



MEDIA STATEMENT

GENERAL TRADING UPDATE

14 September 2020: Astral Foods Limited (Astral), South Africa's leading integrated poultry producer, released a trading update on the Stock Exchange News Service (SENS) today, whereby the Group indicated that the earnings per share ("EPS") and headline earnings per share ("HEPS") for the year ending 30 September 2020 are expected to be down by not more than 25% on the comparative previous year's reported results.

Chris Schutte, CEO of Astral, commented: "Astral is cautiously satisfied with its performance considering that the entire second half of the financial year was negatively impacted by the lockdown associated with the Covid-19 pandemic, which appears to have had a more severe impact on the financial results of other businesses within this sector."

The financial year also includes water supply costs incurred at the Group's poultry processing plant in Standerton. Countrywide and localised load shedding in Standerton, plus additional costs to manage the risks associated with Covid-19 and ensuring the safety of our staff, have negatively affected the financial results for the year. This was partially offset by the continued good performance of the Ross poultry breed, where Astral was once again able to optimise the genetic potential of the bird.

A complete shutdown in the quick service restaurant (QSR) sector during the hard lockdown saw more chicken being channelled to frozen production, resulting in higher stock levels of individually quick frozen (IQF) portions in the poultry industry. This resulted in downward pressure on selling prices to the retail market. Consumer spending patterns have come under strain as economic conditions in the country have worsened. The profitability of Astral's broiler operations in particular, were negatively affected, whilst the feed division remained unaffected.

"Under these conditions the business has performed satisfactorily, and the **operating profit is expected to be down by not more than 15%**. In striving for operational excellence and executing our simple best cost strategy, Astral has remained resilient to the market conditions during this period. We are pleased to say that during the Covid-19 lockdown our operations ran like clockwork with no serious production interruptions. We salute our staff at all levels in the business who have continued to support Astral in delivering an essential service to the country," concluded Schutte.

Ends

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Company background

Astral Foods Limited (Astral), a leading South African integrated poultry producer, with key activities in animal feed pre-mixes, manufacturing of animal feeds, broiler genetics, production and sale of day-old chicks and hatching eggs, with integrated breeder and broiler production operations, abattoirs as well as sales and distribution of various key poultry brands. The brands in the Astral stable include:

- County Fair
- Festive
- Goldi
- Mountain Valley
- Supa Star
- Ross Poultry Breeders
- National Chicks
- Meadow Feeds
- Tiger Animal Feeds
- Tiger Chicks
- Mozpintos
- CAL Labs