

TIGER BRANDS



NOURISH AND
NURTURE
MORE LIVES
EVERYDAY

BAKERIES SITE VISIT | JULY 2023

BELLVILLE FACILITY





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FACILITY OVERVIEW

Raynard Breydenbach





Commissioned in 2017 at an investment of R350 million, the Bellville bakery is a world-class facility servicing over 3 000 outlets

Commissioned in **2017**
at a cost of **R350m**

Capacity of **13 000**
loaves per hour (LPH)

2 plants
baking all lines except Tinkies

Servicing more
than **3 000** outlets

Distribution **footprint** across
N. Cape, W. Cape, E. Cape
as well as SWD and Overberg

Current utilisation
of **74%** vs. 90% optimal

520 staff
members

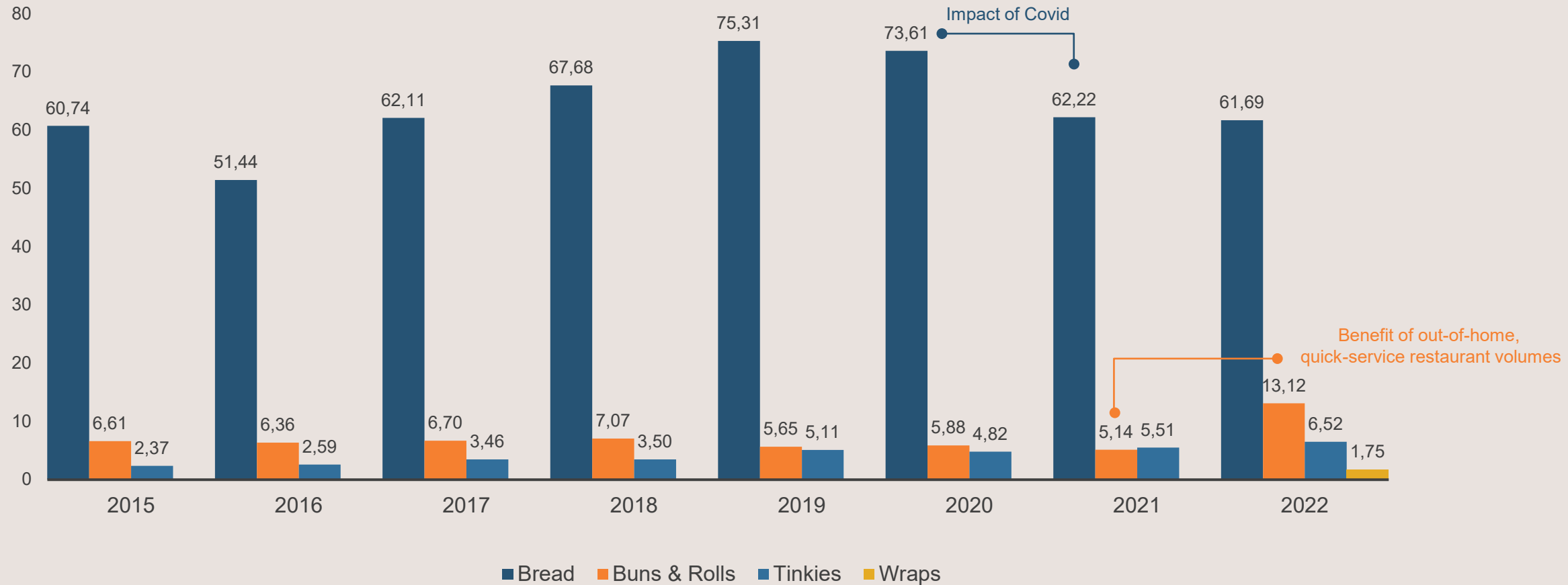
Private label production
currently **20%**

General Trade currently
35% of sales

Average bread sales of 1,3 million loaves per week



Sales (m)





With current market share of 20%, the Western Cape has been identified as a growth region



20%
Market share

>3 000
outlets, including GT

67 own routes,
excluding distributor routes

NC route opened in **2019/20**
to service Spar stores



A steady improvement across all operating metrics following the re-build in 2017

KPI	FY 2017	FY 2022	FY 2023	Target
OEE	87.8%	92.0%	92.4%	90.0%
Damages	1.33%	0.96%	1.25%	0.85%
Loaves produced	64 279 917	65 322 831	55 287 671	65 769 660
Throughput (loaves per hour)	11 012	11 961	11 857	12 350
Consumer complaints	4.65	1.96	2.36	2.00
LTI's	7	3	2	3





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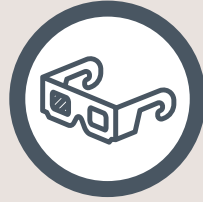
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STRATEGIC UPDATE AND OUTLOOK

Manoj Naran



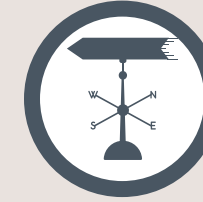
Our vision of being the leading baked goods company is anchored in a superior core offering while leveraging the strength of Albany across relevant segments



Our vision

Deliver **top tier financial results**

Be recognised as **the leading baked goods company** in South Africa



Our mission

Nourish & nurture
through consistently providing
top quality baked goods for our consumers

Our priority is to effectively differentiate Albany, while focusing on enhanced supply chain efficiencies in order to drive category leadership



1

Volume growth ahead of the category

- Build brand strength through revised positioning & portfolio
- Drive volume growth in all channels and capitalise on white spaces
- Continuous focus on delivering consistent quality

2

Accelerate cost savings & efficiencies

- Capture supply chain efficiencies
- Revenue Management

3

Expansion into new categories

- Tinkies Innovation pipeline
- Other innovations

4

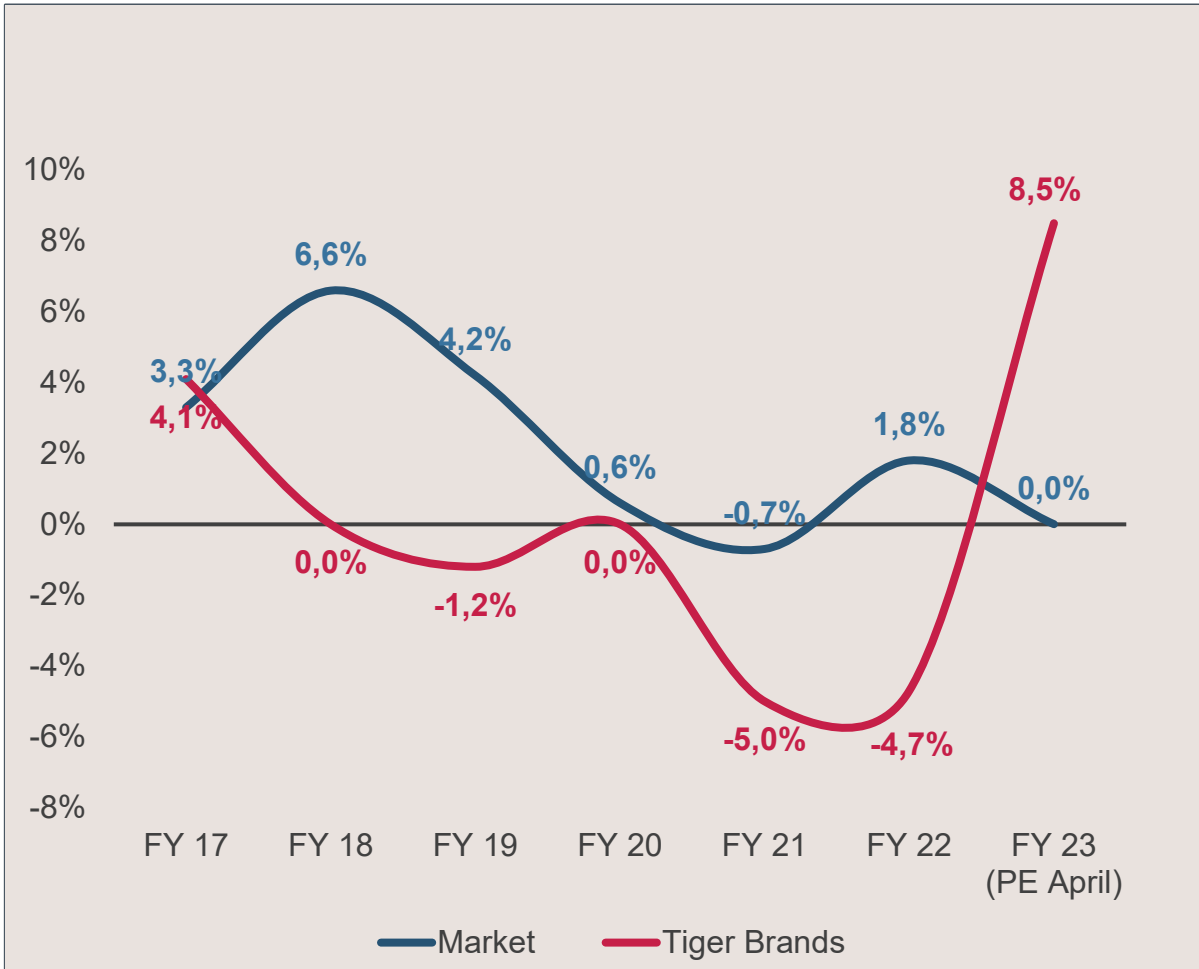
Invest in people and culture

- Focus on key Bakeries
- Build a diverse talent base and capability
- Create a great place to work
- Build capability across all levels with improved ROI

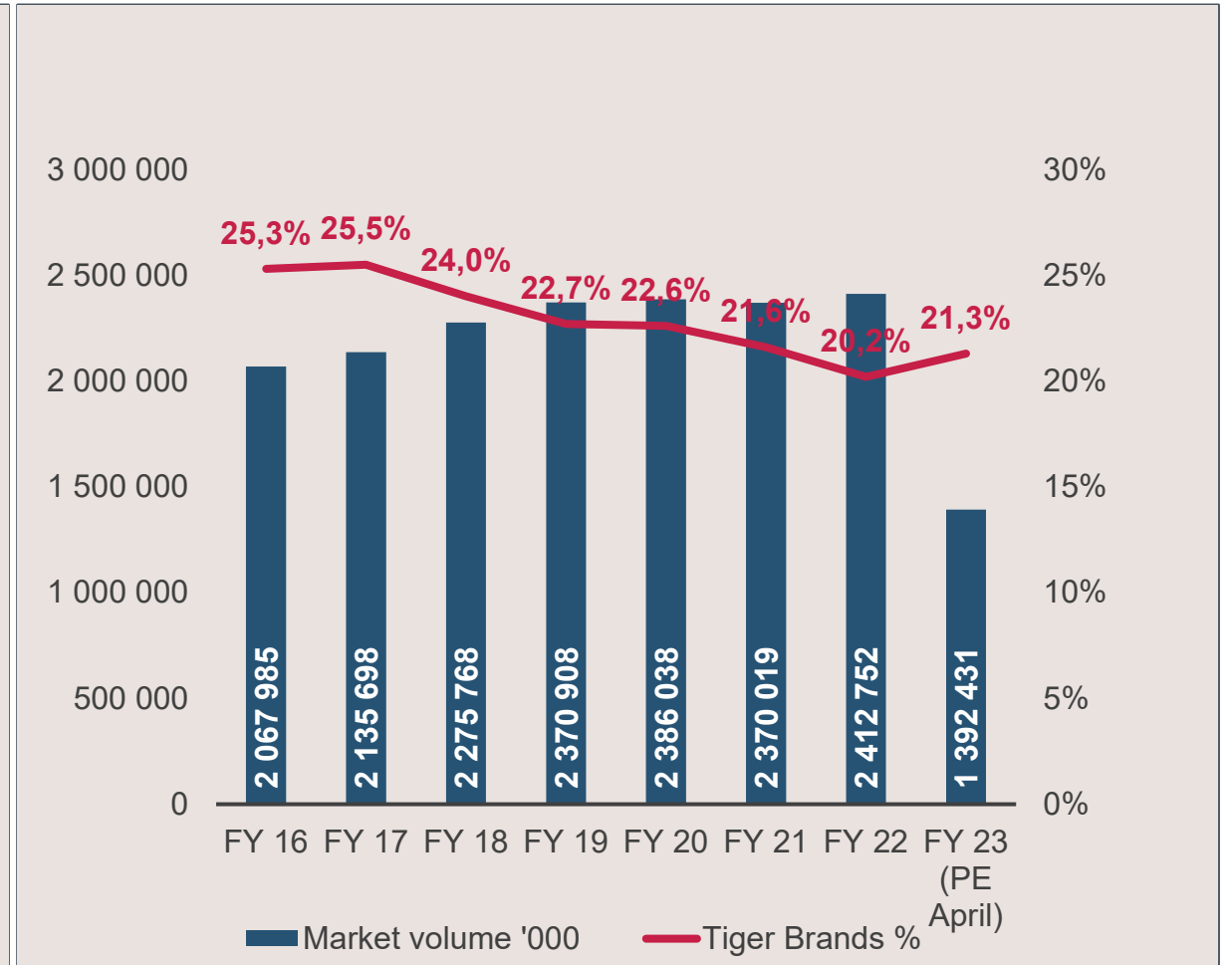
Albany gaining market share albeit in a low growth environment



Market and Tiger Brands growth

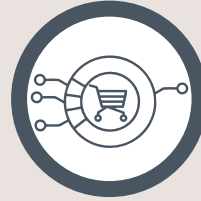


SAGIS volume and Tiger Brands market share



SAGIS: Feb YTD'23

Bread as a staple has recovered post-Covid while, more recently, inflation is impacting volumes



Total penetration and consumption have increased

Penetration

▲ 1,3% to **96,4%**

Value per buyer

▲ R126 to **R679** / year

Volume per trip

▼ -0,1kg to **1,1kg**

Trips per buyer

▲ 2,4 to **28**

Western Cape penetration is at 100% making it an attractive growth opportunity



Western Cape remains an attractive market

Penetration

Unchanged at **100%**

Value per buyer

▲ R76 to **R1 716** / year

Volume per trip

Unchanged at **0,9kg**

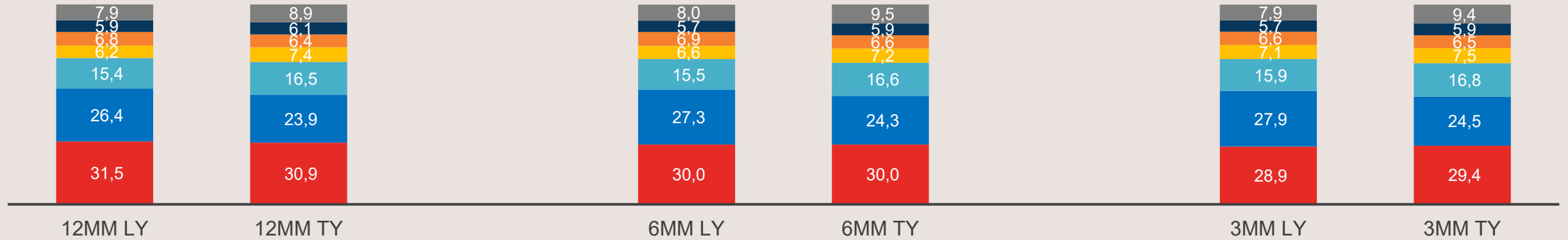
Trips per buyer

▼ 10,7 to **91,3**

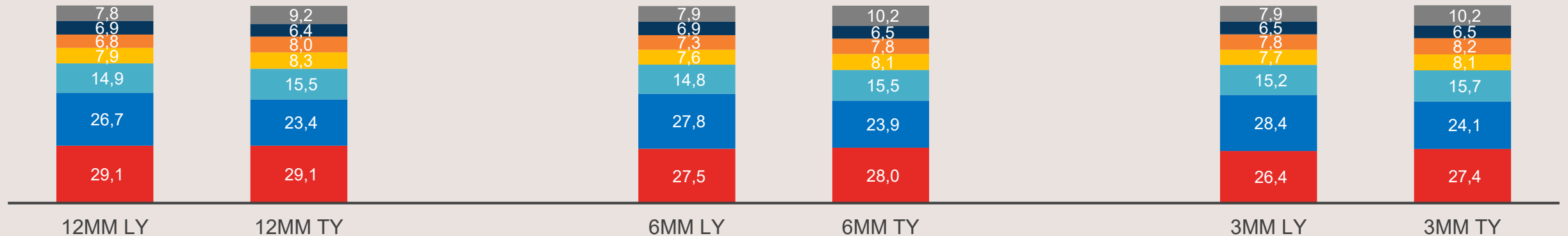
Albany sustains its market leadership nationally, growing share in volume and value over the short and medium-term



Brand value share of bread



Brand volume share of bread



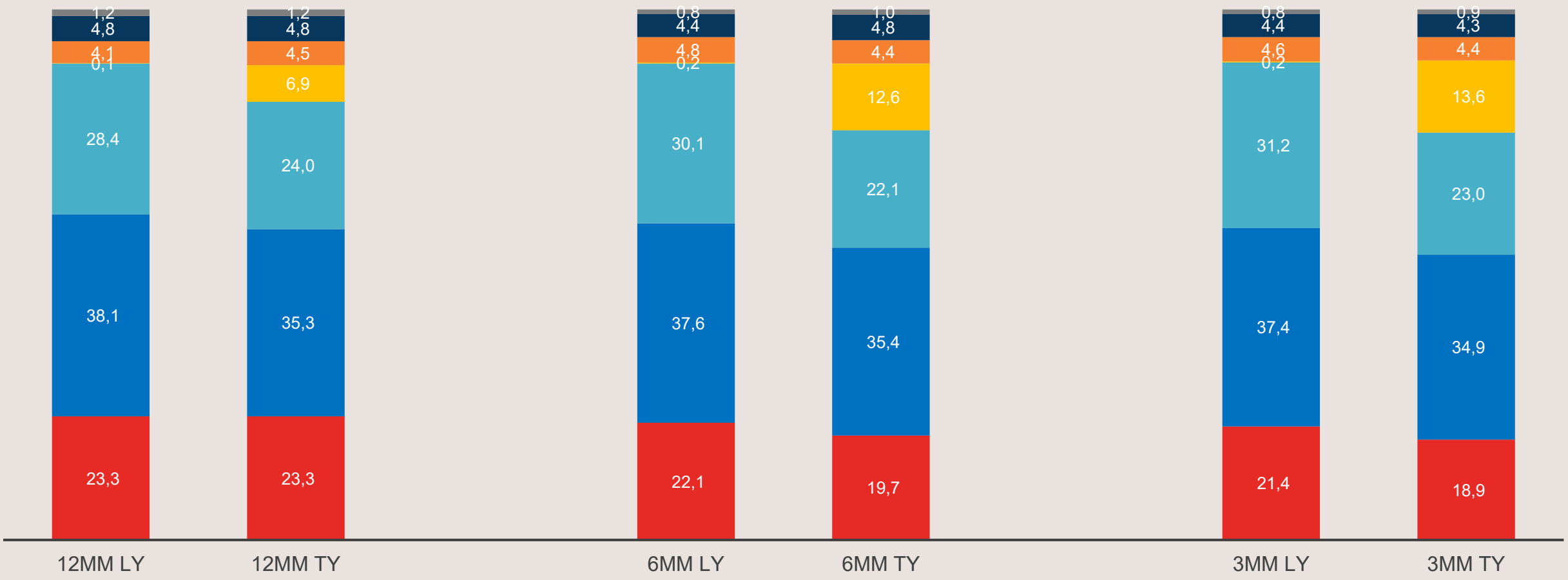
IRI DATA: May 23 | IRI Sept 22

■ Albany ■ Competitor 1 ■ Competitor 2 ■ Competitor 3 ■ Competitor 4 ■ Competitor 5 ■ Other

Western Cape volume share stable in the long term while short-term trends reflective of increased competition



Western Cape volume share for bread



IRI DATA: May 23 | IRI Sept 22

■ Albany ■ Competitor 1 ■ Competitor 2 ■ Competitor 3 ■ Competitor 4 ■ Competitor 5 ■ Other



Deliberate strategic initiatives designed to address the immediate headwinds while positioning us for growth

1 Volume growth ahead of the category

Launch new Albany positioning & reduce SKU complexity

Recover volumes in the GT (Inland focus) & drive SOV in TEG

Leverage value loaf (Sunnyday) to enter new & existing routes

2 Accelerate cost savings & efficiencies

Depot optimisation

Bakery benchmarking

Revenue management

Continuous focus on delivering consistent quality

3 Expansion into new categories

Tinkies core growth & innovation

4 Invest in people and culture

Stabilisation of key bakeries

Build a diverse talent base and capability

Create a great place to work

Build capability across all levels with improved ROI

Well-planned F23/F24 campaign for new Albany positioning leveraging all platforms



**Great with just butter.
Like just before payday.**

The perfect bread for an imperfect world.

The perfect bread for an imperfect world

Albany of course South Ah human truth

Not all bread is made equal.

The perfect bread for an imperfect world.

**Great with just butter.
Like just before payday.**

Not all bread is made equal.

The perfect bread for an imperfect world.

**They can turn off the lights,
but you'll still know it's Albany.**

The perfect bread for an imperfect world.

Not all bread is made equal.

Choose Albany.

Not all bread is made equal.

Choose Albany.

**Any fresher,
we'd still be baking it.**

Choose Albany Today.

Feel the freshness

Albany Freshness

Loadshedding happens. It makes cooking harder. Make some sandwiches with Albany bread. They taste... Read more

They can turn off the lights,

Any fresher, we'd still be baking it.

Choose Albany Today.

Not all bread is made equal.

Choose Albany.

FY23 key initiatives

Volume growth ahead of the category



Launch new Albany positioning & reduce SKU complexity

- New brand positioning based on category intrinsic
- SKU rationalisation: 5 “tail” SKUs successfully discontinued to date

Recover volumes in the GT (Inland focus) & drive SOV in TEG

- Focus on worst performing routes per bakery
- Independent wholesale & driver revised incentive scheme
- Debriefers structure entrenched
- Increased investment in above-the-line and below-the-line brand support
- Expand store coverage
- Combo show cards to drive bundles

Leverage value loaf (Sunnyday) to enter new & existing routes

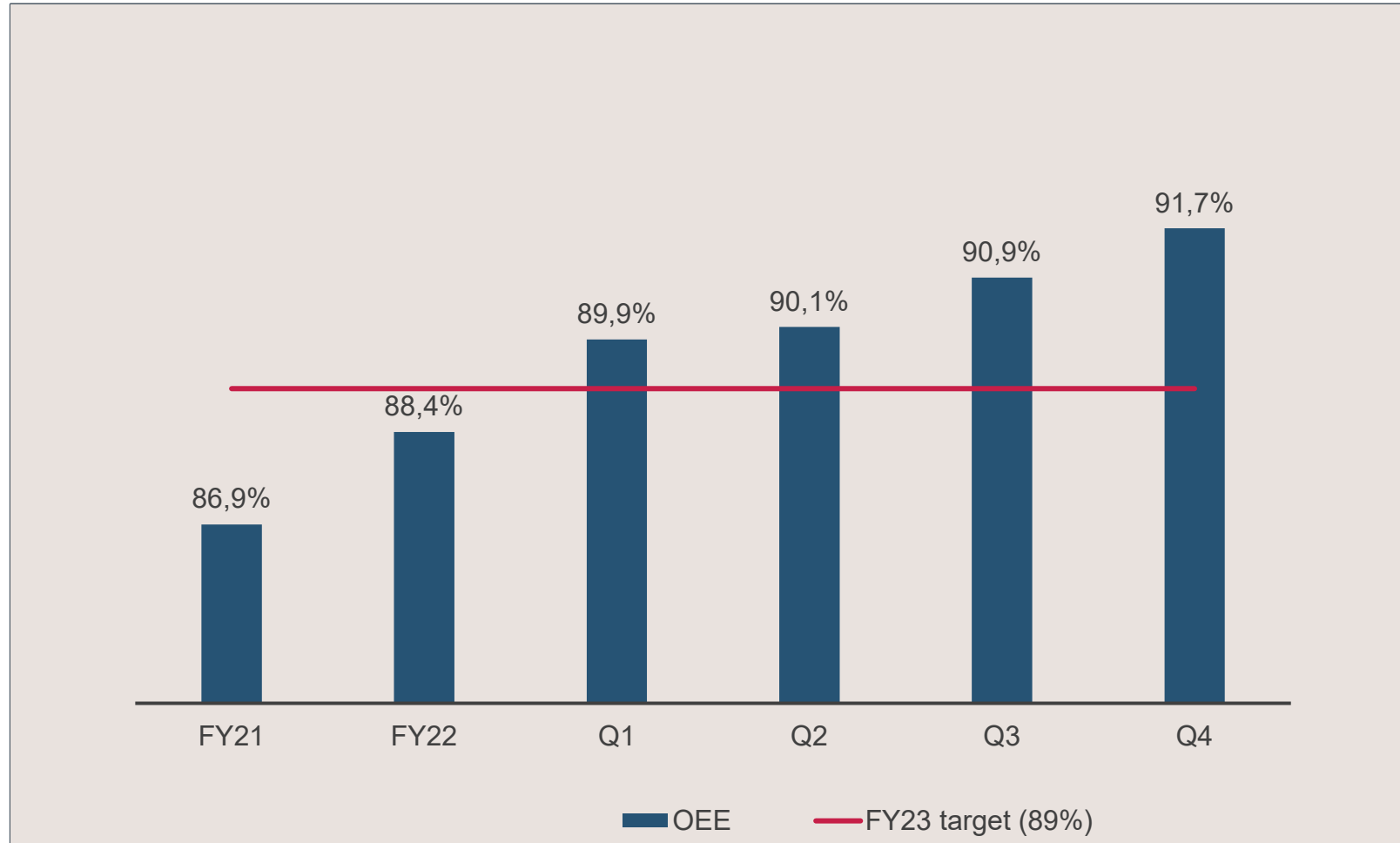
- 16 routes identified across Limpopo (PTA), Mpumalanga (SEC) and Sasolburg (Dec FY22)
- Monitoring competitor response



FY23 key initiatives

Accelerate cost savings and efficiencies while focusing on delivering consistent, superior quality

Bakeries OEE



- Recipe improvements
- Process improvements
 - Oven upgrades
 - Bread moulder upgrades
 - Slicer and bagger machine upgrades
 - Generator automated switchgear / major service
 - Replacement of bread pans
- Improvement in damages
 - Damages down to 1% in line with industry benchmarks
- Capture cost savings and efficiencies
 - Cost saving initiatives on track
- Improvement in OEE
 - Bakery benchmarking
- Revenue management opportunities identified
 - Discount dispersion
 - Low margin customers
 - Promotional plan

FY23 key initiatives

Positioning us for the future – Invest in people and culture

Labour dynamics stabilised



- Critical roles filled
- 2-year wage settlements reached
- Culture of discipline re-established
- Stable relationship between management and labour
- Lead change and Ways of Working programme implemented
- Tiger values relaunched
- Wellness programme launched
- Enhanced communication forums underway

Invest in talent & create a winning culture



- Create a great place to work
- Build a diverse talent base
- Build capability



Suppressed category demand dynamics

- 12mm bread volumes up marginally +0.9%
 - Driven by white bread at +5.5%
 - Partly offset by brown bread, declining at -3.3%
- Volume growth slowing in the short term
 - YTD FY23 flat
 - 3mm to May at -1.7%



Low volume results in constrained margins & profitability

- Reflective of competitive pricing
 - Adverse channel mix & product mix
- Double digit increases in other ingredients
- Sub-optimal municipal infrastructure maintenance (electricity & water) resulting in higher operating costs

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THANK YOU

Q & A

