

TIGER BRANDS LIMITED



STRATEGY INTO EXECUTION

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Tiger Brands





1. Background

Customer Strategy & Priorities Towards 2020

2. Current Market Reality

3. Progress on Strategic Priorities

Growing with Customers – Collaboration & Growth Workshops

Growing with Customers – Retail Outlet Segmentation

Growing in Store - Next Generation TBFS & ROAR Reporting

Growing Distribution in L&T and General Trade

Operational Excellence & Execution - Trade Category Management

Great Place to Work – Building Culture and Capability

4. Strategy into Execution

5. Summary

BACKGROUND



Customer Strategy & Priorities Towards 2020

STRATEGIC FRAMEWORK

STRATEGIC INTENT

TO BE THE GO-TO COMPANY FOR GROWTH AND EXECUTION CAPABILITIES WITH EVERY RETAILER

STRATEGIC PRIORITIES

GROWING WITH CUSTOMERS

GROWING IN STORE

CUSTOMER PROFITABILITY

GROWING DISTRIBUTION IN L&T AND GENERAL TRADE

OPERATIONAL EXCELLENCE & EXECUTION

GREAT PLACE TO WORK

STRATEGIC ACTIONS

SHOPRITE
Checkers

MASSCASH

Pick n Pay
Inspired by you

SPAR



OUR VALUES
PEOPLE
PERFORMANCE
CUSTOMERS
WORLD
INTEGRITY



Must Fix/Must Do

MUST FIX

- **GROWING WITH CUSTOMERS**
Modern Trade - Attractive channel, chain & format
 - Strategy & Growth workshopsCustomer marketing RACI embedded, capability building completed & top 5 category reviews completed
- **OPERATIONAL EXCELLENCE/EXECUTION**
Trade category management resource, plano-guides and JDA assortment optimisation tools in action
- **GROWING DISTRIBUTION IN GT**
L&T team – Right leadership, strategy, structure, portfolio & strategic partners for hybrid market (Minanawe)

MUST DO

- **GROWING IN STORE**
500 ROAR stores compliant on OSA, Pricing, NPI, Promotions
Next Gen TBFS Model
Launch Retail Outlet Segmentation project
 - Gain "fair share" in 1,088 outlets via retailer vs. retailer competition and RoS store and cluster monthly data
- **GROWING PROFITABILITY**
Roll out Visual Fabrique capability for trade spend optimisation
- **GREAT PLACE TO WORK**
Build growth hungry culture
Operational evaluation - my job, my career, my reward

GROWING WITH CUSTOMERS



Collaboration & Growth Workshops



- Identified opportunities through data analysis
- Collaboration & Growth Workshops are key
 - Joint forward planning
 - Alignment of promotional plans to deliver improved shopper & sales benefit



BULK, COMBO & FREE DEALS

R50 TASTIC AS SEEN ONLY	R18 BUY BOTH	R40 3	27⁹⁹ FREE!
R20 4	R45 3	79⁹⁹ 3	R99 BUY BOTH

Checkers part of Checkers Hyper
better and better

GROWING WITH CUSTOMERS & IN STORE



Retail Outlet Segmentation

- New technology & tools to grow in store
- R530m up for grabs by achieving fair share in priority outlets
- Partnership with IRI
- Live data discussed at store level will drive retailer vs. retailer competition
- 1,088 stores account for 80% total Tiger business*
- Sales force launch Feb 2016

* Source: Aztec sales out

Data for illustrative purposes only

Store name	Cc Greenstone	Total Tiger	Value	Growth	O&A	Cluster Growth	
Banner	Checkers	MAT	R 3 670 728	-5.8%		3.4%	
Tiger channel	Sr Chk Group	SMM	R 960 146	0.7%	83%	13.3%	LY TY
Radius	7 Km	Dec 16	R 407 735	-4.4%	90%	19.1%	12 /18 12 /18

Category Overview **3MM to Dec 15**

Rank	Store	Banner	Checkers Co Greenstone		VALUE GROWTH % vs. LY			Share			
			CAT	TIGER	Store	Cluster	SMM				
		Total Category		CAT	TIGER	CAT	Tiger	Tiger			
5	1	Other Bread	R 2.824 m	100%	R 0.481 m	100%	2%	-3%	7%	14%	16%
2	2	Maize	R 0.908m	32%	R 0.040 m	9%	- 8%	- 2%	1%	2%	4%
4	3	Parboiled Rice	R 0.110m	4%	R 0.051 m	11%	13%	98%	21%	80%	47%
1	4	White Bread	R 0.089m	3%	R 0.047 m	10%	- 4%	- 25%	13%	%	53%
3	5	Brown Bread	R 0.256m	9%	R 0.105 m	23%	- 4%	- 9%	1%	- 2%	41%
13	8	Cake Flour	R 0.154m	5%	R 0.051 m	11%	- 9%	- 4%	%	- 3%	33%
12	7	Porridge	R 0.037m	1%	R 0.007 m	1%	25%	32%	- 12%	22%	18%
6	8	Cooking Oats	R 0.067m	2%	R 0.008 m	2%	26%	497%	12%	357%	13%
9	9	Spagetti	R 0.028m	1%	R 0.021 m	4%	- 9%	3%	44%	65%	74%
10	10	Macaroni	R 0.028m	1%	R 0.015 m	3%	- 1%	- 17%	6%	- 5%	55%
		Ad Other	R 0.024m	1%	R 0.011 m	2%	- 8%	- 28%	9%	- 2%	49%
		Ad Other	R 1.125m	40%	R 0.106 m	23%	12%	- 10%	11%	7%	9%

Top 16 Tiger SKU's

Rank	Store	Banner	Product Description	Value	Growth %	RoS	Cluster Growth %	RoS
1	1	Albany Superior Wht Brd 700 Gr		77 184	- 8%	2 062	- 1%	3 340
11	2	Tesdo Rice 10 Kg		8 221	New	22	- 5%	395
2	3	Albany Superior Sm Brd 700 Gr		50 895	- 4%	1 551	- 3%	3 020
3	5	Tesdo Rice 2 Kg		28 098	- 18%	418	- 7%	1 144
5	8	Ace Maize Maize Meal Super Paper 5 Kg		18 652	12%	164	26%	620
13	8	Tesdo Rice 5 Kg		7 380	- 69%	36	31%	315
8	9	Jungle Oats Porridge 1 Kg		17 487	22%	241	57%	661
4	10	Ace Maize Maize Meal Super Poly 10 Kg		22 722	New	101	11%	200
9	11	Fette & Moris Spaghetti Plain 500 Gr		10 510	- 12%	329	0%	945
12	12	Fette & Moris Macaroni Plain 500 Gr		7 857	- 21%	258	- 2%	700
7	13	Albany Superior Wht Lgi 700 Gr		18 954	- 8%	359	- 5%	428
8	14	Albany Superior Best Of B 700 Gr		10 899	- 34%	244	- 8%	435
17	16	Ace Maize Maize Meal Super 2.5 Kg		5 212	- 5%	79	22%	219
46	17	Fette & Moris Macaroni Plain 3 Kg		1 850	28%	8	9%	109
14	18	Albany Superior WWheat Brown 800 Gr		8 988	4%	172	6%	320

Top 5 Opportunity Lines

Rank	Product Description	Value	Value Growth %	Rate Of Sale
4	Ace Maize Maize Meal Super Paper 5 Kg X 4	1 060 588	1 859%	1 850
7	Ace Maize Maize Meal Super Poly 12.5 Kg	748 844	14%	372
15	Jungle Oats Porridge 1 Kg X 8	252 821	485%	748
23	Fette & Moris Spaghetti Plain 500 Gr X 20	112 962	- 3%	203
25	Ace Maize Semp 10 Kg	104 183	82%	503



GROWING IN STORE



Next Generation TBFS & ROAR Reporting



- 205 KVI's
- 785 Must Have Sku's
- 177 Sku's price reads
- Every second week



RIGHT PRODUCT
 The **RIGHT PRODUCT** range is **ALWAYS AVAILABLE** for the **Shopper to buy**



RIGHT PLACE
 The right product is **merchandised** in the **RIGHT PLACE** and in the right way to ensure **best visibility**



RIGHT PRICE
 The product is **affordable**, and the **RIGHT PRICE** is clearly **displayed**



RIGHT TOOLS
 The right **in-store communication TOOLS** are used to **promote** the product



GROWING IN STORE

Next Generation TBFS & ROAR Reporting

Data for illustrative purposes only



ROAR | Tiger Brands | January MTD

	OSA (KVI)	OSA (MHS)	PRICING
Tiger Brands	91.9%	79.8%	57.4%
Division			
HPCB	93.9%	80.2%	54.7%
ST&B	93.3%	83.5%	47.3%
GRAINS	89.9%	70.2%	61.4%
GROCERY	92.8%	85.7%	53.1%
Region			
Eastern Cape	87.5%	83.9%	61.1%
FreeState	94.1%	90.9%	55.8%
Gauteng	93.9%	79.9%	56.4%
Kwazulu Natal	92.8%	72.0%	56.9%
Limpopo	94.1%	75.9%	54.8%
Mpumalanga	90.6%	79.7%	57.2%
North West	93.7%	70.0%	56.1%
Northern Cape	91.9%	80.8%	56.1%
Western Cape	89.8%	81.4%	58.3%



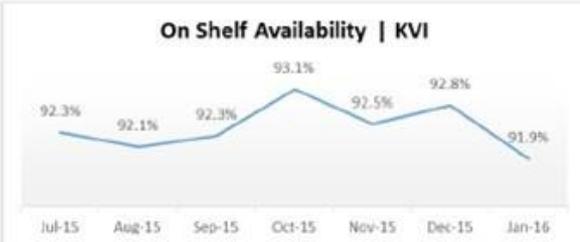
Top 5 Items	OSA (KVI)
Pick n Pay Freezeys 0234	100.0%
Pick n Pay Gardens 9033	100.0%
Pick n Pay Hatfield N006	100.0%
Pick n Pay Liberty Mall 6139	100.0%
Pick n Pay On Road 0054	100.0%
Bottom 5 Items	
Superspar SaFari 21737	62.4%
Superspar Rivendale 35062	65.6%
Spier Langbaan 20797	67.7%
Superspar Rustenburg Sq 21962	69.0%
Shoprite Bitterville 8456	70.6%
Superspar Nakhosho 40130	71.3%
Superspar Vincent 40014	72.0%
Superspar Melrose 60013	72.0%
Superspar Village Mall 10763	72.4%
Superspar Bracken 30473	72.5%

	OSA (KVI)	OSA (MHS)	PRICING
Tiger Brands	91.9%	79.8%	57.4%
Buying Group			
Checkers	92.8%	82.0%	61.3%
Checkers Hyper	95.3%	75.1%	57.3%
Makro	87.7%	80.3%	75.9%
Pick n Pay	93.9%	83.3%	54.1%
Pick n Pay Family	92.3%	81.1%	53.0%
Pick n Pay Hyper	95.2%	81.8%	52.1%
Shoprite	90.2%	69.1%	62.0%
Spar	86.2%	79.5%	56.2%

Top 5 SKUs	OSA (KVI)
Aunt Caroline 10kg	100.0%
Koo Beetroot Slices 6x780G	100.0%
Ag Mustard See Squeeze 12x500M	100.0%
Koo Baked Beans in Tomato Sauce 12x410G	100.0%
All Gold Tomato Sauce 6x700M	100.0%
Bottom 30 SKUs	
Crosse & Blackwell Burger Mayo 6x2x750G	46.2%
C&B Flav Mayonnaise Burger 12x500M	50.0%
Agc Royal Apricot Jam 12x320G Whole Fruit	50.0%
Agc Cape Genoa Fig Jam 12x320G Preserve W	50.0%
Agc Strawberry Jam 12x320G Whole Without	50.0%
Col Must Pwdr 5/W 12x100G	50.0%
Car Cucumbers Sweet & Tangy 6x740G	50.0%
Bc P/But Sm Added Sugar/Salt 6x400G	50.0%
C&B Trim 2 6x790G	50.0%
Koo Green Beans Cross Cut 12x410G	50.0%



- Important to know when interpreting this report:**
- Month to date information reported weekly.
 - Information on Known Value Items, Must Have SKUs and Pricing relates to Top 500 stores based on value contribution to Tiger Brands. (values provide by AJTEC)
 - Known Value Items (KVI) = 205 SKUs total Tiger Brands.
 - Must Have SKUs (MHS) = 834 SKUs total Tiger Brands.
 - On Shelf Availability (OSA) is the measurement for KVI and MHS.
 - OSA is only compliant when 'Yes' is captured.
 - Pricing = 177 SKUs total Tiger Brands.
 - Pricing is compliant when the price captured is less than or equal to the RSP supplied by Tiger Brands.





Understanding the SA Market

nielsen



Developing an Effective RTM



Understanding Trade Dynamics



- Senior resource appointed and in place from 01 Feb
- Developing an effective RTM
 - 13 Metro Areas
 - 48 Frontier supply towns or townships
 - E.g. Burgersfort, Queenstown, Empangeni, Phutaditjaba, Upington,
 - 18 KZN, 5 EC, 11 Limpopo, 10 Mpumalanga, 4 NW,
- Understanding Trade Dynamics & fact based targets



Tiger Brands has highest basket penetration in informal trade

Basket penetration % of all shopping trip that manufacturer features in	Total	Informal	PnP	Spar	Shoprite	Checkers
Tiger Brands	11.4%	19.9%	11.8%	10.7%	7.9%	10.5%
ABI	11.2%	10.8%	16.5%	16.8%	11.8%	18.5%
Unilever	5.7%	3.1%	6.3%	8.7%	18.9%	16.0%
Premier	5.5%	10.6%	5.2%	3.7%	2.5%	2.8%
Clover	4.9%	7.5%	3.8%	5.6%	7.2%	9.2%
Simba	6.0%	7.2%	9.1%	5.5%	5.1%	7.5%

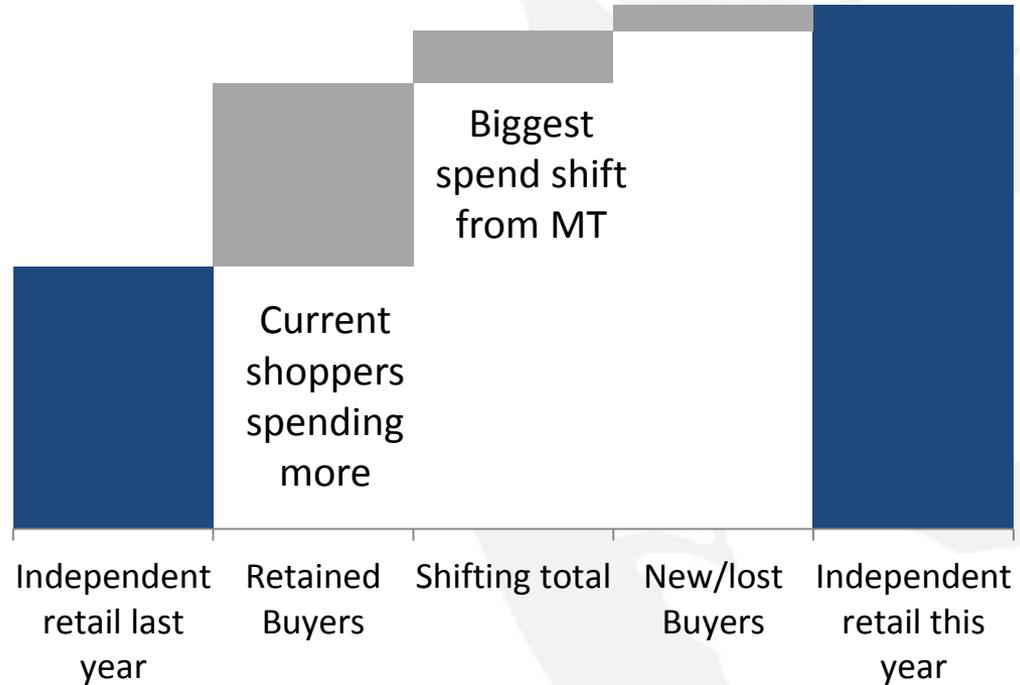
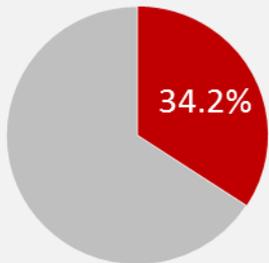
- Tiger Brands has highest basket penetration of surveyed manufacturers
- Opportunities identified in under-indexed retailers



Households are spending more in independent trade

Independent retail annual spend change

Independent retail contribution of total basket spend



Loyalty of consumer spend growing

OPERATIONAL EXCELLENCE & EXECUTION



Trade Category Management

Lead category insight discussion & drive basket size



- Partnership with key retail partners to ensure right range in right store
- Brands have their fair share of the shelf
- “Shoppertainment” with certain key categories e.g. breakfast



GREAT PLACE TO WORK



Building Culture and Capability



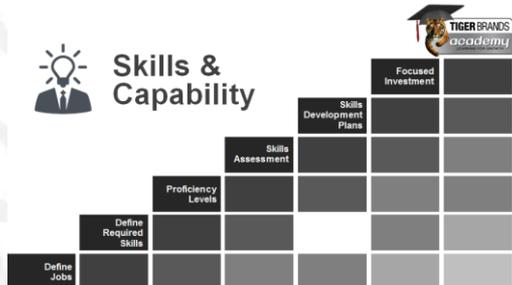
Customer Marketing
Training & Development



ENABLERS

Change Agility Growth Hungry Culture Capability

- Key Focus areas for 2016
 - Driving a growth hungry culture
 - Investment in building capability in customer marketing
- Broader programme focuses on professional skills & careers in customer marketing



SUMMARY



To be the “Go-To” Company for Growth & Execution Capabilities



Driving **GROWTH** through value in Modern Trade



Driving **GROWTH** through value in General Trade



Driving **GROWTH** through new channels



Driving **GROWTH** through Customer Marketing



Driving **GROWTH** through Buying Groups



Driving **GROWTH** through Technology & In store Execution