

REPORT TO SHAREHOLDERS ON HALF YEAR RESULTS TO 31 DECEMBER 2022

The Company's Appendix 4D and financial report for the half-year ended 31 December 2022 were lodged with the Australian Securities Exchange (ASX) on 14 February 2023 and are available to be downloaded from the Company's website or the ASX website.

KEY POINTS

- Profit for the half year was \$18,990,000, a 23.2% increase on the result for the previous corresponding half-year period. Dividends received during the half-year included a special dividend paid by EVT (formerly Event Hospitality and Entertainment), amounting to \$3,694,000. No other dividends were received from EVT in the period or in the prior half-year period.
- An interim fully franked dividend of 40.0 cents per ordinary share, plus a fully franked special dividend of 9.0 cents per ordinary share, will be paid on 20 March 2023. The special dividend has been declared after taking into account the increase in special dividends received during the half year.

CONSOLIDATED OPERATING PROFIT

The consolidated net profit for the half year to 31 December 2022 attributable to the members of Carlton Investments Limited was:

	31 December 2022	31 December 2021
	\$000	\$000
Profit before income tax	19,328	15,919
Income tax expense	(338)	(500)
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Net profit for the half year	18,990	15,419

REVIEW OF OPERATIONS

Net profit for the half year to 31 December 2022 was \$18,990,000, representing an increase of \$3,571,000 or 23.2% on the previous corresponding half year period. Dividends and distributions received and receivable, totalling \$19,647,000, increased by \$3,261,000 or 19.9%. Included in dividends received for the half-year was a special dividend paid by EVT (formerly Event Hospitality and Entertainment), in November 2022, amounting to \$3,694,000. No other dividends were received from EVT in the period or in the prior half-year period. The increase in dividends and distributions received and receivable before special dividends was only \$173,000 or 1.1%. There were good increases in the level of dividends paid by banks and energy companies, with the exception of AGL which decreased. We, however, also saw offsetting large falls in the level of dividends paid by some mining companies, whose dividends were down from the high levels paid the previous corresponding half year period. With higher interest rates and a higher level in funds held in term deposits, interest income for the half-year period was \$258,000 compared to only \$23,000 in the previous corresponding half year period.



NET TANGIBLE ASSET BACKING

The net tangible asset backing for each issued ordinary share at 31 December 2022 prior to payment of the interim dividends and before provision for tax on unrealised capital gains was \$37.93 (30 June 2022: \$36.99). The net tangible asset backing per share after provision for tax on unrealised capital gains was \$31.73 at 31 December 2022 (30 June 2022: \$30.95). The relevant figures as at 31 January 2023 were \$40.66 before provision for capital gains tax and \$33.71 after providing for capital gains tax.

INTERIM DIVIDENDS

The Directors have today declared an interim fully franked dividend of 40.0 cents per ordinary share, plus a fully franked special dividend of 9.0 cents per ordinary share, payable on 20 March 2023. The special dividend has been declared after taking into account the increase in special dividends received in the half year, which included the EVT special dividend referred to earlier in the Review of Operations. An interim dividend of 7.0 cents per preference share, fully franked, will be paid on the same date. The record date for the interim and special dividends is 1 March 2023.

INVESTMENTS

Investment additions to the portfolio, during the half year to 31 December 2022, were additional shares purchased in ANZ Group, Sonic Healthcare and South32, plus new investments in JB Hi-Fi and Elders. The cost of these additions totalled \$7,281,000.

Consideration received from the takeover of the Tassal Group was \$1,412,000, also Ardent Leisure Group paid a return of capital of \$178,000 during the period.

The thirty largest investments, at quoted market values, as at 31 December 2022 were:

	\$000's		\$000's
EVT	391,914	Gowing Bros.	13,022
National Australia Bank	66,164	Santos	11,384
Commonwealth Bank	58,809	Bendigo & Adelaide Bank	10,959
BHP Group	42,235	Perpetual	10,454
Westpac Banking Group	41,659	APA Group	10,330
Wesfarmers	27,978	Coles Group	10,189
ANZ Group	26,339	Origin Energy	8,797
Fortescue Metals Group	19,238	Orica	8,159
Rio Tinto	18,726	Bluescope Steel	7,944
Telstra	18,289	South32	6,326
James Hardie Industries	16,510	Ansell	6,293
Woodside Energy	15,228	Woolworths	5,806
Ancor	15,100	Macquarie Group	5,019
Bank of Queensland	14,692	Lend Lease	3,905
AGL	13,136	ASX	3,803
			<u>908,407</u>
			<u>976,259</u>
Total market value of shares and units in listed entities as at 31 December 2022			

The market value of the Group's investment portfolio increased by 2.2% during the six months ended 31 December 2022, after adjusting for acquisitions, disposals and capital returns. This compares to an increase of 7.2% in the S&P/ASX 200 Index over the same period. On a total portfolio return basis (measured by the movement in NTA per share assuming dividends are reinvested), the return for the six months was 4.1% compared to an increase in the S&P/ASX 200 Accumulation Index over the same period of 9.8%. Market value movements for investments during the half year was mixed, with continuing volatility in an uncertain market.



INVESTMENTS (continued)

Market values for banks and large miners showed good increases. The market values for Wesfarmers and Ansell recovered strongly and the market value for Origin Energy rose on news of a potential takeover. We, however, also saw many of the market values within the Group's investment portfolio decline over the half year, with larger value falls for James Hardie Industries and Perpetual. The market value for EVT shares at 31 December 2022 was close to its lowest level for the six month and, after some large fluctuations during the period, was down 2.5% from its market value at 30 June 2022. Since 31 December 2022 to market close on 13 February 2023, we have seen the portfolio market value continue to increase with the market value of EVT shares increasing by 8.3% and the total market value of the Group's investment portfolio increasing by 5.9%.

**A G RYDGE AM
CHAIRMAN**

14 February 2023