



20 | INTERIM RESULTS 24 | PRESENTATION

for the six months ended 31 March 2024



- **Business Overview** *Slide 3 – Chris Schutte*
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- **Industry Matters** *Slide 29 – Gary Arnold*
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- **Outlook** *Slide 42 – Chris Schutte*
- **Additional Information** *Slide 46*

BUSINESS OVERVIEW

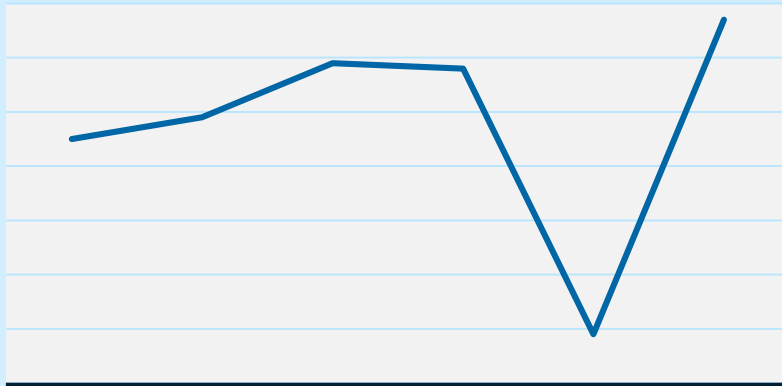


Chris Schutte

Chief Executive Officer

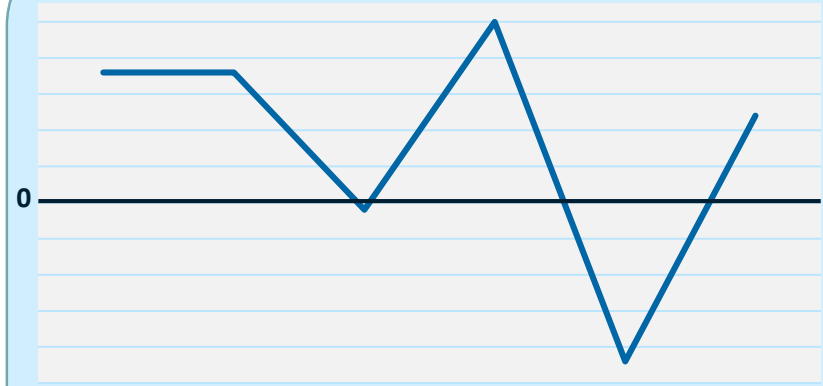
PROJECT 3R SCORECARD

PERFORMANCE EFFICIENCY FACTOR



1H2019 1H2020 1H2021 1H2022 1H2023 1H2024

BROILER NET MARGIN (%)



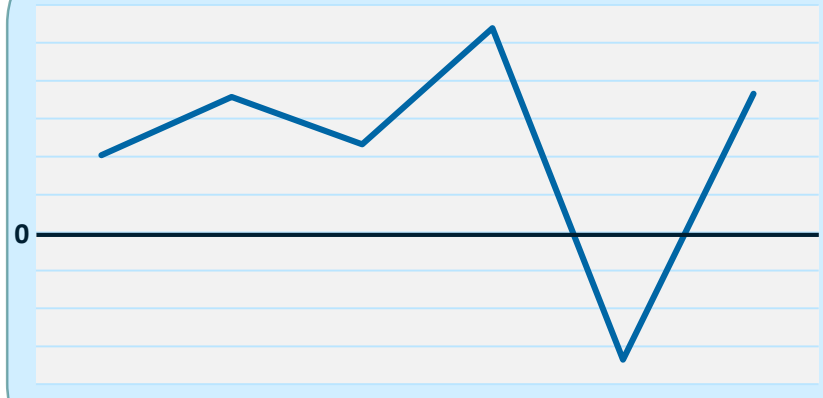
1H2019 1H2020 1H2021 1H2022 1H2023 1H2024

OPERATING PROFIT (Rm)



1H2019 1H2020 1H2021 1H2022 1H2023 1H2024

CASH OPERATING PROFIT (Rm)



1H2019 1H2020 1H2021 1H2022 1H2023 1H2024

SALIENT POINTS



- **Poultry feeding costs decreased** significantly with reduced levels of feed consumed against the comparable period which suffered under “big birds” on the effects of the F2023 load shedding
- **Broiler live cost decreased** for the period under review assisted by lower feed raw material input costs (feed at 64% of the live cost)
- **Broiler day-old chick costs increased** following the devastating impact of bird flu in 2023, which resulted in a costly hatching egg import programme together with the implementation of contingency measures that impacted broiler breeder efficiencies
- **On-farm broiler performances** improved significantly over the comparable period, surpassing historical results

SALIENT POINTS



- **Broiler placement cutbacks** were implemented over the period, in an effort to balance supply with demand, this on the back of a weak macro-economic environment characterised by constrained consumer spending
- **Poultry sales volumes increased** on sales out of stock, together with an improvement in the product mix following the normalisation of bird size after the F2023 load shedding impacts
- **Poultry selling prices improved**, following excessive discounting of poultry products in F2023 in an effort to clear stock related to the “big bird” era
- **Positive broiler margins** are reported for the period under review, following an extended period of time which had seen Astral “subsidising” input costs
- **Debt levels reduced markedly** as profitability returned to the business and tight focus was kept on working capital requirements and capital expenditure

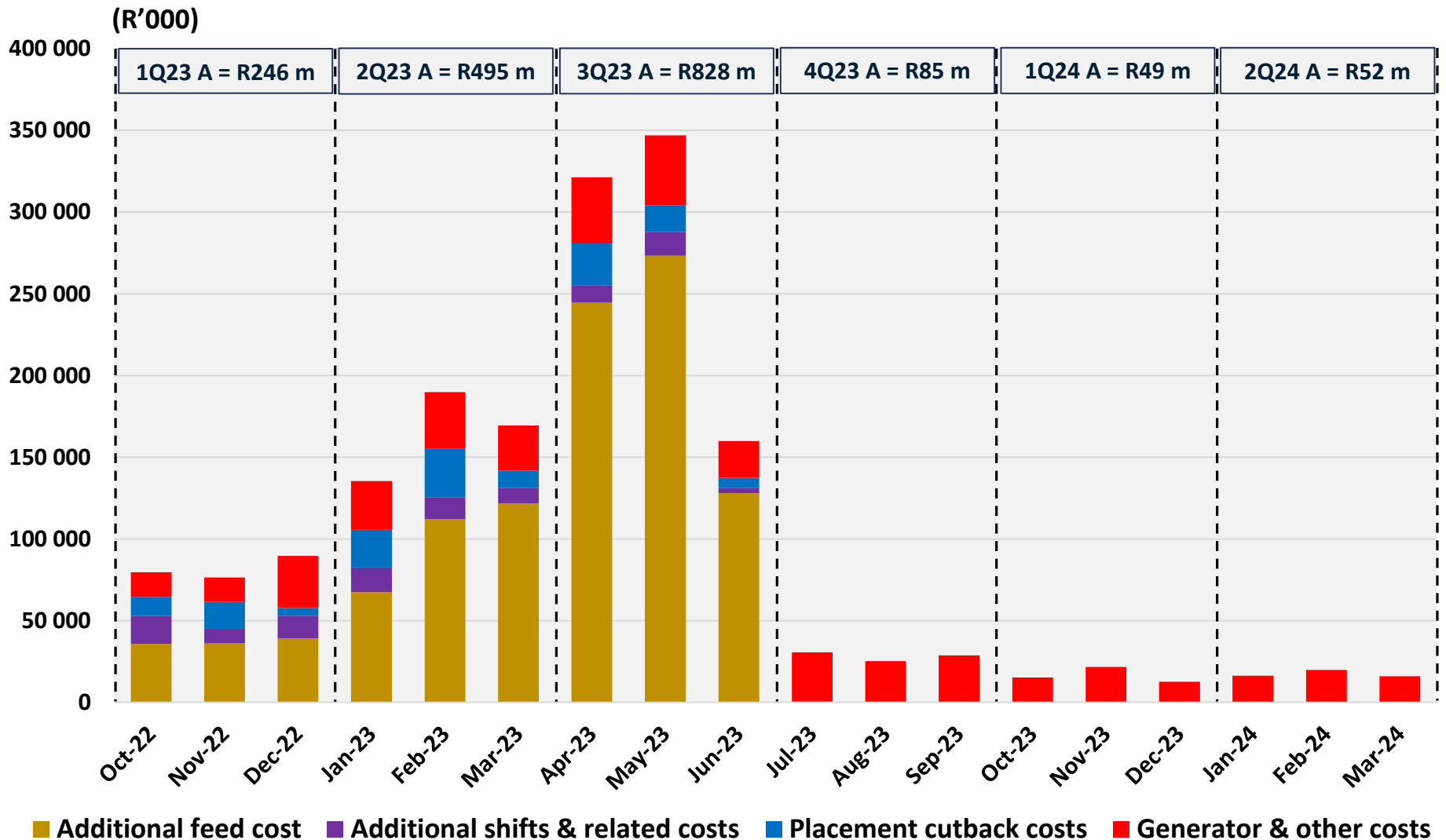
KEY FINANCIAL INDICATORS



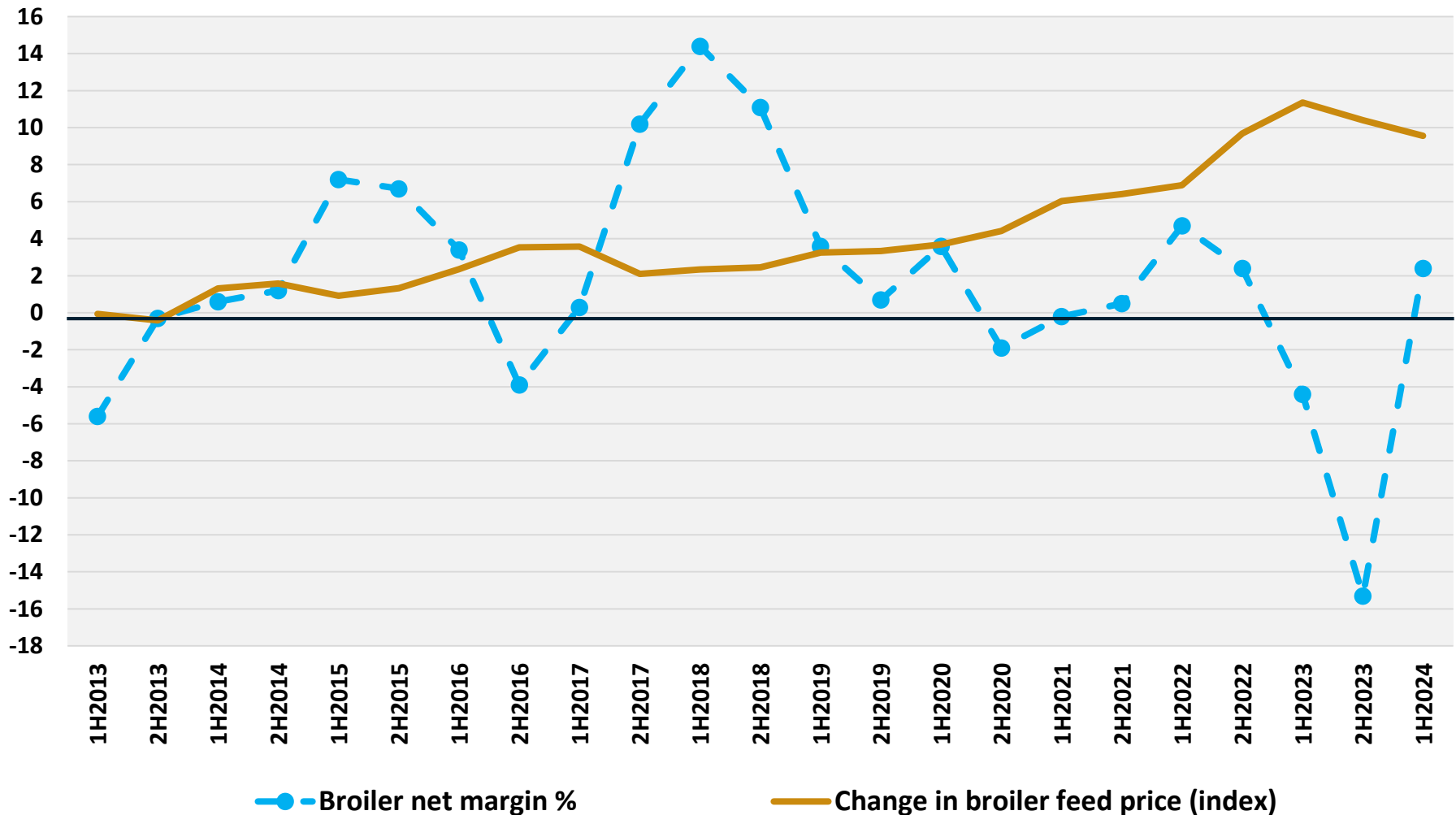
- Revenue @ R10,4 billion
- Profit before interest and tax @ R550 million
- Profit for the period @ R355 million
- Headline earnings per share @ 884 cents
- Gearing improved to 10.1%
- No interim dividend declared



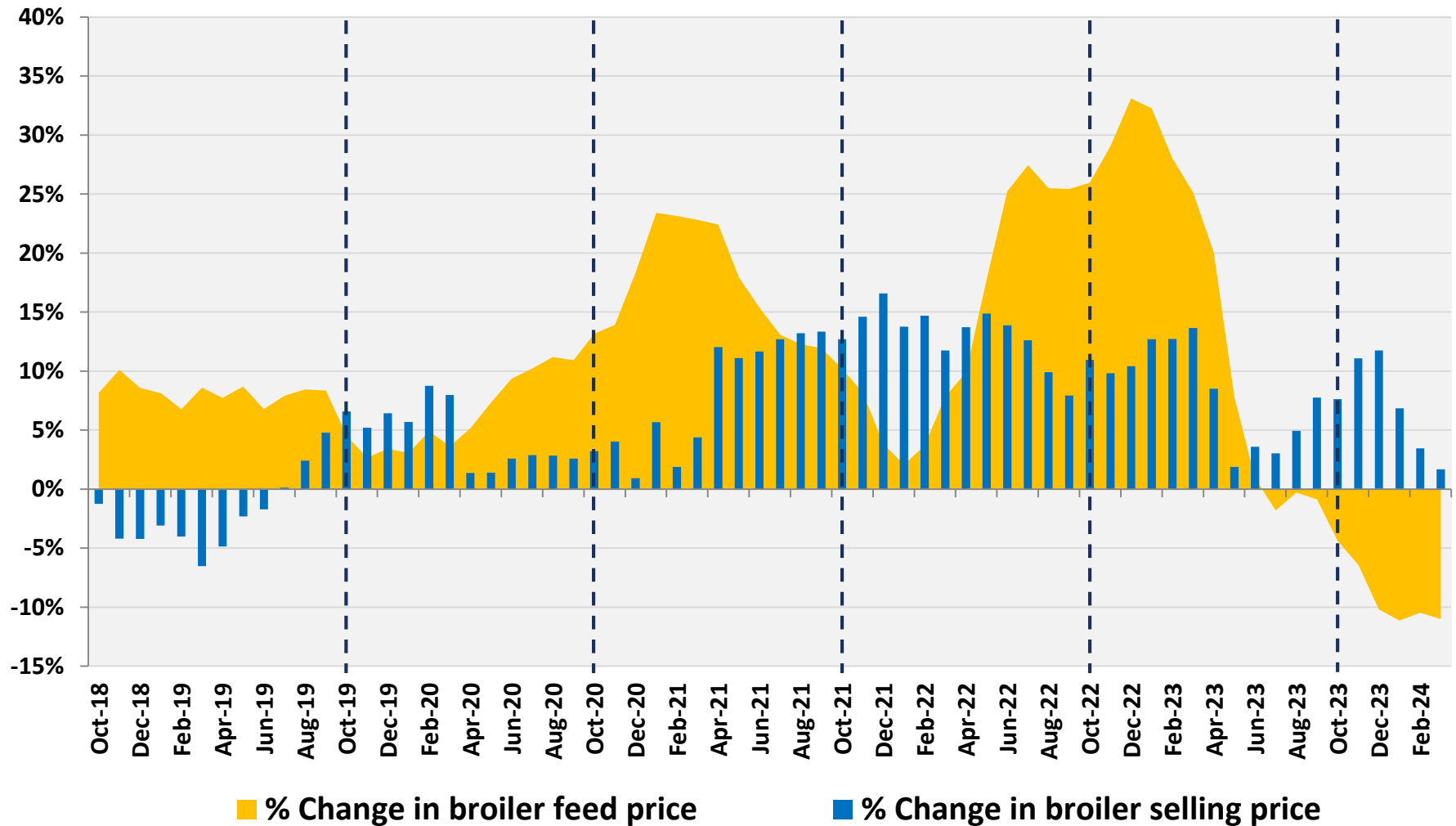
LOAD SHEDDING COSTS - F2023 & 1H2024



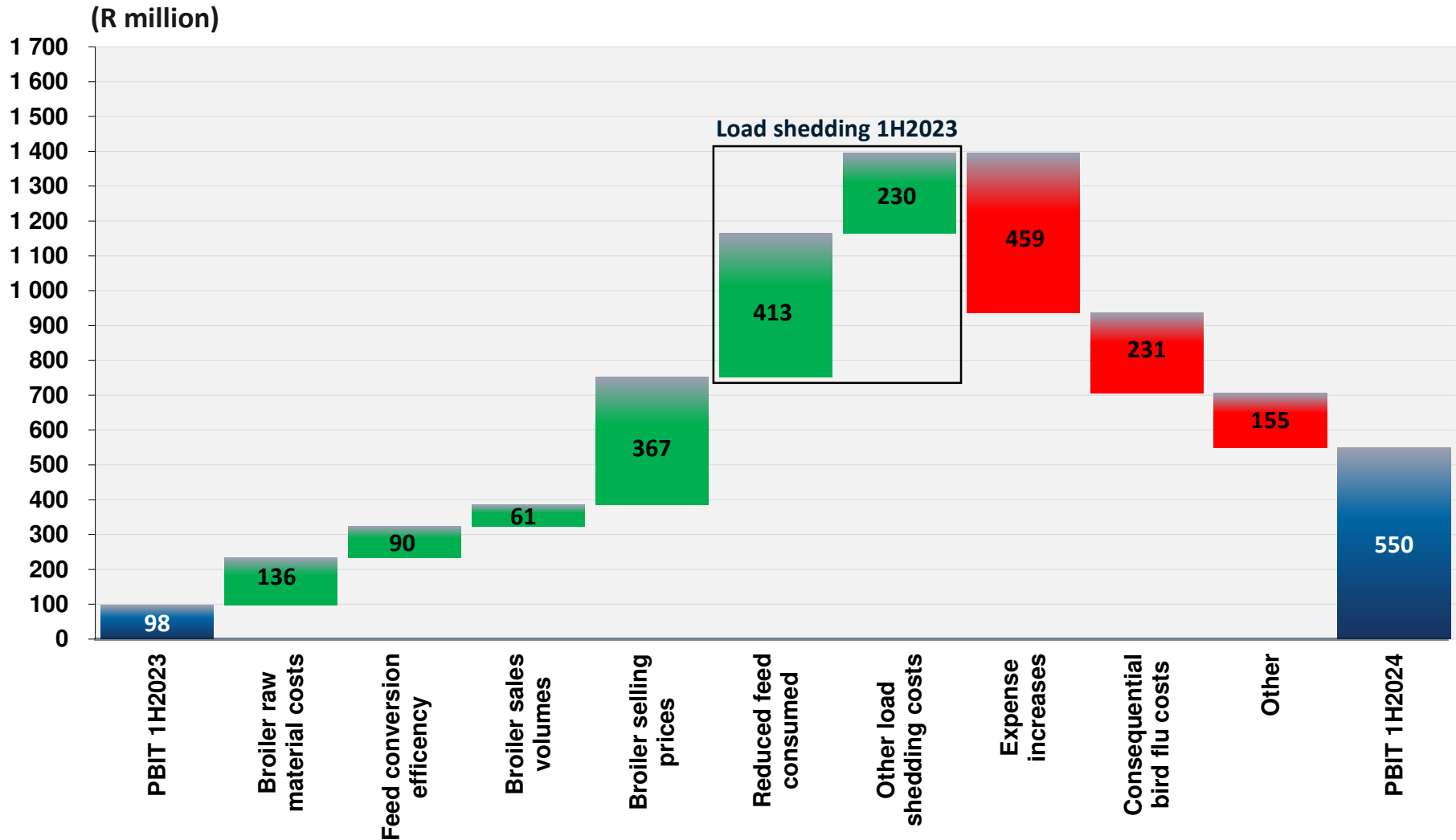
BROILER NET MARGIN vs. FEED PRICE



BROILER SELLING PRICE vs. FEED PRICE

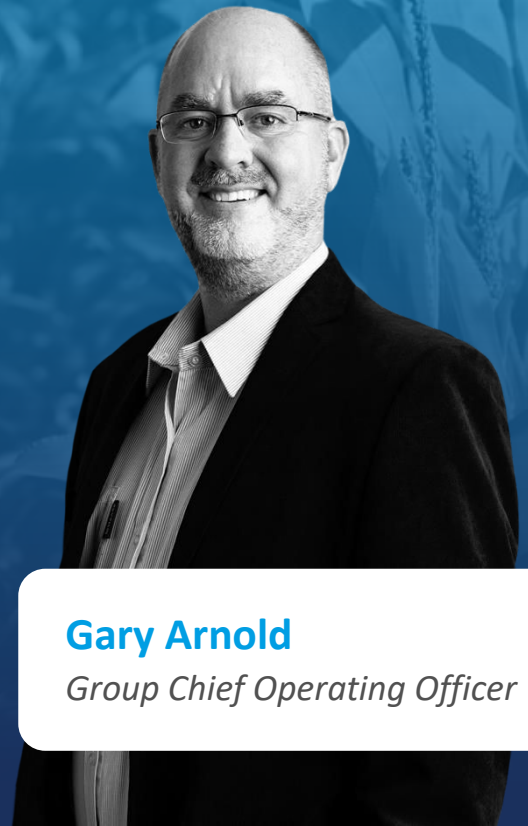


PBIT MOVEMENT 1H2024 vs. 1H2023





RAW MATERIALS



Gary Arnold

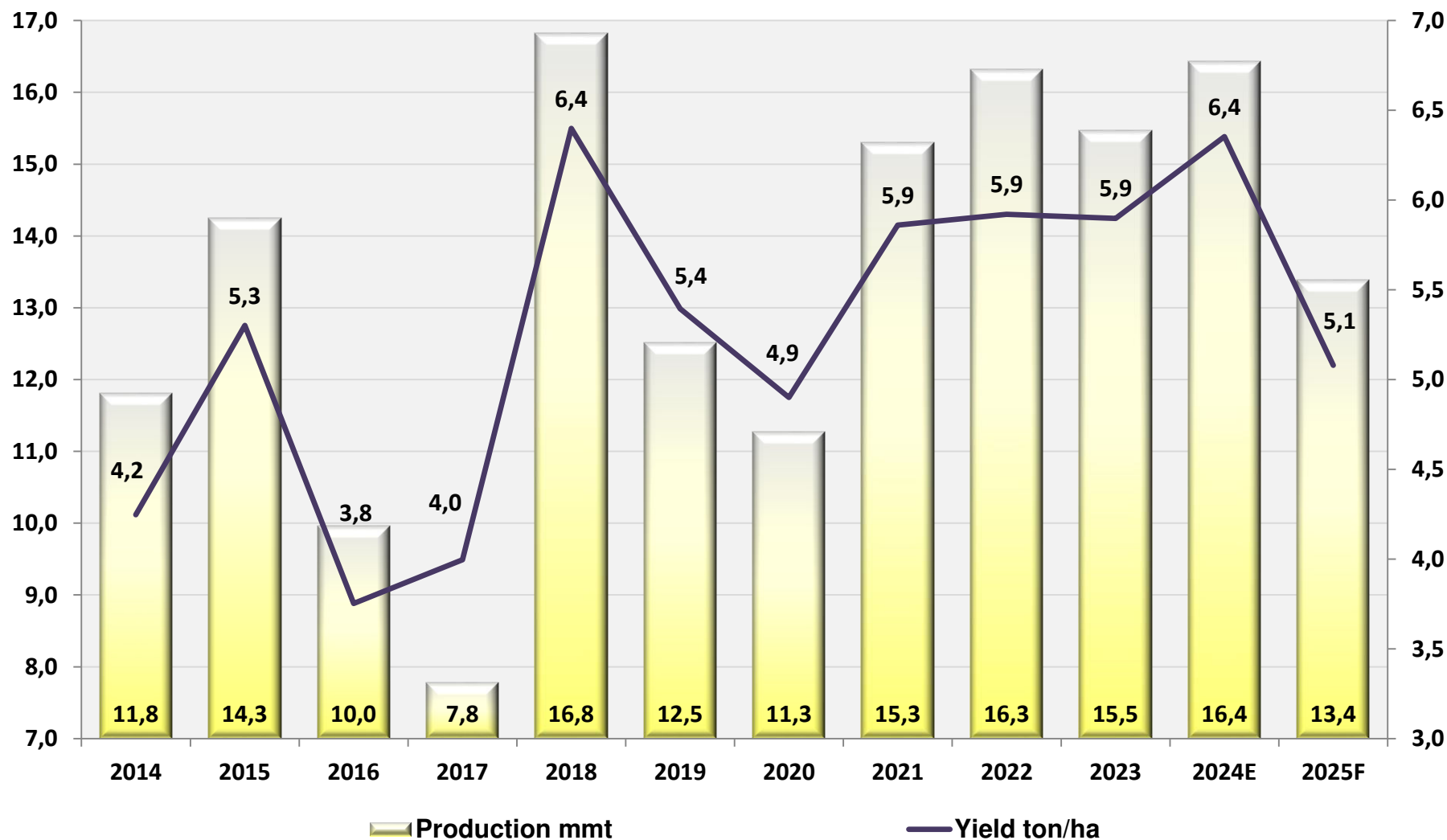
Group Chief Operating Officer

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	1 594
Crop Estimate	12 510	11 275	15 300	16 315	15 470	16 430	13 392
Retentions	495	388	90	1 048	281	645	474
Sagis Delivery	11 984	10 887	15 268	15 267	15 189	15 785	12 917
Minus early deliveries	0	0	0	0	0	0	0
Imports	172	510	0	8	0	0	200
Total Supply	15 845	14 059	16 268	17 389	17 314	17 740	15 172
Domestic Usage Food	5 161	5 378	5 685	5 172	5 388	5 905	5 825
Domestic Usage Feed	5 508	5 699	5 517	5 898	5 948	5 760	5 600
Gristing, withdrawn & released	239	177	121	103	83	60	85
Total Domestic Usage	10 907	11 264	11 324	11 173	11 419	11 725	11 510
Exports & Sundries	2 276	1 795	2 830	4 093	3 941	3 960	2 325
Plus early deliveries	0	0	0	0	0	0	0
Carry Out (30 Apr)	2 662	1 000	2 115	2 124	1 955	2 054	1 337
No of days usage	89	32	68	69	62	64	42
STU	20,19%	7,66%	14,94%	13,92%	12,73%	13,10%	9,66%

RSA MAIZE PRODUCTION AND YIELD



SAFEX YELLOW MAIZE PRICE



DURBAN SOYA MEAL PRICE



Soya_Dbn (9,955, 9,955, 9,531, 9,531, -424)





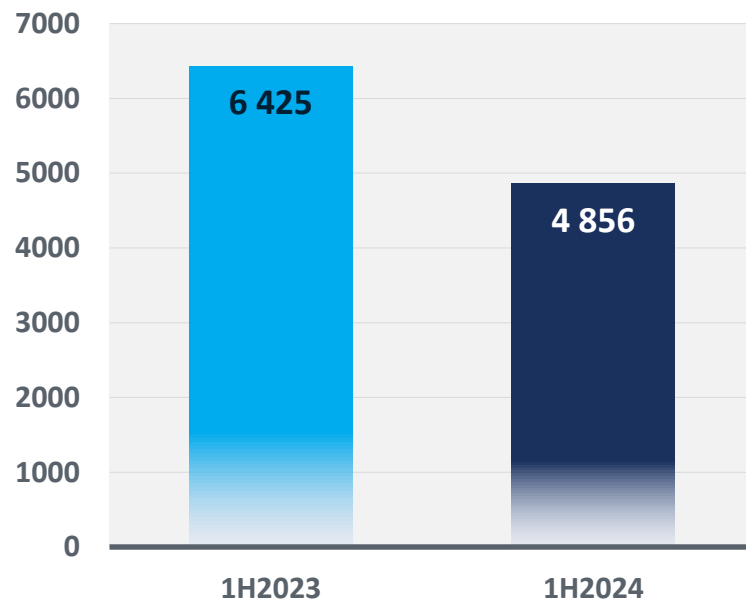
FEED DIVISION



Gary Arnold

Group Chief Operating Officer

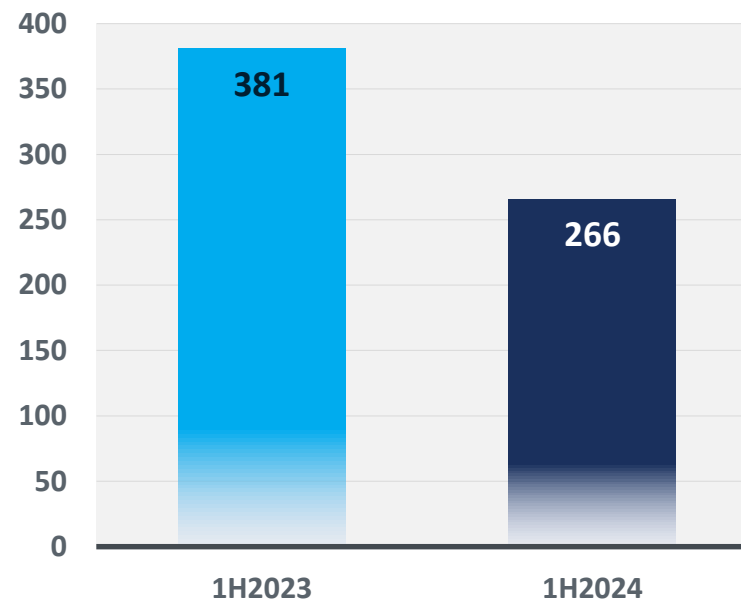
Revenue - R million



Revenue down 24.4%

- Raw material costs down
- Average selling prices down 7.1%
- Sales volumes down 18.7%

Operating profit - R million



Operating profit down 30.1%

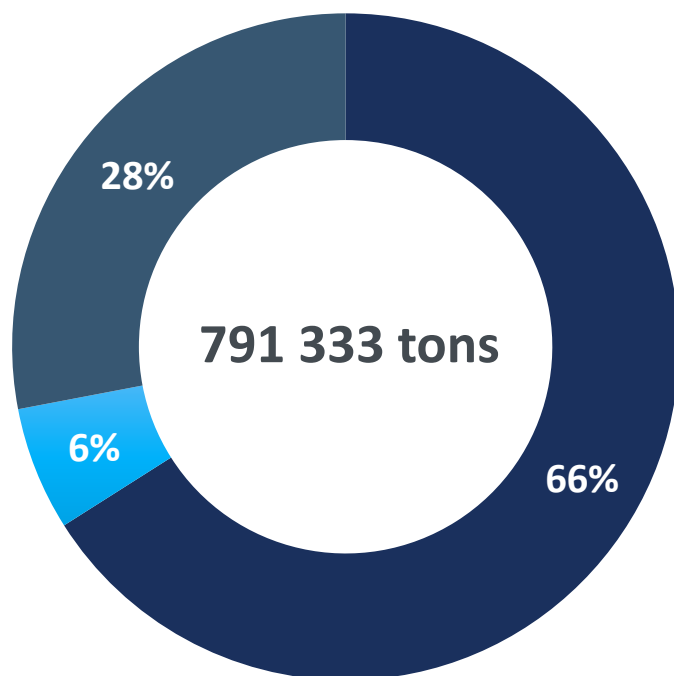
- Net margin 5.5% (1H2023: 5.9%)
- Expenses well controlled
- Rand per ton margins decreased

- **SAFEX yellow maize price decreased** for the period under review 1H2024 avg. R3 910 per ton (1H2023: R4 679) down R769 per ton (decrease of 16.4%)
- **DBN soya meal price decreased** for the period under review 1H2024 avg. R10 718 per ton (1H2023: R12 053) down R1 335 per ton (decrease of 11.1%)
- **Internal feed sales volumes decreased** by 27.6% due to lower feed consumption as broiler age and weight normalised following the “big bird era” as a result of load shedding, and lower parent stock numbers following bird flu in 2023
- **External feed sales volumes decreased** by 2.3% due to lower commercial layer feed volumes following the bird flu outbreak in the industry during 2023
- **Expenses well controlled** across the division despite lower feed volumes
- The **average net margin decreased** (Rand per ton) for the period under review

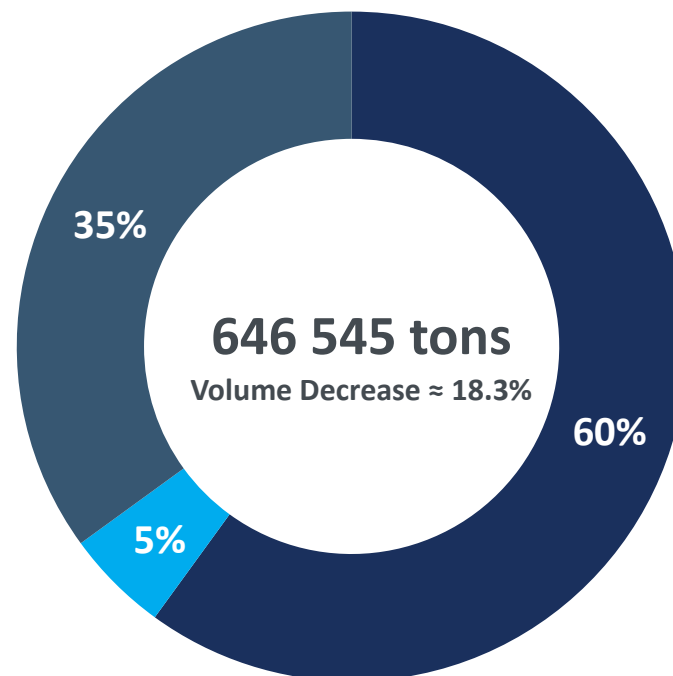
FEED DIVISION



Sales Mix – 1H2023



Sales Mix – 1H2024

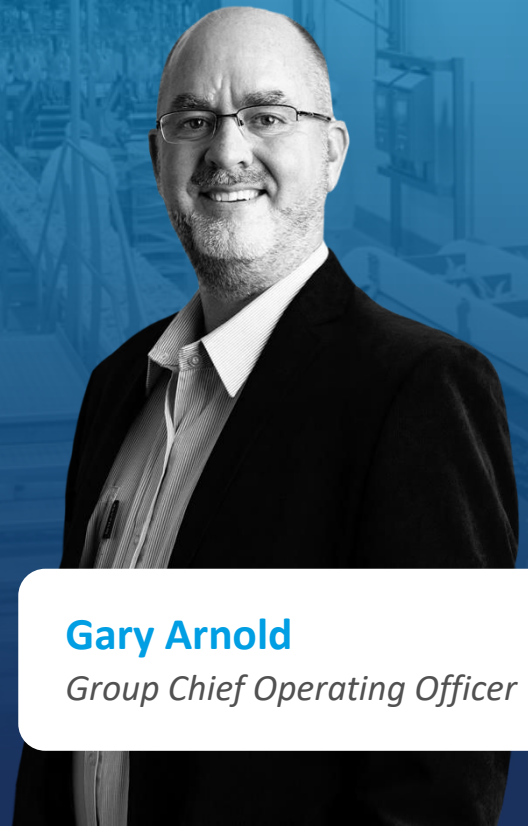


■ Poultry Integrated ■ Poultry External ■ Other



POULTRY DIVISION

COMMERCIAL



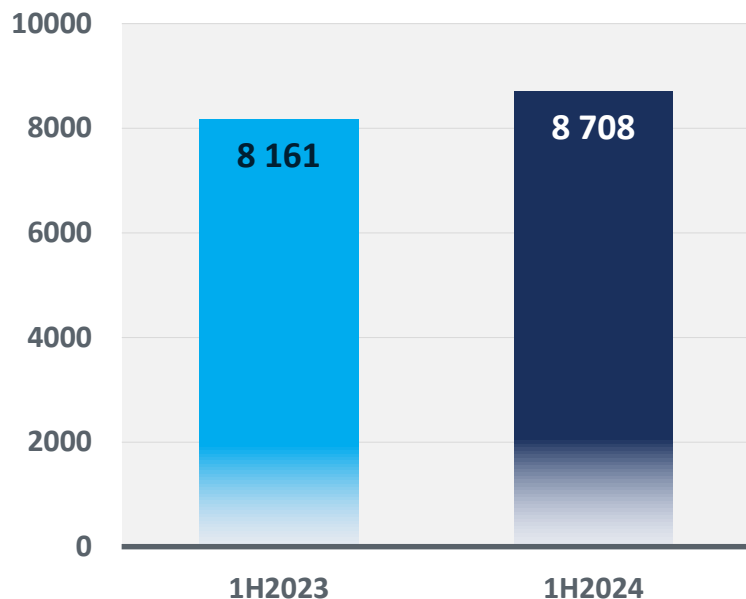
Gary Arnold

Group Chief Operating Officer

POULTRY DIVISION - CONSOLIDATED



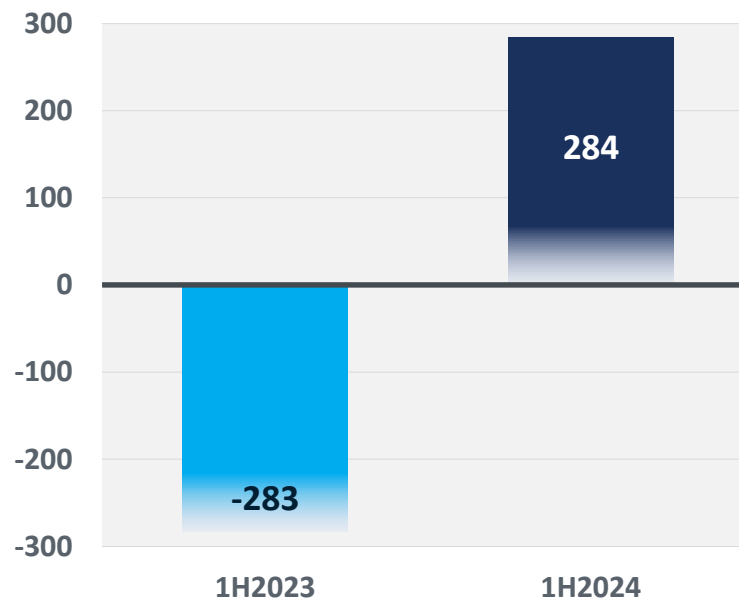
Revenue - R million



Revenue up 6.7%

- Broiler sales volumes up 4.2%
- Broiler sales realisations up 7.2%
- Breeder revenue up 19.9%

Operating profit - R million



Operating profit up 200.4%

- Net margin 3.3% (1H2023: -3.5%)
- Broiler feed price down 9.1%
- Higher DOC cost – bird flu F2023

POULTRY DIVISION - COMMERCIAL

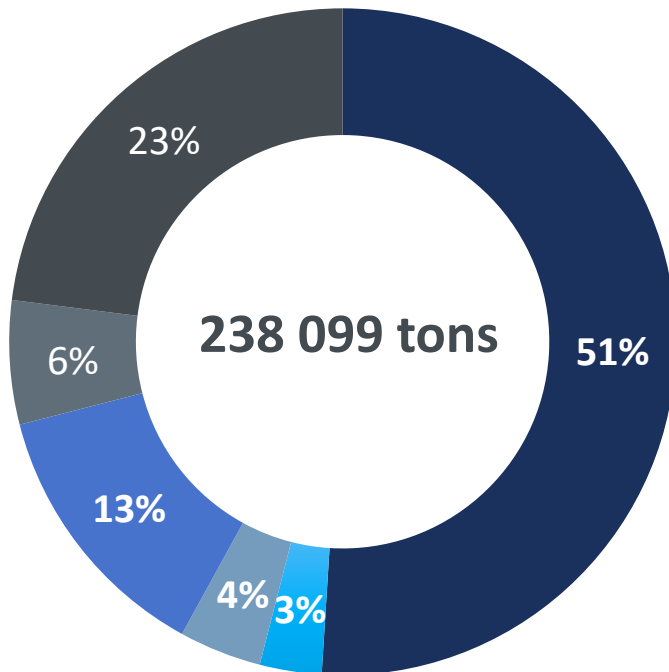


- **Broiler sales volumes increased** on better demand for Astral's finished goods due to an improvement in the product basket, which suffered in the comparable period due to Astral processing "big birds" brought about by a backlog in the slaughter programme as a result of load shedding
- **Production cutbacks were implemented** in an effort to balance supply with demand and frozen chicken stock levels, as consumer spending remained under pressure (1H2022 - 5.8 million bpw & 1H2024 - 5.4 million bpw)
- **Broiler margin improved to 2.4%** for the period under review from -4.4% in 1H2023 and -15.3% in 2H2023 as the cost base normalised following the significant impact of load shedding and bird flu in 2023
- **Operating expenses lower** as the significant costs in feed and additional shifts due to the high stages of load shedding in 2023 were not repeated (diesel generator costs in 1H2024 @ R101 million)
- **Finished good stock levels** at 31 March lower than at the year end for F2023

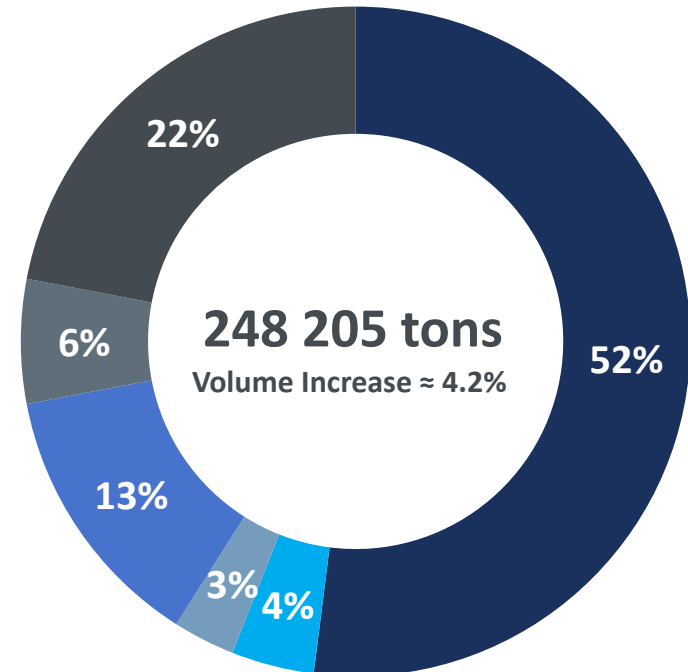
POULTRY DIVISION - COMMERCIAL



Sales Mix – 1H2023



Sales Mix – 1H2024

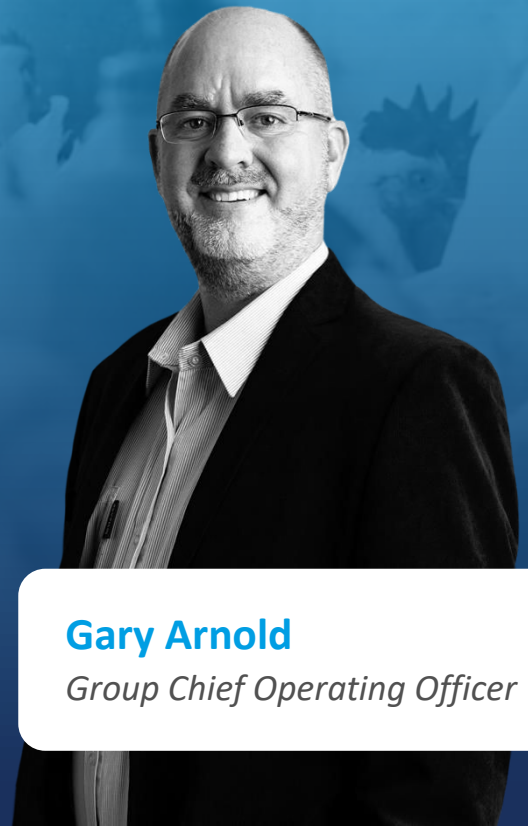


■ IQF Mixed Portions
 ■ IQF Single Portions
 ■ Frozen
 ■ Fresh
 ■ Value Added
 ■ Tertiary



POULTRY DIVISION

AGRICULTURE



Gary Arnold

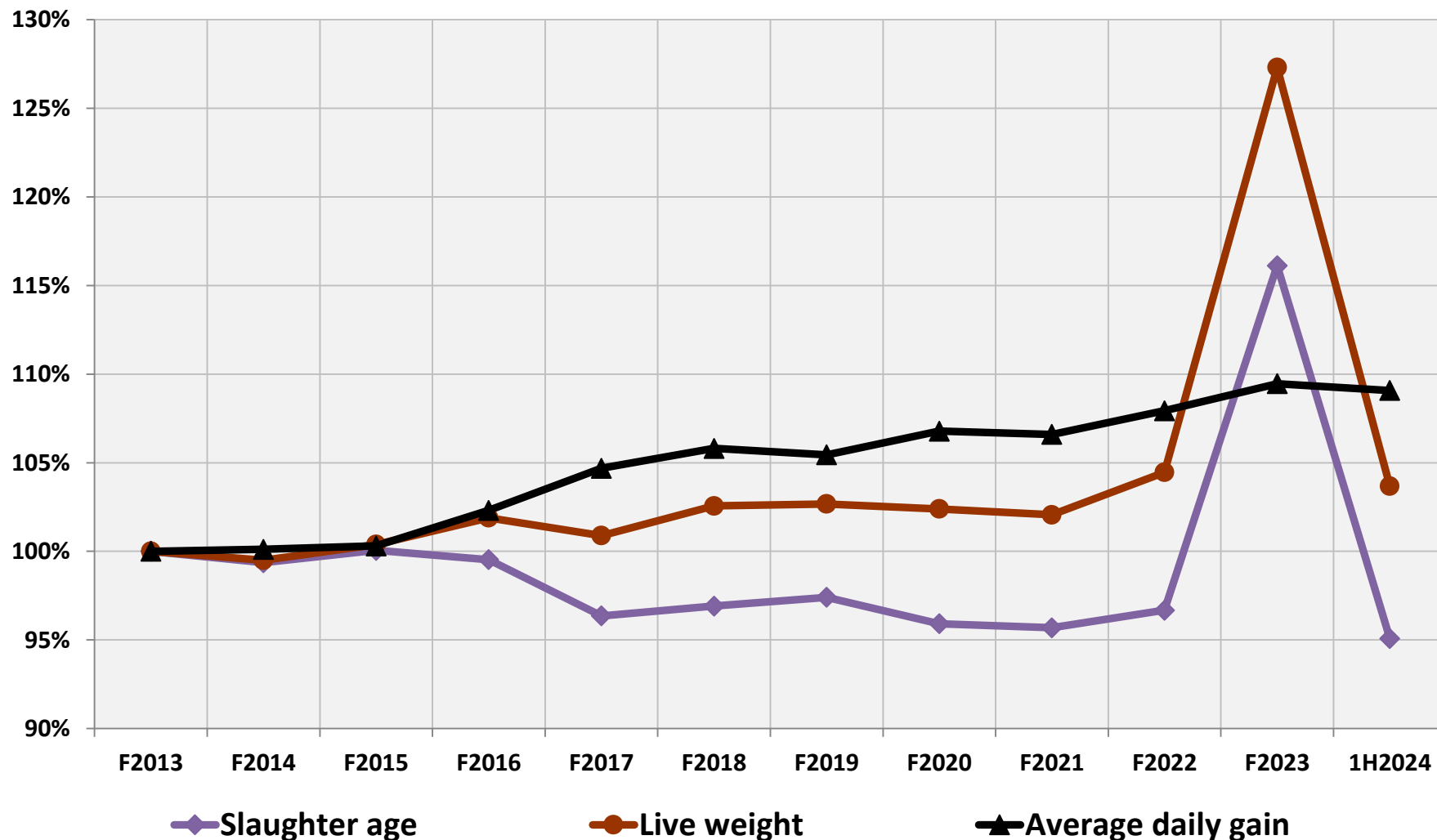
Group Chief Operating Officer

POULTRY DIVISION - AGRICULTURE

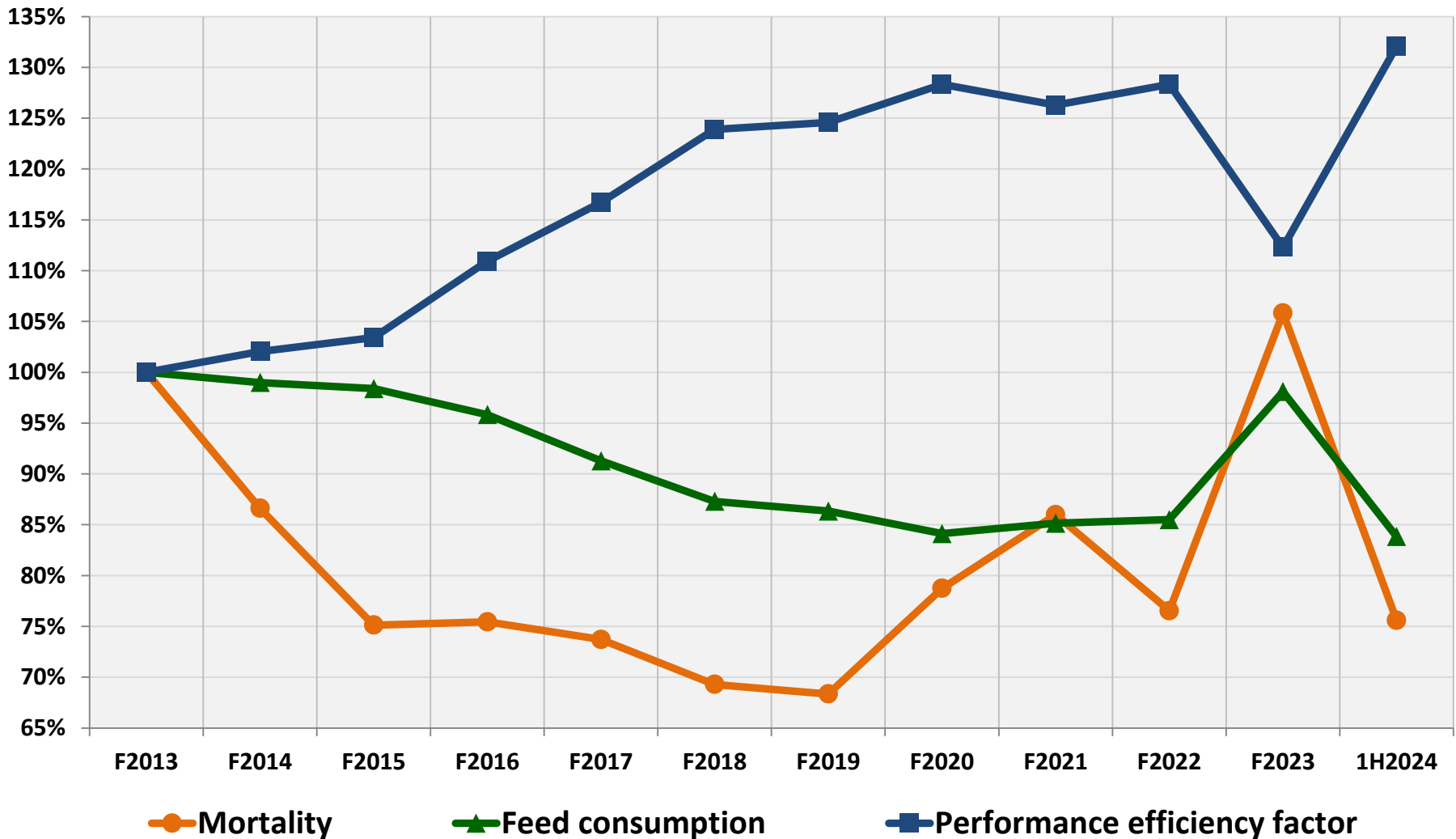


- **Parent stock sales** out of Ross Poultry Breeders decreased slightly for the period under review as customers either cancelled or moved placements due to the bird flu outbreak in 2023 and subsequent farm quarantine restrictions
- **Feed input costs decreased significantly** on the back of lower raw material costs, and an improved feed conversion ratio benefitting the live bird production cost
- **Broiler production efficiencies** improved significantly following the normalisation of bird age and live weight in June 2023 as the backlog in the slaughter programme following the load shedding crisis was cleared
- **Bird flu** with a new strain emerging as H7N6, had a significant impact on the South African poultry industry in 2023 with Astral losing approximately 40% of broiler hatching egg production – higher day-old chick costs in 1H2024
- **Shortages in the supply of broiler hatching eggs** was mitigated through a hatching egg import programme together with various other contingency plans, and the restocking of parent stock numbers is progressing

BROILER PERFORMANCE

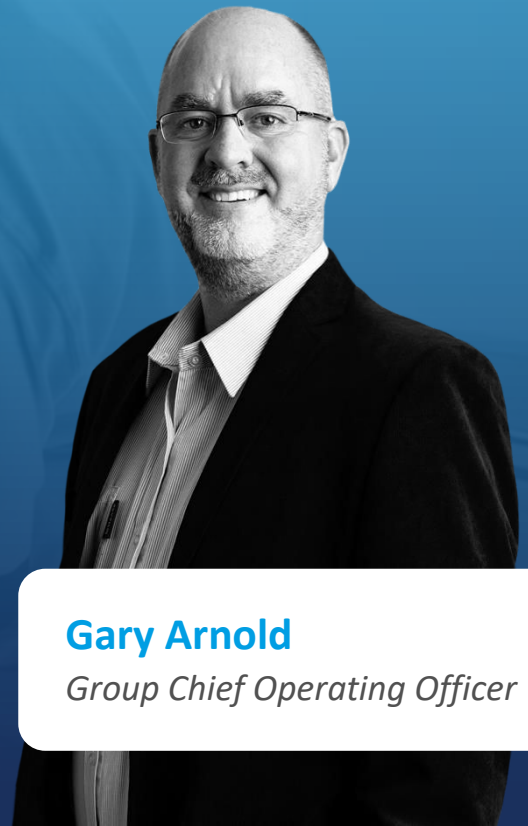


BROILER PERFORMANCE





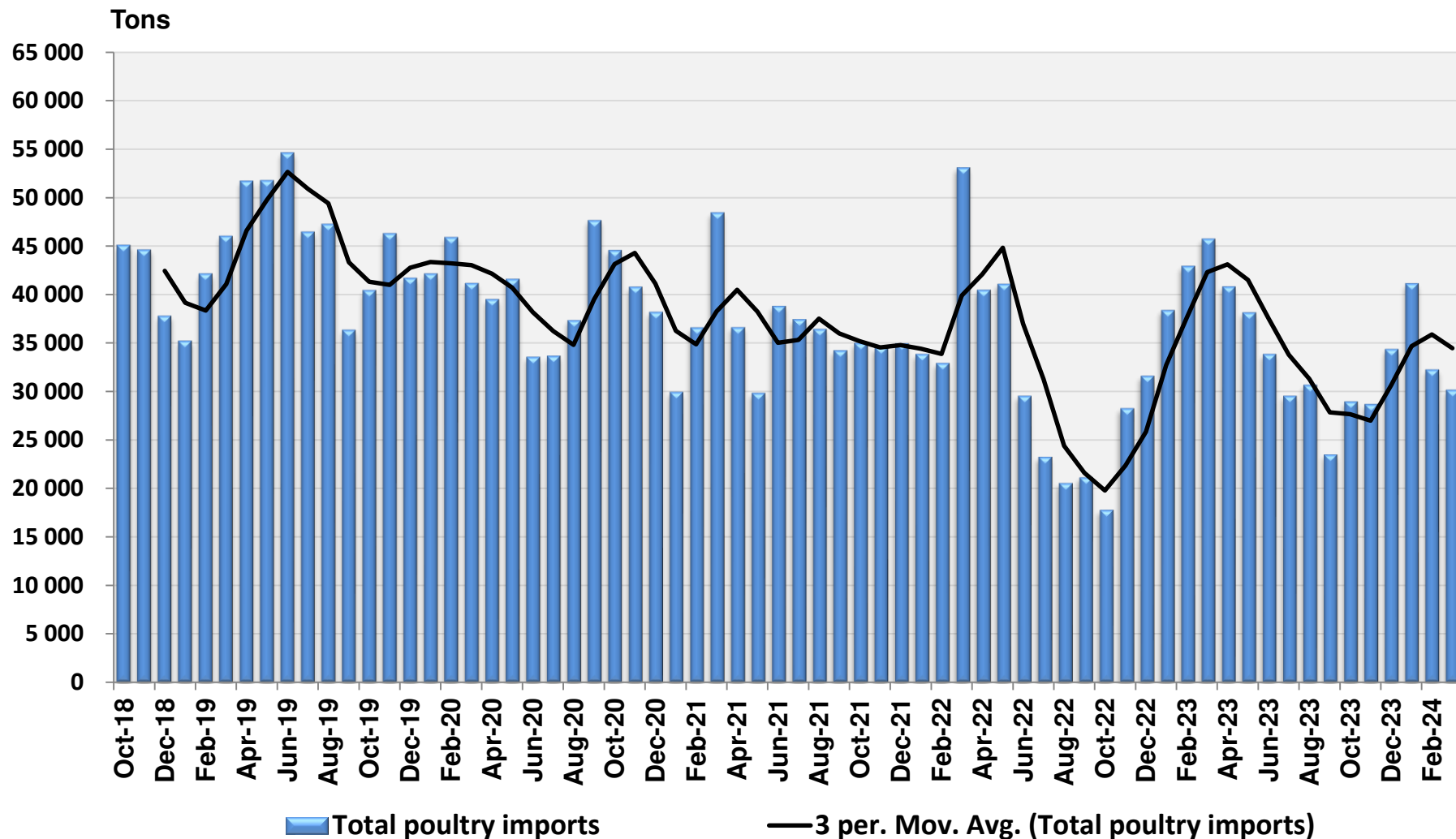
INDUSTRY MATTERS



Gary Arnold

Group Chief Operating Officer

POULTRY IMPORTS



INDUSTRY OVERVIEW

- Based on industry statistics **broiler slaughter numbers are approximately 21.2 million birds per week** (March 2024)
- **Imports for the period** averaged 32 544 tons per month (\approx 5.8 million bpw) being approximately **22% of local consumption** (1H2023: 34 072 tons per month)
- **Import tariff rebate** implemented in from January 2024 against a supposed shortage of chicken following the bird flu outbreak of 2023
- **Import tariff rebate permits issued** for the period January to March 2024 at approximately 43 000 tons (in reality there was no shortage of broiler meat)
- **The industry through SAPA has made representation** to Minister Patel and ITAC on the import tariff rebate matter showing that no shortages exist due to industry contingency plans, frozen stock levels and imported broiler hatching egg supply
- Initial industry comments to the draft terms of reference on the **Competition Commission Poultry Market Inquiry** were submitted on 15 March 2024
- **Approval for voluntary vaccination** against the H5 and H7 bird flu strains delayed as DALRRD has not approved any permits on applications against the published protocols

FINANCIAL OVERVIEW









Dries Ferreira

Chief Financial Officer

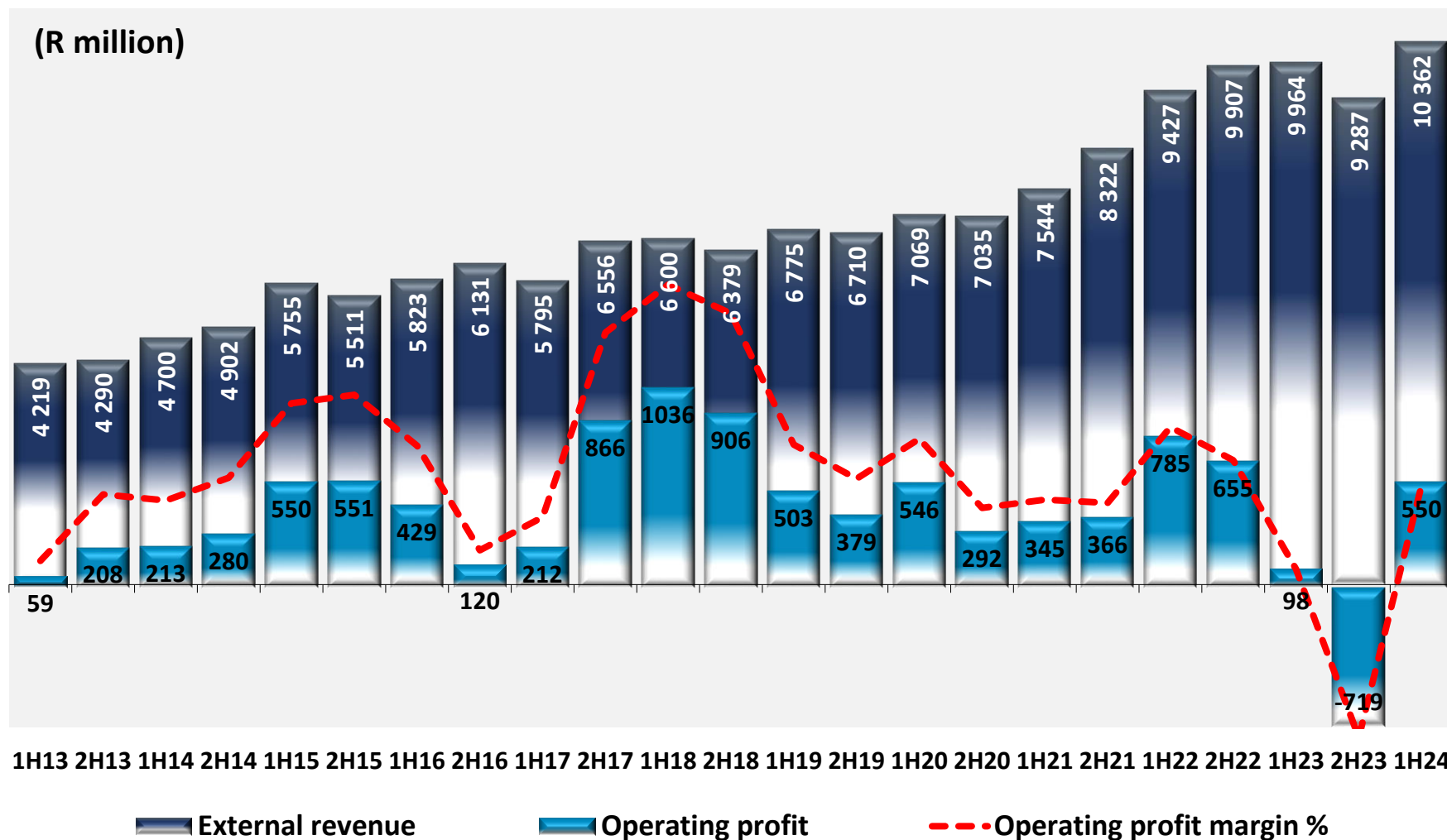
INCOME STATEMENT



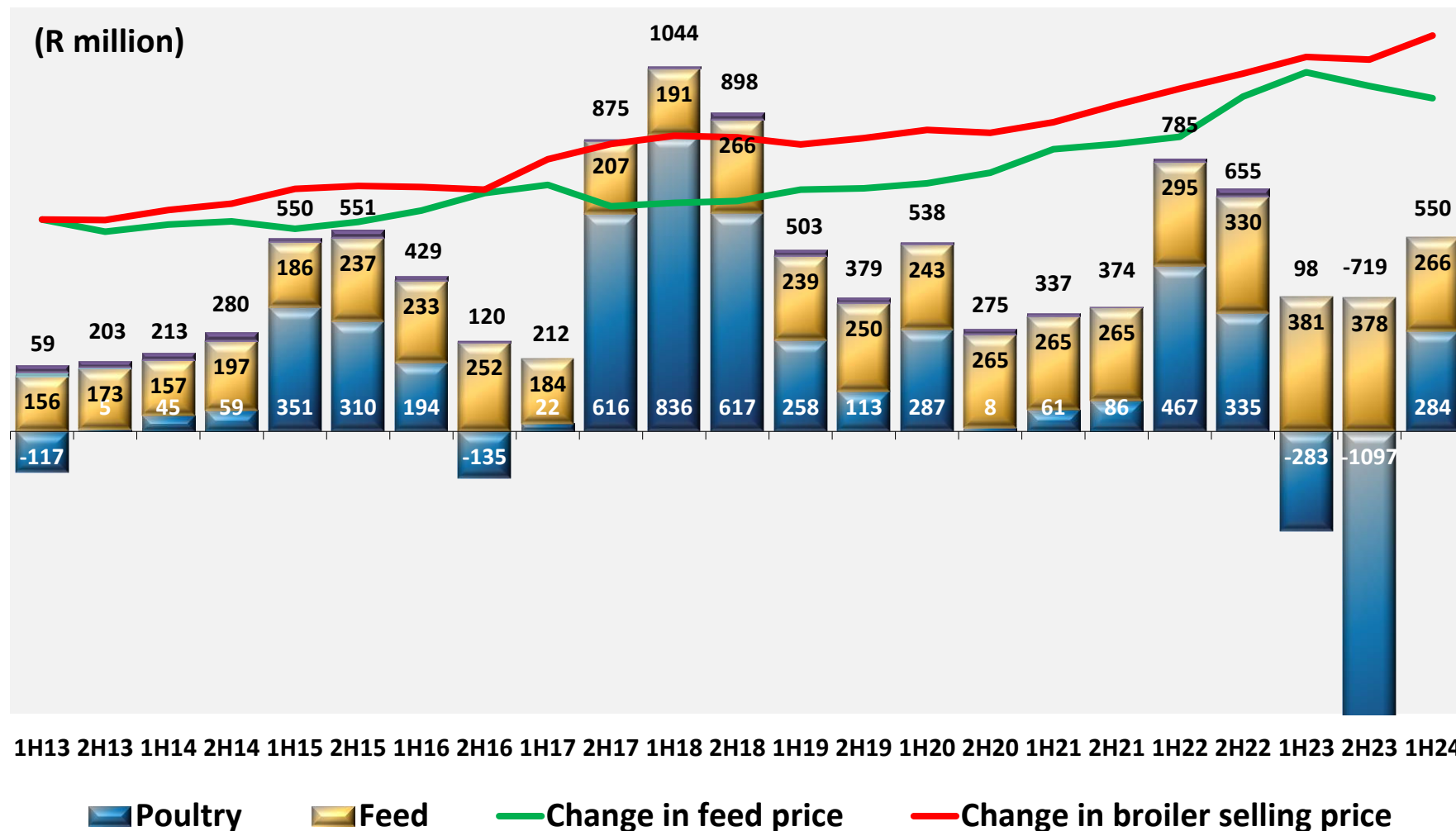
For the six months ended 31 March

	2024 R million	2023 R million	% change
Revenue	10 362	9 964	 4%
Operating profit	550	98	 461%
Operating profit margin	5.3%	1.0%	
Net finance costs	(69)	(14)	
– <i>bank interest</i>	(58)	(1)	
– <i>lease finance charges</i>	(11)	(13)	
Profit before tax	481	84	 476%
Tax	(126)	(22)	
Attributable profit	355	62	 472%
EPS – Cents	923	162	 471%
HEPS – Cents	884	163	 441%

GROUP SIX MONTHLY REVENUE



GROUP SIX MONTHLY OPERATING PROFIT



BALANCE SHEET



	March 2024 R million	September 2023 R million	% change
Non-current assets (excl. ROU assets)	3 314	3 414	↓ 3%
Non-current assets – ROU assets	214	252	↓ 15%
Net working capital	2 307	2 280	↑ 1%
Current assets (excl. cash)	4 868	4 732	↑ 3%
Current liabilities (excl. borrowings & leases)	(2 561)	(2 452)	↑ 5%
Non-current liabilities (excl. borrowings & leases)	(783)	(624)	↑ 26%
Lease liabilities	(229)	(272)	↓ 16%
Net assets	4 823	5 050	↓ 5%
Net overdraft	(444)	(1 031)	↑ 57%
Equity	4 379	4 019	↑ 9%

CAPITAL EXPENDITURE



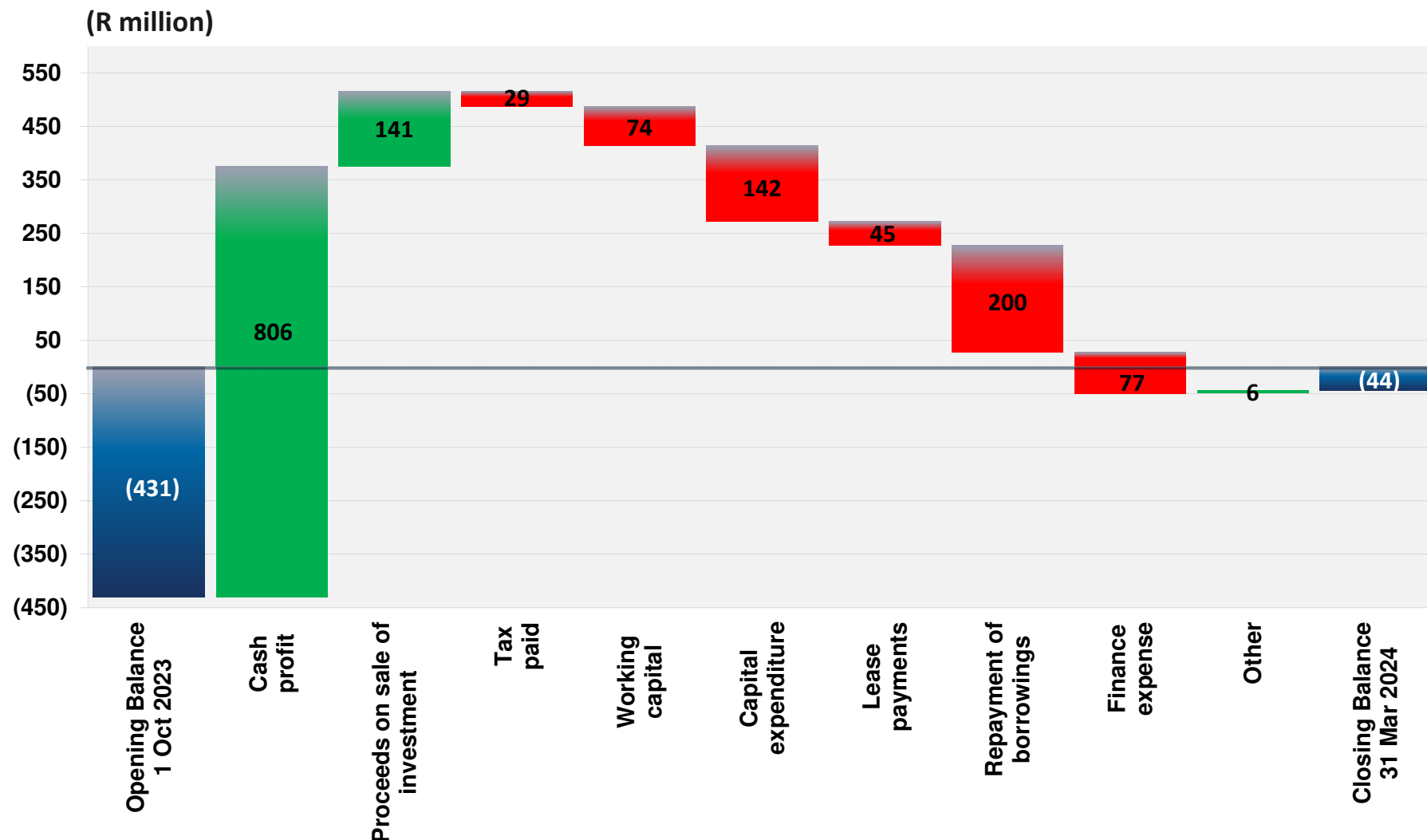
	1H2024 R million		F2023 R million
Depreciation and amortisation	161		310
Property, plant & equipment	116		224
Right of use assets	45		86
Total capex spend	137		398
Normal capex – replacement	59		136
– expansion	64		94
Load shedding & water related	14		168
Outstanding commitments	517		594
Ross – GGP farm purchase and build	233	On Hold	233
Ross – Expansion of production capacity	109	On Hold	109
Zambia – New feed mill	30		54
Agriculture – Festive expansion phase 2	60	On Hold	60
Manure beneficiation	59	On Hold	59
Other	26		79

WORKING CAPITAL



	March 2024 R million	September 2023 R million	Variance R million
Current assets	4 868	4 732	136
Biological assets	1 246	1 048	198
Inventory - Poultry	1 179	1 426	(246)
- Feed	430	470	(40)
Trade receivables	1 823	1 488	335
Advance capex payments	28	22	6
Other receivables	162	279	(117)
Current liabilities	(2 561)	(2 452)	(109)
Trade payables	(1 676)	(1 826)	150
Other payables	(885)	(626)	(259)
Net working capital	2 307	2 280	27

CASH FLOW MOVEMENT



Note: Excludes working capital loan drawn to enhance liquidity headroom, not classified as “cash & cash equivalents”

STATEMENT OF CASH FLOWS



	1H2024 R million	F2023 R million	1H2023 R million
Cash profit / (loss) after working capital changes	732	(924)	(671)
Tax paid	(29)	(47)	(27)
Net interest (paid) / received	(55)	(50)	3
Capital expenditure paid	(143)	(372)	(180)
Lease payments	(56)	(108)	(53)
Dividends paid	-	(226)	(229)
Working capital loans (repaid) / received	(200)	600	-
Proceeds on investment sold	141	-	-
Other cash flow items	(10)	(3)	(11)
Movement in cash equivalents	400	(1 130)	(1 168)
Effect of exchange rate changes	(13)	(2)	(39)
Opening balance	(431)	701	701
Closing balance	(44)	(431)	(506)
Short term working capital loan	(400)	(600)	-
Total working capital funding	(444)	(1 031)	(506)

IN SUMMARY



- **Revenue at R10,4 billion** up 4.0% (prior year at R10,0 billion)
- **Operating profit at R550 million** up 461%
- **Capital expenditure of R137 million** mainly on Zambian feed mill upgrade
- **Gearing improved** from R1 031 million (25.6%) to R444 million (10.1%)
- **Sufficient banking facilities** in place to ensure liquidity and solvency
- **No interim dividend declared**



OUTLOOK



Chris Schutte

Chief Executive Officer

- **Embedded diesel cost** due to ongoing load shedding, although at lower levels for the past few months
- **Bird flu remains a major risk** to the local poultry industry, with slow progress being made towards approval for the vaccination of broiler breeding stock
- **El Niño weather patterns** have had an impact on the local grain crops due to dry weather in a critical period of the growing season, leading to a smaller crop and higher SAFEX prices
- **Weak economic growth and depressed consumer spending** a key influence on market conditions, determining the supply and demand dynamics going forward
- **Uncertain political landscape** with the upcoming national elections, with a key risk in the weakening of the ZAR against major international currencies

- **Biological efficiencies** following the load shedding “big bird era” have improved dramatically, now surpassing previously set performances and going a long way to improving the broiler live cost
- **El Niño weather conditions** are weakening, with prospects of a **La Niña** developing which could see improved conditions for the local planting season later in the year
- **Maize imports** into the Cape feed mills from April, offering a ceiling to the local SAFEX yellow maize price currently trading around import parity
- **Further reducing debt levels** remains a key focus point, which will assist in strengthening the balance sheet
- **Project 3R (Reset, Refocus & Restart)** has proven successful to date, with continued focus on initiatives to reinforce Astral’s best cost producer position and improve profitability



THANK YOU

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

Confirmed March 2022

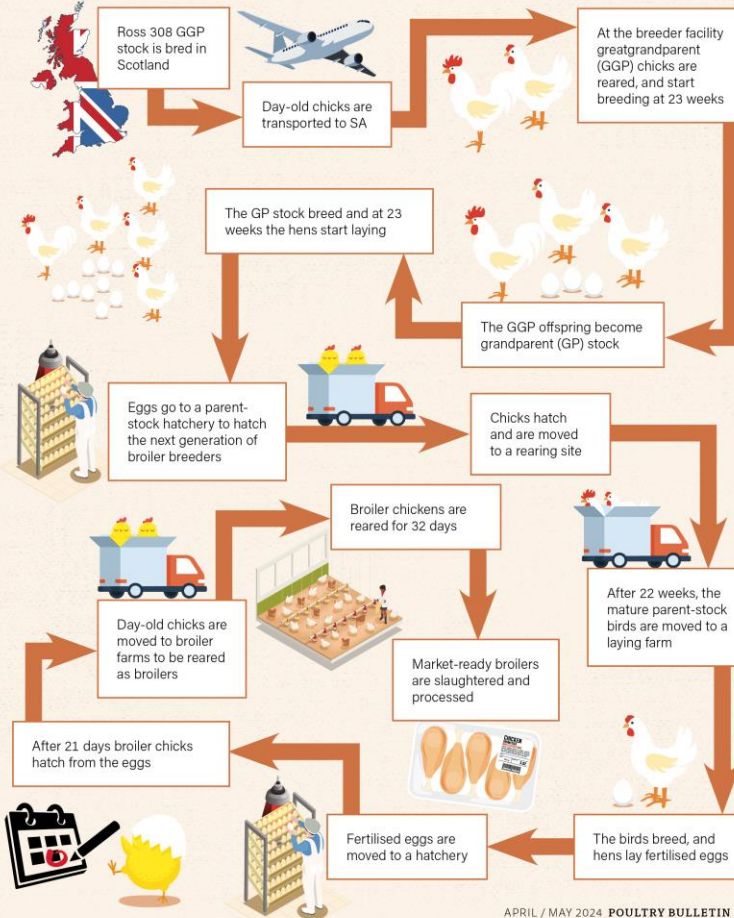


**ADDITIONAL
INFORMATION**

HOW BROILERS ARE BRED

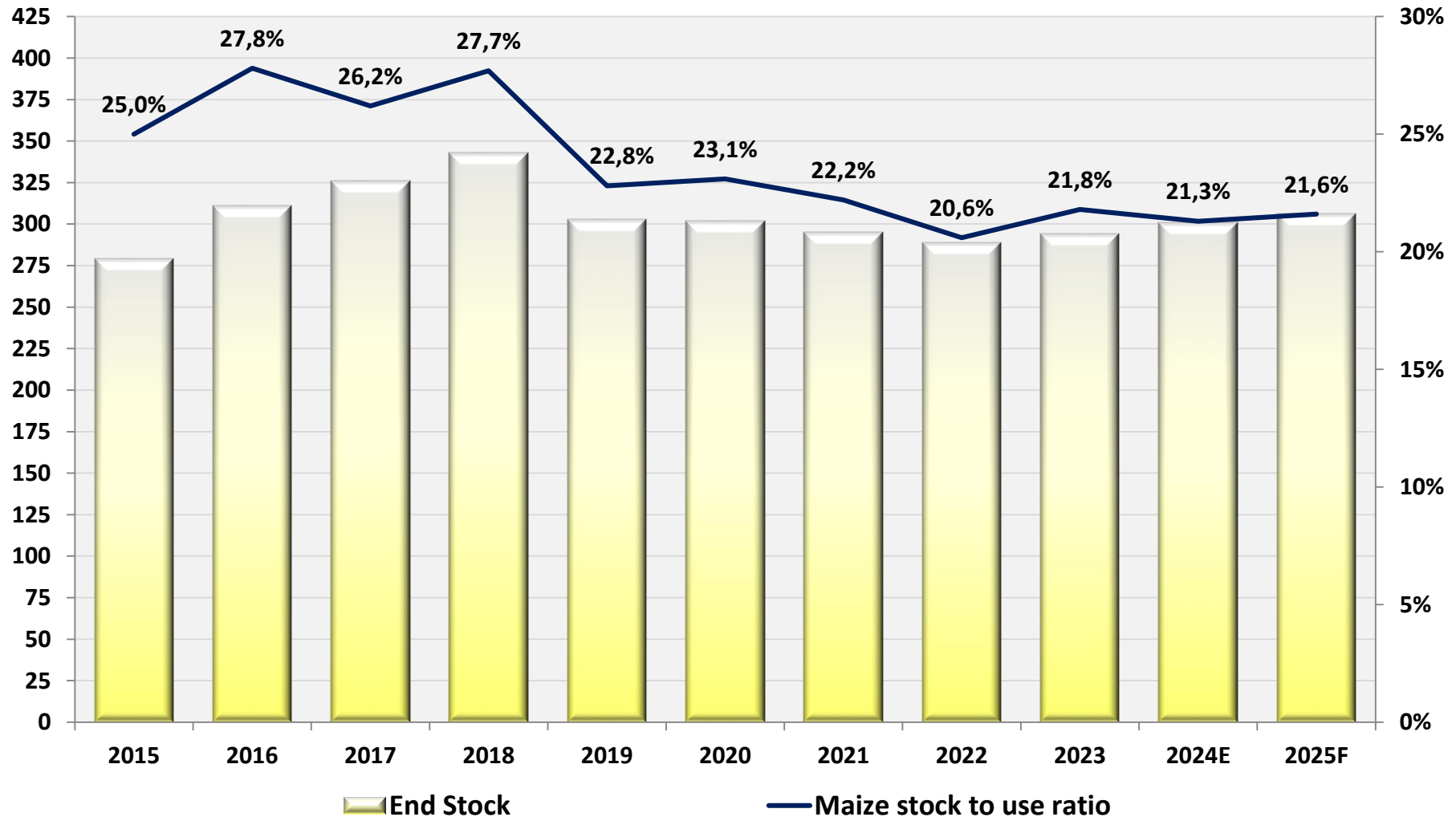
THE SCIENCE OF BROILERS

HOW BROILERS ARE BRED



APRIL / MAY 2024 POULTRY BULLETIN 19

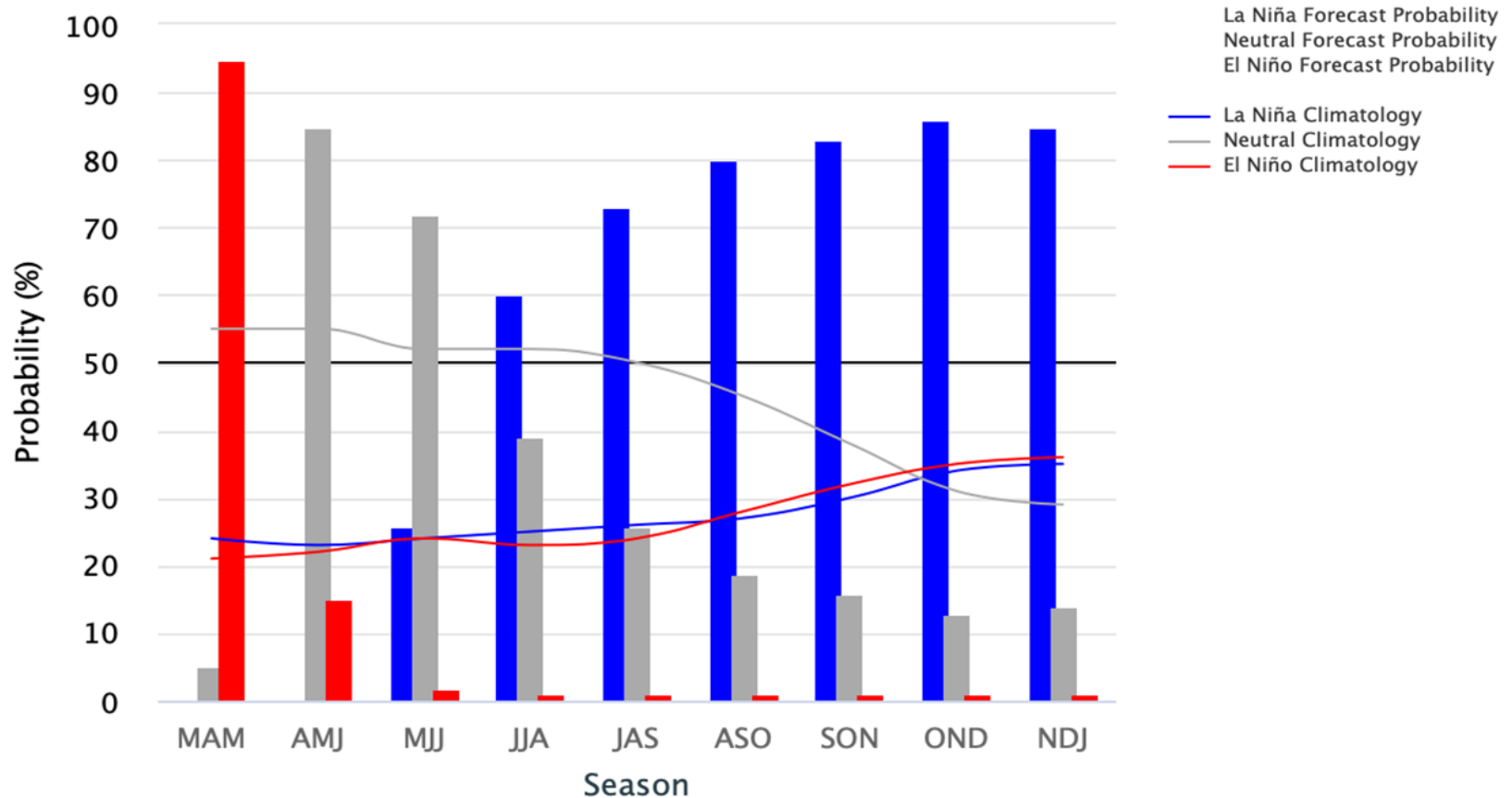
WORLD CORN ENDING STOCKS



EL NIÑO OSCILLATION

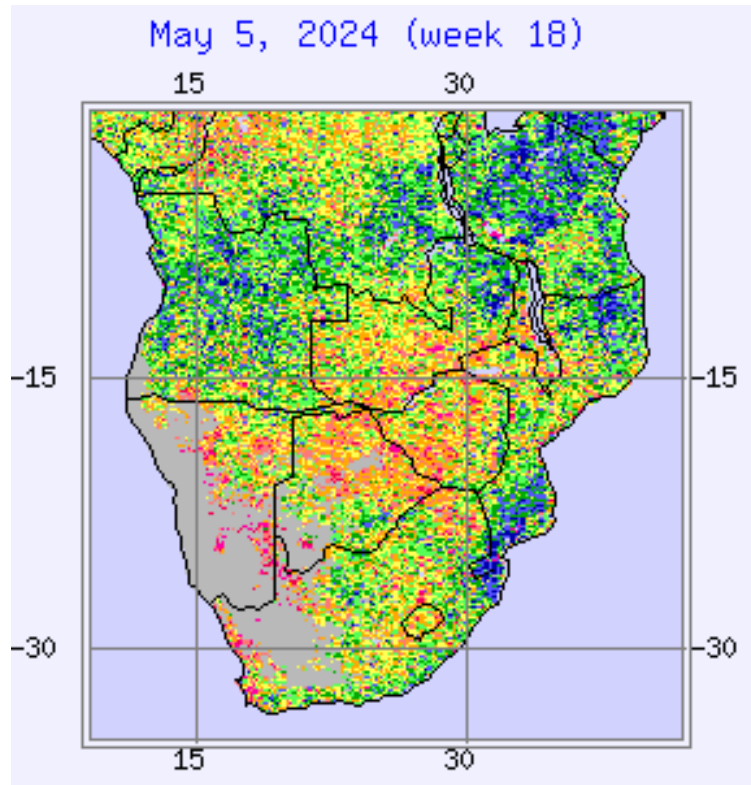
Early-April 2024 CPC Official Probabilistic ENSO Forecasts

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

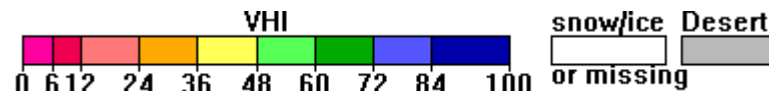
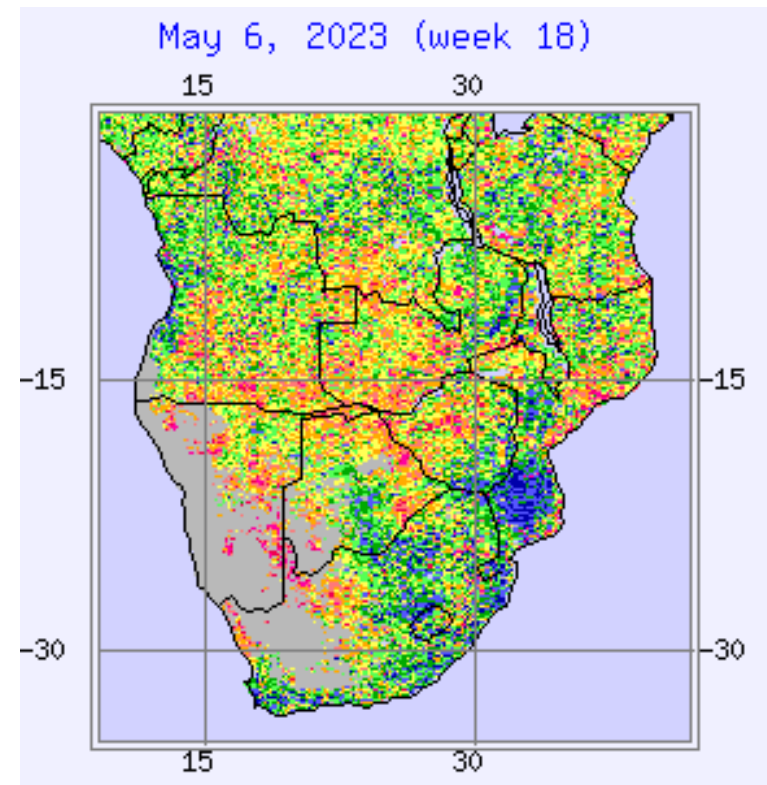


VEGETATIVE HEALTH INDEX

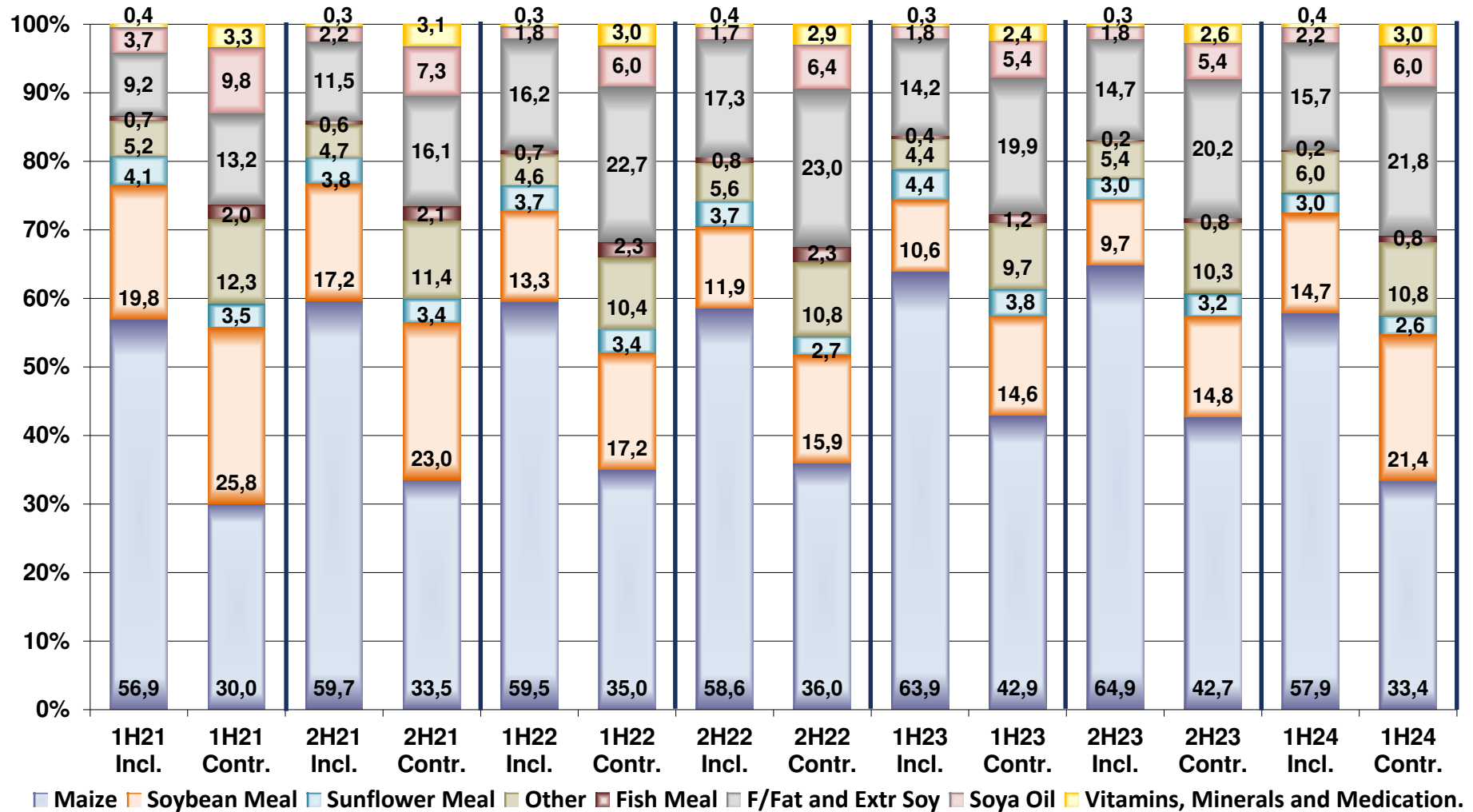
VHI of current year



VHI of previous year

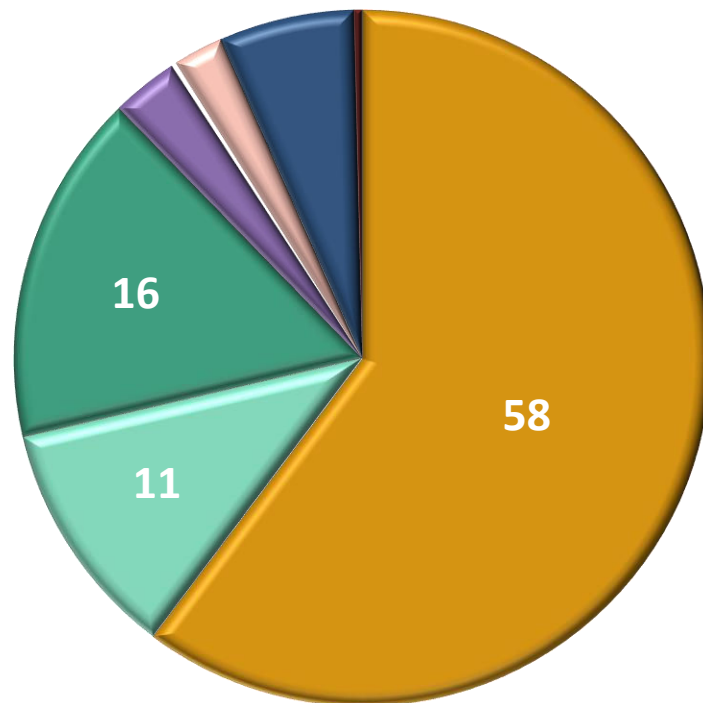


BROILER FEED INGREDIENT CONTRIBUTION



BROILER FEED COST BREAKDOWN

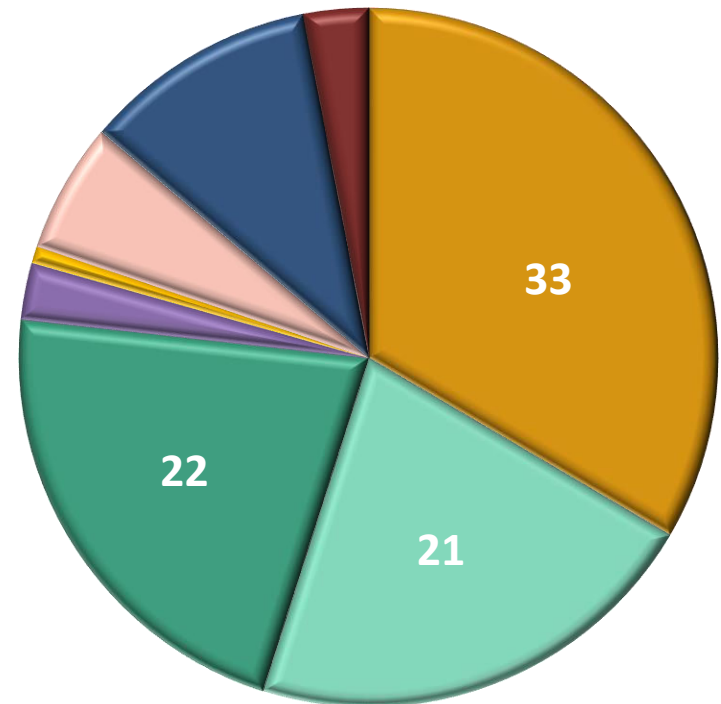
Inclusion (%)



■ Maize
■ Fish meal

■ Soya meal
■ Soya oil

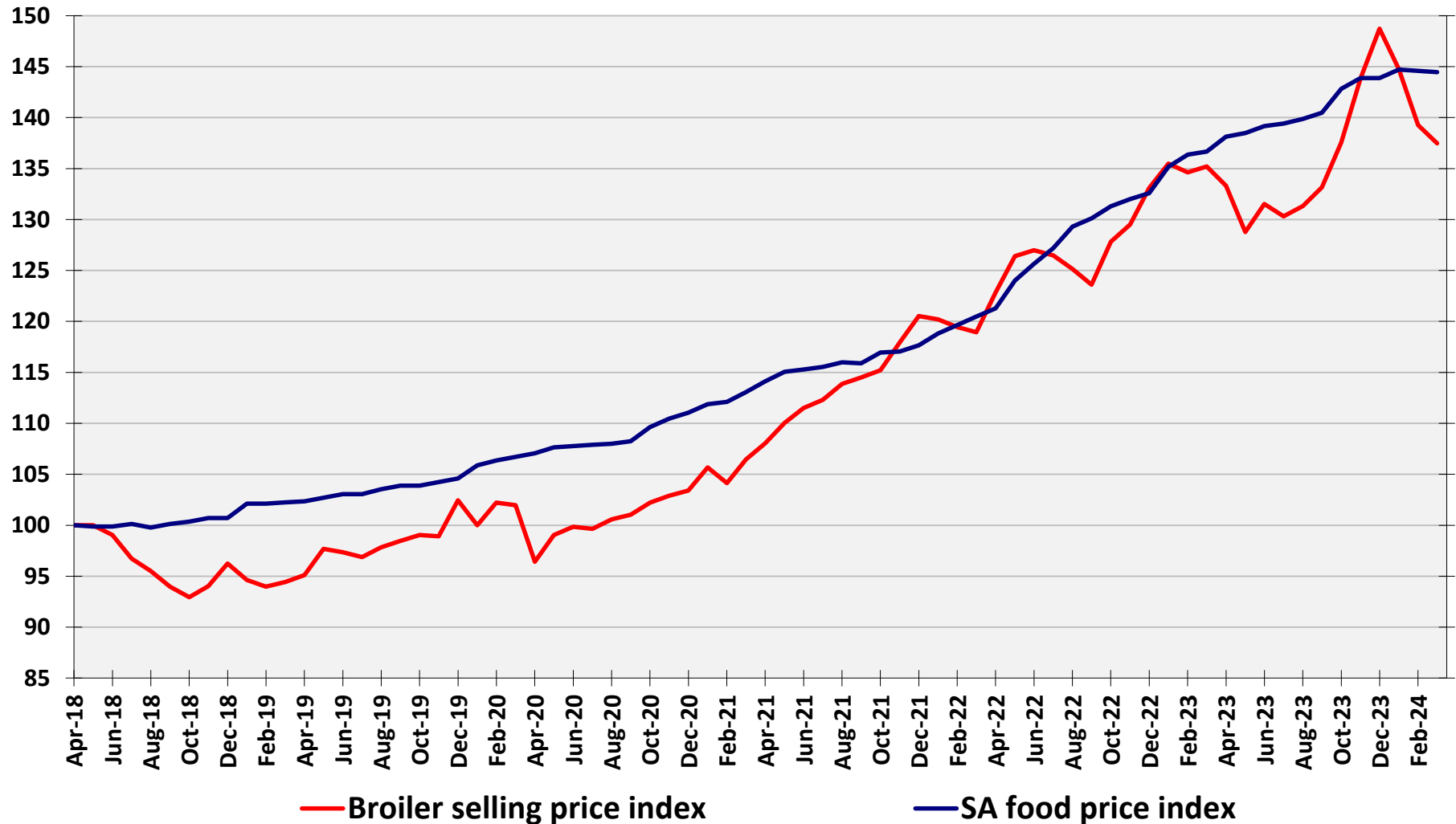
Cost Contribution (%)



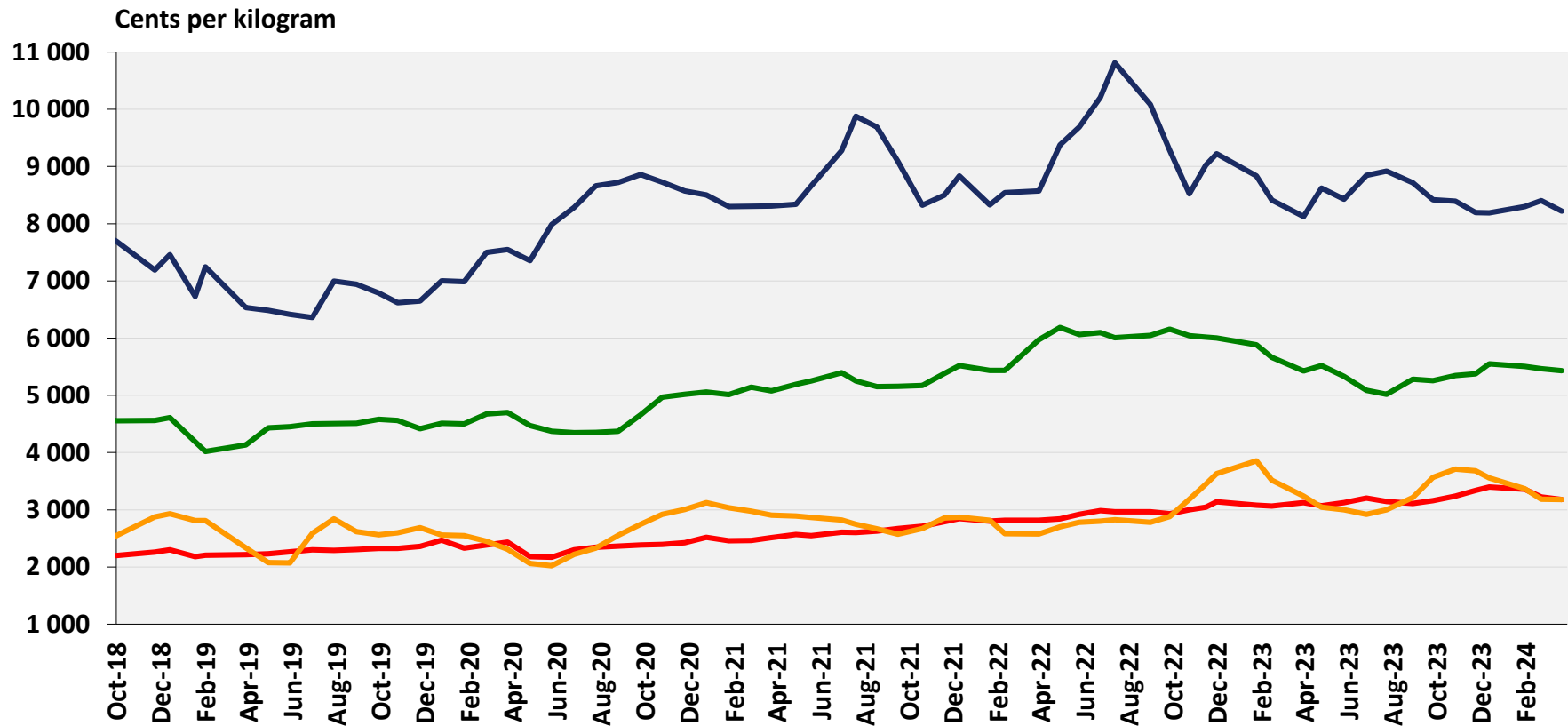
■ Extruded soya
■ Other

■ 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

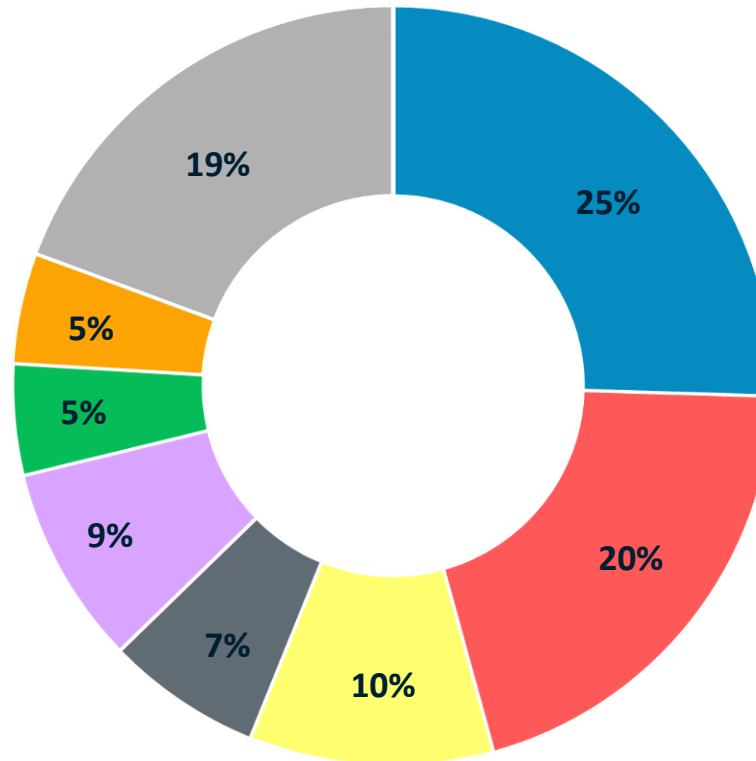
35,5 kg

5,7 kg

16,0 kg

2,7 kg

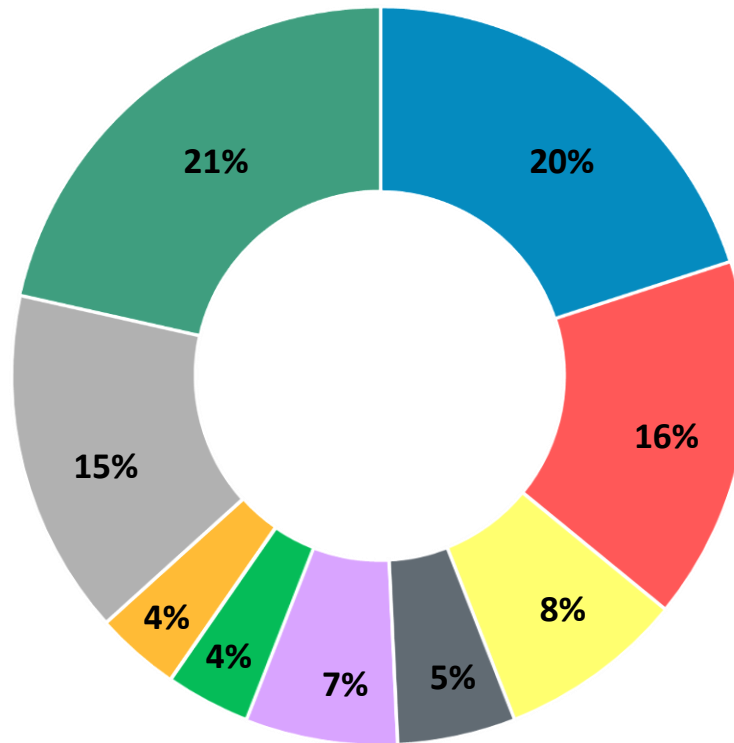
RSA POULTRY MARKET SHARE



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

Local broiler production ≈ 21,2 million birds per week (March 2024)

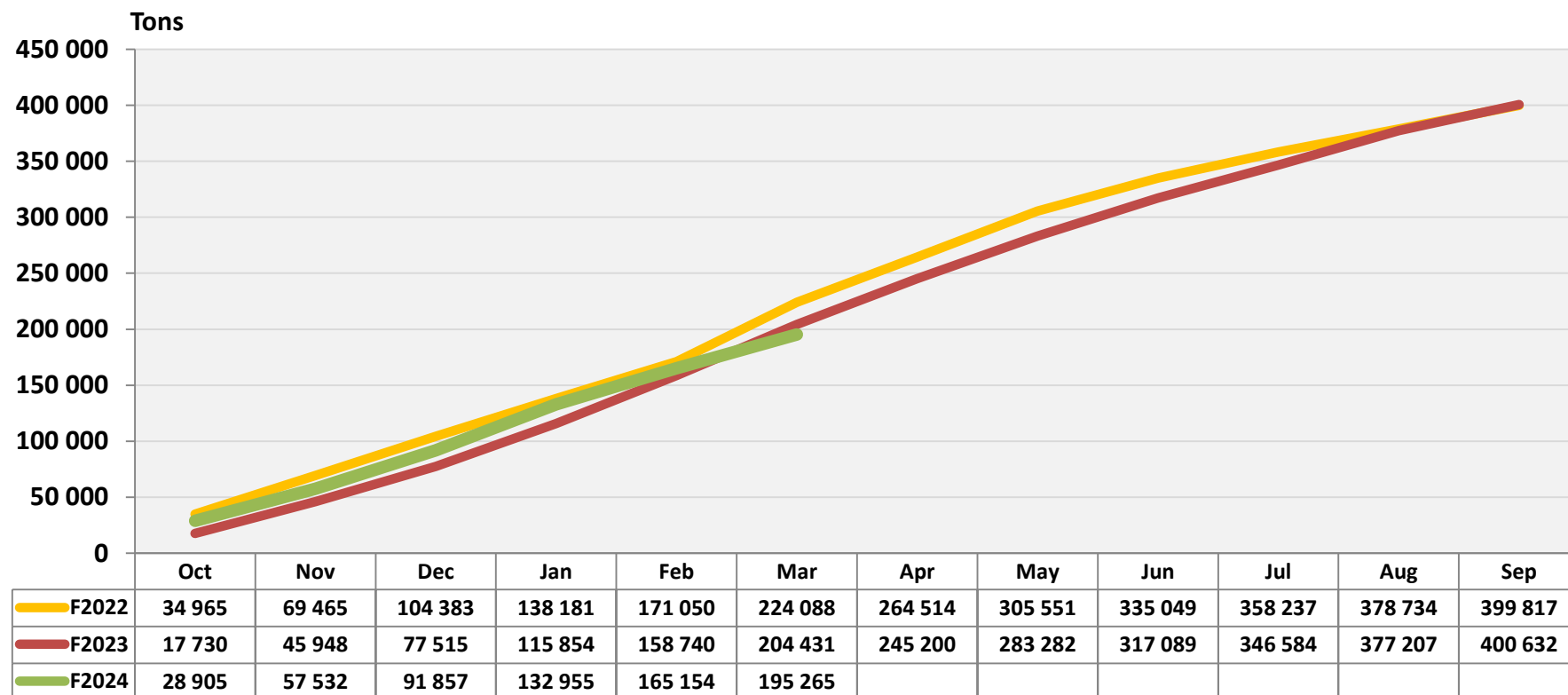
RSA POULTRY MARKET SHARE



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

Avg. poultry imports ≈ 5.8 million birds per week (6 months ended March 2024)

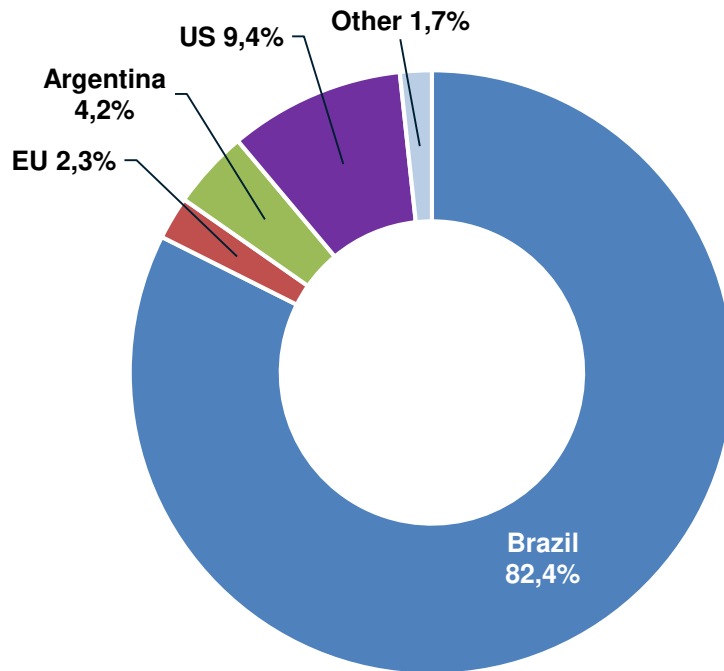
TOTAL POULTRY IMPORTS



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
F2024	28 905	28 627	34 325	41 098	32 199	30 111						
% Var	63.0%	1.4%	8.7%	7.2%	-24.9%	-34.1%						
bpw*	5,1	5,1	6,1	7,3	5,7	5,3						

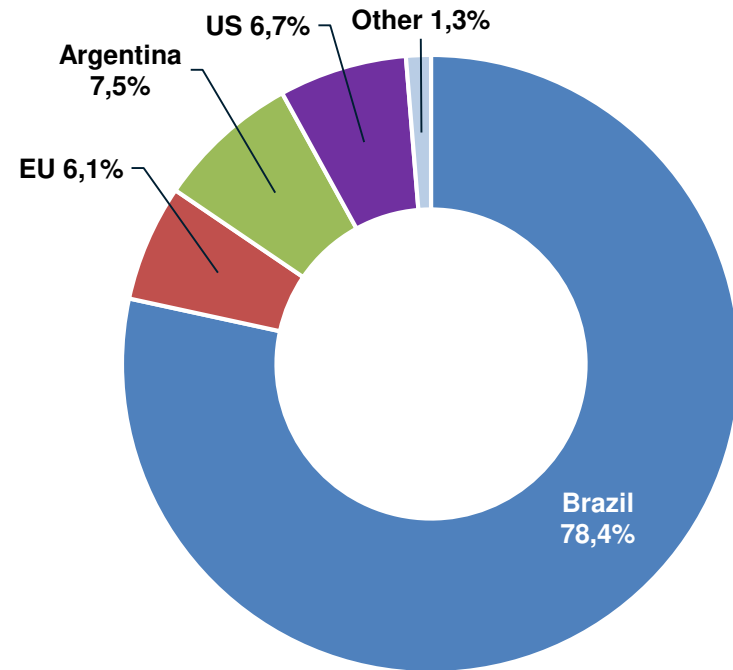
TOTAL POULTRY IMPORTS

■ 2023



414 974 tons

■ 2024 March YTD



103 408 tons

TOTAL POULTRY IMPORTS

Country (tons)	2022	2023	2024 YTD
Brazil	282 128	342 095	81 051
United States	47 774	39 071	6 882
Poland	-	-	
Argentina	33 455	17 288	7 768
Ireland	-	3 924	2 230
Denmark	-	53	47
Spain	2 061	4 351	3 921
Thailand	1 101	2 097	453
Canada	1 358	1 358	
Chile	1 334	638	
Australia	2 334	3 356	766
Germany	-	-	
United Kingdom	-	43	
Netherlands	84	1 216	76
Uruguay	104	75	
Belgium	25	-	
France	5	4	1
Switzerland	-	-	
eSwatini	984	571	18
Other	87	102	114

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