

A photograph of a city street scene. In the foreground, a yellow taxi is driving. A street sign for 'East 42nd St' is visible. In the background, there is a large, ornate building with a clock tower and a modern glass skyscraper.

Robotti Value Equity

2Q20 Quarterly Review



Agenda

1. Firm Update
2. Review of the Quarter
3. Portfolio Changes
4. Position Analysis
5. Outlook & Conclusion

1. Firm Update

Firm Update

- All our employees and their families remain healthy and safe and working remotely at full capacity.
- In adherence with health and safety guidelines, we have begun to have a limited number of employees work from our offices on a restricted, rotating basis.
- We continue to focus on what we have been doing best for the past ~40 years - sourcing and vetting under-followed, often contrarian, investment ideas.
- We are creating an institutional Separately Managed Account Strategy that we should be ready to introduce to you shortly.

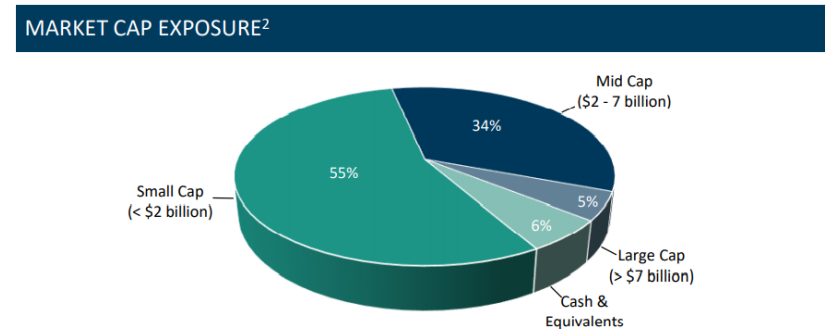
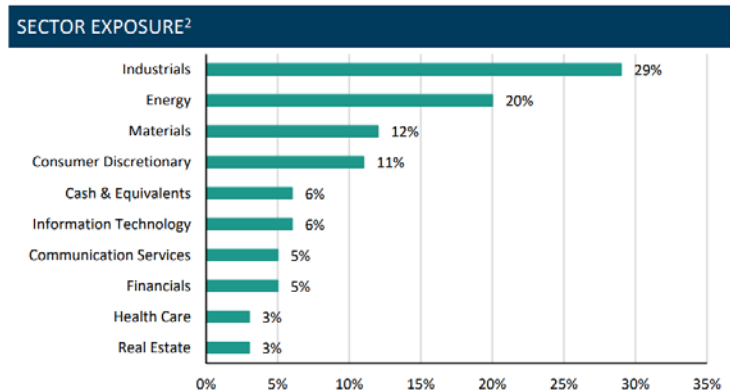
2. Review of the Quarter

2Q20 Review: Robotti Value Equity (RVE)

TOP 5 POSITIONS (EXCLUDING CASH)			
COMPANY	Weight	QTD	YTD
Subsea 7 S.A.	9.2%	41.7%	(47.4%)
Builders Firstsource, Inc.	6.9%	61.0%	(18.5%)
Norbord Inc.	4.9%	83.6%	(14.9%)
Westlake Chemical Corporation	4.9%	41.7%	(23.5%)
LICT Corporation	4.5%	19.4%	(6.1%)

PERFORMANCE ³			
	MTD	QTD	YTD
RVE	4.95%	24.85%	(28.95%)
Benchmark	1.86%	20.60%	(21.18%)
S&P 500	1.99%	20.54%	(3.08%)

TOP HOLDINGS & CASH ²	
Top 5:	30%
Top 10:	47%
Cash & Equivalents	6%



2Q20 in Headlines: Bifurcated Securities Markets

	2020 YTD
Up 50% or more	12.0%
Up 20% or more	18.7%
Up 10% or more	22.8%
Up	29.7%
Flat	4.9%
Down	65.4%
Down 10% or more	55.6%
Down 20% or more	43.5%
Bankrupt	0.3%
S&P 500	-3.08%

“ As of June 30, stocks just posted their best 100-day period in more than 80 years, going back to 1938, according to Bespoke Investment Group.”

Dow surges 11% for its best day since 1933 as \$2 trillion coronavirus aid package nears approval

Pessimistic Pros Missed the Big Rally, and So Did Many Americans

Wealthy Americans have less doubt about market rally, economy, but still fear stock investing

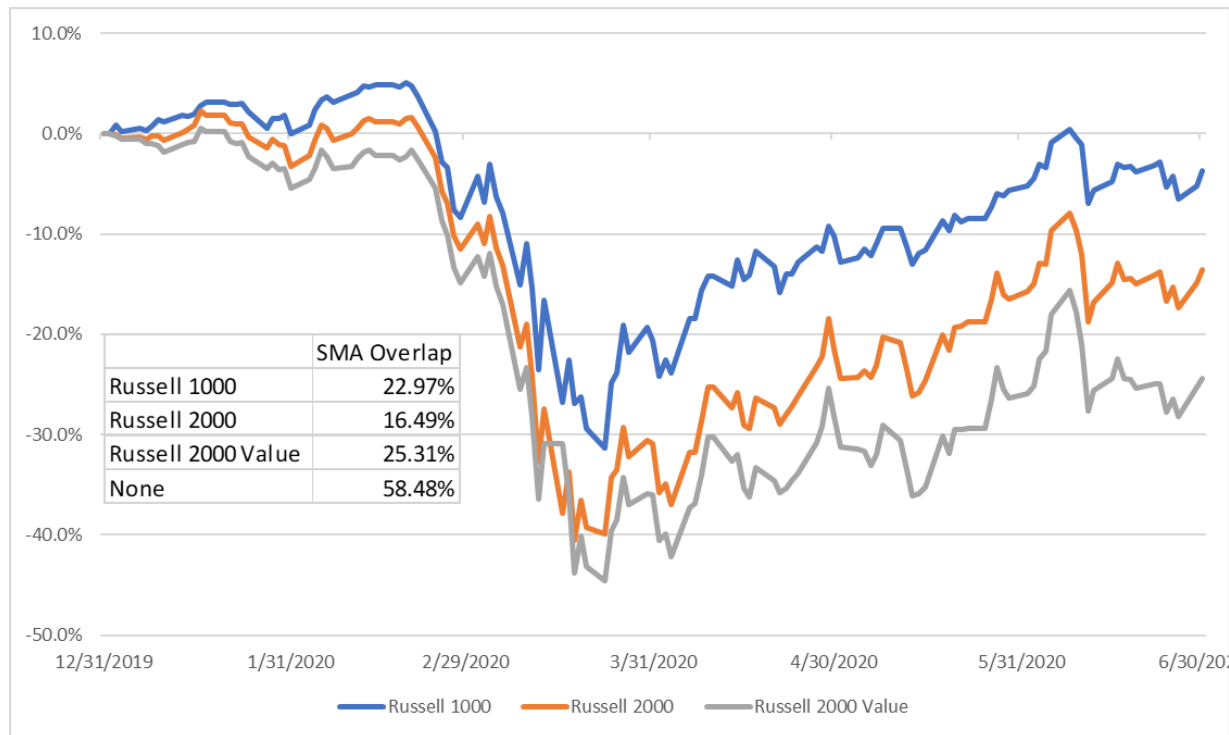
MARKETS

Why the stock market is up even with historic job losses

source: WSJ, Bloomberg, CNBC, Barron's

Bifurcated Securities Markets

- Risk is priced in, and opportunity remains



source: S&P Capital IQ

3. Portfolio Changes

Our Approach: Focus On What We Know

- **We did not rush to action**
 - Review with company management teams
 - Reevaluate investment theses
 - Reposition portfolio – incremental changes
 - Research new opportunities

Portfolio Changes

- **Added to AER and CSIQ**
 - **AerCap Holdings**
 - The planes that AerCap owns will eventually fly again, reviving their cash flows
 - The company has the necessary liquidity to survive the downturn, protect its balance sheet and minimize any equity dilution
 - Investors have discounted in a scenario far worse than 3 years of lost revenue
 - **Canadian Solar**
 - Naturally hedged against commoditization of solar panels
 - Strong backlog of projects
 - Fortress balance sheet
 - Owner/operator with significant skin in the game

4. Position Analysis

Analysis: Subsea 7 into Renewables

- In Q2 Subsea 7 announced 3 new contract awards for the installation of windfarms offshore of the Netherlands, Scotland, and Germany
- These projects will add between \$1.0 - \$1.5 billion of combined total contract revenue to the backlog
- Subsea 7 should deliver its highest quarterly intake in Q2 2020 since 2013



16%⁽¹⁾
forecast for
CAGR in
renewables



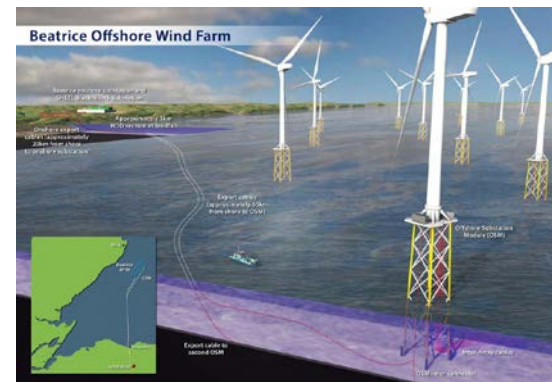
1000
experienced
personnel



2
EPCI
projects
complete

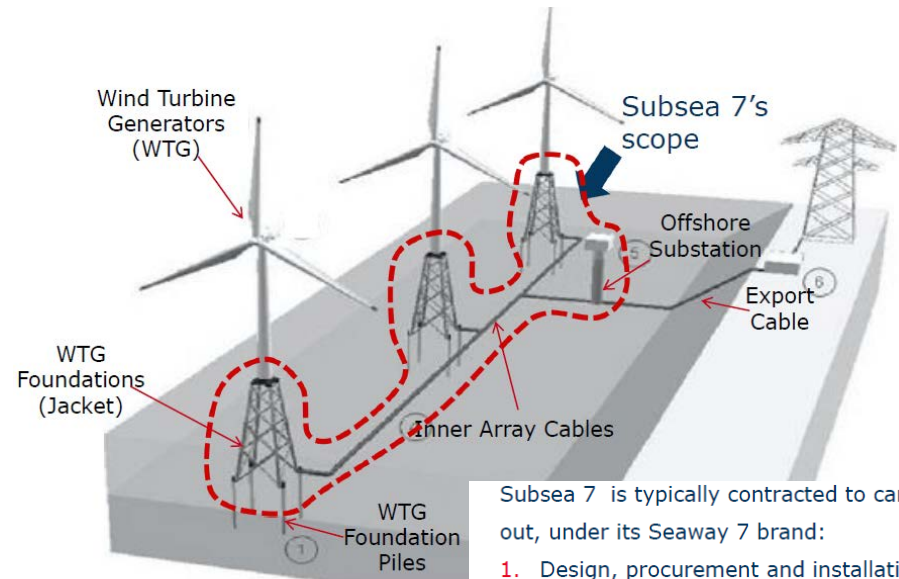


4
specialist
offshore
vessels



Analysis: Subsea 7 into Renewables

- Renewables segment now accounts for approximately 30% of total backlog
- Subsea 7 has emerged as a major global player in offshore windfarm installation
- Contract announcements are a clear indication the growing importance of renewable energy projects
- Windfarm installations are projected to grow at a 16% CAGR over the next 10 years with a growing trend towards deeper water installations

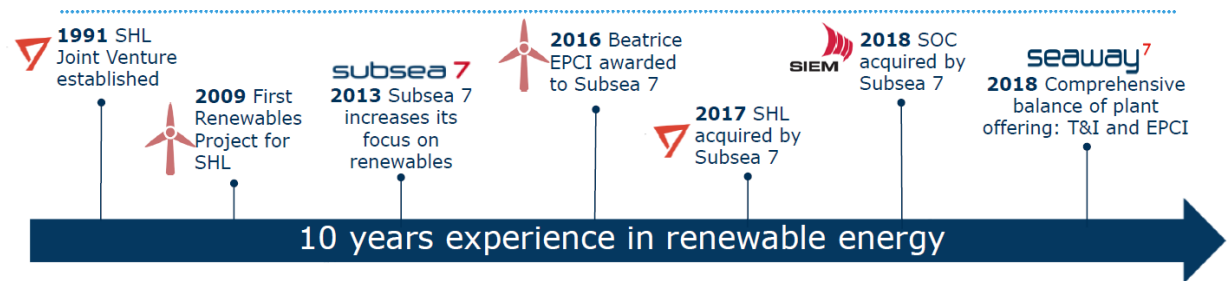


Subsea 7 is typically contracted to carry out, under its Seaway 7 brand:

1. Design, procurement and installation of foundation piles and jackets (SHL)
2. Design procurement and installation of Inner Array Cables (SOC)
3. Installation of the Offshore Substation and its foundations (SHL)

Analysis: Subsea 7 into Renewables

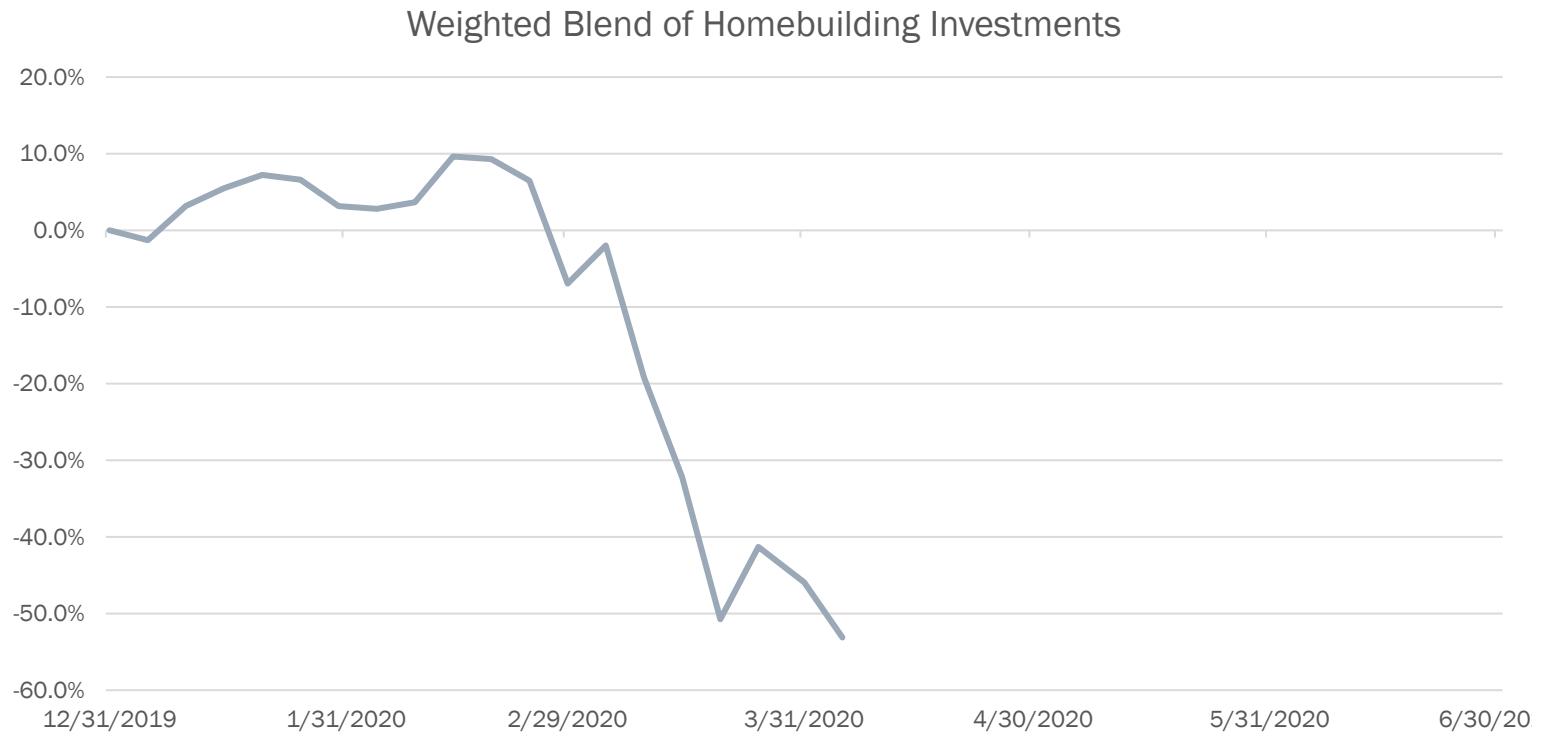
- Differentiating between a *good* and a *great* management team in a cyclical industry cannot be overstated



- When a cyclical industry falters, investors with experience investing over several full cycles have a tremendous advantage identifying those managers with a history of strategically (and opportunistically) managing its business
- With a modest capital investment management has strategically increased its exposure to wind as a growing source of clean renewable energy by opportunistically repositioning assets to expand engineering capabilities and augment service offerings

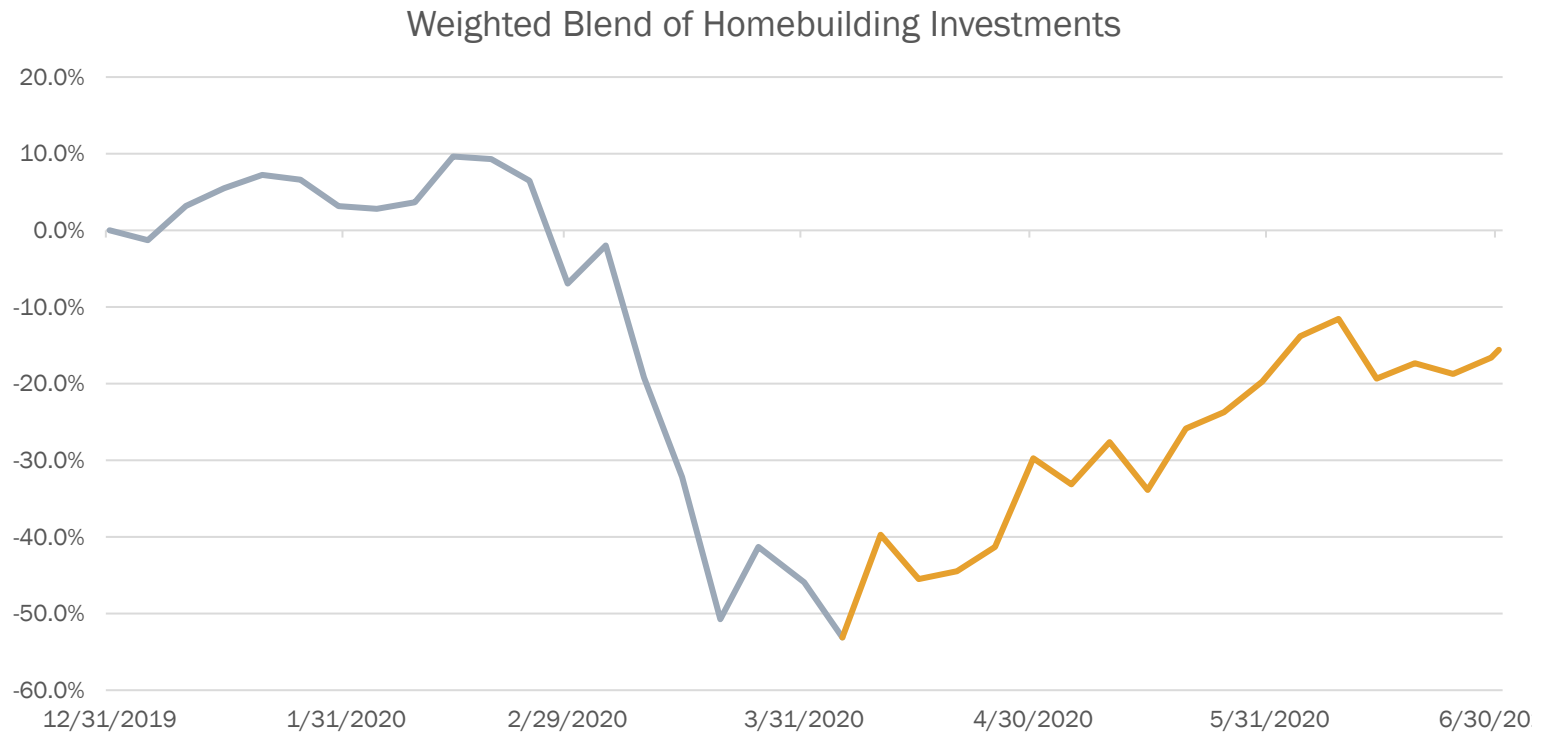
As a result of management's intelligent investing, Subsea 7 is organically building out a new leg to its business

Analysis: Homebuilding



source: S&P Capital IQ, Yahoo! Finance

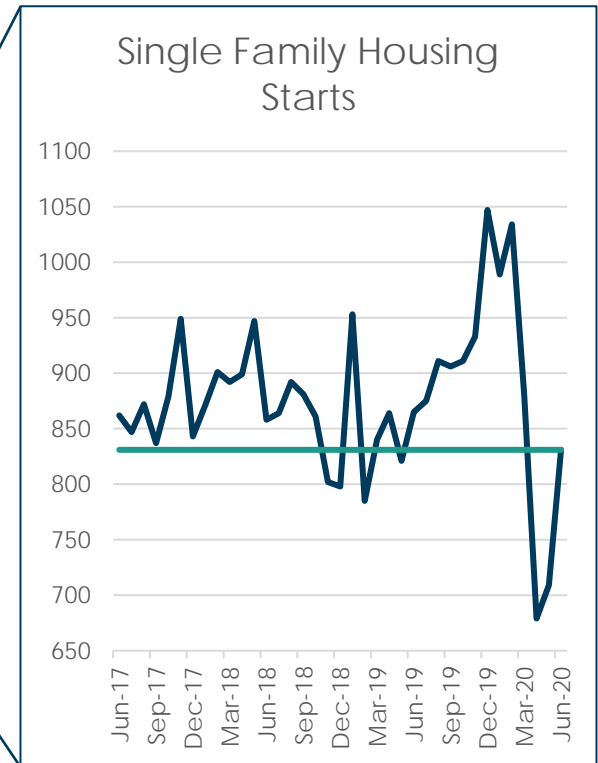
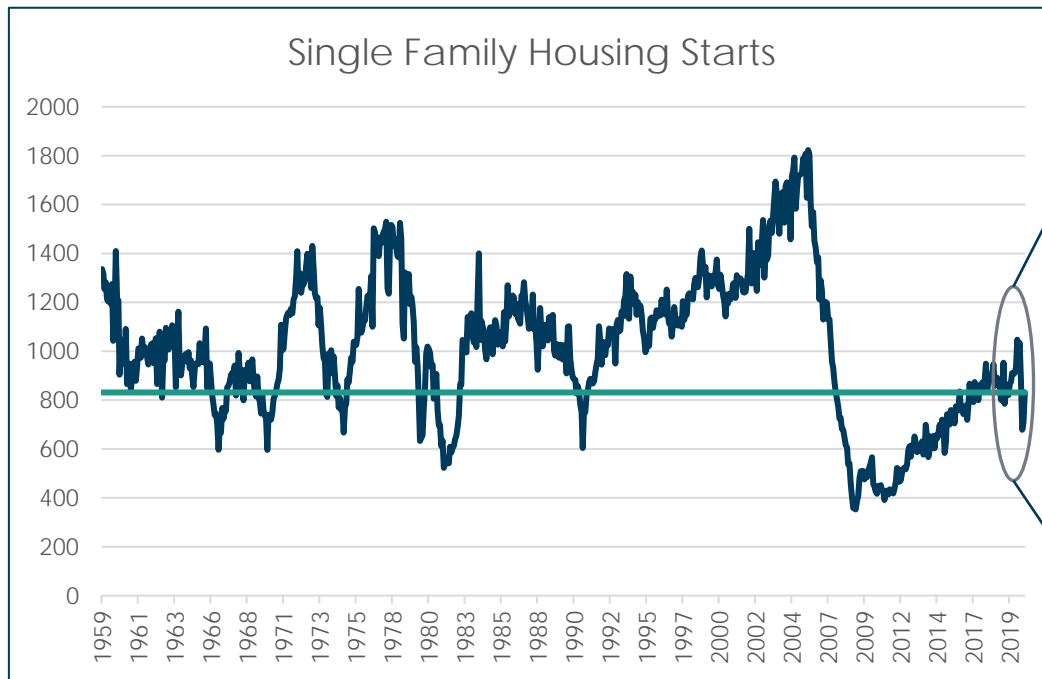
Analysis: Homebuilding



source: S&P Capital IQ, Yahoo! Finance

Analysis: Homebuilding

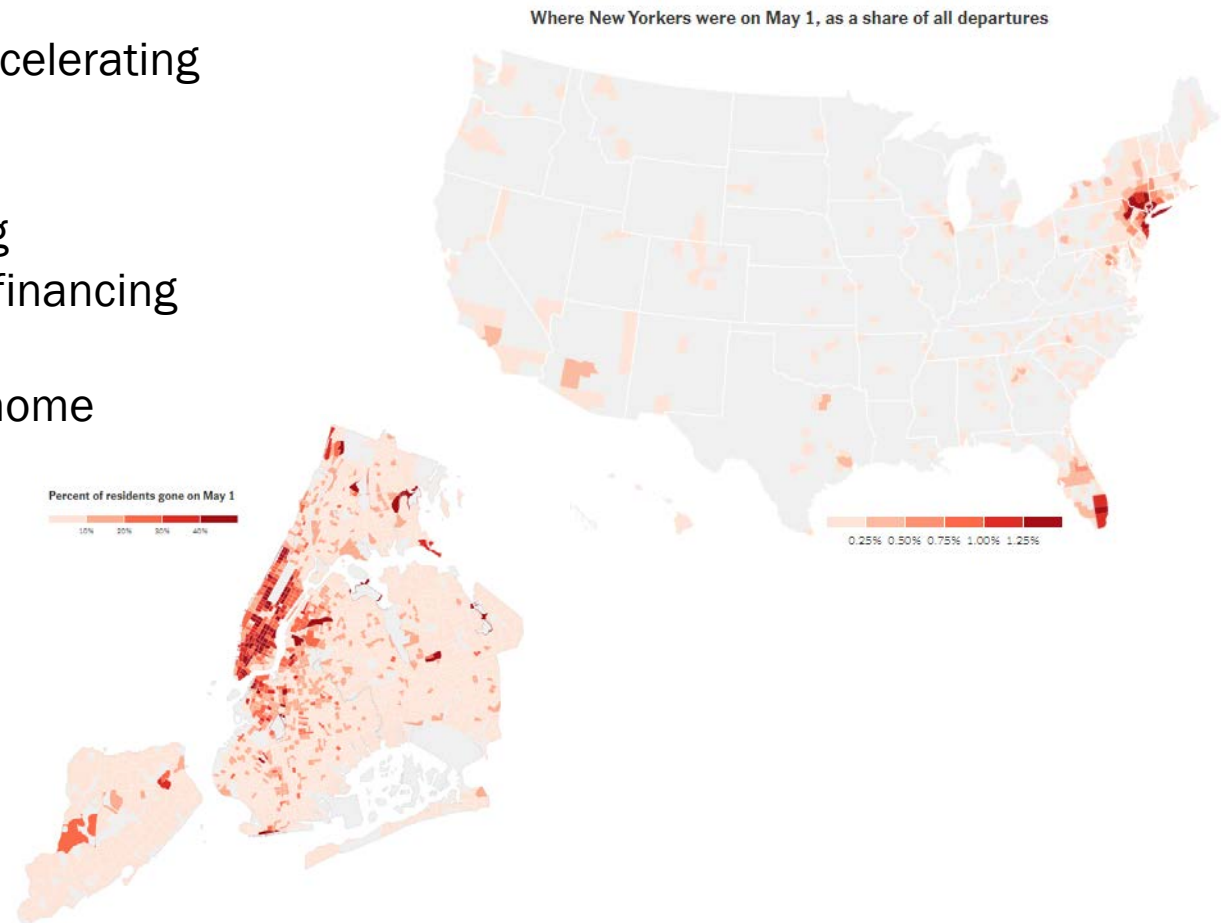
- More resilient than expected
- Below long-term trend
- Rational response of the companies



source: Fred

Analysis: Homebuilding

- Existing Trends are Accelerating
 - Move to suburbs
 - Cost of living
 - Low cost of financing
 - Desire to own a home
 - Work from home
 - Lack of inventory



source: New York Times *Who Left New York?* 05/15/2020

5. Outlook and Conclusion

Outlook

- **Uncertainty is abating, but U.S. still has a long way to go**
- **The rubber band continues to stretch**
 - The longer difficulties persist, the more dramatic the improvement
- **Existing trends are being accelerated**
 - Homebuilding
 - Renewables
- **Continued active engagement**
 - Ongoing dialogue with management of core holdings
 - Worked with Tidewater on Board nominees

Conclusion

- We remain focused on generating superior returns over the long term
- We remain consistent. **There is no style drift**
- Maintaining our ~40-year *edge*:
 - History of prior outperformance post-crises
 - Adapting to evolving investor needs: New institutional SMA
- Dawn of a new decade
- Valuation remains king

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