

26 August 2024

Perpetual Equity Investment Company Limited announces FY24 results and 4.0 cps fully franked final dividend

FY24 Summary:

- A fully franked dividend of 4.0 cents per share for 2H24, consistent with the FY23 final dividend and 1H24 interim dividend
- Record FY24 full year fully franked dividend of 8.0 cents per share equating to an annual dividend yield of 6.5% and a grossed-up dividend yield of 9.3%¹
- Net profit after tax of \$28.6 million, and the Company's profit reserve of \$82.5 million providing for 2.7 years dividend coverage after the payment of the final dividend²
- Delivering to the Company's investment objective with five year investment performance of 10.4% p.a. outperforming the benchmark by 3.2% p.a.³

Perpetual Equity Investment Company Limited (ASX:PIC; the **Company**) announces a net profit after tax of \$28.6 million for FY24 and a fully franked 2H24 dividend of 4.0 cents per share which is consistent with the 2H23 final dividend and 1H24 interim dividend.

PIC Chairman Nancy Fox said, "The FY24 full year fully franked dividend of 8.0 cents per share surpasses the total dividends per share paid to shareholders in previous years and equates to an annual dividend yield of 6.5% and grossed up yield of 9.3%¹. This compares favourably to the trailing 12 month dividend yield of the S&P/ASX 300 Accumulation Index which was 3.7% as at 30 June 2024⁴.

"In a period of broader macroeconomic and geopolitical uncertainty and change, the Board sees a growing need for high quality investments and a reliable income stream from its shareholders. We believe our careful management of the Company's capital position aligns with the interests of our shareholders, and we are confident the Manager's skill and active approach to investing shareholder capital will continue to contribute to the longer-term success of the Company.

"After the payment of the 2H24 dividend, the profit reserve for the Company sits at \$82.5 million which provides for 2.7 years dividend coverage². The Company's franking account balance is \$12.7 million, also after the payment of the final dividend and provides for one year of fully franked dividend coverage. This means we are well poised to continue our trajectory of paying dividends in the long run, adding to the \$168.4 million or 53.8 cents per share that has been paid in dividends since the Company listed in 2014.⁵"

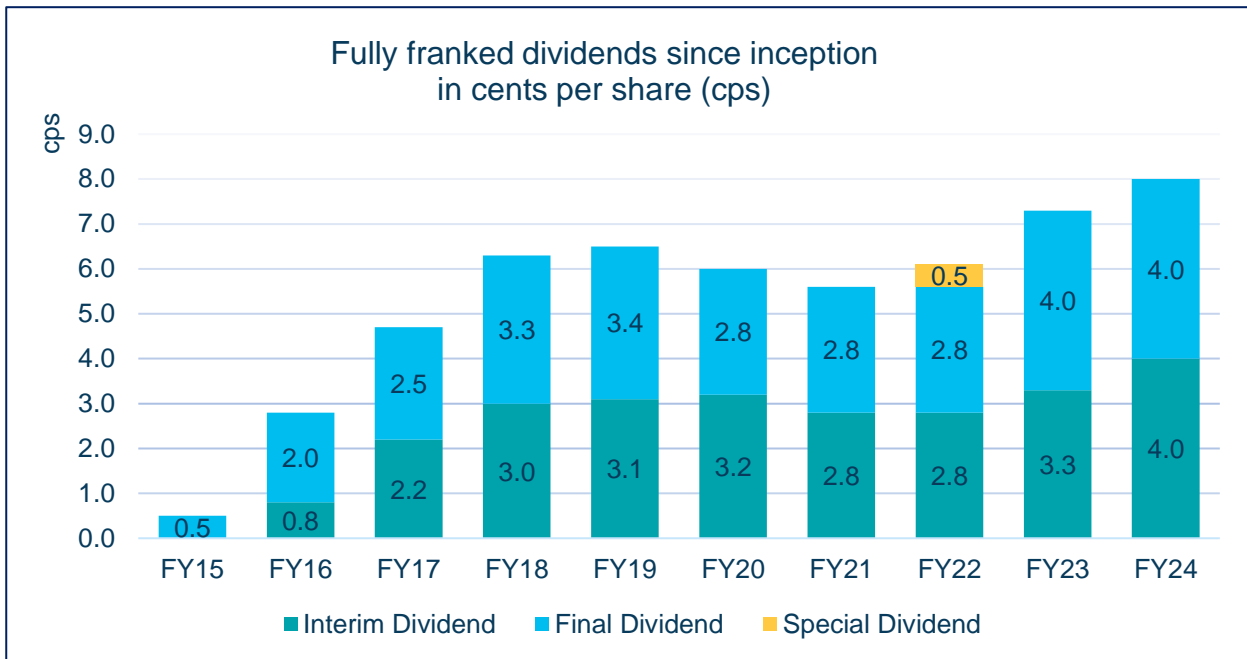
¹ Yield is calculated based on the total dividends of 8.0 cents per share and the closing share price of \$1.235 as at 30 June 2024. Grossed up yield takes into account franking credits at a tax rate of 30%.

² Profit reserve of \$82.5 million as at 30 June 2024 after taking into account the estimated payment of the final dividend. This equates to 21.7 cents per share and provides for 2.7 years dividend coverage assuming a total dividend payment of 8.0 cents per share per annum. This does not take into account any changes to share capital. No representation is made in relation to the payment of future dividends, which will be at the discretion of the Company's Board.

³ The benchmark is the S&P/ASX 300 Accumulation Index. 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. For details of the Company's investment performance, please visit <https://www.perpetualequity.com.au/tools-and-resources/research-reports>

⁴ Source: Factset.

⁵ Includes the fully franked 2H24 dividend of 4.0 cents per share declared by the Board on 26 August 2024 and to be paid on 8 October 2024



PIC performance and market conditions

For the 12 months to 30 June 2024, the PIC portfolio returned 7.7%³ whereas the S&P/ASX 300 Accumulation Index (**benchmark**) returned 11.9%.

“Although relative performance for the PIC portfolio was under the benchmark, the Board believes the Manager’s focus on quality and value will deliver over the long-term, including generating dividend income and capital growth for shareholders.

“The Company is designed as a long-term proposition and in line with the Company’s investment objective, the PIC portfolio has returned 10.4% p.a.³ over five years, outperforming the benchmark by 3.2% p.a.” said Ms Fox.

PIC Portfolio Manager Vince Pezzullo said: “We saw the S&P/ASX300 at or near all-time highs with growth stocks rallying in tandem. However the broader outlook remains clouded by uncertainty over factors such as inflation, interest rates, political elections and consumer pressure. Investors are still uncertain as to whether the final outcome will be a recession, a soft landing or an economic rebound.

“Valuations of growth stocks including technology companies are approaching their peak and as markets increasingly focus on the direction of the economy, we see the need to focus on fundamentals, quality and value. We see substantial value opportunities that may be underappreciated and currently out of favour and we believe in the coming months there will be an inflection point where these become pivotal in driving outperformance against the benchmark.

“Irrespective of the noise or hype in certain sectors or markets, quality businesses remain quality businesses and we remain disciplined about the prices we pay for these investments. This strategy has been, and will continue to be, crucial in consistently delivering superior returns over time.”

As at 30 June 2024 the portfolio held 82.7% in Australian listed securities, 13.0% in global listed securities and 4.3% in cash.

Key dates

Final dividend

- Ex date Friday, 13 September 2024
- Record date Monday, 16 September 2024
- DRP election date Tuesday, 17 September 2024
- Payment date Tuesday, 8 October 2024

Annual General Meeting and
Investment Management Update

Thursday, 7 November 2024

- Ends -

For further information, please contact:

Investors:

Karen Trau

Investor Relations

P: 02 9229 3138

E: karen.trau@perpetual.com.au

Media:

Daniel Wright

Senior Communications Manager

P: 0478 405 701

E: daniel.wright@perpetual.com.au

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.