



RAINBOW CHICKEN LIMITED SUMMARY CONSOLIDATED ANNUAL FINANCIAL STATEMENTS AND CASH DIVIDEND DECLARATION

for the year ended June 2025

RAINBOW 

SALIENT FEATURES

POSITIVE MOMENTUM SUSTAINED AS RECOVERY REMAINS ON TRACK

Highlights in 2025 that reflect our stakeholder commitment:

REVENUE

R15,8 billion

↑ 9.0%

HEADLINE EARNINGS

R584,8 million

↑ 224.3%

EBITDA*

R1,059 billion

↑ 66.2%

HEADLINE EARNINGS PER SHARE

65.57 cents

↑ 223.6%

EARNINGS

R571,2 million

↑ 216.9%

RETURN ON INVESTED CAPITAL

16.3%

June 2024: 6.5%

EARNINGS PER SHARE

64.04 cents

↑ 216.3%

CASH GENERATED
FROM OPERATING ACTIVITIES

R1,9 billion

↑ 63.6%

DIVIDEND PER SHARE

20.0 cents

June 2024: nil

* Operating profit before interest, taxes, depreciation, amortisation and impairments ("EBITDA").

COMMENTARY

KEY HIGHLIGHTS

- Inaugural year as a stand-alone entity post unbundling
- Group turnaround strategy yielded positive results
- Strong agricultural performance of the Chicken Division
- Lower commodity input costs coupled with a reduction in expenses related to loadshedding and Avian Influenza (AI)
- Solid performance of the Animal Feed Division delivering margin growth
- Renewable energy generation from waste increased by 24% in comparison to 2024
- Strong cash position enabling a dividend declaration of 20.0 cents per share

INTRODUCTION

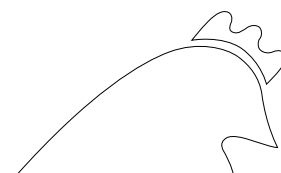
Rainbow Chicken Limited ("Rainbow") listed on the Main Board of the JSE on 26 June 2024 and unbundled from RCL FOODS Limited ("RCL FOODS") on 01 July 2024. These results are Rainbow's first set of full-year results released as a separately listed entity.

The Group's inaugural year as a stand-alone entity marks a major milestone in the execution of its turnaround strategy. The Group is far progressed with its turnaround that commenced in 2021. By enhancing feed quality, refining farming practices, and streamlining processing, Rainbow has improved its core operations to lower costs and boosted efficiency across the entire value chain.

BUSINESS STRATEGY

To support its ambition of becoming South Africa's market-leading, best-in-class and low-cost chicken producer, Rainbow this year undertook a thorough analysis of market trends, socio-political and economic conditions, evolving industry dynamics, and the potential impact of climate change on agriculture.

This formed the development of a robust forward-looking strategy known as *Future Perfect Rainbow* that will drive improvements across agricultural key performance indicators, optimise feed formulations, and upgrade facilities to improve efficiency and cost performance.



FINANCIAL REVIEW

GROUP RESULTS

INCOME STATEMENT

Reflecting on the past year, the continued momentum of Rainbow's turnaround strategy is encouraging. The Group's revenue increased by 9.0% to R15,8 billion (2024: R14,5 billion), driven primarily by stronger sales performance in the Chicken Division. EBITDA increased by R421,5 million to R1 058,7 million (2024: R637,2 million), with the EBITDA margin improving to 6.7% from 4.4% in the prior year.

	June 25 R'000	June 24 R'000	Movement
Revenue	15 838 044	14 527 425	9.0%
EBITDA	1 058 677	637 174	66.2%
EBITDA margin	6.7%	4.4%	2.3 ppts
Operating profit (EBIT)	696 686	335 676	107.6%
Operating profit margin (EBIT)	4.4%	2.3%	2.1 ppts

The stronger results have positively influenced both short-term and long-term incentive provisions, reinforcing Rainbow's performance-driven culture and its focus on delivering sustainable value to shareholders.

Net finance costs decreased by R179,7 million during the period, primarily reflecting a reduction in gearing following the debt-to-equity loan conversion from RCL FOODS, which was executed in February and May 2024. Additionally, Rainbow's stronger cash position, driven by improved profitability, further contributed to the decrease in finance costs, emphasising the Group's enhanced financial resilience and disciplined cash flow management.

Rainbow's effective tax rate for the current period was 27.4% (2024: 22.0%).

Non-controlling interests ("NCI") primarily represent the portion of profits/losses attributable to external shareholders in Rainbow's Waste-to-Value ("W2V") Division, Matzonox (Proprietary) Limited. In accordance with the income statement presentation, 50% of the profit after tax is allocated to these shareholders under the non-controlling interest line.

For the current reporting period, losses attributed to non-controlling interests increased by R10,1 million.

STATEMENT OF FINANCIAL POSITION

Property, plant, equipment and right-of-use assets increased by R120,0 million since June 2024, bringing the total to R2,2 billion. This increase is primarily attributable to capital investments of R478,7 million, partially offset by depreciation and impairment charges of R355,5 million.

During the year Rainbow continued to focus on the improvement of its core asset base as well as investments that result in operational efficiencies, increased capacity and risk mitigation. Replacement capital expenditure amounted to R443,2 million (2024: R344,3 million), while expansion-related spend totalled R24,5 million (2024: R28,1 million).

Additionally, R106,2 million (2024: R39,9 million) has been contractually committed, but remains unspent, and a further R87,1 million (2024: R34,6 million) has been approved but not yet contracted. A notable portion of the capital commitments relates to the IT separation project from RCL FOODS, as well as investment required at the Rustenburg processing plant to support sustainable electricity supply.

Rainbow continues to optimally manage net working capital. The net working capital as a percentage of revenue improved to 10.3% (2024: 15.0%), reflecting a favourable shift of R549.9 million compared to the prior year. This movement is largely attributable to timing differences between reporting periods.

Historically, Rainbow executives participated in the RCL FOODS' legacy long-term incentive scheme, specifically the Share Appreciation Rights scheme ("SARs"). Following the unbundling from RCL FOODS, all existing SARs were converted to Rainbow SARs at a similar value on 02 September 2024. This conversion was based on Rainbow's share price with accelerated vesting and replicates the original RCL FOODS' SARs rules.

As part of the conversion, Rainbow reclassified the scheme as equity-settled and derecognised the associated liability during the current financial period. All options are fully vested.

The Group's total cash position improved to R1,8 billion, primarily driven by enhanced profitability and effective working capital management, partially offset by capital expenditure spend.

FINANCIAL REVIEW CONTINUED

CASH FLOW

Cash flow generated from operating activities increased by R742,1 million, primarily attributable to the increased profitability, higher net interest earned due to a stronger cash position, and a reduction in gearing as a result of the debt-to-equity loan conversion in comparison to the prior year. Favourable working capital further enhanced available cash.

The overall net working capital position decreased relative to the prior year, mainly driven by the partial earlier customer receipt from Vector, as well as trade payables that were higher than the prior year due to the timing of cut-off between reporting periods.

The movement in investing activities compared to the prior year was primarily driven by higher capital investment offset by the settlement of the loan from RCL FOODS that was previously outstanding as at 30 June 2024.

The higher outflows in financing activities in the prior year were due to the settlement of the RCL FOODS loans following the recapitalisation. The current year outflows relate to the repayment of loans to Verdure and settlements relating to IFRS 16 lease obligations.

RETURN ON INVESTED CAPITAL ("ROIC")

	June 2025	June 2024
	16.3%	6.5%

ROIC is a key measure utilised by Rainbow in evaluating how effectively capital has been allocated to generate returns. It is calculated by dividing net operating profit after tax over the past 12 months by the invested capital. The Group's improved profitability during the current period has resulted in a stronger ROIC, reflecting enhanced operational efficiency and effective capital deployment.

DIVIDEND UPDATE

The Board of Directors has approved a final gross cash dividend of 20.0 cents per ordinary share in respect of the year ended 29 June 2025. The Board remains committed to maintaining a consistent and responsible dividend policy. The dividend declarations are guided by a range of considerations, including the Group's financial performance, the overall statement of financial position, level of gearing, capital requirements, strategic objectives and available cash.

SEGMENTAL REVIEW

Rainbow continued to deliver a robust performance in the second half of the financial year, sustaining the momentum achieved in the first half of the year, with the Chicken and Feed Divisions showing overall marked improvements relative to the prior reporting period. The financial results are underpinned by the Company's *Future Perfect Rainbow* strategy – focused on better feed, improved farming practices, and more efficient processing – all aimed at driving cost-effective outcomes.

The breed optimisation, volume efficiencies, facility capacity and stronger than expected customer demand have all played a significant role in Rainbow delivering a resilient performance, even amid challenging market conditions.

Despite the positive result delivered by the Group, the W2V Division's financial results were underwhelming, and plans are in place to address profitability.

CHICKEN DIVISION

Revenue increased by 9.6% mainly as a result of increased volume off the back of enhanced capacity at the Hammarsdale processing plant, improved product mix and diversifying our channels with strategic customers.

	June 25 R'000	June 24 R'000	Movement
Revenue	13 969 395	12 746 473	9.6%
EBITDA	685 229	337 923	102.8%
EBITDA margin	4.9%	2.7%	2.2 ppts
Operating profit (EBIT)	434 468	109 953	295.1%
Operating profit margin (EBIT)	3.1%	0.9%	2.2 ppts

The improvement in results can be mainly attributed to higher sales volumes, continued improvements in agricultural and operational performance, lower commodity input costs coupled with a reduction in expenses related to loadshedding and AI. This translated into an EBITDA improvement of 102.8% and an EBIT increase of 295.1%.

The Division continued its focus on strict cost discipline across the value chain, husbandry practices in the agricultural operations and efficiencies at the processing plants. Maintaining brand relevance and consumer affinity has developed Rainbow's ability to anticipate shifting market trends, respond more effectively to industry challenges and changes across the value chain. Improved alignment between production and evolving consumer demand contributed to improved product mix.

FINANCIAL REVIEW CONTINUED

ANIMAL FEED DIVISION

Revenue increased by 2.8%, with EBITDA growth of 30.0% and EBIT improvement of 34.7%.

	June 25 R'000	June 24 R'000	Movement
Revenue	7 389 236	7 186 161	2.8%
EBITDA	329 199	253 150	30.0%
EBITDA margin	4.5%	3.5%	1.0 pts
Operating profit (EBIT)	284 947	211 587	34.7%
Operating profit margin (EBIT)	3.9%	2.9%	1.0 pts

A continued focus on feed quality, optimising the customer value proposition and recovering poultry volumes, post the outbreak of AI in the prior year, resulted in a 5.3% increase in volumes. The volume increase was partially offset by softer selling prices due to lower commodity prices. The increase in EBIT was driven by higher volumes, a targeted improvement in the external sales mix, and disciplined cost control across the value chain.

Capital investments made in the feed mills contributed to improved processing and reliability. This, together with reduced load shedding drove plant efficiency and throughput. Capital investments will continue to focus on creating resilient, low-cost production and extracting internal and external opportunities.

WASTE-TO-VALUE DIVISION ("W2V")

Rainbow's Waste-to-Value investment plays a strategic role in converting waste from poultry farming and processing into renewable energy, directly supporting the Group's sustainability and cost-efficiency goals. Through biogas production at the Worcester and Rustenburg plants, the initiative generated 14.03 GWh of renewable electricity in the current financial period representing a 24% increase from the previous year. This output covered 16.08% of total electricity consumption at these facilities, resulting in a substantial reduction in the reliance on fossil fuel-based resources.

Whilst an improvement in operational performance was noted during the year, sustained historical losses as a result of not meeting the minimum volume and specification requirements as per the original business case resulted in an impairment of R33.0 million.

	June 25 R'000	June 24 R'000	Movement
Revenue	102 359	96 484	6.1%
EBITDA	37 358	31 959	16.9%
EBITDA margin	36.5%	33.1%	3.4 pts
Operating profit (EBIT)	(29 620)	(6)	NM*
Operating profit margin (EBIT)	(28.9%)	0.0%	(28.9 pts)

* Not meaningful

The W2V Division continues to play a critical role in Rainbow's sustainability initiatives, strategy, and concerted efforts are being made to address the operational issues.

POULTRY INDUSTRY MATTERS

At an industry level, a number of significant initiatives are currently being discussed, with one of the most significant topics being the imposition of tariffs by the United States of America ("USA" or "the US"), which is a complex issue.

The USA has imposed duties of up to 30% for all South African products exported to the USA, and no agreement to resolve this has been reached. Further, the USA is demanding an extension of the chicken export quota to South Africa linked to the historic AGOA agreement as well as self-regulation in terms of disease status. This is a major concern for the industry.

With regards to vaccinations – the Department of Agriculture has now approved the vaccination of flocks as a means to reduce the risk of occurrence of AI. This is a significantly positive step forward for the industry, but there remains a number of challenges, including the implementation of extensive monitoring protocols, likely to add significant cost to the production of chickens. SAPA and the individual role players in industry will continue to work with the Department of Agriculture to find a more realistic and affordable way to implement an effective large-scale vaccination strategy.

Progress with regards to the Poultry Sector Master Plan is largely attributable to significant investment by the industry, creating additional capacity. Government support to enable meaningful export volume is still awaited.

In 2024, the International Trade Administration Commission of South Africa ("ITAC") implemented temporary rebate provisions on imported chicken to account for the anticipated local market shortages due to the impact of AI. SAPA subsequently made representation to ITAC, demonstrating that the anticipated AI related shortages never materialised, the result of the various mitigating measures implemented by the industry, and the rebate provisions were, therefore, not required. Assurances have been provided by ITAC that no further rebates will be implemented without industry engagement.

The inefficiency of South Africa's rail system remains a major impediment to lower cost distribution of raw materials such as maize. The work conducted by the Business/Government partnership to improve the country's freight logistics network must be prioritised and driven at the highest levels to ensure the reform needed for South Africa to have a competitive supply chain.

The Poultry Industry remains a national asset, driving growth in agriculture due to demand for maize and soya. It is a bastion for overall food security and job creation in rural South Africa, while providing sustainable opportunity for meaningful transformation.

FINANCIAL REVIEW CONTINUED

OUTLOOK

The operating environment within which Rainbow operates, will continue to change. Ongoing risks include the impact of US tariff policies, volatile input costs and challenging South African trading conditions. The most pressing threat to the Group and the industry remains potential outbreaks of AI.

The leadership team will continue to concentrate on what is in its control. This includes a consistent focus on best-in-class farming practices, product quality, cost management, investment in infrastructure and the asset base. Rainbow will extract additional efficiencies from core operations, with a commitment to disciplined delivery.

The Company is adequately capitalised to fulfil the capital and investment plans designed to meet the Group's strategic objectives. To support long-term growth and resilience, it has defined a ten-year capital investment plan that coincided with the launch of the turnaround strategy four years ago. This plan includes risk-mitigating capital spend during the next five years. Investments are being prioritised based on return on investment and strategic value, particularly in broiler efficiency, hatchery technology and rearing infrastructure.

To limit the spread and impact of AI, Rainbow has adopted a proactive approach that includes substantial investment in upgrading key facilities and the enforcement of strict biosecurity protocols. As additional precautionary measures, Rainbow has relocated a significant portion of its flocks to more bio-secure facilities in Gauteng and North West, restricted bird movement to minimise the risk of transmission, and established hatching egg buffers within the production system.

Rainbow's separation from RCL FOODS has progressed well. The Group has a dedicated team overseeing the transition of IT, payroll, internal audit and certain accounting services, which is expected to be completed by June 2026.

CASH DIVIDEND DECLARATION

The Board of Directors have approved a gross cash dividend of 20.0 cents per share (16.0 cents per share net of dividend withholding tax) for the year ended 29 June 2025.

The dividend has been declared from income reserves.

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

The issued share capital at the declaration date is 893 029 748 ordinary shares. The company's income tax reference number is 9031711303.

The salient dates for the dividend will be as follows:

Publication of declaration data	Thursday, 28 August 2025
Last day of trade to receive a dividend	Monday, 22 September 2025
Shares commence trading "ex" dividend	Tuesday, 23 September 2025
Record date	Friday, 26 September 2025
Payment date	Monday, 29 September 2025

Share certificates may not be dematerialised or rematerialised between Tuesday, 23 September 2025 and Friday, 26 September 2025, both days inclusive.

For and on behalf of the Board

PR Louw

Non-executive Chairman

MP Stander

Chief Executive Officer

Centurion

27 August 2025

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

CORPORATE INFORMATION

Directors

Pieter R Louw (Non-executive Chairman)
 Cindy J Robertson (Independent Non-executive Director and Lead Independent Director)
 Agmat Brinkhuis (Independent Non-executive Director)
 Zimkhitha P Zatu Moloi (Independent Non-executive Director)
 Stephen M Parsons (Independent Non-executive Director)
 Willem O van Wyk (Non-executive Director)
 Marthinus P Stander (Chief Executive Officer)
 Kerry R van der Merwe (Chief Financial Officer)
 Wouter A De Wet (Chief Operating Officer)

Company secretary

K Mtemererwa

Registration number

2024/200346/06

JSE share code

RBO

ISIN

ZAE000334850

Registered office

Southdowns Ridge Office Park, Suite 12, Cnr John Vorster and Nellmapius Drive, Irene-Centurion, Gauteng, 0157

Transfer secretaries

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

Auditors

Ernst & Young Inc.

Sponsor

RAND MERCHANT BANK (a division of FirstRand Bank Limited)

Bankers

Absa Bank Limited and FirstRand Bank Limited

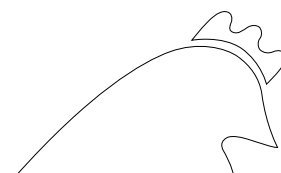
Website

www.rainbowchickens.co.za

BASIS OF PREPARATION

The Summary Consolidated Annual Financial Statements have been prepared in accordance with IFRS® Accounting Standards ("IFRS") as issued by the International Accounting Standards Board and Interpretations as issued by the IFRS Interpretations Committee, the information required by IAS 34 Interim Financial Reporting, IFRIC® interpretations, SAICA financial reporting guides and circulars as issued by the Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council and in compliance with the Companies Act of South Africa and the Listings Requirements of the JSE Limited, under the supervision of the Chief Financial Officer, Kerry van der Merwe CA(SA). The accounting policies comply with IFRS® Accounting Standards and are consistent with the audited Consolidated Annual Financial Statements and those applied in the previous year. These results are extracted from audited information, but are not themselves audited.

The Consolidated Annual Financial Statements for the year ended 29 June 2025 were audited by Ernst & Young Inc., who expressed an unqualified opinion thereon. The audited Consolidated Annual Financial Statements and the auditor's report thereon are available for inspection on request and shareholders are advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of the auditor's report together with the accompanying financial information. A copy of the audited Consolidated Annual Financial Statements and auditor's report can be obtained by contacting the Company Secretary at kay.mtemerewa@rainbowchicken.com. The auditor's report does not necessarily report on all the information contained in this announcement. The directors take full responsibility for the preparation of these results and confirm that the financial information has been correctly extracted from the underlying Consolidated Annual Financial Statements. The Integrated Annual Report will be made available to shareholders on Rainbow's website on or before 30 September 2025.



SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 29 JUNE 2025

	2025 R'000	2024 R'000
ASSETS		
Non-current assets		
Property, plant, equipment and right-of-use assets	2 193 193	2 073 204
Intangible assets	65 923	46 803
Investment property	12 346	14 219
Deferred income tax asset	64 379	52 808
	2 335 841	2 187 034
Current assets		
Inventories	1 047 322	1 042 604
Biological assets	978 463	929 712
Trade and other receivables	2 366 335	2 466 888
Derivative financial instruments	3 455	10 881
Loans receivable	–	463 829
Cash and cash equivalents	1 806 490	48 438
	6 202 065	4 962 352
Total assets	8 537 906	7 149 386
EQUITY		
Stated capital	4 260 249	4 250 000
Share-based payments reserve	20 329	–
Common control reserve	(740 842)	(740 842)
Retained earnings	1 074 220	503 481
Equity attributable to the equity holders of the Company	4 613 956	4 012 639
Non-controlling interests	22 555	15 396
Total equity	4 636 511	4 028 035
LIABILITIES		
Non-current liabilities		
Interest-bearing and non-interest-bearing liabilities	211 342	161 789
Deferred income tax liabilities	438 202	275 671
Retirement benefit obligations	20 562	18 486
Share scheme liability	–	27 357
Employee benefits – Long-term incentive	168 987	89 688
	839 093	572 991
Current liabilities		
Trade and other payables	2 767 936	2 265 090
Interest-bearing and non-interest-bearing liabilities	71 800	197 804
Derivative financial instruments	8 739	47 386
Current income tax liabilities	37 246	2 236
Bank overdraft	–	35 844
Employee benefits – Long-term incentive	176 581	–
	3 062 302	2 548 360
Total liabilities	3 901 395	3 121 351
Total equity and liabilities	8 537 906	7 149 386

SUMMARY CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 29 JUNE 2025

	2025 R'000	2024 R'000
Revenue from contracts with customers	15 838 044	14 527 425
Operating profit before interest, taxes, depreciation, amortisation and impairments (EBITDA)	1 058 677	637 174
Depreciation, amortisation and impairments ¹	(361 991)	(301 498)
Operating profit²	696 686	335 676
Finance costs	(38 469)	(154 060)
Finance income	93 344	29 230
Profit before tax	751 561	210 846
Income tax expense	(206 260)	(46 389)
Profit for the year	545 301	164 457
Profit/(Loss) for the year attributable to:		
Equity holders of the Company	571 163	180 241
Non-controlling interests ³	(25 862)	(15 784)
	545 301	164 457
Earnings per share attributable to equity holders of the Company		
Basic earnings per share (cents)	64.04	20.25
Headline earnings per share (cents)	65.57	20.26

¹ Relates only to impairments of property, plant and equipment.

² Operating profit is earnings before interest and tax.

³ These relate to the non-controlling interest's share of losses from the Waste-to-Value operations.

SUMMARY CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 29 JUNE 2025

	2025 R'000	2024 R'000
Profit for the year	545 301	164 457
Other comprehensive income		
<i>Items that will not be reclassified to profit or loss:</i>		
(Loss)/Gain on remeasurement of retirement medical aid obligations	(424)	571
<i>Items that may be reclassified to profit or loss:</i>		
Other comprehensive (loss)/income for the year – net of tax	(424)	571
Total comprehensive income for the year	544 877	165 028
Total comprehensive income/(loss) for the year attributable to:		
Equity holders of the Company	570 739	180 812
Non-controlling interests	(25 862)	(15 784)
	544 877	165 028

SUMMARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 29 JUNE 2025

	Attributable to the equity holders of the Company						Total R'000
	Stated capital R'000	Share-based payments reserve R'000	Common control reserve R'000	Retained earnings R'000	Total R'000	Non- controlling interests R'000	
Balance at 2 July 2023 (Unaudited)¹	1 249 964	207 086	(892 970)	115 583	679 663	31 180	710 843
Profit/(Loss) for the year	–	–	–	180 241	180 241	(15 784)	164 457
Other comprehensive income	–	–	–	571	571	–	571
Issue of shares	3 152 164	–	–	–	3 152 164	–	3 152 164
Reallocation to retained earnings	–	(207 086)	–	207 086	–	–	–
Reallocation to common control reserve	(152 128)	–	152 128	–	–	–	–
Balance at 30 June 2024 (Audited)	4 250 000	–	(740 842)	503 481	4 012 639	15 396	4 028 035
Profit/(Loss) for the year	–	–	–	571 163	571 163	(25 862)	545 301
Other comprehensive income	–	–	–	(424)	(424)	–	(424)
<i>Employee share incentive scheme:</i>							
– Value of employee services	–	30 578	–	–	30 578	–	30 578
– Share exercises	10 249	(10 249)	–	–	–	–	–
Additional capital contribution	–	–	–	–	–	33 021	33 021
Balance at 29 June 2025 (Audited)	4 260 249	20 329	(740 842)	1 074 220	4 613 956	22 555	4 636 511

¹ The Group consolidated financial results have been prepared as defined in the Basis of Preparation, as if the Group structure had always been in place.

SUMMARY CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 29 JUNE 2025

	2025 R'000	2024 R'000
Operating profit	696 686	335 676
Non-cash adjustments and reallocations to other areas of cash flow	558 532	402 268
Operating profit before working capital requirements	1 255 218	737 944
Working capital requirements		
Movement in inventories	(4 718)	65 976
Movement in biological assets	(13 985)	108 608
Movement in trade and other receivables	110 463	(248 549)
Movement in trade and other payables	514 835	612 396
Cash generated by operations	1 861 813	1 276 375
Finance income received	88 991	24 256
Finance costs paid ¹	(20 887)	(128 000)
Tax paid	(20 133)	(4 938)
Net cash inflow from operating activities	1 909 784	1 167 693
Cash flows from investing activities		
Replacement property, plant and equipment	(443 212)	(344 318)
Expansion property, plant and equipment	(24 546)	(28 077)
Intangible asset additions	(23 727)	(666)
Replacement investment property	–	(509)
Proceeds on disposal of property, plant and equipment and intangible assets	209	3 486
Proceeds on disposal of associate	–	51 479
Proceeds received on settlement of loan to RCL FOODS ²	458 854	–
Net cash outflow from investing activities	(32 422)	(318 605)
Cash flows from financing activities		
Repayment of interest-bearing and non-interest-bearing liabilities	(83 466)	(76 159)
Advances of interest-bearing and non-interest-bearing liabilities	–	3 800
Movement in Loans from Group Companies	–	(2 492 913)
Share issue	–	1 700 767
Net cash outflow from financing activities	(83 466)	(864 505)
Net movement in cash and cash equivalents	1 793 896	(15 417)
Cash and cash equivalents at the beginning of the year	12 594	28 011
Cash and cash equivalents at the end of the year (net of overdrafts)	1 806 490	12 594

¹ Finance costs paid exclude finance costs in respect of IFRS 16 Leases of R8.1million (2024: R12.0 million), which have been disclosed as part of lease payments within financing activities. Total finance costs incurred is R38.5 million (2024: R154.1 million), which is the sum of finance costs incurred from operations and loan from Green Create W2V SA Proprietary Limited ("Green Create") as well as finance costs paid in respect of IFRS 16 Leases. Finance costs under operating activities R20.9 million (2024: R128.0 million) relate to interest incurred and paid on the operational day-to-day activities of the business.

² As part of Rainbow's unbundling from RCL FOODS, the loan to RCL FOODS Treasury Proprietary Limited (a subsidiary of RCL FOODS Limited) had been fully settled on 01 July 2024. The loan balance included a capital portion amounting to R458.9 million and an interest portion amounting to R5.0 million.

REVENUE FROM CONTRACTS WITH CUSTOMERS

FOR THE YEAR ENDED 29 JUNE 2025

	2025 R'000	2024 R'000
Disaggregation of revenue from contracts with customers		
Revenue from contracts with customers¹	15 838 044	14 527 425
Chicken	13 969 395	12 746 473
Sale of poultry products	13 569 699	12 419 232
Sundry sales ²	399 696	327 241
Animal Feed	7 389 236	7 186 161
Waste to Value	102 359	96 484
Sales between segments	(5 622 946)	(5 501 693)
Timing of revenue recognition		
Point in time	15 838 044	14 527 425
Major sales channels³		
Revenue from the Group's sales channels are as follows:		
Chicken Division:		
Quick Service Restaurants ("QSR")	4 739 674	4 803 010
Retail, Wholesale and Sundry ("RWS")	7 188 202	6 118 888
Hotels, Restaurants and Caterings ("HORECA")	1 641 823	1 497 334
Animal Feed Division:		
Poultry	6 772 537	6 611 601
Horse	135 398	140 096
Pig	130 374	115 298
Dairy	112 294	108 311
Ruminants	96 893	80 278
Major customers		
Revenue from the Group's top five customers is as follows:		
Customer A	2 149 157	1 931 141
Customer B	1 543 462	1 861 697
Customer C	1 332 813	1 379 197
Customer D	743 299	697 284
Customer E	724 604	637 834
The above revenue is included in the segments above.		
Analysis of revenue		
Sale of poultry products	13 887 891	12 659 559
Sale of animal feed	1 937 650	1 846 456
Energy recoveries	12 503	21 410
Total	15 838 044	14 527 425

¹ The revenue derived by the Group from foreign countries, is not considered to be material.

² Sundry sales primarily consists of poultry by-products. The sale of these items arise in the ordinary course of the Chicken segment's activities. Included within these sales are cost recoveries.

³ Additional disclosures have been included within the current and prior financial year to improve the relevance of the information provided and enhance the overall level of reporting. These changes are disclosure-related only and had no impact on the amounts reported on the face of the financial statements.

CONSOLIDATED SEGMENTAL ANALYSIS

FOR THE YEAR ENDED 29 JUNE 2025

	2025 R'000	2024 R'000
Revenue from contracts with customers¹	15 838 044	14 527 425
Chicken	13 969 395	12 746 473
Animal Feed	7 389 236	7 186 161
Waste-to-Value	102 359	96 484
Sales between segments:		
Chicken to Animal Feed	(81 504)	(86 914)
Animal Feed to Chicken	(5 451 586)	(5 339 705)
Waste-to-Value to Chicken	(89 856)	(75 074)
Cost of sales²	(12 946 526)	(12 420 710)
Chicken	(11 736 162)	(11 163 326)
Animal Feed	(6 735 569)	(6 664 452)
Waste-to-Value	(97 470)	(94 196)
Set-off of inter-segment transactions	5 622 675	5 501 264
Administration expenses²	(967 455)	(656 881)
Chicken	(767 408)	(522 138)
Animal Feed	(205 727)	(131 420)
Waste-to-Value	(1 482)	(2 294)
Group	(12 884)	(1 029)
Set-off of inter-segment transactions	20 046	–
Selling and marketing expenses²	(205 266)	(182 374)
Chicken	(180 000)	(156 942)
Animal Feed	(25 266)	(25 432)
Distribution expenses²	(1 114 486)	(993 989)
Chicken	(955 390)	(838 697)
Animal Feed	(159 096)	(155 292)
Other income²	125 402	64 813
Chicken	104 032	47 191
Animal Feed	21 370	2 022
Group	–	15 600
Net impairment²	(33 027)	(2 608)
Chicken	–	(2 608)
Waste-to-Value ³	(33 027)	–
Operating profit/(loss) before interest and taxes ("EBIT")	696 686	335 676
Chicken	434 468	109 953
Animal Feed	284 947	211 587
Waste-to-Value	(29 620)	(6)
Group	6 891	14 142
Finance costs	(38 469)	(154 060)
Finance income	93 344	29 230
Profit before tax	751 561	210 846

¹ Included within the Chicken segment, Customer A (R2.1 billion) (2024: R1.9 billion) and Customer B (R1.5 billion) (2024: R1.9 billion) each contributed more than 10% to the total revenue of Rainbow. The revenue derived by the Group from foreign countries, is not considered to be material. Therefore, the Group does not have any material foreign trade receivables.

² Additional disclosures have been included within the current and prior financial year to improve the relevance of the information provided and enhance the overall level of reporting. This is following the IFRS Interpretation Committee's finalised agenda decision issued in July 2024 on the disclosure of material items of income and expense in the segment report. These changes are disclosure-related only and had no impact on the amounts reported on the face of the financial statements.

³ Following a comprehensive evaluation of the Waste-to-Value's performance in line with IAS 36, an impairment of R33.0 million against property, plant and equipment of the CGU was recognised. Key indicators supporting this assessment include sustained historical losses and underperformance against forecasted EBITDA.

CONSOLIDATED SEGMENTAL ANALYSIS

CONTINUED

FOR THE YEAR ENDED 29 JUNE 2025

	2025 R'000	2024 R'000
Depreciation, amortisation and impairments	(361 991)	(301 498)
Chicken	(250 761)	(227 970)
Animal Feed	(44 252)	(41 563)
Waste-to-Value	(66 978)	(31 965)
Operating profit before interest, taxes, depreciation, amortisation and impairments ("EBITDA")	1 058 677	637 174
Chicken	685 229	337 923
Animal Feed	329 199	253 150
Waste-to-Value	37 358	31 959
Group	6 891	14 142
Other material income/(expenses)		
Employee expenses²	(2 265 348)	(1 810 648)
Chicken	(1 969 453)	(1 588 169)
Animal Feed	(279 869)	(214 495)
Waste-to-Value	(9 419)	(7 984)
Group	(6 607)	–
Fair value on biological assets²	34 766	29 737
Chicken	34 766	29 737
Fair value on derivatives²	12 088	(50 012)
Chicken	(1 540)	(336)
Animal Feed	13 628	(49 676)
Insurance proceeds²	51 813	1 012
Chicken	51 805	601
Animal Feed	8	411
Contract growers²	(824 984)	(757 307)
Chicken	(824 984)	(757 307)
Administration fees²	(72 885)	(102 597)
Chicken	(62 464)	(90 076)
Animal Feed	(10 421)	(12 521)
Inventory expense²	(9 933 120)	(10 048 942)
Chicken	(9 387 984)	(9 527 701)
Animal Feed	(6 362 999)	(6 275 221)
Waste-to-Value	(5 415)	(2 246)
Set-off of inter-segment transactions	5 823 278	5 756 226
Fuel and gas²	(225 654)	(242 502)
Chicken	(203 405)	(216 867)
Animal Feed	(22 249)	(25 635)
Utilities²	(925 252)	(787 709)
Chicken	(840 269)	(717 772)
Animal Feed	(83 670)	(68 253)
Waste-to-Value	(1 313)	(1 684)

² To ensure consistency in reporting, additional disclosures have been incorporated into the comparative year. These enhancements contribute to improved transparency and elevate the overall quality of the disclosures.

CONSOLIDATED SEGMENTAL ANALYSIS

CONTINUED

FOR THE YEAR ENDED 29 JUNE 2025

	2025 R'000	2024 R'000
Repairs and maintenance²	(604 433)	(550 615)
Chicken	(543 125)	(488 170)
Animal Feed	(44 891)	(45 350)
Waste-to-Value	(16 417)	(17 095)
Assets		
Chicken	7 305 149	5 747 066
Animal Feed	2 336 764	2 168 022
Waste-to-Value	407 612	453 128
Group assets	232	–
Set-off of inter-segment balances	(1 511 851)	(1 218 830)
Total per statement of financial position	8 537 906	7 149 386
Liabilities		
Chicken	3 737 067	2 602 267
Animal Feed	1 220 096	1 223 278
Waste-to-Value	362 502	510 686
Group liabilities	4 663	1 821
Set-off of inter-segment balances	(1 422 933)	(1 216 701)
Total per statement of financial position	3 901 395	3 121 351

² To ensure consistency in reporting, additional disclosures have been incorporated into the comparative year. These enhancements contribute to improved transparency and elevate the overall quality of the disclosures.

	2025 R'000	2024 R'000
Additions to property, plant and equipment, investment property and intangible assets		
Chicken		
Property, plant and equipment ⁴	442 031	368 931
Investment property	–	509
Intangible assets	23 627	320
Animal Feed		
Property, plant and equipment ⁴	30 772	35 571
Intangible assets	100	346
Waste-to-Value		
Property, plant and equipment	5 913	82

⁴ Property, plant and equipment additions include the right-of-use assets recognised in accordance with IFRS 16.

RELATED PARTY TRANSACTIONS

FOR THE YEAR ENDED 29 JUNE 2025

Related party relationships exist between Rainbow Chicken Limited and the subsidiaries within the Remgro Group. The transactions and balances below relate to total operations.

Remgro Limited is the ultimate holding company of the Group.

	2025 R'000	2024 R'000
Transactions with subsidiaries of the ultimate holding company		
Sales ¹	27 064	25 658
Purchases ¹	206 638	304 137
Rental income and other recoveries ¹	10 298	7 288
Expense recoveries	19 690	876
Merchandising and distribution fee ¹	–	119 687
Management fees ²	73 706	102 597
Interest income ³	–	26 550
Interest expense ³	–	110 408
Balances with subsidiaries of the ultimate holding company		
Trade and other payables ⁴	63 671	70 611
Loan receivable ³	–	463 829
Trade and other receivables ⁴	6 294	3 235
Key management of Rainbow Chicken Limited		
In terms of IAS24 "Related Party Disclosures", key management are considered to be related parties.		
Executive management and the senior leadership team are classified as key management.		
The following transactions were carried out with key management individuals within the Group:		
– short-term employee benefits	183 785	145 702
– incentive benefits payable in the short-term ^{5,6}	271 921	46 407
– post-employment benefits	13 300	12 563
– long-term incentive benefits ⁷	79 299	94 981
– termination benefits	257	731
– share-based payments settled	10 249	–
– share related expenses	3 220	(1 541)
Total	562 031	298 843

¹ Sales and purchases are conducted with subsidiaries within the Remgro Group and pertain to inputs required by both the subsidiaries within the Remgro Group and the Rainbow Group operations.

² The management fees represent administration fees charged by subsidiaries within the Remgro Group for services rendered during the year. The terms of payment related to these fees are 30 days from statement.

³ In the prior year, the loan to RCL FOODS Treasury Proprietary Limited ("RCL FOODS Treasury"), was unsecured. The interest rate on the loan with RCL FOODS Treasury was between 8.05% and 10.05% for the 2024 financial year. The nature of this loan was such that it moved from a loan payable to a loan receivable during the prior year, thus resulting in both interest income and interest expense.

⁴ Amounts receivable and payable to related parties are subject to standard trading terms of 30 days from statement.

⁵ These benefits pertain to incentive payouts scheduled for September 2025 and comprise of an accrual combination of management Short-Term Incentive (STI) and Long-Term Incentive (LTI) under the Value Creation Plan (VCP).

⁶ To ensure consistency in reporting, additional disclosures have been incorporated into the comparative year. These enhancements contribute to improved transparency and elevate the overall quality of the disclosures.

⁷ These benefits reflect the accrued LTI (VCP) incentives for the current financial year, which are allocated for disbursement in future financial periods which are potentially due and payable beyond a 12 month period.

FAIR VALUE ESTIMATION

FOR THE YEAR ENDED 29 JUNE 2025

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The fair value of trading derivatives is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date with the resulting value discounted back to present value.

The fair value of options are determined using appropriate option pricing models which take into account the volatility of the underlying instrument.

The following table presents the Group's assets and liabilities that are measured at fair value at June.

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
June 2025				
Assets				
Breeding stock – chicken	–	–	604 913	604 913
Broiler stock – chicken	–	–	373 550	373 550
Derivatives	–	3 455	–	3 455
Total assets	–	3 455	978 463	981 918
Liabilities				
Derivatives	–	8 739	–	8 739
Total liabilities	–	8 739	–	8 739
June 2024				
Assets				
Breeding stock – chicken	–	–	562 149	562 149
Broiler stock – chicken	–	–	367 563	367 563
Derivatives	–	10 881	–	10 881
Total assets	–	10 881	929 712	940 593
Liabilities				
Derivatives	–	47 386	–	47 386
Total liabilities	–	47 386	–	47 386

EARNINGS AND HEADLINE EARNINGS PER SHARE

FOR THE YEAR ENDED 29 JUNE 2025

		2025 R'000	2024 R'000
Basic			
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the number of shares in issue during the year.			
Diluted			
Diluted earnings are calculated using the fully diluted weighted average ordinary shares in issue. Dilution is due to shares offered, but not paid and delivered to participants in the Share Appreciation Rights Scheme. A calculation is performed to determine the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to outstanding scheme shares. The number of shares calculated below is compared with the number of shares that would have been issued assuming the exercise of the share scheme options.			
Earnings			
Profit attributable to equity holders of the Company		571 163	180 241
Number of ordinary shares in issue			
Number of ordinary shares in issue – basic earnings per share	(000)	893 030	890 296
Weighted average number of ordinary shares in issue			
Weighted average number of ordinary shares in issue – basic earnings per share	(000)	891 859	890 296
Share option dilution impact	(000)	4 610	–
Weighted average number of shares– diluted earnings per share	(000)	896 469	890 296

		Gross* R'000	Net R'000
Headline earnings – June 2025			
Headline earnings reconciliation:			
Profit for the year attributable to equity holders of the Company			571 163
Net impairments		16 514	12 055
Insurance proceeds on fixed assets		(36)	(26)
Profit on disposal of property, plant and equipment		(149)	(109)
Loss on disposal of property, plant and equipment		2 393	1 747
Headline earnings			584 830

Headline earnings – June 2024			
Headline earnings reconciliation:			
Profit for the year attributable to equity holders of the Company			180 241
Net impairments		2 608	1 904
Insurance proceeds on fixed assets		(602)	(439)
Profit on disposal of property, plant and equipment		(2 692)	(1 965)
Loss on disposal of property, plant and equipment		811	592
Headline earnings			180 333

		2025 cents	2024 cents
Earnings per share			
– basic		64.04	20.25
– diluted		63.71	20.25
Headline earnings per share			
– basic		65.57	20.26
– diluted		65.24	20.26

* Included in profit before tax and attributable to equity holders of the Company.

SUBSEQUENT EVENTS

FOR THE YEAR ENDED 29 JUNE 2025

A final dividend of 20.0 cents per share was declared for the financial period ended 29 June 2025. The dividend will be paid on 29 September 2025. The last date to trade to receive a dividend will be 22 September 2025. The Rainbow share will commence trading "ex" dividend from the commencement of business on 23 September 2025 and the record date will be 26 September 2025.

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED 29 JUNE 2025

		2025 R'000	2024 R'000
Capital commitments			
Capital expenditure contracted and committed		106 203	39 928
Capital expenditure approved but not contracted		87 065	34 589
Ordinary shares in issue for accounting purposes	(000's)	893 030	890 296
Weighted average ordinary shares in issue	(000's)	891 859	890 296
Diluted weighted average ordinary shares in issue	(000's)	896 469	890 296
Net asset value per share	(cents)	519.2	452.4
Ordinary dividends per share	(cents)	20.0	Nil



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