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Last year was particularly tough for global stock pickers, with the MSCI world net total return index sliding by 18.1% and the tech-heavy Nasdaq 100 index dropping by 33%. Our five picks from a year ago also struggled: an equal-weighted portfolio of Adevinta (-49.8%), Altria (+4.7%), ASOS (-80.6%), CIFI Ever Sunshine (-61.2%) and UnitedHealth (+6.5%) would have returned -36.1% in dollars for 2022. We still like these stocks, though, notwithstanding their disappointing performance over the past 12 months. As is customary at the start of every year, here are five global stocks which we believe could do well over the long term.

Admiral Group

Admiral is the UK's largest car insurance provider, with a market share of roughly 15%. The company's share price dropped by more than 30% over the course of 2022, as drivers got back behind the wheel after lockdown. Even though the period of bumper profits due to cars being locked in garages (rather than being driven) is behind us, Admiral's prospects are encouraging. The easing of car part prices bodes well for its underwriting margin, supported by Admiral's disciplined approach towards premium increases. The introduction of a new insurance accounting standard, IFRS17, is not expected to have a material impact on reported profits, and losses incurred due to its international expansion strategy should shrink. Admiral shares trade at an undemanding p:e of 16 and a solid dividend yield of more than 6%.

KLA Corp

KLA is a semiconductor capital equipment manufacturer, formed in 1975 and named after its founders, Ken Levy and Bob Anderson. The company made a string of acquisitions in the years that followed, becoming a leader in wafer inspection systems.

Put simply, it sells highly specialised machines which inspect silicon wafers for the tiniest of faults, imperfections or dust particles. The inspection process is crucial to avoid wastage and improve the yield of microchips made from silicon wafers. Over the past year, the world has gone from a chip shortage to a glut, but KLA is well placed to benefit from new multibillion-dollar chip plants expected to be built in the US and Europe in the coming decade. At a p:e below 18 coupled with strong growth prospects, KLA is a keeper.

Trigano

Listed in Paris since 1998 and still controlled by the Feuillet family, Trigano is the European leader in leisure vehicles. The company designs and manufactures caravans, motorhomes, trailers, garden equipment and camping gear.

With hybrid working arrangements and an increased awareness of work-life balance taking hold, more leisurely breaks out of the urban jungle are expected. Motorhomes, which are built on pre-manufactured chassis, are a key money-spinner for Trigano. Despite a shortage of chassis supply from vehicle manufacturers for most of 2022 (due to global logistical snarls), Trigano has managed to keep revenues flat year on year. Last week, the company announced that chassis availability has improved significantly, setting up a strong 2023. Trigano looks attractive at a p:e of only eight and a dividend yield of 3%.

Woodside Energy

Formed last year from the merger of Woodside Petroleum and BHP's oil and gas assets, Woodside Energy has major extraction projects in Australia, the US, Senegal and the Caribbean. More than two-thirds of its carbon energy production is liquefied natural gas (LNG), which is greener than most other fossil fuels. While the unusually warm winter in Europe has brought temporary relief from Russia's chokehold on supplying LNG, prices remain elevated. This will ensure that Woodside generates strong cash flows into the foreseeable future, funding new growth projects and generous dividends to shareholders. One could describe Woodside as a "just transition" stock, and at a p:e of less than eight and a dividend yield of roughly 10%, it justifies being considered.

China MeiDong Auto

After starting with a single motor vehicle dealership in Dongguan in 1998, brothers Tao and Fan Ye listed their MeiDong Auto portfolio of dealerships on the Hong Kong Stock Exchange in 2013. Today, MeiDong Auto has 77 dealerships across China, representing luxury brands Porsche, BMW, Lexus and Audi. Fragile consumer confidence has dented local sales of luxury vehicles over the past year, though. The rise of impressive Chinese-brand electric vehicles has also dampened demand for the petrol-guzzling cars that MeiDong Auto sells. A further headwind is the end of state-sponsored vehicle subsidiaries, which expired at the end of 2022. Notwithstanding all of these challenges, the long-term growth profile of MeiDong Auto looks strong, and at a p:e of 17 and a dividend yield of 3.4%, we think the shares represent a good deal. **x**

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