

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

ACN 601 406 419

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20 August 2021

ASX Limited
ASX Market Announcements Office
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20 Bridge Street
SYDNEY NSW 2000

FY21 Financial Results

The following announcements to the market are provided:

- FY21 Appendix 4E
- Annual Report to Shareholders
- Corporate Governance Statement 2021
- Appendix 4G
- ✓ FY21 Summary

Yours sincerely



Sylvie Dimarco
Company Secretary

PERPETUAL EQUITY INVESTMENT COMPANY LIMITED

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20 August 2021

Perpetual Equity Investment Company Limited reports record profit and strong investment portfolio outperformance

FY21 Summary:

- Net operating profit after tax of \$108.4 million
- A fully franked final dividend of 2.8 cents per share, with a total dividend for FY21 of 5.6 cents per share fully franked
- Annual dividend yield of 4.3% and a grossed up dividend yield of 6.2%¹
- Investment portfolio performance of 42.4%, outperforming the benchmark by 13.9% for the 12 months to 30 June 2021²
- Successful capital raising in excess of \$30 million
- Net Tangible Assets (NTA) after tax per share of \$1.299 as of 30 June 2021³
- Total shareholder return was 51.2%⁴, outperforming the benchmark by 22.7%

The Perpetual Equity Investment Company Limited (ASX:PIC; the Company) has announced its annual results for financial year 2021 (FY21), posting a net operating profit after tax (NPAT) of \$108.4 million, and an operating profit before tax of \$152.9 million. This represents a record financial year profit for the Company since listing on the ASX in 2014.

The Board has declared a fully franked final dividend of 2.8 cents per share, bringing the total dividend for FY21 to 5.6 cents per share fully franked. This is reflective of the Company's commitment to deliver income to shareholders and equates to an annual dividend yield of 4.3% and a grossed up dividend yield of 6.2%¹.

Chairman Nancy Fox said, "The Board is delighted with the strong results the Company has delivered in FY21, including a record profit, solid portfolio outperformance² and total shareholder return above the benchmark⁴. Despite the current environment remaining uncertain due to the impacts of COVID-19, we have continued to provide a reliable income stream to our shareholders. This is attributable to the prudent management of the Company which has enabled the Board to deliver a fully franked total dividend of 5.6 cents per share this year."

The final dividend will be paid on 20 October 2021. The dividend reinvestment plan (DRP) is available to shareholders for the final dividend. The last election date for the DRP is 30 September 2021 and the record date for the dividend is 29 September 2021.

"The Board also remains very encouraged by the strong support received from our eligible shareholders who participated in the Company's Share Purchase Plan (SPP) in June, which raised over \$30 million. The proceeds have enabled the Manager to actively pursue additional investments in line with the Company's investment strategy. We believe the SPP and bonus issue of Options have provided all

¹ Yield is calculated based on the total grossed up dividends of 8.0 cents per share (taking franking credits into account) and the closing share price of \$1.30 as at 30 June 2021.

² The benchmark is the S&P/ASX 300 Accumulation Index. Returns have been calculated on the growth of NTA after taking into account all operating expenses (including management fees) and assuming reinvestment of dividends and excluding tax paid. Any provisions for deferred tax on unrealised gains and losses are excluded. Past performance is not indicative of future performance.

³ 'After tax' refers to tax paid and provisions for deferred tax on unrealised gains and losses in the Company's investment portfolio.

⁴ Total shareholder return for the 12 months to 30 June 2021. Source: FactSet; Performance presented in AUD, based on the ASX share price assuming reinvestment of dividends on the ex-date.

eligible PIC shareholders with the opportunity to participate in the potential growth of the Company, which we believe will benefit all shareholders,” Ms Fox commented.

PIC performance and market conditions

The PIC portfolio delivered a return of 42.4% for the 12 months to 30 June 2021, outperforming its benchmark by 13.9%⁵. As at 30 June 2021, the portfolio held 72.5% in Australian listed securities, 20.5% in global listed securities and 7.0% in cash. The higher cash allocation compared to the preceding months leading up to 30 June was partly a result of receiving proceeds from the Company’s SPP of around \$30 million on 23 June 2021⁶.

PIC Portfolio Manager Vince Pezzullo said, “We were pleased to outperform the benchmark by almost 14%⁵ over FY21. This is reflective of our active investment approach and intensive company research which enables us to adapt to changing market conditions and adjust the portfolio quickly. The market volatility led by COVID-19 provided opportunities to invest in companies with strong balance sheets which we believed were undervalued and would benefit as economies reopened. As global markets moved through the recovery cycle and economies began to reopen, we saw the benefits of our continued focus on quality and value realised. In addition, our flexible investment strategy including the ability to invest up to 35% in global listed securities also contributed to outperformance over the period.”

Nancy Fox said, “The Board is committed to delivering on the Company’s investment objective of providing income and long-term capital growth to shareholders. The market volatility over the last 18 months in particular has demonstrated the importance of prudent capital management and active investment management. At this time, we believe consolidating on the Company’s strong FY21 result by retaining more capital for investment and continuing to build a healthy franking account balance, positions the Company well to continue to provide returns to shareholders over the long-term.”

2021 Annual Shareholder Presentation

The Board extends an invitation to all shareholders and interested parties to attend the 2021 Annual Shareholder Presentation on 21 October 2021. Please visit <https://www.perpetualequity.com.au> for more information.

- Ends -

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The issuer of the securities referred to in this publication is Perpetual Equity Investment Company Limited ACN 601 406 419. Further information on PIC is available at www.perpetualequity.com.au.

PIC’s investment portfolio is managed by Perpetual Investment Management Limited (ACN 000 866 535 AFSL 234426) (PIML), part of the Perpetual Group (Perpetual Limited ABN 86 000 431 827 and its subsidiaries). This information has been prepared by PIML. It is general information only and is not intended to provide you with financial advice or take into account your objectives, financial situation or needs. You should consider, with a financial adviser, whether the information is suitable for your circumstances. This information does not constitute an offer, invitation, solicitation or recommendation with respect to the purchase or sale of PIC’s securities. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. Past performance is not indicative of future performance.

This information is believed to be accurate at the time of compilation and is provided in good faith. Neither PIC, PIML, nor any company in the Perpetual Group guarantees the performance of or any return on an investment made in PIC.

⁵ The benchmark is the S&P/ASX 300 Accumulation Index. Returns have been calculated on the growth of NTA after taking into account all operating expenses (including management fees) and assuming reinvestment of dividends and excluding tax paid. Any provisions for deferred tax on unrealised gains and losses are excluded. Past performance is not indicative of future performance.

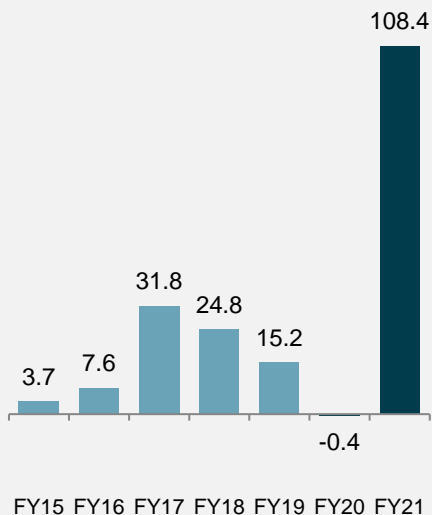
⁶ Full details of the outcome of the SPP were announced to the ASX on 21 June 2021.

FULL YEAR 2021 RESULTS OVERVIEW

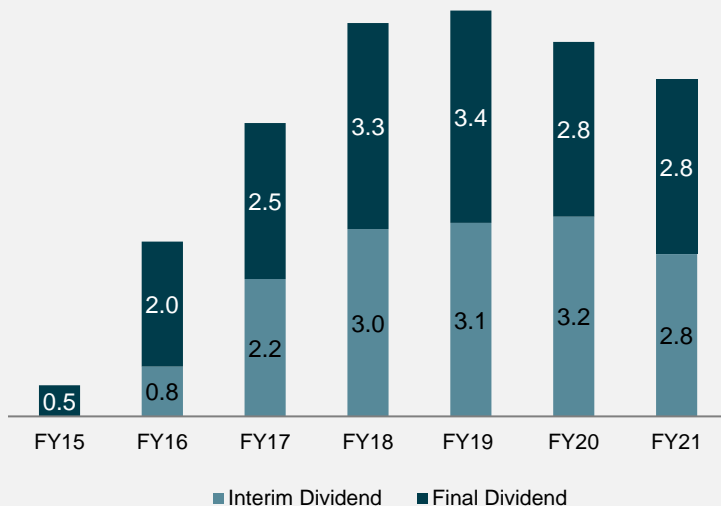
DELIVERING A RECORD PROFIT AND FULLY FRANKED DIVIDEND STREAM

PERPETUAL
EQUITY
INVESTMENT
COMPANY

NPAT, \$m



DIVIDEND PER SHARE, CENTS PER SHARE (CPS)



2.8 cps

Fully
franked final
dividend

6.2%*

Grossed up
annual dividend
yield

42.4%**

Investment portfolio
performance 12 months
to 30 June 2021

\$1.299^

Net tangible assets (NTA)
after tax
per share

Source: Perpetual Equity Investment Company Limited (PIC) as at 30 June 2021.

*Based on the total grossed up dividends of 8.0 cents per share (taking franking credits into account) and the closing share price of \$1.30 as at 30 June 2021.

** Returns have been calculated on the growth of NTA after taking into account all operating expenses (including management fees) and assuming reinvestment of dividends and excluding tax paid. Any provisions for deferred tax on unrealised gains and losses are excluded. Past performance is not indicative of future performance.

^ 'After tax' refers to tax paid and provisions for deferred tax on unrealised gains and losses in the Company's investment portfolio as at 30 June 2021.

INVESTMENT PERFORMANCE

AS AT 30 JUNE 2021

PERPETUAL
EQUITY
INVESTMENT
COMPANY

	1 YEAR	2 YEARS P.A.	3 YEARS P.A.	5 YEARS P.A.	SINCE INCEPTION P.A.
PIC Investment Portfolio ¹ Net of fees, expenses and <u>before tax</u> <u>paid</u>	42.4%	18.6%	13.6%	14.1%	11.5%
S&P/ASX 300 Accumulation Index	28.5%	9.0%	9.8%	11.3%	9.8%
Excess Returns	13.9%	9.7%	3.9%	2.8%	1.7%

Source: Perpetual Equity Investment Company Limited

¹ Returns have been calculated on the growth of Net Tangible Assets (NTA) after taking into account all operating expenses (including management fees) and assuming reinvestment of dividends and excluding tax paid. Any provisions for deferred tax on unrealised gains and losses are excluded. Past performance is not indicative of future performance. Inception date is 18 December 2014. Portfolio and Index return may not sum to Excess Return due to rounding.