



# Food & Beverage Sector Report

## 2023

**LRS** Labour  
Research  
Service

**FRIEDRICH  
EBERT  
STIFTUNG**  
TRADE UNION COMPETENCE CENTRE  
SUB-SAHARAN AFRICA

## Contents

Introduction .....	2
The Sector .....	2
Financials .....	3
Revenue .....	3
Profit before Tax.....	7
Directors' Remuneration .....	11
CEO Remuneration 2022 .....	12

## *Table of Figures*

Figure 1 Food & Beverage Sector Revenue 2022 .....	4
Figure 2 Food & Beverage Sector Revenue Pie Chart 2022 .....	5
Figure 3 Food & Beverage Sector Revenue 2014 to 2022 .....	6
Figure 4 Food & Beverage Sector Average Revenue 2012 to 2022 .....	7
Figure 5 Food & Beverage sector Profit before Tax 2022.....	8
Figure 6 Food & Beverage sector Profit before Tax 2014 to 2022 .....	9
Figure 7 Food & Beverage Sector Average PBT 2014 to 2022 .....	10
Figure 8 Food & Beverage Sector CEO Remuneration 2011 to 2022.....	12
Figure 9 Food & Beverage Sector CEO Remuneration 2022 .....	14
Figure 10 Food & Beverage Sector Executive Director Remuneration 2017 to 2022 .....	15
Figure 11 Food & Beverage sector NED Average Total Annual Remuneration 2017 to 2022.....	15

# Introduction

There are six companies in the Food and Beverage Sector that are represented in the following report. These companies are:

---

**Anglo-Vaal Industries**

---

**Astral Foods**

---

**Crookes Brothers**

---

**Distell**

---

**RCL Foods**

---

**Tiger Brands**

---

The Food and Beverage Sector in South Africa is the leading sector in Africa's Food and Beverage industry market. The report will look at the significant impact the COVID-19 pandemic had on the sector, and how it has improved since.

The data extracted from the MNC Database of the LRS provides rich information that has allowed a thorough review of the financial performance of the companies listed in the sample. Following this, the data allows for an examination of the remuneration packages received by executive and non-executive directors in the companies listed under the Food and Beverage Sector.

## The Sector

During the course of 2020, the South African Food and Beverage sector faced severe economic constraints. As the South African government implemented extraordinary measures to contain the COVID-19 virus, companies in the sector reported reduced revenues and profits due to consumption reductions and supply chain disruptions.

However, as these extraordinary measures were lifted, companies in the sector began to report recoveries and improvements in their financial performances. In September of 2022, StatsSA released findings that reveal that the total income (measured in real terms) generated by the sector increased by 55,8% in July of 2022 compared with July of 2021.<sup>1</sup> The article further states that this increase in total income generated is attributable to restaurants and coffee shops, which had been the most impacted during the protracted lockdowns in 2020 and 2021

Although there might be slight fluctuations in income considering seasonal changes, the sector is predicted to see a steady upward trend in financial performance.<sup>2</sup>

## Financials

### Revenue

As shown in *Figure 1* below, RCL Foods is the biggest company in our sample when considering revenue in 2022. It has reported a 10% increase in revenue from ZAR 31,7 billion in 2021, to a revenue of ZAR 34,9 billion in 2022. RCL Foods is followed by two other big companies in the sector, Distell, and Tiger Brands, with revenues of ZAR 34,1 billion and ZAR 34 billion respectively.

Following the two big players in the sector are Astral Foods with a revenue of ZAR 19,3 billion, and Anglo-Vaal Industries with a revenue of ZAR 13,8 billion. Finally, the smallest company in the sample, Crookes Brothers, reported a revenue of ZAR 678,6 million. In the sample, Astral Foods reported the highest increase (of 21,8%) in revenue. Crookes Brothers, a company that saw significant growth in 2020, but

---

<sup>1</sup> <https://fedhasa.co.za/blog/2022/09/20/just-in-statssa-releases-food-beverage-key-findings-report-for-july-2022/>

<sup>2</sup> <https://www.yomzansi.com/2023/05/24/food-and-beverage-industry-report-march-2023/>

reported a decrease in revenue during the 2021 financial year, has seen a 6,8% increase in revenue from 2021 to 2022.

All six companies have reported increases in revenue from 2021 to 2022, and on average, the companies reported a 13,2% increase in revenue during the 2022 financial year.

Figure 2 below shows a pie chart of the companies in our sample by revenue. This chart clearly shows the size of the sample market that each company has by revenue.

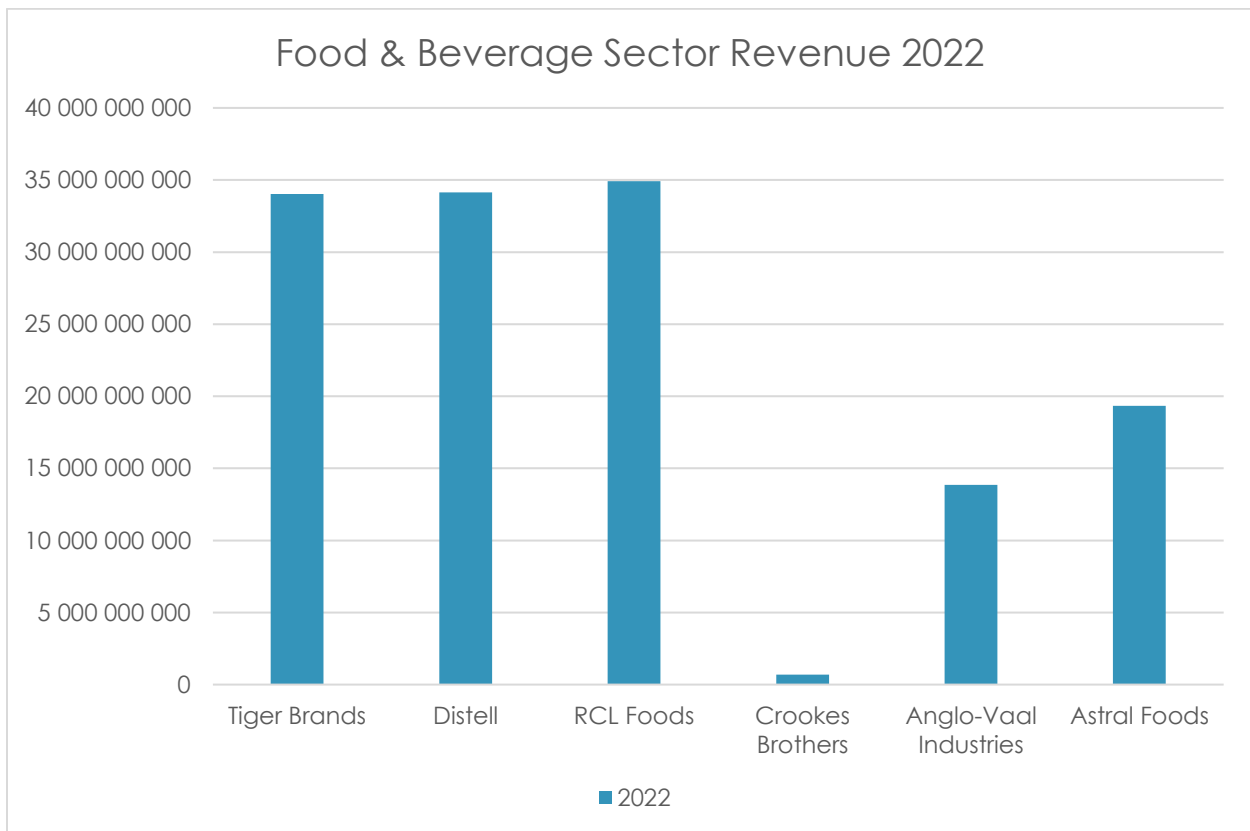


Figure 1 Food & Beverage Sector Revenue 2022

## Food & Beverage Sector Revenue 2022

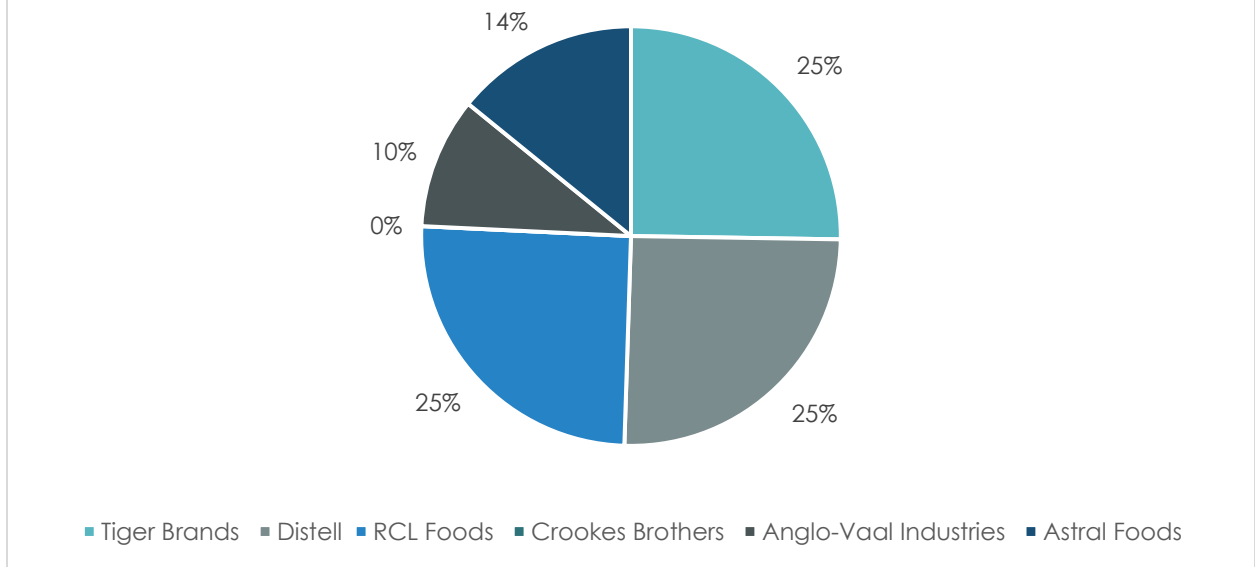


Figure 2 Food & Beverage Sector Revenue Pie Chart 2022

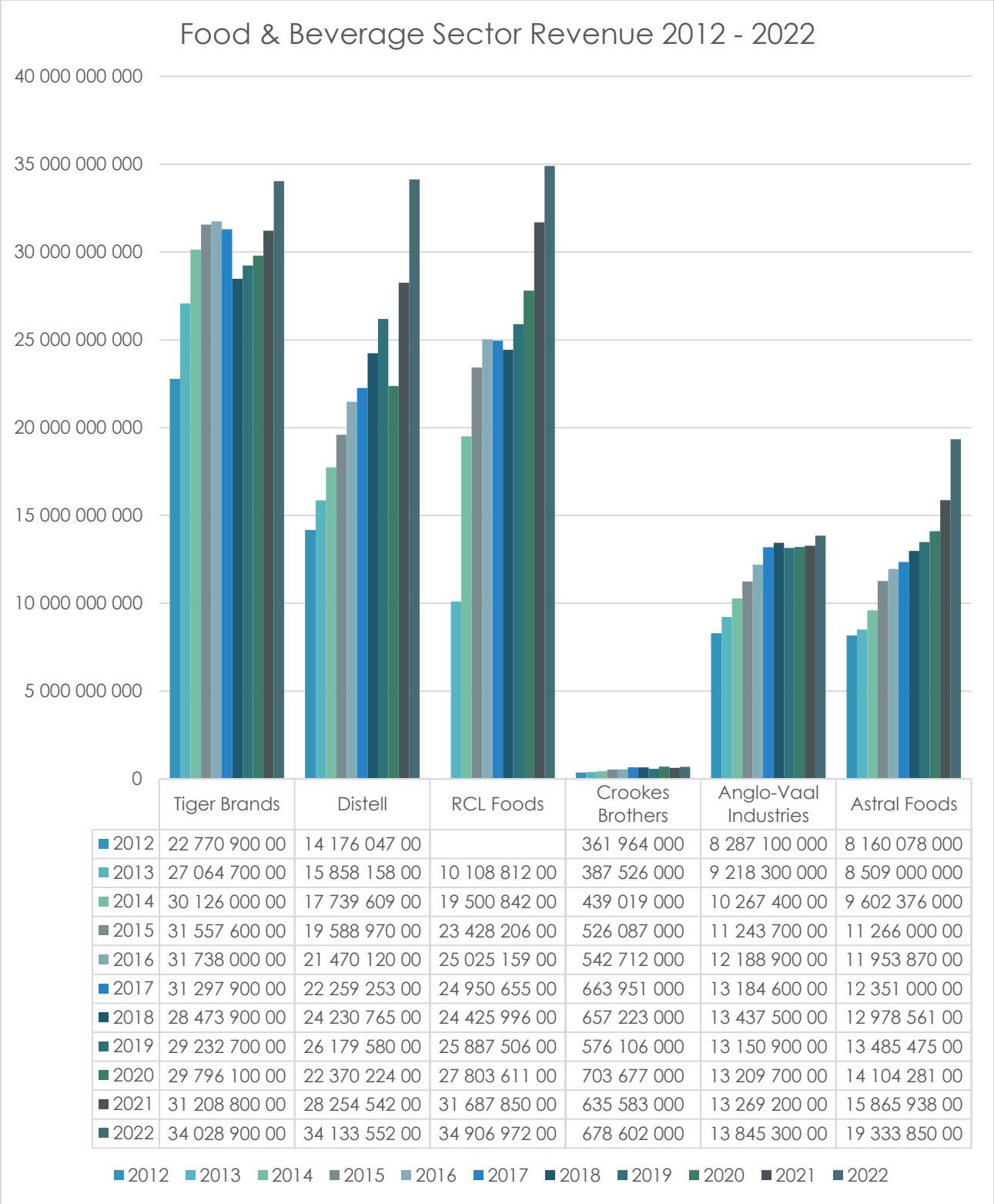


Figure 3 Food & Beverage Sector Revenue 2014 to 2022

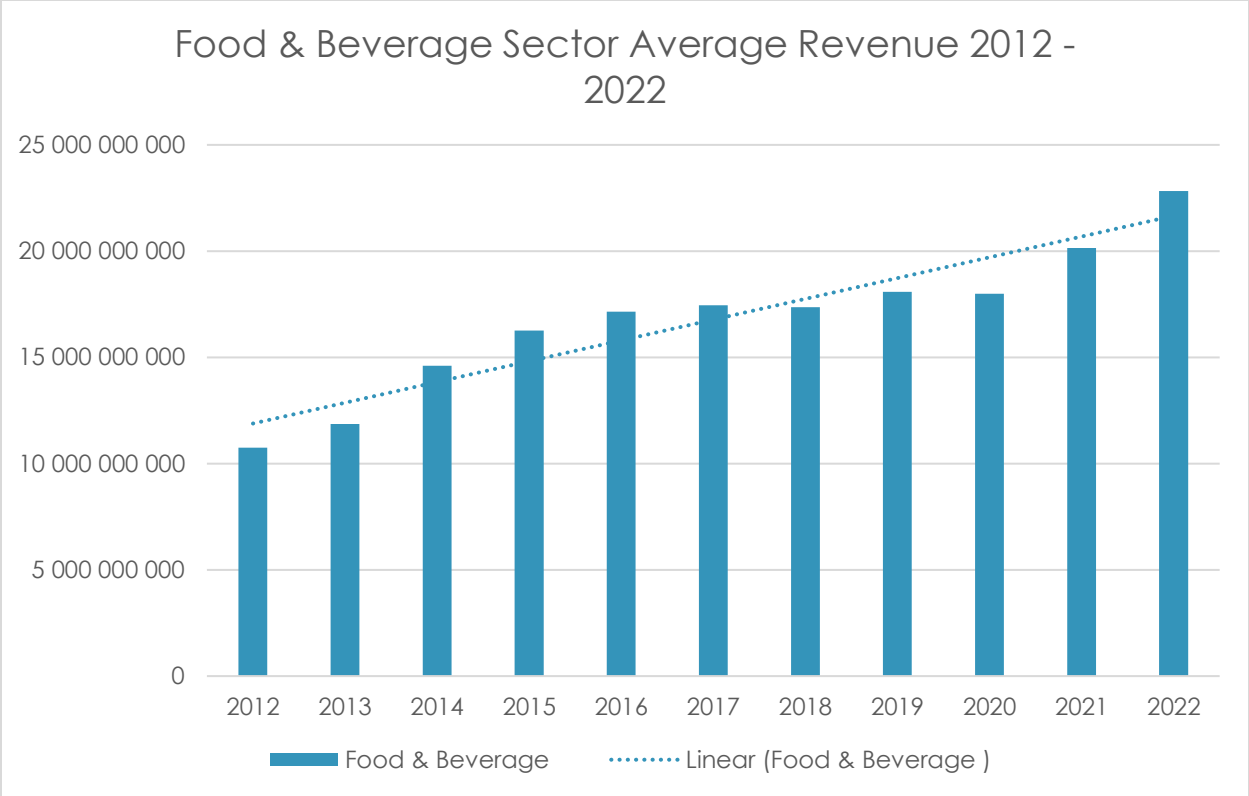


Figure 4 Food & Beverage Sector Average Revenue 2012 to 2022

### Profit before Tax

From 2019 to 2020, average PBT for the companies in the sample fell significantly. However, the figures below provide evidence that the companies are on their way to recovery. As seen in Figure 5 below, Tiger Brands reported the highest PBT in 2022. It reported a 63% increase in PBT from a PBT of ZAR 2,4 billion in 2021, to a PBT of ZAR 3,9 billion in 2022.

Distell and Anglo-Vaal Industries reported PBT of ZAR 3,5 billion and ZAR 2,4 billion respectively. Astral Foods reported an increase of over 100% in PBT from a PBT of ZAR 662 million in 2021 to a PBT of ZAR 1,4 billion during the 2022 financial year. This growth in profits is attributable to higher sales as well as growth in the volume of



broilers sold in 2022.<sup>3</sup> Following Astral Foods is RCL Foods with a PBT of ZAR 1,39 billion, and Crookes Brothers with a PBT of ZAR 92 million.

As seen in Figure 6 below, all six companies in the sample reported increases in PBT for the 2022 financial year. On average, PBT in 2022 has increased by 34,9%.

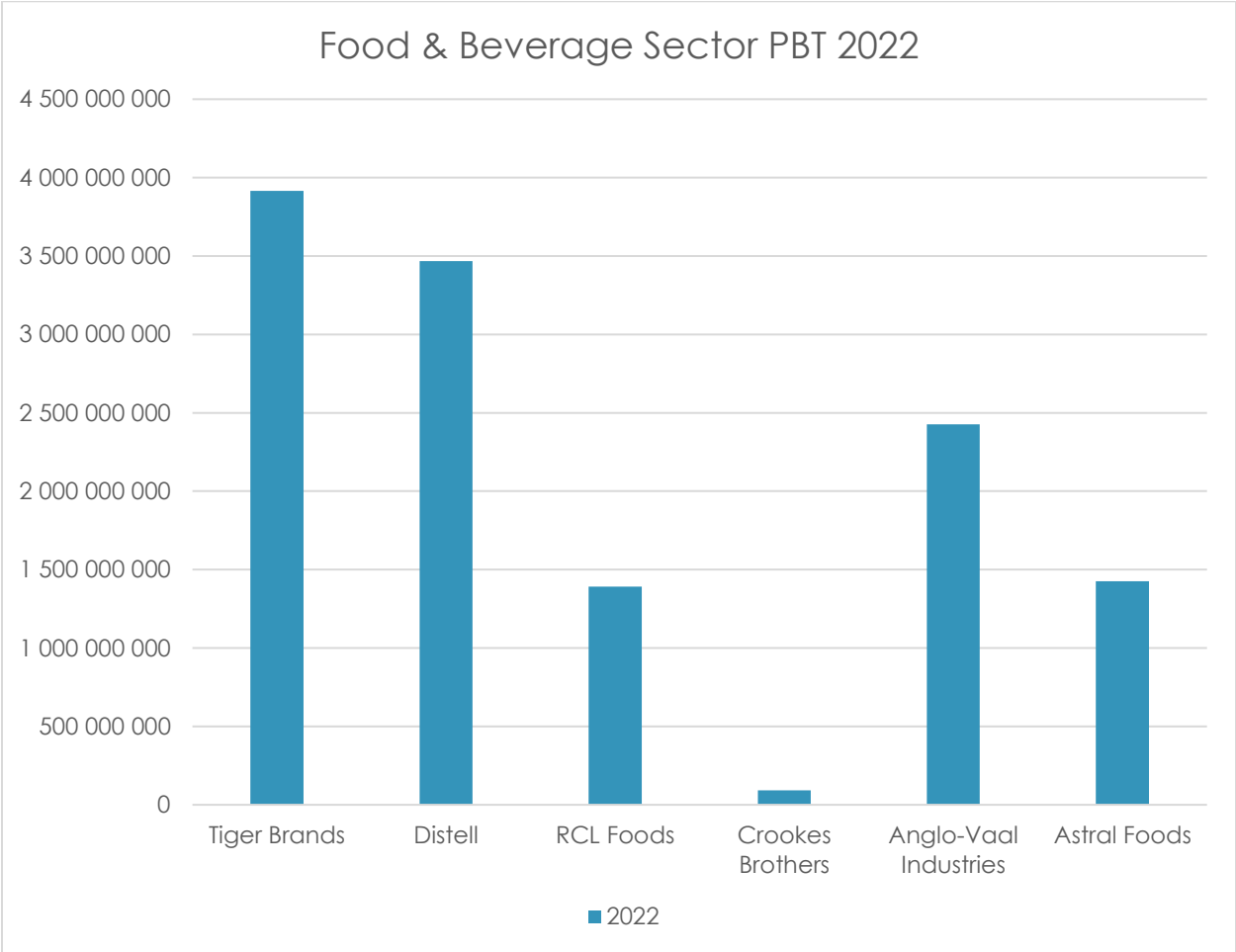
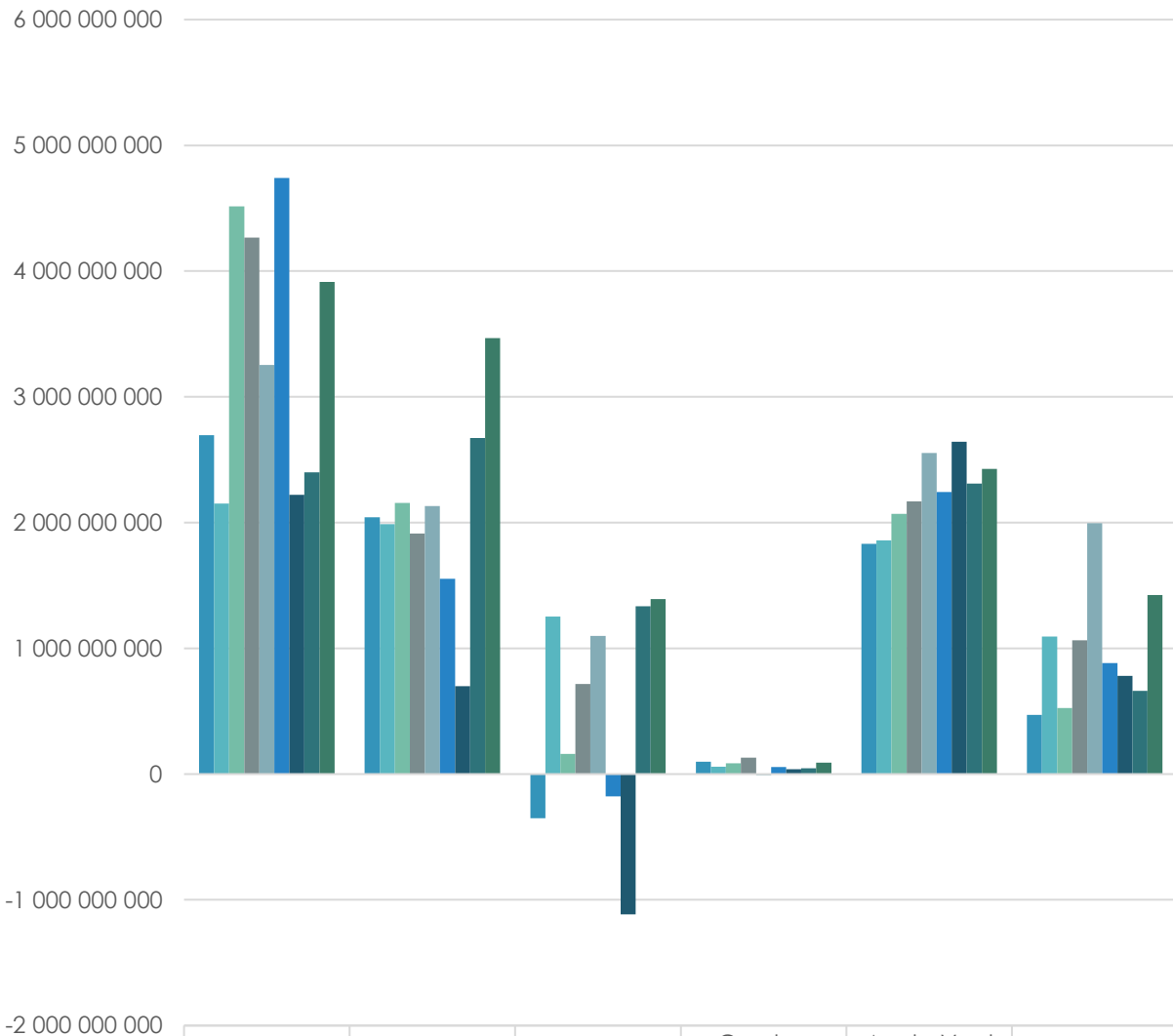


Figure 5 Food & Beverage sector Profit before Tax 2022

<sup>3</sup> <https://www.wattagnet.com/broilers-turkeys/article/15536985/higher-sales-in-2022-led-to-doubling-of-astral-foods-profit>

## Food & Beverage Sector PBT 2014 - 2022



	Tiger Brands	Distell	RCL Foods	Crookes Brothers	Anglo-Vaal Industries	Astral Foods
■ 2014	2 696 000 00	2 042 111 00	-350 798 000	99 282 000	1 830 600 00	469 901 000
■ 2015	2 150 200 00	1 988 685 00	1 253 022 00	57 910 000	1 859 500 00	1 093 594 00
■ 2016	4 515 000 00	2 156 376 00	160 703 000	87 017 000	2 069 000 00	526 213 000
■ 2017	4 267 400 00	1 913 289 00	715 631 000	130 861 000	2 168 600 00	1 063 622 00
■ 2018	3 254 100 00	2 130 621 00	1 097 966 00	-8 333 000	2 552 500 00	1 994 088 00
■ 2019	4 741 100 00	1 554 294 00	-178 102 000	56 892 000	2 242 100 00	882 279 000
■ 2020	2 219 800 00	699 629 000	-1 114 818 0	39 063 000	2 642 300 00	781 844 000
■ 2021	2 398 500 00	2 671 768 00	1 334 581 00	45 974 000	2 309 400 00	662 322 000
■ 2022	3 914 600 00	3 467 558 00	1 391 245 00	92 106 000	2 426 200 00	1 425 072 00

■ 2014 ■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019 ■ 2020 ■ 2021 ■ 2022

Figure 6 Food & Beverage sector Profit before Tax 2014 to 2022

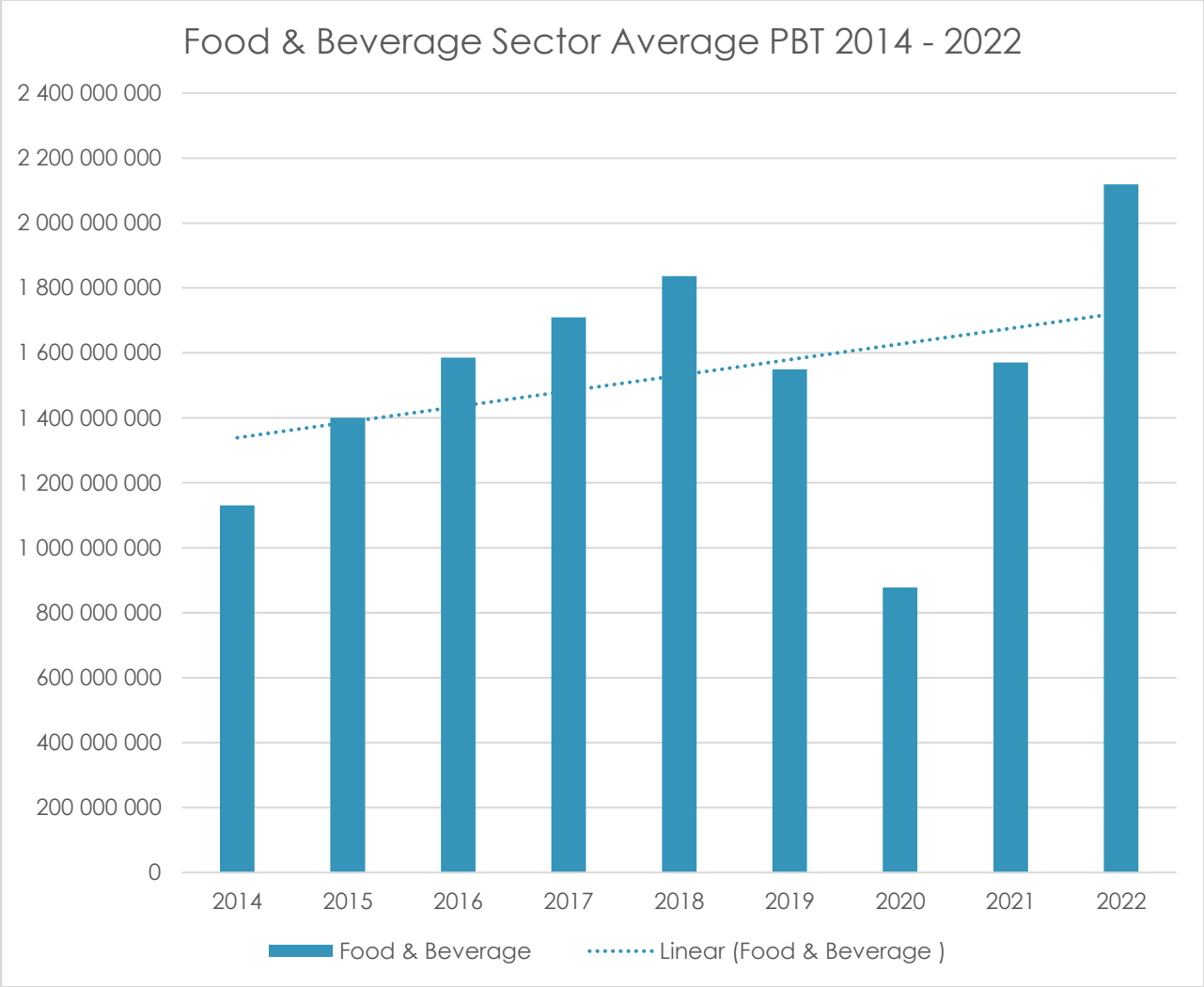


Figure 7 Food & Beverage Sector Average PBT 2014 to 2022

## Directors' Remuneration

The LRS MNC database allows us to look at CEO remuneration over the course of the last twelve years. Although the companies listed in the sample saw significant decreases in CEO remuneration during the 2021 financial year, Figure 8 below shows a sharp increase in total remuneration.

From 2021 to 2022, average total remuneration increased by over 100% from ZAR 10 million in 2021, to ZAR 21,7 million in 2022. Furthermore, average total remuneration including long-term investments (LTI) increased by 58,7% from ZAR 15 million in 2021, to ZAR 23,8 million in 2022. The gap between average total remuneration excluding LTI and average total remuneration including LTI has narrowed in 2022. This is due to less LTI payments to CEOs in the financial year. Figure 9 below shows that Richard Rushton, the CEO of Distell, is the only CEO in the sample that received an LTI payment during this financial year.

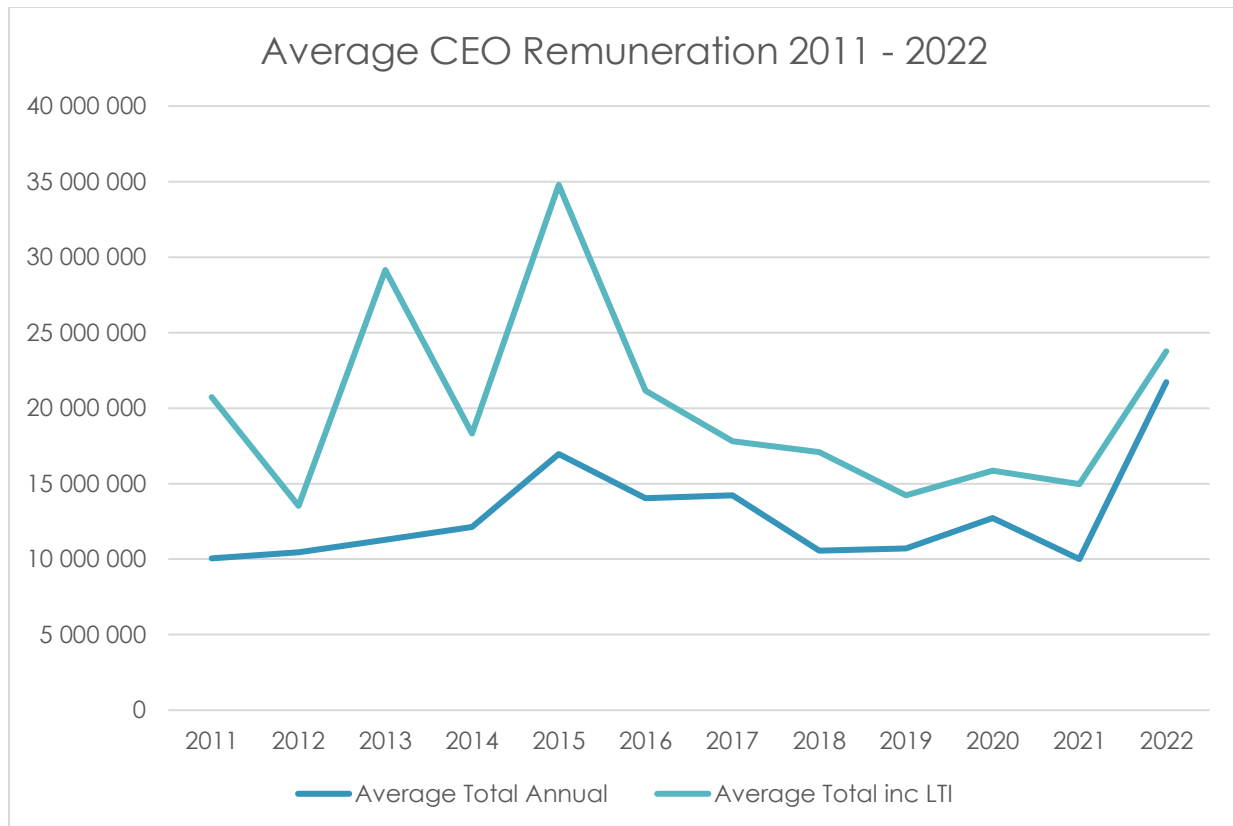


Figure 8 Food & Beverage Sector CEO Remuneration 2011 to 2022

## CEO Remuneration 2022

In 2022, because Richard Rushton, the CEO of Distell, was the only CEO to receive a LTI payment, he received the highest remuneration package in the sample. His total remuneration package includes a salary of ZAR 7,9 million, an LTI payment of ZAR 14,4 million, and ZAR 27,6 million in other income consisting mostly of short-term incentives (STI).

Following Rushton is the now retired CEO of RCL Foods, Miles Dally. Dally retired on the 30<sup>th</sup> of November in 2021, and received a remuneration package of ZAR 36 million. His remuneration package included a salary of ZAR 4 million and a cash bonus of over ZAR 30 million. His replacement, Paul Cruickshank, was appointed with effect from December 1<sup>st</sup>, 2021. Having being in the role for 6 months before the financial year end, his remuneration package came to a total of ZAR 4,7

million which included a salary of ZAR 4,2 million and ZAR 474 thousand in benefits and other income.

Simon Crutchley, the CEO of Anglo-Vaal Industries, received the third highest remuneration package in the sample. His remuneration package included a salary of ZAR 12 million, a cash bonus of ZAR 10,9 million, and ZAR 10 million in other income consisting of the gains he received by exercising vested share incentive instruments. Follow Crutchley is the CEO of Astral Foods, Chris Schutte. His remuneration package included a salary of ZAR 9 million and ZAR 10,8 million in cash bonuses consisting of STIs.

Finally, the two lowest paid CEOs in the sample are Noel Doyle, the CEO of Tiger Brands, with a remuneration package of just over ZAR 16,5 million, and Kennett Sinclair, the CEO of Crookes Brothers, with a remuneration package of just over ZAR 5,3 million.

On average, from 2021 to 2022, the total executive director's remuneration including LTI increased by 44,9% while the non-executive director's remuneration increased by 3,4% (see *Figures 10 and 11*).

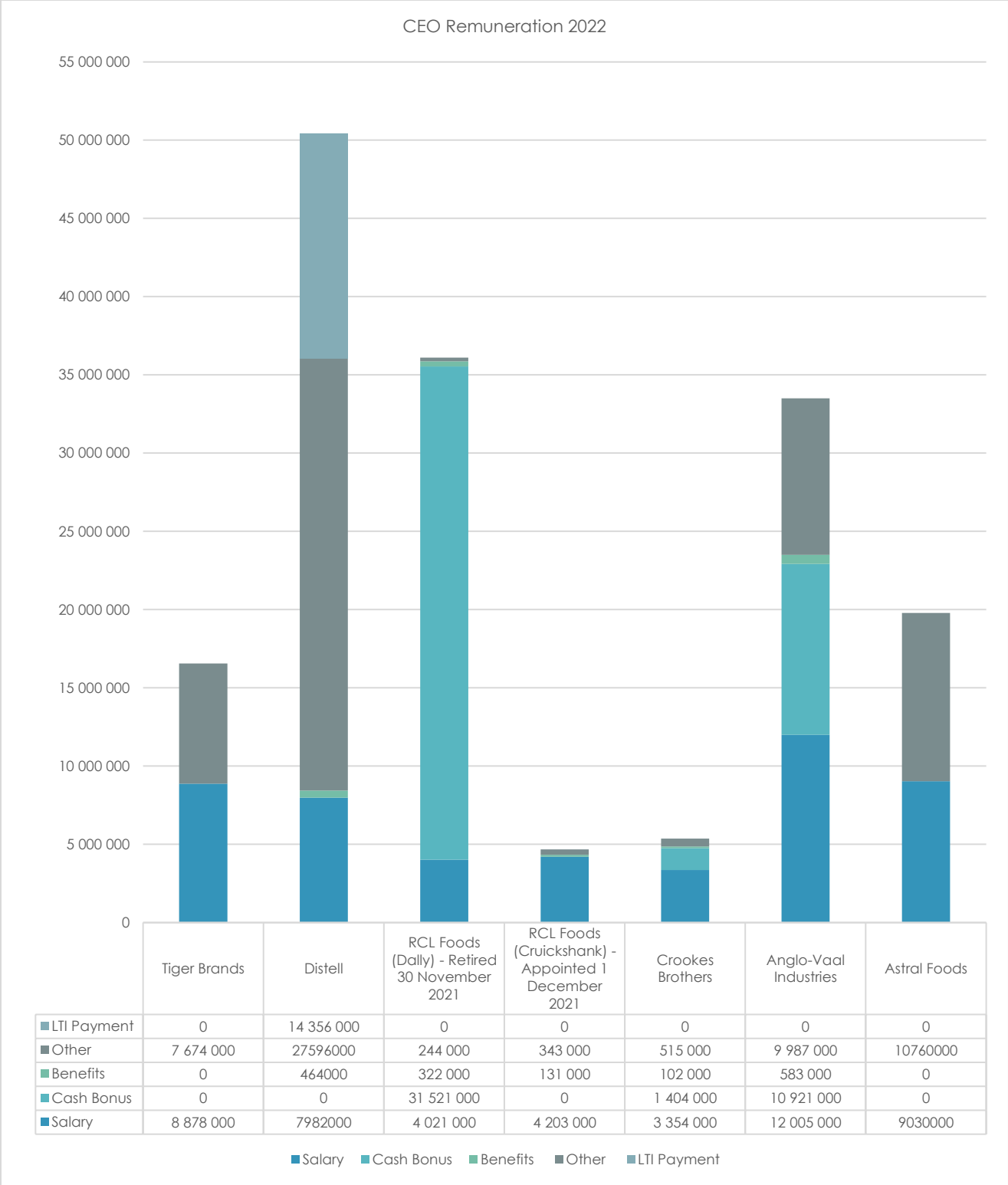


Figure 9 Food & Beverage Sector CEO Remuneration 2022

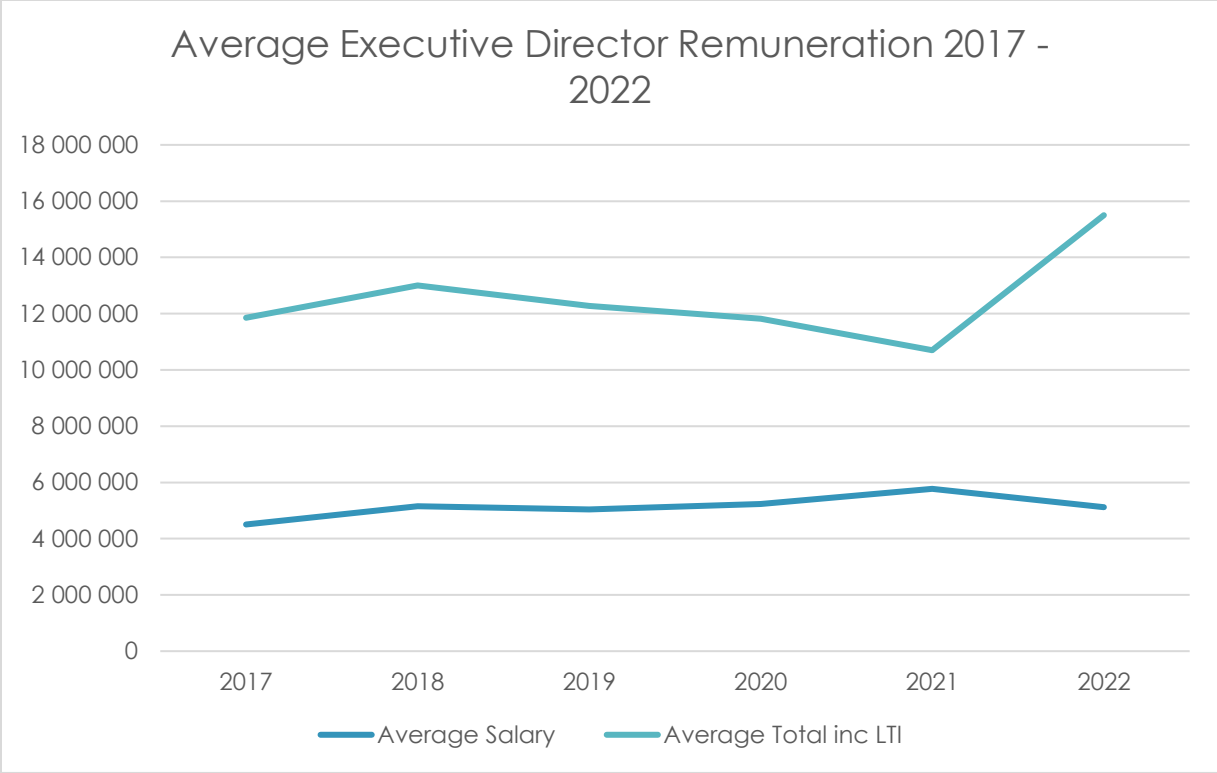


Figure 10 Food & Beverage Sector Executive Director Remuneration 2017 to 2022

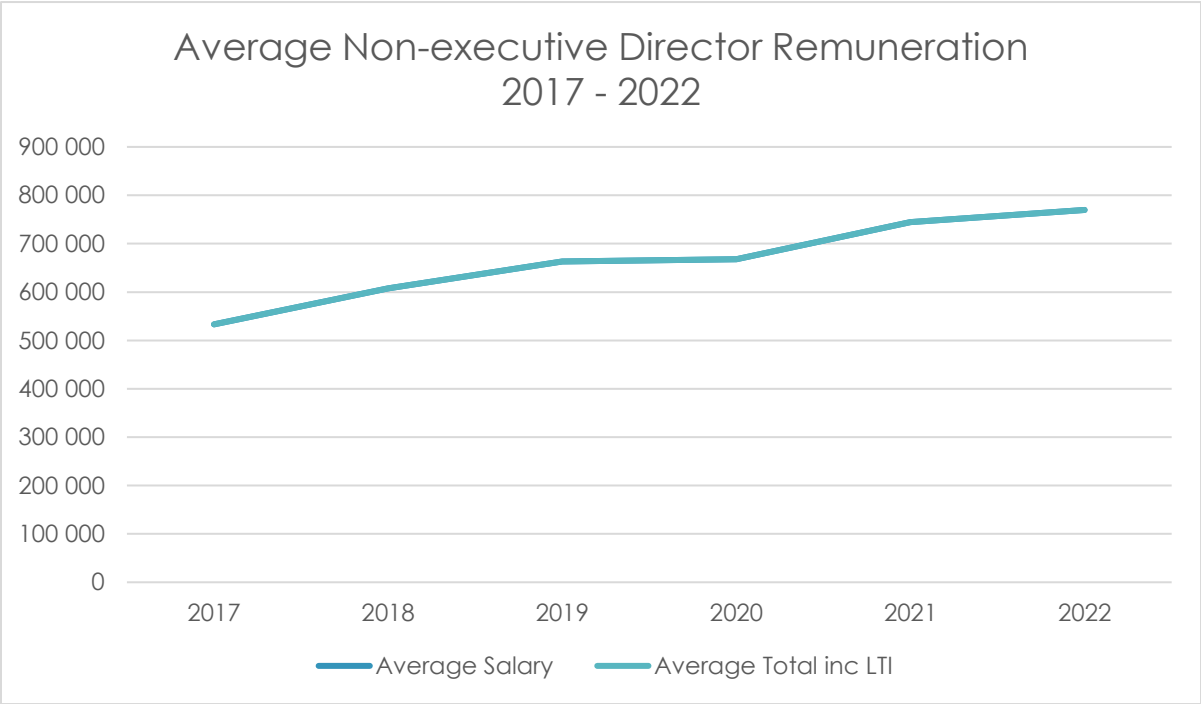


Figure 11 Food & Beverage sector NED Average Total Annual Remuneration 2017 to 2022