

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 2021

Tiger Brands’ improved operational performance for the year ended 30 September 2021 was offset by the costs of the product recall and civil unrest

Salient Features*

- Total Revenue increased by 4% to R31.0 billion
- Revenue excluding the product recall and civil unrest increased by 5% to R31.2 billion
- Group operating income** declined by 10% to R2.2 billion
- Group operating income** excluding the product recall and civil unrest increased by 20% to R3.0 billion
- Group operating margin** declined to 7.2% from 8.3%
- Group operating margin** excluding the product recall and civil unrest increased to 9.5% from 8.3%
- EPS increased by 21% to 1 070 cents per share
- HEPS declined 6% to 1 127 cents per share
- Total Dividends increased 23% to 826 cps

*From continuing operations – consistent with the previous year, Value Added Meat Products has been treated as a discontinued operation

**Before impairments and non-operational items

Overview

This year, Tiger Brands joins a select group of South African companies that have celebrated their centenary. The company has come a long way since starting out as a small family business in Newtown, Johannesburg, to become Africa’s largest listed manufacturer of fast-moving consumer goods, with trusted brands that form part of every South African’s shopping basket. Although, the past few years have presented particularly high levels of volatility and uncertainty, with rapidly changing production and consumption patterns and increasing social, economic and environmental pressures, all of which have been exacerbated by the Covid-19 pandemic, our longevity reflects the company’s resilience, the inherent strength of our brands and the quality of our people.

Inspired by our strong history, our strategic priorities are aimed at improving the performance of our core portfolio while positioning the company for sustainable long-term growth.

Tiger Brands' results for the year ended 30 September 2021 reflect steady progress against our strategic priorities with an improved underlying performance from the core business, negated by the costs related to the product recall and the civil unrest that took place in July 2021. These costs amounted to R732 million (pre-tax).

The write-off of stock related to the civil unrest (R85 million), as well as the product recall (R308 million), has been accounted for through cost of sales. Customer refunds related to the product recall have been accounted for as a reduction in revenue, whilst other recall related costs have been accounted for through the relevant expense functions in the income statement.

In terms of the group's underlying performance, the year under review can be characterised as a year of two halves, with a solid first half result, driven primarily by a strong first quarter, offset in part by slower top line growth in the second half. Despite revenue challenges, cost savings and efficiency initiatives were sustained, resulting in positive operating leverage for the full year.

Total revenue from continuing operations (before the impact of the product recall and civil unrest) increased by 5%, underpinned by price inflation of 7%, which was partially offset by an overall volume decrease of 2%. As a result of the costs related to the product recall and civil unrest, operating income from continuing operations** declined to R2.2 billion from R2.5 billion the previous year. Gross margin and operating margin declined to 28.5% (2020: 30.1%) and 7.2% (2020: 8.3%), respectively. In addition, naked margins came under pressure due to the high level of agricultural commodity cost push not being fully recovered through selling price increases. However, this was offset by a steady improvement in manufacturing efficiencies, resulting in a marginal improvement of overall gross margins (excluding the product recall and civil unrest) to 30.3% from 30.1% in the prior year. Operating income** (excluding the product recall and civil unrest) increased by 20% to R3.0 billion.

Earnings per share (EPS) from continuing operations increased by 21% to 1 070 cents (2020: 886 cents), whilst headline earnings per share (HEPS) from continuing operations declined by 6% to 1 127 cents (2020: 1 196 cents).

EPS from total operations increased by 87% to 1 142 cents (2020: 612 cents), and HEPS from total operations increased by 20% to 1 127 cents (2020: 940 cents).

The group's statements of financial position for the years ended 30 September 2020 and 30 September 2019 were restated to better reflect the requirements of IFRS 15 by offsetting a portion of the group's rebate liability against trade and other receivables. In addition, there was a restatement in the income statement for the year ended 30 September 2020 relating to the disclosure of non-operational items to better reflect the presentation requirements of IAS 1. This change had no impact on EPS and HEPS reported for the year ended 30 September 2020.

Report of the independent auditors

** Before impairments and non-operational items

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 auditors expressed an unmodified opinion on the consolidated financial statements. The consolidated financial statements and auditor's report, including the key audit matters, are available on the Company's website www.tigerbrands.com.

Board Committee Assignments

Shareholders are referred to the Company's audited group results and dividend declaration for the year ended 30 September 2021.

In addition, shareholders are advised of the following committee appointments:

- Following the resignation of Mr Ian Burton from the board in June 2021, Ms Geraldine Fraser-Moleketi is appointed chairman of the investment committee with effect from 19 November 2021.
- Following the retirement of Ms Maya Makanjee with effect from 31 December 2021, Ms Emma Mashilwane will be appointed chairman of the social, ethics and transformation committee, with effect from 2 January 2022.
- Following the retirement of Mr Mark Bowman at the company's annual general meeting on 16 February 2022, Mr Donald Wilson will be appointed chairman of the remuneration committee with effect from 17 February 2022.

Declaration of final dividend

The Board has declared a final ordinary dividend of 506 cents per share for the year ended 30 September 2021. This, together with the interim ordinary dividend of 320 cents per share, brings the total dividend for the year to 826 cents. In view of the company's ungeared balance sheet and strong cash generating ability, it has been decided to determine this year's total dividend on the company's adjusted headline earnings. Consequently, HEPS was adjusted to exclude the impact of the product recall and the civil unrest, which took place in July this year. The Company's dividend policy of 1.75x cover has therefore been applied to HEPS after the aforementioned adjustments.

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 final 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 506.00000 cents per ordinary share will be paid to shareholders who are exempt from the Dividends Tax
- The net final dividend amount of 404.80000 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 final ordinary dividend:

Declaration date	Friday, 19 November 2021
Last day to trade cum the ordinary dividend	Tuesday, 11 January 2022
Shares commence trading ex the ordinary dividend	Wednesday, 12 January 2022
Record date to determine those shareholders entitled to the ordinary dividend	Friday, 14 January 2022
Payment date in respect of the ordinary dividend	Monday, 17 January 2022

Share certificates may not be dematerialised or re-materialised between Wednesday, 12 January 2022 and Friday, 14 January 2022, both days inclusive.

Outlook

We acknowledge that the challenging economic climate and pressure on the consumer will remain. Against this backdrop, the company has made progress in strategically positioning itself for the future. Our strategy is supported by five key pillars namely:

- Meet the needs of the consumer
- Optimise the supply chain
- Be obsessed about cost savings and efficiencies
- Build a growth pipeline, and
- Ignite our people.

We have continued to accelerate our efforts towards consumer and shopper orientation and strengthened our focus on meeting consumers' needs. Given the constrained consumer environment, our priority has been on delivering value for the consumer. We have made plans to roll-out additional innovation in the value space, while several renovations are underway in the health and nutrition segment. We have launched the Black Cat brand as our third power brand, joining Jungle Energy and TV Bar to capitalise on the rising trend in snacking.

In line with our second and third strategic pillars, we have enhanced our supply chain and our cost-saving initiatives and efficiency programmes are expected to gain momentum, supported by increased technology investments.

In the medium to long term, the recent launch of the Tiger Brands venture capital fund, which has led to the receipt of over 500 expressions of interest, will provide inorganic growth opportunities. We are in the final stages of making an offer for a

business which is closely aligned to our health and nutrition strategy, while a further nine opportunities are being assessed.

These initiatives, together with the reinvigorated and focused Africa growth strategy are expected to be supportive of top-line growth while driving our fourth strategic objective of building a growth pipeline.

Our fifth priority focus is on igniting our people and this forms the foundation of the company's growth strategy. We have aligned internally on the desired culture for the company, as well as the underpinning values and winning behaviours. Our focus is now on accelerating strategy execution.

The strategic progress achieved this year, together with the non-recurrence of once-off items in 2021, are expected to result in an improved overall performance in the year ahead.

For Tiger Brands to flourish in the years ahead, it needs to realise the commercial opportunities associated with creating a more sustainable future. This is the underlying ethos of our sustainable future strategy as we recognise the responsibility to address our material environmental, social and governance (ESG) impact and continue to integrate this across the organisation.

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

NP Doyle
Chief Executive Officer

Bryanston

18 November 2021

Date of release: 19 November 2021

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 Tiger Brands annual results announcement ("Results"). The results were released on SENS on 19 November 2021 and are available on the Company's website www.tigerbrands.com and

<https://senspdf.jse.co.za/documents/2021/jse/isse/tiih/TigerHY21.pdf>.

Copies of the Results are available for inspection at the Company's registered office, the offices of our sponsor or may be requested from the Company's investor relations department during normal business hours and are available at no charge.

Registered office: 3010 William Nicol Drive, Bryanston, 2021

Independent non-executive directors: GJ Fraser-Moleketi (Chairman), MO Ajukwu, MJ Bowman, CH Fernandez, GA Klintworth, M Makanjee, TE Mashilwane, M Sello, OM Weber, DG Wilson

Executive directors: NP Doyle (Chief Executive Officer), DS Sita (Chief Financial Officer)
Secretary: JK Monaisa

Sponsor

J.P. Morgan Equities South Africa Proprietary Limited