



# Odyssean Investment Trust PLC

Q1 2023 Update

# Important Information



- The information contained in this presentation is for the use of **Professional and Institutional Investors only**.
- Past performance is not a reliable indicator of future performance and Investors may not get back the value of their original investment.
- The value of Odyssean Investment Trust PLC (“OIT”) and the income derived from it may go down as well as up and is not guaranteed.
- Investment in OIT may not be appropriate for investors who plan to withdraw their money within 5 years.
- OIT’s portfolio is focused towards small and mid-sized companies; these may involve a higher degree of risk than larger sized companies. OIT does not attempt to match the composition of any index.
- The Prospectus and the Key Information Document, available at [www.oitplc.com](http://www.oitplc.com), provide more information about the risk profile of Odyssean Investment Trust PLC.
- Case studies are selected for illustrative purposes only to illustrate the investment strategy and are not investment recommendations.
- We draw readers’ attention to the Disclaimers at the end of the presentation.

# Executive Summary – Q1 2023



A weak start to 2023, with mixed news (good and bad) across the portfolio

- NAV per share fell 6.9%<sup>1,2</sup> in the period. NSCI + AIM ex IC index (“Comparator”) fell 0.6% <sup>2,3</sup>
- NAV per share performance impacted by stock specific news, with negative news outweighing positive news
- Considerable portfolio news in the period:
  - Agreed bids for Curtis Banks and Hyve. The bid for Hyve was announced less than a month after our purchase
  - Break up/divisional sales processes announced at Ascential and NCC in January 2023
  - Highly experienced new Chairman announced at Dialight, following a weak trading update in January 2023
  - Flowtech and James Fisher announce delay to year end audit processes. Latter to allow time for refinancing
  - Xaar shares were volatile but final results were well received. There appears to be material upside from new product launches
  - NCC announced downgrades with its interims in January, and a material profit warning on the last day of the quarter. Its weak performance in the quarter has contributed to the bulk of the NAV per share fall over the quarter
- Net cash ended the period at <1%
- Volatility is likely to persist during 2023, regardless of the low ratings of many UK equities. UK equities still very unloved. We continue to believe there is substantial medium to long term upside in the portfolio
- OIT’s shares ended the period trading at c.2.2% premium to NAV per share of 160.4p<sup>1,2</sup>
- c.2.6m OIT shares issued in the quarter. NAV at period end £181m. Blocklisting remains in situ

As at 31<sup>st</sup> March 2023. Performance measured from COB 1<sup>st</sup> May 2018 Source: <sup>1</sup> Odyssean Capital <sup>2</sup> Link Asset Services <sup>3</sup>Bloomberg. The NSCI + AIM ex Investment Company index is only used for the purposes of calculating performance fees. OIT does not attempt to match the composition of this index. The investment strategy is unconstrained and not benchmarked against any particular index. **Past performance is no guarantee of future performance** and the value of investments can go up and down.

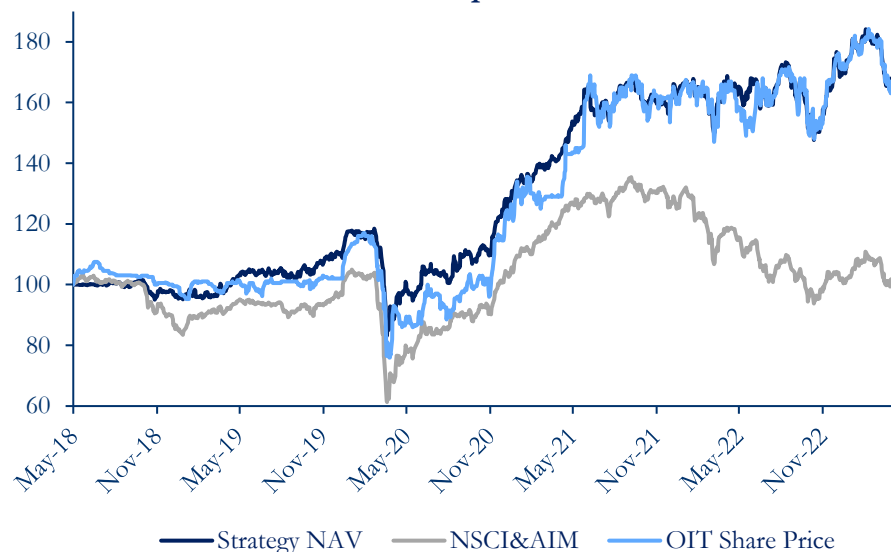
# Performance update

NAV per fell c.7% in Q1, giving back some of the recent performance



Performance	%						Inception to Dec-18	Since inception	Annualised since inception
	Q1-23	CY22	CY21	CY20	CY19				
NAV Total Return Per Share <sup>1</sup>	-6.9%	+5.5%	+25.0%	+13.1%	+22.0%	-3.7%		+63.1%	+10.5%
Share price return <sup>3</sup>	-5.9%	+5.0%	+28.7%	+14.2%	+17.7%	-4.0%		+64.0%	+10.6%
NSCI + AIM ex IC Total Return <sup>3</sup>	-0.6%	-21.9%	+20.0%	+4.9%	+22.2%	-15.0%		+1.8%	+0.3%
Average cash balance <sup>2</sup>	2%	5%	8%	9%	17%	65%		17%	17%

Rebased NAV per share and share price vs comparator index<sup>1</sup>



NAV per share performance vs comparator index<sup>1</sup>



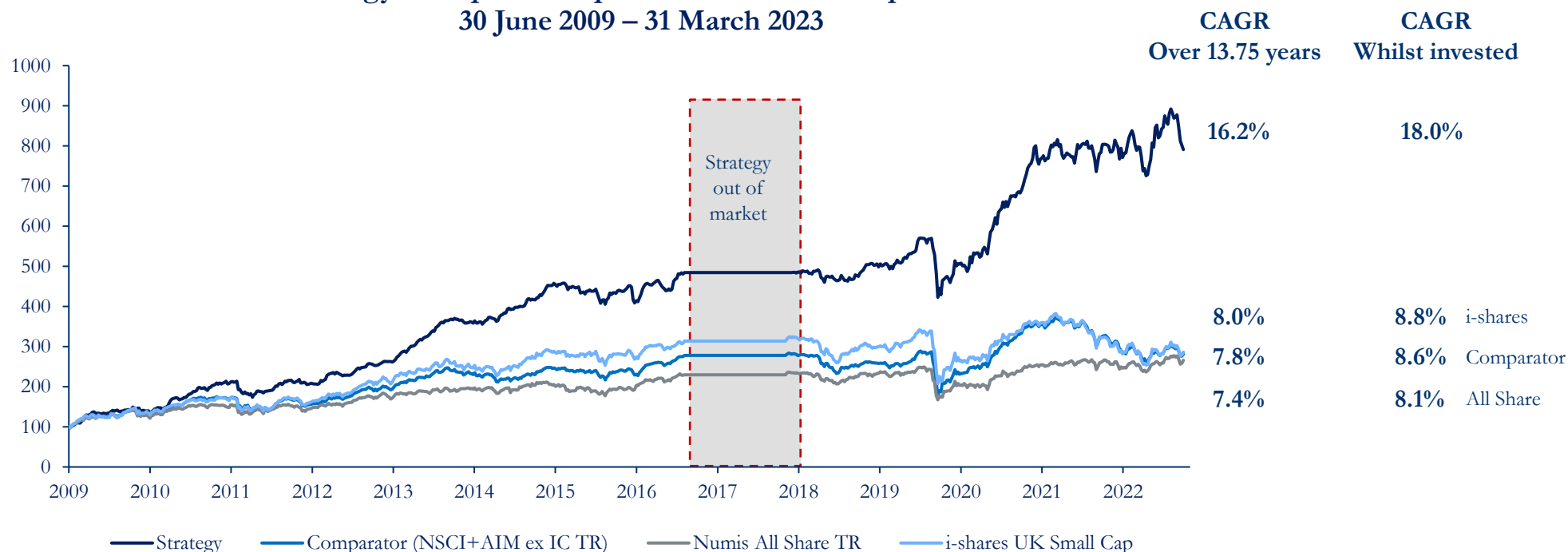
As at 31<sup>st</sup> March 2023. Performance measured from COB 1/5/18, share performance since inception assumes IPO price of 100p. Source: <sup>1</sup>Link Asset Services, Bloomberg, Odyssean Capital; Numis Smaller Companies plus AIM ex Investment Companies Total Return Index. Rebased to start NAV <sup>2</sup> Link Asset Services, Odyssean Capital <sup>3</sup> Bloomberg. YTD – Year to Date; LTM = Last 12 months. **Past performance is no guarantee of future performance** and the value of investments can go up and down. The NSCI + AIM ex Investment Company index is only used for the purposes of calculating performance fees. OIT does not attempt to match the composition of this index. The investment strategy is unconstrained and not benchmarked against any particular index.

# Our investment strategy has delivered strong long term returns

Attractive absolute and relative performance, without any gearing



Strategy NAV per share performance since inception<sup>1,2,3</sup>  
30 June 2009 – 31 March 2023



- Despite periods of short term volatility, over the long term, under our management this investment strategy has delivered returns above both the absolute return ambition and also the comparator index<sup>3</sup>
- Differentiated approach is distinct from “pure” Growth or Value
- Returns generated with net cash and no gearing. Net cash typically high single digit as % portfolio

Notes: OIT performance measured from COB 1/5/18 when OIT launched, OIT share performance since inception assumes IPO price of 100p. Comparator is Numis Smaller Companies plus AIM ex Investment Companies Total Return Index. This index is used as a Comparator not a benchmark, and it is shown for comparison purposes only <sup>1</sup> Shows NAV Total Return per share post all fees. Rebased to start NAV. <sup>2</sup> As at COB 31<sup>st</sup> March 2023 <sup>3</sup>Stuart Widdowson was lead manager of Strategic Equity Capital plc “SEC” from 1<sup>st</sup> July 2009 until 6<sup>th</sup> February 2017. Performance up to 6<sup>th</sup> February 2017 is from SEC. Source: Link Asset Services, Bloomberg, Odyssean Capital.

Past performance is no guarantee of future performance and the value of investments can go up and down.

# Performance drivers in Q1 2023

## Key stock contributors



### Largest positive contributors

#### ASCENTIAL

- Announced completion of strategic review and intention to break up the group to maximize value
- These actions reflected our long-held view of the group trading at a sum-of-the parts discount – shares rose strongly on the announcement



- A new position opened in the quarter
- Shortly after we built our position received a bid approach from Providence Equity partners at c.108p (c.40% premium)
- Although we view the bid as low, we exited our position into the market at levels above the bid price. Recycling capital elsewhere



- Well received final results showing ongoing organic growth despite China driven headwinds (covid) and delivery of first stage of factory optimisation
- Strong momentum behind new product launches are positive for future performance and shares, although volatile, rose through the period

### Largest negative contributors



- Disappointing trading updates through the period with weak demand from key large US tech customers and new CEO announcing plans to increase investment to accelerate growth in the consulting division
- Also announced plan to dispose of low growth, high margin software resilience division
- We continue to see the group as trading well below its sum-of-the-parts value at current levels



- Full year update flagged downgrades driven by slippage of large orders at year end – driving a de-rating of shares on thin volumes
- New, highly experienced Chairman joins at the May AGM, having been proposed by us and other shareholders. We view this change as positive for the group which remains well positioned in what we believe is an attractive market

James Fisher and Sons plc  
Pioneering Sustainably



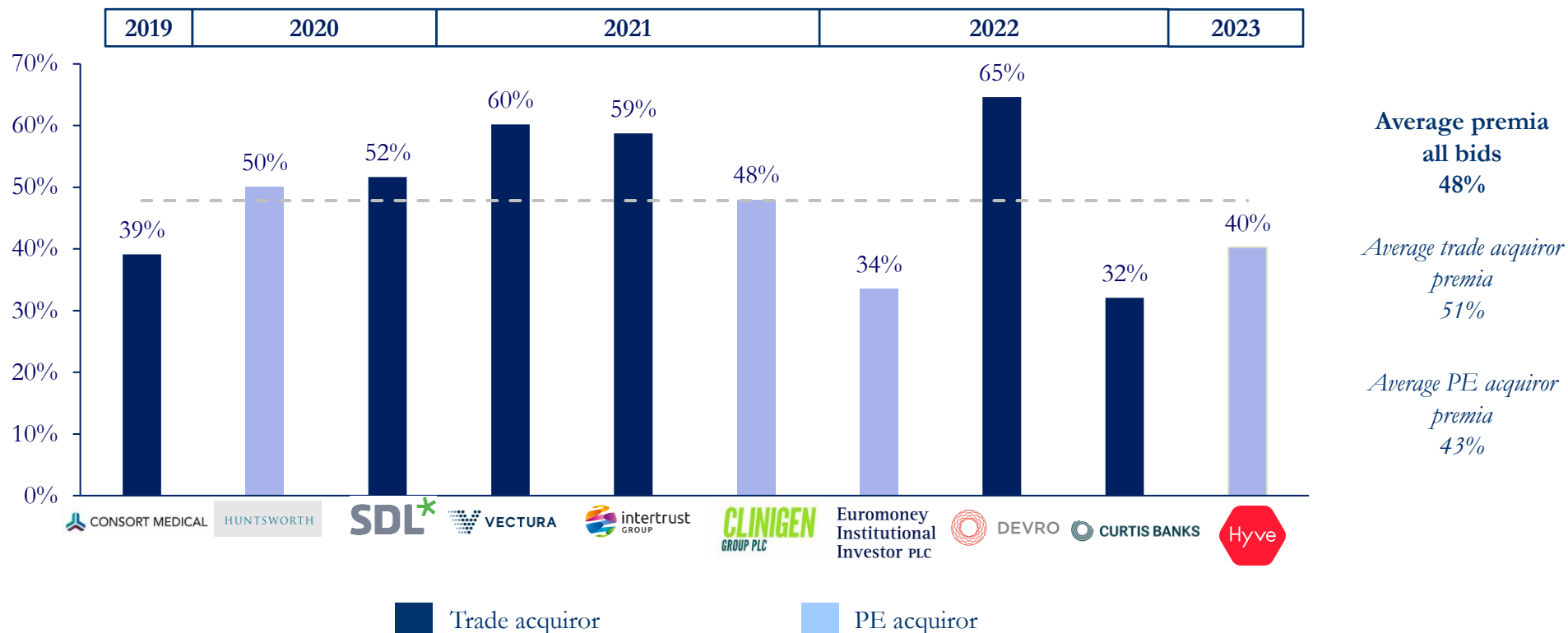
- Shares were volatile through the period ultimately ending down
- Announced disposal of loss-making nuclear division and an in-line 2022 trading update which showed de-leveraging ongoing
- Full year results delayed as the group looked to complete a re-financing

# Portfolio takeover activity validates valuation discipline

Average completed day 1 bid premium of c.48%. Typically overseas trade buyers



Announced/completed take over offer premia



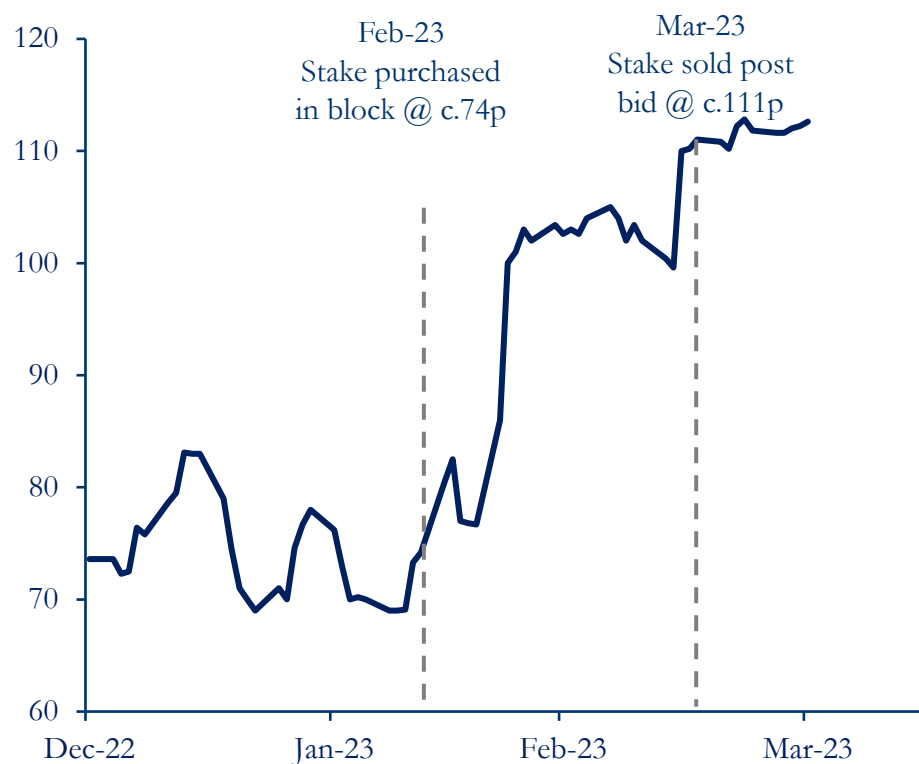
- Strategy has selected companies which have been attractively priced and vulnerable to M&A if the investment community continued to misprice them
- We believe that the absolute valuation of many UK equities leads them to be vulnerable to future M&A
- However, we believe that straight PE backed take privates are less likely due to higher cost of debt

# Case Study: Hyve Group PLC



Returns accelerated and crystallised due to a bid within four weeks of purchase

## Hyve share price development



**Investment generated a 1.5x cash-on-cash over c.1 month  
(>8,000% IRR given short hold period)**

- New investment in Hyve in Feb-23 a B2B events business with leading events
  - Further investment in B2B media sector – following ERM, ASCL and WIL
- Investment thesis:
  - Ongoing post covid recovery in in-person events notably in China, and roll out of Hyve's proven 'omni-channel' strategy to drive organic growth at events and a recovery in margins to 20%+
  - Rapid de-leveraging
  - Recovery in rating to levels of relevant peers
- £5m position acquired in February at c.74p via a block. Within 3 weeks Hyve announced bid talks with Providence Private Equity – ultimately leading to a bid at 108p
- We sold at a premium to the bid, exiting the whole holding, having evaluated the deal dynamics and valuation parameters

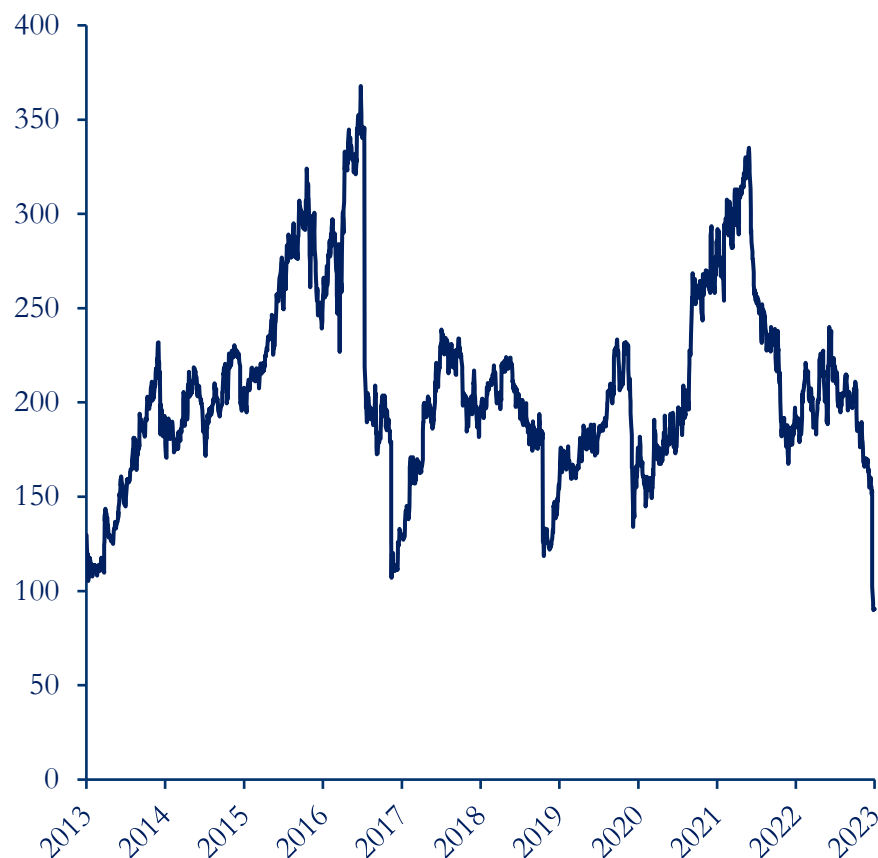


# NCC – what has happened

Difficult trading lead to profit warning in Q1. Considerable value recovery potential?



NCC share price (last 10 yrs)



- Cost of investment since 2018 £34m. Realised £16m. Unrealised £13m. Historically we have been disciplined in taking profits
- We believe that the strategic review of Escrow division announced in January 2023 was a very positive move and that the strategy for Assurance division was logical and will improve the business
- Extent of trading deterioration in February and March was unanticipated and reportedly as bad as in 2008. We had not appreciated the extent of dependence of the US Assurance business on large US Tech clients, nor the short order cycle of that particular business unit
- Share price reaction to the trading update has been brutal. @ 98p<sup>1</sup> implied valuation for the Assurance division (assuming Escrow is valued at £240m<sup>2</sup>) is 0.5x EV/Sales. This seems extremely undemanding if Assurance can regain its target 15% margins and grow. We believe that valuing Assurance at 1-2x EV sales gives a target price of 155-250p for the group on a 2-3 year basis
- If Assurance can reach these margins and deliver double digit organic growth, 2x EV/Sales, perhaps more, is achievable

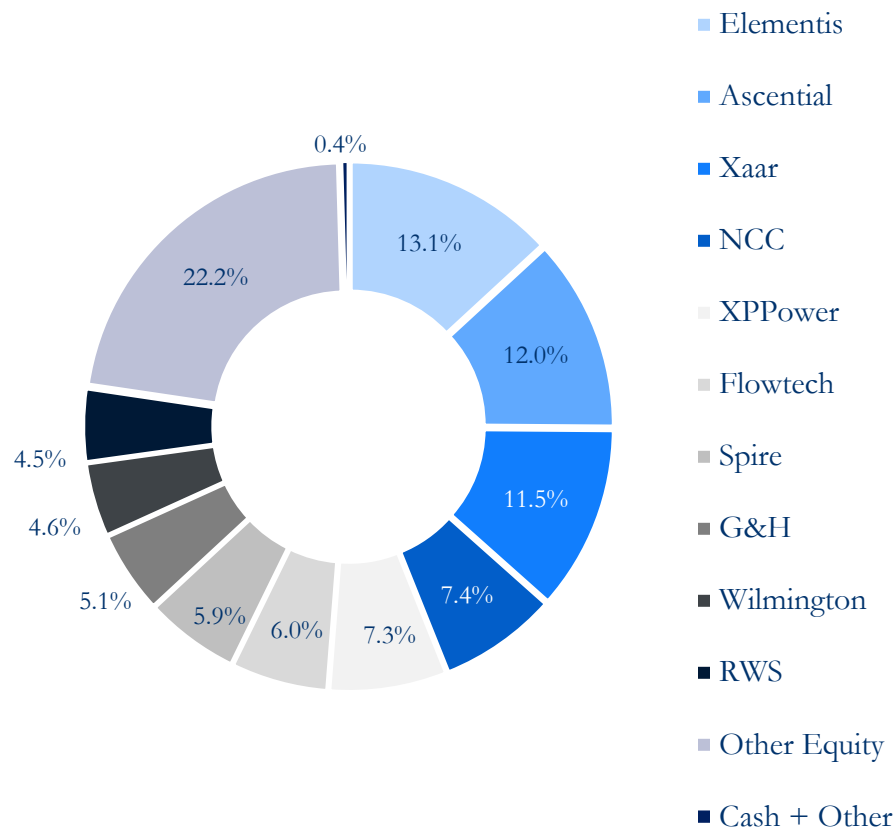
Source: Factset, Odyssean Capital. <sup>1</sup> As at close of business 14<sup>th</sup> April 2023 <sup>2</sup>As per Panmure Gordon note of 17<sup>th</sup> April 2023. We believe this is conservative. **Past performance is no guarantee of future performance** and the value of investments can go up and down.

# Portfolio

## High conviction portfolio



Top portfolio holdings<sup>1</sup>



- Top 10 holdings account for 77% of NAV
- Completed exit of positions in Curtis Banks and Devro following bids
- Ascential position “left to run” given the break up and conglomerate nature of company
- Material further investments made into Gooch & Housego and XP Power on completion of further DD and on share price weakness
- Top up investments into other names in the period notably Xaar on share price volatility and NCC following sharp sell off at the end of the quarter
- Two new positions initiated in the period (outside top 10) – scope to scale further as DD progresses
- Net cash balance of c.0.4% at period end

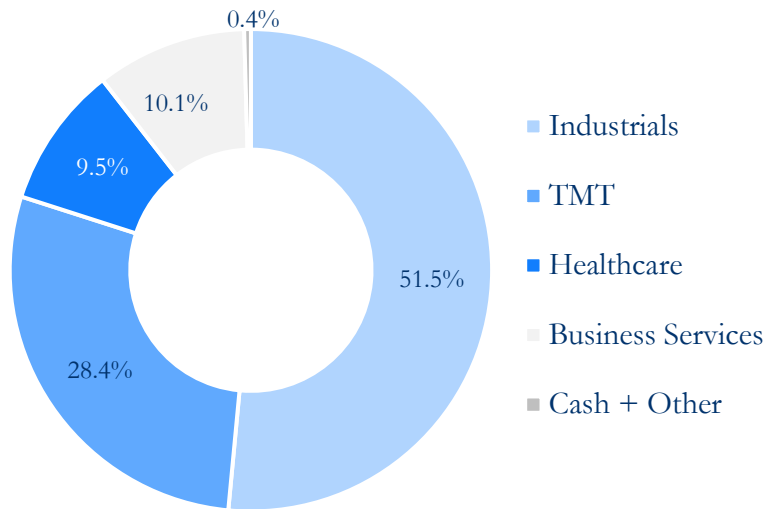
Source: <sup>1</sup> Odyssean Capital LLP, Link. As at 31<sup>th</sup> March 2023. Figures may not add up to 100% due to rounding

# Portfolio

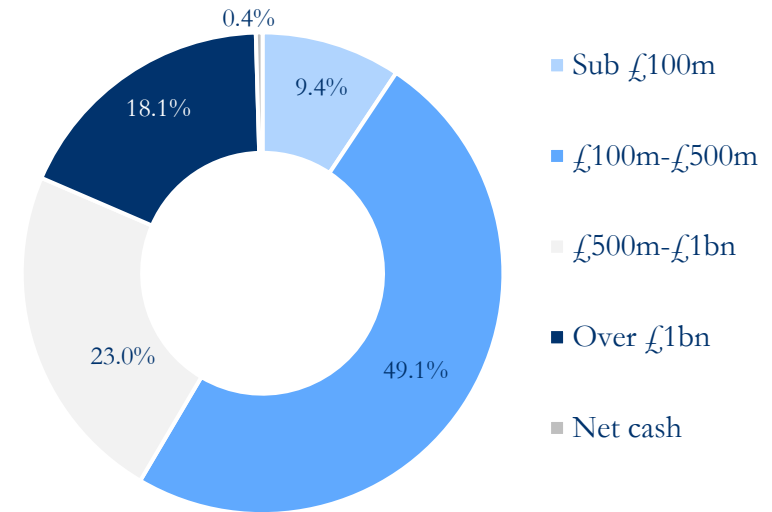


Focused on our core sectors and core market cap range

Holding by sector <sup>1</sup>



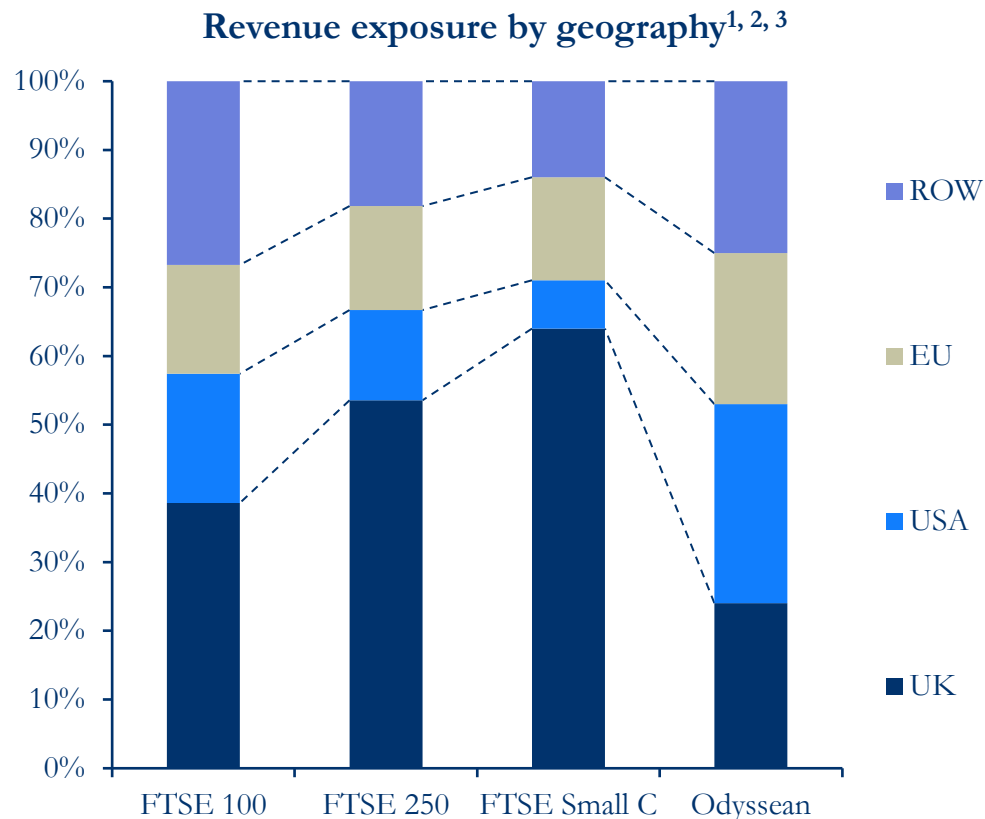
Holding by market cap <sup>1</sup>



- Industrials remains the largest sector exposure, increased due to recent investments in B2B electronics (Gooch; XPP) and strong performance at Xaar. B2B Electronics now accounts for >27% of NAV
- Industrials leverage - 1.8x historic Net Debt/EBITDA forecast to fall to 1.2x in 12 months
- TMT stable
- Net cash balance of <1%
- 72% of invested exposure in core target market cap range of £100m-£1bn. Threshold to get into FTSE 250 c.£563m
- Exposure to >£1bn by Ascential's re-rating over the quarter
- Exposure to positions under £100m due to re-rating of Dialight
- NAV weighted mean market caps of £501m and median market cap of £319m respectively

# UK Smaller Companies can provide global exposure

OIT's portfolio is more international currently than the FTSE 100



- Portfolio revenue generation is balanced by geographic area, which we believe spreads political and economic risk
- UK exposure fell in the period with exit of Curtis Banks (pure UK revenue) and growth in internationally focused investments (Gooch, XP Power, Ascential)
- US Revenue exposures >3% points of NAV
  - Ascential (5.6% points)
  - Elementis (3.7% points)
  - XP Power (3.6% points)45% of OIT's US exposure
- OIT's portfolio derives <25% of revenues from the UK, less than the FTSE 100
- We believe that many of the portfolio companies with significant overseas sales and earnings are undervalued compared with international peers

Source: <sup>1</sup> Odyssean Capital and Link. As at 22 March 2023. <sup>2</sup> FactSet company filings. <sup>3</sup> Liberum/Bloomberg as at March 2023. Odyssean strategy does not attempt to match any composition of any index including the FTSE Small Cap Index. Data is provided for information purposes only. Figures may not add up to 100% due to rounding. Capital at risk.

# Top 10 holdings summary

Niche market leaders, often with international operations and self-help













Holding	Market position	Self-help/engagement opportunities
<b>ELEMENTIS</b>	Global market leader with high quality industrial talc and high quality hectorite clay	Plant footprint optimisation; more higher value add products; invest in salesforce
<b>ASCENTIAL</b>	Portfolio of leading sector events, B2B and Digital Commerce platforms	Integration of recent M&A – supporting shift of high growth acquisitions to profitability. Portfolio optimization
<b>Xaar</b>	Unique product proposition in global market for digital printing heads for industrial printers	Commercialisation of considerable IP, develop and launch new products and regain of market share. Introduce lean manufacturing
<b>nccgroup</b>	UK and US market leader in software Escrow services. Leading independent cyber security services provider	Possible separation of Escrow. Cross sell of products across US and UK Escrow operations. Build out Assurance product offering
<b>XP Power</b>	Global developer and manufacturer of power supply and converters for the electronics industry – B2B not B2C	Optimisation of manufacturing footprint – shift US to Asia. Further operational benefits through roll out of new ERP platform
<b>FLOWTECH FLUIDPOWER</b>	UK market leader in hydraulic and pneumatic components distribution	Integration of past M&A and delivery of synergies. Digital strategy roll out and acceleration
<b>Spire Healthcare</b>	Owner and operator of private hospitals in the UK – leader outside of the M25	Digitisation of group processes. Drive increased efficiency through standardised processes across all sites. New service offerings
<b>Gooch &amp; Housego</b>	Niche global Optics and Photonics designer and manufacturer for industrial, telecoms, aerospace, defence and life sciences sectors	Improve operational performance and on time delivery. Strategic focus and commercialisation of considerable IP
<b>Wilmington plc</b>	Leader in providing data, networking and training across multiple niche, professional end markets	Technology investment in sales, CRM and centralising of data to drive growth. Improve IR on a complex story
<b>RWS</b>	Leading provider of language services and software and intellectual property services	Invest in operating platform (LXD) and bring together multiple back-office systems. New product development and sales investment

# Key portfolio themes by sub-sector

Account for c.88% of NAV



<b>Industrial products &amp; services</b> <b>(30% NAV)</b>	<ul style="list-style-type: none"> <li>• Market leading positions – significant strategic value</li> <li>• Revenue enhancements (new products; digital) and efficiencies driving self help</li> <li>• Achieving inflation/inflation+ price rises</li> <li>• We believe self help potential is not priced in by the market, which is focused on short term</li> </ul>	  +4 others
<b>Specialist B2B Electronics</b> <b>(27% NAV)</b>	<ul style="list-style-type: none"> <li>• Market share recovery following improved supply chain and new product introductions</li> <li>• Low capital intensity and well invested -&gt; growth not capex hungry</li> <li>• Achieving inflation/inflation+ price rises</li> <li>• Products enable substantial energy cost savings</li> <li>• Many instances of self-help – e.g. lean manufacturing, operational efficiency, working capital management</li> </ul>	   
<b>B2B Media</b> <b>(17% NAV)</b>	<ul style="list-style-type: none"> <li>• Self help being delivered</li> <li>• Covid reopening beneficiaries as in person events return</li> <li>• Well positioned for accretive M&amp;A</li> <li>• Discount to our view of sum-of-the-parts value. Ascential being broken up</li> </ul>	 <b>ASCENTIAL</b>
<b>Other growth themes driving specific names...</b>	<ul style="list-style-type: none"> <li>• Cyber security (8% of NAV)</li> <li>• Growing NHS back log pushing people to private providers (Spire – 6% NAV)</li> </ul>	  

# We see material medium/long term upside in B2B electronics

Prospects not reliant on the UK economy. GDP+ growth potential with high margins



Holding	Current EV/Sales <sup>1</sup>	15 year range EV/Sales <sup>1</sup>	15 year average EV/Sales <sup>1</sup>	Sales growth potential through the cycle <sup>2</sup>	EBITA margin potential <sup>2</sup>	UK as % sales <sup>3</sup>	Trade peers <sup>2</sup>
Xaar	2.2x	0x-5.5x	2.1x	High single/low double digit	>15%	2%	Fuji, Epsom, Kyocera
XP Power	2.0x	0.6x-4.7x	2.5x	High single/low double digit	>20%	4%	Advanced Energies Industries Inc
Gooch & Housego	0.9x	0.3x-3.1x	1.9x	Mid/high single digit	Mid teens	22%	Coherent Inc Excelitas Inc Trumpf
Dialight	0.5x	0.5x-2.6x	1.2x	Mid/high single digit	>10%	3%	Eaton Inc, Acuity Brands Inc

## Our views

- Xaar has highest 3-5 year sales growth potential (and above trend). Strong new product pipeline justifies higher rating and provides scope for material sales growth. Unique IP and historically attracted trade buyer interest as new products were launched (2006 – then Danaher Inc)
- XP Power's shares depressed by short term negative sentiment due to the balance sheet and semiconductor exposure. Medium to long term prospects look strong. In line trading update early April 2023
- Gooch & Housego's rating has been impacted by operational issues, which are being addressed. In line trading update April 2023
- Dialight's rating has been impacted by supply chain issues (addressed) and lumpy sales disappointing in December 2022. New Chair joining with strong track record of shareholder value creation

# Special situations across the portfolio

Lots of ways for companies to create/unlock value



Holding	Margin improvement	Undervalued/ hidden growth	SOTP <sup>1</sup> discount	Material cost synergies for a trade buyer	Geographic arbitrage	Market share recovery	Other
ELEMENTIS	✓	✓		✓	✓	✓	Mineral asset backing
ASCENTIAL	✓	✓✓	✓✓	?	✓		Break up announced
XAAR	✓	✓		✓	✓	✓✓✓	New product launches
nccgroup	✓		✓✓	✓	✓	✓	Scarcity value
XP Power	✓	✓		✓	✓	✓	Manufacturing footprint
FLOWTECH FLUIDPOWER	✓			✓✓			E-commerce optimisation
Spire Healthcare	✓	✓		✓✓			New revenue areas
Gooch & Housego	✓✓	✓		✓✓	✓		High IP base
Wilmington plc		✓	✓	✓	✓		Platform
RWS	✓		✓	✓✓	✓		Sector consolidation

Source: Views and opinions of Odyssean Capital as at the date of this presentation. <sup>1</sup>SOTP – Sum of the Parts

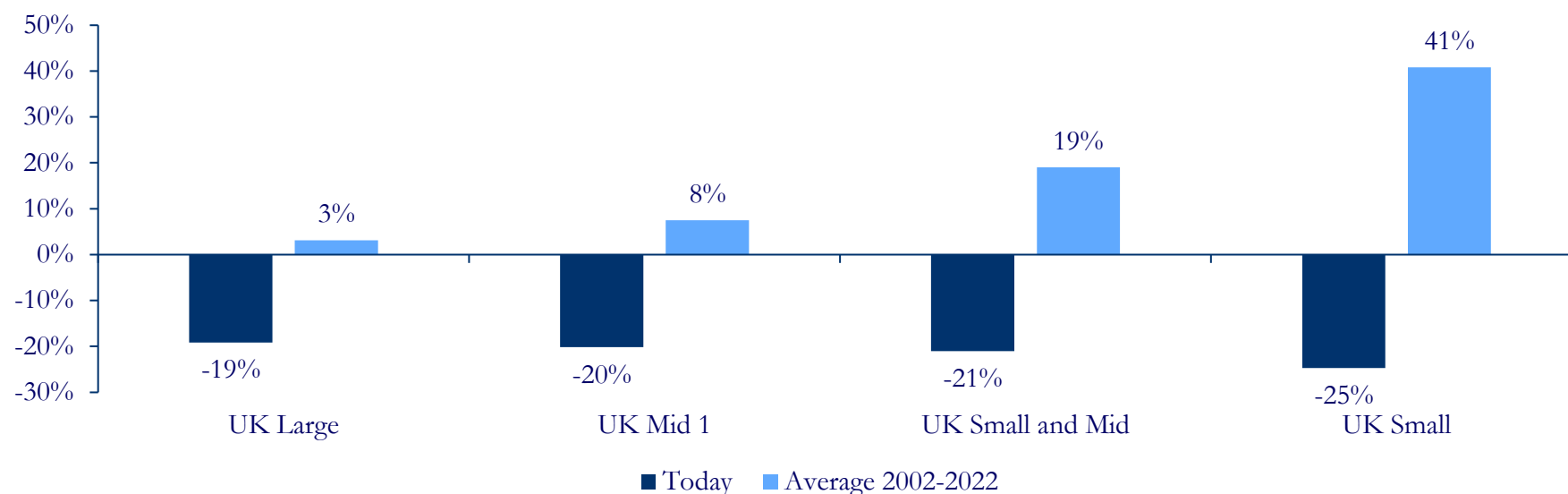


# Quest® analysis suggests UK equities are cheap in absolute terms

Within UK equities, most potential upside from UK Small valuations



Aggregate Market Value (Discount)/Premium to Default Quest® fair value



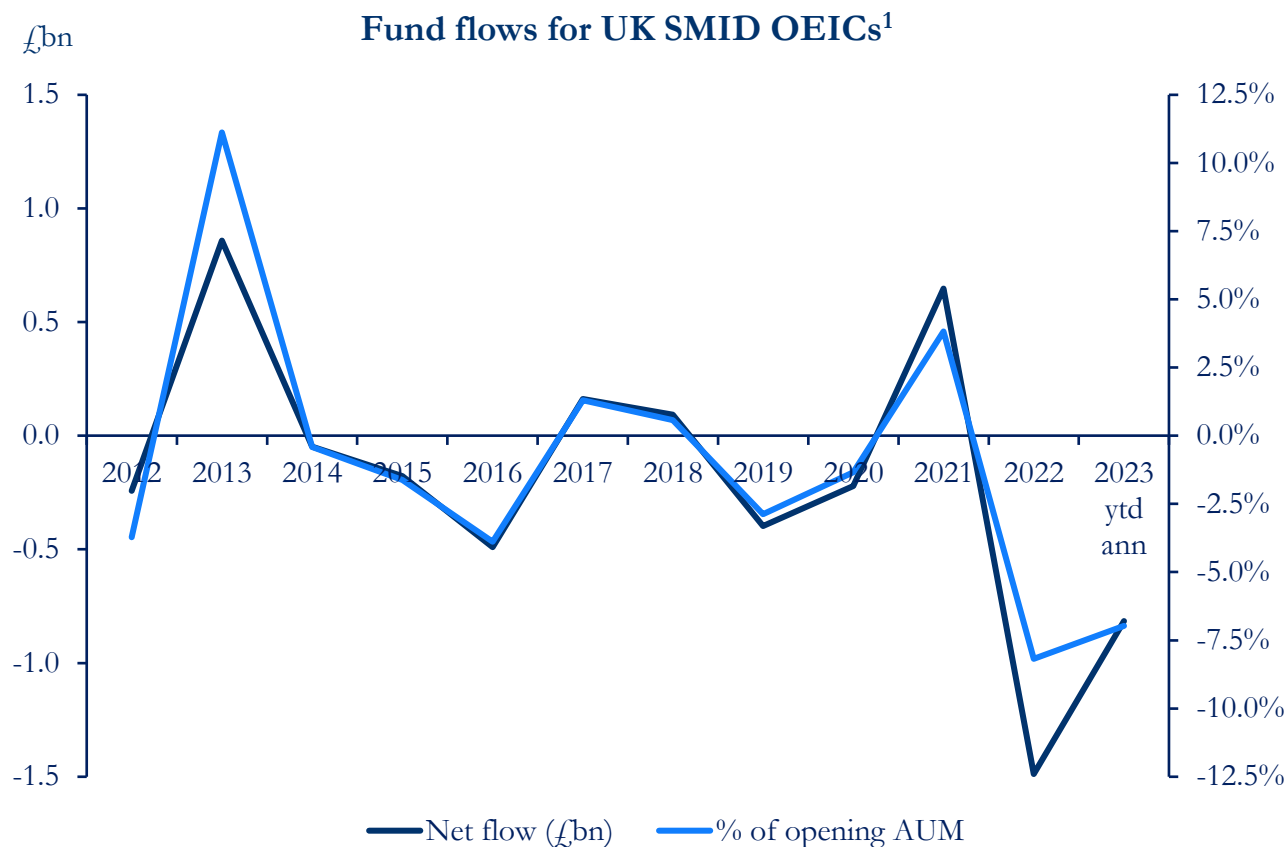
Market cap range	>£3.5bn	£400m-£3.5bn	Up to £3.5bn	Up to £400m
Number of companies <sup>1</sup>	339	222	965	743
Market cap total	£2,468bn	£230bn	£281bn	£51bn

- OIT's median market cap £319m; weighted average market cap £501m

Source: Canaccord Quest® as at 12th April 2023 – 20 years to end December 2022. Odyssean Capital. <sup>1</sup> Only includes UK quoted companies where there is at least one broker forecast. Mid values are implied. **Past performance is no guarantee of future performance** and the value of investments can go up and down. Quest defines UK Small cut off as the market cap of the smallest company in the FTSE250 at the end of September

# Flows into UK SMID OEICs continue to be very negative

LTM outflows of £1.3bn equivalent to 8% of starting AUM

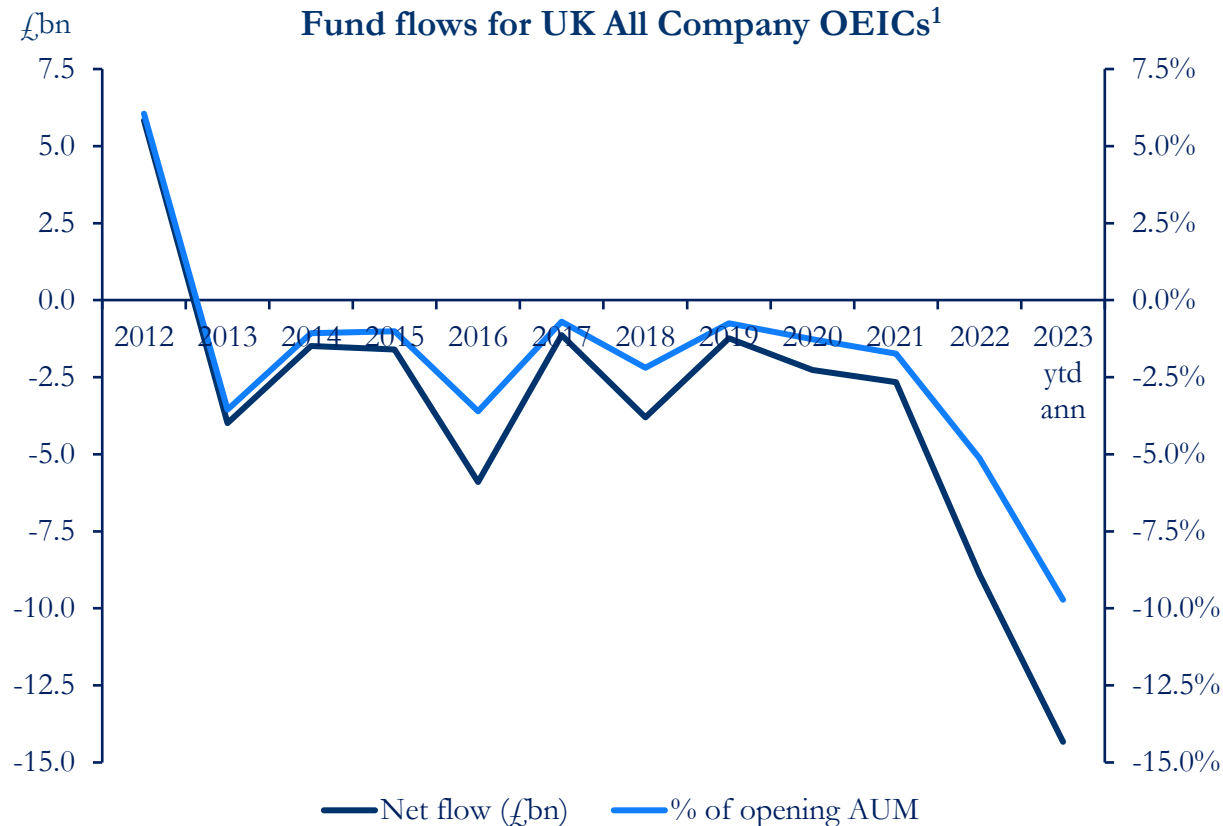


- Since OIT's IPO, £1.6bn has been redeemed from UK SMID OEICs = 10% of the starting AUM of that asset class

Source: <sup>1</sup>Numis Securities as at 18<sup>th</sup> April 2023. Estimated data for March. 2023 ytd – annualised for first three months

# UK All Companies OEICs have experienced high outflows YTD

YTD outflows running at annualised 10% of starting AUM



- Flows are irrespective of fundamental valuation attractions of the UK
- Data includes net inflows/outflows into passive funds, but not ETFs
- YTD, 14x Private Equity approaches for UK quoted companies<sup>2</sup>

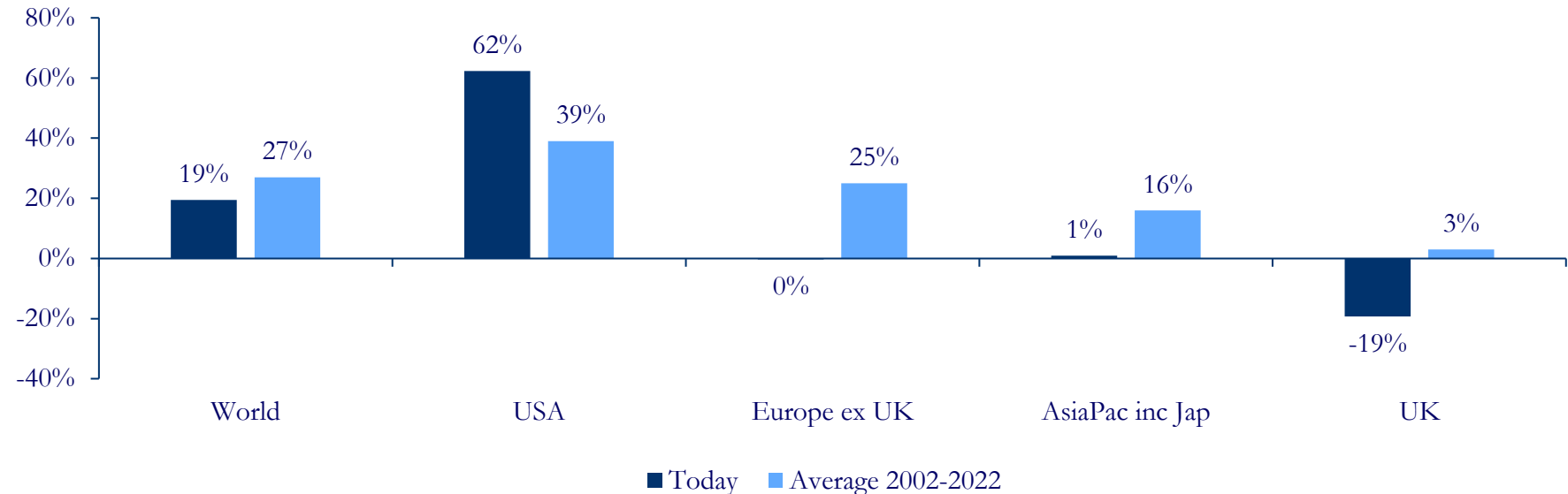
Source: <sup>1</sup>Numis Securities as at 18<sup>th</sup> April 2023. Estimated data for March. 2023 ytd – annualised for first three months <sup>2</sup>Daily Mail as at 18<sup>th</sup> April 2023

# Global equities about “fair value”. US equities below LT average

UK equities trade at the largest discount to Quest® fair value of major markets



Aggregate Market Value (Discount)/Premium to Default Quest® fair value



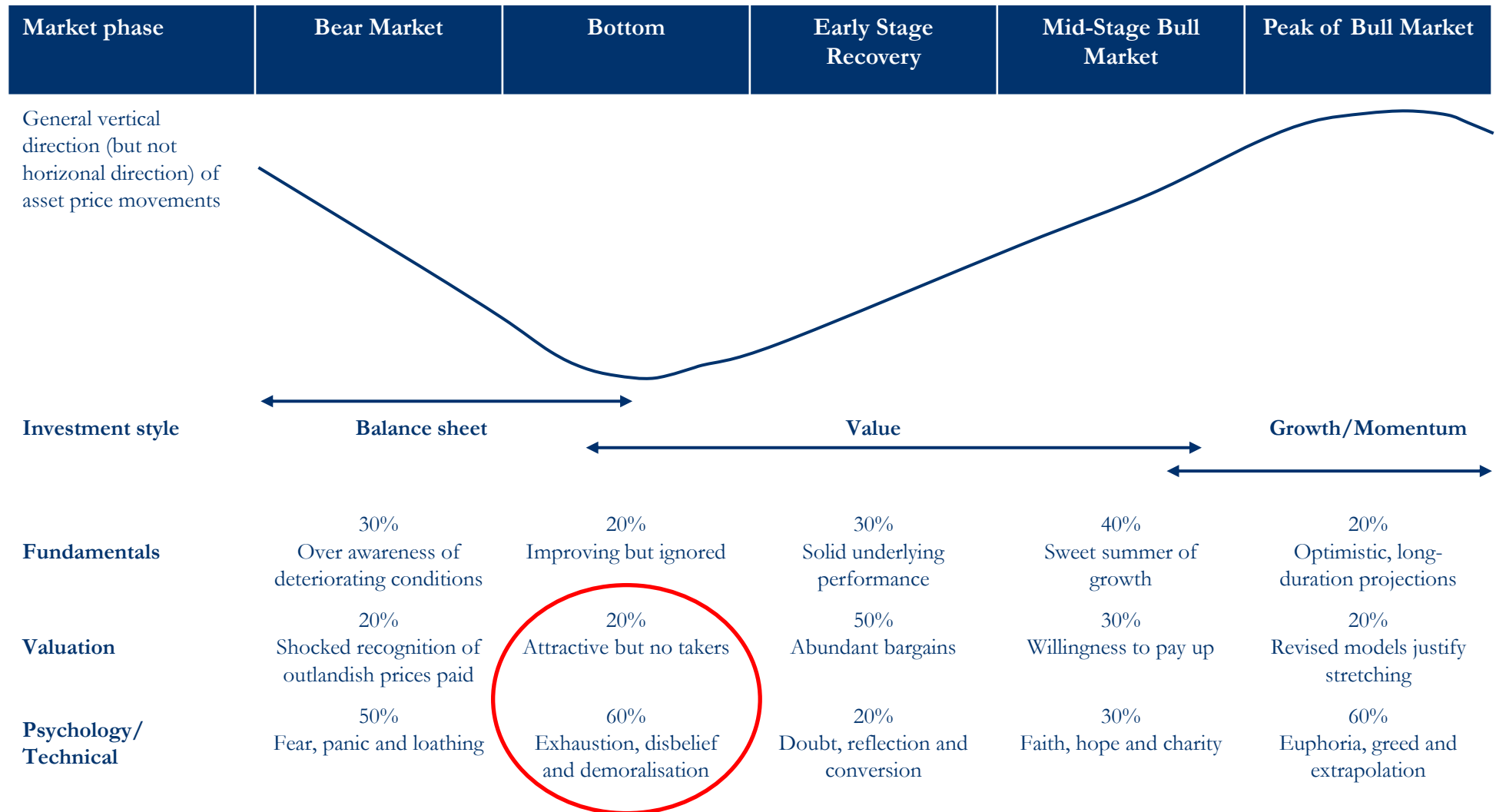
Number of companies <sup>1</sup>	17,384	3,490	2,412	8,759	1,081
Market cap total	\$92trn	\$43trn	\$12trn	\$26trn	\$3trn

- Global equities remain valued below their long term premium to Quest fair value
- Despite falls, US remains the only major market area where the shares are trading at a material premium to both Quest fair value and 50% above the long term average premium
- UK equities seem to be extremely attractively priced in absolute and relative terms

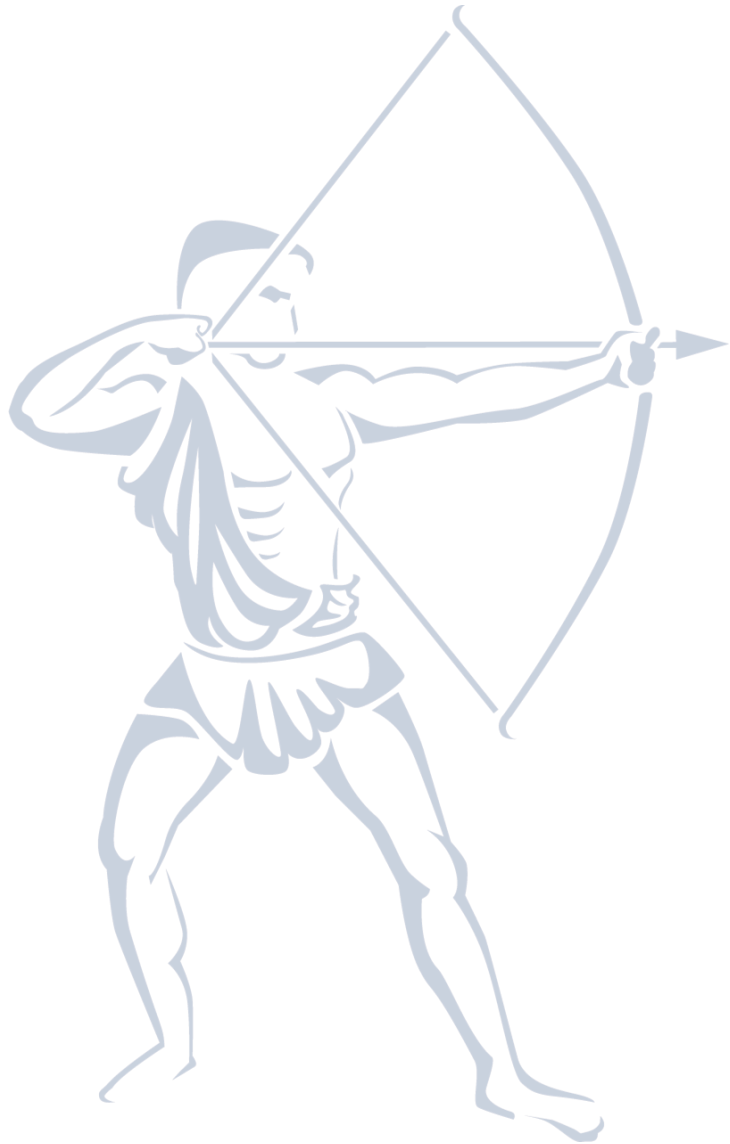
Source: Canaccord Quest® as at 12th April 2023 - 20 years to end December 2022. Odyssean Capital. <sup>1</sup> Only includes UK quoted companies where there is at least one broker forecast. Mid values are implied. Past performance is no guarantee of future performance and the value of investments can go up and down.

# The investment cycle

## Looking for signs of improving fundamentals in UK Equities?



Source: Morgan Stanley Wealth Management. Note: The percentages indicated above are hypothetical. **Hypothetical performance is not a guarantee of future performance** or a guarantee of achieving overall financial objectives.



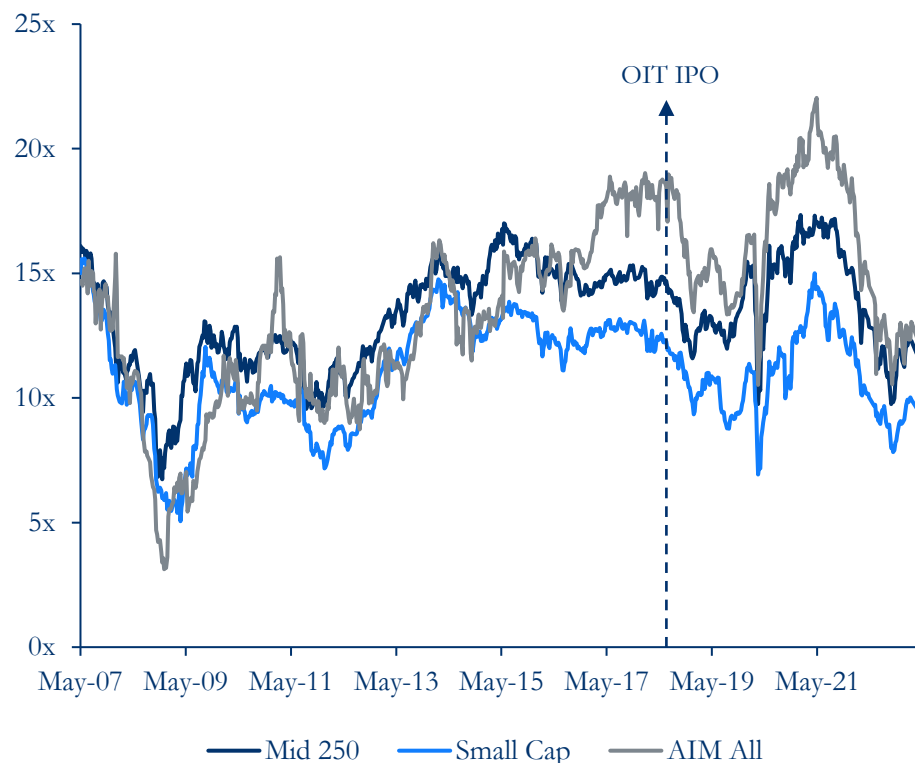
## Supporting Portfolio & Market Data

# UK equities have experienced material de-ratings since May-21

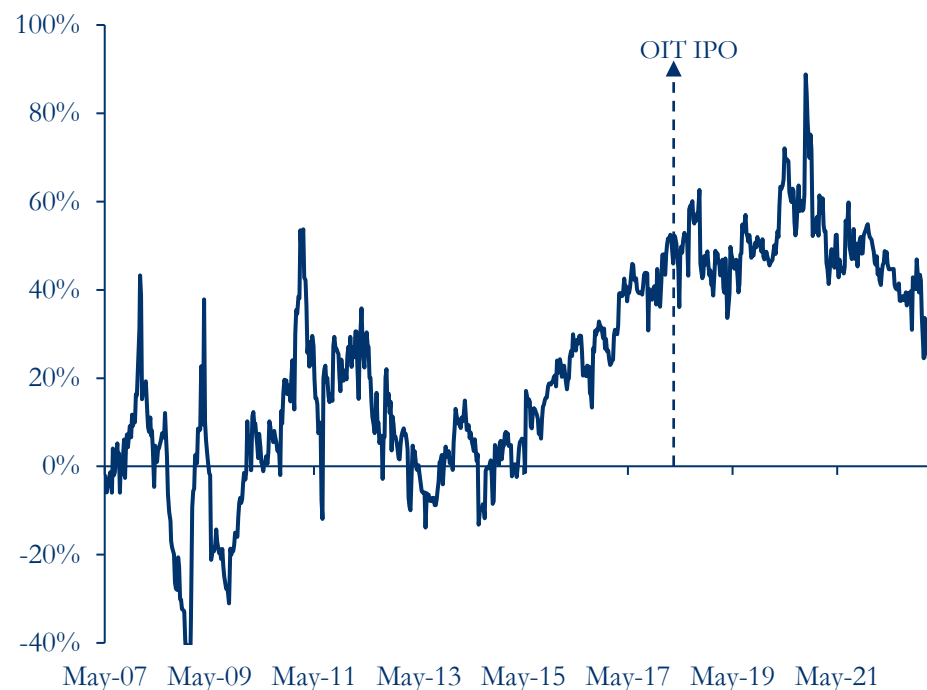
Absolute ratings are undemanding relative to recent history



Forward NTM p/e multiple by FTSE Index<sup>1</sup>



FTSE AIM premium to FTSE Small Cap Index<sup>1</sup>



- NSCI & AIM Index p/e has de-rated by 21% since OIT's IPO
- AIM “premium” much reduced

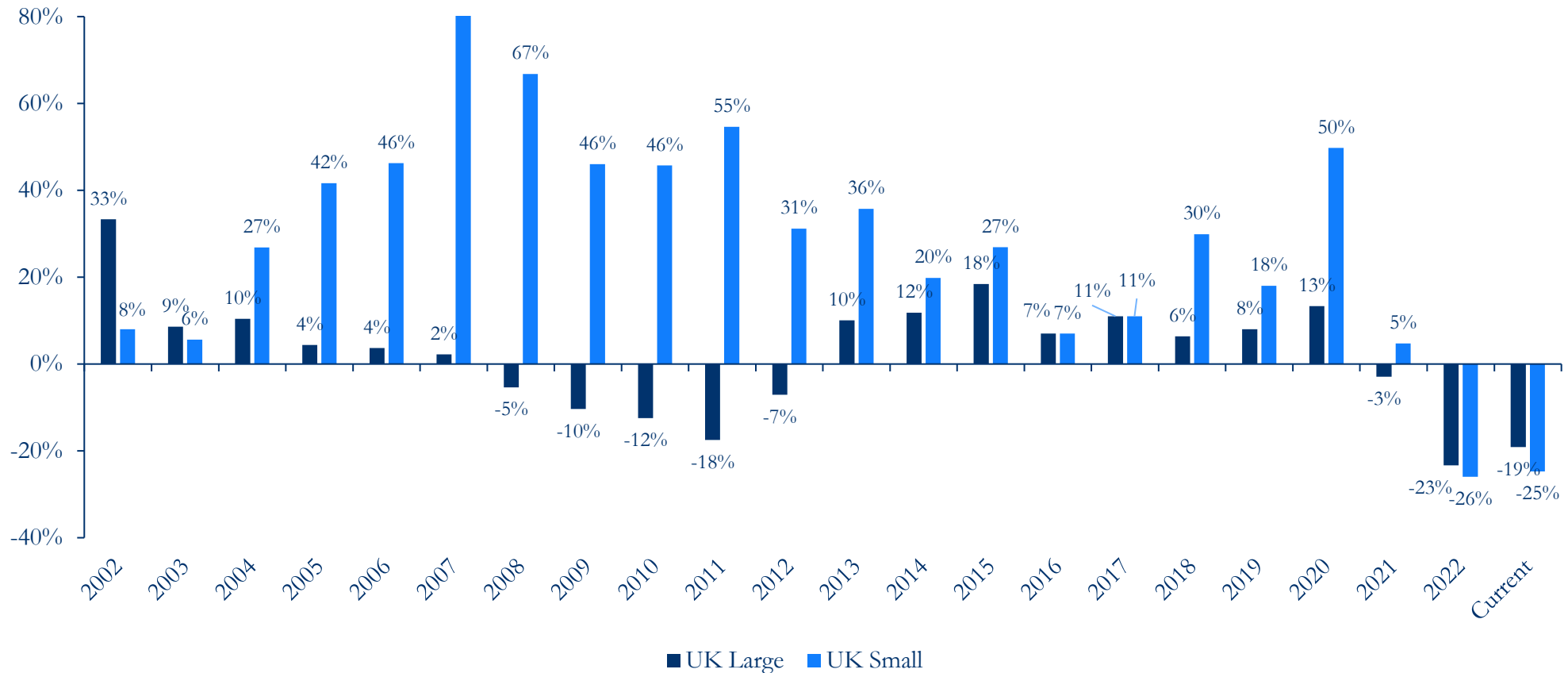
<sup>1</sup>As at 31<sup>st</sup> March 2023. Source Peel Hunt. Only includes positive earning companies. **Past performance is no guarantee of future performance**, and the value of investments can go up and down. OIT does not attempt to match any composition of any index including the FTSE Small Cap Index. Data is provided for information purposes only.

# UK Small continues to trade at a rare discount to Quest<sup>®</sup> fair value



UK Small trading at a historic wide discount and a wider discount than UK Large

Aggregate Market Value Premium / (discount) to Default Quest<sup>®</sup> fair value

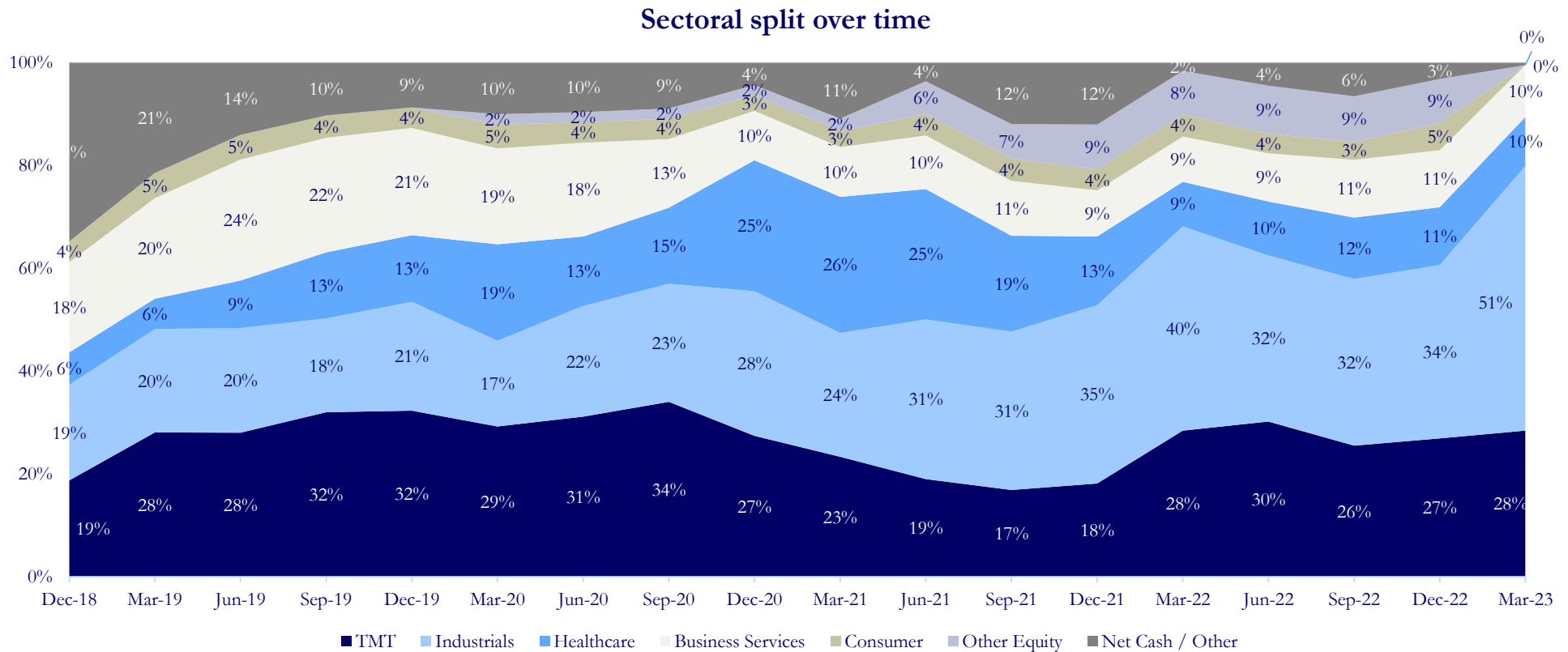


Source: Data from Quest<sup>®</sup> as at 12th April 2023. **Past performance is no guarantee of future performance** and the value of investments can go up and down.



# Portfolio sector exposure overtime

Industry exposure shifts driven by where we believe there are opportunities



- **Industrials remains the largest sector exposure, with growth in the quarter reflecting further investment in a number of names notably Gooch and XPP, as well as two new 2% holdings. Electronics has gone from 0% in June 2020 to almost 27% of NAV, accounting for most of the growth in the industrials sector**
- **Exit of Curtis Banks and Devro reduces exposure outside of 4 'core' sectors – TMT, Industrials, Healthcare and Business Services**

# ESG - Portfolio company voting record over Q1 2023

Continued to follow our consistent guidelines and raise our concerns where appropriate



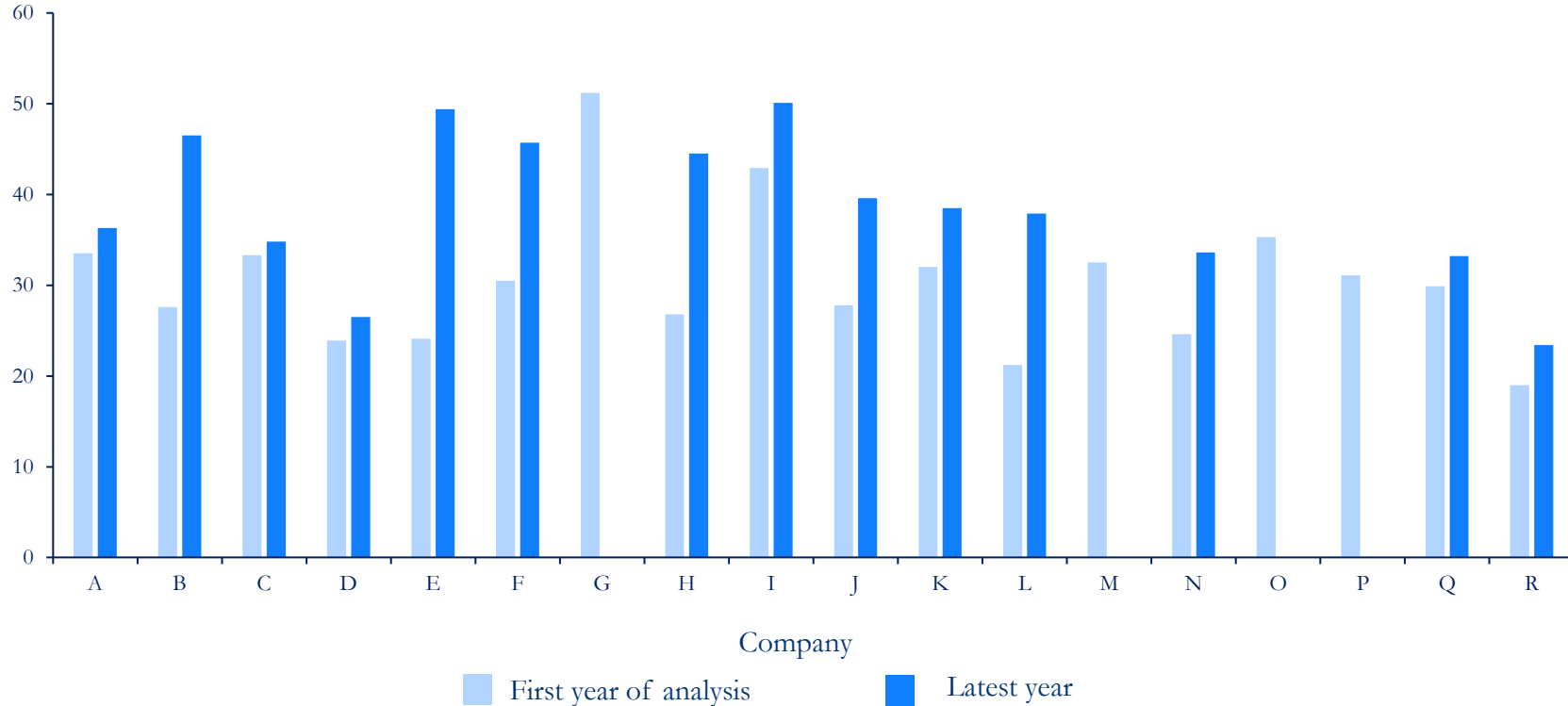
Comment	
Number of meetings	6
Number of resolutions	64
Number voted	64
Voted with management	58
Voted against management	6
Abstained	0

# ESG performance and disclosure

## Improving trend of performance and disclosure



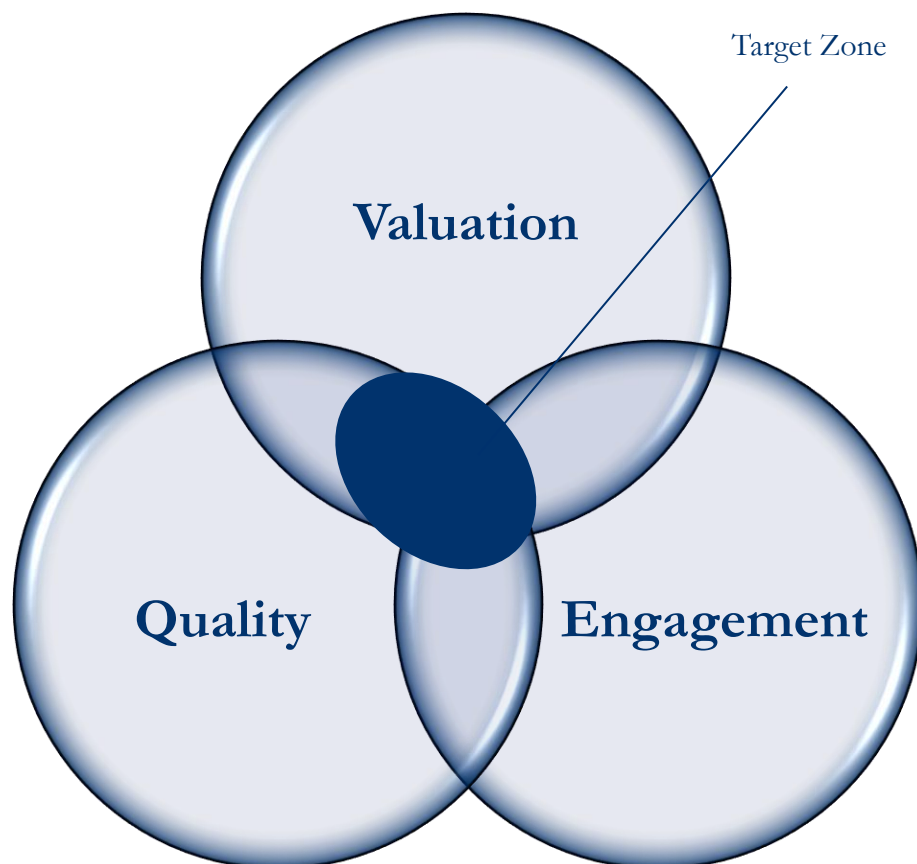
ESG performance and disclosure (out of 100) of portfolio companies



Source: CEN ESG Advisory; Odyssean Capital. As at 31<sup>st</sup> December 2022. The score represents the scoring carried out by CEN-ESG, a specialist ESG rating service which takes a composite view of all of the major rating agencies' methodologies and applies these consistently to quoted equities. In many cases, they are the only provider of data for UK quoted smaller companies, which are too small to attract attention from the large ESG rating agencies.

# Investment strategy recap – neither growth nor value

Based on 3 pillars: Valuation, Quality and Engagement, with Sector focus



## Valuation

- Invest at a significant discount to owner's valuation
- Look for businesses with multiple drivers of equity value growth (sales; margin; rating; free cashflow; M&A)
- “Make money”, not beat an index

## Quality

- Strict quality overlay to complement value focus
- “Good companies”
- Limit downside

## Engagement

- Seek out “self-help” /transformation situations
- Integrated
- Proactive not reactive
- Tend to engage anyway as a Top 5 shareholder

- We aim to make money (target >15% IRR on every investment) with a favourable risk/reward
- Sector focus (TMT, Healthcare, Industrials, Services)

# Sectors we focus on

We focus on four key sectors we know well



- We believe the best investment decisions are made from a base of knowledge and experience
- We focus on sectors where the team has expertise and where we have successfully made money
- Our core sector focus is driven by our investment approach
  - TMT: Software managed services and niche electronics
  - Services: Higher value-add “white collar” and tech enabled services
  - Healthcare: Services, not speculative pharma/biotech
  - Industrials: Niche, high IP products
- Companies with the following characteristics best suit our investment approach:
  - Low cyclicity
  - B2B focus
  - High/improving ROCE/cash margins
  - In-house sector expertise

## Odyssean: view of main sectors

	Low cyclicity	B2B focus	High ROCE/cash margins	Sector expertise
TMT	●	●	●	●
Services	●	●	●	●
Healthcare	●	●	●	●
Industrials	●	●	●	●
Financials	●	●	●	●
Consumer	○	○	●	●
Property	○	●	○	●
Resources	○	●	○	○

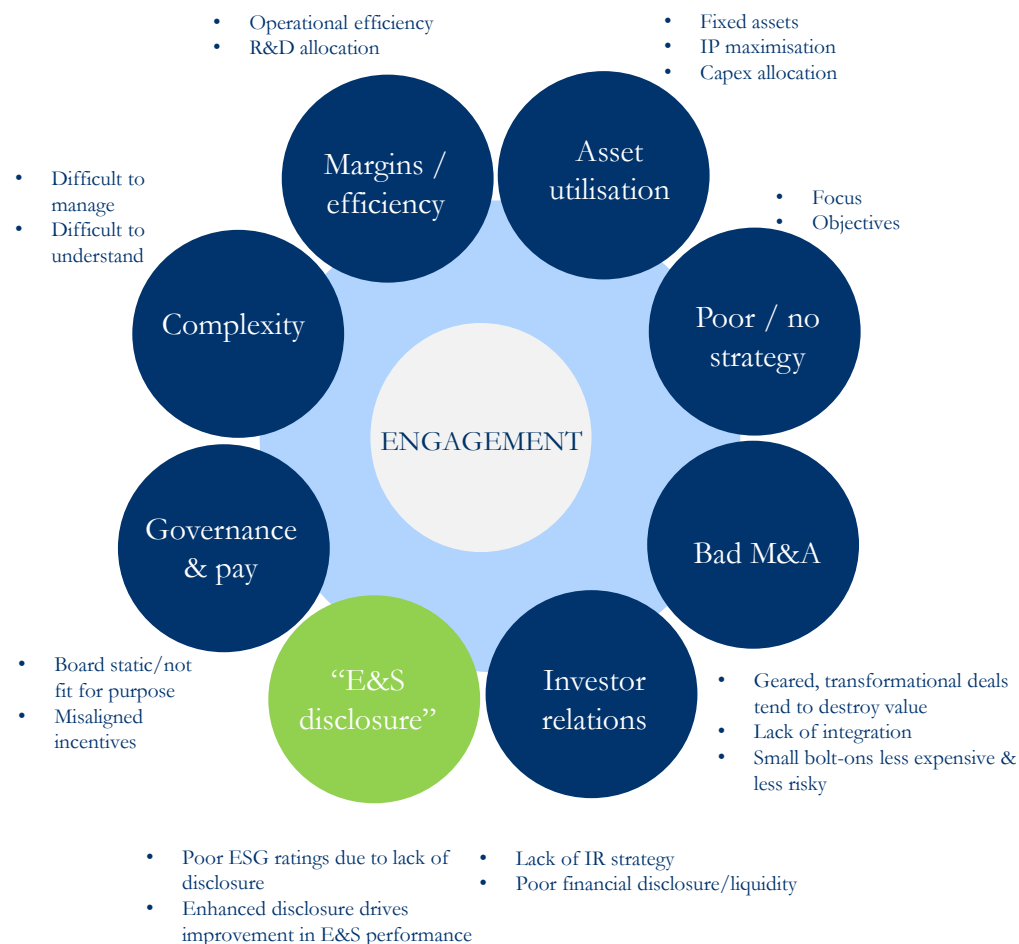
■ Sectors we focus on

# Corporate engagement

## Goal to augment returns from stock selection



- We use engagement to create, defend or recover value and to deliver differentiated returns
- The investment team has more than 19 years experience engaging with smaller quoted companies
- Team members are well networked and believe that persuasion with superior knowledge and understanding achieves the best results
- Peers are often open to supporting an engaged shareholder with change proposals
- Historic focus on Governance/financial performance
- Increasing focus on Environmental and Social disclosure and performance



# Portfolio construction

Our strategy is more similar to Private Equity than other Public Equity funds



	Typical Long Only	Odyssean Strategy	Typical Private Equity
Number of positions	50-100	Up to 25	10-15
Typical position size	1%	3-8% at cost, max 20%	10%
Typical holding period	Variable	3-5 years	3-5 years
Due diligence	Light to Medium	Medium to High	High/Forensic
Typical target ownership	0.5-3%	2-20%	Majority/Supermajority
Sectors	Own most/All	Focus on a few	Focus on a few
Control	No control	Influencing stake	Full control
Approach to risk	Diversification & tracking error	Focus & due diligence	Focus & due diligence
Investment mindset	Outperform index	Absolute return	Absolute return
Engagement	Negligible	Medium/High	Medium/High
Typical cash balance	0-5%	5-10%	n/a

# Odyssean Investment Trust - key company facts



NAV	£181m <sup>1</sup>
Shares in issue	112,945,053 <sup>1</sup>
Domicile	UK Full listing, London Stock Exchange
Board	Fully independent. Owns c.1% of issued share capital. Will use all fees, post tax, to buy shares
AIFM	Internally managed, small registered UK AIFM. Portfolio Management delegated to Odyssean Capital
Discount control/realisation opportunity	Opportunity for shareholders to rollover or realise all of their investment at NAV less costs, every 7 <sup>th</sup> year post IPO (May 2018) 50% of profit from takeovers to be used to buy back shares if the average discount exceeds 5% for 60 days prior to exit
Gearing	No structural gearing envisaged. Ability to gear up to 10% for short term liquidity purposes. Net cash balances likely to be maintained to enable agile purchases of blocks of stock
Fees	Management fee lower of 1.0% of net assets/market capitalisation. Performance fee 10% of NAV TR outperformance vs (comparator index +1% p.a.) on a rolling three year basis with a high water mark. 50% of performance fees paid in shares/used to buy shares if at a discount
Comparator index	Numis Smaller Companies ex Investment Trusts plus AIM index
Ticker	OIT
ISIN	GB00BFFK7H57

<sup>1</sup>As at 31<sup>st</sup> March 2023

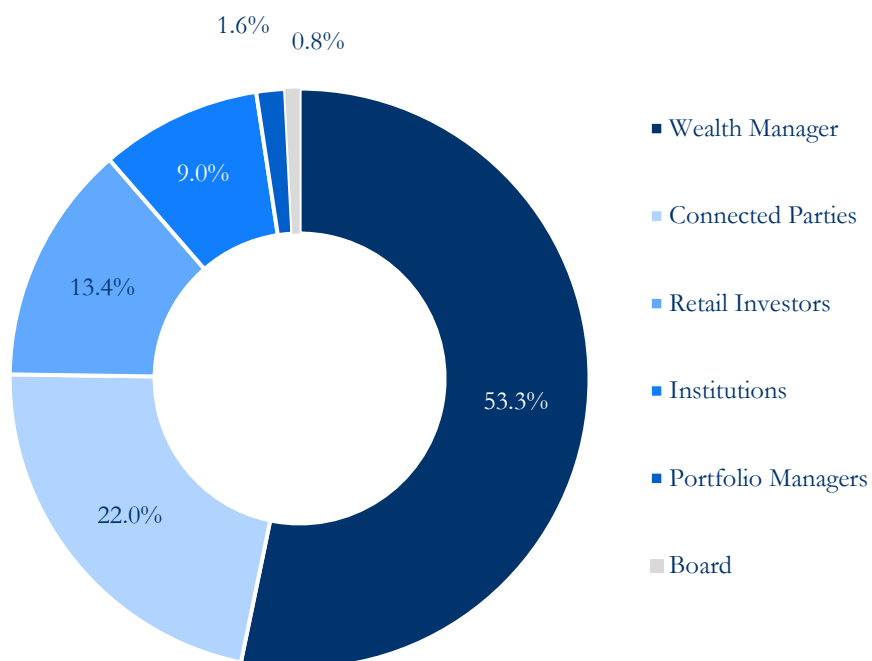


# OIT shareholder base

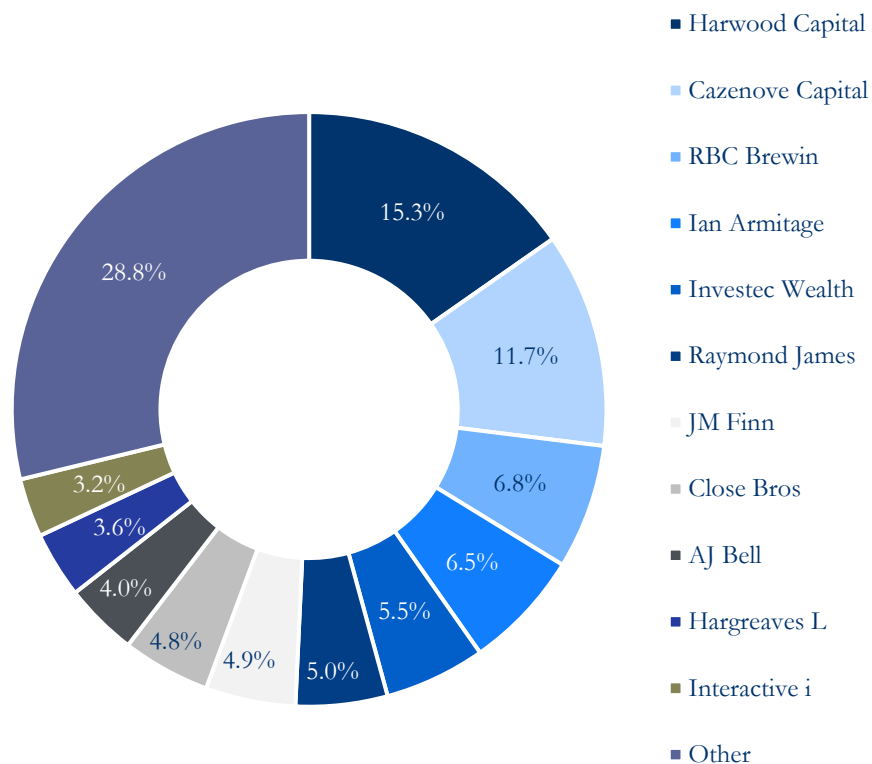
As at 31<sup>st</sup> March 2023<sup>1</sup>



## Shareholder base by investor type



## Shareholders >3%



Source: <sup>1</sup> Equiniti as at 31<sup>st</sup> March 2023, Odyssean Capital LLP. Figures may not add up to 100% due to rounding



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Rating	Number of Recommendations	IB Clients
Buy	8 100%	12%
Hold	0 0%	0%
Sell	0 0%	0%

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