

25 August 2020

ASX Market Announcements

ASX Limited

Exchange Centre

20 Bridge Street

Sydney NSW 2000

BY ELECTRONIC LODGEMENT

## **1H20 Results for the Half Year ended 30 June 2020**

VGI Partners Limited (“VGI Partners” or the “Company”, ASX:VGI) today released its results for the six months ended 30 June 2020.

As previously announced, Funds Under Management (FUM) stood at \$2.9 billion at the end of the period.

Net management fees were \$22.2 million<sup>1</sup> for the period and up 77% on 1H19, the prior corresponding period (pcp). The increase reflects higher average FUM and the end of the VGI Partners Global Investments Limited (VG1) fee waiver in April 2019 (meaning that VGI Partners has been earning management fees from VG1 since that date).

1H20 performance fees were \$0.1 million, consistent with VGI Partners’ announcement on 13 July 2020. This compares with \$32.8 million in 1H19. As at 21 August 2020, all performance fee eligible FUM is now above or within 4% of high water marks.

Normalised operating costs of \$7.8m (excluding depreciation and amortisation) were down 25% on 1H19, largely due to reduced staff bonuses and disciplined expense management.

1H20 normalised Net Profit After Tax (NPAT) was \$9.9 million and Statutory NPAT was \$3.6 million. Normalised NPAT is calculated by adding back unrealised fair value losses on VGI Partners’ investments in VG1 and VG8 and contra-revenue relating to amortisation of VG8 and VG1 IPO costs<sup>1</sup>.

The Board has declared an interim dividend of 5.0 cents per share (fully franked at 27.5%). This will be paid on 14 September 2020 to all shareholders who are on the register at the record date of 1 September 2020.

The dividend implies a 97% payout ratio on statutory earnings and a 36% payout ratio on normalised earnings. VGI Partners’ dividend policy is to typically target a payout ratio of 50-75% of normalised NPAT. However, on this occasion the dividend has been constrained by the Company’s franking credit and retained earnings balances.

The VGI Partners’ balance sheet remains strong with \$41 million of cash and no debt as at 30 June 2020.

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<sup>1</sup> Management fees have been normalised for the amortisation of VG1/VG8 IPO costs and the operating costs of VGI Partners’ funds. More details on the calculation of normalised earnings can be found in Appendix A of VGI Partners’ 1H20 Investor Briefing presentation (released to the ASX on 25 August 2020).

# VGI PARTNERS

## Key metrics for the six months to 30 June 2020<sup>1</sup>

Statutory NPAT	\$3.6 million
Add back: post-tax normalisation adjustments	\$6.2 million
<b>Normalised NPAT (after adding back post-tax adjustments)</b>	<b>\$9.9 million</b>
Normalised EBITDA	\$14.6 million
Cash and cash equivalents at 30 June 2020	\$41.1 million
Cash, cash equivalents and investments at 30 June 2020	\$67.6 million

## Dividend

<b>Interim dividend per share (fully franked at 27.5%)</b>	<b>5.0¢</b>
<ul style="list-style-type: none"><li>• Ex date: 31 August 2020</li><li>• Record date: 1 September 2020</li><li>• Payment date: 14 September 2020</li></ul>	

Please see VGI Partners' 1H20 Investor Briefing presentation and Financial Report for more details.

There will be a live webcast and conference call today at 10.30am (AEST) for analysts and investors. Please pre-register for the call or use the webcast to avoid delays. A link to the recorded webcast will also be archived on VGI Partners' website ([www.vgipartners.com](http://www.vgipartners.com)).

Pre-register for the call: <https://s1.c-conf.com/diamondpass/10008028-invite.html>

Webcast link: <https://edge.media-server.com/mmc/go/VGI-HY20/>

Alternatively, Australian dial-in numbers are 1800 908 299 (Toll Free) or +61 2 9007 8048 (Local) for those who do not pre-register. For additional briefing information, please refer to VGI Partners' ASX announcement on 10 August.

Authorised for release by:

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