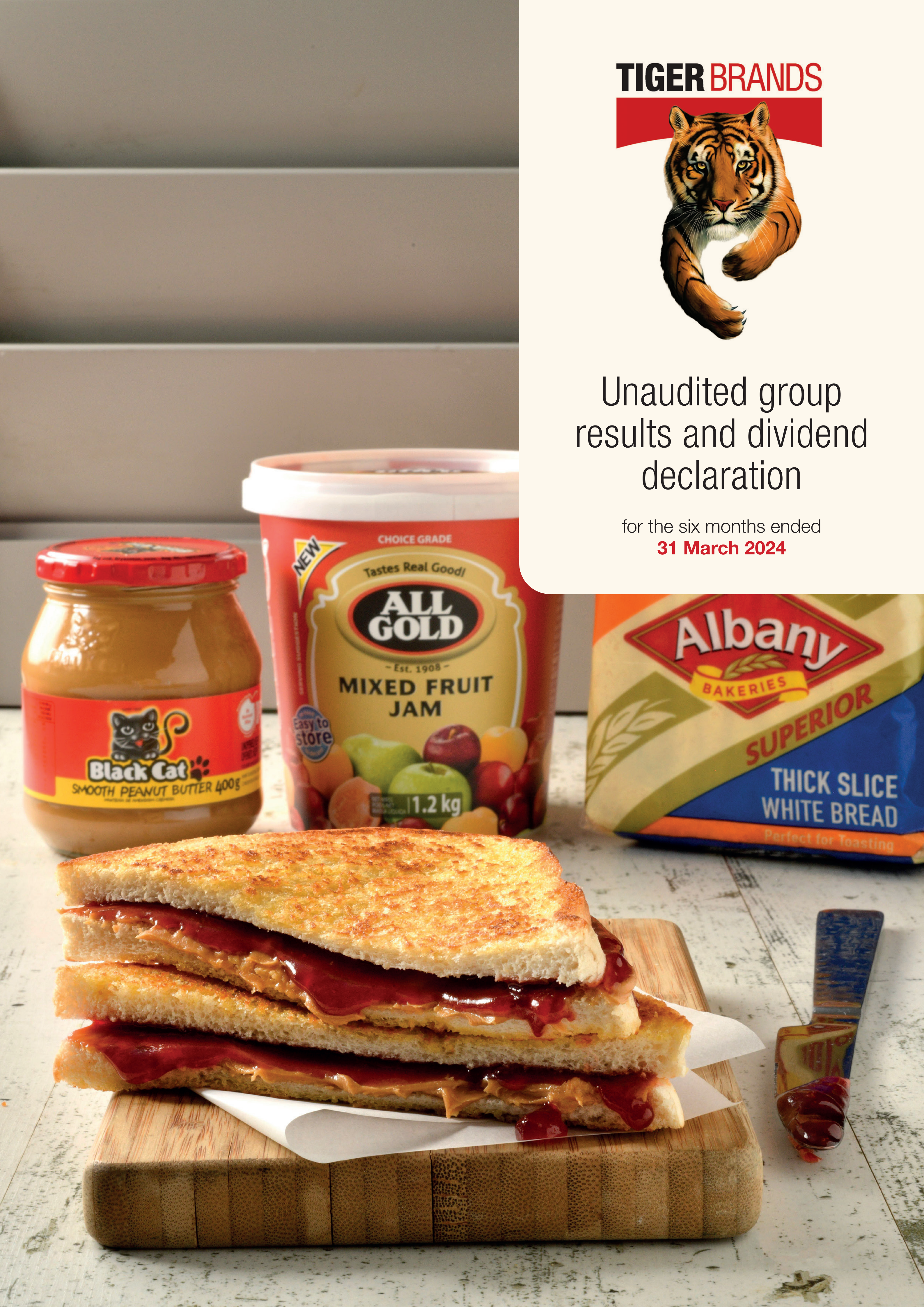
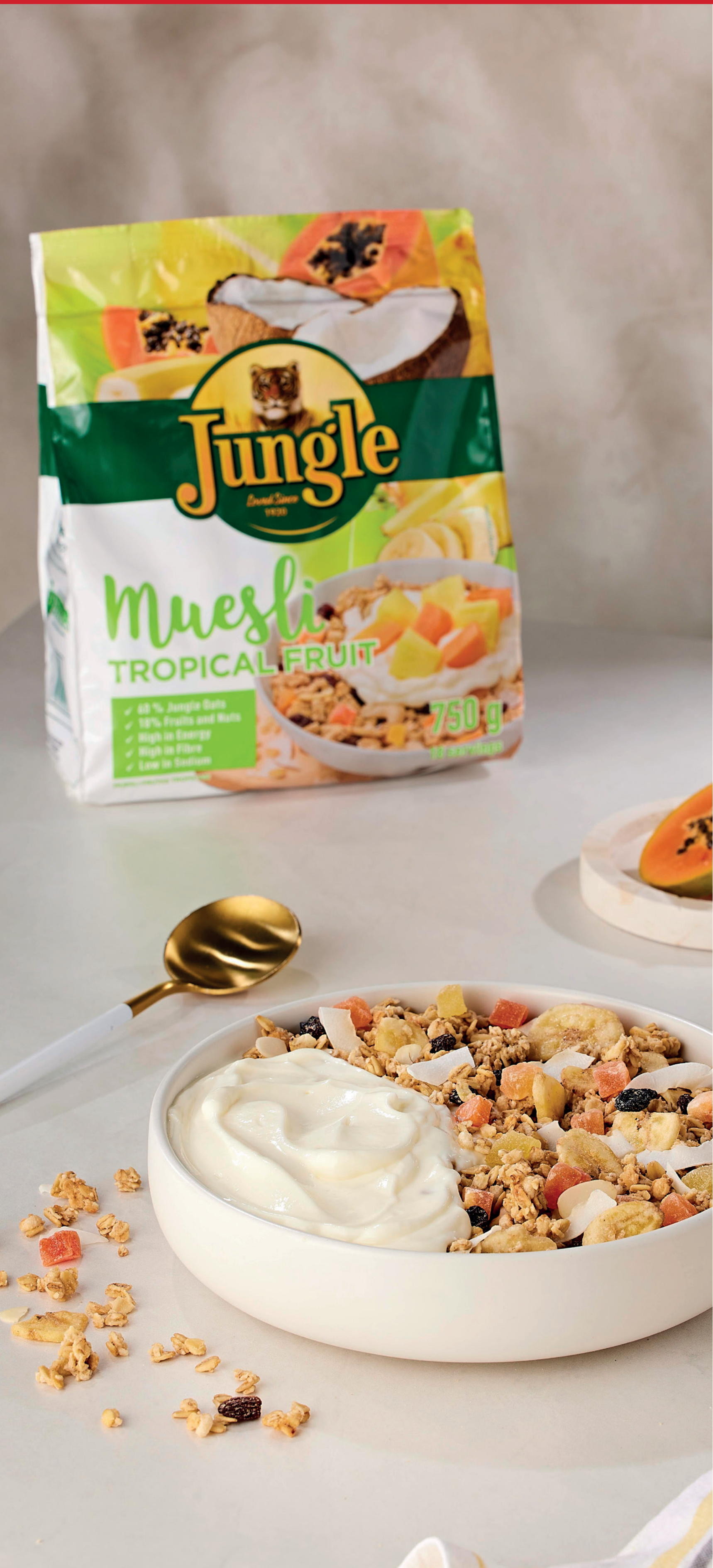
TIGER BRANDS

# Unaudited group results and dividend declaration

for the six months ended
**31 March 2024**



## Salient features




### TIGER BRANDS DELIVERS A MUTED FIRST-HALF PERFORMANCE AMID A LEADERSHIP TRANSITION AND THE INITIATION OF TURNAROUND EFFORTS IN DIFFICULT TRADING CONDITIONS

**Revenue**
R19,2 billion
1% ↓

**Group operating income***
R1,3 billion
3% ↓

**Income from associates**
R396 million
44% ↑

**EPS from total operations**
892cps
19% ↑

**HEPS from total operations**
808cps
11% ↑

**Interim dividend**
350cps
9% ↑

**Profit on sale of non-core brand amounts to**
R128 million

* *Before impairments, fair value losses and non-operational items*

# Commentary

## STRATEGIC UPDATE

Since Tjaart Kruger's appointment as CEO on 1 November 2023, the group has now finalised the appointment of the new leadership team. Thushen Govender assumed the role of CFO on 1 January 2024, followed by the appointment of Managing Directors from within the organisation for each of the six business units on 1 February 2024. The new leadership team has hit the ground running, driving forward key strategic priorities aimed at revitalising the group, stimulating growth, and enhancing profitability sustainably. It is anticipated that the effect of key initiatives will start to reflect in the short term.

### Operating model

We have successfully completed the streamlining of our organisational structure into six business units, each directly reporting to the CEO. As previously announced, these include:

- Bakeries
- Grains
- Culinary (previously Groceries)
- Snacks, Treats and Beverages
- Home, Personal Care (HPC) and Baby
- Exports and International

Segmental reporting for the six months to 31 March 2024 remains consistent with previous segmental disclosures. Future segmental reporting is in the process of being reviewed.

### Category-specific services

Our restructuring efforts have extended to deploying category-specific services back to the business units from the centre, thereby enhancing agility in decision-making concerning manufacturing, procurement and customer strategies. By eliminating a senior layer of management at the centre and consolidating business units, we have eliminated duplicate roles, resulting in headcount reduction and will drive significant cost savings going forward. Retrenchment costs to date totalled R30 million.

### Restoring cost leadership

We have identified an estimated R500 million in savings throughout our value chain. With implementation already commenced, all initiatives are expected to be concluded by FY26. Furthermore, we are actively streamlining our product offerings across all segments, discontinuing underperforming stock-keeping units (SKUs) and identifying further optimisation opportunities. Our goal is to reduce SKUs by at least 20% over the next three years. The cost savings together with SKU reductions will enable focused strategic investment behind our core brand portfolio, yielding a higher return on investment.

### Portfolio optimisation and capital allocation

Acknowledging the pivotal role of disciplined capital allocation in driving superior returns, we have undertaken a comprehensive reassessment of our approach to capital allocation. This strategic recalibration will bolster our business turnaround efforts while simultaneously enhancing shareholder value.

The revised framework will serve as the cornerstone of our future capital allocation strategy and guide our portfolio optimisation efforts, which will enable:

- Enhanced rigour and discipline in allocating capital and human resources.
- A more efficient capital structure.
- An accelerated capex programme aligned with strategic objectives, efficiency targets and return metrics.
- An optimal balance between yield-enhancing initiatives and longer-term growth investments with extended payback horizons to maximise shareholder value and foster sustainable growth.
- A future-fit portfolio that drives our growth and return ambitions.

Our immediate objective is to increase return on invested capital (ROIC) ahead of weighted average cost of capital (WACC) (currently at 14%).

Furthermore, we have identified self-improvement opportunities vital to our turnaround, including ongoing cost-saving initiatives, working capital optimisation, SKU rationalisation and performance enhancements across key segments, notably Bakeries and Groceries (Culinary), resulting in double-digit group operating margin over the medium term.

Considering this fundamental change to capital allocation, the Deciduous Fruit business remains operational in its current capacity to facilitate the ongoing sale process, which was recently re-opened. If a sale is not finalised within a reasonable period, the board will re-evaluate alternative options for this business.

## OPERATING PERFORMANCE

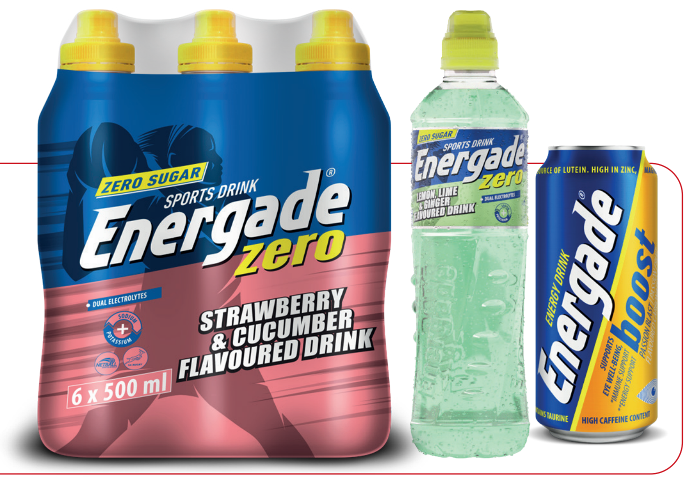
### Overview

Tiger Brands' results for the six months ended 31 March 2024 reflect the tough trading environment with negative volume growth across retail and wholesale channels, while trading ahead of the Easter period was generally slower than expected, particularly in the wholesale channel. Consumers remain constrained and continue to rationalise spend, prioritising value offerings and staple categories, which adversely impacts absolute volumes and basket mix.

Furthermore, the performance during the first half was impacted by our focus shifting towards restructuring and implementing the new operating model. This transition was effectively executed, with the new management teams now fully operational.

**EARNINGS PER SHARE**

EPS from total operations increased by **19%** to **892 cents**. HEPS from total operations increased by **11%** to **808 cents**.



# Commentary continued

Total revenue from continuing operations regressed by 1% to R19,2 billion relative to the same period last year, driven by price inflation of 8%, offset by a reduction in volumes of 9%. In divisions such as Bakeries, the loss in volume was a deliberate strategy to reduce the reliance on sub-optimal promotional activity and improve price realisations. Volume growth in Exports was offset by declines in the Domestic business.

Conversion-cost efficiencies as well as reduced loadshedding helped mitigate gross margin compression. Group operating income decreased 3% to R1,3 billion, while the operating margin remained relatively flat at 6,9%. The profit on sale of a non-core brand within Personal Care (Status trademark) of R128 million increased profit, including non-operational items, by 4% to R1,5 billion.

Income from associates increased by 44% to R396 million, driven largely by strong operational performances from Carozzi as well as National Foods.

Net financing costs for the period amounted to R163 million compared to R94 million in the same period last year. The increase is in line with higher average debt levels as well as higher interest rates. Plans are in place to optimise working capital and thereby minimise operating cash requirements.

The group's effective tax rate prior to fair value losses, non-operational items, and income from associates improved from 29,7% to 29% compared to the previous year. This is largely due to investment allowances received on qualifying major capital projects.

EPS from continuing operations increased by 10% to 827 cents (2023: 749 cents). HEPS from continuing operations was marginally up at 743 cents (2023: 731 cents). The variation in EPS when compared to HEPS is due to the inclusion of the profit on sale of the Status trademark in EPS, which is excluded from HEPS.

EPS from total operations increased by 19% to 892 cents (2023: 749 cents) due to the accounting of insurance proceeds related to previously written-off and obsolete stock within the Value-added Meats business. This business has been disposed of and disclosed as a discontinued operation. HEPS from total operations increased by 11% to 808 cents (2023: 731 cents).

## SEGMENTAL OPERATING PERFORMANCE

Domestic revenue decreased by 4% to R16,7 billion, as price inflation of 8% was offset by a 12% decline in volumes. In Bakeries specifically, the loss in volume is a deliberate strategy to enhance margins over time by reducing the reliance on promotional activity which, in turn, will improve price realisations and allow the timely recovery of input cost inflation. Significantly improved performances from Groceries, Beverages, Personal Care, Tiger Brands Food Services Solutions (Food Services) and Baby were diluted by Grains' underperformance.

Revenue in Grains decreased by 9%, driven by significant volume declines across all segments other than the Oat-based Breakfast segment (Jungle) and Pasta. Consumer Brands recorded an increase in revenue of 3%, driven by good top-line performances in Snacks and Treats, Beverages, and Food Services, while Home and Personal Care's performance was impacted by the late pest season. Domestic operating income declined 4% to R1,1 billion.

### Grains

The Grains business and, more specifically, Milling and Baking, has been the biggest source of the group's negative performance over the last five to seven years. The negative trend continued during most of the first half amid the leadership transition. This business will naturally require the most amount of effort and time to turn around, while potentially having the most significant payoff for the group.

During the period under review, Grains was impacted by significantly higher raw material costs as the effects of El Nino as well as the export ban on Indian rice adversely impacted physical supply and led to substantial price increases.

Revenue decreased by 9% to R8,2 billion, reflecting volume declines of 15% offset by average price inflation of 6%. All segments reported a decline in operating income relative to the same period last year, driven primarily by significant volume declines and raw material inflation. As a result, operating income ended 50% lower at R171 million relative to the same period last year.

Revenue in Milling and Baking decreased by 16% to R5,1 billion, driven solely by volume declines. Bread volumes were negatively impacted by a deliberate strategy to protect naked margins by not participating in some of the heavy discounting that took place in the previous year. In the second quarter, the team commenced a deliberate and extensive maintenance programme across the Bakery portfolio, which, while resulting in short-term volume losses, began to reduce the level of damages while improving bread and supply chain quality. The business started to see lower monthly operating expenses, with some bakeries achieving up to 50% reduction in damages. Bakery optimisation initiatives, including rebasing the operational cost base, route and fleet optimisation, depot rationalisation and timely passing through of inflationary costs are progressing to plan and are expected to begin yielding positive results in the second half of the financial year.

Maize's performance was adversely impacted by overall category declines driven by high inflation and aggressive competitor pricing, particularly in private label. This was partially offset by lower conversion costs, resulting in an improved operating income performance relative to the prior period. The Sorghum-based Breakfast and Beverages business continues to be negatively impacted by lower demand. Overall, Milling and Baking's operating income declined by 32% to R182 million.

Revenue in Other Grains grew by 6% to R3,1 billion, driven largely by price inflation across all segments. The Oat-based Breakfast segment reported improved volumes as the Jungle brand experienced positive momentum driven by recent innovations. Jungle's operating profit was impacted by adverse product mix, higher raw material costs as well as increased marketing investment in support of new product launches.

Pasta was impacted by higher conversion costs and adverse product mix, while overall category declines as well as increased promotional activity by competitors resulted in significant volume declines in Rice. As a result, Other Grains reported an operating loss of R10 million for the period.

### Consumer Brands

Revenue in Consumer Brands increased by 3% to R7,2 billion. The successful execution of continuous improvement programmes resulted in increased profitability. Overall operating income increased by 25% to R694 million, a satisfactory improvement on the prior period. This was driven by particularly strong performances from Groceries, Beverages, Baby and Food Services.

Price inflation of 11% in the Groceries segment was offset by volume declines of 13%, resulting in revenue declining by 2% to R3,3 billion. The muted top-line performance is reflective of lower demand, supply issues in the first quarter due to raw material and ingredients shortages, and delays in commissioning the new peanut butter plant.

# Commentary continued

Profitability benefited as we successfully mitigated the adverse effects of volatile ingredient prices and factory under-recoveries stemming from raw material shortages and quality issues in the prior period. Operating income increased by 60% to R203 million. With the newly commissioned peanut butter plant stabilised and marked improvements in demand across the customer base, top-line recovery is expected in the second half. Profitability is expected to be sustained as value engineering initiatives gain traction.

Snacks and Treats achieved significant revenue growth, reaching R1,5 billion, marking a 7% increase. This growth was primarily supported by 12% price inflation, albeit offset by a 5% decline in volume. The volume decrease was mainly driven by reduced chocolate sales due to soaring costs, notably sugar and cocoa, with the latter experiencing a 60% year-on-year increase. Nonetheless, stringent cost containment measures partially safeguarded profitability, resulting in a modest decline in operating income to R106 million.

Beverages recorded a strong six months, with revenue increasing by 10% to R1,3 billion, supported by volume growth of 4% and price inflation of 6%. Volume growth was achieved across dilutables and Oros ready-to-drink as well as value propositions. Significant increases in the cost of key ingredients and packaging items were offset by improved factory efficiencies as well as sports drinks (Energade) performing ahead of expectations. Operating income increased by a pleasing 17% to R230 million.

Revenue in the Baby segments was marginally up at R600 million, driven by price inflation of 14% and offset by volume declines of 11%. Operating income increased by 46% to R67 million, with the benefit of improved factory efficiencies boosted by cost savings in sales and distribution. Volumes are reflective of lower demand across key segments as consumers opt for cheaper offerings and rotate out of baby-specific products into general offerings suitable for the whole family.

Food Services delivered a pleasing set of results as operating income growth outpaced revenue growth over the period. Revenue grew by 5% to R451 million, with volume declines of 4% offset by price inflation of 9%. Operating income increased 14% to R89 million, as the business successfully executed its drive to manage product mix as well as improved efficiencies in distribution.

### Home and Personal Care (HPC)

Overall revenue in HPC was flat year-on-year at R1,3 billion while operating income increased by 8% to R276 million as segments reported mixed performances.

Personal Care's revenue decreased by 4% to R358 million, where price inflation of 14% was insufficient to cover volume declines of 18%. Lower inflation on key ingredients, better factory efficiencies and a favourable product mix improved profitability. Operating income more than doubled from R15 million last year to R31 million in the current period.

Home Care's performance was hindered by a delayed pest season relative to last year. Revenue grew 1% to R912 million as price inflation of 9% was offset by volume declines of 8%. Good cost-containment initiatives resulted in flat operating income of R244 million.

### Exports and International

Total revenue for Exports and International increased by 22% to R2,6 billion, driven by price inflation of 7%, 10% volume growth, and favourable foreign exchange translation gains of 5%. Total operating income increased by 63% to R265 million, benefiting from improved profitability across all segments, particularly Deciduous Fruit.

The positive trajectory reported at the end of the previous year continued for the Rest of Africa business, as Exports continued to report sustained volume growth and improved profitability. Building on the key distributor model, volumes increased in Mozambique, Zambia and Zimbabwe, supported by deeper market penetration of our core brand portfolio. As a result, sales momentum achieved in the second half of FY23 was sustained in the current period, with revenue increasing 9% to R1,3 billion. Operating income increased to R117 million (2023: R76 million), benefiting from positive operating leverage and ongoing cost reduction initiatives.

Chococam's brand and product strength upheld demand, resulting in 23% (11% in local currency) revenue growth to R836 million, despite significant raw material price increases. This comprised 7% volume growth, 6% price inflation, and a favourable foreign currency translation movement of 10%. In line with revenue growth, operating income increased by a pleasing 20% to R123 million (9% in local currency), driven by cost-containment initiatives and the benefit of rand weakness on translation.

## CASH FLOW AND CAPITAL EXPENDITURE

Cash operating profit increased 6% to R2,1 billion. Working capital outflows of R1,4 billion declined by 19% relative to the same period last year, mainly due to improved debtor collections in line with the focused working capital initiatives that are currently underway. As a result, cash generated from operations increased to R760 million from R333 million last year. Capital expenditure for the period amounted to R560 million (2023: R476 million). The group ended the period with elevated net debt levels of R2,7 billion (2023: R1,7 billion), primarily attributable to higher opening debt levels.

## CLASS ACTION UPDATE

The class action remains pending. There have been no material developments since the last update in December 2023 as part of the company's year-end disclosures. Tiger Brands will update shareholders on the class action when material developments unfold.

## CANNED VEGETABLE RECALL UPDATE

Shareholders are referred to the voluntary withdrawal of canned vegetable products that took place in July 2021. Following formal demand by Tiger Brands for restitution and recovery of costs and losses arising from the recall, the relevant packaging supplier (the supplier) and its insurers agreed with Tiger Brands for the matter to be referred to mediation. It is expected that the mediation will be held during the latter part of May 2024. As part of the civil claim process, Tiger Brands issued a summons in the Gauteng Local Division of the High Court, which was served to the supplier on 29 April 2024. The next steps after mediation, if the matter remains unresolved, will entail a referral of the dispute (including the High Court civil suit) for determination by arbitration as contemplated in the applicable master supply agreement. The claimed amount is approximately R700 million.

## CHANGE IN DIRECTORATE

Ms Gail Klintworth will step down as independent non-executive director of the company with effect 31 May 2024. This decision stems from her increasingly demanding time commitments, having diligently served on the board since 16 August 2018. She will accordingly also step down as a member of the social, ethics and transformation committee as well as the risk and sustainability committee.

# Commentary continued

## OUTLOOK

The operating landscape is likely to remain challenging. Preliminary macro-economic indicators suggest heightened strain among South African consumers. While there has been a nominal uptick in employment, wage growth has notably decelerated, particularly amid a surge in inflation, disproportionately impacting low-income consumers. Forecasts indicate restrained wage growth, with any potential relief from interest rate adjustments to be marginal and gradual. Given the high levels of consumer indebtedness and limited prospects for substantial labour market improvements within a subdued economic backdrop, it is anticipated consumers will continue to face significant hurdles.

The next reporting cycle will mark the first six-month period under new leadership, with the first green shoots of our turnaround efforts expected to emerge. We are confident in the immediate measures taken to streamline our operating model, coupled with clear targets for further simplification and enhancement. Moreover, our robust portfolio of market-leading brands positions the group for improved performance in the short term.

Looking ahead, our focused strategy will enable strategic investments in brands, activities and segments poised to deliver superior and sustainable long-term returns.

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

By order of the board

**GJ Fraser-Moleketi**
*Chairman*

**TN Kruger**
*Chief executive officer*

Bryanston
24 May 2024
Date of release: 27 May 2024

## DECLARATION OF INTERIM DIVIDEND

The company declared an interim ordinary dividend of 350 cents per share for the six months ended 31 March 2024, in line with the company's dividend policy of 1,75x cover based on HEPS and in line with the higher headline earnings per share. This resulted in a 9% increase relative to the prior year interim dividend.

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 350,00000 cents per ordinary share will be paid to shareholders who are exempt from the dividends tax.
- The net final dividend amount of 280,00000 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 10 899 112 treasury shares).
- Tiger Brands Limited's income tax reference number is 9325/110/71/7.

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

| | |
|---|---|
| Declaration date | Monday, 27 May 2024 |
| Last day to trade cum the ordinary dividend | Tuesday, 2 July 2024 |
| Shares commence trading ex the ordinary dividend | Wednesday, 3 July 2024 |
| Record date to determine those shareholders entitled to the ordinary dividend | Friday, 5 July 2024 |
| Payment date in respect of the ordinary dividend | Monday, 8 July 2024 |

Share certificates may not be dematerialised or rematerialised between Wednesday, 3 July 2024 and Friday, 5 July 2024, both days inclusive.

By order of the board

**JK Monaisa**
*Company secretary*

Bryanston
24 May 2024

# Interim condensed consolidated income statement

| (R'million) | Notes | Unaudited six months ended 31 March 2024 | Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|---|
| **Continuing operations** | | | | |
| **Total revenue** | | **19 229,9** | 19 380,6 | 37 388,5 |
| **Total cost of sales** | | **(13 852,7)** | (14 139,1) | (27 048,2) |
| **Gross profit** | | **5 377,2** | 5 241,5 | 10 340,3 |
| Sales and distribution expenses | | **(2 479,8)** | (2 426,6) | (4 702,0) |
| Marketing expenses | | **(542,4)** | (540,7) | (969,1) |
| Other operating expenses | | **(1 050,5)** | (958,8) | (1 777,9) |
| Sundry income | | **23,1** | 32,2 | 167,9 |
| Expected credit loss (raised)/reversed | | **(7,4)** | 8,7 | 59,0 |
| **Operating income before impairments and non-operational items** | 2 | **1 320,2** | 1 356,3 | 3 118,2 |
| Impairments and fair value losses | 3 | **–** | – | (43,2) |
| **Operating income after impairments** | | **1 320,2** | 1 356,3 | 3 075,0 |
| Non-operational items | 4 | **127,5** | 33,0 | 33,0 |
| **Profit including non-operational items** | | **1 447,7** | 1 389,3 | 3 108,0 |
| Finance costs | | **(190,2)** | (115,0) | (267,9) |
| Finance income | | **27,2** | 21,2 | 29,9 |
| Foreign exchange loss | | **(52,7)** | (14,8) | (33,6) |
| Investment income | | **11,6** | 12,4 | 18,0 |
| Income from associated companies | | **396,2** | 274,7 | 696,6 |
| **Profit before taxation** | | **1 639,8** | 1 567,8 | 3 551,0 |
| Taxation | | **(328,0)** | (379,0) | (817,1) |
| **Profit for the period from continuing operations** | | **1 311,8** | 1 188,8 | 2 733,9 |
| **Discontinued operation** | | | | |
| Profit for the period from discontinued operation | 9 | **102,2** | – | – |
| **Profit for the year** | | **1 414,0** | 1 188,8 | 2 733,9 |
| **Attributable to:** | | | | |
| **Owners of the parent** | | **1 394,0** | 1 170,7 | 2 697,2 |
| – Continuing operations | | **1 291,8** | 1 170,7 | 2 697,2 |
| – Discontinued operation | | **102,2** | – | – |
| **Non-controlling interests** | | **20,0** | 18,1 | 36,7 |
| – Continuing operations | | **20,0** | 18,1 | 36,7 |
| | | **1 414,0** | 1 188,8 | 2 733,9 |
| **Weighted average number of shares in issue** | | **156 241 258** | 156 374 568 | 156 390 363 |
| **Basic earnings per ordinary share (cents)** | | **892,2** | 748,7 | 1 724,7 |
| – Continuing operations | | **826,8** | 748,7 | 1 724,7 |
| – Discontinued operation | | **65,4** | – | – |
| **Diluted basic earnings per ordinary share (cents)** | | **879,2** | 735,3 | 1 700,0 |
| – Continuing operations | | **814,7** | 735,3 | 1 700,0 |
| – Discontinued operation | | **64,5** | – | – |
| **Headline earnings per ordinary share (cents)** | | **808,0** | 731,0 | 1 734,7 |
| – Continuing operations | | **742,6** | 731,0 | 1 734,7 |
| – Discontinued operation | | **65,4** | – | – |
| **Diluted headline earnings per ordinary share (cents)** | | **796,2** | 718,0 | 1 709,8 |
| – Continuing operations | | **731,7** | 718,0 | 1 709,8 |
| – Discontinued operation | | **64,5** | – | – |

# Interim condensed consolidated statement of comprehensive income

| (R'million) | Unaudited six months ended 31 March 2024 | Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|
| **Profit for the period** | **1 414,0** | 1 188,8 | 2 733,9 |
| **Other comprehensive (loss)/gain, net of tax** | **(139,0)** | 851,4 | 412,0 |
| Foreign currency translation reserve (FCTR) adjustments[1] | **21,5** | 77,5 | 83,1 |
| Share of associates other comprehensive (loss)/gain and FCTR[1] | **(147,9)** | 708,7 | 227,0 |
| Net gain on cash flow hedges[1] | **13,5** | 5,9 | 4,1 |
| Net (loss)/gain on FVOCI[2] financial assets | **(26,1)** | 59,3 | 80,6 |
| Remeasurement raised in terms of IAS 19R | **–** | – | 48,2 |
| Tax effect | **–** | – | (31,0) |
| Total comprehensive income for the period, net of tax | **1 275,0** | 2 040,2 | 3 145,9 |
| **Attributable to:** | | | |
| Owners of the parent | **1 249,3** | 2 005,3 | 3 086,8 |
| Non-controlling interests | **25,7** | 34,9 | 59,1 |
| | **1 275,0** | 2 040,2 | 3 145,9 |

[1] *Items that may be subsequently reclassified to profit or loss including the related tax effects, with the exception of R5,1 million gain (2023: R3,1 million loss) relating to the share of associates' other comprehensive loss, and fair value losses on equity instruments measured at FVOCI*

[2] *FVOCI – Fair value through other comprehensive income*

# Interim condensed consolidated statement of financial position

| (R'million) | Unaudited six months ended 31 March 2024 | Restated# Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | **13 314,0** | 12 979,4 | 12 914,7 |
| Property, plant and equipment* | **6 299,9** | 5 903,1 | 6 101,6 |
| Goodwill | **1 652,5** | 1 650,1 | 1 651,2 |
| Intangible assets | **1 399,3** | 1 403,3 | 1 409,9 |
| Investments | **3 931,0** | 3 980,1 | 3 707,8 |
| Investments in associated companies | **3 342,2** | 3 377,2 | 3 092,0 |
| Other investments | **534,4** | 552,1 | 561,5 |
| Loans | **54,4** | 50,8 | 54,3 |
| Deferred taxation asset | **31,3** | 42,8 | 44,2 |
| **Current assets** | **14 125,3** | 12 979,5 | 12 921,9 |
| Inventories | **8 156,2** | 7 344,0 | 7 503,6 |
| Trade and other receivables | **4 948,2** | 4 977,6 | 4 642,4 |
| Cash and cash equivalents | **1 020,9** | 657,9 | 775,9 |
| **TOTAL ASSETS** | **27 439,3** | 25 958,9 | 25 836,6 |
| **EQUITY AND LIABILITIES** | | | |
| **Total equity** | **17 333,3** | 16 693,7 | 17 304,2 |
| Issued capital and reserves | **17 107,9** | 16 517,0 | 17 103,7 |
| Non-controlling interests | **225,4** | 176,7 | 200,5 |
| **Non-current liabilities** | **1 821,8** | 1 814,9 | 1 771,7 |
| Deferred taxation liability | **308,3** | 246,4 | 322,7 |
| Post-retirement medical aid obligation | **243,3** | 303,6 | 238,0 |
| Long-term borrowings[1]** | **1 270,2** | 1 264,9 | 1 211,0 |
| **Current liabilities** | **8 284,2** | 7 450,3 | 6 760,7 |
| Trade and other payables | **5 046,7** | 5 530,4 | 5 335,3 |
| Employee-related accruals | **373,6** | 352,8 | 434,7 |
| Taxation | **9,1** | 46,2 | 107,0 |
| Short-term borrowings[2]** | **2 854,8** | 1 520,9 | 883,7 |
| **TOTAL EQUITY AND LIABILITIES** | **27 439,3** | 25 958,9 | 25 836,6 |
| Net debt** | **(3 104,1)** | (2 127,9) | (1 318,8) |

* *Right-of-use assets are included within property, plant and equipment amounting to R388,9 million (2023: R411,9 million)*
** *Net debt includes lease liabilities. Excluding lease liabilities, the net debt is R2,674 billion (2023: R1,664 billion)*
# *Refer to note 7 for details on restatements*
1 *Includes the utilisation of the revolving credit facility amounting to R1,0 billion (2023: R1,0 billion)*
2 *Includes the utilisation of borrowing facilities with the group's banking partners amounting to R2,7 billion (2023: R1,3 billion)*

# Interim condensed consolidated statement of changes in equity

| (R'million) | Share capital and premium |
|---|---|
| **Balance at 1 October 2022** | 18,0 |
| Profit for the period | – |
| Other comprehensive income | – |
| Total comprehensive income | – |
| Transfers between reserves | – |
| Share-based payment[1] | – |
| Dividends on ordinary shares (net of dividend on treasury shares) | – |
| Sale of empowerment shares[2] | – |
| **Balance at 31 March 2023 – Restated[#]** | 18,0 |
| Profit for the period | – |
| Other comprehensive (loss)/income | – |
| Total comprehensive (loss)/income | – |
| Transfers between reserves | – |
| Share-based payment[1] | – |
| Dividends on ordinary shares (net of dividend on treasury shares) | – |
| Sale of empowerment shares[2] | – |
| **Balance at 30 September 2023** | 18,0 |
| Profit for the period | – |
| Other comprehensive (loss)/income | – |
| Total comprehensive (loss)/income | – |
| Transfers between reserves | – |
| Share buy-back transaction[3] | – |
| Share-based payment[1] | – |
| Dividends on ordinary shares (net of dividend on treasury shares) | – |
| Sale of empowerment shares[2] | – |
| **Balance at 31 March 2024** | 18,0 |

[1] *Included in the movement of the share-based payment are options of R99,5 million (2023: R33,9 million) exercised*

[2] *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, R5,5 million (2023: R3,2 million) related to BMT I*

[3] *During the current year, the group embarked on a share buy-back programme, in which 572 354 of the listed Tiger Brands shares were repurchased at an average price of R193,06 per share. The shares were issued at an original par value of R0,1 per share*

[#] *Refer to note 7 for details on restatements*

# Interim condensed consolidated statement of changes in equity continued

| Non-distributable reserves | 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 |
|---|---|---|---|---|---|---|
| 2 158,0 | 14 867,6 | (2 187,3) | 752,6 | **15 608,9** | 142,3 | **15 751,2** |
| – | 1 170,7 | – | – | **1 170,7** | 18,1 | **1 188,8** |
| 834,6 | – | – | – | **834,6** | 16,8 | **851,4** |
| 834,6 | 1 170,7 | – | – | **2 005,3** | 34,9 | **2 040,2** |
| 247,3 | (251,2) | – | 3,9 | **–** | – | **–** |
| – | – | – | (51,9) | **(51,9)** | – | **(51,9)** |
| – | (1 048,5) | – | – | **(1 048,5)** | (0,5) | **(1 049,0)** |
| – | – | 3,2 | – | **3,2** | – | **3,2** |
| 3 239,9 | 14 738,6 | (2 184,1) | 704,6 | **16 517,0** | 176,7 | **16 693,7** |
| – | 1 526,5 | – | – | **1 526,5** | 18,6 | **1 545,1** |
| (480,4) | 35,4 | – | – | **(445,0)** | 5,6 | **(439,4)** |
| (480,4) | 1 561,9 | – | – | **1 081,5** | 24,2 | **1 105,7** |
| 196,5 | (0,6) | – | (195,9) | **–** | – | **–** |
| – | – | – | 17,6 | **17,6** | – | **17,6** |
| – | (514,4) | – | – | **(514,4)** | (0,4) | **(514,8)** |
| – | – | 2,0 | – | **2,0** | – | **2,0** |
| 2 956,0 | 15 785,5 | (2 182,1) | 526,3 | **17 103,7** | 200,5 | **17 304,2** |
| – | 1 394,0 | – | – | **1 394,0** | 20,0 | **1 414,0** |
| (144,7) | – | – | – | **(144,7)** | 5,7 | **(139,0)** |
| (144,7) | 1 394,0 | – | – | **1 249,3** | 25,7 | **1 275,0** |
| 396,2 | (412,3) | – | 16,1 | **–** | – | **–** |
| – | – | (110,5) | – | **(110,5)** | – | **(110,5)** |
| – | – | – | (61,8) | **(61,8)** | – | **(61,8)** |
| – | (1 078,3) | – | – | **(1 078,3)** | (0,8) | **(1 079,1)** |
| – | – | 5,5 | – | **5,5** | – | **5,5** |
| 3 207,5 | 15 688,9 | (2 287,1) | 480,6 | **17 107,9** | 225,4 | **17 333,3** |

# Interim condensed consolidated statement of cash flows

| (R'million) | Unaudited six months ended 31 March 2024 | Restated# Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|
| Cash operating profit | **2 109,7** | 1 999,7 | 4 264,5 |
| Working capital changes | **(1 349,3)** | (1 667,1) | (1 561,3) |
| **Cash generated from operations** | **760,4** | 332,6 | 2 703,2 |
| Finance income and income from investments received | **38,8** | 33,6 | 47,9 |
| Finance costs paid | **(185,5)** | (107,4) | (256,2) |
| Dividends received from associated companies and subsidiaries | **–** | 27,4 | 247,1 |
| Taxation paid | **(489,3)** | (462,2) | (808,0) |
| **Cash available from operations** | **124,4** | (176,0) | 1 934,0 |
| Dividends paid | **(1 079,1)** | (1 049,0) | (1 563,8) |
| Net cash (outflow)/inflow from operating activities | **(954,7)** | (1 225,0) | 370,2 |
| Proceeds from disposal of intangible assets | **127,5** | – | – |
| Proceeds from disposal of property, plant, equipment and vehicles | **14,7** | 19,7 | 26,8 |
| Funds held in escrow | **2,4** | 22,7 | 39,2 |
| Proceeds on disposal of investment | **–** | – | 2,6 |
| Purchase of investment | **(1,9)** | – | – |
| Purchase of property, plant, equipment and computer software | **(559,7)** | (476,4) | (1 212,6) |
| Cash outflow from investing activities | **(417,0)** | (434,0) | (1 144,0) |
| **Net cash outflow before financing activities** | **(1 371,7)** | (1 659,0) | (773,8) |
| Black Managers Trust (BMT) shares exercised | **2,7** | 1,9 | 4,1 |
| Shares exercised relating to equity-settled scheme | **(99,5)** | (37,7) | (38,0) |
| Repurchase of shares | **(110,5)** | – | – |
| Repayment of principal portion of lease liabilities | **(112,9)** | (99,4) | (203,4) |
| Short-term borrowings raised | **2 957,5** | 1 222,2 | 1 103,9 |
| Short-term borrowings repaid | **(962,0)** | (880,0) | (1 380,0) |
| Long-term borrowings raised | **–** | 1 000,0 | 1 002,1 |
| **Net cash inflow from financing activities** | **1 675,3** | 1 207,0 | 488,7 |
| **Net increase/(decrease) in cash and cash equivalents** | **303,6** | (452,0) | (285,1) |
| Effect of exchange rate changes on cash and cash equivalents | **(58,6)** | 8,6 | (40,3) |
| Reclassification of cash and cash equivalents to other receivables | **–** | (14,6) | (14,6) |
| Cash and cash equivalents at the beginning of the period | **775,9** | 1 115,9 | 1 115,9 |
| **Cash and cash equivalents at the end of the period** | **1 020,9** | 657,9 | 775,9 |
| Cash resources | **977,3** | 613,0 | 732,3 |
| Cash relating to venture capital initiatives | **43,6** | 44,9 | 43,6 |
| | **1 020,9** | 657,9 | 775.9 |

# *Refer to note 7 for details on restatements*

# Other salient features

| (R'million) | Unaudited six months ended 31 March 2024 | Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|
| **Capital commitments** | **1 127,5** | 1 260,0 | 1 615,8 |
| – Contracted | **734,8** | 486,4 | 570,0 |
| – Approved | **392,7** | 773,6 | 1 045,8 |
| Capital commitments will be funded from normal operating cash flows and the utilisation of existing borrowing facilities. | | | |
| **Capital expenditure** | **559,7** | 476,4 | 1 212,6 |
| – Replacement | **394,2** | 142,6 | 767,0 |
| – Expansion | **165,5** | 333,8 | 445,6 |
| Replacement capital expenditure is in line with the approved capex plan. | | | |
| **Guarantees** | | | |
| – Guarantees (unutilised) | **36,8** | 24,0 | 35,3 |

# Interim condensed consolidated segmental information

| (R'million) | Unaudited six months ended 31 March 2024 | Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|
| **REVENUE** | | | |
| **Domestic Operations** | **16 662,7** | 17 269,4 | 32 537,0 |
| **Grains** | **8 168,4** | 8 958,9 | 17 030,1 |
| Milling and Baking[1] | **5 109,2** | 6 068,4 | 11 505,4 |
| Other Grains[2] | **3 059,2** | 2 890,5 | 5 524,7 |
| **Consumer Brands** | **7 224,9** | 7 036,9 | 13 341,2 |
| Groceries | **3 344,3** | 3 413,6 | 6 414,8 |
| Snacks and Treats | **1 484,7** | 1 388,6 | 2 784,6 |
| Beverages | **1 344,7** | 1 220,5 | 2 159,9 |
| Baby | **599,9** | 585,3 | 1 147,0 |
| Food Service Solutions | **451,3** | 428,9 | 834,9 |
| **Home and Personal Care (HPC)** | **1 269,4** | 1 273,6 | 2 165,7 |
| Personal Care | **357,8** | 371,8 | 836,0 |
| Home Care | **911,6** | 901,8 | 1 329,7 |
| **Exports and International** | **2 567,2** | 2 111,2 | 4 851,5 |
| Exports[3] | **1 328,4** | 1 217,1 | 2 513,6 |
| International operation | | | |
| – Central Africa (Chococam) | **836,4** | 682,5 | 1 440,7 |
| Deciduous Fruit (LAF) | **614,9** | 439,3 | 1 342,9 |
| Other inter-group sales | **(212,5)** | (227,7) | (445,7) |
| **Total revenue** | **19 229,9** | 19 380,6 | 37 388,5 |

[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 are Mozambique at 39% (2023: 37%); Zambia at 11% (2023: 11%); Zimbabwe at 14% (2023: 10%); and Nigeria at 3% (2023: 3%)*

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

The information above has been disclosed under the existing structure and will be reviewed at year end.

# Interim condensed consolidated segmental information continued

| (R'million) | Unaudited six months ended 31 March 2024 | Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|
| **OPERATING INCOME BEFORE IMPAIRMENTS AND NON-OPERATIONAL ITEMS** | | | |
| **Domestic Operations** | **1 121,8** | 1 162,3 | 2 482,9 |
| **Grains** | **171,4** | 342,5 | 837,6 |
| Milling and Baking[1] | **181,8** | 267,7 | 602,2 |
| Other Grains[2] | **(10,4)** | 74,8 | 235,4 |
| **Consumer Brands** | **693,8** | 554,7 | 1 162,4 |
| Groceries | **202,6** | 126,4 | 307,5 |
| Snacks and Treats | **106,0** | 108,7 | 228,6 |
| Beverages | **229,8** | 196,2 | 340,1 |
| Baby | **66,8** | 45,7 | 133,8 |
| Food Service Solutions | **88,6** | 77,7 | 152,4 |
| **Home and Personal Care (HPC)** | **275,8** | 255,8 | 460,6 |
| Personal Care | **31,4** | 14,6 | 117,6 |
| Home Care | **244,4** | 241,2 | 343,0 |
| Other[3] | **(19,2)** | 9,3 | 22,3 |
| **Exports and International** | **265,3** | 163,2 | 600,6 |
| Exports | **117,0** | 76,4 | 286,4 |
| International operation | | | |
| – Central Africa (Chococam) | **122,7** | 102,6 | 221,8 |
| Deciduous Fruit (LAF) | **25,6** | (15,8) | 92,4 |
| **Total operating income from continuing operations before the following items** | **1 387,1** | 1 325,5 | 3 083,5 |
| Insurance claims received | **–** | 20,0 | 142,7 |
| Restructuring and related costs | **(29,6)** | – | (94,6) |
| IFRS 2 charges | **(37,3)** | 10,8 | (13,4) |
| **Total operating income from continuing operations** | **1 320,2** | 1 356,3 | 3 118,2 |
| Discontinued operation | | | |
| – Value-added Meat Products | **102,2** | – | – |
| **Total operating income** | **1 422,4** | 1 356,3 | 3 118,2 |

[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.

The information above has been disclosed under the existing structure and will be reviewed at year end.

# Notes

## 1 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

The preparation of these results has been supervised by Thushen Govender, chief financial officer of Tiger Brands Limited. The directors take full responsibility for the preparation of these condensed consolidated interim results.

The condensed consolidated interim results for the six months ended 31 March 2024 have been prepared in accordance with the IFRS Accounting Standards, IAS 34 Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council, the requirements of the South African Companies Act No. 71 of 2008 and the Listings Requirements of the JSE Limited. These statements have not been audited or reviewed by the group's auditors.

The accounting policies adopted in the preparation of the condensed consolidated interim results are consistent with those applied in preparation of the group's annual consolidated financial statements for the year ended 30 September 2023. There have been no assets held for sale during the period.

The going concern basis has been used in preparing these condensed consolidated interim results as the directors have a reasonable expectation that the group will continue as a going concern for the foreseeable future. The condensed consolidated interim results have been prepared on the historical cost basis, except for the measurement of certain financial instruments at fair value or amortised cost.

## 2 OPERATING INCOME BEFORE IMPAIRMENTS AND NON-OPERATIONAL ITEMS

| (R'million) | Unaudited six months ended 31 March 2024 | Restated# Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|
| Operating income has been determined after charging/(crediting) | | | |
| Depreciation (included in cost of sales and other operating expenses) | **490,9** | 438,7 | 892,6 |
| Amortisation | **30,1** | 28,8 | 57,8 |
| IFRS 2 (included in other operating expenses) | | | |
| – Equity settled | **37,7** | (14,2) | 7,8 |
| – Cash settled | **(0,4)** | 3,4 | 5,6 |

# *Refer to note 7 for details on restatements*

## 3 IMPAIRMENTS

Goodwill and indefinite useful life intangible assets are tested for impairment annually (as at 30 September) and when circumstances exist 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 2023. The September 2023 impairment of property, plant and equipment relates mainly to the Deciduous Fruit business (LAF) of R33,0 million, as well as the Bakeries and Groceries divisions of R14,1 million and R3,2 million respectively.

Based on management's assumptions, no impairments have been recorded at 31 March 2024.

| (R'million) | Unaudited six months ended 31 March 2024 | Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|
| Impairment of property, plant and equipment | **–** | – | (50,9) |
| Fair value gain on unlisted investment through P&L | **–** | – | 7,7 |
| | **–** | – | (43,2) |
| **4 NON-OPERATIONAL ITEMS** | | | |
| Profit on sale of trademark | **127,5** | – | – |
| Profit on disposal of land and buildings | **–** | 33,0 | 33,0 |
| | **127,5** | 33,0 | 33,0 |

The profit on the sale of the trademark relates to the previously impaired Status trademark, the sale of which was concluded during the course of the current period.

# Notes continued

## 5 RECONCILIATION BETWEEN PROFIT FOR THE PERIOD AND HEADLINE EARNINGS

| (R'million) | Unaudited six months ended 31 March 2024 | Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|
| **Continuing operations** | | | |
| Profit for the year attributable to owners of the parent | **1 291,8** | 1 170,7 | 2 697,2 |
| Profit on disposal of property, plant, equipment and vehicles | **(4,0)** | (27,6) | (21,6) |
| Impairment of property, plant and equipment | **–** | – | 37,2 |
| Profit on sale of trademark (refer note 4) | **(127,5)** | – | – |
| **Continuing headline earnings for the period** | **1 160,3** | 1 143,1 | 2 712,8 |
| Tax effect of headline earnings | **1,5** | 4,8 | 11,1 |
| **Discontinued operation** | | | |
| After taxation profit for the year attributable to owners of the parent | **102,2** | – | – |
| **Discontinued headline earnings for the period** | **102,2** | – | – |

## 6 FINANCIAL INSTRUMENTS

**Fair value hierarchy**

Financial instruments measured at fair value are grouped into the following levels based on the significance of the inputs used in determining fair value:

**Level 1:** Quoted prices in active markets for identical assets or liabilities
**Level 2:** Inputs other than quoted prices that are observable for the assets or liability (directly or indirectly)
**Level 3:** Inputs for the asset or liability that are unobservable

As at 31 March 2024, the group held the following financial instruments measured at fair value:

| | Unaudited six months ended 31 March 2024 | | | | Unaudited six months ended 31 March 2023 | | | | Audited year ended 30 September 2023 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (R'million) | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total | Level 1 | Level 2 | Level 3 | Total |
| **Assets measured at fair value** | | | | | | | | | | | | |
| **Financial assets** | | | | | | | | | | | | |
| Other investments | **307,5** | **–** | **17,1** | **324,6** | 312,3 | 0,3 | 11,7 | 324,3 | 332,6 | – | 17,1 | 349,7 |
| Derivatives | **–** | **39,8** | **–** | **39,8** | – | – | – | – | – | 8,9 | – | 8,9 |
| **Liabilities** | | | | | | | | | | | | |
| Derivatives | **–** | **–** | **–** | **–** | – | (29,5) | – | (29,5) | – | – | – | |

## 7 PRIOR YEAR RESTATEMENTS

As part of the group's continued IFRS compliance evaluations and assessments, the following prior year restatements have been made:

### 7.1 Restatement of property, plant and equipment

#### 7.1.1 Reclassification of software assets from property, plant and equipment to intangible assets

In the prior period, software assets with a net book value of R146 million were capitalised to property, plant and equipment. During the current period, these assets were re-evaluated in terms of IAS 38 and reclassified from property, plant and equipment to intangible assets in line with the requirements of the standard. The prior period comparatives have been adjusted by reducing the cost by R411 million and accumulated depreciation by R265 million.

#### 7.1.2 Reclassification of engineering spares from inventory to property, plant and equipment

In the prior period, engineering spares with a net book value of R271 million were treated as inventory. During the current period, these assets were re-evaluated and reclassified from inventory to property, plant and equipment in compliance with IAS 16. The prior period comparatives have been adjusted by increasing the cost by R333 million and accumulated depreciation by R62 million.

#### 7.1.3 Correction of foreign subsidiary translation differences

In the prior period, the opening balance exchange differences relating to Chococam's plant, vehicles and equipment were incorrectly translated resulting in a R58 million understatement of property, plant and equipment. The prior period comparatives have been corrected by increasing the cost by R80 million and accumulated depreciation by R22 million.

### 7.2 Restatement of goodwill and intangible assets

#### 7.2.1 Reclassification of customer lists to goodwill

The assessment of customer lists and goodwill has historically been reviewed in total. During the year ending September 2023, customer lists were re-evaluated in terms of IAS 38 as intangible assets with finite useful lives from initial recognition. In order to comply with IAS 36 and IAS 38, the carrying amount of the customer lists' intangible assets was fully amortised prior to the 2021 reporting period, and therefore previous impairments to goodwill of the same cash-generating unit were reversed. The prior year comparatives have been adjusted to reflect this.

### 7.3 Restatement of non-distributable reserves and retained earnings

In the prior period, equity-accounted earnings of previously disposed associates amounting to R964 million were included in the non-distributable reserve relating to the share of net earnings of associates. During the current period, this reserve was re-evaluated and reclassified to retained earnings in order to better reflect the unrealised portion of the group's reserves arising from equity-accounted investees. The prior period comparatives have been adjusted by reducing the non-distributable reserve relating to the share of net earnings of associates and increasing the retained earnings. This is a transfer between equity reserves.

# Notes continued

## 7 PRIOR YEAR RESTATEMENTS continued

| (R'million) | Notes | 2023 Previously reported | 2023 Effect of change | 2023 Restated |
|---|---|---|---|---|
| **Statement of financial position** | | | | |
| Property, plant and equipment | 7.1 | **5 720,1** | **183,0** | **5 903,1** |
| Goodwill | 7.2 | **1 184,0** | **466,1** | **1 650,1** |
| Intangible assets | 7.1.1/7.2 | **1 723,1** | **(319,8)** | **1 403,3** |
| Current assets | | **13 250,4** | **(270,9)** | **12 979,5** |
| Inventories | 7.1.2 | **7 614,9** | **(270,9)** | **7 344,0** |
| Total assets | | **25 900,5** | **58,4** | **25 958,9** |
| Issued capital and reserves | | **16 458,6** | **58,4** | **16 517,0** |
| Non-distributable reserves | 7.1.3/7.3 | **4 145,6** | **(905,7)** | **3 239,9** |
| Accumulated profits | 7.3 | **13 774,5** | **964,1** | **14 738,6** |
| Total equity | | **16 635,3** | **58,4** | **16 693,7** |
| Total equity and liabilities | | **25 900,5** | **58,4** | **25 958,9** |
| **Statement of cash flows** | | | | |
| Working capital changes | | **(263,8)** | **28,0** | **(235,8)** |
| Purchase of property, plant and equipment | | **(448,4)** | **(28,0)** | **(476,4)** |
| Depreciation | | **462,5** | **(23,8)** | **438,7** |
| Amortisation | | **4,1** | **24,7** | **28,8** |

## 8 CHANGE IN ACCOUNTING ESTIMATES

During the current financial period, management reassessed the methodology and historical judgements applied to the accounting treatment of specific accruals. The revised approach refines the accounting of these estimates during the course of the financial year. The nature of the change in estimate resulted from current developments within the business and changes to the measurement techniques previously adopted, predominantly relating to customer accruals. This change in accounting estimate impacted operating profit for the period under review by R169 million.

The above change in accounting estimates has been applied prospectively in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*.

## 9 ANALYSIS OF PROFIT FROM DISCONTINUED OPERATION

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

Discontinued operations in the current year relate to the Value-added Meat Products (VAMP), a division of Tiger Consumer Brands Limited disposed during the course of 2020.

On 20 March 2024, the company reached a settlement agreement with the company's insurers for the sum of R140,0 million for obsolete stock previously written off in 2018.

| (R'million) | Unaudited six months ended 31 March 2024 | Unaudited six months ended 31 March 2023 | Audited year ended 30 September 2023 |
|---|---|---|---|
| Sundry income | **140,0** | – | – |
| Profit before taxation | **140,0** | – | – |
| Taxation | **(37,8)** | – | – |
| Profit for the period from discontinued operation | **102,2** | – | – |

## 10 SUBSEQUENT EVENTS

There are no material events that occurred during the period subsequent to 31 March 2024 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, GA Klintworth, TE Mashilwane, M Sello, LA Swartz, OM Weber, DG Wilson

### NON-EXECUTIVE DIRECTOR
S Sithole

### EXECUTIVE DIRECTORS
TN Kruger (chief executive officer)
TA Govender (chief financial officer)

### COMPANY SECRETARY
JK Monaisa

### REGISTERED OFFICE
3010 Winnie Mandela Drive
Bryanston
Sandton

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Telephone: +27 11 840 4000

### AUDITORS
Deloitte & Touche

### PRINCIPAL BANKER
Rand Merchant Bank

### SPONSOR
JP Morgan Equities South Africa (Proprietary) Limited

### SOUTH AFRICAN SHARE TRANSFER SECRETARIES
Computershare Investor Services
(Proprietary) Limited
Rosebank Towers, 15 Biermann Avenue
Rosebank, 2196
Private Bag X9000
Saxonwold, 2132

### INVESTOR RELATIONS
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Telephone: +27 11 840 4000

### WEBSITE ADDRESS
www.tigerbrands.com

### CONTACT DETAILS
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THE OAK TREE GROUP

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