

RFG Holdings Limited  
(Incorporated in the Republic of South Africa)  
(Registration number 2012/074392/06)  
Share code: RFG  
ISIN: ZAE000191979  
("RFG" or "the group")

## TRADING UPDATE FOR THE 11 MONTHS ENDED AUGUST 2022

Revenue for the 11 months to August 2022 ("the period") increased by 21.2% after the group reported growth of 20.9% in the first six months of the 2022 financial year. Revenue growth was driven by ongoing strong international demand for the group's canned fruit and fruit puree products and a resilient performance in the regional segment against the background of the deteriorating consumer spending environment.

The group continues to experience significant inflationary pressures from higher input costs caused by rising global commodity prices, particularly in tin cans, meat and oils. Management has made good progress in protecting margins by recovering the increased costs from customers and consumers, but it is still proving challenging to fully recover cost increases in certain key product categories.

The trading environment has been impacted by loadshedding and related water supply disruptions in certain of the group's facilities in Gauteng. This resulted in lower production output, higher manufacturing costs and lost sales. The group will invest in renewable energy infrastructure to reduce the impact of loadshedding and solar power installations are planned for three further production facilities.

### Regional segment

Revenue in the group's regional segment increased by 11.5% with volume growth of 5.2% and price inflation and product mix changes of 6.3%.

Fresh foods revenue increased by 18.0% with the Today pie business, acquired in February 2022, contributing 6.9% of the revenue growth. Price increases and mix changes accounted for 10.9% of the revenue growth with volumes growing marginally on the prior period.

Ready meals again reported good volume growth and continued to prove resilient in the weak consumer spending environment. The pie category margin has started to recover despite high levels of meat price inflation and competitor promotional activity, although volume growth has slowed.

Long life foods turnover grew by 7.9%, with volume growth of 4.0%. The growth was mainly driven by fruit juice, the largest long life category, and dry foods. However, volumes remain under pressure from slower canned meat and vegetable sales.

Long life foods sales into the rest of Africa again showed good growth of 16.4%, supported by juice, canned meat and dry foods sales.

#### International segment

Strong demand for the group's canned fruit and fruit puree products contributed to international turnover increasing by 66.2% as export volumes grew by 22.5%. The high demand has been supported by the failure of last year's peach crop in Greece, the world's largest exporter of canned peaches, while the group continues to diversify its international sales and expand into new markets.

The international performance also profited from the weakening currency. The Rand/US dollar exchange rate averaged R15.76 in the 11 months to August 2022, 8.3% higher than the average of R14.55 in the prior comparative period, increasing revenue for the period by approximately R87 million or 9.2%.

Export growth has also benefited from the easing of congestion at the Cape Town port, although global shipping and logistics challenges are still adversely impacting sales and contributed to higher freight costs.

The financial information in this trading update is the responsibility of the directors and has not been audited, reviewed or reported on by the group's independent external auditors.

The group's annual financial results for the year to September 2022 will be released on SENS on 23 November 2022.

Groot Drakenstein  
13 September 2022

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