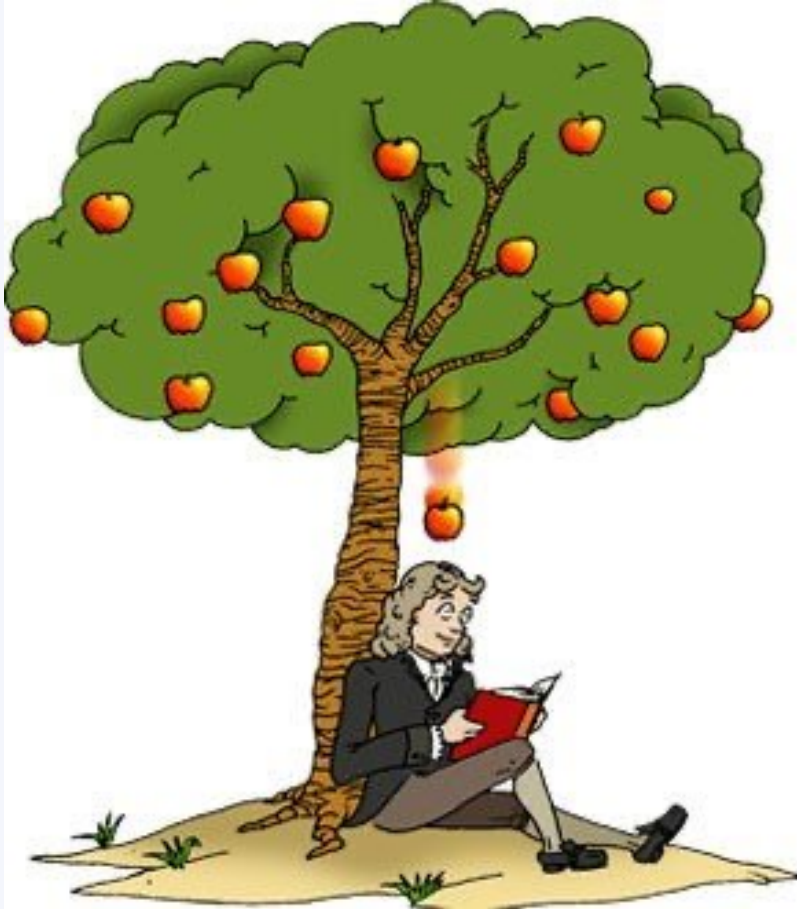




P r e s e n t a t i o n

Pinnacle Investment Summit 2023

Why Spheria?



The “economic” law of gravity will trigger convergence

Current market environment

Small and microcaps have underperformed large cap

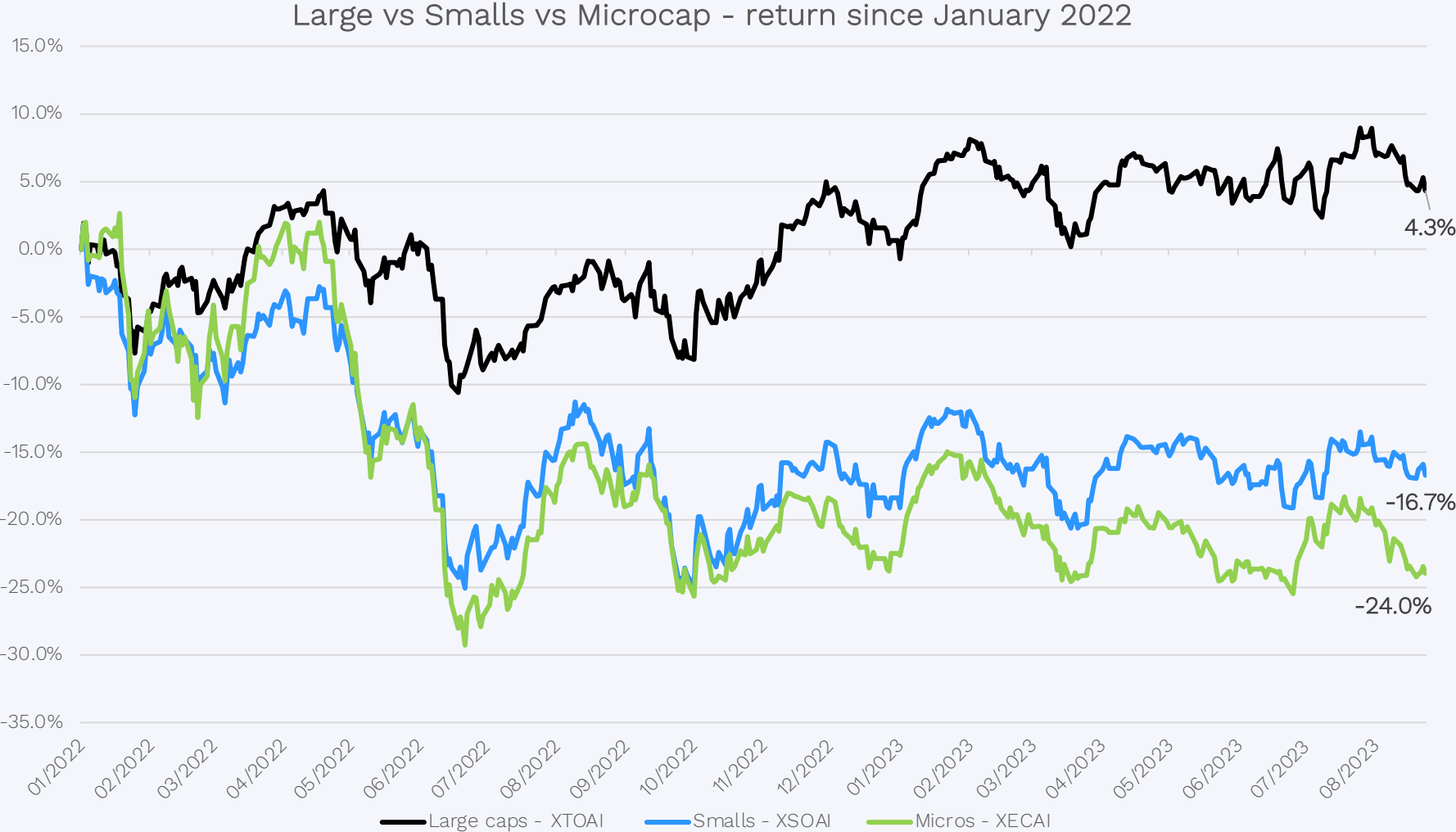


Chart Source: Bloomberg. Rolling return to 25th August 2023



Comparison

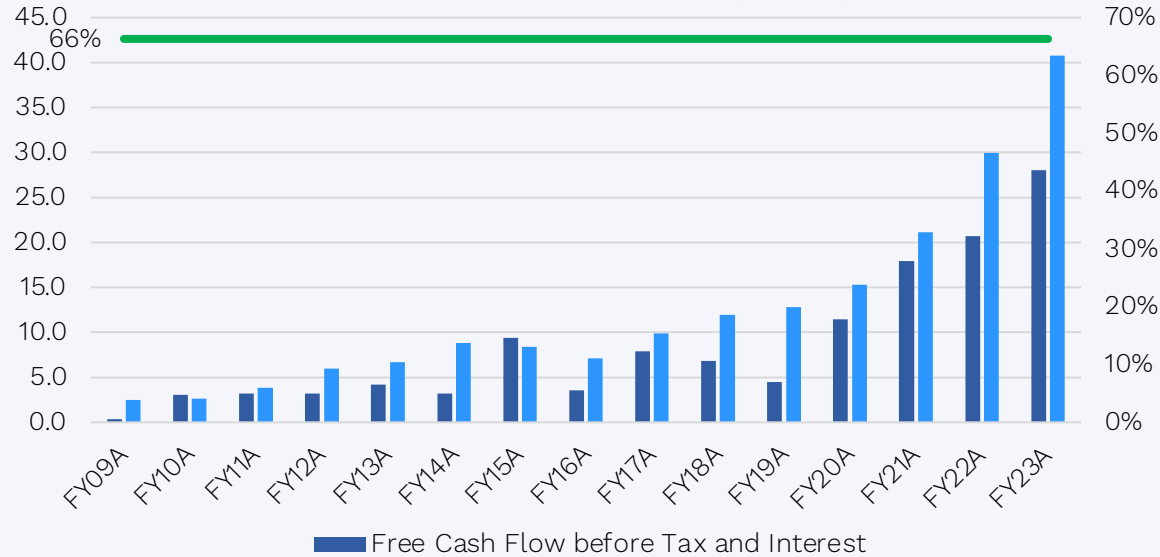
	Company A	Company B
Size (Mkt Cap)	~\$600m	~\$20bn
Revenue Growth (5 yr CAGR)	18%	30%
Organic Growth	100%	~66%
Equity Raised (last 5 years)	Zero	+\$500m
ROIC (LFY)	54%	23%
Net cash/debt	Net Cash	Net Debt
Forward PE	~22x	~100x

Supply Network

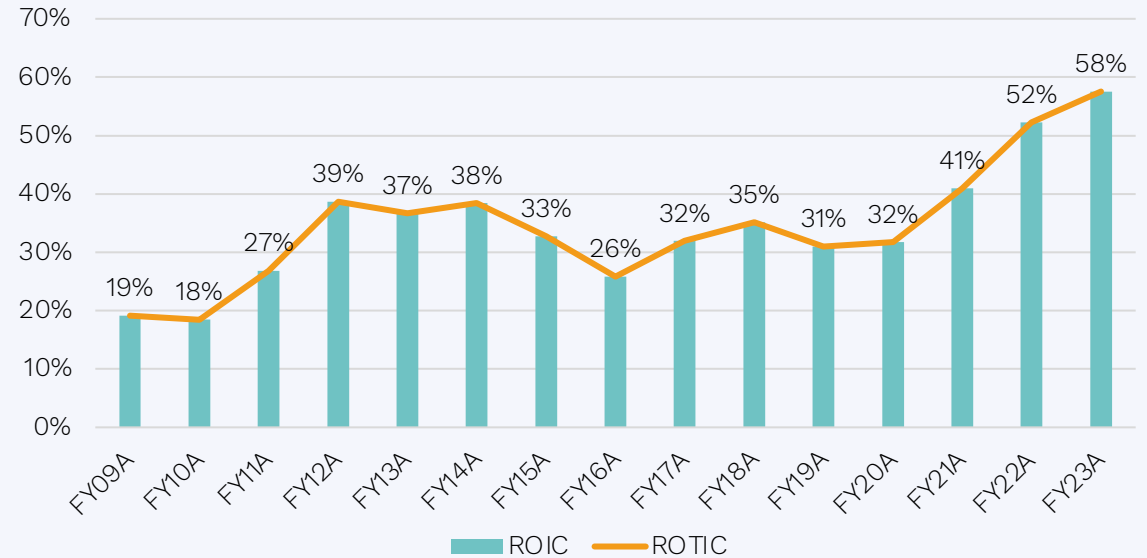
(ASX:SNL)⁵

Under the radar

Cash Flow Conversion (EBITA)



Return Metrics



- Truck and bus aftermarket spare parts distributor under Multispares brand in AU/NZ
- No. 1 player in the market with 25 branches (20 in Australia, 5 in NZ)
- Strong history of cash generation and re-investment at high ROIC
- Revenue 14% and EBITA 20% CAGR over past 10 years (all organic)
- Trading on PE 22x FY24F with net cash balance sheet (never raised capital)

Lithium “Bubble” Deflating

Domestic share prices have held up relatively well

Weighted Average Return vs Lithium Carbonate Price US\$/t



Chart Source: Bloomberg. *Stocks include: PLS, AKE, LTR, GL1, AVZ, CXO, LKE, VUL, PSC, AGY, SYA.



Australia likes to party even when the party is over

Valuation disparity ; Global vs. Domestic Lithium Companies

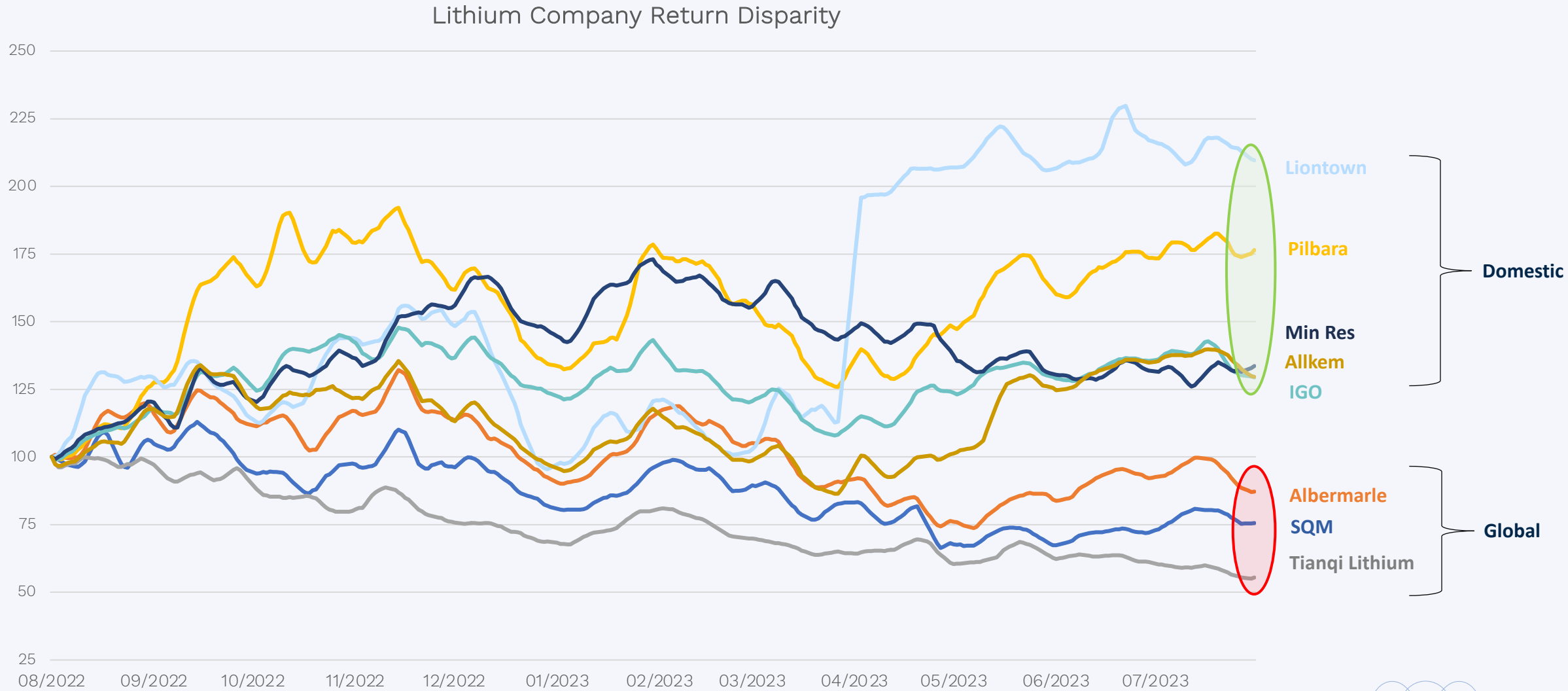


Chart Source: Bloomberg.

Global vs Australia Smalls

Global's fragmented landscape favours bottom-up stock selection

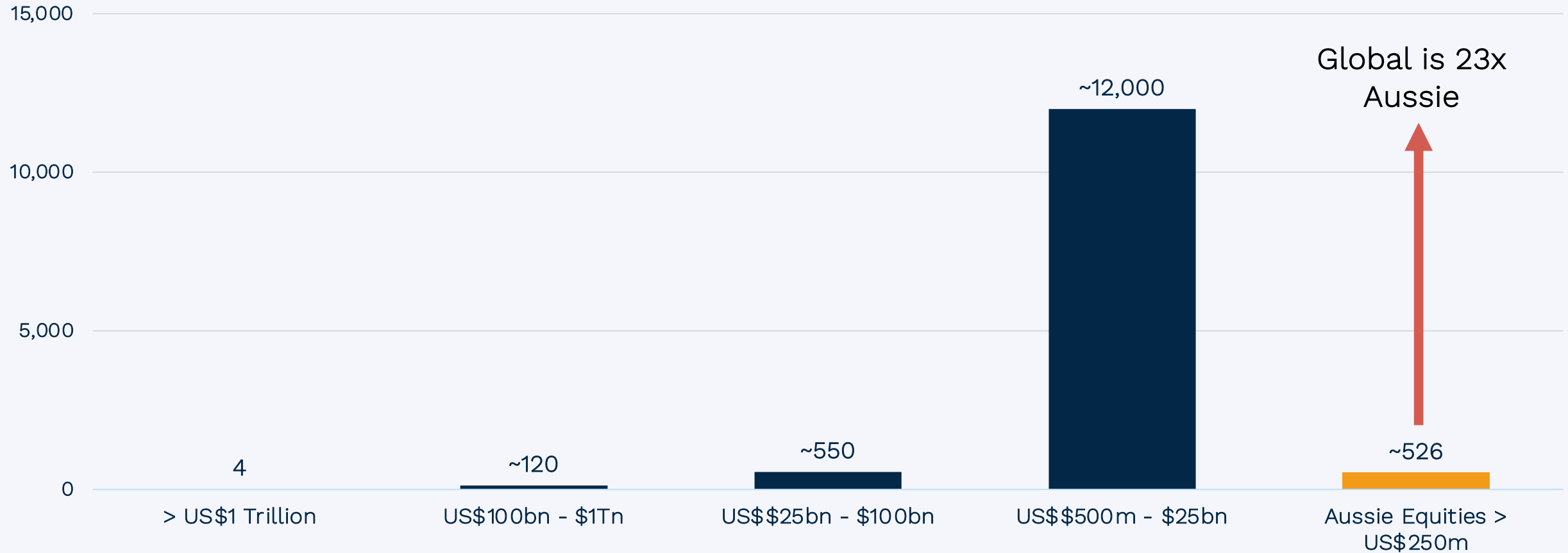
	MSCI World Smalls	ASX Small Ordinaries
No. of Holdings	4,500	200
Total Market Cap (AUD Bn)	9,900	340
Median Market Cap (AUD Mn)	1,400	1,200
Largest Company Wgt %	Jabil Circuit - 0.2%	Liontown Resource - 2.2%
Top 10 %	2%	14%
P/E (Trailing)	20x	30x
P/E (Fwd)	16x	16x

Annualized Performance	1 Yr	3 Yr	5 Yr
MSCI World Small Cap Index (AUD)	12.4%	13.1%	7.3%
ASX Small Ordinaries (AUD)	0.8%	5.9%	3.2%

Unparalleled Investment Opportunity

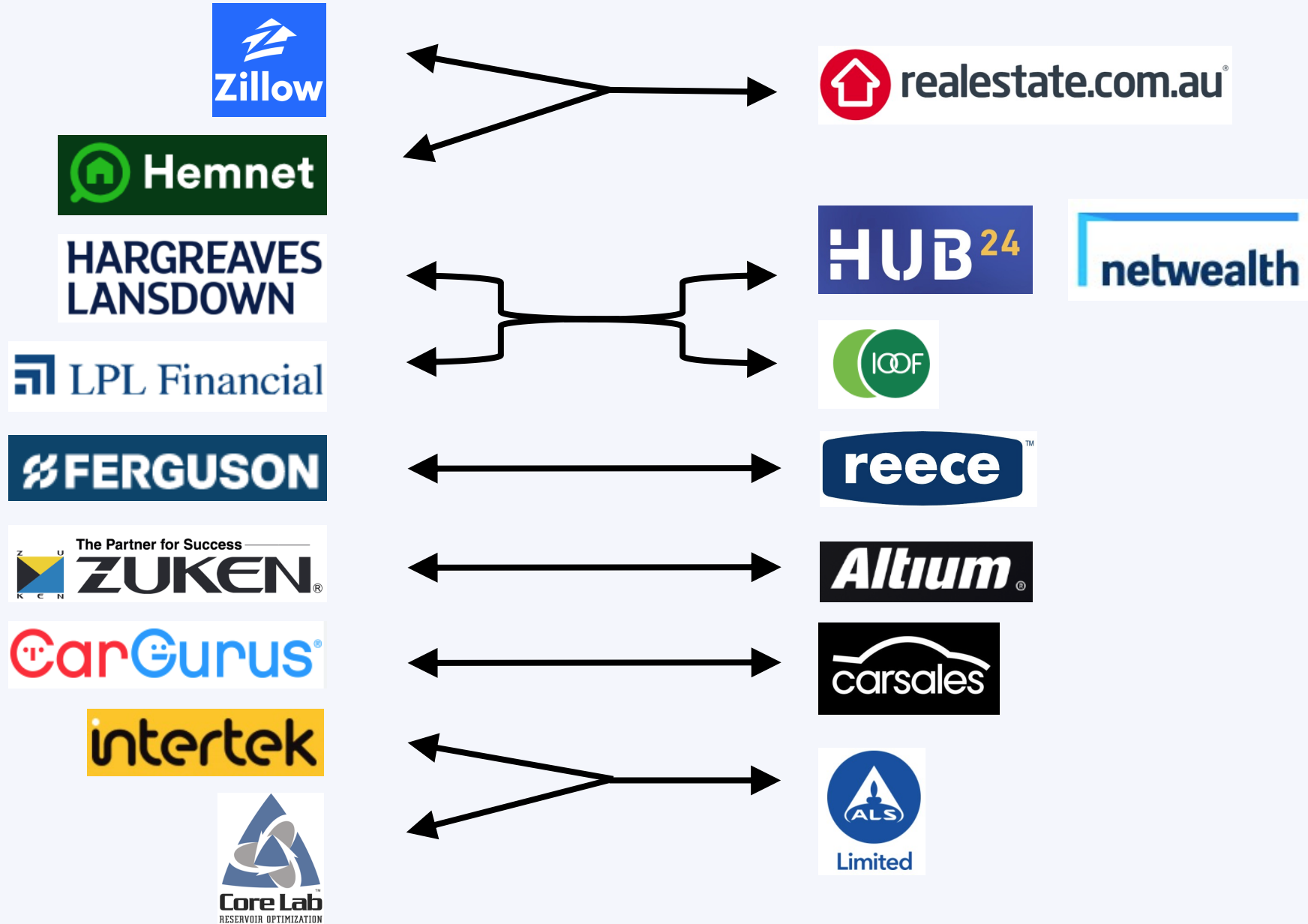
Less attention, more opportunities

Equity Listings in Market Cap Range (Developed Markets Only)



Source: Spheria, Bloomberg

Global synergies with Domestics



Getting more for less Globally

Scarcity leads to crowding into domestic growth

	Valuation		Earnings Growth
	PE (1FY)	PE (2FY)	5Yr EPS CAGR
S&P/ASX Small Ordinaries Index	19x	14x	1%
MSCI World Small Cap Index	17x	14x	6%
	PE (1FY)	PE (2FY)	5Yr EPS CAGR
Pro Medicus Ltd (Australia)	99x	80x	35%
Napco Security Technologies (United States)	24x	20x	18%
Altium Ltd (Australia)	52x	42x	9%
Zuken Inc (Japan)	25x	20x	16%
Sapiens International Corp NV (United States)	20x	19x	22%
Reece Ltd (Australia)	37x	34x	6%
Ferguson PLC (United States)	15x	15x	19%

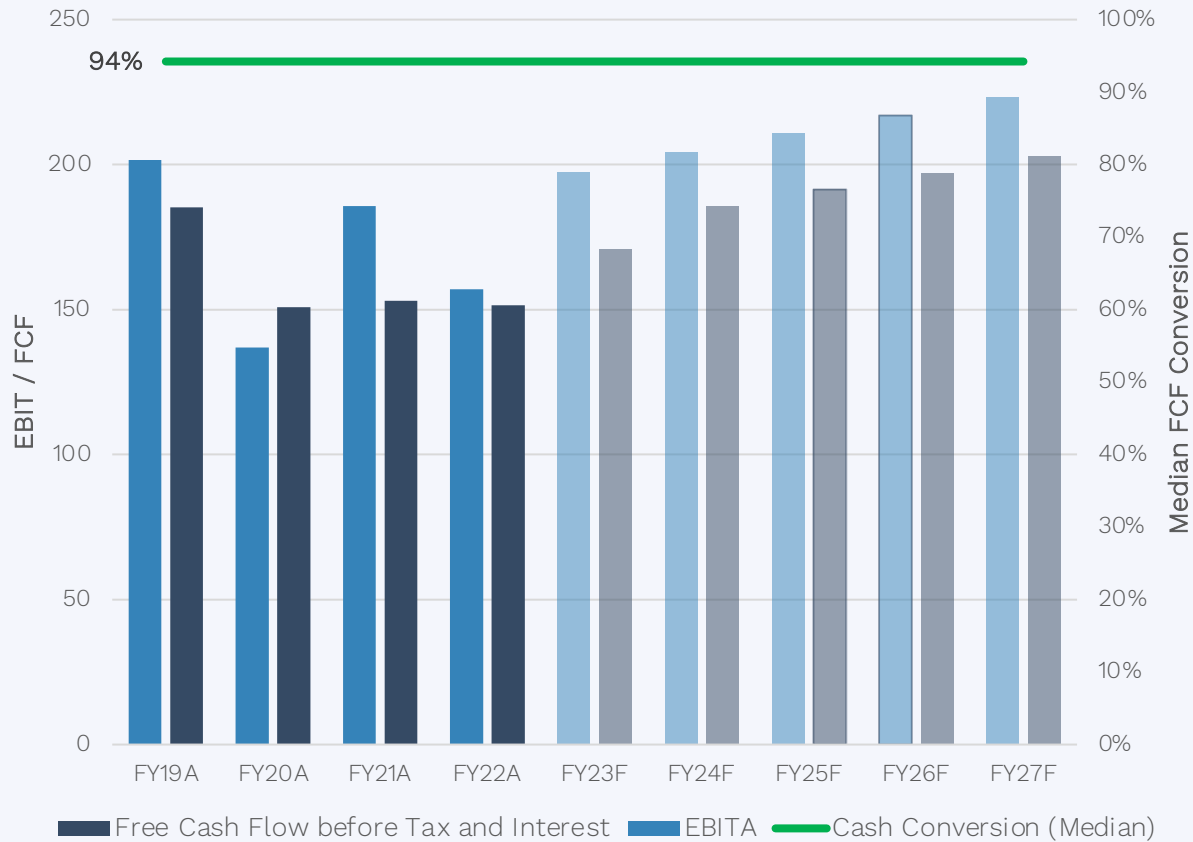
Source: Bloomberg as at 30th June 2023. (1) Sales CAGR between calendar year 2017 to 2022.

Accelleron Industries (SW:ACLN)

Market leader in “off-highway” turbochargers



Cash Flow Conversion (EBITA)



- **Global Leader** in the manufacture of “off-highway” turbochargers for sale to engine OEMs in the merchant marine and energy end markets.
- **Mission Critical** – Reduce fuel consumption, operating costs and emissions, for a given level of power.
- **Technical Superiority** – Market leadership achieved by optimizing the balance between performance and durability. Marine vessels run for 5k hours pa (~lifetime of a car) and the velocity at the tip of the turbine blade is close to the speed of sound.
- **Serves hard to decarbonize sectors** – EV batteries unsuitable for marine propulsion and engines running on hydrogen or other SAF’s to play an ongoing role in portable/backup energy supply.
- Co2 neutrality to be reached with uptake of **sustainable fuels** powering engines that use ACLN’s turbochargers.
- **Recurring services revenue** comprises 75% of group.
- Market cap of US\$2b, modest net debt, **12x EBIT / 16x PE**

In Conclusion

- Market repeating past cycles of crowding into “expensive growth” complex
- Valuation dispersion an opportunity:
 - Growth vs Value
 - Large vs Small/Micro
 - Domestic vs Global
- Catalyst for convergence in valuations only known in hindsight.