

Sabvest Capital Ltd Apex Drives NAV Growth

Share Code: SBP - Market Cap: R3.6bn – Discount/NAV: 31%

12m Target Price	14540cps
Share Price	9475cps
Implied Return	53%

Financials | [South Africa](#)

H1:25 Results: Share buy-backs enhance growth

- Sabvest's Net Asset Value (NAV) grew +15% y/y versus H1:24 (or +3% versus FY 24), which, when combined with further accretive share buy-backs, saw NAV per share grow +5% to 13882cps (FY 24: 13213cps).
- H1:25 share buybacks amounted to R69.3m (FY 24: R59.9m), or 735,000 SBP shares at a VWAP of c.9429cps (well below NAV and wonderfully accretive).
- Importantly, valuation multiples were kept flat during the period, thus providing NAV growth of good quality.
- Strong growth in Apex Partners and continued momentum in the recovery in ITL Holdings more than offset some disappointing performance in Amicus, Narrowtex (part of SA Bias), and Halewood SA.
- The dividend was hiked +14% to 40cps (H1:24 – 35cps).

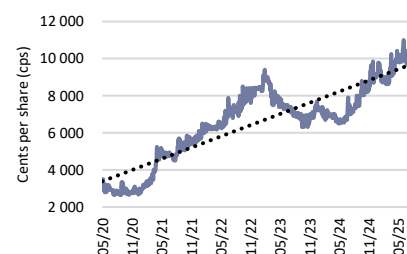
Thoughts: Momentum in H2:25E could rise

- We expect continued growth from Apex (particularly as it unlocks value from DRA), and we expect ITL Holdings' and Valemount's respective performances to pick up momentum through the remaining year.
- We also expect near-term recoveries in both Amicus (likely) & SA Bias' Flowmax (likely) with a medium-term upside in Valemount (probable) & Halewood (possible).
- Overall, though, we expect a good H2:25E performance from the Group's businesses and their resulting investment values in Sabvest's H2:25E NAV.

Valuation, 12m TP & Implied Return: Discounted

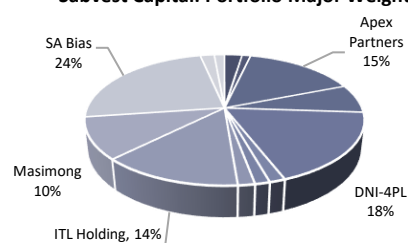
- We estimate that the share is currently trading at a c.31% discount to its current 13704cps NAV and—after including a HoldCo discount against this NAV of 10% (unchanged)—we believe that the share's fair value is around 12334cps (previously: 11798cps).
- Rolling our post-discount fair value forward, we see the Group's 12m TP as 14540cps (previously: 14017cps) with an implied return of +53% from these levels.
- Refer to our [Initiation of Coverage](#) for more background.

Sabvest Capital: Share Price



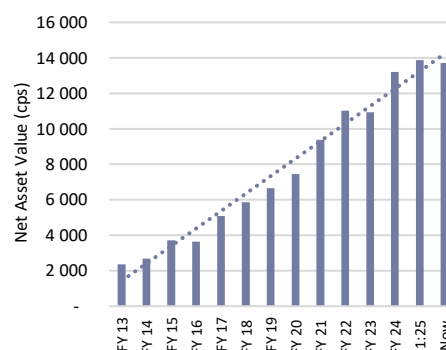
Source: Profile Media

Sabvest Capital: Portfolio Major Weightings



Sources: Sabvest & Blue Gem Research workings

Sabvest Capital: NAV History – Long & Impressive



Sources: Sabvest & Blue Gem Research workings

Financial Summary	FY 20	FY 21	FY 22	FY 23	FY 24	H1:25	Now*
Net Asset Value (cps)	7444cps	9371cps	11017cps	10936cps	13213cps	13882cps	13704cps*
Growth (% y/y)	12%	26%	18%	-1%	21%	5%	-1%
HEPS (cps)	709cps	1690cps	1722cps	(11)cps	2324cps	663cps	-
Growth (% y/y)	-23%	>100%	2%	<-100%	>100%	-20%	-
DPS (cps)	25cps	75cps	90cps	90cps	105cps	40cps	-
Growth (% y/y)	-67%	200%	20%	0%	17%	14%	-

Sources: Sabvest various reports & Blue Gem Research assumptions & workings; *Closing prices & exchange rates on 22 Aug 2025



<https://x.com/BlueGemResearch>



facebook.com/BlueGemResearch

NOTE: THIS IS COMMISSIONED RESEARCH – www.BlueGemResearch.co.za – View our [FAQ](#). Please refer to disclaimer at the end of this document and [here](#)



BLUE GEM RESEARCH

Table 1: Sabvest: Sum-of-the-Parts (SOTP)	Short Description	# / %	Valuation Methodology	Valuation	% of NAV
Listed Investments	-	-	-	R194.3m	4%
Corero Network Security Prospects: Satisfactory	LSE-listed DDOS-focussed cyber security group.	57.5m	Market price of shares (GBP16.65ps)	R131m	3%
Metrofile Holdings Ltd Prospects: Satisfactory	JSE-listed document & IT services group. See more details here: https://bluegemresearch.co.za/?cat=132	21m	Put/call option price (301cps)	R63.2m	1%
Unlisted Investments	-	-	-	R5,209m	101%
Apex Partners Prospects: Excellent	A specialised industrial Group with decentralised operations that primarily services the mining and power generation markets through offering engineering, construction, maintenance, and the supply of equipment and engineered products. The Group also holds a 30.9% interest in DRA Global.	40.6%	Normalized EBITDA x 5.5x (Previously: 5.5x)	R834m	16%
ARB Holdings (Pty) Ltd Prospects: Satisfactory	A distributor of electrical, lighting and related products to the mining, industrial, construction, parastatal, retail and domestic markets in Southern Africa. See our previous coverage on ARB for more details here: https://www.bluegemresearch.co.za/?cat=50 .	18.5%	Normalized EBITDA x 6.5x (Previously: 6.5x)	R379.7m	7%
DNI-4PL Contracts Prospects: Good	A Group offering technology, logistics and distribution services to the telecoms (and related industries), including all network operators in RSA, that entails sim card starter packs, airtime and handset distribution and technology platforms.	19.4%	Normalized EBITDA x 7.0x (Previously: 7.0x)	R974.1m	19%
Amicus (Pty) Ltd (Previously: Flexo) Prospects: Good	A manufacturer and distributor of high-quality injection moulded plastic products primarily for the spice and food industries globally.	20.2%	(Normalized EBITDA x 5.5x) - Net Debt (Previously: 5.5x)	R83.6m	2%
EWA Global Ltd Prospects: Excellent	Software-as-a-service (SaaS) that integrates with payroll systems to allow employees to access a portion of their earned wages before payday called 'Earned Wage Access' or 'EWA'.	11.3%	(Normalized EBITDA x 10.0x) - Net Debt	R78.5m	2%
Halewood Int. SA (Pty) Ltd Prospects: Challenging	A manufacturer of a wide range of premium award-winning alcoholic, non-alcoholic and RTD (Ready-To-Drink) beverages including brands such as Belgravia, Whitley Neill, Red Square, Caribbean Twist and Buffelsfontein.	19.0%	Normalized EBITDA x 7.25x (Previously: 7.25x)	R88.8m	2%
ITL Holdings Group Prospects: Excellent	Intelligent Labelling Solutions (ITL) is an international designer, manufacturer & distributor of apparel labelling & identification products, & supply chain management solutions including RFID. It has factories around the world and supplies to the clothing industry world-wide through multiple international retail group accreditations.	34.4%	(Normalized EBITDA x 9.0x) - Net Debt (Previously: 9.0x)	R744.7m	14%
Masimong Group Holdings Prospects: Good	An empowered investment company holding investments in Seriti Group, Mouton Citrus, Carmien Tea, Southern Cross Investment Holdings, Winfield United SA, amongst other investments (e.g. ARB, Rolfes).	9.0%	NAV based on Masimong internal valuation (Previously: NAV)	R555.3m	11%
SA Bias Industries (Pty) Ltd Prospects: Mixed	A Group that holds Flowmax & Narrowtex. In the UK and Europe, Flowmax manufactures, imports, services & distributes medium technology fluid handling equipment & systems, and solutions for heat control. Narrowtex is a South African manufacturer and exporter of narrow fabric products.	86.7%	(Normalized EBITDA x Multiple) - Net Debt with Floxmax & Narrowtex on 6.0x & 5.0x (Previously: 6.0x & 4.5x)	R1289.6m	25%
Sunspray Solutions Prospects: Satisfactory	Offers food ingredient solutions to South African manufacturers by supplying spray dried & blended powdered food & drink products & services.	11.1%	Latest Transaction Price (Previously: LTR)	R104.4m	2%
Valemount Trading Prospects: Good	Valemount is the largest manufacturer and distributor of bird seed and related products in the country, while also offering outsourced logistical services to independent pet product suppliers through its distribution centres.	39.3%	Normalized EBITDA x 6.0x (Previously: 6.0x)	R76.2m	1%
Other Items	-	-	-	(R246m)	-5%
Other assets	-	-	Per "Investment Holdings" disclosure	R97.7m	2%
Deferred Tax Liabilities	CGT raised on Sabvest's own balance sheet to offset the implied taxable gains on its investments (where applicable & not provided for by the individual investments themselves).	-	Per "Investment Holdings" disclosure	(R101.7m)	-2%
HoldCo Net Debt	-	-	Per "Investment Holdings" disclosure	(R241.7m)	-5%
Net Asset Value	-	-	-	R5,157.6m	100%
Less: "Investment Holding Discount"	The cost of maintaining & running Sabvest Capital Ltd	-	Net Present Value of estimated HoldCo costs	(R515.7m)	-10%
Sum-of-the-Parts (SOTP)	-	-	-	R4,641.8m	
<i>Ordinary shares</i>	-	-	<i>Net of shares bought back</i>	<i>37.6m</i>	
Fair Value per share (cps)			SOTP divided by the issued shares	12334cps	
Discount to share price (%)				30%	
12m Target Price (cps)			SOTP rolled-forward by Cost of Equity	14540cps	
12m Implied Return (%)				53%	

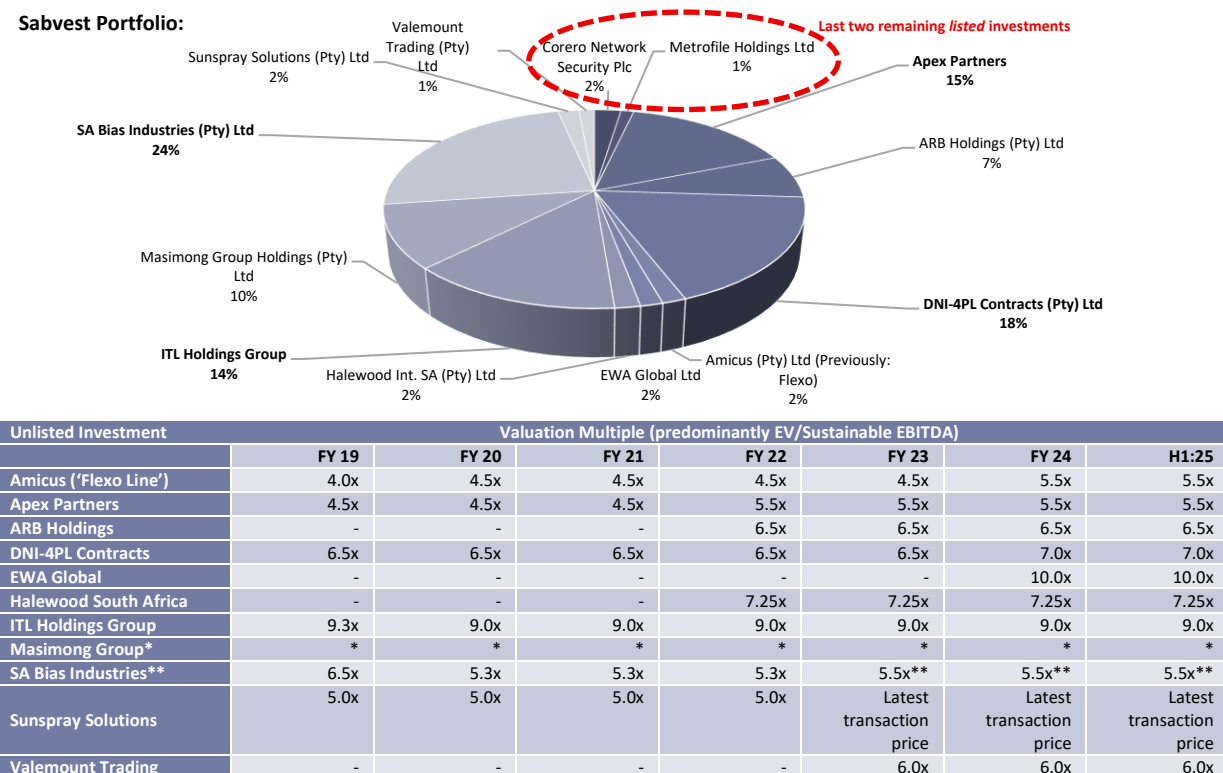
Sources: Sabvest various reports, Iress, Profile Media, & Blue Gem Research workings & assumptions (22 August 2025 closing prices & exchange rates)

Sabvest Capital H1:25 Results

Sabvest Capital (code: SBP) published its H1:25 results, adding to its steady track record of growth:

- The Group's Net Asset Value (NAV) grew +3% in six months from December 2024 or +15% when compared to H1:24 to R5.2bn (FY 24: R5.0bn) that, when combined with further accretive share buy-back activity that lowered the Group's share count to 37.6m (FY 24: 38.4m), saw NAV per share grow nicely by +5% to 13882cps (FY 24: 13213cps).
- Strong growth in Apex Partners and an encouraging recovery in ITL Holdings more than offset some disappointing performance in Amicus (previously 'Flexo Line'), SA Bias and Halewood, while the rest of the portfolio performed resiliently over a reasonably complex macro-economic environment.
- Importantly, valuation multiples were kept flat during the period, and thus, the change in valuation figures is representative of the underlying actual performance across the portfolio of mostly unlisted investments.
- Management hiked the interim dividend to 40cps (H1:24 – 35cps) and has an encouraging outlook on the underlying portfolio, which we tend to agree with.

Figure 1: Sabvest Portfolio – Updated Listed Prices (22 August 2025) & Unlisted Valuations (on 30 June 2025)



Sources: Sabvest, Iress, Profile Media, various company reports, & Blue Gem Research workings & assumptions; *Valuation performed by Masimong management predominantly based on Discounted Free Cash Flow methodology. **Average between subsidiaries' multiples (5.0x & 6.0x in FY 24).

- Share buybacks amounted to R69,3m (2024: R59.9m) at a VWAP of c.9429cps (below NAV and accretive) while the Group's central debt rose slightly. Still, good dividends of R128,5m (H1:24 – 109,2m) were paid to the Group from its underlying equity investments, and a coming (probable) realisation of Metrofile should see central net debt lower by the end of FY 25E.
- In H2:25, we expect continued growth from Apex (particularly as it unlocks value from its DRA acquisition), ITL and Valemount (and possibly Amicus) to gain momentum, and, hopefully, the post-period recovery in Flowmax (held by SA Bias) continues unabated. One point of concern is Narrowtex (also held by SA Bias), where near-term headwinds remain; however, these should be more than offset by the noted tailwinds across the portfolio.

Investee Company Updates & Analysis

Amicus (previously, ‘Flexo Line’): A holding company for [Flexo Line Products](#), the largest manufacturer of these products in the Southern Hemisphere, and Global Grinders, one of the five largest distributors of spice grinders and related products internationally (selling over 75m units annually to 41 countries).

Valuation Summary	H1:25	FY 24	FY 23	FY 22	FY 21	FY 20
%-held	20.2%	20.2%	47.5%	47.5%	47.5%	47.5%
Equity investment	R5.0m	R33.9m	-	-	R29.9m	R29.8m
EBITDA Multiple	5.5x	5.5x	4.5x	4.5x	4.5x	4.5x
Investment loans	R78.6m	R75.6m	R30.5m	R7.0m	R79.8m	R65.2m
Total Investment	R83.6m	R112.5m	R30.5m	R7.0m	R109.6m	R95.0m

- Operational Update:**

- The increased scale of Amicus’s operations significantly reduced concentration risk (with diversification of both the customer and supplier bases) and the optimisations and synergies between the companies in Amicus enabled what management describes as a ‘satisfactory performance’, albeit in difficult trading conditions as integration challenges were dealt with.
- Amicus’ reported lower revenues than originally projected, which tracks against an imperfect comparison in RFG Holdings (which holds Hinds herbs and spices – not separately disclosed) that reported a +3.5% y/y H1:25 revenue growth in its latest results.
- It is worth noting that Libstar Holdings (which holds Cape Herb & Spice) reported a +53% growth in its own-branded Cape Herb & Spice’s revenues in FY 24 driven by new international listings, expansion into new territories and new product launches.
- Thus, Amicus’s performance over this period is somewhat disappointing, but the real synergies from combining Flexo with Global Grinders could well crystallise over time, and we believe that the Group remains promising.

- Valuation:**

- Sabest kept Amicus’ multiple flat from the prior period, but the disappointing performance saw its equity value slip down to R5.5m (FY 24: R33.9m).
- This lines up with our above operational commentary and context, and we remain comfortable with this valuation.
- For relative valuation context, Amicus’ 5.5x EBITDA multiple ranks reasonably against RFG Holdings’ and Libstar’s 4.4x EV/EBITDA multiples on the JSE (both are less global than Global Grinders’ operations and have lower margins, more commoditised lines in their businesses).

Apex Partners – [Website](#)

Valuation Summary	H1:25	FY 24	FY 23	FY 22	FY 21	FY 20
%-held	40.6%	40.6%	45.3%	44.8%	44.8%	44.8%
Equity investment	R834m	R607.2m	R584.6m	R504.0m	R303.7m	R88.5m
EBITDA Multiple / Valuation Method	5.5x	5.5x	5.5x	4.5x	4.5x	At Net Asset Value
Debt & Preference shares	-	-	-	-	-	R40m
Total Investment	R834m	R607.2m	R584.6m	R504.0m	R303.8m	R128.5m
Ordinary dividends	R20.3m	R32.5m	R27.2m	R17.9	-	-
Annualized Dividend Yield (DY %)	c.4.9%	c.5.4%	4.7%	3.6%	-	-
JSE-listed Industrial Groups	Code	Dividend Yield (%)*	EV/EBITDA (x)*	Market Cap. (Rbn)*	52-week Total Return**	
Barloworld Ltd	BAW	4.4%	5.1x	R22bn	+31%	
The Bidvest Group Ltd	BVT	3.7%	7.6x	R83.4bn	-9%	
Hudaco Industries	HDC	5.7%	6.0x	R5.2bn	+5%	
Invicta Holdings	IVT	3.3%	3.3x	R3.2bn	+11%	
KAP Industrial Holdings	KAP	-	4.2x	R4.4bn	-44%	
Reunert Ltd	RLO	6.6%	5.1x	R8.7bn	-23%	

*As of close 22 August 2025 on the JSE Stock Exchange & sources being Profile Media, Iress and Koyfin; **As of close 22 August 2025 (Koyfin)

Business:

Apex is a specialised industrial holding company with decentralised operations servicing primarily the mining and power generation markets. The Group's major business units are ELB Equipment, CBZ Solutions, Letaba Pumps and TGS. These companies engage in activities including engineering, construction, operations, maintenance, and the supply of equipment and engineered products.

In addition, Apex owns 30,9% of DRA Global ([DRA corporate website](#)) and currently has an offer out to buy the rest of this company (for R930m or 3000cps).

- **Operational update:**
 - In H1:25, Apex's core businesses performed strongly, and management confirmed that these core businesses are growing *organically* at a good rate despite the lethargic South African macro-economy and its headwinds.
 - If we consider Hudaco as Apex's closest comparative, Hudaco's H1:25 results revealed reasonable trading in a lacklustre economy with turnover -2.4%, margins maintained or expanded and (comparable) earnings growing +6.1% y/y.
 - Against this comparative, Apex's performance is excellent, and we are growing in confidence regarding its prospects (see comments on DRA's potential below).
- **Valuation:**
 - Apex's valuation growth was the main driver of Sabvest's own NAV growth, as Apex's fair value in Sabvest's NAV grew +37% p/p to R834m (FY 24: R607m).
 - Given the above commentary and context that provide comfort around the Group's operational performance and given that Sabvest's valuation multiples remained flat for this period (5.5x), we are reasonably comfortable regarding Apex's valuation.
 - Furthermore, the peer set's EV/EBITDA ratios (above) average c.5.2x (with Hudaco's at 6.0x). Thus, Apex's 5.5x multiple is not out of synch with the general valuations of industrial supplies businesses in South Africa.
 - Finally, it is worth noting that DRA is currently being held in Apex's accounts as a *financial* asset (i.e. unconsolidated). If the current bid to buy out the rest of the DRA shareholders results in Apex gaining control of the company (odds appear high that it will), then Apex will begin to consolidate DRA's earnings into its own. Thus—from Sabvest's perspective—this consolidation should see a higher (sustainable) EBITDA being reported by Apex that (on a flat 5.5x multiple) could drive Apex's fair value even higher in Sabvest's NAV.

ARB Holdings: ARB is a distributor of electrical, lighting and related products to the mining, industrial, construction, parastatal, retail and domestic markets in Southern Africa. ARB Electrical Wholesalers is one of Southern Africa's largest distributors of electrical products in three main categories: power and instrumentation cable; overhead line equipment and conductors, and general low-voltage and solar power products. Eurolux and Radiant are leading distributors of energy-saving, LED, halogen and fluorescent lamps; light fittings; electrical accessories; cut cable and ancillary products, including fans and lighting components.

We covered ARB while it was listed and encourage you to read our detailed body of research on the Group ([LINK](#)). We consider it a well-run, high-quality business with good management.

Valuation Summary	H1:25	FY 24	FY 23	FY 22	FY 21
%-held	18.5%	18.5%	18.5%	18.5%	-
Equity investment	R189.3m	R194.8m	R228.0m	R13.9m	-
EBITDA Multiple	6.5x	6.5x	6.5x	6.5x	-
Investment loans	R190.4m	R190.4m	R129.3m	R236.3m	-
Total Investment	R379.7m	R385.1m	R357.4m	R250.2m	-
Dividends	R6.9m	R11.7m	R5.2m	-	-

- **Operational Update:**
 - Management reports that trading conditions remained difficult for the period, particularly in the lighting division and solar operations (both came off a high base on peak trading driven by peak loadshedding in previous periods).
 - Importantly—and central to the history of ARB’s operations—the Group remained strongly cash generative, has degeared, and continued to pay out a good dividend (putting it on an annualised Dividend Yield of 3.6% in Sabvest’s NAV).
- **Valuation:**
 - ARB’s flat fair value on an unchanged EBITDA multiple (6.5x) tracks its operational update, and the steady, consistent dividend flow from this investment all aid our comfort in its valuation.
 - It is worth noting, though, that the unbundling of the ‘National Transmission Company of South Africa’ from Eskom (i.e. Eskom’s *distribution* segment), along with the stabilisation of Eskom, may combine to lift investment across the electrical distribution sector in South Africa. While this may not occur and/or may take some time to crystallise, ARB (along with cable manufacturers like CBI-electric held by Reunert) would stand to benefit from this.
 - Thus, we remain optimistic of ARB’s medium-term prospects.

Corero Network Security Plc: LSE-listed DDoS-focused cybersecurity group.

Valuation Summary	At date of this report	H1:25	FY 24	FY 23	FY 22	FY 21
Shares held	57,500,000	57,500,000	57,500,000	51,000,000	50,000,000	47,000,000
Corero share price (GBP)	9.66	14.25	19.70	8.25	9.25	12.5
Fair value (GBP)	GBP5.6m	GBP8.1m	GBP11.3m	GBP4.2m	GBP4.6m	GBP5.8m
Fair value (ZAR)	R131.1m	R199.6m	R266.7m	R99.0m	R94.5m	R126.1m

- **FY 24 Financial Results:**
 - Revenue increased by 10% to \$24.6m in FY24, up from \$22.3m in FY23.
 - Gross Profit Margin improved to 91% in FY24, up from 90% in FY23.
 - EBITDA increased by 42% to \$2.5m in FY24, up from \$1.8m in FY23. The EBITDA margin was 10.2% in FY24, up from 8% in FY23.
- **H1:25 Trading Update:**
 - On 16 July, Corero reported a disappointing trading update in anticipation of their interim results.
 - While Annualised Recurring Revenue (ARR) grew by 25% year-on-year to \$21.6m (H1:24 - \$17.2m), revenue is expected to be only \$10.9m (H1:24 - \$12.2m) and EBITDA is likely to be a loss of \$1.4m (H1:24: profit of \$0.7m).
 - Details for this miss from management highlight a significant shift in customer decisions from upfront capex license sales to DDPaaS (DDoS Protection as-a-Service) solutions – i.e. shifting sales from a one-off sale to a c.3-year service contract (with the resulting shift in the revenue recognition). This negatively impacts immediate revenue and EBITDA recognition but improves long-term revenue visibility and retention rates.
 - **Management Guidance for FY 2025:**
 - **Revenue:** Expected to be between \$24.0m and \$25.5m (FY:24 - \$24.6m).
 - **EBITDA:** Expected to be between a \$1.5m loss and \$0m (FY24 - \$2.5m).
- **Valuation:**
 - As Corero is a listed investment, its valuation in Sabvest's NAV is based on its market price.
 - Unfortunately, its share price has fallen from this weak trading update and, so far, has continued to fall even further after the H1:25 period.
 - We will watch subsequent results closely for a recovery as the ARR revenue compounds in the Group’s base and it moves back to profitability.

DNI-4PL Contracts (Pty) Ltd – [Website](#) – [Management](#) – [News on Group](#)

Valuation Summary	H1:25	FY 24	FY 23	FY 22	FY 21	FY 20
%-held	19.4%	19.4%	19.7%	19.9%	19.1%	19.4%
Equity investment	R974.1m	R984.3m	R990.5m	R1,028m	R907.7m	R839.4m
EBITDA Multiple	7.0x	7.0x	6.5x	6.5x	6.5x	6.5x
Debt investment	-	-	-	-	-	-
Total Investment	R974.1m	R984.3m	R990.5m	R1,028m	R907.7m	R839.4m
Ordinary dividends received	R45.4m	R91.4m	R64.2m	R52.2m	R45m	.*
Special dividends received	-	-	-	R50.2m	R5.5m	.*
Total dividend received	R45.4m	R91.4m	R64.2m	R102.4m	R50.5m	.*
Annualized Dividend Yield (%)	c.9.3%	c.9.3%	6.5%	10.0% (or 5.1% ex. special div.)	5.6%	.*
JSE-listed comparatives**:	Dividend Yield	EV/EBITDA (x)	-	-	-	-
Blue Label Telecoms (JSE: BLU)	—	18.8x	-	-	-	-
Vodacom Group (JSE: VOD)	4.2%	6.4x	-	-	-	-
MTN Group (JSE: MTN)	2.2%	4.4x	-	-	-	-
Pepkor Holdings (JSE: PPH)***	1.9%	7.9x	-	-	-	-

* Not disclosed; ** As of Close 22 August 2025 on the JSE Stock Exchange via Profile Media & Koyfin; *** While the majority of Pepkor's group is retail, it owns FLASH which is amongst the largest telcos domestic distributors and, thus, imperfectly does offer us a glimpse at a comparative EV/EBITDA.

Business:

DNI provides technology, logistics and distribution services to the telecoms and related industries in emerging markets (though, currently predominantly South Africa), including SIM card starter packs, airtime and handset distribution and technology and value-added platforms and services.

The Group has four main segments (spread across a range of subsidiaries):

1. **Mobile Distribution:** Wholesaler and retailer of airtime, primarily through the **Sim Group** (4.5m subscribers and 18,000 points of presence).
2. **Hardware Distribution:** Imports, warehouses, distributes, and can preload with apps a range of name phones (e.g. Apple, Samsung & Nokia) and whitelabel cellphones (e.g. built for Pepkor and other retailers); predominantly operating through **3G Mobile** and **Evercomm**.
3. **Technology (Digico):** A range of technology-enabled mobile and app businesses with back-end platforms (**Digico**).
4. **Value-added Services:** A range of telcos-enabled value-added services.

H1:25 Financial Results:

Firstly—to provide context for the South African telcos sector—the following summarises the two largest telcos' latest results and a listed telcos distributor with a specific focus on each of their South African segments:

- **Vodacom (quarter-ended 30 June 2025):** Vodacom's South Africa service revenue grew +3.0% y/y supported by contracts, while prepaid actually *declined* over the period. Fibre and data grew strongly in South Africa and, importantly for Vodacom, the Maziv (fibre) deal passed further regulatory hurdles towards conclusion (fibre is an increasingly important hedge for mobile companies being disintermediated by mobile users doing VOIP calls over the wifi, e.g. WhatsApp).
- **MTN (quarter-ended 31 March 2025):** MTN South Africa's service revenue only grew by +2.6% y/y, and prepaid declined by -1.0% y/y (prepaid voice declined by -5.3% y/y). Management specifically highlights that in South Africa that "...customer behaviour within telecoms spend remained value

seeking and dynamic in the context of constrained economic growth and heightened competition in the sector.”

- **Blue Label Telecoms (FY 25 trading update):** While Blue Label has recently issued a strong trading update, its lack of details makes it fairly useless for our purposes. The Group is furthermore exploring unbundling and/or separately listing its Cell C associate.

Now, shifting to DNI-4PL's H1:25 performance:

- **Operational Update:**
 - Much like Vodacom and MTN's local services revenue pressure, DNI's traditional businesses were affected by softer demand in the telecoms industry, temporarily negatively impacting profit growth, although hardware had a reasonable year.
 - Despite this, DNI remains comfortably profitable, cash generative and paid a strong dividend (annualised Dividend Yield of c.9.3% in Sabvest's NAV).
- **Valuation:**
 - Sabvest's fair value of DNI was relatively flat (-1% p/p versus FY 24 – though, you need to “add” EWA Group to this fair value to get a Total Return view of how it has grown).
 - Sabvest kept it on a flat multiple (7.0x), which compares reasonably to the JSE-listed peers set (ranging from 4.4x to 18.8x and averaging 9.4x).
 - The valuation tracking operational (and other telcos' local segmental) results with the underpin of a strong dividend (i.e. cash in Sabvest's bank) makes us comfortable regarding this investment's fair value in Sabvest's NAV.

EWA Global

Valuation Summary	H1:25	FY 24	FY 23	FY 22	FY 21
%-held	11.3%	13.2%	-	-	-
Equity investment	R51.8m	R46.8m	-	-	-
EBITDA Multiple	10.0x	10.0x	-	-	-
Debt & Preference share investment	R27.1m	R27.1m	-	-	-
Total Investment	R78.5m	R73.9m	-	-	-

- **Operational Update:**
 - EWA Global is a technology business offering software-as-a-service (SaaS). Its service integrates with a client's payroll to allow employees to access a portion of their already earned wages/salary, known as earned wage access (EWA). In partnership with other investors, EWA Global acquired 71.49% of the PayMeNow Group ("PMN"), effectively externalising it from DNI-4PL.
 - The shareholding in the EWA Group changed during the period due to the acquisition of PayTime Australia from DNI and the introduction of new strategic and financial investors at a premium multiple (i.e. higher than Sabvest's fair value multiple of 10.0x for EWA). Sabvest Capital's subsidiary now holds an indirect interest of 11.33% in EWA Global, down from 13.2% previously.
- **Valuation:**
 - Sophisticated minorities paying a *higher* multiple than 10.0x to invest in EWA provides a comforting underpin to Sabvest's valuation of this investment (at a 10.0x multiple).
 - It is worth noting that Sabvest has kept its 10.0x multiple flat and—once we neutralise for Sabvest's percentage shareholding diluting—EWA's equity growing by c.28% from c.R355m (=R46.8m/13.2%) to c.R455m (=R455m/11.3%).
 - Given the current frothiness of the markets and, indeed, the fintech space (and limited comparability amongst the range of quite varied fintech peers), we do not think that a 10.0x

multiple for a business that grew c.28% in the last six months is a demanding valuation (placing the valuation on a simplistic Price-Earnings-Growth (PEG) ratio well below 1.0x).

Halewood South Africa – [website](#): Established in 1999, Halewood South Africa is a manufacturer of a wide range of alcoholic, non-alcoholic and RTD (Ready-To-Drink) beverages, including brands such as Belgravia, Whitley Neill, Red Square, Caribbean Twist and Buffelsfontein. It is also an importer of finished goods brands from the UK, France, Italy and Mexico.

Valuation Summary	H1:25	FY 24	FY 23	FY 22
%-held	19.0%	19.0%	19.0%	19.0%
Equity investment	-	-	-	-
Valuation methodology	EBITDA valuation multiple: 7.25x	EBITDA valuation multiple: 7.25x	EBITDA valuation multiple: 7.25x	EBITDA valuation multiple: 7.25x
Investment loans	R88.8m	R136.5m	R91.6m	R165.6m
Total Investment	R88.8m	R136.5m	R91.6m	R165.6m

- **Operational Update:**

- Halewood had a disappointing year, as it experienced weak trading from a negative product mix that drove softness in revenues and profitability. Management is exploring strategic opportunities to enhance revenue and profitability in the near term.
- While imperfect as a comparative, Anheuser-Busch Inbev SA (“ABInBev”) released their Q2:25 results ([link](#)) that showed “*continued momentum and market share gain delivered [in South Africa with] mid-single digit top- and bottom-line growth*”. ABInBev’s South African volumes grew by mid-single digits, which they estimate to have outperformed the industry in both beer and non-beer volumes.
- Thus, against ABInBev’s latest quarter, Halewood’s performance is somewhat disappointing and highlights the nuance in its sales mix whereby higher-margin white spirit consumers have been trading down to its lower-margin RTD products. Logically and per discussion with management, this trading down should reverse as consumer disposable income cyclically turns up. Given the recent interest rate cuts and expected future rate cuts, this may not be too far in the future. Albeit, management notes that prospects in the near-term here remain challenging.

- **Valuation:**

- We were wrong with our previous view that the coming period should see improvement, and, indeed, from the above commentary of weak trading, it is not surprising to see Sabvest’s fair value of this investment slip materially down to R88.8m (FY 24: R136.5m).
- Sabvest has kept Halewood’s multiple flat at 7.25x.
- If we consider larger, global branded alcoholic beverage multiples (EV/EBITDA Ratios: Diageo Plc 13.5x, Brown-Forman Corporation 12.5x, Heineken N.V. 9.5x & Anheuser-Busch InBev SA/NV 10.4x), we are comfortable with Halewood’s inclusion in Sabvest’s NAV at a 7.25x multiple.

ITL Holdings Group (Pty) Ltd – [Website](#)



Valuation Summary	H1:25	FY 24	FY 23	FY 22	FY 21	FY 20
%-held	34.4%	34.4%	34.4%	34.4%	34.0%	30.0%
Equity investment	R105.2m	R44m	-	R167.6m	R26.1m	R103.5m
EBITDA Multiple	9.0x	9.0x	9.0x	9.0x	9.0x	9.0x
Debt & Preference share investment	R639.6m	R678m	R499m	R618.9m	R585.1m	R551.6m
Total Investment	R744.8m	R722.0m	R499m	R786.5m	R611.2m	R655.0m

Business:

ITL Group (Intelligent Labelling Solutions) is a market-leading international designer, manufacturer and distributor of apparel labelling and identification products and supply chain management solutions, including [RFID](#).

The Group has factories and marketing offices in the United States, Canada, Mexico, the United Kingdom, Germany, China, India, Vietnam, Sri Lanka, Bangladesh, Hong Kong, Turkey, Mauritius, Madagascar and South Africa for supply to the clothing industry worldwide through multiple international retail group accreditations.

• Operational Update:

- As expected with our FY 24 note, ITL's new customers and sole supplier deals won contributed to this trading period (and we expect this contribution to become more pronounced in the H2:25E/FY 26E period). Furthermore, management has also improved operations and created cost efficiencies, aiding the Group's performance.
- Management notes that *"changing demand patterns, new customer wins and materially increased RFID demand are expected to result in higher revenues and profit levels going forward. ITL remains well positioned strategically, geographically and operationally relative to its competitors and has also initiated **an acquisition strategy** to further enhance global positioning and growth."*
- We have added our own **bold** emphasis above to highlight the inclusion of acquisitive optionality here.
- Note that management has not noticed any effect from tariffs yet, but remain vigilant.

• Valuation:

- The fair value of Sabvest's investment in ITL increased to R745m (FY 24: R722m), though the Group's recovery saw the *equity* component of this valuation more than double to R105m (FY 24: R44m) as the investment loans Sabvest has made into the business decreased to R640m (FY 24: R678m).
- The equity component tracks the operational recovery that we have seen over this (and the prior) period, and the flat 9.0x (unchanged) further aids our comfort here.
- To further build comfort around the use of this multiple, we compare it to global apparel-related valuations in **Table 2**.
- While **Table 2**'s comparisons are arguably weak for valuation purposes of ITL (who would, typically, supply *into* these businesses as opposed competing *with* them), this exercise does show the market multiples placed on the global apparel sectors and how ITL's 9.0x multiple remains at-to-below the broader average market multiples (c.12.7x is the average EBITDA multiple of this peer group with the median lying at 10.8x).

Table 2: Global Apparel Stock EV/EBITDA Multiples

	EV/EBITDA
Prada SpA	6.7x
Ermenegildo Zegna N.V.	6.9x
Levi Strauss & Co.	7.1x
Dr. Martens plc	8.9x
ITL Group (Sabvest's valuation)	9.0x
Kering SA	10.8x
Moncler SpA	12.1x
Nextracker Inc.	13.7x
Burberry Group plc	14.2x
Brunello Cucinelli S.p.A.	20.6x
Hermes International	29.4x
Average	12.7x (Previously: 12.5x)
Median	10.8x (Previously: 9.0x)

Sources: Koyfin and Blue Gem Research workings (22/08/2025)

Masimong Group Holdings: An empowered investment group that manages a diverse portfolio, including stakes in the Seriti Group (Seriti Power and Seriti Green), Mouton Citrus, Carmien Tea, and Southern Cross Investment Holdings (table grape and date farms), as well as in Winfield United South Africa (“WUSA”), a company providing specialised agricultural inputs (crop protection, plant nutrition, soil conditioning, fumigation, and seeds). Additionally, Masimong maintains a range of diversified interests, including investments in KWV (note the interesting linkage between this and Halewood), ARB Holdings (see our separate section detailing this group), Halewood (see our separate section detailing this group), Anchor Group, Anchor Stockbrokers, and Chemfin.

Valuation Summary	H1:25	FY 24	FY 23	FY 22	FY 21	FY 20
%-held	9.0%	9.0%	9.0%	10.0%	10.0%	10.0%
Equity investment	R555.3m	R527.8m	R475.8m	R452.5m	R296.2m	R172.1m
Valuation Methodology	At Net Asset Value	At Net Asset Value	At Net Asset Value	At Net Asset Value	At Net Asset Value	At Net Asset Value
Total Investment	R555.3m	R527.8m	R475.8m	R452.5m	R296.2m	R172.1m
Ordinary dividends received	R7.65m	R7.65m	-	R10.9m	-	-
Dividend Yield (%)	c.2.8%	1.4%	-	2.4%	-	-

- **Operational Update:**
 - Most of Masimong’s businesses performed satisfactorily during H1:25:
 - Despite Seriti’s export coal exposure providing some headwinds as shown by recent results issued by Exxaro Resources ([link](#); share price +14% over 6m on the JSE) and Thungela Resources ([link](#); share price -17% over 6m on the JSE), the majority of Seriti’s coal volumes are sold on a ‘cost-plus’ supply into Eskom and, thus, are protected against global coal market weakness. Likewise, Seriti Green’s wind power project is starting to contribute to the Group’s performance.
 - Beyond Seriti (which makes up the vast majority of Masimong’s portfolio), the rest of the businesses performed reasonably.
 - Thus, Masimong continues to generate strong cash flow, has a relaxed balance sheet, and paid out a dividend to its shareholders during the period.
- **Valuation:**
 - As mentioned earlier in this note, Masimong’s portfolio is independently fairly-valued (including minority & liquidity discounts, and deferred CGT tax) and, therefore, Sabvest accounts for this at NAV.
 - We consider this independent valuation robust and arms-length and, thus, remain comfortable with its value in Sabvest’s NAV.

Metrofile Holdings Ltd: JSE-listed group offering secure & digital storage, document solutions & related services. [See our research on the Group here.](#)

Valuation Summary	At date of this report	H1:25	FY 24	FY 23	FY 22
Number of shares held	21,000,000	21,000,000	21,000,000	57,000,000	56,000,000
MFL option/share price (cps)	301cps	301cps	301cps	300cps	350cps
Fair value (ZAR)	R63.2m	R63.2m	R63.2m	R171m	R196.0m

- **Performance & Commentary:** See [our recent results note on Metrofile here.](#)
- **Potential Delisting of Metrofile:**
 - Metrofile has issued SENS announcements advising that an unsolicited expression of interest has been received for all the shares in Metrofile and the company is engaging proactively with the potential offeror in this regard.
 - In a subsequent updated cautionary announcement, Metrofile disclosed the parties behind this solicited expression of interest, and, interestingly, they were *not* the same parties as

those that acquired the initial chunk of Metrofile shares from Sabvest and entered the put/call option with Sabvest for the remainder.

- This is material because, to make the offer to shareholders *attractive*, the external party will logically have to come in at a price *higher* than the Sabvest put/call strike price of 301cps – thus, with a 10~15% control premium, Metrofile could be delisted at 331cps ~ 346cps.
- We note this as a matter of interest, but from Sabvest’s perspective, the 301cps strike price is most likely the Group’s exit price.
- **Valuation:**
 - Given the existence of a Put/Call on the shares with a defined price, it is logical to value Metrofile in Sabvest’s NAV at this exercisable price.
 - This remains unchanged from the prior period.

SA Bias Industries (Pty) Ltd – [Website](#) – [History](#) – [Subsidiaries](#)

NARROWTEX

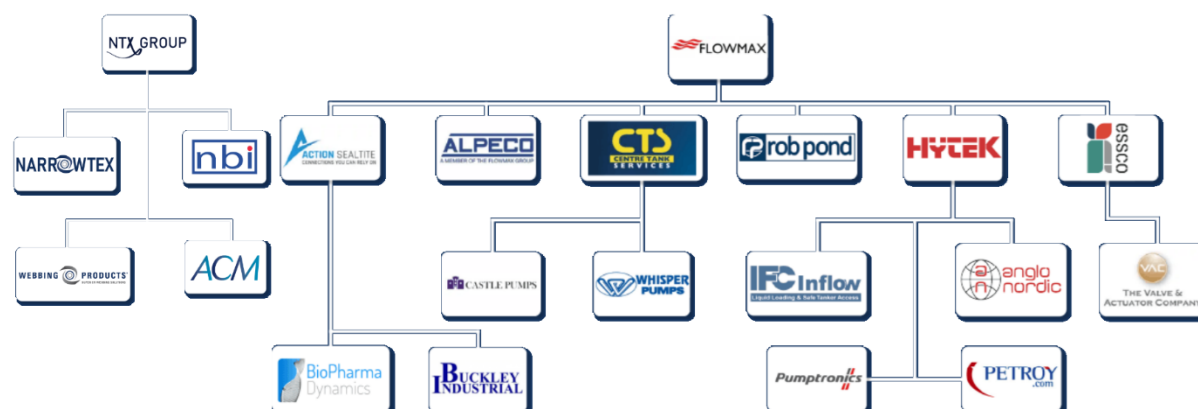
FLOWMAX

Valuation Summary	H1:25	FY 24	FY 23	FY 22	FY 21
%-held	86.71%	85.8%	85.2%	85.2%	85.1%
Equity investment	R1,289.6m	R1,279m	R1,270m	R1,018.9m	R906.3m
EBITDA Multiple	Flowmax at 6.0x, & Narrowtex at 5.0x	Flowmax at 6.0x, & Narrowtex at 5.0x	Flowmax at 6.0x, & Narrowtex at 5.0x	Flowmax at 6.0x, & Narrowtex at 4.5x	Flowmax at 6.0x, & Narrowtex at 4.5x
Debt & Preference share investment	-	-	-	-	-
Total Investment	R1,289.6m	R1,279m	R1,270m	R1,018.9m	R906.3m
Ordinary dividend received	R46.0m	R46.9m	R39.2m	R35.8m	R32.4m
Special dividend received	-	-	-	R8.5m	R88.2m
Total dividends received	R46.0m	R46.9m	R39.2m	R44.3m	R120.6m
Annualized Dividend Yield (%)	c.7.1%	3.7%	3.1%	4.3% (3.5% ex-special dividend)	13.3% (3.6% ex-special dividend)

Business:

SA Bias is a holding company for the following two groups:

- **NTX Group (“Narrowtex”):** A South African-based manufacturer and exporter of a range of narrow fabric products, including webbings, strapping, tapes and braids, and of lingerie components, elastics and accessories.
- **Flowmax Group:** Flowmax is a group of sixteen companies in the United Kingdom and Europe that manufacture, distribute and service fluid handling equipment, consumables and include heat management and control.



Source: SA Bias website

- **Operational Update:**

- Management report softer trading in both Flowmax and Narrowtex groups during the period:
 - The **Flowmax** businesses were fully exposed to the weaker United Kingdom (UK) and European markets during the period, though they remain well positioned for improved trading and growth as these economies recover (post-reporting period, management confirms that trading has started to recover). Management used this period to restructure two of its subsidiaries, add new product ranges, aid market diversification and improve group scale through two acquisitions – B&D Plastics (water and chemical pipes) and Hilec (heat and power systems).
 - **Narrowtex** experienced a reduction in export demand as a direct result of the change in ownership of a major customer, which moved its international sourcing away from RSA. Those volumes, however, are expected to return over a period. In addition, the implementation of US tariffs and low-cost product dumping into SA (predominantly from China) has had a significant impact on trading. The US tariffs and cheap product dumping are medium-term risks.
- Importantly, though, SA Bias continues to have a very liquid Group balance sheet and will continue with its acquisitive ambitions in the UK and Europe.

- **Valuation:**

- The fair value of Sabvest's investment in SA Bias increased marginally to R1,289.6m (FY 24: R1,278.6m), some Rand weakness likely helped to offset this softer operational performance in both Flowmax and Narrowtex.
- Flowmax is valued at 6.0x times and Narrowtex at 5.0x times maintainable earnings, both unchanged from the prior year.
- While SA Bias holds a complex and nuanced set of businesses, we simplistically compare its divisional valuations to what we believe are reasonable listed comparatives:
 - **Flowmax:**
 - Some listed peers show what relative valuation multiples are in this rather heterogenous part of the market:
 - IMI Plc (United Kingdom): EV/EBITDA of 13.6x (Previously: 11.7x)
 - Alfa Laval Corporate AB (Sweden): EV/EBITDA of 14.4x (Previously: 15.0x)
 - Flowserve Corporation (United States of America): EV/EBITDA of 11.4x (Previously: 11.3x).
 - This peer set's average EV/EBITDA is 13.1x (Previously: 12.7x).
 - Thus, Flowmax's 6.0x multiple appears materially discounted to these listed valuations.
 - **Narrowtex:**
 - While we cannot find compelling comparatives for Narrowtex's valuation, an EV/EBITDA of 5.0x inverted provides an implied earnings yield of c.20% (=1/5). This is sufficiently higher than the South African 10-year Government Bond (i.e., domestic risk-free rate; currently yielding 9.64%) that we are comfortable that there is an adequate margin of safety built into the valuation.
- Given the degree of discount to relatives noted above, we remain comfortable with the multiples applied to SA Bias' two segments and, thus, comfortable with SA Bias' own valuation in Sabvest's NAV, though do note some US-tariff related risks in Narrowtex's near-term performance, but think that the recovery in Flowmax post-period will likely offset this in SA Bias' *forward* valuation in Sabvest's FY 25E NAV.

Sunspray Food Ingredients: Offers food ingredient solutions to South African manufacturers by supplying spray-dried & blended powdered food & drink products & services.

Valuation Summary	H1:25	FY 24	FY 23	FY 22	FY 21
%-held	11.1%	11.1%	11.1% & 16.6% held-for-sale	27.7%	27.7%
Equity investment	R104.4m	R109.6m	R57.6m + R74.2m held-for-sale	R80.9m	R73.3m
EBITDA Multiple	Recent transaction price	Recent transaction price	Recent transaction price	5.0x	5.0x
Investment loans	-	-	R6.4m held-for-sale	5.7m	R5.2m
Total Investment	R104.4m	R109.6m	R138.2m	R86.6m	R78.5

- **Valuation:** In FY 24, Sabvest received R80.6m relating to this investment's partial exit, and has valued the remaining stake here at the recent transaction price (based on rights and formulated in the new shareholders' agreement). We do not argue against this and expect this investment to be realised into cash in the coming period(s).

Nutun Ltd (previously 'Transaction Capital Ltd'): JSE-listed group Nutun's CX and CE businesses. Note the corporate activity whereby We Buy Cars Holdings (JSE: WBC) has been unbundled from the Group into a separate JSE listing, the (effective) exit of SA Taxi and the Group renamed itself Nutun Ltd (JSE code: NTU).

Valuation Summary	At date of this report	H1:25	FY 24	FY 23	FY 22
Number of shares held	-	-	6,000,000	6,000,000	5,000,000
TCP share price (cps)	-	-	244cps	798cps	3310cps
Fair value (ZAR)	-	-	R14.6m	R47.8m	R165.5m

- Sabest sold the remaining Nutun shares in the market during the period and realised R11.4m (or c.190cps for the 6m NTU shares held).

Valemount Trading: [Website](#) – [History](#)



Valuation Summary	H1:25	FY 24	FY 22	FY 22
%-held	39.3%	39.3%	39.3%	39.3%
Equity investment	R51.2m	R58.7m	R30.5m	R19.5
Valuation methodology	EBITDA Multiple: 6.0x	EBITDA Multiple: 6.0x	EBITDA Multiple: 6.0x	At cost
Investment loans	R25.0m	R25.0m	R25.0m	R25.2m
Total Investment	R76.2m	R83.7m	R55.5m	R44.7m

- **Business:**
 - Valemount is a pet food and product manufacturer and supplier to leading retail chains, specialist pet stores and major co-ops in South Africa.
 - In particular, through its Westerman and Animal Zone brands, Valemount is the largest manufacturer and distributor of bird seed and related feeder products in the country
 - The expansion of its range of products supplied to the wider pet market is supported by its international partners, M-PETS, Beeztees and Pet Rebels.
 - Valemount's distribution centres also provide outsourced logistical services to numerous independent pet product suppliers.
- **Operational Update:**
 - With Sabvest's help, Valemount has progressed its acquisitive strategy and, during the period, acquired the businesses Complete Group (dog food), Montgomery's (dog biscuits) and Commix (bird seed). These acquisitions should begin contributing to revenues and profits in July/August 2025 (i.e. H2:25E).
 - Operationally, Valemount appears to have traded optically weaker due to the timing of debt for the above acquisitions (that have not yet contributed to its results) and due to the termination of a contract with a major logistics customer (which should result in a higher margin substitute logistics business contributing from FY 26E). Both seem like short-term one-off items that position the Group for a stronger, longer-term performance.

- We—and management—consider the prospects of this business as good.
- **Valuation:**
 - As noted above, the fair value of Sabvest's investment in Valemount Trading decreased slightly to R76.2m (FY 24: R83.7m), though Sabvest's multiple remained flat here (6.0x).
 - The fact that NYSE-listed Chewy Inc.'s EV/EBITDA of c.52.3x is considered fair by the market, a 6.0x multiple for Valemount is hardly demanding.

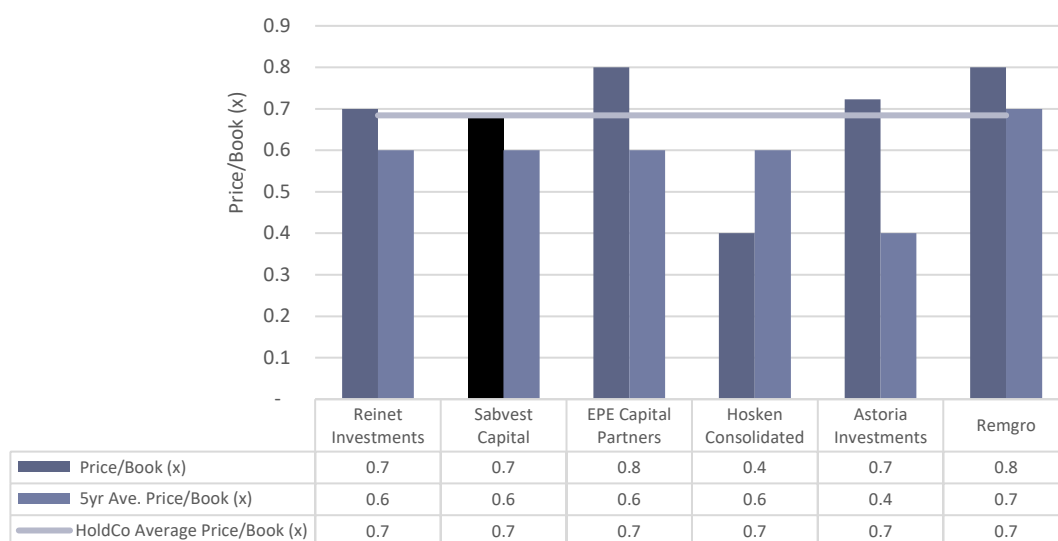
JSE-listed HoldCo Sector Snapshot

As in prior reports, we believe that comparing the underlying investments across the JSE-listed HoldCo sector would add little to this report. Thus, we have decided to focus on the market's *pricing* of these HoldCo stocks to try to glean some sectoral insights.

In previous notes, we highlighted a heterogeneous mix of discounts and returns. This is much less the case these days, and a lot of this has equalised across the sector. Some equalisation of HoldCo discounts-to-NAV (i.e. Price-to-Book) has come from the rerating of share prices up towards NAVs, some has come from writing NAVs down to share prices, and some has even come through delisting off our bourse (e.g. African Rainbow Capital).

Refer to **Figure 2** for more details.

Figure 2: JSE-listed HoldCo Sector – Price-to-Book (x)



Sources: Various company reports, Koyfin, and Blue Gem Research workings and assumptions (as of 22 August 2025)

Simplistically, the average Price-to-Book (x) ratio in the sector converges neatly on 0.68x, or a c.32% discount to NAV. This is not far from the longer-term running average (5-year) of c.0.67x, implying that the market is generally comfortable with this valuation level (albeit we would argue that this valuation level is dependent on interest rate movements and, thus, going forward may change as rates are likely to come down).

Interestingly, Sabvest's own discount is almost perfectly in line with the market's average and only slightly higher than Sabvest's own 5-year running average discount to book. Given Sabvest's strong track record in growing NAV, we find an "average" valuation somewhat strange.

Indeed, when casting our eye through most of the HoldCo sector on the JSE, there currently seems to be little premium or discount in the market for track record and value creation (i.e. capital allocation and growth in NAV).

We think this is quite cynical of the market...

We would argue that this *lack* of differentiation across the HoldCo valuations inherently offers opportunity. Logically, not all HoldCo's NAVs and their management teams are worth the same, and, thus, if all valuations are clustering around the mean, then *some* are likely mispriced by the market.

Valuation and 12m TP

Methodology

Our selected valuation methodology remains unchanged and is to build up an appropriate and fairly valued Sum-of-the-Parts (SOTP) for Sabvest Capital.

The starting point of this is to update any listed investments to their current (Rand-based) market price, and then to understand and assess the reasonableness of the unlisted investments and their respective valuations.

Finally, we aim to carve out the Group's central net debt, accumulated deferred tax on its investments and then calculate an appropriate discount (for the added HoldCo costs) to arrive at our view of *fair value* (i.e. not just NAV).

Net Asset Value of Sabvest

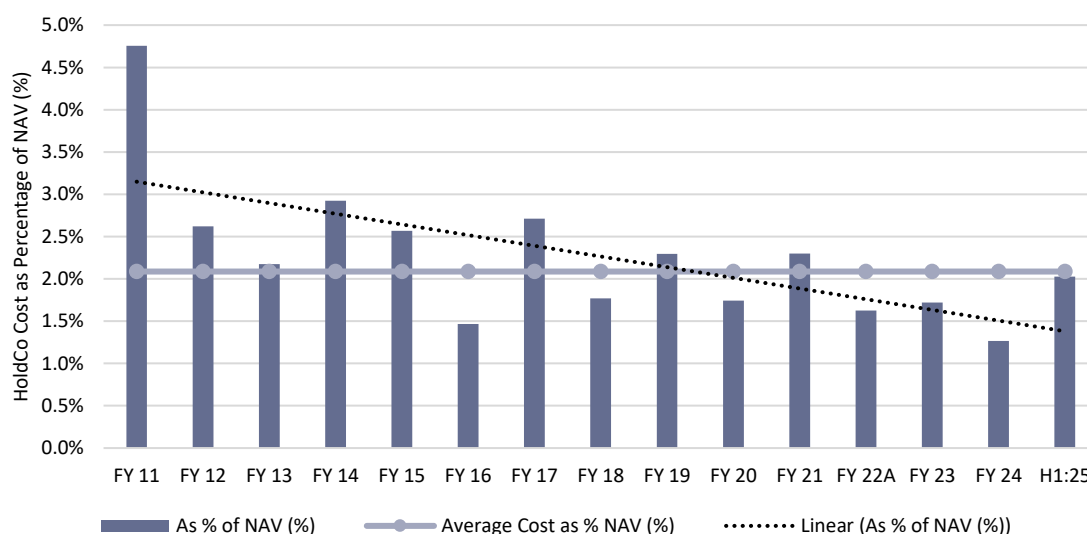
Refer to **Table 1** earlier in this report for a detailed breakdown of the Group's NAV, updated for current spot prices.

We estimate Sabvest Capital's current NAV to be R5.2bn (Previously: R5.0bn) or 13704cps (Previously: 13108cps), implying a current discount in the share price of c.31% (Previously: 31%).

Appropriate "HoldCo Discount"

Figure 3 shows Sabvest Capital's estimated central costs over time as a percentage of its NAV (we have annualized H1:25 period for this comparison). Importantly, note how this ratio is trending downwards over time as the Group's NAV growth outstrips any HoldCo central-cost inflation.

Figure 3: Sabvest Estimated Central Costs as % of NAV



Sources: Sabvest (various reports) and Blue Gem Research workings and assumptions

While some incentives (KPI's are Profit After Tax and NAV per share growth) can create some short-term distortions, the Group's average HoldCo costs are c.2.1% of its NAV (Previously: 2.1%). Over a shorter period, Sabvest's HoldCo costs average closer to c.2.0% (5~7-year average), which agrees with management's target of 1.5% to 2.0% per annum of gross assets over a rolling three-year period and forms a key basis for our HoldCo discount calculation below.

We have taken our estimate of central costs and present valued it at a reasonable listed small cap Cost of Equity (17.9%: $R_f = 9.64\%$, Equity Risk Premium = 5.5%, & Beta 1.5x) on a perpetuity basis. This NPV comes to a cost of R516m (previously: R503m) or c.10% (previously: 10%) of the Group's NAV.

Fairly Valued Sum-of-the-Parts (NAV less HoldCo Discount)

Sabvest Capital's (updated) NAV less our discount implies that the share is worth 12334cps (previously: 11798cps) or that it should be trading +30% *higher* than its current 9475cps share price.

12m TP and Implied Return

Using our assumed Cost of Equity and applying it to the post-discounted fair value, we arrive at a 12m TP of 14540cps (previously: 14017cps) for Sabvest Capital. This implies an attractive +53% return.

Key Risks to our Valuation

The key risks to our above valuation methodologies are:

- We urge you to read our [Initiation of Coverage](#) for more detail on Sabvest Capital, its management, target mandate and our baseline analysis of the company.
- The accuracy, reasonableness and ongoing performance of the Group's unlisted investments,
- The performance of the Group's investments and their own underlying businesses, &
- Any corporate actions across the Group's portfolio (buying, selling or restructuring underlying investments &/or any share buy-backs).

Disclaimer

NOTE: THIS IS COMMISSIONED RESEARCH – Confused by this report? View our [FAQ](#) and this disclaimer.

** Unless otherwise noted, market prices in this report are predominantly set to closing prices on 22 August 2025.*

Potentially a Commissioned Report

With reference to the disclosure contained within the ‘Disclosures*’ section below, it is possible that Blue Gem Research (Pty) Ltd has agreed with Sabvest Capital Ltd (here after referred to as ‘the Company’) for the inclusion of the Company in its coverage universe for a certain time period. Part of this agreement includes payment to Blue Gem Research (Pty) Ltd by the Company and, as such, Blue Gem Research (Pty) Ltd, any employees, contractors and/or analysts who worked on this report cannot be considered independent in any way. Thus, this is a commissioned report and cannot be considered financial advice, investment advice or any such similar material.

In the event that this is not a ‘Commissioned Report’, then all the usual disclaimers concerning independent research are applicable per industry norms.

Ownership of the Report

This report is the property of Blue Gem Research (Pty) Ltd but may be freely distributed so long as in the act of such a distribution no additions to, deletions from and modifications to this report are made. Furthermore, no party without the express permission of Blue Gem Research (Pty) Ltd may sell this report or make any direct form of compensation from the re-distribution thereof.

Frequency of Next Update

The frequency of new and/or updated report is left at the discretion of Blue Gem Research (Pty) Ltd. No guaranty or promise is made for any level of frequency or timeliness concerning an update or related report with regards to this report.

Disclosures*

- A. The analyst is an officer, board member, or director of Blue Gem Research (Pty) Ltd.
- B. The Company is a client of Blue Gem Research (Pty) Ltd (i.e. this is a Commissioned Report) and Blue Gem Research (Pty) Ltd has received money in exchange for the production of this report.
- C. Analyst holds long or short personal positions in a class of common equity securities of this company.

Sabvest Capital Ltd	B, C
---------------------	------

Financial Numbers, Forecasts, Valuations and other Assumptions

While every effort has been made by Blue Gem Research (Pty) Ltd to ensure the accuracy and integrity of the financial numbers, ratios, forecast, valuations and other quantitative and qualitative data in this report, Blue Gem Research (Pty) Ltd does not warranty or guaranty its accuracy. The reader relies on this data and information from this report at his/her own risk. Furthermore, in the case of forecasts and valuations, Blue Gem Research (Pty) Ltd wholly and completely cannot be held liable for any damage or loss caused by any individual, collection of individuals or business or any other party by said party acting or not acting based on the forecasts and valuation(s) included in this report. By their very nature, forecasts and valuations may not be accurate and, indeed, may be wholly and completely wrong.

General Opinion, Not Specific Advice

This report is prepared on a *per share* basis. Blue Gem Research (Pty) Ltd is therefore giving an opinion (and not financial advice) on a *per share* basis, which may or may not be applicable to the reader (or any person, entity or related person or entity). Blue Gem Research (Pty) Ltd lacks complete knowledge of any reader’s (or any person, entity or related person or entity) portfolios and/or individual circumstances and, therefore, any of Blue Gem Research (Pty) Ltd’s opinion(s) or implied opinion(s) are general in nature and not a specific recommendation or advice, nor can they be construed to be specific in nature. Hence, in no way is this report financial advice.

Legal Entities

To South African Residents: Blue Gem Research (Pty) Ltd is not an Authorised Financial Services Provider. This report is not financial advice, investment advice or any such similar material. **This report constitutes “marketing information”.** Blue Gem Research (Pty) Ltd and/or its employees and/or officers have no knowledge of any reader’s or readers’ financial position(s) and, hence, this cannot in any way be construed as direct or indirect advice leading any person or persons to act thereon. Any decision made or not made which can in any way be linked to this report is solely the responsibility of the party or parties making such a decision. I.e. Blue Gem Research (Pty) Ltd cannot be held liable for any result based on any decision that can be directly or indirectly linked to this report.

General

For the purposes of this report Blue Gem Research (Pty) Ltd refers to all employees of Blue Gem Research (Pty) Ltd. This research report is based on information from sources that Blue Gem Research (Pty) Ltd believes to be reliable. Whilst every care has been taken in preparing this document, no research analyst or employee or director of Blue Gem Research (Pty) Ltd gives any representation, warranty or undertaking and accepts no responsibility or liability as to the accuracy or completeness of the information set out in this document (except with respect to any disclosures relative to members of Blue Gem Research (Pty) Ltd and the research analyst/s involvement with any issuer referred to above. All views, opinions and estimates contained in this document may be changed after publication at any time without notice. Past performance is not indicative of future results. The investments and strategies discussed here may not be suitable for all investors or any particular class of investors; if you have any doubts you should consult your investment advisor. The investments discussed may fluctuate in price or value. Changes in rates of exchange may have an adverse effect on the value of investments. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Employees of Blue Gem Research (Pty) Ltd and/or their respective directors’ may own the investments of any of the issuers discussed herein and may sell them to or buy them from clients on a principal basis. This report is intended solely for clients and prospective clients of Blue Gem Research (Pty) Ltd and is not intended for, and may not be relied on by persons to whom this report may not be provided to by law. This report is for information purposes only. By accepting this document, you agree to be bound by the foregoing limitations and release Blue Gem Research (Pty) Ltd from any potential legal or otherwise liability.

NOT FOR DISTRIBUTION OUTSIDE OF SOUTH AFRICA OR ANY TERRITORY WHERE THIS MATERIAL MAY BE CONSIDERED ILLEGAL.