



Final Results Presentation

YEAR ENDED 31 DECEMBER 2018



LIBSTAR

innovative value creation

INTRODUCTION

FINANCIAL REVIEW

CORPORATE MATTERS

Robin Smith, Financial and Commercial Director

SEGMENTAL REVIEW & OUTLOOK

GROUP OUTLOOK

Andries van Rensburg, Chief Executive Officer



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F2018 Salient features

Revenue
12.5% ▲

Normalised EBIT
1.4% ▲
Normalised EBITDA
4.6% ▲

Normalised EPS
11.8% ▼
Normalised HEPS
16.1% ▼

Cash flow generated
from operating activities
R505m

Net debt
to **R1.2bn** ▼
(from R1.9bn)

Maiden cash
dividend
22 cps

F2018 market review

Weak SA economy

- Retail slowdown
 - Low economic growth
 - Unemployment
 - Lower discretionary spend
 - Fuel price
 - VAT

- Exchange rate volatility

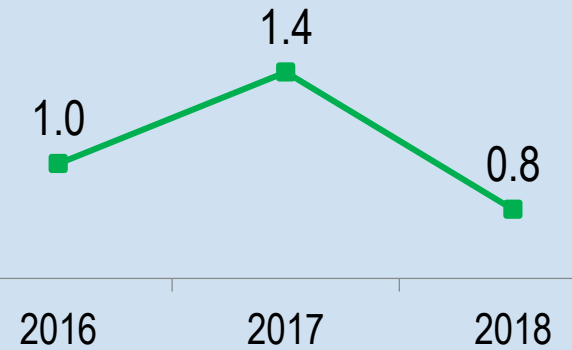
Consumer markets

- Stretched consumers
 - Want value for money
 - Low consumer confidence
 - Middle market squeezed
- Retail volumes down
 - Esp. December retail volumes:
 - ▼ 1.4% y-o-y vs
 - ▲ 2.7% consensus forecast
- Value-added products becoming more relevant

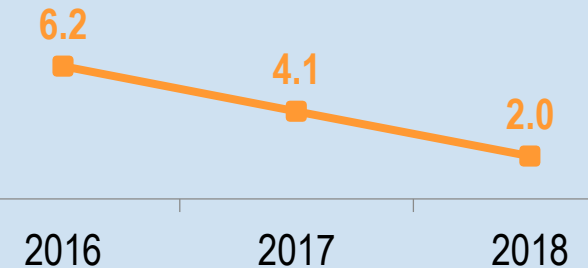
Pricing conditions

- Retail inflation well below CPI

Supermarket retail volumes (% Δ)



Retail Inflation (% Δ)



Source: Stats SA



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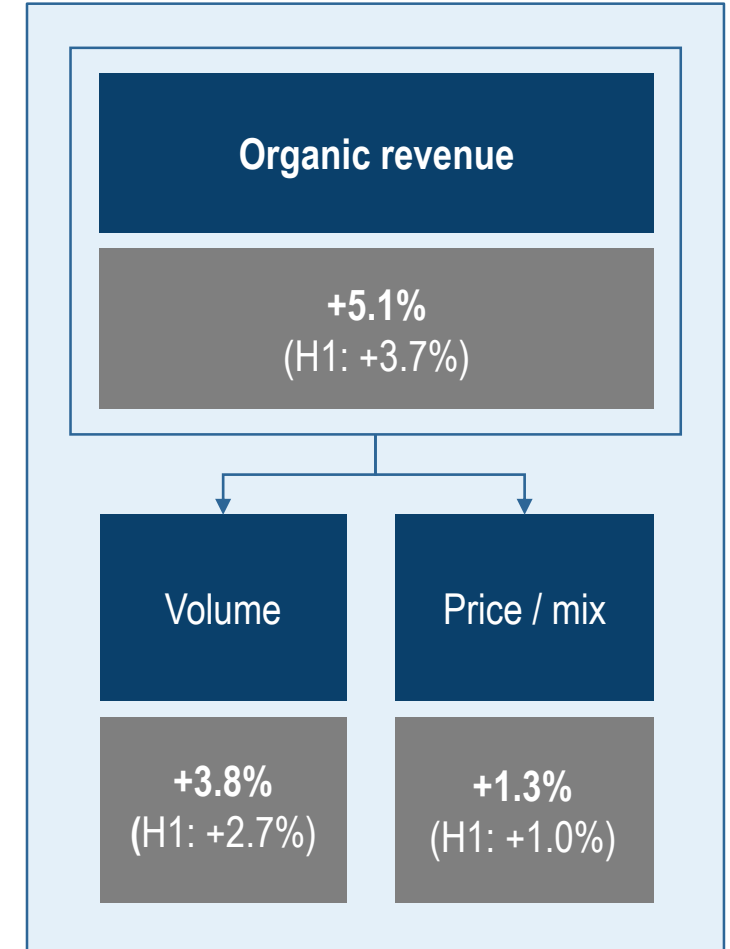
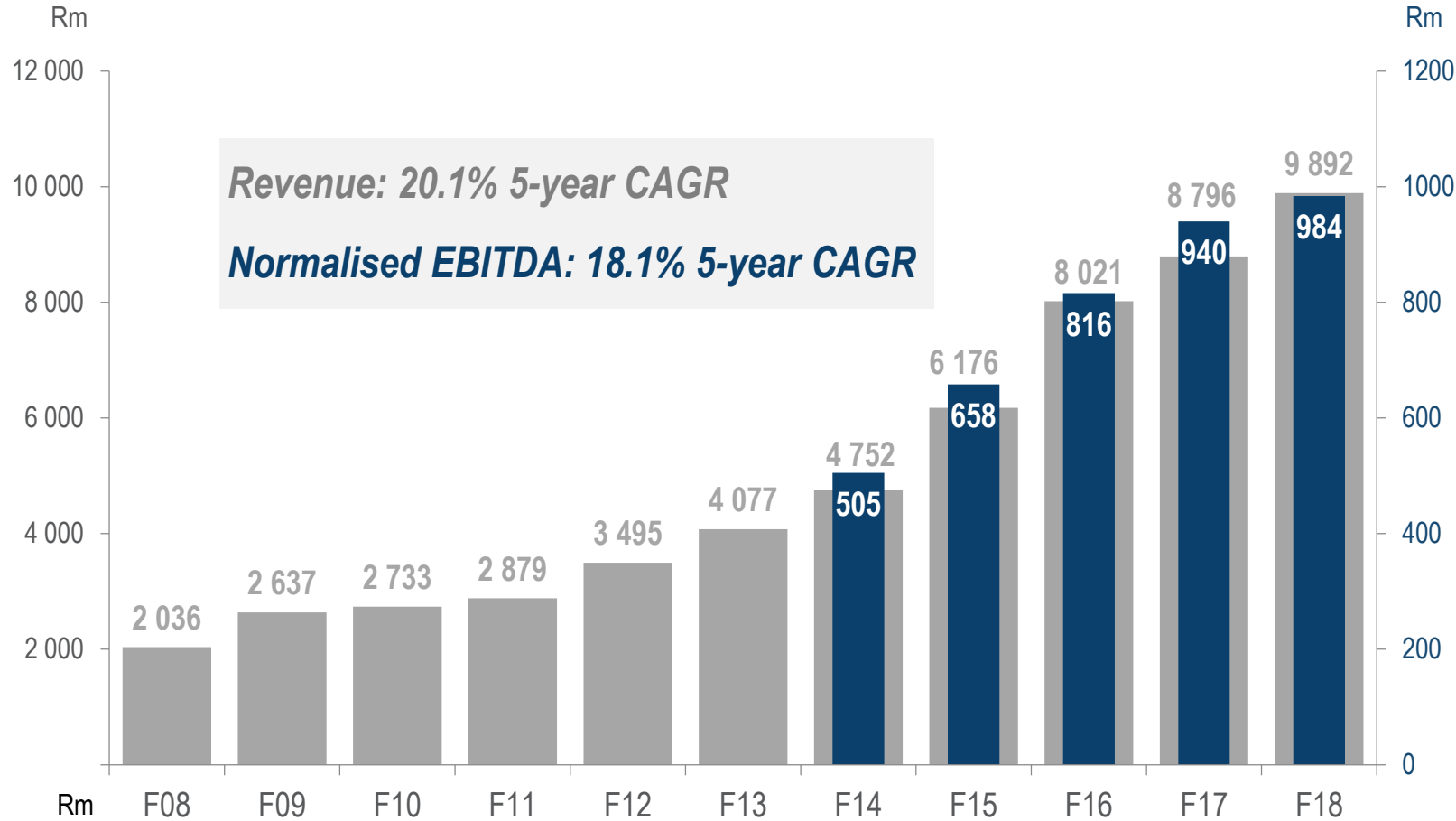
Andries van Rensburg, Chief Executive Officer

Stronger H2 as guided

YoY growth	H1 F2018		H2 F2018		F2018
Revenue	 14.2% +3.7% organic	<ul style="list-style-type: none"> Innovation & product launches 	 11.1% +6.2% organic	<ul style="list-style-type: none"> Product innovation (yoghurts, dips, sauces & bars) Stronger dry condiment shipments Full production at Dickon Hall (H1 strike) 	 12.5% +5.1% organic
Gross Profit Margin (absolute)	20.9%	<ul style="list-style-type: none"> Lower Q1 mushroom price realisation Sonnendal acquisition Strike at Dickon Hall Montagu/ Denny Foods integration benefits 	23.4%	<ul style="list-style-type: none"> Stronger despite market conditions: <ul style="list-style-type: none"> Lower avg. input prices in dairy & dry condiments Higher volume throughput 	22.2%
Normalised EBITDA (absolute margin)	 +4.3% (8.8%)	<ul style="list-style-type: none"> Operational efficiencies 	 +4.8% (10.9%)	<ul style="list-style-type: none"> Traditionally weighted to Q4 (±35% of annual) 60:40% H1:H2 split as guided 	 +4.6% (9.9%)
Non-trading items	R94.1m	<ul style="list-style-type: none"> Customer amortisation, unrealised forex, SAR provision 	R149.9m	<ul style="list-style-type: none"> Customer amortisation, unrealised forex, SAR provision, impairment 	R244.0m

Income Statement – Revenue

Rm	F2018	Ch (%)	H2 2018	H1 2018	F2017
Revenue	9 892.3	+12.5%	5 363.6	4 528.7	8 796.4



Income Statement – Gross Profit

Rm	F2018	Ch (%)	H2 2018	H1 2018	F2017
Revenue	9 892.3	+12.5%	5 363.6	4 528.7	8 796.4
Gross profit (<i>margin</i>)	2 198.7 (22.2%)	+9.5%	1254.1 (23.4%)	944.6 (20.9%)	2 007.8 (22.8%)

F2018 GP margin down 0.6 p.p, but a significant improvement on H1:

Increases

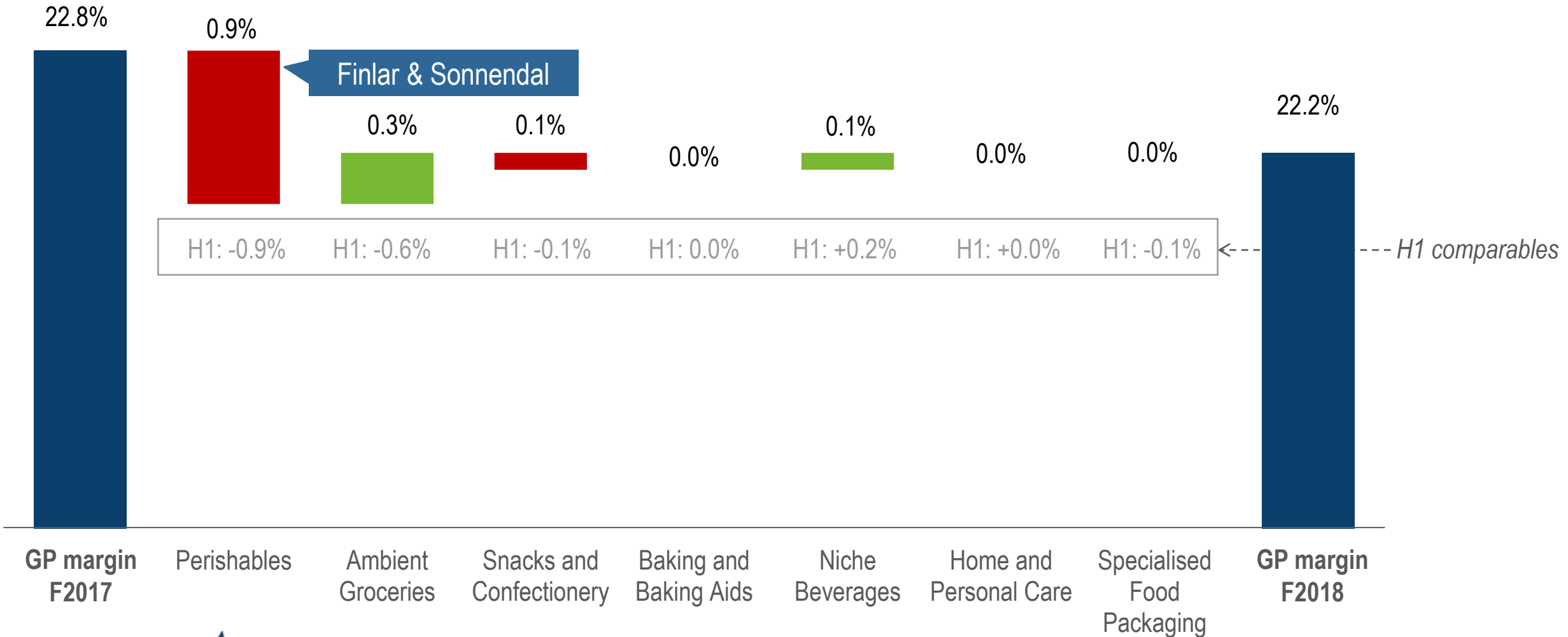
- Dairy margins up; improved procurement initiatives, Sonnendal integration with Lancewood
- Dry condiment margins up; raw material costs declined in H2
- Resilient value-added products

Decreases

- Finlar:
 - Under-utilisation of newly-built chicken plant
 - Higher chicken & beef prices (McDonald's)
 - Increased & prolonged promotional activity of value-added chicken products in retail
- Sonnendal: Improvement in H2, but still lower than group average
- Better margins on fresh mushrooms during H2, but still down on F17

Group full-year GP margin evolution

F2017-F2018

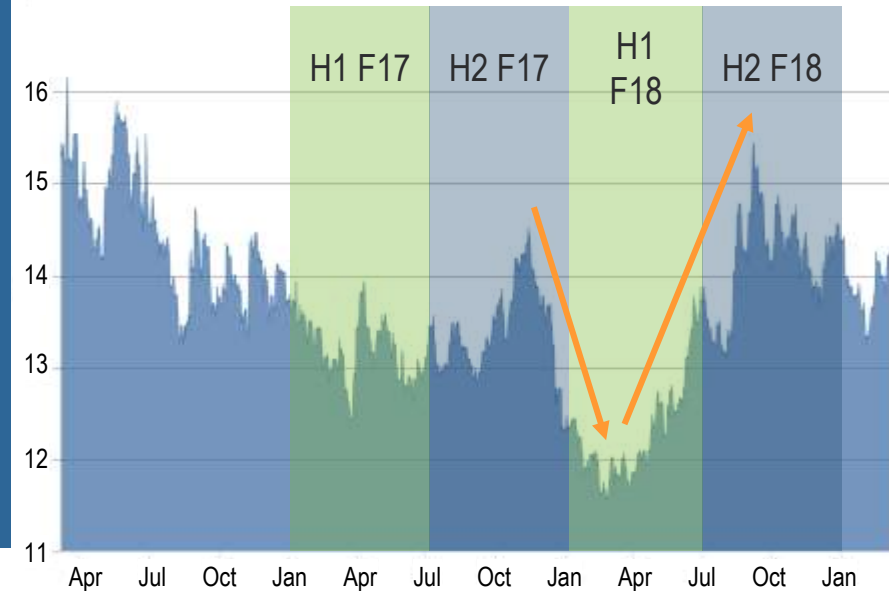


Income Statement – Other income

Rm	F2018	Ch (%)	H2 2018	H1 2018	F2017
Revenue	9 892.3	+12.5%	5 363.6	4 528.7	8 796.4
Gross profit (<i>margin</i>)	2 198.7 (22.2%)	+9.5%	1254.1 (23.4%)	944.6 (20.9%)	2 007.8 (22.8%)
Other income	18.5	-87.4%	11.5	7.0	146.6

Other income (Rm)	F2018	H2 F2018	H1 F2018	F2017
Realised forex gains	55.8m	20.8m	35.0m	89.1m
Ambient Groceries gain	51.5m	24.3m	27.2m	76.7m
Unrealised forex loss	45.5m	13.3m	32.2m	40.2m gain
Ambient Groceries loss	39.2m	7.9m	31.3m	46.2m gain

Historical Spot Exchange Rates for USD to ZAR



Source: www.poundsterlinglive.com

Treasury and FEC exposure management

Ongoing initiatives



R1.5m investment in logistics IT platform

- Piloted at Rialto in March 2019
- Improves product costing



Treasury function outsourced; centralised visibility

- FEC* policies formalised
 - Imports hedged 6-9 months ahead
 - Exports hedged 9-12 months ahead
- Improved FEC (budget vs actual) forecasting & monitoring



Hedge accounting

- To be implemented H1 F19
- Reduces income statement volatility over medium term



Resulting in improved cash flow forecasting; reduced volatility

Income Statement – Operating expenses & EBIT

Rm	F2018	Ch (%)	H2 2018	H1 2018	F2017
Revenue	9 892.3	+12.5%	5 363.6	4 528.7	8 796.4
Gross profit (<i>margin</i>)	2 198.7 (22.2%)	+9.5%	1254.1 (23.4%)	944.6 (20.9%)	2 007.8 (22.8%)
Other income	18.5	-87.4%	11.5	7.0	146.6
Operating expenses (<i>margin</i>)	-1 642.2 (16.6%)	5.4%	-914.1 (17.0%)	-728.1 (16.1%)	-1 558.6 (17.7%)
EBIT (<i>margin</i>)	575.0 (5.8%)	-3.9%	351.5 (6.6%)	223.5 (4.9%)	595.8 (6.8%)

Operating expenses

Despite the first full year impact of F17's 3 acquisitions total expenses increased by 5.4%

- Salaries and wages of R1 139 million, increased 9.7% (F17: R1 038 million)
- Depreciation of R157 million, increased 25% (F17: R125 million)
 - F17 acquisitions added c. R15m depreciation on prior year

EBIT

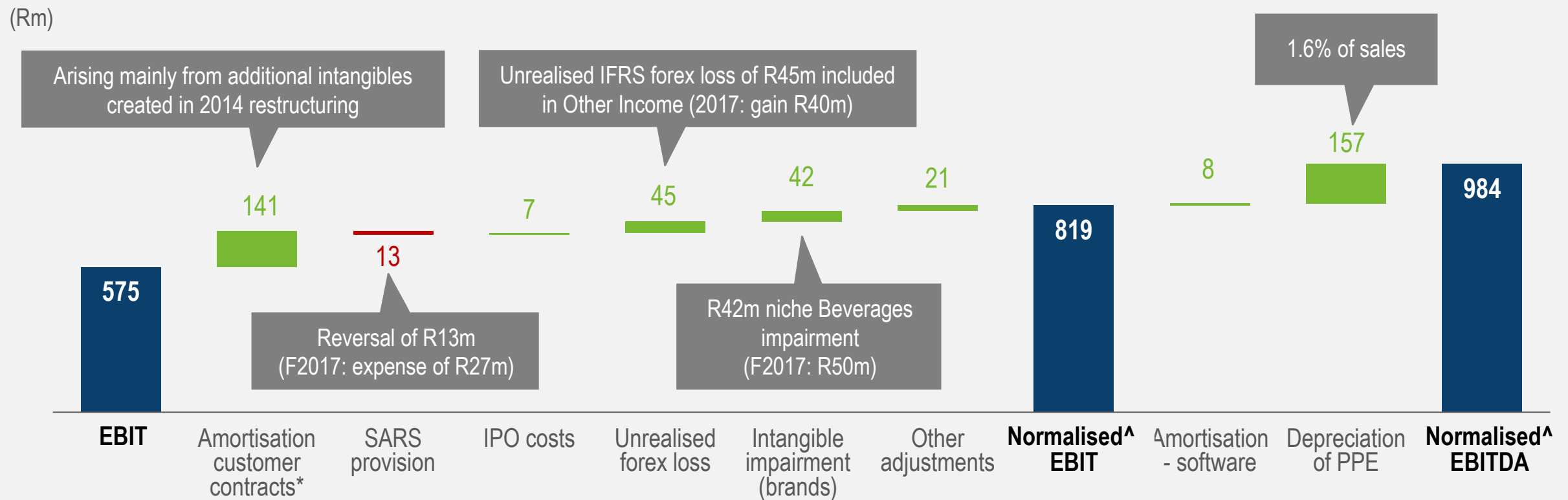
Impacted by:

- 0.6 p.p. lower GP margin (R59m impact)
- Lower net realised and unrealised FX translation gains (R119m swing)

Income Statement – Normalised EBIT & EBITDA

* Normalised for non-recurring, non-trading & non-cash items

Rm	F2018	Ch (%)	H2 2018	H1 2018	F2017
EBIT (<i>margin</i>)	575.0 (5.8%)	-3.9%	351.5 (6.6%)	223.5 (4.9%)	595.8 (6.8%)
Normalised* EBIT (<i>margin</i>)	818.9 (8.3%)	1.4%	501.4 (9.4%)	317.5 (7.0%)	807.3 (9.2%)
Normalised* EBITDA (<i>margin</i>)	983.7 (9.9%)	4.6%	586.0 (11.0%)	397.7 (8.8%)	940.4 (10.7%)



^ Normalised for non-recurring, non-trading & non-cash items

* Amortised over 10-15 years

Income Statement – Net interest

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Net interest paid	-225.2	-1,5%	-91.8	-133.4	-228.7

Reduced by:

- Reduced net debt from R1.9bn to R1.2bn
- New banking facilities implemented November 2018 @ 0.8% lower weighted average cost

Increased by:

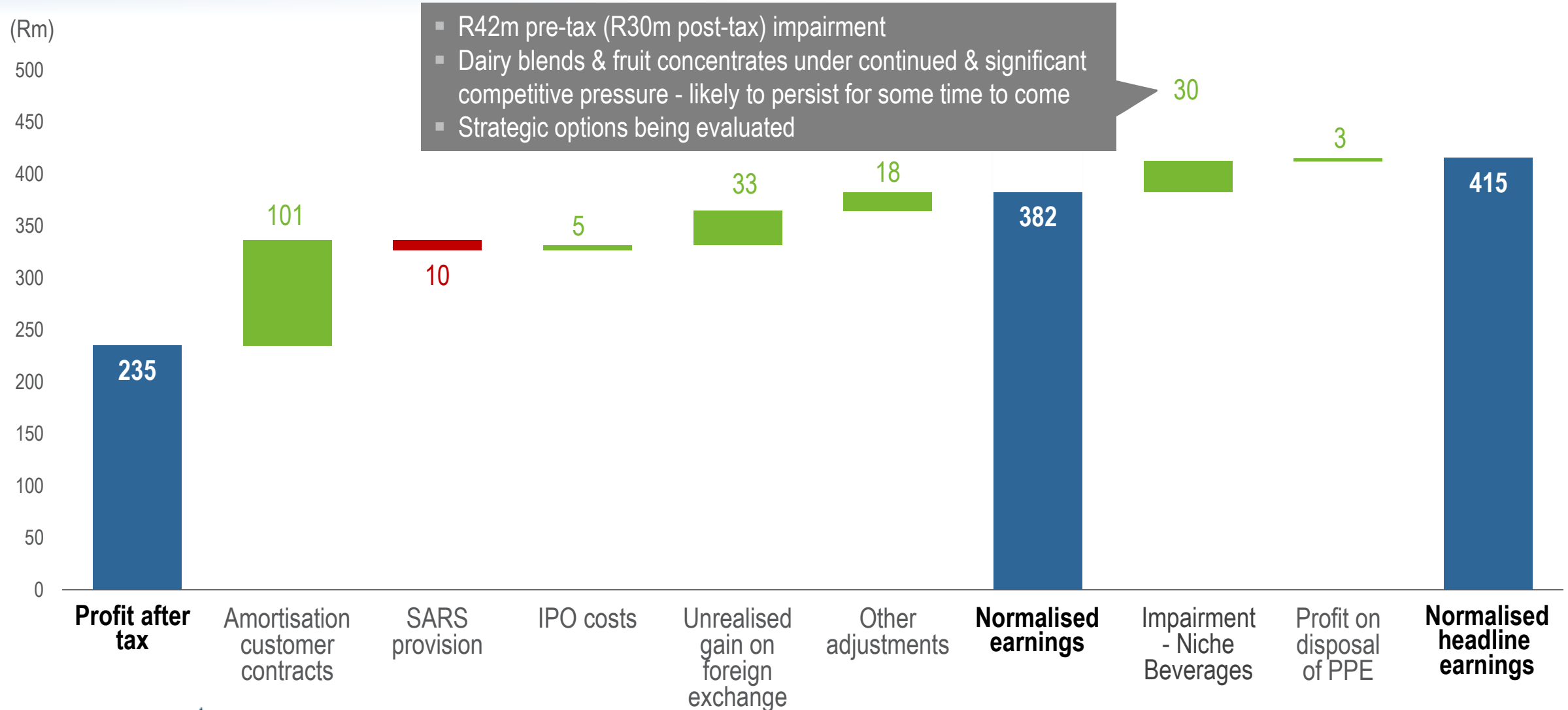
- Freight forwarding & supply chain facilities (c. R30m)
- R800m pre-IPO distribution; paid down post IPO (R21.6m)

Income Statement – Taxation

Rm	F2018	Ch (%)	H2 2018	H1 2018	F2017
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Net interest paid	-225.2	-1.5%	-91.8	-133.4	-228.7
Profit before tax	349.8	-4.7%	259.8	90.0	367.1
Income tax (<i>Effective rate</i>)	-114.1 (32.6%)	14.9%	-89.2 (34.4%)	-24.9 (27.6%)	-134.1 (36.5%)
Profit after tax	235.7	1.2%	170.6	65.1	233.0

- F2017: Effective tax rate inflated by impact of goodwill impairment (R50m) & non-deductible expenses
- F2018: Effective tax rate inflated by impact of the reversal of deferred tax assets (R11m) & non-deductible expenses (R5m)
- Going forward: ±28% effective tax rate expected

F2018 Headline after-tax adjustments



Income Statement – Normalised EPS & HEPS

Rm	F2018	Ch (%)	F2017
Normalised* earnings	382.0	7.6%	355.0
Impairment losses on goodwill & other intangible assets	30.2		50.0
Loss on disposal of PPE	2.4		0.7
Normalised* headline earnings	414.7	2.2%	405.8
WANOS^	566.4	21.0%	468.2
Normalised* EPS (cps)	67	-11.8%	76
Normalised* HEPS (cps)	73	-16.1%	87
DPS (cps)	22		n/a
<i>(Current div policy: Covered 3-4x by normalised HEPS)</i>	3.3x		

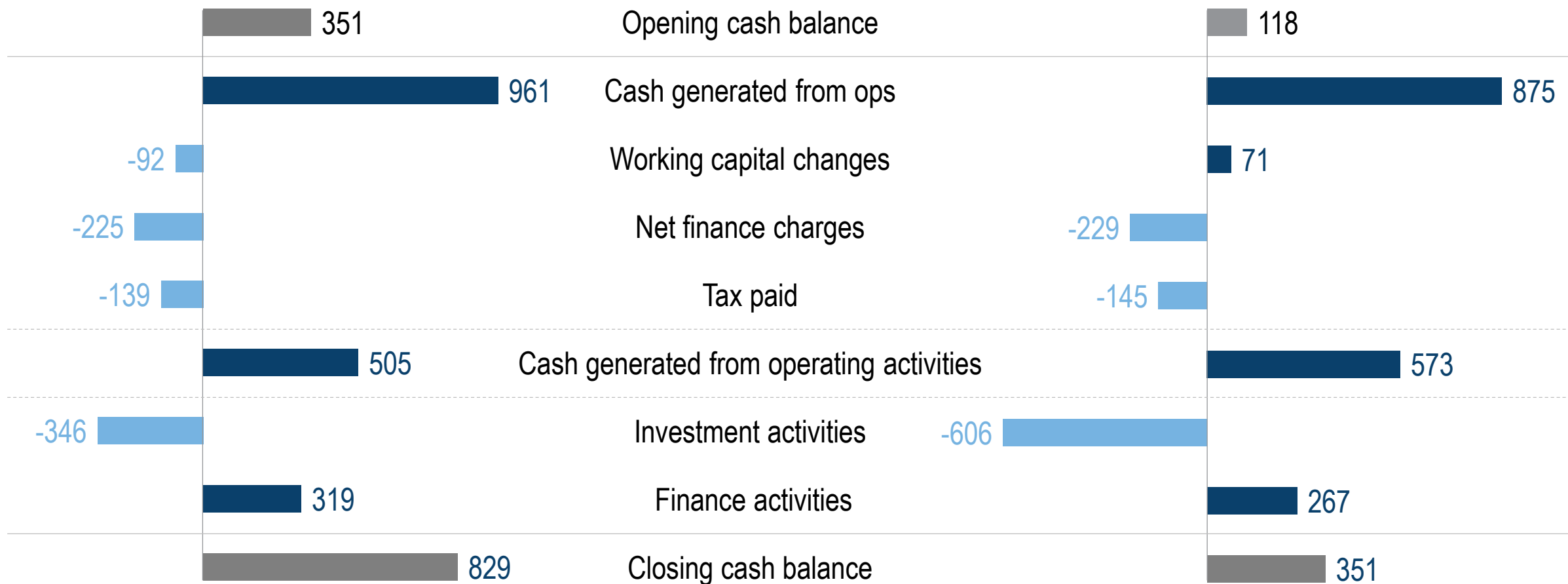
Continuing profit adjustments for EPS & HEPS going forward:

- Amortisation of customer contracts
- Unrealised foreign exchange movements

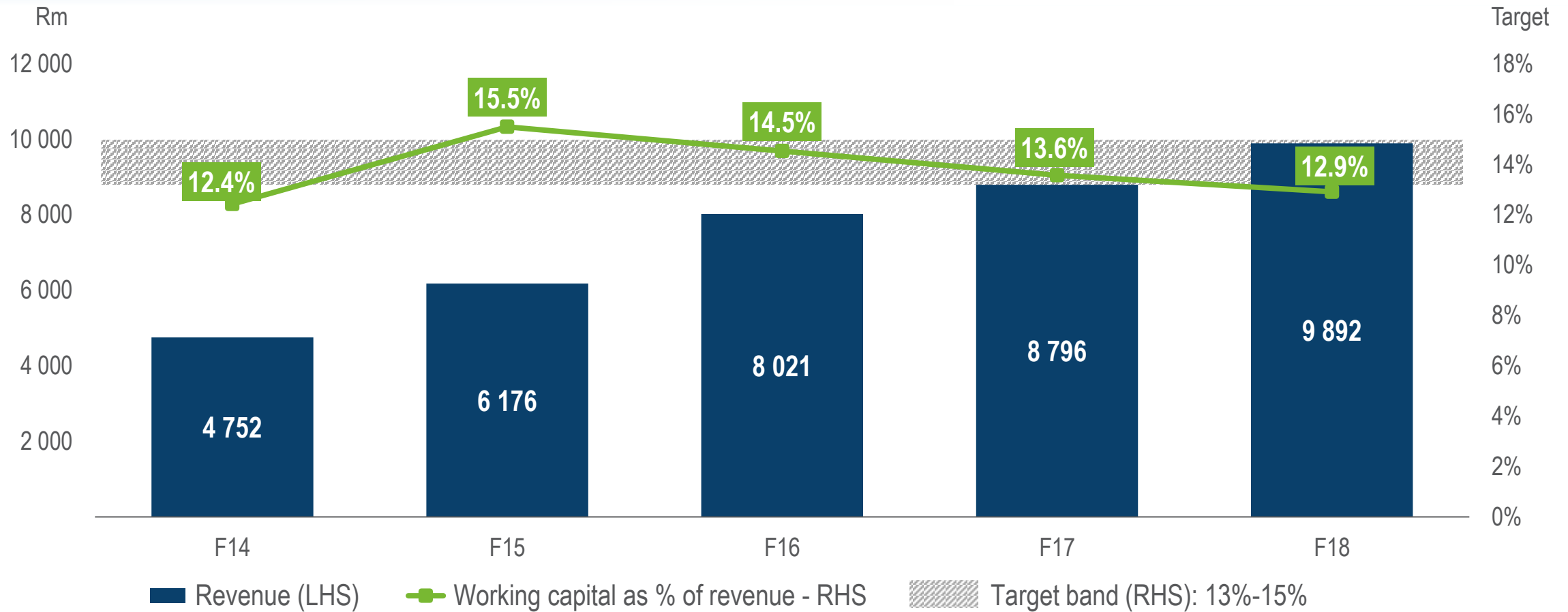
Cash Flow – Summary

F2018 (Rm)

F2017 (Rm)

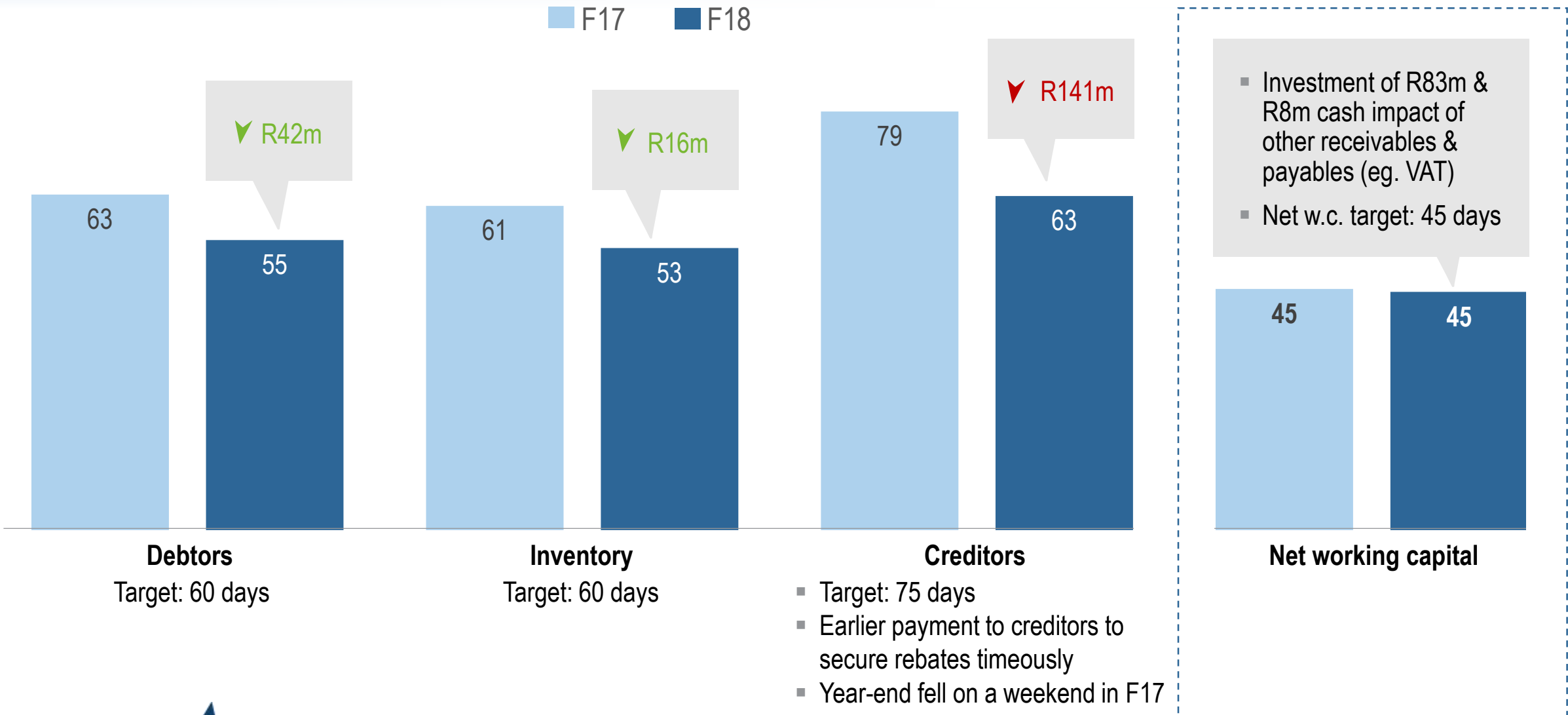


Cash Flow – Working capital trend



Working capital just below target band of 13-15%

Cash Flow – Working capital days

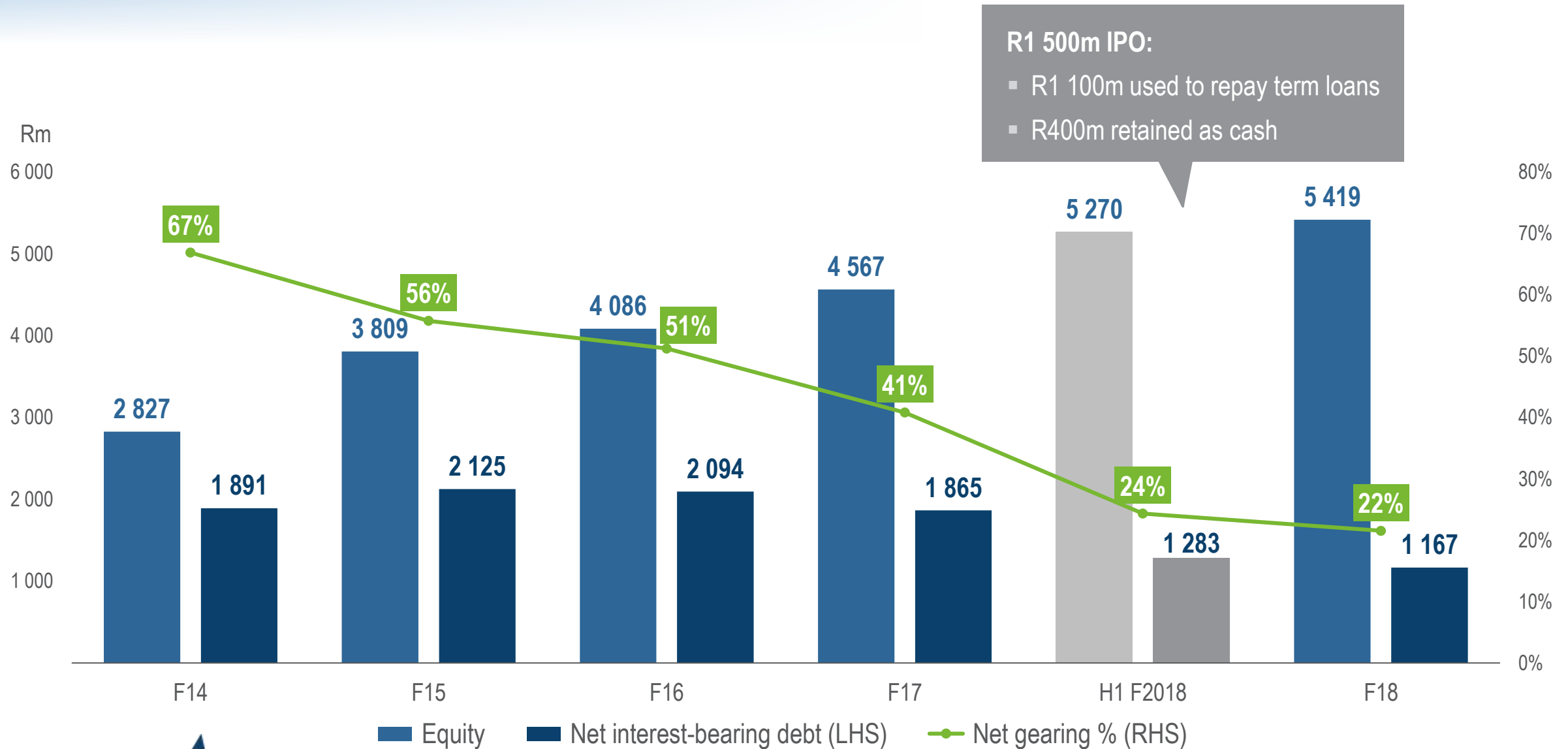


Cash Flow – Net investing & financing activities

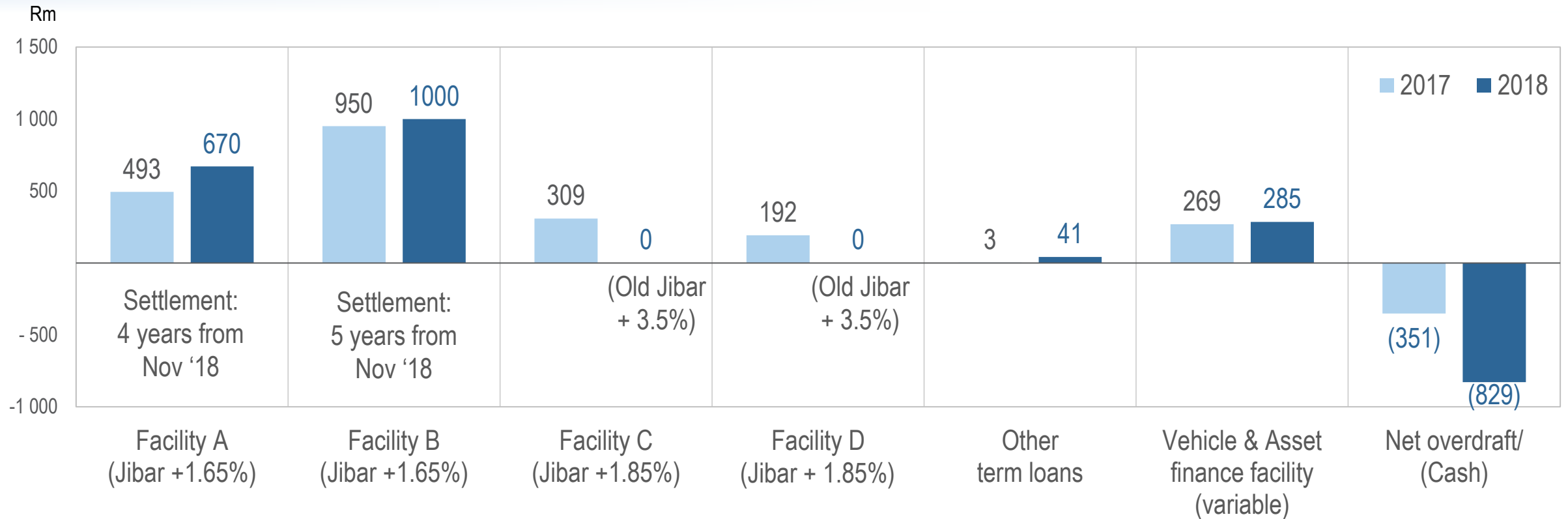
Net investing activities	F2018	F2017	Net financing activities	F2018	F2017
Rm	-346	-606	Rm	319	267
Acquisitions/disposals	3	-291	Proceeds from issue of equity shares	1 440	132
Capex	-349	-315	Net debt inflow	2 624	355
Including:			Net debt outflow	-2 937	-180
• <i>Lancewood</i> : Capacity enhancing equipment & leasehold improvements	64		Treasury shares	-8	-40
• <i>Denny</i> : Leasehold improvements	33		Capital distribution	-800	-
• <i>Finlar</i> : Chicken plant upgrade & other replacement capacity	25				
• <i>Ambassador</i> : Capacity enhancing projects, incl. new granola facility	54				
• <i>Amaro</i> : New par bake frozen facility	37				

- F2018 Capex = 3.5% of net revenue (above guidance of 2-3%)
- Majority expansionary capital in F2018 & foreseeable future

5-Year net debt trend



Net debt structure



- Most expensive debt reduced from R1.9bn to R1.2bn (net) post capital raising at listing
- Renegotiated debt package implemented Nov 2018
 - Achieved 0.8% reduction in weighted average cost of debt

Rm	Dec 18	June 18	Dec 17
Net debt	1 167	1 283	1 865



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APEF MAURITIUS LTD

- Holds 252,5m shares (37%) in Libstar
- Is held by 5 entities:

Hermes Mauritius	3.11%
Hermes GPE	3.11%
Santander	10.70%
AAF III	41.54%
APEF IV	41.54%

- 2 private equity funds previously managed by Abraaj (in liquidation)
- Actis:
 - Has received requisite LP approval as new fund manager for AAF III
 - Approval to manage APEF IV in progress
- Will engage with Libstar once management of both funds formalised

- Lock-up period expired 5 November 2018

SHARE REPURCHASE PROGRAMME

- Commenced 19 Dec 2018
 - 9.8m shares bought from 19 December 2018 to 8 March 2019 (R74.3m)
 - Board to review programme post closed period

BOARD CHANGES

Chairman

- Wendy Luhabe as of May 2018

Chairman of Audit and Risk Committee

- Phumzile Langeni resigned to join Presidency's advisory council
- Position filled by Sibongile Masinga; > 20 years' experience

New appointments

- Likely changes once Actis formally appointed as AAF III & APEF IV fund manager

B-BBEE

- Implementation of employee scheme delayed due to:
 - Prolonged registration process (B-BBEE Commission)
 - Unfavourable issue price vs current market price
- Contemplating options; in process of consultation with stakeholders
- No IFRS 2 charge or dilutive impact on WANOS until units are allocated
- B-BBEE compliance is a business unit level KPI
- Initiatives underway to improve B-BBEE rating:
 - Improved supplier development & enterprise development
 - Training programmes
 - CSI initiatives



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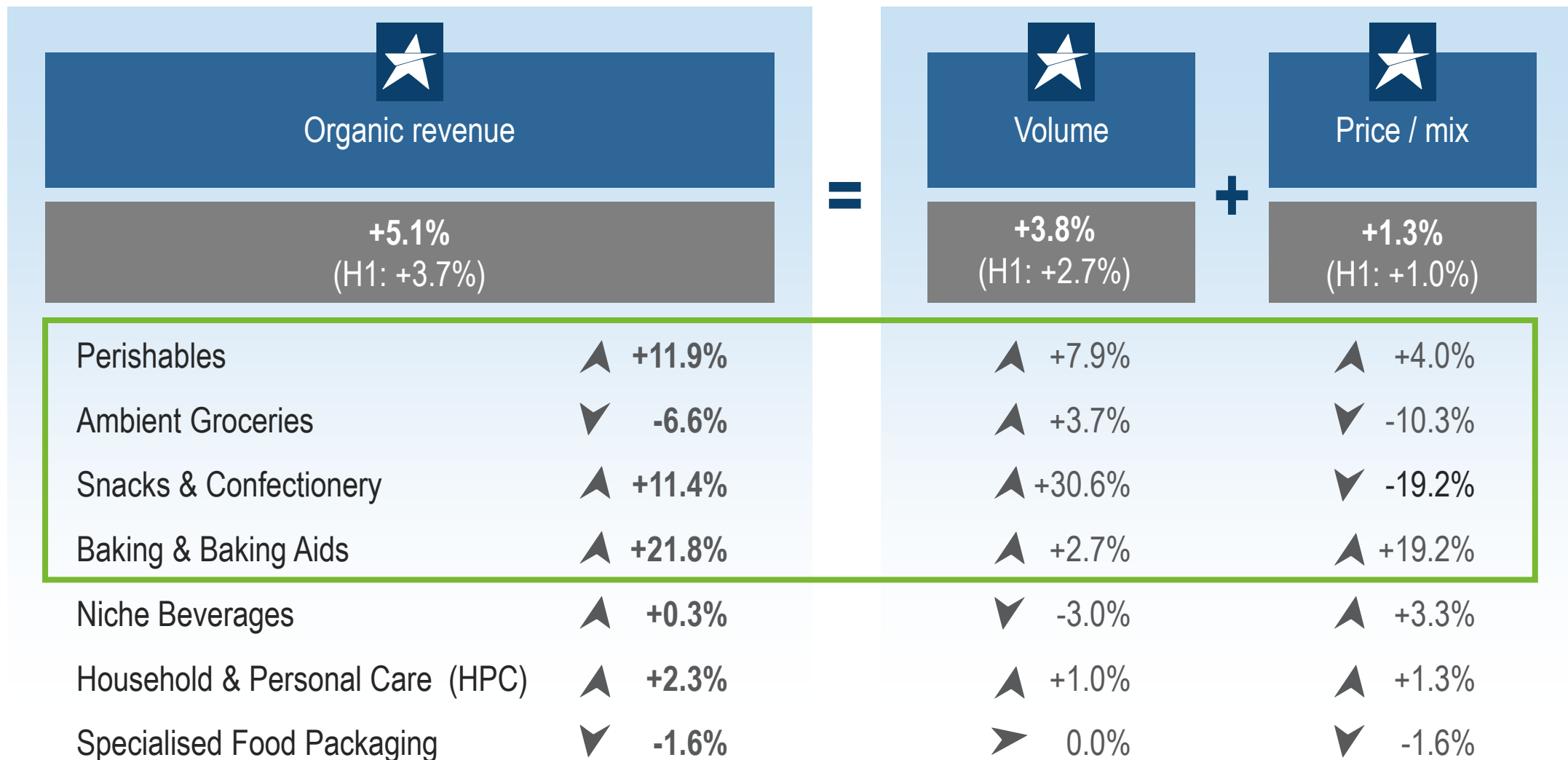
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Organic growth by category

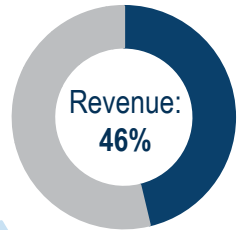


EBITDA performance by category*

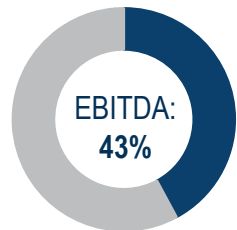
* In order of EBITDA contribution

Perishables

F2018 contribution to Group:



Organic revenue
+11.9% ▲



Normalised EBITDA
+1.9% ▲

88% of Category EBITDA

Lancewood <i>(Dairy)</i>	Double digit ▲	<ul style="list-style-type: none"> ▪ Dairy margin up ▪ New products launched, e.g. yoghurts, sauces & spreads ▪ Hard cheese volume growth in retail, food service & export channels
Finlar <i>(Meat)</i>	Double digit ▼	<ul style="list-style-type: none"> ▪ Under-utilisation of newly-built chicken plant ▪ Higher chicken & beef prices (McDonald's) ▪ Increased & prolonged promotional activity of value-added chicken products in retail
Denny <i>(Mushrooms)</i>	Double digit ▼	<ul style="list-style-type: none"> ▪ Disappointing H1 sales volumes & low price realisation impacted FY performance ▪ Improved H2; positive volume & price growth ▪ Regaining market presence/share
Sonnendal <i>(Dairy)</i>	New ★	<ul style="list-style-type: none"> ▪ Acquired November 2017; will be reported as part of Lancewood from F2019 ▪ Successfully integrated during H1 ▪ Significant contribution to the launch of Lancewood yoghurts
Millennium Foods <i>(Prepared meals)</i>	New ★	<ul style="list-style-type: none"> ▪ Acquired December 2017; successful integration ▪ Year characterised by modernisation & capacity enhancing projects

Perishables

- **Dairy**
 - Ongoing innovation & new product launches
 - Protect & grow market share
 - Investment in capacity & efficiency improvements
 - R100m in multiple facility upgrades at Lancewood
- **Meat**
 - New products (fully-cooked chicken) & new channels – better capacity utilisation
- **Fresh mushrooms**
 - New management team taking effect in broader business (margin improvement & availability)
 - Ongoing implementation of international industry best practice
 - Development of new channels, e.g. food service
 - Grow the total market through consumer education & awareness & brand building
 - Focus on value-added products

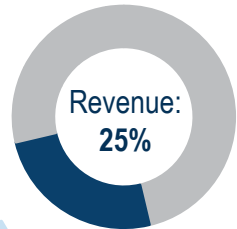


EBITDA performance by product category*

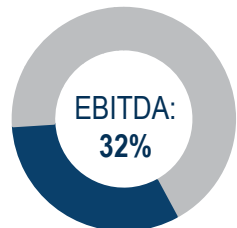
* In order of EBITDA contribution

Ambient Groceries

F2018 contribution to Group:



Organic revenue
-6.6% ▼



Normalised EBITDA
-3.4% ▼

86% of Category EBITDA

Cape Herb and Spice (Dry condiments)	Flat	<ul style="list-style-type: none"> Significant H2 margin enhancement H2 improvement on slower H1 sales
Rialto Foods (Groceries)	Single digit ▼	<ul style="list-style-type: none"> Slow performance of branded products & food service Strong performance in value-added groceries Rationalisation of product lines continued
Dickon Hall Foods (Wet condiments)	Single digit ▼	<ul style="list-style-type: none"> H1 strike activity impacted revenue c.–R63m & EBITDA c.–R16m Recovery in H2 production output
Cecil Vinegar (Wet condiments)	Single digit ▲	<ul style="list-style-type: none"> Strong performance in industrial, food service & export channels Branded vinegar sales bolstered by new products
Montagu Foods (Wet condiments)	Double digit ▼	<ul style="list-style-type: none"> Strong performance in private label products Poor branded product performance Factory integration delays
Hurters Honey (Spreads)	Double digit ▼	<ul style="list-style-type: none"> Shortage of honey due to drought

Segmental outlook

Ambient Groceries

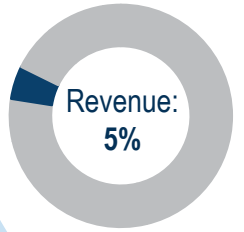
- **Dry condiments**
 - Recovery & growth in key export markets
 - Focus on value-added products in local & export markets
- **Wet condiments**
 - Recovery of branded product sales
 - Strong private label growth
- **Honey**
 - Continued market growth
 - Improved, sustainable sourcing plan



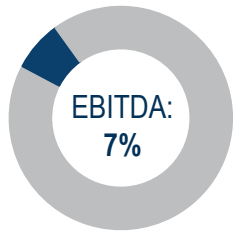
EBITDA performance by product category

Snacks and Confectionery

F2018 contribution
to Group:



Organic revenue
+11.4% ▲



Normalised EBITDA
+2.1% ▲

Review

Ambassador
Foods

Single digit ▲

- Significant bulk raisin & peanut sales
- Strong performance driven by new products
- Value-added product growth

Outlook

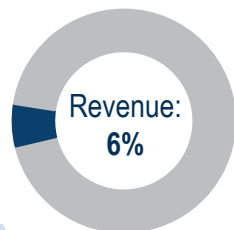
- Continued innovation with focus on snacking trends
- Added capacity & efficiencies in health bars



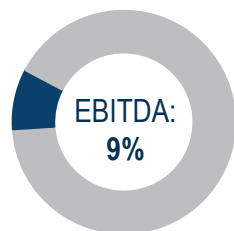
EBITDA performance by product category*

Baking and Baking Aids

F2018 contribution to Group:



Organic revenue
+21.8% ▲



Normalised EBITDA
+20.1% ▲

**93% of
Category
EBITDA**

Review

* In order of EBITDA contribution

Amaro Foods <i>(Baked goods)</i>	Double digit ▲	<ul style="list-style-type: none"> Significant growth in rolls & speciality breads Wraps & specialised products recovered in H2
Retailer Brands <i>(Baking aids)</i>	Double digit ▲	<ul style="list-style-type: none"> Growth driven by cash & carry wholesalers, independents, distributors & direct exports
Cani <i>(Rusks)</i>	Double digit ▲	<ul style="list-style-type: none"> Strong performance in retail channel bolstered by multiple new & re-listings

Outlook

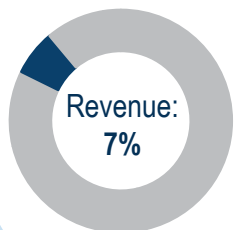
- Par-bake frozen plant commissioned February; commercial production April 2019
- Artisanal breads & specialised product innovation
- Continued development of independent, wholesale channels in baking aids



EBITDA performance by product category*

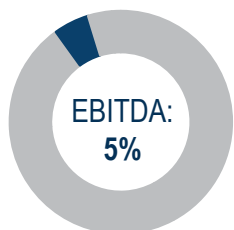
Niche Beverages

F2018 contribution
to Group:



Organic revenue
+0.3% ▲

94% of
Category
EBITDA



Normalised EBITDA
>100% ▲

Review

* In order of EBITDA contribution

Khoisan Gourmet	New ★	<ul style="list-style-type: none"> Acquired November 2017 Good annual crop & high tea prices = strong performance - in line with expectations
Elvin	Large ▲ off low base	<ul style="list-style-type: none"> Some pricing increases achieved, but category pressures continue Performance mainly driven by cost rationalisation
Chamonix Springwater	Large ▲	<ul style="list-style-type: none"> Sales bolstered by Western Cape H1 water crisis Cost management initiatives initiated in H2

Outlook

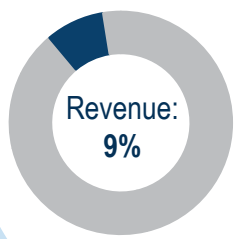
- Growing Rooibos market
- Focus on developing value-added tea category for local & export markets



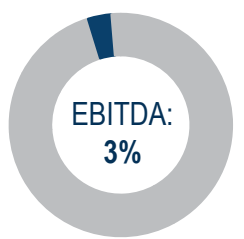
EBITDA performance by product category*

HPC

F2018 contribution to Group:



Organic revenue
+2.3% ▲



Normalised EBITDA
-16.9% ▼

82% of
Category
EBITDA

Review

* In order of EBITDA contribution

Contactim	Double digit ▼	<ul style="list-style-type: none"> Slow cleaning product sales Cotton products showed some resilience Margin pressure from unfavourable exchange rates
Chet Chemicals	Double digit ▲	<ul style="list-style-type: none"> Cost-saving initiatives continued from prior year; improved margin Growth driven by private label retail channels
Glenmor Soap	Single digit ▲	<ul style="list-style-type: none"> Mainly driven by cost-rationalisation Retail channel lagged due to competitor activity

Outlook

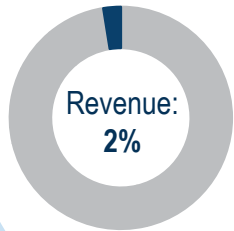
- Cost rationalisation initiatives (mainly Contactim)



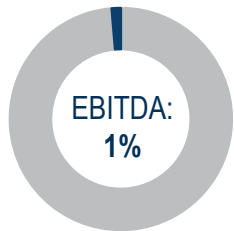
EBITDA performance by product category

Specialised Food Packaging

F2018 contribution to Group:



Organic revenue -1.6% ▼



Normalised EBITDA -19.2% ▼

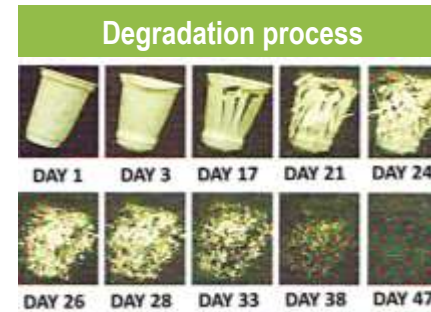
Review

* In order of EBITDA contribution

<p>Multicup</p>	<p>Double digit ▼</p>	<ul style="list-style-type: none"> Stronger H2 industrial channel performance somewhat offset H1 low volume growth & margin pressures H2 margin improvement from more favourable import rates
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Outlook

- Local straw & cup manufacturing to commence in Q2
- Focus on environmentally-friendly packaging trends





LIBSTAR

innovative value creation

INTRODUCTION

FINANCIAL REVIEW

CORPORATE MATTERS

Robin Smith, Financial and Commercial Director

SEGMENTAL REVIEW & OUTLOOK

GROUP OUTLOOK

Andries van Rensburg, Chief Executive Officer

Under the Libstar umbrella of innovation

Category & channel development

- Category gaps, e.g. health, wellness, on-the-go eating & convenience
- Drives new product innovation
- Customer relationship advantage
- Channel development

Investment

Significant capital allocation to:

- New technologies
- Efficiency improvements & integration opportunities
- Capacity expansion in key categories

Systems

Standardised IT platforms

- Improved costing systems
- Improved OEE* measurement
- Logistics tracking

* Overall Equipment Effectiveness

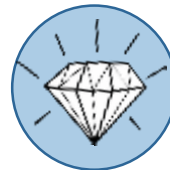
Private Label & Dealer-own brands

Provide CONSUMERS with:

- ±44% of Libstar group revenue
- Significant scope for growth



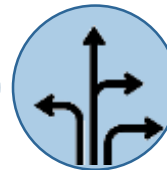
Value for money



Quality



Always available



Choice

Help RETAILERS with:



Innovative new products



Drives loyalty



Unique Promise



Higher margin



Differentiation

3 growth areas



Organic growth

2018

- Market share growth in key businesses
- Innovation
 - 387 new products
 - 336 renovated products

2019

- Inflation 0%-2%
- Growth more volume-reliant
- New technologies
- Operational efficiencies to maintain & enhance margins
- Increased penetration of Independents, Wholesalers & Exports
- Volumes underpinned by further innovation



Capacity growth

2018

- Hard cheese manufacturing
- New granola plant
- Health bar capacity expansion
- New meat slicing plant
- Montagu / Denny integration

2019

- Benefits from 2018 projects
- New par-bake frozen plant
- New tea plant
- New plants to locally manufacture:
 - Pringles, Kiri, Laughing Cow



Acquisitive growth

2017

- Sonnendal
 - Lancewood yoghurts (now double cream market leader)
- Millennium
- Khoisan

2018

- Integration, consolidation, upgrading & upscaling of 2017 acquisitions
- No new business acquisitions

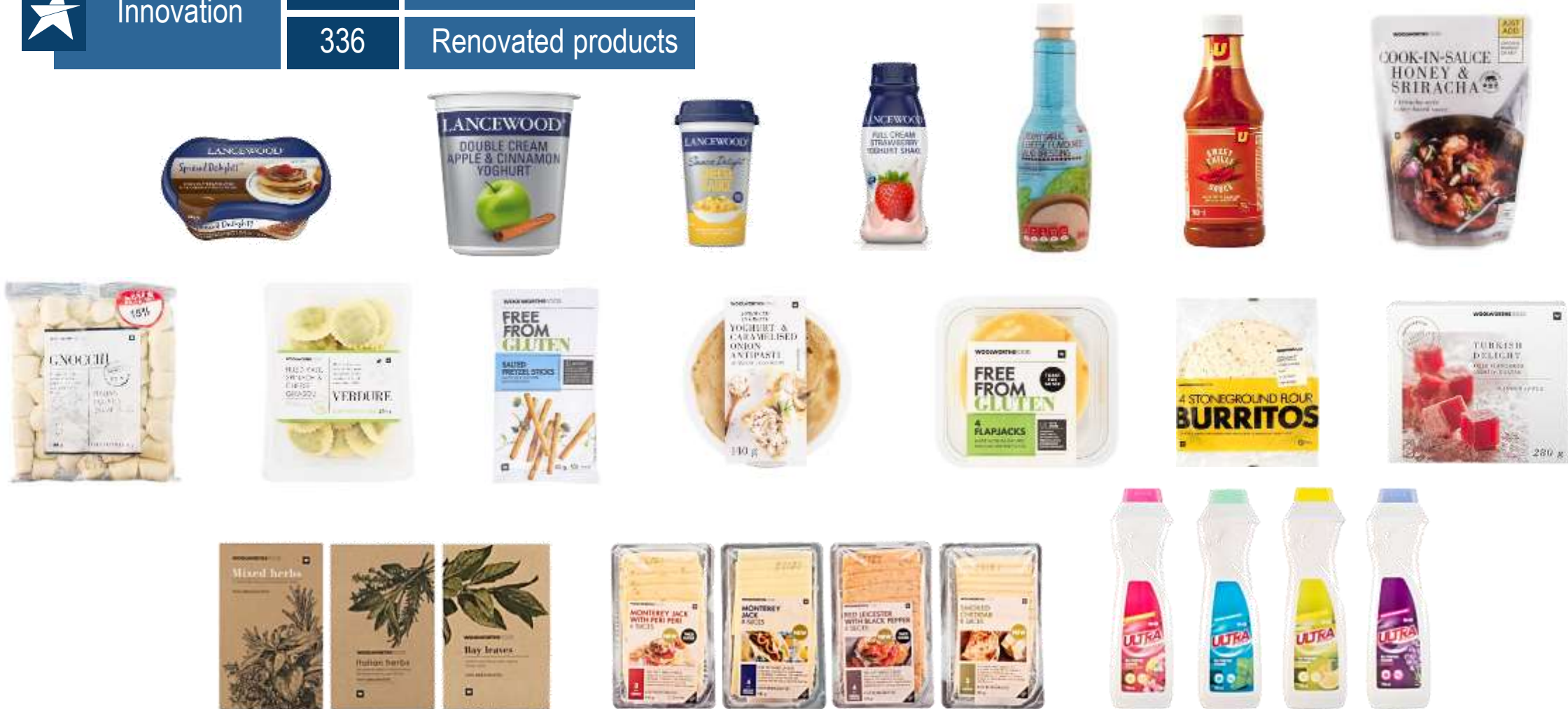
2019

- Full benefits from 2017 acquisitions
- Evaluate strategic acquisitions




Priority scale

Examples of F2018 new product development

★ Innovation	387	New products
	336	Renovated products



Strategic outlook of businesses

Core growth businesses (95% of earnings)				Non-core businesses		
Perishables	Ambient Groceries	Snacks & Confectionery	Baking & Baking Aids	Niche Beverages	HPC	Specialised Packaging
 (Incorporating Sonnendal)	      		  	 	  	

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 of 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.

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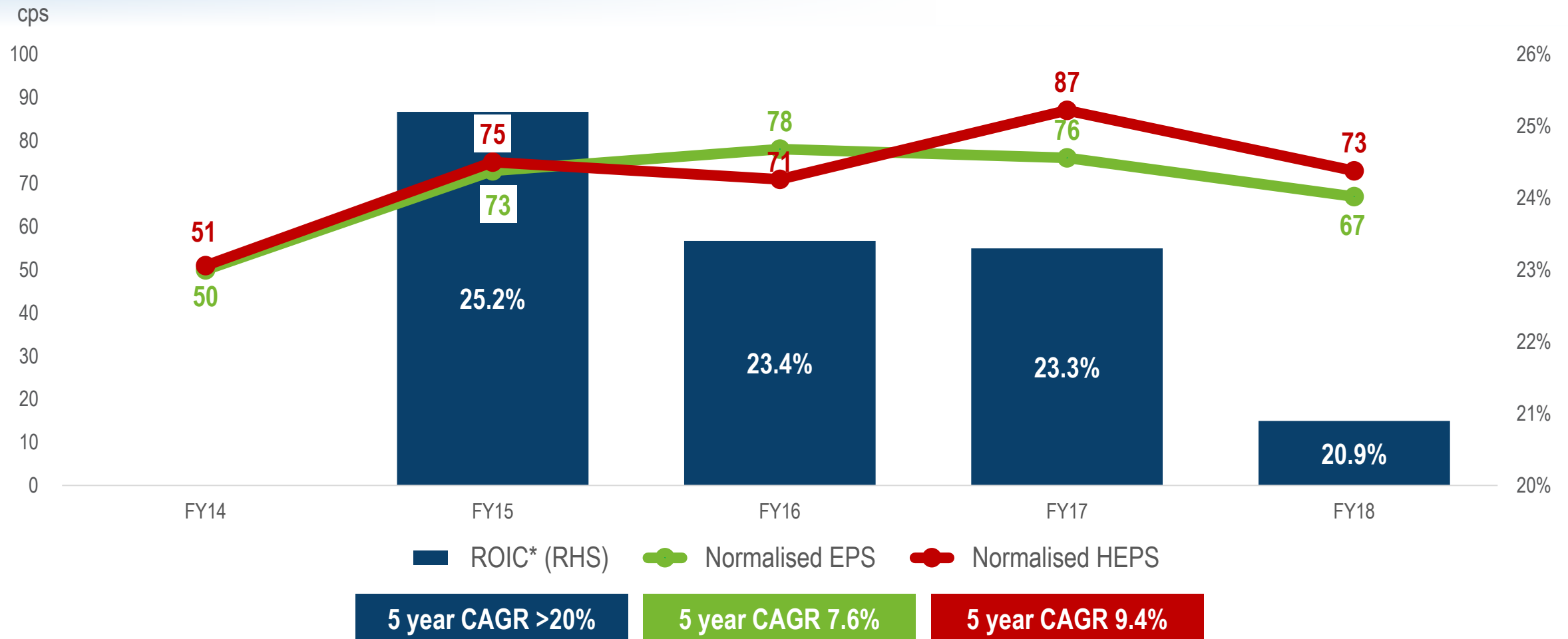


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APPENDICES

Normalised EPS, HEPS & ROIC trends



* Return on Invested Capital = $[(\text{Normalised EBIT} + \text{amort of customer Contract}) (1-28\%)] / 2 \text{ year average Tangible Invested Capital}$

- Where Tangible Invested Capital = Equity + net debt – goodwill and intangible assets (Customer relationships)
- ROIC is an unaudited performance measure

Breakdown of open FEC exposure

Quarter	Import "Purchase" / (Export "Sell") Millions	FEC rate	FEC cover Rm	FEC spot rate on 31 Dec 18	FEC Revalued at 31 Dec 18 Rm
2019-Q1			19		18
AUD	(2)	10.3	(17)	10.2	(17)
EUR	5	16.2	80	16.6	82
GBP	(1)	19.1	(16)	18.6	(16)
JPY	1	0.1	0	0.1	0
NZD	(0)	9.4	(0)	9.7	(0)
USD	(2)	13.1	(28)	14.5	(31)
2019-Q2			(99)		(99)
AUD	(2)	10.5	(18)	10.3	(18)
EUR	0	13.5	5	16.6	7
GBP	(1)	19.5	(18)	18.9	(18)
USD	(5)	14.3	(68)	14.7	(70)
2019-Q3			(90)		(87)
AUD	(1)	11.1	(13)	10.5	(12)
EUR	(1)	18.0	(15)	17.4	(14)
GBP	(0)	19.4	(9)	19.2	(9)
USD	(4)	15.2	(53)	14.8	(52)
2019-Q4			(22)		(23)
EUR	(1)	17.5	(18)	17.6	(18)
GBP	(0)	18.8	(5)	19.4	(5)
Total open FEC Value			(192)		(190)