



Sabvest Capital Ltd Post-Period Investments Outshine Results

Code: SBP – Market Cap: R5.7bn – Discount to NAV: 10%

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12m Target Price	17344cps
Share Price	15105cps
Implied Return	15%

Financials | [South Africa](#)

H1:26 Results: Compounding

- Sabvest's Net Asset Value ("NAV") per share rose +5.2% over six months to 16940cps (FY 25: 16105cps) and +22.0% y/y (H1:25: 13882cps), which is c.+4.7% ahead of our own last published estimate of 16180cps.
- Only Amicus and Halewood disappointed, while the rest of the Group's investments performed well.
- Net interest-bearing debt fell to R122m (FY 25: R156.6m) offering balance sheet capacity for the post-period investments & current capital commitments.
- Management held the interim dividend held at 40cps (H1:25: 40cps).

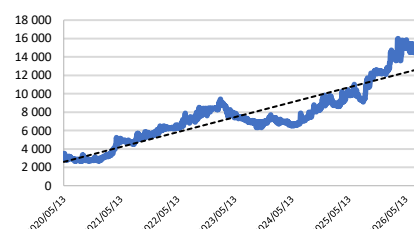
Thoughts: Two Major Deals Add to the Shape of NAV

- Post-period, ITL agreed to buy the massively synergistic, Swedish Rudholm Group and Sabvest (led by DNI) subscribed for R754m in Frogfoot, Vox and Hypa to gain a foothold in an exciting, fast-growing fibre enterprise.
- A strong Rand masked genuine operating progress at ITL and Flowmax, and Apex (28% of the portfolio) and SA Bias (22%) are around half of Group NAV, a concentration management itself flags.

Valuation & Implied Return: Priced Close to Fair Value

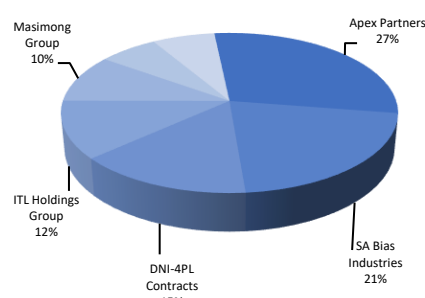
- We estimate current NAV at 16832cps (previously: 16180cps), against which the share trades at a c.10% discount (previously: 12%), though we have not considered any potential accretion or growth from the two large post-period investments noted above.
- Deducting a HoldCo discount of c.12% of NAV (previously: 10%) based on central costs, gives a fair value of 14839cps (previously: 14613cps).
- Rolling that forward at our Cost of Equity gives a 12m TP of 17344cps (previously: 17119cps) and an implied price return of c.+15% (previously: +20%), or c.+16% including the c.0.9% dividend yield. The persistent discount in the share price has closed, but from here the return should be led by our expected NAV growth.
- Refer to our [Initiation of Coverage](#) for more background.

Sabvest Capital: Share Price (cps)



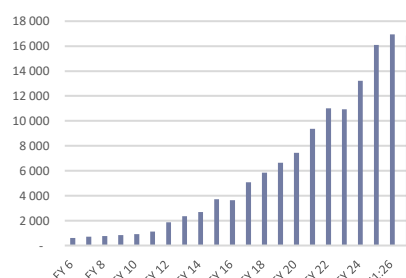
Source: Profile Media

Sabvest Capital: Portfolio Major Weightings



Sources: Sabvest & Blue Gem Research workings

Sabvest Capital: NAV History – Up-&-to-the-Right



Sources: Sabvest & Blue Gem Research workings

Financial Summary	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	H1:26	Now*
Net Asset Value (cps)	6648cps	7444cps	9371cps	11017cps	10936cps	13213cps	16105cps	16940cps	16832cps
Growth (% y/y)	14%	12%	26%	18%	-1%	21%	22%	22%	5%
HEPS (cps)	917cps	709cps	1690cps	1722cps	(11)cps	2324cps	2967cps	925cps	-
Growth (% y/y)	73%	-23%	>100%	2%	<-100%	>100%	28%	40%	-
DPS (cps)	75cps	25cps	75cps	90cps	90cps	105cps	130cps	40cps	-
Growth (% y/y)	10%	-67%	200%	20%	0%	17%	24%	0%	-

Sources: Sabvest various reports & Blue Gem Research assumptions & workings; *Intra-day prices & exchange rates on 28 August 2026



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BLUE GEM RESEARCH

Table 1: Sabvest: Sum-of-the-Parts (SOTP)		Short Description	# / %	Valuation Methodology	Valuation	% of NAV
Listed Investments		-	-	-	R93.7m	1%
Corero Network Security		LSE-listed DDOS-focussed cyber security group.	57,5m	Market price of shares (GBP7.5ps at GBP/ZAR 21.72)	R93.7m	1%
Prospects: Satisfactory						
Unlisted Investments		-	-	-	R6447.8m	102%
Apex Partners		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 53.1% controlling interest in DRA Global and the Financial Mail Group.	40.6%	Normalised EBITDA x 5.5x (previously: 5.5x)	R1,825m	29%
Prospects: Excellent						
ARB Holdings		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%	Normalised EBITDA x 6.5x (previously: 6.5x)	R434m	7%
Prospects: Satisfactory						
DNI-4PL Contracts		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%	Normalised EBITDA x 7.0x (previously: 7.0x)	R980m	15%
Prospects: Good						
Amicus		A manufacturer and distributor of high-quality injection moulded plastic products primarily for the spice and food industries globally.	20.2%	(Normalised EBITDA x 5.5x) less Net Debt (previously: 5.5x)	R53m	1%
Prospects: Satisfactory						
EWA Global		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%	(Normalised EBITDA x 10.0x) less Net Debt (previously: 10.0x)	R111m	2%
Prospects: Excellent						
Halewood Int. SA		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%	Normalised EBITDA x 7.25x (previously: 7.25x)	R49m	1%
Prospects: Challenging						
ITL Holdings Group		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. Post-period it has acquired the Rudholm Group.	34.0%	(Normalised EBITDA x 9.0x) less Net Debt (previously: 9.0x)	R774m	12%
Prospects: Excellent						
Masimong Group Holdings		An empowered investment company invested in Seriti Group, Mouton Citrus, Carmien Tea, Southern Cross Investment, Winfield United SA, amongst other investments (e.g. ARB, Rolfes).	9.1%	Attributable Net Asset Value (Masimong internal, mostly DCF) (previously: NAV)	R652m	10%
Prospects: Good						
SA Bias Industries		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/exporter of narrow fabrics.	87.4%	(Normalised EBITDA x Multiple) less Net Debt: Flowmax 7.0x & Narrowtex 5.0x (previously: 6.0x & 5.0x)	R1,413m	22%
Prospects: Challenging (Narrowtex) / Good (Flowmax)						
Sunspray Solutions		Offers food ingredient solutions to South African manufacturers by supplying spray-dried and blended powdered food and drink products and services. Reclassified as held-for-sale during the period; put and call rights are intended to be exercised in 2027.	11.1%	Recent Transaction Pricing (previously: RTP)	R91m	1%
Prospects: Satisfactory						
Valemount Trading		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%	Normalised EBITDA x 6.0x (previously: 6.0x)	R64.8m	1%
Prospects: Good						
Other Items		-	-	-	(R213m)	-3%
Other net assets & cash		Other net assets and cash on hand held across the Group, net of Sabcap Ltd company-level liabilities.	-	Per "Investment Holdings" disclosure	R159m	3%
Deferred Tax Liabilities		CGT raised on Sabvest's own balance sheet to offset the implied taxable gains on its investments (where applicable)	-	Per "Investment Holdings" disclosure	(R245m)	-4%
HoldCo interest-bearing borrowings (gross)			-	Per "Investment Holdings" disclosure	(R126m)	-2%
Net Asset Value		-	-	-	R6,329m	100%
Less: "Investment Holding Discount"		The cost of maintaining & running Sabvest Capital Ltd	-	Net Present Value of estimated HoldCo costs	(R749m)	-12%
Sum-of-the-Parts (SOTP)					R5,579m	
Ordinary shares		Ordinary shares net of treasury shares (the Z share carries the control vote only)			37,6m	
Fair Value per share (cps)				SOTP divided by the issued shares	14839cps	
Premium/(discount) of share price to fair value (%)				-	-	
12m Target Price (cps)				SOTP rolled-forward by Cost of Equity	17344cps	
12m Implied Price Return (%)				-	15%	

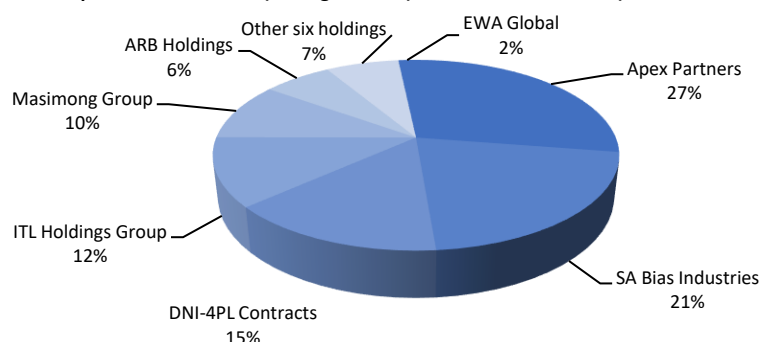
Sources: Sabvest various reports, Iress, Koyfin, Profile Media, & Blue Gem Research workings & assumptions (28 August 2026 intra-day prices & exchange rates)

Sabvest Capital H1:26 Results

Sabvest Capital Ltd (code: SBP) reported H1:26 results in which the portfolio kept compounding and the balance sheet kept de-gearing. This has provided the capacity to, post-period, allow management to geared it up again for a major new and exciting investment in fibre that should appear in the next period's NAV:

- **Net Asset Value:** Net Asset Value (“NAV”) per share rose +5.2% over the six months to 16940cps (FY 25: 16105cps) and +22.0% y/y (H1:25: 13882cps), lifting shareholders’ funds to R6,369.4m (FY 25: R6,055.6m). A continuation of the Group’s impressive track record of compounding NAV.
- **Dividend:** An unchanged interim dividend of 40cps (H1:25: 40cps), payable on 14 September 2026.
- **Cash Flow & Debt:** Net interest-bearing debt fell to R122.2m (FY 25: R156.6m) (H1:25: R241.7m). The Group prepaid the R20m term loan due 31 May 2027 and the R60m term loan due 30 June 2027, halving term loans from R160m to R80m. Utilisation under transactional guarantees given for investees fell to R126.0m (FY 25: R194.9m) (H1:25: R539.0m).
- **Portfolio Activity:** R68.3m was received for the 21m Metrofile shares taken out under the buyout scheme at 325cps, and the Group was released from the related R114.9m facility guarantee. Sunspray (R91.5m) was reclassified as held-for-sale ahead of a put and call intended to be exercised in 2027. The ITL holding was restructured into a direct interest and reduced to 34.0% (FY 25: 34.4%) following an issue of shares to management, while buybacks at investee level lifted the Group’s stakes in SA Bias to 87.4% (FY 25: 86.5%) and in Masimong to 9.1% (FY 25: 9.0%).
- **Post-period Activity:** Arguably more important than these results, on 11 August 2026 ITL agreed to acquire Sweden’s Rudholm Group, & on 24 August 2026 the Group announced a R754m subscription into Frogfoot, Vox and Hypa. Both are dealt with under “Post-Period Transactions” later in this report.

Figure 1: Sabvest Portfolio – Updated Listed Prices (28 August 2026) & Unlisted Valuations (on 30 June 2026)



Major Unlisted Investment	Valuation Multiple (predominantly EV/Sustainable EBITDA)						
Year:	FY 20	FY 21	FY 22	FY 23	FY 24	FY 25	H1:26
Apex Partners	4.5x	4.5x	5.5x	5.5x	5.5x	5.5x	5.5x
ARB Holdings	-	-	6.5x	6.5x	6.5x	6.5x	6.5x
DNI-4PL Contracts	6.5x	6.5x	6.5x	6.5x	7.0x	7.0x	7.0x
EWA Global	-	-	-	-	10.0x	10.0x	10.0x
ITL Holdings Group	9.0x	9.0x	9.0x	9.0x	9.0x	9.0x	9.0x
Masimong Group*	*	*	*	*	*	*	*
SA Bias Industries**	5.3x	5.3x	5.3x	5.5x**	5.5x**	5.5x**	6.0x**
Valemount Trading	-	-	-	6.0x	6.0x	6.0x	6.0x

Sources: Sabvest, Iress, Koyfin, 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 25; H1:26 - 5.0x & 7.0x).

- **Outlook:** Management expects continued satisfactory performances from most investees and therefore further growth in NAV per share to the end of FY 26E (we tend to agree, though we would note that the Rand has not yet given back what it took, but the ITL/Rudholm deal may offset some of this).
- **Bottom line:** A good six months of compounding (+5.2% NAV growth delivered while the Rand appreciated) followed by two post-period transactions that are considerably more interesting than the interims themselves & should positively impact on NAV in coming periods from both their own growth potential and some future deal optionality that come from these bold moves.

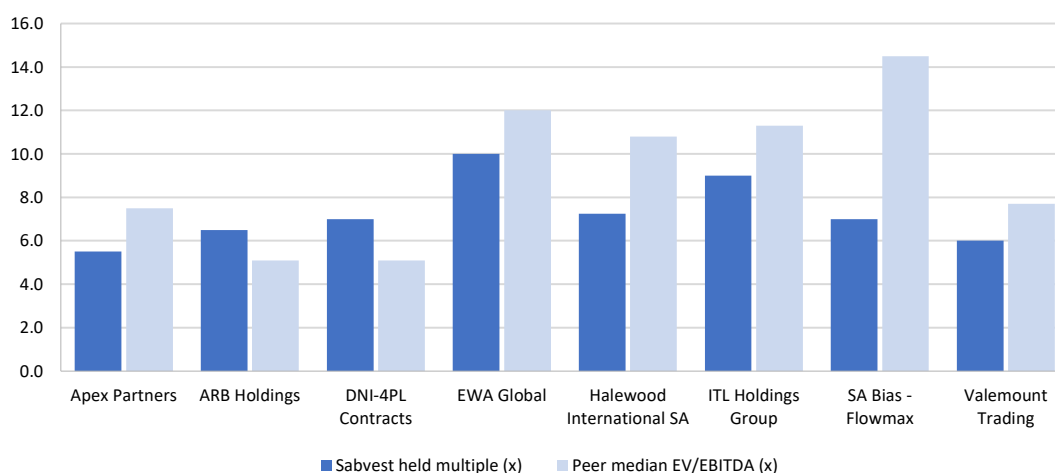
General Observations

Unlisted valuations look reasonable-to-conservative

Every EBITDA multiple in the portfolio is unchanged except SA Bias' Flowmax, which management raised from 6.0x to 7.0x in response to what they describe as materially higher multiples in recent United Kingdom industrial transactions and Flowmax's larger scale following some 15~17 acquisitions.

On balance, six of the eight investees for which a listed comparable set exists are carried *below* their peer median: Flowmax at 7.0x against flow-control peers at c.14.5x, Halewood at 7.25x against global beverage peers at c.10.8x, Apex at 5.5x against a (mostly) South African industrial and mining-engineering median of c.7.5x, Valemount at 6.0x against the c.7.7x that RCL Foods recently paid for Martin & Martin, ITL at 9.0x against a labelling and identification peer median of c.11.3x, and EWA at 10.0x against payroll and payments peers at c.12.0x.

Figure 2: Sabvest Capital's Investee Multiples versus Blue Gem Peer Set Medians/Mean (where appropriate)



Investee	Sabvest multiple (x)	Listed peer set	Peer median/Mean EV/EBITDA (x)
Apex Partners	5.5x	The Bidvest Group 7.5x; Hudaco 5.1x; Invicta Holdings 4.3x; GR Engineering Services 17.1x; Lycopodium 13.6x	7.5x
ARB Holdings	6.5x	Bidvest 7.5x; Hudaco 5.1x; Invicta 4.3x	5.1x
DNI-4PL Contracts	7.0x	Vodacom 5.7x; MTN 4.4x; Cell C 4.5x; Pepkor 6.2x	c.5.1x
EWA Global	10.0x	ADP 17.4x; Paychex 15.9x; Fiserv 6.9x; Edenred 8.0x	c.12.0x
Halewood International SA	7.25x	Diageo 10.9x; Brown-Forman 12.1x; Heineken 9.9x; AB InBev 10.7x	c.10.8x
ITL Holdings Group	9.0x	Avery Dennison 11.3x; Brady 12.9x; CCL Industries 10.6x	11.3x
SA Bias - Flowmax	7.0x	IMI 13.7x; Alfa Laval 17.8x; Flowserve 14.5x	14.5x
SA Bias - Narrowtex	5.0x	No close listed comparable	-
Valemount Trading	6.0x	Chewy 18.3x; RCL Foods/Martin & Martin transaction c.7.7x	c.7.7x

Sources: Sabvest various disclosures, various listed company disclosures, Koyfin, Profile Media, and Blue Gem Research analyst workings & assumptions

Only two are carried above: ARB Holdings at 6.5x and DNI-4PL at 7.0x, both against c.5.1x, and DNI-4PL. But, the relatively minor premiums, the underlying quality of the businesses and the steady dividend flows from these businesses along with Sabvest's consistent valuation multiples aid our comfort with these valuations.

Rand strength is obscuring offshore value

The Group translates foreign investments at the closing rate on the reporting date, and ZAR/USD closed at 16.38 (FY 25: 16.61) (H1:25: 17.79) which is a c.7.9% appreciation year-on-year. Management is explicit that ITL and Flowmax "performed well but the valuations were impacted by the strong Rand." That is a translation effect on businesses that are trading better, not an operating problem, and it should reverse when the currency does. Said differently, a portion of the operating progress at the two largest offshore investees is currently invisible in the Rand NAV and should reappear on any Rand weakness.

Management has raised concentration as a risk

In aggregate, Apex Partners (c.28% of the portfolio, c.29% of NAV) and SA Bias (c.22%) are *half* the Group's portfolio. Management notes plainly that at these levels they are “*theoretically potential concentration risks*”, but also highlights that *this risk is somewhat mitigated by the spread of businesses inside each of these already diversified groups*.

We accept the argument as Apex alone spans ELB Equipment, Tractor and Grader Supplies, Elephant Lifting Equipment, Letaba Pumps, a controlling stake in DRA Global and the Financial Mail Group, while SA Bias holds a double-digit number of Flowmax companies, Narrowtex and a liquid investment 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](#), the fourth largest distributors of spice grinders and related products internationally (selling over 75m units annually to 41 countries).

Valuation Summary	H1:26	FY 25	FY 24	FY 23	FY 22	FY 21
%-held	20.2%	20.2%	20.2%	47.5%	47.5%	47.5%
Equity investment	-	-	R33.9m	-	-	R29.9m
EBITDA Multiple	5.5x	5.5x	5.5x	4.5x	4.5x	4.5x
Investment loans	R52.9m	R55.8m	R75.6m	R30.5m	R7.0m	R79.8m
Total Investment	R52.9m	R55.8m	R112.5m	R30.5m	R7.0m	R109.6m

- **Operational Update:**
 - The synergies from the Flexoline and Global Grinders combination have been slower to realise than expected because of various obstructions.
 - Management remains firm that they will be realised and that the business has positive prospects at the larger scale.
- **Valuation:**
 - Sabvest has kept Amicus' multiple flat, but the business's disappointing performance saw its equity value remain at nil.
 - This lines up with our above operational commentary and context, and we remain comfortable with this valuation.

Apex Partners Holdings – [Website](#)

APEX PARTNERS HOLDINGS

Valuation Summary	H1:26	FY 25	FY 24	FY 23	FY 22	FY 21
%-held	40.6%	40.6%	40.6%	45.3%	44.8%	44.8%
Equity investment	R1,825m	R1,809.2m	R607.2m	R584.6m	R504.0m	R303.7m
EBITDA Multiple / Valuation Method	5.5x	5.5x	5.5x	5.5x	4.5x	4.5x
Debt & Preference shares	-	-	-	-	-	-
Total Investment	R1,825m	R1,809.2m	R607.2m	R584.6m	R504.0m	R303.8m
Ordinary dividends	R24.4m	R32.5m	R32.5m	R27.2m	R17.9	-
Annualised Dividend Yield (DY %)	c.2.7%	c.5.4%	4.7%	3.6%	-	-
JSE-listed Industrial Groups	Code	Dividend Yield (%)*	EV/EBITDA (x)*	Market Cap. (Rbn)*		
The Bidvest Group	JSE: BVT	3.9%	7.5x	R79.9bn		
Hudaco	JSE: HDC	5.1%	5.1x	R5.5bn		
Invicta Holdings	JSE: IVT	6.6%	4.3x	R3.0bn		
GR Engineering Services	ASX: GNG	3.9%	17.1x	R13.0bn		
Lycopodium	ASX: LYL	2.7%	13.6x	R9.9bn		
Average		4.4%	7.5x	R22.3bn		

Sources: As of intra-day 28 August 2026, on the JSE Stock Exchange & sources being Kayfin, Profile Media, & Iress

Business:

Following the prior period uplift in Apex's size from the DRA acquisition, the Group has continued to perform. Below is a non-exhaustive list of its major subsidiaries:

- **ELB Equipment:** Sells and maintains heavy machinery for mining and construction.
- **Tractor and Grader Supplies (TGS):** Provides replacement parts for heavy machinery.
- **Elephant Lifting Equipment:** Designs and builds specialised gear for hoisting and moving heavy loads.
- **Letaba Pumps:** Sells and rents out various industrial pumps for water and waste.
- **DRA Global:** A globally present, well-established engineering group that plans and operates mining projects from start to finish with a business model and billing cycle that is more *service-oriented* than many of the more product-driven sales of the other businesses in the Apex group.

For more information on this increasingly important investment of Sabvest's, we encourage you to explore Apex's website: [Apex Operating Model](#).

- **Operational Update:**
 - In our FY 25 note we flagged that a full twelve months of DRA Global consolidation should lift Apex's fair value in FY 26E. We were wrong as Apex's carrying value rose only +1% to R1,824.9m (FY 25: R1,809.2m), even as Apex's own interest in DRA rose to 53.1% (FY 25: 50.7%), lifting Sabvest's look-through interest in DRA to c.21.6%. We were wrong on this timing, though *still* consider the Group well-positioned for continued growth (both organic & acquisitive).
 - Management note that Apex's core businesses and associates as having performed very strongly with excellent prospects.
 - Interestingly, management offer us a look-through to Apex's balance sheet and note that the Group currently has a net cash balance sheet. Besides the comfort in an ungeared centre, the Group's acquisitive nature implies that there is potential for activity here. Management have already built a 6% stake in JSE-listed Stefanutti Stocks and there is a large, probably-accretive pool of remaining minorities in DRA Global. All this optionality is not reflected in the NAV of Apex but we note it here.
- **Valuation:**
 - Against a refined peer set that average a 7.5x EV/EBITDA, we feel that Apex's ungeared balance sheet, good operational performance and 5.5x multiple are comfortable.

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 body of research on the Group ([LINK](#)).

Valuation Summary	H1:26	FY 25	FY 24	FY 23	FY 22
%-held	18.5%	18.5%	18.5%	18.5%	18.5%
Equity investment	R243.6m	R219.5m	R194.8m	R228.0m	R13.9m
EBITDA Multiple	6.5x	6.5x	6.5x	6.5x	6.5x
Investment loans	R190.4m	R190.4m	R190.4m	R129.3m	R236.3m
Total Investment	R434m	R409.8mm	R385.1m	R357.4m	R250.2m
Dividends	R8.2m	R16.0m	R11.7m	R5.2m	-

- Operational Update:**
 - The [net cash balance sheet](#) remains intact and management report that the business is trading well.
 - Management notes that the collapse in solar photovoltaic sales after the end of loadshedding in and around 2023 (visible in [Hudaco's own write-down of its solar business](#) in its latest results) knocked both ARB's solar sales line and its stock on hand, and from this low-base the Group has now recovered.
 - Looking forward, Eskom's unbundling of generation from distribution should drive a ramp-up in legacy distribution (i.e. cabling) spend; Bidvest's Voltex has specifically flagged this as an opportunity, and we would expect it to be available to ARB directly or indirectly through the same bidders.
- 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 aid our comfort the valuation.

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

Valuation Summary	At date of this report	H1:26	FY 25	FY 24	FY 23	FY 22
Shares held	57,500,000	57,500,000	57,500,000	57,500,000	51,000,000	50,000,000
Corero share price (GBP)	7.50	10.75	9.55	19.70	8.25	9.25
Fair value (GBP)	GBP4.3m	GBP6.2m	GBP5.5m	GBP11.3m	GBP4.2m	GBP4.6m
Fair value (ZAR)	R94m	R134.3m	R122.6m	R266.7m	R99.0m	R94.5m

- Financial Performance:**
 - Corero Network Security PLC's (LON: CNS) most recent financial performance based on their H1:26 update saw:
 - Revenue surged by 42%,
 - Importantly, Annual Recurring Revenue (ARR) increased by 12%,
 - Bookings grow by 14%, and
 - All this drove EBITDA from a \$1.4m loss to a \$2.6m profit.
 - This strong first half reflects robust demand for their DDoS protection solutions, driven by tightening cyber-resilience regulations and key contract wins, including a recent Tier 1 US telecom contract.
 - This builds on their solid FY 2025 results, which saw a 23% jump in ARR to \$23.9 million.
- Valuation:**
 - As Corero is a listed investment, its valuation in Sabvest's NAV is based on its market price.
 - A weak share price has been further hindered by a strong Rand over the current period and, perhaps, it not fully reflective of the evolution of this business.
 - We expect this smaller, listed investment to be exited in due course as Sabvest focuses on its larger, unlisted portfolio companies.

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

Valuation Summary	H1:26	FY 25	FY 24	FY 23	FY 22	FY 21
%-held	19.4%	19.4%	19.4%	19.7%	19.9%	19.1%
Equity investment	R980.2m	R917.6m	R984.3m	R990.5m	R1,028m	R907.7m
EBITDA Multiple	7.0x	7.0x	7.0x	6.5x	6.5x	6.5x
Debt investment	-	-	-	-	-	-
Total Investment	R980.2m	R917.6m	R984.3m	R990.5m	R1,028m	R907.7m
Ordinary dividends	R34.3m	R139.0m	R91.4m	R64.2m	R52.2m	R45m
Total dividend received	R34.3m	R139.0m	R91.4m	R64.2m	R102.4m	R50.5m
Dividend Yield (ann. %)	7.0%	c.15.1%	c.9.3%	6.5%	5.1%	5.6%
JSE-listed comparatives**:	Code	Dividend Yield	EV/EBITDA (x)	-	-	-
Blue Label Unlimited	JSE: BLU	10.7%	-	-	-	-
Vodacom Group	JSE: VOD	5.0%	5.7x	-	-	-
MTN Group	JSE: MTN	2.7%	4.4x	-	-	-
Cell C Ltd	JSE: CCD	0.0%	c.4.5x****	-	-	-
Pepkor Holdings***	JSE: PPH	2.7%	6.2x	-	-	-

* Not disclosed; ** As of intra-day 28/08/2026 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; **** Estimated normalized by the analyst post-various adjustments.

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 and, more recently, handset financing.

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 but now also includes DNI Retail, Switch Mobile and VSPC.
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 (now also including Retail Mobile Solutions).
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.

Note DNI's participation in the Frogfoot/Vox/Hypa ("Fibre Enterprise") acquisition as a bold move into the fibre sector.

- **Operational Update:**
 - DNI's core business has been broadly stable, which in a South African telcos market where both pre- and post-paid have been under pressure is itself a quality signal (stripping out the African growth, both MTN and Vodacom's recent results allude to this local pressure).
 - Larger than these results, DNI is part of the consortium that, post-period, has invested into the Fibre Enterprise, which we break down and discuss in a separate section of this note.
 - Management is clear that DNI has sufficient balance sheet and debt capacity to fund its own participation in the fibre transaction (see later in this note) while maintaining its standard dividend, so the dividend flow into Sabvest is not at risk from the capital outlay.
- **Valuation:**
 - Sabvest has kept DNI on a flat multiple (7.0x), which compares somewhat richly to the JSE-listed peers set (averaging c.5.1x) but this is backed by dividend quality and more than offset by its high Dividend Yield (DY) of c.7% against a capital-intensive listed telcos sector where Vodacom, MTN Group and Pepkor all have materially lower DY's (2.7~5.0%).

EWA Global (unbundled out of DNI-4PL)

Valuation Summary	H1:26	FY 25	FY 24	FY 23	FY 22
%-held	11.3%	11.3%	13.2%	-	-
Equity investment	R84m	R73.1m	R46.8m	-	-
EBITDA Multiple	10.0x	10.0x	10.0x	-	-
Debt & Preference share investment	R27m	R27.1m	R27.1m	-	-
Total Investment	R111m	R100.2m	R73.9m	-	-

- Operational Update:**

- EWA stands for “Earned Wage Access” and acts as a technology business offering Software-as-a-Service (“SaaS”) whereby it integrates with a client’s payroll to enable that client’s employees to access a percentage of already earned wages/salary.
- The business’s revenues continue to grow exponentially as the platform is adopted in new territories, and there has been strategic acquisition activity alongside it.
- Given the market caution around an explosion of fintech-based alternative credit services, we have to distinguish the EWA model from Buy-Now-Pay-Later (BNPL) lending: in EWA the credit risk sits with the employer (B2B), typically a large corporate, rather than with the employee, because the wages have already been earned but not yet paid. The collapse in Klarna’s share price is therefore *not* the read-across into the prospects and/or risks in EWA.

- Valuation:**

- EWA’s 10.0x multiple has remained flat across the period and, thus, its valuation growth is backed by underlying profitable growth, we remain comfortable with the valuation uplift.
- Furthermore, an (imperfect) scan of multiple listed players' stock shows how this 10.0x multiple is appropriately discounted against larger, listed EWA businesses (though we admit that it is hard to compare these various groups to EWA or get any real comparative):

Company	Ticker	Sector	EV/EBITDA Multiple (c.12m range & today)
Automatic Data Processing	NASDAQ: ADP	Payroll/HR Tech (EWA is a minor portion of this group)	17.1x
Paychex	NASDAQ: PAYX	Payroll/HR Tech	15.9x
Fiserv	NYSE: FI	Fintech/Payments	6.9x
Edenred	EPA: EDEN	Employee Benefits	8.0x
Range & Average			c.12.1x

- While admittedly not great listed comparisons (most EWA players are unlisted), we do think that EWA Group’s flat-10x multiple is a reasonable (if somewhat conservative) valuation measure.
- Given the pace of profitable growth in this business and the large potential addressable market (employers and employees everywhere), we remain optimistic about this investment’s prospects in Sabvest’s NAV.

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.

Summary	H1:26	FY 25	FY 24	FY 23	FY 22
%-held	19.0%	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	EBITDA valuation multiple: 7.25x
Investment loans	R49.1m	R71.1m	R136.5m	R91.6m	R165.6m
Total Investment	R49.1m	R71.1m	R136.5m	R91.6m	R165.6m

- **Operational Update:**

- Halewood's carrying value fell -32% in six months to R49.1m (FY 25: R72.1m) and is now purely investment loans, with the equity carried at nil.
- This reflects that trading remains hostage to South Africa's illicit liquor trade, swings in product mix and industry cyclicality (all currently headwinds). None of these have turned around from the prior period and, admittedly, this business has performed poorly.
- Management has replaced key management and, while there is potential to turn it around and its brands hold value, we will reserve our judgement until this is reflected in the numbers.

- **Valuation:**

- Considering larger, global branded alcoholic beverage multiples (EV/EBITDA Ratios: Diageo Plc 10.9x, Brown-Forman Corporation 12.1x, Heineken N.V. 9.9x & Anheuser-Busch InBev SA/NV 10.7x), we are comfortable with Halewood's inclusion in Sabvest's NAV at a 7.25x multiple, though note that the equity portion has been written to nil and the value at risk here is purely loan capital into the business.
- This is the sole investment in Sabvest's portfolio that we are less than enthusiastic about its prospects, but do note that none of our reasons is due to Halewood, specifically. Rather, our caution centres on the weak prospects of the *entire* alcoholic beverage market.

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



Valuation Summary	H1:26	FY 25	FY 24	FY 23	FY 22	FY 21
%-held	34.0%	34.4%	34.4%	34.4%	34.4%	34.0%
Equity investment	R228.3m	R151.5m	R44m	-	R167.6m	R26.1m
EBITDA Multiple	9.0x	9.0x	9.0x	9.0x	9.0x	9.0x
Debt & Preference share investment	R545m	R555m	R678m	R499m	R618.9m	R585.1m
Total Investment	R773.7m	R706.5m	R722.0m	R499m	R786.5m	R611.2m

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:**

- The Group delivered robust revenue and profitability for H1:26; this marks a solid turnaround (communicated previously by management and delivered over this period), driven by broad-based market recoveries that are offsetting historical sector headwinds.
- ITL is successfully capitalizing on sector recoveries with strong fundamental execution.
- The pivot toward M&A indicates management's confidence in their balance sheet and future growth, though the valuation of their offshore portfolio remains sensitive to ZAR fluctuations.
- Bigger than the continued recovery in ITL, was its post-period acquisition of the Rudholm Group: see our commentary on this in a separate section of this note.

- **Valuation:**

- A stronger Rand (ZAR) created a notable currency headwind, negatively impacting the translated valuation of the group's offshore entities. That said, optically reversing the strong currency and considering that operation turnaround that the Group has reported, the

growth in the equity component is tracking performance with a flat multiple applied. These all lend comfort to the underlying valuation of the Group.

- 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.14.1x is the average EBITDA multiple of this peer group with the median lying at 10.5x).
- Overall, we are comfortable with ITL valuation, positive on its prospects, and **we are very excited about potential acquisitive upside from the Rudholm acquisition with clear, distinct and low-hanging synergies for the enlarged Group**.

Table 2: Global Apparel Stock EV/EBITDA Multiples

Company	EV/EBITDA
Levi Strauss & Co.	6.8x
Dr. Martens plc	7.1x
Prada SpA	7.7x
ITL Group (per Sabvest valuation)	9.0x
Ermenegildo Zegna N.V.	9.5x
Burberry Group plc	9.6x
Moncler SpA	11.4x
Kering SA	11.5x
Brunello Cucinelli S.p.A.	15.9x
Hermes International	20.6x
Mulberry Group plc	41.0x
Average	14.1x
Median	10.5x

Sources: Koyfin and Blue Gem Research workings (28/08/2026)

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 (which appears to be bucking the headwinds in the alcoholic beverage sector), ARB Holdings (see our separate section detailing this group), Halewood (see our separate section detailing this group), Anchor Group, Anchor Stockbrokers, and Chemfin. Masimong is part of the Fibre Enterprise deal too.

Valuation Summary	H1:26	FY 25	FY 24	FY 23	FY 22	FY 21
%-held	9.1%	9.0%	9.0%	9.0%	10.0%	10.0%
Equity investment	R652.1m	R600.6m	R527.8m	R475.8m	R452.5m	R296.2m
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	R652.1m	R600.6m	R527.8m	R475.8m	R452.5m	R296.2m
Ordinary dividends received	-	R7.65m	R7.65m	-	R10.9m	-
Dividend Yield (%)	-	c.1.3%	1.4%	-	2.4%	-

- Management report that most of Masimong's holdings continued to perform satisfactorily during the period.
- 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.
- Note that **Masimong is part of the DNI-led consortium investing into the Fibre Enterprise**.

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

Valuation Summary	H1:26	FY 25	FY 24	FY 23	FY 22
%-held	87.4%	86.5%	85.8%	85.2%	85.2%
Equity investment	R1,413.4m	R1,306.5m	R1,279m	R1,270m	R1,018.9m
EBITDA Multiple	Flowmax at 7.0x, & 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 5.0x	Flowmax at 6.0x, & Narrowtex at 4.5x
Debt & Preference share investment	-	-	-	-	-
Total Investment	R1,413.4m	R1,306.5m	R1,279m	R1,270m	R1,018.9m
Ordinary dividend received	R62.2m	R97.6m	R46.9m	R39.2m	R35.8m
Special dividend received	-	-	-	-	R8.5m
Total dividends received	R62.2m	R97.6m	R46.9m	R39.2m	R44.3m
Annualised Dividend Yield (%)	4.4%	c. 7.5%	3.7%	3.1%	4.3% (3.5% 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 companies in the United Kingdom and Europe that manufacture, distribute and service fluid handling equipment, consumables and, increasingly, also focus on heat management and control (and more recently building condition monitoring).



Source: SA Bias website

- **Flowmax (UK): Resilient Output & Multiple Expansion**
 - **Trading Context:** Operating in a tough UK macro environment characterized by weak economic growth, Middle East-driven supply chain/inflationary pressures, and delayed client capex within these sluggish regional construction sectors.
 - **Performance:** Despite these headwinds, most of the portfolio is delivering growth, and prospects remain solid as the business is well-positioned for an economic upcycle.
 - **Valuation:** Interestingly, the valuation multiple has been upwardly revised from 6.0x to 7.0x, justified by the group's expanded operational scale and materially higher precedent transaction comps in the UK (IMI Plc, Alfa Laval AB and Flowserve Corporation collectively trade at an average EV/EBITDA of 15.3x with none of them trading on a single-digit multiple).

- **Narrowtex (South Africa): Challenging Domestic & Tariff Environment**
 - **Local Headwinds:** Domestic sales are underperforming due to depressed industrial demand, aggressive low-cost product dumping (primarily from China), and margin compression from oil and raw material price shocks. Unfortunately, we do not see these reversing in the short-term.
 - **Export Dynamics:** US and Canadian demand have been stifled by ongoing US tariff policy uncertainty, negatively impacting competitiveness and margins. However, overall export sales still improved meaningfully against FY25, and management expects demand to normalize once tariff structures settle with some prior clients starting to positive re-engage the business.
- **SA Bias (HoldCo): Pristine Balance Sheet & M&A Optionality**
 - The parent company (SA Bias) maintains a highly liquid, conservative balance sheet with material cash reserves and zero net debt.
 - This unlevered position provides significant optionality for continued acquisitions, particularly targeting the UK and European markets. The liquid Sabias Investments portfolio continues to track satisfactorily against benchmarks.
- **Valuation:**
 - As noted in Flowmax's section above, management has lifted the multiple applied from 6.0x to 7.0x, but this remains about *half* of what listed peers trade and, thus, we do not consider it any cause for concern.
 - With Narrowtex remaining on a flat multiple, we see SA Bias's overall valuation as stable and somewhat conservative.

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

Valuation Summary	H1:26	FY 25	FY 24	FY 23	FY 22
%-held	11.1%	11.1%	11.1%	11.1% & 16.6% held-for-sale	27.7%
Equity investment	R91.5m	R102.0m	R109.6m	R57.6m + R74.2m held-for-sale	R80.9m
EBITDA Multiple	Recent transaction price	Recent transaction price	Recent transaction price	Recent transaction price	5.0x
Investment loans	-	-	-	R6.4m held-for-sale	5.7m
Total Investment	R91.5m	R102.0m	R109.6m	R138.2m	R86.6m

- This investment is valued at the expected exit price (as per an agreed-upon formula), has been reclassified as Held-for-Sale and management have communicated that they intend to exercise this exit option during 2027.

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



Valuation Summary	H1:26	FY 25	FY 24	FY 22	FY 22
%-held	39.3%	39.3%	39.3%	39.3%	39.3%
Equity investment	R39.8m	R31.4m	R58.7m	R30.5m	R19.5
Valuation methodology	EBITDA Multiple: 6.0x	EBITDA Multiple: 6.0x	EBITDA Multiple: 6.0x	EBITDA Multiple: 6.0x	At cost
Investment loans	R25.0m	R25.0m	R25.0m	R25.0m	R25.2m
Total Investment	R64.8m	R56.5m	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.
 - 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.
- Finally and, in execution of its strategy, Valemount has acquired the Complete Group (dog food), the business of Montgomery's (dog biscuits) and the business of Commix (bird seed) in the prior period.
- **Operational Update:**
 - Valemount's carrying value recovered +15% to R64.8m (FY 25: R56.5m) but remains below H1:25's R76.2m with its trough being at the end of FY 25:
 - The cause is worth understanding:
 - Valemount is historically a bird-seed business whose distribution centres also carried third-party logistics for other pet-product suppliers, and a largest *external* logistics customer that operated in the *dog* market.
 - It's recent acquisitions (Complete Group (dog food), Montgomery's (dog biscuits) and Commix (bird seed)) triggered the cancellation of that logistics contract, likely due to the competing nature of its new investments.
 - While creating a short dip in the business's performance, management has been successful in refilling the freed logistics capacity with non-competing clients at what should be better margins, though not at full utilisation until 2027/28, of which some of this started coming through in this interim period.
- **Valuation:**
 - As noted above, the fair value of Sabvest's investment in Valemount Trading began recovering to R64.8m (FY 25: R56.5m) with Sabvest's multiple remained flat here (6.0x).
 - The fact that NYSE-listed Chewy Inc.'s EV/EBITDA of c.18.3x is considered fair by the market, a 6.0x multiple for Valemount is hardly demanding.

Post-Period Transactions

Two major transactions were announced after Sabvest's interim reporting date. Neither is reflected in the valuation in this report, but we are highlighting them herein as their effect on *future NAV* may be material.

The Fibre Enterprise: Investing in Frogfoot, Vox and Hypa

On 24 August 2026 the Group announced that its wholly-owned subsidiary, Sabvest Finance and Guarantee Corporation, has undertaken to subscribe R754m for new shares in Frogfoot Holdings and Vox Telecommunications Holdings, giving it an interest of not less than 8.97% in the companies:

- **Frogfoot** is an open-access fibre network operator and the fourth-largest such operator in South Africa,
- **Vox** is a national internet service provider, and
- **Hypa**, owned by Vox, sells prepaid fibre broadband into lower-income households.

The subscription forms part of a broader composite transaction that is effective 1 October 2026 (conditional on conditions precedent being fulfilled by 24 September 2026), and will be funded entirely from new term bank debt on Sabvest's balance sheet. That said, it is notable that DNI-4PL will be leading this consortium which will include Masimong and, thus, Sabvest's *see-through* exposure to the Fibre Enterprise will be larger than just its direct investment (c.13% *see-through* shareholding is expected).

Table 3: The Fibre Enterprise: Transaction Terms and Sabvest's See-Through Interest

Detail	Amount
Sabvest Capital cash subscription for new shares in Frogfoot and Vox	R754m
Enterprise value ascribed to Frogfoot, Vox and Hypa (Sabvest disclosure)	R14.4bn
Implied combined after-debt equity value	R8.4bn
Implied net debt in the companies	R6.0bn
Sabvest Capital's direct interest in the companies	8.97%
DNI Consortium interest in the companies	34.8%
DNI-4PL's own direct interest in the companies	18.13%
Sabvest Capital's interest in DNI-4PL	19.4%
Sabvest Capital's look-through interest via DNI-4PL	+3.52%
Sabvest Capital's direct plus look-through interest via DNI-4PL	12.49%
Management's guided total see-through interest (including Masimong – Sabvest disclosure)	c.13%
Implied see-through equity exposure at c.13% of R8.4bn	c.R1,092m
Pro forma Sabvest Capital net interest-bearing debt after funding	c.R876m
Pro forma net debt as a percentage of Net Asset Value (comfortably serviceable)	c.14%

Sources: Sabvest Capital SENS announcement "Investment by Sabcap in Frogfoot, Vox and Hypa" (24 August 2026); Sabvest Capital H1:26 interim results (21 August 2026); Trading Economics for the South African prime lending rate (July 2026); and Blue Gem Research workings and assumptions.

Some observations from our perusing of this deal and implied in **Table 3**:

- The Group's direct 8.97% plus 3.52% held through its 19.4% of DNI-4PL gives 12.49%, and management's guidance of a c.13% total see-through interest implies a further c.0.5% through the balance of the consortium, which includes Masimong and Draper Gain International. On R8.4bn of equity value that is c.R1.09bn of see-through exposure against R754m of cash out of Sabvest's own balance sheet. The remaining c.R338m is not "free" — it is bought by DNI-4PL and Masimong from their own resources and debt capacity, of which Sabvest owns 19.4% and 9.1% respectively. It is a reallocation of assets the Group already owns rather than incremental value, and it comes with a caveat: DNI is carried at 7.0x normalised EBITDA, so any acquisition debt DNI raises to fund its own participation will not be readily visible in Sabvest's NAV, albeit management maintains that DNI's balance sheet and dividend can comfortably handle this additional gearing.
- This is a unique bet on a market that "...the industry spent a decade ignoring". Abraham van der Merwe, who will lead the businesses (reported by TechCentral), says that South Africa's affluent suburbs amount to roughly 4.5m households and are now largely fibred, while the townships hold between 12m and 15m homes on census data of which fewer than 2m have fibre. Furthermore, the economics of fibre are driven by density (i.e. more houses and people per square kilometre of fibre laid), and townships are actually denser than suburbs. The results is a fall in the cost per home passed and, in turn, this permits a lower retail price (which aligns with the lower LSM groups living here). This lower cost is aided by the fact that most of the cable are laid *above* ground in these regions. The stated operational target is to lift Frogfoot from roughly 80,000 connections a year to 360,000 within twelve months with this capital injection being a key enabler to meet this aggressive target.
- Finally, (and somewhat backwards looking and potentially less relevant due to structural and disclosure reasons) we must note that the Fibre Enterprise does not yet appear profitable. On the latest audited financial statements to 31 August 2025 Frogfoot and Vox together reported a negative Net Asset Value of R665m and a Loss After Tax of R256m. Buyers of infrastructure at this stage of a build-out are buying into a proven model, experienced management team and an aggressive capital programme, but not (yet) earnings. Albeit, discussions with Sabvest management leads us to believe that the long-term profitability of these assets could be significant.

While not a perfect comparison, the nearest deal that can be compared to this is Vodacom's acquisition of an interest in Maziv (Vumatel and Dark Fibre Africa), whose terms Remgro published in July 2025 and which was implemented on 1 December 2025:

Table 4: Comparable Transaction: Vodacom’s Acquisition of an Interest in Maziv

Detail	Amount
Maziv equity valuation	R38.8bn
Maziv net debt	R20.9bn
Maziv enterprise value	R59.6bn
Maziv EBITDA	R5.2bn
Implied EV/EBITDA multiple	11.49x
Agreed Transaction Equity Value under the July 2025 amended terms	R36.0bn
Floor price on Vodacom’s call option over further Maziv shares	R48.0bn

Sources: Remgro Limited, “Project Lindt: Maziv/Vodacom merger terms update” investor presentation (21 July 2025), valuation parameters page; Remgro Limited SENS “Fulfillment of all conditions precedent relating to the acquisition of an interest in Maziv by Vodacom” (26 November 2025); Community Investment Ventures Holdings and Vodacom terms announcements (10 November 2021, 15 May 2023, 28 November 2023 and 18 July 2025); and Blue Gem Research workings. The transaction was implemented on 1 December 2025.

We will have wait for further disclosure to see how the Fibre Enterprise compares with Maziv, and what multiple Sabvest ultimately places on the business.

A further observation that, due to private equity’s involvement in the Fibre Enterprise as a remaining large shareholder *and* DNI’s acquisitive history in the telcos sector, *there could be a route to DNI gaining control of the whole Fibre Enterprise in time*. This is un-modelled optionality sitting on top of this transaction’s own un-modelled growth, and we mention it as a possibility rather than a forecast.

ITL and Rudholm: Labelling a Bigger Business

On 11 August 2026, the Group announced that ITL Holdings has agreed to acquire 100% of Sweden’s Rudholm Group International and Bamatex.

- **Rudholm** is an international supplier of packaging, labelling, trims and digital solutions to the apparel and footwear industries:
 - Founded in 1951,
 - Controlled by the Jonas Wollin family, &
 - Operating across 22 countries from 9 owned production hubs.

The is structured as a consideration in part cash (funded from ITL’s own resources and increased facilities from Rand Merchant Bank) and part in new ITL shares. The latter equity will leave the Wollin family and Rudholm’s key management with 11% of the combined group, which we believe nicely aligns their interests with those of the Group. Sabvest’s interest dilutes from 34.0% to 30.5%. The transaction was expected to become unconditional by 31 August 2026, subject to Swedish foreign direct investment clearance, with completion anticipated on 1 September 2026.

Importantly, Rudholm is *not* a bolt-on but a massively synergistic expansion of the Group:

- There are massive sales, product and manufacturing synergies that can be exploited across both two groups.
- Rudholm has two head offices, in Sweden and New York; the Swedish office will likely be closed while New York is kept, which gives ITL a sales presence in a market it does not currently occupy.
- Rudholm’s chief executive will report to ITL’s, which builds bench depth and helps succession.
- Customer feedback across both groups has been overwhelmingly positive and, importantly, there is no material overlap between the two client bases, so the cross-selling opportunity is *real* rather than *notional*.
- In terms of timing, management expects the synergies to be realised over the next year or two and to be materially accretive to both the profits and the scale of the group.

ITL has plenty of capacity to fund the cash portion outright, and—as noted above—the Rudholm shareholders wanted to stay invested which neatly aligns them in the enlarged group’s success.

On balance, we regard this a materially value-accretive acquisition and, at ITL's held multiple of 9.0x against a labelling and identification peer median of c.11.3x, there could be scope of "re-rating" of the valuation once it proves out the synergies as a significantly enlarged group. We have not modelled it nor included any of this in our current NAV for Sabvest but we are decidedly bullish on the prospects of a post-Rudholm ITL group.

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).

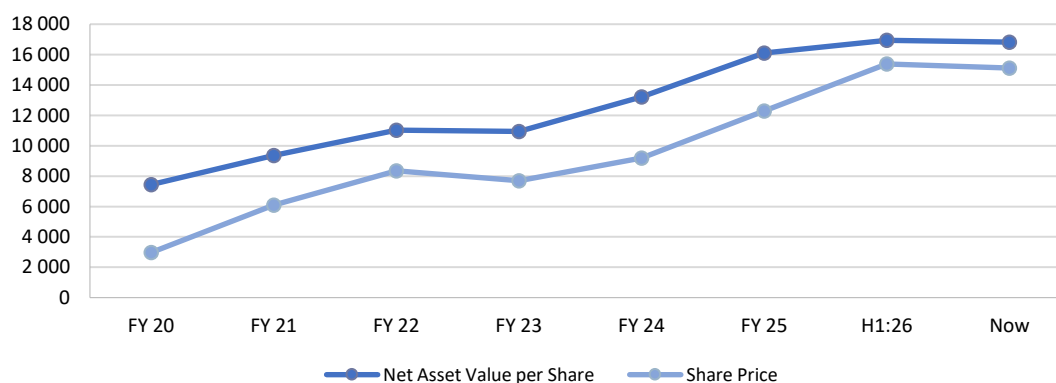
Note that we have *not* taken into account the two post-period deals unpacked earlier in this note.

Net Asset Value of Sabvest

We refer you to **Table 1** for a detailed breakdown of the Group's NAV, updated for current spot prices.

We estimate Sabvest Capital's current NAV to be R6.3bn (previously: R6.1bn) or 16832cps (previously: 16180cps), implying a discount in the share price of c.10% (previously: 12%) at the time of writing this.

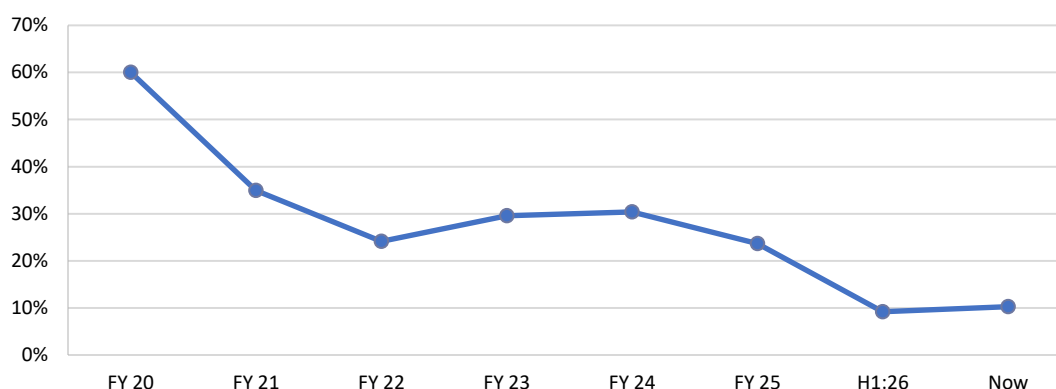
Figure 3: Sabvest Capital: Share Price versus Net Asset Value per Share (cps)



Sources: Sabvest Capital annual and interim reports, Profile Media, and Blue Gem Research workings and assumptions; share prices are closing prices on the last trading day of each period.

Figure 3 shows how Sabvest's share price has tracked its NAV over time, while **Figure 4** reveals that the discount has been narrowing overtime.

Figure 4: Sabvest Capital: Discount to Net Asset Value (%)

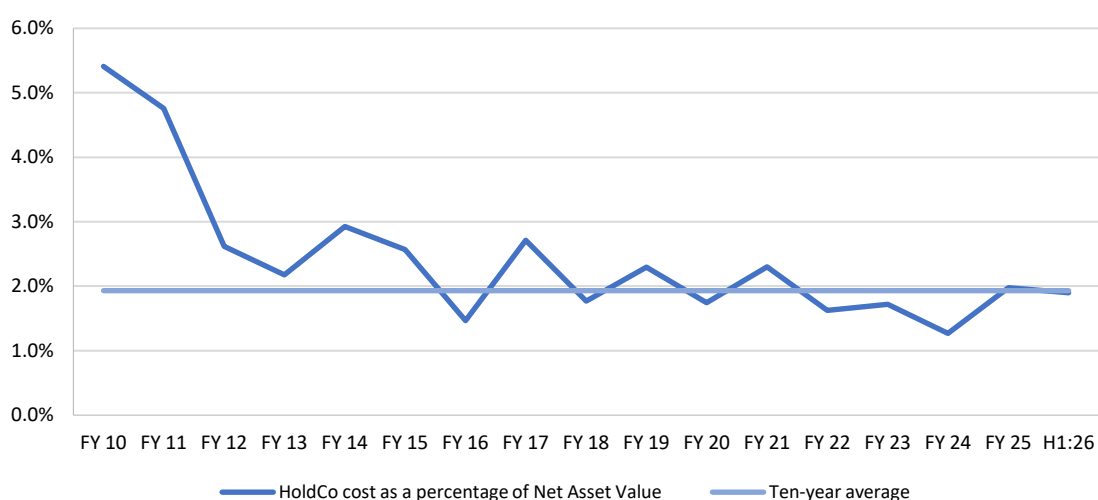


Sources: Sabvest Capital annual and interim reports, Profile Media, and Blue Gem Research workings and assumptions.

Appropriate “HoldCo Discount”

Figure 5 shows the Group’s estimated central costs over time as a percentage of NAV. The long-run trend for central costs is *downwards*, as NAV growth has outstripped HoldCo cost inflation, and the ten-year average sits at c.1.9% of NAV. This is consistent with management’s own target of 1.5% to 2.0% per annum of gross assets over a rolling three-year period and highlights the growing efficiency that is being achieved as the Group’s NAV compounds.

Figure 5: Sabvest Capital: HoldCo Costs as a Percentage of Net Asset Value (%)



Sources: Sabvest Capital annual and interim reports, and Blue Gem Research workings and assumptions.

The important change this period sits in the level rather than the trend. FY 25 HoldCo costs stepped up sharply to c.R119.8m, and H1:26 costs of c.R60.4m annualise broadly in line with that. Much of the step-up is the *variable*, incentive-linked component, whose key performance indicators are Profit After Tax and NAV per share growth. So it is, by design, correlated with a *good* performance and, on top of management’s large shareholding, this incentive further aids in management alignment with minority shareholders.

To try to strip out some of the volatility in this variable measure, our “central cost base” is built on the average of *three* periods, adjusted for some normalization. On this stated basis the three-period average is c.R94.3m per annum. For calibration, our estimated sustainable cost of c.R94.3m is c.1.5% of NAV, which sits at the bottom of the c.1.5%~2.0% of gross assets over rolling three-year periods that the Group targets, and below the c.1.9% ten-year average (previously: c.2.1%) in **Figure 5**.

Present-valuing that on a perpetuity basis at our Cost of Equity of 16.9% (previously: 17.2%) against assumed HoldCo cost inflation of 4.3% gives a cost of R749.5m (previously: R589.2m), or c.12% of the Group's NAV (previously: 10%).

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

Sabvest Capital's updated NAV less our discount implies that the share is worth 14839cps (previously: 14613cps), or about where the current share price is (though we do note the various aspects that we have *not* valued in our NAV of which the most recent two major acquisitions are central to – see the below section on 'What We Have Not Modelled').

12m TP and Implied Return

Rolling our fair value for Sabvest Capital forward at our Cost of Equity, we arrive at a 12m TP of 17344cps (previously: 17119cps), implying a c.+15% price return from these levels (previously: +20%). On a trailing 130cps the dividend adds a further c.0.9%, for a total return of c.+16%.

What We Have Not Modelled

Consistent with our house convention of modelling only definitive events, neither post-period transaction is included in the SOTP above:

- **The Fibre Enterprise:** The R754m subscription remains subject to conditions precedent to be fulfilled by 24 September 2026 and is only effective on 1 October 2026. In any event it is NAV-neutral on day one, since a R754m asset is funded by R754m of new term debt; *the value uplift should come later and from growth* (which appears to be substantial but will crystalize over time).
- **ITL and Rudholm:** The transaction is expected to become unconditional by 31 August 2026, with Rudholm Group indicating completion on 1 September 2026, after which Sabvest's interest dilutes from 34.0% to 30.5%. We will reflect it when the Group next re-strikes ITL's fair value on the enlarged group's numbers, mostly likely at the FY 26E or H1:27E results. And, indeed, *from FY 27E onwards, synergies should drive profits and this investment's upside materially*. Depending on the success and performance of this Group, there may even be a re-rating potential here in future results.
- **Further NAV growth to FY 26E:** Management expects it and we tend to agree, but our fair value is struck off NAV as reported and marked *today* rather than off a *forecast* NAV. That is a deliberately conservative choice and it leaves management's guided further growth as un-modelled upside.

Key Risks to our Forecast & Valuation

The key risks to our above valuation methodology are (we urge you to read our [Initiation of Coverage](#) for more details 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 and their valuations,
- The performance of the Group's underlying businesses, with some more notable risks possibly affecting individual businesses highlighted below:
 - Harsher or stickier USA tariff regimes could further negatively impact Narrowtex in SA Bias,
 - A separation of generation from distribution in Eskom could drive legacy cabling demand and ARB could benefit directly or indirectly,
 - Continued pressure on the broader alcohol industry and/or the success and timing of the Halewood turnaround, &
 - The points raised in the 'What We Have Not Modelled' section earlier in this note.
- A prolonged USA-Iran war could significantly affect the global economy for the worse,

- Rand strength (downside risk, but two-edged) with continued Rand strength keeps suppressing the Rand carrying values of ITL, Flowmax, Corero and EWA even where those businesses trade well. The converse is that Rand weakness is an un-modelled tailwind that, in the long-term, is increasingly likely to materialize, &
- Any corporate actions across the Group's portfolio (buying, selling or restructuring underlying investments &/or any share buy-backs) – note the two post-period deals that (at the time of writing this) remain conditional.

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