

## Monthly Report as of 30.06.2025

European equity markets paused for breath in June. While US markets – buoyed by technology stocks – continued to advance, the appreciation of the euro and persistently mixed economic data weighed on investor confidence in Europe.

### Current Assessment

Despite the continued “risk-on” sentiment – with both the DAX and several US indices recently reaching new all-time highs – we are observing an increasingly cautious stance at the mid-point of the year. In light of geopolitical uncertainties, particularly concerning potential US tariffs and the trajectories of inflation, growth and interest rates, markets are likely to remain in a more volatile sideways phase.

The recent EUR/USD exchange rate developments are expected to weigh on the upcoming quarterly results of European exporters. This may trigger sharp market reactions to disappointments such as guidance cuts or potential negative earnings revisions, which could interrupt the current rally. In contrast, many US companies are benefiting from the weaker dollar – a stabilising factor for both US and global equity markets. In addition, many investors are currently prioritising reliability or seeking to maintain exposure to momentum in tren-

ding sectors such as defence or European infrastructure.

### US vs. Europe

Political uncertainty in the US is currently prompting a cautious and likely sustained reallocation of global capital flows – away from US assets and towards long-neglected markets such as Europe and selected emerging markets. We view this development positively, particularly with respect to the German capital market. Against the backdrop of attractive valuations, European markets are increasingly capturing the attention of global investors. Small and mid caps in particular appear favourably valued, both in historical terms and by international comparison. They are expected to benefit disproportionately from the anticipated economic momentum in Germany, which is being driven by growth-oriented fiscal policy and targeted investment initiatives. Moreover, the lower interest rate environment in the eurozone should not only support equity valuations but also serve as a stimulus for economic activity.

### Developments in June

Small and mid caps in Europe once again outperformed large caps. Cyclical sectors such as Travel & Leisure (+1%), Technolo-

gy (+1%) and Construction & Building Materials (+2%) were particularly in demand during the reporting period. In contrast, defensive or consumer-related sectors like Food & Beverages (-7%), Media (-5%) and Chemicals (-4%) underperformed.

## Fund Performance

The **GS&P Fund – Family Business (G)** recorded a **further gain of +2.6%** in June, while the broad European market – as measured by the STOXX Europe 600 TR – declined by -1.2%. This brings the fund's performance for the **first half of the year to +13.0%**, compared with +8.8% for the index. July has also shown encouraging developments thus far.

The strongest contributors in June included **Elmos** (+30%), **Pfisterer** (+17%), **KSB Pref** (+13%) and **Ceconomy** (+37%). The first three, all top-10 holdings, made a substantial contribution to the positive monthly performance. Elmos even reached a new all-time high in early July, while Pfisterer, since its IPO in mid-May 2025, has risen by more than +95% at its peak. To date, only around half of the initial position of just under 3% has been divested.

The main underperformers included **Hellenic Telecom** (-7%), **INIT** (-4%) and **Zalaris** (-4%) – the latter is addressed in more detail below.

## Portfolio Changes in June

The past month was characterised by

heightened activity. Our remaining position in **Serviceware** was fully sold following strong share price performance, as we believe that the development in operating margins has not kept pace with the stock's rise.

Our holding in **1&1** was moderately reduced after its share price increased in response to the partial takeover offer (€18.50 per share) by United Internet. We would also stand to benefit indirectly from further upside through our 3% position in **United Internet**.

Minor profit-taking also took place in **Jet2** following its favourable price performance.

As noted in the previous report, our position in HelloFresh was largely sold following the unexpected departure of its CFO. Although we expect operational improvements and anticipate a turnaround, the exit of a highly capable CFO, whom we have followed for many years, gives reason for reflection. An investment case is never static. In line with Keynes' thinking, new facts regularly call for a new assessment.

We increased our existing position in **Energiekontor**, as we anticipate a strong first half of the year, which should underpin the full-year earnings guidance.

## Update: Zalaris

Short-term disappointing news came from Norway: The management of our top fund position as of end-May, **Zalaris**, concluded

the strategic review process, which had been ongoing for over a year, and ultimately decided against selling the company. As a result, we reduced the more speculative portion of our holding and now feel well positioned with Zalaris as the fund's third-largest position, representing a weighting of over 5%.

On a positive note, despite the takeover speculation, the shares remain fundamentally well supported due to significant operational improvements over recent quarters. In a short-notice video call with the CEO and CFO, we were able to understand management's rationale and also contributed our own strategic suggestions. CEO and founder Hans-Petter Møllerud sees materially greater upside in continuing the company's independent development rather than in a short-term valuation uplift through a sale to private equity. From an entrepreneurial standpoint, his reluctance to part with his life's work "below value" is entirely understandable.

Given the substantial share price gains in recent quarters, the immediate takeover premium would no longer have been significant. At the same time, the company presents a compelling operational profile: double-digit revenue growth, a high proportion of recurring revenues, an EBIT margin of over 13% and rising, low leverage (net debt/EBITDA < 1x), and currently trading at a P/E ratio of just 15x, with the potential to fall towards 10x upon achievement of medium-term targets within 2–3 years. In our dialogue with management, we advocated

for share buybacks, the refinancing of the high-yield bond maturing in early 2026 and an intensified investor relations effort – including broader research coverage and enhanced presence at IR roadshows.

The liquidity released through portfolio adjustments was partially reinvested – although the IPO season came to an abrupt halt. For example, the anticipated listing of German family business **BrainLab** was postponed.

### New Investment: Sentia

In June, we added two international construction companies to the portfolio, including the Norwegian newcomer **Sentia**, whose successful IPO we participated in. We received an allocation at the placement price of NOK 50 per share. By the end of the month, the share price had risen by over 25%.

Sentia is a relatively non-cyclical construction company with approximately 1,400 employees and revenues exceeding NOK 10 billion. The company specialises in large, complex projects, often publicly funded and delivered through partnering models. It benefits from a strong market position, a stable client base and a solid track record.

CEO Jan Jahren underscored his long-term commitment through a personal investment of NOK 100 million at IPO terms and a lock-up period of 720 days – showing "skin in the game" and a strong signal of alignment with shareholders. Additionally, bro-

ad-based incentive structures are in place at the management level.

The IPO valuation appeared attractive: a P/E ratio of around 10x, a strong balance sheet with net cash, high cash flow generation and an expected initial dividend yield of nearly 8%. Our investment case anticipates a re-rating towards a mid-single-digit dividend yield alongside a mid-teens P/E.

### New Investment: Porr

We also took part in a share placement by the Austrian construction company **Porr** at €26.50. Approximately 50% of the company is owned by the Strauss and Ortner families, who exert significant influence through a syndicate. We have been following Porr for many years and are well aware of its mixed track record. Nonetheless, we currently see an attractive starting point for a further re-rating.

Porr provides broad infrastructure exposure in Germany and selected European markets, with a focus on bridge, motorway, railway and tunnel construction. We anticipate positive momentum from easing labour market conditions and rising demand,

which together should strengthen pricing power and cost control, thereby supporting margin improvement. In addition to the German infrastructure programme, the anticipated reconstruction efforts in Ukraine are expected to create strong momentum. This could afford Porr a relatively stronger negotiating position in its existing markets, as competitors may shift their focus to the emerging Ukrainian market. Porr itself does not intend to assume the associated risks of direct market entry.

In light of these tailwinds, we consider a revaluation of the stock from a single-digit to a double-digit P/E to be a plausible scenario.

### Outlook for July

Further portfolio adjustments were undertaken in July. We began to gradually reduce our holdings in the two previously very successful stocks, **Elmos** (YTD to 15 July: > +30%) and **Pfisterer** (since IPO to 15 July: > +90%). At the same time, new investments were initiated, which will be discussed in greater detail in the next monthly report.



The price of the fund units is subject to fluctuations and may particularly in the event of negative economic or stock market developments be permanently and significantly below the purchase price. The fund is not suitable for investors who are seeking a risk free investment or who wish to withdraw their money from the fund within a period of five years.

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For detailed product specific information, in particular on the investment objectives, investment principles, opportunities and risks and explanations of the fund's risk profile, please refer to the sales prospectus, the terms and conditions of investment, the key information document (PRIIP) and the latest annual and semi annual reports. This information is available to you free of charge in German on the Internet at <https://gsp-kag.com>.

You can also obtain this information free of charge in German from the registered office of the management company GS&P Kapitalanlagegesellschaft S.A., 7, Op Flohr L-6726 Grevenmacher, Luxembourg, the depositary and the distributor. The depositary is DZ PRIVATBANK S.A., 4, rue Thomas Edison L-1445 Strassen, Luxembourg. These documents form the sole binding basis for the purchase of the fund. Please read the fund's prospectus and key information document (PRIIP) before making a final investment decision.

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