

INVESTMENT CASE

Pioneer Foods operates in key categories in mature industries with its revenues well diversified by product mix, geography and urban and rural spread.

- The implementation of a clear and coherent strategy over the past 18 months has resulted in a more streamlined organisation with improved cost management, operational efficiencies and centralised Group services.
- The Group is highly cash generative and has sufficient debt capacity to enable Pioneer Foods to invest in growth – both organic and acquisitive.
- 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 seven power brands.
- The Group is well positioned to strengthen its participation in the retail private label segment.
- The Group's extensive distribution network, significant capital infrastructure and strong brands in core categories present a high barrier to entry for new competitors.
- The conclusion of the capital expenditure programme positions the Group well to take advantage of future market growth opportunities.
- Part of the Group's strategy has been re-evaluating certain underperforming businesses and brands in the portfolio and progress has already been made in this regard.
- Revenue growth at attractive margins is a strategic imperative and will be further enabled by innovation and expansion into adjacent and new markets.
- The cost and efficiency drive continues to aid and support the Group strategy.