



Odyssean Investment Trust PLC

Q3 2019 Update

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Executive Summary – Q3 2019

Solid quarter in uncertain markets



- Solid absolute and relative performance through a quarter of volatile markets driven by macro uncertainty
- NAV Total Return per share in quarter +1.0% vs comparator NSCI + AIM ex IC index -1.2%^{2,3}
 - NAV Total Return per share since inception +4.9% vs NSCI + AIM ex IC index -7.7%^{2,3}
- Investment portfolio of 17 positions at period end
 - Two new positions added in the quarter, one toe hold position exited (1.45x, 85% IRR)
 - Continued to build holdings in existing names
 - 90% invested at period end. Anticipate 10% net cash position +/- 5% over the long term
- We believe the portfolio is well positioned to deliver continued growth in the medium term
 - Above average quality businesses trading on roughly market level ratings
 - Outlook for continued near term organic revenue growth of c.7%
 - Weighted towards ‘self-help’ opportunities where management actions can protect and grow profitability
- Shares trading at c.2% discount to NAV at the period end

As at 30th September 2019. Performance measured from COB 1st May 2018, share performance since inception assumes IPO price of 100p. Source: ¹ Odyssean Capital ² Link Asset Services, Odyssean Capital. Net of c.60bps total Stamp Duty and Commission ³ Bloomberg, Odyssean Capital. ⁴ Peel Hunt. The NSCI + AIM ex Investment Company index is only used for the purposes of calculating performance fees. The investment strategy is unconstrained and not benchmarked against any particular index.. Past performance is no guarantee of future performance and the value of investments can go up and down

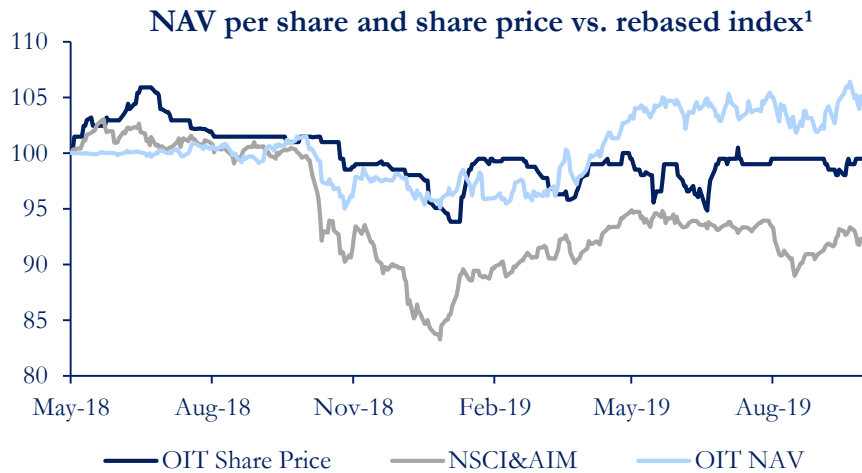
Performance update

Continued positive progression since launch



Performance	%		
	Q3-19	YTD	Since inception
NAV Total Return Per Share ¹	+1.0%	+9.0%	+4.9%
Average cash balance ²	12%	19%	41%
Share price return	+0.0%	+5.2%	+1.0%
NSCI + AIM ex IC Total Return ³	-1.2%	+8.5%	-7.7%

- NAV per share growth of +1.0% in quarter against modestly declining wider market
- Since inception NAV per share growth +4.9%, with an average cash balance of c.41%. Comparator index down 7.7% since inception
- Portfolio continues to deliver returns in a different way to the broader market
- We remain focused on generating long term, absolute returns and anticipate that relative short term performance may differ widely from the comparator index
- Shares traded at a c.2% discount to NAV at period end



As at 30th September 2019. Performance measured from COB 1/5/18, share performance since inception assumes IPO price of 100p. Source: ¹Link Asset Services, Bloomberg, Odyssean Capital; Numis Smaller Companies plus AIM ex Investment Companies Total Return Index. Rebased to start NAV ²Link Asset Services, Odyssean Capital ³ Bloomberg Past performance is no guarantee of future performance and the value of investments can go up and down

Performance – biggest drivers in quarter

Biggest contributors and detractors to performance



Top 3 Contributors	
	<ul style="list-style-type: none"> Shares rose across the quarter driven by in-line full year results with strong cash generation and update that self-help plan remains on track
	<ul style="list-style-type: none"> In-line set of interim results showing continued revenue growth and improving margins supporting 5% appreciation in share price in period
	<ul style="list-style-type: none"> Shares rose across the quarter on limited news flow. Market showing growing appreciation of outlook for material step up in performance with recent investment in new production lines and re-opening Salisbury facility coming through

Top 3 Detractors	
	<ul style="list-style-type: none"> Disappointing interim results at end of quarter guided to slower growth in H2 and 2020 due to Brexit concerns. Long-term thesis driven by cost saving from M&A integration remains intact
	<ul style="list-style-type: none"> Robust interim results delivered. Shares showed some weakness, likely on back of concerns over Asian Swine Fever and pork prices. Devro relatively underexposed to the Chinese market most impacted by these factors
	<ul style="list-style-type: none"> In-line interim results and confirmed guidance for full year. Shares volatile and showed some weakness driven by market concerns over size of H2 weighting in a uncertain macro environment

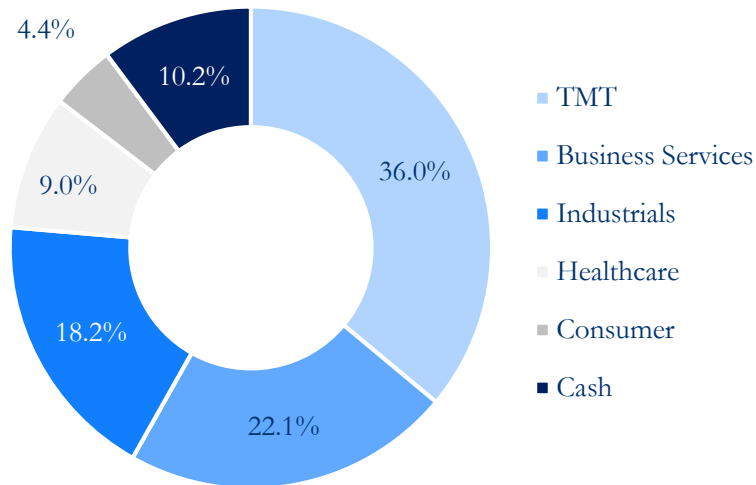
Source: Odyssean analysis. Assumes total consideration for stock purchases including fees and tax is invested at index closing level on day of transaction. *Comparator Index, Numis Smaller Companies Index plus AIM ex Investment Companies Track Record. ¹Link, Bloomberg, Odyssean Capital LLP. Past performance is no guarantee of future performance and the value of investments can go down as well as up.

Portfolio update

Focused on our core sectors and core market cap range

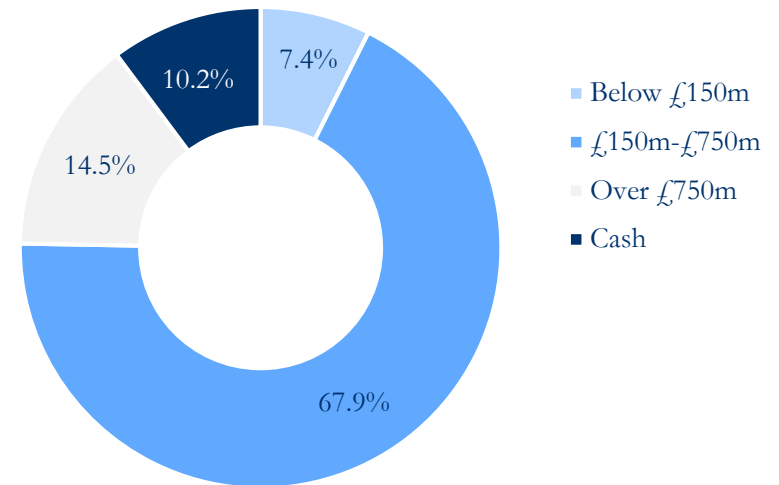


% holding by sector ¹



- Exposure weighted towards ‘core focus’ sectors – TMT, Industrials, Business Services and Healthcare
- ‘Consumer’ exposure via Devro – in our view a B2B business

% holding by market cap ¹



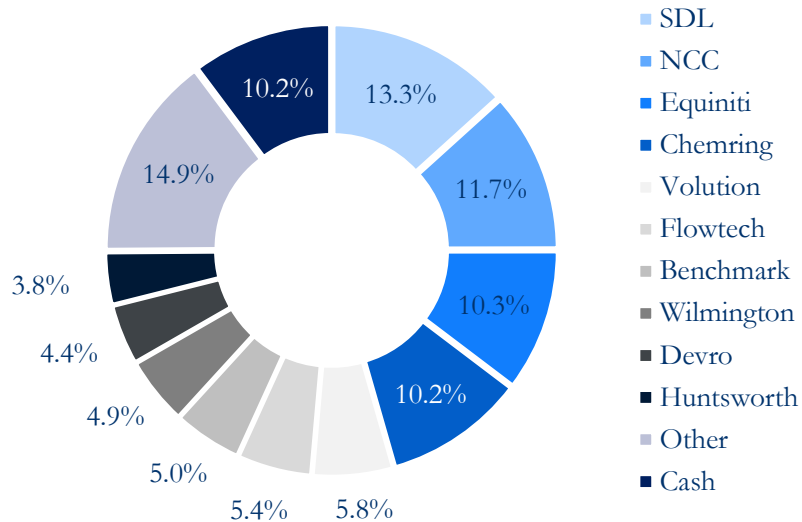
- 76% of invested exposure in core target market cap range of £150m-£750m
- Holdings outside of core range are either specific, compelling opportunities, or investments which have moved out of core range since initial investment

Portfolio update

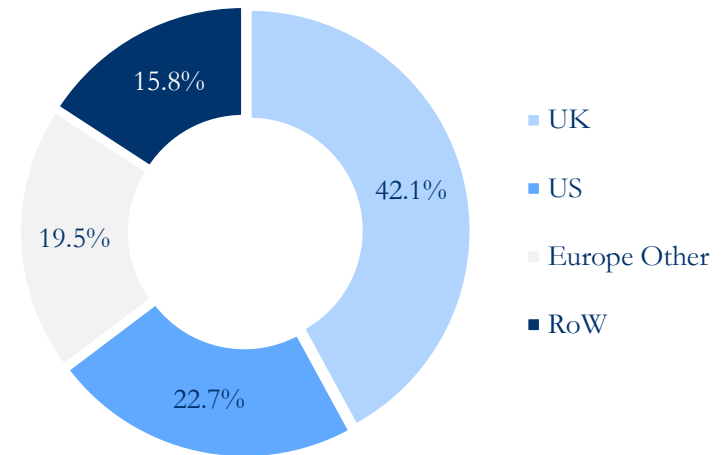
High conviction portfolio. Weighted towards market leaders with global footprints



Top portfolio holdings¹



Revenue exposure of portfolio²
(NAV weighted exc. cash)



- Top 10 holdings account for 75% of NAV
- Largest positions focused on less cyclical and recovery plays with significant self-help opportunity

- Our preference for high quality, market leaders has driven more US and global revenue exposure than broader UK indices

Portfolio metrics

Attractive rating for a portfolio of ‘quality’ companies with self help opportunities



Portfolio valuation metrics ex Benchmark Holdings¹

	Trailing 12m ²	Next 12m forecast		Forecast growth rates Next 12m	Range
EV/Sales	1.9x	1.7x	Sales	7%	1 - 11%
EV/EBITDA	9.7x	8.5x	EBITDA	11%	0 - 20%
EV/EBITA	12.3x	10.6x	EBITA	11%	2 - >20%
p/e	15.3x	13.2x	EPS	13%	0 - >20%
Dividend yield	2.8%	2.9%	DPS	6%	0 - 12%
Net debt/ EBITDA	1.1x	0.8x	Reduction in net debt	-18%	

- We believe the blended portfolio offers attractive combination of quality, growth and yield on an undemanding rating
 - Lowly geared with strong cash generation offers opportunities to drive further growth
 - Significant further self-help potential above market expectations

¹ As at 30th September 2019. Source: Factset consensus data and estimates. Portfolio data prepared on a weighted average basis. Benchmark Holdings (BMK) excluded as transitioning from loss making and data skews averages materially. Past performance is no guarantee of future performance and the value of investments can go up and down. ² TTM valuation ratio excludes Idox as historic reported performance is impacted by change in accounting policy distorting ratings

Recent news flow – top holdings (1/2)

Portfolio updates continue to be broadly positive



Holding	Event/news since June 2019 ¹	Comment/Odyssean view
SDL	<ul style="list-style-type: none"> In-line interim trading statement, with revenue up 6% on an organic basis. Positive outlook on ongoing margin improvement in language services division 	<ul style="list-style-type: none"> Self help plan progressing well in Language Services division Look to new product launches in H2 to support continued organic growth and better leverage new cost structure Capital Markets Day in Oct-19 should be positive for rating
NCC	<ul style="list-style-type: none"> In-line full year results. Improving performance in Assurance business and clear plan to improve performance in the lagging Escrow business 	<ul style="list-style-type: none"> Positive big picture story and lengthening track record of delivery under new team. Focus on Escrow business performance acceleration to come
Equiniti	<ul style="list-style-type: none"> In-line interim results. Organic growth of 3% with particularly strong performance of acquired US business 	<ul style="list-style-type: none"> Solid performance with management re-iterating mid-term guidance on margin opportunity and remains lowly rated– all supportive of investment case US business results beginning to demonstrate synergies and growth upside from the deal
Chemring	<ul style="list-style-type: none"> Limited news flow. Short trading update re-iterated full year guidance 	<ul style="list-style-type: none"> Look for strong step up in performance in 2020 as Salisbury site re-opens and investment in new plants comes online
Volution	<ul style="list-style-type: none"> Full year trading update citing results expected to be in-line with expectations. Expect 4% organic growth and factory transition now complete. New CFO appointed 	<ul style="list-style-type: none"> Positive delivery on growth, now look to improving margin with factory transition disruption now passed
Flowtech	<ul style="list-style-type: none"> Interim results in-line but guided towards softer H2 and 2020 on back of Brexit concerns 	<ul style="list-style-type: none"> High single digit downgrades with interims. Still see significant cost opportunity from integrating legacy M&A Look for stronger investor communication on this opportunity and then delivery on this potential

Source: ¹ Published results, updates and recent investor presentations

Recent news flow – top holdings (2/2)

Portfolio updates continue to be broadly positive



Holding	Event/news since June 2019 ¹	Comment/Odyssean view
Benchmark	<ul style="list-style-type: none"> Disappointing Q3 trading update flagging that end market challenges will drive miss of full year expectations Disposals and refocusing of group on core operations ongoing CFO and CEO both stepping down with Chairman moving to exec role Woodford stake exited 	<ul style="list-style-type: none"> Frustrating trading update – but probably catalysed management change. We see change in management as likely supportive of increasing rate of change in the business Value of market positions and potential in the business remains We believe it continues to trade at a substantial discount to our sum of parts valuation
Wilmington	<ul style="list-style-type: none"> Full year results broadly in-line with expectations New CEO appointed 	<ul style="list-style-type: none"> Solid results – key now is new management and their ability to deliver on unlocking value from the disparate group Positive on initial interactions with new CEO. Strong and relevant background
Devro	<ul style="list-style-type: none"> Interim results in-line with expectation with revenues flat, but profits up on cost saving actions Management guide towards stronger H2 for volumes 	<ul style="list-style-type: none"> Good progress on cost actions with more to come to support near term progression Bigger picture focus now on returning to volume and revenue growth driven by new product launches
Huntsworth	<ul style="list-style-type: none"> Interim results in-line with expectation – showing revenue progression but margin contraction as the group invests in costs to scale the business Management confident on full year outlook but with significant H2 weighting 	<ul style="list-style-type: none"> Solid H1 results. Given profit weighting there will be significant focus on H2 and delivery of a return to strong growth in key Healthcare Marketing division Trades a large discount to our sum of parts valuation

Source: ¹ Published results, updates and recent investor presentations

Case Study: Toe-hold position exited during the quarter

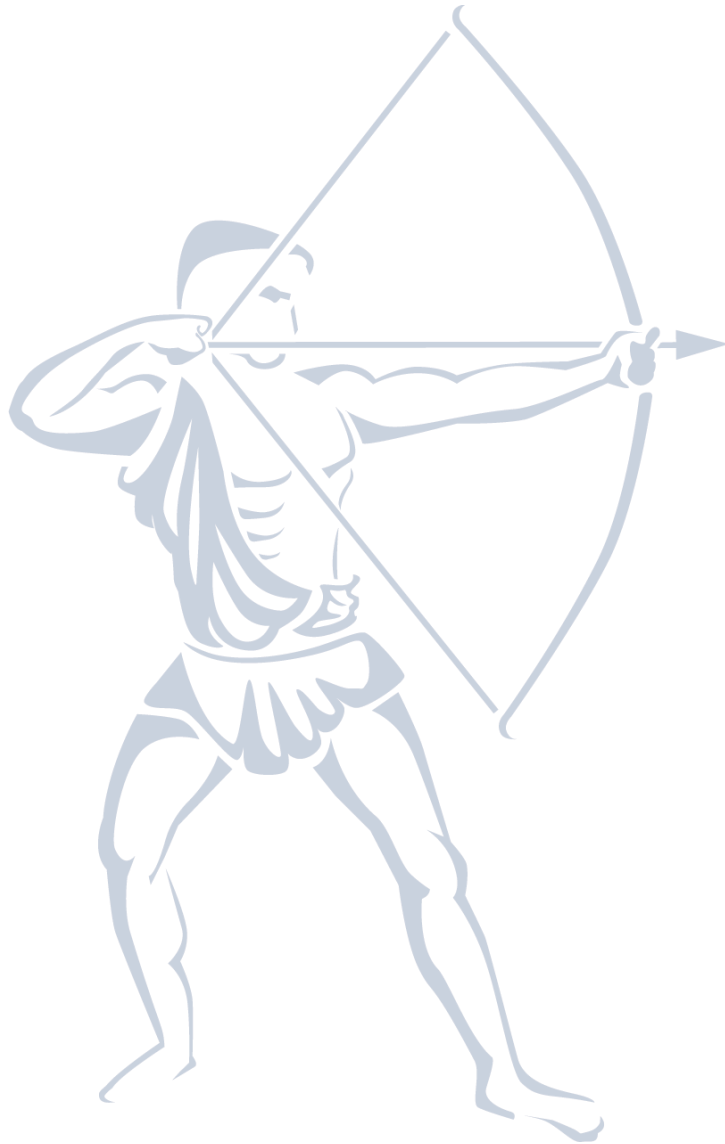
Disciplined approach to taking profits if risk/reward moves



Company share price and NSCI¹ - Indexed performance since Jan 2018



- Investment thesis:
 - Believed organic growth likely to return after many years of depressed end markets
 - Potential to improve margins through integrating legacy M&A Improving FCF conversion from enhanced management focus
 - Rating below long term averages
 - Strong reference on new management team
- Diligence angles:
 - Long term (8 year) knowledge of the company
 - Diligence contacts around business and board
 - Past experience of margin improvement gave comfort in potential
- What happened:
 - New CEO presented revised new strategy and full year results in March 19 showing a return to organic growth
 - Material re-rating as market re-assessed prospects for the business
 - Delivered an accelerated return vs our target price – c.3 years of expected return in 6 months
 - Decision taken to exit and recycle capital
 - Position delivered 1.45x / 85% IRR return



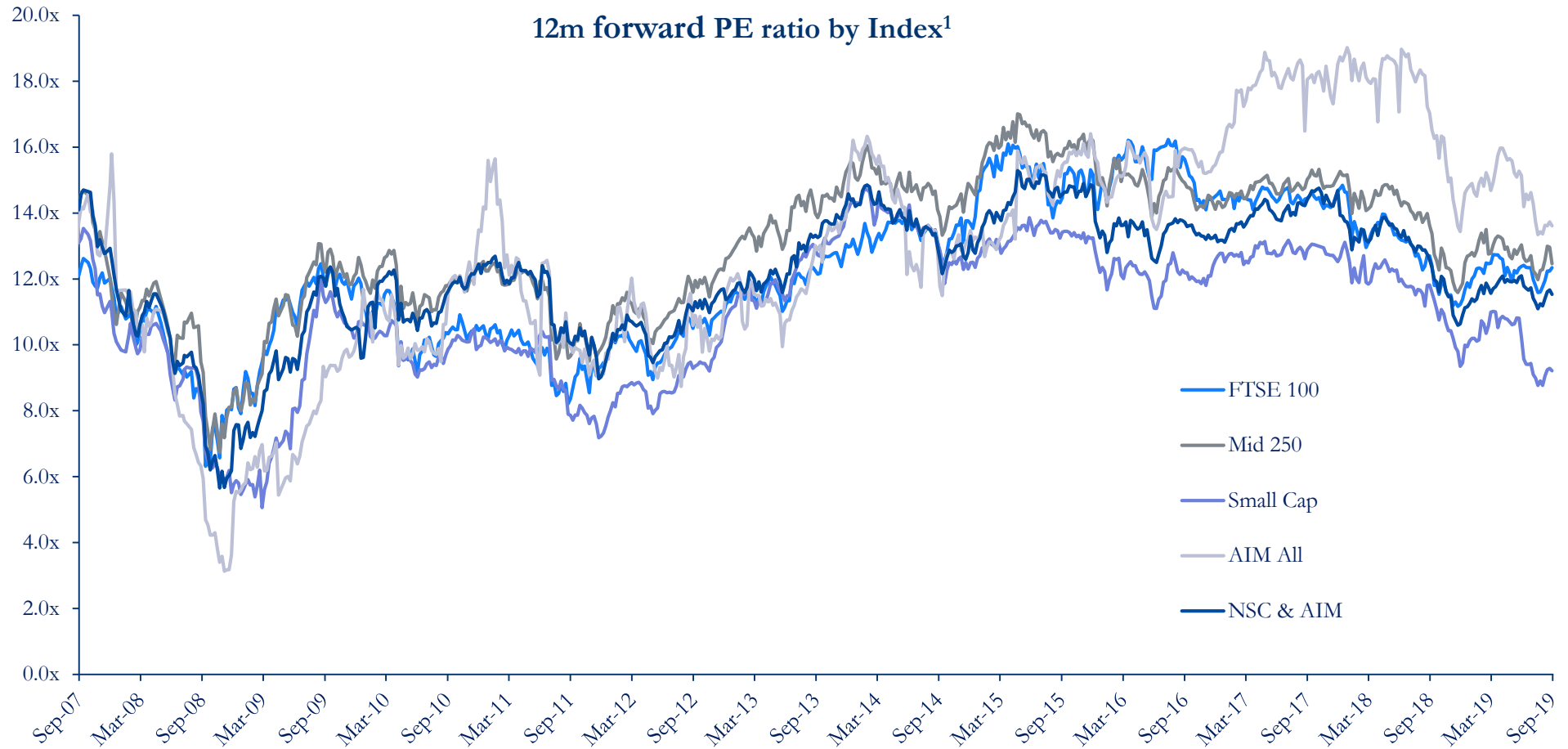
Outlook & Data



Opportunities exist despite wider market volatility

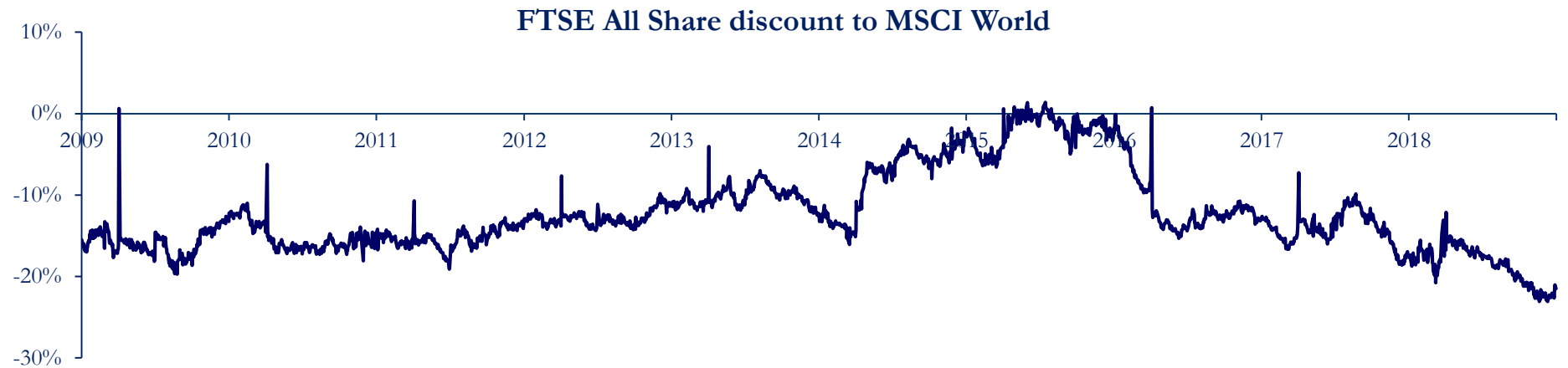
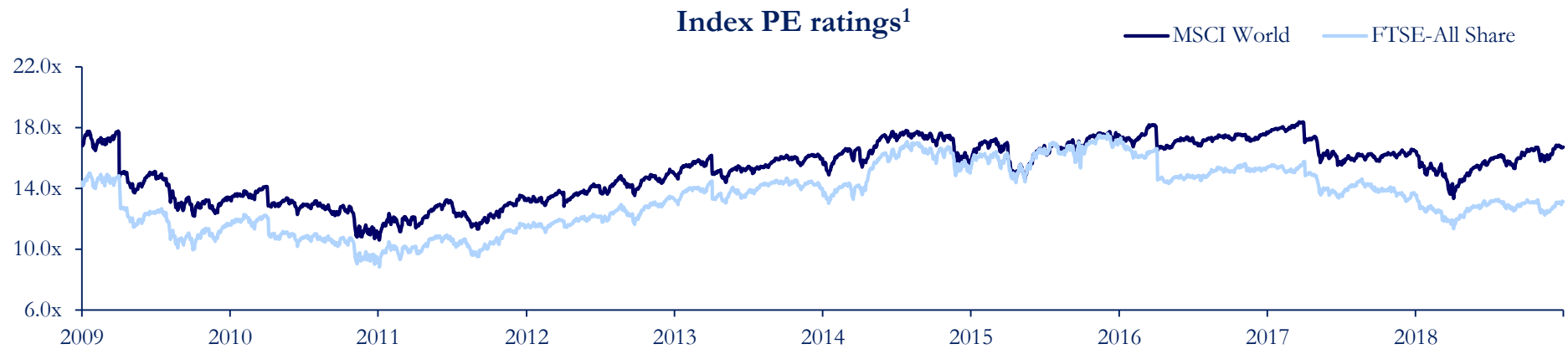
- Opportunities & reasons to be positive
 - UK equity market remains unloved and continues to offer value – potential for re-rating if political uncertainty resolved
 - Increasing shift from central banks (notably the Fed) towards more accommodative monetary policy is supportive for equity markets
 - Increased volatility, and MiFID II impact, offers scope for finding attractively priced long term investments
 - Record level of private equity ‘dry-powder’, with potential for increased P2P activity
 - There continues to be a supply of good quoted companies delivering sub-optimal returns, ripe for engagement
- Risks & reasons to be cautious
 - UK political uncertainty continues
 - Number of indicators pointing to slowing global economy (China, Europe, US data weakness...) after a very long cycle
 - US Fed and ECB cutting rates sends worrying signal
 - Equity bull market has run a long way – how long will it last...
- Portfolio
 - Portfolio weighted towards higher quality names in lower cyclical end markets with self help potential – opportunity to deliver value growth regardless of macro uncertainty
 - Will continue to focus in these areas

UK equity indices ratings broadly stable during Q3



Source: ¹Peel Hunt as at 30th September 2019. Indices are ex Investment Companies

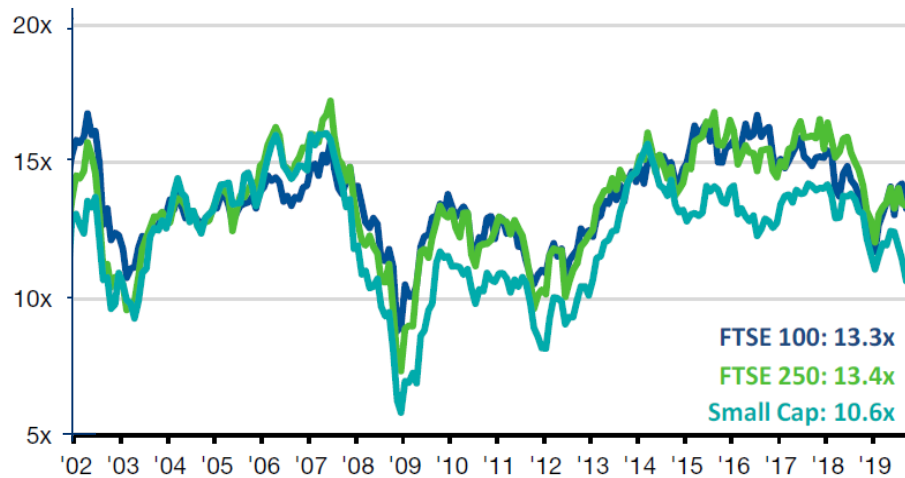
UK is currently undervalued vs global peers...



...and small cap undervalued within the UK

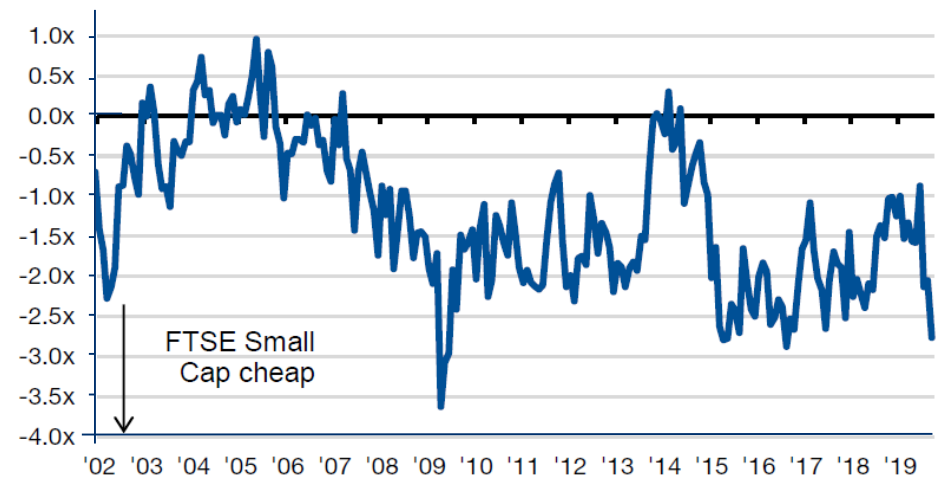


Median 12m fwd P/Es



Source: Liberum, Datastream

'Small Cap Discount' – Median SC P/E – FTSE 250

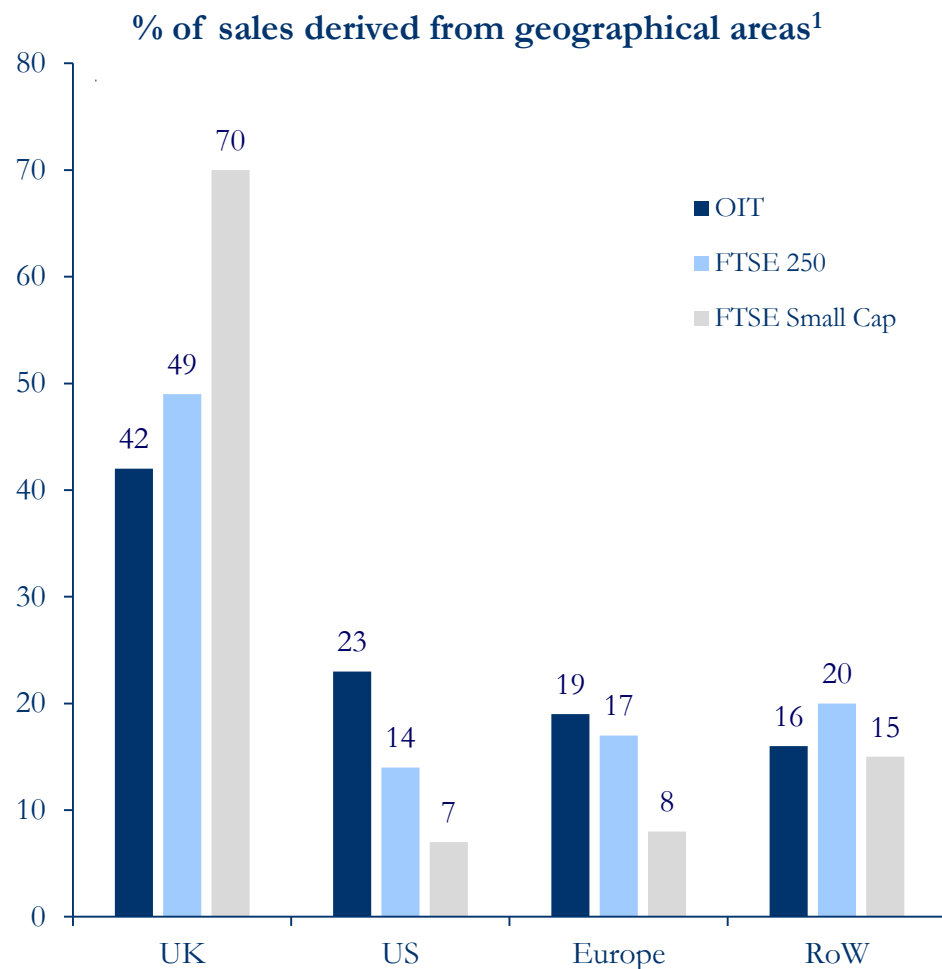


Source: Liberum, Datastream

- Odyssean view
 - UK impacted by current Brexit uncertainty and perceived threat this poses to UK growth outlook
 - Small cap discount widens in times of economic uncertainty due to their perceived 'higher risk'. Flight to quality in uncertain times
 - Opportunity to find value where these perceived risks do not apply - focus on higher quality, global market leaders

Portfolio underweight UK vs. the broader small cap market

Focus on global leaders has built a portfolio with different geographic exposure



Source: Liberum, Odyssean Capital LLP

Brexit: Possible outcome if there is a deal

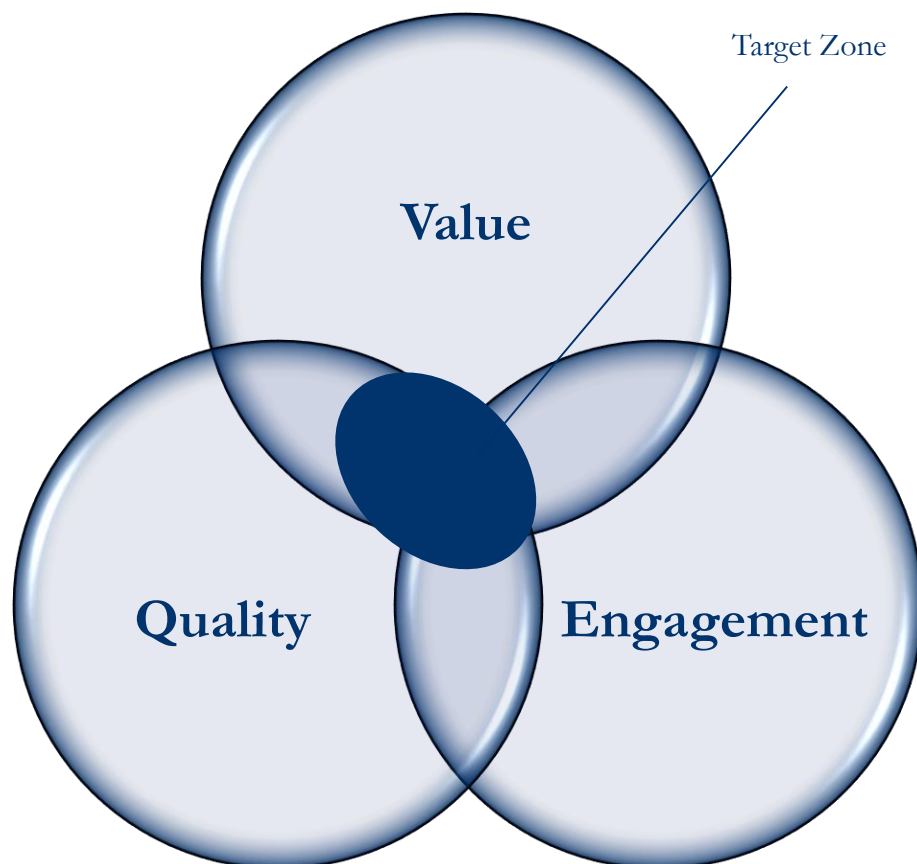
- Sterling rallies
- UK equities re-rate absolute/relative to international equities
- Portfolio value should increase but may lag broader indices
 - Higher international exposure
 - Relatively low exposure to UK domestic cyclicals
 - Net cash position
- We are confident that any short term underperformance would be made back over the medium term

Brexit: Possible No deal outcome

- Sterling weakens a little more
- UK equities de-rate
- Potentially UK small cap equities, UK domestic cyclicals de-rate more in anticipation of potential downgrades
- UK small cap equities with international earnings will enjoy FX benefits
- OIT net cash position cushions market sell off and provides firepower

Investment strategy

Based on 3 pillars: Value, Quality and Engagement



Quality

- Strict quality overlay to complement value focus
- “Great companies”
- Limit downside

Value

- Invest at a significant discount to owners valuation
- Look for businesses with multiple drivers of equity value growth
- “Make money”

Engagement

- Seek out “self-help” situations
- Integrated
- Proactive not reactive
- Tend to engage anyway as a Top 5 shareholder

Sectors we focus on

We focus on four key sectors we know well



- We believe the best investment decisions are made from a base of knowledge and experience
- We focus on sectors where the team has expertise and where we have successfully made money
- Our core sector focus is driven by our investment approach
 - TMT: software managed services and niche electronics
 - Services: Higher value-add “white collar” and tech enabled services
 - Healthcare: Services, not speculative pharma/biotech
 - Industrials: Niche, high IP products
- Companies with the following characteristics best suit our investment approach:
 - Low cyclicity
 - B2B focus
 - High/improving ROCE/cash margins
 - In-house sector expertise

Odyssean: view of main sectors

	Low cyclicity	B2B focus	High ROCE/cash margins	Sector expertise
TMT	●	●	●	●
Services	●	●	●	●
Healthcare	●	●	●	●
Industrials	●	●	●	●
Financials	●	●	●	●
Consumer	○	○	●	●
Property	○	●	○	●
Resources	○	●	○	○

 Sectors we focus on

Portfolio construction

Our strategy is more similar to Private Equity than other Public Equity funds



	Typical Long Only	Odyssean Strategy	Typical Private Equity
Number of positions	50-100	Up to 25	10-15
Typical position size	1%	3-8% at cost, max 20%	10%
Typical holding period	Variable	3-5 years	3-5 years
Due diligence	Light to Medium	Medium to High	High/Forensic
Typical target ownership	0.5-3%	2-20%	Majority/supermajority
Sectors	Own most/all	Focus on a few	Focus on a few
Control	No control	Influencing stake	Full control
Approach to risk	Diversification & tracking error	Focus & due diligence	Focus & due diligence
Investment mindset	Outperform index	Absolute return	Absolute return
Engagement	Negligible	Medium/High	Medium/High
Typical cash balance	0-5%	8-12%	n/a

OIT key company facts

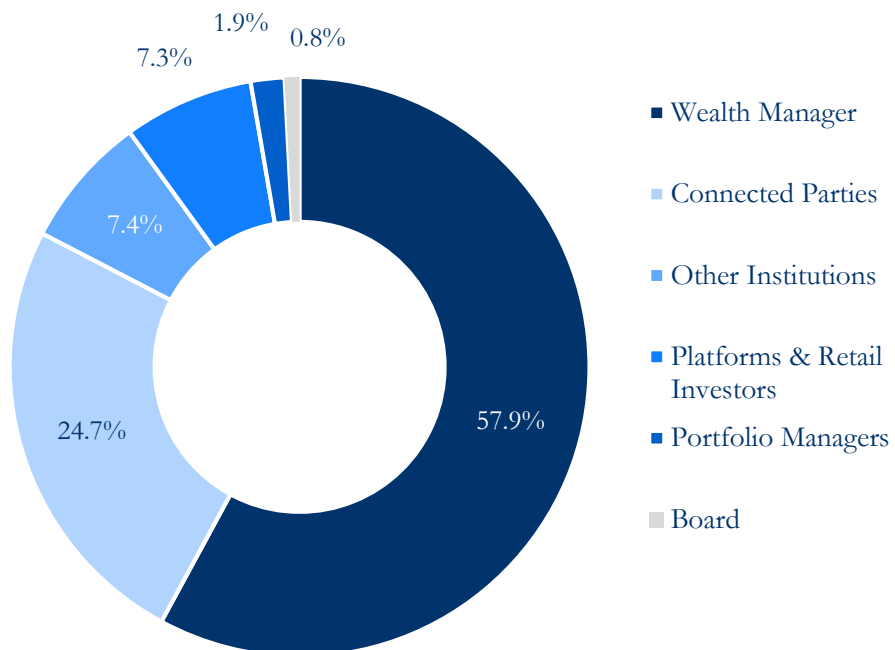


Shares in issue	88,257,211
Max size for Investment Trust strategy	250m shares
Domicile	UK Full listing, London Stock Exchange
Board	Fully independent. Will use all fees, post tax, to buy shares
AIFM	Internally managed small scope UK registered AIFM. Portfolio Management delegated to Odyssean Capital
Discount control/realisation opportunity	Opportunity for shareholders to rollover or realise all of their investment at NAV less costs, every 7 th year post IPO
Gearing	No structural gearing envisaged. Ability to gear up to 10% for short term liquidity purposes. Net cash balances likely to be maintained to enable agile purchases of blocks of stock
Fees	Management fee 1.0% of net assets/market capitalisation. Performance fee 10% of NAV TR outperformance vs comparator index +1% p.a. on a rolling three year basis with a high water mark
Comparator index	Numis Smaller Companies ex Investment Trusts plus AIM index ¹
Ticker	OIT
ISIN	GB00BFFK7H57

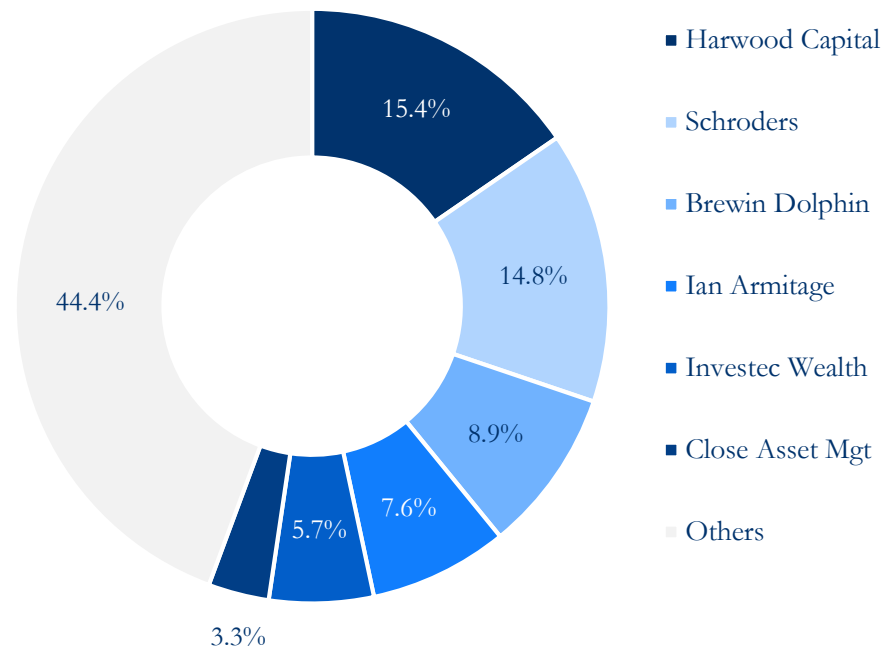
As at 30th June 2019. ¹This index is only used for the purposes of calculating performance fees. The investment strategy is unconstrained and not benchmarked against any particular index



Shareholder base by investor type
(as at 30th September 2019)¹



Disclosable shareholders
(as at 30th September 2019)¹





Odyssean Capital LLP

6 Stratton Street

London

W1J 8LD

www.odysseancapital.com

Kate Reid

Tel: (0)20 7640 3282

Email: info@odysseancapital.com