



QUARTERLY NEWSLETTER

1 July 2026 – 30 September 2026

SHARE PRICE

\$1.07

KFL NAV

\$1.26

DISCOUNT¹

15.5%

as at 30 September 2026

The September quarter saw Kingfish deliver a gross performance return of +1.3% and an adjusted NAV return of +0.9%, compared to the +1.6% return of the S&P/NZX50G benchmark index.

For the first half of Kingfish's financial year, being the six months ended September 2026, Kingfish delivered a gross performance return of +10.2% and an adjusted NAV return of +9.1%, ahead of the S&P/NZX50G benchmark index return of +7.1%.

We note that Kingfish's share price declined relative to its net asset value (NAV) per share during the quarter, ending September at a 15.5% discount to NAV. During the quarter, in accordance with the company's buyback policy, Kingfish purchased its own shares on market. Shares acquired at a significant discount to NAV add value to the company's NAV per share.

What companies outperformed during the quarter?

Positive performance was underpinned by a range of sound updates from Kingfish's companies.

Delegat (+21% total shareholder return in the quarter) was the best-performing position in the portfolio for the quarter, after reporting its strongest operating profit after tax in several years of \$61.5 million and guiding to \$62-66 million for its new financial year. Delegat continues to outperform the overall wine category as consumers in key markets like the US increasingly prefer premium brands like its Oyster Bay. Even after the quarter's gains, the company trades at only 7 times the new financial year's expected earnings and has already planted the vineyards to support its expected volume growth over coming years.

Vista (+19%) delivered results for the first half of its financial year, which saw continued growth and allowed the company to lift guidance for the full year. Since the result, global box office has continued to be very strong from *The Odyssey* and latest *Spider-Man* instalment, with cinema customers breaking many attendance and revenue records, which bodes well for their ability to reinvest in guest experience and core systems like Vista.

Fisher & Paykel Healthcare (+18%) provided increased guidance in August, highlighting continued strength in its hospital business, with demand for its latest hardware platforms and ongoing consumable adoption driving a stronger-than-expected start to the financial year.

Vulcan Steel (+8%) and **Mainfreight** (+7%) also showed signs of improving performance, as highlighted in recent monthly updates.

Which companies share prices detracted most from performance and why?

Summerset (-14%) announced a pragmatic pivot away from maximising its rate of new village development to a better balance of continued growth coupled with improved cash generation, a stronger balance sheet, and increasing operating discipline. The pivot was initially received well, whereas the share price fall reflects macroeconomic factors. Firstly, increases in interest rates globally present a renewed headwind to house prices and near-term house

sales, which may impact sales of new retirement village units for the company in the short term and constrain a housing market recovery. Secondly, New Zealand's political parties are proposing a variety of different policies in the lead up to the general election, which is creating uncertainty around the how the operating landscape may change in coming years. We continue to think Summerset is a well-run business and represents compelling fundamental value for patient investors, whereas near-term headwinds have seen the share price move lower.

Freightways (-9%) delivered a solid result for the year to June, with earnings per share up 17% although, like many New Zealand businesses, it has not been immune to the protracted economic recovery. Its New Zealand courier businesses have seen a slowdown, with same-customer activity shifting from seeing volume growth of almost 3% year-on-year in the March quarter to a decline of more than 1% in the June quarter. Fortunately, the company continues to bolster existing customer activity with meaningful new customer wins. Looking forward it has said, "it will be another year of 'softer for longer' than initially expected". We still anticipate profit growth in the next year, although at a more subdued rate.

Infratil (-8%) shares declined following strong gains earlier in 2026, with the market remaining sensitive to the pace of development of its Australian and New Zealand data centre pipeline to supporting the global AI industry. The company delivered a positive investor day in September, which provided updates on its largest three holdings: CDC Data Centres, local telecommunications provider One NZ, and US renewables developer Longroad. CDC increased its current year's expected core operating earnings from a prior range of A\$680-720 million to A\$710-750 million, in part driven by a previously unannounced 70 megawatts worth of new contracts which will begin to contribute from late in the period. Longroad is now planning to develop 2.5 gigawatts of projects annually (up from 2.0 gigawatts previously) which is expected to take its core operating profit in 2029 to a run-rate of US\$1.2 billion.

Skellerup has been added to the Kingfish portfolio

During the quarter we added **Skellerup** to the portfolio. In addition to making its iconic 'Red Band' gumboots, which are a staple on many Kiwi farms and back porches (although a relatively modest portion of the business), the company operates a globally diversified range of manufacturing businesses, focused broadly in the Agriculture and Industrial sectors.

Skellerup is a global leader in the design and manufacture of technical, precision-engineered polymer products. It caters to niche applications that demand high performance and compliance with technical standards, with dairy milking consumables being its largest product category. A high proportion of its products come into contact with dairy products and potable water across many different jurisdictions, each with their own safety standards. However, its product ranges are truly diverse and include pipe gaskets in water infrastructure, roof

¹ Share price discount to NAV (using the net asset value per share, after expense, fees and tax, to four decimal places).

flashings such as for solar installations, vacuum pumps, and various high-performance components for global 'OEMs' (Original Equipment Manufacturers that make milking machines, tapware, consumer products, medical equipment, automobiles, and other devices).

The company has a good track record of profitable growth, historically driven by moderate revenue growth plus a strong focus on efficiency and process improvement. In recent years, the company has increased its investment in innovation and new product development which has seen it accelerate revenue growth (particularly in its Agriculture segment) and extend its profit growth trajectory beyond what would have been possible previously. The company has also recently

undergone a successful transition from its long-time CEO to an impressive internal successor overseeing a capable executive team.

Skellerup has contributed positively to Kingfish returns since its addition.



Matt Peek
Senior Portfolio Manager
Fisher Funds Management Limited
15 October 2026



SIGNIFICANT RETURNS IMPACTING THE PORTFOLIO DURING THE QUARTER

DELEGAT GROUP	VISTA GROUP	SKELLERUP	FISHER & PAYKEL HEALTHCARE	SUMMERSET
+21%	+19%	+18%	+18%	-14%

PERFORMANCE

as at 30 September 2026

	3 Months	3 Years (annualised)	5 Years (annualised)
Company Performance			
Total Shareholder Return	(9.4%)	+3.2%	(4.1%)
Adjusted NAV Return	+0.9%	+7.5%	+0.3%
Portfolio Performance			
Gross Performance Return	+1.3%	+9.3%	+1.5%
S&P/NZX50G Index	+1.6%	+7.0%	+0.8%

Non-GAAP Financial Information

Kingfish uses non-GAAP measures, including adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return. The rationale for using such non-GAAP measures is as follows:

- adjusted net asset value – the underlying value of the investment portfolio adjusted for capital allocation decisions after expenses, fees and tax,
- adjusted NAV return – the percentage change in the adjusted NAV value,
- gross performance return – the Manager's portfolio performance in terms of stock selection, before expenses, fees and tax, and
- total shareholder return – the return combines the share price performance, the warrant price performance, the net value of converting any warrants into shares, and the dividends paid to shareholders. It assumes all dividends are reinvested in the company's dividend reinvestment plan, and that shareholders exercise their warrants, (if they were in the money), at warrant expiry date.

All references to adjusted net asset value, adjusted NAV return, gross performance return and total shareholder return in this newsletter are to such non-GAAP measures. The calculations applied to non-GAAP measures are described in the Kingfish Non-GAAP Financial Information Policy. A copy of the policy is available kingfish.co.nz/about-kingfish/kingfish-policies.

COMPANY NEWS

Dividend Paid 25 September 2026

A dividend of 2.50 cents per share was paid to Kingfish shareholders on 25 September 2026 under the quarterly distribution policy. Interest in Kingfish's dividend reinvestment plan (DRP) remains high with 37% of shareholders participating in the plan. Shares issued to DRP participants are at a 3% discount to market price. If you would like to participate in the DRP, please contact our share registrar, Computershare on (09) 488 8777.

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PORTFOLIO HOLDINGS SUMMARY as at 30 September 2026

COMPANY	% Holding
Auckland Int Airport	6.0%
Contact Energy	6.7%
Delegat Group	1.3%
EBOS Group	3.5%
Fisher & Paykel Healthcare	19.8%
Freightways	3.9%
Infratil	16.7%
Mainfreight	9.2%
Mercury NZ Limited	4.4%
Meridian Energy	3.6%
Port of Tauranga	4.3%
Skellerup Ltd	1.2%
Summerset	6.6%
The a2 Milk Company	4.2%
Vista Group International	4.6%
Vulcan Steel	1.8%
Equity Total	97.8%
New Zealand dollar cash	2.2%
TOTAL	100.0%



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