Sunday Times

TOP 100 COMPANIES

NOVEMBER 15 2020
Business Times

BCX 2020 | 2ND ANNUAL DIGITAL INNOVATION AWARDS

2020 WINNERS ANNOUNCEMENT

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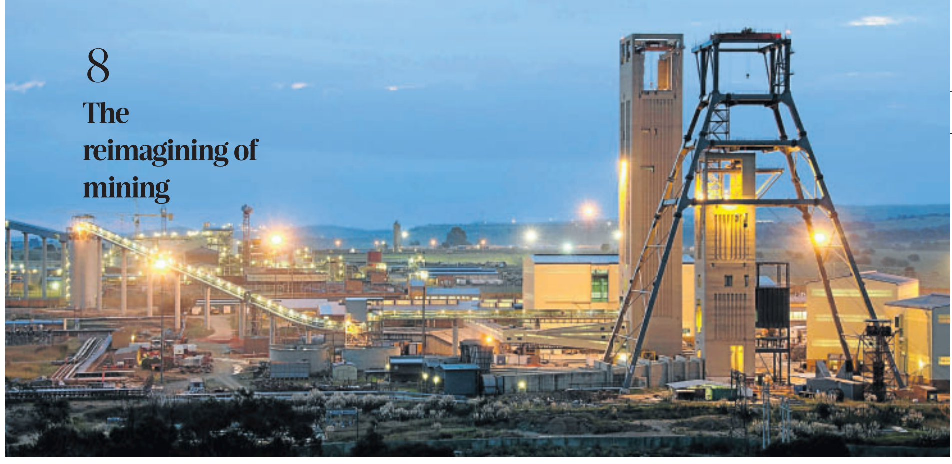
8 The reimagining of mining

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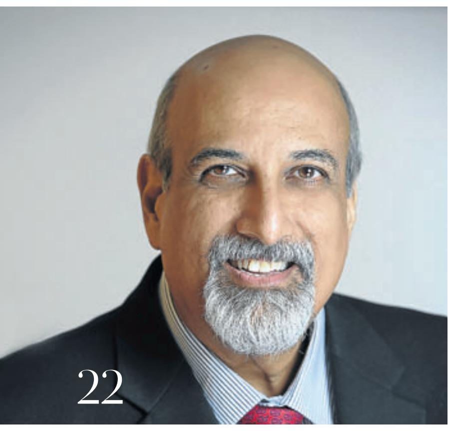
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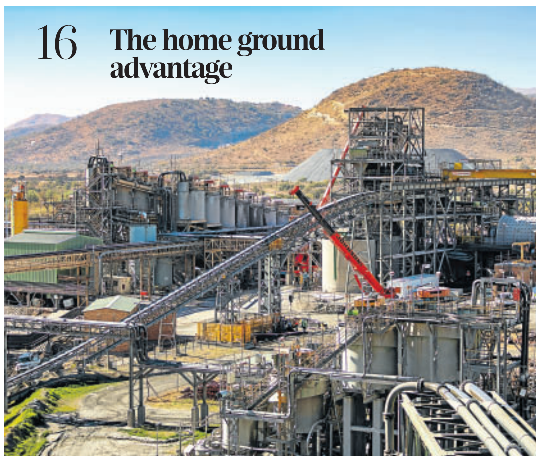
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METHODOLOGY

● The Sunday Times Top 100 Companies awards acknowledge those listed companies that have generated shareholder returns that outperformed their listed peers.

The methodology for the Sunday Times Top 100 Companies was changed in 2019 to focus on larger enterprises. Companies with a minimum market capitalisation of R5bn at August 31 2020 and a track record of five years' trading from September 1 2015 were included.

Selected companies that met the aforementioned criteria but are no longer listed on the JSE or whose share is suspended at August 31 2020 were excluded from the analysis. The executive management of Arena Holdings has also considered certain subjective qualifying criteria relating to the Top 100 Companies' perceived compliance with good governance and ethical conduct.

The share performance analysis assumes an initial investment of R10,000 at the closing price on August 31 2015, held for a period of five years from September 1 2015 to August 31 2020, and the companies are ranked based on the compound annual growth rate (CAGR) over the five-year period.

This analysis assumes that a fraction of a share can be purchased.

Corporate actions during the review period were adjusted for as follows:

- Ordinary and special dividends: the gross dividend per share is assumed to be reinvested in the company on the dividend payment date at that date's closing share price.
- Scrip dividends: assumed that the cash option was elected and that the gross dividend is reinvested in the company as described above.
- Capitalisation issue: shares received are held until the end of the review period.
- Unbundling: the shares in NewCo received are assumed to be received on the last date to trade and are tracked separately. The compound annual growth rate is calculated based on the basket of shares held at the end of the period as a result of the original R10,000 investment.
- Share split/consolidation: share price data was adjusted for these corporate events. Companies that undertook this corporate action and declared dividends in the review period were adjusted accordingly.
- Rights issue: assumed that rights are not taken up and lapse, therefore no adjustment made.

* *The results were compiled by Vestra Advisory and have been evaluated by Deloitte*

TOP 100 COMPANIES OVER FIVE YEARS*

	Share name	Market cap as at Aug 31 2020 (Rbn)	Total return (%)	*Final value (R)	Compound annual growth rate (%)
1	DRDGOLD	21.87	1,656.5	175,651	**77.4**
2	Harmony Gold Mining Company	66.71	922.6	102,262	**59.2**
3	Kumba Iron Ore	171.03	770.2	87,020	**54.1**
4	Gold Fields	193.51	454.3	55,435	**40.8**
5	Cartrack Holdings	8.40	427.5	52,746	**39.5**
6	AngloGold Ashanti	206.18	374.3	47,429	**36.5**
7	Anglo American Platinum	340.92	333.6	43,357	**34.1**
8	African Rainbow Minerals	47.53	332.7	43,273	**34.0**
9	Pan African Resources PLC	12.20	326.2	42,619	**33.6**
10	Northam Platinum	81.59	324.4	42,442	**33.5**
11	Sibanye Stillwater	137.25	255.0	35,498	**28.8**
12	Allied Electronics Corporation	9.75	229.4	32,938	**26.9**
13	Exxaro Resources	49.21	228.9	32,891	**26.9**
14	Impala Platinum Holdings	124.94	222.9	32,288	**26.4**
15	Anglo American PLC	551.33	213.7	31,372	**25.7**
16	Naspers	1,346.93	187.5	28,749	**23.5**
17	Clicks Group	57.19	177.8	27,777	**22.7**
18	Sirius Real Estate	17.14	172.8	27,280	**22.2**
19	BHP Group PLC	803.03	129.3	22,932	**18.1**
20	Anheuser Busch Inbev NV	1,677.68	116.1	21,612	**16.7**
21	Transaction Capital	11.58	108.1	20,814	**15.8**
22	Afrimat	5.32	103.6	20,363	**15.3**
23	South32	121.64	102.6	20,260	**15.2**
24	Equites Property Fund	10.57	98.5	19,853	**14.7**
25	Royal Bafokeng Platinum	16.71	95.7	19,567	**14.4**
26	Investec Australia Property Fund	9.66	94.4	19,436	**14.2**
27	Capitec Bank Holdings	96.55	85.7	18,565	**13.2**
28	Stenprop	7.91	63.0	16,304	**10.3**
29	African Oxygen	5.66	59.1	15,914	**9.7**
30	Glencore PLC	591.03	55.3	15,529	**9.2**
31	Bidvest Group	46.31	47.8	14,785	**8.1**
32	Santam	28.18	42.1	14,211	**7.3**
33	Italtile	17.45	40.6	14,061	**7.1**
34	Wilson Bayly Holmes-Ovcon	6.64	32.7	13,270	**5.8**
35	Compagnie Financiere Richemont SA	588.35	28.5	12,853	**5.1**
36	Mondi PLC	156.13	28.5	12,849	**5.1**
37	Trustco Group Holdings	6.79	22.7	12,270	**4.2**
38	Vodacom Group	234.75	21.7	12,174	**4.0**
39	Reinet Investments SCA	63.31	21.3	12,131	**3.9**
40	Fortress Reit	15.01	14.1	11,414	**2.7**
41	JSE	10.30	11.3	11,134	**2.2**
42	AVI	23.20	8.3	10,831	**1.6**
43	Sanlam	122.44	6.6	10,661	**1.3**
44	British American Tobacco PLC	1,404.44	3.3	10,333	**0.7**
45	AECI	9.24	3.3	10,326	**0.6**
46	SPAR Group	31.14	2.2	10,222	**0.4**
47	Astral Foods	5.72	0.7	10,069	**0.1**
48	Discovery	79.67	-2.0	9,797	**-0.4**
49	Standard Bank Group	171.05	-4.1	9,587	**-0.8**
50	PSG Konsult	9.66	-5.8	9,420	**-1.2**
51	FirstRand	212.32	-8.4	9,160	**-1.7**
52	Adcock Ingram Holdings	7.08	-8.5	9,152	**-1.8**
53	PSG Group	10.45	-11.4	8,859	**-2.4**
54	Barloworld	12.02	-13.8	8,621	**-2.9**
55	Coronation Fund Managers	14.97	-15.4	8,462	**-3.3**
56	Old Mutual	52.69	-15.7	8,428	**-3.4**
57	Rand Merchant Investment Holdings	46.06	-16.4	8,361	**-3.5**
58	Oceana Group	8.21	-20.5	7,949	**-4.5**
59	Investec Property Fund	6.87	-20.5	7,946	**-4.5**
60	MAS Real Estate Inc	7.46	-21.6	7,841	**-4.7**
61	Shoprite Holdings	65.34	-23.0	7,704	**-5.1**
62	Pick n Pay Stores	20.59	-25.2	7,482	**-5.6**
63	Tiger Brands	32.73	-26.0	7,398	**-5.8**
64	Growthpoint Properties	36.90	-27.2	7,284	**-6.1**
65	Momentum Metropolitan Holdings	22.70	-30.9	6,908	**-7.1**
66	Reunert	5.77	-32.0	6,801	**-7.4**
67	Absa Group	65.49	-35.4	6,464	**-8.4**
68	Liberty Holdings	17.32	-35.8	6,416	**-8.5**
69	Investec	10.03	-37.0	6,301	**-8.8**
70	Foschini Group	25.28	-37.3	6,271	**-8.9**
71	Investec PLC	21.79	-37.4	6,260	**-8.9**
72	RCL Foods	8.15	-38.2	6,182	**-9.2**
73	Mr Price Group	29.79	-43.1	5,688	**-10.7**
74	Mediclinic International PLC	42.02	-43.4	5,662	**-10.8**
75	Sappi	12.21	-43.6	5,639	**-10.8**
76	Nedbank Group	48.19	-44.2	5,584	**-11.0**
77	Super Group	6.70	-45.5	5,452	**-11.4**
78	Life Healthcare Group Holdings	24.27	-48.0	5,201	**-12.3**
79	Resilient Reit	15.67	-49.7	5,034	**-12.8**
80	Kap Industrial Holdings	7.17	-49.7	5,032	**-12.8**
81	MTN Group	115.07	-52.7	4,728	**-13.9**
82	Truworths International	13.47	-53.6	4,643	**-14.2**
83	Telkom SA SOC	11.60	-54.1	4,594	**-14.4**
84	RDI Reit PLC	6.85	-55.2	4,485	**-14.8**
85	Imperial Logistics	7.01	-55.7	4,432	**-15.0**
86	Aspen Pharmacare Holdings	62.02	-58.6	4,144	**-16.2**
87	Woolworths Holdings	33.33	-60.6	3,943	**-17.0**
88	Remgro	46.53	-60.6	3,937	**-17.0**
89	Netcare	17.99	-61.9	3,814	**-17.5**
90	Sasol	86.75	-62.7	3,735	**-17.9**
91	Redefine Properties	14.31	-67.6	3,236	**-20.2**
92	Capital & Counties Properties PLC	23.32	-69.1	3,093	**-20.9**
93	Massmart Holdings	5.97	-74.0	2,601	**-23.6**

Graphic: Ruby-Gay Martin. *Return over five years from September 1 2015 to August 31 2020, on a theoretical R10,000 investment. The results were compiled by Vestra Advisory and have been evaluated by Deloitte. The executive management of Arena Holdings have also considered certain subjective qualifying criteria, relating to the Top 100 Companies' perceived compliance with good governance and ethical conduct. The Sunday Times Top 100 Companies in 2020 includes 93 companies. Due to market conditions, including the impact of the Covid-19 pandemic, fewer listed companies met the required criteria for inclusion.

PREVIOUS WINNERS

2019	Capitec Bank Holdings
2018	Capitec Bank Holdings
2017	Finbond Group
2016	Calgro M3 Holdings
2015	Fortress Income Fund B
2014	Coronation Fund Managers
2013	Coronation Fund Managers
2012	Capitec Bank
2011	Assore
2010	Capitec Bank
2009	Basil Read
2008	Basil Read
2007	DAWN
2006	Mittal Steel SA
2005	Grindrod
2004	Grindrod
2003	Mvelaphanda Resources
2002	Mvelaphanda Resources
2001	East Daggafontein
2000	Dimension Data

Responding to the needs of deprived communities

Society is looking to the corporate sector to deliver more, says DRDGold CEO

By **LYNETTE DICEY**

The company has a good reputation as a dividend payer and a sound cash position.

● Investors globally have turned to gold and gold stocks amid the uncertainty of a global pandemic, helping mining company DRDGold into the top spot.

DRDGold's core business is the extraction of gold from tailings and sand recovered from mine dumps situated across the eastern, central and western Witwatersrand.

CEO Niël Pretorius attributes DRDGold's healthy performance to the setup of the business: "Surface-based, tightly staffed and substantially automated, we were well positioned." The recipe for the company's success, he says, is a strategy that best serves the size and quality of its reserve and resource base; a board, executive and workforce of people with proven skills and experience; being in the "right" country; and, more than ever, having the right product – gold.

Critically, too, the company has demonstrated its tenacity and built is credibility over time – and learnt from its mistakes.

"The outlook for DRDGold is better than ever," says Pretorius. "Conventional mining is harder these days, and we exited this at the right time. We would not have been able to now start to build the surface retreatment business we have – the capital required just isn't available."

For the future, the company has access to all the resources needed for the next planned growth phase, he says.

In addition, a proven track record in responsible surface treatment in gold with the prospect of expanding on this with regard to platinum group metals (PGMs) and other minerals is a decided benefit, as is the technical ability to mine the whole of its current reserve and resource.

The company has established a good reputation among investors as a dividend payer, while a good cash position is the result of strong cash flows and no debt.

DRDGold CEO Niël Pretorius.

The company increased gold production year on year by 9% in the financial year to June 30 2020, in spite of the lockdown. Operating profit was 320% higher at R1.56bn, reflecting the increase in gold produced and sold and a 33% increase in the average rand gold price received.

DRDGold declared a final dividend of 35c a share, making a total distribution for the

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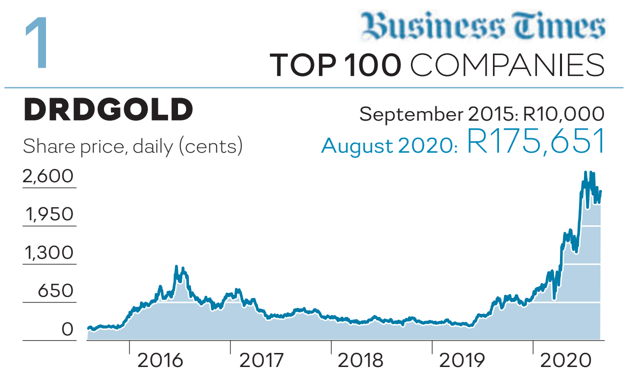

Graphic: Ruby-Gay Martin

The state simply does not have the capacity to deliver on its own

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year of 85c a share.

This was the 13th consecutive year of dividend payments by the company.

Despite this positive outlook, DRDGold faces many of the same challenges encountered by most businesses in SA. These include containing the threat of growing social unrest arising from poverty. "Much of our core business takes place in and around densely populated urban communities, many of which are characterised by social deprivation," points out Pretorius. The company has responded by establishing and maintaining socially relevant programmes.

Its Broad Based Livelihoods Programme, for example, is helping thousands of people – through training and mentoring and the supply of materials and equipment – to use land available to them to grow food and to earn an income by selling produce.

DRDGold's second challenge is managing the rising level of crime. The company continues to engage with the government at ministerial level through Minerals Council SA, and directly with the police, and by making improvements to its own security, applying new technologies and upskilling security personnel.

The third challenge is power – its quality, quantity and reliability. "While we continue to support the view that Eskom cannot be allowed to fail, we also support the development of independent power production, which needs to be more aggressively facilitated by government," says Pretorius.

The company has a level of backup energy supply for emergencies and an arrangement for Eskom to give it advance warning of disruptions.

As the local economy was under duress even prior to Covid-19, Pretorius expects larger social obligations and supplier risks. "It's pointless to say that social delivery is a government responsibility; the state simply does not have the capacity to deliver on its own. Society is therefore looking to the corporate sector to deliver more.

"For its part, the corporate sector has two choices: to give more or have it taken. The priorities need to be improving the quality of education and stimulating the informal economy to provide more jobs – in effect, making the informal economy formal."

One of the effects of the Covid-19 crisis has been a reversal in the trend towards globalisation, Pretorius points out. "Countries with established economies have become more introspective and protectionist. For us, this could mean greater challenges in sourcing consumables for our processes."

Loyal to the country, for better or worse

SA's woes are Harmony's; they are joined at the hip, says the miner's CEO

By **ANGELIQUE ARDÉ**

Harmony CEO Peter Steenkamp.

Financial director Boipelo Lekubo.

● In December 2015, just before Peter Steenkamp started his tenure as CEO of Harmony Gold in January 2016, Harmony's market cap was about R5bn and it had R2.5bn in debt. By the end of June 2020, the market cap had grown to R43.3bn. Net debt this year fell to R1.36bn.

SA's largest gold producer has grown its share price tenfold over the past five years. And Harmony was included in the FTSE-JSE Africa top 40 index in September.

It's a success story any CEO would take delight in telling.

But Steenkamp plays it down. "People love our story," he says. "As a major gold player in SA, we're the only one with full exposure to the rand-per-kilogram gold price."

The story, he says, is one of a clear and well-understood strategy to grow the asset portfolio. More specifically, it's that after Steenkamp rejoined Harmony in 2016, the company started its growth strategy by looking at assets in SA, elsewhere in Africa and Papua New Guinea.

The aim was specifically to enhance the grade of the asset portfolio. The aim was for higher-grade, longer-life gold assets. At the time, Harmony targeted the SA assets of AngloGold Ashanti, as its remaining SA assets were a natural fit to those of Harmony.

First, Harmony bought Moab Khotsong, a mine in North West, in 2018; then it bought Mponeng and Mine Waste Solutions from AngloGold Ashanti. The deal was concluded at the end of September this year. The $200m capital raise for the funding of the latter transaction was 4.75 times oversubscribed, a sign of strong investor confidence.

Moab Khotsong added about 230,000 gold ounces, and the recently acquired assets will increase production by about 350,000 ounces, improving the company's profit margins.

Another notable transaction was the purchasing of joint venture partner Newcrest's 50% interest in Hidden Valley, in Papua New Guinea, in 2016. "We had to recapitalise that. It has been a good mine for the past few years," Steenkamp says.

Today, he says, the company is stronger than ever, boasting better-quality assets and "joined at the hip" to SA: "SA's woes are our woes."

This means an unstable and increasingly costly power supply, among other things. Electricity now accounts for 16% of Harmony's total costs. "We're probably Eskom's biggest customer, or paying customer. The big worry we have is above-inflation escalation in price. We've done an enormous amount of work to cut consumption to bare

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needs." Steenkamp says the company has identified independent power producing and renewable energy opportunities to de-risk pricing, with a solar generation project that will generate about 30MW in the Free State now under way.

He says the building of the solar project will commence as soon as final regulatory approvals are received. "We will always be very dependent on Eskom but will probably be able to generate around 10% of our consumption."

Mining has never had it as good as it has under mineral resources minister Gwede Mantashe, Steenkamp says.

"He really understands our business and what we should be doing. He's been very helpful, especially during the Covid-19 crisis. After 21 days of the lockdown in SA being announced, we were allowed to operate at 50% capacity. If it wasn't for his leadership we probably wouldn't have been able to get back to business."

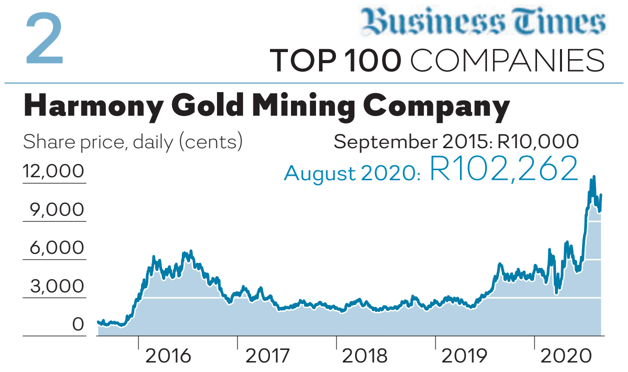
He admits that Harmony's success over the past year is owing to a combination of factors spurred by an exceptional gold price rally.

"At the current gold price levels, it's likely that we will repay our debt quickly and be in a position to pay dividends in the not-too-distant future," he says.

In the company's latest annual report, chair Patrice Motsepe says the company remains positive about the outlook for gold in the prevailing uncertain and volatile macro-environment.

"We believe this rising trend will continue," he says.

What is it that makes Harmony a good stock? Financial director Boipelo Lekubo says it presents investors with a natural hedge. "When the rand gold price increases, our margins open up and you see a run in our share price," she says.



Graphic: Ruby-Gay Martin

The reimagining of mining

There is a firm focus on making a contribution to the livelihoods of host communities

By **LYNETTE DICEY**

● Kumba Iron Ore, a subsidiary of Anglo American, has continued to deliver a solid mining performance in the first half of the year despite extremely challenging conditions, demonstrating not only its resilience but also its ability to adapt to operating under the new regulations required by the Covid-19 pandemic.

At a time when many companies have had to suspend dividend payments, Kumba declared an interim dividend of R19.60 a share. At the same time the company has kept a firm focus on contributing to the livelihoods of its host communities through R1.4bn of procurement spend and R126m of social development projects, of which R56m relates to its comprehensive efforts to safeguard lives and livelihoods amid the Covid-19 pandemic.

Kumba CEO Themba Mkhwanazi says the company is deeply committed to creating value for all its stakeholders.

Kumba has been fatality-free for four years, says CEO Themba Mkhwanazi.

"No-one could ever have imagined the extent to which this pandemic would reveal so many of our vulnerabilities as a nation. Our people have led from the front, ensuring we have a resilient business with safe and responsible production."

In the first half of the year Kumba contributed more than R5bn in income tax and royalties, returned R8.3bn to shareholders – including over R2bn to its empowerment partners – and paid R2.4bn in salaries and benefits to employees.

At the same time it has been supporting small businesses through its Zimele enterprise development programme, which offers payment holidays and access to a range of business support mechanisms.

Its strong earnings before interest, tax, depreciation and amortisation in the first half of the year of R17.4bn at a margin of 55% translated into R7.1bn of attributable free cash flow.

Continual improvement is the goal at Kumba, which reported a 13% increase in export sales to 10.9Mt (Q3 2019: 9.7Mt) and an increase of 35% relative to Q2 2020.

The company's margin, says Mkhwanazi, continued to benefit from constructive market prices and currency weakness, as well as early and decisive action taken to protect its margin through additional cash preservation measures, including R700m in cost savings for the year to date.

The company has implemented an extensive lives and livelihoods programme, called WeCare. It includes screening and testing, workforce education and communication, mental health support, contingency plans to ensure social distancing at work and to allow for periods of self-isolation, as well as remote working.

Mkhwanazi says: "Managing through the pandemic also required collaboration with the provincial heath department and local municipalities. It is providing essential

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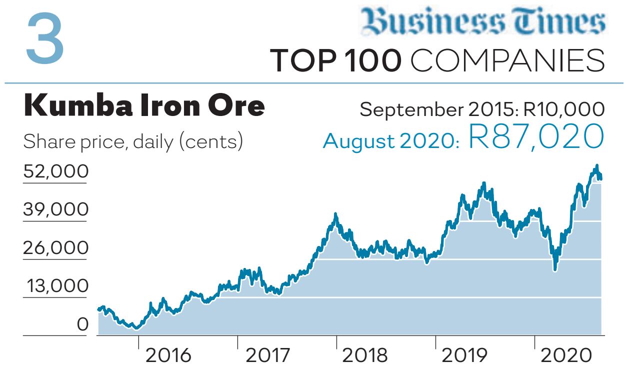
services such as health care and medical services to local communities. We collaborated with Transnet as it reopened and ramped up operations ... we supplied PPEs and a fully equipped laboratory to it."

Covid-19 challenges come on top of traditional challenges, including market volatility and cost inflation. The former is being mitigated by a strong and flexible balance sheet. The latter is partly mitigated by cost-savings programmes, which have delivered R2.6bn to date since the start of 2018.

Kumba has been fatality-free for four years, a result of its focus on the safety and health of employees and contractors. Mkhwanazi says: "Losing colleagues to Covid-19 has been tough for everyone, and we're doing everything possible to safeguard our workforce and our communities."

One of the biggest challenges in ramping up production at both its sites has been how to incorporate health screening for about 8,000 people who enter its operations daily.



Graphic: Ruby-Gay Martin

"Initially we were losing about four hours a day, but by applying good industrial engineering principles and mobile surveillance technology we've got this down to 45 minutes – with an ultimate target of 20 minutes," he says.

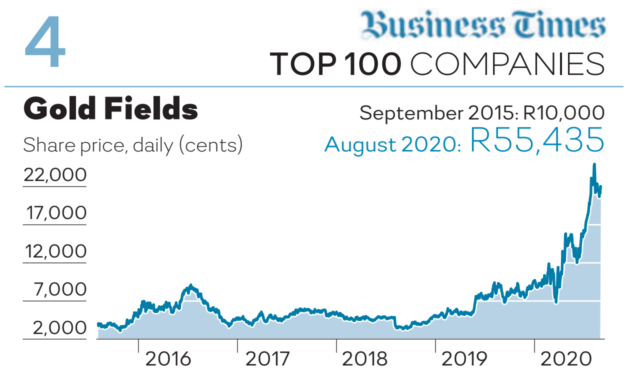
Kumba is on track to meet its full-year 2020 guidance, due to its relentless focus on improving operational efficiency.

Sustainability is a key issue. Delivering on its purpose of reimagining mining to improve people's lives is changing the way it mines while at the same time developing the future of sustainable mining, says Mkhwanazi. Its trademarked FutureSmart mining approach focuses on three key areas: technology, digitalisation and sustainability.

"We could not have achieved as much as we have without the extraordinary efforts from our people, who are really the heart of our business," said Mkhwanazi. "Their passion and hard work have delivered an excellent outcome to date, considering the black swan event we are in the midst of. I am extremely proud of our people and want to acknowledge them for their support and commitment."

With a geographically diversified client portfolio and its export orientation, Kumba is well positioned to navigate the current environment and the longer term. It has already benefited from China's V-shaped economic recovery due to its robust management of the pandemic and strong economic stimulus, which supported a favourable iron ore market. Currency weakness has provided additional revenue support.

Buying low-cost assets as others scale back



Graphic: Ruby-Gay Martin

To manage challenges, communication with all stakeholders results in joint solutions

By **ANGELIQUE ARDÉ**

● Bucking the trend by investing when many of its peers were trying to cut costs has paid off for Gold Fields.

Production is up, costs are down and the balance sheet is strong. The investment programme the company embarked on three years ago seeks to ensure that its portfolio of mines continues to generate cash sustainably into the future.

The gold producer operates nine mines in Australia, Ghana, Peru and SA, as well as one project in Chile.

CEO Nick Holland explains the investment strategy: "We invest in assets that come in at lower cost than the overall portfolio. So it's defensive in the face of lower prices, if they continue.

"But if gold prices are high, as they are at the moment, we should be in a strong position to be more leveraged to those increases.

"In addition, we believe the industry hasn't been investing enough in exploration and expansion over the past 20 years to sustain itself," he says.

As part of the programme, the company spent more than $1bn buying and investing in a number of projects and in funding exploration at its existing mines.

For one, it bought into and subsequently built a new mine in Gruyere, Australia.

Holland says Gruyere has come in at a cost of about 20% lower than existing assets and has a longer life, with significant upside potential. "We've also essentially built a new mine at Damang in Ghana, which is coming in at very high grades and low costs.

Further growth in production is likely at South Deep, seen as an asset with vast potential.

Gold Fields CEO Nick Holland.

"At the same time, we've taken a project in Chile, Salares Norte, all the way from feasibility to construction. It will be another significant value-add for the future.

"As the project is in construction, we believe the market is starting to reward us for keeping all of it – it's one of the lowest-cost operations in the gold space for many a year. It's giving us a lot of kudos in the market."

Holland says Gold Fields has also been good at extending the life of existing mines over time while simultaneously focusing on environmental, social and governance (ESG) considerations.

Having decided 10 years ago to create an executive role to manage sustainability, Holland says it has taken the company this long to comprehensively embed and integrate ESG. But doing so has won investor support.

Reflecting on the company's success, Holland says there is no silver bullet. "It's a very clear, articulated strategy we've been following over a number of years and I think we're starting to see the execution of the strategy being appropriately rewarded.

"The company is positioned in the lower half of the cost curve, with over 20-million ounces in reserves across our international operations, which places us in the top six in the gold universe globally," he says.

It's great when all your mines are making money, he says, including the formerly troubled South Deep in SA, which is starting to "hit the numbers".

The challenges facing the company include the volatile gold price, exchange rates, the oil price, the cost and availability of input

● **Continued on Page 12**

THERE'S NOTHING LIKE WATCHING THE SUN RISE OVER A 'SUNSET' INDUSTRY.

How do you begin to change an industry?

The same way you change anything. You work hard. You do your homework. You really care. Then you work even harder.

At Pan African Resources that's what we've been doing for many years and it's what we expect to be doing for the foreseeable future. Because where others saw gold mining as an industry in decline, struggling for sustainable profits, we saw a huge opportunity.

Not only to build a gold mining business with a bright future, but to do it while having some hard conversations about our industry's difficult legacy.

We wanted to build strong, sustainable communities around our mines that would continue to grow and benefit long after the mine was gone. We wanted to explore cleaner renewable power generation to lighten our footprint on the earth. We wanted to partner with other stakeholders to ensure the impact of our operations was kept to an absolute minimum, and to contribute meaningfully to social and environmental projects that shared our landscapes.

And, although some said it was impossible, we wanted to do all this while providing our investors with great returns through the cylce.

While we never rest on our laurels, this recognition, being in the top ten of the Sunday Times Top 100 Companies, confirms what our numbers were already showing: that we are succeeding.

We have so many great stories to tell that there is no room for here. Like how our focus on safety sits at the heart of everything we do; how innovative practices can make old assets valuable again; how blueberry farming is part of our strategy for enriching communities that we partner with; and how solar power can make mining more sustainable. But rest assured that we'll be telling them soon.

So, watch this space. You're going to be hearing more from us.
We are Pan African Resources and we are mining for a future.

PAN AFRICAN RESOURCES

Mining For A Future

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goods and services, and changing legislation in the countries where it operates.

To manage these challenges, Holland says Gold Fields has a great deal of two-way engagement.

"Making sure our key stakeholders — governments, trade unions and communities — understand the risks and opportunities to our business is critical, so we can come up with joint solutions."

Given the unknowns at play, he says the business is structured in accordance with these and planning is based on a set of conservative economic assumptions. "For example, we wouldn't be using a gold price of $1,900 an ounce. We're using $1,300 an ounce to work out our business plans. At that price, we want to make a guaranteed minimum margin of about 15%."

While few, if any, businesses were prepared for the Covid-19 pandemic, how they managed the impact is key.

Holland says that in Western Australia — where almost half the group's production takes place — not a single case of Covid-19 was recorded, and there was no requirement to shut or curtail operations.

In Ghana, mining was designated an essential business, so there was no need to shut operations there either. Though there were infections, there was a 96% recovery rate. As these countries together account for 80% of Gold Fields' production, the company was not hard hit.

In SA and in Peru, interruptions to operations were significant, but these regions account for only 20% of production, and interruptions were temporary, and full production resumed quickly.

On the outlook for the company, Holland says the Salares Norte project is probably "the next big event" for the company.

"We should be bringing it into production in about three years from now. That is going to add another 450,000 ounces a year, which could take our annual 2-2.5-million-ounce target quite a bit higher. And that will come in at half the cost base, at sub $500 an ounce, which will be a significant milestone for us.

"I think we'll also see further growth in production at South Deep as we continue to realise the vast potential of that asset.

"I'm pretty excited. If gold prices hold up we're poised to do even better than we've done over the past year, and we're poised to become debt-free. We used to have over $2bn in debt, but now we could be debt-free within 18 months.

"And we're poised to pay really good dividends. I think we're in good shape."

A predictable and resilient model

Customers come first in this innovative technological enterprise

By **LYNETTE DICEY**

● A leading provider of mobility solutions for asset management, asset recovery and workforce optimisation, Cartrack continues to deliver solid results.

The software technology company, which commenced operations in SA in 2004 and listed in December 2014, operates in 23 countries on five continents. It delivered strong growth in subscribers, subscription revenue and operating profit in the year to end-February.

The first quarter of the company's financial year 2021 — ending in May 2020 — was the quarter most affected by the Covid-19 pandemic as a result of the hard lockdown imposed on a number of the territories in which the company operates, says group CEO Zak Calisto. However, it appears even a global pandemic has not lessened interest in its software, and the business has proved its resilience.

In October the company again reported robust year-on-year subscriber growth of 13% and a 21% increase in headline earnings per share in its half-year results. Total revenue rose 16% and operating profit increased by 16% to R368m — up from R316m. These strong results were achieved despite the limited capacity, due to Covid-19 restrictions, to install the in-vehicle Internet of Things (IoT) technology the company specialises in.

"This reporting period was materially affected by a substantial number of our customers facing cash-flow and operational difficulties due to the severe global lockdowns and travel restrictions," says Calisto. "We stood by our customers and have afforded them all reasonable assistance where possible." And despite the difficulties, there was strong demand for the group's Software-as-a-Service (SaaS) telematics platform, which delivers essential, real-time data, visibility and impact for fleet operators.

Group CEO Zak Calisto.

The past few months have been some of Cartrack's best yet in terms of new subscribers, primarily from medium and large fleet managers and owners, says Calisto.

"Our subscription-based model remains predictable and resilient."

Its customers, who operate across industries and geographies, continue to derive significantly improved insights and value from its single-integrated SaaS platform, with the result that subscriber churn has not spiked.

As lockdown restrictions have been eased, collections improved, and the company's healthy balance sheet and prudent capital allocation remain key strengths, says Calisto, with the result that Cartrack remains highly cash-generative with a strong cash flow forecast for the foreseeable future.

The company continues to invest significantly in research and development, operational efficiency and distribution.

One of its biggest challenges in SA is that while the country has some excellent software development talent, there is a scarcity of skills in this area for the company to maintain and enhance its SaaS platform, says Calisto. As a result, Cartrack has invested in growing a development hub in Singapore, which has enabled it to source global talent to ensure global competitiveness.

Another shortage is the availability of automotive technicians to fit the smart IoT devices. "The necessary auto-electrical skills

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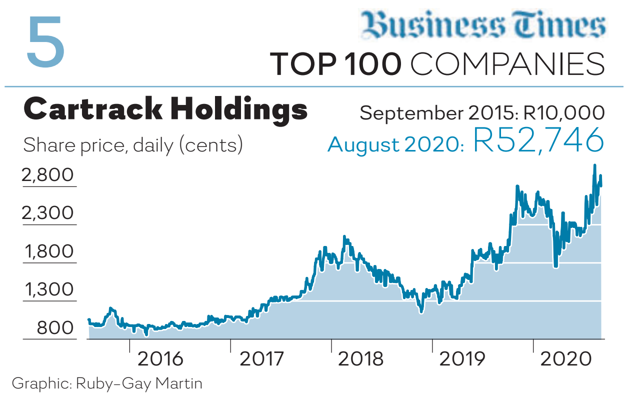
required to fit these devices is in short supply and we rely on our internal Cartrack Academy intake of trainees, which we train for over 18 months to be fully accredited Cartrack automotive technicians," Calisto says. The company plans to grow its mobile workshops in SA to over 700 in the next months.

Cartrack's success, says Calisto, is the result of innovative technology and a business model and culture that combine to deliver results.

A founder-run business, the company's culture promotes entrepreneurial behaviour accompanied by strong business ethics. "We're geared for organic growth," says Calisto. "We're in full control of all the elements of our income statement and balance sheet. We design and develop all of our own technology and don't outsource any parts of our business.



Graphic: Ruby-Gay Martin

"Our systems are all proprietary and we avoid third-party system dependency. Our business is what is referred to as vertical software. We control the full customer cycle, starting at client acquisition with our own CRM [customer relationship management] platform, to the SaaS platform delivery of our core fleet management services."

Culture, he adds, is key to the company's success. The five pillars of Cartrack's culture are customer first, innovation, meritocracy and transparency, centralised decision-making and loyalty.

The local market remains underpenetrated, with substantial potential for growth, Calisto says. Cartrack's continued expansion in the market is supported by additional services provided through the SaaS platform. These include short-term insurance, a trading platform, an emergency safety app, "MiFleet" (a vehicle administration model designed to save costs), "Communicator" (a jobs and messaging platform to improve fleet customers' service levels and efficiencies) and "Live Vision (a real-time video solution).

Calisto says Cartrack will remain focused on innovation for smart mobility, actionable business intelligence and the expansion of the IoT, while benefiting from the megatrend of connectivity and digital transformation.

No lurching in a new direction

Interim CEO says the firm is reliably conservative in its planning assumptions

By ANGELIQUE ARDÉ

● Prioritising sustainable margins and free cash-flow growth over scale has been the key to driving total returns to AngloGold Ashanti's shareholders over time, says interim CEO Christine Ramon.

"We've worked hard to balance the capital needs for both sustaining production and bringing in new ounces," she says.

"At its core, our strategy is focused on careful capital allocation through the economic cycle. We produce a single product, the price of which we don't control, so we really do prioritise cost control and a flexible balance sheet – with less debt.

"We have for many years worked to diversify our portfolio, and we're reliably conservative in our planning assumptions. All that conservatism means we've not had to lurch in a new direction – our long-term strategy is clear, and we've continued to execute on it," Ramon says.

AngloGold Ashanti interim CEO Christine Ramon.

"We have a unique advantage – the company and the portfolio are in good shape; the gold price is strong, and we can focus on making sure we get the best value in the markets while also maintaining discipline."

This year the company worked to streamline its portfolio while stepping up investments in assets that have high geological potential. Ramon says this is already paying off.

"Since our 2014 peak in net debt at \$3.1bn, we have aggressively paid down more than 50% of this through several self-help measures, taking our net debt to \$1.43bn at the end of June 2020 while re-instituting dividend payments."

All of this has been achieved without asking shareholders to raise equity capital, which she says is a rarity, even in this strong gold price environment.

"Even in the turbulence created by the pandemic, we've managed to advance the redevelopment of our Obuasi project in Ghana, with minimal delay and within our original budget. That's no mean feat in a project of this size, which will see more than \$500m invested in redeveloping the mine that will tap into one of Africa's largest ore reserves, providing benefit to a multitude of stakeholders. We're immensely proud of this achievement."

Ramon says the coronavirus pandemic remains a significant challenge and has offered some valuable lessons. "The operating environment is now more complex, with new operating and regulatory challenges in addition to the impact on everyday life."

Notwithstanding these impacts, a geographically diverse portfolio with a mix of open-pit mines, underground mines and surface processing has provided a measure

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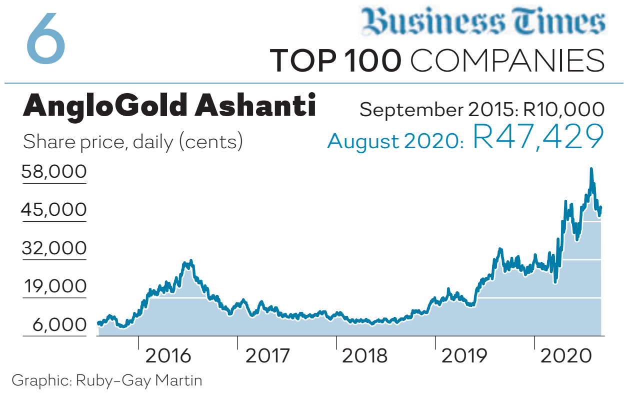
of protection against disruptions caused by Covid-19. The lessons learnt from the Ebola outbreak in West Africa in 2014 served as a training ground, Ramon says.

The company's response to Covid-19 has also shown how capable it is, she says. "We've witnessed the strength of local participation at our assets, globally we've collaborated more closely with governments and host communities, and our diverse portfolio has supported us during stoppages."

But she says the pandemic has shown glaring gaps across the world in public health-care systems, and shone a light on societal inequality.

"The mining industry needs to ensure that it works alongside government and civil society to try to rectify this. This is, admittedly, a big challenge that will be beyond our strength as an industry to tackle alone, but it's important that we start to address these systemic issues."



Graphic: Ruby-Gay Martin

AngloGold Ashanti is the world's third-largest gold producer and the largest on the African continent, producing 33-million ounces and employing more than 34,000 people. It is listed on four stock exchanges around the world — the Johannesburg, New York, Australian and Ghana exchanges — and is in the JSE top 40 index, the FTSE/JSE responsible investment index series (of the FTSE4Good index), the responsible mining index and the Dow Jones sustainability indices (now part of S&P Global Inc) and the Bloomberg gender equality index.

Ramon says the business is in excellent shape, and its fundamentals are vastly improving. "We've come a long way in recent years, simplifying our portfolio, bringing in lower-cost, longer-life production, and have significantly strengthened our balance sheet. "We're focused on safely improving our cash flows, especially in the strong gold price environment, and are keeping to our strategy of tight cost and capital management.

"Reinvestment in our existing assets while we develop longer-term greenfield options are expected to enhance the returns trajectory of our business," she says.

World shortages to the rescue

Prices of palladium and rhodium in particular are high because of the effect of SA's strict lockdown

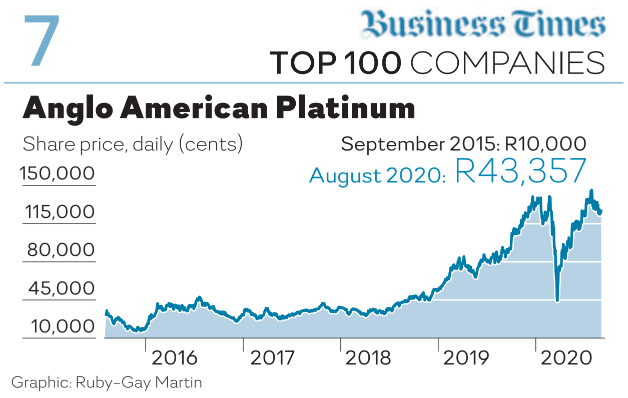
By **LYNETTE DICEY**

● Anglo American Platinum, the world's largest supplier of platinum group metals (PGMs), had a record financial performance in its 2019 financial year, which enabled it to declare its first special dividend since 2001.

The company has faced two significant challenges in 2020: the temporary closure of a critical processing plant for emergency repairs and the safe shutdown of operations to comply with Covid-19 lockdown regulations, which meant that, for a period, it could not produce any metal.

Despite these disruptions it managed to shut down, restart and ramp up its operations safely and has reported a strong performance in the interim period to the end of June. Benefiting from higher basket prices for its metals and a weaker rand, the company ended the period with net cash of R11.3bn and declared an interim dividend of R2.8bn, or R10.23 a share.

Rope shovel and haul trucks at work in the Mogalakwena mine's central pit.



Graphic: Ruby-Gay Martin

About 65% of demand for its metals is at present from the automotive industry to reduce emissions from internal combustion engines. Though the global automotive industry was severely affected by Covid-19 it has made a strong recovery, almost reaching pre-pandemic levels in recent months with a good recovery in China, where monthly sales now exceed 2019 levels.

PGM demand is also benefiting from stricter vehicle emission standards in crucial markets like Europe and China, which require higher loadings of the metals in exhaust systems and have helped to keep demand at historically high levels.

Jewellery, another important market for platinum, also suffered during the pandemic but is recovering.

Anglo American Platinum is continuing to develop the uses of PGMs — most notably in hydrogen applications — through industry partnerships and investments in

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companies through its funding of venture capital fund AP Ventures. Supply of PGMs is very concentrated, with 70% of mined platinum, 80% of rhodium and 40% of palladium produced in SA. The supply was materially affected by Covid-19, says CEO Natascha Viljoen. "Our estimate at this stage is that the overall impact globally will be around a 16% reduction in supply, primarily due to the initial national lockdown in SA.

"As a result, we have seen strong prices for palladium and rhodium in particular this year."

Prior to the pandemic, Anglo American Platinum was on a journey towards developing the mine of the future by deploying innovative technologies that lower energy and water usage, create less waste, make its mines and processing operations safe and create value through the cycle.

"We've made significant improvements in our safety record in recent years as well as real progress with our workplace HIV and TB treatment and awareness programmes, which has led to a drastic reduction in TB incidence rates and TB-related deaths at our operations," reports Viljoen.

Another challenge is how to create long-term sustainable communities in the areas in which the company operates, ensuring local economies thrive beyond the life of the mining operations. Viljoen says: "Our efforts to build sustainable economies beyond mining include investment in schools and other education programmes to help develop skills, and supporting local entrepreneurs through increased procurement from host community businesses."

Viljoen took over as CEO in April this year from Chris Griffith, who stepped down after seven years in the job. She says the recipe for the company's success has been the restructuring and repositioning of the business over the past five years. The outlook for the company appears positive. In 2019 it co-invested in Lion Battery Technologies, which aims to accelerate the development of next-generation lithium-air and lithium-sulphur battery technology using platinum and palladium. "We believe internal combustion engines, battery-electric vehicles and fuel cell electric vehicles will coexist in the market, with PGMs as a critical ingredient in all of them," says Viljoen.

She adds that strong earnings will continue to be driven by robust demand for PGMs, combined with the company's focus on investing in fast-payback value-accretive projects, while implementing world-best-practice operations.

The home ground advantage

Sweating your own assets is low risk and brings returns sooner, says CEO

By ANGELIQUE ARDÉ

● There aren't many gold or platinum miners that can boast of having paid dividends consistently over the past decade or longer, yet African Rainbow Minerals (ARM) has, says CEO Mike Schmidt.

ARM is a leading mining and minerals company that mines and beneficiates iron ore, manganese ore, manganese alloys, platinum group metals (PGMs), nickel and coal. ARM also has an investment in gold through its shareholding in Harmony.

Headline earnings increased by 6% to R5.5bn for the financial year to June 30 2020, and ARM paid a total dividend of R12 a share.

Schmidt says balancing growth and returning money to shareholders are the company's key drivers.

As sustainable mining depends on the replacement of ore bodies, the company will embark on new projects, but Schmidt says investment will be predominantly in the growth of its own assets.

"We'll sweat our own assets, which we understand requires low capital intensity, is low-risk and principally brings good returns. That has been our DNA," he says.

By exploiting growth opportunities within one's own mines and operations "you get earnings and value accretion earlier". It is less risky and delivers returns within two to three years, compared with a brownfield project, which could take more than seven years, or a greenfield project, which can take more than 10 years to show returns, Schmidt says.

As a result of increased profitability in the 2020 financial year, ARM reported a return on capital employed of 22% – the highest in the company's history.

Schmidt puts this down to maturity. "In the mining industry, when you invest capital it sometimes takes many years of investment to realise that return.

"We're at a stage where a number of our operations have matured. Iron ore is at steady-state production, manganese is ramping up promisingly and PGMs [at Two Rivers and Modikwa] are also increasing production."

Two Rivers mine is boosting PGM output.

In addition, the company has exited some of its loss-making operations. "So we've rationalised and stopped investing where returns were marginal, and we've continued to invest in current operations."

One of the main drivers of ARM's success over the past year was the diversity of its portfolio. Higher US dollar prices for iron ore, platinum, palladium, rhodium and nickel more than offset the decline in manganese ore, manganese alloy and thermal coal prices. The 11% weakening of the rand versus the dollar also contributed to headline earnings.

The Covid-19 pandemic has sent investors flocking to gold as a safe-haven investment, and at the same time demand for PGMs has increased in line with stricter vehicle emissions control.

"Being a diversified player we perform well through the cycle, because when precious metals are down, generally base and ferrous metals are up, and vice versa," Schmidt says.

He describes ARM as a balanced company that maintains healthy margins and consistently delivers value to shareholders and support to stakeholders.

An uncertain economic outlook, both locally and globally, above-inflation cost escalations and the financial impact of Covid-19 are the top challenges facing ARM. Other big challenges include consistency and security of water supply at the Northern Cape operations, the rising cost of energy, climate change and a continuing effort to reduce carbon emissions.

Schmidt says a strong cash position has enabled ARM to navigate a multitude of challenges while continuing to invest in the business and pay dividends. "It also gives us flexibility to pursue value-enhancing growth opportunities aligned to our strategy." He says the pandemic has had pronounced health, economic and societal impacts, the extent of which is still unfolding. "Our response is to continue prioritising the health, safety and wellbeing of our employees and to ensure the business's sustainability."

Again, a strong cash position is holding the company in good stead, and the success of the company and its ability to create value is inextricably linked to the value that ARM creates for others, Schmidt says.

To measure this value, the company benchmarks against itself and peers, to ensure it is constantly improving.

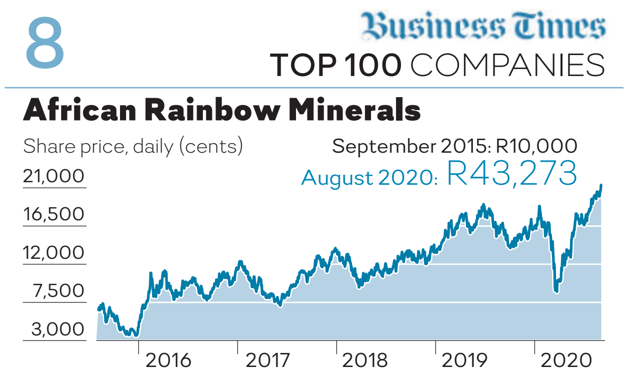
"We do surveys in the areas in which we operate, looking at how we are valued by our people, our communities, provincial authorities, and so forth.

"Do they respect, recognise and acknowledge what we're doing? In that balance, if we don't return money to shareholders, we're not successful. If we don't continuously improve operational performance, we can't sustain margins and profitability."

At the same time, the company must ensure it has a safe and healthy workforce that is appropriately skilled, he says. To achieve that, skills development and capacity building are crucial.

Also critical to the success of the company is responsible stewardship of natural resources. "A big issue we're driving, in alignment with legislation, is how to concurrently rehabilitate and improve the environment rather than wait for the closure of the mine.

"So we're spending money on improving the quality of air, water, soil and vegetation. It's about balance."



Graphic: Ruby-Gay Martin

‘We are mining for a future’

The aim is to balance financial and business goals with human ones

By **LYNETTE DICEY**

● Quality assets, a focus on delivery and a track record of successful project execution have positioned Pan African Resources, a mid-tier African miner with a production capacity of up to 200,000 ounces of gold a year, as one of SA’s high-margin gold miners.

The company’s assets include the Barberton Mines complex, one of the oldest and richest working gold mines globally, as well as modern, highly automated tailings retreatment plants, the flagship being Elikhulu, (“The Big One” in Zulu) at Evander Gold Mine. Pan African Resources owns and operates a portfolio of high-quality, low-cost operations and projects in SA.

Its gold production is evenly weighted between surface and underground operations, providing a diversified portfolio with production agility and flexibility. Its assets also have significant organic growth and value-appreciation potential.

The company recently announced another strong set of year-end results despite the Covid-19 lockdown, which it estimates cost it about R300m in lost revenue.

The group significantly reduced its net debt by more than 41% and generated after-tax profit and headline earnings of $44.3m and $44.2m respectively over the year to June 30. While earnings for the most recent reporting period were adversely affected by the pandemic and lockdown, this impact was largely offset by the increase in the price of gold and the group’s ability to ramp up gold production when lockdown restrictions ended.

Conceding that the rise in the gold price was fortuitous and that it certainly bolstered the company’s performance, Pan African Resources CEO Cobus Loots says increased and safe production – well above earlier revised estimates – was the real achievement.

At a time when many businesses have restricted further capital projects, Pan African Resources is one of the few groups forging ahead with local investments, which include development of its brownfield, low-cost Egoli project at Evander Mines. The project’s payback time is estimated to be at less than five years from the beginning of construction, according to an independent feasibility study.

Pan African Resources CEO Cobus Loots.

The group recently announced the discovery of a high-grade zone of gold mineralisation at its New Consort underground mine near Barberton, as a result of its continuing exploration activities.

Other investments related to environmental, social and governance (ESG) issues include a 10MW renewable energy solar photovoltaic plant at Elikhulu, which will further reduce production costs, as well as a large-scale agriculture project at Barberton Mines to create employment opportunities for local communities.

There is growing acknowledgement of the importance of ESG issues both from mining companies and investors.

The PwC “SA Mine 2020” report identifies four key ESG areas that should be top of mind for any company: supply chain resilience, measuring impact, climate-related risks and resource efficiency.

Luyanda Mngadi, “SA Mine 2020” project leader, says that while mining companies are often at the forefront of ESG efforts they are weak on their reporting when it comes to setting targets and measuring themselves.

Loots says ESG is a big focus area for Pan African Resources, as it is for most mining companies, but agrees that the industry needs to articulate its achievements in this area to better demonstrate its sustainability to investors.

“We’re doing our best to go beyond the required regulation to make our business more sustainable,” he says.

“Mining is sometimes still perceived as an archaic industry, which is not the case. At Pan African, we are ‘Mining for a Future’.”

The company very quickly put protocols and procedures in place to deal with the regulations required as a result of the Covid-19 pandemic, which allowed it to keep operating. Loots points out that the mining industry is geared towards dealing with communicable diseases and has a history of treating health and safety as top priorities.

The company’s success, he maintains, is a combination of quality assets, a committed team of people, a culture of accountability, and agility. “We’re not a traditional mining house, but rather a group of people united around a common purpose and values, balancing financial and business goals with human goals,” he says.

“Efficiencies will never be at the cost of communities or the environment. And while we strive for profits and returns to shareholders, this will never compromise on the safety of our people.”

The company recently revealed its new logo. It features a honey badger – chosen, says Loots, because of its resilience and its hard-working and aggressive character despite its relatively small stature, which personifies the company’s pan-African character while also giving a nod to its forward-focused approach.

Loots is optimistic about the future for the company: it plans to be debt-free by the end of the 2021 year. And, with a unique value proposition that includes surface re-mining with underground operations, long-life assets, a highly cash-generative business and near-term growth potential, it is well positioned for the years ahead.

Special metals for a greener world

The growth strategy the company began in the last market down cycle is delivering, says CEO

By **ANGELIQUE ARDÉ**

● The past year has been a record one for Northam Platinum. The company achieved record sales revenue, operating profit and earnings before interest, taxes, depreciation and amortisation.

These outcomes were achieved despite production stoppages resulting from the Covid-19 lockdown.

"We continued to deliver on our strategy of developing low-cost, long-life assets which are positioning the company for further strong financial performance, as well as de-risking our operations against potentially subdued or volatile commodity markets," says chief financial officer Alet Coetzee.

A key element of its strategy is the return to shareholders of value created through the execution of the company's growth projects. "The success of our growth programme to date has allowed us to purchase approximately 70% of Zambezi Platinum preference shares, which represents a real value return of R9.1bn," Coetzee says.

CEO Paul Dunne says it's gratifying to see how the growth strategy the company embarked on during the market down cycle five years ago is delivering.

Coetzee says the execution of this strategy and Northam's robust finances have afforded the company operational flexibility. In response to Covid-19, it moved fast to minimise, as far as possible, the impact of the pandemic on operations and employees.

"Socially, the health and wellbeing of our employees and host communities were key concerns. Economically, we sell our products into a global market. That market was subject to metal price and demand uncertainty, which had the potential to affect our liquidity.

"In addition, the national lockdown and the subsequent phased restart of our operations negatively affected production volumes. This flowed through to unit costs, profitability and ultimately our cash position. Strict cash preservation to support the long-term future of the company was a priority. Actions taken included a short-term pullback on noncritical capital expenditure, restructuring of the company's domestic medium-term note programme and ensuring we had sufficient banking facilities."

Coetzee says the company is now financially well positioned to withstand negative impacts. "Now and for the future, our greatest defence against challenging economic times is safe, cost-effective production, and achieving this consistently."

Covid-19 remains a challenge that can affect the business in many ways, Coetzee says. These include the health and wellness of employees, the ability to produce, the demand for, and price of, metals, and the currency exchange rates.

Unreliable energy supply is a concern and therefore the company's expansion strategy focuses on energy efficiency and supply management, she says.

The company focuses on what it can control, also with regard to the safety and health of employees, community development and upliftment programmes in the areas in which it operates. "We monitor and maintain compliance with all relevant legislation [in this regard], and this ensures that we maintain our social licence to operate.

"In addition, effective cost control, sustaining our position within the lower half of the sector cost curve, while maintaining strong relations with our longstanding customer base – which views us as a consistent and reliable supplier of quality product – provides a buffer to economic downturn."

Chief financial officer Alet Coetzee.

Looking to the future, Coetzee says the metals Northam produces are special and aid the attainment of a cleaner, greener world. "It is our considered opinion that net demand for platinum group metals will remain strong over the coming decade. This will support pricing.

"Our current growth projects are well progressed and significantly de-risked. Our balance sheet is strong and it will continue to strengthen on the back of growing production and improved margins," she says.

"We have already made significant progress in returning meaningful value to our shareholders. This is a key strategic imperative and we will continue to honour it. So I believe that the outlook for Northam is extremely positive."

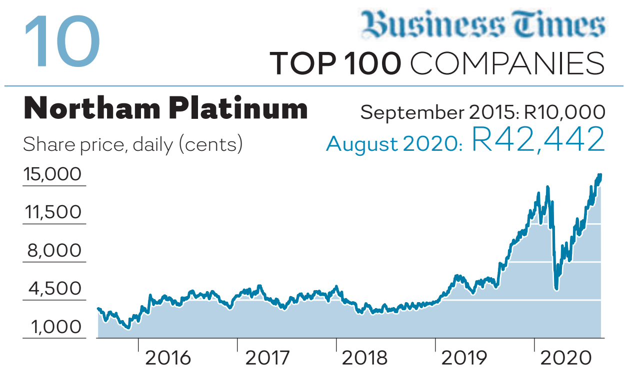
Leading SA asset manager Coronation is also backing platinum to deliver future growth potential.

"We expect platinum to offer growth potential as it is likely to be subject to an ongoing supply deficit, which will underpin the precious metal's valuation," says Neil Padoa, the head of global developed markets at Coronation, writing for Allan Gray's Offshore Exchange.

Over the past five years, Northam has invested over R12.9bn in the pursuit of its growth strategy, doubling production and creating 5,897 new, direct jobs.

Between July 2019 and June this year, the company's share price increased by 104%.

Over the past five years Northam has had a compound annual growth rate of 33.5%.



Graphic: Ruby-Gay Martin

Business Leader of the Year

Wisdom honed by past crises

Leaders need to realise the extraordinary role they play in modelling values, says Nedbank CEO Mike Brown

By ANGELIQUE ARDÉ

● To be named Business Leader of the Year by one's peers is a great honour, but perhaps more so in a year of such volatility and turmoil as 2020.

Nedbank CEO Mike Brown says financial outcomes and profitability have this year been secondary to the focus on the health and safety of staff, helping clients through the most difficult financial times they're likely to face in their lives, and working with industry bodies and regulators to ensure the financial sector remained resilient in the greatest economic downturn that has occurred since World War 2.

"This is an environment that certainly stretches one as a leader," he says.

"In many ways I've been fortunate to have experienced working through the Asian financial crisis in 1997/1998, the so-called small bank crisis in 2001/2002, the global financial crisis in 2008/2009 and the Abil crisis in 2014/2015. It enables one to look around corners in times of crises, understand early on what's likely to come in your direction, and to react fast."

At the time of his appointment, Brown was the youngest CEO of a big bank in SA, and he is now the longest-serving CEO of any of the big banks in the country.

Brown (54) comes from a family of bankers. His paternal grandfather, his father and a paternal uncle all worked for Standard Bank. But he says he ended up in banking more by chance than by design.

After qualifying as a chartered accountant in 1988, he completed his articles at Deloitte & Touche in Durban, where by chance he was placed in an audit group specialising in financial services and of which the Natal Building Society (NBS) was a major client.

He was afterwards employed by Deloitte & Touche in the US, worked in London and then returned to Durban.

Honoured by his peers: Mike Brown.

He left Deloitte to join NBS, where he led the merger of NBS Corporate with the commercial industrial lending division of BoE Private Bank. He became deputy MD of BoE Corporate and then MD.

After the merger of BoE and Nedbank in 2002/2003, he was appointed MD of Property & Asset Finance. In June 2004, he became chief financial officer of Nedbank Group.

In March 2010, he assumed the role of CEO of Nedbank Group Ltd and Nedbank Ltd.

About a career in banking, Brown says: "The breadth of canvas and intellectual stimulation in a banking environment is almost unrivalled by any industry." He says he's proud of the work he has done around the centrality of culture and values in an organisation and the placing of a focus on purpose and long-term sustainability. He also used his positions as chair of the Banking Association SA and deputy chair of Business Leadership SA to promote this work.

Concerning his leadership style, Brown says he believes in leading by example, and tries to be the best-prepared person in the room. "I work hard at that. I also try to balance intellectual and emotional leadership, and to give people freedom within boundaries." He says a great leader should be driven by outcomes for the organisation they're leading as opposed to their personal outcomes. "Underneath that, it's important for leaders to have humility and realise the extraordinary role they play in modelling the values and therefore culture of the organisation they lead." Among the business leaders he most admires are former bosses Tom Boardman and Reuel Khoza and current Nedbank chair Vassi Naidoo, people from whom he has learnt much.

He says the main challenge in his current role stems from Nedbank being a predominantly South African business in a difficult macro-economic environment.

"The performance of banks is closely correlated to the economic performance of the countries in which they operate. The biggest challenge sits with SA Inc and our seeming inability to operationalise structural reform to get better economic growth and to reduce unemployment.

"It's extraordinarily difficult over long periods of time to run a successful business in an unsuccessful society," he says.

Brown is by no means pessimistic about SA and speaks highly of our leaders.

"Every country has some rotten eggs, but South African business leaders can hold their heads up anywhere in the world – particularly in the emerging markets.

"The business leaders and management teams of South African companies have always been at the top of the emerging-market pile. We've had a number of scandals which dented that image and the perpetrators need to be brought to book, but I believe those are isolated cases rather than systemic.

"From a business point of view, I know I can be overly focused on detail. I really want to make sure I understand everything and that means I get too engaged in the detail. But I've watched some really good executives who aren't engaged enough in the detail get tripped up by that," he says.

He regards marrying his wife, Sandra, as his biggest achievement in life. "She's been amazingly supportive of my career. She was a theatre sister who chose to look after our children and support my career, so I've been hugely grateful for that."

Ten years from now, Brown says he sees himself doing something entrepreneurial in the private equity space, combined with holding a few nonexecutive positions. "Most South Africans retire at 60, which is far too young, especially when you have a huge amount to contribute," he says.

But playing better golf, going into the bush and travelling with family and friends are all definitely on the cards.

Lifetime Achiever

Promoting the success of others

Encouraging bosses shaped Jacko Maree's management style, and he is proud of the young people he has helped

By **ANGELIQUE ARDÉ**

Jacko Maree received many accolades.

● Tenacious, unflinching, courageous. An excellent mediator. A visionary with a fearless dedication to nurturing black talent. This is how Jacko Maree is described in a 2013 special edition of Pinnacle magazine, published by the Association of Black Securities and Investment Professionals, in honour of his contribution to transformation in the financial services sector.

Maree was one of the principal architects of the financial sector charter in 2004, a transformation policy to promote broad-based BEE.

"Soon after I became CEO [of Standard Bank Group] in 1999, a lot was happening around BEE in the mining sector, with speculation about changes to mining rights.

"A few of us felt we had to get on the front foot and commit to what we were going to do to promote BEE in the financial services sector. That culminated in the charter. I led the sector — the banks, insurance companies, pension funds, unit trust companies — to negotiate and sign it.

"It was a big achievement, but it would not have happened without the support and guidance of my chair, Derek Cooper, and Saki Macozoma, who was on our board. They were deeply committed to transformation, and wise," he says.

Reflecting on his 40-year career as a banker, Maree says his three bosses at Standard Merchant Bank — Eddie Theron, Div Geeringh and Pieter Prinsloo — all had a powerful influence on his life.

"Most people get squashed by their bosses, but I was encouraged and promoted by mine. They were always just trying to get me to succeed. And they pushed me ahead of themselves." Maree says this kind of leadership shaped his own, which was inclined towards developing young people.

The fact that Standard Bank boasts the most transformed top management team of all the major banks is no accident. "Sim Tshabalala [Standard Bank Group CEO] has assembled an incredible team. I had a role to play in the careers of most of them, and I'm proud of that.

"There's been a long list of alumni from the bank who've done really well in other fields, and it has given me great pleasure to have played a part in their development. Seeing young people succeed has been a great thrill for me," he says.

Maree says one of the most powerful influences on his life was St Andrew's College in Makhanda (formerly Grahamstown), where he went to school until 1973, when he went to Stellenbosch University.

After obtaining a BSc (cum laude) degree in 1976 he studied at Oxford University as a Rhodes Scholar. He graduated in 1980 with a first class MA degree in politics, philosophy and economics.

Maree's career at Standard Bank started in 1980, when he joined the corporate finance department of Standard Merchant Bank (SMB). He was appointed MD of SMB in 1991, and MD of the newly formed Standard Corporate & Merchant Bank in 1995.

He became CEO of the Standard Bank Group at the height of one of the most serious challenges the bank had ever faced — a hostile takeover bid by Nedbank.

Successfully defending the bid was a career highlight.

"It was the biggest hostile bid in SA's history — a nine-month battle. Nedbank was the darling of the banking industry and Old Mutual was its biggest shareholder. It was a formidable combination. Everyone assumed they were going to win. Standard Bank was a much larger bank with a bigger customer base and stronger brand name, but it had lost its way a little. If Nedbank had got it, it would've been a complete steal.

"We fought for what was right and won. It galvanised the organisation, and for three or four years everyone was united.

"It's not often that a CEO has the entire organisation supporting the leadership team. Myles Ruck, Ben Kruger, Peter Wharton-Hood and I appointed a lot of young people, like Tshabalala, and gave them huge portfolios, and the organisation flew from there."

Another career high — and perhaps his most significant achievement — was overseeing the strategic partnership between Standard Bank and the Industrial and Commercial Bank of China (ICBC) in 2007. At the time the $5.5bn, 20% equity investment in Standard Bank was the largest foreign direct investment ever made in the country.

The deal, which was concluded in 120 days, still lives today, with two ICBC members on the bank's board.

In March 2013, Maree stepped down as group CEO of Standard Bank after more than 13 years at the helm of Africa's largest bank, which operates in 20 countries on the continent. Under his leadership the bank's share price increased from R21 to R118, the dividend per share was up almost seven times, and the group's market capitalisation grew from R30bn to R190bn.

Maree, who is 65, is nonexecutive deputy chair of Standard Bank, nonexecutive chair of Liberty Holdings and a nonexecutive board member of Phembani Group. He also serves as one of President Cyril Ramaphosa's investment envoys.

He has received numerous peer accolades and awards.

In 2004 he received the Wits Business School Annual Management Excellence award. In 2005 he was named The Sunday Times Business Leader of the Year. In 2005 and 2006 he was voted Moneyweb's CEO of the Year.

In 2007, 2008 and 2009 he was voted the most trusted CEO in SA by Ask Africa's annual Trust Barometer study.

Honorary Award

A steadfastly honest path

The man who led the Covid advisory body from March became popular and trusted

By LYNETTE DICEY

● Leaders have an opportunity to provide their people with a sense of security, and to connect, motivate and inspire them. This year the Sunday Times Top 100 Companies salutes professor Salim Abdool Karim with an honorary award for providing guidance and inspiration to the nation throughout the Covid-19 pandemic. The acknowledgement is in recognition of his dedication, commitment and courage.

The pandemic placed the clinical infectious diseases epidemiologist squarely in the public eye. Appointed in mid-March to lead the Ministerial Advisory Committee (MAC) advising the government on combating Covid-19, he has become a familiar face in recent months during live televised public briefings delivered in his characteristically calm and measured manner.

His ability to translate complex science into easily understandable language resonated with a nation in a high state of anxiety in the early days of the lockdown, and he quickly became a popular and, even more importantly, a trusted and credible figure.

Abdool Karim is no stranger to public platforms or high-profile positions. He is a director of the Centre for the Aids Programme of Research in SA (Caprisa) and Caprisa professor of global health at Columbia University, New York.

In addition, he is an adjunct professor of immunology and infectious diseases at Harvard University, an adjunct professor of medicine at Cornell University and pro vice-chancellor (research) at the University of KwaZulu-Natal.

He has previously served as president of the SA Medical Research Council.

He first came to the public's attention two decades ago, when he was one of the most prominent scientists to speak out against Aids denialist Thabo Mbeki, then SA's president. As key leaders of the 2000 International Aids Conference in Durban, Abdool Karim and colleagues Jerry Coovadia and Malegapuru Makgoba were frequently in the public eye as a result of their vocal rebuttals of this denialism.

Prof Salim Abdool Karim.

Ministerial advisories, says Abdool Karim, consist of three sections. The first is typically a question posed by the minister of health, the second consists of the scientific evidence and the third is the advisory committee's recommendation.

"Looking back, it's clear almost all [the MAC's] recommendations were followed, sometimes not exactly but in some shape or form," he says. However, as an adviser you are not responsible for all the decisions made by the government, he stresses.

"The reality is that even scientists don't always agree with each other all the time. Independently minded, knowledgeable scientists are not renowned for following the crowd. Disagreements, therefore, are not uncommon. As a member of an advisory committee it's important to listen to everyone's diverse viewpoint and appreciate differences of opinion."

Diversity of opinion, he believes, was a strength of the MAC on Covid-19, allowing it to provide "pretty good advice".

When Abdool Karim is discussing the role of an adviser he knows what he's talking about. He sits on numerous respected advisory boards, including the WHO's HIV Strategic and Technical Advisory Committee and the WHO HIV/TB Taskforce. He's chair of the UNAids Scientific Expert Panel.

Ranked among the world's most highly cited scientists by the Web of Science platform, Abdool Karim says a good leader is somebody who listens and keeps an open mind before making a judgment and providing a way forward. Importantly, a good leader does not allow differences in opinion to lead to a situation of paralysis where no decisions are made. "I've used the Codesa negotiations approach of 'sufficient consensus' as a way for moving forward in the midst of uncertainty," he says.

The process followed by the MAC on Covid-19 included the submission of constantly revised advisories, with additional input allowed at multiple stages.

"The challenge with this epidemic is that the evidence keeps changing. Covid-19 has resulted in a knowledge explosion. Over 70,000 articles about the disease have already been published in 10 months."

What the pandemic has done, he says, is to democratise science, making it more accessible. He is regularly contacted by people from all walks of life writing to him about their analyses of the coronavirus data and interpretations of the epidemic. However, he says calls to "follow the science" in a bid to understand how to handle Covid-19 have placed a great burden on the discipline.

"In the beginning there was little or no scientific evidence. We were going on information and experiences from other diseases, like influenza."

What Abdool Karim would like to be remembered for is that he always put the public first, acknowledged uncertainty and what he did not know, maintained a steadfastly honest path and never sugar-coated the truth. He predicts that pandemics like Covid-19 will become more frequent occurrences, and are likely to be more severe. Hopefully we've learnt valuable lessons this time round which will stand us in good stead for the next one.

For now, Abdool Karim is more than content to focus on his regular work of HIV research and feed his addiction for sport in front of a television set.

He can still be found going for walks on Durban's beaches with his wife but you'll have to look carefully for him.

In an attempt to have an uninterrupted walk he has taken to wearing a baseball cap and sunglasses to disguise himself, as well as, of course, a face mask.

Feature

Less coal, more wind in its sails

Mining company plans a gradual move towards a low-carbon future of cleaner energy resources

By LYNETTE DICEY

Exxaro CEO Mxolisi Mgojo.

● Exxaro Resources, at present a predominantly coal mining company, has started to diversify away from fossil fuels towards alternative resource opportunities.

The company has a 20% stake in Kumba's Sishen Iron Ore Company. It also has two wind farms in the Eastern Cape with a generation capacity of 239MW through its ownership of Cennergi, which owns and operates the Tsitsikamma Community and Amakhala Emoyeni wind farms.

"Renewable energies will be a future growth area," says Exxaro CEO Mxolisi Mgojo. "We have been very deliberate about how we diversify Exxaro's portfolio towards cleaner energy resources."

In March, Exxaro published its climate change position statement, which includes its target to be carbon neutral by 2050.

Mgojo says the company is cognisant of the physical and transitional risks of climate change and considers it a serious threat both to the business and to society,

A decision was taken to develop policies and programmes to begin the transition to a low-carbon future. Exxaro is part of the mining industry's Just Transition Climate Change Pathways Project.

"We believe renewable energy resources can play a significant role in the supply of reliable power in SA, providing greater economic participation and energy security for previously marginalised communities and access to affordable energy, while keeping our communities healthy and resilient to the impact of climate change," says Mgojo.

A key element of Exxaro's climate change adaptation journey is operational resilience. What this refers to, explains Mgojo, is the company's ability to withstand changes in the global economy by managing its portfolio of projects and capital allocation and by climate-proofing the business through ways of incorporating an eco-friendlier approach to supplying power.

However, Mgojo says coal will continue to be a critical part of SA's energy mix for the foreseeable future. "Coal will remain relevant in the production of electricity in SA for some time to come – high unemployment, low economic growth and high levels of poverty create a less than ideal socioeconomic environment, in which coal cannot be switched off overnight. Therefore the transition from coal may take time. Even first-world countries like Germany have taken two decades to transition away from coal."

Exxaro expects that demand for coal will increase locally as the Medupi power station in Limpopo – to which Exxaro supplies coal – and the Kusile power station in Mpumalanga come online. In 2019, Exxaro's sales were affected by delays at Medupi.

The issue of Eskom's sustainability continues to represent a significant risk both to Exxaro and the economy, says Mgojo.

Self-generation of electricity, he says, will help to ensure SA's power security. The company has no plans to invest in any new coal mines and wants to mine higher-quality coal with a lower ash content from its existing reserves. But Mgojo says Exxaro is cognisant that it needs to have sufficient resources of coal to fulfil its existing long-term contracts.

The new carbon tax, he says, will add a cost burden to the business and affect future earnings. It's an additional incentive for the introduction of programmes to offset and reduce its carbon emissions.

Exxaro's financial year ends in December. In March 2020 it reported a 9% increase in core headline earnings for the 2019 financial year, largely as a result of growth from Sishen Iron Ore Company.

Its interim results – announced in August 2020 – were positive, largely as a result of Exxaro's ability to carry on operating through the lockdown. Key highlights included a 23% increase in exports, a 16% rise in headline earnings per share and a dividend payment of R6.43 a share.

Mgojo, who is also president of Minerals Council SA, has been integrally involved in the mining industry's response to the Covid-19 pandemic.

"Fortunately the industry is by nature geared to handle these challenges, given its focus on health and safety. As a result we already had many of the required protocols in place. Our response to the pandemic as an industry was a balance between saving lives and saving livelihoods. As a coal miner we were deemed an essential service – we've got to keep the lights on – so we could continue to operate, albeit at a reduced level and while ensuring social distancing and sufficient screening and testing."

Along with other mining companies, Exxaro took the initiative to procure and establish testing capacity – including machines, testing kits and reagents – and to provide for qualified staff; or it made arrangements with private facilities to have access to increased capacity. The company invested in two laboratories. These have subsequently been made available to provide testing services for local communities in addition to employees.

The company donated R20m to the Solidarity Fund, and additionally, through the Exxaro Chairman's Fund and the Exxaro Foundation, released R3.45m to assist Mpumalanga and Limpopo with community needs such as improving water and sanitation infrastructure, as well as to supply food parcels, PPE and other consumables.

Acknowledging that the impact of the pandemic has been significant on lower levels of staff, the company committed to giving increases to all nonmanagement and specialist staff, though board and executive management as well as other management and specialist categories' increases have been frozen for the year.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