

LIBSTAR HOLDINGS LIMITED

QUALITY
BRANDS

GREAT
FOOD

SPECIAL
MOMENTS

18 September 2024



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INTRODUCTION

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TOGETHER,
WE ARE
One Libstar

As one Libstar, we unlock value through the **sustainable, profitable growth** of our select portfolio of consumer-inspired **food brands** and the development of innovative **category solutions**. We achieve this by being trusted partners, **working closely with our customers** and constantly enhancing our reputation as one of South Africa's leading producers and distributors of high-quality products and brand solutions for packaged consumer goods.

OUR KEY STRENGTHS

- 1 Quality and variety of products
- 2 Global reach: We export to more than 50 countries
- 3 Low exposure to volatile commodity products
- 4 Deep understanding of market and consumer trends
- 5 Diverse brand solutions
- 6 High-growth, value-added food categories
- 7 The talent and expertise of our people
- 8 Entrenched customer relationships

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BRAND SOLUTIONS



51%

of branded products



PRIVATE LABEL AND DEALER-OWN BRANDS

Private label brands are owned and sold by a retailer under the retailer's name.

Dealer-own brands often have a unique name and are available exclusively at the retailer that owns them.

38%

of branded products



LIBSTAR BRANDS

Libstar owns several well-known brands that we produce and distribute. These are sold under labels and trademarks that are proprietary to us or produced and distributed by us under licence agreements with brand owners.



11%

of branded products



PRINCIPAL BRANDS

We represent several well-known international brands in South Africa – sourcing, importing, marketing and distributing these under a purchase or distribution arrangement between Libstar and the owners of the brand. Many of these are imported, marketed and distributed from European, Asian and American food manufacturers.



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CHANNELS



59%



RETAIL AND WHOLESALE

We supply products across our product categories into the retail and wholesale channel. Our brand solutions, combined with longstanding and successful relationships with South Africa's largest food retailers, allow us to strategically position our Libstar brands alongside dealer-own, private label and principal brands on retail shelves.



20%



FOOD SERVICE

We manufacture and supply perishable products and ambient products to the food service industry, including quick-service and sit-down restaurants.



11%



INDUSTRIAL AND CONTRACT MANUFACTURE

We manufacture products for trusted brand owners in South Africa and globally.

10%



EXPORTS

We export to more than 50 countries.



LANCEWOOD®

Value market share and gains across key Lancewood categories:

TOTAL NATURAL CHEESE

Leading the category at **24%** market share, with **10%** growth

SOFT CHEESE

Market share gain of **0.5%** with **11%** growth



DOUBLE CREAM YOGHURT

Market share gain of **0.3%** with **13%** growth



PRE-PACKED HARD CHEESE

Grew by **7%**



YOGHURT SALES

Grew by **16%**

80% increase in spontaneous brand awareness of Lancewood yoghurt

DENNY

#2 in the **convenience sauce category**

Growing across all periods in value



#2 in the **artisanal rusks brand**



Remains the **#1** **branded vinegar** offering
Growing across all periods in value



#1 in **Baking Aids**

Growing ahead of the category in value



Growing **3x** times faster than the **Brown Sauce category**
Growing in volume and value



02

A NEW STRATEGIC DIRECTION



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LIBSTAR'S STRATEGIC JOURNEY

Founded in 2005, Libstar grew initially as a private label and brand aggregator. From 2018, Libstar's focus shifted to driving manufacturing excellence and efficiency, supported by an aligned Group culture and strategy.

Today, Libstar is a portfolio of world-class businesses focused on value-added food products, delivered to industry leading customers and through market leading brands, positioned to drive shareholder value going forward.

PRE 2017: PRIVATE LABEL AND BRAND AGGREGATOR

- Decentralised holding company
- Branded and private label aggregator
- Broadened portfolio through focused M&A growth

2018 TO 2021: OPERATOR

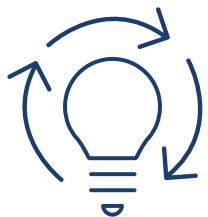
- More organic strategy
- Invested in establishment of category management expertise
- Built out capabilities
- Re-invested to become an efficient, low-cost manufacturer

2022 ONWARDS: FOCUSED CATEGORY LEADER

- Refocused portfolio and investments in high value-add, higher growth food categories
- Driving brand solutions offering and incubator projects
- Well positioned through category management expertise and strong partnerships

The board and executive leadership conducted a comprehensive strategic review of Libstar's portfolio composition, operating model and its category and channel participation during the first half of 2023.

- Our Key Strategic Themes towards 2027:



SIMPLIFY

our portfolio
composition and
operating model



GROW

our categories,
channels, people
and culture



SUSTAIN

our operations
and cash flows

Objectives to improve:

COST COMPETITIVENESS

EARNINGS QUALITY

ROIC



Reposition the portfolio to value-added food categories



Perishables

Lancewood

Millennium Foods

Finlar Fine Foods

Denny Mushrooms

Umatie

Rialto



Groceries

Cape Herb & Spice

Cape Foods

Khoisan Gourmet

Dickon Hall Foods

Montagu Foods

Cecil Vinegar

Rialto

Cape Coastal Honey

Chamonix



Baking & Baking Aids

Amaro Foods

Cani

Retailer Brands



Snacks & Confectionery

Ambassador Foods



Household & Personal Care

Chet Chemicals

Contactim

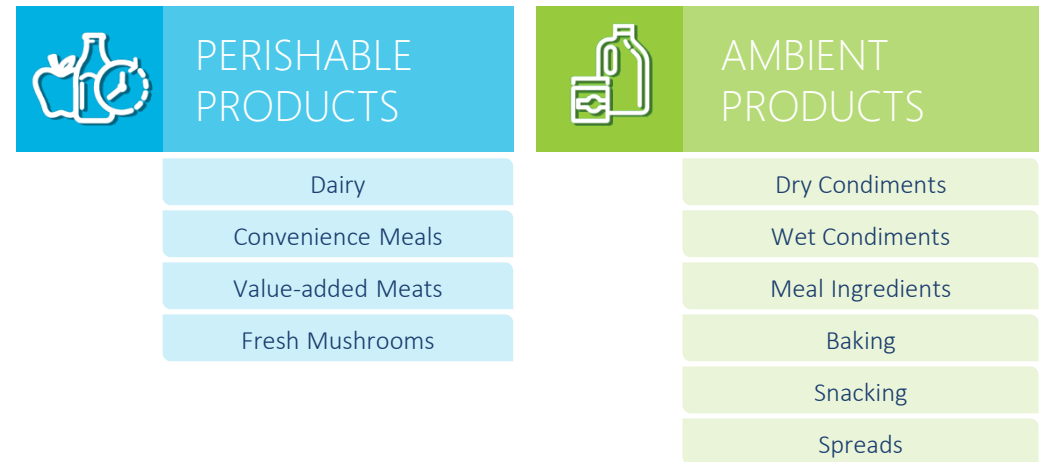


Consolidate

From a multi-category, business-unit structure . . .



. . . to a category structure





AMBIENT PRODUCTS

FOODS

Cape Herb & Spice™



RIALTO

Dry Condiments

Meal Ingredients



Snacking

Spreads



Wet Condiments



Baking

Beverages



PERISHABLE PRODUCTS

FOODS

LANCEWOOD®



Dairy

Value-added Meats

DENNY®

Millennium Foods

Umatie

Fresh Mushrooms

Convenience Meals

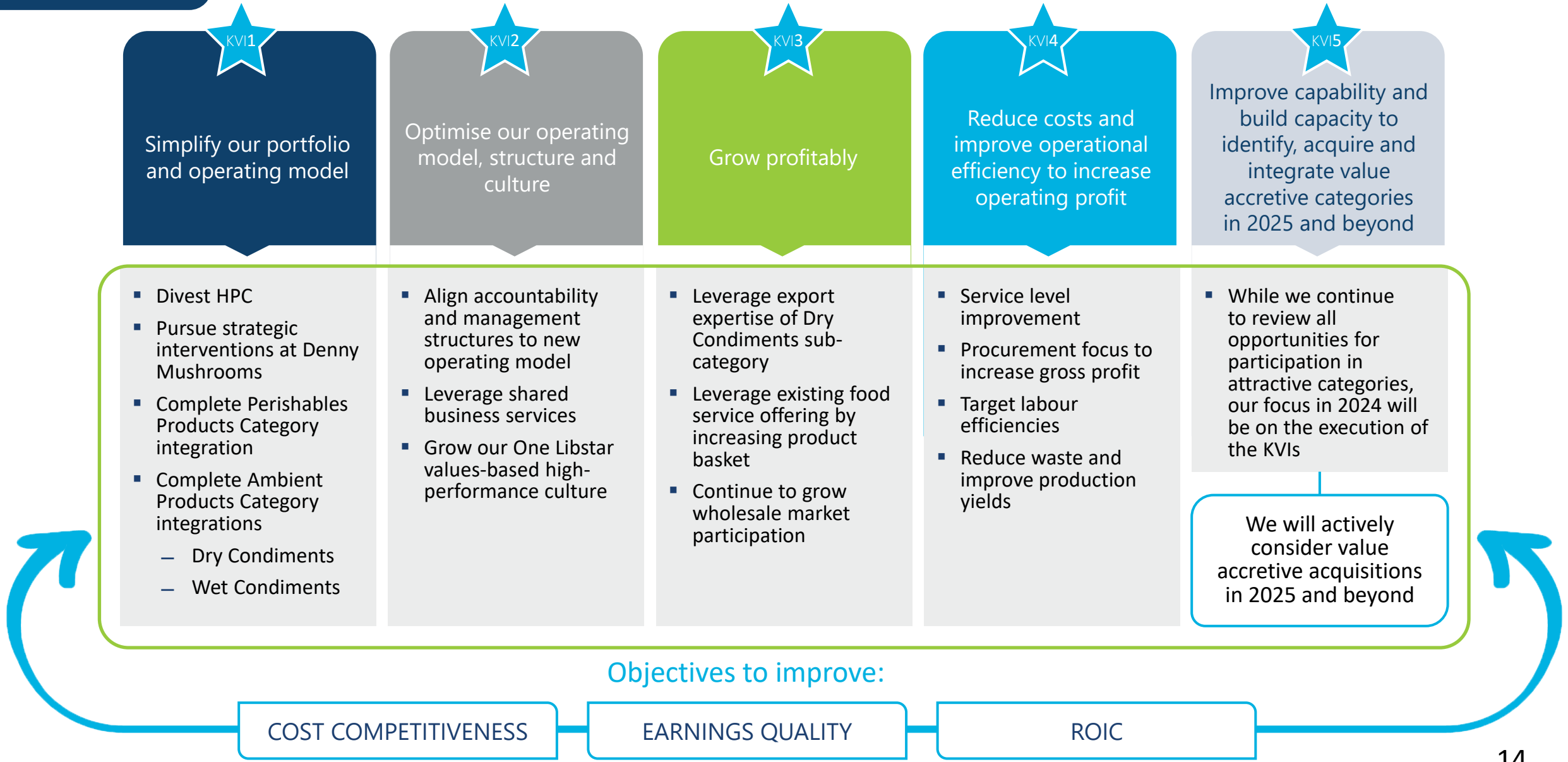


HOUSEHOLD & PERSONAL CARE

OTHER

LIBSTAR
Household & Personal Care

KEY VALUE-DRIVING INITIATIVES (KVIs)



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SUMMARISED RESULTS H1 2024

REVENUE GROWTH YOY

+5.2%

(Volume -0.2% Price/mix +5.4%)

GROSS PROFIT MARGIN*

21.5%

(H1 2023: 21.2%)

NORMALISED[^] EBIT GROWTH

+5.3%

NORMALISED[^] EBITDA GROWTH

+13.4%

NORMALISED[^] HEPS GROWTH

+11.4%

TOTAL DILUTED HEPS

+32.4%

GEARING RATIO

1.6x

(H1 2023: 2.1x)

ROIC

9.6%

(H1 2023: 8.0%)

* Restated

[^] Normalised EBIT/EBITDA, Normalised EPS/HEPS, from continuing operations, excludes non-recurring, non-trading and non-cash items

CHANNEL PERFORMANCE

Revenue by sales channel	YoY change			Revenue contribution	
	H1 2024	Volume	Price/mix	H1 2024	H1 2023*
Retail & Wholesale	+7.0%	-5.3%	+12.3%	59.2%	58.3%
Food Service	-5.8%	-4.3%	-1.5%	18.7%	20.8%
Export	+2.7%	+8.4%	-5.7%	10.5%	10.8%
Industrial & Contract Manufacturing	+20.4%	+14.6%	+5.8%	11.6%	10.1%
Total Group	+5.2%	-0.2%	+5.4%	100.0%	100.0%

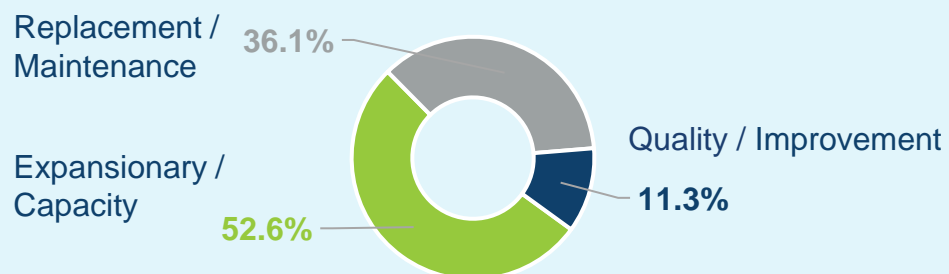
* Restated

Net working capital (NWC) days increased by 4 days to 67

	H1 2024	H1 2023	2023
NWC (days)	67	63	67
NWC (% of revenue*)	17.6%	16.6%	17.7%

	H1 2024	% ch.	H1 2023
Total Capex	R80.4m	-35.7%	R125.1m
Capex % of revenue	1.4%		2.3%

Contribution to total Capex

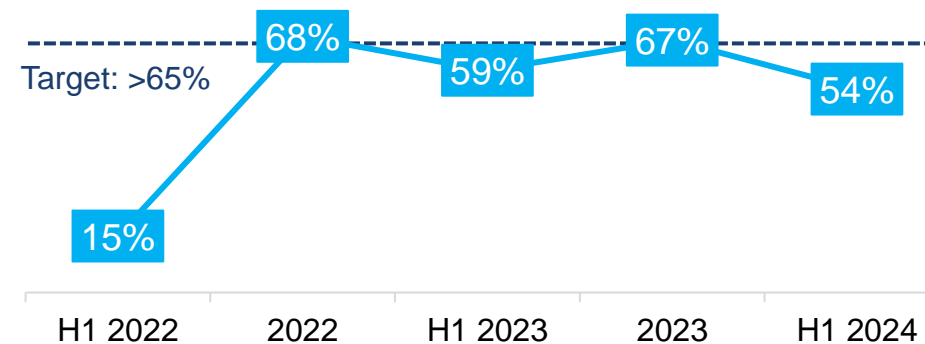


* Restated

Key financial ratios

	H1 2024	H1 2023	2023	Targets
Gearing ratio	1.6	2.1	1.6	<2.0
Interest cover	5.6	5.2	4.9	>3.5
ROIC	9.6%	8.0%	9.8%	WACC plus 2%

Cash conversion ratio decreased to 54%



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INVESTMENT
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SIMPLIFIED PORTFOLIO

focused on value-added food categories, providing innovative solutions to industry leading customers

STRUCTURALLY WELL POSITIONED

to capitalize on current trends and export opportunities in the consumer-packaged goods sector

ENTREPRENEURIAL, DEDICATED MANAGEMENT TEAMS

powered by our people to optimise and drive our business forward

ESTABLISHED AND UNRIVALLED INNOVATION CAPABILITIES

support strong customer relationships, and ensure agility to respond to customer and consumer needs

SUSTAINABLE BUSINESS PRACTICES

to enhance operational efficiency and financial stability through continued investment

NEW STRATEGIC DIRECTION

positioned to deliver sustainable, profitable growth and increase shareholder value

QUESTIONS & ANSWERS

THANK YOU

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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.

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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