

27 August 2019

ASX Market Announcements
ASX Limited
Level 6, Exchange Centre
20 Bridge St
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

1H19 Results for the period ended 30 June 2019

VGI Partners Limited (“VGI” or the “Company”, ASX:VGI) today announced its results for the six months to 30 June 2019. During this period the Company undertook an initial public offering (IPO) and listed on the ASX on 21 June. Concurrent with the IPO, VGI Partners Global Investments Limited (ASX:VG1), a listed investment company managed by VGI, raised \$300 million through a placement and entitlement offering.

Funds Under Management (FUM) increased 24% over the six months to \$2.6 billion, partly due to the VG1 raising, with the remainder of the increase primarily due to fund performance. Note that VGI’s unlisted funds remain closed to net new investment. A fee waiver for VG1 (that had been in place since VG1’s inception in 2017) also came to an end in late April, meaning that VGI now earns management fees from VG1.

Net management fees were \$12.5 million for the half year. Based on VGI’s FUM as at 31 July 2019 of approximately A\$2.6 billion, the indicative go-forward annualised net management fee is now around \$38 million.¹ Performance fees of \$32.8 million were crystallised at 30 June, marginally above the \$32 million estimate in VGI’s ASX announcement on 15 July. Performance fees are generally weighted to the June half as the majority of VGI’s FUM has June-year-end performance fee calculation periods.

Taking the above into account, 1H19 Statutory Net Profit After Tax (NPAT) was \$20.6 million and Normalised NPAT was \$24.6 million. Normalised NPAT is calculated by adding back \$5.7 million of non-recurring equity raising costs, tax effected at 30%.

The Board has declared a fully franked dividend of 25.6 cents per share, which implies a payout ratio on normalised earnings of approximately 70%. The dividend will be paid to all shareholders who are on the register at the record date of 3 September 2019. The payment date is 16 September 2019. VGI encourages shareholders to provide their banking details to Boardroom, the share registry, to facilitate an efficient payment.

VGI reiterated that, commencing 1 July 2019, its dividend policy is that it will typically target a payout ratio of 50-75% of normalised NPAT. The actual payout will be dependent on a number of factors, including whether performance fees are unusually high or low.

¹ This is a run-rate figure; it is not intended to be a target, prediction or guidance and can be subject to uncertainties. More detail on the calculation is provided in VGI’s 1H19 Investor Briefing presentation. Actual results may vary in a materially positive or negative manner.

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Commenting on the 1H19 result, Executive Chairman, Robert Luciano said: “We are pleased to report our first result as a listed company. We now have approximately 4,600 shareholders and, because the opportunity to invest in the IPO was made exclusively to VG1 equity raising participants, we welcomed many VG1 shareholders onto the VGI register. We also had many of our large unlisted fund and IMA² investors join the registers of both VGI and VG1 in the process. We purposefully structured the raisings so as to increase the alignment of interests between VGI Partners, VG1 and VGI’s investors.”

“However, although we are now listed, very little has changed for us. Key members of the management team own 80% of the company and we are committed for the long-term. In fact, the founders did not sell a single share into the IPO and the majority of our shares are escrowed for five years.”

“We also note that our unlisted funds remain closed to new investment and the VG1 Board has committed not to conduct further capital raisings in VG1 until at least June 2022, unless as part of a value-enhancing acquisition of another Listed Investment Company (LIC), or to satisfy the performance fee reinvestment mechanism. The one exception to the above is that, in 2018, we created a Charitable Foundation Class in the VGI Partners Master Fund. This currently has around \$20 million of FUM and limited additional capacity. 100% of management and performance fees earned by VGI on the Foundation Class are donated to the VGI Partners Foundation.”

“Earlier this month we announced our intention to establish a new investment strategy via a new Listed Investment Company – VGI Partners Asian Investments Limited or VG8. This project remains firmly on track and we expect to lodge the prospectus with ASIC next week.”

Key metrics for the half year to 30 June 2019

VGI Partners Limited IPO listing date	21 June 2019
Statutory NPAT	\$20.6 million
Add back: post-tax non-recurring equity raising costs	\$4.0 million
Normalised NPAT (after adding back post-tax non-recurring raising costs)	\$24.6 million
Net management fees	\$12.5 million

Additional information

Go-forward annualised net management fees based on 31 July 2019 FUM¹	c.\$38 million
Fully franked dividend per share	25.6¢
<ul style="list-style-type: none">• Ex date: 2 Sep 2019• Record date: 3 Sep 2019• Payment date: 16 Sep 2019	

² Individually Managed Account

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Please see VGI's 1H19 Investor Briefing presentation and Interim Financial Report for more details. There will be a live webcast and conference call today at 10.30am (AEST) for analysts and investors. A link to the recorded webcast will also be archived on VGI's website.

Pre-register for the call: <https://s1.c-conf.com/diamondpass/vgipartners-10001678-invite.html>

Webcast link: <https://edge.media-server.com/mmc/go/vgi-1h19-results/>

Alternatively, Australian dial-in numbers are 1800 908 299 (Toll Free) +61 2 9007 8048 (Local) for those who do not pre-register. For additional briefing information, please refer to VGI's ASX announcement on 15 August, or contact Investor Relations (details below).

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VGI Partners Limited

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Disclaimer: A prospectus relating to the initial public offering of ordinary shares in VGI Partners Asian Investments Limited (VG8) will be lodged with ASIC and available for download at www.vg8offer.com (VG8 Prospectus). Invitations to apply for new fully paid ordinary shares in VG8 (VG8 Shares) will be made under the VG8 Prospectus in accordance with Chapter 6D of the Corporations Act 2001 (Cth). You should read and consider the VG8 Prospectus in deciding whether to apply for any VG8 Shares. Anyone who wants to acquire VG8 Shares will need to complete the application form that will be in or will accompany the VG8 Prospectus. A prospectus for the offer of new ordinary shares (Alignment Shares) in VGI Partners Limited to investors who are issued shares under the VG8 Prospectus (VGIP Prospectus) will also be made available at www.vg8offer.com. A person should consider the VGIP Prospectus in deciding whether to acquire Alignment Shares. Anyone who wants to acquire Alignment Shares will need to complete the application form that will be in or will accompany the VGIP Prospectus (which will be the same application form which accompanies or is in the VG8 Prospectus).

This document is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the VG8 Shares or Alignment Shares in any jurisdiction outside Australia and New Zealand. This document is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice or recommendation with respect to the issue, purchase or sale of any VG8 Shares or Alignment Shares. This document does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. Neither the VG8 Shares nor the Alignment Shares have been or will be registered under the U.S. Securities Act of 1933 (the Securities Act) or the securities laws of any state or other jurisdiction of the United States. The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

This announcement contains certain "forward-looking statements" including statements regarding VGI Partners' intent, belief or current expectations. Forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance or events. This document contains general information about the activities of VGI Partners which is current as at 26 August 2019. It is in summary form and does not purport to be complete. It presents financial information on both a statutory basis (prepared in accordance with Australian accounting standards which include Australian equivalent to International Financial Reporting Standards (IFRS)) as well as information provided on a non-IFRS basis. VGI Partners considers that the non-IFRS financial information is important to assist in evaluating VGI Partners' performance. The information is presented to assist in making appropriate comparisons with prior periods and to assess the operating performance of the business. For a reconciliation of the non-IFRS financial information contained in this document to IFRS-compliant comparative information, refer to the Key Metrics table of this document and slide 19 of VGI's 1H19 Investor Briefing presentation.

Indicative go-forward annualised net management fee

The indicative go-forward annualised net management fee calculation is based on VGI's FUM as at 31 July 2019 of approximately \$2.6 billion. No account has been taken of potential future changes in the terms of associated investment management agreements, or future increases or decreases in the funds under management of existing investment portfolios, or the introduction of new funds post 31 July 2019.