cobas

asset management

PORTFOLIO NEWS

March of 2024

Summary comment

Our funds performed mixed in February: Cobas Selección +5.8%, Cobas International +5.8%, Cobas Grandes Compañías +4.4%, Cobas Iberia +7.0%, Cobas Global PP +5.9% and Cobas Mixto Global PP +4.7%.

March has been a positive month for equity markets, driven primarily by resilient economic data, which supports a view of normalizing inflation without recession. Global equity markets now have their fifth consecutive month of gains. For fixed income, on the other hand, it was a more complex period, resulting in negative returns. Capital flows are starting to flow into value, and the potential of companies that have been undervalued by the market is beginning to be recognized. During the first quarter of the year, our portfolios have maintained a positive trend, with relative returns outperforming the indexes.

* The returns shown refer to Class C for each of the vehicles..

International Portfolio

Main blocks	2S23	1S23	Diff
Energy	**30%**	**35%**	**-5%**
LNG infrastructures	8%	9%	-1%
Oil & gas services	6%	8%	-2%
Oil & gas trans. infra.	1%	2%	-1%
Oil & gas producers	15%	16%	-1%
Defensive	**29%**	**25%**	**4%**
Residences-Education	7%	6%	1%
Pharmaceutical	9%	7%	2%
Aero-Defense	7%	6%	1%
Net-Net	5%	4%	1%
Defensive Consumption	2%	3%	-1%
Cyclical	**21%**	**21%**	**0%**
Raw materials	**7%**	**6%**	**1%**
Rest	**9%**	**9%**	**0%**
Liquidity	**2%**	**2%**	**0%**
TOTAL	**100%**	**100%**	

Iberian Portfolio

Main blocks	2S23	1S23	Diff
Energy	**11%**	**12%**	**-1%**
Oil services	10%	11%	-1%
Oil & gas producers	1%	1%	0%
Defensive	**37%**	**36%**	**1%**
Concessions	8%	11%	-3%
Defensive consumption	8%	8%	0%
Pharmaceutical	10%	7%	3%
Defensive services	11%	10%	1%
Cyclical	**16%**	**15%**	**1%**
Raw materials	**20%**	**22%**	**0%**
Rest	**13%**	**12%**	**1%**
Liquidity	**3%**	**3%**	**-1%**
TOTAL	**100%**	**100%**	

Source: Own elaboration

Cobas Selección Portfolio Top 10

Holdings as of 31.12.2023

The Fund diversifies its equity exposure between our International and Iberian portfolios. The average diversification will generally implicate an exposure of around 90% to our International portfolio and 10% to our Iberian portfolio.

Company	Weight
Golar LNG	7.1%
Babcock	4.9%
Atalaya Mining	4.0%
CIR	3.6%
Currys	3.2%
Danieli	3.2%
BW Energy	2.4%
Técnicas Reunidas	2.4%
BW Offshore	2.3%
Energean	2.2%
Total weight Top 10	**35.4%**

* The position of CIR bring together the joint exposure to the different types of shares in the portfolio of these companies, the ISINs of which are shown below:
CIR: XXITV0000180 and IT0000070786;
The information broken down by ISIN code is available in the report available on the CNMV portal.

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International Portfolio

International Portfolio Top 10

Holdings as of 31.12.2023

Company	Weight
Golar LNG	8.2%
Babcock	5.7%
CIR	4.2%
Atalaya Mining	3.8%
Currys	3.7%
Danieli	3.7%
BW Energy	2.7%
BW Offshore	2.7%
Energean	2.5%
AcadeMedia	2.4%
Total weight Top 10	**39.6%**

* The position of CIR bring together the joint exposure to the different types of shares in the portfolio of these companies, the ISINs of which are shown below:
CIR: XXITV0000180 and IT0000070786;
The information broken down by ISIN code is available in the report available on the CNMV portal.

Babcock

Portfolio Weight 4.9% Selection; **5.7%** International; **2.5%** Large Cap

In March, the UK government announced an investment programme to boost skills and employment in the nuclear sector. To this end, the government will cooperate with companies such as Babcock to invest at least 763 Mn£ by 2030 to promote the competences required in employment and education.

British Prime Minister Rishi Sunak emphasized the importance of securing the future of the UK nuclear industry given the new global challenges. Babcock has backed the UK Government's national commitment to secure nuclear skills to protect the nation's security and realize clean energy goals.

The UK Government has estimated that the nuclear industry will require 50% more skilled workers over the next decade to increase the country's nuclear deterrent capabilities and ensure a cheaper and more reliable source of energy.

In addition, in March, Babcock and the UK's Submarine Delivery Agency (SDA) agreed a refurbishment contract worth approximately 560 Mn£ to carry out the planned deep maintenance and life extension program for one of the UK's nuclear submarines.

The UK nuclear industry is experiencing a major period of growth due to government objectives and Babcock is well positioned to meet them. From maintaining the UK's submarine fleet, to supporting the operation and construction of nuclear power plants, Babcock plays critical roles in programs of national importance to the UK.

Babcock. 1 year evolution **Return: 1 M** 6.2% **3 M** 31.6% **YTD** 31.6%

Danieli

Portfolio Weight 3.2% Selection; **3.7%** International

Danieli presented its financial results for the first six months of the 2023/2024 fiscal year, reflecting an expected drop in profitability within steel production along with an improvement in steel plant design and supply. These two sectors historically offset each other through economic cycles.

Overall, consolidated net income for the first half of the fiscal year shows an increase of 33%, supported by solid financial income and stable exchange rates. The Group's revenue outperformed the previous year, driven by **Plant Making** sales, while **ABS Steel Making** aims to improve results by increasing production volumes and rising prices to strengthen profitability.

Plant Making segment revenues are growing largely because **Danieli's** plants are considered to be at the forefront of technology and therefore competitive in green steel production.

Looking ahead, **Danieli Plant Making** anticipates sustained growth across all product lines and geographies, while **ABS Steel Making** is focused on increasing production volumes and taking advantage of rising prices. The overall outlook for the steel market remains positive for 2024, with a slight increase in prices and maintenance of volumes compared to 2023, and a more receptive end market thanks to the normalization of the energy market, especially in Europe.

The group remains prepared to continue to grow despite market challenges, maintaining a strategic focus on innovation, efficiency and financial stability.

Danieli 1 year evolution **Return: 1 M** 7.0% **3 M** 12.7% **YTD** 12.7%

Energean

Portfolio Weight 2.2% Selection; 2.5% International; 0.9% Large Cap

Energean presented positive results for 2023, the period was marked by a significant growth in production of 200% over the previous year, reaching a peak production of approximately 150 kboed, mainly thanks to production from **Karish** (Israel).

In addition, the **NEA/NI project**, located in shallow waters offshore Egypt, was brought online. Despite the difficult geopolitical environment, all operations were managed without any impact from regional conflicts. In February 2024, a new gas contract was signed in Israel adding around €2,000 Mn in revenues over the life of the contract.

In financial terms, **Energean** recorded annual revenues of $1,420 Mn and adjusted EBITDAX of $931 Mn (an increase of 121%), allowing it to reduce its leverage ratio by 50% to 3x. There are no immediate debt maturities following **Energean** Israel's July 2023 bond refinancing. Also, a fourth quarter dividend of 30 cents per share was announced, with a total of approximately $370 Mn returned to shareholders since the commencement of payments.

The company is looking beyond short-term targets, with new entry projects in Morocco and Italy, the latter following the repeal of prohibitive laws that freed up previously restricted areas. **Energean** remains alert to opportunities that align with its key business drivers.

As for guidance for 2024, **Energean** reaffirms a range of 155-175 kboed. Production is focused on the second half of the year due to peak summer gas demand and the operational start-up of **Cassiopea** (Italy).

Energean. 1 year evolution **Return: 1 M** 7.2% **3 M** 4.7% **YTD** 4.7%

Maire Tecnimont

Portfolio Weight 1.8% Selection; **2.0%** International

Maire Tecnimont reported strong 2023 results in March along with its 2024-2033 strategic plan. In the 2023 fiscal year, the company experienced double-digit growth in its consolidated economic and financial results. Revenues reached 4,300 Mn€, an increase of 23.0%, exceeding expectations. EBITDA was 74.4 Mn€, an increase of 31%. Net profit was 129 Mn€, an increase of 43%.

The orders received were 11.2 Mn€, contributing to a solid order backlog of 15,000 Mn€. The company continues to win contracts, and in March was awarded a new SONATRACH petrochemical contract in Algeria worth 1.100 Mn$.

A proposal on profit allocation and dividend distribution was also approved, amounting to €0.197 per share, an increase of 59% over the previous year. **Maire** also said his board would seek approval to buy back up to 10 million shares, or 3.04% of those in circulation.

Maire forecasts strong growth for 2024, revenues are expected to experience a significant increase of 30-40%, achieving this milestone four years earlier than planned in the 2023-2032 Strategic Plan. A notable 30-45% increase in EBITDA is also expected. The company will allocate funds to expand the technology portfolio through Capex. In addition, they announce that the dividend payout will increase to 55% in 2025 and 66% from 2026 onwards.

Maire has presented its Strategic Plan for the period 2024-2033, focusing on several key areas. It seeks to take advantage of investment opportunities in low-carbon solutions and the circular economy, as well as to strengthen its project execution capabilities.

Maire Tecnimont. 1 year evolution **Return: 1 M** 37.1% **3 M** 48.0% **YTD** 48.0%

Aryzta

Portfolio Weight 1.1% Selection; **1.3%** International

Aryzta presented its 2023 results, the company's results continue to improve period over period. There was a solid improvement in profitability, with cash generation accelerating and capital efficiency exceeding mid-term targets.

In the 2023 period, revenues increased by 14.4% to €2,192 Mn. EBITDA increased by 32.3% to €304.5 Mn, and the EBITDA margin expanded to 13.9%. Profit for the period amounted to €125.7 Mn and free cash flow was generated at €132.4 Mn. Innovation also contributed to the results, as revenues from new product launches almost doubled from 8% to 14%.

By 2024, significant improvements are expected across all key metrics. Organic growth is expected to stabilize in the low to mid-single digit range. EBITDA margin expansion is also anticipated, supported by growth, operating efficiencies and cost management. Further improvements in free cash flow generation and reduction in total net debt leverage are also projected.

Therefore, the results presented by **Aryzta** for the year 2023 show a continuous improvement in the company's performance, highlighting a growth in profitability, an acceleration in cash generation and a capital efficiency that exceeds the medium-term objectives.

Aryzta. 1 year evolution **Return: 1 M** 4.7% **3 M** 5.8% **YTD** -8.2%

Iberian Portfolio

Iberian Portfolio Top 10

Holdings as of 31.12.2023

Company	Weight
Atalaya Mining	10.0%
Técnicas Reunidas	8.6%
Elecnor	7.8%
Almirall	5.8%
CAF	4.8%
Catalana Occidente	4.7%
Miquel y Costas	4.6%
Semapa	4.5%
Grifols	4.2%
Ibersol	3.7%
Total weight Top 10	**58.7%**

Atalaya Mining

Portfolio Weight **4.0%** Selection; **3.8%** International; **10.0%** Iberian; **4.0%** Large Cap

Atalaya Mining presented its results for 2023, highlighting cost reductions and a strong balance sheet, which places **Atalaya** in the next phase of growth.

Copper production reached 51.7 thousand tons in FY2023 (versus 52.3 kt in FY2022). In FY2023, EBITDA increased to €73.1 Mn, compared to €55.3 Mn in the previous year. Operating cash flows also improved, reaching €64.7 Mn compared to €38.5 Mn in FY2022.

Key investments included the **E-LIX Phase I** plant (€18.1 Mn) and a 50 MW solar plant (€12.9 Mn). The company maintains a strong balance sheet, with 54.3 Mn€ in cash.

Regarding costs, European energy markets have continued to normalize, which has helped **Atalaya** to achieve lower costs despite inflationary pressures. In addition, the start of operations of the 50 MW solar plant is expected to provide further stability.

The company remains optimistic about the **Touro Project** 's potential as a new source of copper production in Europe. In the words of the CEO, the energy transition is increasing demand for copper, but uncertainty about supply is growing due to declining production at mature mines and the complexity of new projects.

As such, **Atalaya**, with its strong balance sheet and experienced team, is well positioned to benefit from improving copper market dynamics.

Looking ahead to 2024, the company is increasing production guidance and expects operations to remain stable, with key investments focused on growth.

Atalaya Mining. 1 year evolution **Return:** **1 M** 18.3% **3 M** 7.5% **YTD** 7.5%

Grifols

Portfolio Weight **4.22%** Iberian; **2.89%** Large Cap

The Spanish Securities and Exchange Commission (CNMV) announced the conclusions of its report on Gotham City Research's bearish attack on Grifols last January.

The CNMV's final report on Grifols indicates that no material misstatements were found in the financial statements and that the financial indebtedness reflected is accurate. The regulator has therefore rejected the restatement of the accounts. It also confirms the consolidation of certain entities in accordance with international regulations and notes that transactions between related parties were carried out at market prices.

However, it identifies areas for improvement, such as the need to detail explanatory notes, disaggregate transactions and improve the presentation of financial indicators. As a result, it requested Grifols to publicly disclose details of its EBITDA and net financial debt at year-end 2022 and 2023, among other aspects, within fifteen days. In addition, an exhaustive legality analysis is required, which could result in the opening of one or more sanctioning procedures, as appropriate.

At the time of writing, the company raised its debt ratio to 8.4x after publishing debt ratios under the formulas indicated by the regulator. Grifols is committed to following the recommendations to improve transparency and financial disclosure following the regulator's recommendations.

Almirall. 1 year evolution **Return:** **1 M** 17.5% **3 M** -42.8% **YTD** -42.8%

CTT Correios de Portugal

Portfolio Weight 2.7% Iberian

CTT 's revenues reached €985.2 Mn in 2023, an increase of €78.6 Mn (+8.7% y-o-y). For the first time in CTT's history, in the fourth quarter of 2023, **Express & Parcels** was the largest revenue contributor.

Express & Parcels revenues amounted to €340.6 Mn in 2023 (+31.5%), due to high volume growth in both Spain and Portugal, benefiting from market share gains and increased e-commerce uptake. Growth also continues in the rest of the world, reflecting organic growth of 11.2% offset by a 7.2% currency effect.

In 2023, revenues in Spain reached 186.8 Mn€, an increase of +51.9%, driven by double-digit growth since the second quarter. This was reflected in both revenues and volumes.

Banco CTT 's revenues grew to €147.7 Mn in 2023, supported by net interest of €98.8 Mn (+32.9%). Net profit was €60.5 Mn in 2023 (+66.2%).

Debt reduction continued during the period, with a decrease in total leverage and a simplification of the capital structure through hybrid bond repurchases, which is resulting in significant interest savings.

In 2024, **CTT** will focus on expanding its presence in the Iberian parcel market to take advantage of e-commerce growth in Portugal and Spain, drive growth in Banco **CTT**, launch new retail services, and pursue transformation initiatives to reduce dependence on traditional mail services.

CTT. 1 year evolution **Return:** **1 M** 13.6% **3 M** 18.3% **YTD** 18.3%

Large Cap Portfolio

NOV

Portfolio Weight 3.4% Large Cap

NOV reported solid results for the fourth quarter of 2023, with revenues reaching $2,340 Mn$, an increase of 7% over the third quarter of 2023 and 13% over the fourth quarter of 2022.For the full year 2023, revenues totaled $8,580 Mn$, representing an increase of $1,340 Mn$ over 2022.

Net income for the full year 2023 was $993 Mn$, which included the release of valuation allowances, compared to $155 Mn$ in the prior year, representing an increase of 540%.

NOV CEO Clay Williams expressed satisfaction with the company's performance, highlighting 19% sales growth compared to 2022 and improved profitability in all operating segments. Williams emphasized the company's favorable position in the face of growing customer interest in new products and technologies, especially in international and offshore markets.

Despite geopolitical and economic uncertainties, NOV remains optimistic about the recovery in the oil and gas markets, driven by growing demand for secure, reliable and cost-effective energy sources. NOV' s product portfolio is well positioned to capitalize on these market dynamics, anticipating increased adoption of advanced technologies and continued international growth in 2024. The company has made significant achievements during the period, securing new long-term contracts.

Overall, the company anticipates that the strong position and market responsiveness will drive sustained growth in the coming years.

NOV. 1 year evolution **Return:** **1 M** 15.5% **3 M** -3.7% **YTD** -3.7%

Renault

Portfolio Weight 1.5% Selection; **1.8%** International; **3.4%** Large Cap

After reporting record results for 2023, in March **Renault Group** and **Volvo Group** obtained the necessary regulatory approvals to establish **Flexis SAS**. The new company will introduce a range of all-electric vans equipped with SDV technology, with production of the first van scheduled for 2026.

In addition, in March **Renault** unveiled a new refurbishment plan that makes its electric cars 30% cheaper. The group has launched an innovative reconditioning plan for its electric cars, a first in Europe. This initiative offers customers the choice between new original parts or reconditioned parts, which can be up to 30% cheaper.

This approach not only reduces the impact on resources and CO2 emissions, but also provides consumers with a more affordable alternative to keep their electric vehicles in top condition. The three-part reconditioning plan is specifically tailored for the electric powertrain, representing a significant step towards sustainability and affordability in the sector.

Renault. 1 year evolution **Return: 1 M** 21.5% **3 M** 26.8% **YTD** 26.8%

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