



8 October 2020

The Manager
ASX Market Announcements
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Electronic Lodgement

**AMCIL Limited
2020 Annual General Meeting Presentation**

Dear Sir / Madam

Please find attached a presentation that will be delivered to shareholders at the Company's Annual General Meeting to be held today.

Yours faithfully

A handwritten signature in grey ink, appearing to read 'M Rowe', written in a cursive style.

Matthew Rowe
Company Secretary

Authorised for release by the Company Secretary



Annual General Meeting 2020 Presentation



Presentation Agenda

- Our Purpose and Approach (Mark Freeman)
- Financial Results (Andrew Porter)
- Market Conditions and Portfolio Performance (Alison Gibson)
- Closing Comments (Mark Freeman)

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Our Purpose and Approach

AMCIL – Our Purpose and Approach

Purpose

To deliver returns from Australian and New Zealand equities which exceed the market over the medium to long term through strong capital growth and the generation of fully franked dividends.

Approach



High Quality
Companies



Above
Market
Growth



Invest with
Conviction



Focused
Portfolio but
Diversified



Both Larger
& Smaller
Companies

AMCIL's Investment Approach – focus on investing in quality companies that can grow over the long term

High Quality companies:

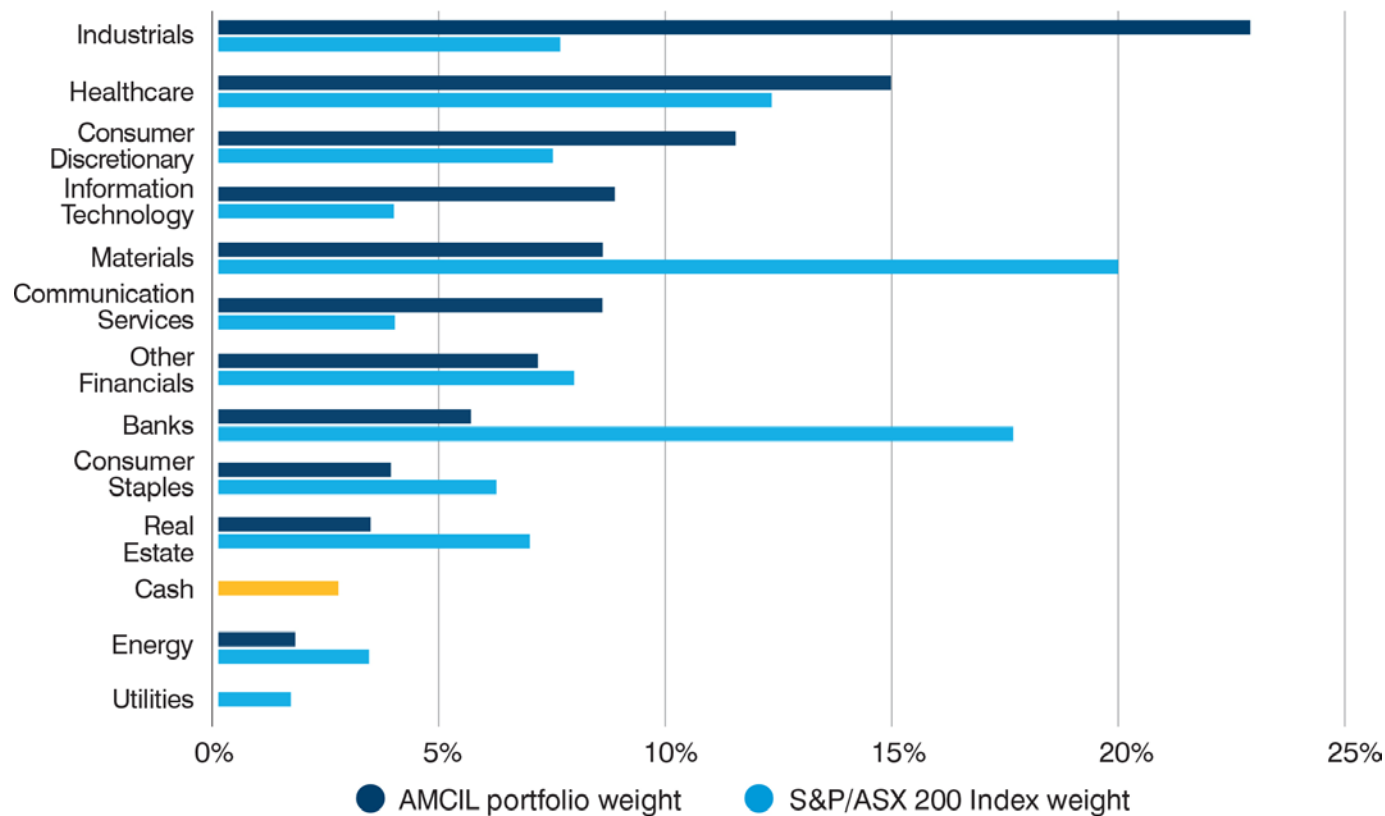
- Have a leadership position in their industry (or developing one)
- Have a sustainable competitive advantage and/or unique assets
- Reinvest to defend and enhance their position
- Deliver returns (ROIC) above their cost of capital
- Have conservative balance sheets (low debt)
- Run by passionate management who are good stewards of capital, often owner/drivers who have a deep understanding of the industry and their business

Growing over the long term:

- Large market opportunity
- Ability to take market share
- Preference for consistency of earnings growth

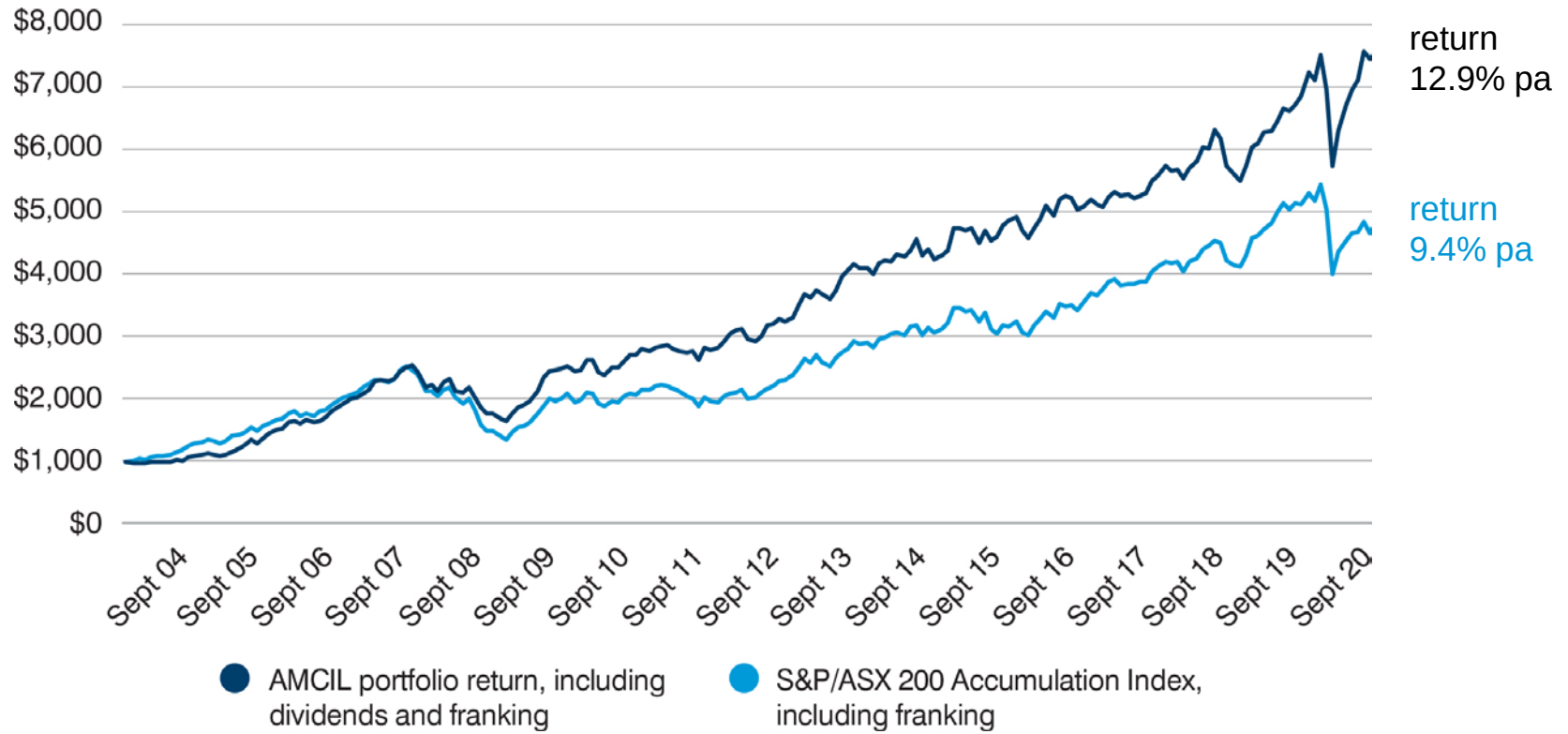
Seek to buy these companies when we identify long term value

Sector Weight Positions in AMCIL – Very Different to the ASX 200 Index



As at 30 September 2020

Portfolio return (including franking*) against the S&P/ASX 200 Index, with franking, since recapitalisation in January 2004



*Assumes an investor can fully utilise the franking credits

A detailed view of a modern industrial manufacturing facility. The scene is filled with complex machinery, including robotic arms and conveyor systems, all painted in bright yellow and orange. The background shows a high-ceilinged factory with various pipes and structural elements. A white rectangular box is overlaid on the left side of the image, containing the text 'Financial Results'.

Financial Results

Financial Year in Summary

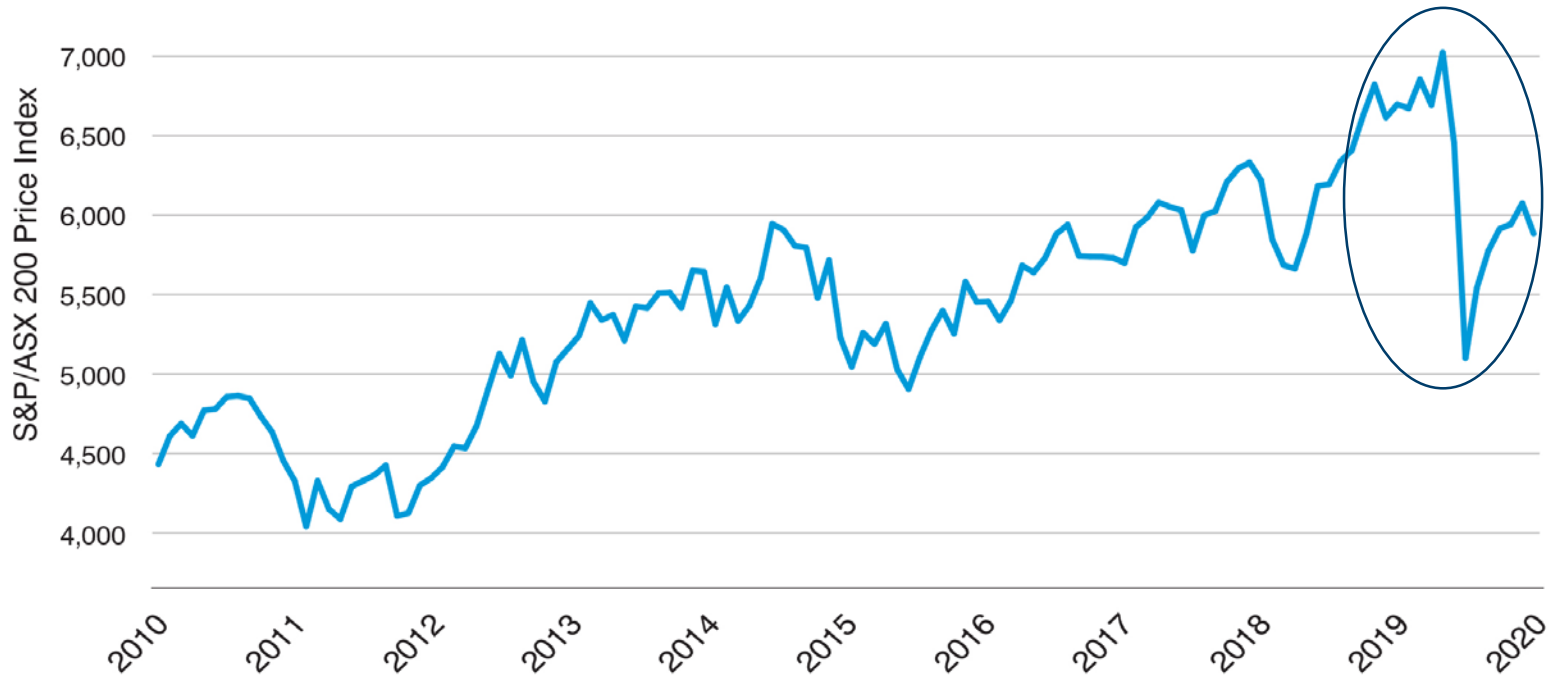
	2020			2020	
Profit for the Year	\$6.0m	Down 15% from 2019	Total Shareholder Return	13.0%	Share price plus dividend including franking*
Total Fully Franked Dividend	2.5¢	7 cents total in 2019 including 3.5 cent special and interim dividend	Management Expense Ratio	0.66%	0.72% in 2019
Total Portfolio Return	7.6% Including franking*	S&P/ASX 200 Accumulation Index including franking* -6.6%	Total Portfolio	\$278.8m	Including cash at 30 June \$266.2 million in 2019

Dividend policy is to maximise the distribution of available franking credits (from dividends received and realised capital gains) each financial year. As a result the amount of fully franked dividends are likely to fluctuate from year to year.

A photograph of a modern industrial manufacturing facility. In the foreground, a yellow robotic arm is positioned over a work area. The background shows a complex network of pipes, cables, and other industrial equipment. The scene is brightly lit, typical of a factory environment.

Market Conditions and Portfolio Performance

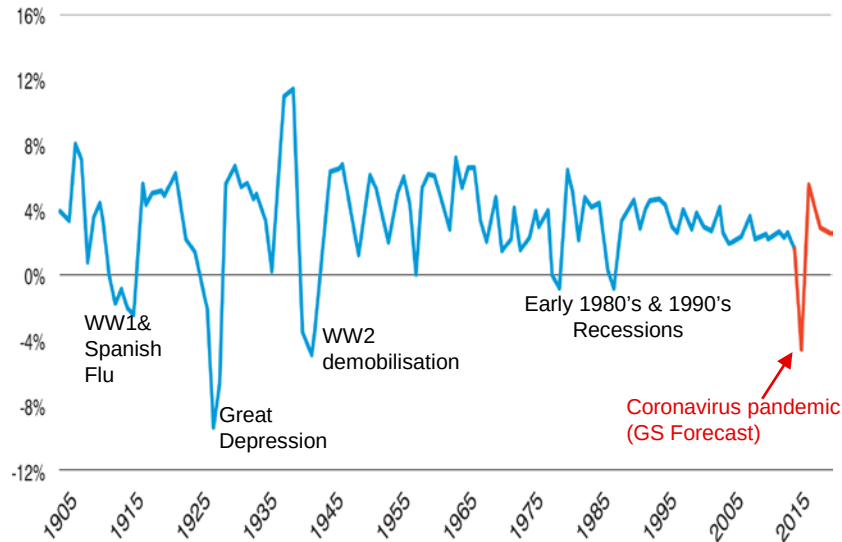
COVID-19 drove a significant pull back in the market followed by a quick reversal



Source: FactSet

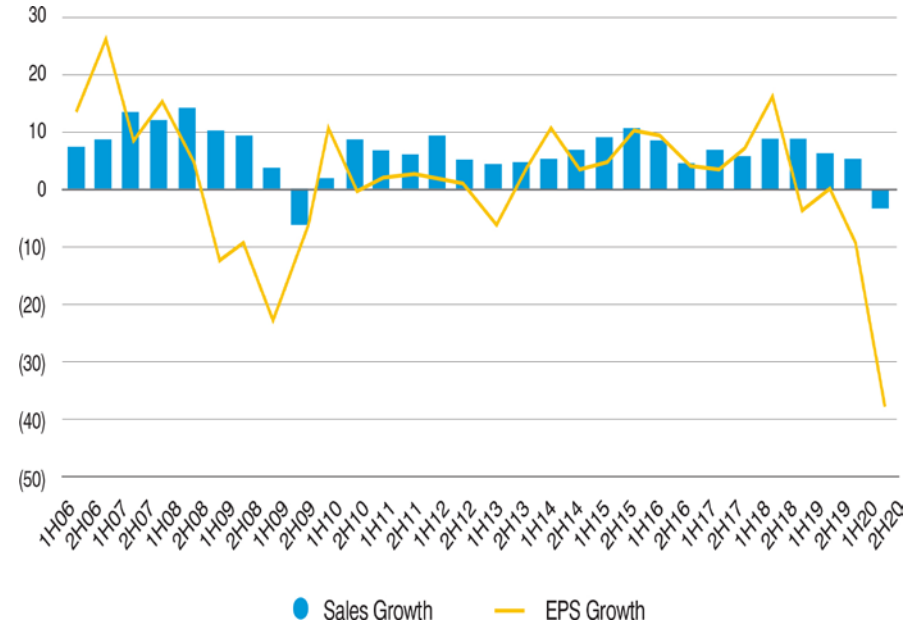
COVID-19 has led to a large drawdown in GDP and company earnings

A Century of Australian real GDP Growth



Source: Goldman Sachs Global Investment Research

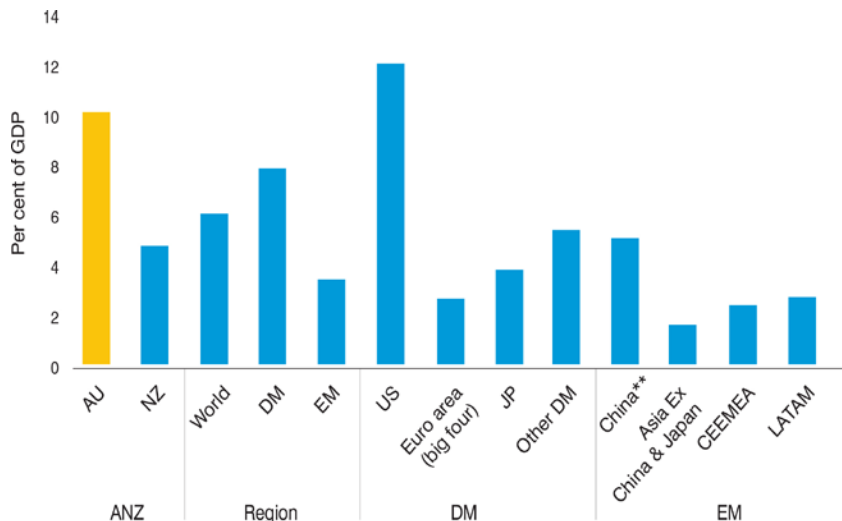
EPS growth fell 38% for the average stock, the weakest since the GFC (-20%)



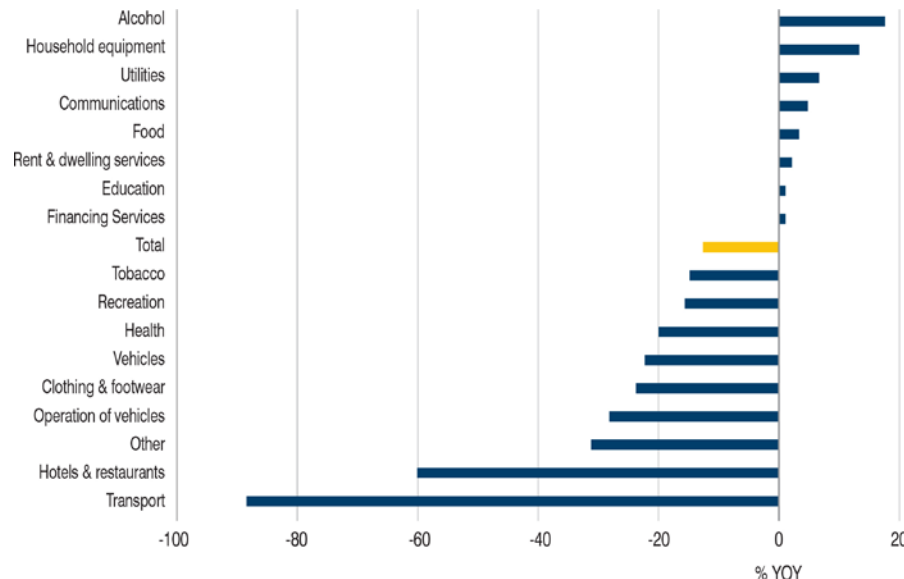
Source: Goldman Sachs Global Investment Research

Large fiscal easing has supported the economy and lock-downs have altered consumer spending patterns

Fiscal Easing* in Response to Coronacrisis



Year-on year % change in real household consumption
2Q 2020



*Discretionary policy actions taken since the outbreak that lead to higher government expenditures or lower tax receipts

** GS expected easing

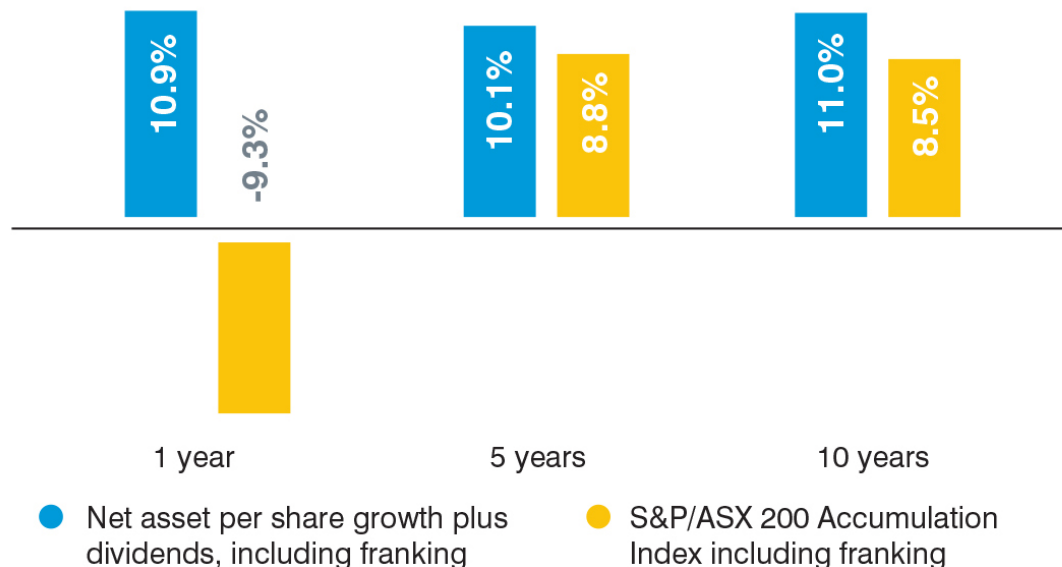
Source: Goldman Sachs Global Investment Research

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AMCIL's focus on quality delivered outperformance during COVID-19 uncertainty

In March we said:	Outcome / Actions:
Quality tends to outperform in difficult economic conditions	<i>Quality owner/drivers provided outperformance: Top 5 were Objective Corporation, Macquarie Telecom, NextDC, Mainfreight & Carsales</i>
Balance sheets remain very important – retesting the companies held	<i>Exited Lend Lease, Reliance Worldwide A number of equity raisings were conducted</i>
The strong tend to get stronger as opportunities arise	<i>Examples: Goodman Group, Wesfarmers (Bunnings), Mainfreight</i>
Experience of management is critical	<i>Owner/drivers, long term CEOs – experience helped navigate the challenges</i>

Focusing on Quality Stocks - Portfolio Performance to end September 2020*



* Assumes an investor can take full advantage of the franking credits. AMCIL's portfolio return is also calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include management expenses or tax.

Past performance is not indicative of future performance.

Portfolio outperformance led by long-term, high quality holdings

Larger Companies



Smaller Companies



NEXT DC



Although, some quality companies with a strong competitive advantage in the portfolio have been impacted by recent economic conditions



Market volatility provided opportunity to redistribute capital

Exited holdings with quality and/or growth concerns...



... and trimmed/exited winners



To invest in high quality companies...

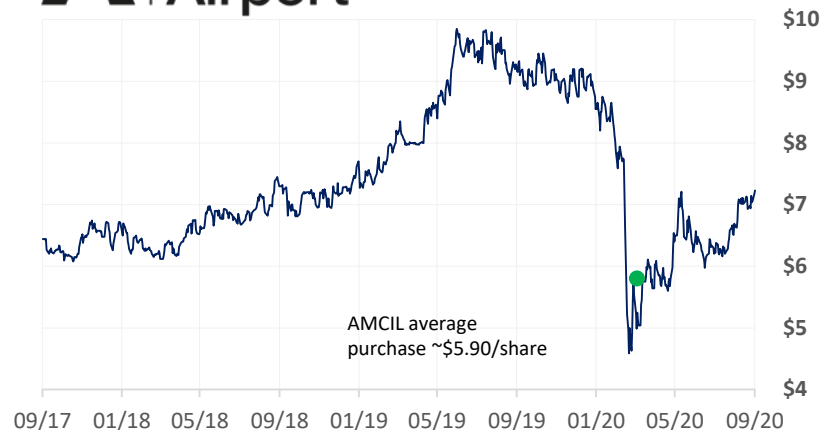


Market sell off provided opportunities to invest in high quality companies at attractive prices



Leading global player in Cochlear implant sales. Invests heavily in R&D. Long runway of growth with significant unmet need.

Equity raising due to COVID-19 disruption provided opportunity buy at an attractive price (\$140).



Air travel shut down due to COVID-19 severely impacted airport profits.

Auckland Airport remains very attractive asset which will recover as travel resumes. Equity raising at \$4.54 provided an attractive opportunity to buy.

AMCIL Portfolio remains well positioned in quality companies - Top 10 Overweight Positions



Emerging leader in logistics solutions globally. Unique owner/driver culture which enables long term view of investment. Mainfreight has navigated COVID-19 challenges well, with solid market share gains, cost control and a strong balance sheet. Market share in US & Europe still in its infancy.



Owner/driver telecommunication business with hard to replicate assets in its Sydney and Canberra data centres. 'Working from home' during COVID has further strengthened the demand for cloud based businesses. Data centre expansions should benefit from ever increasing demands for data.



Dominant auto classifieds marketplace business with very high barriers to entry. Continuing to reinvest in technology and generate high returns. A solid result in the Australian business despite COVID headwinds, highlighted the resilience of the business model. South Korean operations continued to grow impressively and win market share.



Owner/driver business which has developed a very strong brand in the Australian 4WD parts market. Long runway of growth in overseas markets provides opportunity to capture substantial market share.



Annual General Meeting 2020

Owner/driver management team who have built a successful Australian business which generates attractive returns. Seeking to replicate this in the United States. Early signs are promising for the US opportunity which could underpin the next decade of growth.

AMCIL Portfolio remains well positioned in quality companies - Top 10 Overweight Positions continued



Bunnings (60% of Wesfarmers) has a dominant market position as the leading DIY retailer. Lowest cost and scale provide competitive advantage which drive growth and generate attractive returns. Management focused on growing returns on capital. Very strong balance sheet.



Unique toll road assets which benefit from population growth and have set inflation linked pricing. Further opportunities to add new growth projects which support long term cash flow growth.



The leading provider of data centres in Australia, with a high returning and hard to replicate asset base. The demand for data storage continues to grow strongly underpinning Next DC's expansion plans.



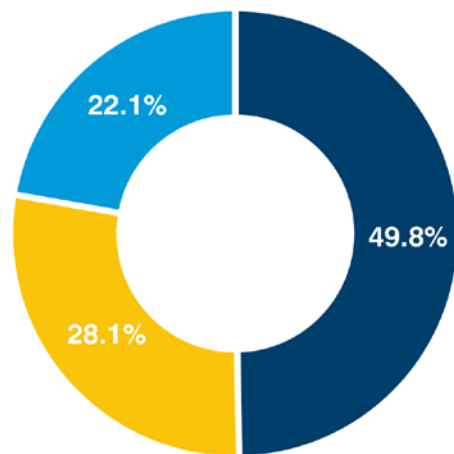
Well managed market leader in Australian trustee services, with growth potential strengthening as the financial services industry increasingly adopts independent trustees. High level of recurring revenues and a strong balance sheet.



Very strong market position with broadening distribution network and sustainable competitive advantage. Plenty of opportunity for market share growth in the siding market. Strong balance sheet.

Top 20 Investments as at 30 September 2020 (excluding cash)

Focused Portfolio
– 34 Holdings in Total



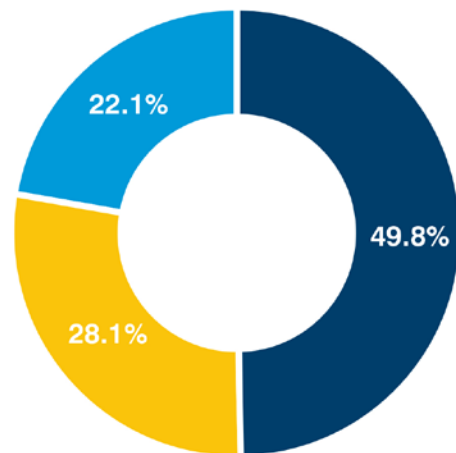
● Top 10 ● Next 10 ● Remainder

Cash position \$8.2 million
(2.8% of the portfolio)

Rank	Company	% of Portfolio
1	CSL	9.4%
2	BHP	5.8%
3	Wesfarmers	5.5%
4	Mainfreight	5.1%
5	Transurban	4.6%
6	Macquarie Group	4.5%
7	Woolworths Group	4.0%
8	Carsales.com	3.7%
9	Macquarie Telecom Group	3.6%
10	Goodman Group	3.6%

Top 20 Investments as at 30 September 2020 (excluding cash) continued

Focused Portfolio
– 34 Holdings in Total



● Top 10 ● Next 10 ● Remainder

Cash position \$8.2 million
(2.8% of the portfolio)

Rank	Company	% of Portfolio
11	ARB Corporation	3.3%
12	National Australia Bank	3.3%
13	Reece	3.2%
14	James Hardie Industries	3.2%
15	Sydney Airport	3.0%
16	Ramsay Health Care	2.7%
17	NextDC	2.6%
18	Xero	2.5%
19	EQT Holdings	2.2%
20	Qube Holdings	2.1%

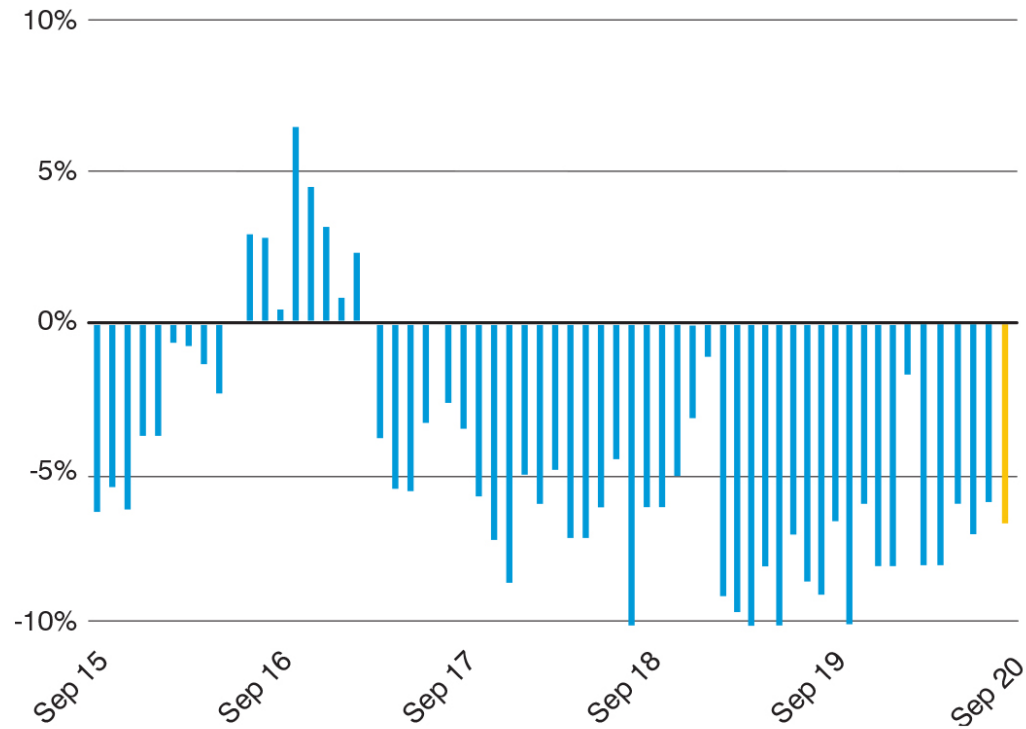
Closing Comments



Closing comments

- Long term structural trends arising from COVID-19?
- Low interest rates to remain low for some time
- Election in the US
- Australia / China relations
- Valuations likely to remain stretched but opportunities will arise
- SPP announced today

Share price to net asset backing per share



Details of Share Purchase Plan (SPP) Announced 8 October

- Up to a maximum of \$30,000 per registered shareholder.
- Shares issued under the SPP will rank equally for future dividends.
- Price is the maximum of 97 cents per share or the price determined by the volume weighted average share price in the 5 trading days up to including closing date – no discount will be applied.
- Record date 7 October, applications to be sent 15 October.
- Offer closes Monday, 16 November.
- Shares expected to be issued 25 November.

