TIGER BRANDS

2022

AUDITED GROUP RESULTS AND DIVIDEND DECLARATION

for the year ended 30 September 2022

SALIENT FEATURES*

Revenue increased by 10%

to **R34,0bn**

Group operating income increased by** 53%

to **R3,4bn**

EPS increased by 65%

to **1 762cps**

HEPS increased by 51%

to **1 702cps**

Final dividend up 29%

to **653cps**

Total dividend up 18%

to **973cps**

Share buy-back programme returns R1,5bn to shareholders

** From continuing operations.*
*** Before impairments, fair value losses and non-operational items.*

COMMENTARY

Tiger Brands delivers a solid set of results for the year ended 30 September 2022 underpinned by a strong second half recovery

Overview

Tiger Brands delivered a credible set of results despite tough trading conditions and significant input cost inflation.

The year under review can be described as a year of two halves. The first half was impacted by a lag in recovering unprecedented and unanticipated levels of cost inflation. This was compounded by certain supply constraints as a consequence of global and local supply chain challenges and industrial action at Snacks & Treats and Bakeries. The second half performance, despite a continuation of the cost and supply challenges, exacerbated by prolonged periods of loadshedding, reflects the effective implementation of category specific margin recovery initiatives, as well as the execution of specific initiatives in Bakeries, Snacks & Treats and Exports. In addition, the Deciduous Fruit business benefited from improved global fruit pricing and a weaker exchange rate.

Total revenue from continuing operations increased by 10% to R34,0 billion, driven by price inflation of 11% and a marginal overall volume decline of 1%. Volume growth in Exports and International was offset by volume declines in the Domestic business, primarily attributable to Milling and Baking, Snacks & Treats, Baby as well as Home and Personal Care. These volume declines were partially offset by good volume growth in Rice, Beverages, Groceries, and Out of Home.

Although slightly lower than previously guided, cost saving initiatives and supply chain efficiencies continued to make a positive contribution to the results. This, together with further progress in revenue management, resulted in the maintenance of the overall gross margin (excluding the impact of the product recall and civil unrest referred to below) at 30.3% when compared to the prior year. This was achieved despite gross margin regression in the first half of the year. Group operating income (before impairments and non-operational items) increased by 53% to R3,4 billion. Operating income for the current period includes insurance proceeds of R218 million in total. This consists of R52 million in respect of last year's product recall and R166 million in respect of the civil unrest which occurred in July 2021.

Last year, the group's operating income was impacted by once-off costs related to the product recall (R647 million) and civil unrest (R85 million). Excluding the pre-tax impact of these costs as well as the benefit in the current period of the insurance proceeds as referred to above, operating income increased by 10% compared to the prior year whilst group operating margin remained unchanged at 9,6%.

Income from associates increased by 38% to R478 million. Good underlying trading performances from Carozzi and National Foods were augmented by a profit on disposal of an associate investment in National Foods and favourable currency translation gains at Carozzi.

Net financing costs for the year amounted to R75 million compared to R54 million last year. This was due to higher average debt levels and higher interest rates compared to the prior year. Debt during the year was impacted by higher raw material inventory levels and the impact of the share buy-back programme. A net foreign exchange gain of R46 million resulted from the translation, in the current year, of foreign currency cash balances at a weaker average exchange rate, whilst last year, there was a net foreign exchange loss of R9 million due to the strengthening of the rand against major currencies.

The group's effective tax rate before impairments, fair-value losses, non-operational items and income from associates increased slightly to 29,4% from 29,1% last year.

The share buy-back programme, in terms of which 9,49 million shares were bought back at a total cost of R1,5 billion, reduced the weighted average number of shares in issue by 1,9% to 162 552 439.

Earnings per share (EPS) from continuing operations increased by 65% to 1 762 cents (2021: 1 070 cents), whilst headline earnings per share (HEPS) from continuing operations increased by 51% to 1 702 cents (2021: 1 127 cents).

Excluding the impact of the product recall and civil unrest in the prior year as well as the benefit of the related insurance recoveries in the current year, HEPS from continuing operations increased by 11%.

EPS from total operations increased by 54% to 1 762 cents (2021: 1 142 cents). Similarly, HEPS from total operations increased by 51% to 1 702 cents (2021: 1 127 cents).

Segmental operating performance

Domestic revenue increased by 8% to R29,8 billion, underpinned by price inflation of 10%, less the impact of an overall volume decline of 2%. Revenue growth in Grains of 6% was driven by cost-led price increases across the Milling and Baking segments and a strong volume performance in Rice. Consumer Brands recorded an increase in revenue of 12%, driven by a solid second half recovery in Snacks & Treats, which was significantly impacted by industrial action in the first half, as well as sustained performances from Beverages, Groceries and Out of Home. Home Care's top line regressed further in the second half following a poor start to the year due to weak demand within the pesticide category driven by unfavourable weather conditions. Domestic operating income improved marginally to R3,0 billion despite the poor first half, as better profitability in Other Grains, and Consumer Foods was offset by lower contributions from Milling and Baking, and Home and Personal Care.

Grains

Revenue increased by 6% to R15,5 billion, reflecting average price inflation of 9%, offset by overall volume declines of 3%. Operating income recorded a recovery in the second half driven by all segments except Maize. Despite this, it wasn't enough to offset the poor first half performance and the full year operating income ended 7% lower at R1,3 billion.

Revenue in Milling & Baking increased by 5% to R10,6 billion, influenced by price inflation of 16% and an overall volume decline of 11%. Operating income generated by the wheat-to-bread value chain was significantly higher than in the first half although flat on the second half comparative period and therefore the full year performance reflects the significant decline reported at the end of the first half. The improved performance of the value chain in the face of both pricing pressure and significant cost escalations, reflects the impact of a refreshed leadership and management team in executing on initiatives aimed at driving volume, price/volume management, quality and internal efficiencies. Volume performance has been pleasing with the double-digit declines of the first quarter reversed with solid growth in volume achieved in the fourth quarter. Management are confident that this business has been stabilised and have aspirations for further improvements in performance going forward.

Maize's performance was adversely impacted by continued volume pressure as well as volatile raw material prices. This was compounded by the effect of higher conversion costs driven by increased generator utilisation amidst excessive loadshedding and power outages. The sorghum-based breakfast and beverages business delivered a muted performance, impacted by supply challenges and lower demand. Overall, Milling & Baking's total operating income declined by 21% to R803 million.

Revenue in Other Grains grew by 9% to R4,9 billion and operating income increased by 33% to R469 million, largely as a result of Rice's significantly improved volume performance. Although the Oat-based breakfast (Jungle) and Pasta businesses delivered solid revenue growth, higher raw material, and distribution costs as well as sub-optimal factory performances adversely impacted profitability. Volumes in Rice benefited from category deflation relative to other carbohydrates as well as successful brand and customer initiatives.

Consumer Brands

Within Consumer Brands, all segments delivered top line growth with a particularly strong performance from Out of Home as the business recovered in line with post lock-down demand. Groceries also recorded strong revenue growth that benefited from new product innovations. Snacks & Treats produced a strong second half recovery following supply challenges in the first half due to industrial action as well as low opening stock levels resulting from the civil unrest and floods in the region. Overall revenue in Consumer Brands increased by 12% to R12,4 billion. Operating income increased by 25% to R1,4 billion, attributed primarily to strong second half recoveries in Snacks & Treats, as well as sustained strong performances in Groceries, Beverages, and Out of Home. The Baby segment recorded a marginal improvement in operating income despite muted volumes as constrained consumers exited the category due to inflationary pressures.

Groceries' strong top line performance resulted in revenue growing by 15% to R6,4 billion, driven primarily by price inflation of 11%, whilst total volumes increased by 4%. Despite significantly higher selling prices, volumes benefited from innovation and support from retailers as well as growth in the wholesale channel. Core offerings benefited from cost-competitive value packs and price pack solutions for value-seeking consumers, resulting in market share gains across most segments. Volumes were further supported by distribution gains on product innovations such as canned fish. The improved top line, together with ongoing efficiency improvements, logistics savings, optimal promotional activity and revenue management benefits, resulted in operating income increasing by 51% to R597 million.

Revenue at Snacks & Treats increased by 4% to R2,4 billion, supported by price inflation of 8% less an overall volume decline of 4%. Revenue in the second half increased by 24% relative to the first half, following industrial action in the first quarter of the financial year which adversely impacted sales and inventory levels going into the peak Easter season. A particularly strong performance was delivered in the second half across the portfolio with distribution gains in the general trade supporting recovery. Operating income increased by 12% to R263 million due to a favourable product mix, whilst the factory benefited from increased throughput as inventory levels were restored in the second half.

Beverages' revenue increased by 11% to R1,8 billion, supported by volume growth of 5% and price inflation of 6%. Volume growth was driven by concentrates in the first half of the year as a result of price pack innovation in Oros, a strong performance from sports drinks (Energade) and improved distribution of the full ready-to-drink flavour range. Despite a meaningful recovery in second half profitability relative to last year, operating income for the full year increased marginally to R269 million. This was mostly due to the impact of higher raw material costs and packaging inflation that could not be passed onto the consumer.

Revenue growth of 4% to R1,1 billion in the Baby segment was driven by price inflation of 11%, offset by volume declines of 7%. Volumes are reflective of lower demand across the jar and pouch segments, particularly in the second half of the year. Operating income increased by 3% to R147 million, with the benefit of improved factory efficiencies being partially offset by an unfavourable product mix. Once-off costs related to the precautionary recall of certain Baby powder products amounted to R16 million, and largely comprise the cost of the affected stock that has been written off, as well as the logistics costs of the recall.

Home and Personal Care (HPC)

Overall revenue in HPC declined by 5% to R1,9 billion, primarily due to lower volumes in the pesticides segment within Home Care. This, together with significant cost push, resulted in operating income declining by 29% to R308 million.

Personal Care's revenue increased by 4% to R672 million as a result of price inflation of 12%, offset by volume declines of 8%. Despite improved profitability in the second half, significant increases in ingredients and packaging costs, as well as an adverse product mix, resulted in operating income declining by 66% to R16 million. The category is expected to remain under pressure in the current trading environment as consumers rebalance their purchases towards basic food items.

Home Care was unable to recover from a poor start to the year as unfavourable weather conditions impacted category demand for pesticides. Revenue declined by 9% to R1,2 billion, due to 17% lower volumes, offset by price inflation of 8%. Lower volumes, together with higher raw material and packaging costs, resulted in operating income declining by 24% to R292 million.

Exports and International

Total revenue for Exports and International increased by 19% to R4,3 billion, with total operating income increasing to R350 million (2021: R96 million). A significant driver of this performance came from the Deciduous Fruit business, which benefited from higher international fruit prices and improved volumes, resulting in revenue increasing by 32%.

The Exports business grew revenue by 14% following improved sales of powdered soft drinks and seasoning into key export markets in the second half. Operating income increased significantly to R143 million (2021: R71 million) due to better realisations, increased factory efficiencies, improved stock management and a favourable product mix.

Chococam's revenue increased by 10% to R1,1 billion (14% in local currency), comprising 7% volume growth and 7% price inflation, reduced by an unfavourable foreign currency translation movement of 4%. Volumes were driven by the implementation of optimal pricing strategies and packaging solutions, an improved distribution network in key markets and market share gains in chocolate. Operating income in rand terms increased by 5% to R181 million.

Update on Deciduous Fruit

Shareholders are referred to the SENS announcement of 12 July 2022 in which the company advised that operations at its Deciduous Fruit business would be extended for another season. We have reopened the sale process, while reviewing all options for sustainable operations at LAF.

Venture Capital Fund

As previously reported, Tiger Brands' newly established Venture Capital Fund made its first investment in Herbivore Earthfoods (Herbivore), a company founded in 2014 with the goal of making healthy, plant-based foods more accessible and affordable in South Africa. Since this investment, Herbivore has acquired additional machinery to increase capacity and drive innovation, with their recently launched crumbed range and additional dairy-free offerings gaining traction. The partnership with Tiger Brands has enabled the company's first foray into the food service and quick service restaurant market, leveraging the strategic expertise of our Out of Home team. The Venture Capital Fund has a compelling pipeline of opportunities which are in the process of being evaluated, particularly within health and nutrition and snackification.

Cash flow and capital expenditure

Cash operating profit increased by 11% to R4,3 billion. However, continued investment in working capital due to increased stock holdings, particularly on raw material purchases as well as due to the rebuilding of inventory levels at Groceries and Snacks & Treats, resulted in cash generated from operations declining to R2,6 billion from R4,0 billion in FY21. This is in line with the strategy to carry higher stock levels to ensure continuity of supply due to ongoing global and local supply chain disruptions. The level of investment is further exacerbated by the unprecedented levels of inflation over the past year. Capital expenditure for the year amounted to R961 million (2021: R1,0 billion), whilst the cash position was further impacted by the completion of the general share buy-back programme. The group ended the period in a net cash position of R143 million (2021: R2,2 billion).

Share buy-back programme

As previously disclosed, the board approved a share buy-back programme to return cash to shareholders over and above ordinary dividends.

In line with the general authority granted by shareholders for the company to acquire shares from its shareholders, the buy-back was limited to 5% of the issued share capital of Tiger Brands. On 20 July 2022, the company completed the repurchase up to the limit of the general authority, acquiring 9,49 million shares at a total cost of R1,5 billion. All the shares repurchased have been cancelled.

Given the company's ungeared balance sheet and in the absence of any significant or imminent corporate activity, the board will continue to consider a share buy-back programme as part of its capital allocation deliberations.

Class Action update

As previously reported, pre-trial preparations by the parties to get the matter ready for trial, are ongoing. The process of discovery, which is part of the pre-trial preparations, is at an advanced stage. Tiger Brands reiterates its commitment to ensure that a resolution of the matter is reached in the shortest possible time in the interest of all parties, particularly the victims of listeriosis.

Outlook

The year ahead is likely to remain challenging. Persistently high unemployment and inflation levels together with higher interest rates will place further pressure on over-extended consumers. In addition to local and global supply chains remaining volatile, our cost base is sensitive to rand weakness as well as higher commodity prices whilst the cost of mitigating the regular occurrence of loadshedding is significant. This will require ongoing agility and judicious price/volume management in the face of a challenged consumer.

To this end, the progress made over the last three years in terms of stabilising the core and building a solid foundation for growth will help facilitate the agility required. Significant investments have been made in technology and digital capabilities, which will help drive operational efficiencies, increase automation, improve data analytics, and drive revenue management initiatives. In addition, there are further cost-saving opportunities that are potentially available within our procurement and logistics activities.

In response to the constrained consumer environment, we have accelerated value-led innovation and renovation including price-pack architecture solutions across key segments of the portfolio. In addition, we have various initiatives with customers aimed at strengthening our position at the point of purchase.

Whilst the performance this year is encouraging and provides forward momentum as well as internal confidence, there is still much work to be done to deliver the group's full potential. We are confident in our strategies and our focus for the foreseeable future remains on relentless and flawless execution.

Any forward-looking information has not been reviewed or reported on by the group's auditors.

By order of the board

GJ Fraser-Moleketi	**NP Doyle**
Chairman	*Chief executive officer*

Bryanston
1 December 2022

Date of release: 2 December 2022

Declaration of final dividend

The company has declared a final ordinary dividend of 653 cents per share for the year ended 30 September 2022. This, together with the interim dividend of 320 cents per share brings the total dividend for the year to 973 cents per share, an 18% increase relative to last year. In calculating last year's total dividend, HEPS was adjusted to exclude the costs of the product recall and the civil unrest. This year, the company's dividend policy of 1.75x cover was applied to HEPS, inclusive of insurance proceeds received in respect of these events.

In accordance with paragraphs 11.17 (a) (i) to (x) and 11.17 (c) of the JSE Listings Requirements, the following additional information is disclosed:

- The ordinary dividend has been declared out of income reserves
- The local dividends tax rate is 20% (twenty percent) effective 22 February 2017
- The gross final dividend amount of 653,00000 cents per ordinary share will be paid to shareholders who are exempt from the dividends tax
- The net final dividend amount of 522,40000 cents per ordinary share will be paid to shareholders who are liable for the dividends tax
- Tiger Brands has 180 327 980 ordinary shares in issue (which includes 10 326 758 treasury shares)
- Tiger Brands Limited's income tax reference number is 9325/110/71/7.

Shareholders are advised of the following dates in respect of the final ordinary dividend:

Declaration date	Friday, 2 December 2022
Last day to trade cum the ordinary dividend	Tuesday, 17 January 2023
Shares commence trading ex the ordinary dividend	Wednesday, 18 January 2023
Record date to determine those shareholders entitled to the ordinary dividend	Friday, 20 January 2023
Payment date in respect of the ordinary dividend	Monday, 23 January 2023

Share certificates may not be dematerialised or re-materialised between Wednesday, 18 January 2023 and Friday, 20 January 2023, both days inclusive.

By order of the board

JK Monaisa
Company secretary

Bryanston
1 December 2022

CONSOLIDATED INCOME STATEMENT

(R'million)	Notes	**Audited year ended 30 September 2022**	Audited year ended 30 September 2021
Continuing operations			
Total revenue		**34 028,9**	30 953,9
Revenue		**34 030,6**	31 208,8
Impact of product recall	2	**(1,7)**	(254,9)
Total cost of sales		**(23 713,1)**	(22 143,7)
Cost of sales		**(23 708,2)**	(21 750,2)
Impact of product recall	2	**(4,9)**	(308,3)
Impact of civil unrest	3	**–**	(85,2)
Gross profit		**10 315,8**	8 810,2
Sales and distribution expenses		**(4 350,3)**	(4 047,8)
Marketing expenses		**(906,9)**	(905,5)
Other operating expenses		**(1 834,2)**	(1 673,1)
Sundry income	2, 3	**218,8**	–
Expected credit loss (raised)/reversed		**(12,5)**	51,7
Operating income before impairments and non-operational items	4	**3 430,7**	2 235,5
Impairments and fair value losses	5	**(15,9)**	(154,2)
Operating income after impairments		**3 414,8**	2 081,3
Non-operational items	6	**28,3**	27,2
Profit including non-operational items		**3 443,1**	2 108,5
Finance costs		**(89,1)**	(57,0)
Finance income		**14,2**	2,8
Foreign exchange profit/(loss)		**45,7**	(8,7)
Investment income		**22,7**	17,8
Income from associated companies		**478,0**	345,9
Loss on disposal of investment in associated company		**–**	(10,8)
Profit before taxation		**3 914,6**	2 398,5
Taxation		**(1 019,5)**	(596,7)
Profit for the year from continuing operations		**2 895,1**	1 801,8
Discontinued operations			
Profit for the year from discontinued operations	8	**–**	119,8
Profit for the year		**2 895,1**	1 921,6
Attributable to:			
Owners of the parent		**2 864,5**	1 893,1
– Continuing operations		**2 864,5**	1 773,3
– Discontinued operations		**–**	119,8
Non-controlling interests		**30,6**	28,5
– Continuing operations		**30,6**	28,5
		2 895,1	1 921,6

CONSOLIDATED INCOME STATEMENT continued

(R'million)	Audited year ended 30 September 2022	Audited year ended 30 September 2021
Basic earnings per ordinary share (cents)	**1 762,2**	1 142,3
– Continuing operations	**1 762,2**	1 070,0
– Discontinued operations	**–**	72,3
Diluted basic earnings per ordinary share (cents)	**1 737,7**	1 130,0
– Continuing operations	**1 737,7**	1 058,5
– Discontinued operations	**–**	71,5
Headline earnings per ordinary share (cents)	**1 702,4**	1 126,8
– Continuing operations	**1 702,4**	1 127,3
– Discontinued operations	**–**	(0,5)
Diluted headline earnings per ordinary share (cents)	**1 678,7**	1 114,8
– Continuing operations	**1 678,7**	1 115,3
– Discontinued operations	**–**	(0,5)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(R'million)	Audited year ended 30 September 2022	Audited year ended 30 September 2021
Profit for the year	**2 895,1**	1 921,6
Other comprehensive loss, net of tax	**(92,8)**	(329,3)
Net loss on hedge of net investment in foreign operation[1]	**–**	(8,7)
Foreign currency translation reserve (FCTR) adjustments[1]	**14,8**	(180,2)
Share of associates other comprehensive loss and FCTR[1]	**(90,8)**	(156,0)
Net (loss)/gain on cash flow hedges[1]	**(18,8)**	5,8
Net (loss)/gain on FVOCI[3] financial assets[1]	**(55,4)**	20,3
Remeasurement raised in terms of IAS 19R[2]	**63,0**	(30,3)
Tax effect	**(5,6)**	19,8
Total comprehensive income for the year, net of tax	**2 802,3**	1 592,3
Attributable to:		
Owners of the parent	**2 774,0**	1 584,7
Non-controlling interests	**28,3**	7,6
	2 802,3	1 592,3

[1] *Items that may be subsequently reclassified to profit or loss including the related tax effects, with the exception of R0,1 million loss (2021: R19,3 million loss) relating to the share of associates' other comprehensive loss, and fair value losses on equity instruments measured at FVOCI.*

[2] *Includes a net actuarial gain of R59,0 million (2021: R21,2 million loss) and unrecognised loss due to asset ceiling of R4,0 million (2021: R9,1 million).*

[3] *FVOCI – Fair value through other comprehensive income.*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(R'million)	**Audited year ended 30 September 2022**	Audited year ended 30 September 2021
ASSETS		
Non-current assets	**11 616,3**	11 470,3
Property, plant and equipment*	**5 695,4**	5 481,3
Goodwill	**1 179,4**	1 179,9
Intangible assets	**1 719,8**	1 728,7
Investments	**2 987,4**	3 046,8
Deferred taxation asset	**34,3**	33,6
Current assets	**12 402,5**	11 361,6
Inventories	**7 331,0**	5 904,7
Trade and other receivables	**3 955,6**	3 295,1
Cash and cash equivalents	**1 115,9**	2 161,8
Total assets	**24 018,8**	22 831,9
EQUITY AND LIABILITIES		
Total equity	**15 692,8**	15 702,4
Issued capital and reserves	**15 550,5**	15 555,0
Non-controlling interests	**142,3**	147,4
Non-current liabilities	**890,1**	1 145,9
Deferred taxation liability	**240,7**	183,1
Post-retirement medical aid obligations	**322,9**	563,8
Long-term borrowings**	**326,5**	399,0
Current liabilities	**7 435,9**	5 983,6
Trade and other payables	**5 677,7**	5 131,5
Employee-related accruals	**464,4**	527,1
Taxation	**126,6**	156,7
Short-term borrowings**	**1 167,2**	168,3
Total equity and liabilities	**24 018,8**	22 831,9
Net cash**	**143,1**	2 161,8

* *Right-of-use assets are included within property, plant and equipment.*

** *The lease liabilities have been included in the long and short-term borrowings respectively. The lease liabilities have been excluded from the net cash as these are non-cash in nature. Also included is R973 million relating to the utilisation of a borrowing facility with the group's primary banking partner.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(R'million)	Share capital and premium	Non-distributable reserves
Balance at 1 October 2020	142,0	3 173,4
Profit for the year	–	–
Other comprehensive loss for the year[1]	–	(297,7)
Total comprehensive (loss)/income	–	(297,7)
Transfers between reserves	–	218,7
Share-based payment[2]	–	–
Dividends on ordinary shares (net of dividend on treasury shares)	–	–
Sale of empowerment shares[3]	–	–
Balance at 30 September 2021	142,0	3 094,4
Profit for the year	–	–
Other comprehensive (loss)/income for the year	–	(136,7)
Total comprehensive (loss)/income	–	(136,7)
Transfers between reserves	–	106,0
Share-based payment[2]	–	–
Dividends on ordinary shares (net of dividend on treasury shares)	–	–
Sale of empowerment shares[3]	–	–
Share buy-back transaction[4]	(124,0)	–
Balance at 30 September 2022	**18,0**	**3 063,7**

1 *Following the closure of Deli Foods Nigeria Limited (Deli Foods) and the disposal of the UAC Foods Nigeria (UAC) associate investment, the FCTR have been released/charged to the income statement. This is in line with IAS 21, which requires the cumulative amount of the exchange differences recognised in other comprehensive income and accumulated in the separate component of equity, to be reclassified from equity to profit or loss (as a reclassification adjustment) when the gain or loss on disposal of foreign operation is recognised.*

2 *Included in the movement of the share-based payment are options exercised amounting to R1,0 million (2021: R17,9 million).*

3 *Relates to the exercising of options vested post the December 2014 lock-in period in terms of the Black Managers Participation Right Scheme (BMT). In the current year, R6,2 million (2021: R6,3 million) related to BMT I.*

4 *During the year ended 30 September 2022, the group embarked on a share buy-back programme, in which 9 490 946 of the listed Tiger Brands shares were repurchased at an average price of R152,62 per share. These shares have been cancelled and reverted back to authorised status. The shares were issued at an original par value of R0,1 per share.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY continued

Accumulated profits	Shares held by subsidiary and empowerment entities	Share-based payment reserve	Total attributable to owners of the parent	Non-controlling interests	Total equity
13 825,1	(2 199,8)	687,4	15 628,1	159,3	15 787,4
1 893,1	–	–	1 893,1	28,5	1 921,6
(10,7)	–	–	(308,4)	(20,9)	(329,3)
1 882,4	–	–	1 584,7	7,6	1 592,3
(211,3)	–	(7,4)	–	–	–
–	–	19,5	19,5	–	19,5
(1 683,6)	–	–	(1 683,6)	(19,5)	(1 703,1)
–	6,3	–	6,3	–	6,3
13 812,6	(2 193,5)	699,5	15 555,0	147,4	15 702,4
2 864,5	–	–	2 864,5	30,6	2 895,1
46,2	–	–	(90,5)	(2,3)	(92,8)
2 910,7	–	–	2 774,0	28,3	2 802,3
(106,5)	–	0,5	–	–	–
–	–	52,6	52,6	–	52,6
(1 384,2)	–	–	(1 384,2)	(33,4)	(1 417,6)
–	6,2	–	6,2	–	6,2
(1 329,1)	–	–	(1 453,1)	–	(1 453,1)
13 903,5	**(2 187,3)**	**752,6**	**15 550,5**	**142,3**	**15 692,8**

CONSOLIDATED STATEMENT OF CASH FLOWS

(R'million)	**Audited year ended 30 September 2022**	Audited year ended 30 September 2021
Cash operating profit	**4 271,0**	3 845,0
Working capital changes	**(1 630,2)**	109,8
Cash generated from operations	**2 640,8**	3 954,8
Finance income and income from investments received	**44,7**	30,6
Finance costs paid	**(105,8)**	(68,4)
Dividends received from associated companies and subsidiaries	**372,0**	115,4
Taxation paid	**(961,5)**	(735,4)
Cash available from operations	**1 990,2**	3 297,0
Dividends paid	**(1 386,4)**	(1 684,3)
Net cash inflow from operating activities	**603,8**	1 612,7
Purchase of property, plant and equipment	**(961,0)**	(1 013,7)
Proceeds on disposal of investment in associated company	**–**	139,9
Cash on disposal of division	**–**	153,0
Proceeds on disposal of intangible assets	**–**	56,0
Proceeds on disposal of property, plant, equipment and vehicles	**3,1**	30,8
Proceeds on disposal of investments	**2,4**	0,3
Loans advanced	**(19,0)**	(26,0)
Funds held in escrow	**(46,2)**	(196,1)
Insurance proceeds on property, plant and equipment received relating to civil unrest	**28,3**	–
Purchase of investment	**(5,4)**	–
Net cash outflow from investing activities	**(997,8)**	(855,8)
Net cash (outflow)/inflow before financing activities	**(394,0)**	756,9
Black Managers Trust (BMT) shares exercised	**5,0**	3,5
Shares exercised relating to equity-settled scheme	**(1,0)**	(17,9)
Repayment of principal portion of lease liabilities	**(178,6)**	(216,7)
Repurchase of shares	**(1 453,1)**	–
Short-term borrowings raised/(repaid)	**972,8**	(14,2)
Net cash outflow from financing activities	**(654,9)**	(245,3)
Net (decrease)/increase in cash and cash equivalents	**(1 048,9)**	511,6
Effect of exchange rate changes on cash and cash equivalents	**90,7**	(129,3)
Reclassification of cash and cash equivalents to other receivables[1]	**(87,7)**	–
Cash and cash equivalents at the beginning of the period	**2 161,8**	1 779,5
Cash and cash equivalents at the end of the period	**1 115,9**	2 161,8
Cash resources	**1 072,3**	2 161,8
Cash relating to venture capital initiatives[2]	**43,6**	–
	1 115,9	2 161,8

[1] *A garnishee order was served against the Chococam subsidiary resulting in several of Chococam's bank accounts being blocked. The amounts seized were reclassified to other receivables and not disclosed as cash and cash equivalents on the basis that the cash is not readily available.*

[2] *In June 2021, the Tiger Brands Venture Capital Fund was launched with the aim of driving growth for Tiger Brands by investing in innovative businesses based in sub-Saharan Africa which offer healthier eating options in line with emerging consumer trends in health and nutrition, snackification and economical food options. Included in the group's cash balance is R43,6 million held specifically for venture capital initiatives.*

CONSOLIDATED SEGMENTAL INFORMATION

(R'million)	Audited year ended 30 September 2022	Audited year ended 30 September 2021
Revenue		
Domestic operations	**29 769,5**	27 620,6
Grains	**15 495,6**	14 589,5
Milling and Baking[1]	**10 642,2**	10 118,7
Other Grains[2]	**4 853,4**	4 470,8
Consumer Brands	**12 415,2**	11 080,4
Groceries	**6 376,9**	5 532,6
Snacks & Treats	**2 391,8**	2 297,7
Beverages	**1 841,5**	1 656,1
Baby	**1 135,9**	1 096,7
Out of Home	**669,1**	497,3
Home and Personal Care (HPC)	**1 858,7**	1 950,7
Personal Care	**671,8**	643,3
Home Care	**1 186,9**	1 307,4
Exports and International	**4 261,1**	3 588,2
Exports[3]	**2 039,9**	1 795,5
International operation		
– Central Africa (Chococam)	**1 109,9**	1 010,2
Deciduous Fruit (LAF)	**1 598,3**	1 210,6
Other inter-group sales	**(487,0)**	(428,1)
Total revenue from continuing operations before the product recall	**34 030,6**	31 208,8
Impact of product recall (refer note 2)	**(1,7)**	(254,9)
Total revenue from continuing operations	**34 028,9**	30 953,9
Discontinued operation – Value Added Meat Products	**–**	119,9
Total revenue	**34 028,9**	31 073,8

[1] *Comprises maize milling, wheat milling and baking and sorghum-based products.*
[2] *Comprises rice, pasta and oat-based breakfast cereals.*
[3] *The key markets contributing to Exports revenue is Mozambique at 44% (2021: 43%); Zambia at 10% (2021: 10%); Zimbabwe at 10% (2021: 9%); and Nigeria at 3% (2021: 2%).*

CONSOLIDATED SEGMENTAL INFORMATION continued

(R'million)	**Audited year ended 30 September 2022**	Audited year ended 30 September 2021
Operating income before impairments and non-operational items		
Domestic operations	**2 955,0**	2 915,0
Grains	**1 272,1**	1 369,4
Milling and Baking[1]	**803,0**	1 016,0
Other Grains[2]	**469,1**	353,4
Consumer Brands	**1 412,8**	1 131,1
Groceries	**597,4**	396,5
Snacks & Treats	**262,9**	233,8
Beverages	**268,9**	260,5
Baby	**147,2**	143,0
Out of Home	**136,4**	97,3
Home and Personal Care (HPC)	**307,7**	432,6
Personal Care	**16,1**	46,9
Home Care	**291,6**	385,7
Other[3]	**(37,6)**	(18,1)
Exports and International	**350,4**	96,2
Exports	**143,3**	71,3
International operations		
– Central Africa (Chococam)	**181,3**	172,3
Deciduous Fruit (LAF)	**25,8**	(147,4)
Total operating income from continuing operations before the following items:	**3 305,4**	3 011,2
Impact of product recall (refer note 2)	**35,8**	(646,8)
Impact of the civil unrest (refer note 3)	**137,5**	(85,2)
Restructuring and related costs (reversed)/raised	**7,8**	(2,4)
IFRS 2 charges	**(55,8)**	(41,3)
Total operating income from continuing operations	**3 430,7**	2 235,5
Discontinued operation – Value Added Meat Products (VAMP)	**–**	19,1
Total operating income	**3 430,7**	2 254,6

1 *Comprises maize milling, wheat milling and baking and sorghum-based products.*
2 *Comprises rice, pasta and oat-based breakfast cereals.*
3 *Includes the corporate office and management expenses relating to international investments.*

All segments operate on an arm's length basis in relation to inter-segment pricing.

OTHER SALIENT FEATURES

(R'million)	Audited year ended 30 September 2022	Audited year ended 30 September 2021
Capital commitments	**1 615,2**	1 783,6
Contracted	**403,2**	277,0
Approved	**1 212,0**	1 506,6
Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowing facilities.		
Capital expenditure	**961,0**	1 013,7
Replacement	**439,8**	762,2
Expansion	**521,2**	251,5
Replacement capital expenditure in line with approved capex plan.		
Guarantees		
Guarantees (unutilised)	**35,3**	23,4

NOTES

1 Basis of preparation and changes to the group's accounting policies

The preparation of these results has been supervised by Deepa Sita, chief financial officer of Tiger Brands Limited.

The summarised consolidated preliminary financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for preliminary reports and the requirements of the Companies Act of South Africa. The Listings Requirements require preliminary financial statements to be prepared in accordance with the conceptual framework, the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and also, as a minimum, to contain the information required by IAS 34 *Interim Financial Reporting*.

The directors take full responsibility for the preparation of the preliminary report and that the summarised consolidated financial statements have been correctly extracted from the underlying annual financial statements. The accounting policies applied in the preparation of these financial statements are consistent with those applied in the previous financial statements.

The accounting policies applied in the preparation of the summarised consolidated financial statements from which the summary financial statements were derived are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous consolidated financial statements. The majority of the group's financial instruments that are measured at fair value in terms of IFRS 13 *Fair Value Measurement*, are noted as level 1 hierarchy, which are valued based on quoted market prices.

Ernst & Young Inc., Tiger Brands Limited's independent auditors, have audited the consolidated financial statements of Tiger Brands Limited from which the summarised consolidated financial results have been derived. The auditors have expressed an unmodified audit opinion on the consolidated annual financial statements. Any reference to future financial performance included in this announcement has not been audited or reported on by the group's external auditors. The auditors' audit report does not necessarily report on all the information contained in this announcement or financial results. Shareholders are therefore advised that in order to obtain a full understanding of the nature of the auditors' engagement they should obtain a copy of the auditors' audit report together with the accompanying financial information from the issuer's registered office.

2 Impact of product recall

During the fourth quarter of the 2022 financial year, a product recall was initiated on certain Baby powder products as a precautionary measure. Trace levels of asbestos were detected in test samples from a batch of pharmaceutical-grade talc powder used as raw material in the production of finished powder products. The defective raw material was identified in August 2022. The decision was made, in the best interest of consumers, to recall all Baby talc powder products from store shelves and from consumers. Approximately 281,9 thousand units are estimated to be destroyed, of which 68,5 thousand units are estimated to be recalled from the trade.

During the second half of the 2021 financial year, a product recall was initiated on selected canned vegetable products within the Groceries business over safety concerns linked to defective cans. The details of the recall are disclosed in the 2021 financial statements. Insurance proceeds of R52,2 million (net of Value Added Tax) have been received to date and accounted for as sundry income.

For clarity, the total impact of both recalls has been accounted for on the income statement as follows:

(R'million)	**Audited year ended 30 September 2022**	Audited year ended 30 September 2021
Revenue impact	**1,7**	254,9
Cost of sales impact	**4,9**	308,3
Associated costs included in sales and distribution expenses	**6,8**	68,7
Associated costs included in marketing expenses	**3,0**	10,0
Associated costs included in other operating expenses	**–**	4,9
Total cost of product recalls	**16,4**	646,8

3 Impact of civil unrest

The July 2021 civil unrest in KwaZulu-Natal (KZN) particularly impacted the Rice and Snacks & Treats businesses. This resulted in inventory write-offs across the two businesses, as well as physical damage to and loss of property, plant and equipment. The unrest also resulted in lost sales across the business up to 31 August 2021. During the current year, the group has received insurance claims relating to the civil unrest from the South African Special Risks Insurance Association (SASRIA). In total, R165,8 million (net of Value Added Tax) has been received to date, of which R28,3 million relates to insurance proceeds on the property, plant and equipment written off following the civil unrest. The remaining insurance proceeds of R137,5 million which relate to inventory write-offs, repairs to damaged property, plant and equipment, cleaning and security costs, have been accounted for as sundry income.

(R'million)	**Audited year ended 30 September 2022**	Audited year ended 30 September 2021
Cost of sales impact	**–**	85,2
Associated costs included in non-operational items (refer note 6)	**–**	15,8
	–	101,0

4 Operating income before impairments and non-operational items

(R'million)	Audited year ended 30 September 2022	Audited year ended 30 September 2021
Operating income has been determined after charging		
Depreciation (included in cost of sales and other operating expenses)	**852,7**	799,0
Amortisation	**8,1**	8,6
IFRS 2 (included in other operating expenses)		
– Equity settled, including BEE-related IFRS 2 charges	**54,1**	37,5
– Cash settled	**1,7**	3,8

5 Impairments and fair value losses

Goodwill and indefinite useful life intangible assets are tested for impairment annually (as at 30 September) and when circumstances that indicate the carrying value may be impaired. The group's impairment tests for goodwill and intangible assets with indefinite useful lives are based on the value in use calculations. The key assumptions used to determine the recoverable amount for the different cash-generating units are disclosed in the annual consolidated financial statements for the year ended 30 September 2022. Property, plant and equipment in the Deciduous Fruit business (LAF) was impaired by R3,5 million (2021: R139,1 million). In the prior year, a significant impairment on property, plant and equipment was recognised due to the downturn in the LAF business, which is predominantly an export business. An impairment in Davita (which is included in the Exports and International cash-generating unit) of R9 million was recognised on specific plant and equipment.

(R'million)	Audited year ended 30 September 2022	Audited year ended 30 September 2021
Impairment of property, plant and equipment	**(12,9)**	(154,2)
Fair value loss on unlisted investment	**(3,0)**	–
	(15,9)	(154,2)

6 Non-operational items

Insurance proceeds on civil unrest	**28,3**	–
Profit on disposal of intangible asset	**–**	43,0
Civil unrest asset write-offs	**–**	(15,8)
	28,3	27,2

7 Reconciliation between profit for the year and headline earnings

(R'million)	Audited year ended 30 September 2022	Audited year ended 30 September 2021
Continuing operations		
Profit for the year attributable to owners of the parent	**2 864,5**	1 773,3
Impairment of property, plant and equipment	**9,3**	111,1
Loss/(profit) on disposal of property, plant and equipment	**2,7**	(1,4)
Insurance proceeds on property, plant and equipment	**(20,4)**	–
Civil unrest asset write-offs	**–**	11,3
Loss on disposal of investment in associated company	**–**	10,8
Profit on disposal of intangible assets	**–**	(35,3)
Headline earnings adjustment – associate		
– Profit on disposal of property, plant and equipment	**(0,3)**	–
– Profit on disposal of investment	**(88,5)**	(1,4)
Headline earnings for the year	**2 767,3**	1 868,4
Tax effect of headline earnings	**15,6**	(39,3)
Discontinued operations		
Profit for the year attributable to owners of the parent	**–**	119,8
Profit on disposal of property, plant and equipment	**–**	(7,5)
Profit on disposal of intangible assets	**–**	(20,5)
Release of FCTR on closure of foreign subsidiary	**–**	(92,7)
Headline earnings for the year	**–**	(0,9)

8 Analysis of profit from discontinued operations

Profit for the period from discontinued operations (attributable to owners of the company)

The comparative periods reflect the results of the discontinued operations Deli Foods Nigeria Limited (Deli Foods) and VAMP, a division of Tiger Consumer Brands Limited. These are stated below.

(R'million)	Audited year ended 30 September 2022	Audited year ended 30 September 2021
Revenue	–	119,9
Expenses	–	(100,8)
Operating profit before impairments and non-operational items	–	19,1
Non-operational items	–	122,0
Operating profit after impairments and non-operational items	–	141,1
Finance costs	–	(0,5)
Profit before taxation	–	140,6
Taxation	–	(20,8)
Profit for the year from discontinued operations	–	119,8
Attributable to non-controlling interest	–	–
Attributable to owners of parent	–	119,8
Cash flows from discontinued operations		
Net cash outflow from operating activities	–	(5,9)
Net cash inflow from investing activities	–	21,9
Net cash outflow from financing activities	–	(6,7)
Net cash inflow	–	9,3

9 Subsequent events

There are no material events that occurred during the year subsequent to 30 September 2022 and prior to these financial results being authorised for issue.

COMPANY INFORMATION

Tiger Brands Limited
(Tiger Brands or the company)
(Incorporated in the Republic of South Africa)
Share code: TBS
ISIN: ZAE000071080

Independent non-executive directors
GJ Fraser-Moleketi (chairman), MO Ajukwu, FNJ Braeken, CH Fernandez, GA Klintworth, TE Mashilwane, M Sello, LA Swartz, OM Weber, DG Wilson

Executive directors
NP Doyle (chief executive officer)
DS Sita (chief financial officer)

Company secretary
JK Monaisa

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Principal banker
Rand Merchant Bank

Sponsor
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South African share transfer secretaries
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Rosebank Towers, 15 Biermann Avenue
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Private Bag X9000
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American Depository Receipt (ADR) facility
ADR Administrator
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