kap
BEING THE CHANGE

AUDITED RESULTS
FOR THE YEAR ENDED 30 JUNE 2024

COMPLETION OF MAJOR CAPITAL PROJECTS POSITIONS KAP FOR GROWTH

Revenue
R29.1 billion (FY23: R29.6 billion)
▼2%

EBITDA
R3.7 billion (FY23: R4.0 billion)*
▼8%

Operating profit before capital items
R2.3 billion (FY23: R2.5 billion)*
▼11%

HEPS
45.3 cents (FY23: 47.3 cents)*
▼4%

Cash generated from operations of R3.5 billion

R3 billion RCF^
raised to refinance maturing facilities

*Restated ^Revolving credit facility

OPERATIONAL OVERVIEW

The South African operating environment was challenging during the year, despite the easing of electricity loadshedding in the second half of the financial year. Generally, economic activity was subdued, exacerbated by political uncertainty ahead of the May 2024 elections and pressure on consumer disposable income, which persisted due to elevated interest rates and inflation.

KAP was resilient in this environment, with five of our six divisions delivering an improved performance compared with the prior year. This was, however, offset by a weaker result from the group's polymers business, Safripol, which was affected by a cyclical low in the global polymers industry.

The group completed and commissioned certain multiyear capital projects during the second half of the financial year, which amounted to c. R2.5 billion. This is a major milestone in the execution of the group's strategy as it will provide a foundation for future earnings growth and cash generation.

KAP has made significant progress over the past two financial years to rationalise and restructure underperforming activities and operations. While these have already resulted in improved performance, we expect further benefits to be realised in FY25/26. We anticipate that this, together with the contribution of our major capital projects to earnings and cash flows, and our initiatives to outperform the sectors in which we operate, will support a reduction in debt and improve returns.

FINANCIAL OVERVIEW

	Year ended 30 Jun 2024 Audited	Year ended 30 Jun 2023 Audited Restated	% change
Revenue (Rm)	29 062	29 628	(2)
Operating profit before capital items (Rm)	2 250	2 523	(11)
Headline earnings (cents per share)	45.3	47.3	(4)
Basic earnings (cents per share)	43.8	21.3	106
Net asset value (cents per share)	500	466	7

The board of directors has not declared a dividend for the year ended 30 June 2024 (30 June 2023: Nil).

ABOUT THIS SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the company. It contains only a summary of the information in the consolidated annual financial statements for the year ended 30 June 2024 ('annual financial statements') and the summary consolidated financial statements for the year ended 30 June 2024 ('summarised financial statements') and does not contain full or complete details. This short-form announcement has not been audited or reviewed.

Any investment decisions by investors and/or shareholders should be based on consideration of the annual financial statements, as a whole.

The annual financial statements have been audited by the company's auditors, KPMG Inc., who expressed an unmodified audit opinion thereon. The full auditor's report includes details of the key audit matters. This auditor's report, along with the annual financial statements and summarised financial statements, 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.

By order of the board
KAP Secretarial Services Proprietary Limited
29 August 2024

KAP owns a diversified portfolio consisting of six businesses operating under well-known brands and offering market-leading products and services in strategically selected markets.

PG BISON

PG Bison produces wood-based decorative panels, which are used for interior applications to inspire and enable beautiful living spaces.

SAFRIPOL shaping your world, responsibly

Safripol produces polymers that are used in a broad range of applications in sectors such as packaging, infrastructure, agriculture and homeware. Safripol is leading the 'Let's plastic responsibly' campaign, which aims to prevent plastics entering the environment.

UNITRANS

Unitrans is a supply chain and operational services business providing customised solutions to clients in a diverse range of sectors, including food, agriculture, petrochemical, mining and passenger transport.

FELTEX

Feltex manufactures automotive components designed to enhance the comfort and style of new vehicles.

RESTONIC BELIEVE IN THE POWER OF SLEEP

Restonic is an integrated manufacturer of sleep products under the Restonic, iDream and Green Coil brands, as well as retail house brands for major South African furniture and bedding retailers.

optix SAFELY HOME

Optix utilises leading global video telematics and predictive analytics to prevent road accidents and improve road safety in over 40 countries. Its unique user interfaces provide real-time event-based interventions, business intelligence tools and driver support to improve fleet efficiency and reduce risk.

CORPORATE INFORMATION

KAP Limited ('KAP' or 'the company') **Independent non-executive directors:** PK Quarmby (Chairperson), JA Holtzhausen (Lead), TC Esau-Isaacs, Z Fuphe, KT Hopkins, SN Maseko, V McMenamin, AFB Mthembu, SH Müller **Executive directors:** GN Chaplin (Chief executive officer), FH Olivier (Chief financial officer), SP Lunga **Registration number:** 1978/000181/06 **Share code:** KAP **ISIN:** ZAE000171963 **Company Alpha code:** KAP **LEI code:** 3789001F51BC0045FD42 **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:** investors@kap.co.za **Transfer secretary:** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 **Company secretary:** KAP Secretarial Services Proprietary Limited **External auditor:** KPMG Inc. **Equity and debt sponsor:** PSG Capital Proprietary Limited
Announcement date: 30 August 2024

The summarised financial statements are available on
www.kap.co.za