



INTERIM RESULTS

for the six months ended March 2024

RFG



PRESENTATION OUTLINE

- 1** REVIEW OF THE SIX MONTHS
- 2** FINANCIAL PERFORMANCE
- 3** TRADING PERFORMANCE
- 4** SUSTAINABILITY
- 5** STRATEGY AND OUTLOOK
- 6** QUESTIONS

REVIEW OF THE SIX MONTHS

RFG





Strong
improvement in
profitability despite
volume pressure

- Group operating profit margin exceeded targeted 10% level despite pressure on sales volumes
- Margin improved 100bps to 10.2%
- Improvement due to focus on revenue management, cost recoveries and operating efficiencies
- Operating leverage through production efficiency gains from capital investment

Constrained
consumer
environment

- Revenue growth driven mainly by price inflation
- Weak domestic consumer spending environment
- Rate of volume decline slowed relative to H1 2023
- Strong market and brand share gains in key categories
- International revenue impacted by ongoing challenges at Cape Town port and softer global pricing

Lower debt

- Debt levels further reduced
- Net debt-to-equity ratio improved from 46.7% to 33.3%



Achieved targets for operating profit margin and return on equity

Metric	Medium-term target	Achieved in H1 2024
Revenue growth	GDP* + CPI + 2.0% (0.6% + 5.3% + 2.0% = 7.9%)	3.2% (H1 2023: 10.2%)
Operating profit margin	10.0%	10.2% (H1 2023: 9.2%)
Return on equity	WACC + 2.0% (13.4% + 2.0% = 15.4%)	15.7%^ (H1 2023: 14.1%^)

Medium-term targets set at the start of the 2022 financial year

* SA National Treasury actual GDP for 2023

^ Rolling 12-month period

FINANCIAL PERFORMANCE

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Revenue growth driven by price inflation

- Group revenue +3.2% to R3.9bn
- Price inflation 6.9%; volumes 6.1% lower
- Regional revenue +5.8%
- International revenue -8.6%

Improved profitability

- Group operating profit +15.2% to R399m
- Operating profit margin improved 100 bps to 10.2%
- EBITDA +14.6% with margin +140 bps
- Load shedding costs R18.2m lower

Cost recoveries and efficiencies

- Regional operating profit +19.7% to R327m
- Operating profit margin +110 bps to 10.0%
- Continued cost recoveries and efficiency gains

Benefit of capex and weaker currency

- International operating profit +0.5% to R73m
- Operating profit margin +110 bps to 11.5%
- Rand weakened 6.7% against basket of currencies
- Efficiency gains from capex at Tulbagh factory



Robust earnings growth

- Earnings per share +20.6% to 100.5 cents
- Headline earnings +20.7% to R262m
- Diluted HEPS +20.4% to 99.8 cents

Efficient cash management and debt reduction

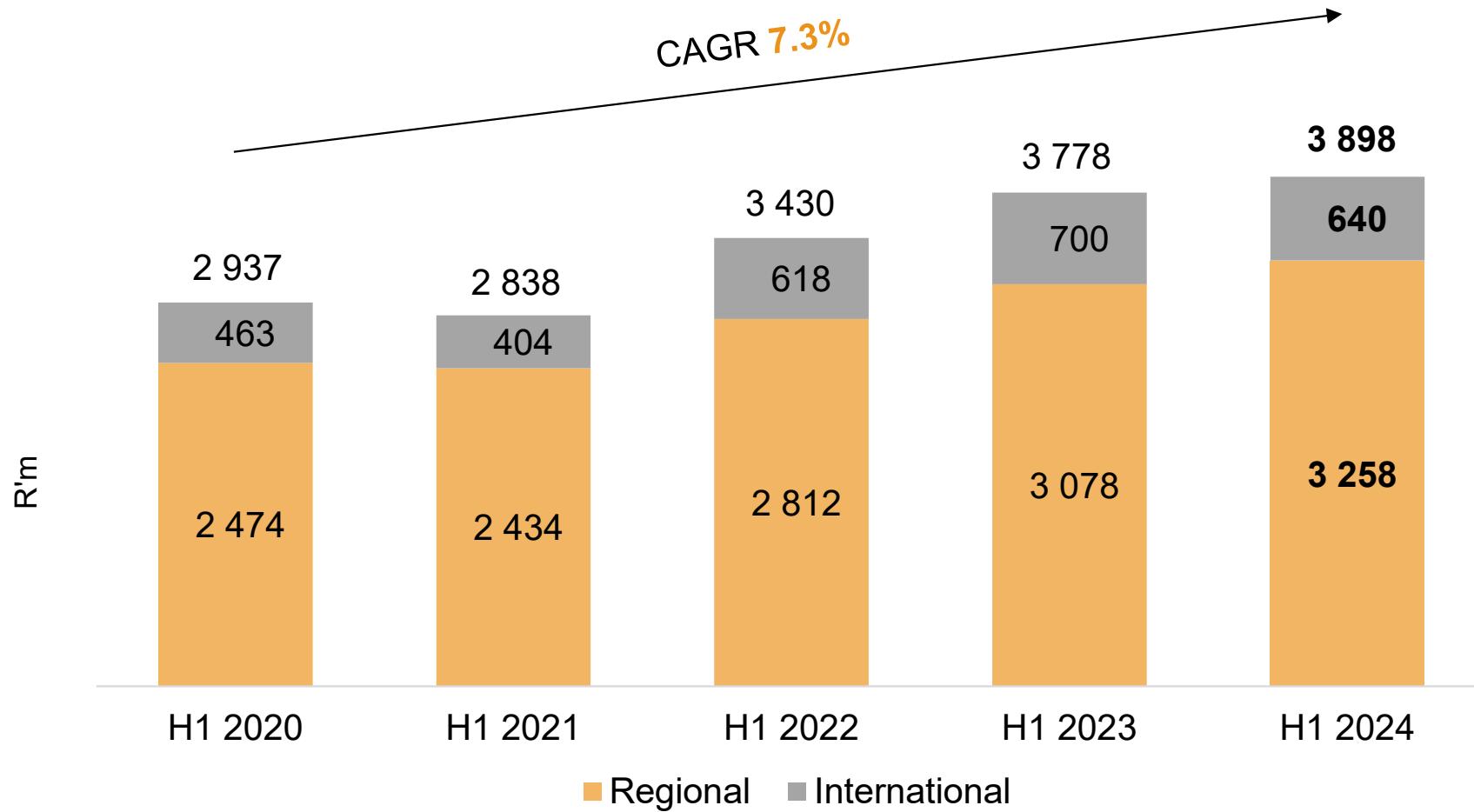
- Net cash outflow from operating activities R38m lower
- Lower investment in working capital partially offset by R55m increase in tax payments
- Repaid long-term loans of R185m
- Net debt R294m lower at R1.17bn

Capital investment focused on efficiency gains

- Capital expenditure R200m (H1 2023: R144m)
- Major spend on upgrade and replacement of equipment at meat and fruit products factories
- Planned capex of R300m for full financial year

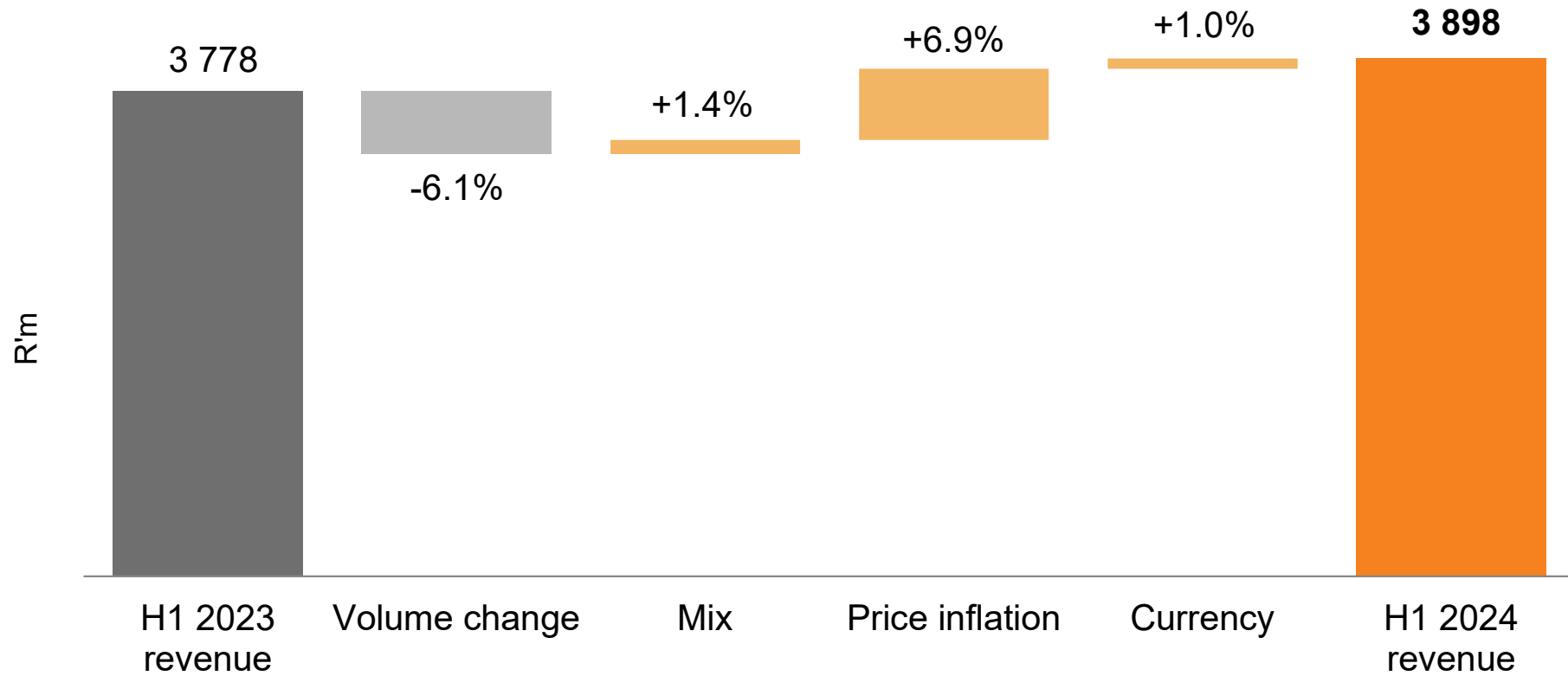
Refer to slides 62 to 64 for the summarised income statement and balance sheet

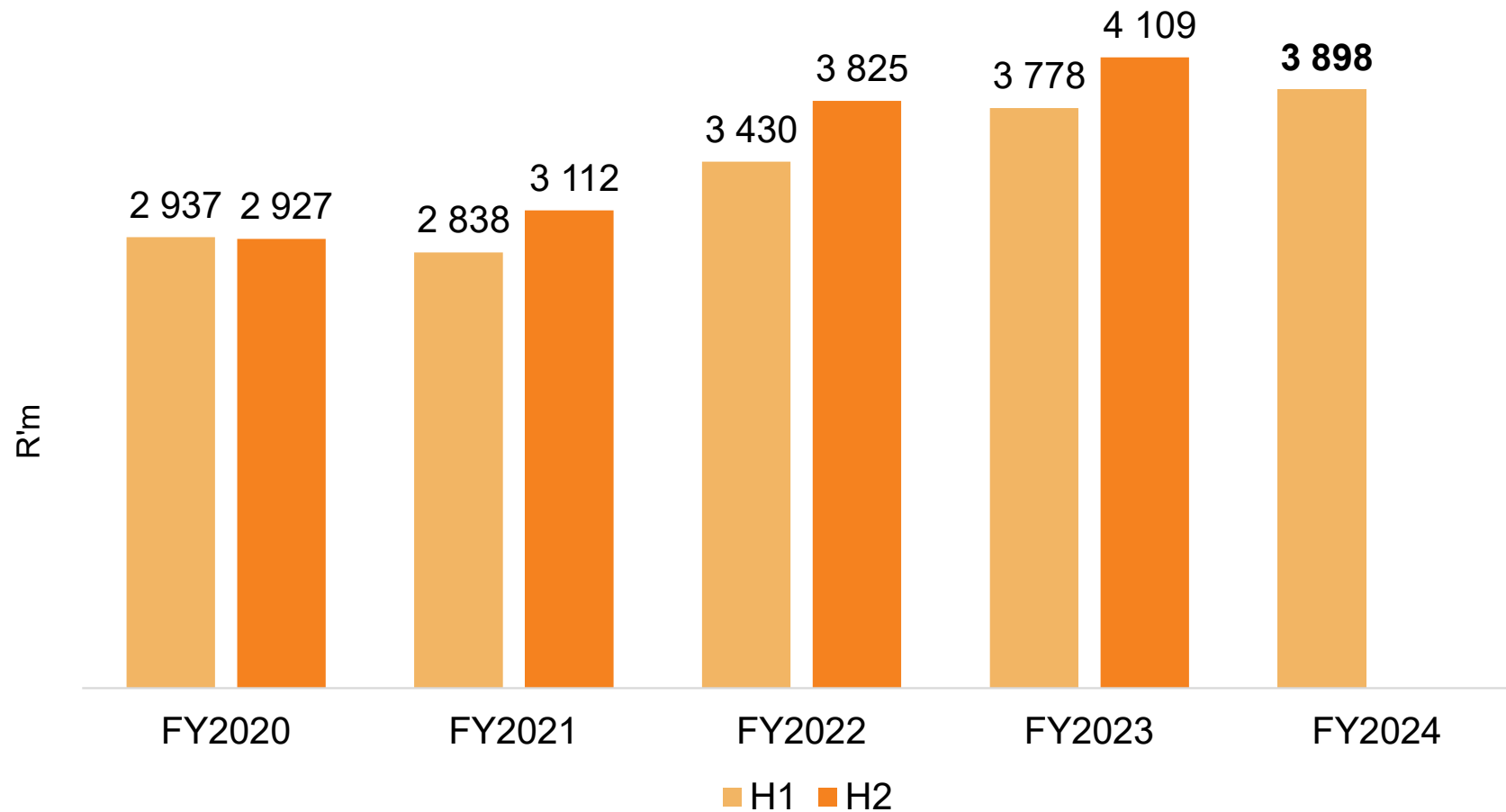
GROUP REVENUE GROWTH





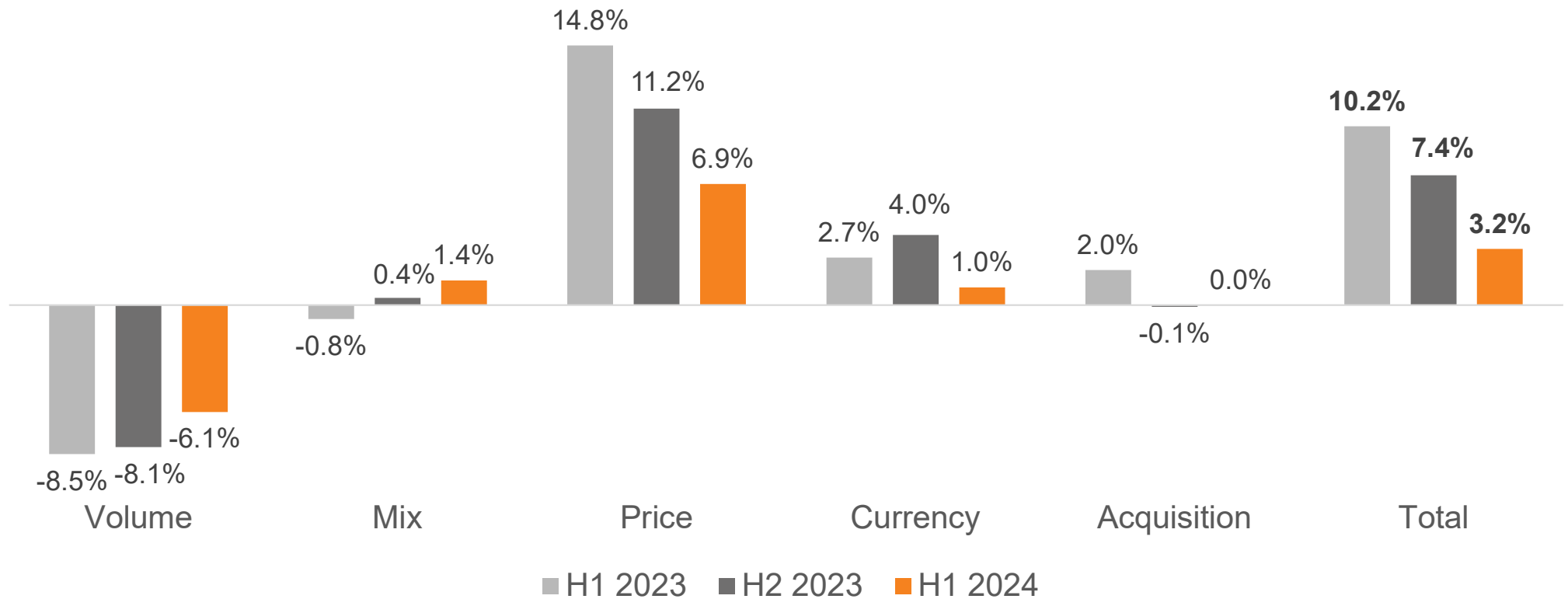
REVENUE GROWTH DRIVERS

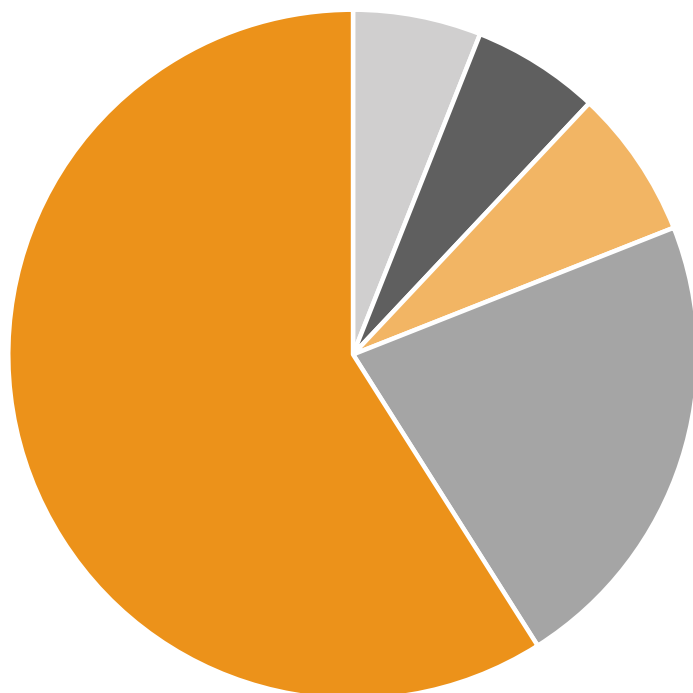






REVENUE GROWTH DRIVERS





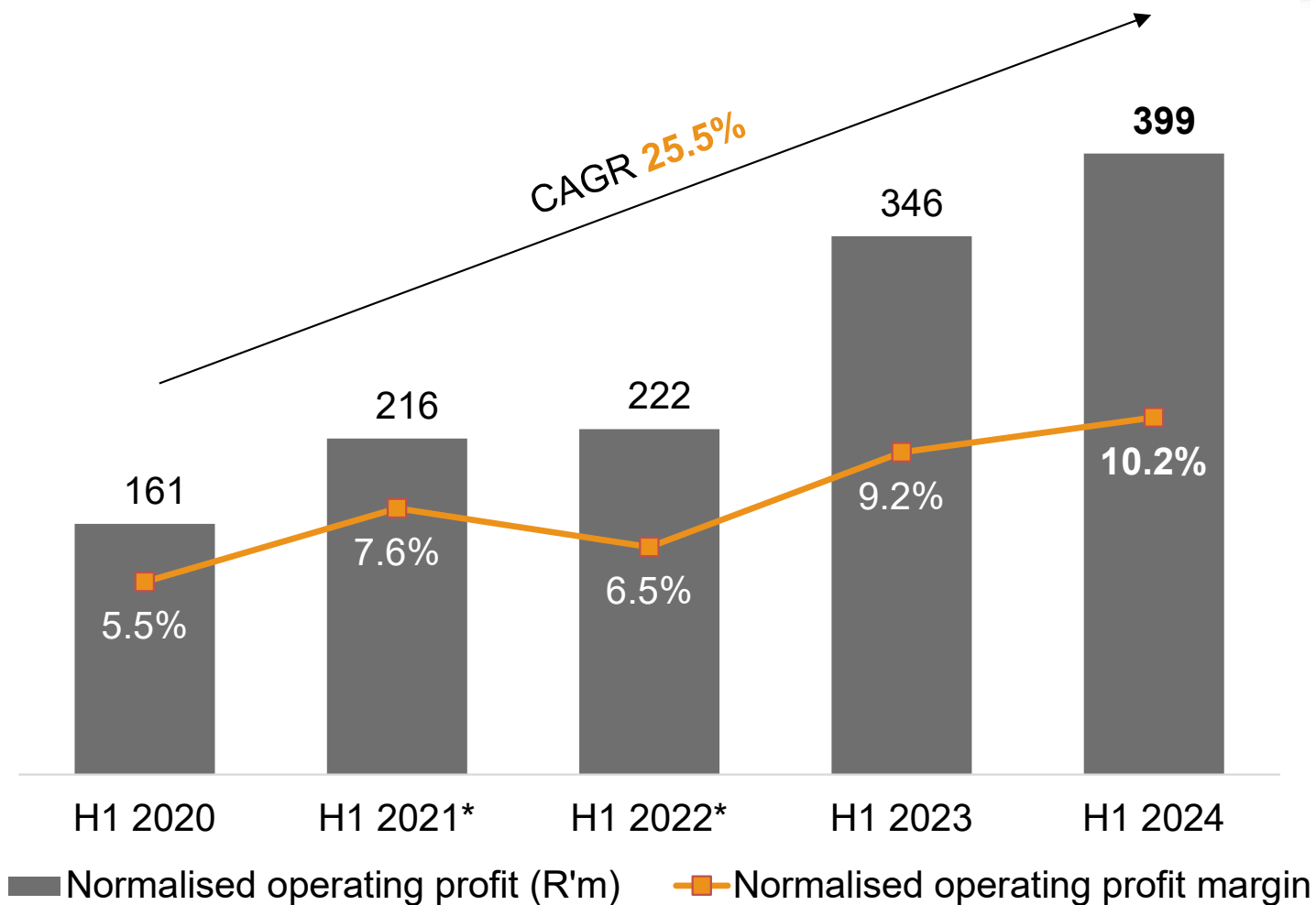
- AUD 6% (2023: 5%)
- GBP 6% (2023: 11%)
- CAD 7% (2023: 2%)
- EUR 22% (2023: 17%)
- USD 59% (2023: 65%)

Impact of currency on international revenue

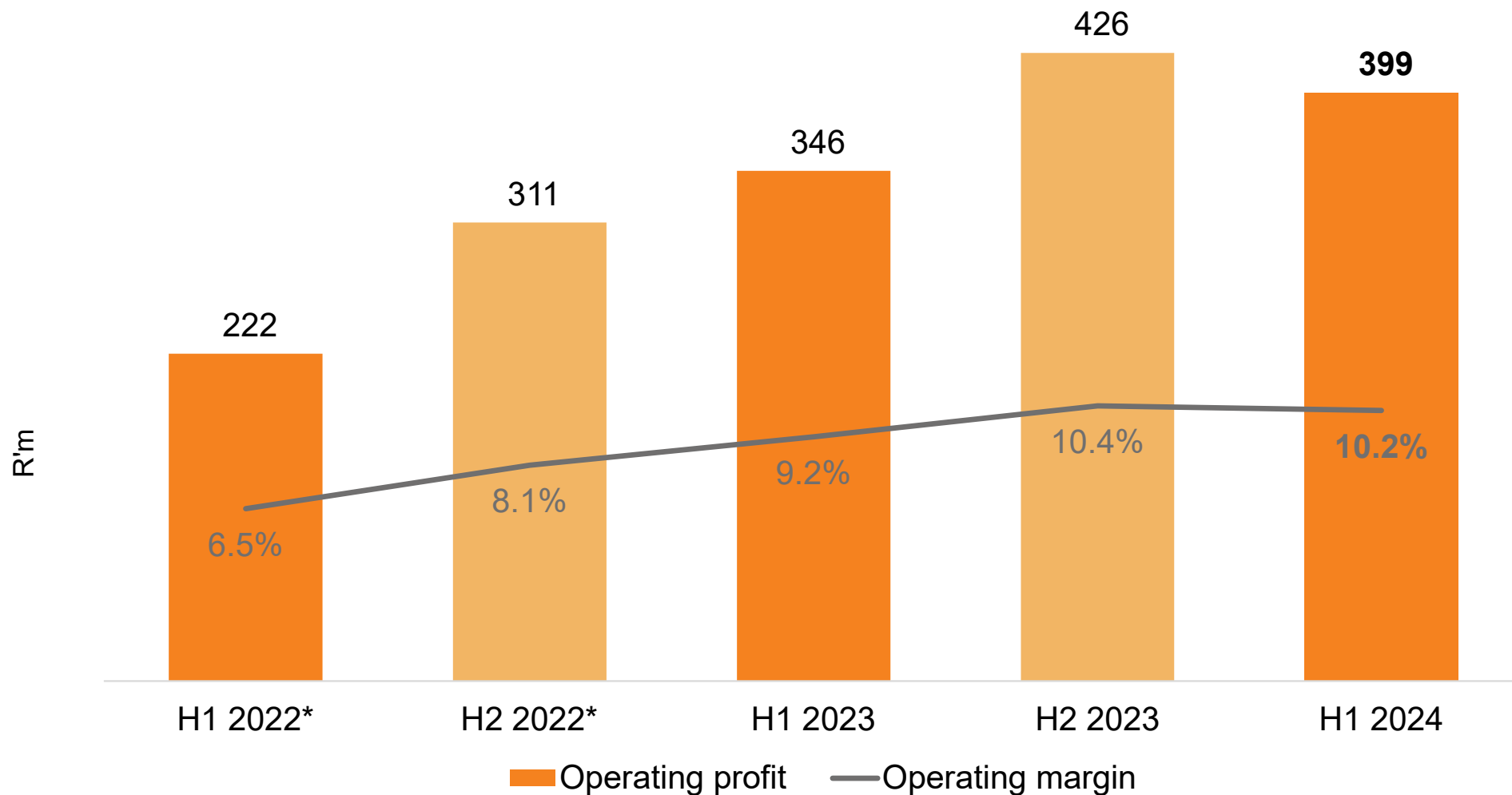
H1 2024	H2 2023	H1 2023	H2 2022	H1 2022
R38m	R153m	R92m	R121m	(R3m)

Average exchange rates

	H1 2024	H2 2023	H1 2023	H2 2022	H1 2022
USD	R18.83	R18.64	R17.85	R16.77	R15.20
GBP	R23.54	R23.57	R21.31	R19.72	R20.39
EUR	R20.35	R20.25	R18.91	R16.94	R17.10



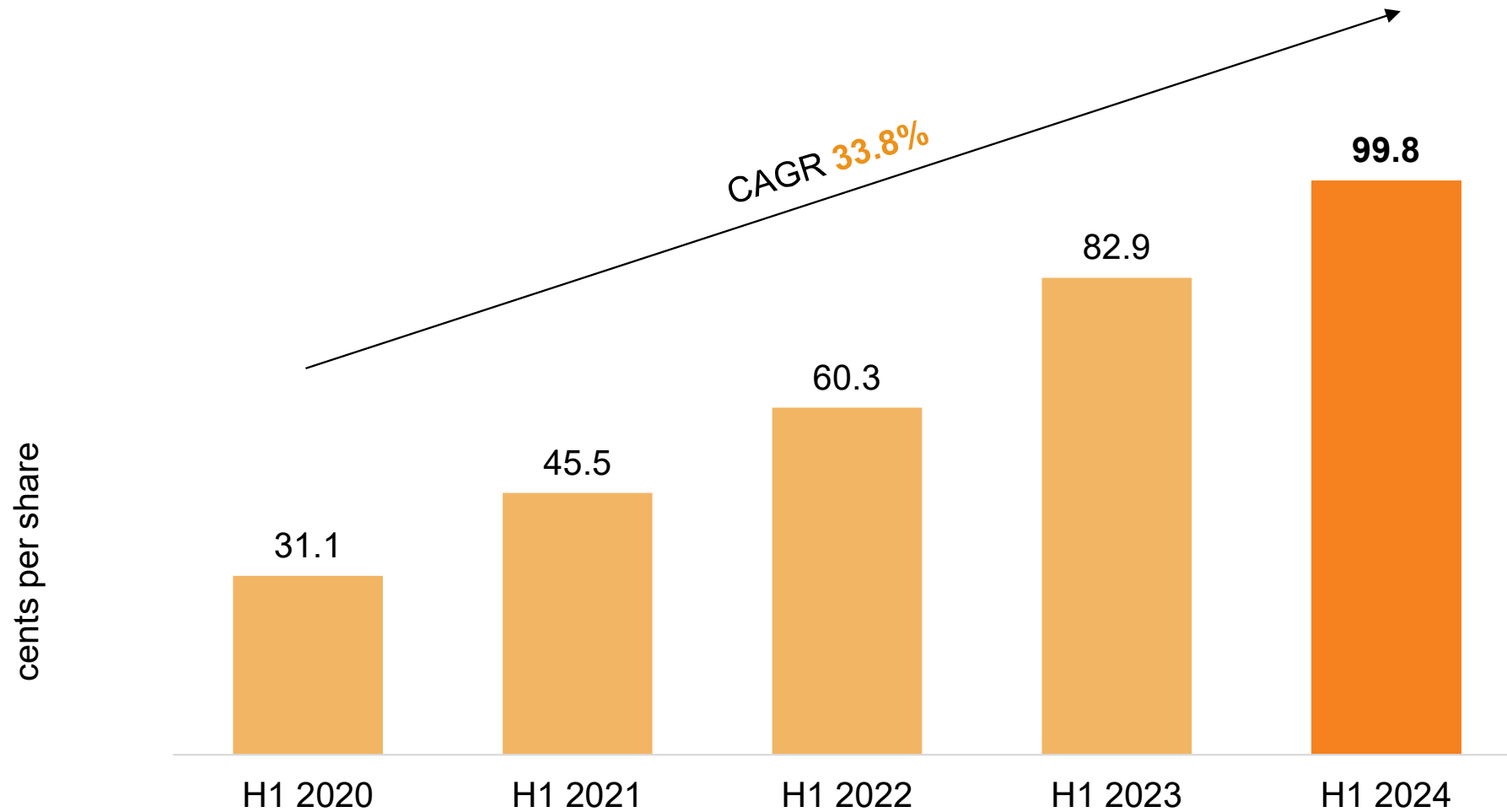
* Normalised = adjusted for insurance proceeds, restructuring costs and impairment losses



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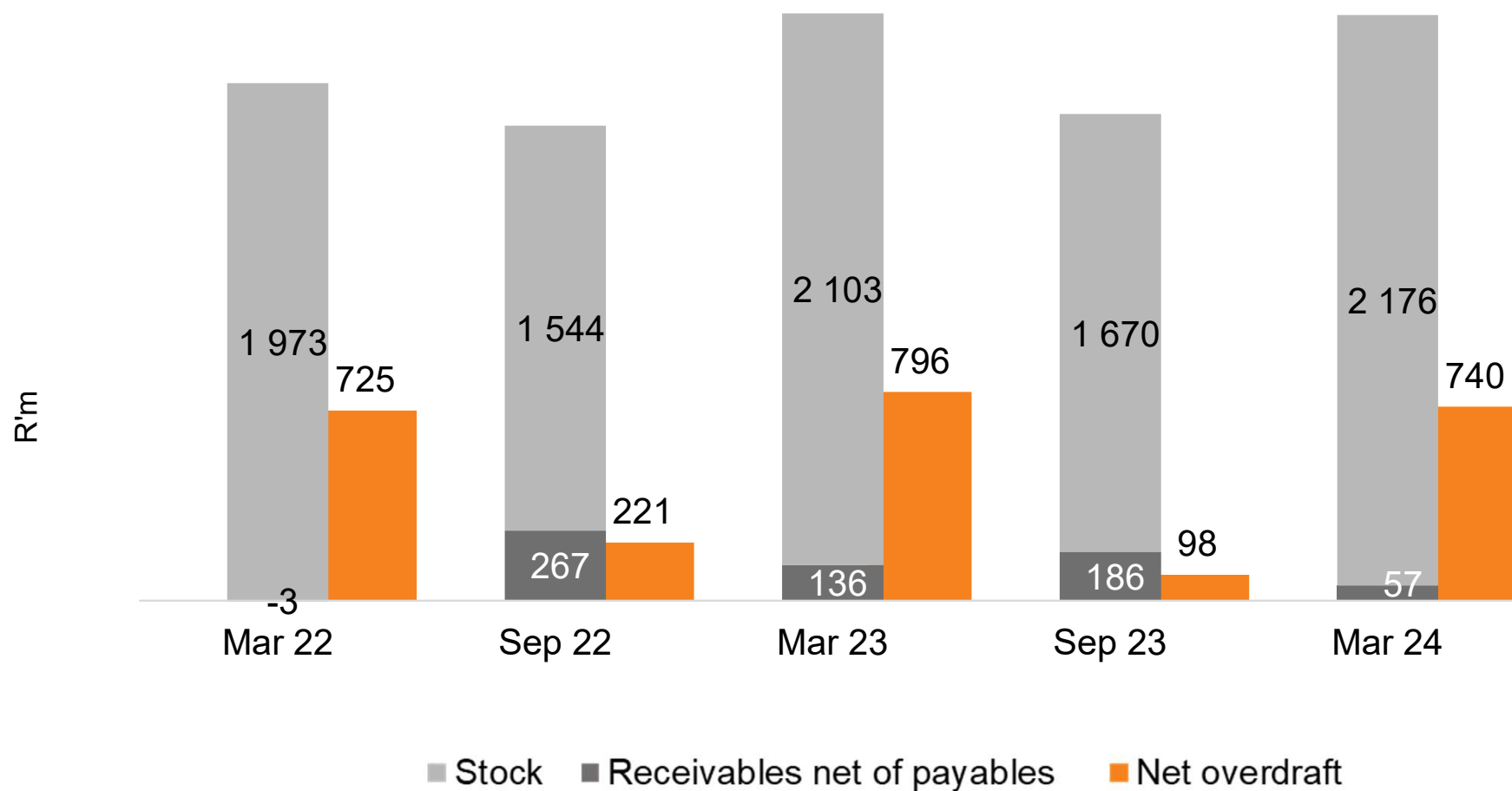


EARNINGS – DILUTED HEPS





	H1 2024	H1 2023	H1 2022
Net working capital/turnover	57.3%	59.3%	57.4%
Net working capital days	136	135	135
Inventory days	131	123	123
Trade receivable days	55	56	58
Trade payable days	(50)	(44)	(46)





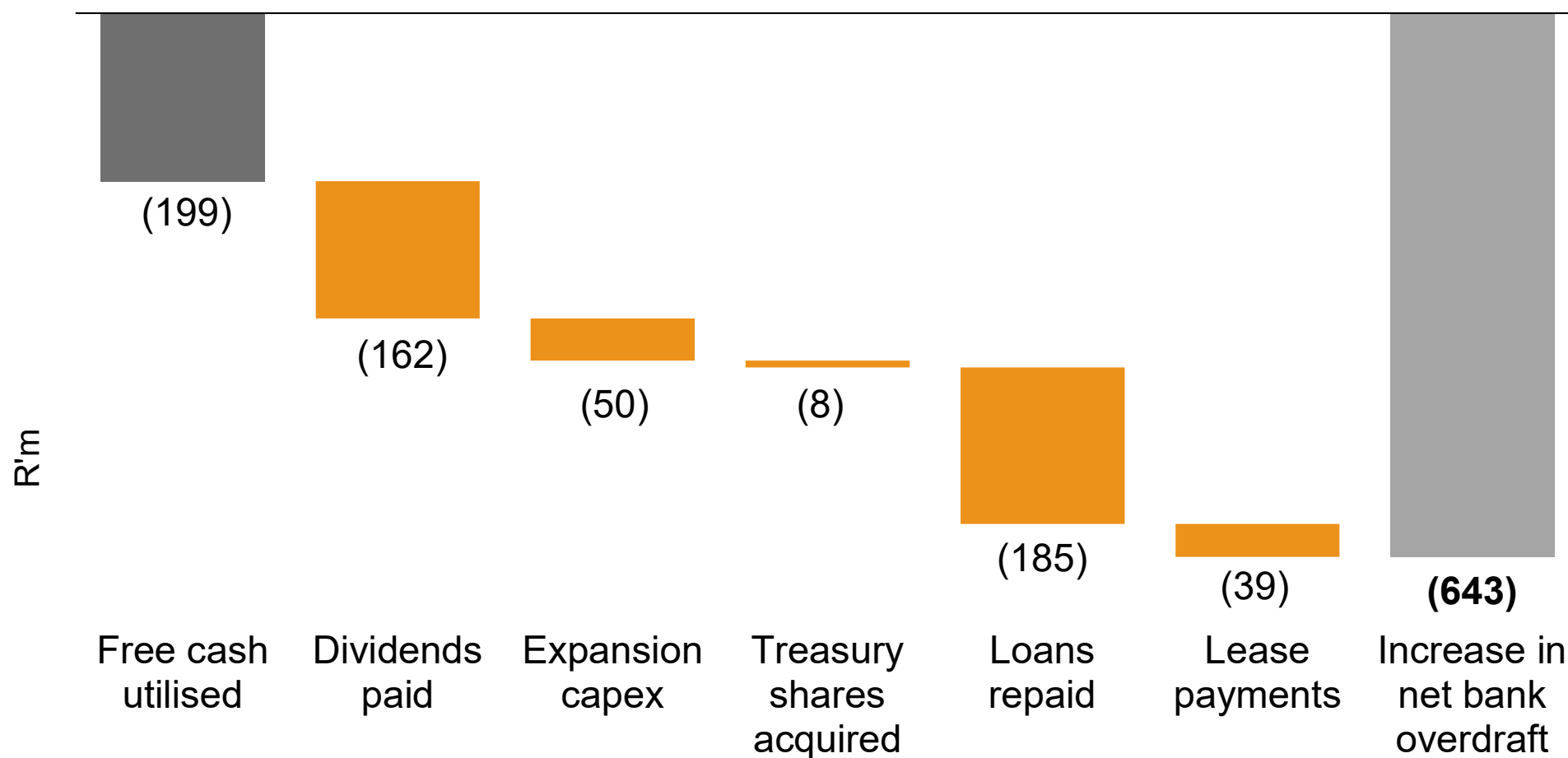
FREE CASH FLOW



R'm	H1 2024	H1 2023	H1 2022
Operating cash flows	528	463	364
Net working capital changes	(433)	(451)	(362)
Cash generated	95	12	2
Net interest paid	(36)	(46)	(38)
Income tax paid	(108)	(53)	(70)
Maintenance capital expenditure	(150)	(120)	(88)
Proceeds on disposal of assets	-	-	3
Free cash flow (cash utilised)	(199)	(207)	(191)

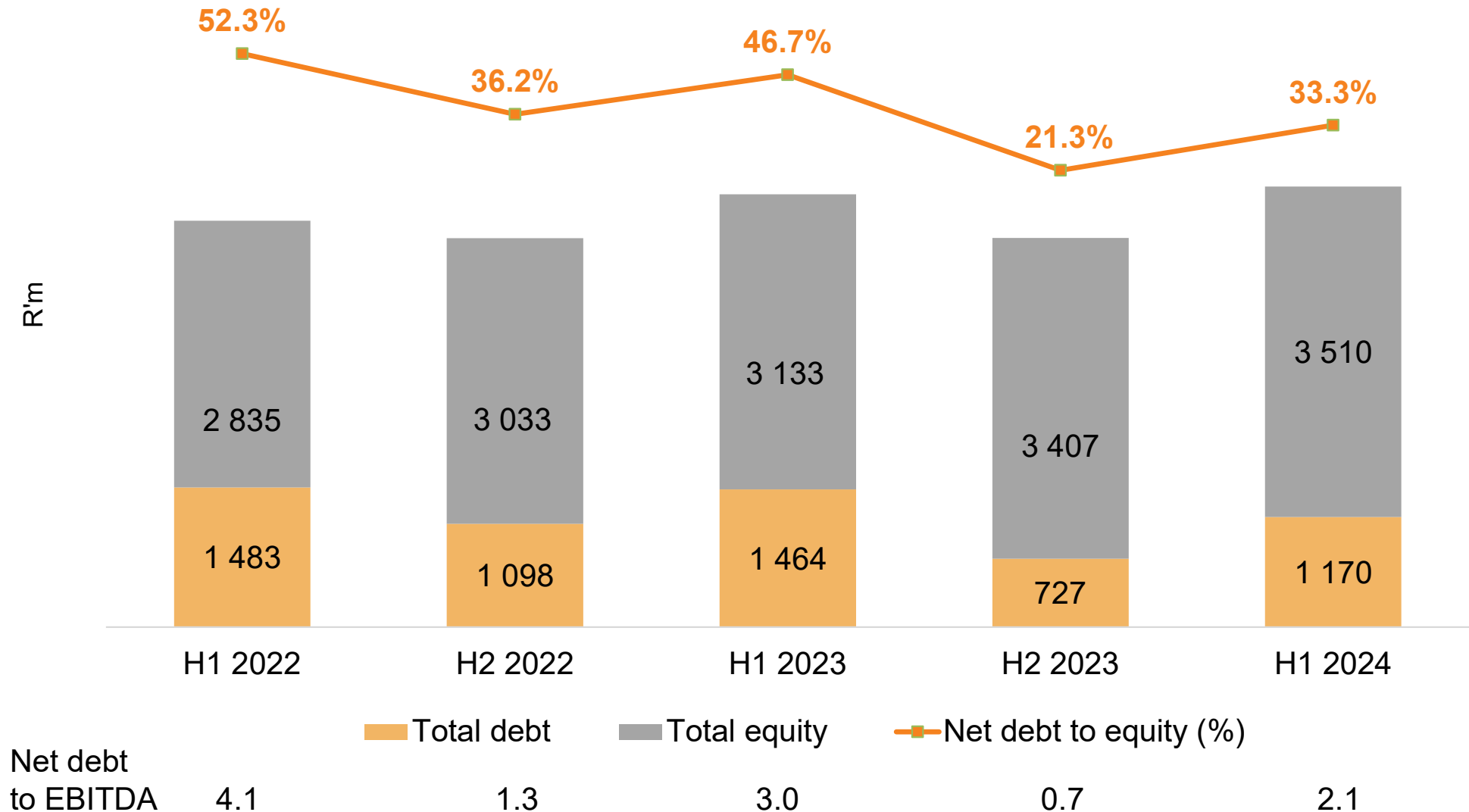


FREE CASH FLOW UTILISATION



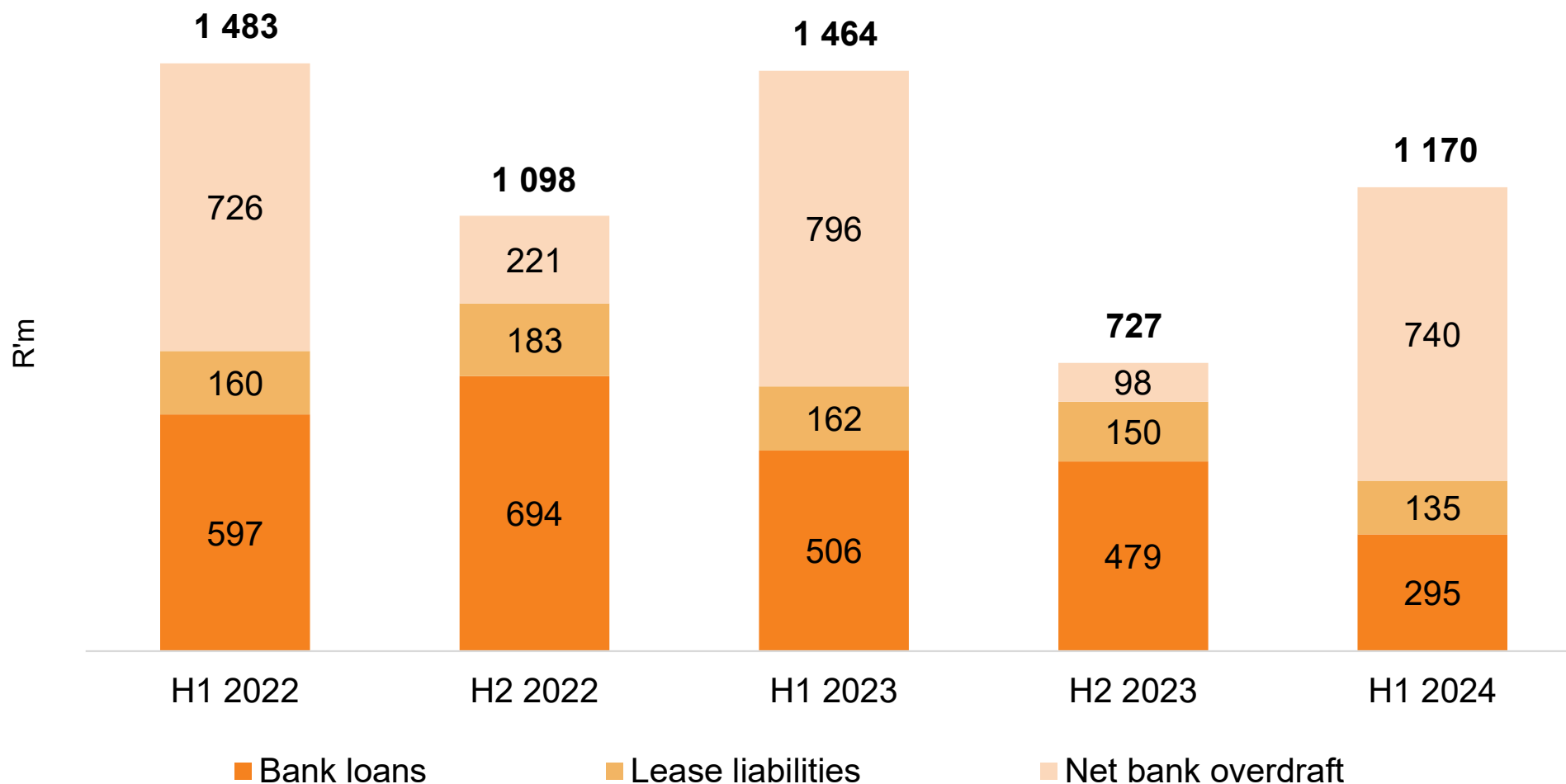


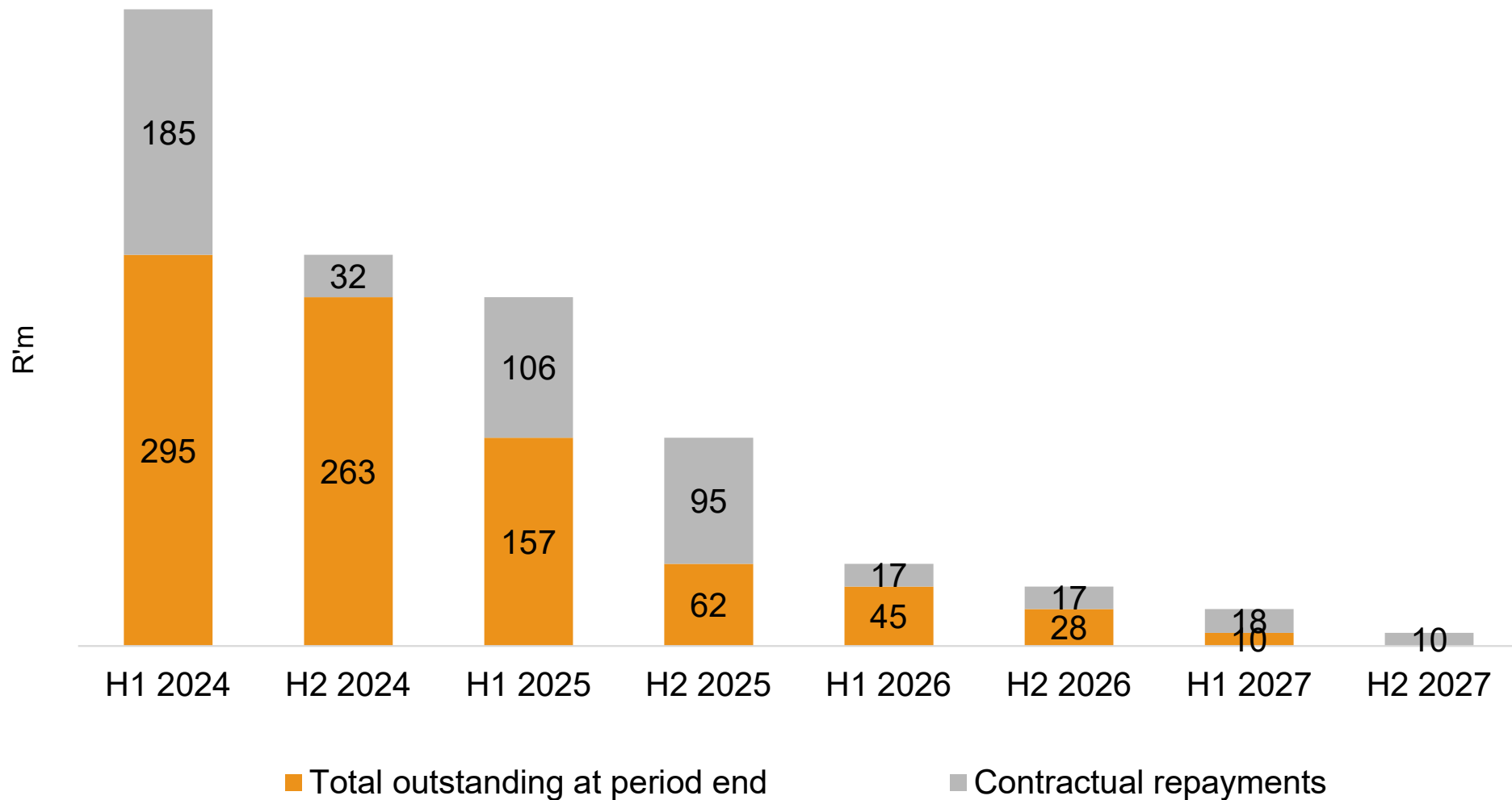
CAPITAL STRUCTURE





TOTAL DEBT BREAKDOWN

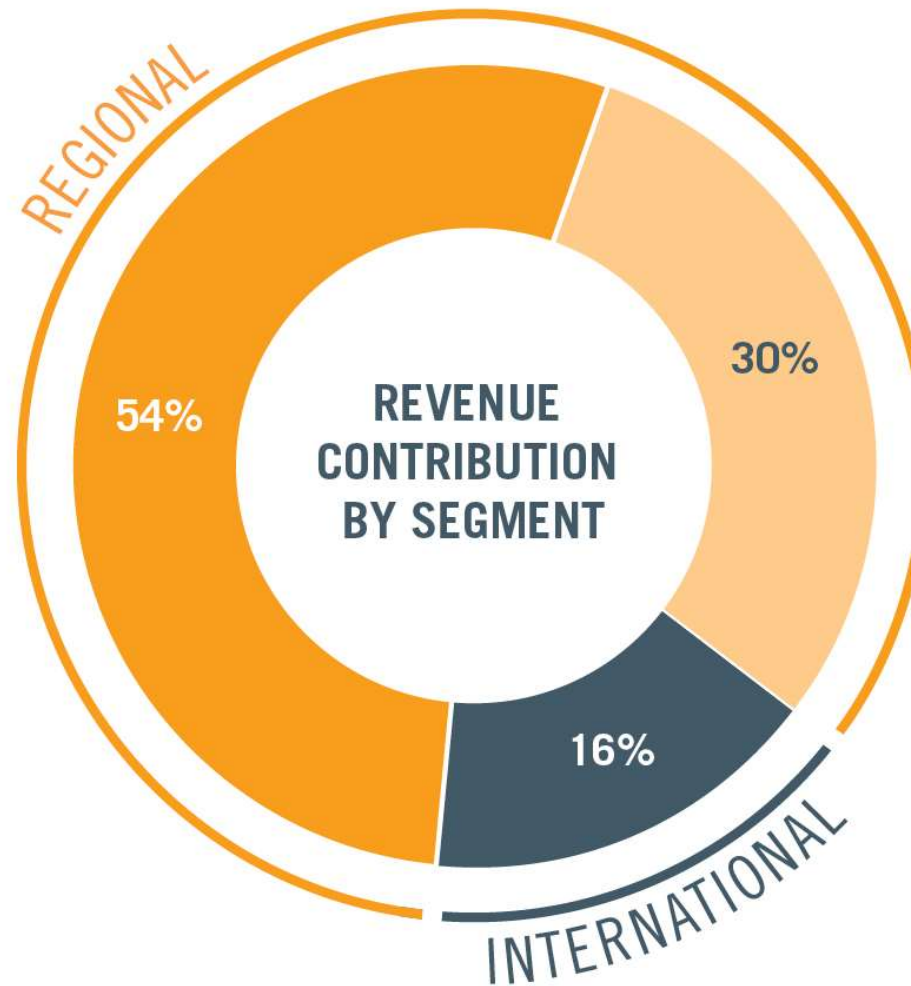




TRADING PERFORMANCE

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- Long Life Foods
- Fresh Foods
- International

REGIONAL SEGMENT

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PRODUCT PORTFOLIO

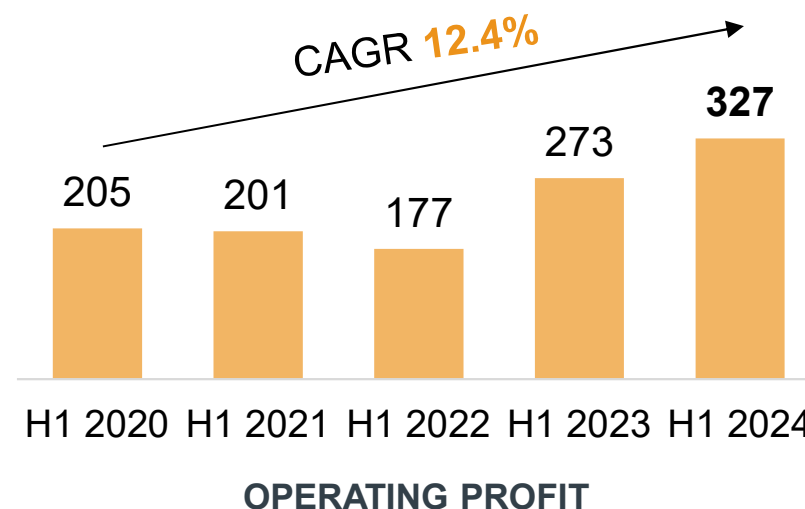
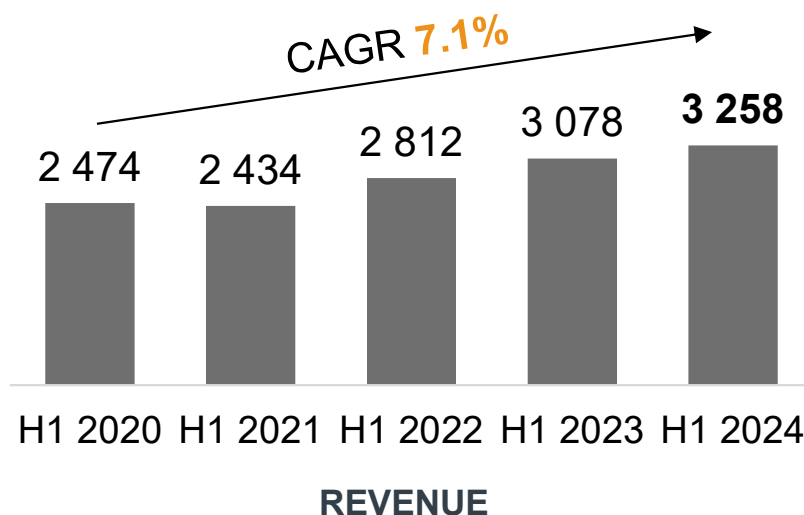


RFG's brands and private label ranges for all major domestic retailers

LONG LIFE FOODS	FRESH FOODS
<ul style="list-style-type: none">▪ Canned fruit and vegetables▪ Jams▪ Bottled salads and pickles▪ Long life fruit juice▪ Fruit purees▪ Baby foods▪ Canned meat▪ Dry packed foods▪ Fruit snacks in plastic cups▪ Industrial pulps and purees	<ul style="list-style-type: none">▪ Ready meals▪ Pies and pastry products▪ Deli bakery and snacking products▪ Dairy products
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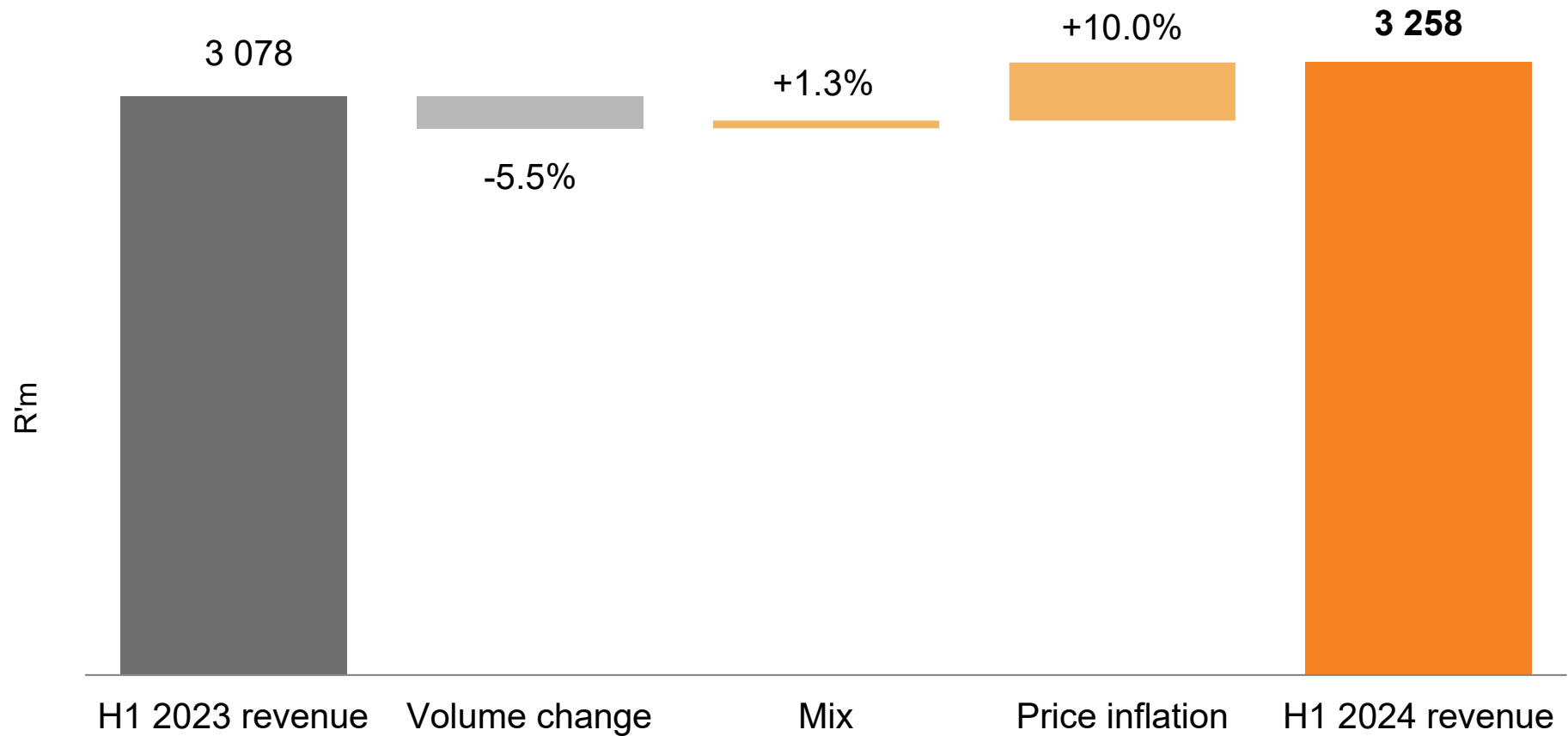


R'm	H1 2024	H1 2023	% change
Revenue	3 258	3 078	5.8
Long life foods	2 092	1 945	7.5
Fresh foods	1 166	1 133	2.9
Operating profit	327	273	19.7
Operating profit margin	10.0%	8.9%	





REGIONAL PERFORMANCE





Fruit juice

- Continued Rhodes brand share gains
- Vertical integration supports margin, ensures consistent supply of raw materials and quality of the products
- Launch of new product in nectar category will drive further growth

Canned meat

- Sustained turnaround momentum from FY2023
- Excellent growth from new meals launches into local and African markets
- New canning equipment and capacity expansion supporting revenue and margin growth
- Bull Brand achieved Icon Brand status in Ask Afrika survey and voted SA's favourite canned meat brand

Canned fruit and vegetables

- Improved performance from canned vegetables
- Market share gains in canned fruit and vegetables
- Driving growth in food service category



Herbs and spices

- Hinds Spices now number 2 brand in category
- Innovation to drive further revenue growth in H2

Pies and pastries

- Continued volume growth in pie category
- Today increased commanding market share positions
- Packaging upgrades to enhance brands
- Integration of pie operations supporting margins

Ready meals

- Growth driven by ongoing product innovation
- Benefit of resilience of higher income customer

Rest of Africa

- Encouraging margin recovery in African countries, mainly due to range optimisation
- Sales of long life foods into Africa grew by 2.3%
- Accounts for 11.8% of regional long life revenue



Capital investment in canning equipment and capacity expansion











Ongoing newness is a key driver of sales and market share growth

Lateral brand extensions into adjacent categories

- Launch of Rhodes fruit nectar juice range following success of Rhodes brand in 100% fruit juice market
- Fruit nectar more affordable and competitively priced
- 100% fruit juice to be relaunched in the prisma pack format in the local market
- Nectar juice packaged in brick format to differentiate the product ranges

Range extensions through innovation

- Bull Brand range extension into canned mince meals
- Launch of Hinds Spices shaker range in H2
- Ongoing newness in ready meals and pies

Global health and eating trends

- Responsive to emerging global food trends
- Increasing popularity of plant-based eating
- PlantLove range of vegan products for Woolworths

Launch of **Rhodes**
fruit nectar juice



200ml, 1 litre and
2 litre pack sizes





Bull Brand canned mince meals range



Woolworths range extension



Pick n Pay fruit nectar juice

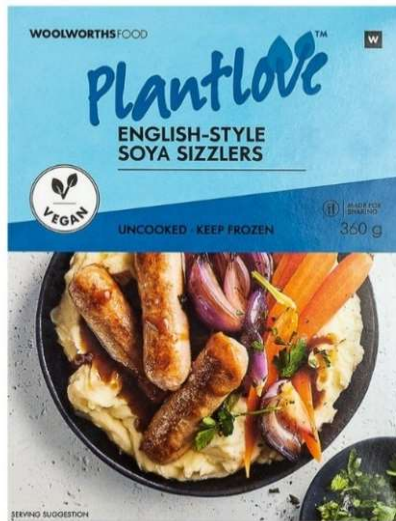




Woolworths new products



Woolworths new products





MARKET SHARE



Market share growth across all product categories

Market shares (%)	March 2022	March 2023	March 2024	RFG position
Jams	47.0	47.4	52.6	1
Canned fruit	45.4	40.8	43.3	2
Canned vegetables	20.0	18.1	20.3	2
Canned meats & meals	75.8	75.0	79.2	1
Long life fruit juices	26.6	28.0	28.3	2






MAT. Retailers scanning data processed by Circana (market shares in the defined retail channel, in retail prices)



BRAND SHARE



Rhodes now number one brand in jam category

Brand shares (%)	Brand	March 2022	March 2023	March 2024	RFG position
Jams		28.6	30.0	30.6	1
Canned fruit		30.7	27.6	27.1	2
Canned vegetable		17.6	16.2	18.2	2
Canned tomato		29.3	30.2	34.5	1
Corned meat		67.1	67.1	68.6	1






MAT. Retailers scanning data processed by Circana (market shares in the defined retail channel, in retail prices)



BRAND SHARE



Hinds Spices moves up to number 2 position in category

Brand shares (%)	Brand	March 2022	March 2023	March 2024	RFG position
100% fruit juice		18.5	19.2	19.7	2
Infant meals		11.5	9.7	8.3	2
Spices/herbs/pepper		6.3	8.3	9.8	2
Retail frozen pies		-	55.5	55.9	1
Retail frozen pastry		-	50.5	53.0	1

MAT. Retailers scanning data processed by Circana (market shares in the defined retail channel, in retail prices)

INTERNATIONAL SEGMENT

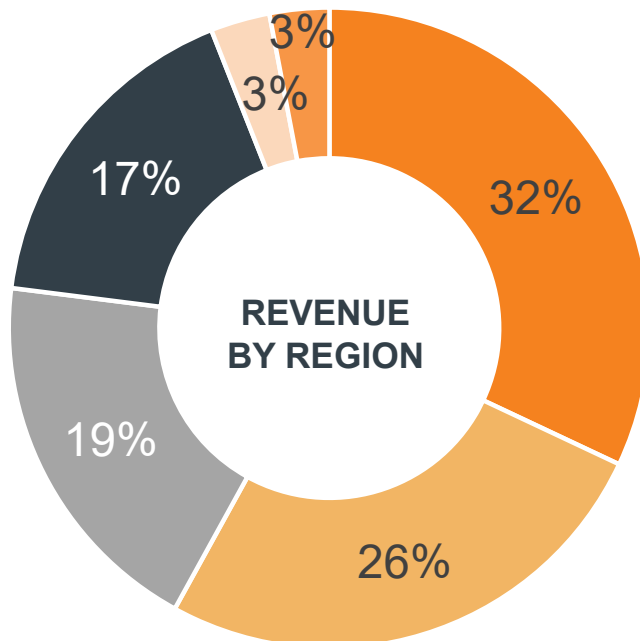
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Long-term supplier to global retail and premium branded customers

PRODUCT CATEGORIES	MAJOR MARKETS
<ul style="list-style-type: none"> Canned fruit Fruit snacks in plastic cups Long life fruit juice Industrial pulps and purees 	<ul style="list-style-type: none"> USA and Canada United Kingdom and Europe Asia and Australasia South America



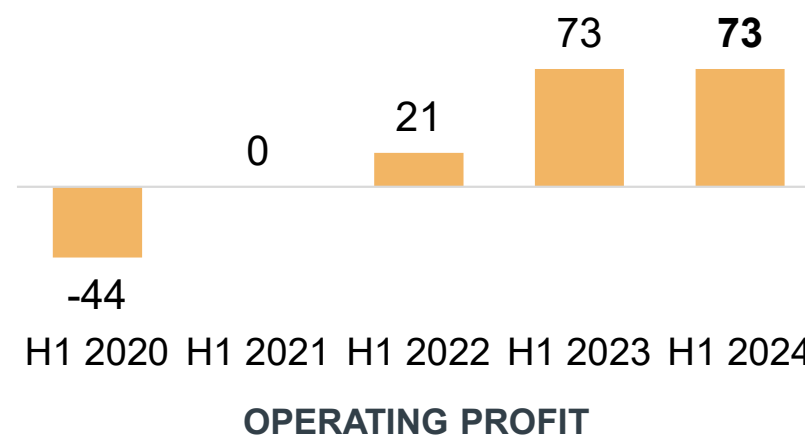
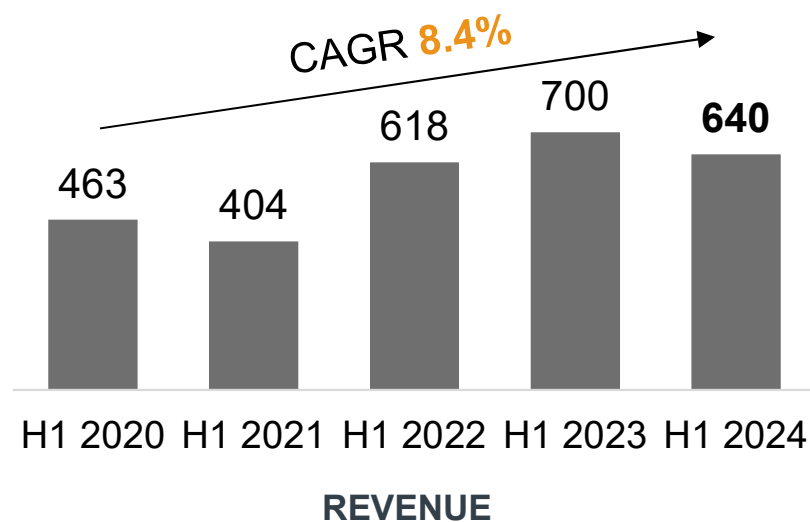
- Europe 32% (2023: 35%)
- USA & Canada 26% (2023: 24%)
- Far East 19% (2023: 21%)
- Australasia 17% (2023: 14%)
- South America 3% (2023: 4%)
- Middle East 3% (2023: 2%)



INTERNATIONAL PERFORMANCE

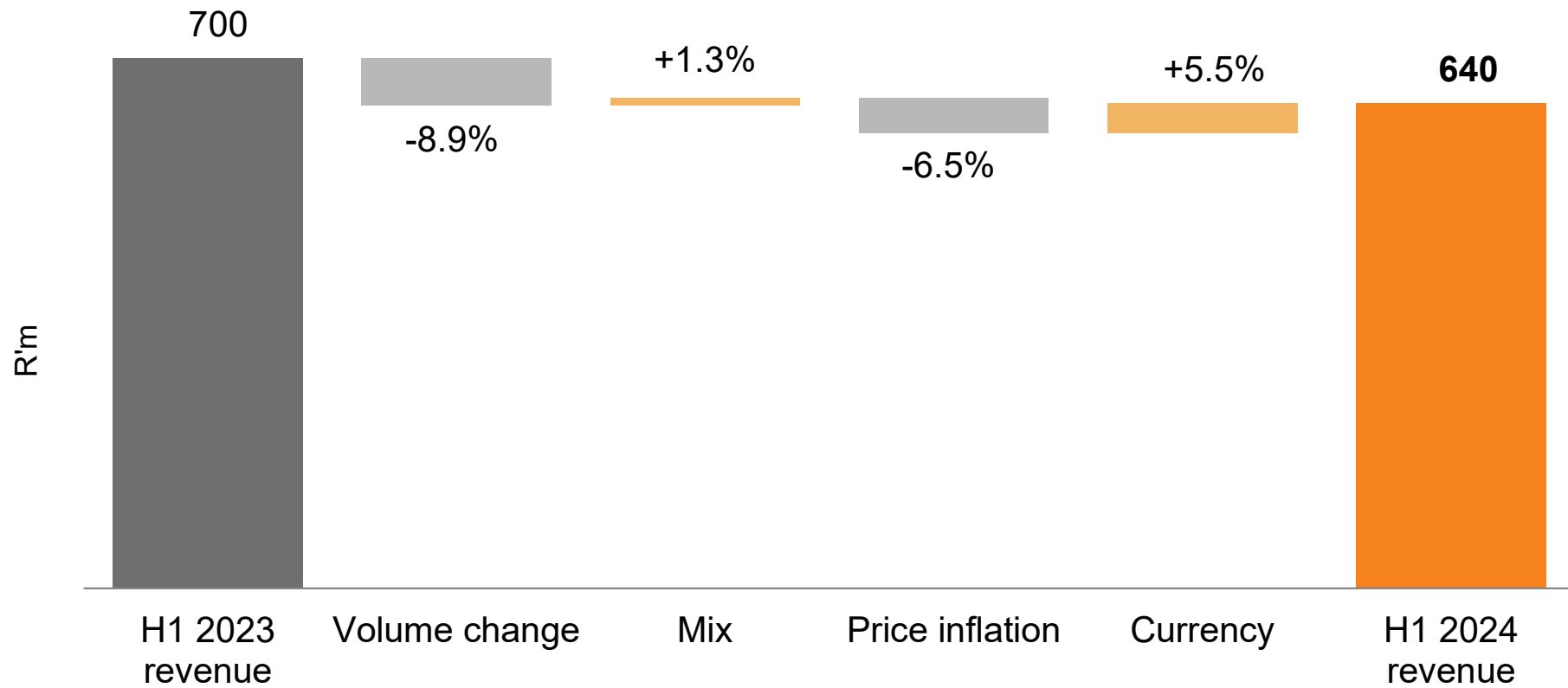


R'm	H1 2024	H1 2023	% change
Revenue	640	700	(8.6)
Operating profit	73	73	0.5
Operating profit margin	11.5%	10.4%	





INTERNATIONAL PERFORMANCE





Operating and factory efficiency gains

- Upgrade and replacement of equipment at Tulbagh fruit products factory supported margin expansion
- Improved factory efficiencies over recent deciduous fruit canning season
- Canning season successfully completed, with crop yielding high quality fruit

Currency and pricing

- Softer international selling prices for canned fruit
- Industrial product pricing firm
- Rand weakness contributed R38m to revenue growth

Inventory

- Lower opening stock levels impacted volumes
- Balance volumes with shifting sales mix

Shipping challenges

- Export shipments continue to be adversely impacted by port congestion and inefficiencies at Cape Town port
- Extreme weather hampered exports in March 2024
- Port delays now averaging around 3 weeks



Capital investment in equipment upgrade and replacement







FRUIT PRODUCTS FACTORY



SUSTAINABILITY

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Environmental sustainability targets

- Appointed head of sustainability to drive strategy and programmes to minimise environmental impact
- Environmental targets set for 2025 across waste, water and energy consumption, and GHG emissions
- Setting science based targets for GHG emissions reductions by 2030

Rainforest Alliance certification

- Rainforest Alliance certification for canned pineapple products at Eswatini operation
- Recognise global environmental, social and economic sustainability farming practices
- First RFG product to receive certification



Renewable energy

- Solar energy solutions installed at 7 production facilities and dairy farm
- 4 further installations planned in FY2024

STRATEGY AND OUTLOOK

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Progress against strategic priorities outlined for 2024 financial year

Strategic focus area	Status
▪ Input cost recovery to sustain margins	Achieved; ongoing
▪ Maintain tight cost management	Ongoing
▪ Capitalise on growth momentum of recent years	Growing ahead of the market
▪ Invest in efficiency improvement projects in factories	Achieved; ongoing
▪ Quality of revenue, execution, product quality, capacity and cash flow management	Achieved; ongoing
▪ Complete SKU rationalisation across the portfolio	Achieved
▪ Drive innovation through new product and category development	Achieved; ongoing
▪ Identify potential bolt-on acquisitions	Evaluate target opportunities



REGIONAL

- Consumer demand to remain **constrained** due to cost pressures
- Commodity price increases to further **impact consumer spending**
- **Volumes** expected to remain under pressure in the year ahead
- Renewed **load shedding** poses a risk to trading and could further dampen consumer confidence
- While **input costs are moderating**, raw material and packaging costs remain high
- Group adopted an increased focus on **product innovation** to drive revenue growth and brand share
- Focus on price, volume and margin to **maintain operating margin**



INTERNATIONAL

- **Customer demand** for canned fruit products remains strong
- Major focus will be on export **volume recovery** in H2
- **Reduce backlog** of export shipments caused by port delays
- Vessels being routed around Africa due to Middle East crisis which is compounding availability of vessels and containers
- Maintain operating profit margin at **10% through-the-cycle**

THANK YOU

RFG





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SUPPORTING FINANCIAL DATA RFG





INCOME STATEMENT



R'm	H1 2024	H1 2023	% change
Turnover	3 898	3 778	3.2
Direct manufacturing costs	(2 459)	(2 471)	(0.5)
Manufacturing operating costs	(442)	(374)	18.2
Selling and distribution costs	(247)	(266)	(7.2)
Other operating costs	(364)	(333)	9.2
Other income	13	12	5.9
Operating profit	399	346	15.2
Net interest paid	(40)	(46)	(13.9)
Profit before tax	359	300	19.7
Tax	(98)	(82)	19.7
Profit after tax	261	218	19.6
Diluted HEPS (c)	99.8	82.9	20.4
WAN shares in issue ('m)	259.8	260.7	(0.3)

BALANCE SHEET - ASSETS



R'm	H1 2024	H1 2023	% change
Non-current assets	2 717	2 678	1.5
Property, plant & equipment	1 982	1 887	5.0
Right-of-use assets	114	135	(15.8)
Intangible assets & goodwill	589	624	(5.5)
Other non-current assets	32	32	(0.2)
Current assets	3 554	3 386	5.0
Inventory	2 176	2 103	3.5
Accounts receivable	1 277	1 217	5.0
Other current assets	79	64	22.7
Bank balance & cash on hand	22	2	>100
Total assets	6 271	6 064	3.4

BALANCE SHEET – EQUITY AND LIABILITIES

R'm	H1 2024	H1 2023	% change
Capital and reserves	3 510	3 133	12.0
Non-current liabilities	482	679	(29.0)
Long-term loans	155	294	(47.3)
Long-term lease liabilities	76	113	(32.7)
Other non-current liabilities	251	272	(7.8)
Current liabilities	2 279	2 252	1.2
Accounts payable & accruals	1 220	1 081	12.9
Current portion of long-term loans	140	212	(34.0)
Short-term lease liabilities	60	49	20.7
Other current liabilities	97	112	(13.2)
Bank overdraft	762	798	(4.5)
Total equity and liabilities	6 271	6 064	3.4