

RCL FOODS LIMITED
(Incorporated in the Republic of South Africa)
ISIN: ZAE000179438
Share Code: RCL
("RCL FOODS" or "the Group")

GROUP FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION FOR THE YEAR ENDED JUNE 2020

- Revenue up 7.4% to R27,8 billion
- Earnings before depreciation, amortisation and impairment (EBITDA) up 7.2% to R1 636,0 million
- Headline earnings per share (HEPS) down 65.7% to 13.0 cents
- Earnings per share (EPS) down 711.0% to negative 103.0 cents
- Cash generated by operations up 222.7% to R2 571,4 million
- Total dividend declared 25.0 cents (June 2019: 25.0 cents)

RCL FOODS reported a loss of R959,0 million and headline earnings of R114,2 million for the year ended June 2020. The COVID-19 pandemic ("pandemic") and national lockdown had a material impact on the results in the last quarter of the current financial year. The negative impact of the pandemic, coupled with the sovereign ratings downgrade, necessitated an evaluation of the carrying values of the Group's assets for possible impairments, over and above the existing obligatory annual impairment assessment of the Group's indefinite life intangible assets. Following the detailed impairment review of the Group's assets, a total impairment of R1 506,3 million (R1 255,1 million post-tax) was recognised on property, plant and equipment, goodwill and trademarks in the current year.

Groceries delivered another consistent result driven by volume growth, especially in Pet Food, Peanut Butter and Rusks. Baking was negatively impacted by volume pressure and margin challenges due to the inability to fully recover input cost increases, however the Speciality category reported a pleasing improvement following the prepared lines exit in the prior financial year and the increased demand for at-home consumption during the national lockdown. Chicken's result was negatively impacted as a result of the national lockdown with Quick Service Restaurants volumes being redirected to the Retail Wholesale channel at lower prices or being held in stock. An improved sales mix, weighted towards higher priced local sales, was the main driver of the positive Sugar result. Vector Logistics' results included a R277,5 million gain on bargain purchase arising from the acquisition of the

Imperial Logistics South Africa Group Proprietary Limited's cold chain business ("ICL"). Excluding the gain on bargain purchase, Vector made a loss for the year largely driven by significant costs associated with the ICL acquisition.

EPS for the current period is lower than HEPS, largely due to the impairments recognised during the year, which are excluded from the calculation of HEPS.

CASH DIVIDEND DECLARATION

Notice is hereby given that the directors have declared a final gross cash dividend (number 91) of 10.0 cents (8.00000 cents net of dividend withholding tax) for the year ended June 2020.

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 959 004 383 ordinary shares. The company's income tax reference number is 9950019712.

The salient dates for the dividend will be as follows:

	2020
Publication of declaration data	Monday, 31 August
Last day of trade to receive a dividend	Tuesday, 27 October
Shares commence trading "ex" dividend	Wednesday, 28 October
Record date	Friday, 30 October
Payment date	Monday, 2 November

Share certificates may not be dematerialised or rematerialised between Friday, 30 October 2020 and Monday, 2 November 2020, both days inclusive

The contents of this short-form announcement are the responsibility of the board of directors of the Group.

Shareholders are advised that this short-form announcement represents a summary of the information contained in the full announcement and does not contain full or complete details as published in the full announcement published on The Stock Exchange News Service and on the RCL FOODS website, <https://rclfoods.com/financial-results-and-reports-2020/> on 31 August 2020.

With respect to the consolidated financial statements for the year ended June 2020, the auditors, PricewaterhouseCoopers Inc., have issued an unqualified audit opinion in terms of the International Standards on Auditing. The auditors unqualified audit report in terms of International Standards on Auditing, along with their key audit matters and the Annual Financial Statements is available on the RCL FOODS website, <https://rclfoods.com/financial-results-and-reports-2020/>.

Any investment decisions by investors and/or shareholders should be based on a consideration of the full announcement as a whole and shareholders are encouraged to review the full announcement, which is available for viewing at <https://senspdf.jse.co.za/documents/2020/JSE/ISSE/RCL/31082020.pdf> or on the Group's website set out above. Copies of the full announcement may be inspected at the Group's registered office and at the offices of its sponsor at no charge, during the office hours of 08h00 to 16h30, Monday to Friday. Investors and/or shareholders may also request copies of the full announcement by contacting the company secretary at john.maher@rclfoods.com or on 087 362 8501.

Durban
31 August 2020

Sponsor
Rand Merchant Bank (A division of FirstRand Bank Limited)