KAP INDUSTRIAL HOLDINGS LIMITED

Audited# results for the year ended 30 June 2019

 # Extracted financial information from the audited results for the year ended 30 June 2019. This short-form announcement has not been audited or reviewed.





Revenue up **12%**

EBITDA* **stable** at R3.9 billion

Core headline earnings* per share down **14%**

Cash generated from operations up **22%**

Dividend stable at **23 cents** per share

Operational overview

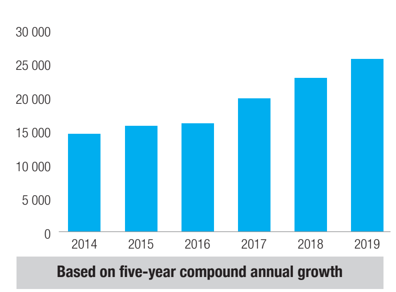
In a very challenging economic environment, a major part of KAP's strategy for 2019 was to ensure the completion of expansion projects and the effective integration of acquisitions into the group, with the focus on **market share growth**, **extraction of value** and **generation of cash** in order to **improve gearing** and to **strengthen the group's balance sheet**.

Financial overview

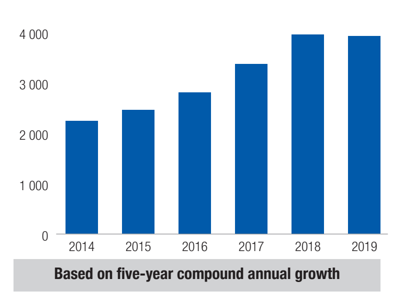
	Year ended 30 Jun 2019 Audited	Year ended 30 Jun 2018 Audited**	% change
From continuing operations:			
Revenue (Rm)	**25 602**	22 813	12
Operating profit before capital items (Rm)	**2 527**	2 901	(13)
Core operating profit before capital items (Rm)*	**2 723**	2 901	(6)
Headline earnings (cents per share)	**45.9**	61.6	(25)
Headline earnings – core (cents per share)*	**53.2**	61.6	(14)
Basic earnings (cents per share)	**41.4**	59.6	(31)
From continuing and discontinued operations:			
Revenue (Rm)	**25 765**	23 038	12
Operating profit before capital items (Rm)	**2 445**	2 842	(14)
Headline earnings (cents per share)	**42.9**	59.8	(28)
Basic earnings (cents per share)	**38.3**	57.7	(34)
Net asset value (cents per share)	**474**	454	4
Dividend (cents per share)	**23**	23	–

** Excludes the non-recurring, non-cash impact of the R196 million Unitrans B-BBEE transaction cost.*
*** Prior period disclosure has been restated to reflect the Autovest discontinued operation.*

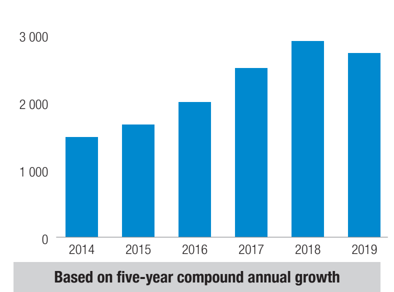
Revenue (Rm) – CAGR **12%**



Core EBITDA (Rm) – CAGR **12%***



Core operating profit (Rm) – CAGR **13%***



CAGR = compound annual growth rate

KAP is a JSE-listed diversified industrial group consisting of industrial, chemical and logistics businesses, producing a broad range of products and services, utilising large scale, state-of-the-art facilities.

Integrated Timber division

PG Bison produces construction lumber under the **Thesen** brand, agricultural poles under the **Woodline** brand and a range of wood-based panel products under the **BisonBord**, **MelaWood** and **SupaWood** brands.

Automotive Components division

This division manufactures a range of vehicle retail accessories under the **Maxe** brand and components used in the assembly of new vehicles, including seats, carpets, boot packages, arm rests and headrests, under the **Feltex** brand.

Integrated Bedding division

Through its Integrated Bedding division, the company manufactures foam under the **Vitafoam** brand, mattress fabrics under the **DesleeMattex** brand, and complete bed bases and mattresses in state-of-the-art facilities under a variety of brands, including **Restonic**, **Genessi**, **Support-a-Paedic** and **Green Coil**.

Polymers division

Safripol manufactures a range of polymers , which are consumed by downstream converters in the manufacture of a variety of products, including pipes, textiles, containers, bottles and packaging materials.

Contractual Logistics divisions

These divisions provide specialised logistics services for bulk commodities such as fuel, chemicals, agricultural products and food under the **Unitrans**, **Xinergistix** and **Lucerne** brands operating in southern Africa.

Passenger Transport division

Personnel, commuter, intercity and tourism transport services are provided by this division under the **Greyhound**, **Citiliner**, **Mega Bus** and **Mega Coach** brands.

About this short-form announcement

This short-form announcement ('this announcement') is the responsibility of the directors. It should be noted that this announcement is only a summary of the information in the detailed announcement and therefore does not contain full or complete details.

Any investment decisions by investors and/or shareholders should be based on the information in the detailed announcement.

The detailed announcement has been published on the company's website on www.kap.co.za and is available through the link in the short-form announcement released on SENS, or alternatively can be inspected at the registered office of the company and the offices of the sponsor, free of charge to investors and/or shareholders, during office hours (09:00 – 17:00) from Monday to Friday. Copies of the detailed announcement may be requested by emailing info@kap.co.za or by telephoning Johann Pieterse on 010 005 3000.

By order of the board
KAP Secretarial Services Proprietary Limited
20 August 2019

The detailed announcement is available on www.**kap**.co.za

PG BISON FELTEX RESTONIC SAFRIPOL UNITRANS

CORPORATE INFORMATION **KAP Industrial Holdings Limited** ('KAP' or 'the company' or 'the group') **Non-executive directors:** J de V du Toit (Chairman)^, KJ Grové (Deputy chairman), IN Mkhari^, SH Müller^, SH Nomvete^, PK Quarmby^ **Executive directors:** GN Chaplin (Chief executive officer), FH Olivier (Chief financial officer) **Registration number:** 1978/000181/06 **Share code:** KAP **ISIN:** ZAE000171963 **Registered address:** 3rd Floor, Building 2, The Views, Founders Hill Office Park, 18 Centenary Street, Modderfontein, Johannesburg 1645 **Postal address:** PO Box 2766, Edenvale 1610 **Telephone:** 010 005 3000 **Facsimile:** 010 005 3050 **E-mail:** info@kap.co.za **Transfer secretaries:** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 **Company secretary:** KAP Secretarial Services Proprietary Limited **Auditors:** Deloitte & Touche **Sponsor:** PSG Capital Proprietary Limited

^ Independent