

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 2023

RFG increased revenue by 10.0% for the 11 months to end August 2023 ("the period"). The sustained growth was driven by price inflation of 13.5% as the group continued to make pleasing progress in recovering the higher input costs encountered over the past two years.

The trading environment remains challenging, with slower consumer spending and increased competitor promotional activity. This has created volume pressure in some product categories and overall group volumes declined by 7.7%, with negative mix changes of 0.4% when compared to the prior comparative period. The negative impact of volume declines was partially offset by foreign exchange gains which contributed 3.5% to revenue growth and the Today acquisition contributed 1.1% to revenue growth.

### Regional segment

Management continued to maintain the balance between price and volume, with cost recoveries aimed at reaching the targeted margin of 10% for the regional segment. While negative volume growth is being experienced in the regional business, the rate of volume decline of RFG products slowed by 200 basis points to 6.0% compared to the 8.0% reported for the first half of the financial year. The group's volume decline is lower than the market in the comparable categories.

Regional revenue for the period increased by 11.0% with price inflation of 16.4% and volumes declining by 6.0%. Acquisitive growth contributed 1.4% and the mix change was -0.8%.

The strong performance of the pie category continued into the second half of the year, supported by the growth of the Today business. The ready meals category again proved resilient in the constrained spending environment.

In long life foods, the fruit juice and dry foods categories recorded double-digit revenue growth. Volumes in the canned fruit and vegetable categories remain under pressure from weak consumer demand, cost pressures from high raw material and packaging costs as well as the competitive environment.

### International segment

Revenue grew by 6.7%. Strong international selling prices and the benefit of the weaker Rand were offset by the 12.9% decline in volumes after production volumes were returned to historical levels in the current period following the increased production in the prior period to meet the higher global demand as a result of the Greek peach crop failure in 2021.

The Rand/US dollar exchange rate averaged R18.28 in the 11 months to August 2023, 16.0% higher than the average of R15.76 in the prior comparative period.

Export shipments are being impacted by operational pressures at the Cape Town port. After initial signs of improvement earlier in the financial year, service levels have since deteriorated and shipping lines are bypassing the port if it is deemed too costly to dock due to the slower turnaround and waiting time in the port. Challenging winter weather conditions have also hampered the port operations.

#### Impact of load shedding

The group continues to manage the impact of load shedding on production facilities and operating efficiencies. New and replacement generators have been installed in the current period at a cost of R14 million, with all production facilities in South Africa able to operate at full capacity during load shedding. The high monthly diesel costs have moderated in the second half of the financial year following the completion of the fruit canning season at the Tulbagh factory in May and lower levels of load shedding in recent months. However, this respite is expected to be short lived owing to the significant increase in the volume of load shedding in the first two weeks of September.

Solar energy solutions have been installed at three production facilities and a further three installations will be completed by the end of September 2023. Four solar projects are planned for the 2024 financial year.

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 auditor.

The group's annual financial results for the year to end September 2023 will be released on the Stock Exchange News Service on or about 22 November 2023.

Groot Drakenstein  
18 September 2023

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