



BRIMSTONE
INVESTMENT CORPORATION LIMITED

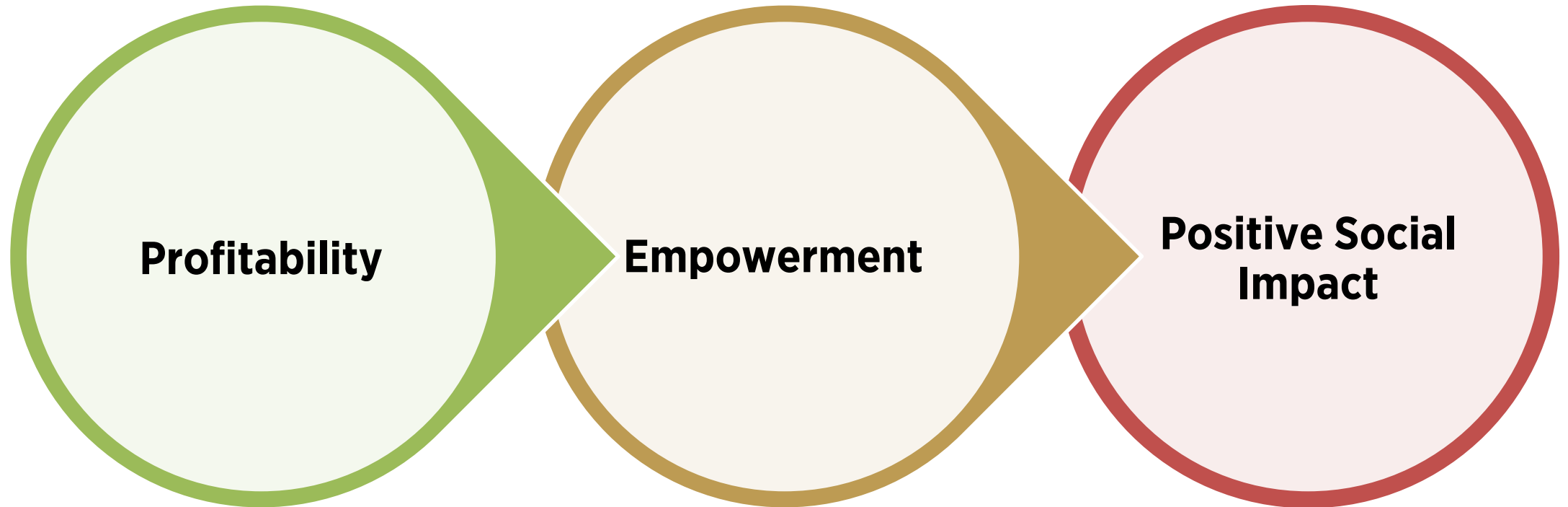
Financial Results for the year ended 31 December 2023



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Overview

Philosophy



BRIMSTONE
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Profitability. Empowerment. Positive Social Impact.

Group at 31 Dec 2023

Food



Financial Services and Property



Restricted BEE structures



Healthcare



Other



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Group & Associated Brands



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Some of our products



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Business & Economic environment for the year

- **High unemployment & SA consumer under pressure**
- **Weak Rand**
- **High interest rate environment**
- **Impact of continued and increased load shedding**
- **Road, rail and ports continues to deteriorate**
- **Elevated inflation during the year**



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Highlights

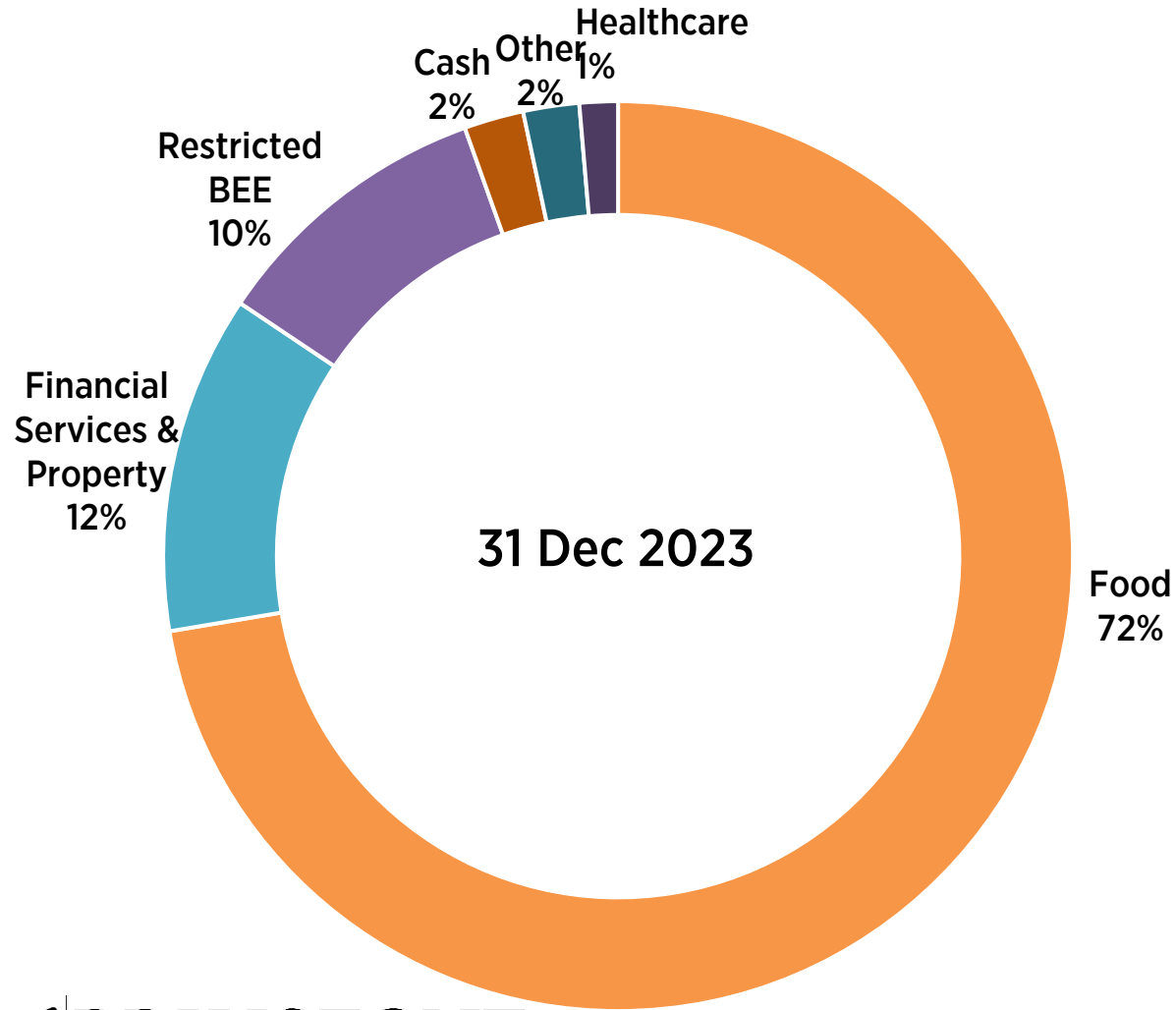
- Profit for the year up 30% to R421.9m (2022: R324.5m)
- Share of profits of associates and JVs up 88% to R428.3m (2022: R228.4m)
- EPS up 54% to 117.9cps (2022: 76.6cps)
- HEPS up 4% to 71.6cps (2022: 69.0cps)
- Dividend declared up 21% to 40cps (2022: 33cps)
- Repurchase of 4.1m shares for R21.6m during the year
- Further share repurchase of 1.5m shares for R7.2m subsequent to year end
- Reduced debt by R307.5m subsequent to year end



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Contribution to Intrinsic Gross Asset Value



	R'000
CORE	3 821 152
SEA HARVEST	1 507 831
OCEANA	2 313 321
OTHER	1 459 740
TOTAL	5 280 892



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Underlying investment performance



Shareholding - 53.4%

- Sea Harvest delivered earnings before interest and tax of R577m, up by 15% (2022: R500m)
- Strong demand and improved pricing across all markets and channels; group's hard currency exposure allowed it to benefit from the weaker Rand
- Difficult fishing conditions, above inflation cost increases, load shedding, decrease in global prawn pricing, increase in finance costs
- Dividend receivable 40cps – R63.8m (2022: 38cps)
- Closing share price R9.45 (2022: R12.00)
- Latest closing price R8.66 (05 March 24)



Shareholding – 25.1%

- Shareholding of 32.7m shares, market value R2.3bn (Dec 2022: R2.1bn)
- Recorded R366.4m (2022: R195.4m) in equity accounted earnings to Sept 2023
- Received cash dividends of R142.4m (2022: R194.1m - *includes R80.9m delayed dividend from prior year*)
- Closing share price R70.67 (Dec 2022: R63.29)
- Latest closing price R72.11 (05 Mar 24)



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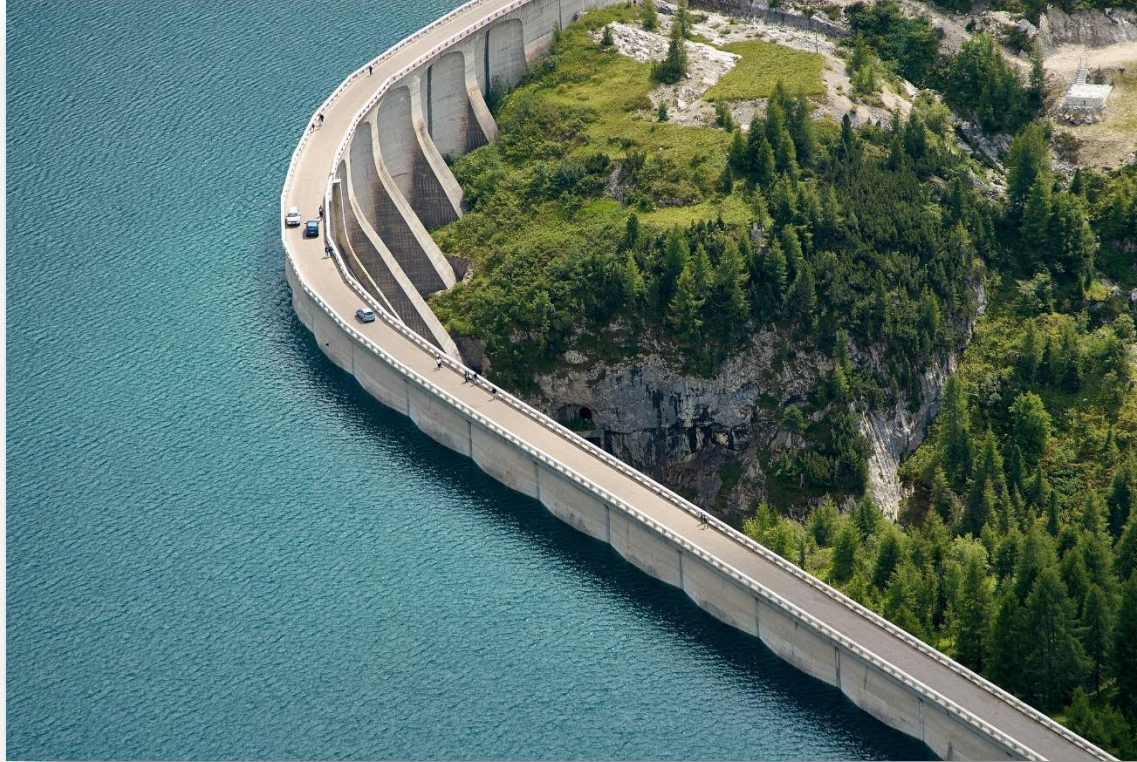
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AON

RE AFRICA

Effective shareholding – 18%

- **Leading reinsurance broker operating in Africa**
- **Equity accounted earnings of R22.5m (2022: R13.9m)**
- **Intrinsic gross asset value R78m (2022: R78m)**
- **Received dividends of R15.4m (2022: R12.7m)**



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Amounts stated in respect of associates held through partially owned subsidiaries are before attribution to non-controlling interests.



Shareholding – 1.8%

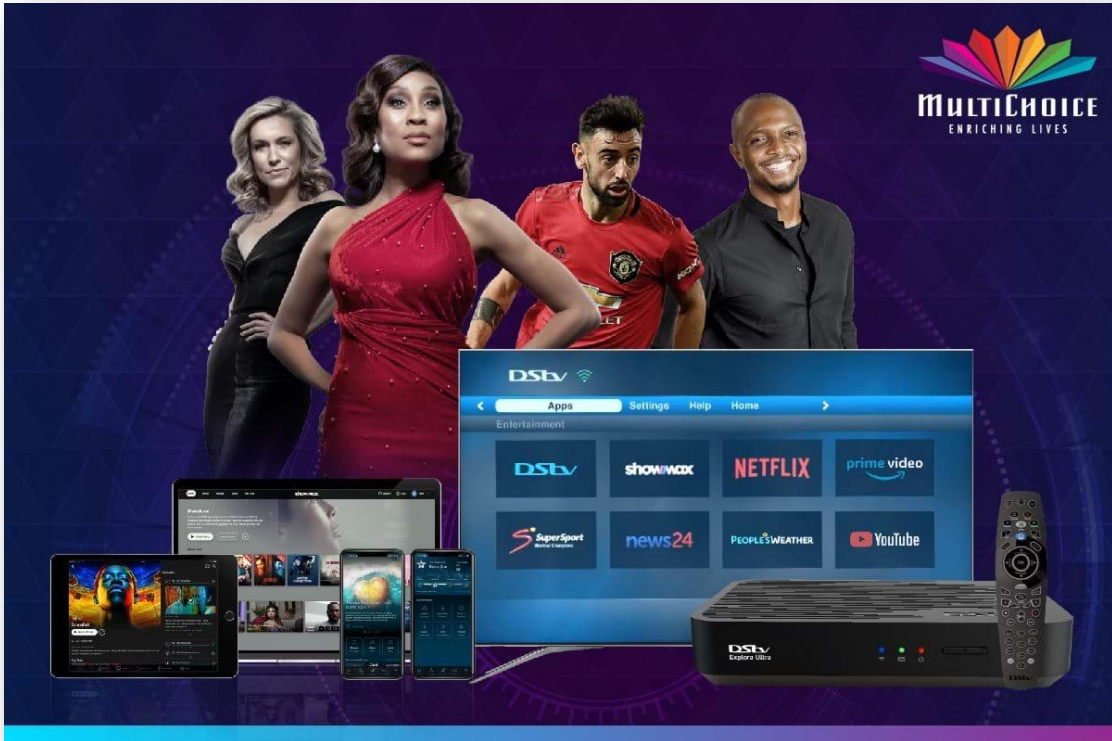
- Closing share price R13.95 (Dec 2022: R16.84)
- Revalued downwards by R40.3m at year end to R194.7m
- Received dividends of R21.4m (2022: R23.2m)
- Latest closing price R12.53 (05 Mar 24)
- Disposed of 8.8m shares for a consideration of R123.9m subsequent to year end; 5.1m shares still held for sale



Shareholding – 10.1%



- Cape-based black owned and managed unlisted property fund with a property portfolio valued in excess of R8bn
- 54 investment properties in SA and UK, incl. 34 retail convenience shopping centres in SA and 12 in UK
- SA: GLA 301 090m²
- UK: GLA 32 923m²
- Vacancy rate 1.56%
- Received dividends of R4.3m (2022: R3.3m)
- Being a capital fund this investment was revalued upwards by R50.3m to R362.6m at year end



Shareholding - 2.8%

- Closing share price R93.00 (Dec 2022: R133.11)
- Revalued downwards by R76.0m to R176.3m
- Received a dividend of R38.6m (2022: R42.1m)
- Latest closing price R96.58 (05 Mar 24)
- Disposed of 1m shares for a consideration of R100m subsequent to year end; 0.9m shares still held for sale





MTN Zakhele



Shareholding - 1.5%

- Closing share price R17.17 (Dec 2022: R19.40)
- Revalued downwards by R4.1m to R31.2m
- Latest closing price R15.10 (05 Mar 24)
- Matures on 25 Nov 2024



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STADIO



Shareholding - 5.1%

- Closing share price R5.22 (Dec 2022: R4.91)
- Revalued upwards by R13.5m to R227.4m
- Received a dividend of R3.9m (2022: R2.0m)
- Latest closing price R4.94 (05 Mar 24)
- Lock-in



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Shareholding - 12.8%

- Milpark contributed R24.9m in equity accounted earnings (2022: R14.6m)
- Received dividends of R13.8m (2022: R15.1m)
- Intrinsic gross asset value R100.4m (2022: R100.4m)
- Sold entire holding in Milpark for R117.5m subsequent to year end; carrying value was R87.5m



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OBSIDIAN HEALTH

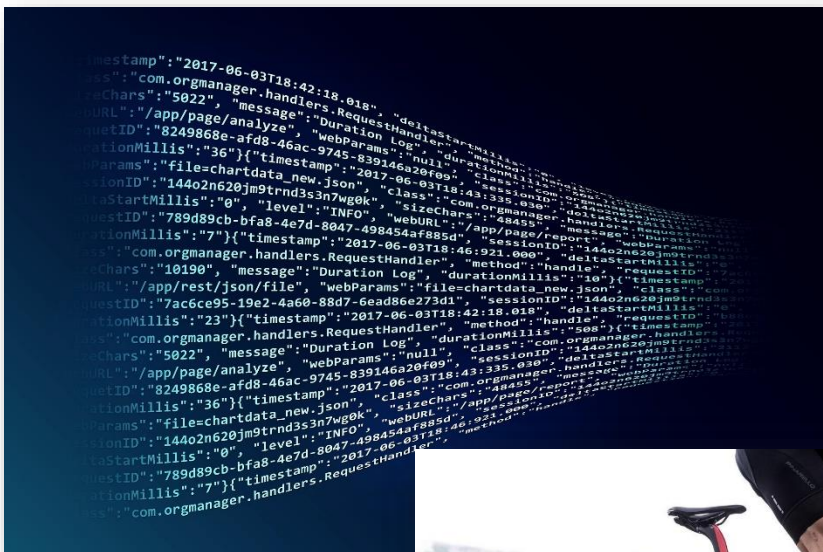
Shareholding – 70%

- A leading supplier of innovative healthcare solutions to private and public sector
- Regained market share and benefitted from increased caseloads in hospitals post-Covid
- Additional sales through organic growth of existing agency portfolios
- Profitability impacted by large global manufacturer price increases and weaker Rand
- Contributed R3.7m (2022: R5.2m) to group profit



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Shareholding - 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 R8.7m (2022: R1.9m) in equity accounted earnings
- Accrued a dividend of R1.6m (2022: R1.6m)



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Financial results

Group Income Statement

Key line items R'000	Dec 2023	Dec 2022	Change
Sales and fee income	6 460 762	6 137 165	5.3%
Dividends received	68 201	75 687	(9.9%)
Operating profit	455 096	509 565	(10.7%)
Fair value (losses)/gains	(37 220)	34 324	(208.4%)
Other investment gains/(losses)	95 522	(38 253)	349.7%
Share of profits of associates and JV's	428 331	228 351	87.6%
Finance costs (net)	(441 977)	(287 558)	(53.7%)
Profit before taxation	499 752	446 429	11.9%
Tax expense	(77 878)	(121 920)	36.1%
Group profit for the year	421 874	324 509	30.0%
Profit attributable to equity holders of the parent	291 267	189 934	53.4%
EPS	117.9	76.6	53.9%
HEPS	71.6	69.0	3.8%

SHG: R329m (6%)

SHG: R54m (10%)

SHG: R93m (gain on
purchased loans)

BIC: R63m (39%)
SHG: R102m (71%)

Tax rate: 16%
Gain on purchased
loans
Equity acc. earnings



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Analysis of Dividends Received

R'000	Dec 2023	Dec 2022
Sea Harvest	60 632	89 324
Obsidian	-	17 500
Oceana	142 393	194 116
AON Re (net of minority share)	9 244	7 636
Milpark (net of minority share)	7 040	7 680
Phuthuma Nathi	38 610	42 121
Equites	21 411	23 197
Other	10 784	13 316
Total dividends received	290 114	394 890
Add: Minority share of associates dividends	12 927	12 469
Less: Dividend received from Sea Harvest (eliminated)	(60 632)	(89 324)
Less: Dividend received from Obsidian (eliminated)	-	(17 500)
Less: Dividends received from associates (reallocated)	(174 208)	(224 848)
Dividends received recognised in profit or loss	68 201	75 687



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Analysis of Fair Value Movements

R'000	Dec 2023	Dec 2022
Equites	(40 340)	(85 846)
STADIO Holdings	13 505	50 535
FPG Properties	50 277	55 667
MTN Zakhele Futhi	(4 056)	(21 098)
Phuthuma Nathi	(76 025)	(3 488)
Contingent consideration	-	20 445
Other	19 419	18 109
Total	(37 220)	34 324



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Share of Profits of Associates & JV's

R'000	Dec 2023	Dec 2022	Change
Oceana*	366 401	195 431	87.5%
Aon Re	22 536	13 934	61.7%
Milpark	24 854	14 603	70.2%
Other	14 540	4 383	231.7%
Total	428 331	228 351	87.6%

* Included in the share of Oceana's profits for the current year is R103.6 million representing Brimstone's share of the R381 million profit after tax realised by Oceana on the disposal of its interest in Commercial Cold Storage. The amount has been excluded from HEPS as an excluded re-measurement.



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Net Finance Costs

R'000	Dec 2023	Dec 2022
Brimstone (Newshelf 1063)	225 940	162 534
Sea Harvest	245 903	143 761
Total finance costs	471 843	306 295
Interest income	(29 866)	(18 737)
Net finance costs	441 977	287 558



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Group Balance Sheet

Key line items R'000	Dec 2023	Dec 2022	Change	
Investment property	79 432	3 700		SHG: R76m (Change in use - from PPE)
Goodwill and intangible assets	2 520 894	2 443 901	3.2%	SHG: R112m (Translation of Aus)
Investments in associates and JV's	2 927 839	2 661 300	10.0%	OGI: R366m profit MP: R88m (NCAHFS)
Investments	883 421	1 113 957	(20.7%)	PN: R176m (NCAHFS) FV losses: R55m
Non-current assets held for sale	263 774	-		
Cash and cash equivalents	421 829	375 133	12.4%	SHG: R37m BIC: R10m
Total assets	12 255 704	11 655 588	5.1%	
Interest bearing borrowings	(4 831 782)	(4 590 346)	5.3%	SHG: R212m BIC: R30m
Total liabilities	(7 151 228)	(6 852 381)	4.4%	
Ratio	Dec 2023	Dec 2022	Dec 2021	
Current ratio	1.91x	1.72x	2.11x	
Debt ratio/debt to asset ratio ¹	43.6%	41.1%	40.9%	



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

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Intrinsic net asset value

INTRINSIC NAV - Listed investments

Asset	% held	Valuation basis	Gross R'000	Debt R'000	CGT R'000	INAV R'000
Oceana	25.1%	Mkt value	2 313 321	-	-	2 313 321
Sea Harvest	53.4%	Mkt value	1 507 831	-	-	1 507 831
STADIO	5.1%	Mkt value	227 410	-	(16 469)	210 941
Equites	1.8%	Mkt value	194 723	-	(2 616)	192 107
Phuthuma Nathi	2.8%	Mkt value	176 275	-	-	176 275
MTN Zakhele Futhi	1.5%	Mkt value	31 229	-	-	31 229



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INTRINSIC NAV - Unlisted investments

Asset	% held	Valuation basis	Gross R'000	Debt R'000	CGT R'000	INAV R'000
FPG Property Fund	10.1%	Book value	362 625	-	(43 806)	318 819
Milpark Education	12.8%	Market approach	100 470	-	(6 246)	94 224
Aon Re Africa	18.0%	PE valuation	78 089	-	(15 143)	62 946
Obsidian	70%	Book value	71 947	-	(7 440)	64 507
SAED	25%	Book value	70 932	-	-	70 932
Other Investments, Assets & Liabilities	Various	Valuation	34 192	-	29 531	63 723



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INTRINSIC NAV - Summary

Asset	Gross R'000	Debt R'000	CGT R'000	INAV R'000
Listed	4 450 789	-	(19 085)	4 431 704
Unlisted	718 255	-	(43 104)	675 151
Cash / (Net debt)	111 848	(2 239 840)	-	(2 127 992)
Total	5 280 892	(2 239 840)	(62 189)	2 978 863
Intrinsic NAV per share (cents)	2 151	(912)	(25)	1 213



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Other key statistics

R'000	31 Dec 2023	31 Dec 2022	Change
Intrinsic gross asset value	5 280 892	5 578 160	(5.3%)
Book NAV	3 577 628	3 323 783	7.6%
Book NAV per share (cents)	1 457.2	1 339.7	8.8%
Intrinsic NAV	2 978 863	3 287 242	(9.4%)
Intrinsic NAV per share (cents)	1 213.3	1 325.0	(8.4%)
Market price per share (cents)			
Ordinary shares	511	526	(2.9%)
“N” Ordinary shares	485	563	(13.9%)
Discount to Intrinsic NAV			
Ordinary shares	57.9%	60.3%	
“N” Ordinary shares	60.0%	57.5%	



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Delivering on our commitments

- **Committed to paying back R600m debt over the 3 years to 2025**
 - **R307.5m paid back post year end**
- **Funded by:**
 - **Sale of entire holding of Millpark for R117.5m**
 - **Part-sale of Equites for R123.9m**
 - **Part-sale of Phuthuma Nathi for R100m**
- **Share buybacks continued during 2023 and subsequent to year end**

Outlook

- Expecting tough operating environment
- Focus on:
 - Cost management
 - Reducing debt
 - Further share buybacks



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Questions