



APERTURE

INSIGHTFUL AND RELEVANT RESEARCH UPDATES

Remgro FY 2026 Results

Share Price	R 208.55
Date	23 September 2026

RESULTS SUMMARY

Remgro released solid results for the full year 2026. Headline earnings per share increased 42.2% y-o-y to R20.03. Growth was seen across most of the portfolio, with key contributors being Mediclinic (+57%) and Rainbow (+130%), while Heineken and CIVH returned to profitability. RCL Foods was the main drag, with earnings declining 33%. The group declared a final dividend of R4.22 per share, up 70%, as well as a special dividend of R5.50.

Intrinsic Net Asset Value (INAV) increased 4.6% to R165.2bn, or R305.8 per share. Discovery (+22.9%), Rainbow (+39.9%), Air Products (+8.9%) and Siqalo Foods (+8.2%) were the main contributors, while RCL Foods declined 25.9% and Mediclinic was marginally lower. Cash increased by R12bn, supported by the sale of FirstRand shares and a pre-implementation dividend from CIVH related to its investment in Maziv.

The return to profitability across several key investments and continued portfolio optimisation have strengthened Remgro's liquidity and increased management's flexibility around capital allocation. This creates scope for further share buybacks, special dividends or new investments. Trading at a 32% discount to NAV, the valuation remains below recent levels, while the recovery in earnings and improved liquidity highlight the potential for further value to be unlocked across the portfolio.

OUR LONG-TERM INVESTMENT VIEW

- Remgro maintains a high-quality portfolio of largely industrial and financial companies that provide diversified exposure to businesses operating in both defensive and high-growth sectors with long-term thematic tailwinds. These include Healthcare, Financial Services, Internet Infrastructure, Energy and Consumer Discretionary.
- Expanding on their sector exposure, Healthcare maintains Mediclinic as its sole investment. Consumer Products include Heineken Beverages, Capevin, RCL Foods, and Siqalo Foods. Financial Services includes the OUTsurance Group and Business Partners. Within Infrastructure, investments in fibre provider CIVH and subsea fibre cable owner SEACOM, make up the bulk of investments. Within Industrial, the portfolio has exposure to gas provider Air Products, TotalEnergies and aluminium extrusions manufacturer Wispeco. Beyond these sectors, the portfolio has investments in diversified investment vehicles with a focus on South Africa and China, and minority shareholdings in FirstRand Limited, Discovery Limited and Momentum Metropolitan.
- While Remgro has historically maintained a portfolio mix biased to listed companies, management have undergone a strategic shift incorporating a portfolio re-balance towards unlisted companies. A large part of this shift has seen previously listed companies being unbundled to shareholders as well as meaningful listed holdings being taken private. With privatisation and increased unlisted exposure, management intend to exercise greater control over underlying investments. Looking ahead, Remgro's portfolio will comprise a mix of private companies and assets that will be hard to replicate or gain exposure to anywhere else, making them an attractive listed investment vehicle for investors.

UNPACKING THE FY26 RESULTS

High level numbers

- **Headline earnings** increased 42.2% YoY to R11.14bn with contributions coming from across the investment portfolio. Excluding once off items from Mediclinic and TotalEnergies headline earnings increased 29.3%.

Siqalo Foods' headline earnings were flat year on year with volumes decreasing 1.8%. Earnings were protected by cost saving initiatives and operational efficiencies. RCL Foods was the main detractor from the segment's performance, with headline earnings decreasing 32.9%, driven by the sugar and pet food operations. Culinary, beverages and

- **Intrinsic Net Asset Value (INAV)** per share increased 4.6% to R305.8. Major contributors to growth were Discovery (+22.9%), Rainbow (+39.9%), Air Products (+8.9%), Siqua Foods (+8.2%).
- **Cash at the centre** was R20.3bn, up 12bn. Significant contributions to cash generation were the sale of remaining stakes in FirstRand and BAT as well as a pre-implementation dividend from CIVH of R2.7bn due to the Vodacom investment in Maziv.
- A **final dividend** of 422 cents per share was declared, an increase of 70% from the prior year. Full year dividend came to 595 cents, up 73% with a special dividend of 550 cents.

Key segment performance

- **Healthcare** (23.6% of INAV), with Mediclinic as the sole investment, saw headline earnings increase by 57.3% to R2.4bn. Mediclinic's revenue increased by 11%, with volume growth supported by favourable mix. Adjusted EBITDA margin improved to 15.7%. Southern Africa saw revenue growth of 7%, driven by volume growth and improving mix. Bed days sold improved 1.8% with revenue per bed increasing 4.7%. EBITDA margin improved 30bps to 18.6% with cost discipline partially offset by increased nursing costs. Revenue from the Middle East increased 9% driven by outpatient visits and tariff increases with inpatient admissions down on disruption from Iran conflict. EBITDA margin was 16%, a 60bps increase, benefiting from improved scale and cost discipline.
- **Consumer Products** (14.2% of INAV), comprising RCL Foods, Heineken Beverages, Siqua Foods, Rainbow and Capevin, saw headline earnings increase 19.3%. Heineken Beverages returned to profit with beer volumes seeing strong momentum and solid margin expansion. Rainbow headline earnings increased 130% on the back of 7.7% revenue growth with lower raw material input costs and a stronger rand.

baking performed better despite seeing volume pressure.

- **Financial Services** (28.3% of INAV), which is largely the OUTsurance Group, saw headlines earnings increase 12.8%. OUTsurance Groups normalised earnings increased 20.9% due to a strong performance in South Africa from higher underwriting margins and lower cost to income ratio. The sale of the remaining position of First Rand was completed during the period.
- **Infrastructure** (9.5% of INAV), comprising almost entirely of CIVH, returned to profitability for the period. CIVH revenue increased 13%, with both Dark Fibre Africa (+8.9%) and Vumatel (+15.3%) growing on increased demand for their fibre products.
- **Industrial** (7.4% of INAV) headline earnings increased 23.4%. Air Products earnings increased 6.7% on improved volumes as well as margins. TotalEnergies earnings increased over 100% due to a once off cost refund, excluding this earnings declined.

Looking ahead

The return to profitability by several key investments as well as continued portfolio optimisation has improved Remgro's liquidity position significantly, giving management flexibility when it comes to capital allocation. Further return of capital through special dividends or share buybacks as well as new investments are all options according to management.

The bottom line

The full year results points to a strong turnaround by the company. The valuation currently trades at a 32% discount to NAV, while this is below that of recent history, we believe there is still value to be unlocked within the portfolio of high-quality companies.

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