CAPITAL MARKETS DAY

28 JUNE 2022

AGENDA

10:00 – 10:05	WELCOME AND INTRODUCTION	Gary Chaplin, CEO
10:05 – 11:05	KAP STRATEGY FOR GROWTH AND VALUE CREATION	Gary Chaplin, CEO
11:05 – 11:35	TOPICAL MATTERS THAT AFFECT KAP	Gary Chaplin, CEO Frans Olivier, CFO
11:35 – 11:50	TEA BREAK	
11:50 – 12:40	WORLD-CLASS MANUFACTURING IN SOUTH AFRICA	Penwell Lunga, Executive Director: Corporate Affairs Nico van Niekerk, CEO Safripol Gerhard Victor, CEO PG Bison
12:40 – 13:00	OPERATIONAL UPDATE AND Q&A	Gary Chaplin, CEO Frans Olivier, CFO

KAP STRATEGY FOR GROWTH AND VALUE CREATION

KEY DEVELOPMENTS THAT SHAPED THE KAP PORTFOLIO

Over the past ten years, KAP established leadership positions for most businesses in its portfolio

FY12–15

- Acquired Steinhoff industrial assets: PG Bison, Unitrans, Vitafoam, Deslee Mattex, BCM
- Disposal of non-core assets: Brenner, Bull Brand, Jordan
- Restructuring of PG Bison: positioned as leading board manufacturer/upgrader in Africa
- Increased MDF capacity at PG Bison, Boksburg
- Acquisition of Restonic and creation of bedding vertical
- SA average real GDP growth 2.2%*

FY16–18

- Safripol acquisition in FY17
- PET expansion
- Steinhoff corporate governance failure and KAP separation
- Independent corporate services functionality established
- USCS B-BBEE transaction
- Increased particleboard capacity at PG Bison, eMkhondo
- Autovest acquisition (including Maxe)
- SA average real GDP growth 1.1%*

FY19–21

- Continued impact from Steinhoff corporate governance failure
- Polymers downcycle, renegotiation of key raw materials supply contract
- Steinhoff sale of its 26% stake in KAP
- Covid-19 and associated impact
- SA average real GDP growth -0.6%*

FY22

- Continued impact of Covid-19
- Increased particleboard capacity at PG Bison, eMkhondo
- DriveRisk acquisition
- SA average real GDP growth 1.9% CY22^

* Statistics South Africa
^ IMF

THREE MAJOR EVENTS OCCUPIED THE GROUP'S FOCUS SINCE FY18

Strategy and operational excellence pursued, regardless of the external dynamics

Event	Responses & trade-offs
Steinhoff corporate governance failure (Dec 17 to Jun 19) Cyclical contraction polymers margins, coinciding with a rising anti-plastics movement (Dec 18 to Dec 20) Covid-19, including disruptions in supply chains and changes in consumption patterns (Mar 20 to Jun 22)	**Response** • Create independence from Steinhoff and ensure credibility of KAP board, management and business model • Ensure balance sheet and funding stability • "De-risk" Safripol (polymers) • Extract value from committed capital investments • Focus on efficiencies and market share gains **Trade-offs** • Reduced M&A activity • Reduced focus on growth outside market share gains and existing capacity expansion, against the backdrop of slowing SA economic growth

THIS HAS RESULTED IN MIXED PERFORMANCES FOR THE DIVISIONS…

FY22 forecast vs FY19 (pre-Covid-19) performance

	Revenue	Operating profit*	ROCE^	Commentary
PG BISON	↑	→	↓	Capacity expansions, value-add, market share gains, biological asset revaluation forecast c. R48m lower than FY19, ROCE affected by capital work-in-progress of c. R680m as at 31 Dec 2021
SAFRIPOL shaping your world, responsibly	↑	↑	↑	Polymers cycle improvement, renegotiated ethylene supply terms, PET expansion fully operational
UNITRANS	↑	↓	↓	South Africa performance improved. Passenger stable, Africa: Botswana fuel contraction due to Covid-19 and weather-related contraction in agriculture
FELTEX	↓	↓	↓	Lower automotive assembly volumes due to semiconductor chip shortages
RESTONIC	↓	↓	↓	Market share gains and strong performance post-Covid-19, followed by weaker demand and disruptions in FY22
KAP	↑	↑	↑	Performance reflects value of diversity in earnings and scale sufficient to offset the drag of c. R1.1bn capital work-in-progress at 31 Dec 2021 (not EBITDA contributing)

* Before capital items
^ ROCE = Operating profit before capital items/Average capital employed

… AND HAS PROMPTED A CRITICAL REVIEW AND REFRESH OF THE GROUP AND DIVISIONAL STRATEGIES FOR THE NEXT FIVE YEARS

Internal environment

- Key strengths: best people, latest assets, great brands and products, world-class operational excellence
- Key challenges: sufficient key people to support continued growth

External environment

- Global commodity volatility and supply chain disruptions
- Global themes (ESG, food security, deglobalisation)
- SA regulatory/enforcement gap
- SA market fragmentation
- SA infrastructure failures

Outcome from strategic review

- Refined KAP value proposition and approach to building businesses
- Operational strategies and targets set for each division to 2027 delivering growth and improved returns
- Necessary support structures strengthened to ensure effective execution
  - Organisational design
  - Human capital strategy
  - ICT/digitisation strategy
- Divisional brands refreshed
  - Power of sleep
  - Power of spaces
  - Power of responsibility
  - Power of doing
- Divisional brands linked to corporate brand
  - Being the change

KAP'S STRATEGY IS TO DELIVER SUSTAINABLE, VALUE-ACCRETIVE GROWTH BY BUILDING MARKET-LEADING BUSINESSES

Group vision, focus and broader financial targets

Our vision

To inspire people through building exceptional businesses that create lasting economic and social value

Our focus

- Earnings growth through revenue growth and improved margins
- Sustainable cash conversion
- Capital allocation and portfolio optimisation that ensure optimal returns and protect our balance sheet

Our financial targets

Operating profit margin > 10%

Core HEPS growth > GDP growth + CPI

ROCE > 16%

Net debt:EBITDA < 2.5x

Cash flow conversion* > 90%

Approach to investing and building businesses

Invest in sectors where we see growth opportunities (sector-agnostic)

Employ strategies to assume leadership positions (best fit for purpose products/ services and the lowest cost)

Select and grow the best teams to implement the strategies

Allocate capital to ensure optimal returns

Provide strategic and corporate support at the center

Market-leading businesses and brands

PG BISON

SAFRIPOL shaping your world, responsibly

UNITRANS

FELTEX

RESTONIC

DriveRisk MANAGE • MOTIVATE • MITIGATE

* EBITDA converted to cash flow from operations

kap

PG BISON | STRATEGIC SNAPSHOT

“We inspire and enable beautiful living spaces.”

HISTORICAL MARKET GROWTH AND DEMAND DRIVERS

≈ 3 300 m³
daily SA production

< 1%* CAGR
SA consumption FY17–21

3% CAGR
PG Bison local volume sales, FY17–21

7% CAGR
SA import units FY17–21

Key product segments

- Particleboard: Manufacture of furniture, storage applications, kitchens, etc.
- MDF: Manufacture of higher application furniture, kitchens, wall panels, display cabinets, storage applications, etc.
- Value-add: 7% CAGR 2017–2021

Demand drivers

- New-build activity
- Home improvement and renovation
- Retail furniture demand

FUTURE GROWTH DRIVERS AND OPPORTUNITIES

Market growth drivers

- Growth in affordable housing segment (South Africa)
- Furniture Master Plan and government focus on localisation
- Market fragmentation supporting value-added growth
- MDF alternative to hardboard

PG Bison opportunities

- Value-add expansion (Sep 2022)
- Particleboard (FY22) and MDF (FY25) expansions allowing for market share gains (imports c. 16% PG Bison FY22 capacity)
- Enhanced distribution capability
- Export market access (global trade 2017-2021 CAGR 4%)
- Digital platform to connect consumers with converters

COMPETITIVE POSITION/ADVANTAGES

Sector positioning

- A strong leadership position in the domestic market
- Recognised and established brand
- Consumer demand creation is gaining momentum
- Well-established distribution network
- Fully integrated manufacturer with sustainably produced world-class products

Cost competitiveness and technology leadership

- Lowest quartile on global cost curve
- Continuous investment in technology and innovation

FINANCIAL METRICS

FY27 targets

- Revenue growth: 10–12% CAGR from FY22
- Operating profit margin: 18–20%
- ROCE: 15–17%

FY17–21 average

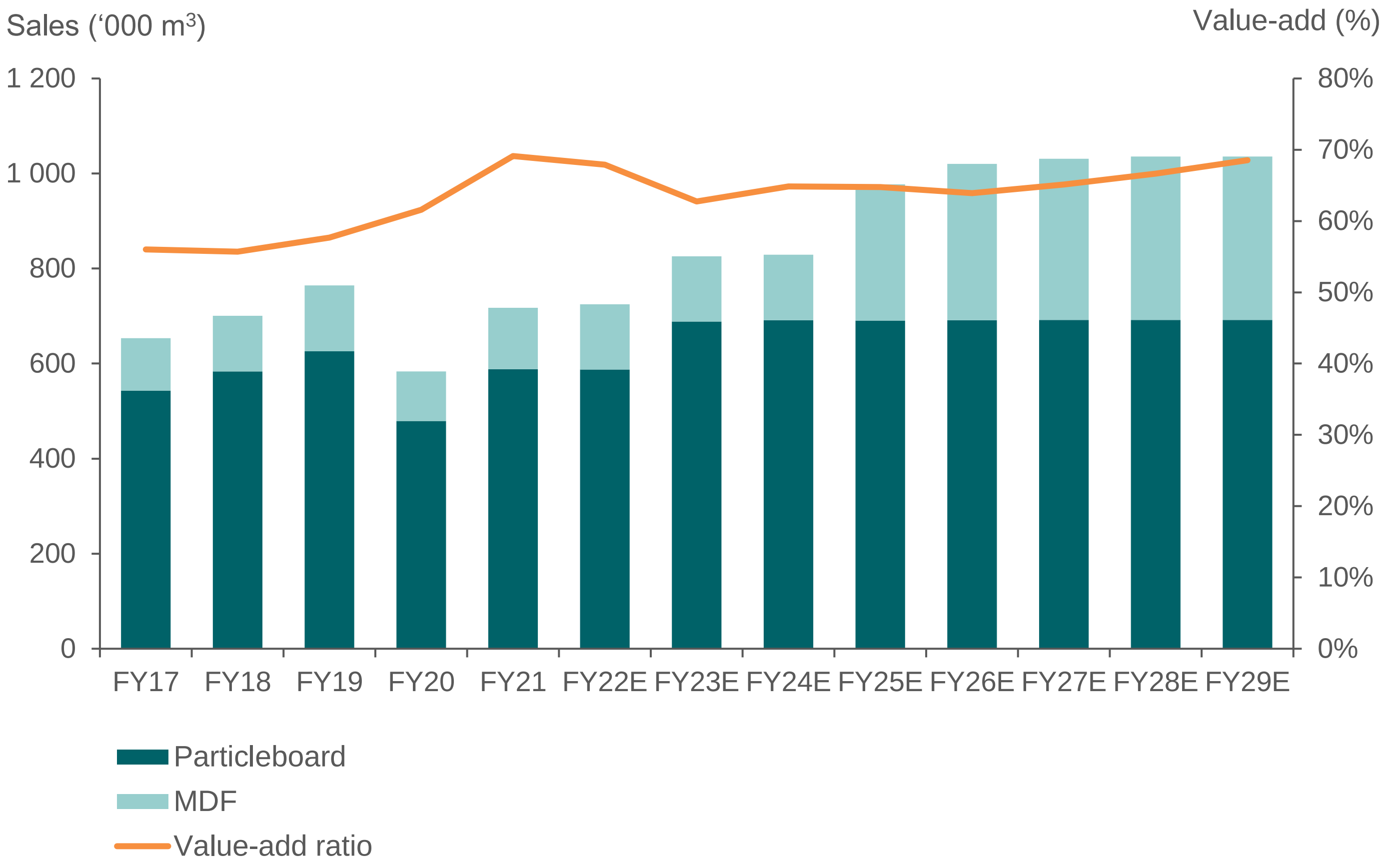
- Revenue growth: 6% CAGR
- Operating profit margin: 18%
- ROCE: 12%

Sources: Statistics South Africa, TradeMap, Department of Trade and Industry, KAP actuals and estimates

PG BISON | STRATEGIC SNAPSHOT

PG Bison "big-ticket" items – particleboard and MDF expansions and value-add

Annual particleboard and MDF* sales and value-add targets



eMkhondo particleboard expansion

- Completed 2H22
- 103 200 m^3 p.a. increase in capacity

eMkhondo MDF expansion

- Completion targeted June 2024 at 274 000 m^3 p.a.
- Full capacity targeted FY28
- Existing MDF capacity will reduce by 63 180 m^3 as line repurposed to thin board (3 mm) line
- Total investment of R1.875bn, IRR of > 15%, post-tax, ungeared, over 20 years

Value-add

- eMkhondo gloss/hot coating line FY23
- Value-add target > 65% post expansions (FY21: 69%)

* Medium-density fibreboard

SAFRIPOL | STRATEGIC SNAPSHOT

"We shape our world through the responsible use of plastics."

HISTORICAL MARKET GROWTH AND DEMAND DRIVERS

≈ 740 kt
SA 2021 PET, PP, HDPE consumption

0%* CAGR
SA V-PET, V-PP, V-HDPE consumption FY17–21

1% CAGR*
Safripol local volume sales, FY17–21

7% CAGR
SA export volumes FY17–21

Key product segments

- HDPE: Broad range of applications in packaging, pipes, containers, etc.
- PP: Broad range of applications in packaging, consumer goods, automotive sector, etc.
- PET: Typically used for water and carbonated soft drinks bottles and fibre

Demand drivers

- Growth in infrastructure, general consumption and automotive sectors

FUTURE GROWTH DRIVERS AND OPPORTUNITIES

Market growth drivers

- Consumer education to plastic more responsibly
- Interpolymer substitution toward PET, PP and PE
- Growth in consumer goods

Safripol opportunities

- PP expansion and downstream value-add (e.g., compounding for auto components and white goods sectors)
- Higher spec, higher margin, more durable applications
- Localisation efforts in the automotive sector and import substitution (imports 4% CAGR 2017–2021)
- Enabling and participating in recycling PET/HDPE (feasibility)

COMPETITIVE POSITION/ADVANTAGES

Sector positioning

- Leading position in the South African market; only producer of PET and HDPE, one of two producers of PP
- Local manufacturer advantage; technical expertise and support
- Leading "Let's plastic responsibly" campaign

Cost competitiveness

- Top quartile, world-class manufacturing plants
- Competitive raw material supply contracts that provide for margin adjustment to moderate cyclicality on c. 55% of Safripol sales volumes (FY21)

FINANCIAL METRICS

FY27 targets

- Revenue growth – 8–10% from FY22, (subject to PP expansion)^
- "Through-the-cycle" average operating profit margin – 7–9%
- ROCE – 15–17% (subject to PP expansion)

FY17–21 average

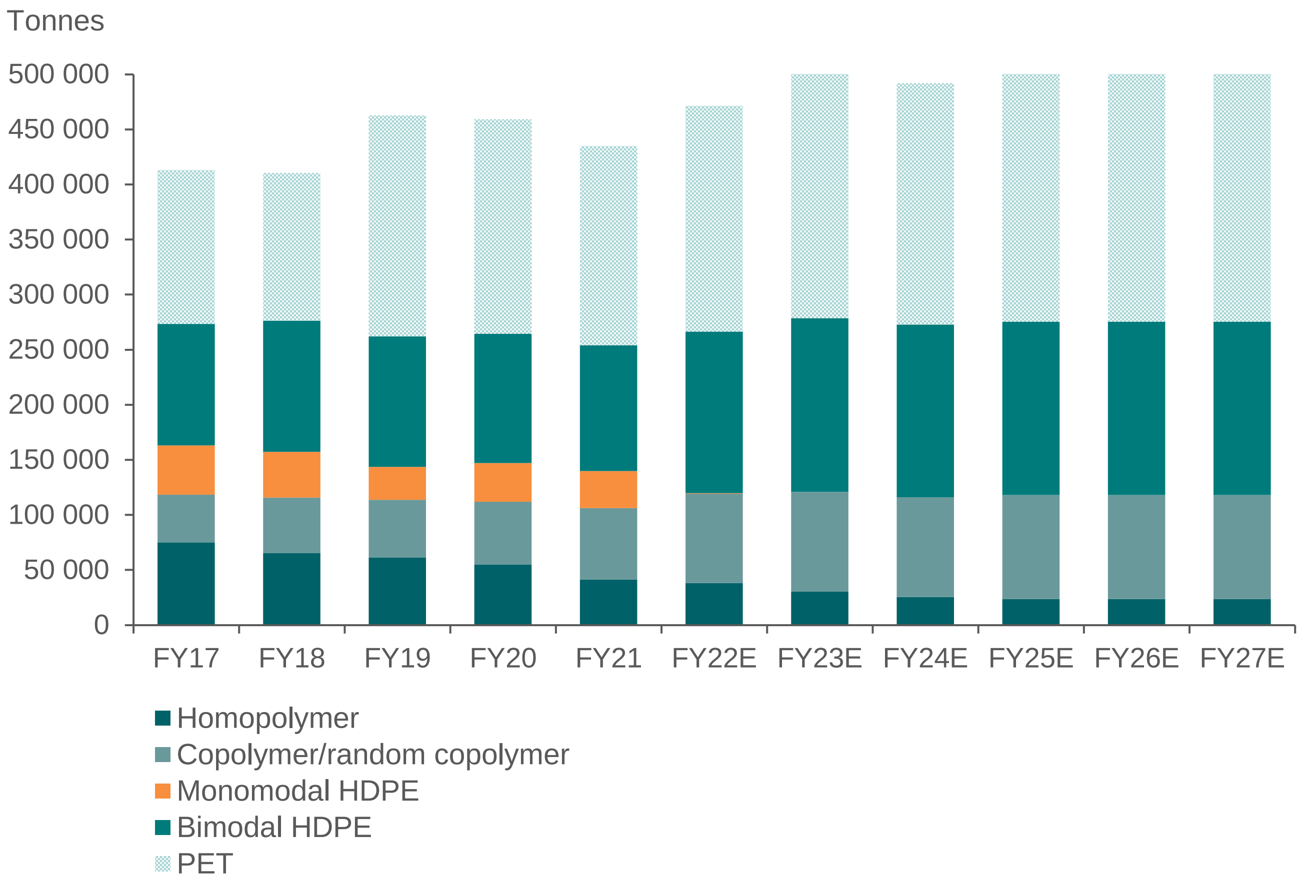
- Revenue growth – 1% CAGR[#]
- Operating profit margin – 8%
- ROCE – 10%

* FY21 sales affected by 5-year PET scheduled maintenance shut
^ Revenue growth includes potential PP expansion and is influenced by oil prices, exchange rates and global factors of supply and demand
[#] Measured as if Safripol was acquired at the start of FY17
Sources: Plastics SA, TradeMap, Department of Trade and Industry, KAP actuals and estimates

SAFRIPOL | STRATEGIC SNAPSHOT

Safripol "big-ticket" items – raw material supply, efficiencies, value-add and PP expansion

Annual PP, PET and HDPE sales volumes and value-add targets



Renegotiated ethylene supply contract

- Through-the-cycle operating profit margin improved and cyclicality moderated

Operational efficiencies

- Debottlenecking of PET plant following five-year maintenance shut (FY21) provides significantly enhanced volumes, yields and cost competitiveness

Range management toward "value-add"

- Higher-margin, higher specification, durable applications, less single-use

PP expansion (feasibility)

- 60 000 tonnes p.a. expansion with potential downstream value-add process
- Import replacement of higher specification, value-added products
- Potential cost c. R1.2bn, with attractive returns due to "brownfields" investment

UNITRANS | STRATEGIC SNAPSHOT

"Through the provision of integrated operational services, we free up our clients to focus on growing their businesses."

HISTORICAL MARKET GROWTH AND DEMAND DRIVERS

-6% CAGR
SA industry road passenger income FY17–21*

3%* CAGR
SA industry road freight income FY17–21*

1% CAGR
Unitrans revenue FY17–21

Key sectors

- Food
- Agriculture
- Mining
- Petrochemicals
- Commuter transport

Demand drivers

- Consumption
- Economic activity

FUTURE GROWTH DRIVERS AND OPPORTUNITIES

Market growth drivers

- Commodities cycle (South Africa and select African markets)
- Food security

Opportunities

- Rationalise revenue and resources toward growth in key sectors with higher margins and returns
- Expansion into complementary "integrated operational services"
- Organic expansion in existing sectors, services and clients
- Leveraging technology (e.g., route optimisation)
- Enterprise and supplier development model (Unitrans South Africa and Passenger) and owner driver platform (Unitrans South Africa)

COMPETITIVE POSITION/ADVANTAGES

- Unitrans is a strong, well-respected brand with a good reputation
- Unitrans is a significant player in certain sectors
- Unitrans South Africa is a Level 2 B-BBEE company

HOWEVER

- South African economy and logistics sector becoming increasingly fragmented
- Technology, OEM finance, FMLs facilitate low barrier to entry
- Large listed players systematically exiting
- Listed company governance requirements and return metrics challenging in industry characterised by low compliance and poor enforcement

FINANCIAL METRICS

FY27 targets

- Revenue growth – 6–8% CAGR from FY22
- Operating profit margin – 8–10%
- ROCE – 12–14%

FY17–21 average

- Revenue growth – 1% CAGR
- Operating profit margin – 8%
- ROCE – 12%

* Industry, not Unitrans
Sources: Statistics South Africa, KAP actuals and estimates

FELTEX | STRATEGIC SNAPSHOT

"We provide exceptional automotive comfort and style."

HISTORICAL MARKET GROWTH AND DEMAND DRIVERS

499 087
2021 SA vehicle production

-1% CAGR
SA vehicle production FY17–21

1% CAGR
Feltex revenue FY17–21

Key product segments

- Trim: e.g., carpets, underlay, wheel arch liners, inner dash and engine room insulators
- Foam: e.g., seats, armrests, headrests
- Loose lay mats and tonneau covers
- Aftermarket components: e.g., roll bars, nudge bars and side steps

Demand drivers

- SA automotive assembly volumes
- LCV and SUV sales

FUTURE GROWTH DRIVERS AND OPPORTUNITIES

Market growth

- SA *Automotive Masterplan 2035* – vehicle production 447 218 (2020) to 1.4m units (2035), strong government support
- APDP local content, 40% to 60% (2035)
- Continued investment by international OEMs in new models
- NAAMSA production growth forecasts: 2022: 13.5% yoy, 2023: 11% yoy

Opportunities

- M&A to drive model penetration and enhance economies of scale
- NEV development (policy dependent)
- Online aftermarket opportunities (Maxe)
- Participation in three new model introductions FY22–25

COMPETITIVE POSITION/ADVANTAGES

Sector positioning

- Good revenue diversity in terms of both OEMs and product categories
- Leading position in select product categories
- Long-standing OEM and Tier 1 relationships
- B-BBEE credentials in line with APDP requirements
- Light, bulky product range is suited to local manufacture
- Long standing technology partnerships provide access to latest technology and support

FINANCIAL METRICS

FY27 targets

- Revenue growth – 8–10% CAGR from normalised FY22
- Operating profit margin – 10–12%
- ROCE – 16–18%

FY17–21 average

- Revenue growth – 1%
- Operating profit margin – 8%
- ROCE – 15%

Sources: NAAMSA, NAACAM, KAP actuals and estimates

RESTONIC | STRATEGIC SNAPSHOT

"We enable well-being
and success through the power of sleep."

HISTORICAL MARKET GROWTH AND DEMAND DRIVERS

> R5bn
SA formal mattress market size

5% CAGR
SA formal retail sales FY17–21

11% CAGR
Restonic SA unit sales FY17–21

Key product segments

- Mattresses: Spring and foam
- Flexible polyurethane foam
- Knitted and woven mattress textiles

Demand drivers

- Population growth and age profile
- New home development
- Retail category management and promotional activity
- Marketing, brand and price

FUTURE GROWTH DRIVERS AND OPPORTUNITIES

Market sector growth

- Consumer awareness of the impact of sleep on personal well-being
- Young SA population supports sector growth
- High revenue and margin category for retail sector

Market share gains

- Range extension
- Geographic expansion
- Demand creation and brand investment to support demand
- Distribution platform investment
- Digital platform to enable customers to fulfil consumer demand

COMPETITIVE POSITION/ADVANTAGES

Sector positioning

- Largest and most vertically integrated bedding manufacturer in South Africa
- World-class technology and facilities
- Manufacturing and distribution capability to support promotional peaks
- National brands
- National distribution
- Corporate scale backing
- Technology partnership with BekaertDeslee

FINANCIAL METRICS

FY27 targets

- Revenue growth – 8–10% CAGR from FY22
- Operating profit margin – 13–15%
- ROCE – 15–17%

FY17–21 average

- Revenue growth – 8% CAGR
- Operating profit margin – 15%
- ROCE – 17%

Sources: Statistics South Africa, KAP actuals and estimates

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DRIVERISK | STRATEGIC SNAPSHOT

"We save lives by using global best-of-breed technologies."

HISTORICAL MARKET GROWTH AND DEMAND DRIVERS

42%
FM* systems market penetration in SA, 2021

13% CAGR
# of FM systems in use in SA, 2021–2026

Key products
- DriveCam
- SurfSight
- DriveAlert
- DriveReport
- MobilEye

Demand drivers
- Efficiency improvements (time and cost) and risk management
- Low market penetration of advanced FM solutions; current offerings tend to be light FM solutions, including SVR systems with basic FM features

FUTURE GROWTH DRIVERS AND OPPORTUNITIES

Market growth
- Video-enhanced telematics relatively new and growing rapidly
- AI and automation open new growth opportunities

Opportunities
- "Land grab" – get as many annuity income units into as many vehicles as possible, as fast as possible
- Driver empowerment – psychometrics, performance monitoring, training and ranking
- Integrated offering to "marry risk and efficiency", to empower all our beneficiaries
- Build enhanced TMS through integration of route data (Vantage)
- Build saleable products from our services – initially, SurfSight UI and DriveRisk Mobile app

COMPETITIVE POSITION/ADVANTAGES

- DriveRisk market is fleet management, not saturated SVR space
- Partnership with Lytx provides DriveRisk with latest tech video-telematics on an open-source platform, which is constantly developing and improving
- Partnership with Geotab provides DriveRisk with latest tech telematics, also on an open-source platform
- Access to established global footprint through Lytx and Geotab
- User interface (UI) and business intelligence (BI) products are key DriveRisk differentiators and opportunities
- Acquisition of Viewmetrics facilitates real-time development

FINANCIAL METRICS

FY27 targets
- Revenue growth – > 15% CAGR (small base)
- Operating profit margin – > 12%
- ROCE – > 16%

* FM: Fleet management
Source: Berg Insight

CAPITAL ALLOCATION FRAMEWORK PRIORITISES ORGANIC GROWTH

Flexible and optimal capital allocation

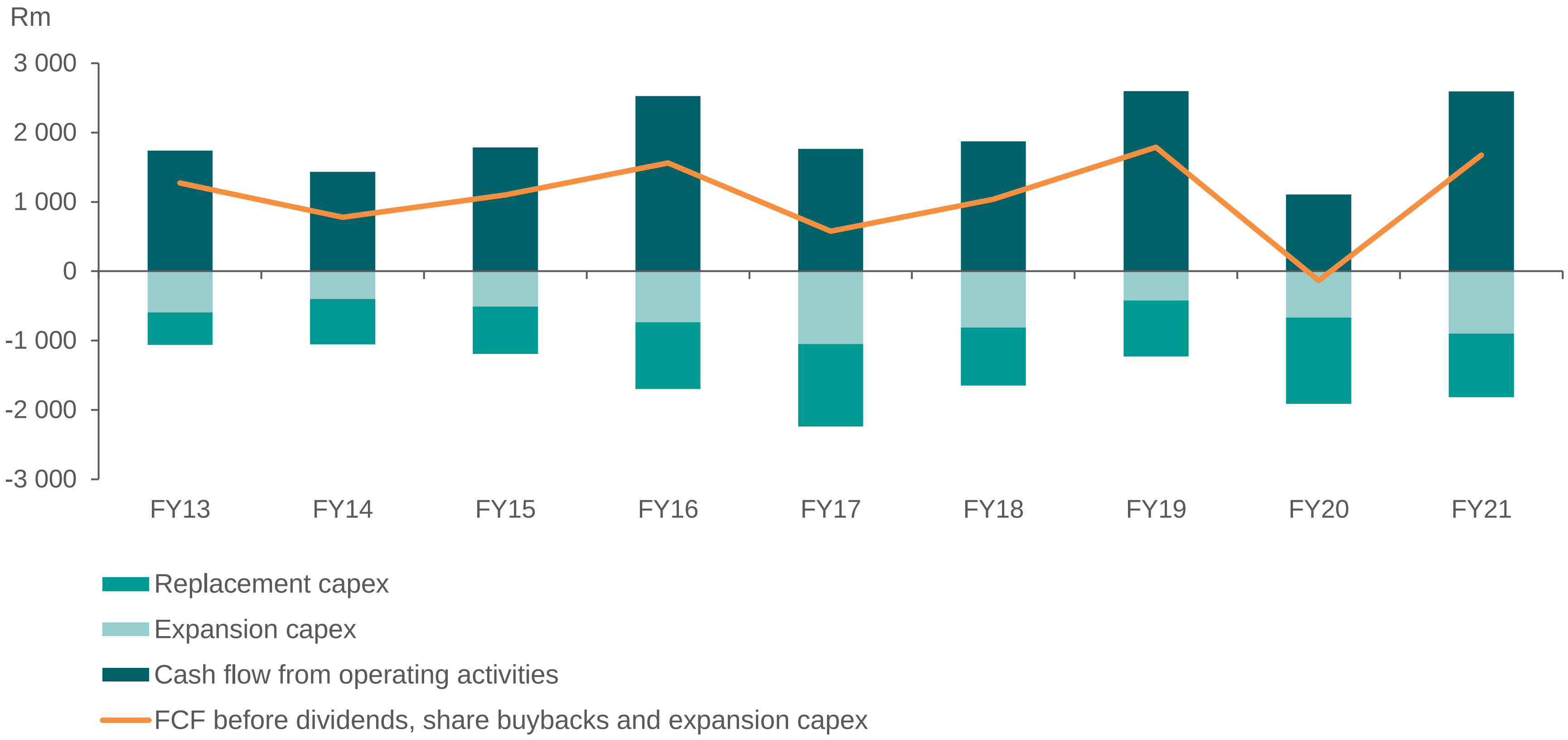
Capital allocation priorities

Debt repayment	Target net debt : EBITDA < 2.5x
Maintenance and replacement capex	Maintain asset base to ensure sustainability
Efficiency capex	Efficiency improvements (e.g., related to technology) to remain globally competitive and enhance competitive advantage
Capacity expansions	IRR target on all new capex > WACC
Complementary bolt-on M&A	Criteria: strategic alignment, culture fit, ease of integration, financial metrics
Standalone corporate action	Criteria: strategic alignment, culture fit, ease of integration, financial metrics
Return cash to shareholders	Dividends (no fixed policy, target 2.5 – 2.7x cover), share buy-backs considered relative to other investment opportunities

CASH GENERATION SUPPORTIVE OF GROWTH OBJECTIVES

Diversified nature of cash generation allows for self-funded expansion

KAP group cash flow

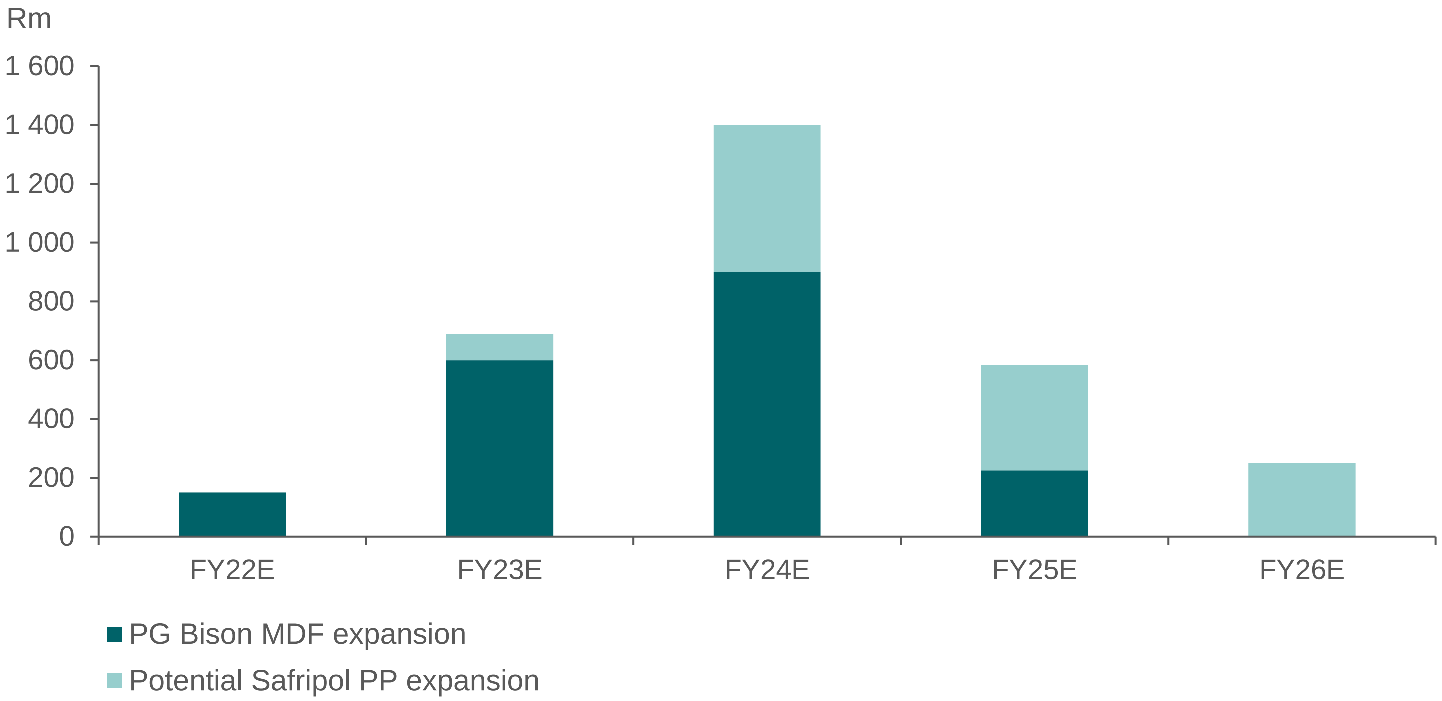


* FCF after interest and taxation

EXPANSION CAPITAL EXPENDITURE

Major investments relate to PG Bison and, potentially, Safripol

Major expansion capex forecast

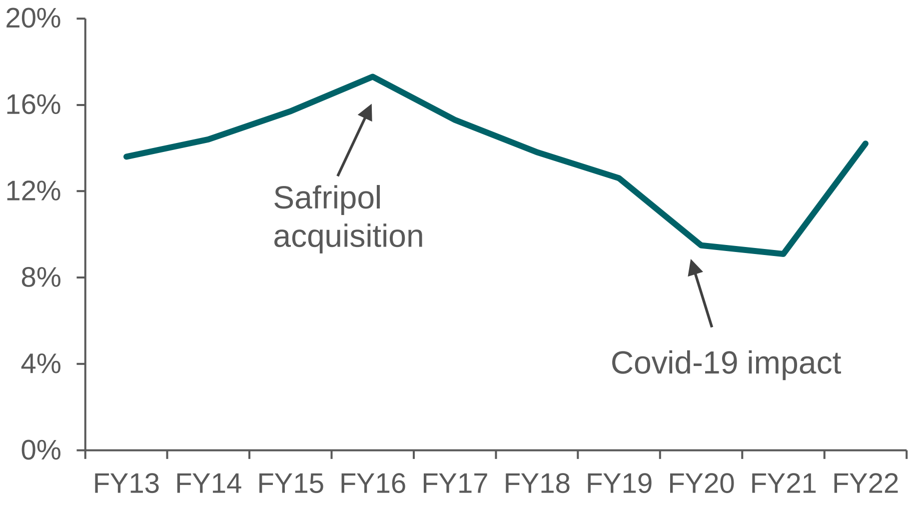


Note: Maintenance capital expenditure managed in line with depreciation
Safripol PP expansion in feasibility phase, as well as subject to monomer availability, capital expenditure guidance is therefore only indicative

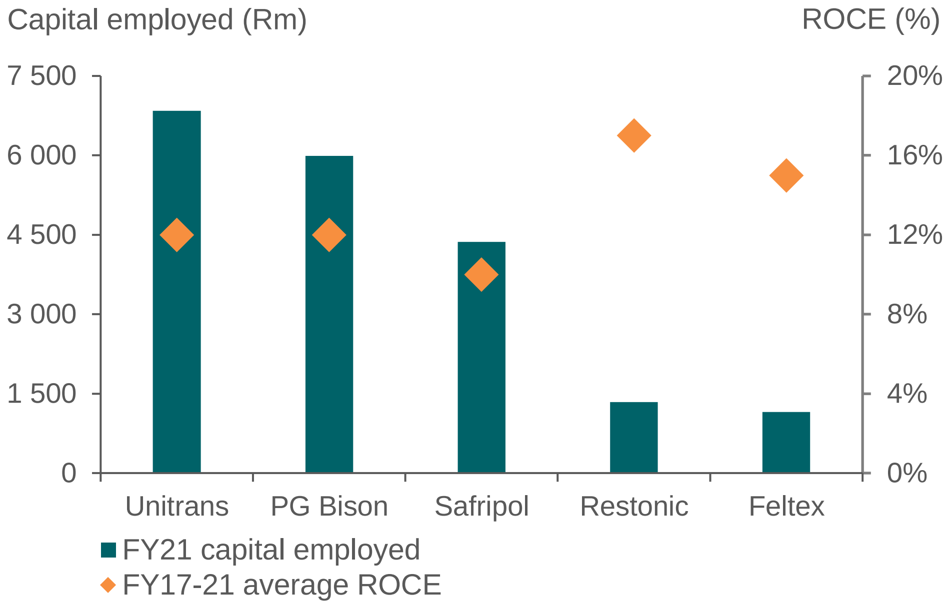
UNPACKING THE > 16% ROCE OBJECTIVE

- Unitrans has lowest ROCE with highest portion of capital employed in KAP, requiring rationalised revenue and resources toward growth in key sectors with higher margins and returns, and expansion into complementary “integrated operational services”
- PG Bison ROCE to improve as increased capacity and technology upgrades are optimised and unproductive capital work-in-progress is brought into use
- Safripol through-the-cycle ROCE to improve on optimised PET plant, renegotiated ethylene supply contract and increased value-add
- Returns in Feltex and Restonic expected to return to pre-Covid levels; DriveRisk returns potentially above KAP average

KAP ROCE*



FY21 capital employed vs 5-year average ROCE*



* Including impairments, FY22 forecast

IN SUMMARY

Who is KAP?

- We are an owner and builder of unlisted, market-leading businesses/brands with world-class products and services that create lasting social and economic value.

Strategy

- We identify sectors with growth opportunities; we develop strategies to become sector leaders; we assemble best-in-class management teams; we allocate capital to ensure optimal returns; and we provide strategic and corporate support to execute this strategy. Our investment philosophy is sector-agnostic, subject to our ESG and sustainability values.
- Financial targets: ROCE > 16%, EBIT margin > 10%, core HEPS > GDP growth + CPI, cash conversion > 90%

Capital allocation and portfolio optimisation

- High-return, low-risk organic growth and a resilient balance sheet is prioritised with several “big ticket” organic growth opportunities available, Safripol and PG Bison the largest.
- Corporate action will be a key focus of the strategy
- Balance sheet will be responsibly managed with net debt:EBITDA target < 2.5x

ROCE improvement

- ROCE improvement most levered to:
    - a return to pre-Covid normality
    - completion of major projects and elimination of > R1bn capital work-in-progress
    - an improvement in Unitrans ROCE

TOPICAL MATTERS THAT AFFECT KAP

SAFRIPOL RAW MATERIAL MARGINS

Our strategy is to “beat the index” and “moderate cyclicality”

Principles of Safripol and raw material pricing

- PET: PET selling prices and raw material (PTA and MEG) cost prices are all referenced to China spot indices
- HDPE/PP: HDPE/PP selling prices are referenced to SEA indices, while raw material (ethylene and propylene) cost prices are largely referenced to US/WE indices
- Ethylene supply contract has been renegotiated to facilitate a more relevant correlation between SEA selling prices for HDPE with US/WE ethylene cost prices, to provide a fair market-related margin
- Propylene supply contract provides relevant correlation between SEA selling prices for PP with US/WE propylene cost prices

Principles of Safripol raw material margins

- PET: China spot PET selling price – (0.86 x China spot PTA price) – (0.35 x China spot MEG price)
  *A volume discount is negotiated where applicable
- HDPE: SEA HDPE selling price – (0.6 x US ethylene contract prices) - (0.4 x WE ethylene contract prices)^
  *A discount is negotiated to raw material cost prices and factor applied to correlate SEA selling prices to US/WE cost prices
- PP: SEA PP price – (average of US/WE propylene contract prices)
  *A discount is negotiated to raw material prices and factor applied to correlate SEA selling prices to US/WE cost prices

SEA: Southeast Asia
WE: Western Europe
US: United States
^ Includes a coal/gas component

SAFRIPOL RAW MATERIAL MARGINS

Indexed basket guidance to provide increased transparency

Safripol polymers basket composition

- Actual raw material margins for PET, HDPE and PP, weighted by average annual sales volumes
  - PET 237 000 tonnes
  - HDPE 160 000 tonnes
  - PP 120 000 tonnes
- Note: actual prices for PET, HDPE and PP will differ from index prices because of, among other reasons, i) grade differences, ii) duties, iii) import logistics costs, and iv) timing differences

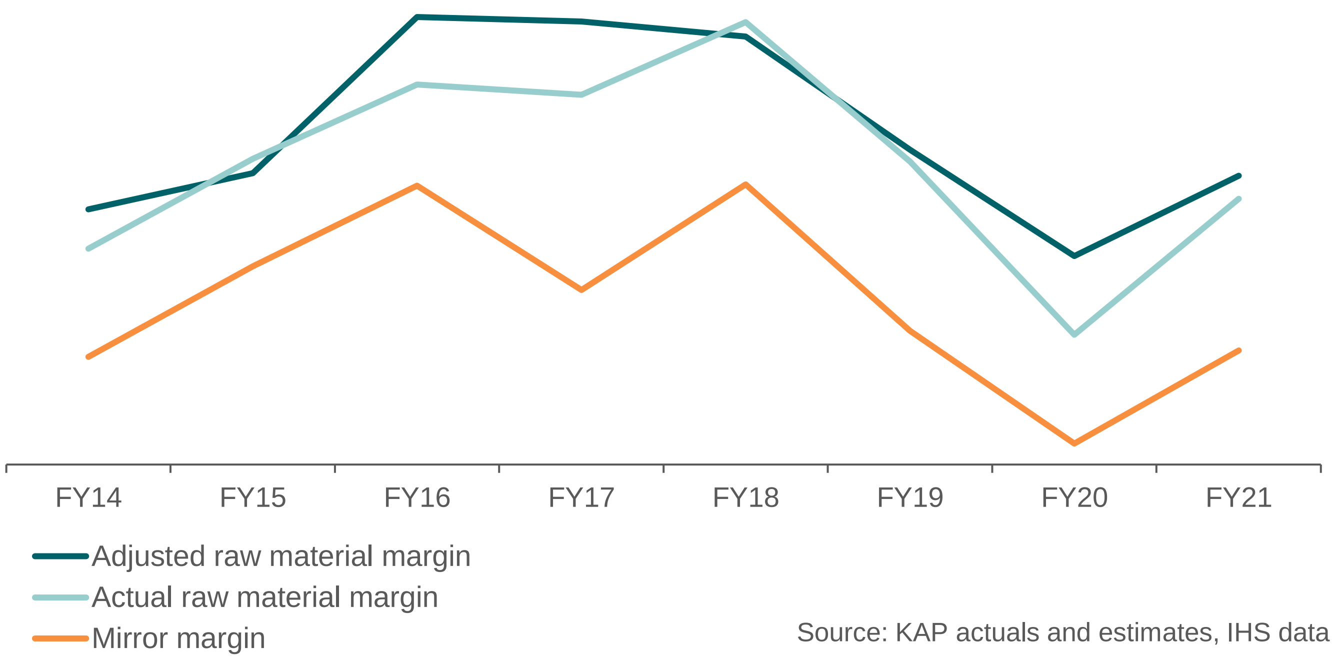
Basket mirror guidance

- As above, with below high-level guidance to calculate margins
  - PET: China spot PET price – (0.86 x China spot PTA price) – (0.35 x China spot MEG price)
  - HDPE: SEA HDPE price – (0.6 x US + 0.4 x WE ethylene contract prices)
  - PP: US/WE average PP margins applied to SEA PP selling prices
- Note: actual raw material margins for PET, HDPE and PP will differ from index margin because of, among other reasons, i) grade and specification differences, ii) duties, iii) import logistics costs, iv) timing differences, v) discounts on raw material prices, and vi) margin adjustment mechanism to correctly correlate SEA selling prices with US/WE cost prices

SAFRIPOL RAW MATERIAL MARGINS

Indexed basket guidance to provide increased transparency

Safripol basket raw material margins



Source: KAP actuals and estimates, IHS data

Moderate the cycle

- Renegotiated supply contract has improved "base" raw material margin
- Cyclical trough not as deep
- c. 55% of Safripol sales volume have margin adjustment mechanism

Margin differential between mirror index margins and Safripol margins

- Grades and specifications
- Timing differences
- Discounts on raw material supply
- Import logistics costs, including duties and landing costs
- Margin adjustment mechanism to correctly correlate SEA selling prices with US/WE cost prices

FY18 margin normalised to eliminate start-up challenges with the PET expansion
"Adjusted raw material margin" incorporates retrospective application of renegotiated ethylene contract for illustrative purposes only

SAFRIPOL RAW MATERIAL MARGINS OUTLOOK

Guidance

- Global PP and HDPE demand growth expected to exceed GDP growth
- Global capacity expected to outpace demand growth for all three polymers to 2025* (currently not evident due to regional dislocation)
- Global VPET demand growth to fall below GDP growth, however RPET demand growth well above GDP growth, supported by regulatory shifts toward collection and recycling

Near-term raw material margin guidance*

- China PET and US/WE HDPE margins are expected to remain at or above the five-year average, US/WE PP margins are expected to decline relative to the five-year average
- Regional dislocation between SEA and US/WE is expected to remain

Long-term operating profit margin guidance^

- 7–9% average through-the-cycle

*,^ IHS forecasts and KAP calculations/expectations (index margins calculated using IHS historical and forecast data)
Note: Growth rates refer to average annual growth rates

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Integrated into the KAP strategy | Good returns, for the return of good

POWER OF **RESPONSIBILITY**

Responsible plastics help reduce costs, improve innovation and make products/manufacturing more sustainable.
Responsible plastics enhance society and drive innovation.
Responsible driver behaviour saves lives!

→ WELL **WORLD**

POWER OF **SLEEP**

Sleep is crucial for development, thinking, and success.
Sleep is a game changer.
The right sleeping environment is crucial to actualise our potential.

→ WELL **PEOPLE**

POWER OF **SPACES**

Healthy, inspirational living spaces (work, play, drive, live) are **transformative in optimising human potential**.

→ WELL **LIVING & WORKING**

POWER OF **DOING**

People are influenced by others and are generally hesitant to take action.
Knowledge doesn't drive action. Motivation doesn't drive outcomes.
Doing does!

→ WELL **COMPANY**

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Integrated into the KAP strategy | Manufacturing example

We comply with all relevant environmental legislation and foster sustainable forestry best practice to ensure longevity in raw material supply.

We invest in technology and processes to reduce waste and raw material consumption, improve efficiencies and thereby lower our cost of production.

We invest in our communities and people as they are pivotal to our success.

We invest in technology to lower energy consumption, and we use biomass to generate energy at PG Bison. Our energy strategy incorporates renewable energy in our electricity supply mix.

We comply with all relevant safety legislation and industry best practice in our strive to create a safe working environment for our people, and “zero harm”.

We reuse and recycle in all operations, which reduces waste and lowers cost.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Integrated into the KAP strategy | Practical examples

Waste

- Safripol, PG Bison and Restonic reuses/recycles c. 70% of waste (internally and externally)
- PG Bison and Restonic buy in c. 300 kt of “waste” annually (biomass and textile “waste”)
- c. 30% of raw materials used in Restonic mattresses are recycled products

Energy efficiency

- PG Bison thermal energy plants use biowaste to supply energy to Ugie and eMkhondo plants
- Safripol redesigning polymers to be less energy intensive for converters

Carbon emissions

- Replacement of drier during eMkhondo particleboard upgrade – resulted in 20% lower emissions at the facility
- Unitrans Africa smart farming solutions reduce fertiliser consumption and materially improves yield
- Unitrans truck fleet includes 50 PBS vehicles that consume 1.94% less fuel per tonne/kilometre than standard vehicles

Community

- Ugie CREATE initiative
- DriveRisk road safety strategy

RESILIENCE STRATEGY

Business continuity | Deteriorating state infrastructure and services

- Detailed ERM (Enterprise Risk Management) assessment
- Multifaceted approach, starting with government partnership and industry leadership
    - Executive Director: Corporate Affairs actively interacting at multiple levels in government and industry
    - Government BAAM (Business-adopt-a-municipality) success in Ugie to be replaced by BRE (Business retention and expansion programme), to be extended to other exposed regions (eMkhondo, Sasolburg, etc.)
- Active and sustained community engagement and partnership (Ugie blueprint to be rolled out)
- Site security and driver routing to mitigate civil unrest risk
- Water strategy
- Energy strategy
    - Reduce consumption, mitigate interruptions, mitigate non-supply, sale to third parties
    - Direct Eskom engagement

RESILIENCE STRATEGY

Business continuity | Energy strategy

Purpose

- Mitigate supply and interruption risks
- Extract cost savings
- Potentially supply third parties

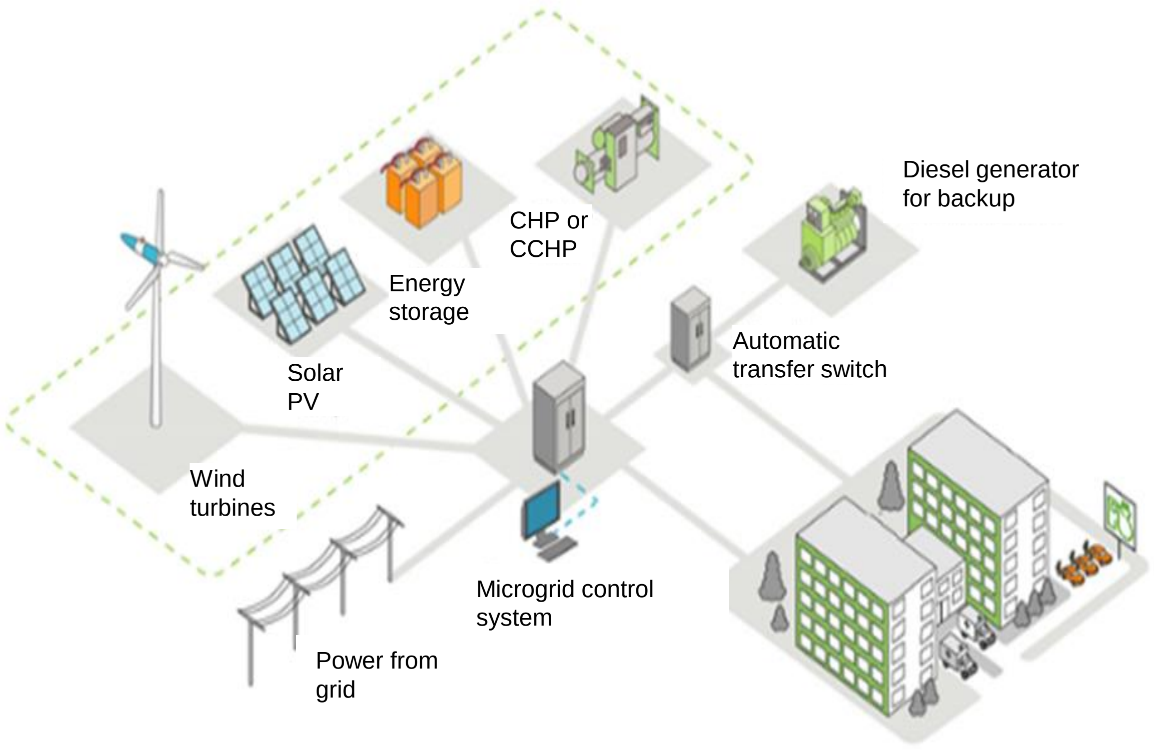
KAP electricity consumption

- c. 100 MWh
- Electricity costs c. R600m p.a.
- Significant increase in costs since FY17, due to cost escalation and increased capacity

Self-generation across the group initiated

- Microgrid designs in progress
- Potential c. R1bn opportunity, IRR of > 15%
- 10 MW PV plant at Safripol Sasolburg 1H23, 50% of site requirements, c. R135m

Microgrid design



WORLD-CLASS MANUFACTURING IN SOUTH AFRICA

OPERATIONAL UPDATE

OPERATING ENVIRONMENT FOR FY22

Continued political instability and policy uncertainty	Deteriorating state infrastructure and services	Civil unrest in South Africa and Eswatini
Covid-19 restrictions continued to weigh on certain sectors	Floods in KZN and eastern regions of Africa	Severe commodity price volatility and raw material inflation pressures
Subdued consumer demand and rising consumer inflation	Global supply chain disruptions continue	War in the Ukraine

→ KAP's diversified business model proved resilient

→ Decentralised management structures supported rapid decision-making

OPERATIONAL UPDATE FOR THE 11 MONTHS TO 31 MAY 2022

PG Bison

- Global supply/demand and supply chain disruptions continue to support local supply and manufacture
- Robust local demand supported by continued “home spend”
- eMkhondo expansion successfully completed, adding approximately 14% additional capacity
- All plants operated at full available capacity
- Significant raw material price increases, partially passed on through sales price increases
- Annual maintenance shuts completed at all three plants in 2H22, affecting 2H22 to 1H22 comparison
- Seventh MFB and second gloss line installations nearing completion with commissioning scheduled for Sep 22
- New eMkhondo MDF plant project initiated

Safripol

- Strong global and local demand, with global supply chain disruptions and regional demand/supply imbalances supporting higher global selling prices and margins
- Robust local demand supported market share gains
- Renegotiated ethylene supply contract provided more relevant and fair pricing parameters, which improved HDPE margins
- PET plant operated at nameplate capacity and yield, following recent expansion and debottlenecking
- PP and HDPE plants operated at full available capacity

OPERATIONAL UPDATE FOR THE 11 MONTHS TO 31 MAY 2022

Unitrans

- Unitrans South Africa division performed well, with a slight improvement in margins and returns
- Termination of major retail contract effective August 2023
    - S197 transfer of staff
    - Termination penalty
    - Assets retained to facilitate fleet leasing opportunity and mitigate global vehicle supply risk
- Challenging trading conditions encountered in Unitrans Africa in 1H22 continued in 2H22
    - Botswana is a major market for Unitrans, which remains severely constrained by Covid-19
    - Civil unrest and low customer cane yields and mill performances negatively affected agriculture operations
    - Start-up of complementary road freight and rail operations showed improvement in 2H22
- Unitrans Passenger transport remained relatively stable
    - Management transition with new CEO progressing well

Restonic

- Challenging trading conditions with subdued consumer demand, exacerbated by civil unrest in July 2021
- Commodity volatility led raw material price increases, with resultant margin erosion
- Seasonally weaker 2H22 experienced compared to 1H22

OPERATIONAL UPDATE FOR THE 11 MONTHS TO 31 MAY 2022

Feltex

- Performance improved in 2H22 compared with 1H22
- Lower volumes and volatility in OEM demand due to the impact of the global shortage of semiconductor chips and the technical challenges with the start-up of its component production for a new vehicle model, were largely resolved
- Key customer operations disrupted following KZN floods, expected to affect volumes toward year-end

DiveRisk

- Successfully integrated into the group
- Good progress made on growth and brand strategies

Q&A

THANK YOU