

RMB Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number: 1987/005115/06
JSE ordinary share code: RMH
ISIN: ZAE000024501
("RMH" or "the Company")

CONDENSED UNAUDITED INTERIM FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

- Market capitalisation decreased by 16% to R2.1 billion (31 March 2021: R2.5 billion)*
- Cash resources increased by 7% to R446 million (31 March 2021: R418 million)
- Net asset value per share decreased by 19%* to 263.9 cents (31 March 2021: 327.4 cents)*
- RMH Property carrying value per share increased by 9% to 198.9 cents (31 March 2021: 183.0 cents)
- Net profit increased by more than 100% to R177 million (six months to 31 December 2020: Loss of R45 million)
- Share of after-tax profits of associates and joint ventures increased by more than 100% to R166 million (six months to 31 December 2020: R19 million)

* excluding the cash retained for the special dividend, net asset value per share increased by 7% from 247.4 cents per share.
Market capitalisation still reflected the R1.1 billion earmarked for the special dividend

FINANCIAL INFORMATION

	For the six months ended			For the nine months ended 31 March 2021
R million	30 September 2021	31 December 2020	% change	
Revenue	176	48	>100	38
Earnings/(loss) attributable to equity holders	177	(45)	>100	(72)
Headline earnings/ (loss) attributable to equity holders	187	(5)	>100	(30)
Net asset value	3 725	4 757	(22)	4 622
Earnings/(loss) per share (cents)	12.7	(3.2)	>100	(5.1)
Diluted earnings/ (loss) per share (cents)	12.7	(3.2)	>100	(5.1)
Headline earnings/ (loss) per share (cents)	13.4	(0.4)	>100	(2.1)
Diluted headline earnings/(loss) per share (cents)	13.4	(0.4)	>100	(2.1)
Net asset value per share (cents)	263.9	337.0	(22)	327.4

ABOUT RMH

RMH is a JSE Limited (JSE) listed investment holding company with a track record of investing in disruptive and entrepreneurial businesses complemented by innovative corporate actions.

RMH provides start-up or growth capital together with a partnership ethos, an empowered owner-manager culture and a set of values to develop its investee companies into significant stand-alone businesses. This, in combination with innovative corporate actions, has led to significant value being created for shareholders since its listing in 1992.

True to the ethos of partnership, RMH played a significant role in the establishment and growth of some of South Africa's most iconic financial services businesses, including FirstRand, Discovery and OUTsurance. In 2011, RMH's insurance interests (Discovery, Momentum Metropolitan and OUTsurance) were separately listed as Rand Merchant Investment Holdings Proprietary Limited (RMI). RMI recently announced the planned unbundling of its interests in Discovery and Momentum Metropolitan. This is in alignment with the approach to liberate investments at the appropriate stage in their life cycle and to achieve the best value reflection.

In 2016, RMH expanded its investment strategy to include a property investment business (RMH Property). RMH Property partnered with entrepreneurial management teams with proven track records in developing and managing unlisted property. RMH Property is RMH's most significant remaining asset following the unbundling of its investment in FirstRand in June 2020.

RMH does not have a fixed ordinary dividend policy.

FINANCIAL PERFORMANCE

RMH's net asset value has been resilient, increasing by 7% from R3 493 million (excluding cash retained for the special dividend) as at 31 March 2021 to R3 725 million as at 30 September 2021.

The Rand/Euro exchange rate over the period contributed R20 million of value uplift while the remainder can be contributed to the improvement in the operating performance of the underlying RMH Property investees as the impact of the COVID-19 pandemic is starting to ease. A profit after tax of R177 million was delivered for the six months ended to 30 September 2021, compared to a loss of R45 million for the six months ended 31 December 2020.

The cash resources earmarked for ongoing RMH operating expenses and liabilities as at 30 September 2021 amounted to R446 million (31 March 2021: R418 million).

The gross value of RMH Property increased by 9% from R2 584 million, as at 31 March 2021, to R2 809 million as at 30 September 2021. The overall decrease in net asset value can be attributed to the payment of the special dividend on 10 May 2021. The gross value of RMH Property increased by R225 million - R215 million can be attributed to the increase in the net asset value of underlying investees and a further increase of R10 million in the loan to Integer. The underlying growth in investee net asset value is mainly attributable to the revaluation of Castle Gate Retail Centre, which commenced trading towards the end of 2020, and the value increase in the Ascencia shares, following its move to the primary exchange in Mauritius.

OUTLOOK

The civil unrest experienced in South Africa in July 2021 had a significant impact on the South African economy as a whole and on the property sector in particular. The RMH Property portfolio did not emerge unscathed, with significant damage to the Pan African Mall owned by Atterbury. That said, reparation of the mall has commenced and a portion of the claim from Sasria has been received.

In terms of corporate actions, on 11 and 12 October 2021 RMH announced separate approaches received respectively for the various underlying assets of RMH Property. After careful consideration by the RMH board and engagement with key shareholders, the offers were rejected by the board on the basis that both the discount to IFRS NAV and RMH's conservative assessment of future NAV were not within an acceptable range. The offers were received from entities closely aligned with the Atterbury group, which the board believes would be the most likely potential acquirer of these businesses. RMH remains committed to its monetisation strategy and the partnership between Atterbury and RMH Property remains focussed on shareholder value creation and being aligned on identifying monetisation events, when appropriate.

While both the local and international investees have been experiencing some improvement in their operating results, it is still too early to predict the permanent impact that the hybrid work from home phenomenon will have on the office sector. Early indications are that the offshore assets will not be as heavily impacted as in the local market as property fundamentals before the pandemic were already quite different. Most of the large South African corporates have announced planned reductions in their physical real estate footprint over time. As per the office vacancy survey conducted by MSCI at the end of the third quarter of 2021, office property vacancies were at an all-time high of 15.4%, with 2.91 million m2 of available unoccupied space. The muted economic outlook locally, as well as the impact of the global trajectory in light of continued COVID-19 uncertainty, will be contributing factors limiting the potential for a strong turnaround in the near term.

The board remains committed to the monetisation strategy of the RMH Property business, taking into account prevailing trading conditions, which may have an impact on the timing of the execution of the strategy.

For and on behalf of the board.

Sonja De Bruyn	Herman Bosman
Chairman	Chief executive officer

Rosebank
10 December 2021

This short-form announcement is the responsibility of the directors. It is only a summary of the information in the full announcement and does not contain full or complete details. The full announcement was released on the JSE's Stock Exchange News Service (SENS) on 10 December 2021 and can be found on the company's website at <https://rmh.co.za/investor-relation/> or at <https://senspdf.jse.co.za/documents/2021/jse/isse/RMH/interims22.pdf>. The full announcement is available for inspection at the company's registered office and copies may also be requested at the company's registered office and from the company secretary at company.secretary@rmbh.co.za, at no charge, during office hours. Any investment decision should be based on the full announcement published on SENS and on the company's website.

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