

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")

## **VOLUNTARY TRADING UPDATE FOR THE FOUR MONTHS ENDED 31 JANUARY 2025**

**Tiger Brands continues to build on the positive momentum achieved in the second half of 2024, delivering strong operational results for the first four months of its financial year.**

### **Market and trading environment overview**

The consumer environment is beginning to reflect early stages of recovery, which is evidenced by the improved trading across both our retail and wholesale channels for the four months ended 31 January 2025. Domestic inflation for food and non-alcoholic beverages is projected to be below CPI, at approximately 2.5% in Q4 of the 2024 calendar year, which combined with reduced interest rates has seen a positive impact on consumer spending for the same period.

### **Update on operating model**

There have been further refinements to the operating model, to ensure Business Unit (BU) classifications are strategically and operationally aligned. These changes are aligned with previous guidance on the optimisation of the operating model as well as the pending disposal of the Baby Wellbeing business (subject to regulatory approval). Baby Nutrition, previously part of HPCB, has now been integrated into the Culinary BU. The Culinary BU is now made up of Culinary local and international sales, Davita and Baby Nutrition. The synergistic benefits from this consolidation will be experienced across the value chain.

This decision aligns with the Company's priorities to accelerate consumer-centricity, execution excellence, cost efficiency and sustainable profitability, by allowing better leverage of shared value chains and capabilities across the Baby Nutrition and Culinary businesses.

In May 2025, there will be a release of historical segmental information from 2020, through the lens of the new operating model, to allow for ease of reference and detailed analysis.

### **Portfolio Optimisation**

As previously guided, we continue to direct our resources, both financial and human capital, towards the business segments which generate, or have the potential to generate, the highest returns. To date, significant progress has been made on the disposal of certain non-core brands and business segments. The Baby Wellbeing division sale of business transaction concluded in November 2024 is subject to suspensive conditions, including the approval of the competition authorities. Once competition approval is granted, the transaction will proceed to closing. In addition, the disposal of Tiger Brands' equity interest in Empresas Carozzi S.A. (Carozzi) in Chile has progressed well, with most of the suspensive conditions expected to be fulfilled during the course of March 2025.

Additional disposal processes are currently in progress and are progressing in accordance with envisaged timelines.

### **Operational performance**

Tiger Brands delivered strong performance for the four months to 31 January 2025, continuing the recovery demonstrated in the second half of 2024 (H2 2024). The performance, in line with expectations, was driven by a focus on operational excellence, consistent execution, as well as various continuous improvement initiatives as previously communicated.

Group revenue for the four months ended 31 January 2025 was up 3% year-on-year driven by both volume and price inflation. The volume growth was as consequence of strategic initiatives to reduce costs and invest behind price to ensure that our price points are relevant and affordable to consumers.

Volume growth was achieved across the majority of BUs which benefitted from a strong performance delivery across all financial metrics. The Group gross margin percentage for the period exceeded the prior year, driven mainly by the product mix as well as various strategic initiatives across product value engineering and labour efficiency. It is pleasing to note the year-on-year improvement in operating profit for the four-month period, driven by the gross margin leverage above as well as and continuous improvement initiatives aimed at optimising operating costs.

Income from associates performed in line with expectations.

### **Listeriosis Class Action**

On 3 February 2025, Tiger Brands and the plaintiffs' attorneys (Richard Spoor Inc.) jointly issued a press statement in which the parties confirmed agreement reached to provide interim relief to certain claimants in the listeriosis class action with urgent needs by way of interim advance payments. The interim relief is being provided in recognition of the plight of the urgent need persons, even though liability has not been determined and Tiger Brands has no legal obligation to do so. To protect the privacy of the individuals no details of the payments will be made public.

The class action, which is being managed in two stages is still at the first stage during which liability is to be determined by the Court. Only if Tiger Brands is found to be liable will the issue of causation arise, in the second stage of the class action, as well as an assessment of compensation payable to qualifying claimants for damages suffered. The parties continue to engage in discussions to explore a broad settlement of the class action in its entirety.

As previously reported, Tiger Brands has adequate product liability insurance cover for a group of its size.

### **Outlook**

Management maintains its optimism for the year ahead, where volume and profit growth will remain a key focus. The "self-help" continuous improvement initiatives together with the improved macro-economic outlook is anticipated to have a compounding effect on performance delivery.

In line with our strategic priorities, we will focus on the following strategic thrusts:

- **Shaping our Portfolio:** The review and disposal of non-core categories and business units is ongoing, with several processes underway for FY25.
- **Superior Channel Presence:** Albany recovery within General Trade (GT) remains an immediate priority, as well as building on the momentum of the store roll-out and in-store execution across all channels.
- **Cost Leadership:** Continuous improvement initiatives are expected to deliver within guidance.
- **Deliberate Growth Platforms:** Driving affordability is a core focus within our growth platforms, particularly in Bakeries, Culinary and Grains, where we are continuing to see momentum from H2 2024.
- **Rejuvenating our Brands:** Deliberate focus on our Power Brands to maximize return on marketing investment and recovering market share are key to long-term value creation.

Due to the continued momentum of the initiatives mentioned above, earnings growth is expected to perform in line with guidance for the six months to end March 2025.

The information above has not been reviewed or reported on by the Company's auditors.

Tiger Brands' results for the six months ending 31 March 2025 are expected to be released on SENS on or about 28 May 2025.

Bryanston

20 February 2025

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