

# Caledonia Investments plc

## Half-year results for the six months ended 30 September 2024

### Financial highlights

	Six months 30 Sept 2024	Year 31 March 2024
Net asset value per share total return <sup>1</sup>	0.5%	7.4%
Net asset value per share	5346p	5369p
Net assets	£2,918m	£2,965m
Interim dividend per share	19.69p	18.93p

1. NAV total return, and investment and pool returns are Alternative performance measures – see note 10

A presentation for analysts will take place at 09:30, with a live webcast available via this [link](#).

### Highlights

#### NAV total return of 0.5%

- NAV of £2,918m (5,346p per share) +0.5% NAV Total Return ('NAVTR')
- Overall performance impacted by foreign exchange headwinds of £104m, reducing NAVTR by 3.6% in the period
  - +7.0% return from Public Companies reflecting overall positive movement in global equity markets and careful stock selection
  - -2.8% return from Private Capital with good performance and positive returns from the majority of investee businesses offset by a reduction in the valuation of Cooke Optics, with the valuation reflecting continued uncertainty over the recovery of demand following the 2023 Hollywood actors and writers' strikes
  - -2.4% return from Funds with continued positive performance from our North American holdings (+5.3% in local currency) and a small positive contribution from our Asia holdings (+0.8% in local currency)

#### Progressive dividend growth

- Final dividend of 51.47p per share paid to shareholders in August, marking the 57th consecutive year of progressive dividend payments
- Interim dividend increased by 4.0% to 19.69p per share

#### Robust balance sheet with increased liquidity, well positioned to take advantage of investment opportunities

- Net cash of £134.6m
- New revolving credit facility of £325m, increased from £250m, providing total liquidity of £459.6m
- £211.6m invested into new and existing investments, including the £55.0m Private Capital investment into Direct Tyre Management ('DTM') in August 2024. Proceeds of £162.1m were received from the portfolio including £19.0m from the sale of an Asian fund to the secondary market

#### Share buybacks

- £26.3m allocated to share buybacks, with 746,963 of shares repurchased at an average discount of 34.8%, resulting in a 25.6p accretion to NAV per share. Cayzer family concert party hold 49.5% of shares versus a 49.9% cap
- Circular released on 26 November 2024 seeking approval of an uncapped Rule 9 Waiver, allowing Caledonia to continue to buy back shares
- Requires the majority of independent shareholders to approve at a General Meeting on 18 December 2024; Cayzer family concert party not permitted to vote on the resolution

## Performance track record to 30 September 2024

	6 months	1 year	3 years	5 years	10 years
	%	%	%	%	%
NAV total return	0.5	4.1	25.5	60.5	150.4
<i>Annualised</i>					
NAV total return		4.1	7.9	9.9	9.6
Total shareholder return <sup>1</sup>		4.5	3.7	5.9	7.8
CPIH <sup>2</sup>		2.6	5.9	4.3	2.9
FTSE All Share total return		13.4	7.4	5.7	6.3

1. Alternative Performance Measure - see note 10

2. Consumer Prices Index including owner occupiers' housing costs ('CPIH')

### Mat Masters, Chief Executive Officer, commented:

*"This period has shown the value of our diversified, global and long-term portfolio. While there was an impact from foreign exchange headwinds, overall our underlying investment portfolio performed well in the first six months of the year. This includes particularly strong returns from Public Companies, driven by excellent operational performance of businesses in the portfolio.*

*"I am encouraged by our strategic progress in the first half of the year, which included a £55m investment into DTM, an acquisition which typifies our strategy to invest in high-quality companies with strong cash generation and proven management teams. With a high quality portfolio underpinned by a strong balance sheet, we are well placed to continue to generate long term compounding real returns.*

*We continue to believe that the share price undervalues the high quality and diverse portfolio, our long-term track record and future prospects. The proposals announced today provide optionality for Caledonia to continue to buy back shares, further enhancing value for our shareholders."*

**26 November 2024**

### Enquiries

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### Business review

Caledonia is a long-term equity investor, investing in high-quality, well-managed companies with long-term growth characteristics with, in many cases, an ability to deliver increasing levels of income. Our global, diversified portfolio continues to deliver positive returns with NAVTR increasing by 0.5%, despite foreign exchange headwinds, which reduced NAVTR by 3.6% in the period. The essence of long-term investing is the ability to endure shorter-term fluctuations and maintain a focus on achieving sustainable returns over the longer term. Whilst we remain cognisant of short term performance, we invest and assess investment success over the longer term. Our approach has delivered long-term real returns with annualised NAVTR of 9.6% outperforming inflation by 6.7% and the FTSE-All Share index by 3.3% over the last 10 years.

### Asset allocation

Caledonia holds investments in both listed and private markets via three pools: Public Companies, Private Capital and Funds, each managed by a specialist investment team. The diversity and long-term outlook of our investment approach mean we can effectively manage risk, both through diversification and disciplined capital allocation across our three pools, providing shareholders with a well-balanced global portfolio.

To ensure that we maintain a balanced portfolio, each of our investment pools has a strategic allocation range. At 30 September 2024, all of our investment pools were within their strategic allocation ranges.

<b>Strategic allocation</b>	<b>Allocation</b>	<b>NAV at 30 Sept 2024</b>
Public Companies	30%-40%	35%
Private Capital	25%-35%	29%
Funds	25%-35%	30%

### **Investment performance**

At 30 September 2024, the investment portfolio was valued at £2.7bn, delivering a return of 0.7% during the six months (4.6% in local currencies).

#### *Investment pool returns*

	<b>6 months</b>	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Public Companies	7.0	16.6	6.5	10.5	9.4
Private Capital	-2.8	3.1	15.1	12.8	13.1
Funds	-2.4	-4.6	8.0	13.1	14.1

### **Public Companies**

The Public Companies pool provides Caledonia with exposure to a concentrated portfolio of high-quality well-managed businesses. We take a long-term ownership approach because we believe that it is better to allow the companies to drive returns, rather than simply trading them. The qualities we focus on include a strong market position, good and sustainable returns on capital, and experienced management teams, which are closely aligned with long-term investors. We expect that a combination of these factors will reward long-term ownership.

The global portfolio comprises two strategies, the Capital and the Income portfolios, each generally holding between 15 and 20 companies. The Income portfolio aims to deliver an initial yield on invested cost of 3.5% with the dividend per share from these holdings growing ahead of inflation over the longer term. The Capital portfolio has no dividend target, is unconstrained and, consequently, should produce higher returns over time. The portfolios are managed by a single team, with the same research methodology and operational discipline used across both.

#### *Performance*

In the first half of the year, the Public Companies pool generated a total return of +7.0% (+11.6% in local currencies), reflecting positive performance of a number of our holdings. Over the last 10 years the Public Companies pool has delivered returns of 9.4% p.a..

#### *Investment activity*

We invested a total of £80.7m during the period and realised £68.0m resulting in net investments across both portfolios of £12.7m.

#### *Capital portfolio*

At 30 September 2024 the Capital portfolio was valued at £747.1m and delivered a return of +6.7% over the six months. The portfolio is concentrated, with 18 holdings and is not managed against a benchmark. Over the last 10 years the Capital portfolio has delivered returns of 11.2% p.a..

The strongest performers in terms of returns were Alibaba Group (+40.8%), Oracle (+28.3%) and Phillip Morris (+27.8%), primarily driven by a combination of underlying company operating results and improved expectations for future growth prospects. Alibaba Group's performance followed strategic changes implemented by a new CEO including a renewed focus on the core businesses; coupled with economic stimulus measures in China supporting a rerating of most Chinese stocks. Oracle continues to benefit from accelerating growth and Phillip Morris' return was driven by continued strong performance of its reduced risk products including Zyn, the company's smoke free nicotine pouches. Gains across the Capital portfolio were partially offset by negative contributions from a small number of companies, primarily Spirax Sarco (-24.4%), Fastenal (-12.1%) and Croda International (-11.9%) due to headwinds in their end markets. However, we remain confident in the longer-term growth trajectories.

During the period, we initiated a new position in Pool Corp, a leading US distributor of swimming pools and related outdoor living products and sold our holding in British American Tobacco. Other than this trading activity remained targeted with refined positions in a number of existing investments.

#### *Income portfolio*

At 30 September 2024 the Income portfolio was valued at £268.5m and generated a return of +7.8% over the six months. Like the Capital portfolio, it is concentrated, comprising 17 holdings and is not managed against a benchmark. Over the last 10 years the Income portfolio has delivered returns of 5.4% p.a..

The strongest performers were Phillip Morris (+27.8%) and Unilever (+23.8%). The latter reflected early traction in their Growth Action Plan, with increased investment in their top 30 power brands, continued portfolio optimisation and the benefits of a new organisational structure and reward framework. Gains were partially offset by weaker share price performances from Sabre Insurance (-15.8%) and Fastenal (-12.1%). While both companies experienced more challenging end markets, they continue to perform well at the operating level and we remain confident in the long term potential of both companies.

During the period, we initiated two new positions in the portfolio: Sage, a leading accounting, HR and payroll software provider to SMEs and Croda International, a speciality chemicals company with a focus on consumer, pharmaceuticals and crop care. We exited our positions in DS Smith, following the announcement of the agreed offer from International Paper, together with Pennon Group during the period.

#### **Private Capital**

The Private Capital pool comprises a small number of direct investment holdings in private companies, predominantly in the UK mid-market. We focus on cash generative businesses with strong growth potential. We typically invest £50m to £150m in private companies using low levels of leverage, providing long-term capital along with operational and strategic support to portfolio company management teams. Unlike many private equity firms, as a balance sheet investor, we are not constrained by the finite life of a private equity fund, which allows us to take a truly long-term approach to managing and realising value from our investments.

#### *Performance*

At 30 September 2024, the Private Capital portfolio consisted of nine companies, with five investments representing circa 90% of pool NAV.

The portfolio was valued at £848.1m and generated a return of -2.8% over the six months, driven by good operational performance across the majority of the portfolio companies, offset by a reduction in value of our investment in Cooke Optics. Over the last 10 years the Private Capital pool has delivered a return of 13.1% p.a..

The majority of the portfolio is valued on an earnings multiple basis, with these multiples in the range 9 to 14.5 times last 12 months' earnings before interest, tax, depreciation and amortisation ('LTM EBITDA'). Gearing levels are low, with net debt typically in the range of 2 to 2.5 times LTM EBITDA.

#### *Investment activity*

We invested a total of £64.2m during the period, primarily driven by our £55.0m acquisition of DTM in August 2024.

#### *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 make progress. The valuation at 30 September 2024 was £181.6m, a return of 1.6% (4.4% in local currency) for the six month period.

Stonehage Fleming, the international multi-family office, continues to deliver a good performance across each of the Family Office, Investment Management and Financial Services businesses. The valuation at 30 September 2024 was £180.2m, a return of 7.6% for the six month period.

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 continued to perform well since acquisition, reporting good year on year growth and, trading ahead of expectations. The valuation at 30 September 2024 was £174.2m, a return of 6.1% for the six month period.

Liberation Group, an inns and drinks business with an estate stretching from Southwest London to Bristol and the Channel Islands. With the continuing program of improvements to the Cirrus estate delivering good results and improved trading across the rest of the business, revenue growth is improving, The valuation at 30 September 2024 was £147.7m, a return of 9.1% for the six month period.

DTM, the UK's leading independent provider of outsourced tyre management services to fleet operators, was acquired in August 2024. Headquartered in Blackpool, DTM has over 100 employees and serves c.250 fleet customers with c.285,000 vehicles and c.1.3 million tyres under management. Enabled by a proprietary technology platform, which allows customers to maximise their fleet efficiency, compliance and output, DTM connects the vehicles it manages to a national network of over 3,500 service provider locations. DTM has consistently delivered year-on-year growth with a revenue CAGR of c.16% over the last 15 years. The valuation has been maintained at the equity purchase cost of £55m.

Cooke Optics, a leading manufacturer of cinematography lenses, continues to be heavily impacted by the Hollywood writers' strike which started in early May 2023 and the subsequent actors' strike which started in July 2023. Both disputes were resolved by November 2023, however despite good demand for Cooke's new prosumer range, recovery in the Cinematography market has been slow and it is clear that it will take longer than previously anticipated for the industry to recover to pre-strike levels. We have therefore taken a more conservative view of the timing and level of this recovery, which has been reflected in the valuation at 30 September 2024 of £50.4m, a return of -56.4% for the period. Cooke has no third-party debt. We continue to work closely with the management team as they navigate through this challenging period.

## **Funds**

We invest in funds operating in North America and Asia with a bias to buyouts. The pool provides attractive diversification, investing in 76 funds managed by 42 managers with an underlying portfolio of over 600 companies, across a wide range of sectors and company sizes.

The North American based funds, which represent 63% of the Funds pool (19% of Caledonia's NAV), invest into the lower mid-market, with a focus on small to medium sized, often owner-managed, established businesses. The pool is a combination of directly owned funds (48% of Funds pool), with a broad range of managers generally managing funds under US\$750m, and the balance is in funds of funds investments (15% of Funds pool) with HighVista Strategies US private equity funds, our largest single manager over five separate funds with highly diversified portfolios.

Our Asia funds represent 37% of the Funds pool (11% of Caledonia's NAV), and invest across a wide range of sectors, which are set to benefit from wider demographic trends, such as healthcare and technology. The funds typically invest in businesses in the early years of significant growth, having successfully developed their business model. Whilst focused on local markets, a number, particularly those with a healthcare focus, also invest into the US. The pool is a combination of directly owned funds (20% of Funds pool), with a broad range of managers, and the balance (17% of Funds pool) is invested with Asia Alternatives, Axiom and Unicorn, all funds of funds providers, investing in buyout, growth and venture capital.

### *Performance*

At 30 September 2024, the pool was valued at £874.6m, comprising £549.0m of North American funds and £325.6m of Asian funds. The pool generated a total return of -2.4% (+3.6% in local currencies) driven by the adverse impact of foreign exchange, continued positive performance from our North American holdings (+5.3% in local currency) and a small positive contribution from our Asia holdings (+0.8% in local currency). Over the last 10 years, the Funds pool has delivered returns of 14.1% p.a..

Looking at the performance drivers in our North American primary fund programme, alongside realisation activity, robust operating performance continues to be a key driver of returns. We believe our Asia portfolio remains well positioned despite challenges posed by geopolitics and the wider operating environment.

### *Investment activity*

Overall, the Funds pool generated net cash of £27.4m in the first half of the year. Investments totalled £66.7m with 77% deployed into North American funds and the balance into Asia funds. Distributions of £75.1m were broadly split 60%/40% between North America and Asia. In addition, £19.0m was realised in a secondary sale of an Asian fund. We continue to see improvement in realisation activity in North America and our underlying managers remain cautiously optimistic that exit markets will continue to improve. In our Asian portfolio, we have seen an increase in distributions in the first half of the year, albeit the pace of distributions has slowed since the peak of 2021. Given the continued

uncertainty in the macro environment, alongside the earlier stage focus of our Asian fund holdings, in contrast to North America we expect the pace of distributions to take longer to return to normal levels.

#### Portfolio maturity

Our primary funds portfolio has a weighted average age of approximately 4.3 years. The weighted average age of our North American holdings is 4.1 years, within the window of a four to six year holding period typically targeted by our managers. Reflecting the earlier stage focus of our Asia portfolio, the weighted average age of these holdings is 4.8 years.

#### Uncalled commitments

During the first half, US\$130m was committed: US\$110m to North American lower mid-market buyout funds and a US\$20m new commitment to an existing Asian fund manager. We have a good investment pipeline of potential new fund commitments and 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 30 September 2024, uncalled commitments were £398.6m, circa 70% to North America and 30% to Asia.

#### Investment movements in the year

	31 March 2024	Investments	Realisations	Accrued income	Gains / (losses)	30 Sept 2024	Income	Return <sup>3</sup>
	£m	£m	£m	£m	£m	£m	£m	%
Public Companies	949.8	80.7	(68.0)	-	53.1	1,015.6	13.1	7.0
Private Capital <sup>1</sup>	820.3	79.2	(15.0)	1.3	(37.7)	848.1	14.1	(2.8)
Funds	926.3	66.7	(94.1)	-	(24.3)	874.6	2.2	(2.4)
Total pools	2,696.4	226.6	(177.1)	1.3	(8.9)	2,738.3	29.4	0.7
Other investments <sup>2</sup>	18.0	-	-	-	(1.6)	16.4	-	
Total investments	2,714.4	226.6	(177.1)	1.3	(10.5)	2,754.7	29.4	
Net cash	227.4	-	-	-	-	134.6		
Other net (liabilities) / assets	23.5	-	-	-	-	28.4		
Net assets	2,965.3					2,917.7		

1. Private Capital realisation of £15.0m relates to the repayment of a bridge loan relating to the acquisition of DTM

2. Other investments comprise legacy investments and cash and net other assets in subsidiary investment entities

3. Returns for investments are calculated using the Modified Dietz Methodology

#### Cash flows, liquidity and facilities

In September 2024, the company entered into a new revolving credit facility of £325m with three banks on improved terms. The facility comprises £150m over a five-year term expiring in August 2029 and £175m over a three year term expiring in August 2027. The facility increases the available resources by £75m and provides the company with enhanced liquidity and flexibility to support long term investment. At 30 September 2024, total liquidity of cash and undrawn facilities was £459.6m.

Our net investment cashflows were an outflow of £47.7m. Investment into our portfolio totalled £224.8m Realisations from our portfolio totalled £177.1m.

After investment income, management expenses, dividend payments to our shareholders and share buybacks, net cash outflow was £92.8m. At 30 September our net cash was £134.6m (31 March 2024: £227.4m).

#### Foreign exchange

61.8% of our net asset value is non-Sterling denominated. We do not hedge our foreign currency exposure. However, this risk is fully recognised by the business and considered carefully within our risk management approach.

#### Dividend

The board has declared an interim dividend of 19.69p per share, an increase of 4.0% on last year's interim dividend, further extending our long term track record of progressive dividend payments This will be paid to shareholders on 9 January 2025.

### **Share buybacks**

Sentiment towards investment companies, and in particular those investing in private assets, continues to weigh on discounts across the sector. We believe it is important for shareholders to capture more fully the benefit from the long-term increase in NAV per share. In recent years, the widening of the discount has resulted in total shareholder return substantially underperforming growth in the NAV per share, which we believe undervalues the Company's high quality and diverse portfolio, its long-term track record and its future prospects.

Alongside continuing to deliver long-term real returns, addressing the discount is a priority for the Board and the management team. To help ensure our investment proposition is recognised by the market, over the past year we have improved disclosure, expanded press engagement, revitalised our approach to investor relations and focused on increasing engagement with retail investors. These efforts will continue to be enhanced and, among other things, will include a series of events spotlighting each of the Company's investment pools, commencing with Private Capital in early 2025.

In addition to this, we have been allocating capital to share buybacks. In the six-month period to 30 September 2024, we allocated £26.3m to share buybacks, purchasing and cancelling 746,963 shares at an average discount of 34.8%, resulting in a 25.6p accretion to NAV per share.

The Cayzer family concert party holding is currently 49.5% versus a cap of 49.9%, which therefore limits the number of shares we can buy back. The Board continues to believe that share buybacks at the current discount to Net Asset Value per share are accretive to shareholders and that it is in the best interests of the Company and shareholders to continue to do so.

The Company has carried out a consultation exercise with a significant proportion of Independent Shareholders, who have historically voted at previous general meetings. During this process the possibility of seeking approval of a new Waiver Resolution that does not include a 49.9 per cent. cap on the Concert Party's maximum interest in Ordinary Shares has been discussed.

Accordingly, on 26 November 2024 a Circular has been released to outline a proposal to refresh our existing authority to undertake share buybacks and at the same time seek approval from independent shareholders of a waiver from the mandatory offer requirement in the Takeover Code that may otherwise apply to the Concert Party as a result of share buybacks by the Company.

While this proposal is similar to the annual authority and waiver sought in recent years, the approval of this waiver does not include a cap on the percentage of the Ordinary Shares that the Concert Party can hold.

The waiver resolution requires the approval of a majority of independent shareholders at a General Meeting to be held on 18 December 2024. The Cayzer family concert party is not permitted to vote on the resolution. Further information on the proposals can be found in the Circular released on 26 November 2024 and on the Company website ([www.caledonia.com](http://www.caledonia.com)).

### **Looking forward**

While the external environment remains uncertain, our long-term approach enables us to remain focused on delivering attractive returns. This, together with our diversified global portfolio, increased liquidity and strong balance sheet, positions us well to take advantage of investment opportunities.

## Supplementary information

### Change in pool investments value

	£m
Opening portfolio balance	2,696.4
Investments	226.6
Realisations	(177.1)
Gains/losses	(8.9)
Accrued income	1.3
Closing portfolio balance	2,738.3
Cash and other	179.4
Closing net assets	2917.7

### Net asset distribution

	30 Sept 2024	31 Mar 2024
Public Companies	34.8%	32.0%
Private Capital	29.1%	27.7%
Funds	30.0%	31.2%
Cash and other	6.1%	9.1%
	100.0%	100.0%

### Geography by region (headquartered)

	30 Sept 2024	31 Mar 2024
North America	46.7%	45.1%
UK & Channel Islands	34.1%	33.9%
Asia	10.9%	12.7%
Europe	8.3%	8.3%
	100.0%	100.0%

### Net assets currency distribution

	30 Sept 2024	31 Mar 2024
Pound sterling	38.2%	39.4%
US dollar	52.3%	51.4%
Euro	7.1%	6.9%
Other currencies	2.4%	2.3%
	100.0%	100.0%



## Investments summary

Holdings over 1% of net assets at 30 September 2024 were as follows:

Name	Pool	Geography	Business	Value £m	Net assets %
Cobepa	Private Capital	Europe	Investment company	181.6	6.2
Stonehage Fleming	Private Capital	Chan Is.	Family office services	180.2	6.2
AIR-serv Europe	Private Capital	UK	Forecourt vending	174.2	6.0
Liberation Group	Private Capital	UK	Pubs, bars & inns	147.7	5.1
HighVista Strategies	Funds	US	Funds of funds	129.1	4.4
Oracle	Public Companies	US	Software	96.4	3.3
Microsoft	Public Companies	US	Software	81.2	2.8
Watsco	Public Companies	US	Ventilation products	73.1	2.5
Axiom Asia funds	Funds	Asia	Funds of funds	72.7	2.5
Texas Instruments	Public Companies	US	Semiconductors	71.0	2.4
Philip Morris	Public Companies	US	Tobacco & smoke-free products	66.3	2.3
Decheng funds	Funds	Asia	Private equity funds	57.3	2.0
Direct Tyre Management	Private Capital	UK	Tyre management services	55.0	1.9
Cooke Optics	Private Capital	UK	Cine lens manufacturer	50.4	1.7
Fastenal	Public Companies	US	Industrial supplies	46.3	1.6
Thermo Fisher Scientific	Public Companies	US	Pharma & life sciences services	46.2	1.6
Hill & Smith	Public Companies	UK	Infrastructure	41.7	1.4
Croda International	Public Companies	UK	Chemicals	40.3	1.4
Asia Alternatives funds	Funds	Asia	Funds of funds	38.5	1.3
Unicorn funds	Funds	Asia	Funds of funds	37.6	1.3
Moody's Corporation	Public Companies	US	Financial services	37.5	1.3
Spirax Sarco	Public Companies	UK	Steam engineering	34.9	1.2
PoolCorp	Public Companies	US	Wholesale distributor	34.2	1.2
Charter Communications	Public Companies	US	Cable communications	34.2	1.2
Ironbridge Funds	Funds	Canada	Private equity funds	34.0	1.2
SIS	Private Capital	UK	Content services	32.1	1.1
Boyne funds	Funds	US	Private equity funds	31.6	1.1
CenterOak funds	Funds	US	Private equity funds	29.7	1.0
Stonepeak funds	Funds	US	Private equity funds	29.4	1.0
Other investments				753.9	25.7
Investment portfolio				2,738.3	93.9
Cash and other net assets				179.4	6.1
Net assets				2,917.7	100.0

## Risks and uncertainties

Caledonia has a risk management framework in place that provides a structured process for identifying, assessing, and managing risks that the company faces in executing its business objectives and strategy.

The principal risks and uncertainties faced by the company are set out in the strategic report section of Caledonia's annual report 2024 pages 57-61, and remain materially unchanged, summarised below:

- Strategic risks arise from the appropriateness of the business model to deliver long-term capital and income growth
- Investment risks arise in respect of specific investment and realisation decisions
- Market risks arise from losses in value of investments arising from sudden and significant movements in public market prices, particularly in highly volatile markets. Private asset valuations have an element of judgement and could also be impacted by market fluctuations. Caledonia's principal market risks are therefore equity price volatility, foreign exchange rate movements and interest rate volatility
- Liquidity risks arise if liabilities, including private equity fund drawdowns, cannot be met or new investments cannot be made due to a lack of liquidity. Such risk can arise from being unable to sell an investment due to lack of a market, or from not holding cash or being able to raise debt
- Operational risks arising from inadequate or failed processes, people and systems or from external factors  
Regulatory and legal risks arise from exposure to litigation or fraud or failure to adhere to the taxation and regulatory environment

- Environmental, social and governance ("ESG") and climate change risks relate to the successful incorporation of ESG matters and climate change impacts into investment approach

Caledonia continues to closely monitor and manage these principal risks with only minor updates to the commentary in the annual report, as follows: geopolitical conflict risk remains heightened, sustaining market volatility, and whilst UK inflation is now within target, interest rates remain slow to reduce.

Caledonia actively monitors key risk factors, including portfolio concentration, liquidity and volatility, and aims to manage risk by:

- diversifying the portfolio by sector and geography
- ensuring access to relevant information from investee companies, particularly in the case of unquoted investments through board representation. Consideration of changes to the economic environment forms an important part of the valuation process for the assets within the Private Capital pool
- managing cash and borrowings to ensure liquidity is available to meet investment and operating needs
- reducing counterparty risk by limiting maximum aggregate exposures

### **Going concern**

The factors likely to affect the company's ability to continue as a going concern were set out in the annual report 2024. As at 30 September 2024, there have been no significant changes to these factors.

The group has made an assessment of going concern for a period of at least 12 months from the date of approval of this half-year report. In making this assessment the directors considered an analysis of future cash flows, liquidity, available credit facilities and banking covenant requirements, in addition to a stress scenario reflecting an uncertain economic outlook.

Having performed this assessment the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the interim financial statements and therefore have been prepared on a going concern basis.

### **Directors' responsibility statement**

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the United Kingdom;
- the interim management report includes a fair review of the information required by:
  - DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year;
  - DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related parties transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period and any changes in the related party transactions described in the last annual report that could do so.

Signed on behalf of the board

Mat Masters  
Chief Executive Officer  
25 November 2024

## **INDEPENDENT REVIEW REPORT TO CALEDONIA INVESTMENT PLC**

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2024 which comprises the condensed group statement of comprehensive income, the condensed group statement of financial position, the condensed group statement of changes in equity and the condensed group statement of cash flows and the related explanatory notes.

### **Basis for conclusion**

We conducted our review in accordance with Revised International Standard on Review Engagements (UK) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("ISRE (UK) 2410 (Revised)"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting."

### **Conclusions relating to going concern**

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410 (Revised), however future events or conditions may cause the group to cease to continue as a going concern.

### **Responsibilities of directors**

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the review of the financial information**

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

### **Use of our report**

Our report has been prepared in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability.

BDO LLP  
Chartered Accountants  
London, UK  
25 November 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**Condensed group statement of comprehensive income  
for the six months ended 30 September 2024**

	Unaudited Six months 30 Sep 2024			Unaudited Six months 30 Sep 2023			Audited Year 31 Mar 2024		
	Revenue £m	Capital £m	Total £m	Revenue £m	Capital £m	Total £m	Revenue £m	Capital £m	Total £m
<i>Revenue</i>									
Investment income	29.4	–	29.4	33.8	–	33.8	61.8	–	61.8
Other income	0.4	–	0.4	0.4	–	0.4	0.9	0.6	1.5
Net (losses)/gains on fair value investments	–	(10.5)	(10.5)	–	88.2	88.2	–	174.4	174.4
Net gains/(losses) on fair value property	–	0.3	0.3	–	0.3	0.3	–	(3.9)	(3.9)
<b>Total revenue</b>	<b>29.8</b>	<b>(10.2)</b>	<b>19.6</b>	<b>34.2</b>	<b>88.5</b>	<b>122.7</b>	<b>62.7</b>	<b>171.1</b>	<b>233.8</b>
Management expenses	(13.6)	(3.5)	(17.1)	(12.1)	(4.4)	(16.5)	(22.9)	(8.4)	(31.3)
<b>Profit before finance costs</b>	<b>16.2</b>	<b>(13.7)</b>	<b>2.5</b>	<b>22.1</b>	<b>84.1</b>	<b>106.2</b>	<b>39.8</b>	<b>162.7</b>	<b>202.5</b>
Treasury interest receivable	5.7	–	5.7	1.8	–	1.8	3.2	–	3.2
Finance costs	(1.6)	–	(1.6)	(7.2)	–	(7.2)	(10.6)	–	(10.6)
Exchange movements	(0.4)	–	(0.4)	4.8	–	4.8	6.3	–	6.3
<b>Profit before tax</b>	<b>19.9</b>	<b>(13.7)</b>	<b>6.2</b>	<b>21.5</b>	<b>84.1</b>	<b>105.6</b>	<b>38.7</b>	<b>162.7</b>	<b>201.4</b>
Taxation	2.0	(0.4)	1.6	(0.2)	(1.1)	(1.3)	1.8	0.6	2.4
<b>Profit for the period</b>	<b>21.9</b>	<b>(14.1)</b>	<b>7.8</b>	<b>21.3</b>	<b>83.0</b>	<b>104.3</b>	<b>40.5</b>	<b>163.3</b>	<b>203.8</b>
<i>Other comprehensive income items never to be reclassified to profit or loss</i>									
Re-measurements of defined benefit pension schemes	–	(0.5)	(0.5)	–	(0.4)	(0.4)	–	(0.8)	(0.8)
Tax on other comprehensive income	–	0.6	0.6	–	0.4	0.4	–	0.4	0.4
<b>Total comprehensive income</b>	<b>21.9</b>	<b>(14.0)</b>	<b>7.9</b>	<b>21.3</b>	<b>83.0</b>	<b>104.3</b>	<b>40.5</b>	<b>162.9</b>	<b>203.4</b>
Basic earnings per share	40.5p	-26.1p	14.4p	39.2p	152.7p	191.9p	74.5p	300.2p	374.7p
Diluted earnings per share	39.9p	-26.1p	14.2p	38.6p	150.3p	188.9p	73.3p	295.7p	369.0p

The total column of the above statement represents the group's statement of comprehensive income, prepared in accordance with IFRSs as adopted in the United Kingdom.

The revenue and capital columns are supplementary to the group's statement of comprehensive income and are prepared under guidance published by the Association of Investment Companies.

The profit for the period and total comprehensive income for the period is attributable to equity holders of the parent.

**Condensed group statement of financial position  
at 30 September 2024**

	Unaudited 30 Sep 2024 £m	Unaudited 30 Sep 2023 £m	Audited 31 Mar 2024 £m
<i>Non-current assets</i>			
Investments held at fair value through profit or loss	2,754.7	2,656.5	2,695.4
Investment property	13.3	15.1	13.3
Property, plant and equipment	26.5	28.0	25.2
Deferred tax assets	4.2	4.8	5.3
Employee benefits	4.3	4.1	4.3
<b>Non-current assets</b>	<b>2,803.0</b>	<b>2,708.5</b>	<b>2,743.5</b>
<i>Current assets</i>			
Asset held for sale	–	248.5	19.0
Trade and other receivables	8.1	14.9	7.3
Current tax assets	4.5	20.1	1.7
Cash and cash equivalents	134.6	14.9	227.4
<b>Current assets</b>	<b>147.2</b>	<b>298.4</b>	<b>255.4</b>
<b>Total assets</b>	<b>2,950.2</b>	<b>3,006.9</b>	<b>2,998.9</b>
<i>Current liabilities</i>			
Interest bearing loans and borrowings	–	(49.2)	–
Trade and other payables	(25.8)	(39.0)	(24.4)
Employee benefits	(1.6)	(1.5)	(3.1)
<b>Current liabilities</b>	<b>(27.4)</b>	<b>(89.7)</b>	<b>(27.5)</b>
<i>Non-current liabilities</i>			
Interest bearing loans and borrowings	–	(35.0)	–
Employee benefits	(4.0)	(4.2)	(5.0)
Deferred tax liabilities	(1.1)	(1.9)	(1.1)
<b>Non-current liabilities</b>	<b>(5.1)</b>	<b>(41.1)</b>	<b>(6.1)</b>
<b>Total liabilities</b>	<b>(32.5)</b>	<b>(130.8)</b>	<b>(33.6)</b>
<b>Net assets</b>	<b>2,917.7</b>	<b>2,876.1</b>	<b>2,965.3</b>
<i>Equity</i>			
Share capital	3.1	3.1	3.1
Share premium	1.3	1.3	1.3
Capital redemption reserve	1.4	1.4	1.4
Capital reserve	2,676.3	2,638.4	2,716.6
Retained earnings	240.1	239.9	250.2
Own shares	(4.5)	(8.0)	(7.3)
<b>Total equity</b>	<b>2,917.7</b>	<b>2,876.1</b>	<b>2,965.3</b>
Undiluted net asset value	5430p	5286p	5452p
Diluted net asset value	5346p	5203p	5369p

## Condensed group statement of changes in equity for the six months ended 30 September 2024

	Share capital £m	Share premium £m	Capital redemption reserve £m	Capital reserve £m	Retained earnings £m	Own shares £m	Total equity £m
Six months ended 30 September 2024 (Unaudited)							
Balance at 1 April 2024	3.1	1.3	1.4	2,716.6	250.2	(7.3)	2,965.3
<i>Total comprehensive income</i>							
Profit for the period	–	–	–	(14.1)	21.9	–	7.8
Other comprehensive income	–	–	–	0.1	–	–	0.1
Total comprehensive income	–	–	–	(14.0)	21.9	–	7.9
<b>Transactions with owners of the company</b>							
<i>Contributions by and distributions to owners</i>							
Share-based payments	–	–	–	–	2.6	–	2.6
Transfer of shares to employees	–	–	–	–	(6.7)	6.7	–
Own shares purchased and cancelled	–	–	–	(26.3)	–	–	(26.3)
Own shares purchased	–	–	–	–	–	(3.9)	(3.9)
Dividends paid	–	–	–	–	(27.9)	–	(27.9)
Total transactions with owners	–	–	–	(26.3)	(32.0)	2.8	(55.5)
Balance at 30 September 2024	3.1	1.3	1.4	2,676.3	240.1	(4.5)	2,917.7
Six months ended 30 September 2023 (Unaudited)							
Balance at 1 April 2023	3.1	1.3	1.4	2,555.4	247.4	(10.6)	2,798.0
<i>Total comprehensive income</i>							
Profit for the period and total comprehensive income	–	–	–	83.0	21.3	–	104.3
<b>Transactions with owners of the company</b>							
<i>Contributions by and distributions to owners</i>							
Share-based payments	–	–	–	–	3.6	–	3.6
Transfer of shares to employees	–	–	–	–	(5.7)	5.7	–
Own shares purchased	–	–	–	–	–	(3.1)	(3.1)
Dividends paid	–	–	–	–	(26.7)	–	(26.7)
Total transactions with owners	–	–	–	–	(28.8)	2.6	(26.2)
Balance at 30 September 2023	3.1	1.3	1.4	2,638.4	239.9	(8.0)	2,876.1
Year ended 31 March 2024 (Audited)							
Balance at 1 April 2023	3.1	1.3	1.4	2,555.4	247.4	(10.6)	2,798.0
<i>Total comprehensive income</i>							
Profit for the year	–	–	–	163.3	40.5	–	203.8
Other comprehensive income	–	–	–	(0.4)	–	–	(0.4)
Total comprehensive income	–	–	–	162.9	40.5	–	203.4
<b>Transactions with owners of the company</b>							
<i>Contributions by and distributions to owners</i>							
Share-based payments	–	–	–	–	6.2	–	6.2
Transfer of shares to employees	–	–	–	–	(6.9)	6.9	–
Own shares purchased and cancelled	–	–	–	(1.7)	–	–	(1.7)
Own shares purchased	–	–	–	–	–	(3.6)	(3.6)
Dividends paid	–	–	–	–	(37.0)	–	(37.0)
Total transactions with owners	–	–	–	(1.7)	(37.7)	3.3	(36.1)
Balance at 31 March 2024	3.1	1.3	1.4	2,716.6	250.2	(7.3)	2,965.3

## Condensed group statement of cash flows

### for the six months ended 30 September 2024

	Unaudited 6 months 30 Sep 2024 £m	Unaudited 6 months 30 Sep 2023 £m	Audited Year 31 Mar 2024 £m
<b>Operating activities</b>			
Dividends received	26.5	30.8	57.9
Interest received	5.7	2.4	3.8
Cash received from customers	0.4	0.4	1.5
Cash paid to suppliers and employees	(17.7)	(14.2)	(24.5)
Taxes received	–	–	0.1
Group tax relief received	0.5	–	20.9
Group tax relief paid	–	(0.8)	(0.8)
Net cash flow from operating activities	15.4	18.6	58.9
<b>Investing activities</b>			
Purchases of investments	(224.8)	(253.1)	(340.8)
Proceeds from disposal of investments	177.1	241.1	599.7
Purchases of property, plant and equipment	(1.5)	(0.3)	(0.5)
Net cash flow (used in) / from investing activities	(49.2)	(12.3)	258.4
<b>Financing activities</b>			
Interest paid	(2.2)	(7.0)	(10.4)
Dividends paid to owners of the company	(27.9)	(26.7)	(37.0)
Proceeds from bank borrowings	–	35.0	70.0
Repayment of bank borrowings	–	–	(70.0)
Loan payments to subsidiaries	–	(211.2)	(258.8)
Purchases of own shares	(28.9)	(3.1)	(5.3)
Net cash flow used in financing activities	(59.0)	(213.0)	(311.5)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(92.8)</b>	<b>(206.7)</b>	<b>5.8</b>
Cash and cash equivalents at period start	227.4	221.6	221.6
<b>Cash and cash equivalents at period end</b>	<b>134.6</b>	<b>14.9</b>	<b>227.4</b>

### Reconciliation of net cash flow to movement in net debt for the six months ended 30 September 2024

	Unaudited 6 months 30 Sep 2024 £m	Unaudited 6 months 30 Sep 2023 £m	Audited Year 31 Mar 2024 £m
Net (decrease)/increase in cash and cash equivalents in the period	(92.8)	(206.7)	5.8
Cash inflow from increase in borrowings	–	(35.0)	(70.0)
Cash outflow from decrease in borrowings	–	211.2	328.8
Change in net debt resulting from cash flows	(92.8)	(30.5)	264.6
Change in net debt resulting from foreign exchange movements	–	5.6	7.2
Net cash/(debt) at the start of the period	227.4	(44.4)	(44.4)
Net cash/(debt) at the end of the period	134.6	(69.3)	227.4



## Notes to the final results announcement

### 1. General information

Caledonia Investments plc is an investment trust company domiciled in the United Kingdom and incorporated in England in 1928, under number 235481. The address of its registered office is Cayzer House, 30 Buckingham Gate, London SW1E 6NN. The ordinary shares of the company are listed on the London Stock Exchange.

This condensed set of financial statements was approved for issue on 25 November 2024 and is unaudited.

The information for the period ended 30 September 2024 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for the year ended 31 March 2024 has been delivered to the Registrar of Companies. The auditor's report on those accounts was not qualified, did not draw attention to any matters by way of emphasis of matter and did not contain a statement under section 498(2) and (3) of the Companies Act 2006.

### 2. Accounting policies

#### Basis of accounting

This condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the annual financial statements for the year ended 31 March 2024, which were prepared in accordance with IFRSs adopted by the United Kingdom.

This condensed set of financial statements has been prepared in accordance with the recommendations of the Statement of Recommended Practice issued by the Association of Investment Companies.

#### Adopted IFRSs

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the group's annual report for the year ended 31 March 2024, except for the mandatory amendments that had an effective date prior to the start of the six-month period. None of the mandatory amendments had an impact on the reported financial position or performance of the group. The changes in accounting policies will also be reflected in the group's consolidated financial statements for the year ending 31 March 2025.

The group classifies assets as held-for-sale under IFRS 5 (Non-current assets held for sale and discontinued operations) where it judges they meet the relevant criteria.

A number of new amendments to standards and interpretations will be effective for periods beginning on or after 1 April 2025. The group plans to apply these amendments in the reporting period in which they become effective.

#### Basis of consolidation

In accordance with the IFRS 10/IAS 28 investment entity amendments to apply the investment entities exemption, the consolidated financial statements include the financial statements of the company and service entities controlled by the company made up to the reporting date. All other investments in controlled entities are accounted as held at fair value through profit or loss.

#### Going concern

As at 30 September 2024, the board has undertaken an assessment of the appropriateness of preparing its financial statements on a going concern basis, taking into consideration future cash flows, current cash holdings of £135m, undrawn banking facilities of £325m and readily realisable assets of £1.0bn as part of a wider process in connection with its viability assessment. It has concluded that the group has sufficient cash, other liquid resources and committed bank facilities to meet existing and new investment commitments.

The directors have concluded that the group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. Accordingly, they continue to consider it appropriate to adopt the going concern basis in preparing the financial statements.

The group has conducted a going concern assessment which considered future cash flows, the availability of liquid assets and debt facilities, banking covenant requirements and consideration of the economic environment over at least 12 months from the date of approval of these financial statements. In making this assessment a number of stress scenarios were developed, factoring in (a) adverse foreign exchange movements, (b) a delay in disposals of directly

owned private equity investments, (c) drawdown of all existing private equity fund commitments, (d) a significant market decline for two years and (e) the cumulative impact of (c) and (d) above.

Under these scenarios the group would have a range of mitigating actions available to it, including sales of liquid assets, and usage of banking facilities, which would provide sufficient funds to meet all of its liabilities as they fall due and still hold significant liquid assets over the assessment period. As a result of this assessment the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### 3. Dividends

Amounts recognised as distributions to owners of the company in the year were as follows:

	Six months 30 Sep 2024		Six months 30 Sep 2023		Year 31 Mar 2024	
	p/share	£m	p/share	£m	p/share	£m
Final dividend for the year ended 31 March 2024 (2023)	51.47	27.9	49.20	26.7	49.20	26.7
Interim dividend for the year ended 31 March 2024	–	–	–	–	18.93	10.3
	51.47	27.9	49.20	26.7	68.13	37.0

The directors have declared an interim dividend for the year ending 31 March 2025 of 19.69p per share, totalling £10.6m, which has not been included as a liability in this condensed set of financial statements. This dividend will be payable on 9 January 2025 to holders of shares on the register on 6 December 2024. The ex-dividend date will be 5 December 2024. The deadline for elections under the dividend reinvestment plan offered by Link Group will be the close of business on 16 December 2024.

### 4. Earnings per share

#### *Basic and diluted earnings per share*

The calculation of basic earnings per share of the group was based on the profit attributable to shareholders and the weighted average number of shares outstanding during the year. The calculation of diluted earnings per share included an adjustment for the effects of dilutive potential shares.

The profit attributable to shareholders (basic and diluted) was as follows:

	Unaudited 6 months 30 Sep 2024 £m	Unaudited 6 months 30 Sep 2023 £m	Audited Year 31 Mar 2024 £m
Revenue	21.9	21.3	40.5
Capital	(14.1)	83.0	163.3
Total	7.8	104.3	203.8

The weighted average number of shares was as follows:

	Unaudited 6 months 30 Sep 2024 000's	Unaudited 6 months 30 Sep 2023 000's	Audited Year 31 Mar 2024 000's
Issued shares at the year start	54,612	54,664	54,664
Effect of shares cancelled	(362)	–	(1)
Effect of shares held by the employee share trust	(168)	(306)	(270)
Basic weighted average number of shares in the year	54,082	54,358	54,393
Effect of performance shares, share options and deferred bonus awards	849	860	844
Diluted weighted average number of shares in the year	54,931	55,218	55,237

During the period 746,963 of shares were repurchased at an average discount of 34.8%, resulting in a 25.6p accretion to NAV per share.

## 5. Operating segments

The following is an analysis of the profit/(loss) before tax for the period and assets analysed by primary operating segments:

	Profit/(loss) before tax			Total assets		
	6 months	6 months	Year	30 Sep	30 Sep	31 Mar
	30 Sep	30 Sep	31 Mar	30 Sep	30 Sep	31 Mar
	2024	2023	2024	2024	2023	2024
	£m	£m	£m	£m	£m	£m
Public Companies	66.2	23.5	101.8	1,015.6	865.0	949.8
Private Capital	(23.7)	55.8	111.2	848.1	1,027.1	820.3
Funds	(22.1)	41.2	19.4	874.6	963.1	926.3
Investment portfolio	20.4	120.5	232.4	2,738.3	2,855.2	2,696.4
Other investments <sup>1</sup>	(0.8)	2.2	1.4	16.4	49.8	18.0
Total revenue/investments	19.6	122.7	233.8	2,754.7	2,905.0	2,714.4
Cash and cash equivalents	5.7	1.8	3.2	134.6	14.9	227.4
Other items	(19.1)	(18.9)	(35.6)	60.9	87.0	57.1
Reportable total	6.2	105.6	201.4	2,950.2	3,006.9	2,998.9

1. Other investments included £16.4m of non-pool investments (30 September 2023: £49.8m and 31 March: £18.0m of non-pool investments).

## 6. Share-based payments

In the period to 30 September 2024, participating employees in the performance share scheme were awarded options over 233,802 shares at nil-cost (30 September 2023: 192,384 shares and 31 March 2024: 212,049 shares). Also, in the period to 30 September 2024, participating employees received deferred awards over 29,224 shares (30 September 2023 and 31 March 2024: 1,976 shares). The IFRS 2 expense included in profit or loss for the period was £2.9m (30 September 2023: £3.9m and 31 March 2024: £7.1m).

## 7. Net asset value

The group's undiluted net asset value is based on the net assets of the group at the year end and on the number of ordinary shares in issue at the year-end less ordinary shares held by The Caledonia Investments plc Employee Share Trust. The group's diluted net asset value assumes the calling of performance share and deferred bonus awards.

	Six months 30 Sep 2024			Six months 30 Sep 2023			Year 31 Mar 2024		
	Net	Number	NAV	Net	Number	NAV	Net	Number	NAV
	assets	of shares <sup>1</sup>		assets	of shares <sup>1</sup>		assets	of shares <sup>1</sup>	
	£m	000's	p/share	£m	000's	p/share	£m	000's	p/share
Undiluted	2,917.7	53,732	5430	2,876.1	54,414	5286	2,965.3	54,388	5452
Share awards	–	849	(84)	–	861	(83)	–	844	(83)
Diluted	2,917.7	54,581	5346	2,876.1	55,275	5203	2,965.3	55,232	5369

1. Number of shares in issue at the period-end is stated after the deduction of 133,514 (30 September 2023: 249,319, 31 March 2024: 223,666) ordinary shares held by the Caledonia Investments plc Employee Share Trust.

Net asset value total return is calculated in accordance with guidance from the Association of Investment Companies ('AIC'), as the change in NAV from the start of the period, assuming that dividends paid to shareholders are reinvested at NAV at the time the shares are quoted ex-dividend.

	6 months	6 months	Year
	30 Sep	30 Sep	31 Mar
	2024	2023	2024
	p	p	p
Diluted NAV at period start	5369	5068	5068
Diluted NAV at period end	5346	5203	5369
Dividends payable in the period	51	49	68
Reinvestment adjustment <sup>2</sup>	(2)	4	6
	5395	5256	5443
NAVTR over the period	0.5%	3.7%	7.4%

2. The reinvestment adjustment is the gain or loss resulting from reinvesting the dividends in NAV at the ex-dividend date.

## 8. Interest Bearing Loans and Borrowings

During the period, the company arranged a new secured bank revolving credit facility, totalling £325m.

The facility consists of two tranches: £175m with a three year term from BNP Paribas and Industrial and Commercial Bank of China that will expire in August 2027; and £150m with a five year term from The Royal Bank of Scotland International RBSI that will expire in August 2029. The bank facility is secured by way of floating charge over the public companies shares held by BNP Paribas, as global custodian to the company. The previous £250m bilateral facilities were cancelled at the same time.

## 9. Capital commitments

At 30 September 2024, the group had undrawn fund commitments totalling £398.6m (30 September 2023: £427.4m and 31 March 2024: £377.3m).

Amounts are callable within the next 12 months. The group has conducted a going concern assessment which considered future cash flows, the availability of liquid assets and debt facilities, over the 12-month period required. In making this assessment a number of stress scenarios were developed. All scenarios include all outstanding private equity fund commitments being drawn. Under these scenarios the group would have a range of mitigating actions available to it, including sales of liquid assets and usage of banking facilities, which would provide sufficient funds to meet all of its liabilities as they fall due and still hold significant liquid assets over the assessment period.

## 10. Performance measures

Caledonia uses a number of performance measures to aid the understanding of its results. The performance measures are standard within the investment trust industry and Caledonia's use of such measures enhances comparability. Principal performance measures are as follows:

### *Net assets*

Net assets provides a measure of the value of the company to shareholders and is taken from the IFRS group net assets.

### *Net asset value ('NAV')*

NAV is a measure of the value of the company, being its assets – principally investments made in other companies and cash held – minus any liabilities. NAV per share is calculated by dividing net assets by the number of shares in issue, adjusted for shares held by the Employee Share Trust and for dilution by the exercise of outstanding share awards. NAV takes account of dividends payable on the ex-dividend date.

### *NAV total return ('NAVTR')*

NAVTR is a measure of how the net asset value per share has performed over a period, considering both capital returns and dividends paid to shareholders. NAVTR is calculated as the increase in NAV between the beginning and end of the period, plus the accretion from assumed dividend reinvestment during the period. We use this measure as it enables comparisons to be drawn against an investment index in order to compare performance. The calculation follows the method prescribed by the AIC.

### *Total shareholder return ('TSR')*

TSR measures the return to shareholders through the movement in the share price and dividends paid during the measurement period.

## 11. Fair value hierarchy

The company measures fair values using the following fair value hierarchy, reflecting the significance of the inputs used in making the measurements:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets.
- Level 2 Inputs other than quoted prices included within Level 1 that are directly or indirectly observable.
- Level 3 Inputs for the asset that are not based on observable market data.

The table below analyses financial instruments held at fair value according to level in the fair value hierarchy into which the fair value measurement is categorised:

	Unaudited 6 months 30 Sep 2024 £m	Unaudited 6 months 30 Sep 2023 £m	Audited Year 31 Mar 2024 £m
<i>Investments held at fair value</i>			
Level 1	1,015.6	865.0	949.9
Level 2	9.0	5.1	8.4
Level 3	1,730.1	2,034.9	1,737.1
	<b>2,754.7</b>	<b>2,905.0</b>	<b>2,695.4</b>

The following table shows a reconciliation from the opening balances to the closing balances for fair value measurements in Level 3 of the fair value hierarchy:

	Unaudited 6 months 30 Sep 2024 £m	Unaudited 6 months 30 Sep 2023 £m	Audited Year 31 Mar 2024 £m
Balance at the period start	1,737.1	1,953.2	1,953.2
Transferred to Held for Sale	–	–	(19.0)
Purchases	146.0	226.5	269.8
Realisation proceeds	(90.1)	(223.3)	(327.8)
Gains and losses on investments sold in the period	10.3	5.0	122.7
Gains and losses on investments held at the period end	(74.5)	71.4	(263.2)
Accrued income	1.3	2.1	1.4
Balance at the period end	<b>1,730.1</b>	<b>2,034.9</b>	<b>1,737.1</b>

### Private asset valuation

Caledonia makes private equity investments in two forms: direct private equity investments (the Private Capital pool) and investments into externally managed unlisted private equity funds and fund of funds (the Funds pool). The directors have made two estimates which they deem to have a significant risk of resulting in a material adjustment to the amounts recognised in the financial statements within the next financial year, which relate to the valuation of assets within these two pools.

For directly owned private investments (Private Capital investments), totalling £848.1m (March 2024: £820.3m) valuation techniques using a range of internally and externally developed unobservable inputs are used to estimate fair value. Valuation techniques make maximum use of market inputs, including reference to the current fair values of instruments that are substantially the same (subject to appropriate adjustments).

For private equity fund investments (unlisted Funds Pool investments), totalling £865.6m (March 2024: £898.8m) held through externally managed fund vehicles, the estimated fair value is based on the most recent valuation provided by the external manager, usually received within 3-6 months of the relevant valuation date.

The following tables provide information on significant unobservable inputs used at 30 September and 31 March 2024 in measuring financial instruments categorised as Level 3 in the fair value hierarchy.

For private company assets we have chosen to sensitise and disclose EBITDA multiple inputs because their derivation involves the most significant judgements when estimating valuation, including which data sets to consider and

prioritise. Valuations also include other unobservable inputs, including earnings which are based on historic and forecast data and are less judgmental. For each asset category, inputs were sensitised by a percentage deemed to reflect the relative degree of estimation uncertainty, and valuation calculations re-performed to identify the impact.

Private equity fund assets are each held in and managed by the same type of fund vehicle, valued using the same method of adjusted manager valuations, and subject to broadly the same economic risks. They are therefore subject to a similar degree of estimation uncertainty. They have been sensitised at an aggregated level by 5% to reflect a degree of uncertainty over managers' valuations which form the basis of their fair value.

At 30 September 2024

Description / valuation method	Fair value £m	Unobservable input	Weighted average input	Input sensitivity +/-	Change in valuation +/- £m
<b>Internally developed</b>					
<i>Private companies</i>					
Large, earnings	502.1	EBITDA multiple	12.3x	10.0%	+53.9/-54.4
Small and medium, earnings	109.4	EBITDA multiple	10.3x	10.0%	+12.7/-13.5
Recent transaction	55.0	Multiple	1	5.0%	+2.8/-2.8
Net assets / manager valuation	181.6	Multiple	1	0.1x	+18.2/-18.2
	848.1				+87.6/-88.9
Non-pool companies	16.4				
<b>Total internal</b>	864.5				
<b>Externally developed</b>					
<i>Private equity fund</i>					
Net asset value	865.6	Manager NAV	1	5%	+43.3/-43.3
	1,730.1				+130.9/-132.2

At 31 March 2024

Description / valuation method	Fair value £m	Unobservable input	Weighted average input	Input sensitivity +/-	Change in valuation +/- £m
<b>Internally developed</b>					
<i>Private companies</i>					
Large, earnings	473.9	EBITDA multiple	12.1x	10.0%	+51.1/-52.7
Small and medium, earnings	164.0	EBITDA multiple	9.1x	10.0%-15%	+15.3/-14.4
Net assets / manager valuation	182.4	Multiple	1	0.1x	+18.6/-18.8
	820.3				+85.0/-85.9
Non-pool companies	18.0				
<b>Total internal</b>	838.3				
<b>Externally developed</b>					
<i>Private equity fund</i>					
Net asset value	898.8	Manager NAV	1	5%	+44.9/-44.9
	1,737.1				+129.9/-130.8

## **Glossary of terms and alternative performance measures**

### *Alternative performance measure ("APM")*

APMs are not prescribed by accounting standards but are industry specific performance measures which help users of the annual accounts and financial statements to better interpret and understand performance.

### *Investment and pool returns*

The company uses the modified Dietz method as a measure of the performance of an investment or investment pool over a period. This method divides the gain or loss in value plus any income, less any capital cash flows, by the average capital invested over the period of measurement. Average capital takes into account the timing of individual cash flows.

### *NAV Total Return ("NAVTR")*

NAVTR is a measure of how the NAV per share has performed over a period, considering both capital returns and dividends paid to shareholders. NAVTR is calculated as the increase in NAV per share between the beginning and end of the period, plus accretion from the assumed dividend reinvestment in the period. We use this measure as it enables comparisons to be drawn against an investment index in order to benchmark performance and the calculation follows the method prescribed by the Association of Investment Companies ('AIC').

### *Total shareholder return ('TSR')*

TSR measures the return to shareholders through the movement in the share price and dividends paid during the measurement period.

*Forward looking statements:* This announcement may contain statements about the future including certain statements about the future outlook for Caledonia Investments plc and its subsidiaries ('Caledonia'). These are not guarantees of future performance and will not be updated. Although we believe our expectations are based on reasonable assumptions, any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.

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**END**

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