



Presentation to Investment Community

28 September 2023

FY23 - A year of mixed fortunes and many challenges

- ➔ Russia/Ukraine war-induced double digit inflation
 - YOY headline inflation reached 12.2% in December 2022, its highest level since 2008
- ➔ Rupee continued decline against USD
 - Fall of nearly 3% between 1 July 2022 and 30 June 2023
 - Total depreciation of 25% since beginning of Covid in January 2020 until end June 2023
- ➔ Sharp increase in interest rates leading to an escalation of finance costs for businesses and households
 - Key Repo Rate: 3 June 2022: 2.25%; 28 Sept 2022: 3.0%; 4 Nov 2022: 4.0%; 14 Dec 2022 to date: 4.50%
- ➔ Increased pressure on margins due to extension of price control on more product categories in July 2022
 - Nappies, Pasta
 - Margarine moved from price fixed/subsidy regime to maximum mark-up regime
- ➔ Signs of green shoots of economic rebound
 - GDP at market prices grew by 8.8% to reach Rs571bn in calendar year 2022 (above Rs512bn pre-Covid level in 2019)
 - Tourist arrivals almost at pre-Covid levels; Earnings above pre-Covid levels since March 2022

Profitability restored in FY23 after 3 years of decline

Condensed Consolidated Statements of Profit or Loss

	2023 Rs'000	2022 Rs'000	2021 Rs'000	2020 Rs'000
Revenue	6,159,640	5,381,088	4,526,186	4,494,873
Profit from operating activities	277,119	104,067	104,081	171,800
Finance income	28,431	29,005	10,982	9,458
Finance costs	(134,211)	(73,908)	(73,507)	(91,825)
Profit before tax from continuing activities	171,339	59,164	41,556	89,433
Income tax expense	(32,433)	(2,988)	3,078	(23,684)
Profit for the year from continuing operations	138,906	56,176	44,634	65,749
Loss from discontinued operations	-	(25,904)	-	-
Profit for the year	138,906	30,272	44,634	65,749
Profit attributable to:				
Owners of the Company	112,298	7,469	21,172	56,059
Non-controlling interest	26,608	22,803	23,462	9,690
Profit for the year	138,906	30,272	44,634	65,749
Earnings per share				
Basic and diluted earnings per share (Rs)	3.06	0.20	0.58	1.53

COMMENTS

- ➔ Revenue growth of 14% mostly driven by increase in prices
- ➔ Strong growth in profit from operating activities (+166%) driven by margin improvements
- ➔ Increase in finance costs due to sharp increase in interest rates and higher working capital requirements at Meaders Feeds
- ➔ Results include insurance proceeds of Rs26m relating to the fire outbreak at Supercash Phoenix last year
- ➔ EPS back to pre-Covid levels at Rs3.06 against Rs0.20 last year
- ➔ EPS adjusted for insurance proceeds & discontinued operations was Rs2.47 (FY22: Rs0.63)

Improved Company results

	2023 Rs'000	2022 Rs'000	COMMENTS
Revenue	3,132,729 -----	2,793,976 -----	➤ Top line growth of 12%
Profit from operating activities	140,716	55,289	➤ Increase in sales of all product groups with robust increase in local poultry (+33%) & dairy products (+15%)
Finance income	8,709	8,128	➤ Good growth in sales to HORECA sector (+57%)
Finance costs	(65,024) -----	(41,709) -----	➤ Rise in finance cost due to increase in working capital requirements and interest rates
Profit before tax from continuing activities	84,401	21,708	
Income tax expense	(16,711) -----	(3,386) -----	
Profit for the year	67,690 -----	18,322 -----	➤ PAT improved by 270% to Rs67.7m

Key Objectives & Focus Areas



Strengthen the Core

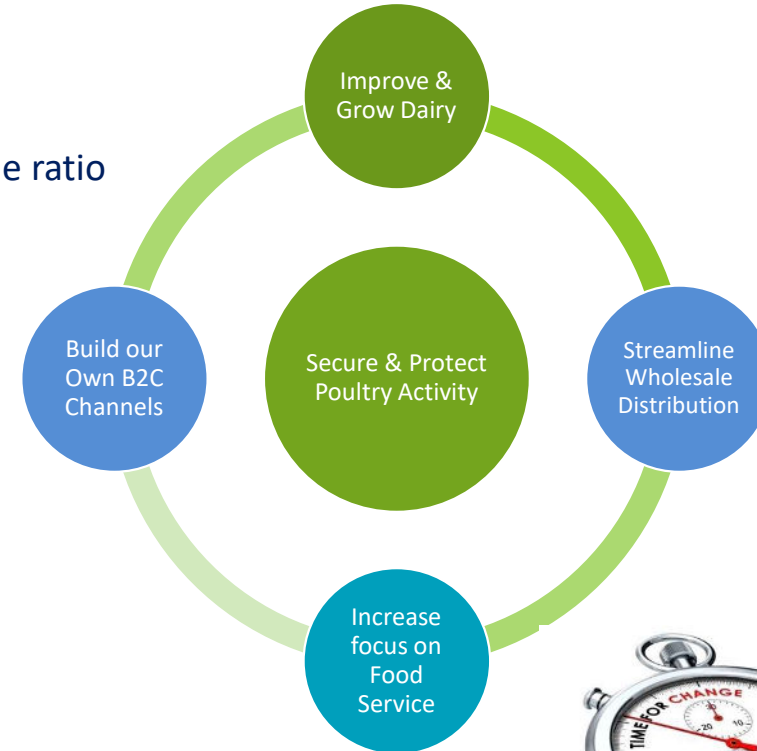
- Invest in own brands
- Increase B2C channels

Accelerated Growth

- New products/segments
- New markets/Exports

Business Improvement

- Higher profitability
- Lower cost to income ratio



Product portfolio enhancements

➤ Distribution of Parmalat products



With Parmalat's wide range, there's the perfect milk for everyone! The milk range that caters for the whole family - offering a variety of milks perfect for each and every individual in your household.

With its easy to grip packaging, stylish new one-twist opening and smooth-pouring angled top, Parmalat milk can be easily enjoyed by the whole family.

Parmalat Custard also available for a smooth, creamy and delicious treat!

Parmalat – a Lactalis Brand



KEY FIGURES
Source of our leadership

 <p>€28.3 BILLION REVENUE</p>	<p>1st GLOBAL DAIRY GROUP IN THE CHEESE MARKET</p>		<p>2nd GLOBAL GROUP IN THE CHILLED DAIRY MARKET</p>	<p>1st GLOBAL PLAYER IN PDO AND RAW MILK CHEESE</p>
<p>1st GLOBAL DAIRY GROUP</p>	<p>2nd GLOBAL GROUP IN FLUID MILK</p>		<p>10th LARGEST GLOBAL FOOD GROUP</p>	

TOP 10 GLOBAL FOOD GROUPS



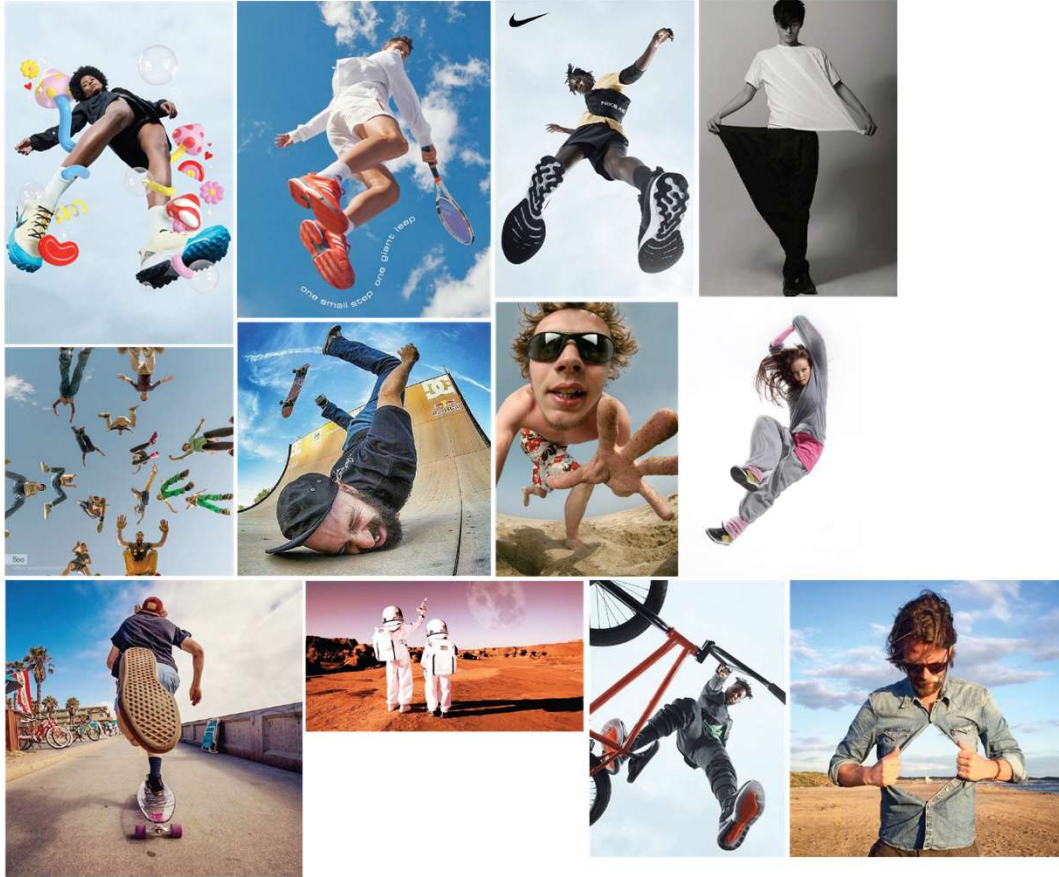
	2022 classification	Revenue in € bn
1	Nestlé	93.9
2	PEPSICO	82
3	(JBS)	68.9
4	ABInBev	54.9
5	Tyson	50.6
6	MARS	41.8
7	Coca-Cola	40.8
8	Mondelēz International	29.9
9	HEINEKEN	28.7
10	LACTALIS	28.3
11	DANONE	27.7
12	Kraft Heinz	25.1
13	Food & Refreshment	21.8
14	SANTITAS	19.3
15	General Mills	18.4

Launch of our new drinking yoghurt - JUMP



**“Inspired by the youth
to inspire them better”**

The rationale for JUMP



- In line with our strategy of increasing our market share in the drinking yoghurt segment, a market estimated at more than 300,000 units per month
- Targeted mainly towards the young people with changing needs
- A brand name easy to pronounce, meaning on the move

JUMP

We are committed to reduce Food Waste

➔ Innodis has associated itself with the NGO Foodwise in the fight against Food Waste



July 2022 – June 2023



11,250 kg
food donated to
charitable
institutions



45,000
meals
redistributed
to the needy



54
receiving
charitable
institutions

Committed to Sustainability

July 2022 - June 2023



37,420 kg

Waste saved from Landfill

impact

483



Trees saved

impact



Oxygen saved for

1,488

people

**Paper
28.4 MT**



equivalent to



12,136 Paper Reams

**Plastic
6.1 MT**



equivalent to



186,248 PET Bottles

**E-Waste
2.9 MT**



equivalent to



255 TV Sets



The background of the slide is a photograph of two men in a field, silhouetted against a bright sunset. They are shaking hands. The scene is captured in a warm, golden light. A semi-transparent green banner is overlaid across the middle of the image.

➔ INNOODIS

“Connecting people to a better life...”