



**MARLIN GLOBAL LIMITED**  
**Annual Meeting**  
**of Shareholders**

4 November 2022

# Board of Directors

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Andy Coupe



Carol Campbell



David McClatchy



Fiona Oliver

# Marlin Team

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Ashley Gardyne  
Chief Investment  
Officer



Sam Dickie  
Snr Portfolio  
Manager



Chris Waters  
Snr Investment  
Analyst



Lily Zhuang  
Investment  
Analyst



Daniel Moser  
Investment  
Analyst



Wayne Burns  
Corporate  
Manager

# New Senior Portfolio Manager – Sam Dickie

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- Sam Dickie replaced Ashley Gardyne as Senior Portfolio Manager for Marlin effective 1 October 2022
- Ashley retains oversight as Chief Investment Office at Fisher Funds Management
- Sam has extensive experience in managing international portfolios and is supported by a strong team of investment analysts

# Agenda

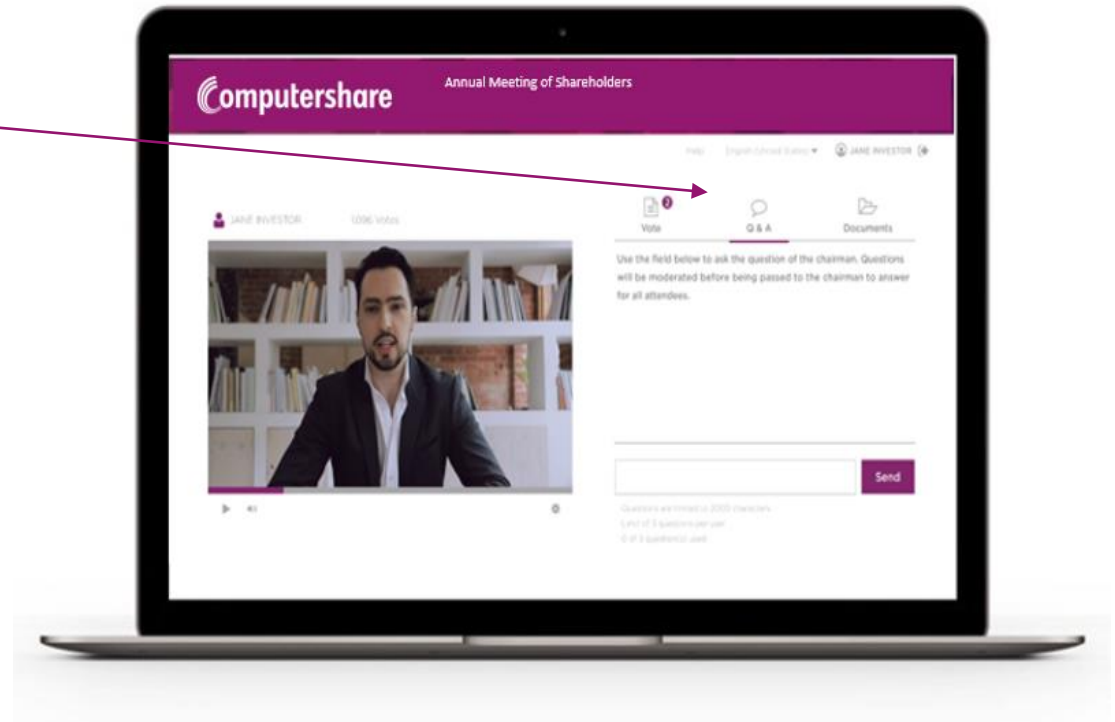
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- Preliminary matters
- Chair's Overview
- Manager's Review
- Q&A
- Annual Meeting Resolutions

# ONLINE Attendees – Question Process

**Written Questions:** If you have a question to submit please select the Q&A tab on the right half of your screen. Type your question into the field and press submit. Your question will be immediately submitted.

**Help:** The Q&A tab can also be used for immediate help. If you need assistance, please submit your query in the same manner as typing a question and a Computershare representative will respond to you directly.





# Chair's Overview

# Marlin's Investment Objectives

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## Absolute Returns

Achieve a high real rate of return, comprising both income and capital growth within acceptable risk parameters

## Diversified Portfolio

Access to a diversified portfolio of international quality, growth stocks in a single tax-efficient vehicle

# 2022 Overview

Net profit	Dividend	NAV per share	Share price
<b>(\$60.4m)</b> (2021: \$69.2m)	<b>9.68 cps</b> (2021: 8.84cps)	<b>\$0.89</b> (2021: \$1.28)	<b>\$1.12</b> (2021: \$1.60)
Total shareholder return	Dividend return #	Adjusted NAV return	Share price premium to NAV
<b>-27.6%</b> (2021: +88.5%)	<b>+7.0%</b> (2021: +6.9%)	<b>-25.6%</b> (2021: +40.3%)	<b>25.8%</b> (2021: 24.6%)

\*These metrics are Non-GAAP measures calculated in accordance with the methodology described in the Marlin Non-GAAP Financial Information Policy which is available on the Marlin website.

# Dividend return – how much Marlin pays out in dividends each year relative to its average share price during the period. (Dividends paid by Marlin may include dividends received, interest income, investment gains and/or return of capital).

^Share price premium to NAV (excluding warrants).



# 2022 Overview - Continued

For the year ended 30 June	12 months	3 years (annualised)	5 years (annualised)
<b>Adjusted NAV return *</b>	<b>-25.6%</b> (2021: +40.3%)	<b>+6.8%</b>	<b>+9.9%</b>
<b>Gross Performance *</b>	<b>-24.9%</b> (2021: +46.7%)	<b>+9.7%</b>	<b>+13.0%</b>
<b>Benchmark Index ^</b>	<b>-12.8%</b> (2021: +37.8%)	<b>+6.4%</b>	<b>+7.5%</b>

\*These metrics are Non-GAAP measures calculated in accordance with the methodology described in the Marlin Non-GAAP Financial Information Policy which is available on the Marlin website.

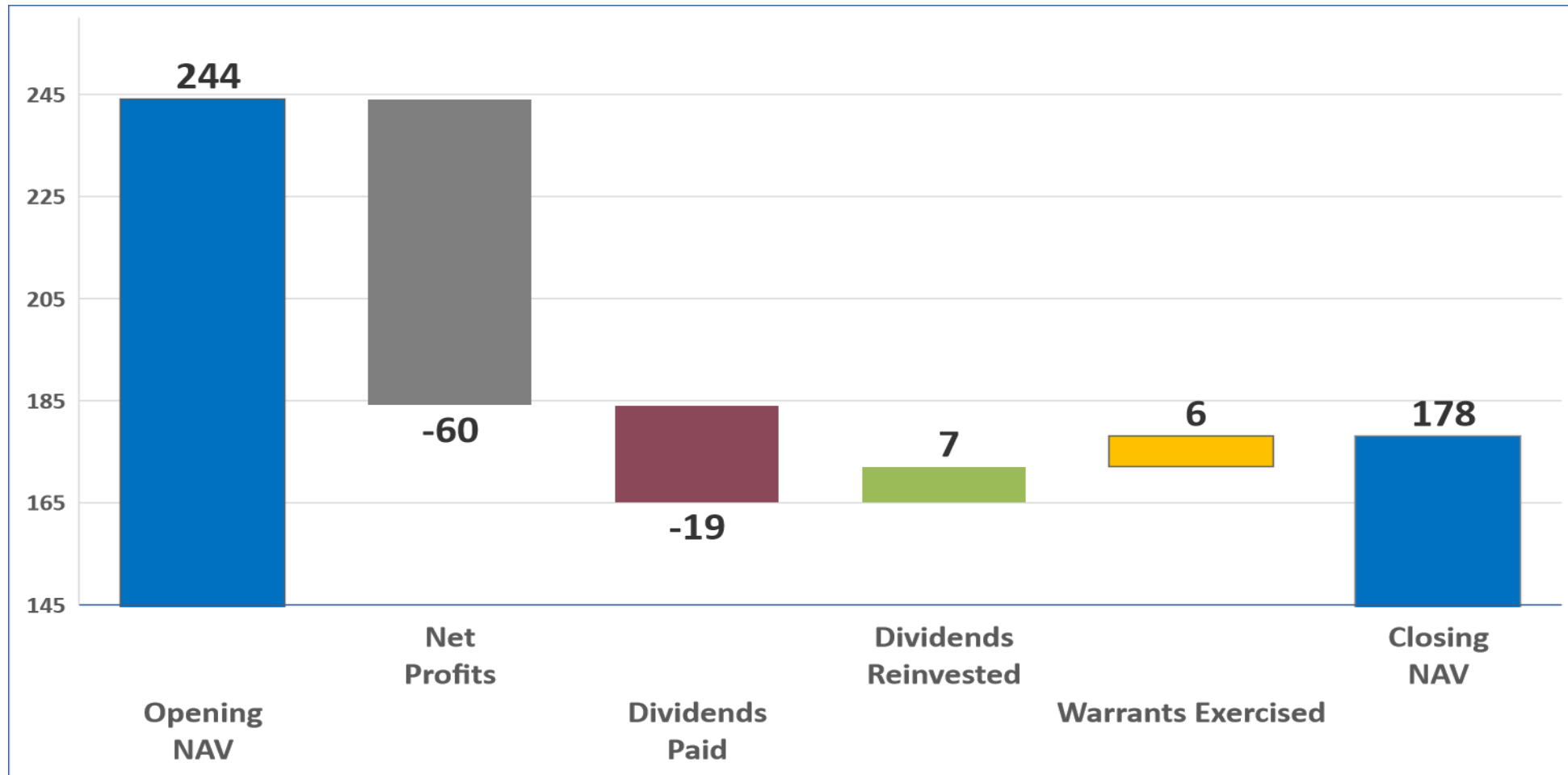
^ Benchmark Index: S&P Large Mid Cap/S&P Small Cap Index (50% hedged to NZD)

# Earnings Per Share

<b>Earnings Per Share</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Basic Earnings per Share (cents)</b>	<b>-31.34</b>	<b>35.55</b>	<b>15.18</b>	<b>6.68</b>	<b>20.20</b>
<b>Diluted Earnings Per Share (cents)</b>	<b>-31.34</b>	<b>38.60</b>	<b>15.09</b>	<b>6.49</b>	<b>20.08</b>

# Movements in Shareholders' Funds

12 Months to 30 June 2022 (\$m)



# Quarter 1, 2023

30 June – 30 September 2022

Net profit <b>\$0.1m</b>	NAV per share <b>\$0.87</b>
Adjusted NAV Return <b>0.1%</b>	Benchmark Index <b>-1.8%</b>
Share price <b>\$1.03</b>	Total shareholder return <b>-6.4%</b>

# Closing Remarks

# Manager's Review

Ashley Gardyne

# Agenda

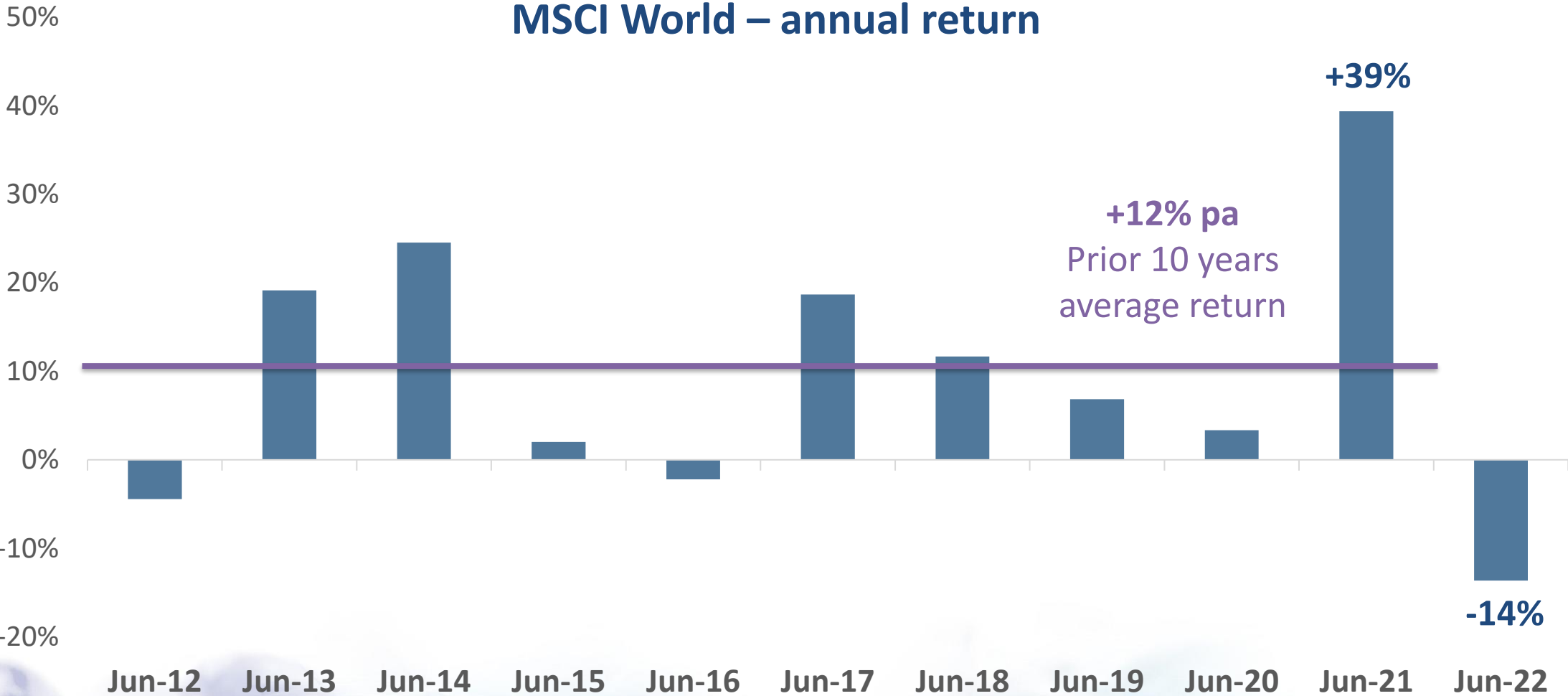
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1. Review of markets in 2022
2. Company performance
3. Portfolio activity and positioning
4. Outlook

# 1. Review of markets in 2022

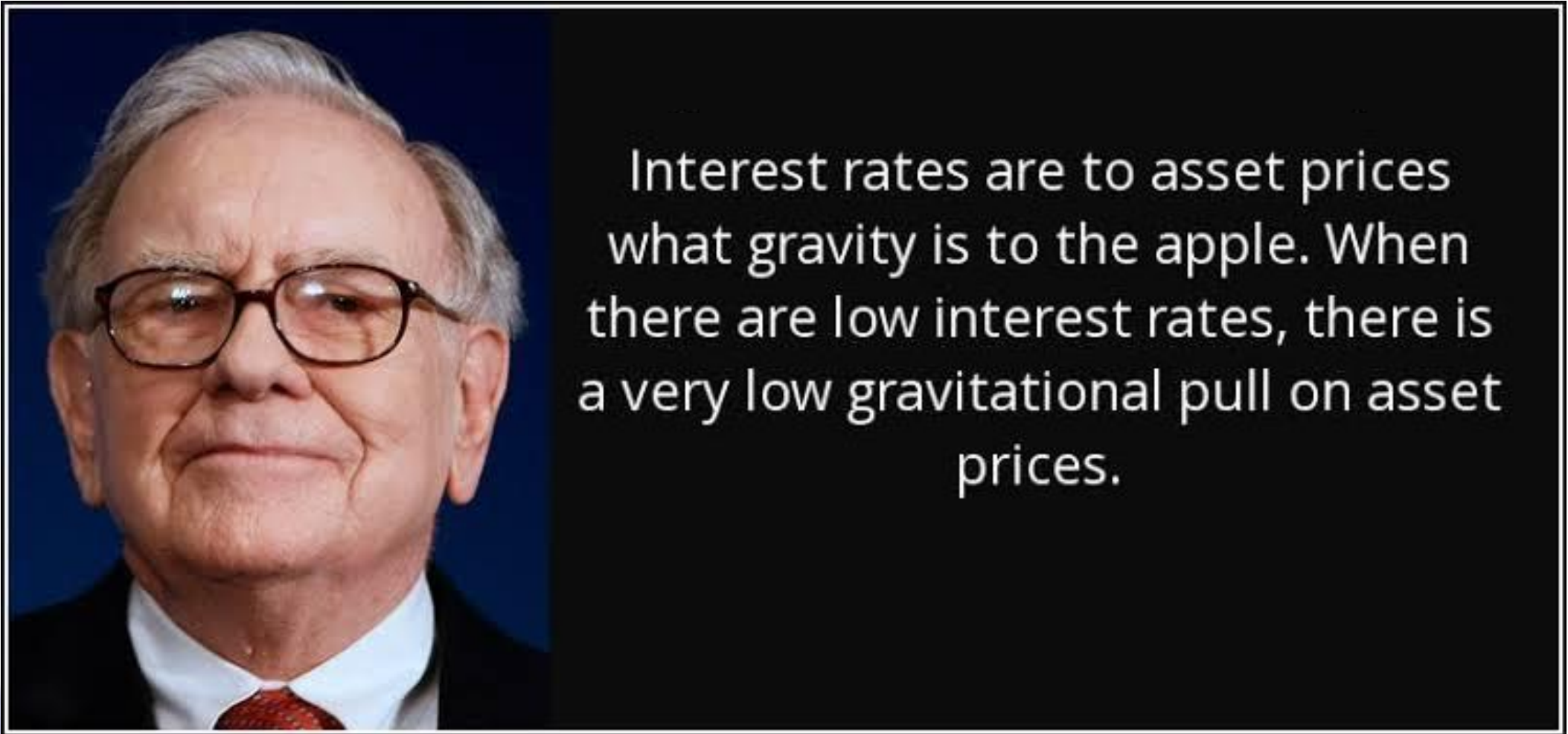


# Weak global equity markets after a record 2021



# Gravity returns to financial markets

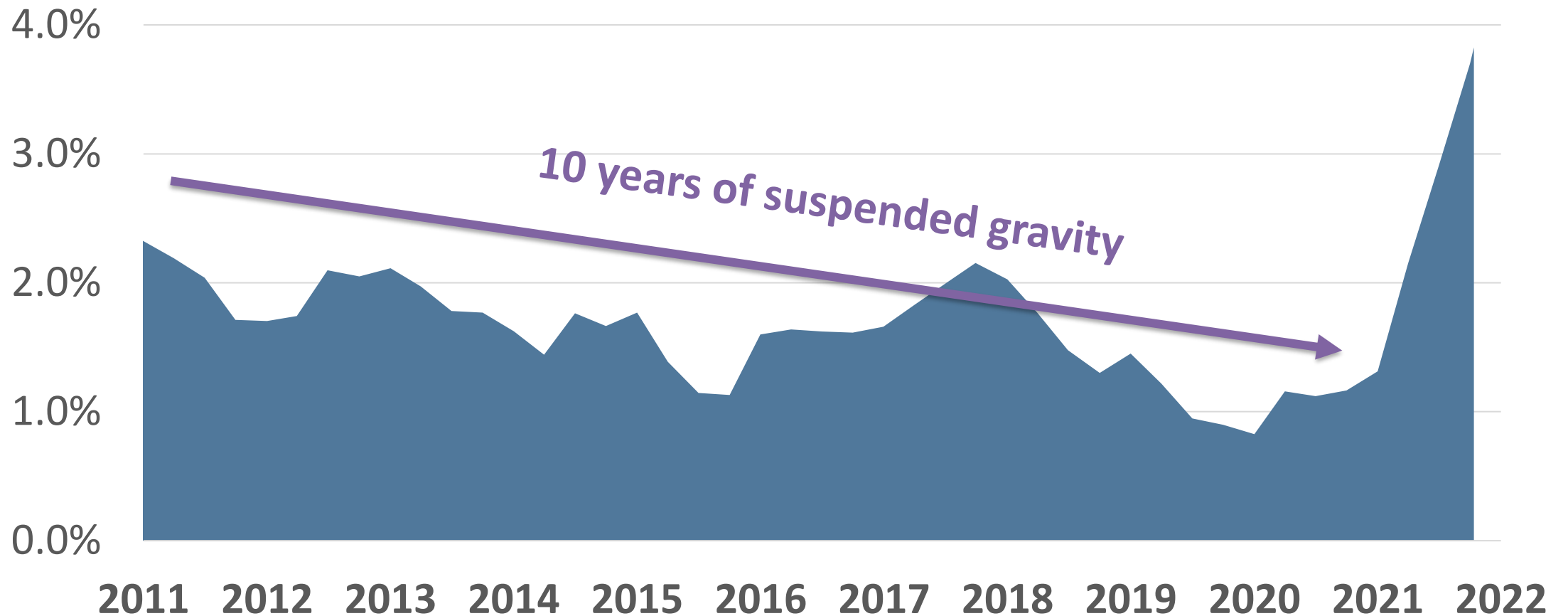
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Interest rates are to asset prices what gravity is to the apple. When there are low interest rates, there is a very low gravitational pull on asset prices.

# Suspended for a decade, but gravity now back at full strength

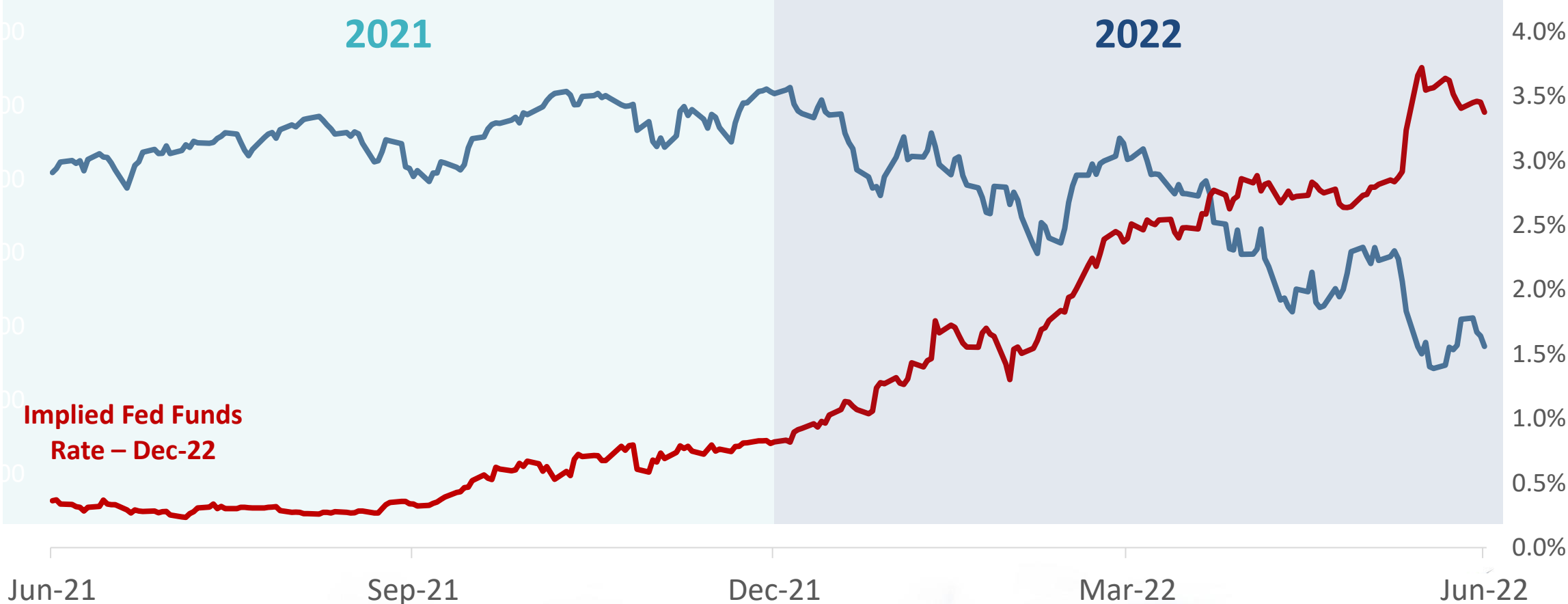
Interest rates: From decade lows to decade highs in 12 months  
*(Yield on Bloomberg Global Agg Index)*



# Markets driven lower by higher interest rates



# Markets driven lower by higher interest rates

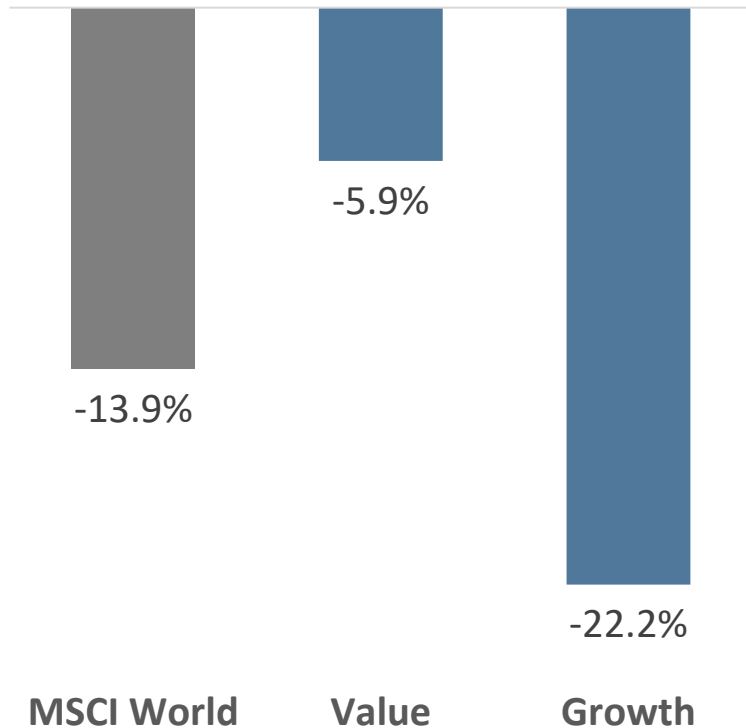


# Markets driven lower by higher interest rates

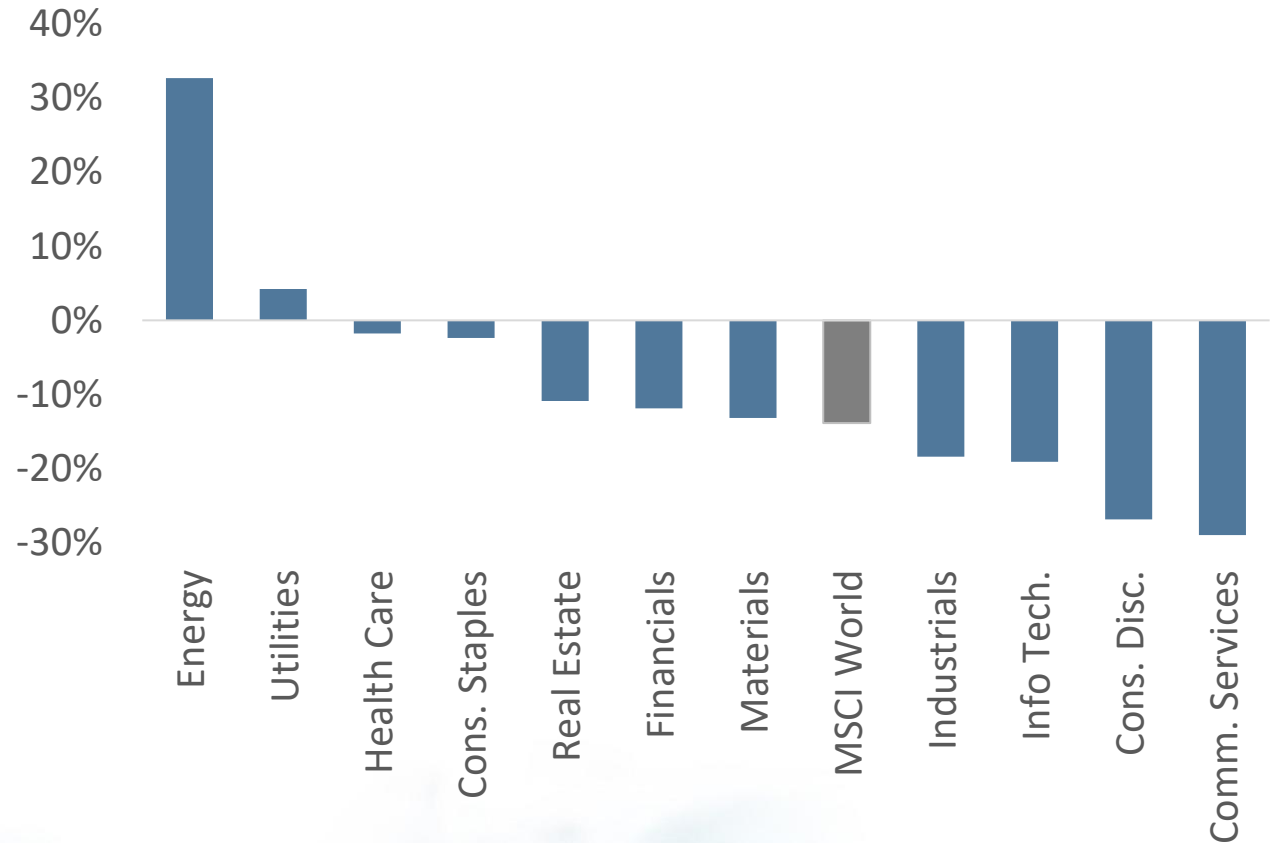


# Growth stocks have been penalised by high inflation

## Growth stocks underperform



## All sectors fell for the year, except Energy and Utilities



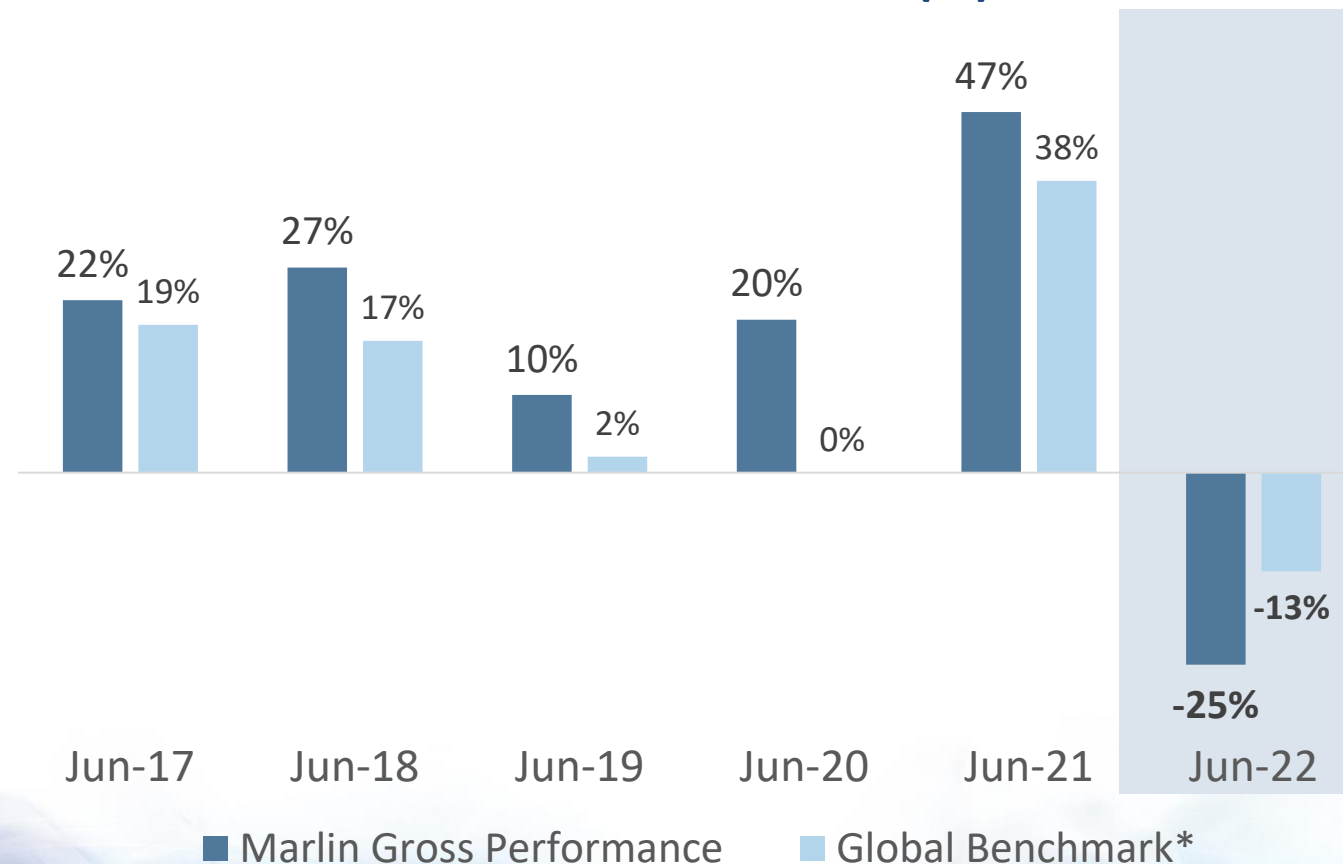
Annual returns to Jun-22

# 2. Portfolio Performance



# Disappointing performance in a challenging year

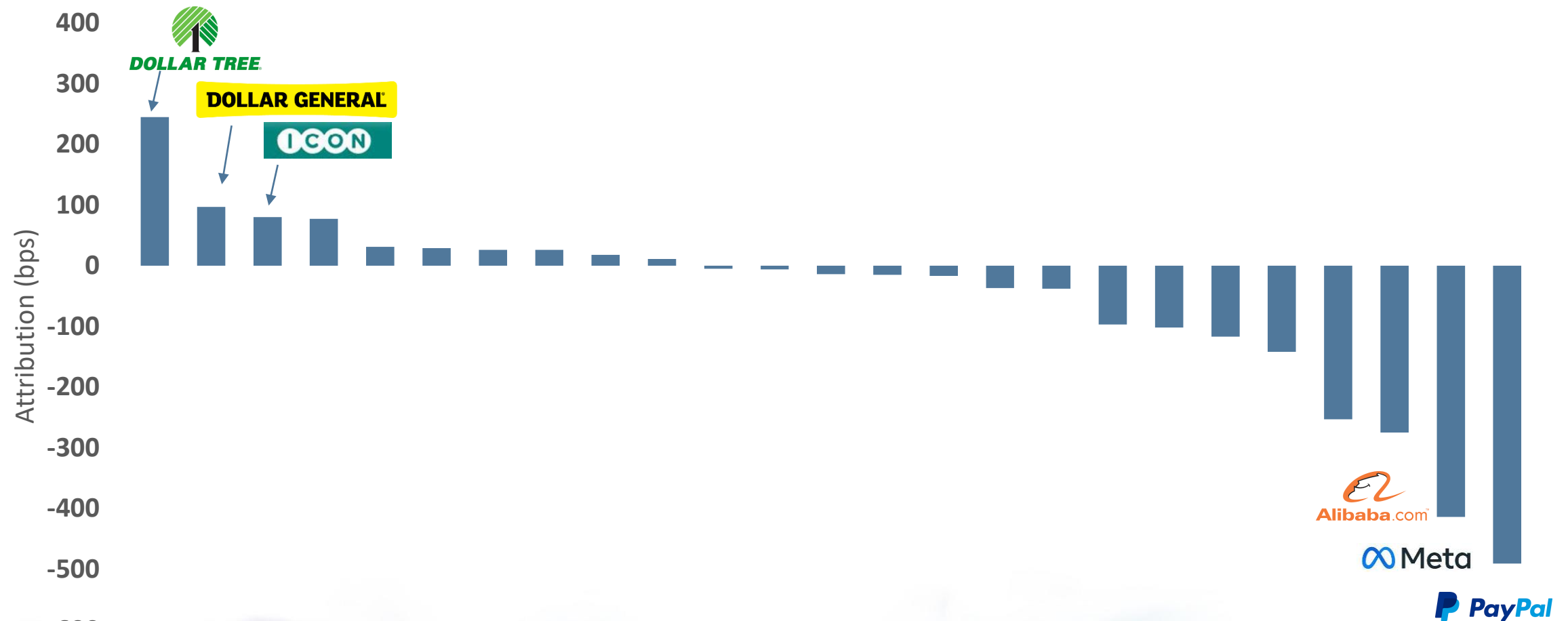
Marlin gross portfolio performance  
vs Global benchmark (%)



+37%  
cumulative  
outperformance  
(6% pa)

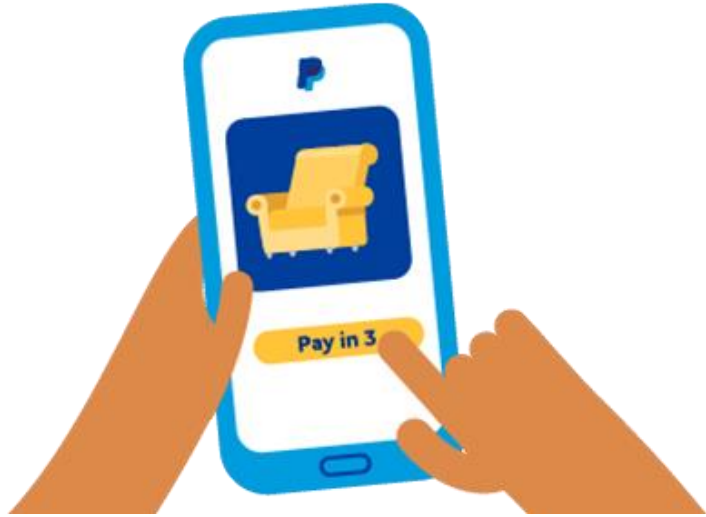
\* S&P Large Mid Cap/S&P Small Cap Index (hedged 50% to NZD)

# Portfolio performance: attribution by company

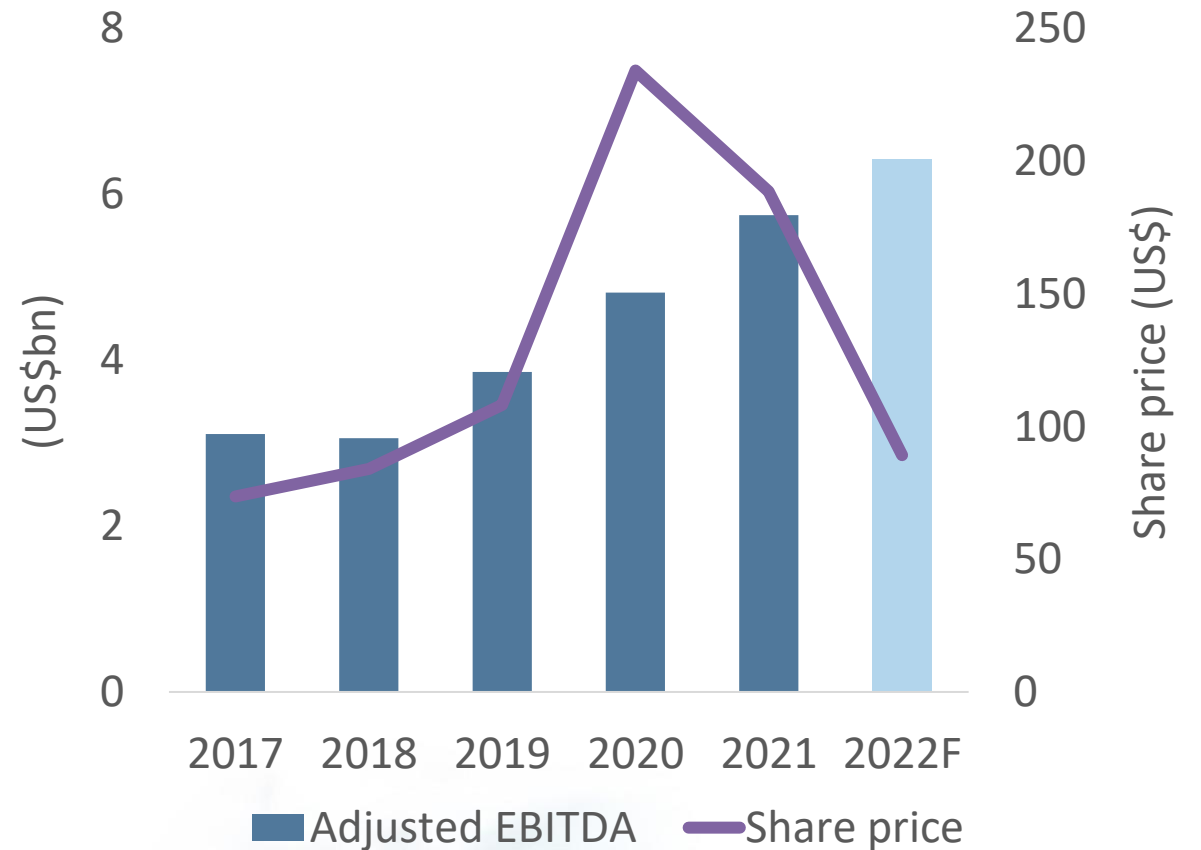


*Marlin portfolio companies*

# PayPal: leading digital payments



## PayPal - Earnings vs. share price



- Global leader in digital payments, average 60m transactions processed each day
- 429m active accounts
- Earnings likely to grow at least in line with the structural growth in ecommerce long term

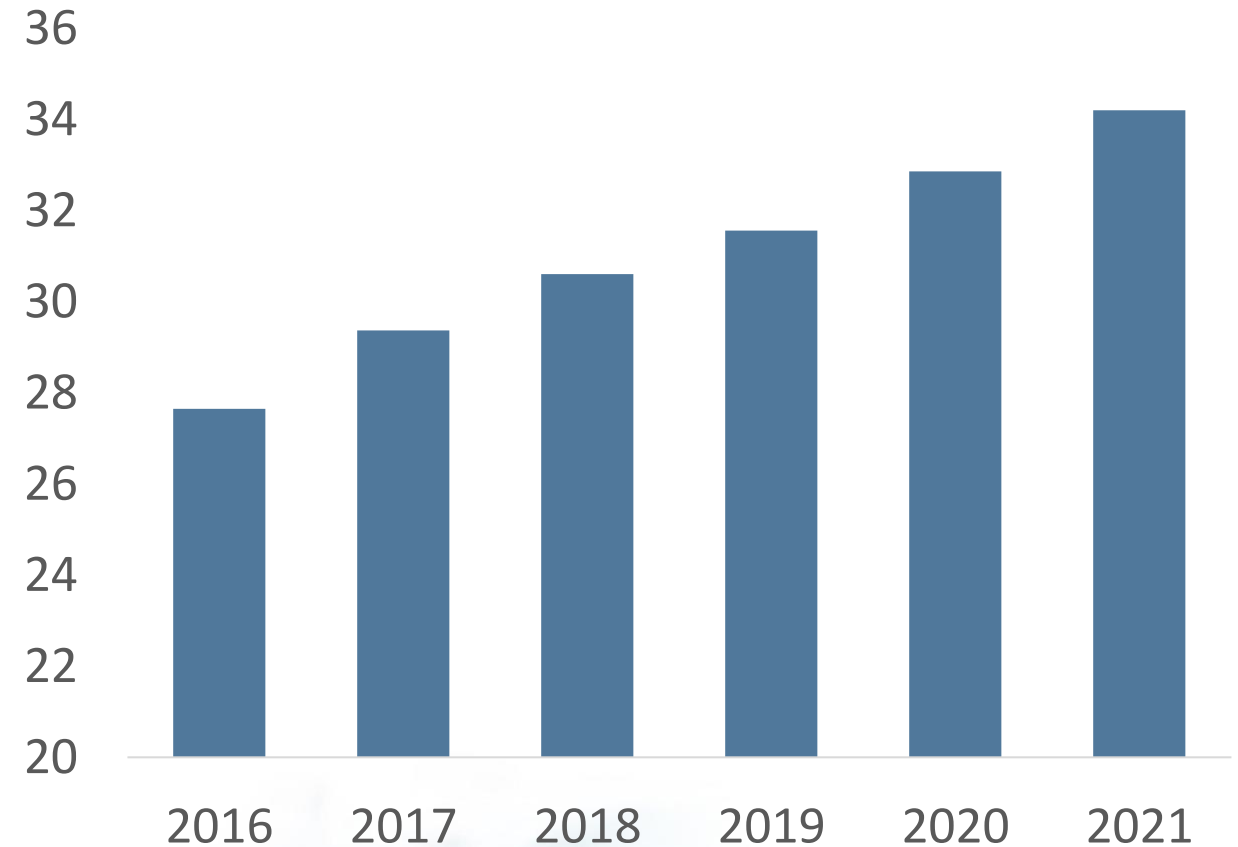


**DOLLAR GENERAL**

# Dollar stores: a defensive business model

- **Compelling customer proposition**
  - Great value everyday necessities
  - ~20% cheaper than grocery stores
  - 34,000 stores conveniently located for 75% of US population
- **Defensive characteristics**
  - Consumers trade down in a recession
  - Beneficiary in cost-of-living crisis
- **Long growth runway**
  - Runway for another 17,000 US stores

Number of US dollar stores (000s)



# Reflections from the past year

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- What is the right mix of high growth vs defensive growth companies?
- How sensitive should we be to valuation levels?
- Did we move too slowly on stocks with controversies (e.g. Alibaba, Meta)?

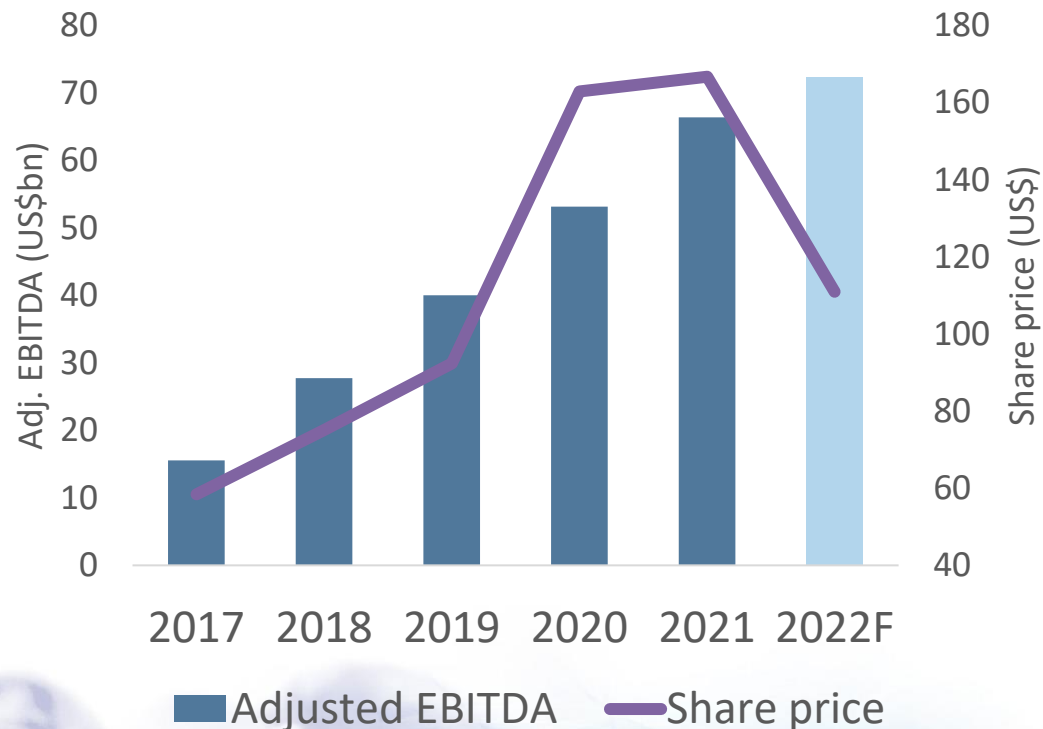


# 3. Portfolio activity and positioning

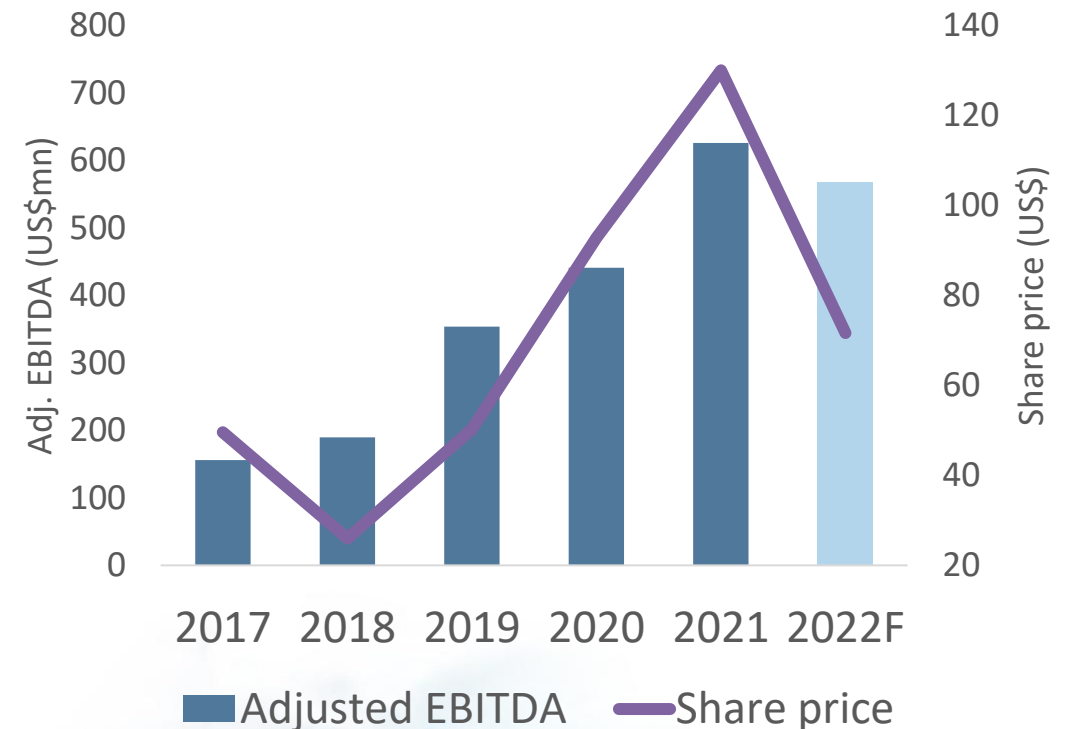
# Attractive opportunities within the portfolio



## Earnings vs. share price



## Earnings vs. share price



# Portfolio changes – additions and exits

## Additions



- Largest global software maker
- Critical for businesses and consumers
- Strong network effects
- Beneficiary of secular shift to the cloud



- Leading provider of cloud customer relationship management technology
- Used by 90% of Fortune 500 companies
- Sticky business-critical offerings
- Beneficiary of digitisation trend

**NETFLIX**

- Leading global streaming service
- Best-in-class subscriber retention
- Award winning content
- Upside from introducing ad-tier and monetising account sharing

## Exits



- Leader in carbon fibre composites
- Supplies Boeing & Airbus
- Valuation became stretched for moderate growth profile



- One of the largest hotel brands globally
- Asset light and cash generative model
- Valuation stretched with market recognising full recovery in travel

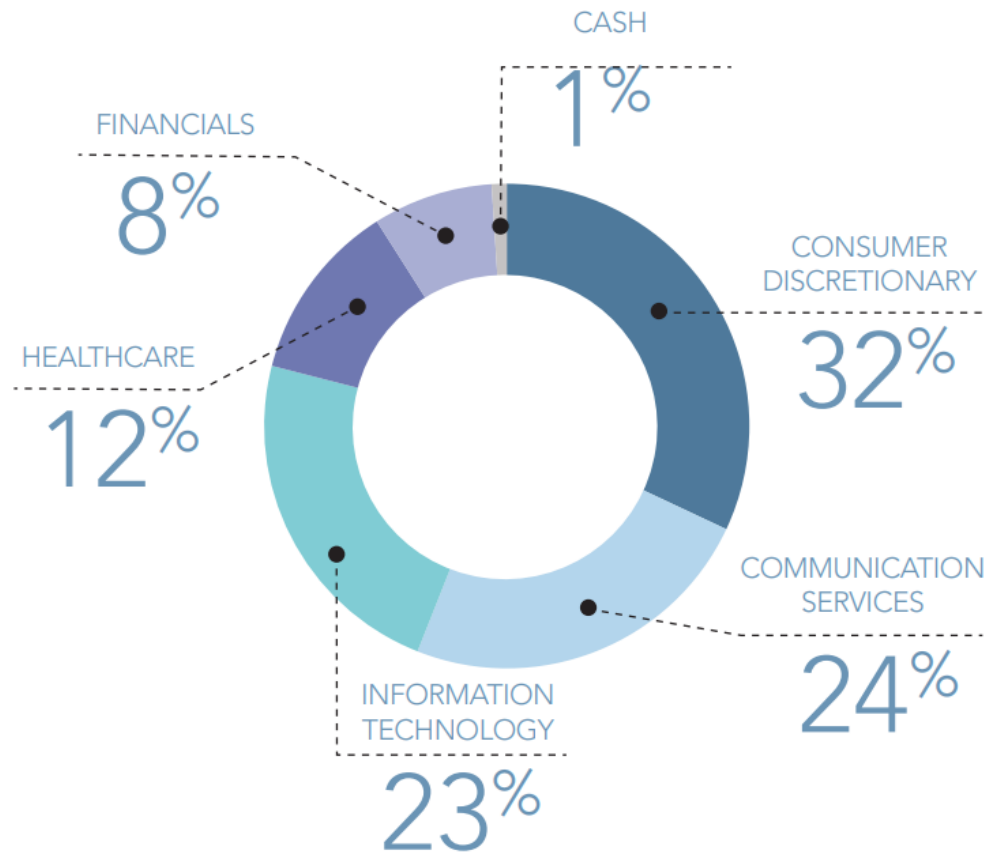


- 2<sup>nd</sup> largest sportswear manufacturer
- Lack of confidence in China demand which is a key profitability driver



# Portfolio snapshot as at 30 June 2022

## Marlin portfolio – Sector split



# of companies

22

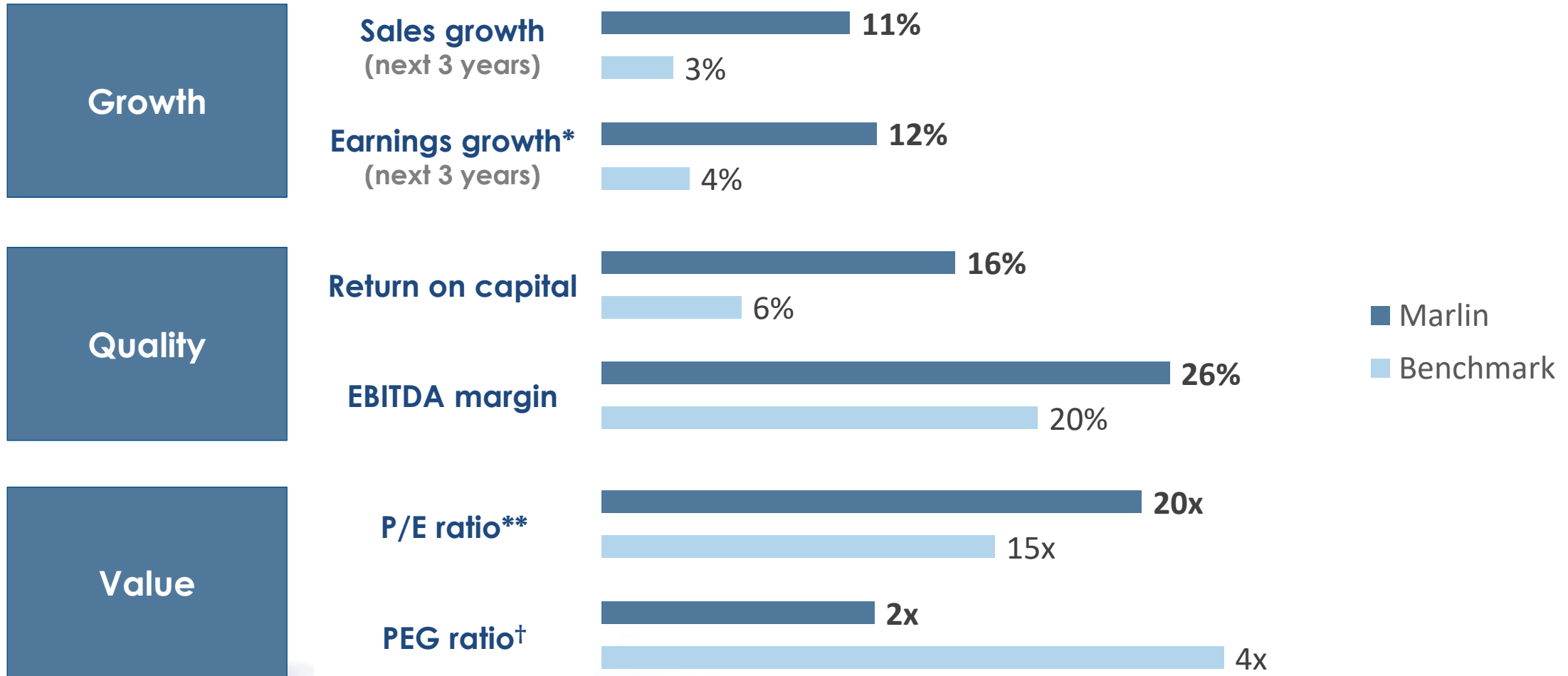
# of countries

5

EBITDA growth

+12%

# High quality, growth companies, at attractive valuations



\* Earnings = earnings before interest, tax, depreciation and amortisation

\*\* P/E = price to earnings

† PEG = price to earnings ratio, divided by the next 3 years' earnings growth

# 4. Outlook

# Outlook

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- ✗ Central Bank rate hikes risk causing a recession
- ✗ Low consumer and business confidence
- ✗ Geopolitical instability
- ✓ Unemployment still low and consumer balance sheets strong
- ✓ Inflationary pressures appear to be easing
- ✓ Lower equity valuations underpin future returns

**Near term economic uncertainty, but improved medium-term return expectations**



maclin  
growing globally

**Thank You**

# General Questions from Shareholders

(not relating to resolutions)

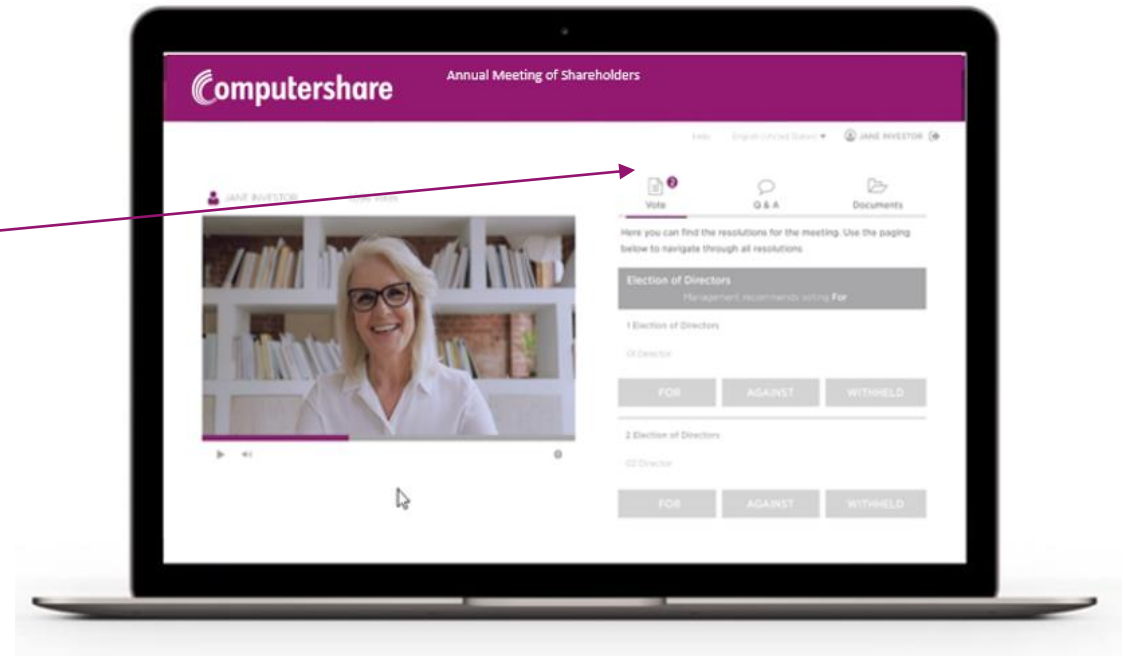
# Online Attendees – Voting Process

## Shareholder & Proxyholder Voting

Once the voting has been opened, the resolutions and voting options will allow voting.

To vote, simply click on the Vote tab, and select your voting direction from the options shown on the screen. You can vote for all resolutions at once or by each resolution.

Your vote has been cast when the tick appears. To change your vote, select 'Change Your Vote'.



# Annual Meeting

## 2022 resolutions



# 2022 Annual Meeting Resolutions

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- Introduce and propose
- Discussion, questions
- Lodge your vote

# Matters of Business

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- Annual Report
- Resolutions:
  - Elect Fiona Oliver
  - Auditor remuneration

# Resolution 1

## Election of Fiona Oliver

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To elect Fiona Oliver as a Director of  
Marlin Global Limited



## Resolution 2

# Auditor Remuneration

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That the Board of Directors be authorised to fix the remuneration of the auditor for the ensuing year

# Conclusion

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- Complete and sign voting paper
- Voting papers in the voting boxes
- If you need a voting paper please see Computershare
- Results to NZX



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**Thank You**