

RCL FOODS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 1966/004972/06)
ISIN: ZAE000179438
Share Code: RCL
("RCL FOODS" or "the Group")

TRADING STATEMENT – YEAR ENDED JUNE 2020

Shareholders are referred to the trading statement published on the Stock Exchange News Service ("SENS") on 8 June 2020. RCL FOODS reported that its headline earnings per share ("HEPS") for the year ended June 2020 ("current period") would be lower by at least 30% when compared to the year ended June 2019 ("corresponding period") and that a further trading statement would be published as soon as the Group had reasonable certainty on the expected HEPS range for the current period.

Shareholders are advised that RCL FOODS expects its HEPS for the current period to be between 11.2 cents (-70.4%) and 16.2 cents (-57.2%) when compared to the reported HEPS of 37.9 cents for the corresponding period. The expected decline is largely attributable to the negative impact of the COVID-19 pandemic ("pandemic") and national lockdown, as highlighted in the trading statement published on SENS on 8 June 2020. Excluding this impact, RCL FOODS would have delivered a meaningful growth over the corresponding period. Importantly, RCL FOODS finished the current period in a strong cash position with healthy underlying cash generation.

The impact of the pandemic on global economies, exacerbated in South Africa's case considering its already weak economic fundamentals, necessitated an evaluation of the carrying values of the Group's assets for possible impairments. Following the detailed impairment review of the Group's assets, a total impairment of R1 506,3 million (R1 252,0 million post-tax) has been recognised on property, plant and equipment, goodwill and trademarks in the current period.

Largely due to the above impairments, which are excluded from the calculation of HEPS, earnings per share ("EPS") for the current period is expected to be lower than HEPS and between negative 101.8 cents and negative 104.3 cents when compared to the reported EPS of negative 12.7 cents for the corresponding period.

The Group's financial results for the current period are expected to be released on SENS on or about 31 August 2020.

Any estimate financial information contained herein has not been reviewed and reported on by the Group's external auditors.

Durban
21 August 2020

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