

## REPORT TO SHAREHOLDERS ON HALF YEAR RESULTS TO 31 DECEMBER 2024

The Company's Appendix 4D and financial report for the half-year ended 31 December 2024 were lodged with the Australian Securities Exchange (ASX) on 25 February 2025 and are available to be downloaded from the Company's website or the ASX website.

### KEY POINTS

- Profit for the half year was \$20,303,000 a 3.2% increase on the result for the previous corresponding half-year period.
- An interim fully franked dividend of 45.0 cents per ordinary share, will be paid on 24 March 2025.

### CONSOLIDATED OPERATING PROFIT

The consolidated net profit for the half year to 31 December 2024 attributable to the members of Carlton Investments Limited was:

	31 December 2024 \$000	31 December 2023 \$000
Profit before income tax	21,386	20,952
Income tax expense	(1,083)	(1,270)
Net profit for the half year	<u>20,303</u>	<u>19,682</u>

### REVIEW OF OPERATIONS

Net profit for the half year to 31 December 2024 was \$20,303,000, representing an increase of \$621,000 or 3.2% on the previous corresponding half year period.

Dividends and distributions received and receivable, totalling \$21,219,000, increased by \$330,000 or 1.58%. There were significant increases in the level of dividends received from AGL, Origin Energy, Santos and Westpac, whilst these increases were partially offset by reductions in the dividends received from ANZ Group, Bendigo & Adelaide Bank, BHP Group, Fortescue and Woodside Energy.

Interest income for the half-year period was \$669,000 compared to \$568,000 in the previous corresponding half year period. This increase is attributable to higher interest rates and a higher level of funds held in term deposits.

The decrease in tax expense for the half year was \$187,000. This includes a reduction in timing differences of \$261,000 relating to the recognition of dividend income for accounting and tax purposes and is partially offset by an increase in income tax expense of \$74,000 attributable to an increase in unfranked income received.



### NET TANGIBLE ASSET BACKING

The net tangible asset backing for each issued ordinary share at 31 December 2024 prior to payment of the interim dividends detailed in note 4-2 and before provision for tax on unrealised capital gains was \$40.71 (30 June 2024: \$39.71). The net tangible asset backing per share after provision for tax on unrealised capital gains was \$34.03 at 31 December 2024 (30 June 2024: \$33.26). The relevant figures at 31 January 2025 were \$42.41 before provision for capital gains tax and \$35.26 after providing for capital gains tax.

### INTERIM DIVIDENDS

The Directors have today declared an interim fully franked dividend of 45.0 cents per ordinary share, payable on 24 March 2025. 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 dividends is 3 March 2025.

### INVESTMENTS

Investment additions to the portfolio, during the half year to 31 December 2024, included increases in the existing investments in Ampol, ANZ Group, BHP Group, Deterra Royalties, Elders, IPH, Origin Energy, Telstra and Westpac, together with a new investment in Metcash. The cost of these additional investments totalled \$10,086,000.

Consideration of \$5,324,000 was received during the period from the takeovers of Adbri, CSR and Virgin Money UK.

The thirty largest investments, at quoted market values, as at 31 December 2024 were:

	\$000's		\$000's
EVT	350,353	Amcor	13,273
Commonwealth Bank	87,840	Woodside Energy Group	12,137
National Australia Bank	81,660	Santos	11,572
Westpac Banking Corporation	58,725	Coles Group	11,512
Wesfarmers	43,591	SGH	10,600
BHP Group	38,446	Gowing Brothers	10,248
ANZ Group Holdings	33,858	Orica	9,014
James Hardie Industries	31,312	Bluescope Steel	8,816
Telstra Group	21,504	Perpetual	8,664
Rio Tinto	18,895	South32	7,852
AGL Energy	18,377	Ansell	7,582
Fortescue	17,119	APA Group	6,740
Origin Energy	16,982	Macquarie Group	6,663
Bendigo and Adelaide Bank	14,635	Woolworths Group	5,275
Bank of Queensland	14,267	Ampol	4,897
			<u>982,409</u>
Total market value of shares and units in listed entities as at 31 December 2024			<u>1,049,044</u>

The market value of the Group's investment portfolio increased by 2.2% during the six months ended 31 December 2024, after adjusting for acquisitions, disposals and capital returns. This compares to an increase of 5.0% 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 6.9%. The ASX performed strongly during the period and for much of that time it has been at or near record highs. During the period, the Financial and Technology Sectors performed particularly strongly, whilst the Materials and Energy



### **Investments (continued)**

Sectors were weaker. The outlook for the ASX remains uncertain because of recent global events and the current market volatility is expected to continue.

During the period, there was a strong performance from the Group's holdings in the banks, Ansell, Coles Group, James Hardie, SGH, Telstra and Wesfarmers, whilst the holdings in BHP Group, EVT, Fortescue, Santos and Woodside trailed the overall market. The Board still considers that these companies have sound long term prospects.

### **2024 ANNUAL GENERAL MEETING**

A Proxy Holder, representing a group of shareholders holding 2.3% of the Company's shares voted against the Remuneration Report tabled at the last Annual General Meeting. This resulted in a first strike against the Board for the purposes of the Corporation Act.

All shareholders attending the Annual General Meeting voted to approve the Remuneration Report and requested the Directors to make enquiries of the dissenting shareholders and to report back as to their reasons for voting against the Remuneration Report.

The Board wrote to the dissenting shareholders represented by the Proxy Holder. The Proxy Holder responded on behalf of those shareholders advising concerns regarding Capital Management.

### **CAPITAL MANAGEMENT**

It is the Directors' intention to continue the current Buy-back Facility to buy-back shares to a value of \$3,000,000. Once this has been achieved, the Directors' will consider whether the buying-back of further shares is appropriate.

In respect of the current Buy-back, the single biggest constraint on the number of shares that can be bought-back is the number of the Company's shares becoming available. Other short-term constraints on the number of shares that can be bought back are the "trading blackout periods" and the maintenance of "an orderly market" in respect of the Company's shares. The Company also needs to comply with the provisions of the Corporations Act. A longer-term constraint on the number of shares that can be bought back is the Corporations Act and the relatively low value of the Company's "paid up capital" (it was \$18,670,000 at 31 December 2024).

The Company's interim dividend declared today has been increased by 9.8% to 45 cents per share. The balance of the Company's profits for the period will be utilised to fund the buying-back of the Company's shares and to make new investments to grow the Company's portfolio as and when considered appropriate.

The Board regularly reviews its Capital Management strategies for the benefit of all the Company's shareholders.

**A G RYDGE AM  
CHAIRMAN**

25 February 2025