



Investor Presentation

Financial Results

Year ended 30 June 2019

30 AUGUST 2019



Disclaimer

Important Notice

This Presentation (as amended) (Presentation) has been prepared and issued by CVC Limited ACN 002 700 361 (CVC).

This Presentation must not be copied or distributed to other persons without the prior written consent of CVC, which may be given or withheld in its absolute discretion.

This document is not a prospectus and does not contain all of the information which would be required to be disclosed in a prospectus.

Summary Information

The information contained in this Presentation is of a general nature and in summary form. Neither CVC (nor any of its respective officers, employees, related bodies corporate, affiliates, agents or advisers) guarantees or makes any representation or warranty, express or implied, as to, or takes responsibility for, the accuracy, or reliability of the information contained in this document. CVC does not represent or warrant that this document is complete or that it contains all material information about CVC or which a prospective investor or purchaser may require in evaluating a possible investment in CVC or acquisition of CVC shares.

It is not intended to be relied upon as advice to investors or potential investors, and does not contain all information relevant or necessary for an investment decision or that would be required in a prospectus prepared in accordance with the Corporations Act.

Statements in this Presentation are made only as of the date of this Presentation unless otherwise stated and information in this Presentation remains subject to change without notice.

Not an Offer

This Presentation is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law and does not constitute an invitation to subscribe for or buy any shares in CVC, including in any jurisdiction in which it would be unlawful, or a solicitation to engage in or refrain from engaging in any transaction.

Not investment advice or a recommendation

This Presentation does not constitute investment or financial product advice, nor is it a recommendation to acquire shares in CVC. It is not intended to be used as the basis for making a financial decision, nor is it intended to constitute legal, tax, accounting or other advice. In particular, this Presentation is not intended to be relied upon as advice to any person and does not take into account the financial situation, objectives or needs of any person. This Presentation may not be relied on to make an investment or other financial decision, and you should make your own assessment and take independent professional advice in relation to the information, before making any investment decision in relation to CVC.

Financial amounts

All dollar values are in Australian Dollars (A\$) and financial data is presented as at the date of this presentation unless stated otherwise. CVC's results are reported under Australian International Financial Reporting Standards, or AIFRS.

Future performance

This Presentation contains certain 'forward looking statements' including statements regarding or based on CVC's current belief, intent, assumptions or expectations with respect to the financial condition and performance, results and operations, business plans and objectives or management, capital adequacy, risk management practices and specific or general provisions.

Forward looking statements can generally be identified by the use of forward looking words such as 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'will', 'could', 'may', 'target', 'plan' and other similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Presentation involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of CVC, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements.

Disclaimer

No party other than CVC has authorised or caused the issue, lodgement, submission, dispatch or provision of this Presentation, or takes any responsibility for, or makes or purports to make any statements, representations or undertakings in this Presentation. Any information or representations not contained in this Presentation may not be relied upon as having been authorised by CVC.

Nothing contained in this document nor any information made available to you is, or shall be relied upon as, a promise, representation, warranty or guarantee, whether as to the past, present or future. Past performance information given in this document is given for illustrative purposes only and should not be relied upon as (and is not) any indication of future performance.

To the maximum extent permitted by law, CVC, officers, employees, agents and advisers disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of this presentation being inaccurate or due to information being omitted from this Presentation, whether by way of negligence or otherwise, make no representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of the information in this Presentation.

The information in this Presentation remains subject to change without notice.



CVC Results Summary

1 JULY 2018 – 30 JUNE 2019

- NPAT profit of \$1.0m (2018: profit \$22.7 million); NPAT loss attributable to shareholders of \$2.1 million
- Completion of the development of the Bunnings and associated bulky goods centre at Port Macquarie, New South Wales and Caltex travel centre at Caboolture, Queensland
- The continued refurbishment of the Mooloolaba Wharf, Queensland with the rejuvenation of the centre with re-leasing and repositioning of retail tenancies
- Advances made in planning approvals for property projects at Marsden Park, Donnybrook, Liverpool, Turrella, Kingsgrove and Bentleigh
- Increased ownership in the Liverpool and Turrella projects in New South Wales to approximately 67% which, along with Marsden Park, East Bentleigh and Donnybrook, are expected to provide long term value to shareholders
- Strong contribution to earnings from property backed lending
- Completion of the capital raising by the CVC Emerging Companies Fund and the launch of Eildon Debt Fund, with a combined total Funds Under Management of approximately \$100 million
- Payment of fully franked dividends of 15 cents per share during the year
- Undertook a strategic review of the operations of CVC which has led to a repositioning of the business

Segment Contribution	2019 \$'millions	2018 \$'millions
Direct property investment	16.4m	15.4m
Property backed lending	5.8m	8.4m
Funds management	1.5m	1.6m
Commercial debt and alternative assets	0.3m	1.2m
Listed investments	(5.7m)	13.7m
Private equity and venture capital	(1.7m)	1.6m
Convertible note interest	(4.3m)	(0.1m)
Unallocated	(11.3m)	(9.0m)
Tax effect	-	(5.7m)
Net Profit After Tax	1.0m	27.1m



Business Review





Simplification of Business Model

Shareholders can diversify their investment portfolio more efficiently than investment companies can.





Simplification Pathway

	Implementation Update	Next Steps
Investment Strategy	<ul style="list-style-type: none">• Strategic review undertaken to identify non-core elements of business model• Initial steps taken to rationalise business model	<ul style="list-style-type: none">• Continue to implement changes• Update market on rebalanced portfolio
Refocus / Reposition	<ul style="list-style-type: none">• Development of strategy to capitalise on core skills of investment team• Established ongoing review framework and timetable	<ul style="list-style-type: none">• Adherence to streamlined business plan• Resource business / investment team with staff that add to core capabilities
Reduce Costs	<ul style="list-style-type: none">• Cost base reducing, reflecting the move toward a simplified business model	<ul style="list-style-type: none">• Continue to monitor and improve efficiency to ensure sustainable operating cost base
Divestments	<ul style="list-style-type: none">• Divestment of non-core investments has commenced with focus on preserving / maximising value• Rebalancing of the portfolio in this period has largely been directed toward property opportunities	<ul style="list-style-type: none">• Patient and focused approach to divestment of non-core investments



About CVC – Direct Property Investments

1 JULY 2018 – 30 JUNE 2019

2019 Return



2020 Objectives

- Continue progression of key investments through planning and repositioning
- Identification of shorter term development / investment opportunities either directly or in conjunction with key partners to grow recurrent income and source opportunities for the funds management segment
- Finalise pre-lease commitments for the Caboolture development and commencement of the development of stage 2
- Identification of long term property holdings to supplement the income from existing major projects currently progressing through planning

Investment Summary

Project Completion/Advancement:

- Completion of the Bunnings retail centre development in Port Macquarie
- Continued refurbishment and repositioning of the Mooloolaba Wharf
- Completion of the Caltex travel centre at Caboolture

Advancement of major planning projects:

- Marsden Park (Exhibition of PSP)
- Donnybrook (PSP progressed)
- East Bentleigh (VPA Strategic Site)
- Turrella (Planning Commenced)
- Liverpool (Collaboration Area)

Commercialisation of significant projects:

- Caboolture (Negotiations progressing with major retail operator to anchor the balance of the site)

1. Return is calculated as annual earnings divided by the average of total opening and closing direct property investments, net of property debt, during the financial year.

2. Invested amount at 30 June 2019 includes direct property investment, net of specific property debt.



About CVC – Property Backed Lending

1 JULY 2018 – 30 JUNE 2019

2019 Return

Invested
at 30 June 2019

\$41.3m

Profit

\$5.8m

Return

16%¹

No. of Investments

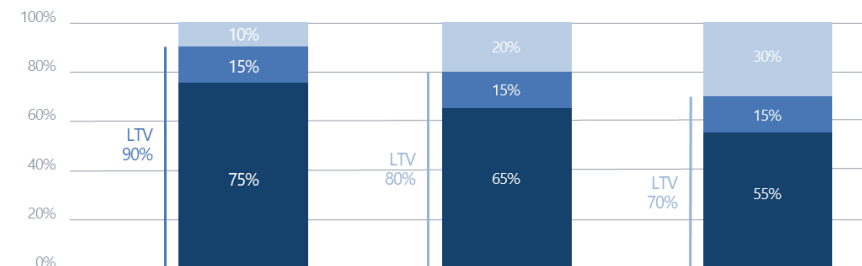
14

2020 Objectives

- Increase investment position in secured mortgage loans, across both senior and mezzanine opportunities on solid risk adjusted returns
- Utilise funds management capability to partner with other investors to gain access to larger loan positions that would ordinarily be too large for CVC alone

Investment Summary

- With tightening credit markets and property value volatility, this has generated greater loan opportunities that are generating higher returns and improved security on loans
- Given the current state of the market, there has been a greater focus on risk management, with more rigorous deal assessment process and investment management, including independent review of project feasibility, developer, project sensitivity and market analysis



COVENANTS	PRE - GFC CAPITAL COMPOSITION	2009 - 2015 CAPITAL COMPOSITION	2016 - 2018 CAPITAL COMPOSITION
Senior LTV (LTC)	≤ 75% (90%)	≤ 65% (80%)	≤ 55% (70%)
Total Debt LTV (LTC)	≤ 90% (100%)	≤ 80% (90%)	≤ 70% (85%)
Minimum Pre-Sale / Debt Coverage	50 - 80%	80 - 100%	100%
Minimum Recourse	Non-recourse to limited recourse	Limited recourse to full recourse	Full recourse



1. Return is calculated as annual earnings divided by the average of total opening and closing loan balances during the financial year.



About CVC – Funds Management

1 JULY 2018 – 30 JUNE 2019

2019 Return

Invested
at 30 June 2019

\$32.4m

Profit

\$1.5m

Return

5%¹

No. of Investments

6

2020 Objectives

- Continuing investment into property funds management opportunities where CVC has core skills and industry reach
- Increase contribution to group revenue from management fees/performance fees
- Continuing to support the development of external fund manager relationships, while providing the opportunity to deploy uncommitted funds to generate recurrent income.

Investment Summary

- CVC rolled out new fund offerings, including:
 - CVC Emerging Companies Fund, a joint venture between CVC and Evans Dixon, raised \$45 million focused on investing in unlisted and listed emerging companies;
 - The establishment of the Eildon Debt Fund contributory mortgage fund, with approximately \$50 million of loans funded and a further \$20 million of commitments since November 2018; and

- Causeway Wholesale Private Debt Income Fund, a joint venture between CVC and Causeway Financial, commenced the raising of a \$75 million corporate debt fund.
- Continued successful management of Eildon Capital Limited (ASX: EDC) through Eildon Funds Management, now a wholly owned subsidiary of CVC
- Australian Invoice Finance continues to grow its loan factoring operations, with the support of CVC and a new investor base
- Bigstone Finance continues to grow its commercial loan portfolio, with total loans written during the financial year increasing by 216%



1. Return is calculated as annual earnings divided by the average of total opening and closing investments in funds management opportunities during the financial year.



About CVC – Alternative Assets/Debt

1 JULY 2018 – 30 JUNE 2019

2019 Return

Invested
at 30 June 2019

\$9.9m

Profit

\$0.3m

Return

3%¹

No. of Investments

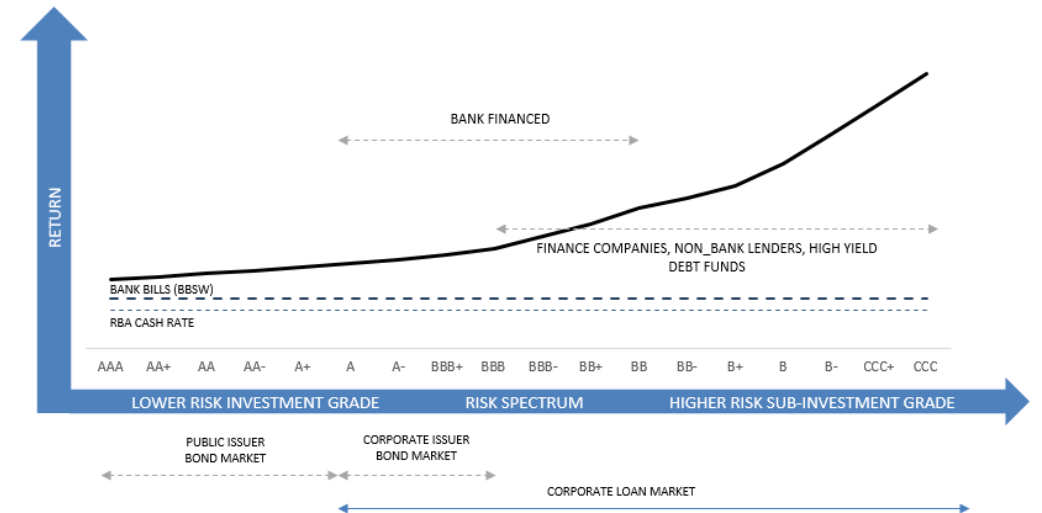
13

2020 Objectives

- Increase investment through fund managers, with established networks and robust credit policies, such as Bigstone Finance and Causeway Financial
- Provide highly secure, asset backed income generating loans
- Maintain borrowers and business segments

Investment Summary

- Transaction flow in this segment has been strong as major banks reduce their risk and tightening available credit, especially to the Small to Medium and middle market borrowers
- CVC has provided funding to support the growth of loan portfolios external fund managers



1. Return is calculated as annual earnings divided by the average of total opening and closing loan balances during the financial year.



About CVC – Listed Investments

1 JULY 2018 – 30 JUNE 2019

2019 Return

Invested
at 30 June 2019

\$59.8m

Profit

(\$5.7m)

Return

(8.0%¹)

No. of
Investments

43

2020 Objectives

- The objective is to rebalance the portfolio to more concentrated holdings in high conviction investments
- Continue to work closely with investee companies to create value

Investment Summary

- Substantial positive contributions from CYC, MSV and PBP
- Substantial negative contributions from BNO, INP and IDZ
- The process of rebalancing the investment portfolio commenced over the course of the second half of the financial year

1. Return is calculated as annual earnings divided by the average of total opening and closing listed investments during the financial year.

2. Based on last trade price available on 27 August 2019

CVC's current investment portfolio as at 27 August 2019 is as follows:

CVC Top 10 Holdings

Name	Code	% Ownership	Value (AUD) ²
Cyclopharm Ltd	CYC	10.1%	\$9.4m
Probiotec Ltd	PBP	9.2%	\$8.6m
Mitchell Services Ltd	MSV	5.3%	\$6.2m
TasFoods Ltd	TFL	14.0%	\$5.9m
Universal Biosensors	UBI	13.4%	\$4.9m
Heritage Brands Ltd	NSX.HBA	7.7%	\$4.3m
Prime Media Group Ltd	PRT	3.4%	\$3.6m
Raiz Investments Ltd	RZI	3.4%	\$2.4m
Longtable Group Ltd	LON	6.7%	\$2.0m
Vita Life Sciences Ltd	VLS	3.5%	\$1.3m
			\$48.6m



About CVC – Private Equity Investments

1 JULY 2018 – 30 JUNE 2019

2019 Return



2020 Objectives

- Rebalance the portfolio to more concentrated holdings in high conviction investments
- Continue to work closely with investee companies to create value and/or identify transaction opportunities
- Work with CVC Emerging Companies Fund and its team to foster its growth as a distinct investment strategy

Investment Summary

- Investments in Cleanspace and Think Conveyancing were sold as seed investments into the CVC Emerging Companies Fund
- Sale of PrimeQ generating a 103% uplift on the original investment
- Continuing to review investment opportunities with the objective of rebalancing the portfolio to more concentrated holdings with increasing investment size in high conviction positions

1. Return is calculated as annual earnings divided by the average of total opening and closing listed investments during the financial year.



CVC Outlook

1 JULY 2019 – 30 JUNE 2020

- Continued transition to the new investment strategy, with a focus on rebalancing the investment portfolio, to reflect high conviction investment into areas where CVC has core capabilities;
- Developing and growing the successful direct property investment strategy;
- Continued investment into property backed debt;
- Reduce the number of investments in the equities portfolio (both listed and unlisted), and to be focused on a concentrated, high conviction investment strategy;
- Further expansion of funds management activities of the group;
- Transition to the new investment strategy provides uncertainty regarding the profit for the year ending 30 June 2020.