

Caledonia – Public Companies

Spotlight – 24 June 2025



CALEDONIA
INVESTMENTS

Time Well Invested



Cautionary statement

This presentation contains certain statements that are, or may be deemed to be, forward-looking. Phrases such as "aim", "plan", "intend", "should", "anticipate", "well-placed", "believe", "estimate", "expect", "target", "consider" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations of the Company about future events and involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Any forward-looking statement is based on information available to the Company as of the date of the statement, it can give no assurance that these expectations will prove to be correct. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by the forward-looking statements. Forward-looking statements should therefore be construed in the light of such factors. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date made. All written or oral forward-looking statements attributable to the Company are qualified by this caution. Other than in accordance with legal and regulatory obligations, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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Today's agenda

Public Companies Spotlight

Agenda and introduction

Mat Masters

Public Companies Spotlight

Ben Archer, Alan Murran, Henry Morris

Panel discussion & Q&A

**Anthony Leatham (Peel Hunt), Ben Archer, Alan
Murran & Henry Morris**

Close

Mat Masters

Caledonia

Self-managed FTSE 250 investment company – net assets of £2.9bn



We are long-term stewards of shareholder’s capital

Enduring support from founding shareholders, the Cayzer family

Track record of delivering long-term real returns

Targeting inflation¹ +3% to +6%

58 consecutive years of dividend increases

Driven by long-term investments in quality companies

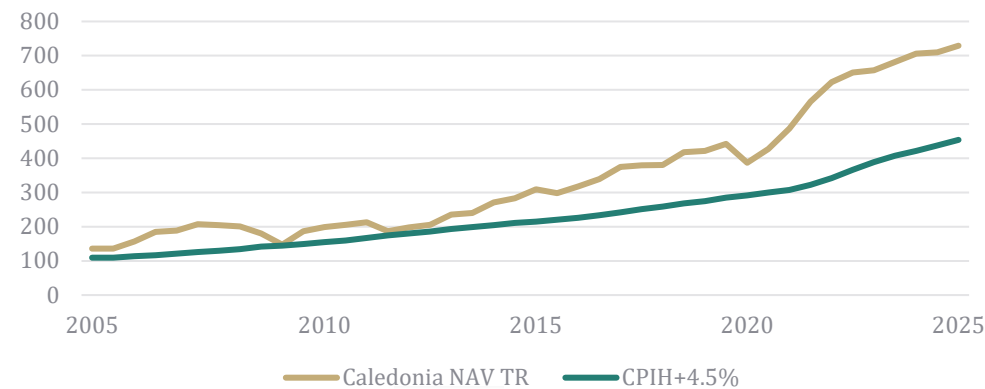
Approach and purpose grounded in ‘Time well invested’

Experienced in-house investment team

Fully aligned with shareholders

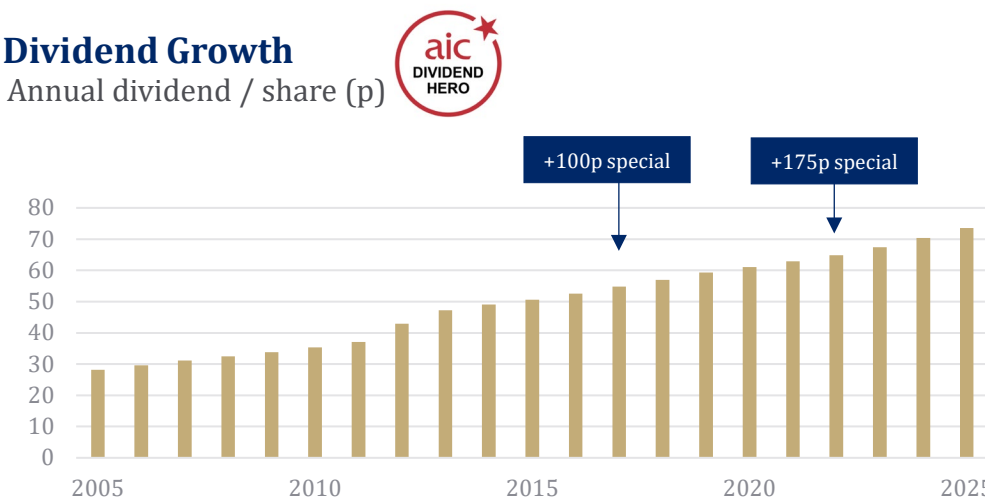
NAV Growth

NAV total return growth since 2005



Dividend Growth

Annual dividend / share (p)



Focused investing across three strategies

Providing access to both private and public companies, diversified by sector and geography



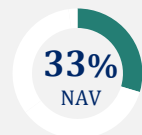
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Public Companies

Strategic Allocation: 30%-40%
Target return: 10% p.a. Capital and
7% p.a. Income (3.5% yield on cost)

- Global portfolio
- High quality businesses that we understand, with underlying growth and pricing power
- Around 30 companies across two strategies: Capital (72%) and Income (28%)

8.4% p.a.
(10 year return)



Private Capital

Strategic Allocation: 25%-35%
Target return: 14% p.a. (2.5% yield on cost)

- 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 up to 10 companies

12.4% p.a.
(10 year return)

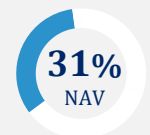


Funds

Strategic Allocation: 25%-35%
Target return: 12.5% p.a.

- Proven private equity managers
- North America lower mid-market companies (63%)
- Asia growth portfolio invested in local markets and in new economy sectors (37%)
- Underlying portfolio of over 600 companies through directly held funds

13.3% p.a.
(10 year return)



Investment Committee approves all investments and capital allocation

Public Companies

Alan Murran & Ben Archer



A differentiated approach to public equity investing

Benefits of permanent capital in public markets

Distinct advantage of Caledonia's permanent capital that permeates across both the investment strategy and our mindset



True ability to be long term

- Invest from balance sheet
- Not measured against an index



Fully focused on investing

- No fundraising distractions
- No need to manage inflows/outflows



Allows for concentrated portfolios: 15-20 companies

- Fundamental, not primarily focused on the macro



Quality companies are our targets

- Pricing power and capital allocation are key components



Deep understanding of portfolio companies

- Ownership through a variety of cycles
- Access to senior management beyond what would be typical for a fund our size



Ability to invest in moments of market dislocation

- Investment philosophy and strategy aligned

Two portfolios managed by a single team

An experienced team



Alan Murren
Co-Head Public Companies
Lead on Capital Portfolio



Ben Archer
Co-Head Public Companies
Lead on Income Portfolio



Henry Morris
Director



Lucy Adams
Investment Director



Ollie Botes
Investment Director



Lukas Brueckner
Investment Manager

- Caledonia's structure enables us to attract a team that is passionate about long term investing
- Cohesive team-based culture with constructive challenge
- Team has >100 years cumulative experience
 - With over 44 years cumulative at Caledonia

Two portfolios with a global mandate

Investing across two strategies with a combined value of £965m

With the same research methodology and operational discipline

Capital portfolio - £698m

Investing in companies that will continue to provide compounding returns to shareholders

- Target return of 10% p.a., unconstrained mandate
- 18 companies

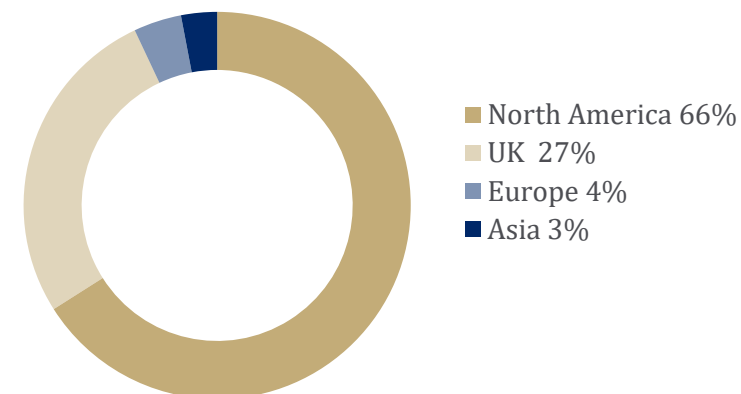
Income portfolio - £267m

Investing in resilient businesses with the capacity to pay sustainable dividends

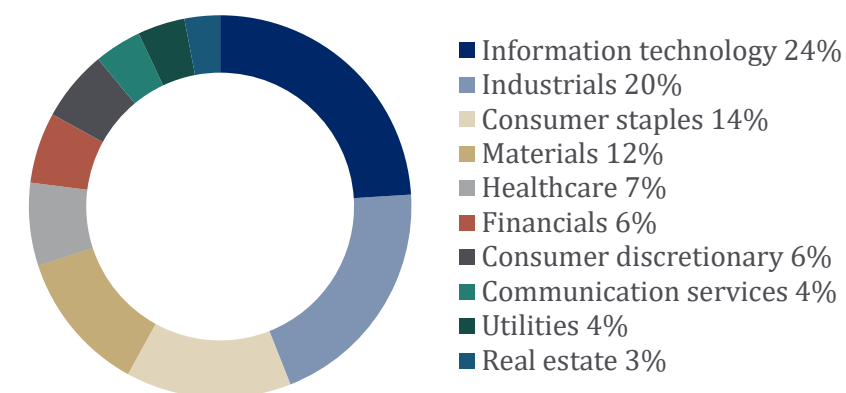
- Target return of 7% p.a., initial yield on cost of 3.5%¹
- 17 companies

**30 companies
with 5 across
both
portfolios**

Geography (HQ)



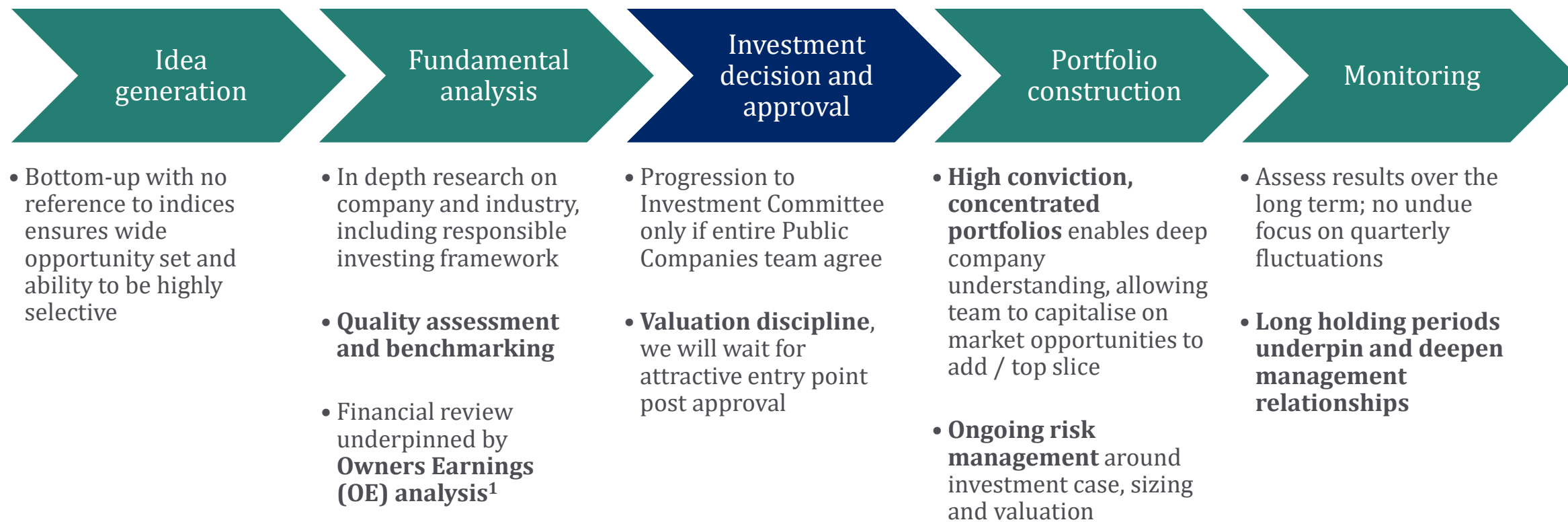
Sector



Data as at 31 March 2025

Investment process

Our approach rooted in deep research and collective expertise



High conviction, long term approach enables us to hold through cycles, resulting in sustained holding periods

Average holding period: 7.4 Years (Capital 8.4 years, Income 4.7 years)²

Company quality is key to selection process

Our Quality Matrix helps us analyse and benchmark current & prospective investments



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Patterns of quality: business traits that compound

What this looks like in action



De-centralised businesses

- Empowers employees
- Enhances accountability, reduces bureaucracy
- Correct incentivisation key

 **POOLCORP®**

Position initiated: 2024



Recurring revenues / installed base

- Vital product / service
- High customer retention
- Resilience through cycles

ORACLE

Position initiated: 2014



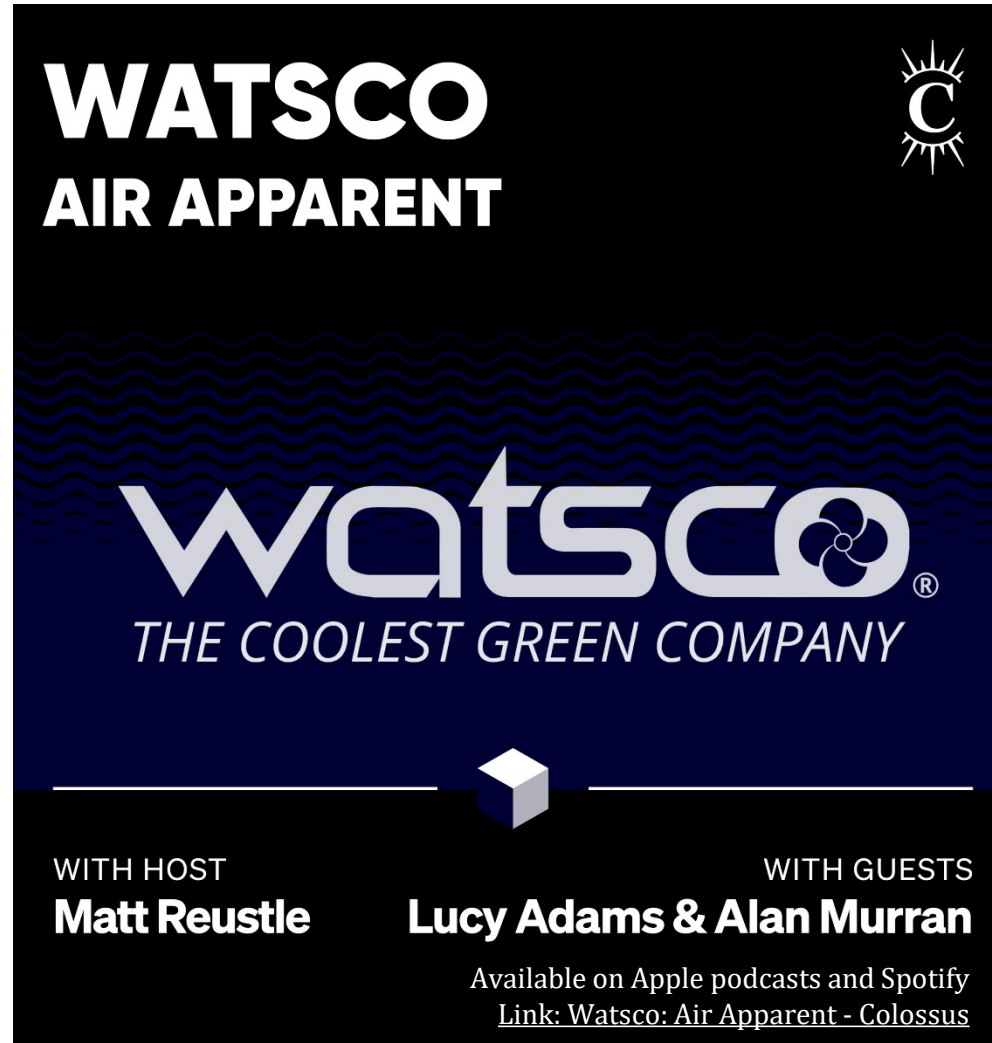
Great culture / owner mentality

- Culture can reinforce moat
- Owners think long term
- Aligned with shareholders

watsco

Position initiated: 2017

Business Breakdowns podcast: Watsco





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FASTENAL[®]

Henry Morris
Director



Fastenal

More than just an industrial distributor

- Founded in 1967 by Bob Kierlin in Winona, Minnesota
- Now a leading player in US industrial distribution with >\$7.5bn of revenues
- 3,600 sites of which >2,000 are embedded within customer facilities
- A pioneer in industrial vending
- Genuinely differentiated culture
- Market capitalisation at June 2025: \$48bn

THE WALL STREET JOURNAL.

Cross-Country Search Reveals The Cheapest CEO in America

By Marc Ballon Inc. Online

Oct. 14, 1997 7:41 pm ET



Fastenal

Quality Matrix assessment and the economics

Business moat and resilience

- Proximity to customers
- Owned distribution fleet
- Scale and service led culture

Digital

- Vending and Fastenal managed inventory >40% of sales
- Consumption data at point of use
- Analytics capability

Owner mentality

- Decentralised model, appropriate incentives and founder culture
- Long tenured employee base
- Transparent and willing to acknowledge mistakes



Simple to understand

- No debt
- No M&A
- No adjustments

Durable moat

- 16yrs establishing tech presence
- Culture is embedded
- Branch network and distribution fleet

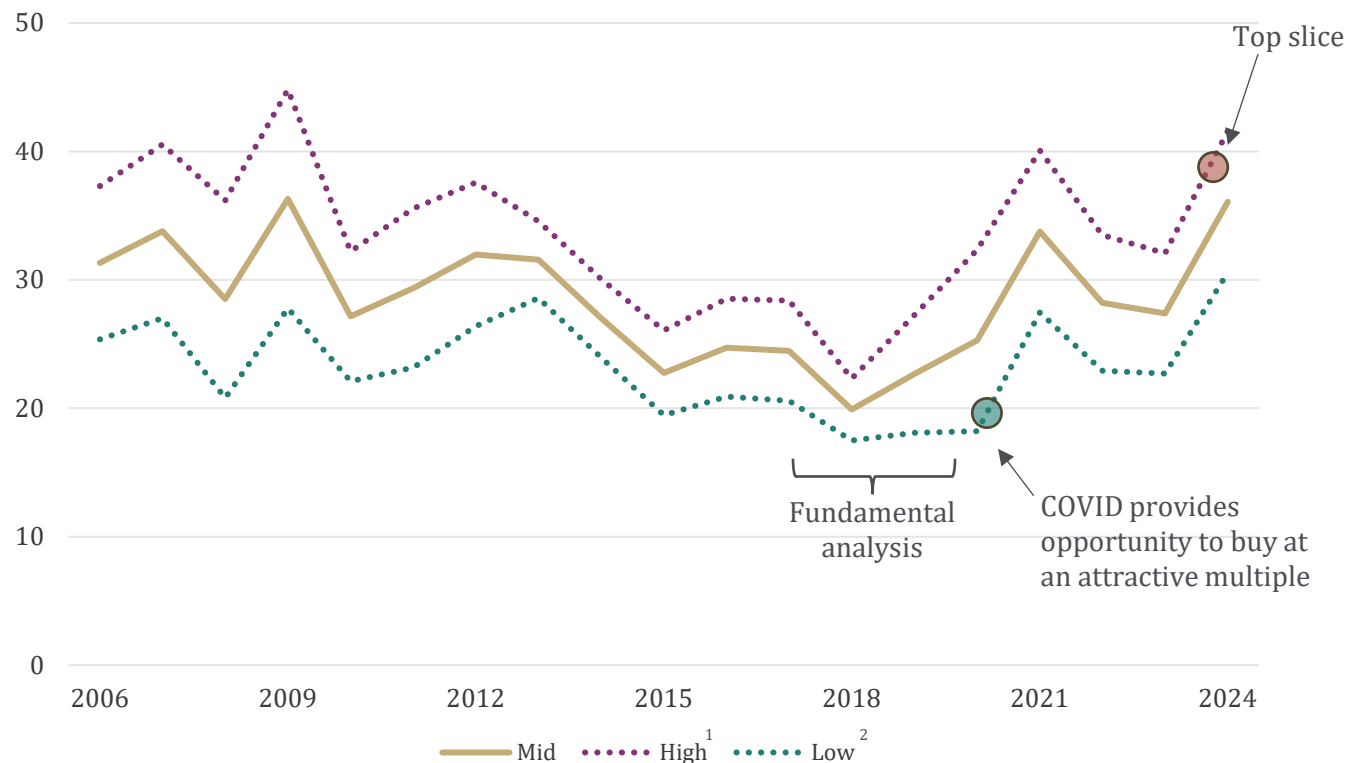
Highly attractive economics

- High single digit organic revenue growth
- Operating margins: 20%
- ROCE: 30%, FCF generative, suits both portfolios

Fastenal

The research and investment timeline

Fastenal's Price to Owner's Earnings valuation range



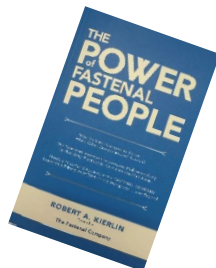
- First on the watch list in 2017, with detailed analysis in 2019 and early 2020
- Covid provided an opportunity to invest at an attractive average multiple
- Since then we have let the compounding work, with a top slice more recently

Fastenal

Let the compounding work

The learning never stops

- Team visits: Fastenal's headquarters in 2022, 2024 and investor day in St. Paul, Minnesota in 2025
- Calls with the CFO: usually outside the quarterly earnings season
- In depth review of KPIs: new large customer signings a clear indicator of market share gains
- Read, read, read: Trade magazines, podcasts, interviews, books



Fastenal share price (US\$)



Since initial investment:

- Owners earnings per share **47%** higher (2019-24, 8% CAGR)
- Net dividend yield¹ at entry of **2.7%**, which has since grown at a 12% CAGR (2019-24)

Fastenal

Quality relationships matter

"Fastenal is focused on delivering sustainable shareholder returns, whereas investor discussions are increasingly focused on near-term trends and responses.

Caledonia's focus on long-term TSR and questions around strategy rather than quarters produces discussions that are engaging and mutually insightful; I had as much chance to learn as to educate in our discussion.

Needless to say, I never put a limit on the number or length of discussions with Caledonia, and it never abused that fact. It was a pleasure working with investors of their calibre."

Holden Lewis
Former CFO, Fastenal Company

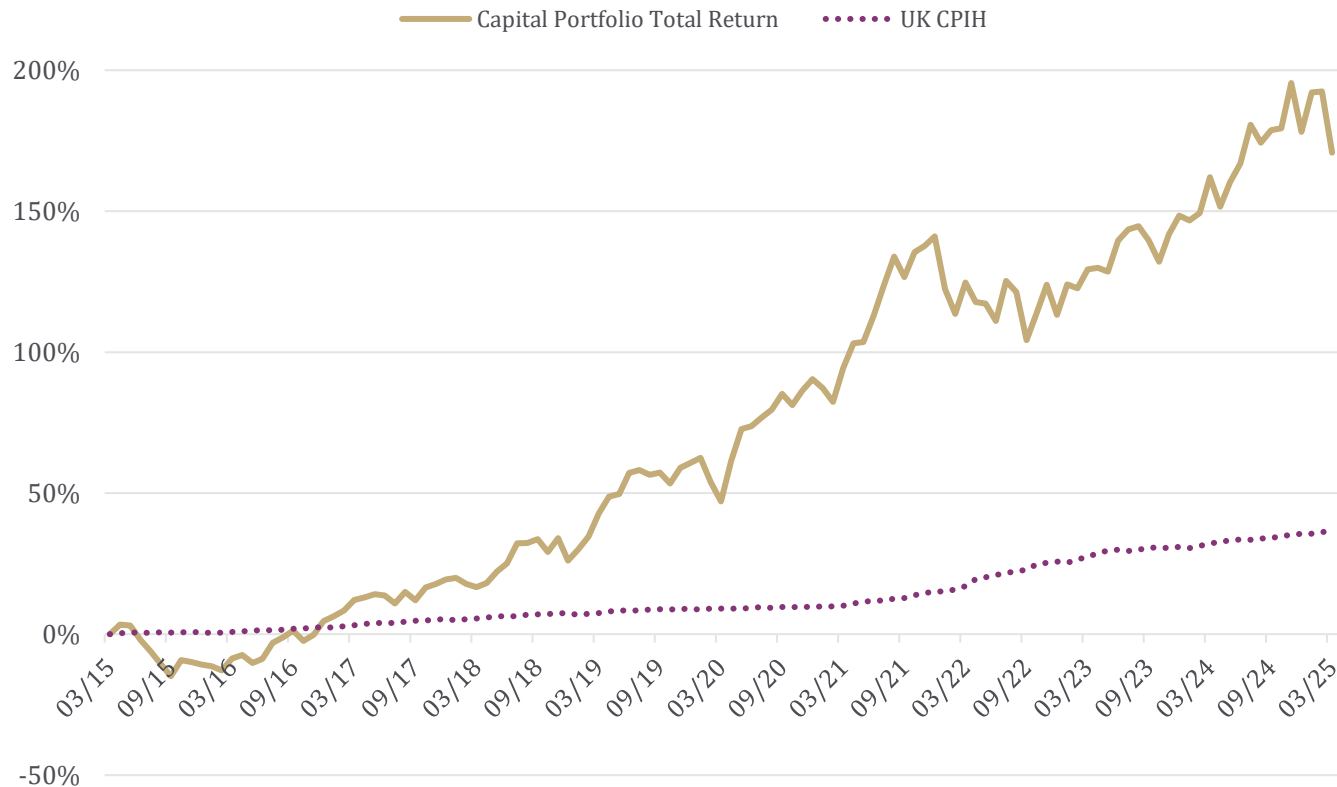
Performance



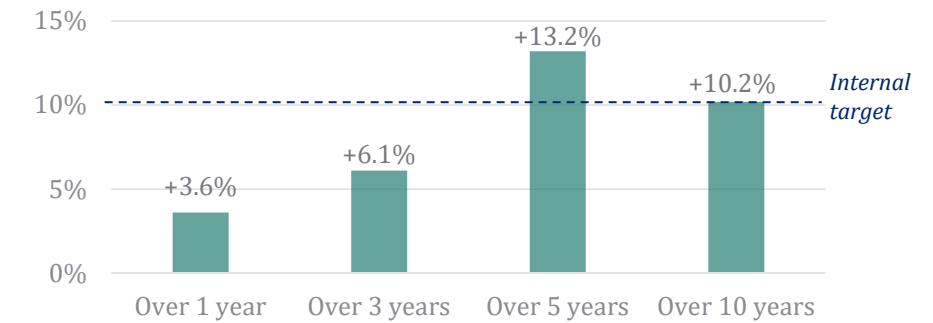
Capital portfolio

Returns

10-year cumulative return vs. CPIH¹



Annualised performance – total return



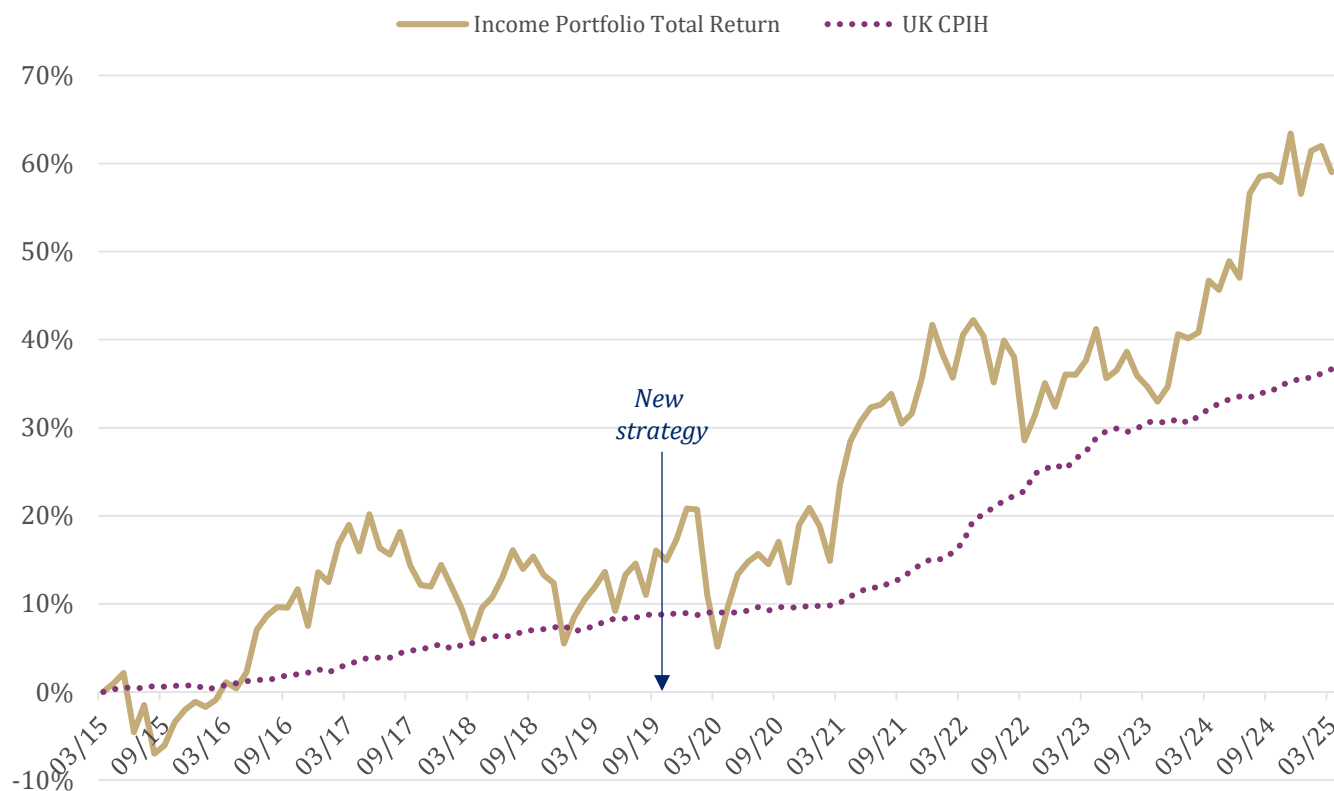
- Our investment process and strategy has delivered strong cumulative performance of ~165% over the last 10 years
- Portfolio benefits from active risk management including topslicing existing holdings generating c.£215m over past 10 years that were available for reinvestment

Data as at 31 March 2025

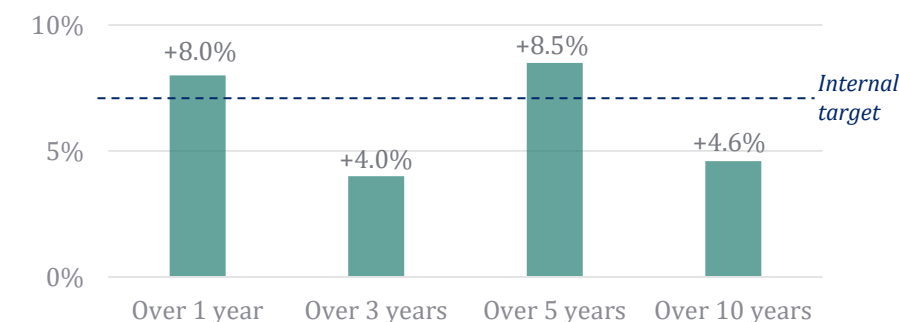
Income portfolio

Returns

10-year cumulative return vs. CPIH¹



Annualised performance – total return



- Income portfolio re-positioned in 2020 and 2021
- Quality focus and yield on cost model adopted
- 10-year portfolio dividend growth CAGR of 5.8%²

Data as at 31 March 2025

Summary

We own high quality companies that have the potential to deliver strong compounding returns

1	Provides access to global markets , investing in companies with pricing power and sustainable competitive advantages	30	£965m
		Companies	Portfolio value 31 March 2025
2	We buy to hold , we believe you build wealth by owning companies, not trading them	8.4 years	4.7 years
		Weighted average holding period - Capital	Weighted average holding period - Income
3	Differentiated investment approach and strategy, unconstrained and underpinned by the permanent nature of the balance sheet allowing us to take advantage of opportunities	10.2% p.a.	4.6% p.a.
		10 year return - Capital	10-year return - Income
4	Strong long-term performance		

Data as at 31 March 2025

Panel session & Q&A

Moderated by Anthony Leatham (Peel Hunt)



Supplementary information



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The Public Companies team

Experienced and focused solely on public equities



Alan Murran
Co-Head Public Companies
Lead on Capital Portfolio

Joined Caledonia in 2016
14 years within J.P. Morgan's
Markets business

Multi-asset-class experience
across equities, fixed income,
structured credit and derivatives

Economics and Finance degree
from the University of Bristol



Ben Archer
Co-Head Public Companies
Lead on Income Portfolio

Joined Caledonia in 2013
10 years as an Equity Analyst at
Charles Stanley

Prior to that, FS at KPMG
Economics and Accounting
degree from the University of
Bristol

Chartered Accountant



Henry Morris
Director

Joined Caledonia in 2018
Previously at Chilton Investment
Company

Prior to that, 9 years in Equity
Research at Goldman Sachs
Engineering degree from Oxford
University



Lucy Adams
Investment Director

Joined Caledonia in 2014
Previously in Corporate Finance
Advisory at Gleacher Shacklock

Prior to that M&A at Deloitte
Master's degree in Chemistry
from Durham University
Chartered Accountant



Ollie Botes
Investment Director

Joined Caledonia in 2021
7 years at Rothschild & Co Asset
Management

Theology degree from Oxford
University



Lukas Brueckner
Investment Manager

Joined Caledonia in 2024
Previously at Pelham Capital
Prior to that, Senior Analyst at
Point72 Asset Management

Economics degree from
University College London

Career Experience (Years)	22	28	20	18	11	7
Caledonia Tenure (Years)	9	12	7	11	4	1

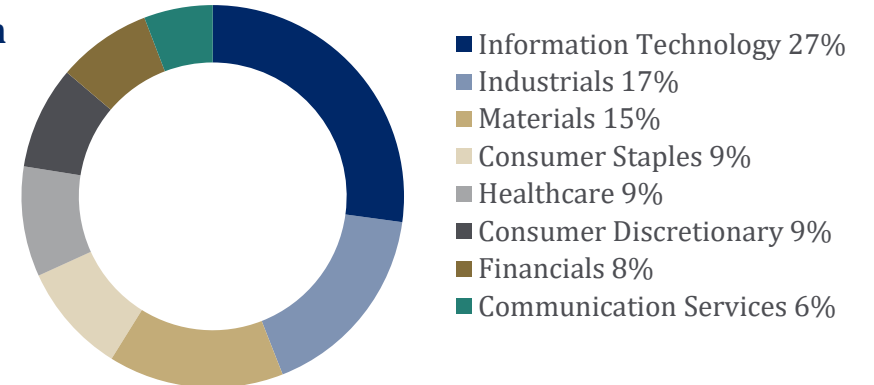
Capital portfolio

Top holdings, returns and diversification as at 31 March 2025

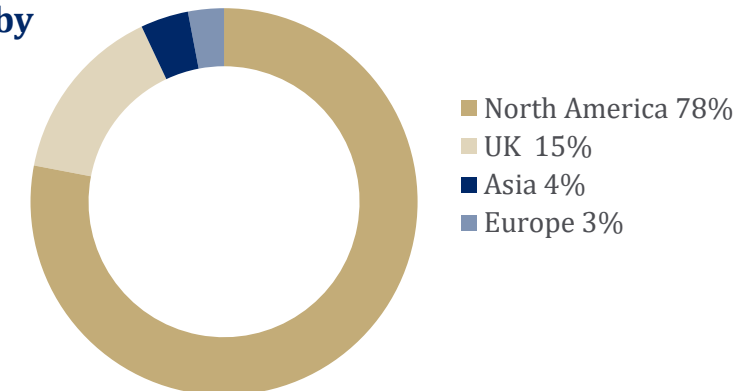
Top Holdings (£m)	First Invested	Value 31 March 2025
Microsoft	2014	73.6
Oracle	2014	72.3
Philip Morris ¹	2016	64.8
Watsco ¹	2017	58.4
Texas Instruments ¹	2018	46.5
Charter Communications	2017	40.4
Thermo Fisher	2015	38.7
Moody's Corporation	2022	38.3
Hill & Smith	2011	35.6
Pool Corp	2024	31.9
Other investments		197.4
Total		697.9

	3 years	5 years	10 years
Annualised Returns	6.1%	13.2%	10.2%

Sector Distribution



Geography by HQ



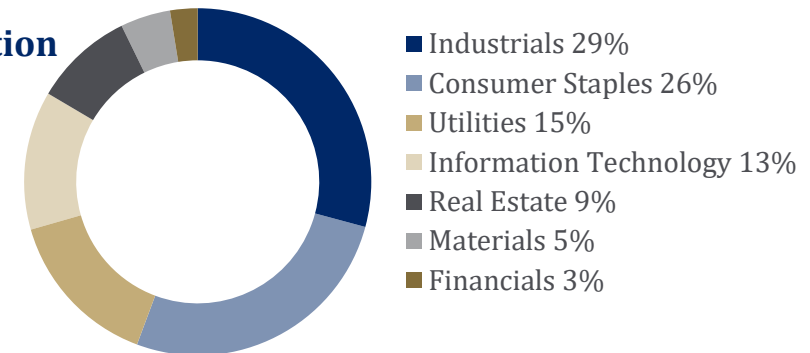
Income portfolio

Top holdings, returns and diversification as at 31 March 2025

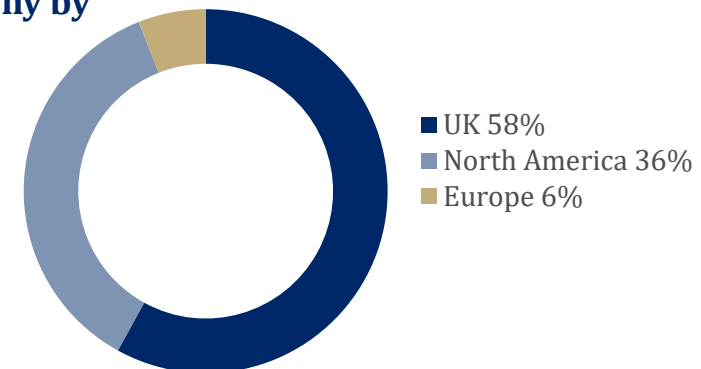
Top Holdings (£m)	First Invested	Value 31 March 2025	Yield ² %
Phillip Morris ¹	2021	25.3	5.7
National Grid	2015	20.9	5.6
Unilever	2019	18.9	3.5
Fortis	2020	18.5	3.8
Watsco ¹	2020	18.2	6.1
Relx	2023	18.2	2.4
Texas Instruments ¹	2020	17.7	3.9
SGS	2020	16.8	2.4
Sage Group	2024	16.6	1.6
Fastenal ¹	2020	15.4	4.3
Other investments		80.4	4.7
Total		266.9	4.0

	3 years	5 years	10 years
Annualised Returns	4.0%	8.5%	4.6%
Annualised Yield	3.9%	4.2%	4.3%

Sector Distribution



Geography by HQ



Caledonia Investments plc
Cayzer House
30 Buckingham Gate
London
SW1E 6NN

Tel: +44 20 7802 8080
Web: www.caledonia.com



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