



20 | ANNUAL RESULTS
23 | PRESENTATION

for the year ended 30 September 2023



- **Business Overview** *Slide 3 – Chris Schutte*
- **Operational Overview** *Slide 11 – Gary Arnold*
- **Industry Matters** *Slide 29 – Gary Arnold*
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BUSINESS OVERVIEW



Chris Schutte

Chief Executive Officer

OPEN MESSAGE



- It is openly recognised that this set of **financial results is hugely disappointing**, and is regarded as the lowest point in Astral's proud history
- The magnitude of the load shedding and power outages experienced were not anticipated, and there was **insufficient emergency backup diesel generator capacity** available at the large poultry processing plants
- In evaluating **actions taken to cushion the impact of load shedding**, it is recognised that the unpredictability of load shedding coupled to the integrated biological production systems gave rise to a vastly complex operating environment
- **Excessive costs and abnormal capital expenditure** have been incurred, to combat the on-going load shedding and water supply disruptions that the country is now burdened with
- The severity of the **worst highly pathogenic avian influenza (bird flu) outbreak in history** added to the already devastating financial impact of load shedding on the Group's performance

SALIENT POINTS



- **Poultry feeding costs increased** significantly on record high feed raw material input costs earlier in the year, together with higher levels of feed consumed on load shedding related impacts
- **Broiler production efficiencies** were negatively impacted for a period of time due to a backlog in the slaughter programme, this during continuous and extended levels of load shedding and water supply interruptions resulting in significant processing downtime
- **Extensive broiler placement cutbacks** were implemented over the period, in an effort to work away a backlog in the slaughter programme (much older and heavier birds on farm)
- **The bird flu strain H7N6** spread rapidly through Gauteng and Mpumalanga the past few months, severely impacting a number of Astral's broiler breeding operations
- **Negative poultry margins realised** on record high feed prices, staggering load shedding and bird flu costs, not recovered in the selling price for poultry on a strained consumer environment - with Astral "subsidising" input costs for an extended period of time

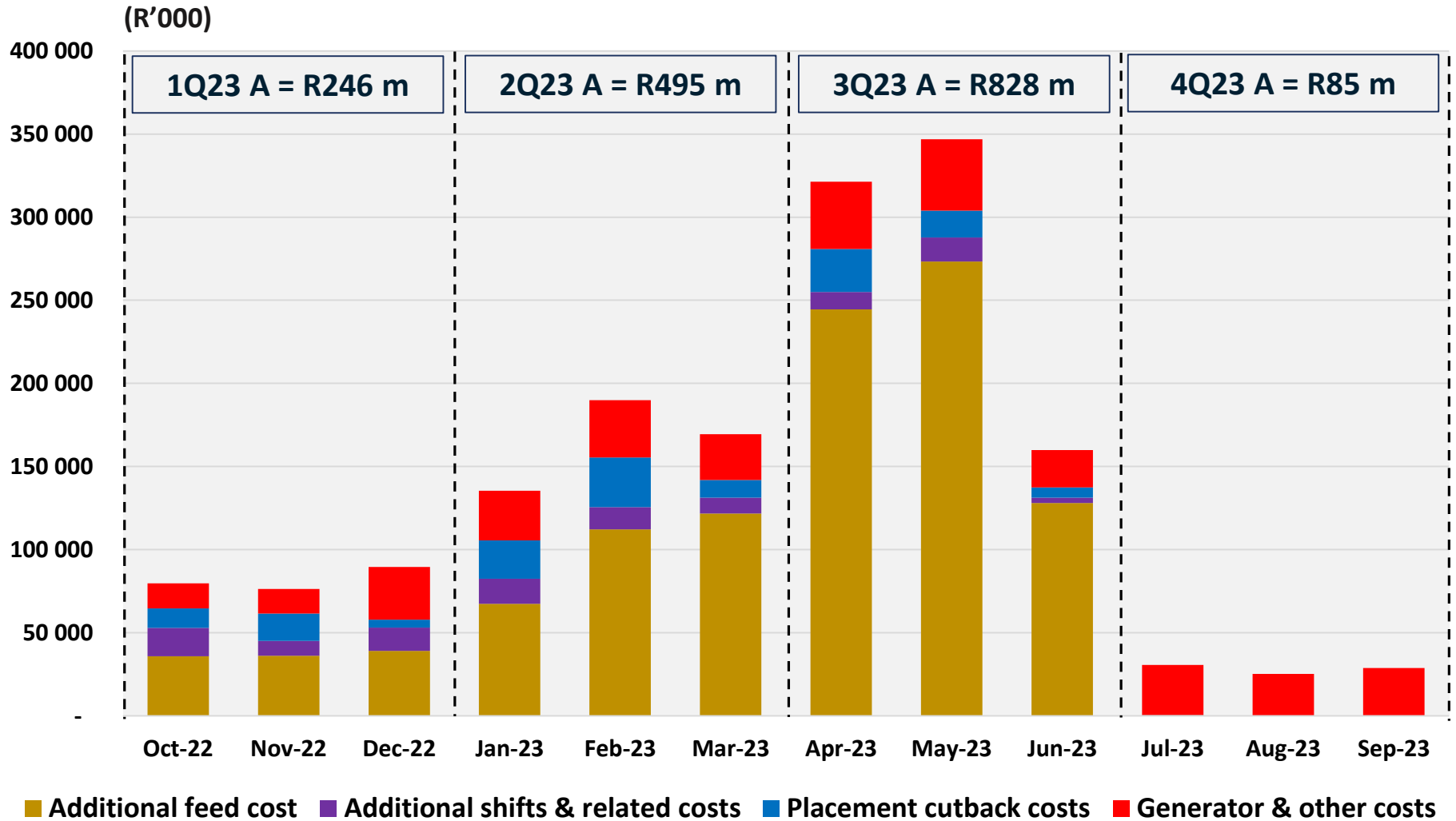
KEY FINANCIAL INDICATORS



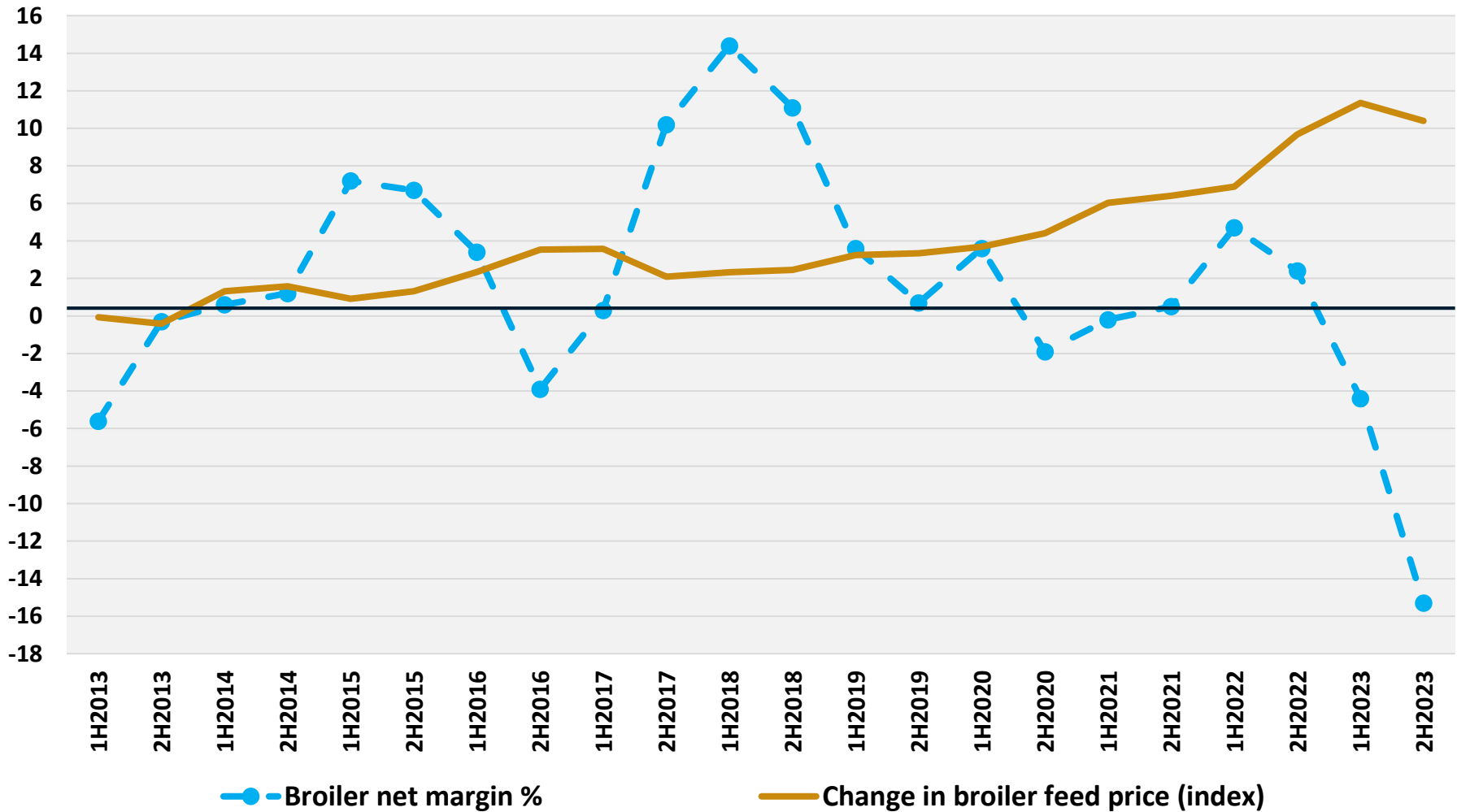
- Revenue @ R19,3 billion
- Loss before interest and tax @ R621 million
- Loss for the period @ R512 million
- Headline loss per share @ 1 324 cents
- Net cash outflow @ R1,1 billion
- No dividend declared for the year



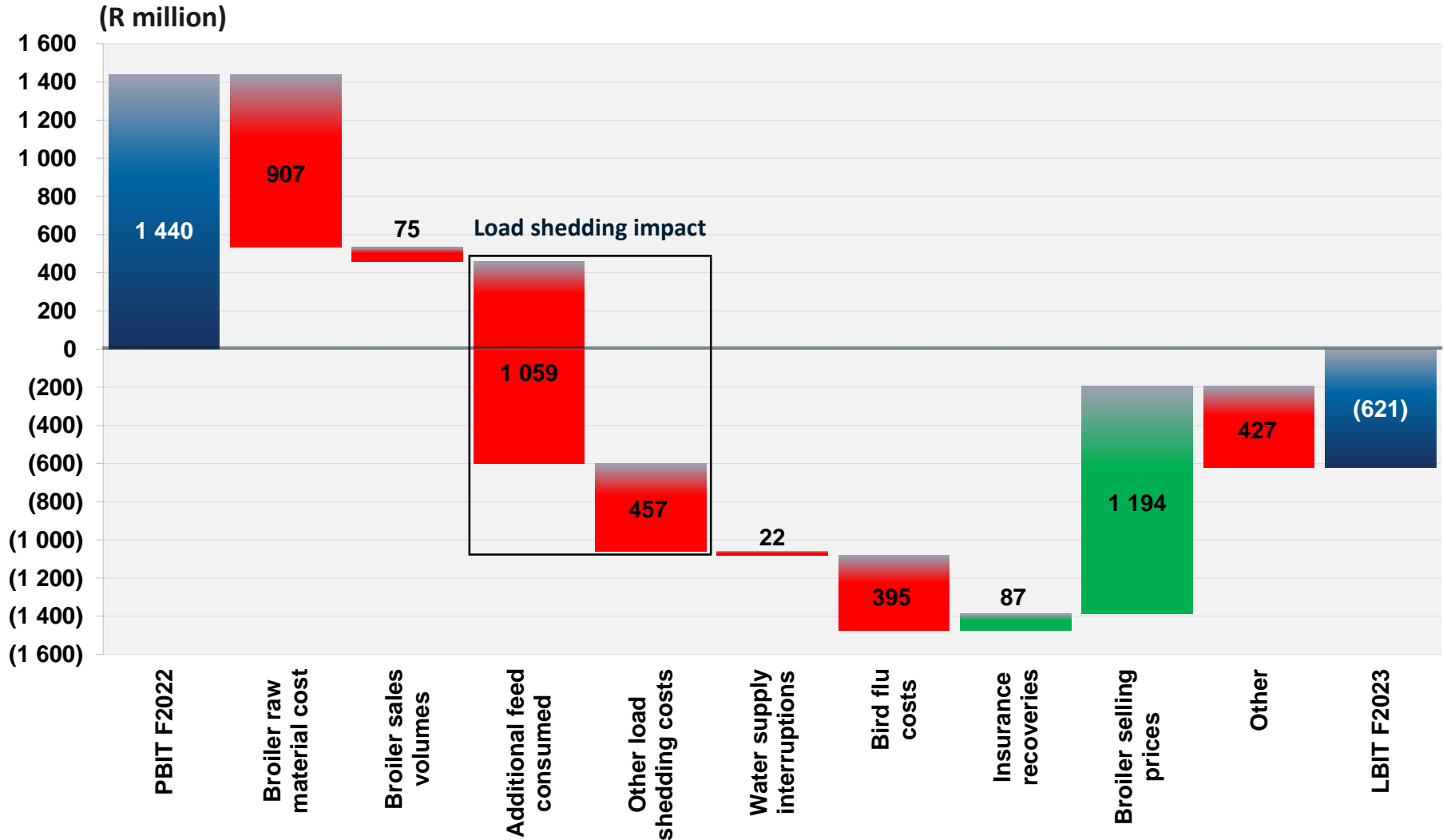
LOAD SHEDDING COSTS F2023



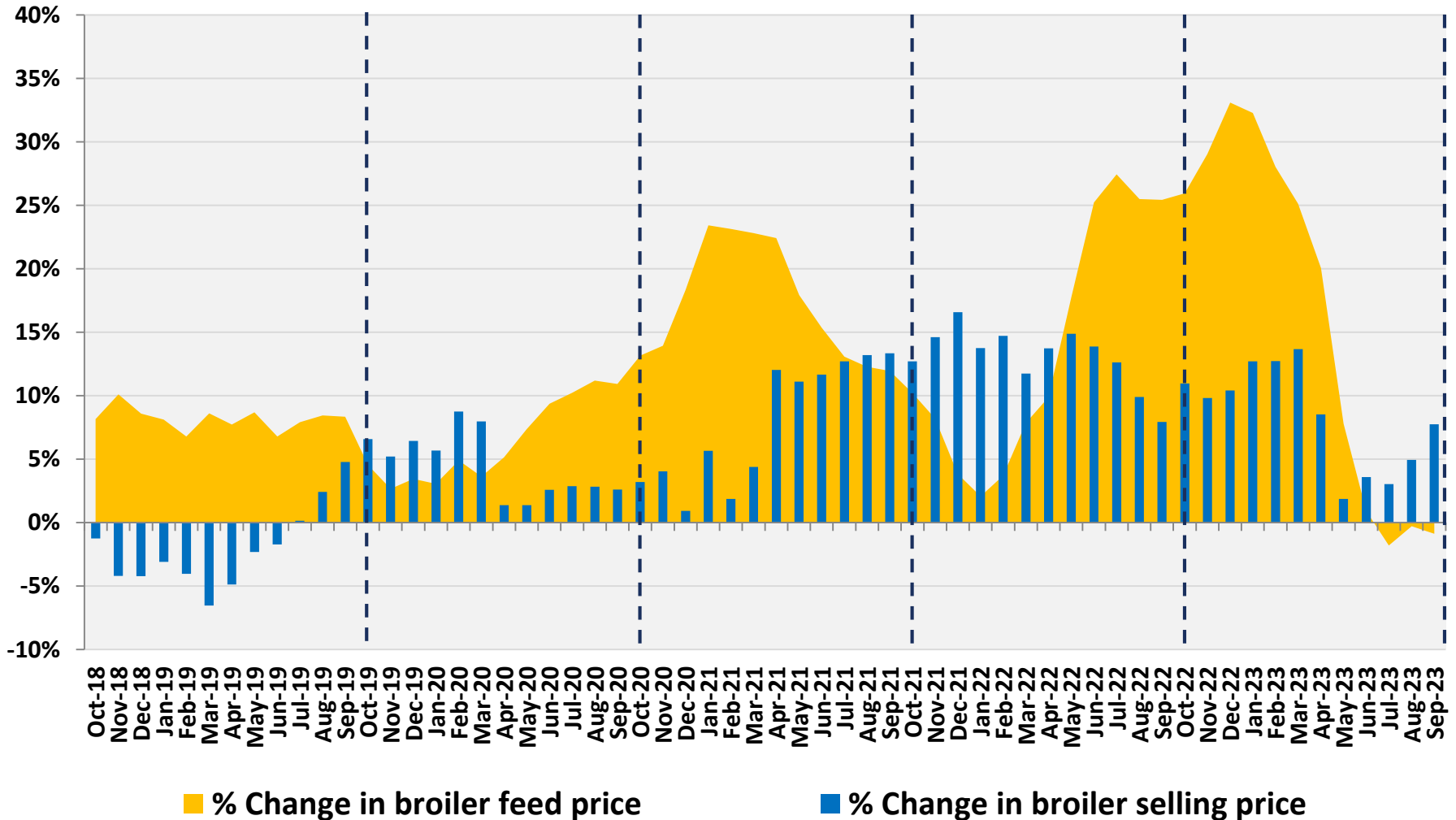
BROILER NET MARGIN vs. FEED PRICE



PBIT MOVEMENT F2023 vs. F2022

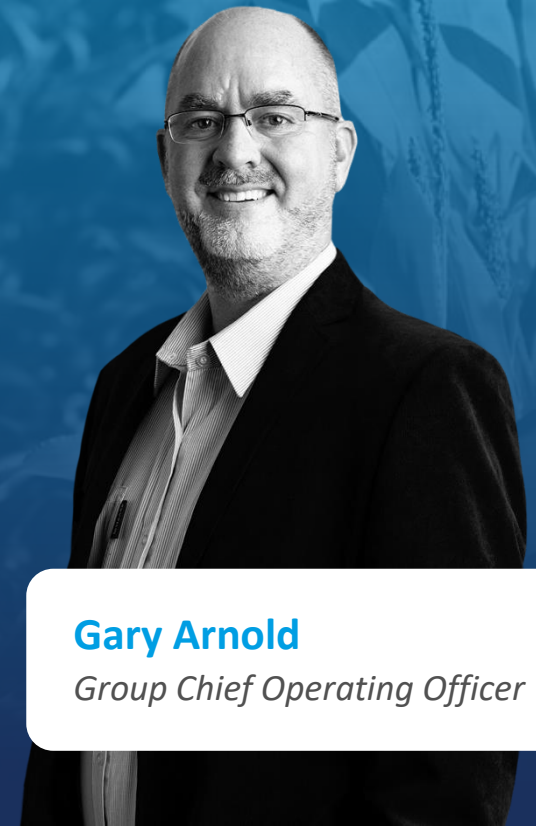


BROILER SELLING PRICE vs. FEED PRICE





RAW MATERIALS



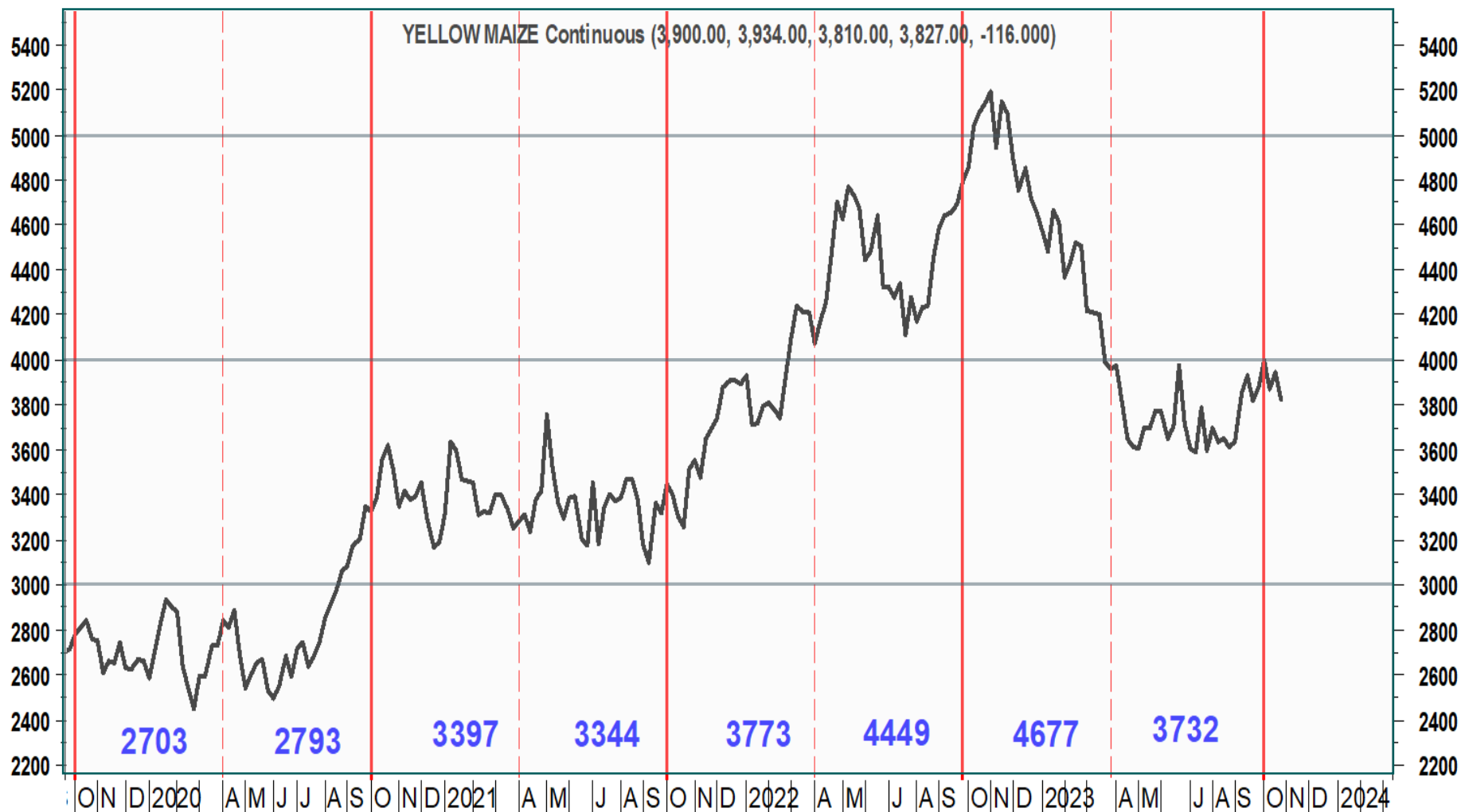
Gary Arnold

Group Chief Operating Officer

RSA TOTAL MAIZE SUPPLY & DEMAND

Marketing year (May to April) '000 tons	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Actual	Actual	Actual	Actual	Estimate	Forecast
Carry In (1 May)	3 689	2 662	1 000	2 115	2 124	1 955	1 999
Crop Estimate	12 510	11 275	15 300	16 315	15 470	16 195	14 852
Retentions	495	388	90	1 048	281	718	655
Sagis Delivery	11 984	10 887	15 268	15 267	15 189	15 477	14 197
<i>Minus early deliveries</i>	0	0	0	0	0	0	0
Imports	172	510	0	8	0	0	0
Total Supply	15 845	14 059	16 268	17 389	17 314	17 432	16 196
Domestic Usage Food	5 161	5 378	5 685	5 172	5 388	5 655	5 735
Domestic Usage Feed	5 508	5 699	5 517	5 898	5 948	5 905	5 825
Gristing, withdrawn & released	239	177	121	103	83	105	110
Total Domestic Usage	10 907	11 264	11 324	11 173	11 419	11 665	11 670
Exports & Sundries	2 276	1 795	2 830	4 093	3 941	3 768	3 140
<i>Plus early deliveries</i>	0	0	0	0	0	0	0
Carry Out (30 Apr)	2 662	1 000	2 115	2 124	1 955	1 999	1 386
No of days usage	89	32	68	69	62	63	43
STU	20,19%	7,66%	14,94%	13,92%	12,73%	12,95%	9,36%

SAFEX YELLOW MAIZE PRICE

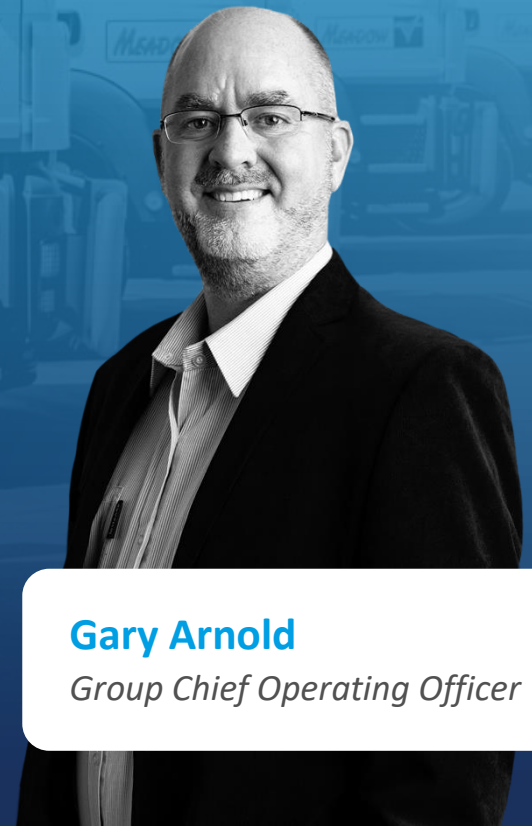


DURBAN SOYA MEAL PRICE





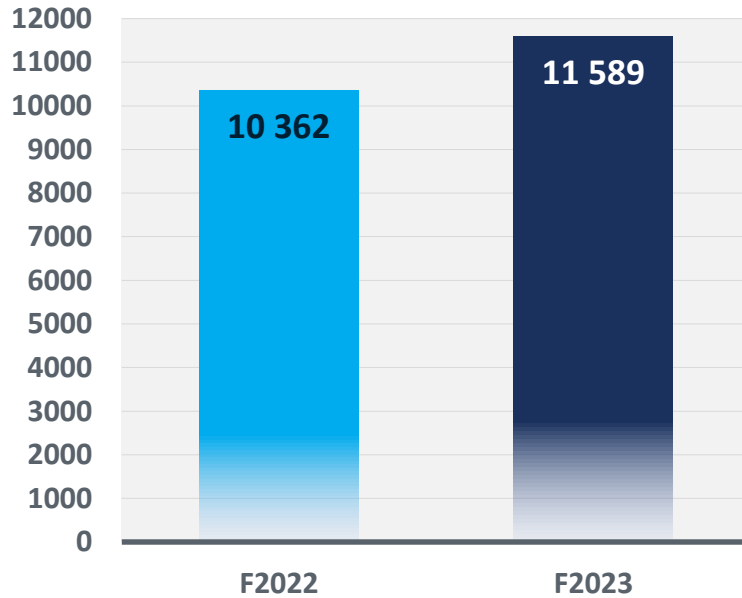
FEED DIVISION



Gary Arnold

Group Chief Operating Officer

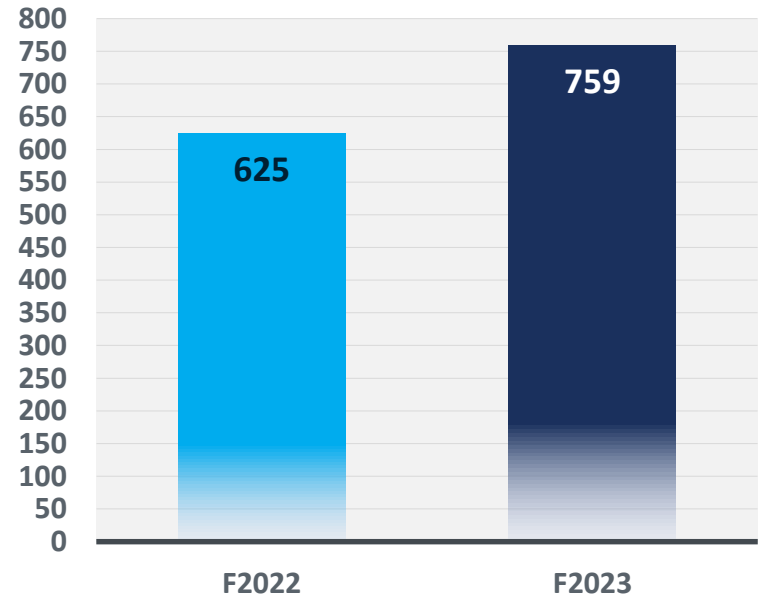
Revenue - R million



Revenue up 11.9%

- Raw material costs up
- Average selling prices up 10.2%
- Sales volumes up 1.1%

Operating profit - R million



Operating profit up 21.5%

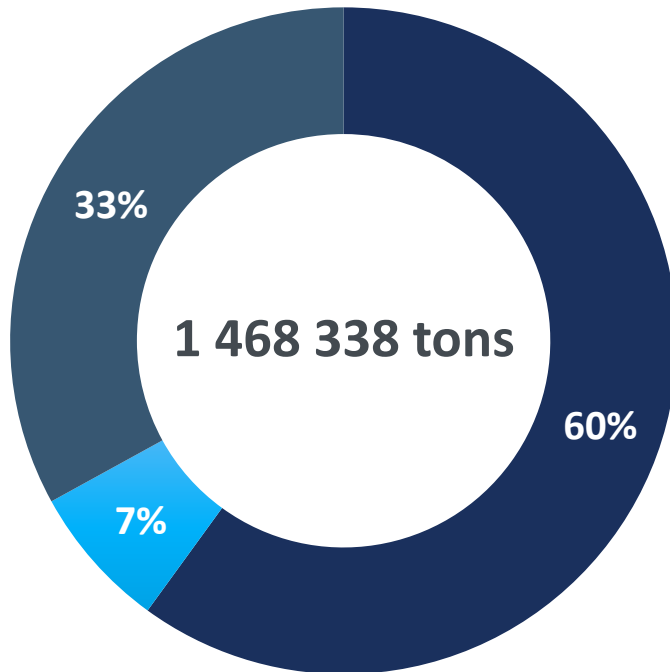
- Net margin 6.5% (F2023: 6.0%)
- Expenses well controlled
- Rand per ton margin increased

- **SAFEX yellow maize price increased** for the year under review F2023 avg. R4 205 per ton (F2022: R4 112) up R93 per ton (increase of 2.3%)
- **DBN soya meal price increased** for the year under review F2023 avg. R11 721 per ton F2022: R9 628) up R2 093 per ton (increase of 21.7%)
- **Internal feed sales volumes increased** by 9.2% (80 838 tons) due to high feed consumption in older and heavier broilers as a result of load shedding
- **External feed sales volumes decreased** by 10.9% (64 582 tons) as the pig and table egg sectors came under tremendous pressure on higher feed costs and lower selling prices
- **Expenses well controlled** across the division despite load shedding costs
- The **average net margin increased** (Rand per ton) for the year under review
- **Lower internal sales volumes** in outlook

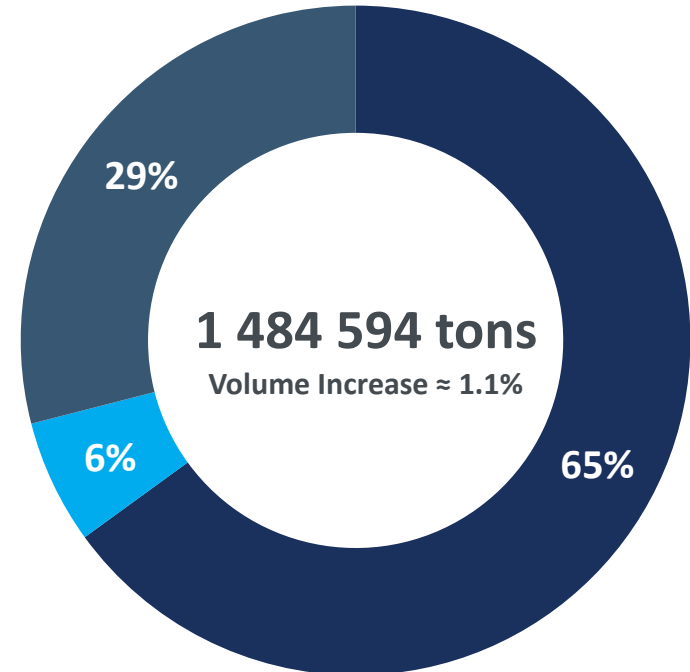
FEED DIVISION



Sales Mix - F2022



Sales Mix - F2023

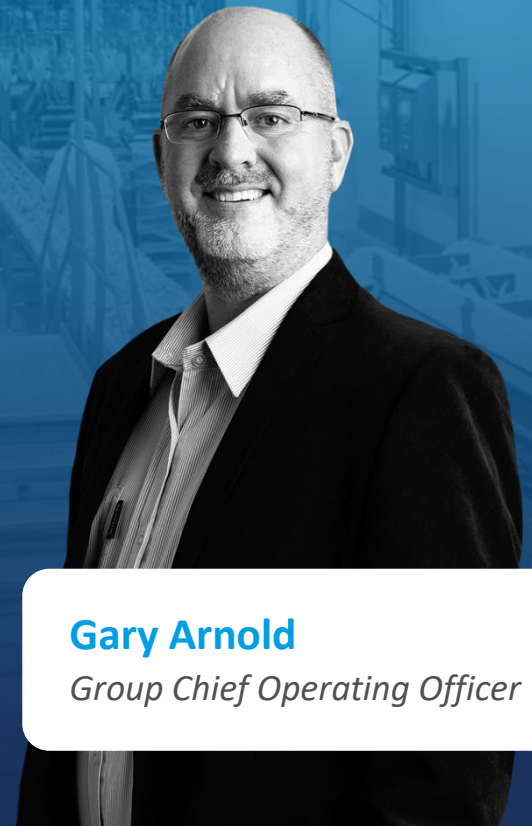


■ Poultry Integrated ■ Poultry External ■ Other



POULTRY DIVISION

COMMERCIAL



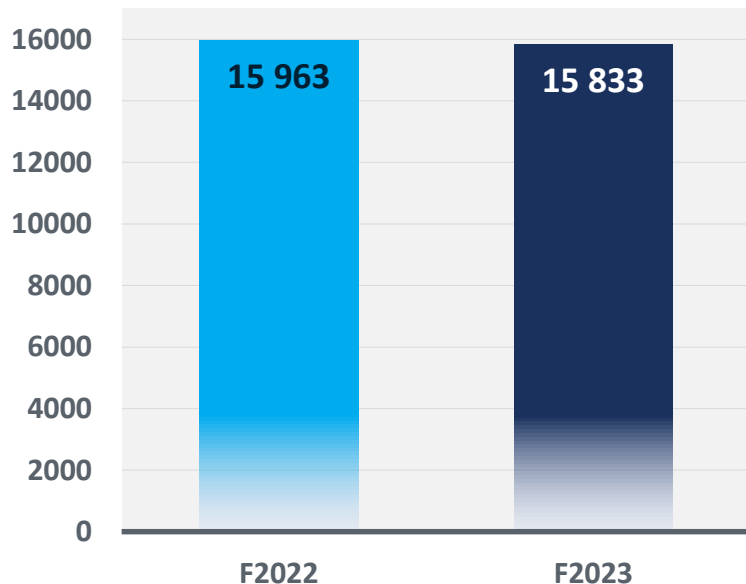
Gary Arnold

Group Chief Operating Officer

POULTRY DIVISION - CONSOLIDATED



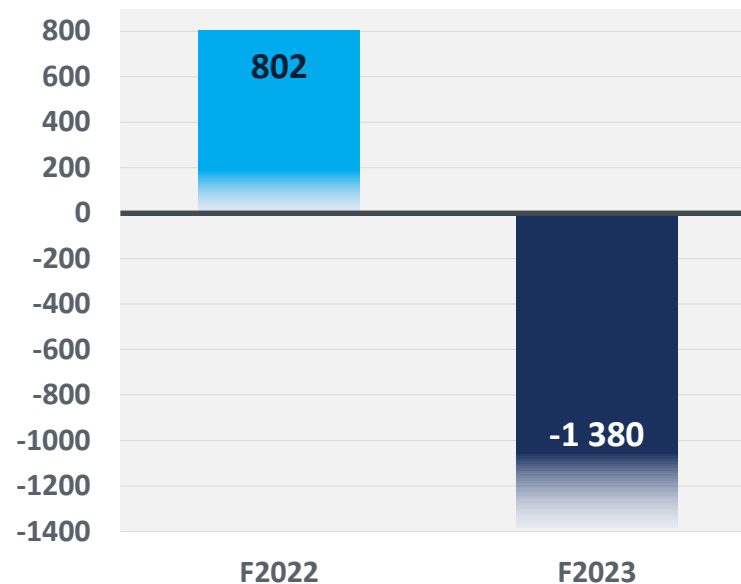
Revenue - R million



Revenue down 0.8%

- Broiler sales volumes down 9.6%
- Broiler sales realisations up 8.2%
- Breeder revenue up 4.2%

Operating profit - R million



Operating profit down 272%

- Net margin -8.7% (F2022: 5.0%)
- Broiler feed price up 15.4%
- Material impact from load shedding costs

POULTRY DIVISION - COMMERCIAL



- **Broiler sales volumes decreased** on lower demand for Astral's finished goods as a result of a change to the product basket, this as a result of slaughtering "big birds" brought about by a backlog in the slaughter programme as a result of load shedding
- **Significant production cutbacks implemented** to reduce the on-going impact of load shedding and water supply disruptions, however not sufficient to counter the unexpected and increasing frequency of failure in national and municipal services
- **Negative broiler margins at -9.7%** (F2022: 3.5%) as the costs associated with load shedding could not be recovered in selling prices
- **Broiler margins were impacted** on the big birds and product mix impact due to an inability to completely supply the quick service restaurant and fresh chicken markets
- **Operating expenses negatively impacted** by load shedding (national and municipal interruptions), water supply disruptions and overtime costs
- **Finished good stock levels** at year end higher against the comparable period, strategically well positioned to counter the bird flu impact

POULTRY DIVISION - COMMERCIAL

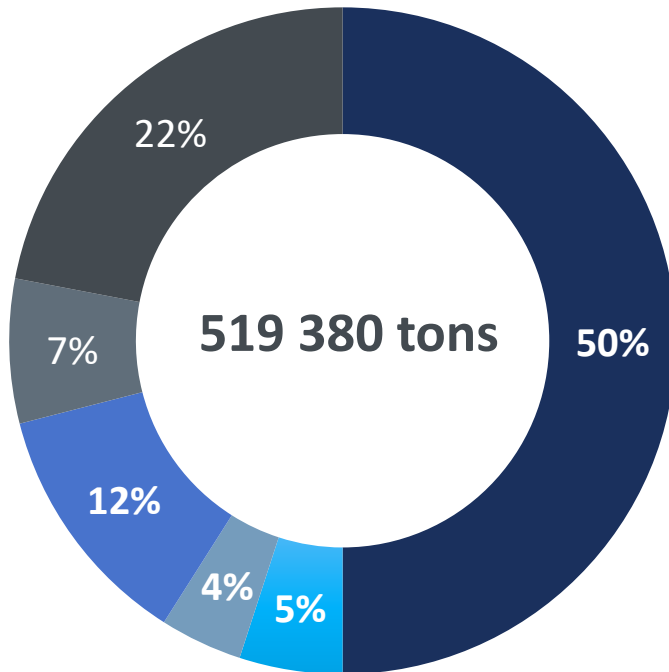


	F2023	F2022	%
Birds slaughtered – number ('000) per annum	257 017	303 418	(15.3)
Birds slaughtered – live weight (tons) per annum	539 591	562 930	(4.1)
Birds slaughtered – average number per week			
Festive (Olifantsfontein - Gauteng)	1 744 000	2 222 000	
Goldi (Standerton - Mpumalanga)	1 293 000	1 768 000	
County Fair (Agter-Paarl – Western Cape)	1 689 000	1 650 000	
Mountain Valley (Camperdown – KwaZulu-Natal)	217 000	195 000	
Total	4 943 000	5 835 000	

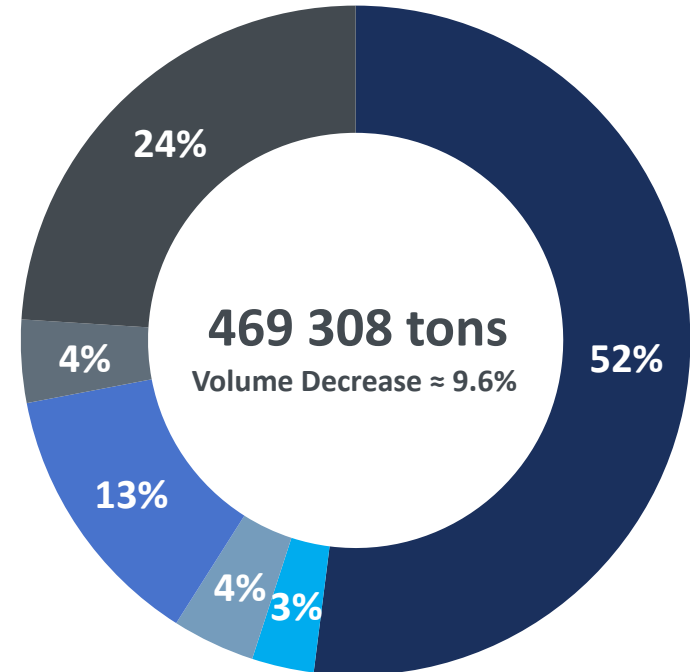
POULTRY DIVISION - COMMERCIAL



Sales Mix - F2022



Sales Mix - F2023

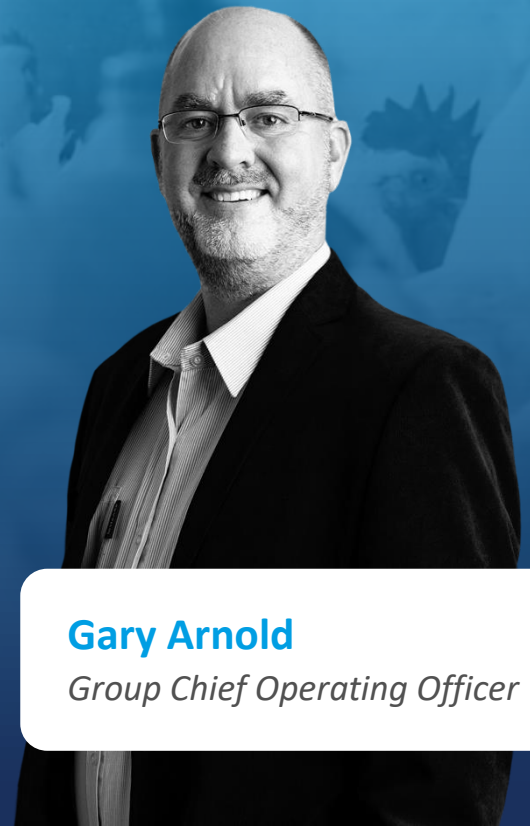


■ IQF Mixed Portions ■ IQF Single Portions ■ Frozen ■ Fresh ■ Value Added ■ Tertiary



POULTRY DIVISION

AGRICULTURE



Gary Arnold

Group Chief Operating Officer

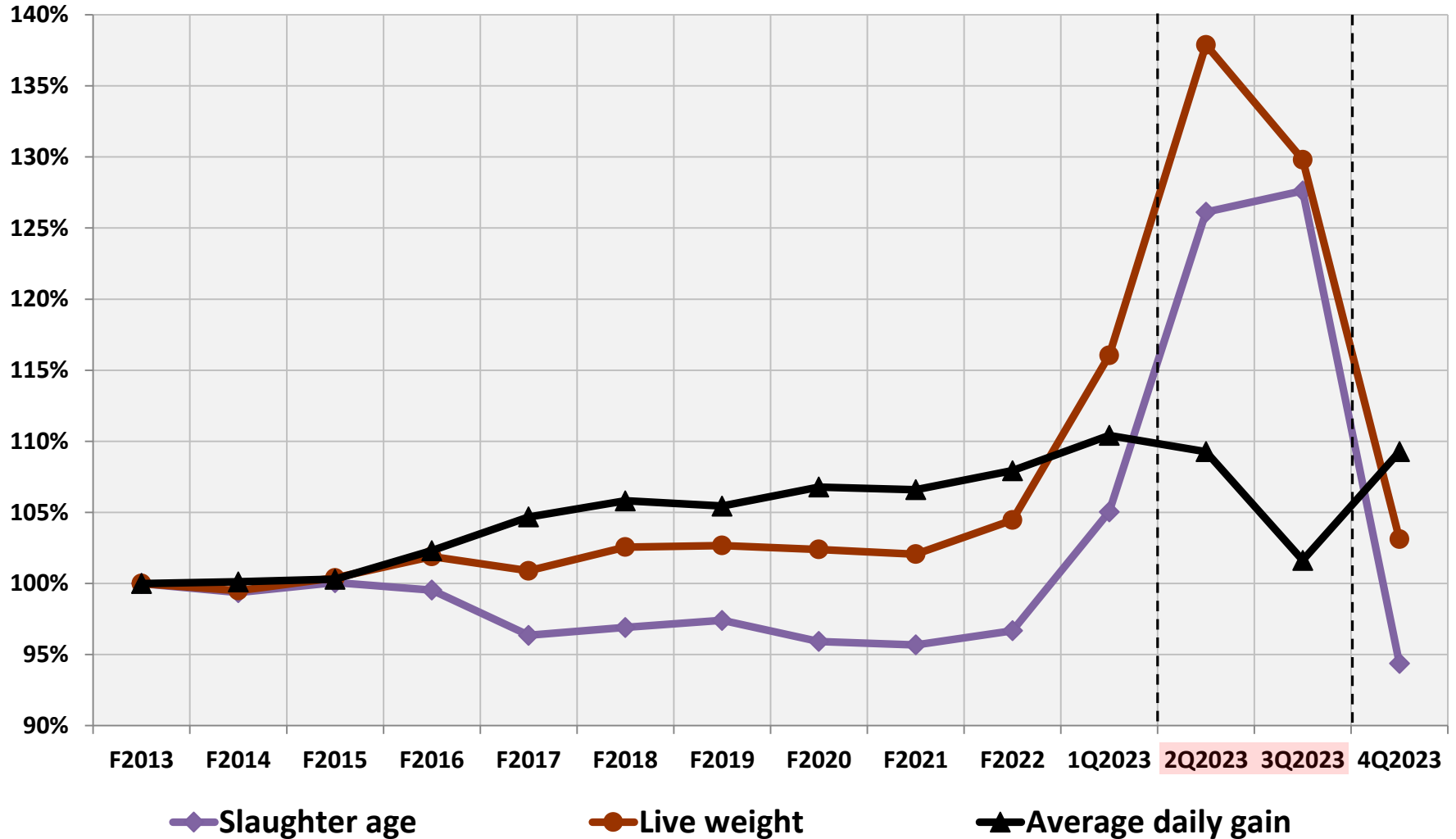
POULTRY DIVISION - AGRICULTURE



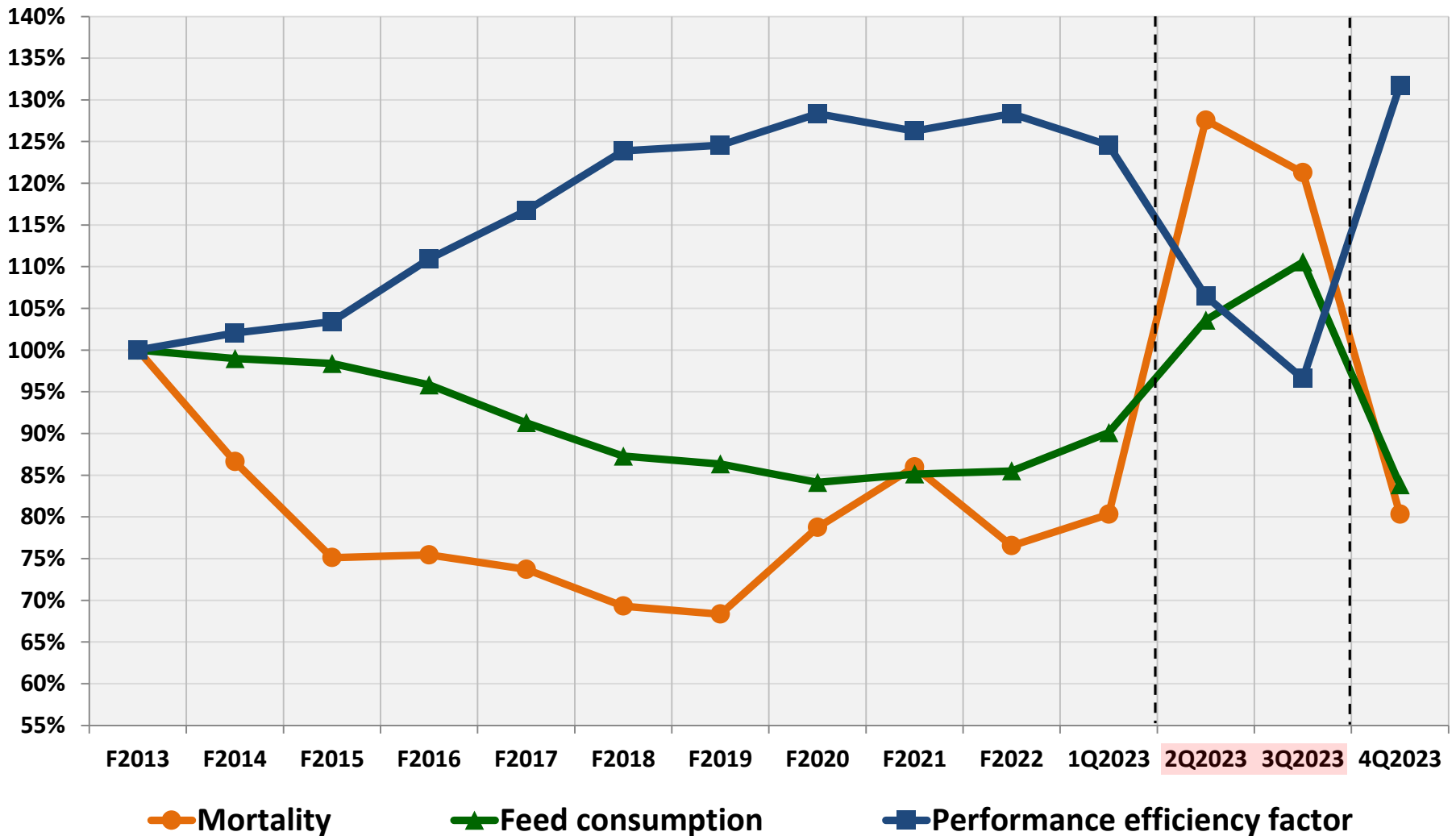
- **Parent stock sales** from Ross Poultry Breeders increased for the year under review
- **Feed input costs increased significantly** on the back of record high raw material costs, adversely affecting the live bird production cost
- **Broiler production severely impacted** to mid-June 2023, as bird age and live weight increased due to a backlog in the slaughter programme
- **Broiler maintenance feeds introduced** to temporarily curb broiler weight gains, however negatively impacting the feed conversion efficiency
- **Broiler performances in 4Q2023 improved** achieving key biological production results in line with budgeted standards
- **Bird flu** with a new strain emerging as H7N6, had a significant impact on the South African poultry industry with Astral losing approximately 40% of broiler hatching egg production

- **Contingency plans** to counter the loss in broiler hatching egg production:
 - **Extending the depletion age** of our national broiler breeder flock placements
 - **Setting eggs from younger flocks** in our national broiler breeder program
 - Aligned export volumes of broiler hatching eggs to neighbouring countries
 - Registration of hatcheries as import facilities
 - Initiated the **importation of broiler hatching eggs** to supplement Astral's egg bank
 - Reduced the criteria around the **grading of broiler hatching eggs** at the hatcheries
 - Increased numbers of parent stock chicks in rear above normal replacement levels

BROILER PERFORMANCE

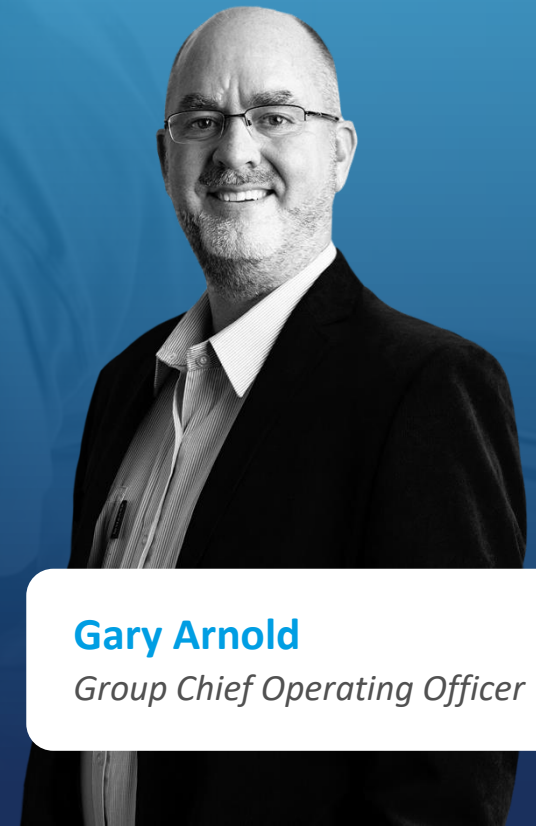


BROILER PERFORMANCE





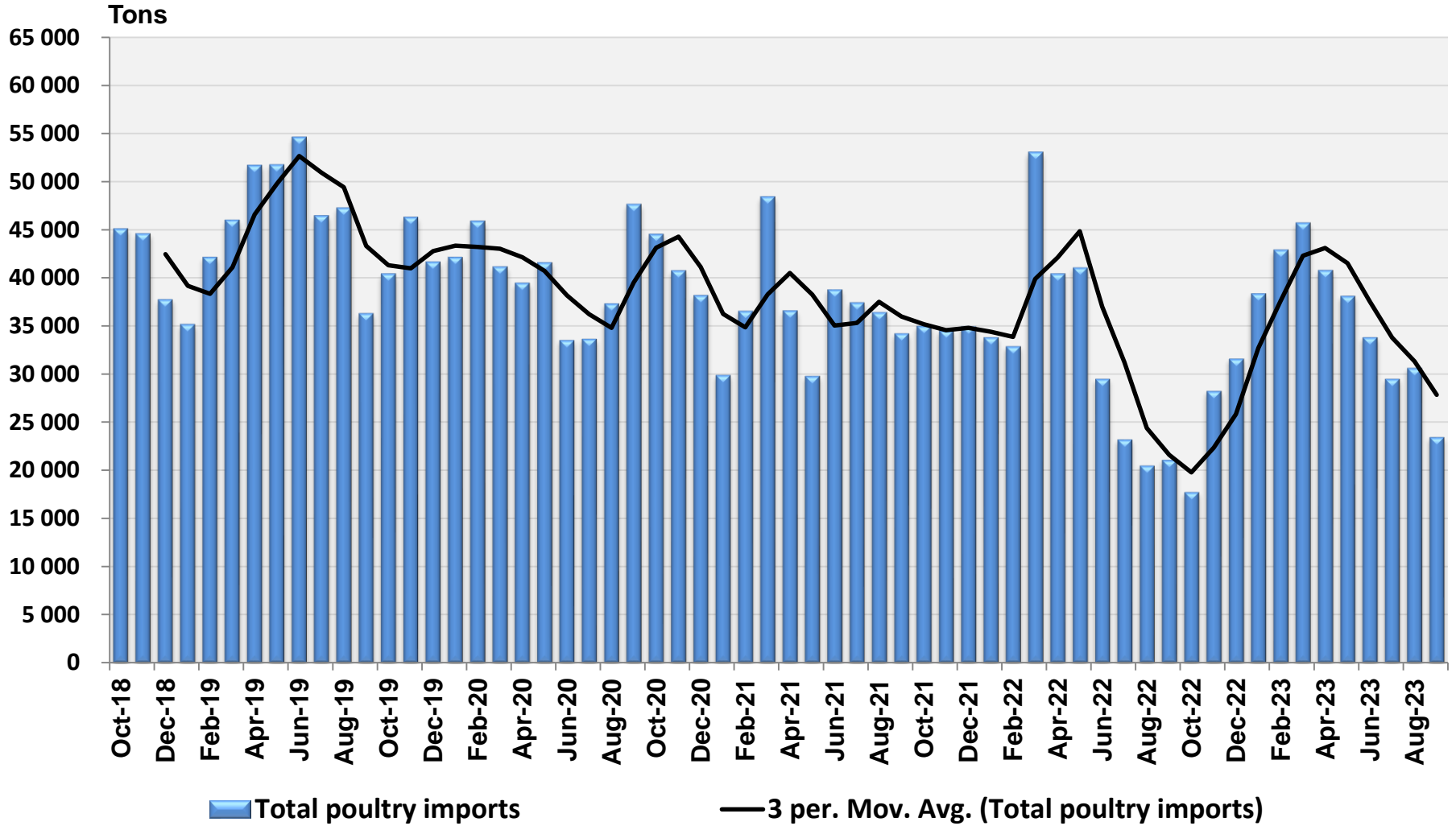
INDUSTRY MATTERS



Gary Arnold

Group Chief Operating Officer

POULTRY IMPORTS



- Based on industry statistics **broiler slaughter numbers are approximately 20.0 million birds per week** (October 2023)
- **Imports for the period** averaged 33 386 tons per month (\approx 6.0 million bpw) being approximately **23% of local consumption** (F2022: 33 318 tons per month)
- **Anti-dumping duties** finally implemented in August 2023 against Brazil, Ireland, Spain, Poland and Denmark; valid for four years
- **Bird flu** has had a significant negative impact on the local industry with in excess of 30% of all commercial laying hens and broiler breeder parent stock lost
- **Voluntary vaccination** for the H5 and H7 bird flu strains supported by DALRRD, with registration approvals received for H5 vaccines and outstanding on an H7 vaccine as local development is underway
- **Importation of broiler hatching eggs** to mitigate losses on the bird flu outbreak in South Africa, and ensure that chicken production volumes are maintained



FINANCIAL OVERVIEW



Dries Ferreira

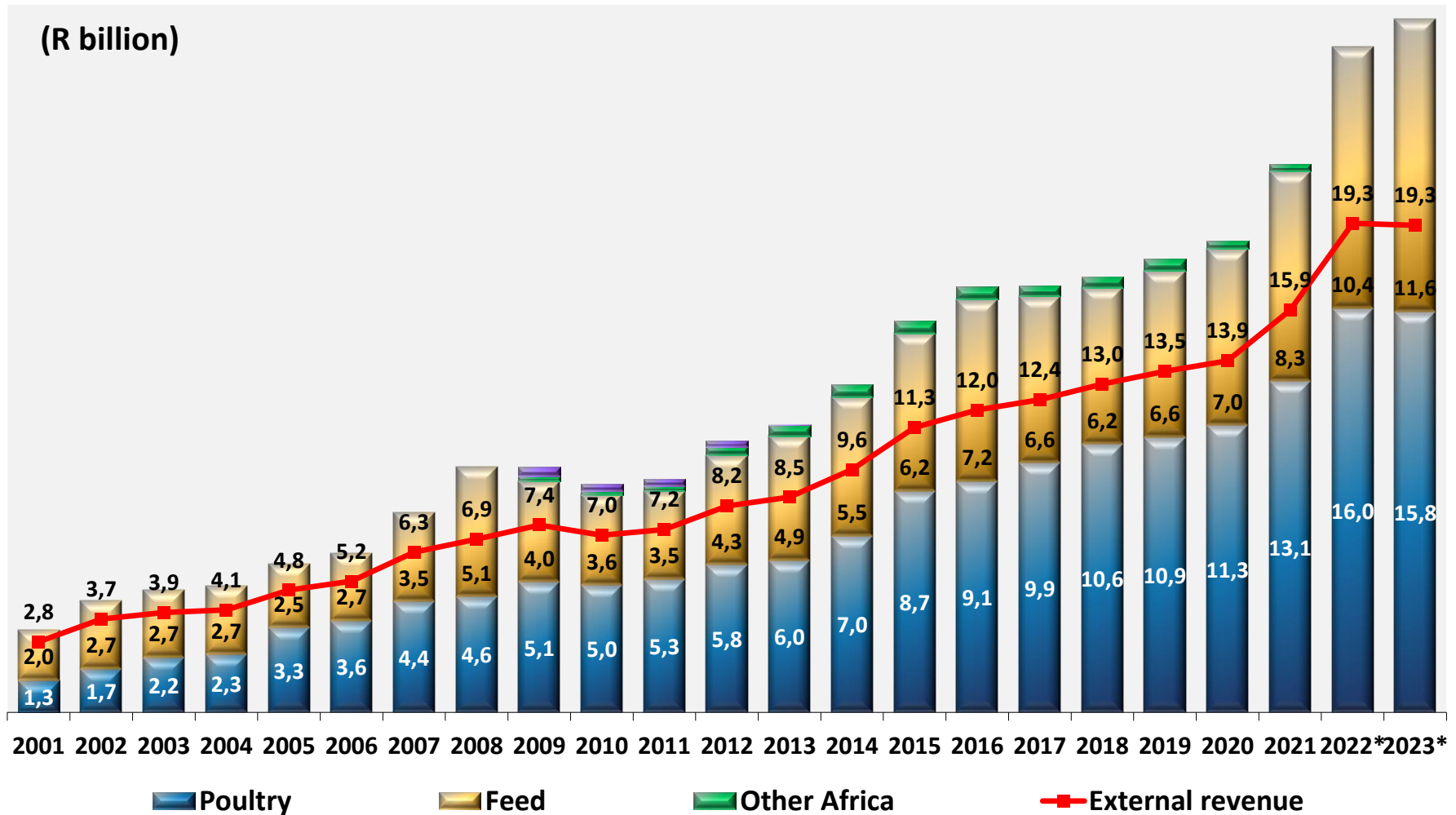
Chief Financial Officer

INCOME STATEMENT



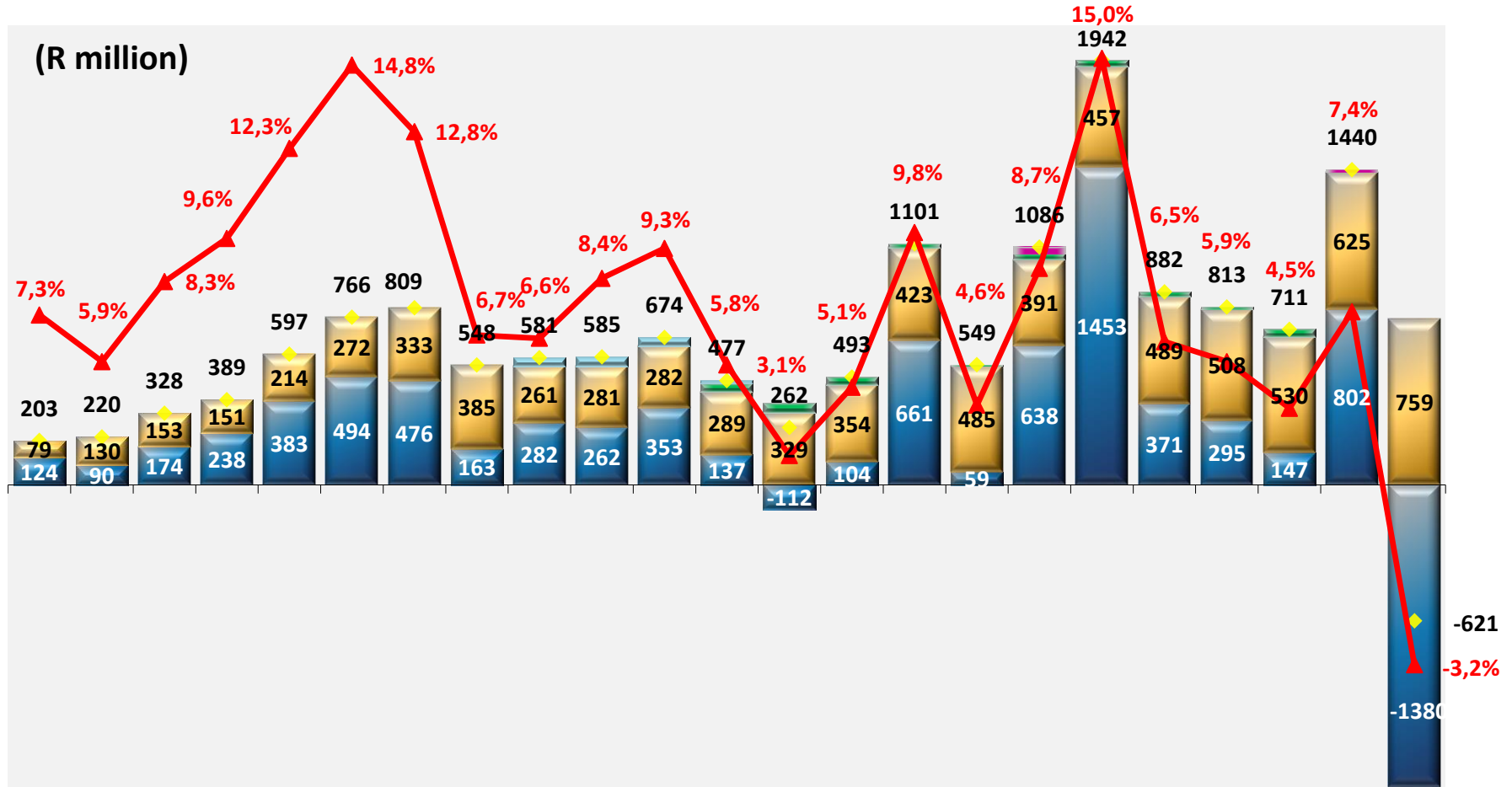
Year ended 30 September	2023 R million	2022 R million	% change
Revenue	19 251	19 334	0.4%
Operating (loss) / profit	(621)	1 440	143%
– incl. gain on disposal of interest in subsidiaries	-	29	
– incl. impairment of goodwill	-	(16)	
Operating (loss) / profit margin	-3.2%	7.4%	
Finance income	33	29	
Finance charges	(109)	(44)	
(Loss) / Profit before tax	(697)	1 425	149%
Tax	185	(370)	
(Loss) / Profit from continuing operations	(512)	1 055	149%
Headline (loss) / earnings	(508)	1 061	148%
(LPS) / EPS – Cents	(1 333)	2 781	148%
(HLPS) / HEPS – Cents	(1 324)	2 762	148%

GROUP ANNUAL REVENUE



* Other Africa Operations (Zambia) now reported under feed and poultry divisions respectively

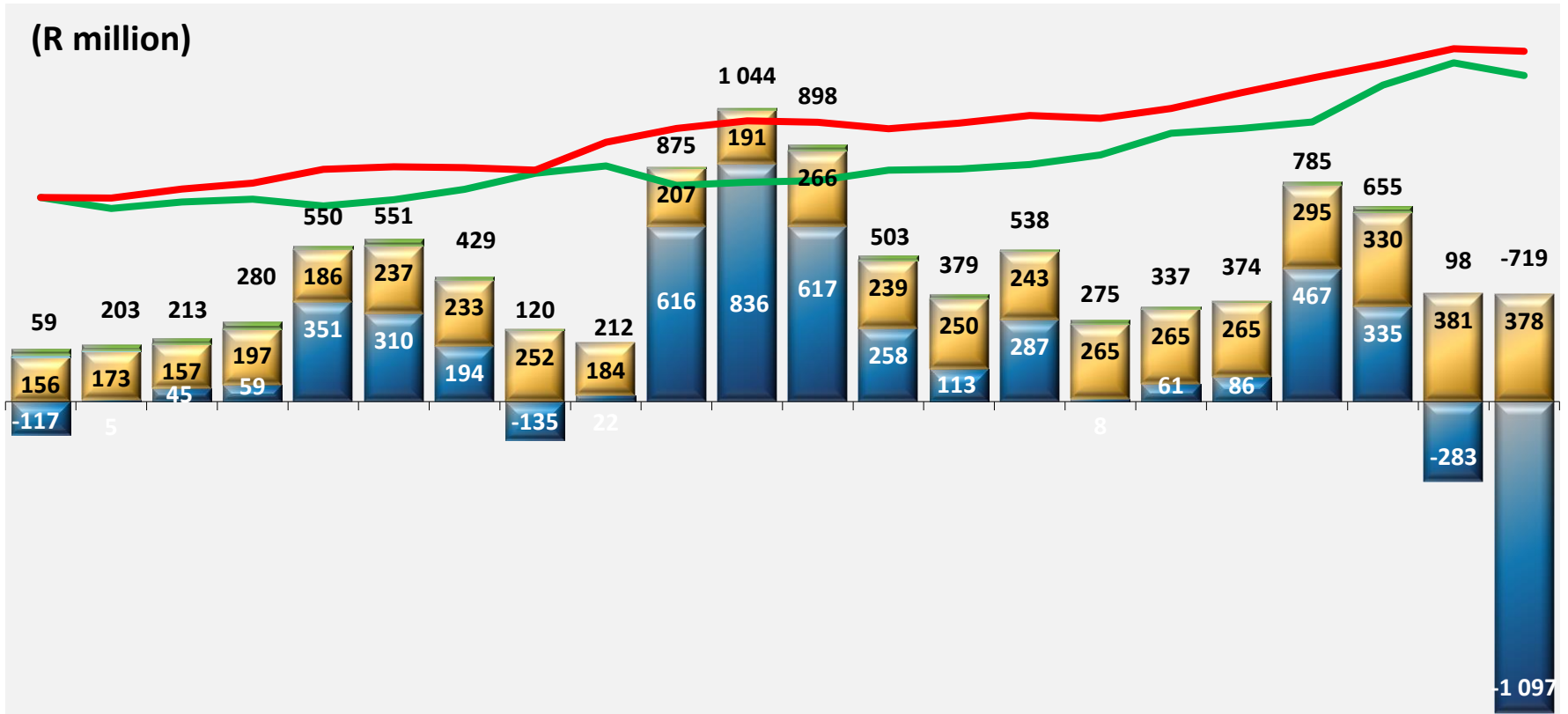
GROUP ANNUAL OPERATING PROFIT



2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

■ Poultry ■ Feed ■ Other Africa ■ Corporate Activity

GROUP SIX MONTHLY OPERATING PROFIT



1H13 2H13 1H14 2H14 1H15 2H15 1H16 2H16 1H17 2H17 1H18 2H18 1H19 2H19 1H20 2H20 1H21 2H21 1H22 2H22 1H23 2H23

Poultry

Feed

Change in feed price

Change in broiler selling price

BALANCE SHEET



	September 2023 R million	September 2022 R million	% change
Non-current assets (excl. ROU assets)	3 414	3 260	↑ 5%
Non-current assets – ROU assets	252	289	
Net working capital	2 280	1 751	↑ 30%
Current assets (excl. cash)	4 732	4 167	
Current liabilities (excl. borrowings & leases)	(2 452)	(2 416)	
Non-current liabilities (excl. borrowings & leases)	(624)	(905)	↓ 31%
Lease liabilities	(272)	(310)	
Net assets	5 050	4 085	↑ 24%
Net surplus cash / (overdraft)	(1 031)	701	↓ 247%
Equity	4 019	4 786	↓ 16%

CAPITAL EXPENDITURE



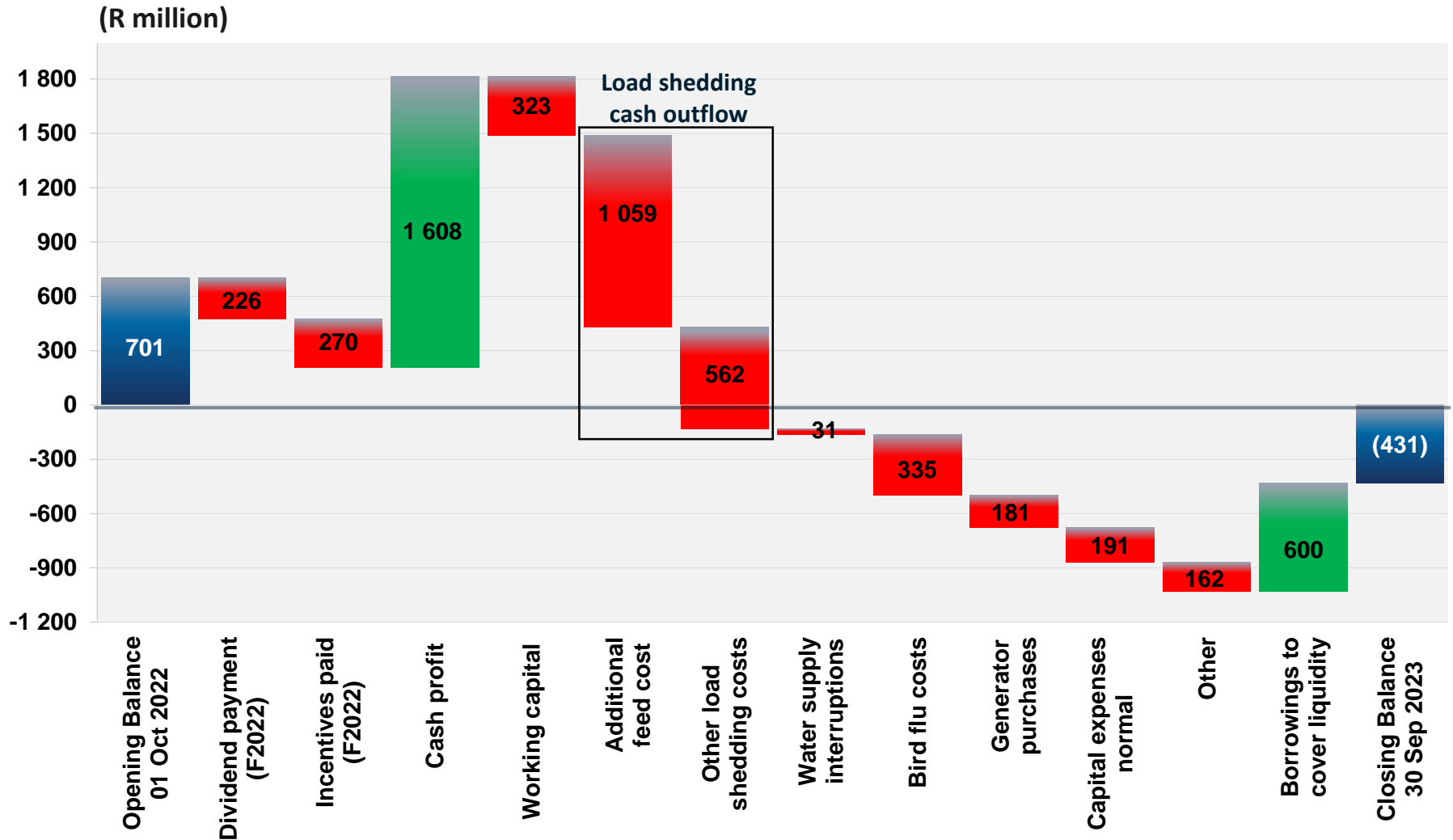
	F2023 R million		F2022 R million
Depreciation and amortisation	310		307
Property, plant & equipment	224		211
Right of use assets	86		96
Total capex spend	398		258
Normal capex	230		248
Load shedding & water related	168		10
Outstanding commitments	594		737
Ross – GGP farm purchase and build	233	On Hold	245
Ross – Expansion of production capacity	109	On Hold	113
Zambia – New feed mill	54		98
Agriculture – Festive expansion phase 2	60	On Hold	89
County Fair – Parent Stock farm build	-		43
Manure beneficiation	59	On Hold	59
Other	79		90

WORKING CAPITAL



	September 2023 R million	September 2022 R million	Variance R million
Current assets	4 732	4 167	565
Biological assets	1 048	1 246	(198)
Inventory - Poultry	1 426	697	729
- Feed	470	482	(12)
Trade receivables	1 488	1 524	(36)
Other receivables	300	218	82
Current liabilities	(2 452)	(2 420)	(32)
Trade payables	(2 151)	(1 928)	(223)
Other payables	(301)	(492)	191
Net working capital	2 280	1 747	533

CASH FLOW MOVEMENT



STATEMENT OF CASH FLOWS

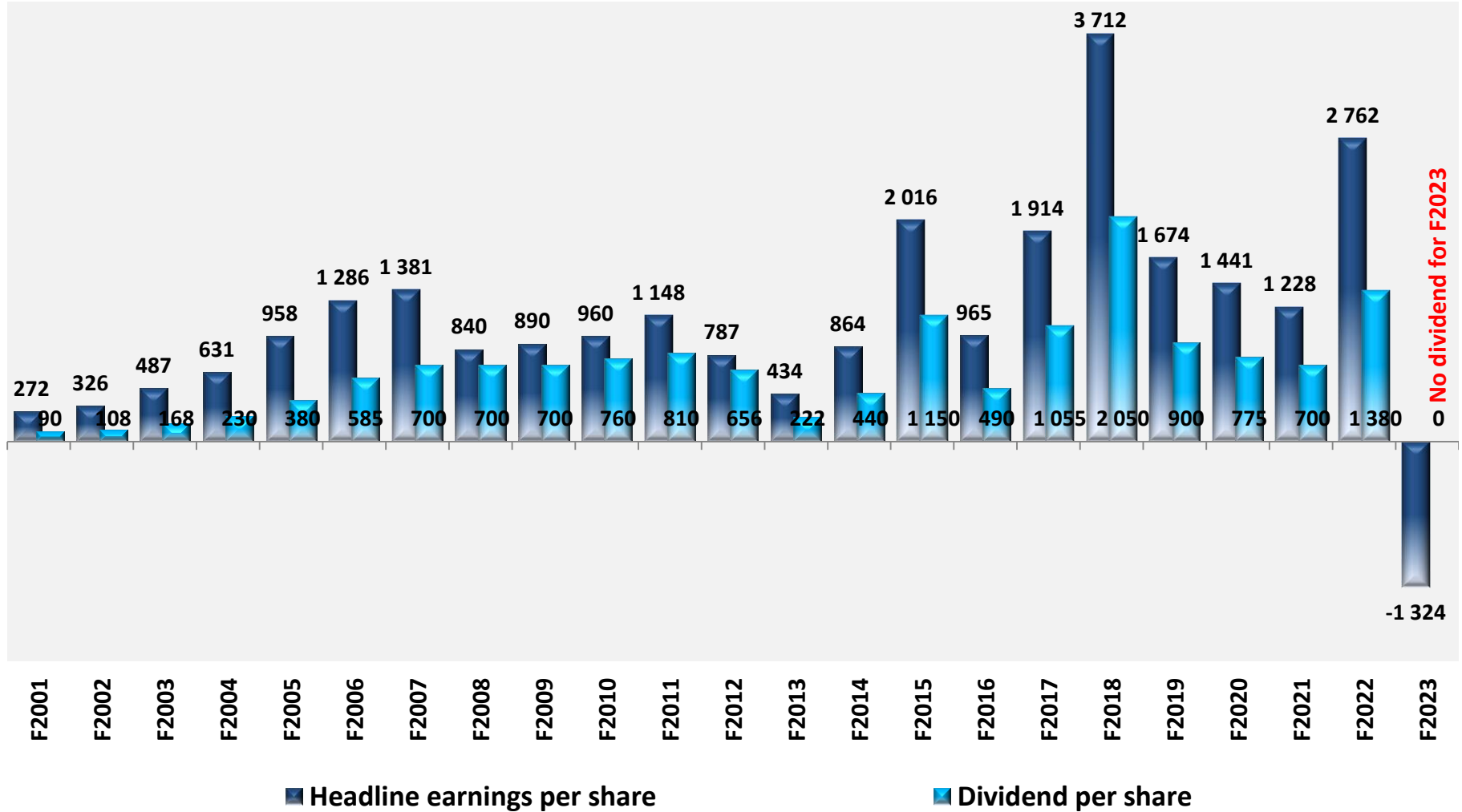


For the twelve months ended 30 September

	2023 R million	2022 R million
Cash operating (loss) / profit	(601)	1 906
Working capital movement	(323)	(414)
	(924)	1 492
Tax paid	(47)	(294)
Net interest (paid) / received	(50)	25
Capital expenditure paid	(372)	(281)
Lease payments	(108)	(122)
Dividends paid	(226)	(458)
Inflows from borrowings	600*	-
Other cash flow items	(3)	44
Movement in cash equivalents	(1 130)	406
Effect of exchange rate changes	(2)	14
Cash included in assets held for sale	-	3
Opening balance	701	278
Closing balance (excluding R600 million GBF drawn)	(431)	701

* Included as total borrowings on balance sheet

HEPS & DIVIDEND PER SHARE



IN SUMMARY



- **Revenue at R19,3 billion** down 0.4% (prior year at R19,3 billion)
- **Operating loss at R621 million** on devastating load shedding and bird flu costs incurred
- **Capital expenditure of R398 million** higher than normal, due to capex spend of R168 million on emergency power and water supply infrastructure
- **Cash outflow of R1,7 billion** before drawing R600 million on General Banking Facilities to cover load shedding costs, and gearing of R1,0 billion (25.6%) on significant costs incurred and poor market trading conditions
- **No dividend declared** for the year



OUTLOOK



Chris Schutte

Chief Executive Officer

- **Astral will focus on rebuilding the balance sheet** through F2024, which is key to providing resilience through the cyclical nature of the poultry sector in South Africa
- **Embedded diesel cost** as load shedding in South Africa continues unabated, although at lower levels for the past few months
- **Bird flu remains a major risk** to the local poultry industry, however progress is being made towards approvals for voluntary vaccination of broiler breeding stock
- **El Niño weather patterns** could provide some risk to the local crop later in the 2023/24 growing season
- **Weak economic growth and depressed consumer spending** will be a key influence on market conditions, and Astral's production planning in the immediate future

- **Astral's Re-Set, Re-focus and Re-start campaign (Project 3R)** centres around various initiatives to normalise the business post the load shedding disaster
- **Improved biological efficiencies** following the load shedding “big bird era” have improved dramatically, which go a long way to improving broiler live cost
- **Product mix has normalised**, and all product from the “big bird era” has been cleared
- **An effort to correct poultry selling prices** has been implemented in the market, to reverse the unsustainable negative returns and previously “subsidised” pricing
- **Global maize price levels have eased**, and together with another large local maize crop and surplus carry out, SAFEX maize prices are trending lower



THANK YOU

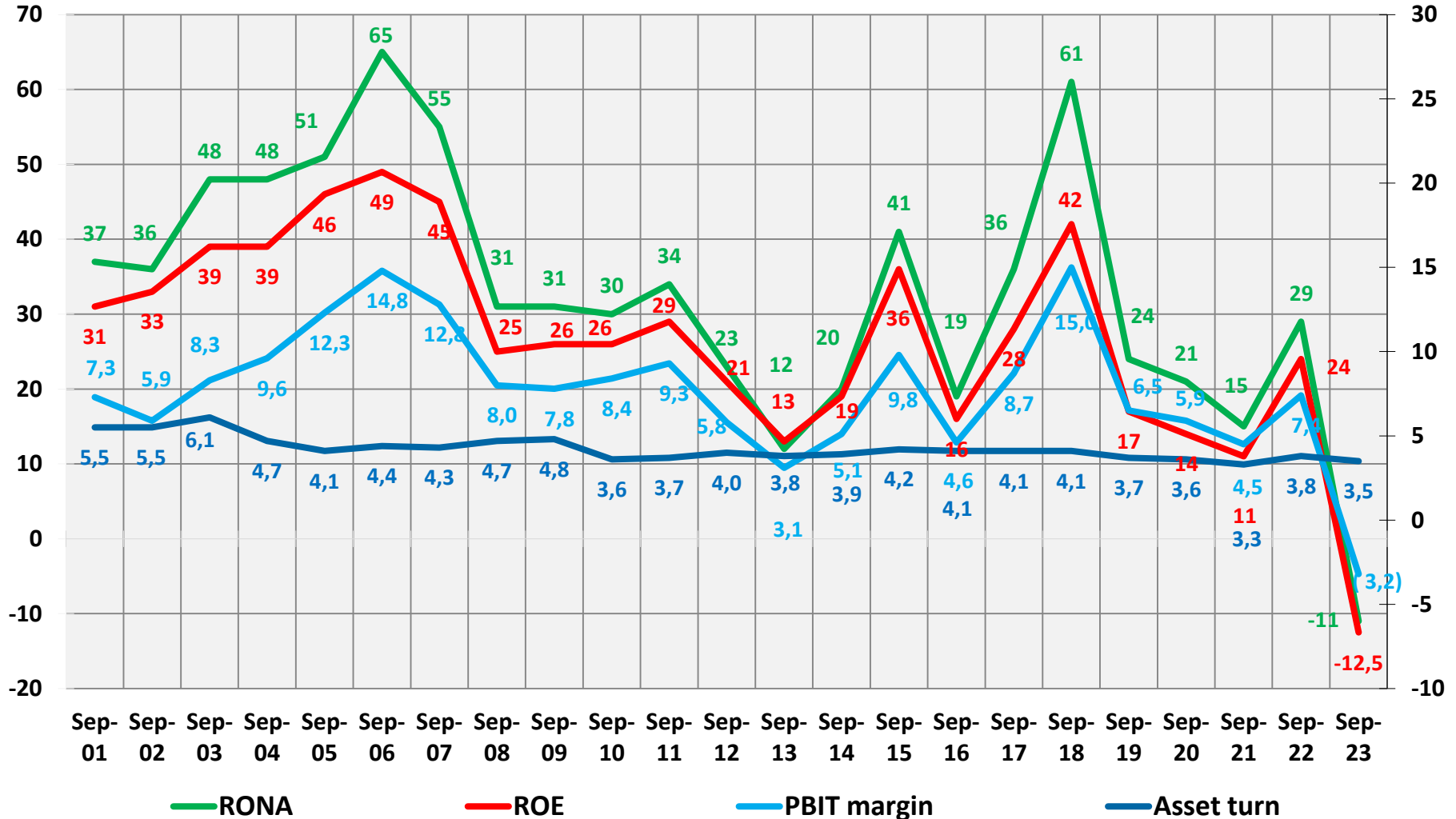
Astral's strategy is to be the
**best cost integrated
poultry producer**
in selected Southern African
countries

Confirmed March 2022

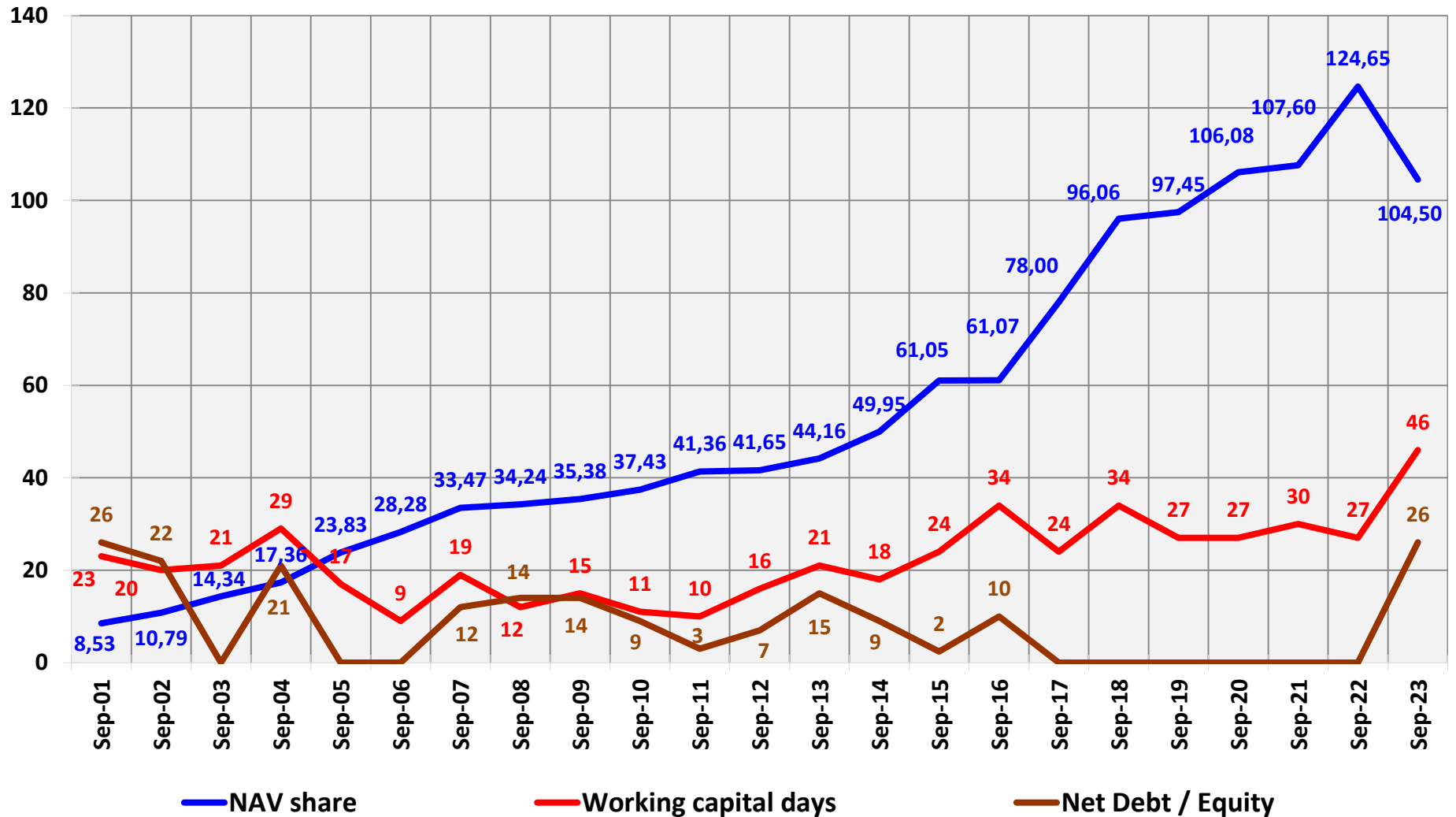


**ADDITIONAL
INFORMATION**

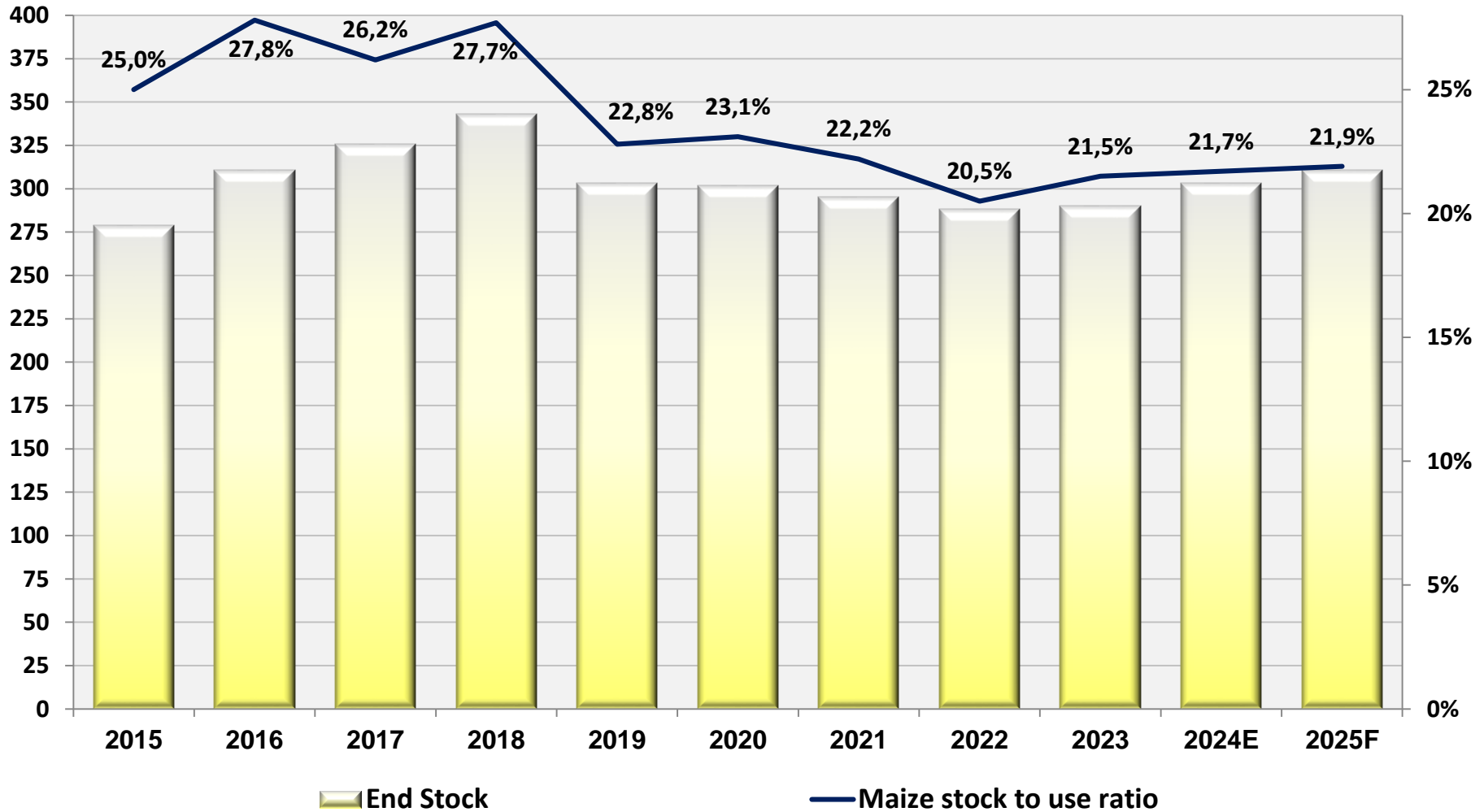
KEY FINANCIAL RATIOS



KEY FINANCIAL INDICATORS



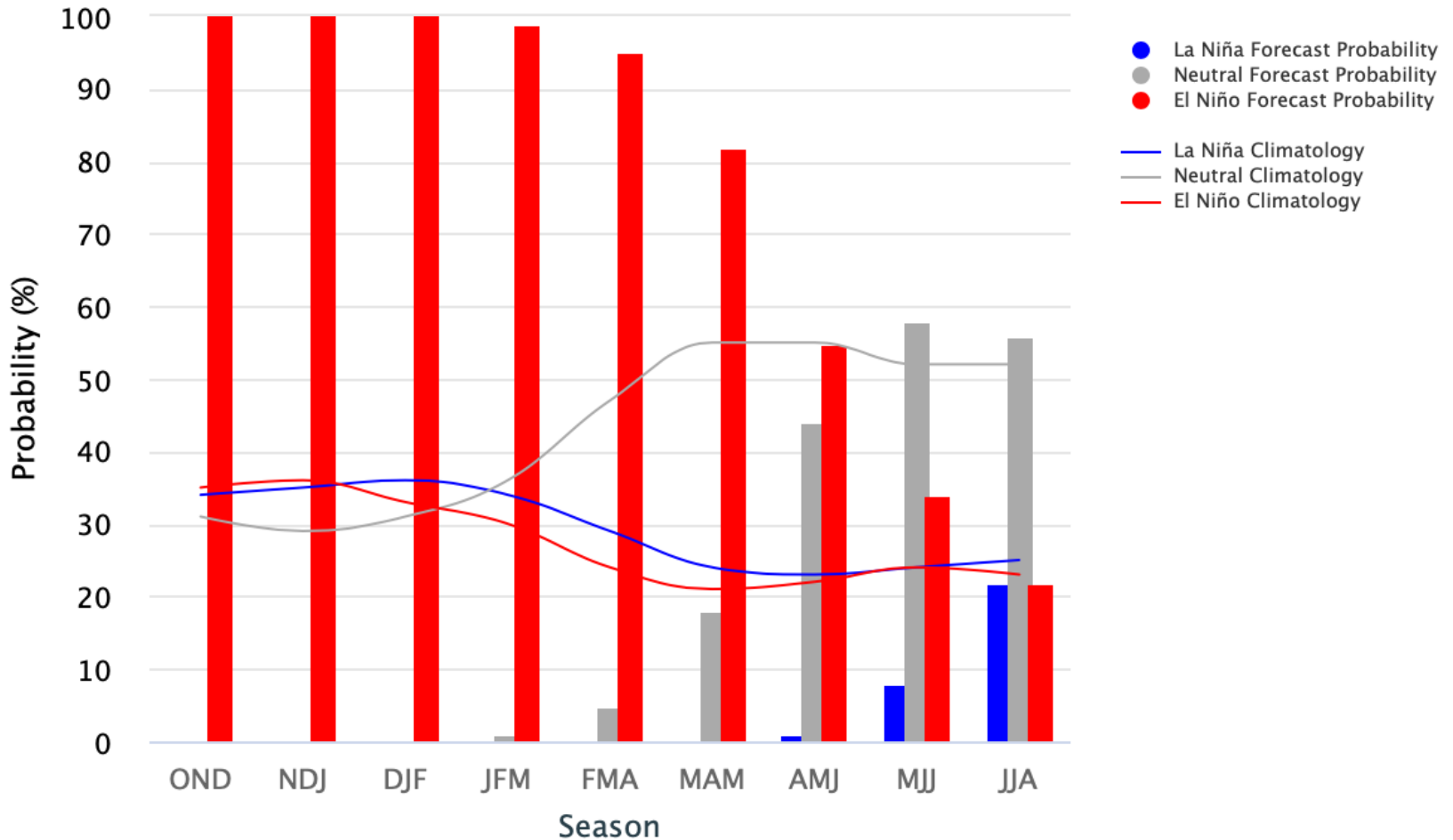
WORLD CORN ENDING STOCKS



EL NIÑO OSCILLATION

Mid-October 2023 IRI Model-Based Probabilistic ENSO Forecasts

ENSO state based on NINO3.4 SST Anomaly Neutral ENSO: -0.5 °C to 0.5 °C

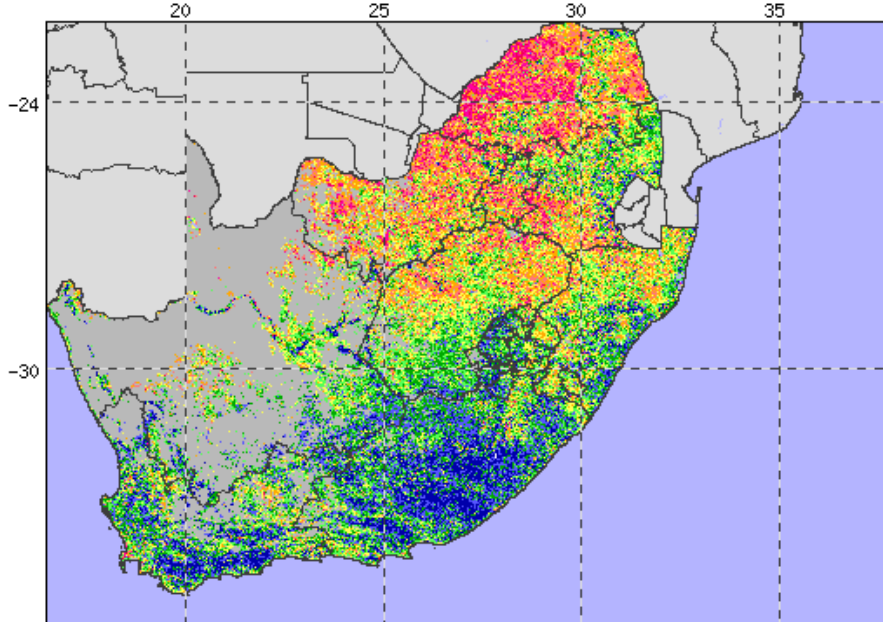


VEGETATIVE HEALTH INDEX

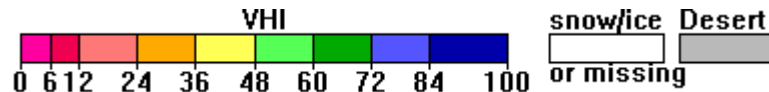
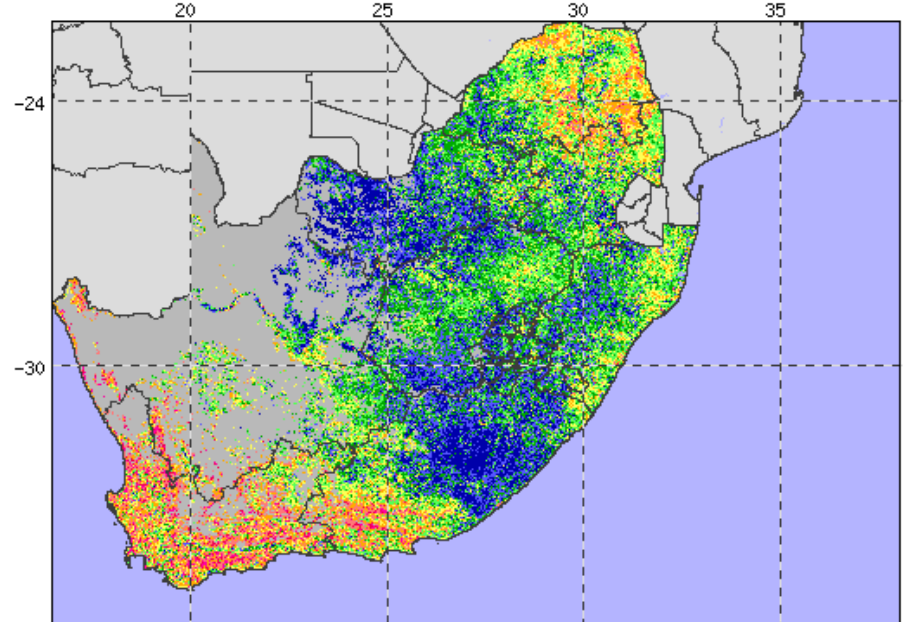
**VHI of current year
October 28, 2023 (week 43)**

**VHI of previous year
October 28, 2022 (week 43)**

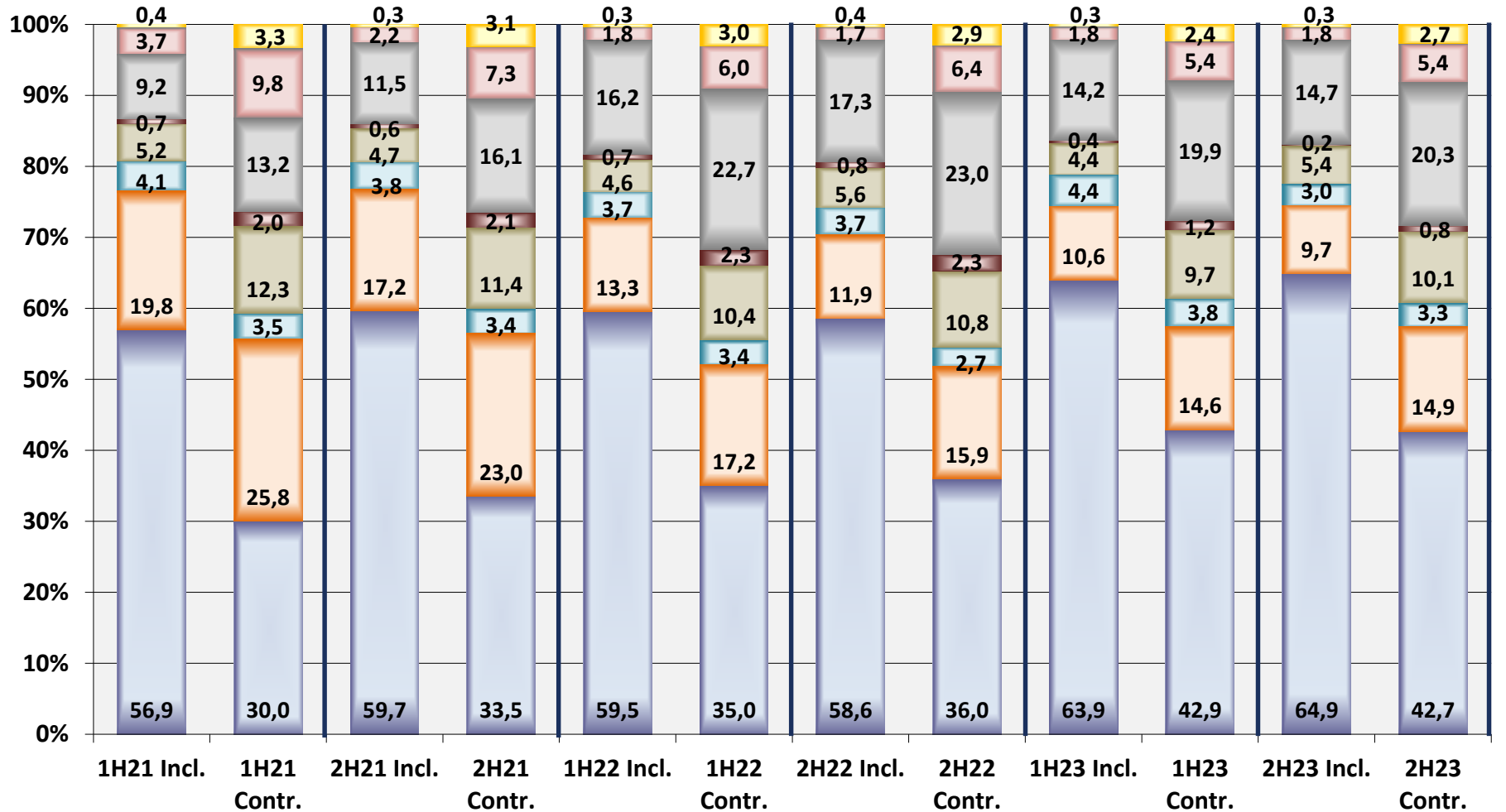
VHI of current year, Oct. 28, 2023 (week 43)



VHI of previous year, Oct. 28, 2022 (week 43)



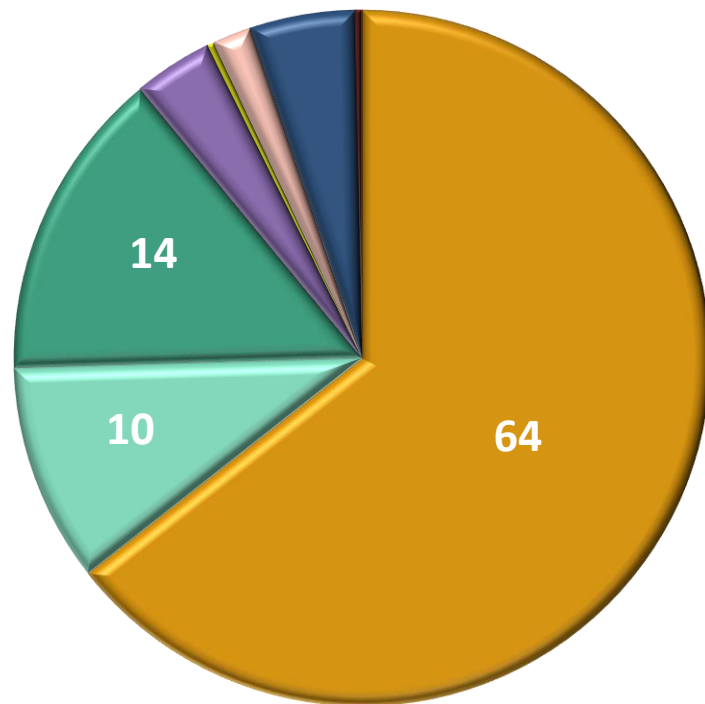
BROILER FEED INGREDIENT CONTRIBUTION



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

BROILER FEED COST BREAKDOWN

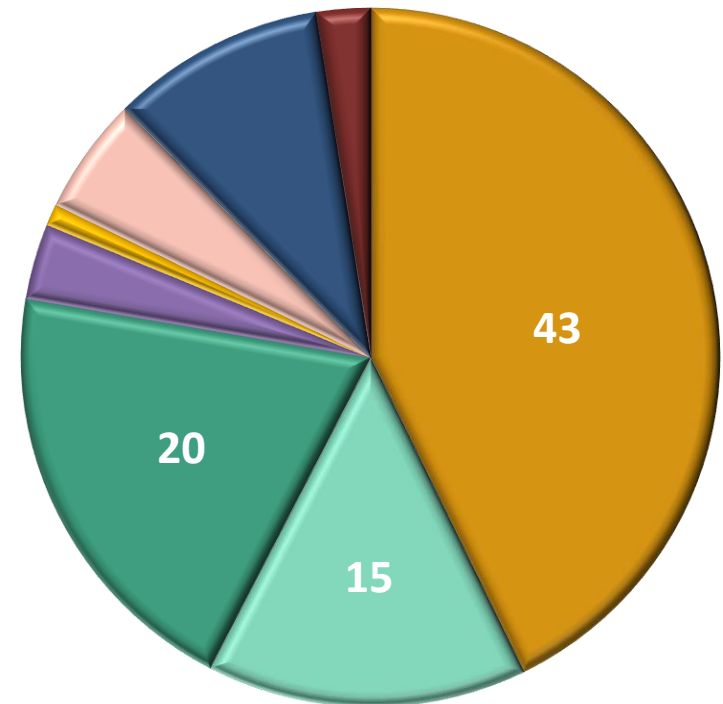
Inclusion (%)



Maize
Fish meal

Soya meal
Soya oil

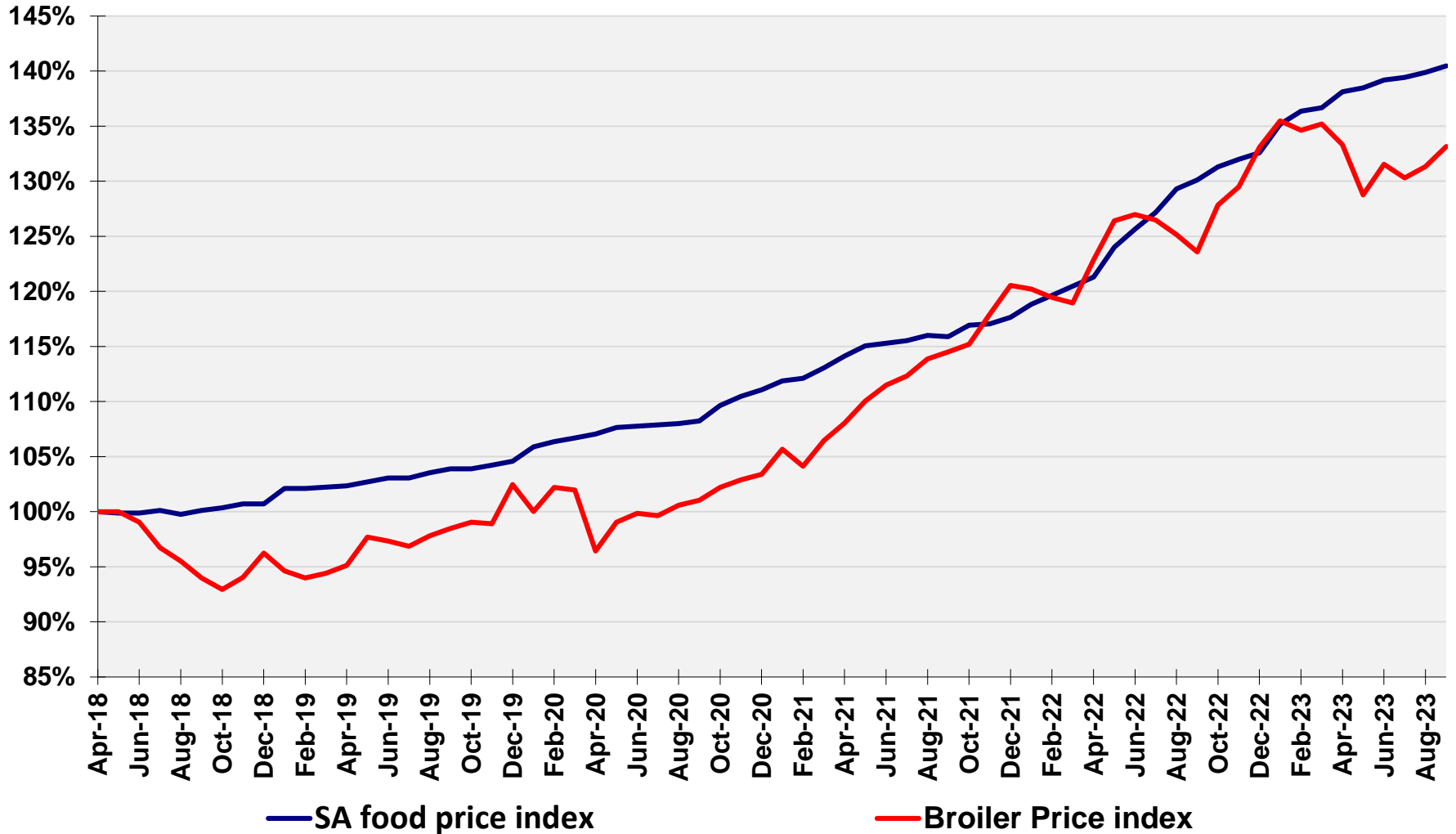
Cost Contribution (%)



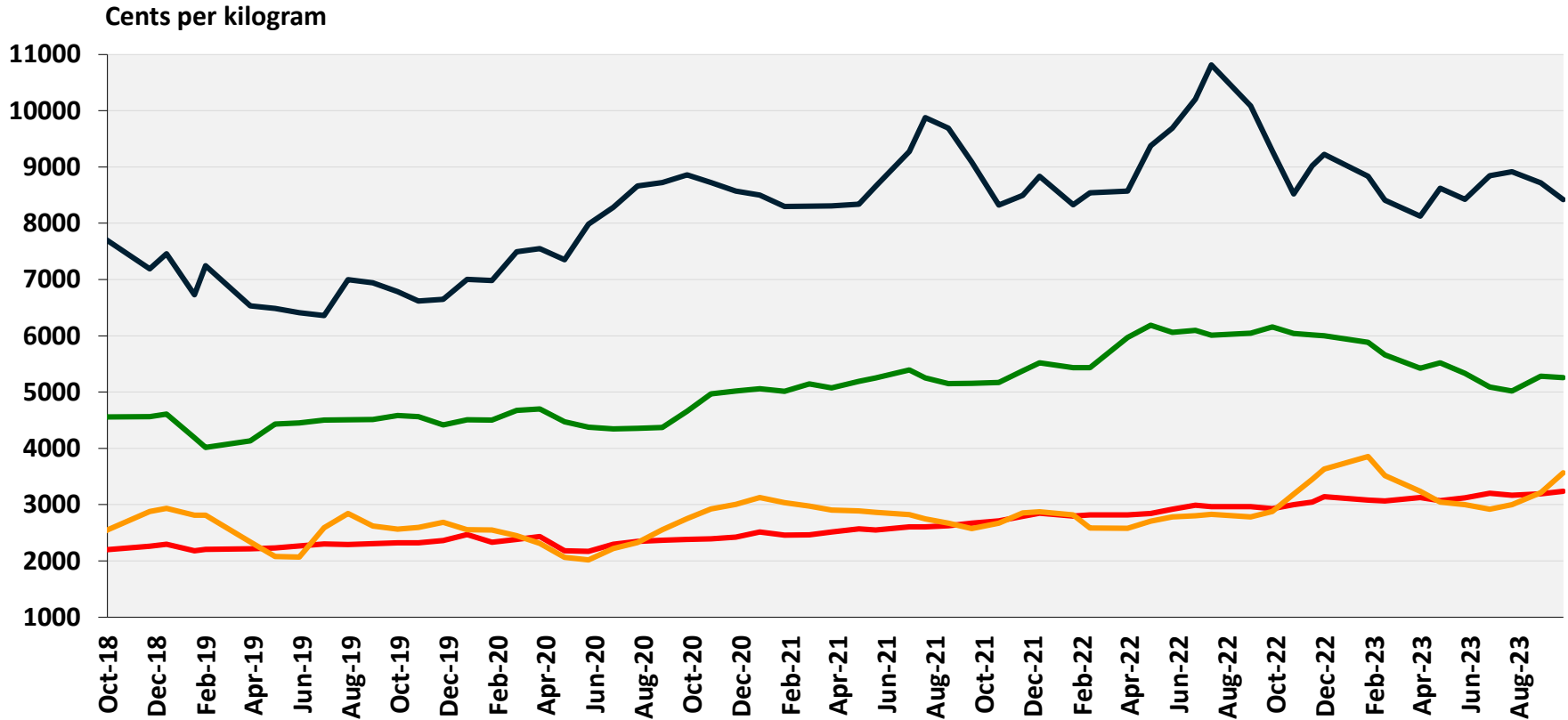
Extruded soya
Other

Sunflower meal
Vitamins & Minerals

BROILER PRICE vs. FOOD PRICE INFLATION

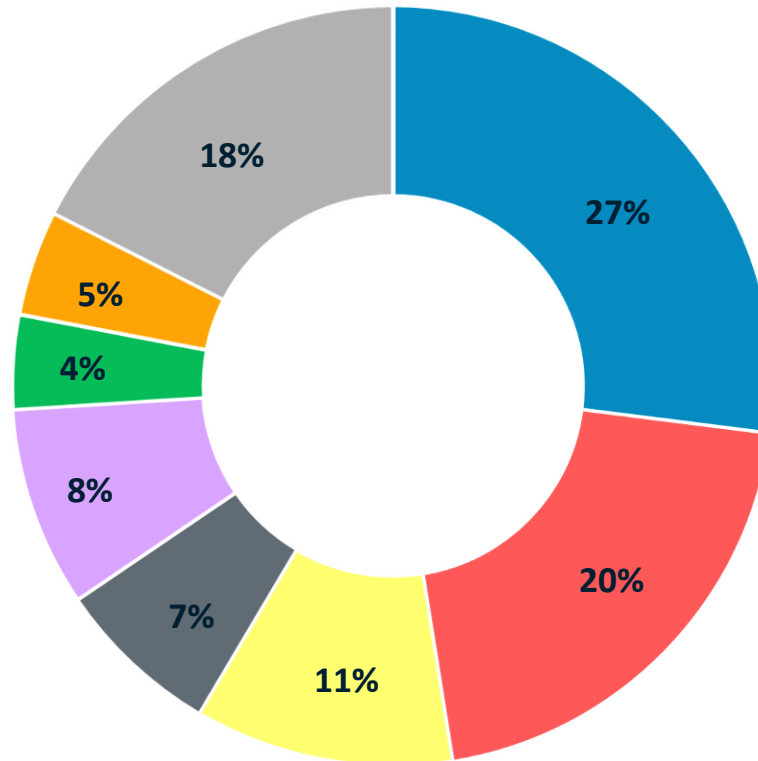


RSA PROTEIN PRICE COMPARISON



	Chicken	Pork	Beef	Mutton
Feed Conversion Rate	1.45	2.2	5.5	5.0
Per Capita Consumption	37,3 kg	5,9 kg	16,1 kg	2,8 kg

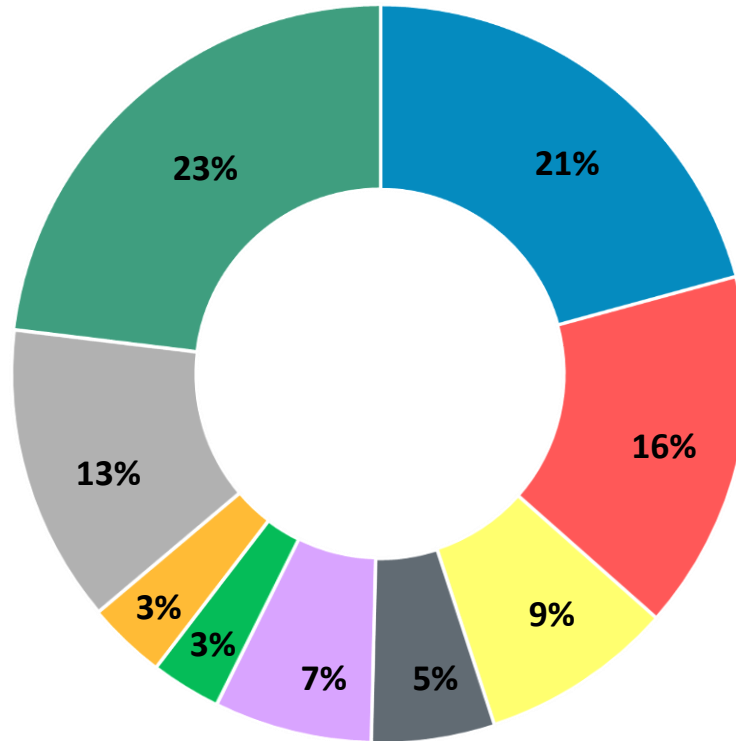
RSA POULTRY MARKET SHARE



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

Local broiler production ≈ 20,0 million birds per week (October 2023)

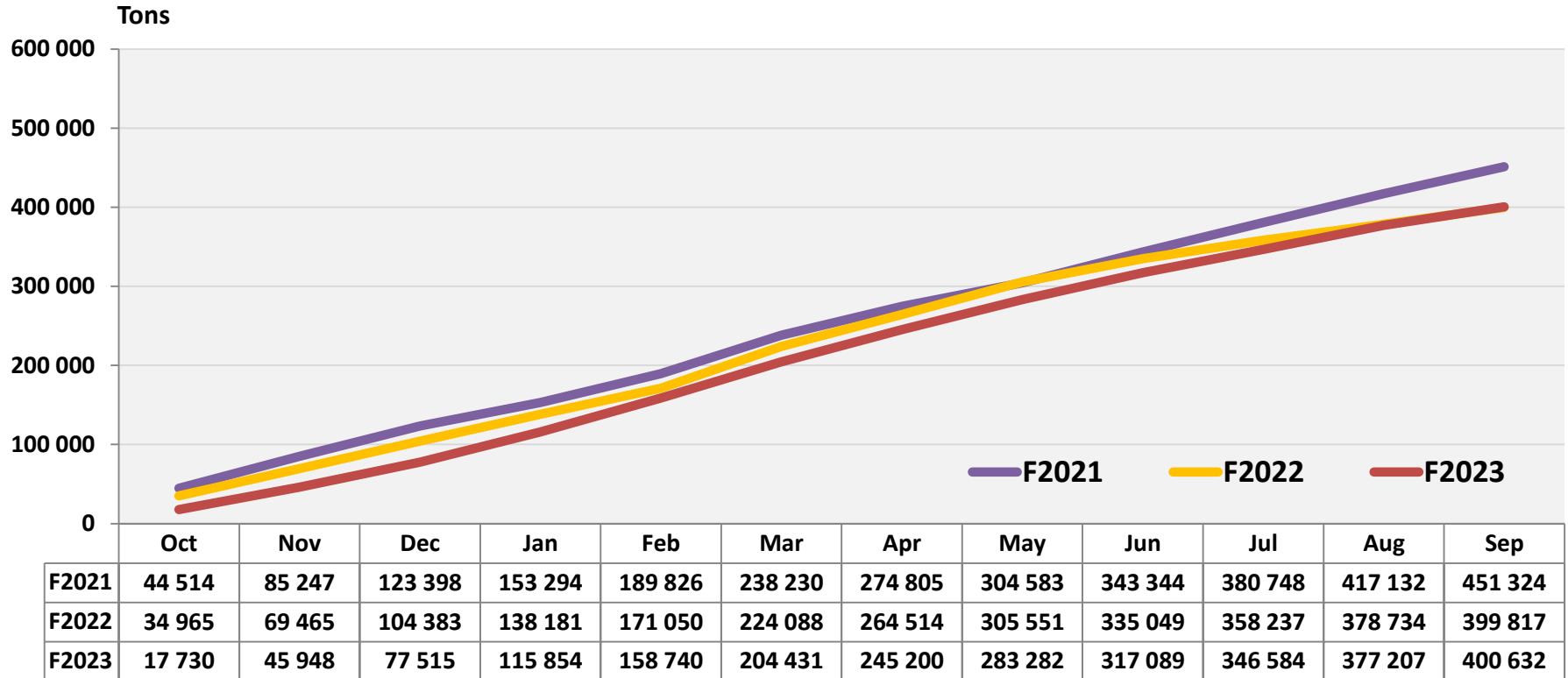
RSA POULTRY MARKET SHARE



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

Avg. poultry imports ≈ 6.0 million birds per week (12 months ended September 2023)

TOTAL POULTRY IMPORTS

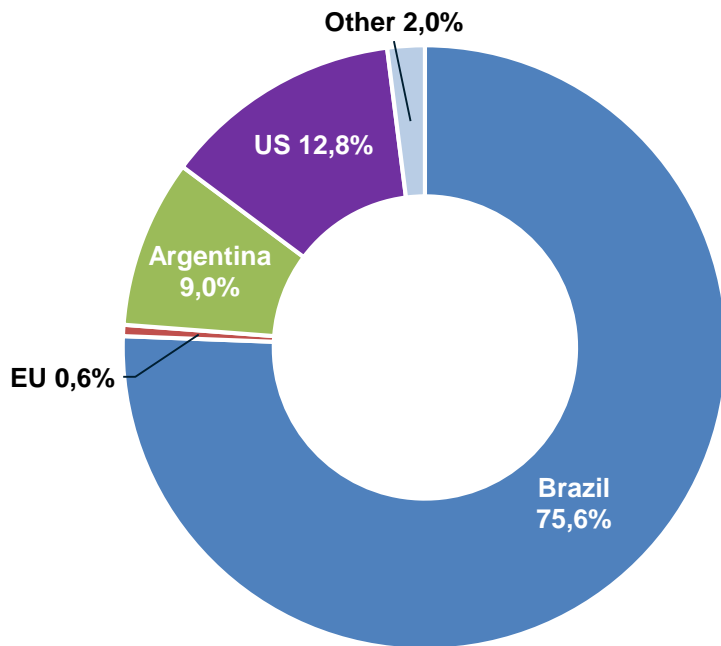


F2022	34 965	34 500	34 918	33 798	32 869	53 038	40 426	41 037	29 498	23 188	20 497	21 083
F2023	17 730	28 218	31 567	38 339	42 886	45 691	40 769	38 082	33 807	29 495	30 623	23 425
% Var	-49,3	-18,2	-9,6	13,4	30,5	-13,9	0,9	-7,2	14,6	27,2	49,4	11,1
bpw*	3,2	5,1	5,6	6,9	7,7	8,2	7,3	6,8	6,1	5,3	5,5	4,2

TOTAL POULTRY IMPORTS

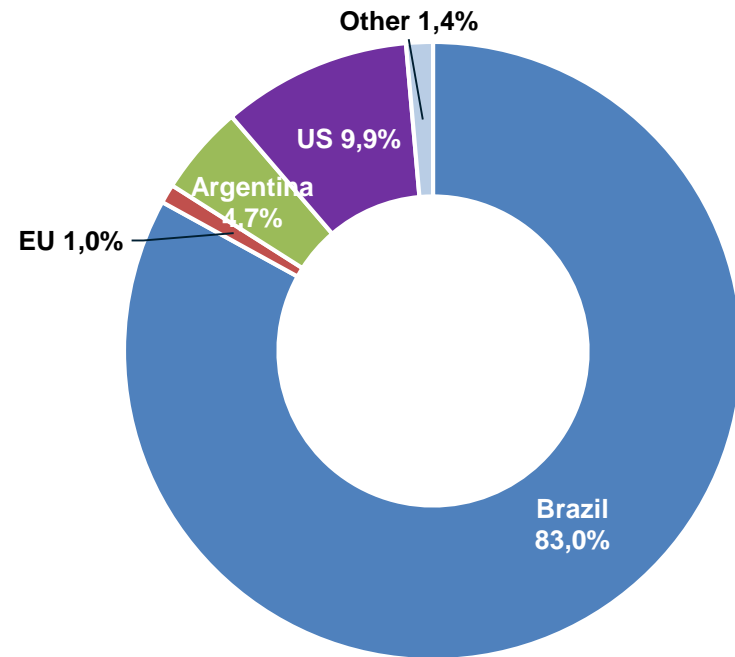


■ 2022



373 049 tons

■ 2023 September YTD



323 115 tons

TOTAL POULTRY IMPORTS

Country (tons)	2021	2022	2023 Sep YTD
Brazil	287 880	282 128	268 328
United States	67 308	47 774	31 872
Poland	-	-	-
Argentina	23 715	33 455	15 181
Ireland	852	-	1 288
Denmark	100	-	28
Spain	37 077	2 061	646
Thailand	4 576	1 101	430
Canada	6 462	1 358	-
Chile	1 484	1 334	1 059
Australia	2 243	2 334	2 773
Germany	42	-	-
United Kingdom	-	-	43
Netherlands	22	84	1 139
Uruguay	77	104	75
Belgium	25	25	-
France	28	5	-
Switzerland	24	-	-
eSwatini	132	984	571
Other	107	87	67

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