

Rockwood Strategic plc
("RKW" or the "Company")
Trading Update

Rockwood Strategic plc (LSE: RKW) today provides an update ahead of publication of its audited results for the financial year ended 31st March 2025 (the "Period").

Highlights (unaudited)

- NAV Total Return performance in the Period of 21.1% to 248.79p per share, which compares to a fall in the FTSE AIM All-Share of 8.2% and an increase in the FTSE Small Cap (ex-ITs) of 3.4%.
- Total Shareholder Return in the Period was 20.8%.
- NAV Total Return performance in the three years to 31st March 2025 of 54.5%, which compares to a decrease in both FTSE Small Cap (ex-ITs) of 6.6% and the FTSE AIM All-Share of 34.6%. The Total Shareholder Return in this period was 78.6%.
- The Company's shares traded at an average premium to NAV of 2.9% in the Period and ended the Period at a 1.7% premium.
- Sustained investor demand resulted in the issuance of 7.63m new shares in the Period, increasing the share count by 25% and, alongside performance, growing NAV to £96.6m. NAV has now grown 137% in the last three years, building scale and enabling the manager to consider a wider range of opportunities under £250 market capitalisation. Net Cash at Period end was c.£1.0m.
- There were twenty-four Period end holdings with the top ten investments cumulatively representing 62.9% of NAV.
- Seven new portfolio investments purchased during an active Period and four exited.

Portfolio Highlights

- Strongest contributors to performance were Funding Circle Holdings Plc, which commenced multiple share buy backs and executed cost-cutting measures following our positive engagement with the company; Filtronic Plc, which announced multiple contracts from and a strategic partnership with SpaceX, leading to material profit upgrades; RM Group Plc, which continued to transform itself under the new management team; and National World Plc, which received a takeover approach.
- Material new investments were made in Capita Plc, which is undergoing a root & branch transformation under new management; Mercia Asset Management Plc, which is exiting its investments and pivoting to its fast-growing asset management activities; Kooth Plc, whose world-wide growth potential is unrecognised by inefficient markets; and Vanquis Banking Plc, which is executing a comprehensive recovery plan under its new executive leadership.

Richard Staveley, Fund Manager, Harwood Capital LLP said:

"Having outperformed peers, the market and our target returns, we are delighted with the on-going demand for Rockwood Strategic by investors seeking out a differentiated approach to UK small cap investing, in a market peppered with over-looked and undervalued businesses.

We have strong confidence in the portfolio's potential and its returns for shareholders in the months and years to come. Many of our companies have new, now settled, management teams, clear turnaround plans, aligned incentives and the experience to drive profitable growth and shareholder value. If the UK stock market ignores the progress underway, we expect a maelstrom of takeover bids, as we observe huge discounts to intrinsic value and corporate opportunity.

Market weakness post Period end, caused by U.S. Tariff announcements, is providing an exceptional opportunity to add to existing investments, almost all of which have limited direct U.S. exposure, at highly attractive share prices. If, like us, one has a sensible investment time horizon, then the oft-quoted advice of Buffett, Templeton, Klaman, Marks, Bolton and Munger on market behaviour would suggest we are staring in the face of a material buying opportunity in UK small companies".

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