



Washington H. Soul Pattinson Annual General Meeting

Wednesday, 9 December 2020

Chairman's Address

Good afternoon Ladies and Gentlemen and welcome to Washington H. Soul Pattinson's 118th Annual General Meeting. I am Robert Millner, Chairman of the Board. I am advised that a quorum is present, therefore I formally declare the Meeting open. Due to government restrictions in place to manage COVID, today's AGM is being held online.

There will be four parts to today's meeting. First, I will provide an overview of the result for the financial year. Then Todd Barlow, the Company's CEO, will take you through the result in greater detail. Following this, the formal items of business will be considered and we will respond to shareholders' questions or comments on the items of business or management of the company.

To assist with the orderly conduct of the meeting, please do not wait for discussion of the formal items of business to submit your question.

All Board members are at today's meeting. Seated at the table is Todd Barlow our Managing Director. Michael Hawker our lead independent director, Tiffany Fuller, Tom Millner, Warwick Negus, Josephine Sukkar and Robert Westphal are also safely distanced in the room with me today or are attending online.

At the table seated to the right of Todd is Ida Lawrance our Company Secretary and seated to the left, David Grbin our CFO. Melissa Alexander from the Company's Auditors, Pitcher Partners, is also present and available to answer questions shareholders might have concerning the conduct of the audit, preparation and content of the auditors' report, the Company's accounting policies and the auditor's independence.

Instructions on how to vote and ask questions are available in the Notice of Meeting.

To allow those who have attended sufficient time to vote I now formally open the poll on all items of business set out in the Notice of Meeting. Voting today will be conducted by way of a poll on all items of business. If you are eligible to vote, a 'poll' icon will appear on the bottom of your screen. Through this icon you can change your vote up until the time the meeting is closed.

Today's AGM is an opportunity for shareholders or their representatives to ask questions. To ask questions press the Q&A icon, type your question, and then submit it by clicking on the arrow symbol. Please provide your name and the item of business when you submit a question.

Questions sent via the online meeting platform will be moderated to avoid repetition and if questions are lengthy, we may summarise them. Answers to questions received ahead of today's meeting will be addressed during the course of the meeting.

My address and the CEO's presentation for today's meeting have been lodged with the ASX. This webcast of the AGM is to enable shareholders to attend today's meeting and no permission is given to copy or use the webcast for any other purpose.

I would like to begin my presentation by thanking all shareholders for their support during the past year. Through this period of uncertainty and disruption your Board and management have remained focused on the safety of staff and managing WHSP's investment portfolio.

WHSP's objective is to provide superior returns to shareholders over the long term by creating capital growth along with steadily increasing dividends. Despite the impact of COVID-19 on markets this year, the Company was again able to increase the dividend paid to shareholders this year to 60 cps.

WHSP is now the only company in the top 500 listed companies in Australia to have increased its dividend every year for the last 20 years. We are extremely proud of the fact that the company has never missed paying a dividend since listing in 1903.

Despite difficult periods such as the GFC and Covid-19, we have been able to continue to grow the dividend paid to our shareholders. Over the past 20 years, the interim dividend has grown at a 9.2% compound annual growth rate

The table on the slide shows the Total Shareholder Return for WHSP shares for various periods and compares them to the ASX All Ordinaries Accumulation Index, which also includes the reinvestment of dividends. The TSR performance has been strong over the periods shown above with WHSP outperforming the Index over each of the periods shown on the slide.

As a long-term investor our focus is on delivering outperformance over the long term. Over the last 20 years annual TSR outperformance was 14.3% per annum. This outperformance has had a material impact on shareholder returns. During this time, an investment in WHSP appreciated approximately 13.5 times while an investment in the Index increased by just 2.3 times during the same period.

And this performance has been maintained for a long period of time. If a shareholder had invested \$1,000 in 1980 and reinvested all dividends, the shareholding would have appreciated to over \$216,470 as at 30 November 2020. This equates to a compound annual growth rate of 14.4%, year on year, for 40 years. This growth does not include the value of the franking credits which have been passed on to shareholders by WHSP.

In July, we were fortunate to have Josephine Sukkar join the WHSP board. Josephine is an experienced entrepreneur and business executive having founded the Buildcorp construction business over 30 years ago. More recently, Josephine has served on a number of public, industry and government boards on top of contributions to various not for profit and charitable institutions. We are pleased to have Josephine Sukkar on the Board and look forward to benefiting from her broad experience. We are confident that she will make a valuable contribution to the continued success of WHSP.

Together with Tiffany Fuller and Tom Millner, who are also standing for re-election today, the Board as a whole has an appropriate mix of skills and experience to effectively meet the Board's responsibilities. All directors have confirmed they have the time available to effectively fulfill their role and the Board supports their re-election.

It has been a very challenging year and I would like to thank all staff at WSHP for their efforts in achieving this result, in particular I would like to acknowledge the dedication of Todd and his senior management team. Also, I would like to thank the management and staff of our investee companies for their efforts through the very challenging time we have experienced over the past nine months.