

SUMMARY OF AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2024 AND CASH DIVIDEND DECLARATION

SALIENT FEATURES

- Ordinary dividend per share: up by 10.0% to 264 cents
- Intrinsic net asset value per share as at 30 June 2024: up by 1.0% to R251.01
- Headline earnings per share: down by 18.8% to 1 018 cents
- Earnings per share: down by 86.9% to 224 cents

INTRODUCTION

The 2024 financial year was a challenging period with the continued focus on concluding and integrating a series of transformative corporate actions that still impacts on Remgro's results. While strong contributions were made by some of Remgro's investee companies, considerable work still needs to be done to bed down the operational performance of a number of its key investments. Remgro remains committed to the portfolio repositioning and optimisation, enabled by the aforementioned corporate actions, and even as the current unsatisfactory performance overshadows continued progress on some of its key strategic initiatives, Remgro maintains a disciplined and long-term approach in deploying and managing its resources.

Last year, Remgro listed some of the challenges faced by South African businesses, notably the continuation of high interest rates, the disruption of business operations due to load shedding, local infrastructure and logistics related challenges due to geopolitical instability, and exchange rate volatility.

Although some of these challenges persisted, there were some encouraging macroeconomic improvements, including an improvement in inflation, a substantial reduction in load shedding and – more recently - a reduction in fuel prices. The difficult business environment was compounded by the political uncertainty leading up to the national elections in May. Since then, and the subsequent establishment of the Government of National Unity (GNU), investor sentiment towards South Africa has improved and we too believe there is reason to be hopeful about improved economic prospects.

While the Group's results for the year under review did not meet expectations, Remgro's focus remains on disciplined capital allocation and actively partnering with management teams to drive sustainable performance at its underlying investee companies in order to deliver long-term value for its shareholders.

RESULTS

For the year under review, headline earnings decreased by 20.0% from R7 056 million to R5 647 million, while headline earnings per share (HEPS) decreased by 18.8% from 1 254 cents to 1 018 cents. The difference of 120bps in the HEPS measure compared to headline earnings, represents the accretive impact of shares repurchased during the 2023 financial year and the beginning of the year under review.

A significant driver of the decline in headline earnings relates to the effect of the corporate actions implemented in the recent past, the majority of which are non-recurring items. The difficult operating environment, particularly in relation to the trading results of Heineken Beverages Holdings Limited (Heineken Beverages), also contributed to the material decline in headline earnings. The decrease in headline earnings can be summarised as follows:

- The negative impact of significant corporate actions implemented throughout the Group amounting to R766 million (2023: positive impact of R581 million), which include the following:
 - Remgro's portion of *IFRS 3* amortisation and depreciation charges amounting to R257 million (2023: R56 million) relating to the additional assets identified when Heineken Beverages obtained control over Distell Group Holdings Limited (Distell) and Namibia Breweries Limited (the Distell/Heineken transaction) (Heineken *IFRS 3* impact), as well as Remgro's portion of transaction costs amounting to R196 million, which were incurred by Distell in the comparative year;
 - Remgro's portion of an increase in a redemption liability amounting to R344 million (2023: decrease in liability of R338 million), relating to Mediclinic Group Limited's (Mediclinic) acquisition of Hirslanden La Colline Grangettes SA;

- Remgro's portion of transaction costs amounting to R165 million (2023: R612 million), which were incurred in respect of the acquisition, through Remgro's 50% interest in Manta Bidco Limited, which is jointly owned by Remgro and MSC Mediterranean Shipping Company SA (MSC), of the entire issued ordinary share capital of Mediclinic (the Mediclinic acquisition), as well as a foreign exchange gain of R522 million relating to the Mediclinic acquisition in the comparative year;
 - Remgro's portion of a debt forgiveness gain amounting to R227 million that was accounted for by Kagiso Tiso Holdings Proprietary Limited (KTH) in the comparative year (a lender waived its right to receive an outstanding amount of a loan to KTH) as part of the disposal of its investment in Actom Investment Holdings Proprietary Limited; and
 - a dividend received from the Pembani Remgro Infrastructure Fund of R358 million relating to its disposal of the ETG Group in the comparative year.
- Excluding the impact of the above-mentioned corporate actions, the muted headline earnings performance resulted from mixed operational performances from investee companies of which the most significant are:
- Increased contributions from RCL Foods Limited, TotalEnergies Marketing South Africa Proprietary Limited, OUTsurance Group Limited, Sigalo Foods Proprietary Limited and Air Products South Africa Proprietary Limited, due to improved operational performances;
 - an increased loss contributed by Heineken Beverages (excluding the Heineken *IFRS 3* impact) of R297 million, partly offset by a higher contribution from Capevin Holdings Proprietary Limited of R65 million, compared to Distell's contribution of R751 million (excluding the transaction costs) in the comparative year; and
 - a lower contribution from Community Investment Ventures Holdings Proprietary Limited mainly due to higher finance costs resulting from increased interest rates and higher security and maintenance costs to ensure high network uptime.

Total earnings amounted to R1 241 million (2023: R9 624 million). This decrease in earnings is mainly due to the decrease in headline earnings discussed above (R1 409 million), the impairment of Remgro's investment in Heineken Beverages (R4 257 million) and Remgro's portion of the impairments of Heineken Beverages' goodwill that was created through the Distell/Heineken transaction (R1 050 million). For the 2023 financial year, Remgro accounted for a profit on disposal of R3 384 million in respect of the Distell/Heineken transaction.

INTRINSIC NET ASSET VALUE

Remgro's intrinsic net asset value per share increased by 1.0% from R248.47 at 30 June 2023 to R251.01 at 30 June 2024. The closing share price at 30 June 2024 was R136.09 (2023: R147.05), representing a discount of 45.8% (2023: 40.8%) to the intrinsic net asset value.

DECLARATION OF CASH DIVIDEND NO. 48

Notice is hereby given that a final gross dividend of 184 cents (2023: 160 cents) per share has been declared out of income reserves in respect of both the ordinary shares of no par value and the unlisted B ordinary shares of no par value, for the year ended 30 June 2024.

The Board is satisfied that the Company is solvent and liquid, thus confirming that the Company has sufficient capital and reserves after the payment of the final dividend, to support its operations for the foreseeable future.

A dividend withholding tax of 20% or 36.80 cents per share will be applicable, resulting in a net dividend of 147.20 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement.

The total gross dividend per share for the year ended 30 June 2024 therefore amounts to 264 cents, compared to 240 cents for the year ended 30 June 2023.

The issued share capital at the declaration date is 529 217 007 ordinary shares and 39 056 987 B ordinary shares. The income tax number of the Company is 9500-124-71-5.

Dates of importance:

Last day to trade in order to participate in the dividend	Tuesday, 12 November 2024
Shares trade ex dividend	Wednesday, 13 November 2024
Record date	Friday, 15 November 2024
Payment date	Monday, 18 November 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 13 November 2024, and Friday, 15 November 2024, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as "unclaimed" in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for payout.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS (AFS) AND SUMMARY CONSOLIDATED RESULTS

The financial information in this announcement is a summary only and does not contain full details. Therefore, any investment decisions should be based on information contained in the consolidated AFS.

The AFS were audited by Ernst & Young Inc., who issued an unmodified audit opinion thereon. The summary consolidated results are consistent with the audited AFS but do not include all the disclosures required by International Financial Reporting Standards and the Companies Act. Ernst & Young Inc. have issued an unmodified opinion on the summary consolidated results in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

The consolidated AFS and the summary consolidated results, which include the respective auditor's reports, are available on the JSE's cloudlink at

<https://senspdf.jse.co.za/documents/2024/JSE/ISSE/REM/REMJun2024.pdf> and on the Company's website at www.remgro.com.

INTEGRATED ANNUAL REPORT

The Integrated Annual Report will be mailed to those shareholders who requested to receive a hard copy and will be available on the website during October 2024.

RESULTS WEBCAST AND PRESENTATION

Shareholders and other interested parties are invited to join management in discussing Remgro's year-end results via webcast at 09:00 am SAST on Thursday, 19 September 2024 at the following link:

<https://78449.themediaframe.com/links/remgro240919.html>

Signed on behalf of the Board of Directors.

Johann Rupert
Chairman

Jannie Durand
Chief Executive Officer

Stellenbosch

Approved by the Board: 18 September 2024

SENS release date: 19 September 2024

DIRECTORATE

Non-executive directors

Johann Rupert (*Chairman*), F Robertson* (*Deputy Chairman*),
S E N De Bruyn*, N P Mageza*, J Malherbe, P J Moleketi*,
M Morobe*, P J Neethling, G G Nieuwoudt*,
K S Rantloane*, A E Rupert
(* *Independent*)

Executive directors

J J Durand (*Chief Executive Officer*),
M Lubbe, N J Williams, C P F Vosloo (*Alternate to J J Durand*)

CORPORATE INFORMATION

Secretary

D I Dreyer

Listings

Primary listing - JSE Limited

Sector: Financials – Financial Services – Investment Banking and Brokerage Services – Diversified Financial Services

Secondary listing – A2X

Business address and registered office

Millennia Park, 16 Stellantia Avenue, Stellenbosch 7600
(PO Box 456, Stellenbosch 7599)

Transfer Secretaries

Computershare Investor Services Proprietary Limited,
Rosebank Towers, 15 Biermann Avenue, Rosebank 2196
(Private Bag X9000, Saxonwold 2132)

Auditors

Ernst & Young Inc.
Cape Town, South Africa

Sponsor

Rand Merchant Bank (A division of FirstRand Bank Limited)

FOR MORE INFORMATION

www.remgro.com