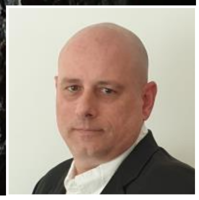
AUSTIN LAWRENCE GIDON

VALUABLE ALG RESEARCH TOPICS

ALG RESEARCH

ALG's research topics in recent months have included IFRS 17, the hard underwriting cycle, South African insurance corporate activity, South African insurance outlook (post-election) and Angolan investing, among others.



By Marius Strydom, CEO

Who is ALG?

Austin Lawrence Gidon (ALG) is a research, advisory and investor relations (IR) firm, known for deep-dive, fundamental analysis. ALG maintains a longstanding relationship with Edison Group, a content-led IR business in all major capital markets.

Where does ALG's expertise lie?

ALG conducts in-depth research on a range topics, companies and markets, focusing on under-researched areas. With roots in South Africa (SA), ALG's expertise is weighted towards financials (particularly insurance) and resources. Its relationship with Edison Group further broadens this scope to include non-SA financials, industrials, consumer, biotech and AI sectors.

What are recent ALG focus areas?

Subscribers of ALG newsletters will have noticed five key topics gaining prominence in our recent research.

IFRS 17 has been a key topic for ALG, showcasing our leadership in analysis and disclosure development in this area.

The turn in the property and casualty (P&C) sector's underwriting cycle, which ALG anticipated and flagged, bolstered 30 June 2024 SA insurance results across the board.

ALG Take

Follow ALG's research for a differentiated view and support us to explore topics and to drive in-depth research in under-analysed areas. Our focus is fundamental, impactful, long-term and value-add.

SA life assurance corporate activity, which has grown in importance over recent years, has been regularly highlighted by ALG (often using Sanlam as a reference).

The changing outlook for SA insurance companies, following the SA elections, has been discussed and quantified.

ALG has introduced the growth potential of Angolan capital markets (particularly the Angolan stock exchange, BODIVA), with a focus on Banco BAI.

ALG has also spotlighted opportunities like Reinet and the Pension Insurance Corporation Group (PICG), exploring Reinet's net asset value (NAV) discount and PICG's potential as a standalone growth opportunity.

Actively driving improved IFRS 17 disclosure and usability?

ALG invests heavily in IFRS 17 analysis, producing several limited-release products on the topic, with more underway.

In our newsletters, this has been covered in 'How important is IFRS 17', 'New insurance analysis standard', 'Capitec's strong IFRS 17 results' and 'Embracing IFRS 17 - June 2024 results', among others.

ALG actively engages with life assurance operators, investors and other interested parties, and readers of our newsletter can expect more activity on this front.

Substantial turn in the underwriting cycle

The turn in the P&C underwriting cycle became apparent to ALG in late 2023 and we have dedicated several newsletters to the topic.

In April 2024, we set the scene with our 'Hard underwriting cycle' newsletter. We observed and commented on how this played out in our 'Santam trading flags hard cycle', 'OUTsurance topline growth' and 'Turnaround from Old Mutual Insure' newsletters, among others.

Growth and corporate activity

ALG has conducted extensive research on the growth potential of the SA insurance sector and the impact of corporate activity, publishing this on a limited-release basis.

Key insights and findings have been shared in our newsletters, including 'Why is the Assupol deal important', 'Sanlam's very active two years', 'Sanlam's bet on SA healthcare', and 'Sanlam's post-Capitec strategy'.

ALG's outlook for SA insurance companies

In addition to our limited-release research on the SA insurance sector's growth potential, ALG has shared views on the outlook for the sector, following the SA elections earlier in the year.

We included commentary in our newsletters, 'Can we make NHI more affordable', 'A turning point for SA life assurers' and 'Gearing to SA life assurer upswing'.

Growing opportunity in Angola

Via our partner, Edison Group, we published thematic research on Banco BAI, the leading Angolan bank by assets.

Additionally, ALG discussed this research and the significant opportunities in Angolan capital markets, including BODIVA, in our newsletter, 'Banco BAI - leading Angolan bank'.

ALG is actively engaging with Banco BAI, frontier investors and BODIVA to explore opportunities in Angola, including up to 10 IPOs over the coming 18 months.

Engage with ALG

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Other under-analysed opportunities like Reinet

ALG identified the importance of PICG to Reinet, as well PICG's relevance in the UK pensions market and its contribution to useful IFRS 17 disclosures.

We discussed this in our 'The importance of PICG to Reinet' and our 'Reinet NAV discount and PICG' newsletters.

How can you access ALG and Edison research?

Much of ALG and Edison research is free and easily accessible via the ALG website, the ALG LinkedIn page and the Edison Group portal.

Our limited-release research is available to clients on a per-project basis. Reach out if you would like to sign up for our current products or would like to gain access to previous releases.

How can you support our research?

While much of our research is free, ALG engages in-depth and time-consuming research that requires meaningful investment, for example, our ongoing work on IFRS 17 and its disclosure.

Reach out to participate in this valuable work, amplify your voice along with ours and like-minded participants, and benefit from our findings and industry-leading insights.

How can you promote and guide our research?

ALG undertakes in-depth research often overlooked by traditional research houses, brokers and investment banks.

With your support, we are well-positioned to explore varied topics and opportunities that might otherwise remain under-analysed.

Reach out if you have ideas, topics and concepts that you would like to see ALG explore.

For more information, please visit ALG's LinkedIn and website