

Caledonia is a FTSE 250 self-managed investment trust company with a long track record of delivering consistent returns and progressive annual dividend payments to shareholders.

Our aim is to generate long-term compounding real returns that outperform inflation by 3%-6% over the medium to long term, and the FTSE All-Share index over 10 years.

We are a long-term investor and hold investments in both listed and private markets across three pools: Public Companies, Private Capital and Funds. Each has a strategic allocation of capital, investment strategy and target return. The result is a well-balanced diversified portfolio of investments with a global reach.

At a Glance

£3.0bn Net Assets

5369p Net Assets per share

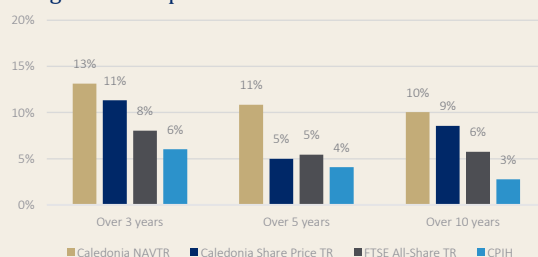
7.4% LTM NAVTR

68.1p LTM Dividend per share (2.1% yield)

Performance Highlights in the Month

- NAVTR for the month was 3.2% and 7.4% for the financial year
- All three investment pools contributed to growth, more than outweighing the negative impact of foreign exchange movements
- Foreign exchange movements over the financial year resulted in an approximate reduction in net assets of £39m, predominantly related to the 2% strengthening of Sterling against the US dollar
- During the month £11m was invested and £15m was realised
- Net cash at the month end was £227m

Long-Term Outperformance



Annual Dividend / Share (p)



A Well Balanced Portfolio

Public Companies

Strategic Allocation: 30%-40%

- Global portfolio
- Businesses that we understand, with underlying growth and pricing power
- Around 30 high quality companies across two strategies (Capital and Income)
- Total return target of 10% p.a. on Capital portfolio and 7% p.a. on Income portfolio (3.5% yield on cost)

8.6% p.a.¹
(10 year return)

32%
NAV

Private Capital

Strategic Allocation: 25%-35%

- Direct investments focused on high quality, UK mid-market companies
- Significant owners working in partnership with companies to drive value through business improvement
- Prudent capital structures
- Target portfolio of 6 to 8 companies
- Total return target of 14% p.a. (2.5% yield on cost)

13.9% p.a.¹
(10 year return)

28%
NAV

Funds

Strategic Allocation: 25%-35%

- Proven private equity managers
- Focus is on North American mid-market companies (59%)
- Asian growth portfolio invested in new economy sectors (41%)
- Total return target of 12.5% p.a.

17.3% p.a.¹
(10 year return)

31%
NAV

¹ As at unaudited NAV at 31 March 2024

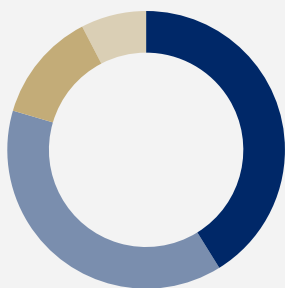
Responsible investing

We believe that responsible investment and business success go hand in hand. We are embedding the consideration of ESG factors into all stages of our investment journey.

For more information: [Responsible Investing](#)

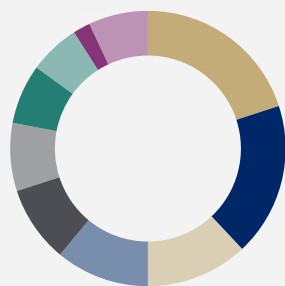
Geography (Headquartered)

- North America 45%
- UK & Channel Islands 34%
- Asia 13%
- Europe 8%



Sector

- Industrials 20%
- Consumer Discretionary 18%
- Information Technology 12%
- Funds of Funds 11%
- Financials 9%
- Health Care 8%
- Materials 7%
- Consumer Staples 6%
- Communication Services 2%
- Other sectors 7%



Ten Largest Holdings

Name	Business	£m	% of NAV
Cobepa	Investment company	181.0	6.1
AlR-serv Europe	Forecourt vending	170.1	5.7
Stonehage Fleming	Family office services	168.5	5.7
HighVista Strategies	Funds of funds	139.7	4.7
Liberation Group	Pubs, bars & inns	135.2	4.6
Cooke Optics	Cine lens manufacturer	105.4	3.6
Microsoft	Software	84.3	2.8
Oracle	Software	83.5	2.8
Axiom Asia funds	Funds of funds	83.2	2.8
Watsco	Ventilation products	77.0	2.6
Other investments		1,468.6	49.5
TOTAL		2,696.5	90.9

Funds Valuation Dates

Manager NAV date	£m	% of NAV
29 February 2024	8.4	0.9
31 December 2023	691.1	74.6
30 September 2023	226.3	24.4
30 June 2023	0.5	0.1
	926.3	100.0

How to Invest

An investment in Caledonia can be made by buying ordinary shares through a broker or financial intermediary.

Ticker: CLDN

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The price of shares and the income from them may go down as well as up. Past performance is no indication of future performance. Under no circumstances should this information be considered as an offer, or solicitation, to deal in investments.

Caledonia is registered in England and Wales. Company number 00235481. Registered office as above.

Investment Portfolio £m

Public Companies	949.9
Private Capital	820.3
Funds	926.3
Total investment portfolio	2,696.5
Net cash	227.4
Other net assets	41.4
Net assets	2,965.3

Key Facts

NAV per share	5369p
Share price	3280p
Discount	38.9%
Market capitalisation	£1.8bn
Annualised dividend yield	2.1%
Dividend frequency	Semi annual
Next anticipated dividend date	August 2024
FY 23 OCR	0.77%
Year end	31 March
Index	FTSE 250
Sector	Flexible investment
Ticker	CLDN
No. of shares in issue	54,611,759
ISIN	GB0001639920
SEDOL	0163992

More Information

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Unaudited net asset value at 31 March 2024 and portfolio update

Caledonia Investments plc (“Caledonia”), the self-managed FTSE 250 investment trust targeting long term compounding real returns through investing in a diverse portfolio of high quality companies, today announces its unaudited diluted net asset value (“NAV”) per share and portfolio update for the year ended 31 March 2024, ahead of the announcement of its full year results in May 2024.

This announcement provides a further update on Caledonia's portfolio and should be read in conjunction with the factsheet dated 31 March 2024 and released on 8 April 2024, a copy of which is available at www.caledonia.com.

Unaudited NAV total return of 7.4%

- Unaudited NAV of £3.0 billion (5,369p per share) +7.4% NAV Total Return (“NAVTR”) (31 March 2023: £2.8bn, 5,068p per share)
- All three investment pools contributed to growth, delivering a return of 8.7% in the year, despite foreign exchange headwinds of c.£39 million

57 years of progressive dividend growth

- Final dividend for the year ended 31 March 2023 of £27 million (49.2 p per share) was paid in August 2023
- Interim dividend for year ended 31 March 2024 of £10 million paid in January 2024, increased by 4.0% to 18.93p per share

Robust balance sheet with significant liquidity and well positioned to take advantage of investment opportunities

- At 31 March 2024, Caledonia had net cash of £227 million (31 March 2023: £222 million) and an undrawn revolving credit facility of £250m, providing total liquidity of £477 million
- £344 million deployed into new and existing investments with proceeds of £416 million received from the portfolio in the year

Performance to 31 March 2024

	1 year	3 years	5 years	10 years
NAV total return ¹	7.4%	44.8%	67.5%	160.5%
NAV total return <i>Annualised</i>	7.4%	13.1%	10.9%	10.0%
CPIH	3.8% ²	6.0%	4.1%	2.8%
FTSE All-Share Total Return	8.4%	8.0%	5.4%	5.8%

1. NAV is calculated on a diluted, cum-income basis

2. Latest reported change over 12 months released on 20 March 2024

Portfolio update

- *Public Companies – valued at £949.9 million (32.0% of NAV) +12.0% total return (+13.7% in local currencies)*
 - Invested in high quality, well managed businesses with strong market positions and pricing power. The global portfolio is split between capital and income investments across 30 companies. Over the last 10 years the Public Companies pool has delivered returns of 8.6% p.a.
 - Capital portfolio (£698.2 million of value) delivered a return of 14.0% (+16.0% in local currencies), with performance driven by Fastenal, Hill & Smith, Microsoft, Oracle and Watsco. Gains partially offset by negative contribution from companies including Alibaba, Charter Communications and Croda International
 - Income portfolio (£251.7 million of value) generated a return of 6.8% (+7.7% in local currencies), with performance driven by DS Smith, Fastenal, RELX and Sabre. Gains were offset by weaker share price performances from Diageo and Reckitt Benckiser
 - In line with our long-term investment approach, trading activity remained targeted and opportunistic, primarily with increased holdings in Croda International, Diageo, Philip Morris, Spirax Sarco and Symrise alongside a new position in RELX. Following a period of strong share price appreciation, we crystallised gains on a portion of our holdings in DS Smith, Microsoft, Oracle and Watsco

- *Private Capital – valued at £820.3 million (27.7% of NAV) +12.3% total return (+12.9% in local currencies)*
 - The Caledonia Private Capital team typically invests £50m to £150m in private companies, providing long-term capital along with operational and strategic support to investee company management teams. Over the last 10 years the Private Capital pool has delivered returns of 13.9% p.a.
 - UK centric portfolio of eight companies, with five investments representing over 90% of value
 - £90 million of net valuation gains driven by realisations and good operating performance across the majority of the investee companies
 - Sale of Seven Investment Management (“7IM”) delivered net proceeds of £256 million, generating a £59 million or 32% uplift to the 31 March 2023 carrying value, a lifetime return of 2.3x and an IRR of 15%
 - Acquisition of AIR-Serv Europe for £142.5 million in April 2023. The business has since reported good year on year growth, trading ahead of expectations. Having been held at equity purchase cost since acquisition, the business is now valued on an earnings basis leading to an increase in value of £28 million
 - EV/EBITDA valuation multiples applied range between 9x to 14x and low leverage typically in the 2x to 2.5x range of net debt/EBITDA
- *Funds – valued at £926.3 million (31.2% of NAV) +2.2% total return (+4.3% in local currencies)*
 - Portfolio provides attractive diversification, investing in 75 funds managed by 44 managers with an underlying portfolio of over 600 companies, across a wide range of sectors and company sizes. Over the last 10 years, the Funds pool has delivered returns of 17.3% p.a.
 - 59% (£546.2 million) of the portfolio is invested in North American lower mid-market funds and 41% (£377.1 million) in Asian fund of funds, venture funds and growth funds
 - Performance in the year driven by continued positive performance from North American holdings (+9.8% in local currencies) which was partially offset by a decline in the value of Asian holdings (-3.1% in local currencies), reflecting the more challenging market conditions in the region
 - £108.7 million deployed in the year, with 63% invested into North American funds and the balance into Asian funds
 - Distributions of £72.0 million were broadly split 75/25% between North America and Asia. We have seen an increase in activity in the North American portfolio in the last quarter of the financial year, with our underlying managers cautiously optimistic that exit markets will continue to improve. In our Asian portfolio, given the market volatility and macro uncertainty in the region, alongside its earlier stage focus, we expect the pace of distributions to take longer to regain momentum
 - One new commitment made in the year to a leading US mid-market industrials fund, with a good investment pipeline of potential new fund commitments. In particular, we expect a number of our US managers to be fundraising over the next 12-18 months, as broader market conditions for exits in this market improve
 - At 31 March 2024, uncalled commitments were £377 million, 66% to North America and 34% to Asia

Mat Masters, Caledonia’s Chief Executive Officer commented:

“Our diversified portfolio continues to deliver positive returns, with all pools contributing to growth, despite foreign exchange headwinds. We remain focused on using long-term thinking to invest in high-quality companies with strong market positions, and funds with track records of success. This has resulted in long-term outperformance and enabled us to deliver 57 years of increasing dividends.

We have an excellent platform from which to grow net assets and dividends. We also have significant liquidity, allowing us to take advantage of investment opportunities as they arise.”

Caledonia will announce its audited full year results to 31 March 2024 on 21 May 2024. There will be a live webcast presentation for investors at 09:30 which can be accessed by visiting www.caledonia.com or using the following link: [here](#)

For further information:

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8 April 2024

Portfolio returns

Over the year to 31 March 2024, the investment portfolio generated a return of 8.7%, with all pools contributing to growth, despite the adverse impact of Sterling strengthening against the US dollar.

£m	<u>NAV</u> <u>31/03/23</u>	<u>Net</u> <u>investment</u> <u>/[(disposal)]</u>	<u>Capital</u> <u>gains /</u> <u>(losses)</u>	<u>Other</u>	<u>NAV</u> <u>31/03/24</u>	<u>Income</u>	<u>Total</u> <u>Return</u>
Public Companies	836.9	33.0	80.0	-	949.9	21.9	12.0%
Private Capital Funds	824.0	(94.6)	89.5	1.4	820.3	21.7	12.3%
	873.8	36.3	16.2	-	926.3	3.6	2.2%
Portfolio	2,534.7	(25.3)	185.7	1.4	2,696.5	47.2	8.7%
Net Cash/(Debt)	221.6	25.3	-	(19.5)	227.4		
Other assets	41.7	-	-	(0.3)	41.4		
Net assets	2,798.0	-	185.7	(18.4)	2,965.3	NAVTR	7.4%

Foreign exchange

55% of the portfolio is invested in US dollars. Foreign exchange movements over the financial year resulted in reduction in net assets of approximately £39m, predominantly related to the 2% strengthening of Sterling against the US dollar.

Share buybacks

The ongoing support of the Cayzer family underpins Caledonia's long-term culture and investment approach. Their holding of 48.8% cannot exceed 49.9%, limiting the Company's ability to carry out share buybacks. With shares trading at a significant discount to NAV, the Company issued an irrevocable instruction on 28 March 2024 to Winterflood Securities Limited to purchase within certain pre-set parameters until 20 May 2024. Any shares purchased will be cancelled.

51,903 shares were repurchased in the year ended 31 March 2024 at an average discount of 37.3%, resulting in a 1.8p NAV accretion.

Private Capital portfolio summary

- *Cobepa*, the Belgian based investment company, owns a diverse portfolio of private global investments. The majority of the businesses within the Cobepa portfolio continue to trade well, with many delivering strong performance and valuation progression. The valuation at 31 March 2024 was £181.0 million, a return of 4.3% for the year
- *AIR-serv Europe*, a leading designer and manufacturer of air, vacuum and jet wash machines, which it provides to fuel station forecourt operators across the UK and Western Europe was acquired by Caledonia in April 2023. The business has since reported good year on year growth, trading ahead of expectations. Having been held at equity purchase cost since acquisition in April 2023, the business is now valued on an earnings basis, leading to an increase in value of £28m. The valuation at 31 March 2024 was £170.1 million, a return of 19.4% for the year
- *Stonehage Fleming*, the international multi-family office, continues to deliver good revenue and margin growth across each of the Family Office, Investment Management and Financial Services businesses, driven by client wins and increased activity levels. The valuation at 31 March 2024 was £168.5 million, a return of 18.8% for the year
- *Liberation Group*, an inns and drinks business with a pub estate stretching from Southwest London to Bristol and the Channel Islands. The business has been adversely impacted by the cost of living crisis reducing consumer discretionary incomes and sustained cost inflation (particularly UK energy costs). Profitability and revenue growth continues to improve and the optimisation of the Cirrus Inns business,

acquired in December 2022, is ongoing. The valuation at 31 March 2024 was £135.2 million, a return of 2.6% for the year

- *Cooke Optics*, a leading manufacturer of cinematography lenses, as previously reported, has been heavily impacted by the Hollywood writers' strike which started in early May 2023 and the subsequent actors' strike. Both disputes were resolved in November 2023. We are pleased to see improvement in demand for the Company's core products and the success of the new SP3 "prosumer" range. The valuation at 31 March 2024 includes a 10% equity discount to reflect continued uncertainty around the timing and nature of the post-strike recovery. The valuation at 31 March 2024 was £105.4 million, a return of -14.9% for the year

Valuation approach

Public Companies

All listed companies are valued based on the closing bid price on the relevant exchange as at 31 March 2024.

Private Capital

The holdings are valued biannually, principally on a normalised EBITDA x market multiple basis (in line with the latest IPEV guidelines). This approach was applied to the majority of significant assets in the portfolio on 31 March 2024. The exception was our holding in Cobepa where fair value was derived from the external valuation prepared by Cobepa. In the case of Liberation Group, the earnings derived valuation was supported by the underlying value of the principally freehold pub estate plus the value of the drink production and distribution business.

Funds

The fund valuations are based on the most recent valuations provided by the fund managers, subject to cash movements from the valuation date. Valuations are received 60 to 180 days from the valuation date.

Fund valuation dates included in NAV at 31 March 2024

<u>Manager NAV date</u>	<u>£m</u>	<u>% of Portfolio</u>
29 February 2024	8.4	0.9
31 December 2023	691.1	74.6
30 September 2023	226.3	24.4
30 June 2023	0.5	0.1
Total	<u>926.3</u>	<u>100.0</u>

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