

AVI

AVI Limited presentation to shareholders & analysts for the year ended 30 June 2022



GROWING GREAT BRANDS

AGENDA

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



KEY FEATURES

- Constrained macro and consumer environment
- Material global and local supply chain disruptions
- July 2021 unrest
 - Direct costs of R38,1 million in Spitz and Snackworks
 - SASRIA insurance recovery of R69,7 million
- Group revenue increased by 4,3%
- Gross margins protected by pricing and hedging disciplines
- Effective containment of selling and administrative costs
- Operating profit increased by 5,4%
- Operating profit excluding I&J increased by 8,0%



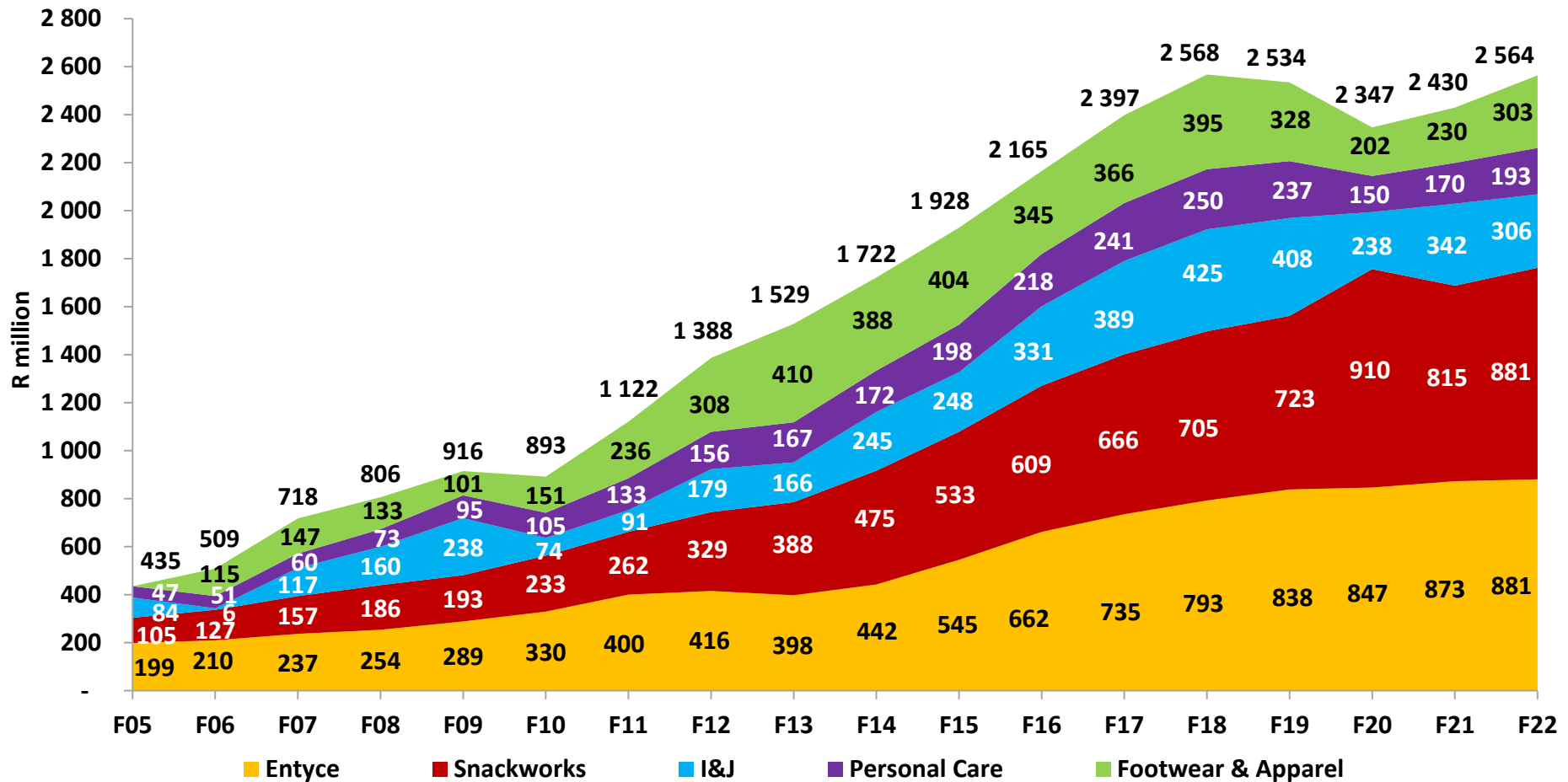
KEY FEATURES

- I&J impacted by stronger Rand exchange rate and fuel price increases
- Strong post COVID-19 recovery in I&J's Abalone business
- R15,3 million benefit from lower tax rate
- Headline earnings per share up 6,1% to 530,6 cents
- Strong cash generation despite challenges
- Acquisition of Exclamation and Gravity brands from Coty for R150 million
- Final dividend of 292 cents per share, up 6,2%



RESULTS HISTORY

Operating profit history

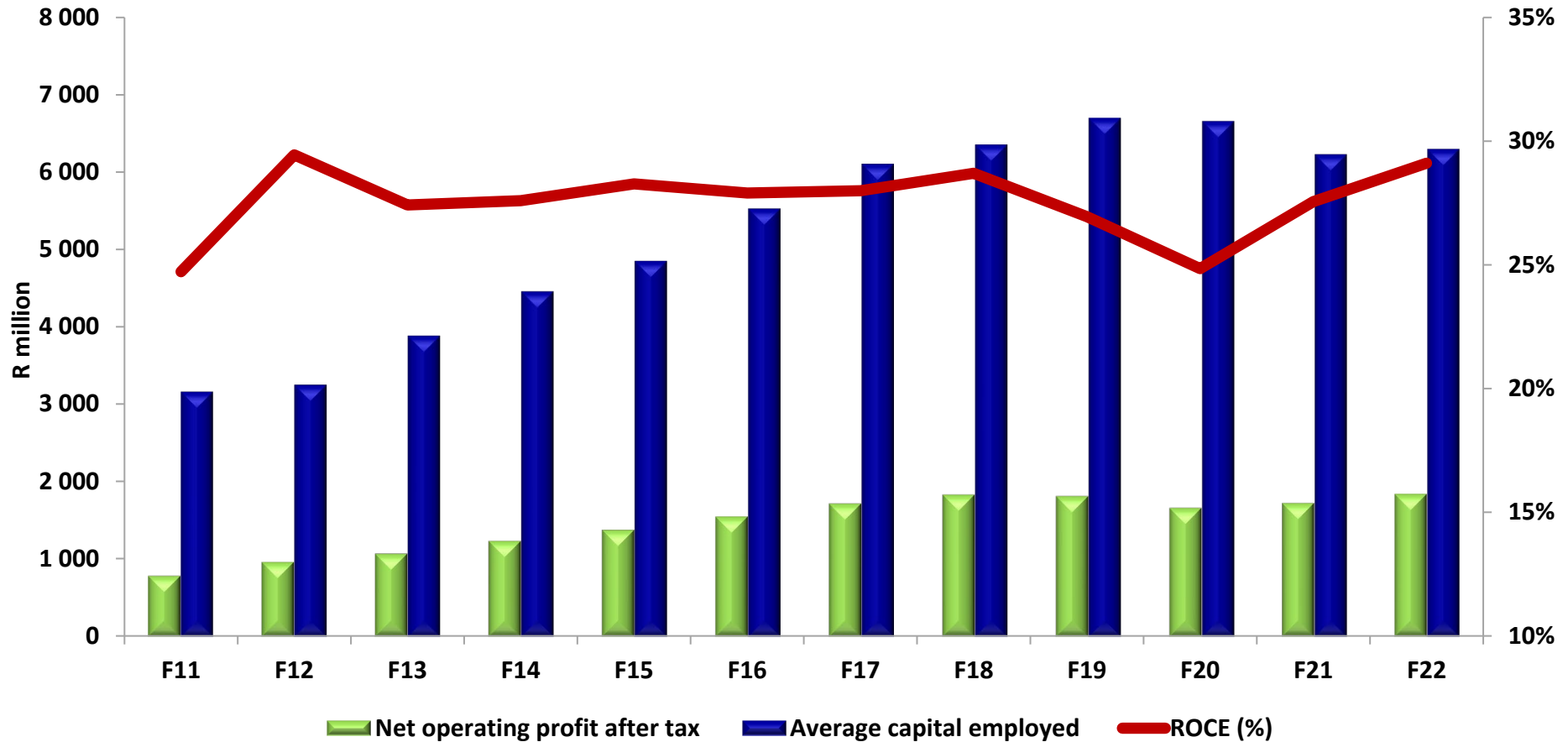


Return to pre-COVID-19 operating profit with ongoing recovery from impacted businesses

Compound annual growth of 10,9% from F05 with operating profit margins increasing

RESULTS HISTORY

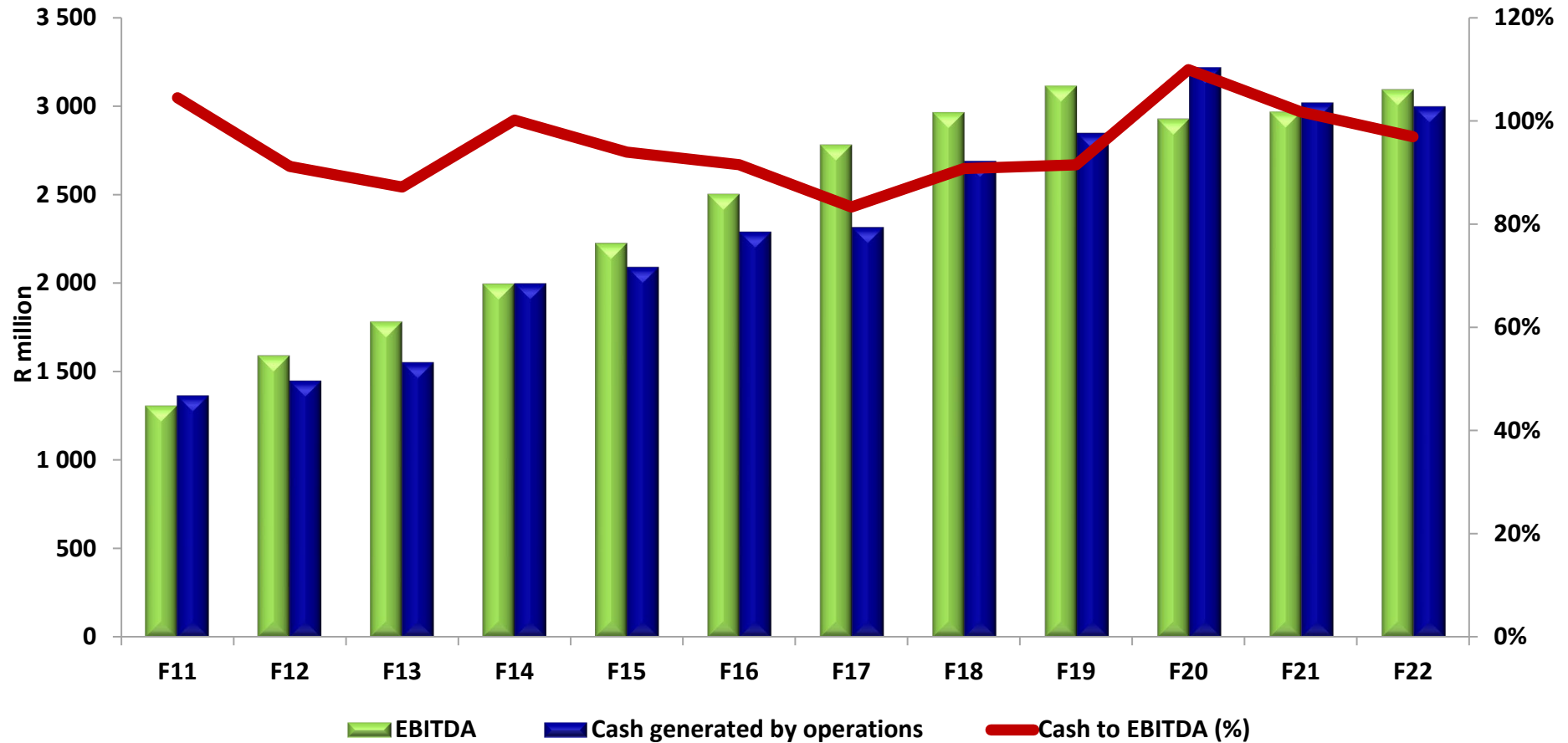
Return on capital employed



■ Improving return despite difficult environment

RESULTS HISTORY

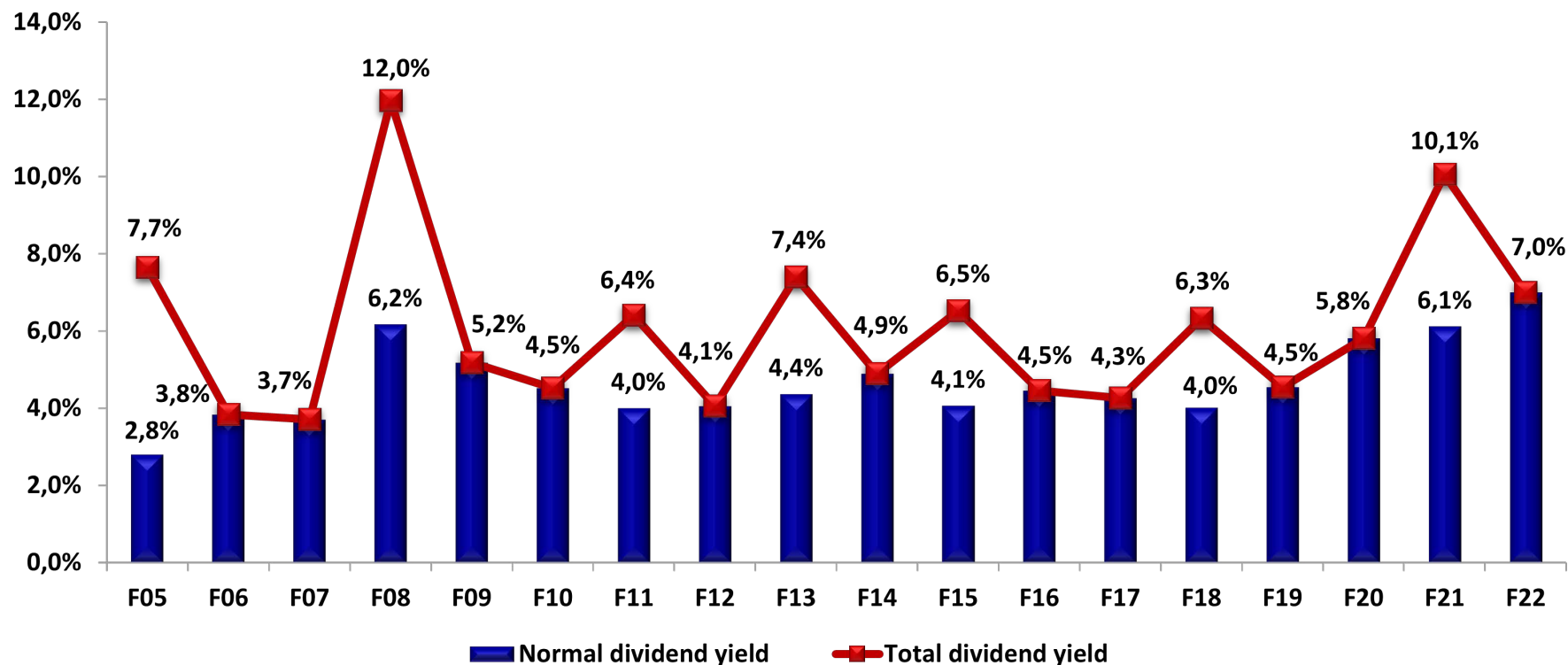
Cash conversion



■ Sustained strong conversion of earnings to cash

RESULTS HISTORY

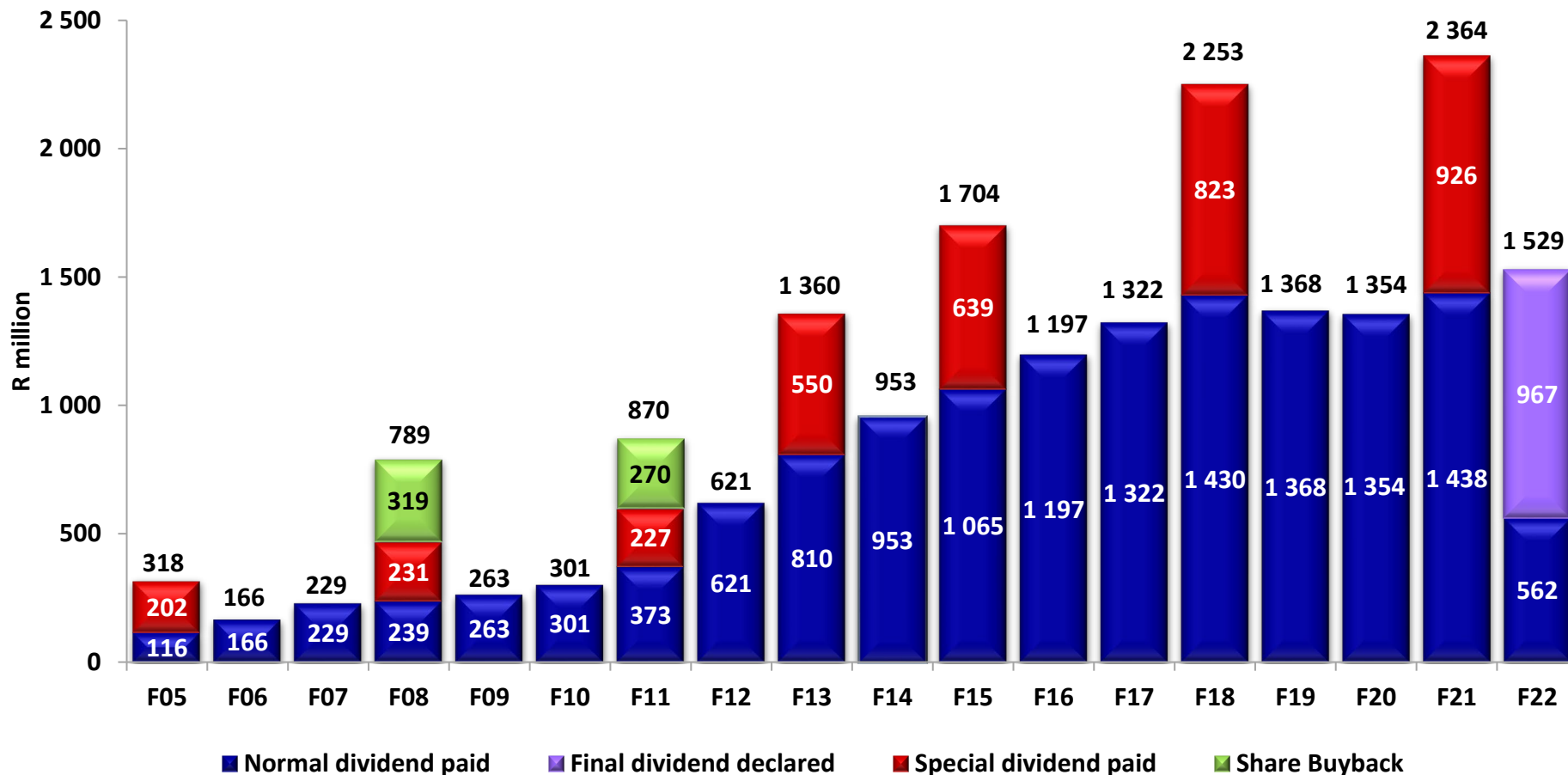
Dividend yield



- Based on share price at end of each year (R65,72 at end June 2022)
- Total dividend yield includes payments out of share premium and special dividends
- Special dividend of 280 cents per share paid in April 2021
- Excludes share buy-backs

RESULTS HISTORY

Returns to shareholders



Effective pay out ratio from F05 = 95,9% of headline earnings

AVI

Group Financial Results



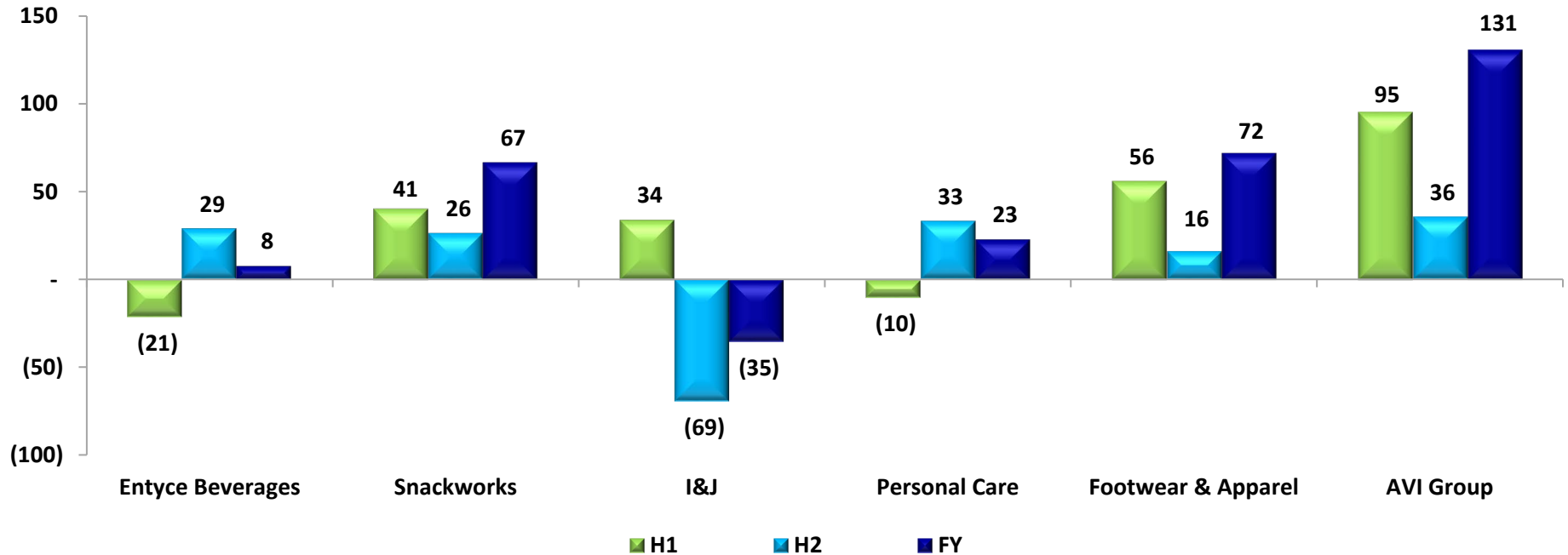
GROUP FINANCIAL RESULTS

Income statement

	F22 Rm	F21 Rm	%Δ
Revenue	13 845,3	13 269,2	4,3
Cost of sales	(8 506,7)	(8 101,2)	5,0
Gross profit	5 338,6	5 168,0	3,3
<i>Gross profit margin %</i>	38,6	39,0	(1,0)
Selling and administrative expenses	(2 798,5)	(2 758,7)	1,4
Operating profit	2 540,1	2 409,3	5,4
<i>Operating profit margin %</i>	18,3	18,2	0,5
Net finance costs	(110,9)	(99,3)	11,7
Share of joint ventures	(0,8)	3,6	
Capital items before tax	(2,2)	(4,2)	(47,6)
<i>Effective tax rate %</i>	27,8	28,7	(3,1)
Headline earnings	1 752,8	1 648,8	6,3
<i>HEPS (cps)</i>	530,6	499,9	6,1

GROUP FINANCIAL RESULTS

Change in operating profit F22 vs F21



- H1 disrupted by civil unrest and supply chain challenges
- Resilient H2 performance despite sharp rise in cost of fossil fuel and other commodities
- I&J H2 decline due to weaker fishing performance and stronger Rand offset by sustained abalone improvement
- Footwear and Apparel, Personal Care and Ciro recovering but remain below F19 profit levels

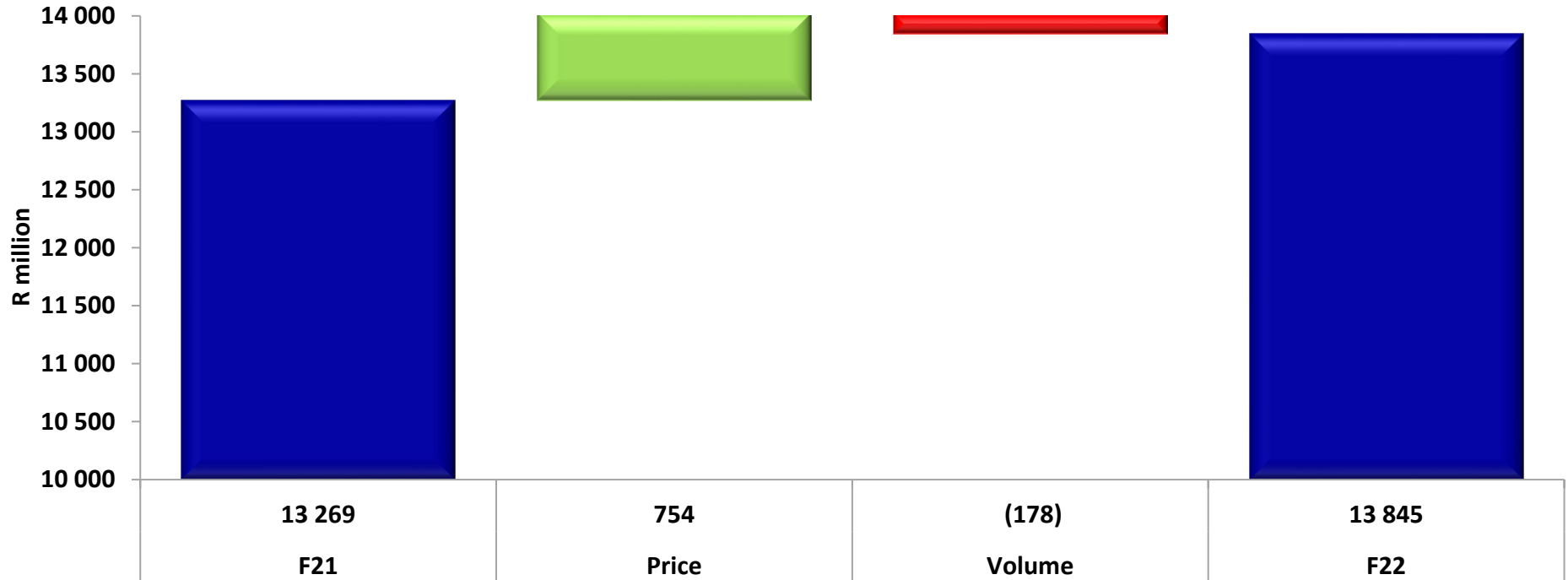
GROUP FINANCIAL RESULTS

Business unit financial results

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	F22 Rm	F21 Rm	Δ%	F22 Rm	F21 Rm	Δ%	F22 %	F21 %
Food & Beverage brands	11 157,8	10 650,3	4,8	2 068,2	2 029,0	1,9	18,5	19,1
Entyce Beverages	3 981,6	3 777,1	5,4	880,6	872,8	0,9	22,1	23,1
Snackworks	4 702,4	4 267,8	10,2	881,4	814,6	8,2	18,7	19,1
I&J	2 473,8	2 605,4	(5,1)	306,2	341,6	(10,4)	12,4	13,1
Fashion brands	2 687,5	2 618,9	2,6	495,9	400,8	23,7	18,5	15,3
Personal Care	1 176,5	1 152,9	2,0	193,4	170,4	13,5	16,4	14,8
Footwear & Apparel	1 511,0	1 466,0	3,1	302,5	230,4	31,3	20,0	15,7
Corporate				(24,0)	(20,5)			
Group	13 845,3	13 269,2	4,3	2 540,1	2 409,3	5,4	18,3	18,2

GROUP FINANCIAL RESULTS

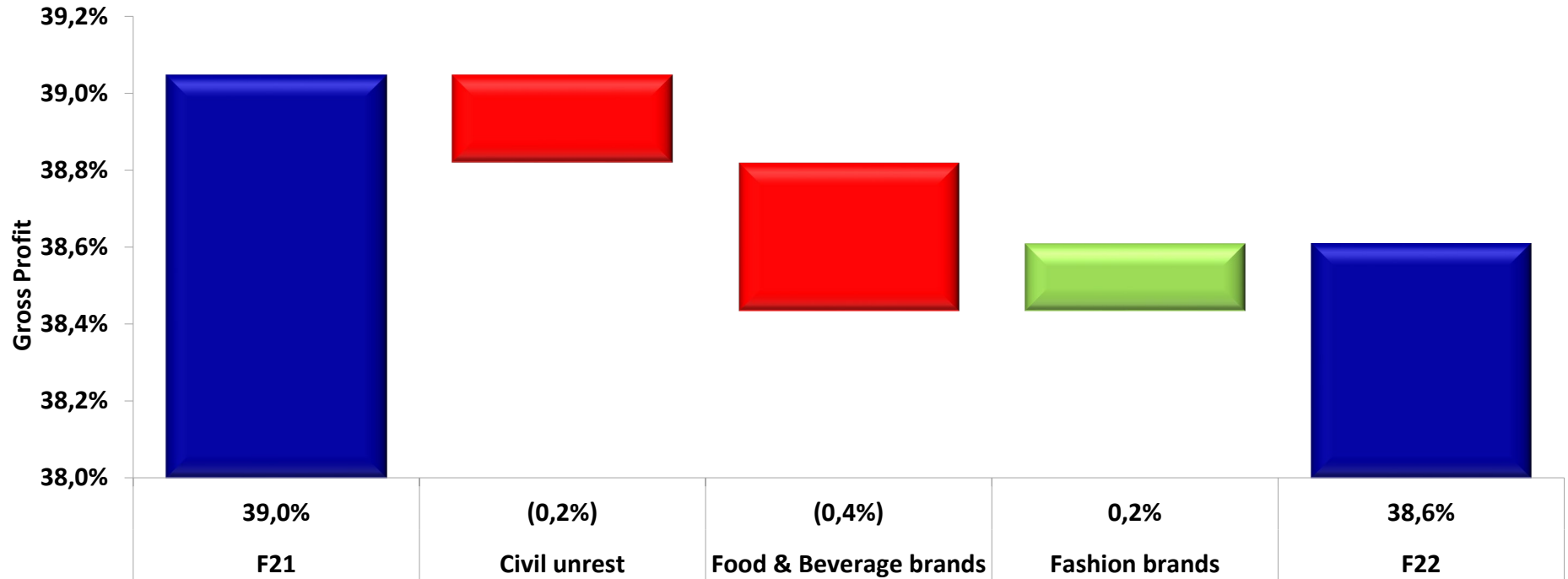
Movement in group revenue



- Price increases across the Group to recover significant input cost inflation
- Abalone recovery with improved pricing and demand in key Asian markets
- Volumes in Snackworks and Entyce resilient despite price increases
- Careful management of price / volume across portfolio

GROUP FINANCIAL RESULTS

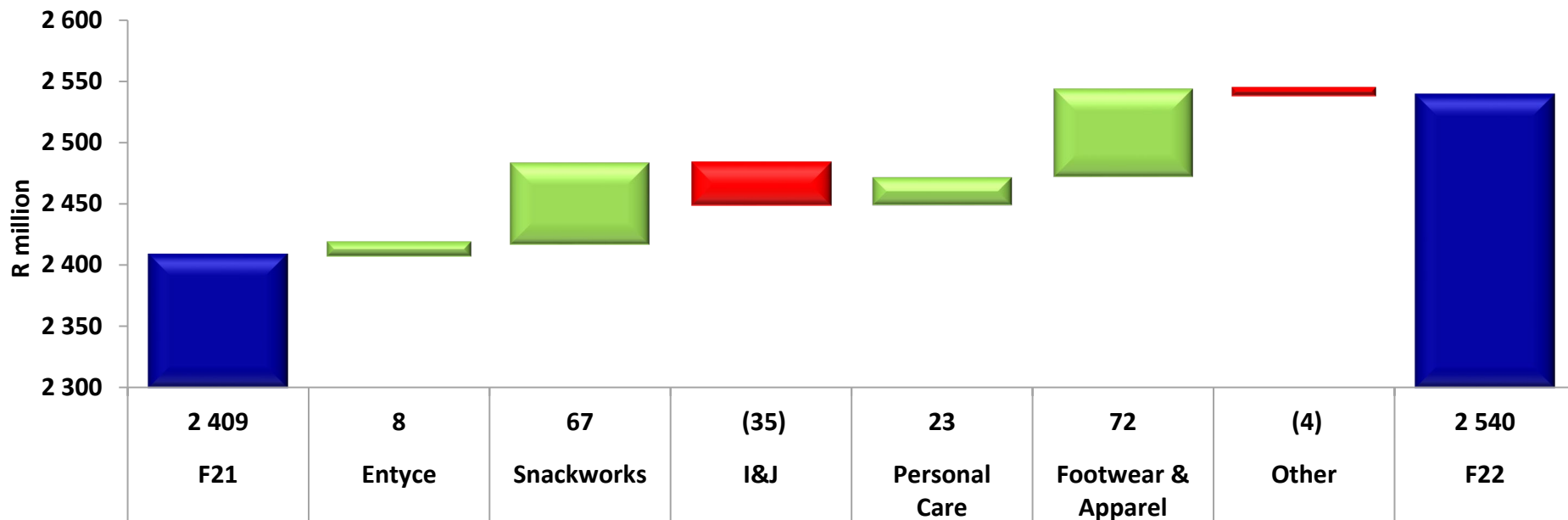
Gross profit margin



- Stock write-off costs of R31,6 million associated with July's unrest
- Significant pressure from higher input costs not fully recovered
- Higher raw material costs partly offset by benefit of stronger Rand

GROUP FINANCIAL RESULTS

Operating profit 5,4% up



- Entyce: Recovery in Ciro and good creamer performance partly offset by lower volumes in coffee
- Snackworks: Higher realised selling prices supported by resilient demand
- I&J: Weaker fishing performance partly offset by sustained abalone recovery
- Personal Care: Improving demand supported by cost savings from restructuring initiatives
- Footwear and Apparel: Higher realised prices, SASRIA insurance proceeds and effective cost control

GROUP FINANCIAL RESULTS

Cash flow, gearing and return on capital

	F22 Rm	F21 Rm	%Δ
Cash generated by operations	2 999,4	3 021,0	(0,7)
<i>Cash / EBITDA %</i>	<i>96,9</i>	<i>101,8</i>	<i>(4,8)</i>
<i>Working capital to revenue %</i>	<i>23,5</i>	<i>23,1</i>	<i>1,7</i>
Capital expenditure	(240,8)	(315,7)	(23,7)
Acquisition of intangibles	(165,3)	(8,5)	
Special dividend	-	(925,7)	
Net debt	1 676,4	1 724,6	(2,8)
<i>Net debt / capital employed %</i>	<i>25,9</i>	<i>28,1</i>	<i>(7,8)</i>
<i>Return on average capital employed %</i>	<i>29,1</i>	<i>27,6</i>	<i>5,4</i>

- Strong conversion of earnings to cash
- Working capital well managed with deliberate investment in raw materials to mitigate short-term supply risk
- Capital expenditure carefully managed in constrained environment
- Lower net debt due to healthy cash generated by operations
- ROCE improved with earnings growth outweighing increased average capital employed

GROUP FINANCIAL RESULTS

Dividends

	F22 Rm	F21 Rm	%Δ
Interim dividend – cps	170,0	160,0	6,3
Final dividend - cps	292,0	275,0	6,2
Ordinary dividend – cps	462,0	435,0	6,2
<i>Dividend yield - %*</i>	<i>7,0</i>	<i>6,1</i>	
Special dividend – cps	-	280,0	
Total dividend - cps	462,0	715,0	(35,4)
<i>Total dividend yield - %*</i>	<i>7,0</i>	<i>10,1</i>	
Ordinary dividend cover ratio	1,15	1,15	
Closing share price - cps	6 572	7 105	

* Calculated using the closing share price at 30 June

- Ordinary dividend increase in line with earnings growth
- Special dividend paid in April 2021
- Attractive yield



Income statement

	F22 Rm	F21 Rm	%Δ
Revenue	3 981,6	3 777,1	5,4
Operating profit	880,6	872,8	0,9
<i>Operating profit margin %</i>	<i>22,1</i>	<i>23,1</i>	<i>(4,3)</i>

■ Tea profit slightly lower

- ❑ Rooibos volume growth from lower selling prices supported by reduced raw material costs
- ❑ Black tea growth from higher selling prices and volumes with strong demand in the last quarter
- ❑ Black tea raw material prices supported by stronger Rand with international black tea prices higher
- ❑ Gross profit margin remains healthy



Income statement

	F22 Rm	F21 Rm	%Δ
Revenue	3 981,6	3 777,1	5,4
Operating profit	880,6	872,8	0,9
<i>Operating profit margin %</i>	<i>22,1</i>	<i>23,1</i>	<i>(4,3)</i>

- Coffee profit growth due to Ciro out-of-home recovery
 - ❑ Selling price increases in response to commodity input cost pressures
 - ❑ Pressure on mixed instant volumes from competitor discounting
 - ❑ Improved Ciro demand in hospitality, leisure and corporate as lockdown restrictions eased
 - ❑ Benefit from restructuring initiatives in Ciro last year



Income statement

	F22 Rm	F21 Rm	%Δ
Revenue	3 981,6	3 777,1	5,4
Operating profit	880,6	872,8	0,9
<i>Operating profit margin %</i>	<i>22,1</i>	<i>23,1</i>	<i>(4,3)</i>

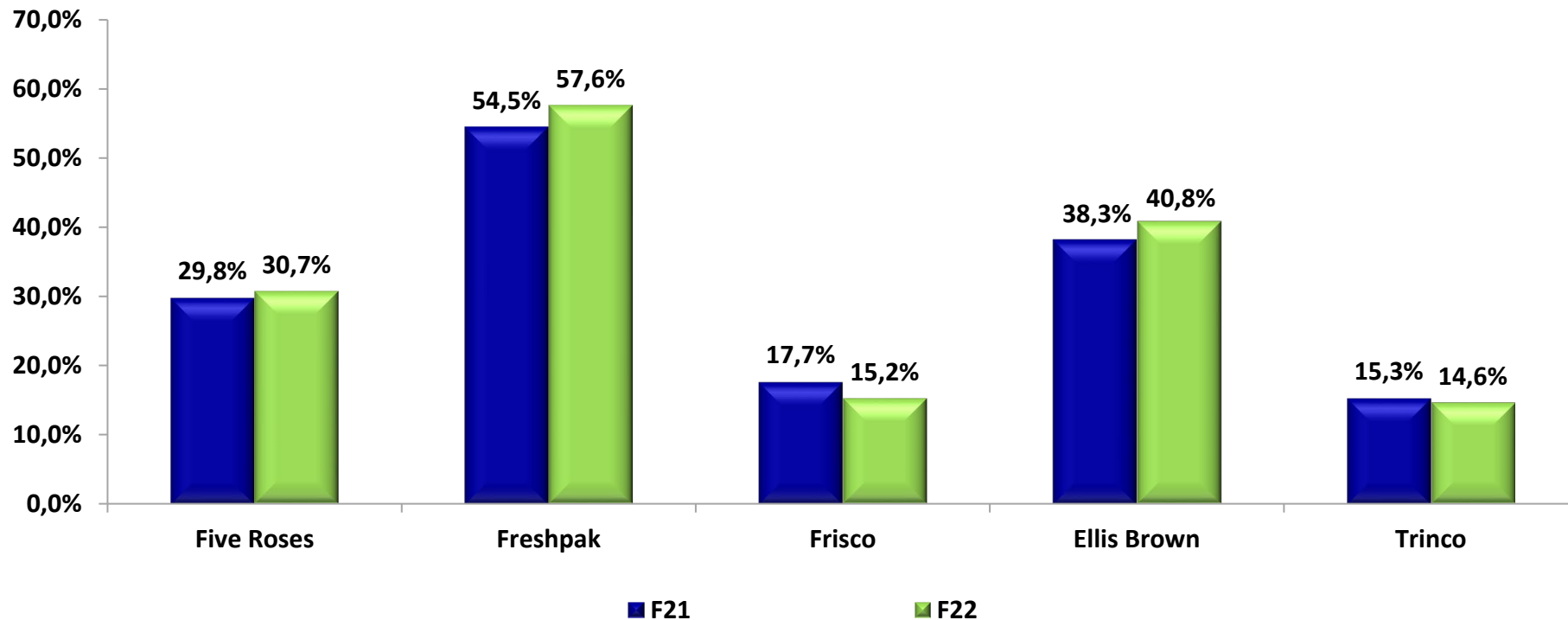
- Creamer profit improvement due to increased selling prices supported by higher volumes
 - Effective upgrade of packaging and formats
 - Volume growth supported by strong H1
 - Gross profit margin pressure due to significantly higher raw material costs not fully recovered by material selling price increases.



Sales volume and selling prices

	% Δ F22 vs F21	Comments
Tea revenue decline	(0,4)	
Volume	2,3	<i>Growth in both black tea and Rooibos volumes</i>
Ave. selling price	(2,6)	<i>Lower Rooibos pricing in line with cheaper raw materials offset by higher black tea selling prices</i>
Coffee revenue decline	(2,4)	
Volume	(13,2)	<i>Decline in mixed instant due to continued aggressive discounting by competitors</i>
Ave. selling price	12,5	<i>Price increases across all categories to recover impact of rising raw material costs</i>
Creamer revenue growth	15,4	
Volume	3,2	<i>Continued support from key customers with demand tempered in H2 as selling prices increased</i>
Ave. selling price	11,8	<i>Price inflation to ameliorate input cost pressure</i>

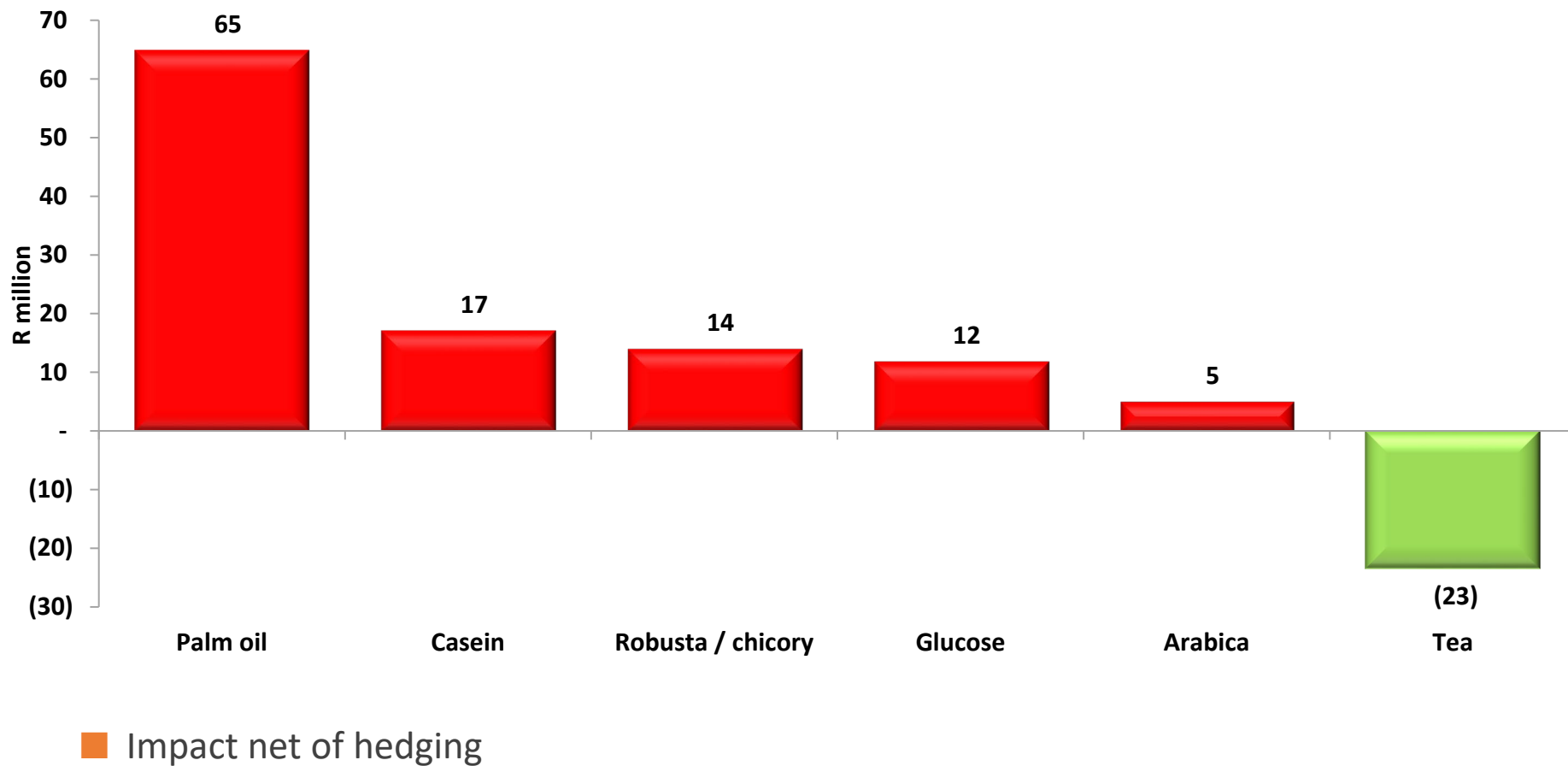
Market shares – 12 months value



- Short term market shares reflect targeted price / volume balance
- Market share reflects formal retail only

Raw material costs

Cost impact of raw materials and commodities consumed in the period (F22 vs F21):



Snackworks

That's Good Times!



Performance



Income statement

	F22 Rm	F21 Rm	%Δ
Revenue	4 702,4	4 267,8	10,2
Operating profit	881,4	814,6	8,2
<i>Operating profit margin %</i>	<i>18,7</i>	<i>19,1</i>	<i>(2,1)</i>

- Growth in biscuit profit due to increased volumes and higher selling prices
 - ❑ Resilient demand supported by strong festive season, improved lunchbox and on-the-go volumes and growth from lower priced formats
 - ❑ Selling price increases to offset input cost pressures and protect margins
 - ❑ Selling and administrative costs well contained



Income statement

	F22 Rm	F21 Rm	%Δ
Revenue	4 702,4	4 267,8	10,2
Operating profit	881,4	814,6	8,2
<i>Operating profit margin %</i>	<i>18,7</i>	<i>19,1</i>	<i>(2,1)</i>

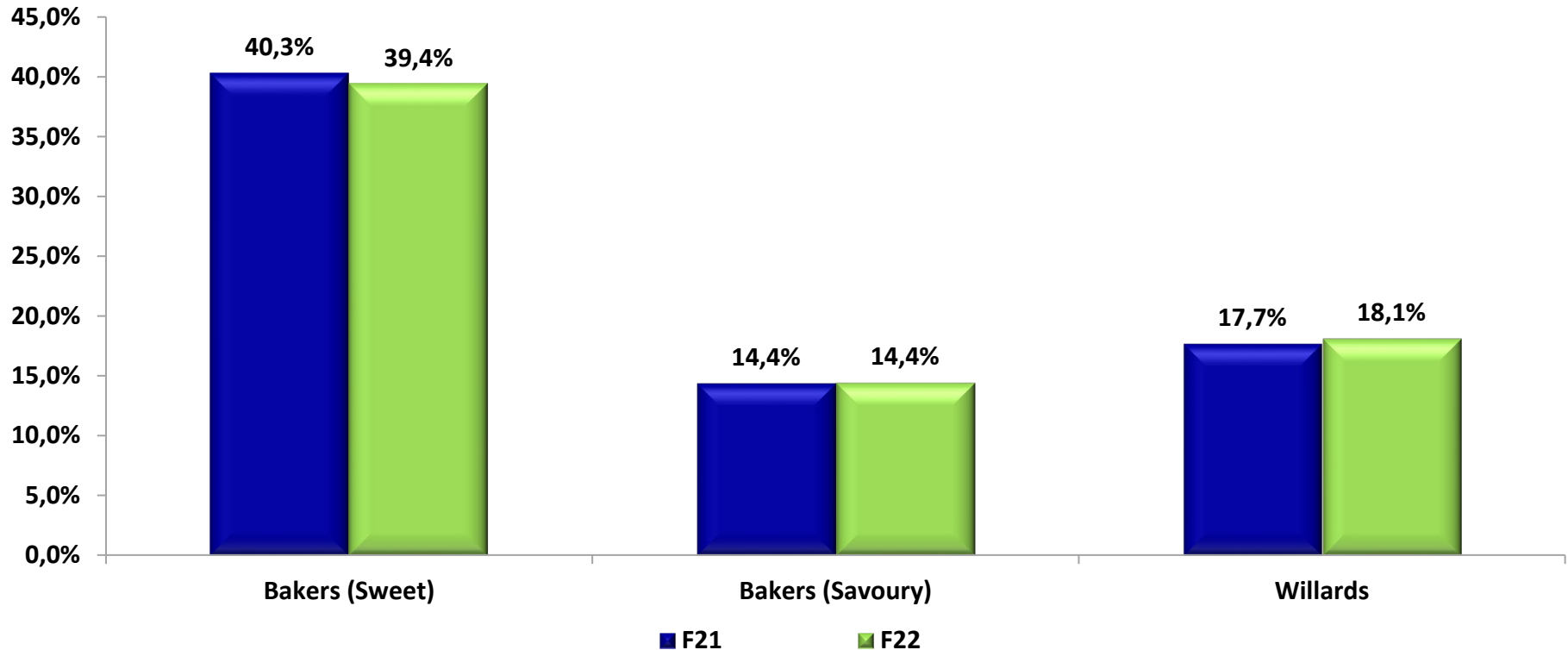
- Snacks profit impacted by input cost pressures not fully recovered by price increases
 - ❑ Materially higher distribution inflation caused by higher fuel prices
 - ❑ Potato supply challenges in first semester
 - ❑ Crinkle Cut innovation in H2 supporting improved volumes
 - ❑ Annual price increases and reduced discounting in response to input cost pressures
 - ❑ Careful management of volume / value and trade discounts in competitive environment



Sales volume and selling prices

	% Δ F22 vs F21	Comments
Biscuits revenue growth	9,9	
Volume	3,0	<i>Strong festive season, improved lunchbox and on-the-go volumes and demand for lower priced formats</i>
Ave. selling prices	6,7	<i>Price increases in April 2021 and March 2022</i>
Snacks revenue growth	11,1	
Volume	2,7	<i>Crinkle Cut innovation supporting potato chip volume growth notwithstanding first semester supply challenges</i>
Ave. selling prices	8,2	<i>Price increases in April 2021 and March 2022</i>

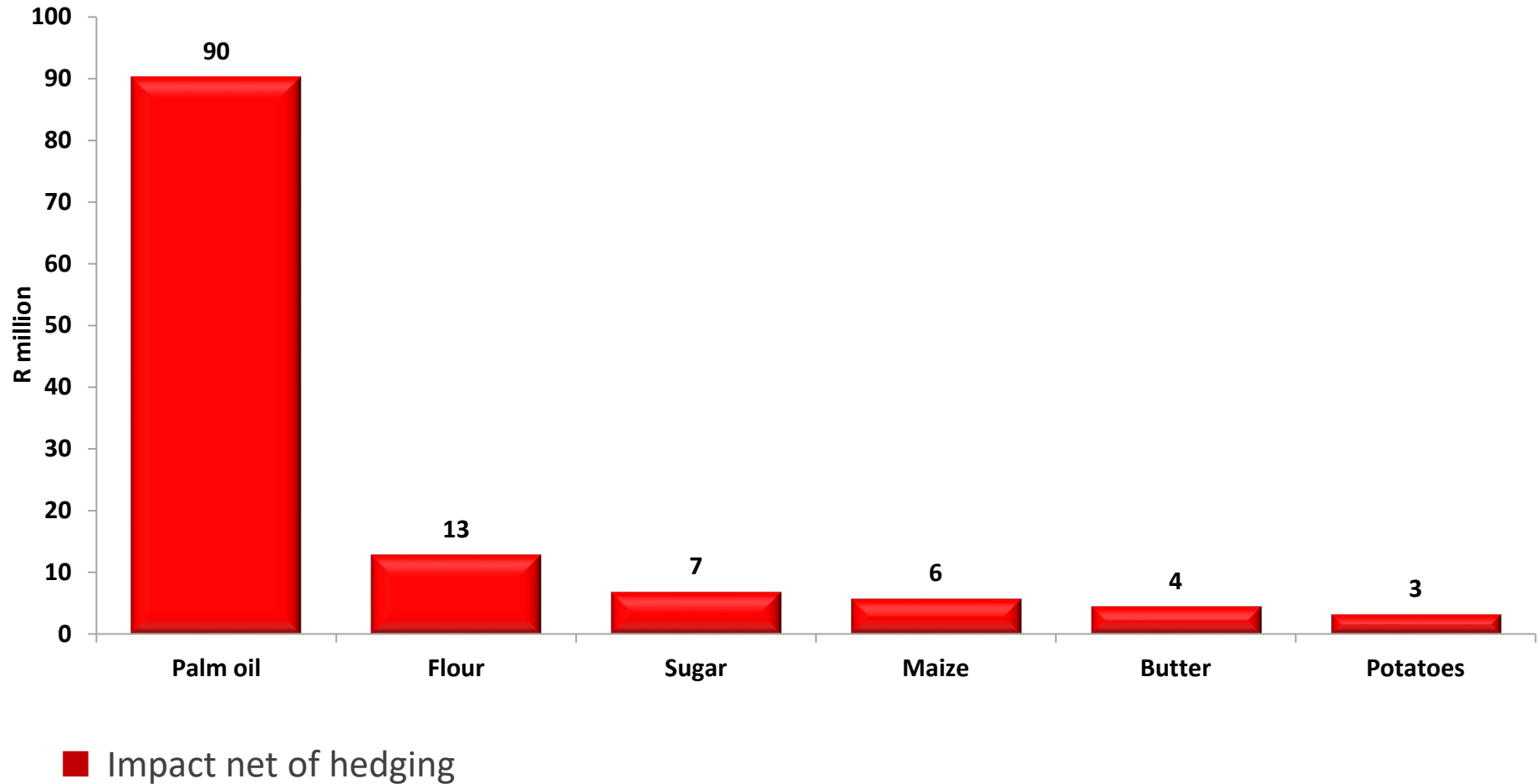
Market shares – 12 months value



- Balanced price / volume
- Market share reflects formal retail only
- Good growth of affordable formats in wholesale
- Growth in Willards due to innovation

Raw material costs

Cost impact of raw materials and commodities consumed in the period (F22 vs F21):





Performance





Income statement

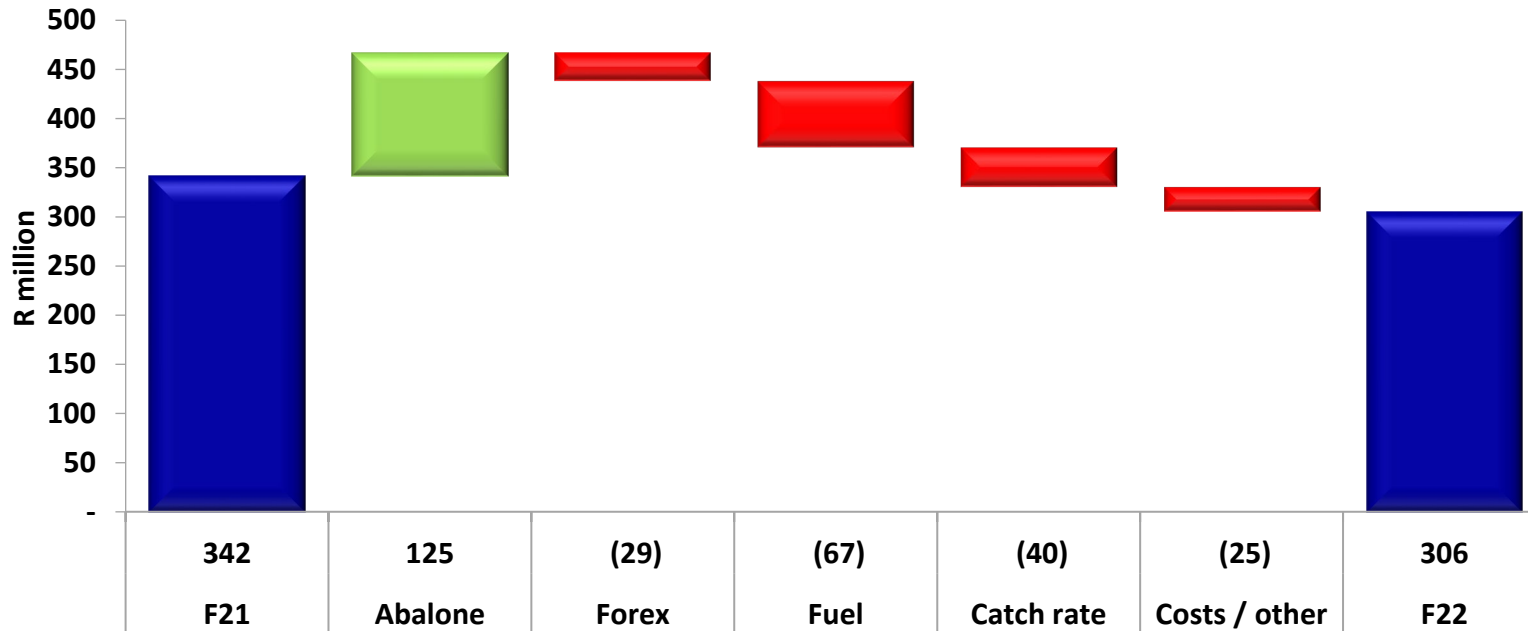
	F22 Rm	F21 Rm	%Δ
Revenue	2 473,8	2 605,4	(5,1)
Operating profit	306,2	341,6	(10,4)
<i>Operating profit margin %</i>	<i>12,4</i>	<i>13,1</i>	<i>(5,3)</i>

- Profit decline driven by lower fishing performance offset by abalone recovery
 - Fishing performance
 - Reduction in FRAP quota and total allowable catch
 - Revenue negatively impacted by stronger Rand and lower fish sales volumes
 - Price increases across domestic and export markets did not fully absorb rising fuel prices
 - Abalone
 - Sound operational performance post COVID-19 disruptions
 - Improved selling prices, a favourable product mix and demand in key markets
 - Development of new markets to support demand
 - Benefit from restructuring initiatives





Operating profit

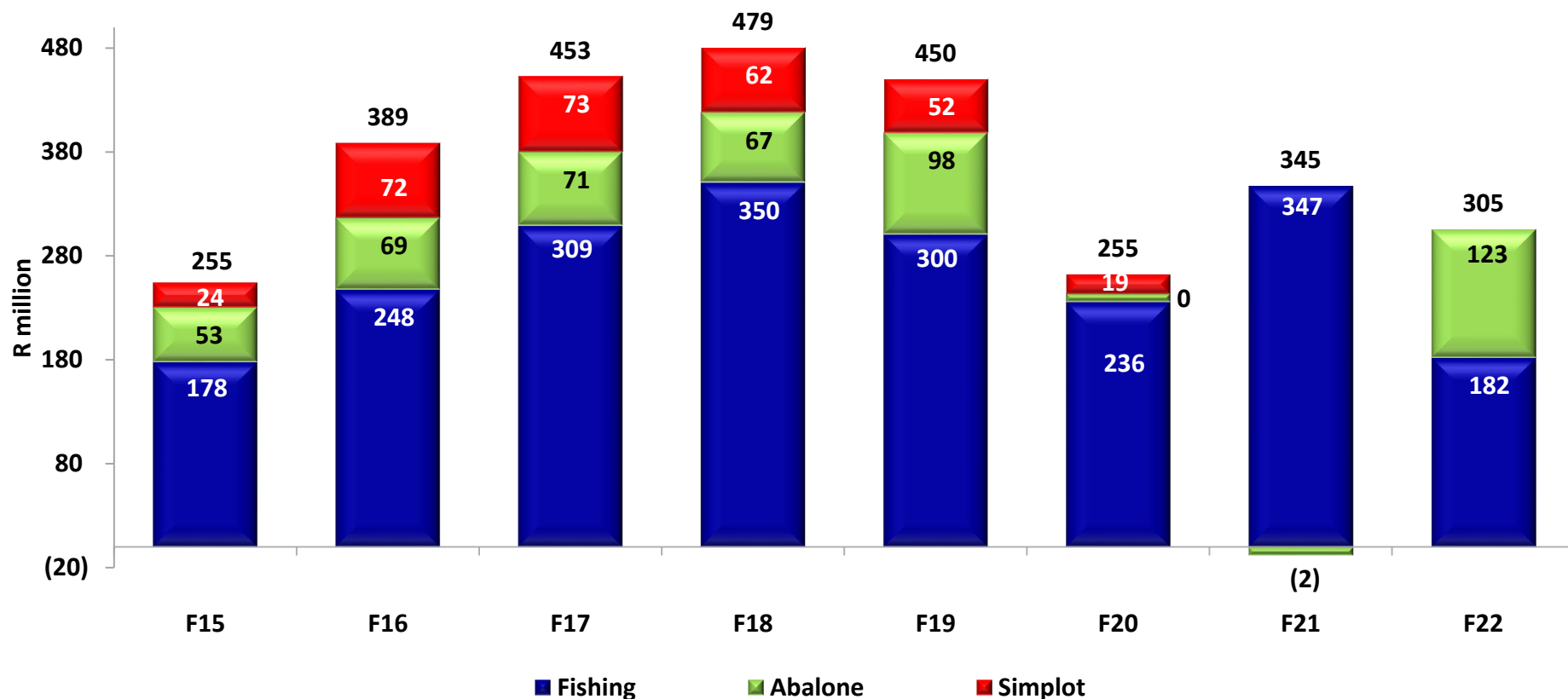


- Abalone growth primarily supported by selling prices and improved mix
- Stronger Rand negatively impacted export revenue despite hedges
- Fishing costs significantly impacted by higher fuel prices (net of fuel hedges)
- Catch rates lower notwithstanding better utilisation of fleet and favourable catch size mix





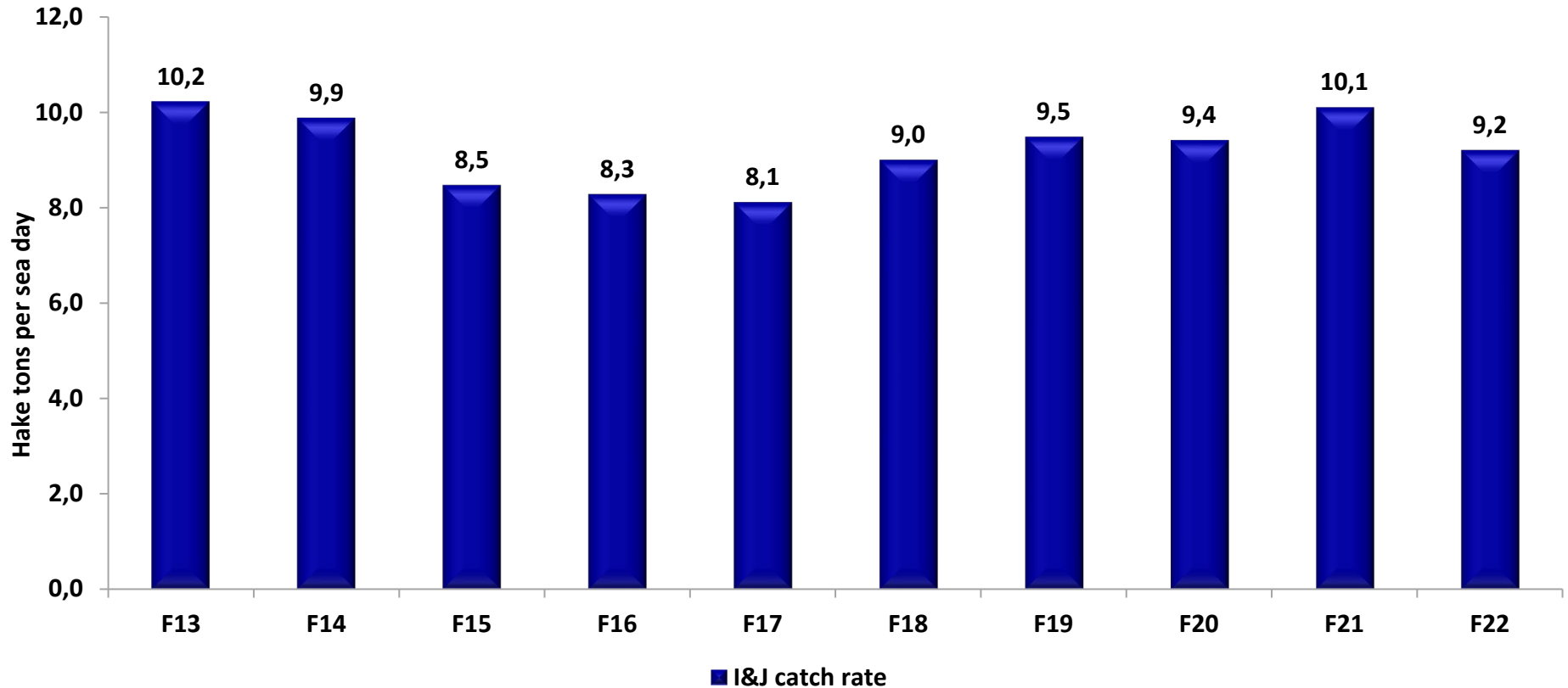
Profit history



- Robust recovery of abalone post COVID-19 impact in the prior two years
- F22 fishing performance lower than F21 with sharp increase in fuel prices and stronger Rand



Fishing performance



■ Decline due to wet and freezer vessel catch rates partially offset by better utilisation of fleet



Sales volume and selling prices (Hake)

	% Δ F22 vs F21	Comments
I&J Domestic revenue growth	4,8	
Volume	(1,9)	<i>Reduced TAC and quota; decrease in whole fish volumes with lower 3rd party landings</i>
Ave. selling prices	6,9	<i>Favourable mix and price increases to mitigate cost pressure</i>
I&J Export revenue decline	(5,3)	
Volume	(8,2)	<i>Reduced TAC and quota; reduction in retail demand and constrained volumes</i>
Ave. selling prices	3,2	<i>Selling price increases offset by stronger Rand</i>

■ I&J's domestic market share improved from 47,5% to 49,5%



Sally Hansen
#1 Nail Expert





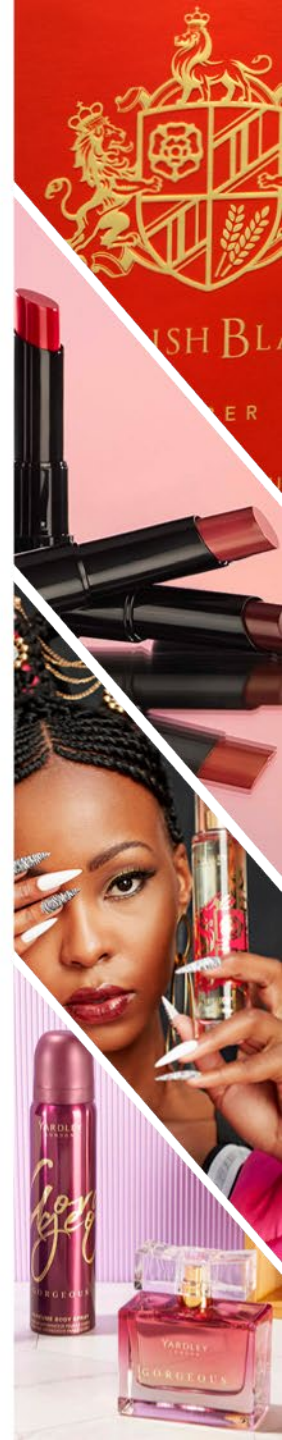
indigo brands

Income statement

	F22 Rm	F21 Rm	%Δ
Revenue	1 176,5	1 152,9	2,0
Operating profit	193,4	170,4	13,5
<i>Operating profit margin %</i>	<i>16,4</i>	<i>14,8</i>	<i>10,8</i>

■ Indigo profit growth driven by improved revenue and cost savings

- Improved demand through second semester as lockdown restrictions eased
- Colour cosmetics and fragrance volumes recovering but remain below pre-COVID-19 levels
- Margin expansion driven by higher selling prices and benefit from restructuring initiatives





indigo brands

Sales volume and selling prices

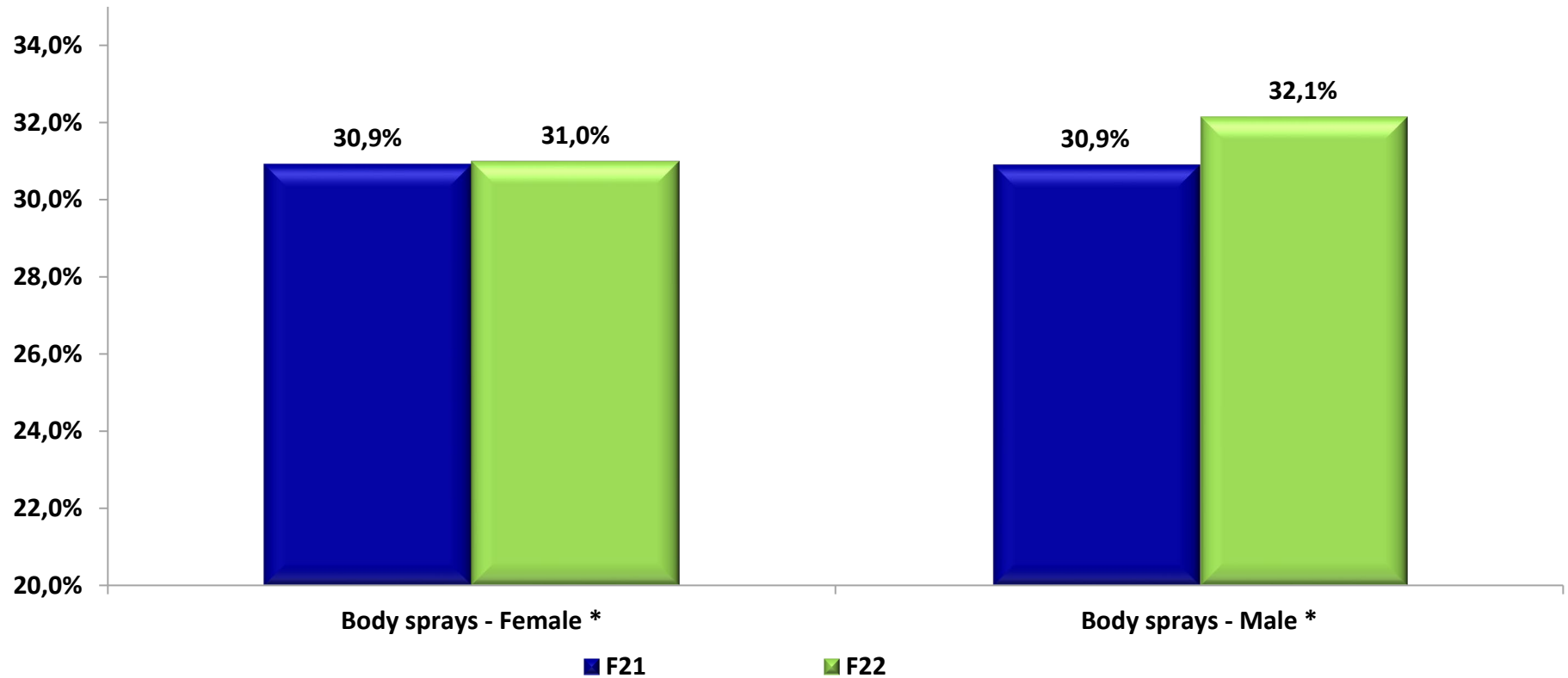
	% Δ F22 vs F21	Comments
Personal Care revenue growth*	3,1	
Volume	(3,9)	Improved demand in H2, better colour cosmetic and fragrance volumes, lower aerosol in constrained and competitive environment
Ave. selling price	7,0	Price increases in response to cost pressure

* Excludes Coty



indigo brands

Market shares – 12 months value



* Excludes Coty

- Balanced price / volume in constrained environment
- Good performance from Yardley and Lenthéric male brands

GX&CO

A collage of fashion images featuring various clothing items and shoes, with the text "IONIC LUXURY DESIGN" overlaid in the center. The collage includes a woman in a red dress, a man in a yellow quilted jacket, a white boot, a green jacket with a bow, a white sneaker, a brown loafer, a woman in a white turtleneck, a man in a red jacket, a man in a tan suit, a red jacket with a crocodile logo, and a green loafer.

FOOTWEAR AND APPAREL

Income statement

	F22 Rm	F21 Rm	%Δ
Revenue	1 511,0	1 466,0	3,1
Operating profit	302,5	230,4	31,3
<i>Operating profit margin %</i>	<i>20,0</i>	<i>15,7</i>	<i>27,4</i>

- Operating profit growth with higher selling prices, effective cost management and insurance recoveries notwithstanding disruptions
 - Footwear and clothing volume declines
 - Constrained environment, July unrest, stock availability challenges and load-shedding
 - H2 performance buoyed by easing lockdown restrictions, improved stock availability and well-received summer and winter ranges
 - Gross margins improved by sales mix and price increases to ameliorate cost pressures
 - Lower selling and administrative expenses
 - Benefit from restructuring initiatives last year
 - Insurance proceeds



FOOTWEAR AND APPAREL

Business unit financial results

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	F22 Rm	F21 Rm	Δ %	F22 Rm	F21 Rm	Δ %	F22 %	F21 %
Footwear & Apparel	1 511,0	1 466,0	3,1	302,5	230,4	31,3	20,0	15,7
Spitz, Kurt Geiger and Gant	1 359,8	1 308,8	3,9	300,3	253,8	18,3	22,1	19,4
Green Cross	151,2	157,2	(3,8)	2,2	(23,4)		1,5	(14,9)

- Spitz trading density and profitability improving in challenging environment
- Green Cross return to profit with improved trading density from closure of underperforming stores

FOOTWEAR AND APPAREL

Sales volume and selling prices

	% Δ F22 vs F21	Comments
Spitz and Kurt Geiger Footwear revenue growth	2,2	
Volume	(7,8)	<i>Volume decline due to July unrest, constrained consumer environment and supply challenges</i>
Ave. selling price	10,9	<i>Price increases and improved sales mix</i>
Green Cross Footwear revenue decline	(4,9)	
Volume	(11,5)	<i>Volume decline due to closure of underperforming stores (like-for-like volume up 14,6%)</i>
Ave. selling price	7,4	<i>Price increases offset by lower retail sales contribution</i>
KG Clothing revenue growth	8,9	<i>Recovery from COVID-19 affected prior year base</i>

AVI

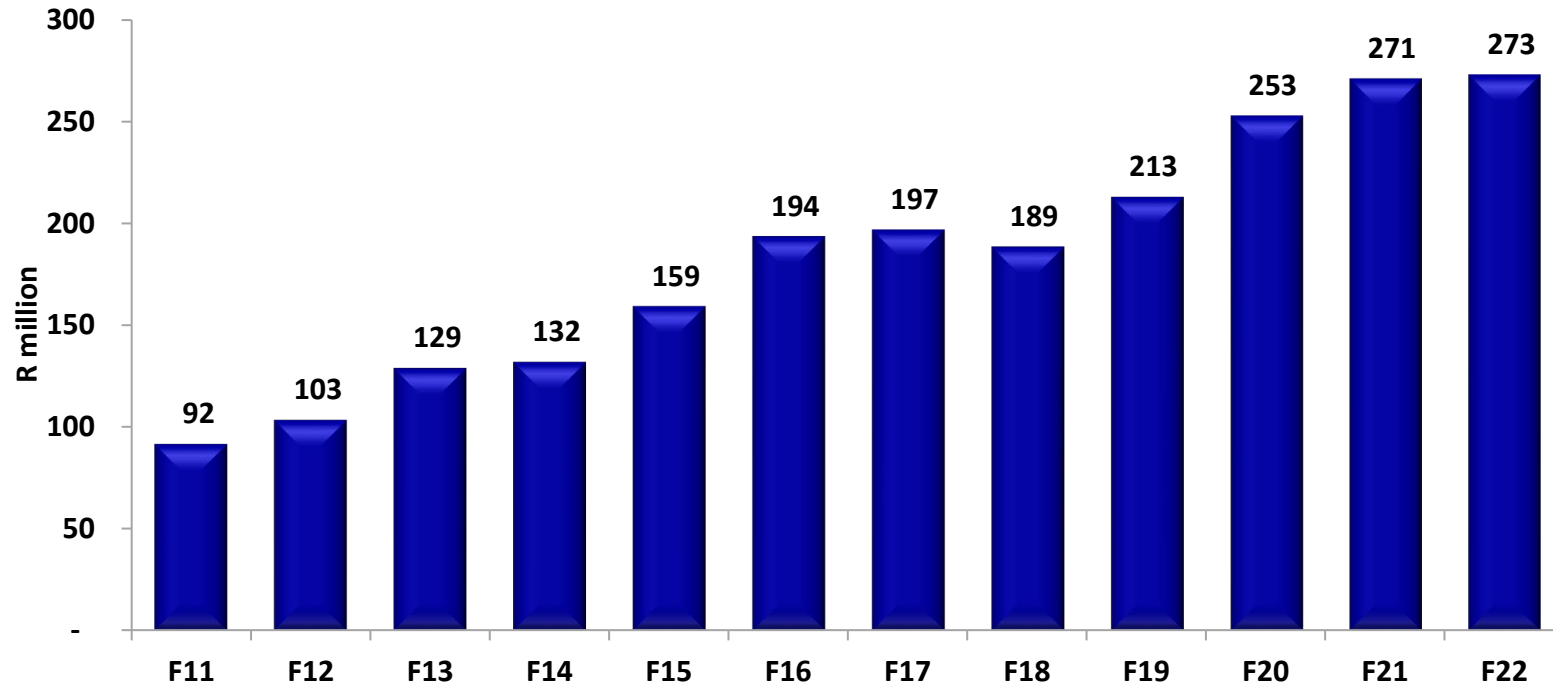
International

Performance



AVI INTERNATIONAL

Operating profit history



- Profit growth from main subsidiary markets
- Shipping delays and supply chain constraints negatively impacted distributor markets
- Price increases in line with domestic businesses in response to cost pressure
- Zambia positively impacted by the appreciation of the Kwacha



AVI INTERNATIONAL

Entyce, Snackworks and Indigo – Non RSA sales

	F22 Rm	F21 Rm	%Δ
International Revenue	1 219,7	1 185,4	2,9
<i>% of Grocery and Personal Care brands</i>	12,4	12,9	(3,9)
International Operating Profit	273,0	271,1	0,7
<i>% of Grocery and Personal Care brands</i>	14,0	14,6	(4,1)
International Operating Profit Margin	%	%	
<i>Grocery and Personal Care brands</i>	22,4	22,9	(2,2)
<i>Operating Margin</i>	19,8	20,2	(2,0)



F23 Prospects

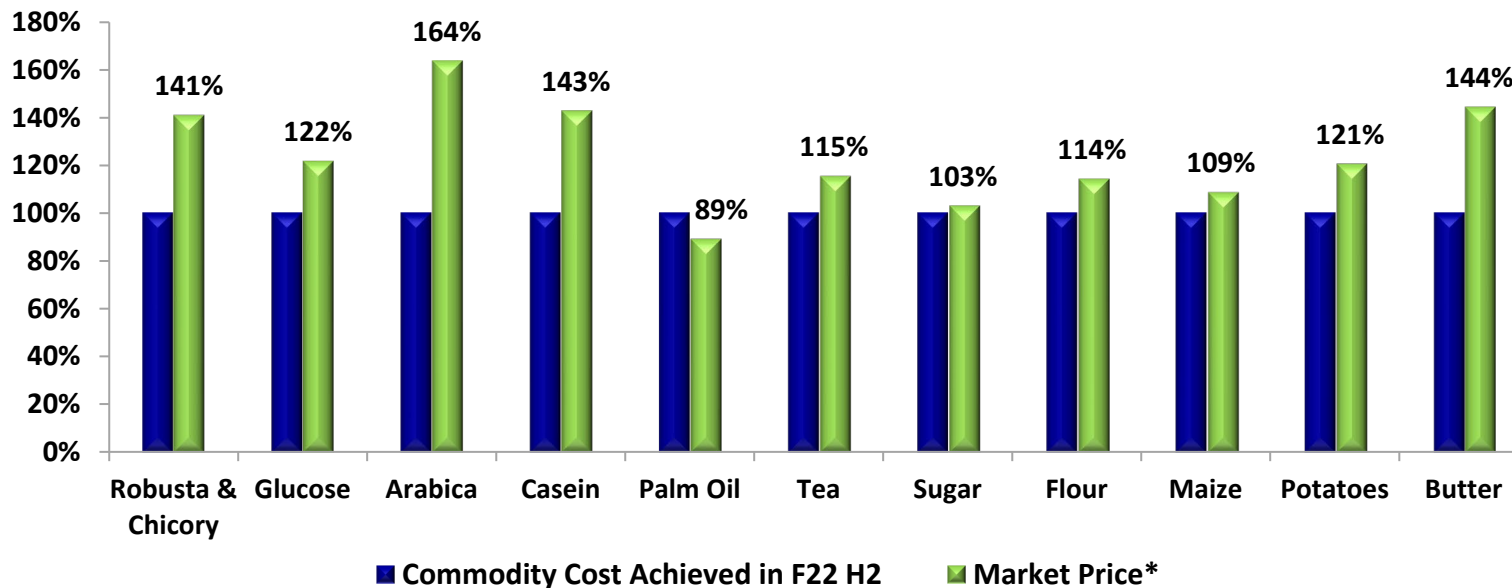


AVI GROUP

Prospects for F23

- Protect Entyce and Snackworks margins in a tough environment
 - Demand pressure from constrained consumers exacerbated by high inflation
 - Tactile price / volume management essential to protect market shares and long-term profitability
 - Cost / margin pressure if commodity prices and Rand weakness persists

Commodity cost achievement relative to current market prices



*market prices as at 19 August 2022 and translated at USDZAR 16,67



AVI GROUP

Prospects for F23

■ Protect Entyce and Snackworks margins in a tough environment

- ❑ Raw material and exchange rates secured provide protection and certainty for H1
- ❑ Ongoing innovation to support constrained demand environment
- ❑ Continued project activity to improve efficiency and capacity
- ❑ Steady building of branded positions in export markets
- ❑ Continued gradual recovery of Ciro out-of-home volumes
- ❑ Ongoing focus on cost savings and structure

■ Improvement in Indigo profit

- ❑ Continued recovery in beauty and fragrance category volumes
- ❑ Benefit from acquired trademarks
- ❑ Coty license agreement review and renewal
- ❑ Careful price and volume management



AVI GROUP

Prospects for F23

- I&J performance dependent on exchange rates, catch rates and fuel prices
 - Price optimisation in domestic and international markets
 - Quota volume loss of 4,4% following conclusion of long-term fishing rights application
 - Exchange rates hedged at better levels than F22, plus benefit of recent Rand weakness
 - Profile of fuel hedges favour H2
 - Focus on fishing effectiveness using latest technology
- Abalone result dependent on sustained pricing and demand in key markets
 - Ongoing effort to optimise and diversify market risk



AVI GROUP

Prospects for F23

■ Footwear and Apparel

- ❑ Risk of cost / margin pressure if recent Rand weakness persists
 - Hedge position provides a degree of certainty for H1
- ❑ Earlier buy-in to alleviate supply chain risks and improve stock availability for December trading
- ❑ Improved seasonal availability of Lacoste brand
- ❑ Continued development of owned brands
- ❑ Focus on Green Cross profitability improvement
- ❑ Ongoing focus on cost control and improving operating metrics
 - Retail densities
 - Staff costs



AVI GROUP

Prospects for F23

- Capital investment projects to improve capability, product quality and customer service levels

	Approved & Planned Projects Rm
Creamer capacity increase – packaging automation	78
Biscuit line capacity and process improvements	44
Snack line replacements and upgrades	43
I&J vessel dry-docks and upgrades	50
Retail store additions and refurbishments	30
	245

- Global supply chain delays have extended lead times with spend and implementation up to F24
- Finalisation of investment to increase production capacity of Bakers “Toppers” format



AVI GROUP

Investor proposition

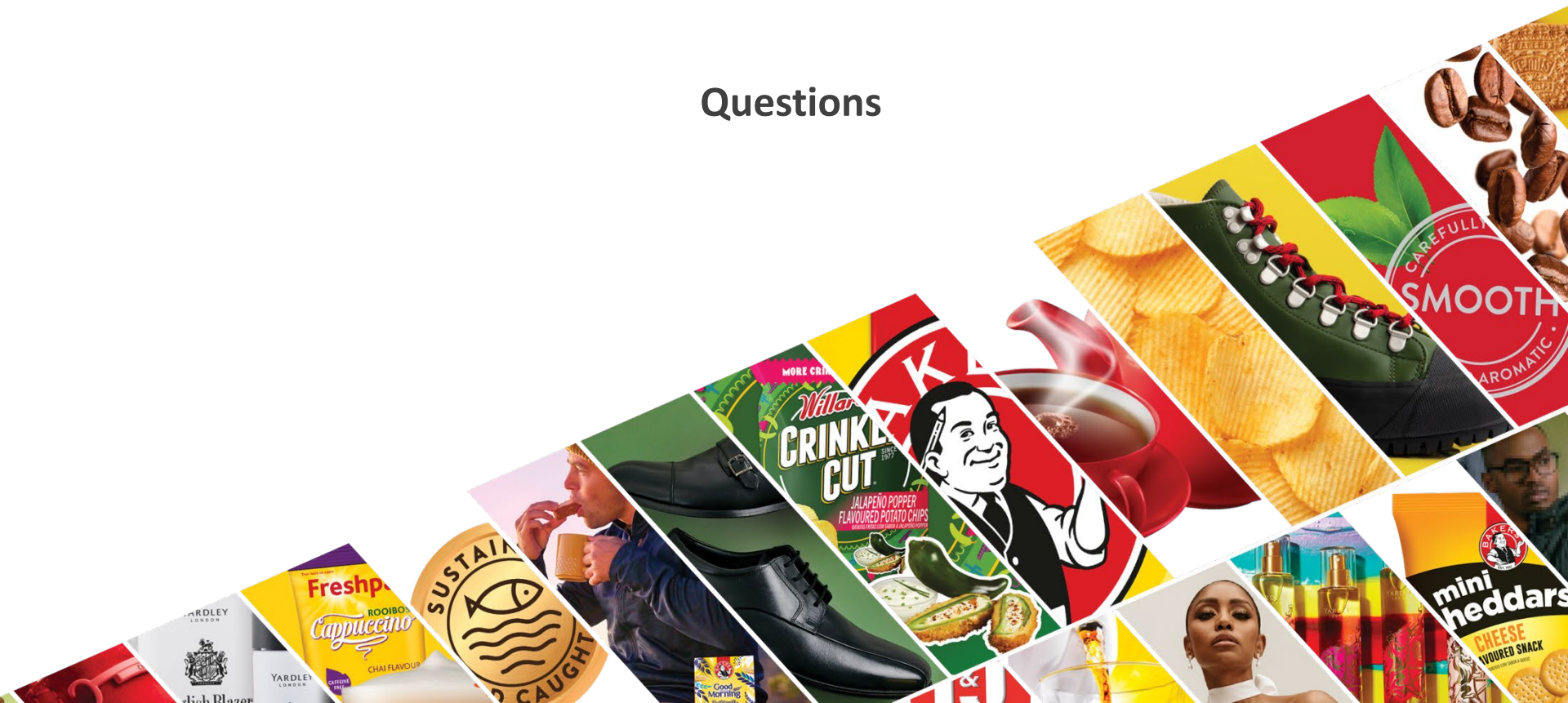
- Ongoing review and simplification of business model to accommodate a challenging macro environment
- Focus on relevant innovation for constrained consumers
- Group initiatives – margin management, procurement, cost savings and production efficiency
- Manage our unique brand portfolio to its long-term potential
- Target real earnings growth in weak economic environment
- Maintain high dividend yield
- 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

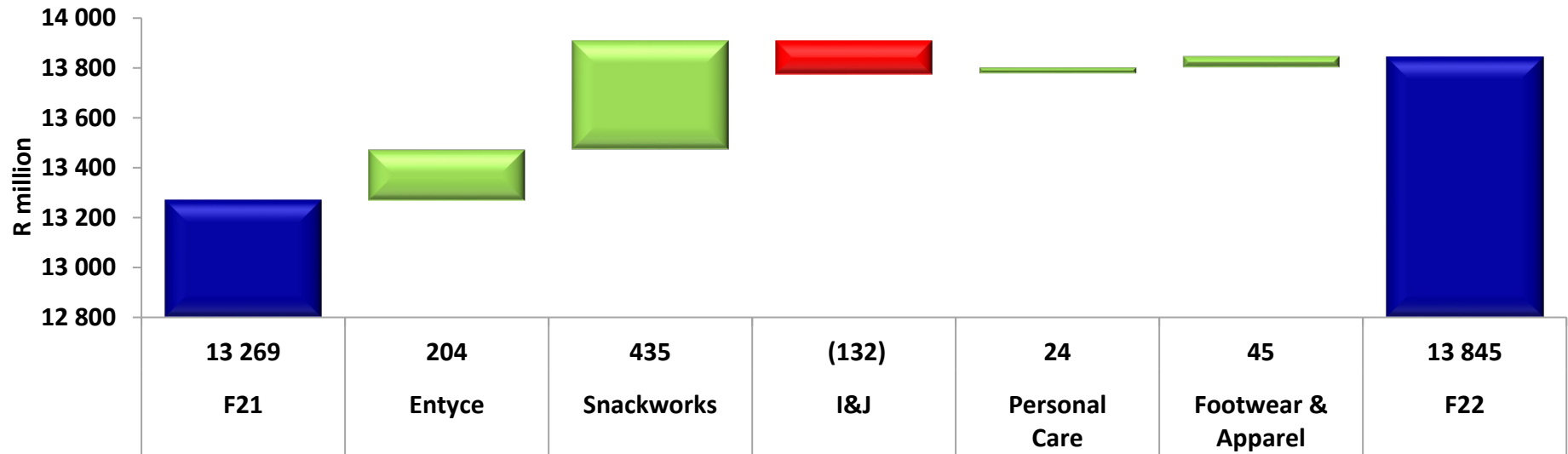
GROWING GREAT BRANDS

Questions



INFORMATION SLIDES

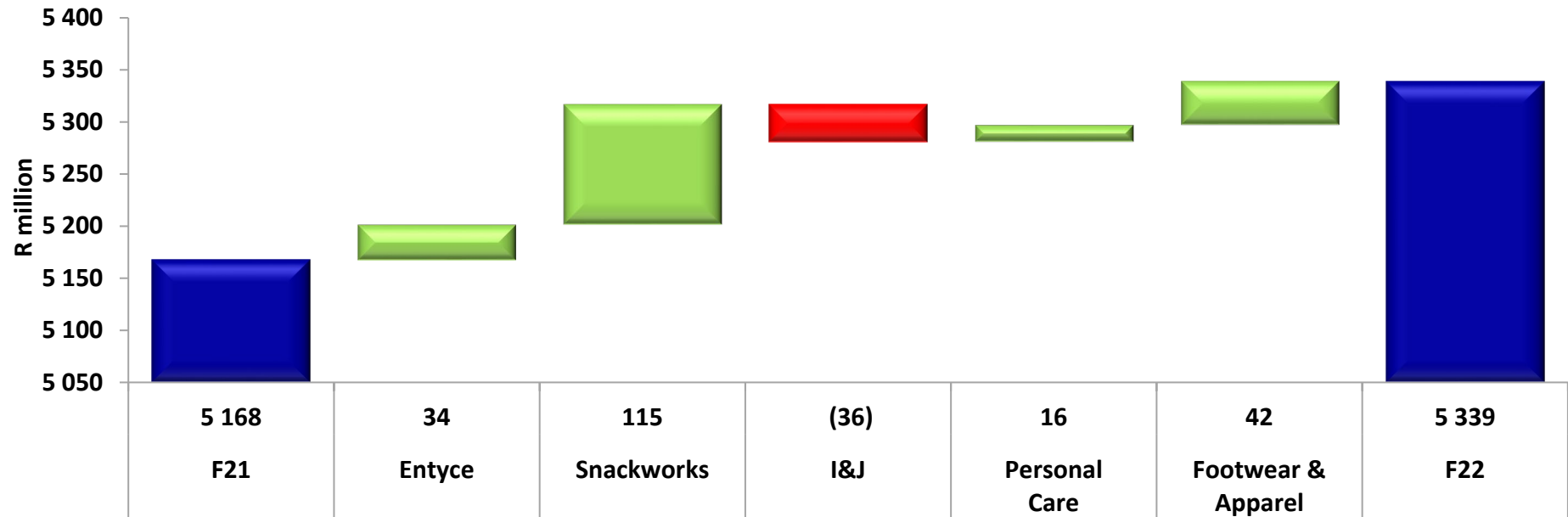
Revenue 4,3% up



- Entyce: Growth due to creamer and Ciro, offset by declines in coffee and tea
- Snackworks: Selling price inflation in response to cost pressure, supported by volume growth in biscuits and snacks
- I&J: Weaker fishing performance partly offset by abalone recovery
- Personal Care: Price increases offset by lower volumes notwithstanding improvements in colour cosmetics and fragrance
- Footwear and Apparel: Higher selling prices and improved clothing sales partly offset by lower volumes, store closures and constrained environment

INFORMATION SLIDES

Gross profit 3,3% up



- Entyce: Revenue growth partly offset by margin pressure with higher commodity input costs not fully recovered
- Snackworks: Price increases and volume growth offset by cost pressure from rising raw material prices and raw material write-off costs associated with July's unrest
- I&J: Weaker fishing performance with stronger Rand and higher fuel prices partly offset by abalone recovery
- Personal Care: Price increases partly offset by lower volumes
- Footwear and Apparel: Higher realised selling prices partly offset by lower volumes and write-off costs relating to July unrest

INFORMATION SLIDES

Key restructuring projects

	F22 Net Savings Rm	F21 Realised Net Savings Rm
Ciro	5,3	28,1
Abalone	5,8	13,2
Personal Care	-	6,6
Footwear & Apparel	-	19,0
	11,1	66,9

- Year-on-year impact of restructuring activities undertaken last year
- Abalone benefit from improved efficiency and relocation of processing to consolidate into single site
- Personal Care: Improved efficiency delivered headcount savings
- Footwear and Apparel: Integration of Green Cross business, revised store staffing model and closure of underperforming stores

INFORMATION SLIDES

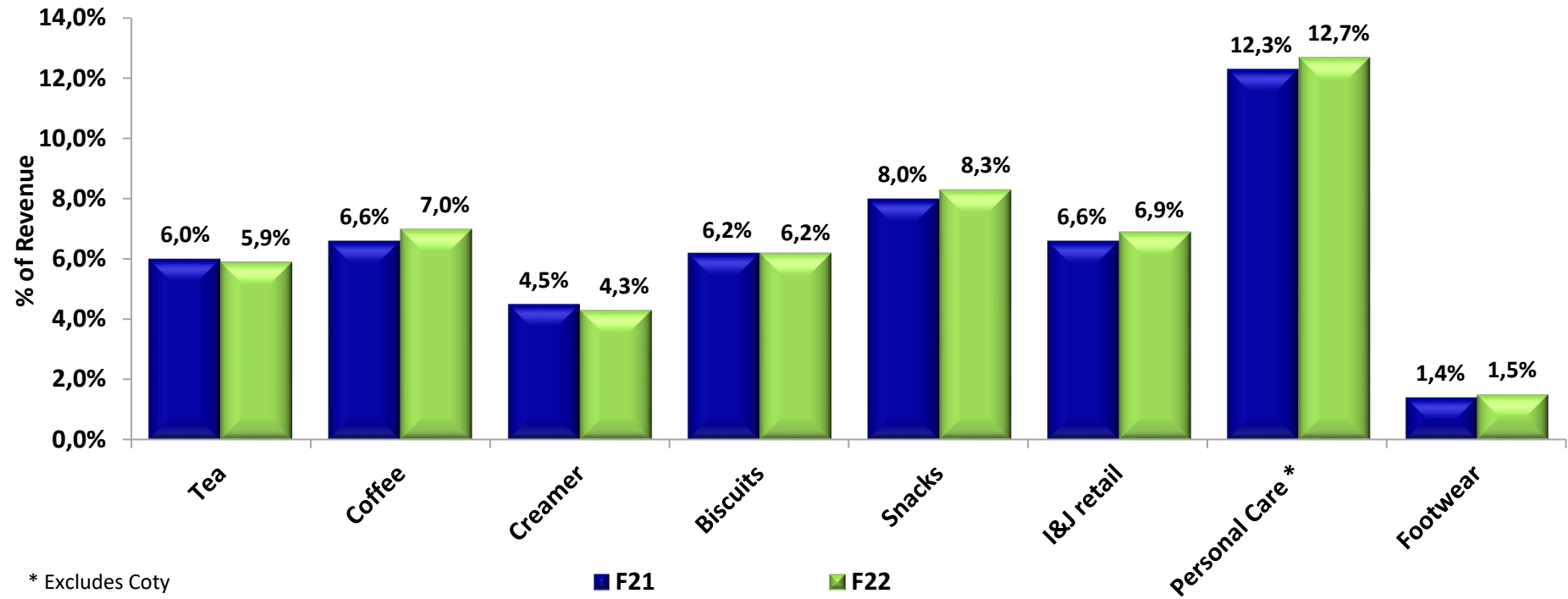
Civil unrest – direct costs incurred and insurance proceeds recognised

	F22 Rm
Cost of sales - stock written off	(31,6)
Gross profit	(31,6)
Selling and administrative expenses including other income	
SASRIA insurance proceeds	66,7
Store restoration and other costs	(4,6)
Operating profit before capital items	30,5
Capital items	1,1
Disposal of capital items	(1,9)
SASRIA insurance proceeds	3,0
Profit before taxation	31,6
Taxation	(8,9)
Net impact on profit for the period	22,7

- Insurance cover ensured direct costs were recovered
 - Spitz: Stolen stock, damage to fixed assets and theft of cash
 - NBL: Butter destroyed at third party storage facility
- Proceeds received at the end of January 2022

INFORMATION SLIDES

Marketing expenditure



■ Total expenditure for F22 of R732,3 million compared to R677,9 million in F21

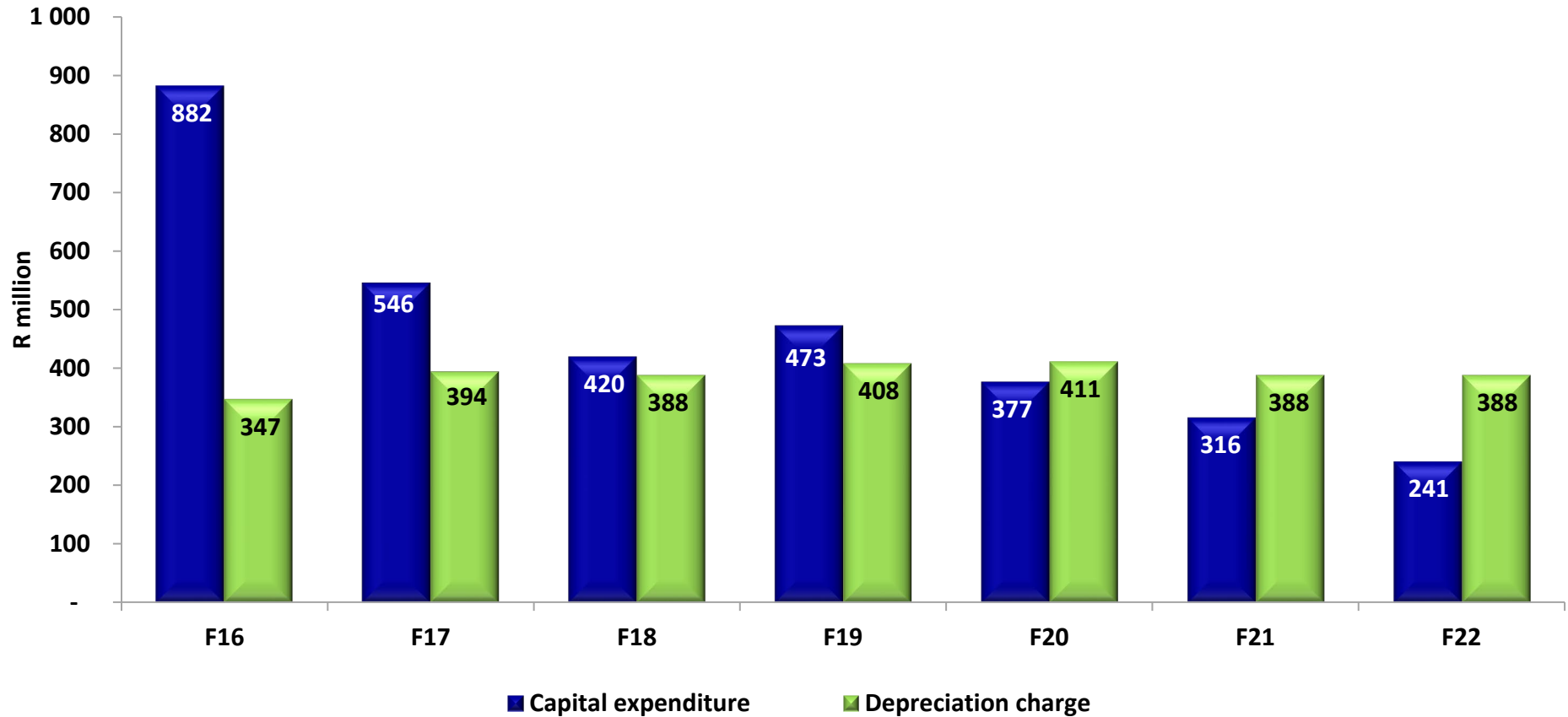
□ Increased spend to support key seasons in biscuits and innovations in snacks

□ Increase in personal care spend in support of new product launches

■ Includes advertising and promotions, co-operative expenditure with customers and marketing department costs

INFORMATION SLIDES

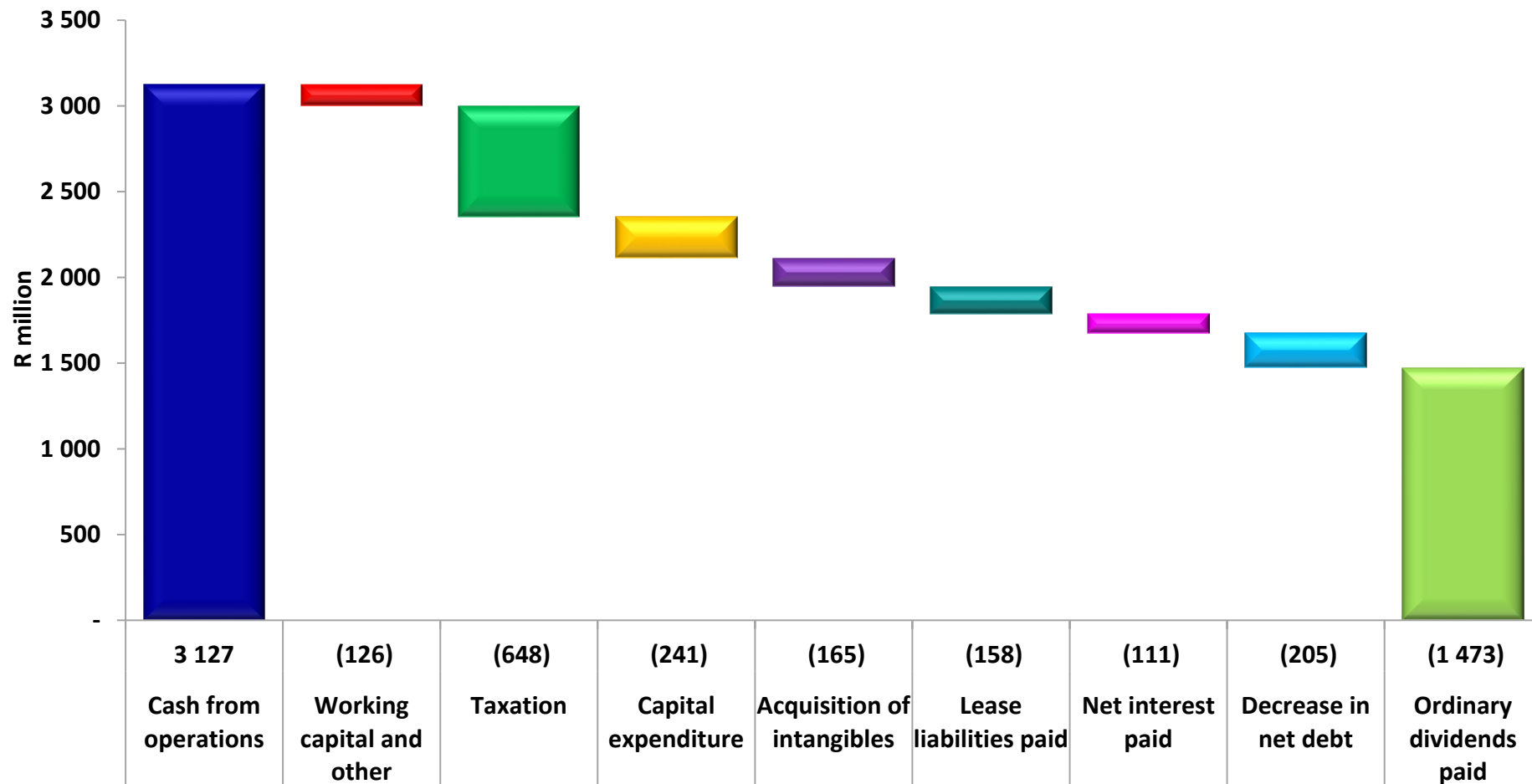
Capital expenditure and depreciation (excluding depreciation on right-of-use assets)



■ Focused investment in manufacturing capacity, efficiency and retail stores

INFORMATION SLIDES

Cash flows



INFORMATION SLIDES

Foreign exchange hedges

	September 2022 to December 2022	January 2023 to June 2023	July 2023 to December 2023
	% Cover	% Cover	% Cover
USD imports	68%	11%	0%
EUR imports	77%	27%	0%
USD exports	56%	65%	37%
EUR exports	63%	50%	28%

- Consistent hedging philosophy provides stability to manage gross profit margins

INFORMATION SLIDES

I&J period end fair value adjustments

	F22 Actual Rm	F21 Actual Rm	Δ Rm
Fuel hedge unrealised loss / (gain)	5,2	(15,6)	20,8
Opening mark-to-market asset / (liability)	5,0	(10,6)	
Closing mark-to-market (liability) / asset	(0,2)	5,0	
Abalone – increase in unrealised profit in stock	(24,0)	(7,1)	(16,9)

- 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 fair value at reporting date impacted by sustained improvement in selling prices and closing USD exchange rate offset by lower biomass

INFORMATION SLIDES

I&J fishing quota

Quota (tons)	CY16	CY17	CY18	CY19	CY20	CY21	CY22
South African Total Allowable Catch (TAC)	147 500	140 216	133 120	146 430	146 430	139 119	132 163
% change in TAC	-	(5,0)	(5,0)	10,0	-	(5,0)	(5,0)
I&J	41 245	37 901	36 013	39 517	39 517	37 543	34 143
%	28,0	27,1	27,1	27,0	27,0	27,0	25,8

■ 5% reduction in TAC for 2022

INFORMATION SLIDES

Trading space and trading density

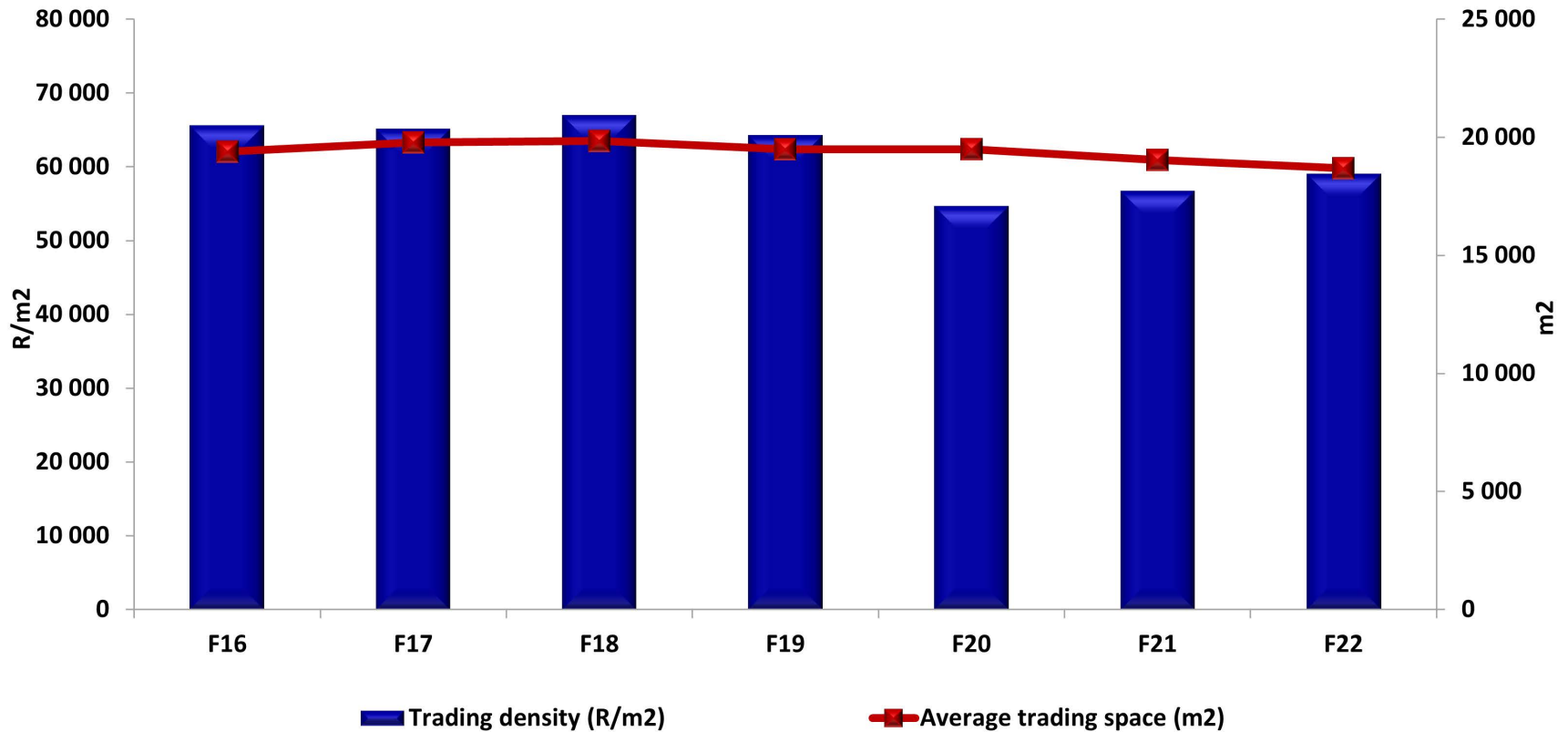
Spitz	F22	F21
Number of stores	69	72
Turnover (Rm)	1 102,4	1 079,4
Average m ²	18 681	19 034
Trading Density (R /m ²)	59 013	56 711
Closing m ²	18 394	18 956

Like-for-like metrics*	F22	F21
Number of stores	67	67
Turnover (Rm)	1 067,4	1 033,9
Average and closing m ²	17 839	17 839
Trading Density (R /m ²)	59 839	57 961

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

INFORMATION SLIDES

Trading density – Spitz stores



■ Closed four Spitz stores and opened one new store

INFORMATION SLIDES

Trading space and trading density

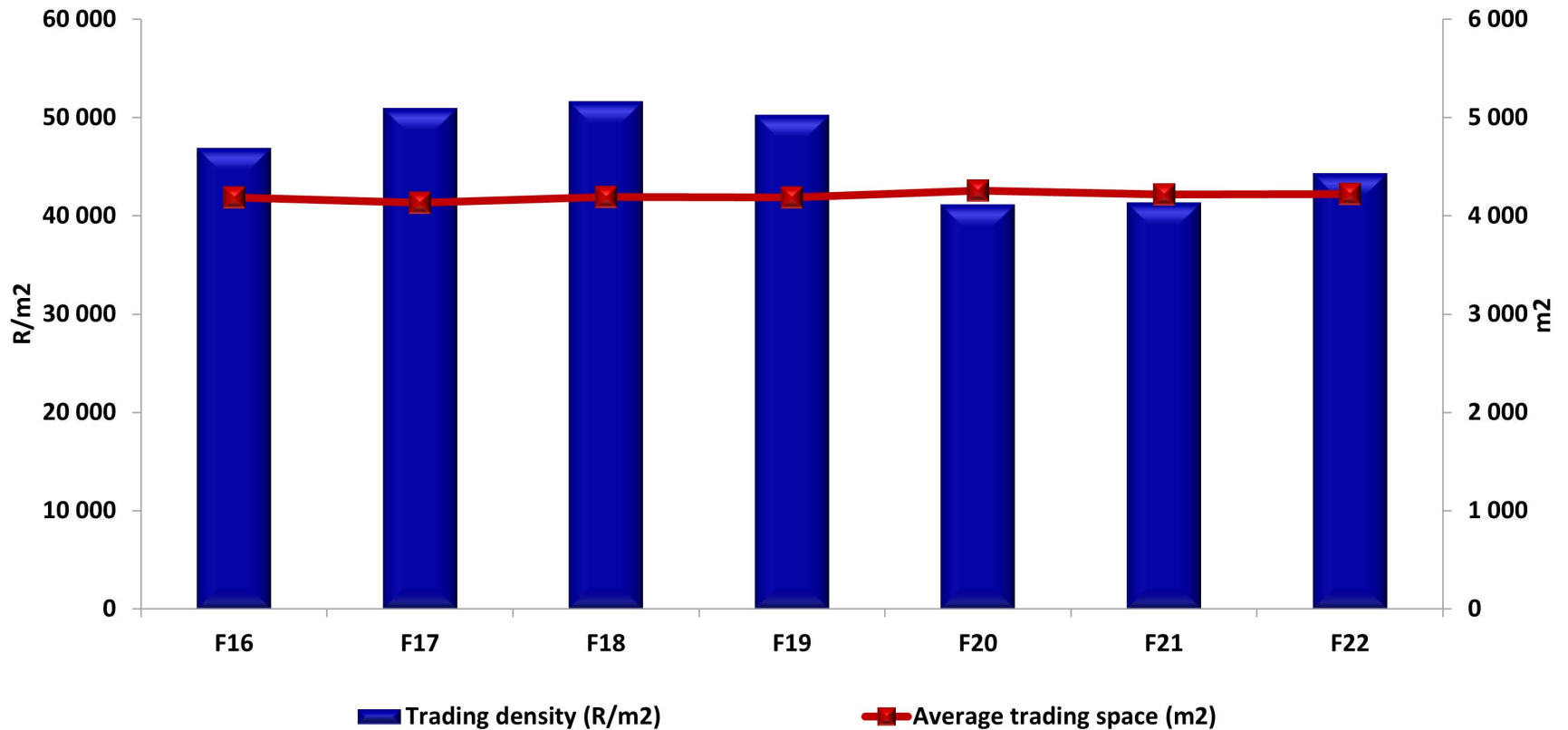
Kurt Geiger	F22	F21
Number of stores	31	34
Turnover (Rm)	187,0	174,3
Average m ²	4 222	4 219
Trading Density (R /m ²)	44 295	41 321
Closing m ²	3 934	4 287

Like-for-like metrics*	F22	F21
Number of stores	30	30
Turnover (Rm)	172,9	160,8
Average and closing m ²	3 825	3 825
Trading Density (R /m ²)	45 198	42 027

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

INFORMATION SLIDES

Trading density – Kurt Geiger stores



■ Closed three Kurt Geiger stores

INFORMATION SLIDES

Trading space and trading density

Green Cross	F22	F21
Number of stores #	18	22
Turnover (Rm)	102,7	103,5
Average m ²	2 494	3 450
Trading Density (R /m ²)	41 196	30 000
Closing m ²	2 326	2 745

Like-for-like metrics*	F22	F21
Number of stores #	18	18
Turnover (Rm)	98,4	76,3
Average and closing m ²	2 326	2 326
Trading Density (R /m ²)	42 231	32 784

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
December 2020	72	18 865	33	4 178	29	3 482
June 2021	72	18 956	34	4 287	22	2 745
December 2021	72	18 941	34	4 287	18	2 326
June 2022	69	18 394	31	3 934	18	2 326

AVI

GROWING GREAT BRANDS

