BEING THE CHANGE

UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

AGENDA

INTRODUCTION	Patrick Quarmby
DIVISIONAL OPERATIONAL REVIEW	Gary Chaplin
FINANCIAL ANALYSIS	Frans Olivier
STRATEGY & OUTLOOK	Gary Chaplin
Q&A	Gary Chaplin/Frans Olivier

DIVISIONAL OPERATIONAL REVIEW

GARY CHAPLIN

CHIEF EXECUTIVE OFFICER

OPERATING ENVIRONMENT

Continued political instability and uncertainty

Civil unrest in South Africa and Eswatini

Macroeconomic environment characterised by subdued consumer demand

Covid-19 restrictions continue to weigh on certain sectors

Global supply chain disruptions continue

Commodity volatility and inflationary pressures

KAP's diversified business model proved resilient

Decentralised management structures supported rapid decision-making

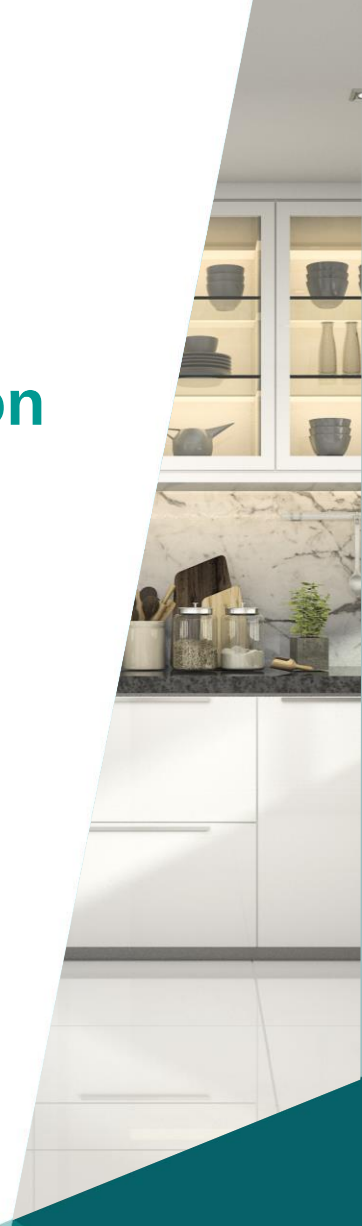
PG BISON

- Global demand and supply chain disruptions supported domestic manufacture
- Strong demand across all categories drove revenue growth of 17% and supported increased average selling prices to offset cost inflation
- Value-added product ratio decreased to 66% (1H21: 67%) and exports reduced by 16% in support of increased volumes to downstream manufacturers
- Production volumes increased by 7%, enabling scale benefits and margin improvement, together with strategic investment in inventory
- Plantation valuation decreased by R66 million, due primarily to migration from sawlogs to pulpwood for increased internal use
- eMkhondo (Piet Retief) particleboard capacity expansion completed and dry commissioned, and will remain within R560 million budget
- R1 875 million, 780 m^3 per day MDF expansion initiated with an anticipated July 2024 commissioning

Revenue
R2 422 million
up 17%

Operating profit
R494 million
up 63%

Operating margin
20.4%



RESTONIC

- Civil unrest resulted in significant damage to customer retail outlets and distribution channels in South Africa
- Generally softer consumer demand was experienced, with more moderate promotional peaks
- Mattress sales volumes were down 12%, with key raw material foam and textile volumes down 13% and 12% respectively
- Significant cost inflation on commodity driven raw materials impacted negatively on margins
- Manufacturing capability optimised through strategic inventory and supply chain investments, which also supported improved customer service
- Foam operations restructured in line with refined product strategy
- Divisional restructure completed, providing separate focus on sleep and industrial sectors

Revenue
R917 million
down 9%

Operating profit
R95 million
down 48%

Operating margin
10.4%

FELTEX

- Global semiconductor chip shortage and supply chain disruptions impacted significantly on the automotive manufacture and retail sectors
- Revenue negatively impacted by 14% decrease in new vehicle assembly volumes and a 14 – 37% decline in targeted LCV sales
- Volatility in component call-off from OEM customers significantly impacted production efficiencies and cost management
- R59 million operating profit impact from reduced volumes and volatile call-off
- Technology challenges in the start-up of a new model introduction resulted in unplanned overtime, low production yields and increased rejects, impacting operating profit by R38 million
- New model component manufacture approached normality toward the end of the period

Revenue
R826 million
down 14%

Operating profit
R2 million
down 97%

Operating margin
0.2%

- The following factors impacted significantly on the global polymers sector:
  - Increased global consumption levels
  - Global supply chain disruptions causing a trade disconnect between East and West
  - Regional petrochemical demand/supply imbalances
  - Major petrochemical sector capacity expansions in the US
  - Oil price
- Margin drivers of Safripol:
  - Indexed pricing of PET, HDPE and PP, which is driven by global supply/demand
  - Indexed pricing of ethylene, propylene, PTA, MEG and PIA raw materials
  - Rand/US dollar exchange rate
  - Global duty structures
  - Commodity and currency changes during procurement to sales cycle
  - Safripol product range and regional sales mix
  - Strategy to 'beat the index' and 'moderate cyclicality'

	1H22 vs 1H21	1H22 vs 2H21
PET	**28%**	5%
HDPE	**25%**	5%
PP	**51%**	27%

Note: The raw material margin analysis has been adjusted to account for the R91 million ethylene price adjustment in 2H21.

PET – Polyethylene terephthalate

HDPE – High density polyethylene

PP – Polypropylene

- Market demand was strong across all product categories, exceeding our available capacity, with continued support for locally manufactured polymers
- Continued progress was made toward increasing higher margin grades of PP and HDPE, which are used in more durable applications
- Improved product and regional sales mix supported margins in all three polymers
- Ethylene pricing model renegotiated to reference more relevant indices, with a margin collar to moderate cyclicality
- Temporary ethylene supply constraints limited production capacity
- PET operations returned to normality, with consistent improvement throughout the period to reach full rated capacity and yield in December 2021
- Strategic investment in inventory to mitigate supply chain disruptions
- 8% stronger rand offset by stronger indexed margins, better product and regional sales mix and efficiency improvements

Revenue
R4 818 million
up 28%

Operating profit
R610 million
up 247%

Operating margin
12.7%

	PET		HDPE		PP	
	1H22	1H21	1H22	1H21	1H22	1H21
Revenue (Rm)	**2 052**	1 344	**1 508**	1 441	**1 258**	982
Sales volume (tonnes)	**110 352**	96 581	**71 231**	82 919	**60 894**	56 782
Production volume (tonnes)	**102 046**	80 040	**72 231**	81 076	**61 929**	60 669
Average R/USD exchange rate	**15.02**	16.26	**15.02**	16.26	**15.02**	16.26

Revenue
R4 832 million
up 8%

Operating profit
R345 million
down 6%

Revenue

- Unitrans South Africa – **58%**
- Unitrans Africa – **23%**
- Unitrans Passenger – **19%**

Operating profit

- Unitrans South Africa – **47%**
- Unitrans Africa – **26%**
- Unitrans Passenger – **27%**

Total assets

- Unitrans South Africa – **57%**
- Unitrans Africa – **30%**
- Unitrans Passenger – **13%**

SOUTH AFRICA

- The division showed continued improvement, with revenue growth and margin expansion, under challenging macro conditions
- Food and consumer operations performed well, Specialised freight and warehousing was stable, while General freight and warehousing was down on prior due to subdued cement, sugar, alcohol and linehaul volumes
- Technology-driven ‘Control Tower’ continued to support margins through improved driver performance and fleet utilisation, reduced accidents and improved business information
- Net gain of R168 million in annualised revenue of contracts secured during the period
- Notice of termination of a major contract during FY23, however protection contractually provided through transfer of staff and assets, and early termination penalty – management considering their options

Revenue
R2 807 million
up 7%

Operating profit
R162 million
up 11%

Operating margin
5.8%

SOUTH AFRICA CONTINUED

Revenue by sector

- Specialised freight & warehousing – **38%**
- Food & consumer – **32%**
- General freight & warehousing – **30%**

AFRICA

- Disappointing performance a result of multiple external factors
- Agriculture performance impacted negatively by lower cane yields, mill stoppages and industrial action at customer operations
- Continued progress was made in expanding technology-driven precision farming operations to complement traditional agriculture activities
- Road haulage activities, especially cross-border, impacted by state of emergency in Botswana for 1Q22, together with civil unrest in both South Africa and Eswatini
- Mining performed well following contract renewal in Madagascar and successful start-up of operations in Botswana
- Entry into rail to undergo strategic review following continuing container disruptions
- Net gain of R99 million in annualised revenue of contracts secured during the period

Revenue
R1 133 million
up 7%

Operating profit
R88 million
down 27%

Operating margin
7.8%

AFRICA CONTINUED

Revenue by country

- Botswana – **26%**
- Mozambique – **25%**
- Eswatini – **14%**
- Malawi – **12%**
- Tanzania – **8%**
- Namibia – **6%**
- Lesotho – **3%**
- Madagascar – **3%**
- Zambia – **3%**

Revenue by sector

- Road haulage – **50%**
- Agriculture – **44%**
- Mining – **5%**
- Rail – **1%**

PASSENGER

- Performance of the Commuter and Personnel operations was satisfactory
  - Management restructure provided increased focus on operational disciplines and efficiencies
  - Key focus on fixing or terminating marginal and/or loss-making contracts
- Gautrain operations continued to be supported by the concession partner during low passenger environment
- Mozambican operation’s performance was satisfactory
- Major Mozambique contract in re-tender process with management confident of renewal
- Greyhound and Citiliner assets disposed of for R84 million
- New CEO appointed with effect from 1 December 2021 with responsible transition in progress

Revenue
R911 million
up 12%

Operating profit
R95 million
down 6%

Operating margin
10.4%

FINANCIAL ANALYSIS

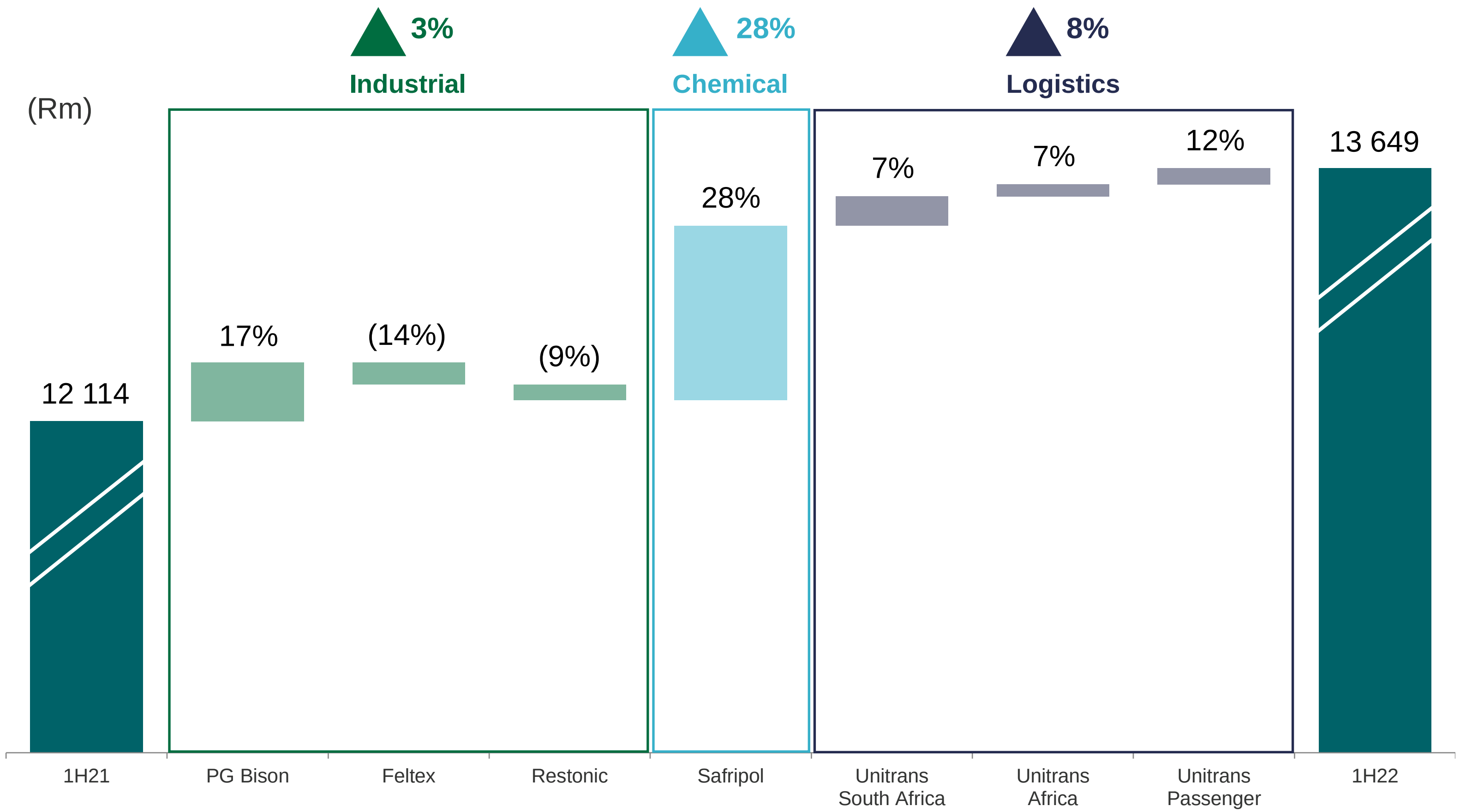
FRANS OLIVIER

CHIEF FINANCIAL OFFICER

FINANCIAL HIGHLIGHTS

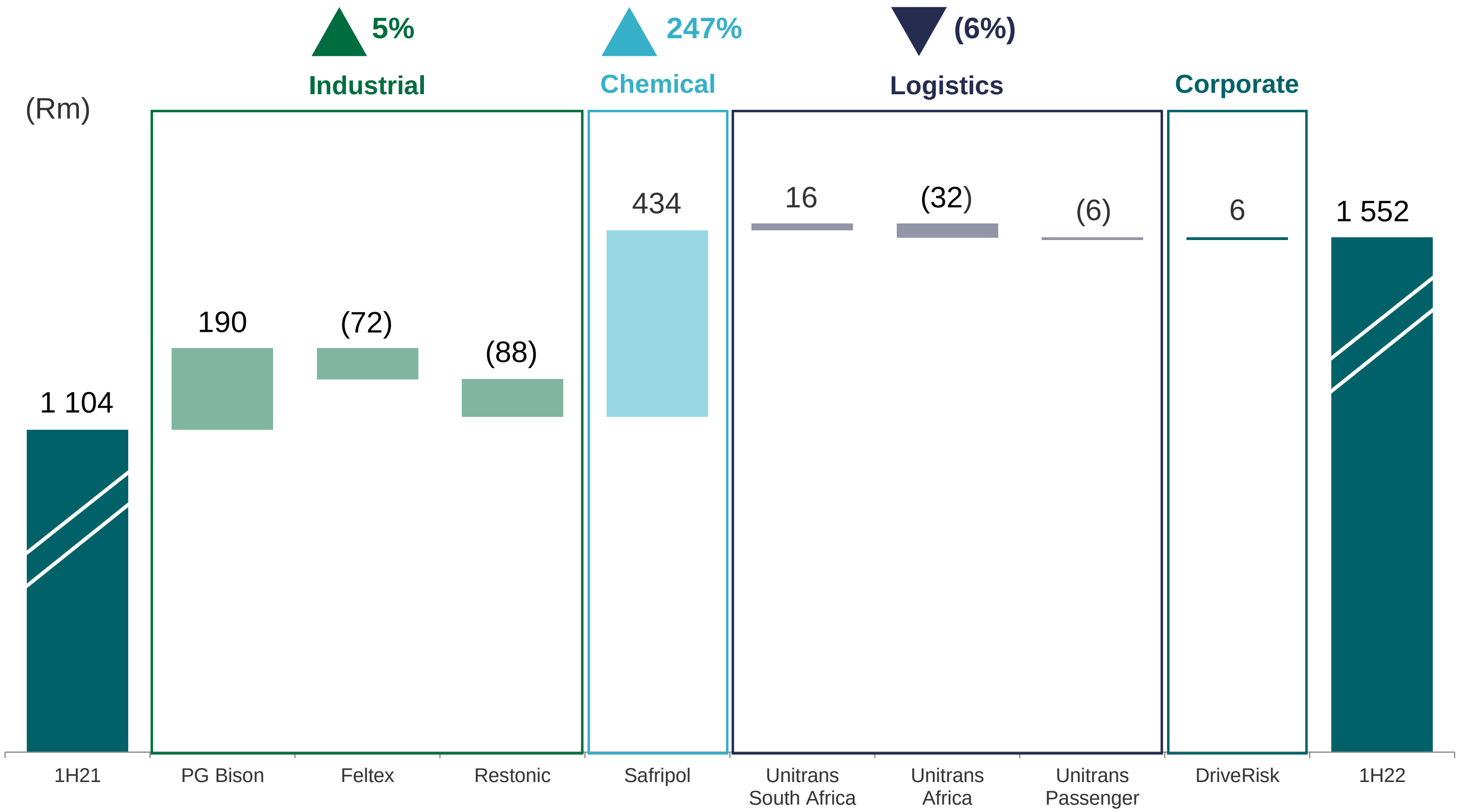
From continuing operations	1H22	1H21	Variance
Revenue (Rm)	**13 649**	12 114	▲ 13%
EBITDA (Rm)	**2 223**	1 762	▲ 26%
Operating profit before capital items (Rm)	**1 552**	1 104	▲ 41%
Operating profit margin	**11.4%**	9.1%	▲ 230 bps
Headline earnings per share (cents)	**37.2**	23.0	▲ 62%
EBITDA: interest cover (times)	**8.3**	4.7	▲ 77%
Net debt: EBITDA (times)	**2.0**	2.5	▼ 20%

GROUP REVENUE ANALYSIS*



* From continuing operations

GROUP OPERATING PROFIT ANALYSIS*



Operating profit and margin performance due to strong growth in PG Bison and Safripol

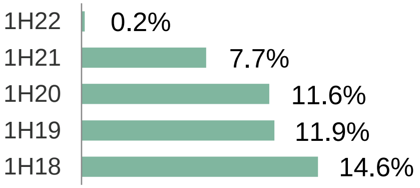
* From continuing operations

GROUP MARGIN ANALYSIS*

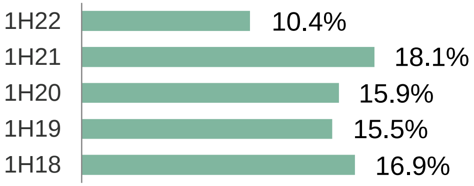
KAP operating profit margin increased 230 bps to 11.4%

PG Bison

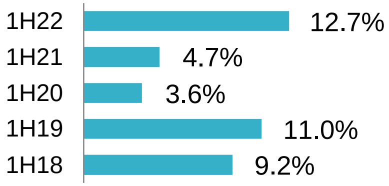
Feltex



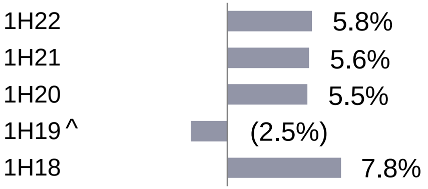
Restonic



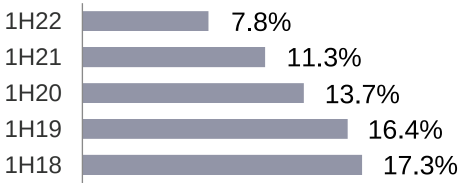
Safripol



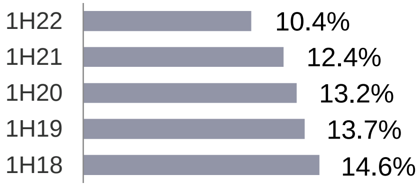
Unitrans South Africa



Unitrans Africa



Unitrans Passenger



* From continuing operations
^ Including cost of R194 million relating to the Unitrans B-BBEE transaction

FINANCIAL ANALYSIS

Income statement

From continuing operations	1H22 Rm	1H21 Rm	Variance
Revenue	**13 649**	12 114	13%
EBITDA	**2 223**	1 762	26%
Depreciation and amortisation	**(671)**	(658)	2%
Capital items	**12**	38	
Operating profit	**1 564**	1 142	37%
Net finance costs	**(233)**	(241)	(3%)
Associate companies and joint ventures	**6**	16	
Taxation	**(383)**	(252)	
Minorities	**(14)**	(37)	
Earnings attributable to owners of the parent	**940**	628	50%
Add back capital items net of taxation	**(9)**	(36)	
Headline earnings	**931**	592	57%
Weighted average number of ordinary shares (m)	**2 502**	2 571	(3%)
Headline earnings per share (cents)	**37.2**	23.0	62%

Diversified business model proved resilient

FINANCIAL ANALYSIS

Balance sheet

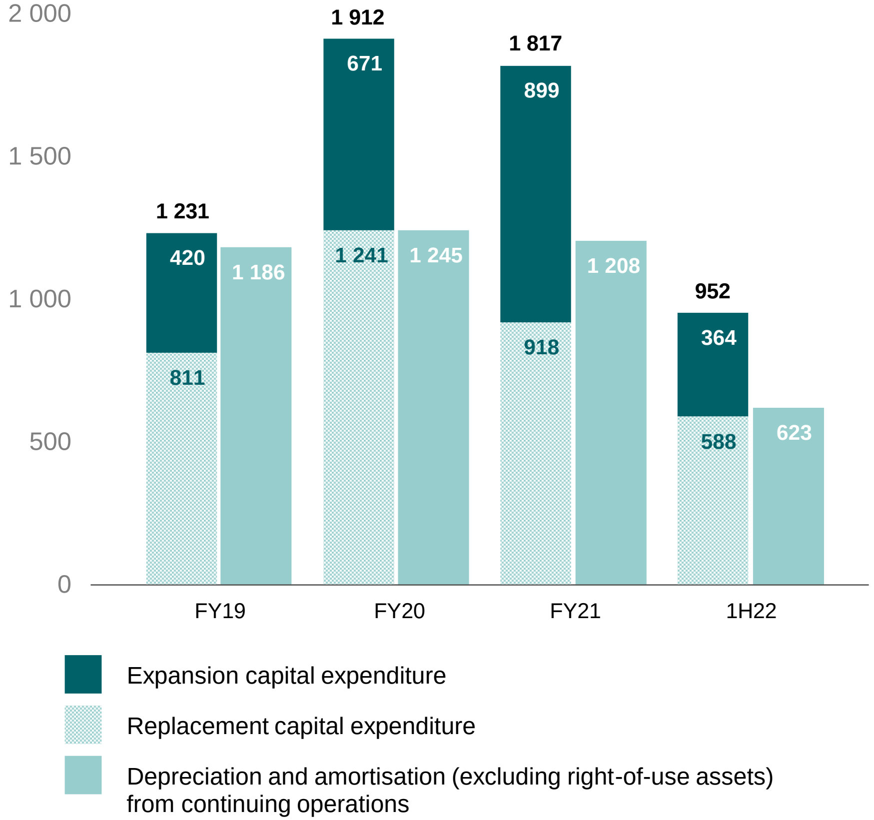
	31 Dec 21 Rm	30 Jun 21 Rm	31 Dec 20 Rm
Property, plant, equipment and investment property	**13 582**	12 957	12 658
Right-of-use assets	**344**	358	409
Intangible assets	**2 544**	2 028	2 033
Goodwill	**641**	641	641
Biological assets	**1 501**	1 565	1 607
Net working capital	**3 059**	1 925	2 048
Other assets	**221**	321	188
Assets	**21 892**	19 795	19 584
Total equity	**10 926**	10 449	10 105
Net interest-bearing liabilities	**7 908**	6 530	6 639
Other liabilities	**3 058**	2 816	2 840
Equity and liabilities	**21 892**	19 795	19 584
Net asset value per share (cents)	**433**	405	386

Balance sheet remains strong notwithstanding an increase in net working capital

FINANCIAL ANALYSIS

Strong asset base of new technology assets

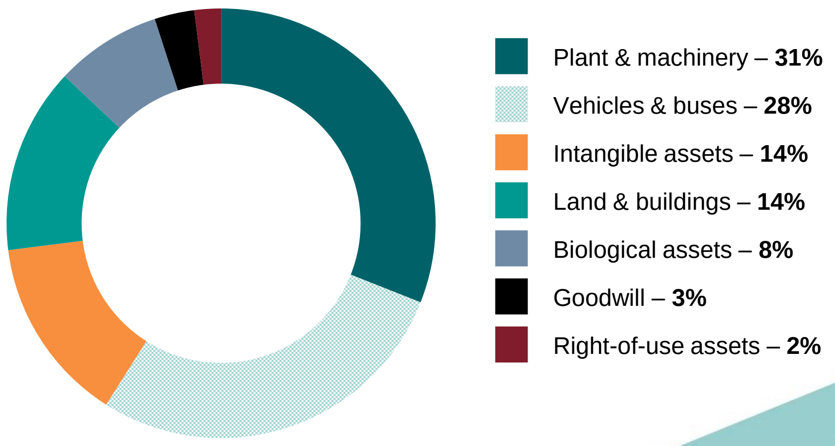
Capital expenditure (Rm)



eMkhondo (Piet Retief) projects (Rm)

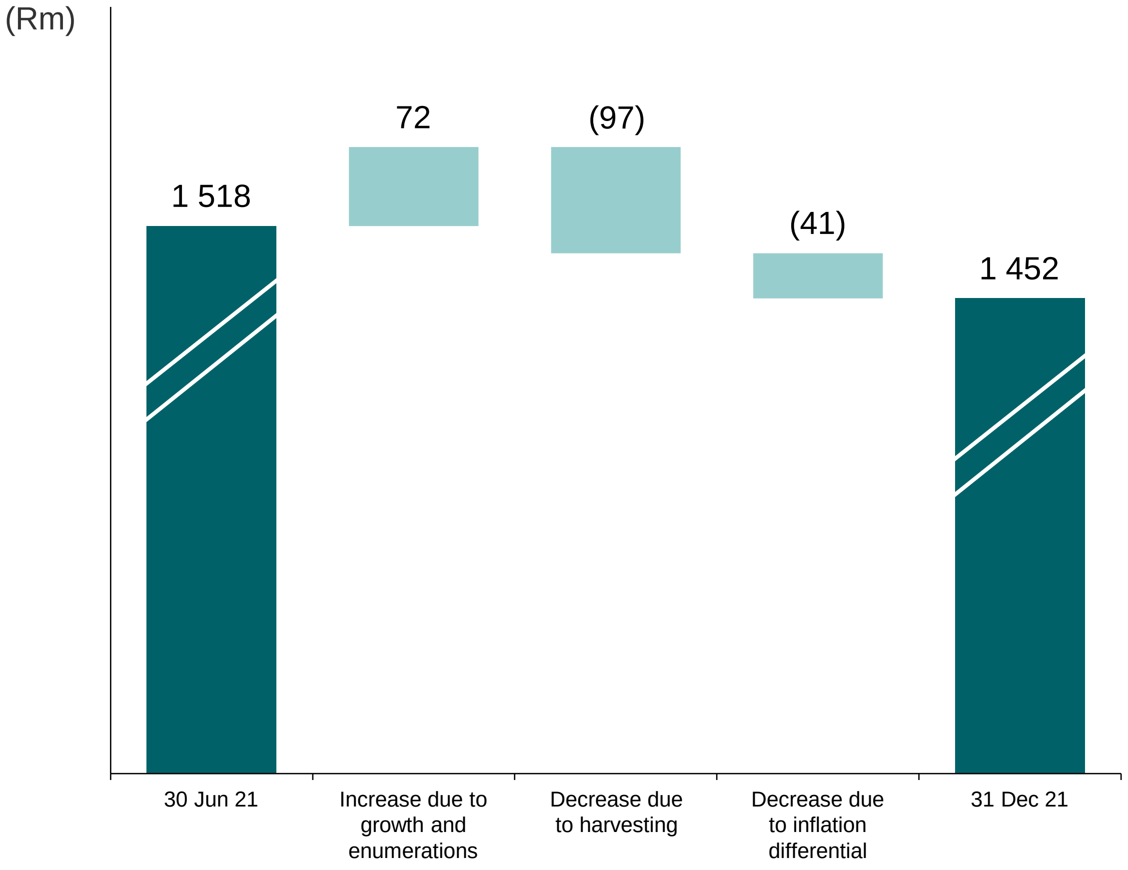
	FY19	FY20	FY21	1H22
Particleboard	1	75	272	**145**
MDF	–	–	–	**71**

Asset base at 31 December 2021



FINANCIAL ANALYSIS

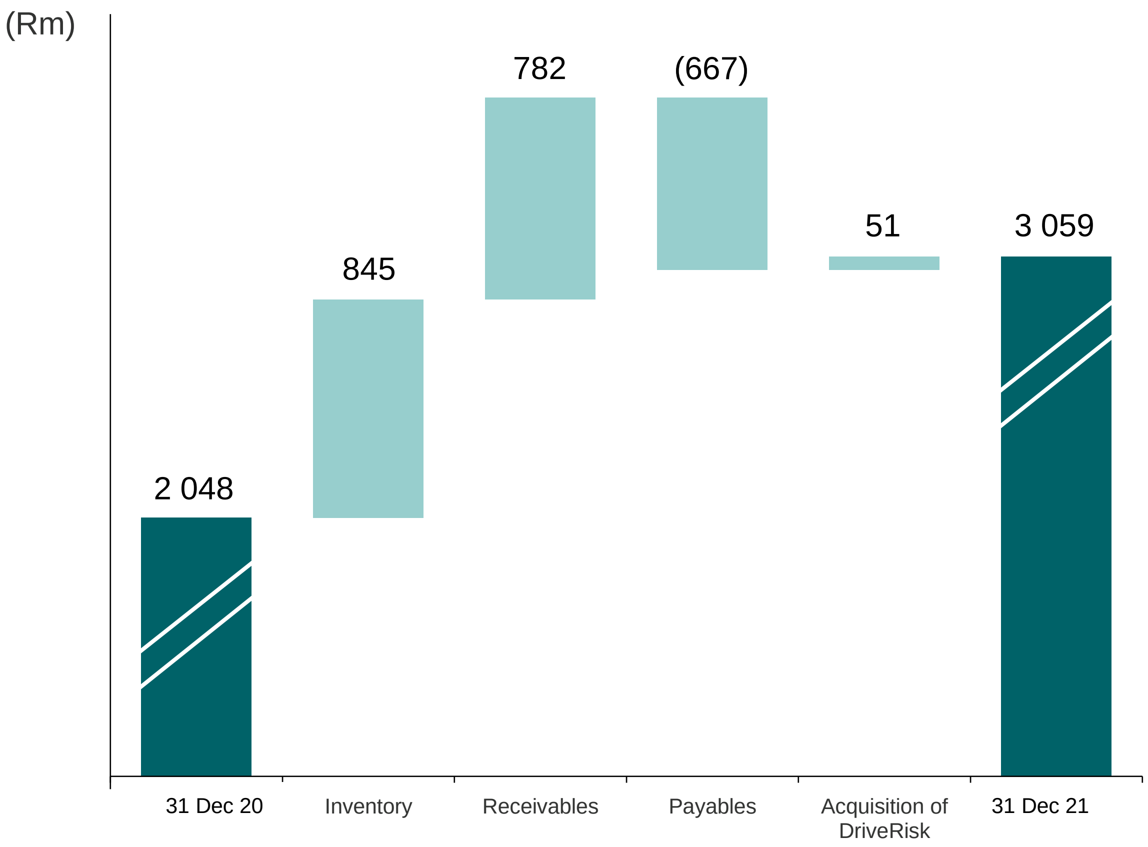
Plantation revaluation



- North eastern Cape fires in August 2021 affected 3 174 hectares of plantations
- Value of affected plantation is R164 million
- Estimate to fully recover value through salvage operations and insurance
- Conversion from sawlogs to pulpwood for internal use

FINANCIAL ANALYSIS

Working capital breakdown



- Strategic investment in inventory to mitigate global supply chain disruptions
- Impacted by significant price increases
- Approaching a more normalised level compared to prior period
- Focus on optimising net working capital

FINANCIAL ANALYSIS

Cash flow

	1H22 Rm	1H21 Rm
EBITDA	**2 223**	1 762
Net revaluation of biological assets	**66**	148
Discontinued operations	**10**	(60)
Other non-cash adjustments	**58**	29
Cash generated from trading	**2 357**	1 879
Working capital changes	**(1 053)**	(162)
Inventory	**(250)**	268
Receivables	**(458)**	(593)
Payables	**(345)**	163
Cash generated from operations	**1 304**	1 717
Net finance charges	**(246)**	(252)
Taxation	**(289)**	(157)
Cash flow from operating activities	**769**	1 308
Cash conversion ratio*	**58%**	101%

* Conversion of EBITDA (from continuing and discontinued operations) to cash generated from operations

Cash conversion impacted by seasonality in working capital cycle

Continued efforts to normalise working capital at reporting dates

Cash conversion target of greater than 90%

FINANCIAL ANALYSIS

Cash flow (continued)

	1H22 Rm	1H21 Rm
Cash flow from operating activities	**769**	1 308
Investing activities	**(1 344)**	(781)
Expansion capex*	**(364)**	(449)
Replacement capex^	**(588)**	(334)
Acquisition of subsidiaries and businesses	**(387)**	–
Other investing activities	**(5)**	2
Free cash flow before dividends	**(575)**	527
Dividends paid	**(391)**	(19)
Shares repurchased	**(310)**	–
Other financing activities	**1 245**	(615)
Movement in cash and cash equivalents	**(31)**	(107)

* Net of government grants received
^ Net of proceeds on disposal, insurance proceeds and government grants received

Intercity assets disposed for R84 million

CORPORATE ACTIVITY

Acquisition of DriveRisk

- Effective 1 December 2021, the group acquired 90% of DriveRisk Holdings (Pty) Ltd and SingRisk Services Pte. Ltd. for R404 million
- A shareholding of 10% is retained by management
- The consideration paid, net of cash, amounted to R379 million
- As permitted by IFRS 3 – *Business Combinations*, provisional values were accounted for

	Rm
Purchase price	**404**
Intangible assets	**516**
Property, plant and equipment	**55**
Net working capital	**51**
Other assets	**11**
Deferred tax	**(136)**
Net debt	**(56)**
Non-controlling interests	**(36)**
Other liabilities	**(1)**

Immediate prior twelve months turnover of R375 million and EBITDA of R55 million

Historic EBITDA impacted by global semiconductor shortages

Forward order-book providing for 5 times EV/EBITDA acquisition multiple

- Intangible assets of R355 million, net of deferred taxation, were provisionally recognised on acquisition

kap

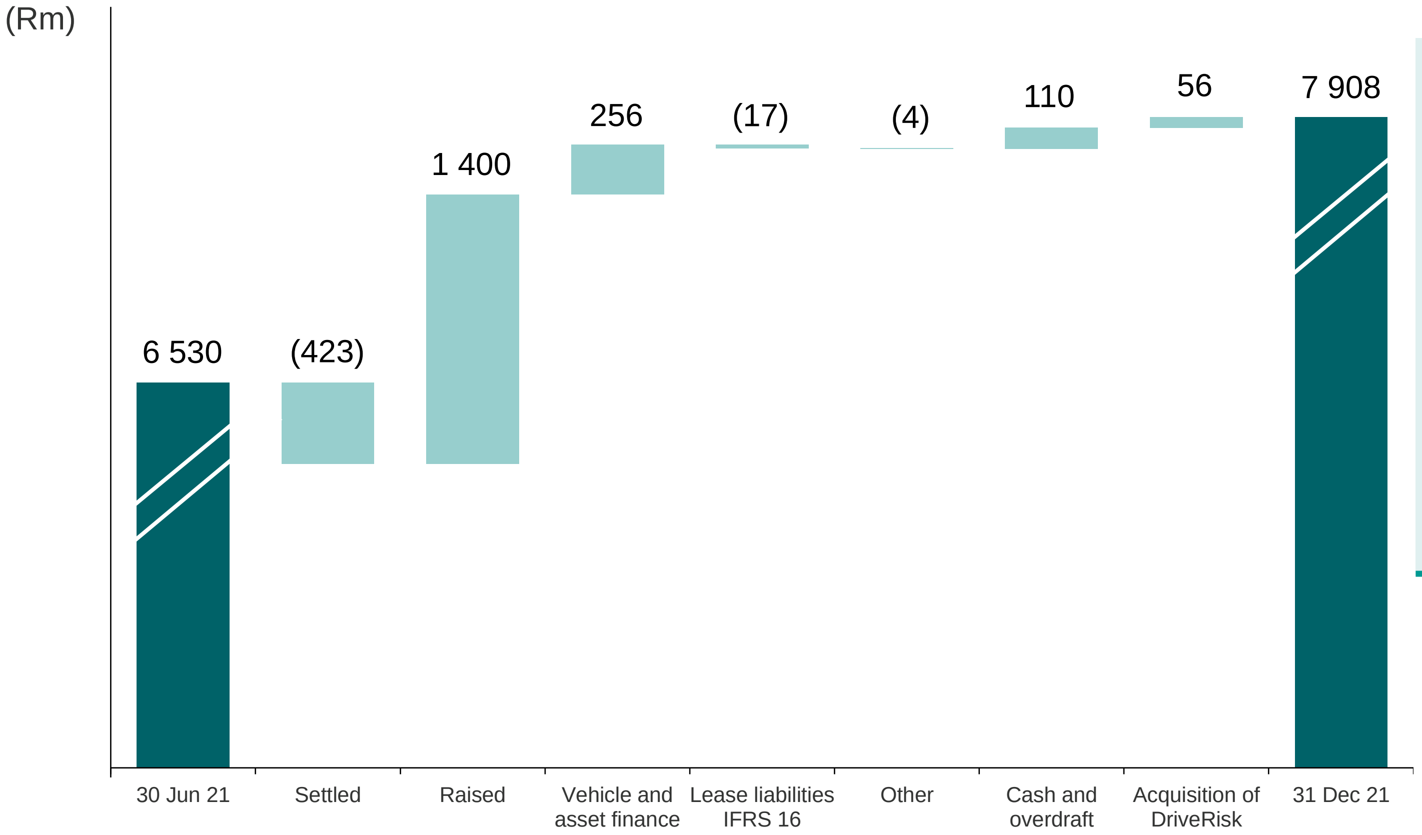
TREASURY ACTIVITY

Share buy-backs

Number of shares (million)	Six months ended 31 Dec 2021	Year ended 30 Jun 2021
Ordinary shares in issue at beginning of the period	**2 531**	2 571
Shares issued in terms of share rights scheme	**6**	–
Shares repurchased and cancelled	**(65)**	(40)
Ordinary shares in issue	**2 472**	2 531
Weighted average ordinary shares in issue	**2 502**	2 555

TREASURY ACTIVITY

Movement in net interest-bearing debt



Investment of R1 053 million in working capital

Dividends of R391 million paid

Shares repurchased for R310 million

DriveRisk acquired for R404 million and assumed net debt of R56 million

TREASURY ACTIVITY

Significant debt funding activities for the period

The following significant funding activities were concluded during the period:

Corporate bonds issued during the period with three-year tenures:

- KAP019 – Listed: R500 million

Corporate bonds issued during the period with five-year tenures:

- KAP020 – Listed: R250 million
- KAP021 – Listed: R250 million

Existing corporate bonds tapped during the period:

- KAP015 – Listed: R200 million
- KAP017 – Listed: R200 million

Corporate bonds settled at maturity:

- KAP007 – Listed: R420 million

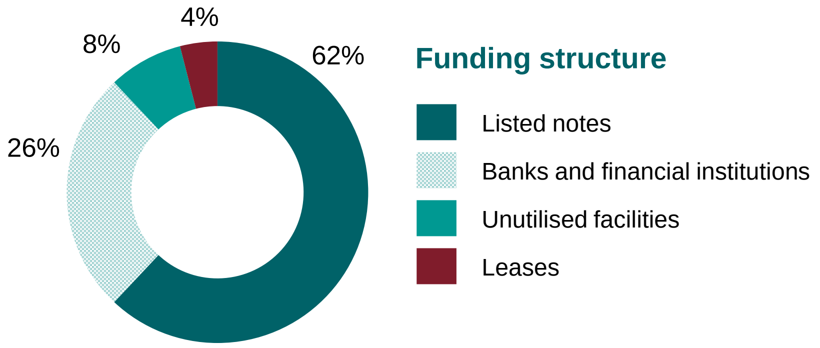
Global Credit Rating confirmed KAP's rating as A+(za) with a stable outlook (20 November 2021)

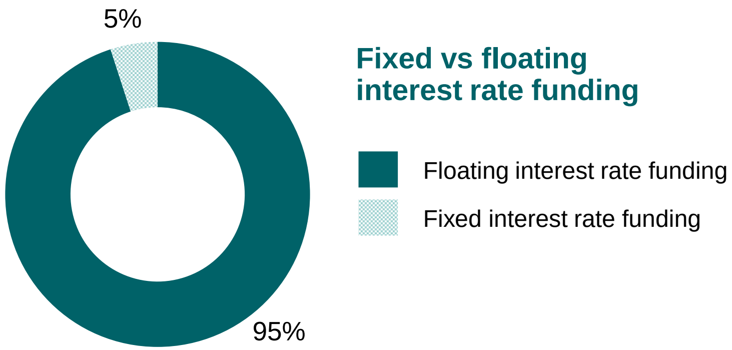
TREASURY ACTIVITY

Debt serviceability ratios reflective of resilient business model

	31 Dec 21	30 Jun 21	31 Dec 20
Gross interest-bearing debt (Rm)	**8 655**	7 281	7 483
Net interest-bearing debt (Rm)	**7 908**	6 530	6 639
Equity excluding non-controlling interest (Rm)	**10 701**	10 250	9 926
Gearing (net debt:equity)	**74%**	64%	67%
Net debt: EBITDA (times) < 3.2*	**2.0**	1.9	2.5
EBITDA: interest cover (times) > 3.5*	**8.3**	7.3	4.7

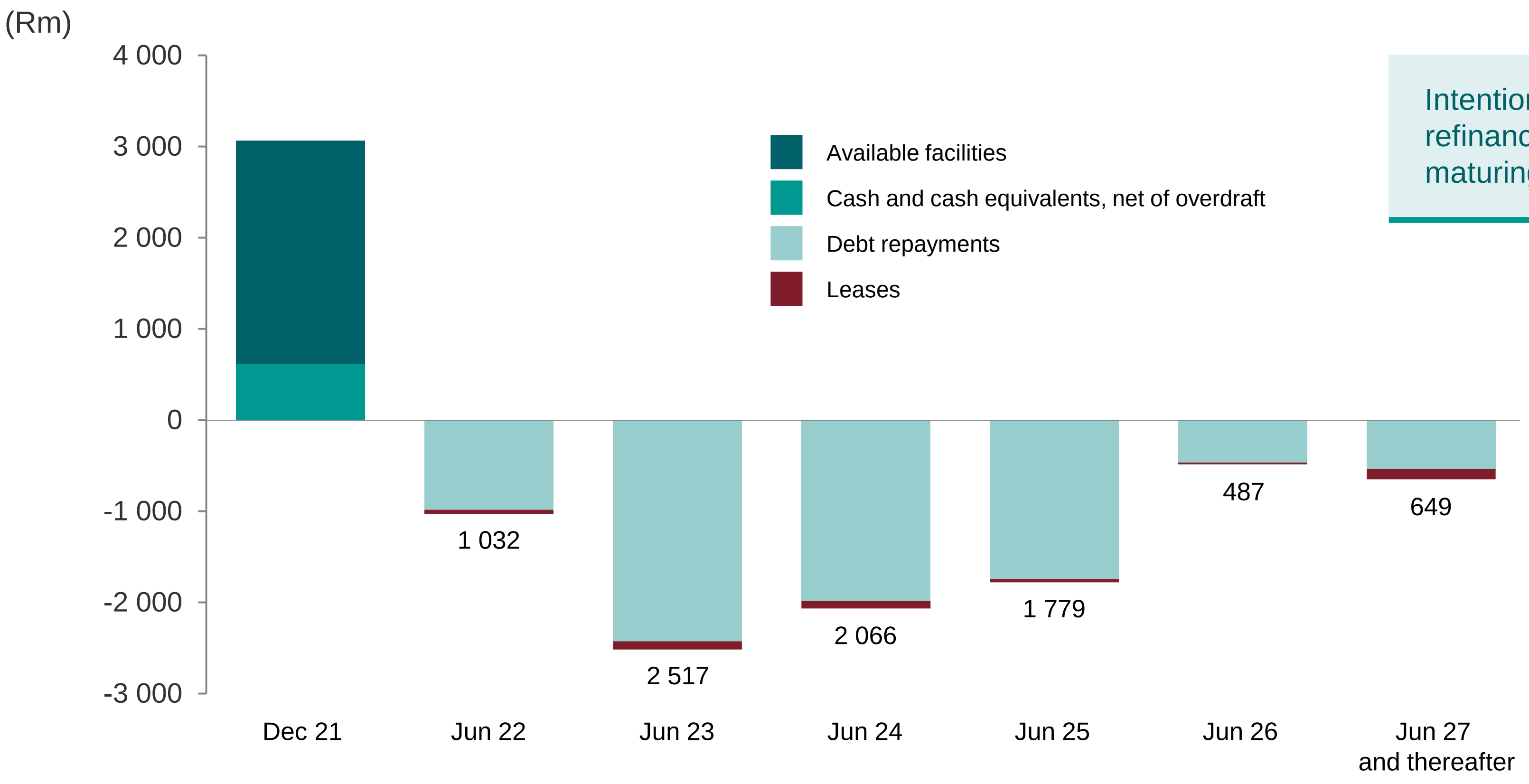
* From continuing operations for rolling 12 months





TREASURY ACTIVITY

Net interest-bearing debt maturity as at 31 December 2021



Intention to refinance maturing debt

STRATEGY & OUTLOOK

GARY CHAPLIN

CHIEF EXECUTIVE OFFICER

DriveRisk
MANAGE • MOTIVATE • MITIGATE

Acquisition rationale: Opportunity to invest in an asset-light, technology-enabled business with strong social impact. As customers, we are true believers in the product.

- DriveRisk is focused on reducing risk through technology-enabled Driver Behaviour Management
- Best of breed global technologies are integrated by DriveRisk into a single intelligent user interface which is able to predict and prevent incidents and accidents, thereby providing improved:
  - Risk management and safety
  - Asset protection and cost reduction
  - Operational efficiency
- Focus is on real-time video recording, analysis, ***action*** and reporting in relation to driver behaviour and events
- Call centre interacting with drivers and clients 24/7 to predict and prevent incidents and accidents
- Broad sector/industry exposure; logistics, security, mining, agriculture, forestry, courier, waste, etc. with > 50 000 active devices in operation
- Primary operations in South Africa and Australasia, with operations initiated in 22 other countries
- Significant further sector and territory growth opportunities

"Our purpose is to save lives."
Steve Ford

DriveRisk™
MANAGE • MOTIVATE • MITIGATE

lytx DriveCam.

DriveAlert™
FATIGUE AND DISTRACTION MONITORING

DriveReport™
REAL-TIME PUBLIC FEEDBACK

mobileye
An Intel Company

Outlook for FY22

- Market demand remains robust in domestic and export markets
- Continued focus on range development and demand creation to support continued revenue growth through value-add strategy
- All plants and value-adding facilities scheduled to operate at full available capacity
- Strategic inventory to support commissioning of eMkhondo (Piet Retief) particleboard expansion during February/March 2022
- Capacity expansion adds 14% to total capacity from April 2022

Focus beyond FY22

- Market and product our core focus, with continued consumer demand creation and customer enablement
- Technology-driven execution platform with the lowest cost of product to market
- Increased investment in value-add (MFB and Gloss) in September 2022
- R1 875 million, 780 m^3 per day MDF expansion initiated with an anticipated July 2024 commissioning

"Our purpose is to inspire and enable beautiful living spaces."
Gerhard Victor

RESTONIC

Outlook for FY22

- Demand for sleep products expected to be subdued during 2H22
- Recovery of cost inflation in progress through procurement, pricing and product design
- Continued capacity expansion in raw materials and efficiency investments in sleep products
- Continued investment in brand development to support consumer demand
- Range development to support market share growth

Focus beyond FY22

- Primary focus on sleep sector, with market, product and brand at our core
- Longer term brand strategy activation to support demand creation among consumers
- Logistics capability to support growth
- Technology and integration to enable sustainability and scale at the lowest cost

“Our purpose is to enable wellbeing and success through the power of sleep.”

Mike Metz

Outlook for FY22

- Vehicle build and LCV sales volumes expected to show recovery, but remain subject to global semiconductor chip constraints and supply chain disruptions
- Reduced volatility and more consistent OEM call-off expected
- New model introduction component manufacture expected to fully normalise in 2H22

Focus beyond FY22

- Preparations for further new model introduction on track for September 2022 start-up
- Product development and new model introductions across all OEMs present continued growth opportunities
- APDP renewal provides further support, with strong emphasis on localisation
- Core competencies to be leveraged to explore opportunities in new electric vehicles
- Opportunities to expand product range to be pursued

"Our purpose is to provide exceptional automotive comfort and style."

Ugo Frigerio

SAFRIPOL
shaping your world, responsibly

Outlook for FY22

- Global supply chain disruptions and regional demand/supply imbalances are expected to continue and will support local manufacture
- Global polymer indices expected to continue to support healthy margins
- Market demand for PET, HDPE and PP anticipated to remain robust
- Product range management toward higher specification, higher margin, non-single-use applications

Focus beyond FY22

- ‘Normalisation’ of global supply chain disruptions and regional demand/supply imbalances
- Continued focus to ‘beat the index’ and ‘moderate cyclicality’
- Product range evolution toward higher specification, higher margin, non-single-use applications
- R&D toward new markets and applications
- Enabling recycling

“Our purpose is to shape our world through the responsible use of plastics.”

Nico van Niekerk

SOUTH AFRICA

Outlook for FY22

- Macroeconomic environment expected to remain challenging in South Africa
- Satisfactory pipeline of new opportunities being pursued
- Competition expected to remain robust
- Control Tower technology will continue to yield efficiency benefits

Focus beyond FY22

- Sector, market and customer focus to drive revenue growth, optimal capital allocation and improved returns
- Complementary operational services to extend Unitrans value proposition
- Execution efficiency enabled through increased technology application (Control Tower)
- Business intelligence to drive customer value
- Contractual protection expected to mitigate impact of material contract termination for FY23

"Our purpose is to free up our clients to focus on growing their businesses."

Terry Bantock

UNITRANS

AFRICA

Outlook for FY22

- Improved performance expected in Botswana following management restructure and lifting of state of emergency
- Commodity road haulage expected to stabilise with fewer cross-border disruptions
- Continued expansion into precision farming and complementary operational services
- Strategic decision on rail operations

Focus beyond FY22

- Sector, market and customer focus will drive growth in three key sectors:
  - Agriculture – technology-driven, integrated farm services
  - Mining – materials handling, on-site logistics and complementary services
  - Corridor road haulage to complement in-country and cross-border fuel distribution activities
- Integrated business intelligence platforms improve operational efficiencies and provide richer business intelligence

“Our purpose is to free up our clients to focus on growing their businesses.”

Rob Hayworth

PASSENGER

Outlook for FY22

- Exit from Intercity and Tourism operations and appointment of new CEO expected to bring fresh energy and focus
- Exiting CEO retained for 18-month transition period
- Key focus to fix marginal and low return contracts
- Gautrain expected to remain stable
- Continued growth targeted in Mozambique
- Targeted disposal of R47 million tourism coaches

Focus beyond FY22

- Contracted commuter and personnel transport at our core
- Bolt-on opportunities to existing infrastructure will be targeted
- Continued expansion into Mozambique

"Our purpose is to free up our clients to focus on growing their businesses."
Derek Lewis

Q&A

THANK YOU