

PREMIER GROUP LIMITED

(Incorporated in the Republic of South Africa)

Registration number 2007/016008/06)

JSE share code: PMR

ISIN: ZAE000320321

(Premier, the "Group" or the "Company")

GROUP FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH 2024 AND CASH DIVIDEND DECLARATION

FINANCIAL OVERVIEW

- Revenue increased by 3.6% to R18.6 billion
- Earnings before finance income and finance costs, tax, depreciation and amortisation ("EBITDA") increased by 18.6% to R2.1 billion
- Operating profit increased by 26.4% to R1.6 billion
- Earnings per share ("EPS") increased by 13.3% to 715 cents per share
- Headline earnings per share ("HEPS") increased by 17.4% to 744 cents per share
- Normalised HEPS¹ increased by 34.8% to 744 cents per share

¹ The prior year normalised headline earnings per share were reduced for foreign exchange gains on cash and loans of a funding nature of R60 million and by the reversal of accrued withholding tax on preference dividends of R43 million to profit on the conversion of the redeemable preference shares to ordinary shares. These items were once-off items that were included in prior year net profit.

COMMENTARY ON PERFORMANCE

We are pleased to present another set of robust results for Premier for the year ended 31 March 2024. Premier maintained an unrelenting focus on optimising operational efficiencies, margin management and upskilling our people, paving the way for the Group's success. Notwithstanding economic constraints, Premier has with the benefit of R6 billion of capital expenditure over the past ten years, managed to deliver on its investment case with resilience and commitment to its purpose.

As anticipated, the growth in the Group's revenue moderated to 3.6% bringing revenue up to R18.6 billion. Both the Millbake and the Groceries and International categories contributed to the growth increasing by 3.7% and 3.3% respectively. The softening to single digit revenue growth was expected given the impact of significant soft commodity inflation in the prior year and its subsequent stabilization.

EBITDA increased by 18.6% to R2.1 billion, underpinned by strong results in both categories. Millbake EBITDA grew by 20.6%, while the Groceries and International EBITDA grew by 3.7%. The Group's EBITDA margin of 11.0% improved by 140 basis points compared to the prior year level of 9.6%.

Operating profit increased by 26.4% to R1.6 billion. The operating profit margin improved by 160 basis points to 8.8% when compared to last year.

EPS increased by 13.3% to 715 cents and HEPS increased by 17.4% to 744 cents. Normalised HEPS increased by 34.8% to 744 cents. There was no difference between HEPS and normalised HEPS for the current year.

Cash generated from operations increased by 54.8% to R2.4 billion, underpinned by the growth in the Group's EBITDA and supported by well managed working capital with improved debtor collections and lower inventory balances at 31 March 2024.

The cash generated by the Group has enabled substantial deleveraging reducing the leverage ratio to a level of 0.9x that is significantly lower than historical levels. Voluntary capital repayments on borrowings of R706 million were made and a further R210 million was repaid on the bank overdraft facility during the

year. This voluntary capital repayment remains available to drawdown for future funding requirements.

MILLBAKE

The Millbake division continued to deliver pleasing results. The moderating of revenue growth was due largely to the stabilisation of soft commodity prices and global volatility. The upgrades of several bakeries and wheat mills have improved efficiencies and yielded positive results. Despite the persistent burdens of high interest rates and unemployment levels, which continue to negatively impact disposable income, Premier remains well positioned to service low-income consumers with its broad product offering.

GROCERIES AND INTERNATIONAL

The Groceries and International division performed well with strong growth in Sugar Confectionery and pleasing results in Home and Personal Care (HPC). The optimisation of the confectionery footprint and increased capacity in HPC manufacturing has introduced enhanced efficiencies and enabled onshoring of supply to the UK market. The Group's business division in Mozambique, CIM, continues to face headwinds but the business remains well positioned for the anticipated economic recovery.

CASH DIVIDEND DECLARATION

Premier is pleased to announce that a final gross dividend of 220 cents per share has been declared out of the Company's reserves in respect of both the ordinary shares of no-par value and the unlisted "A" and "A1" ordinary shares of no par-value, for the year ended 31 March 2024. This equates to a final gross dividend of R283.6 million in respect of the ordinary shares and R2.6 million in respect of the "A" ordinary shares.

Cash flows over FY2024 remained ahead of expectations, and the Company has shown strong deleveraging of the balance sheet ahead of initial guidance. Premier continues to maintain appropriate cash reserves to execute on committed capital requirements, as well as to retain flexibility to assess organic and inorganic growth opportunities as they may arise. Furthermore, the Board is satisfied that the Company is solvent and liquid, and that it has sufficient capital and reserves after the payment of the final dividend, to support its operations for the foreseeable future.

The "A" and "A1" ordinary shareholders have a right to receive a distribution each time the Board authorises a dividend to the Company's ordinary shareholders. The "A" and "A1" distribution is determined in relation to the number of ordinary shares that equal the value of the "A" and "A1" ordinary shares. The issued share capital at the declaration date is 128 905 800 ordinary shares, 15 457 "A" ordinary shares and 23 060 "A1" shares. The latter shares equate to 1 171 167 and 0 ordinary shares respectively.

A dividend withholding tax of 20% or 44 cents per share will be applicable, resulting in a net dividend of 176 cents per share, unless the shareholder concerned is exempt from paying dividend withholding tax or is entitled to a reduced rate in terms of an applicable double-tax agreement. The Company's tax reference number is 9102629160.

The salient dates relating to the payment of the dividend are as follows:

Last day to trade in order to participate in the dividend	Tuesday, 30 July 2024
First day to trade ex-dividend	Wednesday, 31 July 2024
Record date	Friday, 2 August 2024
Payment date	Monday, 5 August 2024

Share certificates may not be dematerialised or rematerialised between Wednesday, 31 July 2024 and Friday, 2 August 2024, both days inclusive.

In terms of the Company's Memorandum of Incorporation, dividends will only be transferred electronically to the bank accounts of shareholders. In the instance where shareholders do not provide the Transfer Secretaries with their banking details, the dividend will not be forfeited but will be marked as 'unclaimed' in the share register until the shareholder provides the Transfer Secretaries with the relevant banking details for payout.

For FY2025, as part of the 30% - 60% targeted pay-out ratio, Premier will consider a combination of ordinary dividends, special dividends and share buybacks in an ongoing commitment to total shareholder returns in line with expectations. Any share buyback will be executed with consideration to liquidity parameters.

ACQUISITION AFTER YEAR END

Premier has acquired a 30% shareholding in Goldkeys International Proprietary Limited ("Goldkeys") with effect 3 June 2024.

The investment builds on the relationship that commenced on 10 May 2023, when Premier entered into a Sales, Merchandising and Route to Market Services Agreement with Goldkeys to manage their sales function to assist them in building its brands and sales outside of KwaZulu-Natal.

Goldkeys is a rice distributor based in KwaZulu-Natal that was founded in 1994 and is one of the largest rice importers into South Africa. It supplies branded Thai and Indian sourced rice under its brands "Golden Delight", "Golden Pride" and "Light & Right", as well as house brands to a number of South Africa retailers and independent wholesalers. Goldkeys is a growing business and for the month of February 2024, its "Golden Delight" brand achieved the No.2 national market share by volume (as measured by NielsenIQ).

The investment is aligned with Premier's strategy to grow its branded product portfolio. Rice complements Premier's staple foods basket of bread, maize, and wheat products offering synergies along the value chain. The investment in Goldkeys will benefit Premier's existing rice operations outside South Africa where it sources rice for sale under its own brands.

Premier settled the purchase consideration in cash on 3 June 2024 and has appointed representatives to the board of directors of Goldkeys. The investment in Goldkeys will be treated as an associate and equity accounted for.

OUTLOOK

Premier continues to execute on the business strategy articulated in the Pre-listing statement, retaining focus on efficiencies and agile execution. Lingering volatility remains, impacting soft commodity prices, and these inflationary pressures are expected to sustain revenue growth in the coming year. Operational efficiencies exhibited throughout the business will support the continuation of margins experienced during the past year. From a capital projects perspective, the refurbishment of the Aeroton bakery will remain the primary focus for the year.

We continue to align our sustainability journey with our corporate strategy supporting a long-standing commitment to our purpose. Premier engages constructively with all spheres of government and looks forward to engaging with the new administration post the national and provincial elections.

Any forward-looking information contained in this announcement has not been reviewed or reported on by the Group's auditors.

ABOUT THIS ANNOUNCEMENT

The contents of this results announcement are the responsibility of the directors of the Company and have not been reviewed or audited by the Group's auditor.

This announcement is a summary of information in the audited consolidated annual financial statements for the year ended 31 March 2024 ('results') and does not contain full or complete details. Any investment decisions by investors and/or shareholders should be based on the results. The results and the summary consolidated annual financial statements are available on the JSE's cloudlink at <https://senspdf.jse.co.za/documents/2024/JSE/ISSE/PMRE/11062024.pdf> and published on the Company's website, <https://www.premierfmcg.com/investors/results-reports> on 11 June 2024.

PricewaterhouseCoopers Inc., the Group's independent auditor, has audited the consolidated annual financial statements of the Group from which this announcement has been derived, and has expressed an unqualified audit opinion on the consolidated annual financial statements.

Non-executive directors

I van Heerden (Chairman), JER Matthews, PRN Hayward-Butt (Alternate Director to JER Matthews)

Independent non-executive directors

FN Khanyile (Lead Independent), DD Ferreira, H Ramsumer and W Sihlobo

Executive directors

JJ Gertenbach (Chief Executive Officer), F Grobbelaar (Chief Financial Officer)

Company Secretary: B Baker

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)

11 June 2024