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ASX Market Announcements

ASX Limited

Exchange Centre

20 Bridge Street

Sydney NSW 2000

BY ELECTRONIC LODGEMENT

FY21 Results for the Year Ended 31 December 2021

VGI Partners Limited (“VGI Partners” or the “Company”, ASX:VGI) today released its results for the year ended 31 December 2021 (FY21).

Statutory Net Profit After Tax (NPAT) for FY21 was \$42.7 million and normalised NPAT was \$51.2 million. Normalised NPAT is calculated by adding back: non-cash amortisation expense in relation to VG8 and VG1 IPO costs; unrealised fair value movements of VGI Partners’ investments; and one-off expenses relating to a business strategic review¹. Profits have increased on the prior corresponding period (pcp), boosted by performance fees earned during 1H21 as a result of strong investment performance for that period.

Normalised management fees were \$42.0 million¹ for FY21, down slightly on FY20.

FY21 performance fees were \$50.8 million (2H21: \$0.4m), consistent with VGI Partners’ announcement on 14 January 2022 that there were no material performance fees earned in 2H21.

The Board has declared a final dividend of 6.0 cents per share (fully franked at 30%). This will be paid on 16 March 2022 to all shareholders who are on the register at the record date of 7 March 2022.

The dividend implies a 50% payout ratio on normalised NPAT for FY21. This is consistent with VGI Partners’ intention to target a dividend payout ratio of between 50% and 75% of normalised NPAT, as well as its prior commentary that the payout ratio may be lower when performance fees are higher than average.

The balance sheet of the VGI Partners Group remains robust with \$39.6 million of cash and no debt as at 31 December 2021. Total cash, liquid assets and investments was \$97.1 million as at the same date.

¹ Please refer to page 3 of this release and VGI Partners’ FY21 Annual Report for more detail. The method that was used to normalise earnings in FY21 is unchanged from pcp.

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Profit or Loss Statement²

Year to 31 December (\$ million)	FY21 statutory	FY20 statutory	FY21 normalised	FY20 normalised
Management fees (net)	34.6	35.9	42.0	43.1
Performance fees (net)	50.8	21.1	50.8	21.1
Other income	(2.8)	(0.5)	1.6	(0.2)
Total revenue	82.6	56.5	94.4	63.9
Operating costs	(19.6)	(17.1)	(20.9)	(19.2)
EBITDA	63.0	39.4	73.5	44.7
Depreciation and amortisation	(0.9)	(0.9)	(0.9)	(0.9)
EBIT	62.0	38.5	72.6	43.8
Net interest income	0.0	0.2	0.0	0.2
NPBT	62.0	38.7	72.6	44.0
Tax	(19.3)	(12.8)	(21.5)	(13.4)
NPAT	42.7	25.9	51.2	30.7
Basic EPS (earnings per share)	61.2¢	37.1¢	73.3¢	44.0¢
Diluted EPS	60.9¢	36.5¢	73.0¢	43.2¢
Dividend per share (fully franked)	37.0¢	33.0¢	37.0¢	33.0¢

² Dividend income is included in "other income" in both FY21 and FY20. In the FY20 results briefing presentation, dividend income was included in "net interest and dividend income" rather than "other income".

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Reconciliation of Statutory NPAT to Normalised NPAT

Year to 31 December (\$ million)	FY21	FY20
Statutory NPAT	42.7	25.9
Amortisation of contract assets (VG1/VG8 IPO costs)	5.0	5.0
Unrealised fair value movements of investments	4.4	0.3
Business strategic review costs (one-off)	1.1	–
Tax effect on the above (at 30% for tax-deductible items)	(2.1)	(0.5)
Normalised NPAT	51.2	30.7

Year to 31 December (\$ million)	FY21 statutory	Normalisation adjustment	FY21 normalised
Management fees (net) ^{3, 5}	34.6	5.0 + 2.4	42.0
Performance fees (net)	50.8		50.8
Other income ⁴	(2.8)	4.4	1.6
Total revenue	82.6		94.4
Operating costs ⁵	(19.6)	(2.4) + 1.1	(20.9)
EBITDA	63.0		73.5
Depreciation and amortisation	(0.9)		(0.9)
EBIT	62.0		72.6
Net interest income	0.0		0.0
NPBT	62.0		72.6
Tax ⁶	(19.3)	(2.1)	(21.5)
NPAT	42.7	8.4	51.2

Dividend

Final dividend per share (fully franked at 30%) of 6.0¢

- Ex-date: 4 March 2022
- Record date: 7 March 2022
- Payment date: 16 March 2022

³ Normalised management fees have been calculated by adding back the amortisation of VG1/VG8 Initial Public Offering (IPO) costs (\$5.0m) and the operating costs of VGI Partners' Funds (\$2.4m), the latter of which is included in normalised operating costs instead.

⁴ Normalised other income has been calculated by adding back unrealised fair value movements of investments (\$4.4m).

⁵ Normalised operating costs includes a deduction for operating costs of VGI Partners' Funds (\$2.4m) (reclassified from net management fees). One-off business strategic review costs (\$1.1m) have been added back.

⁶ All normalisation adjustments have been tax-effected at 30% except for amortisation of VG8 IPO alignment share costs (which are not tax deductible and hence no tax impact is applied).

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