



INTERIM RESULTS PRESENTATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

18 MARCH 2020

Remgro
Limited

AGENDA

1	SALIENT FEATURES	Jannie Durand
2	SETTING THE SCENE	Jannie Durand
3	STRATEGY	Jannie Durand
4	EXECUTING ON STRATEGY	Jannie Durand Pieter Uys
5	INVESTMENT ACTIVITIES	Jannie Durand
6	RESULTS FOR THE SIX-MONTH PERIOD	Neville Williams

PRESENTERS



Jannie Durand
(CEO)



Neville Williams
(CFO)



Pieter Uys
(Strategic Investments)

SALIENT FEATURES



SALIENT FEATURES

	Six months 31 Dec 2019	Six months 31 Dec 2018	% change
Headline earnings measures (Rand)			
Headline earnings per share (HEPS)	7.51	7.52	▼ 0.2
HEPS excl. option remeasurement	7.51	7.33	▲ 2.4
Interim dividend (Rand)	2.15	2.15	0.0

	As at 31 Dec 2019	As at 30 Jun 2019	% change
Intrinsic net asset value per share (Rand)	240.93	233.03	▲ 3.4
Closing share price (Rand)	195.00	187.90	▲ 3.8
<i>Discount to intrinsic value</i>	19.1%	19.4%	(30bps)

HEADLINE EARNINGS EXCL. OPTION REMEASUREMENT

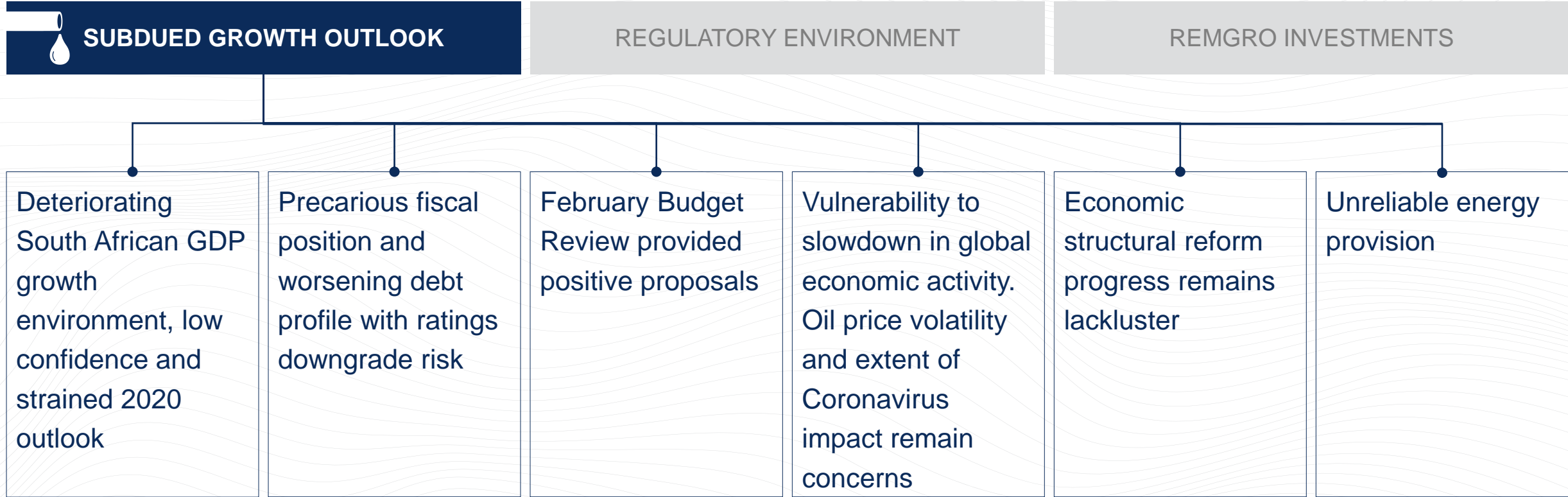
R million	Six months 31 Dec 2019	Six months 31 Dec 2018	% change
Reported headline earnings	4 242	4 259	▼ 0.4
Adjusted for:			
Option remeasurement	(1)	(106)	
Headline earnings excl. option remeasurement	4 241	4 153	▲ 2.1
Weighted number of issued shares (million)	565.0	566.3	▼ 0.2
HEPS excl. option remeasurement (Rand)	7.51	7.33	▲ 2.4



SETTING
THE SCENE



MACRO OUTLOOK



REGULATORY DEVELOPMENTS

SUBDUED GROWTH OUTLOOK



REGULATORY ENVIRONMENT

REMGRO INVESTMENTS

National Credit
Amendment Bill

National Health
Insurance Bill

Health Market
Inquiry

Health Promotion
Levy (sugar tax)

Land Reform

REMGRO INTO THE NEXT DECADE

SUBDUED GROWTH OUTLOOK

REGULATORY ENVIRONMENT



REMGRO INVESTMENTS

Underlying investments focused on navigating current global storms

Resilient brands and offerings

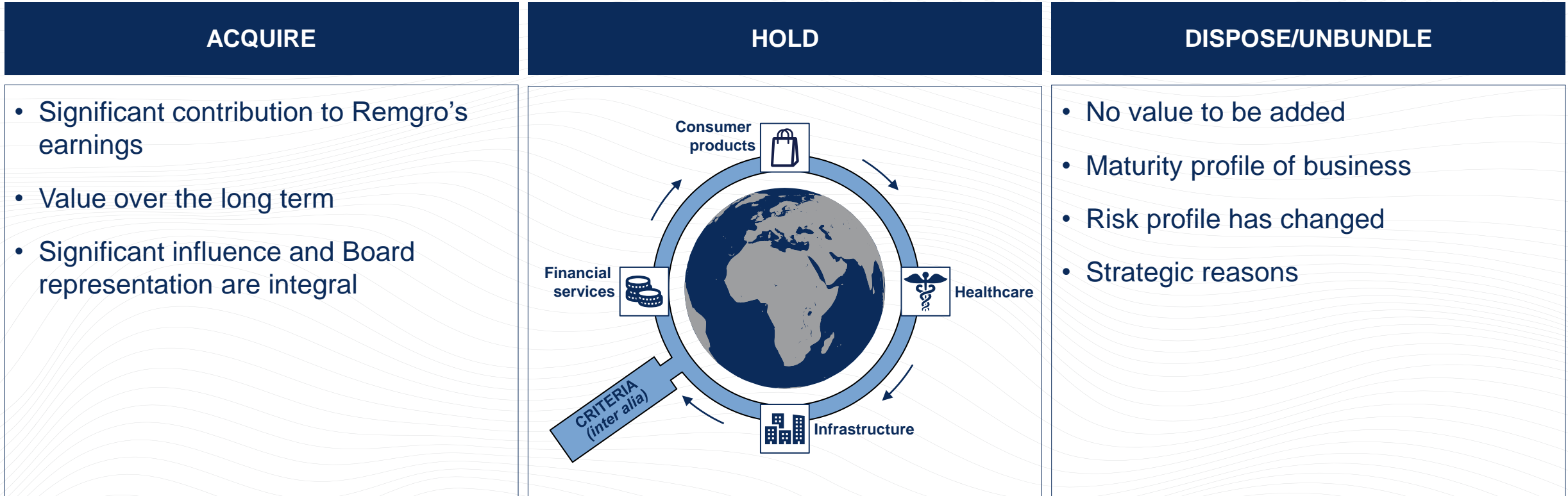
Reset, regrow, repeat

3

STRATEGY



INVESTMENT STRATEGY (CAPITAL ALLOCATORS)



Prevailing culture and ethics of the Board and management team



Expected return on investment > Remgro's internal hurdle rate



Environmental footprint of the enterprise



Viability of products and services and their life cycles



Social responsibility awareness of the enterprise



Barriers to entry



EXECUTING
ON STRATEGY



71 YEARS OF DOING BUSINESS | MAJOR BUSINESS DEVELOPMENTS

1940s

Rembrandt (now Remgro) incorporated

1970s

Overseas tobacco interests consolidated in Rothmans International. Expanded interests into various other sectors

1990s

Co-founded Vodacom

2008

BAT unbundled

2019

Intention to unbundle RMH/FirstRand in full/part announced

1950s

Rembrandt listed on the JSE in 1956

1980s

Separated local and overseas interests with founding of Compagnie Financière Richemont AG

2000

Rembrandt restructured into Remgro and VenFin

2001

Exchanged interests in Billiton and Gold Fields with Anglo American and De Beers for FirstRand shares

2009

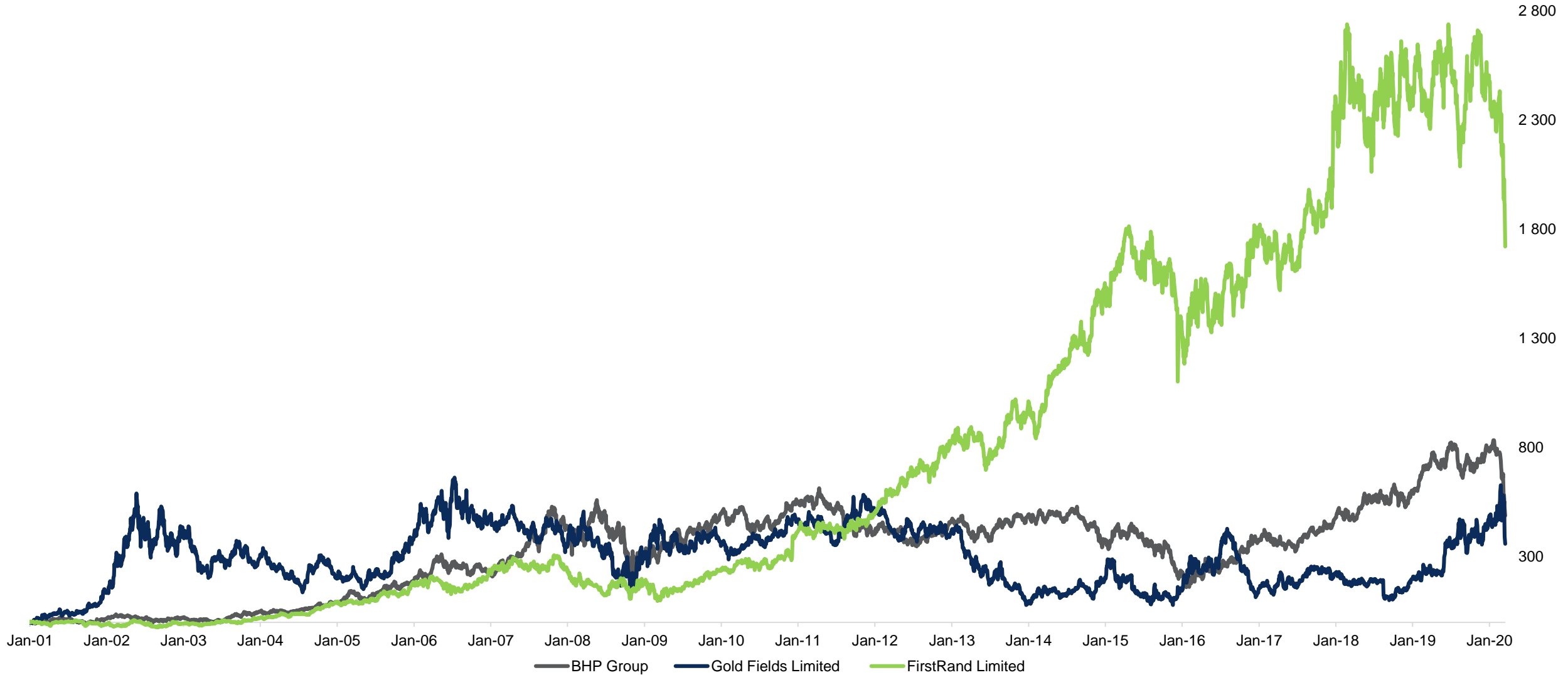
Remgro and VenFin merged

2012

Implats unbundled

HISTORY

INVESTMENT IN RMH/FIRSTRAND SINCE JANUARY 2001



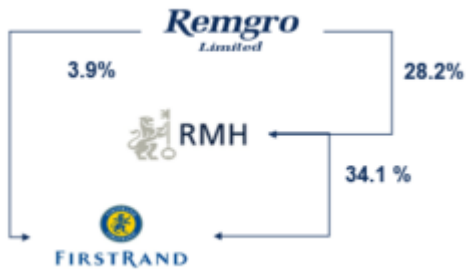
Total shareholder return from 1 January 2001 to 16 March 2020

RATIONALE FOR UNBUNDLING

MULTIPLE ENTRY POINTS

Improve scarcity factor of the Remgro portfolio

Multiple listed entry points



INVESTMENT LIFE CYCLE

Rebalance the maturity profile of the Remgro portfolio

Mix of early stage high-growth businesses and more mature stable businesses

FirstRand developed into large, mature, independent business

STRATEGIC CONSIDERATIONS

Unlock value over the long term

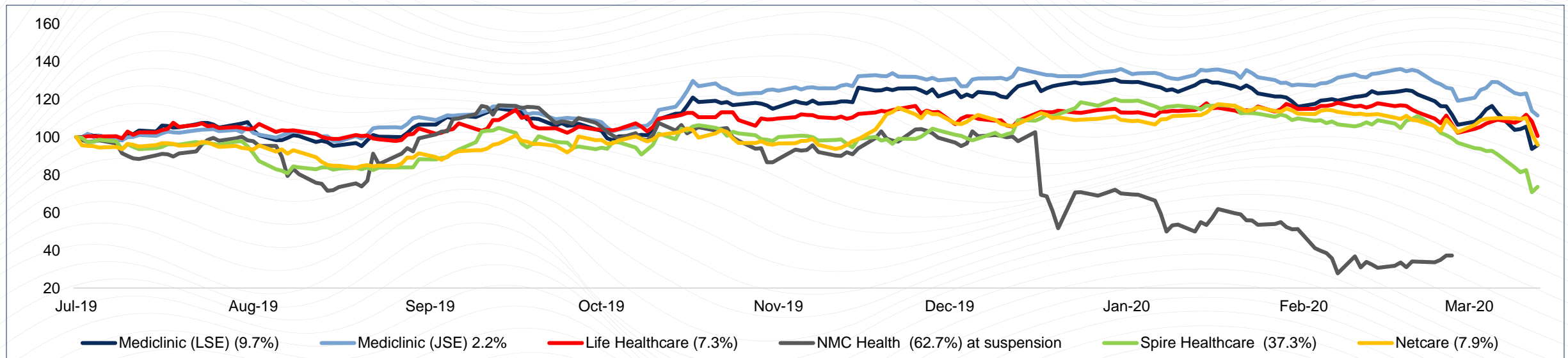
Remgro's role as a "strategic enabler" to undertake transformational strategies

Enable greater impact of earlier life-cycle businesses

STRATEGIC PRIORITIES | KEY ISSUES

MEDICLINIC

- Investment case for long-term value creation
- Unified focus
- Recent relative performance against peers
- Growing across the healthcare continuum and adapting the business to the regulatory changes affecting the Swiss healthcare system



Share price performance from 1 July 2019 to 16 March 2020

STRATEGIC PRIORITIES | KEY ISSUES

RCL FOODS

- Sugar and Chicken industries are in severe distress due to long-term structural supply-demand imbalances
- Master plans in various stages of development – chicken import tariff increase announced on 13 March 2020
- RCL seeks to
 - help stabilise the industry and find appropriate long-term solutions
 - build its food platform in value-added segments

Sugar Master Plan



The industry is participating in developing a Sugar Master Plan under the guidance of the Department of Trade and Industry (DTI), government agencies, downstream users, retailers and labour to urgently stabilise the industry.

Chicken Master Plan



CIVH | HISTORY

2007

Dark Fibre Africa (DFA) founded

2010

1 000 km of DFA-network rolled out

2014

First aggregation node of DFA built.
Expand into FTTB: acquire Conduct

2017

10 000 km of DFA-network rolled out.
VumaCam founded

2019

Completion of Vumatel acquisition.
Launch Emerging Markets FTTH (**Vuma Reach**) in Mitchells Plain

2009

Pretoria-Mtunzini long haul route

2012

Cape Town – Yzerfontein long haul completed

2014

Vumatel founded

2016

Sqwidnet founded

2018

Sqwidnet network covers 90% of population

HISTORY

CIVH | FIBRE INFRASTRUCTURE

- Fibre network of scale across key metros
- Open access wholesale business model
- 29 300 km of fibre owned and operated
- Highly visible and recurring cash flows
- More than 11 500 mobile base stations connected
- 690 000 homes and businesses passed
- 240 000 homes and businesses connected
- Low customer churn (<1%)

FTTB Enterprise connectivity

- High bandwidth connectivity service to customers
- Focused on layer 1 infrastructure and layer 2 managed connectivity services
- Long-term contracts with average remaining term of 6 years

FTTH residential connectivity

- Connecting thousands of homes across key metros through a 100% fibre network
- Emerging market roll-out into areas with lower household income levels
- Growth in demand for bandwidth driving uptake

CIVH | CAPITAL STRUCTURE

Debt restructure

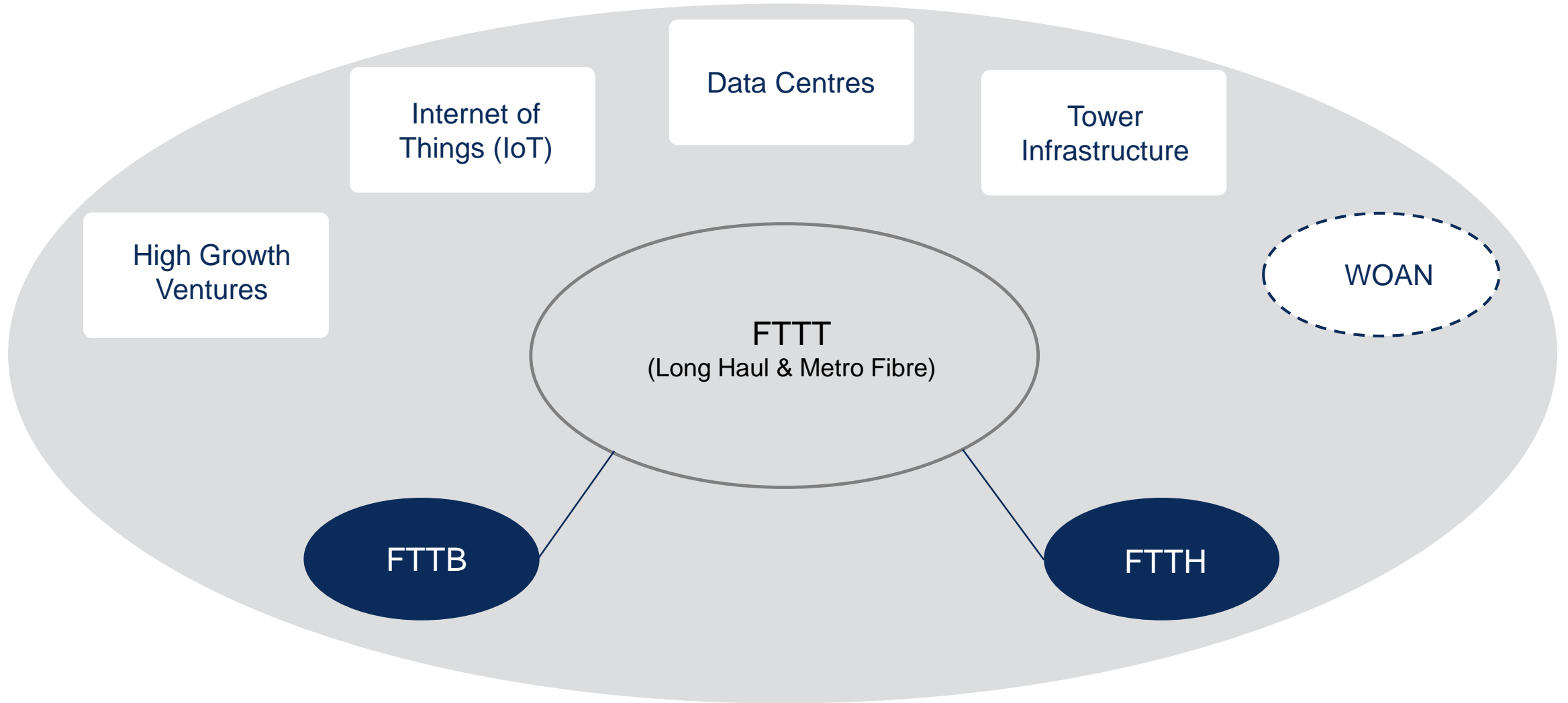
- Balance sheet restructure required following completion of Vumatel acquisition
- Debt refinancing and restructure completed during December 2019
- Optimal consolidated debt package
- Debt facility capacity of up to R18 billion, depending on group EBITDA and covenant levels

Primary Equity raise

- Targeting up to R6bn of primary capital from black fund manager
- Reducing debt at holding company level incurred to part fund Vumatel acquisition
- Have capital available for funding of network rollout

The capital structure changes provide CIVH with sufficient funding to execute on its planned extension of the fibre networks

CIVH | OPPORTUNITIES





INVESTMENT ACTIVITIES



INVESTMENT ACTIVITIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

FIRSTRAND/RMH

MILESTONE CHINA

INVENFIN

- On 19 November 2019 (renewed on 7 January 2020 and 18 February 2020) Remgro announced its intention to pursue the distribution to shareholders, in full or in part, of Remgro's exposure to FirstRand and RMH.
- In parallel, RMH announced that it had made the strategic decision to restructure the RMH portfolio of assets and liabilities, which will include the distribution of its shareholding in FirstRand to its shareholders.
- A detailed terms announcement is expected to be released before the end of March 2020.

INVESTMENT ACTIVITIES FOR THE SIX MONTHS ENDED 31 DECEMBER 2019

FIRSTRAND/RMH

MILESTONE CHINA

INVENFIN

- Remgro invested a further US\$1 million in Milestone III and received distributions of US\$40 million, thereby increasing its cumulative investment to US\$98 million and cumulative distributions received to US\$65 million.
- As at 31 December 2019 the fair value of Remgro's investment in Milestone III amounted to US\$78 million and the remaining commitment amounted to US\$1 million, resulting in an IRR > 7% in US\$ terms and 1.4x money back.
- Invenfin invested a further R56 million in Bos Brands, thereby increasing its cumulative investment in Bos Brands to R379 million.



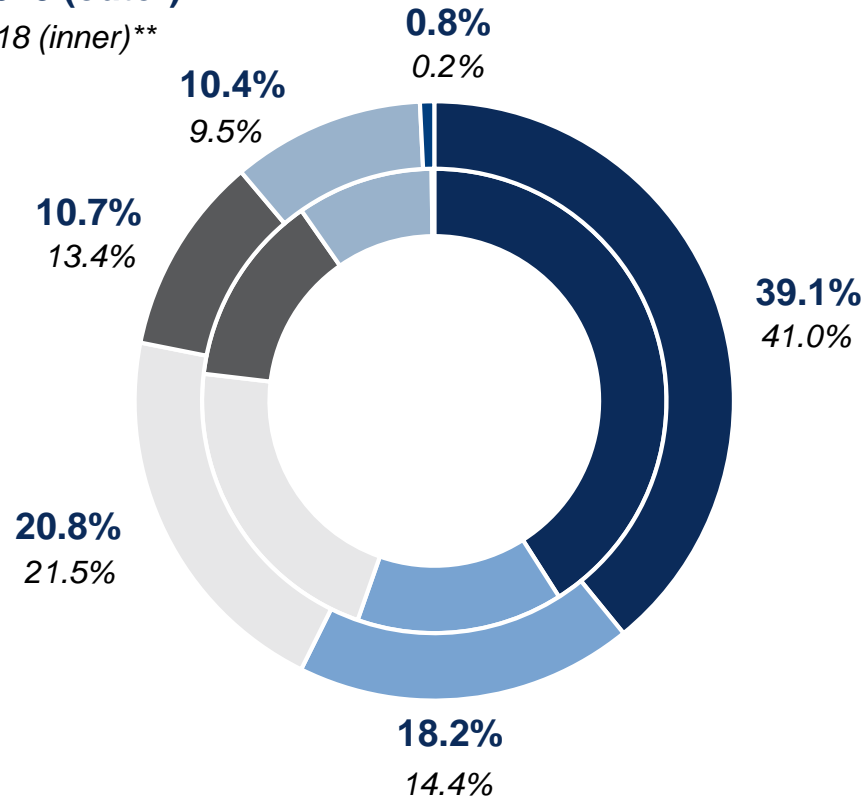
RESULTS FOR
THE SIX-MONTH
PERIOD



CONTRIBUTION BY PLATFORM

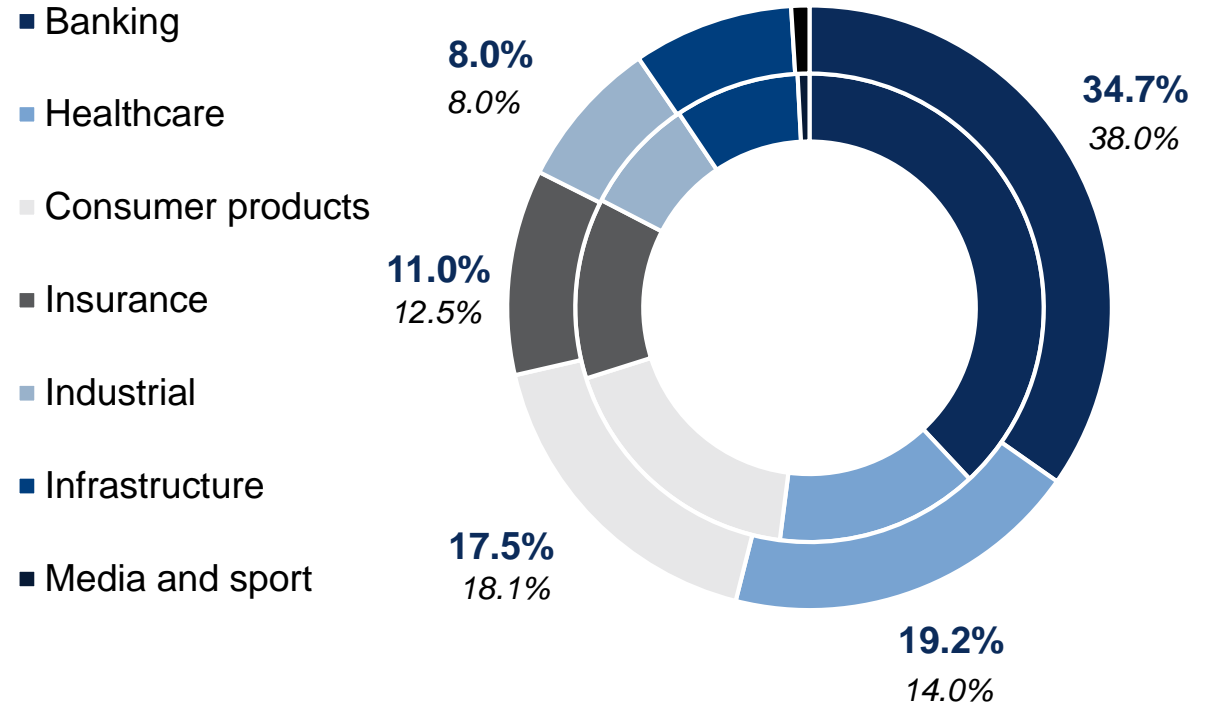
Headline earnings*

Dec 2019 (outer)**
Dec 2018 (inner)**



Intrinsic NAV*

Dec 2019 (outer)
Jun 2019 (inner)



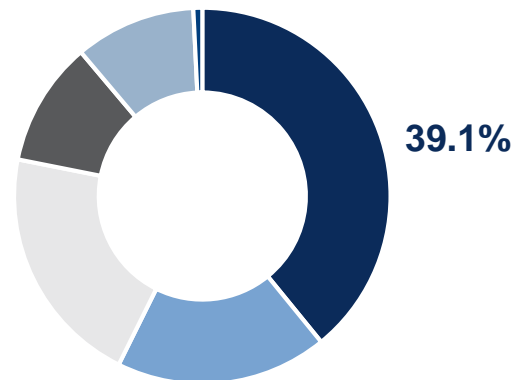
*Excluding other investments, treasury and corporate costs

**Infrastructure contributed headline losses for the six months ended 31 December 2019 and 31 December 2018

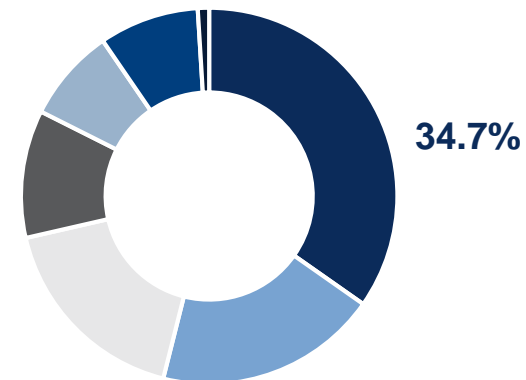
BANKING

R million	Headline earnings			Intrinsic value		
	Six months 31 Dec 2019	Six months 31 Dec 2018	% change	As at 31 Dec 2019	As at 30 Jun 2019	% change
RMH	1 290	1 252	3.0	31 971	33 545	(4.7)
FirstRand	548	523	4.8	13 805	15 069	(8.4)
Total	1 838	1 775	3.5	45 776	48 614	(5.8)

Contribution to Headline earnings*



Contribution to Intrinsic NAV*



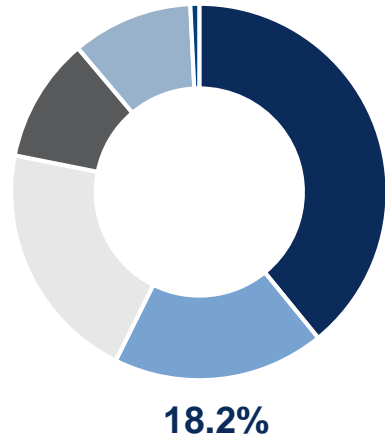
*Excluding other investments, treasury and corporate costs

HEALTHCARE

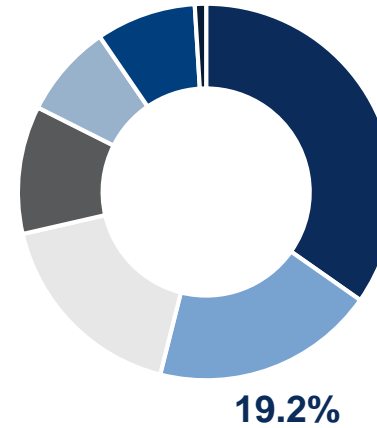
R million	Headline earnings			Intrinsic value		
	Six months 31 Dec 2019	Six months 31 Dec 2018	% change	As at 31 Dec 2019	As at 30 Jun 2019	% change
Mediclinic	858	623	37.7	25 290	17 891	41.4



Contribution to Headline earnings*



Contribution to Intrinsic NAV*

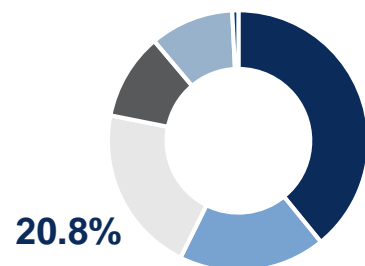


*Excluding other investments, treasury and other corporate costs

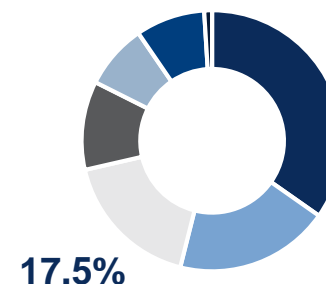
CONSUMER PRODUCTS

R million	Headline earnings			Intrinsic value		
	Six months 31 Dec 2019	Six months 31 Dec 2018	% change	As at 31 Dec 2019	As at 30 Jun 2019	% change
RCL Foods	359	366	(1.9)	7 454	7 960	(6.4)
Distell	361	375	(3.7)		9 060	2.4
Entity contribution	384	399	(3.8)	6 320	6 164	2.5
<i>IFRS 3</i> charge	(23)	(24)	4.2			
Siqalo Foods	257	191	34.6	23 050	23 184	(0.6)
Entity contribution	297	231	28.6			
<i>IFRS 3</i> charge	(40)	(40)	-			
Total	977	932	4.8			

Contribution to Headline earnings*



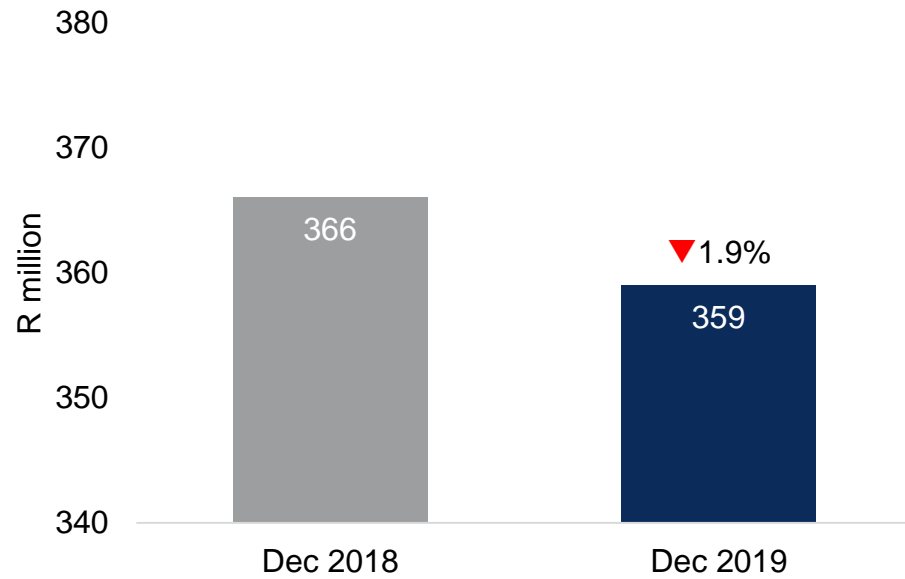
Contribution to Intrinsic NAV*



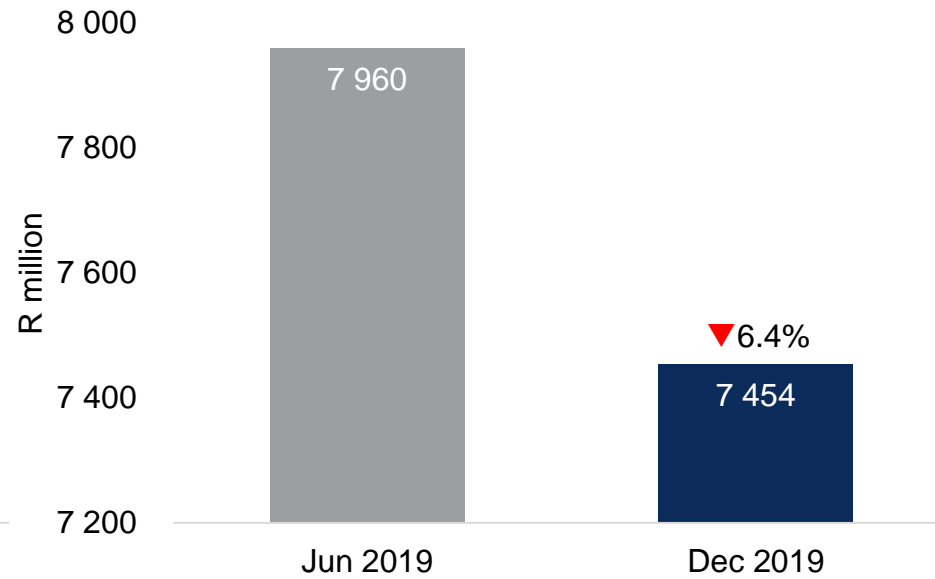
*Excluding other investments, treasury and corporate costs

CONSUMER PRODUCTS | RCL FOODS

Headline earnings

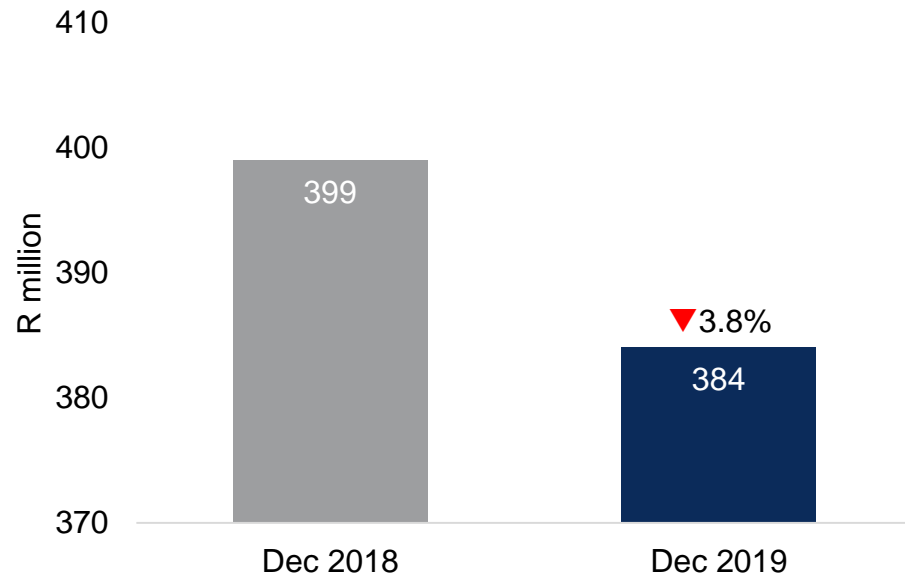


Intrinsic value

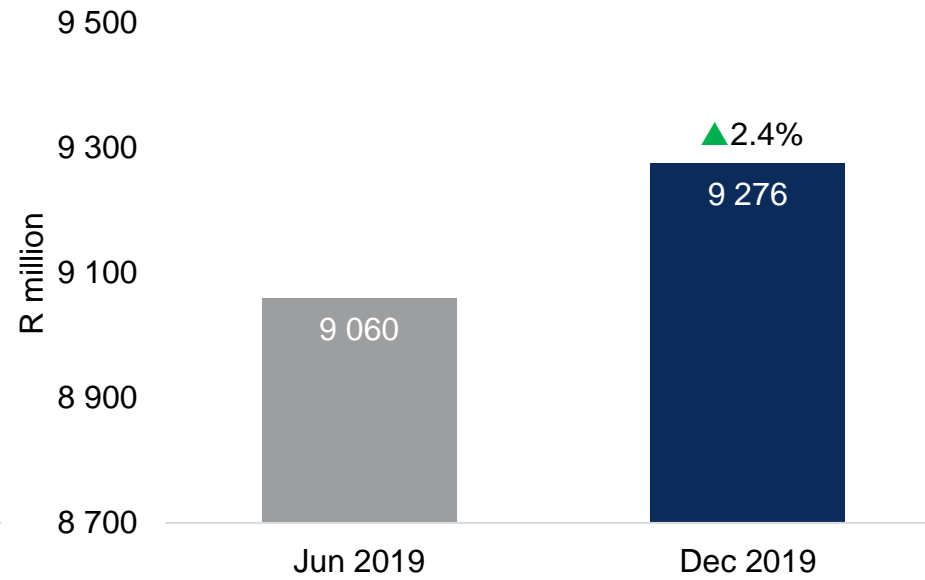


CONSUMER PRODUCTS | DISTELL

Headline earnings*



Intrinsic value

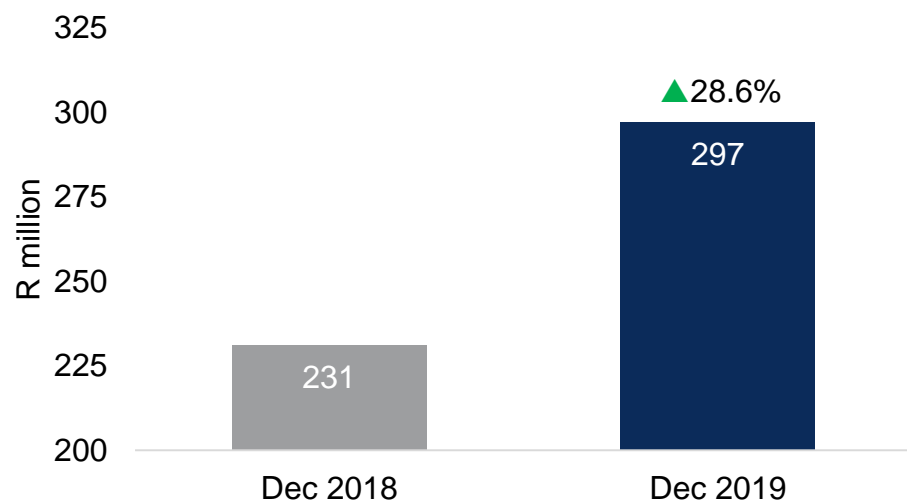


*Headline earnings excludes IFRS 3 charges

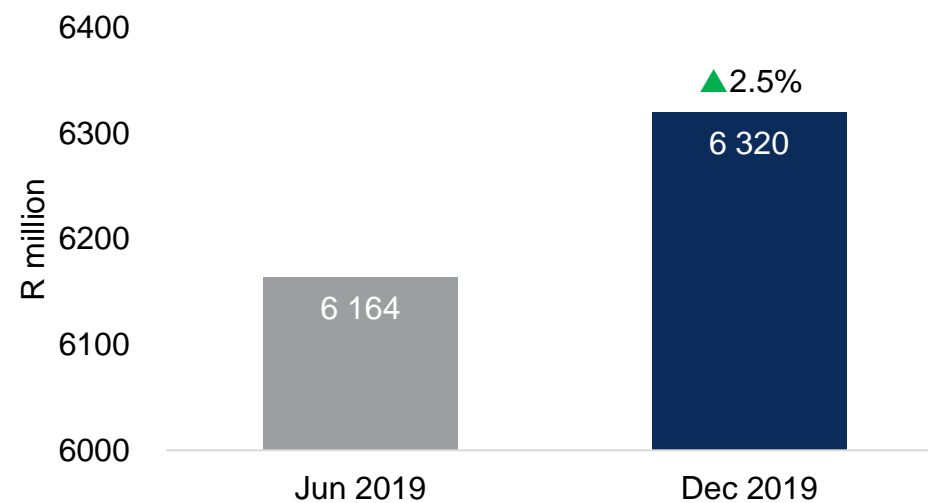
CONSUMER PRODUCTS | SIQALO FOODS

R million	Six months 31 Dec 2019	Six months 31 Dec 2018	% change
Revenue	1 448	1 405	3.1
Operating profit	330	316	4.4

Headline earnings*



Intrinsic value



*Headline earnings excludes IFRS 3 charges

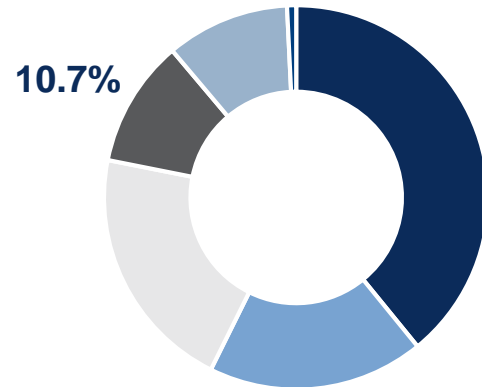


INSURANCE

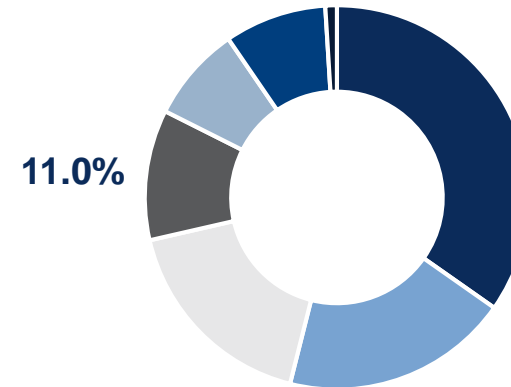
R million	Headline earnings			Intrinsic value		
	Six months 31 Dec 2019	Six months 31 Dec 2018	% change	As at 31 Dec 2019	As at 30 Jun 2019	% change
RMI	504	582	(13.4)	14 478	15 947	(9.2)



Contribution to Headline earnings*



Contribution to Intrinsic NAV*

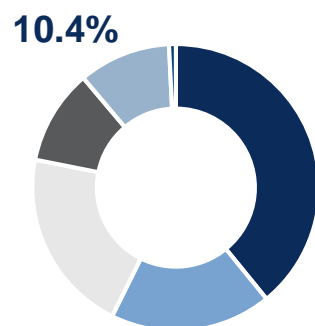


*Excluding other investments, treasury and corporate costs

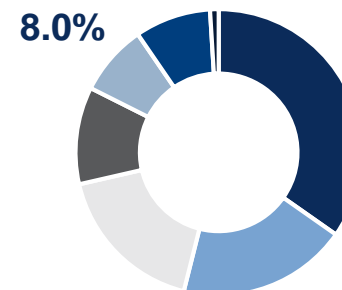
INDUSTRIAL

R million	Headline earnings			Intrinsic value		
	Six months 31 Dec 2019	Six months 31 Dec 2018	% change	As at 31 Dec 2019	As at 30 Jun 2019	% change
Air Products	170	174	(2.3)	4 254	4 264	(0.2)
Total	166	101	64.4	2 900	2 722	6.5
KTH	102	77	32.5	2 169	2 127	2.0
Wispeco	67	52	28.8	741	866	(14.4)
PGSI	(17)	8	(312.5)	528	302	74.8
Total	488	412	18.4	10 592	10 281	3.0

Contribution to Headline earnings*



Contribution to Intrinsic NAV*

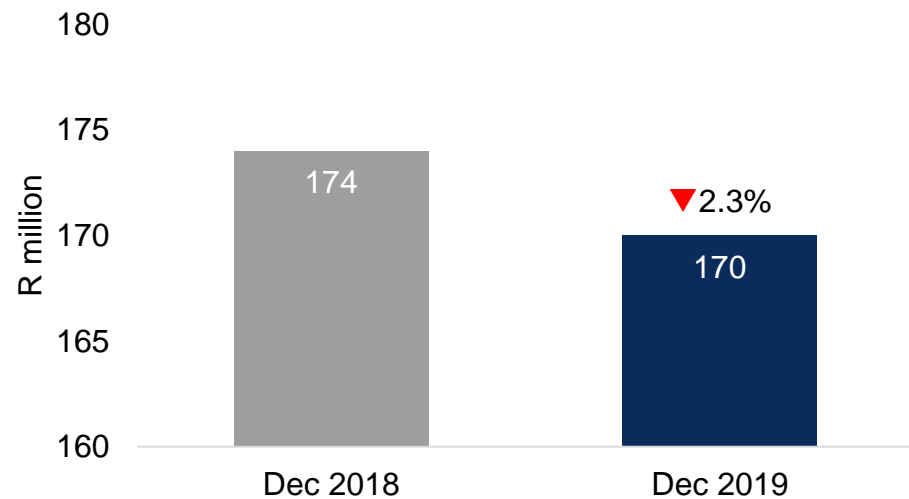


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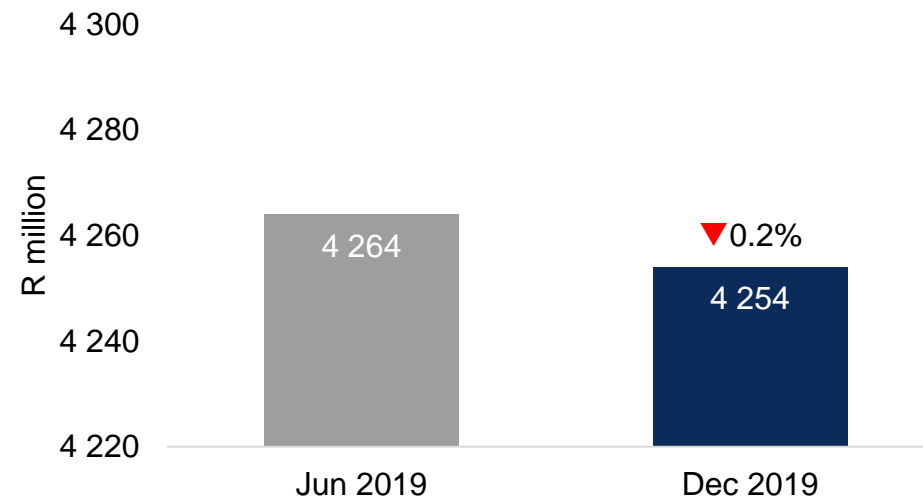
INDUSTRIAL | AIR PRODUCTS

R million	Six months 30 Sep 2019	Six months 30 Sep 2018	% change
Revenue	1 677	1 609	4.2
Operating profit	473	490	(3.5)

Headline earnings



Intrinsic value



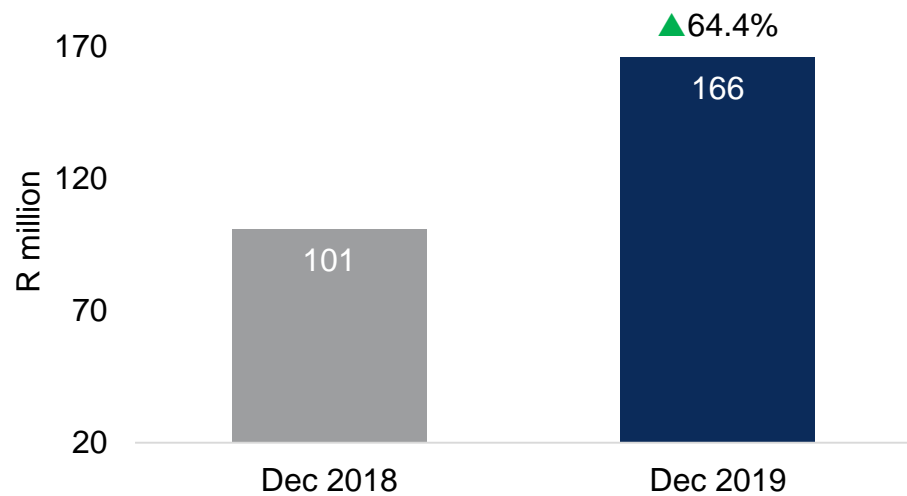

TOTAL

PGSI Limited

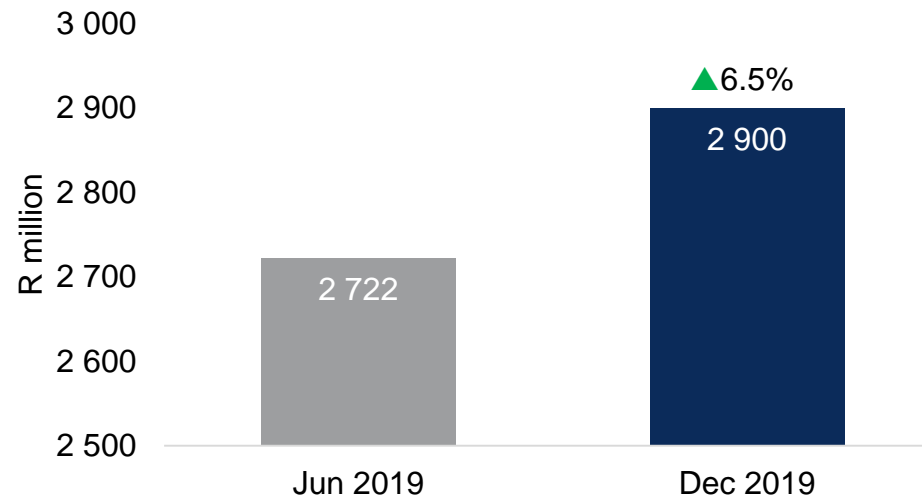
INDUSTRIAL | TOTAL

R million	Six months 31 Dec 2019	Six months 31 Dec 2018	% change
Revenue	38 679	39 505	(2.1)
Gross profit	2 405	2 298	4.7
Operating profit	898	590	52.2

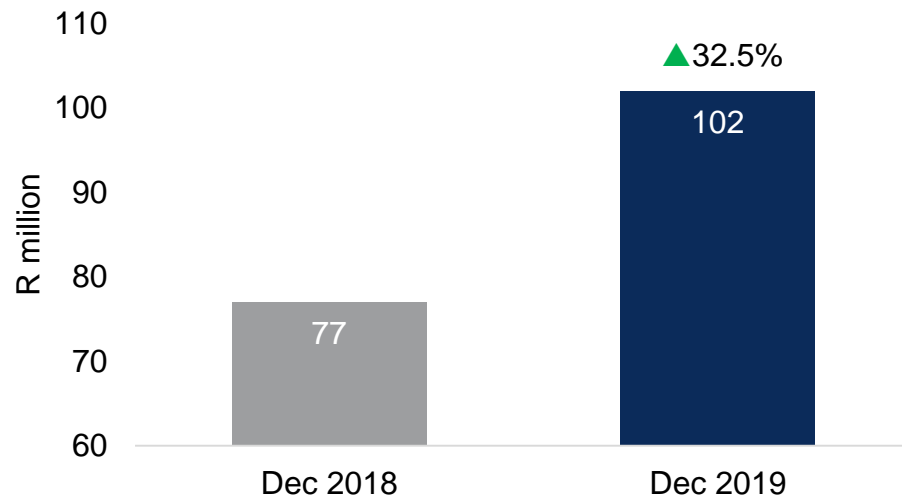
Headline earnings



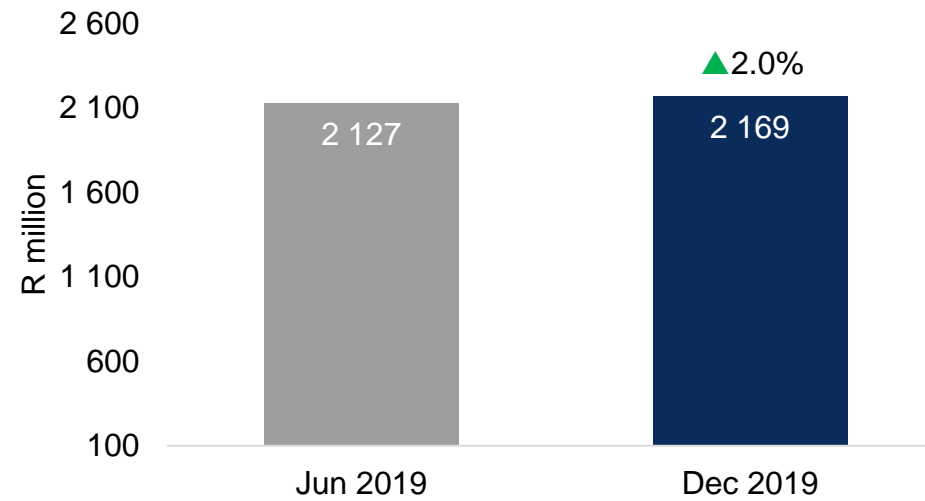
Intrinsic value



Headline earnings



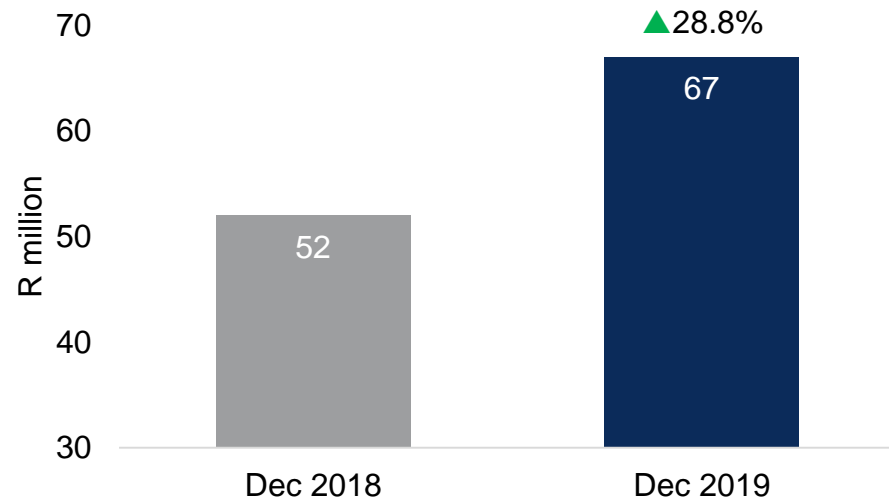
Intrinsic value



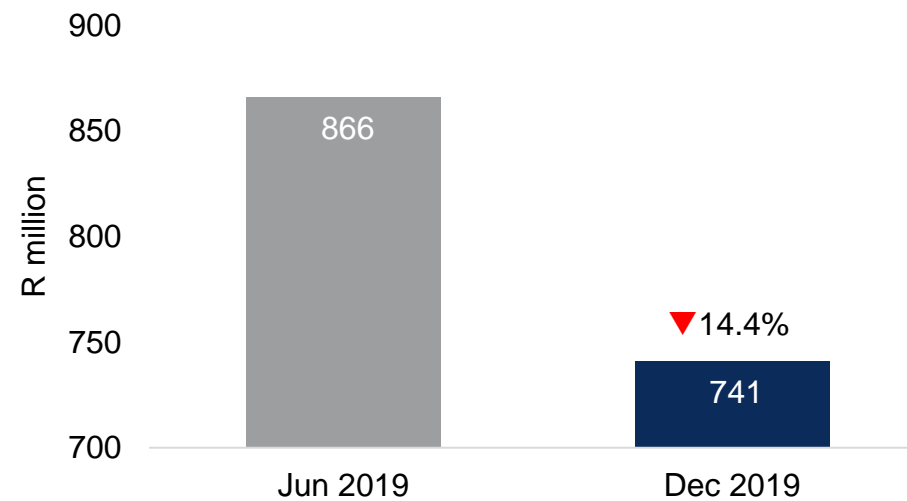
INDUSTRIAL | WISPECO

R million	Six months 31 Dec 2019	Six months 31 Dec 2018	% change
Revenue	1 163	1 222	(4.8)
Operating profit	98	77	27.3

Headline earnings



Intrinsic value

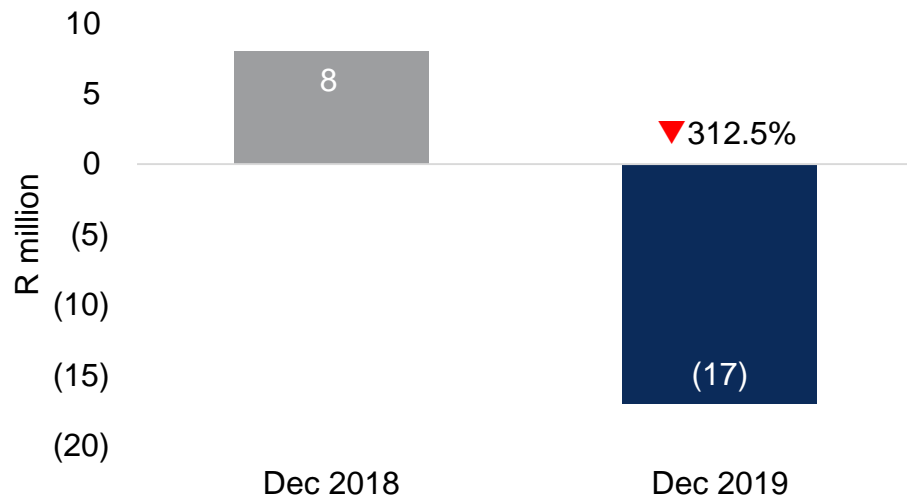


PGSI Limited

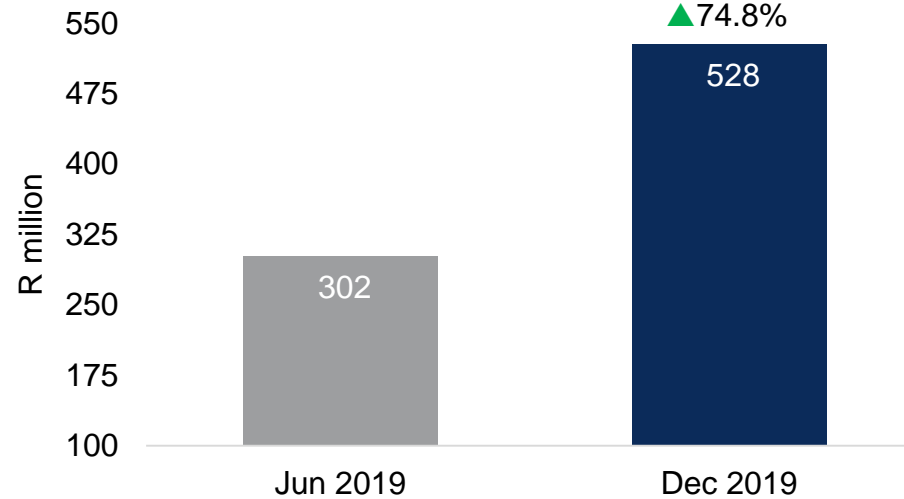
INDUSTRIAL | PGSI

R million	Six months 31 Dec 2019	Six months 31 Dec 2018	% change
Revenue	2 033	2 238	(9.2)
Operating profit	7	93	(92.5)

Headline earnings



Intrinsic value

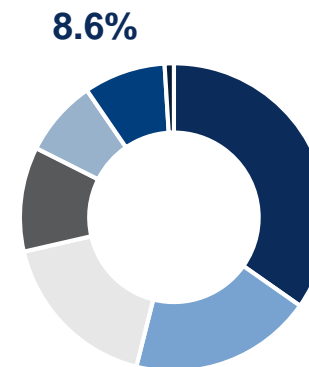


PGSI Limited

INFRASTRUCTURE

R million	Headline earnings			Intrinsic value		
	Six months 31 Dec 2019	Six months 31 Dec 2018	% change	As at 31 Dec 2019	As at 30 Jun 2019	% change
Grindrod	41	101	(59.4)	871	1 049	(17.0)
Grindrod Shipping	(22)	(18)	(22.2)	420	292	43.8
SEACOM	9	(1)	<i>nm</i>	797	912	(12.6)
CIVH	(197)	(104)	(89.4)	8 945	8 403	6.5
Other (incl. PRIF)	4	2	100.0	279	259	7.7
Total	(165)	(20)	(725.0)	11 312	10 915	3.6

Contribution to Intrinsic NAV*

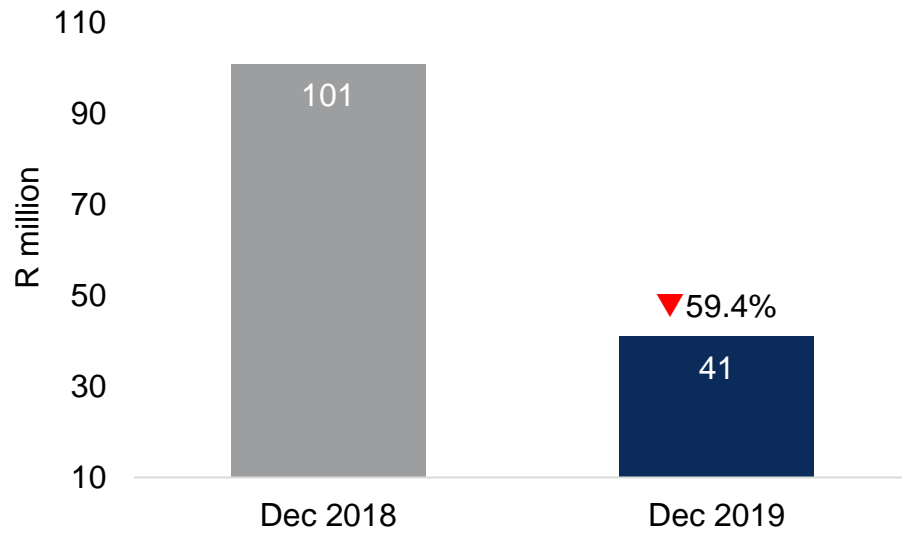


nm: not meaningful | *Excluding other investments, treasury and corporate costs

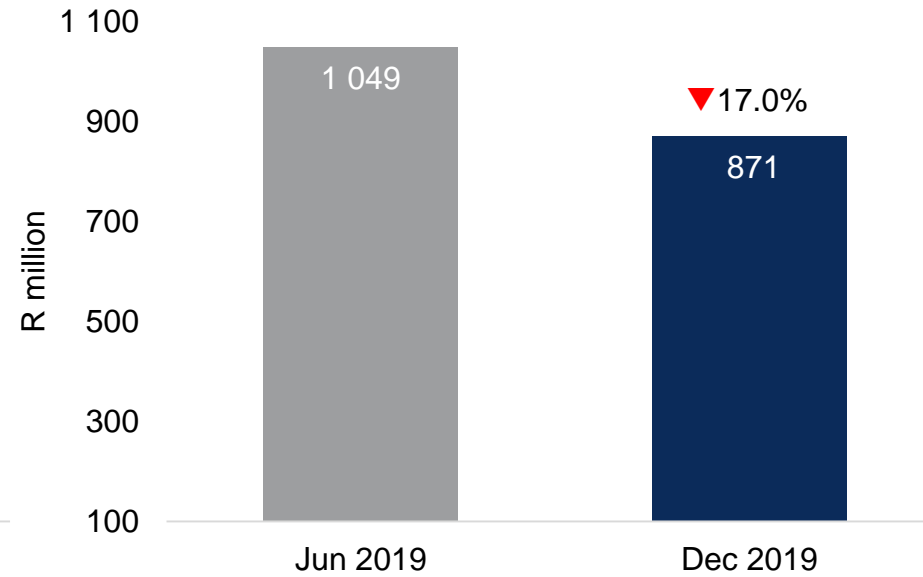
Infrastructure contributed headline losses for the six months ended 31 December 2019 and 31 December 2018

INFRASTRUCTURE | GRINDROD

Headline earnings

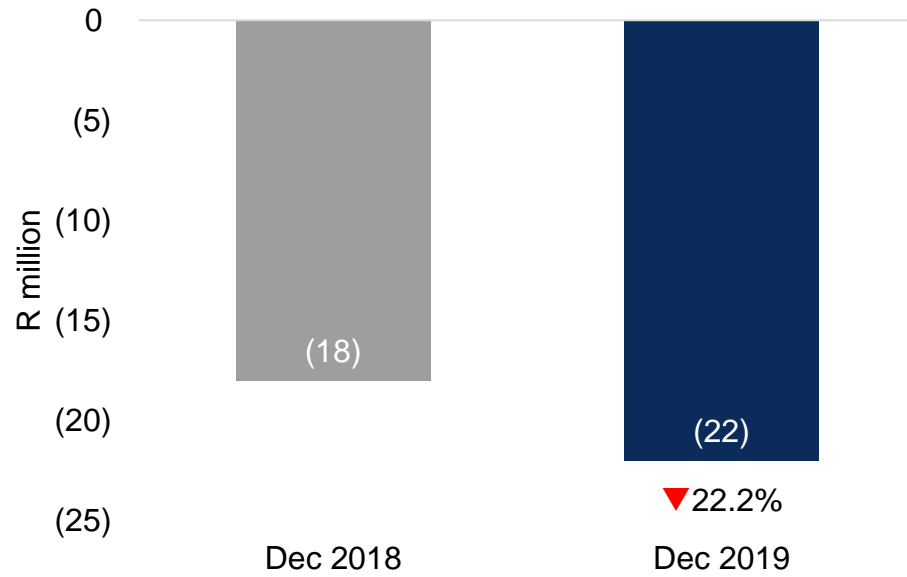


Intrinsic value

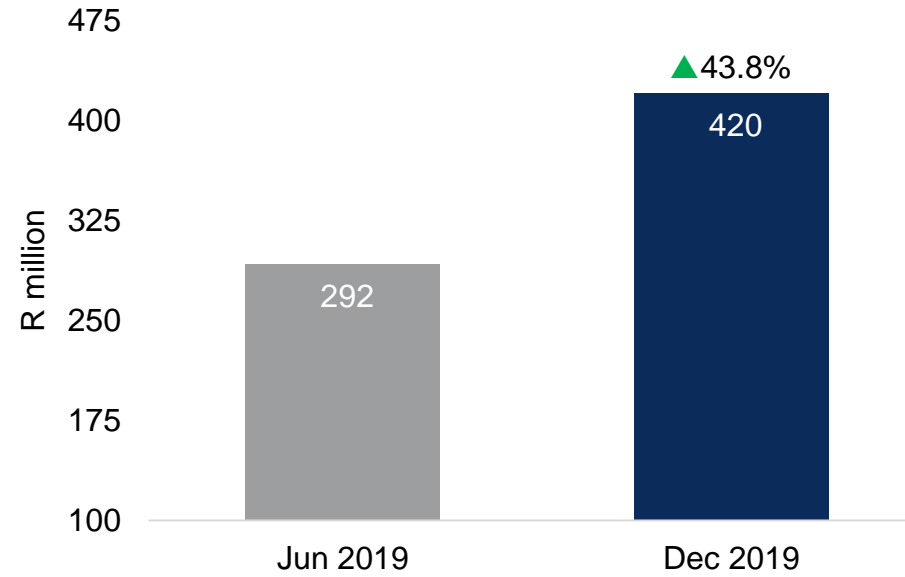


INFRASTRUCTURE | GRINDROD SHIPPING

Headline earnings

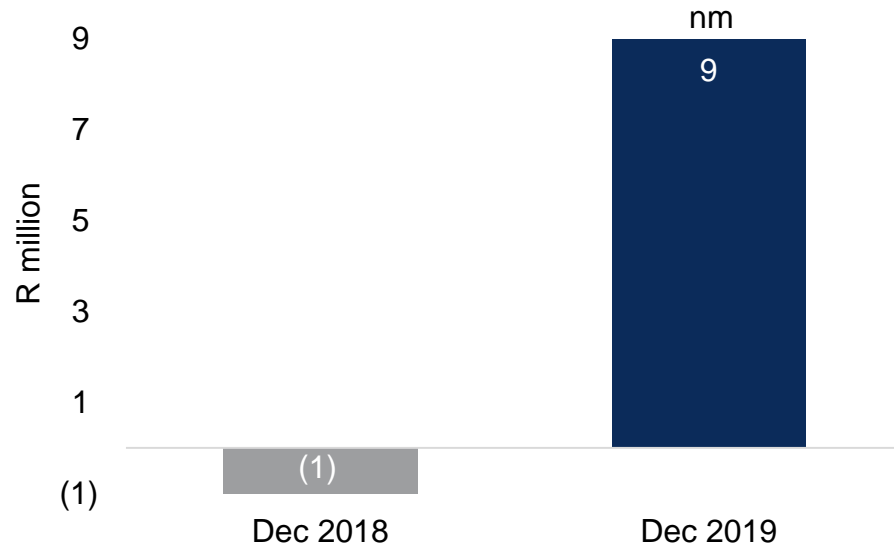


Intrinsic value

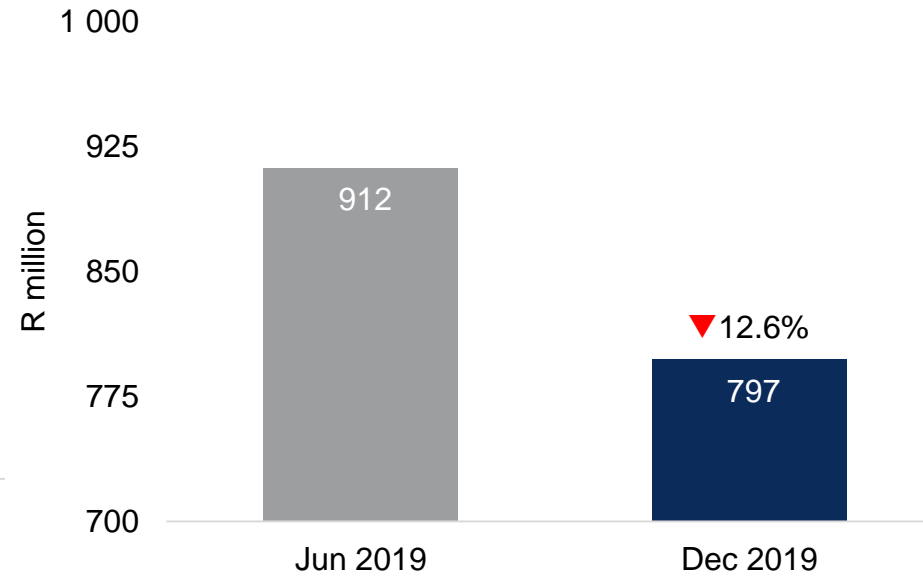


INFRASTRUCTURE | SEACOM

Headline earnings



Intrinsic value

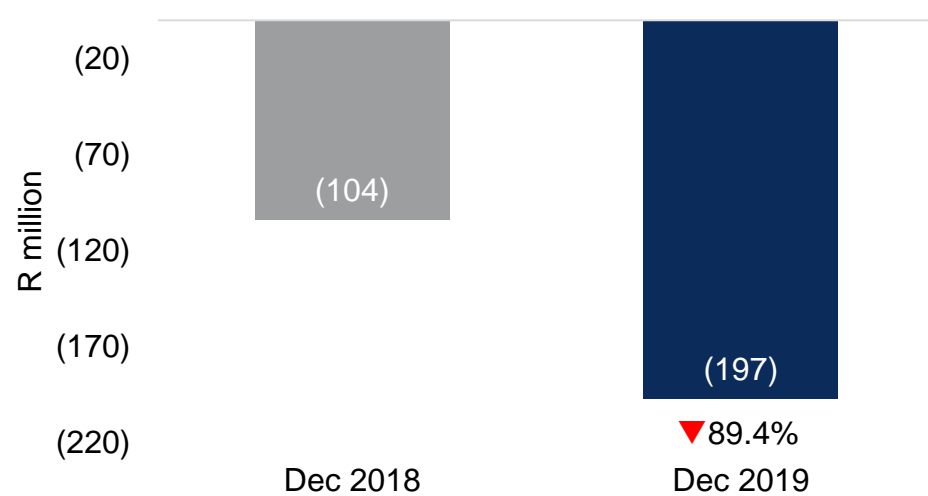


nm: not meaningful

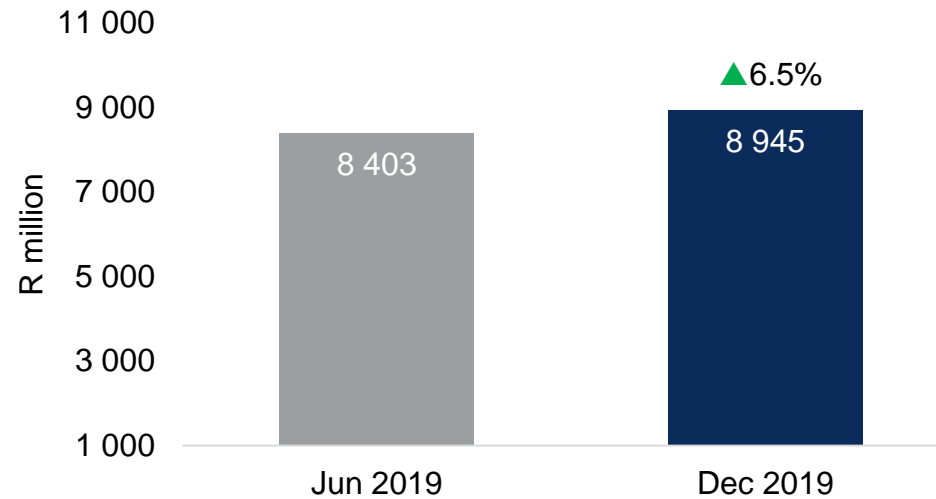
INFRASTRUCTURE | CIVH FIBRE COMPANY

R million	Six months 30 Sep 2019	Six months 30 Sep 2018	% change
Revenue	1 745	1 352	29.1
Operating profit	523	297	76.1

Headline earnings



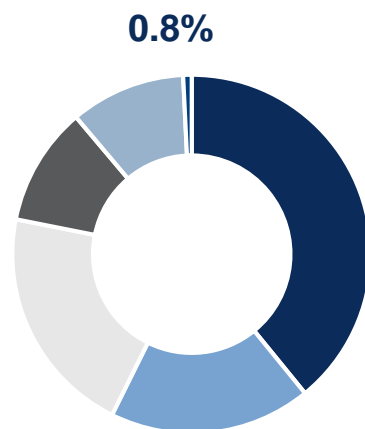
Intrinsic value



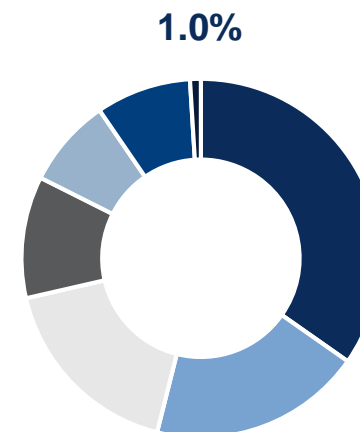
MEDIA AND SPORT

R million	Headline earnings			Intrinsic value		
	Six months 31 Dec 2019	Six months 31 Dec 2018	% change	As at 31 Dec 2019	As at 30 Jun 2019	% change
eMedia Investments	36	11	227.3	1 005	773	30.0
Other	-	(3)	100.0	277	267	3.7
Total	36	8	350.0	1 282	1 040	23.3

Contribution to Headline earnings*



Contribution to Intrinsic NAV*



*Excluding other investments, treasury and corporate costs

OTHER INVESTMENTS, TREASURY AND CORPORATE COSTS

R million	Headline earnings			Intrinsic value		
	Six months 31 Dec 2019	Six months 31 Dec 2018	% change	As at 31 Dec 2019	As at 30 Jun 2019	% change
Other investments	1	15	(93.3)	4 386	4 795	(8.5)
Central treasury						
- Finance income/cash	276	397	(30.5)	16 675	15 727	6.0
Central treasury						
- Finance costs/debt	(478)	(459)	(4.1)	(14 222)	(13 919)	(2.2)
Other net corporate costs/assets	(94)	(112)	16.1	2 425	2 499	(3.0)
Total	(295)	(159)	(85.5)	9 264	9 102	1.8

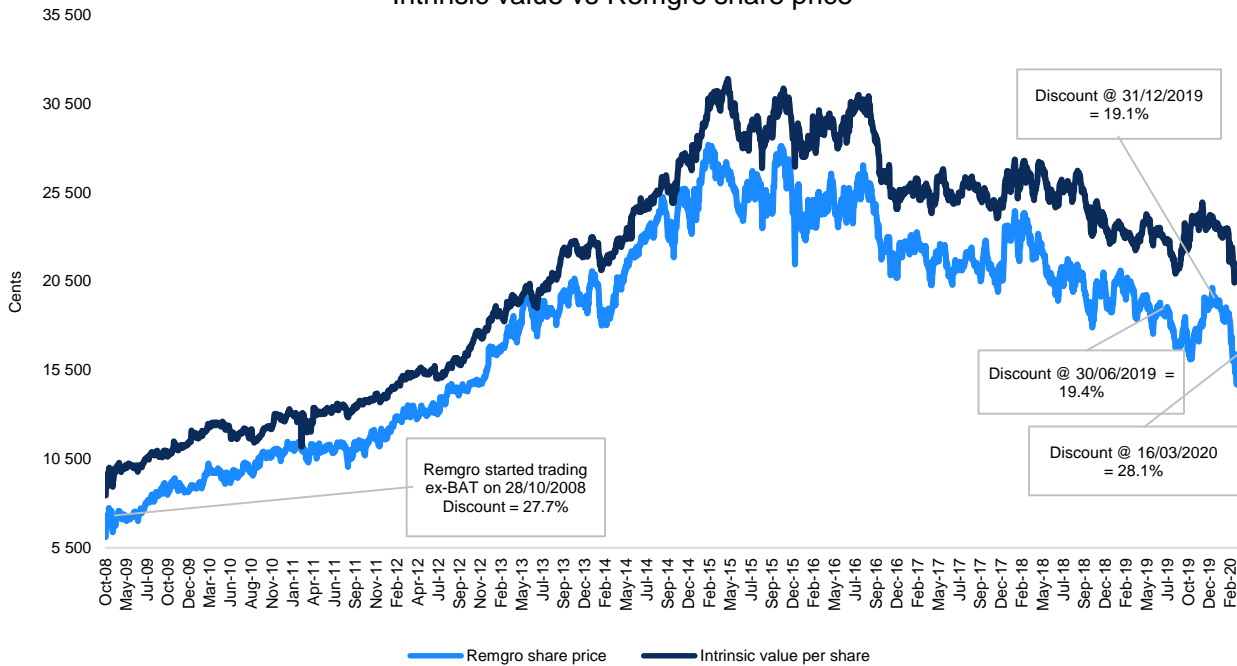
SUMMARY OF INTRINSIC NET ASSET VALUE – MATERIAL INVESTMENTS

R million	As at 31 Dec 2019	As at 30 Jun 2019	% change
RMH and FirstRand	45 776	48 614	(5.8)
Mediclinic	25 290	17 891	41.4
RMI	14 478	15 947	(9.2)
Distell	9 276	9 060	2.4
CIVH	8 945	8 403	6.5
RCL Foods	7 454	7 960	(6.4)
Siqalo Foods	6 320	6 164	2.5
Other smaller investments	21 052	21 127	(0.4)
Net asset value before net cash	138 591	135 166	2.5
Cash at the centre	16 675	15 727	6.0
Debt at the centre	(14 222)	(13 919)	(2.2)
Intrinsic NAV before CGT	141 044	136 974	3.0
Potential CGT liability	(4 927)	(5 327)	7.5
Intrinsic NAV after CGT	136 117	131 647	3.4
Shares in issue (million)	565.0	564.9	0.0
Intrinsic NAV per share (Rand)	240.93	233.03	3.4

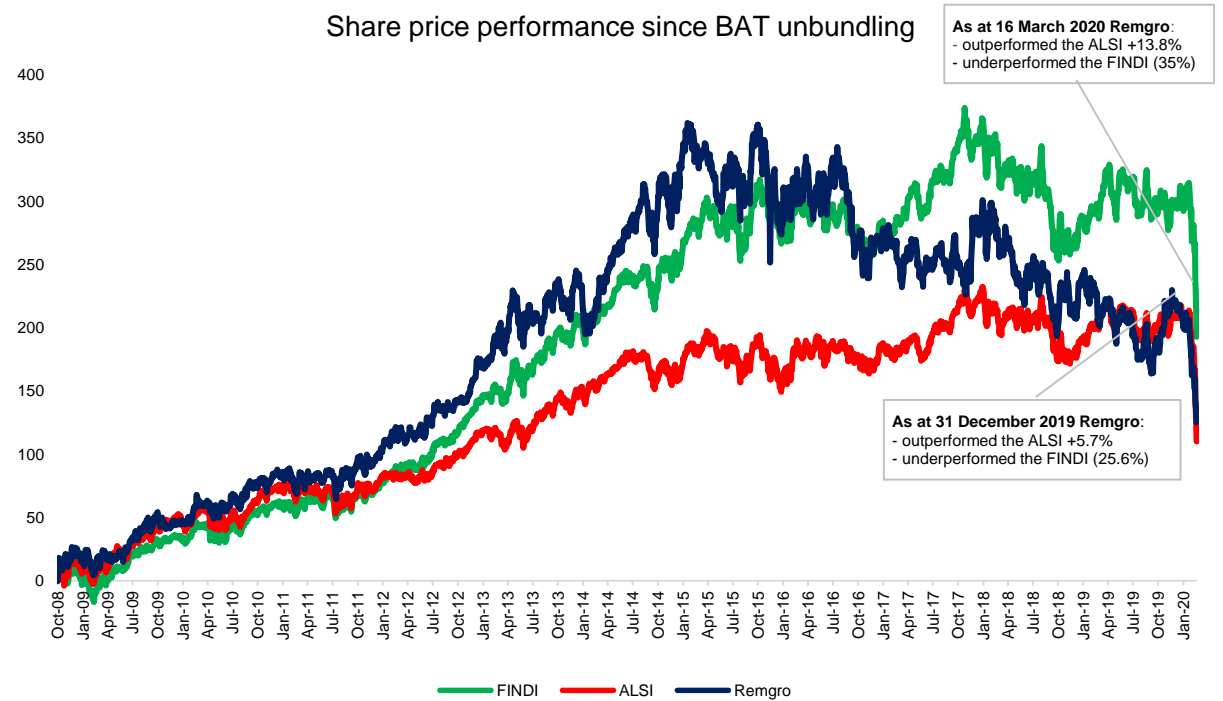
SUMMARY OF INTRINSIC NET ASSET VALUE

R million	As at 16 Mar 2020	As at 31 Dec 2019	As at 30 June 2019	% change
Discount to intrinsic value	28.1%	19.1%	19.4%	(30 bps)
Intrinsic value – after CGT (Rand)	191.35	240.93	233.03	3.4
Closing share price (Rand)	137.56	195.00	187.90	3.8

Intrinsic value vs Remgro share price



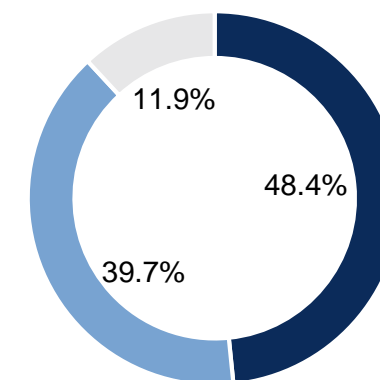
Share price performance since BAT unbundling



CASH AND DEBT AT THE CENTRE

R million	30 Jun 2019	% of total	31 Dec 2019
Local cash	9 032	48.1	8 016
Offshore cash	6 695	51.9	8 659
GB£ 356.8m (@ R18.55/GB£)	2 063	39.7	6 619
US\$ 142.3m (@ R14.00/US\$)	4 550	11.9	1 992
Other	82	0.3	48
Cash at the centre	15 727	100.0	16 675
Debt at the centre (at face value)			R million
Exchangeable bonds (GB£350m, 2.625% coupon)			6 492
RMB preference shares (7.5%)			3 500
Standard Bank preference shares (8.3%; 16 Mar 2021: 7.8%)			4 366
Total debt at the centre			14 358
Net cash at the centre			2 317

Currency exposure
Balance: R16 675m



■ ZAR ■ GB£ ■ US\$

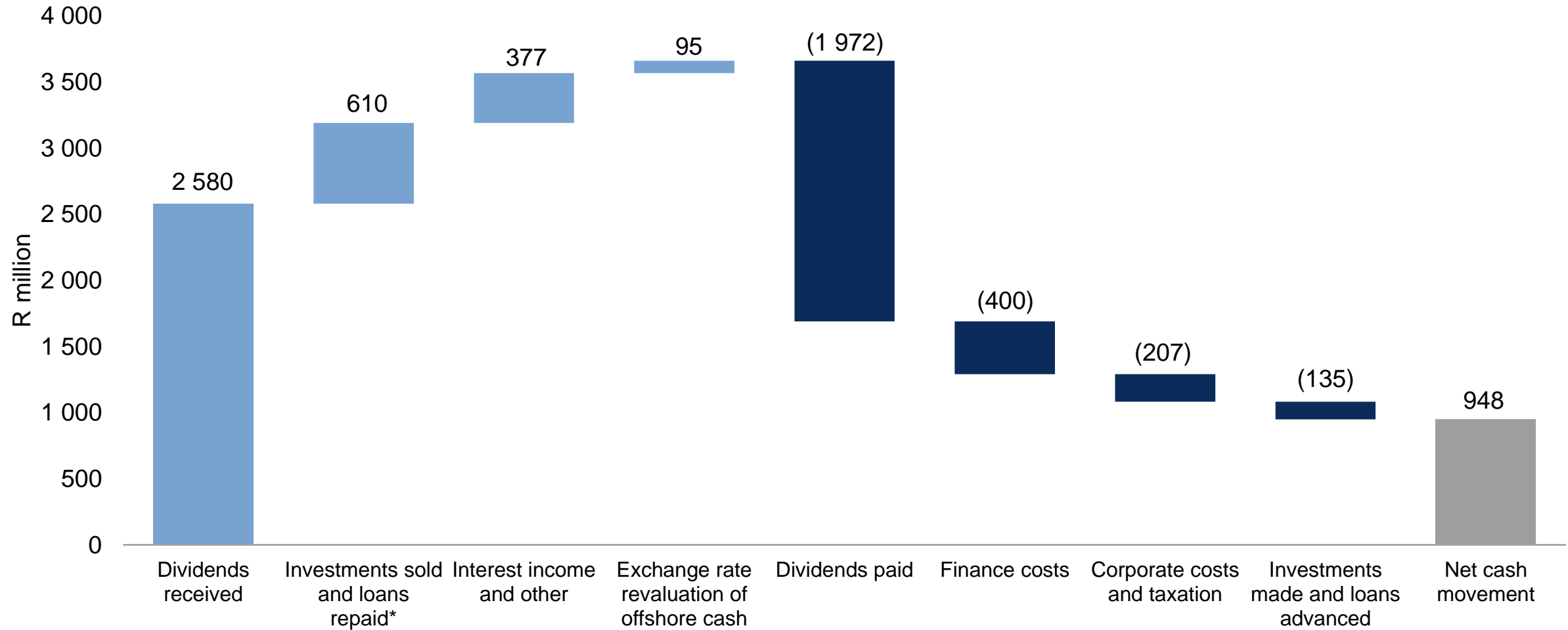
Maturity date

22 Mar 2021

15 Jan 2024

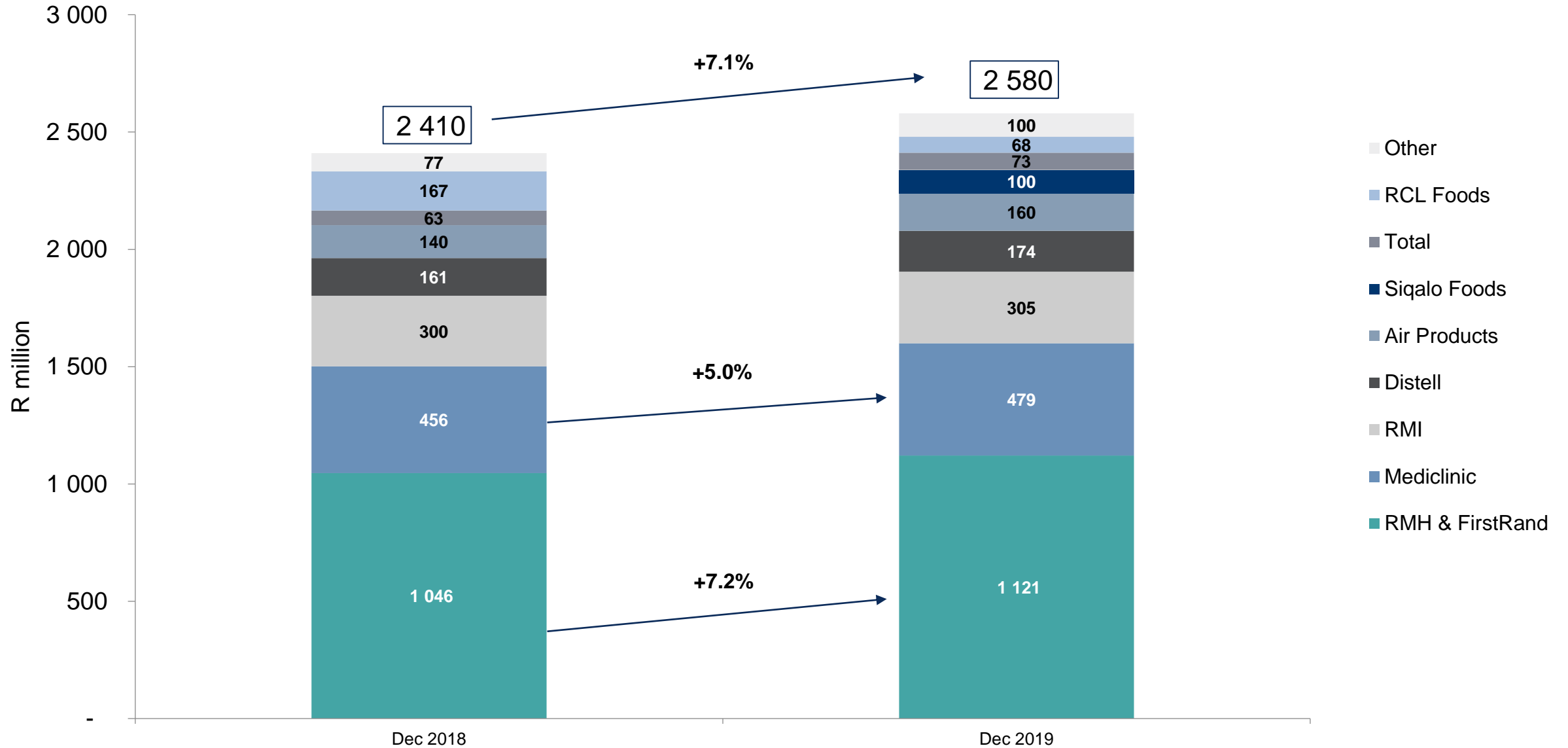
17 Mar 2025

CASH FLOW AT THE CENTRE

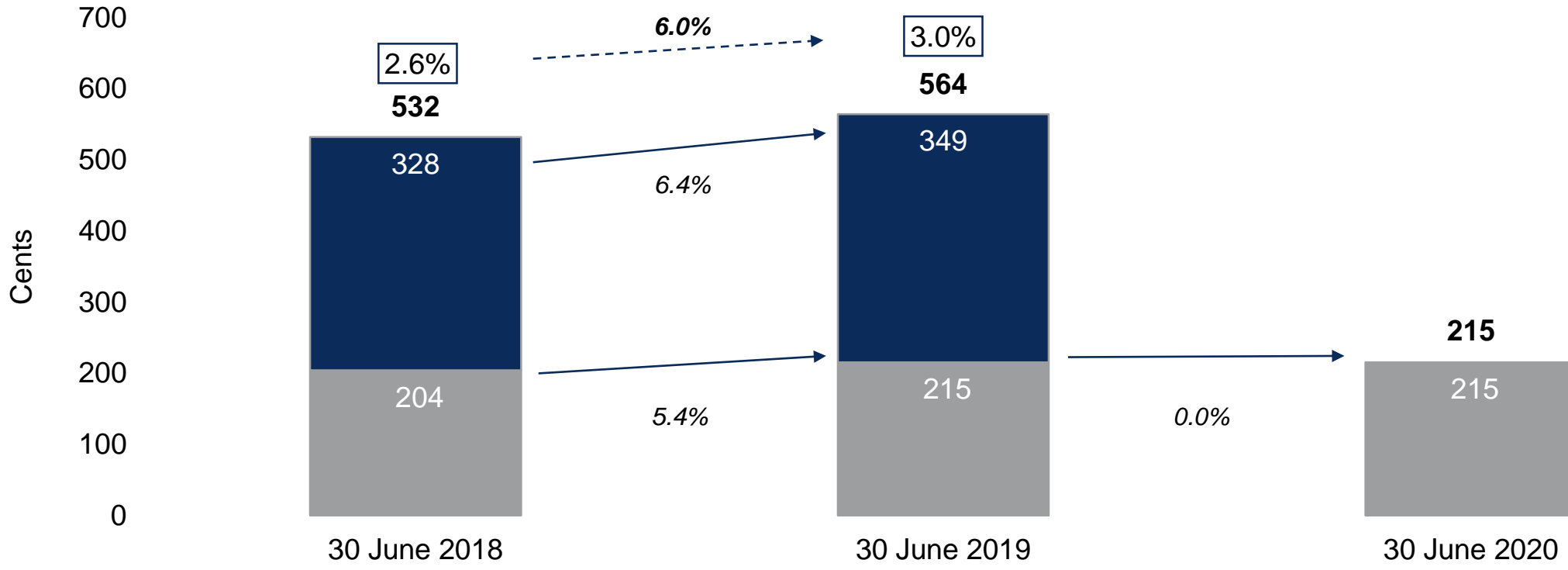


* The investments sold relate mainly to distributions from Milestone III amounting to US\$40m (R592m)

DIVIDENDS RECEIVED AT THE CENTRE



CASH DIVIDEND (SUSTAINED)



Interim dividend
 Final dividend
 Total dividend
 Dividend yield

THANK YOU

For more information visit our website
www.remgro.com

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VALUATION OF UNLISTED INVESTMENTS | IFRS 13 FRAMEWORK

Investment	Valuation method	6 month change	Forecast and/or tradability discount
Siqalo Foods	Discounted cash flow	2.5%	Yes
Total	Discounted cash flow	6.5%	Yes
Air Products	Discounted cash flow	(0.2%)	Yes
KTH	Sum-of-the-parts (external valuation)	2.0%	Yes
Wispeco	Discounted cash flow	(14.4%)	Yes
PGSI	Discounted cash flow	74.8%	Yes
CIVH	Discounted cash flow	6.5%	Yes
SEACOM	Discounted cash flow	(12.6%)	Yes
eMedia Investments	Comparable market price	30.0%	No

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

- Growth potential and risk
- Underlying NAV
- Profit history
- Cash flow projections
- Macroeconomic factors
- Peer group performance