



BRIMSTONE
INVESTMENT CORPORATION LIMITED

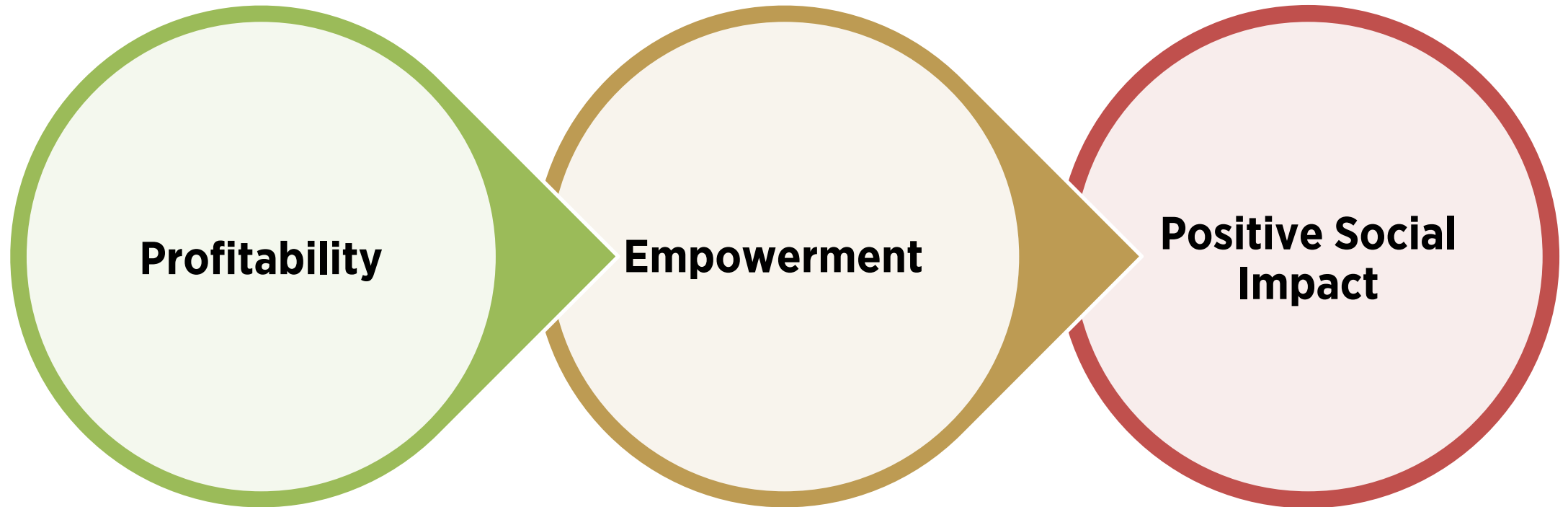
Financial Results for six months ended 30 June 2023



BRIMSTONE
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OVERVIEW

Philosophy



BRIMSTONE
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Profitability. Empowerment. Positive Social Impact.

Our investment ethos

- Long-term view
- Active participation
- ESG conscious
- Currently concentrated in the food sector
- No alcohol, tobacco, gambling, micro-lending, etc.



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Our group

Food



Healthcare



Property



Financial Services



Restricted BEE structures



Other



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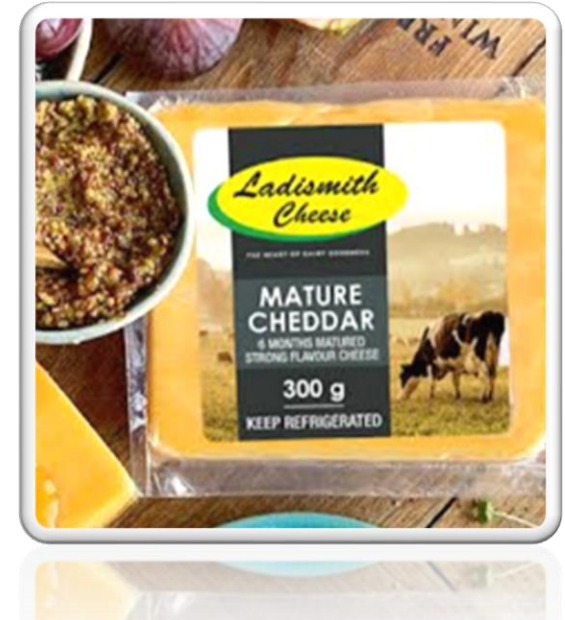
Group & Associated Brands



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Some of our products



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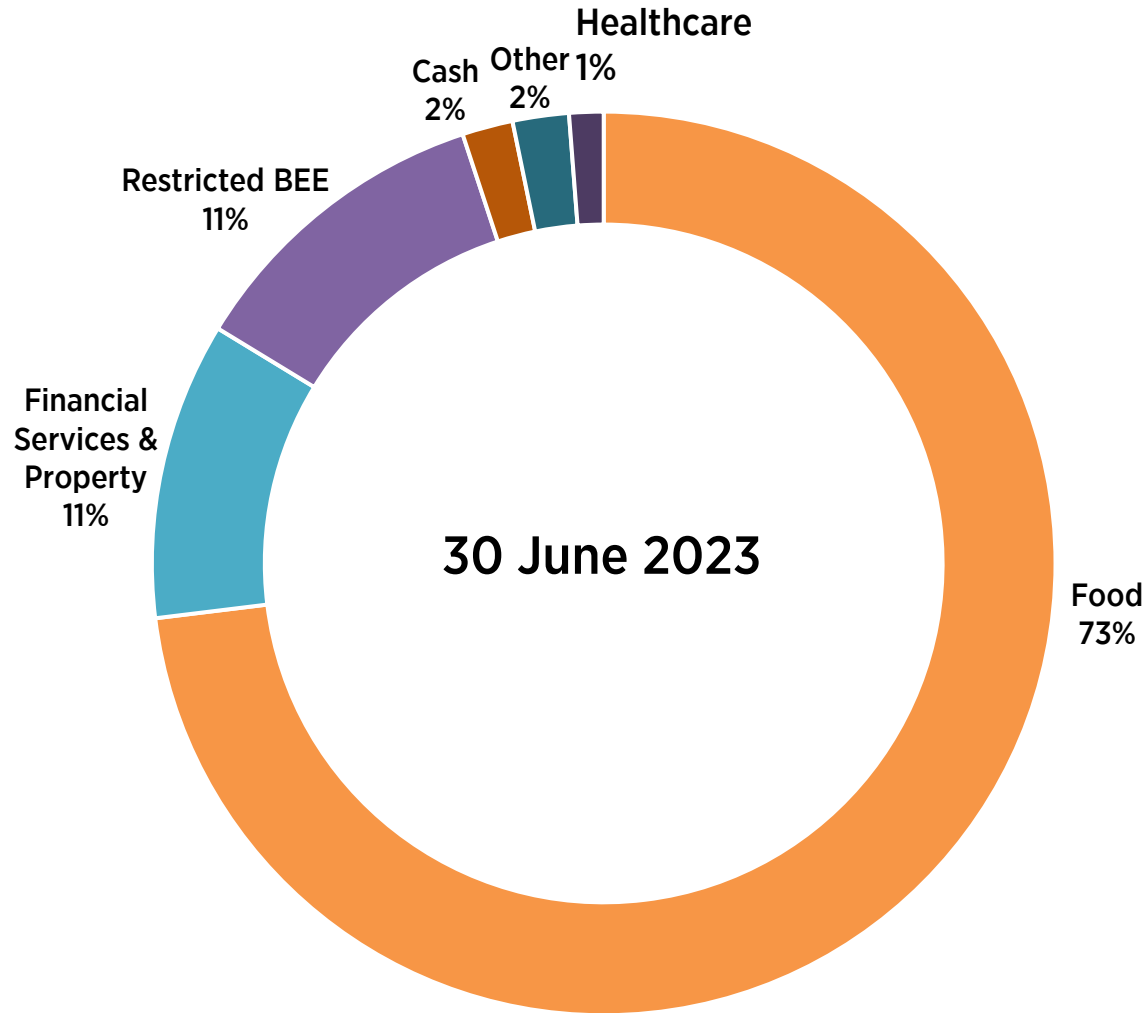
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Business & Economic environment for the period

- **Steady rise in inflation in the period**
 - driven by increasing fuel prices, freight costs, food inflation and electricity prices
- **Increased Rand volatility and weaker Rand**
- **Higher interest rates**
- **Continued load shedding**
- **Road, rail and ports under pressure**
- **SA consumer under pressure**



Contribution to Intrinsic Gross Asset Value



	R'000
CORE	3 919 301
SEA HARVEST	1 611 545
OCEANA	2 307 756
NON-CORE	1 445 010
TOTAL	5 364 311



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Salient Features for 6 months to 30 June 2023

- Revenue up 17% to R3.3bn (2022: R2.9bn)
- Operating profit down 15% to R237.5m (2022: R279.3m)
- Profit for the period up 59% to R188.1m (2022: R118.1m)
- EPS up 246% to 35.6 cents (2022: 10.3 cents)
- HEPS up 239% to 34.2 cents (2022: 10.1 cents)



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UNDERLYING INVESTMENT PERFORMANCE



Shareholding - 53.4%

- Accounts for 30% of Brimstone's intrinsic gross asset value
- Strong demand and higher selling prices
- Revenue increased by 18% to R3.2bn (2022: R2.7bn)
- Significant cost inflation and supply constraints
- Operating profit decreased by 13% to R252.0m (2022: R290.6m)
- Increased shareholding in Aquaculture from 54% to 82% and recorded a gain of R93m on purchase of loans from minorities
- Closing share price R10.10 (Dec 2022: R12.00)
- Latest closing price R10.44 (06 Sept 23)



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Shareholding – 25.1%

- Accounts for 43% of Brimstone's intrinsic gross asset value
- Shareholding of 32.7m shares, market value R2.3bn (Dec 2022: R2.1bn)
- Recorded R94.9m (2022: R38.4m) in equity accounted earnings to March 2023
- Received cash dividends of R42.6m (2022: R98.9m) during the period
- Closing share price R70.50 (Dec 2022: R63.29)
- Latest closing price R71.00 (06 Sep 23)



OBSIDIAN HEALTH

Shareholding – 70%

- A leading supplier of innovative healthcare solutions to private and public sector
- Decrease in revenue in Cardiovascular and Orthopaedic divisions following loss of 2 agencies due to acquisitions by multinational companies
- Costs impacted by large global price increases, depreciating Rand and increased freight costs
- Contributed R2.8m to Group profit (2022: R7.1m) during the period



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Effective shareholding - 18%

- **Equity accounted earnings of R30.2m (2022: R21.2m)**
- **Intrinsic gross asset value R78m (Dec 2022: R78m)**
- **Dividend received post period-end R15.4m (30 Jun 2022:R12.7m)**

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



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Shareholding - 1.8%

- **Closing share price R11.54 (Dec 2022: R16.84)**
- **Revalued downwards by R74.0m to R161.1m at period end**
- **Received dividends of R12.3m (2022: R11.8m) during the period**
- **Latest closing price R12.41 (06 Sept 23)**



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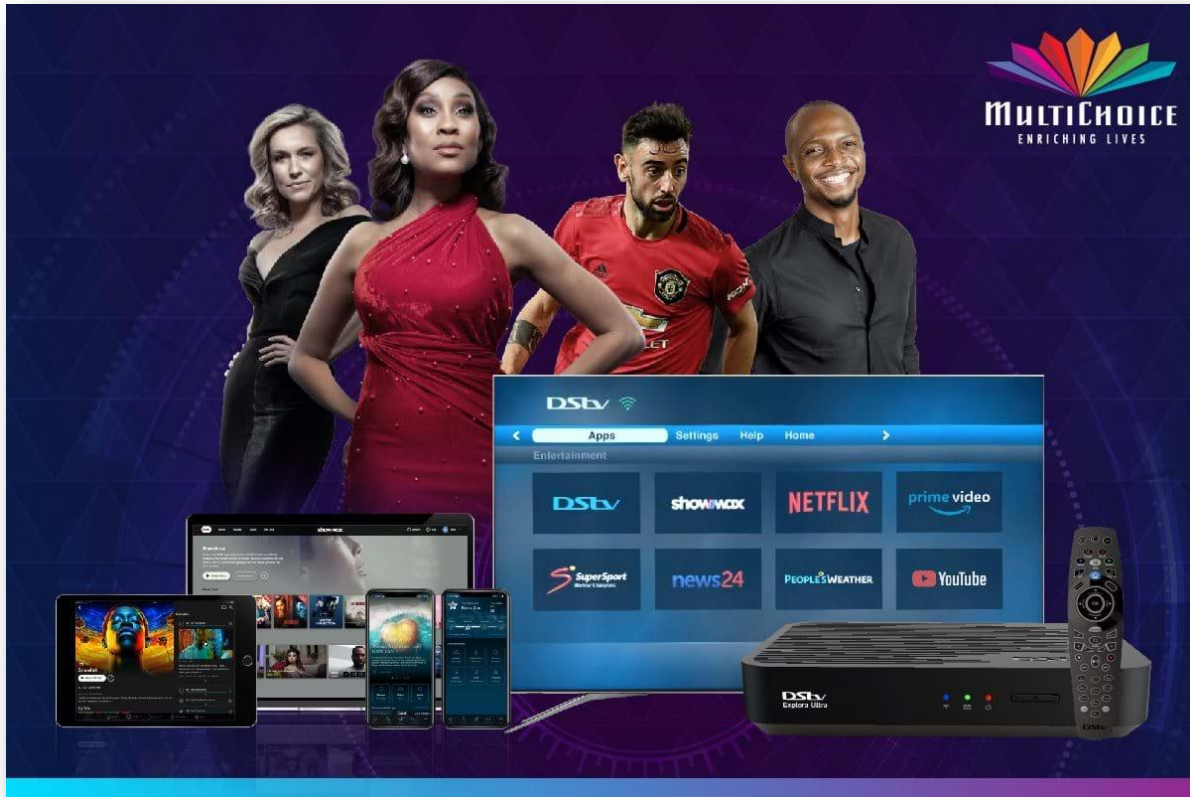
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Shareholding - 10.2%

- Cape-based black owned and managed unlisted property fund with a property portfolio valued in excess of R7.8bn
- 57 investment properties in SA and UK, including 26 retail convenience shopping centres in SA and 11 in UK
- GLA: SA – 309 913 m² UK – 33 233 m²
- Vacancy rate 1.65%
- Revalued upwards by R19.5m to R331.9m at period end





Shareholding - 2.8%

- Closing share price R133.99 (Dec 2022: R133.11)
- Revalued upwards by R1.7m to R254.0m
- Dividend received post period-end R38.6m on 4 Sept 2023 (2022: R42.1m)
- Latest closing price R108.20 (06 Sept 23)



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MTN Zakhele



Shareholding - 1.5%

- Closing share price R19.25 (Dec 2022: R19.40)
- Revalued downwards by R0.3m to R35.0m
- Latest closing price R19.81 (06 Sept 23)
- Matures on 25 Nov 2024



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STADIO



Shareholding - 5.1%

- Closing share price R4.90 (Dec 2022: R4.91)
- Revalued downwards by R0.4m to R213.5m
- Received a dividend of R3.9m (2022:R2.0m) during the period
- Latest closing price R5.50 (06 Sept 23)
- Lock-in until 5 Dec 2024



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Effective shareholding - 12.8%

- Milpark contributed R11.6m in equity accounted earnings (2022: R5.5m)
- Received dividends of R13.8m (2022: R15.1m) during the period
- Intrinsic gross asset value R100.4m (Dec 2022: R100.4m)

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



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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 R10.0m in equity accounted earnings (2022: R0.8m)
- Accrued a dividend of R0.8m (2022: R0.8m) during the period



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FINANCIAL RESULTS

Group Income Statement

R'000	30 June 2023	30 June 2022	% Change	
Sales and fee income	3 326 723	2 844 052	17.0%	SHG: R497m (18%)
Dividends received	16 164	13 858	16.6%	
Operating profit	237 515	279 349	(15.0%)	SHG: R39m (13%)
Fair value losses	(40 324)	(18 956)	112.7%	
Other investment gains/(losses)	89 429	(18 290)	389.0%	SHG R93m gain on purchase of loans
Share of profits of associates and JV's	150 218	60 842	146.9%	
Finance costs (net)	(208 792)	(122 665)	70.2%	BIC: R36m (51%) SHG: R55m (94%)
Profit before taxation	228 046	180 280	26.5%	
Tax expense	(39 951)	(62 154)	(35.7%)	Tax rate: 17.5% D/Tax exception
Group profit for the period	188 095	118 126	59.2%	
Profit for the period attributable to equity holders of the parent	88 177	25 466	246.3%	



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Analysis of Dividends Received

R'000	30 June 2023	30 June 2022
Sea Harvest	60 632	89 324
Oceana	42 554	98 860
Equites	12 287	11 811
AON Re (net of minority share)	-	7 649
Milpark (net of minority share)	7 040	7 680
Other	4 667	2 809
Total dividends received	127 180	218 133



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Reconciliation of Dividends Received

R'000	30 June 2023	30 June 2022
Total dividends received	127 180	218 133
Add: Minority share of vertical associates dividends ¹	6 764	12 456
Less: Dividend received from Sea Harvest (eliminated)	(60 632)	(89 324)
Less: Dividends received from associates (reallocated)	(57 148)	(127 407)
Dividends received recognised in profit or loss	16 164	13 858

¹ Vertical associate = Associate held through a partially-owned subsidiary



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Analysis of Fair Value Movements

R'000	30 June 2023	30 June 2022
Equites	(73 981)	(74 260)
MTN Zakhele Futhi	(273)	(13 641)
STADIO Holdings	(436)	(4 792)
Phuthuma Nathi	1 668	29 474
FPG Property Fund	19 518	26 591
Other	13 180	17 672
Total	(40 324)	(18 956)



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Share of Profits of Associates and JV's

R'000	30 June 2023	30 June 2022	% Change
Oceana	94 932	38 377	147.4%
Aon Re	30 249	21 192	42.7%
Milpark	11 615	5 489	111.6%
Other	13 431	(4 216)	-
Total	150 227	60 842	146.9%



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Group Balance Sheet

R'000	30 June 2023	30 June 2022	% Change	
Non-current assets	9 374 249	9 098 327	3.0%	SHG: Capex and intangibles translation
Current assets	2 652 761	2 557 261	3.7%	SHG: All line items, offset by decrease in cash
Total assets	12 027 010	11 655 588	3.2%	
Non-current liabilities	(5 510 225)	(5 367 695)	2.7%	
Current liabilities	(1 754 745)	(1 484 686)	18.2%	SHG: Increase in hedging contract liabilities and debt.
Total liabilities	(7 264 970)	(6 852 381)	6.0%	
	30 Jun 2023	31 Dec 2022	30 Jun 2022	
<i>Current ratio</i>	<i>1.51x</i>	<i>1.72x</i>	<i>2.09x</i>	
<i>Debt ratio/debt to asset ratio¹</i>	<i>42.8%</i>	<i>41.1%</i>	<i>45.4%</i>	

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



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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	2 307 756	-	-	2 307 756
Sea Harvest	53.4%	Mkt value	1 611 545	-	-	1 611 545
Phuthuma Nathi	2.8%	Mkt value	253 968	-	(3 725)	250 243
Equites	1.8%	Mkt value	161 082	-	-	161 082
STADIO	5.1%	Mkt value	213 468	-	(13 458)	200 011
MTN Zakhele Futhi	1.5%	Mkt value	35 012	-	-	35 012



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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	10.2%	Book value	331 865	-	(37 162)	294 703
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
Other Investments, Assets & Liabilities	Various	Valuation	36 144	-	22 108	58 252
SAED	25%	Book value	71 756	-	-	71 756



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INTRINSIC NAV - Summary

Asset	Gross R'000	Debt R'000	CGT R'000	INAV R'000
Listed	4 582 832	-	(17 183)	4 565 649
Unlisted	684 125	-	(42 557)	641 568
Cash / (Net debt)	97 354	(2 235 964)	-	(2 138 610)
Total	5 364 311	(2 235 964)	(59 740)	3 068 607
Intrinsic NAV per share (cents)	2 161	(901)	(24)	1 236



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INTRINSIC NAV – Other key statistics

R'000	30 Jun 2023	31 Dec 2022	Change
Intrinsic gross asset value	5 364 311	5 578 160	(3.8%)
Book NAV	3 252 000	3 323 504	(2.2%)
Book NAV per share (cents)	1 310.1	1 339.6	(2.2%)
Intrinsic NAV	3 068 607	3 287 242	(6.7%)
Intrinsic NAV per share (cents)	1 236.2	1 325.0	(6.7%)
Market price per share (cents)			
Ordinary shares	545	526	3.6%
“N” Ordinary shares	500	563	(11.2%)
Discount to Intrinsic NAV			
Ordinary shares	55.9%	60.3%	
“N” Ordinary shares	59.6%	57.5%	



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QUESTIONS



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