

# INVESTMENT UPDATE AND NTA REPORT MARCH 2022



## PORTFOLIO SNAPSHOT: NET TANGIBLE ASSET BACKING PER SHARE (NTA)

NTA Current Month	Before Tax <sup>1</sup>	After Tax <sup>1</sup>
31-Mar-22	78.1 cents	74.4 cents
NTA Previous Month	Before Tax <sup>1</sup>	After Tax <sup>1</sup>
28-Feb-22	77.2 cents	73.8 cents

<sup>1</sup> Figures are unaudited and approximate.

## KEY ASX INFORMATION (AS AT 31 MARCH 2022)

ASX Code	TOP
Structure	Listed Investment Company
Inception date	January 2014
Market Capitalisation	\$109.7 million
Share Price	56.0 cents
Shares on Issue	195,850,929
Dividends	Half yearly
Management Fee	0.75% half yearly
Manager	Thorney Investment Group

## INVESTMENT PERFORMANCE

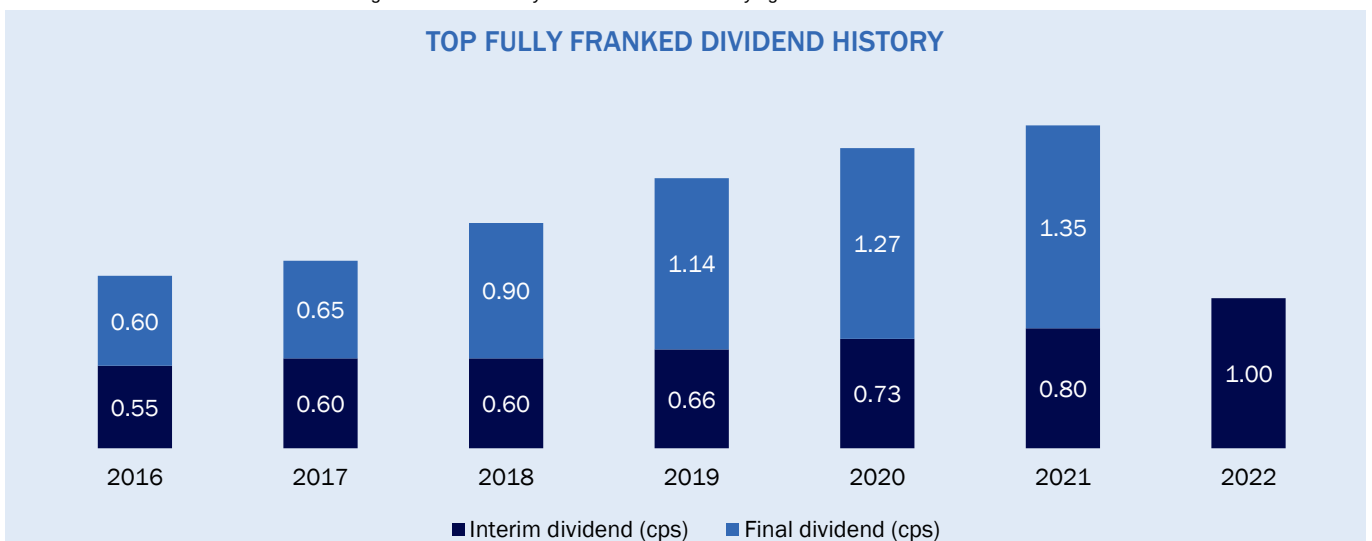
As at 31 March 2022	3 Months	6 Months	1 Year
TOP investment portfolio	4.39%	5.52%	17.63%
S&P Small Ordinaries Accum. Index	-4.20%	-2.30%	9.70%
Performance versus Index	8.60%	7.78%	7.95%

## TOP SECURITIES

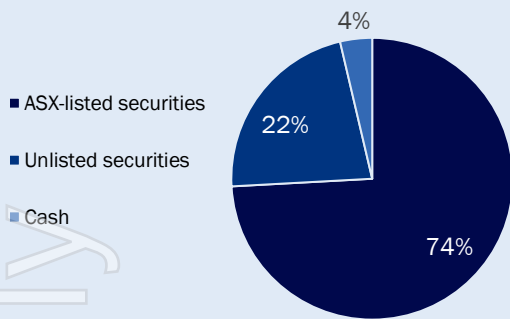
Rank	Company	% of Gross Assets
1	20 Cashews Pty Ltd (ACM)*	21.3
2	Money3 Corporation	15.0
3	MMA Offshore	11.3
4	Austin Engineering	8.8
5	Southern Cross Electrical Engineering	5.8
6	AMA Group	4.8
7	Service Stream	4.5
8	Consolidated Operations Group	4.4
9	Retail Food Group	4.0
10	Ardent Leisure Group	3.4

\*TOP's investment in ACM is via its holding of 20 Cashews Pty Ltd which has an underlying investment in ACM.

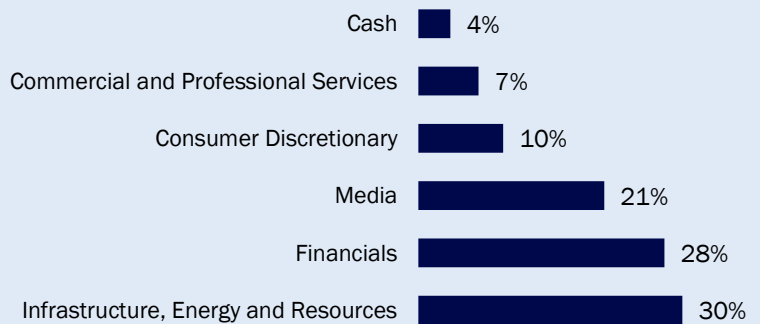
## TOP FULLY FRANKED DIVIDEND HISTORY



## ALLOCATION OF INVESTMENTS



## PORTFOLIO SECTORS



## PORTFOLIO COMMENTARY

The March NTA benefitted from a strong performance across key infrastructure and resource services sector holdings during the month.

### AUSTIN ENGINEERING LIMITED

- Austin Engineering Limited (ASX:ANG) announced in late March that it had seen a 100% increase in its order book level compared to the same point in the last financial year as a result of \$82 million of new orders across the business in the three months until end-February 2022.
- The Company said it is now confident it has received sufficient orders to cover FY22 revenue guidance.
- In addition, Austin has also received a very encouraging level of orders for its FY23 pipeline and that overall, enquiry levels and contract win rates remain strong in all home markets.
- The new contract wins have resulted in a significant order book lift from December 2021, when Austin reported an increase in orders of 35% year-on-year.
- The order book improvement is across all of Austin's home markets but dominated by the USA, Chile and Indonesia.

### MMA OFFSHORE LIMITED

- MMA Offshore Limited (ASX:MRM) announced it had completed the sale of the vessel "MMA Leveque" to a subsidiary of Fortescue Future Industries ("FFI") for US\$7.75m.
- FFI plans to convert the vessel to dual fuel with the objective of operating almost totally on green ammonia.
- The vessel will join FFI's prototype trucks, locomotives, drill rig and other mobile equipment which are currently being trialled to operate on green fuels.
- MMA will utilise the proceeds from the sale of the vessel (A\$10.46m) to continue deleveraging its balance sheet.

### SOUTHERN CROSS ELECTRICAL ENGINEERING

- Southern Cross Electrical Engineering Limited (ASX:SXE) announced that its subsidiary Heyday received two contract awards totalling around A\$50m in the commercial sector in Sydney.
- CPB Contractors Pty Ltd awarded Heyday the electrical services design and construct contract for a 39-storey 47,800m<sup>2</sup> premium-grade commercial tower – Parkline Place - which is to be built above the north entrance to Sydney Metro's Pitt Street Station.
- SXE has previously announced to the market that Heyday is currently delivering the Pitt Street Metro Station portion and the build-to-rent residential tower above the station's southern entrance with CPB Contractors.
- Work on Parkline Place will commence immediately and is scheduled to be completed in late 2023.
- ASX-listed Shape Australia Corporation Limited has awarded Heyday the electrical and communications fit-out works for the Commonwealth Bank Place Sydney North Building.
- The project involves the complete tenancy re-fit for the lighting, lighting controls, power, communications cabling and infrastructure, switchboards, and the provision of a new UPS power distribution system across the CBA's 27,000m<sup>2</sup>, 9-level tenancy space.
- The project is due for commencement in May 2022 and expected completion is in June 2023.

### COG FINANCIAL SERVICES LIMITED

- COG Financial Services Limited (ASX:COG) achieved a major milestone during the month with the Company admitted to the All Ordinaries Index effective prior to the ASX market open on March 21, 2022.

### AUSTRALIAN COMMUNITY MEDIA (ACM)

- TOP is continuing to work with ACM in the transformation of its business. In one key project, ACM now has more than 115,000 digital subscribers and is growing both its digital and print audiences due to the expansion of its digital product offering.

## CHAIRMAN'S COMMENTS

Alex Waislitz said: "It has been pleasing to see continued buoyancy across our key infrastructure and resource services sector exposures during the month with a continued strong order book for ANG and strong momentum across the MMA and SXE businesses. Our enthusiasm for our largest unlisted holding, ACM, continues as the Company enjoys a period of transformation and growth in its digital offering and expands both its digital and print audiences.

As already foreshadowed to the market, our focus remains on reducing and eliminating the discount of our share price to NTA and we are undertaking a number of efforts in order to achieve this including greater communication with our shareholders and an active on-market buyback.

Despite the macroeconomic and geopolitical influences on global equity markets, we remain optimistic about our ability to perform in this environment."



## COMPANY NEWS

### Interim Dividend FY22

On 21 February 2022, TOP announced its half year results for the financial year 2022. The Board declared a fully franked interim dividend of 1 cent per share with the following dates:

Ex date	15 March 2022
Record date	16 March 2022
Payment date	31 March 2022

### Morgans Conversations' podcast

In March, Chairman Alex Waislitz recorded a Morgans Conversations' podcast with Morgans adviser Chris Titley. In the podcast, Alex discusses TOP's investment rationale, our enthusiasm for the engineering and mining services and infrastructure sectors and our process of valuing those stocks.

In addition, he talks about TOP's unlisted positions, in particular ACM, and provides his thoughts on the outlook for markets.

To listen to the recording, please click on this link:

<https://thorney.com.au/morgans-conversations-alex-waislitz-ceo-of-thorney-opportunities-asxtop/>

### 'Meet the Chairman' investor briefing recording

Alex Waislitz also conducted a virtual 'Meet the Chairman' investor briefing at 11.00am AEDT on Wednesday, 16 March 2022.

In the briefing, hosted by Market Eye, Alex discussed the TOP portfolio, TOP's investment rationale and provided some further insights into our key holdings, ACM and Money3 Corporation.

To view the recording, please click on this link:

<https://thorney.com.au/market-eyes-meet-the-chairman-of-thorney-opportunities-ltd-top>

## INVESTMENT PHILOSOPHY

TOP undertakes thorough due diligence to identify fundamentally mispriced or undervalued companies and combine that with constructive advocacy with boards and management to implement change when required

## INVESTMENT OBJECTIVES

- Producing absolute returns for shareholders over the medium- to long-term
- Delivering a strong fully franked dividend stream to shareholders

## KEY CONTACTS

### Corporate

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## ABOUT THORNEY OPPORTUNITIES LTD

Thorney Opportunities Ltd (TOP) is an ASX-listed investment company that invests in listed and unlisted equities and financial assets, in a variety of sectors, including media, automotive, energy, engineering and mining services and financial services.

Our primary focus is on the careful selection of investments which enables us to be a constructive catalyst towards unlocking the value in the companies identified. TOP is managed by the privately owned Thorney Investment Group pursuant to a long-term investment management agreement.

You can invest in TOP by purchasing shares on the Australian Securities Exchange (ASX).

For more information visit: <https://thorney.com.au/thorney-opportunities/>

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