GLENNON
SMALL COMPANIES LTD

Wednesday, 15 July 2020

Company Announcements
Australian Securities Exchange
Level 4, 20 Bridge Street
Sydney NSW 2000

Glennon Small Companies Limited (ASX: GC1) – Quarterly Webinar Amendment to Presentation

Please find attached a copy of the amended Company's Quarterly Webinar Presentation that was held on Wednesday 15 July 11AM.

The presentation has been updated for incorrect information on pages 12, 18 and 23.

For more information, please contact:

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GLENNON CAPITAL

Glennon Capital Quarterly Webinar

July 2020

AGENDA

1. Market Overview

2. Portfolio Overview

3. Stock Overview

4. Questions

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MARKET OVERVIEW

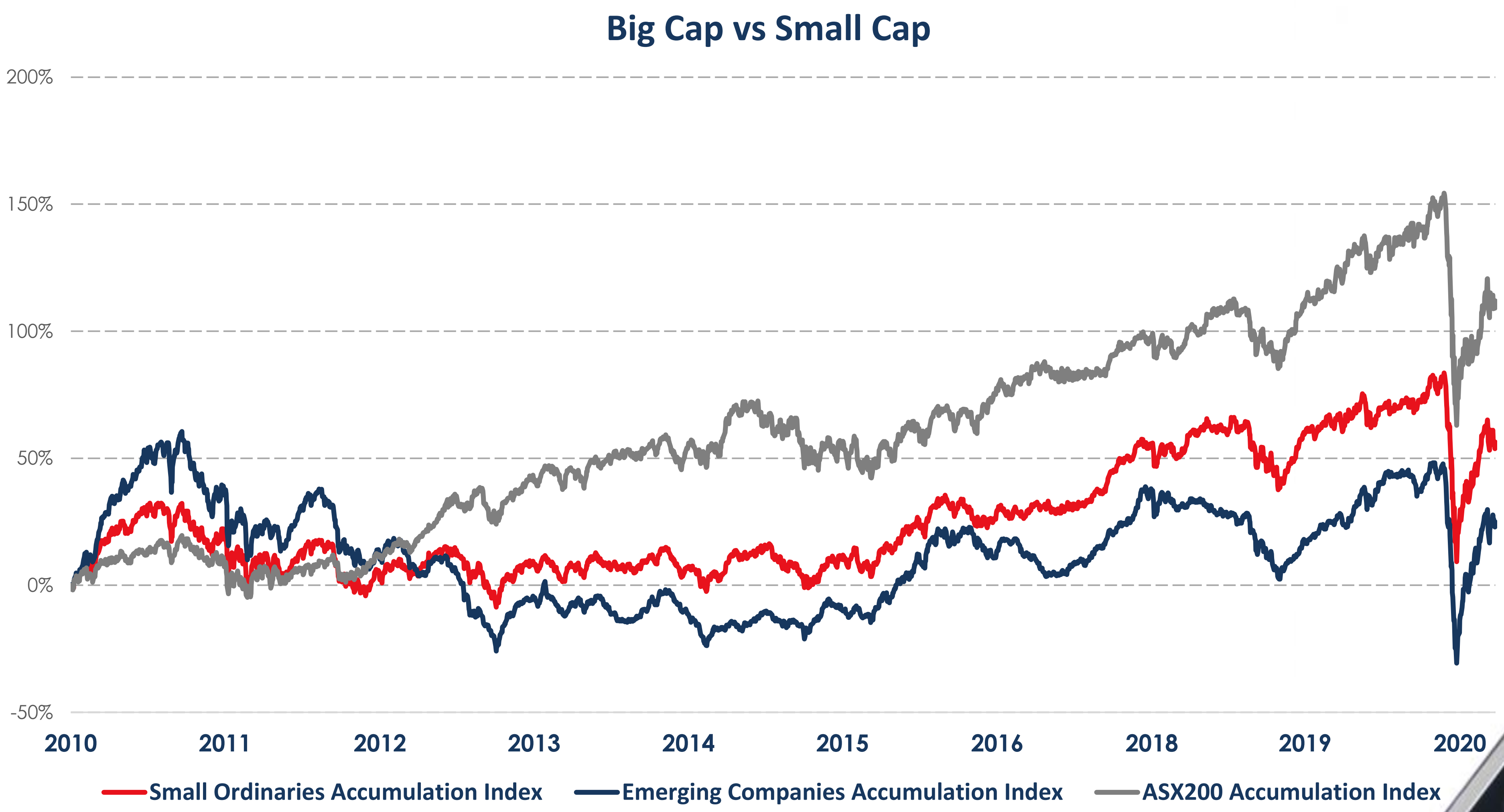
1. Market Performance

2. Government Stimulus

3. Buy Now Pay Later (BNPL)

4. 90's Tech Boom

MARKET PERFORMANCE (10-YEAR)



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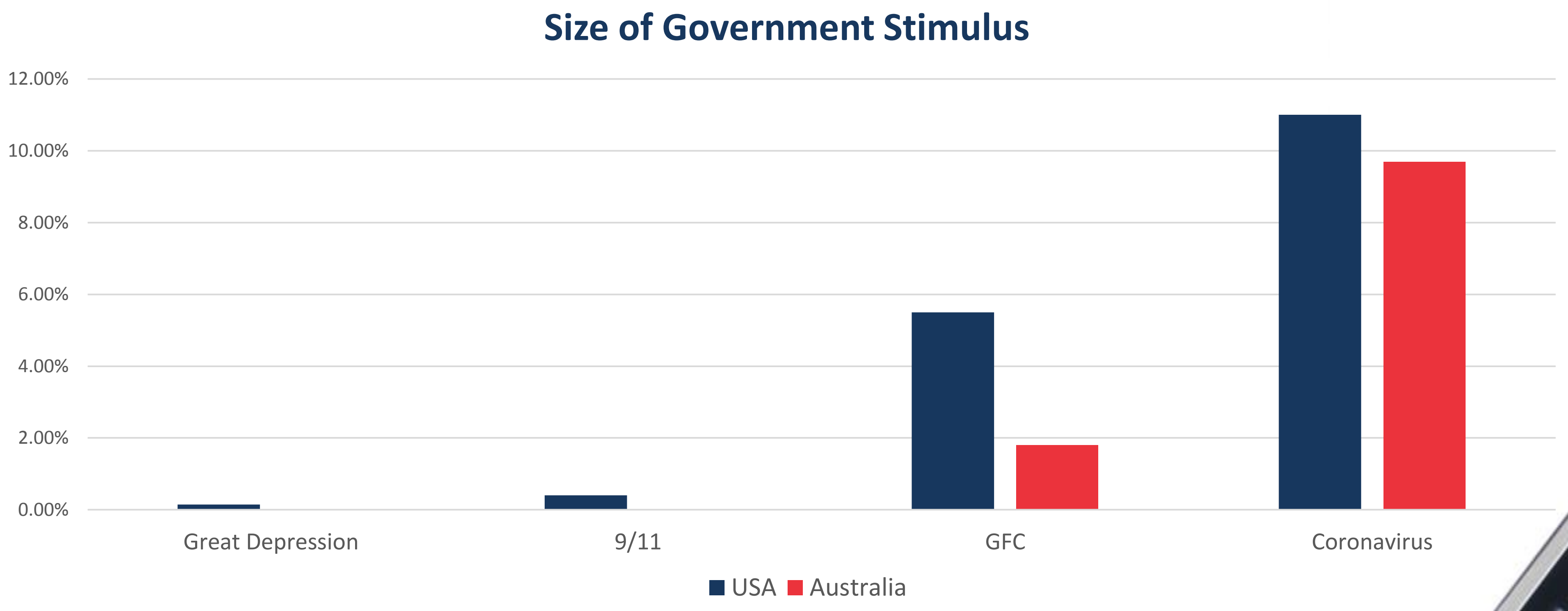
GOVERNMENT STIMULUS

Money injected directly from government: Support employment, consumption
Support from banking sectors: Waive fees to deferred business loans and overdraft repayments
QE from Central Banks: Reduce long term interest rate and provide liquidity to corporations
Greatest stimulus packages in history: Provide strong support for economic recovery



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BUY NOW PAY LATER (BNPL)

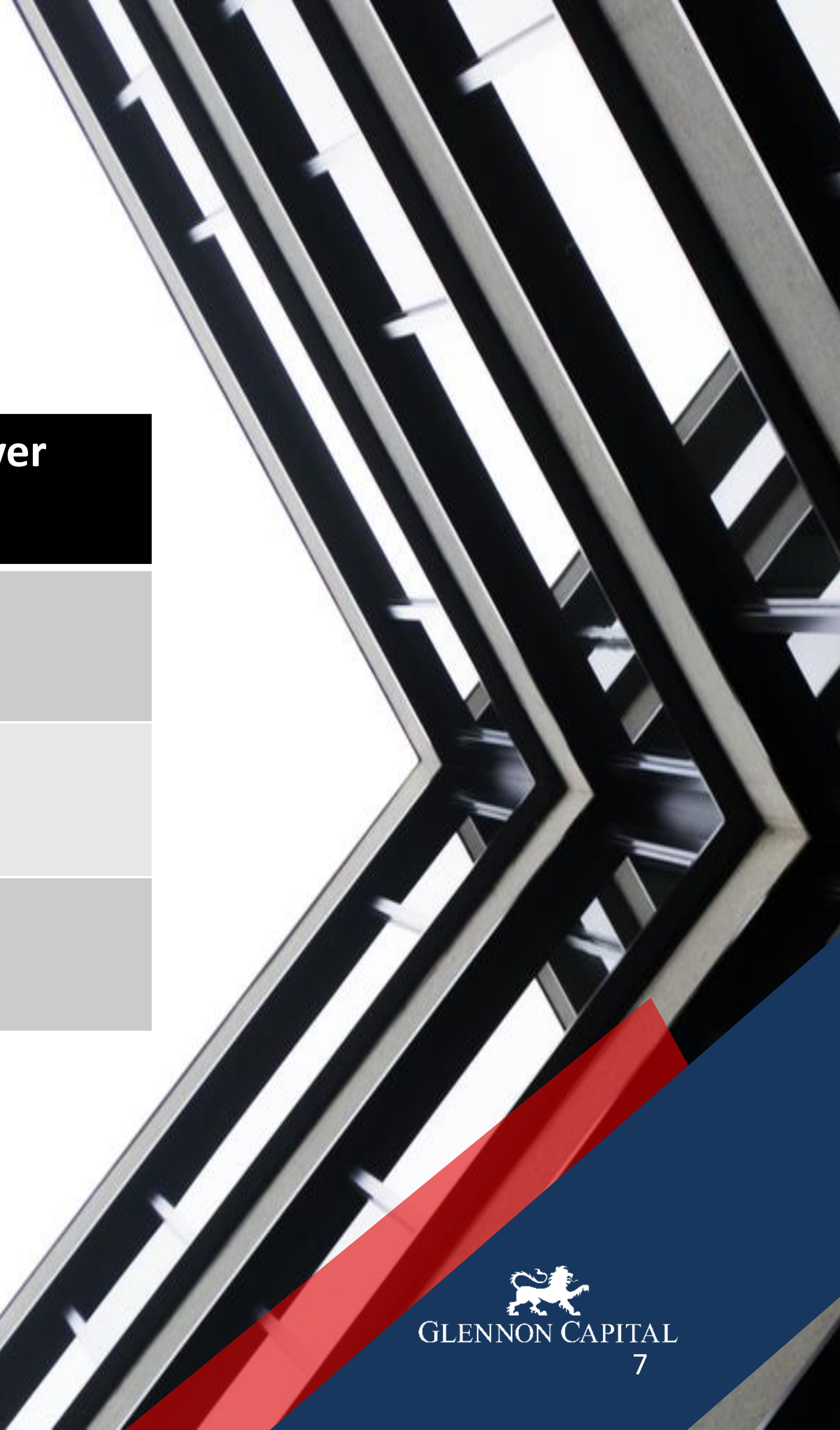
	Revenue FY20E (Growth)	Profit FY20E	EV/Rev	12-Mth Price Movement
Afterpay	514.3 Mil (94.7%)	-32.6 Mil	37.21	200.04%
Openpay	20.6 Mil (87.3%)	-41.8 Mil	15.77	172.93%
Zip	161.6 Mil (94.9%)	-53.8 Mil	23.65	148.85%
Sezzle	44.0 Mil (273.3%)	-16.6 Mil	22.0	268.64%

Source: Bloomberg as on 13/07/2020

90's TECH BOOM

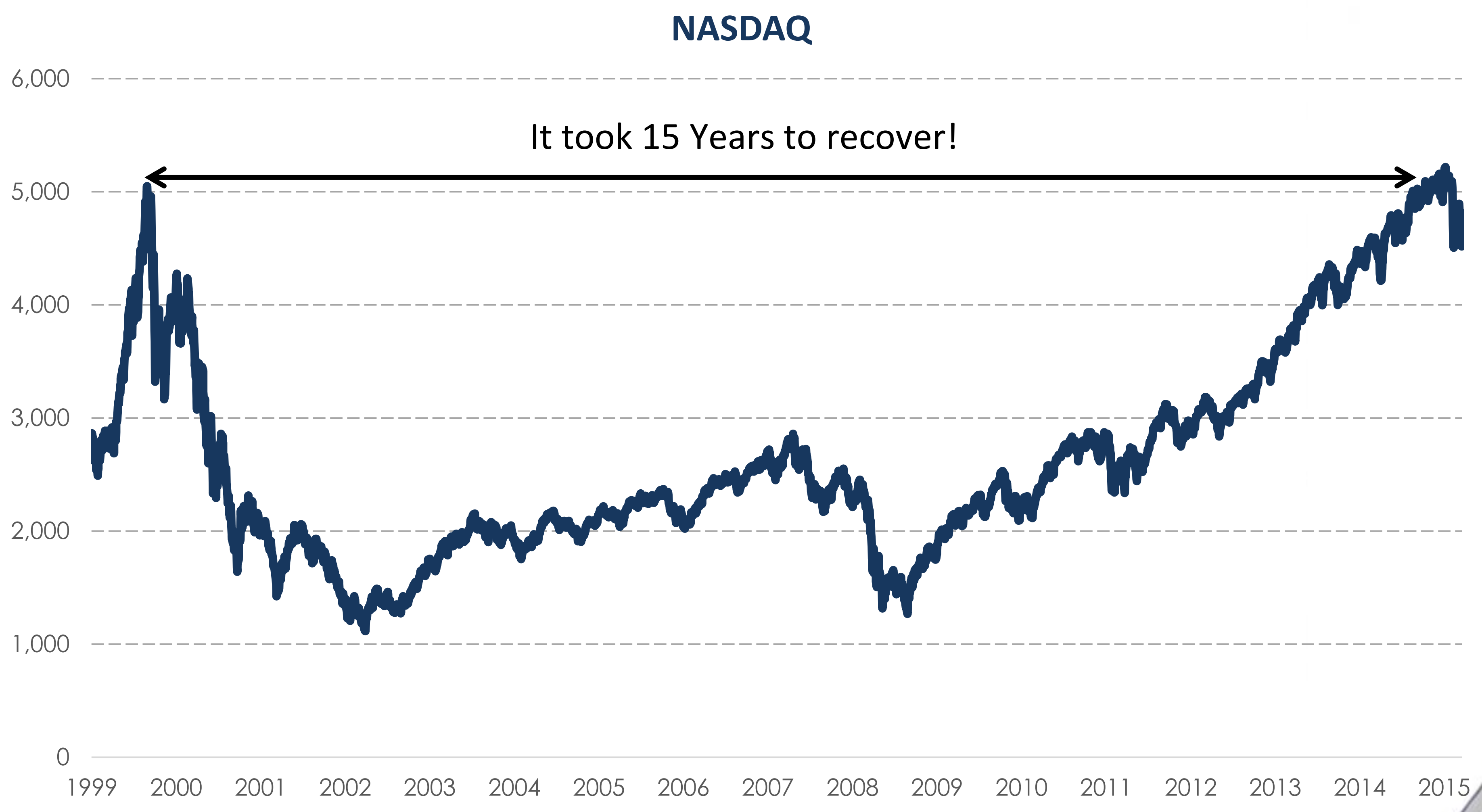
	Revenue in 1999 (Growth)	EV/Rev	Peak to Trough	Time to Recover
Amazon	609.8 Mil (412.6%)	27.93	-94.40%	9 Years
Ebay	86.1 Mil (N/A)	344.52	-77.1%	3.5 Years
Oracle	10,130.1 Mil (14.5%)	19.18	-84.2%	16 Years

Source: Bloomberg as on 13/07/2020



90's TECH BOOM

90's TECH BOOM



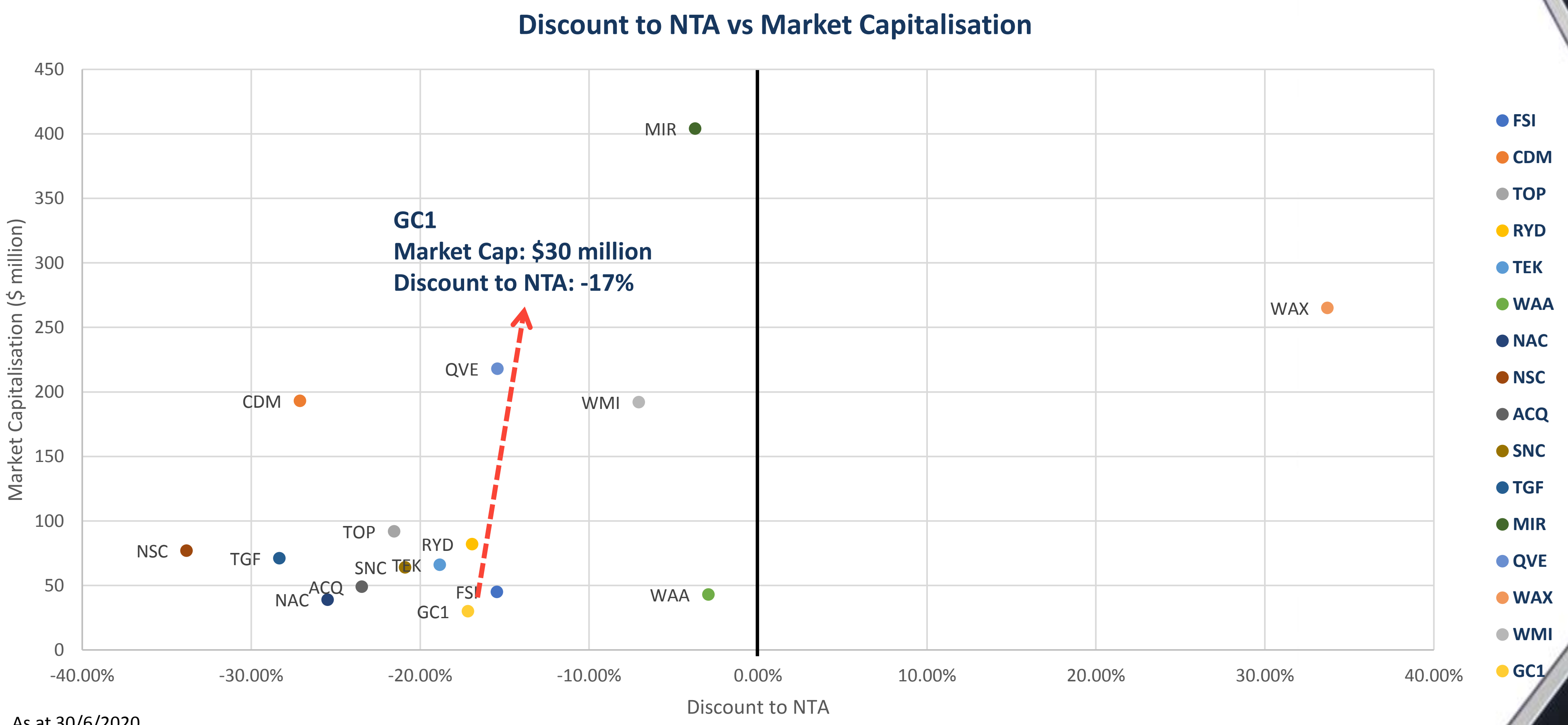
PORTFOLIO OVERVIEW

1. GC1 Portfolio Characteristics
2. GC1 Performance
3. What We Did Last Quarter
4. GC1 Share Price vs NTA
5. GC1 Returns
6. GC1 Cash Weighting

GC1 PORTFOLIO CHARACTERISTICS

Portfolio Characteristics	As at 30/06/2020
Number of stocks	27
Top 3 positions	1. City Chic Collective 2. Credit Corp Group 3. Resolute Mining
Cash weight	35.43%
Median Market Cap	$412 mil
Microcap weight	16%

GC1 PERFORMANCE



As at 30/6/2020

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WHAT WE DID LAST QUARTER

1. Increase gold exposure
2. Selectively participate in placements
3. Reduce nano & micro cap exposure
4. Reduce some value companies

GOLD EXPOSURE

- **Overweight on gold:** 14.1% in GC1 vs 8.9% in Small Ordinaries
- **Gold price supported by QE:** Increase in money supply weakens the U.S. dollars
- **Geopolitical uncertainty:** Safe haven assets

Company	Returns since first entry
Ramelius Resources Limited	72.73%
Perseus Mining Limited	35.18%
Resolute Mining Limited	33.58%
Saracen Mineral Holdings Limited	30.21%
Red 5 Limited	12.75%

As on 30/06/2020

PLACEMENT

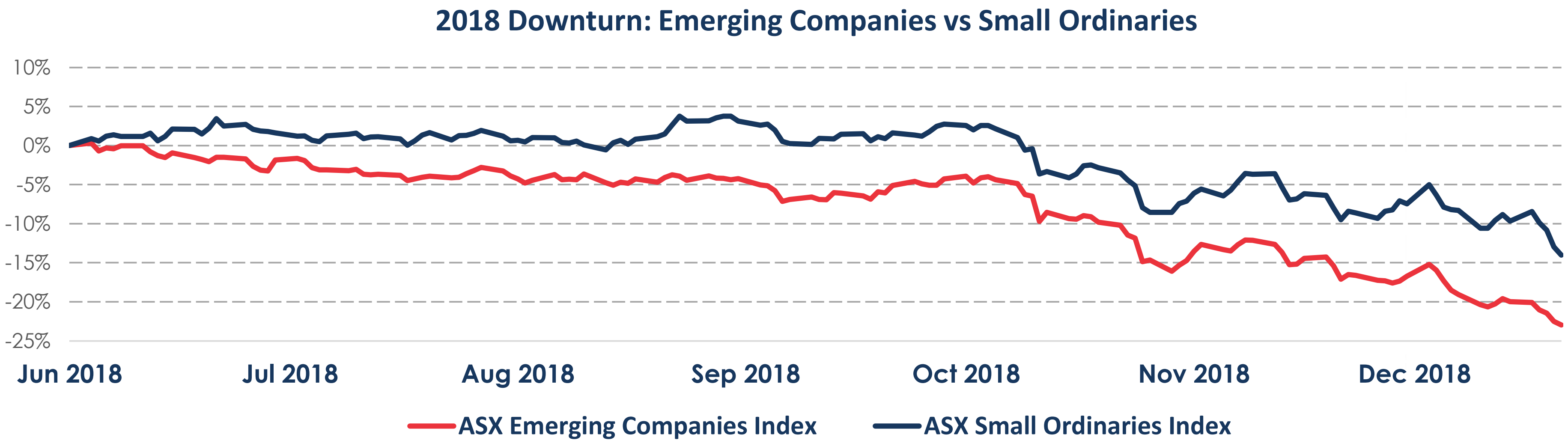
- **Companies offering discount:** Opportunities for investors with cash
- **Being selective:** Invest in high quality companies with short term liquidity problems

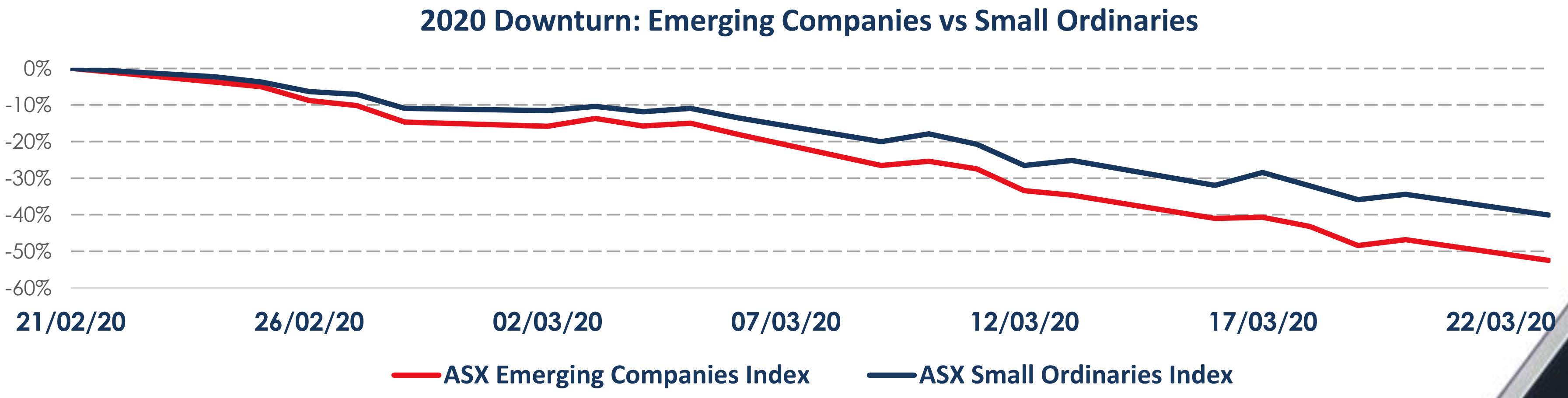
Company	Discount	Returns
Spirit Telecom	19%	127.3%*
IDP Education	2%	39.5%
Credit Corp	12%	32.2%*
Capitol Health	11%	16.1%

*Unrealised gain as on 30/06/2020

REDUCTION IN NANOCAP & MICROCAP

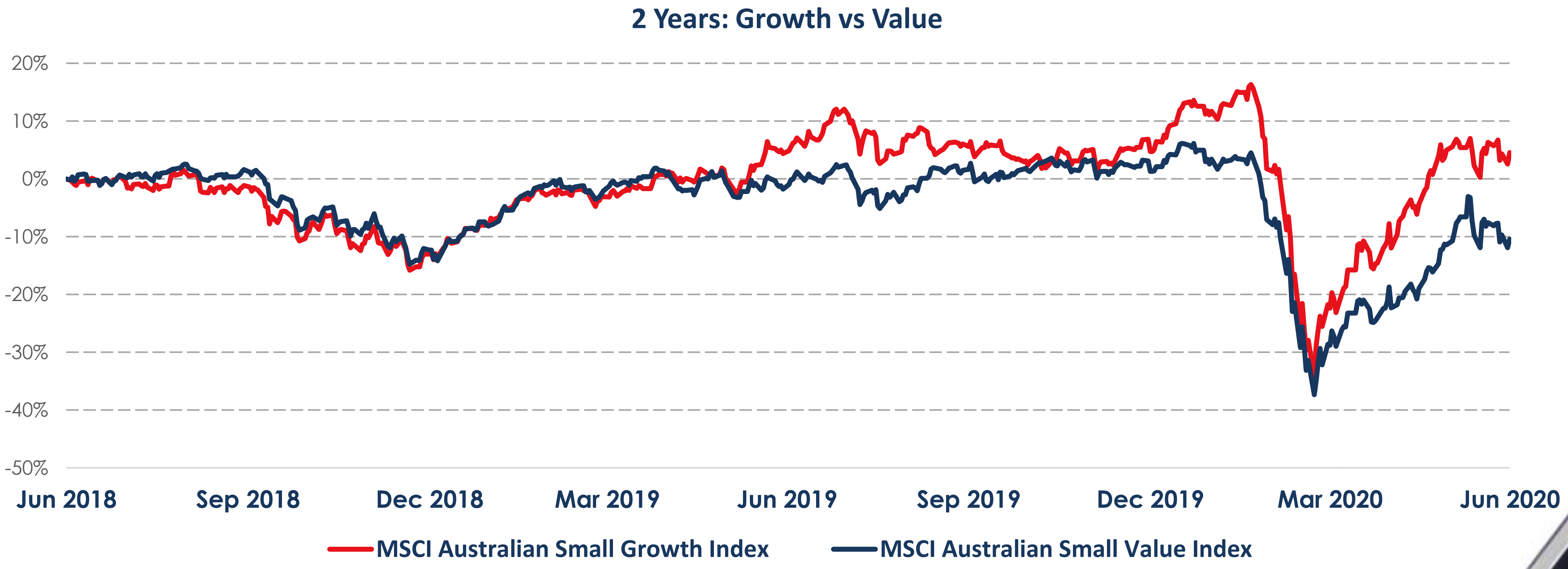
- **Nanocap & Microcap underperformed during downturn:** Defensive move and capturing the upside return
- **Market liquidity problem:** When the market turned south, positions became more difficult to sell





REDUCTION IN VALUE COMPANIES

- Value stocks underperformed during recovery



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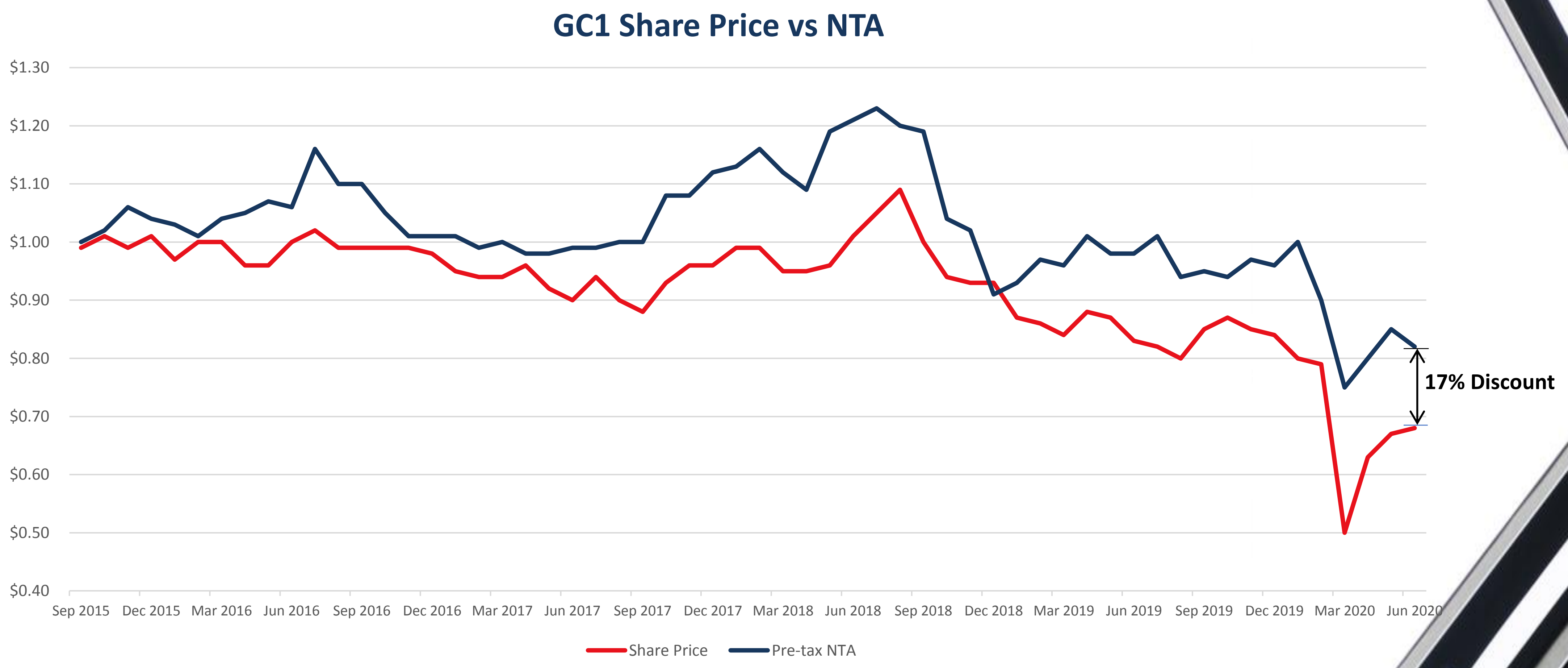
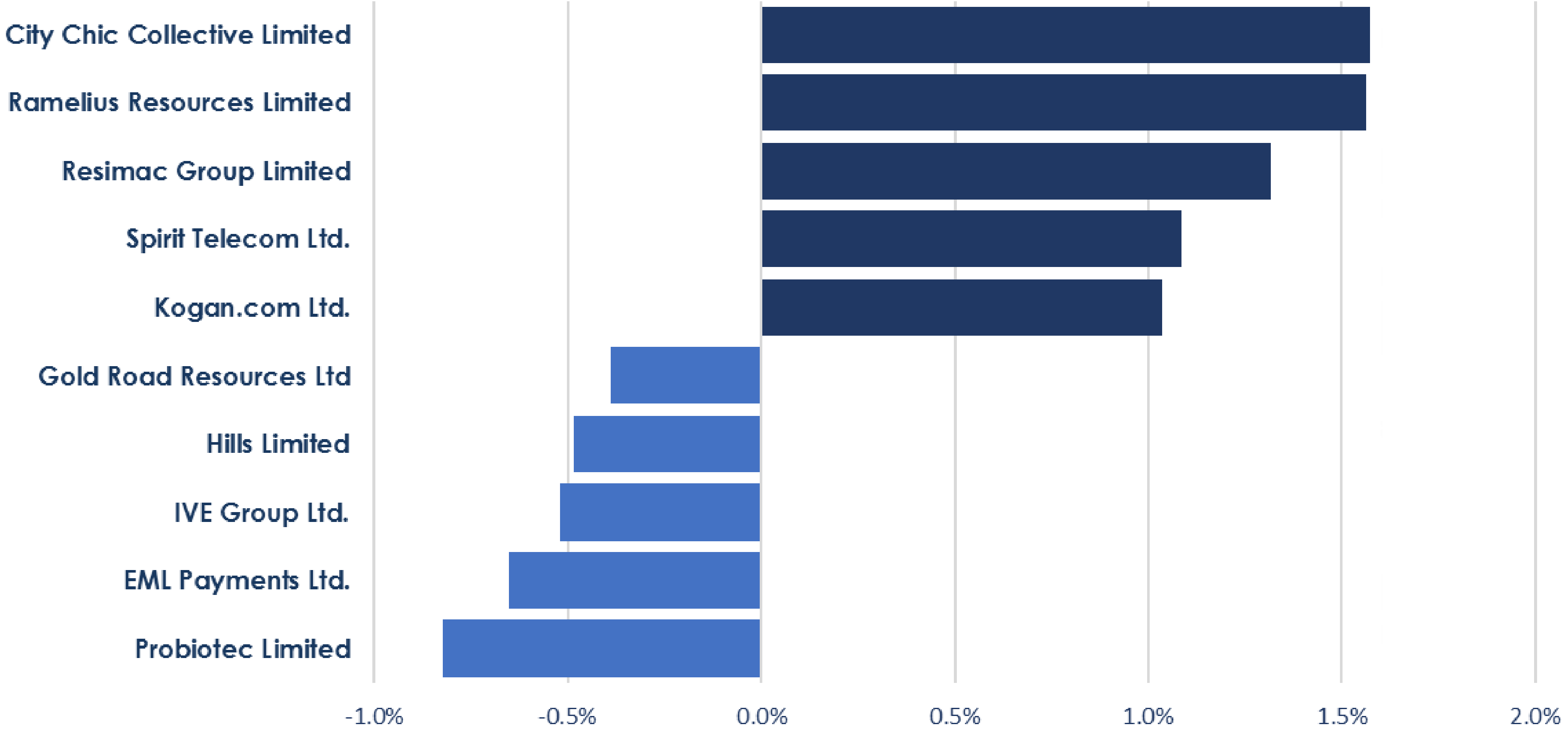
GC1 SHARE PRICE V NTA



CONTRIBUTION TO RETURN FOR THE QUARTER



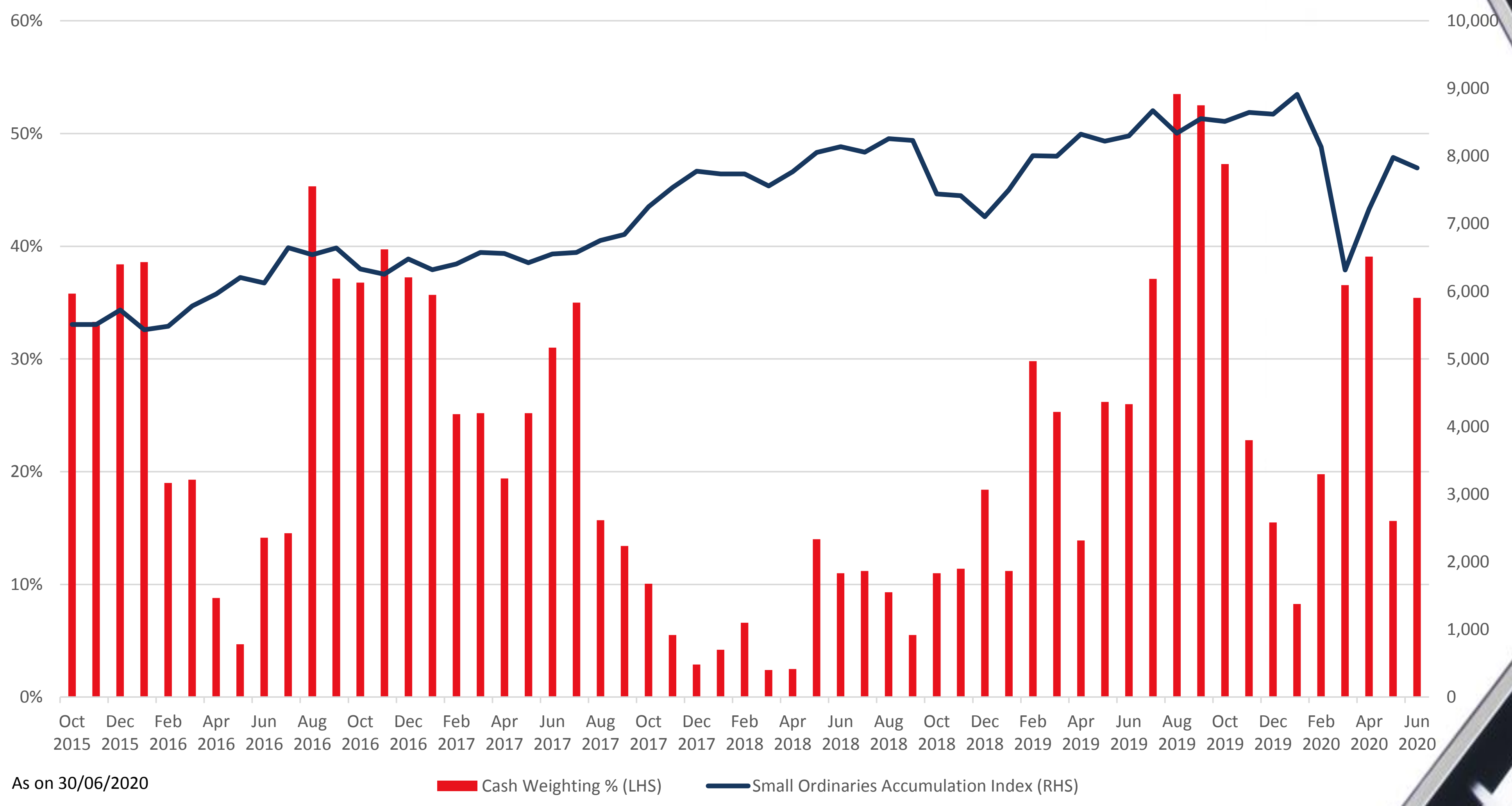
As on 30/06/2020

RETURN FOR THE QUARTER

Company	Absolute Returns since first entry
Ramelius Resources	72.73%
Spirit Telecom	56.25%
City Chic Collective	50.55%
Uniti Group	46.39%

As on 30/06/2020

GC1 CASH WEIGHTING



As on 30/06/2020

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STOCK OVERVIEW

1. City Chic Collective

2. Credit Corp Group

3. Resolute Mining

City Chic Collective (M.Cap: $634 m)

- **Reduced competitive pressure:** Recent high-profile US bankruptcies in retail sectors
- **Strong online platform:** 57% online sales growth versus the same period last year
- **Cost reduction:** Rental negotiations and store closure
- **Strong balance sheet:** Small net debt and large debt facility

($m)	FY19	FY20E	FY21E	FY22E
Sales	148.5	203.0	242.8	285.5
Underlying NPAT	14.9	15.0	27.0	39.7
EPS (cents)	6.8	7.5	14.0	20.6
EPS Growth		9.9%	87.7%	46.9%
PER	42.6	42.3	23.5	16.0

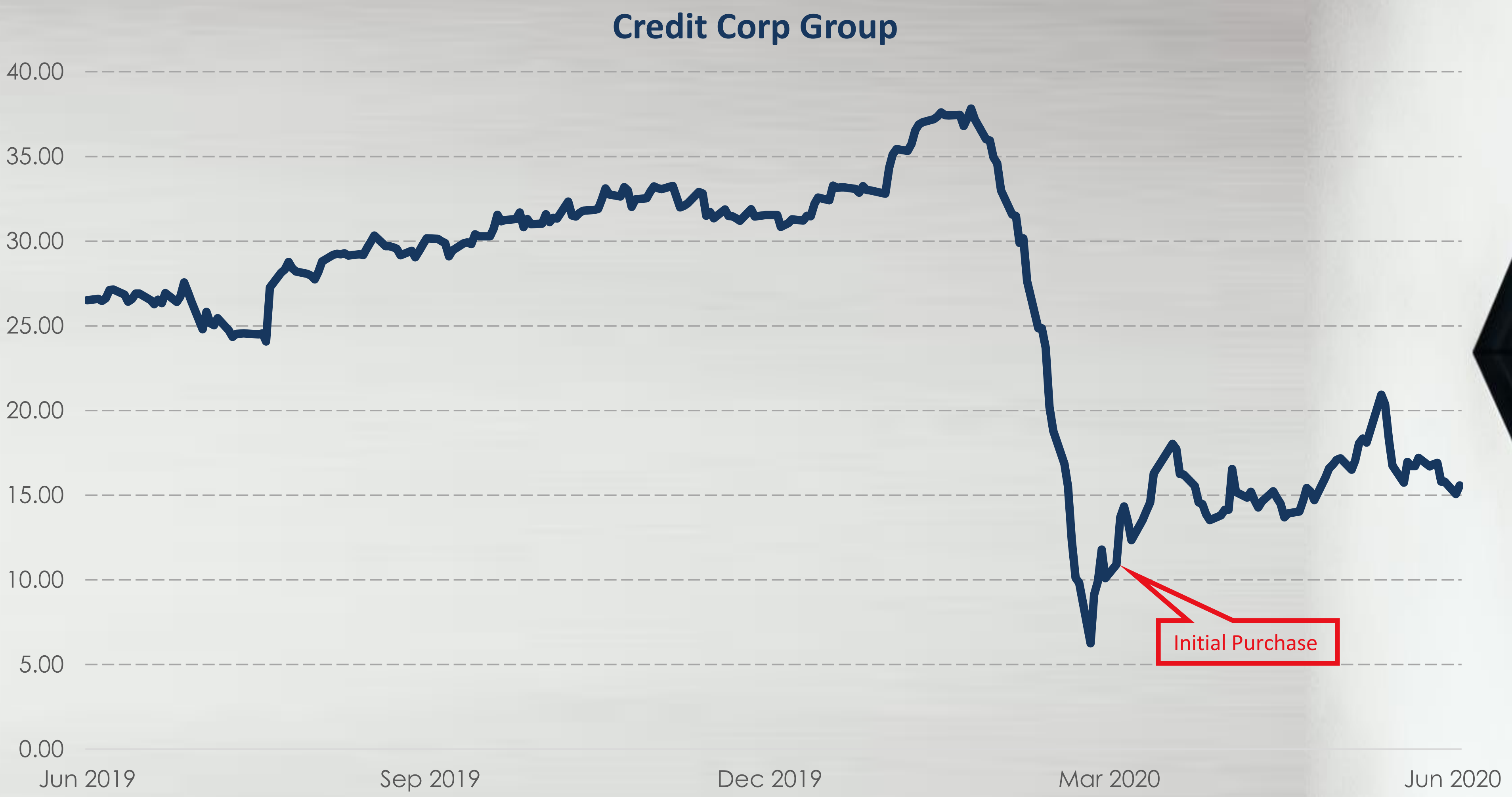
City Chic Collective (M.Cap: $634 m)

Credit Corp Group (M.Cap: $1,027 m)

- **Strong US cash collections:** US-listed debt collectors show strong cash collections, reflecting an improving industry outlook
- **Positive commentary from Australian banks:** Past due loans and losses remain modest
- **Strong support from government:** JobKeeper and JobSeeker support employment
- **Strong balance sheet:** Low net debt to financial assets compared to peers

($m)	FY19	FY20E	FY21E	FY22E
Revenue	324	376	335	369
Underlying NPAT	70.3	79.00	66.2	78.4
EPS (cents)	137.0	129.0	98.0	116.0
EPS Growth		-5.7%	-24.1%	18.1%
PER	11.2	11.8	15.6	13.2

Credit Corp Group (M.Cap: $1,027 m)



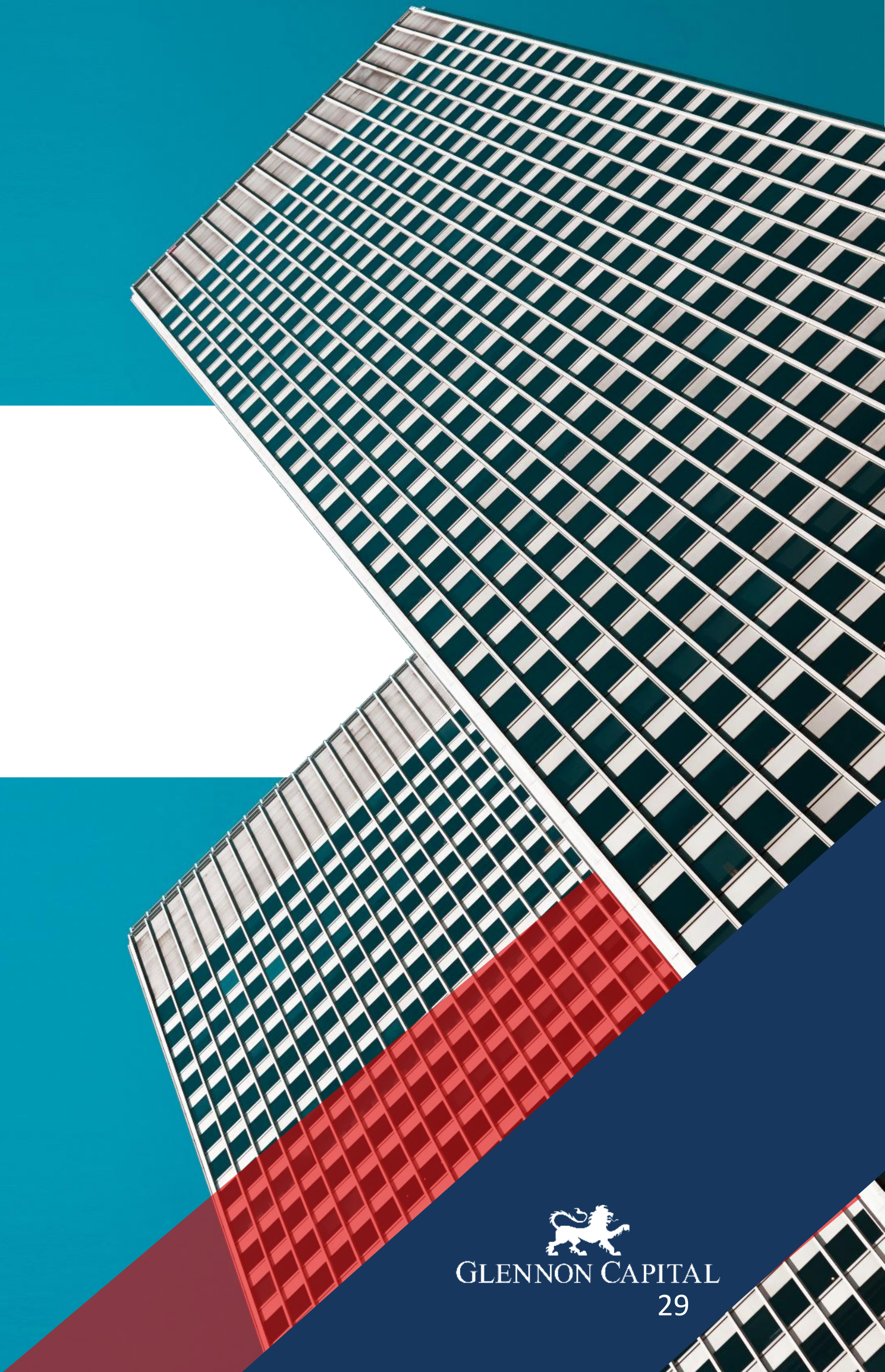
Resolute Mining (M.Cap: $1,318 m)

- **Gold exposure:** Benefit from QE from Central Banks and recent gold price movement
- **Minor impact from COVID-19:** Improvement in production from 105.3 koz in December quarter to 110.8 koz in March quarter. Guidance maintained
- **Strong balance sheet:** Net debt excluding investment is US$212 mil, down from US$321 mil

($m)	FY19	FY20E	FY21E	FY22E
Revenue	771	1,030	924	1,039
Underlying NPAT	-112.9	111.0	108.6	180.1
EPS (cents)	-12.5	10.7	10.5	17.4
EPS Growth			-2.1%	65.8%
PER		11.9	12.1	7.3

Resolute Mining (M.Cap: $1,676 m)

QUESTIONS



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