

SVM ASSET MANAGEMENT



Noramco Quality Funds Europe

APRIL

2023

For professional advisers only - not to be relied upon by retail clients

Established in 1982

- Owner managed for over 40 years
- Independent

History of Investment Funds

- In 1982 NORAMCO registered in cooperation with Sir John Templeton to become the first US-American Fund for sale to retail clients in Germany
- Cooperation with Alger since 1994
- Cooperation with Davis since 1995

Multi Manager & Distribution

- Only external portfolio management / focus on service & support
- Broad distribution / sales network



Fund Manager



Hugh Cuthbert
Fund Manager
European Equities

Hugh is lead manager of Noramco Quality Funds Europe, SVM Continental Europe Fund and co manager of SVM All Europe SRI Fund.

Prior to joining SVM, he spent five years with Kempen Capital Management where he was responsible for the management of pan European equities. Before that he worked at Henderson Global Investors in London on their Global Care range of funds.

28

Years industry experience

17

Noramco Quality Funds Europe

Specialist investment boutique established in 1990

- £3.18bn group AUM*
- Investment Management focused boutique

Experienced stable investment team

- Core Investment team 20 year track record
- 17 year Noramco relationship

Environment for Fund Managers to excel

- Flat management structure
- Allowing independence of thought
- Specialist capacity constrained funds

*Source: AssetCo 30.09.2022



Noramco Quality Funds Europe



- Unconstrained all-cap European stock-picking fund
- Focus on under-researched, predominantly mid-cap opportunities
- Pure research driven approach not influenced by index composition
- A diversified portfolio of typically 25-45 holdings.
- Number of holdings: 30
- Fund size: €17.93m*



Source: *Bloomberg 31.03.23



Risk Matrix – research driven diversification



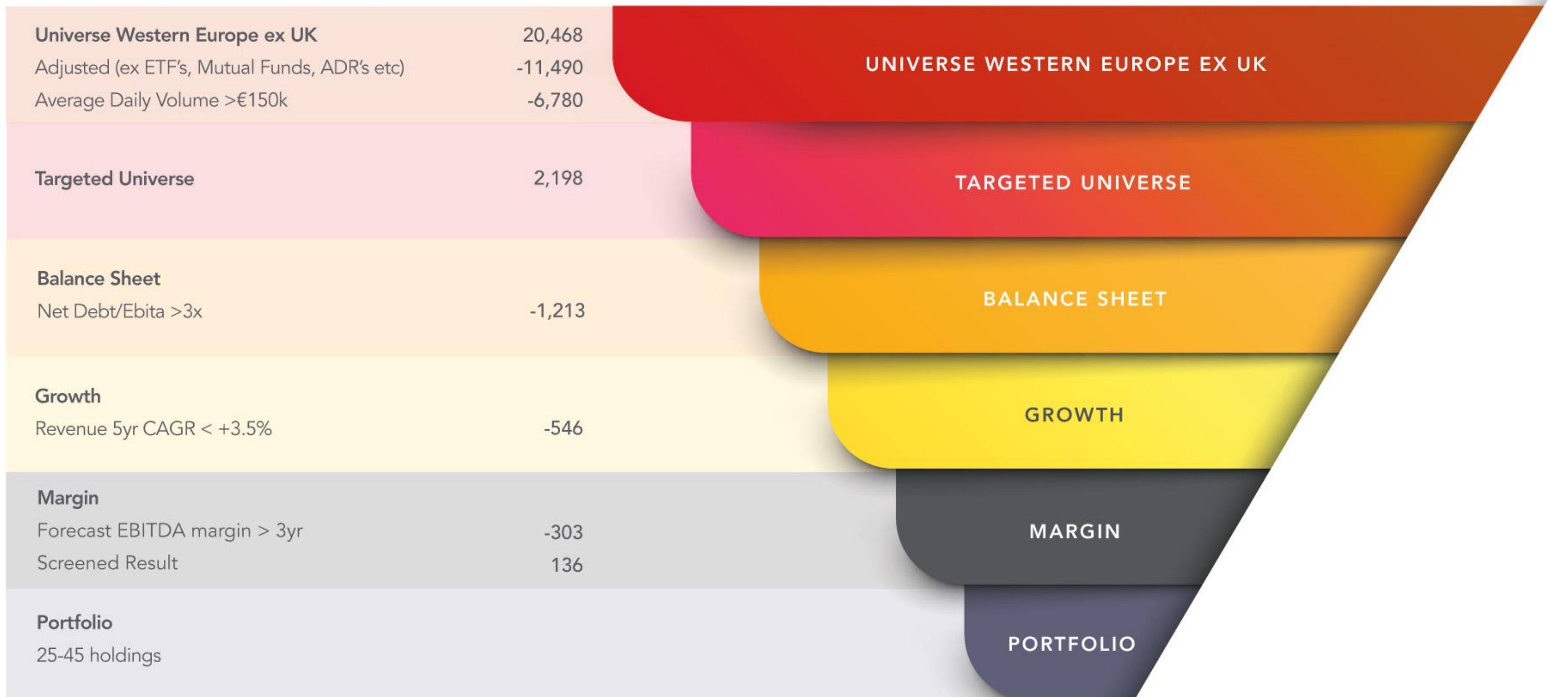
Risk factor	Orange	Partners Group	Verralia	Energiekontor	Aker Carbon Capture	Veolia	Thales	Patrizia Immobilien	Hexatronic	Ipsos	Banca Mediolanum	Mediobanca	Ringkjoebing Landbobank	Wienerberger
Ensure ticker matches Price Target sheet	ORA FP	PGHN SW	VRLA FP	EKT GR	ACC NO	VIE FP	HO FP	P1Z GR	HTRO SS	IPS FP	BMED IM	MB IM	RILBA DC	WIE AV
Low Margin														
Lack of pricing power	1		1	1	1	1			1		1	1	1	1
Competition	1						1		1		1	1	1	1
Growth	1					1			1	1	1	1	1	1
Variability of earnings		1		1	1				1		1	1	1	1
Visibility of sales		1		1	1	1			1			1	1	1
Customer concentration			1				1		1					
Geographic concentration	1									1	1	1	1	
Product reliance risk			1	1	1	1				1				
Supplier bargaining power			1	1										
R&D expenditure					1		1							
Onerous Capex			1	1	1									
Insider ownership/corp. interests	1						1	1			1	1	1	
Asset quality risk		1						1			1	1	1	

- Bottom-up risk analysis
- Highlights concentration of risk
- Sector agnostic
- Analysis tool for new holdings

Source: SVM, 2023



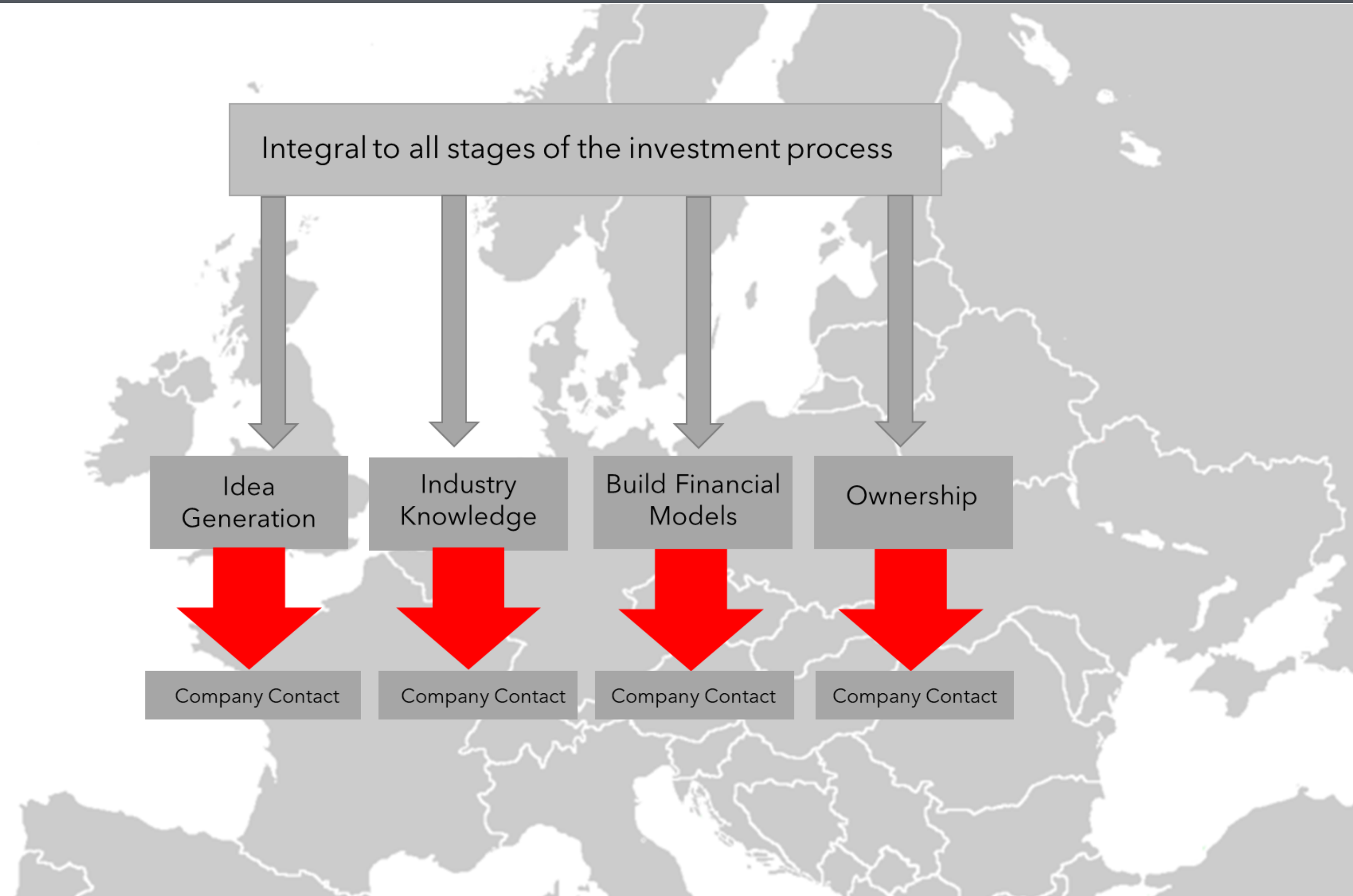
The Investment Opportunity



Source: Bloomberg & SVM, 10.11.22



Company Contact





Research Summary

- Summary the key document for debate
- Standardisation ensures consistency
- Focus on key metrics
- Allow for initial screen
- Price target setting

SVM Company Research Order: **EUR** Date: **06/07/2024**

Company Name: **NORAMCO** Country: **Finland**
 RUC: **NORAMCO** SVM Analyst: **SS**
 Current Price (EUR): **18.0** Market Cap (Bn): **1.00** Div. Yield: **1.0** Div. Payout: **1.0**
 Market Cap (Bn): **1.00** Dividend Yield: **1.0** Div. Payout: **1.0** Div. Yield: **1.0**

Business Summary:
 NORAMCO manufactures consumer packaging products. The Company produces all possible food service and tableware products, such as cups, plates, and trays, as well as containers for fresh meats, fruits, dairy products, frozen foods, coffee, and detergents.

Key Figure/Income Statement	2018a	2019a	2020a	2021a	2022a	2023a
Sales	1,297	1,304	1,309	1,300	1,300	1,300
Net Income	215	215	215	215	215	215
EBITDA	1,000	1,000	1,000	1,000	1,000	1,000
EBIT	1,000	1,000	1,000	1,000	1,000	1,000
EBT	1,000	1,000	1,000	1,000	1,000	1,000
Net Income	215	215	215	215	215	215
EPS	0.2	0.2	0.2	0.2	0.2	0.2

2 yr EBITDA annual growth (%): **11%**

Key Figure/Capital Employed	2018a	2019a	2020a	2021a	2022a	2023a
ST debt	100	100	100	100	100	100
LT debt	100	100	100	100	100	100
Total debt	200	200	200	200	200	200
Equity	1,000	1,000	1,000	1,000	1,000	1,000
Total Capital Employed	1,200	1,200	1,200	1,200	1,200	1,200

2 yr EOP annual growth (%): **4%**

Key Figure/Valuation	2018a	2019a	2020a	2021a	2022a	2023a
P/E	21.0	21.0	21.0	21.0	21.0	21.0
EV/EBITDA	18.0	18.0	18.0	18.0	18.0	18.0
EV/EBIT	18.0	18.0	18.0	18.0	18.0	18.0
EV/EBT	18.0	18.0	18.0	18.0	18.0	18.0
EV/Net Income	18.0	18.0	18.0	18.0	18.0	18.0
EV/Free Cash Flow	18.0	18.0	18.0	18.0	18.0	18.0

Risks:
 - Slowdown in inorganic growth (particularly in Asia) gross margin deterioration from raw material or pricing pressures, manufacturing disruption, poor weather in North America, increasing tax rates.

Outlook:
 - Better than expected development of North American business after integration of acquisitions, better than expected organic growth after new focus, further accretive acquisitions.

Value creation levers - Key drivers:
 - Gross margin and profitable organic growth are the key drivers, appears to be limited leverage of operating costs. Acquisitions also playing an important role, along with execution in high performing units/divisions to bring leverage up to average Group level. Finally, optimizing asset utilization will help improve returns on capital.

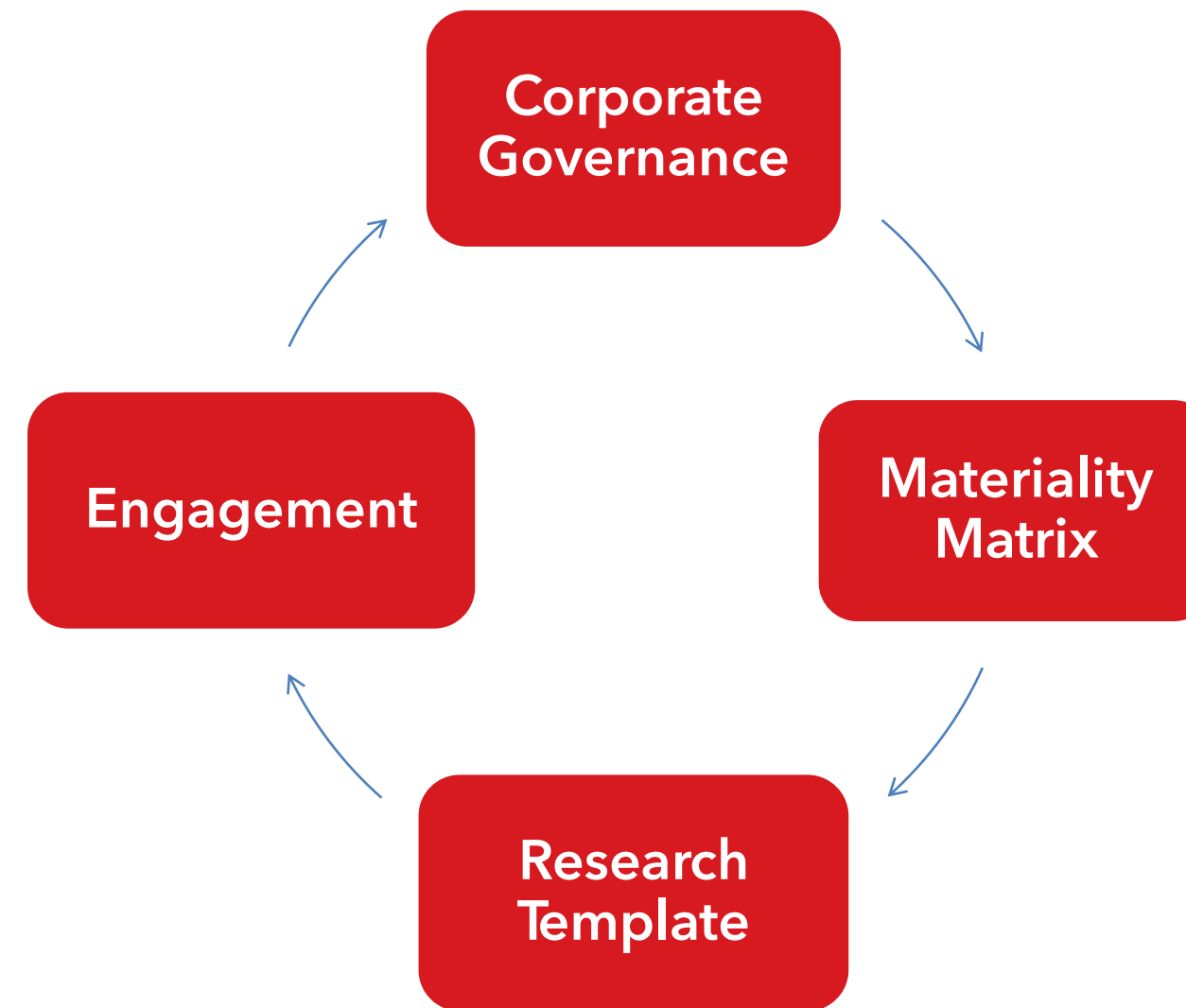


Environment, Social, & Corporate Governance



UN PRI Assessment of SVM

- Strategy and Governance → ★★★★★
- Listed Equity - Incorporation → ★★★★★
- Listed Equity - Active Ownership → ★★★★★

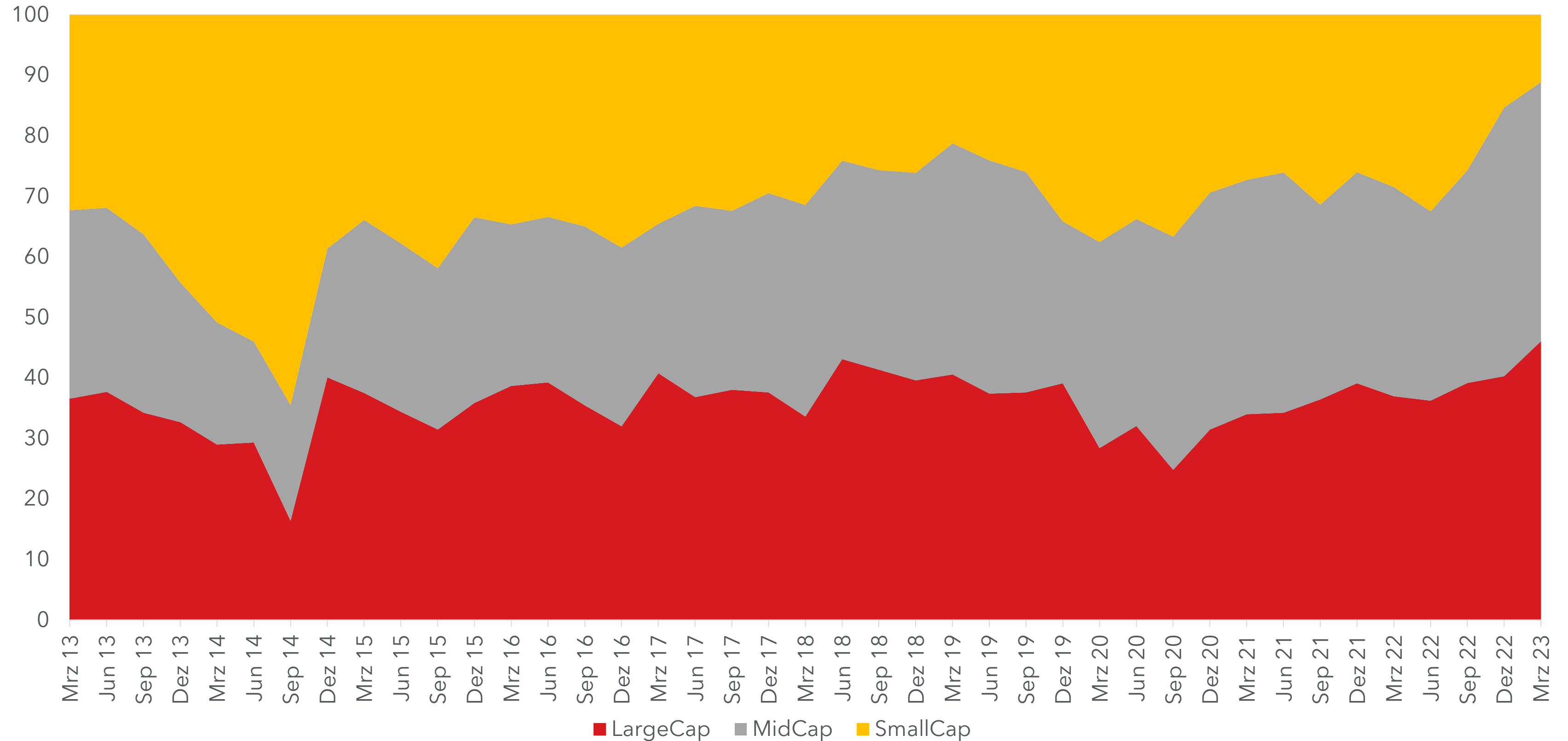


- Generic sectoral analysis
- 10 industrial sectors and 48 sub-sectors
- ESG synopsis by sector
- Indicators by sector
- Helps identify material environmental, societal and governance risk and/or opportunity
- UN SDG risk and opportunity

- 13 high level factors with 25 points of reference
- Risk rating with score and traffic light
- Constant fund manager reference through Bloomberg Note
- Absolute and relative data allows for peer group comparisons and aggregated portfolio data
- Basis for engagement



Market Cap Breakdown



Source: SVM 10 Years to 31.03.2023



Style Agnostic



- Market Capitalisation €31,026m
- 2023e P/E 9.7x
- 2023e Dividend Yield 6.14%



- Market Capitalisation €3,524m
- 2023e Price/Book Value 2.5x
- ROE 20.5%



Source: Bloomberg 02.05.23



MultiManager Boutique - Europe



MultiManager Boutique - Europe



NORAMCO Quality Funds Europe



**REFINITIV LIPPER
FUND AWARDS**

2023 WINNER
GERMANY

Best Equity Europe Fund
Over 5 Years

Best Equity Europe Fund
Over 3 Years



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