From our Home to Yours

Results presentation

Year ended 31 December 2019

LIBSTAR

Presentation overview

LIBSTAR

01
Strategic Achievements

Andries van Rensburg, CEO

Libstar Strategy

Purpose:

Enriching people's daily lives

Brand promise:

From our Home to Yours.

Entrepreneurial Culture

2019 Strategic Achievements

Entrepreneurial Culture

Grow Our Categories		Expand Our Capabilities	Acquire
Operational Excellence	Commercial Excellence	Strategic Initiatives	Strategic Acquisitions

Grow Our Categories

Focused category approach
- Completed Elvin disposal (niche beverages)
- Category consolidation of HPC businesses
- Now 5 product categories (2018: 7)

Capitalising on trends
- Improved market share in core brands, private label & principal brands

Improved sales mix & margins

Expand Our Capabilities

New technologies
- Amaro Foods

Efficiency improvements
- Cape Herb & Spice
- Ambassador Foods
- Lancewood

Capacity expansion
- Millennium Foods
- Lancewood

Acquire

Healthwise acquired
- 1/10/19 for R50m
- Value-added branded Rooibos tea
  - Significant presence in Japan, Australia
- Opportunity: to expand footprint of branded tea exports

02

Introduction to Financial Results & Corporate Matters

Robin Smith, Group Commercial Director

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Market conditions & highlights

Conditions

2018:
- Decline in markets noticeably impacted food producers

2019:
- Consumers remain under pressure in a weak economy
- Lower sales volumes
- Weak pricing environment

Against this backdrop:

Highlights

2019 results demonstrate resilience

Organic revenue		▲ 1.8%
Improved margins	GP margin	▲ 1.6pp to 24.0%
	Normalised EBIT margin	▲ 0.1pp to 8.6%
	Normalised EBITDA	▲ 5.1%
	Normalised EBITDA margin	▲ 0.3pp to 10.5%
Improved earnings	Normalised EPS	▲ 14.3%
	Normalised HEPS	▲ 14.1%

NOTE: All numbers in this presentation are provided on a like-for-like basis, i.e. pre-implementation of new accounting standards, unless otherwise indicated. Comparative numbers after the implementation of the new accounting standards can be found in the appendix.

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2019 Food vs other performance

Food Categories*		Household and Personal Care	
92% of group revenue	97% of group normalised EBITDA^	8% of group revenue	3% of group normalised EBITDA^
▲ 2.7% Organic revenue growth	▲ 8.5% Normalised EBITDA^ growth	▼ 6.8% Organic revenue decline	▼ 0.1% Normalised EBITDA^ decrease

** Perishables, Groceries (Including Khoisan Gourmet, Multi-cup & Chamonix), Snacks and Confectionery & Baking and Baking Aids*

^ Excluding allocation of corporate costs

H1 vs H2 2019 performance

	Food Categories*		Household and Personal Care	
	Organic revenue growth	Normalised EBITDA^ growth	Organic revenue decline	Normalised EBITDA^ growth / decrease
H1	▲ 4.5%	▲ 7.0%	▼ 1.2%	▲ 5.5%
H2	▲ 0.7%	▲ 9.5%	▼ 11.3%	▼ 4.4%
FY	▲ 2.7%	▲ 8.5%	▼ 6.8%	▼ 0.1%

Food Categories

- H2 revenue factors:
  - Groceries:
    - Timing of H1/H2 dry condiment shipments
    - Declining demand for wet condiments in outsourced manufacturing channel
- Improved gross profit margins in all categories

Household and Personal Care

- H2 revenue factors:
  - Rationalisation of stock-keeping units
- Cost base being addressed

^ *Excluding allocation of corporate costs*

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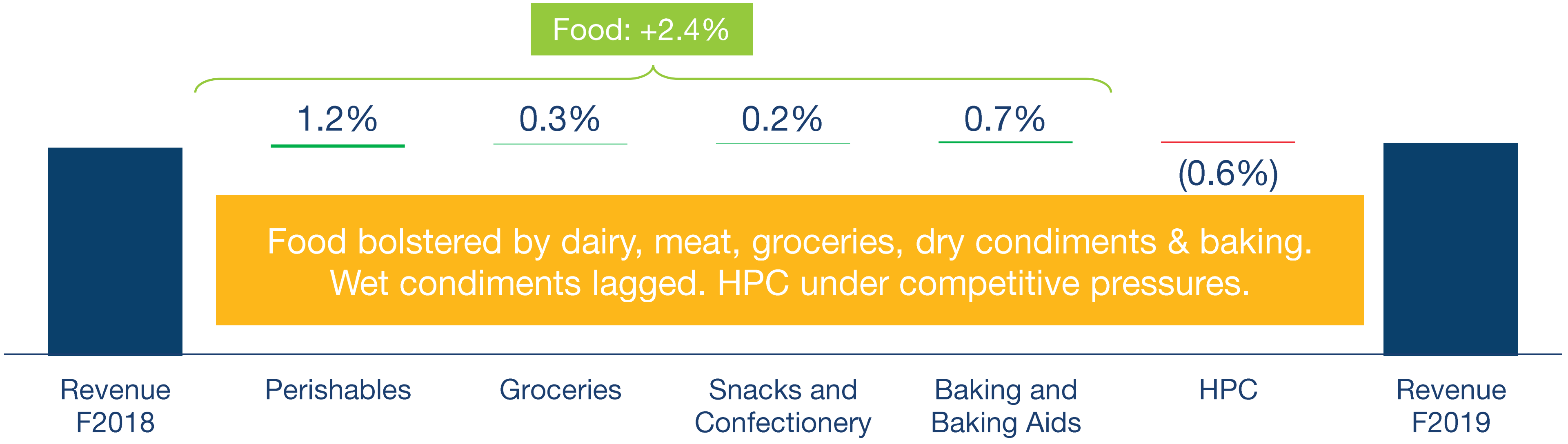
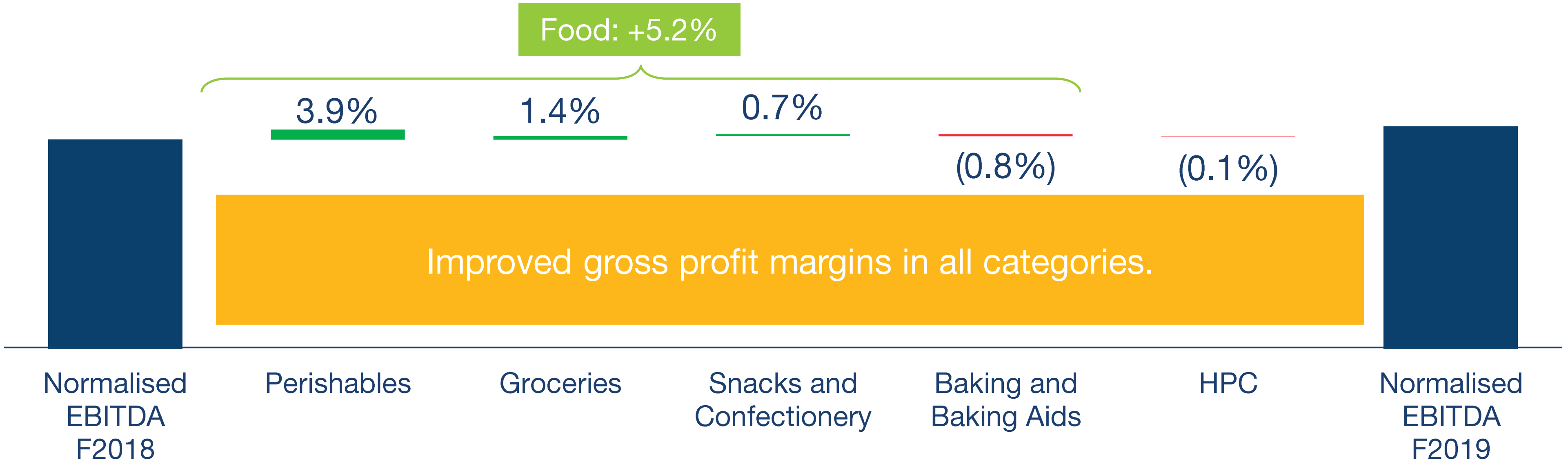
2019 – Contribution to group Revenue & EBITDA by category

Organic Revenue
▲1.8%

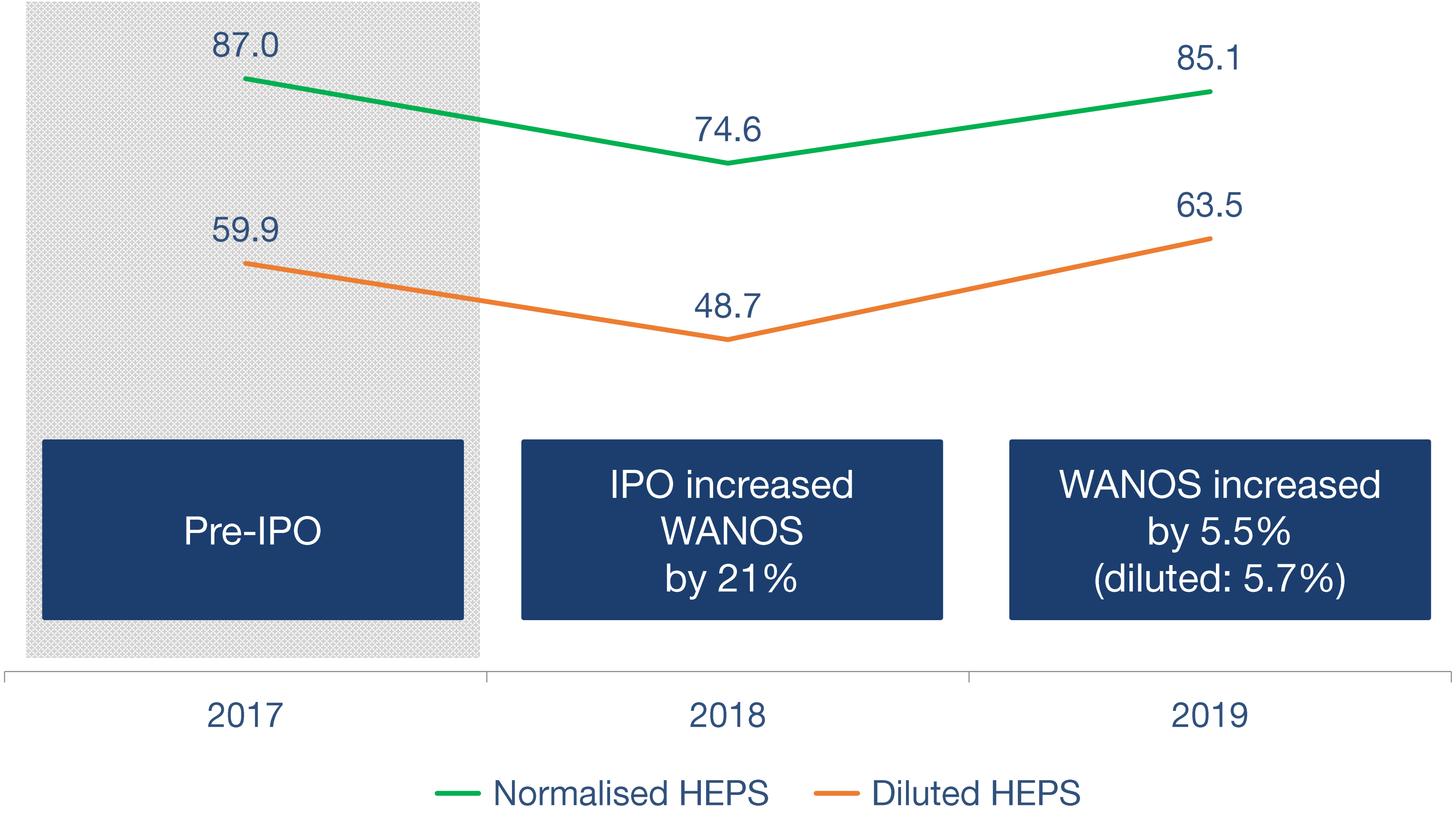


Normalised EBITDA^
▲5.1%

^ *After allocation of head office expenses*



HEPS historic performance



Normalised HEPS
14.1%

Diluted HEPS
30.4%

F18 base impacted by R32.8m unrealised FX loss

NOTE: Normalised HEPS introduced in 2018, 2017 restated
WANOS: Weighted average number of shares

Shareholder matters

Share repurchases, board matters & B-BBEE

B-BBEE

- Scheme implementation:
  - Registration process of ESOP delayed
  - Unfavourable issue price vs current market price
- Options:
  1. Restructure current ESOP on more favourable terms
  2. Replace ESOP with redesigned scheme/ strategic black-owned counterparty

** ESOP = New employee share scheme*

Board Matters

- Abraaj representative, Wahid Hamid, resigned on 12 Aug 2019
- Charl de Villiers appointed CFO 1 January 2020

Share Repurchase Programme

- Commenced on 19 Dec 2018 & terminated 4 Apr 2019
  - 13.1m shares repurchased @ avg. price of R7.62 per share

03

Financial Review

Charl de Villiers, CFO

Income Statement – Revenue & Gross Profit

2019 Organic Revenue

Food categories organic revenue

+2.7%

Volume	Price / mix
-5.1%	+7.8%

HPC organic revenue

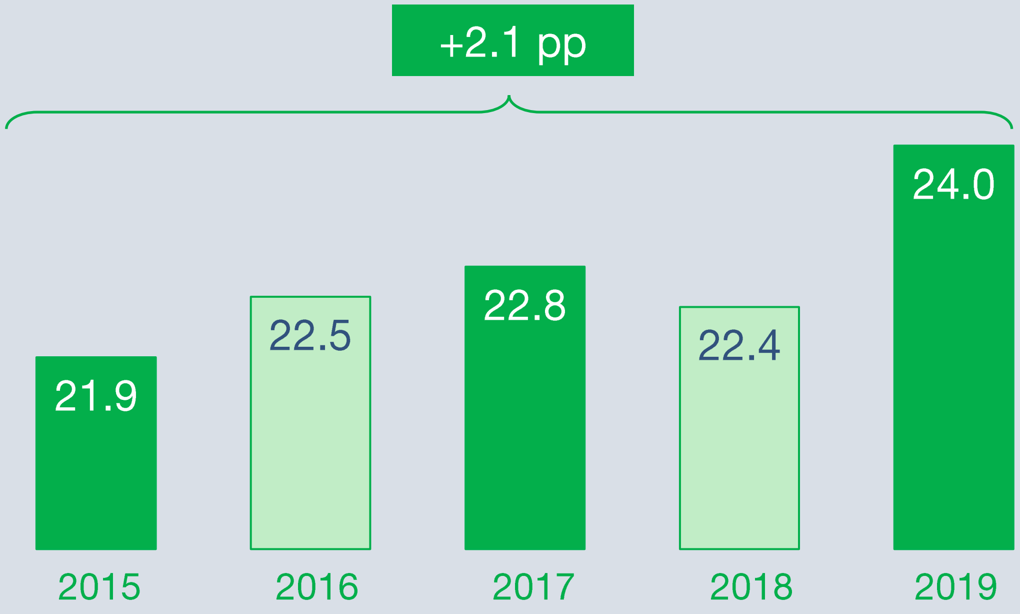
-6.8%

Volume	Price / mix
-13.8%	+7.0%

2019 Gross Profit

GP% increase supported by:

- Favourable sales mix changes in dairy, value-added groceries, baking products & baking aids
- Lower dry condiment input costs (Groceries)
- Continued focus on procurement, production efficiencies & equipment effectiveness



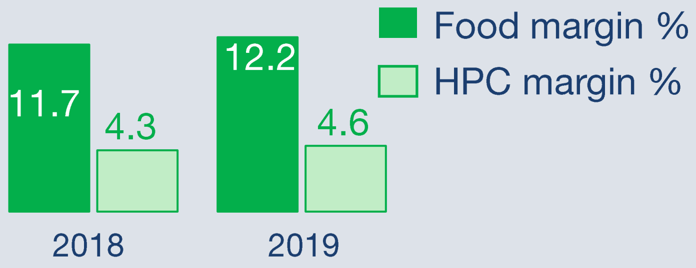
Income Statement – Operating expenses

Operating expenses (R'000)	2019	*% ch.*	2018	Comment
Opex	**1 754 015**	***+12.3%***	**1 562 419**	
Long-term incentives	(6 948)		13 208	Provision for SARS, LTIP and GSP
Retrenchment & restructuring costs	(16 646)		(7 050)	Predominantly HPC cluster
Other non-operating or non-recurring items	(3 917)		(21 830)	Normalisation adjustments
Opex after all non-operating/non-recurring/non-cash items above	**1 726 504**	***+11.6%***	**1 546 747**	
Depreciation and amortisation	(210 719)	*+6.9%*	(197 198)	2018/2019 capex
Short-term incentives	(41 400)	*+66.9%*	(24 800)	FY19 on-target performance
Employee costs – toll manufacturing	(39 743)	*+235%*	(11 834)	NMC & Pringles
Employment costs	(525 748)	*+10.4%*	(476 202)	
Opex excluding above 4 items	**908 894**	***+8.6%***	**836 713**	

- Investment in category management team
- Benefit from HPC restructuring not yet realised

Income Statement

Rm	2019	Ch (%)	2018	
Other income* (forex gains/losses)	52.6	*+192.0%*	18.0	• Realised FX gains of R38m (2018: R56m) • Unrealised FX gains of R0.2m (2018: R45m loss)
Operating expenses *(margin)*	- 1 754.0 *(-17.8%)*	*+12.3%*	-1 562,4 *(-16.2%)*	• Previous slide
Operating profit *(margin)*	677.4 *(6.8%)*	*+9.0%*	621.5 *(6.4%)*	
Normalised operating profit *(margin)*	854.8 *(8.6%)*	*+3.8%*	823.5 *(8.5%)*	**R182m normalisation of EBIT** • Intangibles amortisation (R150m); Retrenchment costs (R17m); Provision for share appreciation rights (R7m); Reversal of unrealised forex gains (R0.2m); other non-operating/non-recurring items (R3.9m)
Normalised EBITDA *(margin)*	1 034.8 *(10.5%)*	*+5.1%*	984.5 *(10.2%)*	**R180m normalisation of EBITDA** (over and above EBIT items) • Software amortisation (R11m) & PPE depreciation (R169m)



* *See appendix for further details*

Underlying margin performance vs targets

	2019 EBITDA margin achieved	EBITDA near term margin target	2019 Performance
Perishables	*10.9%*	*10% to 13%*	Within target
Groceries	*13.7%*	*11% to 14%*	Within target
Snacks & Confectionery	*15.4%*	*14% to 17%*	Within target
Baking & Baking Aids	*12.4%*	*12% to 15%*	Within target
Household & Personal Care	4.6%	5% to 8%	Below target

Income Statement (contd)

Rm	2019	Ch (%)	2018	
Net interest paid	-153.7	*-30.7%*	-221.7	• New banking facilities (Nov 2018) @ 0.8% lower weighted avg. cost • Net debt reduction from R1.9bn to R1.3bn post IPO
Profit before tax	523.8	*+31.0%*	399.8	
Income tax *(effective rate)*	-144.9 *(27.7%)*		-125.9 *(31.5%)*	
Profit after tax	378.8	*+38.3%*	*273.9*	
Normalised earnings	505.9	*+20.5%*	419.9	**Post Tax Earnings normalised for R132m:** • Amortisation of intangibles (R108m), expenses relating to share based payments (R8m), retrenchment costs (R12m), reversal of unrealised forex gains (R0.1m) & other (R4m)
Normalised headline earnings	508.2	*+20.3%*	422.4	**Post Tax Headline Earnings normalised for R-2.3m** (over and above Post Tax Earnings items)**:** • Loss on disposal of PPE

Income Statement

Normalised EPS, HEPS & DPS

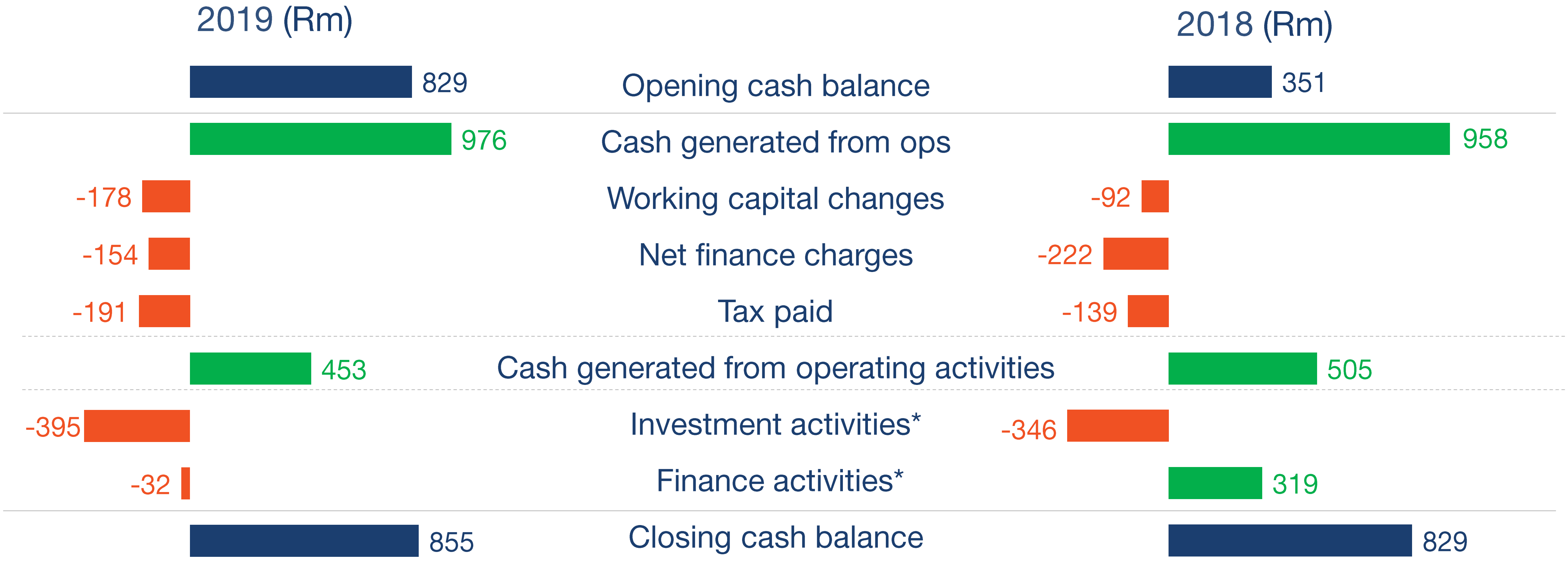
	2019	Ch (%)	2018
Normalised earnings (R million)	505.9	*+20.5%*	419.9
WANOS^ (million)	597.5	5.5%	566.4
Like-for-like			
Normalised EPS (cps)	84.7	*+14.3%*	74.1
Normalised HEPS (cps)	85.1	*+14.1%*	74.6
DPS (cps)	*25*	*+13.6%*	22
Dividend cover	*3.4*	maintained	3.4

^ *Weighted average number of shares*

Dividend policy:

- Declared once p.a. at final results
- Policy: DPS covered 3-4x by normalised HEPS
  - 2018 dividend cover maintained

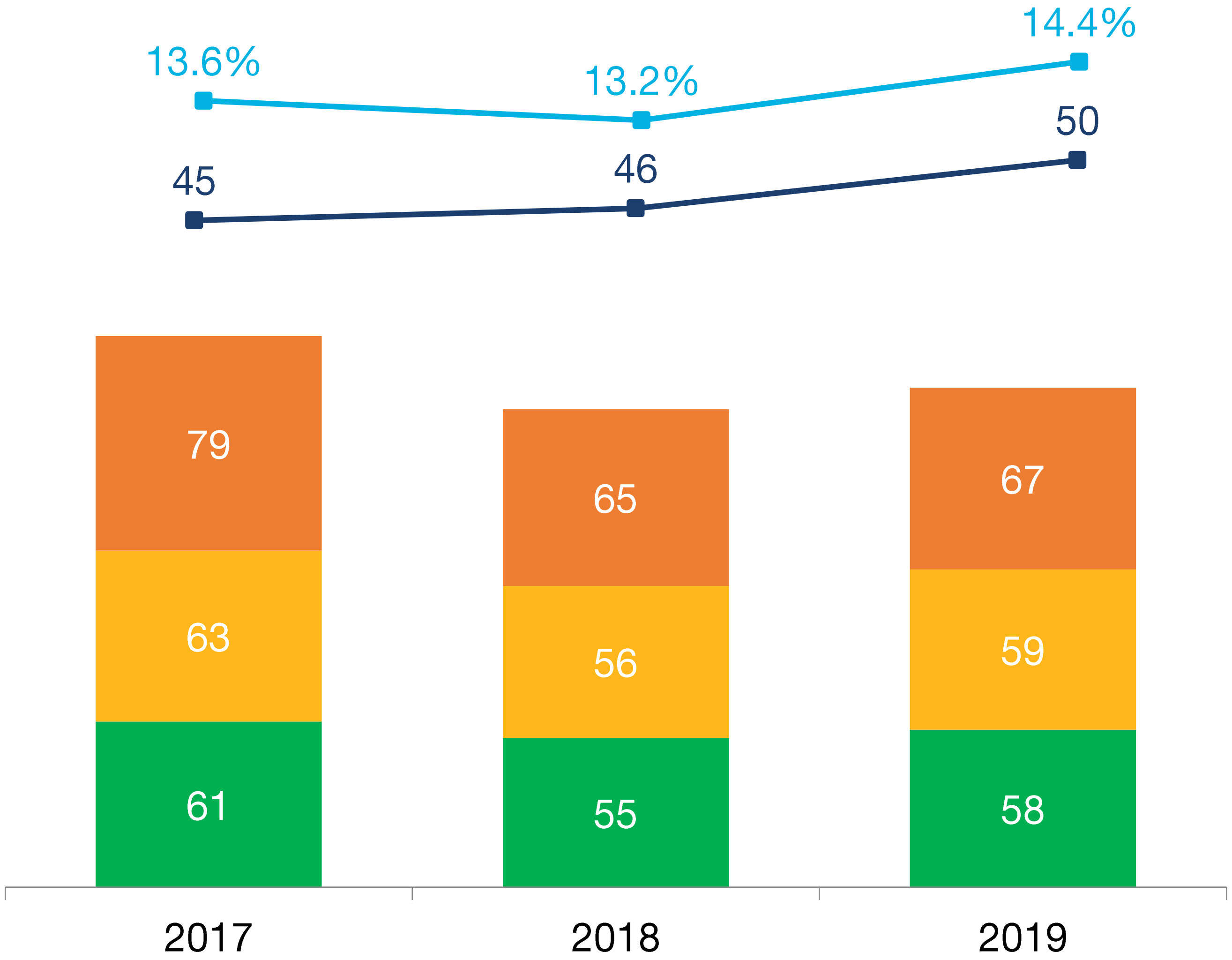
Cash Flow summary



Group cash conversion ratio remains above 60% (*see appendix for details).* Will improve as most capital projects commissioned from 2020 onwards.

** Breakdown of Investment activities & Finance activities supplied in appendix*

Cash Flow – Working capital days



Net working capital : revenue

Net working capital days: Remain within target of 13-15% of revenue

Creditors

- Refinanced 3rd-party supply chain facilities with bank facilities at lower rates (contributed to lower interest charge)

Debtors

- Impact of restructured logistics solution within Perishables and Groceries categories

Inventory

- Higher than usual inventory teas & dry condiments for export markets

Cash Flow – Net investing activities

Rm	2019	2018
Capex	-401	-349
Other financial assets advanced / proceeds from discontinued ops	6	3
Cash flow from investing activities	-395	-346

Main capex items

2019 Capex	Rm	Est. earnings impact
• **Expansion and operating efficiencies**	**233**	
– Milk-receiving, cheese-packaging, distribution centre upgrades (Lancewood)	126	H2 2020
– Prepared meal facility upgrade (Millennium Foods)	24	H1 2020
– Par-bake frozen (Amaro Foods)	23	H1 2020
– Bar-line upgrade (Ambassador Foods)	22	H1 2020
– Line improvements (Montagu)	15	H1 2020
– Tea plant upgrade (Cape Herb & Spice)	13	H1 2020
– Strand plant facility upgrade (Cecil Vinegar)	10	H1 2020

Notes:

- Capex = 4.1% of net revenue (2018: 3.6%)
- R110m work-in-progress (2018: R60m)
- Capex, excl. WIP, is 2.9% (2018: 3.0%)
- Ratio will return to guided range in 2020 as projects are completed

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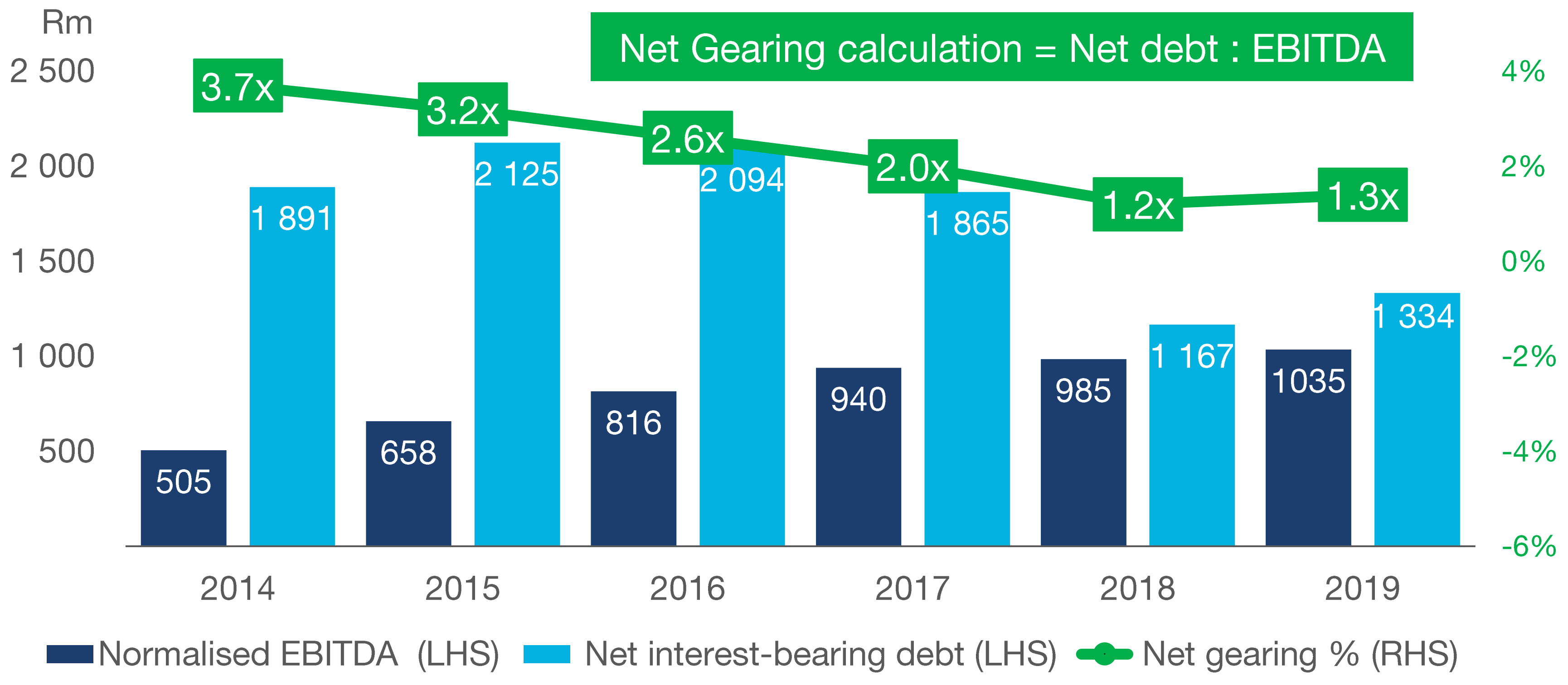
5-year net debt trend



R167m net debt increase mainly due to:

- R132m dividend paid from cash
- R92m share repurchases
- R86m increase in working capital

NOTES:

1. *Despite expansionary capex, gearing remains low*
2. *R1.3bn in unutilised funding facilities*
3. *Maximum net gearing aligned with facility covenants*
4. *Gearing: 1.3x normalised EBITDA; optimal range: 1-2x maximum normalised EBITDA*
5. *Senior borrowings to EBITDA: 1.25x (target: <2.5x)*
6. *Net interest cover to EBITDA: 6.73x (target: >3.5x)*
7. *Details of the group's debt structure can be found in appendix*

Key financial ratios

	2019	2018	Targets
Gearing ratio (net debt to normalised EBITDA)	1.3x	1.2x	Below 2.0x
Cash from operations before working capital changes	R975m	R958m	Cash generative
Cash generated from operations	R453m	R505m	Cash generative
Cash conversion	61%	65%	Above 60%, impacted by expansion capex
Net working capital (as percentage of revenue)	14.4%	13.2%	13%-15%
Return on Tangible Invested Capital	20.4%	21.5%	Above 20%

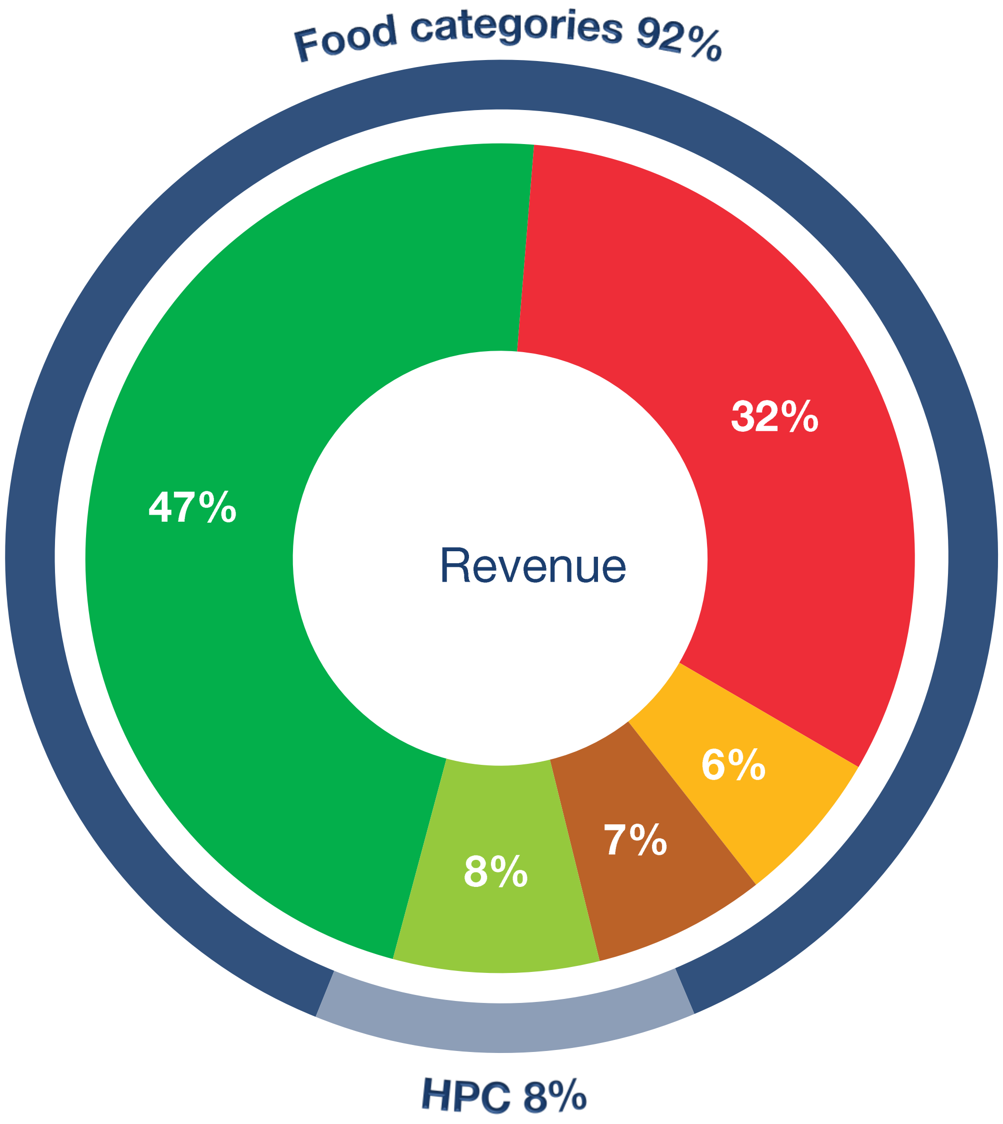
04
Category Review & Outlook

Andries van Rensburg, CEO

Our focussed category approach

Food Categories				Non-Food
1	2	3	4	5
Perishables	Groceries	Snacks & Confectionery	Baking & Baking Aids	HPC
Lancewood, Finlar, Rialto, Denny, Millennium Foods	Cape Herb & Spice, Rialto, Dickon Hall Foods, Cecil Vinegar Works, Khoisan Tea, Hurters Honey, Montagu Foods, Multi-cup, Chamonix	Ambassador Foods, K Snacks	Cani, Amaro Foods, Retailer Brands	Chet Chemicals, Contactim, Glenmor Soap

Category revenue and EBITDA contributions



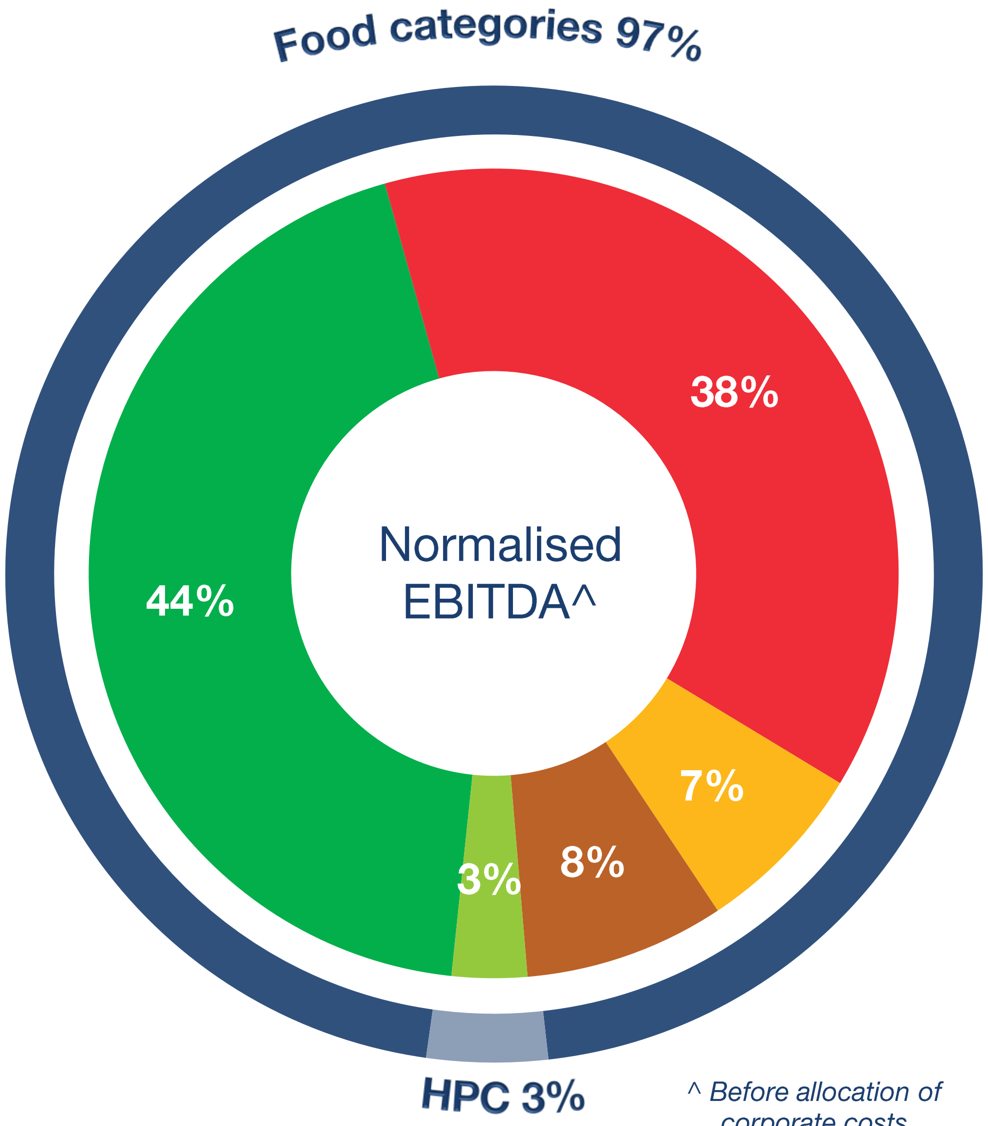
PERISHABLES

GROCERIES

SNACKS AND CONFECTIONERY

BAKING AND BAKING AIDS

HOUSEHOLD & PERSONAL CARE (HPC)



^ Before allocation of corporate costs

2019 Performance by category

	Volume	Price/mix	2019	% ch.	2018
Organic Revenue (Rm)	-2.9%	+5.5%	4 688.1	+2.6%	4 569.6
Gross profit margin %			*22.0%*	*+1.4 pp*	*20.6%*
Normalised EBITDA (Rm)			510.4	*+12.3%*	454.7
EBITDA margin %			*10.9%*	*+1.0 pp*	*9.9%*

89% of category EBITDA

Weighted contribution to 12.3% normalised EBITDA increase	
Lancewood (Dairy)	+10.3%
Finlar (Meat)	+1.3%
Rialto (Value-added perishables)	+0.7%
Denny (Mushrooms)	+1.2%
Millennium Foods (Pre-packaged meals)	-1.2%
Total	+12.3%

Dairy:

- Lower sales of 2018 high-volume product categories (less bulk hard cheese)
- Favourable change in sales mix towards value-added products
- Eating yoghurt market share has growth from 0-4% since Q3 2018
- Strong growth in retail channel

Meat:

- Strong growth in food service channel
- Improved H2 plant utilisation (product relaunches & promotional activity)

Mushrooms:

- Improved yields, price realisation & cost-containment

Pre-packaged meals:

- Modernisation & capacity-enhancing projects disrupted H1 production
- H2 benefits from facility upgrades; full year benefit in 2020

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GROCERIES

2019 Performance by category

	Volume	Price/mix	2019	% ch.	2018
Organic Revenue (Rm)	-7.4%	+8.3%	3 166.8	+0.9%	3 138.5
Gross profit margin %			*26.7%*	*+1.2pp*	*25.5%*
Normalised EBITDA (Rm)			435.0	+6.7%	407.9
EBITDA margin %			*13.7%*	*+0.7pp*	*13.0%*

77% of category EBITDA

Weighted contribution to 6.7% normalised increase	
Dry condiments (Cape Herb and Spice)	+5.1%
Meal ingredients (Rialto Foods; NMC)	+7.0%
Wet condiments (Dickon Hall Foods)	-0.3%
Spreads (Hurters Honey)	+1.5%
Wet condiments (Cecil Vinegar; Montagu Foods)	-4.8%
Teas (Khoisan Gourmet)	-1.7%
Multi-cup (Specialised food packaging)	-0.3%
Chamonix (Niche Beverages)	+0.2%
Total	+6.7%

Dry condiments:
- Strong performance in Herbs & Spices driven by USA exports
- Lower volumes, however reduced input costs bolstered margins

Meal ingredients:
- Strong retail & food service performance (esp. pasta, oils & dressings)

Wet condiments:
- Continued weak demand in Dickon Hall Foods' outsourced manufacturing
- Montagu commissioning delays (branded sales, increased maintenance spend)
- Decline in vinegar retail sales

Teas:
- Substantial reduction in bulk Rooibos industry-wide tea prices
- H2 recovery in volume shipments but not fully compensating for selling price pressure

2019 Performance by category

	Volume	Price/mix	2019	% ch.	2018
Organic Revenue (Rm)	+1.2%	+2.4%	494.1	*+3.5%*	477.4
Gross profit margin %			*28.4%*	*+4.8pp*	*23.6%*
Normalised EBITDA (Rm)			83.0	*+13.6%*	73.1
EBITDA margin %			*15.4%*	*+0.1 pp*	*15.3%*

100% of category EBITDA

Weighted contribution to 13.6% normalised EBITDA increase	
Ambassador Foods	+5.9%
KSnacks (7 months)	+7.7%
Total	+13.6%

Nuts, snacks & confectionery:

- Stronger H2 (snack bar relaunch & promotional activity)
- Category revenue growth & margin increase (toll-manufacturing of snacks since June 2019)

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BAKING & BAKING AIDS

2019 Performance by category

	Volume	Price/mix	2019	% ch.	2018
Organic Revenue (Rm)	+1.5%	+10.0%	699.8	+11.5%	627.8
Gross profit margin %			*29.8%*	*+2.2pp*	*27.6%*
Normalised EBITDA (Rm)			86.8	*-6.3%*	92.6
EBITDA margin %			*12.4%*	*-2.4 pp*	*14.8%*

100% of category EBITDA

Weighted contribution to 6.3% normalised EBITDA decrease	
Amaro Foods	+9.7%
Retailer Brands	-16.1%
Cani Artisan Bakers	0.1%
Total	**-6.3%**

Amaro:

- Strong growth in rolls, buns, flat breads & wraps

Retailer brands:

- Significant declines in revenue from private label soups and jellies leading to cost under-recovery

Cani rusks:

- Strong revenue growth from branded rusks
- Increased capacity will result in lower cost base in 2020

2019 Performance by category

	Volume	Price/mix	2019	% ch.	2018
Organic Revenue (Rm)	-13.8%	+7.0%	788.8	-6.8%	846.3
Gross profit margin %			*17.5%*	*+1.1pp*	*16.4%*
Normalised EBITDA (Rm)			36.3	-0.1%	36.4
EBITDA margin %			*4.6%*	*+0.3 pp*	*4.3%*

100% of category EBITDA

Normalised EBITDA decrease of 0.1%	
Chet Chemicals, Contactim & Glenmor soap	-0.1%
Total	**-0.1%**

- Volume declines (discontinuation of lower-margin powders & detergents)
- Improved sales mix & margin
- Restructuring
  - Phase 1 complete
    - Integration of sales, marketing and distribution & back-office
  - Phase 2 (2020)
    - Consolidation of 4 manufacturing & warehousing sites into single premises with annualised saving of R10m

Outlook by category

Entrepreneurial Culture			
Grow Our Categories		Expand Our Capabilities	Acquire
Operational Excellence	Commercial Excellence	Strategic Initiatives	Strategic Acquisitions

Grow Our Categories

- Dairy
  - Lancewood: market leader in hard & soft cheese manufacturing
  - Positive margin impact from 1st full year Bel cheese production
  - Further market share gains in new award-winning yoghurt line
    - Sugar-free, low-fat & high-protein yoghurts launching soon
  - Lancewood Sauce Delight – growing the category
- Meat
  - Implementing improved raw material & processing efficiencies
  - Food service & export opportunities
- Mushrooms
  - Cost-containment, increased speed to market, yields & price realisation
- Capitalising on trends in pre-packaged meals
  - Frozen pre-packaged meal capabilities – retail & food service opportunities

Expand Our Capabilities

Investment in efficiency & capability-enhancing projects, mainly:

- Leasehold improvements at Lancewood (R39m)
- Facility & machinery upgrades at Denny (R28m)
- Plant upgrades at Finlar Fine Foods (R30m)

Outlook by category

Entrepreneurial Culture			
Grow Our Categories		Expand Our Capabilities	Acquire
Operational Excellence	Commercial Excellence	Strategic Initiatives	Strategic Acquisitions

Operational Excellence / Commercial Excellence

- Dry condiments
  - New markets and growth in current markets
- Wet condiments
  - On-shelf availability of key Denny branded ranges (Montagu Foods)
  - New ranges of sauces, marinades & bastings (Dickon Hall Foods)
  - Improved high strength bulk vinegar exports (Cecil Vinegar)
- Capitalising on plant-based food trends

Strategic Initiatives

- Investment in efficiency & capability-enhancing projects will include
  - R15m tea plant machines & R15m production line upgrades Cape Herb & Spice

Strategic Acquisitions

- Integration of Healthwise acquired 1 October 2019

Outlook by category

Entrepreneurial Culture			
Grow Our Categories		Expand Our Capabilities	Acquire
Operational Excellence	Commercial Excellence	Strategic Initiatives	Strategic Acquisitions

Grow Our Categories

- Snacks & Confectionery
  - PL/DOB* development for customers
- Baked goods
  - Full-year benefit of par-bake facility
  - Food service opportunities
- Baking Aids
  - Benefit from category plans & regionalised merchandising

Expand Our Capabilities

- Investment in flatbread capabilities from H2 2020
- New wrap line

** Private label & dealer-own brands*

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HPC

Outlook by category

Entrepreneurial Culture			
Grow Our Categories		Expand Our Capabilities	Acquire
Operational Excellence	Commercial Excellence	Strategic Initiatives	Strategic Acquisitions

- Capitalising on eco-friendly trends
  - Full-year benefit from eco-friendly household cleaning product range

- Phase 2 implementation
  - H2 2020 benefits from consolidation of 4 manufacturing & warehousing sites

05
Group Outlook

Andries van Rensburg, CEO

2019/2020 challenges

#	Challenges	Action plans
1	Under-performance of HPC cluster, despite cost rationalisation • HPC very working capital intensive • Continued market pressures	HPC cluster consolidation • Restructuring underway
2	Volume pressure from outsourced manufacturing channel in Groceries (wet condiments) product lines	New food service customers & products launching 2020
3	Montagu operational & logistics effectiveness	Optimised supply chain
4	Emerging risk of Covid-19	Group & divisional Steercoms • Hygiene practices • Travel restrictions • Business impact – imports (products/packaging) – exports – local production

Meeting consumers' needs with product innovation

Innovation	F2019	
	309	New products
	186	Renovated products
	495	**Total**

Libstar's growing market share

Libstar advantages

Value-based Private Label → Strategic Private Label → Dealer-own Brand Strategies

Low-cost Production to Scale | Innovation

Category Insight Management

World-class CPG Manufacturing

Customer Partnership & Delivery

- SA is 2nd most price-sensitive country in the world*
  - PL now R54bn in annual sales & provides worthy alternatives
  - PL growth exceeds named brands & nearly half of consumers choose more premium products
- Against this backdrop:
  - Libstar's defined market for core brands, PL and principal brands is R25.4bn
  - Libstar improved market share to 12.8% from 12.4% during 2019

** Source: Nielsen & HSBC Global Research*

Capitalising on key market trends

Libstar well positioned to meet changing consumer lifestyle & dietary needs through strong focus on Health & Wellness, Convenience, Eco-friendliness & DOB/PL

Health & wellness

- Health conscious shoppers propping up vitamin & supplement sales, plus food products (eg. yoghurt, olive oil, fresh fruit & vegetables*)

Eco-friendly

- Libstar established paper-straw manufacturing capability (significant food service growth since launch)
- Launch of Precious Planet brand (new range of PL/DOB HPC products)

Convenience

- Replacement of meals with ‘snack-sized’ substitutes
- Market shift to dairy as more affordable protein

** Source: Nielsen*

Capitalising on market trends (contd)

DOB/PL* – 43% of group revenue

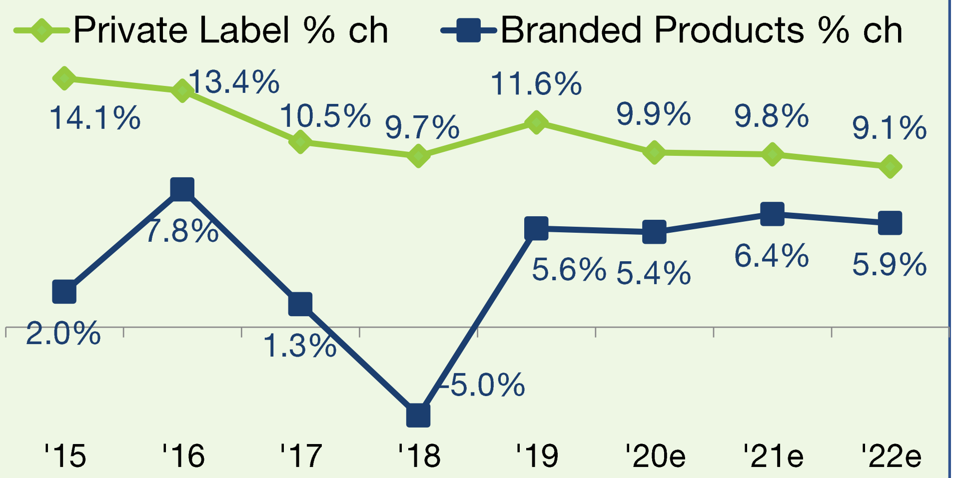
Market

- DOB/PL growing ahead of branded products
- Price/value increasingly important in influencing customer loyalty
- Further DOB/PL market share growth supported by continually improving perceived quality & innovation

Libstar

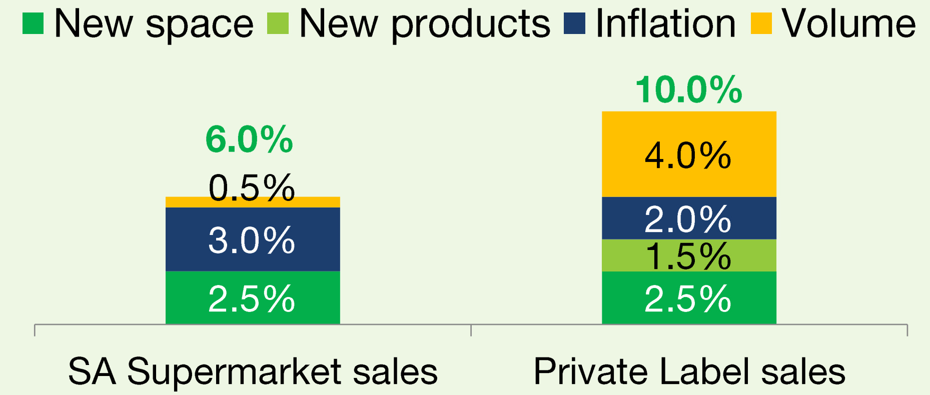
- At retail forefront, helping launch new products & driving category demand
- Growing market share
- Competitive advantage from our portfolio
  - More geared to value-added products
  - Provides ability to command premium vs. commodity-based items
  - Entrepreneurial & innovative culture

Private Label revenue to grow faster than Branded Products



Source: Reuters, Nedbank research

Private Label CAGR of c10% (2019-2022e) vs SA Supermarkets c6%



Source: Nedbank research

** DOB (Dealer-Own-Brands) & PL (Private Label)*

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F2020 Group Outlook

Headwinds

- Weak economy & consumer spending pressure
- Weak demand for outsourced manufacturing channel wet condiments
- Reduction in export tea selling prices despite volume improvement
- Covid-19 risk (risk to export channel & imported products)

Tailwinds

- Perishables, Snacks and Confectionery & Baking and Baking Aids categories well placed to deliver growth
- Stronger performance in wet condiment retail sales driven by new product launches & cost-savings
- HPC & wet condiments consolidation benefits from H2 2020
- Benefits from 2019 projects & strategic initiatives
  - Dairy
  - Prepared meals
  - Baking
- Investment in Libstar brand solutions
- Improvement of sales mix & operating efficiencies
- H1:H2 EBITDA ratio of approximately 40:60 still applies

Libstar's investment proposition

Strong culture of innovation, differentiation	Positioned for private label growth	A portfolio capitalising on key health, wellness, eco-friendly & convenience trends
Strong category management capabilities	Deep customer relationships in niche product categories	Growing market share
Low exposure to volatile commodity products	Low-cost manufacturing, improving margins & portfolio optimisation	Strong balance sheet

LIBSTAR

06

Questions and Answers

Disclaimer

Certain matters discussed in this document regarding Libstar's future performance, that are neither reported financial results nor other historical information but involve known and unknown risks based on assumptions regarding the group's present and future business strategies and the environments in which it operates now and in the future and uncertainties which relate to events and depend on circumstances that will occur in the future. These matters are regarded as 'forward-looking statements'. They involve and include initiatives and the pace of execution thereon and any number of economic or geopolitical conditions, including factors which are in some cases beyond management's control and which may cause the actual results, performance or achievements of the group, or its industry, to be materially different from any results, performance or achievement expressed or implied by such forward-looking statements. They furthermore involve and include, without limitation, the group's ability to successfully control costs and execute on and achieve the expected benefits from operational and strategic initiatives, the availability of necessary skilled staff, disruptions impacting the execution of the group's strategy and business, including regional instability, violence (including terrorist activities), cybersecurity events and related costs and impact of any disruption in business, political activities or events, weather conditions that may affect the group's ability to execute on its contracts, adverse publicity regarding the group, initiatives of competitors, objectives to compete in the market and to improve financial performance, all forward-looking financial numbers and statements, currency translation, macroeconomic conditions, growth opportunities, contributions to pension plans, ongoing or planned real estate, ongoing or planned contracts and investments and future capital expenditures, acquisitions, divestitures, financial conditions, dividend policy and prospects, the effects of regulation of the group's businesses by governments in the countries in which it operates and all other statements that are not purely historical. These forward-looking statements have not been reviewed or reported on by the group's auditors. Such statements are based on management's beliefs as well as assumptions made by, and information currently available to, management. Forward-looking statements made in this document apply only as of the date of this document.

Forward-looking statements are sometimes, but not always, identified by their use f a date in the future or such words as 'will', 'may', 'anticipates', 'aims', 'could', 'should', 'expects', 'believes', 'intends', 'plans', 'targets, 'estimate', 'project', 'potential', 'goal', 'strategy', 'seek', 'endeavour', 'forecast', 'assume', 'positioned', 'risk' and similar expressions and variations of such words and similar expressions.

Forward-looking statements are inherently predictive, speculative, are not guarantees of future performance and are based on assumptions regarding the group's present and future business strategies and the environments in which it operates now and in the future. All of the forward-looking statements made in this document are qualified by these cautionary statements and the group cannot assure the reader that the results or developments anticipated by management will be realized or, even if realized, will have the expected consequences to, or effects on, the group and its business, prospects, financial condition, results of operations or cash flows.

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Appendices

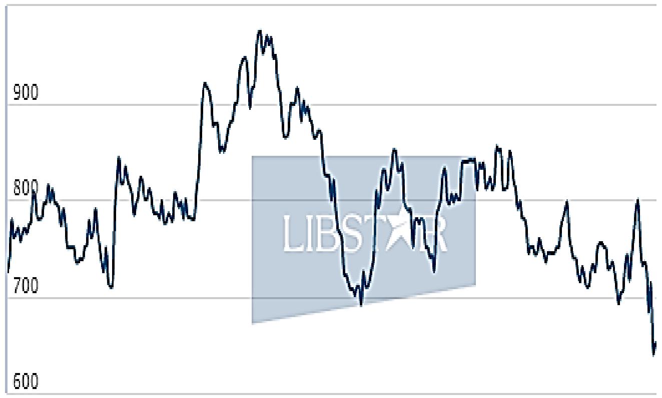

DENNY
FRESH
PORTABELLINI
MUSHROOMS
Firm in texture with a mild nutty flavour.
Perfect for risottos, sauces and salads.
CLASS 1
KEEP REFRIGERATED
PRODUCT OF SOUTH AFRICA
250 g

Listed details

Listed on
9 May 2018
in
Food Processors
sector

Market capitalisation:
R4 473 bn

Share price



Market ratios

	Price	HEPS*	P:E	DPS^	D.Y.
Libstar	656c	85.1c	7.7x	25c	3.8%

** Normalised HEPS*

^ Dividend paid once p.a. at final results

Breakdown of open FEC exposure

Quarter (Rm)	Import "Purchase" / (Export "Sell")	FEC Rate	Net FEC Cover	FEC spot rate on 31 December 19	FEC revaluead at 31 December
2020-Q1			**101**		**102**
AUD	-1	10.5	-16	9.8	-15
EUR	7	16.1	115	15.7	112
GBP	-1	19.8	-13	18.5	-13
USD	1	12.6	15	14.0	17
2020-Q2			**31**		**34**
AUD	-1	10.8	-12	9.8	-11
EUR	4	16.4	60	15.7	58
GBP	-1	19.5	-11	18.5	-10
USD	-0	36.9	-7	14.0	-2
2020-Q3			**-65**		**-57**
AUD	-1	10.9	-5	9.8	-5
EUR	-0	18.1	-5	15.7	-4
GBP	-1	19.6	-12	18.5	-11
USD	-3	16.2	-43	14.0	-37
2020-Q4			**-9**		**-8**
GBP	-0	19.7	-9	18.5	-8
Total open FEC value			**59**		**71**

LIBSTAR

Income Statement
Adoption of new accounting standards

2019 impact of 1st time adoption of IFRS 16

Income Statement		Balance Sheet	
R127m ▼	in rental expense & similar ▲ in normalised EBITDA (before normalisation adjustments)	R655.6m ▲	in long term lease asset
R103m ▲	in depreciation expense	R5.4m ▼	in operating lease asset
R55m ▲	in interest expenses	R640.0m ▲	in long term liabilities
R11m ▲	in other income	R75.7m ▲	in short term liabilities
R20m ▼	in profit before tax	R65.5m ▼	in retained income

2019 – Results summary

	Pre impact of new accounting standards	Post impact of new accounting standards
Normalised EBITDA (group)	+5.1%	+19.2%
Normalised EBITDA (food categories)	+8.5%	+19.8%
Normalised EBITDA (non – food category)	-0.1%	+52.6%
Total Diluted EPS	+28.1%	+18.6%
Total Diluted HEPS	+29.4%	+21.2%
Diluted EPS from continuing operations	+30.9%	+23.2%
Diluted HEPS from continuing operations	+30.4%	+22.8%
Normalised EPS from continuing operations	+14.3%	+11.1%
Normalised HEPS from continuing operations	+14.1%	+10.9%

Income Statement

Adoption of new accounting standards

2019 impact of 1st time adoption of IFRS 9 (hedge accounting)

Recognition of gain in hedge accounting reserve

Other Income (statement of comprehensive income)	▼	R11m (pre-tax)
		or
Other Comprehensive Income (hedge reserve in statement of comprehensive income)	▲	R8m (post tax)

LIBSTAR

Balance sheet summary

Accounting changes reconciled for implementation of new accounting standards

Rm	2019 reported	New Accounting Standards	2019 Like-for-like	2018	*Comment*
ASSETS					
PPE	1 392.7		1 392.7	1 205.9	
Lease asset	655.6	-655.6	-	-	*IFRS 16 lease assets*
Intangible assets	2 092.0		2 092.0	2 269.2	
Goodwill	2 534.7		2 534.7	2 521.1	
Other non-current assets	10.9	5.4	16.3	13.5	*Reversal of operating lease asset R5.4m*
Current assets	4 141.1		4 141.1	3 784.2	
EQUITY & LIABILITIES					
Stated capital	4 727.3		4 727.3	4 818.9	
Reserves	707.2	65.5	772.7	599.9	*R65.5m IFRS 16 impact*
Non-current liabilities	3 490.8	-640.0	2 850.8	2 734.4	*R13.1 m reversal of operating lease liability* *R677.7m IFRS 16 Lease liability* *R24.6m IFRS 16 and IFRS 9 tax effect*
Current liabilities	1 901.7	-75.7	1 826.0	1 640.7	*R75.7m short term portion of IFRS 16 lease liability*

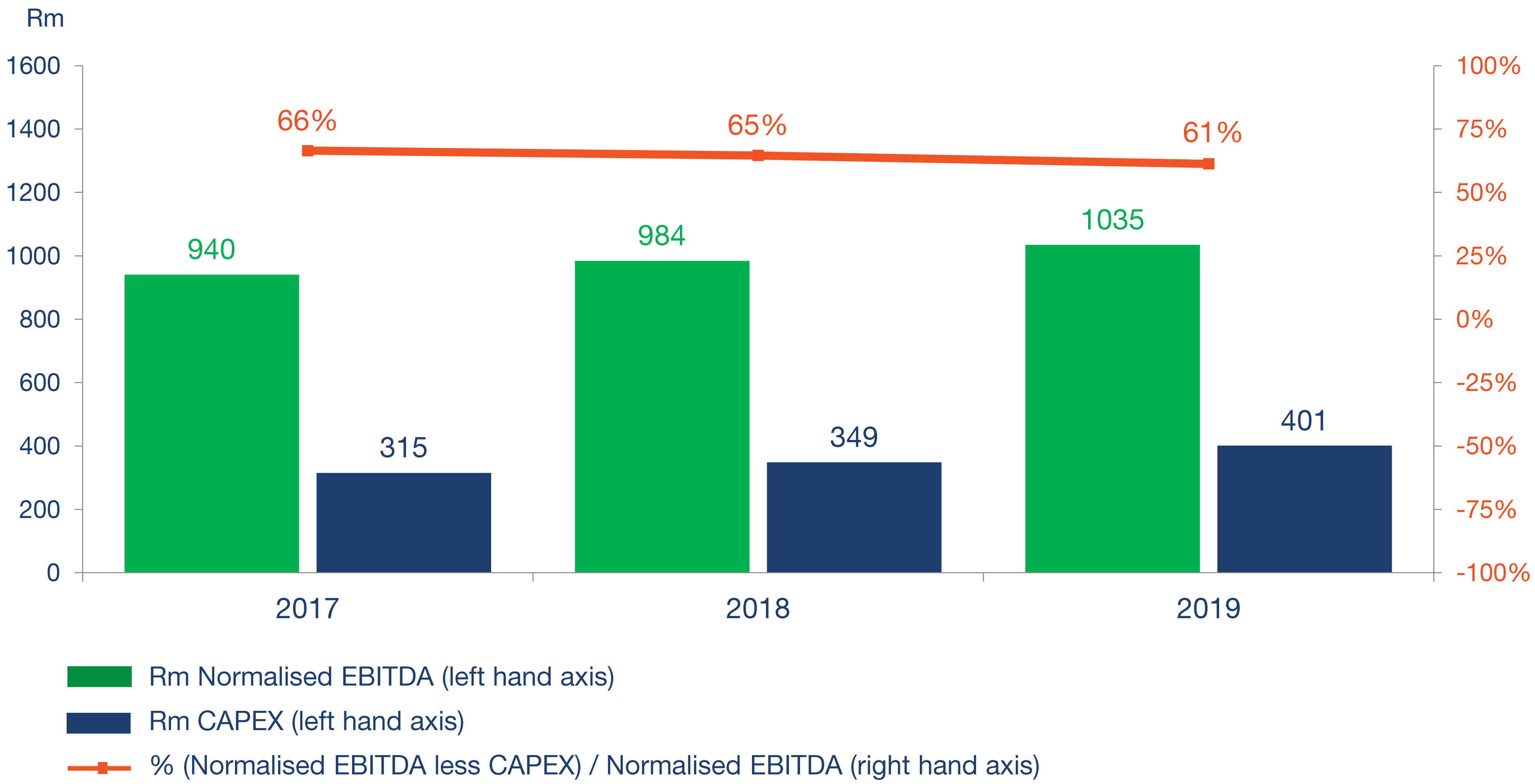
LIBSTAR

Income Statement

Accounting changes reconciled for implementation of new accounting standards

Rm	2019 reported	New Accounting Standards	2019 Like-for-Like	2018 reported	Like-for-Like % ch vs 2018	Comment
Revenue	9 892.5	-	9 892.5	9 659.6	+2.4%	
Cost of sales	-7 513.7	-	-7.513.7	-7 493.7	+0.3%	IFRS 16 – R38.9m reversal of rental expense & R38.9m increase in depreciation
Gross profit (margin)	2 378.9 (24.0%)	-	2 378.9 (24.0%)	2 165.9 (22.4%)	9.8%	
Other Income	52.7	-0.2	52.5	18.0	+192.0%	IFRS 9 – Recognition of R11.2m gain in hedge accounting reserve (equity), and IFRS 16 gain of R11.0m
Operating expenses (margin)	-1 729.9 (17.5%)	-24.1	-1 754.0 (17.8%)	-1 562.4 (16.2%)	+12.3%	IFRS 16 – R88.6m reversal of rental expense & R64.5m increase in depreciation
EBIT (margin)	701.7 (7.0%)	-24.3	677.4 (6.8%)	621.5 (6.4%)	+9.0%	
Normalised EBIT (margin)	890.3 (9.0%)	-35.5	854.8 (8.6%)	823.5 (8.5%)	+3.8%	
Depreciation & Amortisation	283.4	-103.4	180.0	160.9	+11.9%	IFRS 16 – R103.4m increase in depreciation
Normalised EBITDA (margin)	1 173.7 (11.9%)	-138.9	1 034.8 (10.5%)	984.5 (10.2%)	+5.1%	IFRS 16 – R138.9m reversal of rental expense and lease modifications
Net interest paid	-208.8	55.1	-153.7	-221.7	-30.7%	IFRS 16 – R55.1m increase in interest expense
Profit before tax	493.0	30.8	523.8	399.8	+31.0%	Pre-tax effect of new accounting standards
Income tax (effective rate)	-136.3 (27.7%)	-8.6	-144.9 (27.7%)	-125.9 (31.5%)	+15.0%	Income tax effect of new accounting standards
Profit after tax	356.7	22.2	378.9	273.9	+38.3%	Post tax effect of new accounting standards
Normalised earnings	491.8	14.1	505.9	419.9	+20.5%	Post tax effect of change in operating expenses
Normalised headline earnings	494.1	14.1	508.2	422.4	+20.3%	Post tax effect of change in operating expenses
Normalised EPS (cps)	82.3	2.2	84.7	74.1	+14.3%	
Normalised HEPS (cps)	82.7	2.4	85.1	74.6	+14.1%	

Cash Flow – Cash conversion

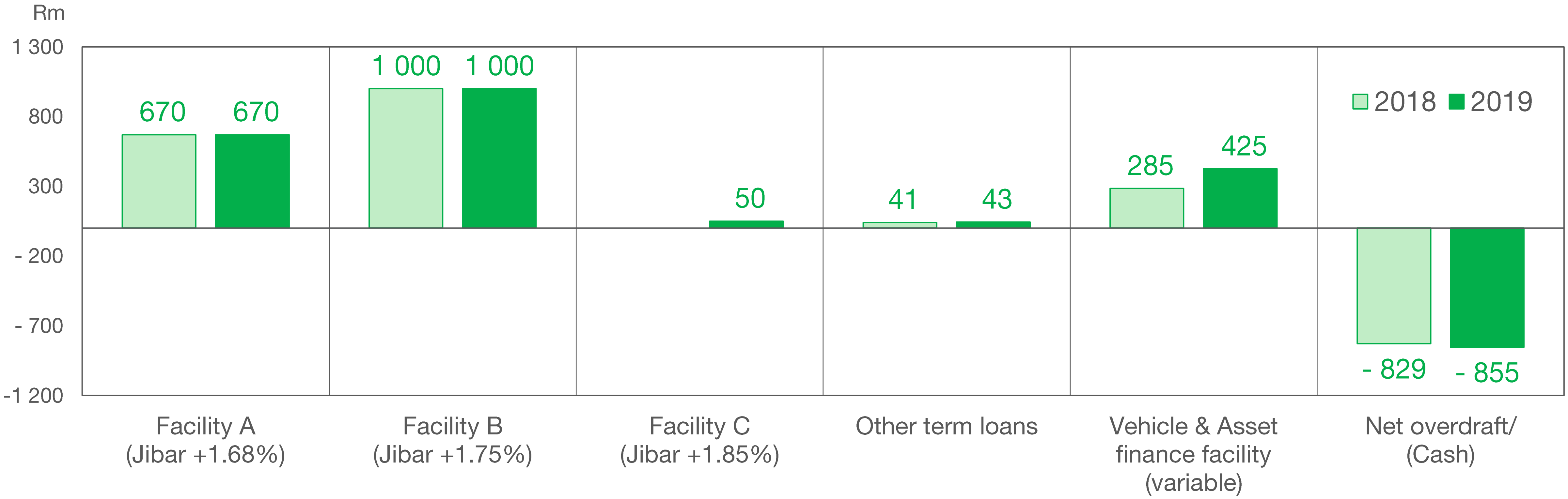


Cash flow conversion remains strong

Breakdown of net investing & net financing activities

Rm	2019
Net investing activities	**395**
Capital expenditure	401
Acquisition of Healthwise	50
Less	
Proceeds from the sale of discontinued operations & other financial assets disposed of	49
Sale of PPE	7
Net financing activities	**32**
Settlement of 2018 annual dividend from cash	132
Repurchase of shares	92
Repayment of term loans and asset-based financing	81
Plus	
Proceeds from term loans and asset-based financing	273

Net debt structure



- Renegotiated debt package implemented Nov 2018 - achieved 0.9% reduction in weighted average cost of debt
- 95% (R2.1bn) in long term borrowings (R112m due in next 12 months)
- 100% floating rates