

VANSHAP CAPITAL

“I have learned that the great opportunities are the places that have been neglected,
where other people are not looking.”

- *Sir John Templeton*

Scouring the World for Customer Fanatics

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CUSTOMER FANATICS **STRICTLY CONFIDENTIAL**

INTRO TO VANSHAP

VANSHAP
CAPITAL



- Founded in 2012 by Evan Vanderveer and David Shapiro in partnership with Markel Corporation (NYSE: MKL), a \$16 billion market cap value-oriented holding company
- SEC registered investment advisor based in Arlington, Virginia
- ~\$70 Million AUM*
- Focused on identifying exceptional individuals managing quality businesses in capital constrained markets

* As of 3/31/2021

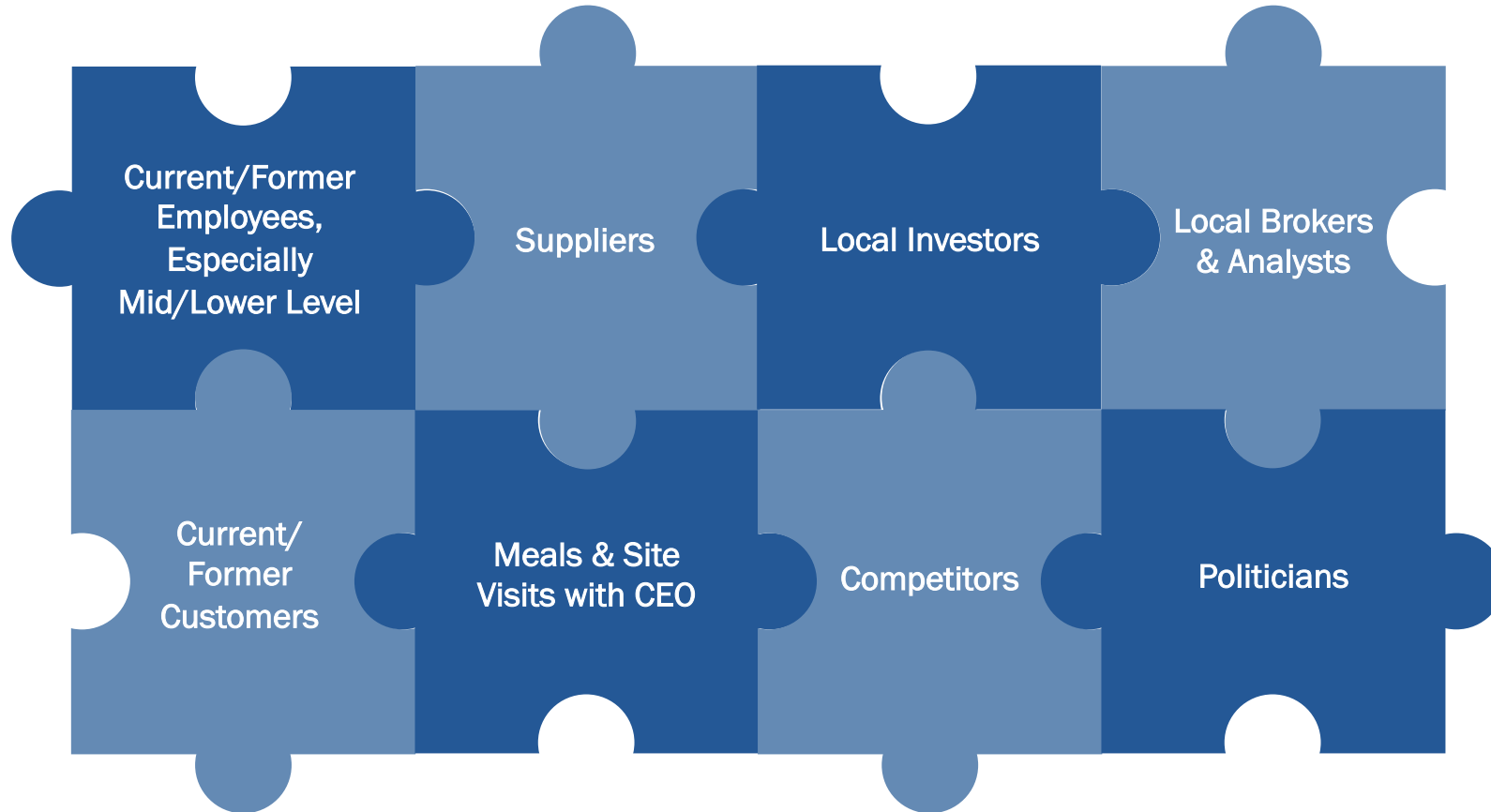
OUR EVOLVING PROCESS

The CEO of one of our investments left the company for business school – as a student.

Vanshap Capital, Q3 2018 Letter

$$\begin{array}{c} \text{Net} \\ \text{Promoter} \\ \text{Score} \end{array} + \begin{array}{c} \text{Capital} \\ \text{Allocation} \\ \text{Ability} \end{array} = \begin{array}{c} \text{Value} \\ \text{Creation} \end{array}$$

IDENTIFYING FANATICS



MIRRORED RECIPROCATION

Treat customers like a brand new puppy, consistently providing a “safe/transparent/sharing environment” and they will be forever loyal.

Peter Kaufman, CEO of Glenair



“THE ONE NUMBER YOU NEED TO GROW”

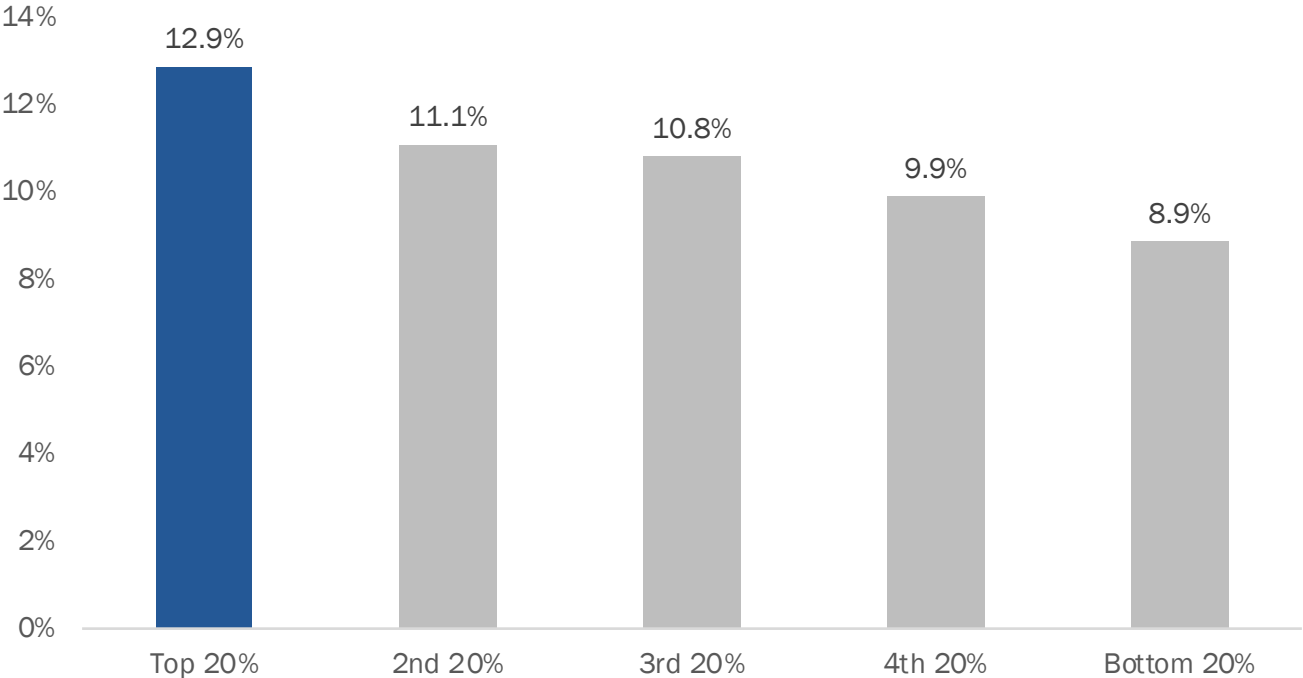
“The path to sustainable, profitable growth begins with creating more promoters and fewer detractors and making your net-promoter number transparent throughout your organization. This number is the one number you need to grow. It’s that simple and that profound.”

Fred F. Reichheld, Bain & Co.

Source: [The One Number You Need To Grow, Harvard Business Review, Dec 2003](#)

NPS OUTPERFORMS

ANNUALIZED RETURNS OF S&P500 FROM 2004-2019 BY NPS QUINTILES



Source: Greenwood Investors, [“Sustainability & The Ultimate Intangible”](#)

Disclaimer: Investing is speculative and involves significant risks including the risk of loss of the entire investment. Past performance is not necessarily indicative of future results. Please see complete Disclosure at end of presentation.

CAPITAL ALLOCATION REALLY MATTERS

“After **ten years** on the job, a CEO whose company annually **retains earnings equal to 10% of net worth** will have been responsible for the deployment of more than **60% of all the capital at work** in the business.”

Warren Buffett, 1987 Annual Letter

Source: [Berkshire Hathaway 1987 Annual Letter](#)

THE CONTRARIAN GENE

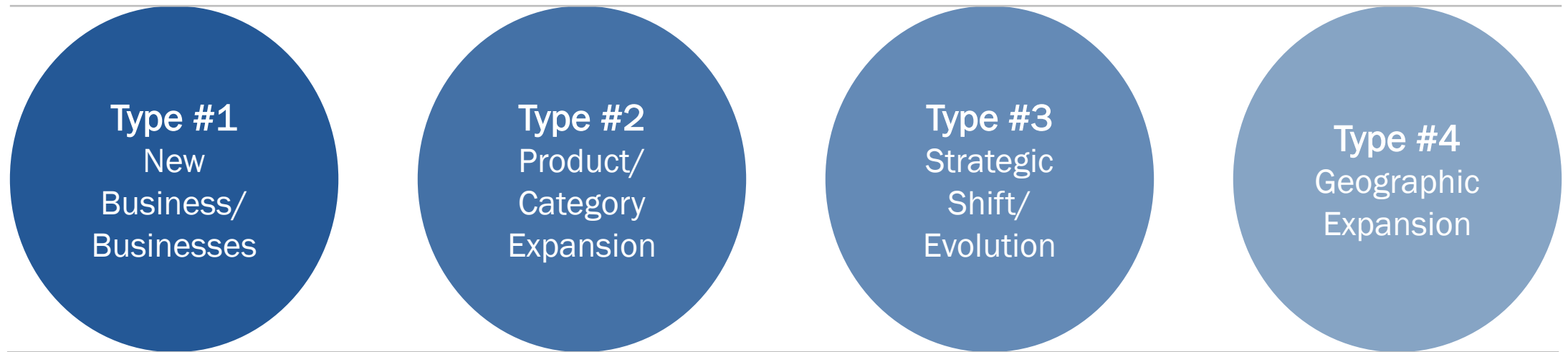
‘Value the cash, not the flash.’

- ✓ Tend to be publicity shy
- ✓ Off the beaten path offices (See Page 14)
- ✓ Lack of artwork @ HQ
- ✓ No reserved parking spaces for management
- ✓ Share repurchases during turmoil
- ✓ Countercyclical Capex/Investments

VALUE FROM OPTIONALITY

“The expected value of a current or future investment that is unknowable or difficult for the market to discern.”

ShawSpring Partners



Source: [A Framework for Understanding Optionality, ShawSpring Partners](#)

PHILIP MEESON





Source: Creative Commons, [Mtaylor848](#)

FOCUSED, CLEAR & OBSESSED

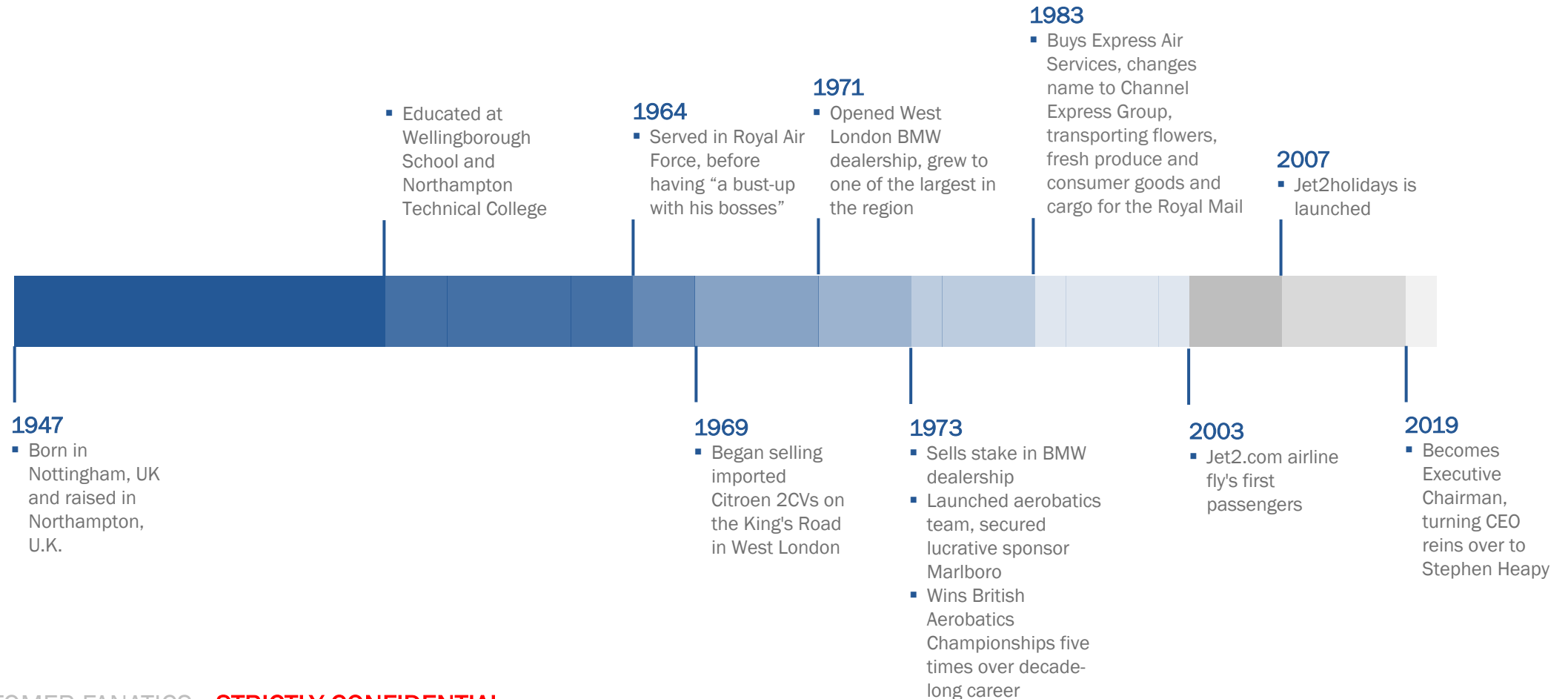
“He's a self made man, very focused and has very clear ideas. He works seven days a week, 24 hours a day. He gets up every morning at 4am and goes cycling with his Mickey Mouse bell round Knightsbridge. He lives to work.”

Jemma Meeson, Philip's Daughter

Source: [I can see low cost going long haul in the future, Majorca Daily Bulletin](#)

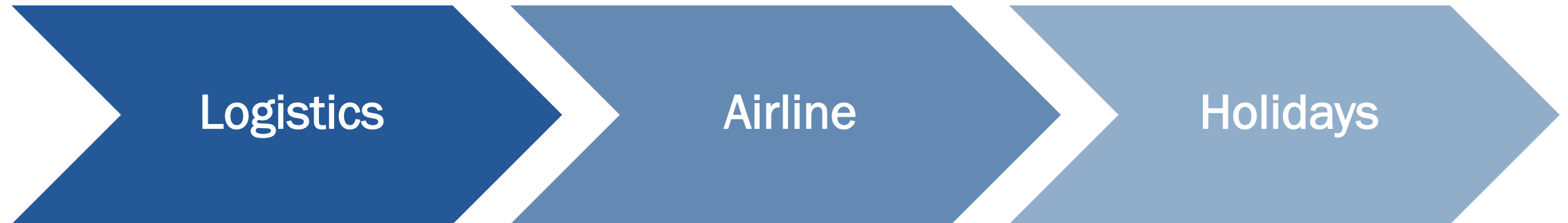
PHILIP'S REMARKABLE LIFE

A love of aviation has led Philip to the RAF, British Aerobatics Championships and finally to founding hugely successful, Jet2.



PHILIP'S PIVOT

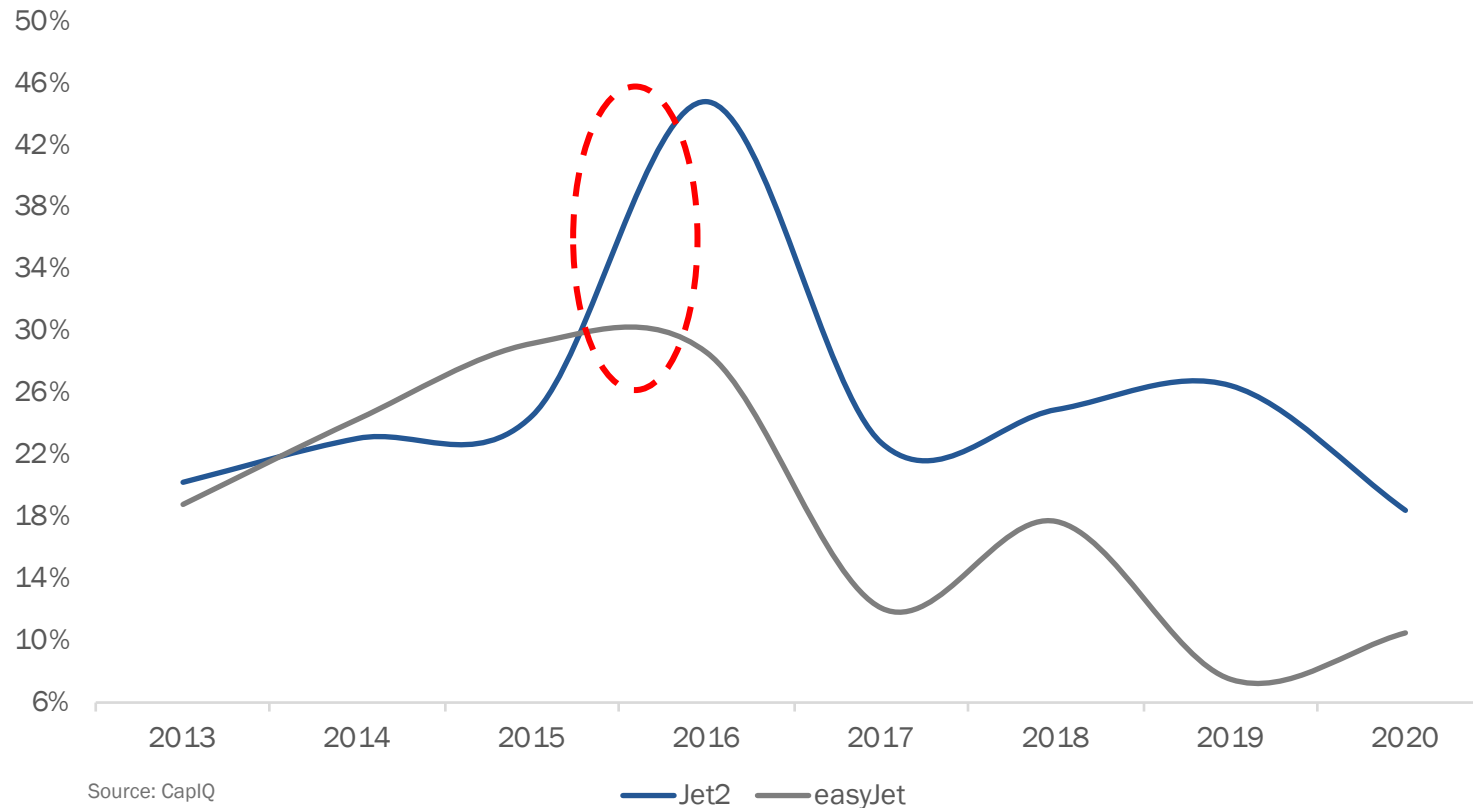
After delivering flowers and produce, Philip pivoted to flying humans and then pivoted again to providing customers a full package holiday.



THE PIVOT PAYS OFF

After maturity of the package holiday business, the group ROE improved materially.

RETURN ON EQUITY OF JET2 VS EASYJET



The Telegraph

September 24, 2009

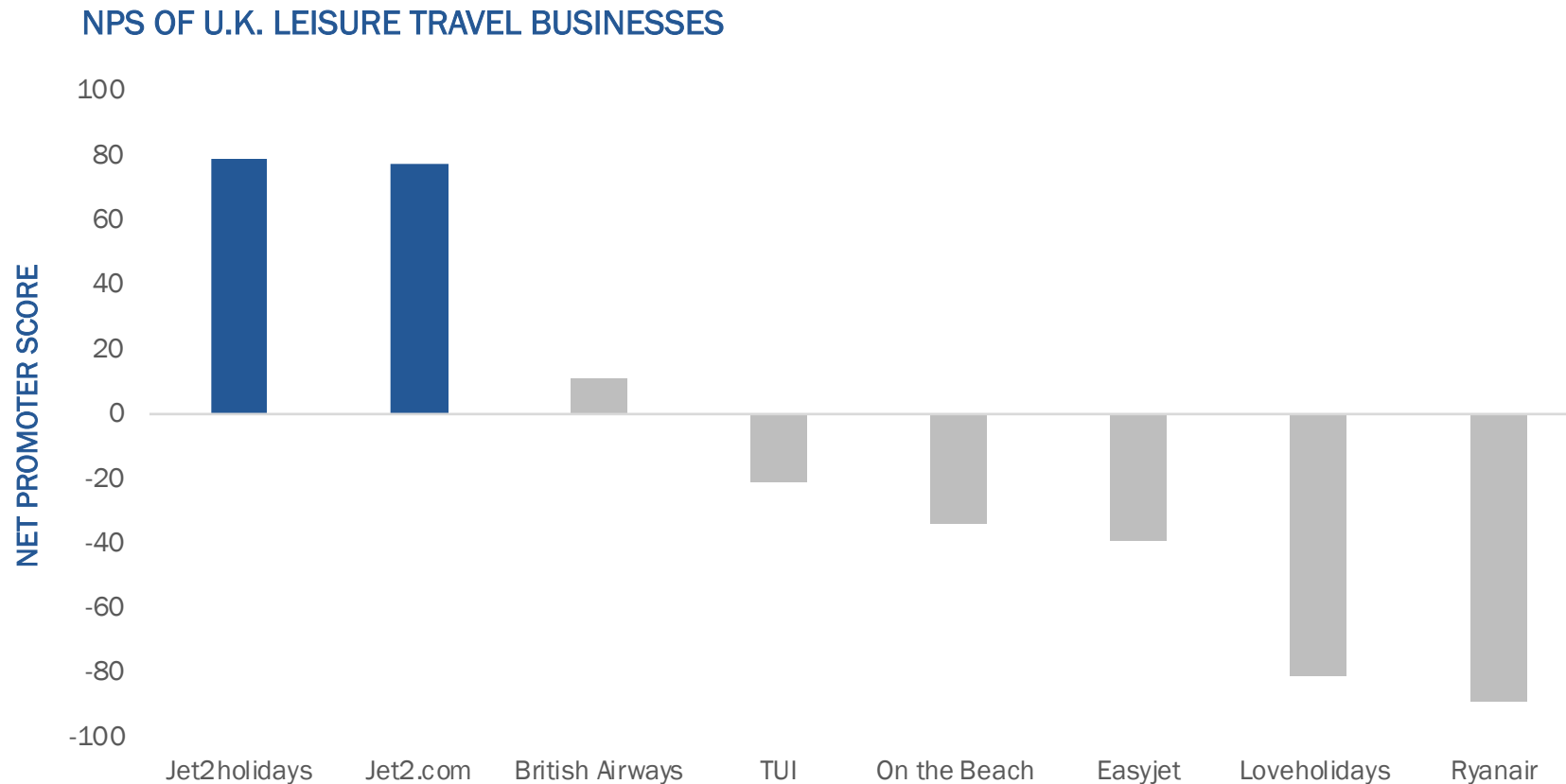
Police called as airline boss berates own staff

Philip Meeson, boss of budget airline Jet2.com, was warned by police after flying into a rage at his own staff after becoming annoyed at the length of time it was taking them to deal with a long queue of passengers.

Source: [Police called as airline boss berates own staff, The Telegraph](#)

VERY HAPPY CUSTOMERS

Jet2 has renowned service, resulting in +70 NPS and +50% of package holiday customers being repeat travelers.



Source: [The 70 best and worst firms for travel refunds, Money Saving Expert](#)

COUNTLESS ACCOLADES

Jet2 continues to win countless customer service awards from a wide variety of sources.



Which Recommended



Best Airline UK



Best Airline Europe



10 Airlines of the World



Best Short Haul
Globe Awards



Best Economy
Class Europe



Best Low Cost
Airline Europe



Source: Company presentation

WIDELY REGARDED BRAND

Jet2's customer satisfaction is nationally renowned, ranked #26 out of 259 major brands across all industries in the U.K.

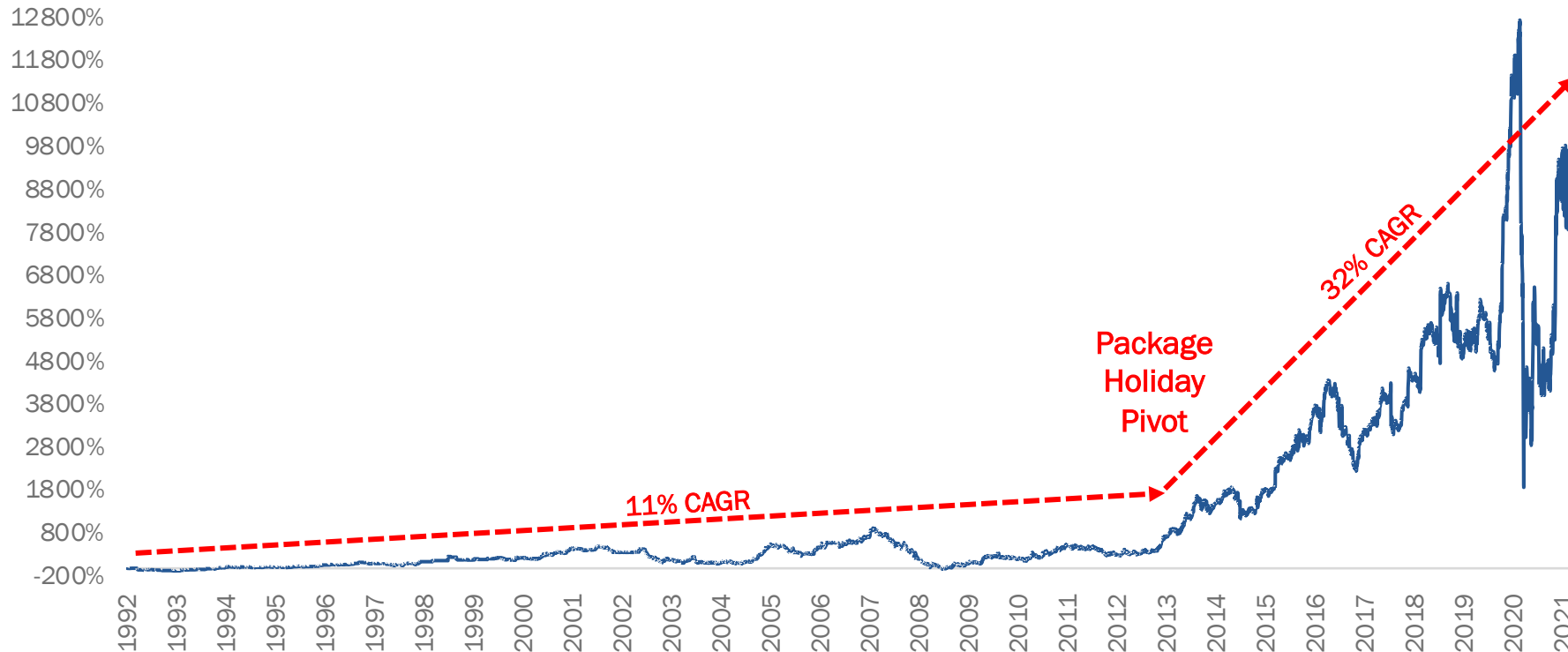
1	first direct	Banks & Building Societies	85.5	26	Jet2holidays.com	Tourism	81.3
2	John Lewis	Retail (Non-food)	85.1	27	Iceland	Retail (Food)	81.1
3	M & S (Non-food)	Retail (Non-food)	84.1	27	Nationwide Insurance	Insurance	81.1
4	Amazon.co.uk	Retail (Non-food)	83.6	27	SAGA Insurance	Insurance	81.1
5	M & S (food)	Retail (Food)	83.5	30	Skoda UK	Automotive	81
6	Tesco Mobile	Telecommunications & Media	83.3	31	Aviva	Insurance	80.9
7	Pets at Home	Retail (Non-food)	83.2	31	Green Flag	Services	80.9
8	Netflix	Leisure	83.1	31	McDonald's	Leisure	80.9
9	Aldi	Retail (Food)	82.9	34	Direct Line	Insurance	80.8
10	Costa Coffee	Leisure	82.8	34	Ebay	Retail (Non-food)	80.8
11	Specsavers	Retail (Non-food)	82.7	34	Halfords	Retail (Non-food)	80.8
12	LV=	Insurance	82.6	37	Toyota	Automotive	80.5
13	Mini	Automotive	82.5	38	booking.com	Tourism	80.4
13	Nationwide	Banks & Building Societies	82.5	39	Amazon Prime Video	Leisure	80.3
15	Premier Inn	Tourism	82.4	39	Holland & Barrett	Retail (Non-food)	80.3
16	Churchill	Insurance	82.3	39	The Co-operative Bank	Banks & Building Societies	80.3
17	Caffe Nero	Leisure	81.9	42	Marriott	Tourism	80.2
17	Greggs	Leisure	81.9	43	Dacia	Automotive	80.1
17	Home Bargains	Retail (Non-food)	81.9	43	Spotify	Leisure	80.1
17	Wilko	Retail (Non-food)	81.9	45	Ikea	Retail (Non-food)	80
21	TK Maxx	Retail (Non-food)	81.8	45	Ocado	Retail (Food)	80
22	Nissan	Automotive	81.7	45	Pizza Express	Leisure	80
23	Suzuki	Automotive	81.6	48	Scottish Water	Utilities	79.9
24	Subway	Leisure	81.5	48	Tesco	Retail (Food)	79.9
25	Octopus Energy	Utilities	81.4	50	Post Office	Public Services (National)	79.8

Source: [The state of customer satisfaction in the UK - January 2021, UKCSI](#)

MASSIVE VALUE CREATION

Jet2 shares have appreciated by ~8,000%, 16% CAGR since listing, 11% CAGR pre-pivot and most importantly, 32% CAGR post pivot.

JET2 EQUITY TOTAL RETURN

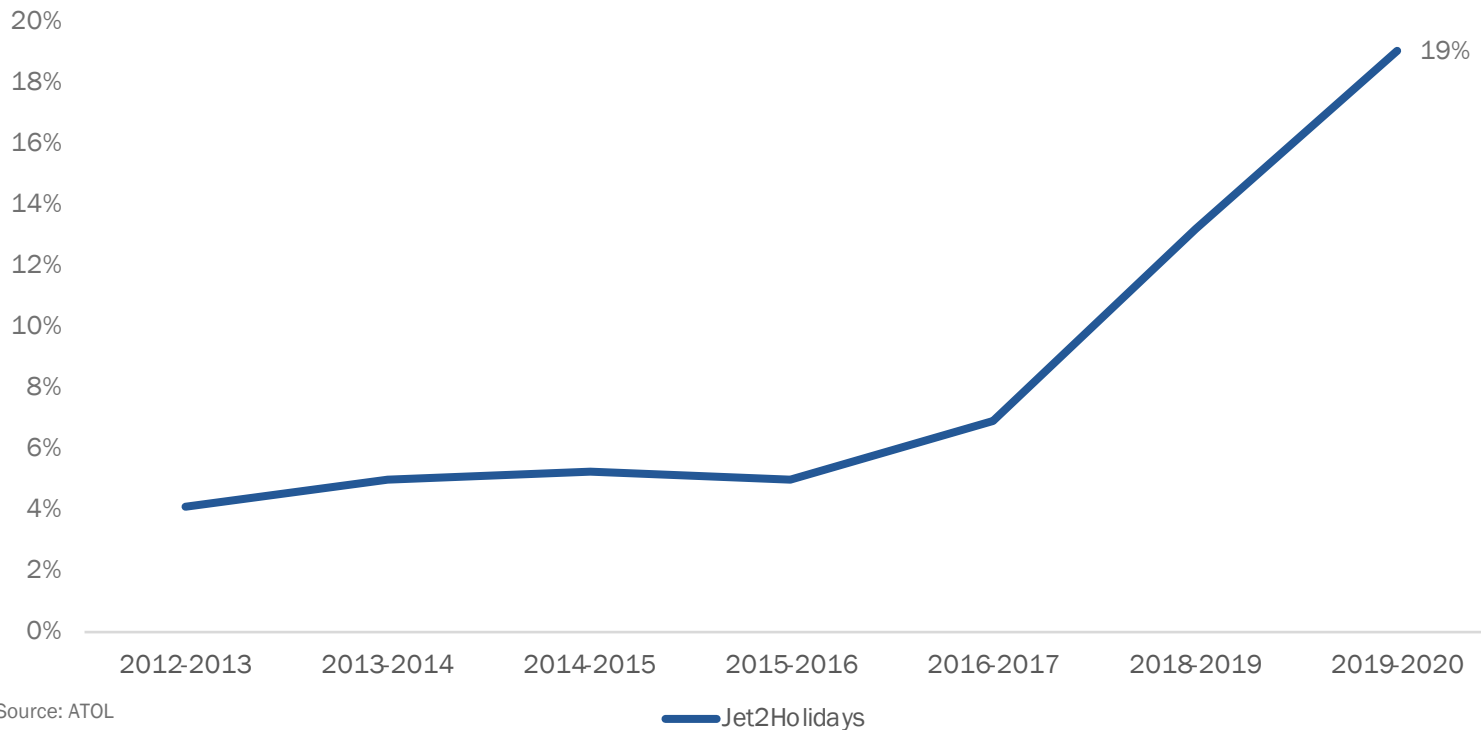


Source: Share price data from Capital IQ. Disclaimer: Investing is speculative and involves significant risks including the risk of loss of the entire investment. Past performance is not necessarily indicative of future results. Please see complete Disclosure at end of presentation.

LONG RUNWAY AHEAD

Jet2's customer focus and conservative balance sheet has allowed the group to take substantial market share from competitors.

JET2 PACKAGE HOLIDAY MARKET SHARE



UNTIL HE DROPS

"I'll be around until I drop. This business is so much fun and there is still a lot to do."

Philip Meeson

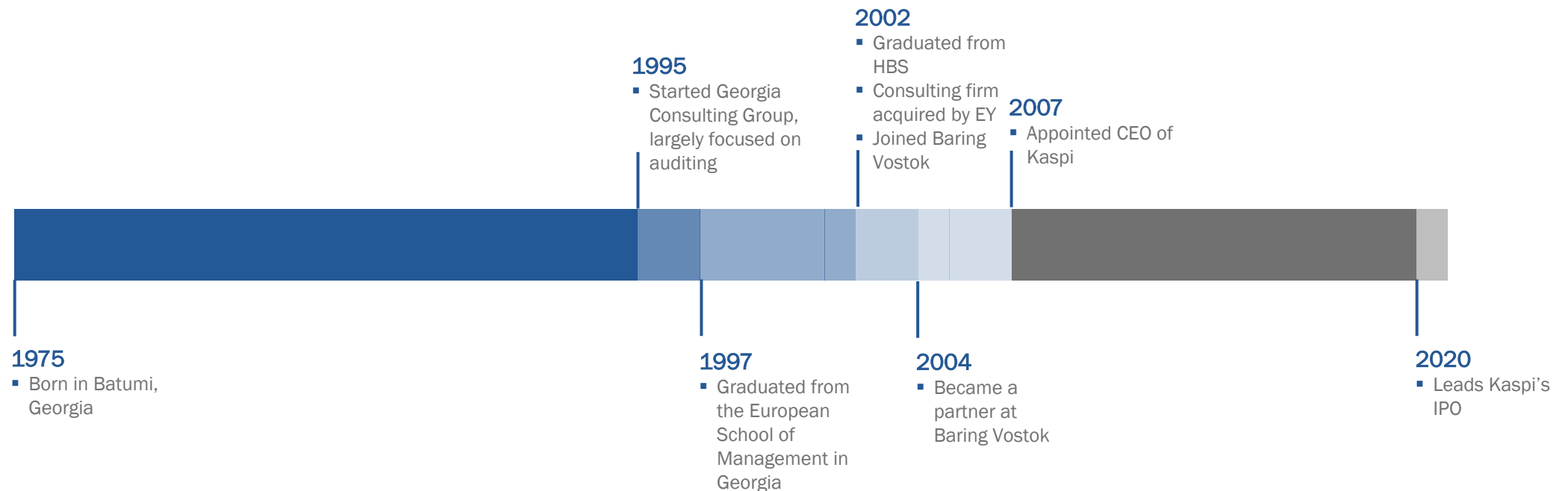
Source: [Rising to the challenge, Manchester Evening News](#)

MIKHAIL LOMTADZE



MIKHAIL'S REMARKABLE LIFE

From selling bread on the street in Batumi as a child, then to Harvard Business School, now Mikhail is the CEO and 23% owner of Kaspi.

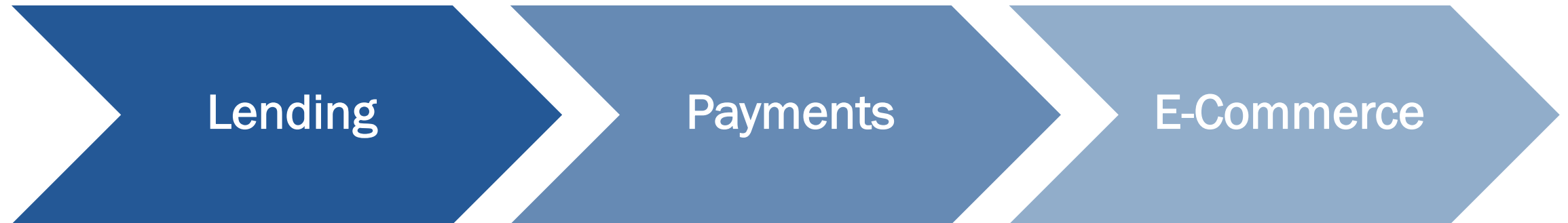


Tues 16:02

"Who wants to be lunch and
who wants to have lunch?"

MIKHAIL'S PIVOT

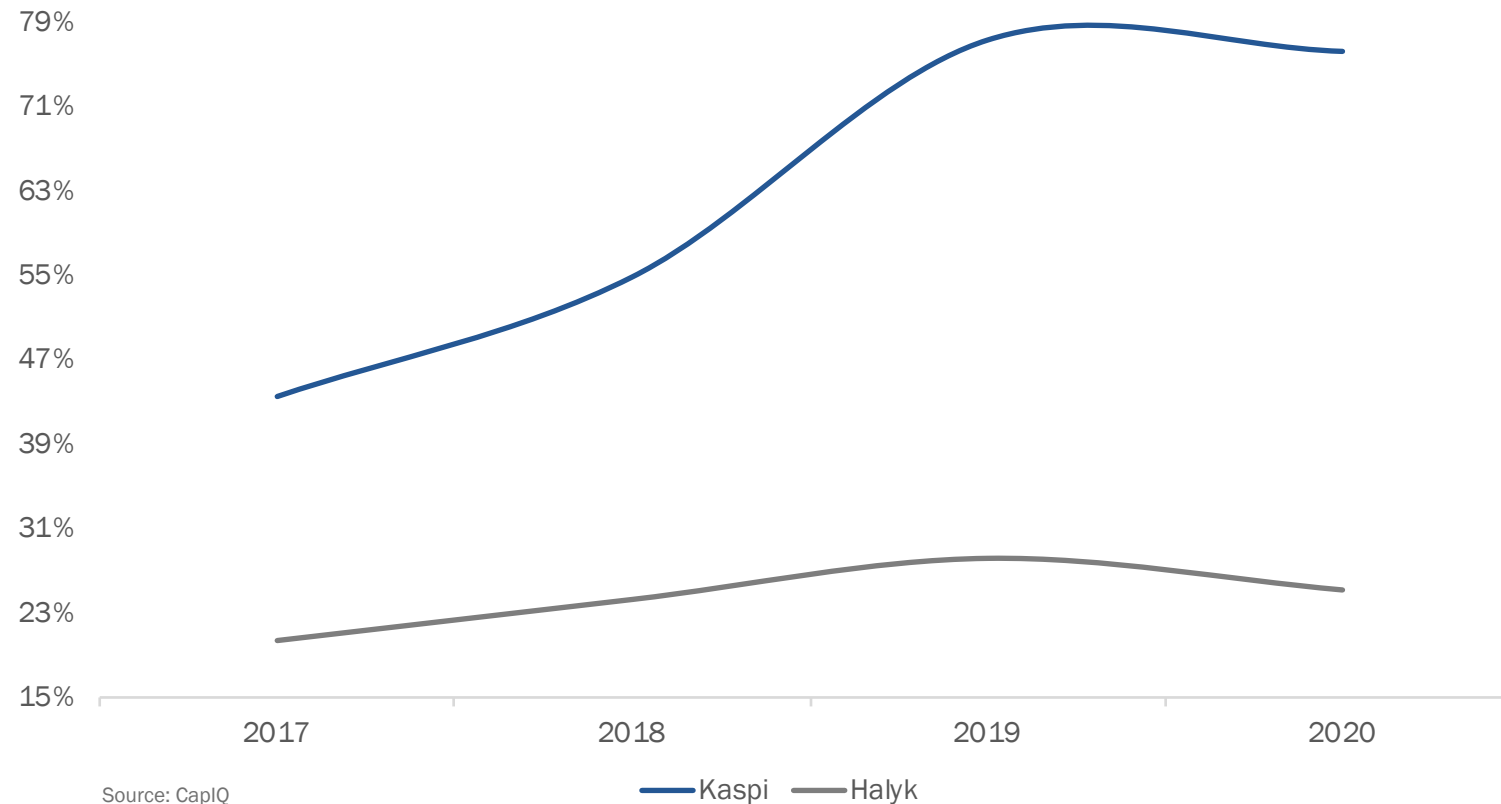
After becoming the CEO of a bank, Mikhail pivoted into bill payments and then into building a technology platform, including a marketplace.



NON-BANK LIKE RETURNS

Kaspi's returns accelerated as the group's e-commerce and payments businesses have grown rapidly.

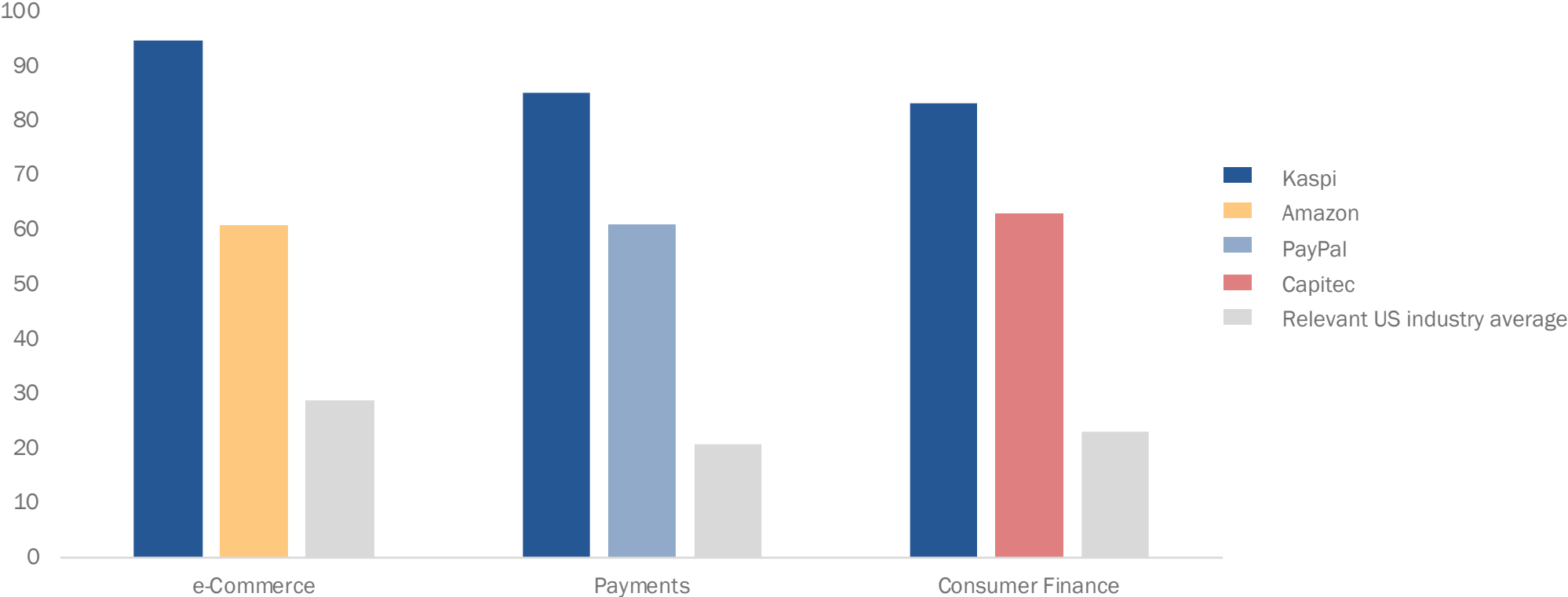
RETURN ON EQUITY OF KASPI VS HALYK



WORLD LEADING NPS

Kaspi delights customers across all three business segments.

NPS OF KASPI BUSINESS SEGMENT VS RELEVANT PEERS



“We’re a complete maniac about controlling the customer experience...This is our competitive advantage...Customers don’t want our technology, they want to do something with our technology, that is, to use our final products and services. Our speed of innovation is increasing, not slowing down. How can anyone catch up?”

Mikhail Lomtadze, Dec 2020

Source: [Inside Kaspi's Kazakh bank experiment](#)

“We measured the net promoter score and it was negative. People hated different fees attached to credit cards and they could not repay the debt over time, due to its revolving nature. A negative NPS meant for us that credit cards did not fulfil our mission. We called it unhealthy earnings. It took us 48 hours to kill the product.”

Mikhail Lomtadze, Dec 2020

Source: [Inside Kaspi's Kazakh bank experiment](#)

CONSTANT CUSTOMER ENGAGEMENT

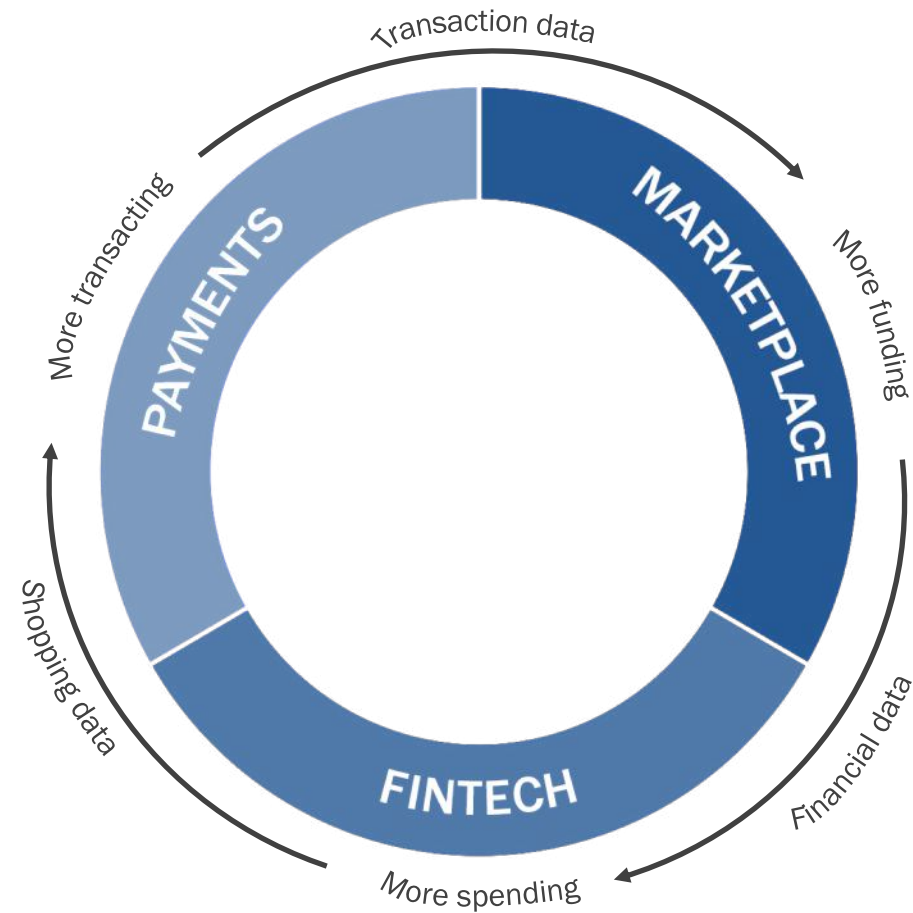
“Kaspi is super intuitive...they call the client within 2 hours...and they do script of every answer...20,000 calls monthly...that's kind of a lot, well, for Kazakhstan, at least.”

“We don't actually look that closely on the financial performance, what we did for the client and how it improves their lives...Kaspi.kz people believe that if you make a great product, you don't need to sell it because it will sell itself.”

Former Senior Manager at Kaspi.kz

KASPI'S ACCELERATING FLYWHEEL

~30% of the populous is using the SuperApp daily, buying, borrowing and paying, creating a Flywheel spinning at an ever increasing speed.



BACK GREAT HORSES

“One of the ideas I had, hypotheses, was that you could back great horses instead of looking for particular races in which to run.”

Mark Leonard, Founder & President, Constellation Software

Source: [Interview with Mark Leonard, Sep 2020](#)

Customer Fanatics who are talented capital allocators can create tremendous value.

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Quality Businesses. Exceptional Management. Capital Constrained Markets.

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