

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 year ending 30 June 2021 (“current period”) are due to be released on the Stock Exchange News Service (“SENS”) on or about 22 September 2021.

In compliance with the JSE Listings Requirements, Remgro shareholders are advised that Remgro’s headline earnings per share (“HEPS”) from continuing operations for the current period is expected to be at least 60% (184.5 cents) higher than the 307.5 cents reported for the year ended 30 June 2020 (“the comparative period”). Total HEPS for the current period is not expected to differ by more than 20% from the 560.6 cents reported for the comparative period.

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 comparative period. For the current period headline earnings is presented for continuing operations and discontinued operations and, accordingly, discontinued operations for the comparative period include the equity accounted income of RMH.

The headline earnings from continuing operations for the comparative period were significantly impacted, during the second six months to 30 June 2020, by the Covid-19 pandemic and the resultant lockdown measures, as well as a once-off donation of R500 million to The South African SME Relief Trust. From this low base, the increase in headline earnings from continuing operations for the current period is mainly due to the expected recovery of the earnings of most of Remgro’s underlying investee companies. This increase is partly offset by a lower contribution from Mediclinic International plc (Mediclinic) (Mediclinic’s contribution includes the full impact of the Covid-19-related lockdown measures on their results for the year ended 31 March 2021), as well as lower interest income, due to the 300 basis points reduction in interest rates since January 2020. Shareholders should also note that 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 are equity accounted for in the current period, whereas R657 million was included in the comparative period.

Shareholders are reminded that the current environment carries a lot of uncertainty, which could have an impact on the final results of Remgro for the current period. A further trading statement will be released on SENS as soon as Remgro has reasonable certainty on the ranges of HEPS and HEPS from continuing operations for the current period, which is expected to be in mid-September 2021.

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

Stellenbosch
30 June 2021

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)