Capital Markets Day

23 September 2021

Brait PLC

(Registered in Malta as a Public Limited Company)
(Registration No. C97843)
Share code: BAT
ISIN: LU0011857645
Bond code: WKN: A2SBSU
ISIN: XS2088760157
LEI: 549300VB8GBX4UO7WG59
("Brait", the "Company" or "Group")

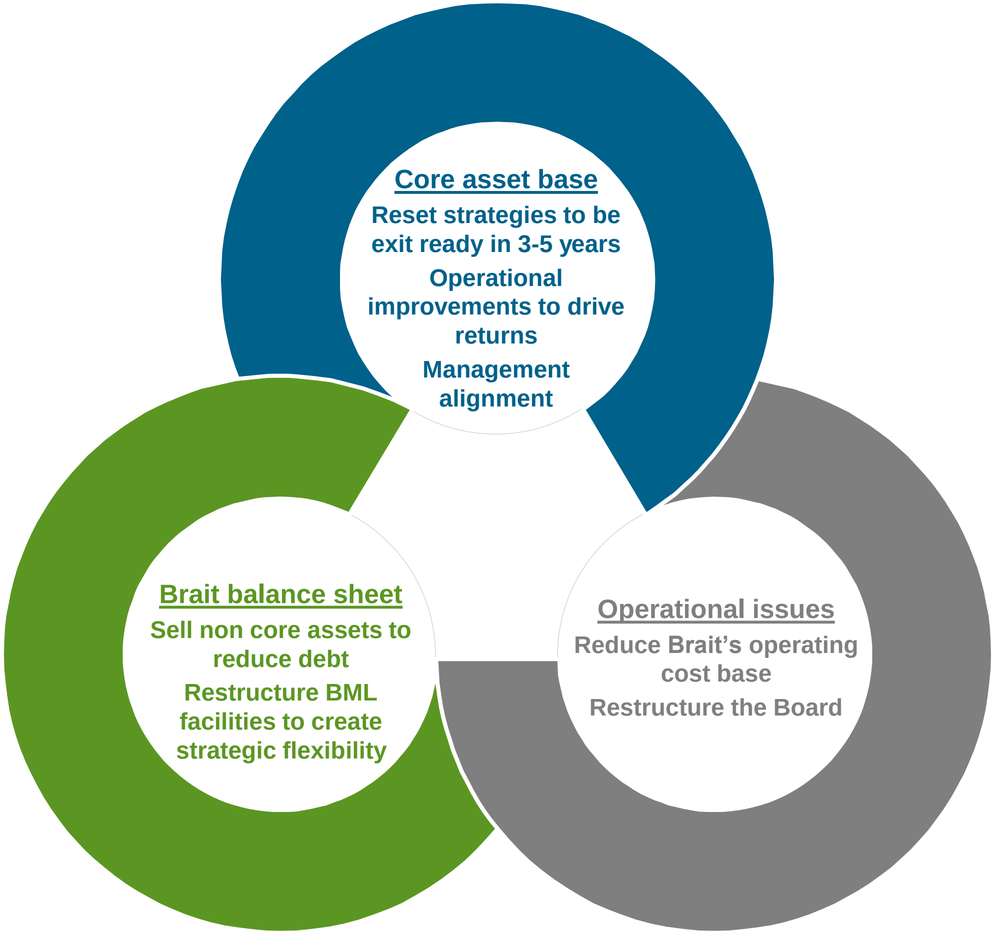
TABLE OF CONTENTS

BRAIT OVERVIEW AND STRATEGY

BRAIT OVERVIEW AND STRATEGY

Achievements since February 2020

ETHOS STRATEGY FOR BRAIT



Core asset base

Reset strategies to be exit ready in 3-5 years

Operational improvements to drive returns

Management alignment

Brait balance sheet

Sell non core assets to reduce debt

Restructure BML facilities to create strategic flexibility

Operational issues

Reduce Brait's operating cost base

Restructure the Board

WHAT HAS BEEN DELIVERED

Disposals of Iceland Foods (R2.3bn) and DGB (R470m), R4.4bn **reduction in group debt**

Strong Premier performance with **LTM EBITDA up c.14%** and Mister Sweet acquisition concluded

Restructuring Plan and CVA concluded for Virgin Active and New Look to recalibrate their operating base

New Brait Board and >R500m **reduction in Brait operating costs**

Strong recovery in Consol performance and **New Look's turnaround strategy** taking hold

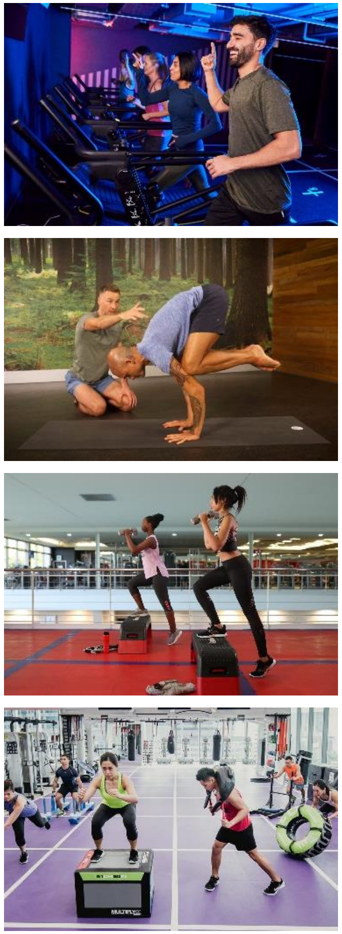
COVID related underperformance of Virgin Active has required additional shareholder capital contributions

Virgin Active cash injections have **required further drawdown** on the BML debt facilities

VIRGIN ACTIVE

VIRGIN ACTIVE

Overview



Restructuring of the VA Europe business complete

providing a **solid recovery and growth platform** for the business

Total cumulative cash benefit of c.£134m, with contributions from all stakeholders

Stronger than expected

performance in the UK since re-opening

6% growth in total members of 20% increase in active members

since last reporting date

Virgin Active South Africa has shown resilience

through the Coronavirus crisis

However membership levels have decreased and the **business is currently operating with capacity constraints**

Clubs re-opened in Italy with good membership engagement

Clubs in Australia and Thailand remain closed

Strong global theme of increased focus on health & wellness bodes well for gym operators

Combination of digital and physical offerings to drive improved membership engagement

Significant operating leverage in the business

Focus is on returning rapidly to 2019 levels which will provide **significant value uplift for Brait**

Source: Virgin Active Management Accounts, Management Information

VIRGIN ACTIVE

Update on operations

ITALY — **21%** — ✓ open

- Clubs reopened in May 2021 (having been closed since October 2020), with some restrictions (swimming pools, showers, saunas closed, and proof of vaccination required)
- **Trading has been in line with expectations**, with European summer being a seasonal low for the Italian business
- Rental savings have been agreed with most landlords and other permanent cost savings

AUSTRALIA — ✗ closed

- Sydney clubs were closed in June 2021, with lockdown restrictions expected to be extended to October 2021 (dependent on vaccination rates)
- Melbourne clubs have been subject to repeated short lockdowns (circuit-breakers) throughout the last 18 months. However, clubs were closed in August 2021 with the expectation that they will remain closed until October 2021
- **Pre-lockdown, membership engagement and usage levels in suburban clubs had been very strong** but clubs in the central business districts of both Sydney and Melbourne remained subdued due to low office occupancy

13% (Australia, Thailand & Singapore)

THAILAND & SINGAPORE — ✗ closed

- **Pre the recent lockdowns, Thailand and Singapore showed resilience and strong membership engagement**
- Thailand closed its gyms in April 2021. While Chiang Mai has reopened, the remaining clubs are expected to reopen in October 2021
- Singapore closed its gyms from May 2021 to June 2021 but after a period of trading, closed again in July 2021 before reopening in August 2021

UNITED KINGDOM — **28%** — ✓ open

- Reopened in April 2021 (having been closed since December 2020), with group exercise classes starting again in May 2021
- **Trading has been strong** since reopening with higher-than-expected sales and fewer members remaining on freeze
- Inner city London gyms remain underutilised but regional / suburban gyms showing strong membership engagement levels. 3 City of London clubs have been closed permanently with members transferred to nearby clubs to reduce exposure to changing working patterns; this has reduced the number of City of London clubs from 9 to 6

SOUTH AFRICA — **38%** — ✓ open

- SA clubs reopened in late August 2020 but were subject to Level 3 restrictions during December-February 2021
- Clubs have been operating with capacity restrictions as a result of the third-wave lockdowns, resulting in an increased number of members on freeze. **Terminations in line with expectations, however new sales impacted** by Level 3 lockdown restrictions and a higher number of members have chosen to keep their membership on freeze than expected
- **Steady improvement in member engagement** and strong recent sales (in line with 2019 levels)

Source: Virgin Active Management Accounts, Management Information

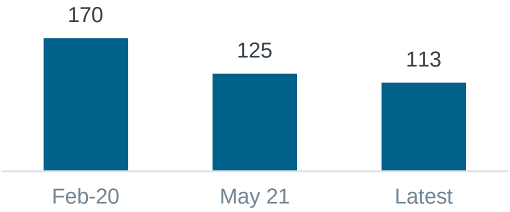
● *= % of 2019 revenue*

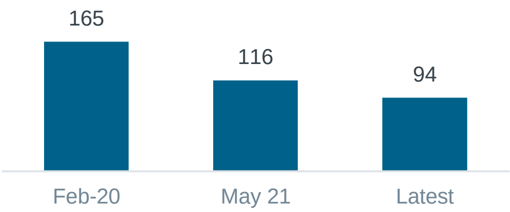
VIRGIN ACTIVE

Update by territory: Membership

Total membership ('000) [1] | **Active membership ('000) [1]** | **Latest update on performance**

ITALY

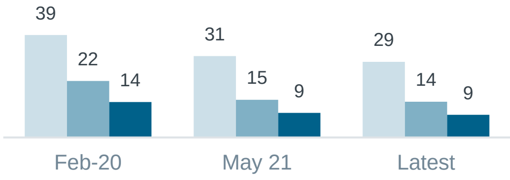


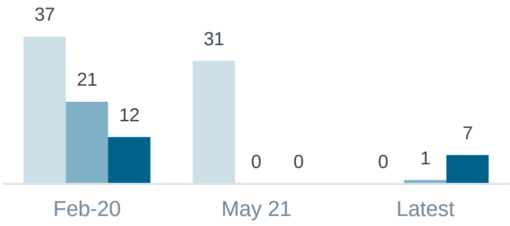


- Sales at c.53% of 2019 levels from May reopening to end August
- **September sales at c.90% of 2019**
- **Usage levels at 79%;** significant number of members on freeze and clubs subject to capacity restrictions

ASIA PACIFIC

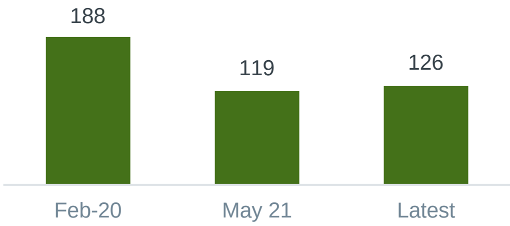
- Australia
- Thailand
- Singapore

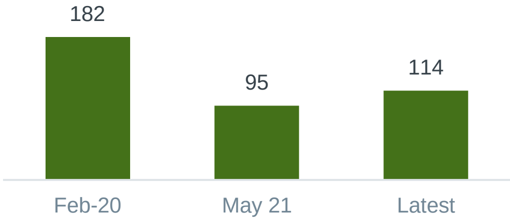




- **Most clubs remain closed in Australia and Thailand** with members on freeze
- **Singapore** clubs re-opened on the 11th of August; **usage levels at 155%**

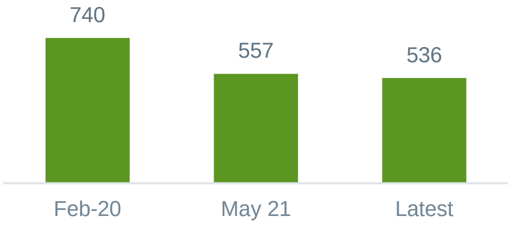
UNITED KINGDOM

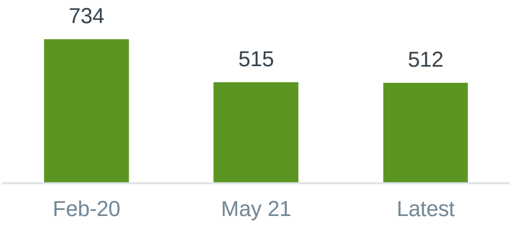




- 35% of clubs are "corporate" clubs
- **Significant uptick in usage to 99%:** Provincial 105%, London residential 102%, London corporate 84%
- **2021 sales vs 2019:** Provincial 151%, London residential 124%, London corporate 104%

SOUTHERN AFRICA





- **Sales performance strong** since Level 3 lockdown restrictions lifted in April
- **Sales run rate at c.87% of 2019 with recent uptick in September**

Source: Virgin Active Management accounts

Notes: (1) May-2021 reported in the FY2021 Brait Annual Results presentation

NEW LOOK

NEW LOOK

Overview

Year ended 27 March 2021 (FY21)

Completed CVA process and recapitalisation
Provides the financial strength, funding and flexibility to execute the strategy

Achieved **#1 position** for overall womenswear market share in the 18 to 44 age range[1]

Cash, liquidity and available facilities
£114m

YTD FY22

Seeing market share momentum with **increased value share four periods in a row[2]**

Strong performance YTD
Tracking budget in UK retail and E-commerce businesses

Improvement in conversion and reduced markdown activity underlines strong product performance

Focus on cash management and tight control of inventory
Significant payment of deferred costs

Strategic investment in digital, data and logistics to drive e-commerce sales and transform the customer store experience

Management refocus on business transformation and strategic growth

Source: Management Accounts, Management Information

Notes: (1) Based on Kantar Worldpanel published data 52 weeks ended 7 March 2021 (Womenswear by value). (2) Based on Kantar Worldpanel published data 12 weeks ended 25 July 2021 (Womenswear by value).

PREMIER

PREMIER IS WELL POSITIONED TO LEAD THE MARKET

Attractive industry fundamentals…

1 Scaled FMCG player

- Significant barriers to entry in the industry: large asset base, national distribution footprint and long-standing customer relationships
- Platform to further scale up operations
- Diversified portfolio with leading brands

2 Defensive staple foods brands

- Essential spending accounts for c.60% of total household spending in Southern Africa. Of this, bread is the largest dry grocery food product by value[1]
- Premier owns top bread brands across the country, with exposure to high growth lower and middle LSM segments

…combined with operational excellence…

3 Targeted investment resulting in fully integrated, world-class operations

- Under Brait's ownership, Premier has invested c.R4.5bn in capex to create a world-class manufacturing and distribution footprint across Southern Africa
- Track record of significant efficiencies and cost savings from capex programs

4 Highly experienced management team

- Strong management team with extensive industry experience, aligned through shareholding in the business
- Responsible for cultivating an agile, high-performance culture
- Committed to Environmental, Social and Regulatory ("ESR") principles

...resulting in an excellent financial track record, leaving the business well placed for future growth

5 Excellent financial track record

- Since 2011, Premier's revenue and operational EBITDA has grown at CAGRs of c.9% and c.18% respectively
- High proportion of fixed costs and operational leverage in the business, with platform to enter new FMCG categories
- Strong cashflow generation, with c.R1.7bn returned to Brait since 2011

Notes: (1) BMR Standard Bank Research, Nielsen Shoppergraphics Q4 2020

1

SCALED FMCG PLAYER

Significant barriers to entry with leading brands

Leading Southern African FMCG manufacturer employing 8,000 people *(nearly 12,000 including contracted service providers)*

Operates 7 wheat mills and 3 maize mills across South Africa, eSwatini and Mozambique

With an installed milling capacity of **c.1.1m tons of wheat and c.690,000 tons** of maize per annum

Premier **owns all its manufacturing sites**

Operating platform which is being **leveraged to enter new FMCG categories**

Installed baking capacity to produce **721m loaves** of bread per annum in SA, Lesotho and eSwatini

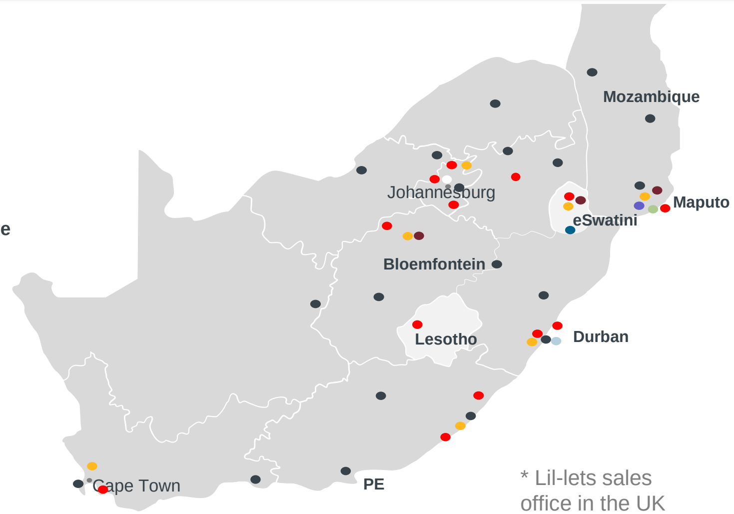
20 distribution depots in distribution network

Approximately **1.8m loaves a day**, delivered to **c.34,000 customers** via a fleet of **930 bakery trucks**

Significant exposure to the **informal market / lower income** consumers which account for **>60%** of Premier’s Millbake sales

Operates 29 manufacturing sites and 20 distribution depots

- ● 3 Maize Mills
- ● 7 Wheat Mills
- ● 12 Bakeries
- ○ 2 Sugar Confectionery
- ● 1 Home & Personal Care
- ● 20 Distribution Depots
- ● 1 Pasta Plant
- ● 1 Animal Feed Plant
- ● 1 Biscuit Plant
- ● 1 Beverage Plant



* Lil-lets sales office in the UK

Millbake

#2 Flour
#2 Maize

>20% share in Flour

>15% share in Maize

#3 in Bread (SA)
#1 in WC
#2 in KZN / EC
#3 in Gauteng

>20% market share

Groceries

#2 Sugar Confectionery

#3 Feminine Care (SA)

>17% share in Sugar Confectionery

>17% share in Feminine Care

#1 eSwatini (Bread, Maize, Wheat and Mageu)

#1 Mozambique (Maize, Wheat, Biscuits, Pasta, Animal Feeds)

#1 Non-App tampons in UK

Brand position

Market share

Source: Management Information, Nielsen Total SA 12MAT June 2021

1

SCALED FMCG PLAYER

Targeted acquisitions and investment into brands, operations and people over the past 10 years

Acquisitions:

R2.7bn

Acquisition of 10 Millbake and FMCG businesses

Brand Investment:

R2.8bn

Significant investment into leading brands

Replacement and Expansionary Capex:

R4.5bn

Well capitalised manufacturing and distribution

People:

R180m

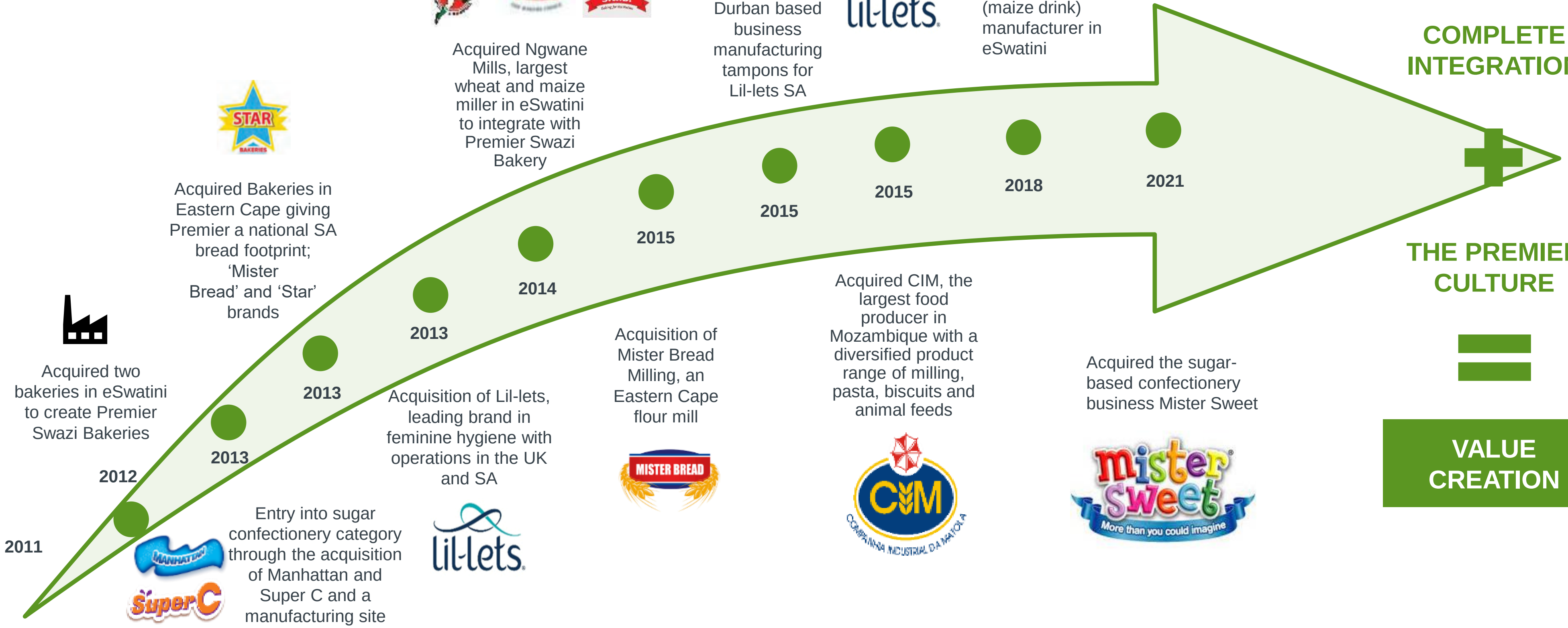
Invested in talented people

Source: Premier Annual Financial Statements, Management Information

1

SCALED FMCG PLAYER

Proven track record in creating shareholder value from acquisitions



2011

Acquired two bakeries in eSwatini to create Premier Swazi Bakeries

2012

Entry into sugar confectionery category through the acquisition of Manhattan and Super C and a manufacturing site

2013

Acquired Bakeries in Eastern Cape giving Premier a national SA bread footprint; ‘Mister Bread’ and ‘Star’ brands

2013

Acquisition of Lil-lets, leading brand in feminine hygiene with operations in the UK and SA

2013

Acquired Ngwane Mills, largest wheat and maize miller in eSwatini to integrate with Premier Swazi Bakery

2014

Acquisition of Mister Bread Milling, an Eastern Cape flour mill

2015

Acquisition of La Femme, Durban based business manufacturing tampons for Lil-lets SA

2015

Acquired CIM, the largest food producer in Mozambique with a diversified product range of milling, pasta, biscuits and animal feeds

2015

Acquired the largest mageu (maize drink) manufacturer in eSwatini

2018

Acquired the sugar-based confectionery business Mister Sweet

2021

COMPLETE INTEGRATION

➕

THE PREMIER CULTURE

=

VALUE CREATION

1. *By fully integrating **10 acquisitions**, Premier has a core competency in **assessing and integrating acquisitions***
2. *Under Brait’s ownership, operational EBITDA has grown **18% p.a.** from FY11 – FY21, with **12%** attributable to organic growth and the balance to acquisitions*
3. *Opportunity to pursue **further acquisitive growth**, coupled with ensuring **organic growth is maintained** within each brand*

Source: Management Information

2

DEFENSIVE STAPLE FOODS BRANDS

Bread is the largest dry grocery food product by value in South Africa

Key feature	Reason	Consequence
Strong consumer proposition	Convenience Value for money offering Regional brands	Aspirational product for SA consumer Appeals to broad range of consumers
Bread has not been commoditised	Significant value add by the producer Differentiated product Fresh product with short shelf life	Strong consumer brands Low level of private label penetration
The industry has high barriers to entry	High volume throughput and need for consistent quality Major players operate integrated Millbake operations nationally Sophisticated logistics required to service the informal market	Capex intensive but scalable Technology dependent

POSITIVE IMPACT UPON BREAD PRODUCERS IN SOUTH AFRICA

1. Attractive margin, large category food business in SA
2. High element of cash sales and broad range of customers with low level of dependence on supermarket retailers
3. Reasonably balanced market in terms of supply and demand

Premier's bread proposition

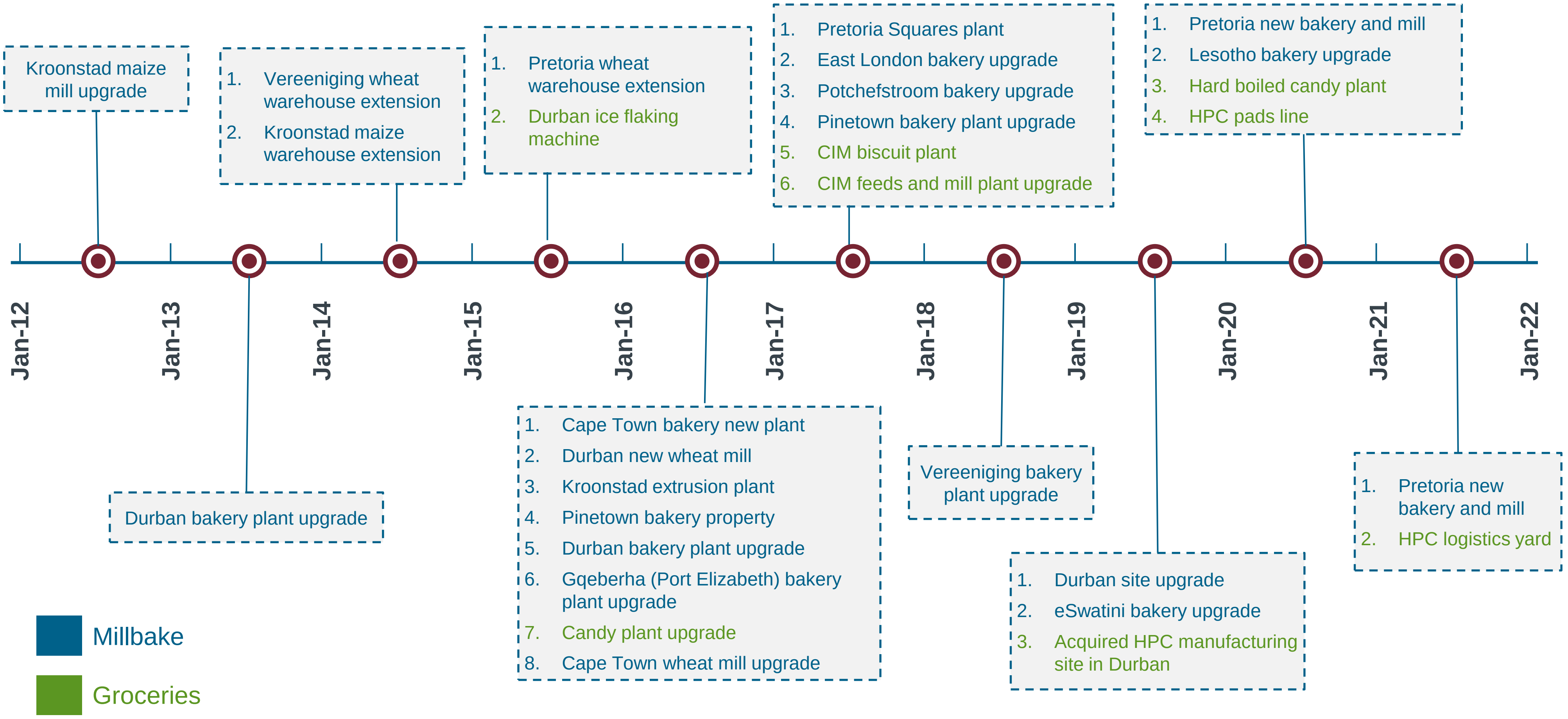
- Bakeries in Western Cape, Eastern Cape, Durban and eSwatini are **integrated** with dedicated wheat mills on site, improving quality and lowering costs
- #1 / #2 market positions in Western Cape, Kwazulu-Natal and Eastern Cape, with an opportunity to grow within the Inland region
- Premier is investing R400m into its Pretoria bakery (to be commissioned Q4 FY22) in order to support its Inland strategy
- Continuous capital investment and operational improvements have ensured Premier's product offering is consistently of the highest quality
- Aligned the "Premier Way" strategy of earning the right to operate in its communities, Blue Ribbon has worked on ensuring a strong brand awareness, with ongoing promotional campaigns and community engagement
- Long-term experience and know-how navigating logistical routes and supply chain efficiencies

Source: Nielsen Total SA 12MAT June 2021, Management Information

3

TARGETED INVESTMENT RESULTING IN FULLY INTEGRATED, WORLD-CLASS OPERATIONS

Premier has invested R4.5bn on capex projects over the past decade



Kroonstad maize mill upgrade

Durban bakery plant upgrade

1. Vereeniging wheat warehouse extension
2. Kroonstad maize warehouse extension

1. Pretoria wheat warehouse extension
2. Durban ice flaking machine

1. Cape Town bakery new plant
2. Durban new wheat mill
3. Kroonstad extrusion plant
4. Pinetown bakery property
5. Durban bakery plant upgrade
6. Gqeberha (Port Elizabeth) bakery plant upgrade
7. Candy plant upgrade
8. Cape Town wheat mill upgrade

1. Pretoria Squares plant
2. East London bakery upgrade
3. Potchefstroom bakery upgrade
4. Pinetown bakery plant upgrade
5. CIM biscuit plant
6. CIM feeds and mill plant upgrade

Vereeniging bakery plant upgrade

1. Durban site upgrade
2. eSwatini bakery upgrade
3. Acquired HPC manufacturing site in Durban

1. Pretoria new bakery and mill
2. Lesotho bakery upgrade
3. Hard boiled candy plant
4. HPC pads line

1. Pretoria new bakery and mill
2. HPC logistics yard

🟦 Millbake

🟩 Groceries

Post completion of the Inland Bakery Project, 11 of 12 bakeries in the Group would have been upgraded in the last 10 years

Source: Management Information

4

HIGHLY EXPERIENCED MANAGEMENT TEAM

Management have created a more resilient business

Management team of experienced operational senior executives

CEO
Kobus Gertenbach (50)
Years at Premier: 10

CFO
Fritz Grobbelaar (43)
Newly Appointed

ENVIRONMENTAL, SOCIAL & REGULATORY
Julian Singonzo (51)
Years at Premier: 8

STRATEGY, MARKETING & HPC
Siobhan O'Sullivan (56)
Years at Premier: 8

SALES
Arnouw van der Schyf (49)
Years at Premier: 20

BAKERIES
Danie Simpson (56)
Years at Premier: 9

MILLING, GROCERIES & AFRICA
Gavin Campbell (53)
Years at Premier: 8

HUMAN RESOURCES
Frans Germishuizen (64)
Years at Premier: 8

HUMAN RESOURCES
Anastasia Sodalay[1] (44)
Newly Appointed

The "Premier Way" – a leadership philosophy and culture of high performance

Premier's leadership philosophy is about having leaders who are:

1. Passionate about their business and known for their investment in people, processes and systems
2. Have a relentless focus on continuous improvement and innovative thinking
3. Understand how to execute strategy in the Premier Way
4. Build an enduring employee value proposing and genuinely care for people
5. Create an irresistible winning culture

*The **Premier Way** aims to create a high performance, growth culture with agile processes, individual commitment and a common purpose: **Premier's products and people make a difference in the everyday lives of its consumers.** This strategy is aligned to key pillars:*

- **Unlocking future growth**
- **Earning the right to operate in its communities**
- **Growing together to be the best**
- **Being brilliant at the basics**

Source: Management Information

Notes: (1) Earmarked to fill position in next financial year when incumbent retires.

BRAIT

4 PREMIER EARNS THE RIGHT TO OPERATE IN ITS COMMUNITIES

1 *Protect the health and safety of employees and ensure food safety*

- Employee health & safety remains a priority with **FSSC 22000** and **ISO 9001** at the majority of sites
- **GOTS, FSC** and **ISO 4001** certified where relevant
- **6,180 employees** were trained in 2020 equating to **15,450** training days
- Extensive **COVID-19 protocols** implemented resulting in limited impact on employee wellbeing and food security
- 75% of sites have a **5 or 6-Star rating**

2 Labor

1 Risk Management

8 DECENT WORK AND ECONOMIC GROWTH

4 QUALITY EDUCATION

2 *Contribute to social upliftment*

- Premier's CSI strategy is linked to **Sustainable Development Goals**
- **Product donations** in the form of bread, wheat, maize, confectionery, mageu and sanitary products
- In 2020, **R4m** donated as part of COVID-19 relief scheme
- **2.6m** (c.289,000 servings) loaves of bread among other products donated
- **36m pads** donated enabling c.428,000 girls to attend school whilst menstruating

2 ZERO HUNGER

4 QUALITY EDUCATION

5 GENDER EQUALITY

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

3 *Reduce impact on the planet*

- **Reduce energy consumption** whilst continuing to grow the business by investing in improved and/or alternative energy sources
- Implementation of **Reduce, Re-use and Recycle** philosophy in all manufacturing facilities and offices
- Continued pursuit of projects that **reduce water consumption** and promote usage of waste and/or recycled water

3 Resource Efficiency

6 Biodiversity

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

15 LIFE ON LAND

Source: 2020 ESG & Sustainability Onboarding Analysis: Premier, March 2021, Management Information

EXCELLENT FINANCIAL TRACK RECORD

5

Demonstrated resilience and growth over the last 10 years

Period of significant growth defined by:

1. Significant investment into Millbake business, with all its coastal bakeries (and eSwatini) upgraded
2. Expansion into an FMCG business, including sugar confectionary and feminine hygiene
3. Growth in chosen geographies (eSwatini and Mozambique)

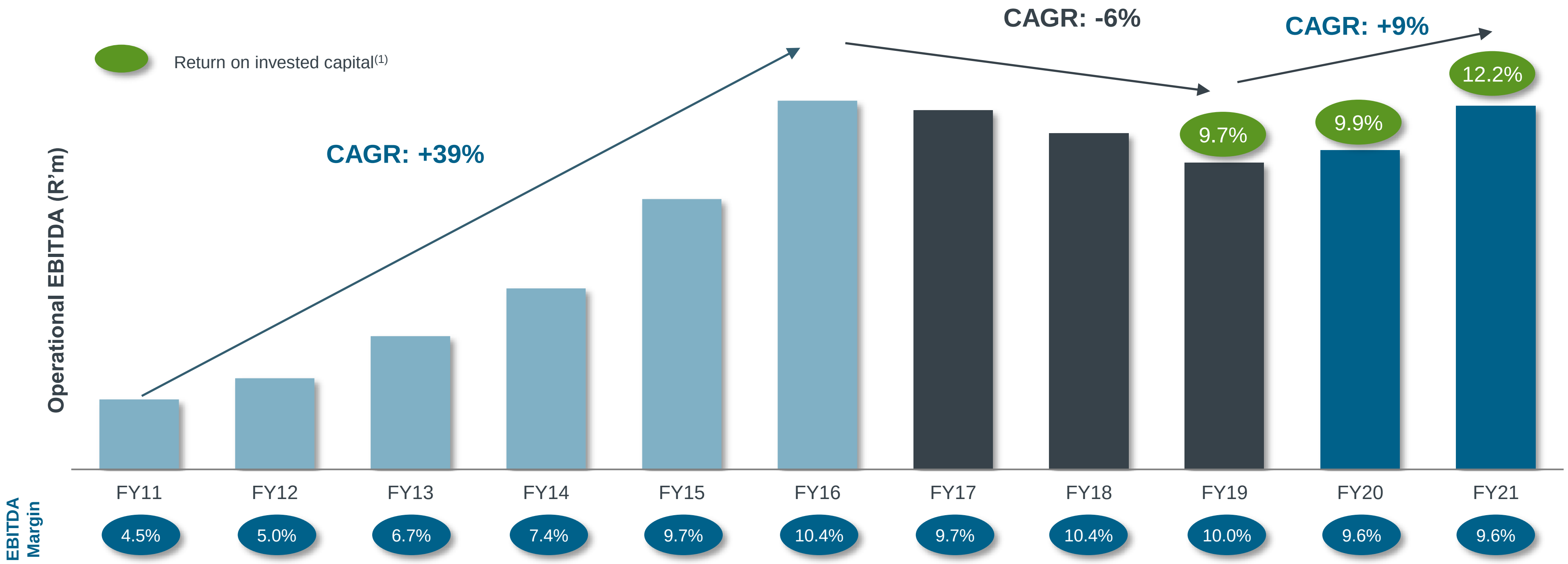
Period of muted growth driven by:

1. Worst drought in 100 years, leading to record high maize prices
2. Macro economic collapse in Mozambique impacting CIM

EBITDA resilience in the face of headwinds

Performance rebound driven by:

1. Volume and market share growth
2. Recovery in Cape Town Bakery and CIM
3. Active cost management and operational efficiencies



Source: Premier Annual Financial Statements, Management Analysis

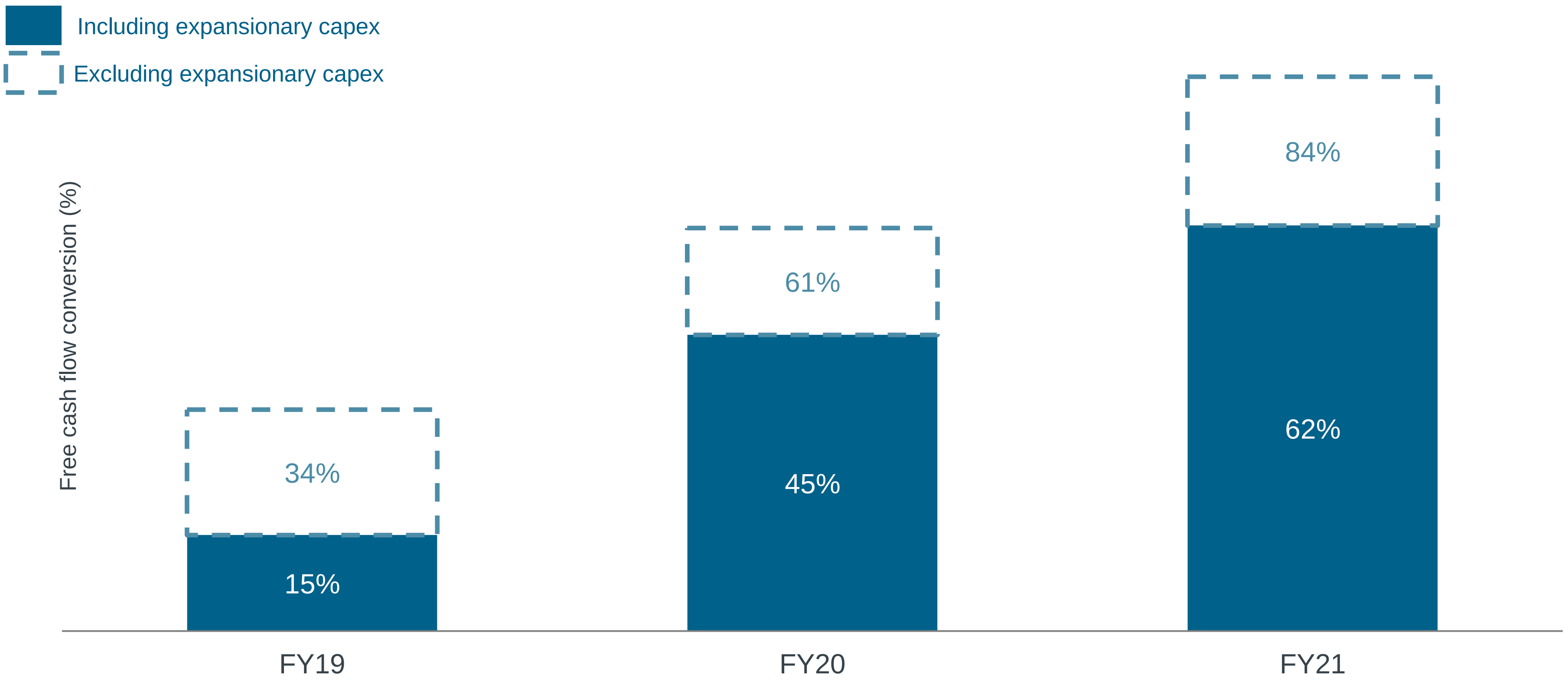
Notes: (1) Return on invested capital excludes impact of once-offs and accounting adjustments for revaluation of internally generated intangible assets, foreign currency translation reserves

EXCELLENT FINANCIAL TRACK RECORD

5

Cash generative business with consistent returns to shareholders

Free cash flow conversion[1]

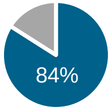


Premier has cumulatively returned R1.7bn to shareholders over the last 10 years

Source: Premier Annual Financial Statements, Management Analysis

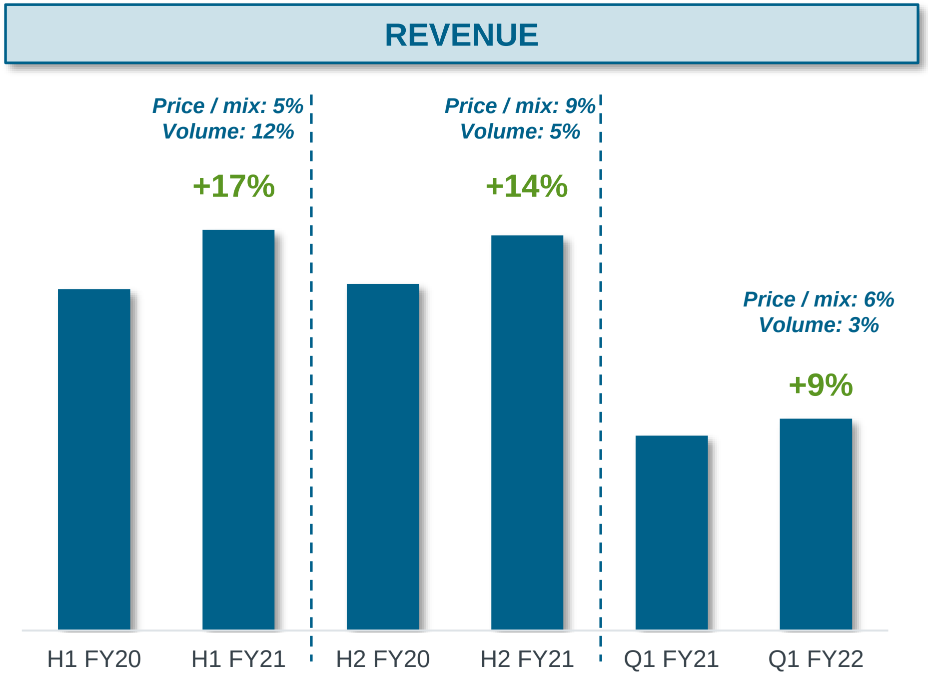
Notes: (1) Free cash flow / operational EBITDA. Free cash flow calculated as cash flow from operations +/- investment in working capital – capex – tax paid

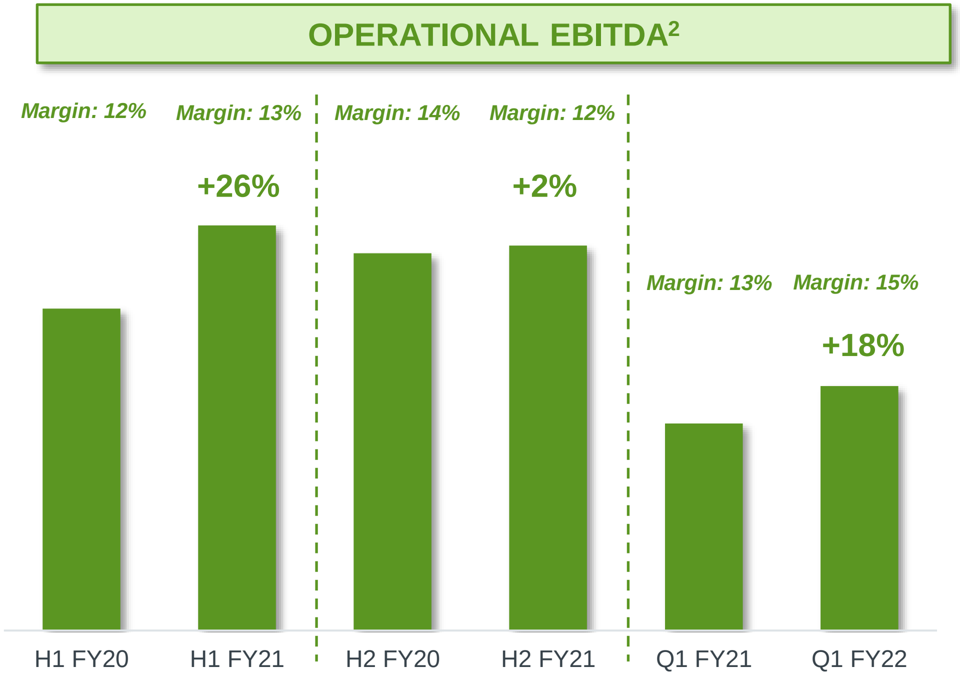
EXCELLENT FINANCIAL TRACK RECORD



Contribution to Premier Q1 FY22 revenue

Divisional performance highlights: Millbake[1]



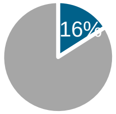


1. **Revenue growth balanced between volume and price growth**
2. **Significant capex investment to increase quality, capacity and efficiencies**
3. **Operating efficiencies and processes to ensure consistent quality, health & safety and continuous improvement**
4. **Building brand equity and community engagement through regional execution plans**

Source: Premier management accounts as at 30 June 2021 (unaudited)
Notes: (1) Millbake includes maize, wheat and bread sales in SA, Lesotho and eSwatini. (2) Excludes head office costs and non-recurring items

5

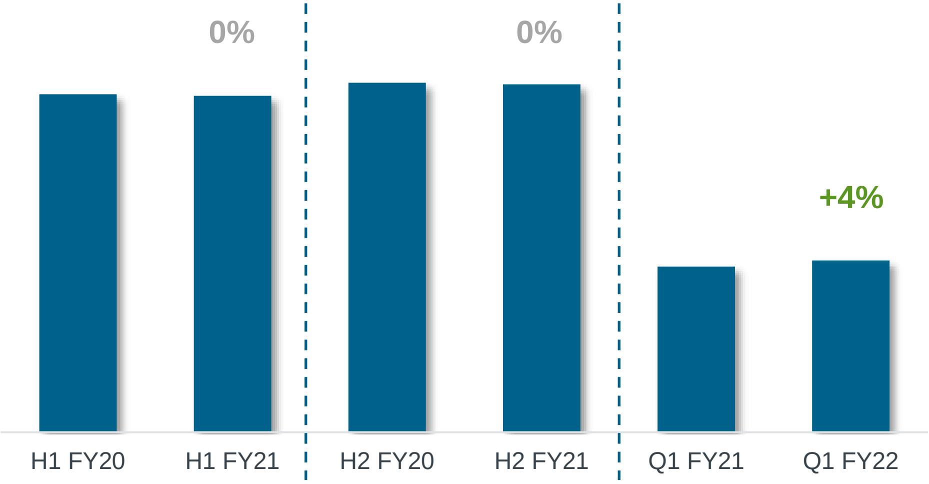
EXCELLENT FINANCIAL TRACK RECORD



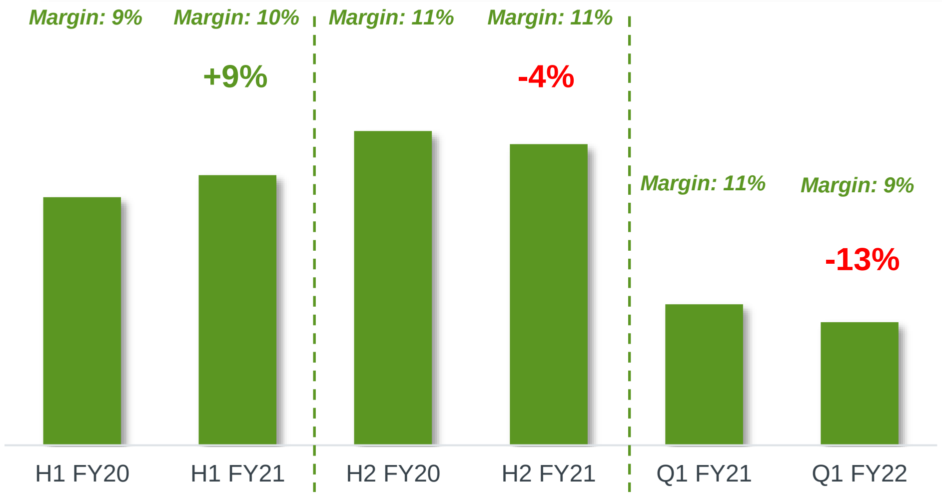
Contribution to Premier Q1 FY22 revenue

Divisional performance highlights: Groceries

REVENUE



OPERATIONAL EBITDA[1]



1. **CIM:** (1) Significant capex investment to improve quality, capacity and efficiencies (2) Investment in training, innovation and brands to strengthen market leadership credentials (3) Agile approach to unlocking growth through innovation, activation and improved routes to market
2. **Home & Personal Care:** (1) Building a global brand with relevant innovation into adjacencies (2) Delivering volume growth in new channels, new markets offering consumers choice of products, including more sustainable solutions
3. **Sugar based confectionery:** Building scale and expanding the product offering to enable broader category participation and route to market penetration
4. **Nutritional Beverages:** Leverage brands and installed capability through innovation, new markets and private label supply

Source: Premier management accounts as at 30 June 2021 (unaudited)
Notes (1): Excludes head office costs and non-recurring items

Q&A

Notice to recipients

The presentation has been prepared by the Group. For the purposes of this notice to recipients, the “presentation” shall include this document, the oral presentation of this document by the Group or any person on its behalf, hard copies of this document and any materials distributed (or statements made) in connection with this document. By attending the meeting at which the presentation is made, dialling into any teleconference during which the presentation is made or reading the presentation, you will be deemed to have agreed to the restrictions that apply with respect to the presentation.

Certain statements contained in the presentation, including, without limitation, any statements preceded by, followed by or including the words “targets”, “believes”, “expects”, “aims”, “intends”, “may”, “anticipates”, “would”, “could” or similar expressions or the negative thereof, constitute forward-looking statements, notwithstanding that such statements are not specifically identified. Examples of forward-looking statements include but are not limited to: (i) statements about future financial and operating results; (ii) statements of strategic objectives, business prospects, future financial condition, budgets, projected levels of production, projected costs and projected levels of revenues and profits of the Group or its management or boards of directors; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Forward-looking statements are not guarantees of future performance and involve certain risks, uncertainties and assumptions which are difficult to predict and outside of the control of the management of the Group. Therefore, actual outcomes and results may differ materially from what is expressed or implied by such forward-looking statements. Neither the Group nor any of its associates or directors, officers or advisers provide any representation, assurance or guarantee that the occurrence of the events or circumstances expressed or implied in any forward-looking statements will actually occur. You are cautioned not to place undue reliance on these forward-looking statements which only speak as of the date of this document. Except as required by applicable regulation or by law, the Group expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events. The presentation shall not, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date of the presentation or that the information contained therein is correct as at any time subsequent to its date. The information contained in the presentation has not been subject to any independent audit or review. Our internal estimates have not been verified by an external expert, and we cannot guarantee that a third party using different methods to assemble, analyse or compute market information and data would obtain or generate the same results. We have not verified the accuracy of such information, data or predictions contained in the presentation that were taken or derived from industry publications, public documents of our competitors (or competitors of our investment portfolio) or other external sources.

The presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. The making of the presentation does not constitute a recommendation regarding any securities. Certain financial measures and ratios related thereto in the presentation are not specifically defined under IFRS or any other generally accepted accounting principles. These measures are presented because we believe that they help illustrate the underlying performance and position of the Group. These measures should be considered in addition to, and not as a substitute for, or as superior to, measures of financial performance in accordance with IFRS.