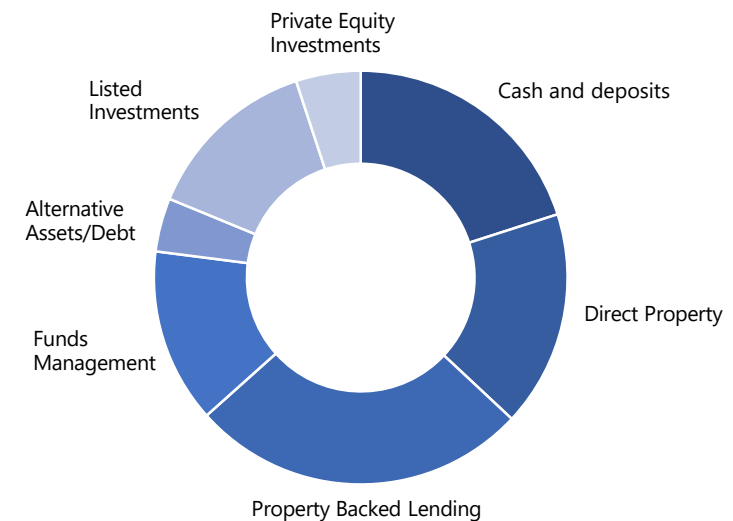
1 JULY 2019 – 30 JUNE 2020

Following year end, CVC has commenced the implementation of the revised strategy which has seen:

- Divestment of \$33m of listed equities realising profits of approximately \$3m from these positions. Currently held listed investments (11 positions down from 43 as at 30 June 2019) are tracking near 30 June 2019 values over the portfolio as at November;
- Proceeds of listed equities sales have predominantly been committed or redeployed into property backed lending, providing for income generation in a secure environment. Total investment of approximately \$60m in this segment;
- CVC has entered into unconditional contracts to purchase a greenfield development site suitable for a neighbourhood shopping, medical and childcare centre in Marsden Park, NSW. Settlement is forecast H2 FY2020, with development to occur in H1 FY2021;
- A further \$26m has been committed from external investors into the Eildon Debt Fund which is managed by Eildon Funds Management a wholly owned subsidiary of CVC Limited;
- The CVC Emerging Companies Fund has made its second call (of three) for capital due to the successful deployment of the initial tranche of equity (\$15m);
- Substantial reduction in ongoing overhead costs have been realised which will be seen in H2 FY2020 numbers.

Segment Investment Allocation	2020	2019
Cash	20.1%	23.6%
Direct Property ¹	16.9%	12.8%
Property Backed Lending	26.4%	17.0%
Funds Management	13.6%	13.3%
Alternative Assets/Debt	4.2%	4.1%
Listed Investments	13.7%	24.6%
Private Equity Investments	5.1%	4.6%

1. Net of specific property debt





CVC Outlook

1 JULY 2019 – 30 JUNE 2020

- Implementation of the simplified strategy is continuing with a transition from less concentrated positions to high conviction exposures leveraging off CVC core capabilities;
- Remaining active in property backed lending at this stage of the property cycle;
- Continued progression of key direct property investments that can unlock substantial long term value for shareholders;
- Equities performance for FY2020 will be largely determined by higher value positions in portfolio such as TFL, LON, UBI, MSV, CYC, TLX;
- Private equity portfolio is being actively managed inline with the wider business objectives to maximise value and streamline portfolio;
- Transition to the new investment strategy provides uncertainty regarding the profit for the year ending 30 June 2020 and payment of dividends.



CVC Limited Proxy Results

1 JULY 2018 – 30 JUNE 2019

Agenda Items

Item 2 – Adoption of Remuneration Report

For	Against	Abstain	Discretion	Excluded	Total
1,101,451	38,689	528,956	13,262,885	-	14,931,981

Item 3 – Election of Mr Ian Campbell

For	Against	Abstain	Discretion	Excluded	Total
1,666,511	-	2,585	13,262,885	-	14,931,981

Item 4 – Election of Mr Alexander Rapajic-Leaver

For	Against	Abstain	Discretion	Excluded	Total
1,662,544	-	6,552	13,262,885	-	14,931,981

Item 5 – Share Buyback Program

For	Against	Abstain	Discretion	Excluded	Total
1,624,109	25,477	19,510	13,262,885	-	14,931,981