



ASX/Media release

## WHSP reports 12.2% increase in regular profit Solid portfolio growth and outstanding shareholder returns

**Key highlights:**

Performance for the Half Year	compared to 1H18	
<i>The Group's highest ever first half regular profit</i>		
Group Regular profit after tax*	\$186.7 million	+ 12.2%
Group Statutory Profit after tax	\$179.2 million	+ 22.6%
WHSP's net asset value (pre-tax) (tax payable if disposed of on 31 January 2019 \$1,243 million)	\$6.0 billion	+ 10.2%

Shareholder Returns			
Net regular cash from operations	\$92.0 million	+ 24.8%	
Interim Dividend (fully franked)	24 cents	+ 4.3%	
Interim Dividend growth over 20 years (ordinary dividend compound annual growth rate)	9.4% PA		
Total Shareholder Returns to 31 January 2019			
	WHSP	All Ords. Accum. Index	Out Performance
1 Year	<b>56.5%</b>	0.7%	<b>55.8%</b>
3 Years	<b>15.3% p.a.</b>	7.1% p.a.	<b>8.2% p.a.</b>
15 Years	<b>13.9% p.a.</b>	8.5% p.a.	<b>5.4% p.a.</b>

\* 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.

For personal use only

**Thursday, 21 March 2019:** Diversified investment house, Washington H. Soul Pattinson and Company Limited (WHSP, ASX: SOL) today announced the Group's results for half year ended 31 January 2019, reporting a regular profit after tax\* of \$186.7 million, an increase of 12.2% on the previous corresponding period.

WHSP considers regular profit after tax\* to be the better indicator of the underlying profit of the Group.

The net increase in the regular profit\* was attributable to a number of investments materially increasing contributions, notably:

- New Hope Corporation up 27.3% due to higher coal prices and increased volumes from Bengalla; and
- Brickworks up 73.7%, driven by very strong property earnings, which were partly offset by:
- Round Oak Minerals, due to significant start-up costs and expenses associated with the development of various projects.

Reported net profit after tax (NPAT) was \$179.2 million for the half year, up 22.6% on the previous corresponding period.

WHSP Chairman, Robert Millner said: "The WHSP Group continues to improve its performance with another record regular result for the first half.

"New Hope is enjoying continued strength in thermal coal prices in addition to increasing its production volumes in recent years through the well timed acquisition of the Bengalla coal mine.

"Brickworks had a strong result, driven by earnings from investments and the property division which highlights the benefits of diversification and the robustness of Brickworks' portfolio of assets.

"During the first half, the value of WHSP's portfolio increased by 10.2%, outperforming the All Ordinaries by 17.0%. While the equity markets suffered a correction, WHSP's portfolio increased which shows the quality of our assets.

"WHSP continues to deliver outstanding results for shareholders with a Total Shareholder Return for the year ended 31 January 2019 of 56.5% (against the All Ordinaries Accumulation Index increase of just 0.7%).

"Over the past 15 years, an investment in WHSP has multiplied in value by six times while the market has increased just two and a half times.

"The Company has lifted its interim dividend for the 21<sup>st</sup> straight year.

"The interim dividend has grown to 24c, up from 4c in 1999. This is a compound annual growth rate of 9.4%," he added.

### **Interim dividend**

The Directors declare interim and final dividends based on the WHSP's regular cash inflows less regular operating costs. The regular cash inflows for the half were up 24.8% from the previous corresponding period.

For the half year ended 31 January 2019, Directors have declared a fully franked final dividend of 24 cents per share, an increase of 4.3% over last year's final dividend.

The record date for the dividend will be 18 April 2019 with payment due on 9 May 2019.

\* 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.

## Outlook

WHSP Managing Director, Todd Barlow, said: "This is a very solid and pleasing result that reflects both the defensive and robust nature of Washington H. Soul Pattison's investment portfolio.

"Our portfolio is well positioned to deliver continued growth while being largely uncorrelated with the rest of the equity market.

"We are quite cautious at the moment with asset prices remaining high while some early warning signs are emerging with respect to consumer sentiment and economic activity.

"However, we expect the performance of thermal coal, telecommunications subscriptions and property to continue to perform even if general market conditions soften.

"WHSP has financial capacity to make new investments and is always looking for opportunities where our long term, patient and disciplined investment approach can deliver outperformance for shareholders," Mr Barlow said.

## Briefing details:

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

The briefing will be live streamed at: <https://www.streamgate.co/brickworks-half-year-results-2019/>

## 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, mining, equities, pharmaceuticals, property and financial services.

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.

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

[www.whsp.com.au](http://www.whsp.com.au)

### For further information

#### Investor enquiries:

Robert Millner, Chairman – 02 9232 7166

Todd Barlow, Managing Director – 02 9232 7166

#### Media enquiries:

Michael Mullane, Honner – 0414 590 296