

# Augustus Capital AM



**LIERDE,**  
Creating value since 1994  
October 2023

# DISCLAIMER

---

This document and the information, opinions, estimations and recommendations contained herein have been prepared by Augustus Capital AM in order to provide to its clients with general information regarding the date of issue of the report. Augustus Capital AM reserves the right to update, modify or remove this information. Neither this document nor its content constitutes an offer, invitation or purchase request or subscription of securities. Neither constitutes a deal or investment cancellation, and it can not be used as the basis of any contract, commitment or any kind of decision. The investor who has access to this document should be aware that the securities, instruments or investments referred could be not be suitable for their specific investments, financial position or risk profile, which have not been taken into consideration for the preparation of this report. Therefore, investors should make their own investment decisions considering these circumstances and obtaining the necessary specialized advice. Furthermore, Augustus Capital AM may not be held responsible for the truthfulness, integrity or validity of this information. Investors should note that past returns do not guarantee future returns. The price of the securities, instruments or the results of the investments could fluctuate against the investors' interests and even result in a loss of the initial investment. Therefore, before closing any transaction with this kind of instruments, investors should be aware of their operating mode, the rights, the obligations and the risks involved, as well as be aware of the rights and obligations of the underlying values. It could not exist secondary market for these instruments. Augustus Capital AM or any other entity of the group, as well as its directors or employees may have a position in any of the securities that this document refers to, directly or indirectly, or in any other related, previous to the publication or after, to the extent allowed by the applicable Law. Employees of Augustus Capital AM or other entity of the Group may provide market comments, orally or by writing, or investment strategies to its clients even if those opinions are contrary to the opinions expressed in this document. Augustus Capital AM or any other entity of the Group also may adopt their own investment decisions even if they are inconsistent with the recommendations expressed in this document. Any part of this document may be (i) copied, photocopied or duplicated by any other form (ii) redistributed or (iii) quoted, without the previous written permission of Augustus Capital AM. Any part of this presentation may be reproduced, taken or transmitted to those countries (or persons or entities) where distribution may be forbidden by law. The failure to comply these restrictions may involve breaking the laws of the relevant jurisdiction.

# INDEX

---

1. History
2. Description
3. What makes LIERDE different?
  - 3.1. TRACK RECORD: 29 years beating the indices
  - 3.2. LIERDE METHOD: Investment Philosophy
4. Portfolio and structural trends
5. Potential, value creation and ratios
6. General Information
7. Team



# 1. HISTORY – FAMILY ORIGIN

## LIERDE SICAV

### Family origin -Alierta family-

#### CÉSAR ALIERTA

- 1985-1996: Beta Capital (Founder & President) → Fortis/BNP Paribas
- 1996-2000: Tabacalera (CEO) → Altadis (Chairman) → Imperial Tobacco
- 2000-Mar '16: Telefónica (Chairman & CEO)
- 2016 – Feb 2022: Telefonica Foundation (President)

### Actively managed since 1994

- Juan Uguet de Resayre Alierta - Lierde's Asset Manager since 1994

### Open-ended investment fund

- LIERDE is listed on the Spanish BME Growth (previously known as MAB)
- Actively distributed since 2013

### Augustus Capital AM

- 66% Alierta Family
- 34% Preon Capital



# 1. ...HISTORY

FAMILY INVESTMENT VEHICLE

ACTIVE DISTRIBUTION

1994  
Family  
AUM: 2.5Mn €  
NAV: 6.0 €

October 2013  
120 investors  
AUM: 37 Mn €  
NAV: 71.3 €

YTD 2023  
650 investors  
AUM: 121 Mn €  
NAV: 116.03 €



**TOTAL RETURN 1,830.6% (13.2% annual)**

## 2. DESCRIPTION

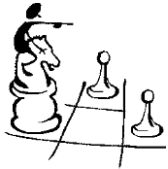
---

- Well-diversified portfolio: 40-45 high quality companies
- Average position 2%-3%
- Target price is established ex-ante

**ACTIVELY MANAGED  
SINCE 1994**



# 3.1. TRACK-RECORD: 29 years beating the indices



29 years with the **SAME STRATEGY** reinforces the investment model

**LOWER RISK** vs. market



SINCE INCEPTION	LIERDE	STOXX 600 NR*
Beta	0.83	
Volatility	17.2%	18.6%
12 MONTHS	LIERDE	STOXX 600 NR*
Beta	0.86	
Volatility	11.4%	12.0%



**ONLY 5 years** with negative returns over 5%!!!

## HISTORICAL RETURNS

YEAR	LIERDE	Stoxx 600 NR*	DIFFERENCE
1994	28.6%	-0.3%	28.8%
1995	-2.7%	17.2%	-19.9%
1996	44.3%	24.8%	19.5%
1997	79.5%	41.2%	38.3%
1998	40.2%	21.1%	19.1%
1999	21.0%	38.2%	-17.2%
2000	-4.6%	-3.8%	-0.7%
2001	3.7%	-15.6%	19.3%
2002	-26.3%	-30.4%	4.1%
2003	34.5%	15.9%	18.6%
2004	3.2%	12.2%	-9.00%
2005	42.3%	26.7%	15.6%
2006	27.2%	20.8%	6.4%
2007	8.7%	2.4%	6.4%
2008	-42.1%	-43.8%	1.6%
2009	45.7%	32.4%	13.3%
2010	10.7%	11.6%	-0.9%
2011	-15.8%	-8.6%	-7.2%
2012	16.4%	18.2%	-1.7%
2013	27.4%	20.8%	6.6%
2014	-0.1%	7.2%	-7.3%
2015	18.6%	6.8%	11.8%
2016	4.2%	1.7%	2.5%
2017	18.2%	10.6%	7.6%
2018	-20.8%	-10.8%	-10.0%
2019	16.3%	26.8%	-10.5%
2020	-3.3%	-2.0%	-1.3%
2021	26.1%	24.9%	1.2%
2022	-10.2%	-10.6%	0.4%
YTD** 2023	2.6%	4.6%	-2.0%
Total Return	1,830.6%	635.5%	1,195.1%
Average	13.2%	8.7%	4.5%

Source: Bloomberg. Data as of 31/10/2023

\* Includes net dividends

\*\*Year-to-date

## 3.2. METHOD



*“We invest in **businesses** that **generate value** on a sustainable basis, that are **able to grow and well managed**.”*





## 4. THE OUTCOME, a high-quality portfolio ...

---



Family origin or  
with a reference  
shareholder



Low leveraged  
companies  
(net cash)



Companies with  
more than 10 years  
of track-record



## 4. ... COMPOSITION – Countries & Structural Trends

### COUNTRIES

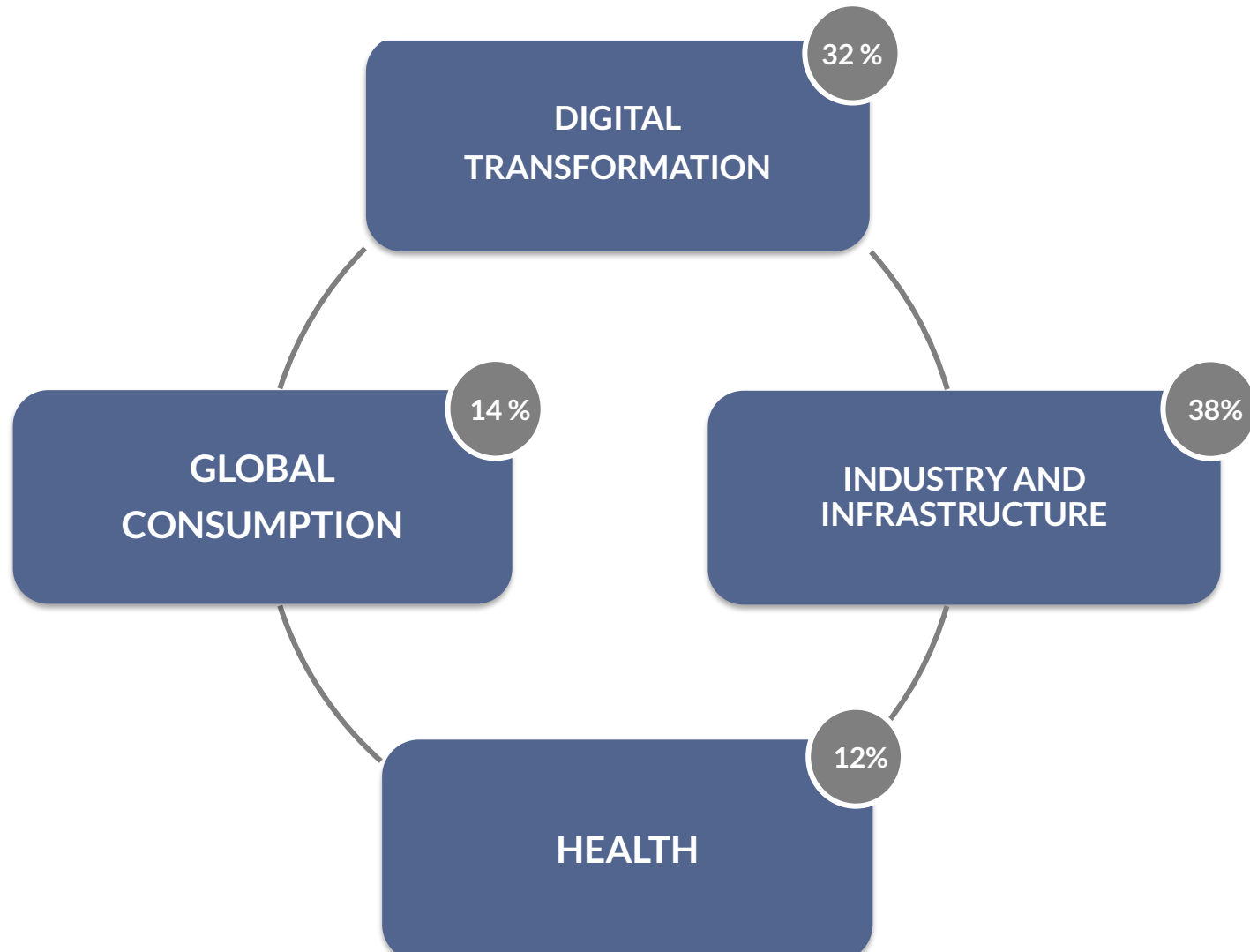
COUNTRY	WEIGHT
CASH	4 %
GERMANY	20 %
FRANCE	19 %
SPAIN	18 %
AUSTRIA	9 %
NETHERLANDS	8 %
SWEDEN	6 %
UNITED KINGDOM	5 %
ITALY	3 %
SWITZERLAND	3 %
CANADA	2 %
CHINA	2 %
BELGIUM	1 %
<b>TOTAL</b>	<b>100 %</b>

### SALES BY ZONE

GEOGRAPHIC ZONE	WEIGHT
EUROPE	47 %
NORTH AMERICA	22 %
REST OF THE WORLD	31 %
<b>TOTAL</b>	<b>100 %</b>

## 4. ... PORTFOLIO – STRUCTURAL TRENDS

---



## 4. ... PORTFOLIO – STRUCTURAL TRENDS

---

### DIGITAL TRANSFORMATION

- Leaders with competitive advantage, scale and network effect
- Strong growth perspective in e-commerce, digitalization, cyber security, payment methods, video games, etc.

### INDUSTRY AND INFRASTRUCTURE

- Industry 4.0, automatization, electrification
- Productivity and efficiency improvement
- Larger infrastructure investment



## 4. ... PORTFOLIO – STRUCTURAL TRENDS

---

### GLOBAL CONSUMPTION

- Structural trend towards “premium”, “personalization”, “sustainable” and “healthy”
- E-commerce and digitalization

### HEALTH

- Increase in health spending
- Aging of population
- Larger expenditure in emerging countries



## 4. ... GROWTH LEVERS 2020-2030

---

### DIGITIZATION

- Cybersecurity
- Innovation / Data processing
- Cloud storage
- Blockchain
- Metaverse

### INDUSTRY 4.0

- Automation and efficiency
- Internet of Things (IoT)
- Artificial intelligence
- Electrification

### INFRASTRUCTURE

- Repair and renovation
- Energy
- Transportation
- Bottle necks
- Urbanization

### CLIMATE CHANGE

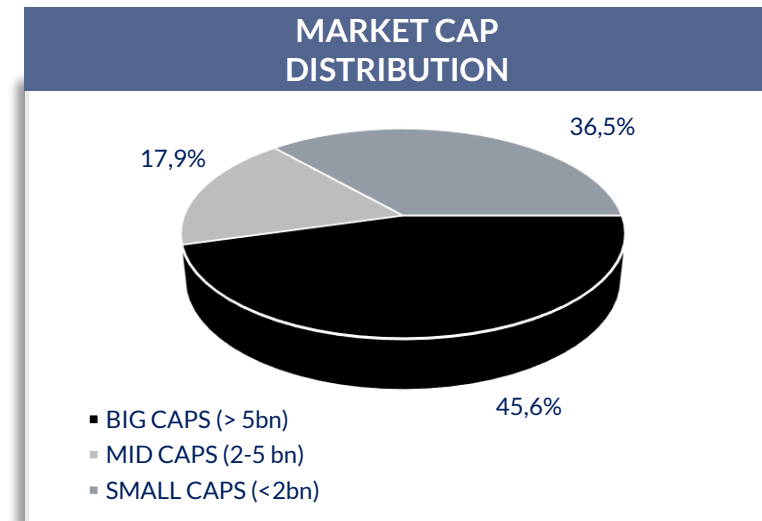
- \$5 trillion/yr until 2030
- Emissions reduction
- Renewable energies
- Efficient buildings



# 4. ... PORTFOLIO – SECTORS & STRUCTURAL TRENDS

SECTORS - GICS*	WEIGHT
CASH	4 %
CAPITAL GOODS	27 %
SOFTWARE & SERVICES	21 %
CONSUMER DURABLES & APPAREL	10 %
PHARMACEUTICALS & BIOTECHNOLOGY	10 %
REAL ESTATE	6 %
AUTOMOBILES & COMPONENTS	5 %
FOOD, BEVERAGE & TOBACCO	4 %
CONSUMER DISCRETIONARY	4 %
HEALTHCARE EQUIPMENT & SERVICE	3 %
TECHNOLOGY HARDWARE & EQUIPMENT	2 %
COMMERCIAL & PROFESSIONAL SERVICES	2 %
SEMICONDUCTORS	2 %
TRANSPORTATION	1 %
<b>TOTAL</b>	<b>100 %</b>

STRUCTURAL TREND	WEIGHT
CASH	4 %
INDUSTRY AND INFRASTRUCTURE	38 %
DIGITAL TRANSFORMATION	32 %
GLOBAL CONSUMPTION	14 %
HEALTH	12 %
<b>TOTAL</b>	<b>100 %</b>



\*GICS: Global Industry Classification Standards

Data as of 31/10/2023



## 5. ... with HIGH POTENTIAL in the long-term...

VALUE CREATION OF LIERDE VS MARKET PERFORMANCE OF LIERDE													
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e
Value Creation	14.9%	17.4%	19.6%	17.5%	13.7%	18.0%	11.4%	12.0%	7.8%	11.0%	10.8%	11.4%	12.5%
Market Performance	16.4%	27.4%	-0.1%	18.6%	4.2%	18.2%	-20.8%	16.3%	-3.3%	26.1%	-10.2%	YTD* 2.6%	
	✓	✓	✗	✓	✗	✓	✗	✓	✗	✓	✗		

VALUE CREATION OF LIERDE VS INDICES													
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023e	2024e
LIERDE	14.9%	17.4%	19.6%	17.5%	13.7%	18.0%	11.4%	12.0%	7.8%	11.0%	10.8%	11.4%	12.5%
STOXX 600	5.2%	1.4%	14.6%	7.6%	5.4%	4.1%	4.7%	6.3%	7.8%	9.0%	4.2%	10.1%	11.5%
EUROSTOXX 50	5.1%	-1.8%	9.7%	3.9%	2.3%	5.6%	1.9%	5.1%	6.9%	9.1%	5.4%	13.2%	14.2%
S&P 500	11.0%	9.5%	3.8%	3.9%	5.9%	10.0%	5.3%	7.0%	3.7%	7.4%	6.4%	9.1%	13.5%
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		

$$\text{VALUE CREATION} = \text{BOOK VALUE INCREASE PER SHARE} + \text{CASH DIVIDEND YIELD}$$

\* Year-to-date  
Data as of 31/10/2023



## 5. ... and great capability to CREATE VALUE

### LIERDE's POTENTIAL in 4 years\*

#### VALUE CREATION

**56.3 %**

**(11.8% annualized)**

- Depends on the business
- Recurring

**+**

#### UNDERVALUATION

*(re-rating)*

**46.0%**

- Depends on the market
- One-off

Data as of 31/10/2023

\*2023-2026, based on our RoCe's models



## 5. ... RATIOS LIERDE PORTFOLIO

VALUATION 2023			
EV/Sales	EV/EBITA	P/E (normalized)	EFCF Yield
1.9x	9.7x	12.0x	7.9%
VALUATION 2023			
Dividend Yield	P/BV	Return on Equity	ROCE
3.5%	2.1x	15.9%	38.8%

## 6. GENERAL INFORMATION

LIERDE SICAV	
Inception Date	31/05/1994
AUM	EUR 121 million
CNMV n° of Registration	2467
Liquidity	Daily. D+1
Fees	Management fee 1.40% annual. Depositary fee 0.07% annual
Asset Manager	Augustus Capital AM
Custodian	Bnp Paribas S.A., Sucursal en España
Administrative Manager	Grupo RD Sistemas
Auditor	Deloitte
Currency	EUR
ISIN Code	ES0158457038
Bloomberg Ticker	LIE SM Equity

LIERDE EQUITIES, F.I.	
Inception Date	06/11/2020
AUM	EUR 3.5 million
CNMV n° of Registration	5484
Liquidity	Daily. D+1
Fees	Management fee 1.60% annual. Depositary fee 0.07% annual
Asset Manager	Augustus Capital AM
Custodian	Bnp Paribas S.A., Sucursal en España
Administrative Manager	Grupo RD Sistemas
Auditor	Deloitte
Currency	EUR
ISIN Code	ES0118591009
Bloomberg Ticker	CERVING SM Equity

# 7. TEAM



**Juan Uguet  
de Resayre,**

## **FOUNDER & PORTFOLIO MANAGER**

Juan began his career at Beta Capital Fortis where he worked for 8 years. He was Head of the Analysis Team before being appointed CIO in 1998. From 2000 – 2007, he worked as CIO at Ibercaja Gestión, managing over EUR9.500MM AUM. Later, he joined BBVA & Partners, where he became Partner in 2007. During this period, Juan managed Augustus Equity Fund and Augustus Neutral Plus, Total Return. Juan holds a Bachelor's degree in Economics and Business Administration by the University of Zaragoza (Spain) and was awarded with an MBA Degree by the University of San Francisco (California).



**Francisco  
Tajada,**

## **FUND MANAGER**

Before joining Augustus Capital AM, Francisco was a Partner at Preon Capital. He is also Director at Investivity Swiss regulated Private Investment Office. Before this, he was Partner at ONEtoONE Corporate Finance, working in Investment Banking and M&A roles. From 2008 to 2011, he worked as buy-side analyst for Strategic Investment Advisors in Geneva. Previously, Francisco worked as Business Manager in adidas and as strategic consultant and financial advisor. Francisco holds an MSc degree in Mechanical Engineering by the University of Zaragoza and an MBA by IESE in Barcelona.



**Daniel  
Porte,**

## **ANALYST**

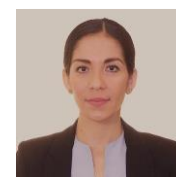
Prior to joining Augustus Capital AM, Daniel began his career as junior analyst at GAR Investment Advisors EAFI where he worked for 1 year. Daniel holds a Bachelor's degree in Economics and Business Administration from CEU Abad Oliba University of Barcelona.



**Luis  
Arruga,**

## **ANALYST**

Prior to joining Augustus Capital AM, Luis began his career as intern in the Audit Department of PricewaterhouseCoopers. Luis holds a Bachelor's degree in Law and Business Administration by the University of Zaragoza.



**María Elena  
Morales,**

## **BUSINESS DEVELOPMENT & INVESTOR RELATIONS**

In 2002, Maria Elena began her career in the auditing industry working for KPMG (USA) and Deloitte (Mexico). In 2008, she moved to the finance industry, working as Data Analyst for Bloomberg (Mexico) and later in 2010 as Relationship Manager for HSBC Private Banking. Before joining Augustus Capital AM, Maria Elena was part of the Wells Fargo Advisors' team (USA). Maria Elena holds a Bachelor's degree in Accounting and Finance by ITESM (Mexico) and a Master's degree in Finance and Banking by Universidad de Alcalá de Henares (Spain).



**Alicia  
Casasús,**

## **FINANCE & CONTROL DIRECTOR**

Before joining Augustus Capital AM, Alicia worked in the accounting department of Aramón, Montañas de Aragón.

Before that, she was part of the finance team at Schindler Supply Chain Europe AG.

After college, Alicia started her career in a small company as head of accounting and finance.

Alicia holds a Bachelor's degree in Economics and Master's degree in Accounting and Finance by Universidad de Zaragoza.