

For immediate release:

22 August 2022

Marlin experiences difficult year

Highlights

- Net loss after tax for the year ended 30 June 2022 (\$60.4m)
- Total Shareholder return¹ -27.6%
- Dividend return +7.0%
- Adjusted NAV return² -25.6%

Marlin Global Limited (NZX: MLN) today announced a net loss of \$60.4m for the 12-month period ended 30 June 2022, a significant turnaround from last year's strong net profit of \$69.2m.

Key elements of the FY21 result include net losses on investment of \$59.2m, dividend, interest and other income of \$0.7m, offset by expenses, fees and tax of \$1.9m.

Chair Andy Coupe noted "It has been a very tough year for international equity markets. Global uncertainty about the ongoing implications of Covid, inflationary concerns, rising interest rates and the political uncertainty in Europe, following Russia's invasion of Ukraine, have dominated market sentiment and impacted commodity prices. This, coupled with the fall in investor confidence, has seen defensive stocks (utilities) and cyclical stocks (energy and banks) favoured over quality growth companies, which has put downward pressure on the share prices of stocks in the Marlin portfolio."

Despite the Manager's best assessment of longer-term growth opportunities, the performance of the Marlin portfolio has been disappointing. The Total Shareholder Return¹ was down 27.6%, reflecting in part the lower share price, and the Adjusted NAV return² was down 25.6%. The Gross Performance return³ of -24.9% was well behind the company's benchmark index⁴, which was down 12.8%. However, the board is encouraged that, despite the difficult international equity environment, the majority of the companies within the Marlin portfolio are delivering solid earnings. This underlying business performance allows the board to have confidence about the investment strategy and the medium-term resilience of the portfolio, as evidenced by the portfolio outperformance the company's benchmark index over each of the last three and five years.

The lower return delivered by the portfolio activated the fulcrum fee⁵ which reduced the management fee for the year from 1.25% to 0.75%. The fulcrum fee mechanism is a particular feature of the Fisher-managed listed equity funds which reduces the management fee when actual returns fall below the S&P/NZX Bank Bill 90-day rate.

The Marlin directors have maintained the company's 2% of NAV per quarter distribution policy as the directors recognise that the regularity of the tax-effective quarterly dividends are important for many shareholders.

In accordance with Marlin's quarterly distribution policy, the company paid a total of 9.68 cents per share to shareholders during the year ended 30 June 2022. On 22 August 2022, the board declared a dividend of 1.85 cents per share, payable on 23 September 2022 with a record date of 8 September.

Senior Portfolio Manager and Chief Investment Officer Ashley Gardyne said: “Performance of the Marlin portfolio has been poor over the last year. Equity markets regularly experience downturns, and our portfolio will also underperform from time-to-time, the level of recent underperformance however is disappointing.”

Mr Gardyne added, “Although some of our portfolio companies haven’t delivered on expectations, by and large they are delivering solid earnings growth despite the challenging economic backdrop. Having undertaken a detailed review of the portfolio, we believe Marlin holds a portfolio of high-quality growth companies that will deliver good results for shareholders over the long-term.”

For further information, please contact:

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¹ *Total Shareholder return – the return combines the share price performance, the warrant price performance, the net value of converting any warrants into shares, and the dividends paid to shareholders. It assumes all dividends are reinvested in the company’s dividend reinvestment plan, and that shareholders exercise their warrants, (if they were in the money), at warrant expiry date.*

² *Adjusted NAV (net asset value) return – the underlying performance of the investment portfolio, adjusted for capital management initiatives (dividends, buybacks & warrants), and after expenses, fees and tax.*

³ *Gross performance return – The Manager’s portfolio performance in terms of stock selection and currency hedging before expenses, fees and tax.*

⁴ *S&P Large Mid Cap/S&P Small Cap Index (hedged 50% to NZD).*

⁵ *In accordance with the Management Agreement, the management fee rate has reduced from 1.25%pa to 0.75%pa for the year, (i.e. a 50 basis point reduction), because the gross performance of Marlin (as calculated for the fulcrum fee rebate) was 20.3 percentage points below the S&P/NZX Bank Bill 90 day index rate for the year of 0.8%.*

The total shareholder return, adjusted NAV return and gross performance return methodologies are described in the Marlin Global Non-GAAP Financial Information Policy. A copy of the policy is available at <http://marlin.co.nz/about-marlin/marlin-policies/>

About Marlin Global

Marlin Global is a listed investment company that invests in growing companies based outside of New Zealand and Australia. The Marlin portfolio is managed by Fisher Funds, a specialist investment manager with a track record of successfully investing in growth company shares. The aim of Marlin is to offer investors competitive returns through capital growth and dividends, and access to a diversified portfolio of investments through a single, tax-efficient investment vehicle. Marlin listed on the NZX Main Board on 1 November 2007 and may invest in companies that are listed on any approved stock exchange (excluding New Zealand or Australia) or unlisted international companies not incorporated in New Zealand or Australia.