Marketing Communication

GS&P Fonds | Family Business

Reporting August 2025

Monthly Report as of 31.08.2025

Global equity markets showed a mixed performance in August: while US markets and parts of Europe posted gains, the previously strong German market experienced a period of consolidation.

Current Assessment

Markets remain in an extended sideways phase. In the US a handful of heavily weighted tech stocks are still propping up the indices while in Europe a more cautious tone dominates – also visible in the recently low trading volumes. As mentioned in the previous report the "pain trade" still points upward given the absence of a sharper correction. However geopolitical risks remain. We have responded by positioning the portfolio more broadly than usual.

Recent EUR/USD volatility has as expected weighed on the quarterly results of European exporters. Among German small and mid caps the sharp valuation expansion seen earlier this year has given way to some cooling sentiment and price consolidation. Additional pressure stems from uncertainty on the tariff front: while media headlines have touted several "deals" they are technically not yet finalised. This has led to temporarily postponed investment decisions, reduced visibility, weaker corporate outlooks and mixed macroeconomic data.

With rate cuts by the Fed now back in focus, sentiment has shifted more towards recession concerns. Many investors are seeking safety in reliable or momentum-driven sectors such as defence or European infrastructure. Despite this more cautious market view we remain optimistic about the fund's prospects thanks to several compelling idiosyncratic investment cases.

Developments in August

During the month European large caps outperformed mid and small caps. Cyclical sectors such as basic materials (+5%) were in demand as were previously weaker sectors like healthcare (+4%) and food & beverages (+4%). Technology (-4%) and media (-4%) lagged behind.

Fund Performance

The **GS&P Fonds – Family Business (G)** achieved a modest gain of **+0.5%** in a challenging environment compared to +1.0% for the broader European market as measured by the STOXX Europe 600 TR. Year-to-date this brings our performance to **+16.9%** versus +10.8% for the index.

Portfolio Changes in August

Portfolio activity was somewhat lower than in previous months. Following a constructive discussion with the CFO of **Uzin Utz** we slightly increased our position. We took further profits in Pfisterer near the €70 mark (IPO in May at €27). **Elmos** and **INIT** were trimmed on strength while **ConvaTec** was slightly increased at lower levels. Shortly thereafter ConvaTec announced a share buyback programme of around 5% of outstanding shares – something we had anticipated given the solid balance sheet and ongoing deleveraging.

Company Insights

In recent weeks we held **more than 40 company meetings** – among others at the Hamburg Investor Days hosted by Montega, the Equity Forum Autumn Conference, the ODDO BHF Corporate Conference, the Deutsche Bank dbAccess IAA Cars Conference and during a Munich field trip with Metzler in conjunction with the IAA. This allowed us to speak with over 40% of our portfolio companies and gain a fresh view on the current economic landscape.

As in previous months **Pfisterer** was again among the strongest contributors with a monthly gain of around **+13%**. Very strong results provided further momentum even after the stock had already doubled: order intake rose over 44% in the first half, accelerating versus Q1. Revenue grew by over 9% with an EBITDA margin above 18%. Against this backdrop the company's full-year targets appear conservative. Given a valuation of nearly 25x 2026 earnings we nonetheless further reduced our position by month-end.

The recently added stocks also performed well: the construction firms **Implenia** (+15%) and **Uzin Utz** (+10%), and the transport IT specialist **INIT** (+9%). All three are seen as beneficiaries of rising infrastructure investments in Germany and delivered solid half-year results with **Implenia** in particular outperforming analyst expectations.

Our largest current position **Zalaris** (+6%) also delivered a strong quarter: revenue reached a record NOK 362m (+12% y/y) and adj. EBIT rose 55% to NOK 44m. The operating margin exceeded 12% and operating cash flow also increased significantly – demonstrating successful execution of the company's growth and profitability strategy. While a temporary market overhang exists due to a fund liquidation we see further near-term catalysts in the refinancing of an expensive corporate bond, enhanced investor outreach, wider analyst coverage and sustained strong results.

United Internet (+6%) benefited from solid half-year results and renewed hopes of value unlocking in relation to its 86.5% stake in **1&1** (+10%). United Internet recently bought additional shares through block trades at prices above its previous offer, which has fuelled hopes for a positive outcome in this case.

On the negative side several core positions came under pressure:

Elmos (-11%) declined after a 100% rally triggered by solid yet unspectacular quarterly results, some primarily tax-driven insider sales by the CEO and a cooling automotive environment. Our prior reduction of almost one third of the position proved prudent. Long term we remain highly confident: the number of chips per vehicle should continue to rise rapidly, significantly outpacing the broader auto market. This view was reinforced during meetings at the IAA where many major Elmos customers outlined upcoming model launches emphasising comfort, efficiency and safety features – key drivers for a return to double-digit revenue growth from the next financial year. The current year is temporarily burdened by higher gold prices, the SAP S/4HANA rollout and tax optimisation measures – together shaving off several percentage points of EBIT margin. In combination with rising revenues, fading one-off costs, lower capex needs and a very solid balance sheet these factors should allow Elmos to deploy its expected cash generation towards shareholder returns. We see the recent consolidation as sentiment-driven and temporary and continue to expect significantly higher triple-digit share prices over the long term.

KSB Pref. (-9%) consolidated after a strong rally since the start of the year and "only" solid results that offered no additional impetus.

Energiekontor (-11%) also reported good results but was affected by weak wind conditions which should normalise over time. **ABO Energy** (-8%) and **Energiekontor** were additionally weighed down by what we regard as unfounded negative read-across from Danish Ørsted, which is, among other factors, struggling with high exposure to US offshore projects. These projects though partly 80% completed were halted for questionable political reasons putting Ørsted in financial distress that now requires major capital increases. Neither ABO Energy nor Energiekontor have any offshore exposure and their US business is negligible in the overall context having been partly divested or discontinued.

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GS&P Kapitalanlagegesellschaft S.A.

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