

MEDIA RELEASE

RCL FOODS DELIVERS A HALF-YEAR PERFORMANCE COMPROMISED BY SUGAR-MARKET DYNAMICS

KEY FEATURES

- Good underlying Groceries result
- Continuous improvement initiatives continue to support profitability across the business
- Volumes remain subdued across most categories

FINANCIAL SUMMARY – CONTINUING OPERATIONS*

- Revenue R13,3 billion, down 1.9%
- EBITDA R1 168,0 million, down 24.6%
- Underlying** EBITDA R1 185,8 million, down 14.6%
- Headline earnings R681,8 million, down 30.1%
- Headline earnings per share 75.9 cents, down 30.6%
- Underlying** Headline earnings R694,8 million, down 21.9%
- Underlying** Headline earnings per share 77.4 cents, down 22.4%
- Interim dividend per share 15.0 cents (December 2024: 20.0 cents)

** Continuing operations relate to the remaining RCL FOODS business, comprising the Groceries, Baking, Sugar and Group (shared services) segments, post the Rainbow unbundling effected on 1 July 2024 and disposal of Vector Logistics in the 2024 financial year.*

*** The underlying view of the results excludes material once-offs and accounting adjustments. Underlying results constitute pro-forma financial information in terms of the JSE Listings Requirements.*

Westville, 2 March 2026: While adverse sugar market conditions weighed on overall Group results, RCL FOODS delivered an improved underlying performance across the balance of the business, reflecting disciplined execution and effective management of factors within its control. Underlying earnings before interest, taxes, depreciation, amortisation and impairments (EBITDA) decreased by 14.6% to R1 185,8 million (December 2024: R1 388,0 million), largely driven by Sugar (underlying result down R251,0 million). The Board of directors have resolved to

declare an interim cash dividend of 15.0 cents per share (December 2024: 20.0 cents).

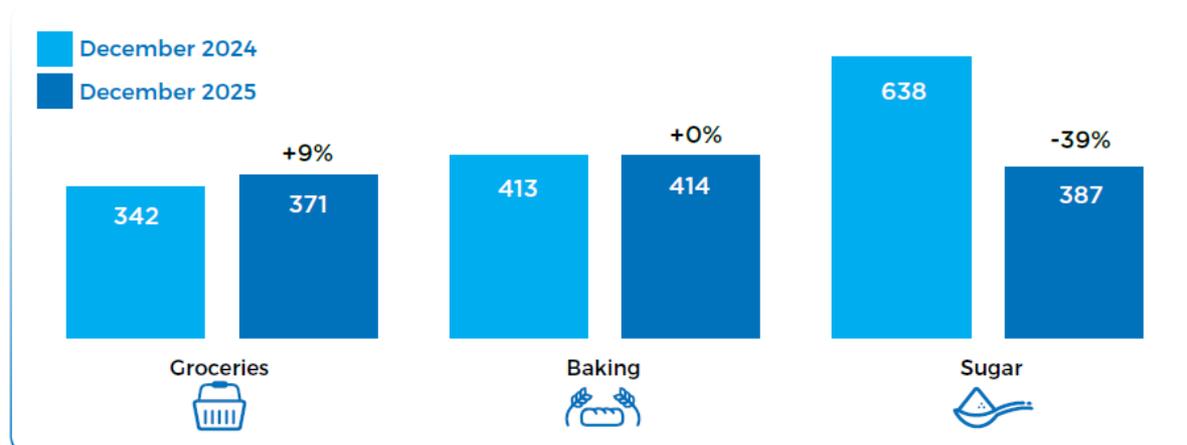
Despite declining interest rates and stabilised food inflation, demand for food, including staples, remains subdued resulting in a highly competitive marketplace. Consumer confidence remains negative, reinforcing a value-driven mindset as shoppers stretch limited budgets.

The Sugar industry remains significantly affected by declining global sugar prices and deep sea imports. Increases in the sugar import duty were implemented in August and December 2025 calculated using the existing ineffective tariff formula. These increases remain insufficient to protect against volumes of subsidised deep sea imported sugar entering South Africa through opportunistic importers. This trend is displacing local market sales and increasing exposure for local growers and millers to the significantly lower priced export market.

"While the trading environment has been demanding, our focus for the period has been consistently on factors within our control, including net-revenue management (NRM) and continuous-improvement (CI) initiatives. These efforts continue to support our ability to remain relevant from a pricing and market-share perspective, as well as driving operational performance. said RCL FOODS' Chief Executive Officer, Paul Cruickshank.

OPERATIONAL REVIEW – CONTINUING OPERATIONS

UNDERLYING** EBITDA (Rm) & GROWTH (%) PER BUSINESS UNIT FOR THE SIX MONTHS ENDED



The **Groceries business unit** delivered a good underlying result. Despite lower volumes, Culinary delivered higher margins resulting from CI and NRM initiatives. **Pet food** delivered an improved result versus the prior period, driven primarily by higher volumes, partially offset by higher production and distribution costs incurred as part of the focus on improving service levels. As referenced in our media release issued on 1 March 2026, production at our dry pet food plant was temporarily paused. This affected our ability to fully service demand towards the latter part of the current period and into the second half of the financial year. Despite lower volumes, **Beverage** delivered a result which was ahead of the prior period, due to focused efforts to drive a more profitable product mix and CI cost savings.

The **Baking business unit** delivered an underlying performance in line with the prior period amidst a challenging trading environment, with volume declines across the **Bread, Buns and Rolls**, and **Milling** categories offset by good performances in **Pies** and **Speciality**, which delivered another good result, despite marginally lower volumes, through successful innovations and improved operational efficiencies.

The **Sugar business unit** continues to experience significant headwinds and volatility due to inadequate tariff protection, declining world market prices and the strengthening Rand which have resulted in a substantial increase in deep sea imports adversely impacting its results. Additionally, local market sales pricing remained unchanged, creating margin pressure as input cost increases were absorbed. Despite these substantial challenges, the business performed well operationally through continuous improvements at our mills.

PROSPECTS

The prevailing macroeconomic conditions – marked by subdued consumer demand and confidence – are expected to continue. The Sugar trading environment is also expected to remain highly volatile. In response, RCL FOODS will continue to focus on the key value creation levers that underpin its strategy.

"Based on our performance to date, we have confidence in our continued ability to drive efficiencies across the business. Our NRM and CI initiatives will continue to generate a pipeline of opportunities. We are confident in the resilience of our business and in our ability to deliver improved earnings by staying true to our strategy and focusing on those factors within our control – ultimately fulfilling our Purpose: "WE GROW WHAT MATTERS",” concluded Cruickshank.

Ends.

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ABOUT RCL FOODS

RCL FOODS is a deeply-rooted South African food manufacturer that produces some of the country’s most-loved brands: Yum Yum peanut butter, Nola mayonnaise, Ouma rusks, Pieman’s pies, Number 1 mageu, Sunbake bread, Supreme flour, Selati sugar, Bobtail and Canine Cuisine dog food, Catmor and Feline Cuisine cat food, and Molatek animal feed, to name a few. 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.

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