

TIGER BRANDS LIMITED
("Tiger Brands" or "the Company")
(Incorporated in the Republic of South Africa)
(Registration number 1944/017881/06)
Share code: TBS
ISIN: ZAE000071080

TIGER BRANDS AUDITED GROUP RESULTS AND DIVIDEND DECLARATION FOR THE YEAR ENDED 30 SEPTEMBER 2020

Tiger Brands' earnings for the year ended 30 September 2020 were impacted by the ongoing difficulty of maintaining margins in a tough trading environment compounded by the challenges of Covid-19

SALIENT FEATURES*

- Revenue increased by 4% to R29.8 billion
- Group operating income** declined by 18% to R2.6 billion
- Group operating margin** declined to 8.7%
- EPS declined to 886 cents per share
- HEPS declined to 1 196 cents per share
- Total Dividend*** 670 cents per share
- Disposal of Value-Added Meat Products (VAMP) concluded

*From continuing operations

**Before impairments and abnormal items

***Includes a special dividend of 133 cents per share

Overview

In a year that has been catastrophic for many businesses in South Africa, Tiger Brands has been in the fortunate position of playing a pivotal role in ensuring food supply during the initial lockdown periods. This allowed the company to support the livelihoods of its employees even when sites were temporarily closed in line with lockdown regulations. This resulted in strong cash flow generation further supporting the company's healthy balance sheet and allowing management to focus on operational execution. Notwithstanding this, the results for the year have been disappointing, reflecting the challenges faced by the company in maintaining margins in what was an already difficult consumer environment before the onset of the Covid-19 pandemic.

The second half of the year was affected by the closure of non-essential facilities in Home Care and Sorghum beverages, the cost of complying with the Consumer and Customer Protection and National Disaster Regulations (pricing regulations) as well as the cost of health and safety measures. Furthermore, supply chain efficiencies were adversely impacted by temporary disruptions from Covid-19 infections at site level and within the supply chain.

Lockdown measures created favourable tailwinds from a volume perspective in certain businesses including, Wheat, Milling, Bread, oat-based Breakfast offerings (Jungle), Pasta and Groceries. However, there were corresponding headwinds in

terms of consumer demand in Snacks & Treats, Beverages, Out of Home and Baby. A dispute with a former distributor in Nigeria continued to adversely impact the performance of Exports. These developments had a negative effect on profitability from continuing operations in the second half. However, enhanced efficiencies, cost reduction measures as well as the revised operating model resulted in a significantly lower year-on-year decline compared with the year-on-year decline reported in the first half.

As previously reported, Deli Foods and VAMP have been treated as discontinued operations with the comparative information restated accordingly. The acquisition of the abattoir business at Olifantsfontein by Molare Proprietary Limited became effective on 28 September 2020, whilst the disposal of the VAMP processing facilities was successfully concluded post year-end.

Revenue from continuing operations increased by 4%, underpinned by price inflation of 6%, driven largely by currency weakness for most of the year, partially offset by an overall volume decrease of 2%. A decline in volumes in certain categories, coupled with the inability to fully recover significant raw material cost push, placed gross margins under pressure, resulting in Group operating income declining by 18% to R2.6 billion (2019: R3.2 billion).

Earnings per share (EPS) from continuing operations decreased by 66% to 886 cents (2019: 2 617 cents), principally due to the fact that earnings in the previous financial year benefited from the fair value gain relating to the unbundling of the Company's interest in Oceana, including the capital profit realised on the disposal of the Company's residual shareholding in Oceana. Headline earnings per share (HEPS) from continuing operations declined by 23% to 1 196 cents (2019: 1 556 cents). The lower rate of decrease in HEPS relative to the rate of decrease in EPS, is mainly due to the exclusion in the prior year of the aforesaid capital surplus as well as the cost of impairments in both 2019 (R213 million) and 2020 (R547 million) from the calculation of headline earnings.

EPS from total operations decreased by 74% to 612 cents (2019: 2 333 cents), whilst HEPS from total operations decreased by 29% to 940 cents (2019: 1 322 cents). The total after tax loss for the period from discontinued operations amounted to R453 million (2019: R470 million).

Report of the independent auditors

Ernst & Young Inc., Tiger Brands Limited's independent auditors, have audited the consolidated financial statements of Tiger Brands Limited from which the summarised consolidated results have been derived. The auditor also expressed an unmodified opinion on the consolidated financial statements. The consolidated financial statements and auditor's report, including key audit matters, are available on the Company's website <http://www.tigerbrands.com>.

Ordinary and special dividend

An ordinary final dividend of 537 cents per share has been declared for the year ended 30 September 2020. The total ordinary dividend for the year of 537 cents per

share aligns the distribution with Tiger Brands' dividend policy of 1.75x cover based on full year headline earnings per share.

Given the company's healthy balance sheet and the fact that there are no imminent acquisition opportunities or exceptional capex requirements, the company has also declared a special dividend of 133 cents per share as a result of the once-off proceeds received from the disposal of its VAMP business. The payment of the special dividend is subject to South African Reserve Bank approval.

The special dividend, together with the gross final cash dividend, brings the total distribution for the year to 670 cents per share (2019: 1 061 cents per share).

Shareholders are referred to the accompanying dividend announcement for further details.

Outlook

Looking ahead, it is likely that the current significant economic downturn will persist over the near and medium term. The anticipated volatility of the rand and increasing levels of unemployment will negatively impact both the supply and demand dynamics of our business. The continuing pressure on consumer disposable income highlights the need for an enhanced focus on value offerings as well as cost reduction initiatives and operating efficiencies.

Despite the challenging environment, the reconfiguration of our operating model, clear plans to compete effectively in a value economy as well as the successful execution of key strategic initiatives should position the group favourably to reverse the trend of declining profitability from continuing operations.

Declaration of final dividend and special dividend

The Board has approved and declared a final ordinary dividend (ordinary dividend) and a special dividend for the year ended 30 September 2020, as follows:

Dividend	Gross amount	Withholding tax %	Net amount
Ordinary	537 cents	20	429,60000 cents
Special	133 cents	20	106,40000 cents
Total	670 cents	20	536,00000 cents

Payment of the special dividend is subject to South African Reserve Bank (SARB) approval.

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 and special dividends have been declared out of income reserves
- The local Dividends Tax rate is 20% (twenty percent) effective 22 February 2017
- The gross total dividend amount of 670 cents per ordinary share will be paid to shareholders who are exempt from the Dividend Tax
- The net total dividend amount of 536,00000 cents per ordinary share will be paid to shareholders who are liable for the Dividends Tax

- Tiger Brands has 189 818 926 ordinary shares in issue (which includes 10 326 758 treasury shares)
- Tiger Brands Limited's income tax reference number is 9325/110/71/7.

Shareholders are advised of the following dates in respect of the ordinary and special dividends:

Declaration date	Friday, 20 November 2020
Finalisation announcement in respect of the special dividend, due to the receipt of SARB approval	Tuesday, 5 January 2021
Last day to trade cum the ordinary and special dividend	Tuesday, 12 January 2021
Shares commence trading ex the ordinary and special dividend	Wednesday, 13 January 2021
Record date to determine those shareholders entitled to the ordinary and special dividend	Friday, 15 January 2021
Payment date in respect of the ordinary and special dividend	Monday, 18 January 2021

Share certificates may not be dematerialised or re-materialised between Wednesday, 13 January 2021 and Friday, 15 January 2021, both days inclusive.

By order of the Board

KDK Mokhele

Chairman

Bryanston

19 November 2020

NP Doyle

Chief Executive Officer

Date of release: 20 November 2020

This short-form announcement is the responsibility of the directors of the Company and has not been reviewed or audited by the Group's auditors. The information disclosed is only a summary of the full announcement and does not contain full or complete details.

Any investment decisions should be based on the consideration of the full reviewed results announcement ("results"). Tiger Brands' results were released on SENS on 20 November 2020 and are available on the Company's website

www.tigerbrands.com and

<https://senspdf.jse.co.za/documents/2020/jse/isse/TIIH/TigerFY20.pdf>.

Copies of the results announcement are available for inspection at the Company's registered office, the offices of the sponsor or may be requested from the Company's investor relations department during normal business hours and are available at no charge. Due to COVID-19 restrictions, prior arrangements and requests for a physical inspection must be lodged via email on investorrelations@tigerbrands.com.

Registered office: 3010 William Nicol Drive, Bryanston, 2021

Independent non-executive directors: KDK Mokhele (Chairman). GJ Fraser-Moleketi (Chairman Designate, appointed 1 September 2020), MO Ajukwu, MJ Bowman, I Burton (appointed 3 August 2020), CH Fernandez, GA Klintworth, M Makanjee, TE Mashilwane, MP Nyama, M Sello, OM Weber (appointed 3 August 2020), DG Wilson
Executive directors: NP Doyle (Chief Executive Officer, appointed 1 February 2020), DS Sita (Chief Financial Officer, appointed 1 October 2020)
Company secretary: JK Monaisa

20 November 2020

JSE Sponsor: J.P. Morgan Equities South Africa (Pty) Ltd