



MEDIA RELEASE

RCL FOODS DELIVERS A PLEASING PERFORMANCE

KEY HEADLINES

- Pleasing performance notwithstanding subdued market conditions and volume pressure across most categories
- Margin improvement from efficiencies and savings initiatives
- Strong cash generation
- Groceries delivered a pleasing result
- Baking delivered a strong turnaround
- Sugar declined from its high base
- Underlying headline earnings up 14.8% with an improved underlying ROIC of 13.0% (up 0.5 basis points)

FINANCIAL HIGHLIGHTS – CONTINUING OPERATIONS*

| | June 2025 | % change |
|--|--|----------|
| Revenue | R26,5 billion | up 1.8% |
| EBITDA | R2 562,7 million | up 11.4% |
| Underlying** EBITDA | R2 390,6 million | up 7.9% |
| Headline earnings | R1 397,0 million | up 29.0% |
| Headline earnings per share (HEPS) | 156.3 cents | up 28.5% |
| Underlying** headline earnings | R1 305,7 million | up 14.8% |
| Underlying** headline earnings per share | 146.1 cents | up 14.4% |
| Total dividend per share | Total dividend per share 60.0 cents (2024: 35.0) | |

* Continuing operations relates to the RCL FOODS Groceries, Baking, Sugar and Group (shared services) segments.

** The underlying view of the results excludes material once-offs and accounting adjustments. For more information refer to the full results announcement at www.rclfoods.com.

Durban, 1 September 2025: RCL FOODS has delivered a pleasing set of results and progressed well against our strategic priorities. A notable contributor was the cost saving initiatives, which together with an improved sales mix translated into good bottom line growth.



Falling consumer sentiment, driven in part by uncertainty around global trade and political relations, together with continued lacklustre Gross Domestic Product (GDP) growth in South Africa and sustained high unemployment rates, contributed to the subdued consumer demand for food.

The impact of muted volumes was mitigated by a deliberate effort to restore margins that had been compromised over a protracted period by pressures from input costs and load-shedding. Against this background, RCL FOODS delivered a pleasing set of results, driven mainly by the strong turnaround in Baking and improvement in Groceries. Sugar performed well operationally, but was subject to unfavourable market dynamics, such as lower global sugar prices and higher imports into South Africa, both beyond its control.

Revenue from continuing operations of R26,5 billion was 1.8% higher than the prior year (2024: R26,0 billion). EBITDA increased by R262,2 million (11.4%) to R2 562,7 million (2024: R2 300,5 million) at a margin of 9.7% (2024: 8.8%), largely driven by Baking (up R285,1 million) and Groceries (up R127,9 million). RCL FOODS was able to maintain strong market shares in key categories, a sign of its continued consumer relevance in the market and validation of its strategic and management focus.

"At RCL FOODS we are committed to our Purpose of Growing What Matters, ensuring our business remains sustainable while delivering value for all stakeholders. This means providing affordable food to consumers, maintaining employment for our people and generating acceptable returns for our shareholders. We achieve this through carefully balancing the relationship between sales volumes and prices, managing our costs, while making responsible trade-offs that align with our purpose," said RCL FOODS' Chief Executive Officer Paul Cruickshank.

The Board of directors have resolved to declare a final cash dividend for the year ended June 2025 of 40.0 cents per share, bringing the total dividend for the 2025 financial year to 60.0 cents per share (2024: 35.0 cents).

STRATEGIC REVIEW

Portfolio reshape

This is RCL FOODS' inaugural set of full-year results following the repositioning of its portfolio through the disposal of Vector Logistics and the unbundling of Rainbow. The Rainbow business was unbundled to shareholders and listed on the Johannesburg Stock Exchange (JSE) on 1 July 2024, with RCL FOODS continuing to provide Rainbow with certain transitional services for a two-year period.

"The completion of these transactions allows us to focus exclusively on Growing What Matters in a future-fit, branded business that aims to deliver sustainable earnings and consistent value to all our stakeholders. We continue to pursue opportunities for organic growth through innovation and taking advantage of gaps in the market, while remaining open to inorganic strategic opportunities for accretive growth, all enabled by our established business services platform," said Cruickshank.

"We have made good progress on our proactive saving initiatives to mitigate the dis-synergies arising from the Vector Logistics and Rainbow separations," added Cruickshank.



Business strategy progress

In line with its Purpose, RCL FOODS' long-term strategy aims to create enduring positive impact for its stakeholders through three pillars: People First, Right Growth and Future Fit.

RCL FOODS continues to make good progress on the strategic enablers underpinning its **People First** pillar. Work to instil the Diversity and Inclusivity framework and a high-performance culture continues. A key focus has also been on artisan and engineering skills-development activities. In Sugar, RCL FOODS opened over 200 pipeline roles through bursaries, internships and apprenticeships, and its enterprise development investments continue to strengthen community value chains. RCL FOODS has rolled out a staff-level incentive scheme across all operations and this has proven to be effective in empowering and motivating its people to achieve production efficiencies.

Progress against the **Right Growth** pillar has been challenged somewhat due to lower market demand, but RCL FOODS has continued to drive category growth and margin enhancement initiatives. This strategic enabler is underpinned by growth projects that have been identified as "Value Creation Levers" in RCL FOODS' five-year business plan, and teams are making good progress in terms of related innovation projects which will be launched in 2026.

Dedicated resourcing and investment into exports in the Southern African Development Community continue to deliver double-digit profit growth, and RCL FOODS is exploring other category-relevant markets across the continent.

Significant attention has been given to the **Future Fit** pillar. The first phase of the upgrade of RCL FOODS' Information Technology (IT) systems against its five-year roadmap has taken place successfully. Pleasing progress has been made in delivering against continuous improvement (CI) initiatives, which have enabled us to deliver most savings targets and which have contributed positively to underlying performance. There is still significant value to be realised in this regard.

RCL FOODS exceeded internal targets for energy and water efficiency through behavioural change, process optimisation and targeted investments across all business units. These efforts were complemented by the achievement of a third-party sustainability certification and the advancement of circularity initiatives that delivered both environmental and financial benefits.

"The evolution of our five-year strategic plan has resulted in clear alignment between our purpose, vision, strategic pillars and strategic enablers, all of which are focused on value creation," said Cruickshank. "This progress is supported by an increasingly integrated sustainability approach, anchored in credible baselines and aligned with our long-term 2050 ambitions. It has enabled us to deliver meaningful results with sustainability now more deeply embedded in capital allocation, operational decision-making and risk management processes."



OPERATIONAL REVIEW – CONTINUING OPERATIONS

Underlying EBITDA (Rm) per Business Unit

12 months ended June 2025

| Rm | 2025 | 2024 | % change |
|-----------|-------|---------|----------|
| Groceries | 592.2 | 497.4 | 19.1 |
| Baking | 799.7 | 516.1 | 55.0 |
| Sugar | 963.1 | 1 272.3 | (24.3) |

In the Groceries business unit (comprising the Grocery and Beverages operating units), revenue increased by 1.8% to R5 410,0 million (2024: R5 313,0 million) while underlying EBITDA increased by 19.1% to R592,2 million (2024: R497,4 million). Groceries' improved result was driven by a favourable product mix in pet food with more focus placed on premium brands, savings resulting from net revenue management (NRM) and CI initiatives, overall production efficiencies and reduced load shedding.

In the Baking business unit (comprising the Bread, Buns & Rolls, Milling, Pies and Speciality operating units), revenue increased by 1.8% to R9 297,6 million (2024: R9 136,9 million). Underlying EBITDA improved by 55.0% to R799,7 million (2024: R516,1 million), with a strong turnaround across all operating units largely driven by operational efficiencies and volume growth.

In the Sugar business unit (consisting of the Sugar and Molatek operating units), revenue decreased by 0.8% to R11 711,9 million (2024: R11 811,0 million) and underlying EBITDA decreased by 24.3% to R963,1 million (2024: R1 272,3 million). This marked another strong absolute result, albeit down on the prior year, aided by a pleasing agricultural and manufacturing operational performance. The local industry faced pressure in the second half of the year largely due to reduced consumer demand and a substantial increase in imports.

"As RCL FOODS we are proud of the role we play in keeping South Africans fed and employed, and we will continue to prioritise affordability while safeguarding the sustainability of our business. Alongside a continued focus on volume growth, operational efficiency and cost optimisation, we continue to develop a robust pipeline of initiatives to remain competitive in a challenging trading environment. At the same time, the alignment between sustainability and business performance continues to strengthen. These efforts support our ambition to drive long-term value creation while remaining agile in the face of evolving stakeholder expectations and emerging risks," concluded Cruickshank.

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ABOUT RCL FOODS:

RCL FOODS is a deeply-rooted South African consumer goods business that produces over 20 of the country's most-loved brands, including Yum Yum peanut butter; Nola mayonnaise; Ouma rusks; Pieman's pies; Number 1 mageu; Sunbake and Sunshine bread; Supreme flour; Selati sugar; Monati porridge; Bobtail, Canine Cuisine and Optimizor dog food; Catmor and Feline Cuisine cat food; the Ultra Pet veterinary range of dog and cat food; and Molatek animal feed. It also produces a wide range of speciality and private label products.

With its National Office in Westville, Durban, the business employs 10 000 people across 8 provinces in its Groceries, Baking and Sugar operations. At the heart of its culture and strategy is its Purpose – WE GROW WHAT MATTERS – which encapsulates its belief in collectively doing *that little more* to create a positive impact that matters.

Visit our website at: www.rclfoods.com

