

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 2024

RFG increased revenue by 1.4% in the 11 months ended August 2024 (“the period”). The group’s regional segment delivered resilient revenue growth in an environment of sustained pressure on consumer disposable income due to high electricity, food and living costs together with high interest rates. Revenue in the international segment was impacted by softer global pricing and demand for canned deciduous fruit and lower volumes due to shipping delays at the Cape Town and Durban ports.

The revenue growth was driven by selling price inflation of 5.4% as the group continued to recover higher input costs.

Despite the continued pressure on sales volumes, management remained focused on driving profitable growth, recovering costs, generating operational efficiencies from recent capital expenditure and applying tight cost management to maintain the group’s 10% medium-term operating profit margin target.

Revenue % increase/(decrease)	Total	Price	Volume	Mix	Forex
Regional segment	5.3	8.1	(2.5)	(0.3)	-
International segment	(11.3)	(3.5)	(10.4)	1.2	1.4
Total group	1.4	5.4	(4.4)	0.1	0.3

Regional segment

Regional revenue increased by 5.3% with price inflation of 8.1%. Sales volumes were lower due to constrained spending and competitor promotional activity in some product categories. Pleasingly, the rate of volume decline slowed to 2.5% for the period from April to August 2024 (“the five-month period”) relative to a decline of 5.5% reported for the first half of the financial year to March 2024 (“the first half”).

Fresh foods reported stronger revenue growth in the five-month period compared to the first half. This was supported by volume growth in the ready meals category and a solid volume contribution from the pie category. While sales of long life foods slowed in the five-month period versus the first half, the fruit juice and dry foods categories continued to deliver good revenue growth.

Sales growth has been supported by the increased focus on new product development, particularly in ready meals, dry foods and fruit juice, with the launch of the Rhodes fruit nectar juice range being well received by consumers.

International segment

International revenue declined by 11.3% over the comparative period. This was due to softer international pricing and lower demand for canned deciduous fruit relative to the prior year. This decline was partially offset by the 1.6% depreciation in the Rand against the group's basket of trading currencies which had a 1.4% positive impact on revenue in the segment.

Export volumes declined by 10.4% due to lower opening stock levels and delays in international shipments due to the ongoing congestion at the Cape Town port. This was compounded by extreme winter weather conditions during August, with the port delays currently averaging approximately three weeks.

Annual results

The group's financial results for the year to September 2024 will be released on the Stock Exchange News Service on or about 20 November 2024.

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.

Groot Drakenstein
12 September 2024

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