KINGFISH

LANDING TOMORROW'S TROPHIES

MONTHLY UPDATE

June 2025

SHARE PRICE	WARRANT PRICE	KFL NAV	DISCOUNT[1]
$1.34	$0.04	$1.37	1.6%

as at 31 May 2025

A WORD FROM THE MANAGER

The Kingfish portfolio gross performance return and adjusted NAV return in May were +5.3% and +5.1% respectively, versus the New Zealand shares benchmark S&P/NZX 50 return of +4.3%.

Contact Energy (+3%) saw the Commerce Commission clear its $1.9 billion acquisition of Manawa Energy. The transaction is expected to complete in July following a shareholder vote in June and customary approvals.

Longtime **EBOS** (+1%) shareholder Sybos Holdings (owned by private investor the Zuellig Group) sold around 27 million of its EBOS shares, representing around 13% of the company, to diversify its assets and redeploy capital. We took advantage of the attractive discount offered to increase Kingfish's holding in EBOS at $35.50, with the shares finishing the month at $37.05, over +4% above the purchase price.

Fisher & Paykel Healthcare (FPH, +7%) delivered a strong 2025 financial year result, with revenue rising +14% year-over-year in constant currency terms to $2.02 billion and net profit lifting +30% in constant currently terms to $377 million. The result beat expectations for both. Sales were driven by robust demand for its hospital hardware, supported in part by product innovation, and strong uptake of new applications like anaesthesia. It also benefited from the strongest flu season in 15 years and ongoing COVID-related hospitalisations. Gross profit margins improved around 1.3 percentage points to 62.9%, boosted by efficiency gains and lower freight costs. Performance in its homecare division was also solid, with double-digit revenue growth supported by the launch of new obstructive sleep apnea masks like Solo and Nova, although competitor launches of new masks tempered the growth rate in the second half. Looking ahead to the new financial year, FPH guided to revenue of $2.15-2.25 billion and net profit of $390-440 million. While a more moderate outlook for respiratory illness versus the prior year may temper the growth rate in the coming year, FPH remains steadfast in its ambition to double revenues every 5-6 years and remains confident in reaching a 65% gross margin in coming years.

Infratil (unchanged) reported earnings at the upper end of its market guidance for the 2025 financial year, showing +9% growth, or +6% on a like-for-like basis. Management is expecting +9% like-for-like growth in 2026. Its telecommunications business One NZ increased underlying core operating earnings by +1%, with a -6% reduction in expenses making up for weaker revenues. Longroad Energy remains confident in delivering on its medium-term plan of $600 million in earnings by 2027, even as near-term growth faces headwinds from the potential removal of tax subsidies for renewable energy in the US. Infratil plans to recycle $1 billion of capital from selling stakes in portfolio companies over the next few years, to fund growth opportunities within the portfolio. This may include the Contact shares it will receive through the takeover of Manawa Energy, of which it owns 51%.

Mainfreight (+27%) reported its 2025 full year result slightly better than expected, having earlier in the month provided a trading update suggesting it would beat analyst expectations. The result included a mix of performances by region and product, reflecting diverging market conditions. However, the general tone was relatively positive, despite remaining cautious due to subdued economic activity in some regions (such as New Zealand) and the ongoing uncertainty in freight markets as a result of tariffs.

[1] Share Price Discount to NAV (including warrant price on a pro-rated basis and using the net asset value per share, after expenses, fees and tax, to four decimal places).

Australia remains the key growth driver with robust +7% growth in profit before tax. Air & Ocean freight forwarding has seen limited impact of tariffs other than the China-US route, which is only around 10% of that business unit. In fact, after a soft April and May there has been a flurry of activity given tariff pauses that may benefit the business, plus Mainfreight is well placed to assist customers looking to transition to new routes. Warehousing across the board demonstrated continued growth and is poised to benefit from lower costs from non-core leased facilities being exited in the new financial year. Transport in the US remains the key area that management are unhappy with and remains a longer duration project. It feels that management are increasingly confident about the environment being conducive enough to resuming its growth trajectory after a challenging couple of years.

Matt Peek
Portfolio Manager
Fisher Funds Management Limited

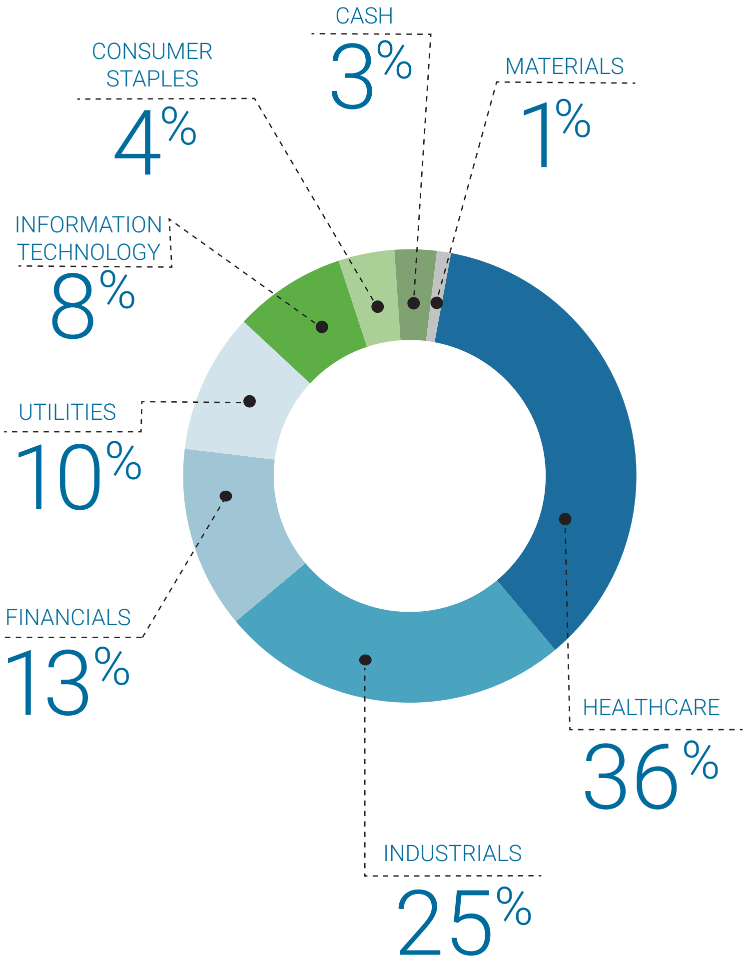
KEY DETAILS

as at 31 May 2025

FUND TYPE	Listed Investment Company
INVESTS IN	Growing New Zealand companies
LISTING DATE	31 March 2004
FINANCIAL YEAR END	31 March
TYPICAL PORTFOLIO SIZE	15-25 stocks
INVESTMENT CRITERIA	Long-term growth
PERFORMANCE OBJECTIVE	Long-term growth of capital and dividends
TAX STATUS	Portfolio Investment Entity (PIE)
MANAGER	Fisher Funds Management Limited
MANAGEMENT FEE RATE	1.25% of gross asset value (reduced by 0.10% for every 1% of underperformance relative to the change in the NZ 90 Day Bank Bill Index with a floor of 0.75%)
PERFORMANCE FEE HURDLE	Changes in the NZ 90 Day Bank Bill Index + 7%
PERFORMANCE FEE	10% of returns in excess of benchmark and high-water mark
HIGH WATER MARK	$1.23
PERFORMANCE FEE CAP	1.25%
SHARES ON ISSUE	348m
MARKET CAPITALISATION	$466m
GEARING	None (maximum permitted 20% of gross asset value)

SECTOR SPLIT

as at 31 May 2025



MAY'S SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO during the month

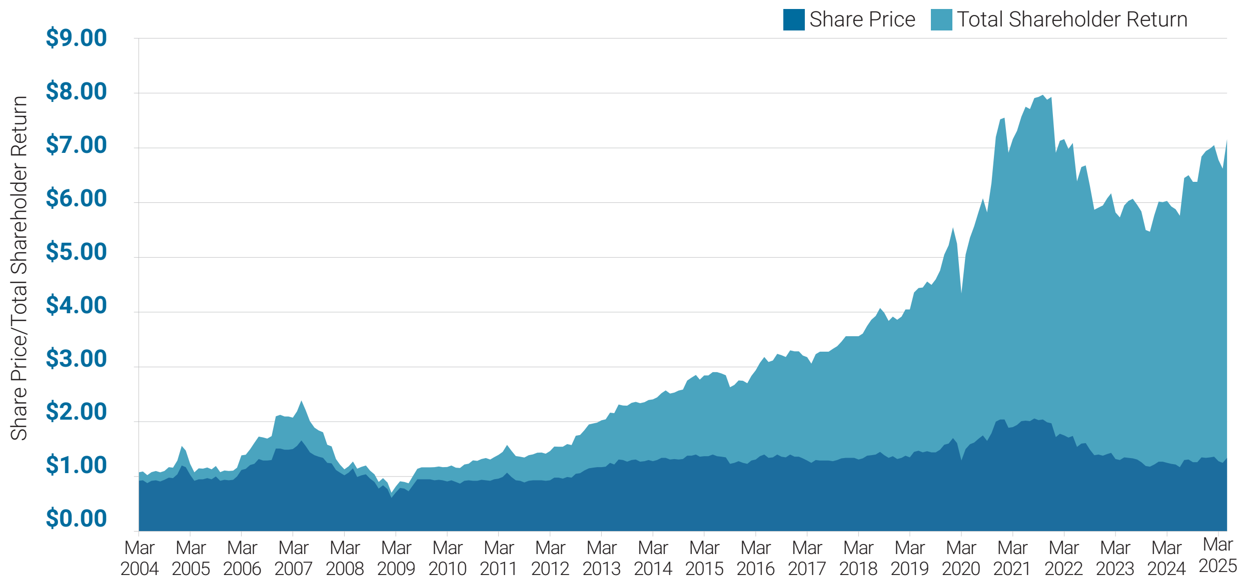
MAINFREIGHT	FREIGHTWAYS	FISHER & PAYKEL HEALTHCARE	PORT OF TAURANGA	VULCAN STEEL
+27%	+10%	+7%	+7%	-10%

5 LARGEST PORTFOLIO POSITIONS as at 31 May 2025

FISHER & PAYKEL HEALTHCARE	INFRATIL	MAINFREIGHT	SUMMERSET	EBOS GROUP
19%	13%	11%	9%	8%

The remaining portfolio is made up of another 10 stocks and cash.

TOTAL SHAREHOLDER RETURN to 31 May 2025



PERFORMANCE as at 31 May 2025

	1 Month	3 Months	1 Year	3 Years (annualised)	5 Years (annualised)
Company Performance					
Total Shareholder Return	+8.1%	+1.6%	+21.8%	+0.3%	+5.9%
Adjusted NAV Return	+5.1%	(1.8%)	+11.9%	+6.3%	+5.7%
Portfolio Performance					
Gross Performance Return	+5.3%	(1.6%)	+13.6%	+7.8%	+7.4%
S&P/NZX50G Index	+4.3%	(1.4%)	+4.6%	+3.2%	+2.7%

Non-GAAP Financial Information

Kingfish uses non-GAAP measures, including adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return. The rationale for using such non-GAAP measures is as follows:

- adjusted net asset value – the underlying value of the investment portfolio adjusted for dividends (and other capital management initiatives) and after expenses, fees and tax,
- adjusted NAV return – the percentage change in the adjusted NAV,
- gross performance return – the Manager's portfolio performance in terms of stock selection, before expenses, fees and tax, and
- total shareholder return – the return combines the share price performance, the warrant price performance, the net value of converting any warrants into shares, and the dividends paid to shareholders. It assumes all dividends are reinvested in the company's dividend reinvestment plan, and that shareholders exercise their warrants, (if they were in the money), at warrant expiry date.

All references to adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return in this monthly update are to such non-GAAP measures. The calculations applied to non-GAAP measures are described in the Kingfish Non-GAAP Financial Information Policy. A copy of the policy is available at kingfish.co.nz/about-kingfish/kingfish-policies.

ABOUT KINGFISH

Kingfish is an investment company listed on the New Zealand Stock Exchange. The company gives shareholders an opportunity to invest in a diversified portfolio of between 15 and 25 quality growing New Zealand companies through a single, professionally managed investment. The aim of Kingfish is to offer investors competitive returns through capital growth and dividends.

MANAGEMENT

The Manager has authority delegated to it from the Board to invest according to the Management Agreement and other written policies. Kingfish's portfolio is managed by Fisher Funds Management Limited. Matt Peek (Portfolio Manager) and Michael Bacon and Zoie Regan (Senior Investment Analysts) have prime responsibility for managing the Kingfish portfolio. Together they have significant combined experience and are very capable of researching and investing in the quality New Zealand companies that Kingfish targets. Fisher Funds is based in Takapuna, Auckland.

BOARD

The Board of Kingfish comprises independent directors Andy Coupe (Chair), Carol Campbell, David McClatchy and Fiona Oliver.

CAPITAL MANAGEMENT STRATEGIES

Regular Dividends

- Quarterly distribution policy introduced in June 2009
- Under this policy, 2% of average NAV is targeted to be paid to shareholders quarterly
- Dividends paid by Kingfish may include dividends received, interest income, investment gains and/or return of capital
- Shareholders who prefer to have increased capital rather than a regular income stream have the opportunity to participate in the company's dividend reinvestment plan (DRP)
- Shares issued to DRP participants are at a 3% discount to market price
- Kingfish became a portfolio investment entity on 1 October 2007. As a result, dividends paid to New Zealand tax resident shareholders have not been subject to further tax

Share Buyback Programme

- Kingfish has a buyback programme in place allowing it (if it elects to do so) to acquire its shares on market
- Shares bought back by the company are held as treasury stock
- Shares held as treasury stock are available to be utilised for the dividend reinvestment plan

Warrants

- Kingfish announced a new issue of warrants on 14 March 2025
- The warrant term offer document was sent to all Kingfish shareholders in late March 2025
- Warrants were allotted to all eligible Kingfish shareholders on 1 May 2025
- The new warrants (KFLWI) commenced trading on the NZX Main Board from 2 May 2025
- The Exercise Price of each warrant is $1.35, adjusted down for the aggregate amount per Share of any cash dividends declared on the shares with a record date during the period commencing on the date of allotment of the warrants and ending on the last Business Day before the final Exercise Price is announced by Kingfish
- The Exercise Date for the Kingfish warrants is 1 May **2026**

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