

**Libstar Holdings Limited**

(Incorporated in the Republic of South Africa)

(Registration number 2014/032444/06)

(JSE share code: LBR)

(ISIN: ZAE000250239)

("Libstar" or the "Group")

**TRADING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024****OVERVIEW OF TRADING**

Libstar's results for the year ended 31 December 2024 reflect both promising, sustainable successes achieved from the execution of the Group's simplification, growth and sustainability strategy, as well as the material impact of limited, yet notable, challenges.

The Group has made strong progress in executing in each of the three focus areas of its strategy, supported by a strong performance of the Ambient Products category. However, this positive trajectory has been tempered by the impact of the loss of significant production volumes related to a Food Service customer in its Perishable Products category. While material, this challenge does not detract from the overall strategic progress and resilience demonstrated by the Group.

Libstar's cash conversion and interest cover ratio's improved which, together with proceeds raised from the disposal of the Group's Chet Chemicals business, resulted in the achievement of the Group's 2024 leverage target.

**DISPOSAL OF CHET CHEMICALS, A DIVISION OF LIBSTAR'S HOUSEHOLD AND PERSONAL CARE BUSINESS**

Chet Chemicals, which formed part of the Group's Household & Personal Care (HPC) category, was sold to Mithratech SA (Pty) Ltd, a subsidiary of the Morvest Group (Pty) Ltd on 30 December 2024. This exit raised proceeds of R53 million that were utilised to further strengthen the Group's balance sheet.

The Chet Chemicals business is disclosed as a Discontinued Operation in the results for the year ended 31 December 2024, and the prior period's statement of comprehensive income has been re-presented to provide a like-for-like comparison.

**NON-RECURRING PRIOR YEAR ITEMS AND IMPAIRMENTS****Non-recurring items**

During the prior year, the Group re-evaluated the estimated useful lives of assets with zero book value, resulting in a decline in prior year depreciation of plant and equipment of 6.3% or R14 million. As the re-evaluation only impacted the 2023 financial results, the 2024 year-to-date depreciation expense has increased by 22.9% or R44 million relative to the prior corresponding period.

In addition, the Group received insurance proceeds of R120 million in the prior year relating to the Denny Mushrooms (Shongweni plant) fire.

## Impairments

An impairment charge of R400 million (net of tax) was recognised in relation to the Finlar Fine Foods business unit owing to the supplier diversification implemented by a major customer impacting beef volumes in the Food Service channel.

Furthermore, an impairment charge of R98.2 million (net of tax) was recognised in relation to the Denny Mushrooms division to recognise the business unit at its recoverable value.

Finally, the Group reassessed the carrying value of customer relationships which resulted in an impairment of R10.5 million (net of tax) in relation to the Ambient Products category.

## **NORMALISED EARNINGS BEFORE INTEREST, TAXATION, DEPRECIATION AND AMORTISATION (EBITDA)**

Based on the above, the Group expects to report Normalised EBITDA (excluding unrealised foreign currency movements, insurance proceeds, impairments and other non-recurring, non-trading, and non-cash items) of between R964.4 million and R983.9 million for the year ended 31 December 2024. This represents a range between -1.0% and +1.0% compared to the prior year's Normalised EBITDA of R974.2 million.

## **TRADING STATEMENT**

In terms of paragraph 3.4(b) of the Listings Requirements of the JSE Limited, companies are required to publish a trading statement as soon as there is a reasonable degree of certainty that the financial results for the period to be reported upon next, will differ by at least 20% from the financial results for the previous corresponding period.

### **Total headline earnings per share (HEPS) and total earnings per share (EPS)**

Shareholders are advised that, for the 2024 financial year, the Group expects:

- Total HEPS to be between 40.9 and 43.3 cents per share, compared to the prior year HEPS of 47.7 cents per share (representing a decrease of between 9.2% and 14.3%). The decrease is mainly attributable to the receipt of insurance proceeds in the prior year; and
- Total EPS to be between -53.0 cents and -55.0 cents loss per share, compared to the prior year's EPS of 38.0 cents per share (representing a decrease of more than 100%). The decrease is mainly attributable to the impairment charges noted aforementioned.

### **Normalised headline earnings per share (HEPS)**

Shareholders are advised that, for the 2024 financial year, the Group expects:

- Normalised HEPS from continuing operations, which excludes insurance proceeds, to be between 52.5 and 54.3 cents per share, compared to the prior year Normalised HEPS of 57.1 cents per share (representing a decrease of between 4.9% and 8.1%).

## **SHARES IN ISSUE**

The weighted average number of shares in issue at the end of the reporting period remained unchanged at 595,812,000 shares.

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 external auditors.

Libstar's Group results for the year ended 31 December 2024 will be published on 18 March 2025.

## **14 March 2025**

Sponsor

The Standard Bank of South Africa Limited