

RCL FOODS LIMITED

(Incorporated in the Republic of South Africa)

ISIN: ZAE000179438

Share Code: RCL

("RCL FOODS" or "the Company" or "the Group")

GROUP FINANCIAL RESULTS AND CASH DIVIDEND DECLARATION FOR THE YEAR ENDED 30 JUNE 2024

- Revenue from continuing operations* up 6.8% to R26,0 billion
- Earnings before interest, tax, depreciation, amortisation and impairments (EBITDA) from continuing operations up 36.8% to R2 300,5 million
- Underlying** EBITDA from continuing operations up 15.5% to R2 216,1 million
- Headline earnings per share (HEPS) from continuing operations up 31.0% to 121.6 cents
- Underlying HEPS from continuing operations up 8.3% to 127.7 cents
- Total earnings per share (EPS) up 163.2% to 182.4 cents
- Total HEPS up 108.1% to 142.1 cents
- Total dividend per share declared for the 2024 financial year: 35.0 cents per share (2023: Nil)

**Continuing operations relates to the remaining RCL FOODS business, post the Vector disposal in August 2023 and Rainbow unbundling effected post the end of the current financial year, on 1 July 2024. The remaining RCL FOODS business comprises the Groceries, Baking, Sugar and Group (shared services) segments.*

***The underlying view of the results excludes material once-offs and accounting adjustments. Refer to the "Reconciliation between unadjusted and underlying results" section provided as part of the summary consolidated financial statements for further details.*

RCL FOODS has delivered a pleasing set of full-year results despite softer consumer demand. Group revenue from continuing operations increased by 6.8% to R26,0 billion (2023: R24,3 billion), mainly due to higher sales pricing necessitated in response to sustained high input costs. EBITDA from continuing operations increased by 36.8% to R2 300,5 million (2023: R1 681,6 million). This was mainly driven by a strong result in our Sugar business unit and the recovery of service levels in the Pet Food business within Groceries.

We are proud to have successfully delivered on two key objectives in our portfolio reshape, first with the disposal of Vector

Logistics (in August 2023) and now Rainbow (on 1 July 2024) exiting the Group to pursue its own value-creation course. The Vector Logistics business was disposed of on 28 August 2023 to EMIF II Investment Proprietary Limited, a subsidiary of Denmark-based A.P. Møller Capital. To ensure a smooth separation from the Group, RCL FOODS provided transitional services to Vector Logistics for a 12-month period which came to an end on 28 August 2024. The Rainbow business, which was separated internally from RCL FOODS in the 2022 financial year to prepare it for independent operation, listed on the Main Board of Johannesburg Stock Exchange (JSE) on 26 June 2024. The unbundling of Rainbow from the RCL FOODS Group by way of a pro rata distribution in specie became effective from 1 July 2024. To assist in ensuring a responsible exit from the Group and to allow sufficient time for Rainbow to capacitate, RCL FOODS is continuing to provide certain transitional services for a two-year period on an arm's length basis.

Groceries reported an improved underlying EBITDA result, stemming primarily from improved service levels, a more favorable mix and higher margins in the Pet Food business, whose prior year result was compromised by the higher levels of load-shedding. Despite value tier innovations continuing to perform well, overall volumes in the Culinary business came under pressure. The Beverages operating unit improved on the comparative period due to a favorable mix, lower stock returns and operational efficiencies.

The Baking business unit underlying EBITDA result was down on the comparative period as gains in the Milling and Speciality businesses were offset by a disappointing performance in Bread, Buns and Rolls. This operating unit faced intense competition and margin pressure during the year, with a significant increase in input costs necessitating a price increase which led to a decrease in sales volumes. The Milling operating unit achieved an improved result, through better cost control in production and distribution, as well as an enhanced product and channel sales mix. The Pies operating unit benefitted from a restoration of service levels and improved margins, though volumes remain under significant pressure due to lower demand in the Retail and Forecourts channels. Despite facing volume pressure, Speciality delivered a good performance and maintained margins through cost savings and efficiencies resulting from continuous improvement initiatives.

The Sugar business unit reported a significant improvement in underlying EBITDA, largely due to higher prices in both the local and export markets, an outstanding result in Molatek Animal Feed due to improved production efficiencies offsetting a higher

molasses price. The resilience of the Sugar business unit has been substantially strengthened in the past year through ongoing operational improvements and cost saving initiatives.

Discontinued operation - Rainbow

Rainbow reported a significant improvement in underlying EBITDA. The overall gain can be ascribed to an enhanced agricultural performance, higher processing yield, effective cost management, improved pricing, increased retail and wholesale channel volumes, relief in commodity prices (albeit still at elevated levels) as well as reduced load-shedding costs. The turnaround at Rainbow is now well advanced, with every component of the process yielding positive results.

Cash Dividend Declaration

With Rainbow's unbundling now complete, RCL FOODS has resumed the payment of dividends. The Board of directors has approved a gross cash dividend (number 97) of 35.0 cents per share (28.0 cents per share net of dividend withholding tax) for the year-end June 2024. In approving this dividend, amongst other regulatory requirements, the Board has specifically considered the current profitability and financial capacity of the Group post the recapitalisation of Rainbow prior to its unbundling and the upcoming debt refinance process ahead of the expiry of the existing term-funded debt package in December 2024.

The dividend has been declared from income reserves.

A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The issued share capital at the declaration date is 890 296 405 ordinary shares. The Company's income tax reference number is 9950019712.

The salient dates for the dividend will be as follows:

Publication of declaration data	Monday, 2 September 2024
Last day of trade to receive a dividend	Tuesday, 15 October 2024
Shares commence trading "ex" dividend	Wednesday, 16 October 2024
Record date	Friday, 18 October 2024
Payment date	Monday, 21 October 2024

Share certificates may not be dematerialised or rematerialised

between Wednesday, 16 October 2024 and Friday, 18 October 2024, both days inclusive.

Shareholders are advised that this results announcement represents a summary of the information contained in the summary consolidated financial statements and does not contain full or complete details as published on the RCL FOODS website, www.rclfoods.com/financial-results-and-reports-2024/.

With respect to the audited consolidated financial statements for the year ended June 2024, the auditors, Ernst and Young Inc., have issued an unqualified audit opinion in terms of the International Standards on Auditing. The auditors unqualified audit opinion in terms of International Standards on Auditing, along with their key audit matters and the audited consolidated annual financial statements are available upon request by contacting the company secretary at lauren.kelso@rclfoods.com or on +27 31 242 8500.

The summary consolidated financial statements is available for viewing on the JSE link at

<https://senspdf.jse.co.za/documents/2024/JSE/ISSE/RCL/02092024.pdf> or on the Group's website set out above.

Any investment decisions by investors and/or shareholders should be based on a consideration of the summary consolidated financial statements as this results announcement does not provide all the details.

Westville

2 September 2024

Sponsor

RAND MERCHANT BANK (A division of FirstRand Bank Limited)