



ASX announcement

Market update

6 September 2021 – Washington H. Soul Pattinson and Company Limited (**WHSP**) (**ASX:SOL**) provides the following update.

FY21 Regular NPAT¹

Consistent with its function as an investment vehicle, WHSP's key drivers of success are growth in the capital value of the portfolio and a growing yield. While WHSP does not consider its earnings to be a key indicator of the Company's performance there are a range of factors that have had a material impact on the Group's Consolidated Regular NPAT in FY21, notably the following:

- New Hope disclosed in its 31 July 2021 Quarterly Report that they expect an EBITDA of \$372m for FY2021, primarily as a result of thermal coal prices currently being at a 10-year high. This result is unaudited. New Hope is expected to release its full year results on 21 September 2021.
- Pursuant to a trading update from Brickworks on 9 June 2021, the company highlighted that it expects record earnings from its property division, driven by the continued increase in the value of its property trust. The company is due to report their full year results on 23 September 2021.
- Round Oak, a base metal mining company, is a wholly owned subsidiary of WHSP. Round Oak expects a Regular NPAT for FY2021 in the range of \$64 to \$68 million. This is a significant improvement on the FY2020 Regular NPAT loss of \$43 million as commodity prices (primarily zinc and copper) have improved and the company moved from development into production at a number of its mines.

As a result, WHSP currently expects the Group's Consolidated FY21 Regular NPAT¹ to be in the range of \$316 million to \$336 million (FY20: \$170 million). The higher earnings contributions from New Hope, Brickworks and Round Oak will be partly offset by a reduced contribution from TPG. Following the merger of TPG and Vodafone in July 2020, WHSP no longer equity accounts its share of TPG's NPAT. WHSP received only one dividend from TPG amounting to \$18m in FY21 (compared to the equity accounted profit of \$72m in FY20).

All figures in this announcement are preliminary and subject to audit.

¹ Regular profit after tax is a non-statutory profit measure and represents profit from continuing operations before non-regular items and excludes the effects of non-regular items of income and expense which by nature are outside the ordinary course of business or are part of ordinary activities but are unusual due to their size

FY21 Statutory Net Profit²

Statutory profit includes one-off gains and losses. FY20 included a one-off accounting gain of \$1.05 billion arising from the derecognition of TPG as an equity accounted associate following the merger of TPG and Vodafone. That large one-off gain in FY20 will not be repeated in FY21 and will result in the FY21 Statutory Profit being materially lower.

Milton merger

The Scheme meeting to consider approval of the merger of Milton and WHSP is scheduled to occur on 13 September 2021. Given current restrictions, the meeting will be held virtually.

If the Scheme is approved by Milton shareholders, the merger is expected to become effective and be implemented in October 2021.

FY21 full year results

The release of WHSP's preliminary final report is scheduled for 23 September 2021.

This ASX announcement has been authorised for release by the Board of Washington H. Soul Pattinson and Company Limited.

² Statutory Profit is the Consolidated Statutory Net Profit After Tax attributable to WHSP shareholders. This is an International Financial Reporting Standard measure. It includes non-regular items of revenue and expense which by nature are outside the ordinary course of business or are part of ordinary activities but are unusual due to their size