From our Home to Yours

Reviewed interim results

for the six-month period ended 30 June

2022

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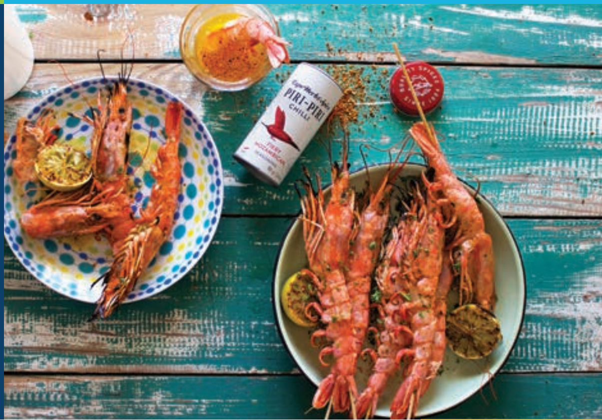
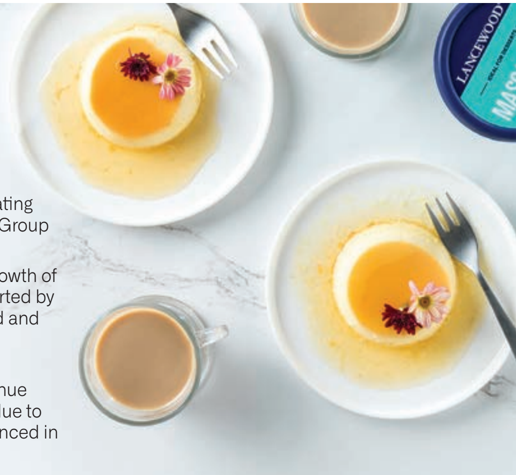


Salient features

Introduction



The strength of Libstar's category-led and multi-channel operating model was highlighted during the first half of 2022 (H1) as the Group delivered a resilient performance.

The Group's largest category, Perishables, delivered revenue growth of 14.6% and an increase in Normalised EBITDA of 27.8%, supported by strong volume sales of pre-packed hard cheese by Lancewood and efficiencies in the Group's value-added meat processing division, Finlar.

The Group's second largest category, Groceries, recorded revenue growth of 2.2% and a decline in Normalised EBITDA of 17.7% due to supply chain disruptions and increased logistics costs experienced in the Group's Cape Herb & Spice export division.

The Group achieved:

Revenue growth of
9.6%↑
(volumes up 6.9%; price/mix up 2.7%)

Gross profit margins protected at
22.9%
(H1 2021: 23.0%)

Growth in **total diluted HEPS** of
101.6%↑

Growth in **Normalised HEPS** of
14.1%↑

Growth in **Normalised EBIT** of
10.1%↑

Growth in **Normalised EBITDA** of
4.6%↑

Discontinued operations

The Household and Personal Care (HPC) divisions of Chet Chemicals and Contactim remain classified as held for sale from the previous full-year reporting period.

The Glenmor Soap subsidiary has also been classified as held for sale as the Group completed the exit from this investment shortly after the close of H1.

Results summary

The Group uses Normalised EBITDA, Normalised Earnings per Share (EPS) and Normalised Headline Earnings per Share (HEPS) from continuing operations, which exclude non-recurring, non-trading and non-cash items, as the key measures to indicate its true operating performance:

	H1 2022 R'000	Change %	H1 2021 R'000
Continuing operations			
Total revenue	**5 197 738**	+9.6%	4 741 216
Gross profit margin	**22.9%**	(0.1pp)	23.0%
Normalised operating profit	**346 865**	+10.1%	315 115
(margin)	***6.7%***		*6.6%*
Normalised EBITDA	**493 195**	+4.6%	471 412
(margin)	***9.5%***		*9.9%*
Diluted EPS (cents)	**25.1**	+21.8%	20.6
Diluted HEPS (cents)	**25.1**	+24.3%	20.2
Normalised EPS (cents)	**35.5**	+12.3%	31.6
Normalised HEPS (cents)	**35.6**	+14.1%	31.2
Balance sheet and cash flow indicators			
Net interest-bearing debt to Normalised EBITDA*	**1.5x**		1.4x
Cash generated from operations (excluding net working capital)	**476 341**	+5.4%	451 889
Cash generated from operations (including net working capital)	**139 917**	(69.9%)	464 489
Capital investment in property, plant and equipment	**143 472**		134 468
Cash conversion ratio	**15%**		102%

* Lender Covenant: 2.5x

About Libstar

Libstar was founded in 2005 to acquire and grow operations in the consumer-packaged goods (CPG) industry. Group revenue is generated from value-added food products. These products include dairy and meat products, fresh produce, convenience food, groceries, baking and baking aids and snacks and confectionery.

Libstar's key priorities during the period under review

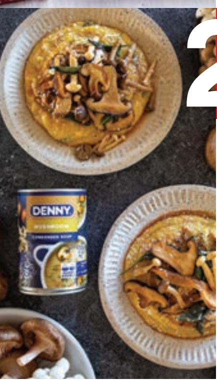
Prior to 2017, the Group operated as a private label and brand aggregator built by merger and acquisition activity. Since then, the Group's strategy was refocused to the growth of Libstar's low-cost manufacturing capabilities and the establishment of category management expertise in its non-commoditised food portfolio. The Group remains focused on the objectives of (i) growing its categories, (ii) expanding its capabilities and (iii) executing on strategic acquisitions.

To deliver on this mandate, the Group has continued to execute on the key priorities below during H1.

1 Actively repositioning the portfolio

The disposal of Libstar's interest in Glenmor Soap Proprietary Limited shortly after the close of H1 serves as an important milestone for the Group as it repositions its portfolio towards value-added food products.

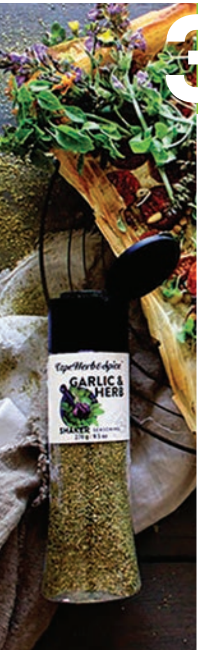
Whilst the Group is pleased with the improved operating results of its remaining HPC divisions, Chet Chemicals and Contactim, the Board continues to evaluate the strategic positioning of the HPC business to optimise the Group's portfolio composition and returns.



2 Executing on strategic acquisitions and incubation projects

Libstar has concluded an agreement to acquire Cape Foods Proprietary Limited. The transaction is aligned with Libstar's strategy to grow its basket of non-commoditised food products in existing categories and provides access to new markets and value-added products in the dry condiment category. The transaction is subject to the fulfilment of regulatory suspensive conditions by no later than 30 November 2022.

Furthermore, the integration of Umatie Proprietary Limited, the maiden acquisition concluded by the Group in its Libstar Nova incubation vehicle, was successfully concluded during H1. Umatie is a value added frozen baby food business that has grown its footprint in retail from 72 stores to 100 stores during the period under review with further store footprint and range-development initiatives underway.



3 Delivering superior service levels

The Group continued to invest in and leverage the functionality of its ERP-systems, with sales and operational planning modules successfully implemented within Cecil Vinegar, Finlar Fine Foods and HPC. Further implementations at, amongst others, Cape Herb & Spice and Rialto Foods, are due to be concluded before the end of the year. These initiatives will enhance its inventory planning and sales forecasting capabilities.

The Group continued to experience supply chain disruptions, particularly with the delay of import and export shipments. This has necessitated a pro-active approach towards inventory management. As such, the Group's investment in working capital increased to 17.4% of revenue at the close of H1 (H1 2021: 14.5%), above Libstar's working capital target range of 13.0% to 15.0%. This increase was mainly a result of higher inventory levels within the Lancewood, Cape Herb & Spice and Rialto Foods divisions. The increased inventory holding at Cape Herb & Spice and Rialto Foods can predominantly be ascribed to the timing delay of shipments due to transhipment port delays of imports and intermittent stacking date availability of exports. Following the commissioning of Lancewood's new hard cheese packing facilities, the division carried higher inventory levels to facilitate improved service levels to customers.

Despite ongoing import and export shipment delays experienced at the start of H2, inventory held at the reporting date is expected to decrease towards year-end due to traditionally higher sales in Q4. The Group continues to carefully monitor and plan inventory holding by utilising the abovementioned ERP-systems and business intelligence tools.

4 Preserving the group's financial stability and improving ROIC

The Group mitigated the adverse impact of global supply chain disruptions and input cost inflation by protecting gross profit margins at 22.9% (H1 2021: 23.0%) and limiting the increase in operating expenses to 4.8% from the comparative period.

The Group's operating cash flow, before working capital movements, improved by 5.4% to R476 million. However, higher levels of inventory holding at the close of H1, in mitigation of supply chain disruptions and the maintenance of product availability to customers, adversely impacted the Group's operating cash flow conversion ratio in the short term (H1 2022: 15%; H1 2021: 102%). All divisions are targeting reduced inventory levels and a considerable improvement in operating cash flow conversion ratio by the close of the financial year.

Net interest-bearing debt increased to R1.4 billion (H1 2021: R1.3 billion), as the stronger cash generation from operations was offset by a R285 million investment in inventory. As such, net interest-bearing debt to EBITDA increased slightly to 1.5 times (H1 2021: 1.4 times) but remains within Libstar's stated optimal range of 1x-2x normalised EBITDA and below the lender covenant of 2.5x. The Group was fully compliant with lender financial covenants throughout the reporting period.

The Group latest 12-month (LTM) return on invested capital remained at 12.5% delivered during the year ended 31 December 2021.

Group financial performance

REVENUE

Group revenue increased by 9.6%, with volume sales up 6.9% for the six month period ended 30 June 2022. Volume sales improved in all categories. Price increases and changes in sales mix contributed 2.7% to Group sales growth.

GROSS PROFIT MARGINS

Libstar's period-on-period gross profit margin remained protected at 22.9% (H1 2021: 23.0%).

Rising manufacturing cost inflation was largely offset by increased capacity utilisation and efficiencies.

OTHER INCOME AND FOREIGN EXCHANGE GAINS

Realised foreign currency translation losses decreased to R2.6 million compared to R3.5 million in the prior period.

Unrealised foreign currency translation losses increased by R13.7 million from a profit in the prior year of R1.1 million to a loss of R12.6 million in the current period.

Other income for the year under review decreased from R15.1 million to R9.4 million in H1 2021.

The net effect of the above adversely impacted operating profit before taxation by R22.0 million relative to the comparative period.

NORMALISED OPERATING PROFIT AND NORMALISED EBITDA

Group Normalised operating profit increased by 10.1% at a margin of 6.7% (H1 2021: 6.6%), supported by strong revenue growth as well as margin and cost controls.

Group depreciation of property, plant and equipment and right-of-use assets, declined 5.6%.

Group Normalised EBITDA increased by 4.6% at a margin of 9.5% (H1 2021: 9.9%).

OPERATING EXPENSES

Operating expense inflation was limited to 4.8% from R879 million to R922 million, and the Group expense margin improved to 17.7% (H1 2021: 18.5%) as cost-saving initiatives implemented in the prior year contributed to the result.

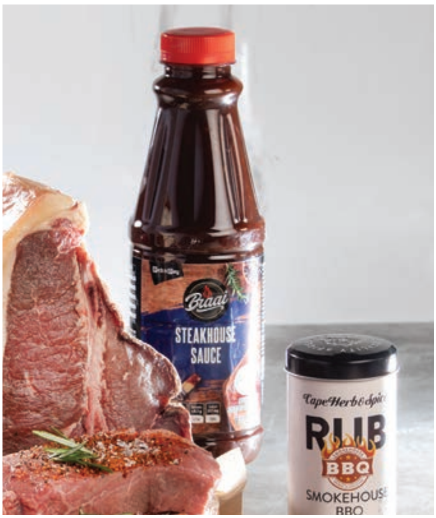
Selling and distribution costs increased ahead of headline inflation by 12.3% from R375 million to R421 million as the cost of local and international logistics remained significantly elevated.

INVESTMENT INCOME AND FINANCE COSTS

The Group's net finance cost (including IFRS 16 lease liabilities) declined by 2.1% from R73.3 million to R71.7 million.

Group net finance costs (excluding IFRS 16 lease liabilities), increased by 3.0% from R45.8 million to R47.1 million, mainly due to the full period inclusion of the increase in the Johannesburg interbank average lending rate (JIBAR) in the current period.

Finance charges incurred on lease liabilities (IFRS 16) decreased by 10.5% from R27.5 million to R24.6 million.



TAXATION

The Group's effective tax rate of 20.7% (H1 2021: 20.9%) remained lower than the statutory prescribed rate of 28%. This was due to the downward revaluation of the Group's deferred tax liabilities. The substantively enacted corporate taxation rate of 27% is applicable for the years of assessment ending on any date on or after 31 March 2023.

EARNINGS AND HEADLINE EARNINGS

Fully diluted EPS and HEPS increased by 95.2% and 101.6% respectively, bolstered by the increase in Group EBIT of 14.1% and a reduction in the operating loss from HPC's discontinued operations from R40 million to R0.4 million.

CONTINUING OPERATIONS

Normalised EPS, which excludes unrealised foreign currency movements and other non-recurring, non-trading and non-cash items, increased by 12.3%. Normalised HEPS, which also excludes the aforementioned items, increased by 14.1%.

The weighted average number of shares in issue remained unchanged at 595.8 million and the diluted weighted average number of shares decreased by 0.1% to 597.4 million.

A reconciliation between Normalised EBITDA, Normalised earnings and Normalised headline earnings is provided below:

	H1 2022	Change %	H1 2021
Normalised EBITDA (R'000)	**493 195**	**+4.6%**	**471 412**
Less:			
Depreciation and amortisation	**(146 330)**		(156 297)
Net finance cost	**(71 739)**		(73 264)
Tax and normalisation adjustments	**(63 399)**		(53 976)
Plus: Non-controlling interest	**79**		208
Normalised earnings	**211 806**	**+12.6%**	**188 083**
Gain/(Loss) on disposal of property, plant and equipment (after tax)	**74**		(2 483)
Normalised headline earnings	**211 880**	**+14.2%**	**185 600**

CASH FLOWS AND BALANCE SHEET

Cash generated from operating activities decreased by R325 million from R465 million to R140 million. This was mainly due to an increase in Group net working capital to 17.4% of Group revenue (H1 2021: 14.5%) due to a R285 million investment in inventory compared to the prior reporting period. The Group remains committed to the target range of 13.0% to 15.0%.

During the reporting period, the Group continued to invest in capacity-enhancing projects in identified growth areas. Capital expenditure of R143 million was incurred (H1 2021: R134 million), representing 2.8% of net revenue (H1 2021: 2.8%). This is in line with the Group's target range of 2.0% to 3.0%. The Group's EBITDA to term debt gearing ratio increased to 1.5x normalised EBITDA but remains within the stated target of 1x to 2x and below the lender covenant of 2.5x. Net interest cover to EBITDA remains strong at 9.2x from 9.5x in the comparative period and compares favourably to the Group's minimum stated target of 3.5x.

The Group's H1 capital expenditure comprised of:

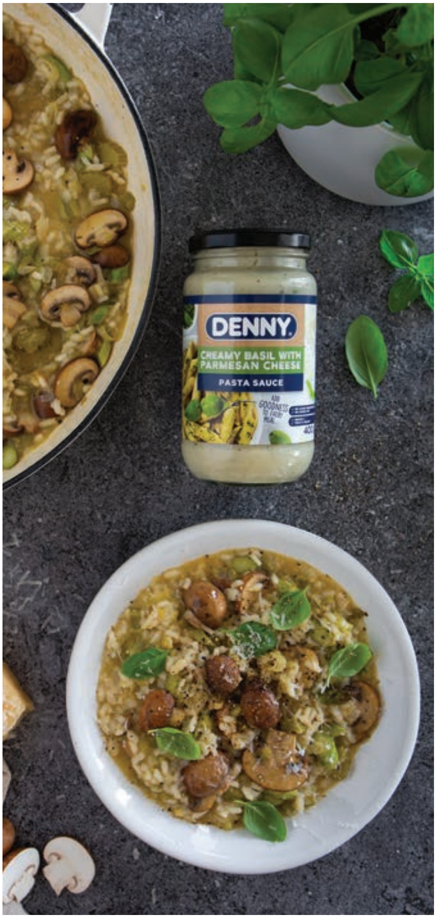
R12 million investment in electricity generation to mitigate the impact of load shedding and to maintain customer service levels.

R14 million wet-condiment capacity expansion at Montagu Foods.

R11 million facility upgrade of Finlar Fine Foods' value-added chicken facilities and a R3.4 million investment in a new product line.

A further R5.9 million investment in hard cheese packing facility upgrades at Lancewood, which brings the total investment in hard cheese facilities upgrades to R205 million.

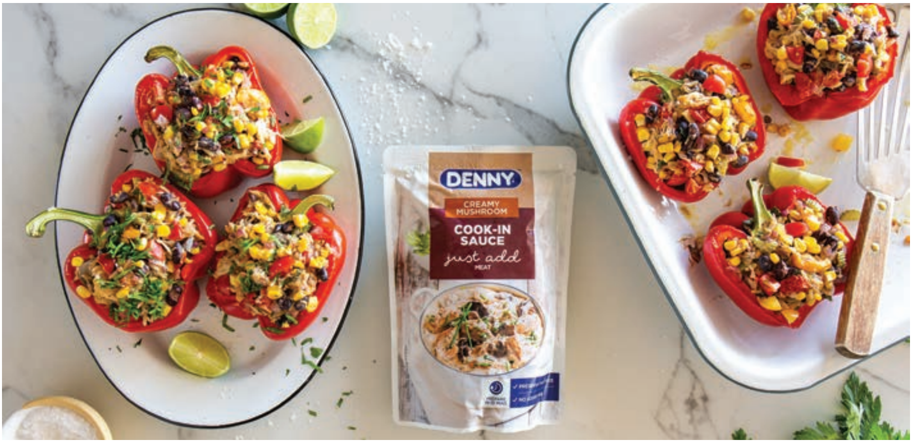
R12 million investment in a new pourable sauces line at Dickon Hall Foods.



Return on invested capital

The Group closely monitors capital productivity. During the period under review, LTM ROIC remained at 12.5% compared to a WACC of 12.5%, as some of the Group's larger capital projects have not yet yielded the planned benefits for a full financial period. The Group targets a long term ROIC of WACC plus 2%.

In regard to the R336 million investment in these major recent capital projects at Millennium Foods, Amaro Foods and Lancewood, the Group expects to realise the intended capacity and efficiency benefits in the medium term from these projects despite initial delays.



Sales channel and segmental analysis

PERFORMANCE BY SALES CHANNEL

Libstar's revenue performance by sales channel is summarised as follows:

Group	Period-on-period revenue growth/(decline)	Contribution to Group revenue	
	Six-month period ended 30 June 2022	**Six-month period ended 30 June 2022**	Six-month period ended 30 June 2021
Revenue by channel			
Retail and wholesale	**+8.1%**	**57.2%**	58.0%
Food service	**+23.9%**	**19.6%**	17.4%
Exports	**(10.9%)**	**10.4%**	12.8%
Industrial and contract manufacturing	**+18.3%**	**12.8%**	11.8%
Total Group revenue	**+9.6%**	**100.0%**	**100.0%**

During the period under review, retail and wholesale channel revenue increased by 8.1%. This was mainly attributable to strong sales of pre-packed hard cheese, yoghurt and processed cheese within the Perishables category.

Food service channel revenue increased by 23.9%, bolstered by the sale of beef products, cheese and sauces in quick-service restaurants and hospitality venues.

The retail and wholesale channel revenue reduced to 57.2% of Group revenue, whilst the food service channel revenue contribution increased to 19.6% of Group revenue.

Export revenue decreased by 10.9%, mainly due to shipping delays caused by intermittent availability of stacking dates at local ports during the period under review.

Industrial and contract manufacturing channel revenue increased by 18.3%, reflecting continued improved customer orders and new contract manufacturing arrangements within the wet condiment sub-category.

Performance by category

The Group reports on four product categories, namely Perishables, Groceries, Snacks & Confectionery and Baking & Baking Aids. The divisions and brands per category are outlined in the table below:

FOOD CATEGORIES

PERISHABLES	GROCERIES	SNACKS & CONFECTIONERY	BAKING & BAKING AIDS

Category revenue is summarised as follows:

	Group revenue growth/(decline)			Contribution to Group revenue	
Revenue by category	**Six-month period ended 30 June 2022 R'000**	Change %	Six-month period ended 30 June 2021 R'000	**Six-month period ended 30 June 2022 R'000**	Six-month period ended 30 June 2021 R'000
Perishables	**2 795 990**	+14.6%	2 439 396	**53.8%**	51.5%
Groceries	**1 677 925**	+2.2%	1 642 380	**32.3%**	34.6%
Snacks & Confectionery	**280 673**	+11.6%	251 438	**5.4%**	5.3%
Baking & Baking Aids	**443 150**	+8.6%	408 002	**8.5%**	8.6%
Total Group revenue	**5 197 738**	**+9.6%**	**4 741 216**	**100.0%**	**100.0%**

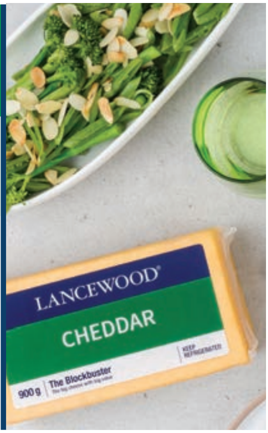
Category Normalised EBITDA (before corporate costs) is summarised as follows:

	Group Normalised EBITDA growth/(decline)			Contribution to Group Normalised EBITDA	
Normalised EBITDA before corporate costs	**Six-month period ended 30 June 2022 R'000**	Change %	Six-month period ended 30 June 2021 R'000	**Six-month period ended 30 June 2022 R'000**	Six-month period ended 30 June 2021 R'000
Perishables	**254 210**	+27.8%	198 923	**46.8%**	38.0%
Groceries	**196 690**	(17.7%)	239 057	**36.1%**	45.6%
Snacks & Confectionery	**51 745**	+23.2%	42 001	**9.5%**	8.0%
Baking & Baking Aids	**41 462**	(6.1%)	44 164	**7.6%**	8.4%
Total	**544 107**	**+3.8%**	**524 145**	**100.0%**	**100.0%**

PERISHABLES

54% OF GROUP REVENUE | 47% OF GROUP NORMALISED EBITDA BEFORE CORPORATE COSTS

Revenue from Perishables increased by 14.6%. This included volume growth of 6.3%, driven predominantly by strong volume sales growth of pre-packed hard cheese (Lancewood). The category gross profit margin improved to 20.0% (H1 2021: 19.0%) as dairy margins remained protected by production efficiencies and cost-saving initiatives. Margins within the category's value-added meat (Finlar) and fresh mushroom (Denny) operations benefited from improved efficiencies. Normalised EBITDA increased by 27.8% at a margin of 9.1% (H1 2021 margin: 8.2%).



GROCERIES

32% OF GROUP REVENUE | 36% OF GROUP NORMALISED EBITDA BEFORE CORPORATE COSTS

Revenue from Groceries increased by 2.2%. Category volume sales increased by 8.3%, driven by increased volumes of sauces, vinegars, and other condiments. Sales price and mix declined by 6.1% predominantly due to the increased volumes of industrial & contract manufacturing channel sales of vinegar.

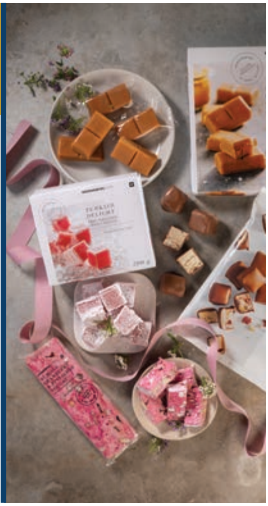
Retail and wholesale channel revenue within this category declined by 1.7%, mainly due to a timing delay of imported groceries shipments towards the end of Q2. Continued shipment delays of exports similarly resulted in a reduction of export channel revenue of 16.8% within this category. The food service and industrial & contract manufacturing channels performed strongly.

The category's gross profit margin declined to 25.1% (H1 2021: 26.6%), mainly due to a significant increase in freight and raw material input cost in the export channel facing divisions.

Groceries category normalised EBITDA decreased by 17.7% at a margin of 11.7% (H1 2021: 14.6%) as the abovementioned shipment delays and margin decline weighed on the category's performance.

SNACKS & CONFECTIONERY

5% OF GROUP REVENUE | 9% OF GROUP NORMALISED EBITDA BEFORE CORPORATE COSTS



The Snacks & Confectionery category includes cereals, nuts, snack bars and confectionery.

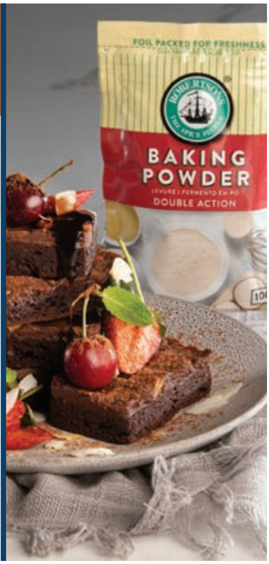
Revenue from this category increased by 11.6% and volumes increased by 14.0%. The retail channel performed strongly with increased demand for premium nuts and nut mixes, granolas and snack bars.

The category gross profit margin increased to 34.5% (H1 2021: 34.2%). Normalised EBITDA increased by 23.2%, at a higher margin of 18.4% (H1 2021: 16.7%).

The Pringles contract manufacturing arrangement will terminate with effect from the start of H2.

BAKING & BAKING AIDS

9% OF GROUP REVENUE | 8% OF GROUP NORMALISED EBITDA BEFORE CORPORATE COSTS



Revenue from Baking & Baking Aids increased by 8.6% and volumes increased by 0.7% following continued strong retail channel demand for rolls and artisanal breads. Revenue from baking aids tracked marginally lower than the comparative period mainly due to reduced demand for yeast products in the wholesale channel.

The gross profit margin decreased to 25.2% (H1 2021: 25.8%) due to input cost inflation (raw materials and packaging) and an adverse sales mix change in the current period towards lower-margin baking aids.

Despite strong growth in normalised EBITDA from the category's baking divisions, Amaro Foods and Cani, total category normalised EBITDA decreased by 6.1% at an EBITDA margin of 9.4% (H1 2021: 10.8%), mainly as a result of the weaker performance of baking aids in the wholesale channel.

Outlook

The Group continues to experience significant inflationary pressures relating to raw materials, packaging, labour and energy. These are not expected to subside in H2. Within this context, the Group continues to leverage its systems, procurement expertise and trade relationships to balance cost-push inflation and selling prices.

Libstar's category-led approach has strongly assisted in the improved performance of the Group's wet-condiment divisions during the period under review. Functional clustering of sales and marketing expertise will continue within these divisions during H2 as the Group continues to seek ways in which to optimise its go-to-market strategy.

The acquisition of Cape Foods, and its anticipated integration towards the end of the year, supports the Group's portfolio strategy focus on non-commoditised food products. The transaction grows Libstar's already sizeable dry condiment manufacturing capability and expands the Group's presence in new products and markets.

The Group continues to explore high-growth food categories to complement its existing food category offerings as part of its Libstar Nova incubation vehicle. Simultaneously, the Board continues to evaluate strategic options pertaining to the HPC cluster.

Libstar remains committed to the achievement of its longer term capital return objectives. The Group expects to commission a new wrap line at Amaro Foods in Q1 2023. This is strategically important to the expansion of Libstar's retail and food service channel footprints despite global supply chain disruptions.

The Group's inventory planning and cash generation remains a core priority as the Group enters the final, and seasonally most active fourth trading quarter.

The continued intermittent availability of shipment containers remains a risk to the short-term outlook of Libstar's export facing divisions. However, the Group's export offering and markets remain sound and able to provide new offerings and price-competitive advantages within key markets, expedited by the acquisition of Cape Foods.

In conclusion, Libstar's customer-centric approach and increased focus on margin maintenance, the repositioning of its food portfolio and diversified channel exposure are expected to continue to facilitate the delivery of a resilient H2 performance.

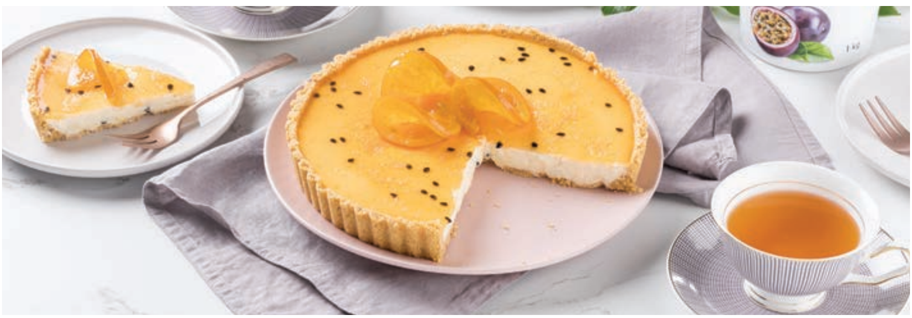
Dividend

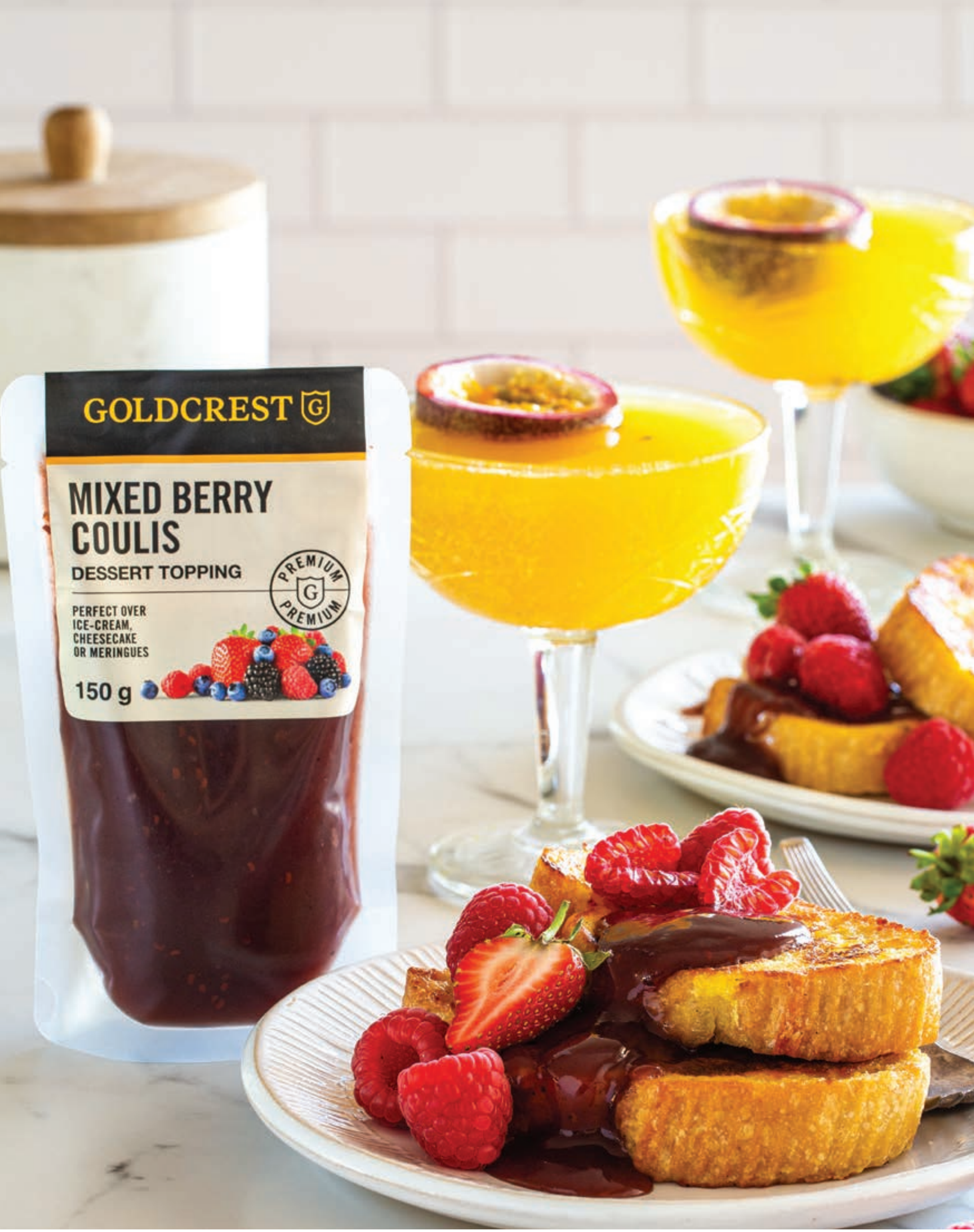
As per Libstar's dividend policy, one dividend per annum is declared at year-end. Therefore, no interim dividend has been declared.

Changes to the Board

There were no changes to the composition of Libstar's board during the period under review.

Shareholders are referred to the SENS announcement on 12 September 2022 announcing the retirement of Andries van Rensburg as CEO with effect from 31 December 2022 and the appointment of Charl de Villiers as CEO, effective 1 January 2023. Cornél Lodewyks, the current managing executive of Lancewood, has been appointed as an executive director of Libstar and member of the Board with effect from the same day. Cornél will continue in his role as managing executive of Lancewood, whilst supporting the Group management team in the implementation of its strategic initiatives. The Board has commenced the process of appointing a new CFO and will ensure a seamless transition.

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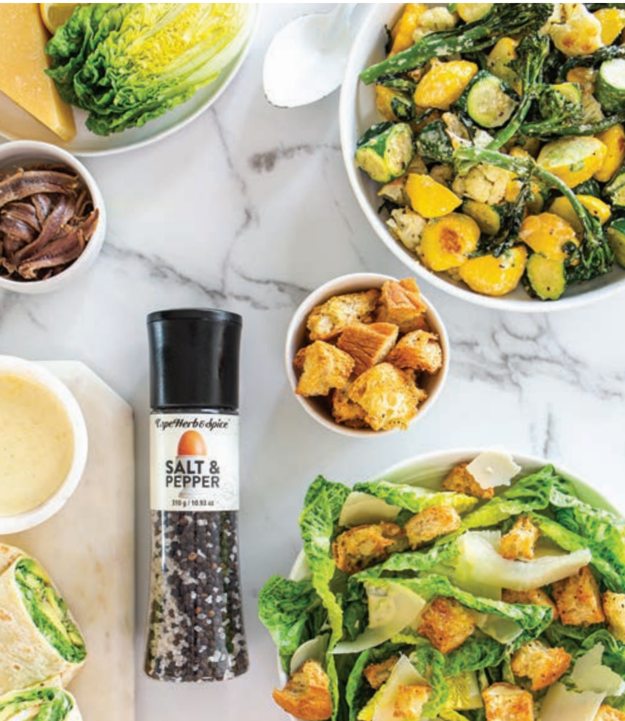


Condensed consolidated financial statements

Reviewed condensed consolidated statement of comprehensive income

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021* Reviewed R'000	Year ended 31 December 2021* Audited R'000
CONTINUING OPERATIONS				
Revenue		**5 197 738**	4 741 216	9 945 875
Cost of sales		**(4 009 435)**	(3 649 531)	(7 644 797)
Gross profit		**1 188 303**	1 091 685	2 301 078
Other income	6	**9 392**	15 059	18 839
(Losses)/gains on foreign exchange and disposal of property, plant and equipment	7.1	**(15 285)**	1 067	31 662
Operating expenses	7.2	**(921 739)**	(879 301)	(1 756 808)
Operating profit		**260 671**	228 510	594 771
Investment income		**4 460**	23 141	26 219
Finance costs		**(76 199)**	(96 405)	(181 809)
Profit before tax		**188 932**	155 246	439 181
Income tax expense		**(39 191)**	(32 490)	(53 153)
Profit for the period from continuing operations		**149 741**	122 756	386 028
DISCONTINUED OPERATIONS				
Loss for the period from discontinued operations	8	**(5 006)**	(49 314)	(231 623)
TOTAL PROFIT FOR THE PERIOD		**144 735**	73 442	154 405
Other comprehensive income/(loss) for the period, net of tax		**14 621**	5 311	(26 974)
Items that may be reclassified to profit or loss				
(Losses)/gains on hedging reserves		**(2 134)**	15 552	(16 755)
Hedging losses/(gains) reclassified to profit or loss		**16 755**	(10 241)	(10 241)
Items that will never be reclassified to profit or loss				
Defined benefit plan actuarial gains		**–**	–	22
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**159 356**	78 753	127 431
Profit/(loss) attributable to:				
Equity holders of the parent		**146 740**	75 005	157 945
Non-controlling interest		**(2 005)**	(1 563)	(3 540)
		144 735	73 442	154 405
Total comprehensive income/(loss) attributable to:				
Equity holders of the parent		**161 361**	80 316	130 971
Non-controlling interest		**(2 005)**	(1 563)	(3 540)
		159 356	78 753	127 431
Profit/(loss) attributable to equity holders of the parent arises from:				
Continuing operations		**149 820**	122 964	386 314
Discontinued operations		**(3 080)**	(47 959)	(228 369)
		146 740	75 005	157 945
Total comprehensive income/(loss) attributable to equity holders of the parent arises from:				
Continuing operations		**164 441**	128 275	359 340
Discontinued operations		**(3 080)**	(47 959)	(228 369)
		161 361	80 316	130 971
Basic earnings/(loss) per share (cents)	9.1	**24.6**	12.6	26.5
From continuing operations	9.1	**25.1**	20.6	64.8
From discontinued operations	9.1	**(0.5)**	(8.0)	(38.3)
Diluted earnings/(loss) per share (cents)	9.2	**24.6**	12.6	26.5
From continuing operations	9.2	**25.1**	20.6	64.7
From discontinued operations	9.2	**(0.5)**	(8.0)	(38.2)

* The comparative interim period profit or loss is restated as if the HPC segment had been discontinued from the start of the previous interim period. The profit or loss for the year end 31 December 2021, which included Chet Chemicals and Contactim as discontinued operations, is restated to include the Glenmor division and, therefore, reflect the entire HPC segment as discontinued.

Reviewed condensed consolidated statement of financial position

AS AT 30 JUNE 2022

	Notes	At 30 June 2022 Reviewed R'000	At 30 June 2021 Reviewed R'000	At 31 December 2021 Audited R'000
ASSETS				
Non-current assets		**5 757 082**	6 338 128	5 891 291
Property, plant and equipment		**1 499 090**	1 532 954	1 456 947
Right-of-use assets	11	**387 396**	594 120	504 352
Goodwill		**2 276 428**	2 337 192	2 275 328
Intangible assets		**1 583 494**	1 865 496	1 644 890
Other financial assets		**9 091**	8 306	8 200
Deferred tax assets		**1 583**	60	1 574
Current assets		**3 636 109**	3 903 233	3 687 791
Inventories		**1 644 195**	1 418 324	1 407 955
Trade and other receivables		**1 699 363**	1 680 921	1 609 923
Biological assets		**34 152**	32 232	33 214
Other financial assets		**5 124**	32 901	3 996
Current tax receivable		**29 830**	36 899	40 101
Cash and bank balances		**223 445**	701 956	592 602
Assets classified as held for sale	8.3	**460 706**	–	408 397
TOTAL ASSETS		**9 853 897**	10 241 361	9 987 479
EQUITY AND LIABILITIES				
Capital and reserves attributable to equity holders of the parent		**5 351 451**	5 291 932	5 337 756
Share capital		**4 727 314**	4 727 314	4 727 314
Defined benefit plan reserve		**(901)**	(923)	(901)
Share-based payment reserve		**8 494**	11 385	6 554
Retained earnings		**693 846**	613 772	696 712
Premium on acquisition of non-controlling interests		**(75 168)**	(75 168)	(75 168)
Hedging reserves		**(2 134)**	15 552	(16 755)
Non-controlling interests		**4 233**	8 148	6 171
Total equity		**5 355 684**	5 300 080	5 343 927
Non-current liabilities		**2 349 329**	3 192 951	2 707 329
Other financial liabilities		**1 361 662**	1 886 584	1 579 495
Lease liabilities	11	**447 170**	646 899	566 474
Deferred tax liabilities		**518 144**	630 243	536 923
Employee benefits		**8 370**	8 158	8 650
Share-based payments		**13 983**	21 067	15 787
Current liabilities		**1 886 125**	1 748 330	1 711 943
Trade and other payables		**1 473 303**	1 505 909	1 476 696
Other financial liabilities		**112 584**	144 115	140 652
Lease liabilities	11	**98 945**	97 013	93 302
Current tax payable		**1 293**	1 293	1 293
Bank overdraft		**200 000**	–	–
Liabilities directly associated with assets classified as held for sale	8.3	**262 759**	–	224 280
Total liabilities		**4 498 213**	4 941 281	4 643 552
Total equity and liabilities		**9 853 897**	10 241 361	9 987 479

Reviewed condensed consolidated statement of changes in equity

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Share capital[1] R'000	Defined benefit plan reserve[2] R'000	Share-based payment reserve[3] R'000	Premium on acquisition of non-controlling interests[4] R'000	Retained earnings R'000	Hedging reserves[5] R'000	Non-controlling interests R'000	Total R'000
Balance at 1 January 2021	4 727 314	(923)	7 798	(75 168)	688 373	10 241	9 711	5 367 346
Total comprehensive income/(loss) for the period	–	–	–	–	75 005	5 311	(1 563)	78 753
Profit/(loss) for the period	–	–	–	–	75 005	–	(1 563)	73 442
Other comprehensive income for the period	–	–	–	–	–	5 311	–	5 311
Transactions with owners of the Company								
Contributions and distributions	–	–	–	–	(149 606)	–	–	(149 606)
Dividends paid	–	–	–	–	(149 606)	–	–	(149 606)
Share-based payment expenses	–	–	3 587	–	–	–	–	3 587
Group share plan	–	–	3 587	–	–	–	–	3 587
Balance at 30 June 2021	4 727 314	(923)	11 385	(75 168)	613 772	15 552	8 148	5 300 080
Total comprehensive income/(loss) for the period	–	22	–	–	82 940	(32 307)	(1 977)	48 678
Profit/(loss) for the period	–	–	–	–	82 940	–	(1 977)	80 963
Other comprehensive income/(loss) for the period	–	22	–	–	–	(32 307)	–	(32 285)
Share-based payment expenses	–	–	(4 831)	–	–	–	–	(4 831)
Group share plan	–	–	(2 919)	–	–	–	–	(2 919)
Payment	–	–	(1 912)	–	–	–	–	(1 912)
Balance at 31 December 2021	**4 727 314**	**(901)**	**6 554**	**(75 168)**	**696 712**	**(16 755)**	**6 171**	**5 343 927**
Total comprehensive income/(loss) for the period	**–**	**–**	**–**	**–**	**146 740**	**14 621**	**(2 005)**	**159 356**
Profit/(loss) for the period	**–**	**–**	**–**	**–**	**146 740**	**–**	**(2 005)**	**144 735**
Other comprehensive income for the period	**–**	**–**	**–**	**–**	**–**	**14 621**	**–**	**14 621**
Transactions with owners of the Company								
Non-controlling interests on acquisition of Umatie business	**–**	**–**		**–**	**–**	**–**	**67**	**67**
Contributions and distributions	**–**	**–**	**–**	**–**	**(149 606)**	**–**	**–**	**(149 606)**
Dividends paid	**–**	**–**	**–**	**–**	**(149 606)**	**–**	**–**	**(149 606)**
Share-based payment expenses	**–**	**–**	**1 940**	**–**	**–**	**–**	**–**	**1 940**
Group share plan	**–**	**–**	**1 940**	**–**	**–**	**–**	**–**	**1 940**
Balance at 30 June 2022	**4 727 314**	**(901)**	**8 494**	**(75 168)**	**693 846**	**(2 134)**	**4 233**	**5 355 684**

1. During the period under review Business Venture Investments No 2071 (Pty) Ltd subscribed for 567 104 subscription shares at a subscription price of R17.38 per share on 10 May 2022. On the same day Business Venture Investments No 2072 (Pty) Ltd subscribed for 487 022 subscription shares at a subscription price of R17.38 per share. Libstar Holdings repurchased the same number of Nominal BEE shares at R0.01 per share on the respective date.
2. Defined benefit plan reserve comprises actuarial gains or losses in respect of defined benefit obligations that are recognised in other comprehensive income.
3. Share-based payment reserve represents the grant date fair value of the Group's equity settled share-based payments (GSP) over the vesting period of GSP.
4. Premium on non-controlling interest represents the difference between the carrying amount of the non-controlling interests and the fair value of the consideration given on acquisition of non-controlling interests.
5. Hedging reserves represents the gains relating to foreign currency transactions recognised in other comprehensive income.

Reviewed condensed consolidated statement of cash flows

FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Notes	**6-months ended 30 June 2022 Reviewed R'000**	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
NET CASH FLOW FROM OPERATING ACTIVITIES		**42 140**	332 049	786 055
Cash generated from operations	14	**139 917**	464 489	1 035 040
Finance income received		**4 464**	23 166	26 245
Finance costs paid		**(52 511)**	(72 725)	(128 732)
Taxation paid		**(49 730)**	(82 881)	(146 498)
NET CASH FLOW FROM INVESTMENT ACTIVITIES		**(122 406)**	(123 949)	(219 106)
Purchase of property, plant and equipment and computer software		**(122 426)**	(134 468)	(226 403)
Proceeds on disposal of property, plant and equipment and computer software		**996**	4 871	933
Other loans repaid to the Group		**–**	5 648	6 364
Payment for acquisition of Umatie business, net of cash on acquisition		**(976)**	–	–
NET CASH FLOW FROM FINANCING ACTIVITIES		**(488 891)**	(442 172)	(910 375)
Proceeds from related party loans payable		**–**	313	–
Repayment of loans from related parties		**–**	(2 118)	(2 118)
Capital portion of lease payments		**(78 979)**	(76 967)	(155 990)
Repayment of term loans and asset based financing		**(260 306)**	(213 794)	(602 661)
Dividends paid		**(149 606)**	(149 606)	(149 606)
Net decrease in cash and cash equivalents		**(569 157)**	(234 072)	(343 426)
Cash and cash equivalents at the beginning of the period		**592 602**	936 028	936 028
Cash and cash equivalents at the end of the period		**23 445**	701 956	592 602
Cash flows of discontinued operations	8.3	**(1 841)**	(30 306)	2 133

The reviewed condensed consolidated statement of cash flows represents both continued and discontinued operations' combined cash flows.

Reviewed condensed consolidated segmental information

FOR THE SIX MONTHS ENDED 30 JUNE 2022

Basis of segmentation

The executive management team and the chief operating decision maker of the Group has chosen to organise the Group into categories and manage the operations in that manner. The information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance is based on five categories.

The following summary describes each segment:

PERISHABLES

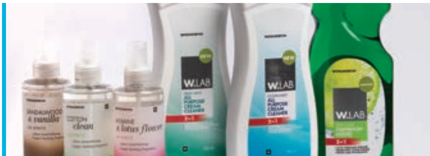
Perishable products are products that are refrigerated.

BAKING AND BAKING AIDS

Baked goods, specialised gluten free offerings and baking aids.

GROCERIES

Groceries (also known as “shelf-stable” groceries) is a category of foods that can be stored and preserved at room temperature. The category also includes beverages and specialised food packaging.



HOUSEHOLD AND PERSONAL CARE

Detergents and household cleaning products as well as personal care products.

SNACKS AND CONFECTIONERY

Premium snacks and confectionery products.

During the current period the three divisions within the HPC segment, namely Chet Chemicals, Contactim and Glenmor are classified as discontinued operations and held for sale at 30 June 2022. Refer to note 8 for further information related to the discontinued operations of the HPC segment.

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Change %	Year ended 31 December 2021 Audited R'000
INFORMATION ABOUT REPORTABLE SEGMENTS				
Revenue from contracts with customers				
Perishables	**2 795 990**	2 439 396	14.6	5 208 847
Groceries	**1 677 925**	1 642 380	2.2	3 337 462
Snacks and Confectionery	**280 673**	251 438	11.6	539 940
Baking and Baking Aids	**443 150**	408 002	8.6	859 626
	5 197 738	4 741 216	9.6	9 945 875
Operating profit (EBIT)				
Perishables	**163 254**	98 414	65.9	251 123
Groceries	**103 969**	160 352	(35.2)	354 176
Snacks and Confectionery	**33 938**	26 349	28.8	73 832
Baking and Baking Aids	**19 530**	19 359	0.9	47 945
Corporate	**(60 020)**	(75 964)	(21.0)	(132 305)
	260 671	228 510	14.1	594 771
Reconciliation of operating profit per segment to profit before tax				
Operating profit	**260 671**	228 510	14.1	594 771
Investment income	**4 460**	23 141	(80.7)	26 219
Finance costs	**(76 199)**	(96 405)	(21.0)	(181 809)
Profit before tax	**188 932**	155 246	21.7	439 181

The chief operating decision maker reviews the revenue and operating profit on a regular basis. The chief operating decision maker does not evaluate any of the Group's assets or liabilities on a segmental basis for decision making purposes.

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Change %	Year ended 31 December 2021 Audited R'000
NORMALISED EBIT AND EBITDA				
Group – continuing operations				
Operating profit	**260 671**	228 510	14.1	594 771
Amortisation of customer relationships	**63 932**	64 547		126 122
Due diligence	**760**	–		–
Expenses relating to share-based payments	**6 712**	12 114		4 568
Government grants	**(90)**	(644)		(706)
Loss/(gain) on disposal of property, plant and equipment	**103**	(3 448)		352
Retrenchment and settlement costs	**2 023**	14 140		35 300
Securities transfer tax	**–**	3		–
Strategic advisory fees	**204**	1 000		10 786
Unrealised loss/(gain) on foreign exchange	**12 550**	(1 107)		(20 553)
Normalised EBIT	**346 865**	315 115	10.1	750 640
Amortisation of software and website costs	**4 391**	5 874		12 991
Depreciation of property, plant and equipment and right-of-use assets	**141 939**	150 423		310 797
Normalised EBITDA (including effect of IFRS 16)	**493 195**	471 412	4.6	1 074 428
Less: lease payments and lease modifications	**(70 407)**	(66 217)		(142 610)
Normalised EBITDA (excluding effect of IFRS 16)	**422 788**	405 195	4.3	931 818
Perishables				
Operating profit	**163 254**	98 414	65.9	251 123
Amortisation of customer relationships	**21 805**	24 341		48 991
Government grants	**–**	(174)		(19)
Gain on disposal of property, plant and equipment	**(73)**	(3 231)		(3 255)
Retrenchment and settlement costs	**1 086**	10 369		22 366
Unrealised loss/(gain) on foreign exchange	**623**	(1 004)		(7 054)
Normalised EBIT	**186 695**	128 715	45.0	312 152
Amortisation of software and website costs	**1 992**	1 592		4 251
Depreciation of property, plant and equipment and right-of-use assets	**65 523**	68 616		143 512
Normalised EBITDA (including effect of IFRS 16)	**254 210**	198 923	27.8	459 915
Less: lease payments and lease modifications	**(27 447)**	(24 316)		(49 824)
Normalised EBITDA (excluding effect of IFRS 16)	**226 763**	174 607	29.9	410 091
Groceries				
Operating profit	**103 969**	160 352	(35.2)	354 176
Amortisation of customer relationships	**36 491**	28 910		65 859
Government grants	**(37)**	(320)		(526)
Loss/(gain) on disposal of property, plant and equipment	**749**	(304)		2 108
Retrenchment and settlement costs	**886**	3 771		4 286
Strategic advisory fees	**192**	–		–
Unrealised loss/(gain) on foreign exchange	**11 986**	318		(12 082)
Normalised EBIT	**154 236**	192 727	(20.0)	413 821
Amortisation of software and website costs	**707**	969		2 176
Depreciation of property, plant and equipment and right-of-use assets	**41 747**	45 361		94 719
Normalised EBITDA (including effect of IFRS 16)	**196 690**	239 057	(17.7)	510 716
Less: lease payments and lease modifications	**(26 779)**	(26 214)		(53 247)
Normalised EBITDA (excluding effect of IFRS 16)	**169 911**	212 843	(20.2)	457 469

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Change %	Year ended 31 December 2021 Audited R'000
Snacks and Confectionery				
Operating profit	**33 938**	26 349	28.8	73 832
Amortisation of customer relationships	**2 201**	–		4 402
Government grants	**(53)**	(5)		(16)
(Gain)/loss on disposal of property, plant and equipment	**(590)**	83		865
Strategic advisory fees	**12**	–		536
Unrealised gain on foreign exchange	**(59)**	(356)		(1 318)
Normalised EBIT	**35 449**	26 071	36.0	78 301
Amortisation of software and website costs	**967**	1 500		3 299
Depreciation of property, plant and equipment and right-of-use assets	**15 329**	14 430		28 800
Normalised EBITDA (including effect of IFRS 16)	**51 745**	42 001	23.2	110 400
Less: lease payments and lease modifications	**(7 092)**	(6 594)		(21 408)
Normalised EBITDA (excluding effect of IFRS 16)	**44 653**	35 407	26.1	88 992
Baking and Baking Aids				
Operating profit	**19 530**	19 359	0.9	47 945
Amortisation of customer relationships	**3 435**	4 530		6 870
Loss/(gain) on disposal of property, plant and equipment	**18**	(24)		606
Retrenchment and settlement costs	**51**	–		–
Unrealised gain on foreign exchange	**–**	(65)		(99)
Normalised EBIT	**23 034**	23 800	(3.2)	55 322
Amortisation of software and website costs	**683**	525		1 164
Depreciation of property, plant and equipment and right-of-use assets	**17 745**	19 839		39 696
Normalised EBITDA (including effect of IFRS 16)	**41 462**	44 164	(6.1)	96 182
Less: lease payments and lease modifications	**(7 676)**	(7 334)		(14 941)
Normalised EBITDA (excluding effect of IFRS 16)	**33 786**	36 830	(8.3)	81 241
Corporate				
Operating loss	**(60 020)**	(75 964)	(21.0)	(132 305)
Amortisation of customer relationships	**–**	6 766		–
Due diligence	**760**	–		–
Expenses relating to share-based payments	**6 712**	12 114		4 568
Government grants	**–**	(145)		(145)
(Gain)/loss on disposal of property, plant and equipment	**(1)**	28		28
Strategic advisory fees	**–**	1 000		10 250
Retrenchment and settlement costs	**–**	–		8 648
Securities transfer tax	**–**	3		–
Normalised EBIT	**(52 549)**	(56 198)	(21.0)	(108 956)
Amortisation of software and website costs	**42**	1 288		2 101
Depreciation of property, plant and equipment and right-of-use assets	**1 595**	2 177		4 070
Normalised EBITDA (including effect of IFRS 16)	**(50 912)**	(52 733)	(3.5)	(102 785)
Less: lease payments and lease modifications	**(1 413)**	(1 759)		(3 190)
Normalised EBITDA (excluding effect of IFRS 16)	**(52 325)**	(54 492)	(4.0)	(105 975)

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Change %	Year ended 31 December 2021 Audited R'000
Export revenue The Group mainly operates in South Africa. Revenue derived from customers domiciled within South Africa is classified as revenue from South Africa. Revenue from customers domiciled outside of South Africa is classified as export revenue.				
Export revenue for the period	**540 567**	606 613	(10.9)	1 214 705

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	% Points	Year ended 31 December 2021 Audited R'000
Major customers During the period under review, revenue from certain customers exceeded 10% of total revenue.				
Customer A	**22.6%**	24.2%	(1.6)	22.2%
Customer B	**15.1%**	13.8%	1.3	16.4%
Customer C	**9.5%**	9.2%	0.3	9.9%

The above customers trade with the Group across all five segments. The contribution of each customer to total revenue is therefore spread across multiple segments.

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Change %	Year ended 31 December 2021 Audited R'000
Revenue by channel				
Retail and wholesale	**2 970 330**	2 748 032	8.1	5 641 709
Food service	**1 020 408**	823 399	23.9	1 865 498
Exports	**540 567**	606 613	(10.9)	1 214 705
Industrial and contract manufacturing	**666 433**	563 172	18.3	1 223 963
Total Group revenue	**5 197 738**	4 741 216	9.6	9 945 875

	6-months ended 30 June 2022 Reviewed %	6-months ended 30 June 2021 Reviewed %	Year ended 31 December 2021 Audited %
Contribution to Group revenue			
Retail and wholesale	**57.2%**	58.0%	56.7%
Food service	**19.6%**	17.4%	18.8%
Exports	**10.4%**	12.8%	12.2%
Industrial and contract manufacturing	**12.8%**	11.8%	12.3%
Total Group revenue	**100.0%**	100.0%	100.0%

	Perishables	Groceries	Snacks and Confectionery	Baking and Baking Aids	Total
Revenue by channel per segment					
6-months ended 30 June 2022					
Retail and wholesale	**1 625 260**	**730 647**	**231 291**	**383 132**	**2 970 330**
Food service	**790 783**	**181 718**	**1 537**	**46 370**	**1 020 408**
Exports	**146 065**	**378 992**	**3 907**	**11 603**	**540 567**
Industrial and contract manufacturing	**233 882**	**386 568**	**43 938**	**2 045**	**666 433**
	2 795 990	**1 677 925**	**280 673**	**443 150**	**5 197 738**
6-months ended 30 June 2021					
Retail and wholesale	1 456 375	743 641	205 563	342 453	2 748 032
Food service	643 253	137 438	544	42 164	823 399
Exports	130 352	455 554	4 058	16 649	606 613
Industrial and contract manufacturing	209 416	305 747	41 273	6 736	563 172
	2 439 396	1 642 380	251 438	408 002	4 741 216
Year ended 31 December 2021					
Retail and wholesale	3 048 648	1 432 775	436 308	723 978	5 641 709
Food service	1 472 228	296 864	4 082	92 324	1 865 498
Exports	266 696	908 445	8 057	31 507	1 214 705
Industrial and contract manufacturing	421 275	699 378	91 493	11 817	1 223 963
	5 208 847	3 337 462	539 940	859 626	9 945 875

Notes to the reviewed condensed consolidated financial statements

FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. Reporting entity

Libstar is a leading producer and supplier of high quality products in the consumer packaged goods (CPG) industry and sells a wide range of products in South Africa and globally. The Group provides a multi-product offering in multiple categories across multiple channels, while strategically positioning itself within the food and beverage sector.

The Group currently operates across a number of business units, each of which has its own infrastructure, employees and products. The Group operates a decentralised business model, with each business unit being responsible for its own procurement, production, distribution and logistics, sales and marketing and customer relationships. Libstar demonstrates a strong management drive and provides a platform for these business units to grow through provision of working capital and investment in infrastructure that builds manufacturing capability and capacity.

2. Basis of accounting

These reviewed condensed consolidated interim financial statements have been prepared in accordance with the International Reporting Standards (IFRS), including disclosure requirements of IAS 34 Interim Financial Reporting standard and comply with the Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, as well as the JSE Listings Requirements and the Companies Act, no 71 of 2008.

These condensed consolidated interim financial statements have been reviewed in terms of the Companies Act, No 71 of 2008. These condensed consolidated interim financial statements have been prepared under the supervision of CB de Villiers CA(SA).

The financial results presented have been reviewed by the Group's independent external auditors, Moore Cape Town Inc, who expressed an unqualified review conclusion. A copy of the auditor's review report is available for inspection at the Company's registered office.

The auditor's report does not necessarily report on all of the information contained in this report. Shareholders are therefore advised that in order to obtain full understanding of the nature of the auditor's engagement they should obtain a copy of that report together with the accompanying financial information from the Company's registered office.

3. Accounting policies

The accounting policies applied by the Group in these reviewed condensed consolidated interim financial statements are consistent with those applied in the consolidated annual financial statements for the year ended 31 December 2021. There were no new accounting standards implemented by the Group in these consolidated interim financial statements.

4. Judgements and key sources of estimation uncertainty

Management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty are similar to those that applied to the consolidated annual financial statements for the year ended 31 December 2021. Specific consideration was given to the impact of Covid-19 on the estimates and assumption used in applying IFRS. Refer to note 17 for further information related to the impact of Covid-19 on the Group.

5. Normalised EBIT and Normalised EBITDA

The Group adopts normalised earnings before interest and tax ("Normalised EBIT"), normalised earnings before interest, tax, depreciation and amortisation ("Normalised EBITDA"), normalised earnings per share ("Normalised EPS") and normalised headline earnings per share ("Normalised HEPS") as financial measures to review, measure and benchmark the operational performance of the individual business units (that consolidate into the Group) as well as for strategic planning and other commercial decision-making purposes relating to each division.

To arrive at the normalised EBIT and normalised EBITDA measures, respectively, the following adjustments are made to EBIT (operating profit as disclosed in the financial statements).

	Adjustment included in calculation of:	
	Normalised EBIT	**Normalised EBITDA**
Add back: amortisation of intangible assets in relation to customer contracts and brands with definitive useful lives	**Yes**	**Yes**
Add back: amortisation of intangible assets in relation to computer software and website costs	**No**	**Yes**
Add back: depreciation on property, plant and equipment and right-of-use assets	**No**	**Yes**
Add back: impairment losses on property, plant and equipment, goodwill and intangible assets	**Yes**	**Yes**
Add back or deduct: unrealised foreign exchange translation gains or losses	**Yes**	**Yes**
Add back: non-recurring items of an operating nature including government grants, due diligence costs in respect of business acquisitions, strategic advisory fees, retrenchment and settlement costs and restructuring costs including amounts payable in respect of onerous contracts.	**Yes**	**Yes**
Add back: securities transfer tax paid	**Yes**	**Yes**
Add back or deduct: gains and losses on disposal of property, plant and equipment, gains and losses on disposals of assets or disposal groups (businesses) held for sale.	**Yes**	**Yes**
Add back: the cost of the long-term incentive plan (LTIP) and the Group Share Plan (GSP).	**Yes**	**Yes**

5. Normalised EBIT and Normalised EBITDA continued

Normalised EPS and Normalised HEPS

To arrive at normalised EPS, the after-tax earnings (as disclosed in the financial statements), is adjusted for the after-tax impact of the normalised EBIT adjustments shown above.

To arrive at Normalised HEPS, the normalised EPS is adjusted for the after-tax impact of the Headline Earnings Re-measurements, the most common examples of which are (i) impairment losses on property, plant and equipment, goodwill and intangible assets and (ii) gains and losses on disposal of property, plant and equipment, excluding the after-tax impact of separately identifiable re-measurements as defined in accordance with circular 1/2021 Headline Earnings, read with IAS 33 Earnings per share.

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000

6. Other income

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Bad debts recovered	**–**	63	81
Commissions received	**17**	–	37
Government grants[1]	**457**	734	2 086
Insurance claims received	**187**	11 173	11 003
Discounts and incentives received	**37**	10	–
Rental income	**323**	276	573
Sundry income	**8 371**	2 803	5 059
	9 392	15 059	18 839

1. Income from government grants includes income received under the Skills Development Program and the Employer Tax Incentive program.

7. Operating profit

Operating profit from continuing operations is calculated after taking into account the following:

7.1 (Losses)/gains on foreign exchange and disposal of property, plant and equipment

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
(Loss)/gain on foreign exchange	**(15 182)**	(2 381)	32 014
Realised (loss)/gain on foreign exchange	**(2 632)**	(3 475)	11 461
Unrealised (loss)/gain on foreign exchange	**(12 550)**	1 094	20 553
(Loss)/gain on disposal of property, plant and equipment	**(103)**	3 448	(352)
	(15 285)	1 067	31 662

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
7. Operating profit continued			
7.2 Operating expenditure			
Depreciation of property, plant and equipment	**22 311**	29 495	60 261
Depreciation of right-of-use assets	**26 353**	28 867	54 773
Amortisation of computer software and website costs	**4 391**	5 874	12 991
Amortisation of customer relationships	**63 932**	64 547	126 122
Employee benefits	**271 071**	291 084	562 549
Salaries and wages	**264 377**	276 944	528 523
Retrenchment and settlement costs	**6 694**	14 140	34 026
Due diligence costs	**760**	–	–
Strategic advisory fees	**204**	1 000	10 250
Charges relating to long-term incentive scheme (LTIP scheme)	**4 017**	7 132	4 384
Charges relating to share-based payments (GSP)	**2 695**	4 982	184
Research and development costs expensed as incurred	**190**	1 121	443
Auditors' remuneration	**4 339**	4 740	8 249
7.3 Nature of operating expenses in cost of sales			
Depreciation of property, plant and equipment	**66 593**	68 024	141 608
Depreciation of right-of-use assets	**26 682**	24 037	54 155
Employee benefits	**367 736**	336 947	681 962
Salaries and wages	**367 300**	336 947	680 787
Retrenchment and settlement costs	**436**	–	1 175
Lease rentals	**13 043**	9 372	21 579

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
8. Loss from discontinued operations			
Loss from discontinued operations	**(5 006)**	(49 314)	(231 623)

Comparative information is restated in the statement of profit or loss and other comprehensive income to present the HPC segment as discontinued operations for all periods presented. The results for the year end 31 December 2021 which included Chet and Contactim as discontinued operations, is restated to also include Glenmor.

The current period loss from discontinued operations recognised in the statement of profit or loss and other comprehensive income comprises of the HPC segment. The three divisions within the HPC segment are recognised as discontinued operations as follows:

8. Loss from discontinued operations continued

8.1 Operations held for sale – Chet Chemicals and Contactim

The combined sale of business agreement in respect of two of the divisions namely Chet and Contactim within the HPC segment, as announced on 21 February 2022, was terminated on 1 June 2022. The definite agreements relating to the transaction were not concluded as planned. The associated assets and liabilities presented as held for sale at 31 December 2021, is still presented as held for sale in the current period. The Board continues to evaluate the strategic positioning of the HPC business to optimise the Group's portfolio composition and returns.

8.2 Operations held for sale – Glenmor

During the first half of the year the Group were in talks with interested parties to sell the third division within the HPC segment. The Group concluded the sale in July 2022. The associated assets and liabilities are presented as held for sale at 30 June 2022.

8.3 Discontinued operations' financial information

Financial information relating to the discontinued operations of the HPC segment is set out below. Refer below for the related assets and liabilities classified as held for sale.

Financial performance and cash flow information of the HPC segment

The results of the lines related to the discontinued operations for the period is included in the statement of profit or loss and other comprehensive income are set out below:

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Revenue	**384 893**	375 860	740 094
Cost of sales	**(336 300)**	(341 283)	(665 983)
Gross profit	**48 593**	34 577	74 111
Other income	**102**	–	1 434
Impairment loss	**–**	–	(175 810)
Operating expenses	**(49 125)**	(74 630)	(139 895)
Operating loss	**(430)**	(40 053)	(240 160)
Investment income	**4**	25	217
Finance costs	**(4 544)**	(7 529)	(10 159)
Loss before tax	**(4 970)**	(47 557)	(250 102)
Income tax expense	**(36)**	(1 757)	18 479
Loss for the period from discontinued operations	**(5 006)**	(49 314)	(231 623)
Net cash (outflow)/inflow from operating activities	**(36 180)**	(1 044)	70 538
Net cash inflow/(outflow) from investing activities	**15 543**	(15 038)	(57 220)
Net cash inflow/(outflow) from financing activities	**18 796**	(14 224)	(11 185)
Net (decrease)/increase in cash generated by the operations	**(1 841)**	(30 306)	2 133

8. Loss from discontinued operations
continued

8.3 Discontinued operations' financial information continued

Assets and liabilities of the HPC segment classified as held for sale

The following assets and liabilities are classified as held for sale in relation to the discontinued operations of the HPC segment:

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Assets classified as held for sale			
Property, plant and equipment	**127 839**	–	123 118
Right-of-use assets	**70 516**	–	69 074
Intangibles	**32 510**	–	32 704
Inventories	**126 736**	–	77 959
Trade and other receivables	**102 751**	–	105 542
Current tax receivable	**354**	–	–
Total assets of disposal group held for sale	**460 706**	–	408 397
Liabilities directly associated with assets classified as held for sale			
Deferred taxation liability	**29 318**	–	25 204
Lease liability	**76 266**	–	78 679
Other financial liabilities	**9 938**	–	–
Trade and other payables	**147 237**	–	120 397
Total liabilities of disposal group held for sale	**262 759**	–	224 280

The 31 December 2021 held for sale assets and liabilities are not fully comparative, because the disposal group only consisted of Chet Chemicals and Contactim at 31 December 2021.

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
9. Earnings per share			
9.1 Basic earnings per share			
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:			
Earnings used in the calculation of basic earnings per share	**146 740**	75 005	157 945
From continuing operations (excluding the non-controlling interest)	**149 820**	122 964	386 314
From discontinued operations (excluding the non-controlling interest)	**(3 080)**	(47 959)	(228 369)
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	**595 812**	595 812	595 812
Basic earnings per share in cents:			
From continuing operations	**25.1**	20.6	64.8
From discontinued operations	**(0.5)**	(8.0)	(38.3)
From continuing and discontinued operations	**24.6**	12.6	26.5
9.2 Diluted earnings per share			
The earnings used in the calculation of diluted earnings per share does not require adjustments. Refer to note 9.1 above for the earnings used in the calculation of diluted earnings per share.			
The weighted average number of ordinary shares used in the calculation of diluted earnings per share are as follows:			
Weighted average number of ordinary shares for the purposes of diluted earnings per share ('000)	**597 352**	597 880	597 430
Diluted earnings per share in cents:			
From continuing operations	**25.1**	20.6	64.7
From discontinued operations	**(0.5)**	(8.0)	(38.2)
From continuing and discontinued operations	**24.6**	12.6	26.5

9. Earnings per share continued

9.2 Diluted earnings per share continued

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Reconciliation of weighted average number of shares used as the denominator:			
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**595 812**	595 812	595 812
Adjustments for calculation of diluted earnings per share:			
Deferred Shares - GSP[1]	**1 540**	2 068	1 618
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**597 352**	597 880	597 430

1 Awards to deferred shares granted to executives under the GSP are included in the calculation of diluted earnings per share, assuming all outstanding awards will vest. The deferred shares are not included in the determination of basic earnings per share.

9.3 Normalised earnings per share (EPS)

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
To arrive at Normalised EPS, the after-tax earnings from continuing operations is adjusted for the after-tax impact of the following:			
Profit for the period from continuing operations	**149 820**	122 964	386 314
Normalised for:	**61 986**	65 119	111 973
Amortisation of customer relationships	**46 031**	46 474	90 808
Expenses relating to share-based payments	**4 833**	8 722	3 289
Government grants	**(65)**	(464)	(508)
Retrenchment and settlement costs	**1 457**	10 181	25 416
Securities transfer tax	**–**	3	–
Strategic advisory fees	**694**	1 000	7 766
Unrealised loss/(gain) on foreign exchange	**9 036**	(797)	(14 798)
Normalised earnings used in the calculation of basic earnings per share	**211 806**	188 083	498 287
Weighted average number of ordinary shares for the purposes of basic earnings per share ('000)	**595 812**	595 812	595 812
Normalised basic earnings per share in cents	**35.5**	31.6	83.6

9. Earnings per share continued

9.4 Headline earnings per share

The headline earnings used in the calculation of headline earnings and diluted headline earnings per share are as follows:

6 months ended 30 June 2022	Note	Continuing operations Gross	Continuing operations Net of tax	Discontinued operations Gross	Discontinued operations Net of tax
Basic earnings			**149 820**		**(3 080)**
Adjustments		**103**	**74**	**(97)**	**(70)**
Loss/(gain) on disposal of property, plant and equipment	7.1	**103**	**74**	**(97)**	**(70)**
Headline earnings			**149 894**		**(3 150)**

6 months ended 30 June 2021	Note	Continuing operations Gross	Continuing operations Net of tax	Discontinued operations Gross	Discontinued operations Net of tax
Basic earnings			122 964		(47 959)
Adjustments		(3 448)	(2 483)	304	219
(Gain)/loss on disposal of property, plant and equipment	7.1	(3 448)	(2 483)	304	219
Headline earnings			120 481		(47 740)

Year ended 31 December 2021	Note	Continuing operations Gross	Continuing operations Net of tax	Discontinued operations Gross	Discontinued operations Net of tax
Basic earnings			386 314		(228 369)
Adjustments		352	273	175 815	143 909
Impairment of goodwill		–	–	61 864	61 864
Impairment of intangible assets		–	–	113 946	82 041
Loss on disposal of property, plant and equipment	7.1	352	273	5	4
Headline earnings			386 587		(84 460)

9. Earnings per share continued

9.4 Headline earnings per share continued

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Headline earnings from continuing and discontinued operations	**146 744**	72 741	302 127
Headline earnings per share in cents:			
From continuing operations	**25.2**	20.2	64.9
From discontinued operations	**(0.5)**	(8.0)	(14.2)
From continuing and discontinued operations	**24.7**	12.2	50.7
Diluted headline earnings per share in cents:			
From continuing operations	**25.1**	20.2	64.7
From discontinued operations	**(0.5)**	(8.0)	(14.1)
From continuing and discontinued operations	**24.6**	12.2	50.6

9.5 Normalised headline earnings per share (HEPS)

To arrive at normalised HEPS, the Normalised EPS is adjusted for the after-tax impact of the below:

	6-months ended 30 June 2022 Net	6-months ended 30 June 2021 Net	Year ended 31 December 2021 Net
Normalised basic earnings from continuing operations	**211 806**	188 083	498 287
Adjustments	**74**	(2 483)	273
Loss/(gain) on disposal of property, plant and equipment	**74**	(2 483)	273
Normalised headline earnings from continuing operations	**211 880**	185 600	498 560
Normalised headline earnings per share from continuing operations in cents	**35.6**	31.2	83.7

10. Property, plant and equipment

During the six months ended 30 June 2022, the Group acquired plant, equipment and computer software in the amount of R143 million (2021: R134 million).

During the six months ended 30 June 2022, the Group also assessed the estimated useful lives of the property, plant and equipment and increased the remaining useful lives of certain assets. The depreciation charge for the period decreased with R7.7 million due to the change in the estimated useful lives.

There has been no other major change in the nature of property, plant and equipment, the policy regarding the use thereof, or the encumbrances over the property, plant and equipment as disclosed in the audited financial statements for the year ended 31 December 2021.

11. Leases

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
Non-current right-of-use assets	**387 396**	594 120	504 352
Non-current lease liabilities	**(447 170)**	(646 899)	(566 474)
Current lease liabilities	**(98 945)**	(97 013)	(93 302)
Right-of-use assets			
Right-of-use assets - opening balance	**504 352**	649 533	649 533
Modification and additions in the current period	**(61 813)**	6 947	50 449
Derecognitions	**–**	–	(514)
Reclassified as held for sale	**(1 442)**	–	(69 074)
Depreciation for the period	**(53 701)**	(62 360)	(126 042)
Right-of-use assets - closing balance	**387 396**	594 120	504 352
Lease Liabilities			
Lease liabilities - opening balance	**(659 776)**	(782 968)	(782 968)
Modification and additions in the current period	**64 955**	(6 702)	(49 304)
Reclassified as held for sale	**2 114**	–	78 679
Finance costs	**(24 780)**	(31 209)	(62 173)
Lease payments	**71 372**	76 967	155 990
Lease liabilities - closing balance	**(546 115)**	(743 912)	(659 776)

12. Deferred taxation

During February 2022, the government enacted a change in the national corporate income tax rate from 28% to 27%, becoming effective for reporting periods ending on or after 31 March 2023. As such, the tax rate of 27% was applied to all deferred tax temporary differences that are expected to be realised within the aforementioned period. A deferred tax credit of R22.4m was recognised in the statement of profit or loss and other comprehensive income.

13. Financial instruments

The carrying amounts of the financial assets and liabilities reported as at 30 June 2022 approximate fair values at the reporting date. At the reporting date, the financial instruments are classified consistently and at the same levels within the fair value hierarchy as previously reported.
The financial assets and liabilities of the Group that are classified at fair value through other comprehensive income comprise forward exchange contracts. These forward exchange contracts are classified at a Level 2 in terms of the fair value hierarchy.

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
14. Cash generated from operations			
Profit/(loss) before taxation from:	**183 962**	107 689	189 080
From continuing operations	**188 932**	155 246	439 181
From discontinued operations	**(4 970)**	(47 557)	(250 102)
Adjustments for:	**292 379**	344 200	839 267
Depreciation and amortisation	**210 927**	242 561	497 091
Loss/(gain) on disposal of property, plant and equipment	**103**	(3 144)	5 881
Impairment loss on goodwill	**–**	–	25 158
Impairment loss on intangible assets	**–**	–	48 095
Impairment loss on discontinued operations	**–**	–	102 557
Expected credit loss allowance movement on trade and other receivables	**6 357**	4 069	(1 956)
Non-cash lease modifications, additions and terminations	**(3 142)**	(245)	(903)
Investment income	**(4 464)**	(23 166)	(26 245)
Finance costs	**80 743**	103 934	191 968
Fair value adjustment on forward exchange contracts	**1 999**	9 714	(2 784)
Movements in employee benefits - medical aid plan	**(280)**	(242)	281
Employee benefits contributions paid	**–**	–	(633)
Non-cash movements in employee benefits	**(280)**	(242)	914
Movements in share-based payments	**136**	10 719	124
Share-based payments	**–**	–	(4 444)
Other non-cash movements in share-based payments	**136**	10 719	4 568

	6-months ended 30 June 2022 Reviewed R'000	6-months ended 30 June 2021 Reviewed R'000	Year ended 31 December 2021 Audited R'000
14. Cash generated from operations continued			
Changes in working capital, net of effects from HPC segment discontinued operations classified as held for sale and purchase of Umatie (Pty) Ltd:	**(336 424)**	12 600	6 693
Increase in inventories*	**(284 659)**	(103 353)	(170 943)
(Increase)/decrease in trade and other receivables*	**(73 934)**	67 834	39 293
Increase in biological assets	**(938)**	(938)	(1 920)
Increase in trade and other payables*	**23 107**	49 057	140 263
	139 917	464 489	1 035 040

* Included in the changes in working capital are the net non-cash increases of R48 777 (R'000) inventories, decreases of R2 791 (R'000) trade and other receivables and increases of R26 840 (R'000) trade and other payables related to assets and liabilities classified as held for sale. Refer to Note 8 for further details of the net assets held for sale.

The condensed consolidated statement of cash flows represents both continued and discontinued operations combined cash flows.

15. Dividends

The Board approved and paid a final cash dividend (inclusive of treasury shares) of 25 cents per ordinary share in respect of the year ended 31 December 2021 totalling R170.5m ("the dividend"). The dividend was paid on 11 April 2022 to shareholders recorded as such in the share register of the Company on 8 April 2022 (the record date).

16. Subsequent events

Sale of Glenmor Soap

The Group sold its share in Glenmor Soap in July 2022 and the associated assets and liabilities are presented as held for sale at 30 June 2022. Refer to note 8.2 for further information related to the sale of Glenmor Soap.

Acquisition of Cape Foods

On 10 August 2022, the Group announced that an agreement had been entered into for the acquisition of Cape Foods Proprietary Limited. The transaction is subject to the fulfillment of regulatory conditions precedent by 30 November 2022.

Denny fire

On 10 September 2022 a fire broke out at Denny's Shongweni farm in KwaZulu-Natal. The damage was isolated to the pack store. The Group is still in the process of estimating the financial impact on the Group.

The Board is not aware of any other matter or circumstance arising since the end of the six-month period ended 30 June 2022 to the date of issue of this announcement which significantly affects the Group's financial position or the results of its operations.

17. Impact of Covid-19

The Group continues to be impacted by Covid-19 during the current period. The remaining effects relate to continued supply chain disruptions which resulted in delayed import and export shipments.

Corporate information

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S Masinga (Independent non-executive director)
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Forward-looking statements

This announcement contains certain forward-looking statements. These include statements regarding our intentions, beliefs or current expectations concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the economic and business circumstances occurring from time to time in the markets in which Libstar operates, including the projected future financial and operating impacts of the COVID pandemic.

All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors that could cause actual future financial condition, performance and results to differ materially from the plans, goals, expectations and results expressed in the forward-looking statements and other financial and/or statistical data within this announcement.

It is believed that the expectations reflected in this announcement are reasonable, but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated. Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements reflect knowledge and information available at the date of preparation of this announcement and the Group undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements. No statement in this communication is intended to be a profit forecast.