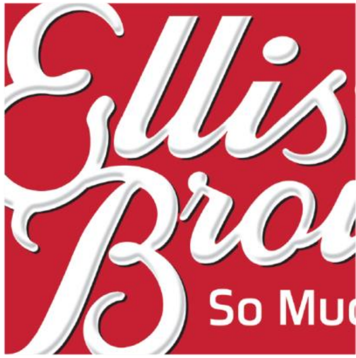
AVI

AVI Limited presentation to shareholders & analysts for the year ended 30 June 2019

GROWING GREAT BRANDS

AGENDA

- Key features and results history
- Group financial results
- Business unit performance
- Prospects
- Questions and answers

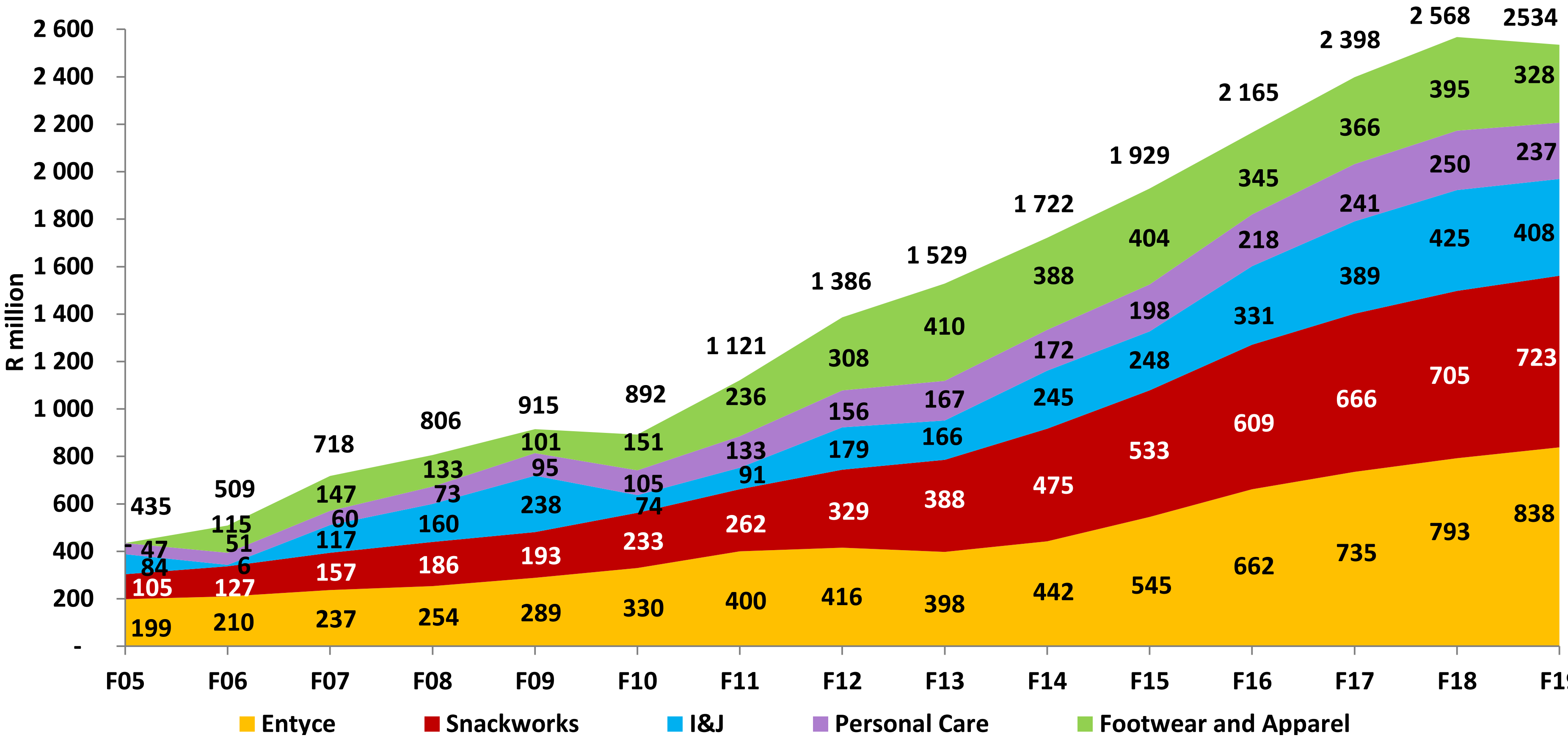


KEY FEATURES

- Improved second semester
- Like-for-like revenue growth of 1,2%:
  - Pressure on sales volumes in constrained consumer environment
  - Balanced value versus volume across key categories
- Gross profit margins protected despite the difficult environment
- Selling and administrative costs up 1,7% on like-for-like basis, including:
  - Restructuring costs at Green Cross – R27 m
  - Unrealised loss from mark-to-market of I&J's fuel hedges – R29 m
- Operating profit down 3,0% on like-for-like basis
- Cash generated by operations of R2,64 bn down 1,8% like-for-like
- Investment to sustain and grow our businesses of R472,6 m
- Negligible impact of new accounting standards on headline earnings
- Headline earnings per share down 4,9% to 516,6 cents
- Dividend cover maintained, final dividend of 250 cents per share

RESULTS HISTORY

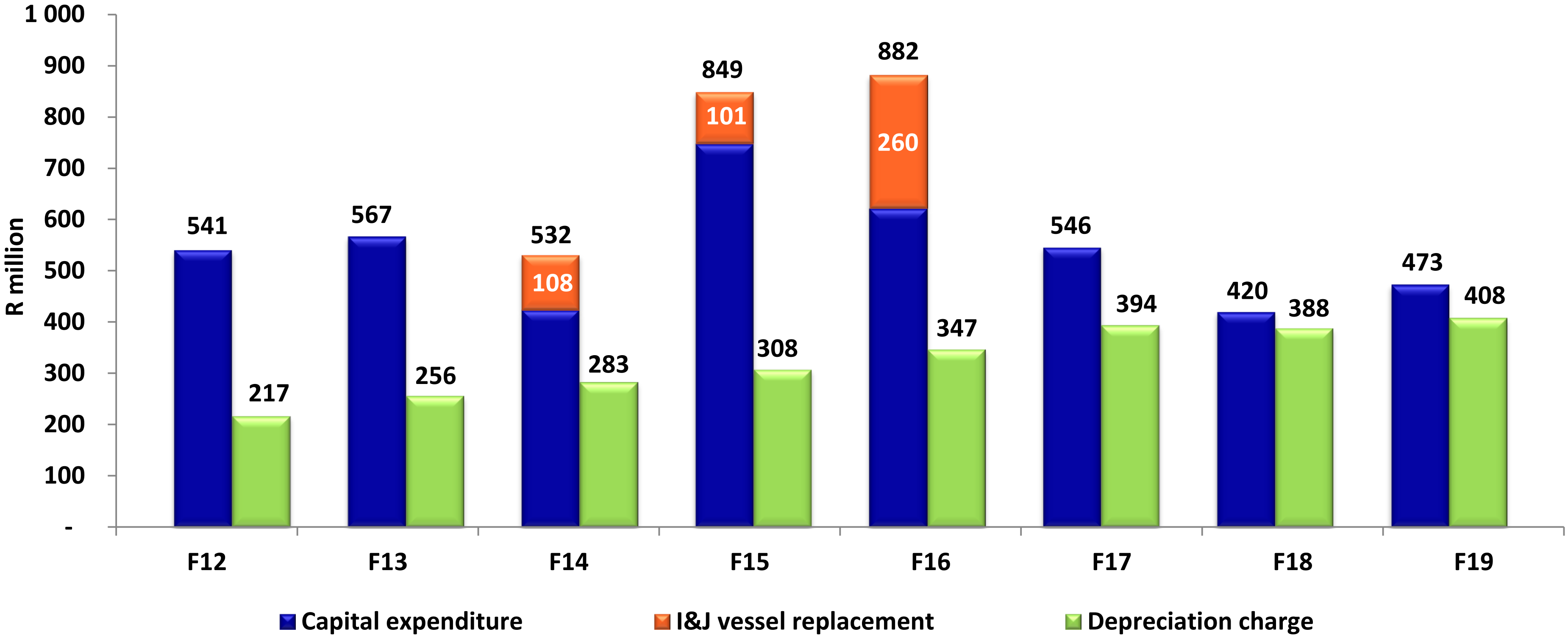
Operating profit history - Reported



- Constrained environment resulting in volume pressure and lower profit in F19
- Compound annual growth rate from F05 to F19 of 13,4%
- Operating profit margin increased from 10,0% in F05 to 19,2% in F19

RESULTS HISTORY

Capital expenditure and depreciation*

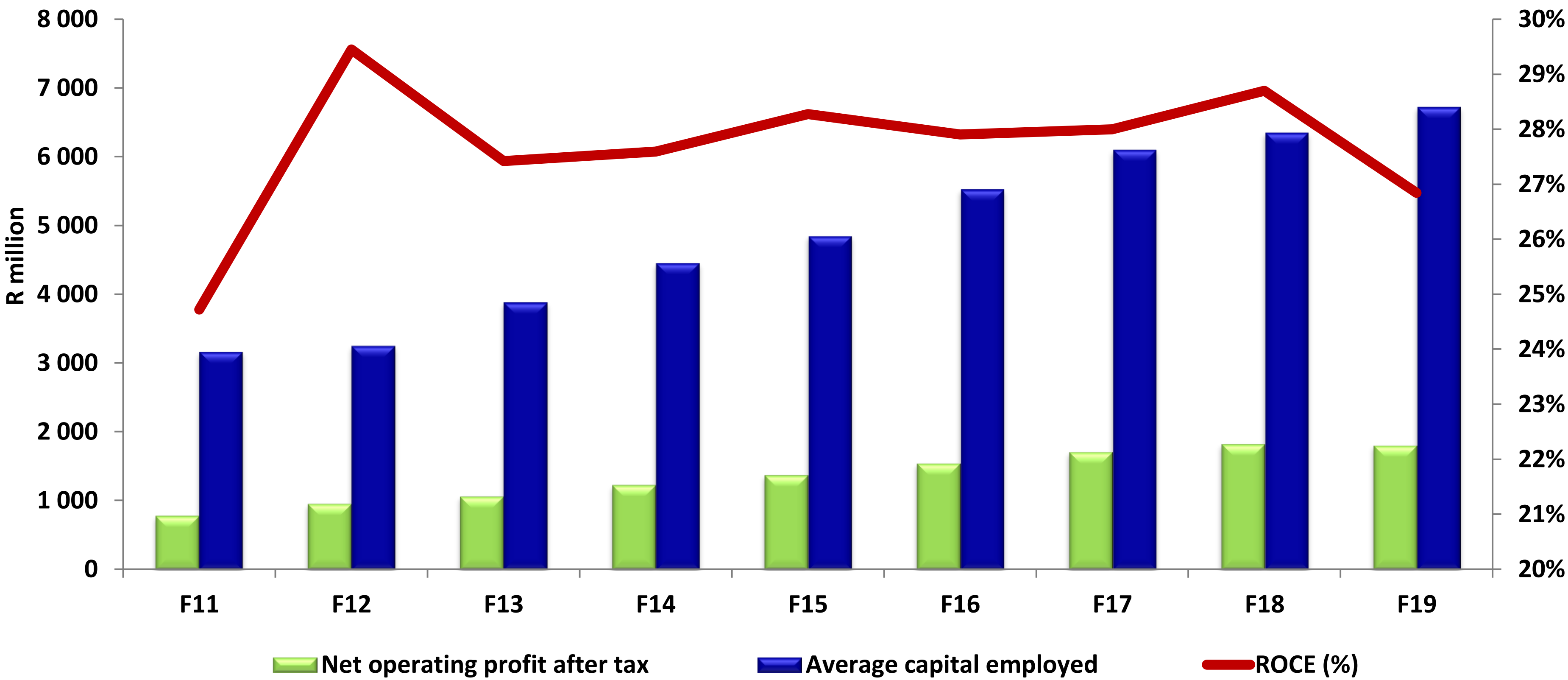


* Excluding depreciation on right-of-use assets

- Continued investment in manufacturing capacity, efficiency and retail stores
- Depreciation charge stabilising

RESULTS HISTORY

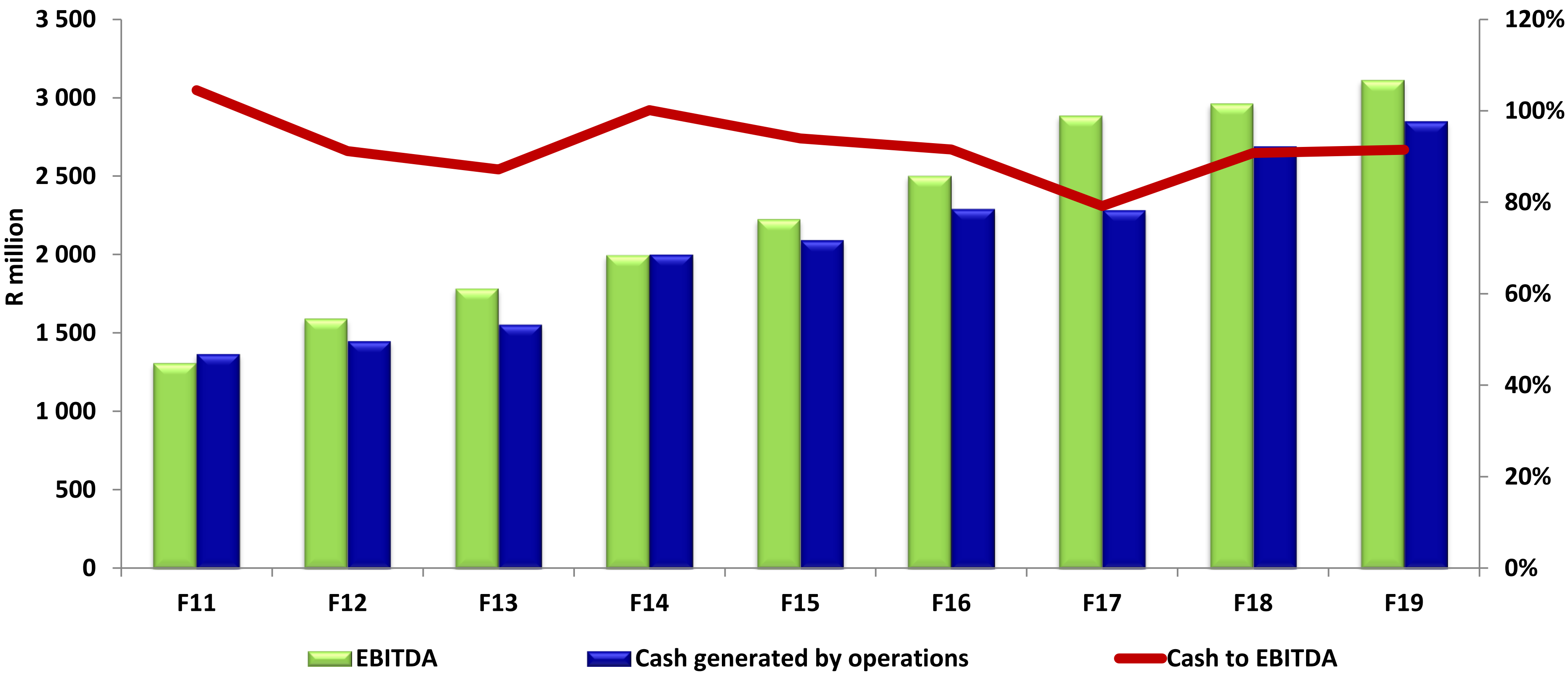
Return on capital employed



- High return maintained in tough environment

RESULTS HISTORY

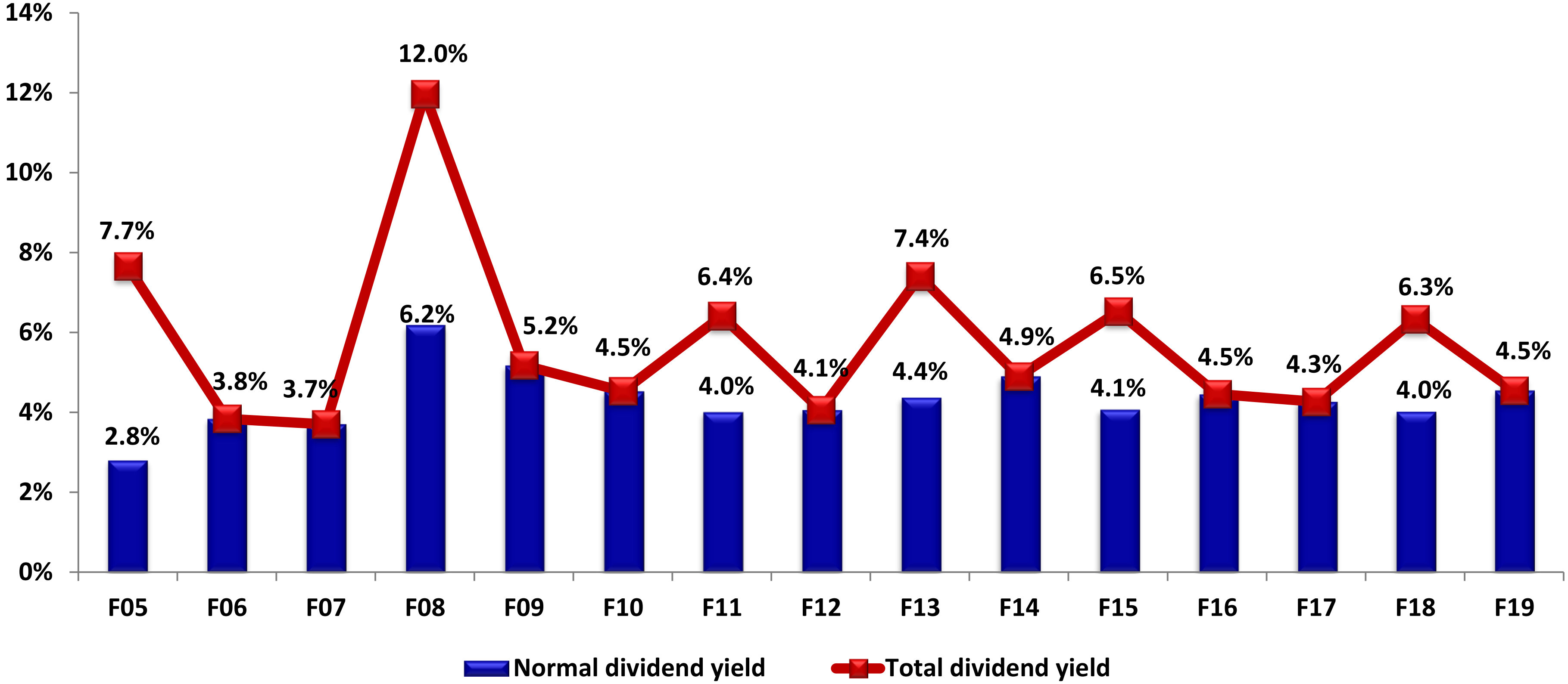
Cash conversion



- Sustained strong conversion of earnings into cash

RESULTS HISTORY

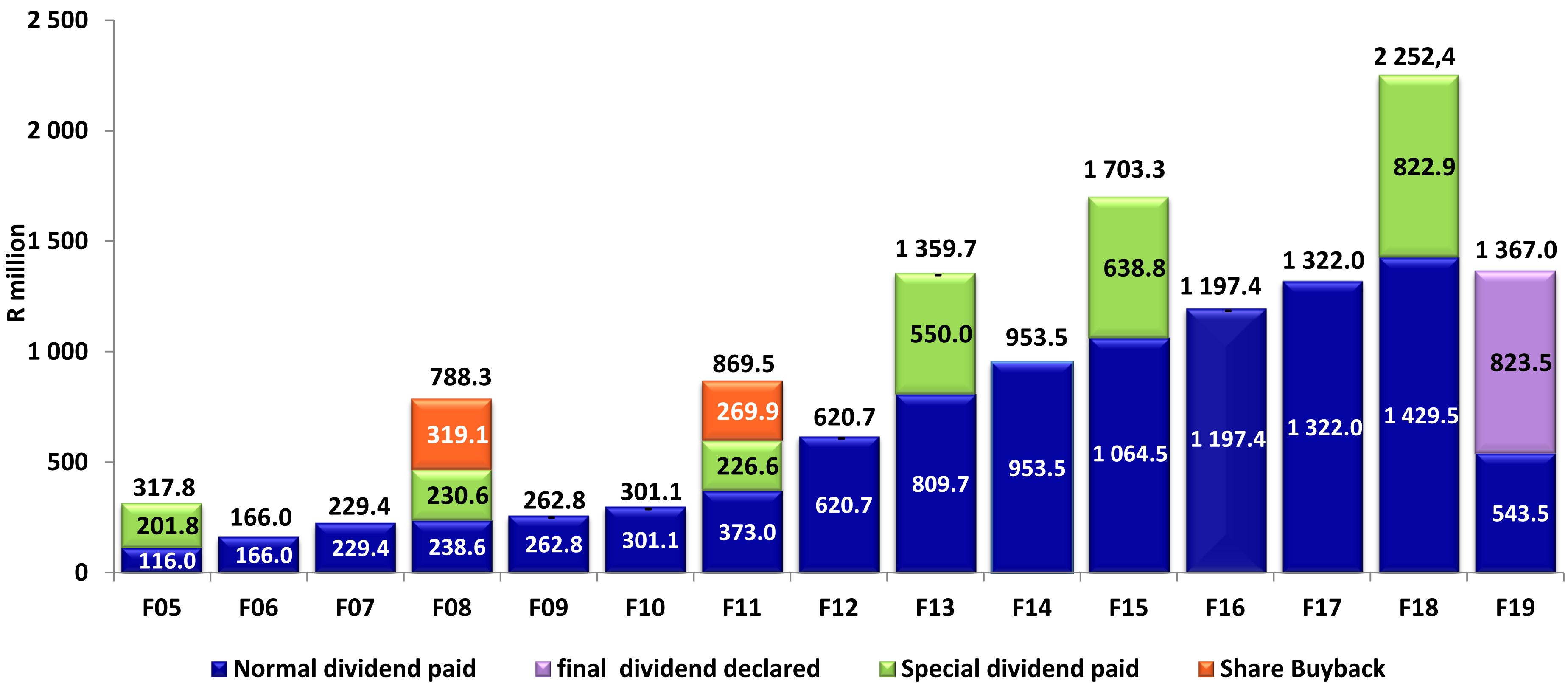
Dividend yield (Year end)



- Based on share price at end of each year (R91,36 at end June 2019)
- Total dividend yield includes payments out of share premium and special dividends
- Excludes share buy-backs

RESULTS HISTORY

Returns to shareholders



- Effective payout ratio from F05 = 92,5% of headline earnings

AVI

Group Financial Results

GROWING GREAT BRANDS

GROUP FINANCIAL RESULTS

Income statement – Reconciliation between FY19 reported and like-for-like results

	F19 Reported Rm	New Accounting Standards	F19 Like-for like Rm
Revenue	13 150,9	448,6	13 599,5
Cost of sales	(7 740,2)	61,9	(7 678,3)
Gross profit	5 410,7	510,5	5 921,2
Gross profit margin %	*41,1*		*43,5*
Selling and administrative expenses	(2 888,2)	(557,9)	(3 446,1)
Operating profit	2 522,5	(47,4)	2 475,1
Operating profit margin %	*19,2*		*18,2*
Net financing cost	(194,8)	39,0	(155,8)
Share of Joint Ventures	42,2	-	42,2
Taxation	(673,7)	2,4	(671,3)
Headline earnings	1 696,2	(6,0)	1 690,2

GROUP FINANCIAL RESULTS

Income statement – Like-for-like

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Revenue	13 599,5	13 437,5	1,2
Cost of sales	(7 678,3)	(7 498,0)	2,4
Gross profit	5 921,3	5 939,5	(0,3)
Gross profit margin %	*43,5*	*44,2*	*(1,6)*
Selling and administrative expenses	(3 446,1)	(3 387,0)	1,7
Operating profit	2 475,1	2 552,5	(3,0)
Operating profit margin %	*18,2*	*19,0*	*(4,2)*
Net financing cost	(155,8)	(126,7)	23,0
Share of Joint Ventures	42,2	56,3	(25,0)
Capital items	(127,8)	(136,6)	
Effective tax rate %	*28,4*	*28,6*	*(0,7)*
Headline earnings	1 690,2	1 773,9	(4,7)
HEPS (cps)	*514,8*	*543,1*	*(5,2)*

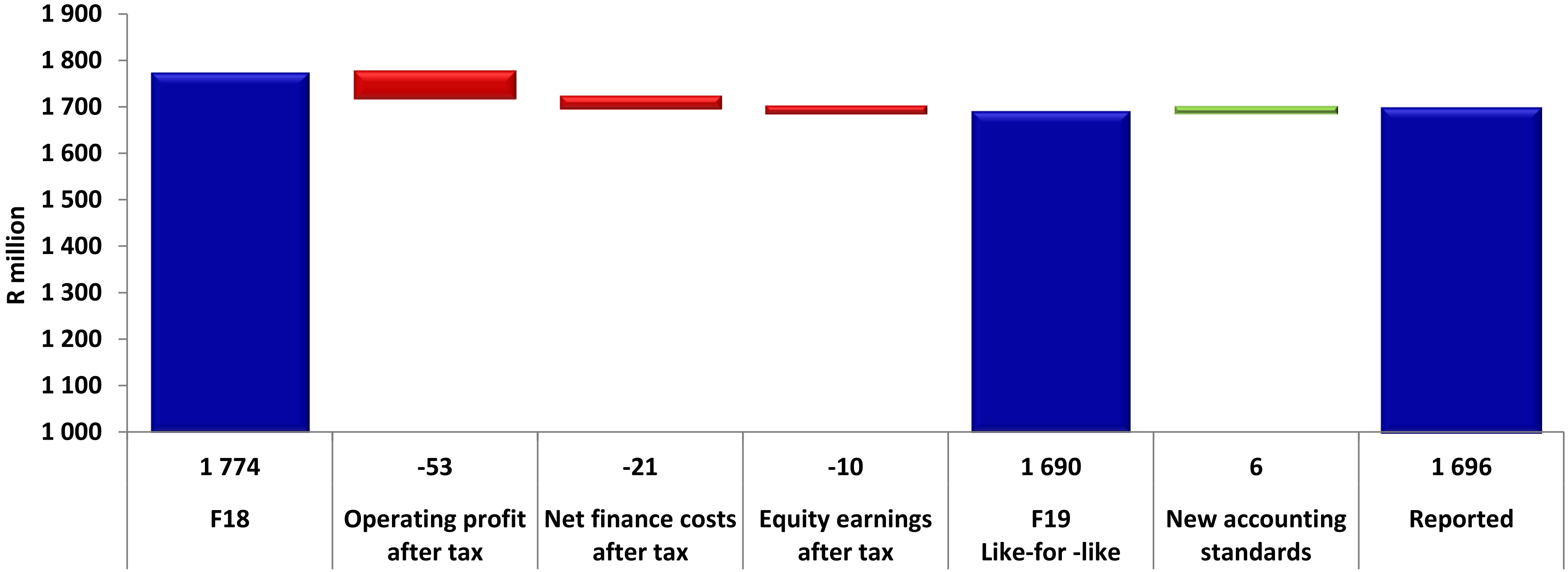
GROUP FINANCIAL RESULTS

H2 income statement – Like-for-like

	H2 F19 Like-for-like Rm	H2 F18 Reported Rm	%Δ
Revenue	6 287,1	6 137,1	2,4
Cost of sales	(3 603,3)	(3 479,6)	3,6
Gross profit	2 683,8	2 657,5	1,0
Gross profit margin %	*42,7*	*43,3*	*(1,4)*
Selling and administrative expenses	(1 640,3)	(1 635,2)	0,3
Operating profit	1 043,5	1 022,3	2,1
Operating profit margin %	*16,6*	*16,7*	*(0,6)*
Net financing cost	(82,0)	(54,8)	49,6
Share of Joint Ventures	5,1	30,9	(83,5)
Capital items	(116,7)	(140,0)	
Effective tax rate %	*28,6*	*28,7*	*(0,3)*
Headline earnings	690,6	712,5	(3,1)

GROUP FINANCIAL RESULTS

Movement in headline earnings



- Net operating profit decline due to:
  - Constrained consumer environment impacting sales volumes
  - Biscuit factory yield losses in H1 – R20 million
  - Movement in mark-to-market value of I&J fuel hedges – R29 million
  - Green Cross restructuring costs – R27 million
- Finance costs higher in line with net debt
- Poor second semester result from the Simplot JV

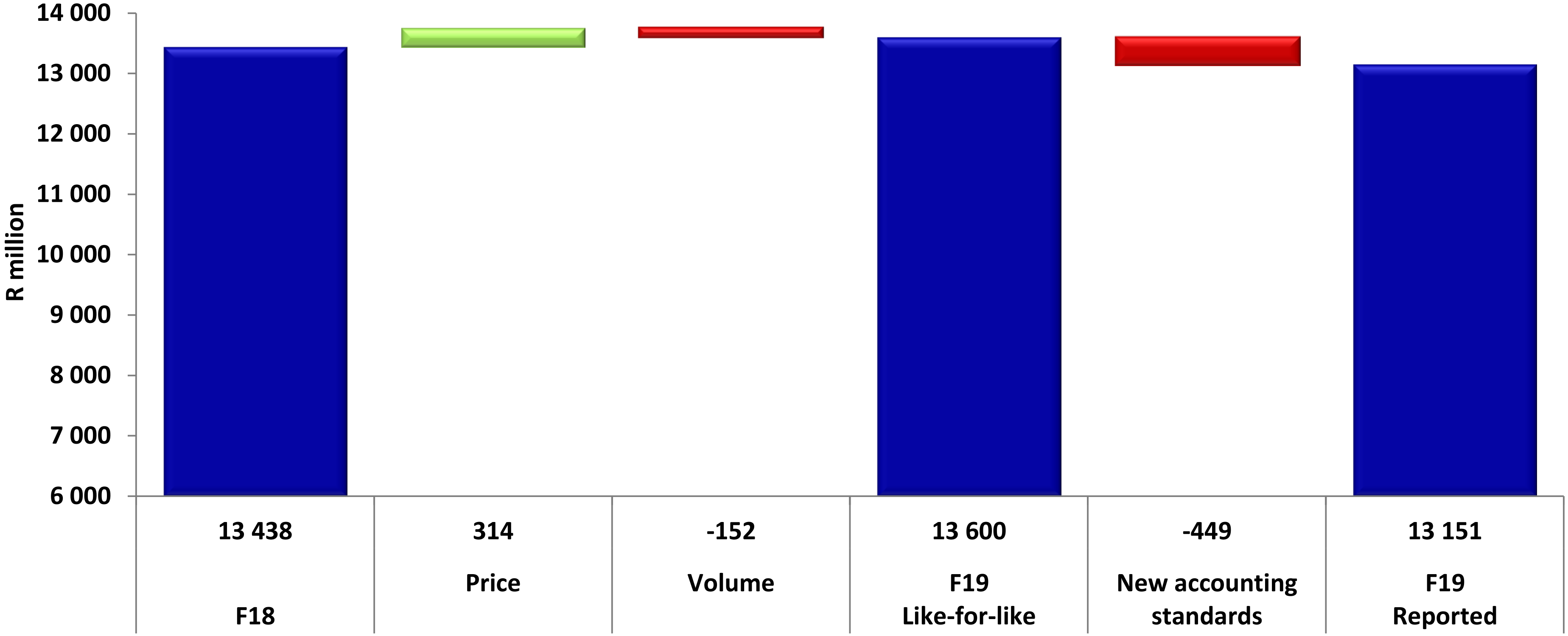
GROUP FINANCIAL RESULTS

Business unit financial results – Like-for-like

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	F19 Like-for-like Rm	F18 Reported Rm	Δ %	F19 Like-for-like Rm	F18 Reported Rm	Δ %	F19 Like-for-like %	F18 Reported %
Food & Beverage Brands	**10 590,2**	**10 282,5**	**3,0**	**1 952,7**	**1 922,6**	**1,6**	**18,4**	**18,7**
Entyce	3 981,6	3 834,1	3,8	835,8	792,6	5,5	21,0	20,7
Snackworks	4 120,8	3 960,8	4,0	721,7	705,0	2,4	17,5	17,8
I&J	2 487,8	2 487,6	0,0	395,2	425,0	(7,0)	15,9	17,1
Fashion Brands	**3 009,3**	**3 155,0**	**(4,6)**	**534,9**	**645,0**	**(17,1)**	**17,8**	**20,4**
Personal Care	1 190,5	1 190,6	(0,0)	237,1	250,3	(5,3)	19,9	21,0
Footwear & Apparel	**1 818,8**	**1 964,4**	**(7,4)**	**297,8**	**394,7**	**(24,6)**	**16,4**	**20,1**
Spitz	1 461,2	1 546,4	(5,5)	320,6	379,6	(15,5)	21,9	24,5
Green Cross	295,0	366,1	(19,4)	(36,1)	6,2	(682,3)	(12,2)	1,7
Gant	62,6	51,9	20,6	13,3	8,9	49,5	21,3	17,1
Corporate	**-**	**-**		**(12,5)**	**(15,1)**	**17,2**		
Group	**13 599,5**	**13 437,5**	**1,2**	**2 475,1**	**2 552,5**	**(3,0)**	**18,2**	**19,0**

GROUP FINANCIAL RESULTS

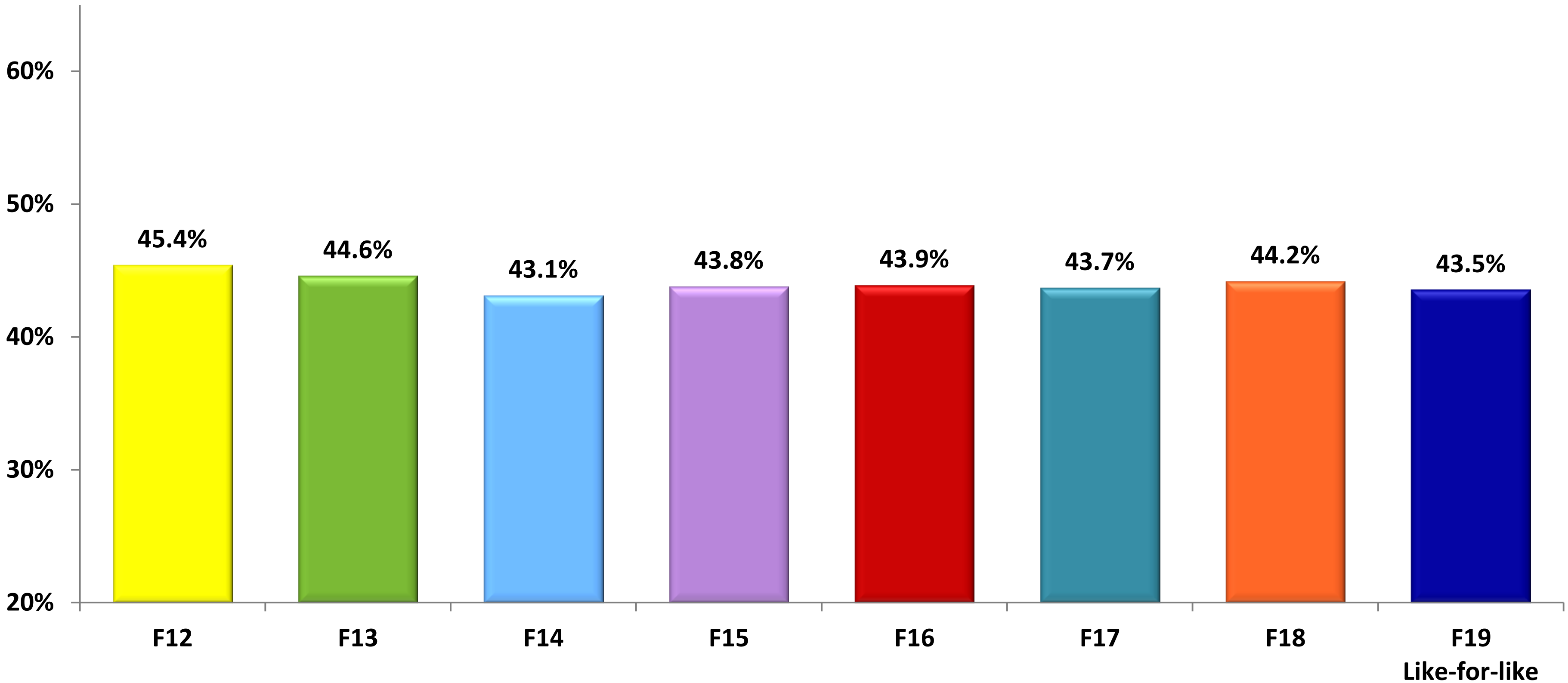
Movement in group revenue



- Benign cost inflation across the basket of raw materials and good cost control supported low selling price inflation - selling price increases only where necessary to respond to specific cost pressure
- Volume pressure in constrained and competitive environment; impact reduced by strong creamer growth attributable to competitor supply issues

GROUP FINANCIAL RESULTS

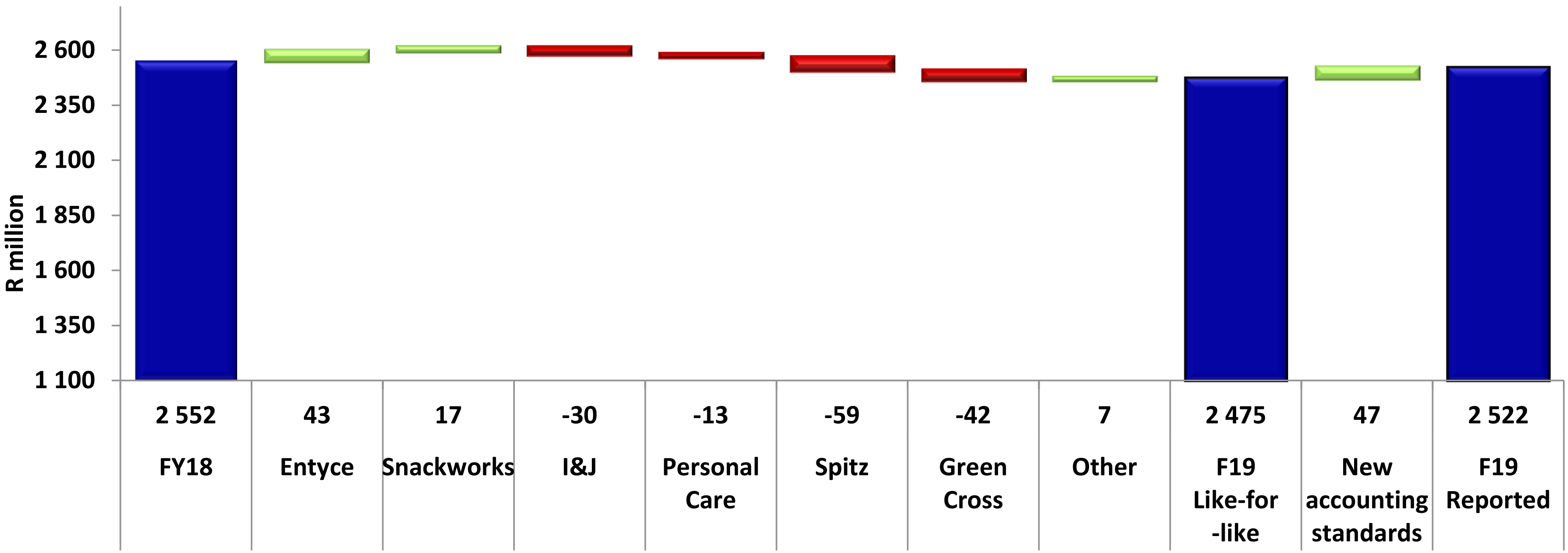
Gross profit margin history



- Gross profit margin largely protected in difficult environment

GROUP FINANCIAL RESULTS

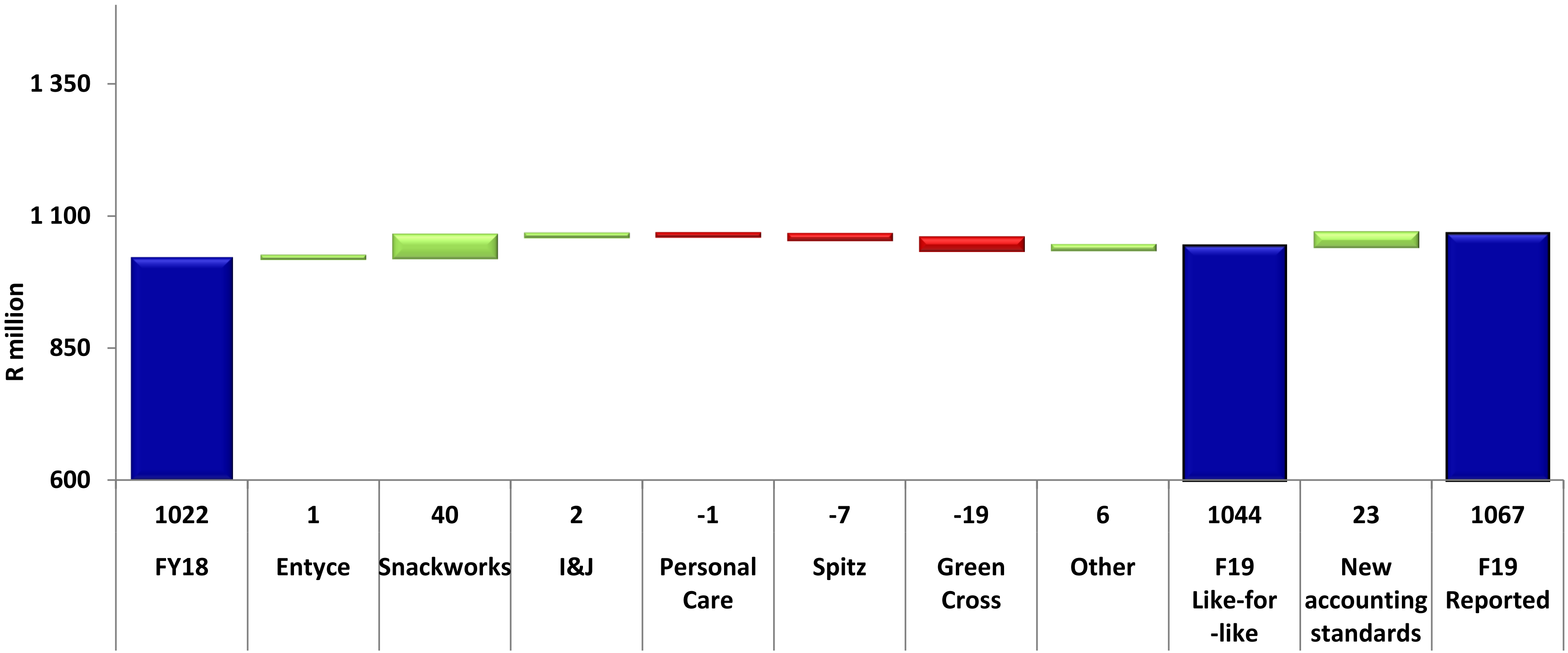
Full year operating profit 3,0% down on a like-for-like basis



- Entyce: Strong creamer demand and good tea margins, partly offset by lower coffee profitability
- Snackworks: Higher biscuit and snack volumes partly offset by poor biscuit factory yields in the first semester
- I&J: Unrealised loss on fuel hedges; higher fishing costs – fuel prices / repairs and maintenance
- Personal Care: Constrained aerosol volumes due to aggressive competitor discounting
- Spitz: Subdued consumer demand and non-repeat of prior year record December sales volumes
- Green Cross: Restructuring costs and lower volumes in highly competitive mid-priced footwear market

GROUP FINANCIAL RESULTS

H2 operating profit 2,1% up on a like-for-like basis



- Snackworks improvement from better factory performance and selling price increases
- Green Cross includes R12 million of restructuring costs incurred in H2

GROUP FINANCIAL RESULTS

Cash flow, gearing and return on capital – Reconciliation between FY19 reported and like-for-like results

	F19 Reported Rm	New accounting standards	F19 Like-for-like Rm
Cash generated by operations	2 849,9	(205,7)	2 644,2
Working capital to revenue %	*25,3*		*27,5*
Capital expenditure	472,6		472,6
Depreciation and amortisation	592,4	(160,4)	432,0
Net debt	2 443,5	(408,9)	2 034,6
Net debt / capital employed %	*35,0*		*30,7*
Return on averaged capital employed %	*26,9*		*27,2*

GROUP FINANCIAL RESULTS

Cash flow, gearing and return on capital – Like-for-like

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Cash generated by operations	2 644,2	2 691,9	(1,8)
Working capital to revenue %	*27,5*	*24,5*	*12,2*
Capital expenditure	472,6	419,9	12,6
Depreciation and amortisation	432,0	412,9	4,6
Net debt	2 034,6	1 269,8	
Net debt / capital employed %	*30,7*	*19,8*	*(55,1)*
Return on averaged capital employed %	*27,2*	*28,7*	*(5,3)*

- Sustained strong conversion of earnings to cash
- Special dividend paid in October 2018

GROUP FINANCIAL RESULTS

Dividends

	F19	F18	%Δ
Interim dividend - cps	165	175	(5,7)
Final dividend - cps	250	260	(3,8)
Normal dividend - cps	415	435	(4,6)
*Dividend yield - %**	*4,5*	*4,0*	
Special dividend - cps	-	250	
Total dividend - cps	415	685	(39,4)
*Total dividend yield - %**	*4,5*	*6,3*	
Normal dividend cover ratio	1,25	1,25	
Closing share price - cps	9 136	10 820	

* Calculated using the closing share price at 30 June

GROUP FINANCIAL RESULTS

Key capital projects spend summary

	F19 Actual Rm	F20 Planned Rm
Rooibos expansion project	52	35
Biscuit line capacity and process improvements	109	16
I&J vessel dry-docks and upgrades	41	125
I&J processing plant replacements and upgrades	27	45
Abalone farm expansion and upgrades	22	22
Indigo distribution center upgrade	19	-
Retail store refurbishments	44	82
	314	325
Total capital expenditure	**473**	**488**

GROUP FINANCIAL RESULTS

Foreign exchange hedges

	September 2019 to December 2019	January 2020 to June 2020	July 2020 to December 2020
	% Cover	% Cover	% Cover
USD imports	89%	39%	2%
EUR imports	81%	40%	4%
EUR exports	72%	59%	16%

- Consistent hedging philosophy provides stability to manage gross margins
- Exchange rates and raw material prices secured support sound levels of profitability in F20

GROUP FINANCIAL RESULTS

Analysis of I&J fuel costs

	F19 Actual Rm	F18 Actual Rm	Var Rm
Supplier cost for fuel	145,1	127,7	17,4
Hedge settlements	(7,0)	(5,5)	(1,5)
Realised cost of fuel	138,1	122,2	15,9
Unrealised loss / (gain)	13,4	(15,6)	29,0
Opening mark-to-market asset / (liability)	12,0	(3,6)	
Closing mark-to-market asset / (liability)	(1,4)	12,0	
Total fuel cost	151,5	106,6	44,9
% of next 12 months consumption hedged	43,9	49,8	

- Consistent hedging philosophy reduces variability of realised prices
- Mark-to-market positions determined by oil price and exchange rate at reporting date

ENTYCE
BEVERAGES
A DIVISION OF NATIONAL BRANDS LIMITED

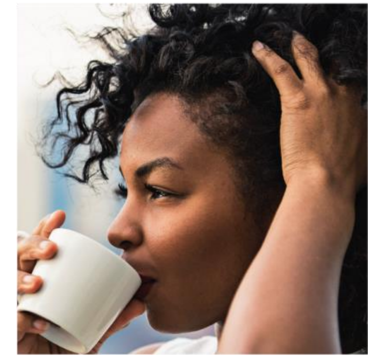
Performance and Prospects

GROWING GREAT BRANDS

Income statement

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Revenue	*3 981,6*	*3 834,1*	*3,8*
Operating profit	*835,8*	*792,6*	*5,5*
Operating profit margin %	*21,0*	*20,7*	*1,5*

- Good growth in tea operating profit despite lower volumes
  - Freshpak rooibos margins maintained despite volume pressure
  - Some relief from lower black tea costs
  - Premium volumes constrained
    - Higher price points
    - Competitor discounting
  - Affordable brand volumes increased
  - Improved factory performance
  - Selling and administrative costs increased below inflation



ENTYCE BEVERAGES

Income statement

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Revenue	*3 981,6*	*3 834,1*	*3,8*
Operating profit	*835,8*	*792,6*	*5,5*
Operating profit margin %	*21,0*	*20,7*	*1,5*

LAVAZZA TORINO, ITALIA, 1895

- Coffee profit decrease due to increased competitor activity
  - Aggressive competitor discounting
    - Reduced profitability in mixed instant coffee to sustain volumes
    - Lower volumes in premium coffee
  - Some relief from lower coffee bean prices
  - Improved profit from affordable coffee
  - Overall profitability remains healthy

ENTYCE BEVERAGES

Income statement

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Revenue	*3 981,6*	*3 834,1*	*3,8*
Operating profit	*835,8*	*792,6*	*5,5*
Operating profit margin %	*21,0*	*20,7*	*1,5*

- Strong creamer performance
  - High demand due to competitor supply issues – volumes up 22,7%
  - High service levels achieved with utilisation of spare capacity
  - Volume leverage resulting in strong operating profit growth

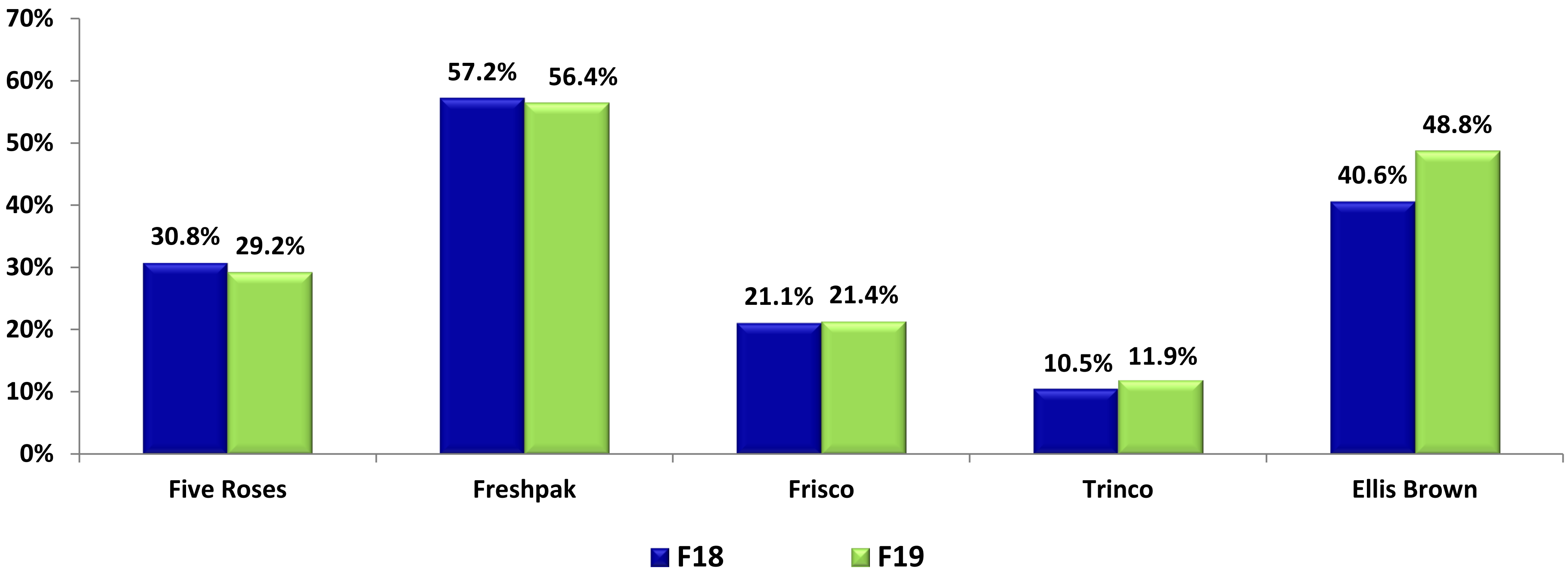


Sales volume and selling prices

	% Δ F19 vs F18	Comments
Tea revenue growth	***2,1***	
Sales volume	*(3,2)*	*Premium brands decline at higher price points; competitor discounting. Black tea overall volumes flat due to growth in affordable brands*
Ave. selling price	*5,4*	*Price increases in response to ongoing cost pressure, including annualisation of F18 increases*
Coffee revenue growth	***(5,7)***	
Sales volume	*(2,2)*	*Premium coffee decline; competitor discounting*
Ave. selling price	*(3,6)*	*Increased discounting of mixed instant and premium coffee to support volumes*
Creamer revenue growth	***22,5***	
Sales volume	*22,7*	*High demand due to competitor supply issues*
Ave. selling price	*(0,1)*	

ENTYCE BEVERAGES

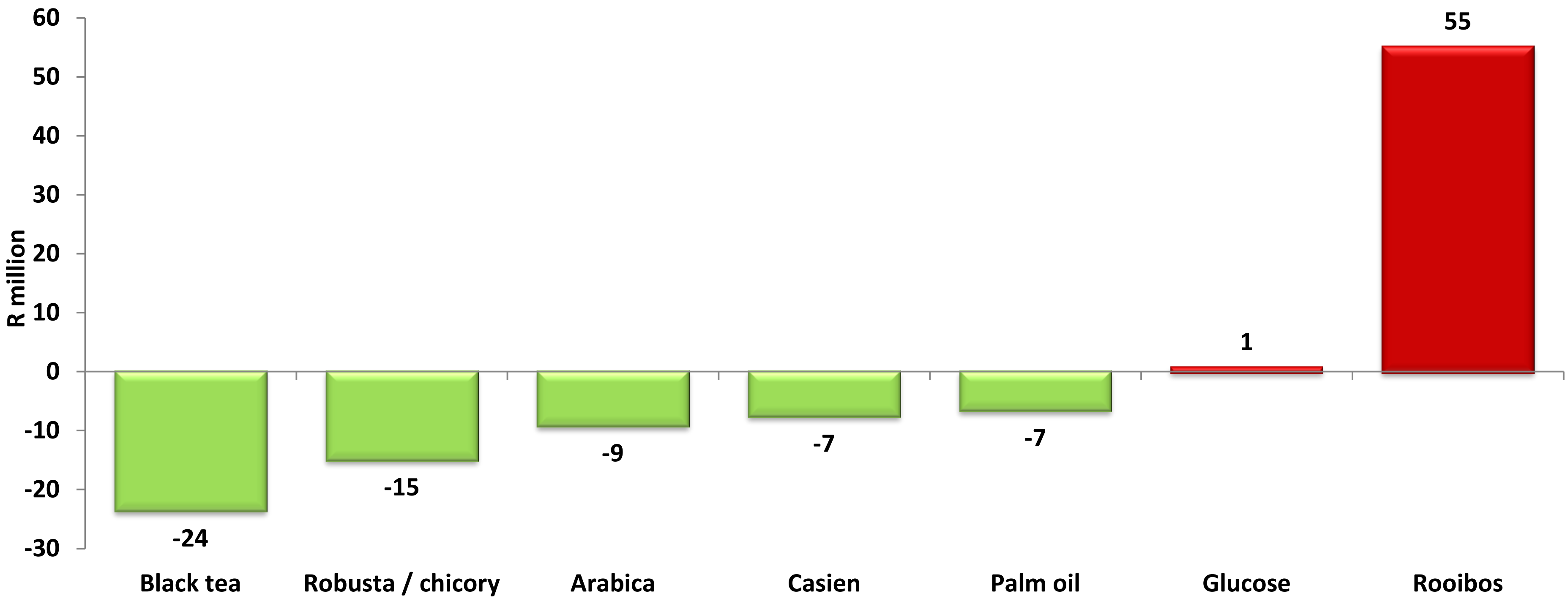
Market shares – Value



- Balanced price / volume in constrained environment
- Constrained consumers move to our affordable tea brands
- Creamer gains from competitor supply issues

Raw material costs

Cost impact of raw materials and commodities consumed in the period (F19 vs F18):



- Rooibos cost increase due to constrained supply and export pricing opportunity. Lower prices for new season will benefit F20
- Softer commodity prices; stronger Rand exchange rates in first semester

Snackworks

That's Good Times!

Performance and Prospects

GROWING GREAT BRANDS

Snackworks
That's Good Times!

Income statement

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Revenue	*4 120,8*	*3 960,8*	*4,0*
Operating profit	*721,7*	*705,0*	*2,4*
Operating profit margin %	*17,5*	*17,8*	*(1,7)*

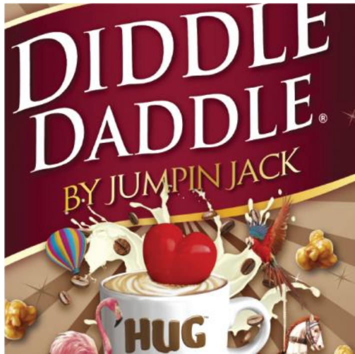
- Growth in biscuit profit due to strong second semester performance
  - Volume growth due to partial recovery in international markets
  - Increased discounting funded by lower marketing spend
  - Price increase in second semester in response to accumulated fixed cost pressures
  - Improved factory performance in H2
  - Selling and administrative costs well managed

Snackworks
That's Good Times!

Income statement

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Revenue	*4 120,8*	*3 960,8*	*4,0*
Operating profit	*721,7*	*705,0*	*2,4*
Operating profit margin %	*17,5*	*17,8*	*(1,7)*

- Snacks profit declined off higher base achieved last year
  - Revenue growth from higher volumes and price increase in second semester in response to accumulated fixed cost pressures
  - Increased discounting in response to aggressive competitor activity
  - Profit margins remain healthy



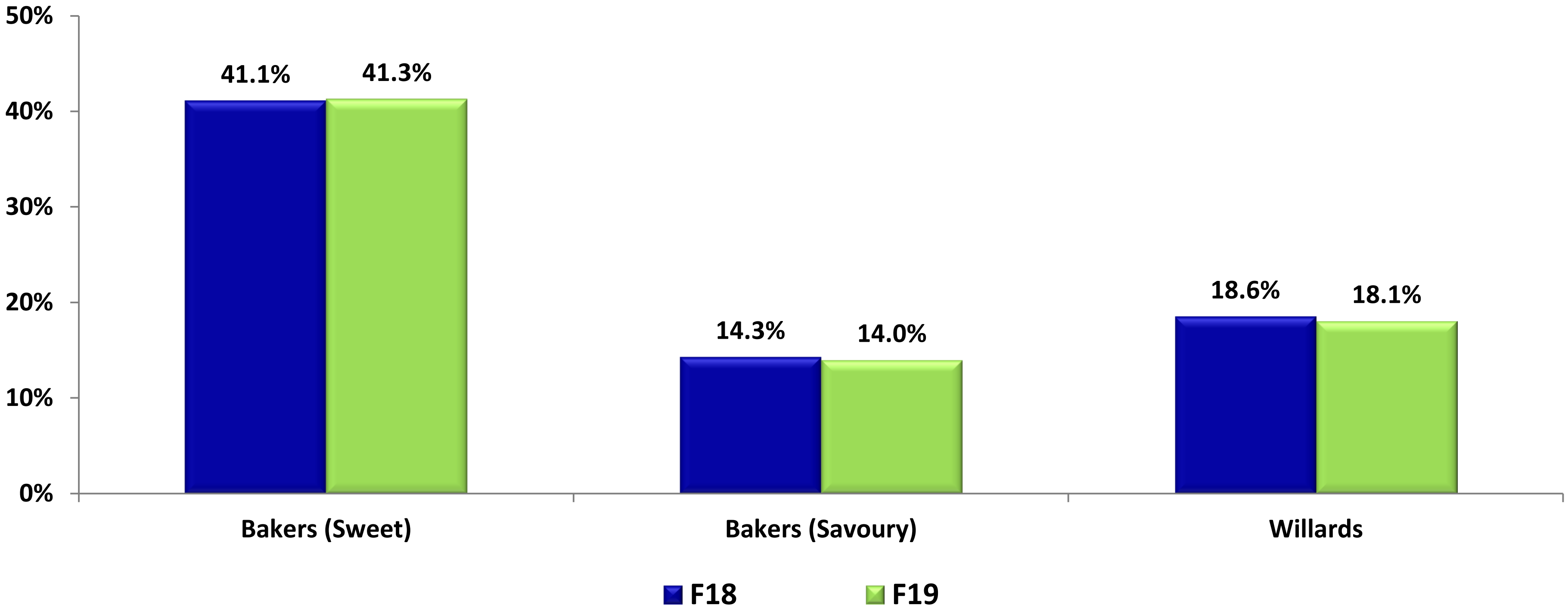
Snackworks
That's Good Times!

Sales volume and selling prices

	% Δ F19 vs F18	Comments
Biscuits revenue growth	***4,4***	
Sales volume	*2,7*	*Partial recovery in international markets*
Ave. selling prices	*1,7*	*Price increases in fourth quarter, offset by increased discounting in favour of below-the-line marketing costs*
Snacks revenue growth	***3,0***	
Sales volume	*1,5*	*Increased promotional activity and improved potato supply*
Ave. selling prices	*1,5*	*Price increases in fourth quarter, offset by increased discounting in response to aggressive competitor activity*

Snackworks
That's Good Times!

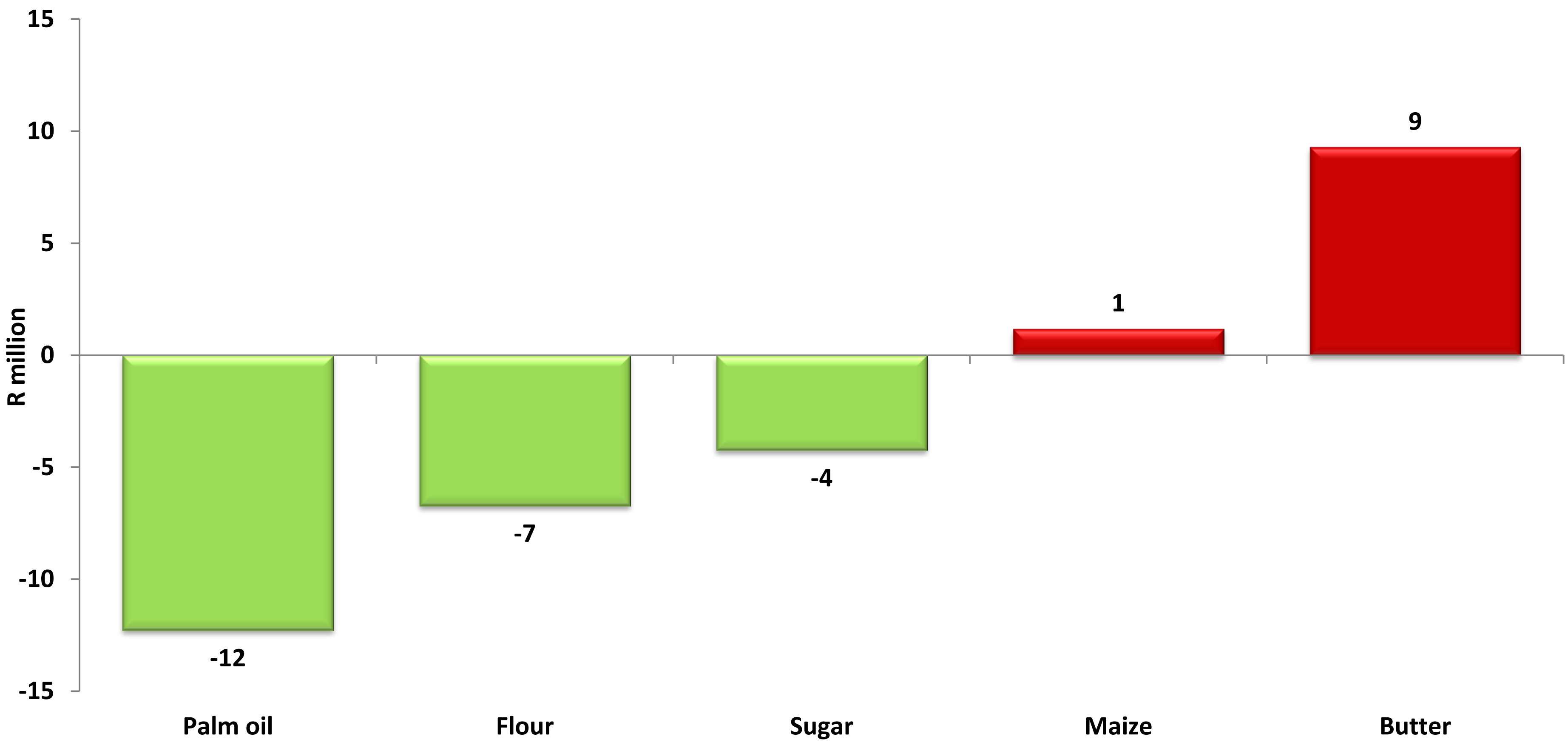
Market shares - Value



- Volumes resilient in constrained environment

Raw material costs

Cost impact of raw materials and commodities consumed in the period (F19 vs F18):



Performance and Prospects

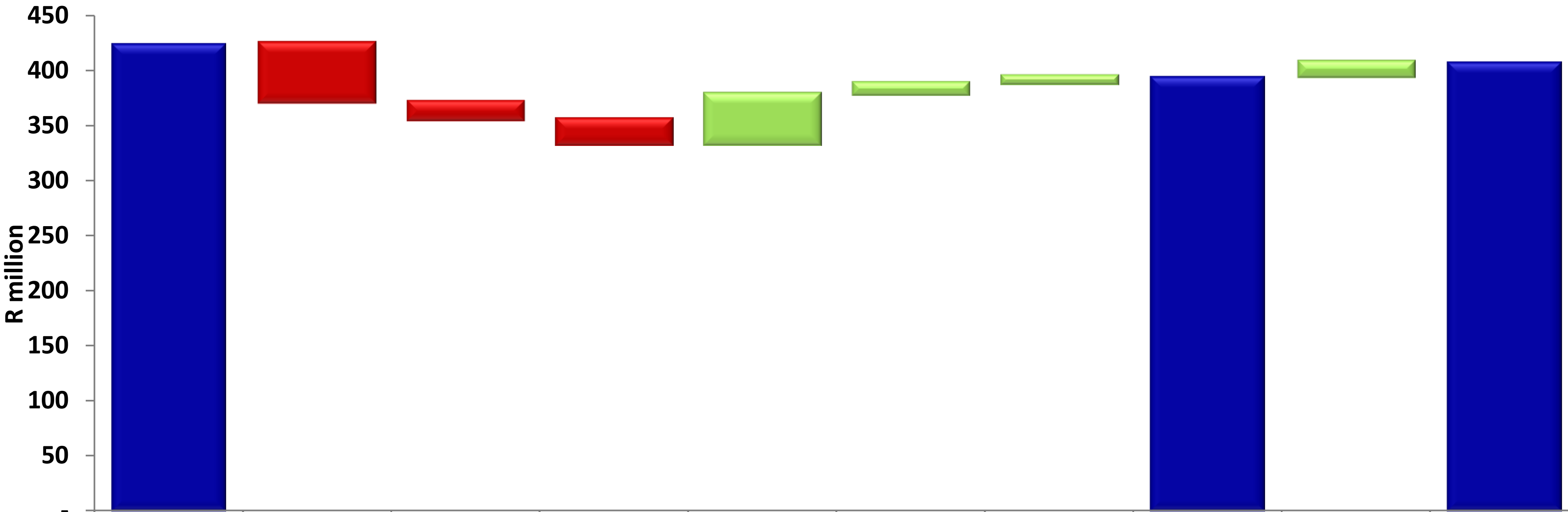
GROWING GREAT BRANDS

Income statement

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Revenue	*2 487,8*	*2 487,6*	*0,0*
Operating profit	*395,2*	*425,0*	*(7,0)*
Operating profit margin %	*15,9*	*17,1*	*(7,0)*

- Revenue flat – price increases and favourable Rand exchange rate on export sales offset by lower sales volumes
- Sales volumes impacted by lost fishing days on wet vessels in H1 and change in sales mix
- Higher fleet fuel and maintenance costs
- Positive fishing trends; catch rates and size mix slightly better
- Sound demand and prices for Cape Hake in export markets
- Sound processing performance and costs tightly managed
- Unfavourable period end revaluation of fuel hedges – R29 million

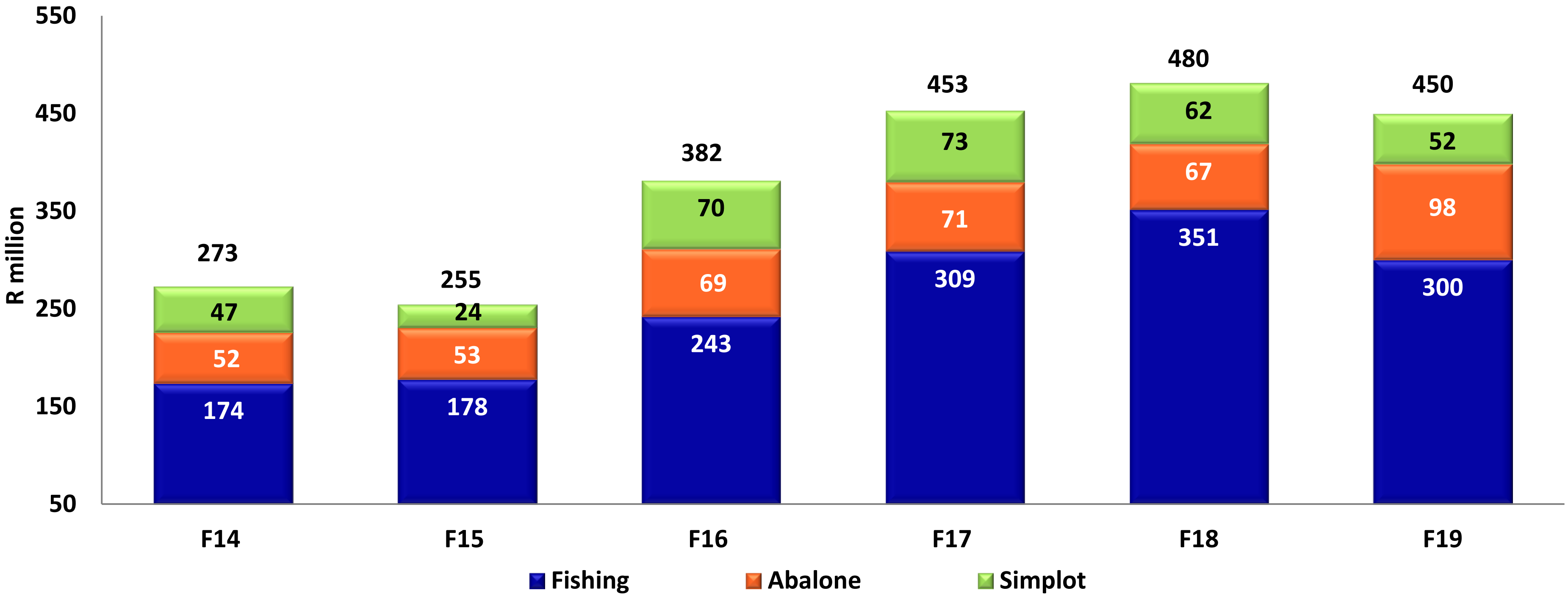
Operating Profit



425	-53	-16	-22	45	10	6	395	13	408
F19	Fuel price	Vessel utilisation	Vessel repairs & maintenance	Forex	Abalone fair value	Other	F19 Like-for-like	New accounting standards	F19 Reported

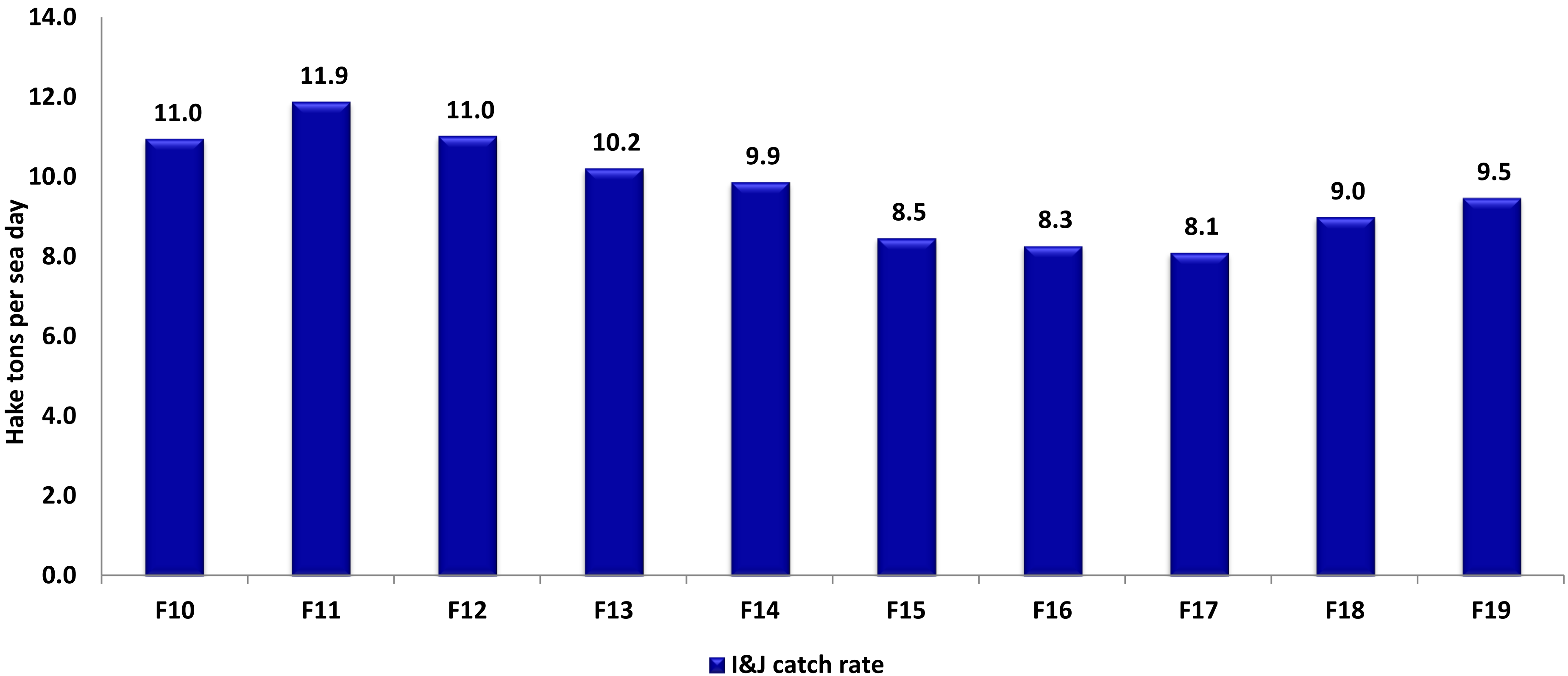
- Fuel cost includes R29 million movement in mark-to-market adjustment
- Vessel utilization variance due to lower fishing days on wet fleet in H1 which has deferred volumes into F20

Profit history



- Abalone contribution increase due to:
  - Higher stock value in line with expansion grow out into saleable sizes
  - Weaker Rand, impacting revenue and stock fair value adjustment
- Simplot performance impacted by lower margins due to increased raw material costs and unfavourable foreign exchange movements

Fishing performance



- Improvement mainly due to change in fleet utilisation - increase in freezer vessel fishing days and decrease in wet vessel fishing days

Sales volume and selling prices (Hake)

	% Δ F19 vs F18	Comments
I&J Domestic revenue growth	***(8,8)***	
Sales volume	*(15,3)*	*Decrease in wet vessel fishing days and increased export allocation*
Ave. selling prices	*7,6*	*Price increases and changes in sales mix*
I&J Export revenue growth	***10,1***	
Sales volume	*6,9*	*Higher freezer vessel tons caught and increased export allocation*
Ave. selling prices	*2,9*	*Favourable Rand exchange rates achieved, and sound export market demand and prices*

- Local retail market share increased to 54,8% from 54,0% in F18

indigo brands

YARDLEY LONDON · LENTHÉRIC LONDON · PARIS · COTY PARIS · NEW YORK · RIMMEL LONDON · adidas · nailene. · Sally Hansen

Performance and Prospects

GROWING GREAT BRANDS

indigo brands

Income statement

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Revenue	*1 190,5*	*1 190,6*	*(0,0)*
Operating profit	*237,1*	*250,3*	*(5,3)*
Operating profit margin %	*19,9*	*21,0*	*(5,3)*

- Fragrance body spray volumes constrained by aggressive discounting across the category
- Good volume growth from body care and roll-ons
- Marginal price increase to recover accumulated cost pressure, partly offset by increased discounting
- Costs well managed
- Improved contribution from international markets

indigo brands

Sales volume and selling prices

	% Δ F19 vs F18	Comments
Personal Care revenue growth*	***(0,6)***	
Sales volume	*(3,3)*	*Competitor discounting, particularly on fragrance body sprays*
Ave. selling price	*2,8*	*Price increases to recover accumulated cost pressure, partly offset by increased discounting*

* Like-for-like comparison excluding Coty

- Body spray market share declined from 32,5% to 31,7%

SPITZ

SPITZ CARVELA KURT GEIGER LACOSTE GANT nina roche TOSONI

Performance and Prospects

GROWING GREAT BRANDS

SPITZ

Income statement

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Revenue	*1 461,2*	*1 546,4*	(5,5)
Operating profit	*320,6*	*379,6*	(15,5)
Operating profit margin %	*21,9*	*24,5*	(10,6)

- Footwear volume decline
  - ❑ Lower demand in constrained environment
  - ❑ F18 record December performance not repeated
- Stable gross profit margin
  - ❑ Low cost inflation – Rand exchange rates secured in F18
  - ❑ No price increases on core ranges
- Marginal decline in trading space
- Profitability remains strong
- Opened 1 store and closed 2; 7 refurbishments

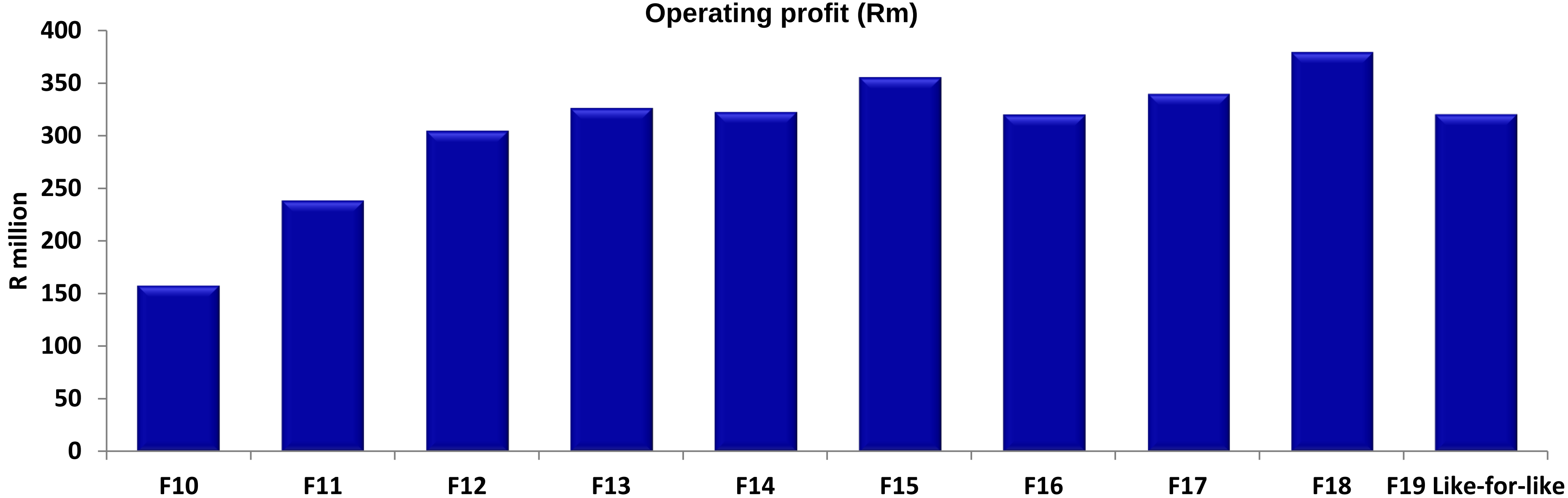
SPITZ

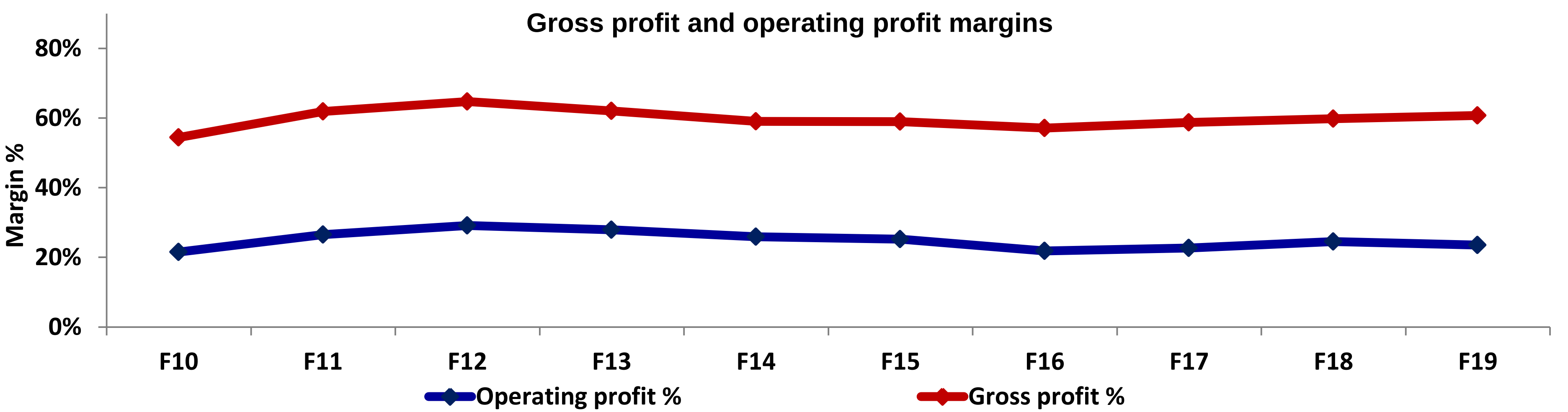
Sales volume and selling prices

	% Δ H1 F19 vs F18	Comments
Spitz & KG Footwear revenue growth	***(6,4)***	
Sales volume	*(6,9)*	*Constrained consumer environment;* *F18 record December not repeated*
Ave. selling price	*0,6*	*Changes in sales mix; no price increases on core lines*
KG Clothing revenue growth	***(2,4)***	

SPITZ

Spitz and Kurt Geiger





GREEN CROSS

Performance and Prospects

GROWING GREAT BRANDS

GREEN CROSS

Income statement

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
Revenue	*295,0*	*366,1*	*(19,4)*
Operating profit	*(36,1)*	*6,2*	*(682,3)*
Operating profit margin %	*(12,2)*	*1,7*	*(817,6)*

- Revenue decline of 19,4%
  - Wholesale decline with continued shift to retail
  - Aggressive discounting across the category
- Integration into Spitz structures
  - Factory closure and integration costs R27 million
  - New international product sourcing model established
  - Launch of multi-brand GX & Co stores
- Costs tightly managed, savings compared to F18
- Trading space – 4 stores closed in F19



GX&Co


AVI

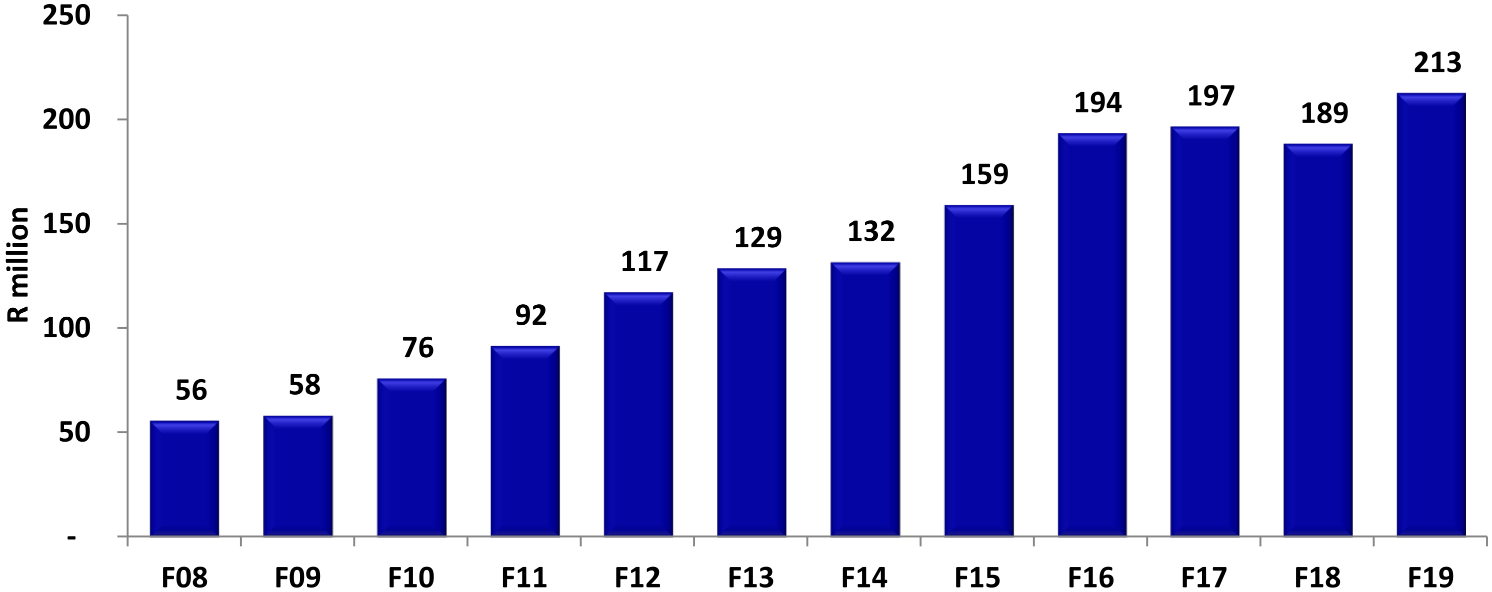
International

Performance and Prospects

GROWING GREAT BRANDS

AVI INTERNATIONAL

Operating profit history - Reported



- Revenue growth
  - Some recovery in international markets, with notable growth in Mozambique, DRC and Botswana
  - Main growth in creamer, biscuits and personal care
- Low input cost inflation
- Savings from cost saving and restructuring initiatives




AVI INTERNATIONAL

Entyce, Snackworks and Indigo – Non RSA sales

	F19 Like-for-like Rm	F18 Reported Rm	%Δ
International Revenue	1 059,4	992,1	6,8
% of Grocery and Personal Care brands	*11,4*	*11,0*	3,6
% of Group	*7,8*	*7,4*	*5,4*
International Operating Profit	211,4	188,6	12,1
% of Grocery and Personal Care brands	*11,8*	*10,8*	*9,3*
% of Group	*8,5*	*7,4*	*14,9*
International Operating Margin	20,0	19,0	5,3
Grocery and Personal Care brands Operating Margin	*19,3*	*19,5*	*(1,0)*
Group Operating Margin	*18,2*	*19,0*	*(4,2)*

AVI GROUP

Prospects for F20

- Target Entyce, Snackworks and Indigo profit growth in a tough environment
  - Sustain medium term approach
  - Careful price / volume management in market expected to remain constrained and competitive
  - Raw material prices and exchange rates secured support consistent gross profit margins if demand is reasonable
  - Rooibos raw material costs lower with improved supply
  - Potential for continued aggressive discounting by competitors
  - F19 creamer volume growth may not be repeated
  - Increased marketing investment in some categories
  - New product launches to support brands and gain volume
  - Steady building of branded positions in export markets
  - Continued project activity to improve efficiency and capacity

AVI GROUP

Prospects for F20 continued

- I&J performance dependent on catch rates
  - Exchange rates at levels that support sound export profit margins
  - Depend materially on catch rates and size mix
  - Increasing competition in export markets may impact selling prices
  - Quota for CY19 up 10% to 39 616 tons
  - Fuel costs effectively hedged, albeit at higher prices than F19
  - Ongoing focus on cost reduction
  - Increased abalone volume from grow-out of expansion to 600 tons
  - Adverse impact on abalone prices from Hong Kong market disruption
  - Evaluate further expansion of abalone business
  - Expectation of improved long term fishing rights application process under new minister

AVI GROUP

Prospects for F20 continued

- Spitz Group
  - Low selling price inflation supported by Rand exchange rates secured
  - Incremental space growth and in-cycle refurbishments
  - Continued focus on costs – rental reductions
  - Sustain medium term approach
    - Continued focus on brand and design via Italian design office
    - Ongoing development and rollout of new store designs/concepts
  - Green Cross
    - Build competitive product range with full import model
    - Evaluate and roll-out new store design
    - Benefits of operational integration with Spitz business

AVI GROUP

Investor proposition

- Continue adapting to changing macro environment
  - Ongoing review of business model
- Group initiatives keep focus on margin management, procurement, cost savings and efficiency
- Manage our unique brand portfolio to its long term potential
- Target real earnings growth in constrained environment
- High dividend yield – maintain normal dividend payout ratio of 80%
- Sustain high return on capital employed
  - Effective capital projects
  - Leverage domestic manufacturing capability to grow export markets
  - Return excess cash to shareholders efficiently
- Replicate our category market leadership in selected regional markets
- Acquisition of high quality brand opportunities if available

AVI

Questions

GROWING GREAT BRANDS

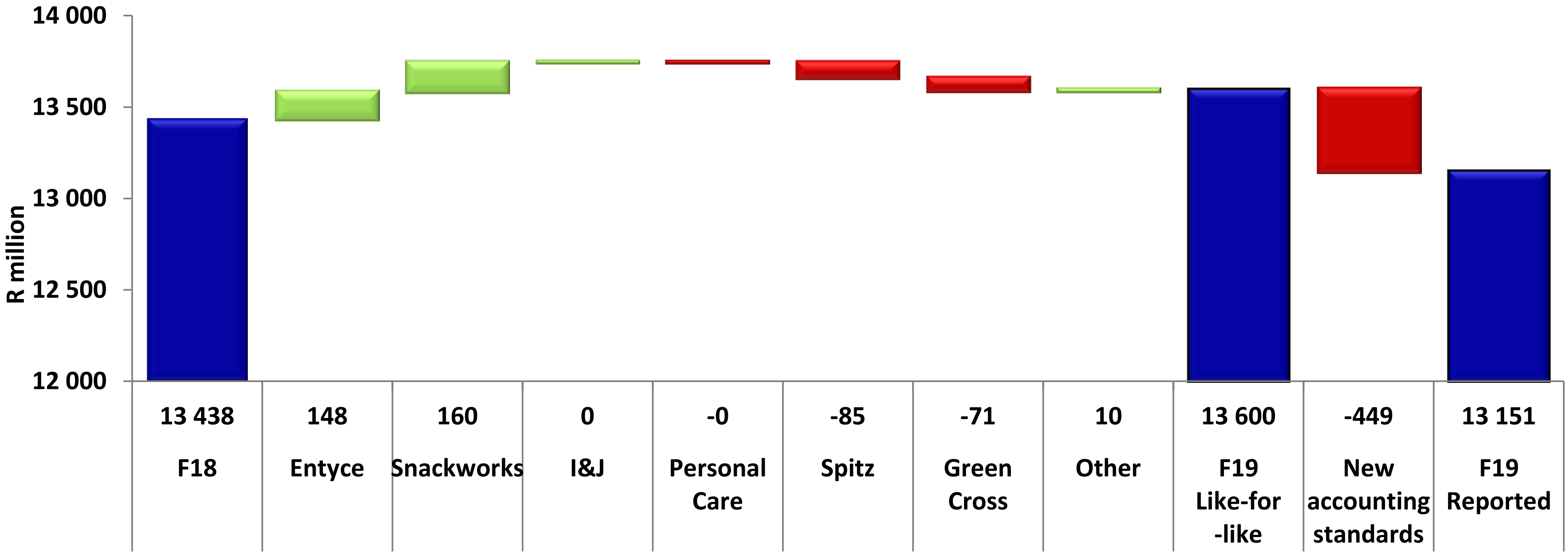
AVI

Information slides

GROWING GREAT BRANDS

INFORMATION SLIDE

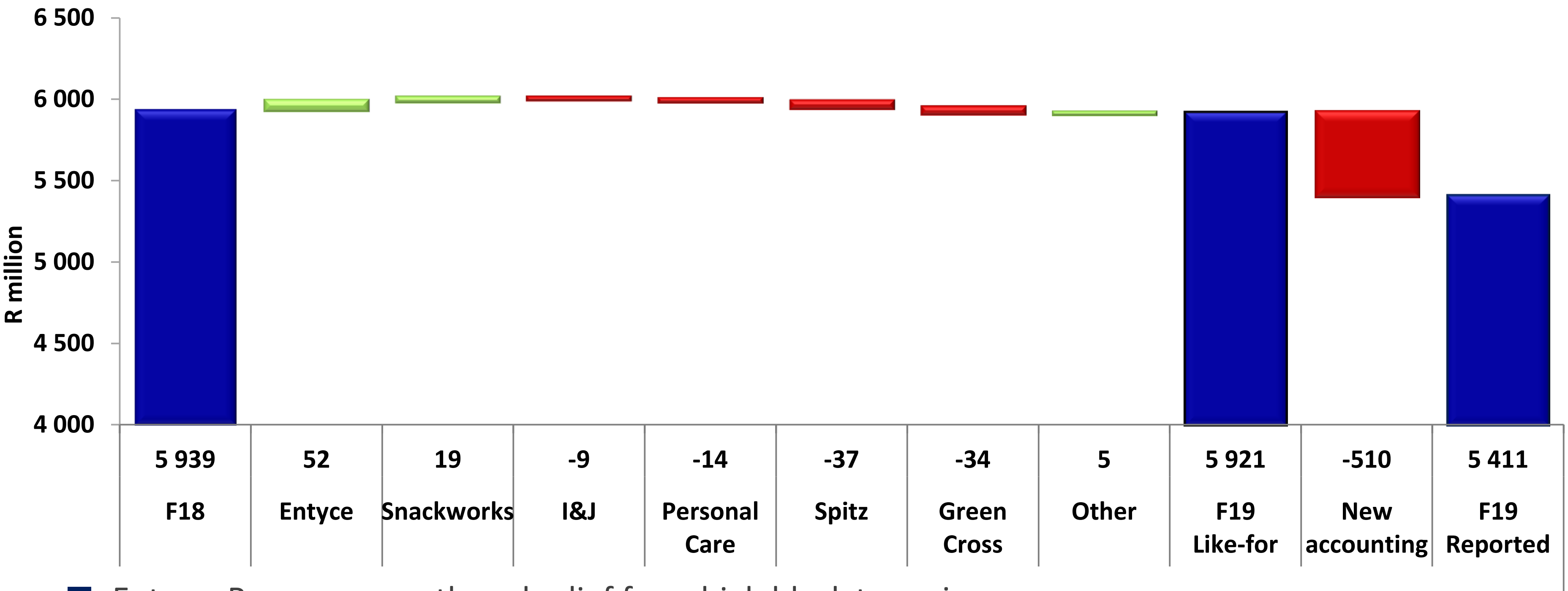
Revenue 1,2% up on a like-for-like basis



- Entyce: Strong creamer demand and higher rooibos prices partly offset by coffee and tea volume decline
- Snackworks: Volume growth and price increases in biscuits and snacks
- I&J: Price increases and favourable Rand exchange rates on exports offset by lower volumes due to lower wet vessel fishing days in the first semester and change in sales mix
- Personal Care: Decline in aerosol volumes due to competitor discounting offset by growth in roll on and lotions
- Spitz: Subdued consumer demand and non-repeat of prior year record December sales volumes
- Green Cross: Lower retail and wholesale volumes

INFORMATION SLIDE

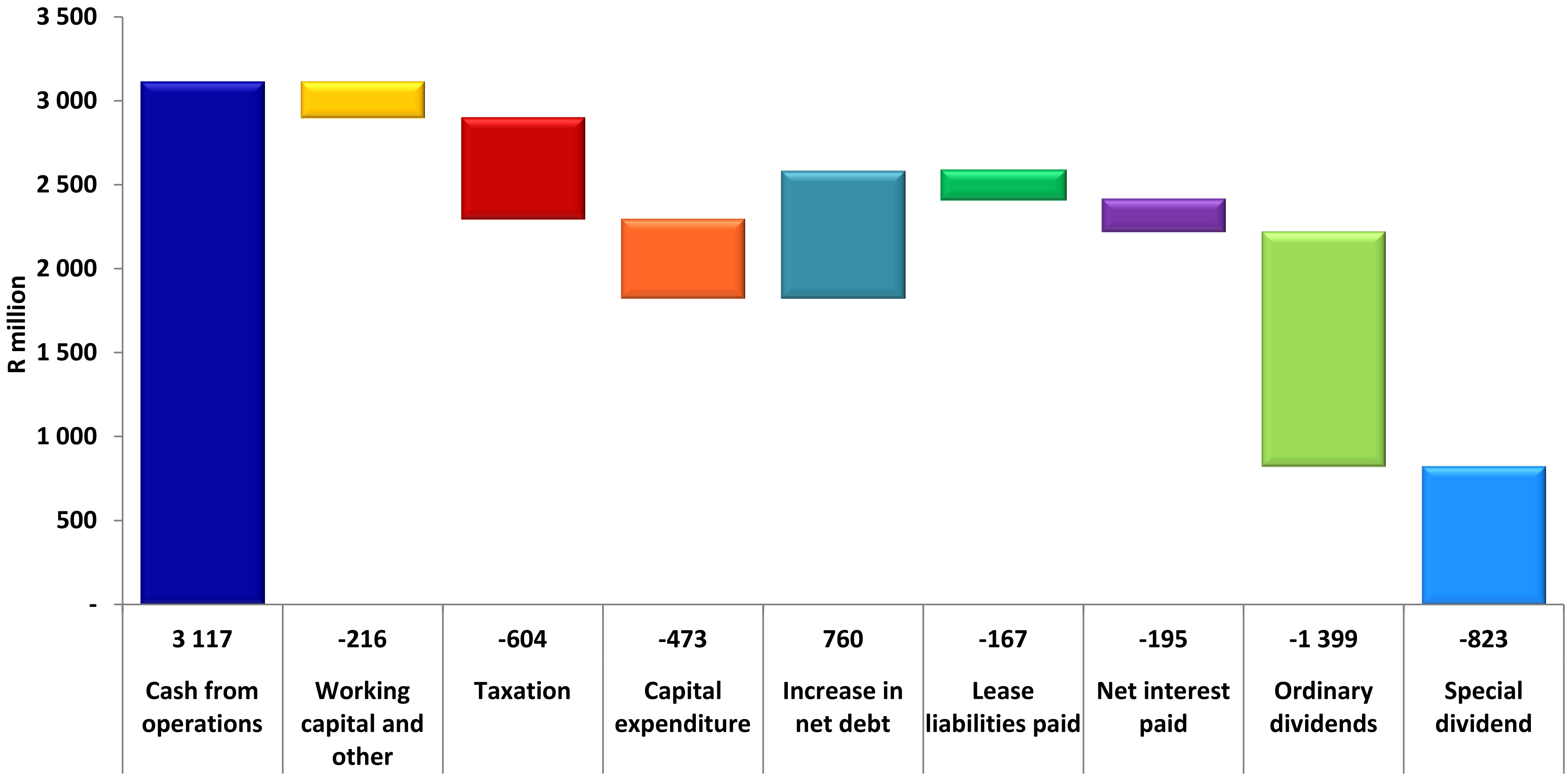
Gross profit 0,3% down on a like-for-like basis



- Entyce: Revenue growth and relief from high black tea prices
- Snackworks: Revenue growth offset by period of poor factory yields in the first semester
- I&J: Lower sales volumes; higher repairs and maintenance and fuel costs
- Personal Care: Decline in aerosol volumes due to competitor discounting
- Spitz: Subdued demand, including non-repeat of prior year record December sales volumes
- Green Cross: Lower sales volumes and stock provisions of R6 million following factory closure

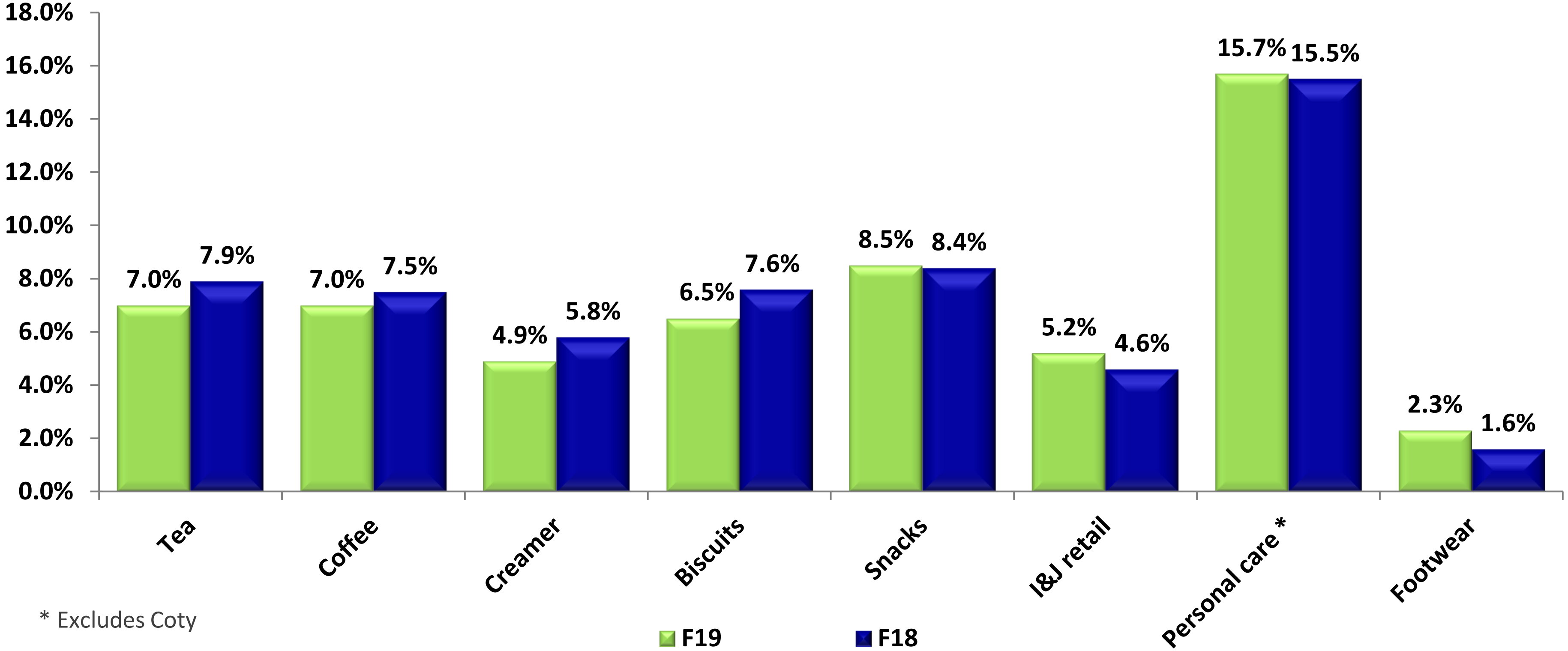
INFORMATION SLIDE

Cash flows



INFORMATION SLIDE

Marketing expenditure – Like-for-like comparison



* Excludes Coty

- Entyce and Snackworks reduced spend in favour of increased discounts
- Total expenditure for F19 of R755,9m compared to R783,1m in F18
- Includes advertising and promotions, co-operative expenditure with customers and marketing department costs

INFORMATION SLIDE

I&J fishing quota

Quota (tons)	CY13	CY14	CY15	CY16	CY17	CY18	CY19
South African Total Allowable Catch (TAC)	156 088	155 308	147 500	147 500	140 126	133 120	146 430
% change in TAC	7,8	(0,5)	(5,0)	-	(5,0)	(5,0)	10,0
I&J	43 689	43 471	41 223	41 245	37 901	36 013	39 616
%	28,0	28,0	27,9	28,0	27,1	27,1	27,1

- 2019 quota increased by 3 603 tons due to higher TAC

INFORMATION SLIDE

Trading space and trading density

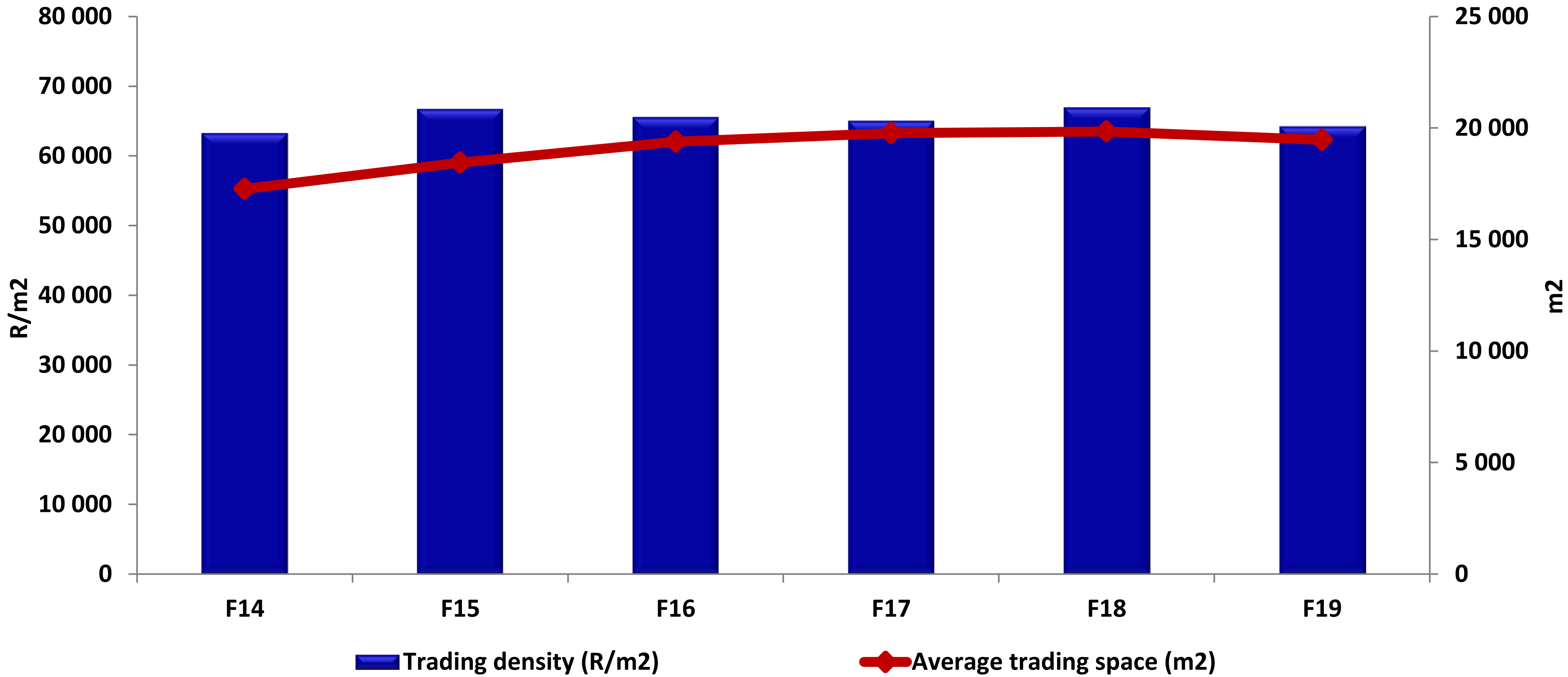
Spitz	**F19**	**F18**
Number of stores	74	75
Turnover (Rm)	1 250,8	1 328,5
Average m^2	19 484	19 841
Trading Density (R /m^2)	64 198	66 960
Closing m^2	19 363	19 460

Like-for-like metrics*	**F19**	**F18**
Number of stores	72	72
Turnover (Rm)	1 213,7	1 289,1
Average & closing m^2	18 811	18 828
Trading Density (R/m^2)	64 520	68 468

* Based on stores trading for the entire current and prior periods.

INFORMATION SLIDE

Trading density – Spitz stores



- Opened 1 new Spitz store and closed 2
- Refurbished 7 Spitz stores

INFORMATION SLIDE

Trading space and trading density

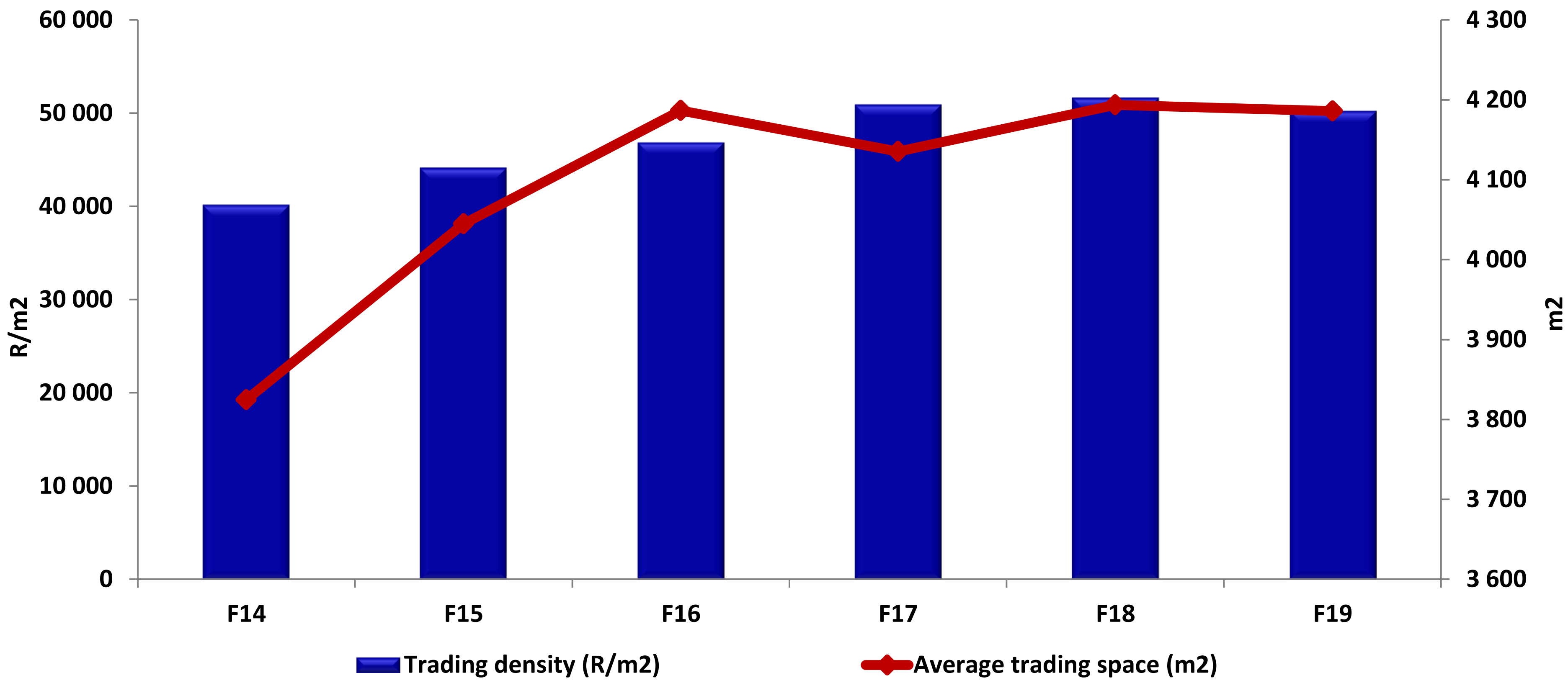
Kurt Geiger	F19	F18
Number of stores	33	33
Turnover (Rm)	210,3	216,6
Average m^2	4 191	4 194
Trading Density (R /m^2)	50 237	51 640
Closing m^2	4 191	4 194

Like-for-like metrics*	F19	F18
Number of stores	33	33
Turnover (Rm)	210,3	205,9
Average & closing m^2	4 191	4 194
Trading Density (R/m^2)	50 237	49 090

* Based on stores trading for the entire current and prior periods.

INFORMATION SLIDE

Trading density – Kurt Geiger stores



- No store changes in FY19

INFORMATION SLIDE

Trading space and trading density

Green Cross	F19	F18
Number of stores	41	45
Turnover (Rm)	224,9	276,2
Average m^2	5 340	5 436
Trading Density (R /m^2)	42 110	50 804
Closing m^2	4 936	5 536

Like-for-like metrics*	F19	F18
Number of stores	38	38
Turnover (Rm)	205,8	250,1
Average & closing m^2	4 618	4 168
Trading Density (R/m^2)	44 580	54 153

including value stores

* Based on stores trading for the entire current and prior periods

INFORMATION SLIDE

Closing number of stores and trading space at the end of each period

Period End	Spitz		Kurt Geiger		Green Cross	
	# of stores	Closing m²	# of stores	Closing m²	# of stores	Closing m²
June 2009	56	15,595	3	346		
December 2009	56	15,220	3	346		
June 2010	56	15,012	3	346		
December 2010	57	15,124	7	1,047		
June 2011	57	14,991	15	1,910		
December 2011	59	15,240	22	2,922	29	3,304
June 2012	61	15,662	26	3,507	30	3,382
December 2012	64	16,586	31	4,113	30	3,382
June 2013	64	16,586	30	3,751	30	3,382
December 2013	67	17,156	32	3,960	30	3,382
June 2014	70	17,813	32	3,880	31	3,517
December 2014	72	18,342	33	3,978	30	3,423
June 2015	74	19,144	29	3,677	30	3,529
December 2015	75	19,376	33	4,156	34	4,097
June 2016	76	19,726	34	4,266	38	4,697
December 2016	75	19,544	33	4,087	39	4,896
June 2017	77	20,037	33	4,115	42	5,218
December 2017	77	20,243	33	4,194	45	5,536
June 2018	75	19,460	33	4,194	45	5,536
December 2018	76	19,745	33	4,194	44	5,410
June 2019	74	19,363	33	4,191	41	4,936

INFORMATION SLIDE

Business unit financial results - Reported

IFRS 15 and 16, adopted by AVI with effect from 1 July 2018, have had a material impact on reported F19 segmental revenue and operating profit, rendering direct comparison to last year's results meaningless for these lines. The F19 numbers shown below will be the comparatives for F20 numbers reported next year.

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	F19 Reported Rm	F18 Reported Rm	Δ %	F19 Reported Rm	F18 Reported Rm	Δ %	F19 Reported Rm	F18 Reported Rm
Food & Beverage Brands	**10 220,7**	**10 282,5**	**(0,6)**	**1 969,3**	**1 922,6**	**2,4**	**19,3**	**18,7**
Entyce	3 822,6	3 834,1	(0,3)	838,3	792,6	5,8	21,9	20,7
Snackworks	3 890,9	3 960,8	(1,8)	723,1	705,0	2,6	18,6	17,8
I&J	2 507,2	2 487,6	0,8	407,9	425,0	(4,0)	16,3	17,1
Fashion Brands	**2 930,2**	**3 155,0**	**(7,1)**	**565,7**	**645,0**	**(12,3)**	**19,3**	**20,4**
Personal Care	1 111,4	1 190,6	(6,7)	237,2	250,3	(5,2)	21,3	21,0
Footwear & Apparel	**1 818,8**	**1 964,4**	**(7,4)**	**328,5**	**394,7**	**(16,8)**	**18,1**	**20,1**
Spitz	1 461,2	1 546,4	(5,5)	343,6	379,6	(9,5)	23,5	24,5
Green Cross	295,0	366,1	(19,4)	(29,6)	6,2	(577,4)	(10,0)	1,7
Gant	62,6	51,9	20,6	14,5	8,9	62,9	23,2	17,1
Corporate	**-**	**-**		**(12,5)**	**(15,1)**	**17,2**		
Group	**13 150,9**	**13 437,5**	**(2,1)**	**2 522,5**	**2 552,5**	**(1,2)**	**19,2**	**19,0**

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