



Steyn
Capital

Beyond Beta: Hedge Fund Strategies for Resilience in South Africa and Global Emerging Markets

André Steyn

2026

MEET + THE
Managers



SCM

Steyn Capital

All strategies outperforming since inception

South Africa
2009

Hedge Funds
Long-only

Africa
2011

Long-only

Frontier
2018

Long-only

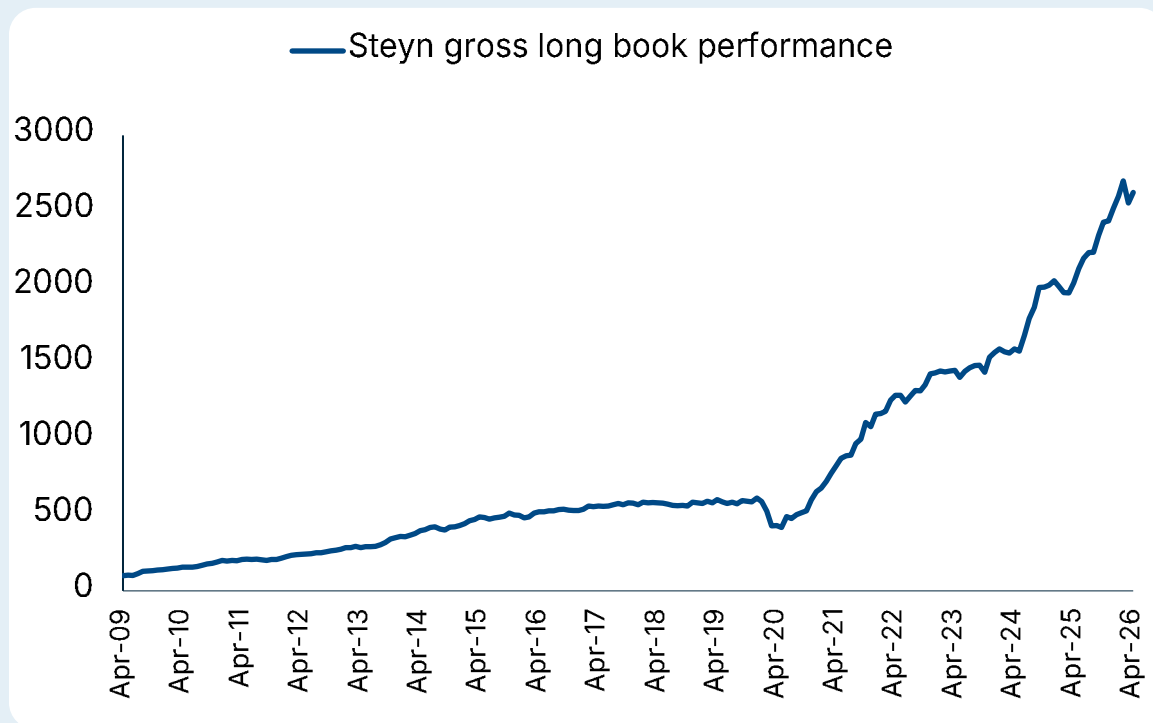
Global Emerging
2022

Hedge Funds
Long-only



Mitigating Downside Risk in SA & Global Emerging Markets

Independent Long Strategy



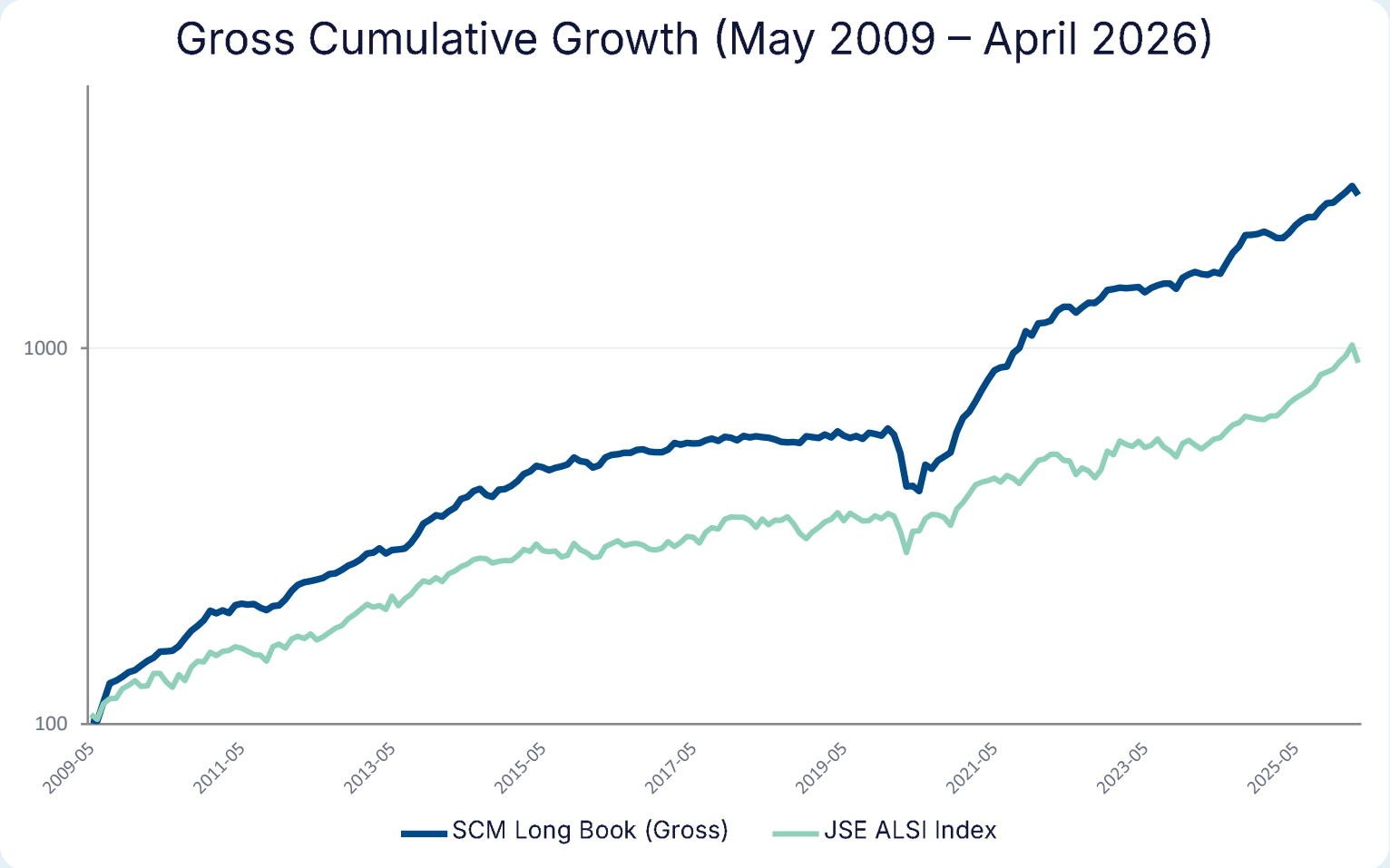
Quality-value Orientated Philosophy

Independent Short Strategy



Catalyst Driven, never valuation shorts

Long Book Track record – Quality and Valuation



Annualised Return

21.2%

Annualised Alpha

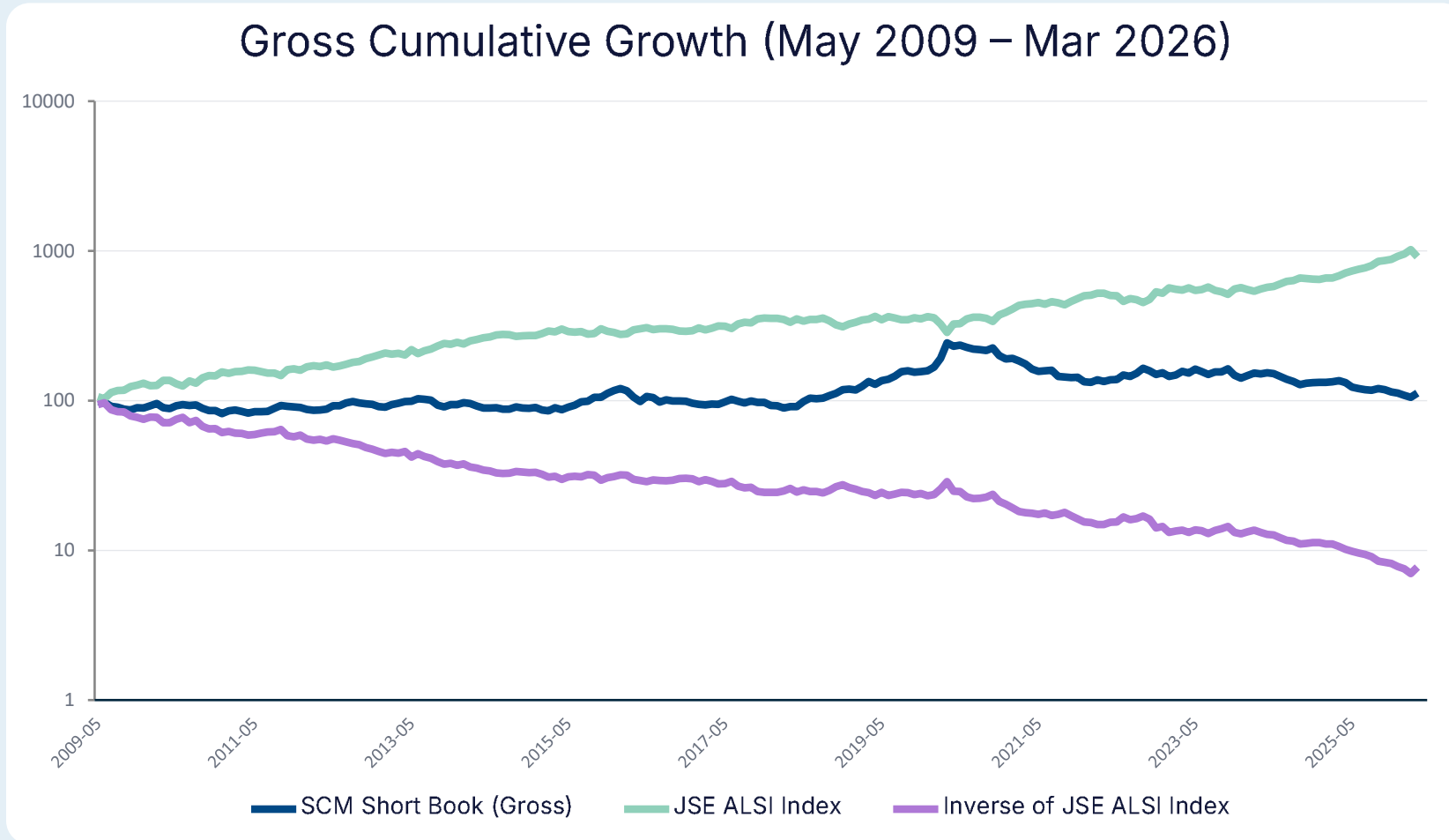
~7%

Volatility vs JSE ALSI Index

9.5% Less volatile

Source: Steyn Capital Management – 30 April 2026

Short Book Track record – Insurance that pays you

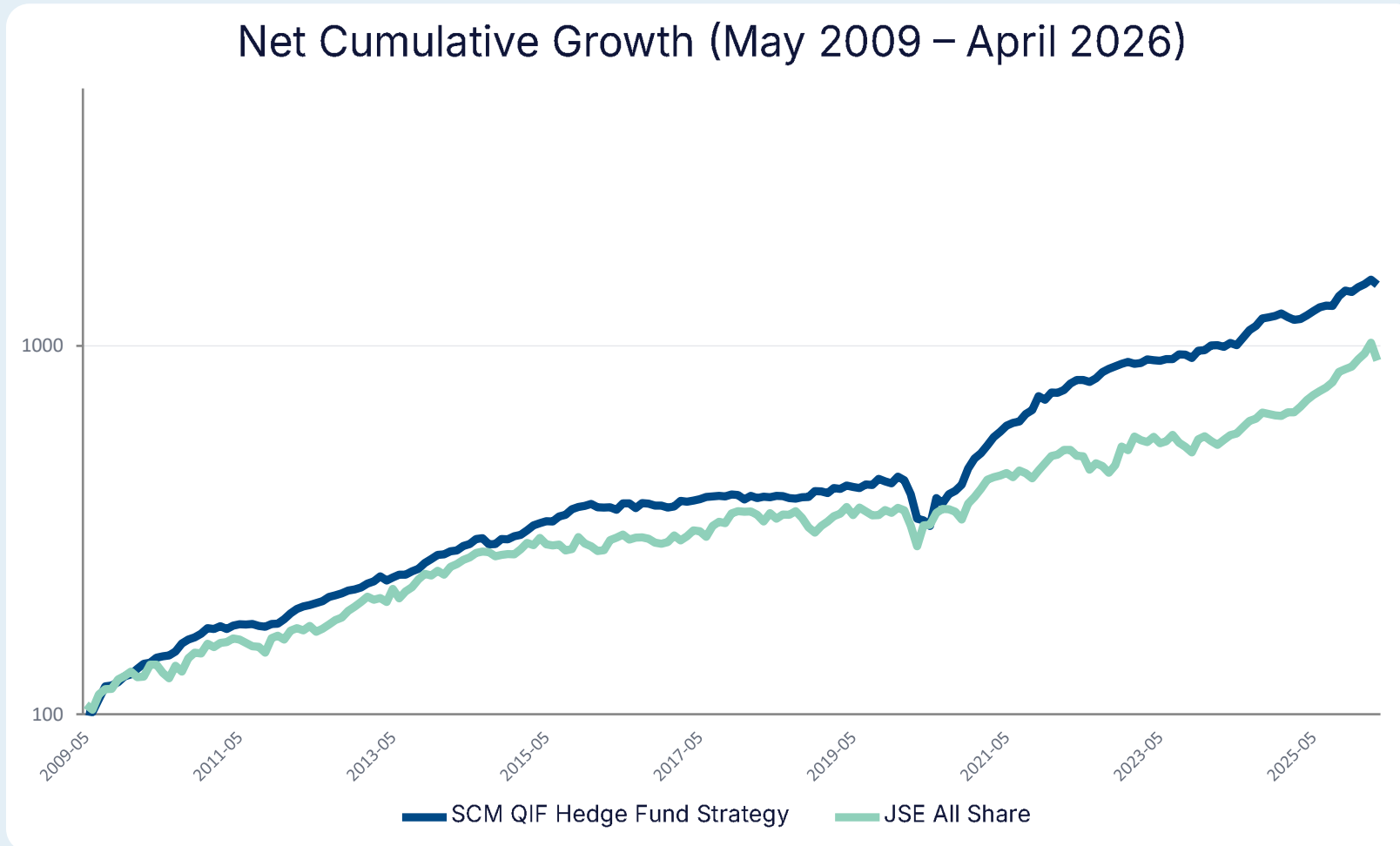


Annualised Return
+0.3%

Annualised Alpha
(vs. inverse of JSE)
~14%

Best month
+26.7%

Hedge Fund Track record – Long-term investment consistency



Annualised Return

17.15%

QIF annualized Alpha

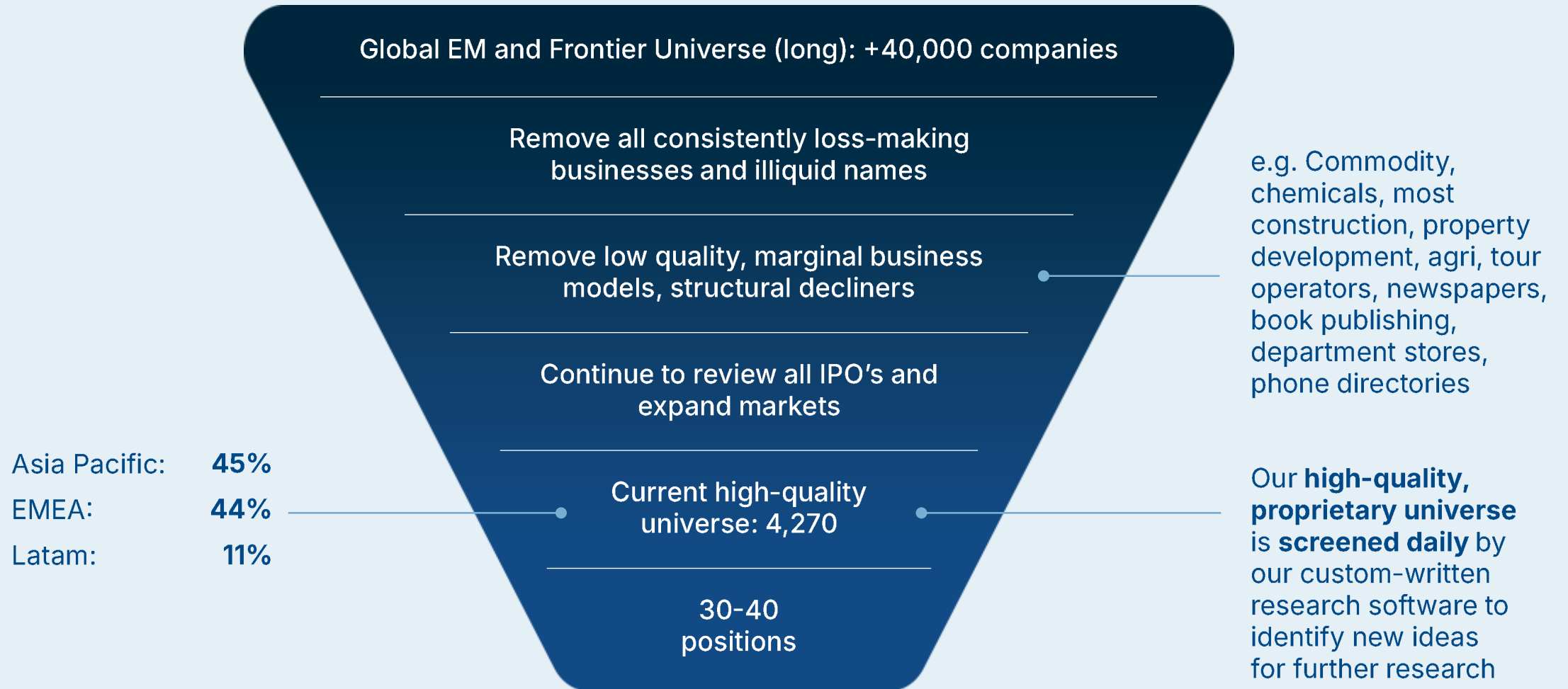
~%3

Volatility vs JSE ALSI Index

27%

Less volatile

Long Idea Generation Engine



Hidden EM gems surfaced by our idea generation engine

Monopoly exchange
7x Ev/EBIT



Monopoly exchange
8x Ev/EBIT



Dominant Port
7x Ev/EBIT



GEORGIA
CAPITAL

Best in class capital
allocator
+100% upside
to SOTP



No.1 Telco, 95% share
of mobile money
5x Ev/EBIT



Southern Sun
Dominant hospitality
company
10x Ev/EBIT



Market leader FMCG
6x Ev/EBIT
(exited)



Global Luxury leader
150% upside to SOTP
(exited)



Market leader branded
noodles
5x Ev/EBIT

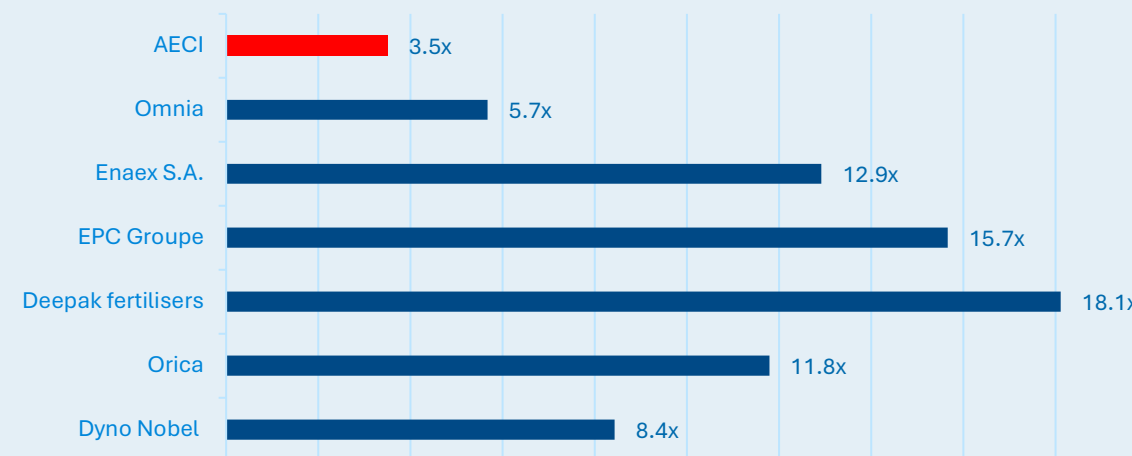


Global Cosmetics Group
10x Ev/EBIT
(exited)

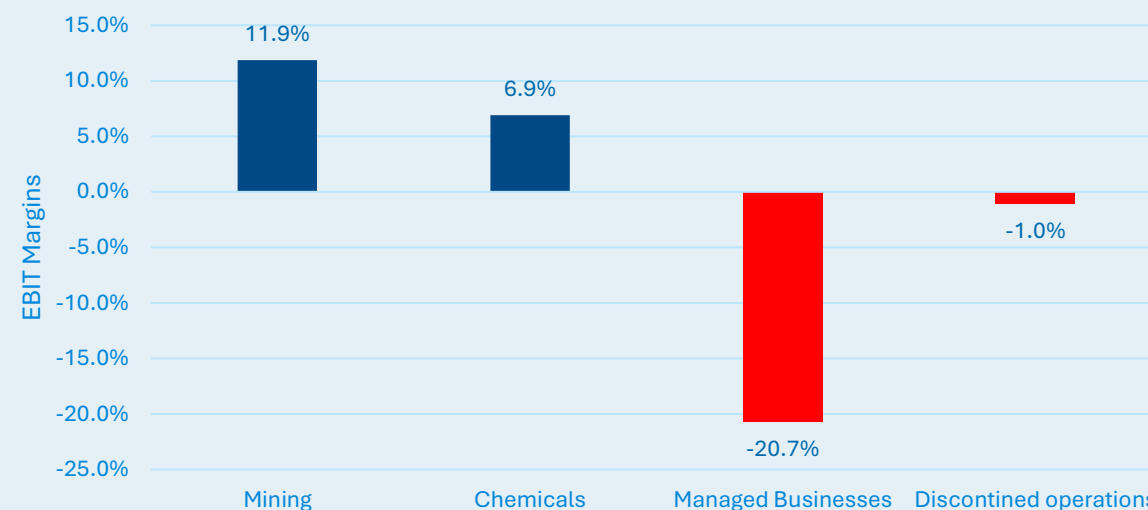
Thesis: A strategic turnaround unlocking value

- **Background:**
 - Global Leader in mining explosives and chemicals business
 - 2/3 of its earnings coming outside of South Africa
 - #1 player in Africa, #3 Australia and #4 Indonesia
- **Thesis: A return to core and value unlock story**
 - Management embarked on a clear strategy to:
 - Realign the business to core
 - Unlock Trapped Value - divesting non-core, loss-making assets
 - Using proceeds to:
 - Deleverage balance sheet
 - Reinvest in core operations
 - **Trades at a 70% discount** to international peers
- **Strategy is tracking well...**
 - **EBIT up 21%** in FY25
 - **Returned to double-digit EBITDA margins** supported by strong performance in core segments
 - **R2.4 billion** raised from asset disposals
 - Net debt reduced by 80% to 0.1x Net debt/EBITDA
 - Guiding for double digit earnings growth

Peer EV/EBITDA multiples



2025 EBIT Margins



Prada

Italian luxury at a discount

PRADA

MIU MIU



VERSACE

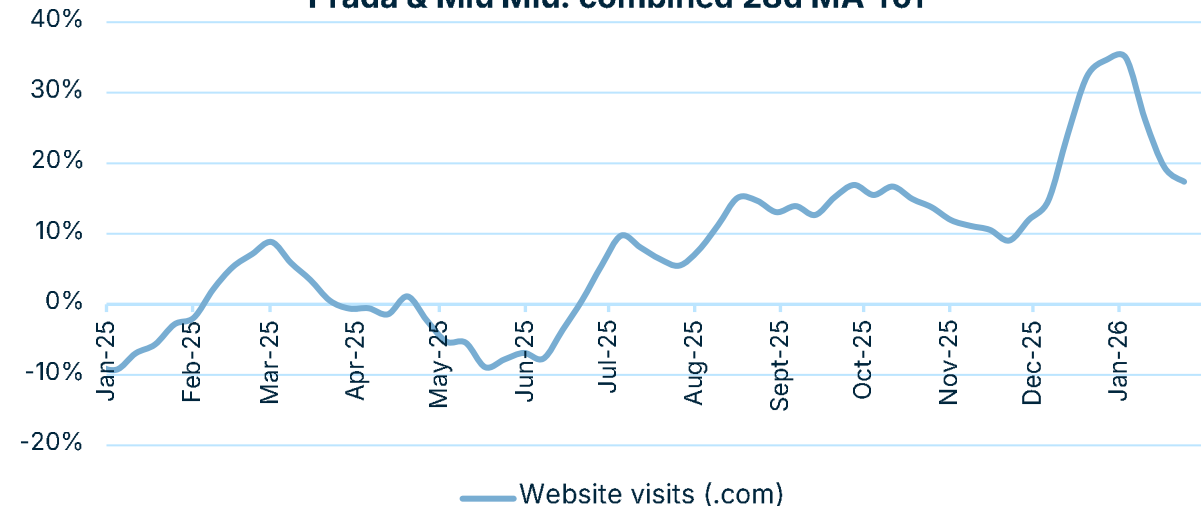
- **Trades at 7x EV/EBIT excl. recent Versace acquisition**
 - Cheapest global luxury business
 - Despite resilient Prada performance, and exceptional Miu Miu growth
 - Versace adds ~11% to Rev, but is loss-making (~5-10% EBIT drag)
- **Underappreciated growth levers**
 - **Licensing the brand:** High margin royalty revenue more than doubled over last 3 years
 - **High end store roll out:** Underexposed vs peers (2% of industry luxury customers account for 45% of purchases)
- **Versace offers attractive upside potential**
 - One of the most recognised luxury brands globally
 - Group has a demonstrated ability to execute brand turnarounds – e.g. Miu Miu
 - Acquired for ~1.7x EV/Rev but 1.3x on FY22
 - Revenue **less than half** of Miu Miu, but web visits / searches higher
- **Catalysts**
 - Potential dual-listing in Milan
 - Taken private by the family, who owns ~80%
 - Continued resilience at the core, turnaround in Versace

Hottest Brands

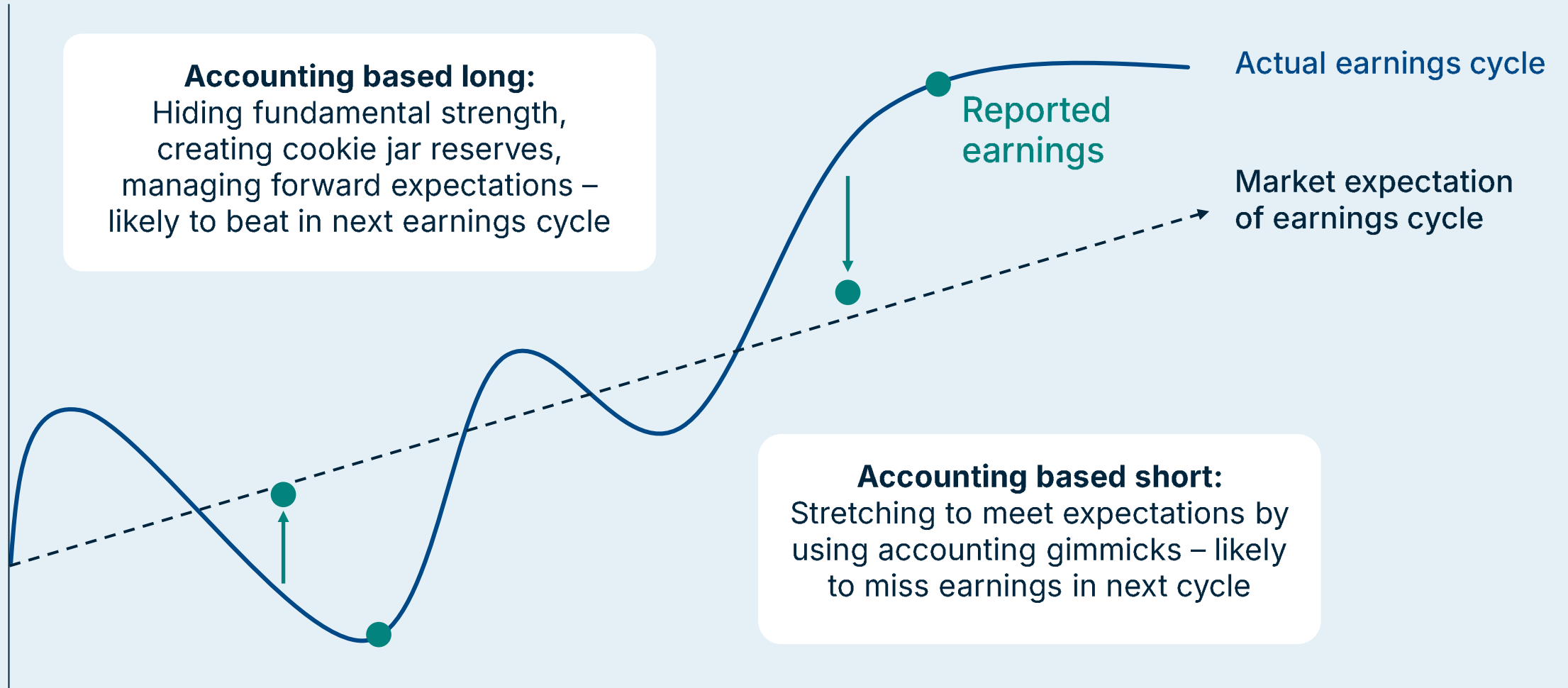
Q3-25

01 SAINT LAURENT	^ +2	11 MONCLER	v -1
02 MIU MIU	v -1	12 VERSACE	^ +4
03 CDS	^ +4	13 BURBERRY	^ +4
04 THE ROW	^ +2	14 GUCCI	^ +4
05 COACH	—	15 SKIMS	—
06 PRADA	v -2	16 BALENCIAGA	v -3
07 BOTTEGA VENETA	^ +2	17 JACQUEMUS	v -3
08 LOEWE	v -5	18 ALAIA	v -5
09 RALPH LAUREN	^ +2	19 STONE ISLAND	NEW
10 CHLOÉ	v -2	20 VALENTINO	—

Prada & Miu Miu: combined 28d MA YoY



Short Idea Engine



Embracer Group (short)

Serial acquiror engaged in a smorgasbord of accounting chicanery

EMBRACER⁺
GROUP

■ Overstated earnings / understated debt

- Management "adjusted EBIT" over 12 quarters to March 2023 totalled SEK 13.7bn vs. Actual EBIT of only SEK 1.1bn
- Adjustments included: personnel costs related to acquisitions, transactions costs, amortisation of "surplus intangibles" (i.e. overpaid for acquisitions bled to earnings)
- Capitalisation of expenses totalling SEK 8bn
- Net debt understated significantly by future payments on acquisitions not recognised, doubling net debt to +4.4x EBITDA

■ Cash flow shenanigans

- Optically high cash flows overstated through acquisition accounting (acquisitions included in financing section, unwinding of working capital in operating section)
- "asset deals" where ordinary inventory accounted for as a business acquisition, excluded from CFFO, overstating operating cash flow
- Adjusting for acquisitions, cumulative free cash flow over previous 12 quarters was -SEK 46bn

■ "Too onerous to disclose"

- Company said "too onerous" to disclose proper acquisition accounting details
- Intentional obfuscation of extent of pre-acquisition earnings recognised in the current period

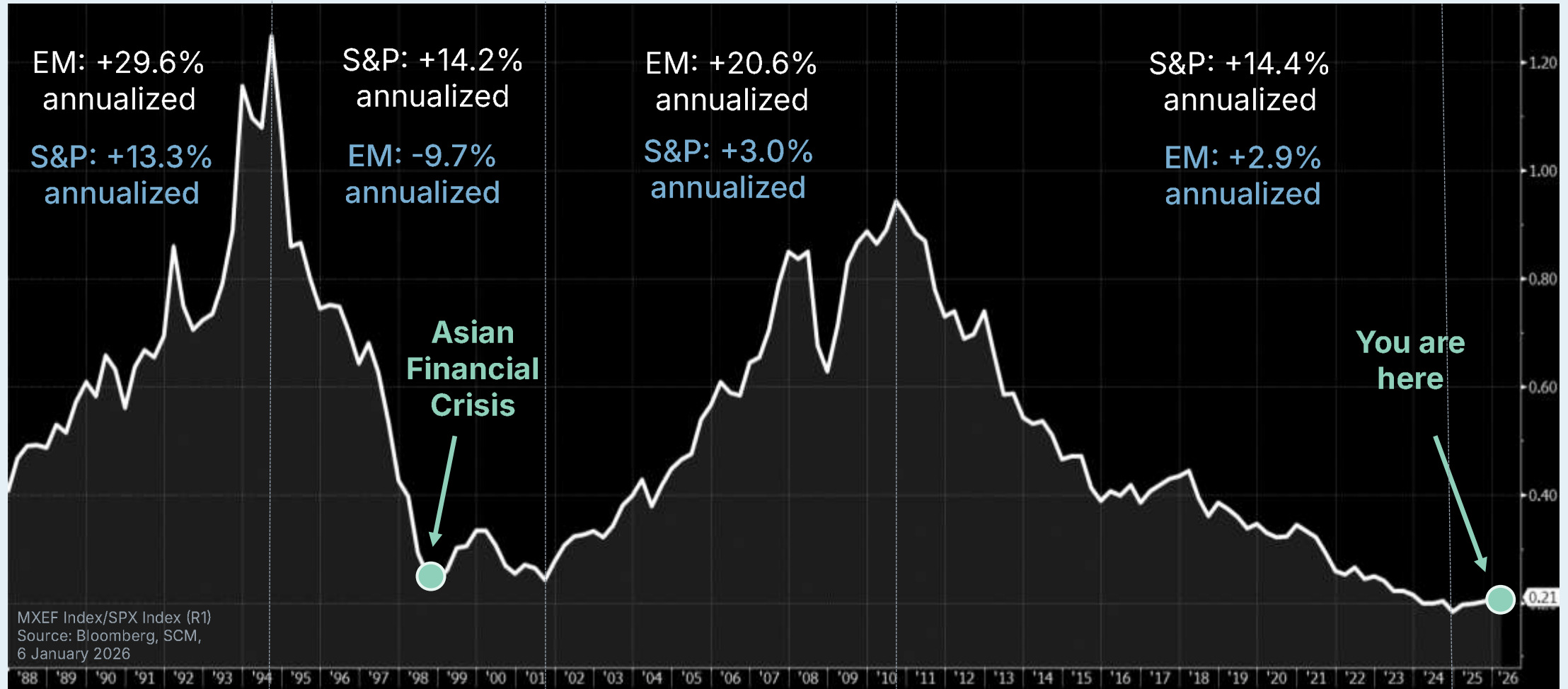
gram insum 1.1
Embracer battles claims of aggressive accounting
statur admissio 11.0



The background of the slide is a dark, monochromatic blue with a dense, repeating pattern of leaves. The leaves are elongated and pointed, creating a textured, organic feel. The lighting is subtle, highlighting the veins and edges of the leaves against the darker background.

Macro-political overview - EM

Emerging Markets are historically cheap vs. the S&P 500



1986 - 1994 (8 years)
Commodities up
US Dollar down

1994 - 2001 (7 years)
Commodities down
US Dollar up

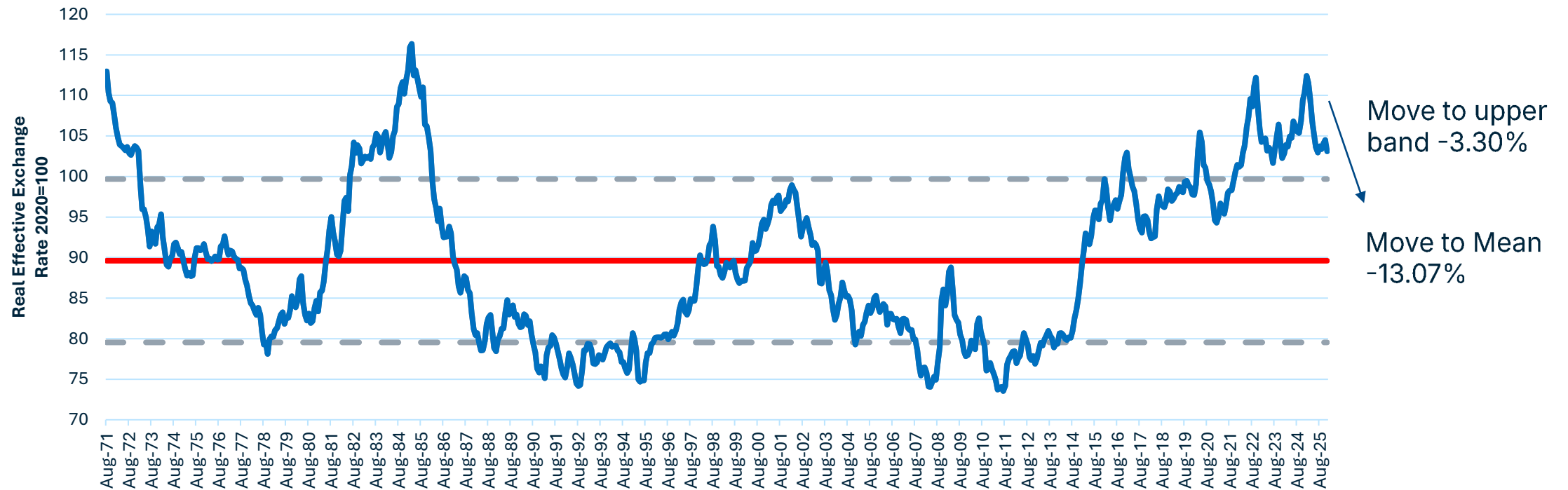
2001 - 2010 (9 years)
Commodities up
US Dollar down

2010 - 2024 (~14 years)
Commodities down
US Dollar up

2025 - ?

More room to run?

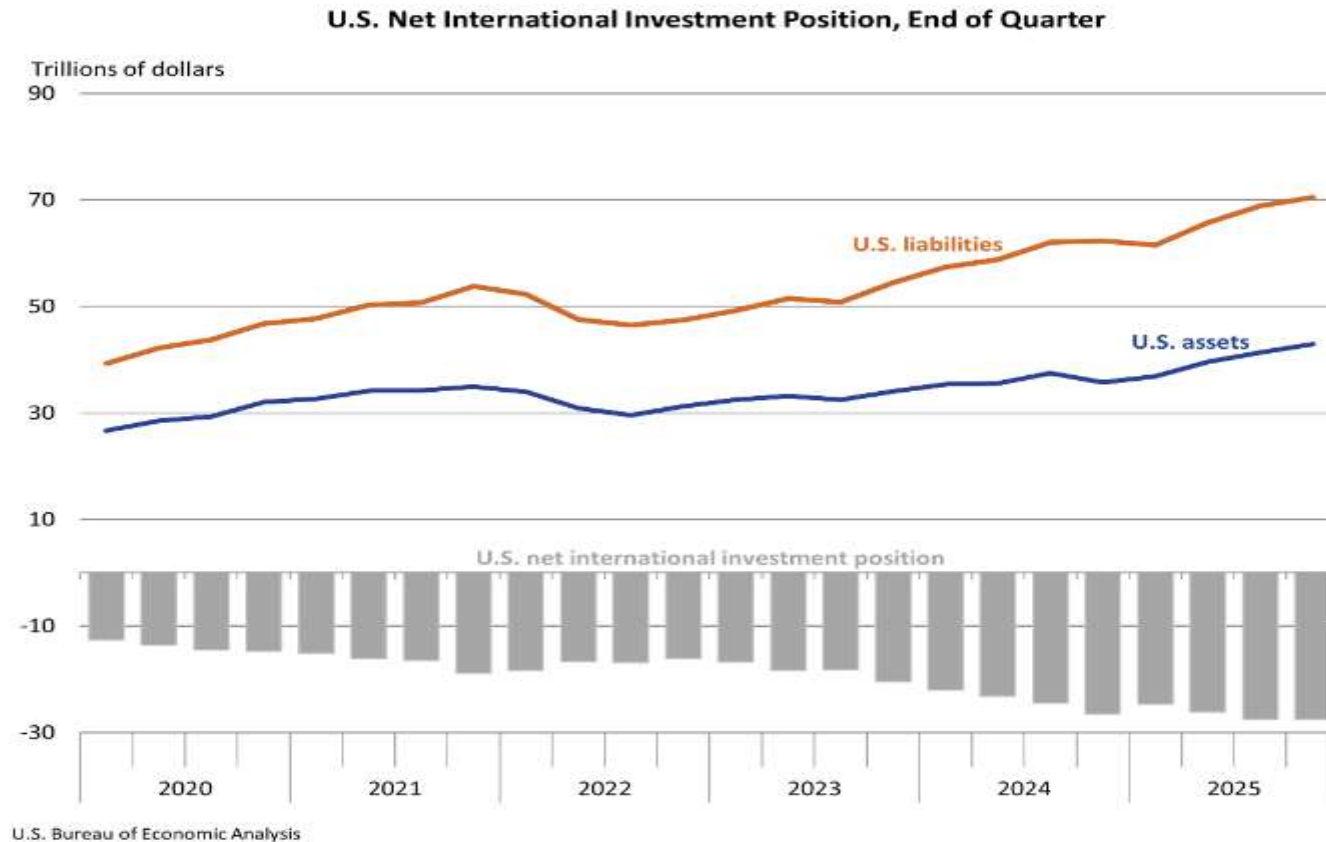
U.S. Dollar Real Effective Exchange Rate



Data from August 1971 to December 2025 | Source: Bank for International Settlements

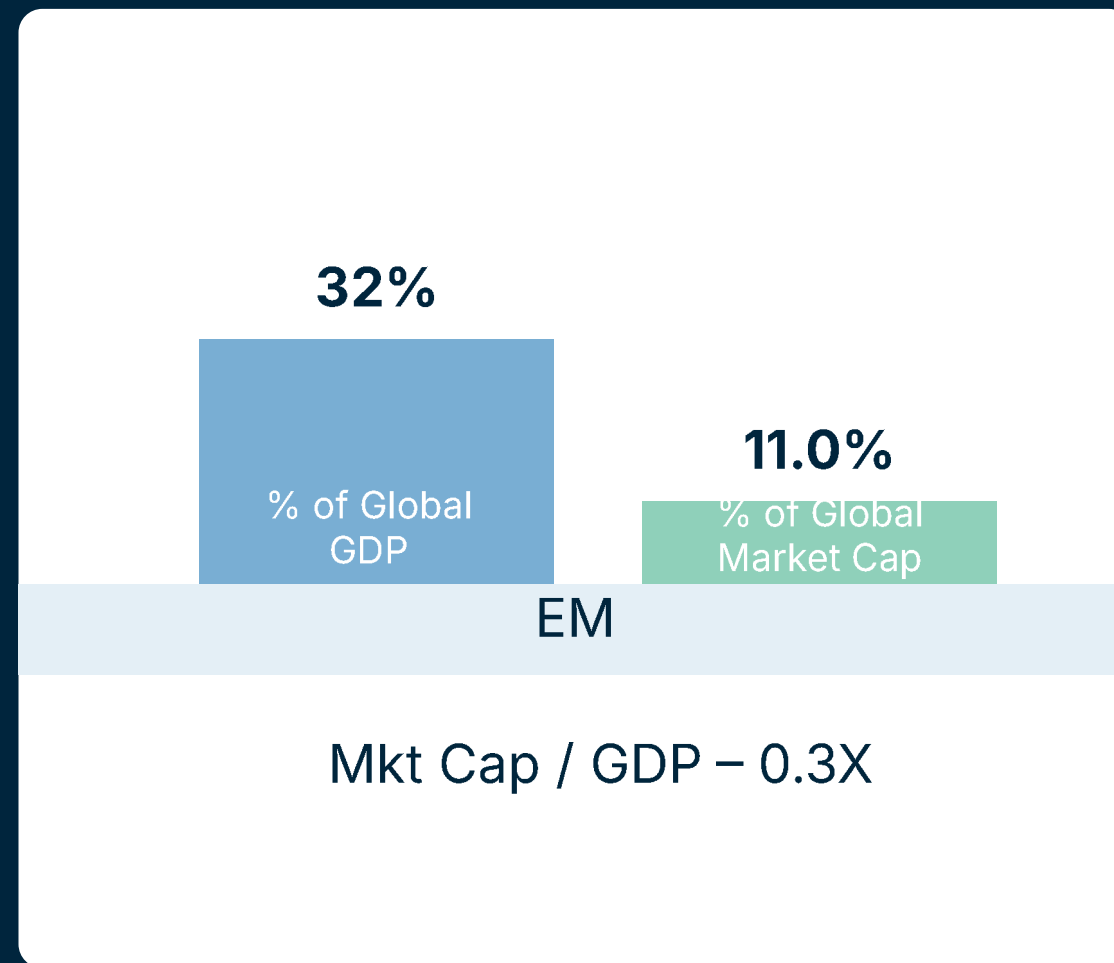
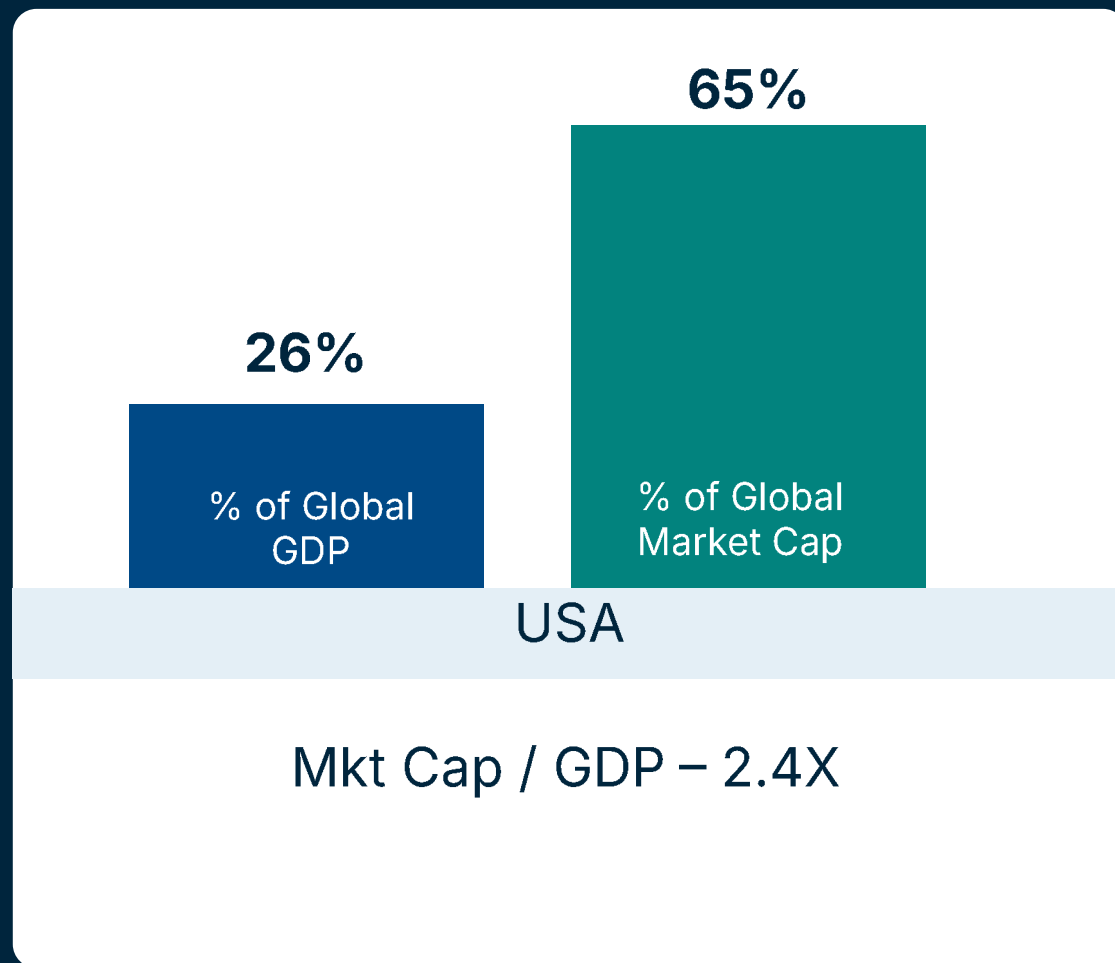
Global investors are seriously over-allocated to US assets

Foreigners own 90% of US GDP in US Assets net, and 230% of US GDP gross



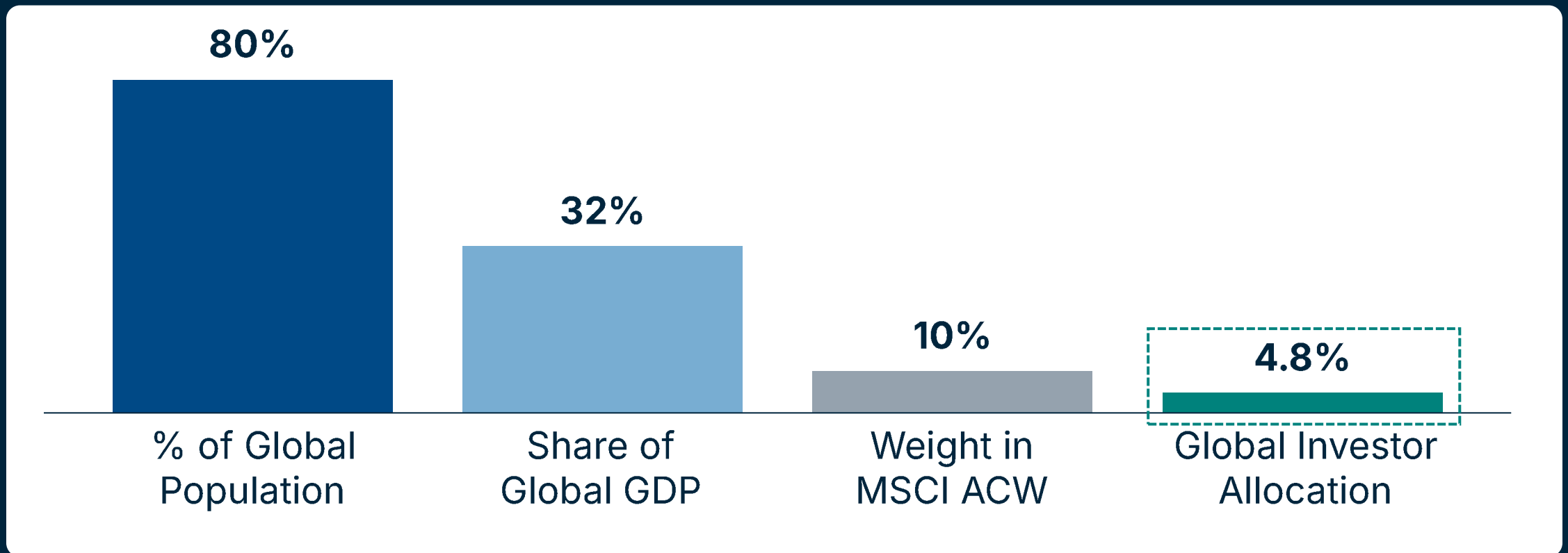
Global investors are seriously under-allocated to EM

EM's Significance vs. Investor Allocations



Global investors are seriously under-allocated to EM

EM's Significance vs. Investor Allocations

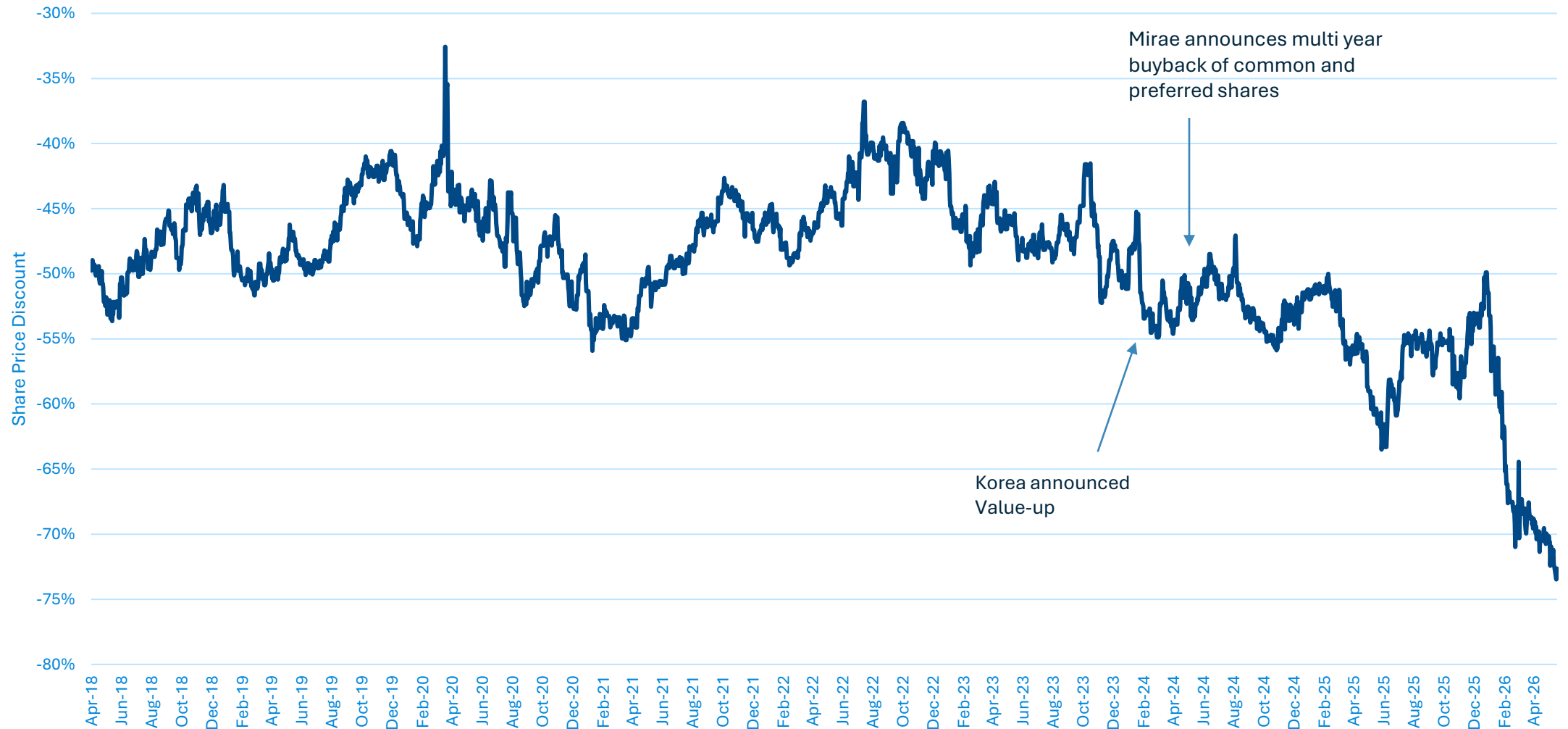


Where does the risk lie?

Macro Metric	USA	EM
Real GDP Growth (2027 forecast)	2.1%	4.2%
Government Budget Balance (% of GDP)	-7.5%	-5.9%
Current Account (% of GDP)	-3.7%	1.0%
Government Debt to GDP	125.8%	77.2%

Mirae Asset Securities Arbitrage

Preferred shares discount to common shares



SCM

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this session

2026

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