2021

INVESTOR PRESENTATION
06 SEPTEMBER 2021

RESULTS FOR THE YEAR ENDED JUNE 2021

MILES DALLY

CHIEF EXECUTIVE OFFICER

HEADLINES – RESULTS FOR THE FULL YEAR ENDED JUNE 2021

STRONG PERFORMANCE NOTWITHSTANDING A DIFFICULT OPERATING ENVIRONMENT

Meaningful improvement in statutory and underlying earnings

- Portfolio delivers strong results despite rising commodity cost pressure
- Excellent performance in Sugar and Baking business units and continued strong delivery in Grocery
- Vector Logistics improves via progression of its network consolidation plan

Effective response to COVID-19 continued

- Prioritising employee safety, maintaining food supply, supporting communities and managing cash and liquidity
- Positive normalisation of direct COVID-19 costs in latter half of the year

Progress made in future-proofing RCL FOODS portfolio

- Completion of portfolio review, laying the foundation for clear strategic thesis going forward
- Stand-alone Chicken Division established, dedicated structure finalised
- LIVEKINDLY Collective Africa goes live and extends participation in the plant-based alternative market
- Integration of the Imperial Cold Chain business into Vector Logistics largely complete
- Continued investment in our branded product portfolio entrenches market relevance

HEADLINES – RESULTS FOR THE FULL YEAR ENDED JUNE 2021

EARNINGS GROWTH DRIVEN BY A SOLID RESULT IN SUGAR, BAKING AND GROCERY

Revenue up 14.0% assisted strong volume growth amidst market share gains in key categories

Statutory and underlying EBITDA up 47.3% and 45.8% respectively

- Improved sales mix and agricultural cost efficiency drives an excellent Sugar result
- Resilient Grocery result led by strong Pet Food performance
- Higher volumes and bakery efficiency drives Baking performance
- Agricultural challenges and unrecovered high input costs hamper Chicken recovery
- Vector Logistics network consolidation drives improvement

Meaningful improvement in HEPS (to 107.9c) and Underlying HEPS (to 117.7c) driven by strong EBITDA growth

REVENUE	R31.7bn	**14.0%** ↑
EBITDA	R2.4bn	**47.3%** ↑
Underlying* EBITDA	R2.5bn	**45.8%** ↑
HEPS	107.9c	**723.7%** ↑
Underlying* HEPS	117.7c	**166.9%** ↑

* The underlying view of the results excludes material once-offs and accounting adjustments.

HEADLINES – RESULTS FOR THE FULL YEAR ENDED JUNE 2021

UNDERLYING EBITDA GROWTH (%) PER BUSINESS UNIT

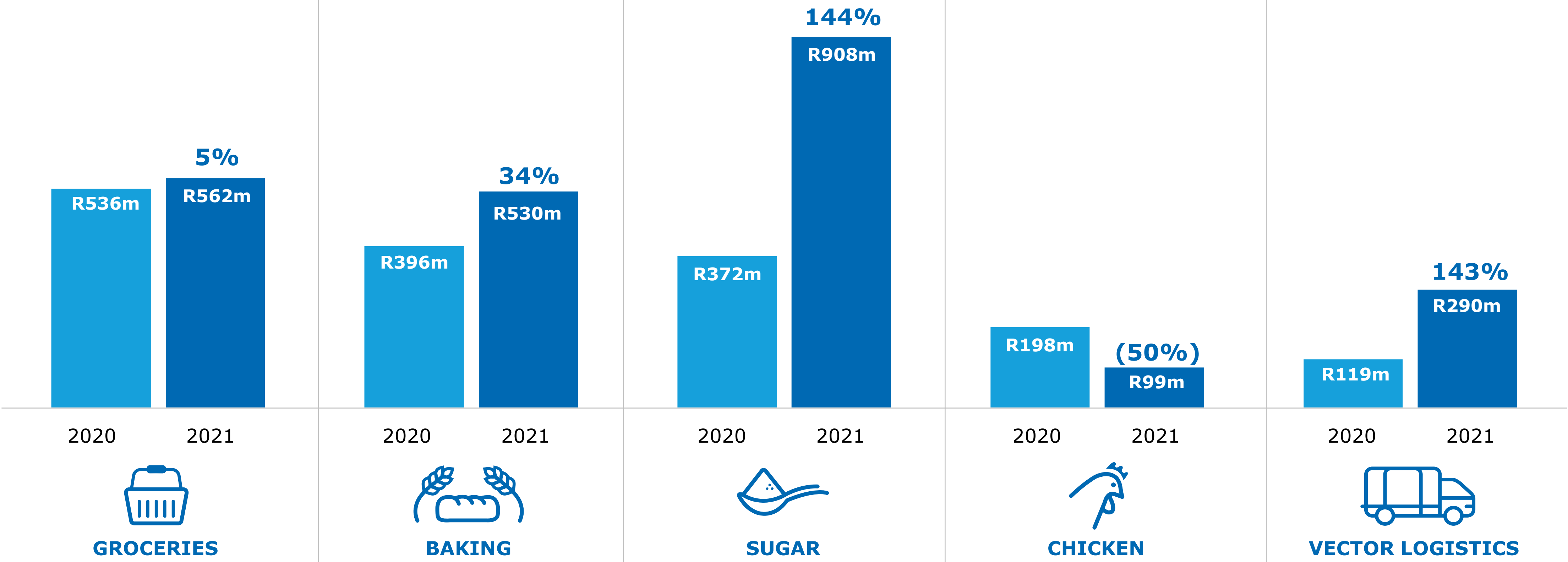
Strong Pet Food and a resilient Grocery performance enabled improvement despite input commodity cost pressure

Strong improvement across all operating units i.e. Milling, Bread, buns and rolls and Speciality

Improved sales mix and good agricultural cost efficiency drove a record Sugar result

Agricultural challenges and unrecovered high input costs hamper Chicken recovery

ICL* acquisition enables new business and **consolidation initiatives** for Vector Logistics



*Imperial Logistics SA's cold chain business

KEY STRATEGIC DELIVERABLES REVIEW

GOOD PROGRESS AGAINST TARGETED DELIVERABLES (AS HIGHLIGHTED IN INTERIM REPORTING)

1 COMPLETE THE STRATEGIC PORTFOLIO REVIEW

Delivered: Strategic portfolio review completed. Clear strategic intent to form the foundation for consistent quality of earnings going forward

2 DELIVER THE STANDALONE CHICKEN STRUCTURE

Delivered: Chicken stand-alone team structure in place effective July 2021. Stand-alone legal vehicle within RCL FOODS on track for FY22 half one

3 LAUNCH LIVEKINDLY COLLECTIVE AFRICA (LKCA)

Delivered: Went live with LKCA joint venture effective May 2021. Vision to scale the plant-based alternative market in Sub-Saharan Africa

4 SCALE GROWTH POTENTIAL IN GROCERIES AND BAKING

Delivered: Continued successful investment in growing strong brands in key categories, evidenced in good gains vs the market in Grocery and Baking

5 MAXIMISE MOMENTUM IN SUGAR

Delivered: Record profitability with optimised sales mix & agricultural cost efficiency. Well positioned to continue focus on controllable factors into the future

6 COMPLETE THE NETWORK INTEGRATION IN VECTOR

Delivered: Consolidation of Vector Logistics network and ICL* network largely complete, laying the platform for additional efficiency going forward

*Imperial Logistics SA's cold chain business

STRATEGIC PORTFOLIO REVIEW COMPLETED

CLEAR INTENTION TO SHARPEN STRATEGIC FOCUS IN VALUE ADD BRANDED FOODS BUSINESS ("FMCG")

- Rigorous review process confirmed that our current portfolio is not optimally configured for sustainable value creation **in line with our strategic ambitions going forward**
- Board has resolved that a **managed separation of the value-add branded foods business (Groceries and Baking) ("FMCG") from the poultry** (Chicken and grain-based feed), **sugar** (Sugar and molasses-based feed) **and logistics** (Vector Logistics) businesses will ultimately better position the Group **to achieve a more consistent quality of earnings**
- **Strategic intent clear – to unlock growth in the FMCG component of the business** through sharper strategic focus and active investment, both organically and through acquisition activity
- Optimised path to be sought for the managed separation of **poultry, sugar and logistics businesses to unlock their full potential** in pure play environments

RCL FOODS NATIONAL PLATFORM

- Strategic partner of choice
- Centralised centres of excellence
- Best in class innovation capability
- Top talent with leading culture

Unique capability to manage multiple business models

FOOD DIVISION	SUGAR DIVISION
Groceries Grocery + Pies + Beverages	CHICKEN DIVISION
Baking BBR + Millbake + Speciality	VECTOR LOGISTICS
LIVEKINDLY Collective Africa	
Spreads & Creams*	
PLATFORM TO FOR ACTIVE INVESTMENT TO CREATE AN FMCG BUSINESS OF SCALE	To leverage national platform where appropriate Optimised growth path sought for each division

*Siqalo Foods – Managed on behalf of Remgro

STAND-ALONE CHICKEN DIVISION COMPLETED

FOCUSED IMPLEMENTATION OF THE REVISED CHICKEN STRATEGY AIMED AT IMPROVING COMPETITIVENESS

November 2020	**Decision taken** to establish Chicken as a stand-alone division within RCL FOODS to enable pure-play focus on creating a **competitive, profitable and sustainable Chicken business**
January 2021	A **new senior leadership team appointed** to drive the execution of the stand-alone model within RCL FOODS and **to expedite the turn-around strategy**
July 2021	**Chicken dedicated structure goes live.** Division functioning on a stand-alone basis, whilst leveraging RCL FOODS transactional centres of excellence where appropriate
Q2 FY2022	Chicken division **to complete it's carve out as a dedicated separate legal entity within RCL FOODS**, ready for future ambitions guided by the strategic review process

With the **right people, structure and strategy** in place, the business is now more **optimally positioned** for recovery and sustainable future growth

LAUNCHED LIVEKINDLY COLLECTIVE AFRICA

Plant-based protein is a key strategic investment focus – an opportunity for RCL FOODS to provide **enhanced consumer choice** and contribute towards a **more sustainable food system**

Growing on the relationship with the US-based LIVEKINDLY Collective (LKC), **we went live with the LIVEKINDLY COLLECTIVE AFRICA (LKCA) joint venture in May 2021**

LKCA aims to develop the plant based alternatives market in South Africa and Sub-Saharan Africa and **will market, sell and distribute all LIVEKINDLY Collective's brands**, leveraging:

- LKC's brands, technology and intellectual property
- RCL FOODS' go-to-market capability, integrated service platform and customer relationships

Good opportunity to make plant based alternatives more accessible and affordable to consumers across Sub-Saharan Africa

DOING BUSINESS SUSTAINABLY

- **Digital transformation embedded as a mindset that is core to our strategy** and acts as a key enabler for all strategic opportunities across the business. Highlighted most notably in our **Let's Talk app and ability to connect meaningfully with 13 000 of our employees**

- **Supplied 160 GWh of our electricity requirement from self-generated sources** in 2021, including sugar co-generation, Waste-to-Value (W2V) and rooftop solar

- **W2V electricity generation increased 182%** with the first-phase commissioning of the new Rustenburg W2V plant

- We continue to invest in corporate social investment initiatives co-ordinated through the **DO MORE FOUNDATION**:
  - Since the start of the lockdown our DO MORE FOUNDATION has **provided almost 10,5 million meals to vulnerable communities**
  - Contributed directly to youth enterprise development via an order for **22 000 branded fabric face masks**

ROB FIELD

CHIEF FINANCIAL OFFICER

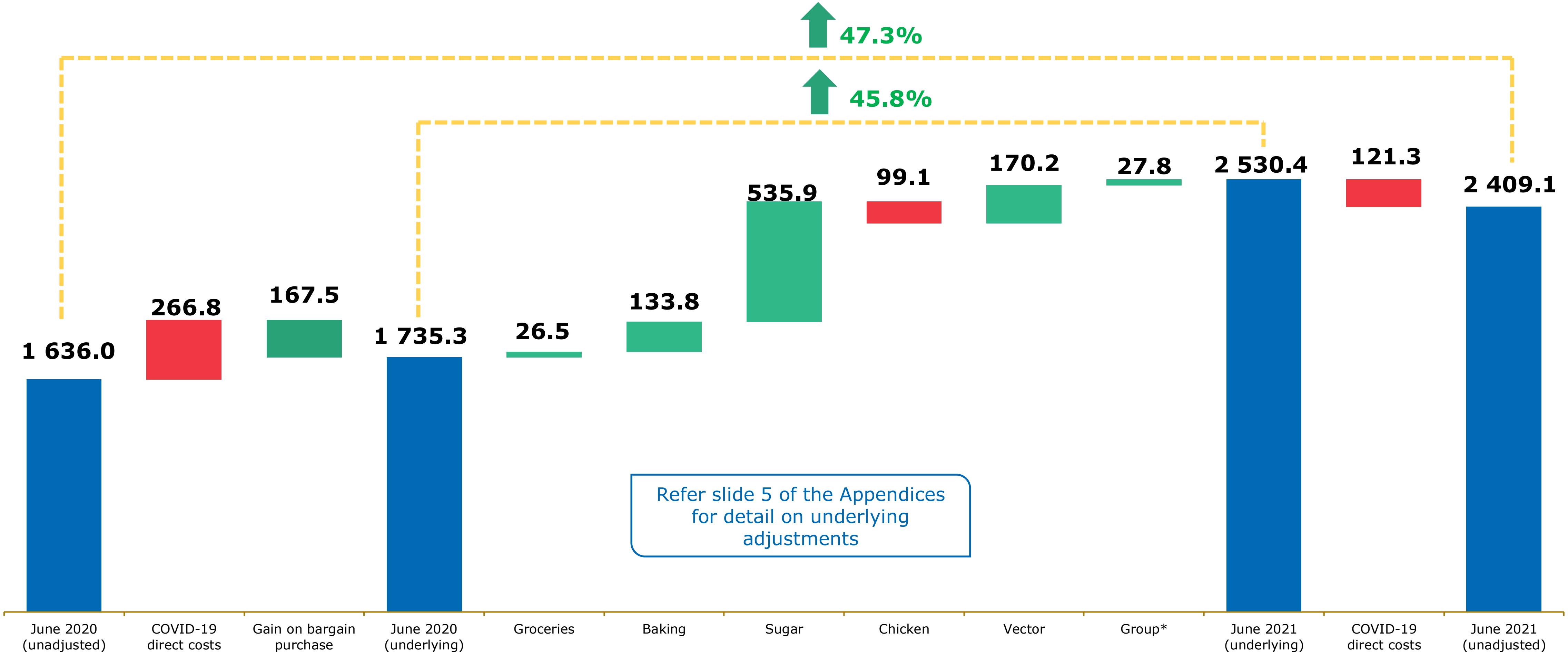
FINANCIAL SUMMARY

INCOME STATEMENT		JUN 2021	JUN 2020	% VAR
Revenue	Rm	**31 687.9**	27 803.6	14.0
EBITDA	Rm	**2 409.1**	1 636.0	47.3
EBITDA margin	%	**7.6**	5.9	1.7ppts
*Underlying EBITDA**	*Rm*	***2 530.4***	*1 735.3*	*45.8*
*Underlying EBITDA margin**	*%*	***8.0***	*6.2*	*1.8ppts*
Net finance costs	Rm	**289.1**	454.7	36.4
Share of profits of JV's & associates	Rm	**146.9**	145.7	0.8
Effective tax rate (excl. JV's & associates)	%	**27.1**	13.4	13.7ppts
Headline earnings	Rm	**958.1**	114.6	736.0
Headline earnings per share	cents	**107.9**	13.1	723.1
*Underlying headline earnings**	*Rm*	***1 045.5***	*385.9*	*170.9*
*Underling headline earnings per share**	*cents*	***117.7***	*44.1*	*166.9*
BALANCE SHEET & RATIOS				
Net working capital	Rm	**3 470.9**	2 777.5	(25.0)
Interest-bearing liabilities (excluding lease liabilities)	Rm	**2 965.0**	2 720.2	9.0
Cash generated by operations	Rm	**1 627.4**	2 571.4	(36.7)
Capex spend (inc. intangibles)	Rm	**921.3**	811.4	13.5
Return on invested capital	%	**8.5**	(4.8)	13.3ppts
Underlying return on invested capital (excl. acquisition adjustments** and material once-offs)*	%	**12.3**	7.3	5.0ppts
Total dividend	cents	**45.0**	25.0	80.0
NAV per share	cents	**1 203.9**	1 105.8	8.9

* Adjusted for material once-offs and accounting adjustments | **Excludes Foodcorp acquisition purchase price allocation for intangible assets, PPE and related amortisation, depreciation

OPERATING RESULTS SUMMARY (Rm)

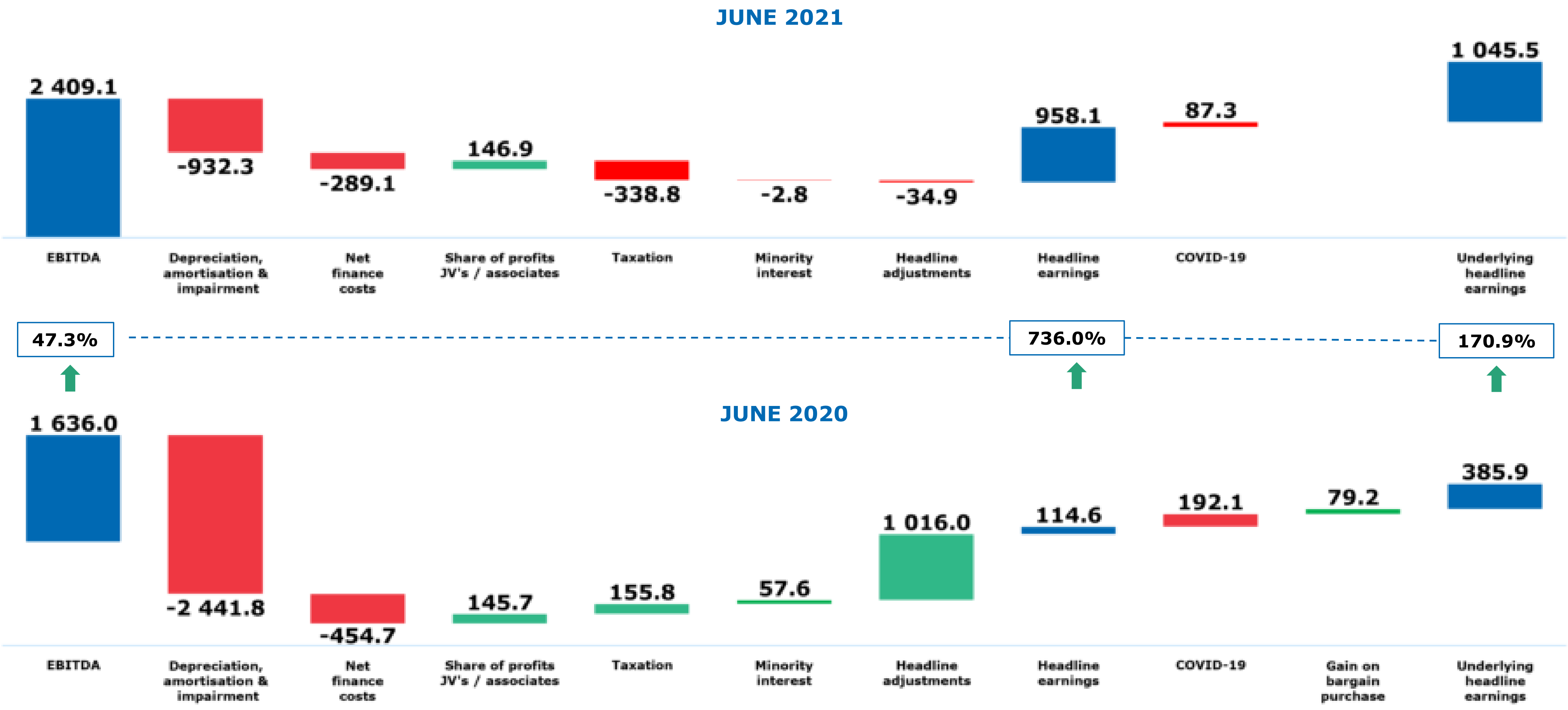
UNDERLYING EBITDA UP 45.8% DRIVEN BY RECORD PERFORMANCE IN SUGAR, COUPLED WITH IMPROVEMENT IN BAKING AND VECTOR LOGISTICS



Refer slide 5 of the Appendices for detail on underlying adjustments

*Includes the profits of Matzonox (waste-to-value operation), management fees earned from Siqalo Foods and group consolidation entries

HEADLINE EARNINGS WATERFALL (Rm)



* Relates to fair value adjustments on the Group’s commodity raw material procurement positions

OPERATING RESULTS SUMMARY - UNADJUSTED

SEGMENTAL ANALYSIS – REVENUE AND EBITDA

REVENUE (Rm)	JUN 2021	JUN 2020	% VAR
Groceries	**5 522.0**	4 984.2	10.8
Baking	**5 849.0**	5 195.1	12.6
Sugar	**8 397.7**	7 621.8	10.2
Chicken	**10 335.9**	8 813.6	17.3
Vector Logistics	**3 153.6**	2 589.4	21.8
Group	**194.7**	166.2	17.2
Sales between segments	**(1 765.0)**	(1 566.7)	
TOTAL	**31 687.9**	27 803.6	14.0

EBITDA (Rm)	JUN 2021	JUN 2020	% VAR
Groceries	**557.8**	522.4	6.8
Baking	**520.6**	371.7	40.0
Sugar	**900.4**	354.9	153.7
Chicken	**5.2**	28.2	(81.6)
Vector Logistics	**282.9**	244.3	15.8
Group	**142.3**	114.5	24.3
TOTAL	**2 409.1**	1 636.0	47.3

EBITDA MARGIN (%)	JUN 2021	JUN 2020	VAR
Groceries	**10.1**	10.5	(0.4ppts)
Baking	**8.9**	7.2	1.7ppts
Sugar	**10.7**	4.7	6.0ppts
Chicken	**0.1**	0.3	(0.2ppts)
Vector Logistics	**9.0**	9.4	(0.4ppts)
TOTAL	**7.6**	5.9	1.7ppts

OPERATING RESULTS SUMMARY – UNDERLYING EBITDA

EXCLUDING MATERIAL ONCE-OFFS AND ACCOUNTING ADJUSTMENTS, UNDERLYING EBITDA UP 45.8% AND MARGIN IMPROVES TO 8.0%

UNDERLYING EBITDA (Rm)	JUN 2021	JUN 2020	% VAR
Groceries	**562.4**	535.9	4.9
Baking	**529.9**	396.1	33.8
Sugar	**907.5**	371.6	144.2
Chicken	**98.8**	197.8	(50.1)
Vector Logistics	**289.6**	119.4	142.6
Group	**142.3**	114.5	24.3
TOTAL	**2 530.4**	1 735.3	45.8

UNDERLYING EBITDA (%)	JUN 2021	JUN 2020	VAR
Groceries	**10.2**	10.8	(0.6ppts)
Baking	**9.1**	7.6	1.5ppts
Sugar	**10.8**	4.9	5.9ppts
Chicken	**1.0**	2.2	(1.2ppts)
Vector Logistics	**9.2**	4.6	4.6ppts
TOTAL	**8.0**	6.2	1.8ppts

CASH FLOW SUMMARY

HEALTHY CASH POSITION

Rm	JUN 2021	JUN 2020	% VAR
OPENING BALANCE*	**1 030.0**	(110.4)	1 033.2
Operating profit adjusted for non-cash flow items	**2 034.1**	1 252.1	62.5
Working capital changes	**(406.7)**	1 319.3	(130.8)
Tax (paid)/refunded	**(335.1)**	(47.9)	(600.3)
Replacement capital expenditure	**(579.1)**	(375.2)	(54.4)
Proceeds on disposal of non-current assets and assets held-for-sale	**41.8**	17.1	144.8
Free cash flow	***755.0***	***2 165.4***	***(57.9)***
Net finance costs paid	**(216.6)**	(257.7)	16.0
Net dividends paid	**(129.3)**	(152.6)	15.3
Expansion capital expenditure (incl. intangibles)	**(342.1)**	(436.2)	21.6
Acquisitions	**(160.5)**	(4.2)	(3 724.5)
Advances/(Payments**) on other interest-bearing liabilities	**(36.5)**	(154.3)	76.3
Other	**(2.8)**	(20.0)	85.7
Total cash movement for the period	***(132.8)***	***1 140.4***	***(111.7)***
Exchange rate translation	**(0.2)**		(100.0)
CLOSING BALANCE*	**897.0**	1 030.0	(12.9)

*Net of overdrafts | ** Prior period includes R237.7m related to payments on lease liabilities that would have been disclosed as part of operating profit prior to the IFRS 16 implementation

WORKING CAPITAL

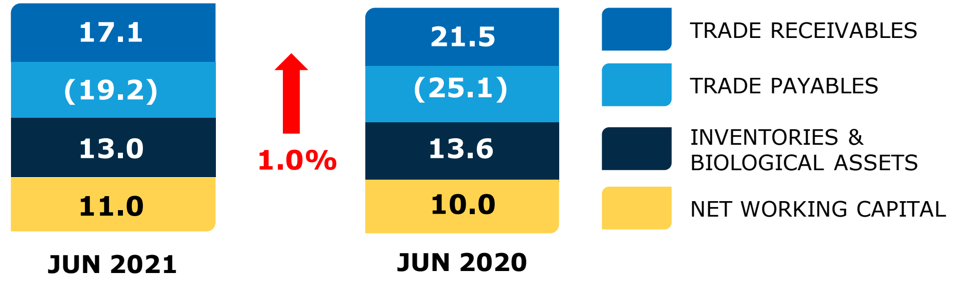
WORKING CAPITAL REMAINS WELL MANAGED

WORKING CAPITAL (Rm)	JUN 2021	JUN 2020	% VAR
Trade and other receivables	**5 427.3**	5 965.3	(9.0)
Inventories	**3 171.4**	2 980.7	6.4
Biological assets	**955.3**	805.1	18.7
Trade and other payables	**6 083.1**	6 973.5	(12.8)
Net	**3 470.9**	2 777.5	**25.0**

WORKING CAPITAL DAYS	JUN 2021	JUN 2020	VAR DAYS
Receivables days	**63**	78	15
Stock days	**64**	67	3
Payables days	**(94)**	(123)	(29)
Net	**33**	22	(11)
*Adjusted debtors days**	***34***	*43*	*9*

*Trade and other receivables include other receivables and prepayments of R888.0m (June 2020: R917.2m). Adjusted debtors days calculates the days off trade debtors only, and is based on the gross sales value made by Vector Logistics instead of the net revenue disclosed for accounting purposes, and has been adjusted to include a full 12 months of sales relating to the ICL new customers taken on 1 December 2019.

NET WORKING CAPITAL AS A % OF REVENUE



Net working capital has increased by R693.4 million (25.0%) from June 2020, and as a percentage of sales increased to 11.0% in the current period (June 2020: 10.0%). The increase was mainly driven by the timing of year-end cut-off versus the prior year.

Trade and other receivables decreased by R538,0 million and from 21.5% to 17.1% of revenue, whilst trade and other payables decreased by R890,4 million and from 25.1% to 19.2% of revenue. The gross decrease in both of these lines was largely driven by the impact of the year-end cut-off in the current year being after calendar month-end. The current financial year cut-off was 4 July 2021, whilst the prior year cut-off was 28 June 2020.

Adjusted debtors' days are 9 days lower than the prior period mainly due to the timing of the year-end cut-off.

Inventory increased by R190.7 million from June 2020 largely due to a normalisation of sugar inventory levels versus the prior year, coupled with an increase in commodity raw material input costs feeding into product valuations, whilst biological assets increased R150.3 million due to higher Chicken volumes.

CAPITAL EXPENDITURE

WELL CONTROLLED CAPEX SPEND, UP R109.9m. PRIOR YEAR IMPACTED BY NATIONAL LOCKDOWN IN LAST QUARTER.

Capital expenditure (including intangibles) was **R921.3m** (2020: R811.4m)

The only significant spend items were:

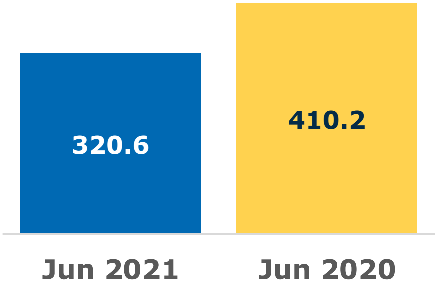
- Replacements within the Vector Logistics fleet (R74.0m);
- Replacement of certain production lines at the Pretoria West bakery (R22.5m); and
- Electricity generation spend within Sugar (R21.9m)

Capital commitments of **R908.8m** (2020: R604.9m)

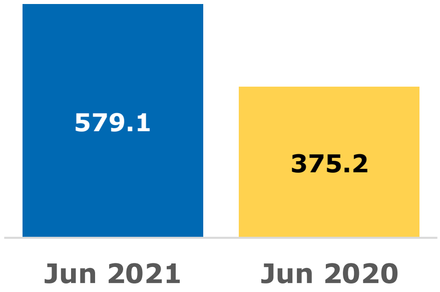
Major items included in these amounts relate to:

- Expansion of the bread, buns and rolls production lines (R186.0m);
- Planned replacements within the Vector Logistics fleet (R39.6m); and
- The expansion of Vector Logistics' Thekweni chiller (R32.6m)

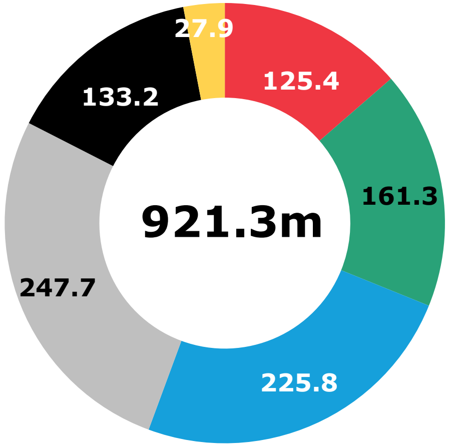
EXPANSION (Rm)



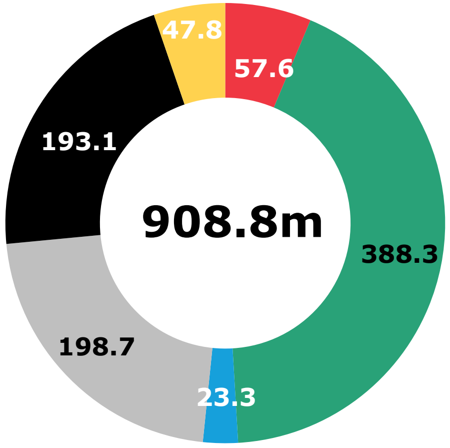
REPLACEMENT (Rm)



CAPITAL EXPENDITURE BY SEGMENT (Rm)



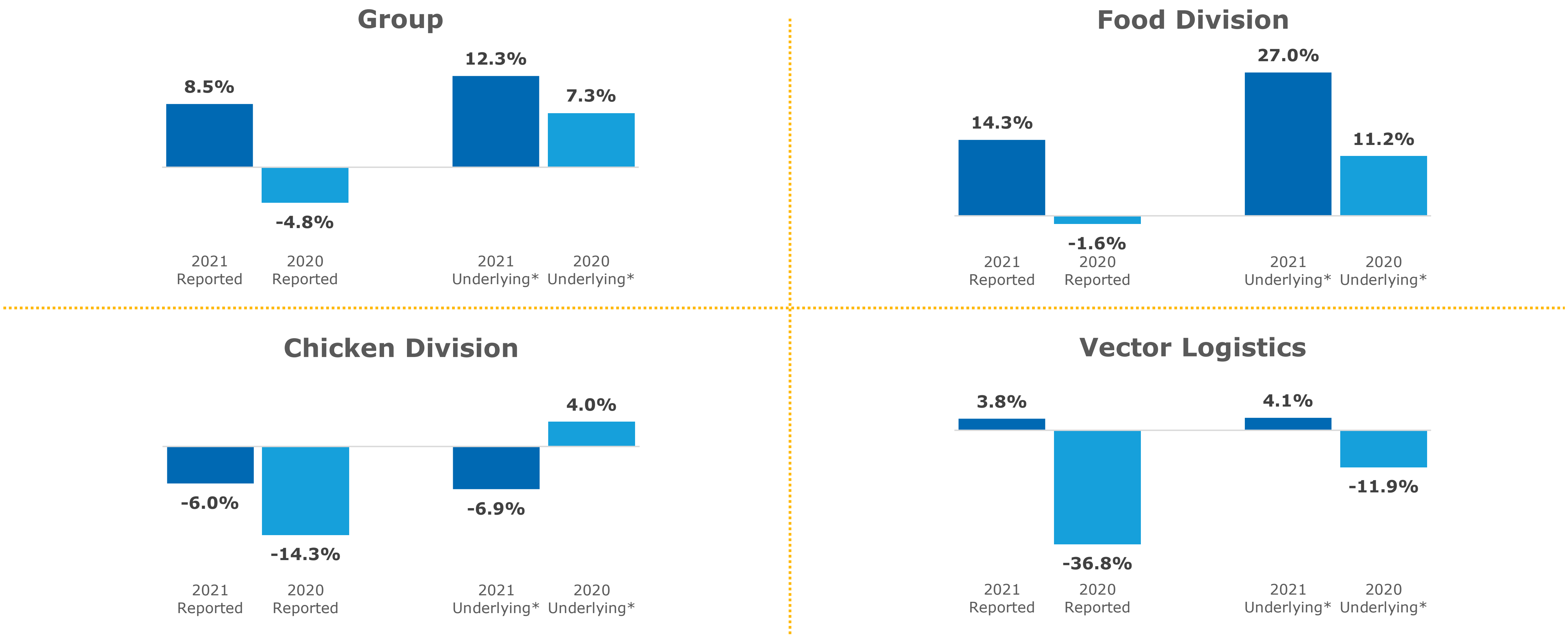
CAPITAL COMMITMENTS BY SEGMENT (Rm)



Groceries Baking Sugar Chicken Vector Group

RETURN ON INVESTED CAPITAL (ROIC) AT JUNE

GROUP REPORTED ROIC IMPROVED 13.3% FROM NEGATIVE 4.8% IN 2020 TO POSITIVE 8.5% IN 2021. GROUP UNDERLYING ROIC IMPROVES TO 12.3%



Excludes the material impact of once-offs and accounting adjustments as well as Foodcorp acquisition purchase price allocation for intangible assets, PPE balances and related amortisation, depreciation and tax

DEBT PACKAGE

DEBT PACKAGE RESTRUCTURED IN DECEMBER 2018 AT LOWER INTEREST RATES
INTEREST RATE OF 3M JIBAR + MARGIN OF 1.5% TO 1.55% OVER 5 YEAR TERM

TERM	VALUE (Rm)	YEAR 1 (DEC 19)*	YEAR 2 (DEC 20)	YEAR 3 (DEC 21)	YEAR 4 (DEC 22)**	YEAR 5 (DEC 23)
5 year	837.50					
	RCF[1]: 837.50					
4 year	281.25					
	RCF[1]: 281.25					
3 year	56.25					
	RCF[1]: 56.25					
TOTAL	**2 350**					
Hedged %		**75%**	**75%**	**79%**	**0%**	**0%**

Hedged 3M JIBAR (collar with a 7.0% floor & 8.5% cap)

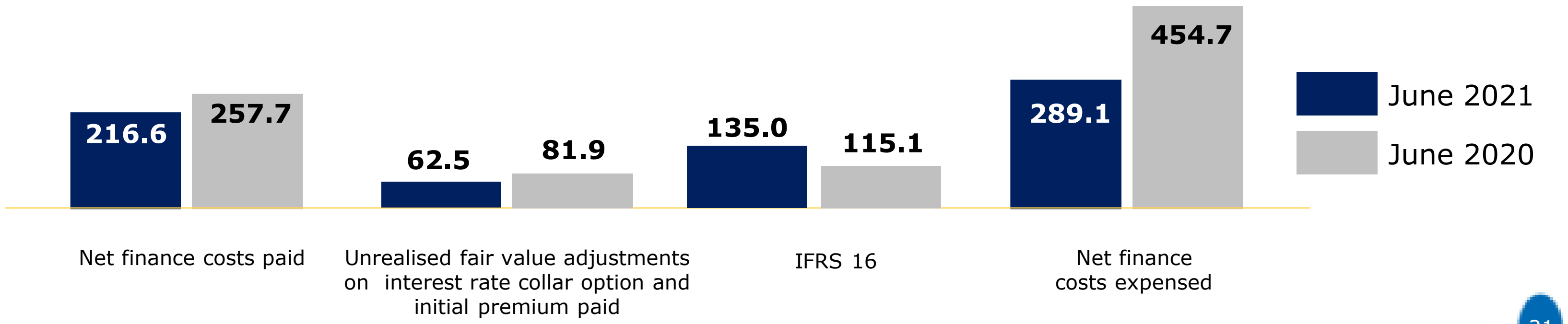
Unhedged

Partial hedge

* Hedge commenced 1 April 2019

** Hedge ends 31 March 2022

NET FINANCE COSTS (Rm)



[1]Revolving credit facility

DEBT COVENANTS

RCL FOODS REMAINS WELL WITHIN COVENANT REQUIREMENTS

Required covenant ratios were revised on restructuring of the debt package in December 2018

COVENANT	REQUIRED	JUNE 2021	JUNE 2020
Senior leverage ratio (Net senior debt*/Adjusted EBITDA)	<3.0	1.0	1.6
Senior interest cover ratio (Adjusted EBITDA/senior net finance charges**)	>3.5	10.2	4.7

Covenant met   Covenant breached

Covenant requirements are fixed at 3.0 for the senior leverage ratio and 3.5 for the senior interest cover ratio over the entire 5-year term of the package

Adjusted EBITDA is calculated as pre-IFRS 9 EBITDA, less EBITDA attributable to non-controlling interests less gains/losses arising from revaluations of disposals of assets and excludes the EBITDA impact of IFRS 16 Leases.

*Net senior debt: Total unsubordinated debt, excluding IFRS 16 Leases, less cash and cash equivalents | **Senior net finance charges: Finance charges on unsubordinated debt less interest income, excluding unrealised fair value movements on collar hedge and IFRS 16 interest

PAUL CRUICKSHANK

FOOD DIVISION

CHIEF OPERATING OFFICER

OPERATIONAL REVIEW : FOOD DIVISION

REVENUE (Rm)	JUN 2021	JUN 2020	% VAR
Groceries	**5 522.0**	4 984.2	10.8
Baking	**5 849.0**	5 195.1	12.6
Sugar	**8 397.7**	7 621.8	10.2
FOOD DIVISION SUB TOTAL	**19 768.6**	17 801.1	11.1
Chicken Division	**10 335.9**	8 813.6	17.3
Vector Logistics	**3 153.6**	2 589.4	21.8
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FOOD DIVISION SUB TOTAL	**1 978.8**	**1 249.1**	58.4
Chicken Division	**5.2**	28.2	(81.6)
Vector Logistics	**282.9**	244.3	15.8
Group	**142.3**	114.5	24.3
TOTAL	**2 409.1**	1 636.0	47.3

OUR WINS FOR THE PERIOD

- A **clear strategy & focus** driving a significantly **improved EBITDA** result
- **Well executed COVID controls** minimising disruption on operations
- **Stronger than forecasted volume growth** across most categories
- **Significant overhead savings** & heightened focus on **operational efficiencies**
- **Substantial cost savings** in Sugar **delivered**
- **Outstanding Sugar factory performance**
- Activation plans & innovation driving a **volume recovery in Pies**
- Well executed **turnaround plans driving improved Beverage result**
- Strong **focus on efficiencies** driving **improved Milling margins**
- Future **Baking growth plan** clearly outlined & investment approved

GROCERIES

OPERATIONAL REVIEW : FOOD DIVISION - GROCERIES

UNDERLYING EBITDA RESULT OF R 562.4m, UP 4.9% ON LAST YEAR DRIVEN BY GOOD VOLUME GROWTH

GROCERIES	JUN 2021	JUN 2020	% VAR
REVENUE			
Revenue excluding sundry sales	4 813.0	4 454.3	8.1
Sundry sales	709.0	529.9	33.8
EBITDA	557.8	522.4	6.8
*EBITDA margin %**	*11.6*	*11.7*	(0.1)pts
Underlying adjustments:			
COVID-19	*4.5*	*13.4*	
UNDERLYING EBITDA	**562.4**	**535.9**	4.9
*Underlying EBITDA margin %**	***11.7***	***12.0***	(0.3)ppts

HEADLINES

- Groceries reflected pleasing growth as the business continued to benefit from increased in-home consumption and associated higher demand for pantry essentials
- Our "on-the-go" Pies and Beverages operating units, which were impacted by lockdown restrictions, are now gradually rebuilding volumes and contributing to the improved H2 result

*Margin calculated on revenue excluding sundry sales

OPERATIONAL REVIEW : FOOD DIVISION - GROCERIES

GROCERY : CULINARY

- Our Culinary brands have remained resilient despite a tough trading environment heightened by aggressive competitor promotional activity and commodity input price pressure
- Whilst a rally in the sunflower seed price necessitated a second price increase on mayonnaise, our Nola brand has continued to grow its market leadership position
- Yum Yum Peanut Butter volumes and market share also continued to grow despite fierce local competition and aggressive pricing on imported peanut butter which does not attract import duties whereas raw peanut imports do
- With commodity prices remaining firm we expect margins to come under pressure therefore focus for the upcoming year will be on delivering operating efficiencies and driving focussed pricing strategies

MARKET SHARE (VOLUME)	12mm Jun 2020	12mm Jun 2021	3mm Jun 2021
NOLA	40.7%	42.4%	42.2%
YUM YUM	26.0%	26.3%	26.2%
OUMA	54.0%	49.6%	53.9%

Source : Aztec

OPERATIONAL REVIEW : FOOD DIVISION - GROCERIES

GROCERY : PET FOOD

- Our major Pet Food brands have continued to outperform the market which is reflective in our growing market share position
- Within the Dog Food category, Optimizor stood out as a star performer in the co-op channel, growing to a R175m brand only 2 years after it was launched. In the supermarket channel, Canine Cuisine and Bobtail have also grown volumes and market share ahead of expectation
- The cat food category delivered particularly pleasing growth, with strong share gains in both the Feline Cuisine premium offering and the Catmor economy brand
- Pet Food margins have however come under pressure, especially in the last quarter with maize prices remaining at high levels

MARKET SHARE (VOLUME)	12mm Jun 2020	12mm Jun 2021	3mm Jun 2021
Bobtail	34.4%	34.3%	35.9%
CANINE CUISINE	33.2%	36.1%	38.2%
FELINE CUISINE	13.9%	16.9%	19.6%
catmor	62.8%	69.3%	74.8%

Source : Aztec

OPERATIONAL REVIEW : FOOD DIVISION - GROCERIES

PIES

- A key focus in Pies has been on regaining volumes, lost during the lockdown period, through a strong "back to market" recovery plan. This plan together with the newly launched Pieman's Big Deal pie has driven double digit growth in the forecourt channel
- Softer demand in the Retail Prepared channel still remains a challenge which, together with rising raw material costs, is starting to put pressure on margins
- Launching a range of innovations, identifying cost savings and leading growth in a changing Pies market will be key in delivering on our Pies plant investment

BEVERAGES

- Beverage volumes, also affected by reduced "on-the-go" consumption during the lockdown, are gradually starting to increase
- Despite a recovery in volumes, the improved result was largely a factor of cost savings arising from the consolidation of its UHT volumes into its fresh plant in March 2021
- Whilst significant inroads have been made to turn the business around, a number of projects have been earmarked to further step change performance in F22

BAKING

OPERATIONAL REVIEW : FOOD DIVISION - BAKING

UNDERLYING EBITDA OF R529.9m, UP 33.8% ON LAST YEAR MAINLY DUE TO STRONG DEMAND & IMPROVED OPERATIONS

BAKING	JUN 2021	JUN 2020	% VAR
REVENUE	**5 849.0**	**5 195.1**	12.6
EBITDA	520.6	371.7	40.0
EBITDA margin %	*8.9*	*7.2*	1.7pts
Underlying adjustments:			
COVID-19	9.3	24.4	
UNDERLYING EBITDA	**529.9**	**396.1**	33.8
Underlying EBITDA margin %	***9.1***	***7.6***	1.5ppts

HEADLINES

- Baking delivered a substantially improved result across all operating units
- The better performance was underpinned by strong demand resulting from increased in-home consumption, a more favourable sales mix and operating efficiencies

OPERATIONAL REVIEW : FOOD DIVISION - BAKING

BREADS, BUNS & ROLLS

- Bread, buns and rolls generated a strong result which was largely a factor of focused strategic execution leading to a successful turnaround in the Gauteng bakeries

- Most bakeries are however reflecting a much-improved margin as a result of landing a price increase early in the period to counter commodity price pressure, coupled with processing improvements

- Volumes more recently have come under pressure due to softer category demand and aggressive competitor activity in Gauteng, which reinforces the importance of fast tracking our growth strategy

- In order to accelerate Bread, Buns & Rolls growth in line with Baking's overall strategy, the business approved a R128m investment in the Polokwane bakery and has already commenced a depot rollout program

OPERATIONAL REVIEW : FOOD DIVISION - BAKING

SPECIALITY

- The Speciality operating unit continues to deliver strong results on the back of increased demand for speciality breads and cakes boosted by an improved mix

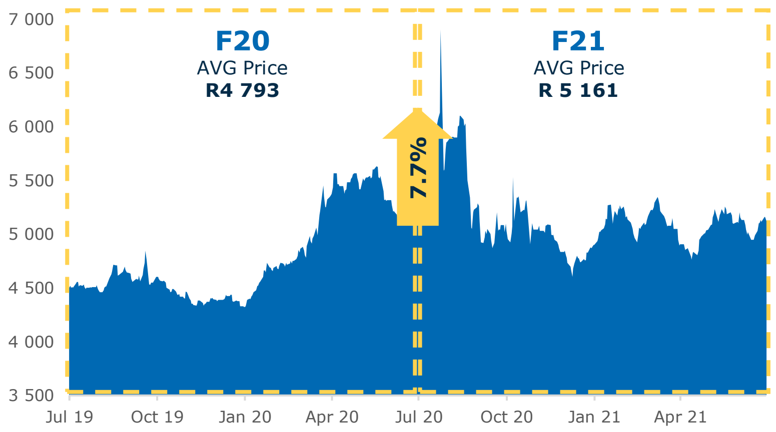
- Whilst protecting volumes, improved efficiency through plant consolidation and a focus on specialist skills will be at the heart of Speciality's strategy for the next two years

MILLING

- Milling performance has improved considerably on the back of an improved mix, increased focus on stock losses and efficiencies, landing higher pricing to counter commodity price increases and improved mill performance as a result of investments in the prior period

- Forward integration will continue to be a big strategic priority for the business in F22 as it will deliver growth and use more of our capacity internally

SAFEX WHEAT PRICE (R/Ton)



Source : Reuters

SUGAR

OPERATIONAL REVIEW: FOOD DIVISION - SUGAR

SUGAR UNDERLYING EBITDA UP 144.2% TO R907.5m ON THE BACK OF STRONG DEMAND, A FAVOURABLE PRODUCT MIX AND STRONG COST CONTROL

SUGAR	JUN 2021	JUN 2020	% VAR
REVENUE	**8 397.7**	**7 621.8**	10.2
EBITDA	900.4	354.9	153.7
EBITDA margin %	*10.7*	*4.7*	6.0ppts
Underlying adjustments:			
COVID-19	7.2	16.7	
UNDERLYING EBITDA	**907.5**	**371.6**	144.2
Underlying EBITDA margin %	***10.8***	***4.9***	5.9

HEADLINES

- Sugar delivered a substantially stronger operating result that was 144.2% up on the prior year's performance
- The exceptional result was largely a factor of increased local demand which drove a more beneficial mix, coupled with significant cost savings

OPERATIONAL REVIEW: FOOD DIVISION - SUGAR

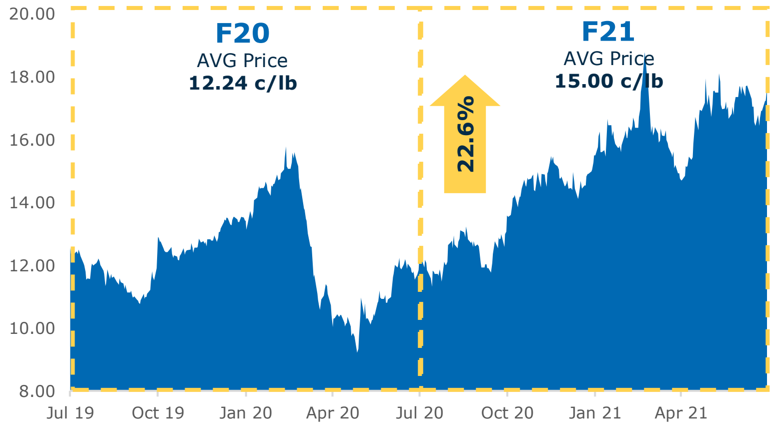
SUGAR

- Increased local sugar demand amidst the ongoing COVID-19 lockdown, coupled with a shrinking industry crop supported a healthier supply-demand balance and drove an improved more profitable mix in favour of local sales

- In addition, with a heightened focus on “controlling our controllables”, efforts to identify and unlock cost savings in the supply chain and in agriculture have delivered exceptional results, supported by a successful margin restoration drive

- A 22.6% increase in the international sugar price has also improved export earnings over the period

NO.11 WORLD SUGAR PRICE (RAW SUGAR)



Source : Reuters

OPERATIONAL REVIEW : FOOD DIVISION - SUGAR

SUGAR continued

- Lastly, good progress was also made in addressing funding challenges for Sugar’s three cane-growing community-based joint ventures, however further work is required in this space to ensure future sustainability

SUGAR MASTER PLAN

- RCL FOODS supports the Sugar Master Plan, which seeks to improve the sustainability of the South African sugar industry, and is contributing actively to implementation efforts
- Despite the multi-stakeholder task teams meeting regularly, progress on the industry restructure has been slower than expected
- The Competition Commission has therefore granted SASA an extension until 30 June 2023 to enable engagements to continue

OPERATIONAL REVIEW : FOOD DIVISION - SUGAR

MOLATEK

- Although Molatek delivered a full year result that was in line with the prior year, the business has seen a marked turnaround in the last quarter as the industry starts to recover and commercial farmers indicate better cashflow positions

- Whilst higher volumes have been the big driver behind the much-improved H2 result, a more favourable mix and significant focus on cost management have also contributed to the better performance

- Higher raw material prices and limited molasses availability due to a smaller cane crop could put pressure on the business in upcoming months

FOOD DIVISION – KEY PRIORITIES

FOOD DIVISION PRIORITIES FOR F22 FINANCIAL YEAR

STRATEGIC

- Deliver on our **Pies plant investment & innovation roadmap**
- Execute phase 2 of the **Beverage turnaround plan**
- Deliver on **Baking's Polokwane CAPEX growth plan**
- Execute the **Speciality site consolidation project**
- Focused **reduction of Sugar's Agriculture costs** & execute on **margin restoration initiatives**
- Deliver a **sustainable funding solution** for Sugar's JV's

OPERATIONAL

- **Minimise COVID-19 disruption** on operations
- Effectively **manage commodity pricing pressure** and the impact that price increases will have on volumes
- Drive a **purpose fit cost base** for a challenged consumer environment
- Flawless execution of **innovation in value tier and Pet Food category**
- Seamlessly **execute Chicken's separation** from Food Division

MARTHINUS STANDER

CHICKEN DIVISION
MANAGING DIRECTOR

OPERATIONAL REVIEW : CHICKEN DIVISION

REVENUE (Rm)	JUN 2021	JUN 2020	% VAR
Groceries	**5 522.0**	4 984.2	10.8
Baking	**5 849.0**	5 195.1	12.6
Sugar	**8 397.7**	7 621.8	10.2
Food Division Sub Total	**19 768.6**	17 801.1	11.1
CHICKEN DIVISION	**10 335.9**	8 813.6	17.3
Vector Logistics	**3 153.6**	2 589.4	21.8
Group	**194.7**	166.2	17.2
Sales between segments	**(1 765.0)**	(1 566.7)	
TOTAL	**31 687.9**	27 803.6	14.0
EBITDA (Rm)			
Groceries	**557.8**	522.4	6.8
Baking	**520.6**	371.7	40.0
Sugar	**900.4**	354.9	153.7
Food Division Sub Total	**1 978.8**	1 249.1	58.4
CHICKEN DIVISION	**5.2**	28.2	(81.6)
Vector Logistics	**282.9**	244.3	15.8
Group	**142.3**	114.5	24.3
TOTAL	**2 409.1**	1 636.0	47.3

OPERATIONAL REVIEW: CHICKEN DIVISION

AGRICULTURAL BREED CHALLENGES, AVIAN INFLUENZA AND SIGNIFICANT RAW MATERIAL INPUT COSTS , DRIVING A 50.1% DECLINE IN UNDERLYING EBITDA

CHICKEN	JUN 2021	JUN 2020	% VAR
REVENUE			
Revenue excluding sundry sales	9 994.7	8 506.5	17.5
Sundry sales	341.2	307.1	11.1
EBITDA	5.2	28.2	(81.6)
*EBITDA margin %**	*0.1*	*0.3*	(0.2)ppts
Underlying adjustments:			
COVID-19	93.6	169.6	
UNDERLYING EBITDA	**98.8**	**197.8**	(50.1)
*Underlying EBITDA margin %**	***1.0***	***2.2***	(1.2)ppts

HEADLINES

- Breed performance challenges, significant raw material input cost increases compounded by Avian Influenza (AI) and challenges with Salmonella Enteritis (SE) have impacted the underlying result
- Pleasing revenue recovery from the prior year which was significantly impacted by the lockdown, largely due to the closure of Quick Service Restaurants (QSR) coupled with improved pricing

*Margin calculated on revenue excluding sundry sales

OPERATIONAL REVIEW: CHICKEN DIVISION

CHICKEN

- COVID-19 impact moderated since the first half of the year when large volumes of excess stock had to be managed due to the closure QSRs in the prior year
- Temporary redirection of excess chicken volumes away from the QSRs resulted in retail and wholesale relationships being reactivated
- The underperformance of the Cobb breed is a key priority and the benefits of interventions taken will start to flow through from the 2022 financial year
- The prevalence and control of first SE and then AI have posed an added challenge to ourselves and the remaining South African poultry industry
- Rejuvenating the Rainbow brand is a key strategic focus area which we have actively invested behind during the year, with encouraging results. The newly launched Rainbow economy polony has been well received and the Simply Chicken value-added brand has continued to grow volumes and market share across the polony and viennas with some DOB pressure being felt in the Frozen Crumbed category. This to be addressed with planned innovation

MARKET SHARE (VOLUME)	12mm Jun 2020	12mm Jun 2021	3mm Jun 2021
	9.1%	10.0%	11.1%
	15.3%	21%	22%
	36.6%	35%	29.8%

Source : Aztec

OPERATIONAL REVIEW: CHICKEN DIVISION

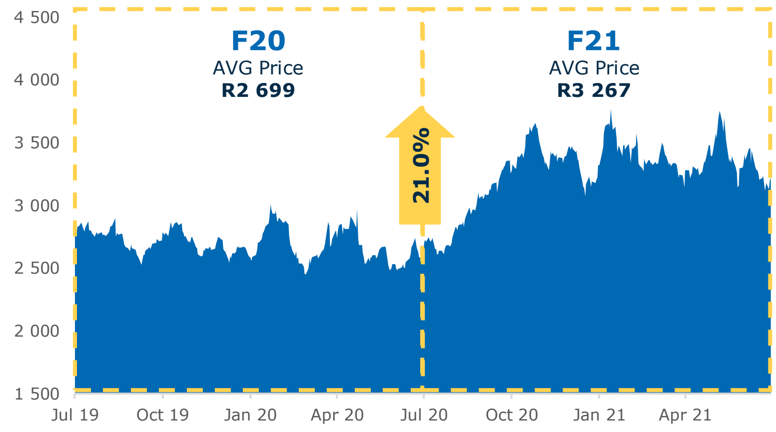
CHICKEN CONTINUED

- The substantial rally in commodity prices during the year has had a negative impact on input costs in both Chicken agriculture and Epol Animal Feed
- The business has partnered with Cargill, a leading international grain and oil seed provider that offers a one-stop solution backed by a wealth of market knowledge and pricing insights
- To counter exposure to rising raw material costs, a less energy-dense feed has been implemented in Chicken agriculture

CHICKEN MASTER PLAN

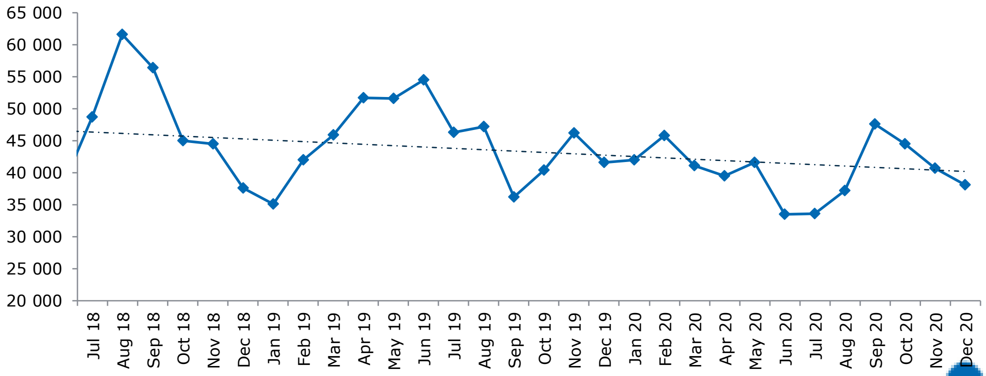
- Although significant change is yet to materialise the Plan has the potential to support domestic poultry growth expansion and investment
- Chicken imports still exceed the volumes produced by the largest South African chicken company

SAFEX YELLOW MAIZE PRICE (R/Ton)



Source : Reuters

IMPORTS : TOTAL POULTRY - TONS PER MONTH



Source : SAPA

OPERATIONAL REVIEW: CHICKEN DIVISION

ANIMAL FEED

- The business came under severe pressure after the first quarter due to a combination of commodity pricing and increased competitor activity
- Despite price increases rapidly increasing raw material costs put pressure on margins
- Significant focus was invested in optimising diets against high raw material costs
- Operating efficiency and a relentless focus on cost remains a key priority to create a platform for efficient growth

PROGRESS MADE: CHICKEN DIVISION

A DIFFERENTIATED APPROACH

- Senior dedicated and empowered team in place
- Decentralised model which entails managing all elements of the value chain implemented on a regional basis to ensure lowest cost production and optimal responsiveness
- On boarding of Cargil to allow extreme focus on raw material
- 5-year recovery and development model completed
- Interventions to improve Breed challenges far progressed
- Front-end mix and plant optimisation (Future Perfect Rainbow) in progress
- Plans to grow the Epol business into a significant player in the external market, leveraging the strength of the brand to grow volumes and dilute costs
- Active investment in Rejuvenating the Rainbow brand with encouraging results
- Cost and overhead management a key focus area

CHRIS CREED

VECTOR LOGISTICS
MANAGING DIRECTOR

OPERATIONAL REVIEW : VECTOR LOGISTICS

REVENUE (Rm)	JUN 2021	JUN 2020	% VAR
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OPERATIONAL REVIEW : VECTOR LOGISTICS

PLEASING REVENUE GROWTH AND SIGNIFICANT PROGRESS WITH THE CONSOLIDATION OF DUPLICATED NETWORKS DELIVERED AN IMPROVED PERFORMANCE

VECTOR LOGISTICS	JUN 2021	JUN 2020	% VAR
REVENUE	**3 153.6**	**2 589.4**	21.8
EBITDA	282.9	244.3	15.8
EBITDA margin %	*9.0*	*9.4*	(0.4)pts
Underlying adjustments:			
Gain on bargain purchase		(167.5)	
COVID-19	6.7	42.6	
UNDERLYING EBITDA	**289.6**	**119.4**	142.6
Underlying EBITDA margin %	**9.2**	**4.6**	4.6ppts

HEADLINES

- **Pleasing revenue growth** driven by the Imperial Cold Logistics (ICL) principals that were taken on in Dec 2019, despite the continued impact of COVID-19 on the Foodservice business
- The **significant progress made in consolidating the duplicate networks**, post the ICL acquisition, has further enhanced performance and capacity expansions are expected to be completed by March 2022
- Underlying EBITDA and margins, after the removal of underlying adjustments, are well **ahead of prior year**
- Despite the impact of the continued pandemic and customer store closures due to the recent unrest, we remain **positive in our outlook** for the next year

PLEASING REVENUE GROWTH DESPITE CONTINUED COVID-19 IMPACT ON FOODSERVICE

- Revenue growth has been driven by the ICL new principal business landed in December 2019, as a result of being awarded the Shoprite and Massmart retailer frozen networks, reaffirming our customer aligned strategy

- This revenue growth in Retail helps to mitigate the impact of COVID-19 on our Foodservice business, confirming the benefit of driving a diversified revenue base to secure continued sustainability

CUSTOMER ALIGNED STRATEGY

NEW PRINCIPALS

SIGNIFICANT PROGRESS MADE IN THE CONSOLIDATION OF THE DUPLICATED NETWORKS

- There has been significant progress made to date in consolidating the duplicated networks and we are now busy with Phase 3 of the project plan. Despite delays due to COVID-19 impacts, we expect the Phase 3 capacity expansions for the new business and the consolidation of the duplicated networks to be completed by March 2022

- The final synergised network, once bedded down, will continue to unlock synergies of scale, reduce the cost base and build a sustainable model into the future

Historic
Vector vs ICL SC Network

Phase 1
1 Dec '19 interim consolidation

Phase 2
Nov '20 interim consolidation

Phase 3
Mar '22 consolidation conclusion

VECTOR LOGISTICS GOING BEYOND

- Vector has continued it's journey of digital transformation with the introduction of an online ordering portal and Vicky the Vector BOT to improve our customer experience, and the use of artificial intelligence to automate repetitive tasks particularly in the finance area

- Our joint venture partners in Senn Foods (Botswana) and L&A Logistics (Zambia), although impacted by COVID-19, continue to drive a positive contribution and enhancing our reach into Africa

- We have increased our shareholding in L&A Logistics to a controlling share of 85% as from February 2021, and are excited at the future prospects of this business

PROSPECTS

PROSPECTS:

- Pandemic and impact of recent social unrest will continue to **strain the economy in coming months**
- **The current commodity price rally** is expected to add pricing pressure to a constrained consumer
- **Our Groceries and Baking businesses are well positioned** with a clear strategic focus, strong innovation pipeline and growth aspirations
- **Sugar will continue its focus on controllable factors** to ensure its continued sustainability
- The new Chicken management team will both **accelerate cost-saving and growth initiatives**
- **The consolidation of the Vector Logistics' network is a key initiative** which targets additional margin unlock
- **The next phase in our journey will see us building sustainable and consistent quality of earnings**
  - Seamless transition to new leadership to facilitate the continued transformation of RCL FOODS
  - Sharper strategic focus and active investment in our FMCG business
  - Unlocking sustainable growth for Chicken, Sugar and Logistics

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