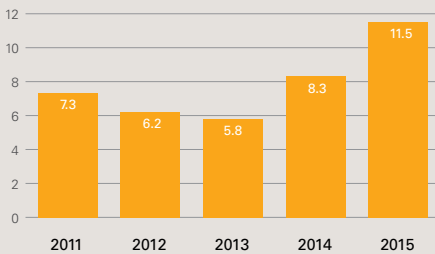


# INVESTMENT CASE

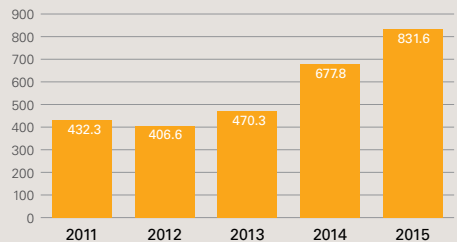
To generate attractive and sustainable returns for shareholders over the short, medium and longer term, Pioneer Foods developed the following competitive capabilities:

- Pioneer Foods has a clearly articulated strategy driving the twin objectives of strengthening brand positions and expanding margins.
- Pioneer Foods operates in key categories in mature industries with its revenues diversified by product mix, geography, and urban and rural spread.
- The Group is highly cash generative and has sufficient debt capacity to enable Pioneer Foods to invest in growth – both organically and acquisitively.
- A significant number of the Group's brands are either number one or two in their respective market categories, with the further potential to strengthen the equity of the power brands.
- The Group's extensive distribution network, significant capital infrastructure and strong brands in core categories present a high barrier to entry for new competitors.
- A continuous long-term capital expenditure programme positions the Group well to take advantage of future market growth opportunities.
- The Group displays agility and quick decision-making.
- Revenue growth at attractive margins is a strategic imperative and is further enabled by innovation and expansion into adjacent and new markets.
- The cost containment and efficiency ethos aids and supports the Group strategy.
- The Group is seasoned in managing soft commodity cycles and seasonality.
- The Group is well positioned to selectively strengthen its participation in the retail private label segment.
- High-performance culture and effective leadership.

## OPERATING PROFIT MARGIN %



## HEADLINE EARNINGS PER SHARE CENTS



Creating value for investors through five focus areas – Future value creation headroom

