Interim results presentation for the six months ended 30 September 2023

13 November 2023

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01

KEY PERFORMANCE HIGHLIGHTS AND BUSINESS OVERVIEW

Kobus Gertenbach
Group CEO

FINANCIAL AND BUSINESS HIGHLIGHTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

→ Resilient financial performance despite ongoing economic challenges

- » Revenue growth slowed as bread pricing remained flat and maize became deflationary
- » Operating margins returned to long term averages after declining somewhat during inflationary wave experienced last year
- » Cash generation used to fund capex and repay term debt
- » Continuing to pursue further acquisition opportunities where feasible
  - Sellers' price expectations remain elevated
- » Teamed up with Goldkeys International (Pty) Ltd to provide sales, merchandising and distribution services for the Golden Delight rice brand by leveraging our customer relationships and distribution network
- » Launched improved quality Sunblest pasta range into select channels in the SA market after completion of pasta manufacturing plant rebuild in Mozambique

→ Millbake

- » Pretoria bakery on track to deliver business case
- » Aeroton bakery closed for rebuild which commenced in August 2023
- » Good progress with Mthatha bakery rebuild which is scheduled for completion by the end of the financial year

FINANCIAL AND BUSINESS HIGHLIGHTS CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

→ Groceries and International

- » Ongoing focus on site manufacturing optimisation and functionality remains critical
  - Achieving cost efficiencies in Home and Personal Care (HPC) and Sugar Confectionery
  - Increased capacity installed at Durban HPC facility enabling onshoring of supply to the UK market
- » New innovations in exports
  - Lil-lets products launched on Amazon in the US
  - Super C variations launched under private label to the US market
- » Leveraging Group HPC infrastructure to expand participation within the broader Personal Care category
  - Acquisition of a 35% stake in a UK based niche skin care treatment range under the brand Science of Skin (SOS)
- » Solar installation, implemented at the Manhattan facility, has resulted in appropriate efficiencies
- » Ongoing support initiatives aimed at reducing period poverty and shame in South Africa and the UK

FINANCIAL AND BUSINESS HIGHLIGHTS CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

→ Groceries and International continued

- CIM business in Mozambique remained under pressure
  - Consequence of macro factors and double-digit food inflation during the period
- Business poised to capitalise on anticipated economic recovery through established efficiencies in manufacturing capability

→ Appointments to the Board and Executive

- Corrie Roodt resigned as Chairman of the Board after 12 years
- Iaan van Heerden was appointed Chairman with immediate effect
- Faith Khanyile was appointed as Lead Independent Director
- Rolf Hartmann resigned as a Director and was appointed to EXCO as Commercial Managing Executive

MARKET SHARES

Significant and stable market shares across key categories (1)

FLOUR

#1 BY VALUE

Sept 2022 33.7%

Sept 2023 34.2%

BREAD

#2 BY VALUE

Sept 2022 25.4%

Sept 2023 26.4%

HPC (2)

#2 BY VALUE

Sept 2022 22.9%

Sept 2023 22.0%

MAIZE

#2 BY VALUE

Sept 2022 20.2%

Sept 2023 18.9%

CONFECTIONERY (3)

2 BY VALUE

Sept 2022 18.0%

Sept 2023 15.7%

(1) DataOrbis (trade desk 12-month average by sales value). Private label excluded from value share.
(2) Premier share of the combined Femcare and Cotton Wool segments.
(3) Premier share of its defined segments.

ESG HIGHLIGHTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

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

R11 million
spent on training over 1750 employees

Achieved a **Level 4 B-BBEE** rating in June 2023

Constructive engagement with **government** building key relationships

>120 jobs
created by Enterprise Development Programme in bakery distribution to date

R32 million donated
towards the alleviation of hunger and disaster relief providing
29 million meals

Achieved an
81% score
in our annual People Survey with
97% participation

Cost savings and **CO2 emissions reduction** through improved bakery logistics

New **solar installation** at Manhattan confectionery in January 2023 delivering appropriate efficiencies

02

FINANCIAL PERFORMANCE

Fritz Grobbelaar
Group CFO

FINANCIAL HIGHLIGHTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Good performance achieved through relentless focus on service delivery and margin management

Revenue	EBITDA	EBITDA margin	Operating profit
R9.4bn	**R1.0bn**	**10.9%**	**R805m**
(+7%)	(+24%)	(H1 2023: 9.4%)	(+33%)

Operating profit margin	Net profit	Net profit margin	Normalised HEPS
8.6%	**R424m**	**4.5%**	**331 cps**
(H1 2023: 6.9%)	(+6%) [1]	(H1 2023: 4.6%) [1]	(+25%) [1]

(1) H1 2023 normalised headline earnings per share were reduced by foreign exchange gains on cash and loans of a funding nature of R36 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. These items were once-off adjustments and were included in prior period net profit.

FINANCIAL HIGHLIGHTS CONTINUED

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2023

Cash generated from operations
R831m
(+34%)

Voluntary debt repayment [1]
R357m

Group leverage ratio
1.4x
(H1 2023: 1.4x)

ROIC [2]
20.7%
(H1 2023: 14.9%)

ROE [3]
27.3%
(H1 2023: 17.8%)

(1) *Voluntary debt repayment consists of R250 million voluntary capital repayment made on the RCF borrowings facility and R107 million repayment made on the bank overdraft during the interim period.*
(2) *Refers to return on invested capital which was reduced by the revaluation of intangibles and capital projects not yet commissioned in the prior period. Refer to page 25 in the Appendix section for a detailed breakdown of the ROIC calculation.*
(3) *Refers to return on equity reduced by the revaluation of intangibles.*

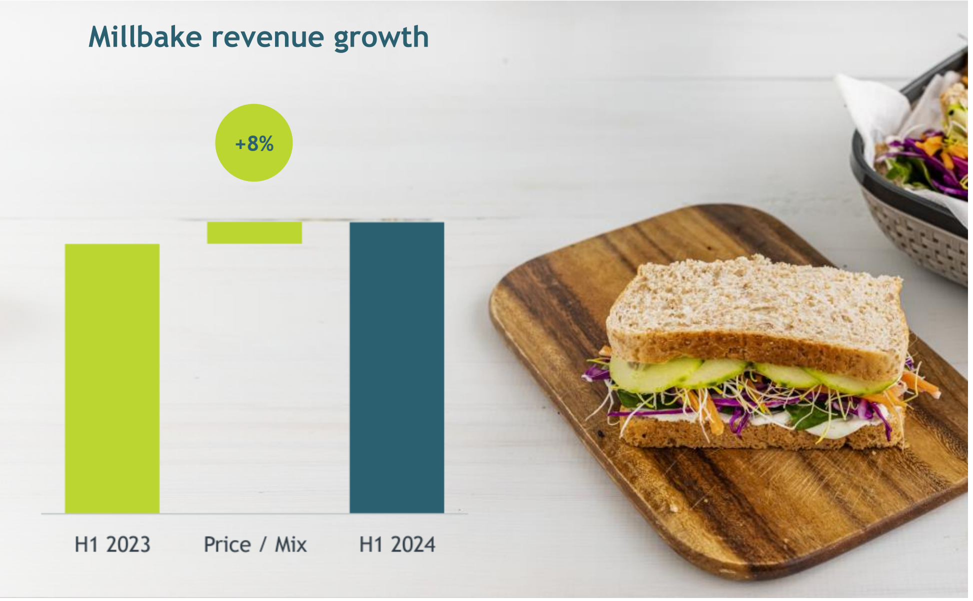
DIVISIONAL FINANCIAL PERFORMANCE

Efficiencies and an agile approach driving growth across all Millbake categories

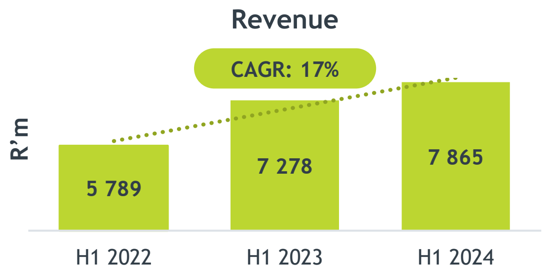
Revenue (R'm) [1][2]	H1 2024	H1 2023	% variance
Millbake	7 865	7 278	8%
Groceries and International	1 482	1 453	2%
Total	**9 347**	**8 731**	**7%**

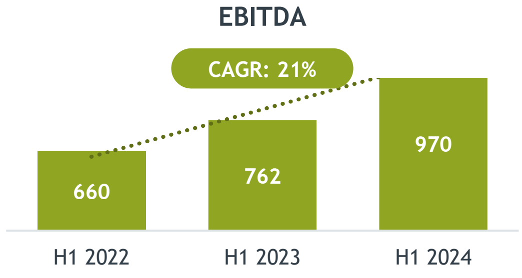
EBITDA (R'm) [1]	H1 2024	H1 2023	% variance
Millbake	970	762	27%
Groceries and International	107	111	(4%)
Corporate	(60)	(52)	15%
Total	**1 017**	**821**	**24%**

EBITDA margin	H1 2024	H1 2023
Millbake	12.3%	10.5%
Groceries and International	7.2%	7.6%

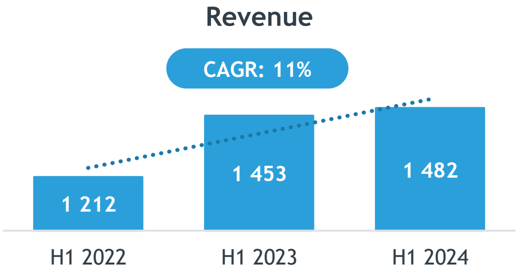


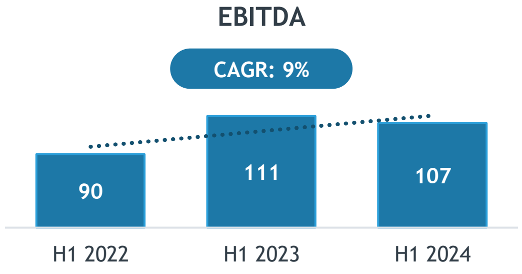
MILLBAKE





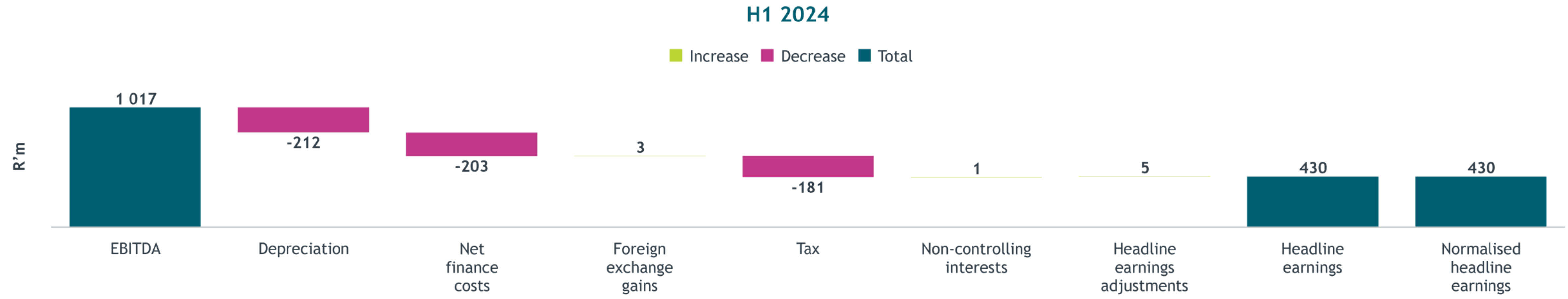
GROCERIES AND INTERNATIONAL

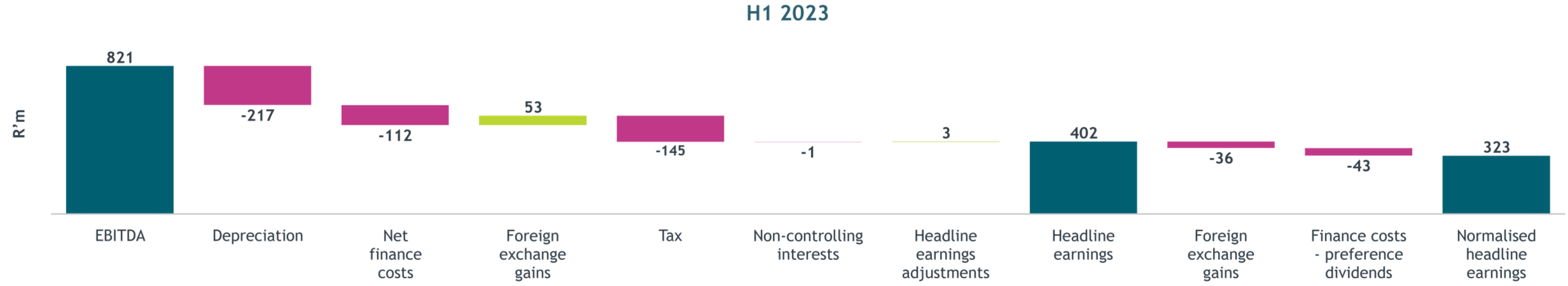




(1) *Revenue and EBITDA for H1 2023 and H1 2022 have been restated to reflect the reallocation of Nutritional Beverages from Groceries and International to Millbake. Revenue was restated by R39 million and R34 million for H1 2023 and H1 2022 respectively and EBITDA by R832 thousand and R33 thousand for H1 2023 and H1 2022 respectively.*
(2) *Revenue from services rendered is excluded for segmental reporting purposes.*

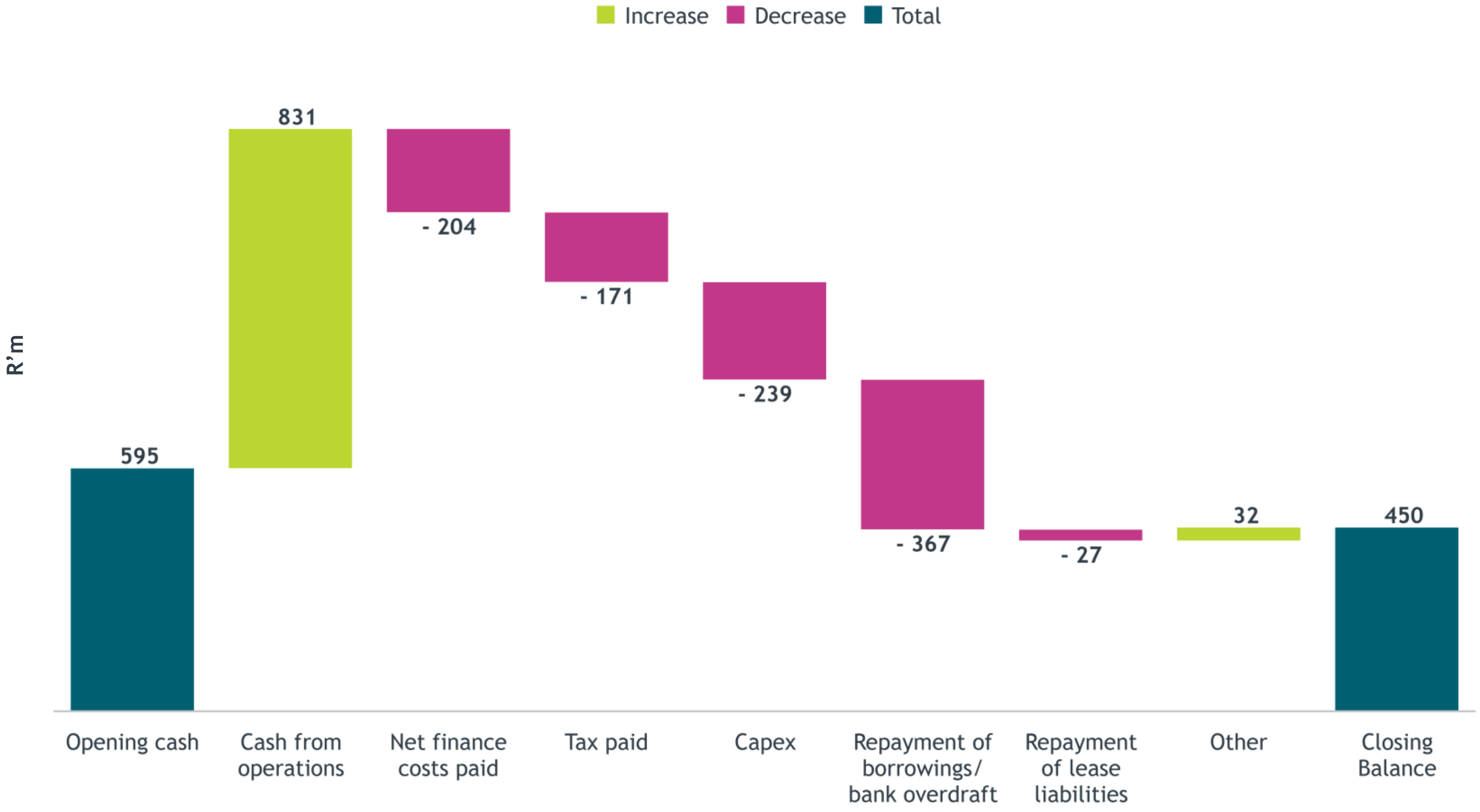
HEADLINE EARNINGS WATERFALL





CASH FLOW

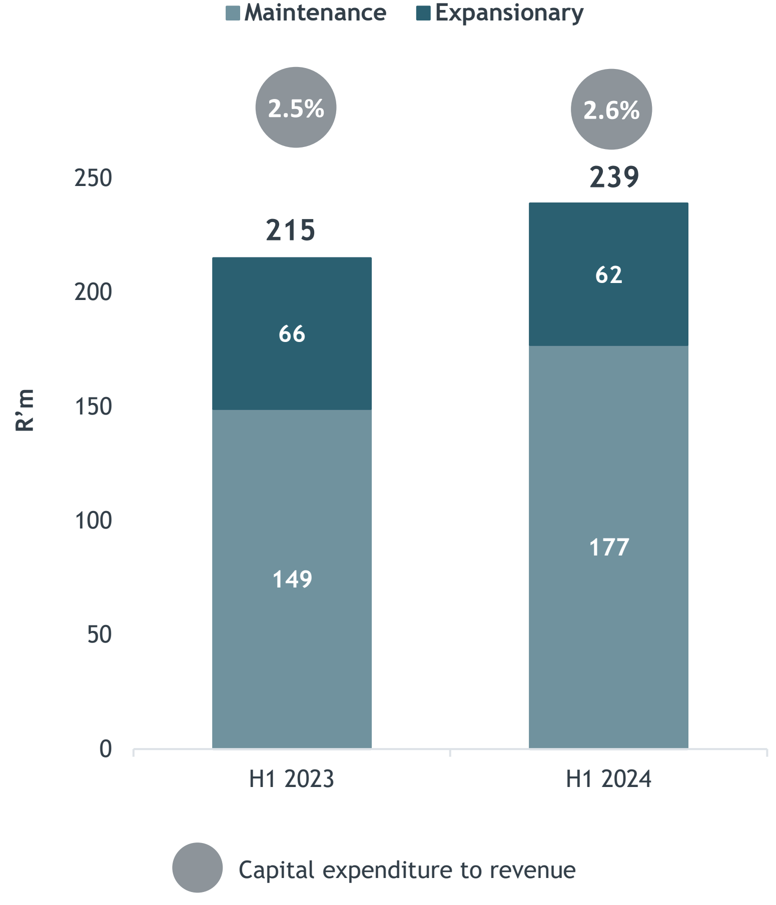
Strong cashflow generated by robust company performance

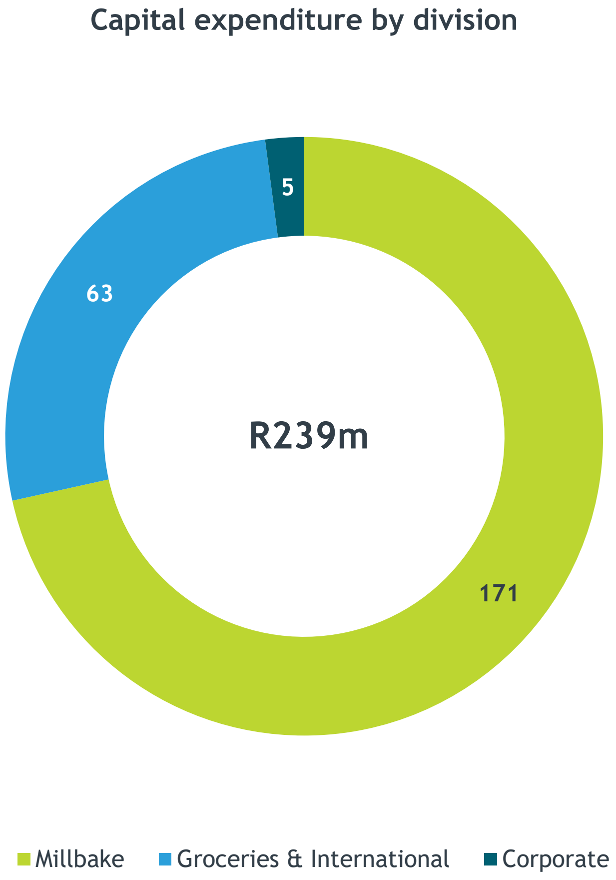


- Cashflow from operations increased by 34% to R831 million
- The group invested R222 million in working capital during H1 2024 (H1 2023: R263 million)
- Free cash flow of R483 million (H1 2023: R389 million)
- Maintained cash flow conversion of 47% (H1 2023: 47%)
- Voluntary capital repayment of R250 million made on the RCF during the period as well as a R107 million repayment on the bank overdraft

CAPITAL EXPENDITURE

Investment in best-in-class facilities is an ongoing priority





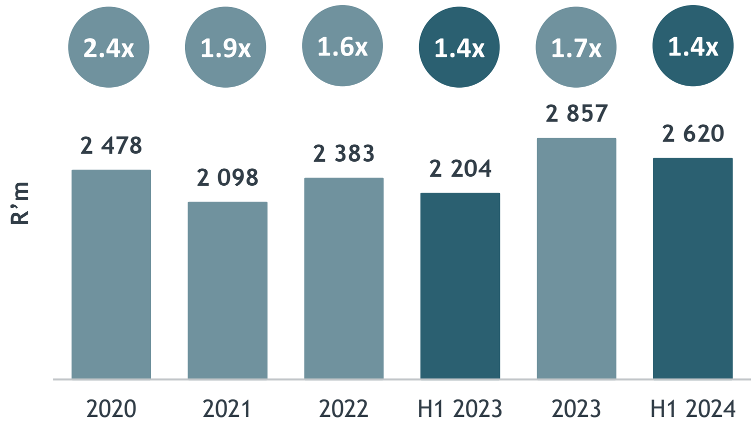
- Capital expenditure for H1 2024 was R239 million (H1 2023: R215 million)
- R177 million was maintenance capex and R62 million was expansionary
- Significant projects undertaken were:
  - Site optimisation at the HPC manufacturing facilities
  - Capacity expansion in tampon manufacturing
  - Investment in a new confectionery liquorice line
- Capital expenditure to revenue was 2.6% (H1 2023: 2.5%)
- 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
  - Expansionary capex over the next two years will primarily be dedicated to the rebuild of the Aeroton bakery

DEBT BREAKDOWN

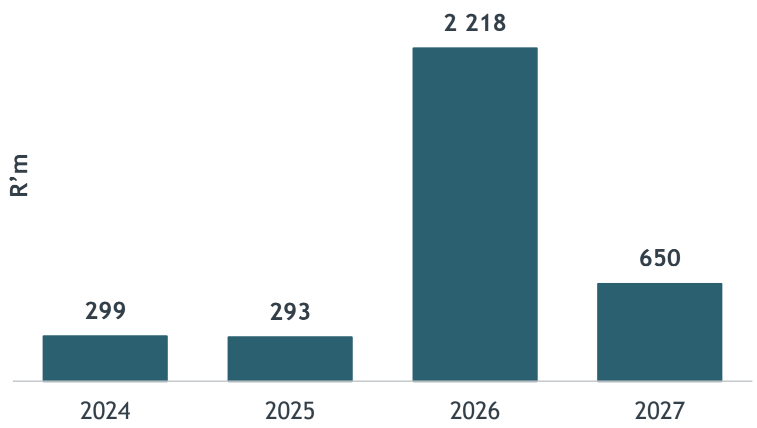
Group leverage ratio in line with historic levels

R'm	H1 2024	H1 2023
Borrowings	2 688	2 213
Lease liabilities	276	238
Less: Net cash	(344)	(247)
Total net debt	**2 620**	**2 204**
Group leverage ratio [(1)]	1.4x	1.4x

Net debt evolution



Borrowings maturity profile [(2)]



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 1.4x (H1 2023: 1.4x)
  - Down from 1.7x at March 2023
  - Improvement in Group leverage ratio compared with historical levels
- Early settlement of RCF debt facility through voluntary debt repayment of R250 million in H1 2024
  - R544 million voluntary debt repayments in the last twelve months
  - The capital repayment is available to be withdrawn for future funding needs if required
- R107 million repayment made on the bank overdraft in H1 2024

(1) Group leverage ratio calculated using LTM EBITDA of R1 927 million for H1 2024 (H1 2023: R1 602 million).
(2) Including capital and interest repayments and excluding any voluntary debt repayments.

03

OUTLOOK

Kobus Gertenbach
Group CEO

OUTLOOK

- Pleasing half year results and well positioned for further growth in H2
- Revenue growth likely to moderate in H2 compared with the prior period which was impacted by significant inflation in soft commodity prices
- Low single digit revenue growth anticipated in H2
- Margins are expected to remain in line with H1
- Expect to benefit from reduced debt levels in H2 due to debt paydown despite higher interest rates
- Continue to focus on bakery capex projects in H2
- Remain alert to value-adding acquisition opportunities, innovation and product renovation to grow market share, maintain and expand product margins and brand equity
- Emphasis remains on entrenching and delivering on our sustainability vision

04

Q&A


TSHIKIKININI
TRADING STORE
TSHIKI
GEN. DE
THE GREAT TASTE
IMPALA
SPECIAL MAIZE MEAL
ENRICHED WITH VITAMINS
5 kg
100% WHITE MAIZE

05

APPENDIX

INCOME STATEMENT

R'm	H1 2024	H1 2023	% variance
Revenue	9 354	8 731	7%
EBITDA	**1 017**	**821**	**24%**
EBITDA margin	10.9%	9.4%	1.5%
Depreciation and amortisation	(212)	(217)	-2%
Operating profit	**805**	**604**	**33%**
Operating profit margin	8.6%	6.9%	1.7%
Net finance costs - 3rd party	(203)	(131)	55%
Finance costs - shareholder funding (1)	-	19	-
Foreign exchange gains	3	53	-94%
Profit before tax	**605**	**545**	**11%**
Income tax expense	(181)	(145)	25%
Net profit for the year	**424**	**400**	6%
Net profit margin	4.5%	4.6%	-0.1%
Non-controlling interest	1	(1)	-
Attributable profit to owners of the Company	**425**	**399**	**7%**
Earnings per share (cents)	326.4	325.5	0%
Headline earnings per share (cents)	330.6	328.1	1%
Normalised headline earnings per share (cents) (2)	330.6	263.7	25%

- Revenue increased by 7% over the period
  - Millbake revenue contributed 84% of total revenue
- EBITDA increased by 24%
- Both gross profit and EBITDA margin improved during the period from 31.3% to 33.2% and 9.4% to 10.9% respectively
- R17 million loadshedding expense incurred
- Focus on best-in-class efficiencies, excellent service levels and site optimisation
- Finance cost increase due to additional long-term debt and higher interest rates
- Operating profit margin increased by 170bps to 8.6%
- Normalised headline earnings per share increased by 25.4% to 330.6 cents
- Return on invested capital of 20.7%, an increase of 580bps over H1 2023

(1) *In H1 2023, once-off accrued withholding tax of R43 million not due or payable was reversed to profit.*
(2) *In H1 2023, normalised headline earnings per share reduced by foreign exchange gains on cash and loans of a funding nature of R36 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	H1 2024	H1 2023	% variance
Cash flow from operations before working capital	**1 053**	**885**	**19%**
Working capital movement	(222)	(263)	-16%
Cash flow from operations	**831**	**622**	**34%**
Maintenance capex	(177)	(149)	19%
Taxation paid	(171)	(84)	104%
Free cash flow	**483**	**389**	**24%**
Free cash flow conversion (1)	47%	47%	-
Interest paid	(204)	(157)	30%
- 3rd party	(204)	(133)	53%
- Shareholders	-	(24)	-
Expansionary capex	(62)	(66)	-6%
Acquisition of associate / business	(7)	(23)	-70%
Net repayment of bank overdraft	(107)	-	-
Repayment of borrowings and lease liabilities	(287)	(119)	141%
Net cash on other investing /financing activities	6	32	-81%
Net movement	**(178)**	**56**	**-418%**
Effect of exchange rate	33	14	136%
Opening balance	595	177	236%
Closing balance	**450**	**247**	**82%**

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

BALANCE SHEET

R'm	H1 2024	H1 2023
Property, plant and equipment	3 932	3 768
Right-to-use assets	221	194
Intangibles	1 681	1 680
Other non-current assets	70	54
Current assets	4 400	3 368
Cash and cash equivalents	450	426
Total assets	**10 754**	**9 490**
Equity	3 684	3 760
Borrowings - non-current	2 664	2 033
Lease liabilities - non-current	234	180
Deferred income tax	590	572
Other non-current liabilities	25	48
Other current liabilities	3 385	2 479
Borrowings - current	24	181
Lease liabilities - current	42	58
Bank overdraft	106	179
Total equity and liabilities	**10 754**	**9 490**

ADDITIONAL INFORMATION

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

R'm	H1 2024	H1 2023	H1 2022
Equity	**3 684**	**3 760**	**(84)**
Redeemable preference shares	-	-	1 743
Loan from shareholder	-	-	1 570
Adjustment: Revaluation of internally generated intangibles	(722)	(722)	(722)
Adjusted equity	**2 962**	**3 038**	**2 507**
Net debt	2 620	2 204	2 598
Adjustment: Capital projects not yet commissioned	-	(301)	(445)
Adjusted invested capital - current year	**5 582**	**4 941**	**4 660**
Adjusted invested capital - prior year	**4 941**	**4 660**	
Average invested capital	**5 262**	**4 801**	
Operating profit	1 493	991	
Operating profit (1 - t)	1 090	713	
Return on invested capital	**20.7%**	**14.9%**	

ADDITIONAL INFORMATION

Reconciliation between headline earnings and normalised headline earnings

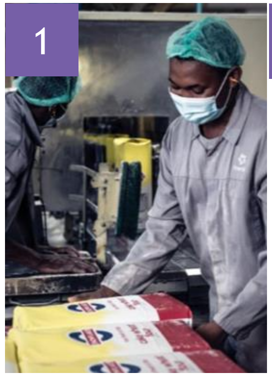
R'm	H1 2024	H1 2023
Headline earnings	430	402
Adjusted for:		
Foreign exchange gains on cash and loans of a funding nature	-	(53)
Finance costs - Preference dividends	-	(43)
Total non-controlling interest and tax effect of adjustments	-	17
Normalised headline earnings	430	323

SUSTAINABILITY

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