

Wednesday, 14 October 2020

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

Glennon Capital – Quarterly Webinar

Please find attached a copy of the Company's Quarterly Webinar Presentation that Michael Glennon, Chief Investment Officer will be using when presenting to investors on Wednesday 14 October 11AM.

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GLENNON CAPITAL

Glennon Capital Quarterly Webinar

October 2020

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AGENDA

1. GC1 Overview
2. Portfolio Overview
3. Stock Overview
4. Questions



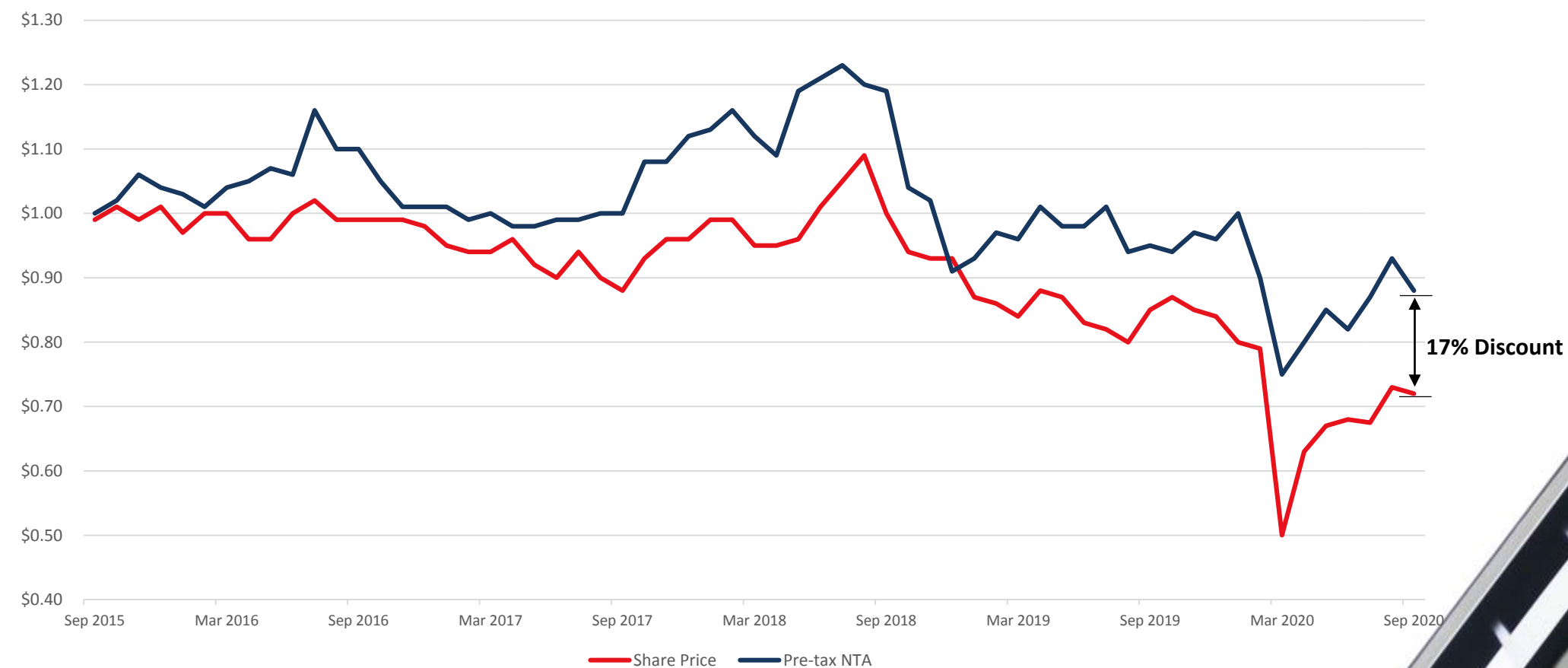
GC1 OVERVIEW

- 1. GC1 Share Price Discount**
- 2. Deferred Tax Assets**
- 3. GC1 Growth Plan**

GC1 SHARE PRICE DISCOUNT

- Average discount to NTA: 17%
- Sectoral issue
- Discount is reducing

GC1 Share Price vs NTA





DEFERRED TAX ASSET

- 6 cents per share
- Became an issue when the market was sold off
- Compliant with ASX listing rules

GC1 GROWTH PLAN

- Underwrote the DRP
- Options are close to being in the money
- Increased shareholder engagement
- Aimed at outperformance



PORTFOLIO OVERVIEW

1. GC1 Portfolio Characteristics
2. GC1 Performance
3. What We Did Last Quarter

GC1 PORTFOLIO CHARACTERISTICS

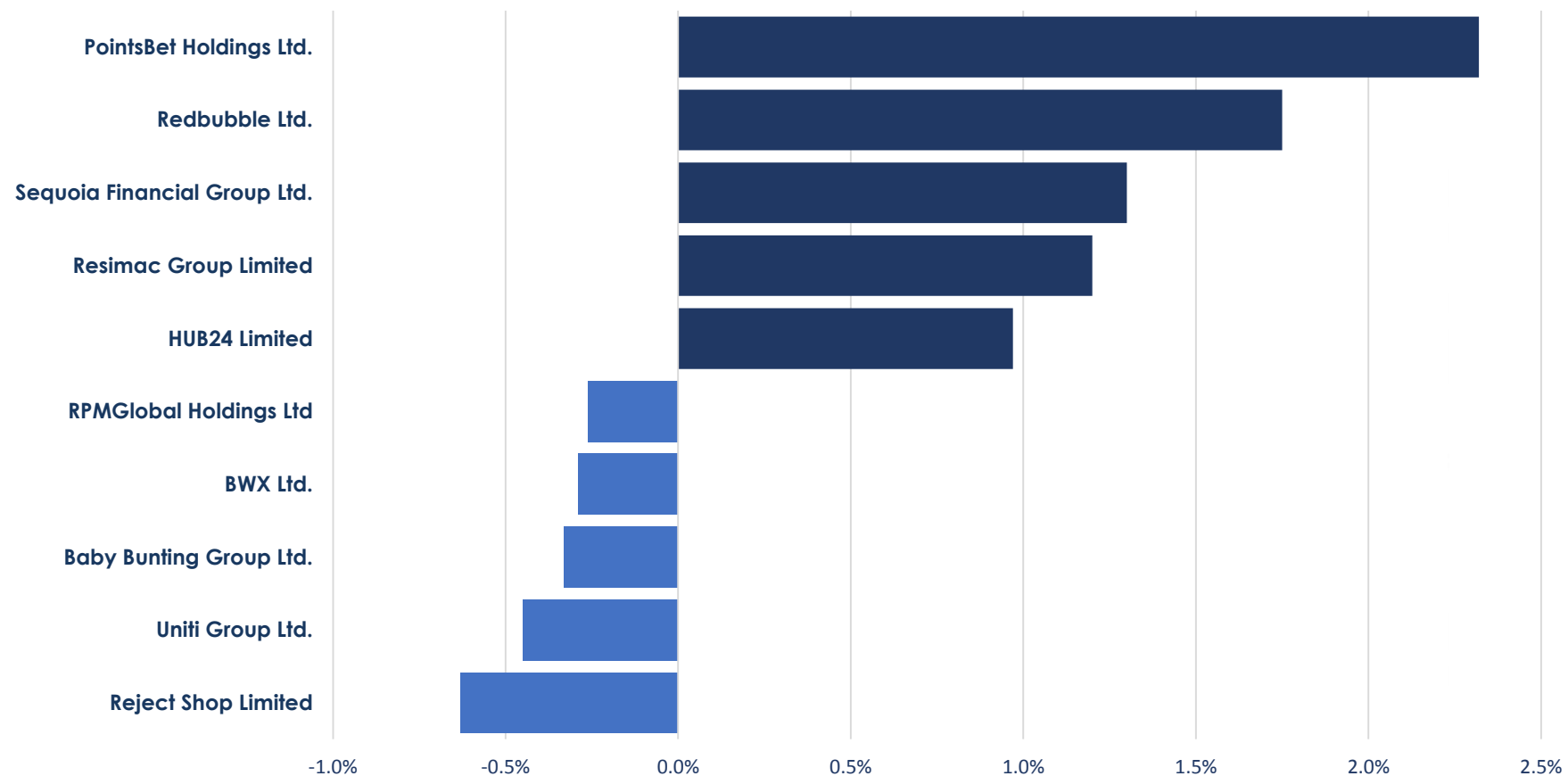
Portfolio Characteristics	As at 30/09/2020
Number of stocks	44
Top 3 positions	<ol style="list-style-type: none">1. Nextdc2. OptiComm3. Service Stream
Cash weight	7.53%
Median Market Cap	\$643 mil
Microcap weight	12%

GC1 PERFORMANCE

	July	August	September	Quarter
GC1	+5.77%	+10.10%	-3.16%	+12.77%
ASX Small Ords	+1.39%	+7.24%	-2.82%	+5.67%
Outperformance	+4.38%	+2.86%	-0.34%	+7.10%

As on 30/09/2020

CONTRIBUTION TO RETURN FOR THE QUARTER



As on 30/09/2020



WHAT WE DID LAST QUARTER

1. Reduced gold exposure
2. Reduced cash weightings

GOLD EXPOSURE

- **Reduced gold exposure:** Down from 14.1% to 8.3%
- **Underweight on gold:** 8.3% in GC1 vs 8.9% in Small Ordinaries

GC1 CASH WEIGHTING

- **Reduced Cash Weighting:** 7.53% (Including 1.97% withholding for dividend)
- **Favourable Market Opportunity:** Interest rates will be supportive of equities and markets for a long time



As on 30/09/2020



STOCK OVERVIEW

1. PointsBet (PBH)
2. Redbubble (RBL)
3. Sequoia Financial Group (SEQ)

PointsBet (M.Cap: \$1,956 m)

- **Large total addressable market (TAM):** USA legalised sports betting in 2018. TAM will reach \$8 billion by 2025
- **First mover:** One of the few companies offering online sports betting in the USA. PBH takes 4% of market share in New Jersey
- **Partnership with NBC:** Great opportunity to build brand awareness
- **Exited position:** Made +84% in return. Positive outlook but cautious about the valuation



Redbubble (M.Cap: \$1,246 m)

- **Strong growth in COVID:** Strong demand in face mask supports RBL's 31% growth in customers
- **Strong demand from artists and customers:** Solve artists' inventory risk and provide an efficient platform to customers
- **Operating leverage:** Improved margin due to volume benefits and product mix
- **Management's plan to reduce cost:** \$6 mil reduction in annualised operating expense

(\$m)	FY20	FY21E	FY22E
Revenue	348	474	518
Underlying NPAT	-9	27	32
EPS (cents)	-2	10	12
EPS Growth			20%
PER		41.4	35

As on 30/09/2020

Redbubble (M.Cap: \$1,246 m)

Redbubble



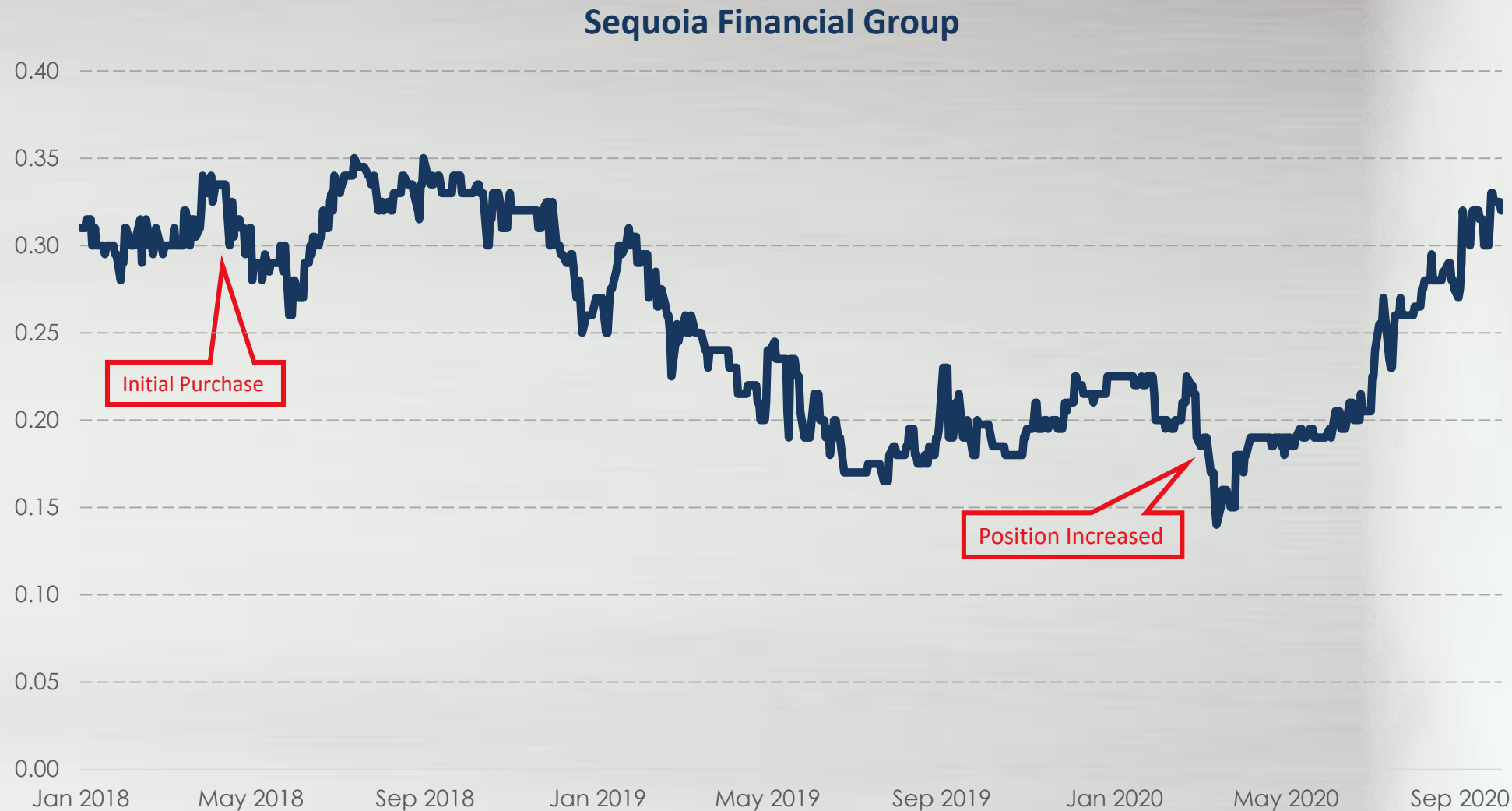
Sequoia Financial Group (M.Cap: \$48 m)

- **Successful turnaround:** Investment in Morrisons Securities provided a strong return
- **Margin expansion:** Head office cost reduced by 45%
- **Acquisitions funded by internal generated cash flow:** Made four acquisitions in FY20 and first quarter FY21, while maintaining positive cash flow
- **Strong balance sheet:** Net cash of \$22.3 mil

(\$m)	FY20	FY21E	FY22E
Revenue	84	96	98
Underlying NPAT	1.9	3.2	3.4
EPS (cents)	1.59	2.68	2.85
EPS Growth		68%	7.5%
PER	20	12	11

As on 30/09/2020

Sequoia Financial Group (M.Cap: \$48 m)



QUESTIONS