AVI

GROWING GREAT BRANDS

RESULTS FOR THE SIX MONTHS ENDED
31 DECEMBER 2024

AVI

AVI LIMITED

ISIN: ZAE000049433 Share Code: AVI
Registration Number: 1944/017201/06
("AVI" or "the Group" or "the Company")

For more information please visit our website:
www.avi.co.za

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AVI Limited presentation to shareholders & analysts for the six months ended 31 December 2024

notes

AGENDA

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

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notes

KEY FEATURES

- Constrained consumer environment – Real incomes per capita have declined over 17 years
- Group revenue increased by 1,1%
- Fashion retail portfolio challenged by supplier and global supply chain issues
- I&J impacted by low abalone demand coupled with lower selling prices
- Gross margins protected notwithstanding challenging environment
- Group operating profit increased by 8,9%

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KEY FEATURES

- Headline earnings per share up 8,9% to 407,5 cents
- Interim dividend of 220 cents per share, up 8,9%
- Strong cash generation sustained
- Profit after tax of R12,6 million on disposal of squid fishing operation
- Capital expenditure of R424,8 million
- Return on capital employed of 34,2% for the 12 months to December 2024

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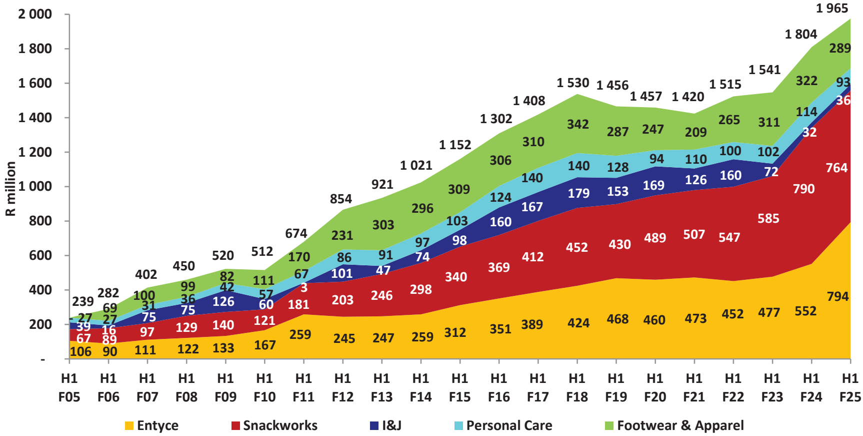
notes

RESULTS HISTORY

Operating profit history



- Sustained operating profit growth despite constrained environment
- Compound annual growth of 11,1% from F05
- Operating profit margin increased from 10,0% in F05 to 23,2% in H1 F25

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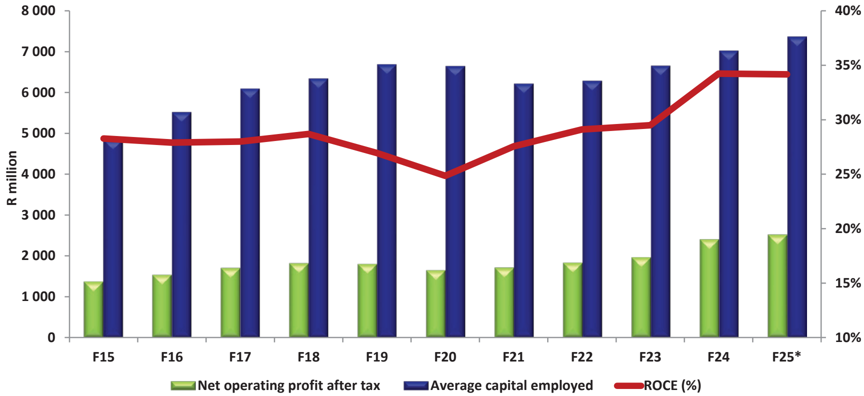
RESULTS HISTORY

Return on capital employed



* F25 represents a rolling 12 month period to 31 December 2024

- High return maintained in challenging trading environment

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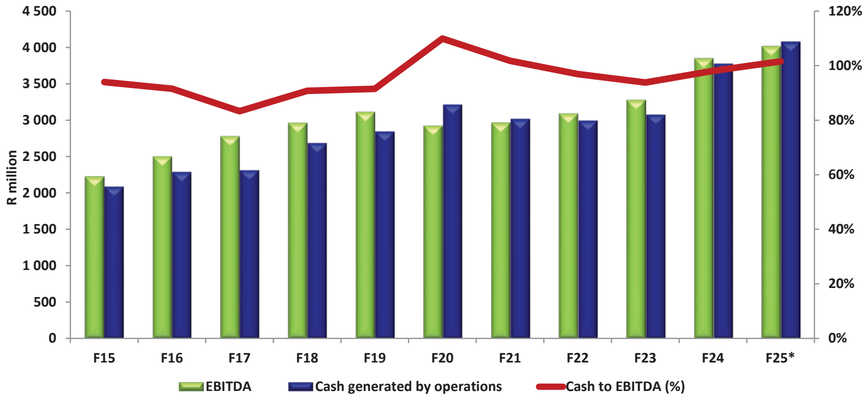
RESULTS HISTORY

Cash conversion



* F25 represents a rolling 12 month period to 31 December 2024

- Sustained strong conversion of earnings to cash

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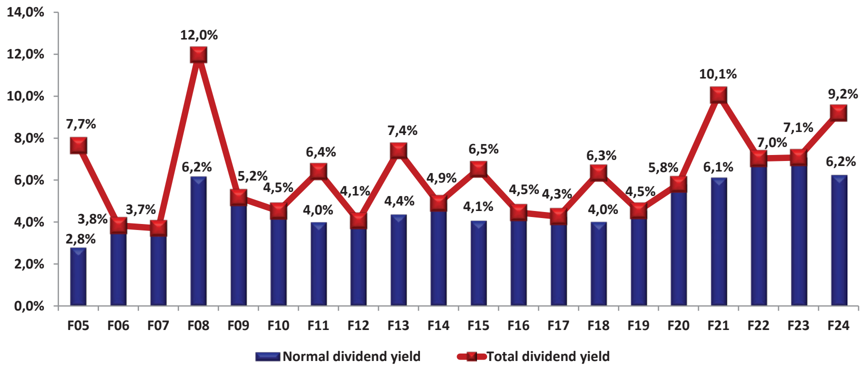
RESULTS HISTORY

Dividend yield (Year end)



- Based on share price at end of each year (R94,59 at end June 2024)
- Total dividend yield includes payments out of share premium and special dividends
- Excludes share buy-backs

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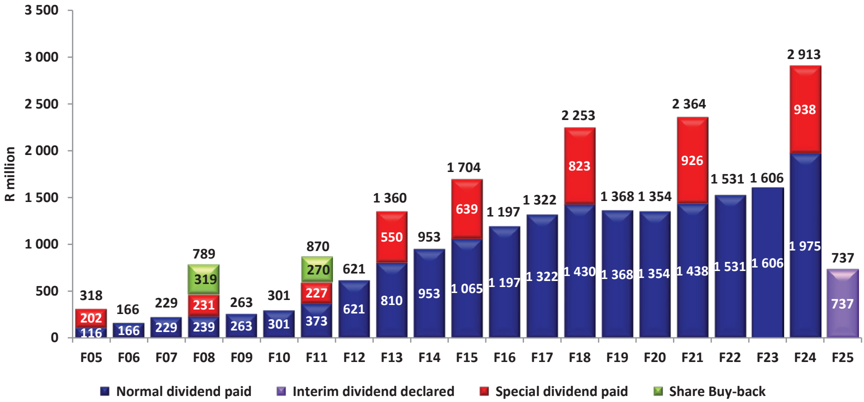
RESULTS HISTORY

Returns to shareholders



- Effective payout ratio from F05 = 96,0% of headline earnings

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notes

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Group Financial Results

notes

GROUP FINANCIAL RESULTS

Income statement

	H1 F25 Rm	H1 F24 Rm	%Δ
Revenue	8 470,9	8 378,1	1,1
Cost of sales	(4 835,4)	(4 903,4)	(1,4)
Gross profit	3 635,5	3 474,7	4,6
Gross profit margin %	*42,9*	*41,5*	*3,4*
Selling and administrative expenses	(1 670,4)	(1 670,9)	(0,0)
Operating profit	1 965,1	1 803,8	8,9
Operating profit margin %	*23,2*	*21,5*	*7,9*
Net financing cost	(107,5)	(106,0)	1,4
Share of joint ventures	(0,3)	(2,2)	(86,4)
Capital items before tax	17,4	(1,0)	
Effective tax rate %	*27,3*	*27,0*	*1,1*
Headline earnings	1 350,2	1 238,0	9,1
HEPS (cps)	*407,5*	*374,3*	*8,9*

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GROUP FINANCIAL RESULTS

Business unit financial results

	Segmental Revenue			Segmental Operating Profit			Operating Margin	
	H1 F25 Rm	H1 F24 Rm	Δ %	H1 F25 Rm	H1 F24 Rm	Δ %	H1 F25 %	H1 F24 %
Food & Beverage brands	**6 884,6**	**6 674,7**	**3,1**	**1 594,2**	**1 373,3**	**16,1**	**23,2**	**20,6**
Entyce Beverages	2 616,5	2 420,2	8,1	794,3	551,9	43,9	30,4	22,8
Snackworks	3 069,9	3 101,1	(1,0)	763,8	789,6	(3,3)	24,9	25,5
I&J	1 198,2	1 153,4	3,9	36,1	31,8	13,5	3,0	2,8
Fashion brands	**1 586,3**	**1 703,4**	**(6,9)**	**381,6**	**436,7**	**(12,6)**	**24,1**	**25,6**
Personal Care	506,6	539,3	(6,1)	92,5	114,4	(19,1)	18,3	21,2
Footwear & Apparel	1 079,7	1 164,1	(7,3)	289,1	322,3	(10,3)	26,8	27,7
Corporate				**(10,7)**	**(6,2)**			
Group	**8 470,9**	**8 378,1**	**1,1**	**1 965,1**	**1 803,8**	**8,9**	**23,2**	**21,5**

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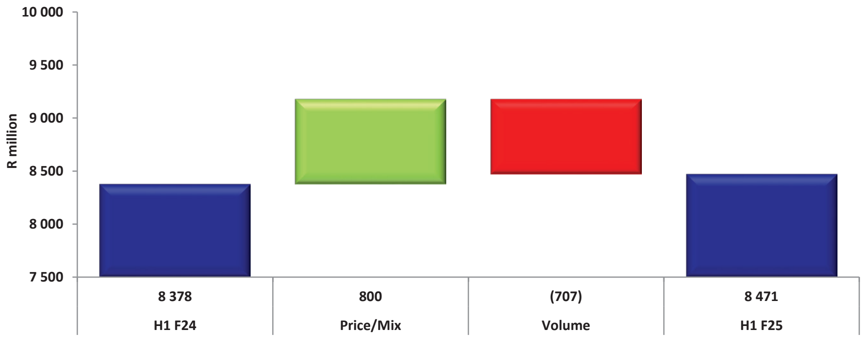
GROUP FINANCIAL RESULTS

Movement in group revenue



- Price increases across the group to recover input cost pressures
- I&J sales benefitted from weaker exchange rate but offset by constrained abalone prices
- Volume pressure from constrained and competitive environment

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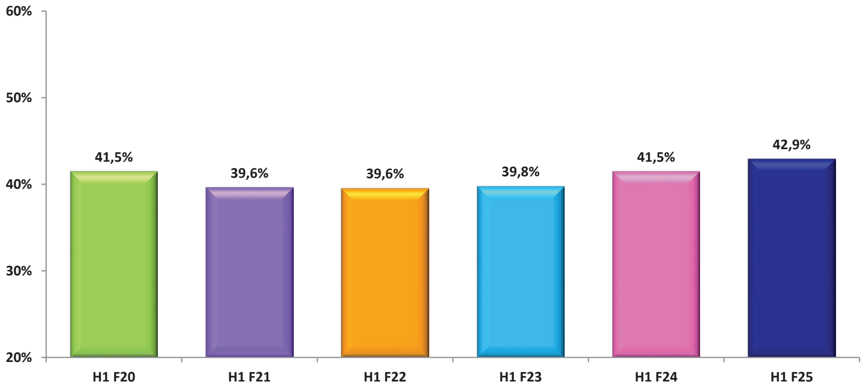
RESULTS for the six months ended 31 December 2024

GROUP FINANCIAL RESULTS

Gross profit margin



- Increase in gross profit margins primarily driven by Entyce
- Ongoing focus on cost control and manufacturing efficiency to protect gross profit margin

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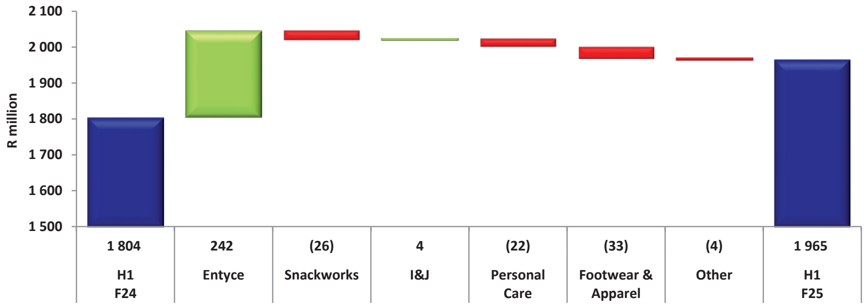
GROUP FINANCIAL RESULTS

Operating profit 8,9% up



- Entyce: Coffee recovery supported by strong growth in tea and creamer
- Snackworks: Marginally lower biscuit result off a strong base and lower snacks profit due to competitive environment
- I&J: Improved fishing profits off weak base partly offset by lower abalone profits with constrained demand and selling prices in key markets
- Personal Care: Lower profits in aerosol and fragrance partly offset by improved roll-on and colour cosmetic performances
- Footwear and Apparel: Subdued demand, competitor discounting and non-repeat of strong prior year December performance due to supply chain difficulties

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GROUP FINANCIAL RESULTS

Cash flow, gearing and return on capital

	H1 F25 Rm	H1 F24 Rm	%Δ
Cash generated by operations	2 155,1	1 851,7	16,4
*Working capital to revenue % **	*24,3*	*24,7*	(1,6)
Capital expenditure	(424,8)	(242,0)	75,5
Cash from investments – proceeds from JV	20,5	-	
Net debt	2 554,3	1 808,9	41,2
Net debt / capital employed %	*33,8*	*25,2*	*34,1*
*Return on capital employed % **	*34,2*	*30,8*	*11,0*
Normal dividend (cps)	220	202	8,9

* Represents 12 months to 31 December

- Strong conversion of earnings into cash
- Working capital well managed but retail brand portfolio impacted by supply chain issues
- Capital investment includes purchase of second-hand freezer vessel
- Higher net debt following the special dividend in October 2024
- ROCE improved with growth in earnings

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GROUP FINANCIAL RESULTS

Capital expenditure

	H1 F25 Actual Rm
Tea packaging line replacements and upgrades	6
Biscuit line upgrades and improvements	26
I&J vessel dry-docks and upgrades	28
I&J second-hand freezer vessel acquisition	158
Roll-on line capacity and efficiency	11
Water backup and treatment	14
Retail store relocations, refurbishments and new store	22
	265
Total capital expenditure	425

- Capital investment projects to improve capability, project quality and customer service levels
  - Ensuring the longevity of our assets remains important with increased investment in repair and maintenance spend over the years

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GROUP FINANCIAL RESULTS

Investment to address failing municipal infrastructure

	Investment At 1 July 2024 Rm	H1 Actual Rm	H2 Planned Rm	Total Investment Rm
Electricity backup	106	2	4	112
Water backup	58	14	10	82
Security *	65	5	10	80
Total	229	21	24	274

* Includes investment in CCTV, boundary walls, alarm systems etc.

- Investment to address failing municipal infrastructure and security has amounted to R21 million in H1 with R24 million planned in H2
- Total historical cost of electricity and water backup installations at 31 December amounted to R180 million

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notes


ENTYCE
BEVERAGES
A DIVISION OF NATIONAL BRANDS LIMITED
Freshpak
TRINCO
ciro
LAVAZZA
Performance
GOODNESS COMES NATURALLY
PURE ROOIBOS
BLACKSMITH
COFFEE MOVEMENT

notes

ENTYCE BEVERAGES

Income statement

	H1 F25 Rm	H1 F24 Rm	%Δ
Revenue	2 616,5	2 420,2	8,1
Operating profit	794,3	551,9	43,9
Operating profit margin %	30,4	22,8	33,3

- Sound improvement in Tea operating profit
  - Price increases across black tea and rooibos to ameliorate inflationary cost pressures
  - Sales volumes pressurised by constrained consumer environment and competition
  - Tea brand portfolio provided consumers affordable alternatives
  - Margin improvement with prior year decline recovered

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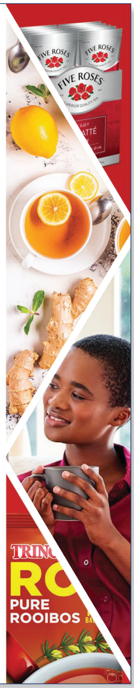

notes

ENTYCE BEVERAGES

Income statement

	H1 F25 Rm	H1 F24 Rm	%Δ
Revenue	2 616,5	2 420,2	8,1
Operating profit	794,3	551,9	43,9
Operating profit margin %	30,4	22,8	33,3

- Strong Coffee growth supported by our retail brands
  - Significant selling price increases to ameliorate continued increase in Robusta and Arabica prices
  - Improved affordable brewed volumes through regional support and distribution campaigns
  - Affordability and sustained high prices constrained mixed instant and premium sales volumes
  - Increased competition in Out-of-home from lower priced competition
  - Margin improvement supported by factory restructuring last year and operational leverage

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ENTYCE BEVERAGES

Income statement

	H1 F25 Rm	H1 F24 Rm	%Δ
Revenue	2 616,5	2 420,2	8,1
Operating profit	794,3	551,9	43,9
Operating profit margin %	30,4	22,8	33,3

- Pleasing Creamer profit growth, notwithstanding strong base
  - Selling price increases taken in response to rising input cost pressures
  - Sales volumes lower with prior year including market share gains from competitor supply disruptions
  - Factory efficiencies from investment in packaging automation in prior year
  - Margins sustained at levels achieved in H2 last year

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ENTYCE BEVERAGES

Sales volume and selling prices

	% Δ H1 F25 vs H1 F24	Comments
Tea revenue growth	***9,0***	
Volume	*(6,8)*	*Decline in black tea and rooibos brands*
Ave. selling price	*17,0*	*Price increases in April 2024 and August 2024 on both black tea and rooibos brands*
Coffee revenue growth	***15,3***	
Volume	*(5,0)*	*Declines in premium and mixed instant offerings partly offset by growth in affordable brewed*
Ave. selling price	*21,4*	*Significant price increases across all categories to recover impact of rising raw material costs*
Creamer revenue growth	***3,2***	
Volume	*(15,2)*	*Volume declines off a high prior year base which included benefits from competitor supply challenges*
Ave. selling price	*21,7*	*Price increases in response to input cost pressures*

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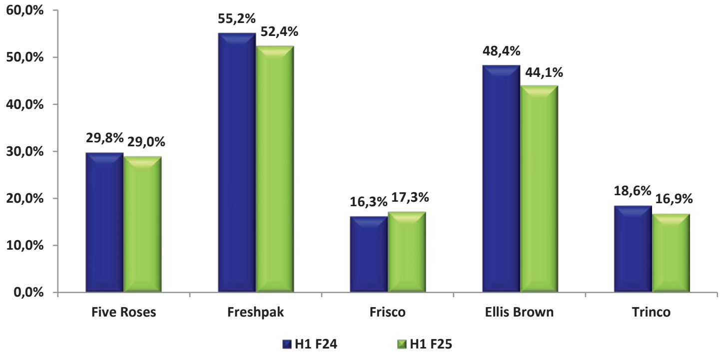
ENTYCE BEVERAGES

Market shares – 12 months value



- Short term market shares reflect targeted price / volume balance in volatile market
- Market share reflects formal retail only
- Increased contribution from wholesale channel

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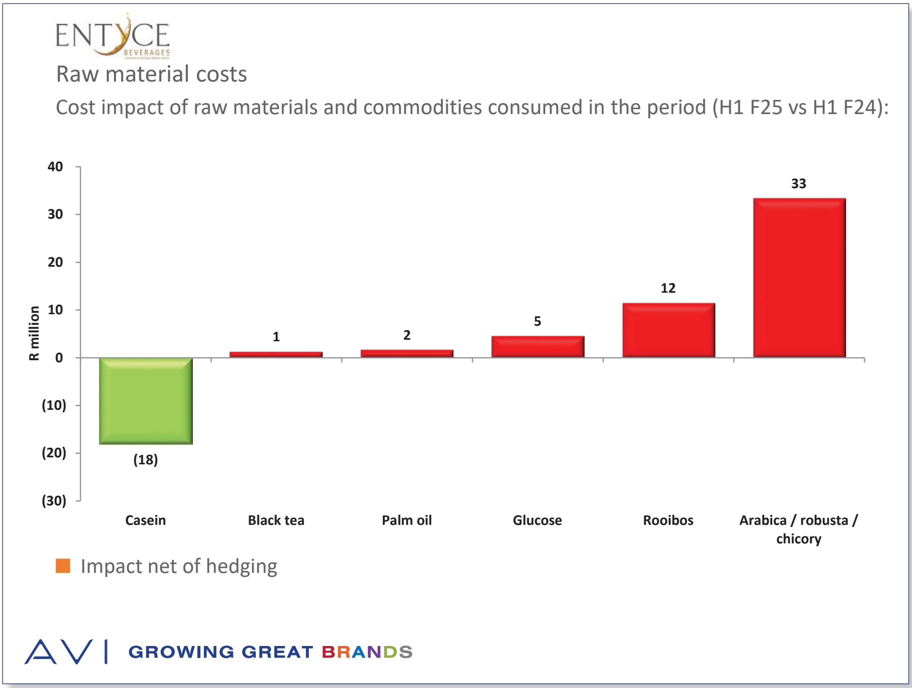
ENTYCE BEVERAGES
Raw material costs
Cost impact of raw materials and commodities consumed in the period (H1 F25 vs H1 F24):
R million
40
30
20
10
0
(10)
(20)
(30)
(18)
1
2
5
12
33
Casein
Black tea
Palm oil
Glucose
Rooibos
Arabica / robusta / chicory
Impact net of hedging
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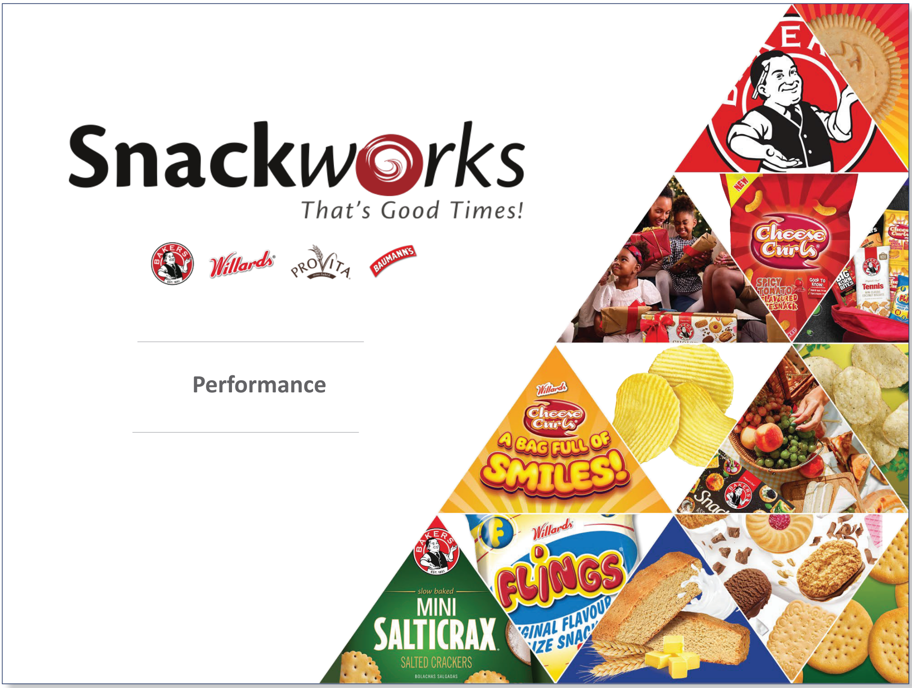
Snackworks
That's Good Times!
Performance
Willards
Cheese Curls
A BAG FULL OF SMILES!
FLINGS
slow baked
MINI
SALTICRAX
SALTED CRACKERS

notes

Snackworks
That's Good Times!

Income statement

	H1 F25 Rm	H1 F24 Rm	%Δ
Revenue	3 069,9	3 101,1	(1,0)
Operating profit	763,8	789,6	(3,3)
Operating profit margin %	24,9	25,5	(2,4)

- Marginally lower Biscuit profit
  - Selling price increases to recover input cost pressures and protect margins
  - Sales volumes lower off strong prior year base
  - Festive season demand for Bakers Choice Assorted sound
  - Marketing investment to support festive season campaigns and launch of innovation pipeline
  - Margins protected by effective cost management and selling price increases

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notes

Snackworks
That's Good Times!

Income statement

	H1 F25 Rm	H1 F24 Rm	%Δ
Revenue	3 069,9	3 101,1	(1,0)
Operating profit	763,8	789,6	(3,3)
Operating profit margin %	24,9	25,5	(2,4)

- Decrease in Snacks profit
  - Maize extrude sales volumes impacted by aggressive regional competition
  - Potato chip volumes improved supported by flavour extensions
  - Margins lower, factory upgrades, unfavourable sales mix and volume deleverage in extrudes
  - Selling and administrative costs well managed

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Snackworks
That's Good Times!

Sales volume and selling prices

	% Δ H1 F25 vs H1 F24	Comments
Biscuits revenue decline	***(1,5)***	
Volume	*(7,4)*	*Constrained consumer demand partly offset by benefits of innovation and non-recurrence of Blue Label Marie oven installation last year*
Ave. selling prices	*6,4*	*Price increases taken to recover cost pressures*
Snacks revenue growth	***0,6***	
Volume	*(7,4)*	*Lower maize extrude volumes due to aggressive competitor pricing partly offset by higher potato chip volumes*
Ave. selling prices	*8,6*	*Benefit of price increases taken in April 2024 to recover cost pressures and favourable mix*

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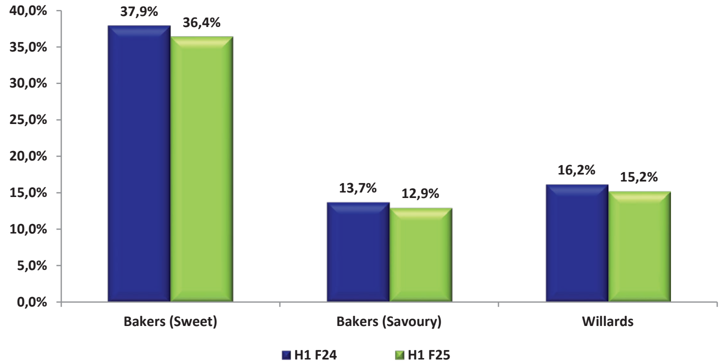
Snackworks
That's Good Times!

Market shares – 12 months value



- Balanced price / volume
- Market share reflects formal retail only
- Increased contribution from wholesale channels

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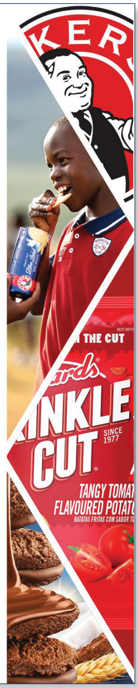
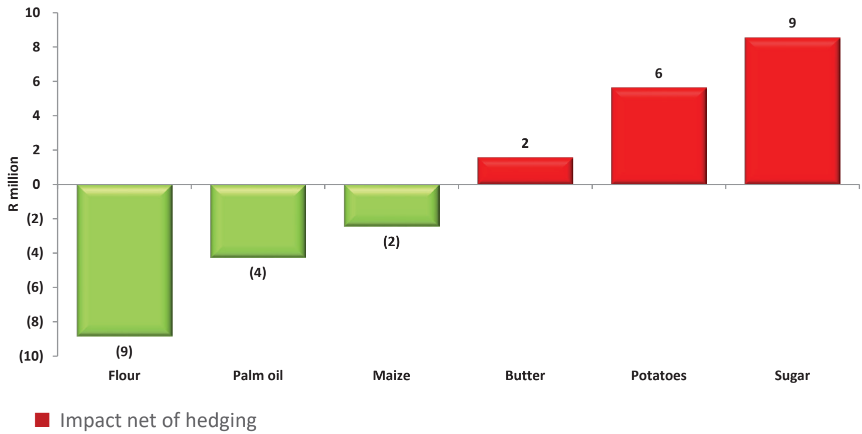


notes

Snackworks
That's Good Times!

Raw material costs

Cost impact of raw materials and commodities consumed in the period (H1 F25 vs H1 F24):



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notes

Performance

notes

Income statement

	H1 F25 Rm	H1 F24 Rm	%Δ
Revenue	1 198,2	1 153,4	3,9
Operating profit	36,1	31,8	13,5
Operating profit margin %	3,0	2,8	7,1

- Improved fishing profits off a low base
  - Higher selling prices including benefit of weaker Rand on export sales
  - Domestic sales volumes impacted by aggressive competition
  - Innovation launched in October 2024 continues to gain traction
  - Export demand robust but volumes down due to lower tons caught
  - Weaker fishing performance with lower volumes caught despite improved catch rates
  - Operating costs well managed with lower fuel prices, benefits from prior year restructuring and non-recurrence of prior year restructuring costs

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Income statement

	H1 F25 Rm	H1 F24 Rm	%Δ
Revenue	1 198,2	1 153,4	3,9
Operating profit	36,1	31,8	13,5
Operating profit margin %	3,0	2,8	7,1

- Lower profits from abalone category
  - Core Asian markets challenged by weaker demand and resulting over supply
  - Increased discounting partly offset by weaker Rand
  - Unfavourable fair value adjustment of R27,6 million recognised
  - Insurance proceeds of R4,3 million in respect of prior year industry-wide can recall

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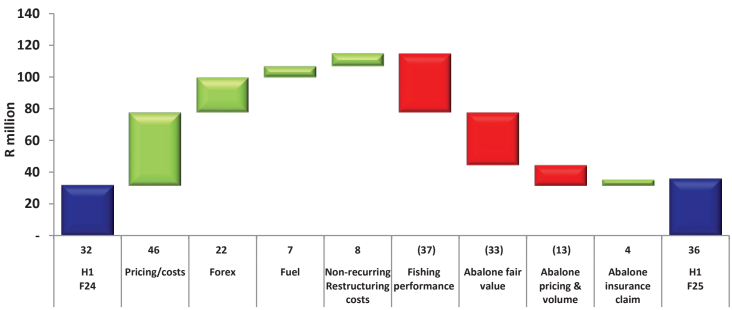
Operating profit



- Fishing performance impacted by utilisation, repairs and maintenance and deleveraging impact of lower volumes
- Reduction in fuel price supported by sustained fuel efficiency
- Restructuring initiatives implemented in H1 last year provided benefits
- Abalone fair value impacted by reduced pricing
- Recognition of insurance proceeds related to industry-wide can recall last year

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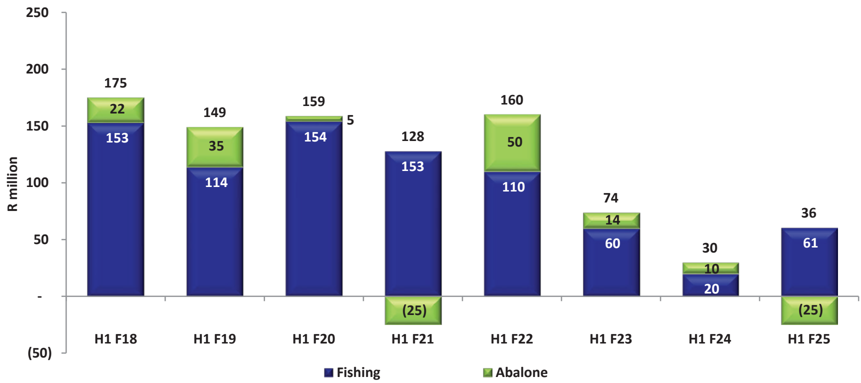
Profit history



- Improved fishing profit but well below historical levels
- Abalone profits negatively impacted by weaker demand and over supply which constrained selling prices in key markets

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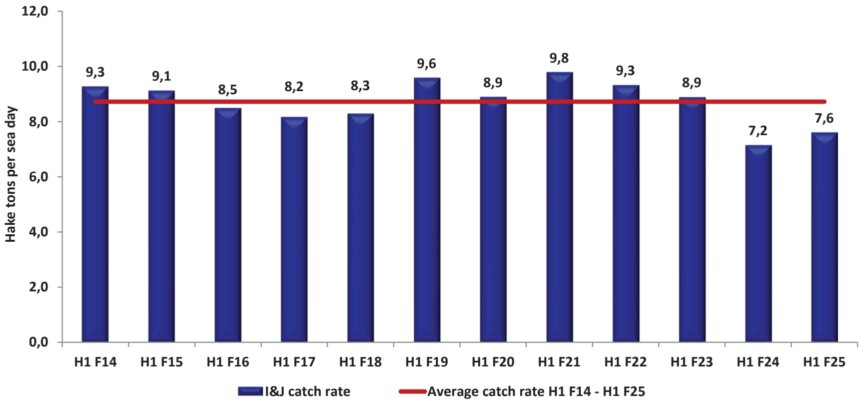
Fishing performance



- Improvement in wet vessels catch rates partly offset by lower freezer vessel catch rates
- Improvement in overall catch rates but remain well below historical levels

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Sales volume and selling prices (Hake)

	% Δ H1 F25 vs H1 F24	Comments
I&J Domestic revenue growth	***1,0***	
Volume	*(3,1)*	*Competitor activity and constrained demand negatively impacted food service and retail volumes*
Ave. selling prices	*4,2*	*Price increases taken to mitigate cost pressure partly offset by unfavourable sales mix*
I&J Export revenue growth	***4,0***	
Volume	*(5,9)*	*Fishing performance impacting typical FAS (frozen at sea) sales to Europe*
Ave. selling prices	*10,1*	*Price increases taken to mitigate cost pressure and benefit from weaker Rand*

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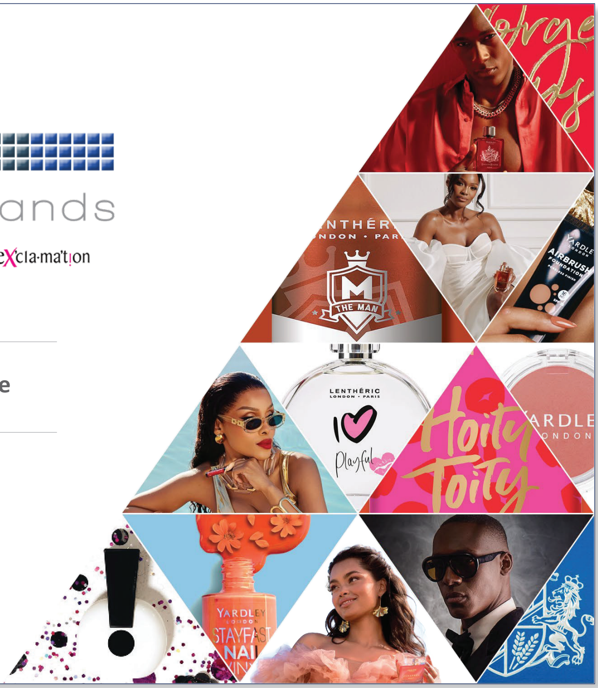
indigo brands

YARDLEY LONDON | LENTHÉRIC LONDON · PARIS | eXcla·ma't!on

Performance



notes

indigo brands

Income statement

	H1 F25 Rm	H1 F24 Rm	%Δ
Revenue	506,6	539,3	(6,1)
Operating profit	92,5	114,4	(19,1)
Operating profit margin %	18,3	21,2	(13,7)

- Indigo profit decline due to lower volumes and selling prices in some categories
  - Aggressive competitor discounting and constrained environment reduced selling prices
  - Roll-on provided strong value proposition with new line to be commissioned in H2
  - Margin pressure from unfavourable sales mix and costs not fully recovered
  - Selling and administrative costs effectively managed with savings from prior year restructuring

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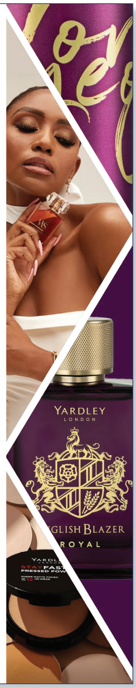

notes

indigo brands

Sales volume and selling prices

	% Δ H1 F25 vs H1 F24	Comments
Personal Care revenue decline	***(6,1)***	
Volume	*(5,3)*	*Constrained demand and competition pressurised aerosol and fragrance performances partly offset by growth in roll-on*
Ave. selling price	*(0,8)*	*Increased levels of discounting in competitive environment*

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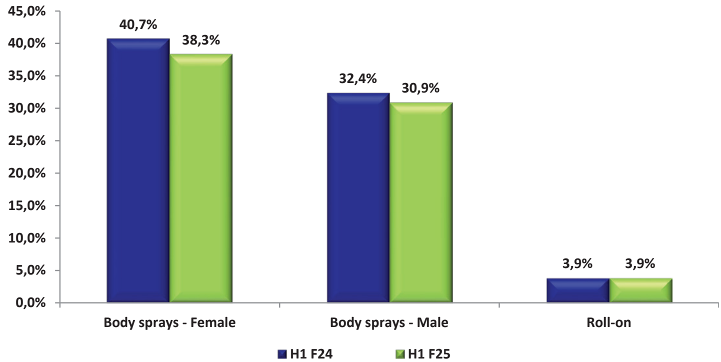
indigo brands

Market shares – 12 months value



- Balanced price / volume in constrained and competitive environment
- Decline in Lentheric and the Yardley male and female portfolios
- Market share reflects formal market with revenue growth achieved in wholesale channel

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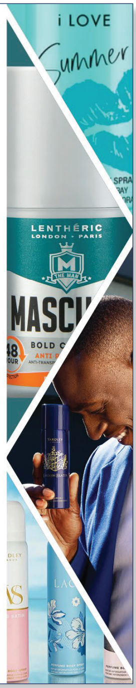


notes

FOOTWEAR AND APPAREL

SPITZ KURT GEIGER GANT GREEN CROSS GX&Co

Performance

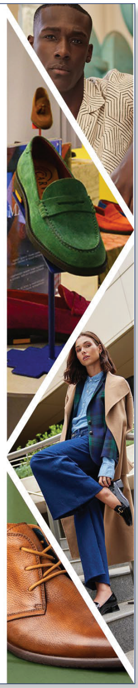
notes

FOOTWEAR AND APPAREL

Income statement

	H1 F25 Rm	H1 F24 Rm	%Δ
Revenue	1 079,7	1 164,1	(7,3)
Operating profit	289,1	322,3	(10,3)
Operating profit margin %	26,8	27,7	(3,2)

- Operating profit decline due to lower volumes
  - Selling prices increased to ameliorate input cost pressures, including higher freight costs, and protect margins
  - Footwear volumes impacted by supplier and global supply chain issues
  - Consumer demand subdued with strong prior year December sales performance not repeated
  - Clothing revenue lower but benefitted from launch of new Signate range in Kurt Geiger
  - Gross profit margins protected with costs well managed



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FOOTWEAR AND APPAREL

Sales volume and selling prices

	% Δ H1 F25 vs H1 F24	Comments
Spitz and Kurt Geiger Footwear revenue decline	***(6,4)***	
Volume	*(17,4)*	*Volume declines due to constrained consumer environment, later delivery of certain summer stock and supplier challenges on core Carvela ranges*
Ave. selling price	*13,3*	*Price increases to ameliorate input cost pressure and protect margins*
KG Clothing revenue decline	***(12,7)***	*Increased competition necessitating specific discounting to manage inventory partly offset by launch of KG Signate range*

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RESULTS for the six months ended 31 December 2024

AVI International

Performance

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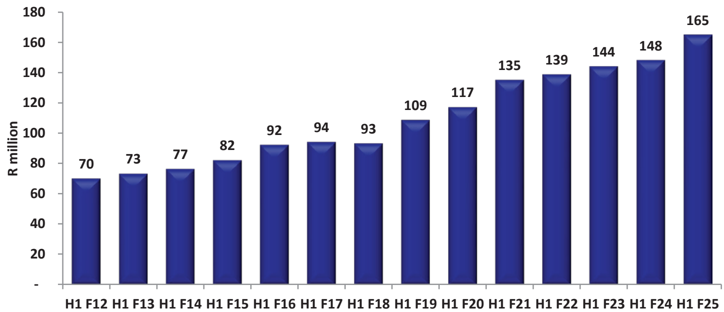
AVI INTERNATIONAL

Operating profit history



- Profit growth from main subsidiary and distributor markets
  - Price increases in line with domestic businesses in response to cost pressure
  - Zambia negatively impacted by depreciation of Kwacha
  - Increased levels of unrest in Mozambique
  - Costs well managed despite higher distribution costs and increased marketing spend

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AVI INTERNATIONAL

Entyce, Snackworks and Indigo – Non RSA sales

	H1 F25 Rm	H1 F24 Rm	%Δ
International Revenue	663,0	632,8	4,8
% of Grocery and Personal Care brands	10,7	10,4	2,9
International Operating Profit	165,0	148,3	11,3
% of Grocery and Personal Care brands	10,0	10,2	(2,0)
	%	%	
International Operating Profit Margin	24,9	23,4	6,4
Grocery and Personal Care brands Operating Margin	26,7	24,0	11,3

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H2 Prospects

notes

AVI GROUP

Prospects for H2

- Sustain profitability for Entyce, Snackworks and Indigo in challenging trading environment
    - Constrained consumer demand environment expected to persist
    - Increased competition in our categories may put pressure on margins
    - Continued price / volume management essential to protect long-term profitability given demand risks
    - Portfolio of market leading brands to effectively compete
    - Focus continues on delivering innovation that supports category performance

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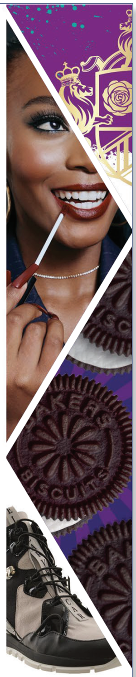
Prospects for H2

- Sustain profitability for Entyce, Snackworks and Indigo in challenging trading environment
  - Commodity input costs, aside from coffee, softening and will continue to be hedged to protect margins
    - Material part of H2 import requirement covered
  - Cost management, including investment in production efficiencies remain a focus
    - Initiatives to deliver savings underway with additional costs in H2 likely
  - Roll-on production line to be commissioned in H2 providing efficiency and capacity benefits



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Prospects for H2

- I&J's prospects dependent on fishing performance, fuel prices and exchange rates
  - Acquisition of Umlungisi freezer vessel to increase catching capacity from February 2025
  - Exchange rates hedged at marginally better rates than achieved in H1
  - Benefit from 4,2% increase in total allowable catch subject to material improvement in catch rates
  - Continued focus on cost structures and simplification of business model
- Abalone performance dependent on improved demand and selling prices
  - Performance in next half may be lower if no improvement

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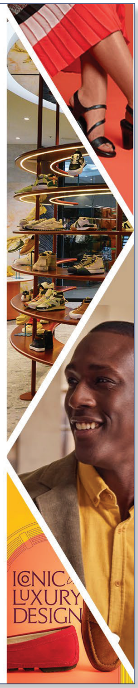
AVI GROUP

Prospects for H2

- Footwear and Apparel
  - Ongoing price / volume management essential through tough demand cycle and ongoing discounts
  - Currency hedge positions provide some certainty through the second semester and support profitability
  - Ongoing focus on cost control and improving operating metrics
    - Retail densities
    - Staff costs
    - New locations being evaluated
  - Online trading capabilities in selected brands
  - Launch of new retail / wholesale brand
  - Consultation process commenced following in-principle decision to close Green Cross
    - Restructuring costs likely to be recognised in H2 impacting performance



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Prospects for H2

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

	H2 F25 Planned Rm	F25 Total Planned Rm
Tea production and packaging equipment	11	17
Biscuit line upgrades and improvement	23	49
I&J processing plant replacements and upgrades	26	30
I&J vessel dry-docks and upgrades	47	75
I&J second-hand freezer vessel acquisition	14	172
New Roll-on line capacity and efficiency	14	25
Water backup and treatment	10	24
Retail store relocations, refurbishments and new store	4	26
	149	418
Total capital expenditure	225	650

- Capital projects to address failing municipal infrastructure continues

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AVI GROUP

Investor proposition

- Ability to adapt to changing macro environment:
  - Ongoing simplification of business model
  - Group initiatives – innovation structure, margin management, procurement, cost savings and production efficiencies
- Focus on scalable and relevant innovation for constrained consumers
- Manage our unique brand portfolio to its long-term potential
  - Reviewing international export markets for our brands / unique products
- Sustain high return on capital employed
  - Effective capital projects
  - Leverage domestic manufacturing capability and capacity to grow export markets
  - Return excess cash to shareholders efficiently
- Replicate our category market leadership in selected regional markets
- Ongoing review of acquisitions of high-quality brand opportunities

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Questions

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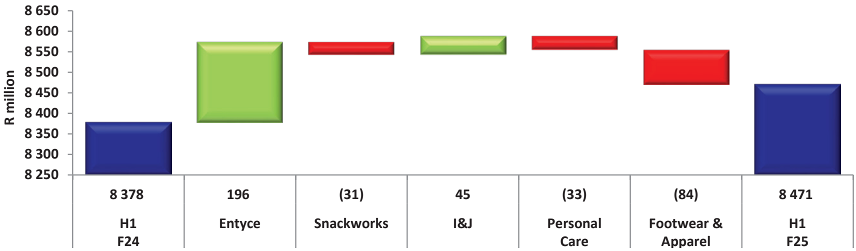
INFORMATION SLIDES

Revenue 1,1% up



- Entyce: Growth across all categories driven by higher selling prices partly offset by lower sales volumes
- Snackworks: Lower biscuits revenue due to reduced volumes partly offset by selling price inflation in response to cost pressure, with snacks revenue marginally higher
- I&J: Increased fishing revenues due to higher selling prices and impact of weaker Rand on exports partly offset by constrained abalone selling prices
- Personal Care: Lower revenue driven by lower volumes from constrained and competitive environment
- Footwear and Apparel: Lower footwear and clothing volumes, including the impact of supplier and global supply chain issues, partly offset by higher selling prices

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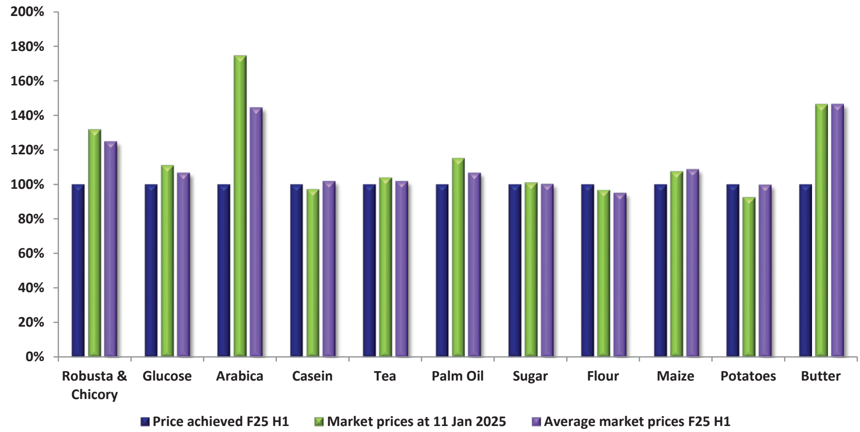
INFORMATION SLIDES

Commodity cost achievement relative to current market prices*



* Market prices at 11 January 2025 translated at USD/ZAR 18,87

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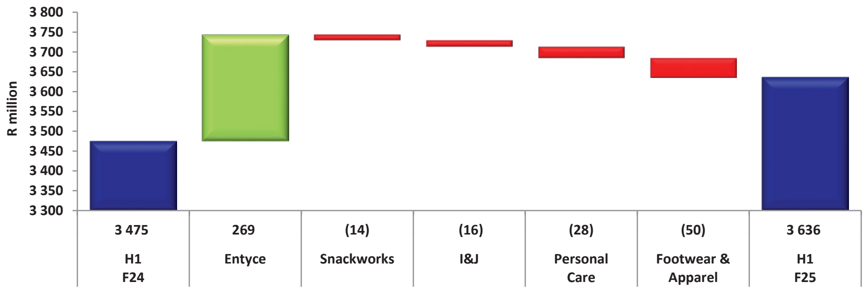
INFORMATION SLIDES

Gross profit 4,6% up



- Entyce: Revenue growth with improved margins supported by factory efficiencies, effective cost control and operating leverage
- Snackworks: Lower revenue off a strong base and reduced margins in snacks as a result of unfavourable product mix and costs not fully recovered through price increases in competitive environment
- I&J: Reduced abalone profits with an unfavorable fair value adjustment partly offset by improved fishing performance
- Personal Care: Profitability impacted by an unfavorable sales mix and discounting in competitive environment
- Footwear and Apparel: Lower revenue with margins maintained in line with last year

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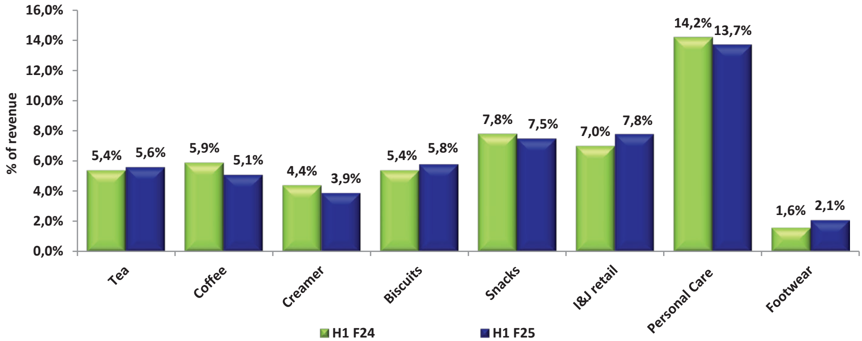
INFORMATION SLIDES

Marketing expenditure



- Total expenditure for H1 F25 of R447,9 million compared to R433,9 million in H1 F24
  - ❑ Increase in total spend for tea, coffee, biscuits, I&J and footwear and apparel
  - ❑ Ongoing support for innovation across the business
- Includes advertising and promotions, co-operative expenditure with customers and marketing department costs

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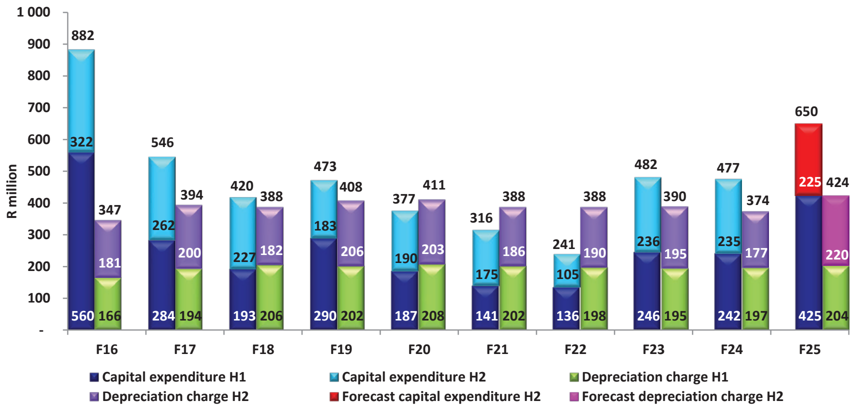
INFORMATION SLIDES

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



- Ongoing investment in efficiency improving investments at our production facilities
- Capital investment carefully considered in constrained and challenging environment

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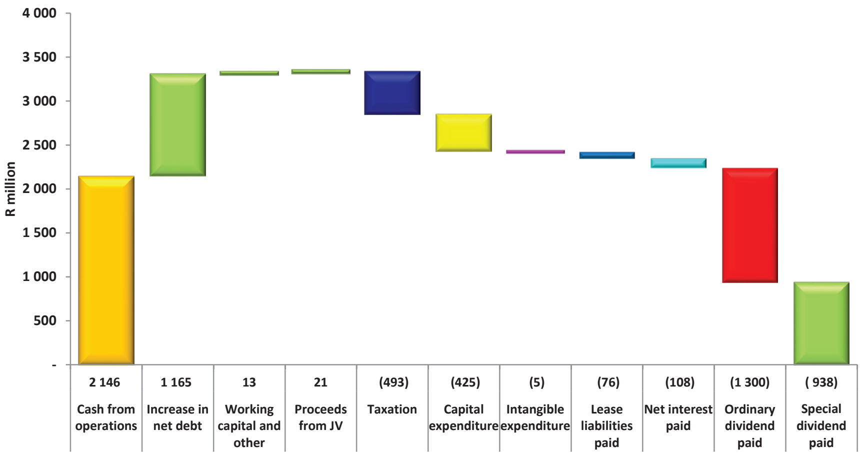
INFORMATION SLIDES

Cash flows



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INFORMATION SLIDES

Foreign exchange hedges

	February 2025 to June 2025	July 2025 to December 2025
	% Cover	% Cover
USD imports	72%	24%
EUR imports	76%	21%
USD exports	67%	53%
EUR exports	62%	40%

- Consistent hedging philosophy provides stability to manage gross profit margins

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INFORMATION SLIDES

I&J period end fair value adjustments

	H1 F25 Actual Rm	H1 F24 Actual Rm	Δ Rm
Fuel hedge unrealised loss / (gain)	0,5	(10,3)	10,8
Opening mark-to-market asset / (liability)	0,3	(12,8)	
Closing mark-to-market liability	(0,2)	(2,5)	
Abalone – decrease / (increase) in unrealised profit in stock	27,6	(5,6)	33,2

- 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 biomass mix, closing USD exchange rate and selling prices

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INFORMATION SLIDES

I&J fishing quota

Quota (tons)	CY18	CY19	CY20	CY21	CY22	CY23	CY24	CY25
South African Total Allowable Catch (TAC)	133 120	146 430	146 430	139 119	132 163	138 772	145 698	151 739
% change in TAC	(5,0)	10,0	-	(5,0)	(5,0)	5,0	5,0	4,2
I&J	36 013	39 517	39 517	37 543	34 143	35 850	37 365	38 920
%	27,1	27,0	27,0	27,0	25,8	25,8	25,6	25,6

- 4,2% increase in TAC for 2025

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INFORMATION SLIDES

Trading space and trading density

Footwear and apparel	H1 F25	H1 F24
Number of stores	110	115
Turnover (Rm)	1 079,7	1 164,1
Average m^2	22 928	23 703
Trading Density (R/m^2)	47 091	49 112
Closing m^2	23 295	23 734

Like-for-like metrics*	H1 F25	H1 F24
Number of stores	105	105
Turnover (Rm)	977,4	1 054,6
Average and closing m^2	22 023	22 023
Trading Density (R/m^2)	44 381	47 886

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

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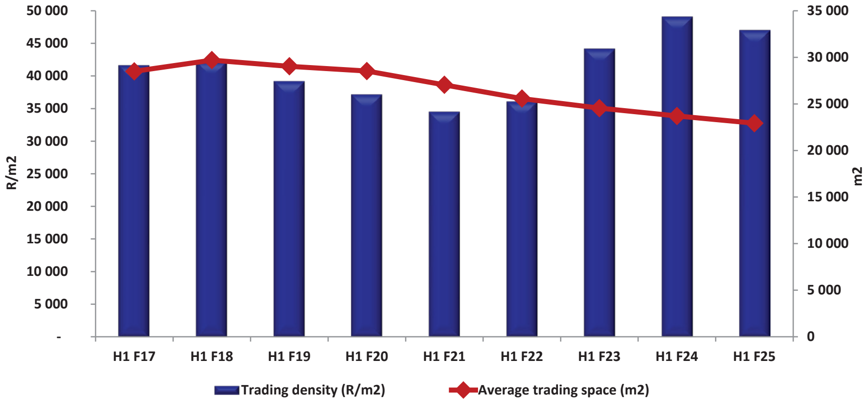
INFORMATION SLIDES

Trading density – Footwear and apparel stores



- Closed 2 stores in H1 (1 Green Cross store and 1 Kurt Geiger store)
- 1 Spitz store opened in H1

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GROWING GREAT BRANDS

RESULTS FOR THE SIX MONTHS ENDED
31 DECEMBER 2024

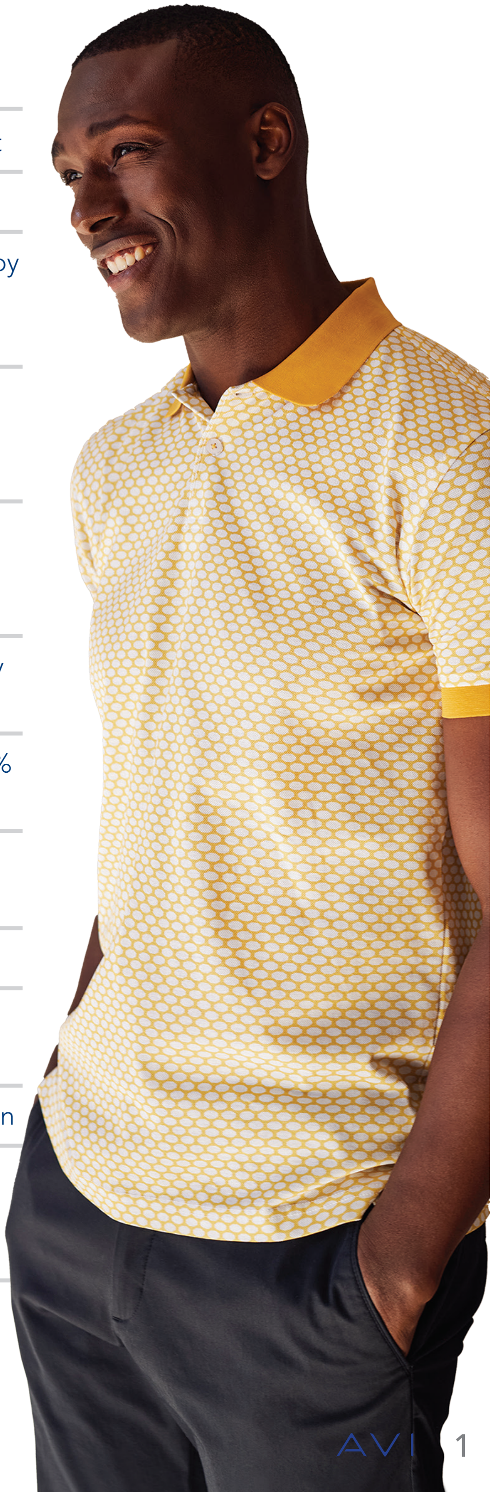
AVI LIMITED

ISIN: ZAE000049433 Share Code: AVI
Registration Number: 1944/017201/06
("AVI" or "the Group" or "the Company")

For more information please visit our website:
www.avi.co.za

KEY FEATURES

- Constrained consumer environment
- Group revenue increased by 1,1%
- Fashion retail portfolio challenged by supplier and global supply chain issues
- I&J impacted by low abalone demand coupled with lower selling prices
- Gross margins protected notwithstanding challenging environment
- Group operating profit increased by 8,9%
- Headline earnings per share up 8,9% to 407,5 cents
- Interim dividend of 220 cents per share, up 8,9%
- Strong cash generation sustained
- Profit after tax of R12,6 million on disposal of squid fishing operation
- Capital expenditure of R424,8 million
- Return on capital employed of 34,2% for the 12 months to December 2024



RESULTS COMMENTARY

GROUP OVERVIEW

The domestic macro environment continues to be challenging with optimism created by the GNU not delivering growth. High interest rates, unemployment and inflation have continued to erode disposable incomes, creating volatile monthly trading patterns, and limiting our ability to increase sales volumes.

Group revenue increased by 1,1% over the same period last year. Revenue growth in Entyce was underpinned by price increases required to ameliorate significant input cost pressures. Snackworks' revenue ended 1,0% lower off a strong prior year base. I&J's revenue grew 3,9% with the benefit of selling price increases in the fishing business and a weaker exchange rate partially offset by lower fish sales volumes driven by a poorer catch mix and catch performance. The abalone category was impacted by lower selling prices and weaker demand in key Asian markets. Personal Care revenue declined, with growth in roll-on and colour cosmetics not sufficient to offset lower demand in the aerosol and fragrance categories. The fashion retail brand portfolio had a challenging semester with supplier and global supply chain issues impacting the semester's sales. December retail sales fell short of a strong prior year base and were impacted by stock shortages in some key brands and styles in the month.

The Group's consolidated gross profit increased ahead of revenue with an improvement in margins underpinned by sound cost control, improved manufacturing efficiency, increased selling prices to recover rising input costs and operational leverage. Selling and administrative expenses were tightly controlled and ended in line with last year. The Group's operating profit for the semester increased by 8,9% and the operating profit margin improved from 21,5% to 23,2%.

Net finance costs were marginally higher due to increased average borrowing levels, following the payment of the special dividend in October 2024, partially offset by lower interest rates. The effective tax rate was in line with the corporate tax rate of 27%. Headline earnings grew 9,1% with headline earnings per share increasing from 374,3 cents to 407,5 cents with a 0,2% increase in the weighted average number of shares in issue due to the vesting of employee share options.

In line with I&J's objective to simplify and focus on core operations, an agreement was entered into to dispose of the squid fishing operation undertaken by the Umsobomvu joint venture, in which I&J holds a 50% interest. During the semester, the transaction conditions were completed resulting in a capital profit after taxation of R12,6 million.

Cash generated by operations increased from R1,85 billion to R2,16 billion due to the improved operating profit and a reduction in working capital compared to last year's increase. Other material cash flows during the period were capital expenditure of R424,8 million which included the acquisition of a second-hand freezer vessel, total dividends paid of R2,24 billion and taxation paid of R493,0 million. Net debt at the end of December 2024 was R2,55 billion compared to R1,81 billion at the end of December 2023.

DIVIDEND

The Board has declared an interim ordinary dividend of 220 cents per share, which is 8,9% higher than last year, and in line with the growth in headline earnings.

SEGMENTAL REVIEW

Six months ended 31 December

	Segmental revenue			Segmental operating profit		
	2024 R'm	2023 R'm	% change	**2024 R'm**	2023 R'm	% change
Food & Beverage brands	**6 884,6**	6 674,7	3,1	**1 594,2**	1 373,3	16,1
Entyce Beverages	**2 616,5**	2 420,2	8,1	**794,3**	551,9	43,9
Snackworks	**3 069,9**	3 101,1	(1,0)	**763,8**	789,6	(3,3)
I&J	**1 198,2**	1 153,4	3,9	**36,1**	31,8	13,5
Fashion brands	**1 586,3**	1 703,4	(6,9)	**381,6**	436,7	(12,6)
Personal Care	**506,6**	539,3	(6,1)	**92,5**	114,4	(19,1)
Footwear & Apparel	**1 079,7**	1 164,1	(7,3)	**289,1**	322,3	(10,3)
Corporate				**(10,7)**	(6,2)	
Group	**8 470,9**	8 378,1	1,1	**1 965,1**	1 803,8	8,9

Entyce Beverages

Revenue of R2,62 billion was 8,1% higher than last year while operating profit improved 43,9% from R551,9 million to R794,3 million.

Tea revenue grew 9,0% due to price increases taken in April 2024 and August 2024 to ameliorate inflationary cost pressures from higher commodity costs and a weaker Rand. Sales volumes were pressurised by a constrained consumer environment and aggressive competitor activity, with declines across both our Black tea and Rooibos segments. Our portfolio construction continued to provide affordable alternatives with a lower sales volume decline achieved across our Trinco value brand. Gross profit margins improved, recovering the decline in the previous year, through selling price increases, factory efficiencies and benefits from operational leverage mitigating the impact of higher commodity costs. Selling and administrative costs were effectively managed but increased ahead of inflation with additional marketing investment to support our key brands. The Tea category performance was sound with a higher gross profit and effective margin management supporting an increase in operating profit.

Coffee revenue was 10,3% higher than last year with strong sales from our retail brands supported by an improvement in the Ciro out-of-home coffee business. Revenue growth was achieved in the premium, mixed instant and affordable brewed categories due to selling price increases required to ameliorate the continued increase in underlying Arabica and Robusta coffee prices. Notwithstanding an improvement in mixed instant market share, competitor discounting, consumer affordability and high selling prices constrained demand for retail brands and only our affordable brewed segment achieved sales volume growth through regional activations and distribution campaigns. Ciro revenue benefitted from selling price increases partially offset by lower sales volumes due to competition from lower priced options in forecourts and business channels with some customers shifting due to the challenging macro environment. Gross profit margins ended higher following last year's decline with benefits from higher selling prices, the factory restructuring undertaken last year, and operational leverage partly offset by input cost pressures, despite some benefit from hedging. Selling and administrative costs were well managed, and combined with the improved gross profit margin, operating profit and operating profit margins improved materially on the prior year.

Creamer revenue growth was lower than other beverage categories and was primarily supported by selling price increases taken in response to rising commodity prices. Sales volumes were lower off a strong prior year base which included the benefit of market share gains due to competitor supply disruptions which did not repeat. Despite a competitive and constrained demand environment, gross profit margins improved on the prior year supported by benefits from selling price increases, factory efficiencies from the investment in our production capability during the first semester last year, and operational leverage. Selling and administrative cost increases were contained well below inflationary levels. Overall, a pleasing improvement in operating profit and operating profit margins was achieved.

Snackworks

Revenue of R3,07 billion was 1,0% lower than a strong prior year base and operating profit decreased 3,3% from R789,6 million to R763,8 million. The operating profit margin remains healthy but reduced from 25,5% to 24,9% due to lower profitability on our snacking brands.

Biscuit revenue decreased 1,5% due to lower sales volumes partially offset by the impact of selling price increases taken to ameliorate input cost pressures and protect margins. Sales volumes ended lower than the strong prior year base, but were well supported by creamed biscuit innovations launched last year and growth in Blue Label Marie due to the non-recurrence of last year's oven installation. Demand for Bakers Choice Assorted over the festive season was sound but ended lower as a result of the constrained consumer environment. Gross profit margins were well protected and selling and administrative cost increases were contained, despite an increase in marketing support. The Biscuit result finished marginally lower than the strong prior year which delivered growth of 29,2%. The operating profit margin remained in line with last year.

Snacks revenue increased marginally due to higher selling prices partially offset by a decrease in sales volumes which were impacted by sustained competitor activity. The maize extrude snack brands' volume finished lower with incremental volume from the launch of a more accessibly priced Cheese Curls format, which was not sufficient to arrest declines across the rest of the portfolio. The potato chip category remained competitive, with flavour extensions supporting an improvement in sales volumes. Gross profit and gross profit margins were lower with the impact of higher input costs, increased factory expenditure, an unfavourable product mix and the deleveraging impact of lower volumes not fully recovered by selling price increases in a competitive and constrained demand environment. Selling and administrative costs were well controlled and finished in line with last year with inflationary increases offset by the impact of lower sales volumes and fuel prices on distribution. Operating profit and operating profit margins declined compared to last year.

I&J

Revenue of R1,20 billion was 3,9% higher than last year and operating profit increased from R31,8 million to R36,1 million. The operating profit margin increased from 2,8% to 3,0%.

Fishing revenues increased due to the impact of selling price increases and the benefit of a weaker Rand on export sales partly offset by lower sales volumes. Fish sales volumes were negatively impacted by aggressive competition in domestic markets, poor catch mix and weaker fishing performances resulting in lower volumes caught, despite an improvement in catch rates per sea day. On innovation, the Air-Fri'kn Amazing range was launched in October 2024 and has started to gain traction delivering good volume with further growth expected through the second semester as distribution improves. Operating costs were well managed with the impact of increased repair and maintenance spend for the fleet and inflationary increases offset by the benefit of lower fuel usage and prices, the non-recurrence of prior year restructuring costs and the realisation of savings from restructuring initiatives implemented last year. Fishing profits improved off a low prior year base increasing from R22,3 million last year to R61,0 million.

Abalone declined on last year with an operating loss of R25,0 million realised. Core Asian markets were challenged by weaker demand and over supply which constrained selling prices and increased competition. The impact of lower selling prices was partly offset by the benefit of the weaker Rand, but overall impacted the biological asset fair value with an unfavourable adjustment of R27,6 million recognised in the semester. Insurance proceeds of R4,3 million were recognised in respect of the lost profits which resulted from the recall of faulty cans supplied to our production facility last year. Farm costs were well controlled and included the benefit of lower diesel costs with no load-shedding experienced during the semester.

Personal Care

Indigo's revenue of R506,6 million was 6,1% lower than last year with aggressive discounting by competitors and the constrained consumer environment limiting demand and reducing selling prices in some categories. Aerosol and fragrance revenue was lower with improved performances achieved in the roll-on and colour cosmetic categories. The roll-on category provided a strong value proposition to cash-strapped consumers achieving growth, ahead of the commissioning of our new line in the second semester.

The gross profit margin decreased slightly due to the impact of an unfavourable sales mix and cost increases not fully recovered in a constrained and competitive market. Selling and administrative costs were well managed and ended lower due to savings from restructuring initiatives implemented last year, the impact of reduced sales volumes on variable costs and a deferral of marketing activity to the second semester. The operating profit decreased from R114,4 million to R92,5 million and the operating profit margin decreased from 21,2% to 18,3%.

Footwear and Apparel (including Spitz, Kurt Geiger, Green Cross and Gant)

Revenue decreased by 7,3% to R1,08 billion largely due to a 18,3% reduction in footwear volumes which included the impact of supplier and global supply chain issues. Selling prices across the range were increased to recover input cost pressures, including higher freight costs incurred to address supply chain delays, and protect margins, however, consumer demand was subdued, and the business was not able to repeat last year's strong December sales performance. The overall contribution of Carvela and Lacoste brand sales increased compared to last year but were negatively impacted by the later delivery of certain summer stock and supplier challenges on core Carvela ranges. Clothing brands revenue was lower but included some benefit from innovation with the more affordable Signate clothing range and Kurt Geiger fragrances launched in November 2024 gaining traction.

Gross profit declined, with gross profit margin maintained in line with last year, and selling and administrative expenses increasing by 4,3%. As a result, operating profit decreased 10,3%, from R322,3 million to R289,1 million. The operating profit margin remains healthy, but decreased from 27,7% to 26,8%.

OUTLOOK

The macro-economic environment remains increasingly challenging, exacerbated by the changing geopolitical landscape, including the position taken by the USA with regards to tariffs, as well as municipal infrastructure failures add cost and complexity. Costs continue to be effectively managed, and the Group is fortunate to have a portfolio of market-leading brands that allow us to effectively compete for market share through periods of constrained demand. The defensive characteristics of the brand portfolio when consumers have less to spend is well-established and focus continues to be given to delivering innovation that will support category performances. Notwithstanding this, it seems likely that rates of growth in the next six months will slow especially if there is no improvement in the operating environment and further cost driven price increases become necessary.

While it appears the Group is moving into a period of softening input cost inflation, aside from coffee, the constrained and competitive consumer environment will continue to put pressure on our ability to protect margins. Notwithstanding lower levels of inflation, sustained high selling prices will continue to challenge volumes in many of our categories. AVI has a well-established and disciplined hedging practice which has provided protection against the full extent of rising input costs. A material portion of the second semester's import requirements have been covered at levels that support profitability assuming reasonable sales volumes. Cost management, including the investment in projects which support production efficiencies, procurement savings and restructuring initiatives, will remain a focus. Processes are already underway to deliver savings, however, this is likely to result in additional cost through the second semester with benefits only expected to realise in the next financial year.

Capital projects that enhance our manufacturing capabilities, reduce production costs, improve product quality and support improved customer service levels will continue to be supported. Failing municipal infrastructure poses a challenge to our manufacturing sites with respect to power and water supply and has necessitated considerable investment, with further investment expected to protect operations.

I&J's prospects remain materially dependent on fishing performance, fuel prices and exchange rates. A 4,2% increase in the total allowable catch ("TAC") has been announced for the 2025 calendar year. Notwithstanding additional capacity from the purchase of the freezer vessel ("Umlungisi"), our ability to benefit from the increased TAC is dependent on a material improvement in catch rates, which remain at historical lows. The Umlungisi commenced fishing in February 2025 and will provide much needed capacity and should support the fishing performance and reduce the extent to which the current quota is not caught. Cost structures, including the simplification of I&J's business model, will continue to receive focus to improve profitability and the return on capital. Demand for abalone was negatively impacted in the first semester by increased competition and reduced demand in key markets which constrained selling prices. Should this not improve, the abalone performance in the next half may be lower than last year.

In January 2025 Green Cross embarked on a consultation process with affected employees following an in-principle decision to close the retail business, in 12 Green Cross and GX & Co. branded retail outlets, and discontinue the majority of wholesale lines. This process has yet to be concluded, with restructuring costs likely to be recognised in the second semester negatively impacting performance with the second half result expected to fall short of last year.

The operating environment remains uncertain with consumer demand constrained and the risk of load-shedding and continued infrastructure failures expected to add cost and complexity to the business. While the business remains well-positioned to benefit from any consumer recovery, sustaining the current performance will be dependent on a multitude of exogenous factors and profit growth may not mirror the first semester as we annualise a strong prior year second semester base. The Board is confident that AVI is well-equipped to continue adapting to a complex and changing economic environment.

The above outlook statements have not been reviewed or reported on by AVI's external auditors.

Mike Watters
Chairman

Simon Crutchley
CEO

10 March 2025

CONDENSED CONSOLIDATED BALANCE SHEET

	Unaudited at 31 December		Audited at 30 June
	2024 R'm	2023 R'm	2024 R'm
ASSETS			
Non-current assets			
Property, plant and equipment	**3 465,0**	3 215,3	3 248,3
Right-of-use assets	**430,8**	498,8	466,9
Intangible assets and goodwill	**942,1**	934,0	943,0
Investments and other long-term assets	**24,2**	32,6	32,5
Deferred taxation	**58,8**	41,7	71,2
	4 920,9	4 722,4	4 761,9
Current assets			
Inventories and biological assets	**3 040,2**	2 985,6	3 055,0
Trade and other receivables including derivatives	**2 041,8**	1 954,0	2 139,9
Cash and cash equivalents	**411,6**	507,7	352,9
	5 493,6	5 447,3	5 547,8
Total assets	**10 414,5**	10 169,7	10 309,7
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity	**4 996,1**	5 375,4	5 784,9
Non-current liabilities			
Cash-settled share-based payment liability	**14,7**	14,9	15,2
Lease liabilities	**383,1**	425,3	404,9
Employee benefit liabilities	**344,2**	290,1	334,8
Deferred taxation	**407,3**	404,0	394,9
	1 149,3	1 134,3	1 149,8
Current liabilities			
Current borrowings including short-term portion of lease liabilities	**2 582,8**	1 891,3	1 367,2
Trade and other payables including derivatives	**1 645,6**	1 628,4	1 965,9
Current tax liabilities	**40,7**	140,3	41,9
	4 269,1	3 660,0	3 375,0
Total equity and liabilities	**10 414,5**	10 169,7	10 309,7
Movement in net debt			
Opening balance	**876,3**	1 206,2	1 206,2
Short-term funding raised/(repaid)	**1 224,0**	46,6	(471,9)
(Increase)/Decrease in cash and cash equivalents	**(59,5)**	(19,7)	133,5
Translation of cash equivalents of foreign subsidiaries	**0,8**	6,9	8,5
Net debt excluding IFRS 16 lease liabilities	**2 041,6**	1 240,0	876,3
IFRS 16 lease liabilities	**512,7**	568,9	542,9
Net debt*	**2 554,3**	1 808,9	1 419,2

** Comprises current borrowings plus long-term lease liabilities, less cash and cash equivalents.*

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Unaudited six months ended 31 December 2024 R'm	2023 R'm	% change	Audited year ended 30 June 2024 R'm
Revenue	**8 470,9**	8 378,1	1,1	15 862,3
Cost of sales	**(4 835,4)**	(4 903,4)	(1,4)	(9 248,9)
Gross profit	**3 635,5**	3 474,7	4,6	6 613,4
Selling and administrative expenses, including other income	**(1 670,4)**	(1 670,9)	(0,0)	(3 308,8)
Operating profit before capital items	**1 965,1**	1 803,8	8,9	3 304,6
Interest received	**6,4**	6,6	(3,0)	14,8
Finance costs	**(113,9)**	(112,6)	1,2	(199,3)
Share of equity-accounted losses of joint ventures	**(0,3)**	(2,2)	(86,4)	(3,2)
Capital items	**17,4**	(1,0)		(20,7)
Profit before taxation	**1 874,7**	1 694,6	10,6	3 096,2
Taxation	**(511,7)**	(457,3)	11,9	(838,5)
Profit for the period	**1 363,0**	1 237,3	10,2	2 257,7
Profit attributable to:				
Owners of AVI	**1 363,0**	1 237,3	10,2	2 257,7
Other comprehensive income/(loss), net of tax	**10,5**	7,8		(1,8)
Items that are or may be subsequently reclassified to profit or loss				
Foreign currency translation differences	**(6,1)**	(25,7)		(23,9)
Cash flow hedging reserve	**22,7**	45,9		47,5
Taxation on items that are or may be subsequently reclassified to profit or loss	**(6,1)**	(12,4)		(12,8)
Items that will never be reclassified to profit or loss				
Actuarial loss recognised	**–**	–		(17,3)
Taxation on items that will never be reclassified to profit or loss	**–**	–		4,7
Total comprehensive income for the period	**1 373,5**	1 245,1	10,3	2 255,9
Total comprehensive income attributable to:				
Owners of AVI	**1 373,5**	1 245,1	10,3	2 255,9
Depreciation and amortisation of property, plant and equipment, right-of-use assets, fishing rights, trademarks and computer software included in operating profit	**290,2**	286,4	1,3	547,8
Earnings per share				
Basic earnings per share (cents)#	**411,3**	374,1	9,9	682,5
Diluted basic earnings per share (cents)##	**405,7**	371,7	9,1	675,5
Headline earnings per share (cents)#	**407,5**	374,3	8,9	687,1
Diluted headline earnings per share (cents)##	**401,9**	372,0	8,0	680,0

Basic earnings and headline earnings per share are calculated on a weighted average of 331 364 958 (31 December 2023: 330 710 972 and 30 June 2024: 330 791 602) ordinary shares in issue.

Diluted basic earnings and diluted headline earnings per share are calculated on a weighted average of 335 952 257 (31 December 2023: 332 828 937 and 30 June 2024: 334 217 367) ordinary shares in issue.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited six months ended 31 December 2024 R'm	2023 R'm	% change	Audited year ended 30 June 2024 R'm
Operating activities				
Cash generated by operations	**2 155,1**	1 851,7	16,4	3 778,3
Interest paid	**(113,9)**	(112,6)	1,2	(199,3)
Taxation paid	**(493,0)**	(420,2)	17,3	(910,2)
Net cash available from operating activities	**1 548,2**	1 318,9	17,4	2 668,8
Investing activities				
Interest received	**6,4**	6,6	(3,0)	14,8
Property, plant and equipment acquired	**(424,8)**	(242,0)	75,5	(476,5)
Additions to intangible assets	**(4,9)**	(14,2)	(65,5)	(25,8)
Proceeds from disposals of property, plant and equipment	**4,3**	12,0	(64,2)	16,5
Other cash from/(to) investments	**20,5**	–		(1,3)
Net cash utilised in investing activities	**(398,5)**	(237,6)	67,7	(472,3)
Financing activities				
Short-term funding raised/(repaid)	**1 224,0**	46,6	2 526,6	(471,9)
Lease liabilities repaid	**(75,5)**	(73,0)	3,4	(148,3)
Payment to I&J BBBEE shareholders	**(0,6)**	–	–	–
Ordinary dividends paid	**(1 300,0)**	(1 035,2)	25,6	(1 709,8)
Special dividend paid	**(938,1)**	–		–
Net cash utilised in financing activities	**(1 090,2)**	(1 061,6)	2,7	(2 330,0)
Increase/(Decrease) in cash and cash equivalents	**59,5**	19,7	202,0	(133,5)
Cash and cash equivalents at beginning of period	**352,9**	494,9		494,9
	412,4	514,6		361,4
Translation of cash equivalents of foreign subsidiaries	**(0,8)**	(6,9)		(8,5)
Cash and cash equivalents at end of period	**411,6**	507,7		352,9

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital and premium R'm	Treasury shares R'm	Reserves R'm	Retained earnings R'm	I&J BBBEE shareholders R'm	Total equity R'm
Six months ended 31 December 2024						
Balance at 1 July 2024	**279,4**	**(75,8)**	**354,2**	**5 333,7**	**(106,6)**	**5 784,9**
Profit for the period	**–**	**–**	**–**	**1 363,0**	**–**	**1 363,0**
Other comprehensive (loss)/income						
Foreign currency translation differences	**–**	**–**	**(6,1)**	**–**	**–**	**(6,1)**
Cash flow hedging reserve, net of tax	**–**	**–**	**16,6**	**–**	**–**	**16,6**
Total other comprehensive income	**–**	**–**	**10,5**	**–**	**–**	**10,5**
Total comprehensive income for the period	**–**	**–**	**10,5**	**1 363,0**	**–**	**1 373,5**
Transactions with owners, recorded directly in equity						
Share-based payments	**–**	**–**	**50,4**	**–**	**–**	**50,4**
Deferred taxation on Group share scheme recharge	**–**	**–**	**25,4**	**–**	**–**	**25,4**
Dividends paid	**–**	**–**	**–**	**(2 238,1)**	**–**	**(2 238,1)**
Total contributions by and distributions to owners	**–**	**–**	**75,8**	**(2 238,1)**	**–**	**(2 162,3)**
Balance at 31 December 2024	**279,4**	**(75,8)**	**440,5**	**4 458,6**	**(106,6)**	**4 996,1**
Six months ended 31 December 2023						
Balance at 1 July 2023	279,4	(75,8)	234,1	4 785,8	(106,6)	5 116,9
Profit for the period	–	–	–	1 237,3	–	1 237,3
Other comprehensive (loss)/income						
Foreign currency translation differences	–	–	(25,7)	–	–	(25,7)
Cash flow hedging reserve, net of tax	–	–	33,5	–	–	33,5
Total other comprehensive income	–	–	7,8	–	–	7,8
Total comprehensive income for the period	–	–	7,8	1 237,3	–	1 245,1
Transactions with owners, recorded directly in equity						
Share-based payments	–	–	45,3	–	–	45,3
Deferred taxation on Group share scheme recharge	–	–	3,3	–	–	3,3
Dividends paid	–	–	–	(1 035,2)	–	(1 035,2)
Total contributions by and distributions to owners	–	–	48,6	(1 035,2)	–	(986,6)
Balance at 31 December 2023	279,4	(75,8)	290,5	4 987,9	(106,6)	5 375,4
Year ended 30 June 2024						
Balance at 1 July 2023	279,4	(75,8)	234,1	4 785,8	(106,6)	5 116,9
Profit for the year	–	–	–	2 257,7	–	2 257,7
Other comprehensive (loss)/income						
Foreign currency translation differences	–	–	(23,9)	–	–	(23,9)
Actuarial loss recognised, net of tax	–	–	(12,6)	–	–	(12,6)
Cash flow hedging reserve, net of tax	–	–	34,7	–	–	34,7
Total other comprehensive loss	–	–	(1,8)	–	–	(1,8)
Total comprehensive income for the period	–	–	(1,8)	2 257,7	–	2 255,9
Transactions with owners, recorded directly in equity						
Share-based payments	–	–	98,0	–	–	98,0
Deferred taxation on Group share scheme recharge	–	–	23,9	–	–	23,9
Dividends paid	–	–	–	(1 709,8)	–	(1 709,8)
Total contributions by and distributions to owners	–	–	121,9	(1 709,8)	–	(1 587,9)
Balance at 30 June 2024	279,4	(75,8)	354,2	5 333,7	(106,6)	5 784,9

SUPPLEMENTARY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 31 December 2024

AVI Limited ("AVI" or "the Company") is a South African registered company. These condensed consolidated interim financial statements comprise the Company and its subsidiaries (together referred to as "the Group") and the Group's interest in a joint venture.

1. Statement of compliance

The condensed consolidated interim financial statements have been prepared in accordance with the recognition and measurement criteria of IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"), the presentation and disclosure requirements of IAS 34 *Interim Financial Reporting*, the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the Listings Requirements of the JSE Limited (the "JSE") and the Companies Act of South Africa. These condensed consolidated interim financial statements have not been reviewed or audited by the auditors.

The accounting policies used in the preparation of these condensed consolidated interim financial statements are in terms of IFRS Accounting Standards and are consistent with those applied in preparing the condensed consolidated interim financial statements for the six months ended 31 December 2023 and the consolidated annual financial statements for the year ended 30 June 2024.

The condensed consolidated interim financial statements are prepared in millions of South African Rands ("R'm") on the historical cost basis, except for derivative financial instruments, biological assets and cash-settled share-based payment liabilities, which are measured at fair value.

There are no new, revised or amended accounting standards, effective from 1 July 2024, applicable to the Group.

New standards and interpretations in issue not yet effective

The Group continuously evaluates the impact of new accounting standards, amendments to accounting standards and interpretations and assesses these for applicability to the Group. The new accounting standards and amendments to accounting standards issued which are material to the Group, but not yet effective on 31 December 2024, include:

IFRS 18 - Presentation and Disclosure of Financial Statements

The new standard on presentation and disclosure in financial statements focuses on updates to the statement of profit or loss. The key new concepts introduced in IFRS 18 relate to:

- the structure of the statement of profit or loss;
- required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements; and
- enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general.

The Group is still assessing the impact of these amendments which are effective for the Group's annual reporting period beginning on 1 July 2027.

2. Segmental results

	Unaudited six months ended 31 December 2024 R'm	2023 R'm	% change	Audited year ended 30 June 2024 R'm
Segmental revenue				
Food & Beverage brands	**6 884,6**	6 674,7	3,1	13 082,5
Entyce Beverages	**2 616,5**	2 420,2	8,1	5 025,4
Snackworks	**3 069,9**	3 101,1	(1,0)	5 597,9
I&J	**1 198,2**	1 153,4	3,9	2 459,2
Fashion brands	**1 586,3**	1 703,4	(6,9)	2 779,8
Personal Care	**506,6**	539,3	(6,1)	1 022,5
Footwear & Apparel	**1 079,7**	1 164,1	(7,3)	1 757,3
Corporate and consolidation*	**–**	–		–
Corporate	**90,2**	94,0	(4,0)	179,9
Intersegment revenue	**(90,2)**	(94,0)	(4,0)	(179,9)
Group	**8 470,9**	8 378,1	1,1	15 862,3
Segmental operating profit before capital items				
Food & Beverage brands	**1 594,2**	1 373,3	16,1	2 770,7
Entyce Beverages	**794,3**	551,9	43,9	1 300,1
Snackworks	**763,8**	789,6	(3,3)	1 270,9
I&J	**36,1**	31,8	13,5	199,7
Fashion brands	**381,6**	436,7	(12,6)	560,8
Personal Care	**92,5**	114,4	(19,1)	220,0
Footwear & Apparel	**289,1**	322,3	(10,3)	340,8
Corporate	**(10,7)**	(6,2)		(26,9)
Group	**1 965,1**	1 803,8	8,9	3 304,6

* *The disclosure of intersegment revenue has been included in the current period to enhance disclosure.*

SUPPLEMENTARY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

3. Revenue

Disaggregation of revenue from contracts with customers ("revenue") into categories that depict the nature, amount, timing and uncertainty of revenue.

The following table sets out revenue by geographical market:

	Unaudited six months ended 31 December 2024							
Geographical market	**Entyce Beverages R'm**	**Snackworks R'm**	**I&J R'm**	**Personal Care R'm**	**Footwear & Apparel R'm**	**Corporate R'm**	**Consolidation R'm**	**Total R'm**
South Africa	**2 335,0**	**2 732,0**	**408,4**	**463,0**	**1 071,3**	**90,2**	**(90,2)**	**7 009,7**
Other African countries	**273,6**	**319,6**	**30,8**	**43,6**	**8,4**	**–**	**–**	**676,0**
Europe	**0,6**	**3,2**	**530,5**	**–**	**–**	**–**	**–**	**534,3**
Rest of the world	**7,3**	**15,1**	**228,5**	**–**	**–**	**–**	**–**	**250,9**
Total revenue	**2 616,5**	**3 069,9**	**1 198,2**	**506,6**	**1 079,7**	**90,2**	**(90,2)**	**8 470,9**

	Unaudited six months ended 31 December 2023							
Geographical market	Entyce Beverages R'm	Snackworks R'm	I&J R'm	Personal Care R'm	Footwear & Apparel R'm	Corporate R'm	Consolidation R'm	Total R'm
South Africa	2 166,4	2 767,3	409,6	494,0	1 154,0	94,0	(94,0)	6 991,3
Other African countries	249,7	317,5	31,5	45,3	10,1	–	–	654,1
Europe	3,2	4,3	506,7	–	–	–	–	514,2
Rest of the world	0,9	12,0	205,6	–	–	–	–	218,5
Total revenue	2 420,2	3 101,1	1 153,4	539,3	1 164,1	94,0	(94,0)	8 378,1

	Audited for the year ended 30 June 2024							
Geographical market	Entyce Beverages R'm	Snackworks R'm	I&J R'm	Personal Care R'm	Footwear & Apparel R'm	Corporate R'm	Consolidation R'm	Total R'm
South Africa	4 457,4	4 932,0	830,7	935,8	1 739,6	179,9	(179,9)	12 895,5
Other African countries	557,4	629,4	61,2	86,7	17,7	–	–	1 352,4
Europe	6,8	10,9	1 122,4	–	–	–	–	1 140,1
Rest of the world	3,8	25,6	444,9	–	–	–	–	474,3
Total revenue	5 025,4	5 597,9	2 459,2	1 022,5	1 757,3	179,9	(179,9)	15 862,3

The majority of revenue comprises revenue from the sale of goods. Less than 0,9% (31 December 2023: less than 0,9% and 30 June 2024: less than 2,0%) of total revenue comprises income arising from services, rental agreements and trademark licence agreements.

SUPPLEMENTARY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

4. Determination of headline earnings

	Unaudited six months ended 31 December			Audited year ended 30 June
	2024 R'm	2023 R'm	% change	**2024 R'm**
Profit for the year attributable to owners of AVI	**1 363,0**	1 237,3	10,2	2 257,7
Total capital items after taxation	**(12,8)**	0,7		15,0
Net loss on disposal of property, plant and equipment	**0,1**	1,0		20,9
Impairment of property, plant and equipment	**–**	–		0,2
Reversal of impairment of property, plant and equipment	**(0,3)**	–		–
Insurance proceeds/receivables on property, plant and equipment	**–**	–		(0,4)
Joint venture capital profit	**(12,6)**	–		–
Taxation attributable to capital items	**–**	(0,3)		(5,7)
Headline earnings	**1 350,2**	1 238,0	9,1	2 272,7
Headline earnings per ordinary share (cents)	**407,5**	374,3	8,9	687,1
Diluted headline earnings per ordinary share (cents)	**401,9**	372,0	8,0	680,0

	Number of shares	Number of shares	% change	Number of shares
Weighted average number of ordinary shares	**331 364 958**	330 710 972	0,2	330 791 602
Weighted average diluted number of ordinary shares	**335 952 257**	332 828 937	0,9	334 217 367

5. Cash generated by operations

	Unaudited six months ended 31 December			Audited year ended 30 June
	2024 R'm	2023 R'm	% change	2024 R'm
Cash generated by operations before working capital changes	**2 145,7**	2 053,6	4,5	4 049,1
Changes in working capital	**9,4**	(201,9)	(104,7)	(270,8)
Cash generated by operations	**2 155,1**	1 851,7	16,4	3 778,3

6. Commitments

	Unaudited six months ended 31 December 2024 R'm	Unaudited six months ended 31 December 2023 R'm	Audited year ended 30 June 2024 R'm
Capital expenditure commitments for property, plant and equipment	**175,7**	163,2	210,8
Contracted for	**133,0**	104,4	157,9
Authorised but not contracted for	**42,7**	58,8	52,9

It is anticipated that this expenditure will be financed by cash resources, cash generated from operating activities and existing borrowing facilities. Other contractual commitments have been entered into in the normal course of business.

7. Cash flows from investment in joint venture

I&J Limited currently holds a 50% interest in the Umsobomvu joint venture which is engaged in the procurement and selling of squid and operates principally in South Africa on five squid vessels.

On 23 November 2023, the two shareholders of the joint venture entered into an agreement to sell all five of the vessels together with the squid fishing rights held by the joint venture for a total purchase consideration of R53,3 million. The agreement was dependent on certain suspensive conditions, most notably the approval of the transfer of the fishing rights by the Department of Forestry, Fisheries and Environment ("DFFE"). The suspensive conditions and completion actions were finalised during July 2024, with funds being paid to the joint venture, and consequently the sale transaction has been recognised in the year to date results. During August 2024 a dividend was declared and paid to the shareholders, of which I&J Limited received R20,5 million. This forms part of other cash flows from investments on the face of the cash flow statement.

8. Fair value classification and measurement

The Group measures derivative foreign exchange contracts, fuel swaps, biological assets and cash-settled share-based payment arrangements at fair value.

Cash-settled share-based payment arrangements relate primarily to the BBBEE arrangement between the Group and Twincitiesworld, the value of which is determined using the Monte Carlo option pricing model. The fair value of the liability is measured in line with the requirements of IFRS 2 – *Share-Based Payment*, with the main drivers of inputs being I&J Limited's historical earnings, funding rates and expected dividend flows. The estimated fair value is based on subsequent modelled earnings for each reported period until vesting date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements in accordance with IFRS 13 – *Fair Value Measurement*, are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of foreign exchange contracts and fuel swaps is determined using a forward pricing model with reference to quotes from financial institutions. Significant inputs into the Level 2 fair value measurement include yield curves as well as market interest rates and foreign exchange rates. The estimated fair values of recognised financial instruments approximate their carrying amounts based on the nature or maturity period of the financial instruments.

Biological assets comprise abalone which is farmed by I&J. The fair value of these assets is disclosed as Level 3 per the fair value hierarchy, with the fair value determined using a combination of the market comparison and cost technique as prescribed by IAS 41.

There were no transfers between Levels 1, 2 or 3 of the fair value hierarchy during the six months ended 31 December 2024.

SUPPLEMENTARY NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

continued

9. Post-reporting date events

No material events that meet the requirements of IAS 10 have occurred since the reporting date.

10. Dividend declaration

Notice is hereby given that a gross interim ordinary dividend No. 106 of 220 cents per share for the six months ended 31 December 2024 has been declared payable to shareholders of ordinary shares. The dividend has been declared out of income reserves and will be subject to dividend withholding tax at a rate of 20%. Consequently, a net interim dividend of 176 cents per share will be distributed to those shareholders who are not exempt from paying dividend tax. In terms of dividend tax legislation, the dividend tax amount due will be withheld and paid over to the South African Revenue Service by a nominee company, stockbroker or Central Securities Depository Participant ("CSDP") (collectively "regulated intermediary") on behalf of shareholders. However, all shareholders should declare their status to their regulated intermediary, as they may qualify for a reduced dividend tax rate or exemption. AVI's issued share capital at the declaration date is 339 975 466 ordinary shares. AVI's tax reference number is 9500/046/71/0. The salient dates relating to the payment of the dividend are as follows:

Last day to trade cum dividend on the JSE	Tuesday, 8 April 2025
First trading day ex dividend on the JSE	Wednesday, 9 April 2025
Record date	Friday, 11 April 2025
Payment date	Monday, 14 April 2025

In accordance with the requirements of Strate Limited, no share certificates may be dematerialised or rematerialised between Wednesday, 9 April 2025, and Friday, 11 April 2025, both days inclusive.

Dividends in respect of certificated shareholders will be transferred electronically to shareholders' bank accounts on payment date. Following the discontinuation of cheque payments by most South African banks, AVI will no longer issue cheques and all future payments will only be made into a nominated bank account by electronic funds transfer. Shareholders who have not yet provided their bank account details to Computershare Investor Services Proprietary Limited are reminded to contact Computershare on 0861 100 950 with their bank account details into which the dividends can be paid electronically. Shareholders who hold dematerialised shares will have their accounts at their CSDP or broker credited on Monday, 14 April 2025.

11. Preparation of financial statements

These condensed consolidated interim financial statements have been prepared under the supervision of Justin O'Meara CA(SA), the AVI Group Chief Financial Officer.

ADMINISTRATION AND PRINCIPAL SUBSIDIARIES

ADMINISTRATION

Company registration
AVI Limited ("AVI")
Reg no: 1944/017201/06
Share code: AVI
ISIN: ZAE000049433

Company Secretary
Sureya Scheepers

Business address and registered office
2 Harries Road
Illovo
Johannesburg 2196
South Africa

Postal address
PO Box 1897
Saxonwold 2132
South Africa

Telephone: +27 (0)11 502 1300
Telefax: +27 (0)11 502 1301
E-mail: info@avi.co.za
Website: www.avi.co.za

Auditors
Ernst & Young Inc.

Sponsor
The Standard Bank of
South Africa Limited

Commercial bankers
First Rand Bank Limited
Standard Bank Limited

Transfer secretaries
Computershare Investor Services
Proprietary Limited
Business address
Rosebank Towers
15 Biermann Avenue
Rosebank
Johannesburg 2196

Postal address
Private bag X9000
Saxonwold 2132
South Africa
Telephone: +27 (0)11 370 5000
Telefax: +27 (0)11 370 5271

PRINCIPAL SUBSIDIARIES

Food & Beverage Brands
National Brands Limited
Reg no: 1948/029389/06
(incorporating Entyce Beverages
and Snackworks)

30 Sloane Street
Bryanston 2021

PO Box 5159
Rivonia 2128

Managing director
Michael Koursaris
Telephone: +27 (0)11 707 7200
Telefax: +27 (0)11 707 7799

I&J
Irvin & Johnson Holding
Company Proprietary Limited
Reg no: 2004/013127/07

1 Davidson Street
Woodstock
Cape Town 7925

PO Box 1628
Cape Town 8000

Managing director
Roger Coppin
Telephone: +27 (0)21 440 7800
Telefax: +27 (0)21 440 7270

Fashion Brands
Personal Care
Indigo Brands Proprietary
Limited
Reg no: 2003/009934/07

16 – 20 Evans Avenue
Epping 1 7460

PO Box 3460
Cape Town 8000

Acting managing director
Roger Coppin
Telephone: +27 (0)21 507 8500
Telefax: +27 (0)21 507 8501

Footwear & Apparel
A&D Spitz Proprietary Limited
Reg no: 1999/025520/07

30 Sloane Street
Bryanston 2021

PO Box 782916
Sandton 2145

Acting managing director
Simon Crutchley
Telephone: +27 (0)11 707 7300
Telefax: +27 (0)11 707 7763

DIRECTORS

Executive

Simon Crutchley[1]
(Chief Executive Officer)

Justin O'Meara[1]
(Chief Financial Officer)

Michael Koursaris
(Business Development Director)

Independent non-executive

Mike Watters *(Chairman)*[3,4,5]
Alexandra Muller[2,6]
Steven Robinson[6]
Maserame Mouyeme[3,6]
Valerie Davies[5]

[1] *Resigned as member of the Social and Ethics Committee effective 16 January 2025.*
[2] *Member of the Social and Ethics Committee.*
[3] *Appointed to the Social and Ethics Committee effective 16 January 2025, as required by the Companies Act 71 of 2008.*
[4] *British.*
[5] *Member of the Remuneration, Nomination and Appointments Committee.*
[6] *Member of the Audit and Risk Committee.*

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