

c o b a s

asset management

PORTFOLIO NEWS

September 2024

Summary

Our funds performed with little variation in the month, with the exception of the Iberian fund: Cobas Selección -0.07%, Cobas Internacional -0.05%, Cobas Grandes Empresas 0.2%, Cobas Iberia 2.1%, Cobas Global PP 0.1% and Cobas Mixto Global PP 0.2%.

September continued with the volatility of August, but ended up being a positive month for global equity markets. Following the release of weak US output and employment data, fears of a possible slowdown in economic growth in major developed economies replaced inflation as investors' main concern. However, on September 18th, the Federal Reserve (FED) surprised with a 50 basis point reduction in interest rates and the stock markets soared, as Powell managed to dispel fears of a sharp slowdown in the economy and focus the debate again on the decline in inflation. In Europe, the European Central Bank (ECB) also cut interest rates by 25 basis points for the second time this year, amid a slowdown in inflation below 2%.

At the end of the month, Chinese equities recorded their best week since 2008 after Beijing rolled out an economic stimulus package to boost the stock market. On the commodity side, oil prices recovered much of the lost ground and gold hit record highs again on rate cuts and escalating conflicts in the Middle East.

International Portfolio

Main Blocks	1T24	2T24	Dif
Energy	29%	29%	0%
LNG infrastructures	8%	8%	0%
Oil & gas services	6%	7%	+1%
Oil & gas Infra	1%	1%	0%
Oil & gas producers	14%	13%	-1%
Defensive	29%	30%	+1%
Residences-Education	7%	7%	0%
Pharmaceutical	10%	11%	+1%
Aero-Defense	7%	6%	-1%
Net-Net	1%	1%	0%
Defensive Consumption	4%	5%	+1%
Cyclical	22%	21%	-1%
Raw Materials	8%	8%	0%
Rest	10%	10%	0%
Liquidity	2%	2%	0%
TOTAL	100%	100%	

Iberian Portfolio

Main Blocks	1T24	2T24	Dif
Energy	11%	15%	+4%
Oil & gas services	11%	14%	+3%
Oil & gas producers	0%	1%	+1%
Defensive	35%	33%	-2%
Concessions	7%	8%	+1%
Defensive Consumption	9%	8%	-1%
Pharmaceutical	11%	11%	+0%
Defensive Services	8%	6%	-2%
Cyclical	18%	17%	-1%
Raw Materials	21%	20%	-1%
Rest	13%	13%	0%
Liquidity	2%	2%	0%
TOTAL	100%	100%	

Cobas Selección Portfolio Top 10

Holdings as of 30.06.2024

The fund diversifies its equity exposure between our International and Iberian portfolios. Average diversification in general will involve exposure to around 90% of our International portfolio and 10% of our Iberian portfolio.

Company	Weight
Golar LNG	7.0%
Atalaya Mining	4.5%
Babcock	4.2%
Currys	4.0%
CIR	3.2%
BW Offshore	2.9%
CK Hutchison	2.7%
Fresenius	2.6%
Técnicas Reunidas	2.5%
Academedia	2.5%
Total weight Top 10	36.1%

** The position of CIR bring together the joint exposure to the different types of shares in the portfolio of these companies, the ISINs of which are shown below:

- CIR: IT0005241762 and IT0000070786

The information broken down by ISIN code is available in the report available on the CNMV portal.

International Portfolio

Cobas International Portfolio Top 10

Holdings as of 30.06.2024

Company	Weight
Golar LNG	8.1%
Babcock	4.9%
Currys	4.6%
Atalaya Mining	4.2%
CIR	3.6%
BW Offshore	3.3%
CK Hutchison	3.1%
Fresenius	3.0%
AcadeMedia	2.8%
Danieli	2.7%
Total weight Top 10	40.3%

** The position of CIR bring together the joint exposure to the different types of shares in the portfolio of these companies, the ISINs of which are shown below:

- CIR: IT0005241762 and IT0000070786

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Golar

Weight in portfolio 1H24 7.0% C.Selección; **8.0%** C.Internacional; **8.1%** C.Grandes Compañías

Golar announced an Engineering, Procurement and Construction ("EPC") agreement with CIMC Raffles ("CIMC") for an **MK II Floating LNG Production** vessel with an annual liquefaction capacity of 3.5 million tonnes of LNG per annum ("MTPA"). The project will use Fuji LNG and represents more than **\$500 million of EBITDA** per year for 20 years for this project alone.

The total price of the deal is \$1.6 billion. The total budget for the conversion of **MK II FLNG** is \$2,200 Mn, including conversion vessel, shipyard supervision, spare parts, crew, training, contingencies, initial fuel supply and voyage-related costs to deliver FLNG to its operational site. Delivery of the **MK II FLNG** is scheduled for the fourth quarter of 2027.

Of the total conversion price, Golar has already spent \$300 million to date, including conversion candidate, engineering and long-duration elements, which are already 63% complete. The shipyard's selection for the conversion of the **MK II FLNG** was completed two years ago. Subsequently, CIMC, Black & Veatch and **Golar** have dedicated approximately 350,000 man-hours to optimize the conversion process and reduce the risks of project execution. As part of the agreement, **Golar** has also secured an option for a second **MK II FLNG** conversion at CIMC for delivery in 2028.

The order reinforces **Golar's** position as a leading owner of the FLNGs market, increasing its controlled liquefaction capacity by approximately 70% to 8.6 MTPA.



Golar. 1 yr performance **Returns: 1 M 10.4% 3 M 16.1% YTD 59.9%**

Babcock

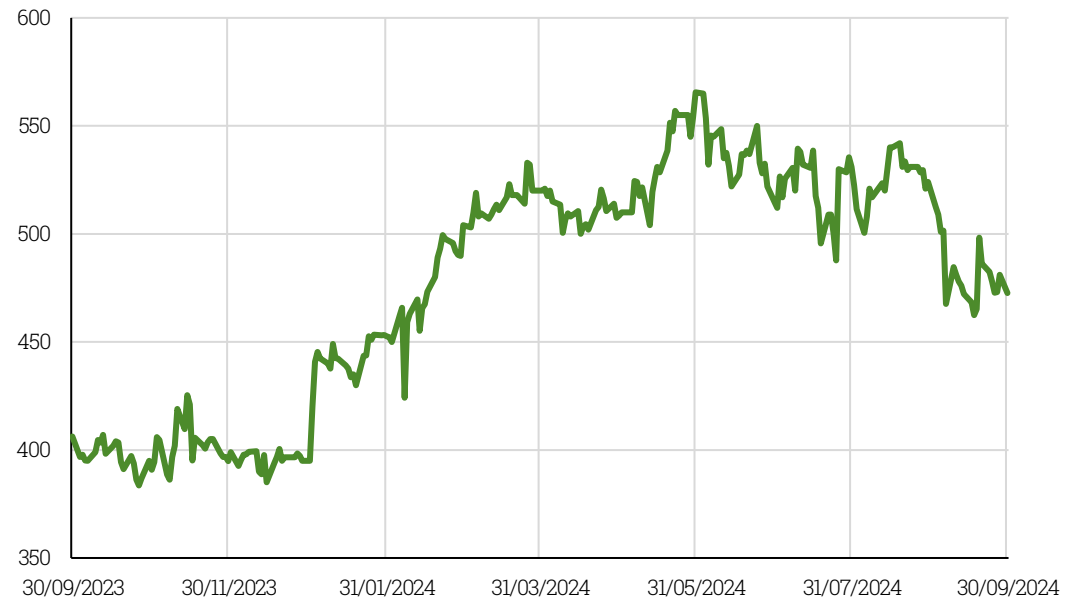
Weight in portfolio 1H24 4.2% C.Selección; **4.8%** C.Internacional; **2.9%** C.Grandes Compañías

Babcock published an update on operations for the first five months of the fiscal year, in which it highlighted that the results have been encouraging and in line with the Board's expectations.

During the period, they launched H&B Defence, a joint venture with HII, the largest **U.S. military shipbuilding company**, with which they will seek to accelerate the development of critical sovereign capability in the **Australian AUKUS** nuclear-powered submarine program. It will cover labor, design and construction of nuclear infrastructure, fuel removal, dismantling of submarines, nuclear waste management and future maintenance.

They also reopened **Pier 9 in Devonport**, following an extensive regeneration project. It will run the £560 Mn maintenance programme to extend the operational life of HMS Victorious and is key to future continued deterrence in the UK Sea. They opened the **Babcock Engineering & Nuclear Skills** building at City College Plymouth. This new center, opened by the Minister of State for Defense and Industry Procurement, will enhance the capabilities of its growing workforce in the UK's nuclear programmes.

They also signed a contract extension with **PGZ SA**, the **Polish Armaments Group**, to continue supporting Poland's Miecznik frigate program until the delivery of the third ship in 2031. Its expectations for the year as a whole have not changed and the company continues to move towards its medium-term plans.



Babcock 1 yr performance

Returns: **1 M** -9.8% **3 M** -8.1% **YTD** 19.6%

Currys

Weight in portfolio 1H24 4.0% C.Selección; **4.6%** C.Internacional; **2.7%** C.Grandes Compañías

Currys released an operations update for the 17 weeks ending in August. The group has shown a positive start to the year, with increases in market share and improvements in margins.

In the UK and Ireland, revenue grew by 5%, driven by increased market share, adoption of AI-enabled products and England's strong performance at the European Football Championship. The mobile segment also performed outstandingly, with **ID Mobile** reaching 1.9 million subscribers, up 34% year-on-year.

In addition, improvements in gross margin were supported by growth in services, with credit sales and solutions higher than expected. In the Nordics, revenues fell by 2%, although the group gained market share in a weak consumer environment. Despite strong competition, the adoption of services helped improve gross margin, and costs were kept under control. Currys maintains its expectations for **full-year profit and free cash flow growth**, and is confident that the balance sheet will maintain a healthy cash position. **CEO Alex Baldock** highlighted consumer interest in new AI computers, which allowed the group to capture almost 50% of the laptop market. In addition, AI product launches, along with mobile and B2B, contributed to a strong start to the year in the UK and Ireland.

For the group as a whole, the focus remains on the growth of recurring revenue and high-margin services and solutions, ahead of the important end-of-year business period. In addition, during the month, **Berenberg bank** published a report raising the price target on **Currys**, pushing up the share price.



Currys 1 yr performance **Returns: 1M 12.7% 3M 20.0% YTD 77.1%**

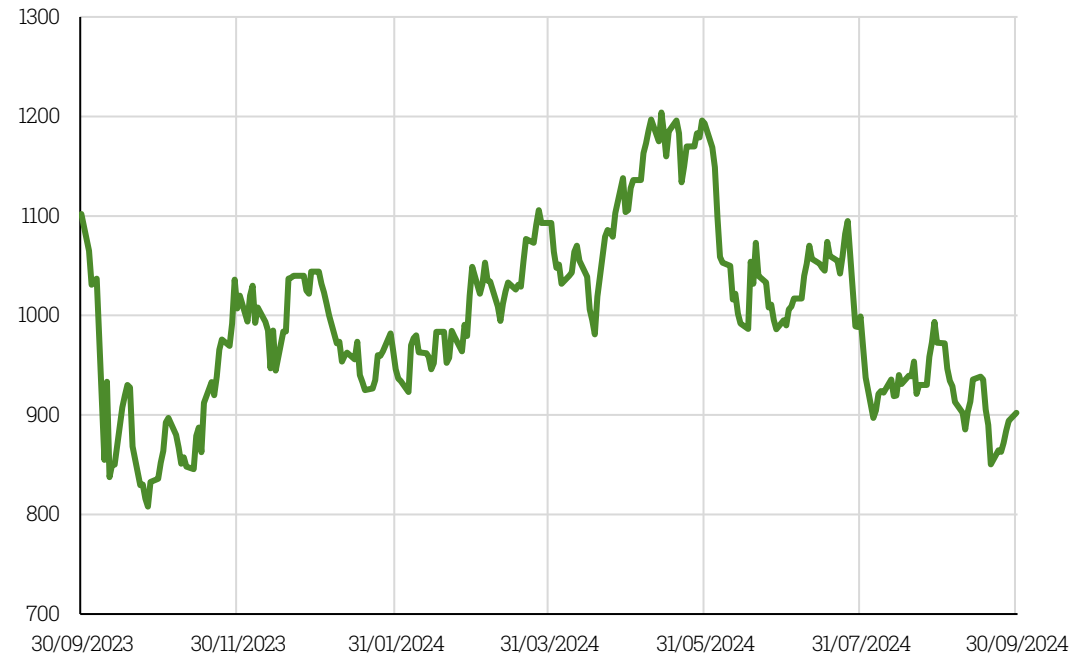
Energean

Weight in portfolio 1H24 1.9% C.Selección; **2.8%** C.Internacional **0.9%** C.Grandes Compañías

Energean published the results for the middle of the year, with record production and growth. In the first half of 2024, production was 146 kboed, representing an increase of 38% compared to the same period in 2023. Revenues for the first six months of the year reached \$867 million, up 47% year-on-year, and adjusted **EBITDA** was \$568 million, an **increase of 65%**.

The group is in the process of selling its assets in Egypt, Italy and Croatia to Carlyle, and expects to close the transaction later this year. In terms of projects, in Israel the Karish North works were completed and in Italy Cassiopea was launched. In Egypt, gas production at location B started in the same month. Progress is also being made on key projects such as Katlan in Israel and the drilling operation in Anchois, Morocco. In addition, the carbon storage project in Prinos continues to progress. A **dividend of 30 cents** per share was declared, with a goal of returning \$1 billion to shareholders by the end of 2025. By 2024, the group's production guidance was adjusted to 155-165 kboed, and production costs were reduced to 550-600 Mn\$.

At the time of writing, production in Israel has **not been affected by geopolitical events**, with 99% uptime of its FPSO. Mathios Regas, CEO of **Energean**, stated that the company is "totally comfortable" with the safety of its operations off the coast of Israel, as its Karish field could have been targeted by a Hezbollah drone. He also stated that the FPSO is that they continue to produce at maximum because Israel needs the gas.



Energean 1 yr performance **Returns: 1M -7.2% 3M 9.3% YTD -13.6%**

TI Fluid Systems

Weight in portfolio 1H24 1.5% C.Selección; **1.7%** C.Internacional

The company received a takeover bid from Canada's **ABC Technologies Holdings** at 176 pence per share on Sept. 4. ABC Technologies, majority-owned by asset management company **Apollo Global**, manufactures automotive systems and components.

Manufacturer ABC said IT board Fluid had rejected the offer. On 22nd August, an initial proposal of 165 pence per share was made, which was also rejected by the IT Fluid Board. The Board studied the proposal in detail and unanimously concluded that it significantly undervalued the company and its prospects. In addition, the company strongly advises shareholders to refrain from taking action at this time. The second proposal offers a **20.7% premium** over TI Fluid's closing share price, which was 145.8 pence on September 13. Despite the rejection, ABC Technologies said it "remains interested in a potential transaction."

The company now has until October 12 to announce its firm intention to submit a bid for TI Fluid Systems in accordance with British takeover rules.



TI Fluid. 1 yr performance Returns: 1 M 24.7% 3 M 27.2% YTD 7.0%

Danieli

Weight in portfolio 1H24 2.4% C.Selección; **2.7%** C.Internacional

The 2023/2024 fiscal year closed with a net profit of €240.8 million and an **EBITDA** of €391.2 million, both lower than the previous year, but sufficient to cover the investments made and expenses in research and development. The Plant Making division maintained good margins, while the Steel Making division showed lower margins due to rising energy costs in Italy.

Plant Making revenues were in line with initial forecasts, with **EBITDA** of €315.7 Mn, exceeding the 2022/2023 result, despite the reserves allocated for new plants. Danieli consolidated its success with innovative technologies such as **Direct Casting-Rolling** and the **Digimelter**, which have gained ground in international markets. In contrast, Steel Making revenues were lower than the previous year, with **EBITDA** of €75.5 million, affected by high energy costs. However, product sales increased by 5%, reaching 1.3 million tonnes. Volumes are expected to grow in 2024/2025, although energy costs could still be a headwind.

Danieli continues to invest in sustainable technologies, especially in the reduction of CO2 emissions, with a view to achieving the goals of net zero emissions by 2060. These advancements position **Danieli** as a leader in green technology solutions in steel production, helping its customers improve efficiency and reduce environmental impact. Despite the energy challenges, the **outlook for 2024/2025 is positive**.



Danieli 1 yr performance **Returns: 1 M -14.2% 3 M -18.2% YTD -0.7%**

Avio

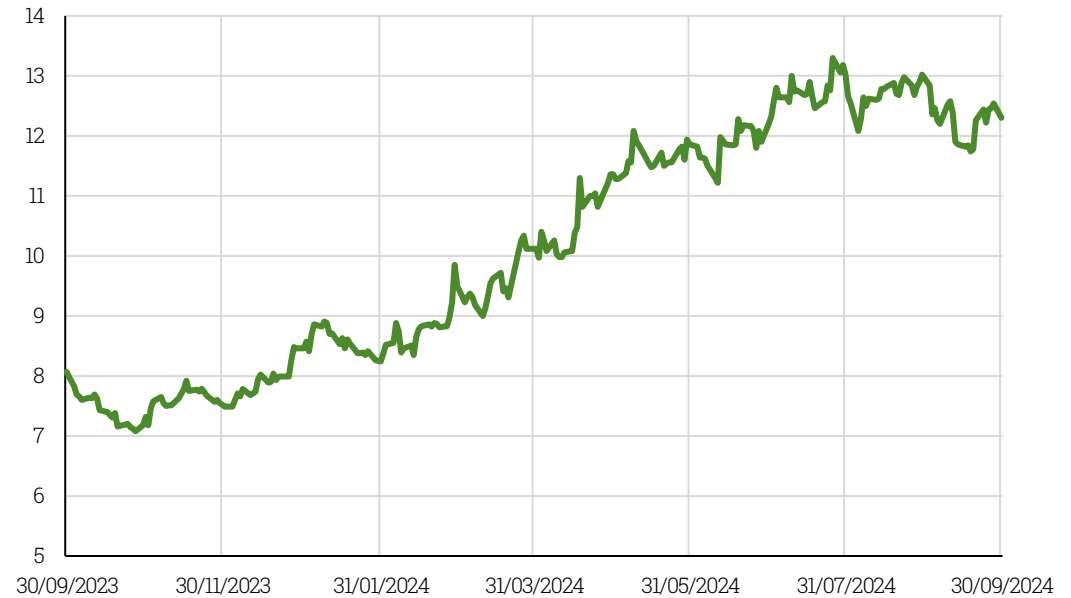
Weight in portfolio 1H24 1.4% C.Selección; **1.6%** C.Internacional

The company presented its results for the first half of the year in September. In the first half of 2024, **Avio** saw an increase in defense propulsion activities and technology development projects.

The latest flight of the **Vega rocket** successfully launched the Sentinel-2C Earth observation satellite of the European Commission's Copernicus programme. In addition, the **Zefiro-40** solid rocket engine was successfully tested, confirming the return of the **Vega C** for the fourth quarter of 2024. The European Space Agency (ESA) authorized **Avio** to carry out commercial operations with **Vega** from July. Also, **Ariane 6** completed its maiden flight successfully.

Avio signed two major contracts with **Raytheon** and the U.S. Army for the development and production of robust rocket engines for defense applications, underscoring its growing presence in this sector.

In terms of economic results, **Avio's** order book reached €1,386 million, an increase of €27 million compared to December 2023. The net result showed a loss of €1.8 million, improving by €2.1 million compared to the same period in 2023. Projections for 2024 remain as announced in March.



Avio. 1 yr performance Returns: **1 M** -5.5% **3 M** 0.8% **YTD** 45.4%

Iberian Portfolio

Iberian Portfolio Top 10

Holdings as of 30.06.2024

Company	Weight
Técnicas Reunidas	10.9%
Atalaya Mining	10.6%
Almirall	6.6%
Elecnor	6.4%
Vocento	5.0%
Grifols	4.7%
GCO	4.5%
CAF	4.2%
Miquel y Costas	4.2%
Semapa	4.1%
Total weight Top 10	61.1%

*The information broken down by ISIN code is available in the report available on the CNMV portal.

Técnicas Reunidas

Weight in portfolio 1H24 2.5% C.Selección; **10.9%** C.Iberia; **2.8%** C.Grandes Compañías

The joint venture formed by **Sinopec** and **Técnicas Reunidas** has been awarded a major contract to develop a petrochemical unit in Kazakhstan. This agreement is part of the strategic alliance that both companies signed in September and involves an investment of €2,300 million, shared 50% between the partners.

The unit will be part of a petrochemical complex led by the state-owned company KazMunayGas. It is the country's leading oil and gas company. It controls 26% of oil production, 56% of transportation and 80% of refining. In addition to being a partner, it will provide financial support for the implementation of the project.

The main unit of the complex will be a plant in charge of processing gas from reservoirs to generate petrochemical products (steam cracker). The development of this infrastructure will take place until the end of 2028, and the US company Lummus Technologies has been selected as the supplier of the technology necessary for its operation.

This project reinforces the collaboration between **Sinopec** and **Técnicas Reunidas**, which had already been awarded two large gas fractionation facilities in Saudi Arabia in January.



Técnicas Reunidas. 1 yr performance **Returns: 1 M 4.2% 3 M -8.9% YTD 41.9%**

Atalaya Mining

Weight in portfolio 1H24 4.5% C.Selección; **10.6%** C.Iberia; **4.1%** C.Internacional; **5.2%** C.Grandes Compañías

Atalaya Mining presented its results for the second quarter of the year. EBITDA was €26.4 million in the second quarter of 2024 and €36.7 million in the first half of 2024, thanks to the rise in copper prices and good cost control in the first half of 2024.

Alberto Lavandeira, CEO of the company, highlighted a solid financial performance in the second quarter of 2024, driven by strong copper prices and good cost control. Although copper grades were lower compared to previous periods, an improvement is expected in the second half of the year, along with strong plant performance. In the **Touro Project**, which received the status of **Strategic Industrial Project**, engagement with stakeholders remains strong, with good community support.

Lavandeira is confident that **Touro** will become a competitive and sustainable source of copper production in Europe. Despite recent volatility in copper prices, Lavandeira remains optimistic about the metal's future, noting that recent M&A activities underscore the robust outlook for copper and the growing scarcity of high-quality assets.



Atalaya Mining. 1 yr performance Returns: **1 M** 4.1% **3 M** -7.6% **YTD** 11.6%

Grifols

Weight in portfolio 1H24 1.2% C.Selección; **4.7%** C.Iberia; **4.2%** C.Grandes Compañías

On September 25, the CNMV, as a result of the investigations initiated in January 2024, announced that it has agreed to initiate disciplinary proceedings against **Gotham City Research** and its associate **General Industrial Partners (GIP)**, for market manipulation in **Grifols** shares and failing to comply with the provisions of the Market Abuse Regulation, referring to the report of January 9th, in which the funds cast doubt on the true extent of **Grifols'** debt.

The CNMV has decided to open a disciplinary proceeding against **Grifols**, confirming the conclusions it already communicated to the market on March 21st. Specifically, the commission has not found indications that the financial debt figure reflected in the annual accounts does not correspond to reality.

Except for the accounting treatment of transactions related to Inmunotek and RAAAS, **Grifols'** main accounting figures are correct. Most of the errors detected are due to incomplete explanations, lack of breakdowns, errors in alternative performance measures (APMs) or the omission of linked transactions. On the other hand, the Brookfield fund has asked the **Board of Directors of Grifols** for an extension of the deadline to carry out the analysis of the takeover bid that they are preparing in collaboration with the company's founding family.



Grifols. 1 yr performance **Returns: 1M -4.0% 3M 38.0% YTD -23.5%**

Miquel y Costas

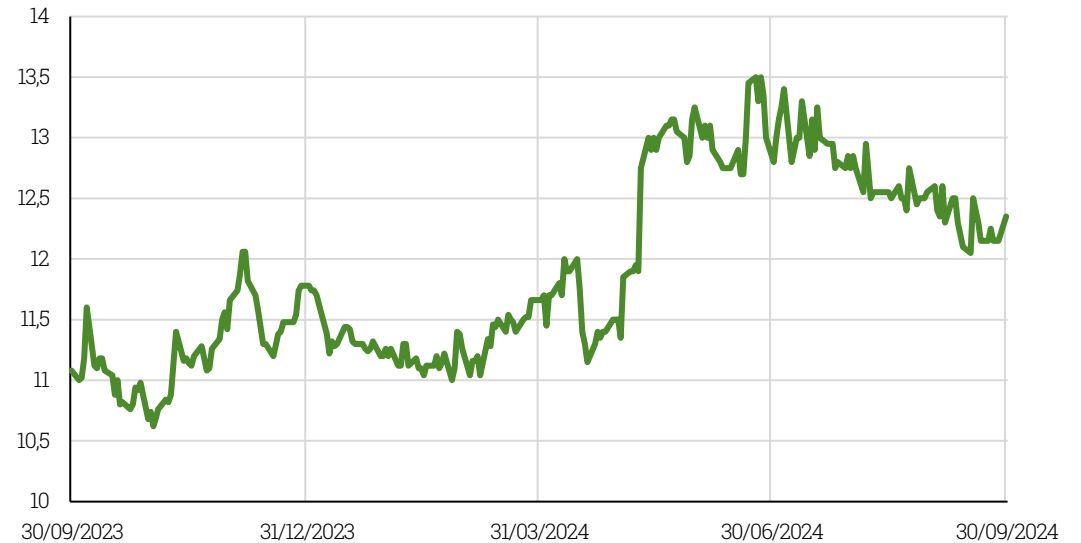
Weight in portfolio 1H24 0.4% C.Selección; **4.1%** C.Iberia

Miquel y Costas presented the results for the first half of the year, a period in which it increased its net profit by 10.5%, reaching €26.8 million.

The company explained that the increase has occurred both in the business line of the tobacco industry and in that of industrial products, in the latter case despite lower turnover. This improvement in results confirms the **recovery of the Group's margins**.

Miquel y Costas revenues were €164.1 million, representing a decrease of 2.1% compared to the same period last year. However, profit before tax increased by 10.8%, reaching €35.4 million, compared to the first half of 2023. Net operating cash flow amounted to €36.8 million, an increase of 8.6% compared to the same period last year.

The Group anticipates continuing its growth trajectory during the third quarter, in the context of the three-year investment program that it will continue to implement in the second half of the year, which includes both technological and logistical improvements.



Miquel y Costas. 1 yr performance **Returns: 1 M -1.6% 3 M -3.5% YTD 4.8%**

Large Cap Portfolio

Large Cap Portfolio Top 10

Holdings as of 30.06.2024

Company	Weight
Golar LNG	8.1%
CK Hutchison	5.8%
Atalaya Mining	5.2%
Fresenius	4.9%
Teva	4.7%
Grifols	4.2%
Bayer	3.8%
Viatrix	3.6%
Organon	3.6%
Renault	3.5%
Total weight Top 10	47.5%

*The information broken down by ISIN code is available in the report available on the CNMV portal.

Fresenius

Weight in portfolio 1H24 2.6% C.Selección; **3.0%** C.Internacional; **4.9%** C.Grandes Compañías

Fresenius reported positive results in the second quarter of 2024, with significant progress in reducing debt thanks to solid cash flow. The company has managed to enter its target leverage ratio range and maintains an optimistic outlook for the rest of the year.

Group revenues grew by 8% to €5,400 million, while **EBIT** increased by 15% in constant currency, reaching €660 million. This growth reflects strong operating performance and progress in cost savings globally. **Leverage** was reduced to 3.4x, within the target range, driven by operational strength and excellent cash flow.

Improvements in structural productivity advanced faster than anticipated, supported by efficiencies in working capital and a strengthened focus on cash generation.

Fresenius Kabi stood out with strong organic **revenue growth** of 11 percent. In addition, the biopharma business accelerated its momentum, with strong revenue growth and positive EBIT driven by licensing at mAbxience and the development of Tyenne. **Fresenius Helios** recorded organic revenue growth of 6% and an **EBIT margin** of 11.1%, driven by excellent operating performance in Spain.

The group's guidance for 2024 remains unchanged, supported by strong results from the first half of the year. The company expects **EBIT growth** for the year to be in the upper half of the projected range of 6 to 10%.



Fresenius. 1 yr performance **Returns: 1M 2.8% 3M 21.5% YTD 21.7%**

Organon

Weight in portfolio 1H24 1.3% C.Selección; **1.5%** C.Internacional; **3.5%** C.Grandes Compañías

Organon announced the signing of an agreement to acquire **Dermavant**, a **Roivant** company, dedicated to the development and commercialization of innovative therapies in immunodermatology. With this acquisition, **Organon** also acquires a new and innovative product from **Dermavant**, called **VTAMA**.

This cream is a new nonsteroidal topical therapy approved for the treatment of plaque psoriasis in adults and is being reviewed by the FDA for additional indication in the treatment of atopic dermatitis. With the acquisition of **Dermavant**, **Organon** seeks to expand its dermatology capabilities, particularly in the U.S., while reinforcing its mission to improve women's health.

The acquisition is expected to close in the fourth quarter of 2024. **Organon** will assume approximately \$286 million in liabilities from **Dermavant**, and the transaction is not anticipated to affect **Organon's** non-GAAP guidance ranges for fiscal 2024. The deal is projected to have a slightly dilutive effect on adjusted **EBITDA** in 2025, but will cease to be dilutive in 2026.



Organon. 1 yr performance Returns: **1 M** -14.4% **3 M** -5.8% **YTD** 32.7%

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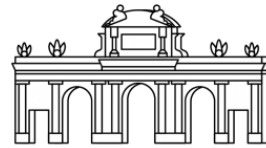
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