

Chief Financial Officer's Report



Neville Williams

Remgro's earnings impacted by the effect of **corporate actions**, mainly non-recurring in nature, and **challenging operating environment**.

Introduction

As an investment 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. These concepts are used throughout the Integrated Annual Report to provide shareholders with a better understanding of our results.

Results

Results in context

For the year under review, headline earnings decreased by 20.0% from R7 056 million to R5 647 million, while headline earnings per share (HEPS) decreased by 18.8% from 1 254 cents to 1 018 cents. The difference of 120bps in the HEPS measure compared to headline earnings, represents the accretive impact of shares repurchased during the 2023 financial year and the beginning of the year under review.

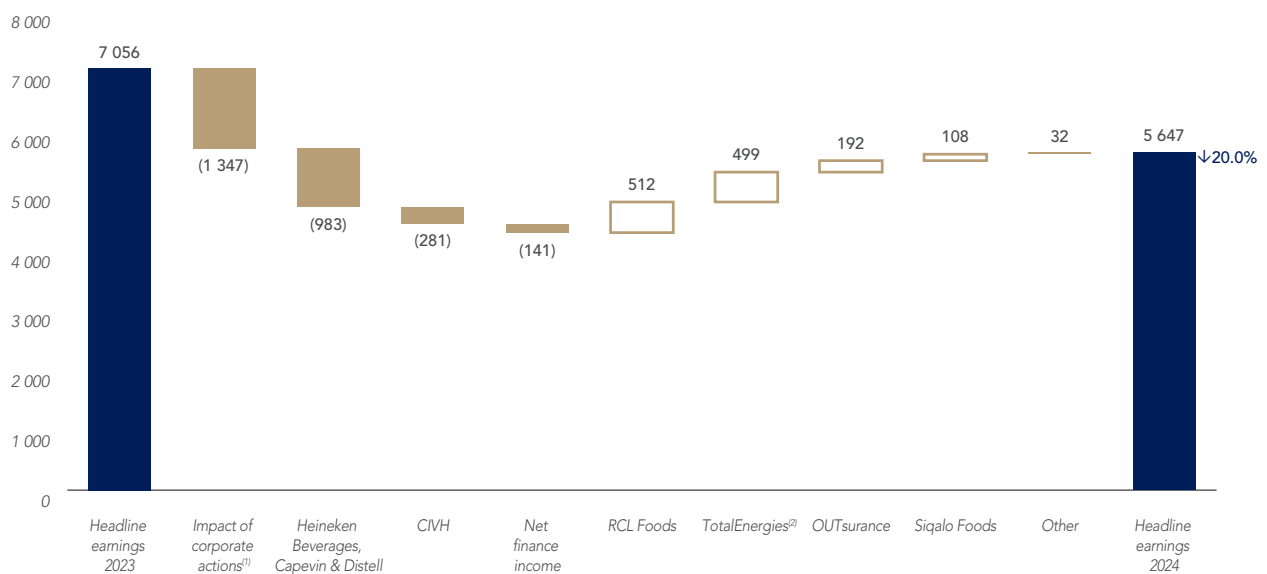
A significant driver of the decline in headline earnings relates to the effect of the corporate actions implemented in the recent past, the majority of which are non-recurring items. The difficult operating environment, particularly in relation to the trading results of Heineken Beverages Holdings Limited (Heineken Beverages), also contributed to the material decline in headline earnings. The decrease in headline earnings can be summarised as follows:

- The negative impact of significant corporate actions implemented throughout the Group amounting to R766 million (2023: positive impact of R581 million), which include the following:
 - Remgro's portion of the *IFRS 3* amortisation and depreciation charges amounting to R257 million (2023: R56 million) relating to the additional assets identified when Heineken Beverages obtained control over Distell Group Holdings Limited (Distell) and Namibia Breweries Limited (Namibia Breweries) (the Distell/Heineken transaction) (Heineken *IFRS 3* impact), as well as Remgro's portion of transaction costs amounting to R196 million, which were incurred by Distell in the comparative year;
 - Remgro's portion of an increase in a redemption liability amounting to R344 million (2023: decrease in liability of R338 million), relating to Mediclinic Group Limited's (Mediclinic) acquisition of Hirslanden La Colline Grangettes SA;

Salient features

	30 June 2024	30 June 2023	% change
Headline earnings (R million)	5 647	7 056	(20.0)
– per share (cents)	1 018	1 254	(18.8)
Earnings (R million)	1 241	9 624	(87.1)
– per share (cents)	224	1 710	(86.9)
Dividends per share (cents)			
Ordinary	264	240	10.0
– Interim	80	80	–
– Final	184	160	15.0
Intrinsic net asset value per share (Rand)	251.01	248.47	1.0

Headline earnings for the year ended 30 June 2024 (R million)



⁽¹⁾ Change in impact of significant corporate action items between the 2023 and 2024 financial years.

⁽²⁾ Included in TotalEnergies' contribution are negative stock revaluations of R10 million (2023: negative stock revaluations of R252 million).

- Remgro's portion of transaction costs amounting to R165 million (2023: R612 million), which were incurred in respect of the acquisition, through Remgro's 50% interest in Manta Bidco Limited (Manta Bidco), which is jointly owned by Remgro and MSC Mediterranean Shipping Company SA (MSC), of the entire issued ordinary share capital of Mediclinic (the Mediclinic acquisition), as well as a foreign exchange gain of R522 million relating to the Mediclinic acquisition in the comparative year;
 - Remgro's portion of a debt forgiveness gain amounting to R227 million that was accounted for by Kagiso Tiso Holdings Proprietary Limited (KTH) in the comparative year (a lender waived its right to receive an outstanding amount of a loan to KTH) as part of the disposal of its investment in Actom Investment Holdings Proprietary Limited; and
 - a dividend received from the Pembani Remgro Infrastructure Fund (PRIF) of R358 million relating to its disposal of the ETG Group in the comparative year.
- Excluding the impact of the above-mentioned corporate actions, the muted headline earnings performance resulted from mixed operational performances from investee companies of which the most significant are:
 - Increased contributions from RCL Foods Limited (RCL Foods), TotalEnergies Marketing South Africa Proprietary Limited (TotalEnergies), OUTsurance Group Limited (OUTsurance Group), Siqalo Foods Proprietary Limited (Siqalo Foods) and Air Products South Africa Proprietary Limited (Air Products) due to improved operating performances;
 - an increased loss contributed by Heineken Beverages (excluding the Heineken IFRS 3 impact) of R297 million, partly offset by a higher contribution from Capevin Holdings Proprietary Limited (Capevin) of R65 million, compared to Distell's contribution of R751 million (excluding the transaction costs) in the comparative year; and
 - a lower contribution from Community Investment Ventures Holdings Proprietary Limited (CIVH) mainly due to higher finance costs resulting from increased interest rates and higher maintenance and security costs to ensure high network uptime.

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

Contribution to headline earnings by reporting platform

R million	Year ended 30 June 2024	% change	Year ended 30 June 2023
Healthcare	1 515	(10.4)	1 691
Consumer products	934	(22.7)	1 208
Financial services	1 163	21.1	960
Infrastructure	(33)	(110.4)	317
Industrial	1 425	64.2	868
Diversified investment vehicles	235	(71.8)	834
Media	156	(8.8)	171
Portfolio investments	812	1.0	804
Social impact investments	(29)	(20.8)	(24)
Central treasury			
– finance income	379	(41.7)	650
– finance costs	(498)	20.7	(628)
Other net corporate income/(costs)	(412)	(301.0)	205
Headline earnings	5 647	(20.0)	7 056



Refer to the composition of headline earnings on page 41 for further information.

Commentary on investees' performance

Healthcare

Mediclinic's contribution to Remgro's headline earnings, which includes the contribution of Manta Bidco, amounted to R1 515 million (2023: R1 691 million), representing a decrease of 10.4%. As a result of the Mediclinic acquisition, Remgro's indirect interest in Mediclinic increased from 44.6% to 50.0% (or by 5.4%) during June 2023. However, as Mediclinic has a March year-end, Remgro accounted for its results for the two months ended 31 May 2023 at 44.6% and for the ten months to 31 March 2024 at 50.0%. Mediclinic's contribution includes transaction costs of R165 million (2023: R612 million) relating to the Mediclinic acquisition. Excluding these transaction costs, Mediclinic's contribution to headline earnings decreased from R2 303 million to R1 680 million (or by 27.1%).

Mediclinic (excluding Manta Bidco) reports adjusted earnings, which removes volatility associated with certain types of significant income and charges from headline earnings, to assess financial and operational performance and as a method to provide investors and analysts with complementary information to better understand its financial performance. These adjustments included the portion of the above-mentioned transaction costs incurred by Mediclinic. The year under review also included significant amounts relating to an increase in a redemption liability of \$40 million (31 March 2023: decrease of \$44 million) relating to the acquisition of Hirslanden La Colline Grangettes SA. The comparative year also included significant amounts relating to an accelerated depreciation charge (re Klinik St. Anna) and a positive Swiss cantonal tax rate change. In US dollar terms, Mediclinic's (excluding Manta Bidco) reported adjusted earnings remained flat at \$230 million (31 March 2023: \$229 million). Remgro's portion of Mediclinic's adjusted earnings increased by 22.3% to R2 137 million (2023: R1 748 million), reflecting a weakened average SA rand exchange rate against the US dollar and Remgro's increased interest in Mediclinic.

Mediclinic's performance for their year ended 31 March 2024 was impacted by a weak performance in Switzerland, partially offset by a strong showing in the Middle East. Revenue was up 5% to \$4 592 million (up 5% in constant currency terms), driven by a 0.9% growth in inpatient admissions and a 1.6% growth in day-case admissions, partly offset by lower average revenue per case due to mix changes and ongoing tariff pressures. Adjusted EBITDA was down 2% (down 2% in constant currency terms) and the adjusted EBITDA margin was 14.7% (2023: 15.8%), reflecting above-inflationary increases in the cost base, particularly

employee and contractor costs and consumables and supplies. Higher finance costs, due to higher interest rates, were offset by a lower tax charge. The lower tax charge reflects the higher contribution of non-taxable income from the Middle East, as well as the effect of the non-recognition of deferred tax assets on tax losses in Switzerland in the prior period.

Consumer products

RCL Foods' contribution to Remgro's headline earnings amounted to R1 000 million (2023: R488 million), representing an increase of 104.9%. RCL Foods discloses underlying headline earnings from continuing operations, which excludes:

- the earnings of Rainbow Chicken Limited (Rainbow) and the Vector Logistics segment due to their classification as discontinued operations;
- the IFRS 9 fair value adjustments on commodity contracts entered into as part of the raw material procurement strategy;
- the special sugar levy raised by South African Sugar Association (SASA) in the comparative year of R171 million (after-tax); and
- advisor costs relating to the discontinued operations,

to provide users of RCL Foods' results with relevant information and measures used by itself to assess performance.

RCL Foods reported an increase in underlying headline earnings from continuing operations of 8.3% mainly due to strong performances in the Sugar business unit and in Groceries. The strong performance in the Sugar business unit was driven by higher prices in both local and export markets, an improved agricultural performance, as well as an outstanding result in Molatek Animal Feed due to improved production efficiencies offsetting a higher molasses price. Groceries' improved performance was mainly due to a better sales mix, as well as improved Pet Food margins and service levels. Cost of production has also reduced due to lower levels of load shedding in the second half of the financial year. In the Baking business unit, gains in Speciality and Milling were offset by a disappointing result in the Bread, Buns & Rolls operating unit, which faced intense competition and margin pressure and a volume decline of 1.1%.

Rainbow's reported underlying headline earnings, which excludes IFRS 9 fair value adjustments on commodity contracts entered into as part of the raw material procurement strategy, changed from a loss of R249 million to a profit of R217 million, notwithstanding the impact of Avian Influenza (AI) during the year under review. This increase is attributable to an enhanced agricultural performance, higher processing yield, effective cost management, improved

pricing, increased retail and wholesale channel volumes, relief in commodity prices (albeit still at elevated levels) and reduced load shedding costs.

Heineken Beverages' contribution to Remgro's headline earnings amounted to a loss of R573 million (2023: loss of R75 million). As a result of the Distell/Heineken transaction, the comparative year included Remgro's portion of Heineken Beverages' results for the two months ended 30 June 2023. Heineken Beverages' contribution includes amortisation and depreciation charges of R257 million (2023: R56 million) relating to the additional assets identified when Heineken Beverages obtained control over Distell and Namibia Breweries. Excluding these charges, Heineken Beverages' contribution amounted to a loss of R316 million (2023: loss of R19 million). Heineken Beverages' underlying performance was impacted by the highly disruptive period of integration inherent to a merger of this nature and extent. In addition, volumes for the six months ended 31 December 2023 were impacted by lower industry growth, a constrained consumer environment, load shedding, a shift from premium to mainstream (Heineken Beverages' portfolio over indexed in premium), and a challenging competitive environment. Margins were also negatively impacted by non-recurring expenses related to integration and supply chain challenges. These operational issues have since been resolved.

Heineken Beverages' underlying performance for the six months ended 30 June 2024 was characterised by low-single-digit revenue growth in South Africa, primarily driven by pricing. The spirits, wine, cider and ready-to-drink portfolios outperformed the market in their respective categories. Within the cider and ready-to-drink categories, mid-single-digit revenue growth was achieved, with strong momentum continuing in Savanna and Bernini. In the beer segment, volumes remained under pressure due to the continued challenging competitive environment. In this regard Heineken Beverages has implemented various measures to restore both market share and margins. The introduction of the returnable glass bottle of Heineken® at the end of the first quarter provided a more affordable yet cost-effective consumer proposition. Increased investment in support of the Heineken® returnable glass bottle launch and revitalisation of the other beer brands will follow in the second half of the 2024 calendar year and will continue into the next year. Outside of South Africa and Namibia double-digit revenue growth was supported by strong performance across most categories.

As a result of the challenges referred to above, the Heineken Beverages trading results for the year under review is not deemed to be an accurate reflection of the long-term prospects of the business.

In addition to Heineken Beverages' contribution, Remgro accounted for amortisation and depreciation charges of R22 million (2023: R6 million) relating to the additional assets identified when Remgro obtained significant influence over Heineken Beverages on 26 April 2023.

Distell's contribution to Remgro's headline earnings for the comparative year amounted to R555 million. As a result of the Distell/Heineken transaction, which was implemented on 26 April 2023, Remgro stopped accounting for the results of Distell. Distell's contribution in the comparative year included abnormal merger integration and deal compensation costs of R196 million relating to the Distell/Heineken transaction.

In addition to Distell's contribution in the comparative year, Remgro accounted for amortisation and depreciation charges of R32 million relating to the additional assets identified when Remgro obtained control over Distell on 11 May 2018.

The headline earnings contribution from **Siqalo Foods** amounted to R452 million (2023: R344 million), representing an increase of 31.4%. The trading environment remains a challenge due to elevated interest rates, high inflation and volatile commodity prices and exchange rates. To recover margin from prior commodity cost drivers and to offset the impact of inflation and continued cost pressure, the business increased prices in September 2023. Siqalo Foods experienced a 6.7% decrease in volumes for the

year under review as consumer spend was negatively impacted by the elevated inflationary environment. Oil commodity markets have stabilised at pre-Russia-Ukraine War levels, which assisted to offset the decrease in volumes resulting in a 23.3% overall increase in operational EBITDA. Operational EBITDA excludes negative IFRS 9 fair value adjustments of R5 million (2023: R26 million) on commodity and foreign exchange contracts entered as part of the raw material procurement strategy.

In addition to Siqalo Foods' contribution, Remgro accounted for amortisation and depreciation charges of R2 million (2023: R80 million) relating to the additional assets identified when Remgro obtained control over Siqalo Foods on 2 July 2018. The decrease is mainly due to some of the additional assets identified being fully amortised.

Capevin's contribution to Remgro's headline earnings amounted to R79 million (2023: R14 million, consisting of Remgro's portion of Capevin's results for the two months ended 30 June 2023). Capevin's profit from continuing operations, which excludes Gordon's Gin due to it being classified as a discontinued operation, decreased by 28.9% to R249 million. This decrease is primarily driven by the exit of the distribution of Wine (e.g. Nederburg) and Amarula brands on behalf of Heineken Beverages in their international markets. Capevin previously managed the sales, distribution and marketing of these brands, but during the year under review these brands were carved out from Capevin and returned to Heineken Beverages. In addition to the financial impact of exiting the distribution of these brands, the overall Scotch whisky sector also saw a significant slowdown in shipments to global markets compared to the previous financial year. The ongoing geopolitical and macroeconomic uncertainty, combined with high inflation and interest rates, significantly impacted performance. The continuous cost pressure on consumers, and a decrease in disposable income, resulted in a lower demand and downtrading. In particular, the economic slowdown in China has resulted in a decline in revenue for Capevin.

Financial services

OUTsurance Group's contribution to Remgro's headline earnings increased by 21.6% to R1 080 million (2023: R888 million). On a normalised basis, which excludes certain anomalies, OUTsurance Group reported an increase of 20.3% in earnings. This increase is mainly due to a higher contribution from OUTsurance Holdings Limited (OUTsurance), the most significant asset in OUTsurance Group, as well as a reduction in head office costs following the listing transition.

OUTsurance's normalised earnings increased by 15.7%. The strong earnings result was supported by a good operational performance and investment income results, notwithstanding higher natural perils claims at Youi, the large increase in the share-based payments expense and the startup-loss incurred by OUTsurance Ireland. The share-based payments expense is linked to the indexed performance of the OUTsurance Group share price, which creates volatility in the expense and consequently in the cost-to-income ratio. Gross written premium grew by a strong 20.5%, driven by elevated inflation and good new business performance delivered by the Youi and OUTsurance operations. The claims ratio increased from 54.3% to 56.8% due to the higher natural perils claims incurred by Youi. OUTsurance SA delivered improved claims ratios on the back of pricing discipline and continued improvement in claims experience in the OUTsurance Broker book. The cost-to-income ratio is distorted by the share-based payments expense as well as the expense strain from the OUTsurance Ireland start-up. Ignoring the increased share-based payments expense, the cost-to-income reduced from 29.4% to 28.4%, which illustrates the positive momentum in Youi's cost-to-income ratio. Annualised new business increased by 30.4% from a higher base achieved in 2023.

Business Partners Limited's (Business Partners) contribution to Remgro's headline earnings increased by 15.3% to R83 million (2023: R72 million). The increase in net interest income, primarily due to an increase in interest rates, was partly offset by a higher credit loss provision.

Infrastructure

CIVH's contribution to Remgro's headline earnings amounted to a loss of R75 million (2023: a profit of R206 million). The decrease in earnings is mainly due to higher finance costs resulting from increased interest rates, higher maintenance and security costs to ensure high network uptime and the continued impact of the tough economic environment on consumers and persistent competition in the market. Vumatel Proprietary Limited's (Vumatel) revenue for the year ended 31 March 2024 increased by 3.2% to R3 543 million, driven by its fibre infrastructure expansion programme and subscriber uptake growth. The Reach network expanded by 12% with Reach homes passed exceeding one million and Reach subscribers increasing by 39% year-on-year. Dark Fibre Africa Proprietary Limited's (DFA) revenue for the year ended 31 March 2024 increased by 2.3% to R2 715 million driven by demand in its fibre to the business vertical.

SEACOM Capital Limited's (SEACOM) contribution to Remgro's headline earnings amounted to R55 million (2023: R47 million), while **other infrastructure investments** include the contribution of Grindrod Limited (Grindrod) in the comparative period amounting to R61 million. Grindrod was equity accounted until its unbundling during October 2022.

Industrial

Air Products' contribution to Remgro's headline earnings increased by 18.9% to R566 million (2023: R476 million). Air Products' turnover increased by 17.5% to R5 360 million (2023: R4 563 million) for their twelve months ended 31 March 2024 demonstrating a commendable performance. Demand from large tonnage gas customers in the steel, mining and chemicals sectors was mixed and generally stable. Enhanced cost efficiencies contributed to modest growth in operating profit within this segment. The Packaged Gases business continued to perform well, with volumes remaining robust in the smaller manufacturing and fabrication and food and beverage sectors. Volume growth, a slight reduction in inflationary cost pressures, and a minor acquisition collectively resulted in overall satisfactory outcomes for this segment of the business.

TotalEnergies' contribution to Remgro's headline earnings amounted to R553 million (2023: R54 million). TotalEnergies' contribution includes negative stock revaluations amounting to R10 million (2023: negative stock revaluations of R252 million). The stock revaluations in both periods result from the volatility in the Brent Crude price. Excluding these stock revaluations, the contribution increased by 84% from R306 million to R563 million mainly due to Natref's improved refining results, as well as higher input costs in the comparative year, which were heavily impacted by supply chain challenges experienced on the importation of fuel products.

Wispeco Holdings Proprietary Limited's (Wispeco) contribution to Remgro's headline earnings decreased by 7.7% to R289 million (2023: R313 million). Turnover of R3 759 million aligns closely with that of the previous year (2023: R3 813 million). Aluminium extrusion sales volumes were marginally higher than the comparative year, while export volumes of brass fire-sprinkler frames were lower for most of the year, with signs of recovery starting to show in the final quarter. The decrease in earnings was mainly due to sustained downward pressure on trading margins, resulting from generally competitive market conditions and inflationary cost increases.

Other industrial investments consist of PGSI Limited's (PGSI) contribution to Remgro's headline earnings, which amounted to R17 million (2023: R25 million).

Diversified investment vehicles

KTH's contribution to Remgro's headline earnings amounted to R241 million (2023: R437 million). The decrease in KTH's earnings is mainly due to a debt forgiveness gain in the comparative year (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. The year under review includes a positive fair value adjustment on KTH's investment in Momentum Group Limited (Momentum) preference shares of R127 million (2023: positive adjustment of R99 million).

The contribution from **other diversified investment** vehicles to Remgro's headline earnings amounted to a loss of R6 million (2023: a profit of R397 million). The comparative year included dividends from PRIF amounting to R358 million, which related 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 13.1% to R113 million (2023: R130 million). eMedia Investments reported satisfactory results given its mitigation against continued load shedding, which had a negative impact on overall viewership and saw a further decline in television advertising spend, foreign exchange rate and the impact of diesel usage on the business. eMedia Investments' revenue decreased by 2.1% mainly due to the actors and writers' strike in Hollywood at the beginning of its financial year, which had a severe negative impact on the income from international film productions. Television advertising revenue increased by 3% despite the continued decrease in total television advertising spend of approximately 1%. eMedia Investments managed to maintain prime-time audience market share at 33.5% at the end of March 2024, a slight decrease from 34.5% at the end of 31 March 2023. eMedia Investments is campaigning for analogue consumers to migrate to Openview due to the uncertainty of the imminent analogue switch-off. The activated set-top boxes for Openview reached 3 428 523 at the end of March 2024 (31 March 2023: 3 166 461).

Portfolio investments

The contribution from portfolio investments to headline earnings amounted to R813 million (2023: R804 million). Dividends from **FirstRand Limited** amounted to R474 million (2023: R605 million, which included a special dividend received of R154 million). During the year under review, dividends were also received from **Momentum** and **Discovery Limited** (Discovery) of R160 million (2023: R141 million) and R90 million (2023: Rnil), respectively.

Other portfolio investments mainly include the dividends received from British American Tobacco plc (BAT) amounting R86 million (2023: R57 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 R379 million (2023: R650 million). This decrease is mainly due to a lower average cash balance, resulting from the Mediclinic acquisition during June 2023, the share repurchase programme from June to August 2023 and the redemption of the Standard Bank preference shares during December 2023. Finance costs were lower at R498 million (2023: R628 million) due to the aforesaid redemption. Other net corporate costs amounted to R412 million (2023: net corporate income of R205 million). The comparative year included an after-tax foreign exchange gain of R522 million relating to the Mediclinic acquisition.

Earnings

Total earnings amounted to R1 241 million (2023: R9 624 million). This decrease in earnings is mainly due to the decrease in headline earnings discussed above (R1 409 million), the impairment of Remgro's investment in Heineken Beverages (R4 257 million) and Remgro's portion of the impairments of Heineken Beverages' goodwill that was created through the Distell/Heineken transaction (R1 050 million). For the 2023 financial year, Remgro accounted for a profit on disposal of R3 384 million in respect of the Distell/Heineken transaction. The decrease was partially offset by the profit realised on the disposal of the investment in DC Foods Proprietary Limited, Remgro's portion of the profit realised by RCL Foods on the disposal of its Vector Logistics business and Remgro's portion of the profit realised by Capevin on the termination of the Gordon's Gin agreement.

Cash at the centre and foreign exchange rates

On 30 June 2024 Remgro's cash at the centre amounted to R6 822 million (2023: R9 001 million), of which 51% was invested offshore (2023: 35%). The cash is held in different currencies of which approximately 50% was held in SA rand and 49% in USA dollar.

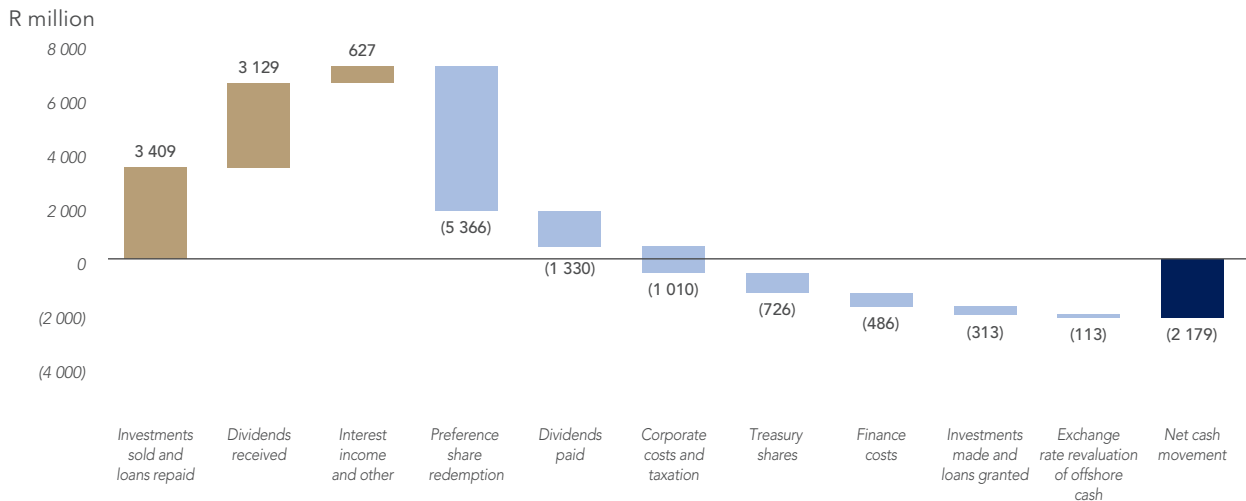
Foreign exchange losses amounting to R113 million (2023: profits of R386 million) were accounted for during the year under review, mainly due to the strengthening of the SA rand against the USA dollar from R18.83 = \$1.00 at 30 June 2023, to R18.19 = \$1.00 at 30 June 2024. For accounting purposes these 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 2024			30 June 2023 R million
	Currency value million	Exchange rate	R million	
SA rand			3 415	5 964
USA dollar	182.1	18.1850	3 312	2 940
British pound	3.4	23.3295	79	82
Swiss franc	0.8	20.5312	16	15
			6 822	9 001

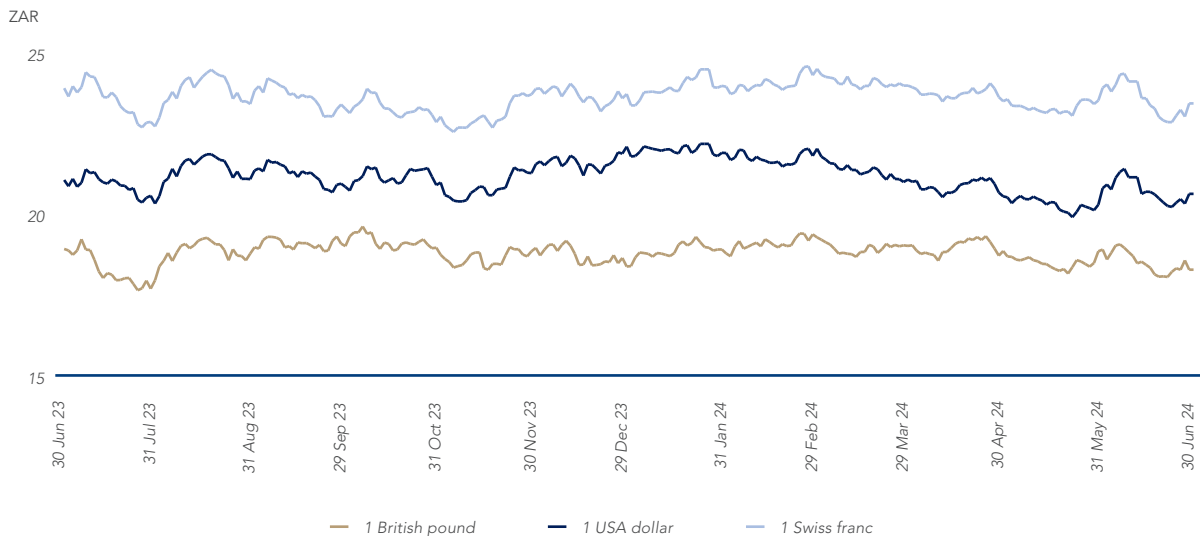
Cash flow at the centre



Closing exchange rates	30 June 2024	30 June 2023	Movement %
USD/ZAR	18.1850	18.8263	3.4
GBP/ZAR	23.3295	23.8001	2.0
CHF/ZAR	20.5312	20.9599	2.0

Average exchange rates	Year ended 30 June 2024	Year ended 30 June 2023	Movement %
USD/ZAR	18.7051	17.7451	(5.4)
GBP/ZAR	23.5438	21.3557	(10.2)
CHF/ZAR	21.0781	18.9141	(11.4)

ZAR vs foreign currencies Remgro holds



External funding

During the 2016 financial year Remgro (through its wholly owned subsidiary Remgro Healthcare Holdings Proprietary Limited (RHH)) issued Class A cumulative preference shares of R3.5 billion (four-year tenure and a fixed dividend rate of 7.7%) and Class B cumulative preference shares of R4.366 billion (five-year tenure and a fixed dividend rate of 8.3%). During March 2019 Remgro extended the maturity dates of the Class A preference shares to 15 January 2024 (at a fixed dividend rate of 7.5%) and the Class B preference shares to 17 March 2025 (at a fixed dividend rate of 7.8%).

On 5 December 2023, Remgro early redeemed R3.5 billion of the Class B preference shares and, on 12 December 2023, Remgro extended the redemption of the R3.5 billion Class A preference shares to 17 March 2025 (previously 15 January 2024), while negotiating a lower dividend rate of 7.42% on those preference shares.

On 28 June 2024, Remgro redeemed the remaining R866 million Class B preference shares and also R1.0 billion of these Class A preference shares. The remaining R2.5 billion Class A preference shares are still redeemable on 17 March 2025.

Dividends

The final dividend per share was determined at 184 cents (2023: 160 cents). Total ordinary dividends per share in respect of the year to 30 June 2024 therefore amounted to 264 cents (2023: 240 cents), representing an increase of 10.0%.

Intrinsic net asset value

Remgro's intrinsic net asset value per share at 30 June 2024 was R251.01 compared to R248.47 on 30 June 2023. Refer to the Chief Executive Officer's Report on page 27 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® Accounting Standards) as issued by the International Accounting Standards Board (IASB), hereafter referred to as "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 Management Report on page 114, 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
18 September 2024



Composition of headline earnings

R million	Year ended 30 June 2024	% change	Year ended 30 June 2023
Healthcare			
Mediclinic	1 515	(10.4)	1 691
Consumer products			
RCL Foods	1 000	104.9	488
Heineken Beverages – entity contribution	(573)	(664.0)	(75)
– IFRS 3 charge ⁽¹⁾	(22)	(266.7)	(6)
Distell – entity contribution	–	(100.0)	555
– IFRS 3 charge ⁽¹⁾	–	100.0	(32)
Siqalo Foods – entity contribution	452	31.4	344
– IFRS 3 charge ⁽¹⁾	(2)	97.5	(80)
Capevin	79	464.3	14
Financial services			
OUTsurance Group	1 080	21.6	888
Business Partners	83	15.3	72
Infrastructure			
CIVH	(75)	(136.4)	206
SEACOM	55	17.0	47
Other infrastructure investments	(13)	(120.3)	64
Industrial			
Air Products	566	18.9	476
TotalEnergies	553	924.1	54
Wispeco	289	(7.7)	313
Other industrial investments	17	(32.0)	25
Diversified investment vehicles			
KTH	241	(44.9)	437
Other diversified investment vehicles	(6)	(101.5)	397
Media			
eMedia Investments	113	(13.1)	130
Other media investments	43	4.9	41
Portfolio investments			
FirstRand	474	(21.7)	605
Discovery	90	nm	–
Momentum	160	13.5	141
Other portfolio investments	88	51.7	58
Social impact investments	(29)	(20.8)	(24)
Central treasury			
Finance income	379	(41.7)	650
Finance costs	(498)	20.7	(628)
Other net corporate income/(costs)	(412)	(301.0)	205
Headline earnings	5 647	(20.0)	7 056
Weighted number of shares (million)	554.7	(1.4)	562.7
Headline earnings per share (cents)	1 018	(18.8)	1 254

nm = not meaningful

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