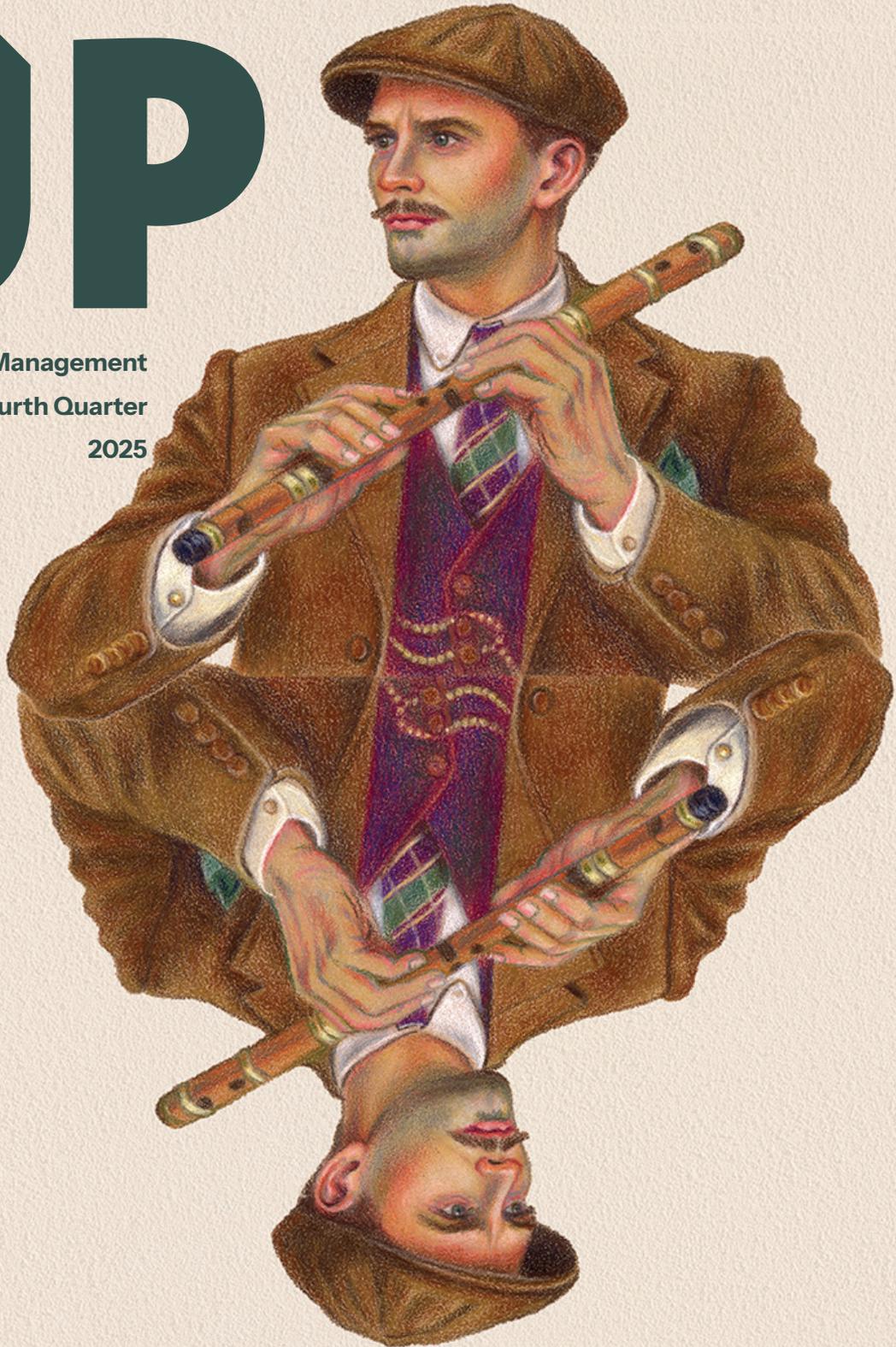


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Camissa Asset Management
Fourth Quarter
2025



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NEPI Rockcastle: dominant and discounted

Tsholofelo Maretela - Investment Analyst

NEPI Rockcastle (NEPI) has built an €8 billion portfolio of retail properties across Central and Eastern Europe (CEE). Despite solid underlying economic performance, the region carries heightened perceived risk stemming from its proximity to the Russia-Ukraine conflict.

NEPI Rockcastle: dominant and discounted

This has led NEPI to trade at a fairly low share price relative to its cash flow potential and underlying property net asset value. We examine its dominant asset base, disciplined capital allocation record and resilient operating performance, and explore whether its portfolio and prospects are undervalued.

Europe's growth postcode

The CEE region has undergone meaningful economic convergence with western Europe over the last 20 years, supported by capital inflows, export-led growth and a skilled, cost-competitive labour force. Integration into European trade and regulatory frameworks has underpinned structural development across the region.

Recent years have brought notable challenges, however. Russia's war in Ukraine disrupted energy and food markets, pushing input costs higher, and VAT increases in Romania have added further pressure on households.

Despite this, the longer-term CEE retail growth outlook remains supportive, positioning NEPI well to benefit from its exposure to the region. Consumer debt in Romania is among the lowest in Europe and consumption trends in Poland have shown great resilience.

What is in the basket?

NEPI Rockcastle was formed in 2017 through the merger of New European Property Investments and Rockcastle Global

Real Estate. The company now operates 60 properties, including 57 retail centres concentrated in Romania and Poland, the CEE's largest retail markets - *charted below*.

The portfolio comprises regionally-dominant, highly visible and modern regional shopping centres in prime locations. These properties are typically located in key cities with large catchment areas and excellent transport access. The centres host the most regionally present premium tenants such as Inditex brands¹, LPP and Carrefour.

Clicks have not dented bricks

E-commerce penetration remains significantly lower across the CEE region than in Western Europe, reflecting different consumer preferences, logistics realities and shopping trends. Physical stores remain essential, often serving as the first point of contact between retailers and consumers. They play a key role in hosting new product launches, strengthening customer relationships, encouraging sales and generally enhancing overall product and brand engagement.

In many CEE cities, the limited availability of high-quality outdoor social spaces has positioned modern malls as primary social hubs and leisure destinations rather than merely retail venues. NEPI's portfolio - characterised by a high concentration of dominant regional shopping centres (*following page left*) - is therefore ideally positioned for this environment. This dynamic also shapes the tenant mix, with fashion retailers forming a core component of the portfolio (*following page right*).

Redefining retail

Recognising the evolving needs of retailers and consumers, NEPI has invested in omnichannel initiatives and experiential concepts. These include loyalty programs across markets, such as the SPOT app in Romania - a mobile platform that rewards shopping visits with loyalty points redeemable for discounts, prizes and vouchers across all NEPI-owned malls. Click-and-collect services, cultural events with live-streams on social media, and strategic partnerships with online communities (eg their partnership with Influcenter by EKIPA, one of Poland's largest Gen Z digital communities) demonstrate NEPI's commitment to maintaining relevance across its retail assets.

¹ These include Zara, Bershka, Massimo Dutti, Oysho, Pull and Bear, Stradivarius and Lefties.

Country exposure by property market value



Source: Company financials

Powering the malls

NEPI directly manages its shopping centres with local teams in each market reporting through to a centralised structure. While these functions have been brought in-house over recent years, administrative costs have remained low relative to competitors, reflecting sound operational discipline.

Almost all leases are denominated in euros, even in markets such as Poland and Romania that use local currencies, and rentals are adjusted annually in line with European inflation. NEPI's portfolio benefits from staggered lease maturities, providing visibility of future cash flows. After adjusting for tenant break options that permit early termination, lease agreements provide an average of approximately 3.5 years of secured occupancy.

This approach has delivered consistently robust results. Vacancy rates have averaged around 3% over nine years, reflecting a successful data-driven strategy of continuous improvement and sustained retailer demand for space in NEPI's malls. The company analyses footfall patterns and shopping trends to identify where refurbishments, tenant mix adjustments or space reconfigurations will have the greatest impact. These investments strengthen retailer performance, which in turn supports NEPI's ability to achieve rental growth upon lease renewal. Importantly, tenant affordability has

remained healthy, with rentals accounting for a relatively low proportion of retailer revenues.

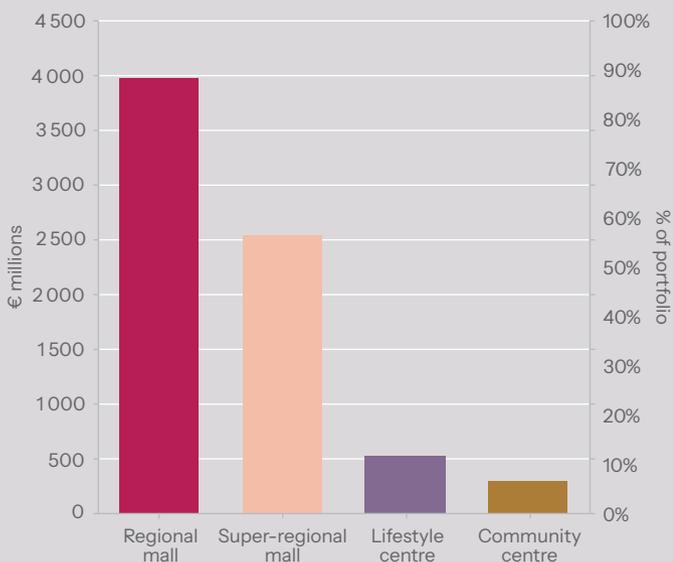
Development prowess

Disciplined, effective capital allocation sets outstanding real estate operators apart from their competitors, and NEPI's track record illustrates this clearly. A recent example is the €136 million investment in the 63 700m² Promenada Craiova regional shopping centre in Romania, completed in 2023 and including road infrastructure to improve access and connectivity. Just one year after completion, the centre is fully let and valued at €158 million, representing a 16% uplift.

In the same year, NEPI completed a 254-apartment residential development in Bucharest - Vulcan Residence. The project made efficient use of land adjacent to existing retail properties, with all units subsequently sold. Building on this success, NEPI has initiated two additional residential developments in the Romanian cities of Brasov and Craiova.

Retail property development activity in major CEE cities has shifted towards retail parks. These are smaller, open-air formats focused on convenience and value in contrast with shopping centres, which are large, enclosed, multi-tenant destinations serving regional catchments and offering fashion-led retail and multiple entertainment options.

NEPI aggregate portfolio value by shopping centre type



Tenant turnover



NEPI Rockcastle: dominant and discounted

Retail parks are quicker and less capital-intensive to develop than shopping centres and address a different consumer need. As a result, with limited new shopping centre supply entering the market, dominant centres in prime locations have faced low competitive pressure in recent years.

This dynamic shapes NEPI's development strategy. The group has shifted away from greenfield developments toward extensions of existing flagship properties and is investing in solar power infrastructure. The pipeline is material relative to the current asset base and is set to deliver large incremental earnings on completion. Some examples are:

- The **Promenada Bucharest extension**: a €290 million mixed-use expansion expected to open in 2027 and currently NEPI's largest project. The extension adds retail space, offices, a hotel, cinema, theatre, gym and six underground parking levels, with improved access from major roads. Notably, 77% of the space is already leased, demonstrating strong tenant demand ahead of completion.

- **Solar infrastructure**: In addition to growing its rental revenue, NEPI is focusing on its cost base, particularly energy expenses, which have risen sharply across Europe and weighed on tenant affordability and consumer spending. Solar panels currently meet approximately 5% of the portfolio's electricity needs, with plans in place to increase this to 50%. This expansion will significantly reduce operating costs. It will also meet growing decarbonisation expectations from lenders and investors, thereby strengthening the portfolio's financing profile.

Proximity vs performance

While many of NEPI's operating markets share borders with Russia or Ukraine, this geopolitical proximity has not disrupted operations to date. Property vacancy levels are low and rental growth continues. Supported by strong consumer and economic fundamentals across the region, NEPI offers exposure to a well-managed portfolio of leading shopping centres in structurally supportive markets at what we believe is an attractive, low entry price – especially if there is a near-term resolution to the war in Ukraine. **UP**



Trip.com rides the wave of Asian travel

Meyrick Barker - Portfolio Manager

If the past few years have taught us anything, it is that even amid economic uncertainty, our innate curiosity to explore endures and people rarely give up on travel for long. With travel penetration and inbound tourism still well below global norms, China's expanding participation in travel represents a material future economic development.

Trip.com rides the wave of Asian travel

Businesses catering to this trend present a compelling opportunity for investors, particularly Trip.com - the country's leading online travel agency (OTA) and the engine behind hundreds of millions of bookings each year. With structural growth ahead, in a market that is far from saturated, Trip.com offers an attractive entry point into China's travel revolution, which we unpack herein.

More than a hotel booking site

If you are not familiar with Trip.com, a helpful shorthand is "China's Booking.com" - though that comparison with the enormous western OTA understates the breadth of its model. It runs one of China's largest digital travel platforms and is a one-stop shop for flights, train tickets, hotels, local attractions and packaged tours. It has also expanded its offerings in entertainment-linked travel, partnering with concert and event platforms, and has created personalised products for different demographic segments, including China's rapidly growing 'silver generation'. For first-time visitors to China, Trip.com's offering is invaluable - a single app that can assist in planning an entire trip in a country where language and logistics can be a barrier.

Trip.com's reach also extends beyond China. It owns Skyscanner, one of the top global flight metasearch engines, assisting millions of travellers worldwide to search for flights.

Relationships, reach and responsiveness

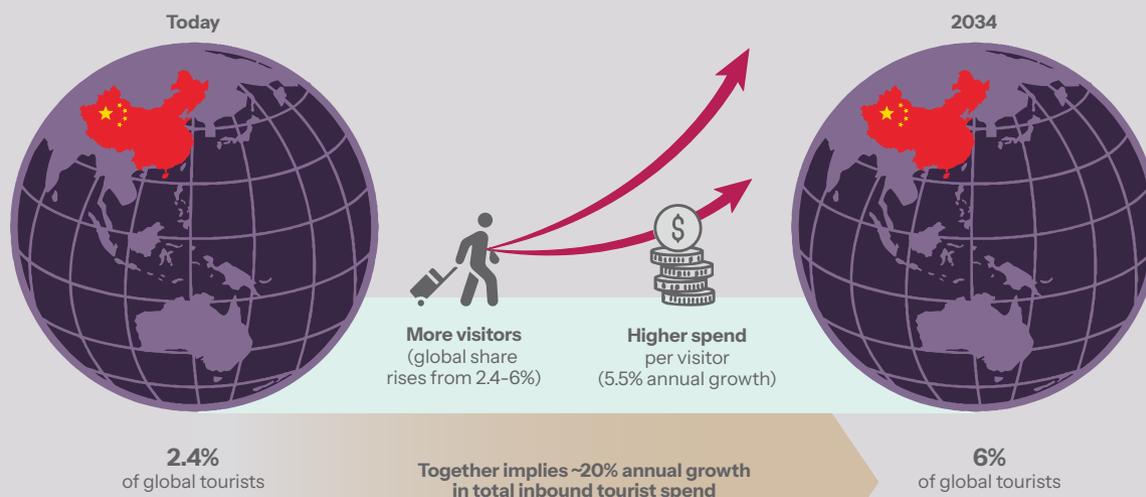
Trip.com has spent years cultivating strong relationships with Chinese hotels and local tourism operators, giving it one of the broadest accommodation inventories in the market. This is important in online travel as scale is a defining differentiator for an OTA, with customers gravitating to platforms that offer the most choice.

When Chinese travellers book, most use Trip.com via mobile. With over 90% of bookings made through the app, Trip.com engages customers directly, reducing reliance on paid advertising and keeping acquisition costs lower than search-led platforms.

Trip.com focuses its inventory and marketing on China's wealthiest, most travel-active cities, rather than spreading resources thinly across every market. These hubs account for an outsized share of tourism spend, giving the platform higher volumes, better unit economics and stronger repeat usage.

Coupled with a reputation for fast, responsive customer service - including close co-operation with government initiatives such as the Nihao Programme for inbound visitors - Trip.com is establishing itself as the go-to platform for both outbound Chinese travellers and international visitors to China.

Projected growth in China's inbound tourism by 2034



Inbound tourism: small base with room to grow

For a country of China's size, inbound tourism makes up a very small share of total travel activity. In 2024, foreign visitors represented just 2% of total in-country visitor volumes, yet they accounted for a much larger 10% of hotel room revenue. Even at low penetration, inbound travellers already punch above their weight as they typically spend more per trip.

The growth potential is meaningful. Today, China captures only 2.4% of global tourist flows, but industry forecasts suggest this could rise toward 6% by 2034. With a wide range of attractions, strong affordability and increasingly seamless transport links, China is structurally well positioned to attract a larger share of international travel over time. As demonstrated on the previous page, rising inbound volumes and higher spend per visitor could translate into meaningful annual growth in inbound tourism expenditure over the next decade.

Trip.com is poised to benefit from this shift. It is already the default platform for domestic Chinese travellers and is increasingly becoming the "front door" for first-time international visitors seeking a trusted system to book and navigate China.

China's domestic tourism boom is just beginning

China's domestic tourism sector is undergoing a powerful behavioural shift, driven by rising disposable incomes, shorter travel planning cycles and a growing desire to explore local

culture and regional diversity. Increasingly, Chinese consumers are opting for weekend getaways, themed travel (like wellness retreats or food tours) and 'micro vacations' to nearby cities. This increase in spontaneous, higher-frequency travel plays directly into Trip.com's strengths.

Trip.com's AI-driven tools and curated content are starting to move the platform beyond simple listings and transactions. By helping travellers surface ideas, build itineraries and discover what's trending, Trip.com is gradually becoming more of a planning companion - supporting higher conversion and stronger repeat engagement over time.

Enhancing traveller engagement

One of the most interesting shifts in travel is destination discovery. Younger travellers in particular, scroll for inspiration long before they book. Trip.com has leaned into this behavioural shift. Instead of relying on costly discounts, the company uses content and community to spark travel ideas. It encourages users to share trip photos and videos, join challenges and engage with micro-influencers - effectively turning customers into marketers.

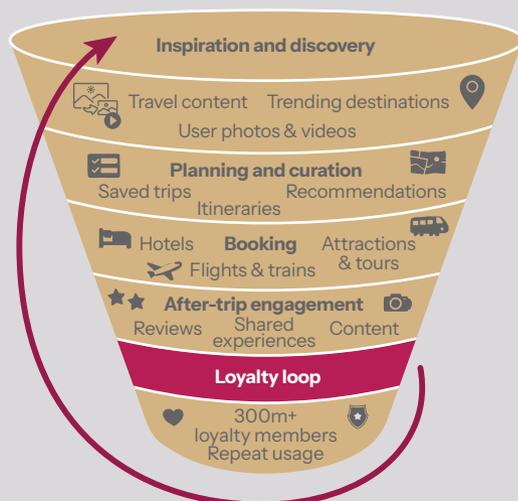
This content-first strategy is more than a trend as it reduces customer acquisition costs, while strengthening customer loyalty. With over 300 million members, Trip.com's loyalty programme represents one of the largest captive travel audiences in the world - a powerful advantage as the platform becomes a place where wanderlust begins, not just where bookings are finalised. This illustration (left) visualises Trip.com's content-to-booking flywheel, where discovery, community and loyalty reinforce one another.

International expansion: a long-term growth engine

The Trip.com brand, distinct from its domestic Ctrip platform, is gaining momentum for travel to destinations across Asia. It is increasing market share in Singapore, Thailand, Malaysia, Japan and Korea, while also making earlier-stage expansions into the Middle East and Europe. This international push is currently loss-making, reducing group earnings by around 8-10%, largely reflecting deliberate investment in overseas accommodation supply, brand building and app-led customer acquisition rather than third-party channels.

If successful, the prize is material. International bookings typically carry higher commission rates, which apply across several important flows: Chinese travellers booking overseas

From inspiration to booking



From **experience** back to **inspiration**

Trip.com rides the wave of Asian travel

hotels, foreign visitors booking accommodation within China and global travellers booking hotels outside of China. Domestic hotel bookings in China typically yield take-rates of only 8-10%, constrained by competitors such as Meituan. In contrast, international hotel distribution generally delivers higher take rates. As Trip.com's global operations mature and the early investment phase winds down, this segment has the potential to become significantly more profitable. As *charted below*, Trip.com's revenue mix is expected to tilt toward higher-value business over time.

A financially strong platform

Trip.com's business model benefits from a favourable working capital cycle. The company typically receives customer payments at the time of booking, well before it settles with hotels closer to the date of travel. This creates a structurally cash-generative profile.

Just as important is the shape of its cost base. A meaningful portion of Trip.com's expenses sit in marketing and product development – categories that are inherently more variable than traditional fixed overheads. This makes the model more adaptable as spend can be increased to capture demand when conditions are strong, or dialled back when the environment softens. Trip.com also benefits from China's cost advantage in engineering, customer support and operating talent, enabling

it to build and maintain a sophisticated platform at a lower unit cost than many global OTAs.

A rational, consolidated industry

Travel booking was historically a battleground for extreme discounting in China, but the mid-2010s were a decisive turning point. Trip.com's acquisition of Qunar in 2015 ended subsidy wars that had been burning cash across the industry. Regulators tightened rules on anti-competitive behaviour and excessive subsidies, further stabilising the sector. Today, Trip.com, Meituan and Tongcheng occupy a rational oligopoly that competes on service quality and product breadth rather than price destruction.

A physical store network few competitors can match

Despite China's digital fluency, offline channels remain important. Many families still value face-to-face travel planning and Trip.com supports this with over 6 000 franchised physical stores across 300 cities.

Franchisees shoulder the physical infrastructure costs and Trip.com provides the technology and the brand. This hybrid model extends reach without heavy capital investment.

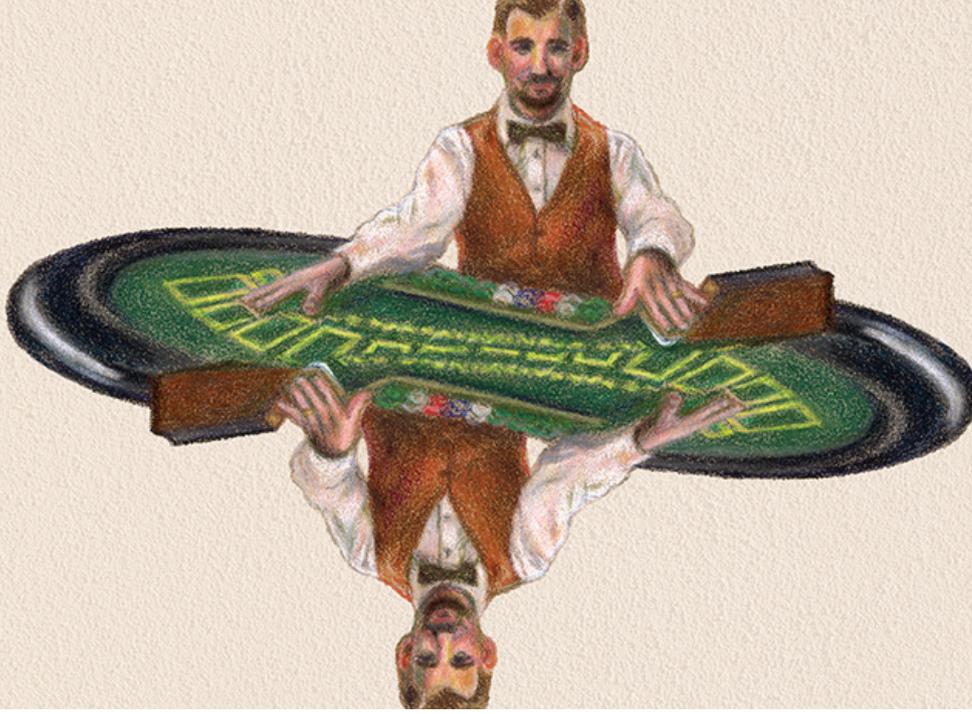
At the forefront of China's travel surge

Trip.com benefits from multiple structural advantages resulting from: China's growing role in global travel, a dominant domestic platform, a fast-growing international business with the potential to deliver higher long-term margins, a content-driven ecosystem suited to modern travellers, and a cash-rich balance sheet within a healthy industry structure. As travel within and to Asia continues to grow, Trip.com sits comfortably at the heart of the journey – a dynamic we believe creates compelling long-term value for our investors. **UP**

Trip.com's revenue mix shifts toward higher-profit business



Source: Company reports, Camissa Asset Management



SA gambling: the house goes mobile

Nicholas Brown - Investment Analyst

Online gambling has surged in South Africa over the past five years, overtaking all other forms to become the country's largest gambling channel. This shift has reshaped the industry's structure and competitive dynamics. Operators are increasingly prioritising online platforms to capture growth, while protecting profitability by improving operational efficiency and optimising their mature, land-based portfolios

SA gambling: the house goes mobile

We outline the key South African gambling segments, examine the economics of different gambling formats and analyse the drivers of the rapid growth in online gambling, while considering international market evolution and how domestic operators are adapting their strategies.

Gambling market structure and segmentation

South Africa's gambling market is primarily segmented by regulation, with each category operating under distinct licensing frameworks and economic characteristics. The main regulated segments are:

- Land-based casinos:** physical venues licensed to offer slot machines and table-based games such as blackjack, poker and roulette. They are typically large-scale, capital-intensive properties and have historically been the dominant gambling format in the country.
- Bingo:** offered through electronic terminals located in dedicated venues, often shopping centres. While the underlying game remains traditional bingo, electronic terminals automate gameplay and number matching, making the experience faster and easier to follow.
- Limited payout machines (LPMs):** similar in appearance and gameplay to casino slot machines but these are limited by regulatory caps on the size of permitted bets and payouts. They are commonly located in pubs and bars and designed to offer low-stakes gambling, with a maximum bet of R5 and a maximum payout of R500 per game.

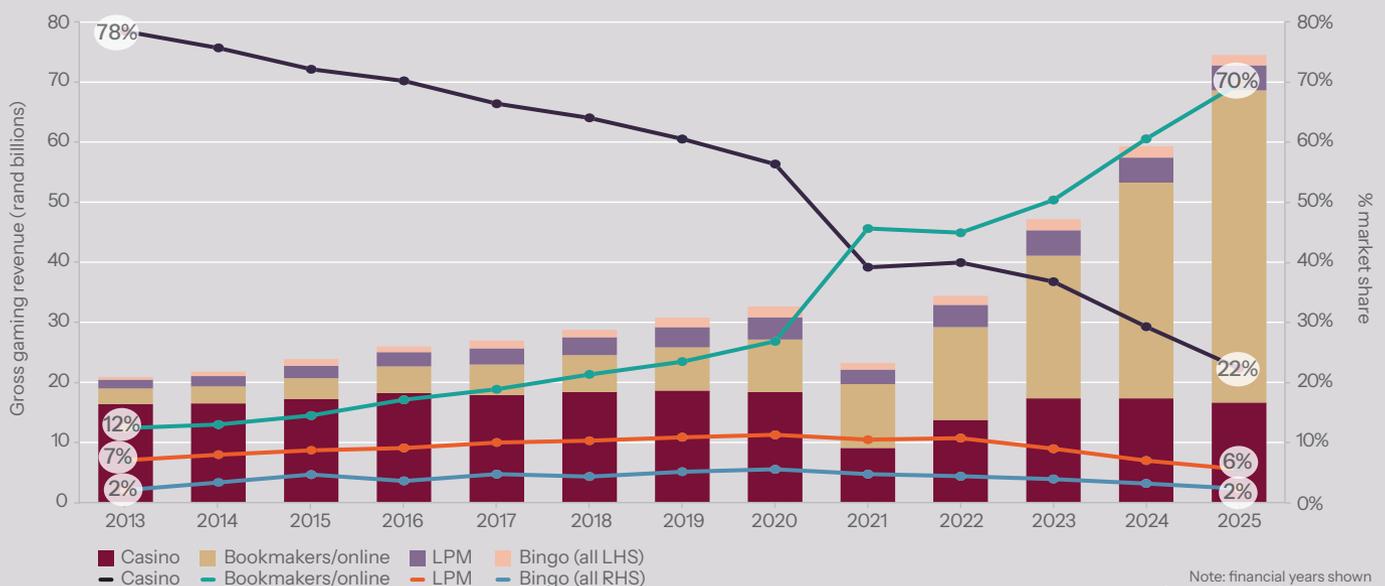
- Bookmakers:** licensed to accept bets at fixed odds on the outcome of an event, most commonly with sporting matches and horse racing. The odds agreed at the time of placing a bet determine the potential payout.
- The National Lottery:** operates separately from other gambling formats and is regulated under its own legislation. Players purchase tickets and select numbers, with prizes based on the outcome of scheduled draws.
- Online platforms:** offer an additional distribution channel through which players can access casino-style games and sports betting. While the underlying activities are regulated, the digital channel has fundamentally changed how and where players engage with gambling products.

Bringing the house to the consumer

The expansion of online gambling has materially increased the size and relative importance of the digital channel within South Africa's gambling market (*shown below*). In the year to 31 March 2020, total gross gaming revenue (excluding The National Lottery) amounted to R32.7 billion, of which online gambling contributed R8.8 billion (27%). By 31 March 2025, total gross gaming revenue had risen to R74.5 billion, with online gambling accounting for R52 billion (70%).

COVID was a key catalyst for this acceleration as lockdown restrictions made online platforms the only accessible option. During this time, regulatory acquiescence to operators' interpretation of existing laws extended the use of bookmaker

SA gambling: changing industry composition



Note: financial years shown
Source: National Gaming Board

licenses for online gambling. Many players who migrated online during lockdown have continued using these platforms. This is mainly because physical gambling formats have faced additional challenges, such as loadshedding and related safety concerns, which have reduced evening footfall across all segments.

Beyond the pandemic, online gambling offers structural advantages in convenience and accessibility, as players can participate from home at any time, eliminating travel costs and time constraints. In addition, new game formats (eg crash games) are only available online, further enhancing the appeal of this channel.

Importantly, online gambling has taken market share from physical gambling formats and is expanding the overall market by attracting new players. Moreover, whereas traditional formats such as casinos, bingo and LPMs have historically attracted an older customer base, online gambling is appealing to younger players with greater digital familiarity, who were previously underrepresented in physical gambling venues.

The economics of gambling formats

Online gambling currently generates lower cash operating margins (typically around 20-25%) than established physical formats. Large land-based casinos tend to achieve margins of around 35%. This reflects the higher level of online competition with lower geographic moats and elevated marketing and bonusing costs, which constrain profitability.

Operators must continually invest in online infrastructure to ensure intuitive navigation, attractive design and uninterrupted gameplay. They must also offer reliable payment systems, which is particularly important as it underpins trust and confidence between users and operators. Yet despite these investment requirements, online gambling remains less capital intensive than land-based formats. Physical casinos require substantial ongoing capital expenditure to maintain and refurbish their premises and gaming assets - such as tables, slots, bingo terminals and LPMs.

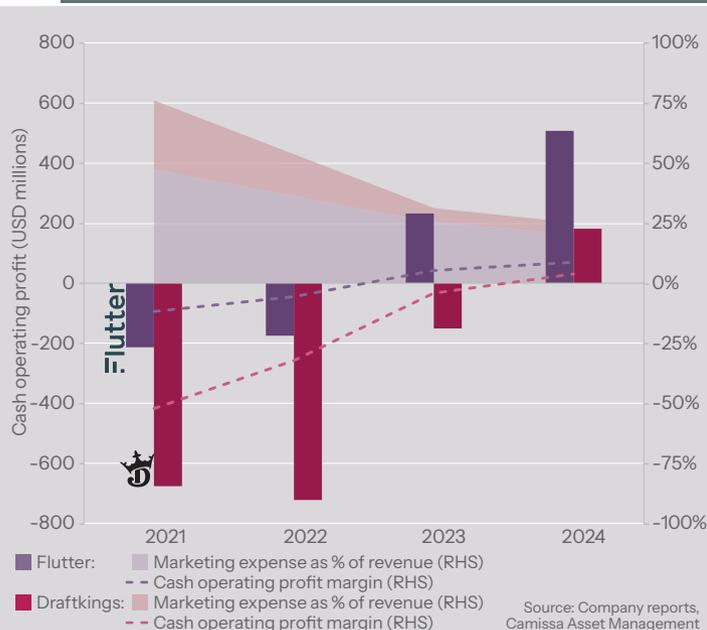
Conversely, marketing and customer acquisition costs are higher online, with bonusing playing a central role. Bonuses allow newer players to wager without risking their own capital, to encourage trial and long-term engagement. As competition has intensified, marketing and bonusing spend has increased, raising acquisition costs. In response, operators are focusing on scaling their platforms to improve operating leverage and support reinvestment in growth.

International market dynamics

In the nascent US online gambling market, Flutter (operating as FanDuel) and DraftKings are two of the largest competitors. As states legalised online gambling, these operators aggressively marketed their platforms and offered frequent bonuses to rapidly acquire players. Despite strong revenue growth, operators initially generated cash operating losses. This prompted operators to prioritise customer lifetime value, with higher engagement - characterised by more frequent and higher-value bets - improving returns on marketing and promotional incentives. Although revenue from a growing base of active players is being reinvested in marketing to attract additional players, this has become increasingly costly as competition has intensified. As *charted left*, further to reaching high market shares and growing customer lifetime value, Flutter and DraftKings recently achieved modest cash operating profits.

Flutter, along with operators like Evoke and Betsson, also operate in mature markets (ie the UK and Italy). Here, player acquisition has slowed, competition is more concentrated and operators prioritise user retention and increasing share of players' total gambling spend. Cash operating margins have stabilised at around 25% and marketing spend as a percentage of revenue has declined with scale. Smaller operators that are unable to scale and generate sufficient cash flow for reinvestment have exited these markets.

US online gambling competitor profitability



SA gambling: the house goes mobile

SA operators' strategic adaptation

Hollywoodbets and Betway are the two largest online gambling operators in South Africa and together are estimated to account for more than 50% of the market. They entered the online sports betting market early, affording them the time to build trusted brands and a technological infrastructure that now supports their online casino-style games.

Given the structural change in the South African gambling market and the proliferation of competition, operators with established physical footprints are adapting by developing online platforms to participate in the sector's fastest-growing channel. Groups such as Sun International, Tsogo Sun and Goldrush are pursuing omni-channel strategies that integrate digital and physical offerings. Key to this approach is the introduction of unified customer wallets, allowing players to use a single balance across online and land-based channels. Unified loyalty programmes further deepen engagement by enabling the redemption of online-earned rewards at physical casino precincts, including hotels and entertainment venues.

Online platforms also provide operators with valuable customer data, delivering deeper insight into player behaviour, more targeted marketing and improved engagement, while reducing inefficiencies in bonus and promotional activity.

Among the land-based, listed operators, Sun International (Sunbet) has progressed most rapidly, commanding roughly

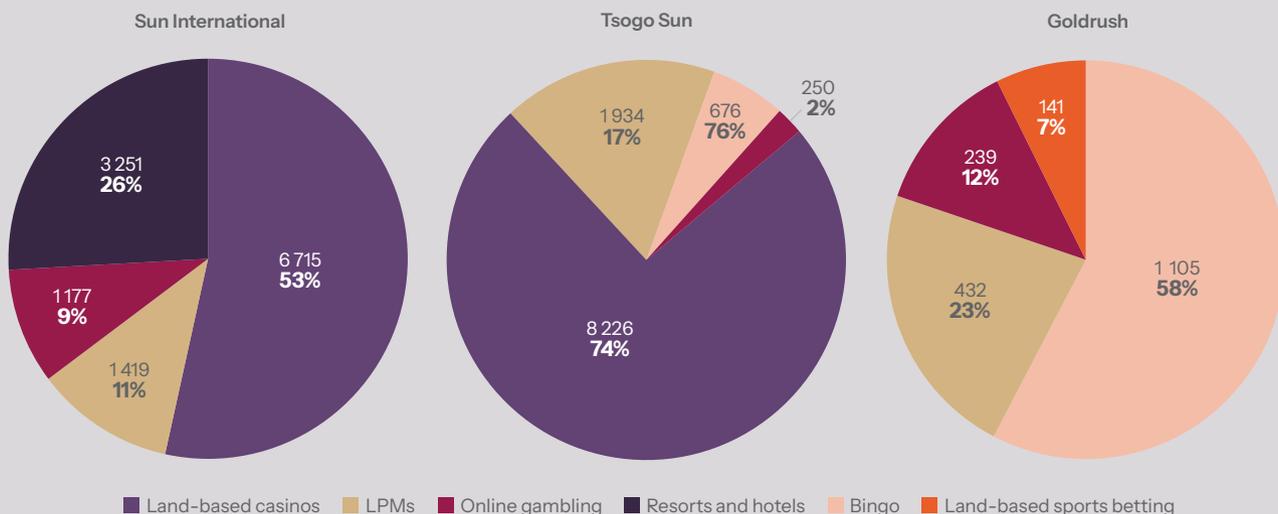
3% of the market, with online revenue significantly larger than that of Tsogo Sun (playTSOGO) and Goldrush (Gbet) - illustrated below. However, both competitors are investing in skills, technology and marketing, which should support faster scaling over time and enable them to expand their market shares beyond the current ~1%. Evolution in international markets has shown that this is essential to remain competitive in the long term.

Within weakening physical channels, operators are focusing on cost control and footprint optimisation. This includes reducing machine counts to improve utilisation, relocating machines to higher-performing sites, and disposing of smaller or underperforming casinos. Despite the rapid expansion of online gambling, large urban land-based casinos have demonstrated resilience as entertainment hubs, continuing to generate strong cash flows.

Omnichannel strategy bodes well for investors

Online gambling continues to expand in South Africa, reshaping the industry and attracting new customer segments. While Tsogo Sun and Goldrush have been slower to scale their online platforms, ongoing investment positions them to participate more meaningfully in future growth. Given their late start and the scale of established online operators, the three listed gambling companies are unlikely to gain meaningful market share. However, online gambling will be a source of growth and their traditional gambling businesses are inexpensively priced on the stock market today. This presents a meaningful opportunity for our clients. **UP**

SA omnichannel operator revenue mix (rand millions)





Siemens Healthineers: patient-led innovation

Mpsatshweu Mehlape - Associate Analyst

Siemens Healthineers (Healthineers) is a market-leading medical technology company, with roots stretching back to 1896, when it manufactured its first X-ray tubes.

German professor Wilhelm Röntgen, who discovered X-rays in 1895, praised the quality of its tubes - an early indicator of the company's innovation capability.

Siemens Healthineers: patient-led innovation

More than a century later, Healthineers operates in over 70 countries, holds upwards of 15 000 patents and employs 74 000 people. 13 000 of these employees are dedicated to research and development (R&D), outnumbering those in manufacturing. We explore how continuous innovation and strong commercial execution have positioned the business as a leading global med-tech company.

Global business

There are more than 700 000 Healthineers systems installed across hospitals and healthcare providers globally, with key markets including the US, Europe and China. Healthineers has built its business on pioneering breakthroughs in medical technology and it ranks among the top spenders on R&D relative to competitors.

As *charted below*, the business operates across three core divisions: **Imaging** builds diagnostic imaging systems including X-rays, computed tomography (CT), molecular imaging (MI) and magnetic resonance imaging (MRI). **Diagnostics** manufactures medical laboratory devices and testing kits.

Precision Therapy comprises:

- **Varian**, that offers a broad portfolio of radiotherapy technologies and clinical professional services supporting oncology departments in hospitals and clinics.
- **Advanced Therapies**, which supplies equipment used in image-guided, minimally invasive procedures across

cardiology, neurology and oncology, with angiography systems and mobile C-arms as its core products.

- **Ultrasound**, designs and manufactures ultrasound systems.

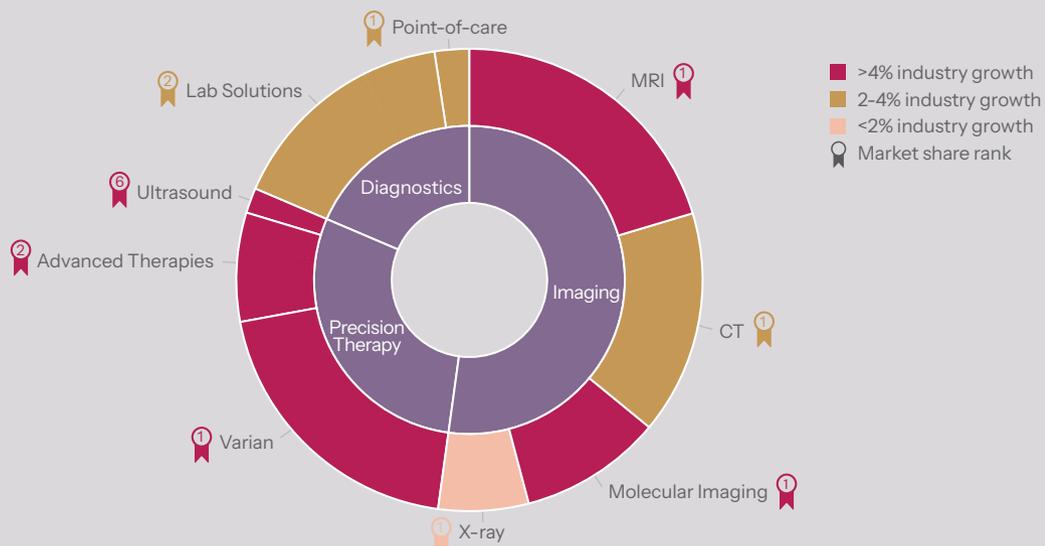
Widening the competitive gap through innovation

Since 2018, Healthineers' Imaging business has steadily expanded its revenue market share (up from 31% to 38%). This momentum is driven by continuous innovations, its robust installed base of 160 000 imaging systems and a valuable recurring revenue model. About 50% of Imaging revenues are from recurring sources, primarily after-sales service and software contracts with hospitals and clinics.

Ongoing R&D investment enables these advancements, supporting first-to-market product launches, premium pricing and industry-leading margins. 75% of revenue is now generated from Healthineers' recent product innovations.

Within the Imaging division, MRI, CT and MI are among the fastest growing modalities. They are expected to surpass the broader global imaging market's 4-6% per annum medium-term growth. Demand is fuelled mainly by ageing populations, which increase the need for chronic disease diagnosis and treatment. Nearly two thirds of developing countries lack adequate imaging infrastructure. Efforts to upgrade healthcare systems in these regions are expected to further boost demand.

Siemens Healthineers revenue breakdown



The PCCT system

In 2021, the company introduced the world's first Photon Counting CT (PCCT) system, the most significant CT advancement in 14 years. The illustration below highlights the differences between PCCT and standard CT systems.

Compared to standard CT scanners, photon counting CT systems detect and measure the energy of individual X-ray photons directly, eliminating the need for a scintillator¹. This helps produce clearer images during AI reconstruction, enables better tissue differentiation and reduces radiation exposure for patients.

Overall, PCCT technology improves hospital productivity and clinical confidence. Healthineers expects this to become the standard of care, with all CT scanners sold by 2040 incorporating this technology. Current barriers to adoption include the high price point, as PCCT systems cost three to five times more than standard CTs. They are working on releasing more affordable options with fewer features, which will aid accessibility, particularly in developing countries.

The molecular imaging growth engine

MI is expected to become the fastest-growing global modality within Imaging. It enables clinicians to see how diseases behave inside the body, rather than merely to observe organs.

Its importance is growing quickly as new targeted drugs rely on these scans to determine who should be treated and to track patient progress. By using small radioactive tracers² and PET or SPECT scans, doctors can detect disease earlier, choose the right treatment and monitor how well it works.

Relative to competitors, Healthineers is well positioned in this space as, in addition to selling scanners, it runs the largest radiopharmaceutical network in the US, and a growing European footprint supplying the tracers used in these scans. These tracers are high-margin consumables and have a short life (expire within 10 hours), requiring localised manufacturing and timely distribution.

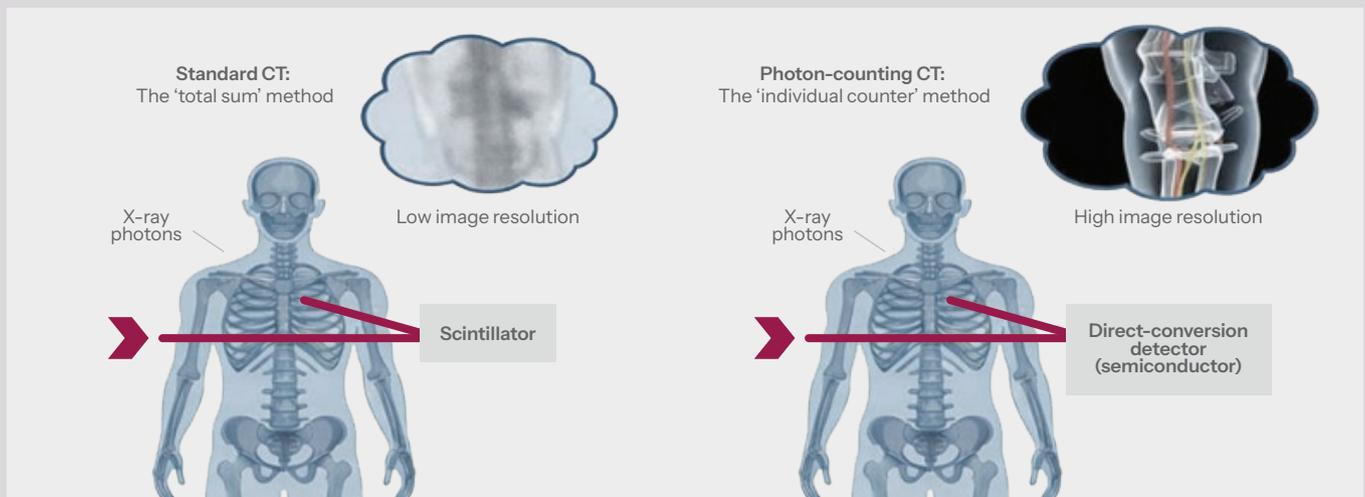
Varian powers cancer treatment

In 2021, Healthineers bolstered its cancer treatment portfolio by acquiring US-based radiotherapy systems leader, Varian, for \$16.4 billion. Varian is roughly twice the size of its Swedish competitor, Elekta – in the global radiotherapy duopoly. Since the acquisition, rising cancer prevalence, enhanced R&D, broader distribution and cross-selling into Healthineers' installed base have strengthened Varian's leadership, with its market share rising from 50 to 60% by 2025.

¹ Aggregates x-ray photons and converts them into visible light for processing by the photodiode into pixels for image reconstruction.

² These are injected, swallowed or inhaled to diagnose conditions like cancer, heart disease and neurological disorders by highlighting metabolic activity or blood flow in specific tissues.

Spine CT vs PCCT: How it works?



Siemens Healthineers: patient-led innovation

Varian has consistently led innovations in linear accelerators (linacs)³, setting industry standards in adaptive radiotherapy. Early and reliable innovations established Varian as the preferred partner for cancer centres aiming for highly efficient workflows. The company strengthened its offering by building a fully integrated oncology ecosystem - linacs, treatment-planning software (Eclipse), oncology information systems (ARIA) and later imaging. This broad portfolio offering has created high switching costs. Once hospitals adopt Varian as their standard, switching to another vendor entails significant operational and financial risk.

Looking ahead, rising numbers of cancer cases and hospitals' reluctance to change providers are expected to reinforce Varian's market leadership and premium position.

Diagnosics shakes off long-COVID

The Diagnostics division manufactures handheld diagnostic devices and the Atellica platform, comprising modular automated blood and urine testing systems. Medical testing laboratories are the primary target market, where the company operates a "razor-and-blades" business model, with approximately 90% of sales revenue derived from high-margin, recurring consumables rather than laboratory hardware.

The division benefited from exceptionally strong antigen test kit sales and profits during and shortly after the COVID pandemic. It was later forced to restructure after a sharp drop in COVID antigen test kit demand, which substantially affected profitability. A new divisional management team and targeted investments in the Atellica platform have supported its turnaround. Despite early issues, including higher ramp-up and installation costs at client laboratories, management has remained committed to Atellica's long-term economics. The Diagnostics division has turned a corner, with revenue stabilising and operating profit returning to positive, driven by a shift in the sales mix toward more Atellica sales.

³ They deliver precise beams of X-rays or electrons to tumours, killing cancer cells, while minimising damage to healthy surrounding tissue.

Developing market competition

In developed countries, technological leadership enables premium market positioning. However, in budget-conscious developing countries, competitive dynamics are very different. Expansion into markets like China is a key growth area for Healthineers, although it has proven challenging.

Healthineers, along with competitors, have established local manufacturing and operations to capture Chinese med-tech market growth. Emerging domestic Chinese competitors such as Mindray and United Imaging have scaled rapidly, supported by material investments by local government into the healthcare system via local suppliers. Thus, there has been intensified price competition in mid-tier segments and reduced access to public tenders for foreign suppliers. Chinese regulation has amplified these challenges, with volume-based procurement driving price reductions, a prolonged anti-corruption campaign delaying hospital purchasing, and growing preference for the cheapest producer of med-tech equipment in public hospitals.

Despite this, Healthineers is relatively well positioned. Its strength lies in premium, clinically differentiated technologies and a local-for-local manufacturing footprint, which helps mitigate regulatory risk. This allows the company to defend profitability and compete more effectively than its competitors as the market polarises between low-cost and high-value solutions.

Bright prospects

Siemens Healthineers is a global leader in the med-tech industry. The recovery in Diagnostics highlights discipline and resilient management. Its large and expanding installed base, supported by pioneering technologies and integrated clinical workflow solutions, should continue to generate durable growing cash flows, even in challenging markets such as China. Accordingly, our clients are invested in this market leader. 

Camissa Asset Management Funds

Performance to 31 December 2025	1 year	3 years ¹	5 years ¹	10 years ¹	15 years ¹	Since launch ¹	Launch	TER ² 1-year	TER ² 3-year	TC ³ 1-year	TC ³ 3-year	
Unit trust funds⁴												
Equity Alpha Fund	41.0%	18.8%	17.4%	13.4%	11.9%	16.0%	Apr-04	1.92%	1.65%	0.28%	0.26%	
SA Equity General funds mean	27.8%	16.0%	15.4%	9.0%	9.6%	12.4%						
Outperformance	13.2%	2.8%	2.0%	4.4%	2.3%	3.6%						
SA Equity Fund	39.3%	17.7%	-	-	-	16.8%	Sep-22	2.03%	1.68%	0.55%	0.42%	
SA Equity SA General funds mean	35.5%	17.8%				18.0%						
Outperformance	3.8%	-0.1%				1.2%						
Global Equity Feeder Fund	16.5%	17.1%	10.1%	-	-	9.2%	Nov-19	1.89%	1.86%	0.24%	0.24%	
FTSE World Index (ZAR)	8.2%	20.7%	15.3%			15.3%						
Outperformance	8.3%	-3.6%	-5.2%			-6.1%						
Balanced Fund	24.8%	17.3%	14.2%	11.3%	-	10.5%	May-11	1.53%	1.51%	0.23%	0.22%	
SA Multi Asset High Equity funds mean	18.7%	14.7%	12.6%	8.4%		9.4%						
Outperformance	6.1%	2.6%	1.7%	2.9%		1.1%						
SA Balanced Fund	34.6%	-	-	-	-	21.0%	Aug-23	1.47%	1.86%	0.32%	0.57%	
SA Multi Asset SA High Equity funds mean	30.9%					18.8%						
Outperformance	3.7%					2.2%						
Protector Fund	22.0%	16.2%	14.0%	11.1%	9.1%	10.4%	Dec-02	1.52%	1.51%	0.16%	0.17%	
CPI + 4% ⁵	7.5%	7.8%	8.9%	9.0%	9.5%	9.9%						
Outperformance	14.5%	8.4%	5.1%	2.1%	-0.4%	0.5%						
Stable Fund	22.4%	16.4%	15.7%	11.5%	-	10.1%	May-11	1.49%	1.47%	0.22%	0.20%	
CPI + 2% ⁵	5.6%	5.9%	7.0%	6.5%		6.1%						
Outperformance	16.8%	10.5%	8.7%	5.0%		4.0%						
Institutional funds⁶												
Managed Equity Fund	42.9%	19.9%	18.8%	13.6%	12.1%	12.9%	Sep-06					
FTSE/JSE Capped SWIX Index	42.6%	20.4%	18.3%	11.0%	12.0%	12.3%						
Outperformance	0.3%	-0.5%	0.5%	2.6%	0.1%	0.6%						
Domestic Balanced Fund⁷	36.9%	19.6%	18.1%	13.8%	11.3%	10.9%	May-07					
Peer median ⁸	31.9%	17.9%	16.3%	10.6%	10.8%	10.3%						
Outperformance	5.0%	1.7%	1.8%	3.2%	0.5%	0.6%						
Global Balanced Fund⁹	26.6%	18.9%	15.8%	12.8%	-	11.9%	Jul-13					
Peer median ¹⁰	22.0%	16.6%	14.5%	10.0%		10.7%						
Outperformance	4.6%	2.3%	1.4%	2.8%		1.2%						
Bond Fund	25.0%	18.2%	14.2%	12.5%	10.2%	9.9%	May-07					
BESA All Bond Index	24.2%	16.9%	12.5%	11.5%	9.7%	9.4%						
Outperformance	0.8%	1.3%	1.7%	1.0%	0.5%	0.5%						
Money Market Fund	10.1%	9.9%	8.5%	8.3%	7.6%	8.0%	Jan-04					
Alexander Forbes STeFI Composite Index	7.6%	8.0%	6.6%	6.8%	6.5%	7.1%						
Outperformance	2.5%	1.9%	1.9%	1.5%	1.1%	0.9%						
Shariah unit trust funds⁴												
Islamic Equity Fund	26.0%	12.2%	13.4%	11.2%	9.6%	11.3%	Jul-09	1.50%	1.50%	0.15%	0.16%	
SA Equity General funds mean	27.8%	16.0%	15.4%	9.0%	9.6%	11.1%						
Outperformance	-1.8%	-3.8%	-2.0%	2.2%	0.0%	0.2%						
Islamic Global Equity Feeder Fund	20.6%	12.9%	8.6%	-	-	9.5%	Jan-19	1.80%	1.80%	0.12%	0.12%	
Global Equity General funds mean	5.8%	17.1%	10.8%			13.8%						
Outperformance	14.8%	-4.2%	2.2%			-4.3%						
Islamic Balanced Fund	19.4%	10.5%	11.2%	9.4%	-	8.4%	May-11	1.50%	1.50%	0.11%	0.10%	
SA Multi Asset High Equity funds mean	18.7%	14.7%	12.6%	8.4%		9.4%						
Outperformance	0.7%	-4.2%	-1.4%	1.0%		-1.0%						
Islamic High Yield Fund	13.4%	10.7%	9.6%	-	-	8.8%	Mar-19	0.58%	0.58%	0.03%	0.02%	
Short-term Fixed Interest Index (STeFI)	7.6%	8.0%	6.6%			6.5%						
Outperformance	5.8%	2.7%	3.0%			2.2%						
Highest and lowest monthly fund performance												
Equity Alpha Fund	High 7.5%	Low -3.0%	High 11.7%	Low -5.4%	High 11.7%	Low -5.4%	High 12.6%	Low -21.6%	High 12.6%	Low -21.6%	High 12.6%	Low -21.6%
SA Equity Fund	7.4%	-3.5%	-	-	-	-	-	-	11.5%	-5.9%	-	-
Global Equity Feeder Fund	5.9%	-2.1%	5.9%	-7.5%	14.5%	-7.5%	-	-	18.1%	-15.6%	-	-
Balanced Fund	4.5%	-1.2%	9.5%	-4.5%	9.5%	-4.5%	9.5%	-15.7%	9.5%	-15.7%	9.5%	-15.7%
SA Balanced Fund	6.3%	-2.7%	-	-	-	-	-	-	6.3%	-3.4%	-	-
Protector Fund	4.8%	-0.7%	7.6%	-3.0%	7.6%	-3.7%	7.6%	-13.9%	7.6%	-13.9%	9.5%	-13.9%
Stable Fund	4.5%	-1.0%	7.1%	-4.4%	7.1%	-4.4%	7.1%	-11.4%	-	-	7.1%	-11.4%
Islamic Equity Fund	4.7%	-3.7%	7.4%	-5.7%	7.4%	-8.9%	9.6%	-14.3%	9.6%	-14.3%	9.6%	-14.3%
Islamic Global Equity Feeder Fund	4.3%	-2.0%	10.2%	-7.8%	10.6%	-7.8%	-	-	14.6%	-8.4%	-	-
Islamic Balanced Fund	3.3%	-1.8%	5.3%	-4.1%	5.3%	-6.2%	8.0%	-9.3%	-	-	8.2%	-9.3%
Islamic High Yield Fund	1.5%	-0.0%	1.9%	-0.4%	1.9%	-1.2%	-	-	2.7%	-2.4%	-	-

Footnotes and disclaimer follow overleaf.



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Footnote: ¹Annualised (ie the average annual return over the given time period); ²TER (total expense ratio) = % of average NAV of portfolio incurred as charges, levies and fees in the management of the portfolio for rolling one and three-year periods to 31 December 2025. ³Transaction costs (TC) are unavoidable costs incurred in administering the financial products offered by Camissa Collective Investments and impact financial product returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of financial product, the investment decisions of the investment manager and the TER. This is also calculated on rolling one and three-year periods to 31 December 2025. ⁴Source: Morningstar; net of all costs incurred within the fund and measured using NAV prices with income distributions reinvested; ⁵CPI for December is an estimate; ⁶Source: Camissa Asset Management; gross of management fees; ⁷Domestic Balanced Fund benchmark returns are an estimate for December; ⁸Median return of Alexander Forbes SA Manager Watch: BIV Survey; ⁹Global Balanced Fund benchmark returns are an estimate for December; ¹⁰Median return of Alexander Forbes Global Large Manager Watch.

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Unit price: Prices are published daily on our website. Unit trusts are traded at ruling prices and can engage in scrip lending and borrowing. Exchange rate movements, where applicable, may affect the value of underlying investments. All funds are valued and priced at 15:00 each business day and at 17:00 on the last business day of the month. Forward pricing is used. The deadline for receiving instructions is 14:00 each business day to ensure same day value.

Performance: Unit trusts are generally medium to long-term investments. The value of units will fluctuate, and past performance should not be used as a guide for future performance. Camissa does not provide any guarantee either with respect to the capital or the return of the portfolio(s). Foreign securities may be included in the portfolio(s) and may result in potential constraints on liquidity and the repatriation of funds. In addition, macroeconomic, political, foreign exchange, tax and settlement risks may apply. However, our robust investment process takes these factors into account.

Performance is based on a lump sum investment into the relevant portfolio(s) and is measured using Net Asset Value (NAV) prices with income distributions reinvested. NAV refers to the value of the fund's assets less the value of its liabilities, divided by the number of units in issue. Figures are quoted after the deduction of all costs incurred within the fund. Individual investor performance may differ because of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. Camissa may close a portfolio to new investors to manage it more effectively in accordance with its mandate.

Fees: Different classes of units may apply and are subject to different fees and charges. Commission and incentives may be paid, and if so, would be included in the overall costs. A feeder fund is a portfolio that invests in a single portfolio of a collective investment scheme, which levies its own charges, and which could result in a higher fee structure for the feeder fund. A schedule of the maximum fees is available upon request.