AVI

AVI Limited presentation to shareholders & analysts for the year ended 30 June 2020

GROWING GREAT BRANDS

AGENDA

- Key features and results history
- Group financial results
- Performance and prospects
- Questions and answers

KEY FEATURES

- The COVID-19 pandemic materially affected the second semester
- Full year revenue growth of 0,4%
- Gross profit margins protected despite volume losses in some businesses
- Selling and administrative cost increases limited to 1,0%
- Operating profit declined by 7,5% due to the impact of the second semester
- Cash generated by operations increased by 13,0% over the prior year
- Investment of R376,6 million in capital projects and essential replacements
- Headline earnings per share down 8,9% to 470,8 cents
- Final dividend of 250 cents per share

KEY FEATURES

COVID-19 – impact on operations

- Total of 410 positive cases to date
- 18 hospitalisations and 5 deaths, including 2 contractors

Impact of lockdown restrictions on ability to trade in F20:

	27 - 31 March	April	May	June
Tea				
Coffee				
Creamer				
Ciro	Only contract income. Majority of customers closed.			
Biscuits				
Snacks				
I&J fishing				
I&J abalone	Limited demand exacerbated by difficulty in securing air freight			
Personal care	Only aerosol, roll-on, lotions		Ramping up	
Spitz			Ramping up	
Green Cross			Ramping up	

- I&J processing and fishing activity reduced in April, May, June due to build up of positive cases
- Low service levels for some SKUs in June due to raw material shipping delays

KEY FEATURES

COVID-19 – impact on sales volumes

% Change in sales volumes compared to prior year

	9 months to March	April to June	Full year
Tea	-0,7%	17,7%	4,4%
Coffee	-6,1%	4,3%	-3,1%
Creamer	-1,9%	20,1%	4,4%
Ciro	4,4%	-68,8%	-15,0%
Biscuits	0,5%	20,7%	5,1%
Snacks	1,8%	22,3%	6,7%
I&J hake domestic	9,4%	-8,8%	4,8%
I&J hake export	-3,9%	-27,1%	-12,0%
I&J abalone	-0,8%	-40,8%	-11,1%
Personal care	4,8%	-36,1%	-5,2%
Spitz & Green Cross footwear	-15,0%	-63,3%	-23,2%

- Increased in-home consumption of food and beverage brands
- I&J volumes reduced by operational disruption from COVID-19
- Fashions brands impacted materially by lockdown restrictions

KEY FEATURES

COVID-19 – impact on revenue

% Revenue compared to corresponding month in the prior year

	Mar 20	Apr 20	May 20	Jun 20	Jul 20	Aug 20
Entyce & Snackworks (excl Ciro)	123%	124%	127%	110%	112%	123%
Ciro	84%	12%	29%	41%	47%	49%
I&J	105%	88%	77%	75%	181%	78%
Personal Care (Like-for-like)	88%	55%	70%	80%	91%	83%
Footwear & apparel	69%	0%	50%	73%	77%	88%

- Stockpiling of food and beverages by consumers started in the last week of March
- Food, beverage and personal care consumption expected to normalise as consumers gradually return to normal routines and spending patterns
- Footwear and apparel volumes expected to recover as footfall in malls improves

KEY FEATURES

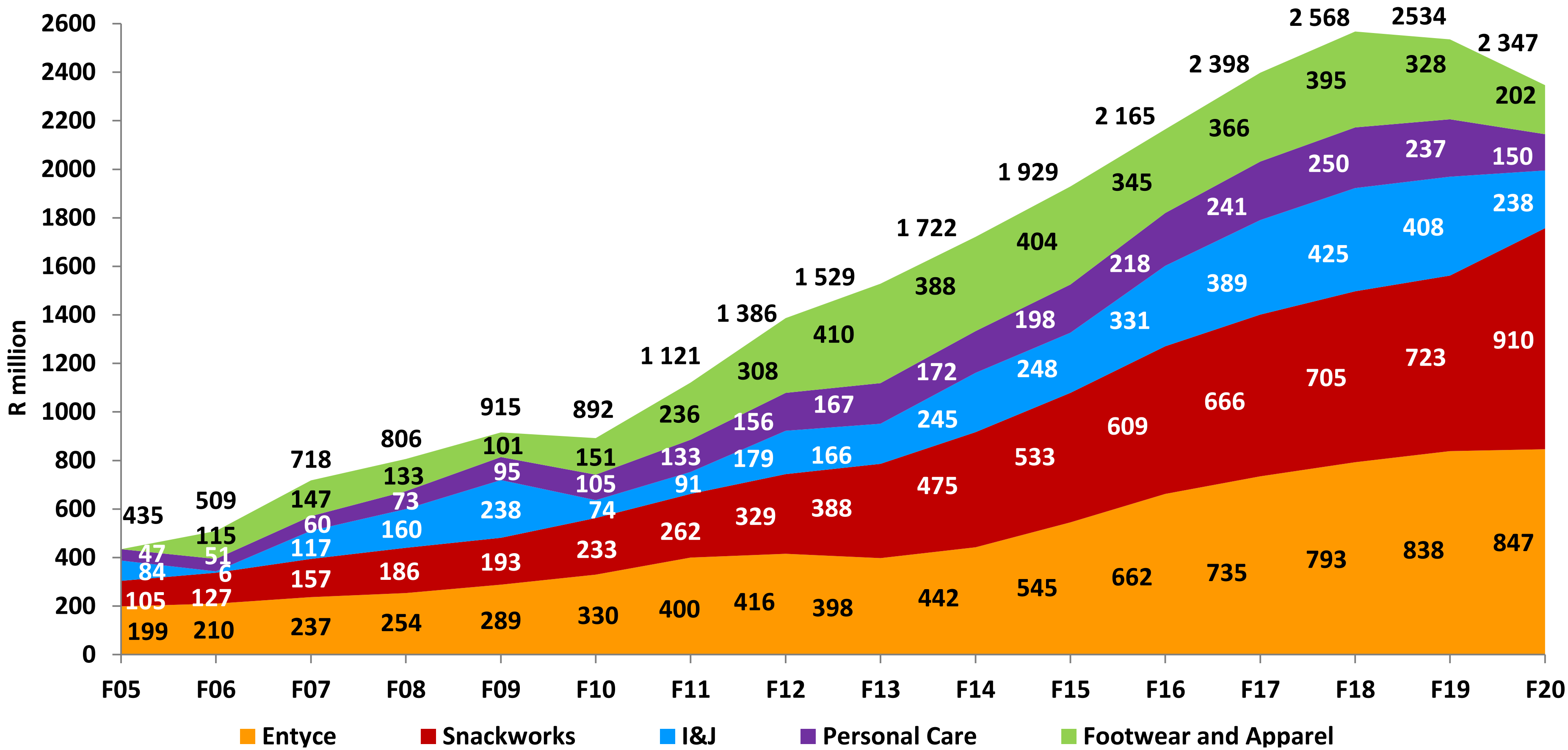
COVID-19 – impact on costs

- Additional direct costs of R58 million

Rm	Special employee allowances	Employee transport	Sanitisation and PPE	TOTAL
Cost of sales	19	13	7	39
Selling and administrative expenses	14	2	3	19
Total	33	15	10	58

- Contribution of R10 million to the Solidarity Fund
- Minor impact on stock and debtors provisions
  - Consolidated stock provisions in line with last year
  - Consolidated debtors provisions increased by R4,4 million
- Cash generation remained strong
  - Good cash collections from food and beverage customers
  - Suppliers paid on normal terms
  - Employees paid throughout the lockdown period
- Rent relief of R14,3 million in retail businesses

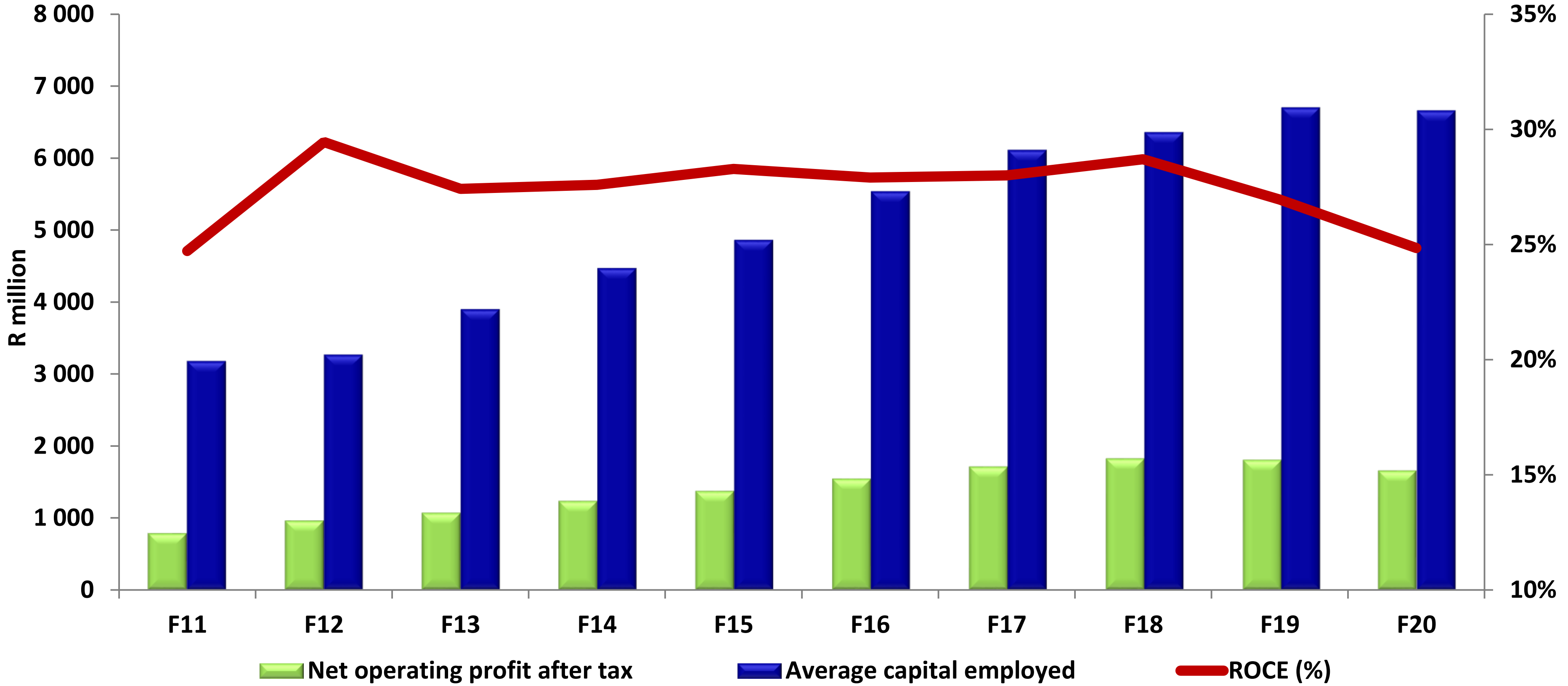
RESULTS HISTORY



- Sustained growth in Entyce and Snackworks
- Constrained environment, and negative impact of COVID-19 on fashion businesses and I&J, resulting in lower profit in F20

RESULTS HISTORY

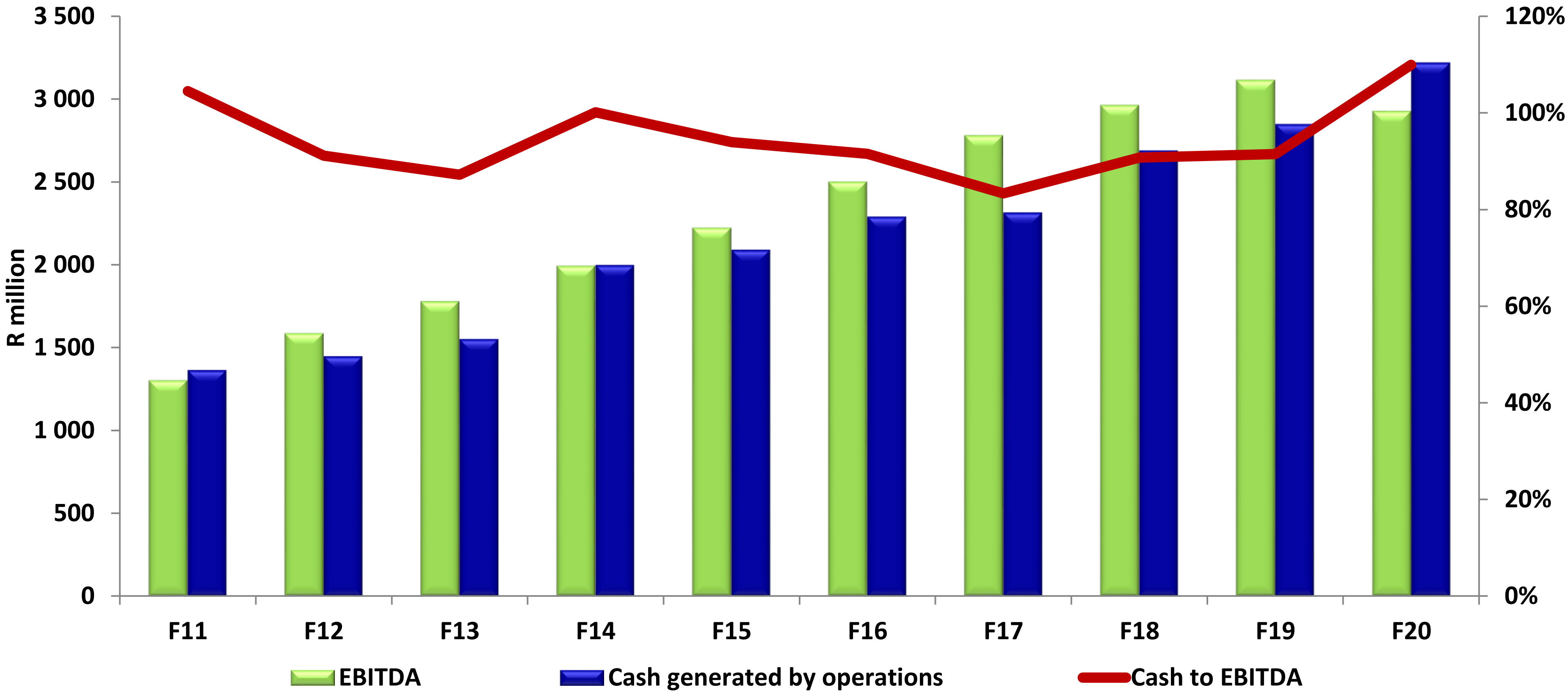
Return on capital employed



- High return maintained in tough environment

RESULTS HISTORY

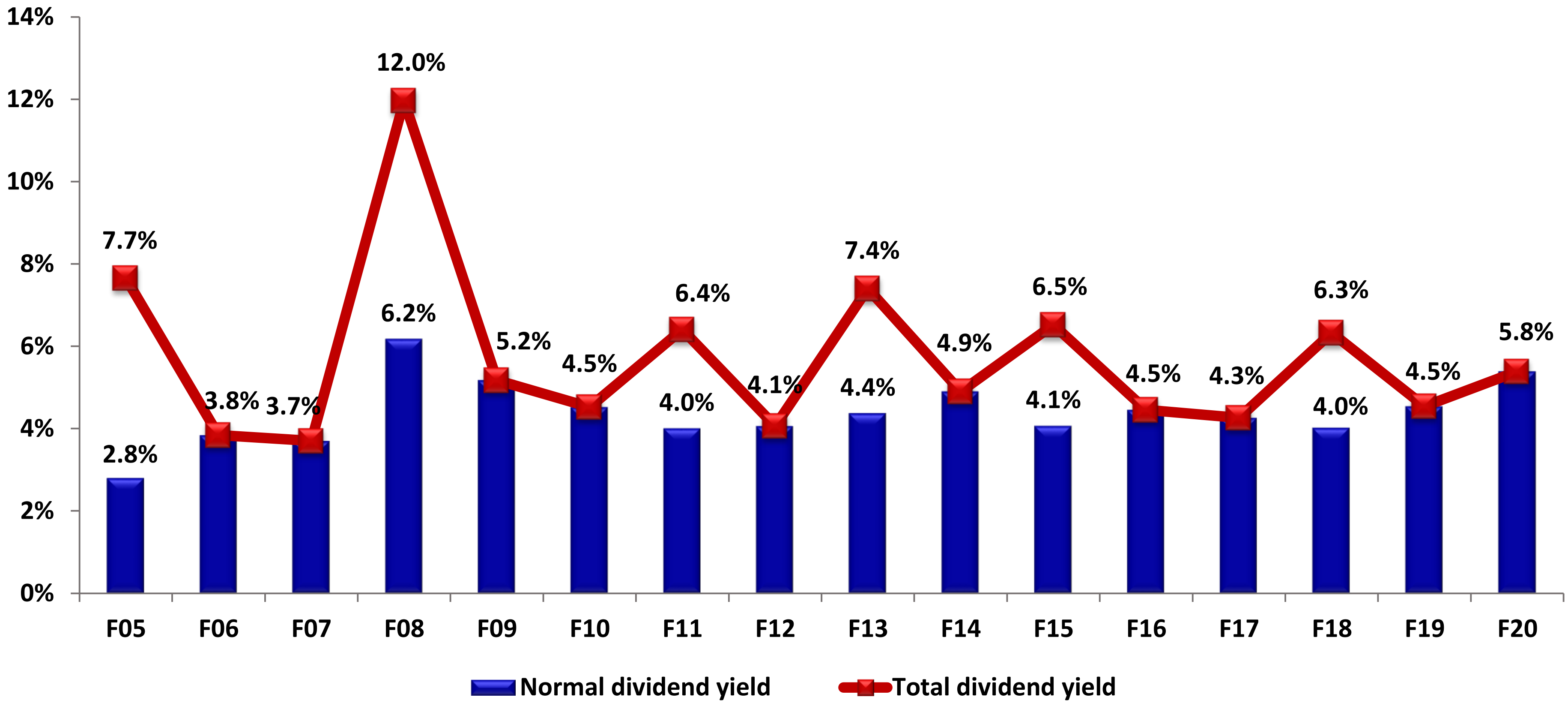
Cash conversion



- Sustained strong conversion of earnings into cash
  - Decrease in working capital in F20

RESULTS HISTORY

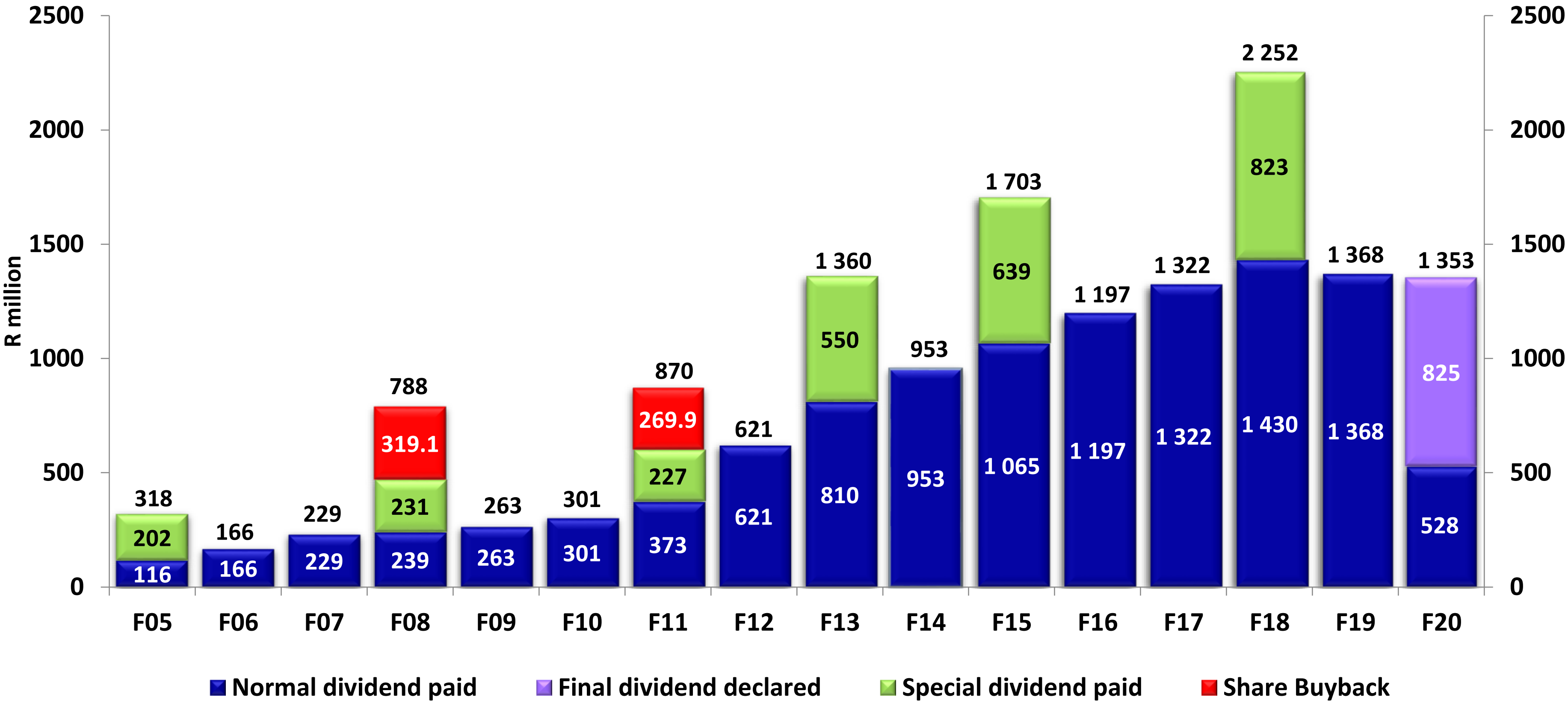
Dividend yield



- Based on share price at end of each year (R70,54 at end June 2020)
- 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 = 92,0% of headline earnings

AVI

Group Financial Results

GROWING GREAT BRANDS

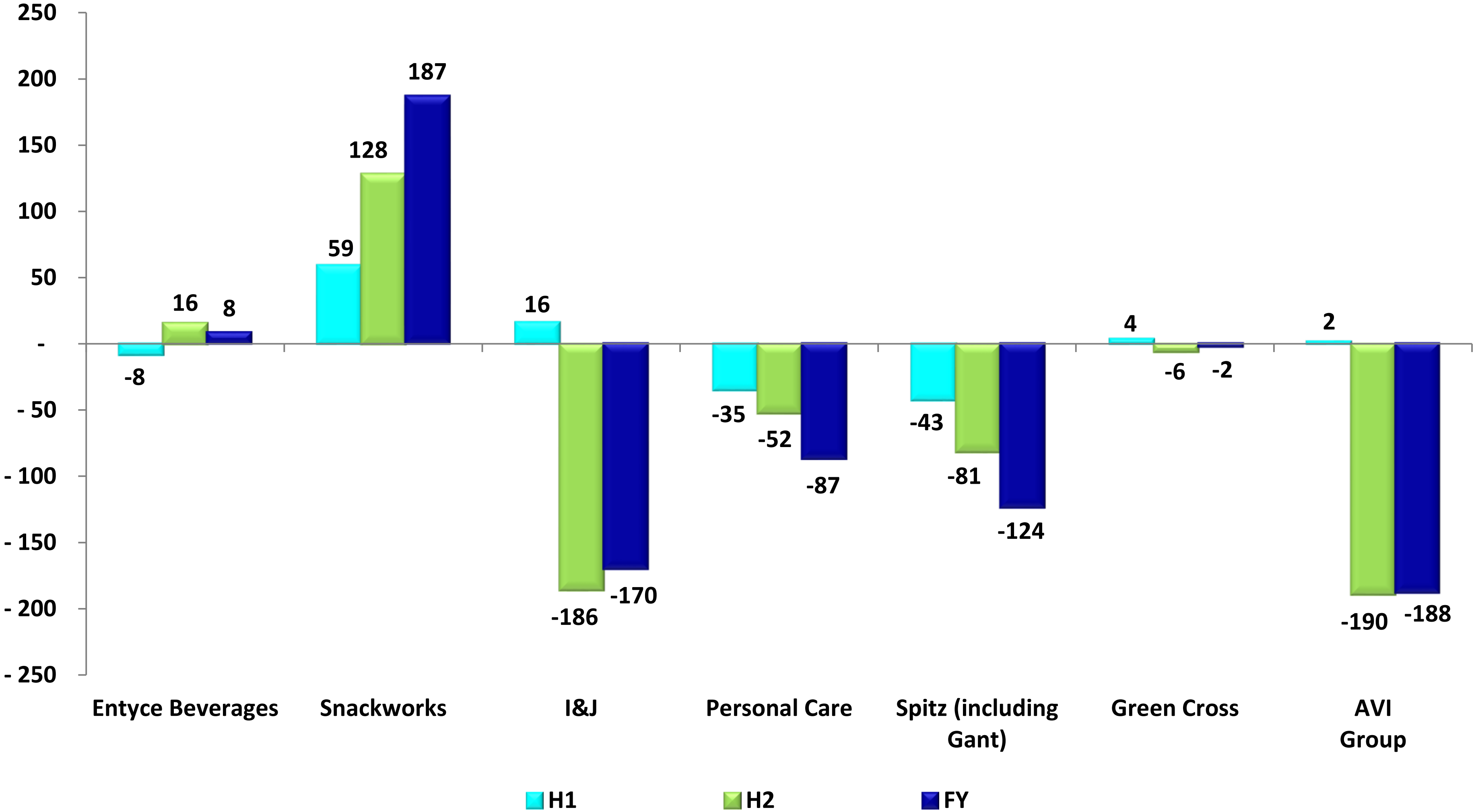
GROUP FINANCIAL RESULTS

Income statement

	F20 Rm	F19 Rm	%Δ
Revenue	13 209,7	13 150,9	0,4
Cost of sales	(7 958,5)	(7 740,2)	2,8
Gross profit	5 251,2	5 410,7	(2,9)
Gross profit margin %	*39,8*	*41,1*	(3,2)
Selling and administrative expenses	(2 916,7)	(2 888,2)	1,0
Operating profit	2 334,5	2 522,5	(7,5)
Operating profit margin %	*17,7*	*19,2*	*(7,8)*
Net financing cost	(165,5)	(194,8)	(15,0)
Share of Joint Ventures	17,4	42,2	(58,8)
Capital items before tax	455,9	(127,8)	
Effective tax rate %	*26,3*	*28,4*	
Headline earnings	1 549,7	1 696,2	(8,6)
HEPS (cps)	*470,8*	*516,6*	*(8,9)*

GROUP FINANCIAL RESULTS

Change in operating profit F20 versus F19



GROUP FINANCIAL RESULTS

Business unit financial results

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	F20 Rm	F19 Rm	Δ %	F20 Rm	F19 Rm	Δ %	F20 %	F19 %
Food & Beverage Brands	**10 542,0**	**10 220,7**	**3,1**	**1 994,6**	**1 969,3**	**1,3**	**18,9**	**19,3**
Entyce Beverages	3 849,0	3 822,6	0,7	846,6	838,3	1,0	22,0	21,9
Snackworks	4 365,1	3 890,9	12,2	910,2	723,1	25,9	20,9	18,6
I&J	2 327,9	2 507,2	(7,2)	237,8	407,9	(41,7)	10,2	16,3
Fashion Brands	**2 667,7**	**2 930,2**	**(9,0)**	**352,4**	**565,7**	**(37,7)**	**13,2**	**19,3**
Personal Care *	1 192,7	1 111,4	7,3	150,2	237,2	(36,7)	12,6	21,3
Footwear & Apparel	**1 475,0**	**1 818,8**	**(18,9)**	**202,2**	**328,5**	**(38,4)**	**13,7**	**18,1**
Spitz	1 242,3	1 461,1	(15,0)	228,1	343,6	(33,6)	18,4	23,5
Green Cross	187,2	295,0	(36,5)	(32,0)	(29,6)	(8,1)	(17,1)	(10,0)
Gant	45,5	62,7	(27,4)	6,1	14,5	(57,9)	13,4	23,1
Corporate	**-**	**-**		**(12,5)**	**(12,5)**			
Group	**13 209,7**	**13 150,9**	**0,4**	**2 334,5**	**2 522,5**	**(7,5)**	**17,7**	**19,2**

* Revenue impacted by change in Coty business model

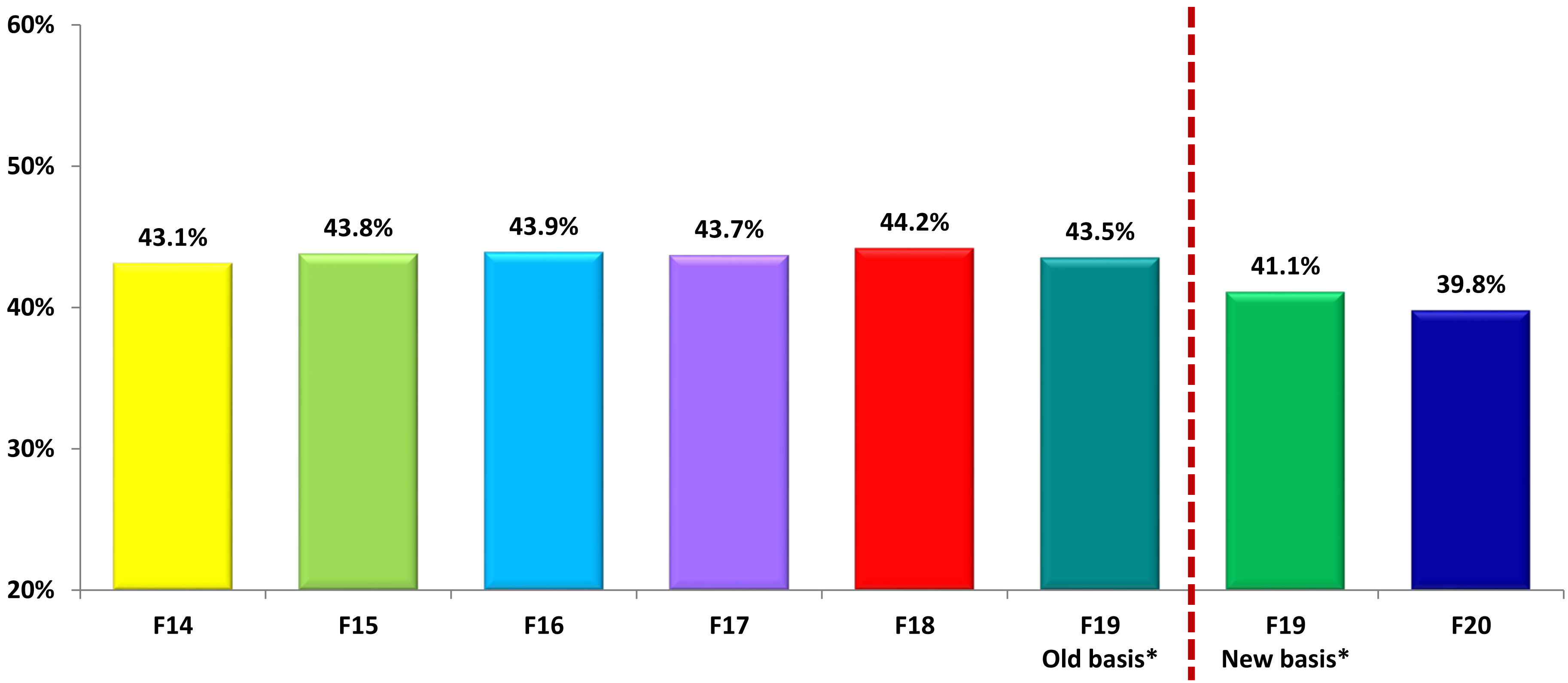
GROUP FINANCIAL RESULTS

Movement in group revenue

- Price increases in biscuits and snacks
- Tighter management of discounts across the Group
- Lower volumes in fashion businesses, I&J and Ciro due to constrained environment and COVID-19
- Increased demand for biscuits, snacks, tea, coffee and creamer during lockdown

GROUP FINANCIAL RESULTS

Gross profit margin history

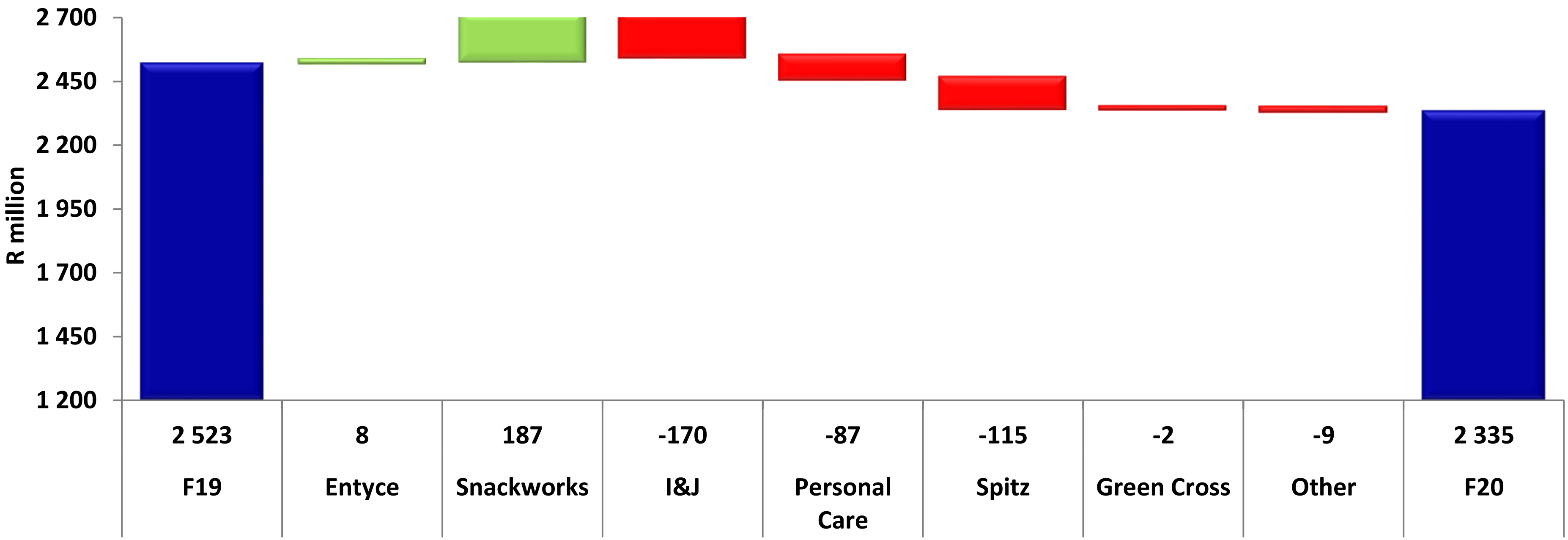


* Adoption of new accounting standards in F19 resulting in lower margin

- Gross profit margin largely protected in difficult environment
- Decrease mainly due to low H2 profit at I&J and change in Coty business model

GROUP FINANCIAL RESULTS

Operating profit 7,5% down



- Entyce: Higher sales volumes in tea and creamer; lower tea raw material costs
- Snackworks: Higher sales volumes and improvement in biscuit factory yields
- I&J: COVID-19 impact on H2, including lost sea days
- Personal Care: Lower sales volumes, negatively impacted by COVID-19 lockdown restrictions, and margin pressure due to aggressive competitor discounting
- Spitz: Lost contribution because of COVID-19; constrained consumer environment
- Green Cross: Lost contribution because of COVID-19; constrained consumer environment with aggressive competition, offset by lower restructuring costs

GROUP FINANCIAL RESULTS

Cash flow and gearing

	F20 Rm	F19 Rm	%Δ
Cash generated by operations	3 220,3	2 849,9	13,0
Working capital to revenue %	*23,2*	*25,3*	*(8,3)*
Capital expenditure	(376,6)	(472,6)	(20,3)
Special dividend	-	(822,9)	
Proceeds from disposal of Simplot (after costs)	631,8	-	
Net debt	1 315,3	2 443,5	(46,2)
Net debt / capital employed %	*20,8*	*35,0*	(40,6)
Return on average capital employed %	*24,8*	*26,9*	7,8

- Strong conversion of earnings to cash
- Working capital lower due to lower trade debtors
- Capital expenditure restricted during lockdown
- Material reduction in net debt

GROUP FINANCIAL RESULTS

Dividends

	F20 Rm	F19 Rm	%Δ
Interim dividend - cps	160	165	(3,0)
Final dividend - cps	250	250	-
Total dividend – cps	410	415	(1,2)
*Dividend yield - %**	*5,8*	*4,5*	
Normal dividend cover ratio	1,14	1,25	
Closing share price – cps	7 054	9 136	

* Calculated using the closing share price at 30 June

- Profit outlook supports final dividend in line with F19
- Attractive yield in low interest rate environment
- Additional returns of capital will be considered when long-term impact of COVID-19 is better understood

GROUP FINANCIAL RESULTS

Key capital projects spend summary

	F20 Actual Rm	F21 Planned Rm
Rooibos line upgrade	52	-
Biscuit line capacity and process improvements	24	43
Snack line replacements and upgrades	17	4
I&J vessel dry-docks and upgrades	101	48
I&J processing plant replacements and upgrades	21	39
Abalone farm filtration system	7	-
Indigo permanent merchandising	19	14
Retail store additions and refurbishments	19	7
	260	155
Total capital expenditure	377	350

GROUP FINANCIAL RESULTS

I&J period end fair value adjustments

	F20 Actual Rm	F19 Actual Rm	Var Rm
Fuel hedge unrealised loss / (gain)	9,2	13,4	(4,2)
Opening mark-to-market asset / (liability)	(1,4)	12,0	
Closing mark-to-market asset / (liability)	(10,6)	(1,4)	
Abalone – movement in unrealised profit in stock	34,5	(13,3)	47,8

- Fuel mark-to-market determined by oil price and exchange rate at reporting date
- Abalone fair value determined by market prices and exchange rate at reporting date
- Abalone market prices at reporting date impacted by suppressed market due to COVID-19

ENTYCE
BEVERAGES
A DIVISION OF NATIONAL BRANDS LIMITED

Performance and Prospects

GROWING GREAT BRANDS

ENTYCE BEVERAGES

Income statement

	F20 Rm	F19 Rm	%Δ
Revenue	3 849,0	3 822,6	0,7
Operating profit	846,6	838,3	1,0
Operating profit margin %	*22,0*	*21,9*	*0,5*

- Tea profit growth due to higher volumes and lower raw material prices
  - Black tea volumes increased with extra demand during COVID-19 lockdown
  - Rooibos volumes decreased due to competitor discounting
  - Gross profit margin improvement
    - Rooibos raw material supply materially improved
    - Lower black tea costs largely offset by weaker Rand
  - Well contained selling and administrative costs, despite additional COVID-19 costs
  - Rooibos upgrade project completed, including innovative packaging

ENTYCE BEVERAGES

Income statement

	F20 Rm	F19 Rm	%Δ
Revenue	3 849,0	3 822,6	0,7
Operating profit	846,6	838,3	1,0
Operating profit margin %	*22,0*	*21,9*	*0,5*

- Coffee profit decrease due to sustained competitor activity
  - Lower volumes in all categories, offset by increased demand during COVID-19 lockdown
  - Some relief from lower coffee bean prices, largely offset by weaker Rand
  - Higher selling and administrative costs, including additional COVID-19 costs

ENTYCE BEVERAGES

Income statement

	F20 Rm	F19 Rm	%Δ
Revenue	3 849,0	3 822,6	0,7
Operating profit	846,6	838,3	1,0
Operating profit margin %	*22,0*	*21,9*	*0,5*

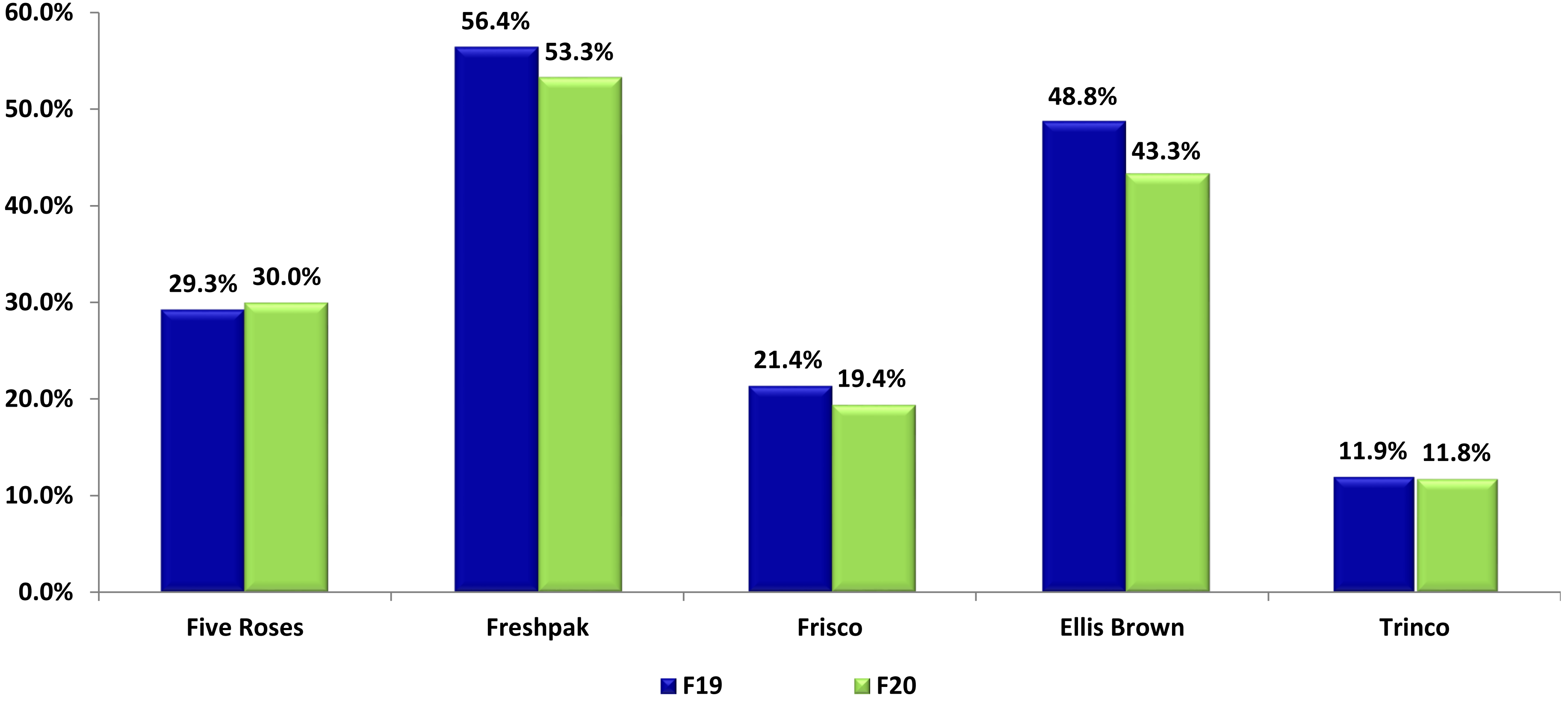
- Creamer profits sustained at high level
  - Volume growth due to increased demand during COVID-19 lockdown
  - Raw material cost inflation eroded gross profit margin
  - Improved price realisation to partially offset cost inflation
    - Followed competitor’s change in pack size from 800 grams to 750 grams
    - Discounts tightly managed

ENTYCE BEVERAGES

Sales volume and selling prices

	% Δ F20 vs F19	Comments
Tea revenue growth	***2,5***	
Volume	*4,4*	*Black tea volume growth due to increased demand during COVID-19 lockdown*
Ave. selling price	*(1,8)*	*Increased discounting to support volumes, taking lower raw material costs into account*
Coffee revenue decrease	***(0,8)***	
Volume	*(3,1)*	*Sustained aggressive competitor discounting, offset by increased demand during COVID-19 lockdown*
Ave. selling price	*2,4*	*Lower levels of discounting to offset cost pressures*
Creamer revenue growth	***12,5***	
Volume	*4,4*	*Increased demand during COVID-19 lockdown offset by better availability of competitor product in F20*
Ave. selling price	*7,8*	*Improved price realisation, including lower levels of discounting, to partially offset raw material cost increases*

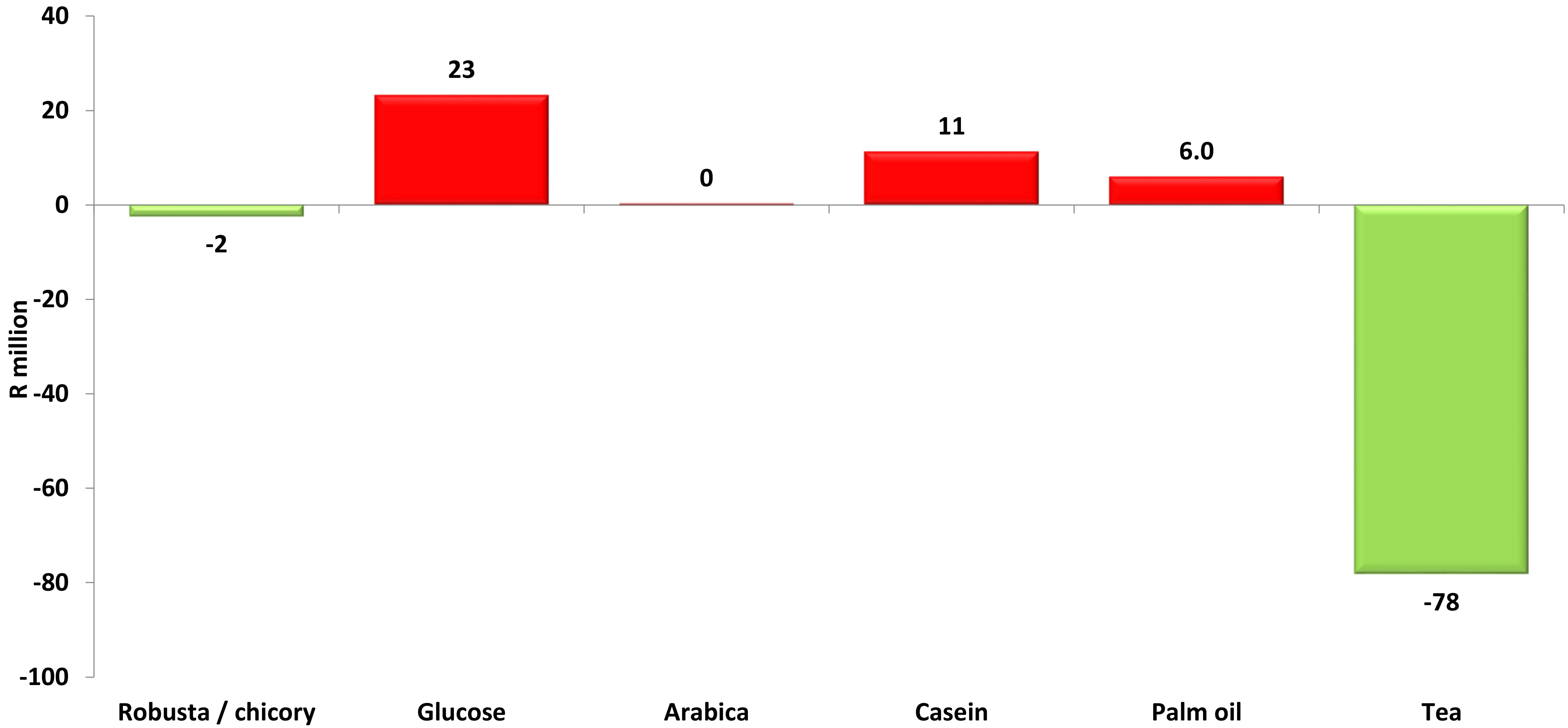
Market shares – 12 months value



- Balanced price / volume in constrained environment

Raw material costs

Cost impact of raw materials and commodities consumed in the period (F20 vs F19):



Snackworks

That's Good Times!

Performance and Prospects

GROWING GREAT BRANDS

Snackworks
That's Good Times!

Income statement

	F20 Rm	F19 Rm	%Δ
Revenue	4 365,1	3 890,9	12,2
Operating profit	910,2	723,1	25,9
Operating profit margin %	*20,9*	*18,6*	*12,4*

- Growth in biscuit profit due to higher sales volumes and improved factory performance
  - Strong demand for key KVIs during COVID-19 lockdown
  - Annual price increase in response to cost pressures supported by lower levels of discounting
  - Improved factory performance, particularly Isando

Snackworks
That's Good Times!

Income statement

	F20 Rm	F19 Rm	%Δ
Revenue	4 365,1	3 890,9	12,2
Operating profit	910,2	723,1	25,9
Operating profit margin %	*20,9*	*18,6*	*12,4*

- Strong snacks performance
  - Volume growth due to increased demand during COVID-19 lockdown
  - Annual price increase in response to cost pressures supported by lower levels of discounting
  - Continued investment to improve capacity and quality

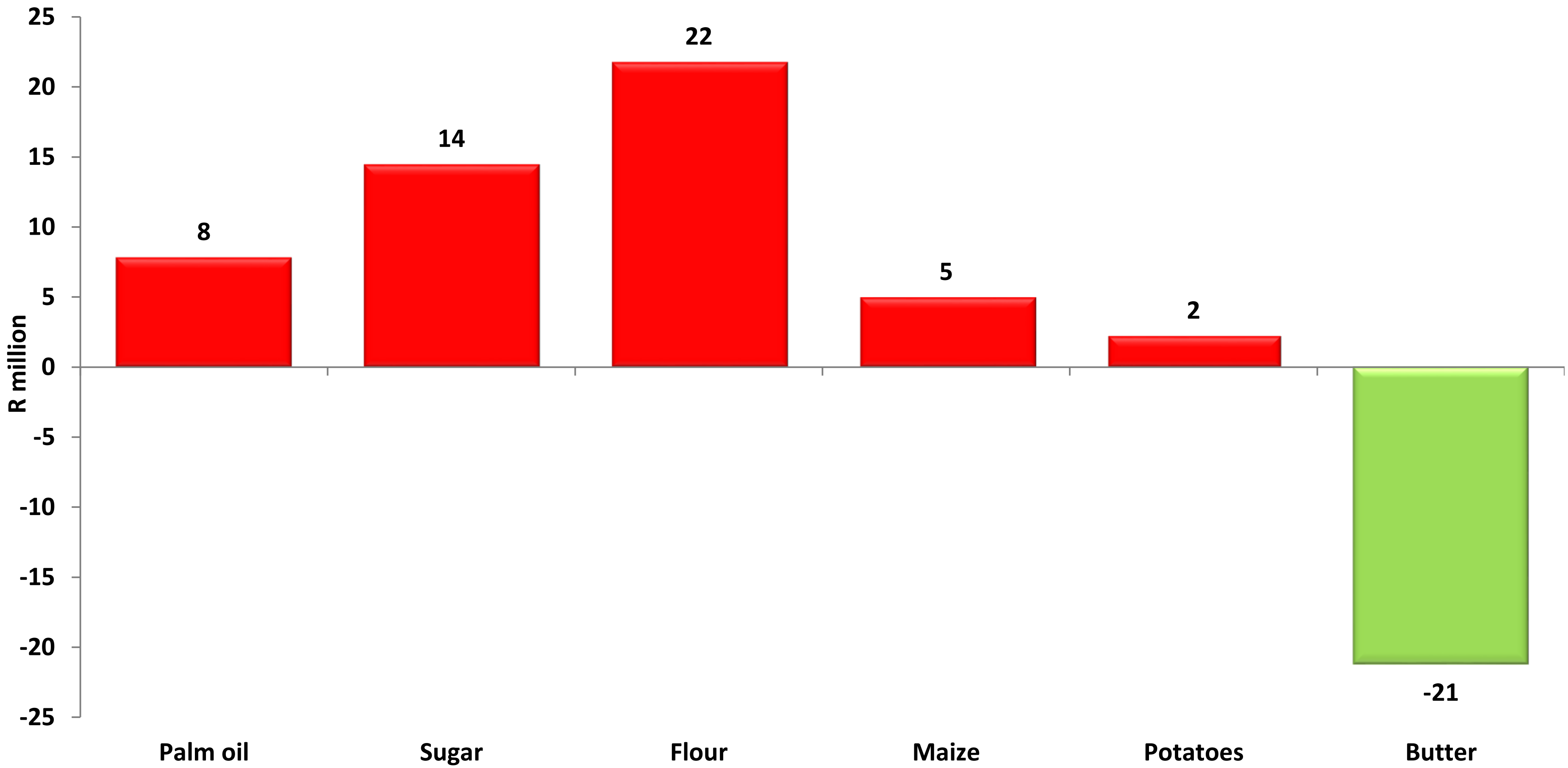
Snackworks
That's Good Times!

Sales volume and selling prices

	% Δ F20 vs F19	Comments
Biscuits revenue growth	***12,3***	
Volume growth	*5,1*	*Volume growth due to increased demand during COVID-19 lockdown*
Ave. selling prices	*6,9*	*Annual price increase in response to cost pressure supported by lower discounting*
Snacks revenue growth	***11,7***	
Volume growth	*6,7*	*Volume growth due to increased demand during COVID-19 lockdown*
Ave. selling prices	*4,7*	*Annual price increase in response to cost pressure supported by lower discounting*

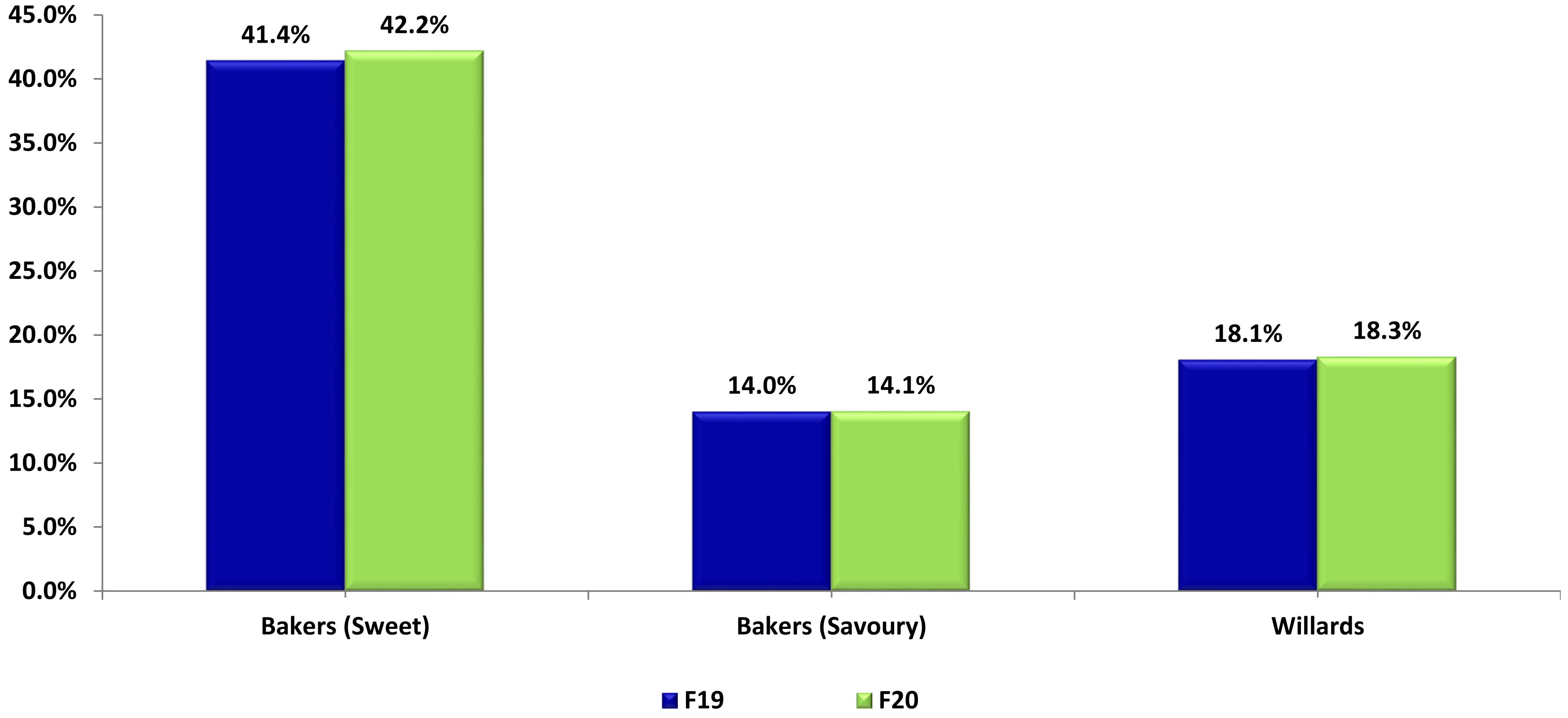
Raw material costs

Cost impact of raw materials and commodities consumed in the period (F20 vs F19):



Snackworks
That's Good Times!

Market shares – 12 months value



- Balanced price / volume in constrained environment

Performance and Prospects

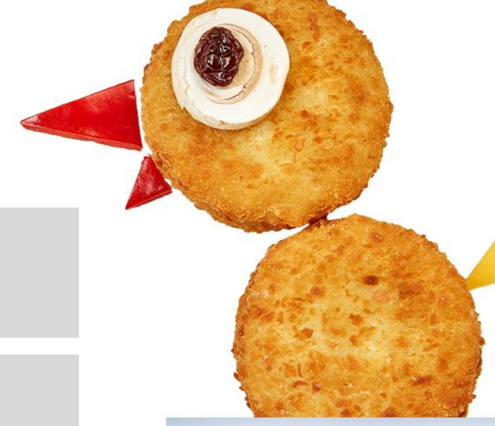
GROWING GREAT BRANDS

Income statement

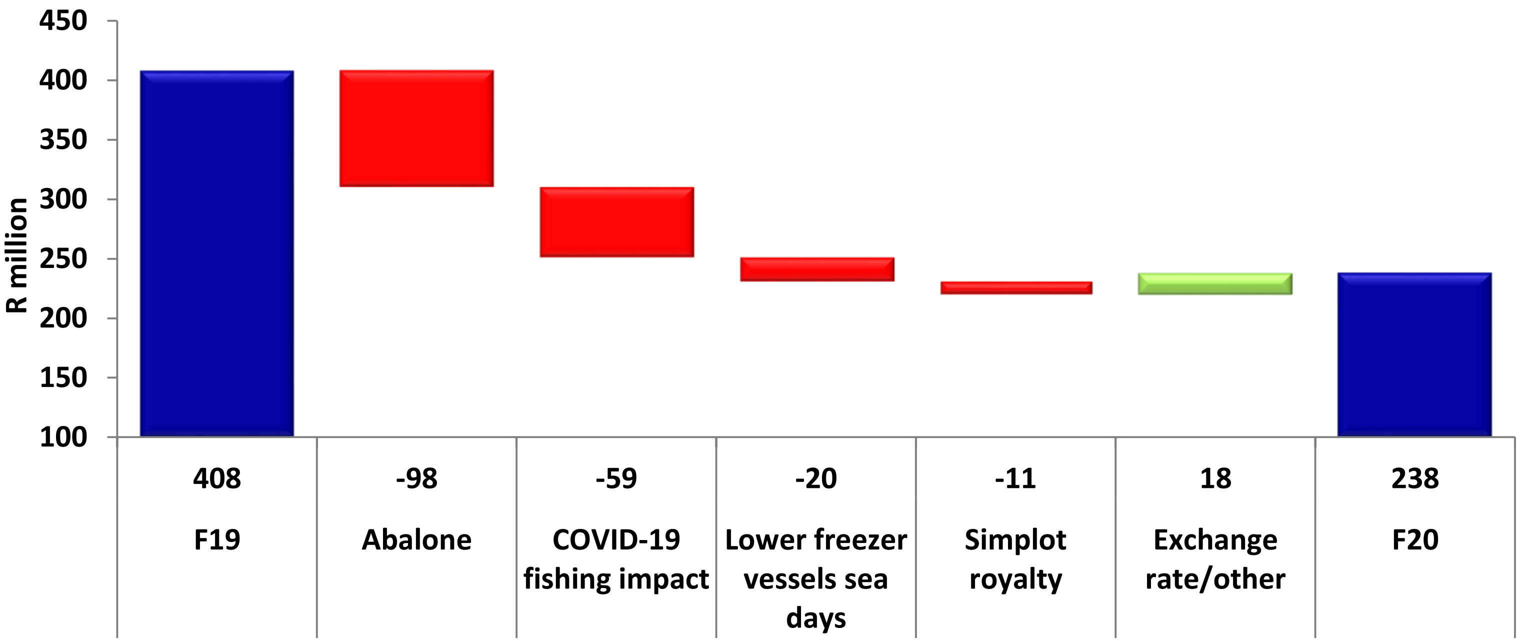
	F20 Rm	F19 Rm	%Δ
Revenue	2 327,9	2 507,2	(7,2)
Operating profit	237,8	407,9	(41,7)
Operating profit margin %	*10,2*	*16,3*	*(37,4)*

- Weak H2 result
  - Adverse impact of COVID-19 pandemic
    - Restricted processing volumes, and concomitant reduction in wet vessel activity, resulting in low cost recoveries
    - Low abalone demand / market prices exacerbated by limited air freight availability, resulting in unfavourable stock fair value adjustment
    - Port congestion delaying some export sales into F21
  - Lost fishing days on freezer vessels for repairs and maintenance

- Strong demand for hake retail formats in domestic and export markets
- Fishing catch rates in line with prior year
- Capital expenditure for vessel dry docks

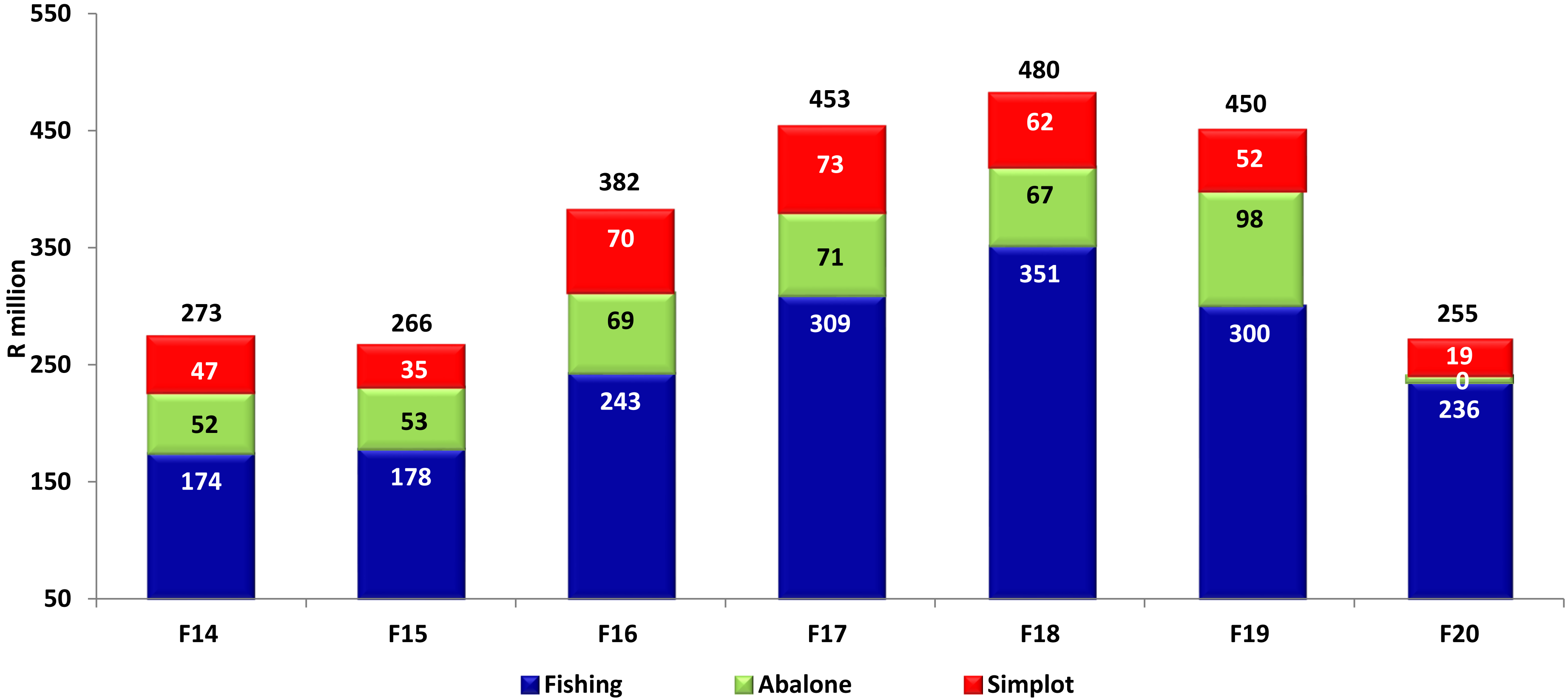


Operating profit



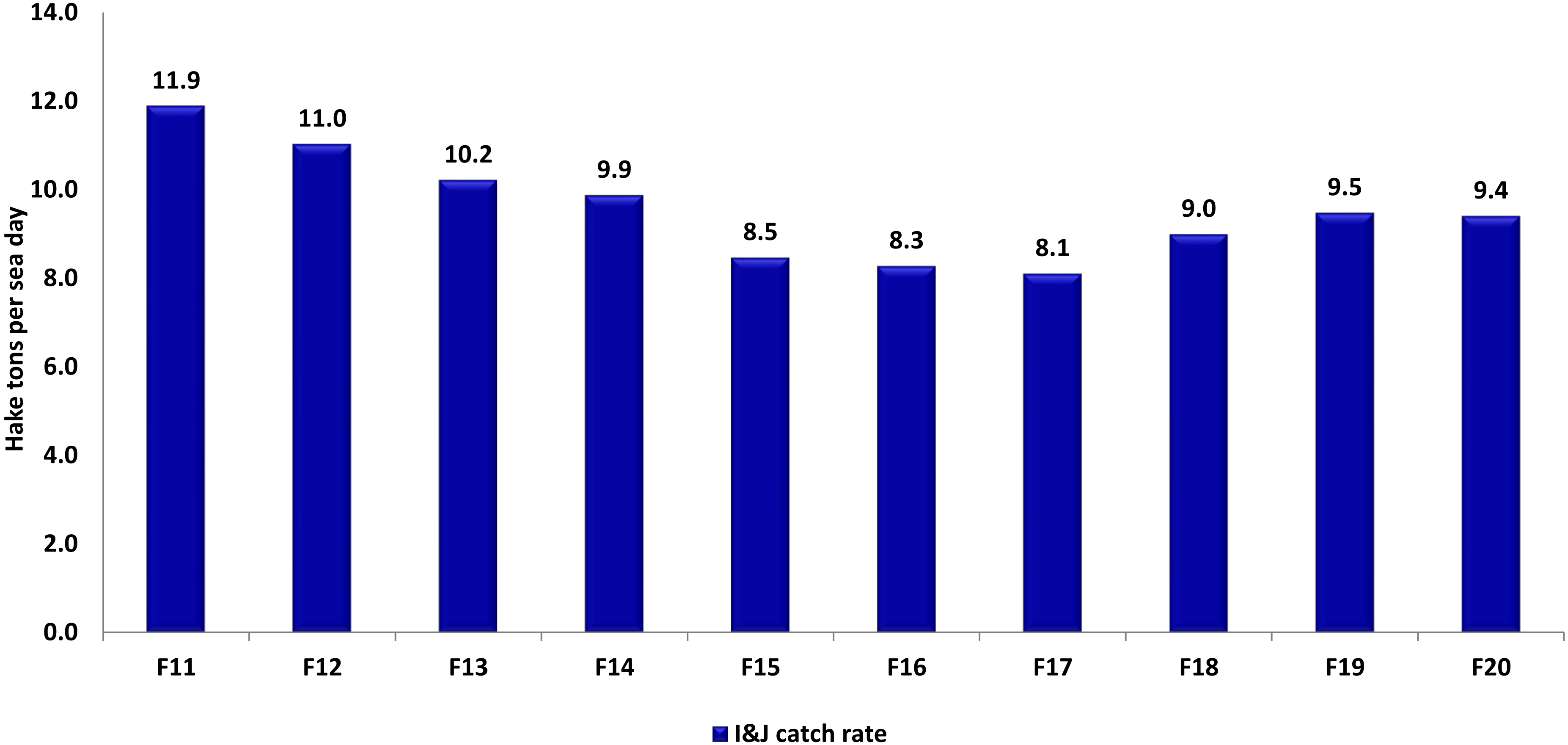
- Abalone decrease due to lower sales volumes and selling prices resulting from Hong Kong protests and COVID-19
- COVID-19 disruption to fishing operations in Qtr4 resulted in lower volumes caught and processed, port congestion and additional costs
- Lost sea days on the freezer vessels due to unscheduled repairs
- Simplot royalty lower due to disposal in H1
- Forex gains of R86 million offset by cost increases

Profit history



- Abalone contribution decrease due to lower export sales volumes and prices, as well as unfavourable fair value adjustment of the live abalone stock;
- Simplot performance impacted by sale of I&J's interest in November 2019

Fishing performance



- Decline mainly due to change in fleet utilisation – reduction in freezer vessel fishing days

Sales volume and selling prices (Hake)

	% Δ F20 vs F19	Comments
I&J Domestic revenue growth	***4,6***	
Volume	*4,8*	*Improved retail performance due to increased demand during COVID-19 lockdown*
Ave. selling prices	*(0,1)*	*Change in sales mix, offset by price increases taken to mitigate cost pressure*
I&J Export revenue decrease	***(7,7)***	
Volume	*(12,0)*	*Freezer vessel outages, and port congestion delaying shipments to F21*
Ave. selling prices	*4,9*	*Rand exchange rate higher than last year, offset by pressure on prices for out-of-home product formats*

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

	F20 Rm	F19 Rm	%Δ
Revenue	1 192,7	1 111,4	7,3
Operating profit	150,2	237,2	(36,7)
Operating profit margin %	*12,6*	*21,3*	*(40,8)*

- Higher revenue due to change in Coty business model
  - Lower gross profit and operating profit margins
- Owned brand revenue decline
  - Sales volumes negatively impacted by COVID-19 lockdown restrictions (cosmetics and fragrance), and lower demand during COVID-19 lockdown
  - Growth in lotions and roll-ons from new product launches in H1
- Gross profit margin pressure
  - Change in sales mix
  - Cost increases not fully recovered in constrained and competitive market
- Selling and administrative costs tightly managed

indigo brands

Sales volume and selling prices

	% Δ F20 vs F19 *	Comments
Personal Care revenue decrease*	***(7,5)***	
Volume	*(5,2)*	*COVID-19 lockdown restrictions (cosmetics and fragrance) and lower demand during COVID-19 lockdown, partly offset by growth from new product launches in lotions and roll-ons*
Ave. selling price	*(2,4)*	*Lower realised prices due to change in sales mix; selling prices constrained by aggressive competitor discounting*

* Like-for-like comparison excluding Coty

- Body spray market share increased slightly from 31,6% to 32,1%

SPITZ

SPITZ CARVELA KURT GEIGER LACOSTE GANT nina roche TOSONI

Performance and Prospects

GROWING GREAT BRANDS

SPITZ

Income statement

	F20 Rm	F19 Rm	%Δ
Revenue	1 242,3	1 461,1	(15,0)
Operating profit	228,1	343,6	(33,6)
Operating profit margin %	*18,4*	*23,5*	*(21,7)*

- Footwear and clothing volumes declined
  - Lower demand in constrained environment
  - COVID-19 store closures from 27 March to 30 April, phased opening in May
- Gross profit margin pressure from weaker Rand exchange rate
  - Limited price increase in H2 to ameliorate cost pressure
- Selling and administrative costs pulled back, rent concessions of R10,9 million
- Buying plan adjusted to manage stock levels
- Trading space - opened 3 stores and closed 2
- H2 capital expenditure deferred to F21

SPITZ

Sales volume and selling prices

	% Δ F20 vs F19	Comments
Spitz & KG Footwear revenue decrease	***(14,8)***	
Sales volume	*(14,9)*	*Constrained consumer environment; COVID-19 lockdown*
Ave. selling price	*0,1*	*Inflation in non core lines and price increase in H2*
KG Clothing revenue growth	***(17,2)***	*COVID-19 lockdown*

GREEN CROSS

Performance and Prospects

GROWING GREAT BRANDS

GREEN CROSS

Income statement

	F20 Rm	F19 Rm	%Δ
Revenue	187,2	295,0	(36,5)
Operating profit	(32,0)	(29,6)	(8,1)
Operating profit margin %	*(17,1)*	*(10,0)*	*(71,0)*

- Revenue decline of 36,5%
  - Aggressive discounting across the comfort footwear category
  - COVID-19 store closures from 27 March to 30 April, and phased opening
  - Loss of sales due to store conversion to new GX & Co multi-brand format
- Improved gross profit margin
- Costs tightly managed, savings following restructuring in F19
- 8 stores refurbished

AVI

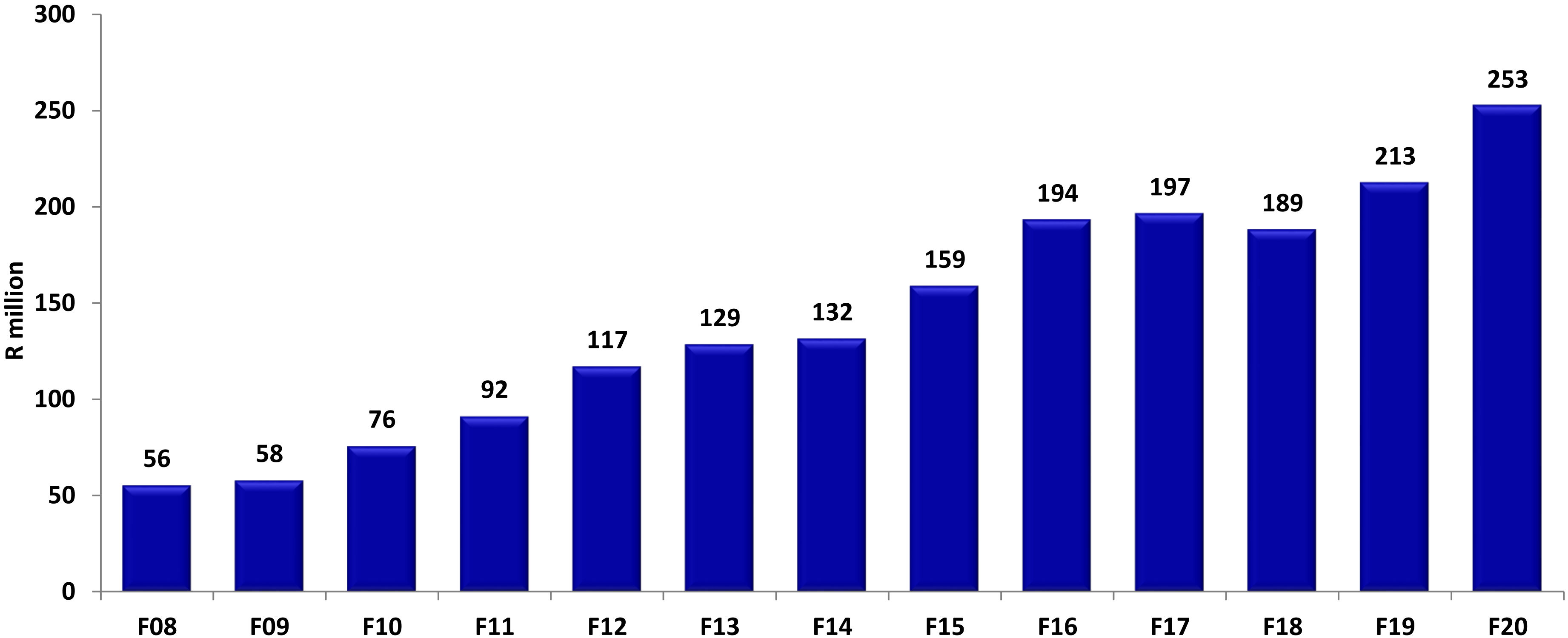
International

Performance and Prospects

GROWING GREAT BRANDS

AVI INTERNATIONAL

Operating profit history



- Revenue growth across most markets and product categories
- Increased demand during COVID-19 lockdown in several markets
- Limited impact of cross-border transport delays from COVID-19 regulations
- Good cost control

AVI GROUP

Prospects for F21

- Protect Entyce and Snackworks profits in a tough environment
  - Demand to stabilise as consumers return to normal spending patterns
  - Ciro sales volumes should recover gradually as customers re-open
  - Careful price / volume management
  - Raw material prices and exchange rates secured support consistent gross profit margins in H1 if demand is reasonable
  - Potential for continued aggressive discounting by competitors
  - Weaker Rand may constrain imports
  - Creamer volumes may be lower if competitor sustains service levels
  - Steady building of branded positions in export markets
  - Packaging refresh to improve on shelf display
  - Continued project activity to improve efficiency and capacity
  - Volume risk from load shedding mitigated with back-up power

AVI GROUP

Prospects for F21 continued

- Target F21 improvement in Indigo profit
  - Demand expected to recover as consumers return to normal workplaces
  - Focus on achieving price points necessary to protect gross profit margin
  - Leverage product launches and marketing investment
  - Potential for continued aggressive discounting by competitors
  - Ongoing review of structure and fixed costs
  - Improve performance of Coty ranges

AVI GROUP

Prospects for F21 continued

- I&J H2 performance expected to be materially better than H2 F20
  - Limited COVID-19 impact anticipated
  - Processing throughput normalised
  - Exchange rates secured are at higher rates than F20
  - Fuel hedges secured are at lower prices than F20
  - Quota for CY20 unchanged at 39 616 tons
  - Export and local retail demand stable, food service recovering
  - Ongoing focus on cost reduction
  - Fishing result depends materially on vessel availability, catch rates and size mix
  - Abalone result depends on recovery in market demand, risk of further write-down of stock value
  - Sustained capex / maintenance to sustain fleet availability
  - Long term fishing rights application process extended to end of 2021

AVI GROUP

Prospects for F21 continued

- Spitz
  - Demand expected to improve as consumers return to malls
  - Increased promotional activity to manage COVID-19 stock build
  - Exchange rates secured together with increased core stock levels will protect gross profit margin for H1
  - Margin pressure in H2 at current exchange rates
  - Ongoing focus on cost reduction
  - Limited capital expenditure for store refurbishments
  - Continued focus on brand and design via Italian office

- Green Cross
  - Increased promotional activity to manage stock build-up
  - Right-size store footprint to match smaller brand opportunity
  - Leverage further synergies from integration into Spitz business

AVI GROUP

Investor proposition

- Continue adapting to changing macro environment
  - Ongoing review and simplification 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

INFORMATION SLIDES

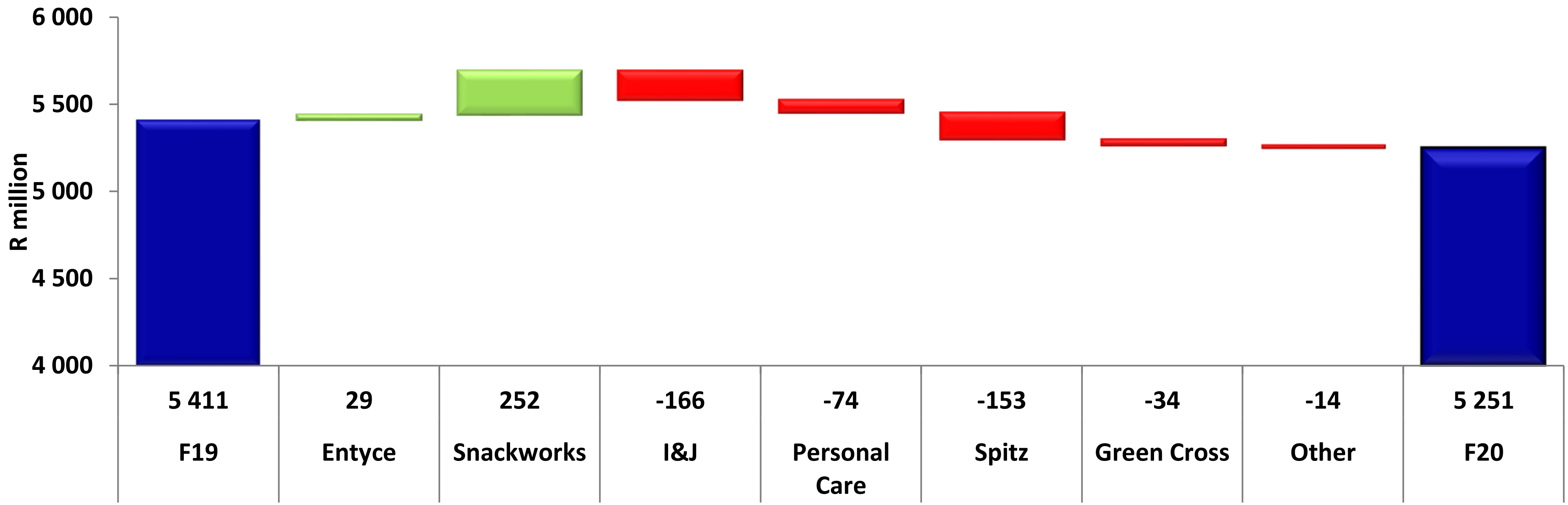
Revenue 0,4% up

13 151	26	474	-179	81	-219	-108	-16	13 210
F19	Entyce	Snackworks	I&J	Personal Care	Spitz	Green Cross	Other	F20

- Entyce: Volume growth in black tea and creamer partly offset by declines in rooibos tea and coffee (including Ciro out-of-home)
- Snackworks: Volume growth in biscuits and snacks (impact of COVID-19 on consumer spending) and price increases in response to accumulated cost pressure
- I&J: Lower volumes due to reduced processing capacity, freezer vessel outages and export shipment delays, partly offset by higher Rand exchange rate on exports
- Personal Care: Change in Coty business model partly offset by a decline in owned brands due to COVID-19 and category pressure in constrained / competitive environment
- Spitz: Sales volume decline due to COVID-19 lockdown and constrained consumer environment
- Green Cross: Sales volume decline due to COVID-19 lockdown and constrained consumer environment

INFORMATION SLIDES

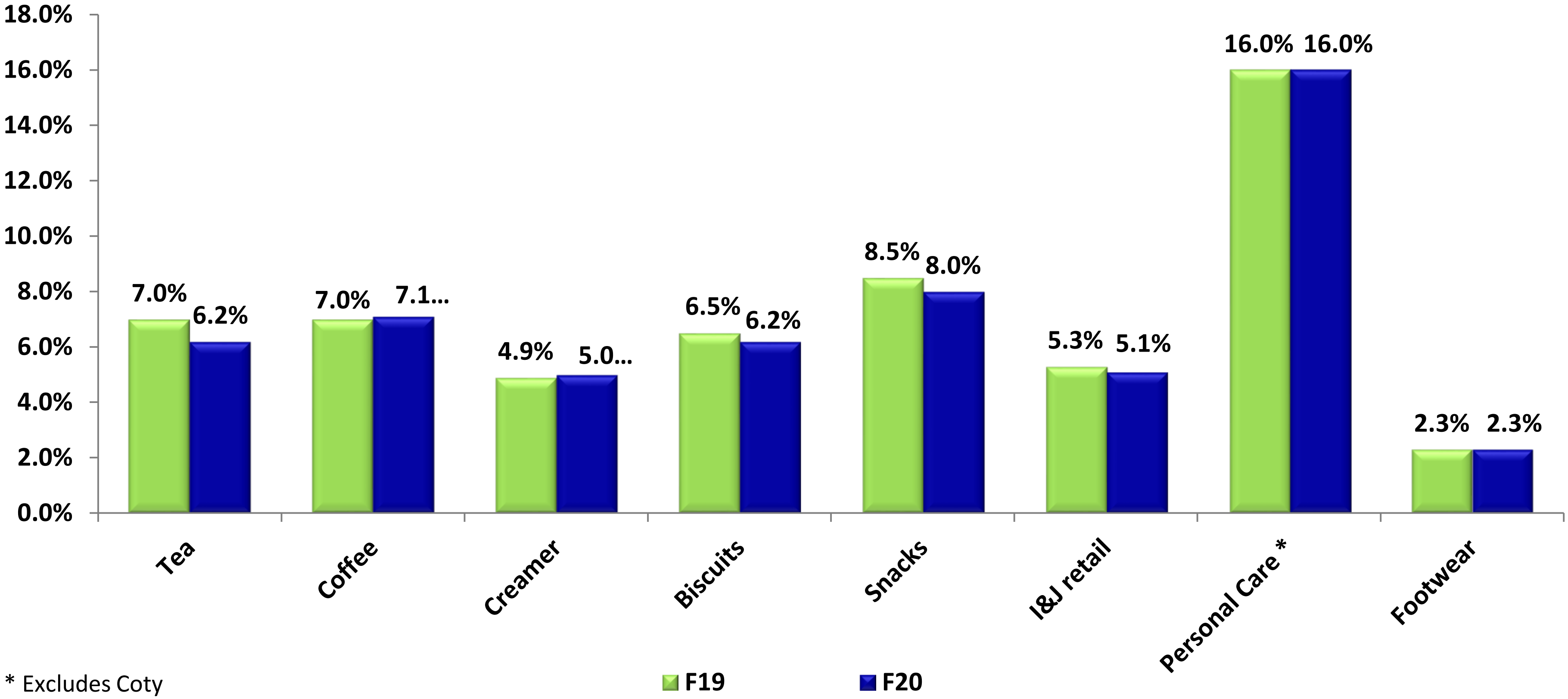
Gross profit 2,9% down



- Entyce: Revenue growth and favorable tea raw material costs, offset by decrease in coffee
- Snackworks: Volume growth and improved factory performance partly offset by raw material cost pressure
- I&J: Low throughput / cost recoveries in H2, and lower abalone demand / prices
- Personal Care: Impact of COVID-19 on volumes and margin pressure from competitor activity
- Spitz: Lower volumes because of COVID-19 and constrained consumer environment
- Green Cross: Lower volumes because of COVID-19 and constrained consumer environment

INFORMATION SLIDES

Marketing expenditure

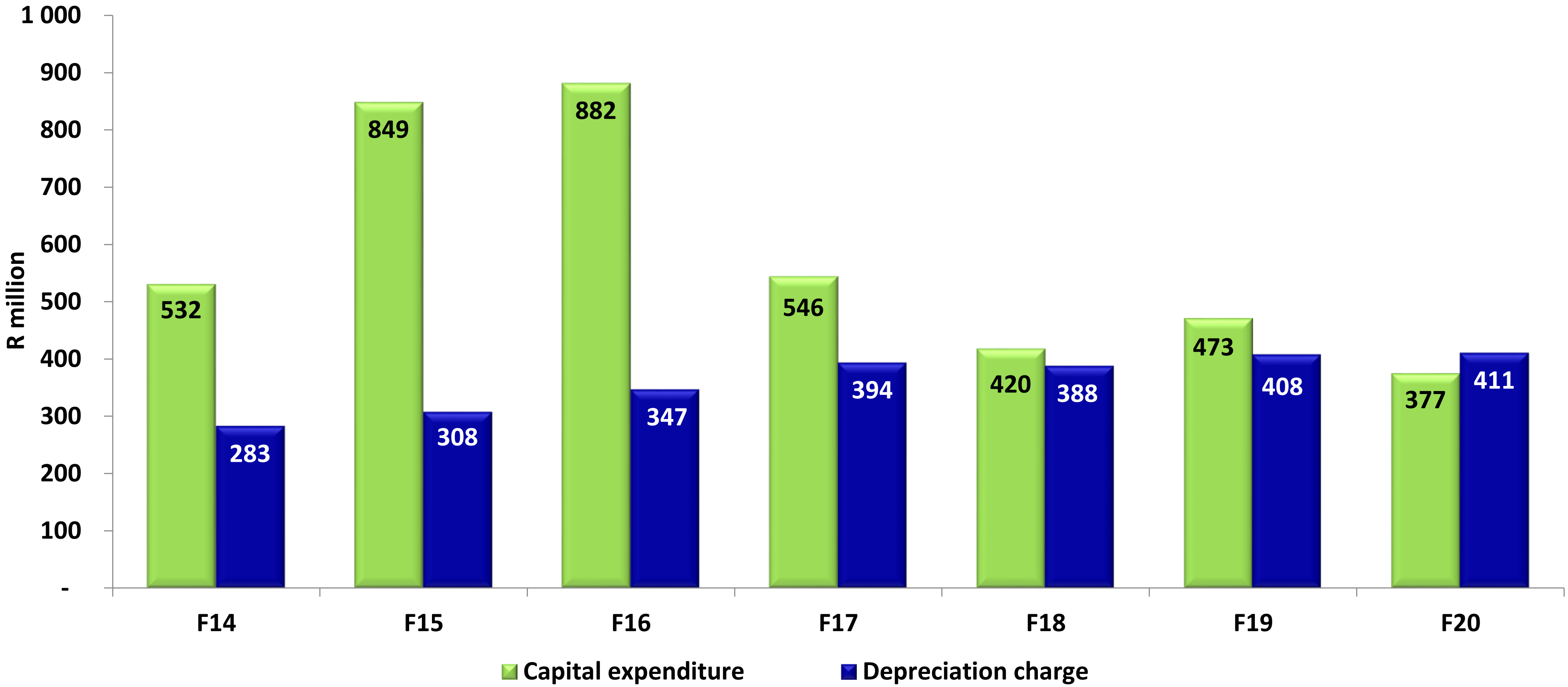


* Excludes Coty

- Total expenditure for F20 of R752,7 million compared to R755,9 million in F19
- Includes advertising and promotions, co-operative expenditure with customers and marketing department costs

INFORMATION SLIDES

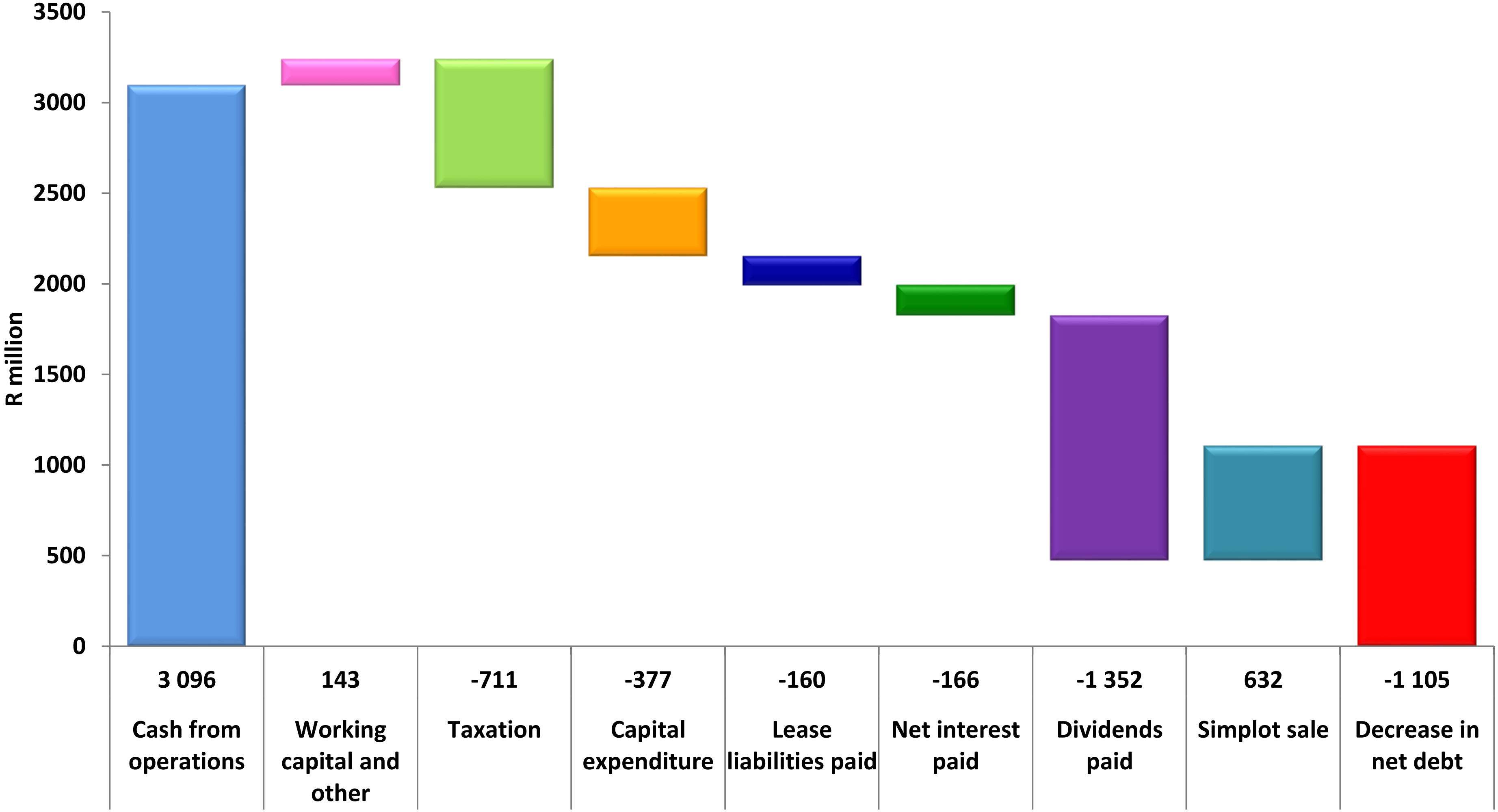
Capital expenditure and depreciation (excluding depreciation on right-of-use assets)



- Continued investment in manufacturing capacity, efficiency and retail stores
- Expenditure in respect of new I&J vessels caused spikes in F15 and F16

INFORMATION SLIDES

Cash flows



INFORMATION SLIDES

Foreign exchange hedges

	September 2020 to December 2020 % Cover	January 2021 to June 2021 % Cover	July 2021 to December 2021 % Cover
USD imports	64%	11%	0%
EUR imports	36%	16%	0%
EUR exports	68%	60%	8%

- Consistent hedging philosophy provides stability to manage gross margins
- Recent Rand weakness will impact import costs in F21 H2 if sustained
- I&J export cover at higher rates than F20

INFORMATION SLIDES

Entyce, Snackworks and Indigo – Non RSA sales

	F20 Rm	F19 Rm	%Δ
International Revenue	1 133,9	1 044,1	8,6
% of Grocery and Personal Care brands	*12,1*	*11,8*	*2,5*
International Operating Profit	252,9	212,9	18,8
% of Grocery and Personal Care brands	*13,3*	*11,8*	*12,7*
International Operating Profit Margin	22,3	20,4	9,3
Grocery and Personal Care brands Operating Margin	*20,3*	*20,4*	*(0,5)*

INFORMATION SLIDES

I&J fishing quota

Quota (tons)	CY14	CY15	CY16	CY17	CY18	CY19	CY20
South African Total Allowable Catch (TAC)	155 308	147 500	147 500	140 126	133 120	146 430	146 430
% change in TAC	(0,5)	(5,0)	-	(5,0)	(5,0)	10,0	0,0
I&J	43 471	41 223	41 245	37 901	36 013	39 616	39 616
%	28,0	27,9	28,0	27,1	27,1	27,1	27,1

- 2020 quota remains unchanged

INFORMATION SLIDES

Impact of change in Coty business model on Personal Care

	F20 Reported Rm	F20 Old basis Rm
Revenue	1 192,7	992,4
Operating profit	150,2	145,1
Operating profit margin %	*12,6*	*14,6*

- Coty agreement renewed for 3 years
- Full revenue and cost of sales on Coty product in Indigo income statement
- Increased operating profit, but lower profit margin
- Working capital of approximately R75 million on Indigo balance sheet

INFORMATION SLIDES

Trading space and trading density

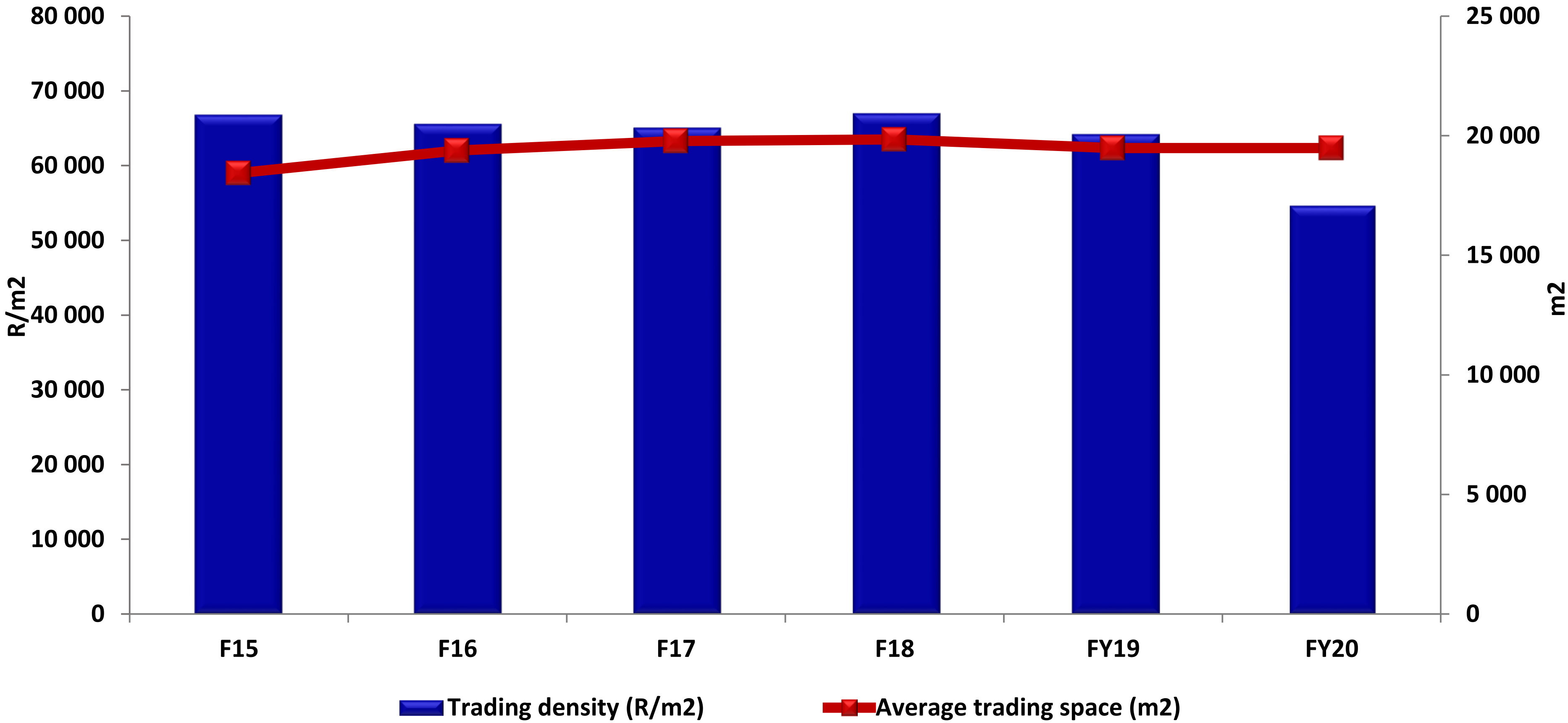
Spitz	F20	F19
Number of stores	74	74
Turnover (Rm)	1 065,1	1 250,8
Average m²	19 489	19 484
Trading Density (R /m²)	54 650	64 198
Closing m²	19 384	19 363

Like-for-like metrics*	F20	F19
Number of stores	72	72
Turnover (Rm)	1 041,3	1 218,7
Average & closing m²	18 898	18 816
Trading Density (R/m²)	55 101	64 767

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

INFORMATION SLIDES

Trading density – Spitz stores



- Opened 1 new Spitz store and closed 1

INFORMATION SLIDES

Trading space and trading density

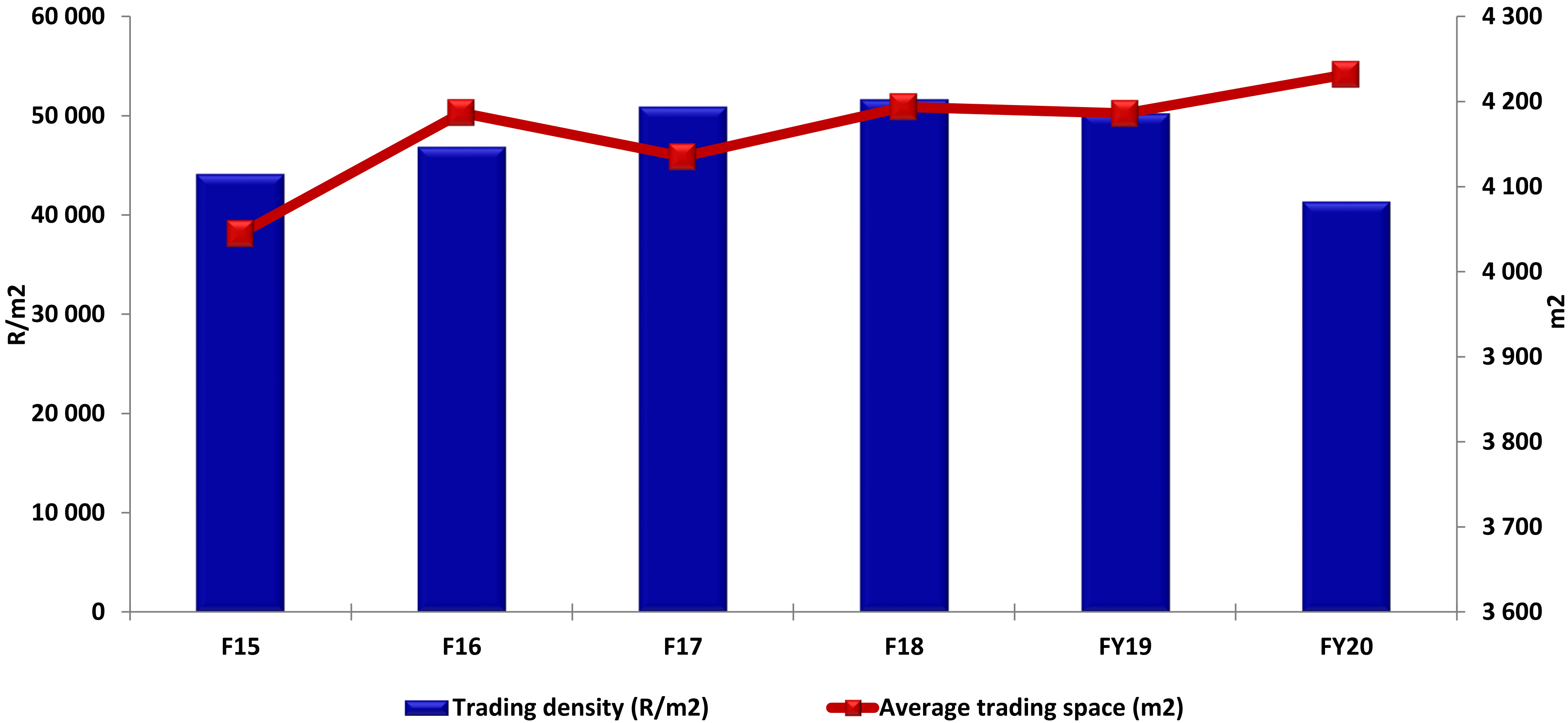
Kurt Geiger	F20	F19
Number of stores	34	33
Turnover (Rm)	175,1	210,3
Average m²	4 259	4 186
Trading Density (R /m²)	41 116	50 237
Closing m²	4 289	4 191

Like-for-like metrics*	F20	F19
Number of stores	32	32
Turnover (Rm)	176,9	213,4
Average & closing m²	4 284	4 279
Trading Density (R/m²)	41 308	49 876

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

INFORMATION SLIDES

Trading density – Kurt Geiger stores



- Opened 2 Kurt Geiger stores and closed 1

INFORMATION SLIDES

Trading space and trading density

Green Cross	F20	F19
Number of stores #	37	41
Turnover (Rm)	140,9	224,9
Average m^2	4 825	5 340
Trading Density (R /m^2)	29 202	42 110
Closing m^2	4 471	4 936

Like-for-like metrics*	F20	F19
Number of stores #	36	36
Turnover (Rm)	131,2	200,3
Average & closing m^2	4 367	4 367
Trading Density (R/m^2)	30 040	45 864

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

INFORMATION SLIDES

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
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
December 2019	75	19,645	34	4,289	41	4,896
June 2020	74	19,384	34	4,289	37	4,471

AVI

GROWING GREAT BRANDS