

Astoria Investments Ltd Crystalizing NAV with Optionality

Share Code: ARA – Market Cap: R537m – Discount to NAV: c.39%

12m Target Price	1433cps
Share Price	865cps
Implied Return	66%

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Q3:24 Results: Headwinds of a Stronger Rand

- Astoria reports quarterly but management only update unlisted valuations in the Q2 and Q4 reports. Thus, the key change over the Q3:24 period was a stronger Rand (c.9% stronger on a 12m-rolling basis and c.6% stronger versus the start of the current reporting period versus the USD).
- With this context, Astoria's NAV per share increased by +2.1% in USD and decreased by 3.7% in ZAR for the Q3:24 period (as compared to NAV at the start of financial year).

Commentary: ISA Carstens (Potential) Exit Proving Solidity of NAV

- Astoria has received a non-binding offer for its stake in **ISA Carstens** &, along with fellow shareholders, final terms are being negotiated. While the offer is non-binding, its pricing is broadly in line with Astoria's fair value for **ISA Carstens**. This gives us a *great* data point for the *realism* of management's fair values for their unlisted investments (the 3rd-party offer aligns with Astoria's valuation). Finally, this potentially turns c.8% of the Group's NAV into cash which would provide management with ammo for future investment options.
- Outdoor Investment Holding** continues to trade well, **Leatt Corp's** latest quarterly hints at a trough being reached, RECM Calibre has changed its name to **Goldrush Holdings** (code: GRSP), low diamond prices continue (**Land** is doing relatively well while **Marine** has its ship in dry dock for well-timed maintenance), & **VCG** continues corporatising & scaling.

Valuation, 12m TP & Implied Return: Discount a Little Tighter

- Astoria's share is trading at c.39% discount to the current NAV (Previously: 45%) once we update its NAV with current prices.
- If we take out our calculated "HoldCo discount" of c.13.6% (Previously: 14.4%) from this NAV, we arrive at a fair value for Astoria's shares of c.1216cps (Previously: 1204cps) or c.41% *higher* than the current share price.
- Rolling this fair value forward at our Cost of Equity, we arrive at a 12m TP of c.1433cps (Previously: 1417cps) that implies a potential return of c.66% from the current share price.

Financial Summary (Year-end December):	FY 19*	FY 20*	FY 21	FY 22	FY 23	Q3:24**	Current Estimate [^]
Net Asset Value (USD cps)	\$0.169	\$0.466	\$0.622	\$0.827	\$0.795	\$0.811	\$0.80
Growth in NAV (%)	-84%	176%	34%	33%	-4%	2%	-1%
Net Asset Value (ZAR cps)	235.7cps	682.8cps	992.0cps	1406.0cps	1454cps	1401cps	1409cps
Growth in NAV (%)	-	190%	45%	42%	3%	-4%	0%
Share Price (ZAR cps)	237cps	1259cps	500cps	760cps	802cps	900cps	865cps
Discount to NAV (%)	-1%	-84%	50%	46%	45%	36%	39%

Sources: Astoria reports & Blue Gem Research assumptions & workings; *Current management only took active control of portfolio from 1 December 2020; ** USD/ZAR of R17.27 as at closing 30 September 2024; [^]USD/ZAR of R17.61 intra-day 1 November 2024



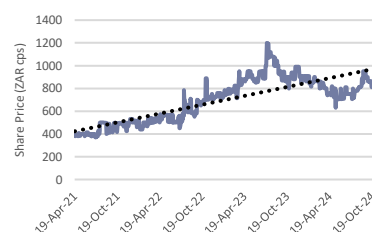
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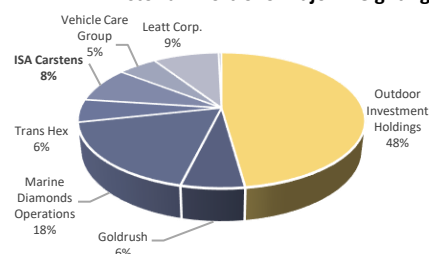
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Astoria Investments – JSE-listed Share Price



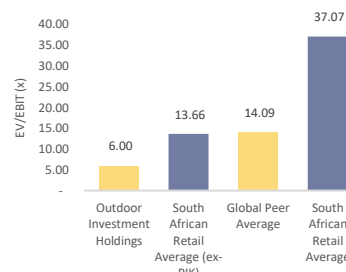
Source: Profile Media

Astoria – Portfolio Major Weightings



Sources: Astoria & Blue Gem Research workings

Outdoor Retailers' EV/EBIT Multiples (x)



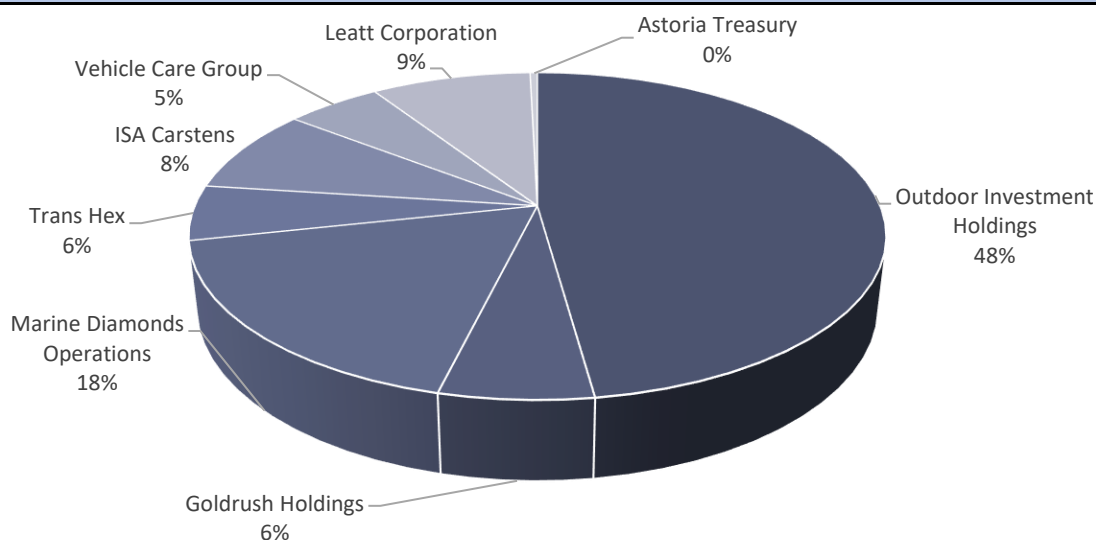
Sources: Refinitiv, Various company reports & Blue Gem Research workings & assumptions; "PIK" is Pick n Pay

Keith McLachlan*



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Table 1: Investment	Description	Ownership or # shares	Valuation Methodology**	Valuation (Rands)	Valuation (USD)	% of NAV
USD/ZAR Exchange Rate Used*				R17.61*	\$1.00*	
Outdoor Investment Holdings	Integrated outdoor retailing group	40.0%	8.0x PBIT for Norwegian business (A-Tec) + 6.0x PBIT for rest of Group	R416.9m	\$23.7m	48%
Goldrush Holdings	Alternative gaming; see breakdown below:	7.5m	Listed share price (which includes the below 33% discount to NAV)	R52.6m	\$3.0m	6%
		GRSP Share Price	Listed share price	700cps		
		<i>Discount to NAV (%)</i>	-	51%		
		Net Asset Value (1 + 2 + 3)/# GRSP shares	Sum of below portfolio divided by issued shares	1415cps		
		(1) Goldrush Holdings	58.8%	7.0x EV/EBITDA	R990.2m	
		(2) Other & cash	-	Taken from balance sheet	R40.7m	
		(3) CGT & liabilities	-	Taken from balance sheet	(R327.7m)	
Marine Diamonds Operations	Marine diamond miner	14.0%	0.695x Price-to-Book	R155m	\$8.8m	18%
Trans Hex	Land diamond miner	14.0%	0.68x Price-to-Book	R47.5m	\$2.7m	5%
ISA Carstens	Domestic health & skincare educational group	49.0%	Equity: 7.5x Price Earnings Property: 9% Capitalisation Rate	R73.5m	\$4.2m	8%
Vehicle Care Group	Financier in the used car market	87.5%	Equity: Fully impaired; Debt: Book value less loss allowance	R46m	\$2.6m	5%
Leatt Corporation	Globally-branded biking & outdoor protective clothing group	0.53m	Listed share price	R77.1m	\$4.4m	9%
Astoria Treasury	Internal lending book	100.0%	Book value less 31% loss allowance	R3.5m	\$0.2m	0%
Gross Investment Value				R872.1m	\$49.5m	
Cash & equivalents, & other			Taken from balance sheet	R5.5m	\$0.3m	
Liabilities			Taken from balance sheet	(R3.4)	(\$0.2m)	
Other assets & liabilities				R2.0m	\$0.1m	
Net Asset Value (Rands/\$'s)				R874.1m	\$49.6m	
Net Asset Value (Rand/USD)				1409cps	\$0.80	
HoldCo Discount (c.13.6%)		Based on a perpetuity with HoldCo costs as % of NAV		(R119)	(\$6.8m)	
Fair Value (Rands/\$'s)				R754.9m	\$42.9m	
<i>Number of issued shares</i>				<i>62m</i>	<i>62m</i>	
Fair value (ZAR cps / USD cps)				1216cps	\$0.69	
Share price discount to fair value (%)				41%	41%	
12m TP (ZAR cps / USD cps)				1433cps	\$0.81	
12m Implied Return (%)				66%	66%	



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 1 November 2024 Intra-day Price); * USD/ZAR spot intra-day 1 November 2024; ** Management updated valuations for unlisted investments (only updated at Q2 and Q4 reporting periods). Refer to [Initiation of Coverage](#) for risks to our valuation, key assumptions & views on Astoria and its underlying (including comments on unlisted valuations & methodologies)

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