

CHIEF FINANCIAL OFFICER'S Report



Neville Williams



Maintaining
positive **earnings
momentum**
through various
headwinds.

Introduction

Due to Remgro being an investment holding company, traditional measurements of performance, such as sales or gross profit, are not meaningful criteria for evaluating the Group's performance. However, management uses "headline earnings", "intrinsic net asset value" and "cash at the centre" to evaluate the performance of the Group on a continuous basis and hence these concepts are used throughout the Integrated Annual Report to provide shareholders with a better understanding of our results.

Results

Results in context

During the current and comparative years, Remgro implemented and facilitated various corporate actions which impacted the comparability of Remgro's headline earnings. These corporate actions and their impact on headline earnings include *inter alia*:

- The restructuring of OUTsurance Group Limited (OUTsurance Group) (previously Rand Merchant Investment Holdings Limited (RMI)) – during the comparative year, OUTsurance

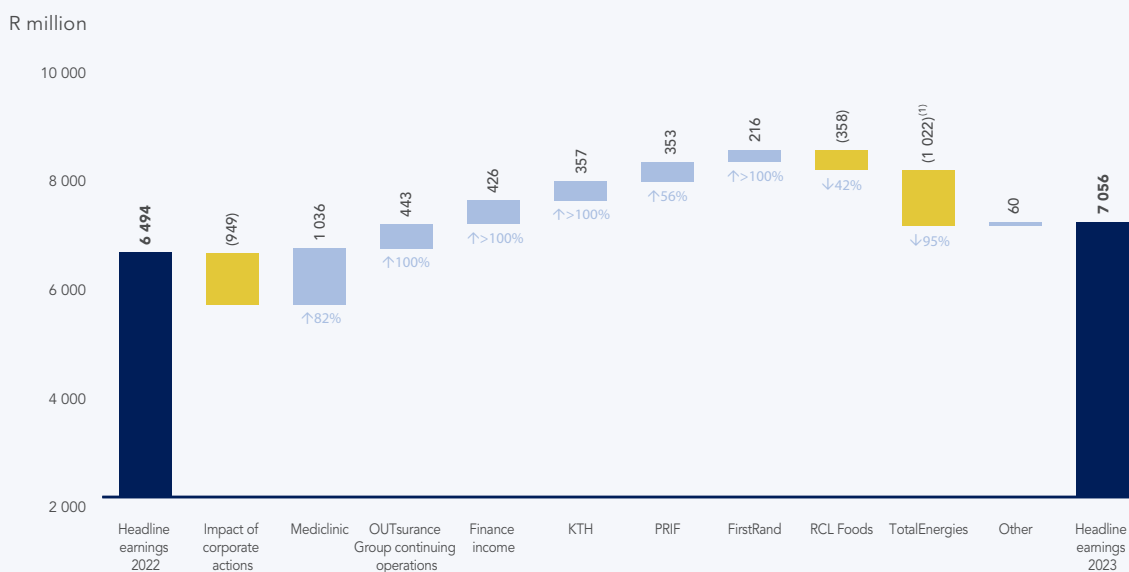
Group unbundled its investments in Discovery Limited (Discovery) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan) (the OUTsurance Group unbundling), as well as disposed of its investment in Hastings Group Holdings plc (Hastings). OUTsurance Group equity accounted these investments (being classified as discontinued operations) and Remgro's portion thereof, included in headline earnings for the comparative year, amounted to R351 million. As a consequence of the OUTsurance Group unbundling, Remgro received Discovery and Momentum Metropolitan shares and classified both investments as financial instruments at fair value through other comprehensive income. As Remgro now accounts for dividend income from these investments, only R141 million of dividends were received and included in headline earnings from Momentum Metropolitan during the year under review;

- The disposal of Grindrod Shipping Holdings Limited (Grindrod Shipping) (comparative year) – equity accounted income of R267 million was included in the prior year;
- The unbundling of Grindrod Limited (Grindrod) (October 2022) – equity accounted income of only R61 million is included for the year under review (2022: R263 million);

Salient features

	30 June 2023	30 June 2022	% change
Headline earnings (R million)	7 056	6 494	8.7
– per share (cents)	1 254	1 151	8.9
Earnings (R million)	9 624	13 139	(26.8)
– per share (cents)	1 710	2 328	(26.5)
Dividends per share (cents)			
Ordinary	240	150	60.0
– Interim	80	50	60.0
– Final	160	100	60.0
Intrinsic net asset value per share (Rand)	248.47	213.10	16.6

Financial year ended 30 June 2023: Results in context



⁽¹⁾ Included in TotalEnergies' contribution are negative stock revaluations of R252 million (2022: positive stock revaluations of R642 million).

- The acquisition of an additional 5.4% indirect interest in Mediclinic Group Limited (Mediclinic) (the Mediclinic acquisition) (June 2023) – transaction costs (R612 million) and foreign exchange gain (R522 million) are included for the year under review; and
- The combination of the Heineken International B.V. (Heineken) Southern African business, including an interest in Namibia Breweries Limited (Namibia Breweries), with the bulk of the Distell Group Holdings Limited (Distell) business (consisting of its cider, other RTDs (ready-to-drink) and spirits and wine business) in Heineken Beverages Holdings Proprietary Limited (Heineken Beverages), as well as the unbundling by Distell of its subsidiary, Capevin Holdings Proprietary Limited (Capevin), which holds Distell's remaining assets, including its Scotch whisky business (the Distell/Heineken transaction) (April 2023) – transaction costs of R196 million is included for the year under review (2022: R16 million).

More details on these transactions are provided under "Commentary on reporting platforms' performance" on the next page.

Headline earnings

Overview

For the year under review, headline earnings increased by 8.7% from R6 494 million to R7 056 million, while headline earnings per share (HEPS) increased by 8.9% from 1 151 cents to 1 254 cents. The uplift of 29bps in the HEPS measure compared

to headline earnings, represents the accretive impact of shares repurchased during the year under review.

The increase of 8.7% in headline earnings is mainly due to higher contributions from OUTsurance Group's continuing operations, Mediclinic, the Pembani Remgro Infrastructure Fund (PRIF), Kagiso Tiso Holdings Proprietary Limited (KTH) and FirstRand Limited (FirstRand), as well as higher interest income and a foreign exchange gain realised on foreign exchange contracts entered in respect of the acquisition of the additional 5.4% indirect interest in Mediclinic. The increase is partly offset by lower contributions from TotalEnergies Marketing South Africa Proprietary Limited (TotalEnergies), RCL Foods Limited (RCL Foods) and Grindrod (due to its unbundling), as well as transaction costs relating to the Mediclinic acquisition and the Distell/Heineken transaction. In addition, the comparative year also included the contributions of Grindrod Shipping (which was disposed of) and the discontinued operations of OUTsurance Group (OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan, as well as disposed of its investment in Hastings).

The aforementioned various corporate actions impacted the comparability of Remgro's headline earnings over the past two years. Excluding the impact on headline earnings of these corporate actions, the headline earnings increased by approximately 27% reflecting a resilient underlying performance of Remgro's portfolio, thus maintaining positive earnings momentum despite a challenging business environment.

Contribution to headline earnings by reporting platform

R million	Year ended	%	Year ended
	30 June		30 June
	2023	change	2022
Healthcare	1 691	33.5	1 267
Consumer products	1 208	(36.6)	1 906
Financial services	960	10.9	866
Infrastructure	317	(48.3)	613
Industrial	868	(51.8)	1 800
Diversified investment vehicles	834	777.9	95
Media	171	(3.9)	178
Portfolio investments	804	81.1	444
Social impact investments	(24)	(20.0)	(20)
Central treasury			
– finance income	650	190.2	224
– finance costs	(628)	(0.2)	(627)
Other net corporate income/(costs)	205	181.3	(252)
Headline earnings	7 056	8.7	6 494

Refer to the composition of headline earnings on page 35 for further information.



Commentary on reporting platforms' performance

Healthcare

Mediclinic's contribution to Remgro's headline earnings amounted to R1 691 million (2022: R1 267 million), representing an increase of 33.5%. Included in Mediclinic's contribution is an additional provision for transaction costs incurred before 30 June 2023 amounting to R539 million, relating to the acquisition by Manta Bidco Limited (Bidco), a newly formed company which is jointly owned by Remgro and MSC Mediterranean Shipping Company SA, of the entire issued ordinary share capital of Mediclinic, other than the Mediclinic shares Remgro already owned (the Mediclinic acquisition). Bidco and Mediclinic provided for transaction costs of R247 million and R292 million, respectively, which is in addition to the R73 million that has already been accounted for in Mediclinic's results for their year ended 31 March 2023. As a result of the Mediclinic acquisition, Remgro's indirect interest in Mediclinic increased from 44.6% to 50.0% (or by 5.4%) on 6 June 2023, the date on which the Mediclinic shareholders received their offer prices. For the 2024 financial year, Remgro will account for Mediclinic's results for the year ending 31 March 2024 at 44.6% for the first two months and at 50.0% for the following 10 months.

Mediclinic uses adjusted earnings, which removes volatility associated with certain types of significant income and charges, to assess financial and operational performance and as a method to provide investors and analysts with complementary information to better understand its financial performance. The adjustments for the year under review included the above-mentioned transaction costs, a positive Swiss cantonal tax rate change, a decrease of a redemption liability (re Clinique des Grangettes) and an accelerated depreciation charge (re Klinik St. Anna). The comparative period also included an accelerated depreciation charge (re Klinik St. Anna) and past service costs, relating to Swiss and Middle East retirement plan changes. Remgro's portion of Mediclinic's adjusted earnings amounted to R1 748 million (2022: R1 508 million), representing an increase of 15.9%. In British pound terms, Mediclinic reported an increase in adjusted earnings of 15%.

Mediclinic experienced a testing first-half performance but, notwithstanding the continued macroeconomic pressures, delivered an improved performance in the second half of its 31 March 2023 financial year. Revenue increased by 12% (up 4% in constant currency terms), driven by an 11.2% growth in inpatient admissions and a 16.2% growth in day case admissions,

partly offset by lower average revenue per case due to mix changes, exacerbated by the post-Covid-19 environment, and below-inflation tariff increases. Adjusted EBITDA increased by 9% and the adjusted EBITDA margin was 15.8% (2022: 16.1%), reflecting softer revenue performance, increased employee costs due to general nurse shortages in Switzerland and pronounced seasonality and additional headcount related to capacity expansion in the Middle East. Adjusted depreciation and amortisation increased by 13%, resulting from increased investment in infrastructure and medical equipment post Covid-19, and adjusted net finance cost increased by 8%. The adjusted equity accounted income amounted to a profit of £5 million (2022: a loss of £13 million), reflecting Spire's contribution.

Consumer products

Distell's contribution to Remgro's headline earnings amounted to R555 million (2022: R735 million). The contribution for the year under review only included Remgro's portion of Distell's results for the 10 months ended April 2023, the date on which the Distell/Heineken transaction was implemented. Compared to the 10 months ended April 2022, Distell's headline earnings decreased by 5.5% mainly due to abnormal merger integration and deal compensation costs of R619 million (2022: R49 million) relating to the Distell/Heineken transaction. Distell discloses normalised earnings, adjusted for abnormal transactions and currency movements, to indicate its businesses' performance. The abnormal transactions mainly included the above-mentioned costs and the net losses of the civil unrest in South Africa in the comparative year of R20 million. For the 10 months to April 2023, Distell reported an increase in normalised headline earnings of 16.3%, mainly due to an increase of 13.8% in gross revenue on 6.4% higher volumes. Domestic revenue and volumes (including the BLNE countries) increased by 13.5% and 7.5%, respectively, with ciders and RTDs growing revenues by double digits. Revenue in the African markets, outside South Africa, increased by 14.4% despite a decrease of 2.6% in volumes, also driven by strong growth by key cider and RTD brands (*Hunter's* and *Savanna* being the standout performers). In the international markets, outside Africa, revenue and volumes increased by 14.7% and 6.0%, respectively, driven by the branded Scotch whisky portfolio and sales of bulk spirits. The cost of goods sold increased by 22% mainly due to global supply chain disruptions, high input cost increases driven by global inflationary pressures, elevated commodity prices and glass and aluminium can shortages.

In addition to Distell's contribution, Remgro also accounted for amortisation and depreciation charges of R32 million

(2022: R11 million) relating to the additional assets identified when Remgro obtained control over Distell on 11 May 2018. The increase is mainly due to a positive deferred tax rate adjustment in the prior year resulting from the reduction in the corporate income tax rate from 28% to 27%.

Heineken Beverages' contribution to Remgro's headline earnings, which consists of Remgro's portion of Heineken Beverages' results for the two months ended 30 June 2023, amounted to a loss of R75 million. Heineken Beverages' contribution includes amortisation and depreciation charges of R56 million relating to the additional assets identified when Heineken Beverages obtained control over Distell and Namibia Breweries on 26 April 2023. Excluding these charges, Heineken Beverages' contribution amounted to a loss of R19 million, mainly as a result of a constrained consumer environment and load shedding affecting consumer behaviour, as well as supply chain challenges, most notably on malt and glass, due to global price volatility, local supplier constraints and volatile demand.

In addition to Heineken Beverages' contribution, Remgro also accounted for amortisation and depreciation charges of R6 million relating to the additional assets identified when Remgro obtained significant influence over Heineken Beverages on 26 April 2023.

Capevin's contribution to Remgro's headline earnings, which consists of Remgro's portion of Capevin's results for the two months ended 30 June 2023, amounted to R14 million. Capevin's year-on-year profit from continuing operations, which excludes Gordon's Gin due to it being classified as a discontinued operation, increased by 13.2%. This increase is mainly due to strong revenue growth of the single malt whiskies and also Scottish Leader.

RCL Foods' contribution to Remgro's headline earnings amounted to R488 million (2022: R846 million), representing a decrease of 42.3%. This decrease is mainly due to the continued unrecovered cost pressure in Rainbow and a special sugar levy raised by the South African Sugar Association (SASA) of R171 million (after-tax), relating to Tongaat Hulett Sugar and Gledhow Sugar Company suspending payment of their industry obligations. RCL Foods discloses underlying headline earnings from continuing operations, which excludes the special sugar levy, *IFRS 9* fair value adjustments on commodity contracts entered as part of the raw material procurement strategy, the direct cost impact of the fire at RCL Foods' sugar warehouse in Komatipoort, impairments of cash generating units due to a lower forecast and Vector Logistics' earnings due to it being classified as a discontinued operation. Underlying headline earnings from continuing operations provides users of RCL Foods' results with relevant information and measures used by itself to assess performance.

RCL Foods reported a decrease in underlying headline earnings from continuing operations of 20.0%. Rainbow's revenue increase of 18.3%, benefitting from strong demand, increased market share and price increases in the Quick Service Restaurant (QSR) sector, proved insufficient to offset the severe impacts of high feed costs, failing municipal infrastructure and load shedding which, in addition to generator costs, also resulted in additional feed and labour requirements. Despite implementing price increases where feasible in the Groceries and Baking business units, these have also been insufficient to offset the cost-push leading to margin compression. Within the Groceries business unit, the Groceries operating unit was most impacted by load shedding, with production being reduced by up to 50% of demand in Pet Food from November 2022 to April 2023. The Baking business unit's underlying EBITDA result was largely in line with the prior year despite lower volumes overall and compressed margins in the Bread, Buns & Rolls operating unit. Excluding the above-mentioned special sugar levy, the Sugar business unit had a very strong performance, driven by a combination of improved throughput (due to a larger cane crop), increased local sales (led by strong growth in the industrial channel) and continued favourable export pricing.

The headline earnings contribution from **Siqalo Foods** Proprietary Limited (Siqalo Foods) amounted to R344 million (2022: R401 million), representing a decrease of 14.2%. The trading environment remained challenging due to volatile

commodity prices and exchange rates, increased load shedding and rising inflation and interest rates. Due to continued cost pressure Siqalo Foods was required to take another price increase in October 2022, the full impact of which the business was unable to pass to the already cash-strapped consumer. Siqalo Foods has experienced a decrease of 5.2% in volumes, as consumer spend was negatively impacted by the elevated inflationary environment. The decrease in volumes coupled with a 17.6% increase in material cost, driven by volatile commodity prices and exchange rates, resulted in a 7.8% overall decrease in operational EBITDA, which excludes *IFRS 9* fair value adjustments on commodity and foreign exchange contracts entered as part of the raw material procurement strategy.

In addition to Siqalo Foods' contribution, Remgro also accounted for amortisation and depreciation charges of R80 million (2022: R65 million) relating to the additional assets identified when Remgro obtained control over Siqalo Foods on 2 July 2018. The increase is mainly due to a positive deferred tax rate adjustment in the prior year resulting from the reduction in the corporate income tax rate from 28% to 27%.

Financial services

OUTsurance Group's contribution to Remgro's headline earnings increased by 11.6% to R888 million (2022: R796 million). During the 2022 financial year OUTsurance Group unbundled its investments in Discovery and Momentum Metropolitan (the OUTsurance Group unbundling), as well as disposed of its investment in Hastings. As a result, these investments were only equity accounted until 8 December 2021, the date on which the investment in Hastings was disposed of and the OUTsurance Group unbundling became highly probable. The results for the year under review is therefore not comparable with the prior year.

Remgro's portion of OUTsurance Group's headline earnings from continuing operations increased by 99.6% to R888 million (2022: R445 million), which excludes the contributions of Discovery, Momentum Metropolitan and Hastings. On a normalised basis, which excludes certain anomalies, OUTsurance Group reported an increase of 62.2% in earnings from continuing operations. This increase is mainly due to higher earnings from OUTsurance Holdings Limited (OUTsurance), the most significant remaining asset in OUTsurance Group, and lower funding costs as the Hastings proceeds were utilised to settle OUTsurance Group's debt in the prior year.

OUTsurance's earnings (excluding its share in Hastings in the comparative year) increased by 44.4% mainly due to pleasing financial and operational results from Youi Australia, as strong premium growth continued and favourable weather conditions supported the significant increase in profitability. Youi delivered strong gross written premium growth of 31.4% (aided by a weaker rand against the Australian dollar) and the claims ratio decreased significantly from 60.8% in the prior year to 56.4% in 2023. The cost-to-income ratio also decreased from 33.5% to 31.6%, driven by higher revenue growth and improved cost containment despite inflationary pressure. Youi's investment income increased significantly due to the rapid increase in interest rates linked to aggressive monetary policy actions in Australia to offset rising inflation. In South Africa, accelerating premium inflation contributed positively to the growth in gross written premium of the short-term insurance operation.

Business Partners Limited's (Business Partners) contribution to Remgro's headline earnings increased to R72 million (2022: R70 million). This increase is mainly due to the increase in net interest income, primarily due to an increase in the average prime interest rate, partly offset by the release of lower credit impairments.

Infrastructure

Community Investment Ventures Holdings Proprietary Limited's (CIVH) contribution to Remgro's headline earnings amounted to R206 million (2022: R47 million). The increase in earnings is mainly due to improved performances by CIVH's underlying businesses. The performance of the underlying

businesses, being mainly Dark Fibre Africa Proprietary Limited (DFA) and Vumatel Proprietary Limited (Vumatel), improved due to network expansion, partly offset by an increase in finance costs. DFA's revenue increased by 6.8% to R2 653 million, while its annuity income increased to R213 million per month at 31 March 2023 (31 March 2022: R198 million per month). Vumatel's revenue increased by 15.1% to R3 432 million, driven by its fibre infrastructure expansion programme and subscriber uptake growth.

Grindrod and **SEACOM** Capital Limited's (SEACOM) contributions to Remgro's headline earnings amounted to R61 million and R47 million (2022: R263 million and R37 million), respectively. Grindrod was equity accounted until 26 September 2022, the date on which Remgro agreed to unbundle the investment.

Other infrastructure investments include the contribution of **Grindrod Shipping** in the comparative year amounting to R267 million. Grindrod Shipping was equity accounted until 25 November 2021, the date on which Remgro agreed to dispose of its investment.

Industrial

Air Products South Africa Proprietary Limited's (Air Products) contribution to Remgro's headline earnings increased by 12.8% to R476 million (2022: R422 million). Overall trading conditions for the year under review were mixed. Erratic and generally lower levels of demand from several large tonnage customers, combined with high levels of plant maintenance activity, weighed on results in this area of the business. Packaged gases volumes continued to improve and the acquisition of Weldamax, a welding consumables and equipment supplier, further enhanced performance in this sector despite significant input cost pressures.

TotalEnergies' contribution to Remgro's headline earnings amounted to R54 million (2022: R1 076 million). Included in the contribution to headline earnings for the year under review were negative stock revaluations amounting to R252 million (2022: positive stock revaluations of R642 million). The revaluations for the year under review resulted from the drop in the Brent Crude price from 1 July 2022 to 30 June 2023. Excluding these revaluations, the contribution decreased by 29.5% from R434 million to R306 million. This decrease is mainly due to higher input costs, heavily impacted by supply challenges experienced on the importation of fuel products.

Wispeco Holdings Proprietary Limited's (Wispeco) contribution to Remgro's headline earnings increased by 11.4% to R313 million (2022: R281 million). Turnover for the year increased by 6.0% to R3 813 million (2022: R3 598 million). This is mainly a result of higher sales prices, with aluminium extrusion volumes being marginally lower than the prior year. Volumes were negatively impacted by lower business confidence, as well as reduced activity levels in the commercial and residential building sectors. In its pressure die casting business, a stable gross margin together with higher export volumes of brass castings yielded a higher contribution to Wispeco's profits.

Other industrial investments consist of PGSI Limited's (PGSI) contribution to Remgro's headline earnings, which amounted to a profit of R25 million (2022: R21 million).

Diversified investment vehicles

KTH's contribution to Remgro's headline earnings amounted to R437 million (2022: R80 million). The increase in KTH's earnings is mainly due to a debt forgiveness gain (the lender waived its right to receive the outstanding amount of a loan to KTH) of R520 million as part of the disposal of KTH's investment in Actom Investment Holdings Proprietary Limited. The year under review also includes a positive fair value adjustment on KTH's investment in Momentum Metropolitan preference shares of R99 million (2022: negative adjustment of R152 million).

The contribution from **other diversified investment vehicles** to Remgro's headline earnings amounted to R397 million

(2022: R15 million). The year under review includes dividends from PRIF amounting to R358 million, which relates to PRIF's disposal of its investment in the ETG Group.

Media

eMedia Investments Proprietary Limited's (eMedia Investments) contribution to Remgro's headline earnings decreased by 10.3% to R130 million (2022: R145 million). This decrease should be viewed in light of the continued load shedding and the impact that this has had on the advertising cake, foreign exchange rate and the impact of diesel usage on the business. Revenue was in line with the previous year despite the under-pressure television advertising cake and a reduction in the eNCA licence fee received from MultiChoice. eMedia Investments once again outperformed the market in terms of advertising revenue in both the television and radio market. This benefit in advertising revenues can be attributed to eMedia Investments maintaining prime time audience market share at 34.5% (31 March 2022: 34.1%), a slight increase year-on-year. e.tv continues to face the impact of the uncertainty of the imminent analogue switch-off facing the country, but eMedia Investments is confident that the audience share will be carefully managed. The set-top box activations for Openview for the year amounted to 513 840, taking the amount of activated set-top boxes to 3 166 461 activated at 31 March 2023.

Portfolio investments

The contribution from portfolio investments to headline earnings amounted to R804 million (2022: R444 million). Dividends from **FirstRand**, which include a special dividend received during October 2022 (R154 million), amounted to R605 million (2022: R389 million). As a result of the OUTsurance Group unbundling, Remgro received 51 254 365 Discovery shares and 122 908 061 Momentum Metropolitan shares. Both investments were classified as financial instruments at fair value through other comprehensive income. During the year under review, dividends of R141 million were received from **Momentum Metropolitan**. No dividends were declared and paid by **Discovery**.

Other portfolio investments include the dividends received from British American Tobacco plc (**BAT**) and Reinet Investments SCA (**Reinet**) amounting to R58 million (2022: R55 million).

Social impact investments

Social impact investments primarily consist of interests in the **Blue Bulls** rugby franchise and Stellenbosch Academy of Sport Proprietary Limited (**SAS**).

Central treasury and other net corporate income/(costs)

Finance income amounted to R650 million (2022: R224 million). This increase is mainly due to the increase in the South African repo rate and a higher average cash balance, due to the disposal of 60 million FirstRand shares and Remgro's investment in Grindrod Shipping. Finance costs amounted to R628 million (2022: R627 million). Other net corporate income of R205 million (2022: net corporate costs of R252 million) includes an after-tax foreign exchange gain of R522 million realised on foreign exchange contracts entered in respect of the acquisition of the additional 5.4% indirect interest in Mediclinic.

Earnings

Total earnings decreased by 26.8% to R9 624 million (2022: R13 139 million) mainly due to Remgro's portion of the profit realised by OUTsurance Group on the unbundling of its investments in Discovery and Momentum Metropolitan (totalling R4 667 million) and the disposal of its investment in Hastings (R1 465 million), accounted for in the comparative year, partly offset by the profit realised on the Distell/Heineken transaction (R3 384 million) during the year under review.

Cash at the centre and foreign exchange rates

On 30 June 2023 Remgro's cash at the centre amounted to R9 001 million (2022: R12 280 million), of which 35% was invested offshore (2022: 20%). The cash is held in different currencies of which approximately 66% was held in SA rand and 33% in USA dollar.

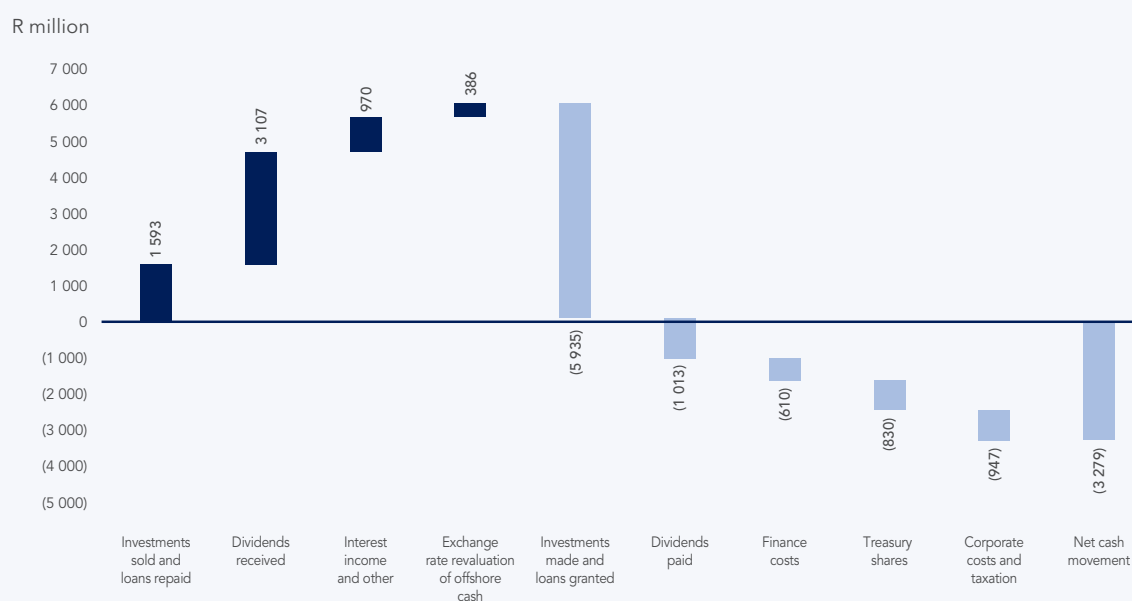
Foreign exchange profits amounting to R386 million (2022: R299 million) were accounted for during the year under review, mainly due to the weakening of the SA rand against the USA dollar from R16.30 = \$1.00 at 30 June 2022, to R18.83 = \$1.00 at 30 June 2023. For accounting purposes these exchange movements are accounted for directly in equity.

Remgro's offshore cash is earmarked for potential new investments and the expansion of existing offshore investments (USA dollar).

Cash at the centre

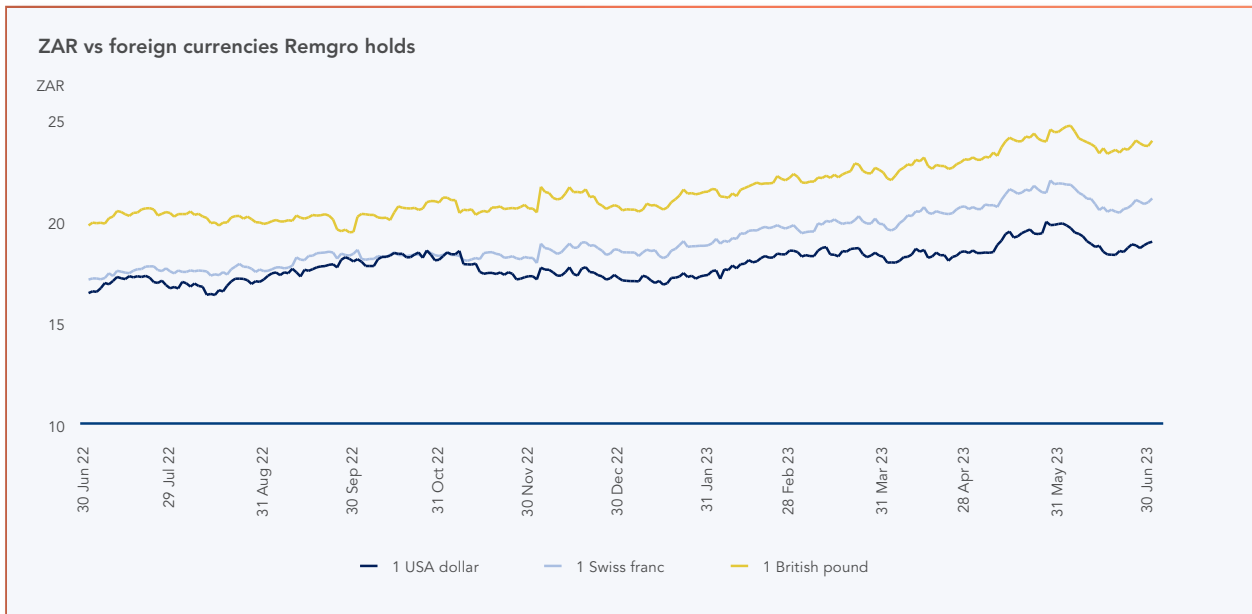
	30 June 2023			30 June 2022
	Currency value million	Exchange rate	R million	R million
SA rand			5 964	9 850
USA dollar	156.2	18.8263	2 940	2 392
British pound	3.4	23.8001	82	27
Swiss franc	0.7	20.9599	15	11
			9 001	12 280

Cash movement at the holding company (cash at the centre)



Closing exchange rates	30 June 2023	30 June 2022	Movement %
USD/ZAR	18.8263	16.2958	(15.5)
GBP/ZAR	23.8001	19.6301	(21.2)
CHF/ZAR	20.9599	16.9603	(23.6)

Average exchange rates	Year ended 30 June 2023	Year ended 30 June 2022	Movement %
USD/ZAR	17.7451	15.2046	(16.7)
GBP/ZAR	21.3557	20.2207	(5.6)
CHF/ZAR	18.9141	16.3062	(16.0)



External funding

During the 2016 financial year, Remgro (through its wholly owned subsidiary Remgro Healthcare Holdings Proprietary Limited (RHH)) issued Class A preference shares of R3.5 billion (four-year tenure and a fixed dividend rate of 7.7%) and Class B preference shares of R4.4 billion (five year tenure and a fixed dividend rate of 8.3%). During March 2019 the maturity date of the Class A preference shares was extended to 15 January 2024 (at a fixed dividend rate of 7.5% effective from 17 June 2019) and the Class B preference shares was extended to 17 March 2025 (at a fixed dividend rate of 7.8% effective from 16 March 2021).

Dividends

The final dividend per share was determined at 160 cents (2022: 100 cents). Total ordinary dividends per share in respect of the year to 30 June 2023 therefore amounted to 240 cents (2022: 150 cents), representing an increase of 60.0%.

Intrinsic net asset value

Remgro's intrinsic net asset value per share at 30 June 2023 was R248.47 compared to R213.10 on 30 June 2022. Refer to the Chief Executive Officer's Report on page 21 for a detailed discussion regarding Remgro's intrinsic net asset value and its relative performance with certain selected JSE indices.

Accounting policies

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies have been consistently applied to both years presented. During the year under review various other interpretations and amendments became effective, but their implementation had no impact on the results of either the current or prior years.

Risk and opportunities management

The Company has implemented a comprehensive Risk and Opportunities Management Policy that is based on the principles of the international COSO (Committee of Sponsoring Organisations of the Treadway Commission) Enterprise Risk Management – Integrated Framework and complies with the recommendations of the King IV Report on Corporate Governance for South Africa (2016). An extensive risk and opportunities management structure furthermore ensures the effective and efficient management of risk and opportunities within the Group.

Remgro's risk and opportunities management process is summarised in the Risk and Opportunities Management Report on page 122, as well as in note 13 to the comprehensive Annual Financial Statements that is published on the Company's website at www.remgro.com.

Neville Williams
Chief Financial Officer

Stellenbosch
20 September 2023



Composition of headline earnings

R million	Year ended 30 June 2023	%	Year ended 30 June 2022
		change	
Healthcare			
Mediclinic	1 691	33.5	1 267
Consumer products			
Distell – entity contribution	555	(24.5)	735
– IFRS 3 charge ⁽¹⁾	(32)	(190.9)	(11)
Heineken Beverages – entity contribution	(75)	nm	
– IFRS 3 charge ⁽¹⁾	(6)	nm	
Capevin	14	nm	
RCL Foods	488	(42.3)	846
Siqalo Foods – entity contribution	344	(14.2)	401
– IFRS 3 charge ⁽¹⁾	(80)	(23.1)	(65)
Financial services			
OUTsurance Group	888	11.6	796
Business Partners	72	2.9	70
Infrastructure			
CIVH	206	338.3	47
Grindrod	61	(76.8)	263
SEACOM	47	27.0	37
Other infrastructure investments	3	(98.9)	266
Industrial			
Air Products	476	12.8	422
TotalEnergies	54	(95.0)	1 076
Wispeco	313	11.4	281
Other industrial investments	25	19.0	21
Diversified investment vehicles			
KTH	437	446.3	80
Other diversified investment vehicles	397	2 546.7	15
Media			
eMedia Investments	130	(10.3)	145
Other media investments	41	24.2	33
Portfolio investments			
FirstRand	605	55.5	389
Momentum Metropolitan	141	nm	–
Other portfolio investments	58	5.5	55
Social impact investments	(24)	(20.0)	(20)
Central treasury			
Finance income	650	190.2	224
Finance costs	(628)	(0.2)	(627)
Other net corporate income/(costs)	205	181.3	(252)
Headline earnings	7 056	8.7	6 494
Weighted number of shares (million)	562.7	(0.3)	564.4
Headline earnings per share (cents)	1 254	8.9	1 151

nm = not meaningful

⁽¹⁾ IFRS 3 charge represents the amortisation and depreciation expenses, net of tax, relating to the additional assets identified when Remgro acquired these investments.