



Annual Results Presentation

for the year ended 30 September 2022

2022



- **Business Overview** *Slide 3 – Chris Schutte*
- **Operational Overview** *Slide 11 – Gary Arnold*
- **Industry Matters** *Slide 30 – Gary Arnold*
- **Financial Overview** *Slide 33 – Dries Ferreira*
- **Outlook** *Slide 44 – Chris Schutte*
- **Additional Information** *Slide 47*



BUSINESS OVERVIEW



Chris Schutte
Chief Executive Officer

SALIENT POINTS



- **Feed input costs increased** sharply over the period on record high maize and soya prices, driven by global fundamentals in the coarse grain markets
- **Broiler production efficiencies** improved year-on-year, notwithstanding a negative impact due to load shedding in the last month of the financial year
- **Poultry margins improved** as a higher feed raw material and energy costs were recovered for part of the year
- **Extraordinary costs** linked to load shedding, poor municipal service delivery, water supply interruptions and disintegration of rail transport infrastructure

SALIENT POINTS

- **Record level of unemployment** in South Africa with weak economic growth, rising cost of living and a strained consumer environment
- **Disposal of Astral's interest** in National Chicks Swaziland and the sale of the Mozambique feed and poultry assets, completed
- **Poultry imports and dumping continue unabated**, and a delay in the implementation of an anti-dumping duty against Brazil and four EU countries
- **Resilient financial performance** under on-going tough market and challenging operational conditions

KEY FINANCIAL INDICATORS



- Revenue @ R19,3 billion
- Profit before interest and tax @ R1 440 million
- Profit for the period @ R1 071 million
- Headline earnings per share @ 2 762 cents
- Total dividend for the year @ 1 380 cps

22%

103%

126%

125%

97%

DIVISIONAL OVERVIEW

Feed



- Raw material costs up sharply
- Internal feed requirements increased
- External sales volumes increased
- Expenses up in line with inflation
- Improved Rand per ton margin

Poultry



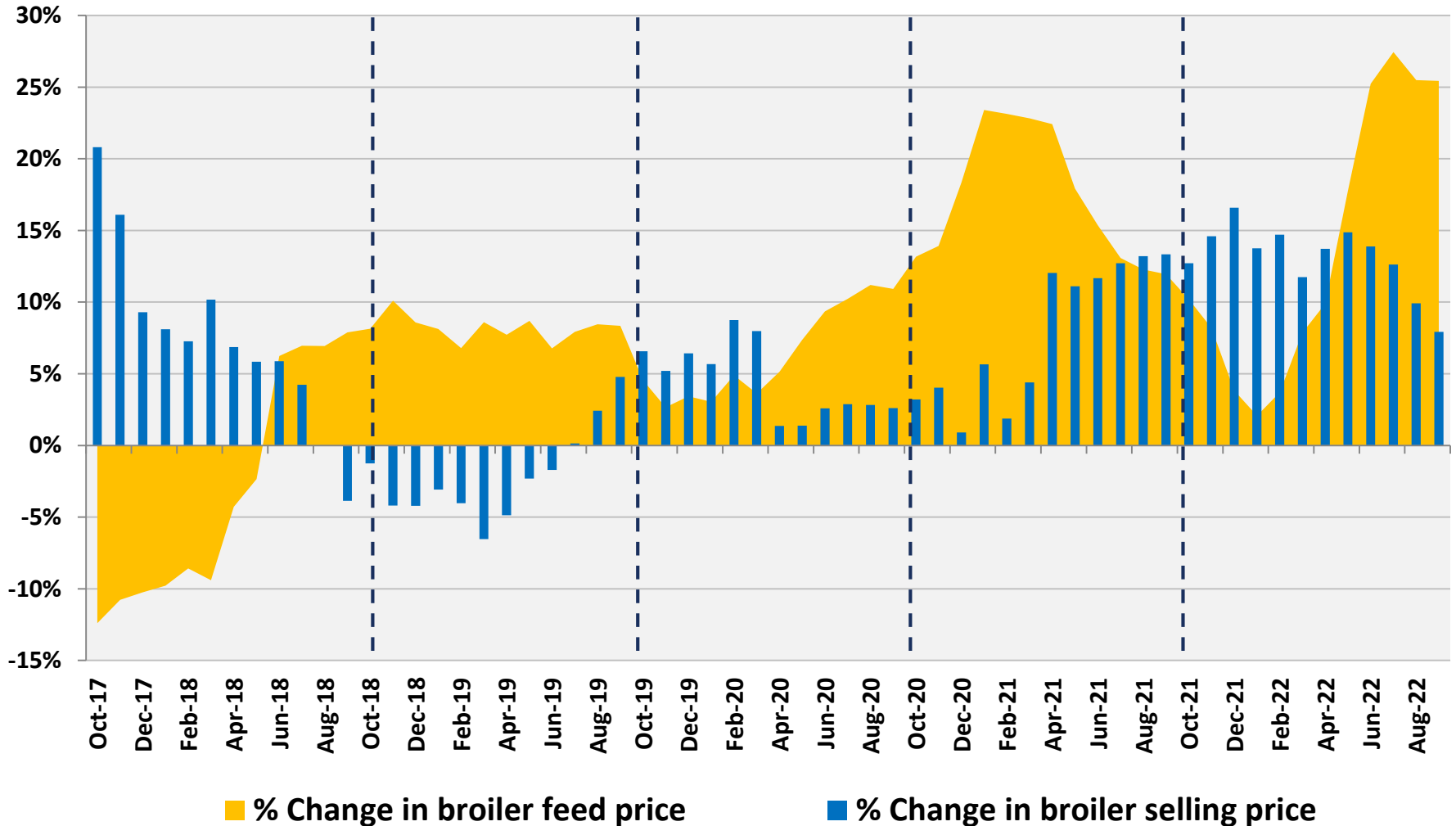
- Broiler performance improvement
- Broiler sales volumes increased
- Broiler sales realisations up
- Cost impact of load shedding
- Broiler net margin improvement

Other Africa – Feed & Poultry

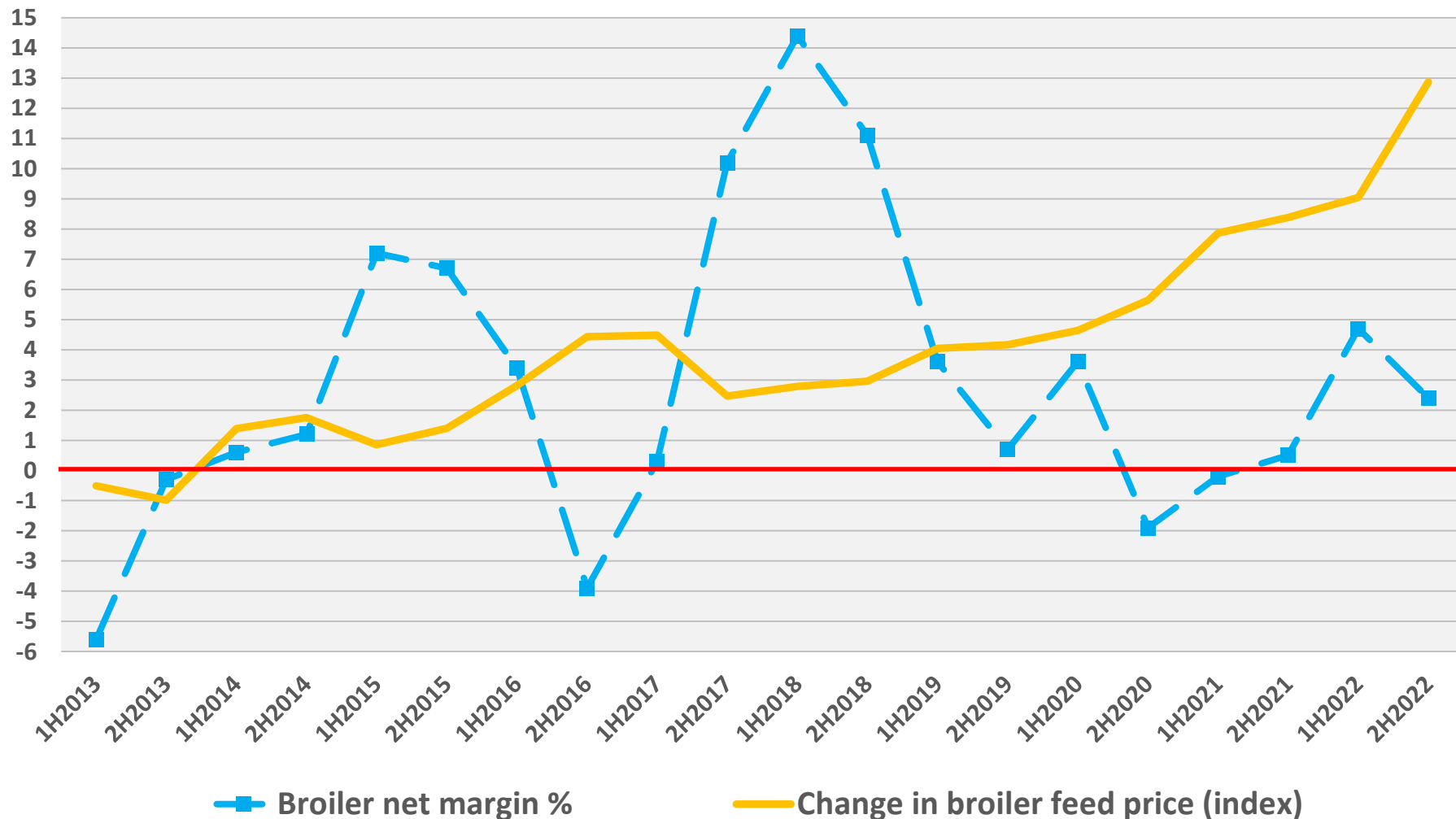
- Good performance from Zambia



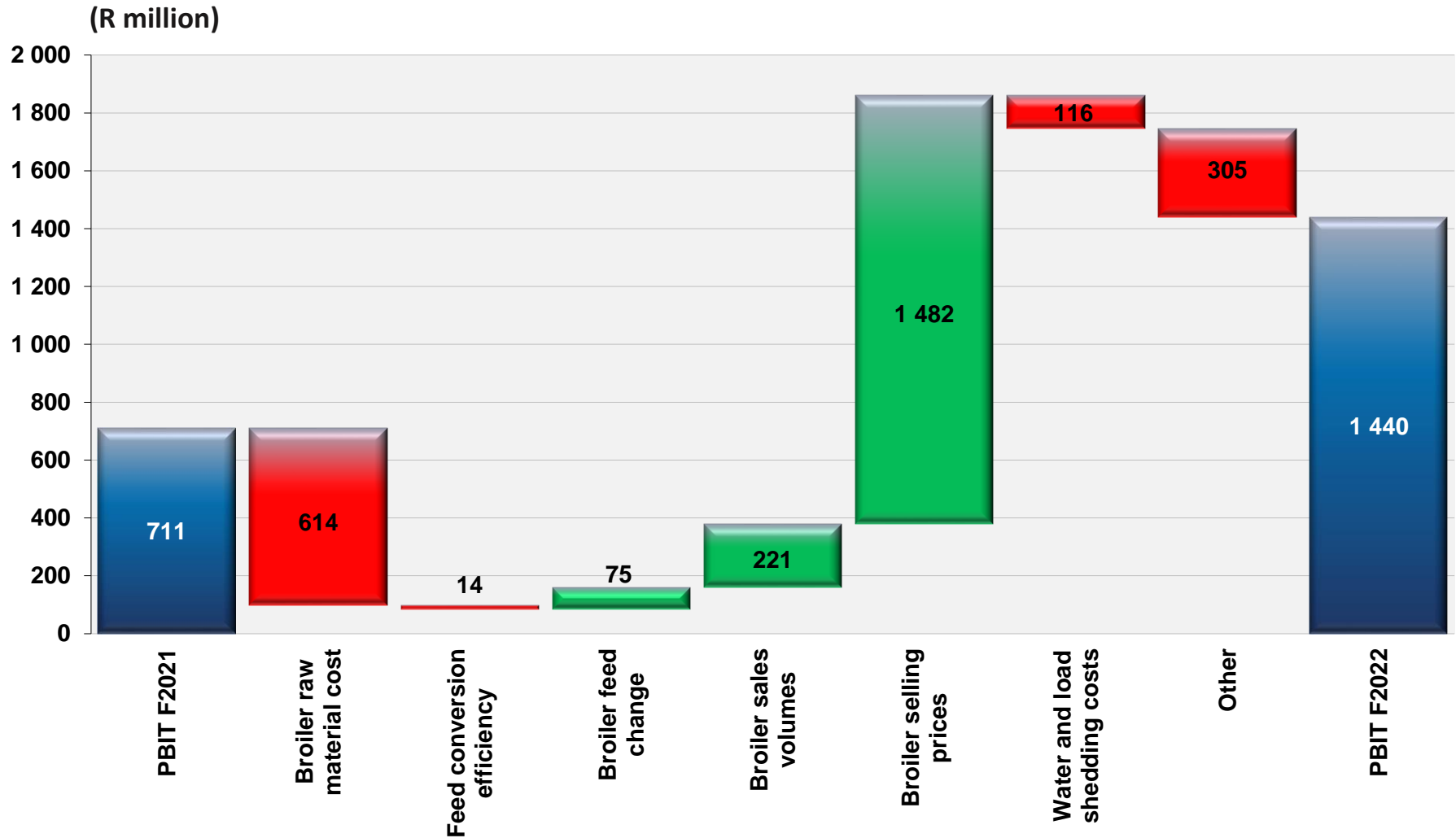
BROILER SELLING PRICE vs. FEED PRICE



BROILER NET MARGIN vs. FEED PRICE



PBIT MOVEMENT F2022 vs. F2021





RAW MATERIALS



Gary Arnold
Group Chief Operating Officer

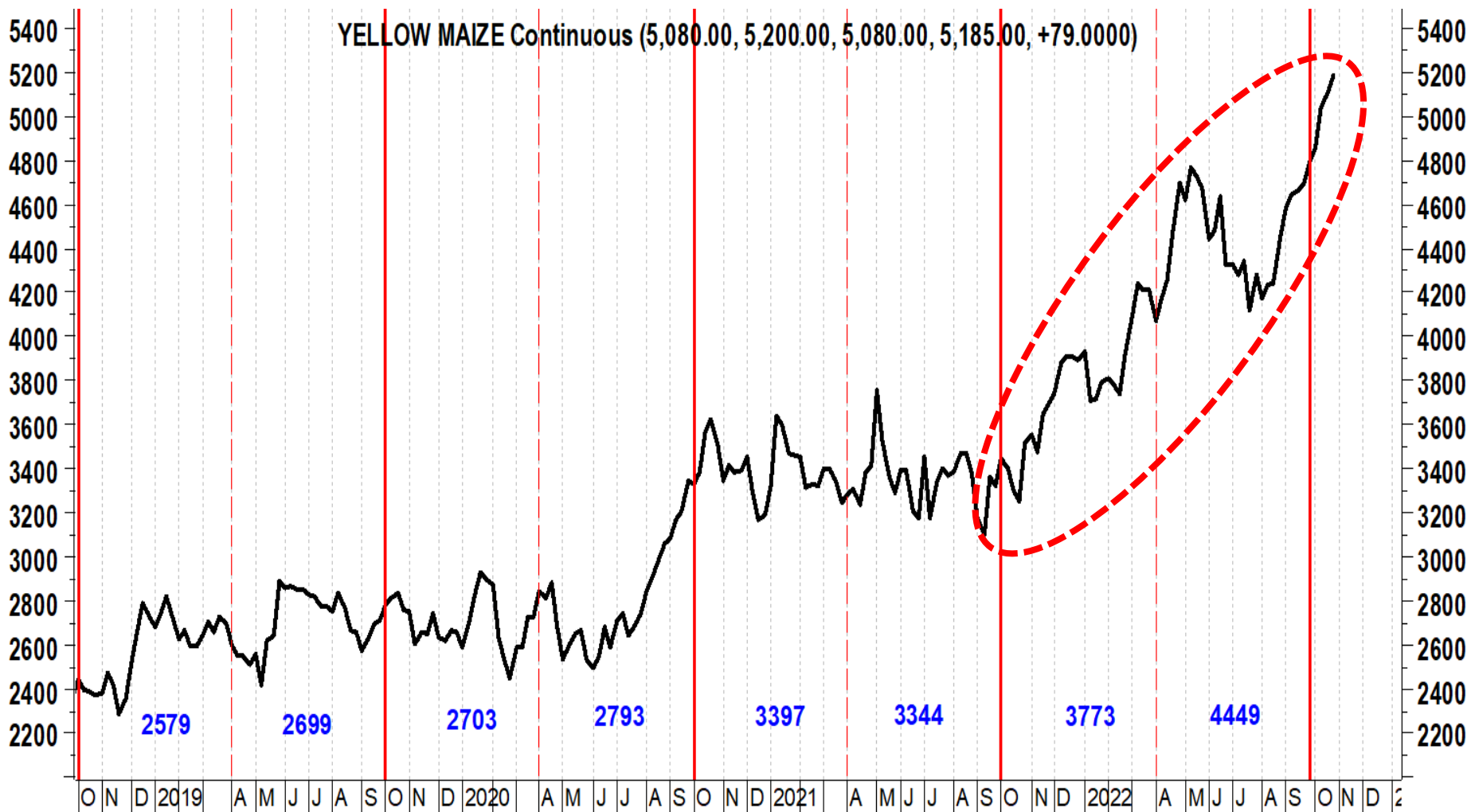
RSA TOTAL MAIZE SUPPLY & DEMAND



<i>Marketing year (May to April)</i>	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23E	2023/24F
<i>'000 tons</i>	Actual	Actual	Actual	Actual	Actual	Estimate	Forecast
Carry In (1 May)	1 093	3 689	2 662	1 000	2 115	2 124	1 821
Crop Estimate	16 820	12 510	11 275	15 300	16 315	15 329	15 036
Retentions	1 191	495	388	90	1 048	648	680
Sagis Delivery	15 629	11 984	10 887	15 268	15 267	14 681	14 355
<i>Minus early deliveries</i>	0	0	0	0	0	0	0
Imports	0	172	510	0	8	0	0
Total Supply	16 722	15 845	14 059	16 268	17 389	16 806	16 176
Domestic Usage Food	4 993	5 161	5 378	5 685	5 172	5 375	5 405
Domestic Usage Feed	5 276	5 508	5 699	5 517	5 898	6 225	6 300
Gristing, withdrawn & released	313	239	177	121	103	136	250
Total Domestic Usage	10 583	10 907	11 264	11 324	11 173	11 736	11 955
Exports & Sundries	2 451	2 276	1 795	2 830	4 093	3 250	2 640
<i>Plus early deliveries</i>	0	0	0	0	0	0	0
Carry Out (30 Apr)	3 689	2 662	1 000	2 115	2 124	1 821	1 581
No of days usage	127	89	32	68	69	57	48
STU	28.31%	20,19%	7,66%	14,94%	13,92%	12,15%	10,83%

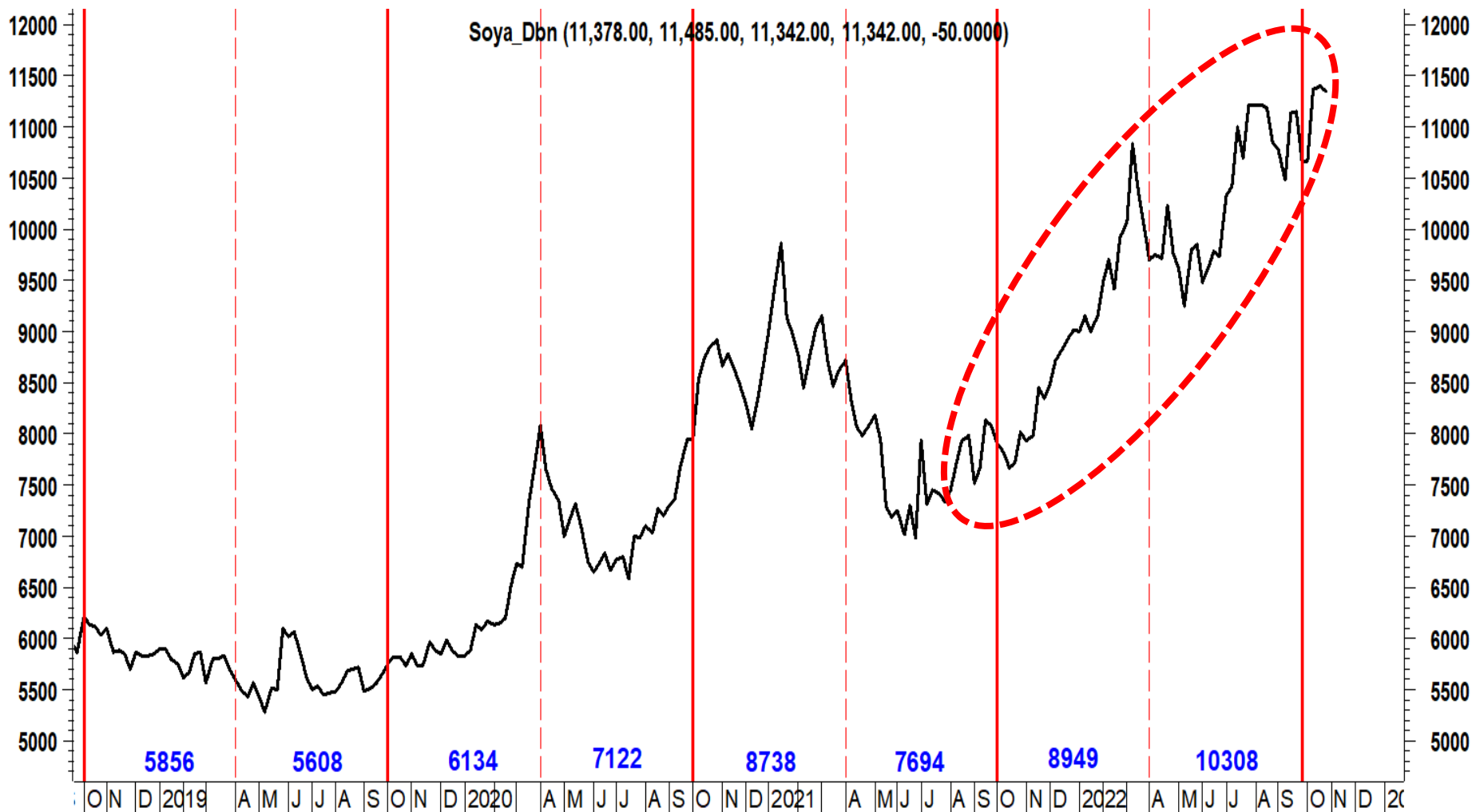


SAFEX YELLOW MAIZE PRICE





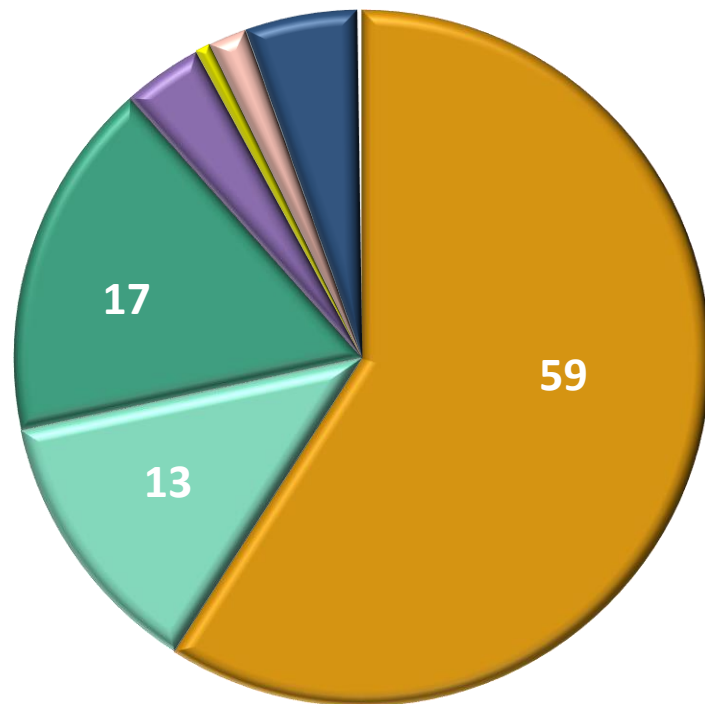
DURBAN SOYA MEAL PRICE



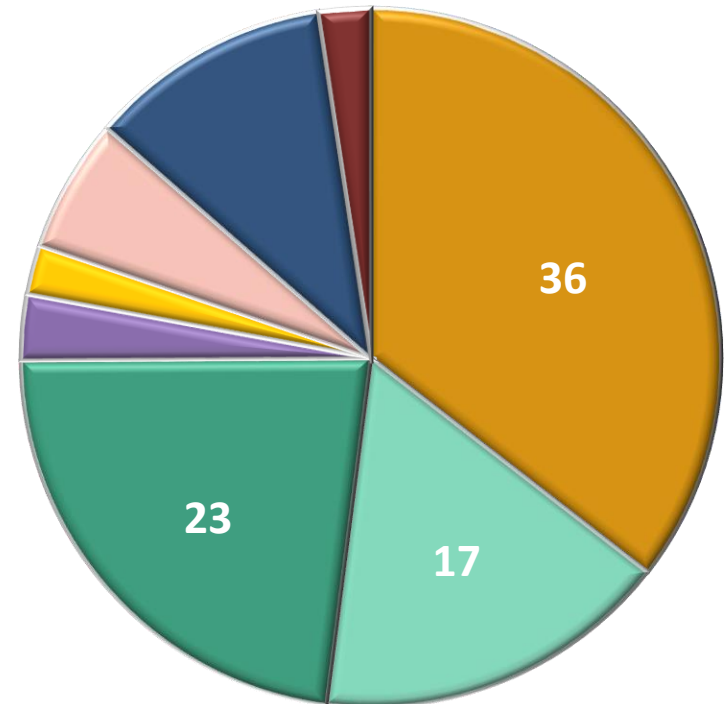
BROILER FEED COST BREAKDOWN



Inclusion (%)



Cost Contribution (%)



Maize
Fish meal

Soya meal
Soya oil

Extruded soya
Other

Sunflower meal
Vitamins & Minerals



FEED DIVISION

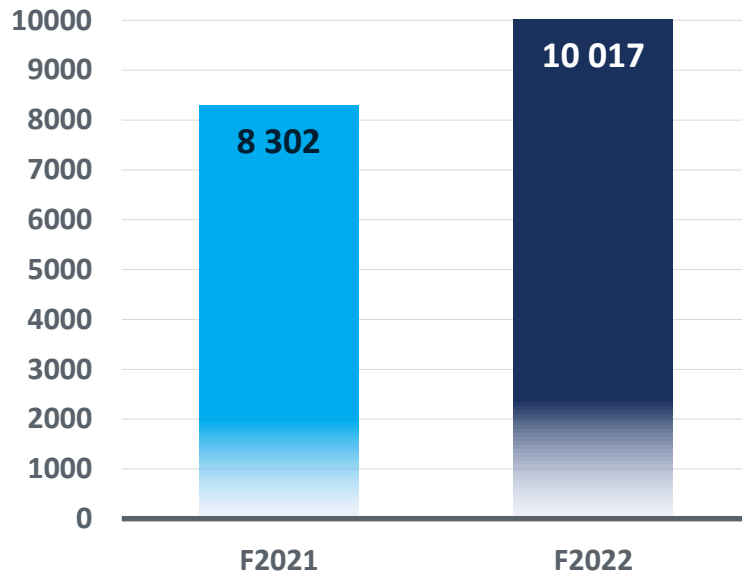


Gary Arnold
Group Chief Operating Officer

FEED DIVISION



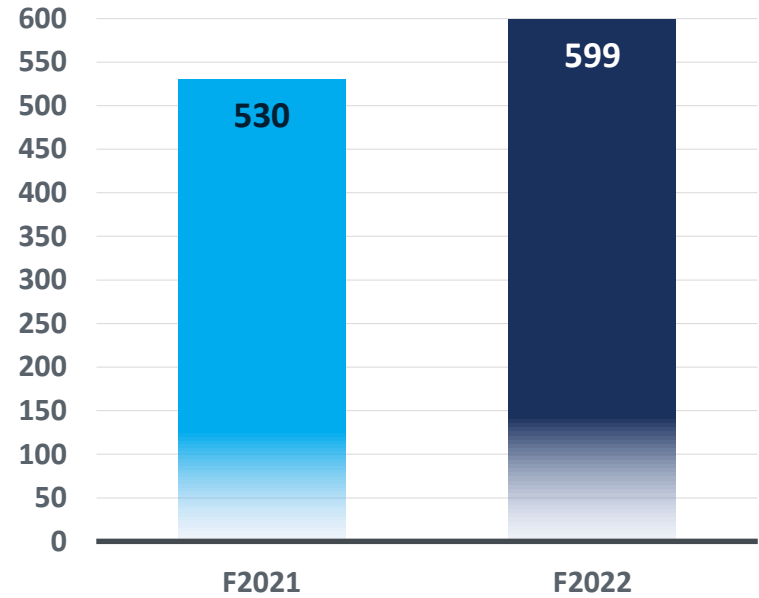
Revenue - R million



Revenue up 20.7%

- Raw material costs up
- Average selling prices up 13.3%
- Sales volumes up 6.6%

Operating profit - R million



Operating profit up 13.0%

- Net margin 6.0% (F2021: 6.4%)
- Expenses well controlled
- Rand per ton margin increased

FEED DIVISION

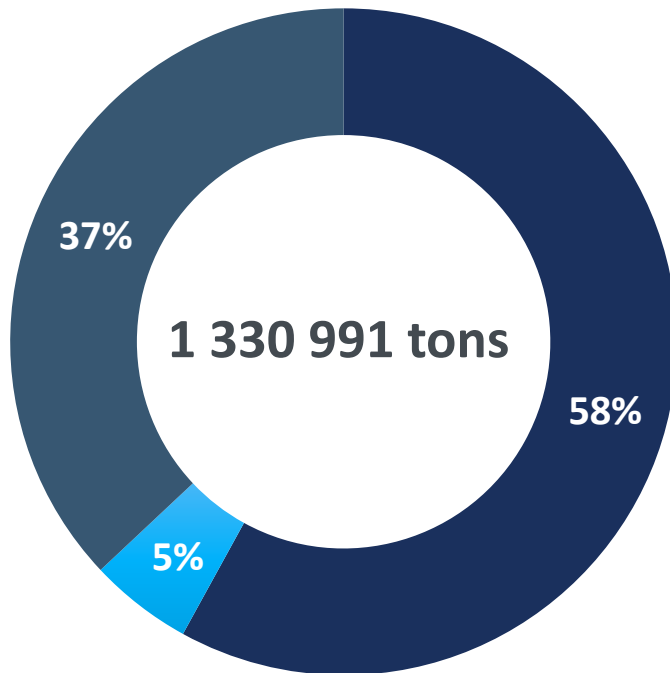


- **SAFEX yellow maize price increased** for the period under review F2022 avg. R4 111 per ton (F2021: R3 371) up R740 per ton
- **DBN soya meal price increased** for the period under review F2022 avg. R9 629 per ton (F2021: R8 216) up R1 413 per ton
- **Internal feed sales volumes increased** by 8.7% due to the expansion in processing capacity and an increase in broiler slaughter numbers
- **External feed sales volumes increased** by 3.4% with increased sales across all livestock sectors
- **Expenses were well controlled** across the division for the period under review
- The **average net margin increased** (Rand per ton) for the period under review

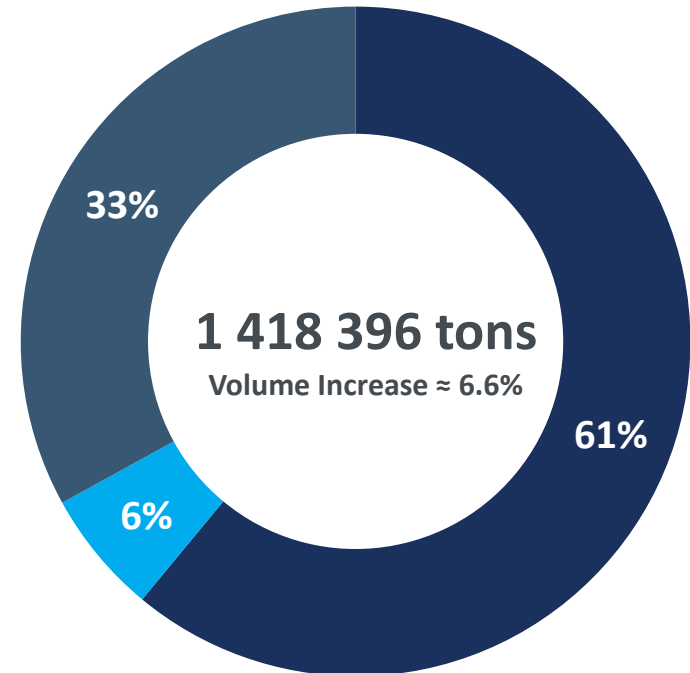
FEED DIVISION



F2021



F2022



■ Poultry Integrated ■ Poultry External ■ Other



POULTRY DIVISION

COMMERCIAL

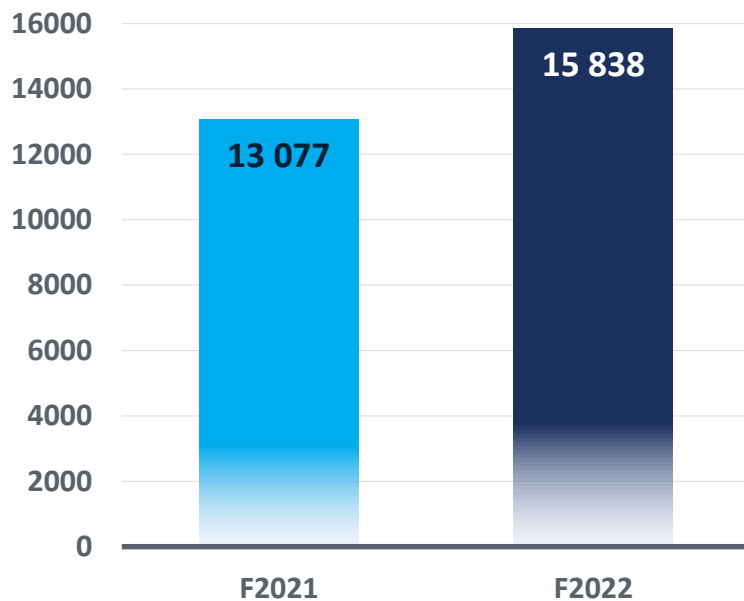


Gary Arnold
Group Chief Operating Officer

POULTRY DIVISION - CONSOLIDATED



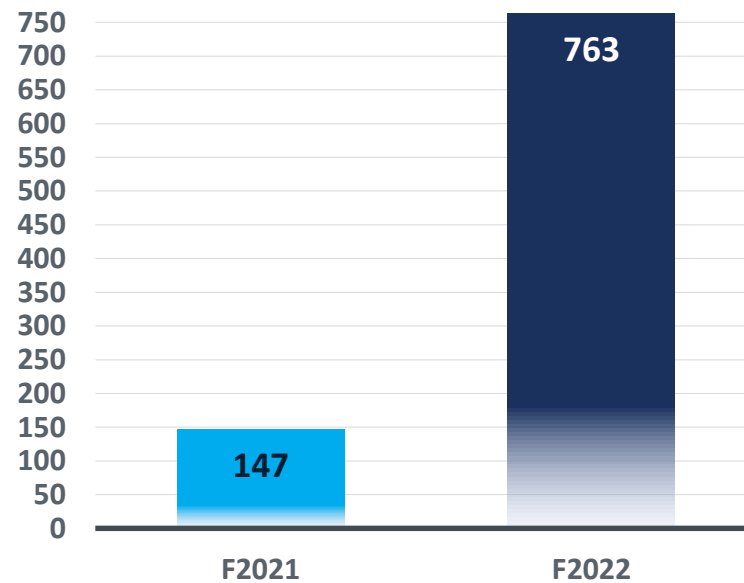
Revenue - R million



Revenue up 21.1%

- Broiler sales volumes up 8.9%
- Broiler sales realisations up 12.5%
- Breeder revenue up 10.8%

Operating profit - R million



Operating profit up 420%

- Net margin 4.8% (F2021: 1.1%)
- Broiler feed price up 11.6%
- Impact of extraordinary costs

POULTRY DIVISION - COMMERCIAL

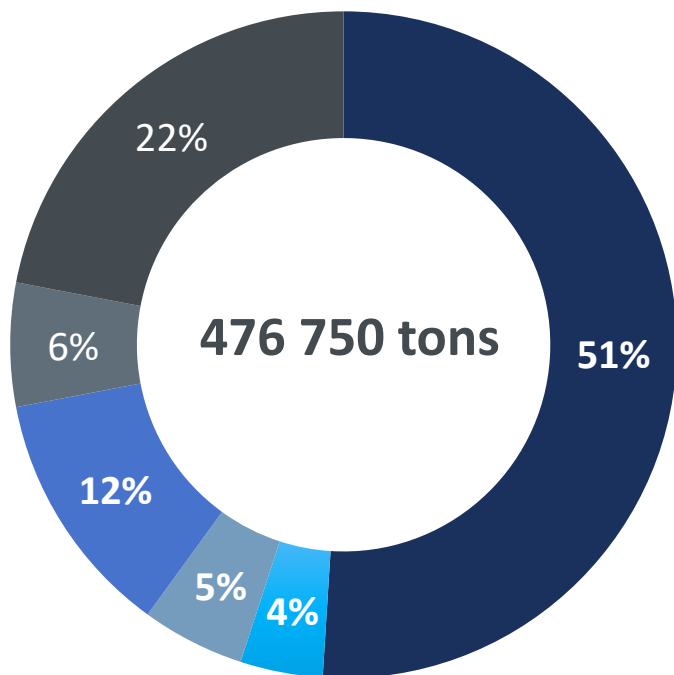


- **Broiler sales volumes increased** on higher bird numbers, with additional volumes slaughtered under the new Festive processing capacity
- **Improved economies of scale** linked to an increase in broiler slaughter numbers contributed positively to profitability
- **Broiler margins improved** to 3.5% (F2021: 0.2%) on the recovery of escalating feed and energy input costs through the poultry selling prices
- **Broiler margins also benefitted** from an increase in QSR and fresh sales for the period under review
- **Operating expenses negatively impacted** by load shedding (national and municipal interruptions), water supply disruptions and general infrastructure collapse

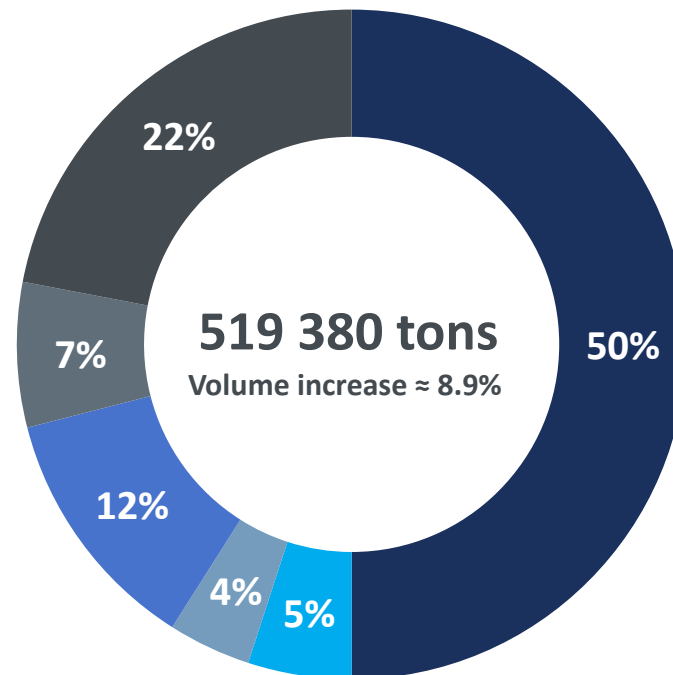
POULTRY DIVISION - COMMERCIAL



F2021



F2022



■ IQF Mixed Portions ■ IQF Single Portions ■ Frozen ■ Fresh ■ Value Added ■ Tertiary



POULTRY DIVISION

AGRICULTURE



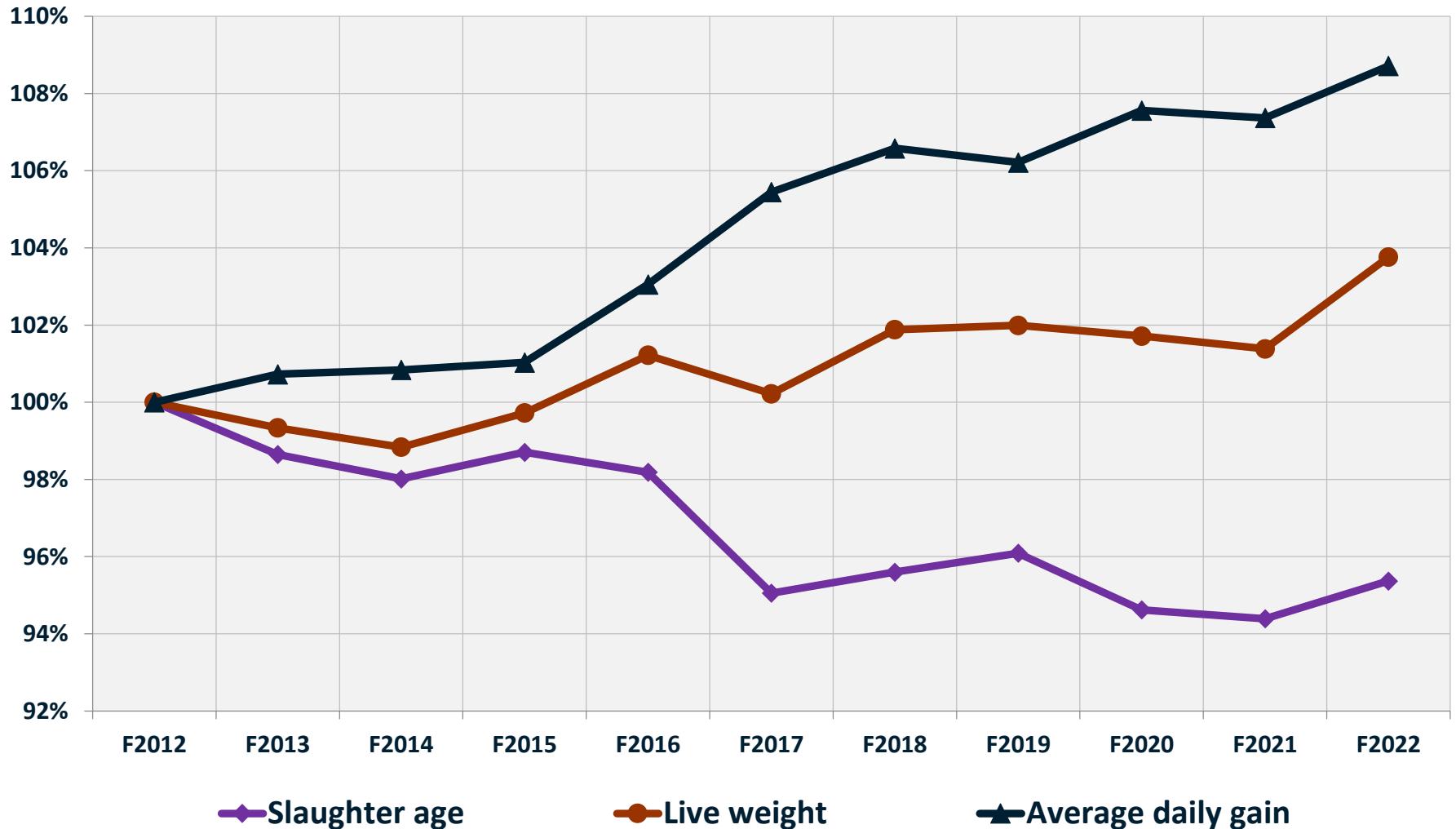
Gary Arnold
Group Chief Operating Officer

POULTRY DIVISION - AGRICULTURE

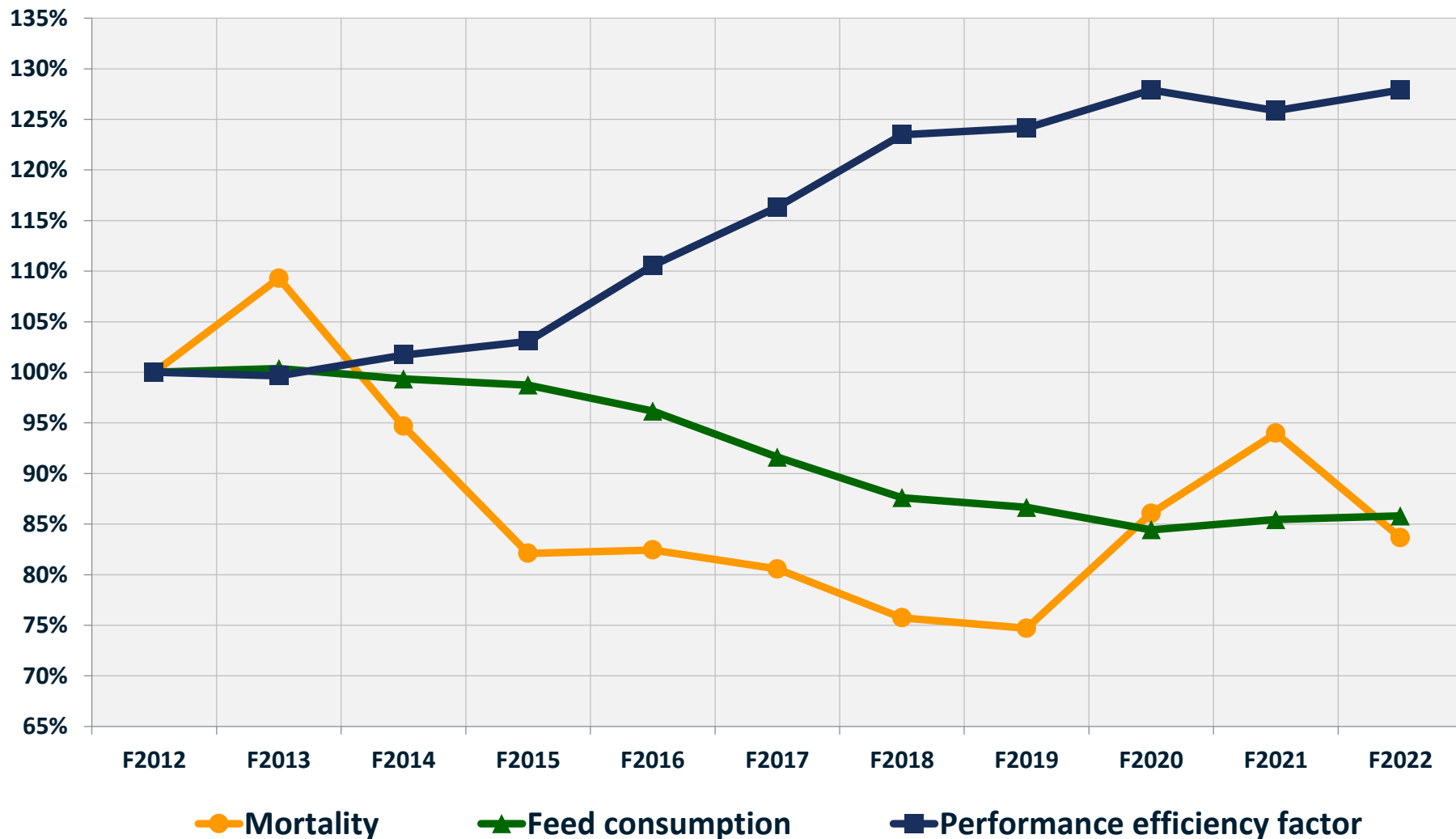


- **Parent stock sales were higher** for the period under review, as demand for the Ross broiler genetics continued to increase market share for the breed
- **Feed input costs increased** on the back of escalating raw material costs, adversely affecting the live bird production cost
- **Broiler production efficiencies improved**, with a revised feeding programme supporting a positive contribution to the margin over feed cost
- **Non-feed costs increased** on the back of higher broiler production volumes relating to the expansion, as well as an escalation in energy costs
- **Highly Pathogenic Avian Influenza** in South Africa remains a key risk to the industry, and continues to be detected in wild birds and poultry across the country

BROILER PERFORMANCE



BROILER PERFORMANCE





OTHER AFRICA

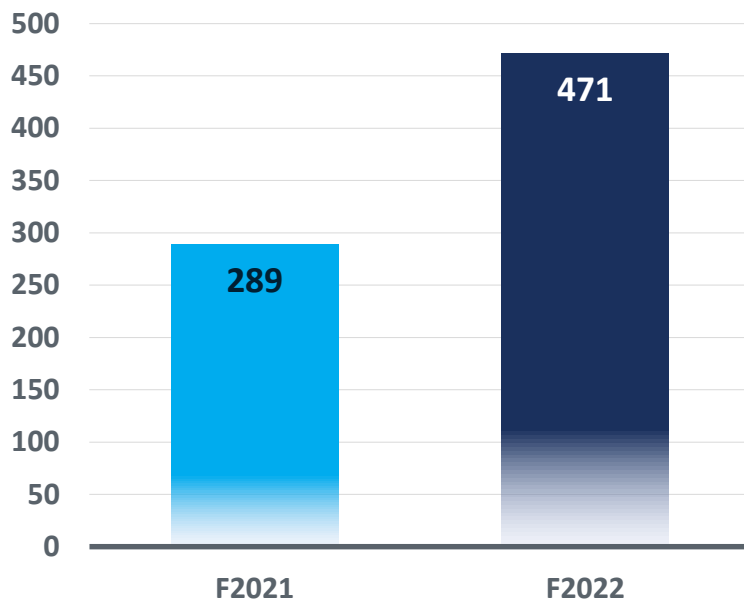


Gary Arnold
Group Chief Operating Officer

OTHER AFRICA



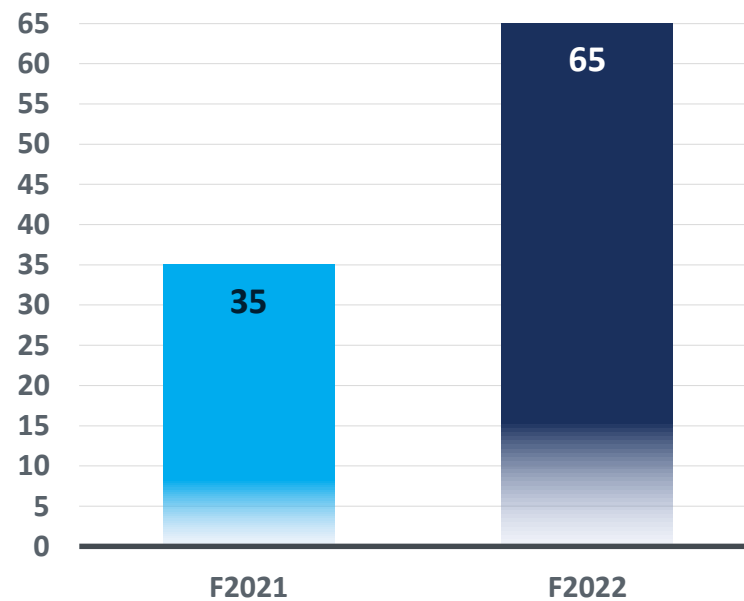
Revenue - R million



Revenue up **62.6%**

- Selling prices up
- Sales volumes up

Operating profit - R million



Operating profit up **87.4%**

- Net margin 13.8% (F2021: 12.0%)
- Zambia good performance

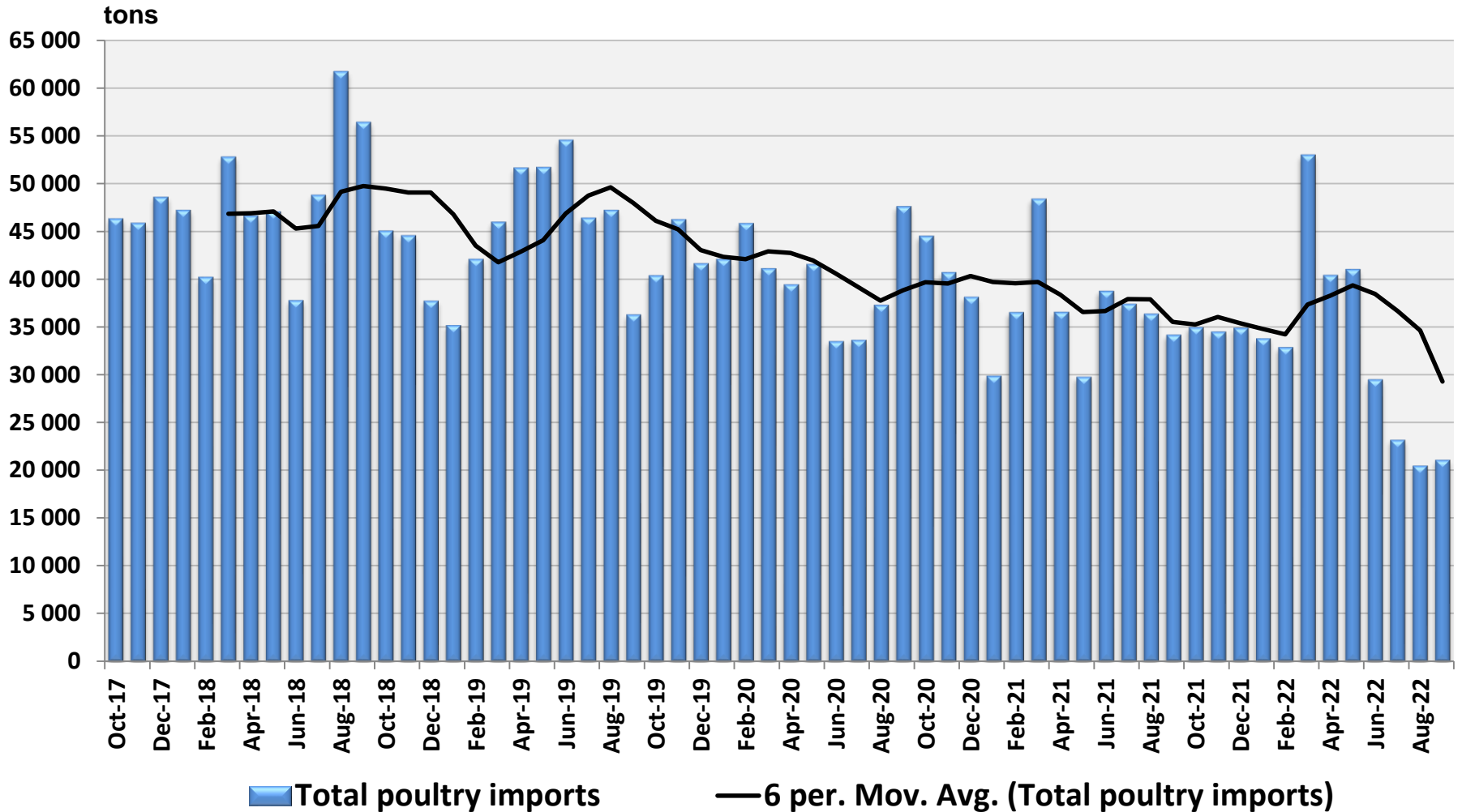


INDUSTRY MATTERS



Gary Arnold
Group Chief Operating Officer

POULTRY IMPORTS



INDUSTRY OVERVIEW

- Based on industry statistics **broiler slaughter numbers are approximately 21.3 million birds per week**
- **Imports for the period** averaged 33 318 tons per month (\approx 5.9 million bpw) being approximately **22% of local consumption** (F2021: 37 610 tons per month)
- **Highly Pathogenic Avian Influenza continues to pose a threat** to the local industry, and reported in commercial poultry and wild birds
- **Provisional anti-dumping duties** introduced in December 2021 against Brazil, Ireland, Spain, Poland and Denmark; expired on 14 June 2022
- **Implementation of permanent anti-dumping duties** against these same countries delayed by 12 months or longer (from August 2022)



FINANCIAL OVERVIEW



Dries Ferreira
CFO Designate

INCOME STATEMENT

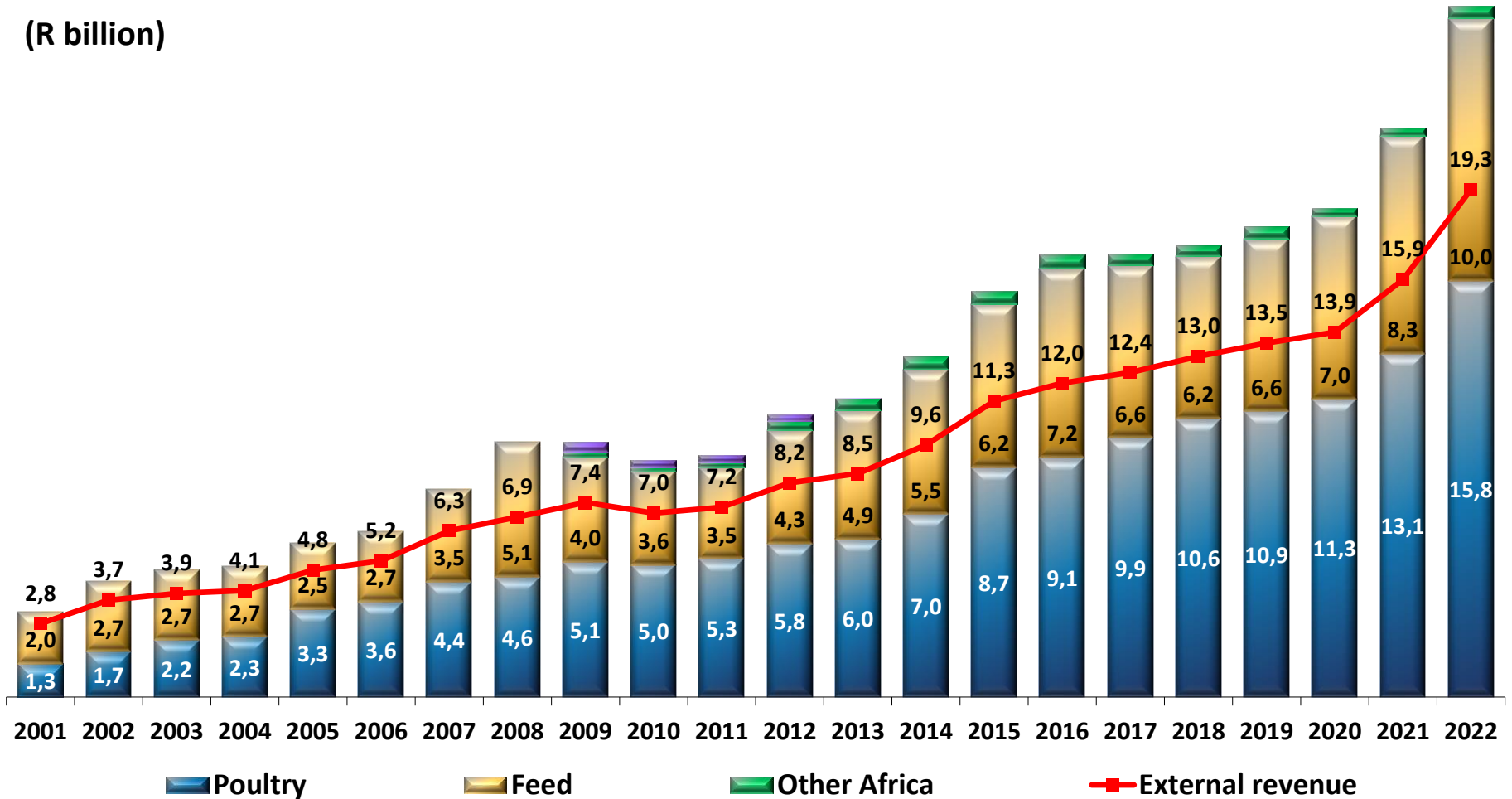


Year ended 30 September	2022 R million	2021 R million	% change
Revenue	19 334	15 866	22%
Operating profit	1 440	711	103%
– incl. gain on disposal of interest in subsidiaries	29	-	
– incl. impairment of goodwill	(16)	-	
Operating profit margin	7.4%	4.5%	
Net finance income	17	(1)	
Lease finance charges	(32)	(48)	
Profit before tax	1 425	662	115%
Tax	(370)	(202)	
Profit from continuing operations	1 055	460	129%
Profit from discontinuing operations	16	14	
Headline earnings	1 061	474	124%
EPS – Cents	2 781	1 225	127%
HEPS – Cents	2 762	1 228	125%

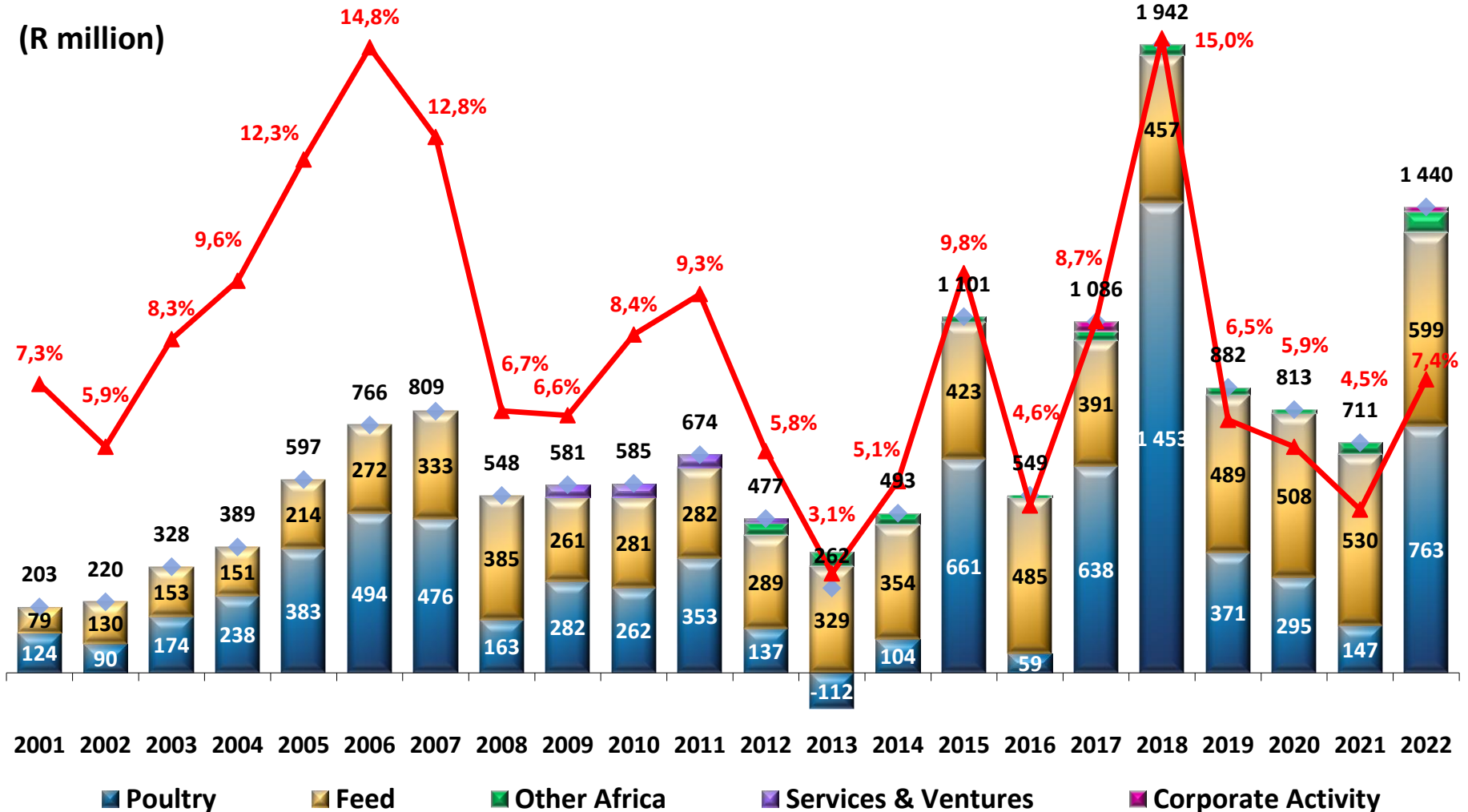
GROUP ANNUAL REVENUE



(R billion)



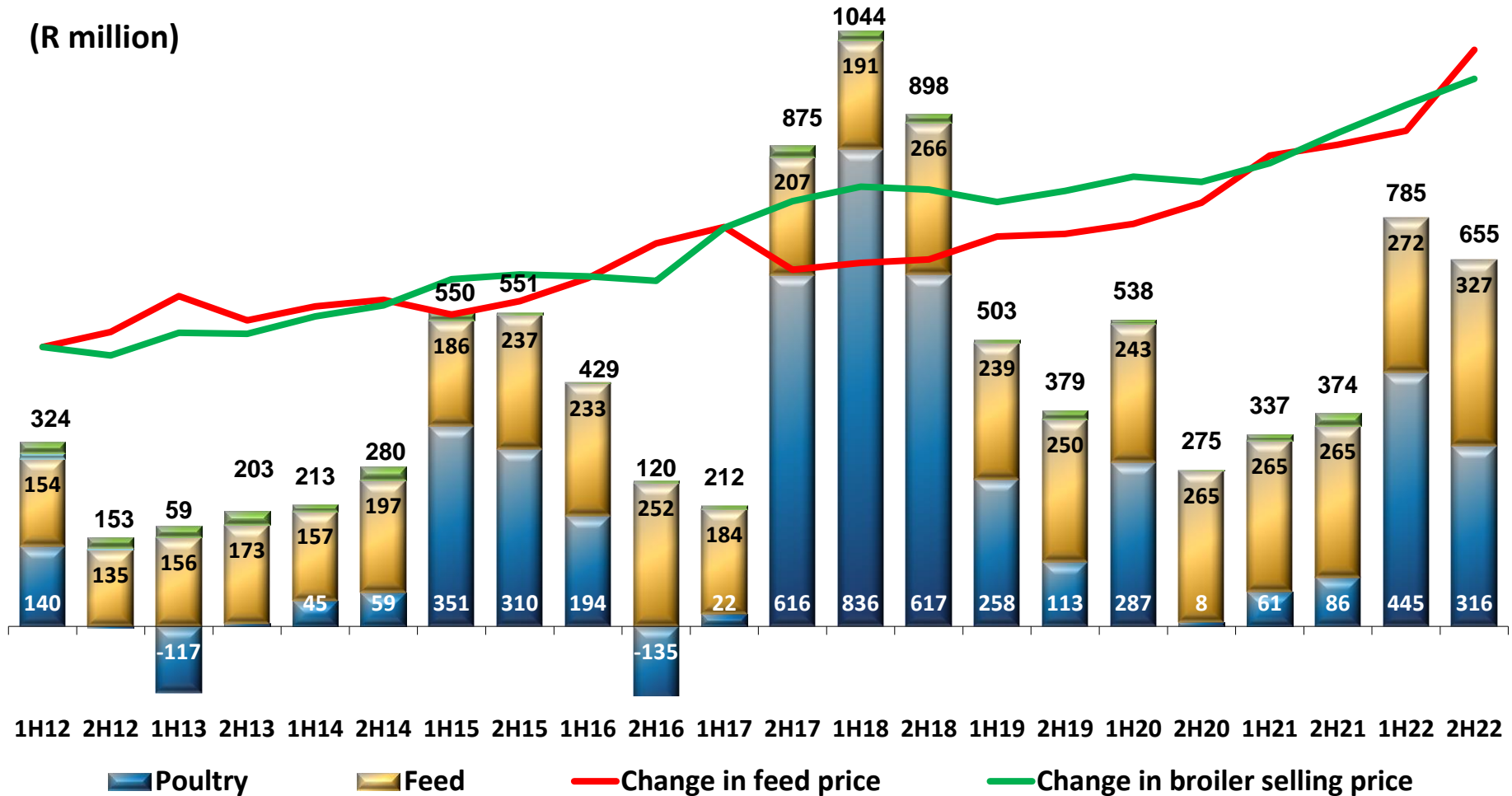
GROUP ANNUAL OPERATING PROFIT



GROUP SIX MONTHLY OPERATING PROFIT



(R million)



BALANCE SHEET



	September 2022 R million	September 2021 R million	% change
Non-current assets (excl. ROU assets)	3 260	3 235	↑ 1%
Non-current assets – ROU assets	289	340	
Net working capital	1 751	1 454	↑ 20%
Current assets (excl. cash)	4 167	3 520	↑ 18%
Current liabilities (excl. borrowings & leases)	(2 416)	(2 066)	↑ 17%
Non-current liabilities (excl. borrowings & leases)	(905)	(830)	↑ 9%
Lease liabilities	(310)	(376)	↓ 18%
Net assets	4 085	3 823	↑ 7%
Net assets / liabilities held for sale	-	60	
Net surplus cash	701	278	↑ 152%
	4 786	4 161	↑ 15%
Equity	4 786	4 161	

CAPITAL EXPENDITURE



Year ended 30 September	F2022 R million	F2021 R million
Depreciation and amortisation	307	425
Property, plant & equipment	211	217
Right of use assets	96	208
Total capex spend	258	260
Outstanding commitments	737	240
Ross – GGP farm purchase and build	245	
Ross – Expansion of PS production capacity	113	
Zambia – New feed mill	98	
Agriculture – Festive expansion phase 2	89	
County Fair – PS farm rebuild	43	
Other	149	

WORKING CAPITAL



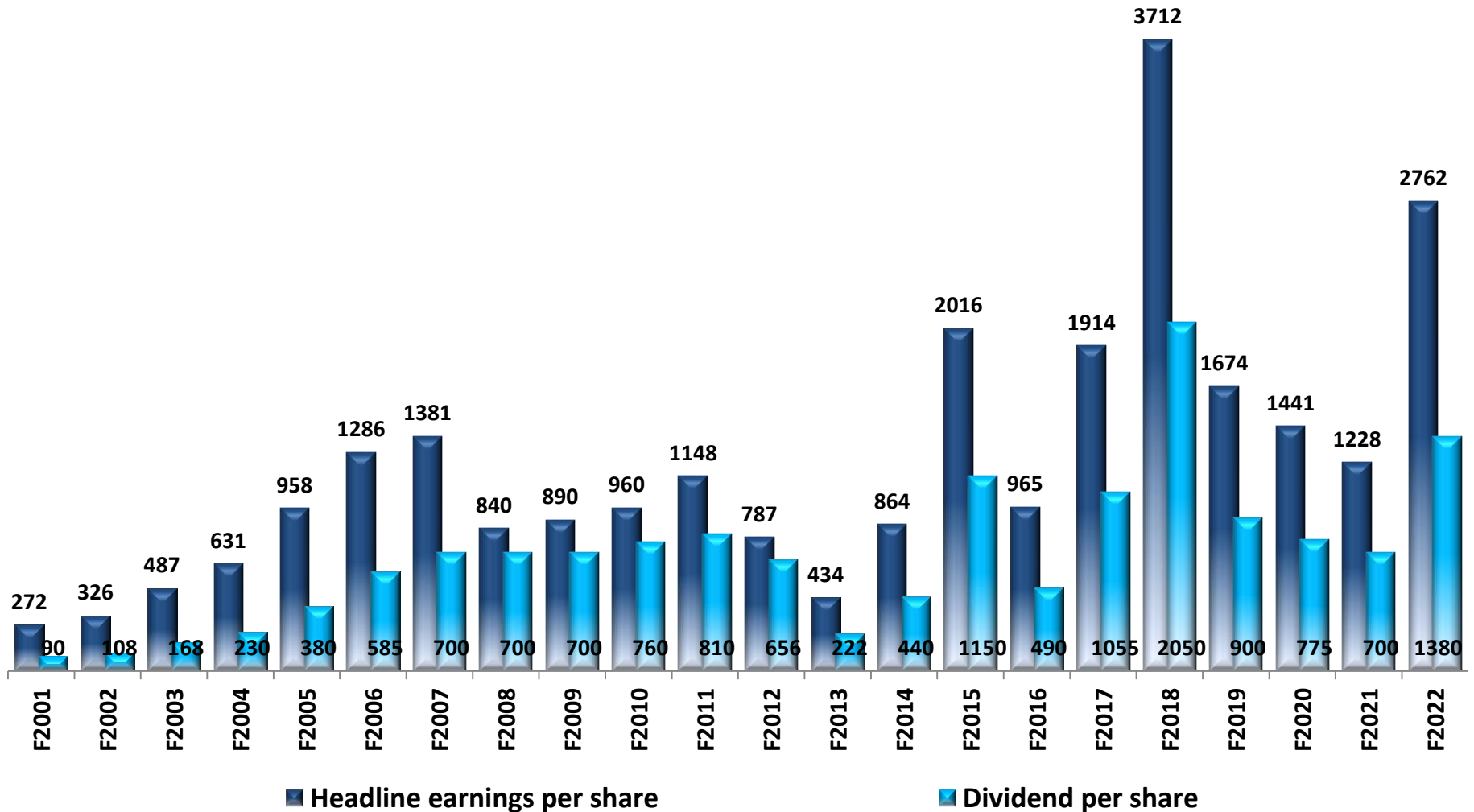
	September 2022 R million	September 2021 R million	Variance R million
Current assets	4 167	3 520	646
Biological assets	1 246	976	270
Inventory - Poultry	694	537	157
- Feed	415	328	86
- Other Africa	70	56	14
Trade receivables	1 524	1 438	86
Other receivables	218	185	33
Current liabilities	(2 416)	(2 069)	(346)
Trade payables	(1 928)	(1 744)	(184)
Other payables	(487)	(325)	(162)
Net working capital	1 751	1 451	300

STATEMENT OF CASH FLOWS



For the twelve months ended 30 September	2022 R million	2021 R million
Cash operating profit	1 906	1 156
Working capital movement	(414)	(344)
	1 492	812
Tax paid	(294)	(136)
Net interest received	25	6
Capital expenditure paid	(281)	(260)
Lease payments	(122)	(253)
Dividends paid	(458)	(418)
Other cash flow items	44	(16)
Movement in cash equivalents	406	(265)
Effect of exchange rate changes	14	-
Cash included in assets held for sale	3	(3)
Opening balance	278	546
Closing balance	701	278

HEPS & DIVIDEND PER SHARE



IN SUMMARY

- **Revenue at R19,3 billion** up 21.9% (prior year at R15,9 billion)
- **Profit before tax at R1 440 million** up 103% on higher volumes and improved margin
- **Capital expenditure of R258 million** at a normalised level, with strategic capex spend of R588 million over next 18 months utilising ring fenced finance
- **Cash inflow of R406 million** on the recovery of poultry margins, but higher working capital on feed raw material costs and poultry sales volumes
- **Total dividend 1 380 cps** for the year at 2.0x cover (final dividend of 590 cps)



OUTLOOK



Chris Schutte
Chief Executive Officer

PROSPECTS

- **Consistently high unemployment levels** and a soaring cost of living, have led to pressure on consumer spending with lower disposable income levels
- **Record high raw material costs**, notwithstanding the good South African maize crops for the past three years, and which is expected to be repeated in 2023
- **Collapsing municipal infrastructure and national load shedding** continue to impact Astral's operational efficiencies negatively, which adds a significant cost burden
- **Production cutbacks have been implemented** to limit the negative impact of the current load shedding, with significant capital expenditure in diesel generator capacity
- The continued **threat of Highly Pathogenic Avian Influenza**, with rapidly rising infection numbers in Europe and North America
- **Astral will endeavor to increase poultry selling prices** to claw back on current negative broiler margins
- **Astral has a strong and resilient balance sheet**, which will support Astral in navigating through the negative headwinds facing the poultry industry



THANK YOU

"It was the best of times.....and the worst of times"



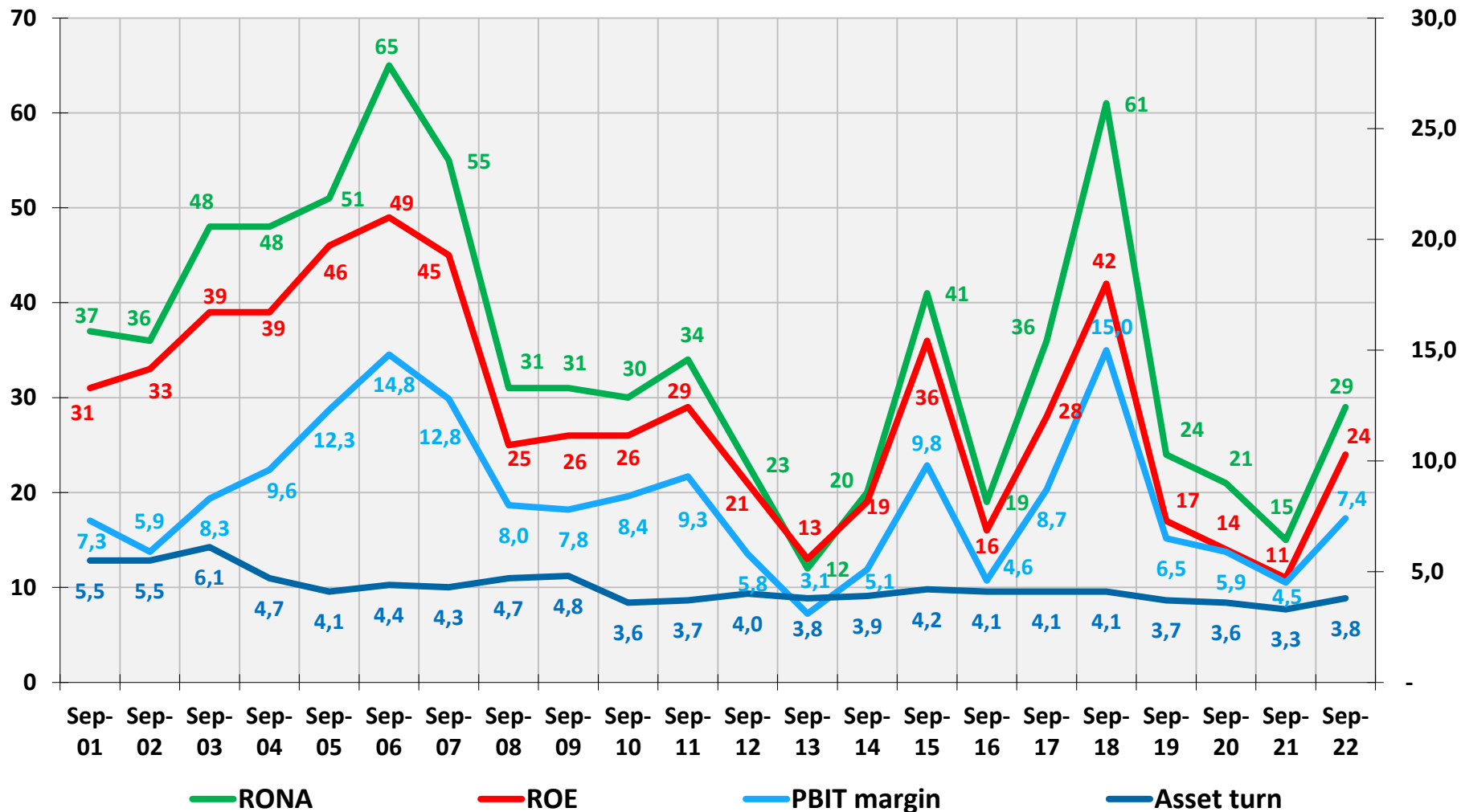
Astral's strategy is to be the **best cost integrated poultry producer** in selected Southern African countries

Confirmed March 2022

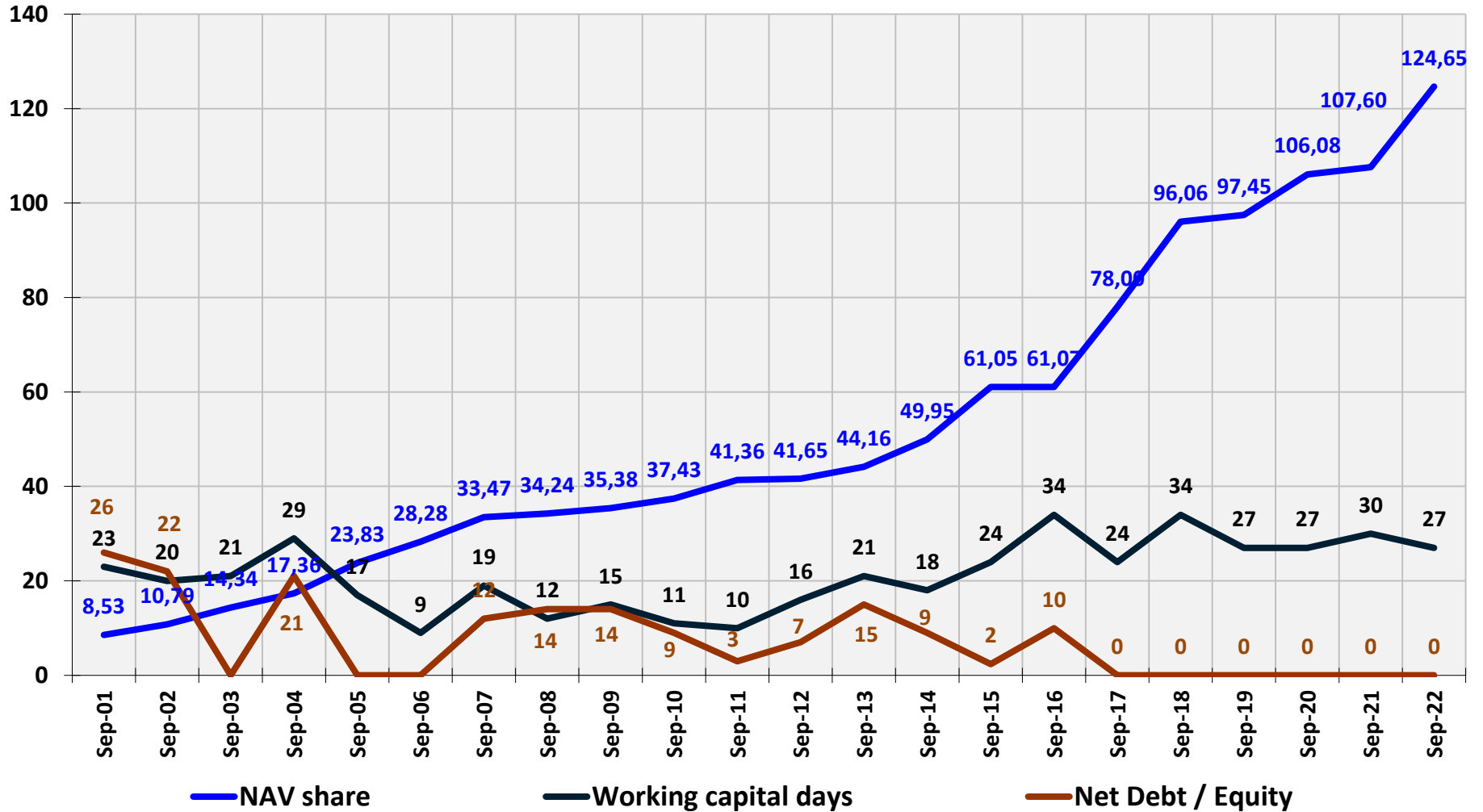
ADDITIONAL INFORMATION



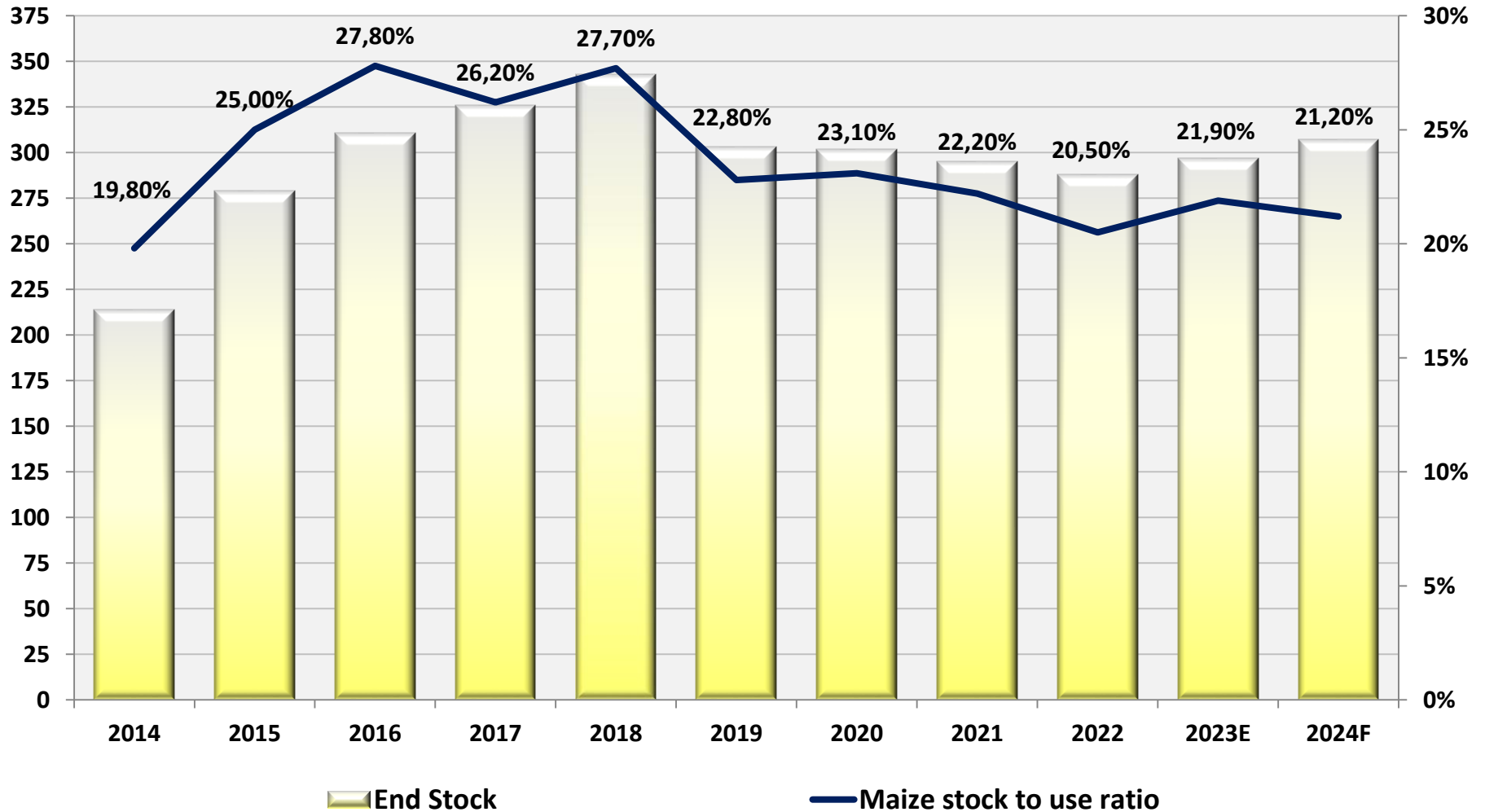
KEY FINANCIAL RATIOS



KEY FINANCIAL INDICATORS



WORLD CORN ENDING STOCKS

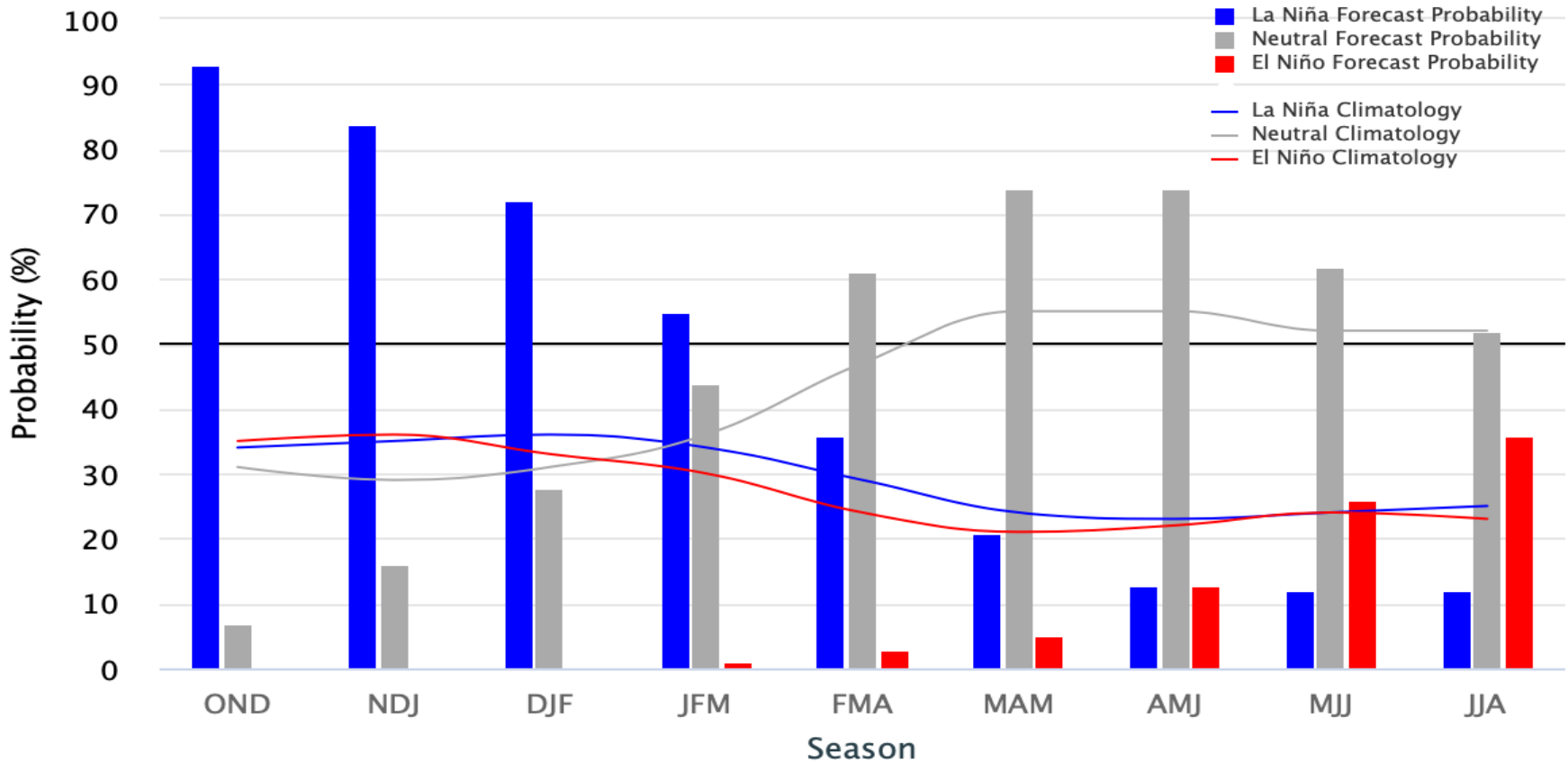


EL NIÑO OSCILLATION



Mid-October 2022 IRI Model-Based Probabilistic ENSO Forecasts

ENSO state based on NINO3.4 SST Anomaly
Neutral ENSO: $-0.5\text{ }^{\circ}\text{C}$ to $0.5\text{ }^{\circ}\text{C}$

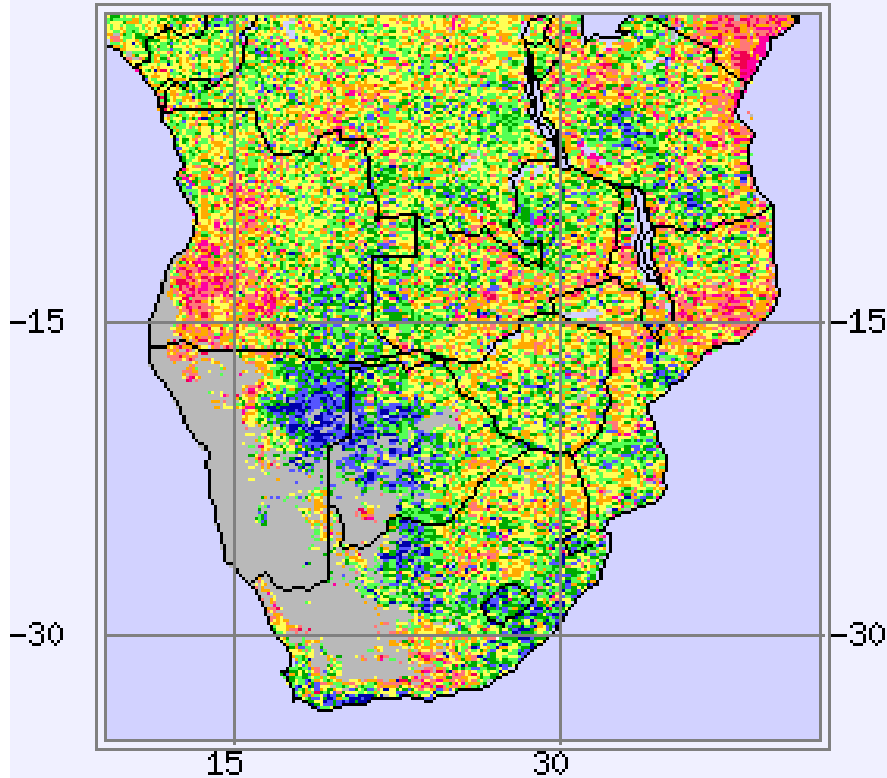


VEGETATIVE HEALTH INDEX



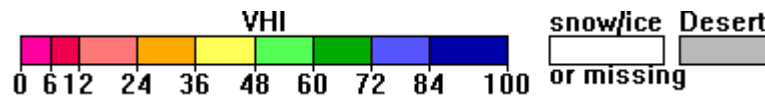
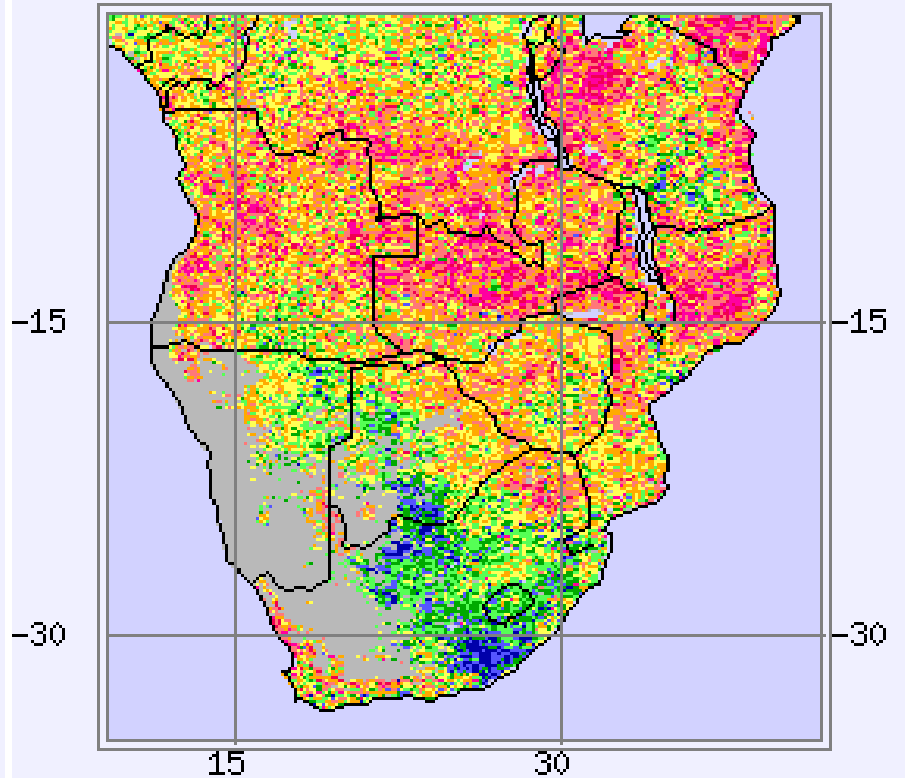
Oct. 28, 2021 (week 43)

15 30

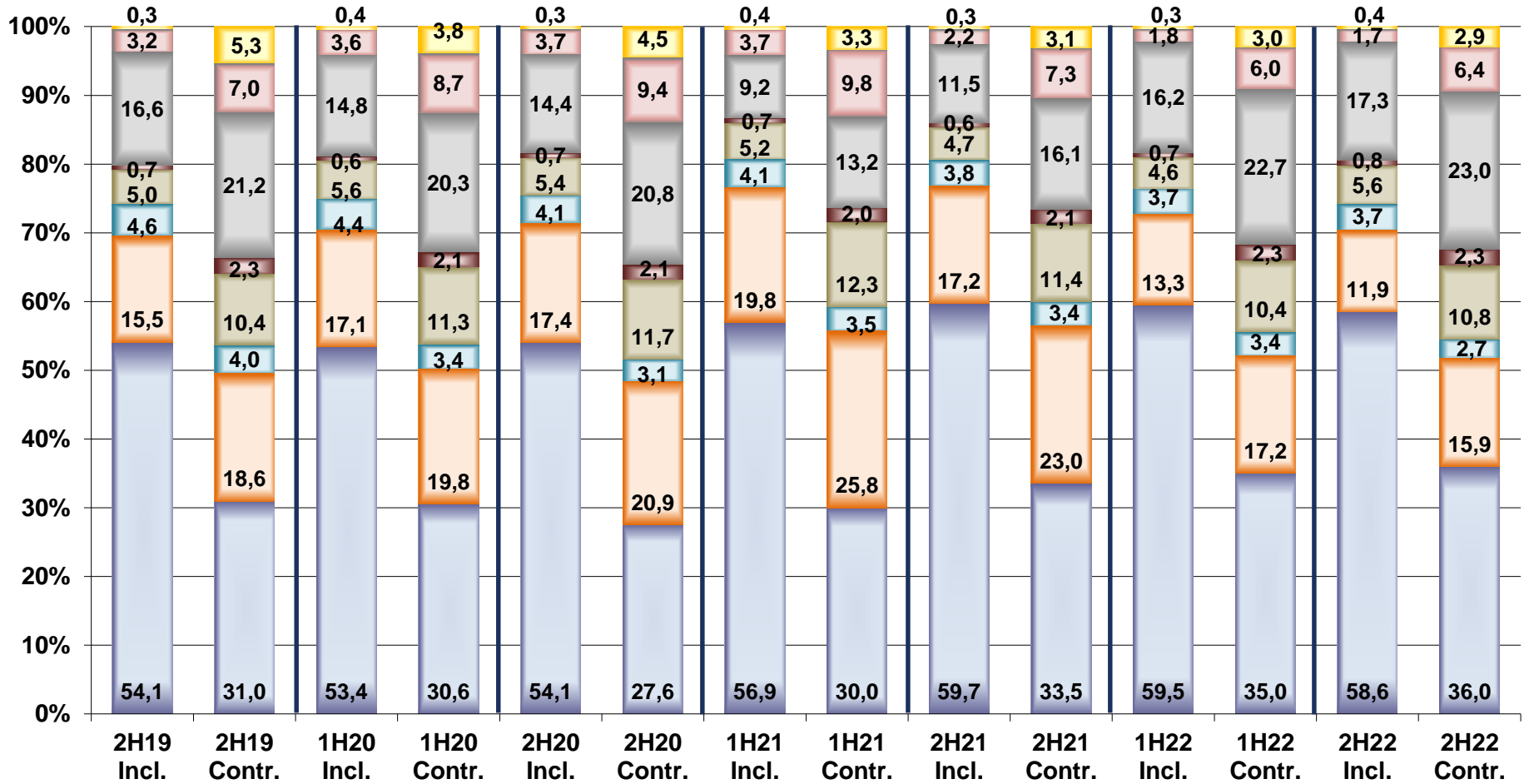


Oct. 28, 2022 (week 43)

15 30

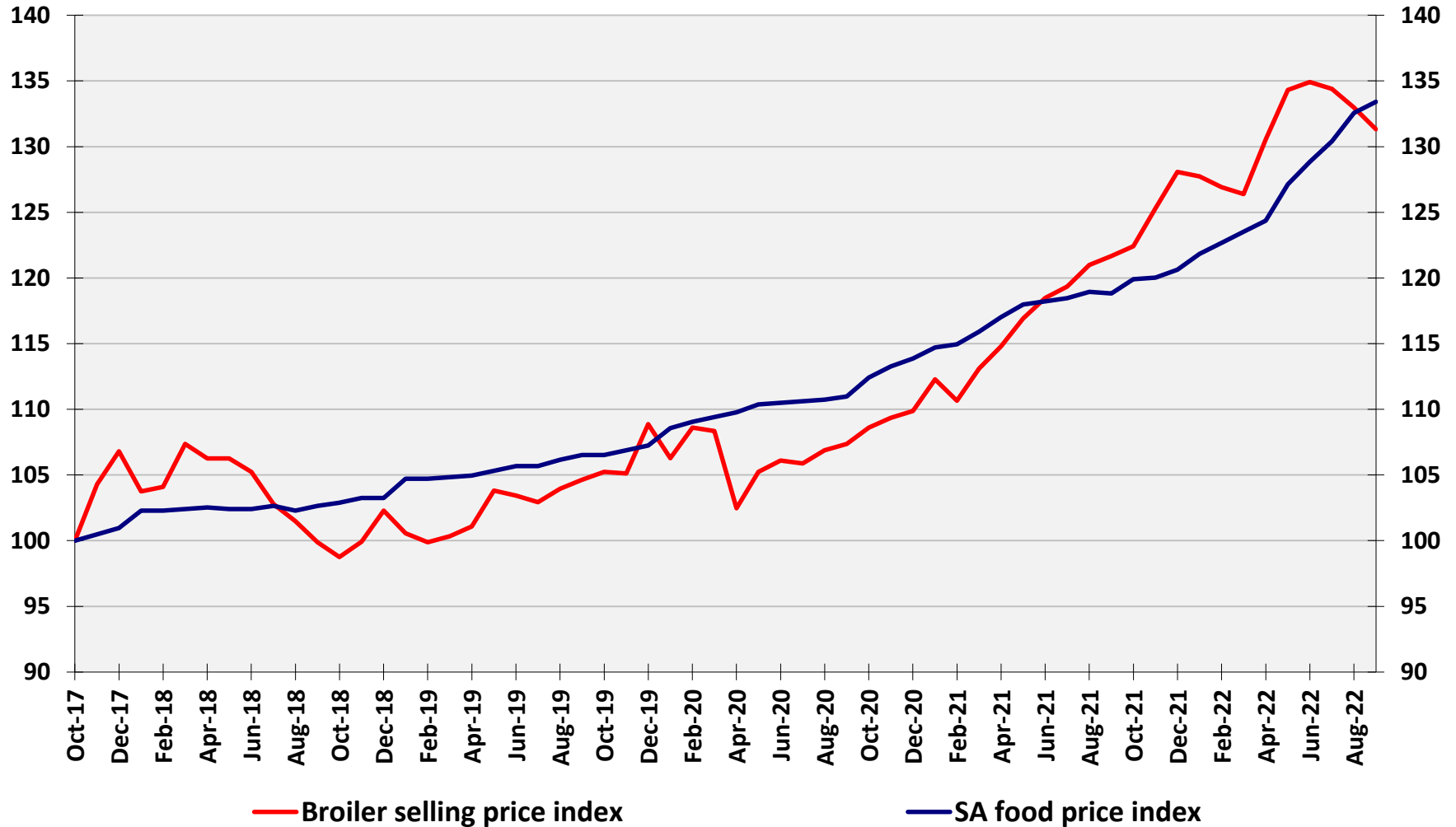


BROILER FEED INGREDIENT CONTRIBUTION

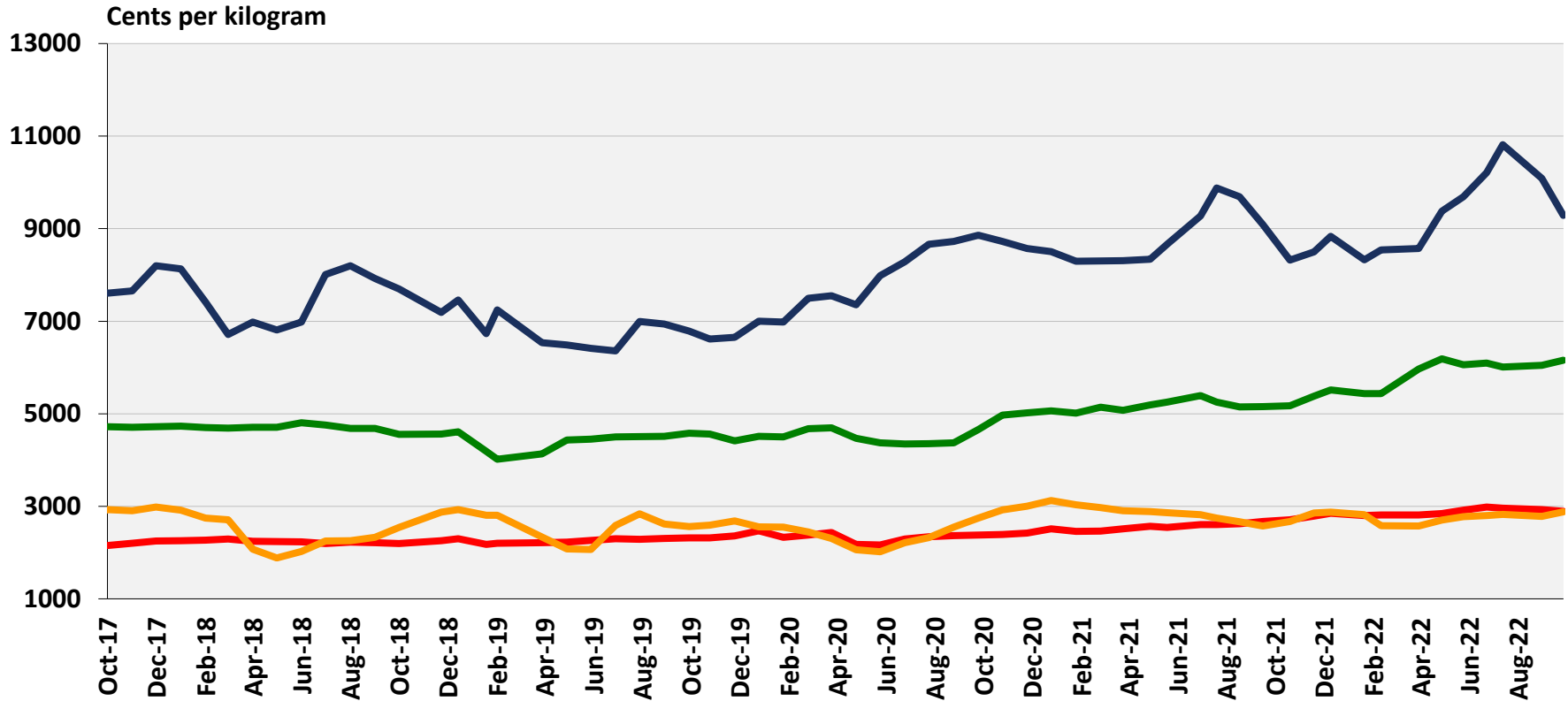


■ Maize ■ Soybean Meal ■ Sunflower Meal ■ Other ■ Fish Meal ■ F/Fat and Extr Soy ■ Soya Oil ■ Vitamins, Minerals and Medication.

BROILER PRICE vs. FOOD PRICE INFLATION



RSA PROTEIN PRICE COMPARISON



Chicken

Pork

Beef

Mutton

Feed Conversion Rate

1.5

2.2

5.5

5.0

Per Capita Consumption

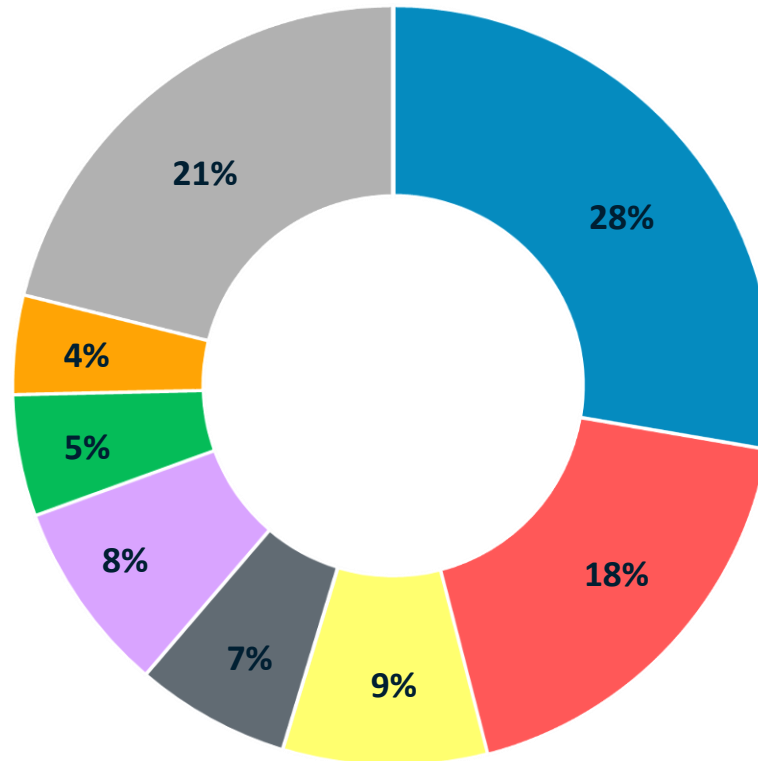
38,9 kg

5,2 kg

16,8 kg

2,9 kg

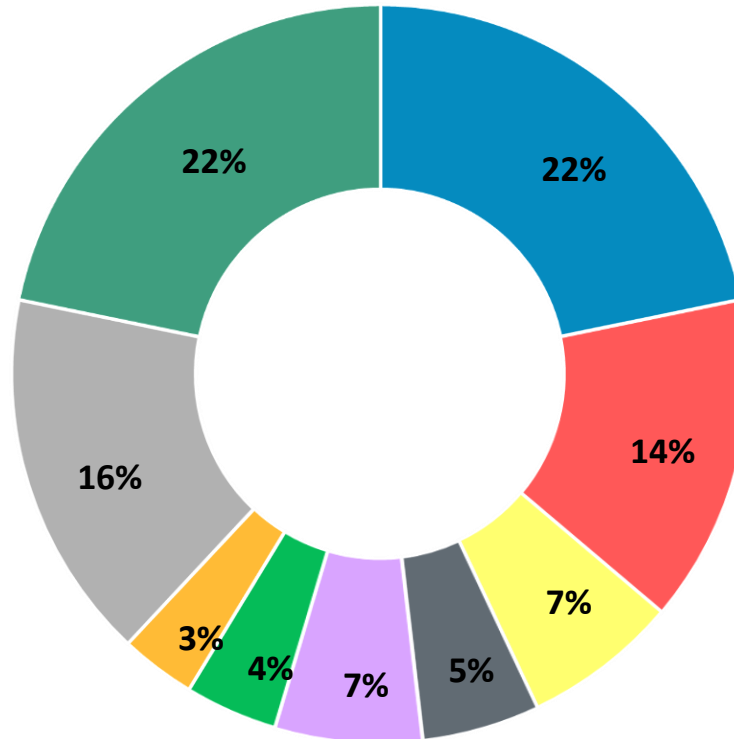
RSA POULTRY MARKET SHARE



■ Astral ■ RCL ■ Country Bird ■ Daybreak ■ Sovereign ■ Grainfields ■ Chubby Chick ■ Other

Local broiler production ≈ 21,3 million birds per week (July 2022)

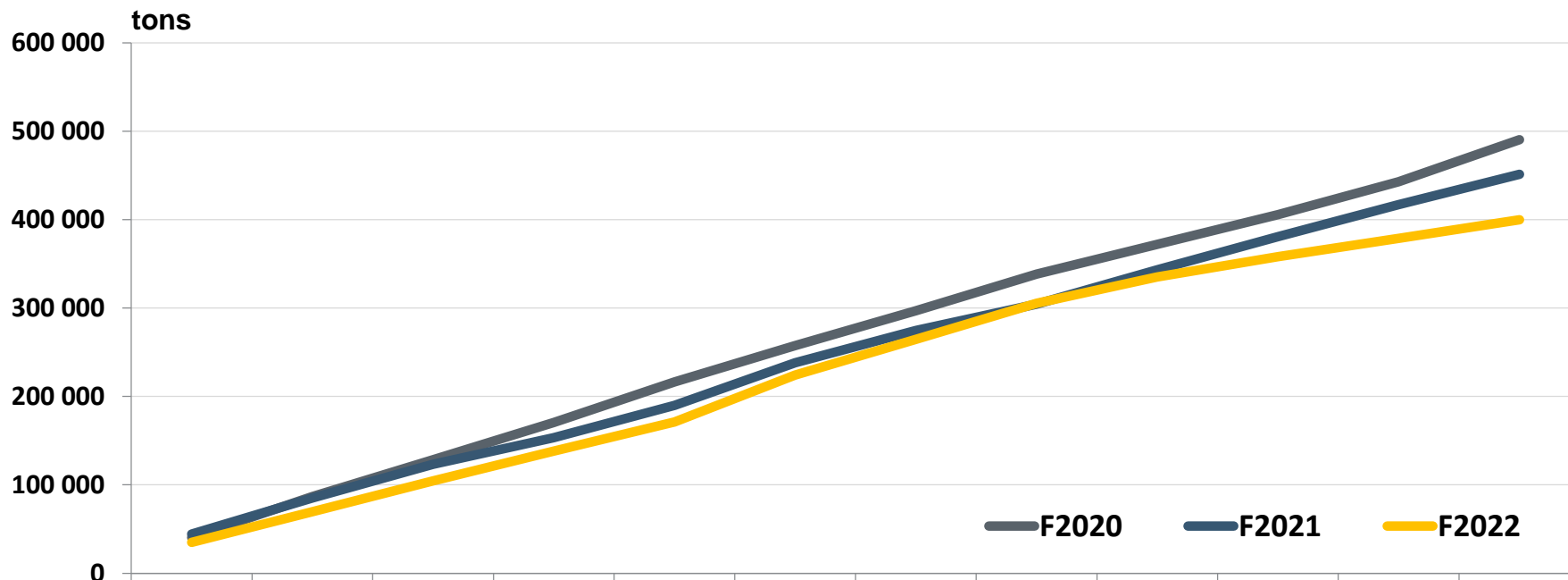
RSA POULTRY MARKET SHARE



■ Astral ■ RCL ■ Country Bird ■ Daybreak ■ Sovereign ■ Grainfields ■ Chubby Chick ■ Other ■ Imports

Avg. poultry imports ≈ 5.9 million birds per week (12 months ended September 2022)

TOTAL POULTRY IMPORTS



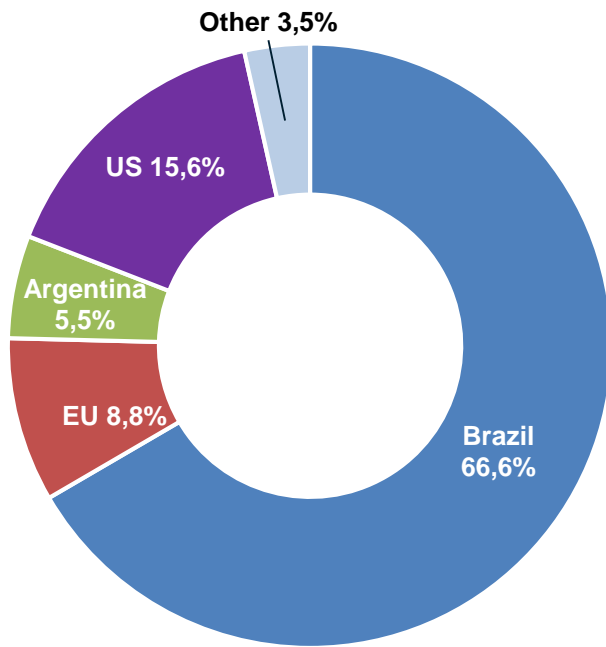
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
F2020	40 409	86 676	128 331	170 449	216 314	257 443	296 901	338 461	371 969	405 599	442 892	490 501
F2021	44 514	85 247	123 398	153 294	189 826	238 230	274 805	304 583	343 344	380 748	417 132	451 324
F2022	34 965	69 465	104 383	138 181	171 050	224 088	264 514	305 551	335 049	358 237	378 734	399 817
F2021	44 514	40 733	38 151	29 896	36 532	48 404	36 575	29 778	38 761	37 404	36 384	34 192
F2022	34 965	34 500	34 918	33 798	32 869	53 038	40 426	41 037	29 498	23 188	20 497	21 083
% Var	-21.5	-15.3	-8.5	13.1	-10.0	9.6	10.5	37.8	-23,9	-38,0	-43,7	-38,3
bpw*	6,2	6,1	6,2	6,0	5,8	9,4	7,2	7,3	5,2	4,1	3,6	3,7

TOTAL POULTRY IMPORTS

COUNTRY OF ORIGIN

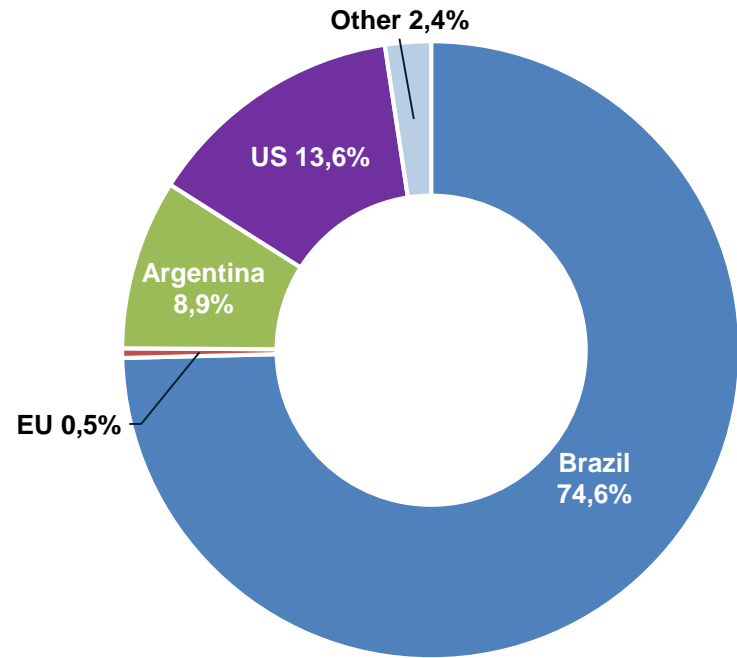


■ 2021



432 307 tons

■ 2022 September YTD



295 434 tons

TOTAL POULTRY IMPORTS

COUNTRY OF ORIGIN

Country (tons)	2020	2021	2022 Sep YTD
Brazil	270 100	287 880	220 467
United States	79 492	67 308	40 292
Poland	4 321	-	-
Argentina	29 530	23 715	26 151
Ireland	35 128	852	1
Denmark	16 562	100	-
Spain	28 000	37 077	2 061
Thailand	4 035	4 576	1 016
Canada	6 276	6 462	1 813
Chile	2 272	1 484	1 044
Australia	2 732	2 243	1 358
Germany	192	42	-
United Kingdom	341	-	-
Netherlands	6 040	22	84
Uruguay	293	77	78
Belgium	28	25	25
France	3	28	2
Switzerland	-	24	-
Swaziland	-	132	803
Other	218	107	81

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