

Annual General Meeting

16 July 2025



CALEDONIA
INVESTMENTS

Time Well Invested



www.caledonia.com

David Stewart

Chair



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Presentation of Full-year results

Year ended 31 March 2025



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Mat Masters
CEO

Rob Memmott
CFO

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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.

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

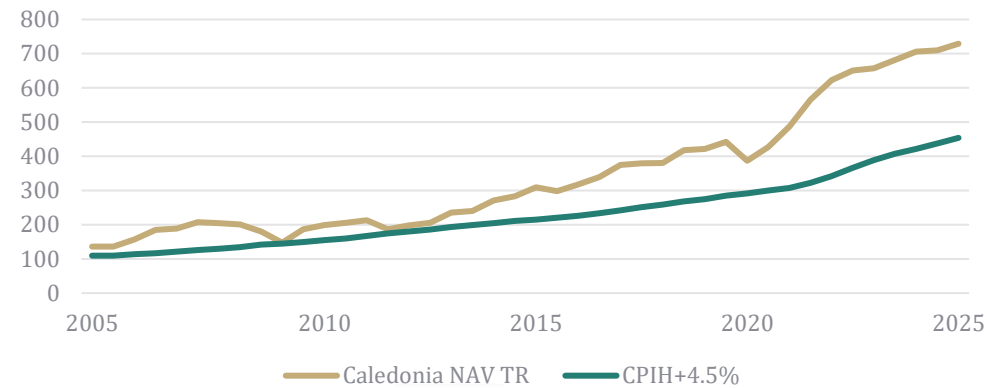
Approach and purpose grounded in ‘Time well invested’

Experienced in-house investment team

Fully aligned with shareholders

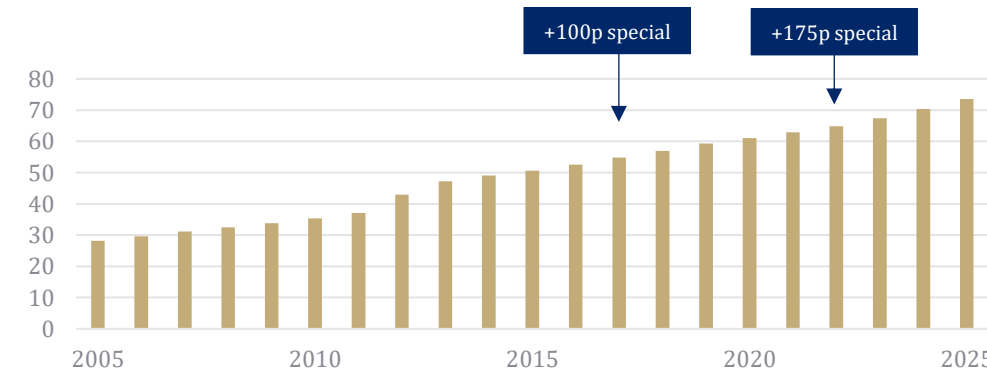
NAV Growth

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



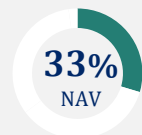
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Public Companies

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)

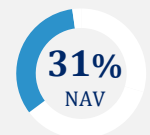


Funds

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)



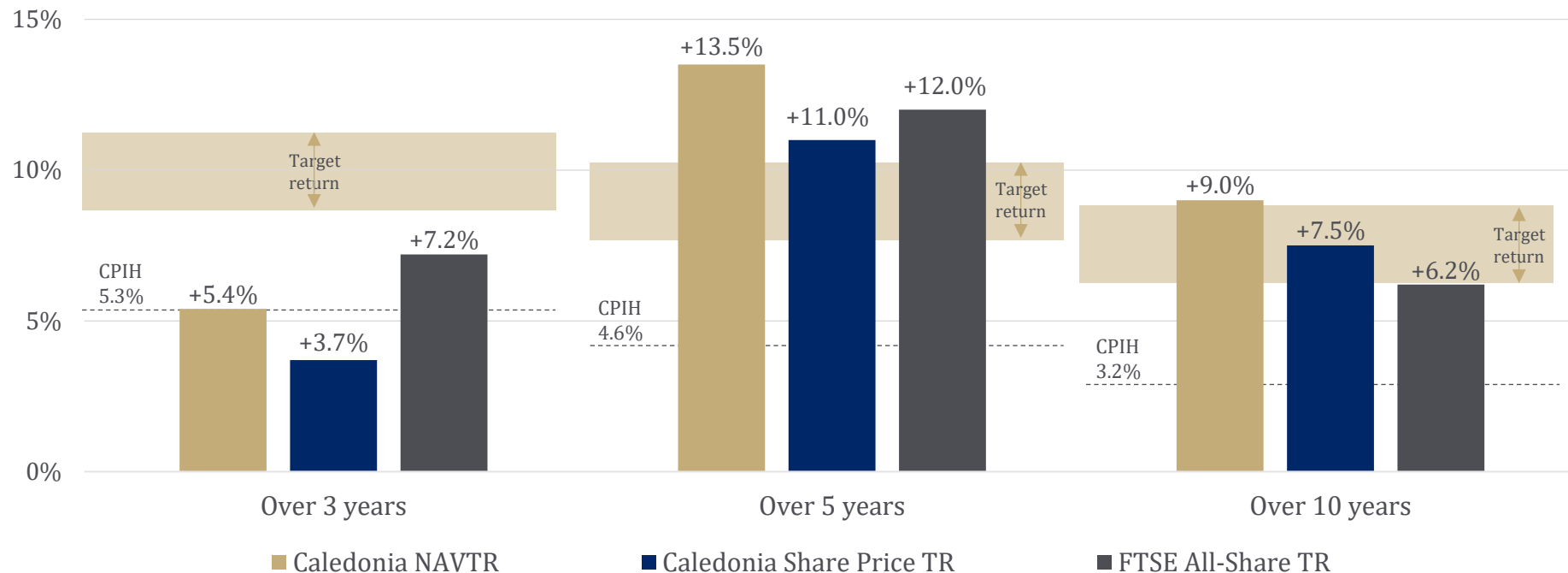
Investment Committee approves all investments and capital allocation

Long-term performance

Targeting real returns and outperformance of FTSE All-Share TR

- Aim to grow capital value and income over the long-term (10 years) measured in real terms
- Target return of CPIH +3% to +6% over medium / long-term
- Aim to outperform FTSE All-Share Total Return over 10 years

Annualised Performance Medium and Long-Term to 31 March 2025



Full-year results

Year ended 31 March 2025



Highlights

NAVTR of +3.3%

Net assets

£2.9bn

(5,475p per share)

3.3%

Total return (1 year)

Dividend

73.6p

4.5%

Share price

3,540p

10.2%

Total return

Performance impacted by market volatility in March and FX

- **Public Companies 4.7% return**

- Strong performance during the year impacted by public equity market volatility in March

- **Private Capital 3.7% return**

- Strong performance of Stonehage Fleming and AIR-serv Europe partially offset by the reduction in valuation of Cooke Optics
- Acquisition of Direct Tyre Management ('DTM') & realisation of Bloom

- **Funds 2.2% return**

- Continued positive performance from our North America holdings (8.4% in local currency) offset by a small negative contribution from our Asia holdings (-1.6% in local currency)

Dividend and share buybacks

- Final dividend of 53.91p per share proposed, taking total dividend for the year to 73.6p per share, 4.5% increase on FY 2024
- £63m allocated to share buybacks, 59.2p accretion to NAV per share (1.1% accretion)

Public Companies

Year ended 31 March 2025



Public Companies

High quality companies where long-term ownership will be rewarded

£964.7m invested in 30 companies, with strong market positions and fundamentals

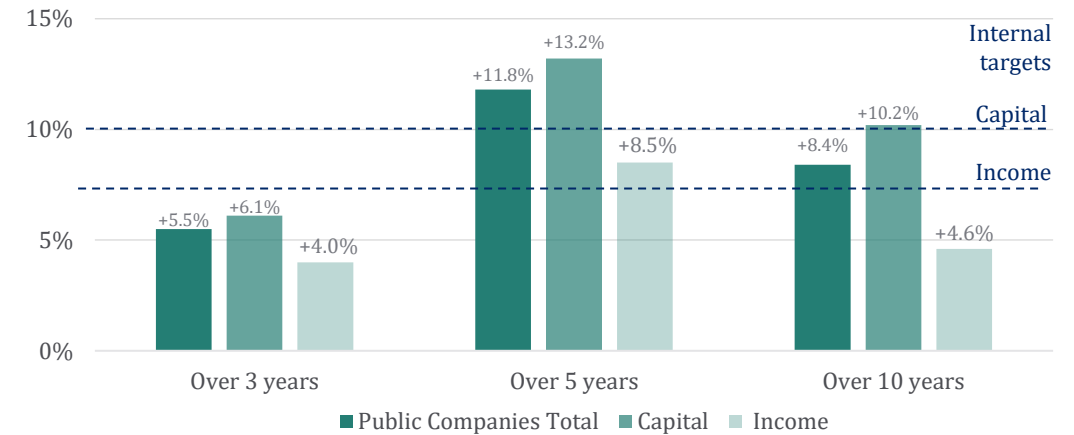
Performance

- 4.7% return (6.6% in local currencies) for combined portfolios
 - 3.6% return for the Capital portfolio, yield 3.4%³
 - 8.0% return for the Income portfolio, yield 4.0%³

Portfolio holdings update

- Net portfolio realisation of £7m driven by:
 - Capital portfolio: one new position in Pool Corp (leading US distributor of swimming pools and related outdoor living products). Sold position in BAT
 - Income portfolio: three new positions in Sage (leading accounting, HR, payroll software provider to SMEs), Croda¹ (speciality chemicals company) and Howden's (trade kitchen supplier). Sold positions in DS Smith, Reckitt Benckiser and Pennon

Annualised Performance – total return



Portfolio (£m) ²	First Invested	Value 31 Mar 2025	% of Net Assets
Phillip Morris ¹	2016	90.1	3.1
Watsco ¹	2017	76.6	2.6
Microsoft	2014	73.6	2.5
Oracle	2014	72.3	2.5
Texas Instruments ¹	2018	64.2	2.2
Other		587.9	20.0
Total		964.7	32.9

Public Companies

Moody's: Credit Ratings and Analytics

Initial investment: March 2022

Built a position in the Capital portfolio over Mar-Oct 2022, following a c.40% share price decline due to market concerns regarding debt issuance amid a sharp Fed tightening cycle and Russia's invasion of Ukraine

Investment thesis:

Leading global provider of credit ratings and risk management solutions:

- Strong pricing power underpinned by compelling customer value proposition
- Attractive re-investment opportunities across the analytics business
- Low capital requirements and conservatively managed

Company performance (FY22-FY24):

- Revenue: +15.5% CAGR from \$5.4bn to \$7.3bn
- EBIT: +28.2% CAGR, 788bps of margin expansion to 42.4%



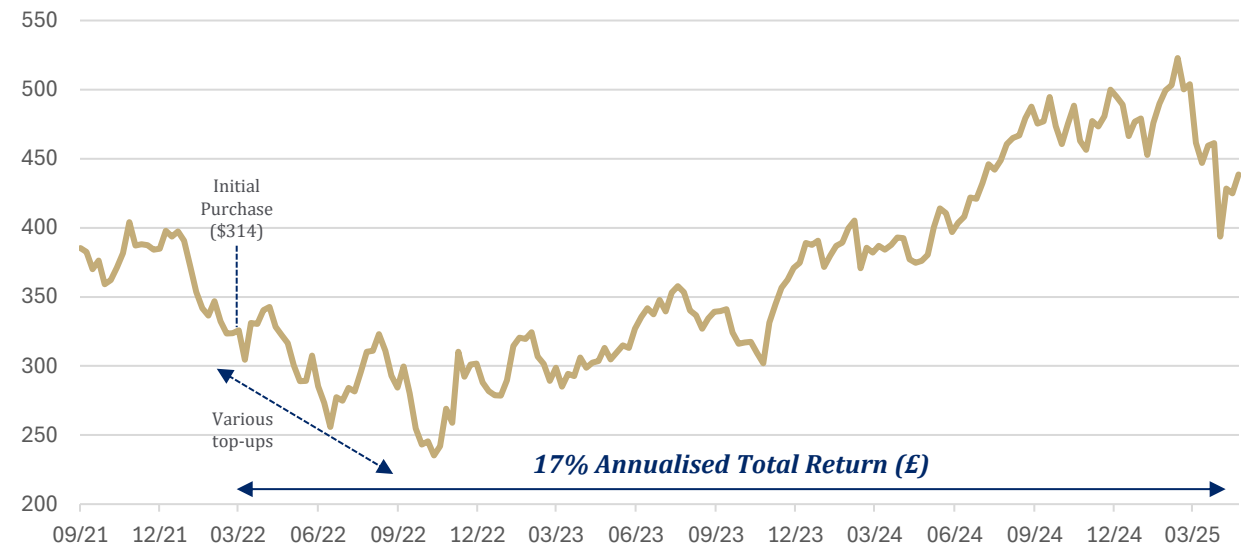
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MOODY'S

\$64bn
Market capitalisation

£38m
NAV at 31 March 2025

Share price (\$)



Investment performance:

- Share price: 17% annualised total return since first investment
- Cumulative dividends received to date £0.7m

Private Capital

Year ended 31 March 2025



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Private Capital

Direct investments in established high quality private businesses

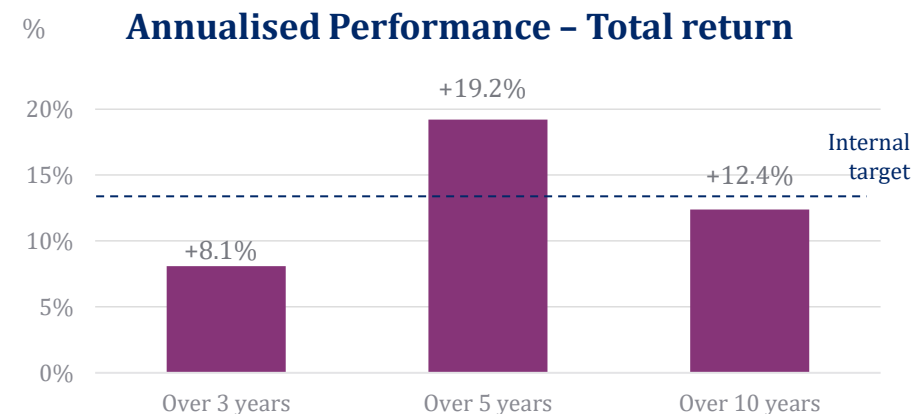
£870.7m invested in eight predominantly UK focused companies, with five investments representing circa 90% of value

Performance

- 3.7% total return
- Strong performance of Stonehage Fleming and AIR-serv Europe resulting in an increase in their valuations partially offset by a reduction in valuation of Cooke Optics
- £1.1bn proceeds generated from realisations¹ - 17% IRR, 1.8x cost

Realisations and new investments

- Acquisition of majority stake in DTM for £55m
- Sale of Bloom Engineering for £34m at a 43% uplift to Mar 24 carrying value



Portfolio (£m) ²	First Invested	Value 31 March 2025	% of Net Assets
Stonehage Fleming	2019	221.4	7.6
AIR-serv Europe	2023	197.7	6.7
Cobepa	2004	192.7	6.6
Butcombe Group	2016	136.5	4.7
DTM	2024	55.0	1.9
Cooke Optics	2018	44.1	1.5
Other		23.3	0.7
Total		870.7	29.7

Private Capital

Strong performance of Stonehage Fleming & AIR-serv Europe, offset by reduction in valuation of Cooke Optics

Private Capital portfolio company metrics

- EV/ EBITDA valuation multiple of between 10x to 14.5x
- Low net debt/EBITDA typically c.2x to 2.5x



Valuation	£198m
Return	20.0%
Year of Investment	2023
Sector	Industrials
Equity Held	99.8%

- Leading designer and manufacturer of air, vacuum and jet wash machines, with c.60% market share and c.23,000 machines across 15,000 customer locations
- Provides machines on revenue share or rental basis to fuel station forecourt operators across UK and Western Europe
- The business has continued to perform well since acquisition, reporting good year-on-year growth. It continues to trade ahead of expectations. Caledonia received its first dividend of £6.2m in the year



Valuation	£193m
Return	7.8%
Year of Investment	2004
Sector	Financials
Equity Held	5.2%

- Belgian based investment company, diverse global portfolio
- Portfolio of 18 well-developed private businesses
- Investment philosophy reflects a partnership approach providing capital and expertise with a flexible exit horizon
- The majority of the businesses within the Cobepa portfolio continue to make progress. The return in local currency was 10.0%

Private Capital

Strong performance of Stonehage Fleming & AIR-serv Europe, offset by reduction in valuation of Cooke Optics



Valuation	£137m
Return	0.9%
Year of Investment	2016
Sector	Cons. Discretionary
Equity Held	83.6%

- Pubs, bars, brewing and inns business; estate of 69 managed and 50 tenanted quality destination pubs
- Rebranded to Butcombe Group, formerly known as Liberation Group
- Trading performance has improved across all three business units with year-on-year profits increasing. Cirrus Inns business is also delivering good results
- Despite this, improved trading UK operations will be impacted by both the Chancellor's increase in National Insurance and National Minimum Wage which has been reflected in the valuation



Valuation (purchase cost)	£55m
Return	0.6%
Year of Investment	2024
Sector	Industrials
Equity Held	98.6%

- Independent provider of tyre management services to specialist fleet operators
- Over the last 15 years, DTM has consistently delivered year on year growth with a revenue CAGR of c.15%
- Since acquisition we have appointed David Brennan as Chair to support the management team and recruited a Chief Revenue Officer, Jason Chamberlain, who brings extensive industry experience and will further strengthen the sales function



Valuation	£44m
Return	-63.2%
Year of Investment	2018
Sector	Industrials
Equity Held	99.3%

- Leading manufacturer of cinematography lenses
- Continues to be heavily impacted by the repercussions from the 2023 Hollywood strikes
- Valuation reflects a more conservative view on the timing and level of recovery
- David Hancock was identified as Cooke's new CEO and joined the business in January 2025
- Caledonia team working closely with him and the rest of the management as they navigate through this challenging period

Stonehage Fleming

A leading ultra-high net worth advisor – value creation



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**STONEHAGE
FLEMING**

Valuation: £221m

Return in year: 32.1%

Equity held: 39.8%

AuA: US\$170bn

Geographies: 14

Management

- Carefully managed succession of founders from key executive roles
- Simplify board structure and increase management bandwidth to accelerate decision making

Operational efficiency

- Improvement of profit margins towards industry averages through operational efficiency and continued investment in technology

Business development

- Enhanced business development performance through supporting organisational and cultural change

M&A

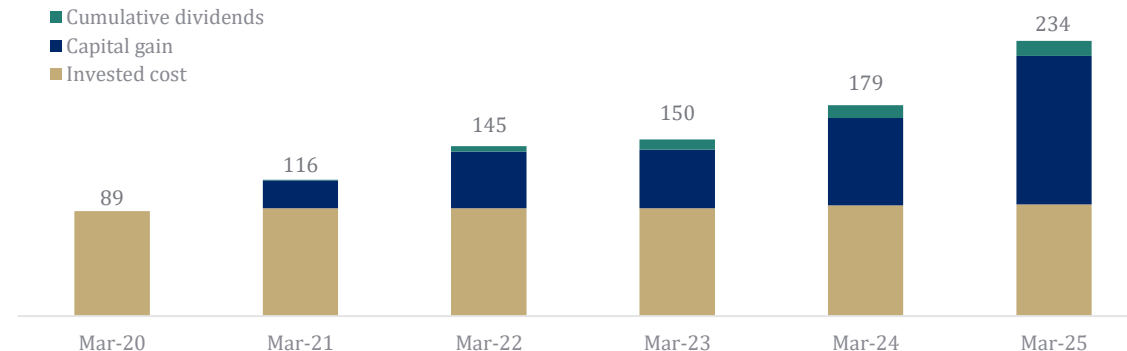
- Strategic M&A to improve geographic reach and diversify offering
- Completion of three acquisitions (financed from cash flow and incremental debt facilities)

Cashflow generation

- Operating cash generation to support an attractive level of dividend yield and balance sheet deleveraging

IRR: 18.0%
MOIC: 2.5x

■ Cumulative dividends
■ Capital gain
■ Invested cost



Funds

Year ended 31 March 2025



Funds

Providing exposure to over 600 companies operating in North America and Asia

£897.3m invested in 80 funds managed by 45 managers
63% focused on North America lower mid market buyout and
37% on Asia buyout, growth & VC funds

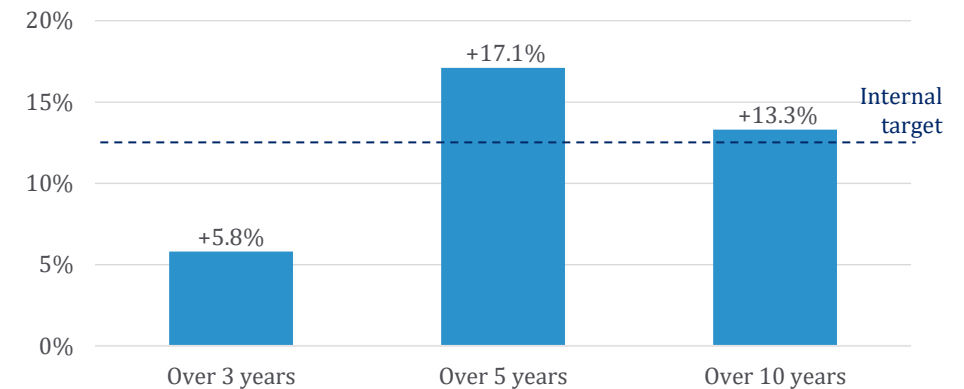
Performance

- 2.2% return (4.6% in local currencies)
- Continued positive performance from North America holdings (8.4% in local currencies), partially offset by the decline in value of our Asia holdings (-1.6% in local currencies) reflecting the more challenging market conditions in the region
- £44m net cash generated

Investment activity and commitments

- £130m deployed: 80% into North America funds and the balance to Asia
- \$200m committed: \$180m North America, \$20m to an existing Asia fund manager/ \$105m existing managers, \$95m new managers
- Total uncalled commitments: £416m (73% North America, 27% Asia)

Annualised Performance – total return

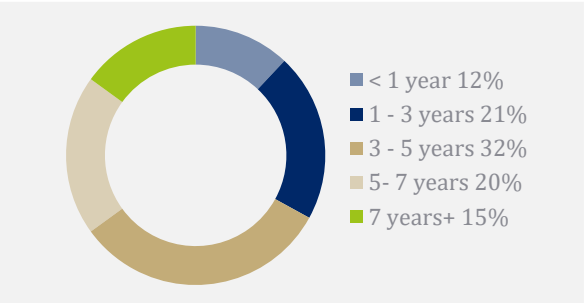


Portfolio (£m) ¹	First Invested	Value 31 March 2025	% of Net Assets
HighVista Strategies	2013	99.9	3.4
Axiom Asia funds	2012	73.4	2.5
De Cheng funds	2015	58.5	2.0
Unicorn funds	2018	39.9	1.4
Asia Alternatives funds	2012	38.2	1.3
Other		587.4	20.0
Total		897.3	30.6

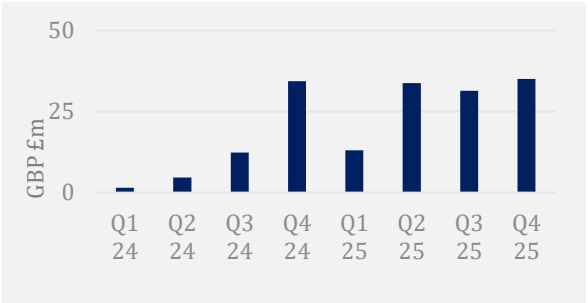
Funds

Realisations gained momentum in FY25

Portfolio maturity¹



North America realisations



Realisations

Distributions of £174m² broadly split 65%/35% North America and Asia

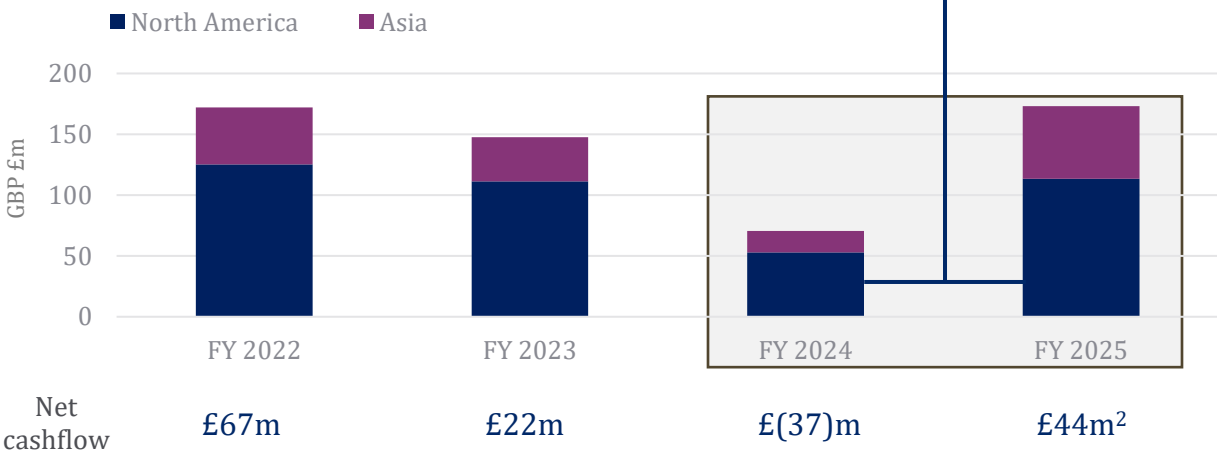
North America

- Level of realisations continued to gain momentum in FY25
- Economic uncertainty could lead to reduced activity
- Weighted average age 4.0 years (4.0 years at March 24)

Asia

- Increase in pace of realisations from 2024
- Macro uncertainty and earlier stage focus of the Asia portfolio, anticipate pace of distributions will take longer to improve
- Weighted average age 4.9 years (5.1 years at March 24)

Realisations



KLH Capital

Tampa Florida-based, lower mid-market buyout manager



The US lower mid-market has been a core part of our investment strategy for the last 15 years and we have built a strong network of relationships over this time

Overview

- Founded in 2005, KLH Capital pursue value-oriented control investments in small companies in the specialty services, value-added distribution and niche manufacturing sectors across the US
- We committed to KLH IV in 2019 and made a follow-on commitment to Fund V in 2022. We sit on the Advisory board for KLH IV and KLH V

Caledonia’s commitment

Fund Name	KLH IV	KLH V
Vintage Year	2019	2023
Fund Size	\$209m	\$412m
Caledonia’s Commitment	\$27.5m	\$30m

Target company criteria

- Enterprise Value: \$20m to \$125m
- Revenue: \$20m+ / EBITDA: \$5m+
- Total Equity Investment: \$10m to \$60m
- 8 - 12 platform investments per fund
- 1 - 3 platform investments per annum

Target investments

- Typically first institutional capital into closely-held or family-owned business, who roll meaningful equity
- Businesses with stable earnings, consistent profitability, a sustainable competitive advantage
- Companies where KLH can improve operations post-transaction
- Attractive valuations relative to investment risk

Portfolio Company Snapshots

Sub-sector Categories	Specialty Services & Value-Added Distribution	Specialty Services	Specialty Services	Specialty Services
Portfolio Company				
Description	Leading supplier of petroleum fuelling and EV charging equipment, installation, and service across the US	Leading utility and infrastructure service provider to the telecom, power, gas, and other infrastructure markets	Specialty industrial services provider of recurring and re-occurring refractory, corrosion and scaffolding insulation and maintenance on mission critical equipment and piping	Leading field services provider of sawing, drilling, demolition, and concrete placement for the maintenance and retrofit of critical assets and infrastructure
Investment Date	February 2020 <i>Sold in September 2022</i>	December 2020	August 2022	August 2023
No. of Add-Ons	4	2	2	0
Value Creation	<ul style="list-style-type: none"> Develop and build out executive teams and middle management to support business scaling Enhance corporate infrastructure including IT, ERP systems and financial reporting Professionalise day-to-day operations and strategic planning Identify and execute strategic add-ons 			

Financial review



Financial overview

£2.9bn **NAV** – strong balance sheet with zero structural leverage

3.3% **NAV total return** – 4.7% in local currencies

£2.7bn **Portfolio value** – high quality, diversified portfolio

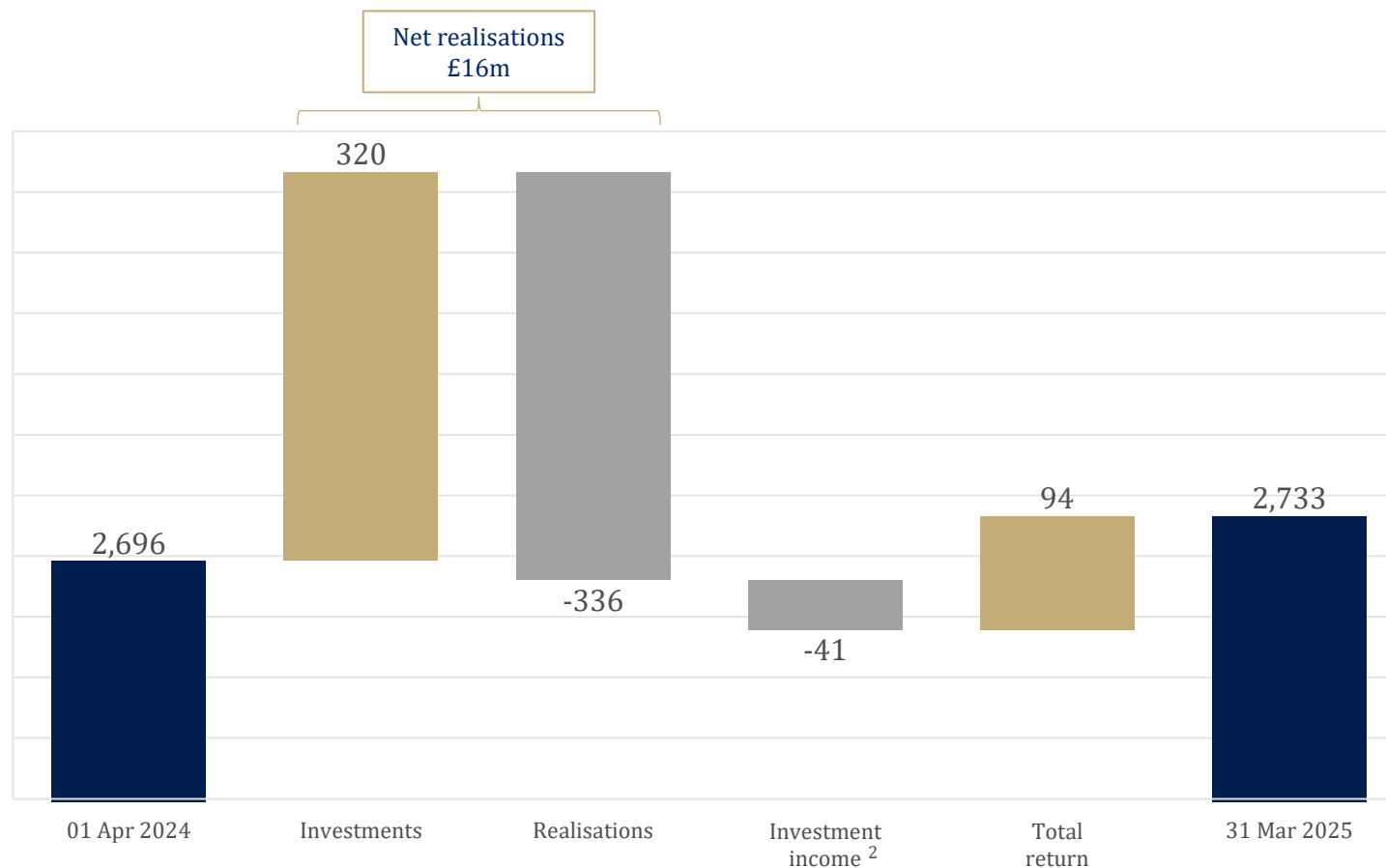
£476m **Liquidity** – new RCF agreed, increasing available resources by £75m to £325m

4.5% Increase in **total dividend** to 73.6p per share, proposed final dividend of 53.91p per share

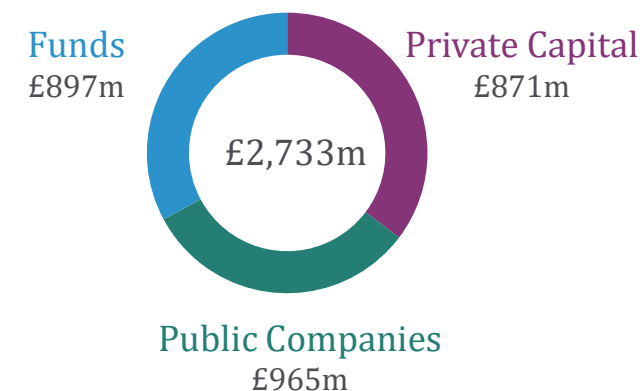
Investment portfolio and returns

Total portfolio return of 3.5%

Investment movement (£m)



Portfolio by Pool (£m)

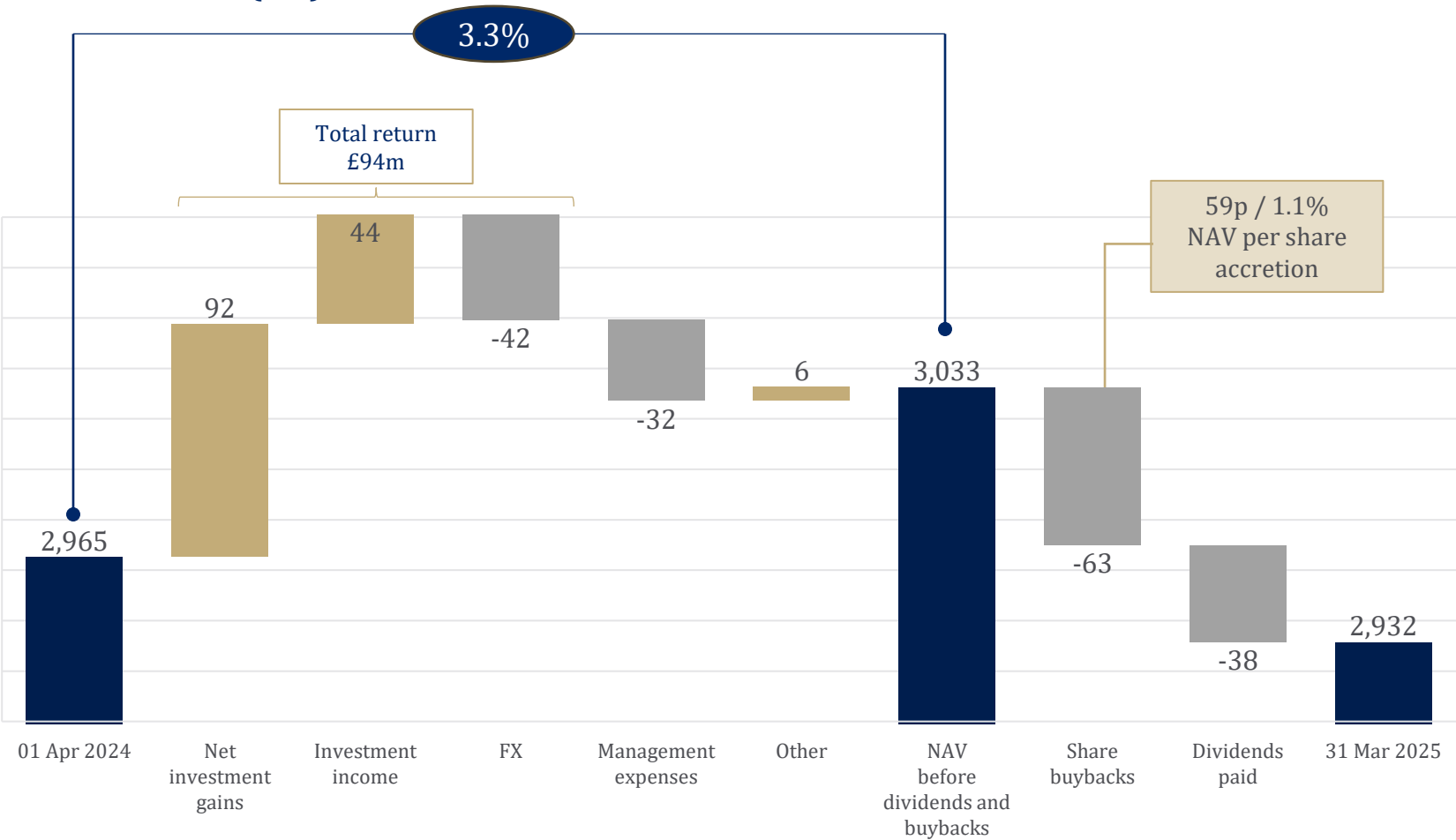


	Return %	Return (excl. FX) %	Yield ¹ %
Public Companies	4.7	6.6	3.6
Private Capital	3.7	4.2	2.8
Funds	2.2	4.6	n/a
Total Portfolio Return	3.5	5.1	2.6

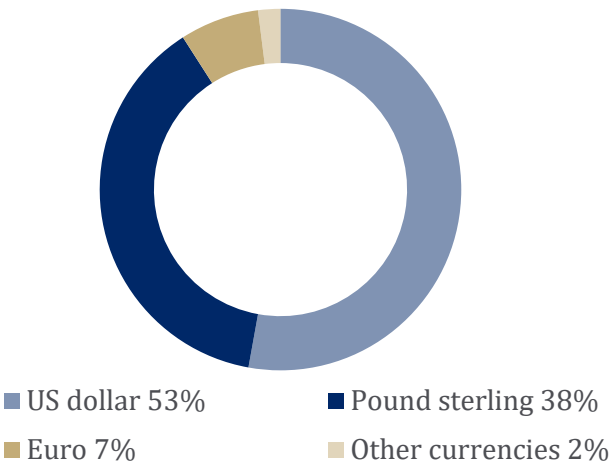
Change in net asset value

NAVTR of 3.3%, £42m FX reducing NAVTR by 1.4%

NAV movement (£m)



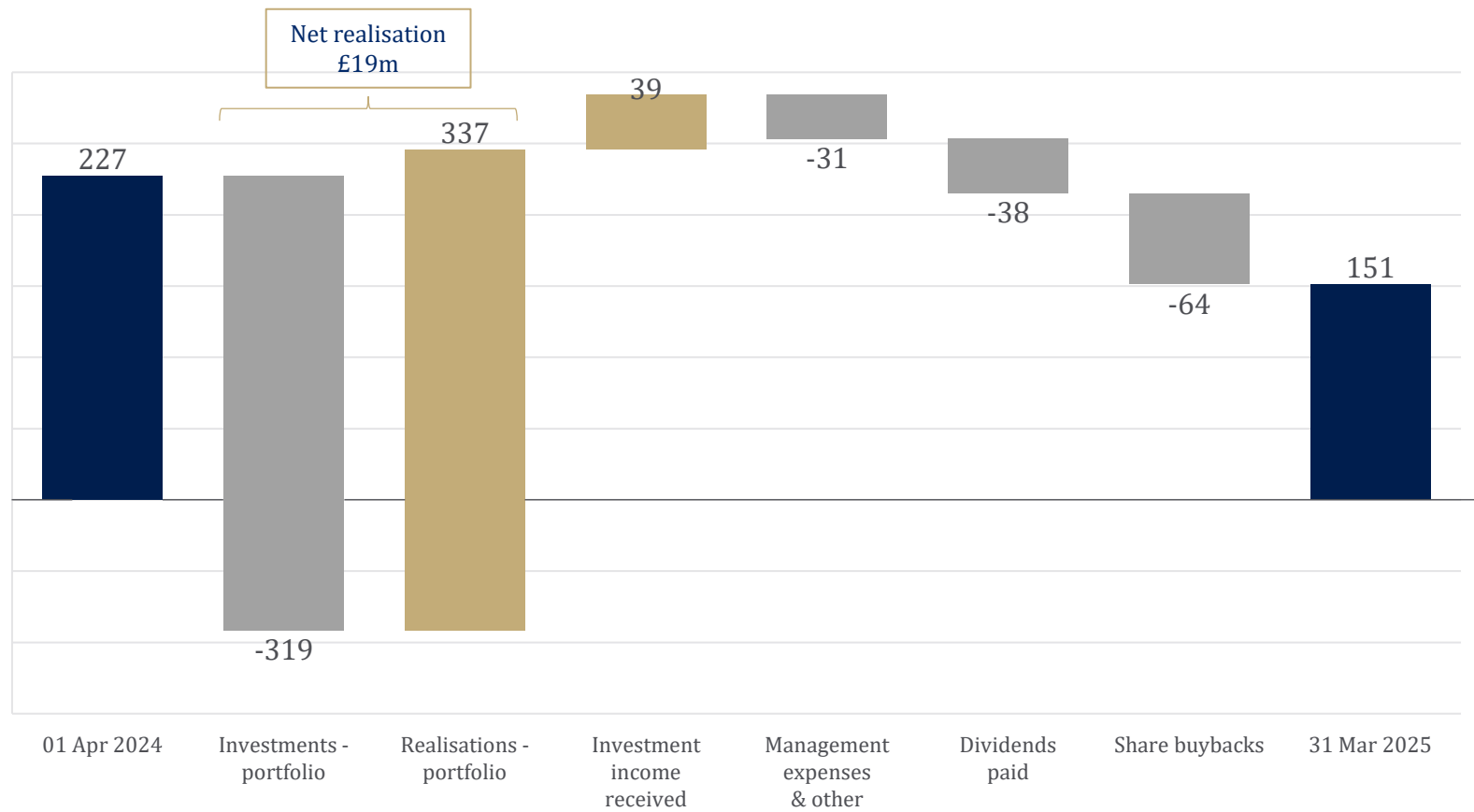
Foreign Currency Exposure (NAV)



Cash & facilities

Significant liquidity of £476m

Movement in net cash (£m)



- New £325m RCF facility agreed with three banks at improved terms
 - £150m to August 2029
 - £175m to August 2027

Cash
31 March 2025

£151m

Liquidity
31 March 2025

£476m

Share buybacks and shareholder initiatives

It is important that our shareholders benefit from the long-term increase in NAV

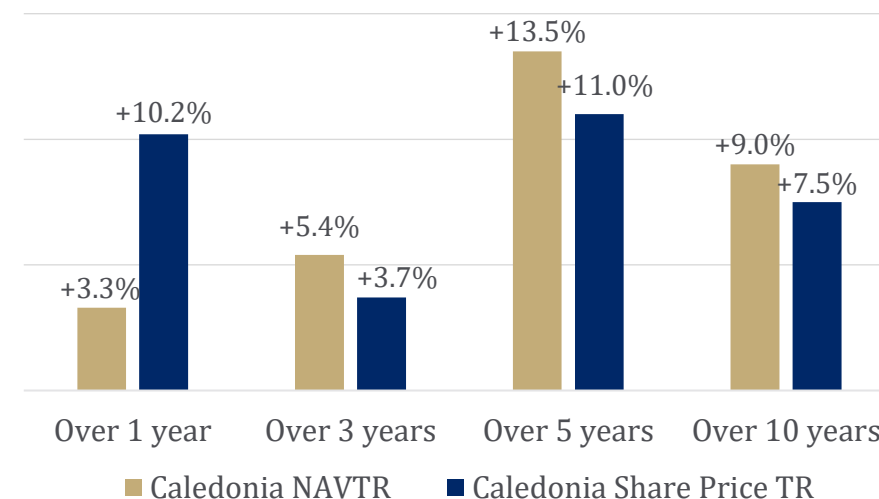
Share buybacks

- Discount narrowed from 39% to 35% over the year
- Increased capacity for share buybacks following shareholder approval for an uncapped Rule 9 Waiver in December 2024
- 1,729,061 shares repurchased at an average discount of 33.7% in the year resulting in a 59.2p per share NAV accretion (1.1% accretion)
- Will continue to repurchase shares when appropriate ensuring allocation of capital to investments and dividends

Shareholder initiatives

- **Communication:** Enhancing investor relations and communications programme. Spotlight sessions launched; Private Capital held in January and similar spotlight for Public Companies on 24 June 2025
- **Share split:** Seeking shareholder approval at the AGM on 16 July 2025 for a 10:1 share split, making Caledonia shares more accessible to a wider range of investors
- **Dividend profile:** Improving the balance of the dividend payments by increasing the interim dividend to 50% of the prior year's total annual dividend from FY 2026

Annualised NAVTR and TSR



Summary



Summary

- 1 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
- 2 The **diverse and resilient portfolio invested in high quality businesses** remains well placed to deliver target returns over the long term both in terms of dividend and net asset growth for shareholders
- 3 **Robust balance sheet**, with banking facilities to provide short term liquidity if required
- 4 Our **experienced team** remain committed to operate within current market conditions, focused on investing in good quality companies and funds operating in attractive markets
- 5 **Delivering shareholder value** is a priority for the board and management

David Stewart

Chair



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Q&A

Formal business

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