



RESULTS PRESENTATION
FOR THE YEAR ENDED 30 JUNE 2019

20 SEPTEMBER 2019

Remgro
Limited

AGENDA

1. SALIENT FEATURES (Jannie Durand)
2. SETTING THE SCENE (Jannie Durand)
3. STRATEGY (Jannie Durand)
4. EXECUTING ON STRATEGY (Jannie Durand)
5. INVESTMENT ACTIVITIES (Jannie Durand)
6. RESULTS FOR THE YEAR (Neville Williams)

PRESENTERS:



JANNIE DURAND
(CEO)







NEVILLE WILLIAMS
(CFO)



SALIENT FEATURES

SALIENT FEATURES

		Year ended 30 June 2019	Year ended 30 June 2018
Headline earnings measures (Rand)			
Headline earnings per share (HEPS)		14.49	15.13
HEPS excl. option remeasurement		14.29	14.67
Total dividend (Rand)		5.64	5.32
Intrinsic net asset value per share (Rand)			
		233.03	256.97

HEADLINE EARNINGS EXCL. OPTION REMEASUREMENT

R'million	Year ended 30 June 2019	Year ended 30 June 2018	% change
Reported headline earnings	8 195	8 573	(4.4)
Adjusted for:			
Option remeasurement	(112)	(261)	
Headline earnings excl. option remeasurement	8 083	8 312	(2.8)
Weighted number of issued shares (million)	565.6	566.8	(0.2)
HEPS excl. option remeasurement (Rand)	14.29	14.67	(2.6)

The decrease in headline earnings, excluding the option remeasurement, is mainly due to:

- lower earnings from RCL Foods, CIVH, Total as well as the exit of Unilever; partly offset by
- the inclusion of Siqalo Foods, a higher contribution from the banking platform as well as higher interest income



SETTING THE SCENE

SETTING THE SCENE | CHALLENGING TIMES

FRAGILE GROWTH OUTLOOK

- South African domestic macroeconomic uncertainty remains high
- Deteriorating fiscal position
- Lacklustre policy reform
- Vulnerability to slowdown in global economic activity
- Equity and bond market outflows
- Economic Policy Paper comments via BUSA

REGULATORY ENVIRONMENT

- National Credit Amendment Bill
- National Health Insurance Bill
- National Health Enquiry
- Health Promotion Levy (sugar tax)
- Land Reform

REMGRO REMAINS ROBUST

- Investee companies well positioned within sectors
- Cash generative and liquid
- Strong financial positions
- Resilient brands and offerings

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STRATEGY

INVESTMENT STRATEGY (CAPITAL ALLOCATORS)



ACQUIRE

- Significant contribution to Remgro's earnings
- Value over the long term
- Significant influence and Board representation are integral



HOLD



DISPOSE

- No value to be added
- Ex cash flow growth business
- Risk profile has changed
- Strategic reasons



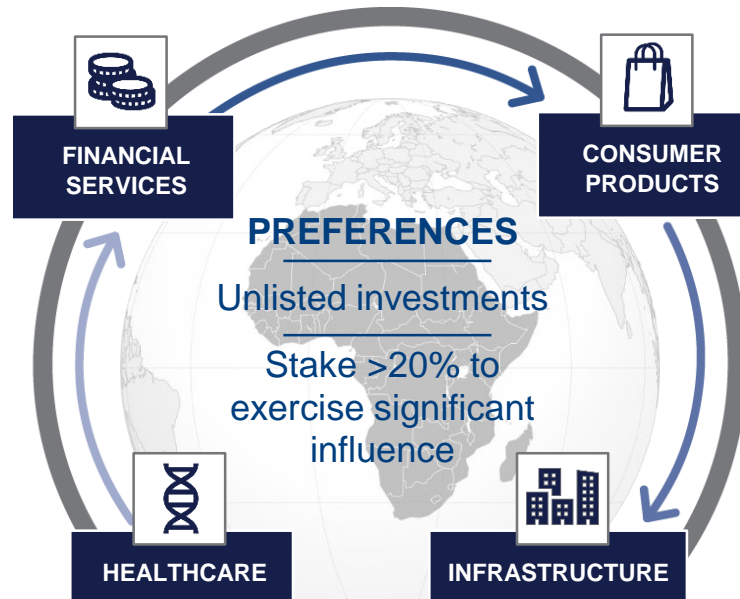
Prevailing culture and ethics of the Board and management team



Expected return on investment > Remgro's internal hurdle rate



Barriers to entry



CRITERIA (inter alia)

Remgro
Limited



Viability of products and services and their life cycles



Social responsibility awareness of entity



Environmental footprint

HOW WE MANAGE OUR INVESTMENTS

MATERIAL OPERATING SUBSIDIARIES (CONTROL)

- Companies have autonomous boards and management structures
- Remgro exerts its influence through non-executive representation on these boards
- E.g. RCL Foods, Sigalo Foods, Distell and Wispeco

ASSOCIATES AND JOINT VENTURES (SIGNIFICANT INFLUENCE OR JOINT CONTROL)

- Board representation
- No board representation - investments are treated as portfolio investments
- Shareholder agreements if there are other major shareholders in order to protect Remgro's rights and manage risks
- Remgro has decision-making involvement for a defined list of material matters of the businesses of the entities where agreements exist, such as:
 - › the appointment or removal of directors;
 - › capital structure;
 - › business strategy;
 - › large capital expenditure; and
 - › mergers, acquisitions and disposals

OUR MANAGEMENT PHILOSOPHY



Not involved in the **day-to-day management** of business units of investees. Not hands-off ownership, we do not merely attend Board meetings, but offer **strategic guidance** and **functional leadership**



In the **best interest** of all the parties concerned to respect the decentralised business model and the fact that these businesses are conducted in separate legal entities



Focused on the provision of **support**:

- strategic, financial and managerial support, or
- creating of an environment for corporate transactions.



Applied to all investee companies, **irrespective of the level of influence** that can be exercised



As a **responsible shareholder** of the investee companies, Remgro also exercises its shareholder rights to ensure, as far as possible, that the entities concerned adhere to its requirements in respect of matters such as governance, internal controls, financial management, risk management, legal compliance, safety, health and environmental management, internal audit, ethics management, information management, stakeholder relationships, succession planning and sustainability

VALUATION OF UNLISTED INVESTMENTS | IFRS 13 FRAMEWORK

Factors taken into consideration in determining the unlisted investments' valuations:

Growth potential and risk, underlying NAV, profit history and cash flow projections, macroeconomic factors and peer group performance

Investment	Valuation method	12 months change	Forecast and/or tradability discount
Siqalo Foods	Discounted cash flow	-11.9%	Yes
Total	Discounted cash flow	+14.3%	Yes
Air Products	Discounted cash flow	+2.5%	Yes
KTH	Sum-of-the-parts (external valuation)	-4.1%	Yes
Wispeco	Discounted cash flow	-12.0%	Yes
PGSI	Discounted cash flow	-56.4%	Yes
CIVH	Discounted cash flow	+70.1%	Yes
SEACOM	Discounted cash flow	+4.8%	Yes
eMedia	Comparable market price	-10.7%	No
Business Partners	Net asset value	+4.3%	Yes

MAJOR CAPITAL ALLOCATIONS SINCE 2009

DISPOSALS

Investment	Proceeds received R'-billion	Rating
Unilever	11.9	✓
Implats	3.9	✓
RMH / RMI	2.1	○
Nampak	1.3	✓
Tracker	1.2	✓
Milestone Funds	1.2	✓
TSB (22%)	0.9	✓

INVESTMENTS MADE

Investment	Capital invested R'-billion	Rating
Mediclinic	20.3	✗
Siqalo Foods	7.0	✓
CIVH	4.4	✓
RCL Foods (Foodcorp)	3.3	✓
Grindrod	2.8	✗
Milestone Funds and Prescient Fund	2.3	✓
RMH / RMI	1.0	✓
PRIF	0.3	✓

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EXECUTING ON STRATEGY

EXECUTING ON STRATEGY DURING THE YEAR

SECTOR FOCUS AND SUPPORT

- **CONSUMER PRODUCTS**
 - › Unilever exit and acquisition of Spreads, now Siqua Foods
 - › Acquired further shares in RCL Foods
- **INFRASTRUCTURE**
 - › Further investment in CIVH
- **INSURANCE**
 - › Reinvestment option of RMI dividend

EXIT SMALLER INVESTMENTS

- **RUGBY INVESTMENT EXIT**
 - › Saracens Group

OPPORTUNITIES EVALUATED

- **> 170 DURING THE YEAR**
 - › Opportunities evaluated on a continual basis
 - › Includes Invenfin opportunities

STRATEGIC PRIORITIES | KEY ISSUES

MEDICLINIC

- Investment case for long-term value creation
- Al Noor alignment with group values
- Permanent Swiss regulatory change
- Unified focus
- Remgro impairment of R3 898 million on carrying value

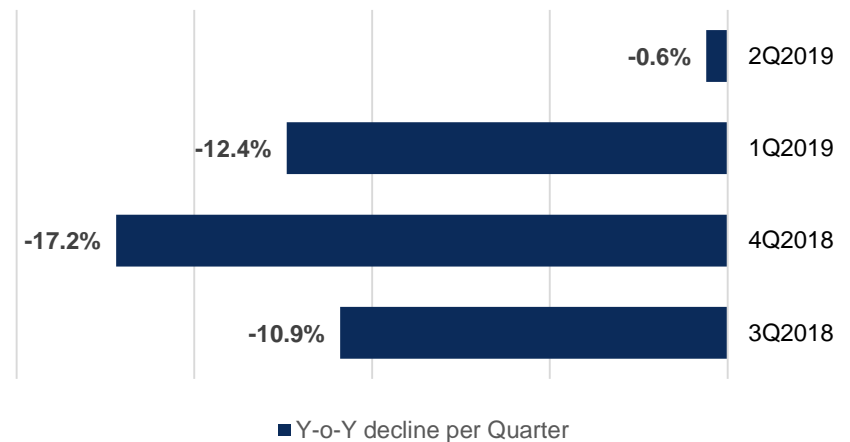
Mediclinic since July 2016



RCL FOODS

- Sugar and Chicken exposure to struggling agriculture sector
- Health Promotion Levy (sugar tax)
- Foodcorp transaction coming to fruition
- RCL Foods impairment of R762 million on Sugar
- Build the food platform in value-added segments

South African agriculture sector decline



Source: BER

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INVESTMENT ACTIVITIES

INVESTMENT ACTIVITIES FOR THE YEAR ENDED 30 JUNE 2019

UNILEVER SOUTH AFRICA HOLDINGS (PTY) LTD (UNILEVER)

- On 2 July 2018 Unilever acquired Remgro's 25.75% interest in Unilever in exchange for Unilever's Spreads business in Southern Africa, as well as a cash consideration of R4.9 billion, representing a total transaction value of R11.9 billion
- Remgro's investment in Unilever had a carrying value of R3 582 million, realising an accounting profit on the disposal of the investment of R8 318 million (excluded from headline earnings)
- The Unilever Spreads business was transferred to Siqualo Foods for a purchase consideration of R7.0 billion, which became a wholly owned subsidiary of Remgro on 2 July 2018
- IFRS 3 impact (the amortisation and depreciation of additional assets identified) on headline earnings for the year was R80 million

COMMUNITY INVESTMENT VENTURES HOLDINGS (PTY) LTD (CIVH)

- During July 2018, CIVH repurchased 6.3% of its shares from a shareholder, which increased Remgro's interest in CIVH to 54.4% (30 June 2018: 51.0%)
- During the year Remgro invested a further R2 855 million, in terms of CIVH rights issues – no resultant change in Remgro's interest in CIVH
- During December 2018 Remgro advanced a R100 million loan to CIVH

INVESTMENT ACTIVITIES

MILESTONE CAPITAL STRATEGIC HOLDINGS LTD (MCSH)

- Remgro previously invested \$43 million in MCSH, consisting of an interest-bearing loan of \$38 million and an investment of \$5 million
- During August 2018 MCSH repaid the loan and interest amounting to \$42 million and Remgro disposed of its investment for a total consideration of \$28 million (\$6 million cash; \$10 million JHL Bonds and \$12 million Li Ning shares), resulting in total proceeds of \$70 million
- This transaction resulted in an IRR of 9.7%, in USD-terms, on the MCSH investment

MILESTONE CHINA OPPORTUNITIES FUND III (MILESTONE III)

- During the year Remgro invested a further \$3 million in Milestone III, increasing its cumulative investment to \$98 million
- Remgro also received distributions of \$9 million during the year, amounting to \$25 million cumulative distributions received to date
- As at 30 June 2019, the fair value of Remgro's investment in Milestone III was \$113 million, with a remaining commitment of \$2 million

MILESTONE CHINA OPPORTUNITIES FUND IV (MILESTONE IV)

- Remgro has committed a maximum of \$100 million to Milestone IV, with the \$10 million JHL Bonds received from the MCSH disposal above being held in escrow as Remgro's first contribution

INVESTMENT ACTIVITIES

PRESCIENT CHINA EQUITY FUND (PRESCIENT FUND)

- The Prescient Fund was launched during October 2018. Remgro and Reinet provided seed capital for the fund
- Remgro invested \$50 million
- The Prescient Fund invests in listed stocks in the Chinese market by using a systematic, quantitative approach to seek long term capital growth

RAND MERCHANT INVESTMENT HOLDINGS LIMITED (RMI)

- Remgro elected the “reinvestment option” as an alternative to RMI’s 30 June 2018 final cash dividend, declared on 11 September 2018
- The cash dividend due to Remgro amounted to R300 million and was utilised to subscribe for 7 894 998 new RMI ordinary shares at R38.00 per share

RCL FOODS LIMITED (RCL FOODS)

- During December 2018 Remgro acquired a further 7 042 924 RCL Foods shares for a total amount of R115 million, increasing Remgro’s interest marginally to 77.5% (30 June 2018: 77.0%)

INVENFIN (PTY) LTD (INVENFIN)

- During the year under review Invenfin (a wholly owned subsidiary of Remgro) invested a further R79 million in Bos Brands, increasing its cumulative investment in Bos Brands to R323 million

PREMIER TEAM HOLDINGS LTD (PTH) AND SARACENS COPTHALL LLP (COPTHALL)

- On 24 October 2018 Remgro entered into an agreement to:
 - › dispose of its investment in PTH (the owners of the Saracens rugby club) for a nominal amount; and
 - › the right to sell its Copthall interest (the entity that houses Allianz Park – Saracens’ stadium) after three years for £8 million
- The above transaction gave Remgro the ability to completely exit the Saracens Group



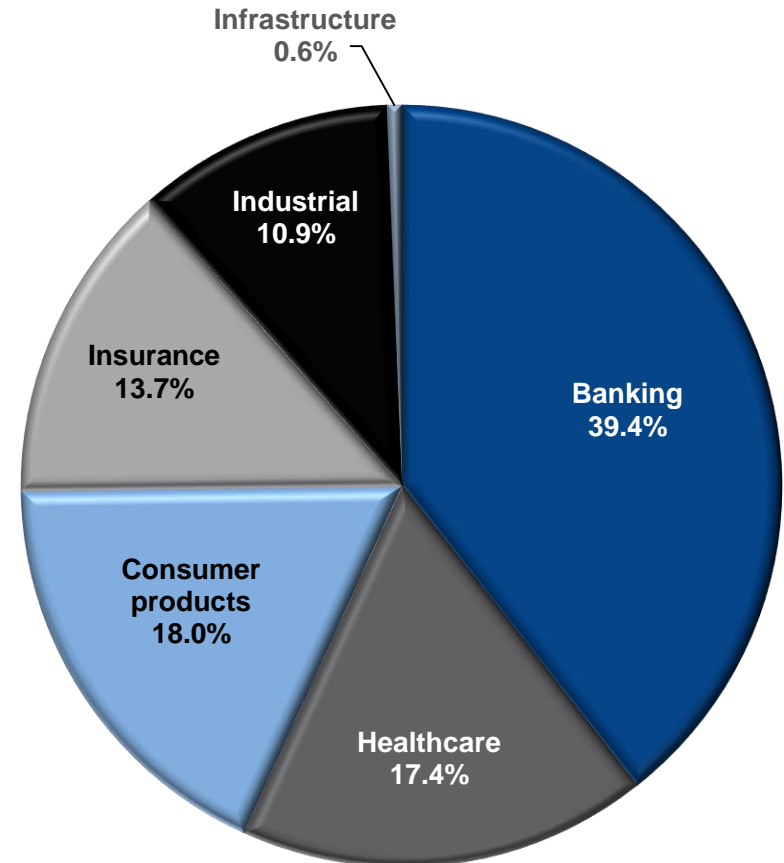
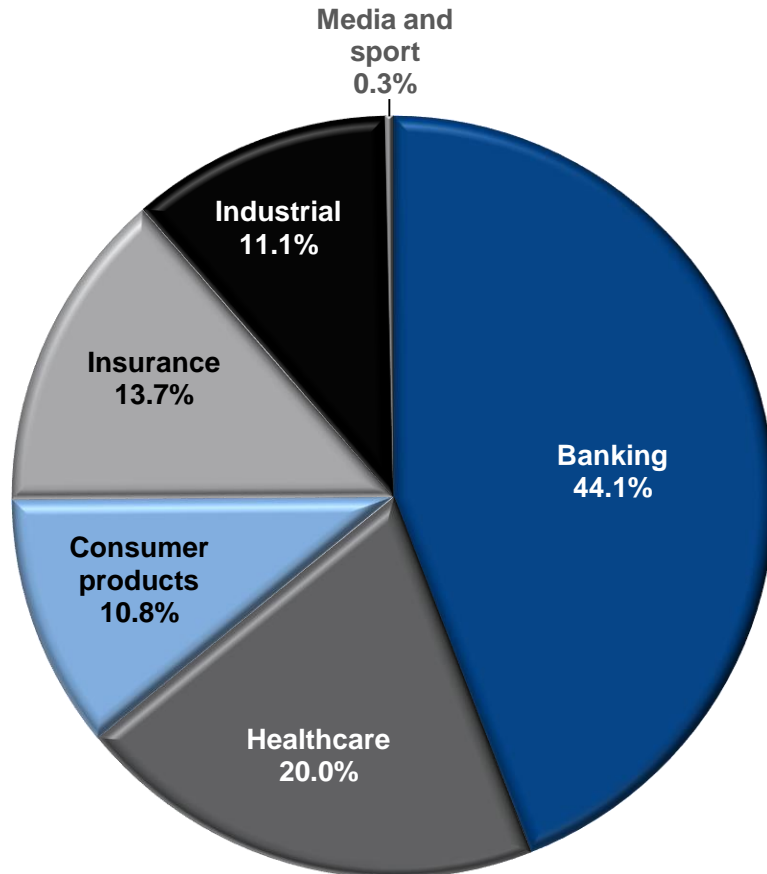
RESULTS FOR THE YEAR

CONTRIBUTION TO HEADLINE EARNINGS BY PLATFORM

(EXCL. OTHER INVESTMENTS, TREASURY AND CORPORATE COSTS)

June 2019

June 2018



* Infrastructure contributed a headline loss for the year ended June 2019

* Media and sport contributed a headline loss for the year ended June 2018

CONTRIBUTION TO HEADLINE EARNINGS (EXCL. OPTION REMEASUREMENT)

R'million	Year ended 30 June 2019	Year ended 30 June 2018	% change	% contribution
RMH and FirstRand	3 737	3 525	6.0	46.2
Mediclinic	1 693	1 556	8.8	20.9
RMI	1 161	1 228	(5.5)	14.4
Distell	459	467	(1.7)	5.7
RCL Foods	254	647	(60.7)	3.1
Siqalo Foods / Unilever	332	499	nc	4.1
Air Products	343	289	18.7	4.2
Total	328	501	(34.5)	4.1
Other investments	158	257	(38.5)	2.0
Central treasury				
- Finance income	755	524	44.1	9.3
- Finance costs	(823)	(891)	7.6	(10.2)
Other net corporate costs	(187)	(282)	33.7	(2.3)
IFRS 3 charges	(127)	(8)	nm	(1.5)
Headline earnings (excl. option remeasurement)	8 083	8 312	(2.8)	100.0

nc: not comparable

nm: not meaningful

R'million	Headline earnings			Intrinsic value		
	Year ended 30 June 2019	Year ended 30 June 2018	% change	As at 30 June 2019	As at 30 June 2018	% change
RMH	2 644	2 486	6.4	33 545	30 123	11.4
FirstRand	1 093	1 039	5.2	15 069	14 045	7.3
Total	3 737	3 525	6.0	48 614	44 168	10.1

- FirstRand and RMH reported normalised earnings growth of 5.6% and 6.6%, respectively
- These increases were mainly due to growth in:
 - › net interest income (up 9%), underpinned by solid growth in advances and deposits; and
 - › non-interest revenue (up 6%), due to strong fee and commission income growth
 - › partly offset by a 23% increase in non-performing loans due to macro pressures in certain industries affecting WesBank, IFRS 9 adoption and strong book growth in unsecured portfolios
- Remgro's effective interest in FirstRand is unchanged at 13.5%

R'million	Headline earnings			Intrinsic value		
	Year ended 30 June 2019	Year ended 30 June 2018	% <i>change</i>	As at 30 June 2019	As at 30 June 2018	% <i>change</i>
Mediclinic	1 693	1 556	8.8	17 891	31 329	(42.9)

- Mediclinic uses adjusted earnings in evaluating its performance
- The main difference between adjusted earnings and headline earnings relates to a tax credit in respect of Hirslanden properties (2018: includes an accelerated amortisation charge relating to the rebranding of all Al Noor facilities to Mediclinic and a derecognition charge in terms of unamortised finance expenses relating to the refinancing of Hirslanden's debt)
- Remgro's portion of Mediclinic's adjusted earnings amounted to R1 591 million (2018: R1 693 million), representing a decrease of 6.0%
- In British pound terms, adjusted earnings decreased by 10.4% (reflecting the weakening of the average ZAR/GBP exchange rate), mainly due to:
 - › a lower contribution from the Switzerland division due to regulatory changes in the Swiss healthcare market; partly offset by
 - › a stronger performance by the Southern African and Middle East operating divisions
- Remgro's effective interest in Mediclinic is 44.6%

R'million	Headline earnings			Intrinsic value		
	Year ended 30 June 2019	Year ended 30 June 2018	% change	As at 30 June 2019	As at 30 June 2018	% change
RCL Foods	254	647	(60.7)	7 960	11 534	(31.0)
Distell	412	459	(10.2)	9 060	9 674	(6.3)
Entity contribution	459	467	(1.7)	6 164	11 900	nc
IFRS 3 charge	(47)	(8)	nm			
Siqalo Foods / Unilever	252	499	nc			
Entity contribution	332	499	nc	23 184	33 108	(30.0)
IFRS 3 charge	(80)					
Total	918	1 605	(42.8)			

nc: not comparable

nm: not meaningful

RCL FOODS (77.5% EFFECTIVE INTEREST)

- The decrease in RCL Foods' results was largely attributable to the adverse performance of the Chicken and Sugar business units
- The local poultry and sugar industries are under significant pressure, impacted by:
 - › oversupply in the market resulting in low selling prices, driven by local volumes and dumped imports; and
 - › declining local market demand, due to muted consumer spending
- The Chicken business was further hampered by the inability to recover high feed costs
- The Sugar business was also negatively impacted by:
 - › reduced domestic sugar consumption (down 14% of total local market demand and approximately 24% of demand supplied by local producers) brought about by, inter alia, sugar tax;
 - › sugar competitors' battle for market share, severely reducing margins; and
 - › displaced local market sales, channelled to export markets at lower international prices amidst a global surplus
- The Groceries cluster performed strongly, improving volumes and margins across a broad spectrum of categories, coupled with a strong focus on operational efficiencies

DISTELL (31.8% EFFECTIVE INTEREST, 56.5% VOTING RIGHTS)

- Distell adjusted headline earnings for abnormal transactions and currency movements, which included:
 - retrenchment and restructuring costs; and
 - a credit loss provision relating to the USD denominated savings bonds with the Reserve Bank of Zimbabwe
 - whilst the comparative year included retrenchment and restructuring costs, as well as the Tanzania Distilleries Limited once-off losses
- Excluding the above, Distell reported an earnings increase of 7.0%, mainly due to overall comparable revenue growth of 9.4% on flat volumes

SIQALO FOODS (100.0% EFFECTIVE INTEREST)

R'million	Year ended 30 June 2019	Year ended 30 June 2018	% change
Revenue	2 626	-	na
Operating profit	447	-	na

na: not applicable

- During a challenging, turbulent year of transition from Unilever to a standalone business, Siqualo Foods managed to realise a 2.9% growth in volumes
- In its new structures, the business has continued to deliver similar results as in prior years and increased its 12-month moving average value market share to 74.1%, up 3.5% from 30 June 2018
- Siqualo Foods and RCL Foods have entered into a management services agreement, for a fee of R134 million per annum, in terms of which RCL Foods has been appointed to manage and assist Siqualo Foods in its day-to-day business operations by providing agreed management services, which shall be reviewed against performance measures
- Vector Logistics, a subsidiary of RCL Foods, provides integrated logistics services to Siqualo Foods
- These two contracts will enable Siqualo Foods to utilise the skills and competencies that exist within the larger Remgro Group



R'million	Headline earnings			Intrinsic value		
	Year ended 30 June 2019	Year ended 30 June 2018	% change	As at 30 June 2019	As at 30 June 2018	% change
RMI	1 161	1 228	(5.5)	15 947	17 285	(7.7)

- On a normalised basis, RMI's earnings decreased by 4.3%, mainly due to lower contributions from Discovery, OUTsurance and Hastings; partly offset by a higher contribution from Momentum Metropolitan
- Discovery's contribution decreased by 7.0% mainly due to:
 - › a weaker performance of Discovery Life due to a spike in large mortality claims; and
 - › significant investment in new strategic initiatives, most notable being Discovery Bank
- OUTsurance's contribution decreased by 8.1% due to:
 - › higher claims and cost ratios across the group;
 - › significant investments in new business growth activities; and
 - › unusually low claims in the comparative year
- Hastings' contribution to RMI decreased by 29.0% as a result of market rate reductions, claims inflation greater than premium inflation, and legislative changes which increased underwriting levies
- Momentum Metropolitan's contribution increased by 62.4% due to resilient operational performances in most of its businesses
- Remgro's effective interest in RMI is 30.6%

R'million	Headline earnings / (loss)			Intrinsic value		
	Year ended 30 June 2019	Year ended 30 June 2018	% change	As at 30 June 2019	As at 30 June 2018	% change
Air Products	343	289	18.7	4 264	4 158	2.5
KTH	161	55	192.7	2 127	2 218	(4.1)
Total	328	501	(34.5)	2 722	2 382	14.3
Wispeco	121	122	(0.8)	866	984	(12.0)
PGSI	(9)	4	(325.0)	302	692	(56.4)
Total	944	971	(2.8)	10 281	10 434	(1.5)

AIR PRODUCTS (50.0% EFFECTIVE INTEREST)

R'million	12 months to 31 March 2019	12 months to 31 March 2018	% change
Revenue	3 148	2 894	8.8
Operating profit	964	855	12.7

- The increase is mainly due to modest overall volume growth and cost containment measures

KTH (36.3% EFFECTIVE INTEREST)

R'million	Year ended 30 June 2019	Year ended 30 June 2018	% change
(Loss) / profit attributable to equity holders	(90)	738	(112.2)
Headline earnings	421	157	168.2

- The increase in headline earnings was mainly driven by:
 - › the net decrease in finance costs to R105 million (2018: R208 million) following debt repayments during the year, as well as its net attributable share of positive fair value adjustments on its investment in Actom (R132 million) and Momentum Metropolitan (R27 million);
 - › partly offset by losses in Macsteel (R42 million)
- Income from equity accounted investments decreased to R244 million (2018: R1 207 million) mainly due to profits from the disposal of a Servest operation included in the prior year (R962 million)

TOTAL (24.9% EFFECTIVE INTEREST)

R'million	12 months to 30 June 2019	12 months to 30 June 2018	% change
Revenue	75 432	59 637	26.5
Operating profit	1 735	2 736	(36.6)

- The increase in revenue was mainly due to higher sales volumes in the mining and commercial sectors
- Total's results were impacted by unfavourable stock revaluations of R2 million (2018: R1 205 million favourable) as the international oil price decreased by 13.7% from US\$74.3/barrel (30 June 2018) to US\$64.1/barrel (30 June 2019), leading to volatility in earnings
- Excluding the stock revaluations, comparable headline earnings increased by 15.4%
- Natref (in which Total has a 36.4% interest) improved results due to:
 - › higher refinery availability and utilisation (previous period impacted by a planned major shutdown and inspection, as well as unplanned shutdowns); offset by
 - › significantly lower refining margins due to the impact of the unfavourable economic environment

WISPECO (100% EFFECTIVE INTEREST)

R'million	Year ended 30 June 2019	Year ended 30 June 2018	% change
Revenue	2 377	2 266	4.9
Operating profit	145	167	(13.2)

- Revenue increased mainly due to higher selling prices driven by higher raw material costs. Southern Africa demand for aluminium extrusions did not grow in the past year
- Margins remained under pressure due to the impact of the Rand/Dollar exchange rate on raw material costs and price competition remaining fierce

PGSI (37.7% EFFECTIVE INTEREST)

R'million	12 months to 30 June 2019	12 months to 30 June 2018	% change
Revenue	4 331	4 175	3.7

- The normalised operating profit remained flat year-on-year, as both volumes and pricing in all markets were adversely impacted
- The results reflect the impact of the weak domestic market and the overcapacity in global glass markets which has resulted in significant competition from low priced imported product

R'million	Headline earnings / (loss)			Intrinsic value		
	Year ended 30 June 2019	Year ended 30 June 2018	% change	As at 30 June 2019	As at 30 June 2018	% change
Grindrod*	72	56	28.6	1 049	1 624	(35.4)
Grindrod Shipping*	(65)	(102)	36.3	292	623	(53.1)
CIVH	(204)	48	(525.0)	8 403	4 940	70.1
SEACOM	(2)	15	(113.3)	912	870	4.8
Other (incl. PRIF)	25	40	(37.5)	259	256	1.2
Total	(174)	57	(405.3)	10 915	8 313	31.3

na: not applicable

* Comparative results adjusted for Grindrod Shipping division's losses previously included in Grindrod

GRINDROD (23.3% EFFECTIVE INTEREST)

- The increase is mainly due to improved results from Grindrod's Port and Terminals and Logistics divisions
- The comparative year includes stock impairments in the rail assembly business

GRINDROD SHIPPING (22.7% EFFECTIVE INTEREST)

- During June 2018 Grindrod Shipping was separately listed and Remgro received shares as a dividend *in specie*
- The decrease in losses was mainly due to year-on-year increase in tanker rates, a decline in vessel operating expenses and lower administrative expenses; partly offset by charter rates declining in the dry bulk business

CIVH (54.4% EFFECTIVE INTEREST)

<u>DFA</u> R'million	Year ended 31 March 2019	Year ended 31 March 2018	% change
Revenue	2 349	1 916	22.6
EBIT	276	605	(54.4)

- The increase in revenue was mainly as a result of solid growth of 28.7% in annuity revenue
- Annuity income is in excess of R163 million per month (2018: R136 million per month)
- The decrease in EBIT is mainly due to once-off impairments on certain financial assets, intangible assets and goodwill, totalling R371 million, as well as a loss of R90 million relating to SqwidNet's network roll-out
- Excluding the aforementioned once-off items, the normalised EBIT increased by 21.2%
- At 31 March 2019 DFA completed a total distance of 13 600km (31 March 2018: 10 554km) of fibre network in metropolitan areas and on long-haul routes

CIVH (54.4% EFFECTIVE INTEREST) CONTINUED

Vumatel

- CIVH acquired a 34.9% shareholding in Vumatel in June 2018 and the remaining 65.1% during May 2019
- Vumatel is a leader in the Fibre-to-the-Home (FTTH) market, with a FTTH network that spans over 16 000 km
- The results of CIVH includes equity accounted losses of R98 million from its investment in Vumatel as the depreciation and interest costs on debt funded capital expenditure are incurred on the network in full, while the customer uptake profile increase over time
- Vumatel's results and financial position will be consolidated from May 2019
- EBITDA and subscriber uptake levels have shown a healthy improvement since the date of the initial acquisition (June 2018) and actual year-to-date performance against the 2020 financial year budget is better than expected
- Vumatel also continues to provide 1Gbps free uncapped access to its network for every public or private, primary or high school it passes and remains committed to providing affordable fixed line broadband access across all LSM-levels in South Africa

SEACOM (30.0% EFFECTIVE INTEREST)

- The decrease from a headline earnings to a headline loss was mainly driven by:
 - › a once-off realisation of deferred revenue relating to the early termination of long-term contracts in the comparative period, as well as
 - › the negative impact of the implementation of IFRS 15, which also resulted in a reduction of R289 million in Remgro's carrying value of SEACOM
- Good progress has been made establishing “SEACOM Business”
- Completed the acquisition of FibreCo
 - › the Bloemfontein node is now connected to SEACOM's cable network



R'million	Headline earnings / (loss)			Intrinsic value		
	Year ended 30 June 2019	Year ended 30 June 2018	% change	As at 30 June 2019	As at 30 June 2018	% change
eMedia	39	1	nm	773	866	(10.7)
Other	(19)	(48)	60.4	267	268	(0.4)
Total	20	(47)	142.6	1 040	1 134	(8.3)

nm: not meaningful

eMEDIA (32.3% EFFECTIVE INTEREST)

- The increase in contribution to Remgro's headline earnings is mainly due to:
 - › an increase in advertising revenue; assisted by
 - › e.tv's share of the prime-time broadcasting audience growing to 19.2% (March 2018: 15.0%); and
 - › the containment of costs
- eMedia continues to invest into the multi-channel business (Openview and e.tv multichannel)
 - › Openview set-top box activations growing at an average of approximately 35 000 per month (attracts 7.3% of the television audience in South Africa)
 - › As at 31 March 2019, activated set-top boxes were over c.1 570 000 (31 March 2018: c.1 149 000)
 - › As at 30 June 2019, activated set-top boxes were c.1 671 000

OTHER INVESTMENTS, TREASURY AND CORPORATE COSTS

R'million	Headline earnings / (loss)			Intrinsic value		
	Year ended 30 June 2019	Year ended 30 June 2018	% change	As at 30 June 2019	As at 30 June 2018	% change
Other investments	39	66	(40.9)	4 795	4 196	14.3
Central treasury - Finance income/cash	755	524	44.1	15 727	13 704	14.8
Central treasury - Finance costs/debt	(823)	(891)	7.6	(13 919)	(14 097)	1.3
Other net corporate costs/assets	(187)	(282)	33.7	2 499	2 536	(1.5)
Total	(216)	(583)	63.0	9 102	6 339	43.6

- Business Partners' contribution to headline earnings, included in "Other investments", amounted to R65 million (2018: R65 million)
- The increase in central treasury's finance income is mainly due to higher average cash balances as a result of the Unilever disposal
- The decrease in central treasury's finance costs is due to a profit of R90 million recognised on the refinancing of the Class A and Class B preference shares
- The decrease in other net corporate costs is mainly due to an after-tax underwriting fee of R42 million received in respect of a CIVH rights issue. The prior year included transaction costs of R109 million

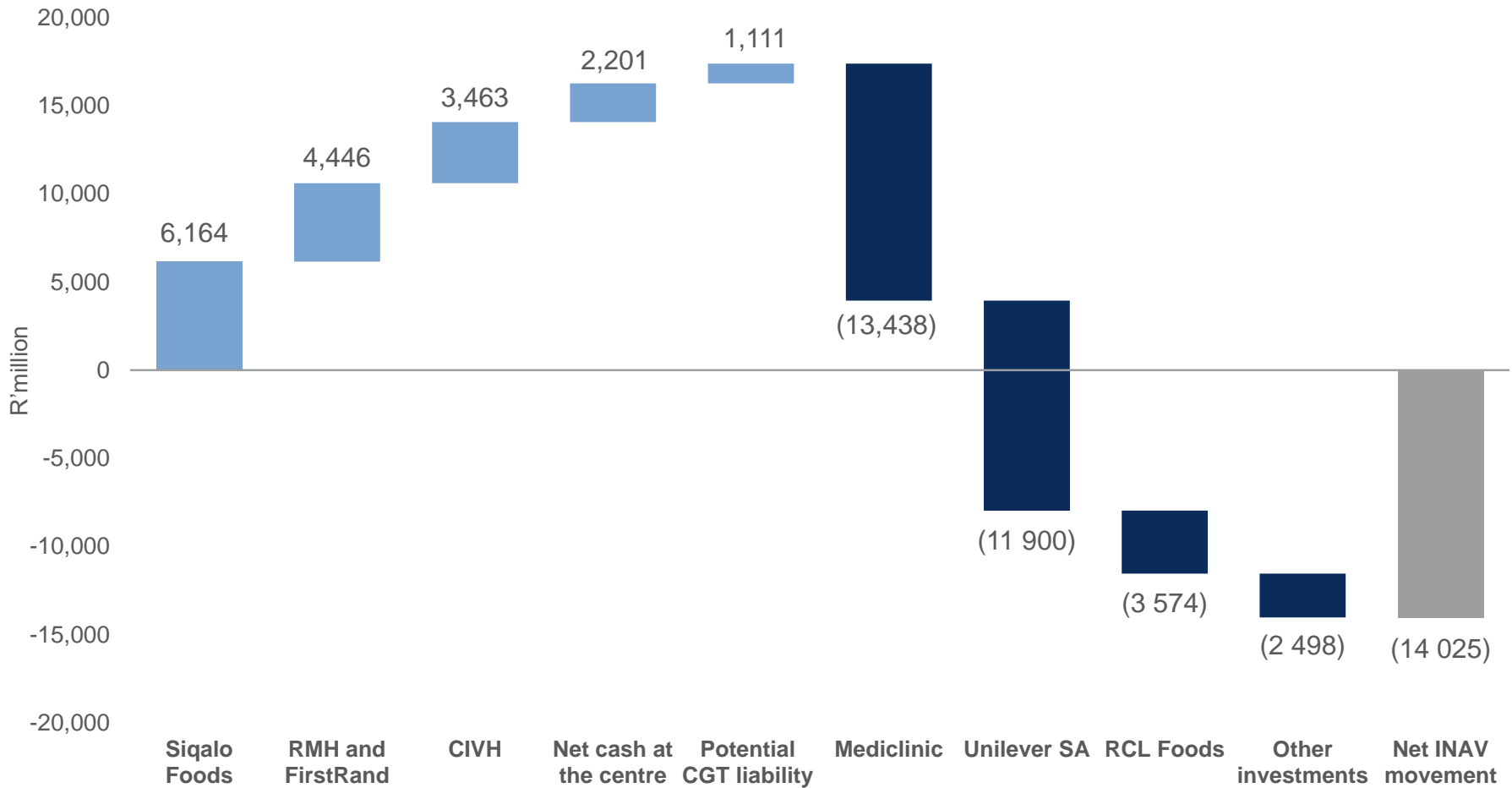
SUMMARY OF INTRINSIC NET ASSET VALUE

R'million	As at 30 June 2019	As at 30 June 2018	% change	% contribution
RMH and FirstRand	48 614	44 168	10.1	36.0
Mediclinic	17 891	31 329	(42.9)	13.2
RMI	15 947	17 285	(7.7)	11.8
Distell	9 060	9 674	(6.3)	6.7
CIVH	8 403	4 940	70.1	6.2
RCL Foods	7 960	11 534	(31.0)	5.9
Siqalo Foods / Unilever	6 164	11 900	nc	4.6
Other investments	21 127	21 673	(2.5)	15.6
Net asset value before net cash	135 166	152 503	(11.4)	100.0
Cash at the centre	15 727	13 704	14.8	
Debt at the centre	(13 919)	(14 097)	1.3	
Intrinsic NAV before CGT	136 974	152 110	(10.0)	
Potential CGT liability	(5 327)	(6 438)	17.3	
Intrinsic NAV after CGT	131 647	145 672	(9.6)	
Shares in issue (million)	564.9	566.9	(0.3)	
Intrinsic NAV per share (Rand)	233.03	256.97	(9.3)	

61.0%

nc: not comparable

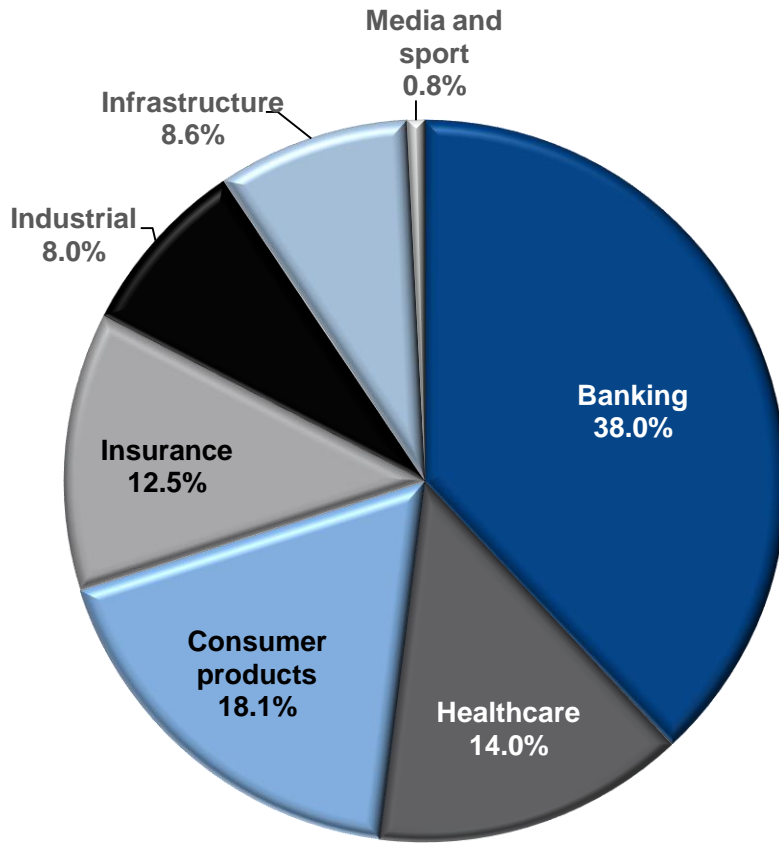
NET MOVEMENT IN INTRINSIC NAV



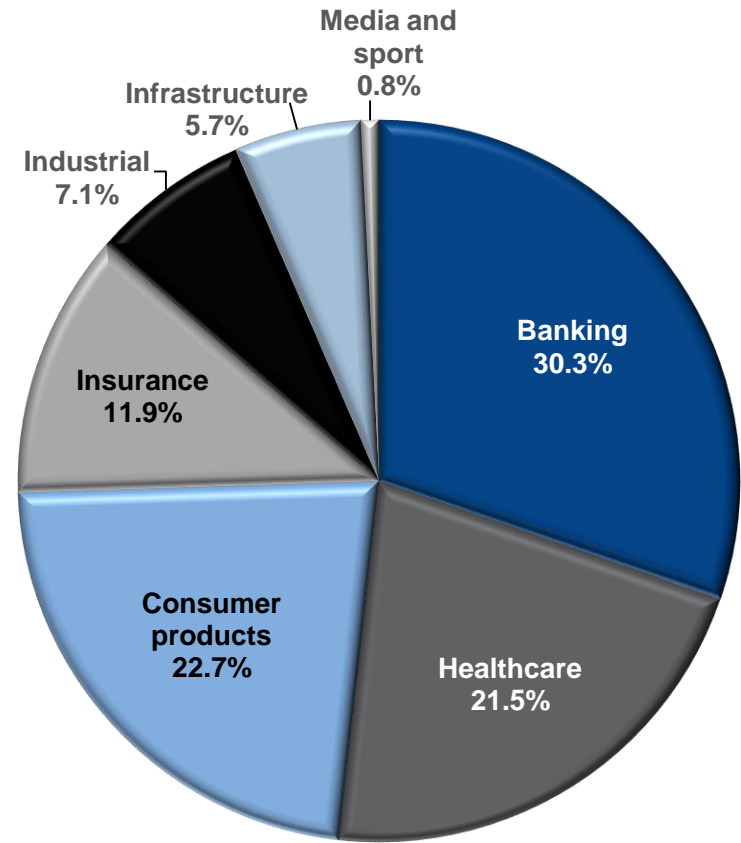
CONTRIBUTION TO INTRINSIC VALUE BY PLATFORM

(EXCL. OTHER INVESTMENTS, TREASURY AND CORPORATE COSTS)

30 June 2019

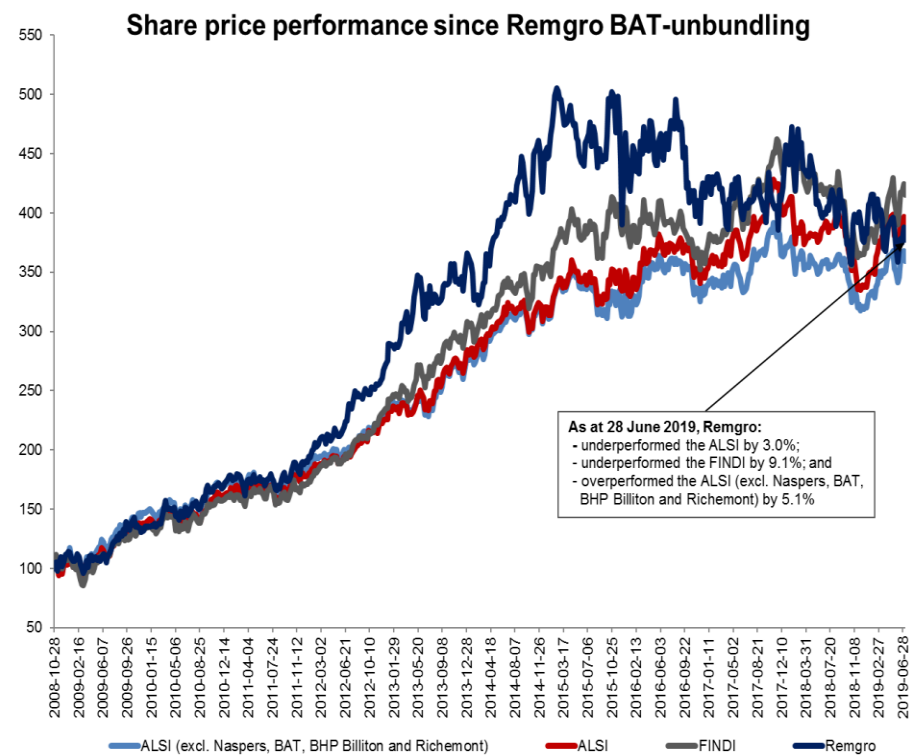
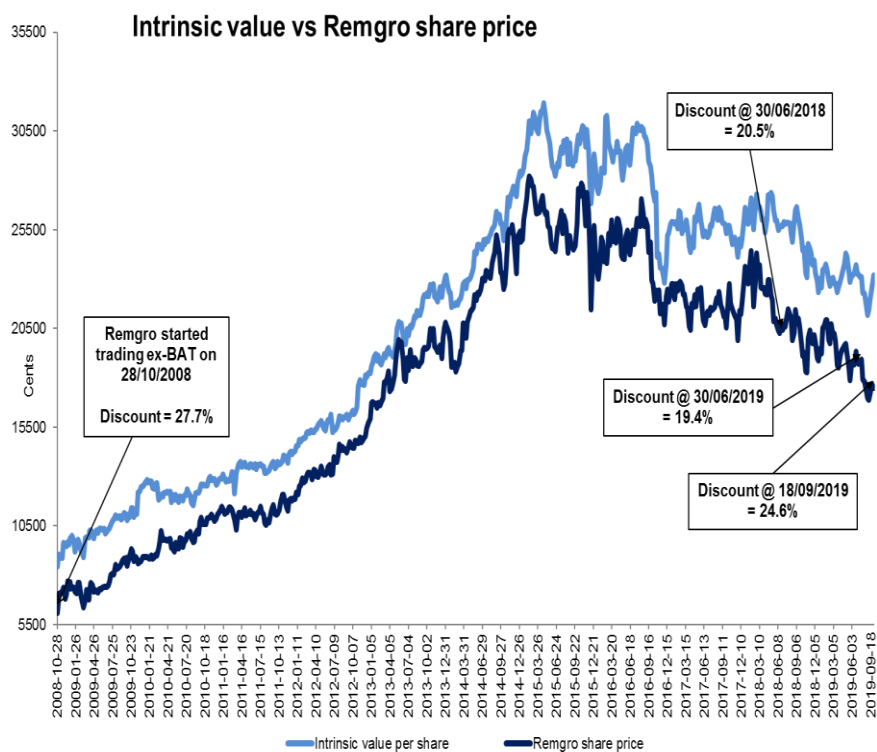


30 June 2018



SUMMARY OF INTRINSIC NET ASSET VALUE

R'million	As at 18 Sep 2019	As at 30 June 2019	As at 30 June 2018	% change
<i>Discount to intrinsic value</i>	24.6%	19.4%	20.5%	(110 bps)
Intrinsic value – after CGT (Rand)	231.66	233.03	256.97	(9.3)
Closing share price (Rand)	174.70	187.90	204.29	(8.0)



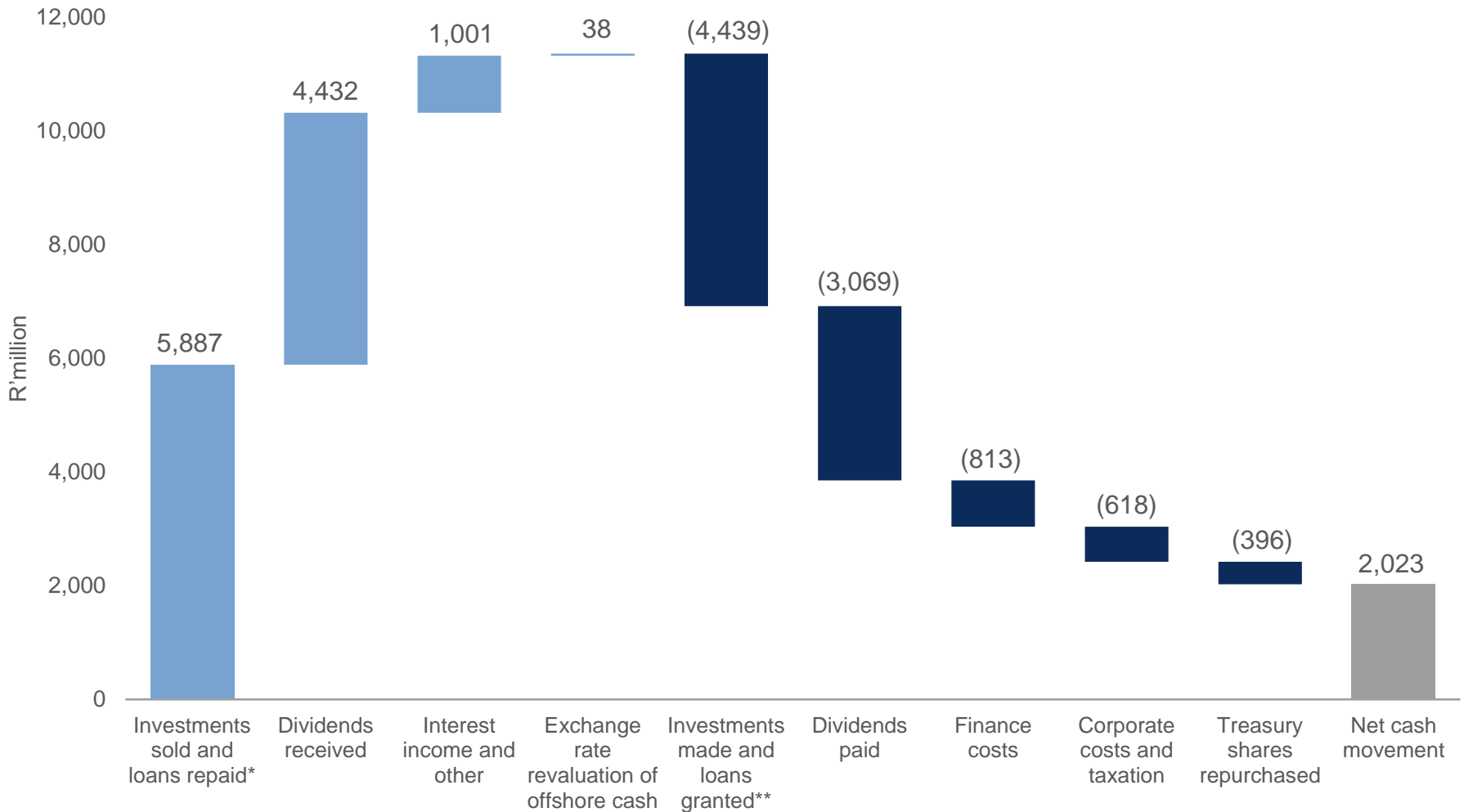
DEBT AT THE CENTRE MATURITY SCHEDULE

Preference shares	Refinanced terms	Original terms
<u>Class A preference shares (RMB)</u>		
Face value (R'million)	3 500	3 500
Redemption date	15 Jan 2024	13 Jan 2020
Dividend rate	7.5%	7.7%
<u>Class B preference shares (Standard Bank)</u>		
Face value (R'million)	4 366	4 366
Redemption date	17 Mar 2025	15 Mar 2021
Dividend rate (7.8% effective from 16 March 2021)	7.8%	8.3%
Exchangeable bonds		
	£'million	R'million
Face value	350	6 257
Coupon	2.625%	
Redemption date	22 Mar 2021	

TOTAL CASH AT THE CENTRE

	As at 30 June 2019			As at 30 June 2018
R'million	Local	Offshore	Total	Total
Per consolidated statement of financial position	5 274	7 388	12 662	12 169
Investment in money market funds	5 095	80	5 175	3 996
Less: Cash of operating subsidiaries	(1 337)	(773)	(2 110)	(2 461)
Cash at the centre	9 032	6 695	15 727	13 704
Cash held in the following currencies:				
		% of total	R'million	R'million
South African rand		57.9	9 108	9 205
USA dollar (2019: \$323.4 million; 2018: \$302.7 million)		28.9	4 550	4 149
British pound (2019: £115.4 million; 2018: £19.0 million)		13.1	2 063	344
Other		0.1	6	6
Cash at the centre		100.0	15 727	13 704

CASH FLOW AT THE CENTRE



* The investments sold relate mainly to Unilever (R4.9bn) and MCSH (R693m)

** The investments made relate mainly to CIVH (R2 955m), Prescient Fund (R727m) and RCL Foods (R115m)

DIVIDENDS RECEIVED AT THE CENTRE

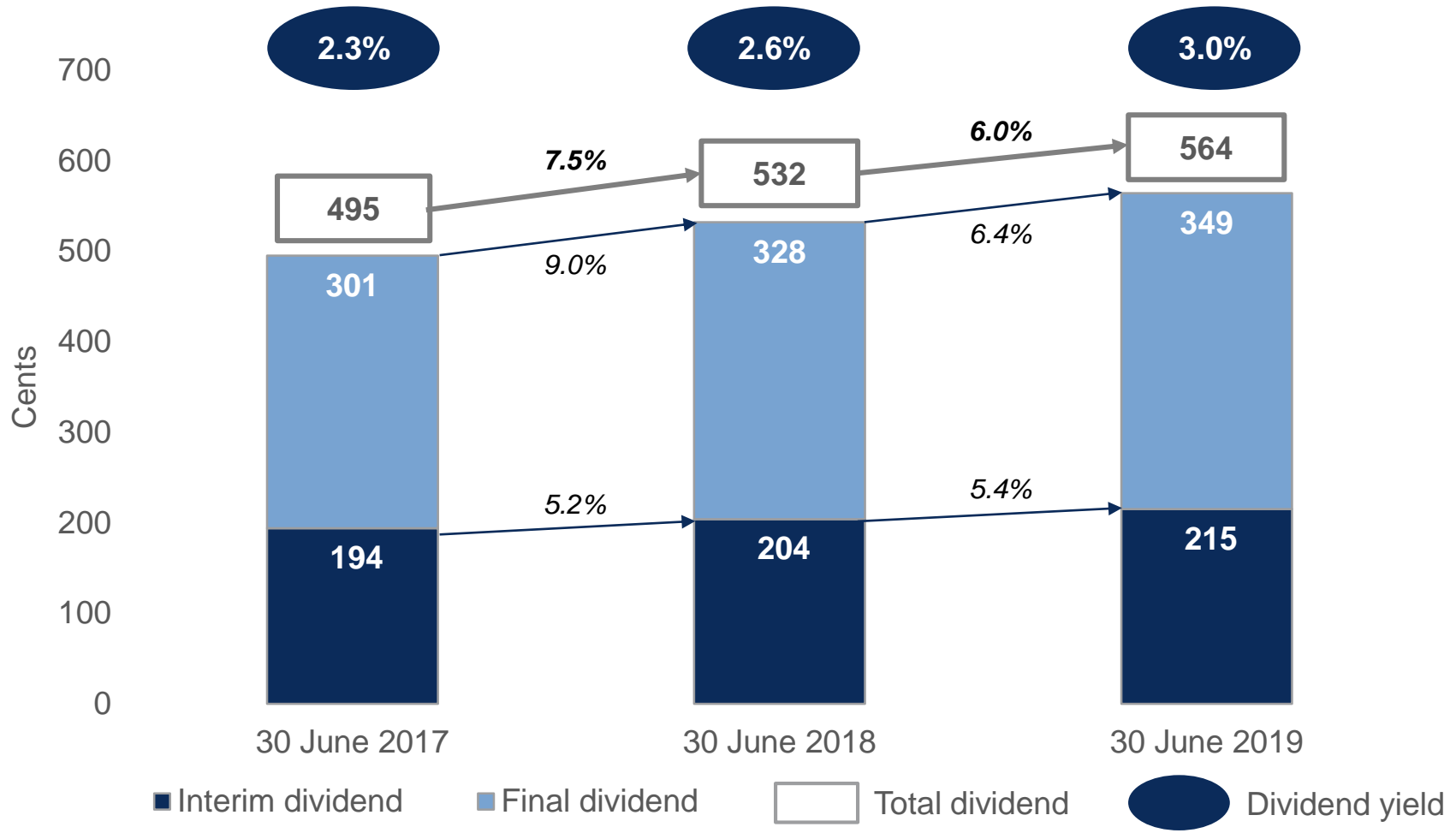
R'million	% contribution	Year ended 30 June 2019	Year ended 30 June 2018	% change
Listed investments	82.3	3 648	3 402	7.2
RMH	32.4	1 435	1 359	5.6
FirstRand	14.1	624	585	6.7
RMI	11.5	511	471	8.5
Mediclinic	10.3	456	458	(0.4)
Distell	6.4	282	264	6.8
RCL Foods	6.0	268	233	15.0
Other listed investments	1.6	72	32	121.9
Unlisted investments	17.7	784	1 114	(29.6)
Air Products	6.3	280	210	33.3
Siqalo Foods	4.5	200	-	nc
Unilever	0.1	6	633	nc
Total	3.7	164	138	18.8
Wispeco	1.0	43	61	(29.5)
Other unlisted investments	2.1	91	72	27.8
Dividends received	100.0	4 432	4 516	(1.9)
Adjusted for Unilever transaction	-	-	(194)	
Comparable dividends received	100.0	4 432	4 322	2.5

nc: not comparable

EARNINGS AND DIVIDEND YIELDS BY PLATFORM

R'million	Earnings yield %		Dividend yield %	
	30 June 2019	30 June 2018	30 June 2019	30 June 2018
Banking	7.7	8.0	4.2	4.4
RMH	7.9	8.3	4.3	4.5
FirstRand	7.3	7.4	4.1	4.2
Healthcare - Mediclinic	9.5	5.0	2.5	1.5
Consumer products	4.0	4.8	3.3	3.4
Siqalo Foods / Unilever (2018)	5.4	4.2	3.2	5.3
Distell	5.1	4.7	3.1	2.7
RCL Foods	3.2	5.6	3.4	2.0
Insurance - RMI	7.3	7.1	3.2	2.7
Industrial	9.2	9.3	4.7	3.9
Air Products	8.0	7.0	6.6	5.1
Total	12.0	12.0	6.0	5.8
Wispeco	14.0	12.4	5.0	6.2
Infrastructure	(1.6)	0.7	0.7	0.4

CASH DIVIDEND



- The final dividend of 349 cents represents an increase of 6.4% from the June 2018 final dividend of 328 cents



THANK YOU

For more information visit our website www.remgro.com

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REMGRO'S EFFECTIVE SHAREHOLDING IN INVESTMENTS

Listed investment	Effective shareholding	
FirstRand	13.5%	3.9%
RMH		28.2%
Mediclinic		44.6%
RCL Foods		77.5%
Distell		*31.8%
RMI		30.6%
Grindrod		23.3%
Grindrod Shipping		22.7%

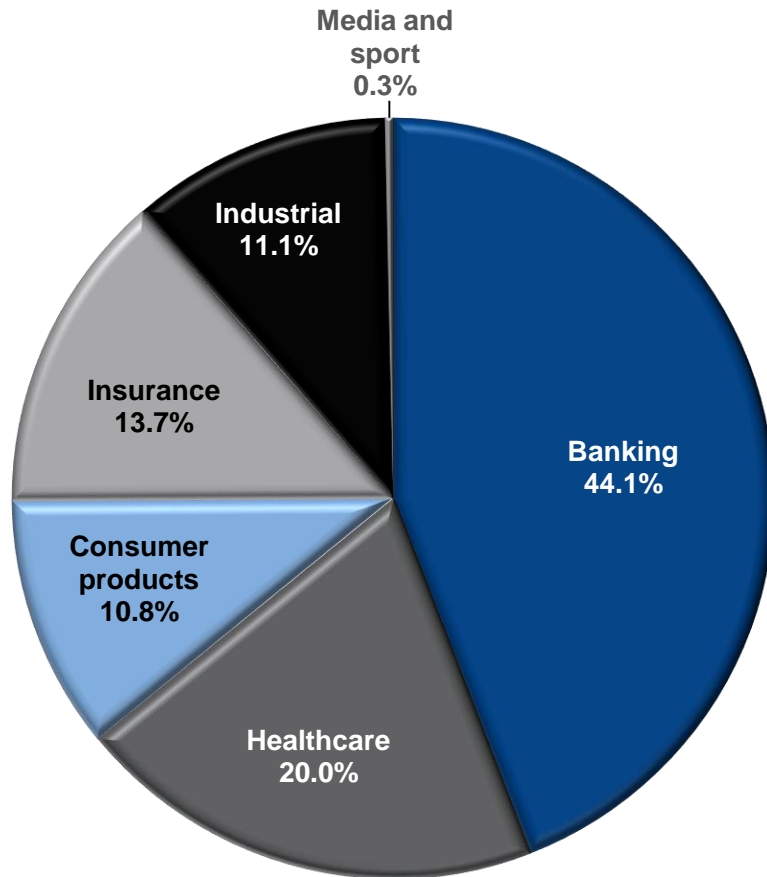
* Remgro has 56.5% of the voting rights

Unlisted investment	Effective shareholding
Siqalo Foods	100.0%
Total	24.9%
Air Products	50.0%
KTH	36.3%
Wispeco	100.0%
PGSI	37.7%
CIVH	54.4%
eMedia	32.3%
SEACOM	30.0%
Business Partners	42.8%

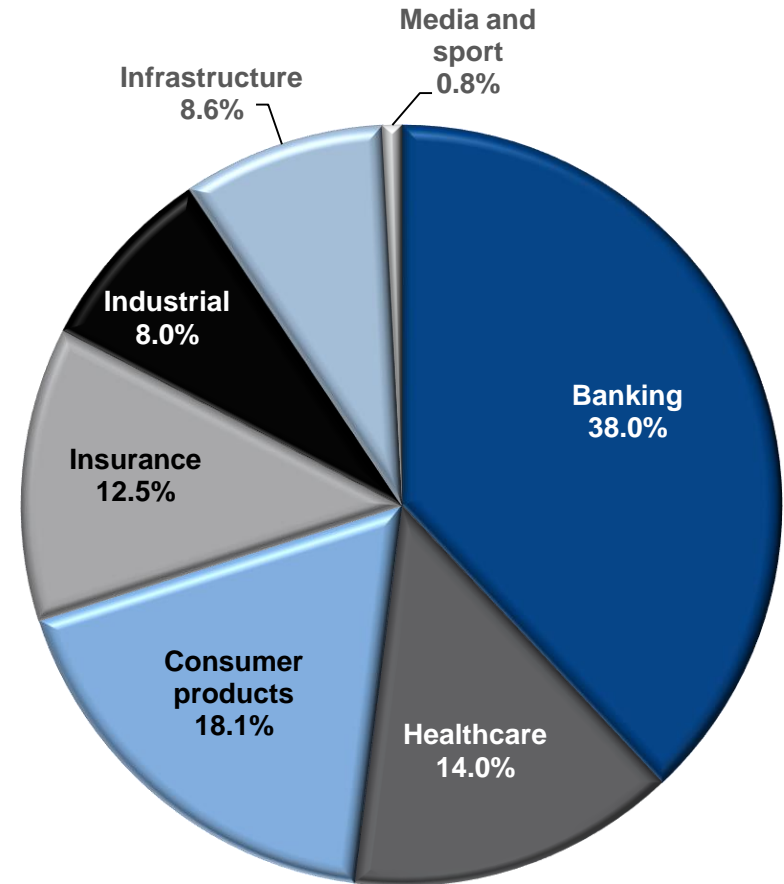
CONTRIBUTION BY INVESTMENT PLATFORM

(EXCL. OTHER INVESTMENTS, TREASURY AND CORPORATE COSTS)

Headline earnings for the year to 30 June 2019



Intrinsic value as at 30 June 2019



* Infrastructure contributed a headline loss for the year ended June 2019

INFORMATION ON UNLISTED INVESTMENTS

Business	Profile
Consumer products	
Siqalo Foods	Siqalo Foods manufactures and markets well-known brands which include <i>Rama, Flora, Stork and Rondo</i> .
Industrial	
Air Products	Air Products produces oxygen, nitrogen, argon, hydrogen and carbon dioxide for sale in gaseous form by pipeline under long-term contracts to major industrial users, as well as the distribution of industrial gases and chemicals for sale, together with ancillary equipment, to the merchant market. The other 50% of the ordinary shares is held by Air Products and Chemicals Incorporated, a USA company.
Total	Total's business is the refining and marketing of petroleum and petroleum products in South Africa. It distributes to neighbouring countries. It has a 36.4% interest in Natref.
KTH	KTH is a leading black-owned investment company and has a strong and diversified asset portfolio covering the resources, industrial, media, financial services, healthcare, property and information technology sectors. Largest investments include Kagiso Media, Momentum Metropolitan and Servest.
PGSI	PGSI holds an interest of 80% in PG Group. The PG Group is South Africa's leading integrated flat glass business that manufactures, distributes and installs high-performance automotive and building glass products. Its brands include PG Glass, Shatterprufe, PFG Building Glass, Primador, Smartglass, Widney, Safevue and Lumar.
Wispeco	Wispeco's main business is the manufacturing and distribution of extruded aluminium profiles used in the building, engineering and durable goods sectors. Brands include CREALCO and Sheerline.

INFORMATION ON UNLISTED INVESTMENTS

Business	Profile
Media and sport	
eMedia	eMedia has a range of media interests, which includes e.tv, eNews Channel Africa (eNCA), Gauteng-based radio station, Yfm and various studio and facilities businesses. It also owns the free-to-air satellite platform Openview HD.
Infrastructure	
CIVH	DFA, a wholly owned subsidiary, constructs and owns fibre optic networks. CIVH owns 100% interest in Vumatel, a leader in the Fibre-to-the-Home market
SEACOM	SEACOM provides high-capacity international fibre-optic bandwidth on the African continent. The company also sells products to Enterprise customers through SEACOM Business.