

CHIEF FINANCIAL OFFICER'S REPORT



REMGRO'S RESULTS
IMPACTED BY THE
**UNBUNDLING
OF RMH** AND THE
COVID-19 PANDEMIC.

Neville Williams
Chief Financial Officer

INTRODUCTION

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

RESULTS

COMPARISON WITH PRIOR YEAR

As a result of the unbundling of Remgro's 28.2% interest in RMB Holdings Limited (RMH) (RMH Unbundling), earnings and headline earnings measures are 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 both financial years presented, as well as the profit realised on the RMH Unbundling. 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). Discontinued operations for the prior year also includes the profit realised on the disposal of Unilever South Africa Holdings Proprietary Limited (Unilever).

It should also be noted that with effect from 8 June 2020, Remgro ceased to have significant influence over FirstRand Limited (FirstRand), due to among others the RMH Unbundling, and therefore the investment was reclassified from an equity accounted investment to an investment at fair value through other comprehensive income (FirstRand Reclassification). For the year under review the investment in FirstRand was equity accounted until 8 June 2020. In future only dividend income will be accounted for FirstRand in the income statement.

During the year under review the platforms under which the results of investee companies are being reported, were changed. Previously RMH and FirstRand were classified under *Banking* and Rand Merchant Investment Holdings Limited (RMI) was classified under *Insurance*. As a result of the RMH Unbundling, these investee companies are included under the *Financial services* platform. Comparative figures have been presented accordingly.

HEADLINE EARNINGS

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. 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 RMI, FirstRand, Total South Africa Proprietary Limited (Total), Kagiso Tiso Holdings Proprietary Limited (KTH), Distell Group Holdings Limited (Distell) and RCL Foods Limited (RCL Foods), as well as lower interest income, increased losses from Community Investment Ventures Holdings Proprietary Limited (CIVH) 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 REPORTING PLATFORMS' PERFORMANCE

FINANCIAL SERVICES

RMI's contribution to Remgro's headline earnings decreased by 48.4% to R599 million (2019: R1 161 million). On a normalised basis, which excludes certain anomalies (*inter alia* the effect of material

interest rate volatility in South Africa and the United Kingdom, resulting in a substantial negative effect on discounted cash flow valuations and earnings at Discovery Life), RMI reported a decrease of 24.4% in earnings mainly due to lower earnings by Discovery Holdings Limited (Discovery) (down by 25.6%) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan) (down by 50.5%). Both Discovery and Momentum Metropolitan raised significant provisions for future claims and lapses as a result of the Covid-19 pandemic. The earnings of OUTsurance Holdings Limited (OUTsurance) and Hastings Group Holdings plc decreased by 7.2% and 11.4%, respectively. OUTsurance's decrease is mainly due to unrealised investment losses on its equity portfolio, the impact of the bushfires and natural catastrophes in Australia and business interruption claims.

The headline earnings contribution from FirstRand and RMH amounted to R657 million and R1 430 million (2019: R1 093 million and R2 644 million), respectively. As result of the RMH Unbundling and FirstRand Reclassification, RMH was equity accounted for the nine months to 31 March 2020 (2019: twelve months to 30 June 2019) and FirstRand was equity accounted until 8 June 2020, respectively.

SALIENT FEATURES

	Year ended 30 June 2020	Year ended 30 June 2019	% change
Total headline earnings (R million)	3 167	8 195	(61.4)
– per share (cents)	560.6	1 448.9	(61.3)
Headline earnings from continuing operations (R million)	1 737	5 551	(68.7)
– per share (cents)	307.5	981.4	(68.7)
Earnings (R million)	6 646	7 319	(9.2)
– per share (cents)	1 176.4	1 294.0	(9.1)
Dividends per share (cents)			
Ordinary	265.00	564.00	(53.0)
– Interim	215.00	215.00	–
– Final	50.00	349.00	(85.7)
Intrinsic net asset value per share (Rand)	154.47	233.03	(33.7)

CONTRIBUTION TO HEADLINE EARNINGS BY REPORTING PLATFORM

R million	Year ended 30 June 2020	% change	Year ended 30 June 2019
Financial services	2 686	(45.2)	4 898
Healthcare	1 655	(2.2)	1 693
Consumer products	545	(40.6)	918
Industrial	103	(89.1)	944
Infrastructure	(716)	(311.5)	(174)
Media and sport	97	385.0	20
Other investments	(66)	(269.2)	39
Central treasury			
– Finance income	479	(36.6)	755
– Finance costs	(951)	(15.6)	(823)
– Option remeasurement	2	(98.2)	112
Other net corporate costs	(667)	(256.7)	(187)
Total headline earnings	3 167	(61.4)	8 195
Discontinued operations	(1 430)		(2 644)
Headline earnings from continuing operations	1 737	(68.7)	5 551

Refer to the composition of headline earnings on page 37 for further information.

For the twelve months to 30 June 2020, FirstRand reported a decrease in headline earnings of 37.9%. On a normalised basis, which excludes certain non-operational and accounting anomalies, and is a better reflection of underlying performance, FirstRand reported a decrease in earnings of 38.1%. The main driver of this decline in earnings is the materially higher than expected credit provisions and credit impairment charge, driven by the forward-looking economic assumptions required under *IFRS 9*. As a result of the impact of Covid-19, FirstRand reported a significant increase in credit provisioning levels of R15 billion for the year ended 30 June 2020 (2019: R5 billion increase). Whilst the credit impairment charge of R24 billion (2019: R11 billion) represents the most significant driver of the decline in earnings, further pressures include the negative endowment impact as a result of interest rate cuts and margin pressure, subdued non-interest revenue growth due to lower absolute volumes during the lockdown period, and depressed new business origination. In addition, FirstRand has conservatively provided for a sharp increase in retrenchment claims as well as elevated death claims in its insurance business, taking account of the latest epidemiological and economic outlooks.

HEALTHCARE

Mediclinic International plc's (Mediclinic) contribution to Remgro's headline earnings amounted to R1 655 million (2019: R1 693 million), representing a decrease of 2.2%. Mediclinic uses adjusted earnings, which removes volatility associated with certain types of exceptional income and charges, in evaluating performance and as a method to provide its shareholders with clear and consistent reporting. For the year under review the main difference between adjusted earnings and headline earnings related to a tax credit in respect of a reduction in Swiss statutory tax rates, whereas the comparative year included a tax credit in respect of Hirslanden properties. Furthermore, Mediclinic adopted *IFRS 16: Leases* during the period under review and, for comparative purposes, also presented its results on a pre-*IFRS 16* basis. Remgro's portion of Mediclinic's pre-*IFRS 16* adjusted earnings amounted to R1 521 million (2019: R1 591 million), representing a decrease of 4.4%.

In British pound terms, Mediclinic reported a decrease in pre-*IFRS 16* adjusted earnings of 8.1%, reflecting the weakening of the average SA rand exchange rate against the British pound. This decrease is mainly due to the effect of the Covid-19 pandemic in March 2020 and increased depreciation charges associated with infrastructure and technology investments, partly offset by an increase of 5.2% in revenue, reflecting balanced organic growth and incremental acquisitions. Mediclinic's performance was in line with expectations despite the sudden impact of Covid-19 on March patient volumes. All three divisions (Switzerland, Southern Africa and the Middle East) were affected in March 2020, typically Mediclinic's strongest month, by the onset of the pandemic. Hirslanden continued to make excellent progress in adapting the business to the regulatory changes affecting the Swiss healthcare system and growing across the continuum of care. It has continued to implement its day case clinic strategy which focuses on a conveniently located, more efficient, lower-cost service delivery model.

All three divisions implemented Covid-19 lockdown measures during March 2020, which included the suspension of elective procedures. Since the relaxing of these measures during the quarter ended 30 June 2020, patient volumes and occupancy have gradually improved.

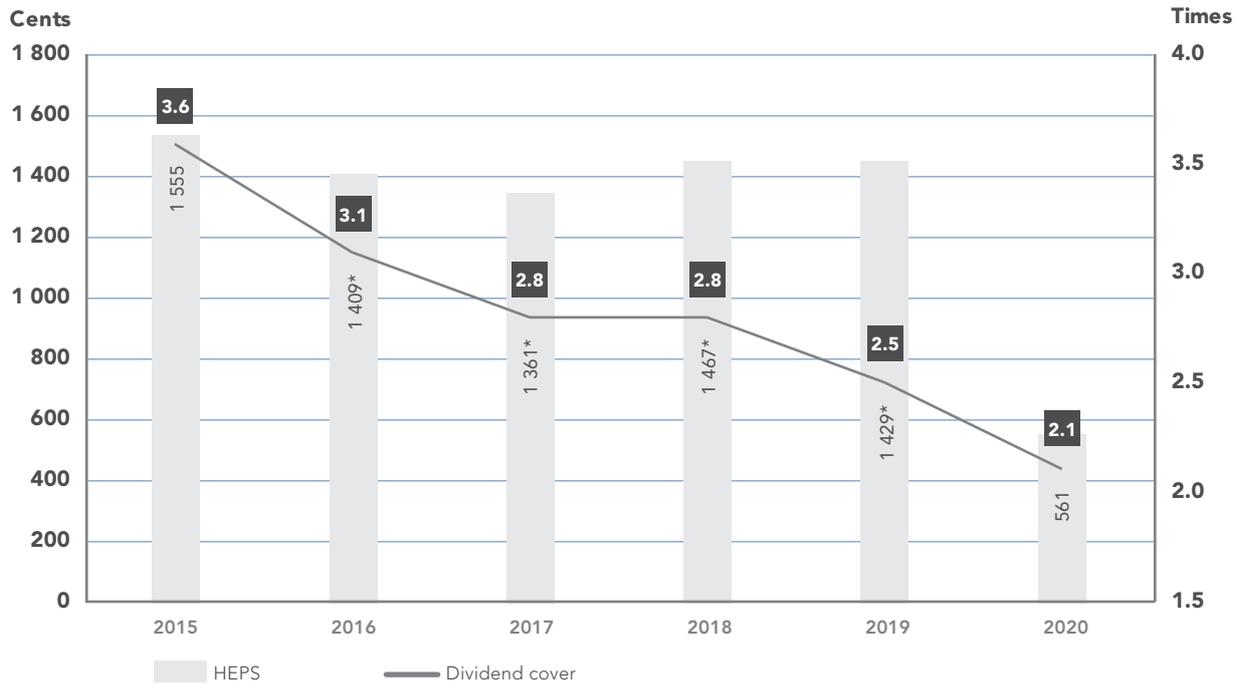
CONSUMER PRODUCTS

The contribution from consumer products to Remgro's headline earnings amounted to R545 million (2019: R918 million), representing a decrease of 40.6%.

RCL Foods' contribution to Remgro's headline earnings decreased by 63.8% to R92 million (2019: R254 million). RCL Foods' headline earnings was materially impacted by the Covid-19 pandemic and national lockdown in the last quarter of the year under review. RCL Foods' Chicken and Vector Logistics businesses have been impacted the most by the lockdown, largely due to the closing of Quick Service Restaurants (QSRs). This resulted in considerable revenue loss in what are largely fixed cost businesses, significantly higher stock holding of chicken and an increase in associated costs. Vector Logistics also incurred additional costs to service the take-on of Imperial Logistics' cold chain business, thereby becoming the largest frozen logistics player in South Africa. Beverages and Pies' predominantly on-the-go consumption also suffered, somewhat countered by increasing volumes across the rest of the portfolio. RCL Foods' direct cost impact of Covid-19 to date in terms of additional costs, amounted to R267 million. Sugar has delivered a significant improvement in profitability. The implementation of the Health Promotion Levy (sugar tax) has brought about substantial and permanent reduction in industrial demand. However, retail demand improved significantly during the year. Lower imports also contributed to a successful shift in sales mix, weighted towards higher priced local sales.

Distell's contribution to headline earnings amounted to R165 million (2019: R459 million), representing a decrease of 64.1%. Distell discloses normalised earnings, adjusted for abnormal transactions and currency movements, to indicate its businesses' performance. These abnormal transactions included retrenchment and restructuring costs, as well as credit loss provisions relating to USD denominated savings bonds with the Reserve Bank of Zimbabwe. Distell reported a decrease in normalised earnings of 74.0%, mainly due to a decrease of 14.6% in revenue to R22.4 billion on 22.5% lower volumes, resulting from the Covid-19 restrictions. Domestic revenue decreased by 18.2% while volumes declined by 25.5% and in other African markets revenue decreased by 3.0% while volumes declined by 14.7%, mainly due to a 19.1% decline in volumes in BLNE countries. Revenue in international markets outside Africa decreased by 8.8% while volumes declined by 13.1%. The expected credit losses on trade and other receivables increased by R69 million and the provision for obsolete and slow-moving inventory increased by R124 million, due to the alcohol sales ban, as certain products have a limited shelf life. In addition to Distell's contribution, Remgro also accounted for amortisation and depreciation charges of R47 million (2019: R47 million) relating to the additional assets identified when Remgro obtained control over Distell on 11 May 2018.

The headline earnings contribution from Siqalo Foods Proprietary Limited (Siqalo Foods) amounted to R414 million (2019: R332 million), representing an increase of 24.7%. In terms of a transition agreement with Unilever, Siqalo Foods received an after tax finalisation amount of R31 million from Unilever. Excluding the finalisation amount, Siqalo Foods' contribution to headline earnings increased from R332 million to R383 million (or 15.4%) mainly due to higher sales price realisations and lower overheads, partly offset by a decrease in volumes. In addition to Siqalo Foods' contribution, Remgro also accounted for amortisation and depreciation charges of R79 million (2019: R80 million) relating to the additional assets identified when Remgro obtained control over Siqalo Foods on 2 July 2018.

DIVIDEND COVER (HEPS: HEADLINE EARNINGS PER SHARE)


* HEPS, excluding once-off costs and option remeasurement

INDUSTRIAL

Air Products South Africa Proprietary Limited's (Air Products) contribution to Remgro's headline earnings decreased by 2.9% to R333 million (2019: R343 million). This decrease is mainly due to difficult trading conditions with subdued demand in most sectors of the business and pressure on pricing.

Total's contribution to Remgro's headline earnings amounted to a loss of R20 million (2019: profit of R328 million). Included in the contribution to headline earnings for the year under review are unfavourable stock revaluations amounting to R229 million (2019: unfavourable stock revaluations amounting to R1 million). These revaluations are the result of the volatility in the Brent Crude price and the rand exchange rate. Excluding these revaluations, the contribution decreased by 36.5% from R329 million to R209 million. This decrease is mainly due to the impact of the Covid-19 lockdown, which resulted in a significant drop in volumes in the retail network, mining and commercial sectors, as well as the closure of the Natref refinery during lockdown.

KTH's contribution to headline earnings amounted to a loss of R164 million (2019: profit of R161 million). This decrease is mainly due to negative fair value adjustments on its investment in Actom Investment Holdings Proprietary Limited of R260 million (2019: positive fair value adjustments of R132 million), as well as lower equity accounted income from its investment in Momentum Metropolitan.

Wispeco Holdings Proprietary Limited's (Wispeco) contribution to headline earnings amounted to R80 million (2019: R121 million), while PGSI Limited (PGSI) contributed a loss of R126 million to Remgro's headline earnings (2019: a loss of R9 million). Both investees were materially affected by the Covid-19 pandemic and various levels of lockdown from 27 March 2020. Although operations commenced from the beginning of May 2020, demand was subdued for the rest of the financial year.

INFRASTRUCTURE

CIVH's contribution to Remgro's headline earnings amounted to a loss of R649 million (2019: loss of R204 million). This decrease is mainly due to significant transaction and funding costs incurred relating to the acquisition of a further 65.1% stake in Vumatel Proprietary Limited (Vumatel) during May 2019, as well as additional losses (ten months) accounted for Vumatel due to the interest acquired. CIVH's results were also negatively impacted by prudent credit provision due to the uncertainties created by the Covid-19 pandemic. Despite the increase in losses, Dark Fibre Africa Proprietary Limited's (DFA) revenue increased by 5.0%, as its annuity income grew to in excess of R179 million per month at 31 March 2020 (31 March 2019: R159 million). DFA's contribution was negatively impacted by higher depreciation and finance costs as a result of the expanding network. Vumatel's revenue increased by 80.0% to R1.5 billion compared to the prior year, driven by accumulated subscriber uptake growth. However, its results were also negatively impacted by higher depreciation and finance costs driven by the expanding network.

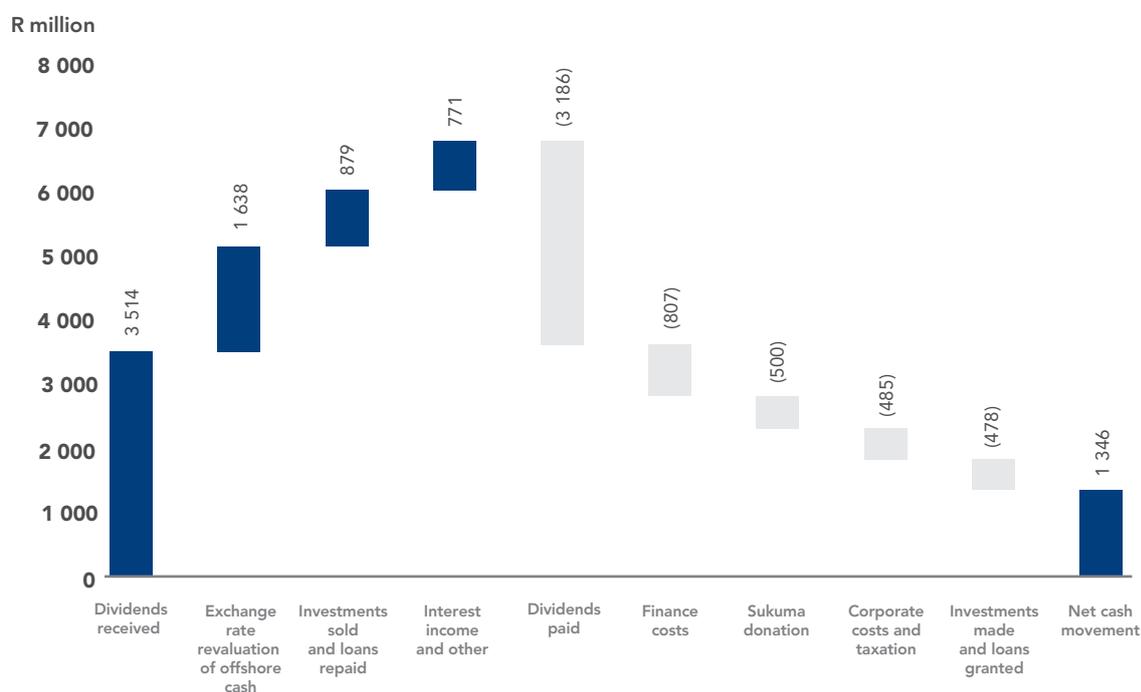
Grindrod Limited's (Grindrod) contribution to Remgro's headline earnings amounted to a loss of R12 million (2019: profit of R72 million). The decrease is mainly due to negative fair value adjustments on Grindrod's private equity portfolio (accounted for as a discontinued operation) and a mark-to-market loss on Grindrod Shipping Holdings Limited (Grindrod Shipping) shares (which are being accounted for through the consolidation of Grindrod's BBBEE structure). Grindrod's trading profit from continuing operations had a resilient performance despite the negative impact of the Covid-19 pandemic.

Grindrod Shipping's contribution to Remgro's headline earnings amounted to a loss of R46 million (2019: loss of R65 million). The improvement in Grindrod Shipping's results is mainly due to higher tanker earnings and a foreign exchange profit on an inter-company loan (compared to losses in the comparative period).

CASH AT THE CENTRE

	30 June 2020			30 June 2019
	Currency value million	Exchange rate	R million	R million
SA rand			6 721	9 108
British pound	352.9	21.4537	7 572	2 063
USA dollar	159.7	17.3475	2 770	4 550
Swiss franc	0.6	18.3145	10	6
			17 073	15 727

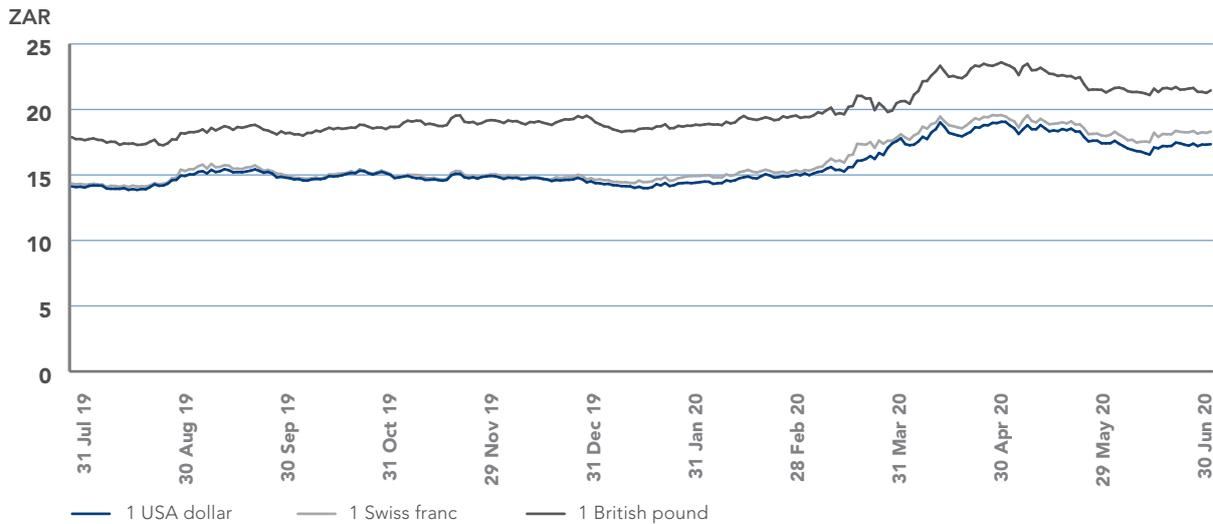
CASH MOVEMENT AT THE HOLDING COMPANY (CASH AT THE CENTRE)



Closing exchange rates	30 June 2020	30 June 2019	Movement %
USD/ZAR	17.3475	14.0682	(23.3)
GBP/ZAR	21.4537	17.8775	(20.0)
CHF/ZAR	18.3145	14.4221	(27.0)

Average exchange rates	Year ended 30 June 2020	Year ended 30 June 2019	Movement %
USD/ZAR	15.6594	14.1865	(10.4)
GBP/ZAR	19.7171	18.3618	(7.4)
CHF/ZAR	16.0512	14.2635	(12.5)

ZAR VS FOREIGN CURRENCIES REMGRO HOLDS



This was partly offset by weaker rates in the drybulk business, as well as higher net interest expenses.

SEACOM Capital Limited's (SEACOM) contribution to headline earnings amounted to a loss of R10 million (2019: a loss of R2 million).

MEDIA AND SPORT

Media and sport primarily consist of the interests in eMedia Investments Proprietary Limited (eMedia Investments) and various sport interests, including an interest in the Blue Bulls rugby franchise and Stellenbosch Academy of Sport Proprietary Limited.

eMedia Investments' contribution to Remgro's headline earnings increased to R78 million (2019: R39 million). This increase is mainly due to an increase in advertising revenue, assisted by an increase in market share, despite the tough economic environment and difficult trading conditions in the advertising market. eMedia Investments continues to invest into the multi-channel business (Openview and e.tv multi-channel) with Openview set-top box activations growing at an average of approximately 35 000 per month. The set-top boxes were in excess of 2.0 million at 30 June 2020 (30 June 2019: 1.7 million). The investment into the multi-channel business decreased from R330 million to R283 million mainly due to the reduction in subsidy costs, as well as increased revenue due to increased market share.

OTHER INVESTMENTS

The contribution from other investments to headline earnings amounted to a loss of R66 million (2019: profit of R39 million). This decrease is mainly due to the equity accounted losses of Bos Brands Proprietary Limited amounting to R85 million (2019: losses of R61 million), as well as a lower contribution from Business Partners Limited of R25 million (2019: R65 million), mainly due to higher credit loss provisions resulting from the negative impact of the Covid-19 pandemic on its SME client base.

CENTRAL TREASURY AND OTHER NET CORPORATE COSTS

Finance income amounted to R479 million (2019: R755 million). This decrease is mainly due to lower local interest earned, resulting from local cash being expatriated during May 2019 (£100 million) and August 2019 (£70 million), as well as the 250 basis points reduction in the South African repo rate, announced since March 2020. Finance costs amounted to R951 million (2019: R823 million). The positive fair value adjustment of R2 million (2019: R112 million) relates to the decrease in the value of the bondholders' exchange option of the exchangeable bonds.

Other net corporate costs amounted to R667 million (2019: R187 million). This increase is mainly due to the Sukuma donation amounting to R500 million.

EARNINGS

Total earnings decreased by 9.2% to R6 646 million (2019: R7 319 million). It should be noted that apart from the decrease in headline earnings discussed above (down by R5 028 million), earnings includes other once-off items, which cause comparability of earnings to be challenging. These are:

- the accounting profit realised on the RMH Unbundling and FirstRand Reclassification totaling R11 588 million (2019: profit realised on the Unilever disposal of R8 318 million);
- Remgro's portion of the impairment of Mediclinic's assets in Switzerland and the Middle East and its investment in Spire Healthcare Group plc (Spire) of R4 330 million (2019: R2 873 million);
- the impairment of goodwill of R1 809 relating to Remgro's investment in Distell (2019: R888 million relating to Remgro's investment in Siqalo Foods);
- Remgro's portion of the impairments of RCL Foods' underlying divisions of R970 million (2019: R428 million);
- the impairment of Remgro's investments in Mediclinic (R3 898 million) and PGSI (R378 million) in the 2019 financial year;

- the impairment of Remgro's investments in Grindrod of R596 million (2019: R300 million) and Grindrod Shipping of R112 million (2019: R277 million); and
- Remgro's portion of the gain on bargain purchase of R191 million arising from RCL Foods' take-on of Imperial Logistics.

CASH AT THE CENTRE AND FOREIGN EXCHANGE RATES

On 30 June 2020 Remgro's cash at the centre amounted to R17 073 million (2019: R15 727 million), of which 61% was invested offshore (2019: 43%). The cash is held in different currencies of which approximately 40% was held in SA rand, 16% in USA dollar and 44% in British pound.

During the year £70 million was transferred from local cash to offshore cash at a SA rand/British pound exchange rate of R17.79 = £1.00. Foreign exchange profits amounting to R1 638 million (2019: R38 million) were accounted for during the year under review, due to the weakening of the SA rand against the USA dollar from R14.07 = \$1.00 at 30 June 2019, to R17.35 = \$1.00 at 30 June 2020, and the weakening of the SA rand against the British pound from R17.88 = £1.00 at 30 June 2019, to R21.45 = £1.00 at 30 June 2020. 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), as well as to service foreign debt (British pound).

EXTERNAL FUNDING

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

During the 2016 financial year Remgro also issued exchangeable bonds (through its wholly owned subsidiary, Remgro Jersey GBP Limited) amounting to £350.0 million. The exchangeable bonds have a tenure of five years and a fixed coupon rate of 2.625%, payable semi-annually. The exchangeable bonds are exchangeable into approximately 30.9 million Mediclinic shares and/or cash, and the exchange price for the bonds is £11.3086 per Mediclinic share, representing a 30% premium above the weighted average price on the London Stock Exchange (LSE) between launch and pricing of the bond offering. Upon exchange or redemption of the bonds, Remgro will have the discretionary right to deliver an amount in cash or shares or a combination of cash and shares. The bonds were included for trading on the open market (Freiverkehr) segment of the Frankfurt Stock Exchange on 23 March 2016. On 30 June 2020 the bonds traded at 97.43% (2019: 97.25%) of nominal value. The maturity date of the bonds is 22 March 2021, and therefore classified as short-term debt.

DIVIDENDS

The final dividend per share was determined at 50 cents (2019: 349 cents). The final dividend was adjusted downwards to take into account the RMH Unbundling and the impact of the Covid-19 pandemic (actual and estimated) on cash earnings at the centre. Total ordinary dividends per share in respect of the year to 30 June 2020 therefore amounted to 265 cents (2019: 564 cents), representing a decrease of 53.0%.

The dividend is covered 2.1 times by headline earnings against 2.5 times the previous year.

INTRINSIC NET ASSET VALUE

Remgro's intrinsic net asset value per share at 30 June 2020 was R154.47 compared to R233.03 on 30 June 2019. The decrease reflects the impact of the RMH Unbundling and the negative impact of the Covid-19 pandemic on market values (listed) and fair values (unlisted) of underlying investee companies. Refer to the Chief Executive Officer's Report on page 25 for a detailed discussion regarding Remgro's intrinsic net asset value and its relative performance with certain selected JSE indices.

ACCOUNTING POLICIES

The Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The accounting policies have been consistently applied to both years presented, with the exception of the implementation of *IFRS 16: Leases*. Refer to "Change in accounting policies" for further detail on the implementation of this standard as more fully set out in note 2 to the summary Annual Financial Statements on page 130.

RISK AND OPPORTUNITIES MANAGEMENT

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

Remgro's risk and opportunities management process is summarised in the Risk and Opportunities Management Report on page 77, 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
28 September 2020

COMPOSITION OF TOTAL HEADLINE EARNINGS

R million	Year ended 30 June 2020	% change	Year ended 30 June 2019
Financial services⁽¹⁾			
RMI	599	(48.4)	1 161
FirstRand	657	(39.9)	1 093
RMH	1 430	(45.9)	2 644
Healthcare			
Mediclinic	1 655	(2.2)	1 693
Consumer products			
RCL Foods	92	(63.8)	254
Distell – entity contribution	165	(64.1)	459
– IFRS 3 charge ⁽²⁾	(47)	–	(47)
Siqalo Foods – entity contribution	414	24.7	332
– IFRS 3 charge ⁽²⁾	(79)	1.3	(80)
Industrial			
Air Products	333	(2.9)	343
Total	(20)	(106.1)	328
KTH	(164)	(201.9)	161
Wispeco	80	(33.9)	121
PGSI	(126)	(1 300.0)	(9)
Infrastructure			
CIVH	(649)	(218.1)	(204)
Grindrod	(12)	(116.7)	72
Grindrod Shipping	(46)	29.2	(65)
SEACOM	(10)	(400.0)	(2)
Other infrastructure interests	1	(96.0)	25
Media and sport			
eMedia Investments	78	100.0	39
Other media and sport interests	19	200.0	(19)
Other investments	(66)	(269.2)	39
Central treasury			
Finance income	479	(36.6)	755
Finance costs	(951)	(15.6)	(823)
Option remeasurement	2	(98.2)	112
Other net corporate costs	(667)	(256.7)	(187)
Total headline earnings	3 167	(61.4)	8 195
Weighted number of shares (million)	565.0	(0.1)	565.6
Total headline earnings per share (cents)	560.6	(61.3)	1 448.9

⁽¹⁾ Refer to the change in reporting platforms on page 30.

⁽²⁾ 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.

