March 2025

VF INVEST

DIVIDEND STRATEGY

PART 2

Featured Stocks at a Glance:

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Traditional British company with a portfolio of many world-renowned beverage brands

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DIAGEO

Traditional British company with a portfolio of many world-renowned beverage brands

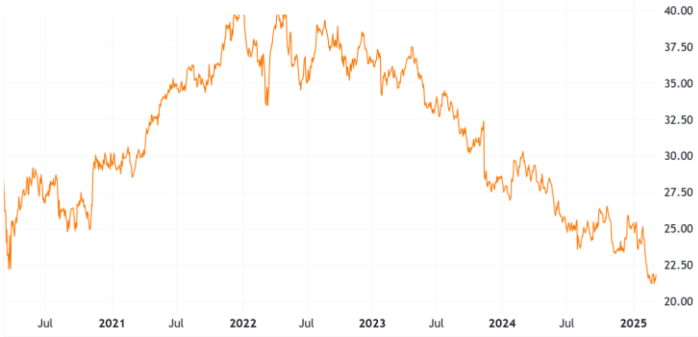
Headquartered in London, Diageo is one of the world's leading producers of alcoholic beverages and ranks among the largest players in the consumer goods industry. Founded in 1997 through the merger of Guinness and Grand Metropolitan, Diageo now distributes its products in over 180 countries. With a broad portfolio of premium brands, the company has established itself as a global player in the spirits and beer segments.

CLASSIC BUSINESS MODEL

Diageo operates a traditional FMCG (Fast-Moving Consumer Goods) business model, generating revenue through the production, marketing, and global distribution of alcoholic beverages. The company focuses on high-quality, internationally recognized brands across spirits, beer, and ready-to-drink products. Diageo holds strong positions in the premium, super-premium, and luxury segments. Among its most well-known brands are Johnnie Walker (whisky), Guinness (beer), Smirnoff (vodka), Baileys (liqueur), Tanqueray (gin), and Don Julio (tequila).

The majority of revenue comes from sales to wholesalers, retailers, hospitality businesses, and duty-free shops. In addition, Diageo is strengthening its presence in e-commerce and increasingly investing in direct-to-consumer sales through digital platforms and partnerships with online retailers.

(5-year chart in GBP)



Key Figures

ISIN	GB0002374006
Country / Industry	UK / Beverages
Market Capitalization	46.07 billion GBP
Performance (last 10 years)	+9.2%
Revenue Growth (5-Year CAGR)	+7.3%
Earnings Growth (5-Year CAGR)	+4.0%
Free Cash Flow Growth (5-Year CAGR)	-8.8%
Equity Ratio (5-Year Average)	30.7%

Dividend Data

Payout Frequency	Semiannually
Dividend (Last Fiscal Year)	0.80 GBP
Dividend Yield (Last Fiscal Year)	3.85%
Dividend Increases / Cuts (Last 10 Years)	9 / 1
Dividend Growth (1 Year)	+1.3%
Dividend Growth (5-Year Avg.)	+3.6%
Payout Ratio (5-Year Avg.)	58.7%
Foreign Withholding Tax	0%

→ No withholding tax on dividends from the UK

Forecasts	2024	2025e	2026e	2027e	2028e
Dividend (GBP)	0.80	1.03	1.10	1.14	1.17
Dividend Yield (%)	3.85	4.99	5.30	5.50	5.64
Earnings per Share	1.38	1.61	1.71	1.81	2.00
P/E Ratio	15.1	12.8	12.1	11.5	10.4
Revenue (£ billion)	16.10	20.14	20.64	21.41	22.50

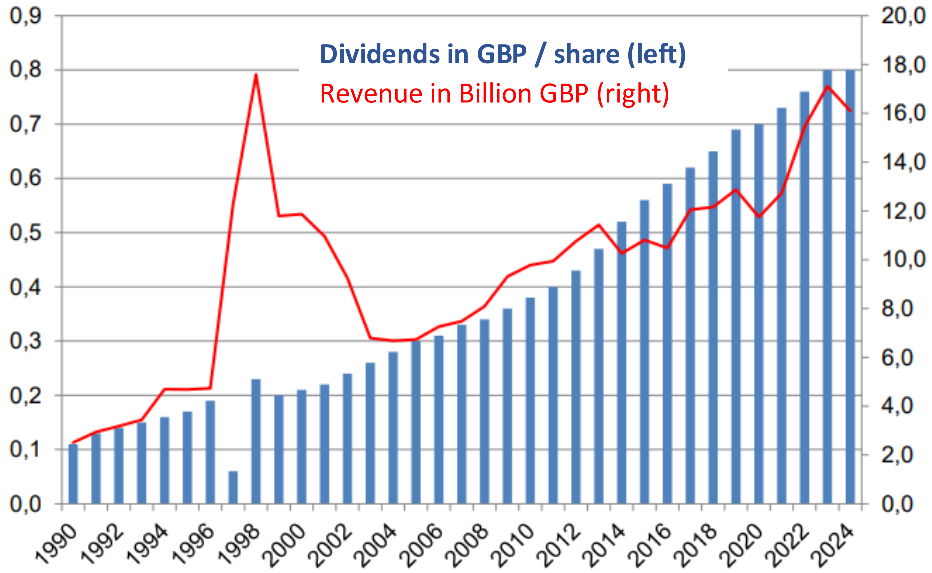
The company operates production facilities and distilleries across multiple continents and markets its products through a globally integrated network. Diageo places strong emphasis on branding and storytelling, particularly to strengthen brand loyalty and pricing power in the growing premium segment.

OPPORTUNITIES AND RISKS

The trend toward higher-quality spirits and "premiumization" remains strong. More and more consumers are prioritizing quality over quantity and are willing to pay higher prices for premium whisky, gin, or tequila. Diageo is broadly diversified geographically, generating revenue across North America, Europe, Latin America, Asia-Pacific, and Africa. This global presence helps offset regional demand fluctuations and offers growth potential, especially in emerging markets with an expanding middle class.

Diageo continues to grow through strategic acquisitions—most recently with the purchase of mezcal producer Casa UM—and through innovation in the ready-to-drink and non-alcoholic segments. The ability to respond to evolving consumer trends supports long-term market share. However, there are also risks: in several emerging markets where Diageo has a strong presence (e.g., Nigeria, India, Latin America), political and economic instability, currency fluctuations, and uncertain regulatory environments pose challenges to operations. A significant portion of Diageo's profit comes from a handful of key brands such as Johnnie Walker and Guinness. While this concentration is a backbone of the company's success, it could also be a vulnerability. A reputational issue or drop in demand for these core brands could disproportionately impact overall performance. Additionally, well-known brands may become targets for punitive tariffs. Maintaining premium brand status also requires ongoing investment in brand equity.

Dividends and Revenue since 1990



Diageo had increased its dividend for more than 20 years, earning its place among the dividend aristocrats—until fiscal year 2024, when the dividend was cut for the first time. Over the past five years, the average payout ratio was 59%. Despite the economic challenges of recent years, Diageo has largely maintained its dividend policy. Analysts expect this stability to continue in the coming years. The company's track record of dividend growth and consistency remains impressive, keeping Diageo in a favorable light for income-focused investors.

EQUINIX

Leading provider in the global colocation data center market, structured as a U.S. REIT

Equinix is the world's leading data center operator and provider of interconnection services. Headquartered in Redwood City, California, the company was founded in 1998 and now operates over 250 data centers across more than 30 countries on five continents. Equinix is structured as a Real Estate Investment Trust (REIT) and is listed on the Nasdaq.

The company focuses on delivering digital infrastructure that enables businesses to connect their IT systems and efficiently leverage globally scalable cloud and data solutions. This makes Equinix one of the most strategically important players in the global digital economy, as it provides the physical backbone for cloud providers, telecommunications firms, financial services companies, and many other large enterprises.

COST EFFICIENCY, SCALABILITY, SECURITY, AND RELIABILITY

Equinix's business model is based on operating highly interconnected, "carrier-neutral" data centers that serve as key hubs for global internet and data communication. The company offers colocation services, interconnection solutions, and cloud-adjacent services to its customers.

(5-year chart in USD)

Key Figures

ISIN	US29444U7000
Country / Industry	USA / IT-Services
Market Capitalization	$82.05 billion
Performance (last 10 years)	+266.3%
Revenue Growth (5-Year CAGR)	+9.5%
Earnings Growth (5-Year CAGR)	+7.2%
Free Cash Flow Growth (5-Year CAGR)	+32.7%
Equity Ratio (5-Year Average)	30%

Dividend Data

Payout Frequency	Quarterly
Dividend (Last Fiscal Year)	$17.04
Dividend Yield (Last Fiscal Year)	2.02%
Dividend Increases / Cuts (Last 10 Years)	9 / 1
Dividend Growth (1 Year)	+3.9%
Dividend Growth (5-Year Avg.)	+11.6%
Payout Ratio (5-Year Avg.)	50%
Foreign Withholding Tax	30%

→ Withholding tax rates may be reduced or refundable under applicable tax treaties and local regulations

Forecasts	2024	2025e	2026e	2027e	2028e
Dividend (USD)	17.04	18.76	20.63	22.70	24.96
Dividend Yield (%)	2.02	2.23	2.45	2.69	2.96
Earnings per Share	8.51	13.07	14.79	16.48	15.57
P/E Ratio	99.11	64.50	56.99	51.13	54.14
Revenue ($ billion)	8.75	9.12	9.90	10.58	11.54

Colocation Services

At the core of its business, Equinix provides customers with physical space and infrastructure within its data centers. Companies can operate their servers, networks, and storage systems in Equinix's highly secure and reliable data centers. They benefit from state-of-the-art power supply, climate control, security measures, and 24/7 operational availability.

Interconnection Services

A unique feature of Equinix is its offering of interconnection services, which allow customers to connect directly with other businesses, cloud providers, or telecom carriers within the same data center. This "Equinix Fabric" network enables faster data transfers, lower latency, and increased security—since traffic does not need to pass through the public internet.

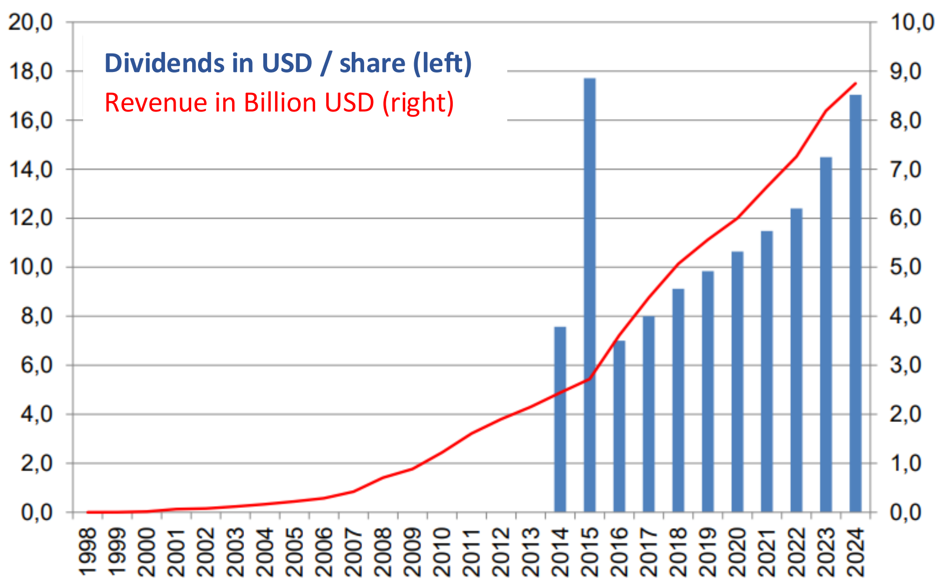
Cloud-Adjacent Services and Edge Solutions: Equinix also offers so-called "edge" services, enabling data and applications to be processed closer to end users and devices. Additionally, the company integrates with all major cloud providers, including Amazon Web Services (AWS), Microsoft Azure, and Google Cloud. This multi-cloud strategy is especially attractive for clients implementing hybrid cloud architectures.

Platform Equinix: Under the "Platform Equinix" brand, the company operates a global ecosystem that gives customers access to over 2,000 network providers, more than 3,000 cloud and IT service providers, and countless business partners. This positions Equinix as a central hub in the global digital infrastructure landscape.

OPPORTUNITIES AND RISKS

Ongoing digitalization, the boom in cloud computing, and the surge in data traffic driven by IoT, artificial intelligence, and streaming services are fueling strong demand for data center services. On the other hand, few AI-based business models are currently generating significant revenue. If this trend doesn't change, the AI boom could lose momentum—potentially impacting Equinix's growth prospects as well.

Dividends and Revenue since 1998



In December 2014, the board of directors approved the conversion to a REIT, which became effective on January 1, 2015. This transformation allows Equinix to benefit from the tax advantages of a REIT and obligates the company to distribute a substantial portion of its taxable income to shareholders. Since then, the quarterly dividend has been increased consistently. These increases reflect the company's strong growth and solid financial performance. The annual dividend rose from $7.57 in 2014 to $17.04 in 2024, representing a compound annual growth rate of approximately 8.5%.

EXXON MOBIL

Globally operating energy giant with a steadily rising dividend

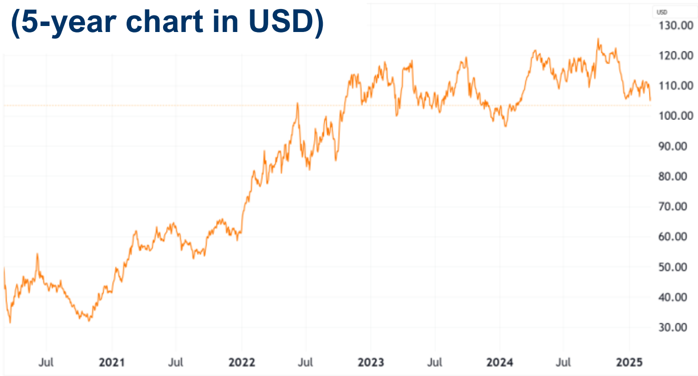
ExxonMobil, headquartered in Irving, Texas, is one of the largest publicly traded oil and gas companies in the world. Its roots trace back to John D. Rockefeller. The company was formed in 1999 through the merger of Exxon and Mobil and is now a leading global player in the energy sector, classified among the so-called "supermajors" of the oil and gas industry.

ExxonMobil operates in over 70 countries and is active across nearly every part of the oil, gas, and petrochemical value chain. Its business model is based on an integrated approach that spans the entire oil and gas value chain. The company is organized into three core business segments:

Upstream (Exploration and Production):

ExxonMobil focuses on the exploration, development, and production of crude oil and natural gas. The company has extensive production capabilities in North America, South America, Africa, Asia, and the Middle East. It has a particularly strong presence in offshore oil production, including operations in Guyana and the Permian Basin in the U.S. Through investments in new exploration and production projects, ExxonMobil secures long-term access to energy resources.

(5-year chart in USD)



Key Figures

ISIN	US30231G1022
Country / Industry	USA / Oil/Gas
Market Capitalization	$511.17 billion
Performance (last 10 years)	+37.6%
Revenue Growth (5-Year CAGR)	+5.8%
Earnings Growth (5-Year CAGR)	+18.6%
Free Cash Flow Growth (5-Year CAGR)	+8.5%
Equity Ratio (5-Year Average)	47.2%

Dividend Data

Payout Frequency	Quarterly
Dividend (Last Fiscal Year)	$3.84
Dividend Yield (Last Fiscal Year)	3.26%
Dividend Increases / Cuts (Last 10 Years)	10 / 0
Dividend Growth (1 Year)	+4.3%
Dividend Growth (5-Year Avg.)	+2.3%
Payout Ratio (5-Year Avg.)	70%
Foreign Withholding Tax	30%

→ Withholding tax rates may be reduced or refundable under applicable tax treaties and local regulations

Forecasts	2024	2025e	2026e	2027e	2028e
Dividend (USD)	3.84	4.00	4.15	4.36	4.67
Dividend Yield (%)	3.26	3.40	3.52	3.70	3.97
Earnings per Share	7.84	7.52	9.07	10.14	10.30
P/E Ratio	15.03	15.67	12.99	11.62	11.43
Revenue ($ billion)	339.9	327.8	353.2	318.5	353.3

Downstream (Refining and Marketing):

ExxonMobil operates refineries worldwide to process crude oil into fuels such as gasoline, diesel, and kerosene. These products are sold to end consumers both through its own network of service stations and via trading partners. ExxonMobil is one of the world's largest refinery operators and runs one of the largest gas station networks under the Exxon, Mobil, and Esso brands.

Chemicals (Petrochemicals):

The chemical segment involves the production and sale of petrochemical products such as plastics, industrial chemicals, and other intermediates for manufacturing. Demand for petrochemical products is highly cyclical, as it is closely tied to global economic development. This business segment provides ExxonMobil with an additional revenue stream beyond its core energy operations. Thanks to its integrated structure, ExxonMobil is better positioned to offset fluctuations in individual segments. For example, profits from the downstream or chemicals segment can provide stability when oil prices are low.

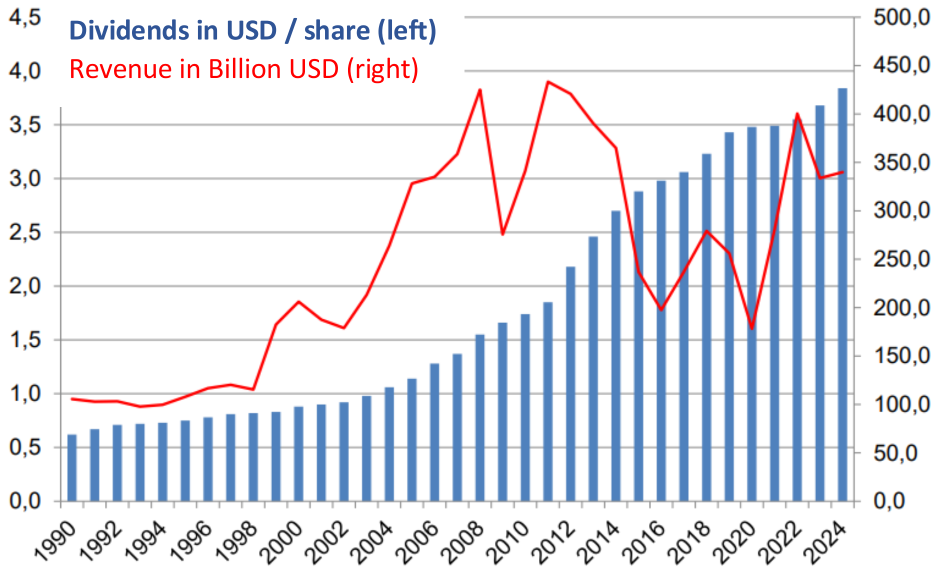
Opportunities and Risks

Oil and gas will remain the backbone of global energy supply for a long time to come. As one of the market leaders, ExxonMobil is heavily dependent on fluctuations in oil and gas prices.

A significant drop in prices—such as during the COVID-19 pandemic in 2020—can severely impact profitability. ExxonMobil is also exposed to political and economic risks in producing countries, where sanctions, political instability, or government intervention may delay or increase the cost of projects.

Moreover, global pressure to reduce CO_2 emissions and the promotion of renewable energy sources present structural challenges for ExxonMobil. Rapid advancements in renewable energy and storage technologies (e.g., batteries and hydrogen) could displace fossil fuels more quickly than currently expected, which may pose a long-term threat to the company's core business.

Dividends and Revenue since 1990



Dividends are a key factor for ExxonMobil; the company maintained its quarterly dividend even during the COVID-19 pandemic and most recently increased it to $0.99 per share. Despite the challenges of recent years, the five-year average dividend growth rate stands at 2.3% per annum. There is still some room for growth, as the payout ratio was recently at 70%. However, the five-year average is somewhat distorted by the loss in 2020. The last dividend cut was more than 20 years ago, putting ExxonMobil on a strong path toward becoming a Dividend Aristocrat.

HENKEL

Stable dividend policy backed by strong brands from this long-established German company

Henkel AG & Co. KGaA, headquartered in Düsseldorf, is one of the leading German and international companies in the consumer and industrial goods sectors. Founded in 1876, Henkel is now a globally active corporation with around 50,000 employees and operations in more than 120 countries. The company is listed on the DAX 40 and remains family-influenced, as the Henkel family continues to hold a significant portion of voting rights.

Henkel operates in three core business segments:

Adhesive Technologies (Adhesives and Industrial Products):

In its largest segment, Henkel is the global market leader in adhesives, sealants, and functional coatings. It supplies industrial and consumer goods manufacturers in sectors such as automotive, electronics, packaging, and construction. Henkel's innovative solutions are an essential component in many manufacturing processes and end products.

Laundry & Home Care (Laundry and Cleaning Products):

Henkel offers a wide range of well-known household products, including brands such as Persil, Pril, Bref, and Somat. These products are sold worldwide through retail channels and online platforms.
Henkel benefits in this segment from
Strong brand recognition and decades
of experience in the mass market.

(5-year chart in EUR)

Key Figures

ISIN	DE0006048432
Country / Industry	Germany / Consumer Goods
Market Capitalization	31.18 billion EUR
Performance (last 10 years)	-31.5%
Revenue Growth (5-Year CAGR)	+1.6%
Earnings Growth (5-Year CAGR)	-10.6%
Free Cash Flow Growth (5-Year CAGR)	-0.6%
Equity Ratio (5-Year Average)	40.9%

Dividend Data

Payout Frequency	Annually
Dividend (Last Fiscal Year)	2.04 EUR
Dividend Yield (Last Fiscal Year)	2.74%
Dividend Increases / Cuts (Last 10 Years)	5 / 0
Dividend Growth (1 Year)	+0%
Dividend Growth (5-Year Avg.)	+0%
Payout Ratio (5-Year Avg.)	52.8%
Foreign Withholding Tax	26.375%

→ Withholding tax rates may be reduced or refundable under applicable tax treaties and local regulations

Forecasts	2023	2024	2025e	2026e	2027e
Dividend (EUR)	1.85	2.04	2.10	2.16	2.22
Dividend Yield (%)	2.49	2.74	2.82	2.90	2.99
Earnings per Share	3.14	5.36	5.63	6.00	6.23
P/E Ratio	23.68	13.87	13.21	12.40	11.94
Revenue (€ billion)	21.51	21.59	21.86	22.54	23.22

Beauty Care (Cosmetics and Personal Care):

In the Beauty Care segment, Henkel produces and markets hair care, skincare, and styling products. Brands like Schwarzkopf, Syoss, and Taft are well established both in the professional hairdressing industry and in retail markets. Alongside appealing to end consumers, a particular focus is placed on professional beauty products, especially for salons.

Henkel follows a dual business model that targets both industrial clients and end consumers. This B2B & B2C combination increases the company's resilience to economic fluctuations, as trends often develop differently across the two sectors.

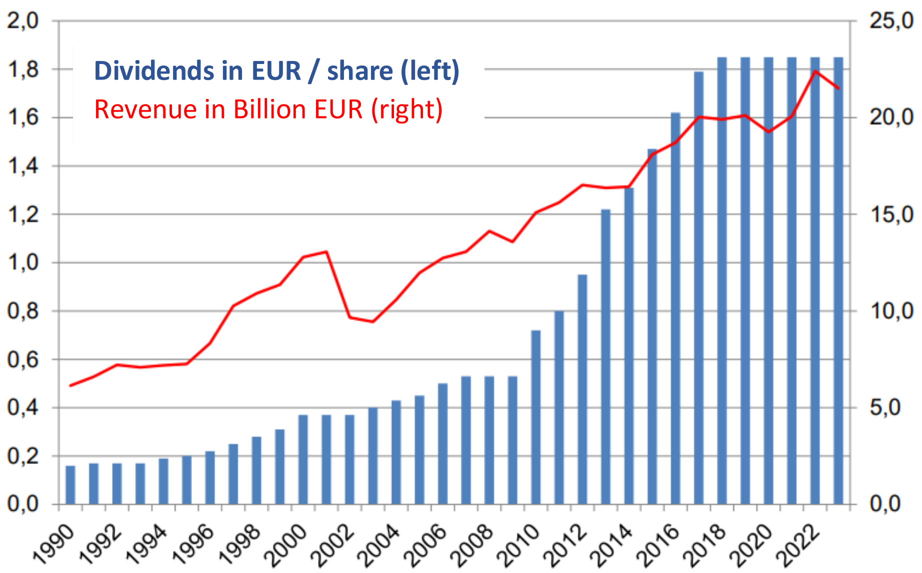
OPPORTUNITIES AND RISKS

As the global market leader in adhesive technologies, Henkel holds a strong competitive position. Demand for innovative adhesive solutions is increasing, particularly due to the growing automation and digitalization of industry, as well as the trend toward more sustainable manufacturing processes.

Henkel generates a significant portion of its revenue in emerging markets such as Asia, Latin America, and Eastern Europe. The growing middle class and rising consumer demand in these regions offer strong potential for further growth in both the consumer and industrial segments.

As a manufacturer of chemical-based products, Henkel is exposed to raw material availability and price volatility. Fluctuating prices for oil and chemicals can put pressure on margins, as rising costs can only be passed on to consumers with a time lag. Additionally, Henkel faces intense competition in the consumer goods sector from global giants like Procter & Gamble, Unilever, and L'Oréal, resulting in pricing pressure, aggressive marketing strategies, and consolidation trends among large retail chains that challenge Henkel's market position.

Dividends and Revenue since 1990



Henkel intends to distribute between 30 and 40 percent of its adjusted net income (excluding special items) to shareholders, depending on the company's asset position, earnings performance, and financial needs. In recent years, this target payout ratio has regularly been met or exceeded, averaging around 40 percent.

Between 2011 and 2018, the dividend for the publicly traded preferred shares more than doubled, rising from €0.80 to €1.85. Since then, the dividend has not been increased, but despite weaker earnings performance, it has also not been reduced.

INVESTOR AB

The Swedish economy in a single stock – thanks to the Wallenberg family

Investor AB is one of Sweden's leading investment companies, headquartered in Stockholm. Founded in 1916 by the influential Wallenberg family, the company operates as a holding company with long-term stakes in leading Scandinavian and European businesses. Investor AB is listed on the Nasdaq Stockholm and holds significant interests in various industry leaders.

The company's business model is based on long-term ownership and active involvement in its portfolio companies. Its investment strategy focuses on high-quality companies with strong market positions, sustainable competitive advantages, and significant growth potential.

Investor AB divides its investments into three main categories:

Listed Core Investments: This includes major holdings in companies such as ABB, AstraZeneca, Atlas Copco, Ericsson, and SEB. These firms operate in diverse sectors, including industry, healthcare, and financial services.

Patricia Industries: This segment focuses on acquiring and developing wholly owned subsidiaries. Examples include Mölnlycke Health Care, Permobil, and Piab, which are active in healthcare and industrial applications.

(5-year chart in SEK)

Key Figures

ISIN	SE0015811963
Country / Industry	Sweden / Holdings
Market Capitalization	955.02 billion SEK
Performance (last 10 years)	+272.5%
Revenue Growth (5-Year CAGR)	+3.6%
Earnings Growth (5-Year CAGR)	+2.3%
Free Cash Flow Growth (5-Year CAGR)	+9.0%
Equity Ratio (5-Year Average)	14.8%

Dividend Data

Payout Frequency	Semiannually
Dividend (Last Fiscal Year)	5.20 SEK
Dividend Yield (Last Fiscal Year)	1.67%
Dividend Increases / Cuts (Last 10 Years)	9 / 1
Dividend Growth (1 Year)	+8.3%
Dividend Growth (5-Year Avg.)	+16.4%
Payout Ratio (5-Year Avg.)	58.7%
Foreign Withholding Tax	30%

→ Withholding tax rates may be reduced or refundable under applicable tax treaties and local regulations

Forecasts	2023	2024	2025e	2026e	2027e
Dividend (SEK)	4.80	5.20	5.50	5.94	6.64
Dividend Yield (%)	1.50	1.67	1.76	1.91	2.13
Earnings per Share	41.48	37.00	15.71	15.16	-
P/E Ratio	7.5	8.4	19.5	20.6	-
Revenue (billion SEK)	69.93	78.83	68.29	73.07	-

investor

Investments in EQT: Investor AB is one of the founders of EQT, a global investment firm, and holds stakes in both EQT AB as well as in various funds managed by EQT.

Through this diversified structure, Investor AB aims to generate stable and growing returns, while at the same time reducing risk through exposure to various industries and markets.

Opportunities and Risks

Aside from EQT, Investor AB's business model is reminiscent of Warren Buffett's Berkshire Hathaway, and the focus on long-term value creation in high-quality business models is a key factor in its sustained success.

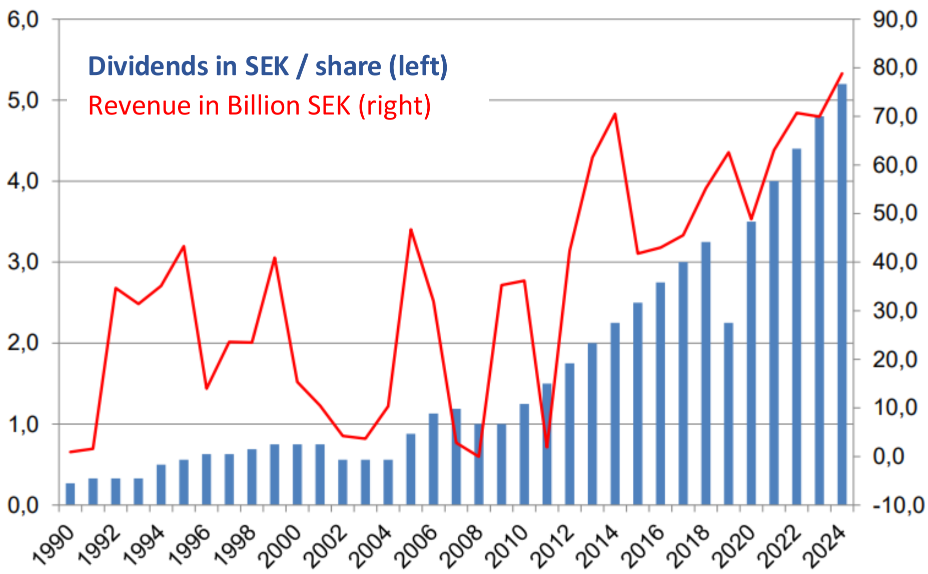
Moreover, the stake in EQT provides Investor AB with access to global investment opportunities and enhances its network and expertise in the private equity sector.

By investing across various industries and companies, Investor AB reduces risk and increases return stability. This diversification enables the company to benefit from different market conditions. The primary focus of investments is on the Swedish home market and Europe.

Despite this diversification, Investor AB holds significant stakes in only a few major companies, meaning that issues at these key holdings can have a substantial impact on the overall portfolio. Additionally, as an investment company, Investor AB is highly dependent on the performance of financial markets.

Lastly, the long-standing and close connection to the Wallenberg family can be viewed as both a strength and a weakness. A strong reliance on a single interest group can influence decision-making — both positively and negatively.

Dividends and Revenue since 1990



Investor AB has been paying an attractive dividend for many years. Over the past ten years, there have been nine increases and one reduction.

There is a special feature: the dividend is paid semiannually, with an interim dividend followed by a final dividend.

Over the last five years, the dividend has increased by a total of 48.6%, while the average payout ratio during this period was a shareholder-friendly 58.7%.