

# BKI Investment Company

Results Presentation

For the half year ended 31 December 2025



**BKI INVESTMENT  
COMPANY LIMITED**

SINCE 2003



 **CONTACT**  
ASSET MANAGEMENT

BKI is managed by Contact Asset  
Management AFSL 494045

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# 2026 Half Year Results

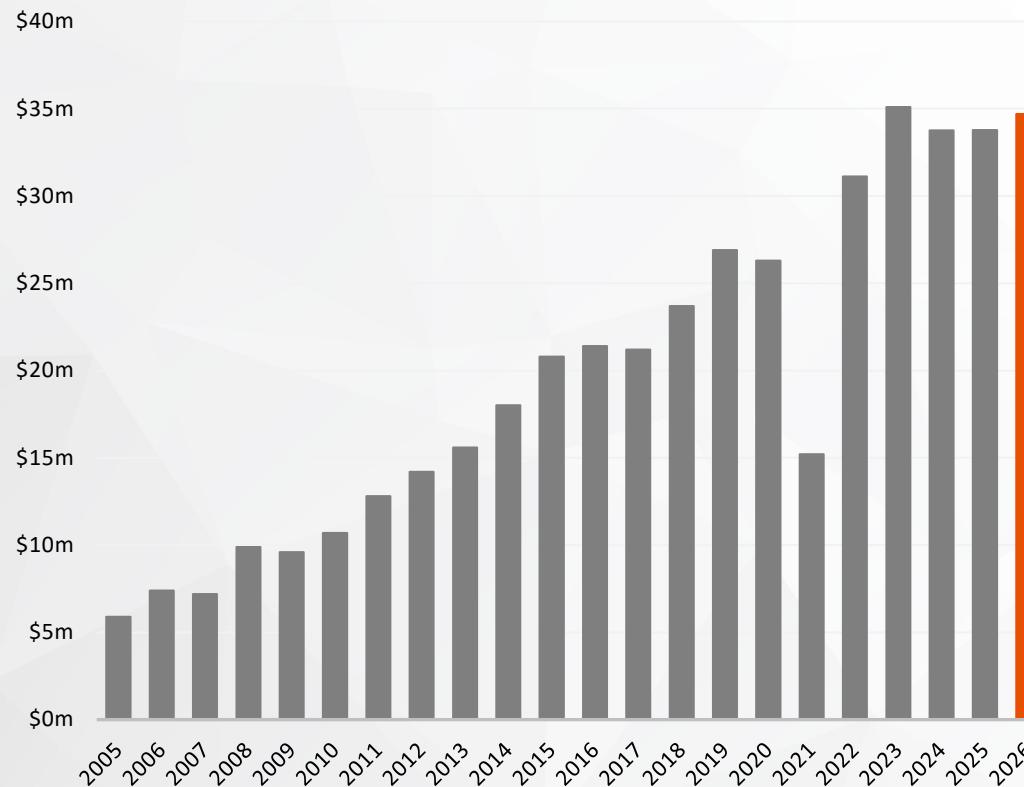
For the half year ended 31 December 2025

<b>Result <u>excluding</u> special investment revenue</b>	<b>1H FY2026 (\$m)</b>	<b>1H FY2025 (\$m)</b>	<b>Movement (%)</b>
Ordinary revenue from Investment Portfolio	\$34.5	\$32.6	6%
Total Revenue - Ordinary	\$36.0	\$35.0	3%
<b>Operating Result</b> (before tax and special investment revenue)	<b>\$34.7</b>	<b>\$33.8</b>	<b>3%</b>
Earnings per share	4.08 cps	3.81 cps	7%
Ordinary Dividend per share	3.95 cps	3.90 cps	1%
<b>Result <u>including</u> special investment revenue</b>	<b>1H FY2026 (\$m)</b>	<b>1H FY2025 (\$m)</b>	<b>Movement (%)</b>
Net profit after tax	\$34.3	\$31.2	10%
Earnings per share	4.25 cps	3.87 cps	10%

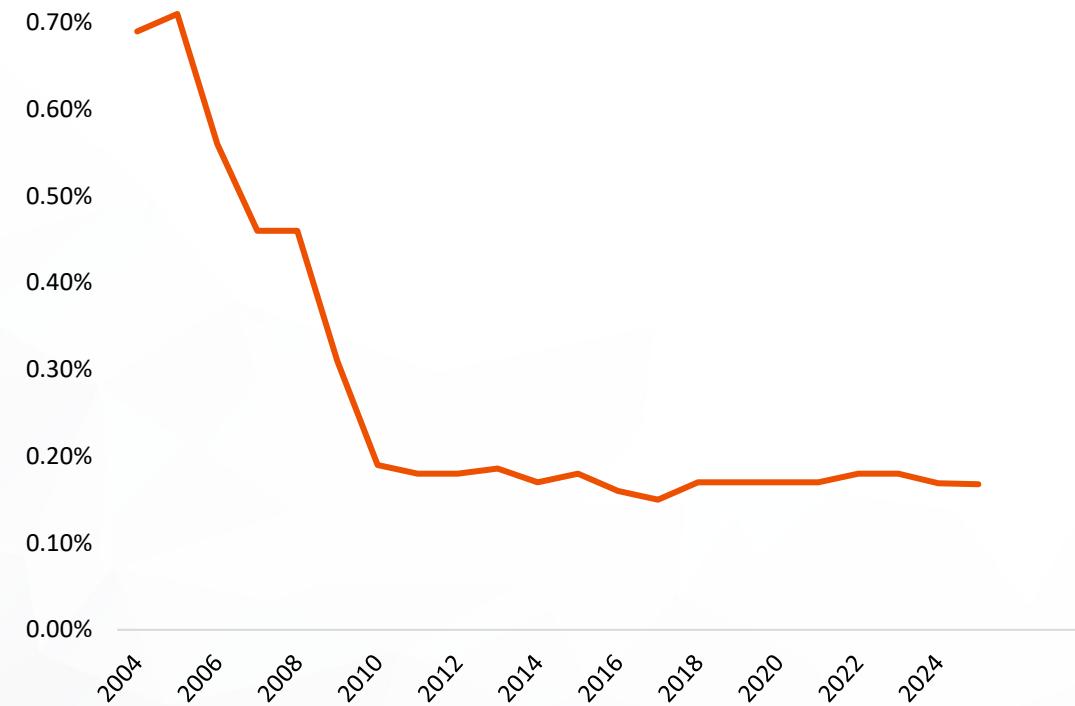
# 2026 Half Year Results

*Growth in Net Operating Result and reduced MER.*

**Half Year Net Operating Result**  
(before special dividends)



**Management Expense Ratio (MER)**  
BKI's MER was 0.163%, down from 0.168% last year



# 2026 Half Year Dividend

*For the half year ended 31 December 2025*

BKI's interim ordinary dividend is 3.95 cents per share fully franked, up 1% on last year.

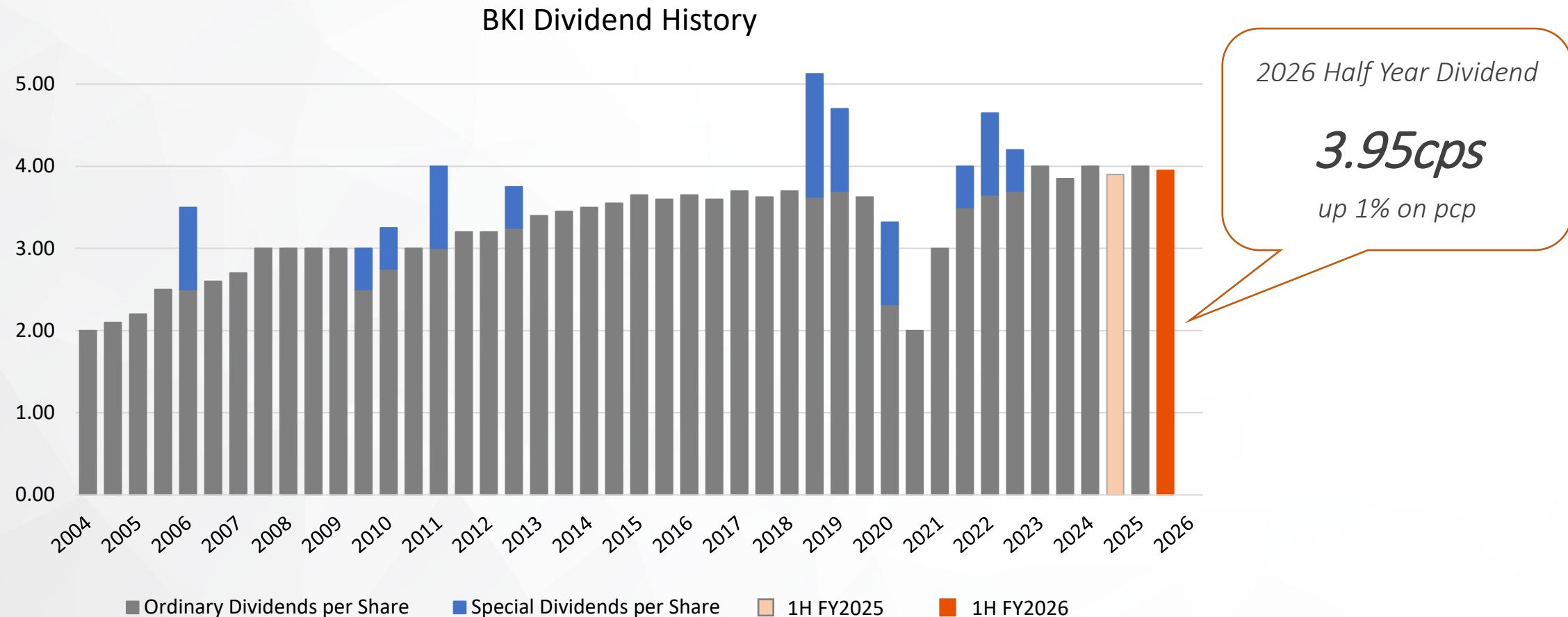
Last trading date to be eligible for the dividend is Friday 6 February 2026.

Ex-dividend date is Monday 9 February 2026 and will be paid on Friday 27 February 2026.

Dividend Timetable	Key Dates
Last trading date to be eligible for dividend	Friday 6 February 2026
Ex-dividend Date	<b>Monday 9 February 2026</b>
Record Date	Tuesday 10 February 2026
DRP Nomination	Wednesday 11 February 2026
Dividend Payment Date	Friday 27 February 2026

# A History of Strong Dividends

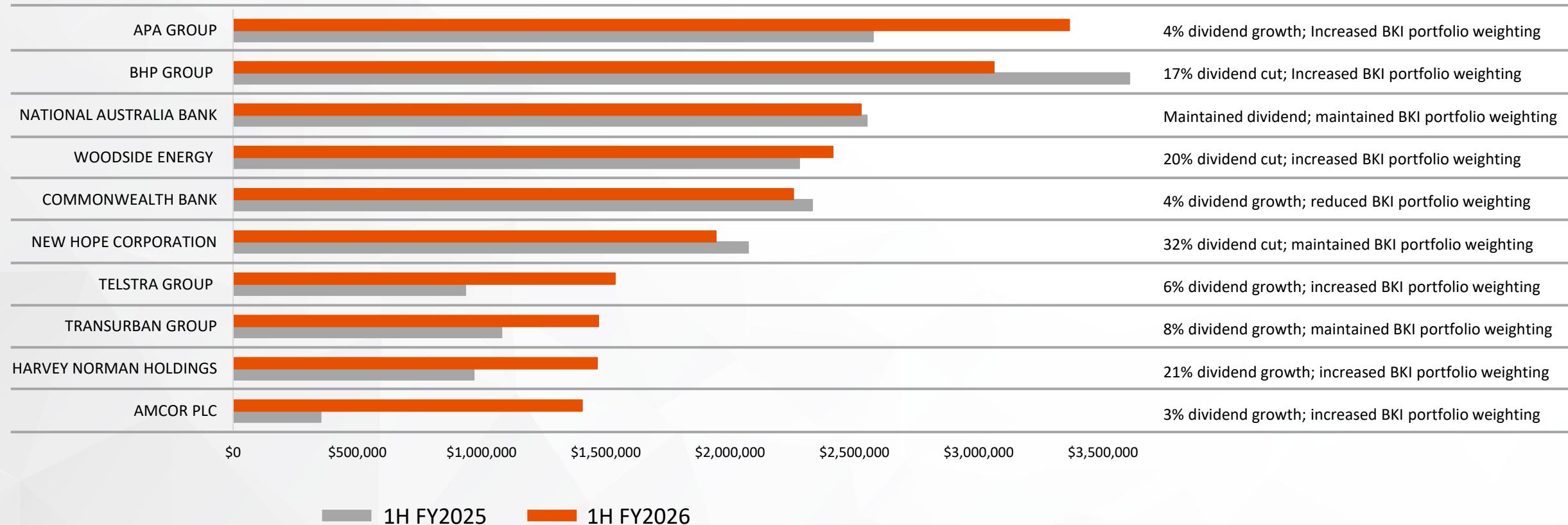
BKI has a strong history of paying fully franked dividends and offering an attractive yield.



# Dividend Contributions

BKI's Top 10 Dividend Contributors for 1H FY2026

## BKI's Top 10 Dividend Contributors – (July - December 2025)



# Performance

Results Presentation

For the half year ended 31 December 2025



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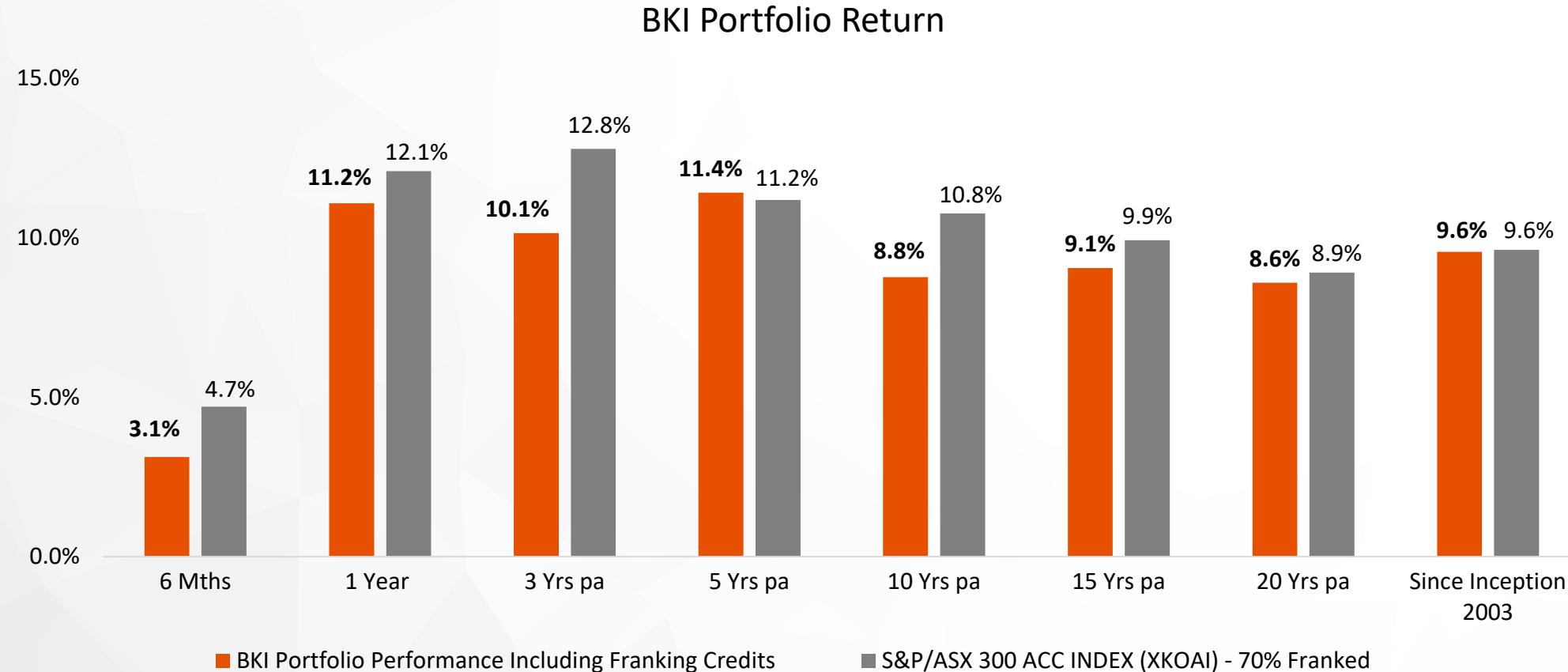
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# Performance – Portfolio Return

As at 31 December 2025

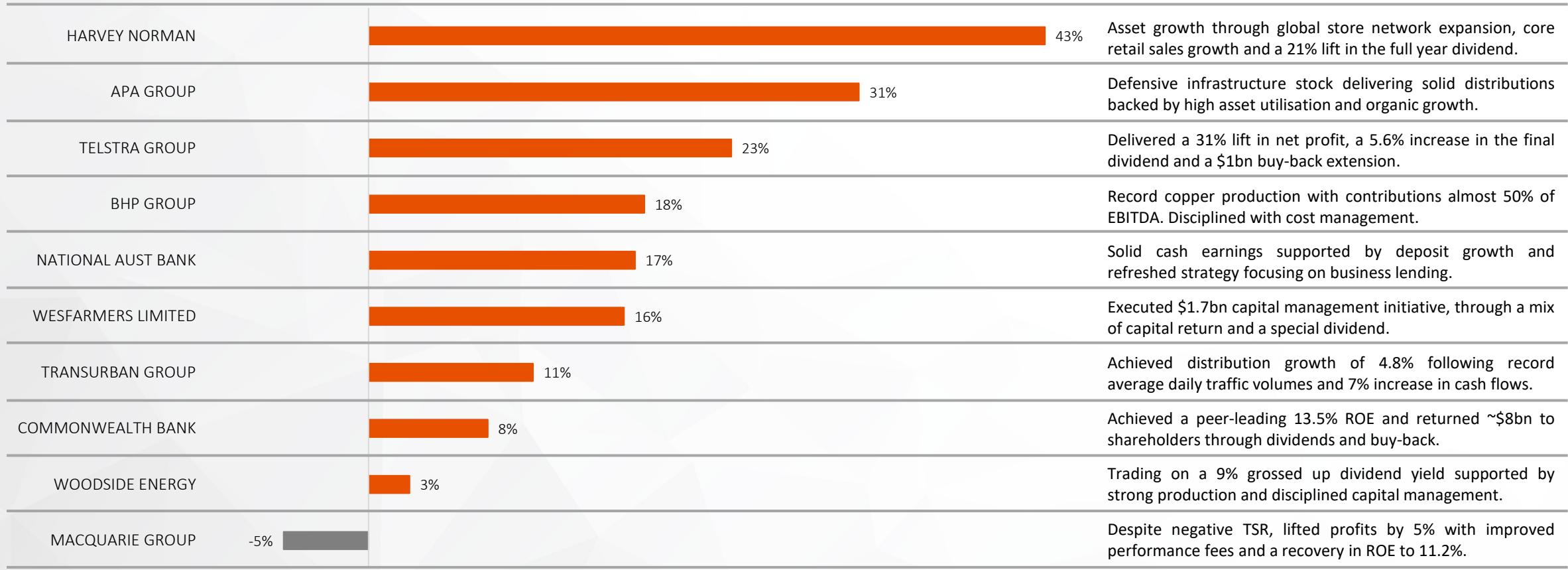


Source: IRESS, Factset, BKI, Contact Asset Management. S&P/ASX 300 Accumulation Index Franked at 70%.

# Performance Contributors

BKI's Top 10 Holdings – 1 Year Total Shareholder Returns.

## BKI's Top 10 Holdings – (1Yr TSR)



# Performance - Total Shareholder Return (TSR)

As at 31 December 2025

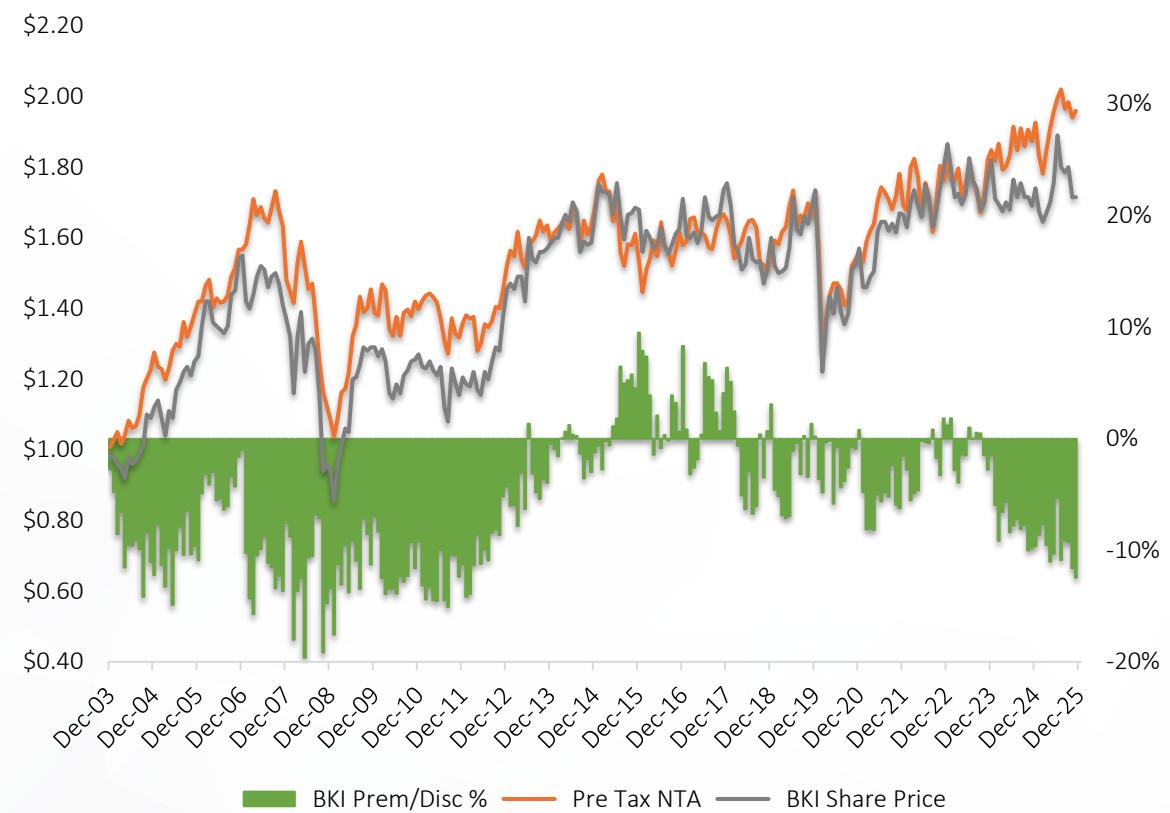
## Total Shareholder Returns (TSR)

Short Term TSR impacted by Discount to NTA



## BKI Premium/Discount to NTA

BKI's share price of \$1.715 represented a 12.5% discount to BKI's pre-tax NTA of \$1.96.



Source: IRESS, Factset, BKI, Contact Asset Management. S&P/ASX 300 Accumulation Index Franked at 70%.

# Performance – Cumulative Share Price Returns

As at 31 December 2025

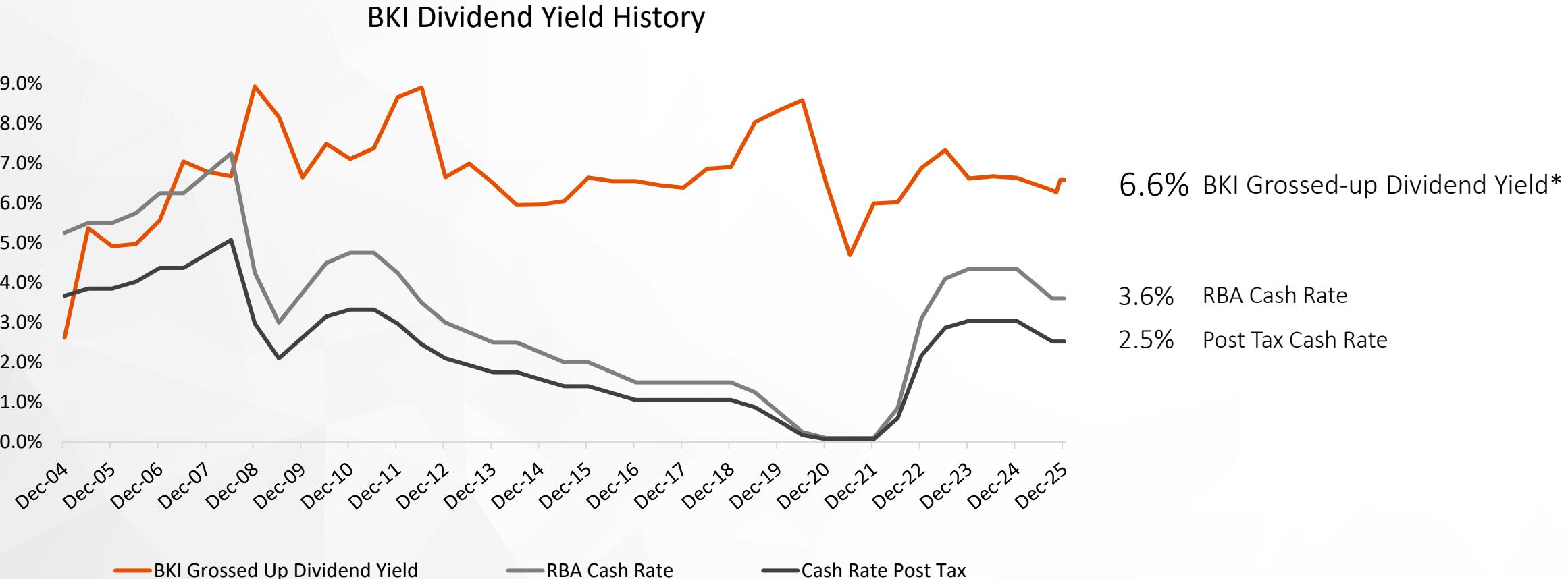
## Cumulative Share Price Returns

Assuming all dividends were reinvested and using the benefit of franking credits, the cumulative share price of BKI shares was \$7.43 per share as at 31 December 2025.



# Performance – Dividend Yield

*BKI has a strong history of paying fully franked dividends and offering an attractive yield.*



Source: BKI, Contact Asset Management; \*BKI's historical grossed-up dividend yield calculated by using the FY2025 Final Dividend and FY2026 Interim Dividend, divided by the BKI share price of \$1.715, as at 31 December 2025, and is based on a tax rate of 30%.



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# Portfolio Positioning

Results Presentation

For the half year ended 31 December 2025



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# Portfolio Movements

For the half year ended 31 December 2025

## Purchases **Add**

Woodside Energy Group  
BHP Group  
APA Group  
Amcor  
Sonic Healthcare  
Suncorp Group  
Smartgroup Corporation  
Telstra Group Limited

## Purchases **New**

Origin Energy

## Sales **Reduce**

Commonwealth Bank

## Sales **Exit**

Aurizon Holdings  
Yancoal Australia  
Tuas Limited  
Reece Limited  
Johns Lyng Group

# Portfolio Rotation

## Resources V Banks

The performance of the BKI portfolio has been strengthened by our strategic decision to execute a rotation of capital out of Banks and into Resources; reducing our holding in Commonwealth Bank and adding to our positions in Woodside Energy, BHP Group and APA Group.

Crucially, this rotation has aligned the BKI portfolio further to our linkage to copper, oil and gas to support powerful secular growth drivers, most notably the global energy transition and significant expansion of AI and global data centres.

Over the last 6 months in particular a total shareholder return comparison has seen Commonwealth Bank decline 12.4%, while BHP Group has increased 23.3%, APA Group increased 12.4% and Woodside Energy increased 3.2%, a significant outperformance.

## Resources vs Banks

1 Year Total Return Comparison



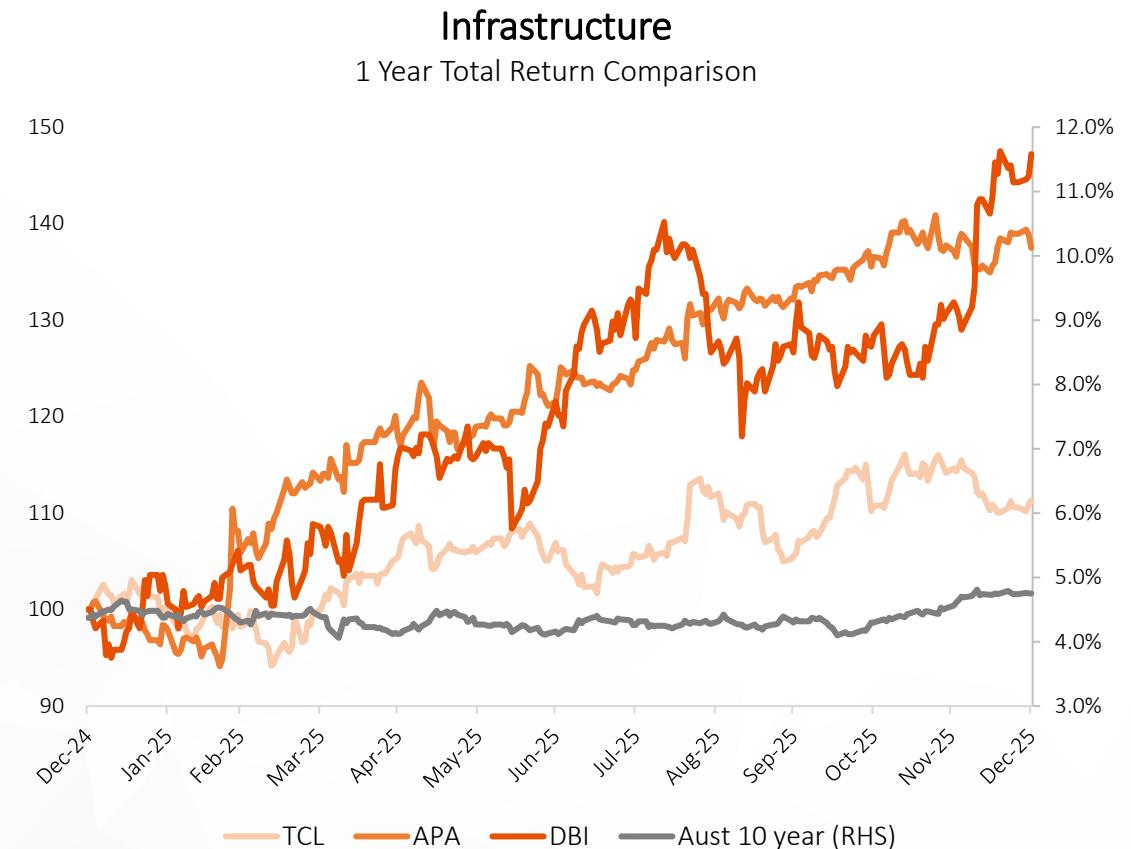
# Portfolio Growth

## Infrastructure

The total return profiles of Transurban (TCL), APA Group (APA) and Dalrymple Bay (DBI) highlight the powerful synergy between yield and capital growth.

These BKI portfolio holdings maintained a consistent upward trajectory throughout the year, significantly outperforming traditional fixed-income benchmarks. While the Australian 10-year bond yield remained range-bound between 4.0% and 4.7%, our infrastructure investments delivered superior total shareholder returns with DBI delivering a total shareholder return of 37.6%, APA returning 31.4% and TCL returning 10.6% for the year to 31 December 2025.

The primary advantage of these equities over bonds is their capacity for growth. While bonds offer predictable but static income, these infrastructure investments provide reliable dividends bolstered by capital appreciation. Growth is underpinned by regulated frameworks that link pricing to inflation or volume, offering a powerful hedge that static fixed-income investments simply cannot match.



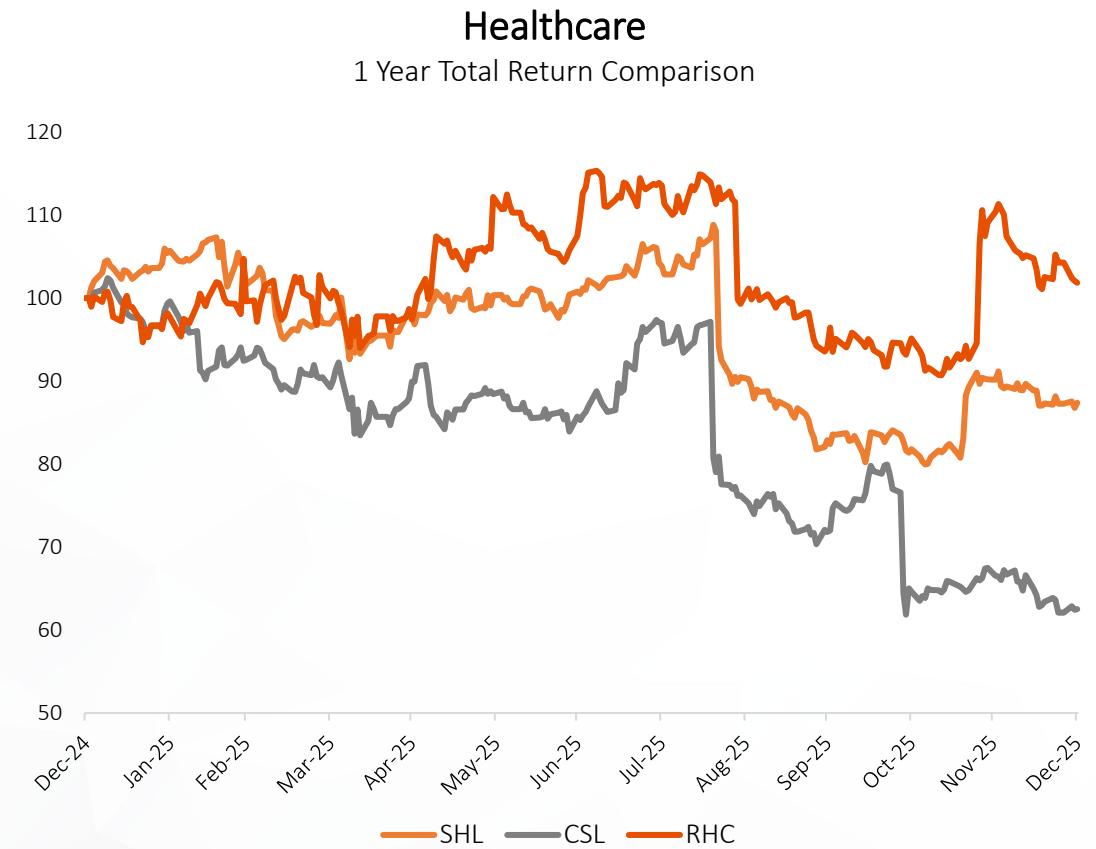
# Portfolio Positioning

## Healthcare

BKI is not an Index Fund; we do not hold stocks simply because they carry a large index weighting. Our Healthcare sector exposure illustrates this as we hold no shares in CSL Limited (CSL) despite its significant index presence.

The Total Return Comparison chart shows a major performance divergence over 2025, reflecting continual market rotation out of CSL.

CSL has underperformed significantly facing a major sell-off from August 2025 following disappointing FY2025 results and FY2026 guidance cuts. Consequently, CSL fell 46.3% over the year including a negative 31.3% return over the final six months of 2025. RHC and SHL however have showed relative resilience with RHC delivering a positive 1.8% return while SHL recorded a negative 13.2% return for the year.



# Portfolio Positioning

## Consumer Discretionary

When fundamentals are sound, BKI is willing to invest in companies that fall outside the broader market's typical focus. The Total Return Comparison chart highlights Harvey Norman's (HVN) significant outperformance over JB Hi-Fi (JBH) throughout 2025.

HVN achieved a 43.4% total return for the year while JBH trailed at 7.6%. Over the six months to 31 December 2025, HVN delivered a 29.6% return compared to a negative 11.6% for JBH.

This divergence accelerated in August 2025 as the market pivoted toward HVN's unique value drivers. These include global store expansion, retail sales momentum, dividend growth and a grossed-up yield exceeding 6.0%.

## Consumer Discretionary 1 Year Total Return Comparison



# Portfolio Positioning – BKI Portfolio

As at 31 December 2025

Stock	% of Portfolio	Stock	% of Portfolio
1 BHP Group	9.6%	19 Stockland	1.8%
2 National Australia Bank	7.9%	20 WH Soul Pattinson & Company	1.8%
3 Commonwealth Bank	7.1%	21 Coles Group	1.5%
4 APA Group	6.7%	22 Metcash Limited	1.4%
5 Telstra Group	5.0%	23 TPG Telecom	1.4%
6 Wesfarmers Limited	4.9%	24 Smartgroup Corporation	1.3%
7 Harvey Norman Holdings	4.4%	25 Ramsay Health Care	1.2%
8 Woodside Energy	4.4%	26 Mirvac Group	1.2%
9 Macquarie Group	4.1%	27 Ampol Limited	1.0%
10 Transurban Group	3.8%	28 Regis Healthcare	0.8%
11 Dalrymple Bay Infrastructure	3.7%	29 Lindsay Australia	0.8%
12 New Hope Corporation	3.3%	30 EQT Holdings	0.7%
13 Amcor	2.8%	31 Origin Energy	0.6%
14 Sonic Healthcare	2.7%	32 IPH Limited	0.4%
15 Suncorp Group	2.3%	33 E&P Financial Group	0.2%
16 Woolworths Group	2.2%	34 Carlton Investments	0.1%
17 ARB Corporation	1.9%	Cash and Cash Equivalents	5.2%
18 Goodman Group	1.8%	<b>Total Portfolio</b>	<b>100%</b>

# Equity Market Overview

Results Presentation

For the half year ended 31 December 2025



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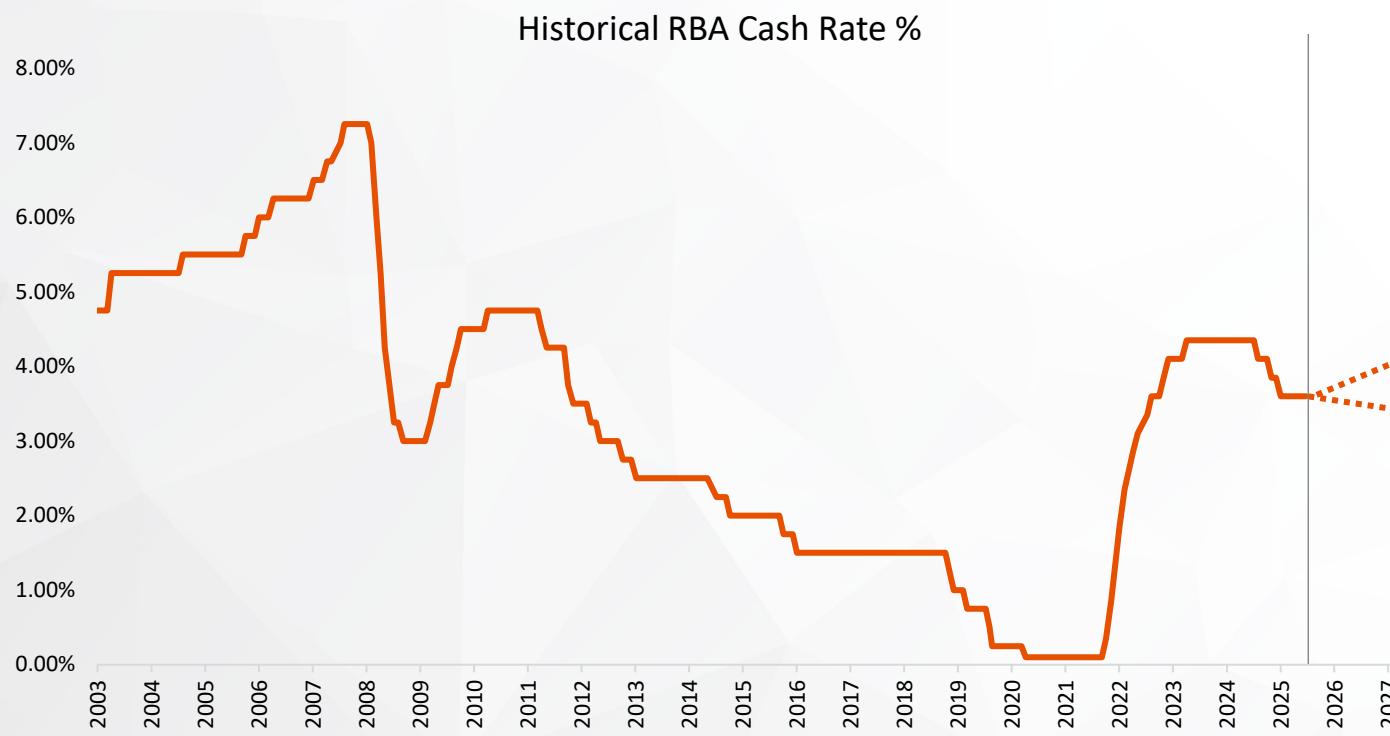
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# Equity Market Overview

## 1. Interest Rate Environment and Inflation

Inflation remains the central concern in global economic discussions influencing both policy decisions and market sentiment.



The declining cash rate cycle may have come to an early end in Australia with many economists now forecasting the cash rate to be higher during 2026.

Previous projections suggested the RBA Cash Rate could fall to between 3.35% - 3.10% by mid-2026.

# Equity Market Overview

## 2. A Resilient Economy and Solid Consumer Spending

Australia's economic growth is expected to continue, albeit at a lower rate than 2025. This growth will be supported by stable inflation, a resilient labor market, rising real wages and income tax cuts.

*BKI well exposed to this thematic*



## 3. A Strong Housing Market

The housing market is expected to remain strong following years of underinvestment and population growth.

*BKI well exposed to this thematic*



Stockland

**Harvey Norman**

**Soul Patt's**

# Equity Market Overview

## 4. Strong Global Economic Growth

With the backdrop of lower inflation, we believe that the global economy is on a positive upward trajectory. However, there are risks surrounding macroeconomic headwinds including trade tensions and geopolitical uncertainties.

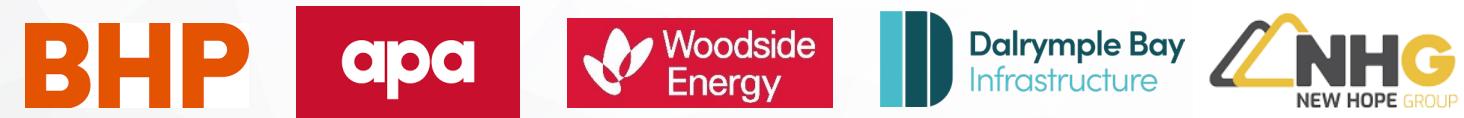
*BKI well exposed to this thematic*



## 5. Thematic Rotation To Continue

Materials should remain a dominant sector throughout 2026 as demand for resources continues to support AI infrastructure and the energy transition. This shift highlights a strategic rotation toward tangible assets as a defence against geopolitical instability, global currency concerns and an uncertain interest rate environment.

*BKI well exposed to this thematic*



# BKI Investment Company

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