

Remgro Limited

(Incorporated in the Republic of South Africa)

(Registration number 1968/006415/06)

ISIN: ZAE000026480

Share code: REM

(“Remgro” or “the Company”)

TRADING STATEMENT

Paragraph 3.4 (b) of the Listings Requirements of the JSE Limited (“JSE Listings Requirements”) requires companies to publish a trading statement as soon as they become reasonably certain that their financial results for the period to be reported upon next will differ by at least 20% from those of the previous corresponding period. Remgro’s results for the six months ended 31 December 2020 are due to be released on the Stock Exchange News Service on or about 25 March 2021.

In compliance with the JSE Listings Requirements, the following guidance is provided to Remgro shareholders regarding the expected outcome for the six months ended 31 December 2020:

	Six months ended 31 December 2019 (cents)	Guidance for the six months ended 31 December 2020	
		Decrease	Range (cents)
Total headline earnings per share	750.9	60% - 70%	225.3 – 300.4
Headline earnings per share from continuing operations	522.5	45% - 55%	235.1 – 287.4

The results for the six months to 31 December 2020 is not directly comparable with the six months to 31 December 2019, which was for a pre-Covid-19 period. Headline earnings for the period under review was significantly affected by the decreased contribution of Mediclinic International plc (Mediclinic) (down by 80.2%), which includes the full impact of the Covid-19-related lockdown measures on their results for the six months to 30 September 2020. Furthermore, due to the accounting reclassification of FirstRand Limited (FirstRand) from an equity accounted investment to an investment at fair value through other comprehensive income, no earnings from FirstRand were accounted for in the period under review, whereas R548 million was included in the comparative period. As a result of the Covid-19 pandemic, FirstRand did not pay any dividends during the period under review. Excluding Mediclinic and FirstRand, the rest of Remgro’s investment portfolio had a resilient performance during the Covid-19 pandemic.

During June 2020 Remgro unbundled its 28.2% interest in RMB Holdings Limited (RMH) and consequently the investment in RMH was treated as a discontinued operation for the year ended 30 June 2020. For the period under review headline earnings is presented for continuing operations and discontinued operations and, accordingly, discontinued operations for the comparative six months to 31 December 2019 include the equity accounted income of RMH.

The decrease in headline earnings from continuing operations is mainly due to lower contributions by Mediclinic and FirstRand, as well as lower interest income, due to the 300 basis points reduction in interest rates since January 2020.

The financial information on which this trading statement is based has not been reviewed and reported on by the Company’s external auditors.

Stellenbosch
17 March 2021

Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)