

## Q3 2025 INVESTOR UPDATE

# Langdon Global Smaller Companies Portfolio

Performance	Q3-2025	YTD	1 Year	3 Year	5 Year	Since Inception <sup>2</sup>
Langdon Global Smaller Companies Portfolio <sup>1</sup>	-2.7%	7.5%	10.3%	20.7%	NA	16.5%

1 LEP 210 ( Class F) – Performance is net of fees.

2 Since inception date of August 26, 2022.

Performance as at September 30, 2025

Returns greater than one year are annualized.

Past performance is not indicative of future performance. Please see the important information in the endnote below.

The Langdon Global Smaller Companies Portfolio declined –2.7% in the third quarter of 2025. Several of our businesses continued to grow earnings and free cash flow, while others saw valuation pressure driven more by sentiment than by any change in fundamentals.

Volatility across smaller companies remains high, mainly shaped by liquidity and ETF flows rather than operating results. Our focus continues to be on what we can measure — cash-flow generation, reinvestment discipline, and balance-sheet strength — rather than short-term share-price movement.

### Performance Attribution

**Johns Lyng Group**, was a positive contributor to quarterly returns. During the period, the company agreed to be acquired by Pacific Equity Partners (PEP) at a premium that, while below our own intrinsic-value estimate, confirmed the durability of its model. JLG's reputation in insurance restoration — a business where reliability and execution matter more than scale — has supported a decade of high-teens revenue growth and attractive returns on capital. We remain very interested in this business model and anticipate staying close to the end market in hopes of identifying other attractive opportunities down the road.

**DO & CO AG**, a premium catering business, added further value as air travel demand normalised and the company repriced catering and lounge contracts to offset inflation. The integration of catering, event, and hospitality operations continues to drive utilisation and margin stability.

**Rosebank Industries**, an acquirer and operator of industrial businesses, was another positive contributor following the completion of its acquisition of Electrical Components International (ECI) in Q3. The U.S.-based ECI manufactures precision electrical and engineered components primarily for

aerospace and energy end-markets. The transaction, valued at roughly 9x expected 2025 EBITDA, was funded through a mix of equity and modest leverage, leaving Rosebank's net debt near 1.2x EBITDA.

ECI delivered an adjusted operating margin of about 15% in H1 2025 and grew new business wins by nearly 30% year-over-year before the acquisition closed. Early integration steps have focused on procurement and overhead synergies, including consolidation of U.S. back-office functions. While near-term costs from financing and transaction expenses weighed on reported earnings, the deal establishes Rosebank as a scaled trans-Atlantic industrial platform capable of self-funding further operational improvement.

**BayCurrent Inc.**, an IT consulting business, also contributed, delivering steady double-digit earnings growth as Japanese corporates advanced digital-transformation projects. The company increased free cash flow year-over-year, reflecting disciplined headcount management and a healthy pipeline into FY26.

## **YETI — Re-examining the Thesis**

YETI Holdings detracted modestly from results in Q3. In our view, the share-price decline reflected rotation away from discretionary goods and uncertainty around tariff impacts on costs, rather than a deterioration in the business.

Our investment case is built on observable data points which we outline below.

### **People**

A strong management team, with recent depth added to the Board (Magnus Welander, ex-THULE CEO) as well as the following key additions to the operating team:

- Soft Goods (bags) – Layne Rigney, former CEO of Osprey
- Gear and Equipment – Bill Harmon, former President of Goal Zero
- Head of APAC – Mitchell Whitaker, former President of VF Corp Japan/Korea

### **International expansion**

Overseas markets represent just under 20% of sales and continue to grow faster than the core U.S. business. Europe and Japan are following the same pattern YETI experienced domestically a few years ago — early adopters followed by broad brand acceptance.

### **Product diversification**

YETI's brand halo is far larger than its assortment of products today. New categories such as bags and cookware have been recently launched with exceptional products and immense global addressable markets.

### **Margin and balance-sheet discipline**

Gross margin remains near 57%, operating margin around 16%, and free-cash-flow margin about 12% of sales. The company remains in a net cash position.



## Valuation

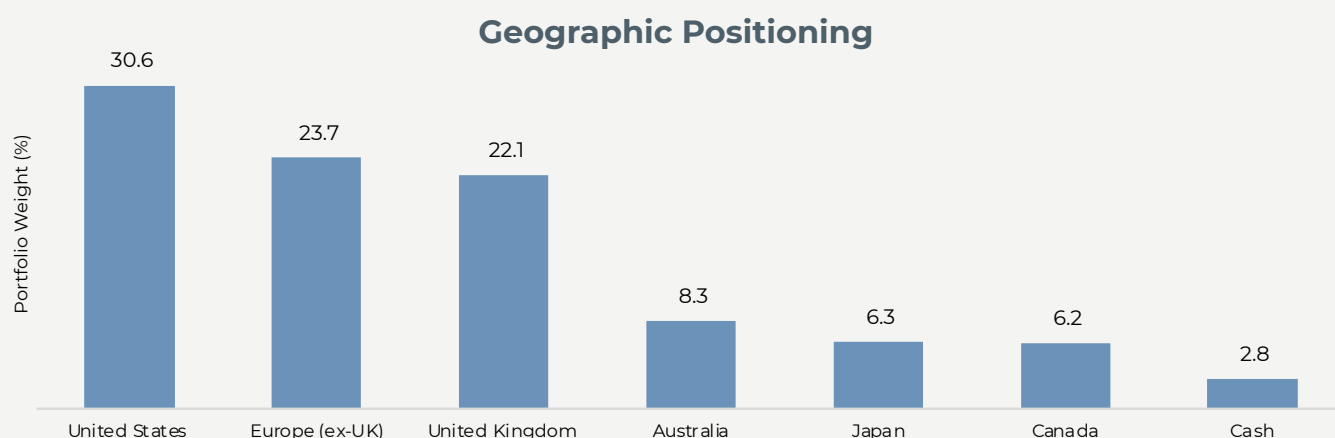
At roughly 12x forward earnings, YETI trades below its historical average and in line with slower-growing peers who have less brand strength, despite YETI having a stronger management team and better growth prospects.

We continue to hold YETI with conviction. Its growth is accelerating with great economics, and its balance sheet is strong with utilization picking up via M&A and buybacks. We believe it will deliver on our cash earnings growth expectations over the medium term and create significant value for our clients.

## Portfolio Positioning

Roughly half of portfolio assets are invested in companies with market capitalizations between \$1.5 billion and \$7.5 billion, where we find the best combination of scalability and entrepreneurial agility. Cash ended the quarter near 3%, consistent with our preference to stay largely invested when valuations remain compelling.

Geographically, about 50 % of exposure is in Europe and the U.K., 30 % in the United States, and the balance across Asia and Canada.



This reflects where we find proven leadership teams, capital-disciplined businesses, not a top-down regional view. Sector exposure remains tilted toward industrials, financials, technology-enabled services, and select consumer brands.

## Despite Intrinsic Value Growth

The quarter again showed how unevenly markets are rewarding progress among smaller companies. Several holdings delivered solid operating results and rising cash flow but saw limited response in share prices, while larger-cap peers benefited from liquidity and index flows.

Within financials, particularly our insurance-exposed holdings, valuation multiples compressed despite ongoing growth in intrinsic value. Kinsale Capital grew written premiums more than 25% year-over-year and sustained industry-leading underwriting margins, while Goosehead Insurance

increased its agent network and policy count in a slow housing market. Both companies remain among the portfolio's most durable compounders and have added meaningfully to returns since inception.

Outside of financials, several holdings quietly advanced their earnings power. Safestore Holdings expanded capacity across the U.K. and Europe while preserving high occupancy and low leverage. Royal Unibrew offset higher input costs with pricing discipline and resumed share repurchases as margins recovered.

Each of these businesses demonstrates the attributes we look for — self-funded growth, prudent capital allocation, and consistent cash generation. Across the portfolio, free cash flow increased year-over-year and balance sheets remain conservatively positioned.

Valuations for smaller companies remain compressed relative to larger peers. Many of our holdings trade at mid-teens earnings multiples despite high returns on capital and expanding cash generation, while large-cap benchmarks trade closer to 19x. We view this gap as cyclical rather than structural. For long-term investors willing to be patient, it provides fertile ground for compounding.

Our goal remains unchanged: to own a concentrated collection of founder-involved, high-return businesses that can double their intrinsic value over five years through disciplined reinvestment and steady cash-flow growth.

Thank you for your continued trust and partnership.



Written by

**Greg Dean**

Founder and Lead Investor

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*Class F. These net performance figures covers the period from August 26, 2022 to September 30, 2025, and has been provided to Langdon Equity Partners Ltd. by State Street Trust Company Canada for the Canadian Portfolio ("LCSCP"). Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.*



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