RCL FOODS LIMITED

GROUP FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION

FOR THE YEAR ENDED JUNE

2022

FINANCIAL HIGHLIGHTS

REVENUE

R34,9 billion

↑ 10.2%

EBITDA

R2 595,7 million

↑ 7.7%

UNDERLYING* EBITDA

R2 580,3 million

↑ 2.0%

HEADLINE EARNINGS

R1 054,0 million

↑ 10.0%

HEADLINE EARNINGS PER SHARE

118.6 cents

↑ 9.9%

UNDERLYING* HEADLINE EARNINGS PER SHARE

115.5 cents

↓ 1.9%

CASH GENERATED FROM OPERATIONS

R3 427,9 million

TOTAL DIVIDEND PER SHARE

45.0 cents

* *The underlying view of the results excludes material once-offs and accounting adjustments. The underlying results constitute pro-forma financial information in terms of the JSE Listings Requirements. Refer to the "Reconciliation between unadjusted and underlying results" section provided on page 17 of this announcement for further details and the applicable criteria and the basis on which this pro-forma financial information has been prepared.*

COMMENTARY

RCL FOODS has achieved a pleasing set of results for the year ended June 2022, demonstrating resilience in a challenging operating environment. Despite the prior year having an additional trading week, revenue increased by 10.2% to R34,9 billion (2021: R31,7 billion) and EBITDA improved by 7.7% to R2 595,7 million, driven by continued momentum in Sugar, a return to profitability in the Chicken business and a solid performance in Vector Logistics. Volumes have remained relatively stable across most categories, with several grocery brands growing their market share. A strong focus on both strategic and operational execution has assisted the Group to maintain its forward momentum, despite the impact of continued commodity input cost increases, the economic and social fallout of the COVID-19 lockdowns, the unrest in KwaZulu-Natal and Gauteng in July 2021 and the floods in KwaZulu-Natal and parts of the Eastern Cape in April 2022.

Against this backdrop, the Chicken business has done well to return to profitability as it works to lay the foundation for a sustainable future. Vector Logistics has continued to deliver improved results, aided by higher revenue and efficiencies.

Where margin pressures have intensified due to input cost increases, we have sought to act responsibly by working with our customer partners to manage the inflationary impact for consumers as far as possible. Innovation in the value tier has also been prioritised to provide cash-strapped consumers with affordable options in key categories. Alongside this, we have actively supported our employees and communities in the aftermath of the COVID-19 lockdowns, unrest and flooding. Our DO MORE FOUNDATION, now five years old, has played a key part in this from both a nutritional and educational support perspective and we are truly proud of the impact it is making in vulnerable communities.

KEY FEATURES

- Strategic focus supports delivery despite headwinds
- Pleasing revenue and EBITDA growth
- Strong cash generation
- Resilient volumes across most categories
- Innovation into value offerings
- Sustained market share growth in value-add categories
- Continued strong Sugar performance
- Improved Chicken performance
- Vector Logistics delivers another improved result

PROGRESS WITH STRATEGIC TRANSFORMATION JOURNEY

We are on a journey to create a profitable, sustainable value-added business of scale. At the end of the 2021 financial year we announced our decision to separate our value-added branded business from our poultry, sugar and logistics businesses in order to position them for optimal growth as independent entities. In parallel we undertook to scale our core value-added component through sharper strategic focus and active investment. We have pursued both initiatives in parallel in the 2022 financial year.

MANAGED SEPARATION OF THE CHICKEN DIVISION (NOW REFERRED TO AS "RAINBOW") AND VECTOR LOGISTICS FROM RCL FOODS

Over the last 12 months an extensive process has been followed to establish Rainbow (Chicken and grain-based animal feed) as a stand-alone entity. This included creating a separate legal entity for Rainbow; exiting the RCL FOODS shared services platform as dedicated Rainbow teams are progressively established; and devising an execution plan for the final separation phase at an appropriate future date. While Rainbow continues to share certain Group platform services, the business is now operating as a largely autonomous subsidiary of RCL FOODS, led by an independent management team driving its own focused strategy. Although there is still some way to go before it will be ready for a full separation, Rainbow is making good headway as it continues to focus on its turnaround strategy.

Pursuant to the portfolio optimisation process we decided to initiate a market sounding exercise with a select group of investors in respect of Vector Logistics. The objective of this process was to test if there was credible interest from prospective acquirors that could further accelerate the growth as an independent player in the temperature-controlled logistics space for the benefit of all stakeholders, including customers and staff. We are pleased that this process elicited notable interest and while there can be no certainty that a transaction will be concluded, engagements are developing constructively and we will update the market as and when appropriate.

Sugar remains part of RCL FOODS, with its separation plan being de-prioritised.

We are committed to ensuring a responsible transition for each of these businesses, compromising neither shareholder value nor the welfare of our people.

LAYING FOUNDATIONS FOR A FOCUSED VALUE-ADD BUSINESS

As with the managed separation process, we are committed to growing our value-added business in a well-considered way. The previous Group and Food Division executive teams have been consolidated into a single executive structure with a stronger operational connection that is driving improved strategic alignment. The remit of this new team spans the Groceries, Baking and Sugar business units, our LIVEKINDLY Collective Africa joint venture and Siqalo Foods Proprietary Limited (which is managed on behalf of Remgro Limited). All these businesses are supported by our central functions and business services organisation.

In re-engineering the organisational structure to support our value-added focus, we also revised our strategy with the vision of creating "a business of the right scale which has been built to last, with a diverse and high-performance culture that delivers category growth ahead of the market and enhanced stakeholder value". Its three corresponding pillars – 1) Diverse, High-performance Culture, 2) Business of Right Scale and 3) Built to Last – form the basis of the strategic review below.

STRATEGIC REVIEW

RCL FOODS VALUE-ADDED BUSINESS

Through the first pillar of our strategy we intend to create a diverse business environment that feels like "home" for all and leverages our strategic capability advantage. Intensifying our commitment to our Diversity and Inclusivity journey during the 2022 financial year, we have made good progress with our Diversity and Inclusivity Conversation Circles with our employees and are achieving increased diversity at senior management level. To support our evolution as a value-added business, we are investing in strategic capabilities such as Research and Development (R&D) and Consumer Insights to support growth in line with the second pillar of our strategy.

This second pillar focuses on leveraging our dynamic platform to create a business of the right scale that owns a greater share of the customer store environment and delivers an EBITDA margin percentage ahead of our peers. A key highlight in the last year has been the creation of a cross-functional Growth Leadership Team, led by our recently appointed Chief Growth Officer, that seeks to drive growth ahead of the market through a combination of brand and product innovation, digital transformation, consumer insights, ecosystem partnerships and customer-centricity.

Our biggest capital investment in the current year was the Polokwane bread capacity expansion which was commissioned at the end of the financial year to address capacity constraints and meet growing demand in line with our Baking strategy.

Both organic and inorganic expansion are needed for us to build our scale and enhance our resilience. We are clear on the categories where we want to grow and can stretch and tier our existing brands. A number of relevant innovations were delivered during the year, including value offerings in Nola Mayonnaise and Yum Yum Peanut Butter, a Vitamin C-rich Number 1 Mageu variant and weight management products in Canine Cuisine and Feline Cuisine.

An important step in scaling the value-added component of our portfolio is our recently announced acquisition of the Sunshine Bakery business in KwaZulu-Natal. Sunshine serves a diversified customer base in the formal retail and general trade channels through its two regional bakeries in Durban and Pietermaritzburg, as well as several depots across the province. Besides providing additional scale in our value-added business, the acquisition will enable us to expand the capability of our established Baking business unit into new geographies. Bread volumes in the RCL FOODS network are expected to increase by 28% as a result of the transaction.

Our integrated business services organisation remains one of our differentiated strategic capabilities and presents scope for both bolt-on acquisitions and contract management. Our plant-based joint venture, LIVEKINDLY Collective Africa (LKCA), is currently in a development phase focusing on educating consumers, attracting new users and building the category. While global and local demand has moderated since the unprecedented highs of the COVID-19 lockdown period, it remains on a long-term upward trajectory. We remain fully committed to growing the plant-based foods category through our investment in LKCA, and are pleased to have launched two global brands – Oumph! and LikeMeat – in the local market.

Our third strategic pillar, Built to Last, focuses on efficient operations and responsible asset investment, while aspiring to build a "net positive" business that gives back more than it takes. A Best In Class initiative is being driven by the business units with the aim of generating significant savings to enable accelerated growth.

Alongside ongoing sustainability efforts, focused executive attention has been brought to bear on creating the foundations for a sustainable business by identifying its core purpose and by crafting a new, focused Environmental, Social and Governance (ESG) sustainability strategy. These initiatives are being pursued in parallel, with a view to embedding sustainability and purpose in our overall business strategy to create long-term value for all the systems we impact.

STRATEGIC REVIEW CONTINUED

RAINBOW

Rainbow's strategic intent is to deliver a sustainable operating profit margin and be the number one integrated chicken company in South Africa for both its customers and consumers. It has made good progress to date with the implementation of its turnaround strategy, with the focus in the last year being on establishing the team, halting loss-making trends and laying the foundations for the future.

The new decentralised operating model has been implemented, and a number of interventions have been implemented to drive cost savings and improved focus across the supply chain. Good progress has been made despite the headwinds of commodity input cost increases, avian influenza (AI), and unrest and flooding impacts. Realigned focus in poultry farming has yielded significantly improved agricultural results with the current breed, and the full benefit arising from the introduction of the new breed is expected to flow through in the next 12 months.

While much work remains to be done, the business has steadied itself and is starting to consolidate in preparation for growth. A very significant step in this regard is the recent decision to reinstate the second shift at the Hammarsdale P2 processing facility to increase fresh and value-added volumes to meet growing regional demand. The business has committed R220 million towards upgrading and installing new technology at the P2 plant and hatchery, and reinstating one of its KwaZulu-Natal broiler farms. Additional broiler volumes will largely be procured from emerging black contract growers, which will create jobs and significant opportunities for the surrounding communities.

VECTOR LOGISTICS

Vector Logistics is making solid progress with its strategy to deliver acceptable returns and ensure a sustainable business into the future. It seeks to grow its revenue through optimising its core business, whilst simultaneously developing a portfolio of adjacent and transformational business opportunities.

A key focus during the last year has been the completion of capacity builds in Durban, Gqeberha, Polokwane and Bloemfontein to finalise the Vector Logistics and Imperial Cold Logistics (ICL) network consolidation. Vector Logistics acquired the ICL business from Imperial Logistics South Africa Proprietary Limited in 2019 and has now delivered on its strategy to create a single, optimised, customer-focused network.

In tandem, the business has continued to optimise its warehouse and transport networks through various initiatives. These include driving collaborative efficiency enhancement projects with customers, reconfiguring the transport fleet and consolidating part of its Midrand site into the large Linbro site (ex-ICL), which has been significantly enhanced to drive efficiencies and deliver on key customer requirements.

Transformational opportunities remain a key focus for future growth. The Empty Trips digital logistics platform, in which the business invested in 2020, was launched in the external market in March 2022 and is gaining traction as awareness grows amongst carriers and shippers. The platform will bring greater innovation, transparency and sustainability to the logistics sector by making shipping more cost-effective, increasing the availability of reliable haulier options, providing better supply chain visibility and saving unnecessary carbon emissions.

RCL FOODS FINANCIAL REVIEW

INCOME STATEMENT

RCL FOODS' revenue for the year ended June 2022 increased 10.2% to R34,9 billion (2021: R31,7 billion). The increase was attributable to all business units, with the highest increases coming from Vector Logistics and Rainbow. Revenue by business unit is reflected in the table below:

Rm	June 2022	June 2021	% Change
Revenue	**34 907,0**	31 687,9	10.2
Groceries	**6 005,9**	5 522,0	8.8
Baking	**6 214,5**	5 849,0	6.2
Sugar	**9 001,3**	8 397,7	7.2
Rainbow	**11 384,8**	10 335,9	10.1
Vector Logistics	**3 691,9**	3 153,6	17.1
Group*	**189,7**	152,2	24.7
Sales between segments*	**(1 581,1)**	(1 722,5)	(8.2)

* *The revenue figure in the comparative period has been restated to include the Group's Waste-to-Value operations, as part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

EBITDA improved R186,6 million (7.7%) to R2 595,7 million (2021: R2 409,1 million) at a margin of 7.4% (2021: 7.6%). The EBITDA by business unit is reflected in the table below:

Rm	June 2022	Margin %	June 2021	Margin %	% Change	Margin change (ppts)
EBITDA	**2 595,7**	**7.4**	2 409,1	7.6	7.7	(0.2)
Groceries	**550,1**	**9.2**	557,8	10.1	(1.4)	(0.9)
Baking	**487,9**	**7.9**	520,6	8.9	(6.3)	(1.0)
Sugar	**817,0**	**9.1**	900,4	10.7	(9.3)	(1.6)
Rainbow**	**347,1**	**3.0**	17,5	0.2	NM	2.8
Vector Logistics	**334,7**	**9.1**	282,9	9.0	18.3	0.1
Group**	**78,3**		130,0		(39.7)	
Unallocated restructuring costs	**(19,4)**					

The current and prior period EBITDA were materially impacted by the following once-off items and accounting adjustments:

- A R16,6 million net negative impact arising from COVID-19 direct costs incurred (2021: R121,3 million);
- A reversal of a previously recognised impairment loss on a loan receivable of R57,4 million, as a result of the counterparty to the loan being acquired as a subsidiary with a view to resale during the current period; and
- A net loss of R25,4 million arising from fire damage at our Komatipoort sugar warehouse. Despite not being a material impact in the 2022 financial year, the balance of the insurance proceeds are anticipated to be received and booked in the 2023 financial year, which is likely to be more material.

Refer to the "Reconciliation between unadjusted and underlying results" section provided on page 17 of this announcement for further details.

The "underlying" EBITDA excluding the above items is reflected in the table below:

Rm	June 2022	Margin %	June 2021	Margin %	% Change	Margin change (ppts)
Underlying EBITDA	**2 580,3**	**7.4**	2 530,4	8.0	2.0	(0.6)
Groceries	**551,7**	**9.2**	562,4	10.2	(1.9)	(1.0)
Baking	**494,5**	**8.0**	529,9	9.1	(6.7)	(1.1)
Sugar	**789,6**	**8.8**	907,5	10.8	(13.0)	(2.0)
Rainbow**	**348,6**	**3.1**	111,1	1.1	214.0	2.0
Vector Logistics	**337,0**	**9.1**	289,6	9.2	16.4	(0.1)
Group**	**78,3**		130,0		(39.7)	
Unallocated restructuring costs	**(19,4)**					

** *The results for Rainbow in the comparative period have been restated to include the Group's Waste-to-Value operations, which now form part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

More detailed commentary is included in the Review of Operations section below.

RCL FOODS FINANCIAL REVIEW CONTINUED

IMPAIRMENT

In the current financial year, the Sugar business delivered its second highest profit ever, following the record result of the prior year. As a result, the Sugar cash-generating unit (CGU) was tested for possible reversals of impairments previously recognised. A partial impairment reversal of R253,2 million was recognised in the current year in respect of the Sugar CGU. In addition to the above reversal, within the Sugar business further CGU impairments were recognised, being R33,7 million relating to property, plant and equipment and right-of-use assets in one of the Sugar community-based joint ventures, as well as an impairment loss of R54,3 million recognised in terms of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* on a subsidiary acquired exclusively with a view to resale (sugar farming venture). Inter-linked to the impairment loss recognised on the acquisition of the subsidiary, is a reversal of an expected credit loss of R57,4 million previously recognised on loans granted to the entity, which have been derecognised in the current year as a consequence of it now being consolidated.

In addition to the above, the annual impairment test conducted on CGUs containing goodwill and other indefinite useful life intangible assets, resulted in R107,4 million of goodwill being impaired in the Beverages business; and an impairment of the right-of-use asset relating to the Group's national office of R66,1 million due to the internal restructure.

NET FINANCE COSTS

Net finance costs decreased by R17,9 million (6.2%) on the prior year mainly as a result of lower interest paid in the current year due to repayments on the debt package, and higher average cash balances during the year due to well-managed working capital balances. The Group's interest rate collar hedge on its term funded debt package came to an end in March 2022. A further hedge will be considered as part of the overall capital structure workstream as part of the strategic review.

Net finance costs paid for the period of R217,8 million are R53,4 million lower than net finance costs expensed in the income statement mainly due to the non-cash leases interest charge (R92,1 million) and a non-cash fair value adjustment on the close-out of the interest rate collar hedge in March 2022 (R38,7 million gain).

TAXATION

The Group's effective tax rate, excluding joint ventures and associates, was 30.7% (2021: 27.1%).

The 2021 effective tax rate was impacted by a gain recognised on the deemed disposal of the 45% investment in L&A Logistics Limited following an additional investment resulting in it being recognised as a subsidiary, for which there were no tax consequences, as well as the utilisation of unrecognised deferred tax assets for profits made during the year in our 50% owned sugar cane-grower companies (R8,2 million tax impact). Excluding the above items, the effective tax rate for the prior year was 28.4%.

The effective tax rate also includes the impact of the decrease in the South African corporate tax rate to 27% on our deferred tax assets and liabilities. The revised corporate tax rate is applicable for years of assessment ending on or after 31 March 2023 and will be applicable to the Group for the 2023 financial year.

STATEMENT OF FINANCIAL POSITION

Property, plant and equipment increased by R802,2 million from June 2021, mainly driven by capital expenditure totalling R1 273,4 million for the year, the partial reversal of impairment losses previously recognised on property, plant and equipment in Sugar and partially offset by depreciation charges of R669,2 million.

Capital expenditure (including intangibles of R27,2 million) for the year ended June 2022 was R1 300,6 million (2021: R921,3 million). The only significant spend items were:

- Expansion of the Bread, Buns & Rolls production lines (R82,2 million);
- A combination of expansion and replacement expenditure related to the reinstatement of the second shift at the Hammarsdale P2 processing facility (R50,3 million);
- Replacement and expansion of Ambient Cake lines in Speciality (R47,7 million);
- Expansion of Vector Logistics' Thekwini chiller (R37,0 million);
- Off-crop replacement projects in Sugar (R33,6 million);
- Expansion of Vector Logistics' cold storage facility at Estoire in Bloemfontein (R31,2 million); and
- Expansion of Vector Logistics' Polokwane site (R25,4 million).

RCL FOODS FINANCIAL REVIEW CONTINUED

The remaining spend consists of smaller items individually less than R20,0 million.

An amount of R1 022,7 million (2021: R514,0 million) has been contracted and committed, but not spent, whilst a further R361,5 million (2021: R394,8 million) has been approved but not contracted. Major items included in these amounts relate to:

- A combination of expansion and replacement expenditure related to the reinstatement of the second shift at the Hammarsdale P2 processing facility (R170,4 million);
- Replacements related to the fire at the Komatipoort warehouse (R150,0 million);
- Expansion of the Bread, Buns & Rolls production lines (R117,5 million);
- Replacements within the Vector Logistics fleet (R67,6 million);
- Replacements of ovens within Bread, Buns & Rolls (R32,3 million); and
- Replacement of solvent extracting machinery within Grocery (R25,8 million).

Right-of-use assets decreased by R580,6 million from June 2021. The decrease was mainly driven by the early exit of and reassessment of lease terms relating to certain leased properties as part of Vector Logistics' ICL consolidation which reduced the right-of-use assets balance by R367,1 million, depreciation of R205,6 million and impairment losses recognised on right-of-use assets of R99,8 million. This was partially offset by additions of R101,2 million.

Investment in associates decreased by R30,9 million driven mainly by profits capitalised in the Royal Eswatini Sugar Corporation (RES) of R29,2 million, offset by dividends received from RES of R54,2 million.

Investment in financial assets increased by R27,8 million over the prior period mainly driven by the revaluation at year-end. The investment relates to the Group's minority shareholding in The LIVEKINDLY Collective and is denominated in US Dollars.

Goodwill decreased by R107,4 million due to impairments recognised within the Beverages cash-generating unit in the current year.

Net working capital (including biological assets) has decreased by R793,2 million over the prior period and from 11.0% to 7.7% as a percentage of revenue.

Whilst inventory levels were largely in line with the prior year, biological assets increased by R276,5 million to R1 231,8 million mainly due to improved recoverable value (RV) prices, cane quality, age and yield in Sugar, coupled with higher volumes and higher bird values as a result of increased input costs, particularly feed costs, in Rainbow.

Trade and other receivables increased by R672,3 million and from 17.1% to 17.5% of revenue, whilst trade and other payables increased by R1 717,7 million and from 19.2% to 22.3% of revenue. Credit continues to be well managed, evidence by low adjusted trade debtors days of 34 days (2021: 34 days). 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.

Cash on hand, net of overdrafts, increased by R668,8 million to R1 565,8 million. The increase was largely due to the positive net working capital position.

Total interest-bearing liabilities of R2 650,3 million are R314,7 million lower than last year with the decrease mainly due to repayments of R337,5 million made on the Group's term funded debt package during the year.

Lease liabilities of R885,6 million are R529,4 million lower than last year mainly due to repayments made during the year of R256,2 million and the early exit and lease term reassessment of certain property leases which reduced total lease liabilities by R395,5 million, partially offset by interest capitalised of R92,1 million.

CASH FLOW AND WORKING CAPITAL

Cash generated by operations increased by R1 800,5 million (110.6%) to R3 427,9 million, largely due to favourable movements in working capital. The cash conversion ratio increased to 132% (2021: 68%). Included in the non-cash items of R667,3 million are addbacks of depreciation, amortisation and impairment charges of R989,8 million and non-cash IFRS 2 and BEE charges of R103,3 million. These were offset by deductions of positive fair value adjustments on biological assets within the Rainbow and Sugar business units of R9,5 million and R350,4 million respectively, as well as a foreign exchange adjustment recognised on the investment in The LIVEKINDLY Collective of R27,8 million. Within the Sugar business unit, the entire biological assets balance is capitalised using a fair value adjustment, with the realisation of the prior year's biological assets expensed through cost of sales and reflected under working capital movements (R254,1 million), resulting in a net R94,9 million increase in Sugar biological assets for the year.

Cash outflows from investing activities increased by R213,3 million to R1 256,1 million in the current year. Material items included within investing activities relate to capital expenditure (including intangibles) of R1 300,7 million (2021: R921,3 million) and proceeds on disposal of fixed assets and assets held for sale of R41,4 million (2021: R41,8 million).

RCL FOODS FINANCIAL REVIEW CONTINUED

The net cash outflow from financing activities of R605,9 million relates mainly to payments made on the Group's debt package of R337,5 million and payments on lease liabilities of R256,2 million.

RETURN ON INVESTED CAPITAL

Return on invested capital (ROIC) remains a key metric used by the Group to measure its efficiency and effectiveness of capital allocation. ROIC is calculated using net operating profit after tax (including share of profits/losses of associates and joint ventures) divided by invested capital. Unadjusted ROIC is reflected in the table below.

ROIC (%)	Unadjusted June 2022	Unadjusted June 2021	% change
Group	**8.8**	8.5	0.3ppts
Group excluding Rainbow and Vector Logistics	**10.9**	14.0	(3.1)ppts
Rainbow*	**1.8**	(5.3)	7.1ppts
Vector Logistics	**40.0**	3.8	36.2ppts

The movement in ROIC for the Group excluding Rainbow and Vector Logistics is mainly due to Sugar's record result in the prior year. For further detail, please refer to the Review of Operations section below.

Vector Logistics' exceptional result is largely attributable to a favourable year-end working capital cut-off position, which by the nature of their business model having material working capital balances, can materially distort their ROIC.

ROIC has been impacted by once-off items and accounting adjustments referred to earlier in the announcement. Excluding these items, "underlying" ROIC is reflected in the table below.

ROIC (%)	Underlying June 2022	Underlying June 2021	% change
Group	**9.0**	9.1	(0.1)ppts
Group excluding Rainbow and Vector Logistics	**11.2**	15.2	(4.0)ppts
Rainbow*	**1.8**	(6.0)	7.8ppts
Vector Logistics	**40.6**	4.1	36.5ppts

* *The ROIC for the comparative period has been restated to include the Group's Waste-to-Value operations within the Rainbow segment, which now form part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

REVIEW OF OPERATIONS

VALUE-ADDED BUSINESS (GROCERIES, BAKING, SUGAR)

Partnering with customers to responsibly recover input costs

	June 2022	June 2021	% change
Revenue (Rm)*	**21 221,7**	19 768,6	7.4
EBITDA (Rm)	**1 855,0**	1 978,8	(6.3)
EBITDA margin (%)	**8.7**	10.0	(1.3)ppts
Underlying EBITDA (Rm)	**1 835,8**	1 999,8	(8.2)
Underlying EBITDA margin (%)	**8.7**	10.1	(1.4)ppts

* *Excludes the elimination of sales between segments.*

EBITDA declined on both the reported and underlying views from the prior year, with the business having encountered a number of challenges in the 2022 financial year. The inclusion of an additional trading week in the prior year also contributed to the decline. Despite this, our value-added business had a resilient performance in exceptionally difficult market conditions. Sugar reported its second highest profit ever and the Grocery operating unit delivered another resilient result, driven mainly by the Pet Food category. Revenue growth was underpinned by steady volumes and responsible price increases that largely managed to recover higher input costs. Our tiered portfolio, which provides both premium and value brands in the same category, has proven essential in maintaining sales volumes as more consumers trade down in tough conditions.

Our e-commerce through Takealot and our retail partners' platforms grew 73% during the year.

GROCERIES (GROCERY, PIES, BEVERAGES)

Innovations deliver value across tiered portfolio

	June 2022	June 2021	% change
Revenue (Rm)	**6 005,9**	5 522,0	8.8
EBITDA (Rm)	**550,1**	557,8	(1.4)
EBITDA margin (%)	**9.2**	10.1	(0.9)ppts
Underlying EBITDA (Rm)	**551,7**	562,4	(1.9)
Underlying EBITDA margin (%)	**9.2**	10.2	(1.0)ppts

The Groceries business unit's underlying EBITDA declined 1.9% to R551,7 million (2021: R562,4 million), with a strong Grocery result being offset by service level challenges and margin pressure in Pies and Beverages.

The business unit anticipated the growing pressure on consumers by accelerating growth of the value tier. A number of new offerings were launched during the year that have delivered value while driving volumes at acceptable margins. In addition, a strong innovation pipeline of new products and product extensions is being built and further releases are planned in the near term.

The business is pivoting to a pilot approach to bring more new products to the market faster and test the response before launching at full scale.

Yum Yum maintained its market leading position in a competitive market

The Grocery operating unit maintained a strong volume performance, despite price increases to offset rising commodity input costs. Pleasingly, we maintained and grew our market-leading positions in several Culinary and Pet Food categories. The new value products in Nola mayonnaise and Yum Yum peanut butter have been well received by consumers and have exceeded growth expectations. This has helped ease volume pressure, with minimal cannibalisation of the Group's premium offerings in these categories. Following successful pilots, the full-scale launches of Yum Yum Caramel Dreams Peanut Butter, Ouma Yum Yum Rusks and Ouma Choc Chip Rusks were also welcomed by consumers.

REVIEW OF OPERATIONS CONTINUED

Ultra Cat doubled its market share in the current financial year

Our Pet Food brands outperformed the market, which has continued to feel the pressure of reduced consumer spending. We celebrated all-time-high market shares in Feline Cuisine, Canine Cuisine and Bobtail in the supermarket channel, where our newly-launched weight management offerings in Canine Cuisine and Feline Cuisine have been well received. Ultra Pet (Ultra Dog and Ultra Cat) delivered double-digit growth in the vet channel and Optimizor continued to power ahead in the co-op/pet shop channel.

Pies, the category most affected by the COVID-19 lockdowns in the prior period, delivered good volume growth driven by innovation and strong activation plans. Pieman's maintained its market-leading position and provided consumers with more choice by introducing a range of Pieman's pies for the retail freezer cabinet, which has significantly exceeded expectations. The Pieman's Big Deal Pie in the forecourt channel also continues to be highly successful. Despite the upward volume trend, margins remain under significant pressure due to raw material price increases and operational challenges.

Beverages, which was also impacted by reduced consumption during the lockdown, is recovering slowly. A new Vitamin C-rich variant of Number 1 Mageu was launched in February 2022 to cater for health-conscious consumers and has already exceeded its business case. The consolidation of the ultra-high temperature (UHT) plant into the fresh plant during the last financial year is delivering fixed cost savings, while technological innovation to extend product shelf-life is driving savings in returns. The benefit of the reduced cost platform is, however, being offset by softer volumes.

BAKING (BREAD, BUNS & ROLLS, MILLING, SPECIALITY)

Positioning for growth

	June 2022	June 2021	% change
Revenue (Rm)	**6 214,5**	5 849,0	6.2
EBITDA (Rm)	**487,9**	520,6	(6.3)
EBITDA margin (%)	**7.9**	8.9	(1.0)ppts
Underlying EBITDA (Rm)	**494,5**	529,9	(6.7)
Underlying EBITDA margin (%)	**8.0**	9.1	(1.1)ppts

Whilst the Baking business unit delivered revenue growth, margins came under pressure in the second half of the year, driven by elevated wheat and fuel costs.

In the Bread, Buns & Rolls operating unit, Sunbake outperformed major competitors to gain a pleasing 49% increase in market share. The Group is positioning itself for longer-term growth in Bread, Buns & Rolls and has just commissioned its newly expanded bread line in Polokwane to increase capacity. Several new depots have been rolled out to pre-empt volume growth, which will boost scale and benefit revenue in future years.

Milling delivered an improved operating performance. However, this was offset by lower volumes and challenges in recovering the oncost associated with high wheat and maize prices as well as an unprofitable pre-mix business.

Speciality has achieved an improved product mix in the current year, coupled with improved margins and plant efficiencies. The recent consolidation of its two northern region cake facilities into one dedicated plant in Centurion will drive further efficiencies going forward.

REVIEW OF OPERATIONS CONTINUED

SUGAR (SUGAR AND MOLASSES-BASED ANIMAL FEED)

Strong performance supported by an improved local market sales mix

	June 2022	June 2021	% change
Revenue (Rm)	**9 001,3**	8 397,7	7.2
EBITDA (Rm)	**817,0**	900,4	(9.3)
EBITDA margin (%)	**9.1**	10.7	(1.6)ppts
Underlying EBITDA (Rm)	**789,6**	907,5	(13.0)
Underlying EBITDA margin (%)	**8.8**	10.8	(2.0)ppts

Sugar produced another excellent EBITDA performance, which represents the second highest profit made by the business since inception. Importantly the operations crushed their full 2022 season cane crop, with improved mill recoveries and efficiencies. Local demand remained stable, with the sugar industry limiting price inflation to Consumer Price Index (CPI) levels in line with the Sugar Industry Master Plan. The heavy rainfall and flooding in parts of KwaZulu-Natal resulted in an uptake in the industrial channel for our sugar business as competitors struggled with crystal availability and experienced operational issues.

An aphid infestation and heatwaves affected crop yields in the Nkomazi region, resulting in lower production which mainly impacted export sales. Whilst the fire at the Komatipoort site in October 2021 caused significant damage to the raw sugar warehouse, supply chain disruption was minimised. Insurance proceeds will fully cover the rebuild costs in the 2023 financial year.

Molatek animal feed delivered a pleasing revenue performance, with the business successfully pivoting towards selling higher-value bagged products in an environment of declining raw material availability and increasing raw material costs. Careful management of price increases and improved efficiency in all areas have helped offset the impact of lower volumes.

RAINBOW (RAINBOW AND GRAIN-BASED ANIMAL FEED)

Strategic focus is beginning to bear fruit

	June 2022	June 2021*	% change
Revenue (Rm)	**11 384,8**	10 335,9	10.1
EBITDA (Rm)	**347,1**	17,5	NM
EBITDA margin (%)	**3.0**	0.2	2.8ppts
Underlying EBITDA (Rm)	**348,6**	111,1	214.0
Underlying EBITDA margin (%)	**3.1**	1.1	2.0ppts

* *The results for Rainbow in the comparative period have been restated to include the Group's Waste-to-Value operations, which now form part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

Good progress has been made in Rainbow's turnaround strategy, as evidenced by its improved performance, albeit with some distance to go. Underlying EBITDA improved 214.0% to R348,6 million (2021: R111,1 million), driven by improvements in pricing, agricultural results and procurement gains which partially countered commodity cost increases.

Simply Chicken remains South Africa's leading Vienna brand

While sales volumes were slightly hampered by AI constraints, this was offset by buoyant Quick Service Restaurant (QSR) sales and favourable pricing in the Retail/Wholesale category. The business has achieved a well-balanced and differentiated customer and product mix and has begun with capital investments to ready its Hammarsdale operations to deliver a broader product set. Simply Chicken Viennas continue to outperform the market with double-digit growth. New innovations launched in the 2022 period were Simply Chicken Hot and Spicy Nuggets and Burgers, and the Simply Chicken Chickees range.

Poultry imports had declined due to a combination of import tariffs and anti-dumping duties, improved international demand and steep freight charges to deliver to South Africa. However, they remain a significant ongoing challenge.

REVIEW OF OPERATIONS CONTINUED

The decision by the Department of Trade, Industry and Competition to suspend the implementation of definitive anti-dumping duties against Brazil, Denmark, Ireland, Poland and Spain for a period of 12 months is disappointing. The decision will not assist the country's efforts towards localisation, job creation, transformation plans, investment or developing the rural economy. The Minister attributes the suspension of the implementation of the anti-dumping duties to rising food costs, and the potential impact on poultry prices. However, the impact that the delay will have on poultry remains questionable as importers merely use the opportunity to profit on dumped imports. No evidence exists that dumped chicken is sold by the importers at a low price to the consumer.

The latest outbreak of AI was successfully navigated through the purchase of surplus eggs, and this assisted Rainbow to continue to honour its commitments to contractual customers. The AI impact for the year was R86 million. The Rainbow business remains alert for further outbreaks which are currently prevalent in Europe and America, and contingency plans are in place.

In the Animal Feed business, external Epol and Driehoek volumes were subdued in an over-capacitated local industry. High commodity prices also created significant margin pressure.

VECTOR LOGISTICS

	June 2022	June 2021	% change
Revenue (Rm)	**3 691,9**	3 153,6	17.1
EBITDA (Rm)	**334,7**	282,9	18.3
EBITDA margin (%)	**9.1**	9.0	0.1ppts
Underlying EBITDA (Rm)	**337,0**	289,6	16.4
Underlying EBITDA margin (%)	**9.1**	9.2	(0.1)ppts

Vector Logistics has continued its turnaround with a pleasing improvement in revenue and EBITDA performance in the current financial year, driven by the completion of the ICL network integration and a recovery in the food service industry, with volumes returning to almost pre-COVID-19 levels.

This performance has been achieved despite the impacts of the civil unrest in KwaZulu-Natal and Gauteng in the first quarter, which impacted Vector directly in lost revenue due to store closures and the looting of our Cornubia depot in KwaZulu-Natal; the flooding in KwaZulu-Natal in the fourth quarter; foreign exchange impacts in Zambia and higher fuel costs.

L&A Logistics Limited (L&A) in Zambia was consolidated as a subsidiary for a full 12 months in the current financial year, compared to four months in the prior year. L&A has contributed to Vector Logistics' overall growth in revenue and EBITDA in spite of the exchange rate volatility and lower than expected sales performance.

EQUITY-ACCOUNTED INVESTMENTS

ASSOCIATES

ROYAL ESWATINI SUGAR CORPORATION (RES) (ESWATINI)

RCL FOODS' share of RES' after-tax results for the year ended June 2022 was down 77.3% to R29,2 million (2021: R128,7 million). The result was largely driven by heavy rains in Eswatini which hampered RES' ability to deliver sugarcane from the farms to the mill. The crushing season has therefore been delayed by almost a month, although it is expected to recover and crush the full cane crop for the 2023 season.

HMH RAINBOW (HMH) (UGANDA)

HMH's after-tax contribution was a loss of R4,7 million (2021: R5,6 million profit). The decline was mainly due to the prior year benefiting from asset revaluation gains.

LIVEKINDLY COLLECTIVE AFRICA (LKCA) (SOUTH AFRICA)

LKCA delivered an after-tax contribution of negative R6,7 million (2021: R0,5 million profit). The business is currently still in its development phase.

JOINT VENTURES

AKWANDZE AGRICULTURAL FINANCE (AKWANDZE) (SOUTH AFRICA)

Akwandze's equity-accounted share of after-tax profit was R9,2 million for the 12 months to June 2022 (2021: loss of R25,4 million). The improvement was mainly due to an insurance recovery related to losses incurred due to an identified fraud in the prior year, partially offset by lower interest revenue from loans granted.

MANANGA SUGAR PACKERS (MANANGA) (ESWATINI)

The Mananga investment contributed an equity share of after-tax profit of R16,9 million for the 12 months to June 2022 (2021: R27,3 million). The decline was largely driven by lower sales as a result of non-availability of sugar from RES due to the delayed season start.

SENN FOODS LOGISTICS (SENN) (BOTSWANA)

Senn is steadily recovering from the effects of COVID-19 on its operations in the last two financial years. Its after-tax contribution of R12,8 million was R3,3 million higher than prior year (2021: R9,5 million).

B-BBEE SCHEME

We are disappointed that the 8-year B-BBEE scheme set up in 2014 has not succeeded in delivering any value to participants due to a lack of appreciation in the RCL FOODS share price. The scheme came to an end in May 2022 and is in the process of being unwound. A process has been initiated to devise a replacement scheme, in consultation with employees, that can provide employees with tangible value within a defined timeline. This is expected to be ready by the end of the calendar year.

PROSPECTS

Our resilient portfolio and focused strategic execution have enabled us to deliver robust results despite turbulent market conditions in the last 12 months. We expect high commodity input costs to continue exerting pricing pressure in most key categories. Further price increases could affect volumes as more consumers struggle to make ends meet. In this respect we will continue to leverage our tiered portfolio and drive value innovation to support consumers in their search for affordable quality options.

In the Groceries business unit, key priorities will be to deliver on our strong innovation pipeline, support value innovations, and manage margins successfully. Pie volumes are expected to be robust going forward and operating efficiencies will remain an area of focus. In the Baking business unit, the key focus will be on building volumes in the northern region through our new Polokwane plant and extending into the key KwaZulu-Natal region through the Sunshine Bakery business. Through the launch of a new Enterprise Resource Planning (ERP) solution in the Baking business unit at the start of the 2023 fiscal year, we expect to gain valuable insights which should help accelerate cost savings.

Sugar's agricultural performance has improved, and higher rainfall during the calendar year bodes well for increased raw sugar production. Demand remains robust, supported by the Sugar Industry Master Plan.

In Rainbow, the implementation of the turnaround plan will continue and further progress is expected on the current year's performance. The high level of commodity prices and the delay in implementation of definitive anti-dumping duties against Brazil, Denmark, Ireland, Poland and Spain remain challenges for the 2023 financial year.

While higher fuel costs remain a significant risk for Vector Logistics, its outlook for the next year is positive. The integrated network will further facilitate transport and warehousing efficiencies, and the business will leverage Empty Trips' potential to create a more innovative, sustainable logistics industry.

We remain committed to our strategic transformation journey and will continue with the managed separation of Rainbow and Vector Logistics from RCL FOODS in a responsible way, while driving growth in our value-added component.

Building a resilient business that generates sustainable value is key. To this end, a key focus in the next year will be to put a framework in place to become a "best in class" business. Having embarked on a journey to redefine who we are and how our business impacts on our stakeholders and the natural environment, we will also bring this to a conclusion with the finalisation of our purpose and our ESG strategy. We see these as our guide in building a relevant, responsible and sustainable business, and they will be central to our culture, strategy and ways of working going forward.

BOARD AND COMMITTEE CHANGES

During the current period, the following changes to the Board and committee members took place:

- Miles Dally retired from the Board in accordance with company policy, and simultaneously resigned as a member of the Risk Committee and Social and Ethics Committee (effective from 30 November 2021);
- Paul Cruickshank was appointed Chief Executive Officer, and was consequently also appointed as a member of the Board, Risk Committee and Social and Ethics Committee (effective from 1 December 2021);
- Manana Nhlanhla retired as a non-executive director from the Board, and as a member of the Social and Ethics Committee (effective from 16 November 2021);
- John Maher retired as Company Secretary in accordance with company policy (effective 28 February 2022); and
- Lauren Kelso was appointed as Company Secretary (effective 1 March 2022).

CASH DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a final gross cash dividend (number 95) of 30.0 cents (24.0 cents net of dividend withholding tax) for the year ended June 2022.

The dividend has been declared from income reserves.

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 953 298 370 ordinary shares. The Company's income tax reference number is 9950019712.

The salient dates for the dividend will be as follows:

Publication of declaration data	Monday, 5 September 2022
Last day of trade to receive a dividend	Tuesday, 18 October 2022
Shares commence trading "ex" dividend	Wednesday, 19 October 2022
Record date	Friday, 21 October 2022
Payment date	Monday, 24 October 2022

Share certificates may not be dematerialised or rematerialised between Wednesday, 19 October 2022 and Friday, 21 October 2022, both days inclusive.

RESTATEMENTS

As part of the managed separation of the Rainbow business, the Group's Waste-to-Value operations now form part of Rainbow for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.

The disclosures in this report have been updated to align with the information reviewed by the Group's chief operating decision maker for the purposes of allocating resources. The prior year segmental reporting has been restated to reflect the above.

BASIS OF PREPARATION

The summarised consolidated financial statements have been prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the information required by IAS 34 Interim Financial Reporting, IFRIC interpretations, SAICA financial reporting guides and circulars, Financial Pronouncements as issued by the Financial Reporting Standards Council and in compliance with the Companies Act of South Africa and the Listings Requirements of the JSE Limited, under the supervision of the Chief Financial Officer, Robert Field CA(SA). The accounting policies comply with IFRS and are consistent with those applied in the previous year. These results are extracted from audited information, but are not themselves audited.

The consolidated financial statements were audited by PricewaterhouseCoopers Inc., who expressed an unqualified opinion thereon. The audited consolidated financial statements and the auditor's report thereon are available for inspection on our website www.rclfoods.com or at the Company's registered office and shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information. The auditor's report does not necessarily report on all the information contained in this announcement. The directors take full responsibility for the preparation of these results and confirm that the financial information has been correctly extracted from the underlying consolidated financial statements. The Integrated Annual Report will be posted to shareholders and made available on RCL FOODS' website on or before 30 September 2022.

RECONCILIATION BETWEEN REPORTED AND UNDERLYING RESULTS

The underlying results ("underlying results" or "*pro forma* financial information") show the impact of excluding material once-off and accounting adjustments to the EBITDA, profit for the period attributable to equity holders of the Company, earnings per share (EPS), headline earnings and headline earnings per share (HEPS). The underlying results is considered *pro forma* financial information in terms of the JSE Listings Requirements and has been presented for illustrative purposes only, to provide users with relevant information and measures used by the Group to assess performance for the period under review. The preparation and presentation of the *pro forma* financial information are the responsibility of the board of directors. The underlying view of results is a non-IFRS measure and, due to its nature, therefore may not fairly present the Group's financial position, changes in equity, results of operations or cash flows for the periods presented. This *pro forma* financial information has been reported on by the Group's auditors, being PricewaterhouseCoopers Inc., and their independent reporting accountant's report is available for inspection at the Group's registered offices and on the RCL FOODS website, www.rclfoods.com/financial-results-and-reports-2022/.

Reported information has been extracted without adjustment from the consolidated annual financial statements for the year ended June 2022. The underlying adjustments have been extracted from the Group's accounting records for the year ended June 2022.

June 2022 (Rm)	Reported results	COVID-19 direct costs[1]	Net CGU impairments[2]	Komati Fire[3]	Underlying results
EBITDA	2 595,7	**16,6**	**(57,4)**	**25,4**	2 580,3
RCL FOODS Value-added Business	1 855,0	**12,8**	**(57,4)**	**25,4**	1 835,8
Groceries	550,1	**1,6**			551,7
Baking	487,9	**6,6**			494,5
Sugar	817,0	**4,6**	**(57,4)**	**25,4**	789,6
Rainbow	347,1	**1,5**			348,6
Vector Logistics	334,7	**2,3**			337,0
Group	78,3				78,3
Unallocated restructuring costs	(19,4)				(19,4)
Profit for the period attributable to equity holders of the Company	1 013,4	**12,0**	**1,4**	**18,3**	1 045,1
EPS (cents)	114.0	**1.3**	**0.2**	**2.1**	117.6
Headline earnings	1 054,0	**12,0**	**(57,4)**	**18,3**	1 026,8
HEPS (cents)	118.6	**1.3**	**(6,5)**	**2.1**	115.5

June 2021 (Rm)	Reported results	COVID-19 direct costs[1]	Underlying results
EBITDA	2 409,1	121,3	2 530,4
RCL FOODS Value-added Business	1 978,8	21,0	1 999,8
Groceries	557,8	4,5	562,4
Baking	520,6	9,3	529,9
Sugar	900,4	7,2	907,5
Rainbow*	17,5	93,6	111,1
Vector Logistics	282,9	6,7	289,6
Group*	130,0		130,0
Profit for the period attributable to equity holders of the Company	992,9	87,3	1 080,2
EPS (cents)	111.8	9.8	121.6
Headline earnings	958,1	87,3	1 045,5
HEPS (cents)	107.9	9.8	117.7

* *The results for the Rainbow and Group segments in the comparative periods have been restated to reallocate the Group's Waste-to-Value operations, which now form part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment. All information in the table above has been extracted from the Group Financial Results and Cash Dividend Declaration for the year ended June 2021, published on 6 September 2021.*

RECONCILIATION BETWEEN REPORTED AND UNDERLYING RESULTS CONTINUED

Underlying results represent the results after taking into account the below adjustments.

[1] COVID-19 relates to the negative impact arising from COVID-19 direct costs incurred and excludes any lost revenue impact. This is disclosed net of insurance proceeds. Direct costs associated with COVID-19 include, but are not limited to, additional casual labour and overtime costs arising as a result of lockdown capacity constraints; amounts spent on personal, protective equipment for our employees; deep cleaning costs incurred as a result of COVID-19; additional storage due to stock-builds; and the supply chain relief driven by excess stock levels.

[2] Cash-generating unit (CGU) impairments relate to net impairments processed due to a lower forecast of growth into the future. The impairments number is partially offset by a gain recognised on the reversal of a previously recognised impairment loss relating to a subsidiary acquired with a view to resale. The subsidiary was acquired, and an impairment loss thereon was recognised in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Due to the inter-relatedness of these transactions, the reversal of the impairment loss has been offset against the impairment recognised.

[3] Komati fire relates to losses incurred in respect of the fire at the Sugar warehouse in Komatipoort, net of insurance accruals for claims instituted.

The headline earnings impact of the underlying adjustments in the table above differs from EBITDA mainly due to the impact of taxation.

For a detailed reconciliation of profit for the period to headline earnings for both the current and prior year, refer to page 21 of this announcement.

For and on behalf of the Board

JJ Durand
Non-executive Chairman

PD Cruickshank
Chief Executive Officer

Durban
5 September 2022

Sponsor
RAND MERCHANT BANK (A division of FirstRand Bank Limited)

CORPORATE INFORMATION

Directors: HJ Carse, JJ Durand (Non-executive Chairman), PD Cruickshank (CEO)*, RH Field*, CJ Hess, GCJ Tielenius Kruythoff**, PR Louw, NP Mageza, PM Moumakwa, DTV Msibi, PJ Neethling***, GM Steyn and GC Zondi.

**Executive directors **Dutch ***Alternate director*

Company secretary: LG Kelso

Registration number: 1966/004972/06

JSE share code: RCL

ISIN: ZAE000179438

Registered office: Ten The Boulevard, Westway Office Park, Westville, 3629

Transfer secretaries: Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Auditors: PricewaterhouseCoopers Inc.

Sponsor: RAND MERCHANT BANK (a division of FirstRand Bank Limited)

Bankers: Absa Bank Limited, FirstRand Bank Limited, Investec Bank Limited, Nedbank Limited and The Standard Bank of South Africa Limited

Website: www.rclfoods.com

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	3 July 2022 R'000	4 July 2021 R'000
ASSETS		
Non-current assets		
Property, plant and equipment	**6 362 040**	5 559 851
Right-of-use asset	**524 583**	1 105 221
Intangible assets	**1 602 581**	1 667 018
Investment in joint ventures	**307 135**	287 828
Investment in associates	**822 991**	853 866
Deferred income tax asset	**45 435**	99 742
Loans receivable	**31 095**	49 375
Trade and other receivables	**26 289**	24 597
Investment in financial asset	**241 976**	214 138
Goodwill	**1 885 590**	1 992 947
	11 849 715	11 854 583
Current assets		
Inventories	**3 147 177**	3 171 386
Biological assets	**1 231 829**	955 343
Trade and other receivables	**6 099 577**	5 427 265
Derivative financial instruments	**4 597**	62 979
Tax receivable	**18 997**	32 503
Cash and cash equivalents	**1 590 267**	896 969
	12 092 444	10 546 445
Assets of disposal group classified as held for sale	**33 135**	6 978
Total assets	**23 975 294**	22 408 006
EQUITY		
Capital and reserves	**11 389 332**	10 693 667
LIABILITIES		
Non-current liabilities		
Deferred income	**4 474**	
Interest-bearing liabilities	**1 538 829**	2 274 763
Lease liabilities	**730 482**	1 250 568
Deferred income tax liabilities	**1 040 157**	1 051 561
Retirement benefit obligations	**115 725**	106 900
Trade and other payables		461
	3 429 667	4 684 253
Current liabilities		
Trade and other payables	**7 800 799**	6 083 071
Deferred income	**2 768**	2 078
Interest-bearing liabilities	**1 111 475**	690 210
Lease liabilities	**155 130**	164 481
Derivative financial instruments	**2 018**	41 090
Current income tax liabilities	**58 629**	49 156
Bank overdraft	**24 459**	
	9 155 278	7 030 086
Liabilities of disposal group classified as held for sale	**1 017**	
Total liabilities	**12 585 962**	11 714 339
Total equity and liabilities	**23 975 294**	22 408 006

CONSOLIDATED INCOME STATEMENT

	Year ended June 2022 R'000	Year ended June 2021 R'000
Revenue from contracts with customers	**34 906 972**	31 687 850
Operating profit before depreciation, amortisation and impairments[1] (EBITDA)	**2 595 656**	2 409 135
Depreciation, amortisation and impairments[1]	**(989 841)**	(932 330)
Operating profit	**1 605 815**	1 476 805
Finance costs	**(311 622)**	(326 161)
Finance income	**40 396**	37 053
Share of profits of joint ventures	**38 904**	11 331
Share of profits of associates	**17 752**	135 553
Profit before tax	**1 391 245**	1 334 581
Income tax expense	**(413 561)**	(338 824)
Profit for the period	**977 684**	995 757
Attributable to:		
Equity holders of the Company	**1 013 361**	992 909
Non-controlling interests	**(35 677)**	2 848
HEADLINE EARNINGS		
Profit for the period attributable to equity holders of the Company	**1 013 361**	992 909
Profit on disposal of property, plant and equipment and assets held for sale	**(3 243)**	(18 225)
Insurance proceeds on fixed assets	**(662)**	(1 234)
Net impairments of fixed assets and intangibles	**46 357**	7 070
Gain on deemed disposal of L&A		(16 396)
Change in ownership of associate	**(2 768)**	(2 298)
Loss/(Profit) on disposal of property, plant and equipment included in equity accounted earnings of associates	**927**	(247)
Net impairments included in equity accounted earnings of associates		(1 858)
Gain on bargain purchase included in equity accounted earnings of associates		(1 582)
Headline earnings	**1 053 972**	958 139
	Cents	Cents
Earnings per share attributable to equity holders of the Company		
Basic earnings per share	**114.0**	111.8
Basic earnings per share – diluted	**113.1**	111.7
Headline earnings per share	**118.6**	107.9
Headline earnings per share – diluted	**117.6**	107.7

[1] *Impairments relate only to impairments of property, plant and equipment, goodwill and intangible assets.*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	June 2022 R'000	June 2021 R'000
Profit for the period	**977 684**	995 757
OTHER COMPREHENSIVE INCOME		
Items that will not be reclassified to profit and loss		
Remeasurement of retirement medical obligations – net of tax	**(1 644)**	185
Share of associates other comprehensive income	**1 354**	543
Items that may subsequently be reclassified to profit and loss		
Currency translation differences	**2 446**	(12 279)
Other comprehensive income for the period – net of tax	**2 156**	(11 551)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**979 840**	984 206
Total comprehensive income for the period attributable to:		
Equity holders of the Company	**1 016 125**	981 358
Non-controlling interests	**(36 285)**	2 848
	979 840	984 206

CONSOLIDATED CASH FLOW INFORMATION

	June 2022 R'000	June 2021 R'000
OPERATING PROFIT	**1 605 815**	1 476 805
Non-cash items	**667 323**	557 306
OPERATING PROFIT BEFORE WORKING CAPITAL REQUIREMENTS	**2 273 138**	2 034 111
Working capital requirements		
Movement in inventories	**30 185**	(176 336)
Movement in biological assets	**83 468**	127 612
Movement in trade and other receivables	**(669 384)**	550 872
Movement in trade and other payables	**1 710 504**	(908 834)
CASH GENERATED BY OPERATIONS	**3 427 911**	1 627 425
Net finance cost	**(217 788)**	(216 592)
Tax paid	**(347 070)**	(335 127)
CASH AVAILABLE FROM OPERATING ACTIVITIES	**2 863 053**	1 075 706
Dividends received	**70 421**	96 046
Dividends paid	**(402 876)**	(225 316)
Cash outflows from investing activities		
Replacement property, plant and equipment	**(686 045)**	(579 145)
Expansion property, plant and equipment	**(587 398)**	(320 582)
Intangible asset additions	**(27 240)**	(21 546)
Acquisition of business	**(7 024)**	(4 528)
Acquisition of associate		(155 949)
Advances of interest-bearing loans	**(2 998)**	(5 969)
Advances of non-interest-bearing loans		(5 274)
Receipts from loans	**13 277**	8 393
Proceeds on disposal of non-current assets held for sale	**12 455**	4 650
Proceeds on disposal of property, plant and equipment and intangible assets	**28 920**	37 169
Net cash outflow from investing activities	**(1 256 053)**	(1 042 781)
Cash outflows from financing activities		
Repayment of interest-bearing liabilities	**(758 465)**	(421 775)
Advances of interest-bearing liabilities	**152 609**	385 246
Net cash outflow from financing activities	**(605 856)**	(36 529)
Net movement in cash and cash equivalents	**668 689**	(132 874)
Cash and cash equivalents at the beginning of the period	**896 969**	1 030 041
Exchange rate translation	**150**	(198)
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**1 565 808**	896 969

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the company							
	Stated capital R'000	Share-based payments R'000	Other reserves R'000	Common control reserve R'000	Retained earnings R'000	Controlling interest total R'000	Non-controlling interest R'000	Total R'000
Balance at 28 June 2020	10 318 079	683 728	11 220	(1 919 832)	784 524	9 877 719	(55 743)	9 821 976
Profit for the period					992 909	992 909	2 848	995 757
Other comprehensive income for the period			(12 279)		728	(11 551)		(11 551)
B-BBEE share-based payments charge		17 600				17 600		17 600
Employee share option scheme:								
Value of employee services		74 897				74 897		74 897
Equity component of tax on share-based payments		(2)				(2)		(2)
Shareholder loans converted to equity							17 701	17 701
Acquisition of business							2 605	2 605
Ordinary dividend paid					(222 066)	(222 066)	(3 250)	(225 316)
Balance at 4 July 2021	**10 318 079**	**776 223**	**(1 059)**	**(1 919 832)**	**1 556 095**	**10 729 506**	**(35 839)**	**10 693 667**
Profit/(Loss) for the period					**1 013 361**	**1 013 361**	**(35 677)**	**977 684**
Other comprehensive income for the period			**3 054**		**(290)**	**2 764**	**(608)**	**2 156**
B-BBEE share-based payments charge		**9 694**				**9 694**		**9 694**
Employee share option scheme:								
Value of employee services		**93 653**				**93 653**		**93 653**
Equity component of tax on share-based payments		**231**				**231**		**231**
Exercise of employee share options	**16 057**	**(16 057)**						
Shareholder loans converted to equity							**15 123**	**15 123**
Ordinary dividend paid					**(399 926)**	**(399 926)**	**(2 950)**	**(402 876)**
Balance at 3 July 2022	**10 334 136**	**863 744**	**1 995**	**(1 919 832)**	**2 169 240**	**11 449 283**	**(59 951)**	**11 389 332**

SUPPLEMENTARY INFORMATION

		June 2022 R'000	June 2021 R'000
Capital expenditure contracted and committed		**1 022 737**	513 988
Capital expenditure approved but not contracted		**361 511**	394 781

STATISTICS

Statutory ordinary shares in issue (includes B-BBEE shares)	(000's)	**953 298**	959 004
Ordinary shares in issue for accounting purposes	(000's)	**889 468**	888 246
Weighted average ordinary shares in issue	(000's)	**888 700**	888 246
Diluted weighted average ordinary shares in issue	(000's)	**896 367**	889 274
Net asset value per share	(cents)	**1 280.5**	1 203.9
Ordinary dividends per share:			
Interim dividend declared	(cents)	**15.0**	15.0
Final dividend declared	(cents)	**30.0**	30.0
Total dividends	(cents)	**45.0**	45.0

SEGMENTAL ANALYSIS

	June 2022 R'000	June 2021* R'000
Revenue from contracts with customers	**34 906 972**	31 687 850
RCL FOODS Value-Added Business	**21 221 726**	19 768 620
Groceries	**6 005 897**	5 521 971
Baking	**6 214 488**	5 848 982
Sugar	**9 001 341**	8 397 667
Rainbow	**11 384 801**	10 335 889
Vector Logistics	**3 691 934**	3 153 570
Group[1]	**189 707**	152 166
Sales between segments:		
Groceries sales to Baking	**(1 464)**	(356)
Groceries sales to Sugar	**(9 498)**	(14 824)
Groceries sales to Rainbow	**(132 627)**	(194 367)
Groceries sales to Group	**(940)**	
Baking sales to Groceries	**(146 198)**	(151 431)
Baking sales to Sugar	**(1 076)**	(1 253)
Baking sales to Rainbow	**(128 640)**	(113 523)
Sugar sales to Groceries	**(84 221)**	(82 214)
Sugar sales to Baking	**(53 132)**	(67 746)
Sugar sales to Rainbow	**(4 843)**	(1 609)
Sugar sales to Vector Logistics	**(209)**	
Rainbow sales to Groceries	**(25 747)**	(24 451)
Rainbow sales to Sugar	**(7 070)**	
Vector Logistics sales to Groceries	**(262 415)**	(249 267)
Vector Logistics sales to Baking	**(24 374)**	(16 739)
Vector Logistics sales to Sugar	**(32 255)**	(31 288)
Vector Logistics sales to Rainbow	**(666 487)**	(773 327)

[1] *Group revenue relates to management fees earned for shared services performed for Siqalo Foods Proprietary Limited and Livekindly Collective Africa Proprietary Limited.*

* *The revenue figure in the comparative period has been restated to include the Group's Waste-to-Value operations, as part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

SEGMENTAL ANALYSIS CONTINUED

	June 2022 R'000	June 2021* R'000
Operating profit before depreciation, amortisation and impairments[1] (EBITDA)	**2 595 656**	2 409 135
RCL FOODS Value-Added Business	**1 854 933**	1 978 790
Groceries	**550 104**	557 843
Baking	**487 867**	520 586
Sugar	**816 962**	900 361
Rainbow	**347 111**	17 458
Vector Logistics	**334 684**	282 859
Group[2]	**78 364**	130 028
Unallocated restructuring costs[3]	**(19 436)**	
Depreciation, amortisation and impairments[1]	**(989 841)**	(932 330)
Operating profit	**1 605 815**	1 476 805
RCL FOODS Value-Added Business	**1 436 936**	1 542 894
Groceries	**304 289**	434 355
Baking	**315 441**	352 539
Sugar	**817 206**	756 000
Rainbow	**89 667**	(209 487)
Vector Logistics	**143 696**	72 832
Group[2]	**21 039**	70 566
Unallocated restructuring costs[3]	**(85 523)**	
Finance costs	**(311 622)**	(326 161)
Finance income	**40 396**	37 053
Share of profits of joint ventures	**38 904**	11 331
Sugar	**26 113**	1 832
Vector	**12 791**	9 499
Share of profits/(loss) of associates	**17 752**	135 553
Sugar	**29 226**	128 697
Livekindly Collective Africa	**(6 745)**	504
Ugandan Operation	**(4 729)**	5 646
Vector Logistics		706
Profit before tax	**1 391 245**	1 334 581

1. *Impairments relate only to impairments of property, plant and equipment, goodwill and intangible assets.*
2. *Includes the operating costs of RCL Foods Limited and RCL Group Services Proprietary Limited (shared services component), losses/gains on the Group's self-insurance arrangement and profit from management fees earned on shared services functions for Siqalo Proprietary Limited and Livekindly Collective Africa Proprietary Limited.*
3. *Unallocated costs recognised as a result of the managed separation of the Rainbow business, due to the internal restructure.*

* *The results for Rainbow in the comparative period have been restated to include the Group's Waste-to-Value operations, which now form part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

SEGMENTAL ANALYSIS CONTINUED

	3 July 2022 R'000	4 July 2021 R'000
ASSETS		
Groceries	**4 367 134**	4 353 071
Baking	**3 824 770**	3 645 596
Sugar	**4 685 752**	4 434 385
Rainbow[1]	**5 804 772**	4 674 756
Vector Logistics	**5 816 064**	5 391 247
Unallocated Group assets[1; 2]	**1 775 249**	1 205 546
Livekindly Collective Africa	**149 884**	156 289
Set-off of inter-segment balances	**(2 448 331)**	(1 452 884)
Total per statement of financial position	**23 975 294**	22 408 006
LIABILITIES		
Groceries	**1 365 025**	1 270 546
Baking	**1 104 193**	1 033 555
Sugar	**2 048 174**	1 650 210
Rainbow[1]	**2 186 383**	1 731 652
Vector Logistics	**5 896 809**	4 606 620
Unallocated Group liabilities[1; 2]	**2 433 709**	3 045 738
Set-off of inter-segment balances	**(2 448 331)**	(1 452 884)
Total per statement of financial position	**12 585 962**	11 714 339

[1] *The balances for the comparative period has been restated to include the Group's Waste-to-Value operations, as part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

[2] *Includes assets and liabilities of the Group treasury company and consolidation entries*

REVENUE

	June 2022 R'000	June 2021* R'000
Disaggregation of revenue from contracts[1] with customers		
REVENUE	**34 906 972**	31 687 850
RCL FOODS VALUE-ADDED BUSINESS	**21 221 726**	19 768 620
Groceries	**6 005 897**	5 521 971
Groceries	**5 284 478**	4 813 011
Sundry sales[2]	**721 419**	708 960
Baking	**6 214 488**	5 848 982
Sugar	**9 001 341**	8 397 667
RAINBOW	**11 384 801**	10 335 889
Rainbow	**11 022 347**	9 994 730
Sundry sales[2]	**362 454**	341 159
VECTOR LOGISTICS	**3 691 934**	3 153 570
GROUP[3]	**189 707**	152 166
SALES BETWEEN SEGMENTS	**(1 581 196)**	(1 722 395)
Timing of revenue recognition[4]	**34 906 972**	31 687 850
Point in time	**32 605 741**	29 432 885
Over time	**2 301 231**	2 254 965

[1] *An agreement between two or more parties that creates enforceable rights and obligations. Can be written, oral or implied by customary business practices.*

[2] *Sundry sales consist of poultry by-products and sunflower-oil and -cake. The sale of these items arise in the course of the Group's ordinary activities but are considered cost recoveries as they are by-products of the Group's core operations.*

[3] *Group revenue relates to management fees earned for shared services performed for Siqalo Foods Proprietary Limited and Livekindly Collective Africa Proprietary Limited.*

[4] *Revenue recognised at a point in time relates to the sale of goods whilst revenue recognised over time relates to the sale of services certain goods for which payment is deferred.*

* *The revenue figure in the comparative period has been restated to include the Group's Waste-to-Value operations, as part of the Rainbow business for segmental reporting purposes. The Waste-to-Value results were previously included as part of the Group segment.*

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