

QUARTERLY NEWSLETTER

1 July 2025 – 30 September 2025



Share Price

\$0.70

Warrant Price

\$0.04

BRM NAV

\$0.70

PREMIUM¹

0.3%

as at 30 September 2025



In the September Quarter ("Q3") Barramundi's gross performance was +2.0%, and the adjusted NAV return was +1.4%, compared to the +6.4% return of the ASX200 benchmark index.

The semi-annual financial reporting season for ASX companies in August drove a wide dispersion of returns across ASX listed companies in Q3. This was one of the most volatile reporting seasons we can remember in a long while. Notably, this volatility was also prevalent in share price moves of large, blue-chip listed companies including portfolio holdings Brambles, CSL and SEEK (see below).

Management communication rather than the actual financial 'numbers' also amplified how the market reacted to earnings announcements. Poor communication from the likes of CSL, although painful in the short term, does provide long-term focused investors with opportunity as well.

A lot of our work around results season has consequently involved meeting with management teams after the results to assess where the market has overreacted and where its reaction has been justified.

This has informed the changes we have made to our positions during Q3.

The virtue of being patient as an investor – when management teams are executing well

SEEK (+20% in Q3 in A\$) and **Brambles** (+7%) both reported results in line with or slightly ahead of expectations. Yet their share prices rocketed on the announcements, rising over 10% each on the day of the result. Positioning by institutional investors explains some of this move.

Both companies have long polarised investors for a variety of reasons. SEEK, partly because in relentlessly investing in initiatives (including a multi-year large technology overhaul) that will deliver growth in the longer-term, its profit growth in recent years has been anaemic. In Brambles' case, the market has questioned at times whether its business model is ripe for disruption (by plastic pallets for example). And more generally investors have questioned whether shareholders would see a decent return on money Brambles has spent on productivity initiatives and technology enhancements.

To their credit, both companies have been clear and steadfast in their growth strategies, emphasising long term value creation over the optics of delivering earnings or free cash flow growth in the short term. The financial results in August backed up their contention that shareholders will eventually reap the rewards of these growth strategies.

Despite a torpid employment market, SEEK guided to FY26 revenue growth exceeding cost growth (i.e. profit growth is rising faster than revenue). Brambles has been steadily rewarded over the last few financial reporting seasons for consistency of delivery against clear management objectives. Importantly, in this result, it noted that investments made in 'serialisation' trials (where pallets are uniquely identified) is yielding positive results. Serialisation may be rolled out across their larger markets, providing benefits to customers and Brambles alike. This would expand what is already a wide economic moat around the business.

On the other side of the performance ledger, **Wisetech** (-17%), **CSL** (-16%) and **Xero** (-12%), each of which is a large position in the portfolio, weighed meaningfully on our portfolio performance in Q3. In each case, we think these companies are focused on long term shareholder value creation.

Although polarising for the market, each company demonstrated progress in driving towards long term earnings growth and value creation.

We think these management teams are generally doing the right things (as SEEK and Brambles have done over the last few years). We think

we will likewise be rewarded in time as shareholders for this. We have consequently taken advantage of the share price falls and added to our positions.

Wisetech's core software revenue growth guidance for FY26 was solid at 14%-21%, but lower than the market's expectation. Part of this is related to timing. Wisetech is rolling out new products which will only begin translating into meaningful revenue at the back end of the financial year. It is also changing the way it prices its software products. Longer term we think this will be helpful in accelerating adoption of its products by customers.

CSL's result was modestly disappointing. Although its profit margin continues to rise over time, the pace of improvement has been slower than the market expected. The company is also re-organising its business structure and consolidating its research and development ("R&D") functions. This likely delivers cost savings. Some of these savings may be reinvested in acquiring products in blood patient management that are already in development and show promise. The idea is to then commercialise these products using CSL's global network (leveraging CSL's scale).

This makes sense to us and likely accelerates new product development compared to only undertaking research in-house. However, management muddled these messages with poor communication that accompanied the result. This left investors unclear on the growth strategy and longer-term growth prospects. Management has spent the last few weeks ironing out its messaging – but a communication credibility gap still remains. Importantly for us, CSL is confident it can grow revenue mid-to-high single digit (in %) per year in the medium term. The investment thesis remains intact.

Xero's share price was weak in spite of delivering plenty of good news at its flagship technology and innovation conference for customers in Brisbane in Q3 which we attended. Hot on the heels of releasing over 300 product features in the past 12 months, Chief Product Officer Diya Jolly stole the spotlight, unveiling an additional 30 new launches targeted for the ANZ audience. These features aim to automate workflows, deliver actionable insights, and reflect extensive feedback from accountants and small business customers. Over time, Xero aspires to automate 90% of manual accounting tasks while reinforcing its role as a trusted partner.

As part of the event, Xero also hosted the investor community for a series of fireside chats with its executive leadership team. In addition to being reassured by the cadence of product development, we were also again impressed by the energy, depth and quality of the executive team across the board. Management also stood by its near- and medium-term financial targets.

The virtue of acting decisively – when a management team is not executing well

In contrast to these examples, we have also drawn a different key reflection from Q3. Through our shareholding in **Domino's** we have seen the benefit of being more decisive in acting on a position (reducing or exiting) when management's performance wanes.

This is easier said than done.

Our investment process is centred on evaluating a range of factors in companies, management credibility and performance being a key factor. However, investment decision-making is complicated by a number of things. One being that as long-term investors we do not want to 'duck at shadows' and market over-reaction to short term headwinds in a company.

¹ Share price premium to NAV (including warrant price on a pro-rated basis and using the net asset value per share, after expenses, fees and tax, to four decimal places).

Another being that the market is forward looking. Where management take miss-steps, this can be priced quickly by the market (i.e. the share price falls). As long-term investors with a patient outlook, this can prove to be a buying opportunity if one has confidence that the miss-steps are an aberration, not a trend.

In a case like Domino's, a challenge we faced was that the poor performance was largely isolated to a few geographies (in their case, the pizza stores they had in Japan and France respectively). A number of other core geographies have been performing well for them (Australia, Germany and the Benelux region among them).

In addition to that, in focussing on the valuation (another investment factor we consider), Domino's has screened cheaply. Biding our time while management righted the ship in these problematic geographies seemed like the most sensible course of action.

Indeed, lack of progress in improving its performance in Japan and France saw the Domino's Board (led by chair and Domino's largest shareholder, Jack Cowin) take action – which we liked. They replaced the CEO in late 2024 with Mark van Dyck. Mr van Dyck was tasked with overhauling the management team and in improving operational efficiency across the company. He also took the hard decision in Japan to shrink the network by closing down uneconomic stores. This reversed the rapid expansion

of Domino's store network that took place during the COVID pandemic years which in retrospect was a poor decision.

Mr van Dyck began implementing these steps, albeit not seemingly at the pace and scale that the Board was happy with. He resigned as CEO in Q3, and on top of that, we have seen a continuation of lacklustre performance in the financial results that were delivered in August.

We have been reducing our weighting in Domino's over time given these headwinds (as we wrote about in the Q2 investment update). However, the leadership team continues to be in flux and a new CEO now needs to be found. Japan and France continue to struggle. The remedies required for Domino's to return to durable earnings growth are, in our view, likely to take a long time.

So, in Q3 we took the decision to exit our small position in Domino's entirely.



Robbie Urquhart
Senior Portfolio Manager
Fisher Funds Management Limited
15 October 2025



SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO DURING THE QUARTER IN AUSTRALIAN DOLLARS

JOHNS LYNG	FINEOS CORP	SEEK	DOMINO'S	AUDINATE
+25%	+21%	+20%	-29%	-36%

PERFORMANCE

as at 30 September 2025

	3 Months	3 Years (annualised)	5 Years (annualised)
Company Performance			
Total Shareholder Return	+4.1%	+8.9%	+8.7%
Adjusted NAV Return	+1.4%	+12.6%	+10.0%
Portfolio Performance			
Gross Performance Return	+2.0%	+15.6%	+12.5%
Benchmark Index ¹	+6.4%	+15.6%	+13.7%

¹ Benchmark Index: S&P/ASX 200 Index (hedged 70% to NZD)

Non-GAAP Financial Information

Barramundi uses non-GAAP measures, including adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return. The rationale for using such non-GAAP measures is as follows:

- » adjusted net asset value – the underlying value of the investment portfolio adjusted for capital allocation decisions after expenses, fees and tax,
- » adjusted NAV return – the percentage change in the adjusted NAV value,
- » gross performance return – the Manager's portfolio performance in terms of stock selection and currency hedging before expenses, fees and tax, and
- » 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.

All references to adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return in this newsletter are to such non-GAAP measures. The calculations applied to non-GAAP measures are described in the Barramundi Non-GAAP Financial Information Policy. A copy of the policy is available at

barramundi.co.nz/about-barramundi/barramundi-policies.

PORTFOLIO HOLDINGS SUMMARY

as at 30 September 2025

Company	% Holdings
Ansell	2.4%
ANZ Banking Group	2.9%
AUB Group	4.1%
Audinate Group	1.1%
Brambles	5.2%
CAR Group	4.8%
Cochlear Limited	2.9%
Commonwealth Bank	1.8%
Credit Corp	3.6%
CSL	7.9%
Domino's Pizza	0.3%
Fineos Corporation Holdings	3.6%
Johns Lyng Group	4.3%
Maas Group Holdings Limited	3.8%
Macquarie Group	5.5%
National Australia Bank	3.7%
NEXTDC	2.5%
oOh! Media	2.2%
PWR Holdings	3.0%
REA Group	2.1%
Reece	1.0%
ResMed	4.7%
SEEK	5.2%
Wise Tech Global	6.9%
Xero Limited	6.0%
Equity Total	91.5%
Australian cash	10.0%
New Zealand cash	0.4%
Total cash	10.4%
Forward foreign exchange contracts	-1.9%
Total	100.0%

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