



THE CORONATION CLIENT CHARTER

We strive always to put clients first

We have an unwavering commitment
to the long term

We focus on producing top
performance over all meaningful
periods

We are uncompromising about ethics

CORONATION

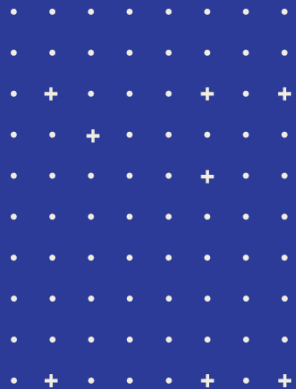
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Conversations with Coronation

Gavin Joubert | Suhail Suleman
Marc Talpert | Lisa Haakman | Ori Sachs

April 2025





AGENDA

Fund positioning and performance

+ *Gavin Joubert*

GEM macro backdrop

+ *Suhail Suleman*

Industry and stocks discussions

+ *Ori Sachs*

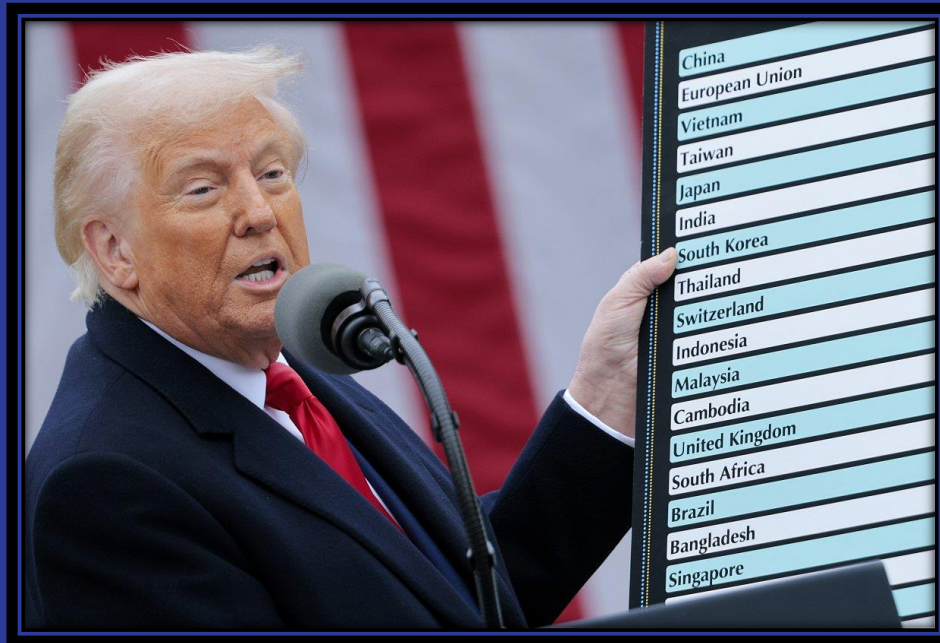
+ *Lisa Haakman*

+ *Marc Talpert*

Poll question 1



How big an impact (if at all) will tariffs have on US inflation?



- + No impact at all
- + 0% to 2%
- + 2% to 4%
- + >4%

Poll question 2



How many times per month do you order on-demand deliveries from Uber Eats, Mr. D, Woolies Dash and/or Checkers Sixty60?

+ 0

+ 1 to 4 times

+ 5 to 8 times

+ >8 times



Poll question 3



If you could charge your EV at the same rate as filling up your ICE, would you buy one?

+ Yes

+ No

Poll question 4



Have you used an AI tool which has led to a material change in your productivity (either professionally or personally)?

+ Yes

+ No





Gavin Joubert

HEAD OF GLOBAL EMERGING MARKETS

BBusSc, CA (SA), CFA

- + 26 years' investment experience
- + Joined Coronation in 1999, senior staff partner
- + Head of Coronation's Global Emerging Markets unit
- + Lead portfolio manager on Global Optimum Growth Fund
- + Lead GEM portfolio manager since strategy inception

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Global Investment Team

SA EQUITY RESEARCH & RESOURCES FOCUS

2

4

Neil Padoa CFA (17; 13)
Louis Stassen CFA (35; 31)
Henk Groenewald CFA (22; 20)
Humaira Surve CFA (13; 13)
Danie Pretorius CFA (17; 7)
Steven Barber CFA (15; 12)
Chris Cheetham CFA (14; 7)
Runé Fernhout CFA (4; 4)
Peter Leger CFA (27; 20)
Gregory Longe CFA (12; 12)
Floris Steenkamp CFA (10; 10)

GLOBAL DEVELOPED EQUITY/AFRICA RESEARCH FOCUS

6

30

Karl Leinberger CFA - CIO (24; 24)¹
Charles de Kock (39; 19)
Neville Chester CFA (28; 24)
Quinton Ivan CFA (20; 20)
Neill Young CFA (26; 26)
Dirk Kotzé CFA (31; 26)
Pallavi Ambekar CFA (22; 22)
Godwill Chahwahwa CFA (21; 21)
Alistair Lea CFA (26; 20)
Tumisho Motlanthe CFA (17; 17)
Sarah-Jane Alexander CFA (21; 16)
Nicholas Stein CFA (16; 16)
Nicholas Hops CFA (11; 11)
Zukisa Luswazi CFA (12; 9)
Siyabonga Mseleku (8; 8)
Jonathan Kinnear CFA (8; 5)
Khotso Mophosho CFA (7; 6)
Leila Joseph CFA (5; 5)
Chumasande Thembisa CFA (5; 5)
Ruan Koch CFA (10; 3)
Tracy Brodziak CFA (24; 3)
Olwethu Majoro CFA (2; 2)

GLOBAL EMERGING EQUITY RESEARCH FOCUS

46

23

Gavin Joubert CFA (26; 25)
Suhail Suleman CFA (23; 17)
Iakovos Mekios CFA (11; 11)
Lisa Haakman CFA (18; 8)
Marc Talpert CFA (10; 10)
Paul Neethling CFA (12; 8)
Adam Spagnoletti CFA (19; 4)
Ori Sachs CFA (9; 5)
Chenghuan Deng CFA (6; 6)
Nicole Maduray CFA (6; 4)

14 analysts at
Coronation
cover at least
1 stock in
GEM fund

Nishan Maharaj (22; 12)
Marie Antelme (24; 10)
Anton de Goede CFA (26; 17)
Adrian van Pallander CFA (23; 23)
Steve Janson (18; 11)
Mauro Longano (14; 11)
Seamus Vasey CFA (21; 9)
Sinovuyo Ndaleneni (9; 9)
Kgahliso Molabe CFA (8; 4)

19 analysts at
Coronation
cover at least
1 stock in
Optimum fund

FIXED INCOME & PROPERTY RESEARCH FOCUS

53 investment professionals | 3 former CIOs |
45 CFA Charter Holders | Everyone sits together



Coronation Global Optimum Growth Fund (ZAR)

Periods ending 31 March 2025



	Coronation Global Optimum Growth Fund (P class)	Benchmark**
Since inception (cumulative)	2341.2%	1416.1%
Since inception (annualised)	13.1%	11.0%
5 years (p.a.)	7.5%	11.8%
3 years (p.a.)	13.1%	11.1%
1 year	7.3%	4.6%
YTD	1.5%	-1.5%

Coronation Global Emerging Markets Fund

Periods ending 31 March 2025



	Coronation Global Emerging Markets Fund (P class)	Benchmark**
Since inception (cumulative)	309.1%	278.5%
Since inception (annualised)	8.7%	8.3%
5 years (p.a.)	3.9%	8.5%
3 years (p.a.)	11.1%	9.4%
1 year	1.1%	6.1%
YTD	0.2%	0.1%

The world on Thanksgiving Day 26 November 1988



——— ” ———
Our peaceful trading partners are not our enemies, they are our allies. We should beware of the demagogues who are ready to declare a trade war against our friends, weakening our economy, our national security and the entire free world.

RONALD REAGAN
@ABPROUD

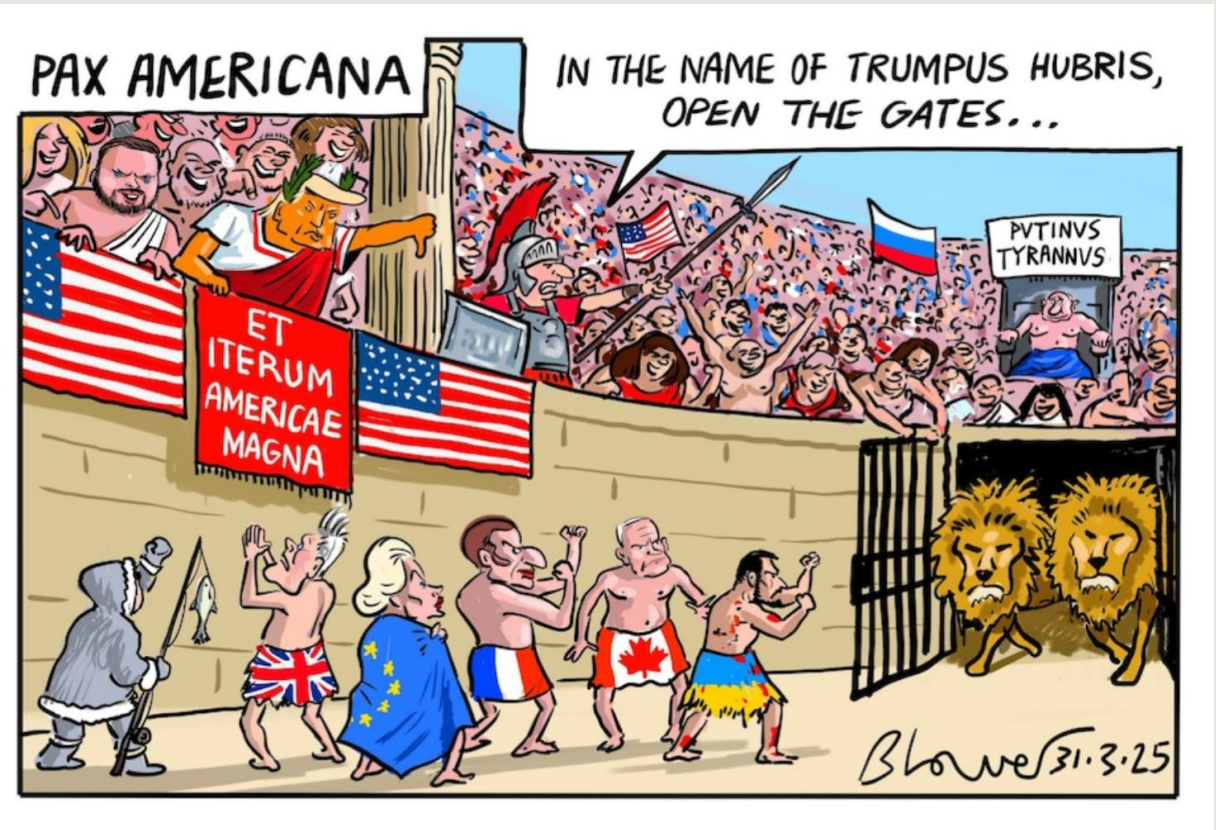


"America's most recent experiment with protectionism (Smoot-Hawley tariff in 1930) was a disaster for the working men and women of this country"

"Ever since that time, the American people have stayed true to our heritage by rejecting the siren song of protectionism. In recent years, the trade deficit led some misguided politicians to call for protectionism, warning that otherwise we would lose jobs. But they were wrong again."

"Yet today protectionism is being used by some American politicians as a cheap form of nationalism, a fig leaf for those unwilling to maintain America's military strength and who lack the resolve to stand up to real enemies -- countries that would use violence against us or our allies. "

The world in 2025





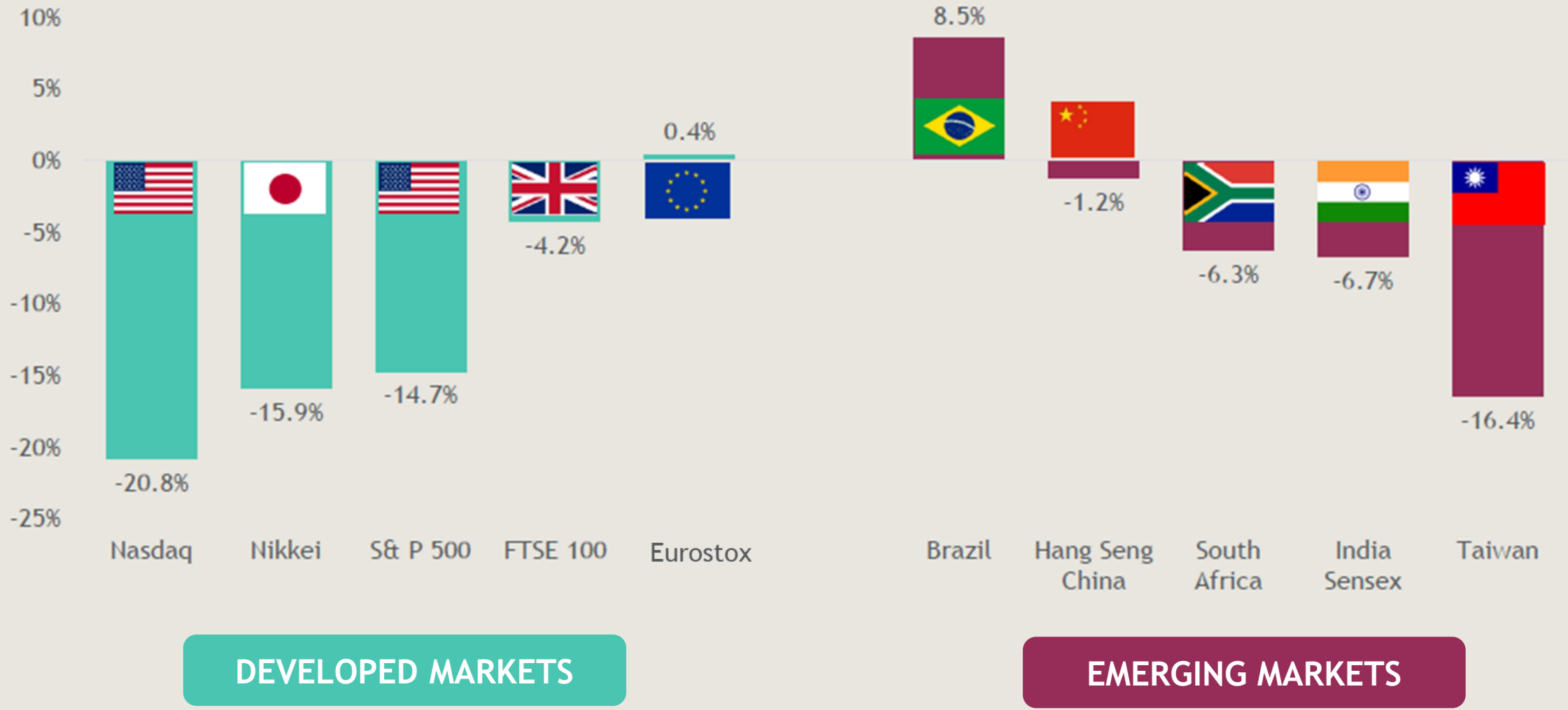
Trump Tariffs



The Trump administration has put a 10 percent tariff on the Heard Island and McDonald which has a population of 0 people and is inhabited only by penguins.

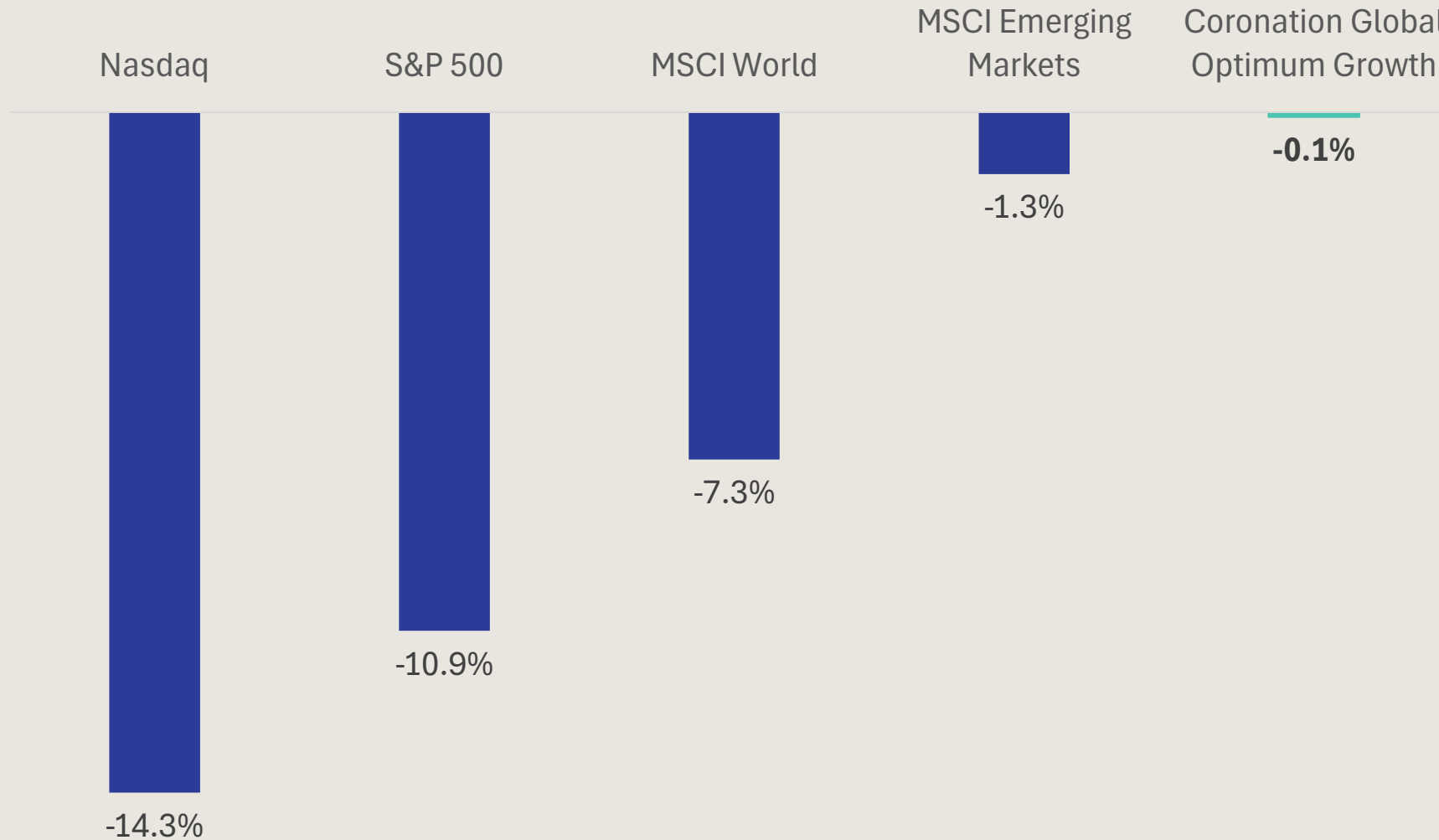


How have markets reacted to this new world?

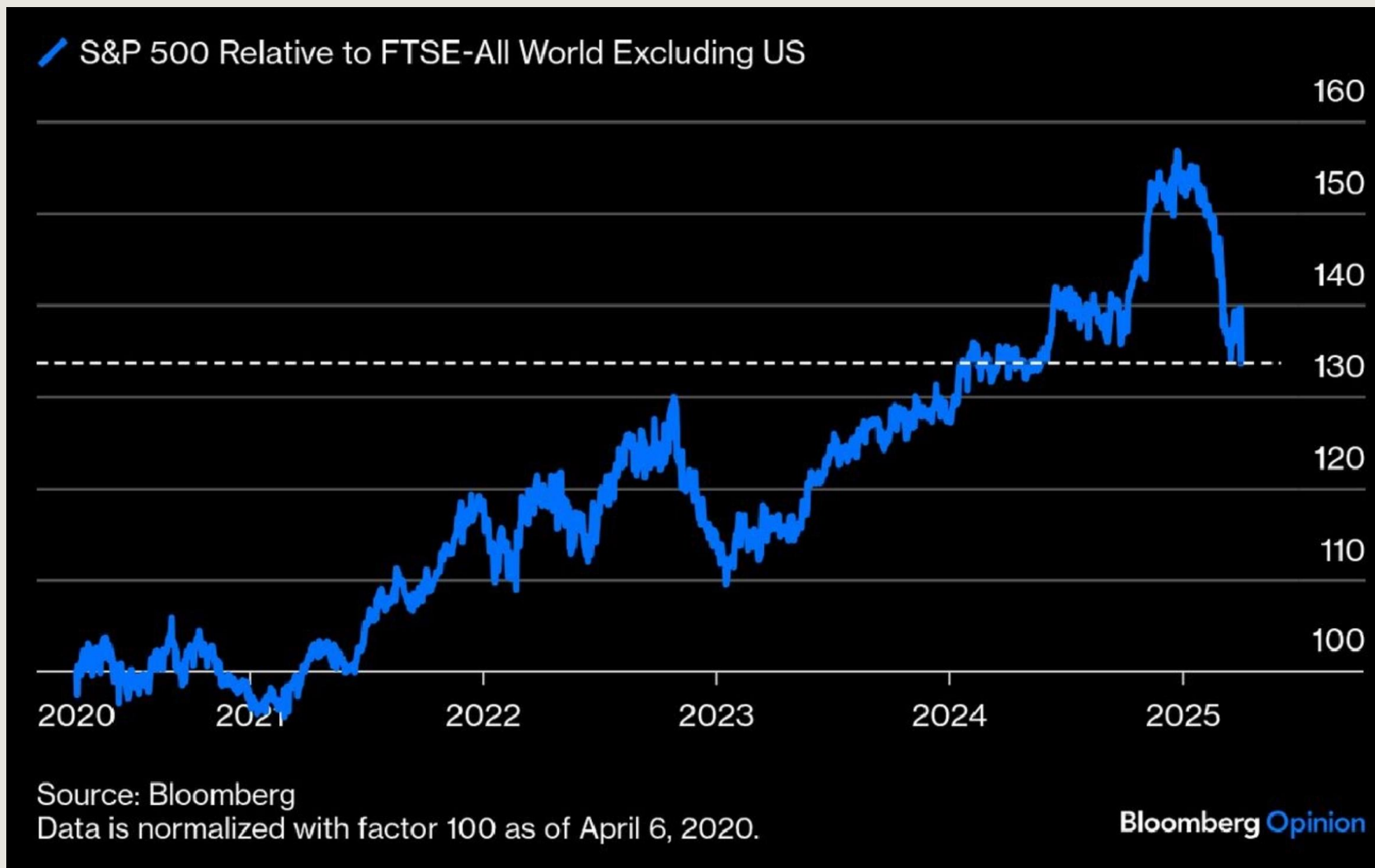


Note: YTD returns in USD to 7 April 2025

YTD returns up until 8 April (ZAR)



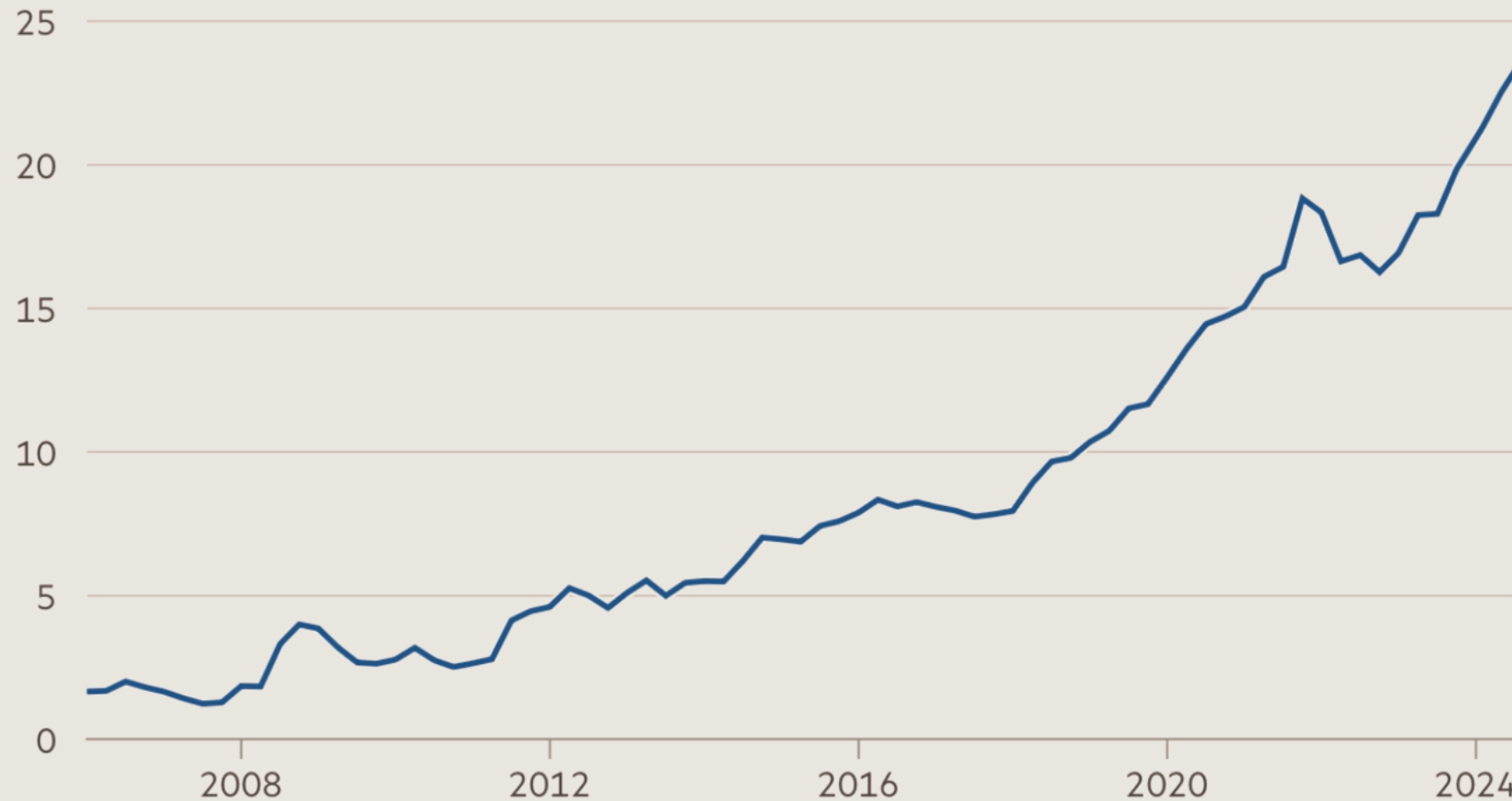
US vs World ex-US up until weekend of 5/6 April



US assets: many are up to their eyeballs

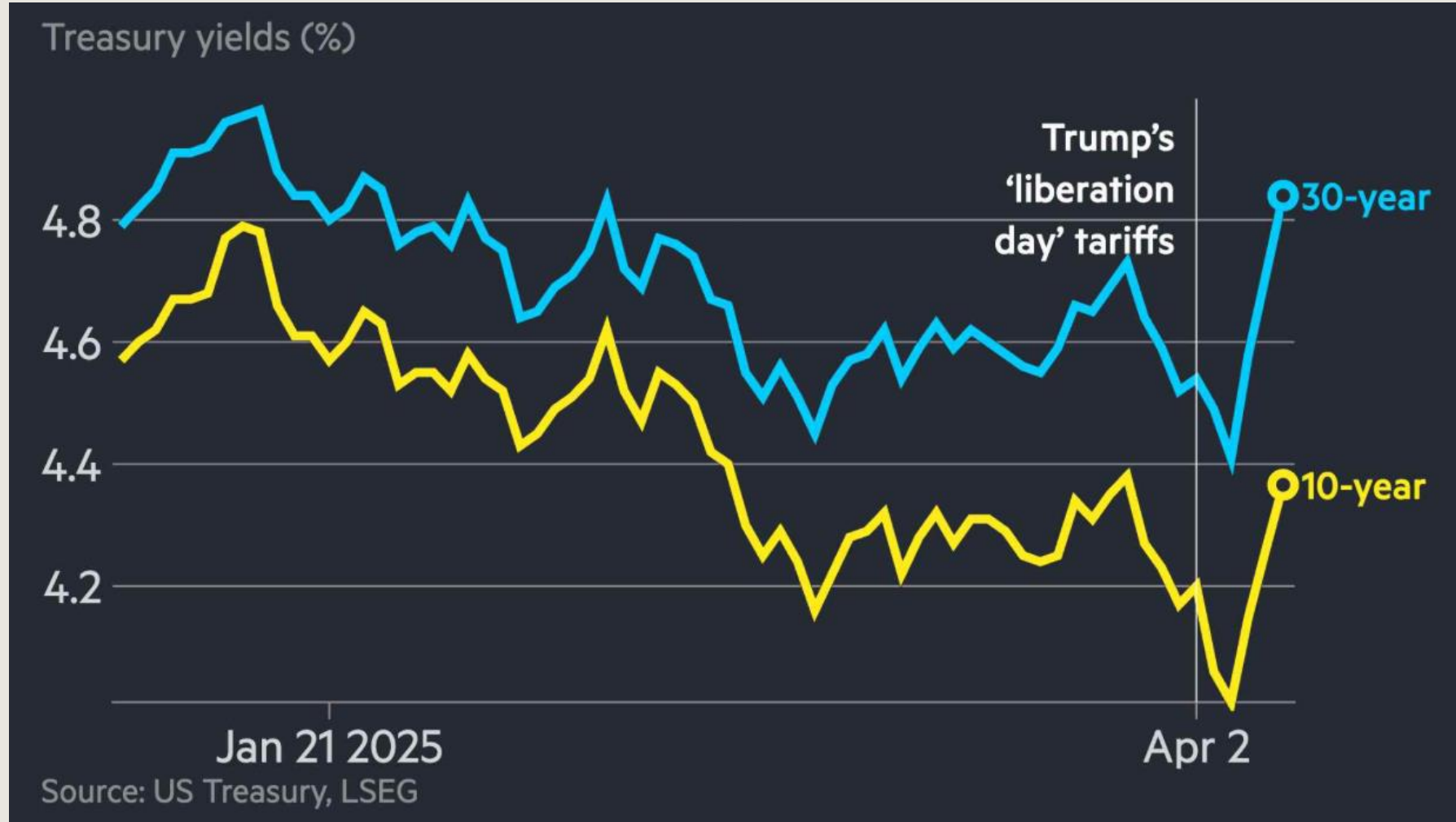


US assets owned by foreigners minus foreign assets held by Americans, \$tn



Source: FINANCIAL TIMES | Haver Analytics, Barclays Research

‘Risk free’ US bond yields since Trump’s Liberation Day...

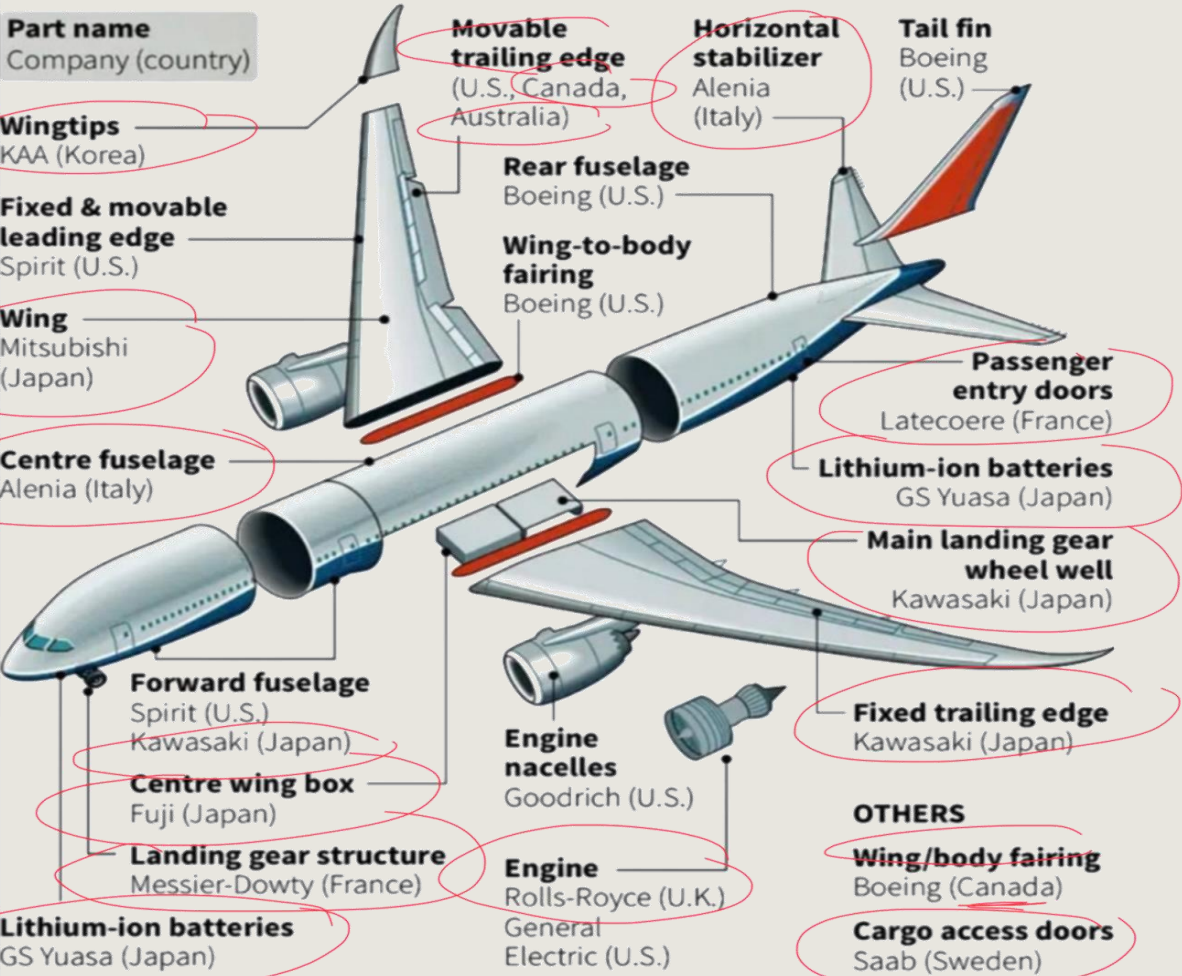


Coming in...



787 Dreamliner structure suppliers

Selected component and system suppliers.

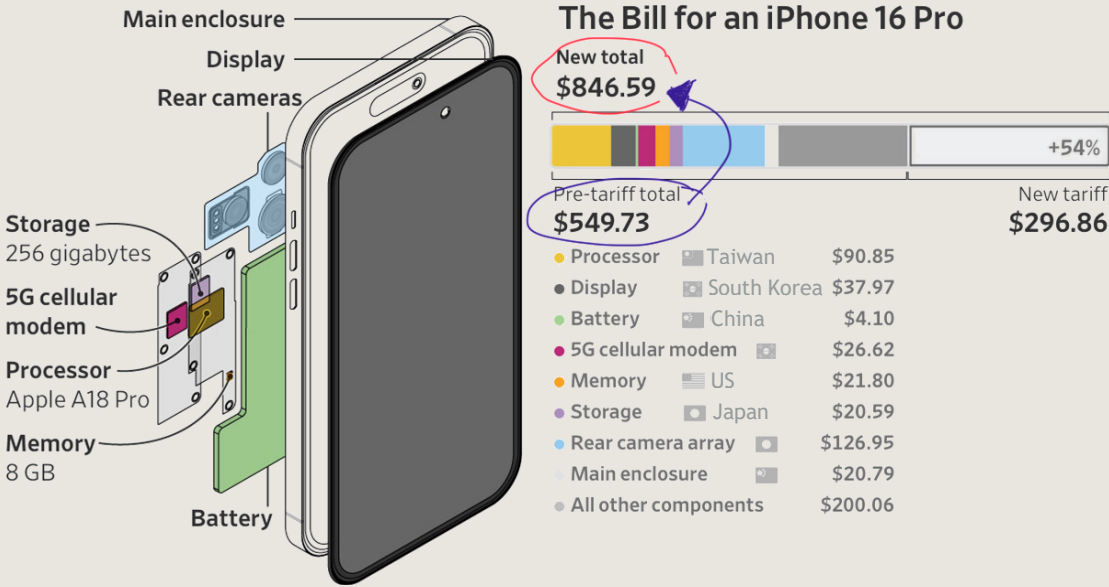


Sources: Boeing, Reuters

Note: Diagrams are not to scale.

RNGS Staff, 09/10/2013

REUTERS



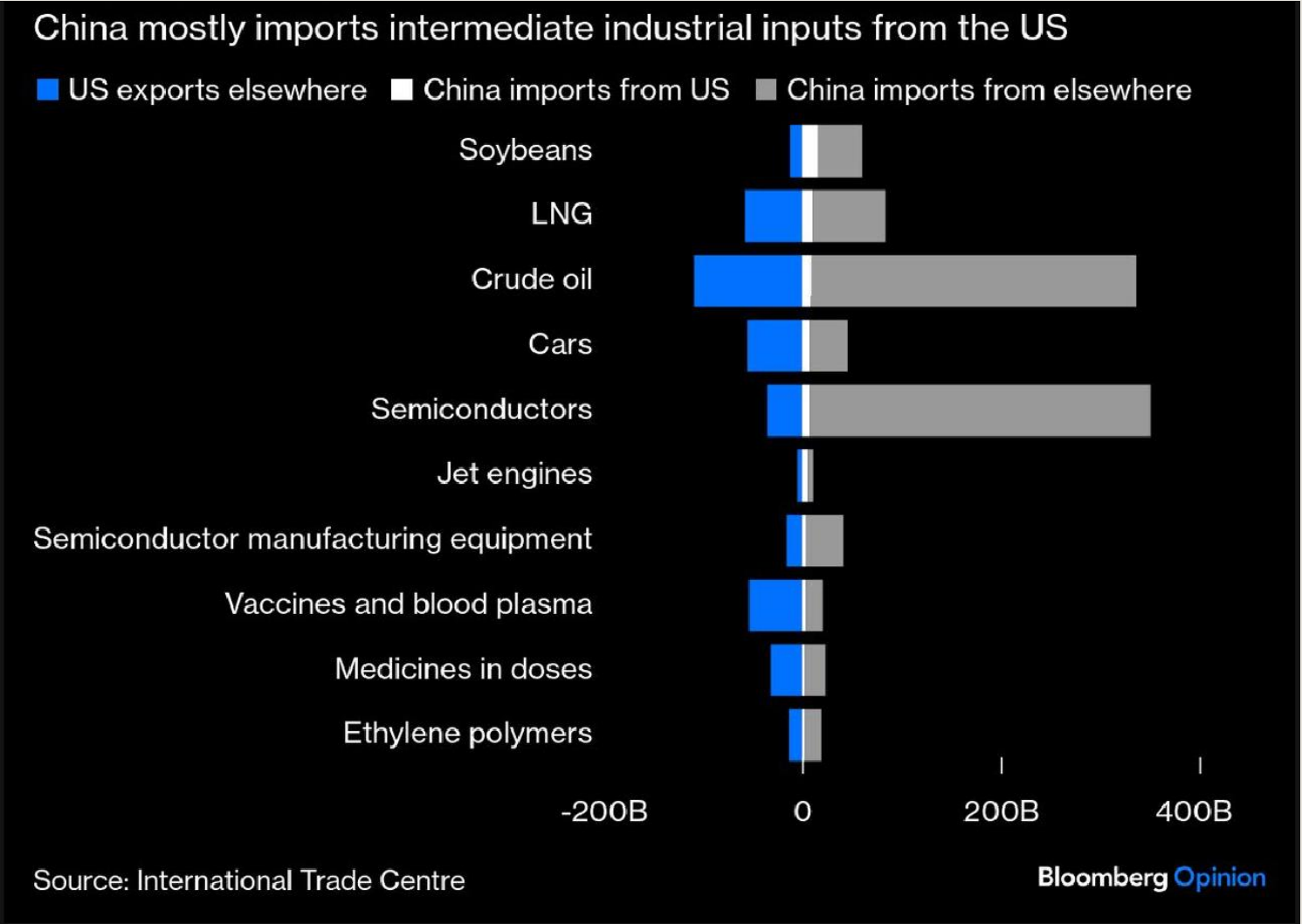
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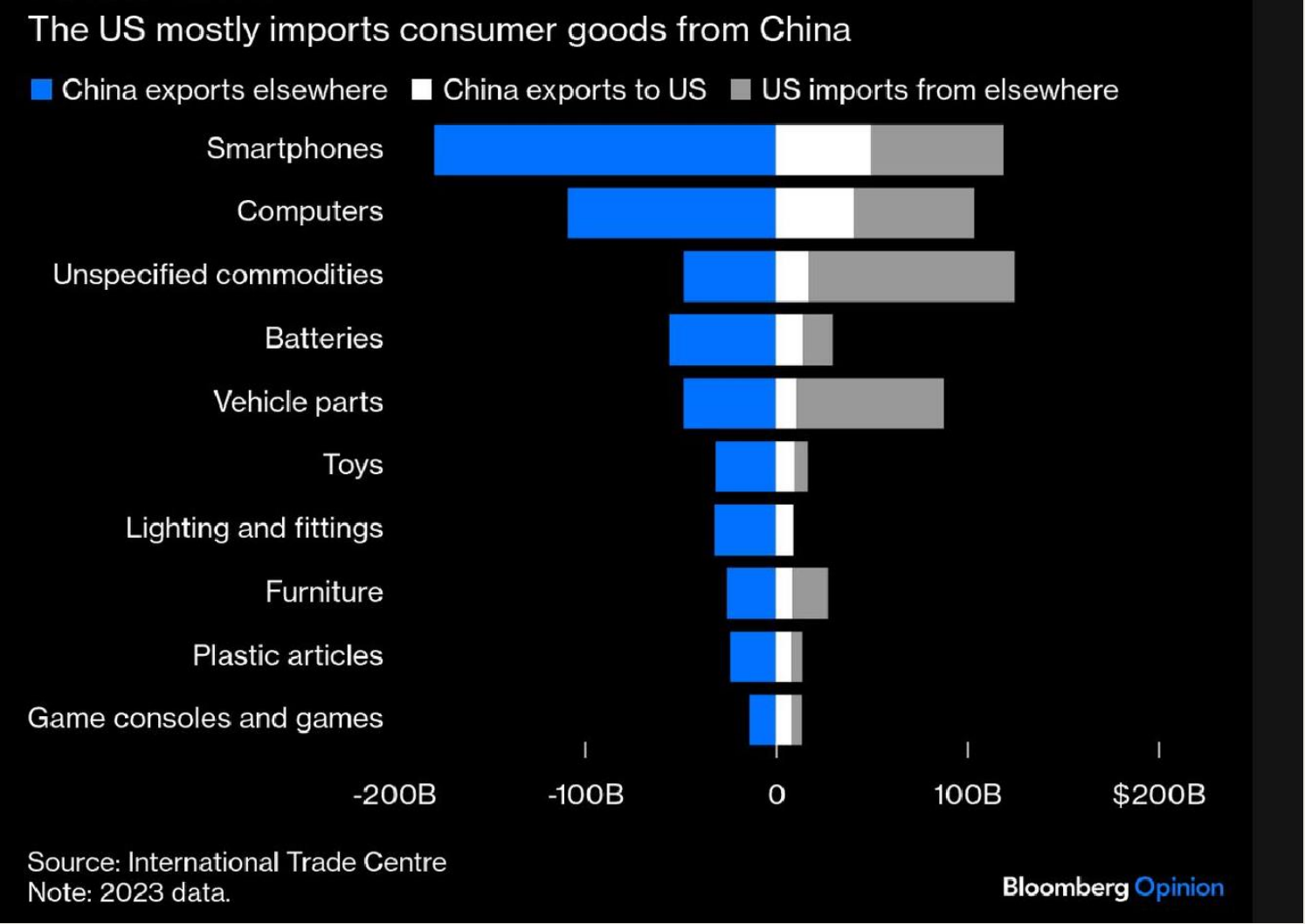
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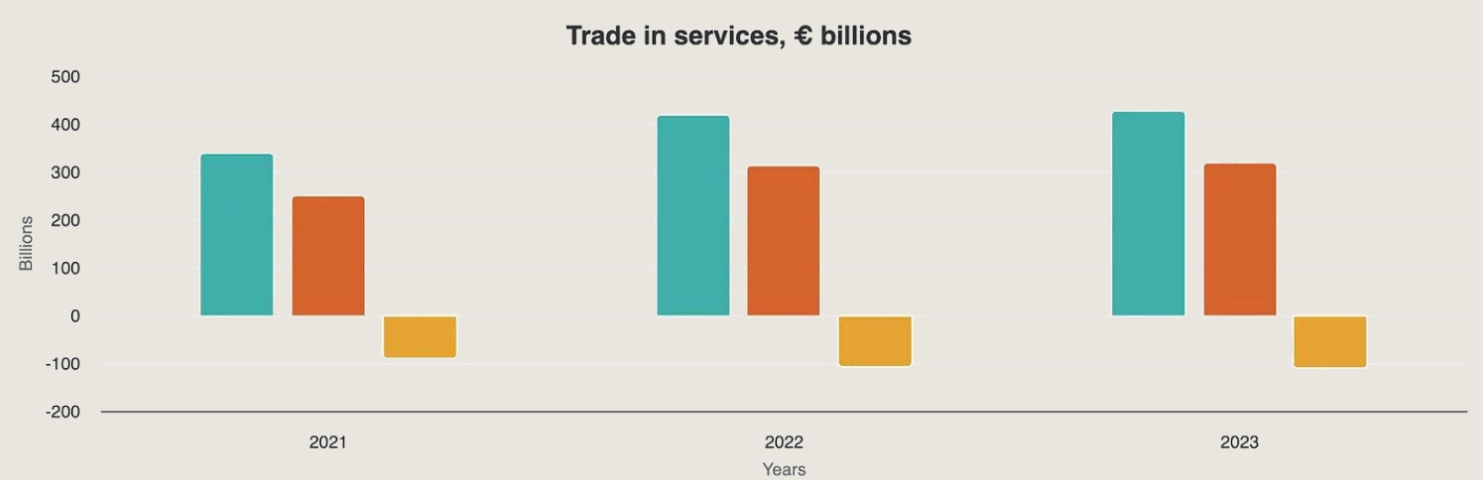
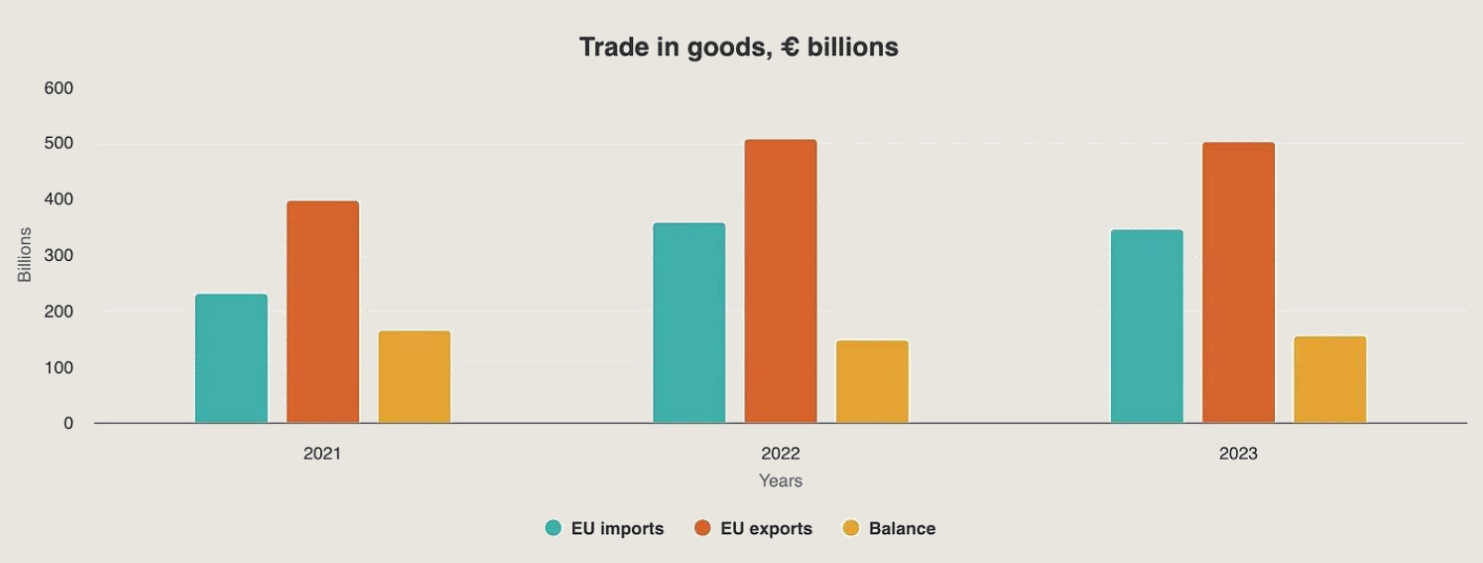


S&P500 companies non-US revenue	
Broadcom	75%
Intel	74%
Mondelez	64%
Coca Cola	62%
Estée Lauder	60%
Apple	58%
Nike	58%
Meta (Facebook)	56%
Nvidia	54%
Air Products	54%
Uber	52%
Tesla	52%
Accenture	52%
Alphabet	51%
Goldman Sachs	36%
Eli Lilly	33%

US to China exports







The calculation



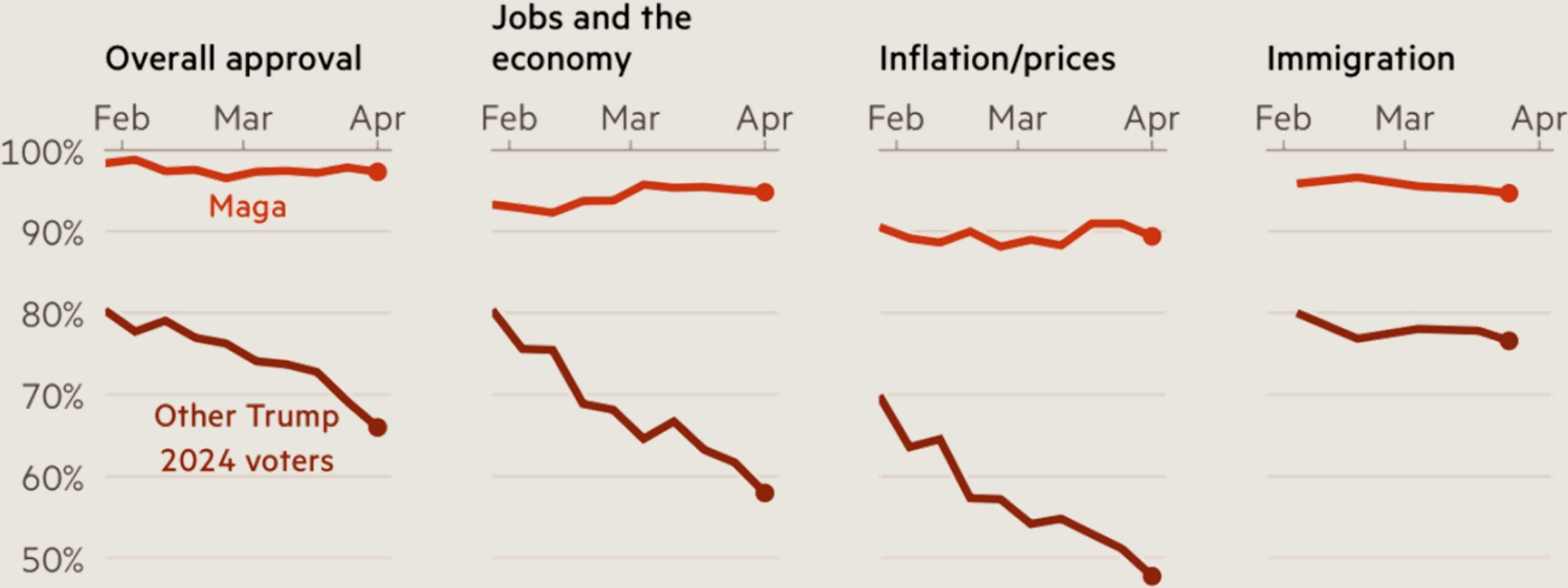
Country	Imports	U.S. deficit	U.S. deficit/U.S. imports	U.S. reciprocal tariff
China	\$438.9B	\$295.4B	67%	34%
EU	\$605.8B	\$235.6B	39%	20%
Vietnam	\$136.6B	\$123.5B	90%	46%
Taiwan	\$116.3B	\$73.9B	64%	32%
Japan	\$148.2B	\$68.5B	46%	24%
S. Korea	\$131.5B	\$66.0B	50%	25%
India	\$87.4B	\$45.7B	52%	26%
Thailand	\$63.3B	\$45.6B	72%	36%
Switzerland	\$63.4B	\$38.5B	61%	31%
Malaysia	\$52.5B	\$24.8B	47%	24%

Source: U.S. Census Bureau
Giovanna Coi/POLITICO

Post purchase dissonance?



Net approval ratings for Trump among different groups of voters, overall and on specific issues



Source: [Economist/YouGov](#)
FT graphic: John Burn-Murdoch / @jburnmurdoch



The US: The Bad, The Ugly and The Good

The Bad

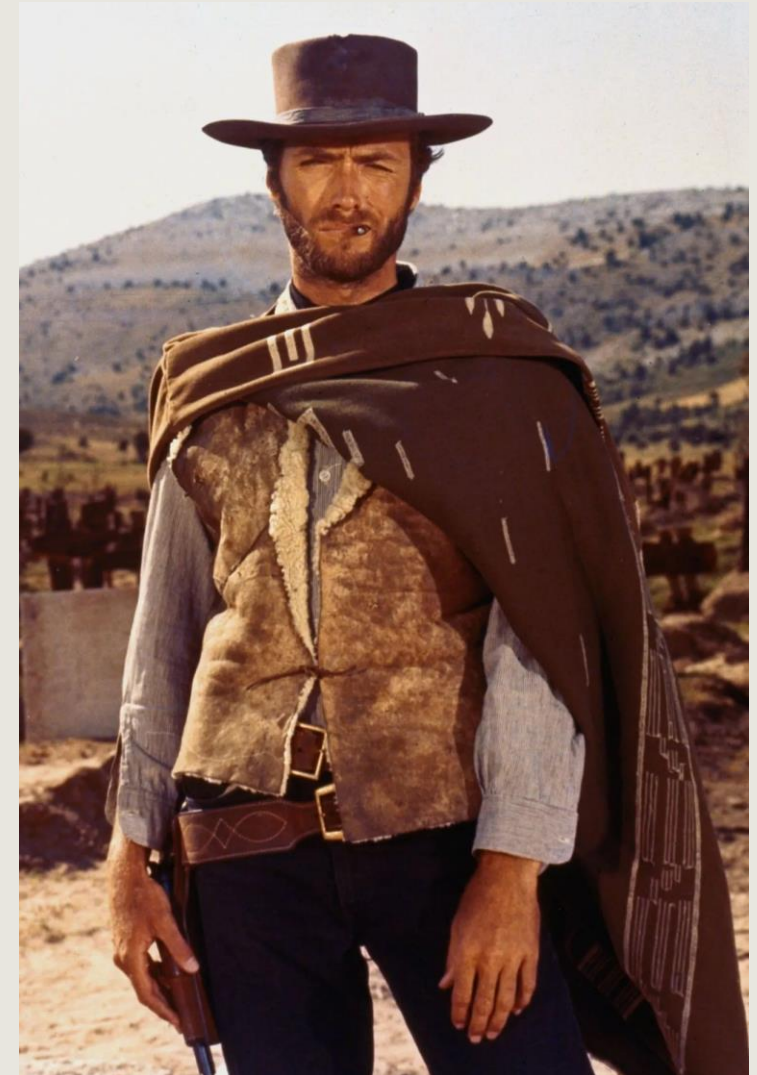
- + 'Watch what he does, not what he says', no more...
- + Trump not surrounded by the smartest guys in the room, but rather by fellow ideologues, yes men and afraid men? Incompetence? (Signalgate, tariff calculations)
- + Alienating allies and losing trust. Ukraine...and Taiwan?
- + Rule of law being challenged
- + US exceptionalism being chipped away at?

The Ugly

- + US inflation, recession?
- + Heading into a global trade war? No one can predict what Trump will do next or what happens next

The Good

- + US still has a long list positives: world's most entrepreneurial and innovative country, largest capital markets and funding, meritocracy, flexible labour markets etc.
- + Trying to address the fiscal deficit
- + Pressure? (households, businesses, Republicans, markets)
- + US has many of the world's best businesses, and a number of those stocks are becoming more attractive

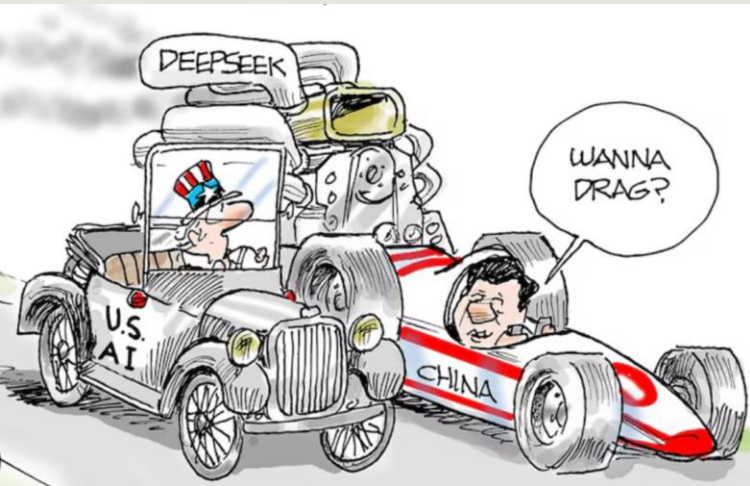




Portfolio actions

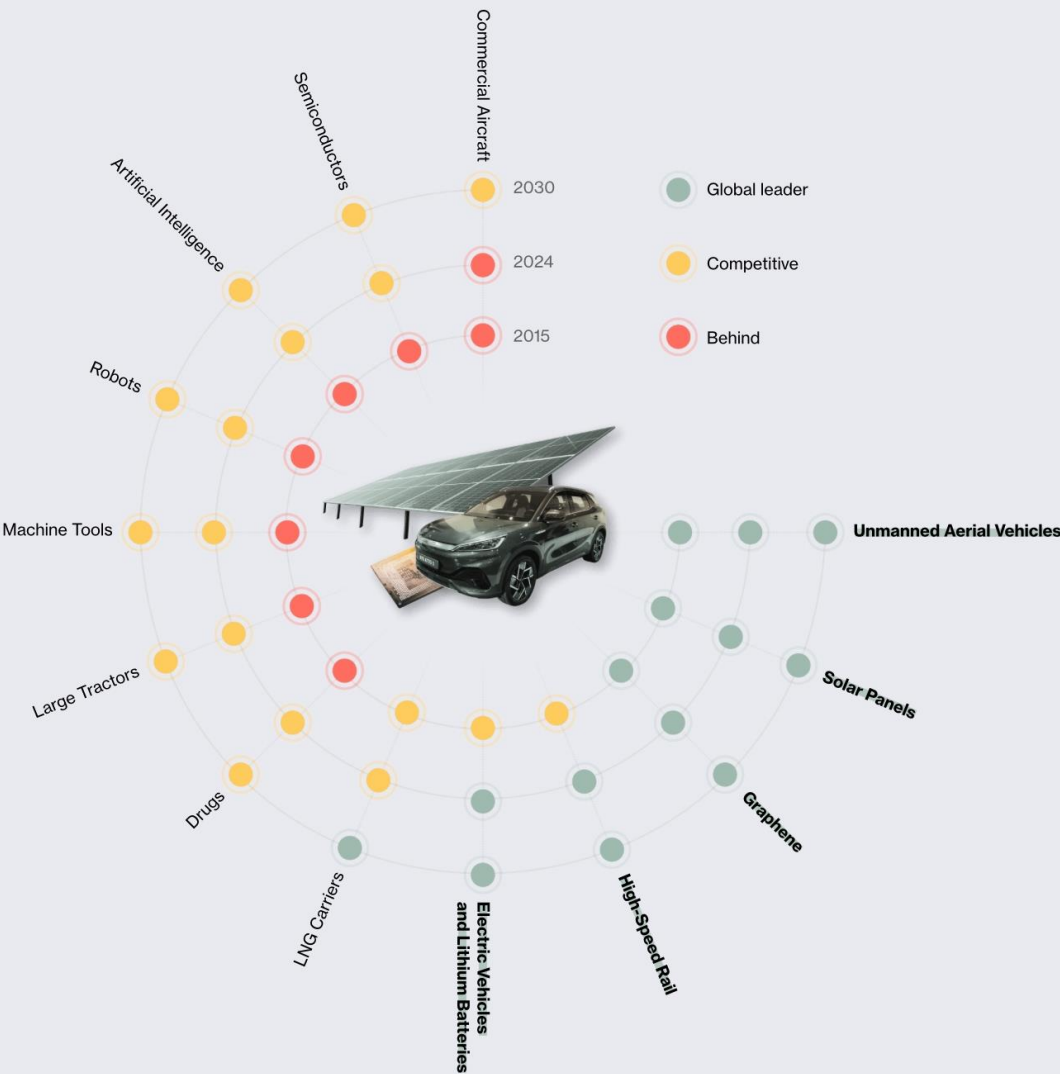
- + **Increasing exposure to structurally growing domestic businesses** (more insulated in this new world) when price moves extreme (in GEM, Optimum)
- + **Exception to above is US domestic consumer businesses** (very low exposure in Optimum)
- + **Low US exposure** (14% of fund in Optimum & 19% of equity) but selectively increasing
- + **Keep gold stock exposure as diversification** (Optimum 3% of fund, GEM 1.7% (both Anglogold))
- + **Increased Brazilian govt bond 2029 exposure** (to 4% of Optimum) yielding 14.5%, weak USD?, low tariffs in Brazil (relative)
- + **Cash: diversify.** Long EUR short USD hedge = 5% of fund in Optimum, long YEN short USD hedge = 2% of fund in Optimum
- + **Take some put options off but still leave healthy protection** (9% of fund in Optimum)
- + **Equity exposure in Optimum** from a low of 66% (Monday open) to **73%** (Wednesday)
- + **Upside to equity FV now 90%** in both Optimum and GEM funds

China some exceptionalism?



China's Achieving Growing Clout in Key Made in China 2025 Industries

China has achieved a global leadership position in **five key technologies**

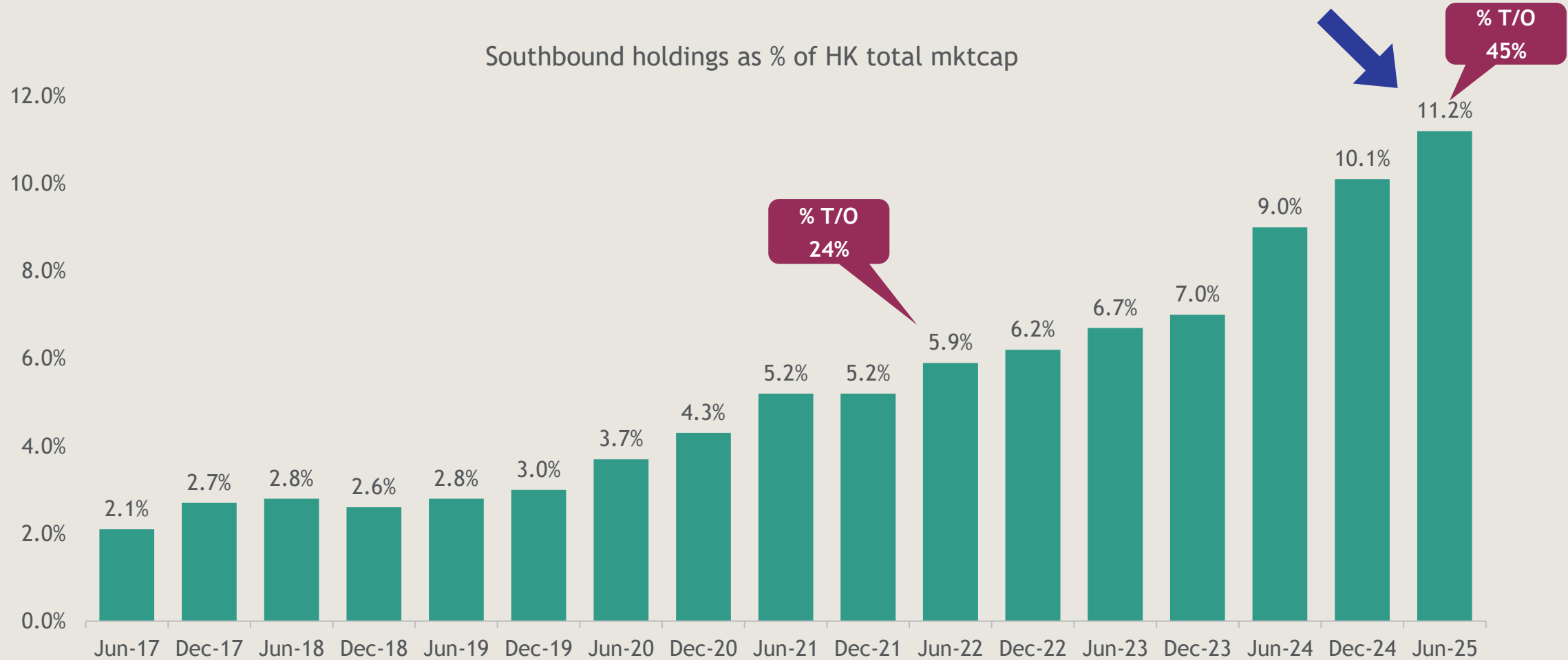


Who is going to be the buyer of Chinese stocks?








THE SOUTHBOUND HAS ACCOUNTED FOR 11.2% OF TOTAL OUTSTANDING SHARE IN HK MARKET...

Southbound holdings as % of HK total mktcap



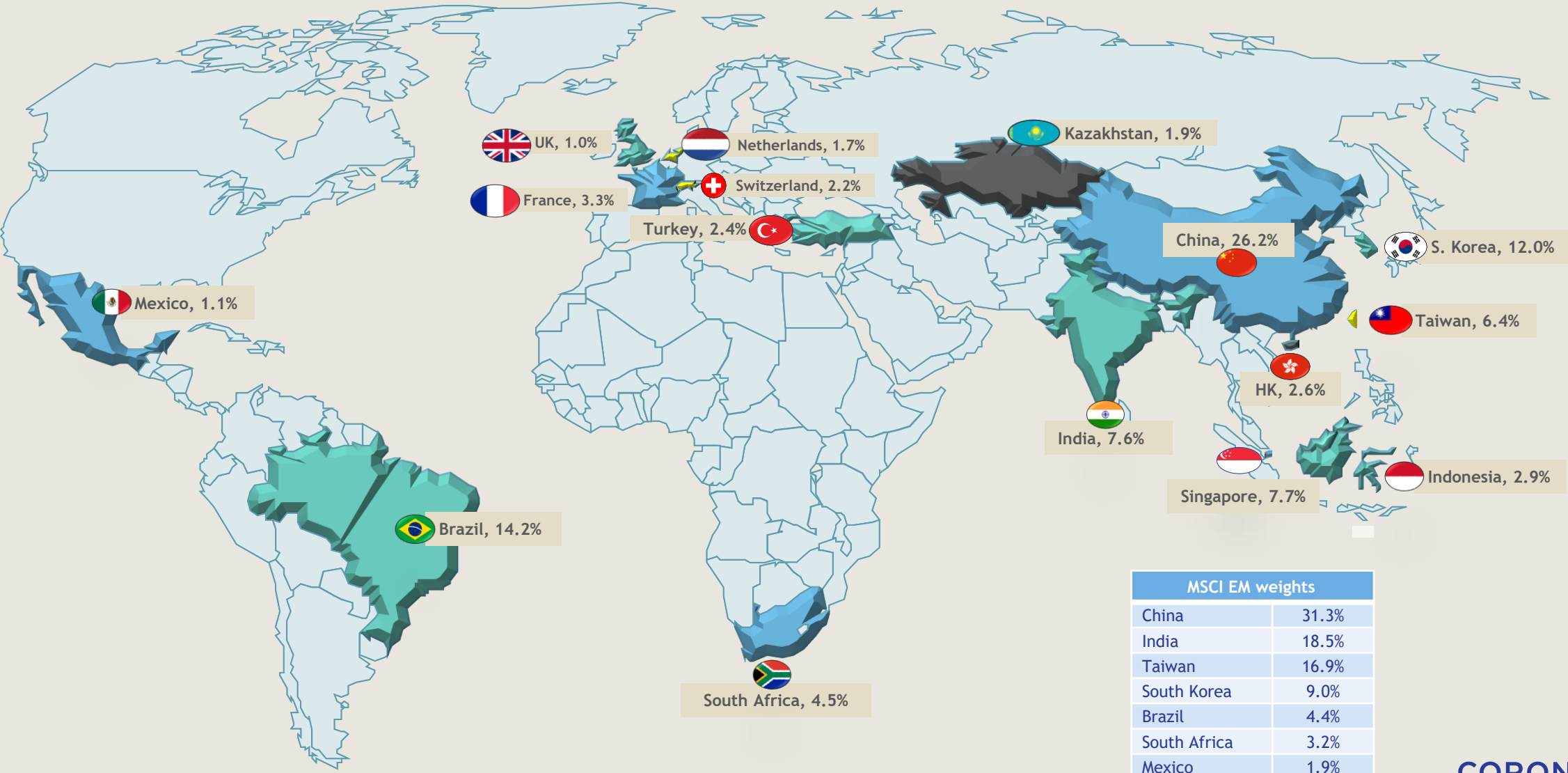
EM ex China Fabulous Five



					
Revenue 2021	6.9bn	0.7bn	1.4bn	18.5bn	9.9bn
Revenue 2024	20.6bn	2.8bn	11.4bn	30.3bn	16.6bn
3-year CAGR	44%	59%	101%	18%	19%
Net profit 2021	0.2bn	(3.0bn)	(0.2bn)	(1.4bn)	(1.9bn)
Net profit 2024	1.7bn	(0.1bn)	2.0bn	0.1bn	0.5bn

Coronation Global Emerging Markets Strategy

Geographic exposure as at 31 March 2025



MSCI EM weights	
China	31.3%
India	18.5%
Taiwan	16.9%
South Korea	9.0%
Brazil	4.4%
South Africa	3.2%
Mexico	1.9%
Indonesia	1.2%

Coronation Global Emerging Markets Strategy

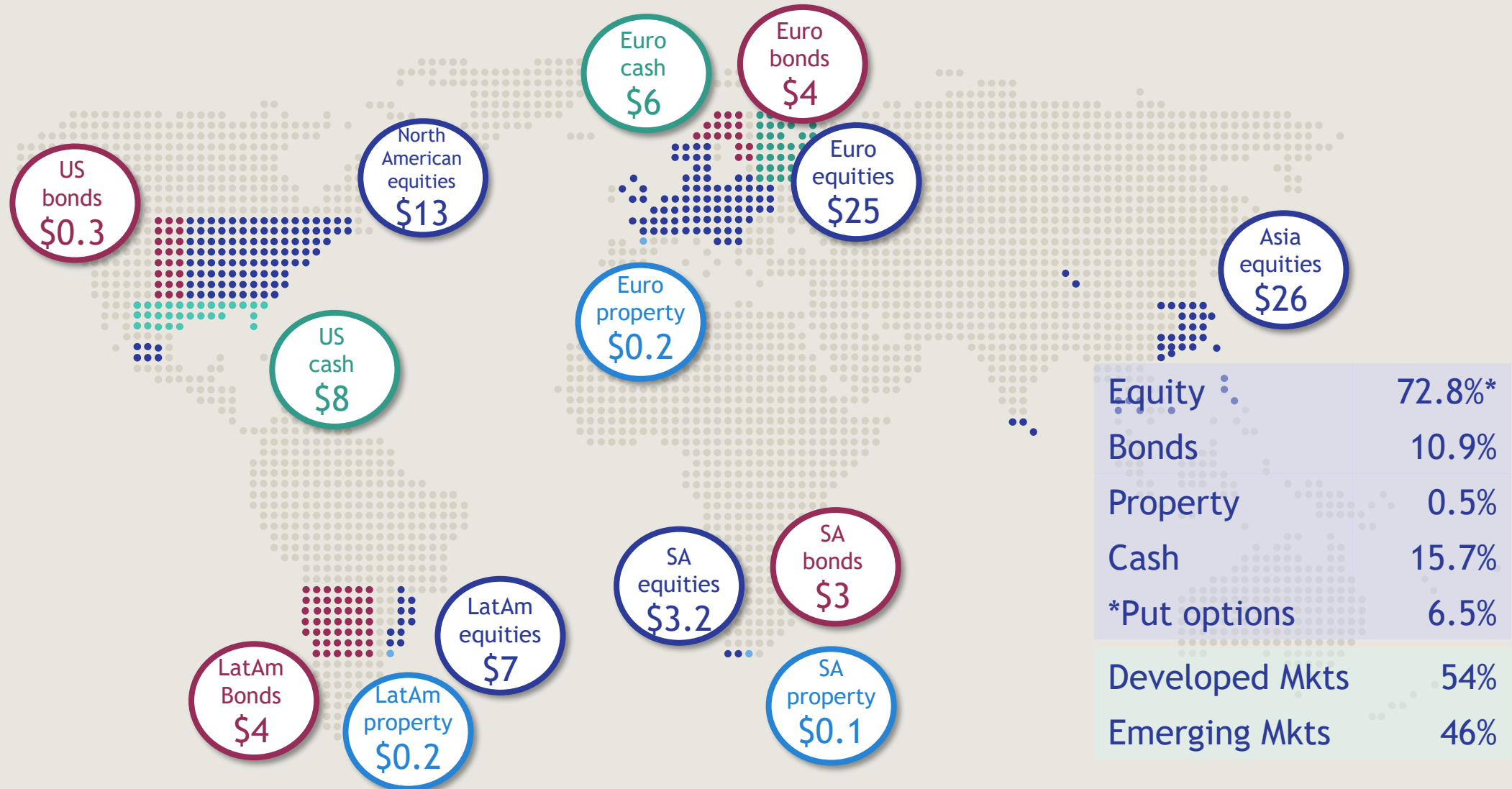
Top 10 positions as at 31 March 2025



Name	Description	Country	Weight
TSMC	Semiconductors	Taiwan/Global	4.8%
Nu Bank	Banking/finance	Brazil	4.5%
Coupang	E-commerce	Korea	4.4%
Mercado Libre	E-commerce	Argentina/LatAm	4.2%
JD.com	E-commerce	China	4.1%
Prosus	Diversified digital economy	China	4.1%
SEA	Diversified digital economy	Singapore/Asia	4.0%
HDFC Bank	Banking & mortgage finance	India	3.7%
Grab	E-commerce	Singapore	3.7%
Airbus	Aerospace engineering	France/Global	3.3%
Total			40.9%



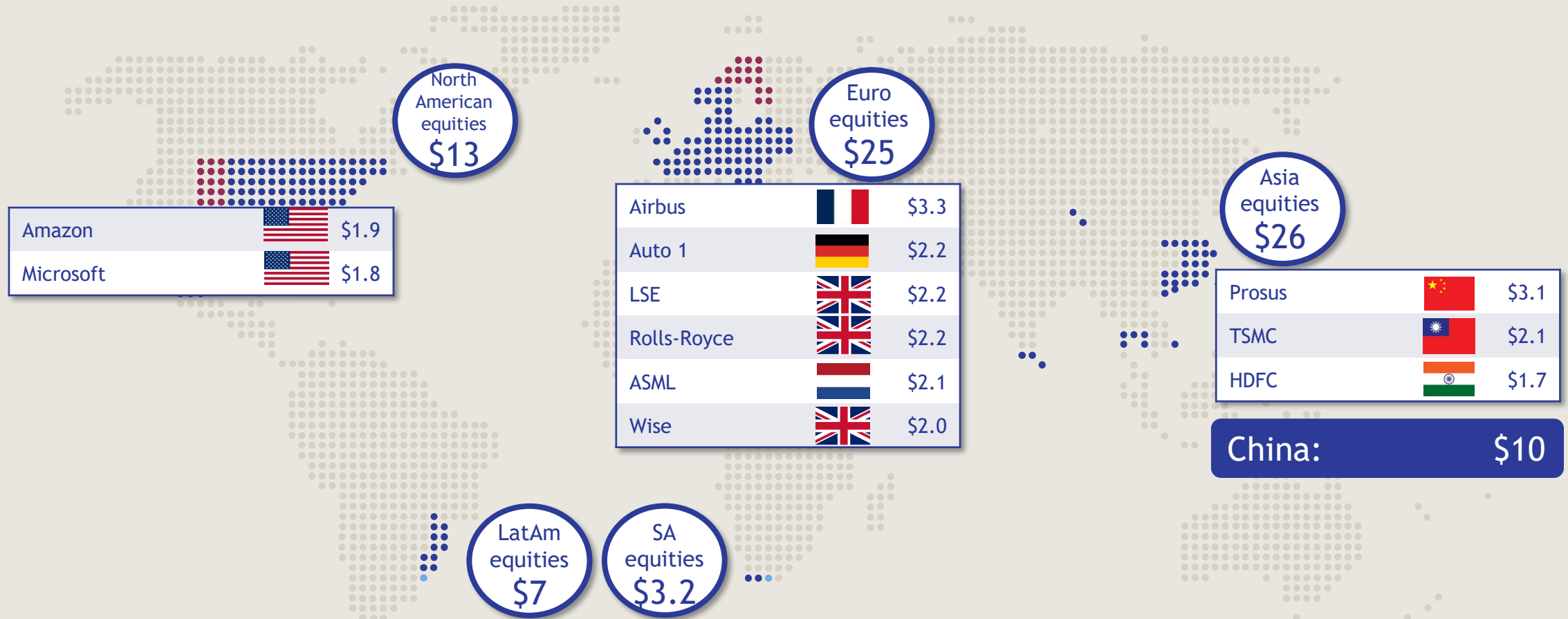
How your \$100 is allocated in Global Optimum Growth





How your \$73 is allocated in Global Optimum Growth

EQUITY EXPOSURE AND TOP HOLDINGS



Effective put protection: \$7
Nominal put protection: \$29

Coronation Global Optimum Growth [ZAR] Fund

Top 10 holdings



Name	Country*	Weight
Airbus	France	3.3%
Prosus	China	3.1%
AngloGold Ashanti	South Africa	2.6%
Nu	Brazil	2.6%
Coupang	Korea	2.4%
Auto 1 Group	Germany	2.2%
London Stock Exchange Group	UK	2.2%
Rolls-Royce	UK	2.2%
TSMC	Taiwan	2.1%
ASML	Netherlands	2.1%
Total		24.8%



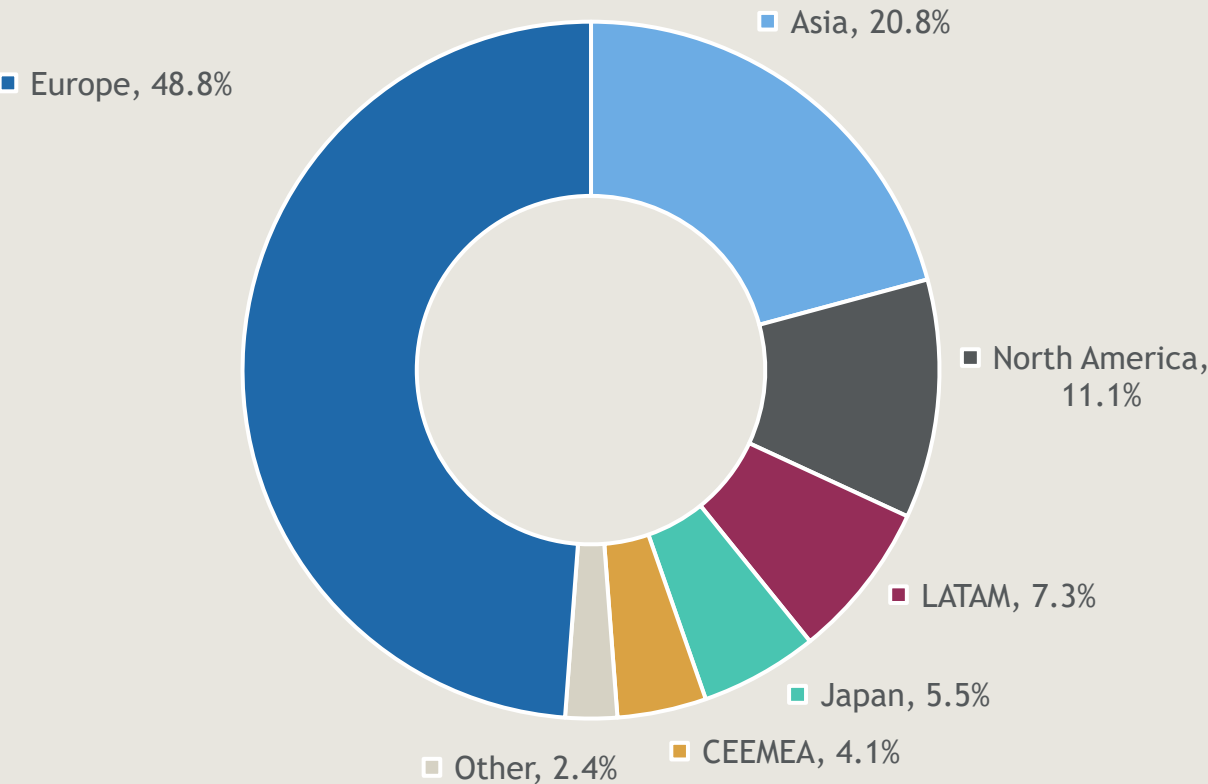
Coronation International ex-US Equity Strategy

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Coronation International ex-US Equity Strategy

Geographic exposure and top holdings



Holding	% Strategy
Auto 1	5.3%
Airbus	4.8%
TSMC	3.6%
Rolls-Royce	3.3%
Wise	3.0%
Prosus	3.0%
Wizz Air	3.0%
Flutter	2.9%
Accor	2.8%
St.James's Place	2.8%

Coronation International ex-US Equity Strategy

Performance in USD for periods ending 31 March 2025



Portfolio Managers

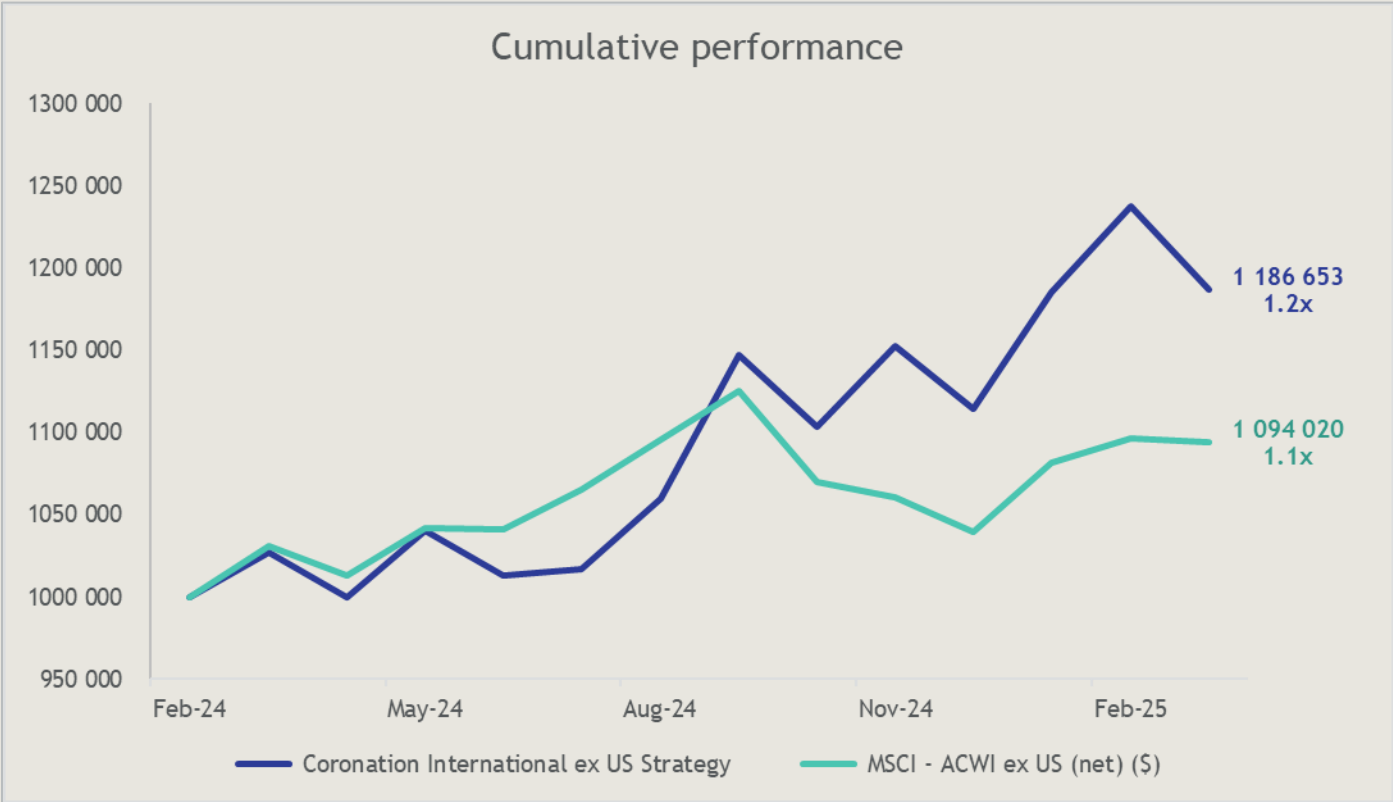


NEIL PADOA
BEconSc, FFA, CFA



GAVIN JOUBERT
BBusSc, CA (SA), CFA

	Strategy	MSCI - ACWI ex US (net) (\$)	Alpha
SI (p.a.) *	17.1%	8.7%	8.4%
1 year	15.5%	6.1%	9.5%
YTD	6.5%	5.2%	1.3%
6 months	3.5%	-2.8%	6.3%



* Since inception: March 2024

Coronation International ex-US Equity vs peer group



Fund	Return since inception (12 months)	Rank
Competitor	18.081%	3
Competitor	11.15%	17
Competitor	0.38%	62
Competitor	12.75%	15
Competitor	2.60%	55
Competitor	14.49%	8
Competitor	7.52%	33
Competitor	13.76%	11
Competitor	9.30%	26
Competitor	6.68%	37
Competitor	0.54%	61
Competitor	2.06%	58
Competitor	9.70%	24
Competitor	-6.49%	70
Competitor	16.80%	5
Competitor	-3.52%	67
Competitor	14.10%	10
Competitor	4.19%	50
Competitor	5.24%	47
Coronation Int Core Equity	17.10%	4
Competitor	8.03%	31
Competitor	6.06%	40
Competitor	9.39%	25
Competitor	14.41%	9

Fund	Return since inception (12 months)	Rank
Competitor	3.28%	53
Competitor	4.91%	48
Competitor	10.75%	19
Competitor	n/a	n/a
Competitor	2.30%	57
Competitor	-8.84%	71
Competitor	8.36%	30
Competitor	5.82%	42
Competitor	16.75%	6
Competitor	9.96%	22
Competitor	1.14%	60
Competitor	18.84%	2
Competitor	6.84%	36
Competitor	-2.25%	66
Competitor	6.96%	35
Competitor	-0.23%	64
Competitor	6.03%	41
Competitor	5.81%	43
Competitor	10.60%	20
Competitor	12.84%	14
Competitor	11.15%	18
Competitor	7.72%	32
Competitor	16.66%	7
Competitor	3.73%	51

Fund	Return since inception (12 months)	Rank
MSCI Index	8.64%	28
Competitor	6.27%	39
Competitor	5.37%	45
Competitor	20.22%	1
Competitor	1.79%	59
Competitor	0.00%	63
Competitor	8.63%	29
Competitor	9.76%	23
Competitor	2.91%	54
Competitor	4.32%	49
Competitor	-4.44%	69
Competitor	5.36%	46
Competitor	13.13%	13
Competitor	5.37%	44
Competitor	13.48%	12
Competitor	-4.28%	68
Competitor	11.81%	16
Competitor	6.43%	38
Competitor	8.75%	27
Competitor	3.47%	52
Competitor	2.49%	56
Competitor	10.24%	21
Competitor	7.35%	34
Competitor	-1.52%	65



Suhail Suleman

PORTFOLIO MANAGER

BBusSc, CFA

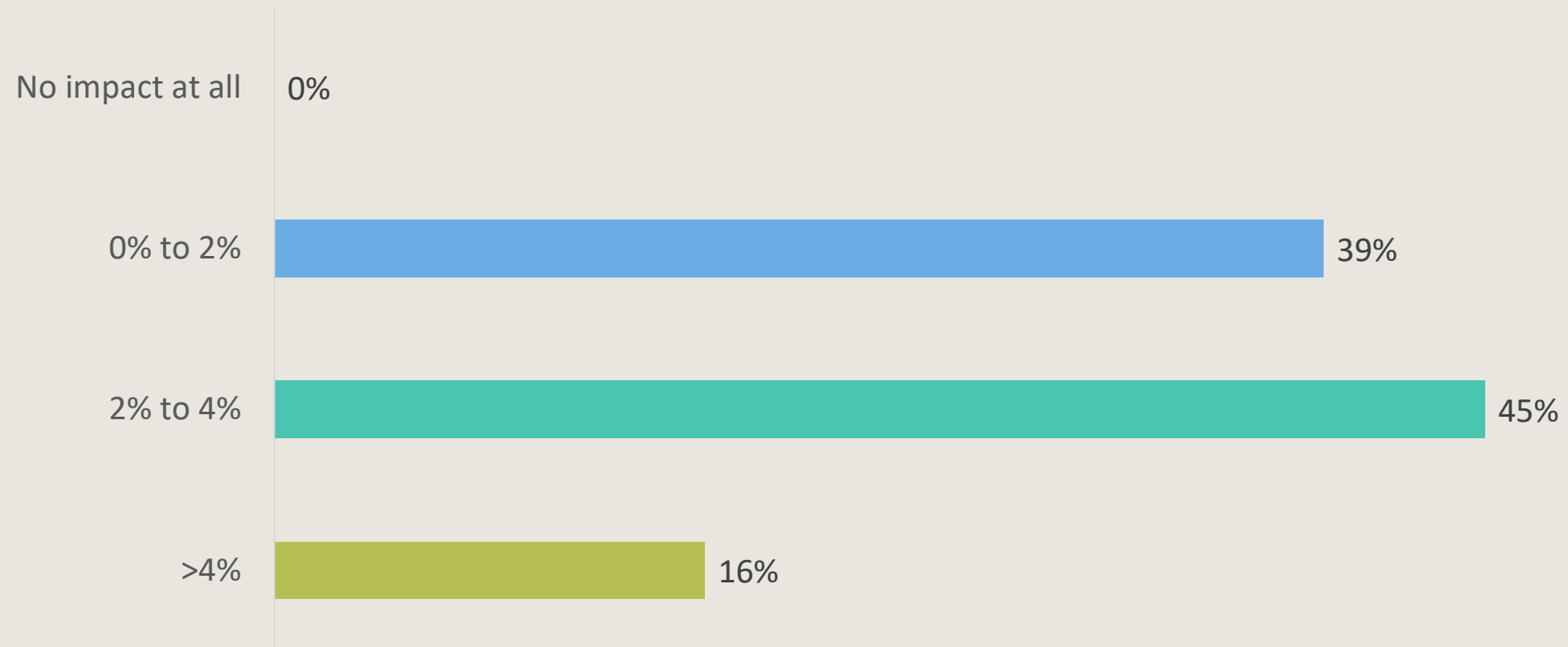
- + 23 years' investment experience
- + Joined Coronation in 2007
- + Portfolio Manager within the Global Emerging Markets investment team

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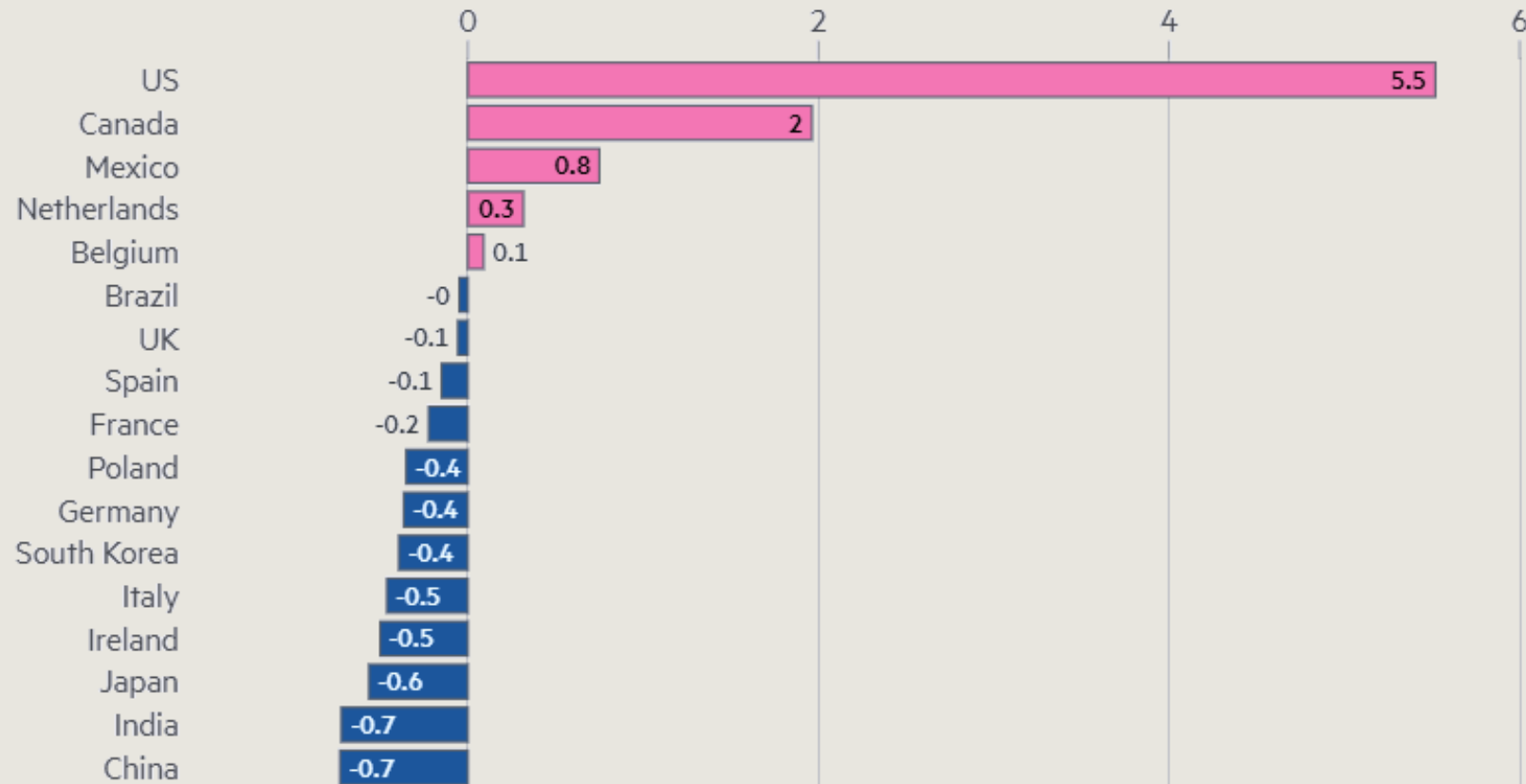
How big an impact (if at all) will tariffs have on US inflation?



Likely outcome



Long-term impact on prices under a scenario where US imposes universal 25% tariffs and all impacted countries retaliate with equal measures (% change)



Source: Du/Shepotylo (2025), Aston Business School • *10% on Canada energy and extra 20% on China

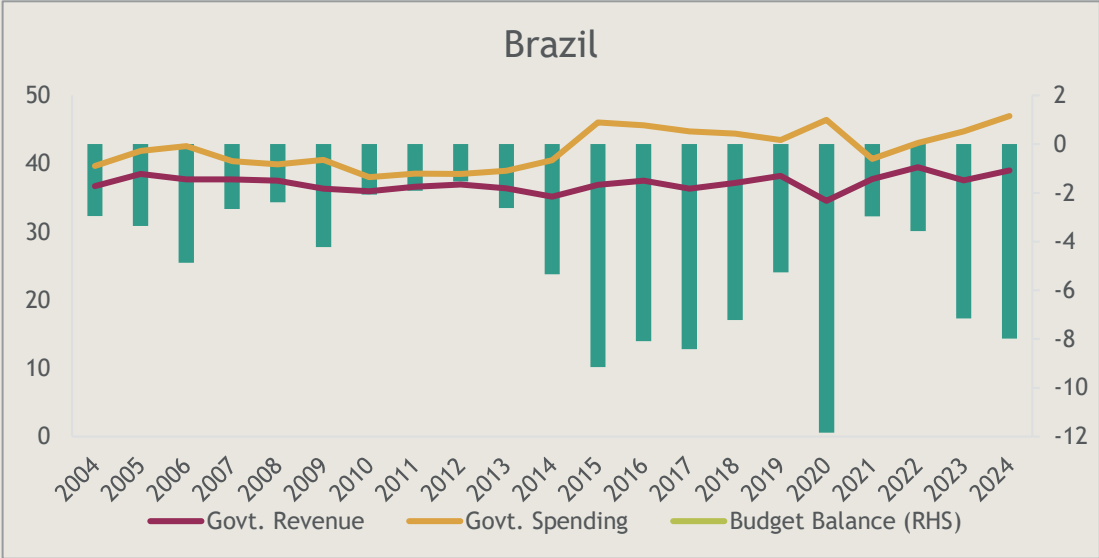
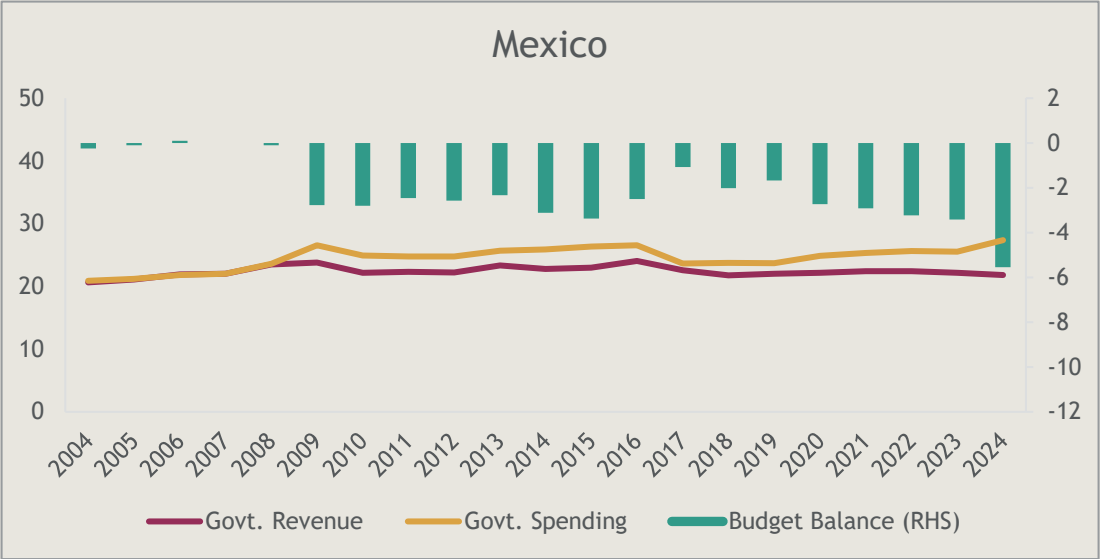
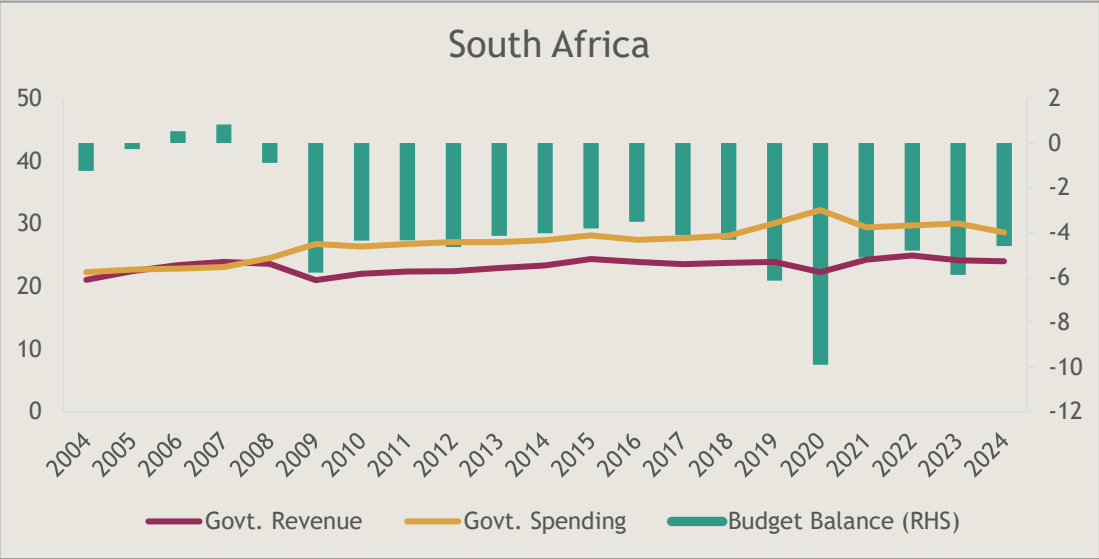


Fiscal health across GEMs (and a comparison to DMs)

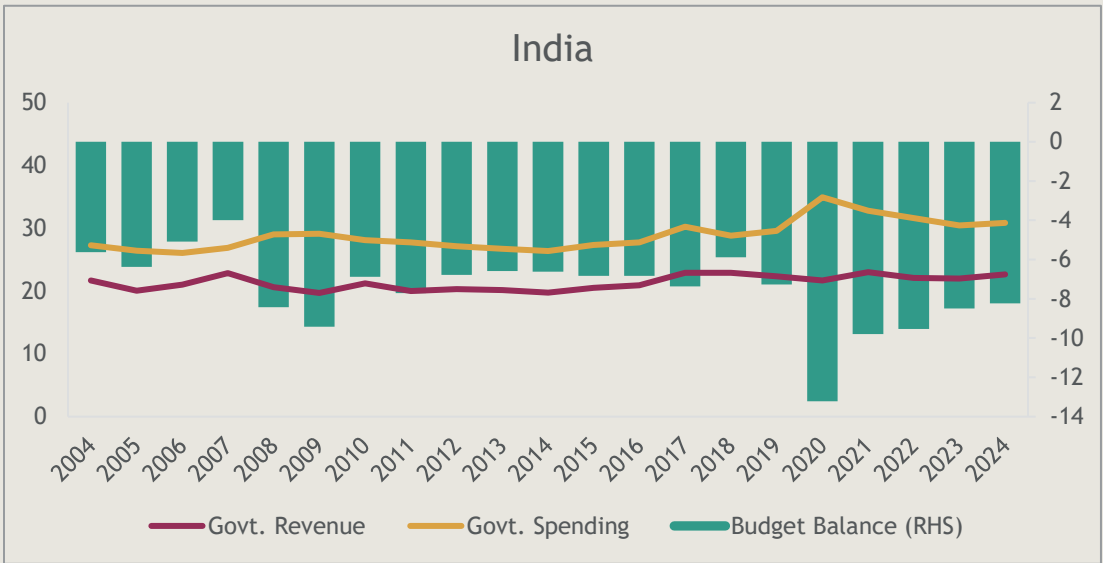
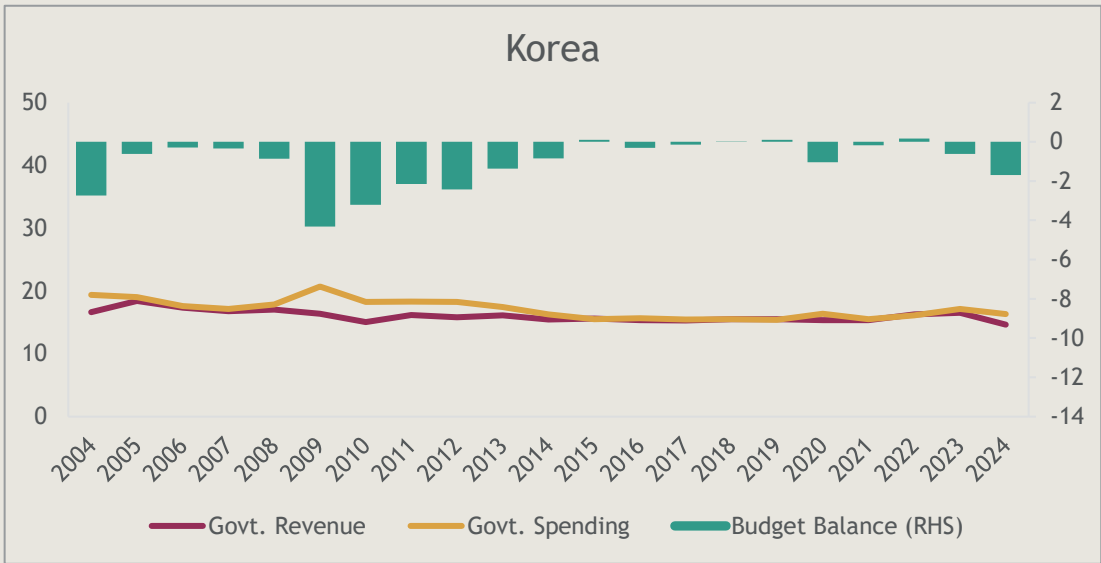
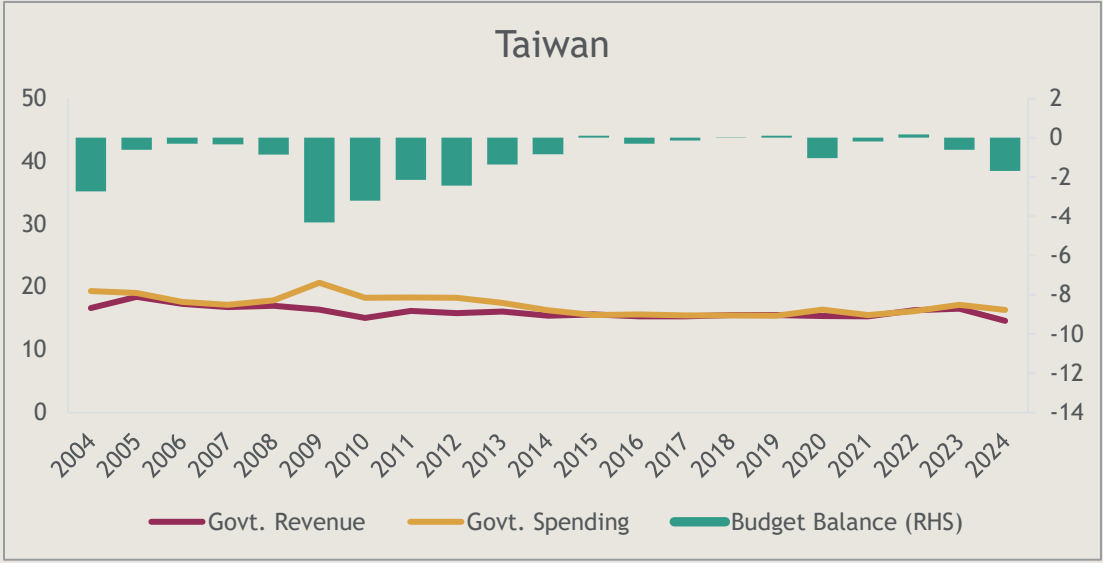
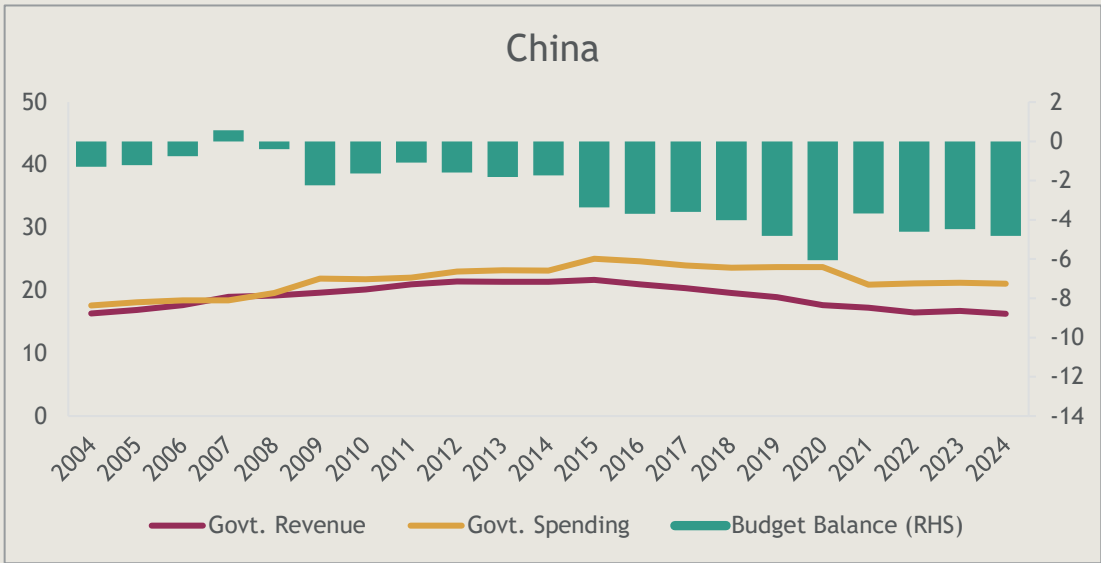
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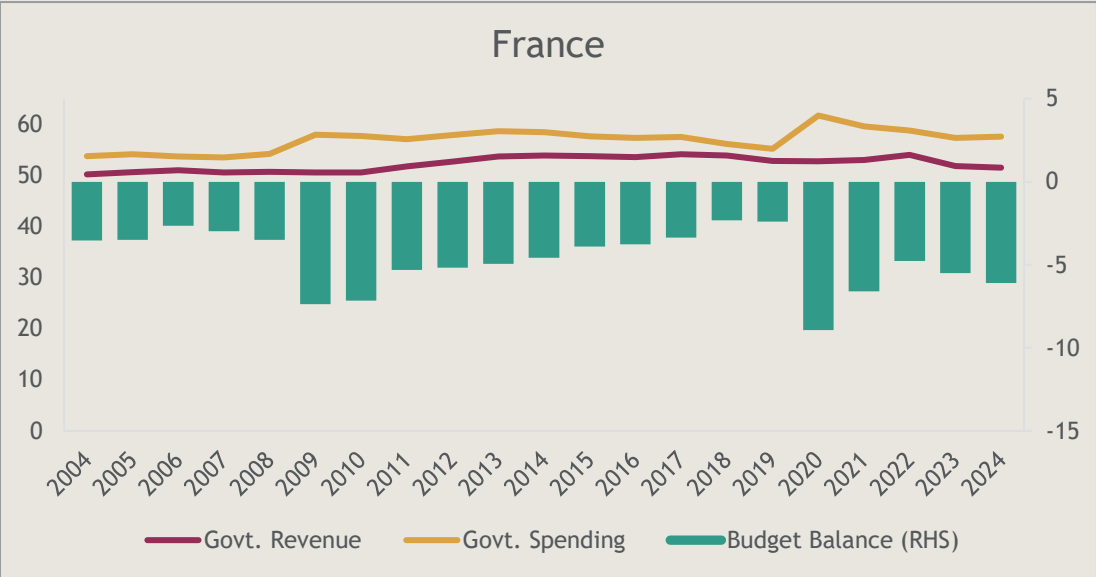
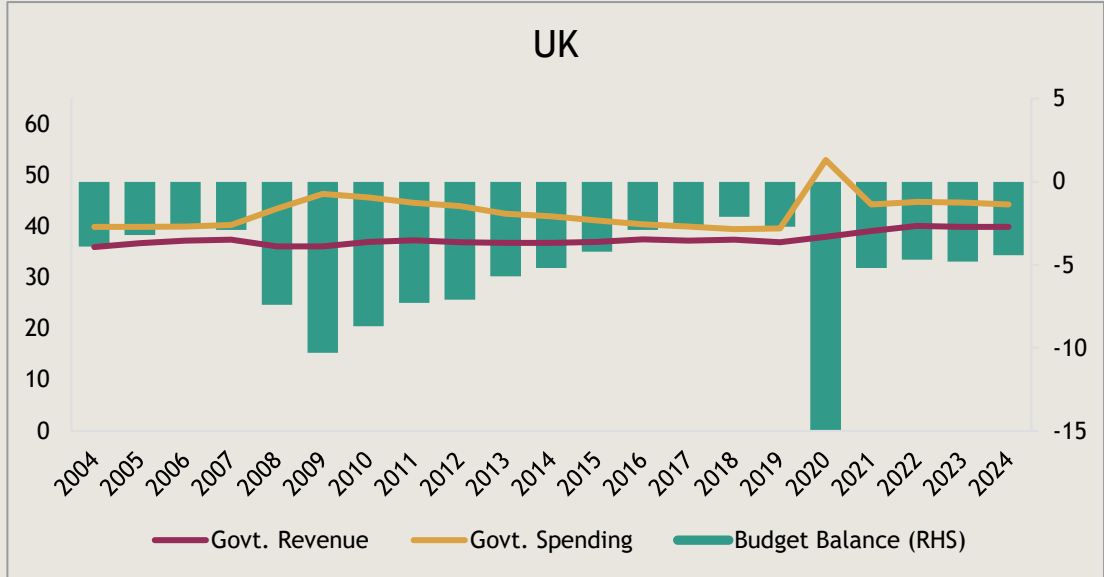
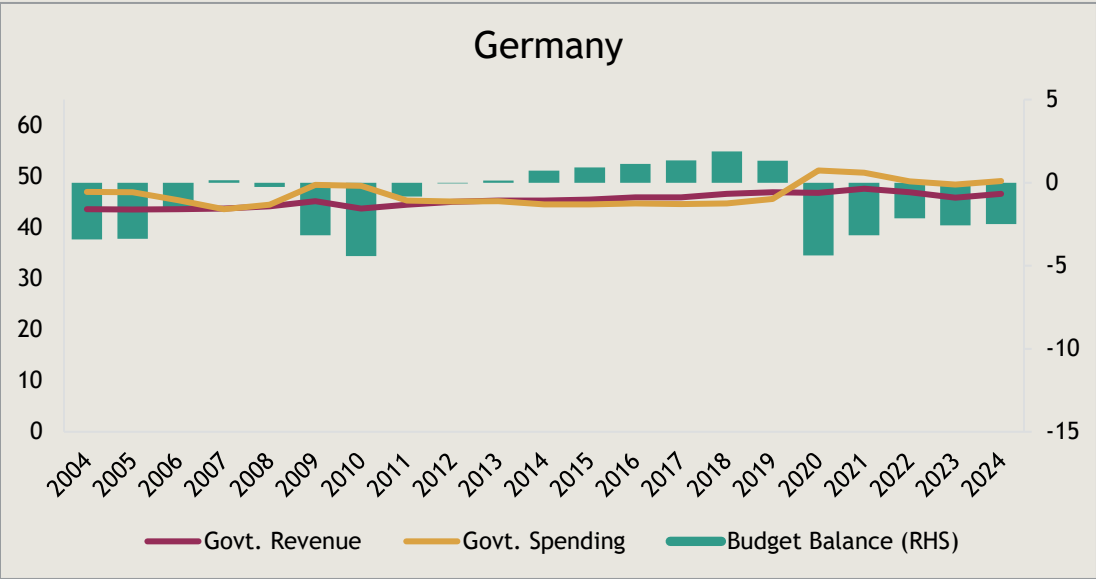
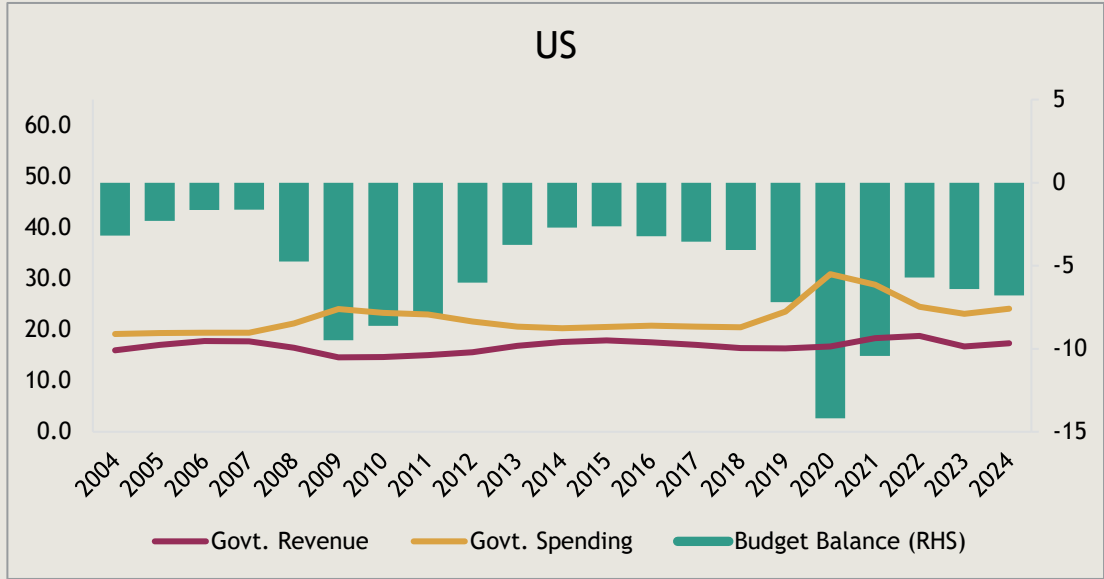
Fiscal health - selected EMs vs SA



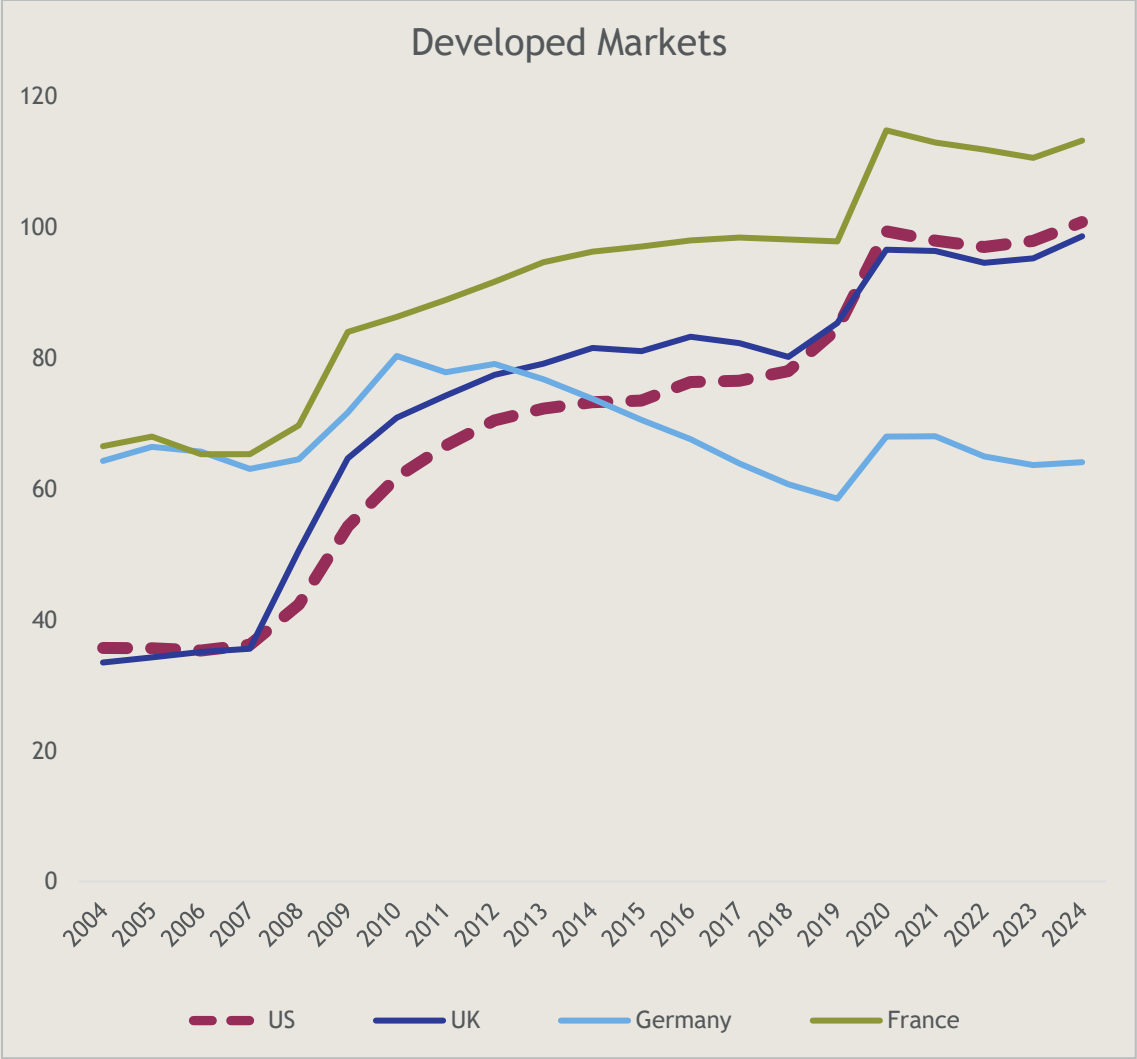
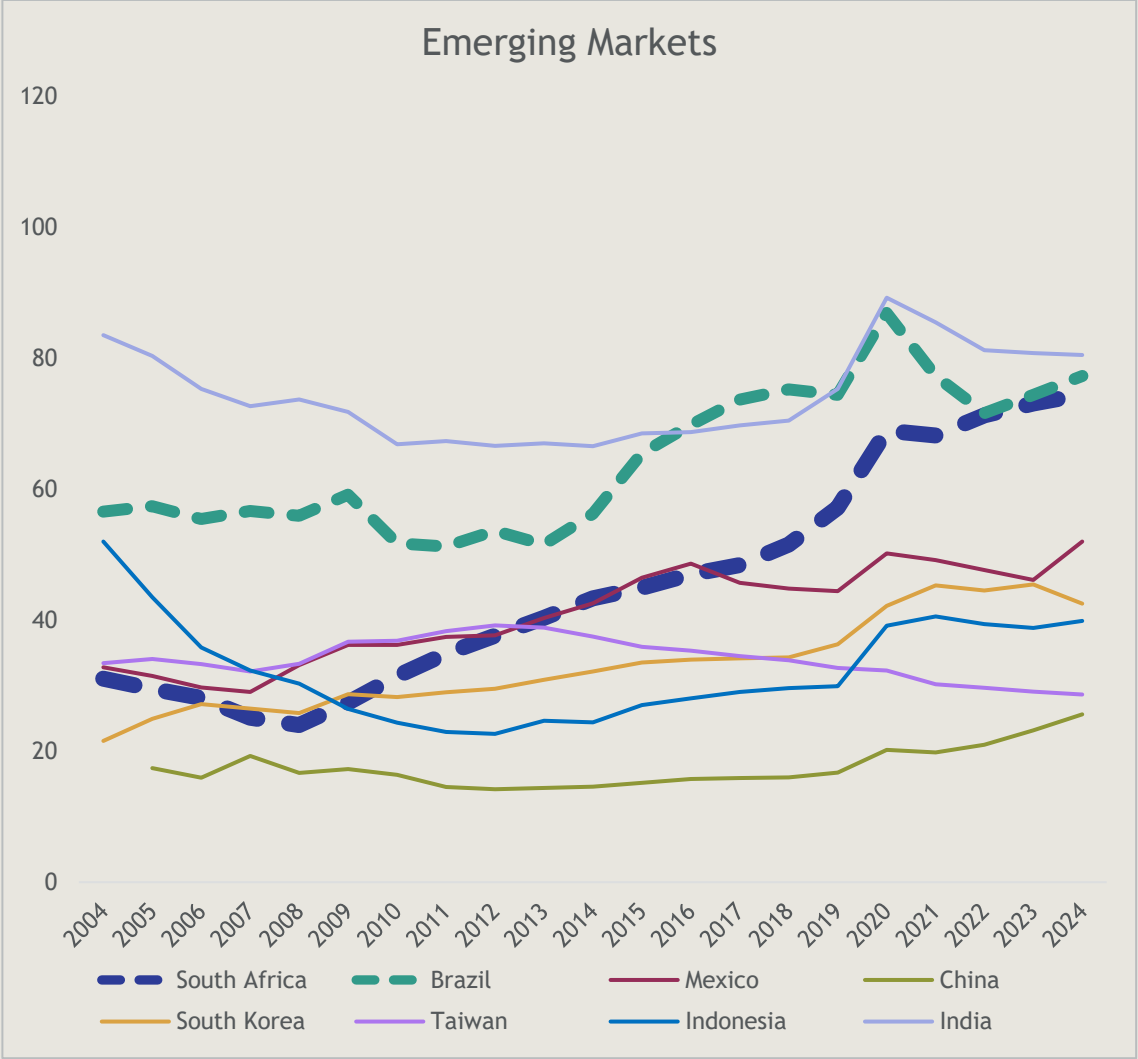
Fiscal health - selected EMs vs SA



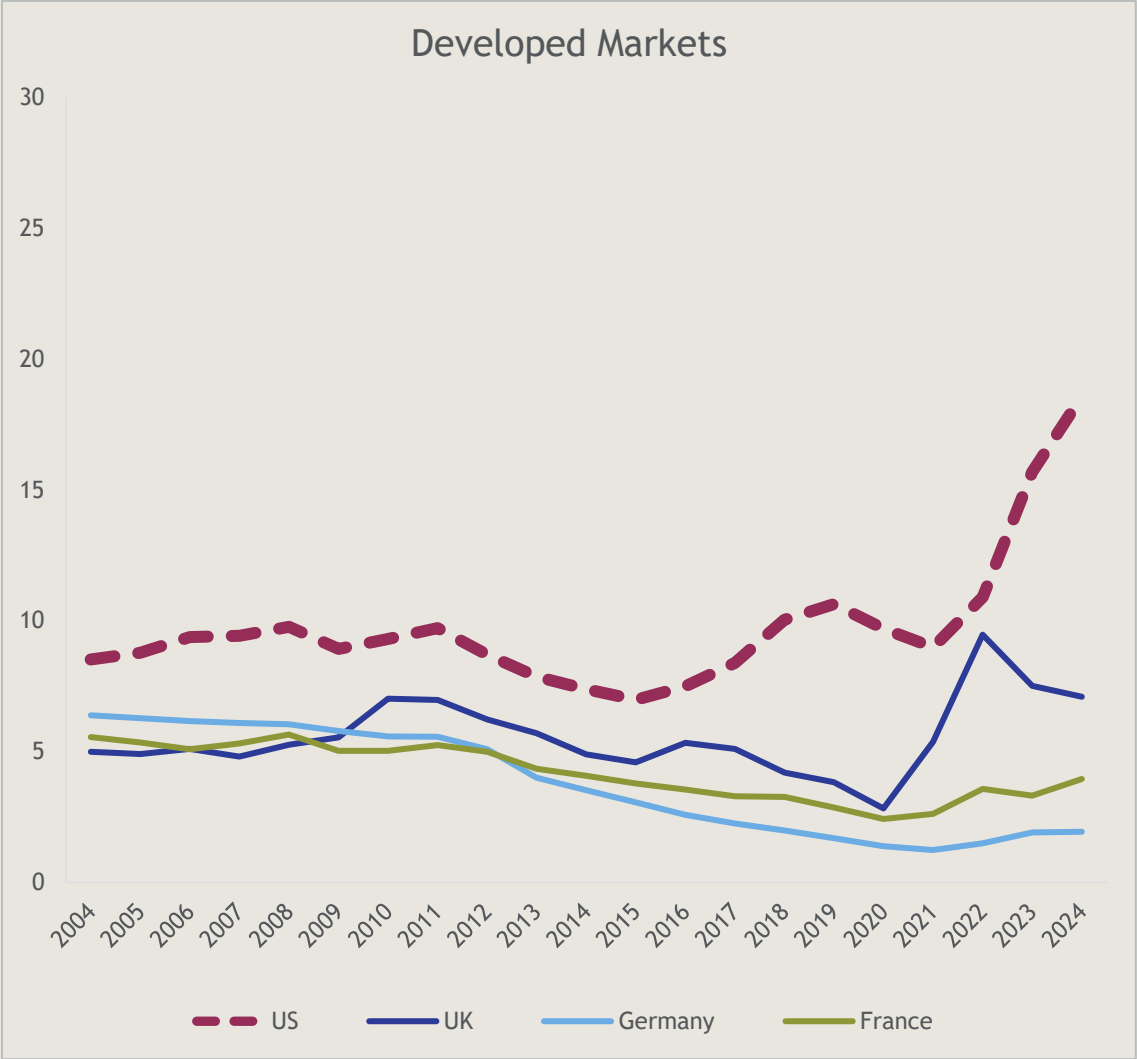
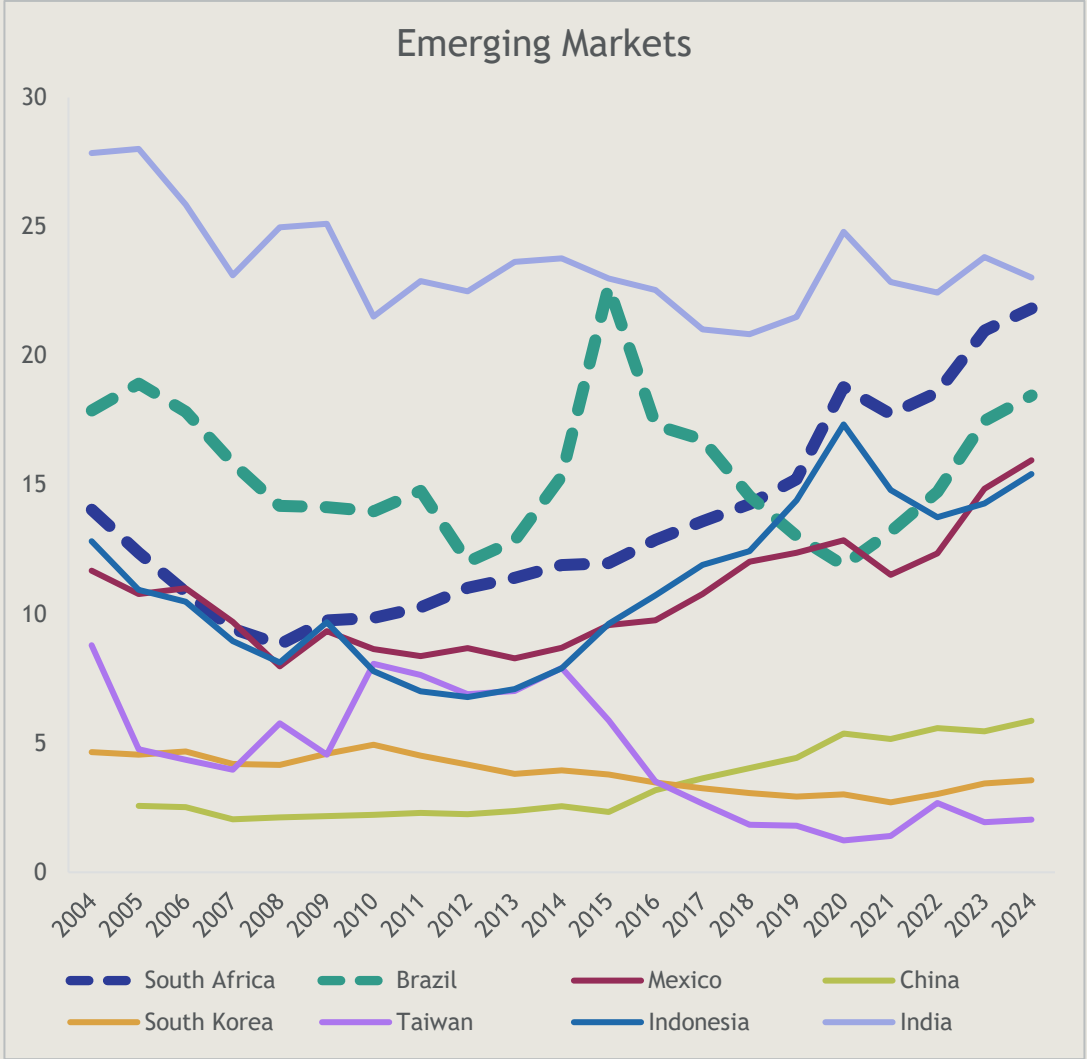
Fiscal health - selected DMs



Overall indebtedness - EMs vs DMs



Interest Expense (% of revenue)





Labour force and demographics

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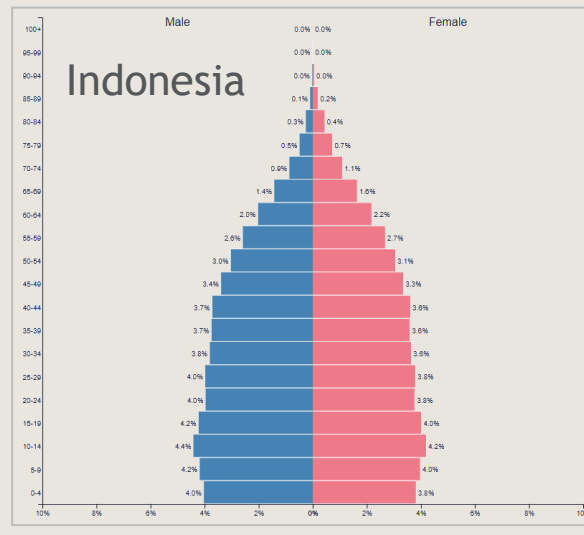
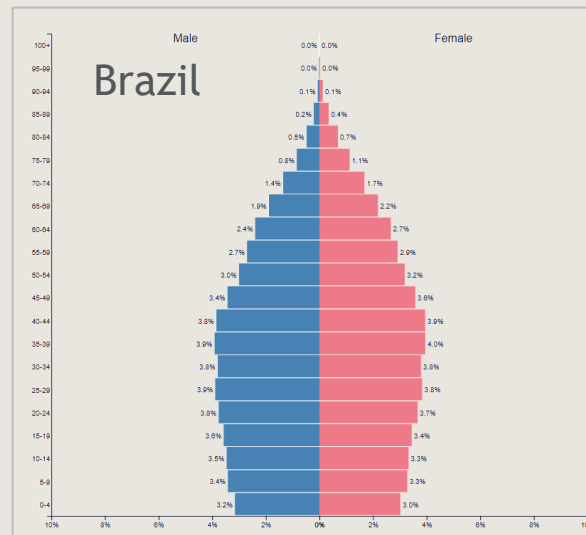
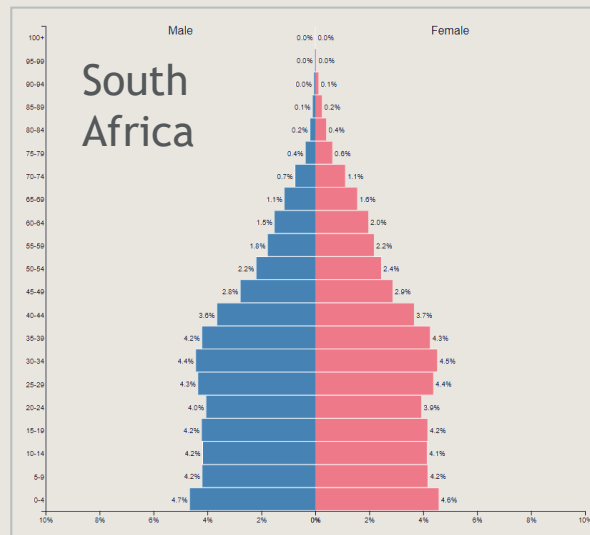
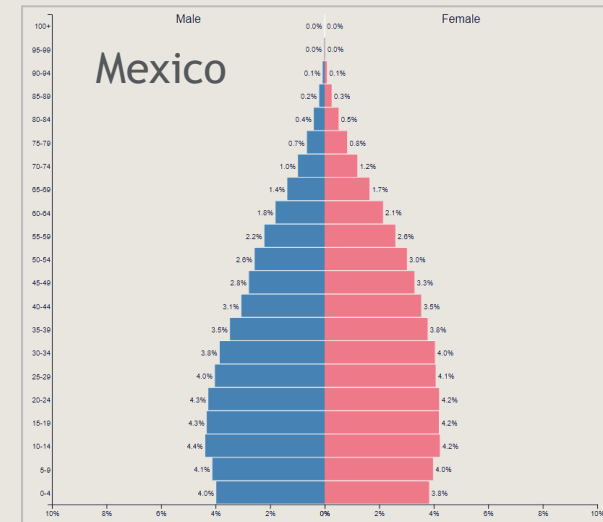
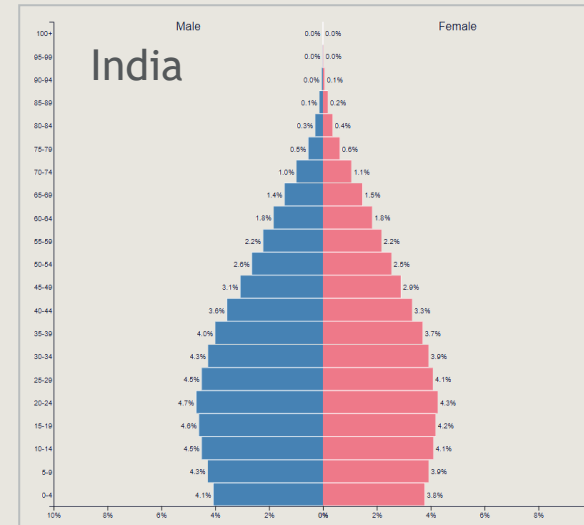
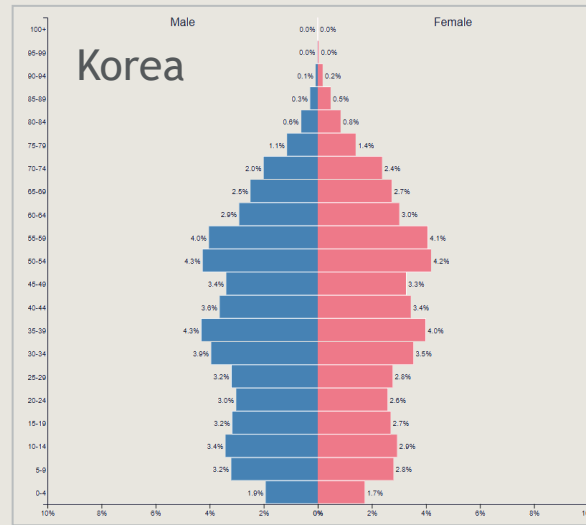
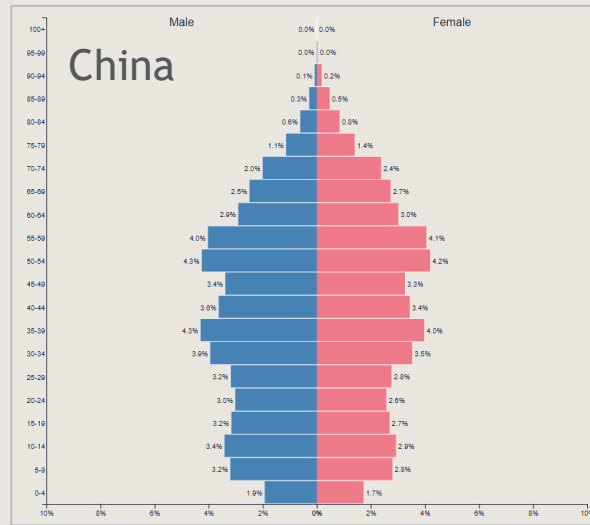
The big long-term problem in Asia



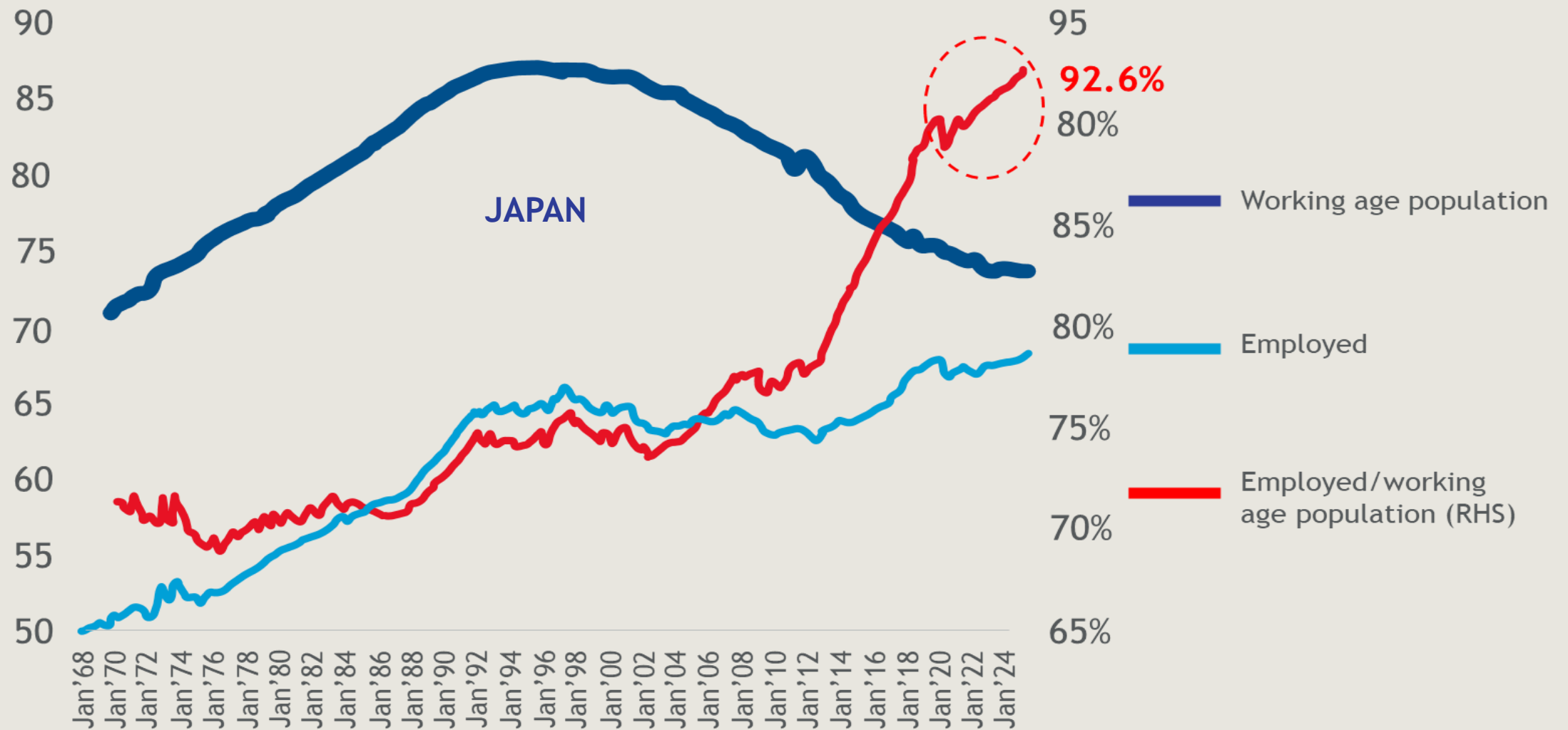
FERTILITY RATES IN ASIA (2024)



Working age population is peaking in several EMs



How to deal with falling working age population





Ori Sachs

ANALYST

BBusSc, CFA

- + 9 years' investment experience
- + Joined Coronation in 2020 as a GEM equity analyst

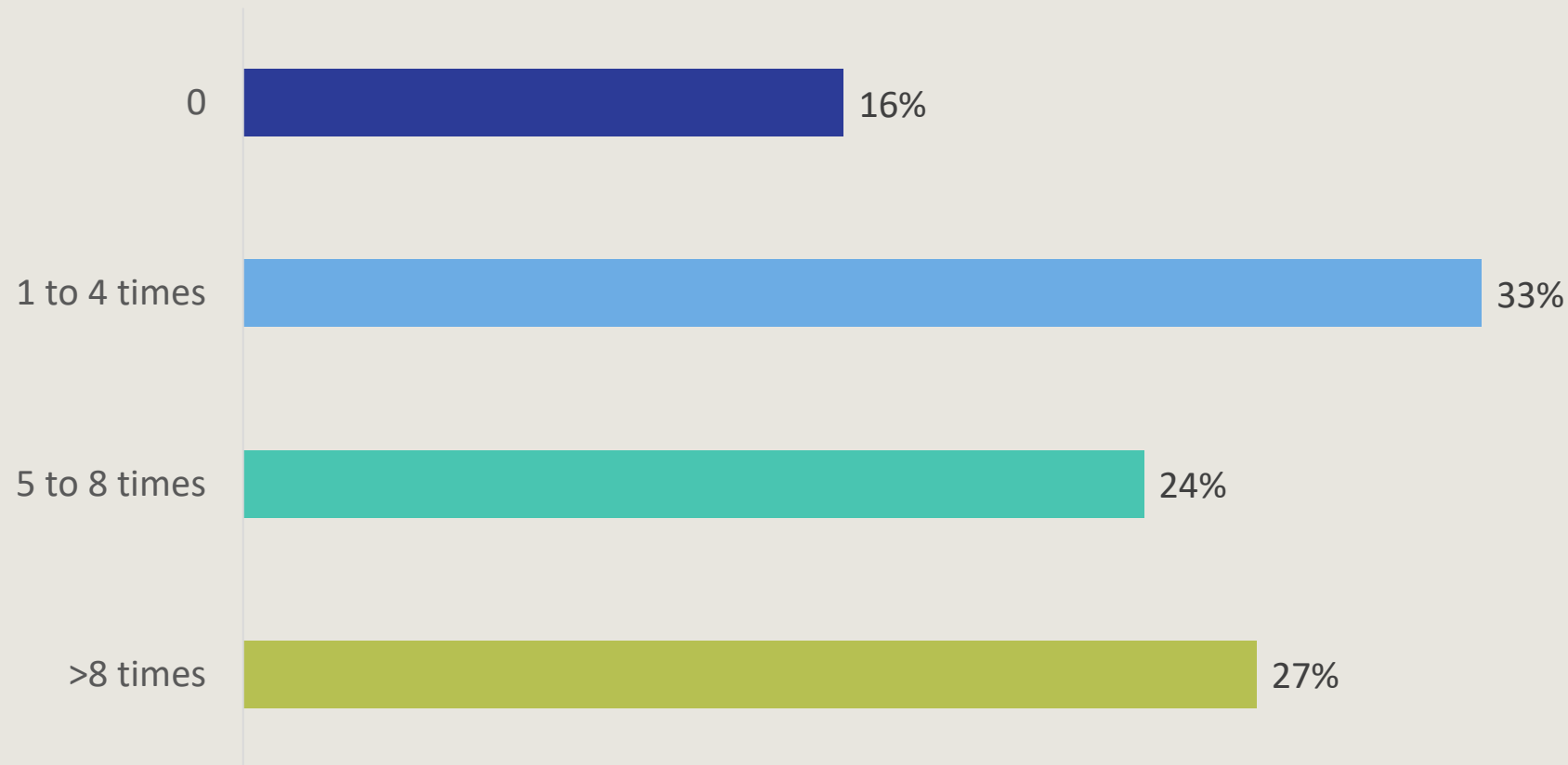
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Poll 2 results



How many times per month do you order on-demand deliveries from Uber Eats, Mr. D, Woolies Dash and/or Checkers Sixty60?





On-demand Delivery

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What we like about on-demand delivery



“...a lot of the innovation you will see coming out in Uber Eats or DoorDash, the stuff that's coming out now is stuff that existed three years ago, four years ago in China, maybe longer.”

- Travis Kalanick - Founder of Uber

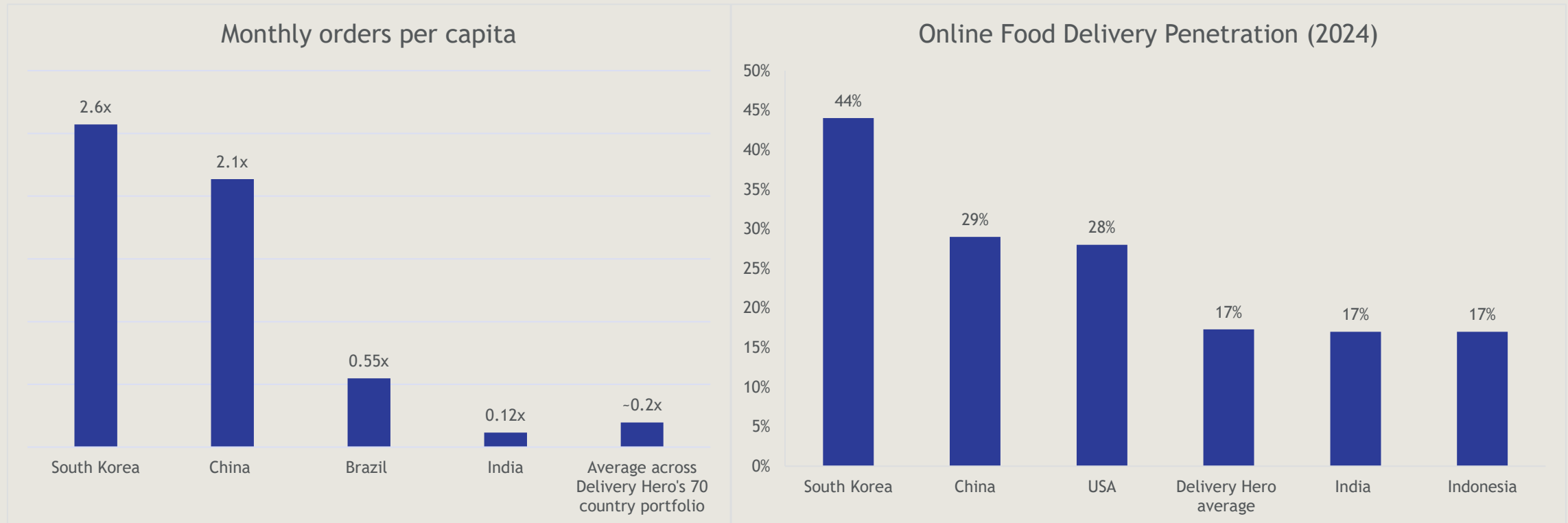




What we like about on-demand delivery

A LARGE AND RAPIDLY GROWING INDUSTRY

- + At an average order value of <\$7, food delivery has become a mass market product in China
- + With 100m orders each day
- + Global food delivery has significant growth potential to reach levels seen in Korea, China and the US



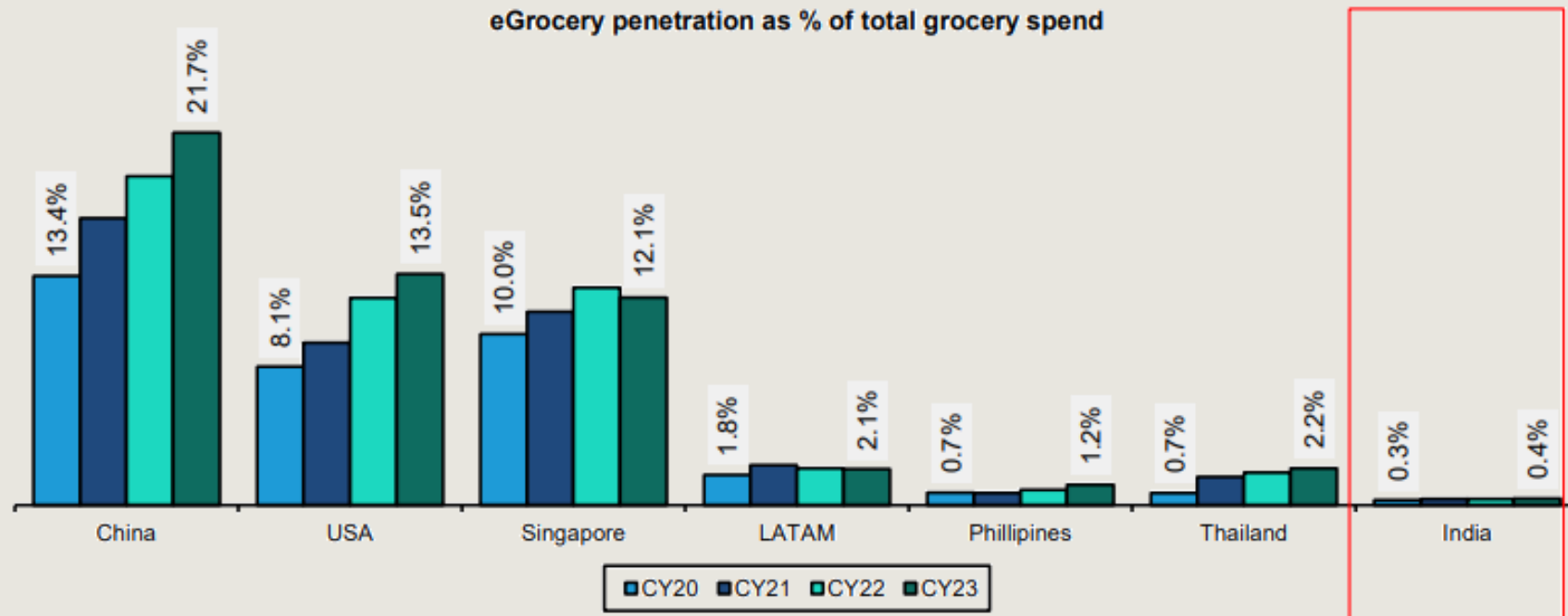


What we like about on-demand delivery

AND IT'S NOT JUST ABOUT RESTAURANT DELIVERIES...

Grocery delivery has even lower penetration levels and is a much bigger market size (~3x)

Other retail categories present further opportunities



Source: Redseer, Incisiv, Euromonitor, company reports, Bernstein analysis

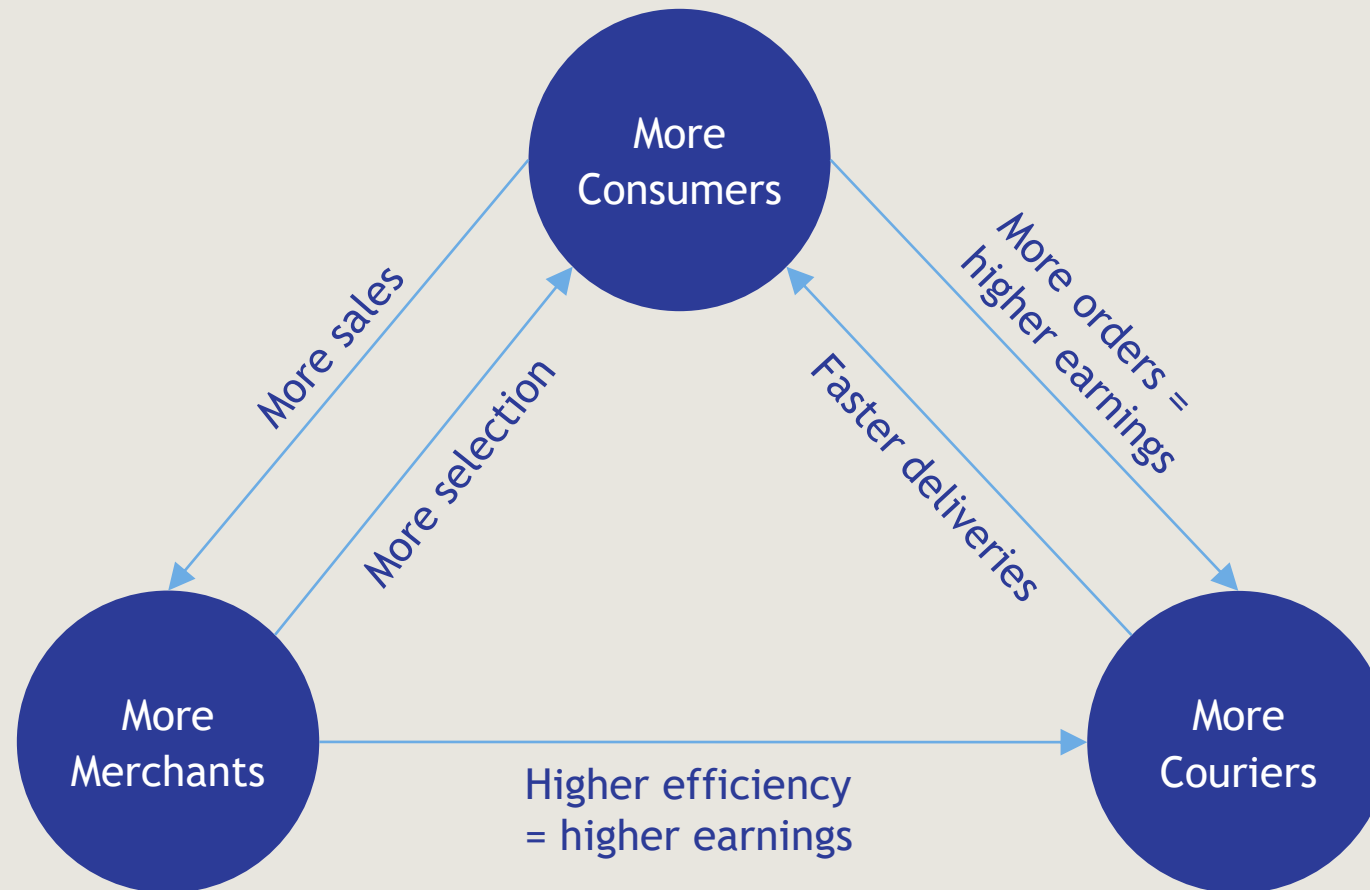
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What we like about on-demand delivery

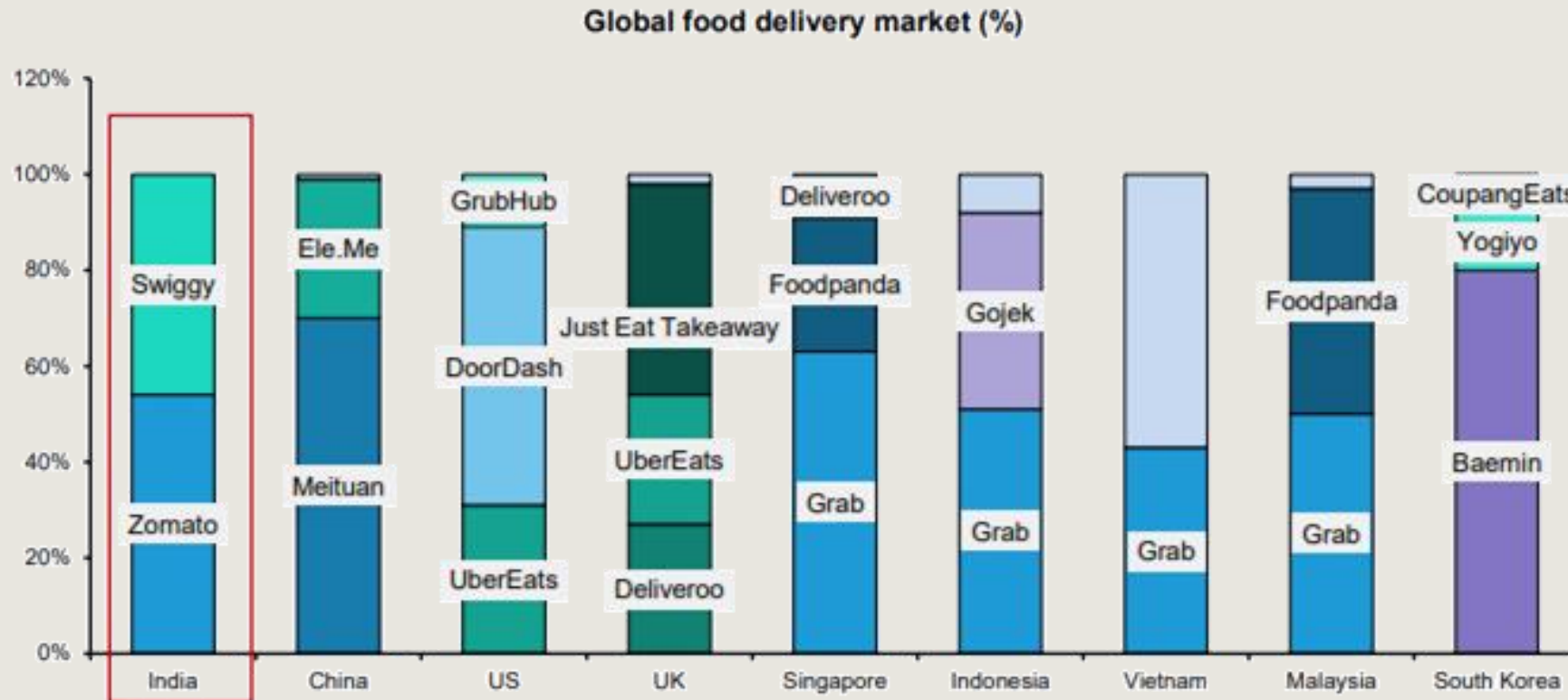
THE MOAT: A STRONG FLYWHEEL WITH 3-SIDED NETWORK EFFECTS





What we like about on-demand delivery

EVIDENCED BY INDUSTRY CONSOLIDATION



Note: Zomato and Swiggy covered by Rahul Malhotra, Delivery Hero, Deliveroo, and Just Eat Takeaway covered by Annick Maas; Grab covered by Venu Garre;

DoorDash and Uber covered by Nikhil Devnani; Meituan covered by Robin Zhu; others not covered by Bernstein.

Source: Euromonitor, company reports, press reports, Bernstein analysis and estimates (UK and US)

What about profitability?

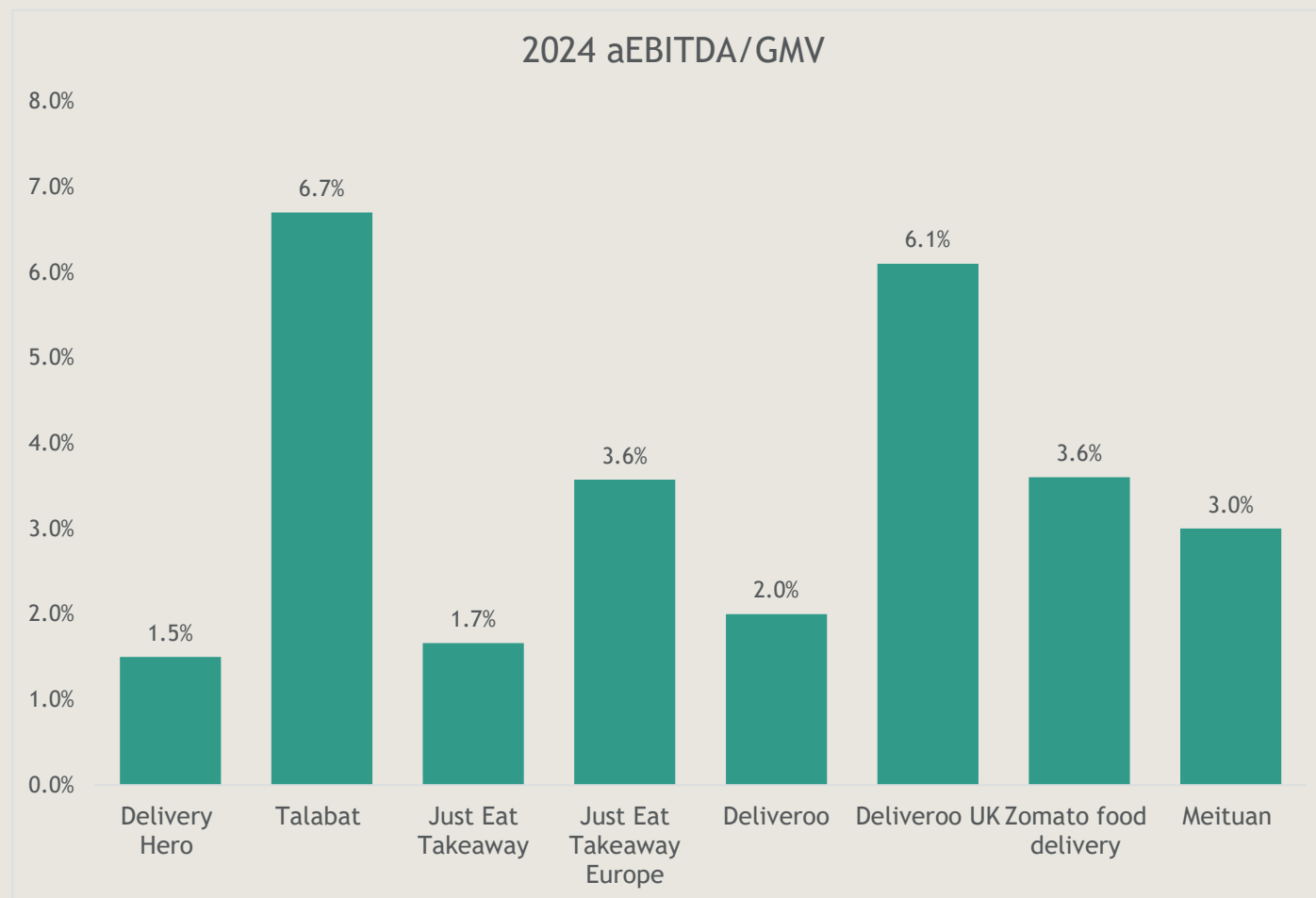


THIS IS A DIFFERENTIATED VIEW

+ Expansion masking true profitability

- New markets
- Quick commerce

+ Asset light model with a high sales velocity translates into high returns on invested capital



We have invested in a basket of EM leaders



Meituan

+ Global leader and dominant player in China



+ Healthy duopoly in India



Delivery Hero

+ Market leader in many EM countries



+ Market leader in rides & eats across Southeast Asia



+ 14% of NAV or ~60% of non-Tencent NAV in Food Delivery

CHINA'S UBIQUITOUS LOCAL SERVICES APP



Meituan

+ Half the Chinese population orders on their platform at least once a year

770m

annual transacting users

70%

Of the 100m daily food deliveries in China

+ At scale, low value orders can be profitable making Food delivery a mass market product

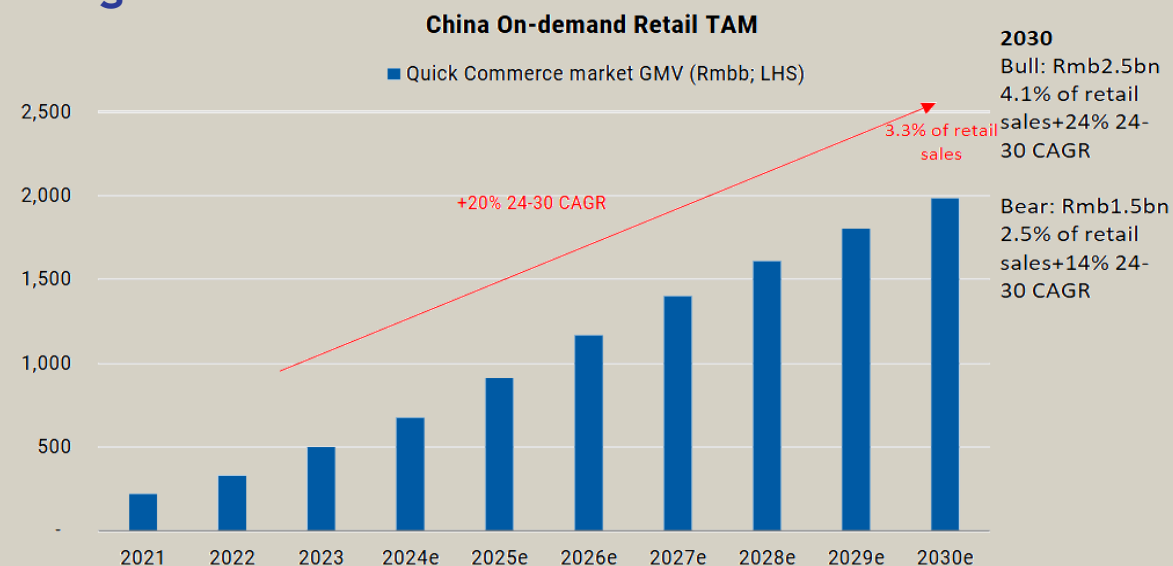
<\$7

Average order value

\$5bn

Annual operating profit

+ Still has a huge opportunity ahead in non-restaurant deliveries as well as other local services



Source: Source: NBS, Morgan Stanley Research estimates

Zomato & Swiggy



INDIAN DUOPOLY

+ Gigantic opportunity

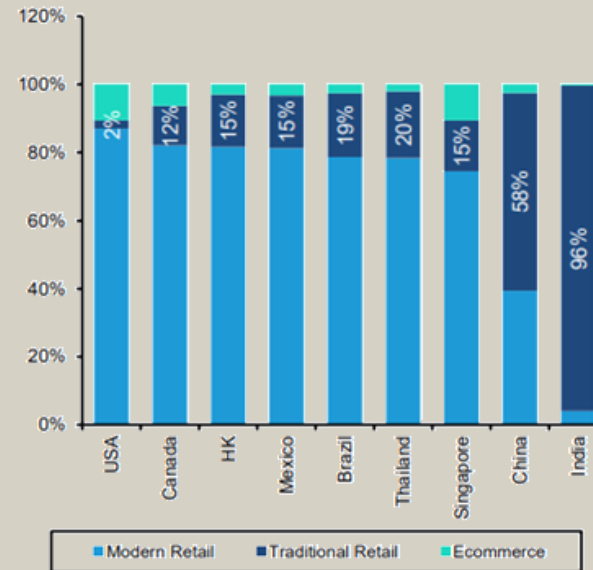
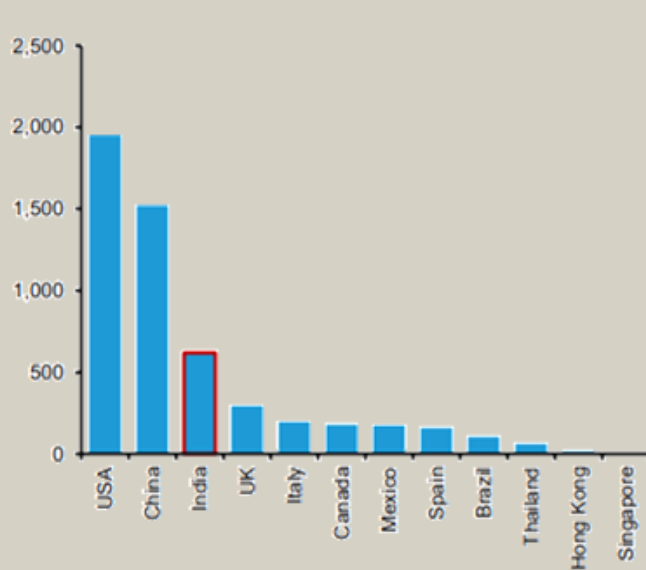


3rd largest
grocery market

95%
Informal

<1%
Online

20%+ in China
10%+ in US



+ Quick-commerce offers better selection at lower prices vs traditional Kirana (Spaza) stores

DEEP VALUE IN SUM OF THE PARTS



Market leader

- Market leader in countries accounting for **~90%** of its orders by value

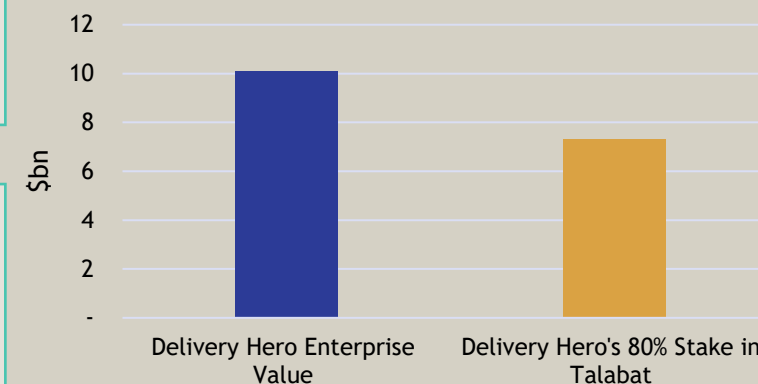
With long runway for growth

- Average penetration of **~17%** across Delivery Hero countries
- Average country growth outlook to 2029 of **14% p.a.**
- Business would quadruple with an average monthly orders per capita of **0.5x**

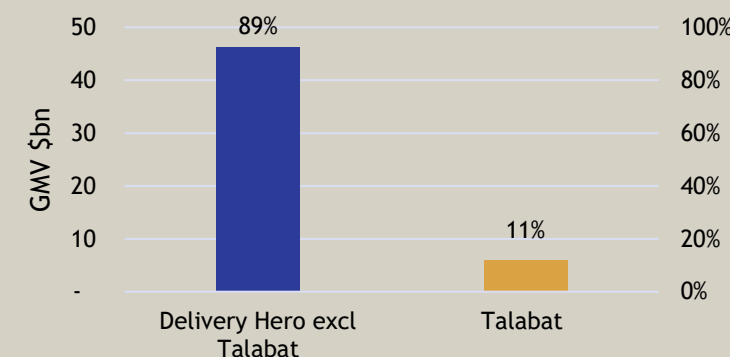
Deep value in sum of the parts

- Stake in listed subsidiary Talabat accounts for **>70%** of Delivery Hero's enterprise value but contributes **only 11%** of orders by value.
- Trades on **8x** our estimate of 2027 free cashflow

Delivery Hero's 80% holding in Talabat is trading at 70% of Delivery Hero's EV



But accounts for 11% of order value



We have invested in a basket

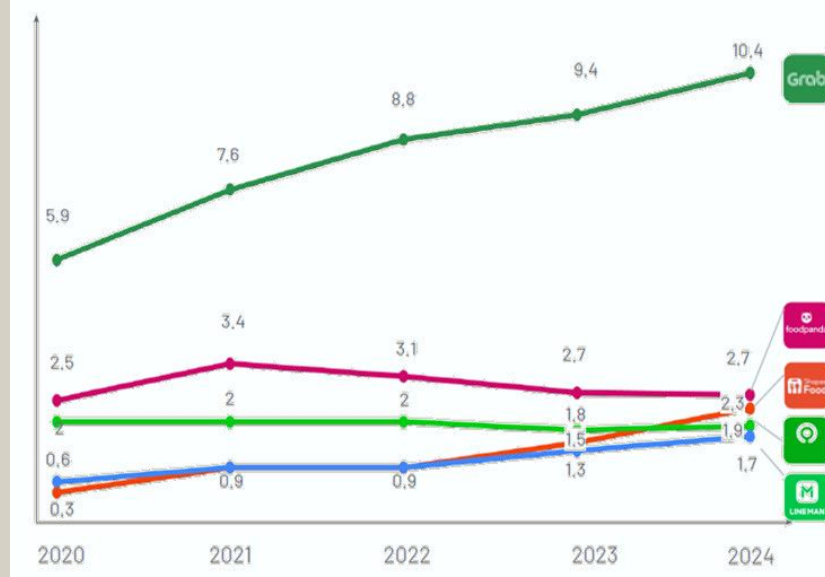


THIS IS A DIFFERENTIATED VIEW



- + Dominant market position
- + Unique synergies with two-wheelers which can be used for ride sharing or deliveries

Southeast Asia food delivery platform GMV(US\$bn)



The future of on-demand delivery



Meituan

5000

Daily deliveries



Can fly at

85km/h

Average delivery time
in Dublin

<3 mins

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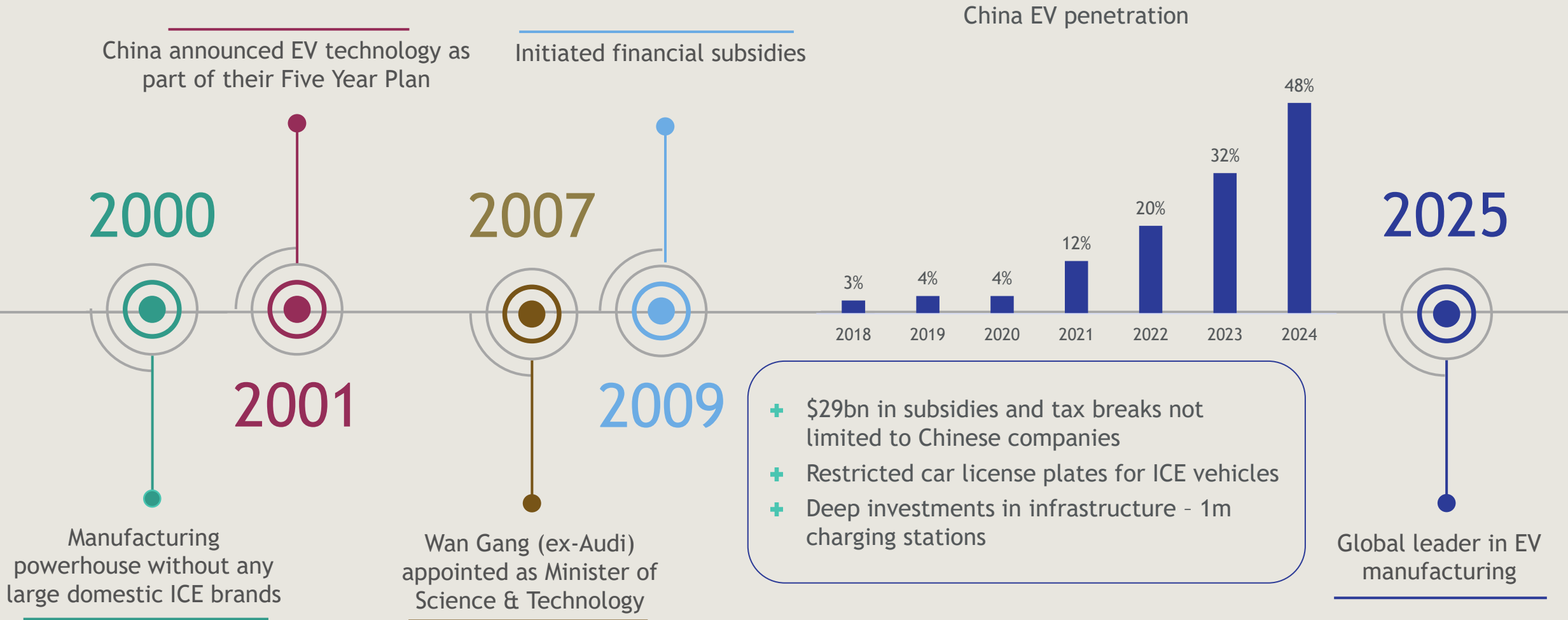
Lisa Haakman

PORTFOLIO MANAGER/ANALYST

CA (SA), CFA

- + 17 years' investment experience
- + Joined Coronation in 2016 as a GEM equity analyst

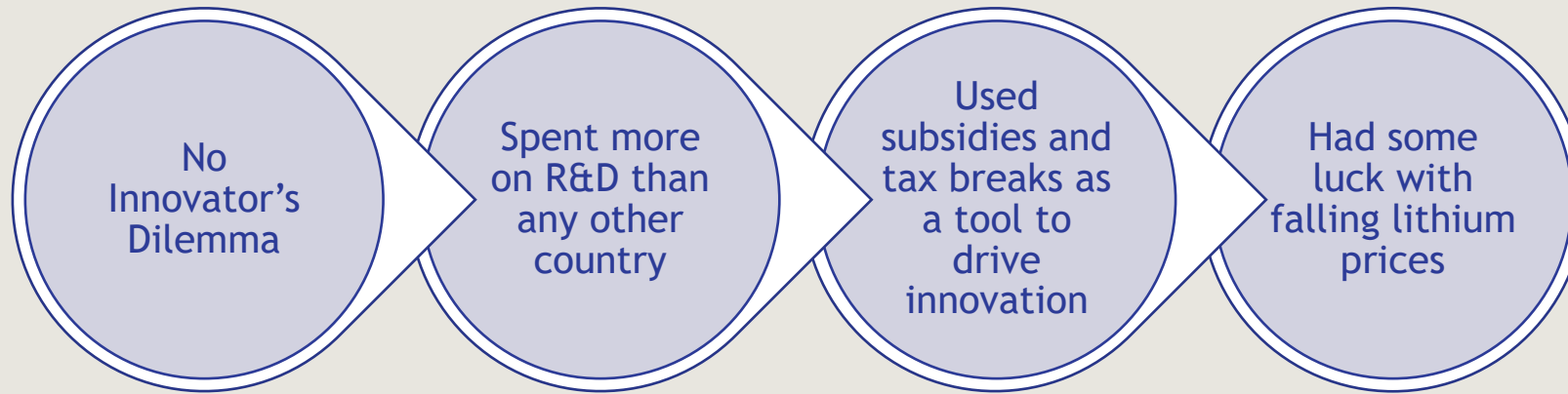
The evolution of EVs in China



China's dominance in EVs



CONTROLS A DOMINANT SHARE OF THE EV INDUSTRY

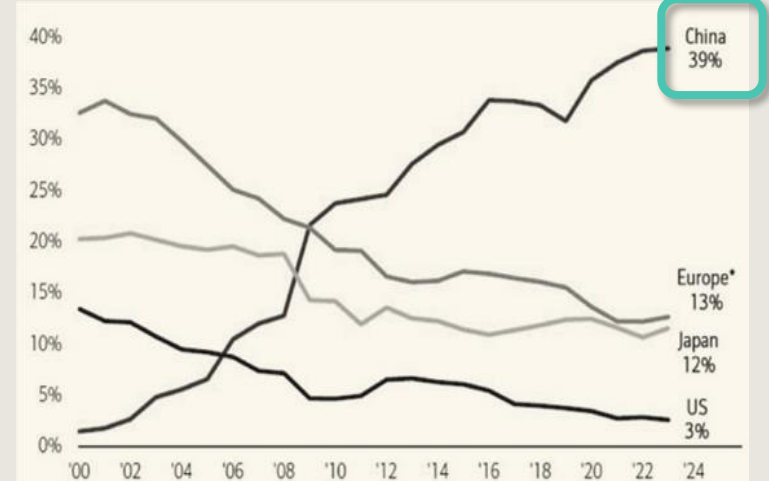


Overall winner in car manufacturing

CATL

Overall winner in battery manufacturing

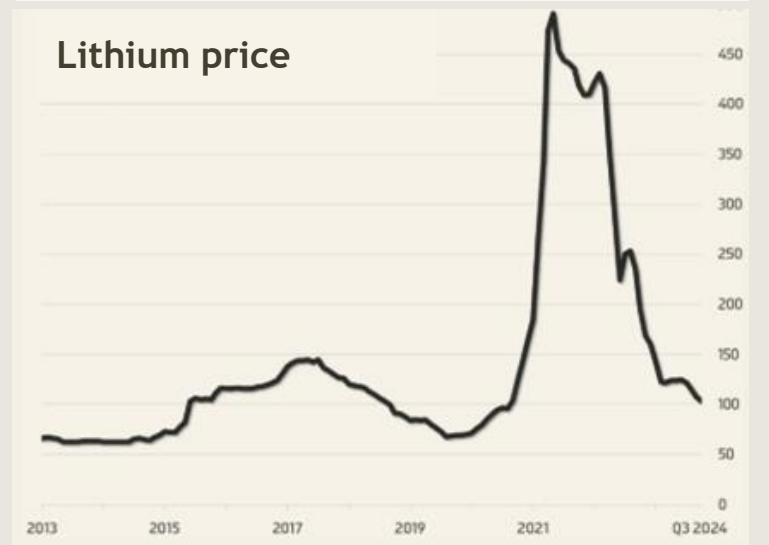
Global share of car production



Source: Bloomberg, International Organization of Motor Vehicle Manufacturers. *Europe 'Big 5' = Germany, Spain, France, Italy, UK.

BofA GLOBAL RESEARCH

Lithium price





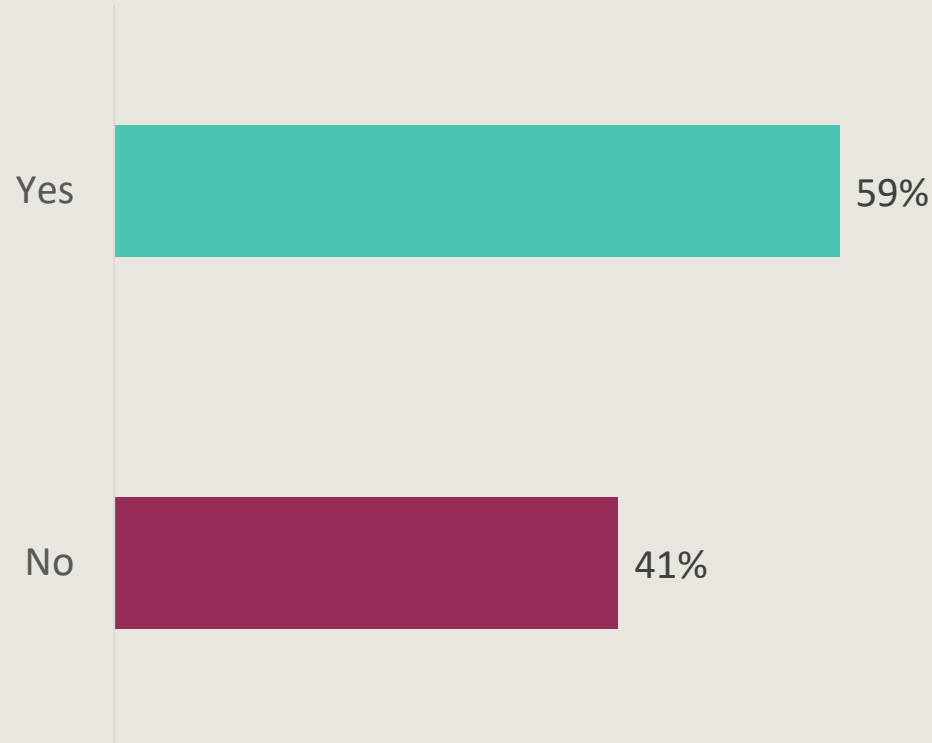
BYD

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If you could charge your EV at the same rate as filling up your ICE, would you buy one?



BYD well placed to solve the largest issues



Range anxiety

- + BYD's *Seal* has a range of **700km** and the hybrid version can do **2000km**



Charging time

- + BYD's recent fast charging eplatform can charge a battery to **470km** in **5 minutes**



Cost

- + BYD's *Seagull* costs less than **\$10,000**



Charging infrastructure

- + BYD will build **4 000** fast charging stations around China



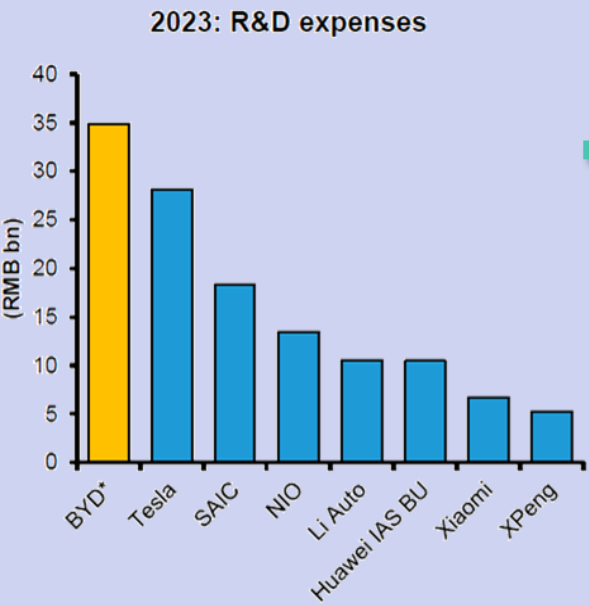
Continued to strengthen their market share dominance



THE MOAT IS WIDENING

Outspending competitors in R&D

China EV giant BYD soars after 5-minute charging platform unveiled



Free inclusion of premium extras

BYD Starts New EV Price War With Free Smart-Driving System

- Chinese automaker's shares surge to a record in Hong Kong
- BYD also plans to integrate DeepSeek AI software across lineup

A Chinese EV giant is now offering free driver assistance tech on cars under \$10,000



Pricing pressure on peers

BYD Cuts Prices In China, Goes To War Against ICE Cars And Tesla Too

BYD cuts prices for 2025 model year

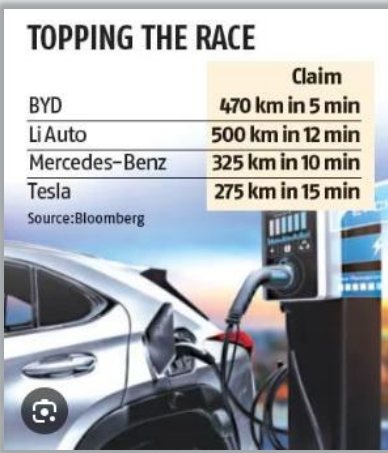


Significant range improvement

Could this finally end the Toyota Camry's dominance?

BYD solves driving range anxiety with Seal sedan PHEV capable of 2100km from a full charge and tank

BYD Launches Hybrids With 1,300-Mile Driving Range



BYD is up strongly since we first discussed it last year



Bottom-line

- ✚ Our investment thesis is playing out, BYD grew vehicle volumes 41% last year, selling 4.25m cars
- ✚ Despite the recent correction, BYD is up 63% over the last year
- ✚ We are not trimming despite strong share price movement
- ✚ EPS up 34% in 2024
- ✚ P/E multiple has re-rated from 14x to 16x, but still under-prices the opportunity



CATL

CORONATION

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BYD and CATL well placed to solve the largest issues



Range anxiety

- + BYD's *Seal* has a range of **700km** and the hybrid version can do **2000km**
- + CATL's *Shenxing* battery has a range of **1 000km**



Charging time

- + BYD's recent fast charging eplatform can charge a battery to **470km** in **5 minutes**
- + CATL can charge to **600km** in **10 minutes**

BYD

CATL



Cost

- + BYD's *Seagull* costs less than **\$10,000**
- + CATL has got the cost of a battery down to **\$57/Kwh** - well below ICE cost parity



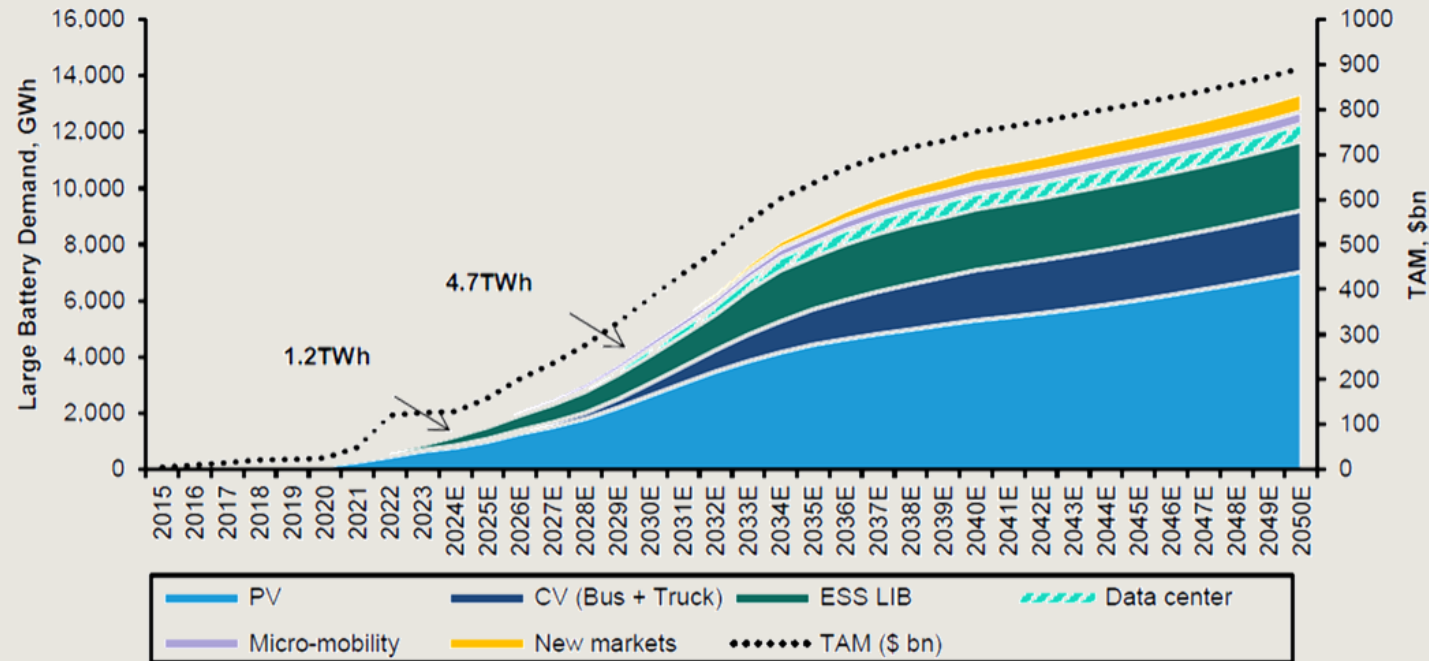
Charging infrastructure

- + BYD will build **4 000** fast charging stations around China
- + CATL will build **10 000** fast charging stations and **10 000** swapping stations around China



Batteries are more than just an Auto play

AUTOS ARE ONLY HALF THE FORECASTED DEMAND



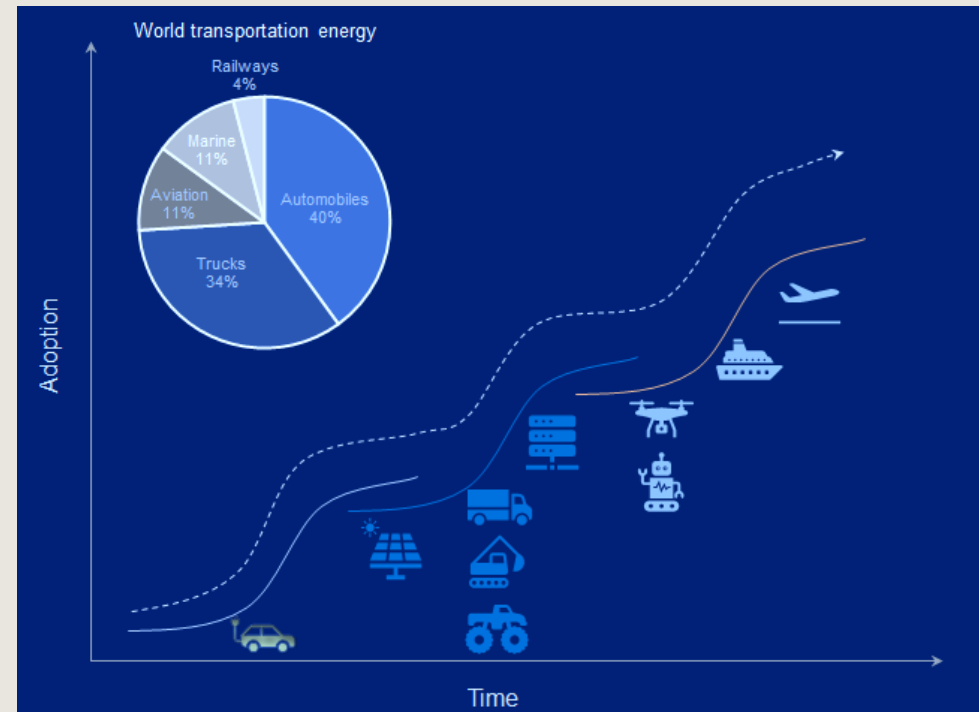
Expectations by 2050

10x

GWh battery demand

\$850bn

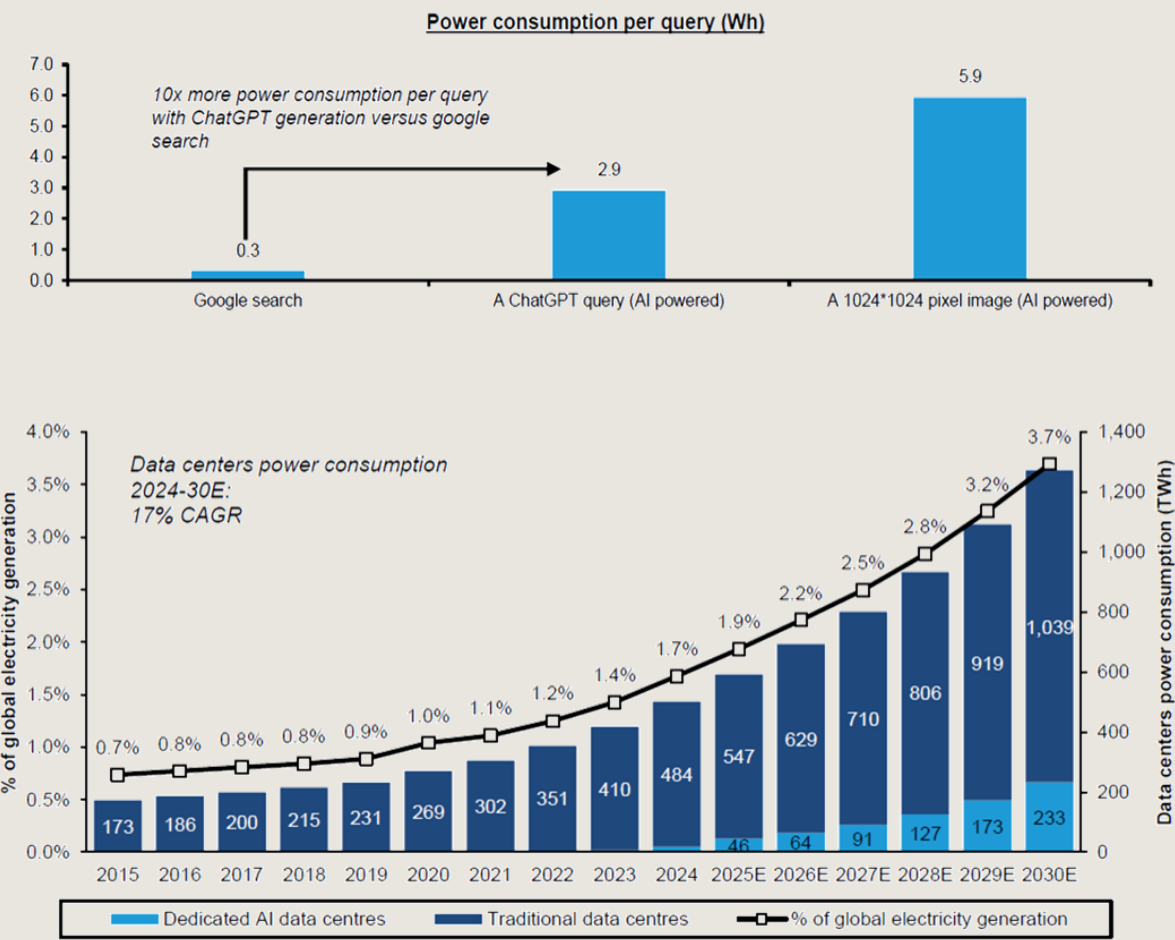
total addressable market



Datacentre demand



AI HAS DRAMATICALLY INCREASED THE DEMAND FOR ELECTRICITY



“To operate on carbon-free energy, 24 hours a day, 7 days a week, 365 days a year - all by 2030”



“By 2030 Microsoft will have 100% of its electricity consumption, 100% of the time, matched by zero carbon energy purchases”



“As part of our commitment to reach zero carbon, we’re on a path to match all of the electricity powering our operations with 100% renewable energy by 2025”



“We commit to reaching net zero emissions across our value chain in 2030”

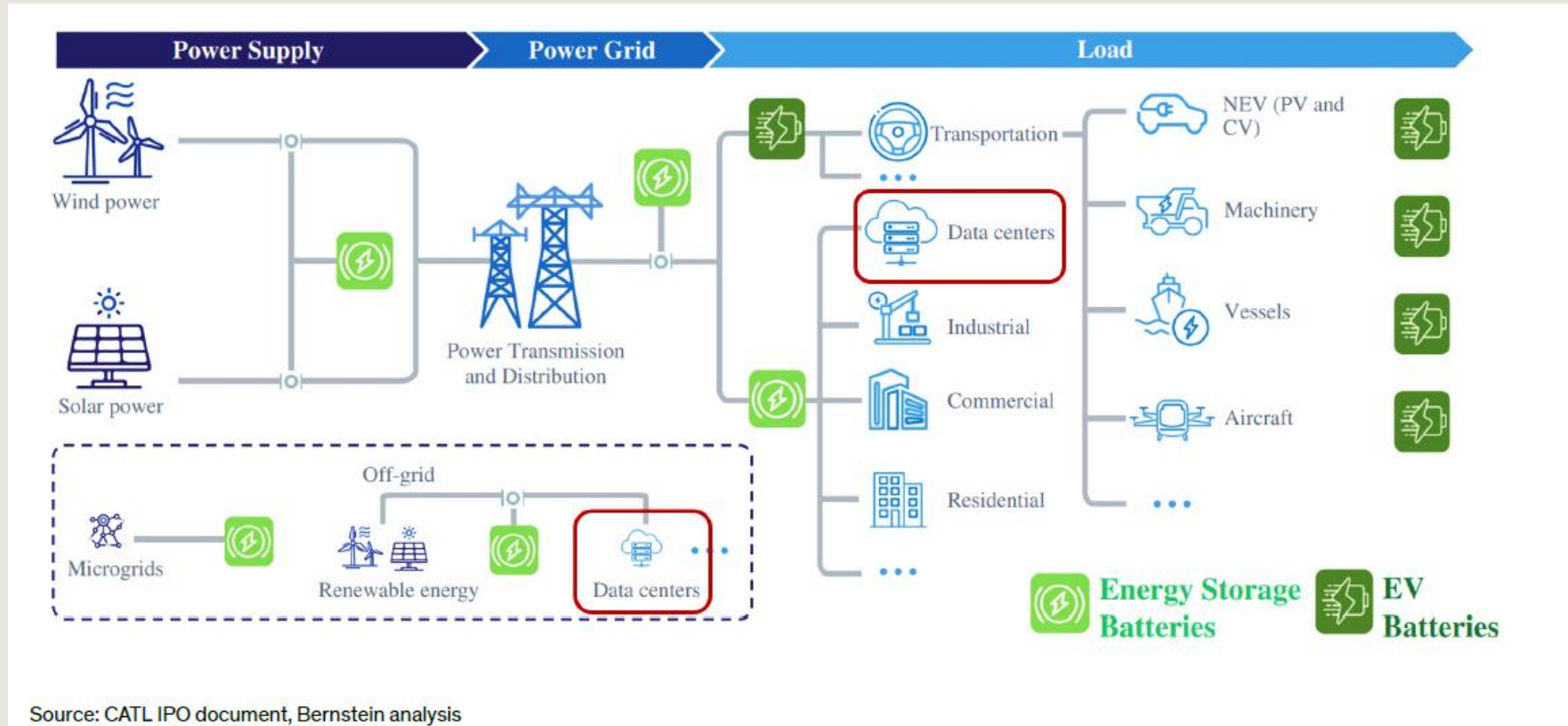


“Oracle is committed to matching all worldwide regions with 100% renewable energy by 2024”



Demand for stationary storage

- + The falling cost of lithium has increased the use cases and demand for stationary storage
- + Supports the increasing number of data centres
- + Levelises the cost of electricity
- + Now financially viable



CATL is the clear global leader in battery production



Global passenger EV
battery market share

37% 1st

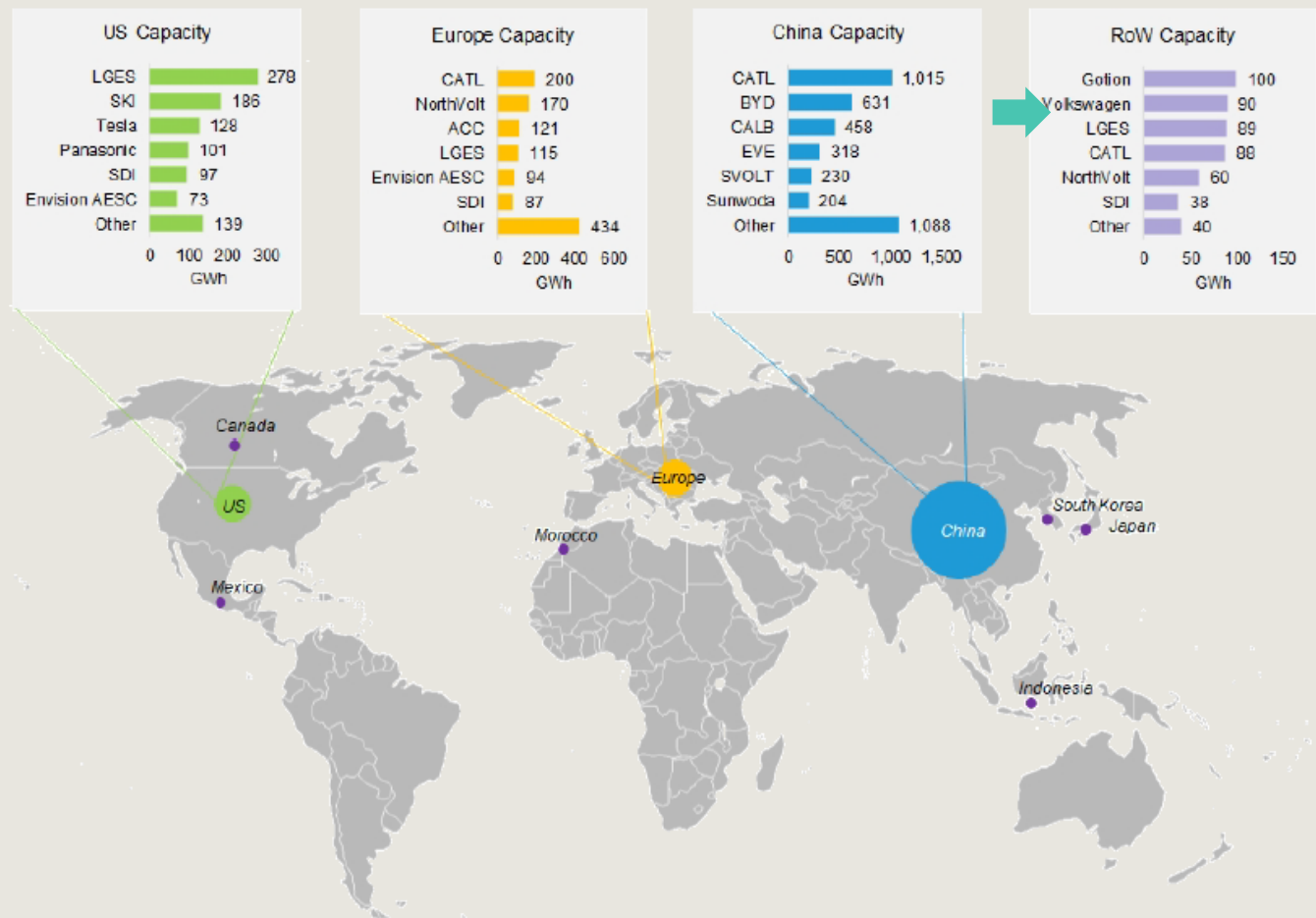
China passenger EV
battery market share

43% 1st

Ex-China passenger EV
battery market share

29% 1st

EXHIBIT 5: Global battery gigafactory capacity (2030) based on current and announced projects to date: China continues to dominate, although the US and the EU are seeing fast growth



Note: CATL, LG Energy Solution, and Samsung SDI are covered by Neil Beveridge. Tesla is covered by Toni Sacconaghi. Volkswagen is covered by Stephen Reitman. Others not covered.

Source: Wikimedia Commons, company reports, Bernstein analysis and estimates (2030)

Summary



Global leader in battery manufacturing

Outspending competitors in R&D

- + Has spent more than RMB60bn in the last 5 years
- + More than 5x the average spent by their 6 largest competitors

Reinvesting in price  **Expands the addressable market**

Attractive valuation

- + Trades on 15x earnings which could 10x in 15 years



Marc Talpert

PORTFOLIO MANAGER/ANALYST

BAccSc, HDipAcc, CA (SA), CFA

- + 11 years' investment experience
- + Joined Coronation in 2014 as a GEM equity analyst
- + Co-manages the Coronation Optimum Growth Fund

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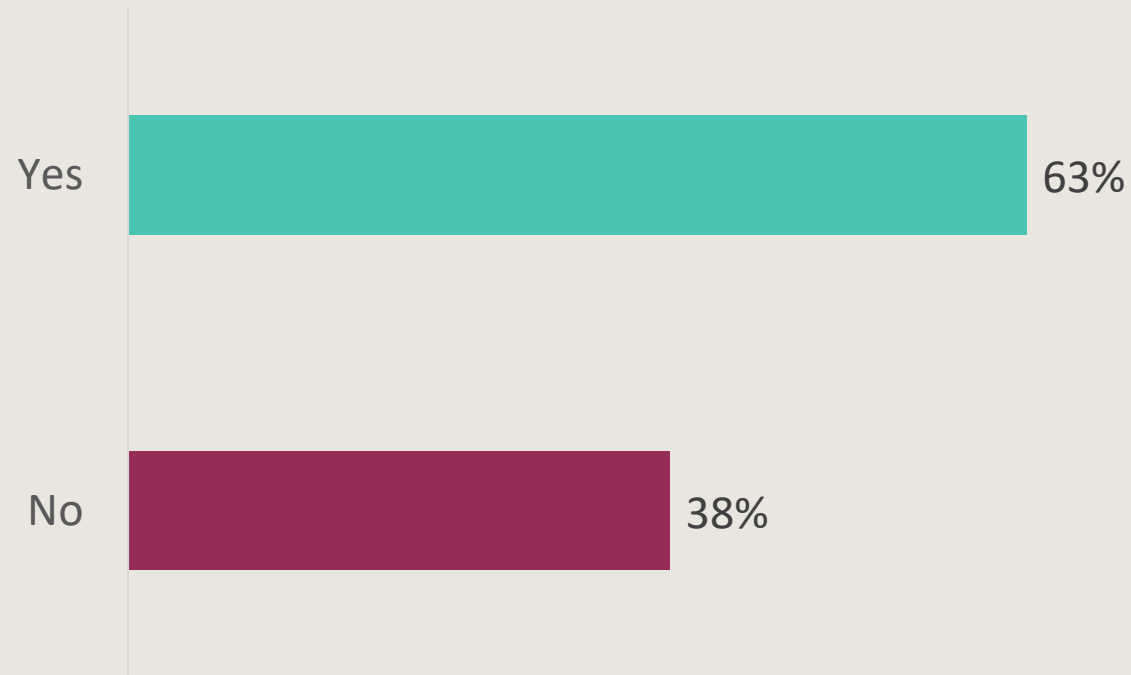
AI

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Have you used an AI tool which has led to a material change in your productivity (either professionally or personally)?



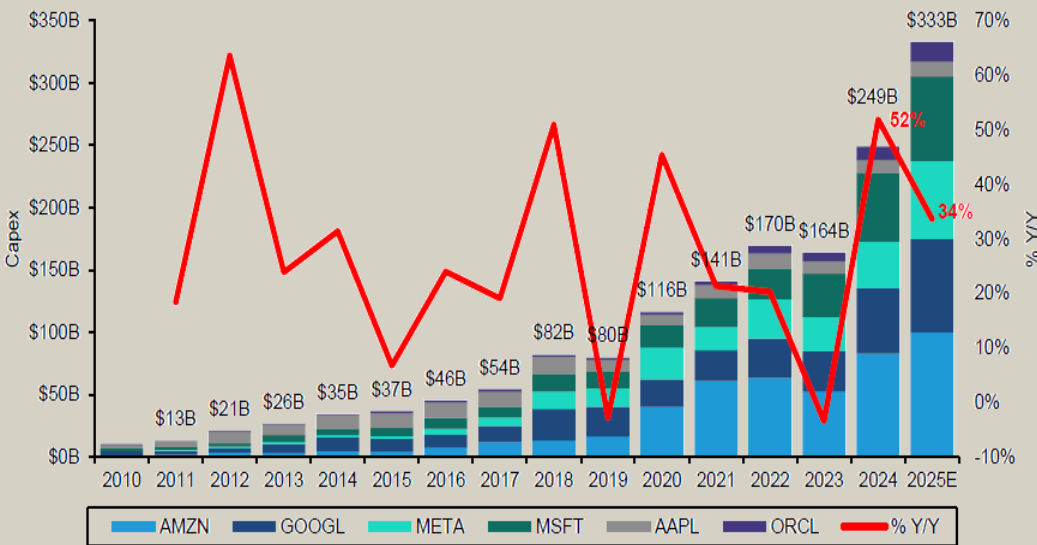


First came the Americans

- + CAPEX ramped up materially with a strong outlook in the medium term still expected

HYPERSCALERS PLAN TO DEPLOY ~\$335B IN CAPEX IN 2025, UP ~35% Y/Y

EXHIBIT 7: Hyperscaler Capex is Poised to Grow to ~\$335B in 2025, Up From ~\$250B in 2024

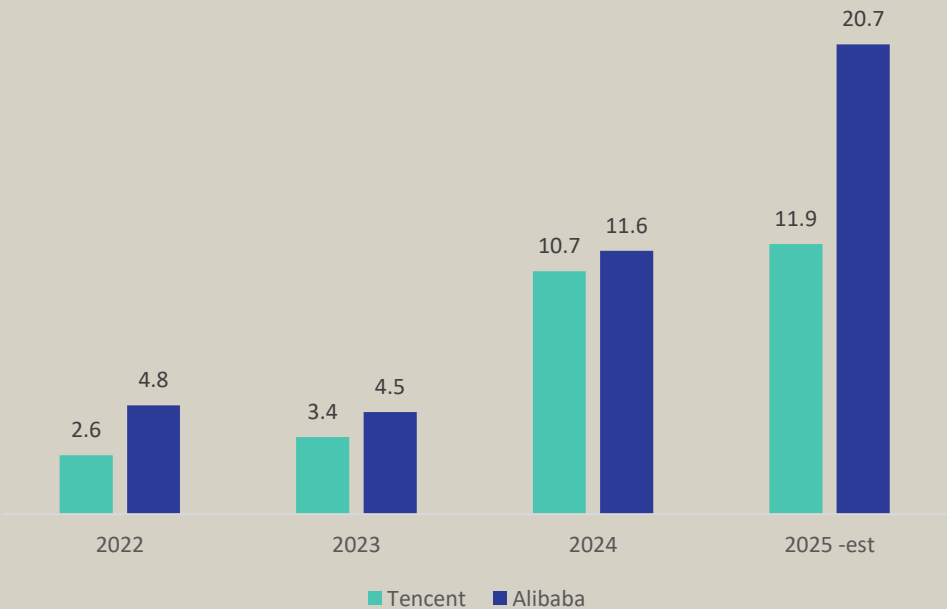


Source: Company data, Bernstein analysis

The Chinese appeared behind

- + But from late 2024 to early 2025 we have seen a material change in capital being deployed by the Chinese big tech companies as well

CAPEX - \$bn





Where does the money go?

- + Most notable flow into semis
- + But the power needs of data centers are material and currently a bottleneck

Step change in share of data centers power consumption



As well as their share of construction

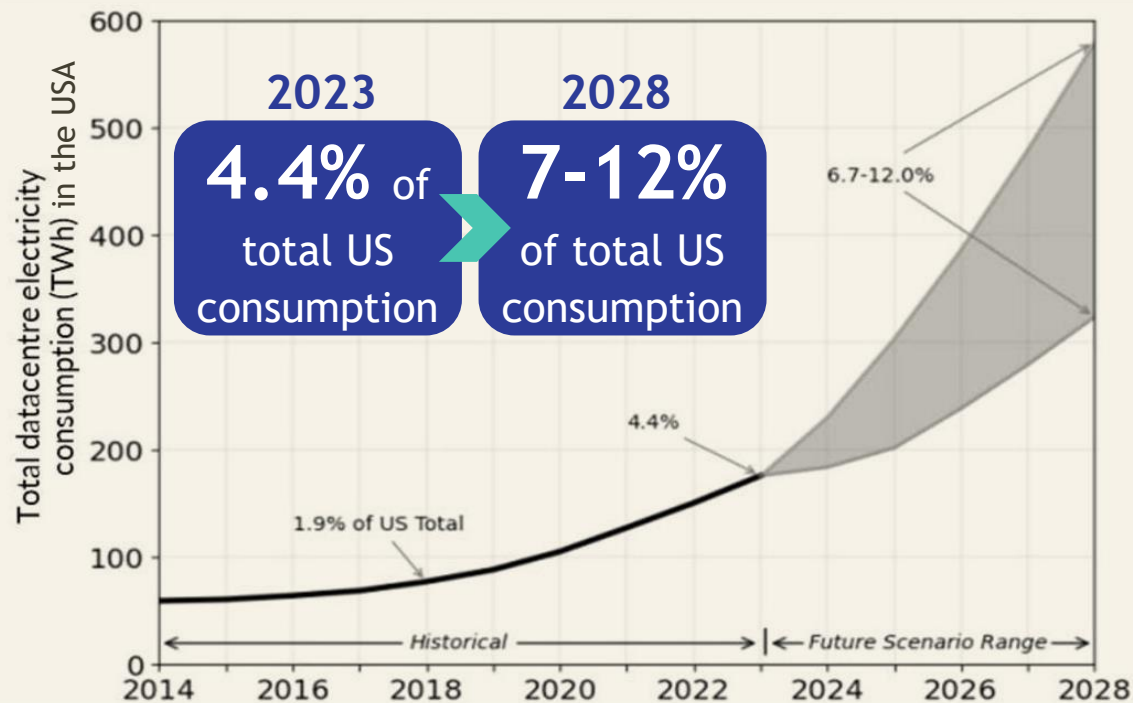
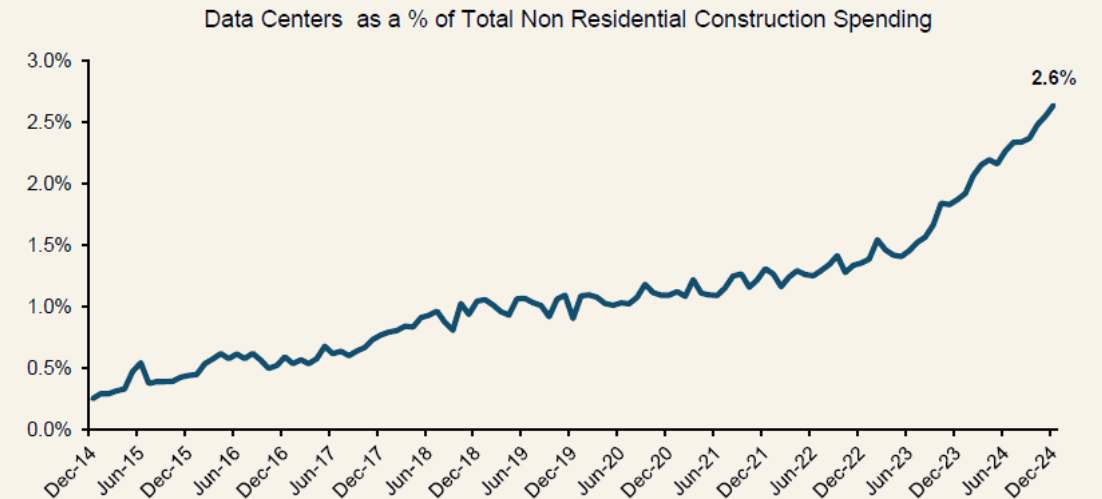


EXHIBIT 18: Data Centers Now Represent ~2.5% of All US Non-Residential Construction Spending



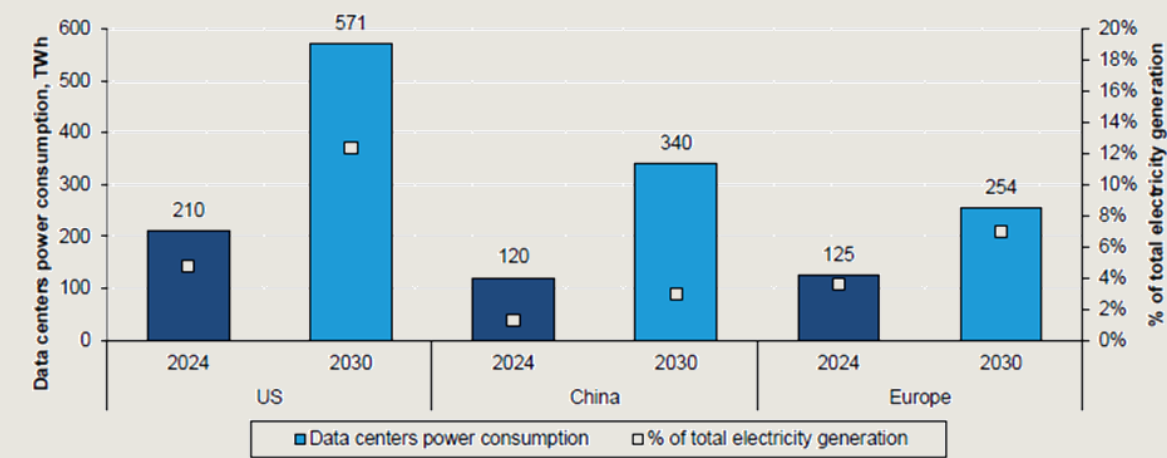
Source: US Census Bureau, Bernstein analysis

Data centers should drive material battery demand



+ Power bottleneck far less pronounced in China

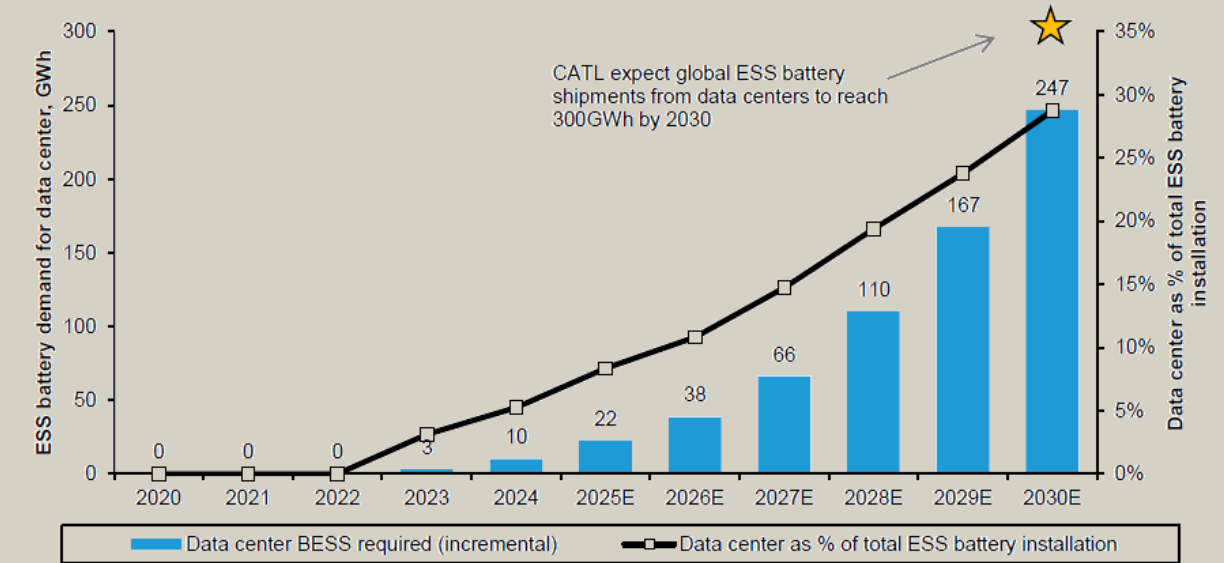
EXHIBIT 11: Driven by the dedicated AI data centers, we expect both the US and China will lead the demand growth, and the data center % (of total electricity consumption) will be as high as 12% in the US by 2030



Source: IEA, Bernstein analysis and estimates (2024+)

+ Positive for CATL

EXHIBIT 16: We expect the ESS battery demand from data centers to grow to 247GWh by 2030, accounting for around 25-30% of total ESS battery demand



Source: IEA, BNEF, company data, Bernstein analysis and estimates (2024+)

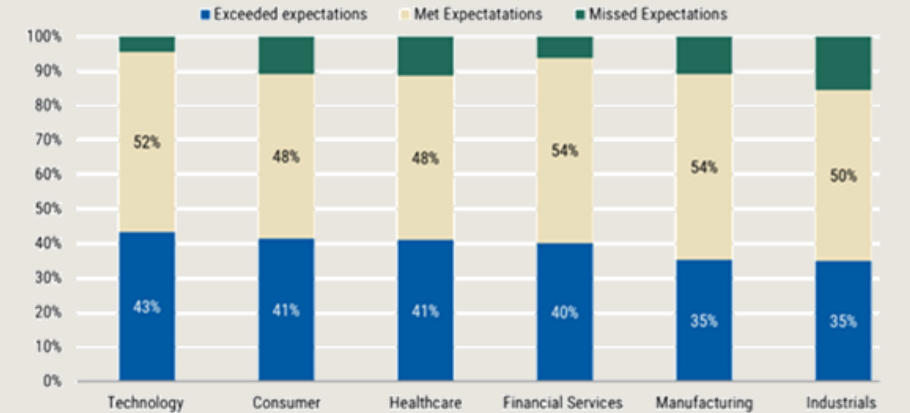


Is all of this spend going to be productive?

REMAINS A DEBATE, BUT...

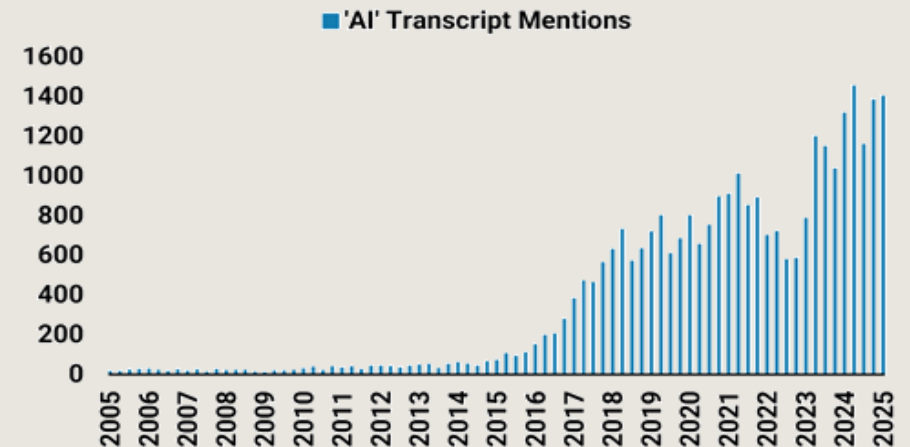
Evidence to date suggest enterprises are seeing value

- + **90%** of key corporate technology decision makers (CDOs/CTOs) report initial GenAI projects **meeting or exceeding expectations**



Everyone has an AI strategy

- + Will be relative winners and losers
- + Businesses like **Meta** have seen a material improvement in their **ad systems** which embed AI resulting in **improved revenue generation** (ie: ROI)

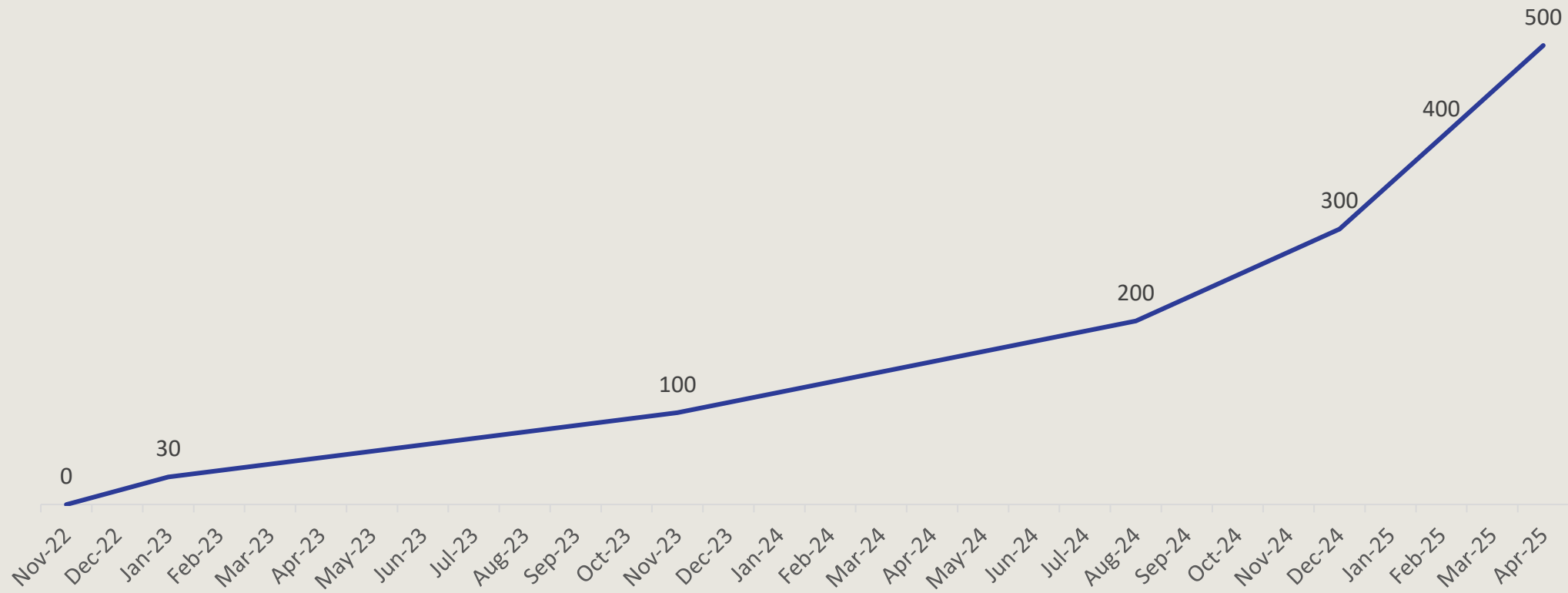


Consumers also gravitating towards AI tools



- + ChatGPT has had the fastest adoption of any consumer application
 - Faster than WhatsApp/Instagram

Open AI weekly users - millions



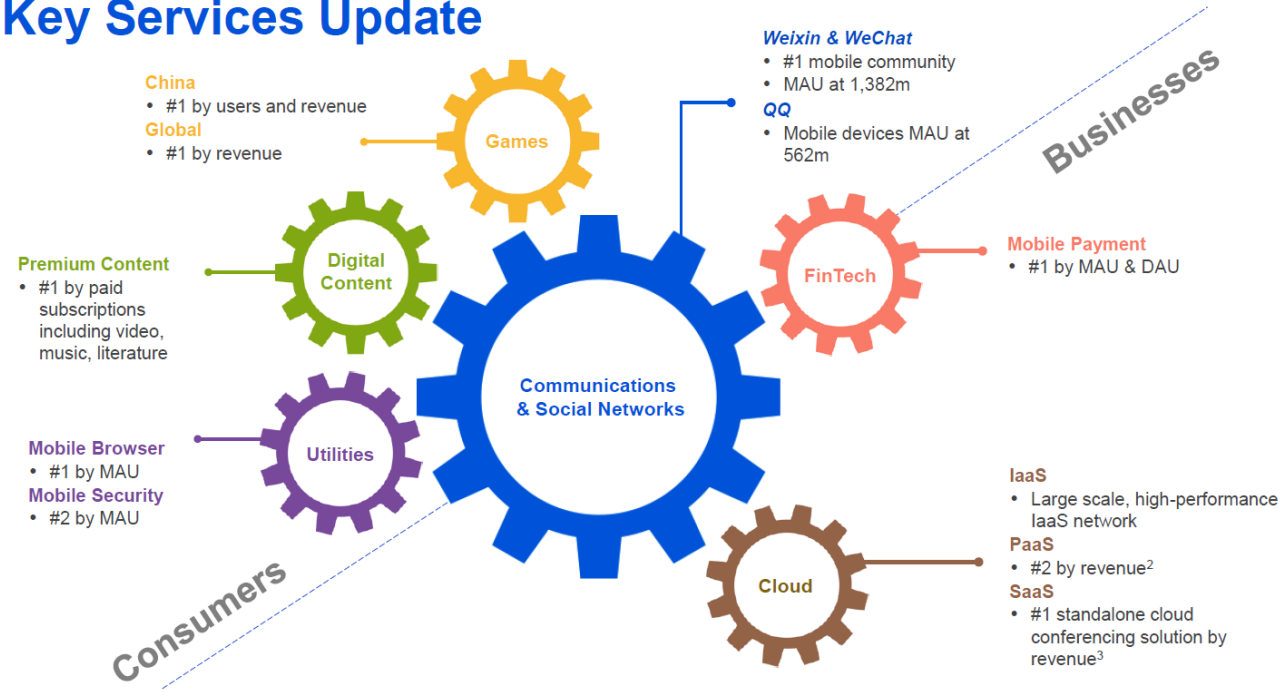
Tencent - the AI winner?



APPEAR INCREDIBLY WELL PLACED

Vastness of their ecosystem is unrivalled

Key Services Update



China no longer appear materially behind post “Deep Seek”

- + The rise of open source
- + Models now commodities



The value in AI will be at the application layer

- + Tencent has endless applications to apply AI

Tencent's valuation remains attractive

PE - excluding investment portfolio

FY25	FY26	FY27
14.7x	12.7x	11.1x



Questions

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YTD returns in up until 8 April (ZAR)



	YTD return
MSCI World	-7.3%
MSCI Emerging Markets	-1.3%
S&P 500	-10.9%
Nasdaq	-14.3%
Global Optimum Growth	-0.1%