

## Astoria Investments Ltd Quarterly Result & Valuation Update

Share Code: ARA – Market Cap: R515m – Discount to NAV: 34%

12m Target Price	1422cps
Share Price	920cps
Implied Return	55%

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### Q1:23 Results: High Base Effect in Play

- For the quarter ended March 2023, Astoria reported USD NAV of 75.60cps & ZAR NAV of 1340.75cps. Compared to Q4:22, this is a -8.5% & -4.6% respective decline but against Q1:22 the year-on-year growth is still +6.4% & +29% respectively.

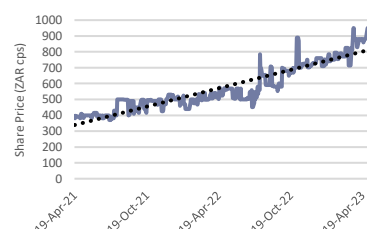
### Quarterly Updates, Results Notes & Forex Volatility:

- Astoria reports quarterly but its valuation policy is only to perform detailed valuations of its unlisted investments at major Q2 (i.e. H2) and Q4 (i.e. FY) period ends. For Q1 and Q3 results, unlisted valuations are kept unchanged, *except* in instances where developments require an immediate and material change in value (i.e. 'no news is good news' if unlisted valuations remain unchanged). Price changes for listed investments and currencies are reflected on an ongoing basis.
- Due to this, we will publish one-page Q1 & Q3 results notes with fuller results notes for Q2/H2 and Q4/FY period ends.
- As per our [Initiation of Coverage](#), we have updated valuations in their respective economic currencies (e.g. OIH in Rands, Trans Hex in USD, etc) and converted either back to Rands or back to USD's for respective NAVs. Given the weakening in the Rand against the US Dollar, this approach is creating some short-term volatility in our USD-based NAV while our ZAR-based NAV is more "stable". This should smooth out over time.

### Valuation, 12m TP & Implied Return: Discounted Share Price

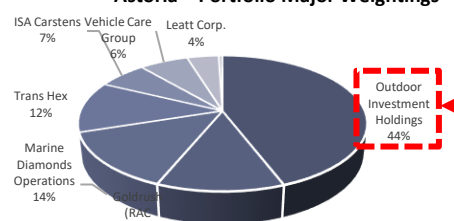
- Updating Astoria's NAV to current prices, the share price is trading at a c.34% discount to current NAV (Previously: 36%).
- If we take out our calculated "HoldCo discount" of c.14.0% (Previously: 14.6%; narrowed due to the spike in the domestic risk-free rate) from this NAV, we arrive at a fair value for Astoria's shares of c.1192cps (Previously: 1170cps) or c.23% higher than the current share price (Previously: 25%).
- Rolling this fair value forward at our Cost of Equity, we arrive at a 12m TP of c.1422cps (Previously: 1381cps) that implies a potential return of c.55% from the current share price.

Astoria Investments – JSE-listed Share Price



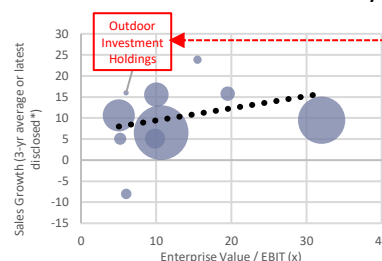
Source: Profile Media

Astoria – Portfolio Major Weightings



Sources: Astoria & Blue Gem Research workings

Outdoor Retailers Revenue Growth vs. EV/EBIT



Sources: Refinitiv, Various company reports & Blue Gem Research workings & assumptions

Financial Summary (Year-end December):	FY 19*	FY 20*	FY 21	FY 22	Q1:23	Current Estimate
Net Asset Value (USD cps)	16.9cps*	46.6cps*	62.2cps	82.7cps	75.6cps**	71.9cps***
Growth in NAV (%)	-84%*	176%*	34%	33%	-9%	-13%
Net Asset Value (ZAR cps)	235.7cps*	682.8cps*	992.0cps	1,406.0cps	1,340.8cps**	1,383.7cps***
Growth in NAV (%)	-*	190%*	45%	42%	-5%	-2%
Share Price (ZAR cps)	237cps*	1,259cps*	500cps	760cps	920cps	920cps
Discount to NAV (%)	-1%*	-84%*	50%	46%	31%	34%

Sources: Astoria reports & Blue Gem Research assumptions & workings; \*Current management only took active control of portfolio from 1 December 2020; \*\* USD/ZAR of R17.74 as at closing 31 March 2023; \*\*\* USD/ZAR of R19.25 as at intra-day 18 May 2023



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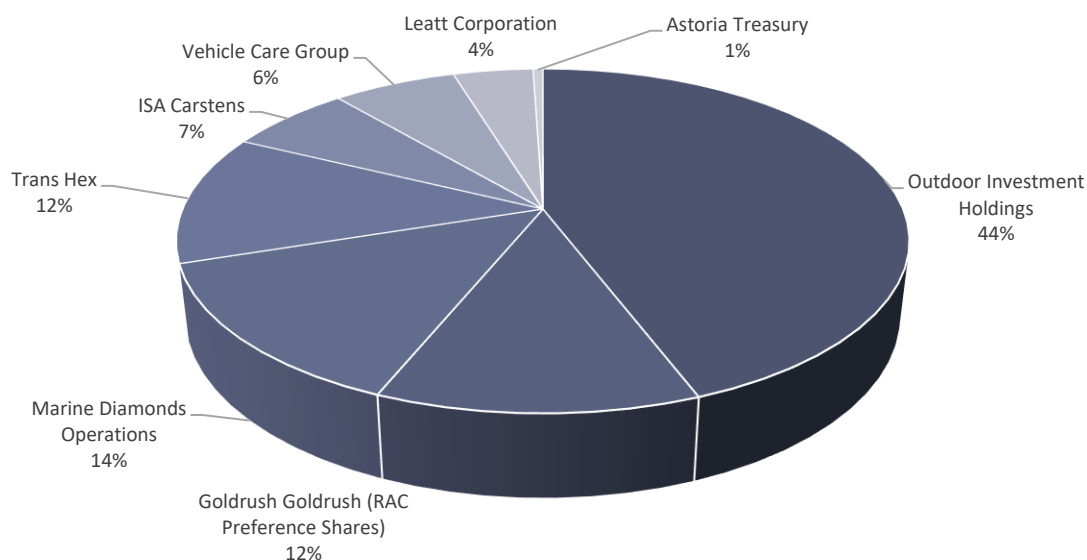
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BLUE GEM RESEARCH

Table 1: Investment	Description	Ownership (% or shares)	Valuation Methodology	Valuation (Rands)	Valuation (USD)	% of NAV
<b>USD/ZAR Exchange Rate Used</b>				<b>R19.25/\$1.00</b>		
Outdoor Investment Holdings	Integrated outdoor retailing group	40.0%	6.0x EBIT multiple	R339,687,430**	\$17,646,100	44%
Goldrush (i.e. RAC Preference Shares)	Alternative gaming; see breakdown below:	7,510,225	Listed share price (which includes the below 30% discount to NAV)	R92,375,768	\$4,798,741	12%
	<b>RACP Share Price</b>	-	<b>Listed share price</b>	<b>1,230cps</b>		
	<b>Discount to NAV (%)</b>	-		-	30%	
	<b>Net Asset Value (1 + 2 + 3)/# RACP shares</b>	-	<b>Sum of below portfolio divided by issued shares</b>	<b>1,764cps</b>		
	(1) Goldrush Group	58.8%	7.0x EV/EBITDA	R1,216,400,000		
	(2) Other & cash	-	Taken from balance sheet	R24,000,000		
	(3) CGT & liabilities	-	Taken from balance sheet	-R363,400,000		
Marine Diamonds Operations	Marine diamond miner	25.1%	Cost	R105,875,000	\$5,500,000**	14%
Trans Hex	Land diamond miner	25.1%	0.68x Price-to-Book	R94,203,841	\$4,893,706**	12%
ISA Carstens	Domestic health & skincare educational group	49.0%	Equity: 6.0x Price Earnings Property: 9% Capitalisation Rate	R50,200,000**	\$2,607,792	7%
Vehicle Care Group	Financier in the used car market	86.0%	Equity: Fully impaired Debt: Book value less loss allowance	R50,000,000**	\$2,597,403	7%
Leatt Corporation	Globally-branded biking and outdoor protective clothing group	139,000	Listed share price	R32,376,575	\$1,681,900	4%
Astoria Treasury	Internal lending book	100.0%	Book value less 31% loss allowance	R4,000,000**	\$207,792	1%
<b>Gross Investment Value</b>				<b>R768,718,613</b>	<b>\$39,933,434</b>	
Cash & equivalents	-	-	Taken from balance sheet	R9,397,577	\$488,186	
Liabilities	-	-	Taken from balance sheet	-R3,236,694	-\$168,140	
<b>Other assets &amp; liabilities</b>				<b>R6,160,883</b>	<b>\$320,046</b>	
<b>Net Asset Value (Rands/\$'s)</b>				<b>R774,879,496</b>	<b>\$40,253,480</b>	
<b>Net Asset Value (Rand/USD)</b>				<b>R13.84</b>	<b>\$0.72</b>	
HoldCo Discount (c.14%)			Based on a perpetuity with HoldCo costs as a % of NAV	-R107,466,304	-\$5,582,665	
<b>Fair Value (Rands/\$'s)</b>				<b>R667,413,192</b>	<b>\$34,670,815</b>	
Number of issued shares				56,000,000	56,000,000	
<b>Fair value (ZAR cps / USD cps)</b>				<b>1,192cps</b>	<b>\$0.62ps</b>	
<b>Share price discount to fair value (%)</b>				<b>23%</b>	<b>23%</b>	
<b>12m TP (ZAR cps / USD cps)</b>				<b>1,422cps</b>	<b>\$0.74ps</b>	
<b>12m Implied Return (%)</b>				<b>55%</b>	<b>55%</b>	



Sources: Astoria Investment's various reports, Bloomberg, Profile Media, JSE & LSE share prices, & Blue Gem Research workings & assumptions (all spot and share prices based on 17 April 2023 Closing Price); \* USD/ZAR spot intra-day 18 May 2023; \*\* The same valuation as used in our FY 22 [Initiation of Coverage](#); Refer to [Initiation of Coverage](#) for risks to our valuation, key assumptions & views on Astoria and its underlying (including comments on unlisted valuations).

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*\* Except where noted otherwise, market prices in this report predominantly set to intra-day prices on 18 May 2023*

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