

## **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 AUDITED GROUP RESULTS AND DIVIDEND DECLARATION FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**Tiger Brands delivers a mixed set of operational results while group earnings benefit from higher income from associates**

### **Salient Features**

- Revenue increased by 10% to R37.4 billion
- Group operating income\* declined by 9% to R3.1 billion
- Income from associates increased 46% to R697 million
- EPS declined by 2% to 1 725 cents per share
- HEPS up 2% to 1 735 cents per share
- Final dividend up 3% to 671 cents per share
- Total dividend of 991 cents per share

\*Before impairments, fair value losses and non-operational items

### **Overview**

Tiger Brands' results for the 12 months ended 30 September 2023 are reflective of the challenging trading environment marked by high food inflation, cost-conscious consumers continuing to trade out of premium products, rand depreciation, and unreliable electricity supply.

Despite double-digit inflation across the portfolio, the impact on group volumes was minimal. Total revenue increased by 10% to R37.4 billion, driven by price inflation of 11%, favourable foreign exchange gains of 1% and marginal overall volume declines of 2%. Volume growth in Exports was offset by volume declines in the Domestic Business, primarily attributable to Milling and Baking, Groceries, and Baby as well as the Deciduous Fruit business due to the timing of shipments. These volume declines were partially offset by good volume growth in Rice, Beverages, Home and Personal Care, Tiger Brands Food Service Solutions (previously Out of Home) as well as Chococam.

Cost containment initiatives and supply chain efficiencies continued to make a positive contribution to the results at R525 million; R65 million higher than the R460 million previously guided. Despite this, the ongoing challenges of fully recovering higher input costs persisted in the second half resulting in the overall gross margin declining to 27.7% from the 30.3% reported in the prior year. Group operating income was impacted by non-recurring items related to insurance proceeds of R137 million (2022: R190 million) and retrenchment costs in the current year of R95 million (2022: reversal of R8 million), resulting in a decline of 9% to R3.1 billion.

Income from associates increased by 46% to R697 million, driven by a good underlying performance from Carozzi. Earnings from National Foods were favourably impacted by R120 million due to a change in functional currency from Zimbabwean Dollars (ZWD) to United States Dollars (USD) as a consequence of listing on the Victoria Falls Stock Exchange (VFEX) in January 2022.

Net financing costs for the year amounted to R238 million compared to R75 million last year. The increase was due to higher interest rates, the impact on opening cash balances of the R1.5 billion share buyback, which commenced in June 2022 and concluded in August 2022, and higher average levels of working capital investment despite progress being made in managing these levels down in the second half of the financial year.

The group's effective tax rate before fair value losses, non-operational items and income from associates declined slightly to 29.0% from 29.4% last year.

EPS decreased by 2% to 1 725 cents (2022: 1 762 cents). HEPS increased marginally by 2% to 1 735 cents (2022: 1 702 cents). The variation in EPS when compared to HEPS is due to the non-recurrence of certain capital profit items accounted for in EPS in FY22, which were excluded from HEPS.

### Report of the independent auditors

Deloitte & Touche, Tiger Brands' independent auditors, have audited the consolidated financial statements of Tiger Brands. The auditors expressed an unmodified opinion on the consolidated financial statements. The consolidated audited financial statements and auditor's report are available on the Company's website [www.tigerbrands.com](http://www.tigerbrands.com).

### Declaration of final dividend

The Company has declared a final ordinary dividend of 671 cents per share for the year ended 30 September 2023, in line with the Company's dividend policy of 1.75x cover based on HEPS. This, together with the interim dividend of 320 cents per share brings the total dividend for the year to 991 cents per share.

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 final dividend amount of 671.00000 cents per ordinary share will be paid to shareholders who are exempt from the Dividends Tax
- The net final dividend amount of 536.80000 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 final ordinary dividend:

Declaration date	Friday, 1 December 2023
Last day to trade cum the ordinary dividend	Tuesday, 16 January 2024
Shares commence trading ex the ordinary dividend	Wednesday, 17 January 2024
Record date to determine those shareholders entitled to the ordinary dividend	Friday, 19 January 2024
Payment date in respect of the ordinary dividend	Monday, 22 January 2024

Share certificates may not be dematerialised or re-materialised between Wednesday, 17 January 2024 and Friday, 19 January 2024, both days inclusive.

## Outlook

The immediate market outlook remains challenging. Consumer confidence is likely to remain under pressure given elevated interest rates and high food inflation. While there has been a recent softening in global food prices, this has been offset in South Africa by a weakening rand as well as loadshedding that has disrupted food production and distribution and significantly increased costs for manufacturers and food retailers. Although some projections suggest food inflation in the country will abate, this assumes a further slowdown in global food inflation, an easing in electricity outages, an improvement in our summer crop production, and a stable rand, none of which is guaranteed.

Given the anticipated low to no growth environment, and in response to the recent shifts in consumer and shopper behaviour, we have prioritised the below key focus areas aimed at regaining lost momentum and delivering a step change in trajectory.

- **Operating model:** There is opportunity for Tiger Brands to establish a cost structure and operating model that enables sustainable growth. To this end, the most appropriate organisational design will be implemented with renewed intensity and urgency.
- **Reshaping to a desired portfolio of the future:** We are looking to deliver some changes to our current portfolio, by exploring identified opportunities for entry in adjacent categories – where we see valuable synergies, a growing market, and/or higher margin potential – as well as exiting certain categories and product ranges that are no longer deemed future-fit.

- **Restoring cost leadership:** We will continue our rigorous approach to cost savings, having identified additional opportunities informed by an extensive external and internal benchmarking exercise, which will deliver on specific targets by expense type and category.
- **Rejuvenating our brands:** We will be further simplifying, rationalising and stretching our brands with a thorough analysis of marketing investment to ensure that our brands talk to the relevant consumer and demand spaces, with progress measured both in terms of brand profitability and brand equity.
- **Turbo-charging our growth in general trade:** To capture the growth opportunities evident in the informal sector we are expanding our presence in this segment of the market by implementing robust route-to-market support and solutions for our general trade customers.
- **Executing our identified key growth platforms in three priority areas:** We have prioritised three growth platforms aimed at driving broader consumer and shopper relevance and increasing market success: driving affordability, democratising health and nutrition, and over-indexing on snackification.

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

TN Kruger  
Chief Executive Officer

Bryanston

30 November 2023

Date of release: 1 December 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 audited consolidated annual financial statements and related commentary ("Results"). The results were released on SENS on 1 December 2023 and are available on the Company's website [www.tigerbrands.com](http://www.tigerbrands.com) and via the JSE cloudlink: <https://senspdf.jse.co.za/documents/2023/jse/isse/tiih/TigerFY23.pdf>.

Registered office: 3010 Winnie Mandela Drive, Bryanston, 2021

Independent non-executive directors: GJ Fraser-Moleketi (Chairman), MO Ajukwu, FNJ Braeken, GA Klintworth, TE Mashilwane, M Sello, LA Swartz, OM Weber, DG Wilson

Non-executive directors: S Sithole (appointed 1 April 2023)

Executive directors: TN Kruger (Chief Executive Officer), DS Sita (Chief Financial Officer)

Company secretary: JK Monaisa

Sponsor

J.P. Morgan Equities South Africa Proprietary Limited