



Premier

Results
presentation
for the year
ended 31
March 2023

6 June 2023

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AND BUSINESS OVERVIEW

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01

KEY PERFORMANCE HIGHLIGHTS AND BUSINESS OVERVIEW

Kobus Gertenbach
Group CEO

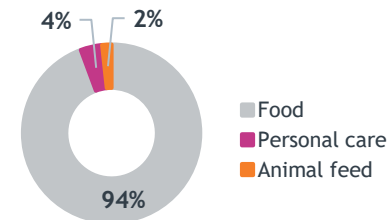
BUSINESS OVERVIEW

	MILLBAKE		GROCERIES AND INTERNATIONAL		
CATEGORIES	 BAKING (bread, muffins, cakes, buns and snowballs)	 MILLING (flour, maize meal, maize rice, samp, flour, instant porridge and maize based beverages)	 SUGAR CONFECTIONERY (marshmallows, sweets, toffees, chews, nut brittles and chocolates)	 HOME & PERSONAL CARE (feminine care and general personal care products)	 CIM (wheat flour, maize meal, pasta, biscuits, animal feed and rice)
BRANDS	   	   	 	 	   

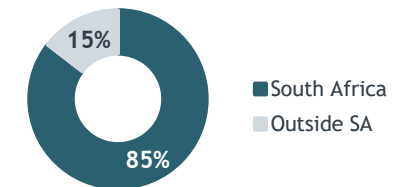
REVENUE
CONTRIBUTION BY
DIVISION



REVENUE
CONTRIBUTION BY
PRODUCT TYPE



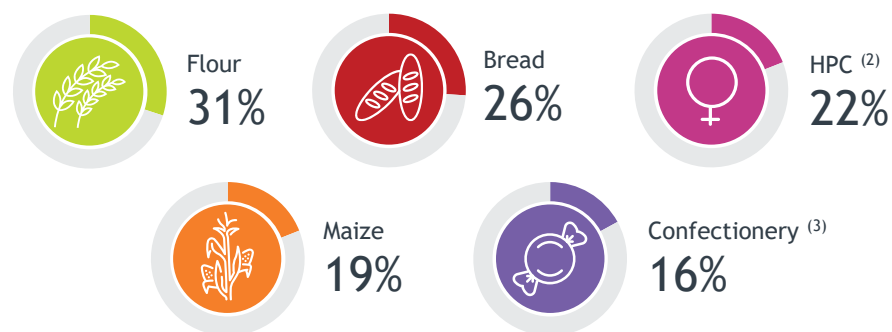
REVENUE
CONTRIBUTION BY
REGION



OPERATIONAL FOOTPRINT

One of the key consumer packaged goods (CPG) players in South Africa with an extensive reach in both the formal and informal markets

Significant market shares across the divisions ⁽¹⁾



Competitive operational platform

30 manufacturing sites	>R5bn capex invested since 2012	835m bread loaves capacity p.a.	680kt maize milling capacity p.a.
980kt wheat milling capacity p.a.	>45k daily outlet reach	c. 1.8m loaves delivered daily	975 routes covered daily
>8200 employees across owned sites	>40 brands	58% growth in SA exports	>1 100 vehicles in delivery fleet

(1) DataOrbis as at 31 March 2023 (trade desk 12 month average by sales value);

(2) Premier share of the combined Femcare and Cotton Wool segments;

(3) Premier share of its defined segments

PREMIER'S COMPETITIVE ADVANTAGE

Premier is a highly attractive investment opportunity, differentiated by consistently strong financial and operational performance and a scalable platform

**1**

Premier is well-positioned as a sector CPG champion within the broader South African market

Defensive growth in a low GDP environment with a demonstrated ability to consistently improve market share through a strong focus on best-in-class Millbake

**2**

Premier is a key CPG player in the South African market

Leading SA staple foods producer, with a broad range of market-leading brands across key categories, underpinned by scale and operational excellence

**3**

Ability to withstand input cost pressures in a volatile inflationary environment

Strong financial metrics despite numerous commodity price surges, without giving up volume growth at the expense of margin preservation

**4**

Consistent track record of superior financial performance

History of superior volume and sales growth, with an improving margin trend

**5**

Continued capex investment has ensured fully integrated, best-in class facilities

Operations are supported by well-invested IT systems and logistics capabilities, ensuring Premier remains the cost leader in Millbake

**6**

Identified growth sectors to bolster Premier's leading market position and support future success

Supplementary growth is achieved through selective acquisitions identified against carefully considered investment criteria

**7**

Highly skilled and experienced management team

Widely considered industry leading amongst peers

FINANCIAL AND BUSINESS HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH 2023

→ Robust financial performance under dynamic market and trading conditions

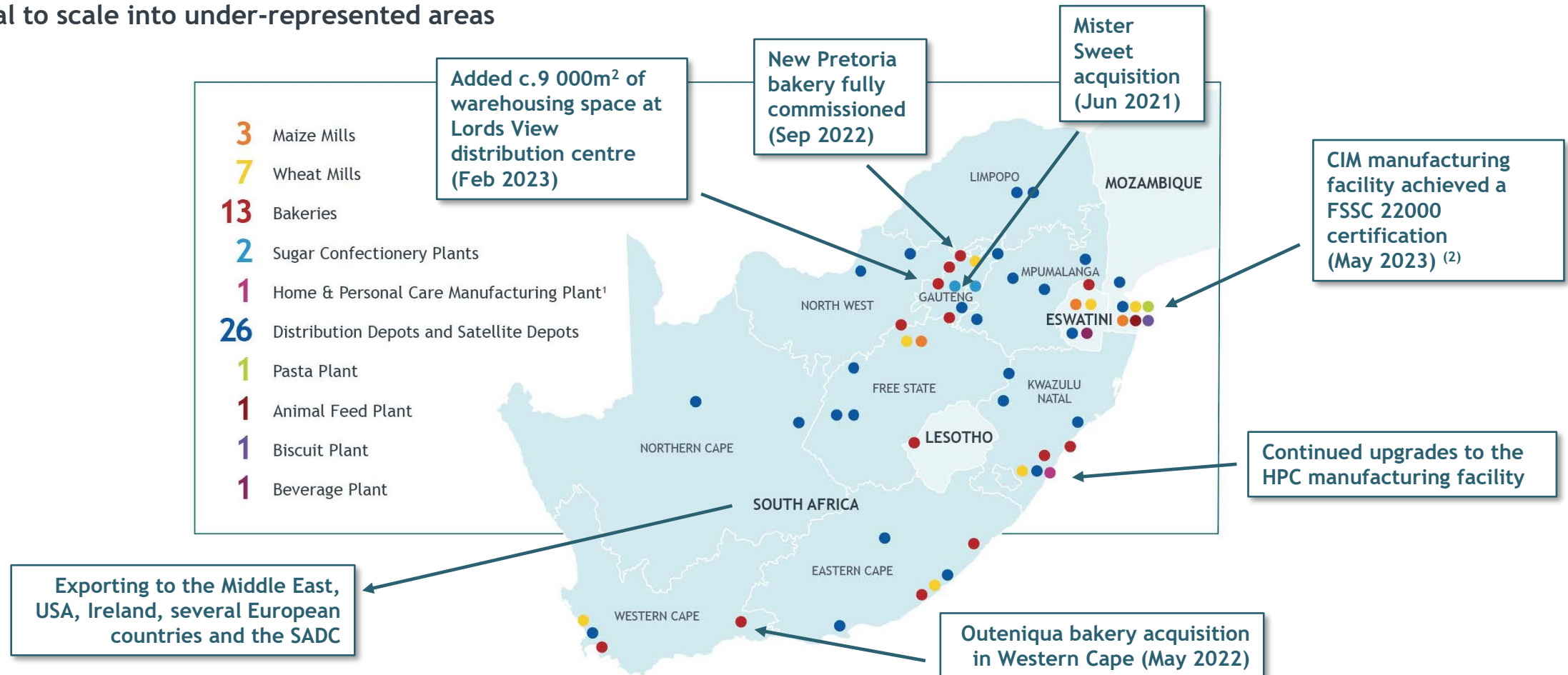
- » Revenue and adjusted EBITDA grew 23% and 16% respectively ⁽¹⁾
- » Despite exceptionally high commodity prices, loadshedding and social instability
- » Consumer under pressure with rising food inflation and high levels of unemployment
- » Proactive management of product price increases offset rising input costs
 - Supported by volume growth in Millbake of 1%
 - Focus remained on internal cost saving initiatives and delivery of material operational efficiencies
 - New Pretoria bakery fully commissioned during FY2023
 - Extracted synergies from Mister Sweet and bakery acquisitions
 - Changes to sales and merchandising structures bedded down
- » c.R32 million loadshedding expenses incurred
- » Increased stockholding of key raw materials due to global supply chain disruptions
- » Group gearing remains in line with historical levels providing flexibility for expansion



(1) Prior year EBITDA adjusted by adding back an impairment loss of R130 million

OPERATIONAL FOOTPRINT

Potential to scale into under-represented areas



(1) Lil-lets has offices in both SA and the UK;

(2) First manufacturing facility in Mozambique to achieve this accreditation

OUR STRATEGY

OUR PURPOSE
is to ensure our products and people make a difference in the everyday lives of our consumers

UNLOCKING FUTURE GROWTH TO DELIVER ATTRACTIVE SHAREHOLDER RETURNS

OUR GROWTH STRATEGY has remained steadfast over the past decade

Delivering consistent revenue and EBITDA growth

Through efficiencies, agile execution and a systematic focus on being the lowest cost producer in the Millbake category

Crafted the direction to position Premier at the forefront as one of South Africa's pre-eminent CPG companies

OUR BUSINESS
is aligned to our strategy through four pillars



Grow together to be the best

- » Consciously building an inclusive culture, creating a sense of belonging for all Premier employees
- » Intentional focus on developing diverse succession pipeline and competence at all levels



Be brilliant at the basics

- » Best cost producer, lowest cost to market
- » Forward share to reflect market share
- » Relentless product quality
- » War on waste and damages
- » Accelerate export growth



Unlock future growth

- » Capex plan for growth and best cost
- » Build M&A pipeline, small and transformational
- » Disruptive and agile thinking



Earn the right to operate in our communities

- » Purpose led marketing, sales and CSI for growth
- » Accelerate solar rollout and conversion to natural gas
- » Pro-actively manage exposure to municipal infrastructures

ESG HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH 2023

Earning the right to operate in our communities by being mindful of our responsibility to society and to the planet

R67 million donated

towards the alleviation of hunger
and disaster relief nutrition providing

50 million meals

Step change in relationships
with all three spheres of

government - local,
provincial and national

Donated over 345 000 pads
keeping more than

17 000 girls at school

for the week of their period

Plastic saving

initiatives to reduce
packaging materials

429

childhood educational
facilities upgraded

Solar installations at
sites providing

300 MWH
of renewable energy

16 000

trees and

8 million m³
landfill space saved

R22 million spent on training

3 016 employees and providing access to learnership and
apprenticeship programmes for over 300 employees

Enterprise Development initiative creating over

80 jobs and supporting our first
black female driver



TRANSFORMATION UPDATE



Achieved a verified
Level 5 B-BBEE
contribution status
in June 2022



Established black ownership
in the South African
operations through a
BEE Trust - 5.1%



Focus remains on **improving transformation** including:

- » Transforming all levels of management
- » Basic skills development
- » Unemployment levels through apprenticeships and learnership programmes
- » Improve to a Level 4 B-BBEE contribution status



02

FINANCIAL PERFORMANCE

Fritz Grobbelaar
Group CFO

FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED 31 MARCH 2023

Robust performance showcasing disciplined cost management and strategy execution

Revenue

R17.9bn

(+23% YOY)

EBITDA

R1.7bn

(+16% YOY) ⁽¹⁾

EBITDA margin

9.6%

(2022: 10.2%) ⁽¹⁾

Operating profit

R1.3bn

(+28% YOY) ⁽¹⁾

Operating profit margin

7.2%

(2022: 6.9%) ⁽¹⁾

Net profit

R795m

(+186% YOY)

Net profit margin

4.4%

(2022: 1.9%)

Normalised HEPS ⁽²⁾

552 cps

(+23% YOY)

(1) Prior year EBITDA and operating profit adjusted by adding back an impairment loss of R130 million;

(2) Normalised headline earnings per share adjusted for foreign exchange gains on cash and loans of a funding nature of R60 million (2022: R3 million) and by the reversal of accrued withholding tax on preference dividends of R43 million to profit on the conversion of the redeemable preference shares to ordinary shares

FINANCIAL HIGHLIGHTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Capital raised by Brait
through IPO

R3.6bn

Market capitalisation at
31 March 2023

R7.7bn

Cash generated by operations

R1.5bn

(+9% YOY)

Pre-IPO cash returned to
shareholders ⁽¹⁾

R958m

(2022: R173m)

Voluntary debt repayment

R294m

Group leverage ratio

1.7x

(2022: 1.6x)

ROIC ⁽²⁾

19.1%

(2022: 14.8%)

ROE ⁽³⁾

31.5%

(2022: 11.7%)

(1) Cash returned to shareholders comprises the repayment of share capital of R932 million, dividends paid of R2 million and finance costs paid on shareholder funding of R24 million;

(2) Refers to return on invested capital which was adjusted for the revaluation of intangibles in the current year and capital projects not yet commissioned in the prior year;

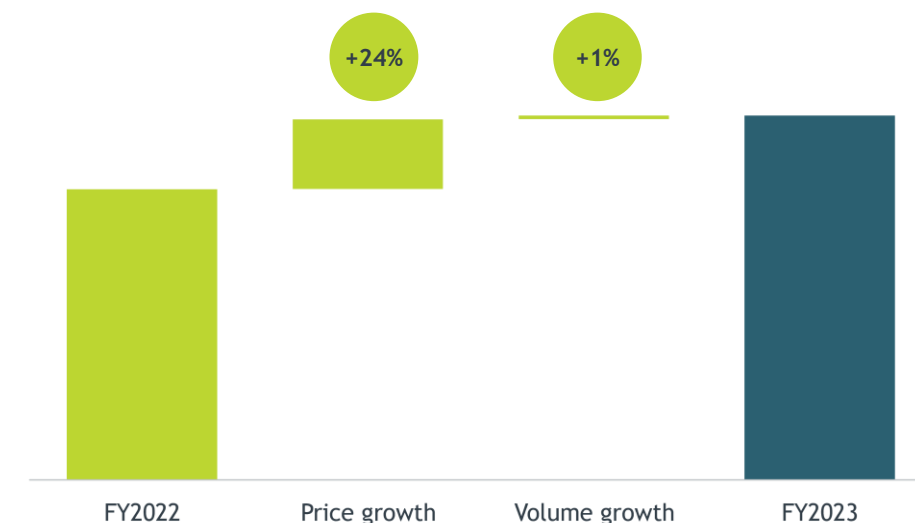
(3) Refers to return on equity adjusted for the revaluation of intangibles

DIVISIONAL FINANCIAL PERFORMANCE

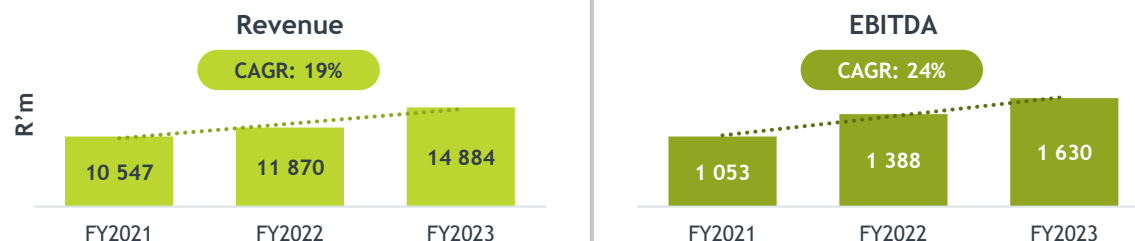
Strong performance largely driven by growth and efficiencies in the Millbake division

Revenue (R'm)	FY2023	FY2022	% variance
Millbake	14 884	11 870	25%
Groceries and International	3 055	2 668	15%
Total	17 939	14 538	23%
Adjusted EBITDA (R'm)	FY2023	FY2022	% variance
Millbake	1 630	1 388	17%
Groceries and International ⁽¹⁾	206	200	3%
Corporate	(105)	(98)	7%
Total	1 731	1 490	16%
Adjusted EBITDA margin	FY2023	FY2022	
Millbake	11.0%	11.7%	
Groceries and International ⁽¹⁾	6.7%	7.5%	

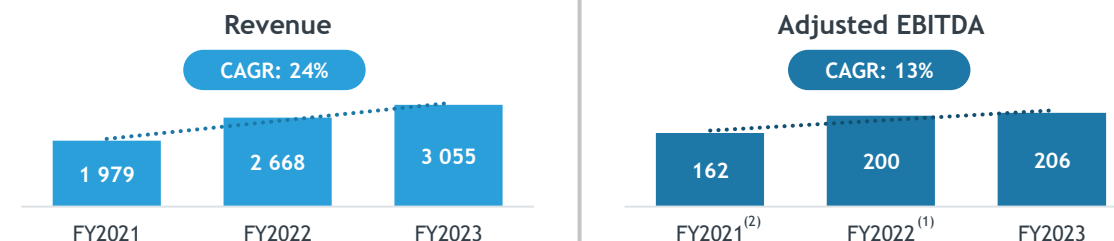
Millbake revenue volume price mix



MILLBAKE



GROCERIES AND INTERNATIONAL



(1) Prior year EBITDA adjusted by adding back an impairment loss of R130 million;

(2) Once-off restructuring costs have been excluded from Groceries and International in FY2021 Adjusted EBITDA

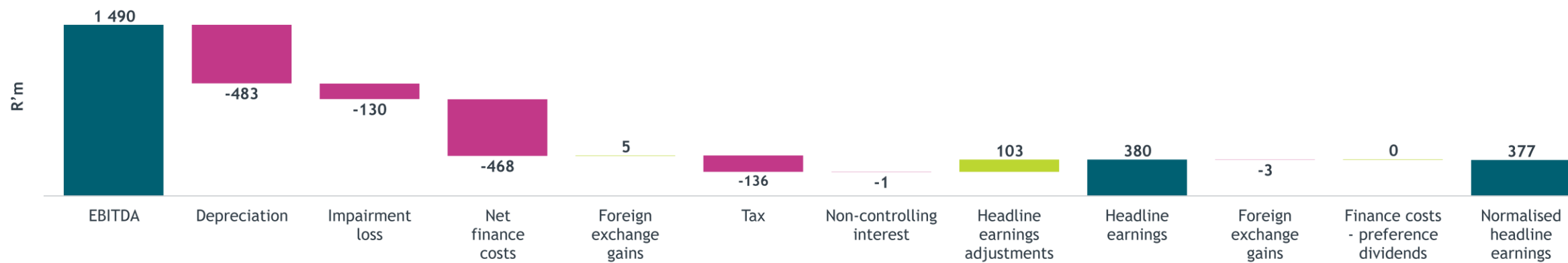
HEADLINE EARNINGS WATERFALL

FY2023

■ Increase ■ Decrease ■ Total

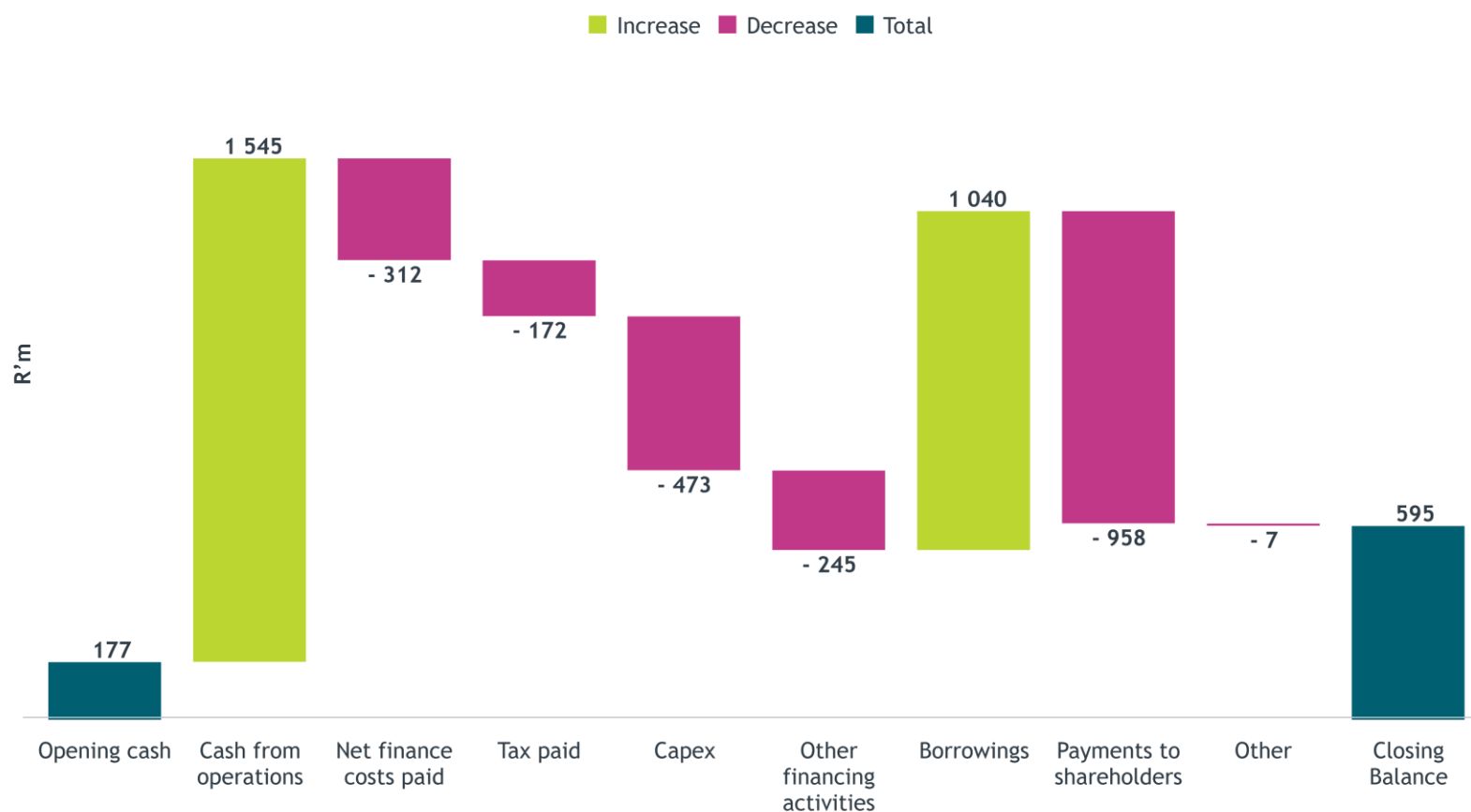


FY2022



CASH FLOW

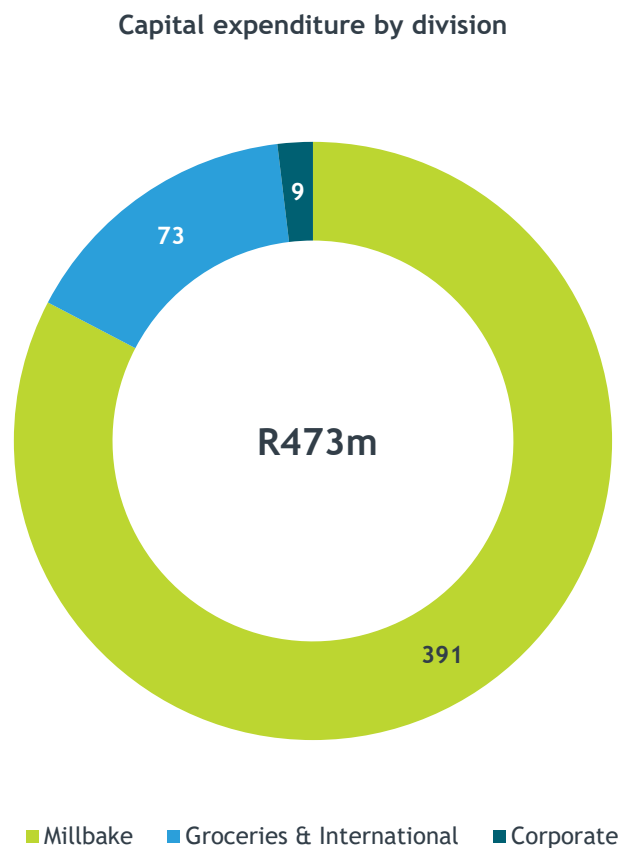
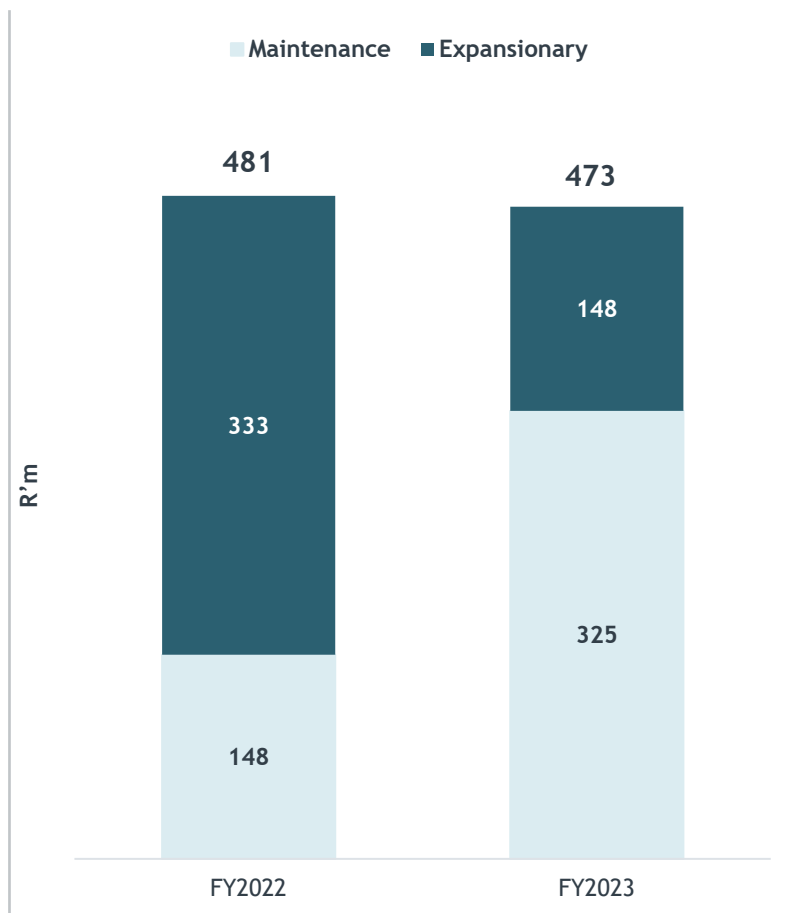
Strong cashflow has enabled the business to maintain budgeted capex and make capital repayments on loan facilities



- » Cashflow from operations increased by 9% to R1.5 billion as a result of the strong Group performance
- » The group invested R274 million in working capital for the year (2022: R85 million)
 - Rising input prices have driven investment in working capital
- » Capex of R473 million of which R325 million was maintenance capex and R148 million was expansionary
- » Free cash flow of R1.0 billion (2022: R993 million)
 - Lower free cash flow conversion of 58% (2022: 67%) a result of increased levels of working capital and maintenance capex
- » Cash returned to shareholders of R958 million (2022: R173 million)
- » Voluntary capital repayment of R294 million was made on the RCF during the year

CAPITAL EXPENDITURE

Capex for the year was in line with the prior year



» Capital expenditure was R473 million (2022: R481 million)

» In keeping with Premier's strategy of achieving growth and being the best cost producer, investment in best-in-class facilities is an ongoing priority

» Capital expenditure to revenue was 2.6% (2022: 3.3%)

» The significant projects undertaken were:

- Upgrades to two bakeries, improvements to two mills and investment in confectionery sites to improve efficiencies

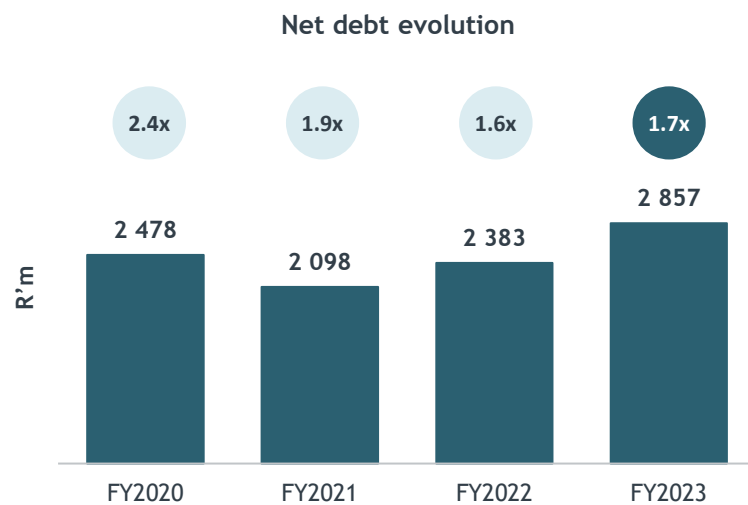
» In order to continue to drive growth and support maintenance across the business, future capex is anticipated to be broadly in line with historical levels

- The capex programme is expected to average R600 million per year for FY2024 and FY2025 and R500 million thereafter
- Expansionary capex over the next two years will primarily be dedicated to the upgrade and expansion of the Aero-ton bakery

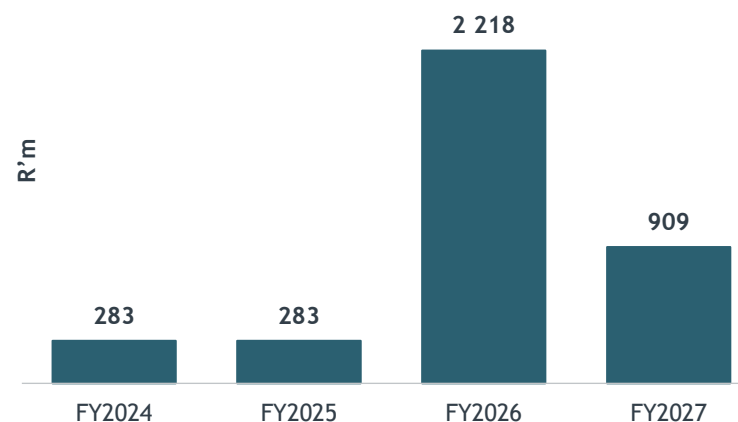
DEBT BREAKDOWN

Group leverage ratio in line with historic levels

R'm	FY2023	FY2022
Borrowings	2 949	2 302
Lease liabilities	302	258
Less: Net cash	(394)	(177)
Total net debt	2 857	2 383
 Group leverage ratio	 1.7x	 1.6x



Borrowings maturity profile



Secured bank facilities

- » **RCF facility :**
4-year maturity at JIBAR plus 1.45%
- » **Term facility:**
3-year maturity at JIBAR plus 1.35%

» Group leverage ratio of 1.7x (2022: 1.6x)

» Premier FMCG, refinanced its long-term debt and increased debt by R1.04 billion

- Of this, R950 million was distributed to Premier shareholders pre-listing

» The refinanced debt package provides greater flexibility to Premier:

- Lower margin than the previous debt (c.100bps reduction)
- Comprises a 3-year bullet of R1.9 billion and a 4-year revolving credit facility (RCF) of R1.0 billion which replaced the short term, amortising debt facility
- Increased covenant headroom

» Voluntary capital repayment of R294 million was made on the RCF during the year

- The capital repayment is available to be withdrawn for future funding needs if required



03

DIVISIONAL PERFORMANCE

Kobus Gertenbach
Group CEO

MILLBAKE

Revenue

83%

The MillBake business has performed in challenging economic conditions

- Business is well positioned to drive further growth
 - » Focus is on efficiencies and being the lowest cost producer
 - » State-of-the-art Pretoria bakery fully commissioned in September 2022
 - First major step to upgrade inland capability to the same quality and consistency of the coastal bakeries
 - Increased efficiency benefit flowing through in H2
 - » Upgraded several Millbake facilities to ensure continued excellence and efficient and reliable delivery of top-quality product
 - » Route-to-market optimisation and fleet efficiencies implemented
- Investment in brands continues to promote brand awareness and loyalty in our communities
- Improved performance across the Milling and Breakfast business resulted in annual gains in market share and profitability
 - » Under-pinned by pro-active grain procurement, relentless focus on efficiencies and service levels
- An additional 9 000m² of leased warehousing space was added to the Group's central distribution centre in Gauteng in early 2023 catering for future growth








MILLBAKE

Revenue

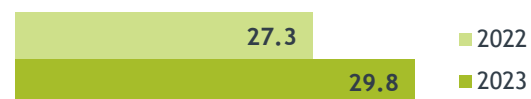
83%

BAKING

			31 MAR 2023	31 MAR 2022
	BREAD MARKET SHARE ⁽¹⁾			
NATIONAL		↑	25.9%	25.2%
INLAND		↑	19.0%	16.9%
WESTERN CAPE		↓	36.6%	38.1%
KZN		↔	29.9%	30.7%
EASTERN CAPE		↑	35.7%	32.0%

- » Bread volume **growth**, in line with industry, despite proactive price increases in response to rising input costs
- » Developed leading **quality white and brown bread recipes**
- » Acquisition of the Outeniqua bakery in the **Western Cape** fully operational and integrated to expand footprint in the region



Premier's bread brand equity score has increased, positioning it as the clear #2 player behind a leading competitor ⁽²⁾



(1) DataOrbis as at 31 March 2023 (trade desk 12-month average by value of sales in the formal SA market);

(2) Kantar, Project Bread 2023

MILLING

		31 MAR 2023	31 MAR 2022
	WHEAT FLOUR MARKET SHARE ⁽¹⁾		
	↑	31.1%	27.4%
	MAIZE MARKET SHARE ⁽¹⁾		
	↔	19.2%	19.3%

» Wheat flour milling **capacity remains a focal point** in terms of capital expenditure

» **Additional wheat milling capacity** planned for the eSwatini wheat mill by mid-2023 calendar year

» Steady performance in the maize category underpinned by demand in the **staple food category** in Southern Africa

MILLBAKE

Revenue

83%

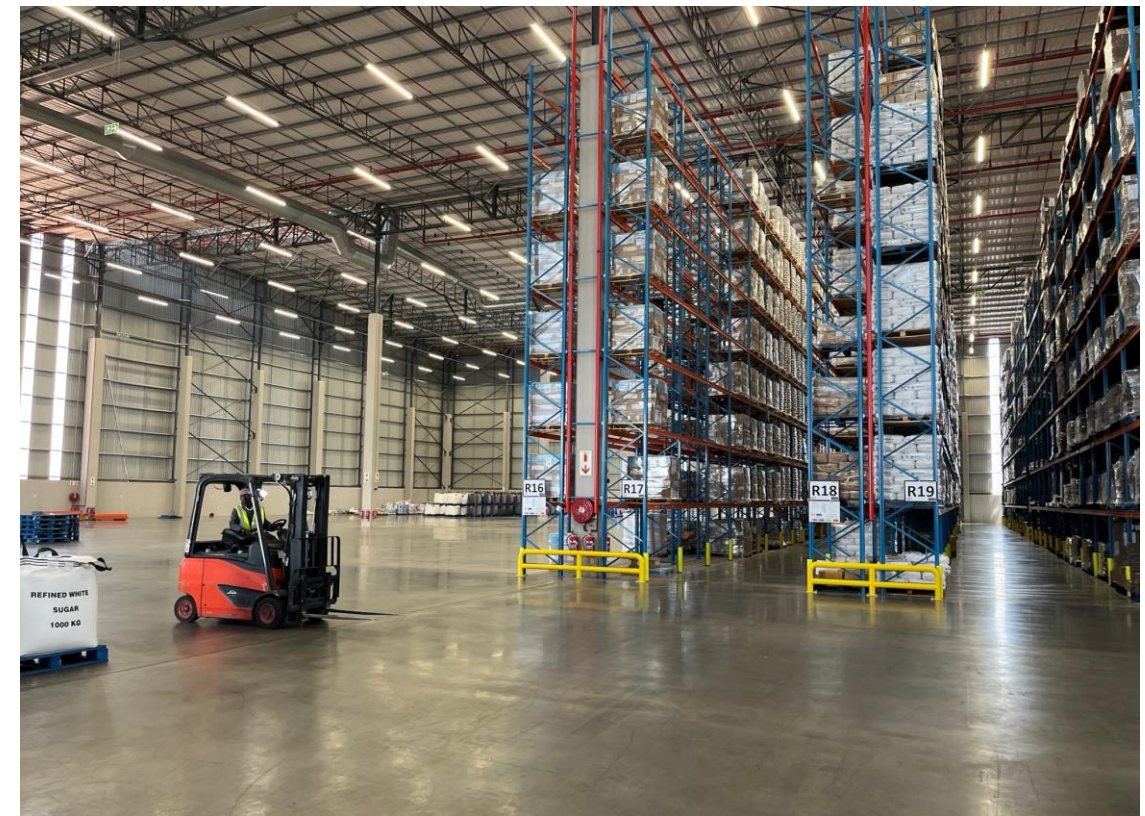
NEW PRETORIA BAKERY

Fully commissioned in September 2022



LORDS VIEW DISTRIBUTION CENTRE

One of the largest green warehouses in South Africa



GROCERIES AND INTERNATIONAL

Revenue

17%

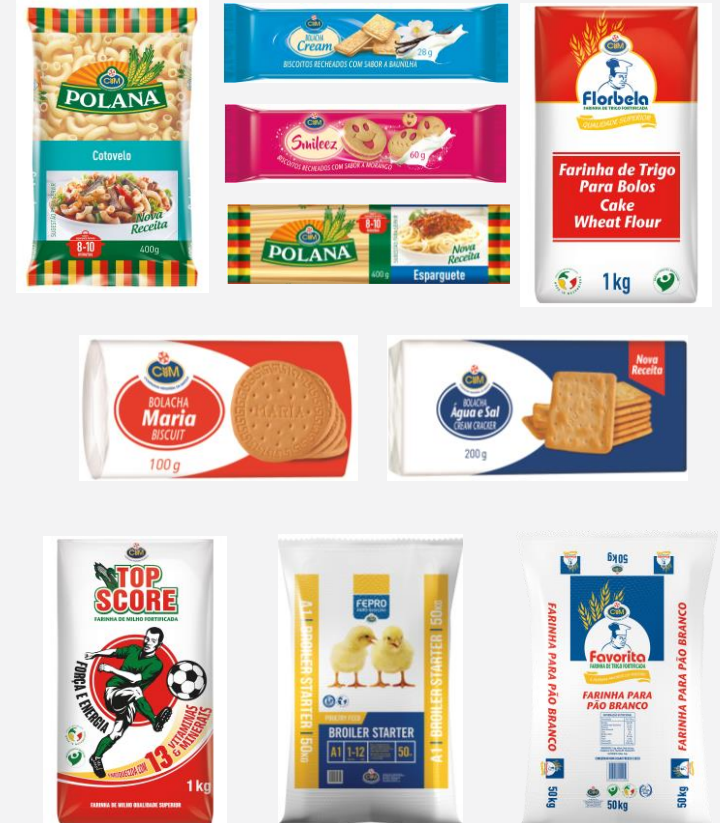
CONFECTIONERY



HOME AND PERSONAL CARE



CIM



GROCERIES AND INTERNATIONAL CONFECTIONERY

Sugar Confectionery delivered an encouraging performance for the year with both revenue and EBITDA up on the prior year

- **Mister Sweet acquisition in H2 FY2022 fully integrated**
 - » Focus is on site manufacturing optimisation and functionality to improve operational performance
 - » Creating centres of excellence, building scale and efficiencies
 - » Ensuring health, safety and environmental standards are elevated in line with Group standards
- **The acquisition expanded Premier's offering significantly in growing private label category**
 - » Improving service levels on private label supply
 - » Active innovation funnel to ensure top line growth and sustain long term relationships
- **Exports to Rest of Africa countries and further abroad deliver growth**
- **Solar installations delivering a level of sustainability and reduced electricity costs**

CONFECTIONERY ⁽¹⁾	31 MAR 2023	31 MAR 2022
	16.4%	18.7%







(1) DataOrbis as at 31 March 2023 (trade desk 12-month average for Premier's defined segments (gums & jellies, mallows, chews, compressed & boiled candies/lollies, toffees and liquorice) by value of sales in the formal SA market)

GROCERIES AND INTERNATIONAL

HOME AND PERSONAL CARE

The HPC division performed well with both revenue and EBITDA up on the prior year

- Initiatives in the UK division have delivered pleasing results
- Continue to build a centre of excellence at Durban facility to unlock future supply chain opportunities
- Strategy to leverage Lil-lets brand within broader feminine hygiene category expanding channels and markets
- Sustainability innovations to reduce plastic packaging and introduce organic cotton products progressing well

FEMCARE SA MARKET ⁽¹⁾		31 MAR 2023	31 MAR 2022
		22.4%	23.1%
FEMCARE UK MARKET ⁽²⁾		15 APR 2023	15 APR 2022
Non-applicator tampons		77.0%	75.7%
Maternity pads		26.7%	14.8%

(1) DataOrbis as at 31 March 2023 (trade desk 12-month average by value of sales of the combined Femcare and Cotton Wool segments);

(2) IRI value share data for 52 weeks ending 15th April 2023

GROCERIES AND INTERNATIONAL

CIM

Revenue and EBITDA down for the year in the CIM business in Mozambique

- The macro environment has not been conducive for growth and consumers remain severely under pressure
 - » Several events impacted disposable income:
 - Insurgency in the Capo Delgado region resulted in natural gas development projects being stalled
 - › These projects are expected to transform the economy, providing employment and foreign capital inflows
 - Inflation, caused by rising wheat and maize prices, impacted an already stressed consumer
 - Government reneging on the payment of 13th cheques subdued festive season trading
 - Flooding caused by Cyclone Freddy resulted in supply chain disruptions
 - › Certain channels de-stocked prior to the flood to protect against damage and stock losses, which has since normalised
- Continued South African imports of competitor maize is affecting pricing and volumes
 - » This has been escalated to the relevant government departments for intervention
- FDI and donor programmes have recently restarted which are likely to stimulate consumer demand
- Management focus remains on product and process innovation, operational efficiencies and sensible capital investment to unlock continuous improvement opportunities/automation and category growth



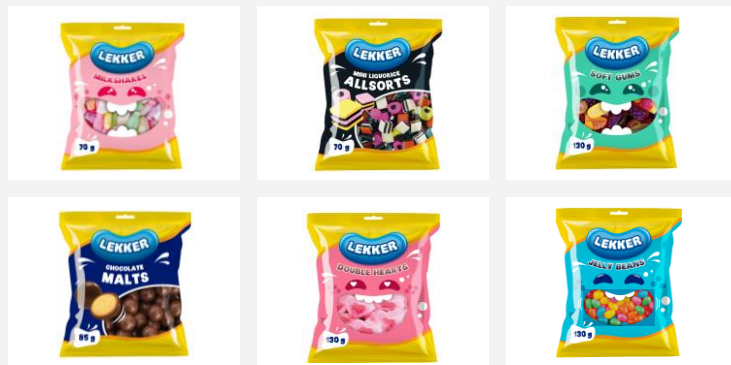
PRIVATE LABEL

The Group has a growing and profitable private label offering

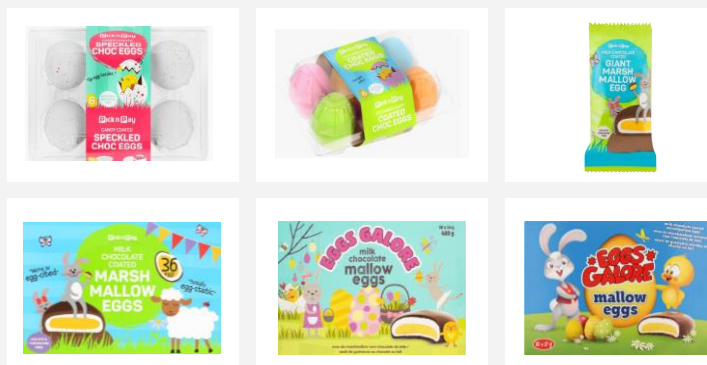
- Over 150 SKUs extending across 5 categories, generating close to R500 million revenue
- Confectionery is the largest contributor to overall private label revenue at 60%
 - » Other private label categories include bakeries (bread, sandwich thins and stackers), beverages (mageu and multigrain), milling (instant porridge) and HPC (applicator tampons)
 - » Recently partnered with UK retailer Sainsburys to launch a private label applicator tampon range
- Private label continues to gain importance in all major retailers with retailers actively setting targets in terms of future growth ambitions for private label contribution ⁽¹⁾

CONFECTIONERY

PEP ALL YEAR RANGE RE-LAUNCH - JULY 2022

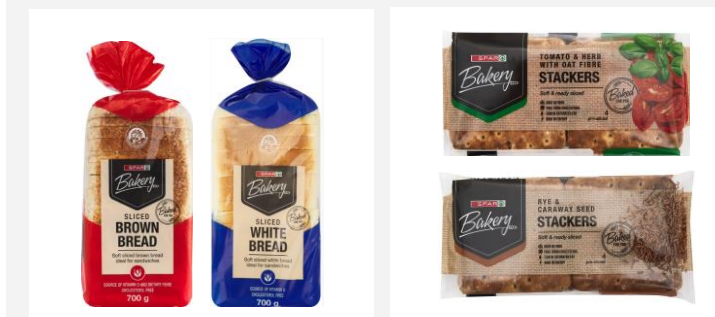


PICK'NPAY AND SHOPRITE EASTER APRIL 2022/2023



BAKERIES

SPAR BAKERY BREAD NATIONAL LISTING & PACKAGING UPDATE APRIL-JUNE 2022



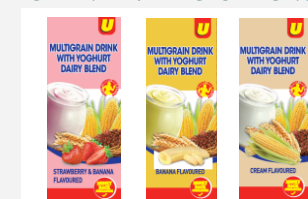
HPC

SAINSBURY'S APPLICATOR TAMPON LAUNCH - OCT 2022



BEVERAGES

USAVE MULTIGRAIN BEVERAGES LAUNCH - JUNE 2022



(1) Trade Intelligence 2022 (Daymon (2022)), Euromonitor (2022)



04

OUTLOOK

Kobus Gertenbach
Group CEO

OUTLOOK

Continue to invest in our assets - our people, our brands and our production capability - to achieve best cost, maintain high quality standards and facilitate growth

Consciously build an inclusive culture of high performing teams and create a sense of belonging

Continued business integration and optimisation to leverage our infrastructure and capabilities in pursuit of best cost producer

Continue to manage input costs in a global inflationary environment

Increase market penetration through improved distribution and product availability and forward share management

Strategic innovation and product renovation to further grow market share, product margins and brand equity

Remain alert to acquisition opportunities and expansion into adjacent categories

Continue providing support to communities in need

Reduce our carbon footprint by prioritising cleaner energy initiatives and the elimination of waste in the manufacture and distribution of our products

Trading update for the two months to end May:

Solid start to the new financial year with performance in line with targets

Softening raw material input cost inflation expected to lower revenue growth compared to the prior year

Loadshedding continues to pose multiple operational challenges

Higher interest rates driving increased interest expense, but manageable

Aeroton bakery upgrade expected to commence during second half of 2023 calendar year

Premier intends to declare a maiden dividend on the back of the FY2024 financial results



05

Q&A



06

APPENDIX

INCOME STATEMENT

R'm	FY2023	FY2022	% variance
Revenue	17 938	14 538	23%
Adjusted EBITDA ⁽¹⁾	1 731	1 490	16%
Adjusted EBITDA margin	9.6%	10.2%	(0.6%)
Depreciation and amortisation	(439)	(483)	(9%)
Adjusted operating profit ⁽¹⁾	1 292	1 007	28%
Adjusted operating profit margin	7.2%	6.9%	0.3%
Impairment losses	-	(130)	
Operating profit	1 292	877	47%
Operating profit margin	7.2%	6.0%	1.2%
Net finance costs - 3rd party	(309)	(220)	40%
Finance income/(costs) - shareholder funding ⁽²⁾	19	(248)	(108%)
Foreign exchange gain on cash and loans of a funding nature	56	5	1020%
Profit before tax	1 058	414	156%
Income tax expense	(263)	(136)	93%
Net profit for the year	795	278	186%
Net profit margin	4.4%	1.9%	2.5%
Non-controlling interest	(1)	(1)	
Attributable profit to owners of the Company	794	277	187%
Earnings per share (cents)	630.4	330.5	91%
Headline earnings per share (cents)	633.6	453.3	40%
Normalised headline earnings per share (cents) ⁽³⁾	551.7	449.5	23%


- » Revenue increased y-o-y by 23%, Millbake revenue contributed 83% of total revenue
- » Adjusted EBITDA increased 16% y-o-y despite dynamic economic and trading conditions
- » Both gross profit and adjusted EBITDA margin retracted from 32.9% to 30.2% and 10.2% to 9.6% respectively
- » c.R32 million loadshedding expense incurred during the year
- » Maintained focus on lowest cost producer initiatives through continuous improvement projects, facilities upgrades and responsible resource allocation
- » Consistent application of procurement policy mitigating rising soft commodity prices to support margins
- » Finance cost reduced from R468 million to R289 million (shareholder funding converted to equity)
- » Adjusted operating profit margin increased to 7.2% from 6.9%
- » Earnings per share increased by 91% from 331 to 630 cents
- » Headline earnings per share increased by 40% from 453 to 634 cents
- » Normalised headline earnings per share increased by 23% from 450 to 552 cents
- » Return on invested capital of 19.1% - an increase of 4.3% over the prior year

(1) Prior year EBITDA and operating profit adjusted by adding back an impairment loss of R130 million;

(2) Once-off accrued withholding tax of R43 million not due or payable was reversed to profit during the current year;

(3) Normalised headline earnings per share adjusted for foreign exchange gains on cash and loans of a funding nature of R60 million (2022: R3 million) and by the reversal of accrued withholding tax on preference dividends of R43 million to profit on the conversion of the redeemable preference shares to ordinary shares

CASH FLOW

R'm	FY2023	FY2022	% variance
Cash flow from operations before working capital	1 819	1 500	21%
Working capital movement	(274)	(85)	222%
Cash flow from operations	1 545	1 415	9%
Maintenance capex	(325)	(148)	120%
Taxation paid	(172)	(237)	(27%)
Purchase of intangible assets	(45)	(38)	18%
Free cash flow	1 003	992	1%
Free cash flow conversion ⁽¹⁾	58%	67% 	(9%)
Interest paid	(336)	(376)	(11%)
- Shareholders	(24)	(153)	(84%)
- 3rd party	(312)	(223)	40%
Dividends and repayment of share capital	(934)	-	-
Repayment of shareholder loan	-	(20)	-
Expansionary capex	(148)	(333)	(56%)
Acquisitions	(23)	(428)	(95%)
Proceeds from borrowings	1 040	460	126%
Net proceeds from bank overdraft	201	-	-
Repayment of borrowings and lease liabilities	(446)	(327)	36%
Net cash on other investing /financing activities	42	(22)	(291%)
Net movement	399	(54)	(839%)
Effect of exchange rate	19	(1)	-
Opening balance	177	232	(24%)
Closing balance	595	177	236%

(1) Free cash flow calculated as a percentage of adjusted EBITDA



BALANCE SHEET

R'm	FY2023	FY2022
Property, plant and equipment	3 840	3 658
Right-to-use assets	251	218
Intangibles	1 704	1 673
Other non-current assets	57	66
Current assets	4 220	3 086
Cash and cash equivalents	596	291
Total assets	10 668	8 992
Equity	3 210	(5)
Redeemable preference shares	-	1 790
Loan from shareholder	-	1 492
Borrowings - non-current	2 927	2 123
Lease liabilities - non-current	249	204
Deferred income tax	619	596
Other non-current liabilities	47	83
Other current liabilities	3 340	2 361
Borrowings - current	22	179
Lease liabilities - current	53	55
Bank overdraft	201	114
Total equity and liabilities	10 668	8 992



ADDITIONAL INFORMATION

Return on invested capital is a robust measure of profitability and efficiency of capital allocation

R'm	FY2023	FY2022	FY2021
Equity	(3 210)	5	303
Redeemable preference shares	-	(1 790)	(1 700)
Loan from shareholder	-	(1 492)	(1 512)
Adjustment: Revaluation of internally generated intangibles	722	722	722
Adjusted equity	(2 488)	(2 555)	(2 187)
Net debt	(2 857)	(2 383)	(2 098)
Adjustment: Capital projects not yet commissioned	-	411	276
Adjusted invested capital - current year	(5 345)	(4 527)	(4 009)
Adjusted invested capital - prior year	(4 527)	(4 009)	
Average invested capital	(4 936)	(4 268)	
Operating profit	1 292	877	
Operating profit (1 - t)	943	631	
Return on invested capital	19.1%	14.8%	

Reconciliation between headline earnings and normalised headline earnings

R'm	FY2023	FY2022
Headline earnings	798	380
Adjusted for:		
Foreign exchange gains on cash and loans of a funding nature	(60)	(3)
Finance costs - Preference dividends	(43)	-
Normalised headline earnings	695	377



SUSTAINABILITY UPDATE



Developed an ESG strategy in 2017
defined by our philosophy of
"Doing what is Right"



Acknowledging our long-term responsibility to care for and protect our people, our communities and the environment in which we operate



Parallels with elements of our corporate strategy and our long-standing commitment to our purpose



Aligned with several relevant UN SDGs to assist in progressing our sustainability journey

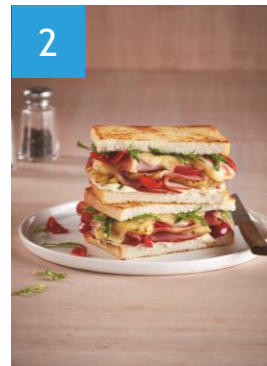
The **four pillars** of this strategy below address our collective responsibility to ensure our activities are a force for good - reducing and mitigating any potentially negative impact our operations may impose on the environment and simultaneously cutting costs and maximising efficiencies in order to remain competitive, build a sustainable business and create value for our stakeholders into the future



1

OUR PEOPLE

- » Operational safety and compliance
- » Diversity and inclusivity
- » Full and productive employment
- » Wellbeing



2

OUR PRODUCT

- » Safety and security
- » Availability and accessibility



3

OUR PLANET

- » Climate change
- » Energy
- » Water
- » Waste
- » Sourcing



4

OUR COMMUNITIES

- » Nutrition
- » Education
- » Community

GOVERNMENT

- » Government relations
- » Regulatory environment



2

ZERO HUNGER



4

QUALITY EDUCATION



5

GENDER EQUALITY



6

CLEAN WATER AND SANITATION



7

AFFORDABLE AND CLEAN ENERGY



8

DECENT WORK AND ECONOMIC GROWTH



10

REDUCED INEQUALITIES



12

RESPONSIBLE CONSUMPTION AND PRODUCTION



13

CLIMATE ACTION



17

PARTNERSHIPS FOR THE GOALS

SUSTAINABILITY UPDATE – OUR RESPONSE



1

PROTECTING THE HEALTH AND SAFETY OF OUR EMPLOYEES

- » Safety of our employees remains a priority
 - 90% of sites achieved the standard Health and Safety Star rating of 5 Stars, 60% achieved the extended 6 Star rating
- » Maintained best practice site safety accreditations
 - Majority of manufacturing sites FSSC 22000 certified or GOTS, FSC and ISO 4001 certified where relevant
- » Invested R22 million in training and development during the year
 - Trained more than 3 000 employees over 13 000 training days



2

ENSURING PRODUCT SAFETY AND ACCESSIBILITY

- » State-of-the-art facilities
- » Aimed to conform to best practice in the CPG industry
- » Provided detailed and accurate on-pack information building trust and transparency
- » Product improvement through recipe reformulations, salt and sugar reduction
- » Exceptional logistics capability distributed product street by street to both formal and informal trade outlets
 - c.45 000 deliveries per day



3

PROTECTING OUR PLANET

- » Implemented successful projects to reduce greenhouse gas emissions
 - Site conversions to cleaner energy - paraffin to natural gas
 - Solar installations to reduce electricity usage
 - Fleet efficiency and route optimisation
- » Waste reduction and management programmes
 - 96% of our packaging materials are recyclable and 100% of our bread packaging



4

CONTRIBUTING TO SOCIAL UPLIFTMENT WITHIN COMMUNITIES

- » R67 million of product donated to alleviate hunger, provide disaster relief and menstrual hygiene
 - Over 3 million loaves, maize meal and beverages donated providing c.50 million meals
 - 345 000 pads donated allowing over 17 000 girls to attend school during their period
- » 104 disabled youths engaged in a learnership programme assisting with upskilling and employment opportunities
- » Enterprise Supplier Development Programme created over 80 jobs
- » Upgraded several childhood educational facilities across the country

GOVERNMENT

- » Managed government relations at national, provincial and municipal level
- » Participated in forums to help influence the development of regulatory frameworks
- » Contributed to proposed policy and regulatory amendments that impacted Premier
- » Participated in Presidential Business Forums