



## Results Press Release for the year ended 30 June 2022

### REMGR0 SHOWS STRONG EARNINGS RECOVERY ABOVE PRE-PANDEMIC LEVELS

- **Headline earnings per share: up by 125.3% to 1 150.6 cents**
- **Headline earnings per share: up by 17.0% compared to pre-pandemic period**
- **Ordinary dividend per share: up by 66.7% to 150 cents**
- **Intrinsic net asset value per share as at 30 June 2022: up by 20.2% to R213.10**

#### Introduction

The financial year under review had many headwinds that can be regarded as extreme events, which disrupted the global and local economy. Whilst dealing with the peak of the Covid-19 pandemic, the country was stunned by the civil unrest in KwaZulu-Natal and Gauteng during July 2021, which was followed by the ongoing Russia-Ukraine conflict, continuous power supply constraints and high single digit inflation in the US and elsewhere. Despite these challenges, Remgro has managed to deliver a robust recovery, with most financial metrics ahead of pre-pandemic levels, and made good progress in its journey to optimise its portfolio and unlock value for its stakeholders, as evidenced by the various transformative corporate actions initiated during this financial year. These include the recently announced cash acquisition of Mediclinic International plc (Mediclinic), as well as the Distell Group Holdings Limited (Distell), Community Investment Ventures Holdings Proprietary Limited (CIVH) and Rand Merchant Investment Holdings Limited (RMI) transactions. The Mediclinic, Distell and CIVH transactions are still subject to various approvals.

Despite the evident challenges and negative outlook on a global scale, Remgro believes that its track record of prudent management and strong financial position stand it in good stead to weather the current storms and deliver on its vision to be the trusted investment company of choice that consistently creates sustainable stakeholder value.

#### Results

For the year under review, headline earnings increased by 125.1% from R2 885 million to R6 494 million, while headline earnings per share (HEPS) increased by 125.3% from 510.6 cents to 1 150.6 cents. The headline earnings for the comparative year to 30 June 2021 was significantly impacted by the Covid-19 pandemic and the resultant lockdown measures. From this low base, the increase in headline earnings for the year under review is mainly due to the recovery of the earnings of most of Remgro's underlying investee companies, most notably Mediclinic, TotalEnergies Marketing South Africa Proprietary Limited (TotalEnergies), Kagiso Tiso Holdings Proprietary Limited (KTH), Grindrod Limited (Grindrod), Grindrod Shipping Holdings Limited (Grindrod Shipping), FirstRand Limited (FirstRand) and Distell. Mediclinic's contribution for the comparative year includes the full impact of the Covid-19-related lockdown measures during the first and second waves of the pandemic, on its results for the year ended 31 March 2021. However, during the financial year ended 31 March 2022, Mediclinic delivered a strong operational and financial performance, driven by increased patient activity, thereby

substantially increasing its contribution to Remgro's headline earnings. The results for the year under review were also positively impacted by TotalEnergies' favourable stock revaluations, CIVH turning profitable and lower finance costs, due to the redemption of the exchangeable bonds during March 2021. The increase is partly offset by a lower contribution from RMI, due to the unbundling of its investments in Discovery Limited (Discovery) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan), as well as the disposal of its investment in Hastings Group Holdings plc (Hastings) during the year under review.

Compared to the reported headline earnings from continuing operations for the 2019 financial year of R5 551 million, which represents a reasonable comparison to a pre-pandemic period, headline earnings increased by 17.0%, which indicates that the earnings of most of Remgro's underlying investee companies, which have been affected by the Covid-19 pandemic, have substantially recovered to pre-pandemic levels. It should also be noted that the headline earnings from continuing operations for the 2019 financial year still included the equity accounted earnings of FirstRand of R1 093 million as opposed to dividend income of R625 million, as this investment was subsequently reclassified from an equity accounted investment to an investment at fair value through other comprehensive income.

Commentary on the headline earnings performance of each of the underlying reporting platforms is set out in the audited results for the year ended 30 June 2022 released herewith.

### **Earnings**

Total earnings increased by 270.1% to R13 139 million (2021: R3 550 million) mainly due to Remgro's portion of the profits realised by RMI on the unbundling of its investments in Discovery and Momentum Metropolitan (totaling R4 667 million) and the disposal of its investment in Hastings (R1 465 million), as well as the increase in headline earnings of R3 609 million discussed above.

### **Intrinsic net asset value**

Remgro's intrinsic net asset value per share increased by 20.2% from R177.33 at 30 June 2021 to R213.10 at 30 June 2022. The closing share price at 30 June 2022 was R129.91 (2021: R114.60), representing a discount of 39.0% (2021: 35.4%) to the intrinsic net asset value.

### **Dividend declaration**

For the year ended 30 June 2022, a final gross dividend of 100 cents (2021: 60 cents) per share 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.

**Jannie Durand, CEO of Remgro, concluded:** *"We are encouraged by the progress we have made, amidst all the headwinds, in our continued journey of recovery and in delivering on our strategy to optimise our portfolio in order to unlock stakeholder value. While considerable uncertainty still remains with much of the global economic outlook being negative amidst continued geopolitical volatility, Remgro remains optimistic about its future prospects as it stays committed to shape the future and partner for South Africa's prosperity. Key to Remgro's ongoing commitment to the country is to ensure that it puts its ethical approach to business that it has long pursued into a practical, modern form, and address the most pressing social and environmental issues it faces. Remgro remains committed to do that, understanding not only that they present challenges, but also opportunities to change for the better, for all."*

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## **EDITOR'S NOTES**

### **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 nine platforms. The Company is listed on the Johannesburg Stock 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". From 3 January 2022, the Company also has a secondary listing on the A2X. Remgro's interests consist mainly of investments in the healthcare, consumer products, financial services, infrastructure, industrial and media industries. Remgro's most significant investments are Mediclinic (44.6% interest), CIVH (57.0% interest), RMI (30.6% interest), Distell (31.7% interest), RCL Foods Limited (80.3% interest), FirstRand (2.5% interest), Siquo Foods Proprietary Limited (100.0% interest), Discovery (7.7% interest), Air Products South Africa Proprietary Limited (50.0% interest), TotalEnergies (24.9% interest) and KTH (43.5% interest). These investments contribute approximately 84% to Remgro's intrinsic net asset value (INAV after tax).