



2019

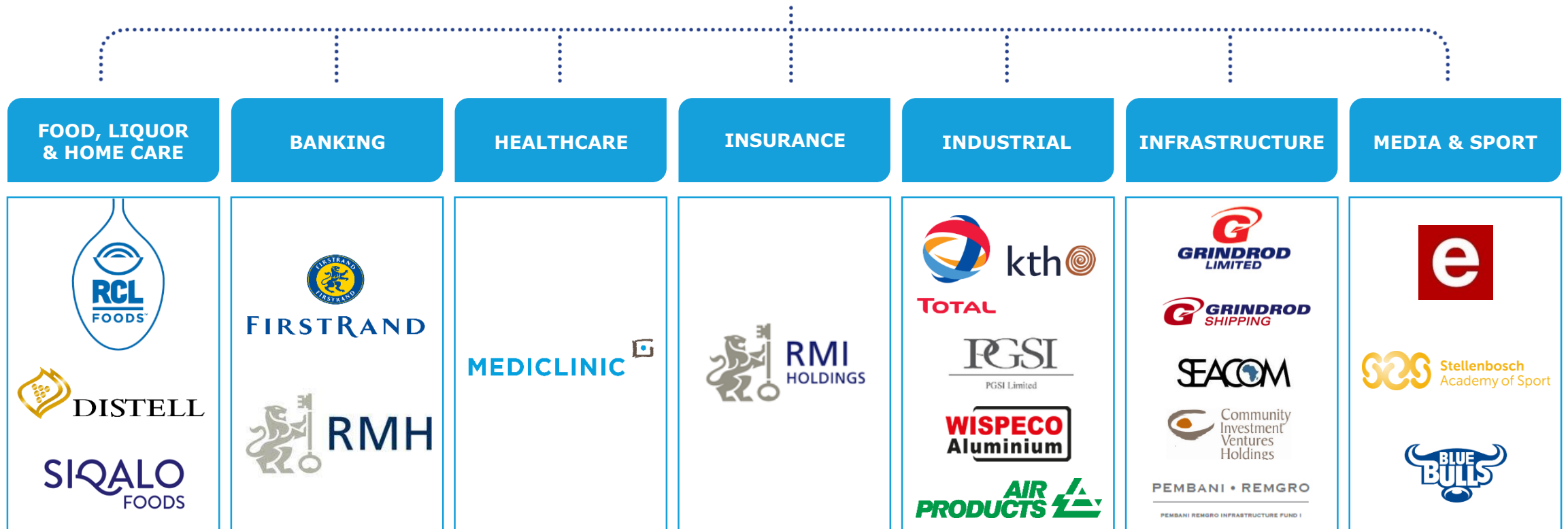
**INVESTOR PRESENTATION:
APPENDICES
4 MARCH 2019**

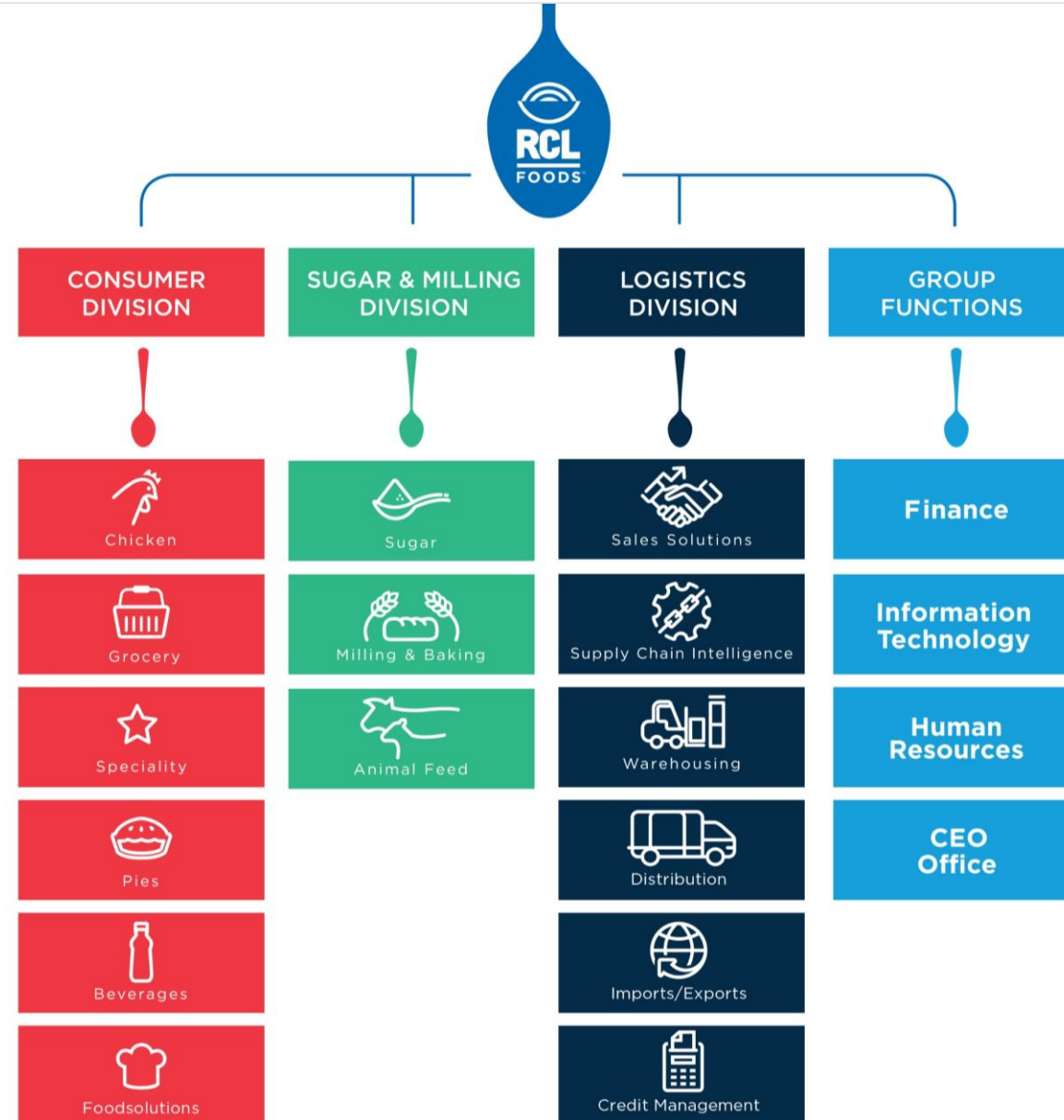
**RESULTS FOR THE SIX MONTHS
ENDED DECEMBER 2018**



RCL FOODS IN CONTEXT

Remgro
Limited





OUR PASSION

MORE FOOD TO MORE PEOPLE, MORE OFTEN

We believe in doing more... with a single-minded passion to provide more food to more people, more often. We believe that by nourishing people while sustaining our resources, everyone wins. Communities will be enriched, employees inspired and our customers and shareholders will enjoy the benefits.

OUR AMBITION







To build a profitable business of scale by creating food brands that matter.

The key to our strategy is to build **brands that people love** – brands that make an impact on their lives and cater to their needs.



OUR STRATEGIC THRUSTS

Our Passion and Ambition are enabled by six strategic thrusts

-  Grow through strong brands
-  Partner with strategic customers
-  Extend our leading value chain
-  Inspire great people
-  Drive sustainable business
-  Expand into Africa

OUR VALUES

Four powerful values drive the way we do business:



Respect for people



Uncompromising integrity



Seeing and doing things differently



Act responsibly

OUR WAY

Inspired by Our Passion and Our Values

Our unique RCL FOODS culture is at the heart of our strategy, brought to life in Our Way – the key behaviours that inspire the way we work and create value.



MORE IMPACT



MORE OPEN



MORE BRAVE



MORE SPEED



MORE CURIOUS

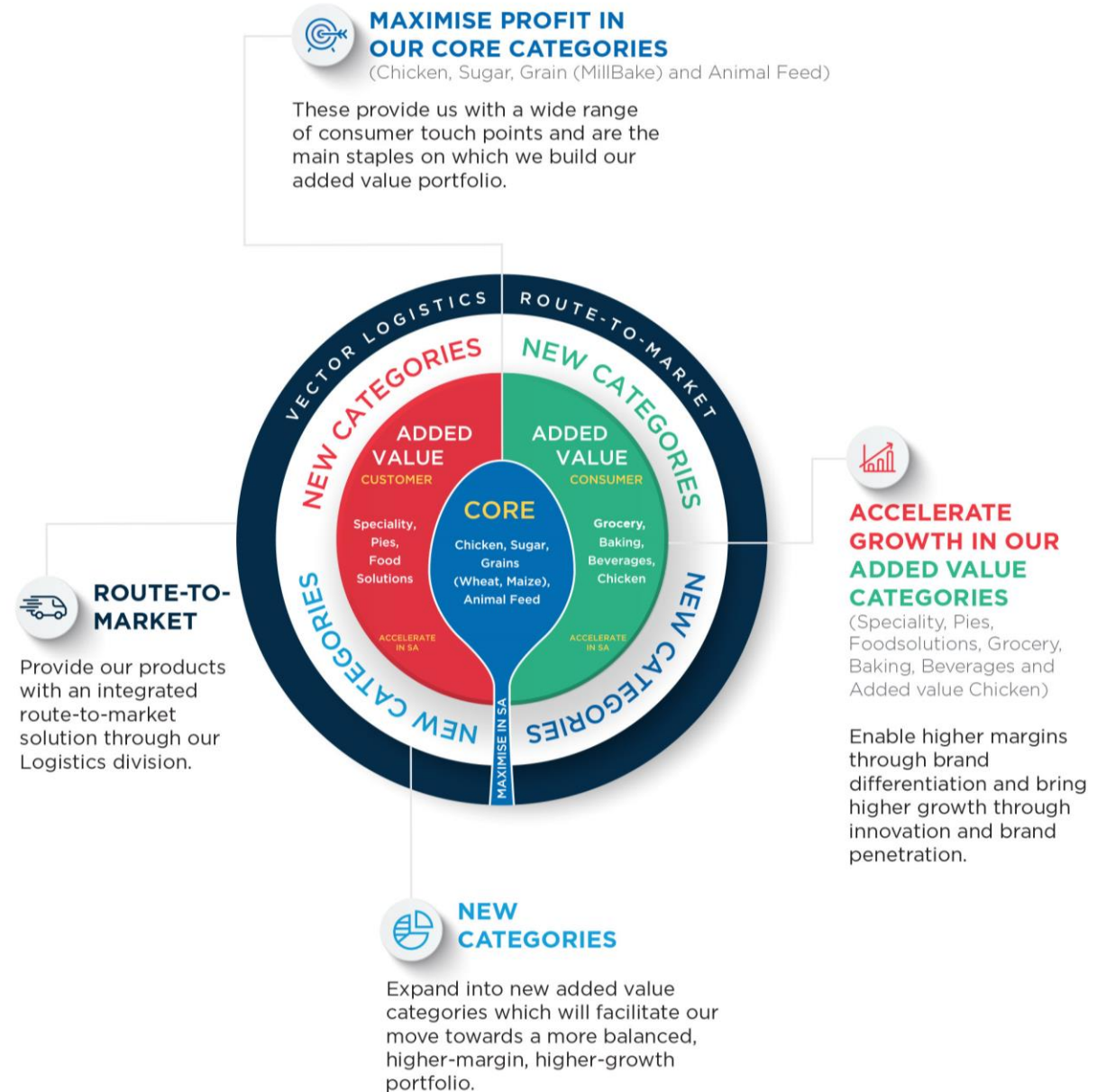


MORE YOU

OUR BUSINESS MODEL

Guided by **our passion** and underpinned by **our values**, we strive to **create value** for our stakeholders through the manufacture and distribution of a wide range of branded and private label food products.

In line with our **business model**, our business activities centre on **growing our revenue and profit across both our core and added-value categories**, through the effective and balanced use of our capitals.



MATERIAL FINANCIAL IMPACTS



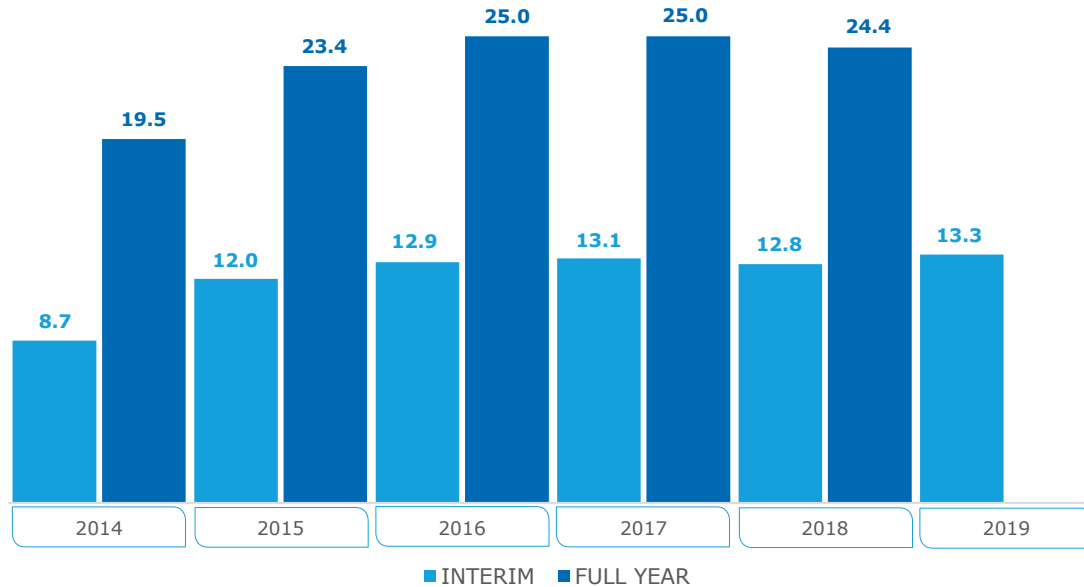
Profit on sale of dormant farms in the Chicken business unit of **R105.0m**, stemming from the decision to reduce commodity chicken volumes in February 2017



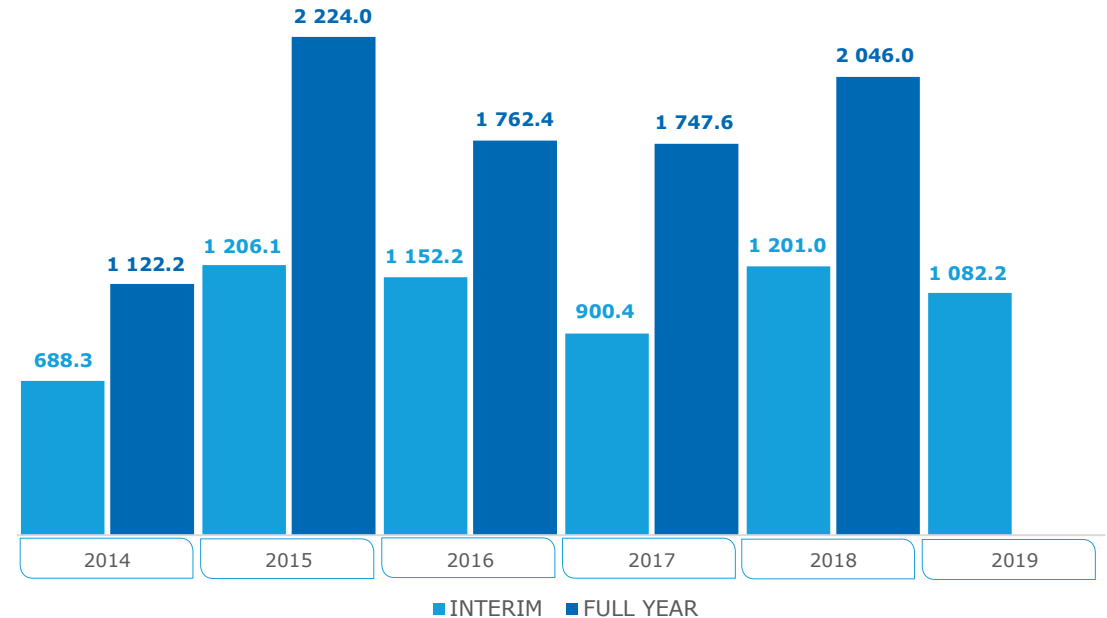
An IFRS 9 fair value gain of R34.1m in the Grocery business unit (December 2017: R8.8m gain), with the improvement over the prior period mainly attributable to gains on sunflower positions

PERFORMANCE

REVENUE (Rbn)



EBITDA (Rm)



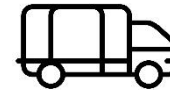
 **OVER 20 000 EMPLOYEES**



AROUND 700 000 TONS OF SUGAR PER YEAR



150 TONS OF MAYONNAISE SOLD DAILY



MORE THAN 1 500 DELIVERY VEHICLES



550 000 TONS OF FLOUR AND MAIZE MILLED PER YEAR



300 000 PIES PER DAY



1.2 MILLION TONS OF ANIMAL FEED PER YEAR



MORE THAN 20 WELL KNOWN & MUCH LOVED BRANDS



750 000 LOAVES OF BREAD PER DAY



20 MILLION CHICKENS ON THE GROUND AT ANY TIME

OUR BRANDS

A few of South Africa's much loved brands produced by RCL FOODS

7 BRANDS OVER R1bn



2 BRANDS OVER R500m



5 BRANDS OVER R300m



8 BRANDS OVER R100m



8 BRANDS UNDER R100m



MARKET SHARE

VOLUME SHARE % FOR THE PERIOD	6MM DEC 18	12MM DEC 18	12MM DEC 17	SOURCE
Dogfoods (RCL FOODS Brands)	28.8	29.1	27.4	Aztec*
Catfoods (RCL FOODS Brands)	27.6	27.5	23.2	Aztec
Yum Yum Peanut Butter	34.1	32.9	30.3	Aztec
Nola Mayonnaise	50.9	49.3	41.9	Aztec
Sorghum (RCL FOODS Brands)	29.2	28.5	29.4	Aztec
Ouma Rusks	46.5	47.9	46.6	Aztec
Mageu	69.8	69.9	71.2	Aztec
Freezer to Fryer	31.5	30.7	37.7	Aztec
Polony (RCL FOODS Brands)	7.4	6.1	10.0	Aztec
Viennas (RCL FOODS Brands)	0.0	4.7	20.4	Aztec
Selati	25.5	26.7	26.8	Aztec
Pies and Rolls (RCL FOODS Brands)	4.3	5.1	8.3	Aztec
EPOL	13.5	13.3	13.7	Internal estimates – share of AFMA**
Molatek	4.8	4.8	4.4	Internal estimates – share of AFMA
Supreme Flour	12.5	12.5	12.6	SAGIS***
Sunbake	8.5	8.6	8.8	SAGIS

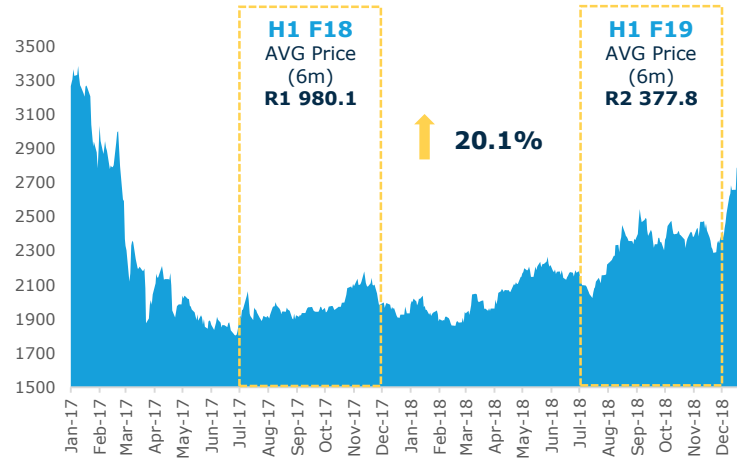
*Aztec is a provider of market measurement and related services for consumer packaged goods

**AFMA refers to the Animal Feed Manufacturers Associations, which represents approximately 60-65% of the total feed market. Shares are for the period to October.

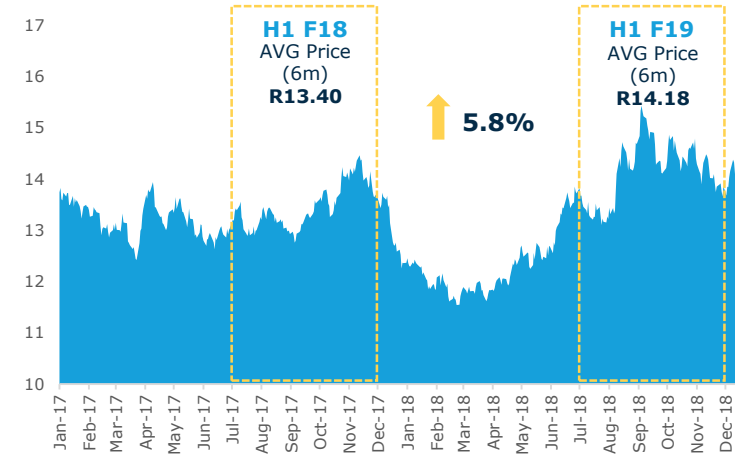
*** SAGIS is a South African grain information service that supplies market information to the grain and oil seeds industry

COMMODITY PRICES

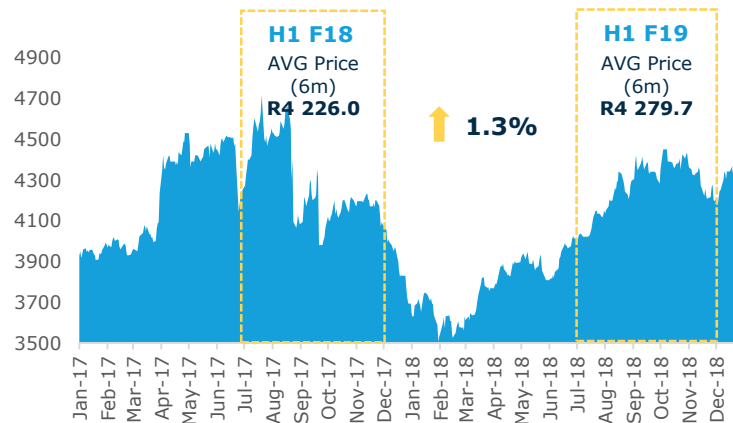
YELLOW MAIZE PRICE (R/Ton)



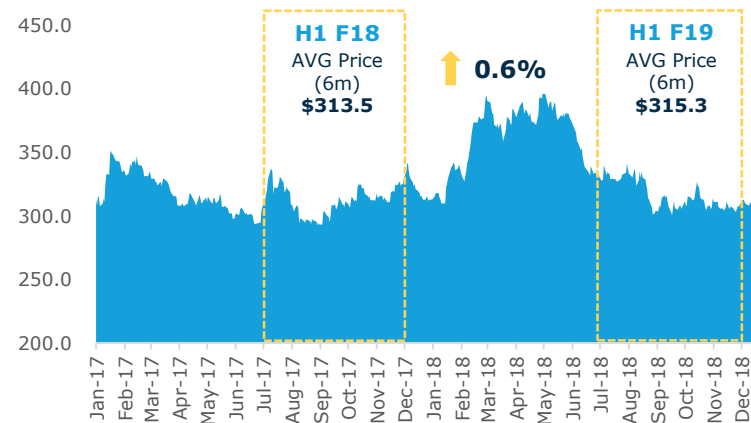
RAND/USD



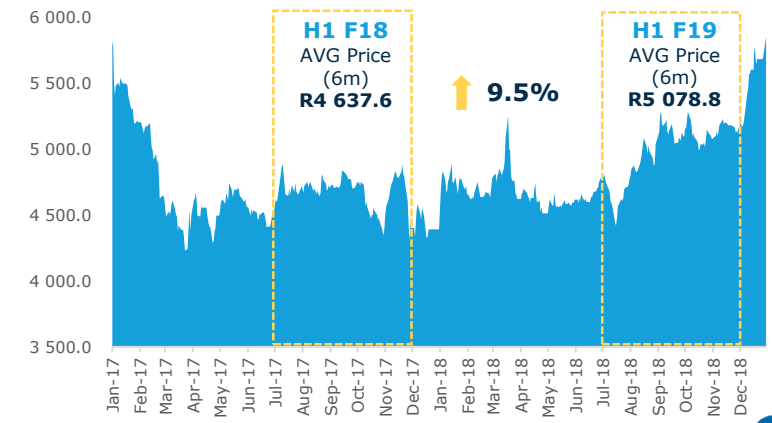
SAFEX WHEAT PRICE (R/Ton)



CME SOYA PRICE (\$/Ton)

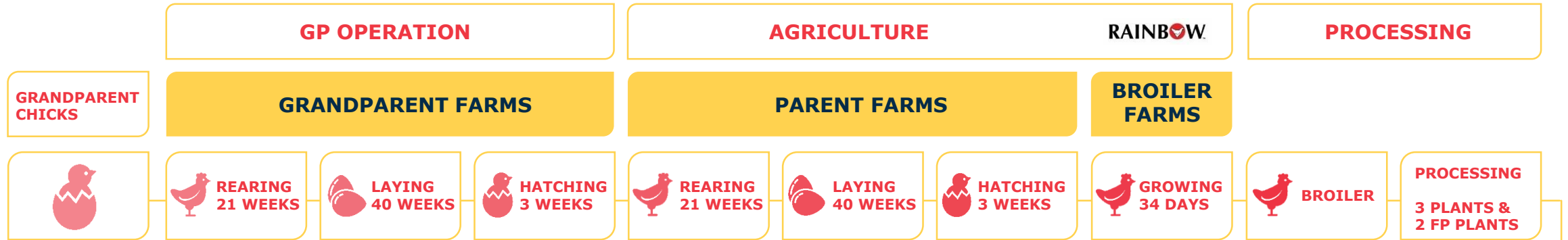


SAFEX SUNFLOWER PRICE (R/Ton)

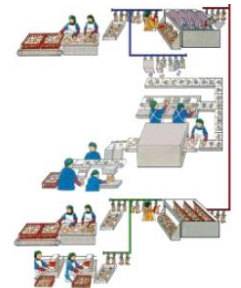


CONSUMER: CHICKEN

INTEGRATED SUPPLY CHAIN FROM "FARM TO FORK"

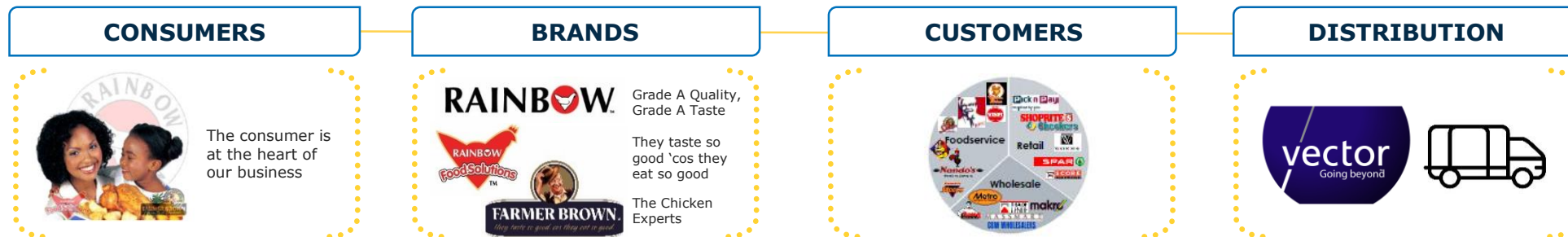


- World's oldest pedigree broiler breed
- Located in Carolina and East London to ensure optimal bio-security
- 3 broad agricultural regions: Northern, KZN, W Cape



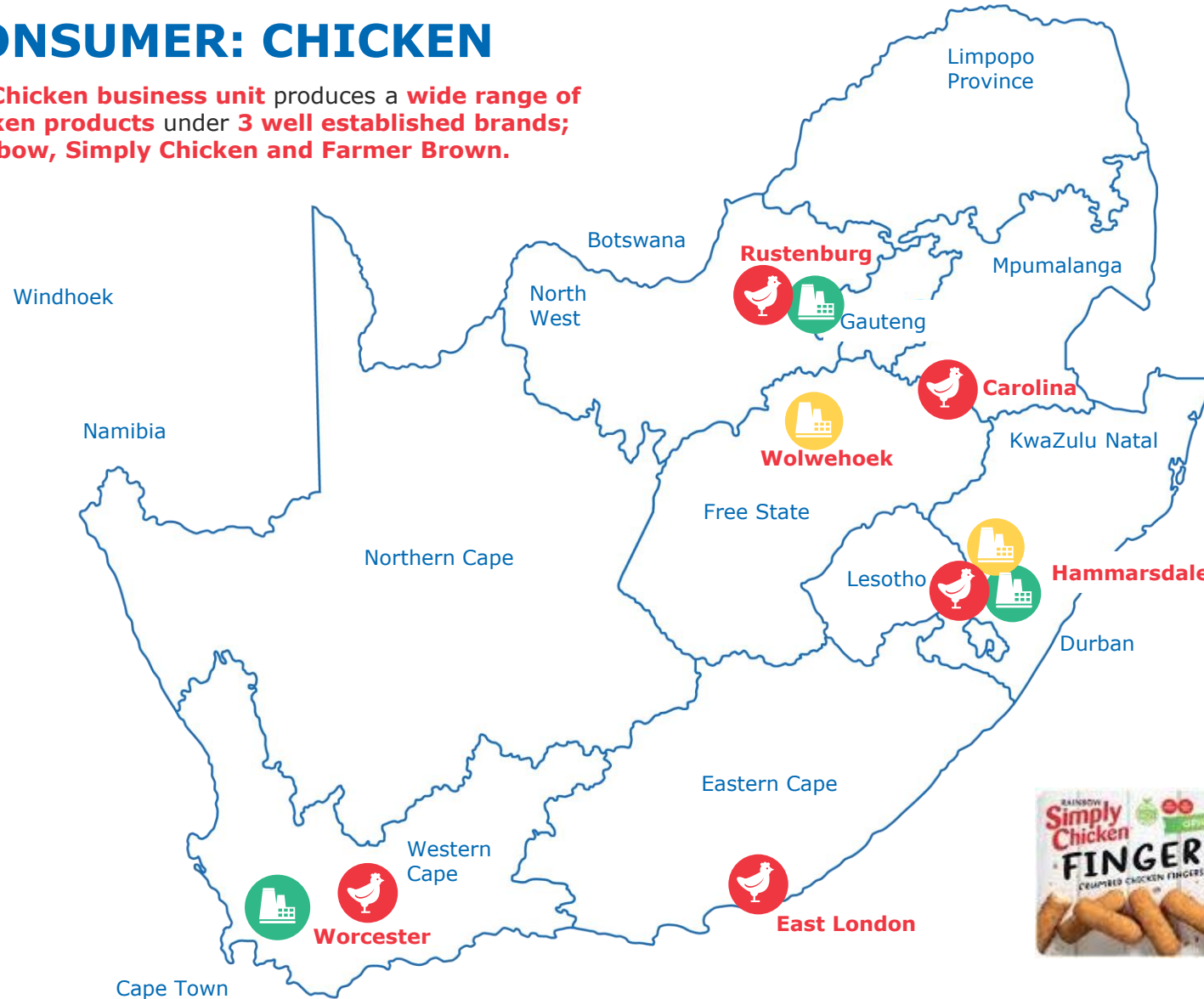
FEED SUPPLY

5 feed mills producing 1.2 million tons pa



CONSUMER: CHICKEN

The **Chicken business unit** produces a **wide range of chicken products** under **3 well established brands**; **Rainbow, Simply Chicken and Farmer Brown.**



180 rearing, laying and broiler farms and hatcheries
20m birds on the ground



3 primary processing plants



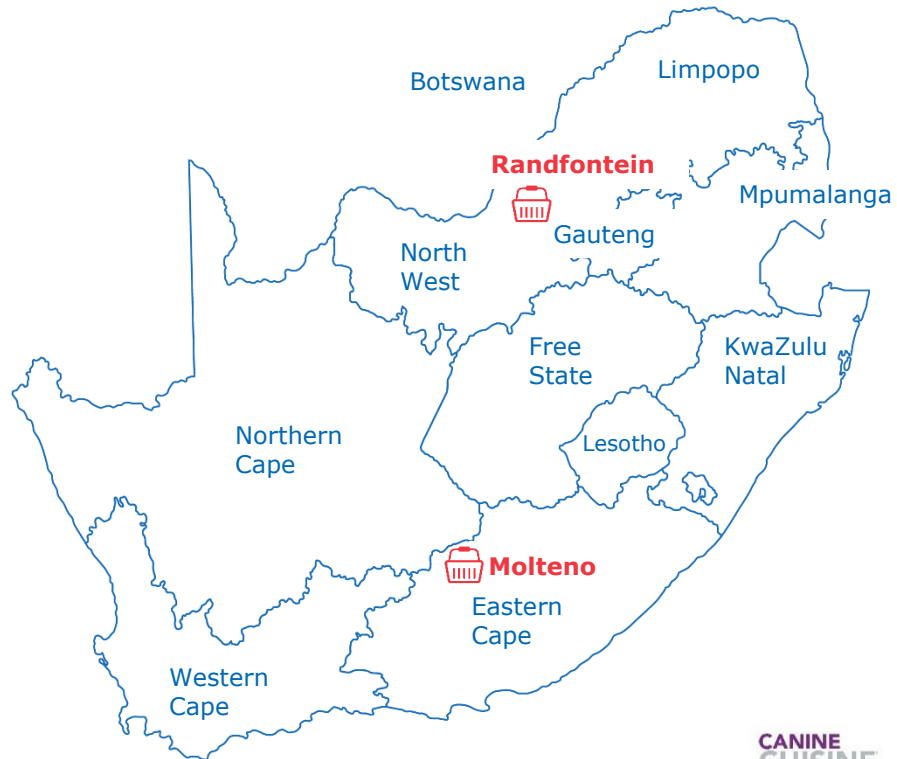
2 further processing plants



CONSUMER: GROCERIES

GROCERY

The **Grocery business unit** consists of a portfolio of **leading South African brands** spanning staples to top end offerings across a range of **food and animal product categories**.



YUM YUM

NOLA

MONATI
SUPER
MABELA

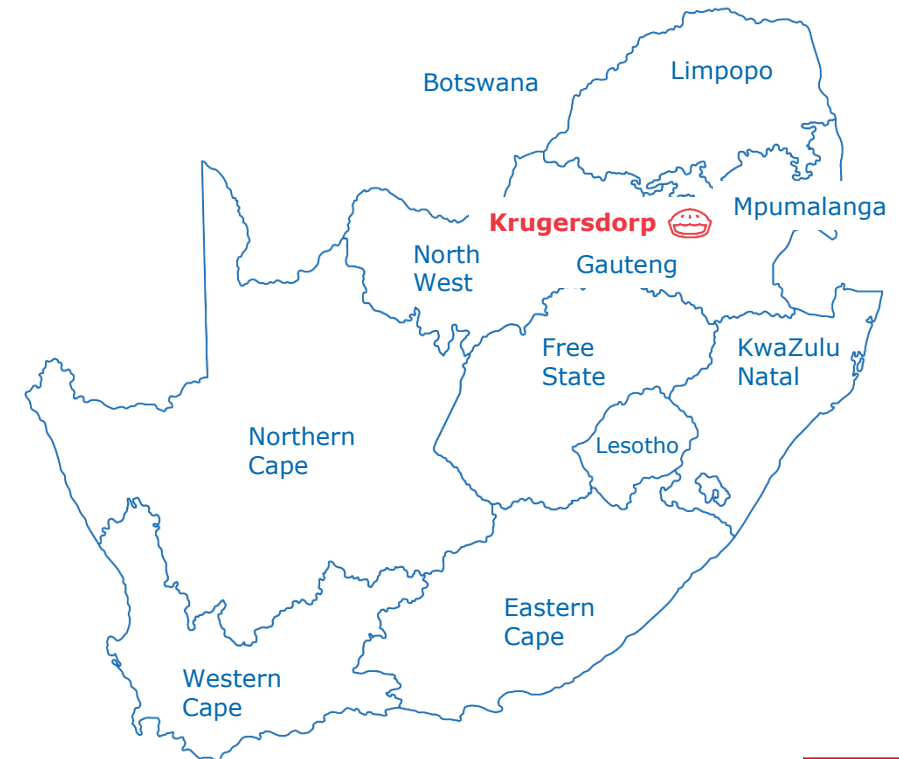
OUMA

Bobtail

SCOTTIE
ULTRA DOG
PREMIUM DOGSCANINE
CUISINE
OPTI
MIZORbonzo
catmor
Dogmor

PIES

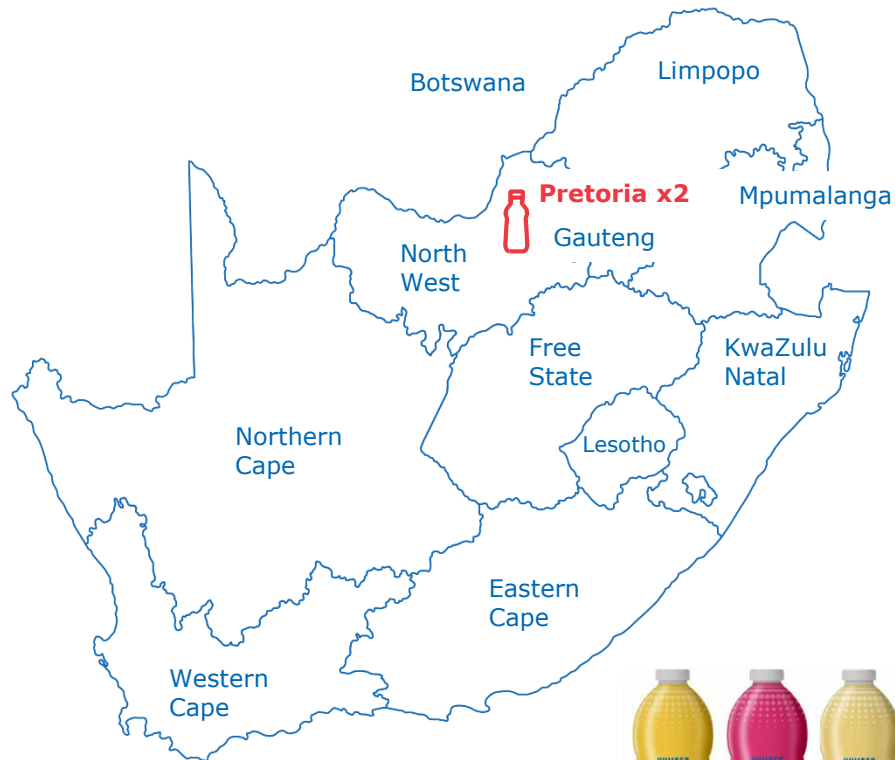
The **Pies business unit** produces a range of **high quality pies under the Pieman's brand** in frozen unbaked, frozen baked and chilled baked formats.

PIEMAN'S
SINCE 1912

CONSUMER: GROCERIES

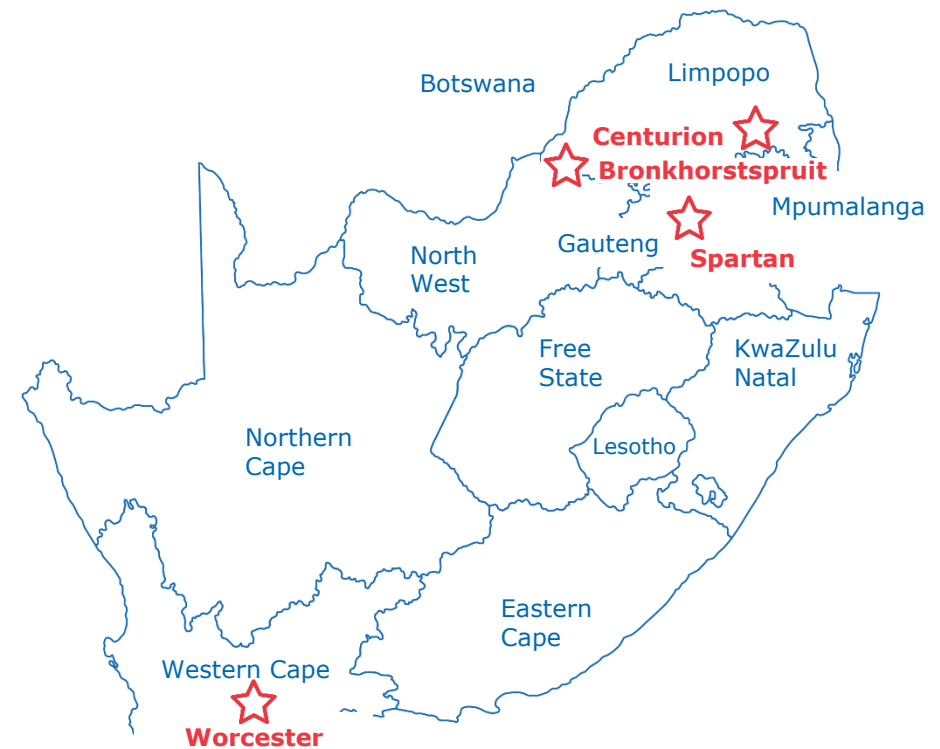
BEVERAGES

The **Beverages business unit** produces a **maize-based drink** under the **Mageu No 1**, **Smooth** and **Mnandi** brands.


MNANDI
**MAGEU
NUMBER 1
Smooth**
**NUMBER
ONE**

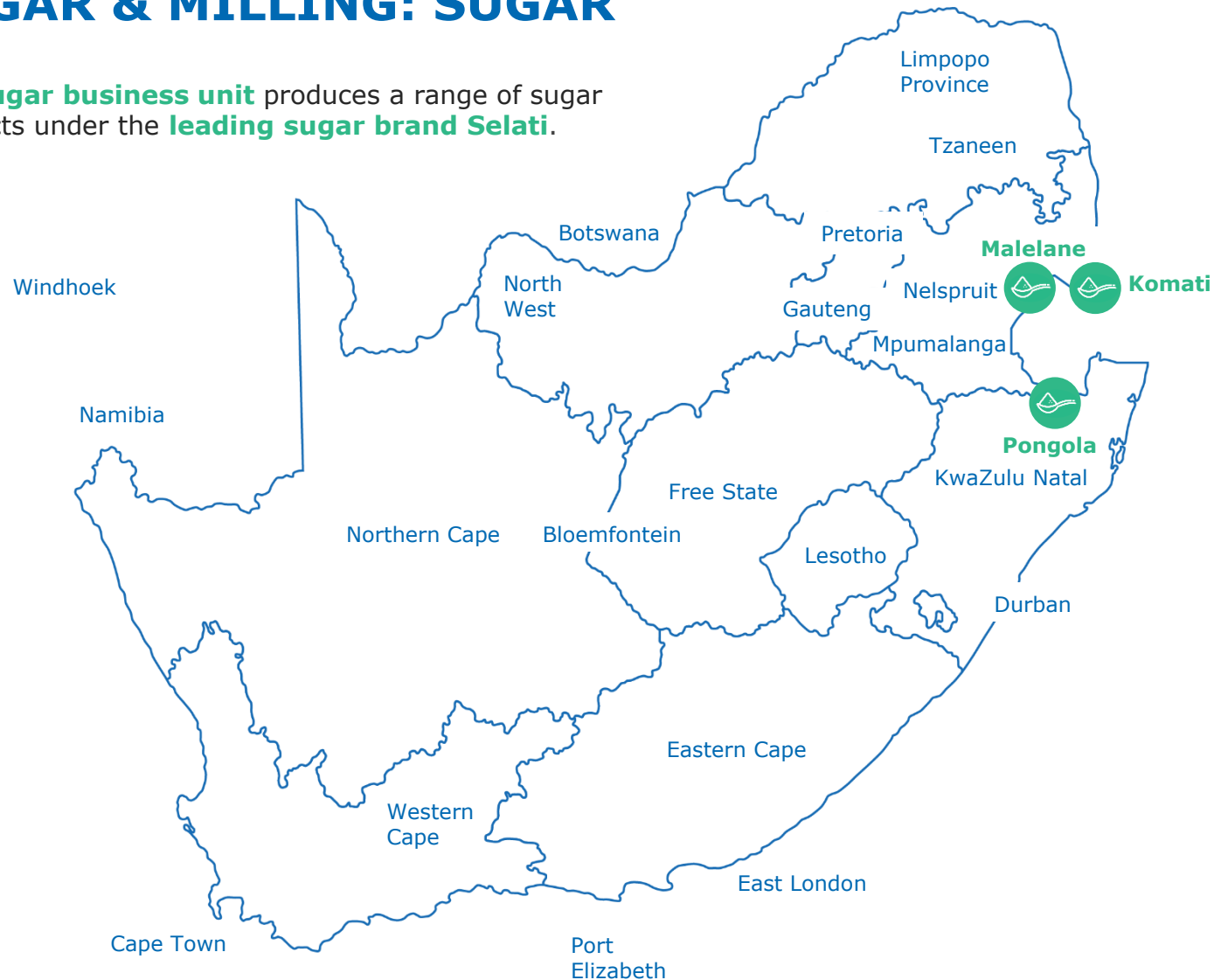

SPECIALITY

The **Speciality business unit** produces a range of **ready to eat products** across **speciality bread, ambient cake and chilled cakes & desserts**, mainly for Woolworths.



SUGAR & MILLING: SUGAR

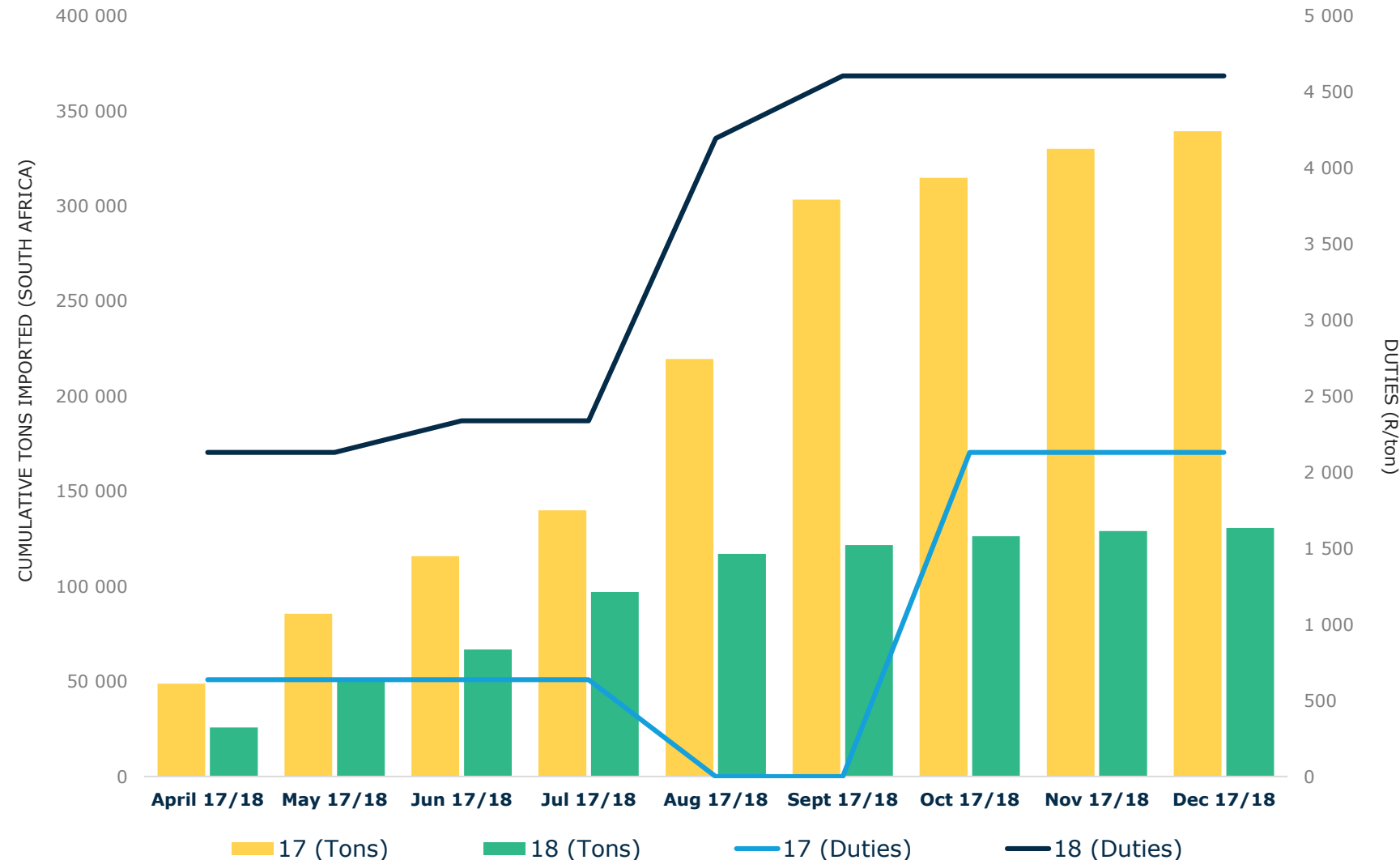
The **Sugar business unit** produces a range of sugar products under the **leading sugar brand Selati**.



3 Sugar Mills based in Malelane, Komati and Pongola, were established in 1968, 1993 and 1954 respectively produce approximately 700 000 tons of sugar per year.



SUGAR IMPORTS AND DUTIES



- Cumulative tons imported from 1 April 2017 and 2018 (start of industry year)
- A total of 63 899 tons have been imported for the six months ended December 2018, down 71.4% (Dec 2017: 223 573 tons)
- Duty free periods in August and September 2017 resulted in record high imports being reported
- Revised tariff of R4 195/ton implemented in August 2018, which substantially reduced imports
- Despite the revised tariff, the overhang of high levels of imported sugar is still impacting the local market

SUGAR & MILLING: MILLBAKE

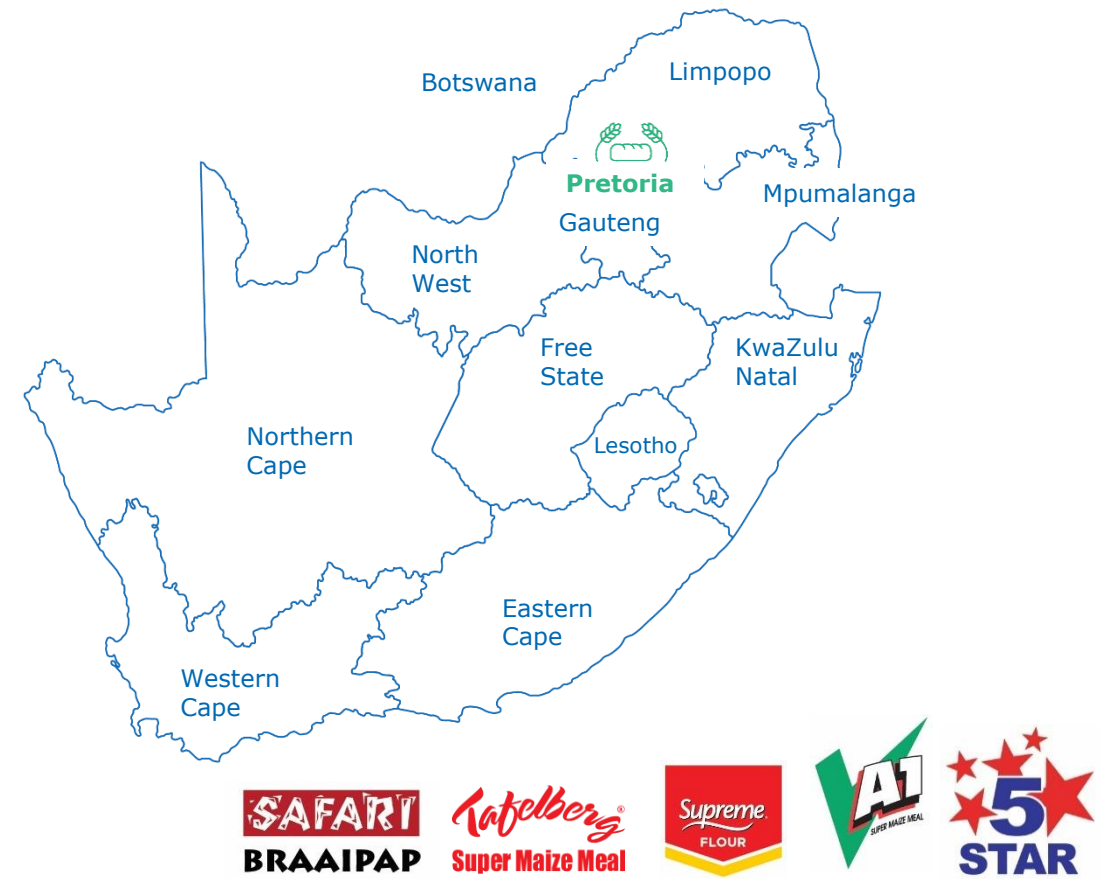
BAKING

The **Baking business unit** is the **fourth largest bread brand nationally**, and produces a range of **baked goods** under **Sunbake** and **DOB** brands.



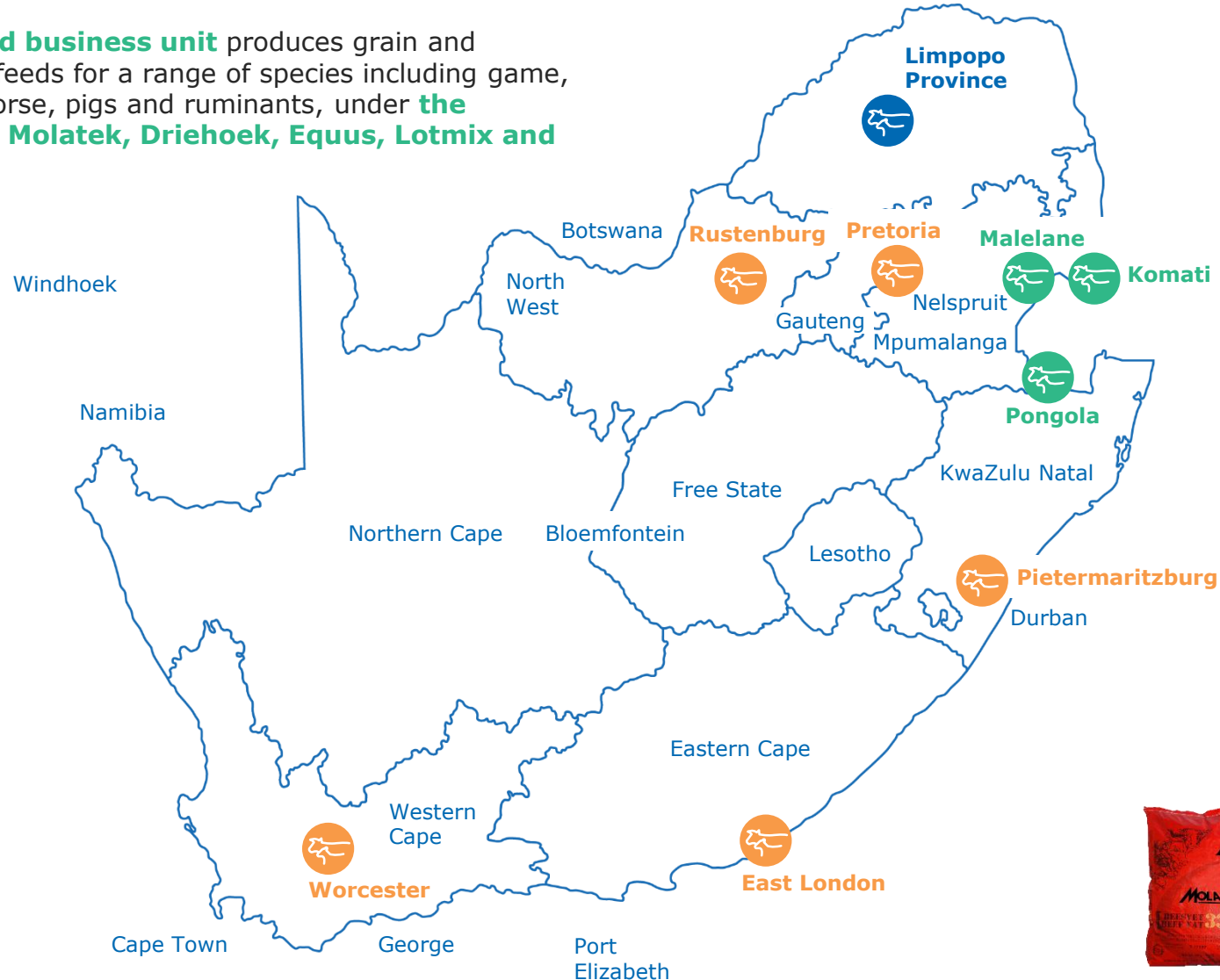
MILLING

The **Milling operation** produces **flour and a range of maize meal products** at its flour mill - **the largest single site flour mill in Southern Africa**.



SUGAR & MILLING: ANIMAL FEED

The **Animal Feed business unit** produces grain and molasses based feeds for a range of species including game, dairy, poultry, horse, pigs and ruminants, under **the brands of Epol, Molatek, Driehoek, Equus, Lotmix and Winterveld.**



3 molasses based feed mills producing almost 300 000 tons per year



5 grain based feed mills producing almost 875 000 tons per year



Driehoek Voere produces high roughage animal feed under the Driehoek, Equus, Lotmix and Winterveld brands



CUSTOMER OVERVIEW: LOGISTICS

CUSTOMER SECONDARY DISTRIBUTION (CSD)

Vector is contracted by the customer to deliver their full basket of products directly to the outlets

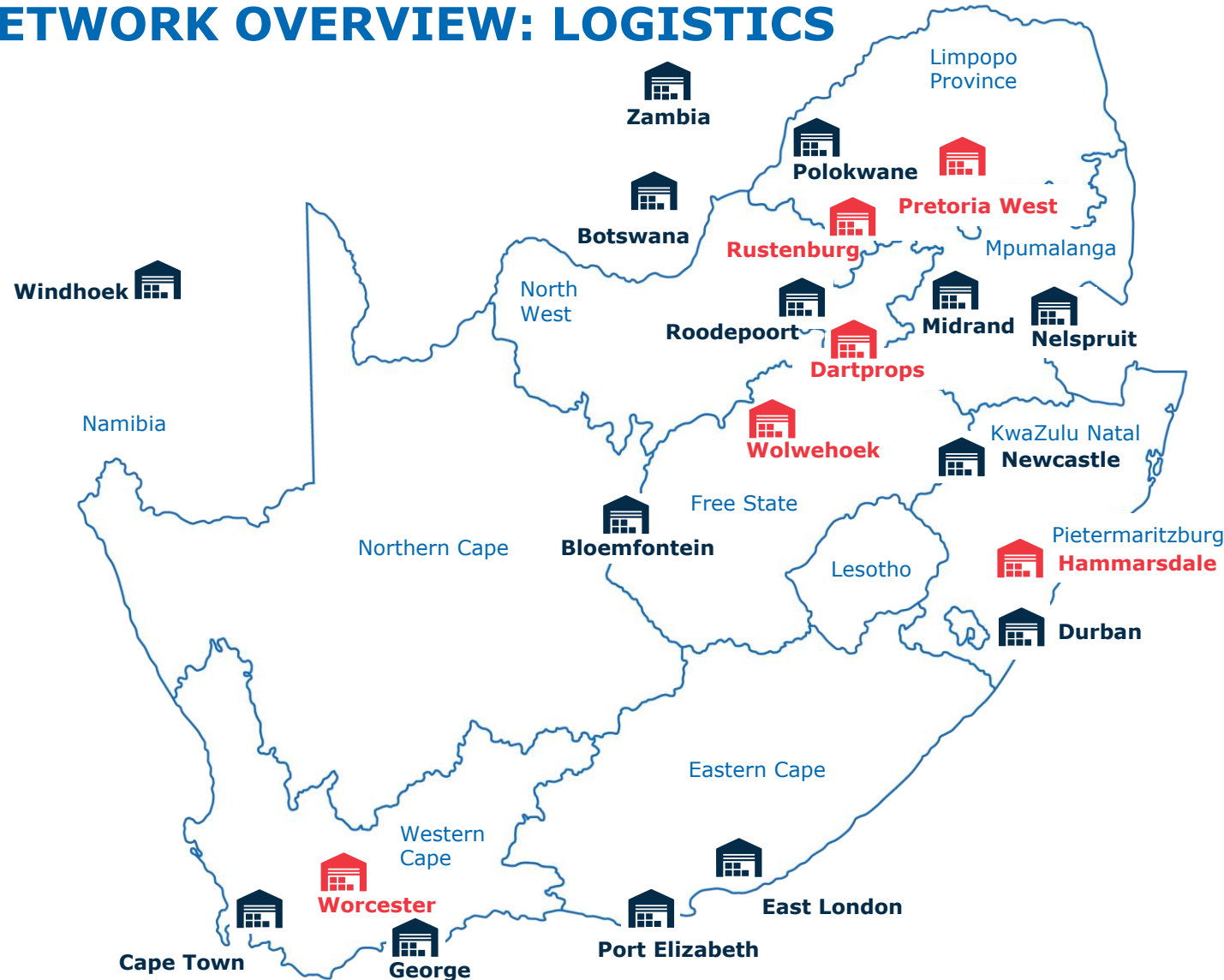


PRINCIPAL SECONDARY DISTRIBUTION (PSD)

Vector is contracted by the principal to deliver to all retailers, wholesalers and general trade



NETWORK OVERVIEW: LOGISTICS



- National footprint extending into Namibia, Botswana and Zambia
- 6 plant-based cold stores
- 14 distribution sites
- Storage capacity for over 104 000 pallets
- Over 4 000 employees
- Over 5 800 customer drop points
- Nearly 72 million cases delivered annually
- Over 570 000 tons transported annually
- 350 distribution vehicles
- Responsible for 100% of Pick n Pay's frozen product distribution
- ISO 22000 (Food safety management system) accreditation for all warehouses
- ISO 14001 (Environmental management standards) and OHSAS 18001 (Occupational health and safety standards) across Midrand, Thekwini, Peninsula and Roodepoort



Plant-based cold stores



Distribution sites