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W | A | M Global

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# 2024 ASA Investor Conference

Nick Healy  
Portfolio Manager

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# WAM Global snapshot

Investment portfolio performance in the financial year to 30 April 2024

**+15.9%\***

Total Shareholder Return (TSR) in the financial year to 30 April 2024, including the value of franking credits

**+29.9%**

Annualised fully franked dividend yield

**5.4%\*\***

Annualised grossed-up fully franked dividend yield

**7.7%^**

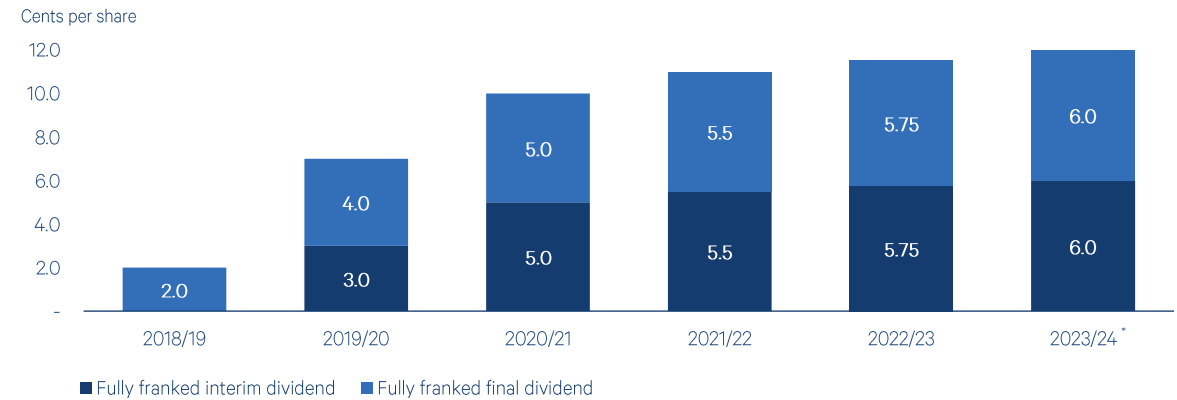
Dividend coverage

**5.3 years**

Profits reserve as at 30 April 2024 after the payment of the fully franked interim dividend of 6.0 cps

**63.9 cps**

Fully franked dividends since inception



\*Annualised fully franked interim dividend.

\*Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant indexes which are before expenses, fees and taxes.

\*\*Based on the 30 April 2024 share price of \$2.22 per share.

^Grossed-up dividend yield includes the benefits of franking credits and is based on a tax rate of 30.0%.

# Investment portfolio performance

W|A|M Global

As at 30 April 2024

	Fin YTD	1 yr	3 yrs %pa	Since inception %pa (Jun-18)
WAM Global investment portfolio	15.9%	20.8%	6.1%	9.0%
MSCI World Index (AUD)	15.6%	20.5%	11.9%	12.0%
Investment Portfolio Outperformance	<b>+0.3%</b>	<b>+0.3%</b>	<b>-5.8%</b>	<b>-3.0%</b>
MSCI World SMID Cap Index (in AUD terms)	10.8%	13.3%	5.4%	7.6%
Investment Portfolio Outperformance	<b>+5.1%</b>	<b>+7.5%</b>	<b>+0.7%</b>	<b>+1.4%</b>

Investment portfolio performance is before expenses, fees, taxes and the impact of capital management initiatives to compare to the relevant indexes which are before expenses, fees and taxes.

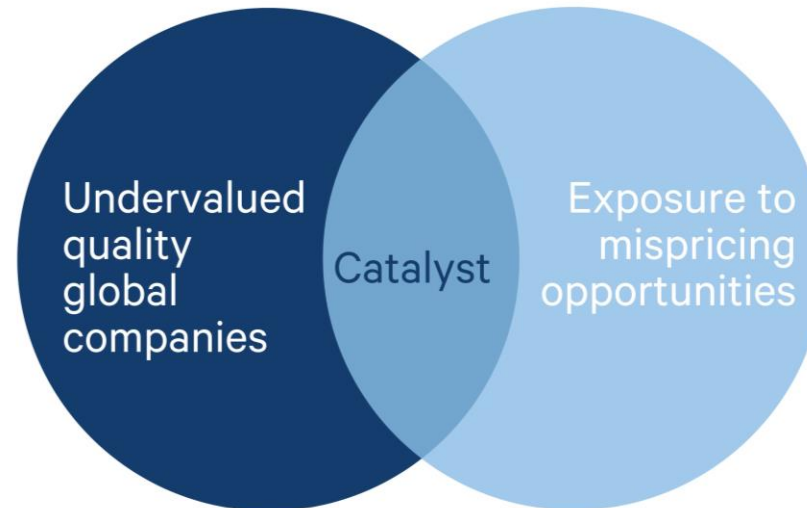
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# Undiscovered quality global companies

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Diligent and deep research on undervalued international growth companies that focuses on meeting management teams and identifying quality companies.

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Takes advantage of mispricing opportunities in the global equity market.

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Catalyst: a major event that alters the market's perception of a company or its earnings momentum which will lead to a rerating of the investee company's share price.

Lead Portfolio Manager

# Catriona Burns



BCom (Lib Studies) MApp Fin CFA

Catriona has more than 20 years' global and Australian investment experience. Catriona began her career with Wilson Asset Management in 2003 before relocating to London to work with Hunter Hall Investment Management as a Portfolio Manager responsible for global equities with a bias to small-to-mid cap companies. In 2012, Catriona joined John Sevier and David Cooper at the inception of Airlie Funds Management. Catriona is the Lead Portfolio Manager responsible for WAM Global.

Portfolio Manager

# Nick Healy



BEng (Hons) MBA CFA

Nick has more than nine years' global investment experience. Nick joined Wilson Asset Management in 2018 with the inception of WAM Global, after three years at Fidelity International in London. In 2015, Nick received his MBA from INSEAD, receiving the Ford prize for graduating first in class. Prior to his MBA, Nick began his career as a mechanical engineer.

Senior Investment Analyst

# William Liu



BCom MFin

William has more than ten years' experience in the investment industry. Prior to joining Wilson Asset Management, William was a portfolio manager at Wilsons Advisory responsible for a global high conviction equities portfolio. Prior to this, William was a global credit research analyst at UBS Asset Management.

Investment Analyst

# Eddie Stevens

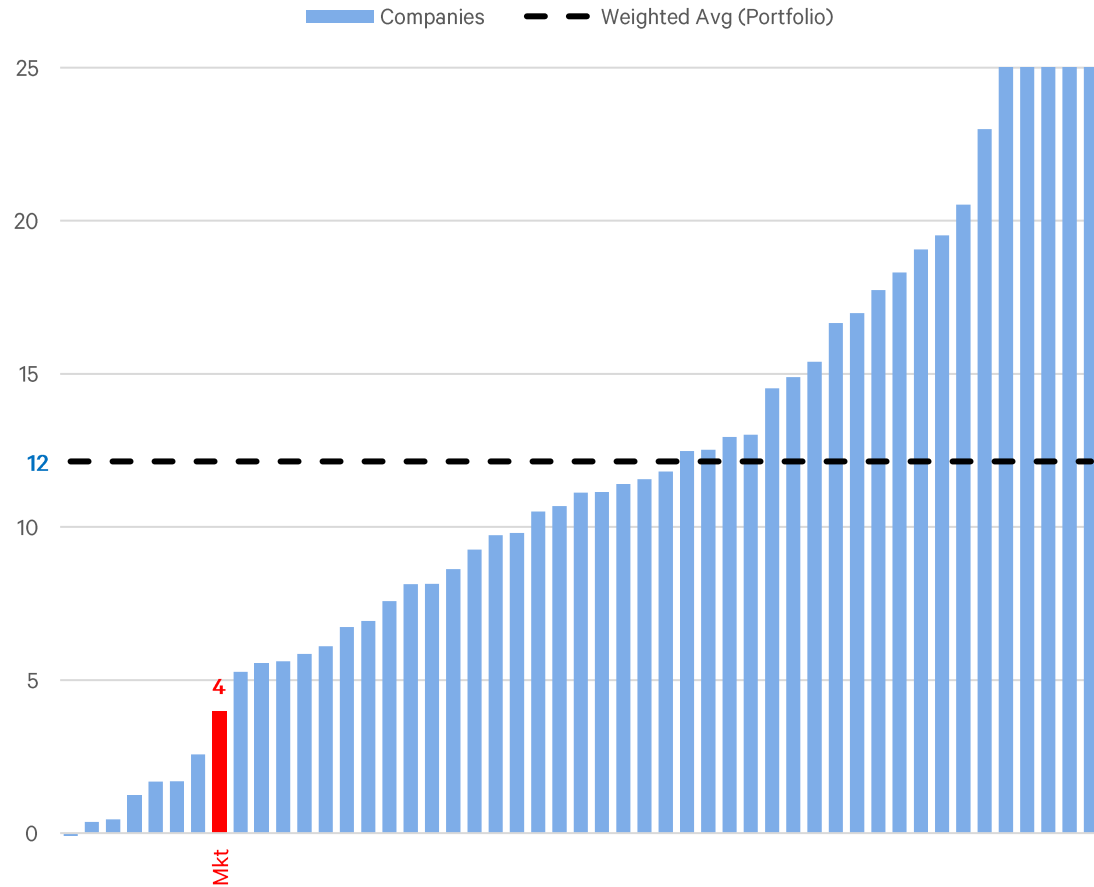


LLB (Hons) BCom (Hons)

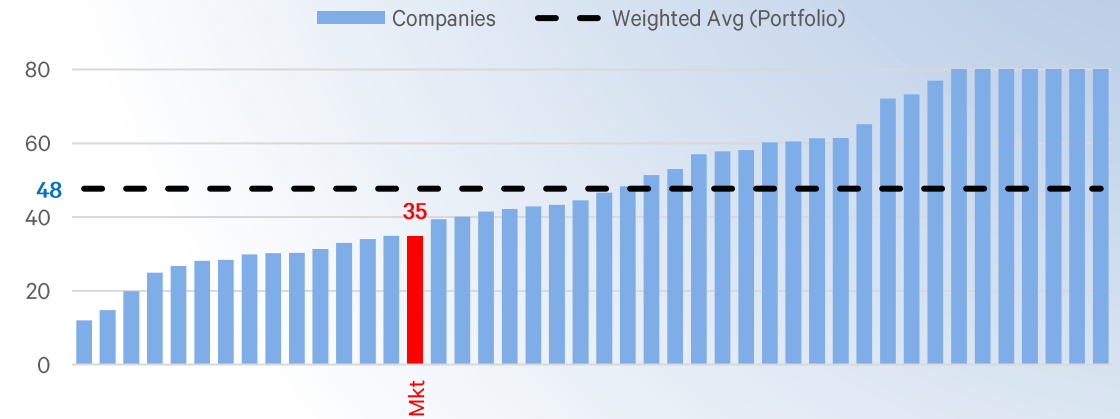
Eddie has more than two years' experience in the investment industry. Eddie joined Wilson Asset Management from Credit Suisse, where he was a sell side equity research analyst covering Mining and Energy.

# Portfolio growth & quality

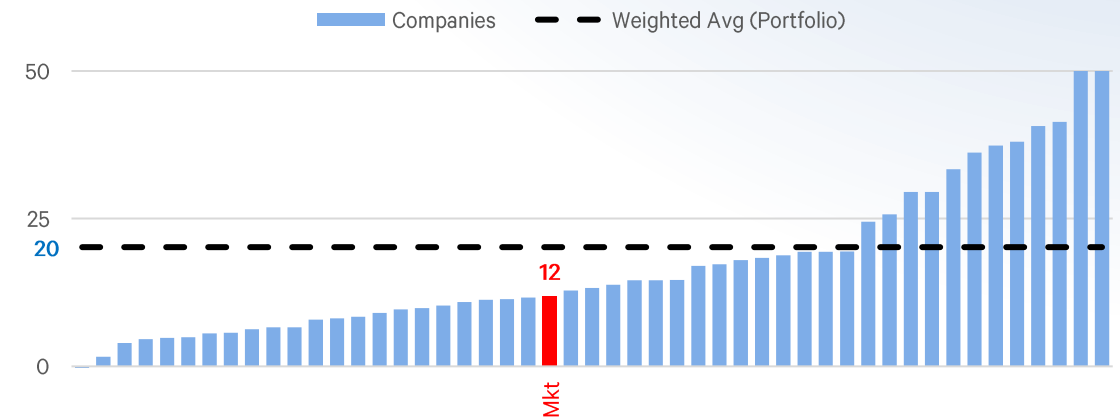
## Revenue Growth (YY), BF1Yr



## Gross Margins



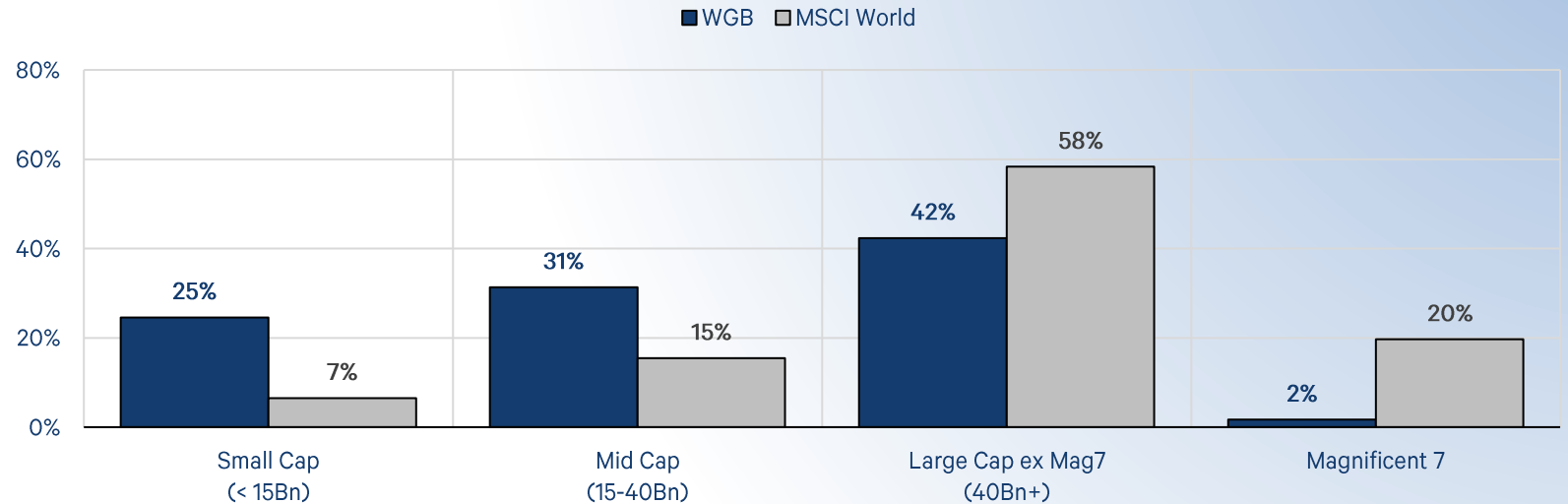
## Net Income Margins



# Portfolio composition

## Weighting Comparison

- WAM Global invests across all market caps
- Opportunities are driven from bottom-up analysis
- Disciplined investment process focused on undervalued international growth companies
- SMID cap bias with minimal exposure to “Mag 7”



## Attribution Comparison

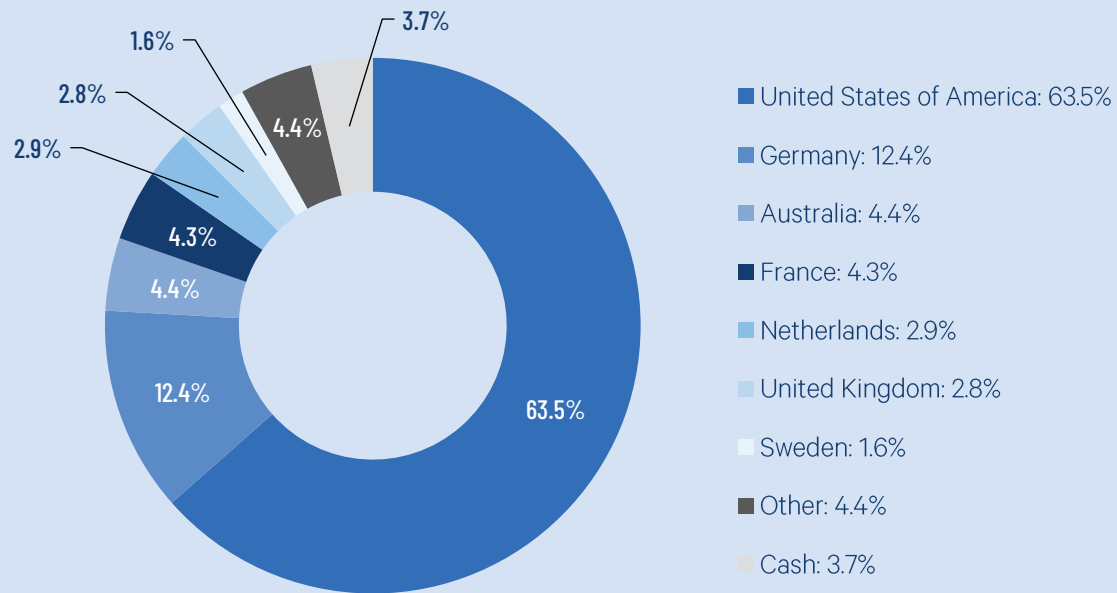
- WAM Global returns have been driven by broad number of companies across the market cap spectrum

Company	FYTD total returns %*
“Mag 7” (average)	+28.3%
MSCI World Large Cap	+13.8%
MSCI World SMID Cap	+8.5%
<b>MSCI World</b>	<b>+13.2%</b>

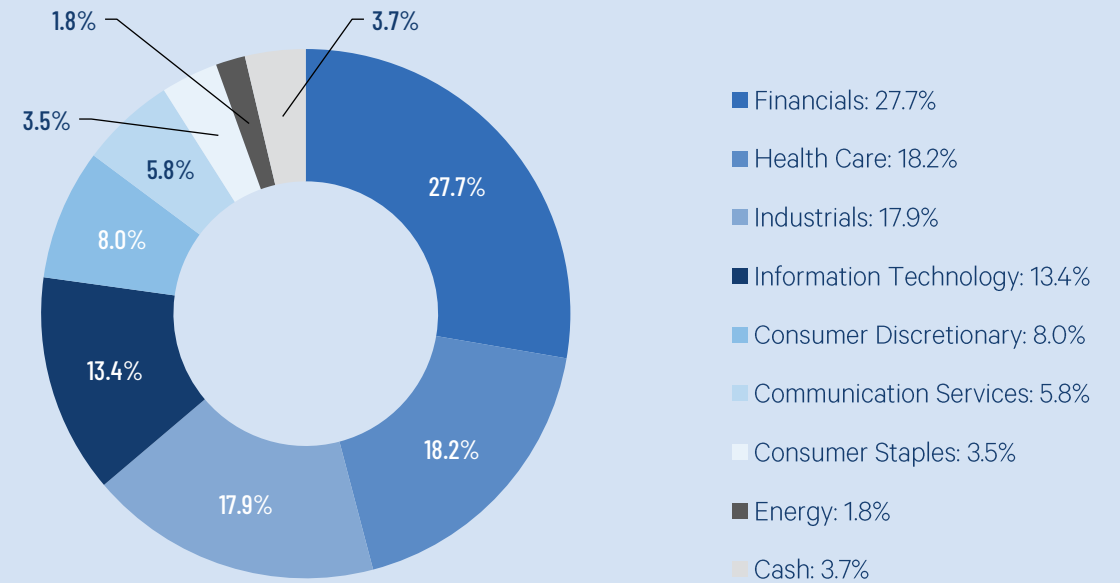
\*FYTD returns is calculated to financial year to 30 April 2024.



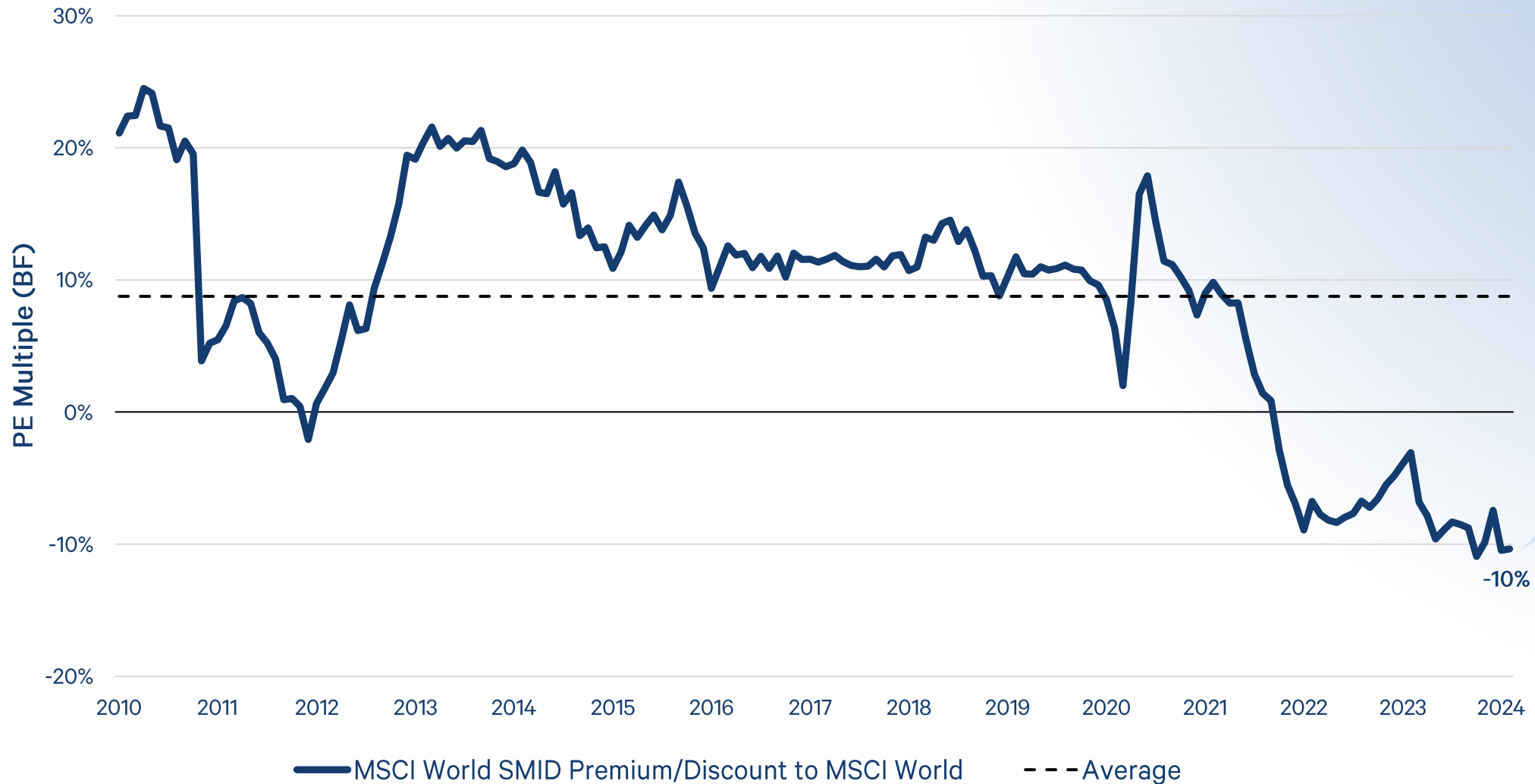
## Portfolio by geography



## Portfolio by sector



# MSCI World SMID cap valuation discount/premium



 Opportunities in discounted SMIDs

# Portfolio themes



## Digital enterprise

- Cloud migration
- Artificial Intelligence
- Advantaged Data



## Electronic Marketplaces

- Analog to electronic
- Network effects
- Advantaged Data



## Innovative health

- Ageing demographics
- Increasing share of GDP
- Innovative technologies



## Critical Assets

- Reshoring
- Regulatory, fiscal tailwinds
- Energy transition

### Multi-year tailwinds

### Examples of companies exposed to themes

Booz | Allen | Hamilton

INTUIT

SAP

Adobe

Tradeweb

Hemnet

ICE

eventim

rb GLOBAL

avantor

ICON

Edwards

gerresheimer  
innovating for a better life

QUANTA SERVICES, INC.

Applus

SAFRAN

TELEDYNE TECHNOLOGIES INCORPORATED

HENSOLDT  
Detect and Protect.

# Booz Allen Hamilton (Digital Enterprise)

Booz Allen Hamilton is the trusted technology adviser to the US government and will benefit as they adopt AI, Cloud and Cyber technology.

## Industry position

- Advantaged due to decades of thought leadership in strategy & technology dating back to WW2
- Barriers to entry through complexity of government requirements, trusted relationship status required

## Earnings Growth

- High single digit organic (14% FY3/24TD) driving double digit EPS growth
- Supported by pipeline of \$34bn of bid & won work

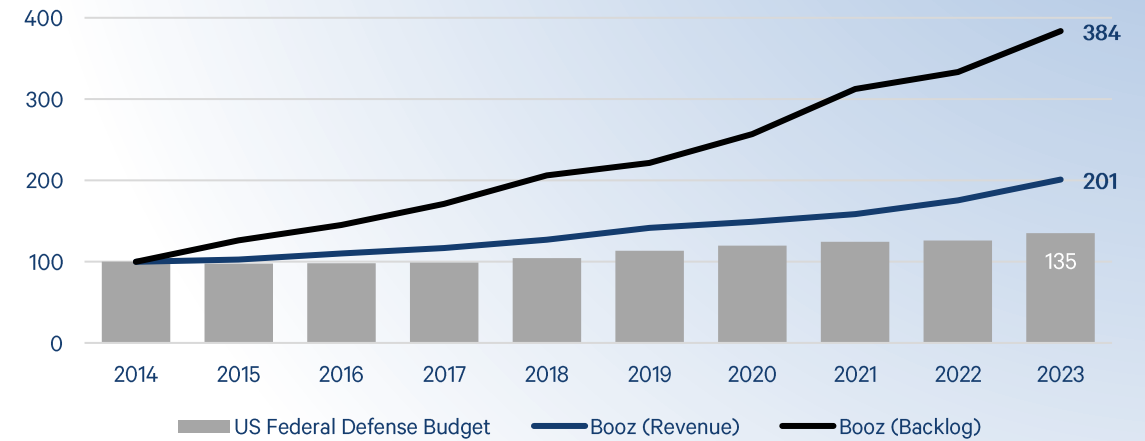
## Valuation

- Trading at BF P/E 25x

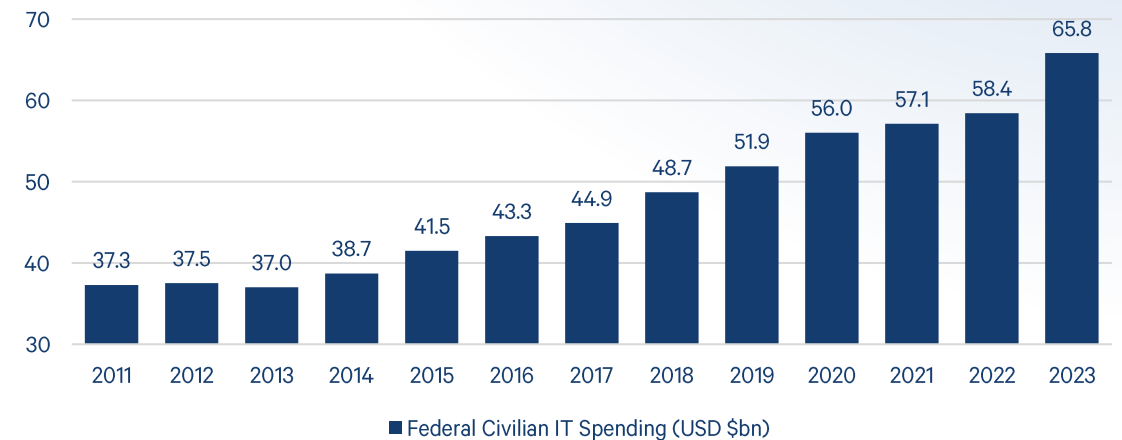
## Catalysts

- US Government serious about adopting technology; currently cloud & cyber driving, AI will compel adoption over coming years – no firm better placed than Booz

Growth & pipeline prove positioning



Catalyst: AI Adoption by US Government



# SAP (Digital Enterprise)

SAP is the global leader in enterprise resource planning software. The company has successfully shifted toward a recurring cloud-based business model and will be a major beneficiary of AI.

## Industry position

- SAP is the global leader
- Total Addressable Market of ~\$495bn. and is growing at 11% pa. expected to reach ~\$760bn. in 2026

## Earnings Growth

- Current Cloud backlog provides visibility for future revenue growth.
- EPSg CAGR of 27.8% over next 3 years

## Valuation

- Trading at FY25e P/E 28x

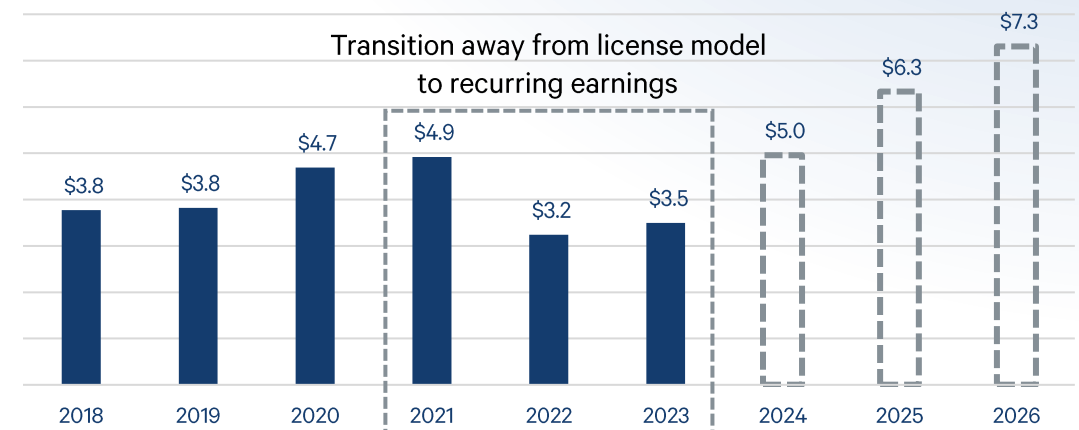
## Catalysts

- Cross-sell of broader product suite in the cloud to increase share of customer wallets.
- Artificial Intelligence driving unique business insights

Current Cloud Backlog (\$bn.)



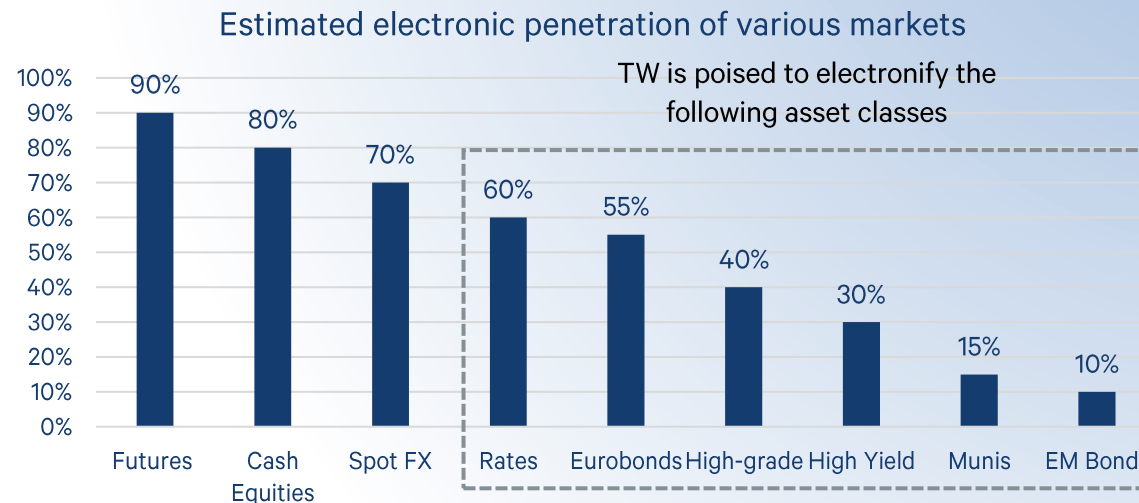
Poised to accelerate EPS growth



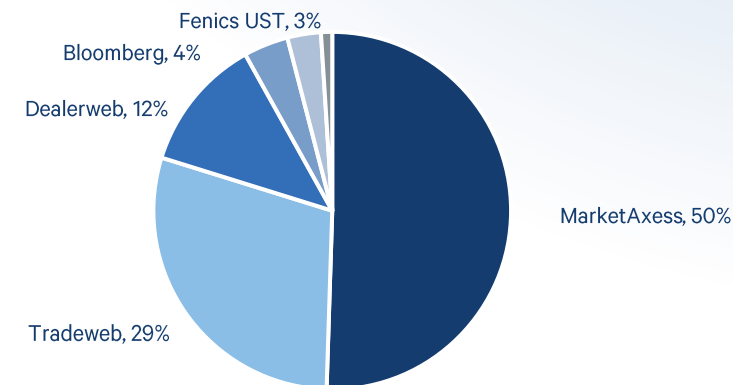
# Tradeweb (Electronic Marketplaces)

Tradeweb is a global leader in building and operating electronic marketplaces. It is best positioned to electrify fixed income markets, the largest and most diversified asset class in the world

Industry position	<ul style="list-style-type: none"> <li>High barriers to entry due to size and scale advantages</li> <li>Winning market share off its key competitors due to its multi asset class capabilities.</li> </ul>
Earnings Growth	<ul style="list-style-type: none"> <li>Electronification of fixed income is a long-term secular growth opportunity. Tradeweb expected to deliver &gt;10% rev. CAGR while expanding margins.</li> <li>Expect mid high teens earnings per share growth</li> </ul>
Valuation	<ul style="list-style-type: none"> <li>Trading at FY25e P/E 35x</li> <li>TW has net cash balance sheet</li> </ul>
Catalysts	<ul style="list-style-type: none"> <li>Inevitable expansion of US government and corporate debt</li> <li>Regulatory tailwinds</li> </ul>



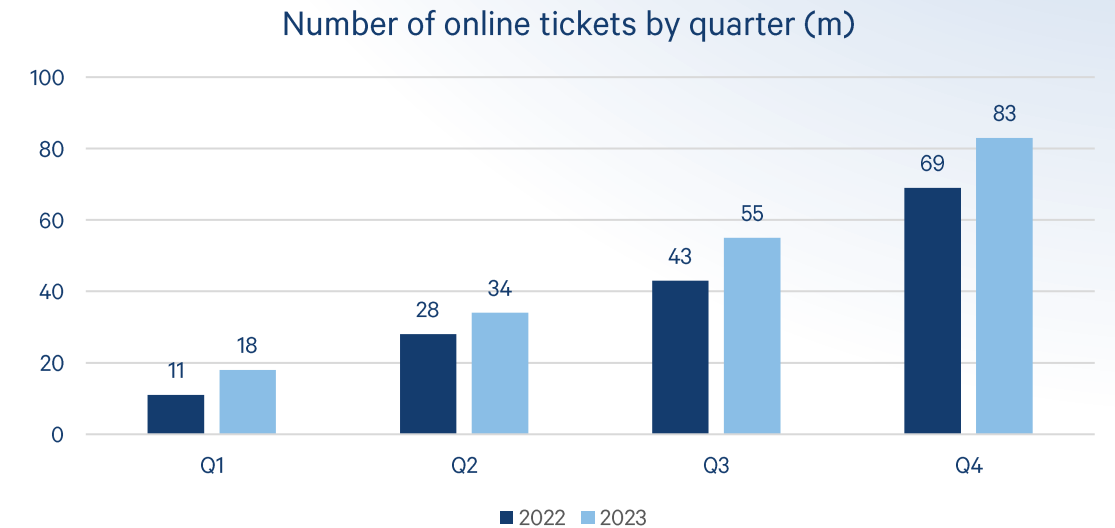
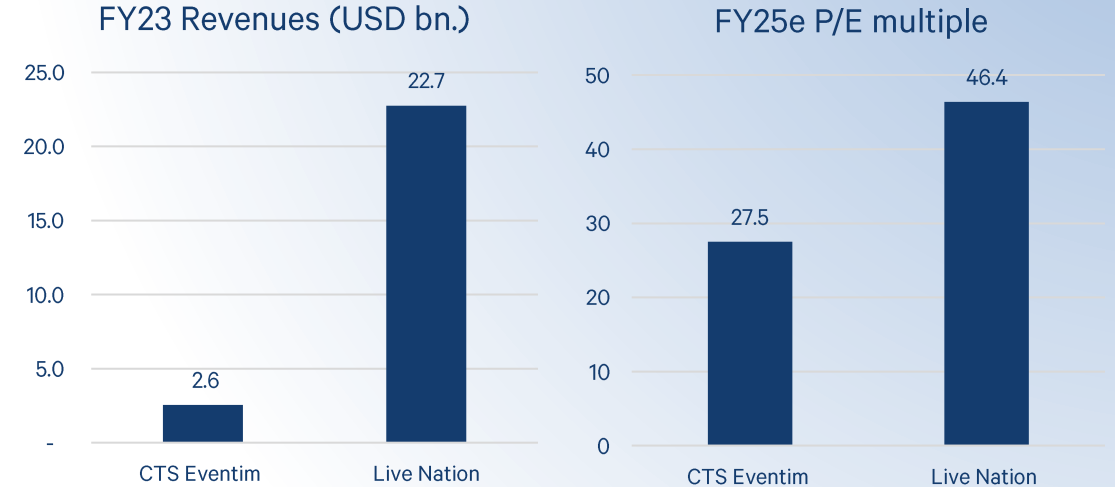
Corporate bonds electronic trading market share



# CTS Eventim (Electronic Marketplaces)

CTS Eventim is Europe's leading international providers of ticketing services and live entertainment. We foresee strong earnings growth driven by shift to mobile ticketing and a strong events pipeline ahead

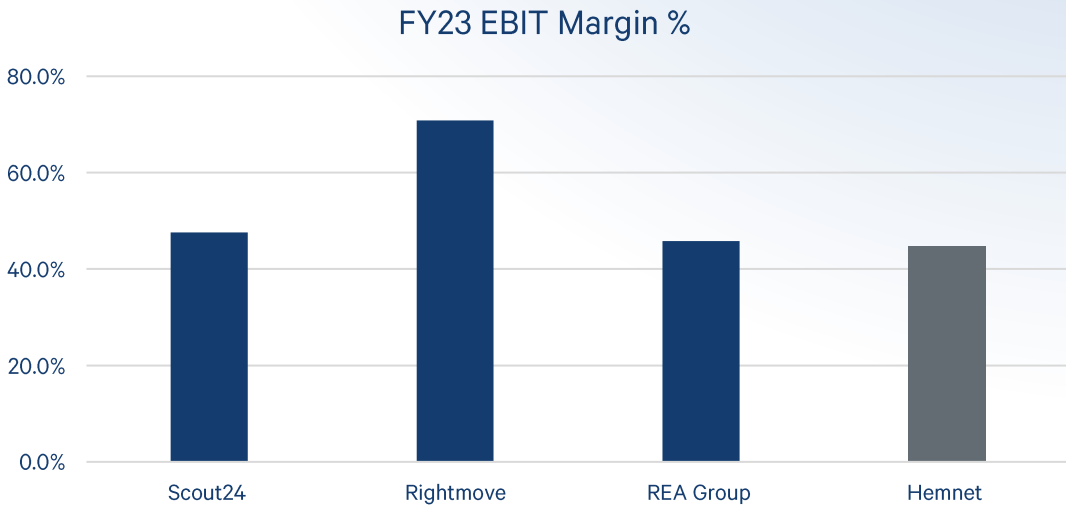
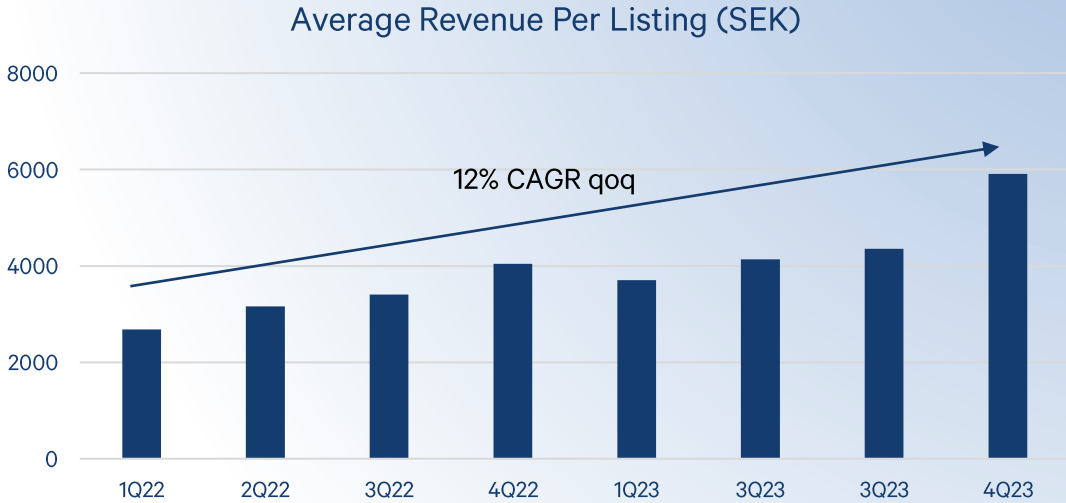
<b>Industry position</b>	<ul style="list-style-type: none"> <li>• Leader in ticketing which is an attractive industry with high barriers to entry</li> <li>• Still significantly smaller than its closest peer Live Nation in the US</li> </ul>
<b>Earnings Growth</b>	<ul style="list-style-type: none"> <li>• Positive momentum to continue into 2024 for ticketing and live entertainment.</li> <li>• Expect mid to high single digit EPS growth</li> </ul>
<b>Valuation</b>	<ul style="list-style-type: none"> <li>• Trading at FY25e P/E 27.5x</li> <li>• CTS Eventim has net cash balance sheet</li> </ul>
<b>Catalysts</b>	<ul style="list-style-type: none"> <li>• Strong events pipeline given artists make most of their income through live events.</li> <li>• Increase international footprint</li> </ul>



# Hemnet (Electronic Marketplaces)

Hemnet is the “go-to place” for the Swedish housing market for buyers and sellers. Company is similar to Domain/REA Group in Australia however it is much earlier on its monetisation journey

Industry position	<ul style="list-style-type: none"> <li>• Dominant position as the largest property portal in Sweden.</li> <li>• 9 out of 10 properties sold in Sweden are advertised on Hemnet</li> </ul>
Earnings Growth	<ul style="list-style-type: none"> <li>• Rev. per listing increase driven by increased demand for Value added Services</li> <li>• EPS growth of +63.7% for FY24e, +32.6% in FY25e</li> </ul>
Valuation	<ul style="list-style-type: none"> <li>• FY25e P/E of 43.5x</li> </ul>
Catalysts	<ul style="list-style-type: none"> <li>• Annual listing volumes inflecting upward</li> <li>• Buyers barometer at strongest level since Apr-22</li> </ul>

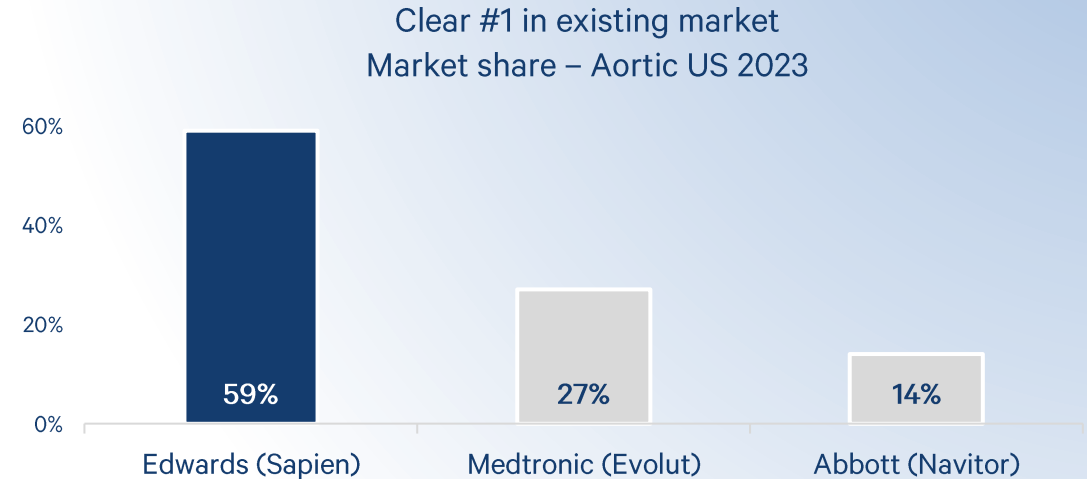




# Edwards Lifesciences (Innovative Health)

Edwards dominates high growth, high barriers to entry heart valve markets with a significant opportunity with recently approved Evoque product in a large unaddressed market

Industry position	<ul style="list-style-type: none"> <li>Oligopoly structure, Edwards dominant globally with over 50% share</li> <li>High barriers to entry through (i) criticality of product, (ii) years of evidence, (iii) doctor channel</li> </ul>
Earnings Growth	<ul style="list-style-type: none"> <li>Clear double-digit revenue and EPS growth opportunity on existing market penetration and opportunities in new-market (Evoque product)</li> </ul>
Valuation	<ul style="list-style-type: none"> <li>Trading at BF P/E 33x</li> <li>Net cash balance sheet</li> </ul>
Catalysts	<ul style="list-style-type: none"> <li>Evoque product approved Feb-24 will drive TMTT segment at &gt; 50% growth rates</li> <li>Spin of Critical Care segment creates pure play heart-focused company</li> </ul>



Underpenetrated core market, new opportunity 2-3x existing



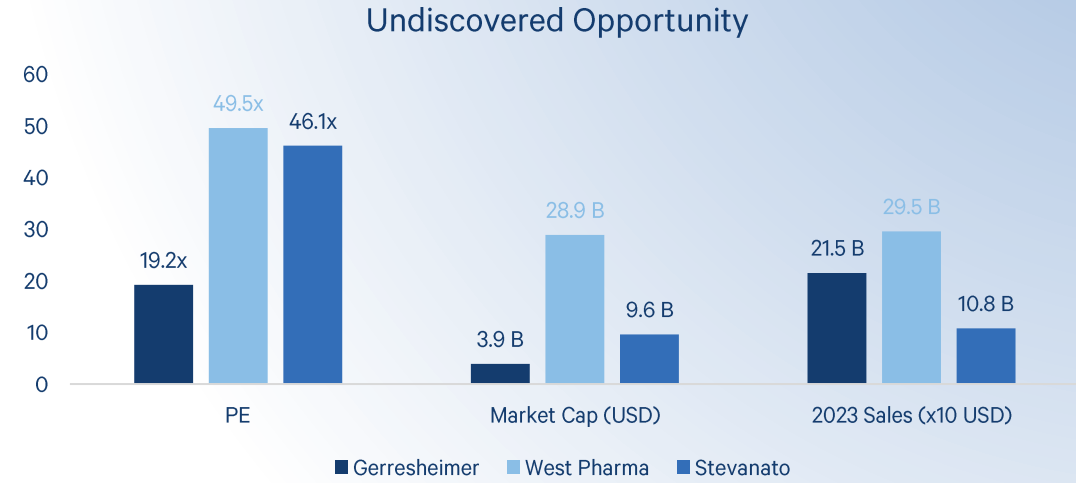
Feb-24 FDA approval (first to market)



# Gerresheimer (Innovative Health)

Gerresheimer is an undiscovered specialist drug delivery devices provider set to benefit from the growth of GLP-1s and other breakthrough biologics

<p><b>Industry position</b></p>	<ul style="list-style-type: none"> <li>• Low cost of total product, high risk of failure leads to concentrated industry structure</li> <li>• Historically lagged best peers, since late 2010s has pushed successfully into high-value products</li> </ul>
<p><b>Earnings Growth</b></p>	<ul style="list-style-type: none"> <li>• Double digit organic growth at both revenue and EPS lines driven by success in high value devices segment increasing as a percent of total earnings</li> </ul>
<p><b>Valuation</b></p>	<ul style="list-style-type: none"> <li>• Trading at BF P/E 19x</li> </ul>
<p><b>Catalysts</b></p>	<ul style="list-style-type: none"> <li>• GLP-1 work contracted in, capacity being installed, will drive earnings over coming years</li> </ul>



Catalyst: GLP-1

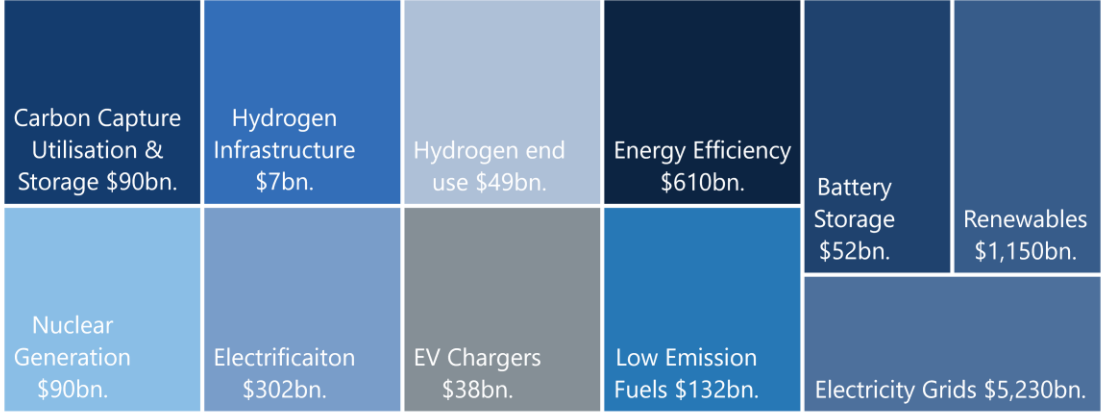
Contracts with the leading GLP-1 players

# Quanta Services (Critical Assets)

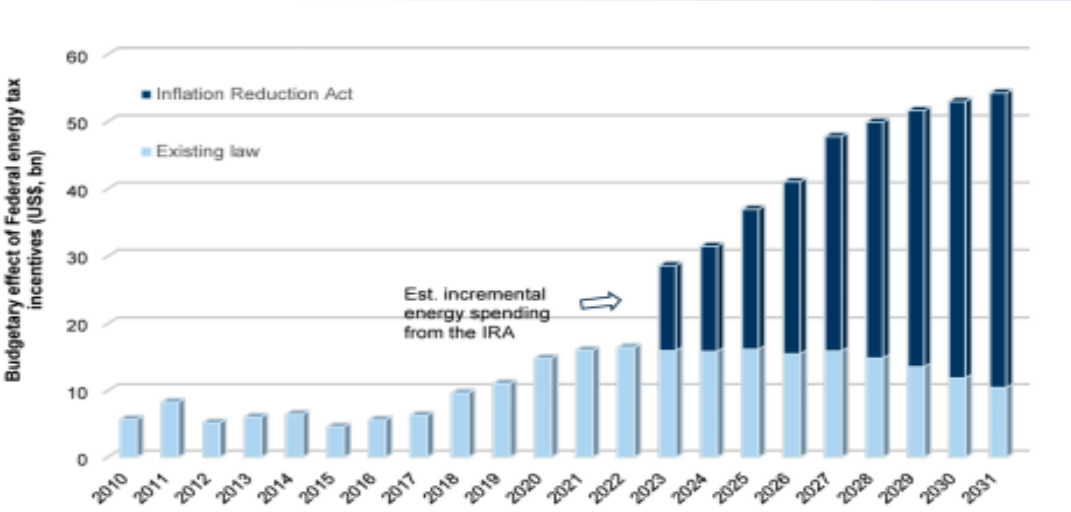
Quanta is a leading specialised contracting services company delivering comprehensive infrastructure solutions to enable electric grid modernisation and renewable energy generation.

Industry position	<ul style="list-style-type: none"> <li>Recognised market leader</li> <li>Growing Total Addressable Market (TAM) driven by megatrends with expanding market share</li> </ul>
Earnings Growth	<ul style="list-style-type: none"> <li>74% of revenue from utilities and renewable energy developers. &gt;85% of revenues come from repeatable and sustainable activity</li> <li>Expect mid-teens earnings per share growth</li> </ul>
Valuation	<ul style="list-style-type: none"> <li>Trading at FY25e P/E 27.0x</li> <li>Net Debt/Adj. EBITDA ~1.8x</li> </ul>
Catalysts	<ul style="list-style-type: none"> <li>Inflation reduction act &amp; infrastructure act</li> <li>Acceleration in transition to renewable energy</li> </ul>

Energy Transition Megatrends TAM



Inflation Reduction Act: Significant renewable related investment



# Applus (Critical Assets)

Applus is an undervalued, undiscovered testing inspection and certification company for the auto, energy and laboratory industries. The company is currently being competitively bid for.

## Industry position

- Leadership position in key end markets. Successfully pivoted away from cyclical oil and gas exposure toward energy transition, electrification and connectivity

## Earnings Growth

- MSD% to HSD% organic rev. growth + M&A
- OPM improvements yoy.
- Mid-teens EPS CAGR

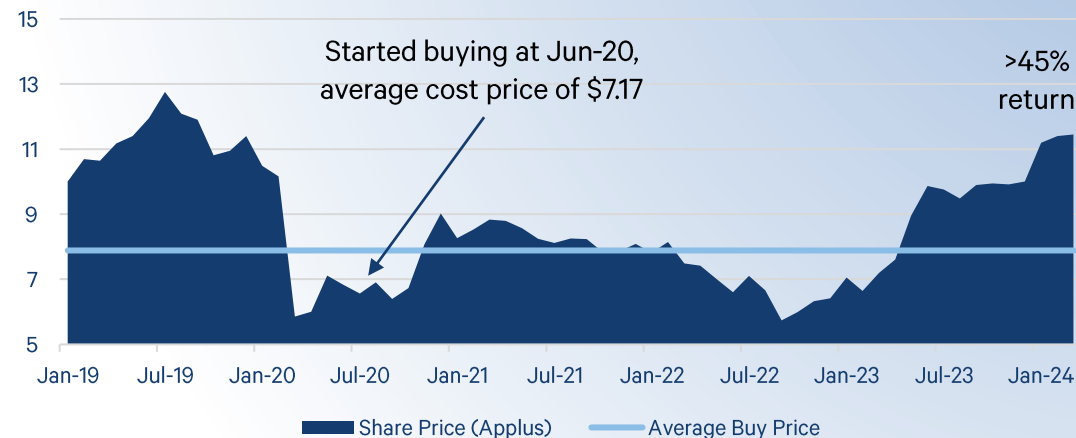
## Valuation

- Trading at FY25e 10.1x
- FCF Yield ~14%

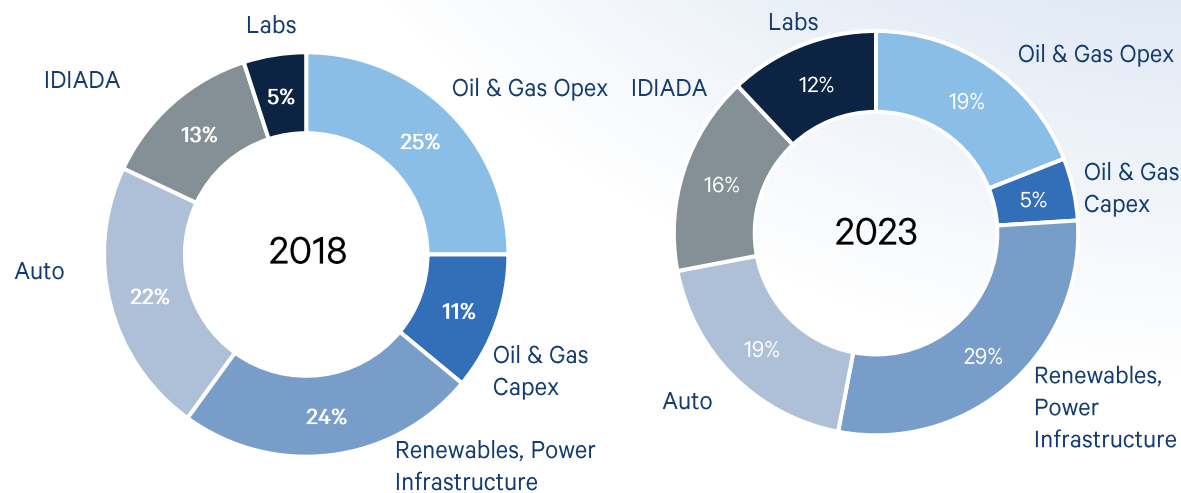
## Catalysts

- Competitively bid for by private equity

Applus Share Price



Applus Portfolio Evolution



# Wilson Asset Management at a glance

8

## Listed investment companies

Managing more than \$5 billion on behalf of 130,000 retail shareholders.

## Proven investment approach

Delivered strong returns for shareholders for over 25 years.

19

## Investment professionals

Combined investment experience of more than 200 years.

## Philanthropy

Committed to philanthropic and advocacy initiatives to make a difference to shareholders and the community.



## Creator and lead supporter of:

**Future Generation Australia**  
INVESTMENT & SOCIAL RETURNS

**Future Generation Global**  
INVESTMENT & SOCIAL RETURNS



## Critical elements of a successful LIC

- **Performance** – investment portfolio performance
- **Dividends** – fully franked dividend yield
- **Fairness** – treat shareholders equitably
- **Engagement** – comprehensive shareholder acknowledgement, engagement, communication and education strategy

# Q&A

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Get in touch

[info@wilsonassetmanagement.com.au](mailto:info@wilsonassetmanagement.com.au)

(02) 9247 6755

[www.wilsonassetmanagement.com.au](http://www.wilsonassetmanagement.com.au)

Martyn McCathie  
Investment Specialist

0433 312 603

[martyn@wilsonassetmanagement.com.au](mailto:martyn@wilsonassetmanagement.com.au)

Will Deer  
Investment Specialist

0457 595 974

[will@wilsonassetmanagement.com.au](mailto:will@wilsonassetmanagement.com.au)

