

TIGER BRANDS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1944/017881/06)

Share code: TBS

ISIN: ZAE000071080

("Tiger Brands" or the "Company")

TIGER BRANDS UNAUDITED GROUP RESULTS AND DIVIDEND DECLARATION FOR THE SIX MONTHS ENDED 31 MARCH 2023

Tiger Brands delivers strong revenue growth for the six months ended 31 March 2023 while higher operating costs dilute earnings

Salient Features

- **Revenue up 16% to R19.4 billion**
- **Group operating income* down 9% to R1.4 billion**
- **Group operating margin* down to 7.0% from 8.9%**
- **EPS up 2% to 749 cents per share**
- **HEPS up at 731 cents per share from 729 cents per share**
- **Interim Dividend unchanged at 320 cents per share**

*Before impairments and non-operational items

Overview

Despite strong revenue growth, Tiger Brands' performance for the six months ended 31 March 2023 was impacted by a challenging operating environment due to prolonged periods of loadshedding, while high levels of inflation and lower disposable income adversely impacted consumer behaviour in terms of volumes and basket mix. Total earnings were impacted by lower insurance proceeds received relative to the prior year, as well as higher financing costs.

Total revenue increased by 16% to R19.4 billion, driven by price inflation of 17% and overall volume declines of 1%. Volumes held steady in the Domestic Business, driven by a strong volume recovery in Bakeries, Snacks & Treats and Personal Care and good performances in Sorghum Breakfast, Rice, Beverages, and Out of Home. However, volume declines were recorded in flour to retail and wholesale customers, Sorghum Beverages, Groceries and Baby with a marginal decline in Home Care. The firm recovery in Export volumes was offset by a significant decline in Deciduous Fruit volumes.

Although cost saving initiatives and supply chain efficiencies are delivering ahead of plan, these were not enough to counter the high level of input cost inflation, further impacted by the cost of operating in a constrained electricity environment. The total cost of loadshedding amounted to R76 million for the period relative to R12 million in the corresponding period last year, resulting in incremental energy costs of R48

million. As a result, gross margins declined to 27.0% from 29.2% last year. Group operating income (before impairments and non-operational items) decreased by 9% to R1.4 billion. Group operating income in the prior period benefited from insurance proceeds amounting to R161 million related to a product recall and civil unrest that took place in July 2021. In the current period, insurance proceeds amounted to R20 million. Excluding the impact of these proceeds, group operating income declined by 2% and group operating margins decreased to 6.9% from 7.9%.

Earnings per share (EPS) increased by 2% to 749 cents (2022: 733 cents) whilst headline earnings per share (HEPS) increased marginally to 731 cents (2022: 729 cents).

Changes to board committees

Mr Sam Sithole, who was appointed as a non-executive director of the company from 1 April 2023, has been appointed as a member of the nominations, remuneration and investment committees with effect from 1 June 2023.

Declaration of interim dividend

The Company has declared an ordinary dividend of 320 cents per share for the six-months ended 31 March 2023, which is in line with the interim dividend declared last year. 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 dividend has 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 320.00000 cents per ordinary share will be paid to shareholders who are exempt from the Dividends Tax
- The net total dividend amount of 256.00000 cents per ordinary share will be paid to shareholders who are liable for the Dividends Tax
- Tiger Brands has 180 327 980 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 interim ordinary dividend:

| | |
|---|------------------------|
| Declaration date | Tuesday, 30 May 2023 |
| Last day to trade cum the ordinary dividend | Tuesday, 4 July 2023 |
| Shares commence trading ex the ordinary dividend | Wednesday, 5 July 2023 |
| Record date to determine those shareholders entitled to the ordinary dividend | Friday, 7 July 2023 |
| Payment date in respect of the ordinary dividend | Monday, 10 July 2023 |

Share certificates may not be dematerialised or re-materialised between Wednesday, 5 July 2023 and Friday, 7 July 2023, both days inclusive.

Outlook

With consumer confidence continuing to decline, stubbornly high levels of food inflation and a significant increase in interest rates, consumers are becoming more value conscious and price elasticities are rising. In addition, although a significant reduction in certain internationally priced commodities is anticipated, this is currently being offset by rand weakness, whilst operating costs are expected to rise significantly as a consequence of higher levels of loadshedding during the winter season.

In a low to no growth environment, our efforts will prioritise efficiency improvements and cost reduction initiatives in order to meet the consumers' need for affordability. In addition, we will continue to focus on enhancing our penetration and performance in the general trade while sustaining the positive share gains in modern trade.

Improving the performance of the Groceries, Bakeries and Rice segments will be prioritised in the short-term. Nevertheless, should current operating conditions persist, maintaining full year operating income in line with last year will be challenging.

Despite the immediate headwinds, we will continue to balance short-term impact with long-term growth without compromising the future sustainability of the business. To this end, we will continue to invest in our facilities, our brands, our innovation and digital capabilities as well as our people.

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

29 May 2023

Date of release: 30 May 2023

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 interim results announcement ("Results"). The Results were released on SENS on 30 May 2023 and are available on the Company's website www.tigerbrands.com and <https://senspdf.jse.co.za/documents/2023/jse/isse/tiih/TigerHY23.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, FNJ Braeken, CH Fernandez, GA Klintworth, TE Mashilwane, M Sello, S Sithole (appointed 1 April 2023), 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