



ASX/Media release

WHSP reports record half year regular profit of \$166m, with market value of assets increasing 16.5% over the half

Performance highlights:

	6 months to 31 Jan 2018	6 months to 31 Jan 2017	% Change
	\$000	\$000	
Regular profit after tax*	166,354	139,309	+ 19.4%
Net profit after tax (NPAT)	146,165	148,951	- 1.9%
Interim Dividend	23 cents	22 cents	+ 4.5%

Thursday, 22 March 2018: Diversified investment house, Washington H. Soul Pattinson and Company Limited (WHSP, ASX: SOL) today announced the Group's results for the half year ended 31 January 2018, reporting a record regular profit after tax* of \$166.4 million, an increase of 19.4% on the \$139.3 million recorded in the previous corresponding period.

Reported net profit after tax (NPAT) of \$146.2 million was down 1.9% on the previous corresponding period as the first half of 2017 included some one-off gains across the portfolio which were not repeated in the first half of 2018. WHSP considers regular profit after tax to be the better indicator of the underlying profit of the Group.

The net increase to the regular profit after tax was primarily attributable to:

- New Hope Corporation Limited (New Hope) (up 97.4%) which continued to capitalise on the recovery in coal prices and its Bengalla joint venture;
- The Financial Services Portfolio (up 43.3%) due to the performance of the recently merged Pengana Capital Group; and
- TPG Telecom Limited (up 5.0%) despite significant headwinds from the rollout of the NBN.

WHSP Chairman Rob Millner said: "The Company has delivered another strong result with solid contributions across the portfolio. The biggest uplift came from New Hope which is continuing to experience strong coal prices after the downturn from a few years ago.

"We are particularly pleased with TPG's results. Despite the headwinds created by the introduction of the NBN, TPG continues to lift profitability by delivering better products to the market and reducing costs.

* Regular profit after tax is a non-statutory profit measure and represents profit from continuing operations before non-regular items. A reconciliation to statutory profit is included in the half year financial report – Note 3, Segment Information

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“Our recent investment in Pengana Capital Group is performing strongly, and the first half results since the merger with Hunter Hall demonstrate solid growth in funds under management as well as excellent investment performance.

“Importantly, our diversified portfolio continues to deliver reliable cash returns which enables us to provide increasing fully franked dividends to shareholders,” Mr Millner added.

Interim dividend

The Directors declare interim and final dividends based on the WHSP’s regular cash inflows less regular operating costs.

For the half year ended 31 January 2018, Directors have declared a fully franked interim dividend of 23 cents per share, an increase of 4.5% over last year’s interim dividend of 22 cents per share.

The record date for the dividend will be 19 April with payment due on 10 May.

WHSP’s Portfolio

During the half, the gross market value of assets in the portfolio increased \$736 million to \$5.2 billion, an increase of 16.5%. Strong gains were experienced across the portfolio, particularly across the major assets.

As at 31 January 2018	WHSP’s Holding %	Value of WHSP’s Holding \$m	6 month Movement	
			\$m	%
TPG Telecom ¹	25.2%	1,487	183	14.0%
New Hope Corporation ¹ (59.6% held at 31 July 2017)	50.0%	1,048	254	32.1%
Brickworks ¹	43.9%	933	66	7.7%
Financial Services Portfolio ^{1 & 2}		439	30	7.5%
Aust. Pharmaceutical Industries ¹	19.3%	143	(24)	(14.5%)
CopperChem and Exco Resources ²	100%	112	28	33.8%
Apex Healthcare Berhad ¹	30.3%	61	12	25.4%
TPI Enterprises ¹ (18.9% held at 31 July 2017)	19.3%	35	(5)	(12.9%)
Other Listed Investment Portfolio ¹		471	24	5.3%
Other Unlisted Investment Portfolio ²		79	7	9.2%
Property Portfolio ² (net of borrowings)		211	3	1.5%
Cash and other net assets (net of liabilities)		183	158	619.1%
Net asset value (pre-tax)³		5,202	736	16.5%

¹ At market value.

² At Directors’ valuations.

³ The tax payable if all of these assets had been disposed of on 31 January 2018 would have been approximately \$1,013 million.

Outlook

WHSP Managing Director Todd Barlow said: "We continue to experience good conditions across most sectors. The continued demand for coal and increased price for thermal coal is driving profitability at New Hope; the building and construction market has not weakened for Brickworks; and equity markets are proving to be resilient, which is assisting our financial services portfolio.

"Stronger commodity prices, particularly copper and zinc, will see us bring into production a number of our assets in Copperchem and Exco.

"We have increased levels of cash available for investments and are continuing to look for new opportunities," he added.

WHSP is a long-term investor with a focus on providing its shareholders with capital growth and increasing fully franked dividends. WHSP has consistently outperformed the ASX All Ordinaries Accumulation Index over the long-term.

Briefing details:

WHSP will present its results with a Q&A session afterwards today at the Brickworks Design Studio, 2 Barrack Street Sydney – 12.15pm for 12.30pm start. Please note Brickworks will be presenting first.

The briefing will be live streamed at: <http://www.streamgate.co/brickworks-full-year-results-2017>

About Washington H. Soul Pattinson and Company Limited

WHSP is Australia's second oldest listed company. Beginning as a chemist shop in Pitt Street, Sydney in 1872, the company listed on the Australian Securities Exchange 30 years later. Since listing, WHSP has paid a dividend every year, including throughout the depression of the 1930s. Today, WHSP is a diversified investor with many investments including: telecommunications, building products, coal, equities, pharmaceuticals, property, copper, gold and financial services.

WASHINGTON H. SOUL PATTINSON AND COMPANY LIMITED (ASX CODE: SOL)

www.whsp.com.au

For further information

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