



RAINBOW CHICKEN LIMITED
INTERIM FINANCIAL RESULTS
for the six months ended December 2024

RAINBOW  **W.**[®]

- ~ Rainbow Chicken Limited (“Rainbow”) has made every effort to ensure the accuracy and completeness of the information in this presentation. However, the recipients should be aware that any information contained in this presentation has not been audited or reviewed by Rainbow’s external auditors.
- ~ This presentation does not constitute an invitation to invest in Rainbow shares. Any decision made based on this presentation is the sole responsibility of the recipient of the information contained herein.
- ~ This presentation may include certain forward-looking statements regarding Rainbow and its business operations. Any forward looking or forecast statements are not factual claims but are based on current assessments, estimates, expectations, and assumptions about Rainbow 's future financial position. Any forecast financial information or statement in this presentation has not been reviewed by Rainbow’s external auditors and should not be interpreted as a profit forecast. These forward-looking statements carry inherent risks and uncertainties, and the accuracy thereof should not be relied upon.
- ~ Rainbow Chicken Limited does not intend to nor assumes any obligation or responsibility to update or revise any forward-looking statement contained in this presentation, even if new information becomes available due to future events, except as required by legislation and/or regulation. Rainbow does not accept any responsibility for any harm or loss of any nature resulting from reliance on the information in this presentation, including, but not limited to, loss of earnings, profits, or any consequential loss or damage.



01 SALIENT FEATURES & STRATEGIC REVIEW

• Marthinus Stander – CEO

02 FINANCIAL REVIEW

• Kerry Van der Merwe – CFO

03 OPERATIONAL REVIEW

• Wouter De Wet – COO

04 PROSPECTS

• Marthinus Stander – CEO

01

SALIENT FEATURES & STRATEGIC REVIEW

MARTHINUS STANDER | CEO

RAINBOW CHICKEN LIMITED INTERIM RESULTS DECEMBER 2024



KEY HIGHLIGHTS

TURNAROUND MOMENTUM MAINTAINED DELIVERING A PLEASING RESULT AND IMPROVEMENT ON PREVIOUS YEAR

- Rainbow's "Brilliant Basics" turnaround strategy continues to successfully drive improved profitability
- Strategic investments in infrastructure and innovation fuel growth
- Strong market position with a diverse channel and product mix

REVENUE

R7,9 billion

↑ 8.9%

EBITDA¹

R581,1 million

↑ 119.0%

EARNINGS

R317,0 million

↑ 1 407.1%

EPS

35.58 cents

↑ 1 407.6%

CASH

GENERATED FROM OPERATING ACTIVITIES

R755,1 million

↑ 49.2%

ROIC

12.6%

December 2023:
0.5%

HEADLINE EARNINGS

R317,6 million

↑ 1 348.8%

HEPS

35.64 cents

↑ 1 348.8%

¹ Operating profit before interest, taxes, depreciation, amortisation and impairment (EBITDA)

FIRST INTERIM REPORT AS AN INDEPENDENT BUSINESS

Future perfect Rainbow Chicken strategy to grow as a **sustainable**, low-cost producer of scale, and deliver attractive **through the cycle** profitability returns and growth

Green shoots but **consumers** still under pressure
Commodity **prices remain high**, despite some reprieve to the comparative period

On farm “**Brilliant Basics**” and agricultural performance

New **breed** in place for full period under review

Sustainable volume growth

Best in class processing performance

Continued **focus** on **cost control**

Best resolution of volume to be defined in terms of Product, Customer Mix and Innovation

Strategic investment in assets while still fixing the base

Rainbow supports the initiative by the South African Government to include new protein products to the existing consumer basket of **products that don't attract VAT** – outcome of the South African Poultry Association (SAPA) application is awaited

The South African poultry industry requires greater and more urgent **support from the Government to access export markets**, particularly the more lucrative breast fillet market, as per the Poultry Master Plan 2.0

No further development with regards to The Competition Commission's **Poultry Inquiry**

South Africa's **rail system** and **water supply** remains a major impediment to lower costs and must be driven at the highest levels of government

AGOA Renewal – currently a strained USA and RSA relationship

02

FINANCIAL REVIEW

KERRY VAN DER MERWE | CFO



CONDENSED CONSOLIDATED INCOME STATEMENT

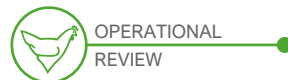
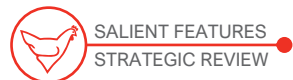


FOR THE SIX MONTHS ENDED 29 DECEMBER 2024

	December 2024 R'000	December 2023 R'000	Movement	%	
Revenue	7 894 686	7 249 374	645 312	8.9	↑ Revenue R7,9 billion, up 8.9%
EBITDA ¹	581 131	265 400	315 731	119.0	↑ EBITDA R581,1 million, up 119.0%
EBITDA Margin	7.4%	3.7%	3.7ppts		↑ EBITDA Margin increased from 3.7% to 7.4%
Operating Profit (EBIT) ²	415 813	112 215	303 598	270.6	
Net Finance Income/(Costs)	24 335	(94 375)	118 710	125.8	↓ Net Finance Costs R118,7 million lower
Headline Earnings	317 604	21 923	295 681	1 348.8	
Headline earnings per share (cents)	35.64	2.46	33.18	1 348.8	↑ HEPS 35.64 cents, up 1 348.8%
Earnings	317 010	21 035	295 975	1 407.1	
Earnings per share (cents)	35.58	2.36	33.22	1 407.6	↑ EPS 35.58 cents, up 1 407.6%

¹ Operating profit before interest, taxes, depreciation, amortisation and impairment (EBITDA)

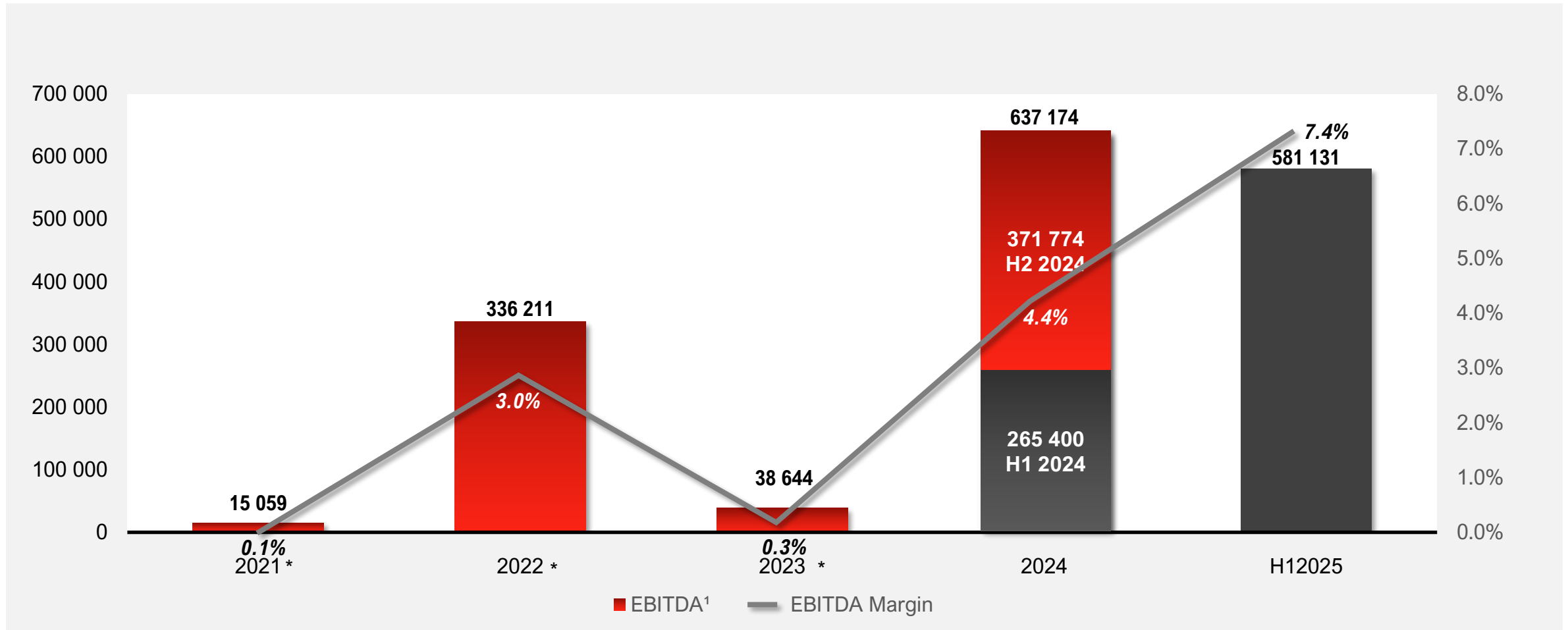
² Operating profit before interest and taxes (EBIT)



RAINBOW HISTORICAL PERFORMANCE



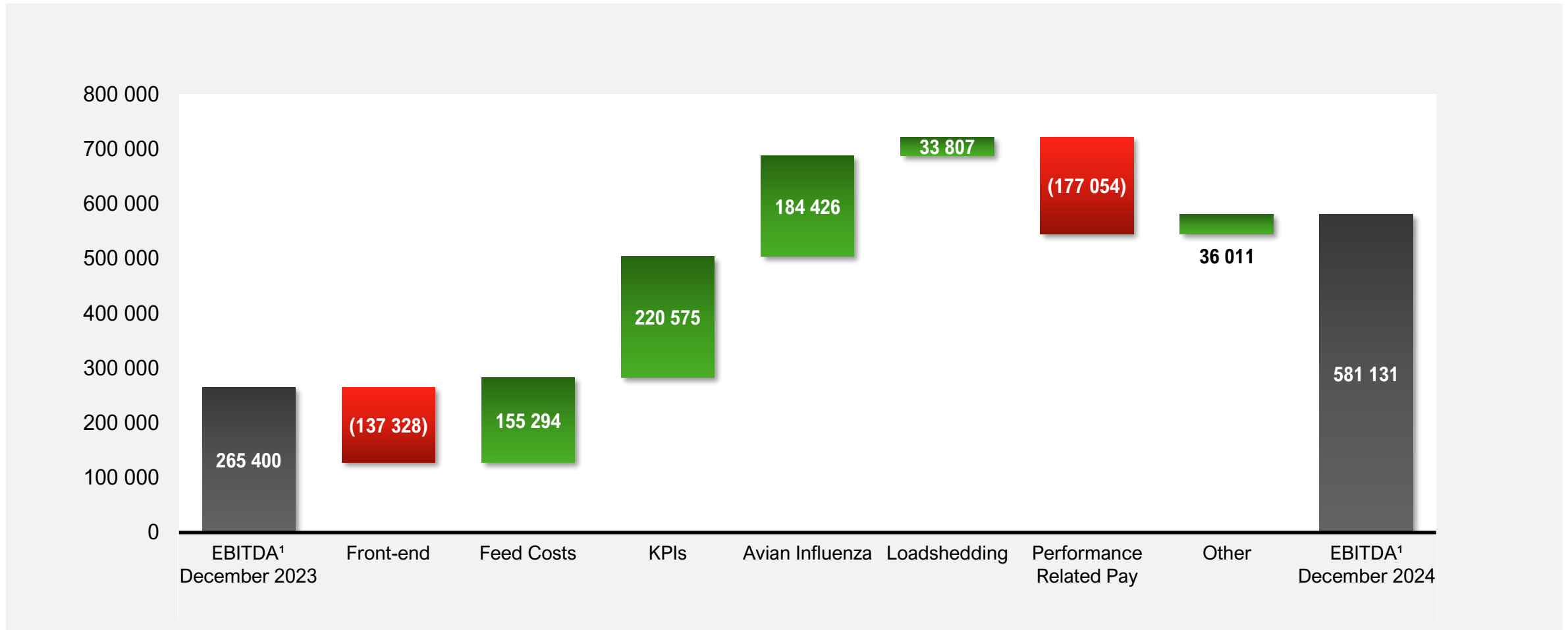
EBITDA¹ AND EBITDA MARGIN %



¹ Operating profit before interest, taxes, depreciation, amortisation and impairment (EBITDA)
 * As per the Rainbow Pre-listing Statement

RESULTS SUMMARY: EBITDA (R'000)

EBITDA¹ MOVEMENT DECEMBER 2023 TO DECEMBER 2024



¹ Operating profit before interest, taxes, depreciation, amortisation and impairment (EBITDA)

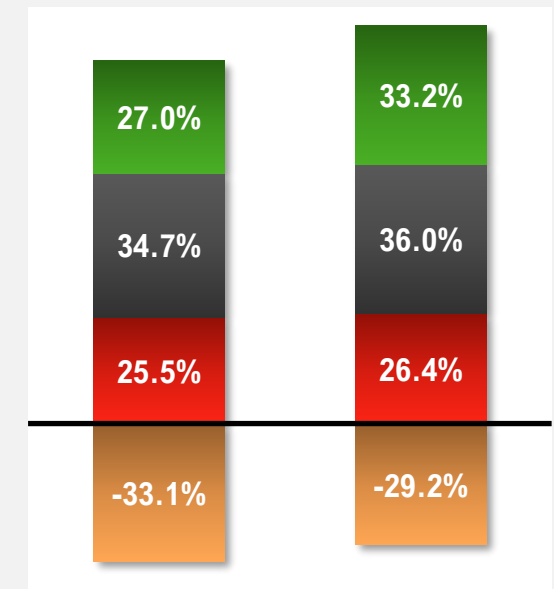
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION



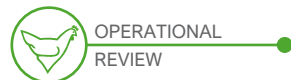
AS AT 29 DECEMBER 2024

	December 2024 R'000	December 2023 R'000	Movement %
Non-Current Assets	2 244 894	2 116 570	6.1
Net Current Assets	1 917 574	2 211 674	(13.3)
Current Assets (excluding cash)	4 770 041	4 543 131	
Current Liabilities (excluding loans payable)	(2 852 467)	(2 331 457)	
Cash	970 838	49 901	1 845.5
Loans Payable	0	(3 163 210)	100.0
Non-Current Liabilities	(757 730)	(490 642)	54.4
Total Equity	4 375 576	724 293	504.1
Inventories	1 076 113	1 017 848	5.7
Biological assets	934 139	894 941	4.4
Trade and other receivables	2 735 900	2 612 456	4.7
Trade and other payables	(2 611 154)	(2 119 193)	23.2
Net working capital	2 134 998	2 406 052	(11.3)

Net working capital as a % of revenue



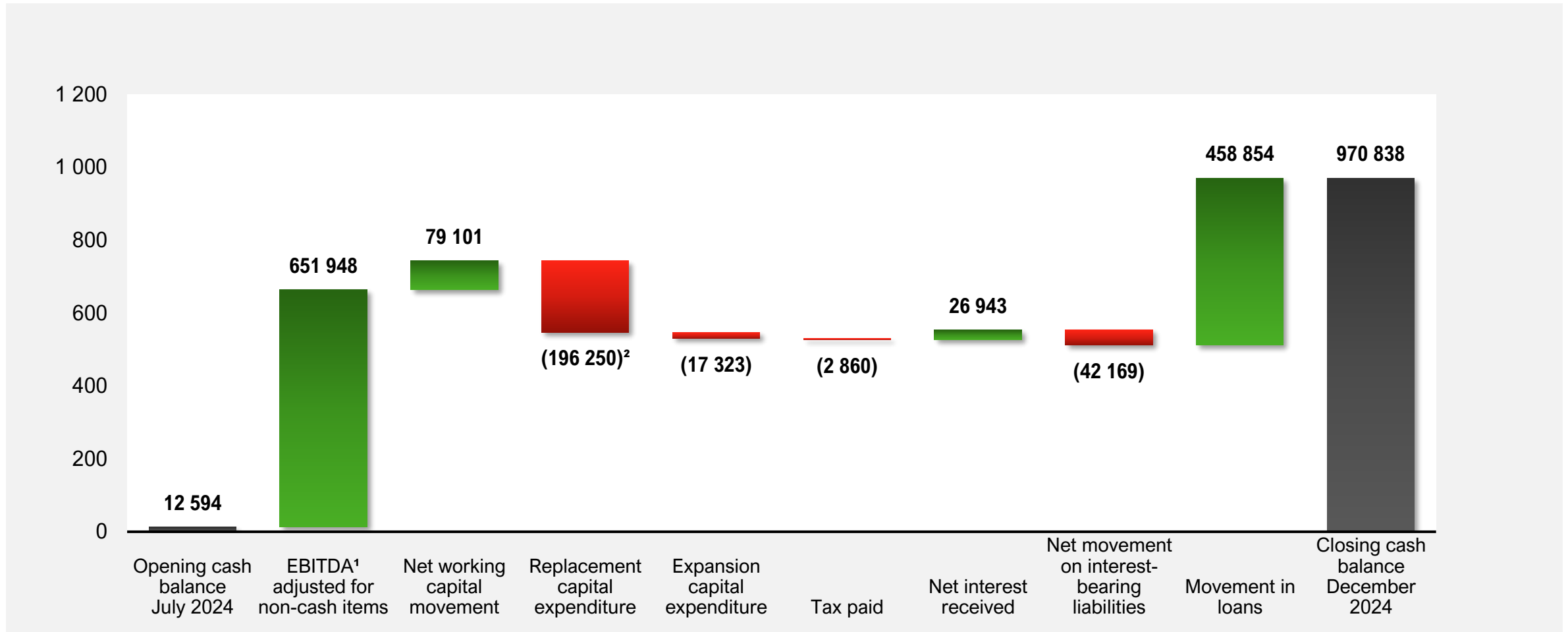
- Net
- Trade and other payables
- Trade and other receivables
- Inventories & Biological Assets



CONDENSED CONSOLIDATED CASH FLOW STATEMENT (R'000)

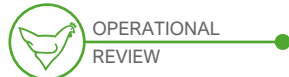
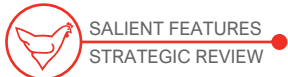


FOR THE SIX MONTHS ENDED 29 DECEMBER 2024



¹ Operating profit before interest, taxes, depreciation, amortisation and impairment (EBITDA)

² Included within Replacement capital expenditure are proceeds on the disposal of property, plant and equipment and intangible assets



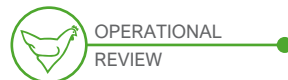
CAPITAL INVESTMENT



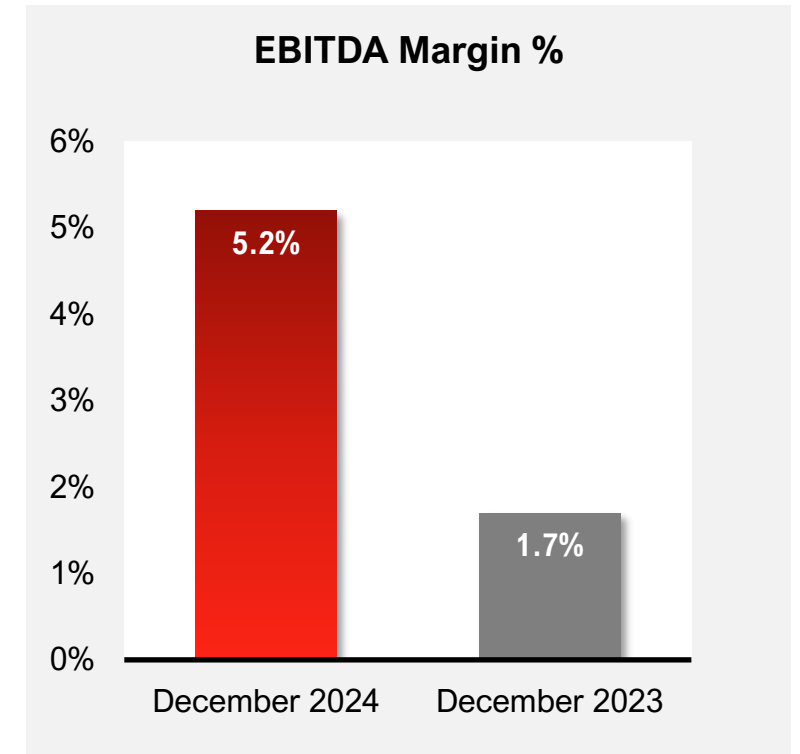
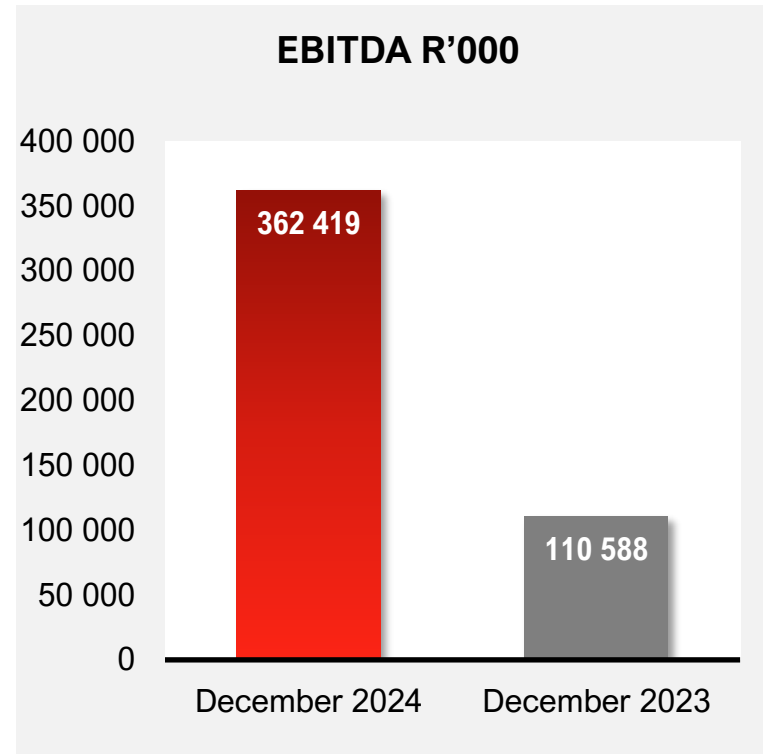
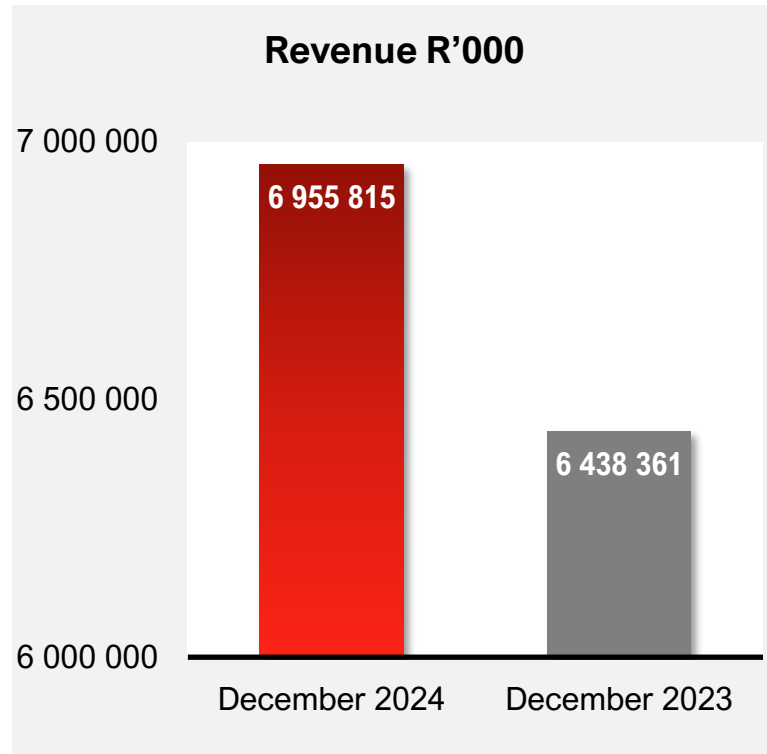
FOR THE SIX MONTHS ENDED 29 DECEMBER 2024

	December 2024 R'000	December 2023 R'000	Movement %
Depreciation, amortisation and impairment	165 318	153 185	7.9
Property, plant, equipment, intangible assets and investment property	134 534	124 526	8.0
Right-of-use assets	30 784	28 659	7.4
Capital Investment	213 573	170 149	25.5
Replacement ¹	196 250	160 865	22.0
Expansion	17 323	9 284	86.6
Capital Commitments	242 491	204 229	18.7

¹ Included within replacement capital expenditure are proceeds on the disposal of property, plant and equipment and intangible assets



CHICKEN DIVISION

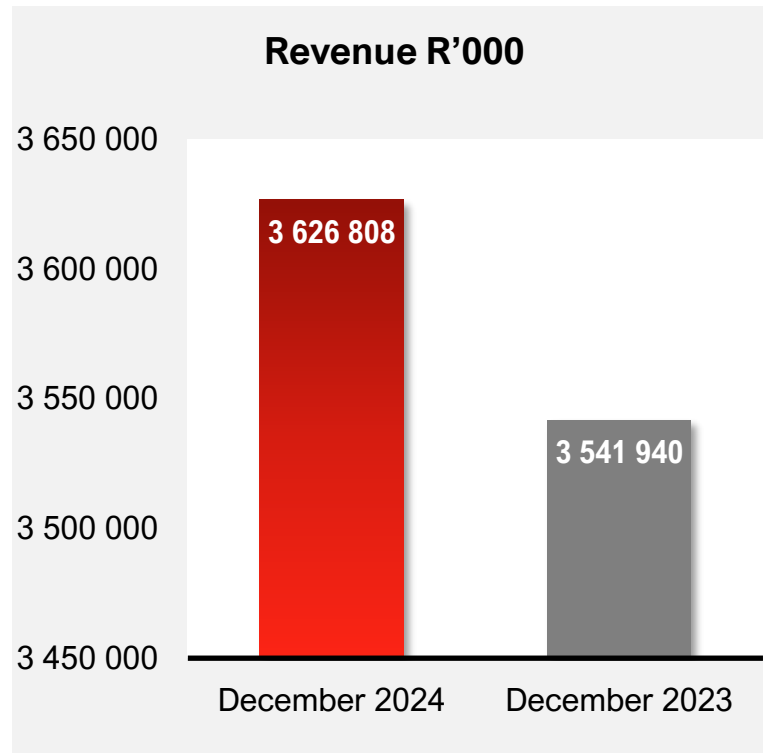


• 8.0% ↑

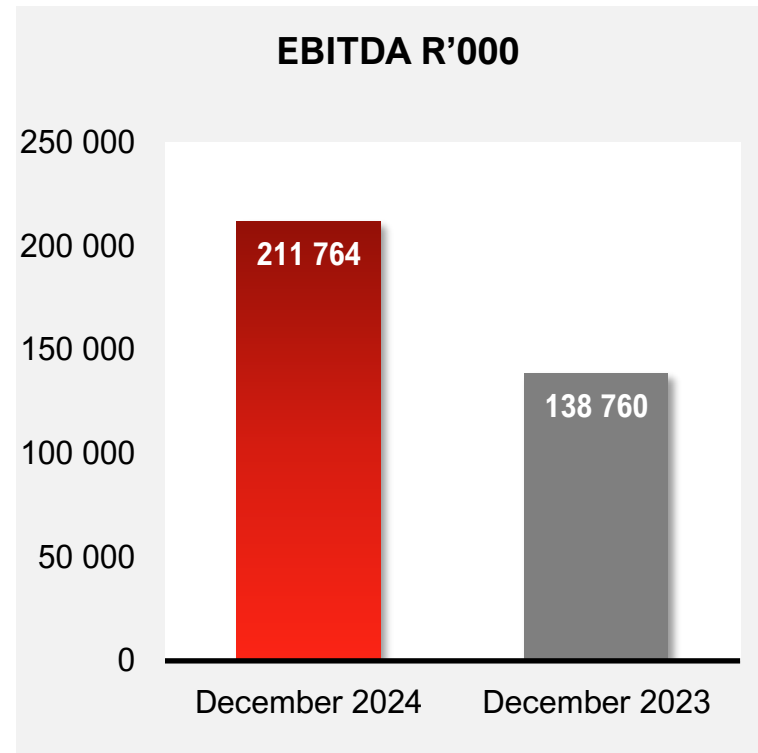
• 227.7% ↑

• 3.5 pts ↑

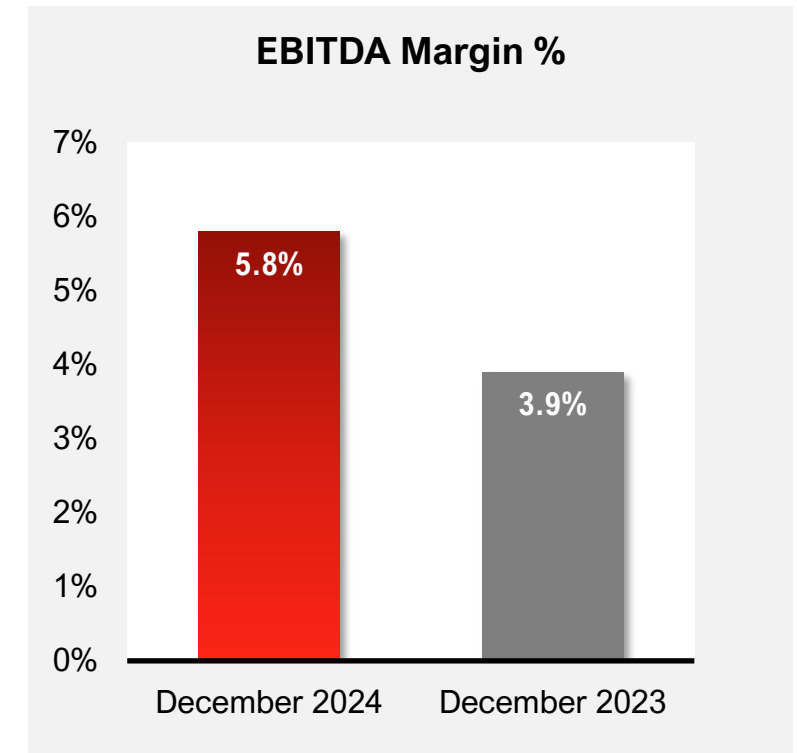
ANIMAL FEED DIVISION



• 2.4% ↑

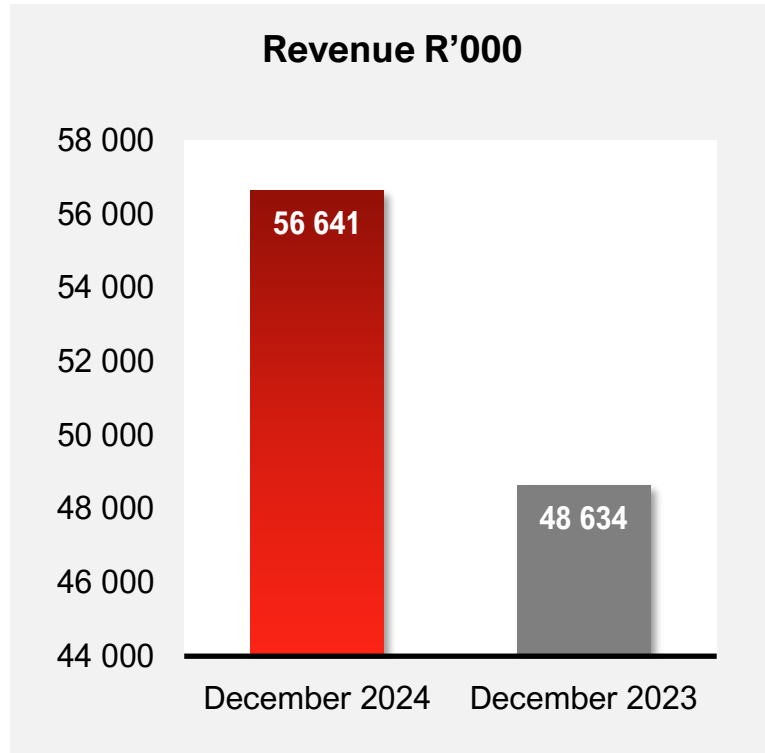


• 52.6% ↑

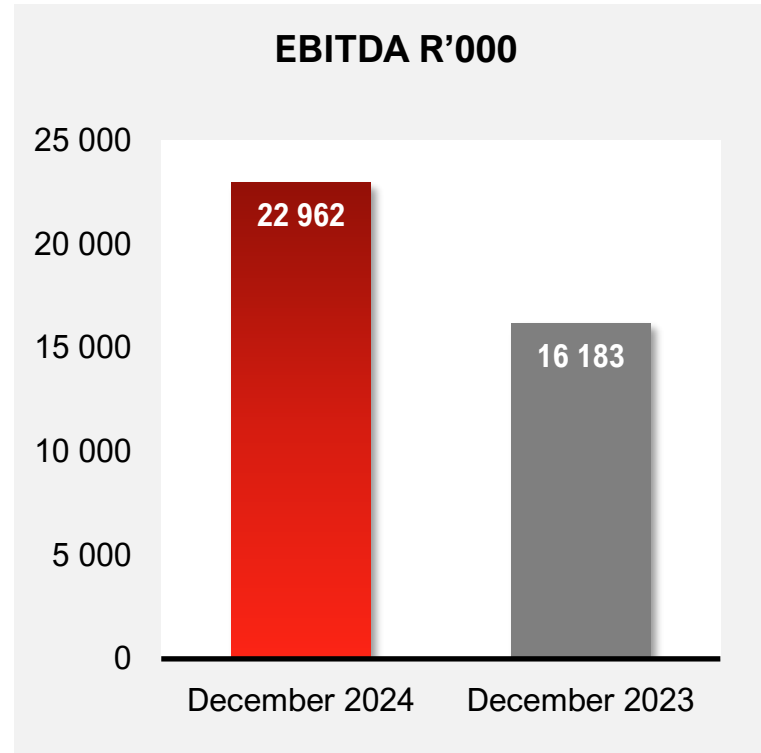


• 1.9 pts ↑

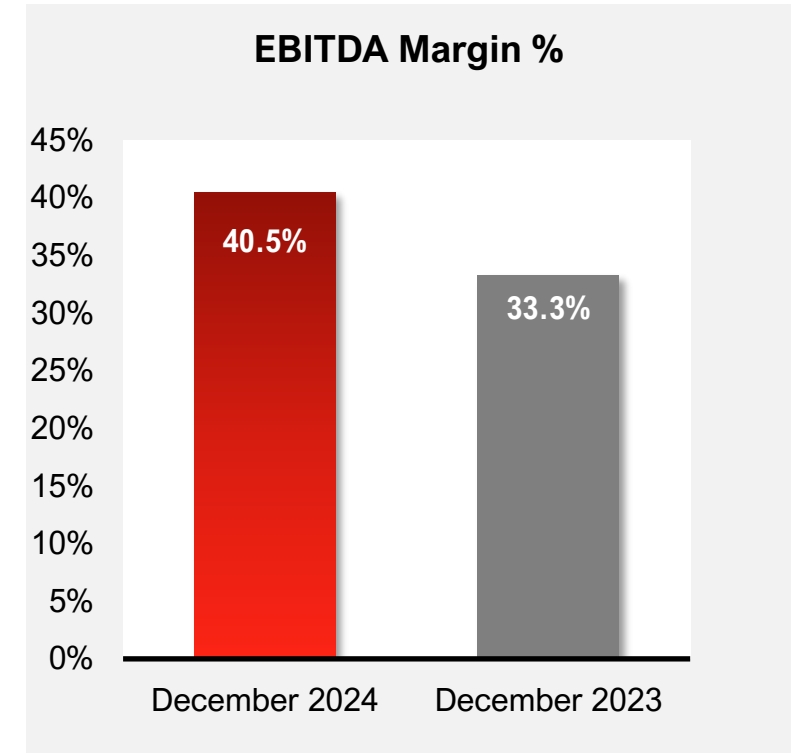
WASTE-TO-VALUE DIVISION



• 16.5%



• 41.9%



• 7.2 pts

SUMMARY OF FINANCIAL PERFORMANCE



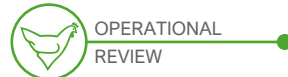
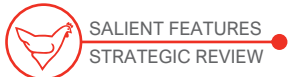
FOR THE SIX MONTHS ENDED 29 DECEMBER 2024

Pleasing results for the first six months of trading as a **standalone business**

Continued focus on liquidity, working capital and cash management

Management will prioritise **investment in capital projects and infrastructure** as outlined in the prelisting statement

No interim **dividend** declared given that we are in a reinvesting cycle



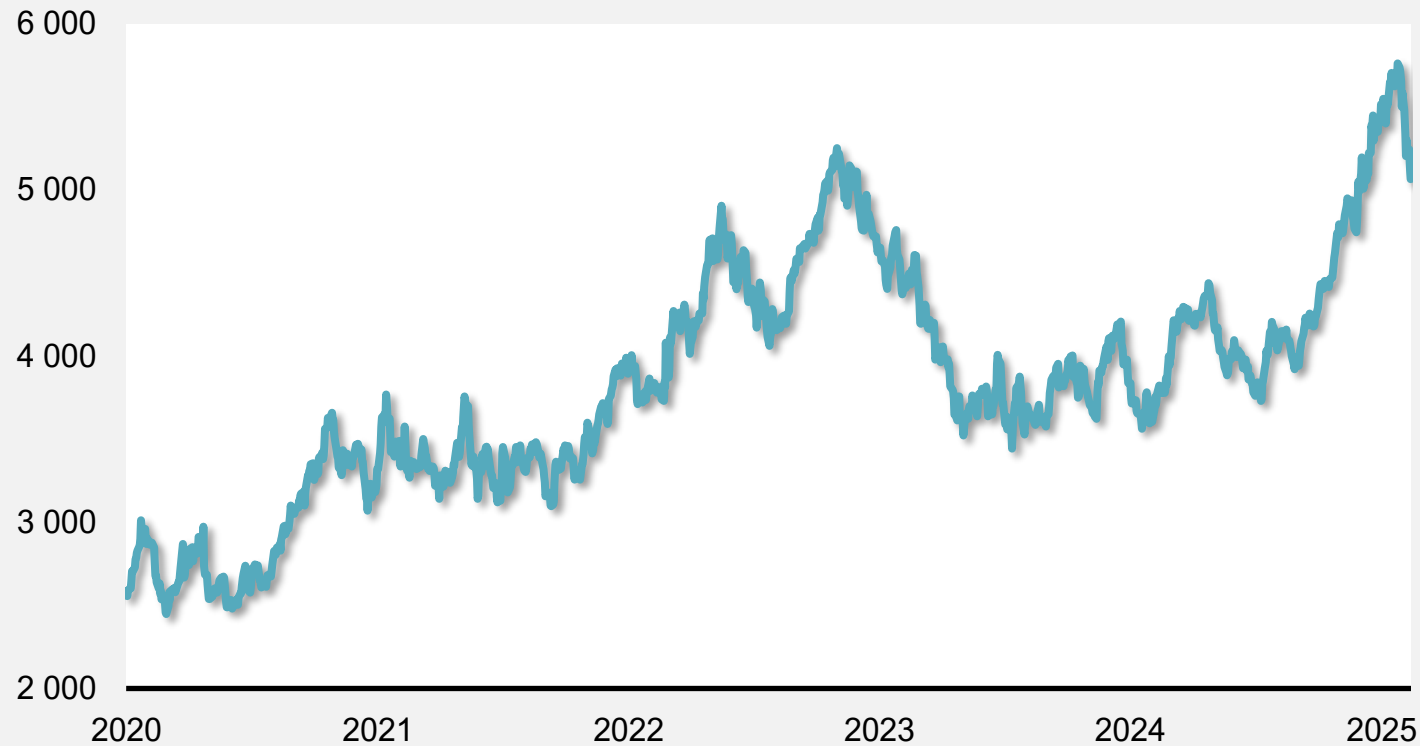
03

OPERATIONAL REVIEW

WOUTER DE WET | COO

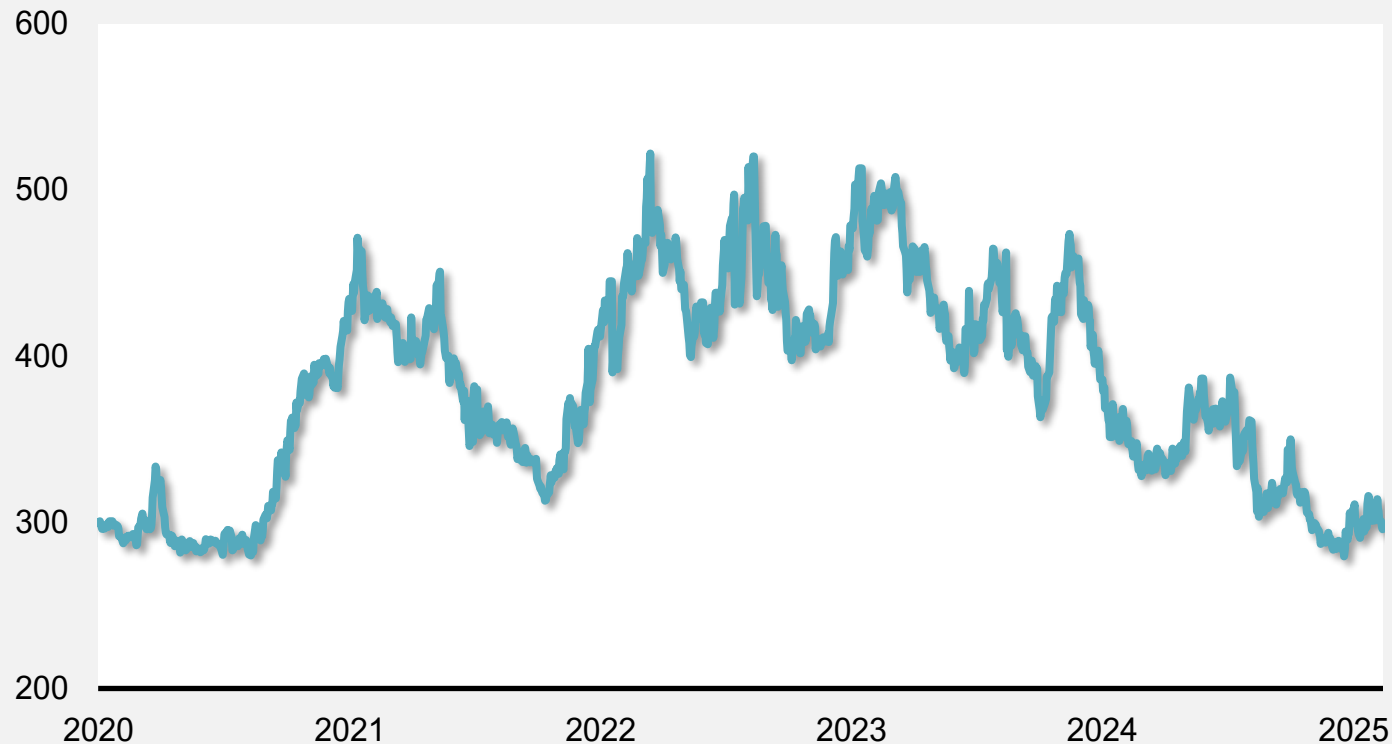


SAFEX yellow maize price (R/ton)



- Maize – a key input of feed cost
- Trading at levels slightly below the record highs
- Local and international weather outlook – a key driver of price volatility

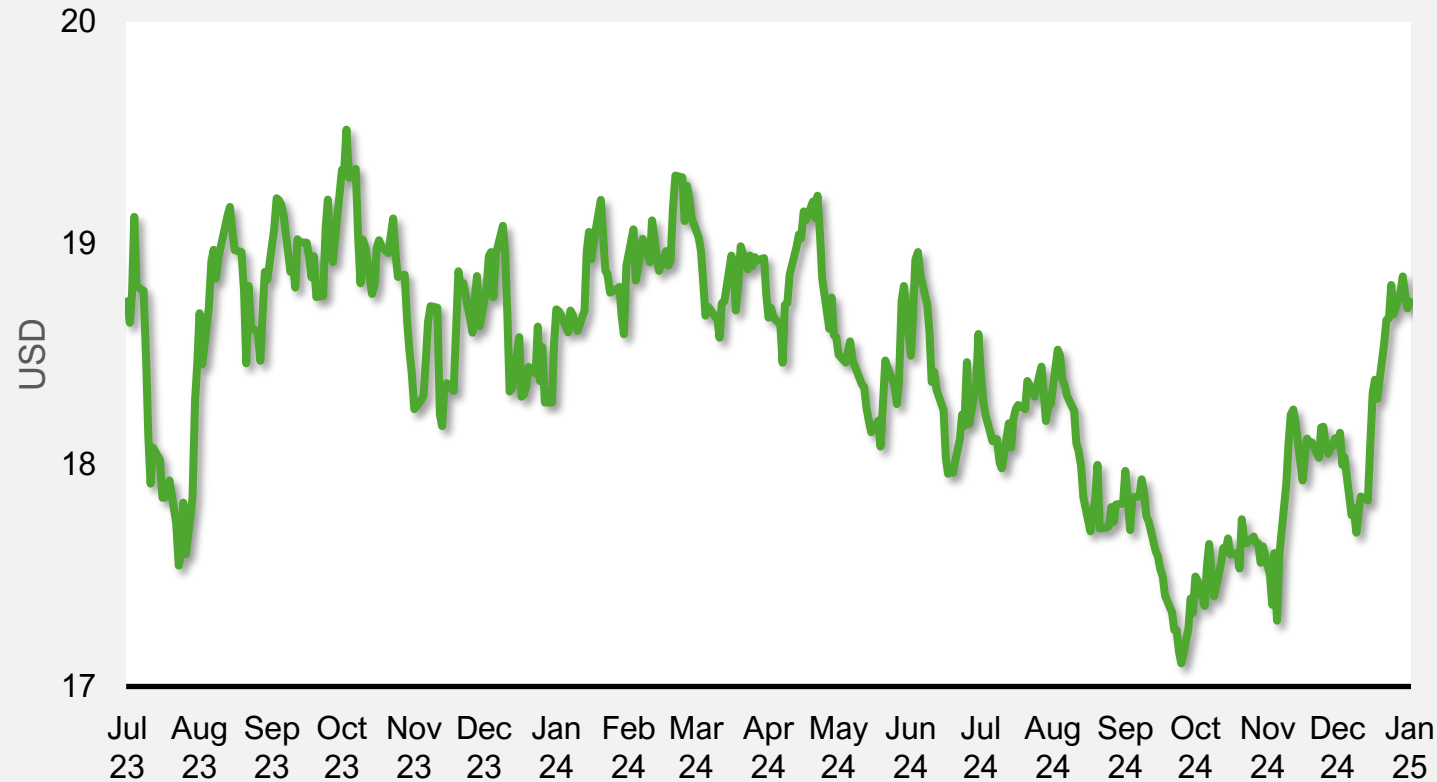
CBOT (US\$/ton)



- Soybean meal prices have trended lower
- Prices at historically low levels in Dollar terms but impacted by Rand/US Dollar volatility
- Local and international weather outlook remains a concern

CBOT – Chicago Board of Trade

Rand/US Dollar exchange rate

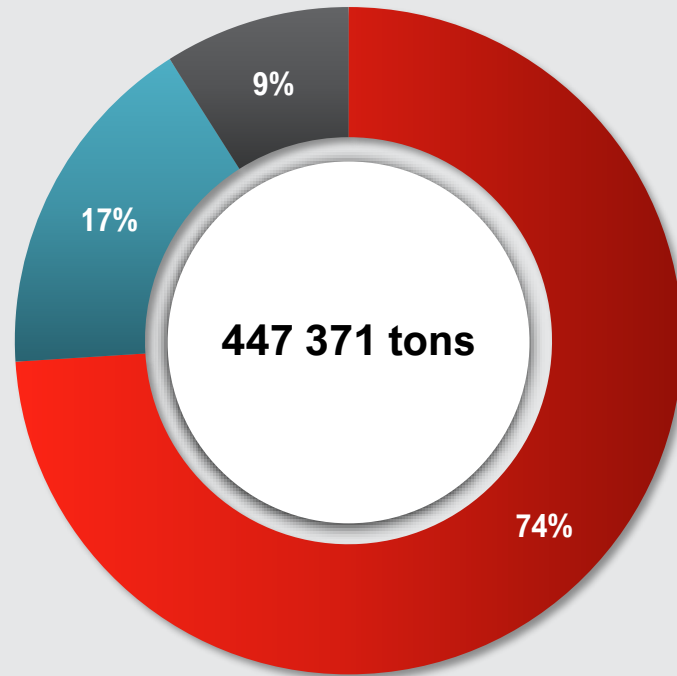


- A high of R19.20 and a low of R17.10 vs the US Dollar for the 6-month reporting period
- The exchange rate has a direct (CBOT) and an indirect (SAFEX IMPORT PARITY) impact on total feed costs

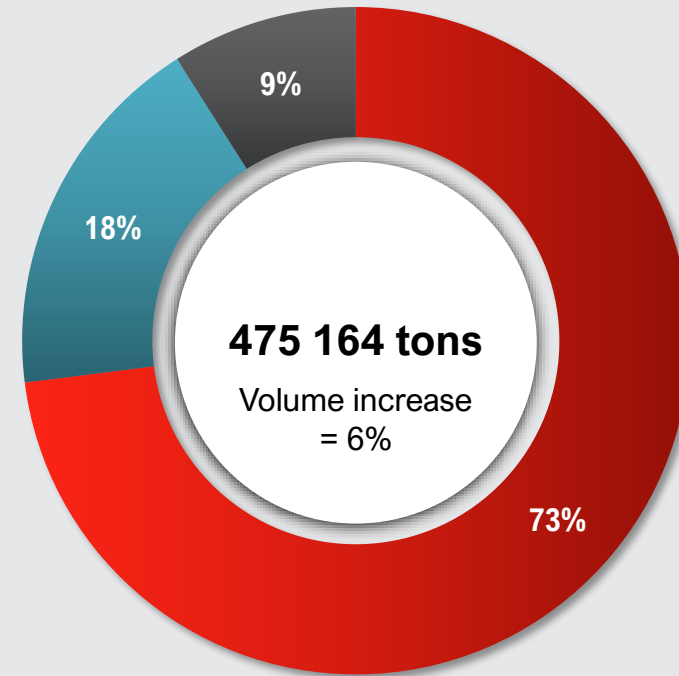
CBOT – Chicago Board of Trade – SAFEX – South African Futures Exchange

SALES MIX vs PY

Sales mix – H12024



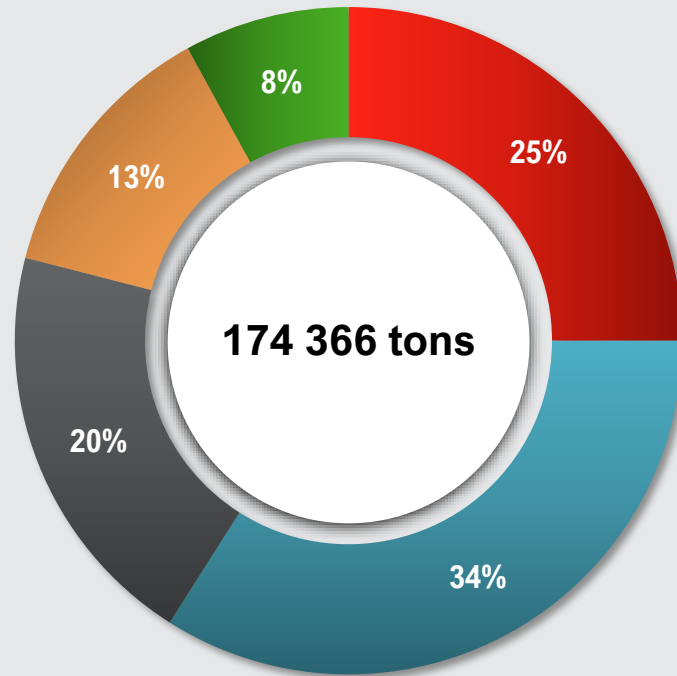
Sales mix – H12025



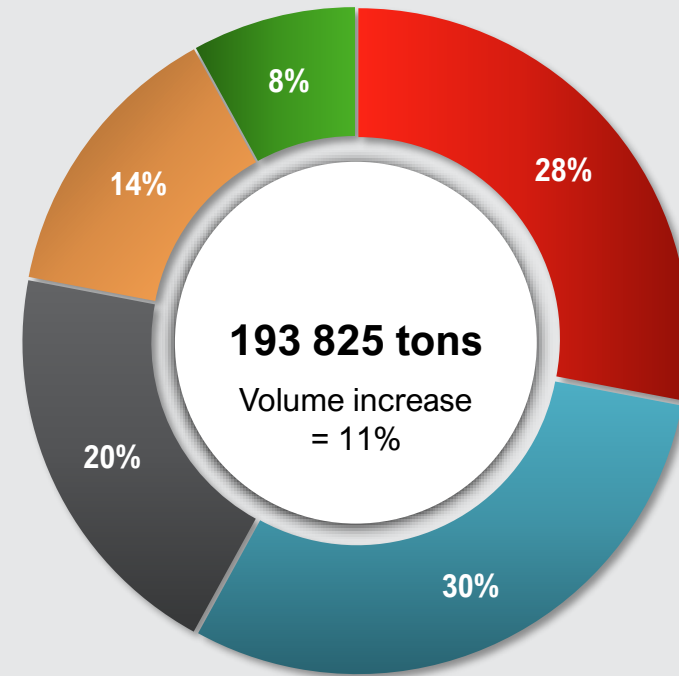
■ Internal Sales ■ External Poultry ■ Other

CATEGORY SALES MIX vs PY

Sales mix – H12024

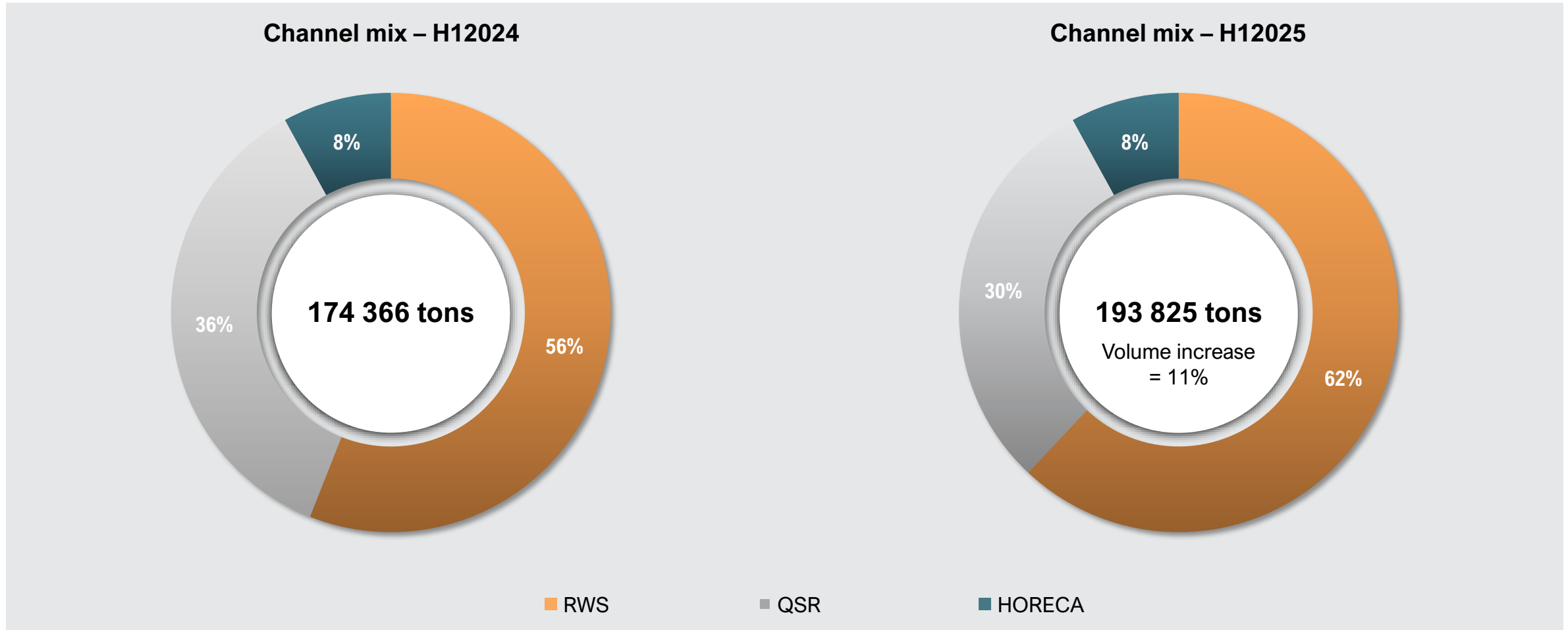


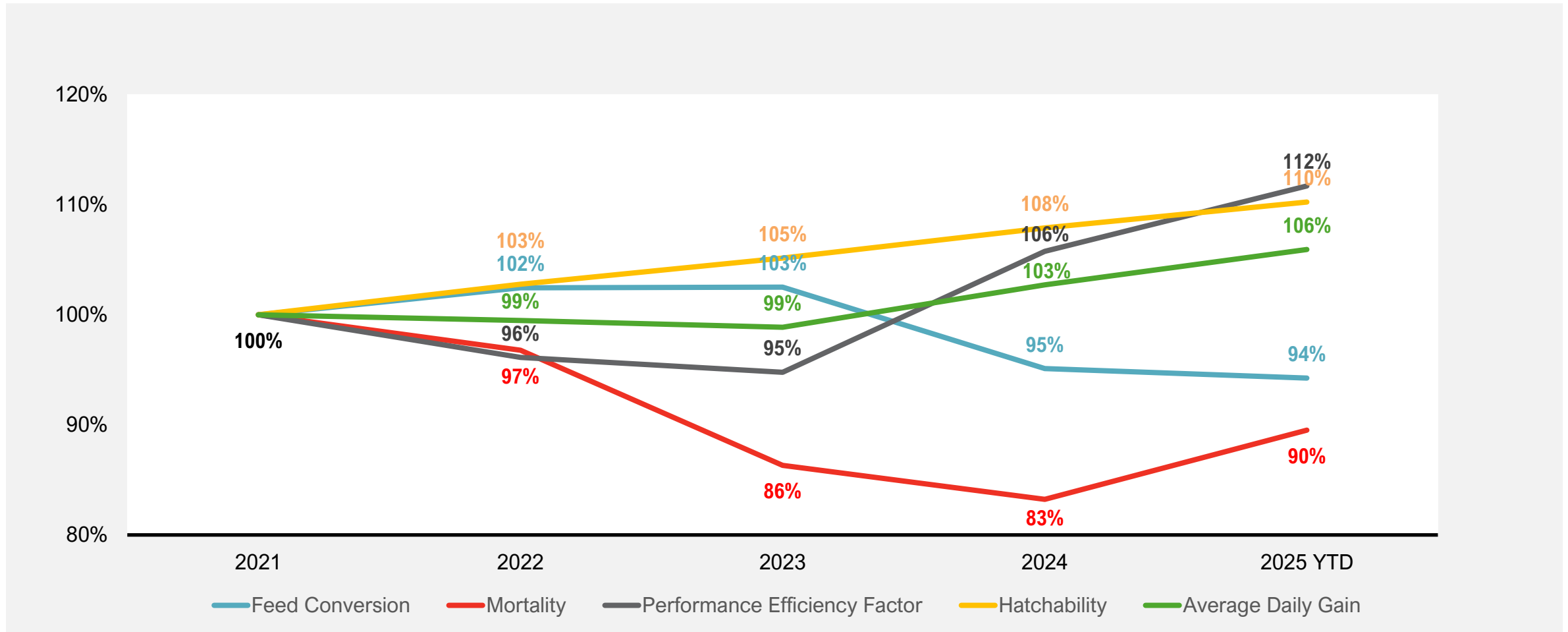
Sales mix – H12025



■ IQF Mixed portions ■ Prime Frozen ■ Fresh ■ Secondary & Tertiary ■ Further Processed

CHANNEL SALES MIX vs PY





WASTE-TO-VALUE DIVISION

Operational issues at the **Rustenburg** plant are having an impact on profitability and are being closely monitored

The **Worcester** plant is operationally outperforming on the original **design specification** and therefore, key to Rainbow's **sustainability initiatives**

The operations **convert chicken processing and farming waste into usable energy sources** – like biogas and heat – turning waste into valuable resources and *future-proofing* Rainbow's businesses against water and electricity supply interruptions and therefore key to Rainbow's sustainability initiatives.



04

PROSPECTS

MARTHINUS STANDER | CEO

RAINBOW CHICKEN LIMITED INTERIM RESULTS DECEMBER 2024



CHICKEN PEOPLE DOING CHICKEN THINGS

Rainbow's focus remains on advancing the "**Brilliant Basics**" strategy for the remainder of the financial year

The goal is to **deliver exceptional value** through innovative products and a product mix that responds to market, brand and customer fundamentals

Reduction of costs remains a priority, especially where they can be controlled

The gradual reduction in interest rates and a level of political stability provide hope for economic growth and financial relief for consumers – these developments **bode well for sales in the second half of the year**

Rainbow is **well positioned to meet rising consumer demand** from an optimised mix across all channels

Rainbow remain concerned about **service delivery interruptions** with particular reference to **water supply, water quality** and **electricity**

The **threat of AI** during the winter months is **real**. Rainbow will continue to **manage** an extremely focused **biosecurity regime**

RAINBOW IS WELL PLACED TO FULFILL ITS PURPOSE OF *NOURISHING THE NATION*

**RAINBOW
CHICKEN
LIMITED**

THANK YOU



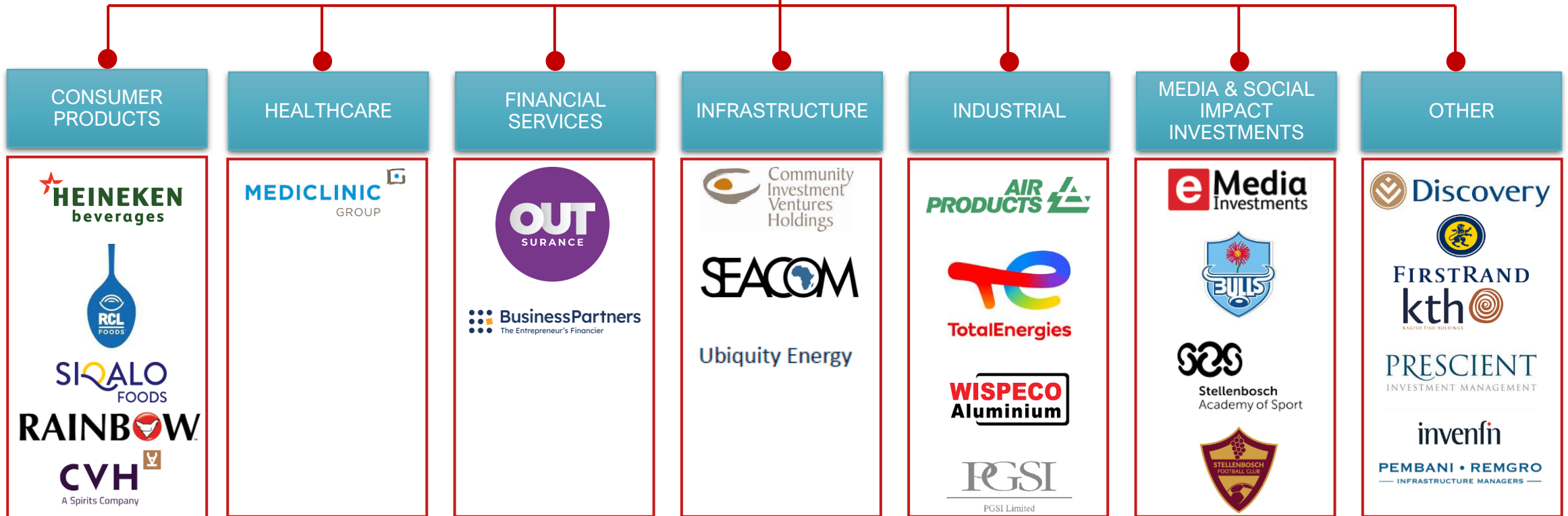
RAINBOW  **W**

APPENDIX

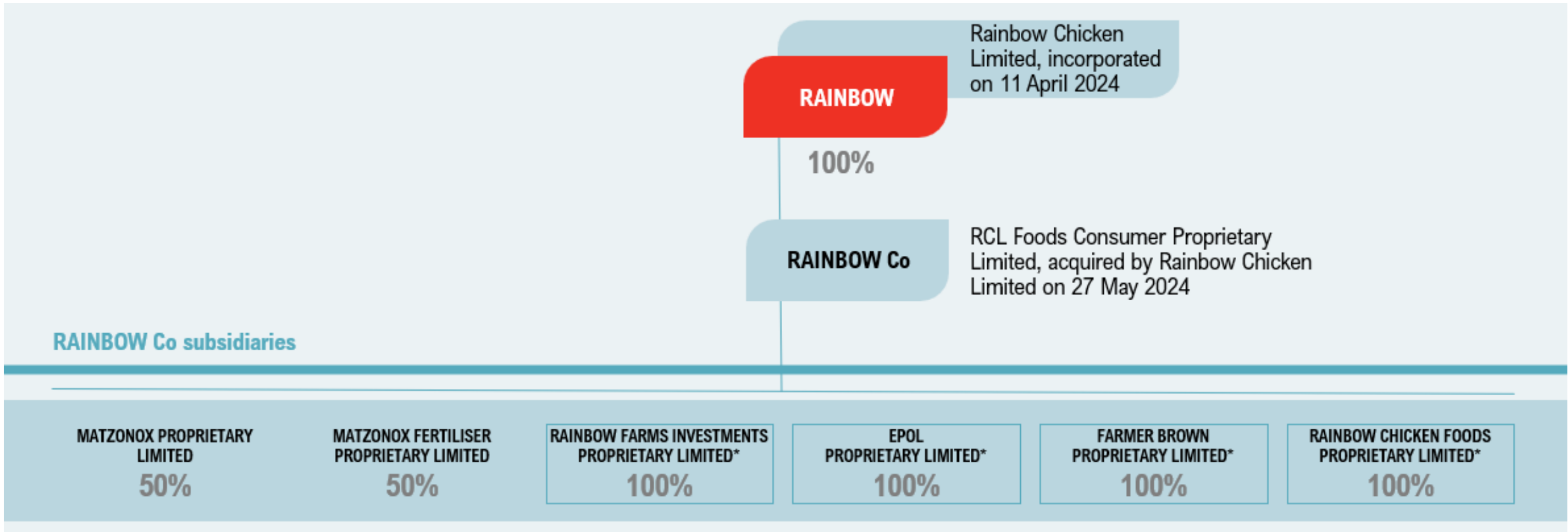


RAINBOW IN CONTEXT

Remgro Limited



RAINBOW POST UN-BUNDLING GROUP STRUCTURE



COMPANY PROFILE

RAINBOW

ONE OF SOUTH AFRICA'S LARGEST PROCESSORS AND MARKETERS OF CHICKEN



9 000

PERMANENT AND
TEMPORARY
EMPLOYEES



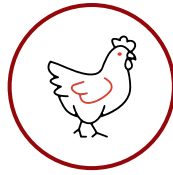
174

FARMS



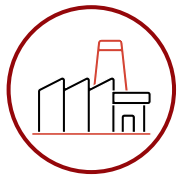
1 288

HOUSES



8

HATCHERIES



3

PRIMARY
PROCESSING
PLANTS



2

PROCESSING
PLANTS FOR
ADDED-VALUE
PRODUCTS



6

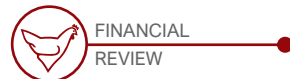
ANIMAL FEED
MILLS



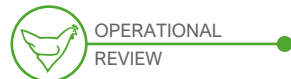
Additionally, Rainbow holds a 50% stake in the subsidiary, Matzonox, that runs two Waste-to-Value plants



SALIENT FEATURES
STRATEGIC REVIEW



FINANCIAL
REVIEW

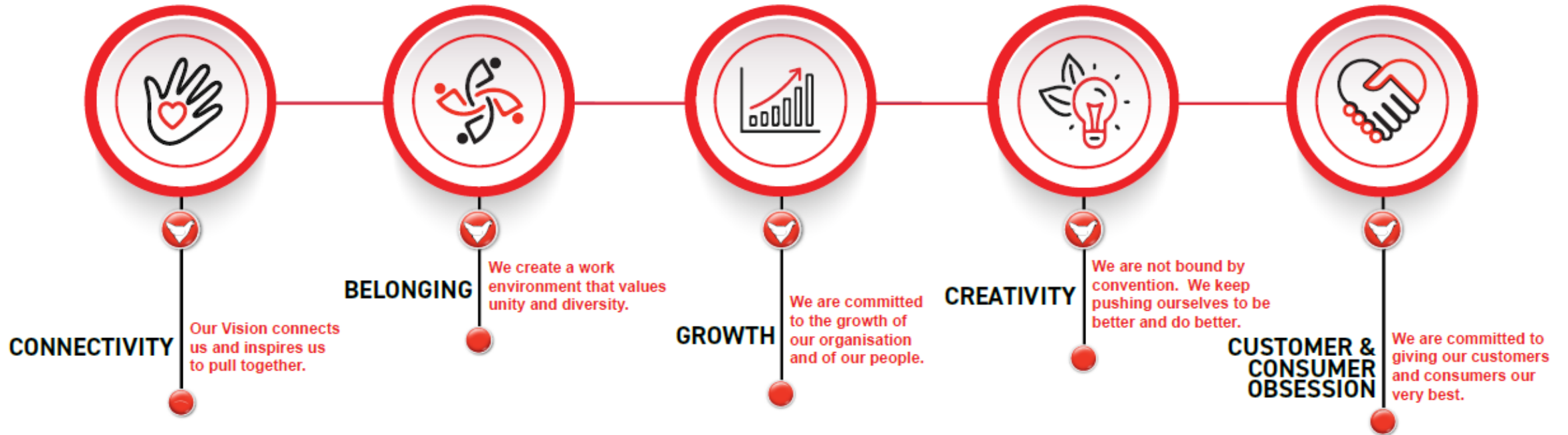


OPERATIONAL
REVIEW



PROSPECTS

RAINBOW VALUES



ANIMAL FEED BRANDS



CHICKEN BRANDS



CHICKEN CHANNELS IN WHICH WE OPERATE

RETAIL	QSR/FSR	HORECA	FORECOURTS
WHOLESALE		EXPORTS	IND REPROCESSORS