



REQ Capital

*Investing with Insight*



# REQ Group Structure

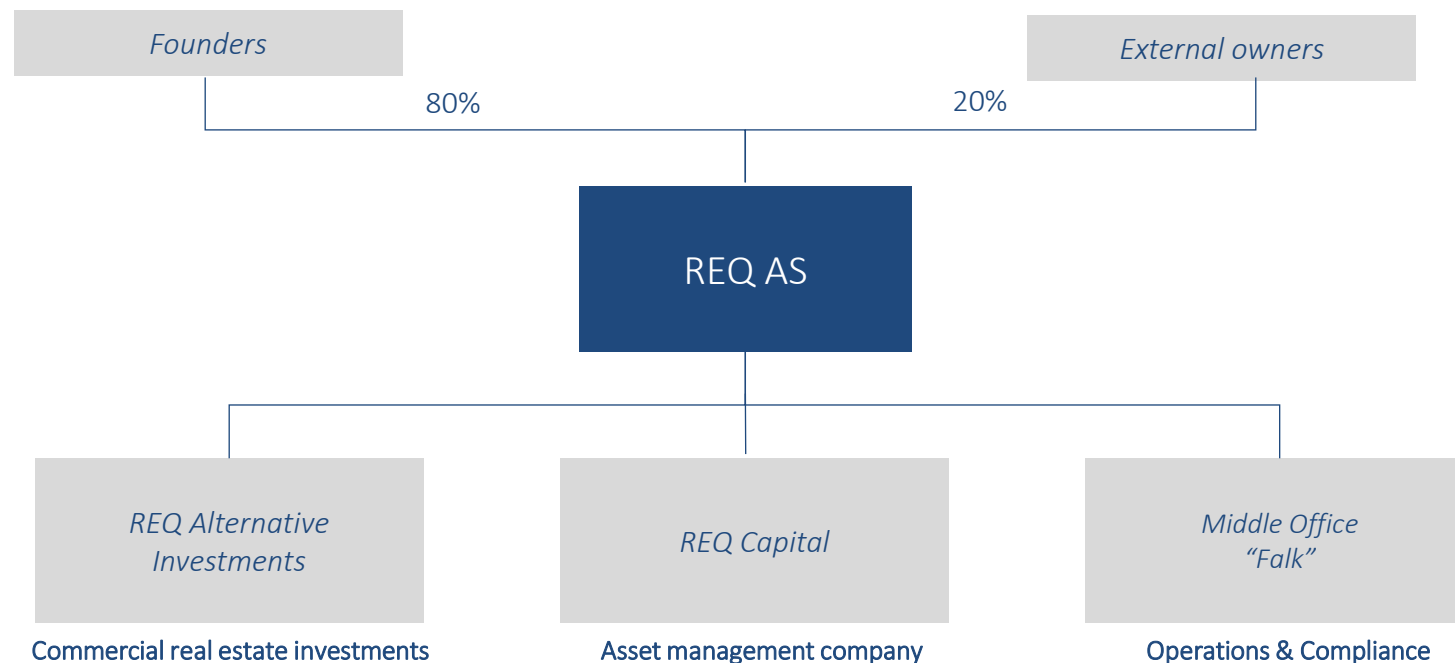


Company structure

Introduction to REQ Capital and Investment Strategy

- REQ Capital: Boutique asset management firm
- Based in Oslo and Stockholm  

- Structure: UCITS Long Only
- Single strategy: Listed Acquisition-driven Compounders
- Two funds, one strategy:  
REQ Global Compounders and REQ Nordic Compounders




Signatory of:



\*Rest owned by employees


## The Team



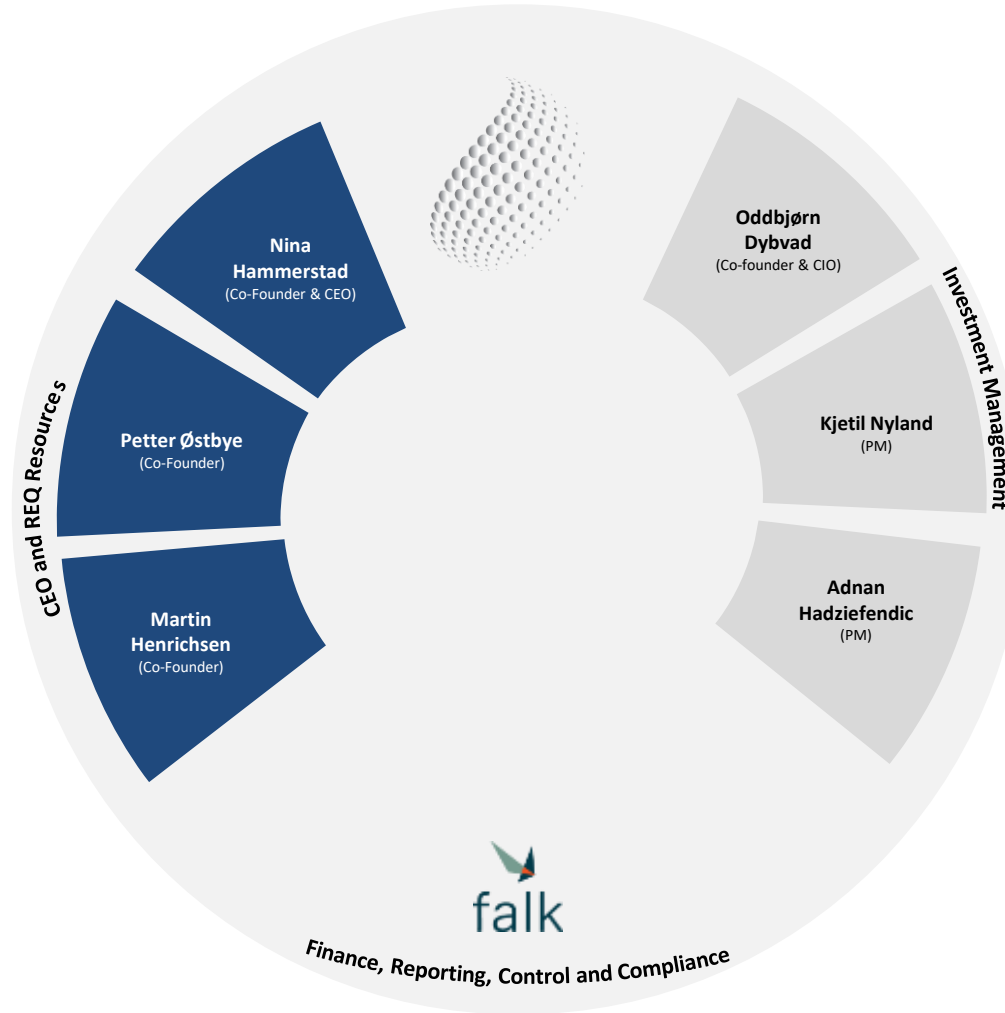
**Nina Hammerstad**  
More than 20 years of experience from the financial and real estate industry, including Global Head of Real Estate Asset Management in NBIM




**Petter Østbye**  
More than 10 years of experience from the financial industry and has extensive experience within capital raising and analysis.



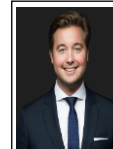
**Martin Henrichsen**  
More than 20 years of professional leadership experience in various roles from asset management and the financial industry.



## Introduction to REQ Capital and Investment Strategy



**Oddbjørn Dybvad**  
More than 13 years as portfolio manager - managing a global equity fund. Prior to becoming a portfolio manager, he worked as an equity analyst and a fund analyst.



**Kjetil Nyland**  
More than 10 years of experience within the financial industry, both as an equity portfolio manager and as an equity and credit analyst on the buy-side. Previously managed the Borea Global Equities fund.



**Adnan Hadziefendic**  
More than 10 years of experience within the financial industry as an analyst at Danske Bank and Swedbank. Author of Sweden's most extensive study on Acquisition-driven compounders, engaging with over 100 companies' Executives and Board of Directors.



# Investment strategy



## Strategy in Brief

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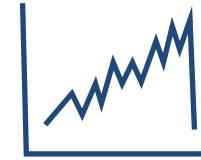
- We invest in **high-performing acquisition-driven compounders**
- These companies are **excellent at sourcing and closing acquisitions in the private market at highly attractive multiples**
- **Strong cash flow generation**, which in turn is reinvested at **high returns on capital**
- Management teams are **excellent capital allocators**, and often **own a significant part** of these companies
- We invest in **decentralized business models**
- Underlying exposure to **numerous small private companies**
- **Dual engines of profitable growth** (organic and through acquisitions)
- Highly **diversified business models** that reduce risk

# Investment experience

*Lessons learned*



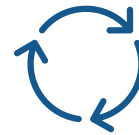
Finding rockets



Avoiding meltdowns



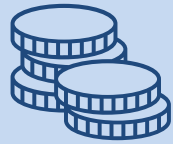
Financials



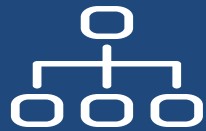
People

# Sources of extraordinary performance

Three key ingredients



Capital allocation



Decentralization



People

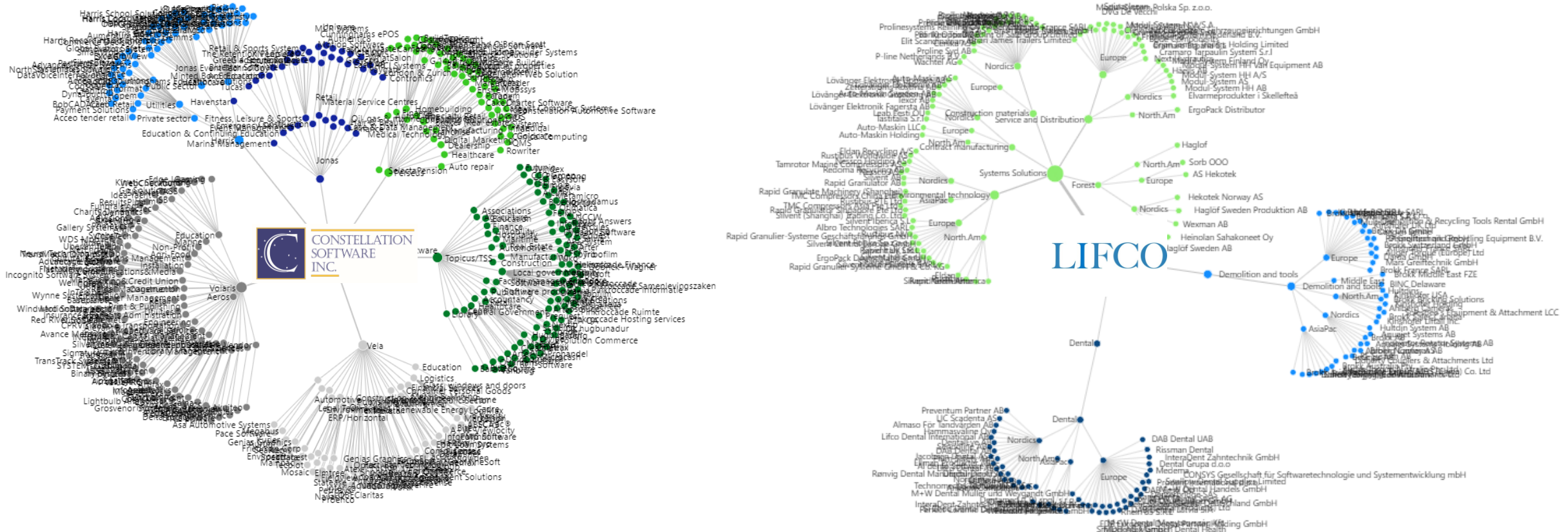
# The best of two worlds





# Great risk-mitigating characteristics

Constellation Software and Lifco

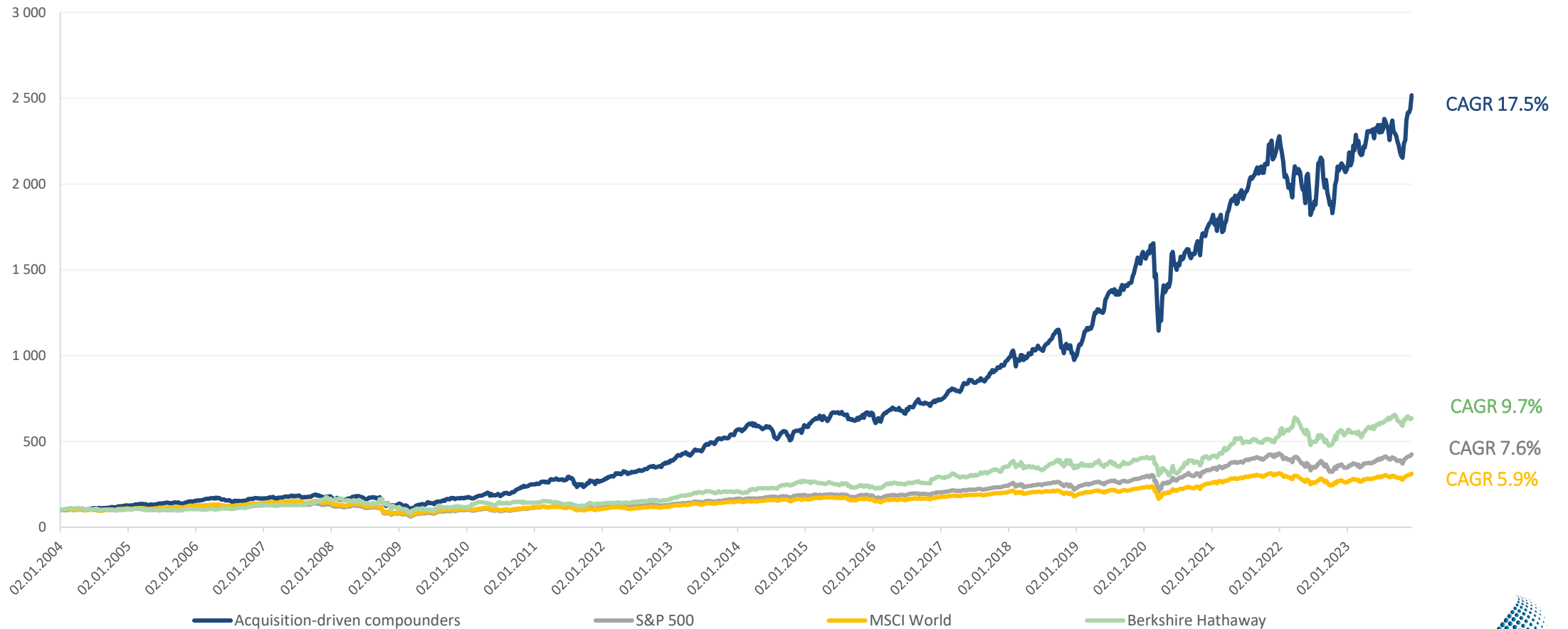


Source: Constellation Software annual report

# Superior Long-Term Share Price Performance – Global 20Y

20-year indexed share price performance

Global acquisition-driven compounders up 24x, Berkshire Hathaway up 6.4x



Source: Factset as of 2004-01-01 to 2023-12-15

Note: Average for companies by REQ identified as acquisition-driven compounders listed during the full period:

Heico, Diploma, Halma, Judges Scientific, Roper Technologies, Illinois Tool Works, Dassault Systems, Brown&Brown, DCC, Ametek, Nordson, Teledyne



# Examples of German acquisitions in the portfolio

Date	Buyer	Company	Country
21-Oct-22	Lifco	Heinz Schuller KG	Germany
6-Oct-22	Halma	WEETECH Holding GmbH	Germany
8-Sep-22	DCC	Medi-Globe Technologies GmbH	Germany
10-Aug-22	Topicus	V-D-V GmbH	Germany
5-Aug-22	Topicus	TTE-Europe GmbH/Dresden Informatik	Germany
7-Jul-22	Constellation Software	AixConcept GmbH	Germany
7-Jul-22	Indutrade	Bech Sensortechnik GmbH	Germany
1-Apr-22	AddLife	BioCat GmbH	Germany
1-Apr-22	Indutrade	Stabalux	Germany
31-Mar-22	Addtech	Fey Elektronik GmbH	Germany
23-Dec-21	IMCD	Polychem Handelsges .m.b.H.	Germany
3-Dec-21	Lifco	Truck-line GmbH	Germany
26-Oct-21	Constellation Software	Purpleview	Germany
1-Oct-21	Addtech	ABH Stromschiene GmbH	Germany
16-Aug-21	Topicus	isp-insoft	Germany
21-Jul-21	Constellation Software	CRP	Germany
1-Jul-21	Addtech	Systema Computer GmbH	Germany
30-Jun-21	Constellation Software	WM-Data Deutschland GmbH	Germany
1-Jun-21	DCC	DCC Healthcare bolt-on	Germany
1-Jun-21	Lifco	Bode Components GmbH	Germany
1-May-21	Halma	Orca GmbH	Germany
1-Apr-21	AddLife	Vision Ophtalmology	Germany
1-Mar-21	DCC	Worner Medizinprodukte Holding	Germany
1-Feb-21	Indutrade	Tecno Plast	Germany
1-Feb-21	Lifco	Kentzler Kaschner Dental	Germany
12-Jan-21	Constellation Software	Facton	Germany
17-Nov-20	Topicus	easySoft GmbH	Germany
1-Nov-20	Indutrade	X-Ray WorX	Germany
1-Nov-20	Lifco	Rissman Dental	Germany
1-Oct-20	Diploma	HSP	Germany
1-Oct-20	Lifco	Kaniedenta	Germany
9-Sep-20	Topicus	IQDoQ GmbH	Germany
1-Aug-20	Lifco	Consys	Germany
9-Jul-20	Topicus	DOBRICK + WAGNER	Germany
1-Mar-20	Addtech	DMC Digital Motor Control GmbH	Germany
1-Jan-20	Indutrade	Stein Automation	Germany



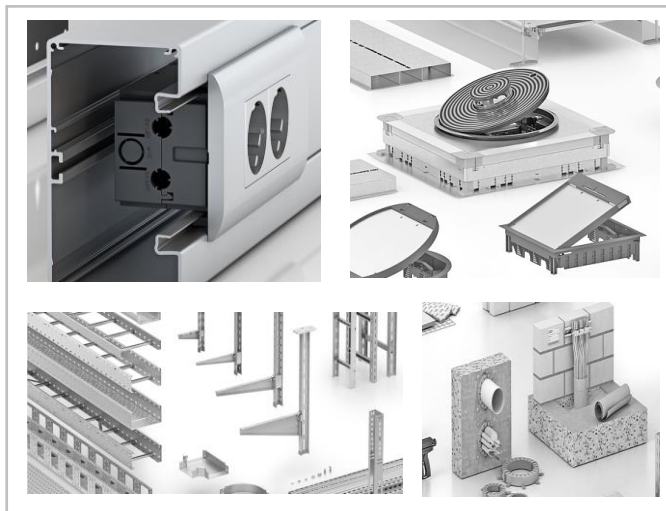
# Case example: Lifco acquires Heinz Schuller KG

October 2022

## Transaction details

- German distributor of niche cable support system and products for lightning protection
- Established in 1982, 45 employees, based in Bindlach, Germany
- Annual sales: EUR 22 million, 1,1% of Lifco's total sales
- CEO M. Thiem continues to run the business as he has done since 2015

## Products

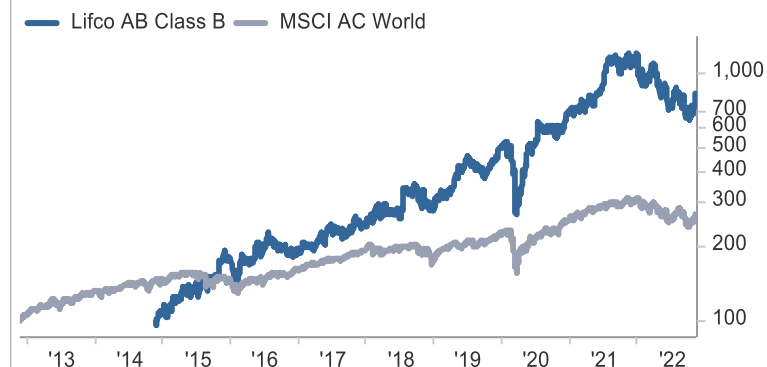


## Share price

### Lifco since IPO

Indexed Performance

(Indexed to 100)





# Case example: Addtech acquires Fey Elektronik GmbH

March 2022

## Transaction details

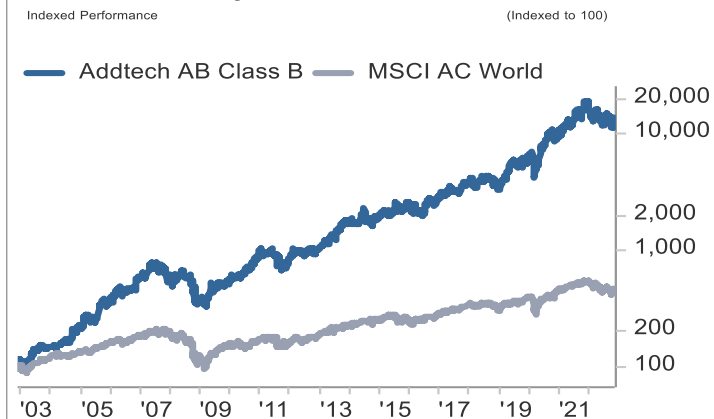
- German provider of customized battery solutions.
- Established in 1991, based in Seevetal, Germany
- Annual sales: EUR 55 million, 3,4% of Addtech's total sales
- CEO Michael Witte continues in his role with 10% ownership
- Full autonomy and financial support

## Products

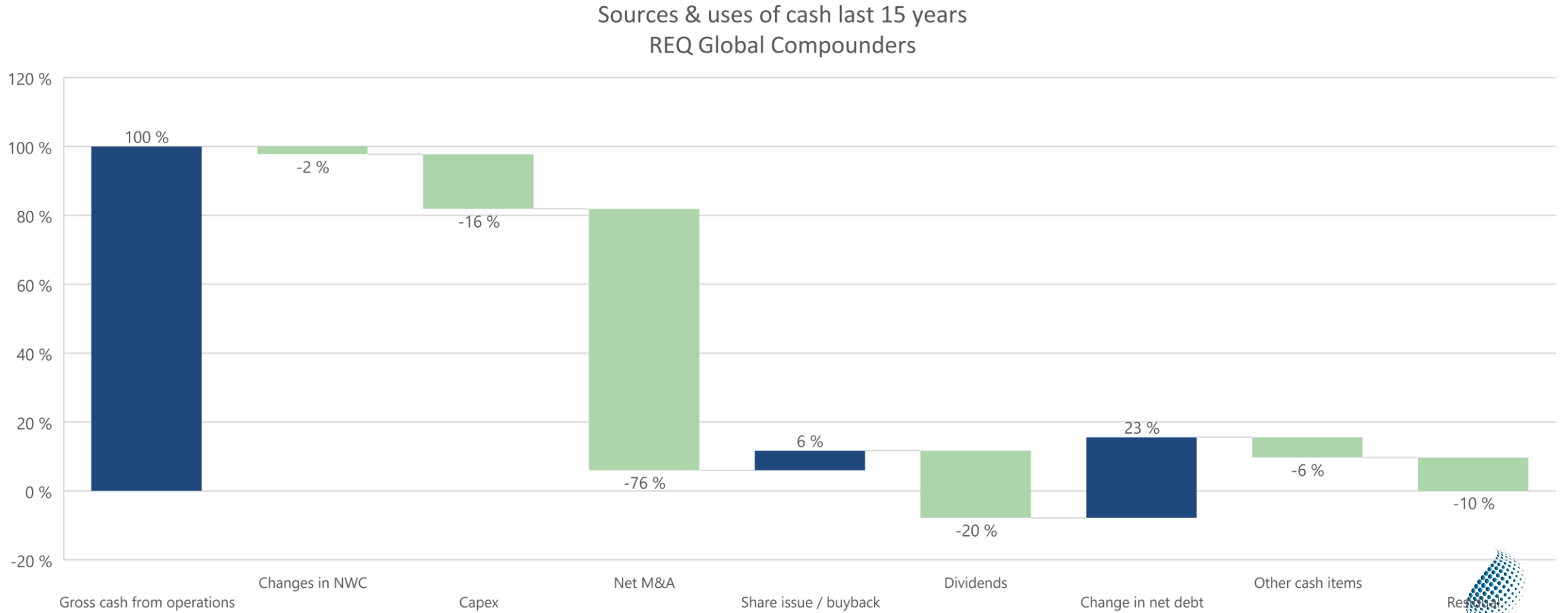


## Share price

### Addtech last 20 years



# Cash flow bridge: REQ Global Compounders



# REQ Global Compounders - look-through

REQ Global Compounders	Portfolio - WA	Average	Median
Market Cap USD (bn USD)	17,4	16,6	7,2
Enterprise value USD (bn USD)	17,6	16,7	7,2
Reinvestment rate 3Y	72 %	82 %	81 %
Reinvestment rate 5Y	72 %	81 %	79 %
Reinvestment rate 10Y	71 %	80 %	79 %
ROE	20 %	22 %	20 %
ROIC (Net income / ND+EQ)	17 %	18 %	16 %
ND/EBITDA	1,3x	1,4x	1,5x
EPS CAGR 1Y	35 %	37 %	30 %
EPS CAGR 3Y	22 %	26 %	25 %
EPS CAGR 5Y	14 %	17 %	19 %
EPS CAGR 10Y	13 %	17 %	15 %
FCF yield	3,0%	3,8%	3,8%
Sales (mUSD)	4 448	4 635	2 873
EBIT (mUSD)	673	666	454
Net income 2024 (USDm)	503	489	273
Net income 2025 (USDm)	562	545	302
Net income 2026 (USDm)	590	574	336
Earnings yield 2024	3,4%	3,5%	3,2%
P/E 2024	29,8	29,0	31,0
Dividend yield (%)	1,0%	1,2%	1,0%
Sales CAGR 1Y	17 %	18 %	19 %
Sales CAGR 3Y	15 %	19 %	18 %
Sales CAGR 5Y	11 %	13 %	14 %
Sales CAGR 10Y	9 %	12 %	12 %
Organic growth 3Y	4 %	12 %	11 %
Organic growth 5Y	2 %	4 %	5 %
EBIT CAGR 1Y	26 %	30 %	28 %
EBIT CAGR 3Y	21 %	27 %	26 %
EBIT CAGR 5Y	15 %	18 %	18 %
EBIT CAGR 10Y	12 %	16 %	16 %
Shares outstanding 3Y CAGR	0,7 %	1,2 %	0,3 %
EBIT-margin	15,1%	14,4%	15,8%
EBIT-margin delta 1Y	0,1%	0,1%	0,0%
EBIT-margin delta 3Y	1,7%	2,1%	1,6%
EBIT-margin delta 5Y	1,9%	2,3%	1,6%
EBIT-margin min.	3,2%		
EBIT-margin max.	29,3%		
Cash conversion 3Y (FCF/net income)	106 %	115 %	107 %
Cash conversion 5Y (FCF/net income)	111 %	123 %	117 %
Cash conversion 10Y (FCF/net income)	111 %	122 %	121 %

REQ Global Compounders	Portfolio - WA	Average	Median
Insider Ownership Board (%)	14,5%	11,6%	2,9%
Insider Ownership families/other insiders (%)	2,3%	2,9%	0,0%
Insider Ownership CEO (%)	1,7%	1,5%	0,2%
CEO Base Salary (USDm)	1,0	0,9	0,7
CEO Ownership (times base salary)	358,7x	245,0x	18,9x
Company foundation (Years)	38	42	35
CEO Tenure (Years)	13	12	7
Average # of acquisitions / year - LY	4	8	8
Average # of acquisitions / year - L 3Y	4	9	7
Average # of acquisitions / year - L 5Y	3	8	7
Average # of acquisitions / year - L 10Y	3	7	7
Average deal size - LY (USDm)	4	14	13
Average deal size L 3Y (USDm)	5	13	13
Average deal size L 5Y (USDm)	4	11	10
Average deal size L 10Y (USDm)	3	9	8
Europe % of sales	51 %	53 %	42 %
North America % of sales	34 %	38 %	33 %
Asia % of sales	10 %	12 %	9 %
RoW % of sales	4 %	4 %	3 %
Total shareholder return 1Y	27 %	27 %	29 %
Total shareholder return 3Y	59 %	68 %	50 %
Total shareholder return 5Y	180 %	222 %	191 %
Total shareholder return 10Y	593 %	869 %	644 %
Active share	99 %		
Number of stocks	23		



# Fund information

## REQ Capital fund information

Sub-fund	Class	Currency	ISIN	SEDOL	Bloomberg
REQ Global Compounders	A (Dist)	NOK	IE0007QGNF13		RGCADNK ID
REQ Global Compounders	A (Acc)	NOK	IE000BMWPZH81	BMWPZH8	RGCAANK ID
REQ Global Compounders	A (Acc)	EUR	IE000BMWPZJ06	BMWPZJ0	RGCAEAE ID
REQ Global Compounders	A (Acc)	USD	IE000BMWPZM35	BMWPZM3	RGCAUAD ID
REQ Global Compounders	Perf (Acc)	USD	IE000YOXA359		RGCOMPU ID
REQ Global Compounders	A (Acc)	SEK	IE000BMWPZK11	BMWPZK1	
REQ Global Compounders	A (Acc)	GBP	IE000BMWPZL28	BMWPZL2	
REQ Global Compounders	Inst (Acc)	NOK	IE000BMWPZB20	BMWPZB2	RGCINAN ID
REQ Global Compounders	Inst (Acc)	EUR	IE000BMWPZC37	BMWPZC3	
REQ Global Compounders	Inst (Acc)	USD	IE000BMWPZG74	BMWPZG7	RGIUAD ID
REQ Global Compounders	Inst (Acc)	SEK	IE000BMWPZD44	BMWPZD4	RGCIASK ID
REQ Global Compounders	Inst (Acc)	GBP	IE000BMWPZF67	BMWPZF6	
REQ Global Compounders	Perf (Acc)	NOK	IE000BMWPZN42	BMWPZN4	RGCNAPN ID

Sub-fund	Class	Currency	ISIN	SEDOL	Bloomberg
REQ Nordic Compounders	A (Acc)	NOK	IE000KVLPU4	BRXGMG3	RNCNANK ID
REQ Nordic Compounders	A (Acc)	SEK	IE0002T403A4	BRXGMH4	
REQ Nordic Compounders	Inst (Acc)	NOK	IE000KSZPSG3	BRXGMJ6	RNCIANK ID
REQ Nordic Compounders	Inst (Acc)	SEK	IE0009MTA5P0	BRXGMK7	
REQ Nordic Compounders	Perf (Acc)	NOK	IE000ODUDU11	BRXGML8	
REQ Nordic Compounders	Perf (Acc)	SEK	IE0004N383F1	BRXGMM9	
REQ Nordic Compounders	A (Acc)	EUR	IE000DIJL5B8	BRXGMN0	RNCAEAG ID
REQ Nordic Compounders	Inst (Acc)	EUR	IE000UYT24Y8	BRXGMP2	RNCIEAZ ID
REQ Nordic Compounders	A (Acc)	USD	IE000FCQEEEN6	BRXGMQ3	RNCAUAY ID
REQ Nordic Compounders	Inst (Acc)	USD	IE000WR09HE6	BRXGMR4	RNCIUAL ID
REQ Nordic Compounders	Perf (Acc)	EUR	IE000BTXAED4	BRXGMS5	RNCIPAE ID
REQ Nordic Compounders	A (Acc)	GBP	IE000VQVY2L1	BRXGMT6	

### Fund information

**Fund structure:** Irish UCITS ICAV global long only

**Fund manager:** Oddbjørn Dybvad, Kjetil Nyland & Adnan Hadziefendic

**Currencies:** NOK, SEK, USD, EUR, GBP

**Launch date:** 15th of June 2021

**ESG classification:** Article 8

**Fund classes:** Institutional (I) (0.6%), High Net Worth (A) (1.0%), and

Performance (P) (0.5% + 15% above 8% annually)

**Daily pricing at noon**

**Fund administrator and depository:** RBC (Royal Bank of Canada)

**Auditor:** Grant Thornton (Ire) and KPMG (Norway)

**Regulators:** Central Bank of Ireland (CBI) and Norwegian Financial Authority

### Fund information

**Fund structure:** Irish UCITS ICAV Nordic long only

**Fund manager:** Oddbjørn Dybvad, Kjetil Nyland & Adnan Hadziefendic

**Currencies:** NOK, SEK, USD, EUR

**Launch date:** 25th of January 2022

**ESG classification:** Article 8

**Fund classes:** Institutional (I) (0.6%), High Net Worth (A) (1.0%), and

Performance (P) (0.5% + 15% above 8% annually)

**Daily pricing at noon**

**Fund administrator and depository:** RBC (Royal Bank of Canada)

**Auditor:** Grant Thornton (Ire) and KPMG (Norway)

**Regulators:** Central Bank of Ireland (CBI) and Norwegian Financial Authority

### Risk and reward profile



### Charges

Entry Charge	None
Exit Charge	None
Ongoing Charges	See relevant fund class for information

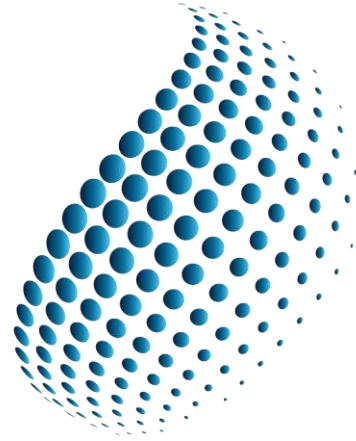
### Risk and reward profile



### Charges

Entry Charge	None
Exit Charge	None
Ongoing Charges	See relevant fund class for information





**REQ CAPITAL**

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INVESTING WITH INSIGHT



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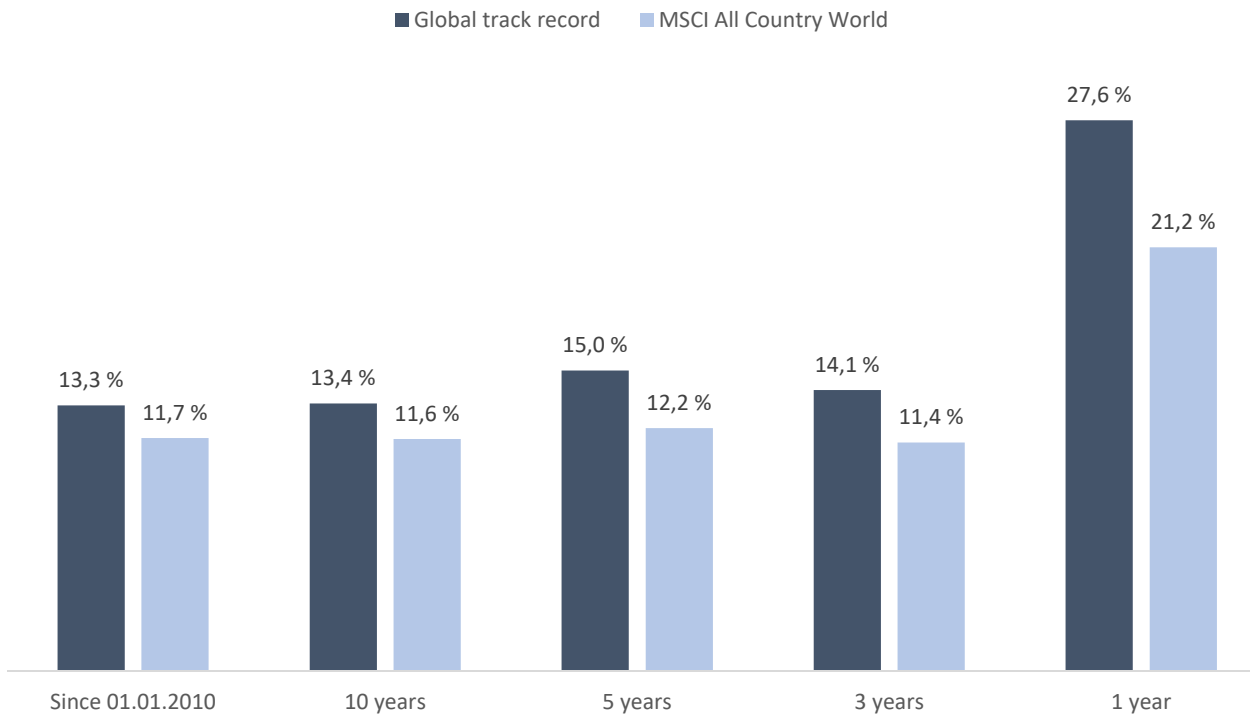
# Global track record (EUR)

Historical figures

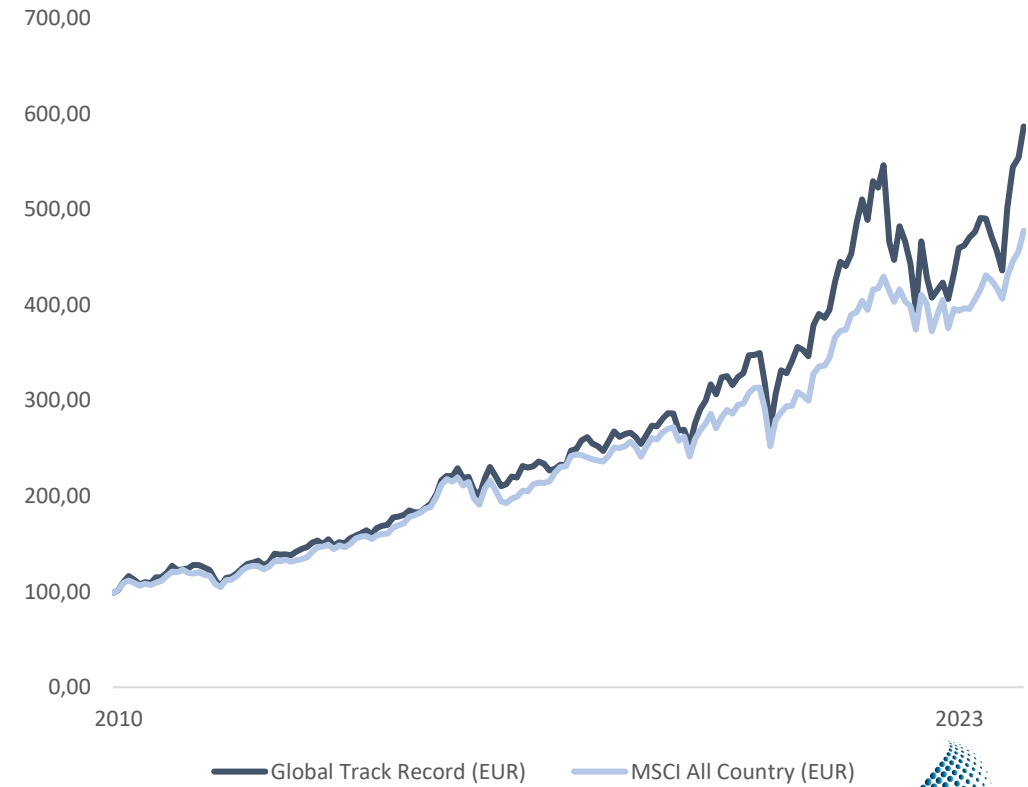


April 2020:  
 Rated as fund with best risk-adjusted returns of 230  
 global funds in the Nordics over last 1,3 and 5 years.

Annualized returns



Historical performance (indexed)



\*Global Track Record 01.01.2010 – 15.06.2021. REQ Global Compounders 15.06.2021 – 29.02.2024. All figures in EUR. Index: MSCI All Country Total Return. Gross returns

# Performance since launch (EUR)

Launch date 15th of June 2021

## Absolute returns

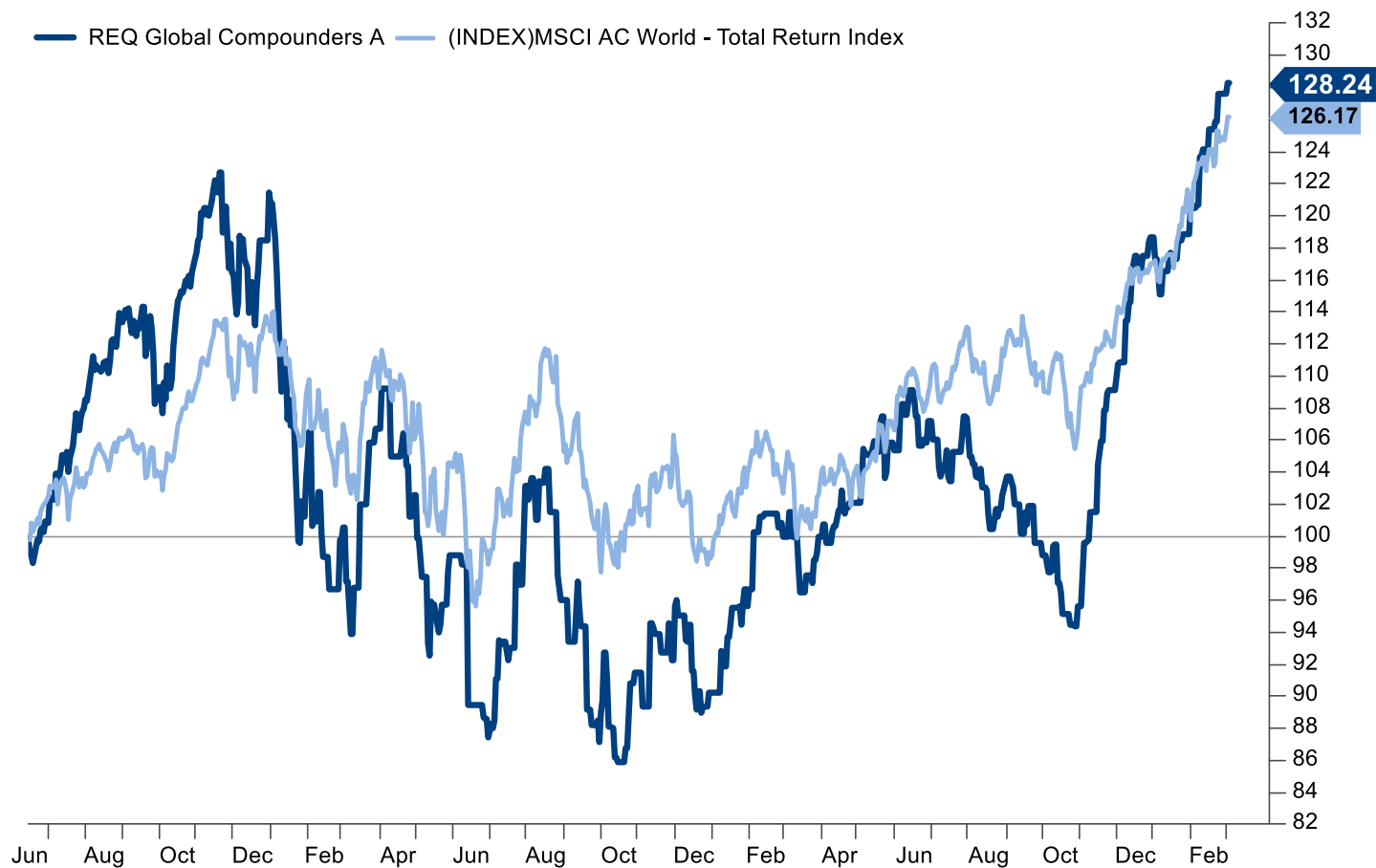
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
<b>2021</b>						0.9%	7.1%	5.0%	-4.3%	8.2%	-1.3%	4.4%	21.0%
<b>2022</b>	-14.8%	-4.2%	7.8%	-3.3%	-5.2%	-11.0%	18.0%	-8.0%	-5.6%	2.7%	1.8%	-4.1%	-24.4%
<b>2023</b>	7.1%	5.4%	0.7%	1.5%	2.3%	2.6%	-0.7%	-3.7%	-3.5%	-4.2%	14.1%	8.3%	32.7%
<b>2024</b>	1.8%	5.2%											7.1%

## Relative returns (to MSCI All Country total return)

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	YTD
<b>2021</b>						-1.4%	6.3%	2.0%	-2.0%	2.9%	-1.7%	1.4%	8.2%
<b>2022</b>	-11.3%	-1.4%	4.6%	-0.3%	-3.8%	-4.8%	8.3%	-5.7%	1.5%	-2.1%	-1.9%	3.1%	-11.8%
<b>2023</b>	1.8%	5.9%	0.0%	1.6%	-0.2%	-0.9%	-3.3%	-2.5%	-1.8%	-1.4%	8.2%	4.7%	14.1%
<b>2024</b>	-0.5%	1.1%											0.6%

# Performance since launch (EUR)

Launch date 15th of June 2021



«A» class net of 100bps annual management fee. Index is total return index