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## **Kingfish Limited Annual Meeting**

### **Chair's Address from Andy Coupe**

[Slide: Kingfish Limited Annual Meeting of Shareholders]

Welcome to the 20th Kingfish annual meeting of shareholders, I'm Andy Coupe, Chair of Kingfish.

We've again put in place the virtual meeting option for those who are unable to attend in-person, and we welcome those who have joined the meeting via the Computershare virtual meeting platform.

We are duly convened as a Notice of Meeting has been circulated to shareholders and I can confirm that a quorum is present, so I declare the meeting open.

Please note that the exits are at the back and front of the room. Please ensure you turn your cell phones off or put them on mute.

For those here in-person there will be a light lunch at the conclusion of the meeting. We look forward to meeting many of you after the meeting.

[Slide: Introductions]

Let me introduce the front table.

Firstly, the directors. To my right is Carol Campbell (Chair of the Audit & Risk Committee), next to her is David McClatchy (Chair of the Investment Committee) and next to him is Fiona Oliver.

Next to Fiona is Matt Peek the Kingfish Portfolio Manager, and next to Matt is Wayne Burns the Corporate Manager.

Also here today, in the audience, are Senior Investment Analysts Zoie Regan and Michael Bacon.

We are also pleased to have here today representatives from our share registrar, Computershare, auditor, PricewaterhouseCoopers, our tax advisors, Deloitte and our legal advisors, Bell Gully.

[Slide: Agenda]

The agenda for today.

Firstly, preliminary matters

- The minutes of the 2023 annual shareholders' meeting held on 4 August 2023 are available at the registration desk and are also on the Kingfish website.
- The 2024 annual report has been circulated to shareholders – additional copies are available at the registration desk and can also be found on the Kingfish website.

Today I'll give a brief summary of the Kingfish 2024 financial year and an update of the year to date, and then Kingfish's Portfolio Manager, Matt Peek will review the Kingfish portfolio.

After the Manager's Review, we will have a Q&A session, and we'll then move to the formal business of the meeting.

There are three resolutions for you to consider and vote on today, which are as set out in the Notice of Meeting.

If you're attending the meeting online there's a Q&A icon at the top right of your screen.

To send in a question, please select the Q&A tab on the right half of your screen at anytime. Type your question into the field and press send. Your question will be immediately submitted.

We've set aside a time at the end of the two presentations for general questions relating to the operations and management of the business.

Questions relating to the three resolutions will be dealt with in conjunction with each of the resolutions.

Should you require any assistance, you can type your query and one of the Computershare team will assist with the chat function and reply to your query.

[Slide: Chair's Overview]

It is now my pleasure to present the Chair's Overview at this meeting.

[Slide: Kingfish's Investment Objective]

We typically start our annual meetings with a quick reminder of what we are here to achieve, being.

- to achieve a high real rate of return, comprising both income and capital growth, within risk parameters acceptable to the directors; and
- to provide access to a diversified portfolio of New Zealand quality, growth stocks through a single tax-efficient investment vehicle.

Matt will speak to the portfolio over the past financial year and the growth characteristics of the stocks that form the portfolio in his manager review.

[Slide: Corporate Governance]

Turning now to corporate governance.

Kingfish does not have a formal environmental, social, and governance (ESG) framework. However, the Manager does have a formal ESG framework which governs stock selection, to which the Kingfish board is fully supportive and committed.

The Financial Sector (Climate-related Disclosure and Other Matters) Amendment Act 2021 introduced the new financial reporting requirement for Climate Reporting Entities (**CREs**), and Kingfish is designated as a CRE and is therefore required to produce an annual climate-related disclosure report.

The purpose of the climate reporting is to provide transparency regarding a company's contributions to climate change and the efforts being made to mitigate those impacts. In the case of an investment company like Kingfish, this means that we're talking about the underlying portfolio companies that Kingfish invests in.

The evaluation of climate risks and opportunities has always been part of the Manager's STEEPP analysis, ESG framework and responsible investing policy. However, the Manager has developed a new and more detailed lens on climate risks and opportunities, evaluating all of the investments in the portfolio in terms of their disclosed exposure to climate change and the potential impact of that change on portfolio company performance.

Kingfish lodged its first Climate Statement last week on the 31<sup>st</sup> July. It's available on the Kingfish website. Next year we will be required to include Scope 3 emissions in addition to the Scope 1 and 2 requirements this year. This will make an already complex Climate Statement even more complex.

#### [Slide: 2024 Overview]

Those of you who have had a chance to review the annual report will be aware of many of the following performance numbers.

- Kingfish recorded a NPAT of \$19.9m. (A healthy turnaround from the prior year).
- Total shareholder return, being the performance of the share price and warrant price plus dividends paid to shareholders, was 3.7%, the return being negatively impacted by share price weakness.
- Kingfish's regular dividends continued to contribute to the Total Shareholder Return with 10.83 cents per share paid in dividends during the year, which is equivalent to a dividend return, not a dividend yield, of +8.5%. These returns are calculated based on the average share price for the year.
- The overall net asset value (NAV) per share fell from \$1.40 (as at 31 March 2023) to \$1.34 (as at 31 March 2024)
- The adjusted NAV return was 4.6% for the year, which represents the net return to an investor after capital allocation decisions and after expenses, fees and tax.

#### [Slide: 2024 Overview - Continued]

This table compares the Adjusted NAV return, (the net return to an investor after expenses, fees and tax), and the gross performance return (the return before expenses, fees and tax), to the benchmark index return over the periods of 1, 3 and 5 years.

The Kingfish portfolio has out-performed the benchmark index over all these periods. So, while returns have been volatile over the last 3 years, we are pleased that the portfolio has achieved its objectives over the longer term, and we believe it represents a very reasonable outcome for most shareholders.

Matt will discuss the New Zealand share market dynamics and a more detailed description of how the portfolio performed and how it is positioned shortly in the Manager's Review.

#### [Slide: Basic and Diluted Earnings per Share]

This chart shows the earnings, or in the case of 2022 and 2023 years, the loss per share.

Looking at the 2021 year's spectacular return, it's a potent reminder of how variable share market returns can be, and the degrees of volatility that equity markets can experience from time to time.

#### [Slide: Use of Shareholders' Funds]

Turning now to Shareholders' Funds

This chart shows that the Kingfish NAV of \$462m (as at 31 March 2023) decreased by a net \$4m to \$458m (as at 31 March 2024).

The movements during the year as represented by the blue, yellow and red columns were:

- the \$19.9m net profit,
- less \$36m dividends paid and \$1m of share buybacks,

- but adding back \$13m for dividends reinvested by shareholders.

[Slide: First three months, FY 2025]

The first three months of the new financial year show the ongoing impact from pressures and concerns regarding inflation, high central bank interest rates, supply chain disruption, and the ongoing geo-political issues.

This slide provides a snapshot of the first three months of the current financial year to 30 June 2024:

- Total shareholder return for the three months was down -4.4% - driven by the share price decrease from \$1.25 (31 March) to \$1.17 (30 June) and the June dividend.
- As at 30 June, the NAV per share was \$1.31, slightly down on the March NAV of \$1.34 – but again that was after a dividend of 2.65 cents per share paid on 27 June.
- The adjusted NAV return for the first three months of the 2025 financial year was down slightly -0.5%.
- This performance to date, translates to a net loss of -\$2.4m for the three months to 30 June.

[Slide: Warrants]

As part Kingfish capital management programme we made a pro rata warrant issue to eligible shareholders in July last year.

83.1m warrants were issued, with an exercise date of 26 July 2024.

The final exercise price for the warrants was \$1.26

The warrants were just out-of-the-money in the lead up to the exercise date and therefore only 1.28% (1.1m) warrants were exercised.

### **Closing remarks**

The past twelve months have been challenging. However, we were pleased to see the strong second half performance, with the Manager turning around a half year (30 September 2023) loss of (\$14.7m) to end the financial year with a \$19.9m net profit.

The investment strategy of focussing on quality growth stocks, as detailed in the prospectus so many years ago, has not changed. We remain confident that over the medium term the strategy will bring its rewards.

In closing my annual meeting address, and on behalf of the board, I'd like to thank you for your continued support of Kingfish.

I will now hand over to Matt Peek, Portfolio Manager of Kingfish.

ENDS