



***Remgro***  
*Limited*



**RESULTS PRESENTATION  
FOR THE YEAR ENDED 30 JUNE  
2023**



21 September 2023

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The background features a dark blue field with a pattern of light blue hexagons. Several 3D cubes are scattered throughout, some rendered in a gradient of blue and yellow, while others are simple wireframe outlines in yellow. The overall aesthetic is modern and technical.

# **PERFORMANCE OVERVIEW AND OPERATING CONTEXT**

# Earnings momentum sustained despite headwinds

HE R7 056m

▲ **8.7%**

(2022: R6 494m)

HEPS R12.54

▲ **8.9%**

(2022: R11.51)

Ordinary Dividend PS

R2.40

▲ **60.0%**

(2022: R1.50)

INAVPS R248.47

▲ **16.6%**

(June 2022: R213.10)

HE excluding the impact of various corporate actions implemented in the last 2 years

▲ **c. 27%**

Closing share price

R147.05

▲ **13.2%**

(June 2022: R129.91)

INAV Discount 40.8%

▲ **180bps**

(June 2022: 39.0%)

# A challenging backdrop, but green shoots present opportunity



# ...in our portfolio context...



## Positives

- First full year of operations post Covid pandemic
- Businesses are financially stable and well positioned for growth
- Remgro is well capitalised and continues to pay dividends
- Benefit of higher interest income due to high interest rate cycle



## Negatives

- Varying impacts of elevated commodity prices across the portfolio, with emphasis on Siqalo Foods, RCL Foods and TotalEnergies
- Input price pressures continue to be a risk throughout the Group, in particular the consumer segment
- SA consumer feeling the pressure of high costs of living, food inflation and energy costs
- Impact of loadshedding: lost production and increased operating costs at stages above 6 and resultant infrastructure failures pose threats, e.g. water shortages



## Remgro's actions

- Macro level (Remgro level)
  - B4SA collaboration
  - Chicken / Sugar initiatives
- Micro level (Investee companies)
  - Energy supply / security for companies
  - Investing in renewables
- Opportunities
  - Energy exchange platform

The background features a dark blue gradient with various geometric shapes. In the top left, there are several 3D cubes, some with yellow outlines and others with blue shading. A large, prominent 3D cube with a yellow-to-blue gradient is in the bottom left. In the center and bottom right, there are more 3D cubes, some with yellow outlines and others with blue shading. The top right area contains a pattern of faint, light blue hexagons.

**DELIVERING ON OUR  
STRATEGIC PRIORITIES**

# Recap: doubling efforts to deliver on our strategic priorities

1

Portfolio optimisation through execution of transformative corporate actions



2

Unlocking value through disposal of non-core assets and new growth opportunities



3

Disciplined capital allocation to unlock sustainable stakeholder value



4

Continued sustainability drive to position as an ESG industry leader



5

Improved disclosure and shareholder engagement



6

Sustaining momentum and resilience through the portfolio



**Remgro**  
Limited

# Another transformative year in Remgro's history...

## Actions completed in FY23

## Completed in FY24

## Focus for FY24



Heineken Beverages / Distell / Namibia Breweries merger to create



Strategic partnerships for growth in our core assets



Take private of Mediclinic by Remgro / MSC



Strategic partnerships for growth in our core assets



Remgro unbundled investment in Grindrod

Unlocking value through unbundling / disposal of non-core assets



Remgro share repurchase of R1 billion

Unlocking value by addressing structural inefficiencies



Disposal of Vector Logistics to AP Moller by RCL Foods  
Progress on Rainbow turnaround



Unlocking value through restructuring assets for recovery



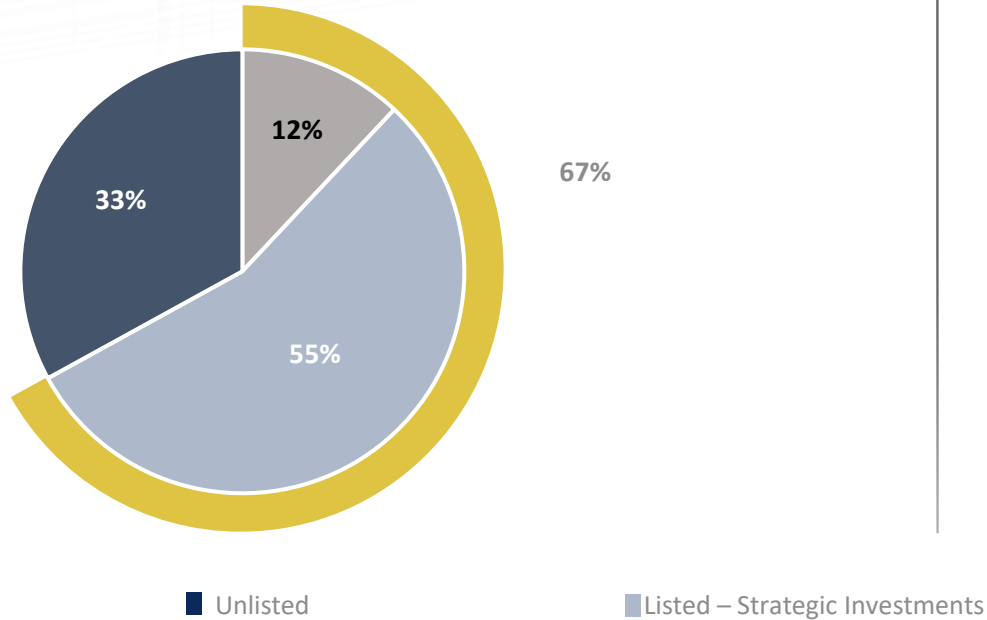
Efforts continue to create fibre Infracore through CIVH / Vodacom fibre merger

Strategic partnerships for growth in our core assets

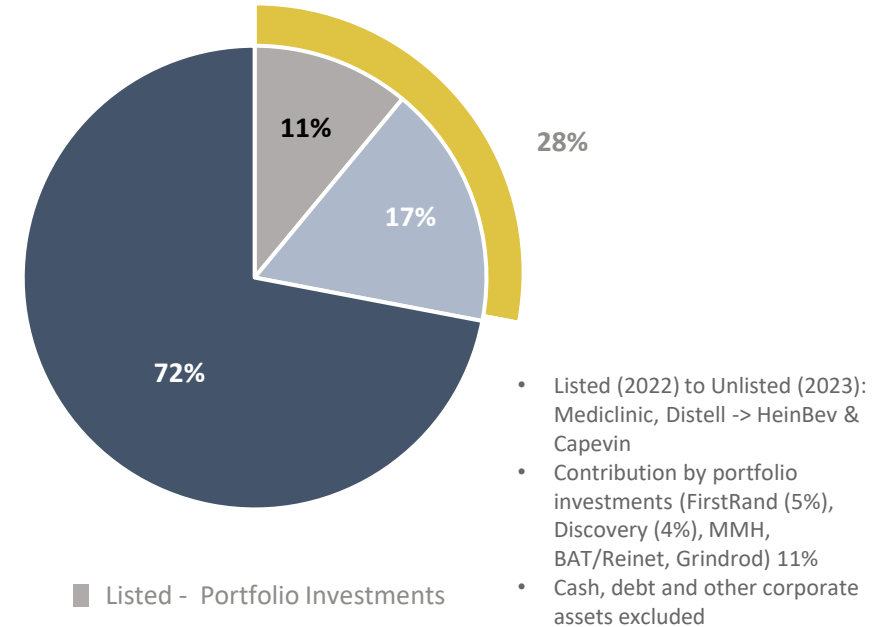
FY2023 has seen the completion of significant corporate actions relating to core investee companies and a repurchase of Remgro shares , CIVH / Vodacom transaction remains a key focus in FY24

# Evolution towards improved asset scarcity

30 June 2022

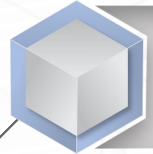


30 June 2023

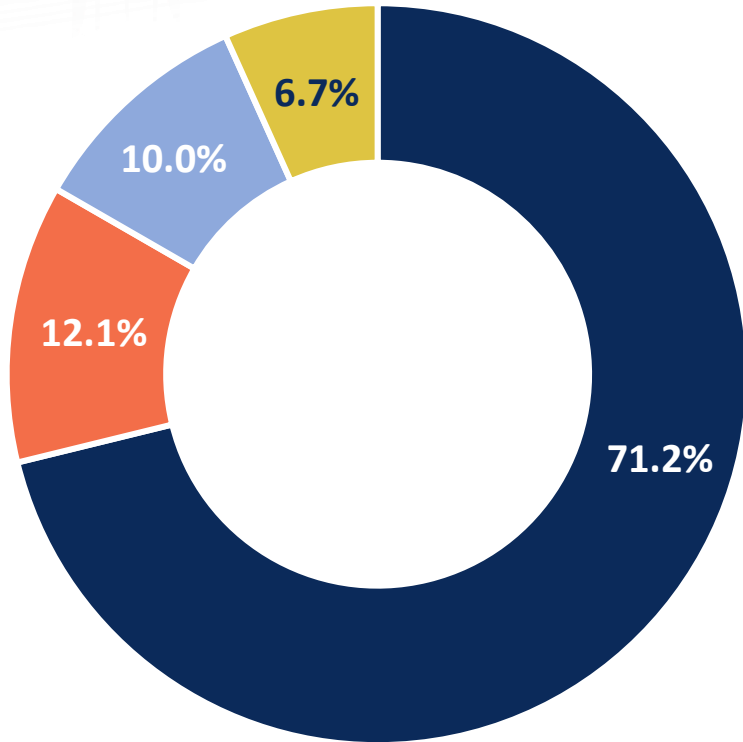


Finalisation of the Mediclinic and Distell /Heineken Beverages transactions marks another **inflection point** in Remgro's history. The **value of Remgro's unlisted portfolio has now increased to >70%**, materially increasing Remgro's **scarcity factor** and positioning it for further growth and **value-unlock** for shareholders.

# Considered and deliberate sourcing and deployment of capital...



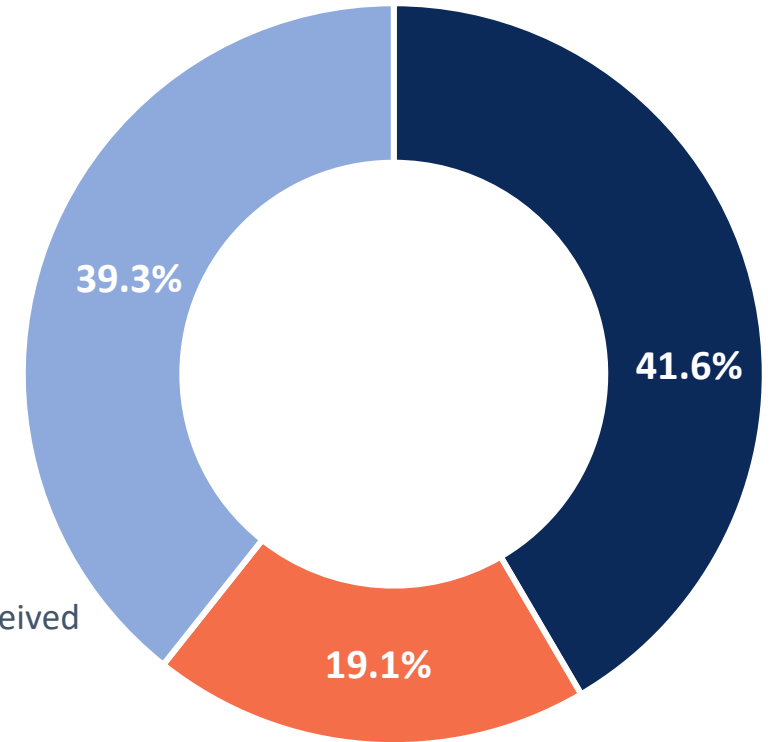
Capital allocated (R8.3 billion)



- Investments made
- Dividends paid
- Share repurchase
- Other



Sources of capital (R8.3 billion)

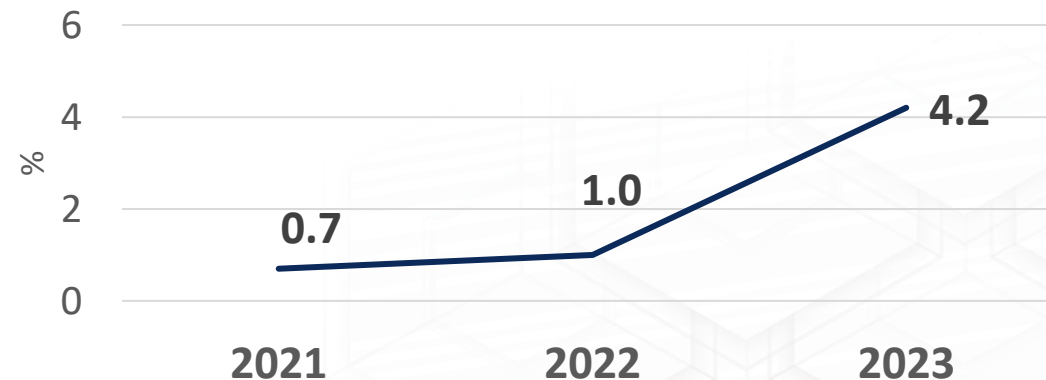


- Investment income received
- Investments realised
- Cash utilised

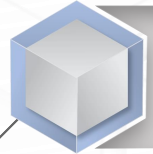
# ... resulting in an increased return of capital to shareholders

	2023	2022	2021
Dividends paid (R million)	1 014	621	452
Dividend in specie (Grindrod) (R million)	1 629	-	-
Share buy backs (R million)	830	137	-
<b>Total returned to shareholders</b>	<b>3 473</b>	<b>758</b>	<b>452</b>
Market capitalisation (R million)	82 146	73 278	64 748
Total yield* (%)	<b>4.2%</b>	<b>1.0%</b>	<b>0.7%</b>

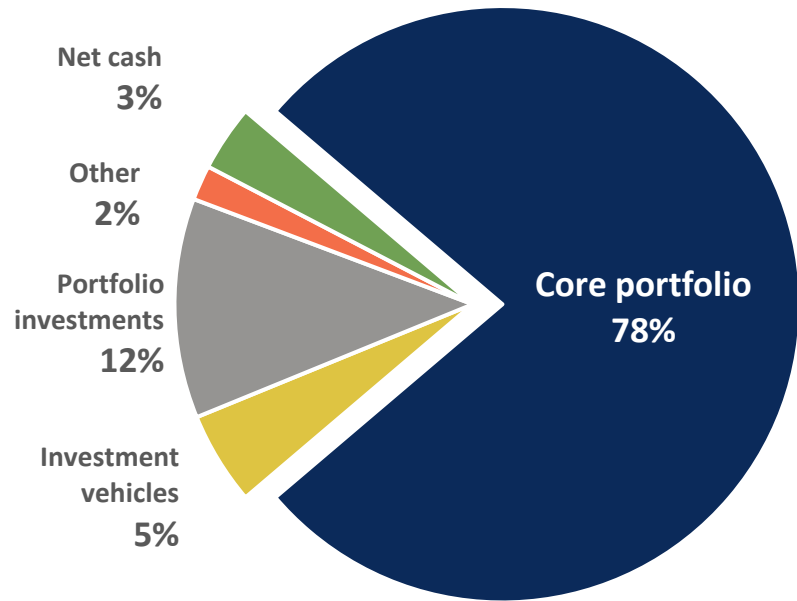
Total yield\* evolution (%)



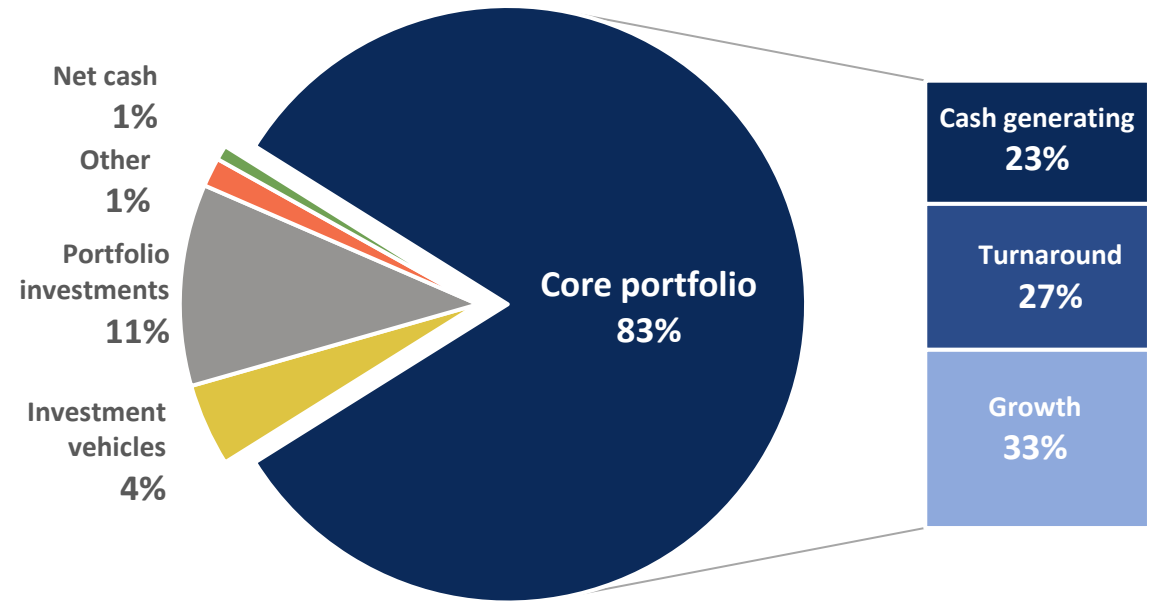
# ...and a net deployment of capital into the core portfolio



Portfolio composition June 2022



Portfolio composition June 2023



# Allocating capital in line with strategy

Other material investment activities during the year under review and after year-end:

## Unlocking value through disposals

- The **Gordon's Gin and Pimm's No1 Cup distribution** agreement has been terminated **in favour of the brand owner Diageo** for a **consideration of R1 billion**, of which R700 million was received on 4 August 2023.
- The outstanding amount of R300 million is payable over the next 10 months subject to achieving certain thresholds relating to the continued supply and manufacturing of the products by Capevin to Diageo.

## Unlocking potential opportunities through funds strategy and other platforms

- Invested a further \$9 million in Asia Partners
- Received distributions of \$9 million from Milestone III
- Invested a further R57 million in PRIF and received distributions of R485 million

## Portfolio resilience and value protection through the economic cycle

- Sale of 60 million FirstRand shares that were hedged through a series of options, which became exercisable during June and July 2022
- Concluded another zero cost collar hedging transaction over 30 million FirstRand shares during November 2022
- Further zero cost collar hedging transaction over 30 million FirstRand shares concluded during March 2023
- At 30 June 2023, the narrow zero cost collars were in a liability position amounting to R92 million



FirstRand

# Continued sustainability drive...

## ESG highlights

## Priorities going forward



Assessed disclosure gaps from the JSE FTSE, Sustainalytics and other relevant ratings agencies



Full time **sustainability and ESG expert appointed** to drive ESG strategy across the Remgro Group



ESG baseline report **completed** across Remgro Group's investee companies



Initiated **Group-wide collaboration** on social impact and CSI initiatives and best practice sharing



**More impactful ESG outcomes** through investee companies



Focus on **better collection and reporting of ESG metrics**



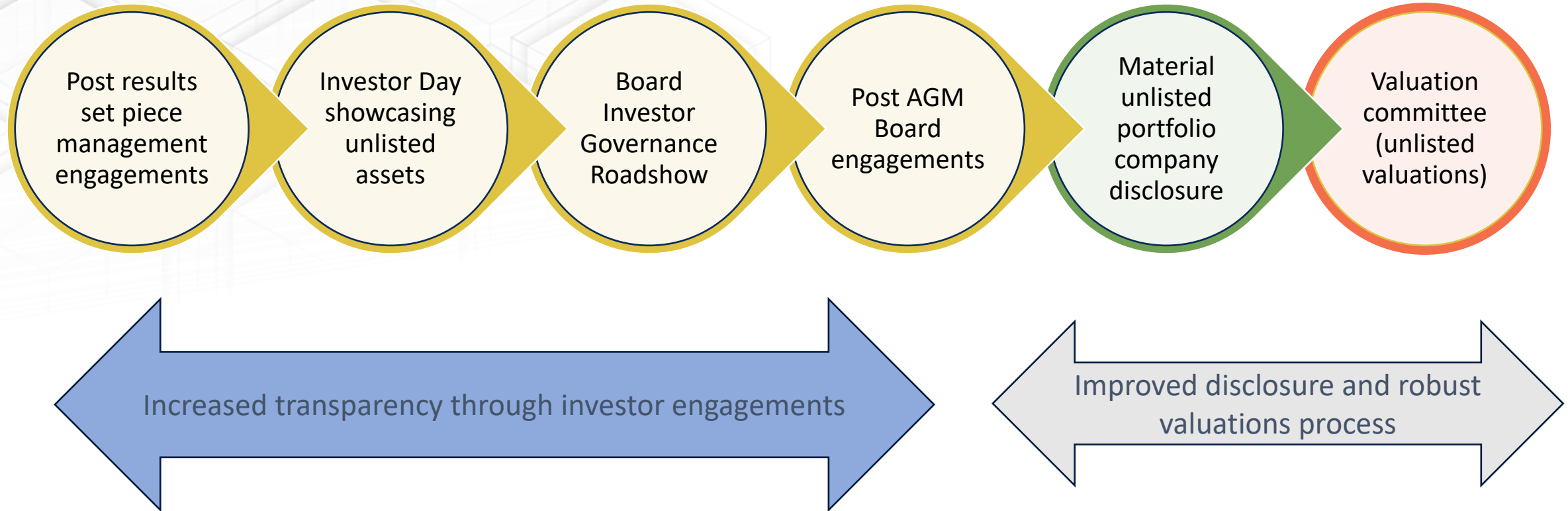
Embed relevant metrics to enable setting of meaningful **ESG targets/KPI's linked to executive remuneration**



Disclosures to be published **aligned to TCFD framework recommendations**

**ESG and sustainability is embedded as part of Remgro's core strategy**

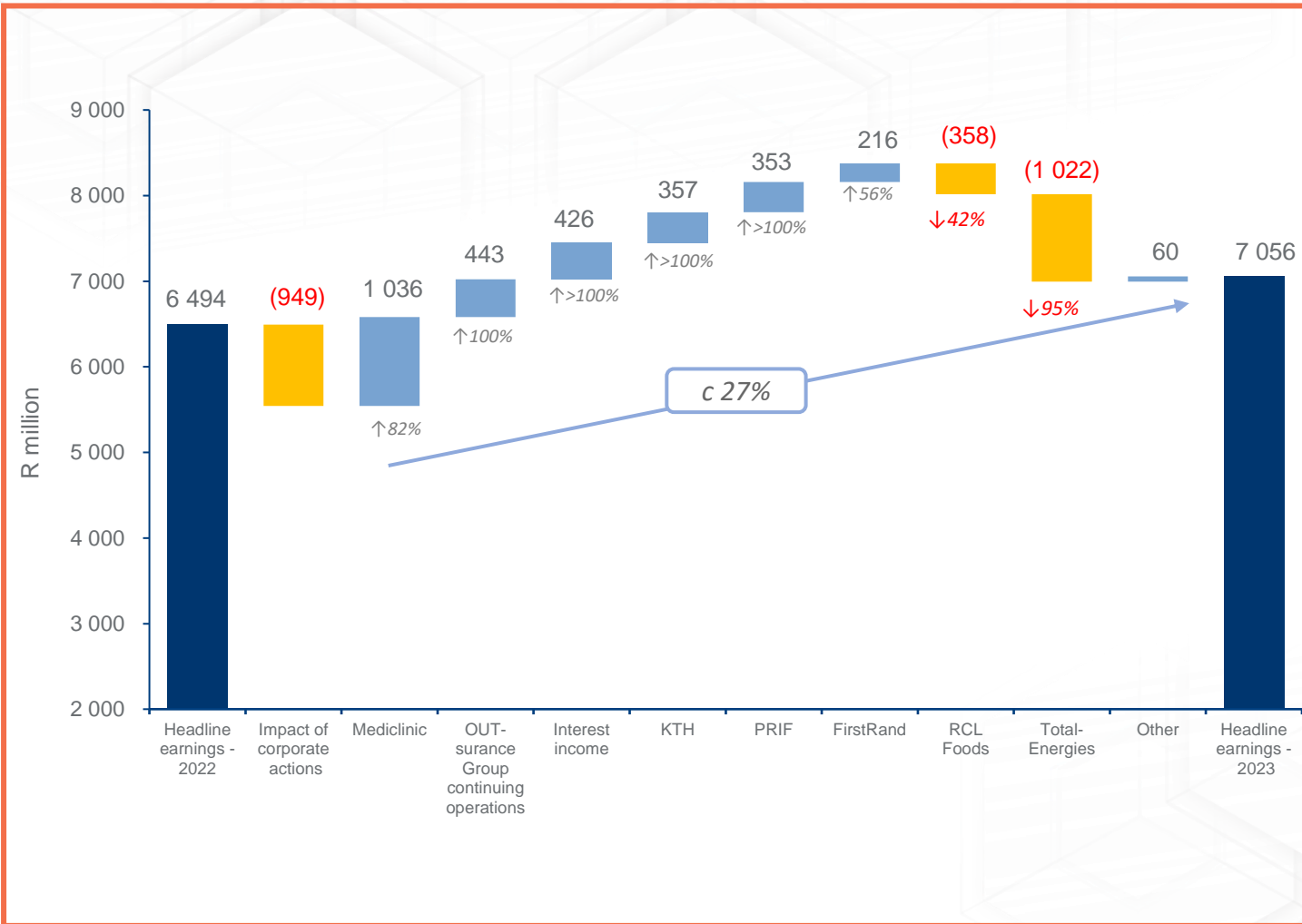
# Enhanced disclosure and shareholder engagement...



The background features a dark blue field with a repeating pattern of light blue hexagons. Overlaid on this are several 3D cubes. Some are solid blue, while others are outlined in yellow. One large cube in the lower-left foreground is partially filled with a yellow-to-blue gradient. Another cube in the lower-right foreground is also partially filled with a yellow-to-blue gradient. The text 'SUMMARISED RESULTS FOR THE YEAR' is centered in white, bold, uppercase letters.

**SUMMARISED RESULTS FOR THE YEAR**

# Headline earnings overview



## Corporate actions impacted comparability of headline earnings:

R million	Year ended 30 June 2023	Year ended 30 June 2022
Foreign exchange gain relating to the Mediclinic acquisition	(522)	-
Transaction costs relating to the Mediclinic acquisition	612	-
Transaction and integration costs relating to the Distell/Heineken transaction	196	16
Grindrod Shipping equity accounted income	-	(267)
Grindrod equity accounted income	(61)	(263)
Discontinued operations of OUTsurance Group	-	(351)
Momentum Metropolitan dividends	(141)	-
<b>Total impact</b>	<b>84</b>	<b>(865)</b>
<b>Net impact</b>	<b>(949)</b>	

## Volatility in headline earnings:

- **KTH:** Once-off gain of R520m (Remgro: R226m) relating to Actom exit
- **PRIF** dividend of R358m, relating to the disposal of ETG
- **TotalEnergies:** Negative stock revaluations of R252m (2022: positive R642m)

# Valuation approaches – unlisted investments

Investee Company	% of Remgro NAV*	Equity interest	Change in value (FY22-FY23)	Primary valuation methodology				Discounts applied	
				Internal DCF	3 <sup>rd</sup> party DCF	Price of recent transaction	Sum of the parts	Lack of marketability and/ or control (10% - 20%)	Forecast risk (10% - 20%)
Mediclinic	33.8%	50.0%	7.6%		X		X	X	
CIVH	10.2%	57.0%	4.0%	X				X	X
Heineken Beverages	8.9%	18.8%	nm			X			
Siqalo Foods	4.3%	100.0%	(5.3%)	X					X
Air Products	3.5%	50.0%	4.7%	X					X
TotalEnergies	2.4%	24.9%	2.0%	X				X	
KTH	1.7%	43.5%	10.5%	X			X	X	
Capevin	1.1%	31.4%	50.5%	X			X	X	X
Wispeco	1.0%	100.0%	(5.1%)	X					X
Other unlisted	5.3%**								
Other listed	27.8%***								
	<b>100%</b>								

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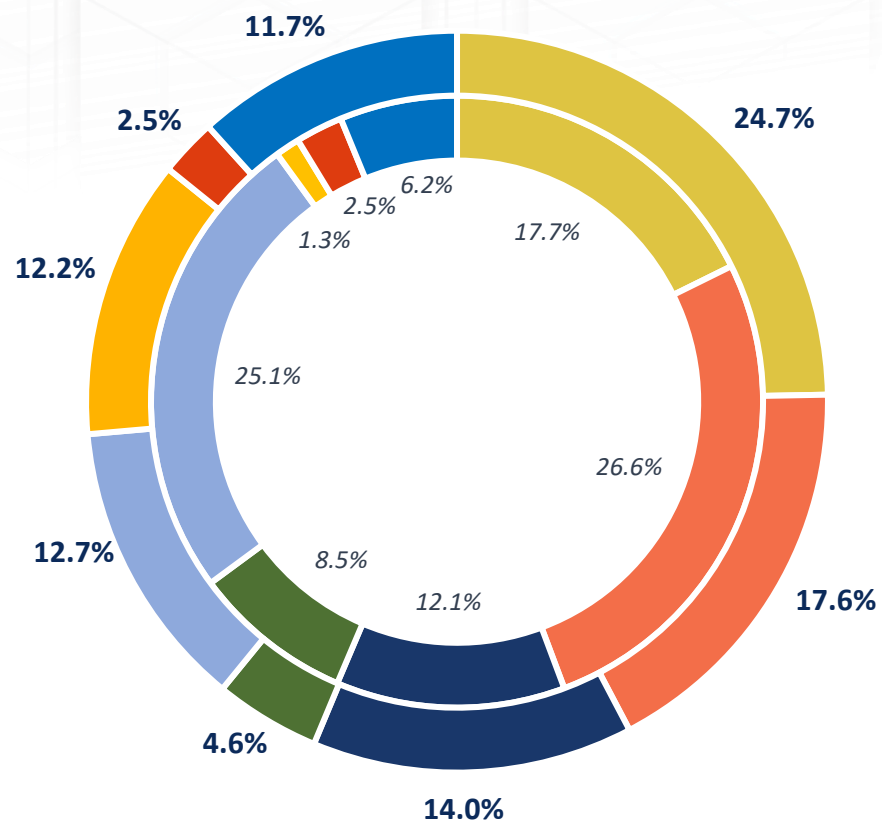
\* Excluding treasury and other net corporate assets

\*\* Includes: Business Partners (0.9%), Invenfin (0.8%), Prescient China Equity Fund (0.8%), SEACOM (0.6%), eMedia Investments (0.5%), other diversified investment vehicles (1.3%), other infrastructure and industrial investments (0.2%), other media investments (0.1%), Social impact investments (0.1%)

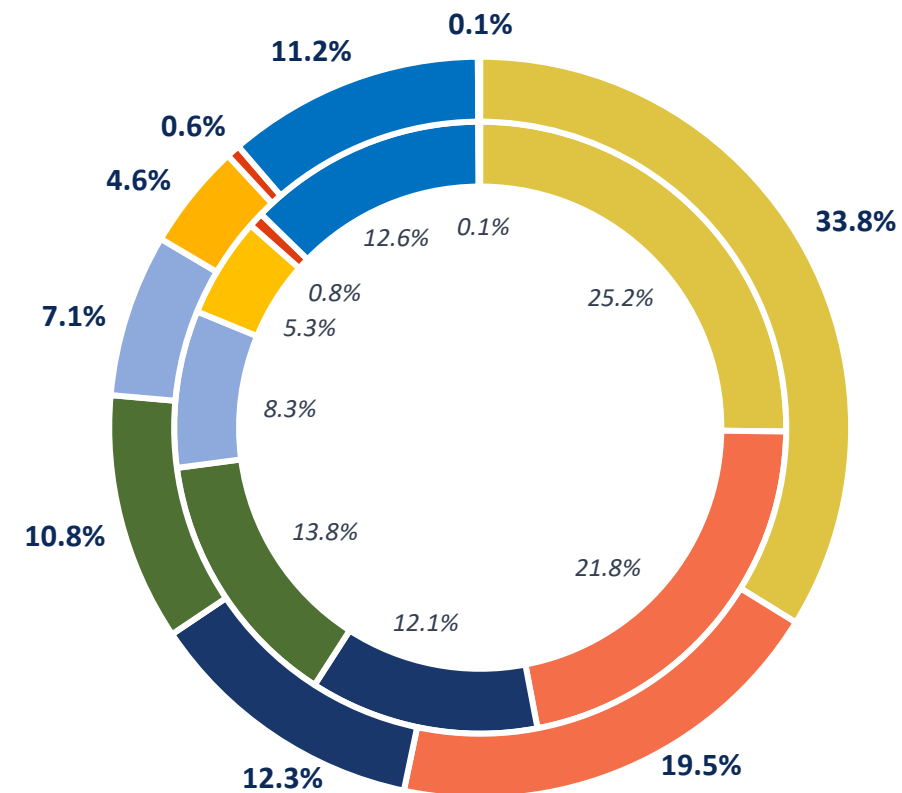
\*\*\* Includes: RCL Foods (5.1%), OUTsurance Group (11.4%), FirstRand (4.9%), Discovery (4.4%), Momentum Metropolitan (1.3%), other portfolio investments (0.7%)

# Contribution by platform

Headline earnings\*



Intrinsic NAV\*



- Healthcare
- Consumer products
- Financial services
- Infrastructure
- Industrial
- Diversified investment vehicles
- Media
- Portfolio investments
- Social impact investments

June 2023 (outer) | June 2022 (inner)

# Healthcare

R million	Headline earnings				Intrinsic value		
	Remgro interest	Year ended 30 Jun 23	Year ended 30 Jun 22	% change	As at 30 Jun 23	As at 30 Jun 22	% change
<b>Mediclinic</b>	50.0%*	1 691	1 267	33.5	47 268	29 568	59.9
- Results for year ended 31 Mar 2023		2 230	1 267	76.0			
- Mediclinic / Manta Bidco additional transaction costs in lag period		(539)					
<b>Contribution*</b>		24.7%	17.7%		33.8%	25.2%	

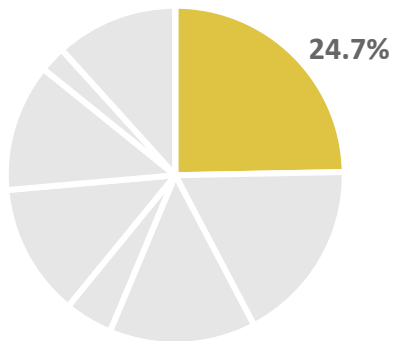
GB£ million	Adjusted earnings (Mediclinic level)		
	Year ended 31 Mar 23	Reported % change	Year ended 31 Mar 22
<b>Adjusted earnings</b>	192	15	167
<b>Adjusted EBITDA</b>	570	9	522
<b>Adjusted EBITDA margin</b>	15.8%	(30 bps)	16.1%

**Note**

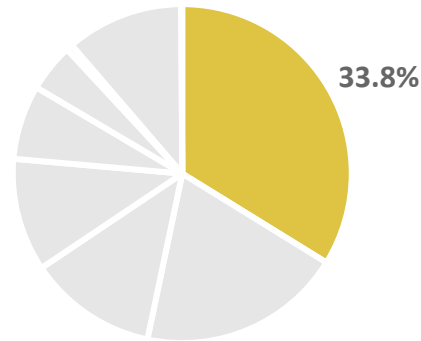
Increase in valuation due to:

- 17.7% increase in £ price per share from £4.58 to £5.39 at 30 June 2023
- Acquisition of additional 5.4% indirect interest in Mediclinic for £221 million
- Weakening of GBP/ZAR exchange rate to R23.80 on 30 June 2023 (30 June 2022: R19.63)

Contribution to headline earnings\*\*



Contribution to intrinsic NAV\*\*



\* Remgro's indirect interest in Mediclinic increased from 44.6% to 50.0% (or by 5.4%) effective 26 May 2023

\*\* Excluding treasury, other net corporate costs/assets and negative contributions to headline earnings

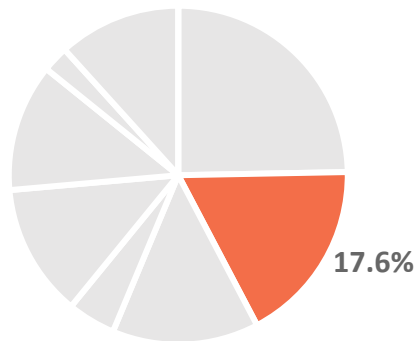
# Consumer Products

R million	Headline earnings				Intrinsic value		
	Remgro interest	Year ended 30 Jun 23	Year ended 30 Jun 22	% change	As at 30 Jun 23	As at 30 Jun 22	% change
Distell <sup>#</sup>	-	555	735	(24.5)		11 969	nm
Heineken Beverages <sup>#</sup>	18.8%	(75)		nm	12 451		nm
Capevin	31.4%	14		nm	1 576		nm
RCL Foods (listed)	80.2%	488	846	(42.3)	7 141	7 355	(2.9)
Siqalo Foods <sup>#</sup>	100.0%	344	401	(14.2)	6 007	6 345	(5.3)
IFRS 3 charges <sup>#</sup>		(118)	(76)	(55.3)			
<b>Total</b>		<b>1 208</b>	<b>1 906</b>	<b>(36.6)</b>	<b>27 175</b>	<b>25 669</b>	<b>5.9</b>
<b>Contribution*</b>		<b>17.6%</b>	<b>26.6%</b>		<b>19.5%</b>	<b>21.8%</b>	

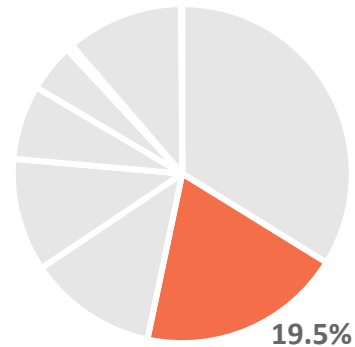
# Represents the amortisation and depreciation expenses, net of tax, relating to the additional assets identified when Remgro acquired these investments: Distell (F23: (R32m)) (F22: (R11m)) | Heineken Beverages (F23: (R6m)) Siqalo Foods (F23: (R80m)) (F22: (R65m))

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Contribution to headline earnings\*



Contribution to intrinsic NAV\*

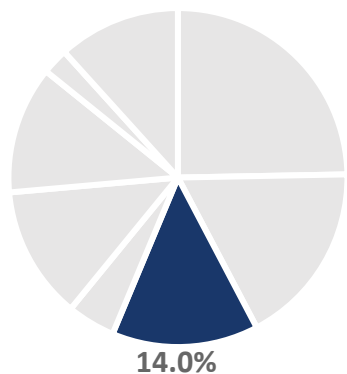


# Financial services

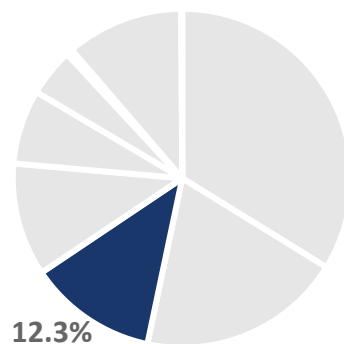
R million	Headline earnings				Intrinsic value		
	Remgro interest	Year ended 30 Jun 23	Year ended 30 Jun 22	% change	As at 30 Jun 23	As at 30 Jun 22	% change
<b>OUTsurance Group (listed)</b>	30.6%	<b>888</b>	796	11.6	<b>15 957</b>	13 069	22.1
- Continuing		<b>888</b>	445	99.6			
- Discontinued		-	351	nm			
<b>Business Partners</b>	44.1%	<b>72</b>	70	2.9	<b>1 260</b>	1 193	5.6
<b>Total</b>		<b>960</b>	<b>866</b>	<b>10.9</b>	<b>17 217</b>	<b>14 262</b>	<b>20.7</b>
<b>Contribution*</b>		<b>14.0%</b>	<b>12.1%</b>		<b>12.3%</b>	<b>12.1%</b>	

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Contribution to headline earnings\*



Contribution to intrinsic NAV\*



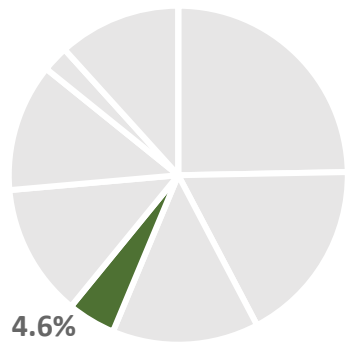
# Infrastructure

R million	Headline earnings				Intrinsic value		
	Remgro interest	Year ended 30 Jun 23	Year ended 30 Jun 22	% change	As at 30 Jun 23	As at 30 Jun 22	% change
<b>CIVH</b>	57.0%	<b>206</b>	47	338.3	<b>14 300</b>	13 756	4.0
<b>Grindrod<sup>#</sup></b>		<b>61</b>	263	(76.8)		1 559	nm
<b>SEACOM</b>	30.0%	<b>47</b>	37	27.0	<b>796</b>	776	2.6
<b>Other infrastructure investments</b>		<b>3</b>	266	(98.9)	<b>57</b>	67	(14.9)
<b>Total</b>		<b>317</b>	613	(48.3)	<b>15 153</b>	16 158	(6.2)
<b>Contribution*</b>		<b>4.6%</b>	8.5%		<b>10.8%</b>	13.8%	

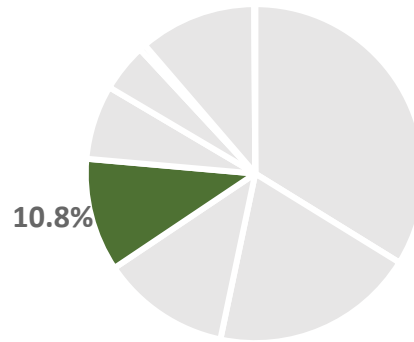
# On 17 October 2022 Remgro unbundled its investment in Grindrod to its shareholders

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Contribution to headline earnings\*



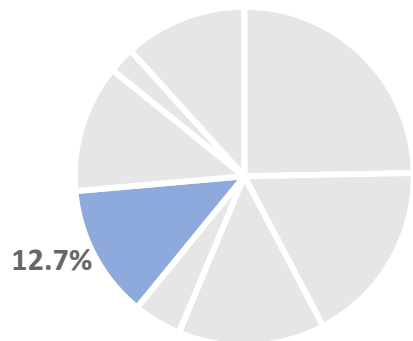
Contribution to intrinsic NAV\*



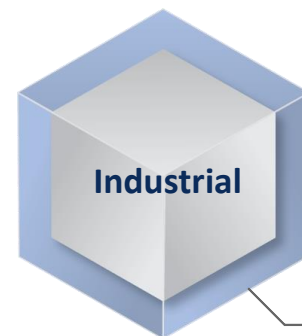
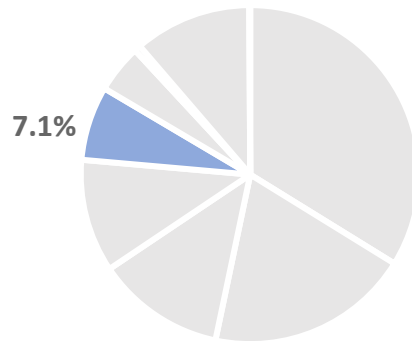
# Industrial

R million	Headline earnings				Intrinsic value		
	Remgro interest	Year ended 30 Jun 23	Year ended 30 Jun 22	% change	As at 30 Jun 23	As at 30 Jun 22	% change
<b>Air Products</b>	50.0%	<b>476</b>	422	12.8	<b>4 911</b>	4 690	4.7
<b>TotalEnergies</b>	24.9%	<b>54</b>	1 076	(95.0)	<b>3 338</b>	3 274	2.0
<b>Wispeco</b>	100.0%	<b>313</b>	281	11.4	<b>1 330</b>	1 402	(5.1)
<b>Other industrial investments</b>		<b>25</b>	21	19.0	<b>320</b>	379	(15.6)
<b>Total</b>		<b>868</b>	1 800	(51.8)	<b>9 899</b>	9 745	1.6
<b>Contribution*</b>		<b>12.7%</b>	25.1%		<b>7.1%</b>	8.3%	

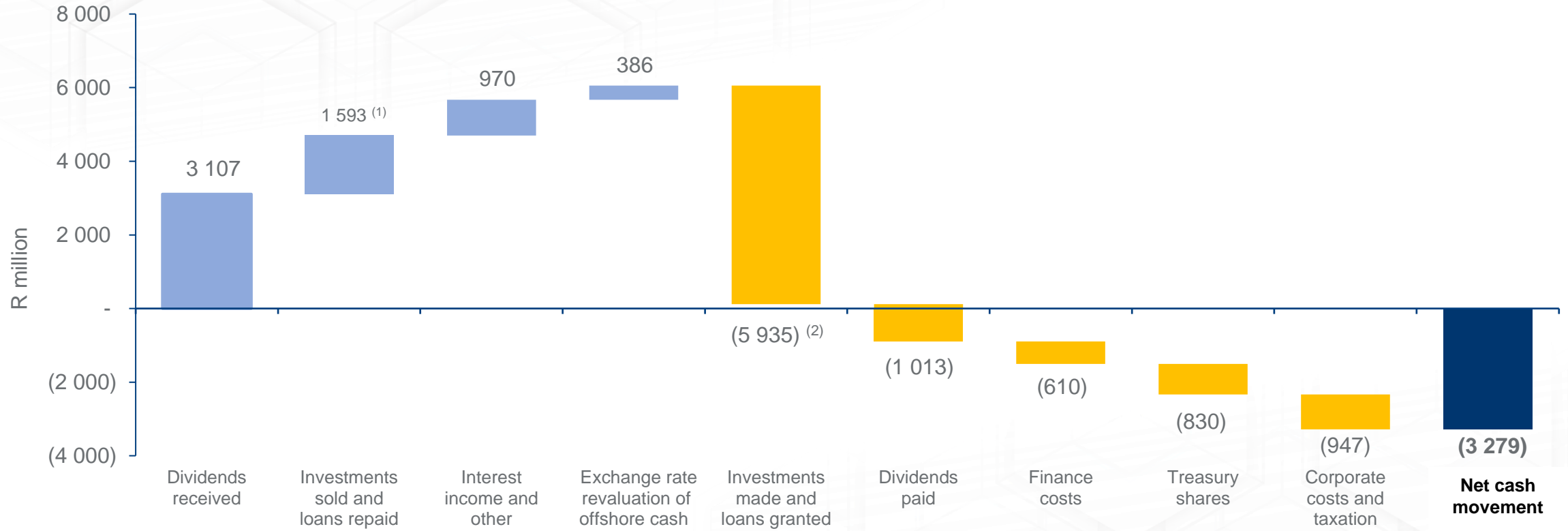
Contribution to headline earnings\*



Contribution to intrinsic NAV\*



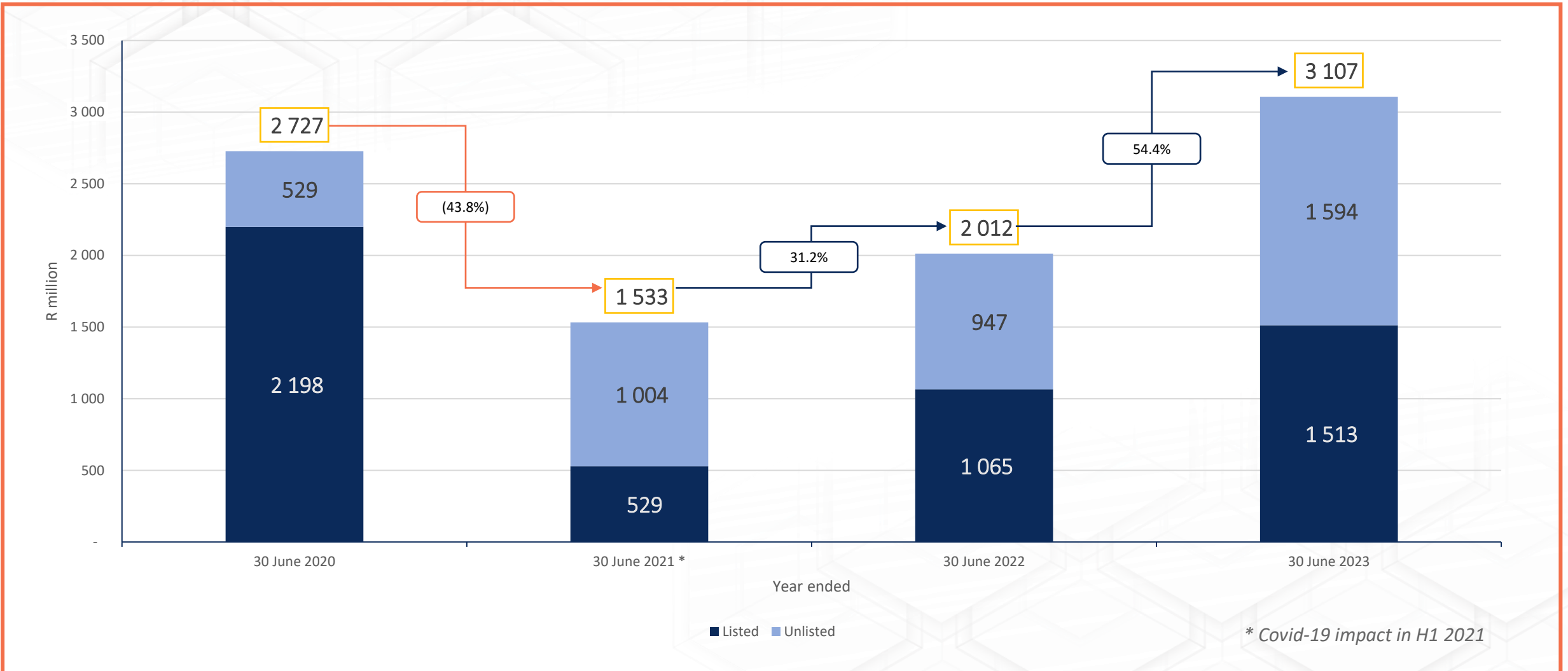
# Cash flow at the centre



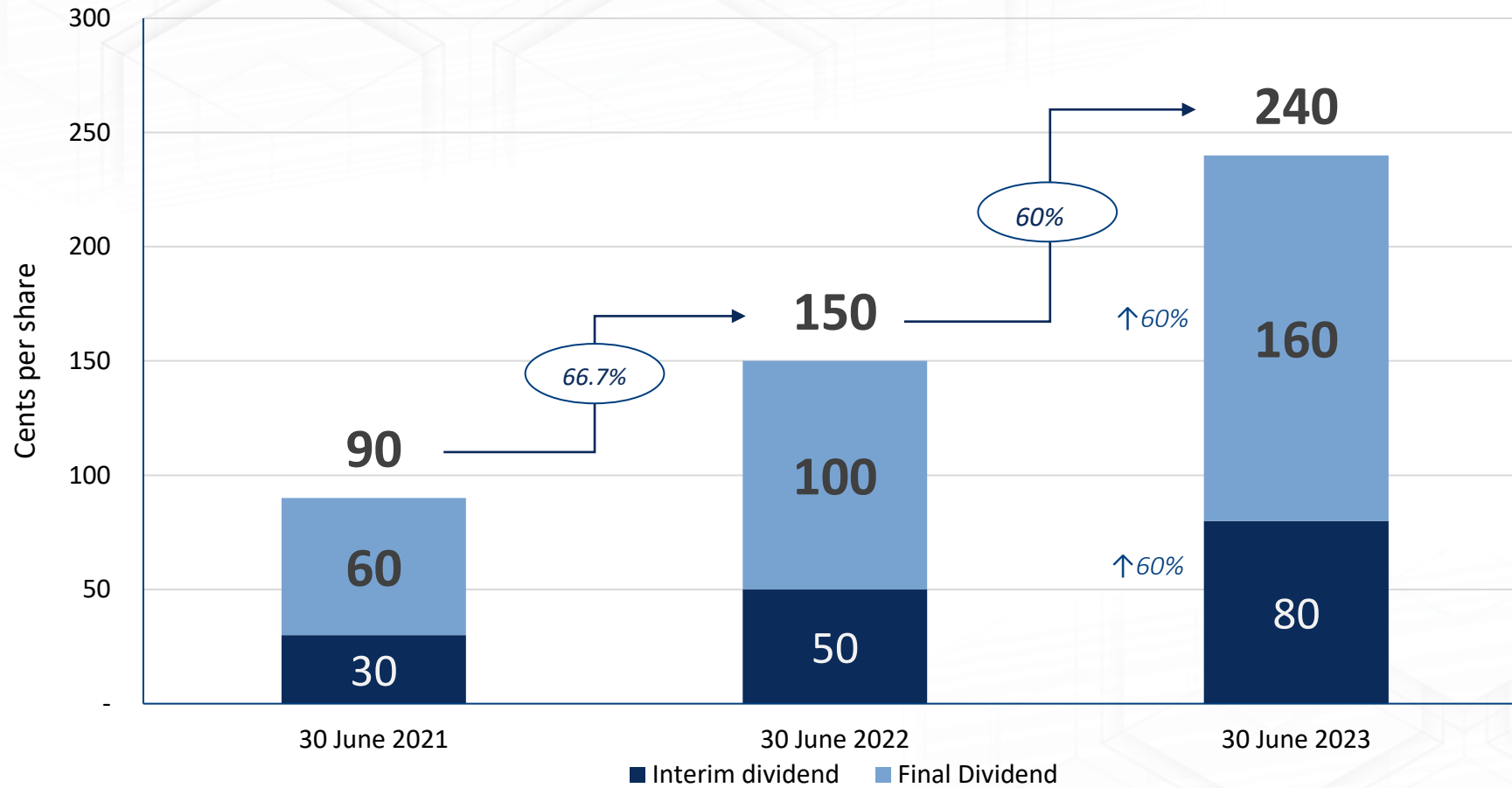
<sup>(1)</sup> Mainly 19.2m FirstRand shares sold (R1.2 bn)

<sup>(2)</sup> Mainly Mediclinic (R4.5 bn) and Heineken Beverages (R1.1 bn)

# Sustainable cash dividends received evolution



# Final dividend



Last day to trade	Tuesday, 7 Nov 2023
Shares trade ex dividend	Wednesday, 8 Nov 2023
Record date	Friday, 10 Nov 2023
Payment date	Monday, 13 Nov 2023

The background features a dark blue gradient with various geometric shapes. In the foreground, there are several 3D cubes and hexagons. Some are solid blue, while others have a blue-to-orange gradient. Some shapes are outlined in a thin orange line. The overall aesthetic is modern and corporate.

# UPDATE ON KEY PORTFOLIO COMPANIES



# Mediclinic Group

Ronnie van der Merwe (CEO)

Jurgens Myburgh (CFO)

# Mediclinic Group – a consistent strategy



- 1 Drive care coordination as we grow our services and enter new care settings
- 2 Digital health transformation to improve patient access, engagement and satisfaction as we improve our B2C capabilities
- 3 Bottom up and top down innovation
- 4 Data driven transformation to support predictive capabilities, Artificial Intelligence and real-time reporting
- 5 Operational excellence required to address cost challenges and mix changes
- 6 Investing in value accretive growth opportunities to cement our market leading positions in existing divisions and enter into adjacent markets

# Switzerland



CHF'm <sup>1</sup>	FY23	FY22	FY23 vs FY22
Revenue	1 900	1 885	1%
EBITDA	280	297	(6)%
EBITDA margin <sup>2</sup>	14.7%	15.6%	
Earnings <sup>3</sup>	32	67	(52)%
Movement in inpatient admissions			1.4%
Movement in revenue/IP admission			0.4%
General insurance mix	51.7%	51.3%	

<sup>1</sup> Adjusted measures presented where appropriate.

<sup>2</sup> The numerator used for calculating the adjusted EBITDA margin includes government grants in FY22 of CHF19m (FY21: CHF13m; FY20: nil) disclosed as 'Other income'.

<sup>3</sup> Includes inter-company loan interest which is eliminated in the Group earnings reconciliation.

- Admissions growth impacted by nursing capacity constraints; further impacting operating costs with elevated spend on temporary staff and employee overtime costs
- Strategy remains focused on delivering value for clients in mature market delivering excellent quality of care and patient experience through world class facilities, leading medical teams, integrated care delivery regions and commercialising innovation opportunities
- Current trading:
  - continuation of the trends experienced in FY23
  - stable inpatient admission volumes with ongoing shift towards general insured patients driving lower average revenue per case
  - capacity constraints and higher temporary staff and employee overtime costs
  - 1H FY24 margin to reflect seasonality (summer period)

# Southern Africa



ZAR'm <sup>1</sup>	FY23	FY22	FY23 vs FY22
Revenue	19 506	18 416	6%
EBITDA	3 775	3 430	10%
<i>EBITDA margin</i>	<b>19.4%</b>	18.6%	
Earnings	1 559	1 359	15%
Movement in bed days sold			7.1%
Movement in revenue per bed day			(1.1)%

<sup>1</sup> Adjusted measures presented where appropriate.

- Strong performance driven by growth in patient volumes; partially offset by lower average revenue per case due to changes in acuity and speciality mix
- EBITDA margin reflects operating leverage from revenue growth and disciplined cost management; partly offset by increases in personnel and energy-related costs
- Strategy to cement our market leading position focussing on people, network formations, new services and care settings and deploying digital technology to enhance the patient journey and deliver integrated care
- Current trading:
  - modest growth in bed days sold driven by strong demand in day case admissions
  - average revenue per bed day impacted by speciality mix
  - rising diesel costs due to increased loadshedding

# Middle East



AED'm <sup>1</sup>	FY23	FY22	FY23 vs FY22
Revenue	<b>4 459</b>	4 111	8%
EBITDA	<b>641</b>	614	4%
<i>EBITDA margin</i>	<b>14.4%</b>	14.9%	
Earnings	<b>285</b>	257	11%
Movement in inpatient admissions and day cases			17%
Movement in outpatient cases			14%
Movement in revenue/admission			(9)%
Movement in revenue/OP case			(4)%

<sup>1</sup> Adjusted measures presented where appropriate.

- Strong performance driven by growth in patient volumes
- EBITDA margin reflects increases in personnel costs to staff growth, pharmacy cost of sales and care-related costs on inpatient and day case activity
- Strategy to establish high quality international standards of healthcare services across the region
- Invested in recent years to build additional capacity, introduce new healthcare services, expand into new care setting and utilise digital healthcare technologies to capture growing demand
- Current trading:
  - continue to benefit from multi-year investment programme
  - ongoing strong growth in inpatient and day case admissions and outpatient attendance
  - 1H FY24 margin to reflect seasonality (summer period)



**CIVH**

Pieter Uys (Chairman)

# CIVH Strategy

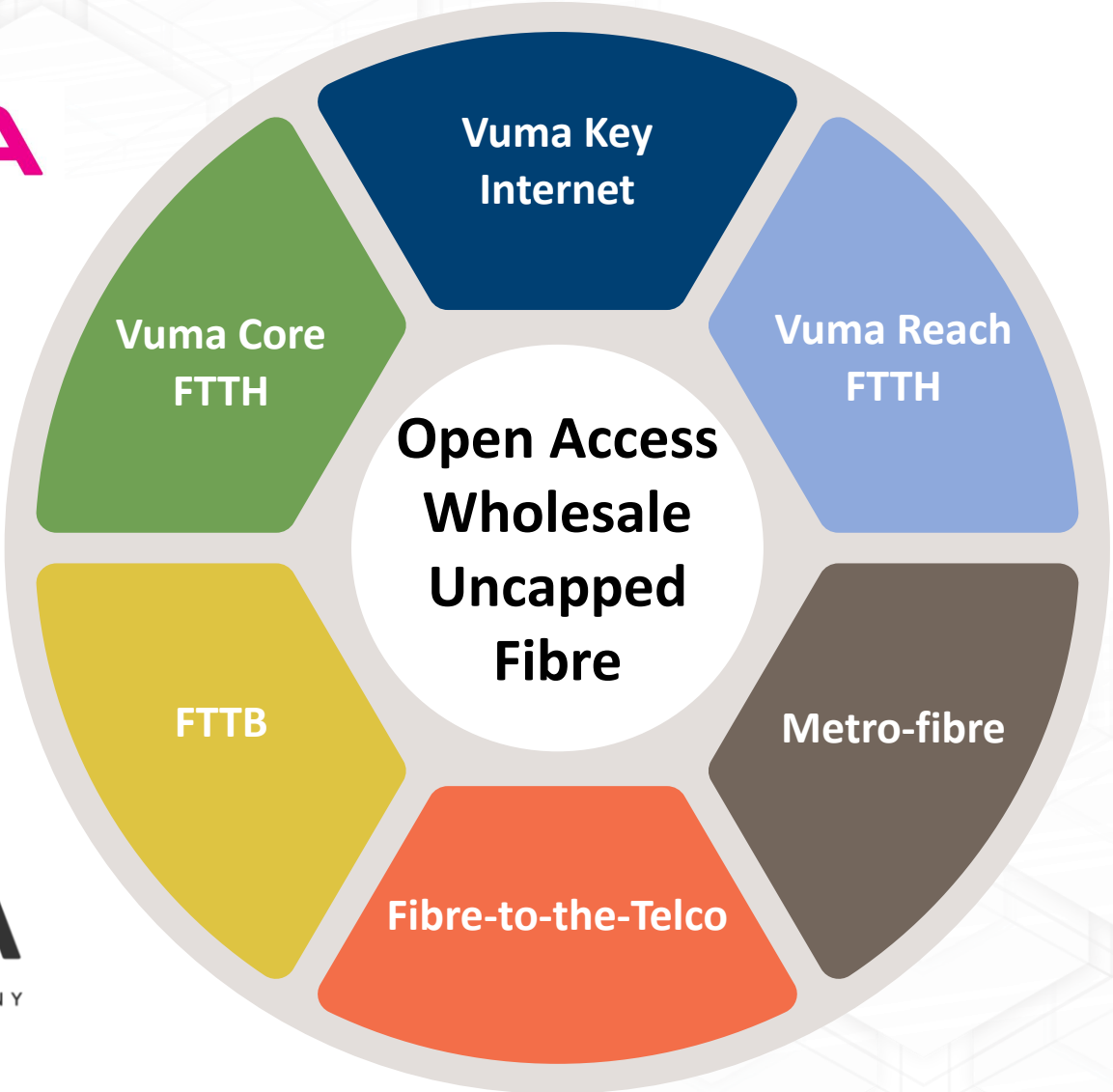


**VUMA**

**MAZIV**



**DFA**  
A MAZIV COMPANY



# Maziv key metrics : consumer



## Vuma Core

### Homes passed



30 June 23	30 June 22	% change
906 315	899 971	0.7

### Subscribers



30 June 23	30 June 22	% change
384 872	365 016	5.4



## Vuma Reach

### Homes passed



30 June 23	30 June 22	% change
1 040 453	664 439	56.6

### Subscribers



30 June 23	30 June 22	% change
263 059	163 912	60.5



## Vuma Key (Trial)

### Distribution points passed



30 June 23	30 June 22	% change
20 596		

### DSP/ Subscribers



30 June 23	30 June 22	% change
1 132		

### Installed Customers



30 June 23	30 June 22	% change
1 919		

# Bridging South Africa's digital divide



9.7m



KEY market

Number of homes with household monthly income < R5k

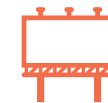
4.8m



REACH market

Number of homes with household monthly income between R5k and R30k

2.2m



CORE market

Number of homes with household monthly income > R30k

# Maziv key metrics : enterprise



## DFA FTTT

### Towers



30 June 23	30 June 22	% change
12 036	11 973	0.5



## DFA FTTB

### Enterprise



30 June 23	30 June 22	% change
38 815	37 135	4.5



## DFA Metro-fibre

### Links



30 June 23	30 June 22	% change
10 116	9 868	2.5

# Financial results

<b>Vumatel (Consolidated)</b>	Year ended	Year ended	
<b>R million</b>	<b>31 Mar 23</b>	<b>31 Mar 22</b>	<b>% change</b>
Revenue	<b>3 432</b>	2 981	15.1
Operating earnings	<b>1 283</b>	953	34.6
Headline earnings	<b>82</b>	261	(68.6)

<b>DFA</b>	Year ended	Year ended	
<b>R million</b>	<b>31 Mar 23</b>	<b>31 Mar 22</b>	<b>% change</b>
Revenue	<b>2 653</b>	2 485	6.8
Operating earnings	<b>1 337</b>	622	115.0
Headline earnings	<b>571</b>	48	1 089.6

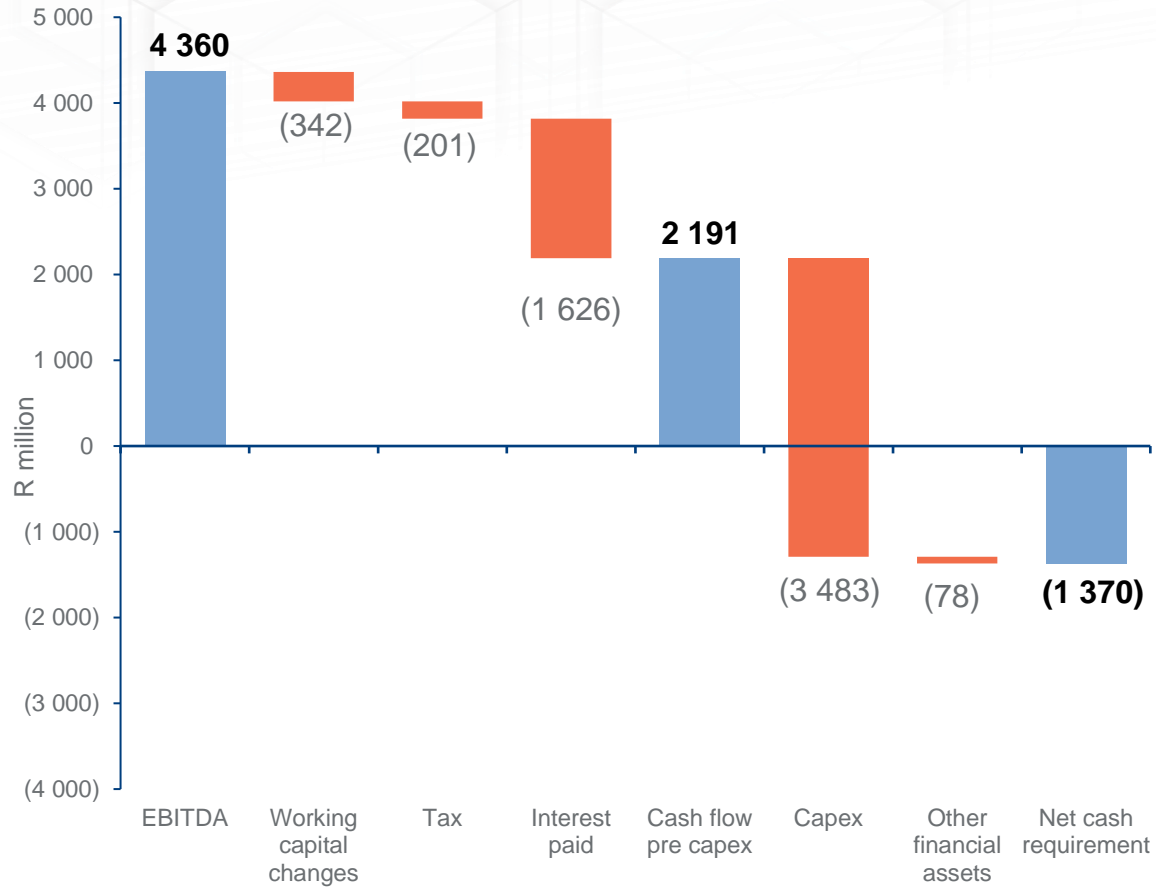
<b>CIVH (Consolidated)</b>	Year ended	Year ended	
<b>R million</b>	<b>31 Mar 23</b>	<b>31 Mar 22</b>	<b>% change</b>
Revenue	<b>6 213</b>	5 324	16.7
Operating earnings	<b>2 475</b>	1 470	68.4
EBITDA	<b>4 360</b>	3 641	19.7
Headline earnings	<b>361</b>	81	345.7

**VUMA**

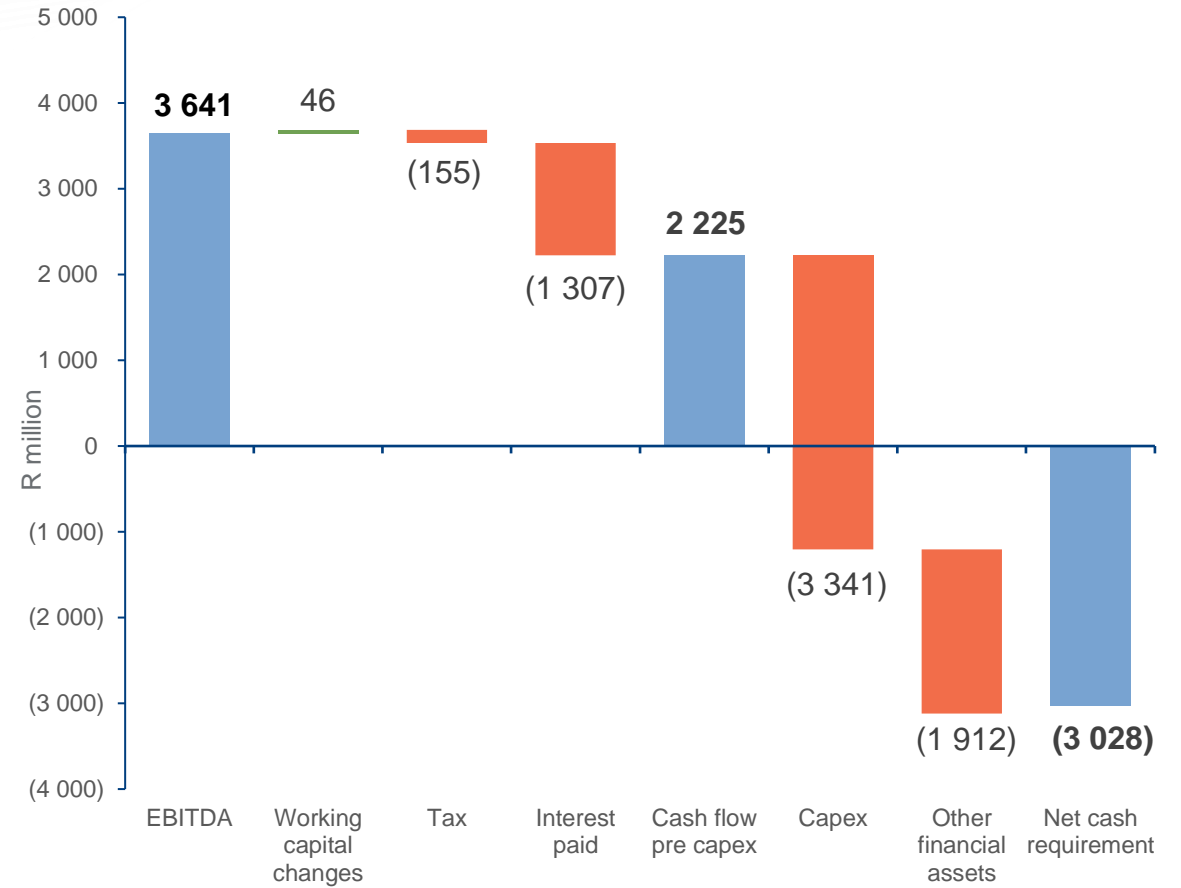


# CIVH cash flow

2023

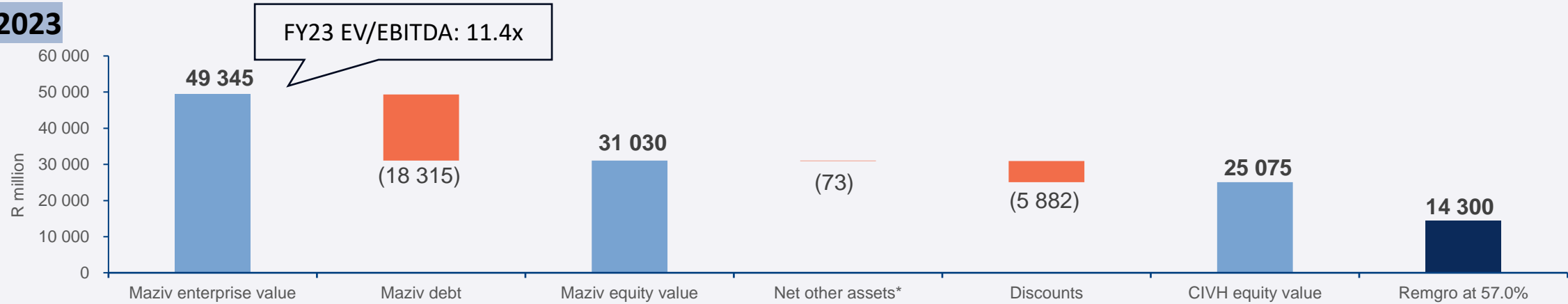


2022

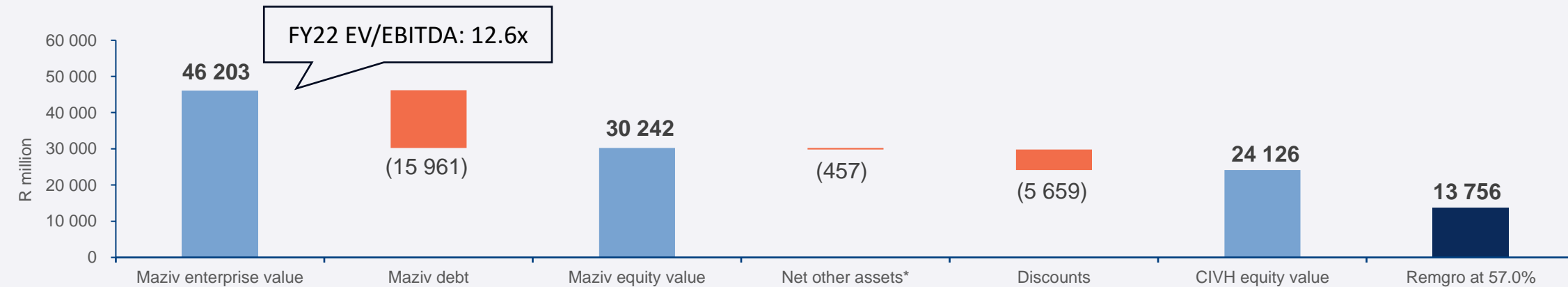


# CIVH valuation

**2023**



**2022**



\* Net other assets includes Herotel, CIVH debt (net of cash) and share based payment liability & other

# Vodacom investment in Maziv

- **December 2021** : the transaction was submitted to the Competition Commission and ICASA.
- **8 August 2023** : the Competition Commission made a recommendation to the Competition Tribunal that the transaction be prohibited.
- **2 October 2023** : parties intending to intervene in the matter needs to file their applications.
- **10 November 2023** : Competition Tribunal hearing date for the hearing of intervention applications
- **20 May 2024** : Competition Tribunal adjudicates on large mergers and has proposed the hearing dates for the matter.



# RCL Foods

Paul Cruickshank (CEO)

# Strategy Review

## “WE GROW WHAT MATTERS”

A purpose led business that delivers value for all & that creates the fuel to fund enduring positive impact



Our current portfolio is not optimally configured for sustainable value creation **in line with our strategic ambitions going forward**

A **managed separation of the poultry (Rainbow) & logistics (Vector)** businesses will ultimately better position the Group to achieve a more **consistent quality of earnings**

**Strategic intent clear – to unlock growth in the value-add foods business component of the business** through sharper strategic focus & active investment, both organically & through acquisitions

## RCL FOODS OF THE FUTURE

### Groceries



Grocery + Beverages  
+ Spreads\*

### Baking



Bread + Milling  
+ Speciality + Pies

### Sugar



Sugar + Molatek

\* Managed on behalf of Remgro

CREATE A BUSINESS OF RIGHT SCALE

# Our Strategy: Focus Areas

## RCL FOODS OF THE FUTURE

### PEOPLE FIRST

- Build diverse, inclusive, high-performance **culture**
- Strengthen **community** resilience
- Invest in **strategic capabilities**

### RIGHT GROWTH

- Grow organically through **strong brands**
- Scale up & enter **new emerging channels & markets**
- Partner with **strategic customers**

### FUTURE FIT

- Become **best-in-class**
- Build a **net positive business**

+

## GROW VALUE-ADD PORTFOLIO

- Leverage dynamic platform through **partnerships & acquisitions**

-

## VECTOR LOGISTICS

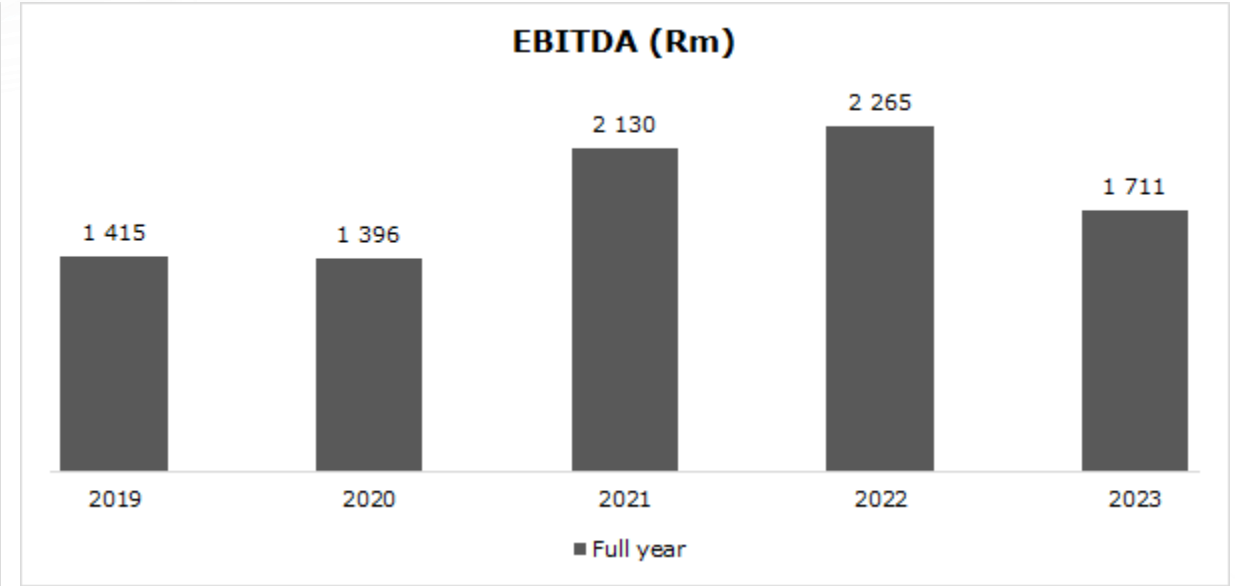
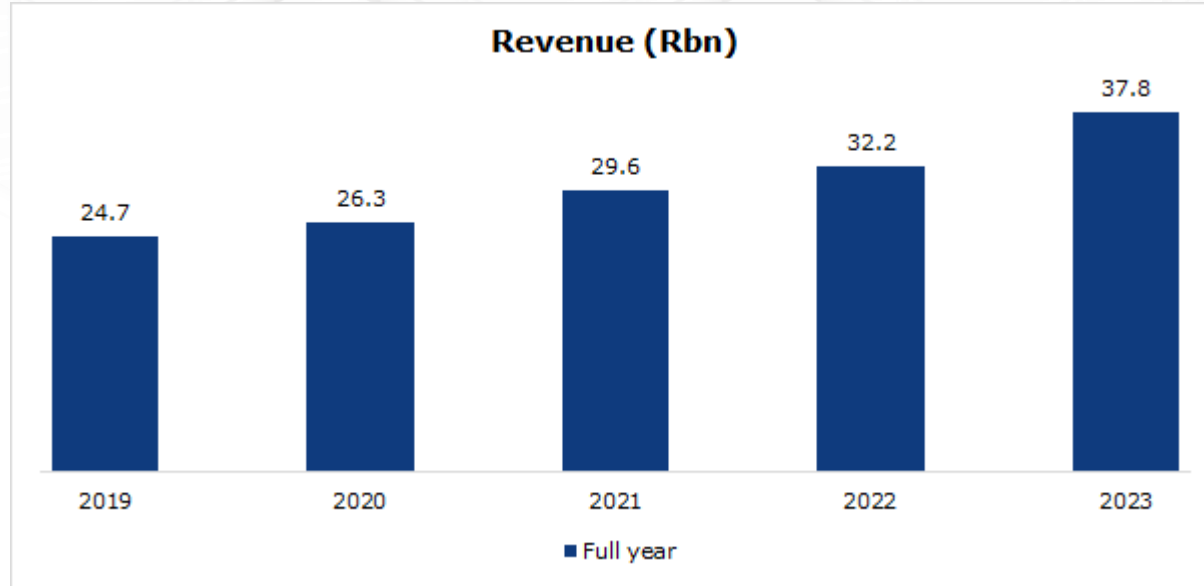
Business disposed 28 Aug 2023

-

## RAINBOW

- Consistent **low-cost value chain & improved agricultural performance**
- Successful implementation of **new breed**
- Growth through implementation of **double Hammarsdale**
- **Grow market share & enhance strategic alliances with customers**
- **Optimal CAPEX investment** including Avian Influenza risk mitigation

# Performance: for year ended 30 June 2023



**NEARLY  
16 500  
EMPLOYEES**

**AROUND  
791 000  
TONS OF SUGAR SOLD**

**125 TONS  
OF MAYONNAISE  
SOLD DAILY**

**36 TONS  
OF PEANUT  
BUTTER SOLD DAILY**

**350 000 TONS  
OF FLOUR MILLED  
PER YEAR**

**121 000 LITRES  
OF BEVERAGES SOLD  
PER DAY**

**1.3 MILLION  
TONS OF  
ANIMAL FEED  
PRODUCED**

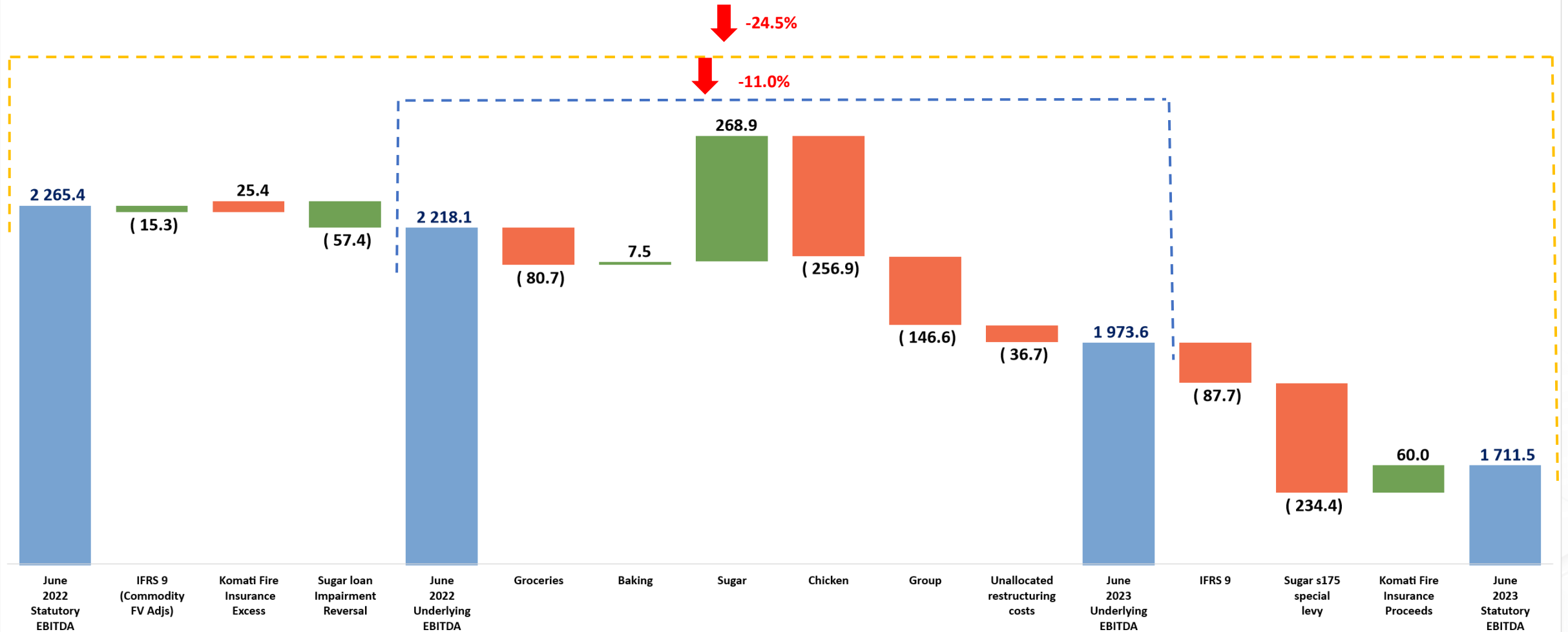
**30 WELL KNOWN  
& MUCH LOVED BRANDS**

**740 000  
UNITS OF  
BREAD, BUNS AND ROLLS  
SOLD PER DAY**

**196 TONS  
OF PET FOOD  
SOLD DAILY**

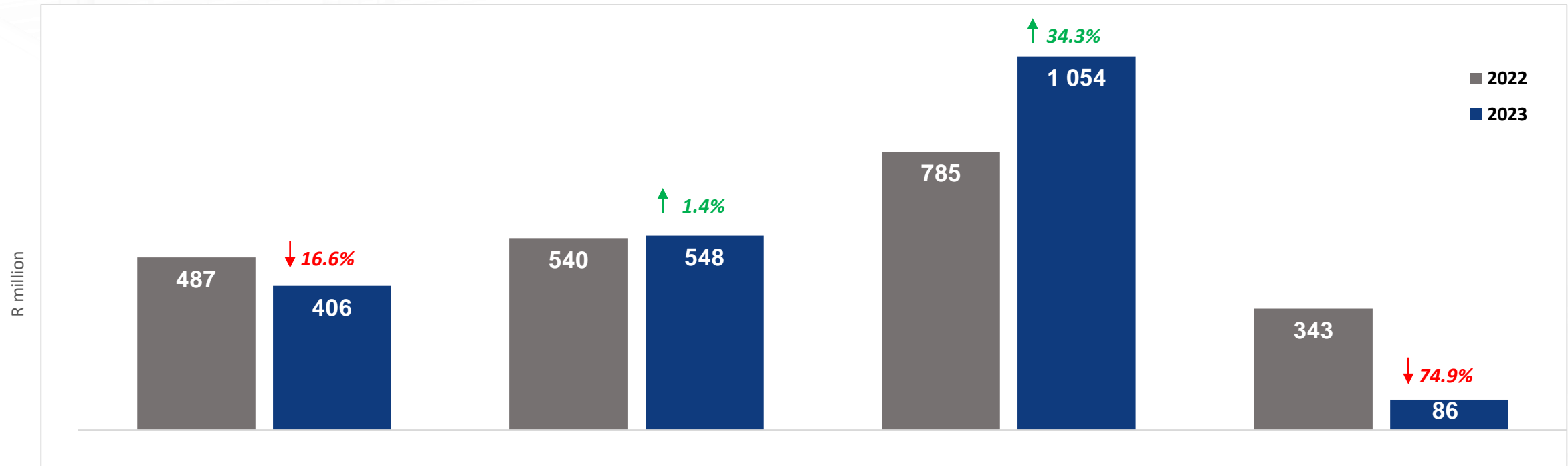
# Performance: for year ended 30 June 2023

Underlying EBITDA Waterfall - June 2022 to June 2023 (Market View) Rm



# Performance: for year ended 30 June 2023

Strong underlying Sugar performance supports underlying growth in RCL Foods Value-Added business, while unrecovered costs drive decline in Rainbow



GROCERIES



BAKING



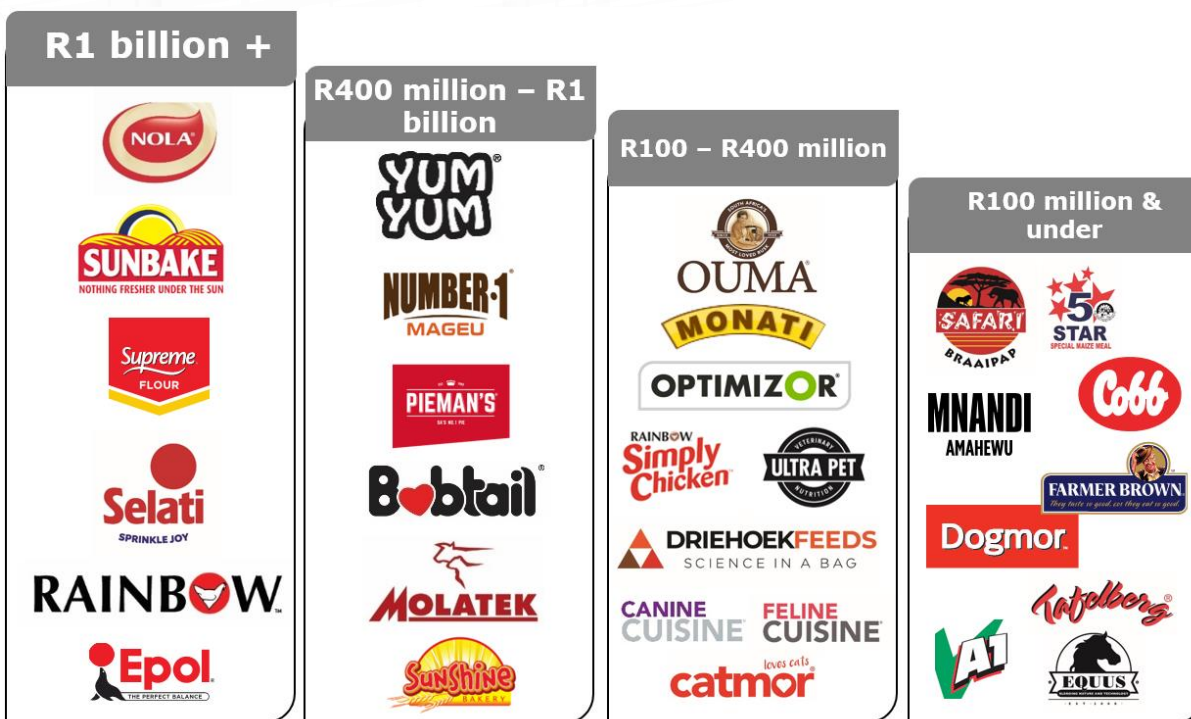
SUGAR



CHICKEN

# Our Brands: Market Share Performance

A number of South Africa's much-loved brands are produced by RCL FOODS



## Volume Share % for the Period

### GROCERIES

	12MM June 22	12MM June 23	6MM June 23
Dogfoods (RCL Brands)	31.9	28.7	26.9
Catfoods (RCL Brands)	38.3	35.5	33.8
Yum Yum Peanut Butter	30.2	33.1	35.8
Nola Mayonnaise	43.1	46.5	41.0

### BAKING

Sunbake	9.1	8.6	8.8
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### RAINBOW

Polony	13.6	15.5	16.8
Vienna	17.4	19.8	21.1
Freezer to Fryer	26.0	29.1	27.9

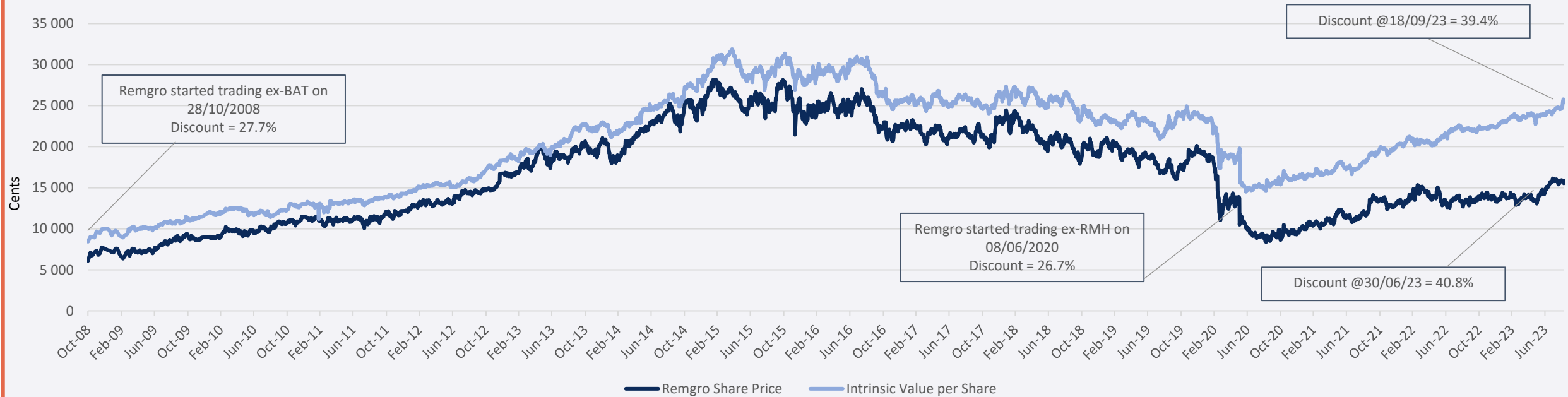
Source: Circana except for Sunbake where we use SAGIS

The background features a dark blue gradient with various geometric shapes. In the top left, there are several 3D cubes, some with yellow outlines and others with blue shading. A large, prominent 3D cube with a yellow-to-blue gradient is in the bottom left. In the center and bottom right, there are more 3D cubes, some with yellow outlines and others with blue shading. The top right area is filled with a pattern of faint, overlapping hexagons.

# KEY AREAS OF FOCUS

# Relative market performance remains an area of focus...

	As at 18 Sep 23	% change	As at 30 Jun 23	% change	As at 30 Jun 22
<b>Discount to intrinsic value</b>	39.4%	140 bps	<b>40.8%</b>	(180 bps)	39.0%
Intrinsic value per share – after tax (Rand)	252.51	▲ 1.6%	<b>248.47</b>	▲ 16.6%	213.10
Closing share price (Rand)	152.92	▲ 4.0%	<b>147.05</b>	▲ 13.2%	129.91



<b>Average discount:</b>	10 year = 22.1%	5 year = 31.2%	3 year = 36.8%	1 year = 39.3%
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# Looking ahead: strategic priorities to unlock shareholder value



## Accelerated portfolio performance

- Considered portfolio construction and capital allocation
- Embedding strategic partnerships, cleaning tail of non-core assets and looking at new growth opportunities
- Drive underlying performance with clear performance measurement metrics
- Disciplined cost management



## Improved disclosure and shareholder engagement

- Enhanced visibility of portfolio attributes
- Open and transparent communication with shareholders



## Continued sustainability drive to position Remgro as an ESG industry leader

The background is a dark blue gradient. It features several geometric shapes: a large blue cube with a yellow glow on its right side in the bottom left; a smaller blue cube with a yellow glow on its right side in the bottom right; a blue cube with a yellow glow on its top surface in the center; a blue cube with a yellow glow on its right side in the bottom center; and a blue cube with a yellow glow on its top surface in the bottom right. In the top left, there are several wireframe cubes in yellow and blue. In the top right, there is a pattern of overlapping hexagons in light blue and white. The text 'Q&A' is located in the upper right quadrant.

**Q&A**

The background is a dark blue gradient. It features several geometric shapes: a large blue cube with a yellow glow on its right side in the bottom left; a smaller blue cube with a yellow glow on its right side in the bottom right; a blue cube with a yellow glow on its top face in the center; and a blue cube with a yellow glow on its right side in the bottom right. In the top left, there are several wireframe cubes in yellow and blue. The top right corner has a pattern of faint, overlapping hexagons.

**ANNEXURE**

# Headline earnings contribution

<b>R million</b>		<b>Year ended 30 June 2023</b>	<b>Year ended 30 June 2022</b>	<b>% change</b>
Mediclinic	<i>Adjusted GBP earnings up 15%; Margin pressures, Swiss nursing shortages, additional headcount in Middle East</i>	1 691	1 267	33.5
OUTsurance – Continuing	<i>62.2% increase in Normalised earnings, driven by Youi, as well as lower funding costs</i>	888	445	99.6
– Discontinued	<i>Corporate actions in FY22. Unbundling of Discovery &amp; MMH and disposal of Hastings</i>	-	351	nm
FirstRand	<i>Special dividend of R154 million paid in Oct 2022</i>	605	389	55.5
Distell/Capevin/HeinBev	<i>Distell normalised HE for 10 months increased by 16.3%</i>	494	735	(32.8)
RCL Foods	<i>Decrease due to the continued unrecovered input cost pressure in Rainbow and a special sugar levy</i>	488	846	(42.3)
Air Products	<i>Mixed trading conditions with general lower demand. Improved performance in packaged gas</i>	476	422	12.8
KTH	<i>Increase mainly due to a debt forgiveness gain of R520 million</i>	437	80	446.3
Siqalo Foods	<i>Volatile commodity prices and exchange rates leading to increased input costs</i>	344	401	(14.2)
Wispeco	<i>Lower volumes offset by increased selling prices; Higher export volume of brass castings</i>	313	281	11.4
CIVH	<i>Continued improved performance by Vumatel and DFA, partly offset by higher finance costs</i>	206	47	338.3
TotalEnergies	<i>Negative stock revaluations; higher input cost and supply chain challenges</i>	54	1 076	(95.0)
Other investments		951	885	7.5
<b>Contribution by investments</b>		<b>6 947</b>	<b>7 225</b>	<b>(3.8)</b>
Central treasury				
Interest income	<i>Increase in repo rate and higher average cash balances</i>	650	224	190.2
Finance costs		(628)	(627)	(0.2)
Gain on forex contract	<i>In respect of acquisition of 5.4% interest in Mediclinic</i>	522	-	nm
Net corporate costs	<i>Mainly increase in share scheme costs</i>	(317)	(252)	(25.8)
IFRS 3 charges		(118)	(76)	(55.3)
<b>Headline earnings</b>		<b>7 056</b>	<b>6 494</b>	<b>8.7</b>

# Intrinsic Net Asset Value: Material Investee Companies

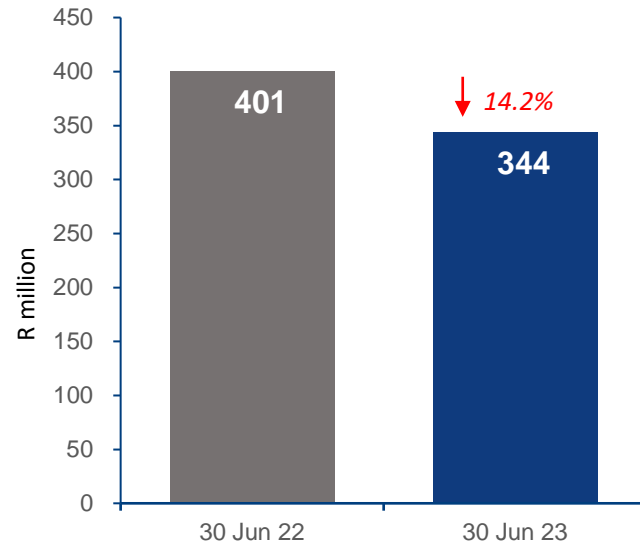
R million	30 June 2023	30 June 2022	% Change	% Contribution
Mediclinic	47 268	29 568	59.9	33.1
OUTsurance Group	15 957	13 069	22.1	11.2
CIVH	14 300	13 756	4.0	10.0
Heineken Beverages	14 027	12 451	<i>nm</i>	8.7
Capevin/Distell	1 576	11 969	<i>nm</i>	1.1
RCL Foods	7 141	7 355	(2.9)	5.0
Siqalo Foods	6 007	6 345	(5.3)	4.2
FirstRand	6 889	7 141	(3.5)	4.8
Discovery	6 167	5 410	14.0	4.3
Air Products	4 911	4 690	4.7	3.4
TotalEnergies	3 338	3 274	2.0	2.3
Other investments	15 840	17 113	(7.4)	11.1
<b>Net Asset Value before Net Cash</b>	<b>141 845</b>	<b>119 690</b>	18.5	99.2
Cash at the centre	1 144	12 280	4 442	(26.7)
Debt at the centre	(7 857)	(7 838)	(0.2)	0.8
<b>Intrinsic NAV before CGT</b>	<b>142 989</b>	<b>124 132</b>	15.2	<b>100.0</b>
Potential CGT liability	(4 186)	(3 930)	(6.5)	
<b>Intrinsic NAV after Tax</b>	<b>138 803</b>	<b>120 202</b>	15.5	
<b>Intrinsic NAV per share (Rand)</b>	<b>248.47</b>	<b>213.10</b>	16.6	
Share Price	147.05	129.91	13.2	
Discount	40.8%	39.0%	(180 bps)	

# Consumer products | Siqalo Foods performance



R million	Year ended 30 Jun 23	Year ended 30 Jun 22	% change
Revenue	3 748	3 546	5.7
Operational EBITDA	524	568	(7.8)
Operating profit	435	535	(18.7)

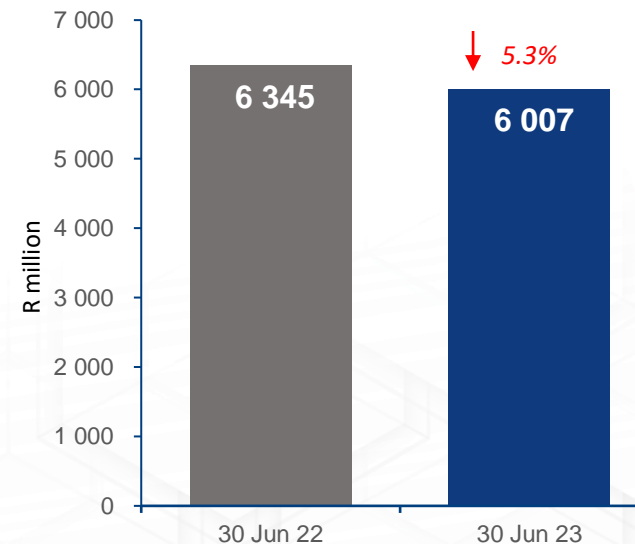
## Headline earnings



### Drivers

- Challenging trading environment
- Continued **cost pressure in F23**
  - 17.6% material cost increase
- Further 4.5% price increase in Oct '22
- 5.2% **volume decrease**, consumer spend negatively impacted by rising inflation and interest rates

## Intrinsic value



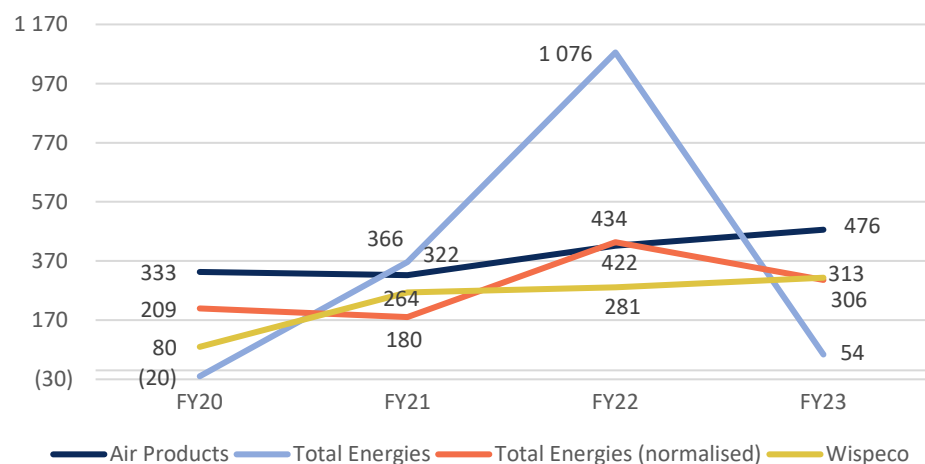
### Drivers

- Expected **medium term pressure** on gross profit margins and cash flows following a tough F23
- Slight **increase in WACC**
  - 240bps increase in Cost of Debt
  - 31bps decrease in Cost of Equity
- Single digit **revenue growth in forecast**
  - Volume and price
- **Margin recovery** in Gross Profit and EBITDA over forecast period

# Industrial | unlisted portfolio performance

R million	Headline earnings				Intrinsic value		
	Remgro interest	Year ended 30 Jun 23	Year ended 30 Jun 22	% change	As at 30 Jun 23	As at 30 Jun 22	% change
<b>Air Products</b>	50.0%	<b>476</b>	422	12.8	<b>4 911</b>	4 690	4.7
<b>TotalEnergies</b>	24.9%	<b>54</b>	1 076	(95.0)	<b>3 338</b>	3 274	2.0
<b>Wispeco</b>	100.0%	<b>313</b>	281	11.4	<b>1 330</b>	1 402	(5.1)
<b>Other industrial investments</b>		<b>25</b>	21	19.0	<b>320</b>	379	(15.6)
<b>Total</b>		<b>868</b>	1 800	(51.8)	<b>9 899</b>	9 745	1.6
<b>Contribution*</b>		<b>12.7%</b>	25.1%		<b>7.1%</b>	8.3%	

Evolution of headline earnings contribution



## Valuation drivers

### Air Products

- Profit before interest and tax is expected to be higher in the forecast period, slightly offset by a higher WACC increase of 57 bps due to the increase in the cost of debt and a slightly higher capex
- The increase in cashflows is due to the inclusion of new businesses acquired cashflow along with expected volume and price increases

### TotalEnergies

- Marginal increase in outlook of business, offset by 49bps increase in WACC due mainly to increase in cost of debt

### Wispeco

- WACC increased by 56bps, which lead to a marginal change in the valuation
- Lower forecast gross revenue as a result of inflationary costs and competitive pressures

**AIR PRODUCTS**

**TotalEnergies**

**WISPECO Aluminium**

# Industrial | unlisted portfolio performance

<b>Air Products</b>	Year ended	Year ended	
<b>R million</b>	<b>31 Mar 23</b>	31 Mar 22	<i>% change</i>
Revenue	<b>4 563</b>	3 990	14.4
Operating profit	<b>1 295</b>	1 185	9.3

## Air Products

- Overall trading conditions for the year remained mixed
- Erratic and generally lower levels of demand from several large tonnage customers, combined with high levels of plant maintenance activity, weighted on results in this area of business
- Packaged gases volumes continued to improve
- Acquisition of Weldamax, a consumable and equipment supplier, further enhanced performance



<b>TotalEnergies</b>	Year ended	Year ended	
<b>R million</b>	<b>30 Jun 23</b>	30 Jun 22	<i>% change</i>
Revenue	<b>100 704</b>	87 382	15.2
Gross profit	<b>3 922</b>	9 755	(59.8)
Operating profit	<b>501</b>	6 069	(91.7)

## TotalEnergies

- Negative stock revaluations amounting to R252 million (2022: positive R642 million) are the result of the drop in the Brent Crude Price
- Excluding these revaluations, TotalEnergies' contribution decreased by 29.5% from R434 million to R306 million.
- Decrease mainly due to higher input costs, heavily impacted by supply challenges experienced on importation of fuel products



<b>Wispeco</b>	Year ended	Year ended	
<b>R million</b>	<b>30 Jun 23</b>	30 Jun 22	<i>% change</i>
Revenue	<b>3 813</b>	3 598	6.0
Operating profit	<b>436</b>	408	6.9

## Wispeco

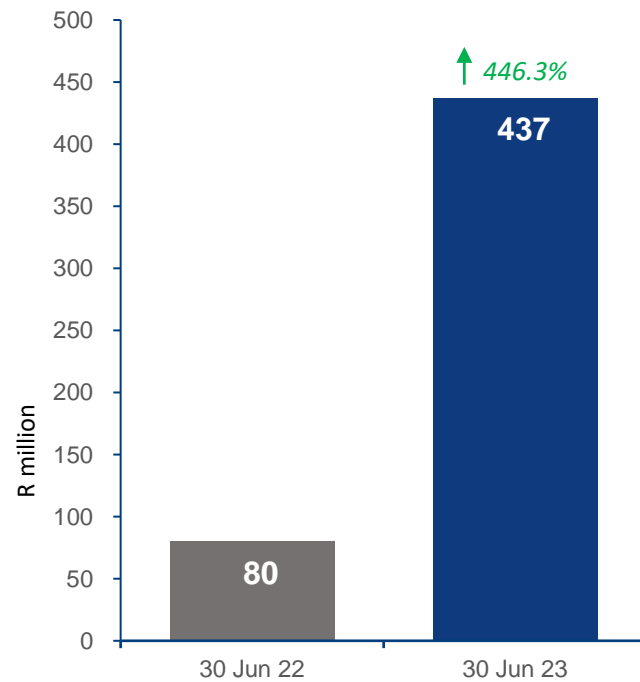
- Turnover increased by 6.0% mainly due to higher selling prices and volume growth of brass sprinkler frame exports
- Sales volumes of aluminium extrusions were 0.3% lower than the comparative period, due to a subdued market demand
- Disruptive load shedding, high fuel prices and rising interest rates negatively impacted consumer confidence and discretionary spending



# Diversified investment vehicles | KTH performance



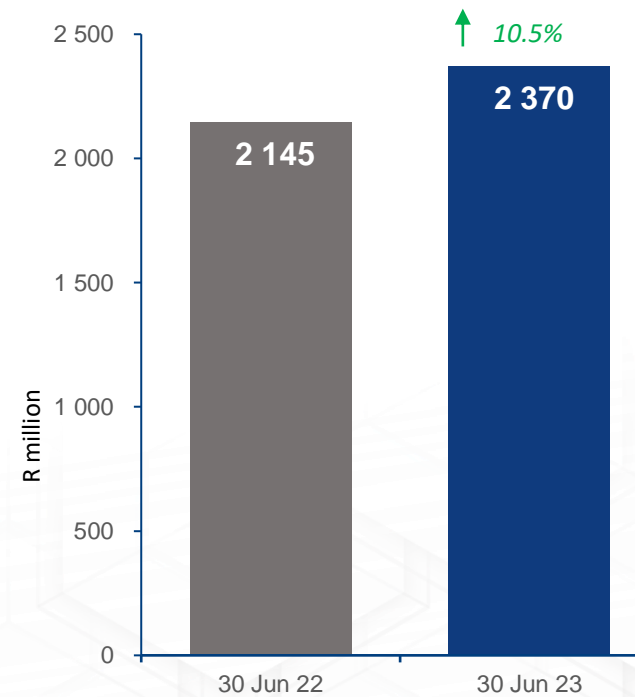
## Headline earnings



### Drivers

- Debt forgiveness gain of R520 million part of **Actom** disposal process
- Positive fair value adjustment on **Momentum Metropolitan** prefs – R99 million
- Increase in equity accounted earnings, driven by **Momentum Metropolitan** contribution of R260 million

## Intrinsic value



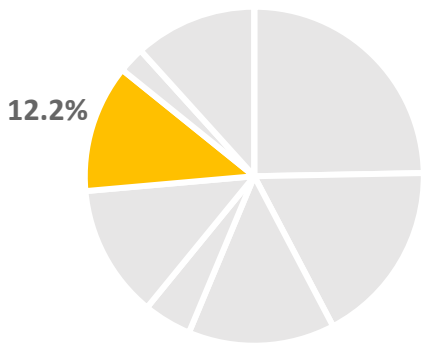
### Drivers

- Valuation based on **sum of the parts** of investment portfolio, of which three contribute 93%
- **Kagiso Media** – DCF
  - A 4.7% increase due to solid performance by the Juta Group and radio stations
- **Momentum Metropolitan** – listed share price
  - 32% increase mainly due to share price increasing 26.6% from R14.26 to R18.06
- **Net cash** - an increase from R 2 million to R23 million due to increased cash from operations and effective cost containment

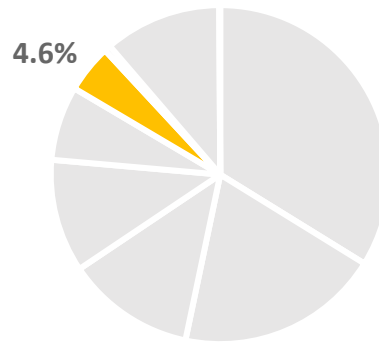
# Diversified investment vehicles

R million	Headline earnings				Intrinsic value		
	Remgro interest	Year ended 30 Jun 23	Year ended 30 Jun 22	% change	As at 30 Jun 23	As at 30 Jun 22	% change
KTH	43.5%	437	80	446.3	2 370	2 145	10.5
Prescient China Equity Fund	43.0%	-	-	-	1 137	1 189	(4.4)
Invenfin	100.0%	34	6	466.7	1 136	1 050	8.2
Other diversified investment vehicles (incl. PRIF)		363	9	3 933.3	1 760	1 864	(5.6)
<b>Total</b>		<b>834</b>	95	777.9	<b>6 403</b>	6 248	2.5
<b>Contribution*</b>		<b>12.2%</b>	1.3%		<b>4.6%</b>	5.3%	

Contribution to headline earnings\*



Contribution to intrinsic NAV\*



kth 

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INFRASTRUCTURE FUND

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ASIA PARTNERS

PRESCIENT

MILESTONE CAPITAL  
麦顿投资

# Other investments, treasury and corporate costs

R million	Headline earnings			Intrinsic value		
	Year ended	Year ended	% change	As at	As at	% change
	30 Jun 23	30 Jun 22		30 Jun 23	30 Jun 22	
<b>Media</b>	171	178	(3.9)	841	888	(5.3)
<b>Portfolio investments</b>	804	444	81.1	15 641	14 799	5.7
FirstRand	605	389	55.5	6 889	7 141	(3.5)
Discovery	-	-	n/a	6 167	5 410	14.0
Momentum Metropolitan	141	-	nm	1 816	1 439	26.2
Other portfolio investments	58	55	5.5	769	809	(4.9)
<b>Social impact investments</b>	(24)	(20)	(20.0)	126	132	(4.5)
<b>Central treasury</b>						
- Finance income/cash	650	224	190.2	9 001	12 280	(26.7)
- Finance costs/debt	(628)	(627)	(0.2)	(7 857)	(7 838)	(0.2)
<b>Other net corporate income/(costs)/assets</b>	205	(252)	181.3	2 122	2 221	(4.5)
<b>Total</b>	<b>1 178</b>	<b>(53)</b>	<b>2 322.6</b>	<b>19 874</b>	<b>22 482</b>	<b>(11.6)</b>

# Cash and debt at the centre

R million	% of total	30 June 2023	30 June 2022
<b>Local cash</b>	<b>65.2</b>	<b>5 872</b>	<b>9 796</b>
<b>Offshore cash</b>	<b>34.8</b>	<b>3 129</b>	<b>2 484</b>
US\$ 156.2m (@ R18.83/US\$) (2022: US\$146.8m @ R16.30/US\$)	32.7	2 940	2 392
GB£ 3.4m (@ R23.80/GB£) (2022: GB£1.4m @ R19.63/GB£)	0.9	82	27
Other	1.2	107	65
<b>Cash at the centre</b>	<b>100.0</b>	<b>9 001</b>	<b>12 280</b>
		<b>(3 279)</b>	
<b>Debt at the centre (at face value)</b>			
RMB preference shares (7.5%; Maturity: 15 Jan 2024)		3 500	3 500
Standard Bank preference shares (7.8%; Maturity: 17 Mar 2025)		4 366	4 366
<b>Total debt at the centre</b>		<b>7 866</b>	<b>7 866</b>
<b>Net cash at the centre</b>		<b>1 135</b>	<b>4 414</b>

# Dividends received

R million	Year ended 30 June 2020	Year ended 30 June 2021	Year ended 30 June 2022	Year ended 30 June 2023
<b>Listed</b>	<b>2 198</b>	<b>529</b>	<b>1 065</b>	<b>1 513</b>
RMI/OUTsurance - ordinary dividends	516	106	216	464
FirstRand	655	191	389	605
Mediclinic	479	-	-	-
RCL Foods	169	176	321	214
Momentum Metropolitan	-	-	-	141
Distell	295	-	-	-
Other listed investments	84	56	139	89
<b>Unlisted</b>	<b>529</b>	<b>1 004</b>	<b>947</b>	<b>1 594</b>
Mediclinic	-	-	-	195
Air Products	260	400	375	375
PRIF	1	55	4	358
TotalEnergies	73	148	148	156
Siqalo Foods	100	260	150	150
Wispeco	-	64	63	143
eMedia Investments	45	30	100	89
Other unlisted investments	50	47	107	128
<b>Sustainable ordinary dividends</b>	<b>2 727</b>	<b>1 533</b>	<b>2 012</b>	<b>3 107</b>
RMH discontinued operation	787	-	-	-
Special dividends	-	-	667	-
<b>Total dividends received</b>	<b>3 514</b>	<b>1 533</b>	<b>2 679</b>	<b>3 107</b>