

5 December 2018

Samsung SDI, Port of Tallinn, GEM and Alrosa recognised in the 15th annual East Capital Awards

East Capital, a specialist asset manager in emerging and frontier markets, today announces the winners of the 2018 East Capital Awards:

- **Samsung SDI** **Best Growth Award**
- **Port of Tallinn** **Best IPO Award**
- **GEM** **Discovery of the Year Award**
- **Alrosa** **Best Corporate Governance**

This is the 15th year that the East Capital Awards honour remarkable companies in East Capital's investment universe. Peter Elam Håkansson, Chairman and CIO of East Capital, said: *"The Awards serve to highlight some of the most outstanding companies in our portfolios, and also to inspire others. Through our extensive in-depth research with frequent company meetings in emerging and frontier markets, we identify companies each year that have achieved impressive results and demonstrate great potential. I want to extend my sincere congratulations to this year's award winners on their impressive achievements."*

The **Best Growth Award** is presented to **Samsung SDI**, a global leader in lithium battery technology. In 2018, the South Korean company saw a strong turnaround in earnings thanks to growth momentum in all its business segments. During the first nine months of 2018, revenue jumped 49% and net profit 19%. The small battery segment benefitted from market share gains among smartphone and power-tool producers. The large batteries are used for electric vehicles and are on track to become a profitable segment for the company in the second half of 2018 due to superior product quality. During next year, we expect a significant margin improvement in the large battery business.

The **Best IPO Award** is presented to **Port of Tallinn**, the fourth largest port operator in Northern Europe, with 10.6 million passengers in 2017. The Estonian company operates a portfolio of diversified high-quality infrastructure assets, including passenger and cruise ship harbours, cargo ports and a domestic ferry service. Their IPO on the Tallinn Stock Exchange was the first privatisation in the Baltic region in almost two decades. The deal was skillfully executed, and more than 3 times oversubscribed by a wide investor base. The company has continued to show strong results in the first half of the year, with an expected dividend yield of 6% for 2018, above the market and peer group benchmarks. East Capital participated in the IPO, acquiring 1.3% of the shares. The stock outperformed the market by 16% during the first three days of trading and is up by 22%* since the IPO. It is however still trading at a significant discount to European peers.

**As of 12-11-2018*

The **Discovery of the Year Award** is presented to **GEM**, the largest used batteries and rare metals recycling company globally. It is also the world's largest ultra-fine cobalt powder producer, with 20% market share, sourcing 35% of its cobalt from its own recycling. GEM moved downstream and entered the nickel-cobalt-manganese cathode and precursor material business in recent years, growing cathode and precursor capacity from 15,000 tons in 2015 to a target of 90,000 tons in 2020. We like GEM's leading position in cobalt

recycling and the strong synergy between the recycling and battery material businesses. While the recycling business provides cost advantages for GEM's battery material business, its battery material business creates a new sales channel for its recycling business, allowing GEM to climb up the value chain by capturing a higher-margin segment.

The **Best Corporate Governance Award** is presented to **Alrosa**, the world's largest producer of diamonds. The company is majority owned by the Russian State and by the Republic of Sakha (Yakutia). Typically, state-owned companies are not leaders in terms of corporate governance developments, but we consider Alrosa one of the best examples adhering to the highest standards of corporate governance in emerging markets. The improvement of corporate governance has been led by CEO Sergey Ivanov and CFO Alexey Phillipovskiy. Most notably, the dividend policy is expected to be radically changed to 100% of the free cash flow. And there have been a number of other achievements, including cost-cutting, disposal of non-core assets and working capital improvements.

Notes to editors

The East Capital Awards were established in 2004 to reward the progress of outstanding companies in East Capital's portfolios.

The award for **Best Growth** is presented to a company that has demonstrated outstanding growth in the areas of sales, market share and profit margins in recent years. The **Best IPO Award** is presented to the company that has carried out the most successful floatation in the region. The **Discovery of the Year** is awarded to a company discovered by our investment team that is expected to demonstrate unique performance. The **Best Corporate Governance Award** is presented to a company that demonstrates exceptional standards in the area of corporate governance.

For further information about the winning companies, please visit:

Best Growth Award 2018: Samsung SDI
samsungsdi.com / [linkedin.com/company/samsung-sdi/](https://www.linkedin.com/company/samsung-sdi/)

Best IPO Award 2018: Port of Tallinn
portoftallinn.com / [linkedin.com/company/port-of-tallinn/](https://www.linkedin.com/company/port-of-tallinn/)

Discovery of the Year Award 2018: GEM
gemchina.com

Best Corporate Governance Award 2018: Alrosa
eng.alrosa.ru / twitter.com/ALROSA_official

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About East Capital

East Capital is an independent asset manager specialised in emerging and frontier markets, founded in Sweden in 1997, with offices in Dubai, Hong Kong, Luxembourg, Moscow, Oslo, Stockholm and Tallinn. The company manages EUR 2.8 billion in public equity funds, real estate funds and separate accounts, for a broad international client base, including leading institutions.

Our investment strategy is based on extensive company knowledge gained through proprietary fundamental analysis and frequent company meetings. We incorporate ESG-related risks and opportunities in our investment process, and favour companies with long-term, sustainable growth perspectives and responsible owners.

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