



Results Press Release for the year ended 30 June 2020

INFLECTION POINT FOR REMGRO AMIDST COVID-19 PANDEMIC

- **Total headline earnings per share: down by 61.3% to 560.6 cents**
- **Headline earnings per share from continuing operations: down by 68.7% to 307.5 cents**
- **Earnings per share: down by 9.1% to 1 176.4 cents**
- **Ordinary dividend per share: down by 53.0% to 265 cents**
- **Intrinsic net asset value per share as at 30 June 2020: R154.47**

The Covid-19 pandemic and the resulting lockdown measures have brought desperation and devastation upon millions. In South Africa, lives and livelihoods have been lost, with household finances decimated and many going hungry in large parts of our country. This crisis is one of unknown unknowns and managing the crisis is the number one priority for Remgro and all of our investee companies. Our focus is on the factors within our control, the health and well-being of our people, ensuring that our investments have the most robust financial positions to support business continuity and making sure that underlying investee companies that are in a position to offer help to the country are enabled to do so.

For the year to 30 June 2020, total headline earnings decreased by 61.4% from R8 195 million to R3 167 million, while total headline earnings per share (HEPS) decreased by 61.3% from 1 448.9 cents to 560.6 cents. As a result of the unbundling of Remgro's 28.2% interest in RMB Holdings Limited (RMH) (RMH Unbundling), headline earnings is also presented for continuing operations and discontinued operations. The investment in RMH is treated as a discontinued operation and, accordingly, discontinued operations include the equity accounted income of RMH. For the year under review the investment in RMH was equity accounted for the nine months to 31 March 2020 (2019: twelve months to 30 June 2019). Headline earnings and HEPS from continuing operations decreased by 68.7% from R5 551 million to R1 737 million and from 981.4 cents to 307.5 cents, respectively. Headline earnings and HEPS from discontinued operations decreased by 45.9% from R2 644 million to R1 430 million and from 467.5 cents to 253.1 cents, respectively.

The decrease in headline earnings from continuing operations is mainly due to the negative impact that the Covid-19 pandemic and the resultant lockdown measures had on the earnings of Rand Merchant Investment Holdings Limited, FirstRand Limited, Total South Africa Proprietary Limited, Kagiso Tiso Holdings Proprietary Limited, Distell Group Holdings Limited and RCL Foods Limited, as well as lower interest income, increased losses from Community Investment Ventures Holdings Proprietary Limited as they expand their fibre network footprint, organically and acquisitively, and a once-off donation of R500 million to The South African SME Relief Trust (Sukuma donation).

Commentary on the performance of each of the underlying reporting platforms is set out in the audited summary consolidated results for the year ended 30 June 2020 released herewith.

Remgro's intrinsic net asset value per share decreased by 33.7% from R233.03 at 30 June 2019 to R154.47 at 30 June 2020. The decrease reflects the impact of the RMH Unbundling and the negative impact of the Covid-19 pandemic on market values (listeds) and fair values (unlisteds) of underlying investee companies. The closing share price at 30 June 2020 was R99.90 (2019: R187.90) representing a discount of 35.3% (2019: 19.4%) to the intrinsic net asset value.

Remgro's total cash at the centre at 30 June 2020 was R17 073 million (2019: R15 727 million).

For the year ended 30 June 2020, a final gross dividend of 50 cents per share (2019: 349 cents) was declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value. The final dividend was adjusted downwards to take into account the RMH Unbundling and the impact of the Covid-19 pandemic.

Jannie Durand, CEO of Remgro, concluded: *"The onslaught of Covid-19 has undoubtedly changed our economic, political and social environments faster than anyone would have anticipated prior to its outbreak. It has forced individuals and companies alike to re-evaluate the manner in which we interact and the way in which we will continue to do business going forward. While Covid-19 has forced change on us all, 2020 has also been another major inflection point for Remgro following the unbundling of our interest in RMH. As with previous inflection points in Remgro's history (the previous major one being the unbundling of Remgro's interest in British American Tobacco plc in 2008), this provides Remgro with another opportunity to reshape its trajectory while continuing to drive value creation through a portfolio that has now been rebalanced with an increase in the unlisted investments' weighting."*

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Group profile

Originally established in the 1940s by the late Dr Anton Rupert, Remgro's investment portfolio has evolved substantially and currently includes investee companies across seven platforms. The Company is listed on the Johannesburg Securities Exchange (JSE), operated by the JSE Limited in South Africa under the "Financials – Financial Services – Investment Banking and Brokerage Services – Diversified Financial Services" sector, with the share code "REM". Remgro's interests consist mainly of investments in the financial services, healthcare, consumer products, industrial, infrastructure and media and sport industries. Remgro's most significant investments are Mediclinic International plc (44.6% interest), Rand Merchant Investment Holdings Limited (30.6% interest), Community Investment Ventures Holdings Proprietary Limited (54.7% interest), FirstRand Limited (4.0% interest), Distell Group Holdings Limited (31.8% interest), RCL Foods Limited (77.1% interest), Sigalo Foods Proprietary Limited (100.0% interest), Air Products South Africa Proprietary Limited (50.0% interest) and Total South Africa Proprietary Limited (24.9% interest). These investments contribute approximately 85% to Remgro's Intrinsic Net Asset Value (INAV).