

Rand Merchant Investment Holdings Limited (RMI)
(Incorporated in the Republic of South Africa)
(Registration number: 2010/005770/06)
ISIN: ZAE000210688
Share code: RMI
(RMI or the Company)

UNAUDITED SUMMARY RESULTS ANNOUNCEMENT AND CASH DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

VALUE CREATED

for the six months ended 31 December 2021

RMI measures the execution of its strategy through the creation of discernible value.

Notwithstanding the challenging macro-economic environment, as well as the ongoing Covid-19 pandemic and its impact on our businesses, the group was able to produce pleasing financial results.

The announcement on 20 September 2021 of RMI's intention to unbundle its investments in Discovery Limited (Discovery) and Momentum Metropolitan Holdings Limited (Momentum Metropolitan) and on 8 December 2021 in respect of the sale of the group's 30% interest in Hastings Group (Consolidated) Limited (Hastings) for R14.6 billion have resulted in the creation of significant shareholder value.

Compound shareholders' return of 17.9% per annum since listing in 2011

Market capitalisation up 41% to R69.2 billion (2020: R49.1 billion)

Intrinsic net asset value up 14% to R76.3 billion (2020: R67.1 billion)

Normalised earnings down 6% to R1 922 million (2020: R2 048 million)

Headline earnings up 6% to R1 680 million (2020: R1 591 million)

Ordinary and special dividend up more than 100% to 165.5 cents per share (2020: 22.5 cents per share)

ABOUT RMI

RMI is a JSE-listed holding company with significant investments in property and casualty insurance (P&C), life insurance, asset management and fintech.

Since its formation, and in partnership with the Rand Merchant Bank group of companies, RMI has been a significant investor in some of South Africa's most iconic financial services brands, as well as a portfolio of emerging financial services businesses.

RMI'S FUTURE STRATEGY

RMI value unlock

RMI has unlocked significant value for shareholders since the announcement of:

- i) its intention to restructure its portfolio through the distribution of its listed shares in Discovery and Momentum Metropolitan to RMI shareholders (the Unbundling) on 20 September 2021 and
 - ii) the subsequent sale of its 30% interest in Hastings to its co-shareholder in the business, Sampo plc (the Sale), on 8 December 2021:
- RMI now trades at a c.2% discount to its intrinsic net asset value, having previously traded at a c.30% discount prior to the Unbundling announcement, representing a c.28% value unlock.
 - The RMI share price has increased c.54% during the period⁽¹⁾, compared to the increases in the JSE All Share Index of c.17% and Life Insurance Index of c.6%.

Through the implementation of the Unbundling, RMI will return value to shareholders of c.R33.4 billion (based on the market capitalisation of Discovery and Momentum Metropolitan or R21.83 per share as at 11 March 2022, being the last practicable date prior to finalisation of this announcement). Further details of the terms, structure and timing of implementation of the Unbundling will be published in a matter of days. The Unbundling is expected to be implemented before the end of April 2022.

¹ Period from 17 September 2021, being the last practicable date prior to finalisation of the Unbundling announcement to 11 March 2022, being the last practicable date prior to finalisation of this announcement.

As a consequence of the Sale, RMI:

- no longer requires a rights issue to give effect to the restructure (as set out in the Unbundling announcement); and
- has increased its dividend payout ratio and, net of the ordinary and special dividend described below, held a net cash position of R0.8 billion as at 31 December 2021. In turn, OUTsurance has cash reserves of R4.1 billion.

In line with its stated dividend policy to return excess free cash generated to its shareholders (in the absence of suitable investment opportunities), RMI has declared an ordinary and special dividend of R2.54 billion, being 165.5 cents per share. Combined with the Unbundling, RMI will be delivering c.R36.0 billion in value to shareholders or R23.48 per share, representing c.50% of RMI's share price as at 11 March 2022.

Following the Sale and implementation of the Unbundling, RMI will predominantly reflect the value of OUTsurance alongside RMI's investments in RMI Investment Managers and the AlphaCode portfolio of fintech companies.

Transition to OUTsurance

Over the last two years, RMI has been evaluating the creation of a portfolio of unlisted, non-competing and collaborative businesses in the short-term insurance industry. This portfolio could benefit greatly from shared best practice across markets, distribution channels and underwriting experience and represent a blend of diversified and cash generative 'local champions'. RMI conducted a detailed country and company analysis to identify potential target investments. Currently there are no actionable investment opportunities which meet RMI's expectations around asset quality, price and availability.

An expanded portfolio also needs to be compared to the status quo – an efficient and capitalised corporate structure almost solely representing OUTsurance which, in its own right, is a growing short-term insurance group operating across multiple geographies. OUTsurance could, in time, drive international expansion independently, should attractive opportunities arise.

The RMI board of directors has concluded that it is in the best interests of shareholders not to continue with the active investment strategy as outlined to RMI shareholders in the SENS announcement issued on 20 September 2021, and has therefore decided to embark on an orderly and managed transition to a structure that represents an effective listing of OUTsurance.

The managed transition is expected to result in the following key benefits for RMI shareholders:

- Simpler operational structure offering a single access point to OUTsurance;
- More focused OUTsurance management team with direct accountability to shareholders;
- Higher dividend payout ratio;
- A phased reduction of the holding company and personnel costs at RMI of approximately R25 million to R30 million over the next six to 12 months; and
- A special dividend of R2.18 billion.

The options available in relation to RMI Investment Managers and the AlphaCode portfolio companies are under review and RMI is in the process of engaging the management teams and co-shareholders to design the optimal future strategic outcomes for these portfolio companies and their underlying investee businesses. The RMI management team will continue to support these businesses during the transition period.

The managed transition is expected to be implemented over the next six to 12 months. Further details, including the implementation structure, will be announced in time.

Important note:

RMI shareholders are referred to the SENS announcement issued by RMI on 20 September 2021 (and accessible on RMI's website via the following link: <https://www.rmih.co.za/investor-relations>) for the full disclaimers which apply to this announcement (including the information contained herein) and are incorporated by reference in full in this announcement, as if specifically stated.

PERFORMANCE AND OUTLOOK

Operating environment

Our operating model, investment decisions and the results of our portfolio companies are impacted by factors in our external environment and the outlook in the countries in which our businesses operate.

Overview of results

At the time when RMI's intention to unbundle its shareholdings in Discovery and Momentum Metropolitan was announced, it was envisaged that a rights issue of approximately R6.5 billion would be required before the unbundling could be finalised to reduce debt to a level that would be appropriate for the reduced size of the balance sheet post unbundling. The sales proceeds from the sale of Hastings were utilised to repay all the preference share debt and therefore negated the need for a rights issue prior to the unbundling of Discovery and Momentum Metropolitan.

Hastings represented a major geographical area of operation and both Discovery and Momentum Metropolitan represent major lines of business. The results of all these investee companies have therefore been treated as discontinued operations in the RMI group results. The results of Hastings were equity accounted until 8 December 2021, the effective date of the sale. The results of Discovery and Momentum Metropolitan have also been equity accounted until 8 December 2021, the date on which the unbundling of these assets met the accounting definition of being highly probable.

RMI regards normalised earnings as the appropriate basis to evaluate business performance as it eliminates the impact of non-recurring items and accounting anomalies. The total reported normalised earnings of RMI's investee companies for the six months under review are listed in the table below:

R million	Six months ended 31 December		%	Year ended 30 June 2021
	2021	2020		
Continuing operations				
OUTsurance (excluding Hastings)	1 037	1 351	(23%)	2 535
- OUTsurance (including Hastings)	1 102	1 437	(23%)	2 779
- Hastings included in OUTsurance	(65)	(86)	24%	(244)
RMI Investment Managers and AlphaCode investments	52	62	(16%)	142
Funding and holding company costs	(254)	(269)	6%	(597)
Discontinued operations				
Discovery	2 876	2 284	26%	3 406
Hastings	801	652	23%	2 066
Momentum Metropolitan	1 525	1 012	51%	1 007

RMI's consolidated normalised earnings for the period under review are listed in the table below:

R million	Six months ended 31 December		%	Year ended 30 June 2021
	2021	2020		
Continuing operations	741	1 015	(27%)	1 841
OUTsurance (excluding Hastings)	943	1 222	(23%)	2 296
- OUTsurance (including Hastings)	1 001	1 299	(23%)	2 513
- Hastings included in OUTsurance	(58)	(77)	25%	(217)
RMI Investment Managers and AlphaCode investments	52	62	(16%)	142
Funding and holding company costs	(254)	(269)	6%	(597)
Discontinued operations	1 181	1 033	14%	1 704
Discovery (up to 8 December 2021)	620	578	7%	850
Hastings (up to 8 December 2021)	191	183	4%	585
Momentum Metropolitan (up to 8 December 2021)	370	272	36%	269
Normalised earnings	1 922	2 048	(6%)	3 545

If the financial results of Discovery and Momentum Metropolitan had been equity accounted up to 31 December 2021, group normalised earnings would have increased by 1% to R2 069 million.

CONTINUING OPERATIONS

OUTsurance

Normalised earnings from OUTsurance, excluding its stake in Hastings, decreased by 23% for the six months ended 31 December 2021. Annualised new premiums written increased by 18% to R3.4 billion and gross written premiums increased by 14% to R11.6 billion. OUTsurance's South African operations were negatively impacted by an increased claims ratio as a result of wetter weather conditions, increased non-motor claims costs and the further normalisation of motor claims frequencies. Premium adjustments in response to higher non-motor claims are expected to improve the claims ratio during the second half of the financial year.

At Youi, the increase in the claims ratio from 53.4% to 62.0% is due to the extent of natural catastrophe events experienced which included the Melbourne earthquake and various hail and flood events. This compares to a comparative six months which had few catastrophe events. The financial impact of these events in the period under review was amplified by changes to Youi's reinsurance structure for the 2022 financial year, where reinsurance attaches at AU\$30 million per event compared to AU\$10 million per event in the 2021 financial year. Youi's natural perils aggregate does, however, compensate for the higher event retention by providing cover of AU\$70 million once the aggregated retained natural perils losses for the year exceed AU\$60 million. At 31 December 2021, the aggregated natural perils losses stood at AU\$58 million. Youi is therefore expected to have a favourable claims ratio performance in the second half of the financial year.

RMI Investment Managers and AlphaCode

Normalised earnings generated in the comparative period by RMI Investment Managers included a significant amount for performance fees earned. Although the investment performance and growth in assets under management during the period under review were pleasing, the same level of performance fees was not repeated.

RMI Investment Managers is largely in the consolidation phase of its business model evolution and has, therefore, focused its efforts on optimising the existing portfolio by truly partnering its boutique investment managers in a supportive but non-interfering manner.

Assets under management (AUM) increased by 24% (up by R40.4 billion) during the six-month period to R208.8 billion. The increase in AUM was a result of strong net inflows of R21 billion and market returns adding R19.4 billion over the six-month period to December 2021.

Local equities continued to rally in the second half of 2021, with the FTSE/JSE All Share Index and the FTSE/JSE All Property Index gaining 14.2% and 15.4% respectively. Fixed Income and cash returns were disappointing, with the STEFI and the FTSE/JSE All Bond Index ending on 1.9% and 3.2%. Global markets were also strong performers, with 9.5% for the S&P 500, 12.3% for developed market equities and 11.8% for emerging market equities over the period under review.

The Royal Investment Managers portfolio performed marginally ahead of expectation, largely due to the strong recovery in listed property and listed equities over the six-month period.

The AlphaCode portfolio continues to perform in line with expectations.

RMI

All the preference share debt funding was repaid by mid-December with the proceeds from the sale of Hastings. This was the main contributor to the reduction of 6% in funding and holding company costs during the period under review.

DISCONTINUED OPERATIONS

Discovery

Discovery's normalised earnings increased by 26% to R2.9 billion during the six months ended 31 December 2021. Normalised earnings were positively impacted by mark-to-market foreign currency gains arising from a weakening of the Rand during the reporting period compared to losses due to the strengthening of the Rand in the comparative period. Discovery has navigated the Covid-19 pandemic across its global operations, with mortality risk in South Africa having the largest financial impact. Although the Covid-19 claims paid of R3.4 billion during the reporting period was the highest throughout the pandemic, the earnings impact was limited, given strong reinsurance arrangements and previously raised provisions. Discovery believes the remaining provisions are sufficient to withstand a potential fifth wave. High levels of vaccination among its clients and high levels of immunity in South Africa contributed to the significant reduction in case fatalities from the Omicron variant during the fourth wave.

Hastings

Hastings achieved 23% growth in normalised earnings during the reporting period. Its calendar year loss ratio for 2021 of 62.2% was significantly ahead of the target of 76%. Motor claims frequencies, although higher than 2020, remained below 2019 levels throughout 2021, largely reflecting reduced motor vehicle usage as a result of Covid-19 restrictions. The average cost of claims continued to rise, reflecting increases in repair costs, largely due to extended repair periods as a result of Covid-19 and general inflation in labour, parts and paint. Client retention rates continue to be high and above market averages. Home insurance client policies grew by 16% year-on-year to more than 310 000 policies.

Momentum Metropolitan

Momentum Metropolitan normalised earnings increased by 51% to R1.5 billion in the period under review, mainly due to a significant increase in investment returns from R122 million to R630 million resulting from the general recovery of investment markets, fair value gains from the group's investment in venture capital funds and foreign exchange gains on the foreign currency-based assets. Operating profit increased by 1% and was negatively impacted by net mortality losses of R378 million. New business volumes increased by 23% to R37 billion and the value of new business increased by 20% to R400 million.

VALUE OF INVESTMENTS

During the 2021 calendar year, RMI's share price increased by 41% (2020: increased by 4%), compared to an 8% increase in the Life Insurance Index and a 6% increase in the Non-life Insurance Index. RMI has delivered a total annually compounded return to shareholders of 17.9% since its listing in March 2011.

The individual investment performances of RMI's investments during the 2021 calendar year are outlined below:

- Discovery's share price decreased by 6% (2020: increased by 25%)
- Momentum Metropolitan's share price increased by 20% (2020: decreased by 28%)
- The internal valuation of OUTsurance (excluding its stake in Hastings) increased by 16% to R39.7 billion
- The value of RMI's investments in RMI Investment Managers and AlphaCode investments increased by 31% to R1.9 billion.

R million	Six months ended 31 December		% change	Year ended 30 June 2021
	2021	2020		
Internal valuation of unlisted investments	41 553	44 408	(6)	46 295
OUTsurance (excluding Hastings)(1)	39 681	34 127	16	35 429
Hastings(2)	-	8 849	(100)	9 258
RMI Investment Managers and AlphaCode(3)	1 872	1 432	31	1 608
Market value of listed investments	31 262	31 625	(1)	28 631
Discovery(4)	23 662	25 305	(6)	20 811
Momentum Metropolitan(4)	7 600	6 320	20	7 820
Gross value of portfolio	72 815	76 033	(4)	74 926
Net assets/(liabilities) of holding company(5)	3 529	(8 941)	+100	(8 485)
Net value of portfolio(6)	76 344	67 092	14	66 441
Net value of portfolio per share (cents)	4 984	4 380	14	4 337

The valuations are based on:

- 1 An internal discounted cash flow management model that has been independently verified.
- 2 A discounted cash flow valuation. The group's investment in Hastings was sold on 8 December 2021, the proceeds of which are included in the net assets of the holding company.
- 3 The investments in RMI Investment Managers and AlphaCode are shown at the internal management valuation.
- 4 Market capitalisation on 31 December 2021.
- 5 The net assets/(liabilities) of the holding company include all the assets and liabilities at holding company level other than the investments shown separately in the table above. All the preference share debt in terms of RMI's debt programme was repaid with the proceeds from the sale of Hastings.
- 6 The information in the table above does not include a provision for CGT. The size of RMI's stakes in its underlying investee companies qualifies for certain tax exemptions when certain corporate actions are performed.

OUTLOOK AND FUTURE VALUE CREATION

OUTsurance

OUTsurance's various growth initiatives are expected to maintain good momentum into the second half of the financial year, with OUTsurance Business expected to improve its monthly loss profile as scale benefits are realised. Management is focused on ensuring that the premium growth achieved translates into quality earnings and long-term shareholder value creation.

The rising inflation and interest rate environment will be the main factors impacting the shape of economic recovery since the onset of the pandemic. These factors, if contained, will improve the revenue growth for the group after a protracted period of low premium inflation in the South African operation.

OUTsurance aims to make significant progress with its operational and financial systems transformation projects over the course of 2022. These modernisation projects are key to retaining systems agility and data analysis excellence to underpin its leading client service offering and scientific underwriting.

RMI Investment Managers

RMI Investment Managers' view is that the portfolio is largely complete, however, they remain opportunistic and continue to explore the addition of affiliates to either solve for additional exposure or under-exposure in certain asset classes or to further add value to the portfolio.

The RMI Investment Managers team continues to actively engage in strategic dialogue with its affiliates with a focus on implementing its shareholder value map, which offers affiliates access to comprehensive strategic support including operational, governance and financial support, succession planning, talent management and board representation. In addition, the team continues to play a strategic advisory role in helping its affiliates raise retail assets and foster meaningful and trusted client relationships. Many of the affiliates have also benefited from marketing support provided by the team. This has enabled the affiliates to expand their branding, marketing and public relations efforts to enhance their brand presence and credibility in the market.

RMI Investment Managers will ensure that its reputation as a trusted, value-adding but non-interfering shareholder of choice for the independent asset management industry remains a core philosophy. The team and its partners in Momentum Metropolitan and Royal Bafokeng Holdings remain excited and committed to working with its affiliates to support their growth to scale.

AlphaCode

AlphaCode identifies, partners, and grows the next generation of financial services entrepreneurs through incubation, acceleration, collaboration and investment. The AlphaCode Explore and Incubate programmes supported 45 entrepreneurs in 2021 and provided about 1 500 hours of mentor and expert support to the businesses. This cohort, on average, saw 43% revenue growth in their businesses and the start-ups created 46 jobs. Eight businesses have been selected for the 2022 programme, which includes fintech businesses ranging from peer-to-peer payment platforms to mobile stokvel management systems, to analytics businesses using Artificial Intelligence to support the insurance industry. We look forward to seeing what South Africa's top entrepreneurial talent has in store for us in the next year.

AlphaCode has recognised the need for very early stage and seed funding in the South African entrepreneurial landscape and has launched its maiden seed fund. The fund is a fully-accredited ESD beneficiary and will provide funding of R1 million to R2 million for early-stage financial services (and related) entrepreneurs. The fund works closely with the Incubate programme which offers an exciting pipeline of start-ups and provides a proven base of mentor and entrepreneurial support to investees. The fund made its first investment into a business called Carscan, which provides analytical tools to the insurance industry to make vehicle inspections simpler and more efficient. The fund has an interesting pipeline of opportunities in the South African fintech industry.

AlphaCode's growth investment portfolio went from strength to strength in 2021 and attracted international attention. Entersekt secured investment from one of the world's leading venture capital investors, Accel-KKR. Prodigy Finance received its first credit rating from Kroll and Moody's and launched its maiden securitisation, which was 13 times oversubscribed. Merchant Capital launched new partnerships with Discovery and AB InBev to deliver tailored financing solutions to the medical and FMCG industry. Guidepost secured new global partners such as Abbott. The portfolio is well positioned to benefit from the interest in the African fintech industry which is attracting global investors' attention.

We believe our updated strategy will enable RMI to continue delivering value to its shareholders in the short, medium and long term.

For and on behalf of the board.

JJ Durand	HL Bosman
Chairman	Chief executive officer
Rosebank	

16 March 2022

CASH DIVIDEND DECLARATION

Notice is hereby given that an ordinary gross interim cash dividend of 23.5 cents per ordinary share and a special dividend of 142.0 cents per ordinary share, payable out of income reserves, was declared on 16 March 2022 in respect of the six months ended 31 December 2021.

These dividends will be subject to Dividend Withholding Tax at a rate of 20%, which will result in a net dividend of 18.8 cents per ordinary share in respect of the normal dividend and 113.6 cents per ordinary share in respect of the special dividend for those shareholders who are not exempt.

The company's tax reference number is 9469/826/16/9. Its issued share capital at the declaration date comprises 1 531 807 770 ordinary shares.

Shareholders' attention is drawn to the following important dates:

Finalisation date for the special dividend	Friday, 8 April 2022
Last day to trade in order to participate in this dividend	Tuesday, 19 April 2022
Shares commence trading ex-dividend on	Wednesday, 20 April 2022
The record date for the dividend payment will be	Friday, 22 April 2022
Dividend payment date	Monday, 25 April 2022

No dematerialisation or rematerialisation of share certificates may be done between Wednesday, 20 April 2022 and Friday, 22 April 2022 (both days inclusive). The special dividend is subject to South African Reserve Bank approval. Shareholders will be notified accordingly by the finalisation date.

By order of the RMI board.

Schalk Human
Company secretary
Rosebank
16 March 2022

SUMMARY CONSOLIDATED INCOME STATEMENT

R million	Six months ended 31 December		% change	Year ended 30 June 2021 Audited
	2021 Unaudited	2020 Unaudited		
Gross insurance premiums	11 600	10 144	14	20 570
Less: Reinsurance premiums	(911)	(700)	30	(1 658)
Net insurance premiums	10 689	9 444	13	18 912
Change in provision for unearned premiums	(765)	(572)	34	(861)
Net insurance premiums earned	9 924	8 872	12	18 051
Fee and other income	63	17	+100	85
Investment income	153	79	94	152
Interest income on financial assets using the effective interest rate method	170	169	1	333
Realised losses	-	(8)	(100)	(6)
Net fair value gains on financial assets	294	275	7	406
Expected credit losses on financial assets	-	(9)	(100)	(2)
Net income	10 604	9 395	13	19 019
Gross claims paid	(5 709)	(5 429)	5	(10 019)
Reinsurance recoveries received	318	1 174	(73)	1 276
Provision for non-claims bonuses	(286)	(252)	13	(509)
Transfer to policyholder liabilities under insurance contracts	(92)	(157)	(41)	(249)
Fair value adjustment to financial liabilities	(76)	(54)	41	(140)
Marketing and administration expenses	(3 246)	(2 648)	23	(5 598)
Profit before finance costs, results of associates and taxation	1 513	2 029	(25)	3 780
Finance costs	(424)	(312)	36	(626)
Share of after-tax results of associates	70	56	25	64
Profit before taxation	1 159	1 773	(35)	3 218
Taxation	(483)	(594)	(19)	(1 139)
Profit for the period from continuing operations	676	1 179	(43)	2 079
Profit for the period from discontinued operations	5 960	604	+100	1 143
Profit for the period	6 636	1 783	+100	3 222
Attributable to:				
Equity holders of the company	6 284	1 609	+100	2 893
Non-controlling interests	352	174	+100	329
Profit for the period	6 636	1 783	+100	3 222

COMPUTATION OF HEADLINE EARNINGS

R million	Six months ended 31 December		% change	Year ended 30 June 2021 Audited
	2021 Unaudited	2020 Unaudited		
Earnings attributable to equity holders	6 284	1 609	+100	2 893
Adjustment for:				
- (Gain)/loss on dilution and disposal of equity accounted investments	(4 801)	9		(84)
- Impairment of intangible assets	175	19		138
- Impairment of owner-occupied building to below cost	17	1		3
- Adjustments within equity accounted earnings	4	-		9
- Loss on disposal of property and equipment	1	-		4
- Profit on sale of subsidiary	-	(46)		(41)
- FCTR reversal on sale of foreign subsidiary	-	(1)		(4)
- Derecognition of intangible assets and property and equipment	-	-		10
- Loss on dilution of joint venture	-	-		1
Headline earnings attributable to equity holders	1 680	1 591	6	2 929

COMPUTATION OF EARNINGS PER SHARE

R million	Six months ended 31 December		% change	Year ended 30 June 2021 Audited
	2021 Unaudited	2020 Unaudited		
Number of shares in issue (millions)	1 532	1 532	-	1 532
Weighted average number of shares in issue (millions)	1 529	1 529	-	1 529
Continuing and discontinued operations				
Earnings attributable to equity holders	6 284	1 609	+100	2 893
Headline earnings attributable to equity holders	1 680	1 591	6	2 929
Earnings per share (cents)	410.9	105.3	+100	189.2
Diluted earnings per share (cents)	410.1	104.7	+100	188.5
Headline earnings per share (cents)	109.8	104.1	6	191.6
Diluted headline earnings per share (cents)	108.8	103.5	5	190.9
Continuing operations				
Earnings attributable to equity holders	558	1 001	(44)	1 761
Headline earnings attributable to equity holders	536	1 013	(47)	1 829
Earnings per share (cents)	36.5	65.5	(44)	115.2
Diluted earnings per share (cents)	36.5	65.5	(44)	115.2
Headline earnings per share (cents)	35.0	66.3	(47)	119.6
Diluted headline earnings per share (cents)	35.0	66.3	(47)	119.6
Discontinued operations				
Earnings attributable to equity holders	5 727	608	+100	1 132
Headline earnings attributable to equity holders	1 144	578	98	1 100
Earnings per share (cents)	374.4	39.2	+100	74.0
Diluted earnings per share (cents)	373.6	39.2	+100	73.3
Headline earnings per share (cents)	74.8	37.8	98	72.0
Diluted headline earnings per share (cents)	73.8	37.2	98	71.3

COMPUTATION OF NORMALISED EARNINGS

RMI regards normalised earnings as the appropriate basis to evaluate business performance as it eliminates the impact of non-recurring items.

Unaudited R million	Six months ended 31 December		% change	Year ended 30 June 2021
	2021	2020		
Headline earnings attributable to equity holders	1 680	1 591	6	2 929
RMI's share of normalised adjustments made by associates	230	472		610
- Restructuring costs	189	222		219
- Amortisation of intangible assets relating to business combinations	120	151		289
- Economic assumption adjustments net of discretionary margin and interest rate derivative	(81)	89		95
- Unrealised (gains)/losses on foreign exchange contracts not designated as a hedge	(15)	37		54
- Transaction costs related to VitalityLife interest rate derivatives	12	-		1
- Time value of money movement of swap contract in VitalityLife	(11)	10		(28)
- Adjustments for iSabelo	8	-		11
- Finance costs - Convertible preference shares	5	-		-
- Deferred tax asset raised on assessed losses	3	(37)		(38)
- B-BBEE cost	-	-		7
Group treasury shares	12	(15)		6
Normalised earnings attributable to equity holders	1 922	2 048	(6)	3 545

COMPUTATION OF NORMALISED EARNINGS PER SHARE

Unaudited R million	Six months ended 31 December		% change	Year ended 30 June 2021
	2021	2020		
Number of shares in issue (millions)	1 532	1 532	-	1 532
Weighted average number of shares in issue (millions)	1 532	1 532	-	1 532
Continuing and discontinued operations				
Normalised earnings attributable to equity holders	1 922	2 048	(6)	3 545
Normalised earnings per share (cents)	125.5	133.7	(6)	231.4
Diluted normalised earnings per share (cents)	124.8	133.4	(6)	231.1
Continuing operations				
Normalised earnings attributable to equity holders	742	1 016	(27)	1 841
Normalised earnings per share (cents)	48.4	66.3	(27)	120.2
Diluted normalised earnings per share (cents)	48.4	66.3	(27)	120.2
Discontinued operations				
Normalised earnings attributable to equity holders	1 180	1 032	14	1 704
Normalised earnings per share (cents)	77.1	67.4	14	111.2
Diluted normalised earnings per share (cents)	76.4	67.1	14	110.9

DIVIDEND PER SHARE

R million	Six months ended 31 December		% change	Year ended 30 June 2021 Audited
	2021 Unaudited	2020 Unaudited		
Dividend per share				
Interim	23.5	22.5	4	22.5
Special	142.0	-	+100	-
Final	-	-	-	22.5
Total dividend per share	165.5	22.5	+100	45.0
Ordinary dividend cover (relative to headline earnings)	4.7	4.6		4.3
Ordinary dividend cover (relative to normalised earnings)	5.3	5.9		5.1

ADMINISTRATION

Directors

JJ Durand (chairman), HL Bosman (chief executive officer and financial director), JP Burger, P Cooper, (Ms) A Kekana, P Lagerström, (Ms) MM Mahlare, MM Morobe and JA Teeger.

Messrs PK Harris, RT Mupita and O Phetwe and Ms SEN De Bruyn stepped down as directors at the annual general meeting held on 24 November 2021. Mr Dippenaar retired as a director on 14 March 2022.

Alternates

DA Frankel, F Knoetze and UH Lucht

Secretary and registered office

JS Human

Physical address: 12th Floor, The Bank

Corner of Cradock and Tyrwhitt Avenues

Rosebank, Johannesburg, 2196

Postal address: Private Bag X1000, Saxonwold, 2132

Telephone: +27 10 753 2430

Web address: www.rmih.co.za

Sponsor

(in terms of JSE Listings Requirements)
Rand Merchant Bank (a division of FirstRand Bank Limited)
Physical address: 1 Merchant Place
Corner of Fredman Drive and Rivonia Road
Sandton, 2196

Transfer secretaries

Computershare Investor Services Proprietary Limited
Physical address: Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196
Postal address: Private Bag X9000, Saxonwold, 2132
Telephone: +27 11 370 5000
Telefax: +27 11 688 5221

Full announcement

The contents of this short-form announcement are the responsibility of the board of directors of the company. These interim results have not been audited.

Shareholders and/or investors are advised that this short-form announcement represents a summary of the information contained in the full announcement, which is available for viewing on RMI's website at www.rmih.co.za or at <https://senspdf.jse.co.za/documents/2022/jse/isse/RMIE/RMI22Int.pdf>

The full announcement is also available for inspection, at no charge, at the registered office of the company (12th Floor, The Bank, Corner of Cradock and Tyrwhitt Avenues, Rosebank, Johannesburg, 2196) and at the offices of RMI's Sponsor, Rand Merchant Bank (a division of FirstRand Bank Limited) (1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton) from 09:00 to 16:00 weekdays. The full announcement can also be obtained from the company secretary via email at company.secretary@rmih.co.za.

Any investment decisions by shareholders and/or investors should be based on a consideration of the full announcement as a whole and shareholders and/or investors are encouraged to review the full announcement.

16 March 2022

Rosebank