



BRIMSTONE
INVESTMENT CORPORATION LIMITED

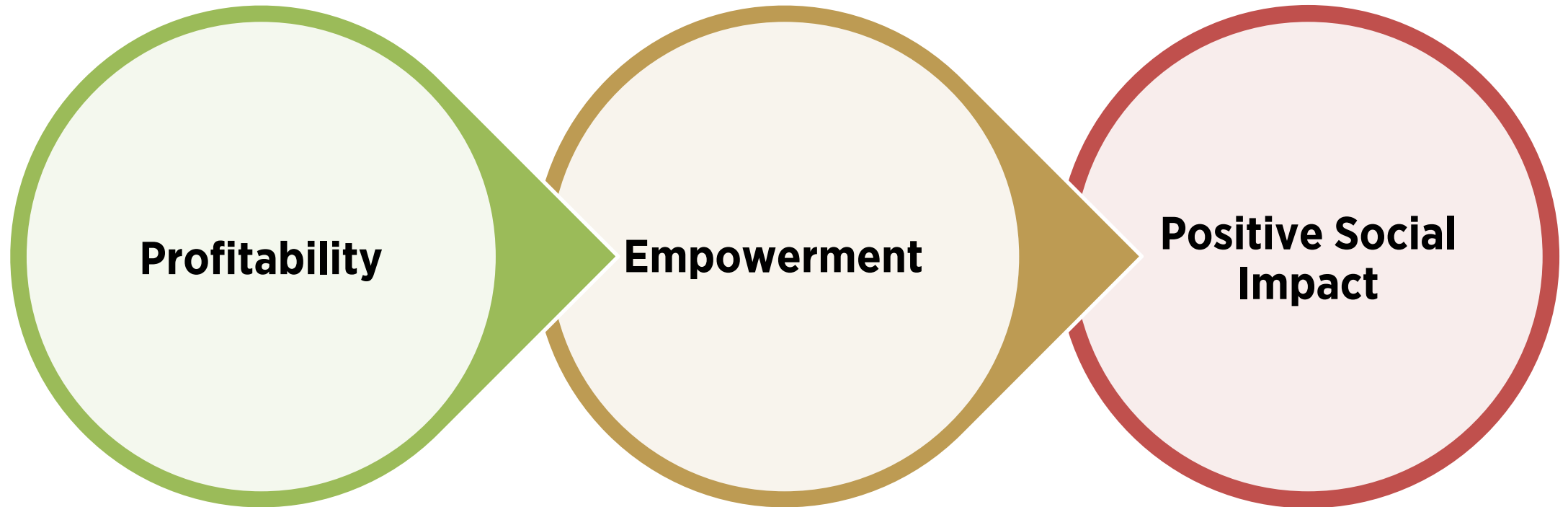
Financial Results for the year ended 31 December 2022



BRIMSTONE
INVESTMENT CORPORATION LIMITED

OVERVIEW

Philosophy



BRIMSTONE
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Profitability. Empowerment. Positive Social Impact.

Our group

Food	  
Healthcare	
Property	 
Financial Services	
Restricted BEE structures	   
Other	  



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Group & Associated Brands



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Some of our products



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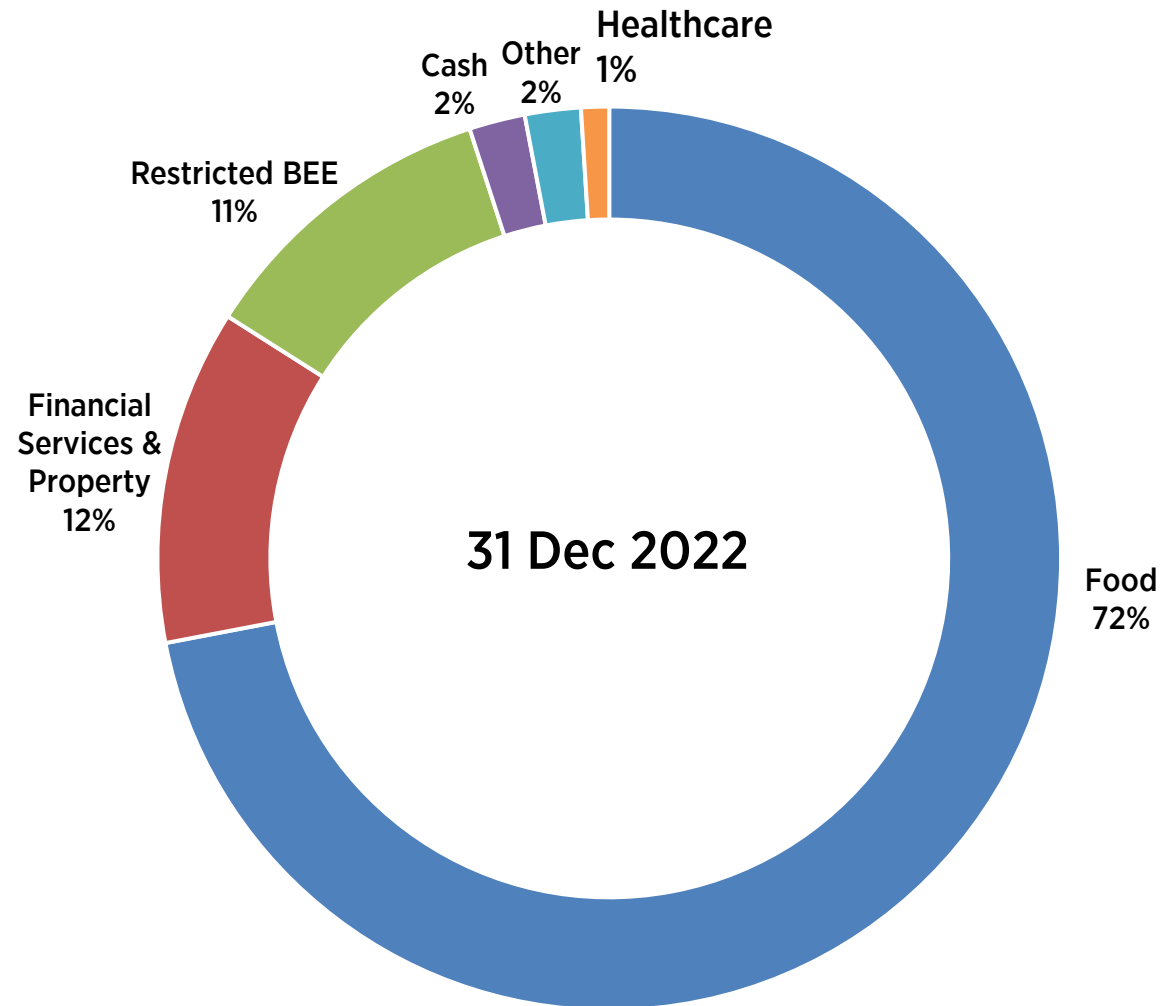
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Unclaimed dividends project



- During 2022, Brimstone embarked on a project to track down shareholders whose records were not up to date and who are owed unclaimed dividends
- While there is no obligation to locate these shareholders, Brimstone considers it a moral obligation to locate these shareholders, many of whom supported the company prior to even listing on the JSE
- To date, approx. R2.5m in unclaimed dividends have been paid out to 302 shareholders and a balance of R5.4m remain unclaimed

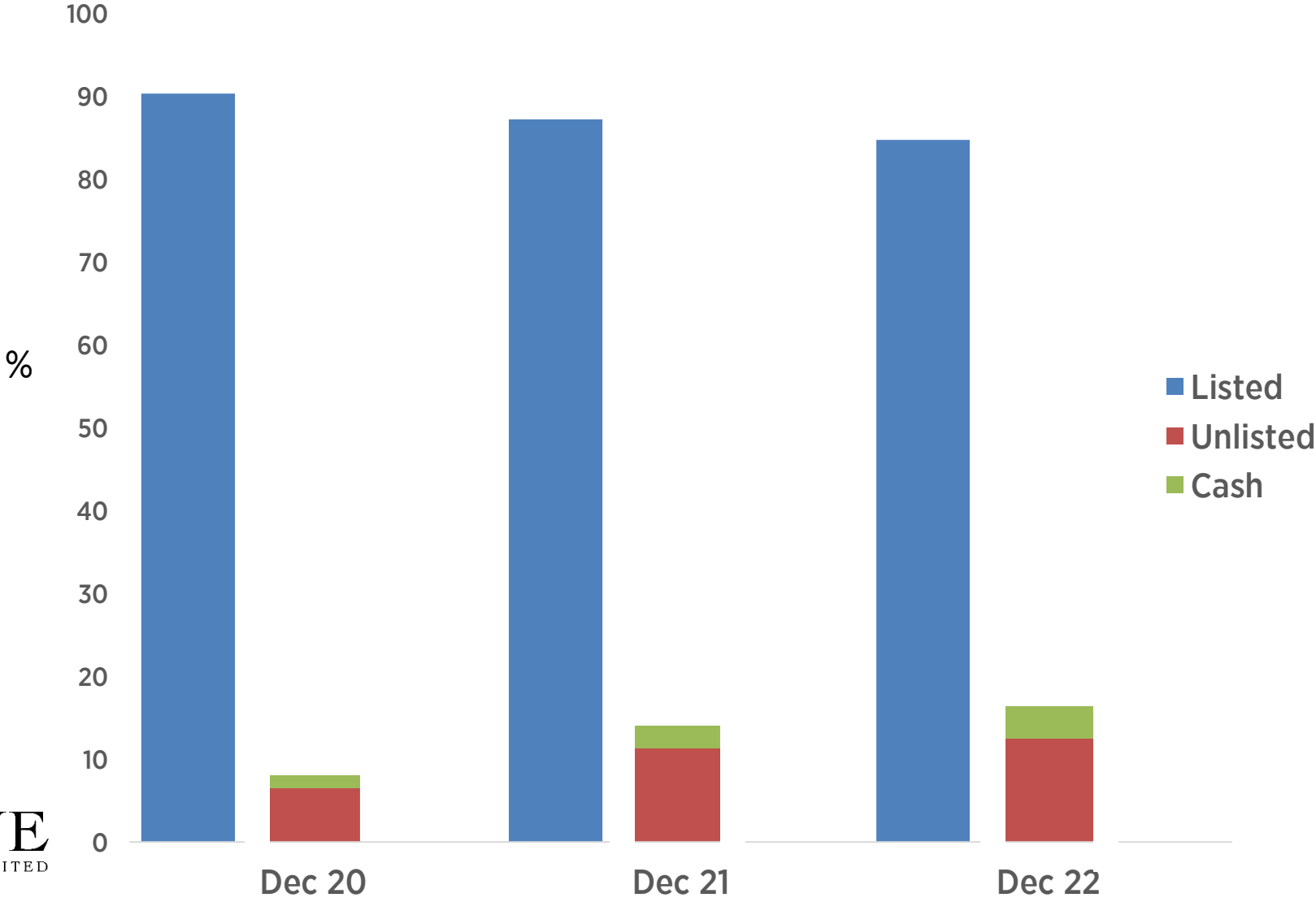
Contribution to Intrinsic Gross Asset Value by sector



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Contribution to Intrinsic Gross Asset Value Listed, Unlisted, and Cash



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Salient Features

- Revenue* R6.2bn (2021: R5.1bn)
- Operating profit* R509.6m (2021: R712.0m)
- Profit for the year R324.5m (2021: R920.9m)
- EPS 76.6 cents (2021: 292.3 cents)
- HEPS 69.0 cents (2021: 298.9 cents)
- Total assets R11.7bn (2021: R10.5bn)
- Dividend declared 33cps (2021: 30cps)

*Includes continuing and discontinued operations



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UNDERLYING INVESTMENT PERFORMANCE

Food



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Sea Harvest (53.4%)

- Accounts for 34% of Brimstone's intrinsic gross asset value
- Hake volume losses due to FRAP and reduction in TAC
- Higher fuel and logistics costs
- EBIT R500m (2021: R670m)
- Australian acquisition of MG Kailis completed on 23 May 2022
- Dividend receivable 38cps – R60.6m (11 Apr 23)
- Closing share price R12.00 (2021: R13.80)
- Latest closing price R9.89 (07 March 23)



Oceana (25.1%)

- Accounts for 37% of Brimstone's intrinsic gross asset value
- Shareholding of 32.7m shares, market value R2.1bn (Dec 2021: R1.8bn)
- Recorded R195.4m (2021: R193.3m) in equity accounted earnings to Sept 2022
- Received cash dividends of R194.1m (2021: R35.9m) during the year. Includes a delayed dividend of R80.9m iro 2021 year
- Closing share price R63.29 (Dec 2021: R55.54)
- Latest closing price R71.73 (07 Mar 23)



Financial Services & Property



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RE AFRICA



AON Re Africa (18%)

- Equity accounted earnings of R13.9m (2021: R12.0m)
- Received dividends of R12.7m (2021: R8.0m) during the year
- Intrinsic gross asset value R78.1m (2021: R69.9m)



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Equites (1.8%)

- Received dividends of R23.2m (2021: R22.2m) during the year
- Closing share price R16.84 (Dec 2021: R22.99)
- Revalued downwards by R85.8m at year end to R235.1m
- Latest closing price R15.16 (07 Mar 23)



FPG Property Fund (10.2%)

- Cape-based black owned and managed unlisted property fund with a property portfolio valued in excess of R7.5bn
- Portfolio of properties in the retail convenience market
- SA: GLA 309 587m²
- UK: GLA 28 850m²
- Participated in rights issue and invested a further R27m in the fund
- Received dividends of R3.3m (2021: R2.6m) during the year
- Revalued upwards by R55.7m to R312.3m at year end



Healthcare



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OBSIDIAN HEALTH



Obsidian Health (70%)

- A leading supplier of innovative healthcare solutions to private and public sector
- Decrease in sales of Covid-19 antigen test kits and PPE
- Increase in elective surgeries
- Contributed R5.2m to group profit (2021: R20.7m) during the year



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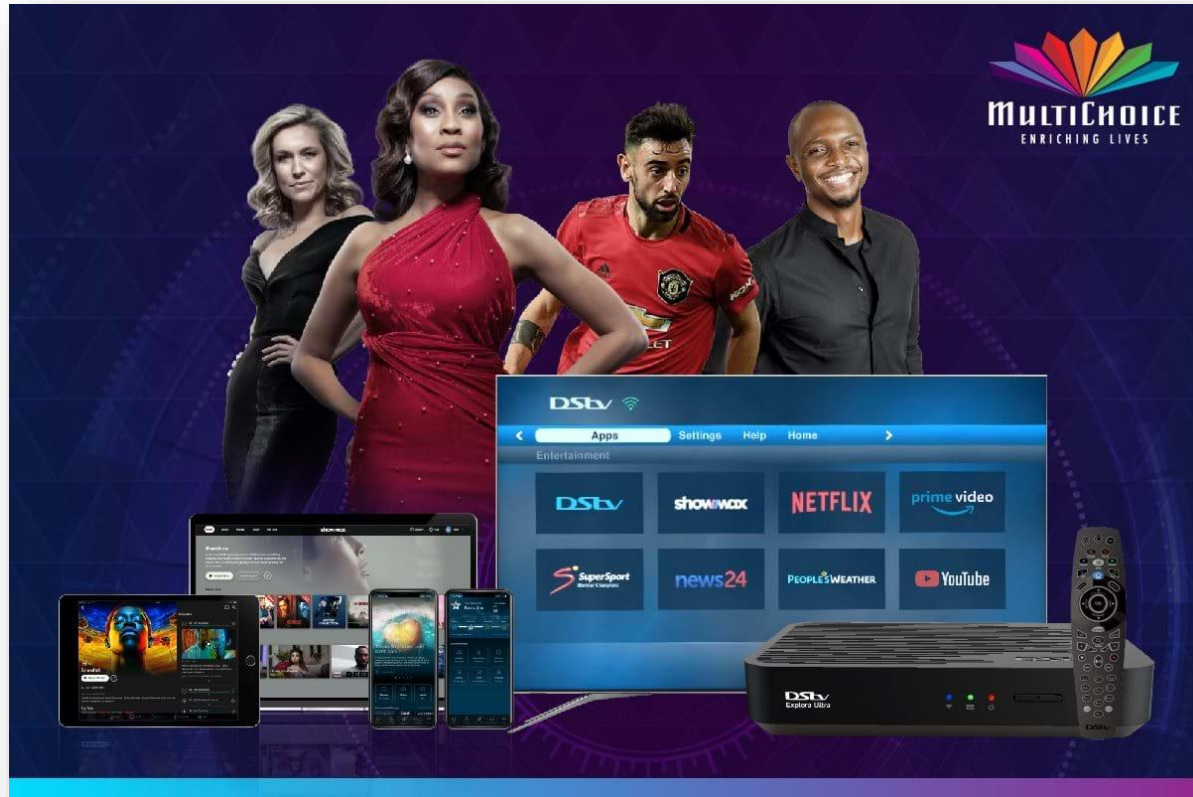
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Restricted BEE Structures



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Phuthuma Nathi (2.8%)

- Received a dividend of R42.1m during the year
- Closing share price R133.11 (Dec 2021: R134.95)
- Revalued downwards by R3.5m to R252.3m
- Latest closing price R139.01 (07 Mar 23)



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MTN Zakhele



MTN Zakhele Futhi (1.5%)

- Closing share price R19.40 (Dec 2021: R31.00)
- Revalued downwards by R21.1m to R35.3m
- Latest closing price R20.01 (07 Mar 23)
- Matures on 25 Nov 2024



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STADIO



STADIO (5.1%)

- Received a maiden dividend of R2.0m during the year
- Closing share price R4.91 (Dec 2021: R3.75)
- Revalued upwards by R50.5m to R213.9m
- Latest closing price R4.50 (07 Mar 23)
- Lock-in until 5 Dec 2024



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PATH to

a REWARDING
career as a **CA(SA)**

MILPARK EDUCATION Professional Accounting
ca connect

Milpark Education (12.8%)

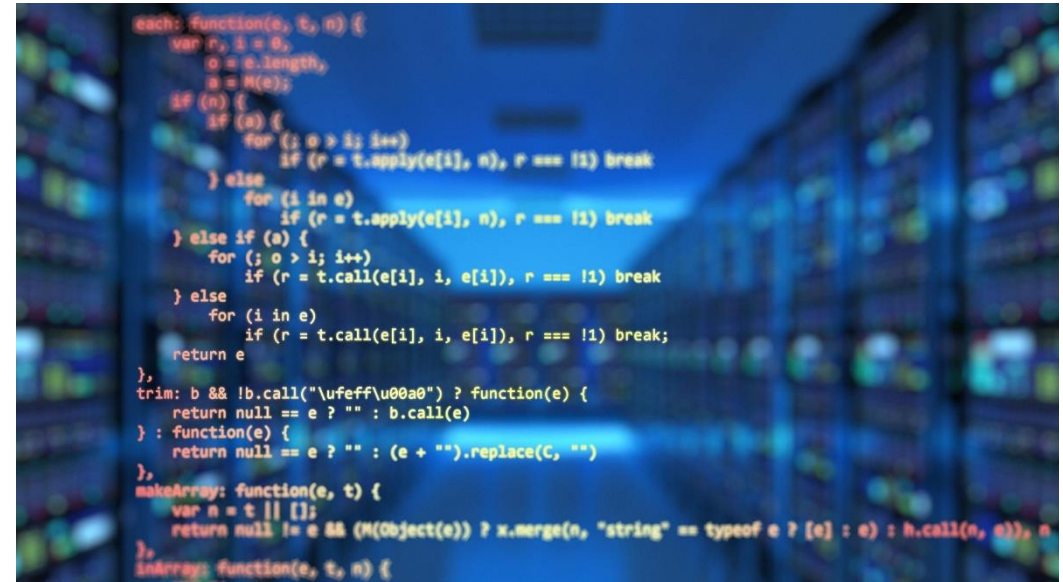
- Milpark contributed R14.6m in equity accounted earnings (2021: R8.3m)
- Received dividends of R15.1m (2021: R17.1m) during the year
- Invested a further R20.4m in Milpark – final part of CA Connect early-settlement
- Intrinsic gross asset value R100.4m (2021: R92.9m)



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Other



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South African Enterprise Development (25%)

- Provides equity growth capital to high potential small and medium-sized enterprises
- Underlying investments
 - High Duty Castings (45%)
 - Tombake (32.6%)
 - Decision Inc. (48.4%)
 - ASG Holdings (33.5%)
 - Specialised Food Investment Holdings (46.4%)
 - Seapro SA (22.5%)
- SAED contributed R1.9m in equity accounted earnings (2021: R1.1m)
- Accrued a dividend of R1.6m (2021: R1.5m) during the year





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FINANCIAL RESULTS

Group Income Statement

Key line items R'000	Dec 2022	Dec 2021	% Change
Continuing operations			
Sales and fee income	6 137 165	4 979 804	23.2%
Dividends received	75 687	74 922	1.0%
Operating profit	509 565	695 091	(26.7%)
Fair value gains	34 324	273 916	(87.5%)
Other investment losses	(38 253)	(57 591)	(33.6%)
Share of profits of associates and JV's	228 351	256 840	(11.1%)
Finance costs (net)	(287 558)	(199 162)	44.4%
Profit before taxation	446 429	969 094	53.9%
Tax expense	(121 920)	(205 941)	(40.8%)
Profit from continuing operations	324 509	763 153	(57.5%)
Profit from discontinued operation	-	157 708	-
Group profit for the year	324 509	920 861	(64.8%)
Profit attributable to equity holders of the parent	189 934	731 903	(74.0%)

SHG: R1.2bn (27%)
OBH: R74m (24%)

SHG: R203m (29%)

SHG: R36m (deal costs)
OGL 2021: R41m

Tax rate: 27.3%
Prior year DTA adjust. and
non-deductible exp.

Analysis of Dividends Received

R'000	Dec 2022	Dec 2021
Sea Harvest	89 324	71 775
Obsidian	17 500	-
Oceana	194 116	35 890
AON Re (net of minority share)	7 636	4 804
Milpark (net of minority share)	7 680	8 705
Phuthuma Nathi	42 121	42 121
Equites	23 197	22 185
Other	13 316	13 108
Total dividends received	394 890	198 588
Add: Minority share of associates dividends	12 469	11 565
Less: Dividend received from Sea Harvest (eliminated)	(89 324)	(71 775)
Less: Dividend received from Obsidian (eliminated)	(17 500)	-
Less: Dividends received from associates (reallocated)	(224 848)	(63 456)
Dividends received recognised in profit or loss	75 687	74 922



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Analysis of Fair Value Movements

R'000	Dec 2022	Dec 2021
Life Healthcare	-	351 932
Zero Cost Collar (derivative)	-	(346 499)
Equites	(85 846)	78 447
STADIO Holdings	50 535	78 417
FPG Properties	55 667	47 076
MTN Zakhele Futhi	(21 098)	38 795
Phuthuma Nathi	(3 488)	30 706
Contingent consideration	20 445	(10 629)
Other	18 109	5 671
Total	34 324	273 916



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Share of Profits of Associates & JV's

R'000	Dec 2022	Dec 2021	% Change
Oceana*	195 431	233 975	(16.5%)
Aon Re	13 934	12 020	15.9%
Milpark	14 603	8 337	75.2%
Other	4 383	2 508	74.8%
Total	228 351	256 840	(11.1%)

* Included in other investment losses in the prior year is an amount of R40 640k relating to a “loss on deemed disposal” on dilution of Brimstone’s interest in Oceana. Adjusting the share of profits line with this amount results in a net amount of R193 335k which is comparable with the current year.



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Net Finance Costs

R'000	Dec 2022	Dec 2021
Brimstone	388	9 028
Newshelf 1063	160 510	129 350
Sea Harvest	143 761	77 860
Other subsidiaries (OBH and HOM)	1 636	2 721
Total finance costs	306 295	218 959
Interest income	(18 737)	(19 797)
Net finance costs	287 558	199 162



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Group Balance Sheet

Key line items R'000	Dec 2022	Dec 2021	% Change
Property, plant and equipment	2 408 651	2 253 348	6.9%
Goodwill and intangible assets	2 445 085	1 641 820	48.9%
Investments in associates and JV's	2 661 300	2 332 148	14.1%
Cash and cash equivalents	375 133	862 931	(43.5%)
Total assets	11 656 772	10 498 264	11.0%
Non-current liabilities	(5 367 695)	(4 780 354)	12.3%
Total liabilities	(6 853 565)	(6 107 748)	12.2%
Ratio	Dec 2022	Dec 2021	Dec 2020
Current ratio	1.72x	2.11x	1.40x
Debt ratio/debt to asset ratio ¹	41.1%	40.9%	49.1%

SHG: R259m (capex & MGK acq.)

SHG: R803m (MGK acq.)

OGL: R303m (FCTR)

SHG: **R497m**
Mainly MGK acq.

SHG: R645m (MGK acq. &
R187m DTL on acq.)



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$$^1 \frac{\text{Debt} + \text{CGT}}{\text{IGAV}}$$



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INTRINSIC NET ASSET VALUE

INTRINSIC NAV DETAIL

Listed investments

Asset	% held	Valuation basis	Gross R'000	Debt R'000	CGT R'000	INAV R'000
Oceana	25.1%	Mkt value	2 071 743	-	-	2 071 743
Sea Harvest	53.4%	Mkt value	1 914 707	-	-	1 914 707
Phuthuma Nathi	2.8%	Mkt value	252 300	-	(3 365)	248 935
Equites	1.8%	Mkt value	235 063	-	(11 330)	223 733
STADIO	5.1%	Mkt value	213 904	-	(13 552)	200 352
MTN Zakhele Futhi	1.5%	Mkt value	35 285	-	-	35 285



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INTRINSIC NAV DETAIL

Unlisted investments

Asset	% held	Valuation basis	Gross R'000	Debt R'000	CGT R'000	INAV R'000
FPG Property Fund	10.2%	Book value	312 348	-	(32 947)	279 401
Milpark Education	12.8%	Market approach	100 470	-	(6 246)	94 224
Aon Re Africa	18.0%	PE valuation	78 086	-	(15 143)	62 943
Obsidian	70%	Book value	65 804	-	(6 114)	59 690
Investment property	100%	Market approach	65 000	-	-	65 000
Other Investments, Assets & Liabilities	Various	Valuation	56 389	-	14 733	71 122
SAED	25%	Book value	61 781	-	-	61 781



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INTRINSIC NAV

Summary

Asset	Gross R'000	Debt R'000	CGT R'000	INAV R'000
Listed	4 723 002	-	(28 247)	4 694 755
Unlisted	739 878	-	(45 717)	694 161
Cash / (Net debt)	115 280	(2 216 954)	-	(2 101 674)
Total	5 578 160	(2 216 954)	(73 964)	3 287 242
Intrinsic NAV per share (cents)	2 248	(894)	(30)	1 325



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Other Key Statistics

R'000	31 Dec 2022	31 Dec 2021	Change
Intrinsic gross asset value	5 578 160	5 512 768	1.2%
Book NAV	3 323 504	2 924 444	13.6%
Book NAV per share (cents)	1 339.6	1 180.3	13.5%
Intrinsic NAV	3 287 242	3 255 610	1.0%
Intrinsic NAV per share (cents)	1 325.0	1 314.0	0.8%
Market price per share (cents)			
Ordinary shares	526	630	(16.5%)
“N” Ordinary shares	563	649	(13.3%)
Discount to Intrinsic NAV			
Ordinary shares	60.3%	52.1%	
“N” Ordinary shares	57.5%	50.6%	



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QUESTIONS