AUDITED RESULTS

FOR THE YEAR ENDED
30 JUNE 2025

kap

BEING THE CHANGE

AGENDA

OPERATIONAL REVIEW	Gary Chaplin
FINANCIAL REVIEW	Frans Olivier
GROUP OUTLOOK	Frans Olivier
Q&A	Gary Chaplin/Frans Olivier

OPERATIONAL REVIEW

Gary Chaplin
Chief executive officer

KEY TAKEAWAYS FROM THE FY25 RESULTS

Operating environment

- Trading conditions remained challenging, fourth quarter particularly difficult
- Volume, pricing and margin pressure across the group

Highlights

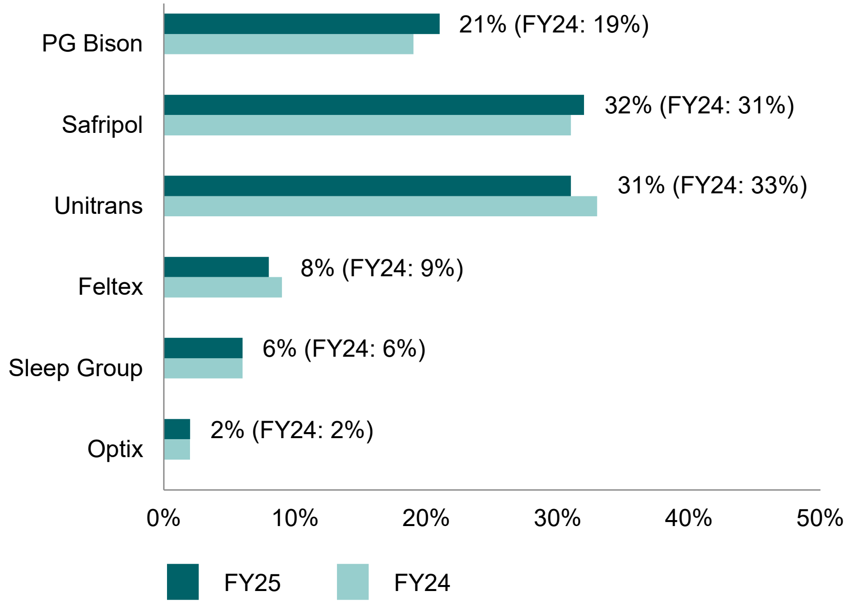
- Projects of c. R2.6 billion ramped up to full capacity (PG Bison's new MDF line the largest); good growth opportunities
- Debt refinanced for 1H26 through RCF and bond programme
- KAP within covenants despite weak trading environment and impact of major projects start-up and ramp-up
- Rationalisation of KAP corporate services and divisional executive committees complete
- Improved performances for Safripol and Sleep Group, good 2H25 for Feltex

Lowlights

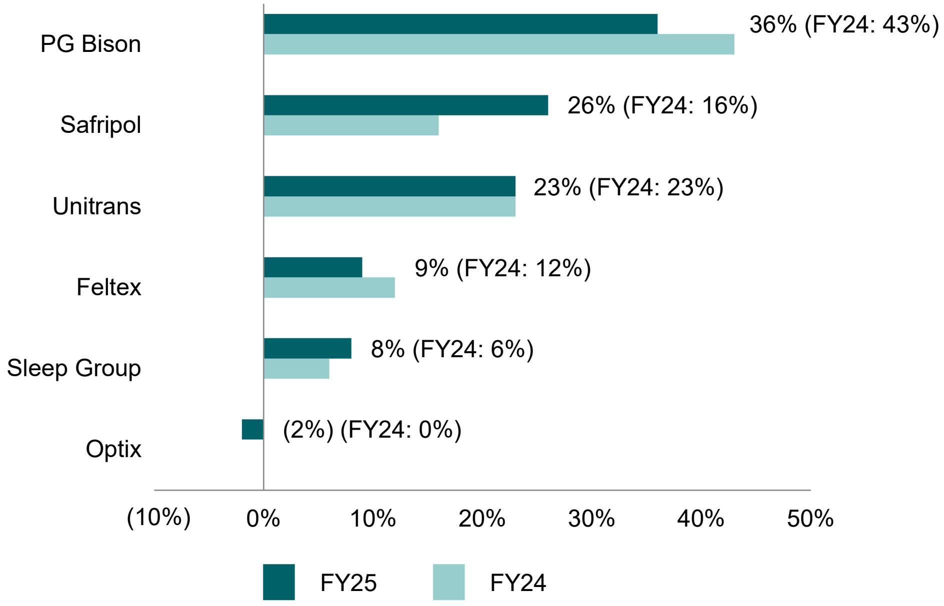
- Operational and financial effects related to major projects materially impacted the results, will ease over time
- Unitrans' performance weakened in 2H25 and Optix remained below expectations
- Impairments in Safripol, Maxe (Feltex's aftermarket business) and Optix

DIVISIONAL CONTRIBUTION

Revenue*



Operating profit



* Divisional contribution to group results, before intersegmental eliminations

PG BISON

Successful ramp-up of MDF line, with significant progress made in selling additional MDF

- Ramp-up of new MDF line ahead of feasibility, with full utilisation during the fourth quarter:
  - Operational feasibility metrics achieved
- Panel sales volumes increased by 13%, resulting in higher revenue:
  - 85% higher MDF sales due to higher production
  - Domestic sales up slightly; exports by 52% but at lower margin
  - Value-add increased by 7%; 63% of sales volumes
- Operating profit negatively affected by the MDF line commissioning and ramp-up:
  - R368 million production overheads and depreciation
  - Utilisation, sales volumes, pricing and mix not yet optimised
- Outlook positive as new capacity provides growth opportunities:
  - MDF a growth category globally, with upgraded board growth rates higher
  - Operating margin to improve over time as markets are developed, further aided by higher value-add sales
  - Near-term, margins expected to be below historical levels

Revenue
R6 327 million
▲ 10%

Operating profit
R717 million
▼ 28%

Operating margin
11.3%
from 17.4%

PG BISON MDF PROJECT

New MDF line presents meaningful future growth opportunities

Project scope

- 274 000 m^3 new MDF line at Mkhondo facility (33% increase in total capacity)
- R2.1 billion investment, construction commenced in April 2021, concluded June 2024

Rationale

- Consolidate PG Bison as the leading producer of wood-based decorative panels in Africa
- Service growing demand for MDF (domestic and Africa) and replace imports

Production and sales strategy

- Successful ramp-up ahead of project feasibility timeline of four years to sell full capacity
- Market-specific demand creation and sales strategy advancing well
- Focus on domestic and neighbouring countries (primary markets), deep-sea exports to supplement (secondary markets)
- Current export selling prices impacted by subdued global growth
- Additional upgrading capacity planned for FY27 at a cost of R240 million; higher growth rates and margins in line with strategy

Financial and non-financial benefits

- Ungeared, post-tax real IRR 15% to 16% on 20-year cash flows with no residual (excluding additional upgrading capacity)
- Forecast cash cost of production at full capacity internationally competitive
- Supports localisation and job creation across the forestry and furniture value chains

SAFRIPOL

Results supported by increased production and sales volumes

- HDPE production efficiency improved following completion of R402 million HDPE conversion and extruder project in 2H24
- Production increased by 19%, largely due to prior year production constraints not recurring
- Sales volumes 8% higher:
  - Marginal increase in domestic sales volumes
  - Exports made up 15% of sales volumes (FY24: 10%), supplemented domestic sales
- Operating profit up 43% on increased production and sales volumes
- Raw material margins remained low compared with historical averages
- Industry expectations are for the global polymers industry to remain in a cyclical low until at least FY30; raw material margins to remain under pressure over this period
- Impairment of PET plant due to sustained low indexed raw material margin environment
- Price and volume dispute with Sasol:
  - Expected to be complex and protracted
  - Competition Commission complaint initiated and application for interim relief in progress

Revenue
R9 692 million
▲ 4%

Operating profit
R503 million
▲ 43%

Operating margin
5.2%
from 3.8%

UNITRANS

Restructuring sets the foundation for improved performance and growth

- Revenue lower mainly due to exit of low-margin, low-return activities and subdued demand:
  - Good 1H25 could not be sustained in 2H25, affected by weaker market conditions
- Operating profit declined by 14%:
  - Agriculture operations affected by adverse weather and delayed start to harvesting season
  - Mining and petrochemical operations weaker; mining affected by lower volumes at a key customer site, petrochemicals by lower volumes and internal inefficiencies
  - Food operations improved, passenger operations stable
- Deep restructuring largely concluded
- Focused on delivering revenue growth, optimised contract performance and asset utilisation, additional cost savings:
  - Disposed of commuter contract in the North West Province for R110 million (excludes property for R33 million awaiting transfer)
  - Restructuring of petrochemical operations (31% of divisional revenue) initiated in 2H25
  - Continued focus on disposal or closure of underperforming operations
- Medium-term operating profit target of R700 million remains intact

Revenue
R9 332 million
▼ 4%

Operating profit
R436 million
▼ 14%

Operating margin
4.7%
from 5.2%

FELTEX

2H25 results materially better following temporary customer production disruptions in 1H25

- New vehicle assembly volumes declined by 13%, with some temporary disruptions in 1H25:
  - All seven OEM volumes down on prior
  - Key model changeover at one OEM, technical-related challenges at another in 1H25, improvement in these in 2H25
- LCV sales down by 9%
- Revenue lower by 8%, mostly due to lower assembly and LCV sales volumes
- Operating profit declined by 37% due to lower volumes and non-recurring costs associated with the model changeover
- 2H25 performance materially better than 1H25 as temporary disruptions either resolved or eased
- Prior year includes insurance income of R19 million related to KZN floods in 2022
- Impairment of Maxe due to lower demand for vehicle accessories
- Industry expectations are for improved vehicle assembly volumes

Revenue
R2 429 million
▼ 8%

Operating profit
R166 million
▼ 37%

Operating margin
6.8%
from 9.9%

SLEEP GROUP

Positive momentum in performance continues

- Revenue 7% higher largely due to an increase in sales volumes of bedding units:
  - Consumers remained price-conscious
  - Extensive marketing, demand creation and promotional activities supported sales
- Operating profit up by 27% due to:
  - Higher sales volumes of bedding units
  - Good cost management, enhanced efficiencies and materially improved quality
  - Improved product and value mix
- Revenue growth and margin improvement remain focus areas, to be supported by:
  - Increased investment in marketing, sales and product development activities
  - Volume growth following investments in expansion of facilities, foam line upgrade and new fibre-tearing line
  - Turnaround in foam operations (12% of divisional revenue)

Revenue
R1 834 million
▲ 7%

Operating profit
R159 million
▲ 27%

Operating margin
8.7%
from 7.3%

OPTIX

Continued investment in product and infrastructure to support growth

- Revenue increased by 1%:
  - Subscriber base grew by 3%
  - Hardware sales were mostly replacement units, to ensure compatibility with network upgrades
  - Potential new sales pipeline conversion affected by focus on replacements
- Operating loss of R44 million:
  - Growth in revenue not sufficient to offset product and infrastructure development costs incurred to support future growth
- Impairment due to performance remaining below expectations
- Focused on leveraging its investments through increased sales, mostly internationally, to improve performance:
  - Redesigned executive team and increased sales and operational capacity to support sales pipeline conversion

Revenue
R602 million
▲ 1%

Operating loss
R44 million

Operating margin
(7.3%)

FINANCIAL REVIEW

Frans Olivier

Chief financial officer and chief executive officer designate

SALIENT FEATURES OF THE FY25 RESULTS

Revenue
R29.6 billion
▲ 2%

EBITDA
R3.4 billion
▼ 7%

Operating profit
R1.9 billion
▼ 14%

Operating margin
6.5%
▼ 120 bps

Headline earnings per share
24.1 cents
▼ 47%

Earnings per share
0.4 cents
▼ 99%

Net working capital
R3.3 billion
▲ 13%

Cash flow from operations
R3.0 billion
▼ 13%

Free cash flow before dividends paid of
R482 million

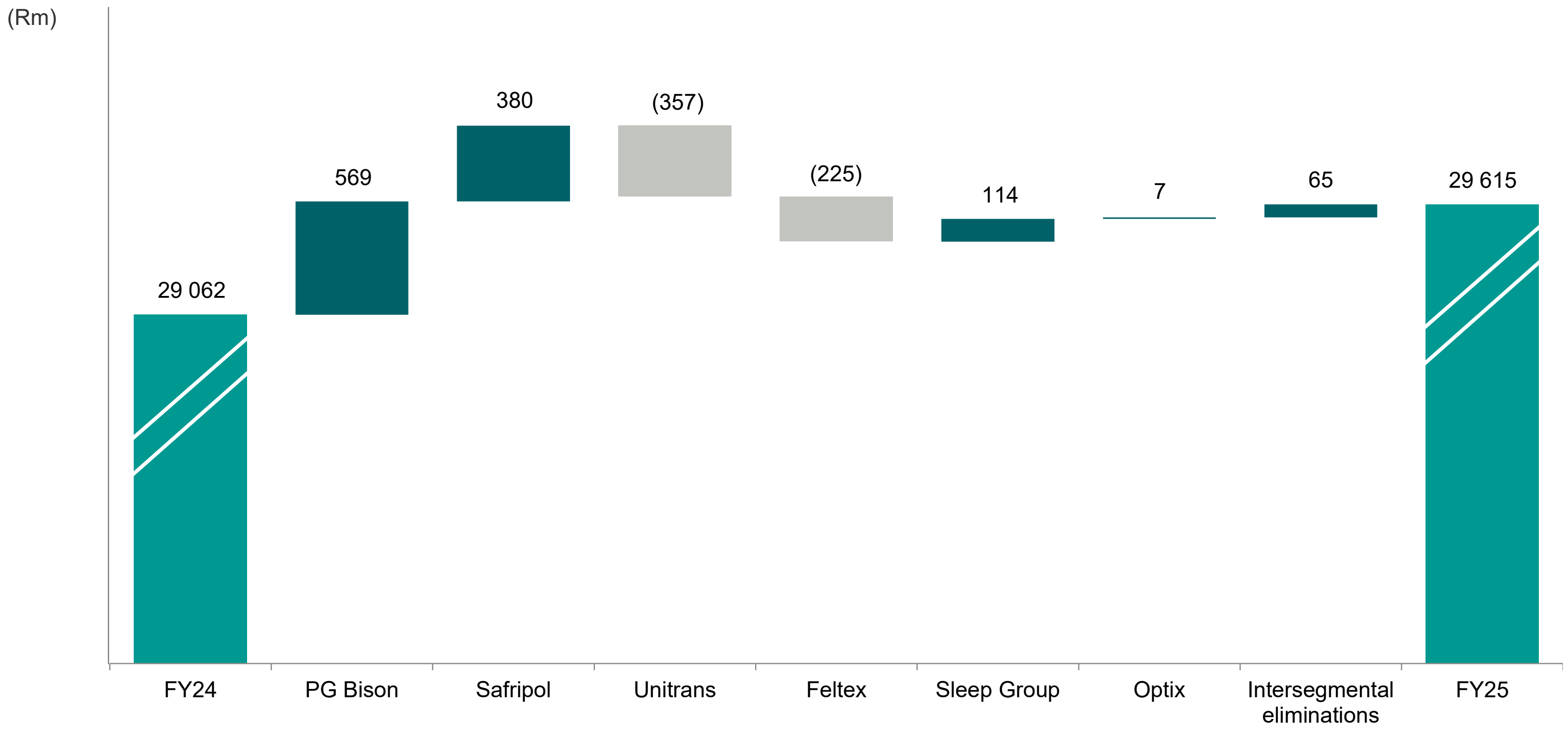
Expansion capital expenditure
R500 million
▼ 72%

Net interest-bearing debt
R8.1 billion
▼ 3%

Major projects
successfully ramped up

GROUP REVENUE

Increased by 2% compared with prior year



Revenue growth supported by:

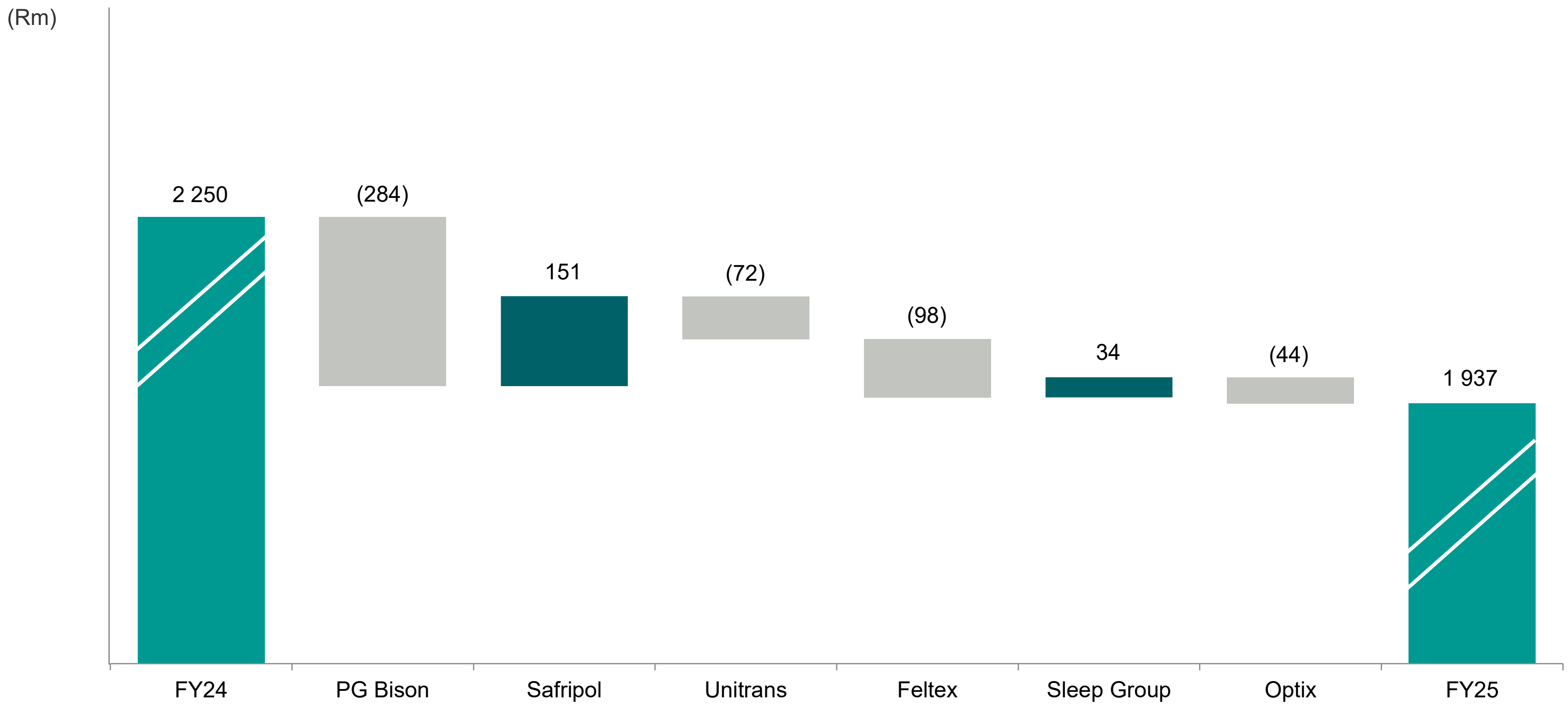
- PG Bison MDF capacity expansion
- Normalised production in Safripol

Revenue decline mainly due to:

- Unitrans restructuring, subdued demand and delayed start to the harvesting season
- Lower domestic new vehicle assembly volumes for Feltex (particular 1H25)

GROUP OPERATING PROFIT

Decreased by 14% compared with prior year



Operating profit declined mostly due to:

- PG Bison results affected by start-up and ramp-up of new MDF line
- Weaker performance by Unitrans
- Lower domestic new vehicle assembly volumes for Feltex and non-recurring costs associated with a key model changeover

Improved results from Safripol and Sleep Group

Optix growth in subscriber base insufficient to cover increased costs

FINANCIAL ANALYSIS

Income statement

	FY25 Rm	FY24 Rm	Variance %
Revenue	29 615	29 062	2
EBITDA	3 422	3 694	(7)
Depreciation and amortisation	(1 485)	(1 444)	3
Operating profit before capital items	1 937	2 250	(14)
Capital items	(765)	(46)	
Operating profit	1 172	2 204	
Net finance costs	(976)	(825)	18
Associate and joint venture companies	38	38	
Taxation	(148)	(213)	
Minorities	(76)	(114)	
Profit attributable to owners of the parent	10	1 090	(99)
Add back: capital items net of taxation	593	35	
Headline earnings	603	1 125	(46)
Weighted average number of ordinary shares (m)	2 498	2 486	
Headline earnings per share (cents)	24.1	45.3	(47)

Operating profit declined by 14% mostly due to PG Bison, Feltex and Unitrans

Improved results from Safripol and Sleep Group

Increase in net finance costs following completion of major projects

In the prior year, borrowing costs of R173 million related to major projects were capitalised

Normalisation of effective tax rate

FINANCIAL ANALYSIS

PG Bison impact on headline earnings

	Rm	Cents per share
Reported headline earnings FY24	**1 125**	**45.3**
PG Bison	**(506)**	**(20.3)**
Operating profit	**(284)**	**(11.4)**
Net finance costs	**(136)**	**(5.4)**
Associate	**3**	**0.1**
Taxation	**(89)**	**(3.6)**
Other divisions	**(16)**	**(0.6)**
Movement in WANOS		**(0.3)**
Reported headline earnings FY25	**603**	**24.1**
Weighted average number of ordinary shares (WANOS)		**2 498**

PG Bison impact:

- Operating profit negatively affected by ramp-up of the MDF line, mainly R286 million production overheads and R82 million depreciation
- Borrowing costs of R136 million related to the MDF project capitalised in FY24
- Reduction in section 12I tax allowance of R739 million (tax effect of R199 million)

Other divisions:

- Combined after-tax/headline earnings impact of other divisions negligible

FINANCIAL ANALYSIS

Capital items

	FY25 Gross Rm	FY25 Net* Rm	FY24 Gross Rm	FY24 Net* Rm
Impairments	**757**	**579**	16	13
Goodwill	**145**	**145**	–	–
Intangible assets	**272**	**187**	–	–
Property, plant and equipment	**340**	**247**	16	13
Loss on disposal of property, plant and equipment	**32**	**19**	42	30
Insurance income	**(29)**	**(21)**	(12)	(8)
Other capital items	**5**	**11**	–	–
Total capital items	**765**	**588**	46	35

* Net is the value after the impact of taxation and non-controlling interests' portion of capital items

Impairments consist of:

- Optix – goodwill (R145 million) and intangible asset (R215 million) due to performance below expectations
- Safripol – PET plant (R293 million) resulting from continued weakness in selling prices and raw material margins
- Feltex – Maxe trademark (R57 million) attributable to a shift in consumer preference and decline in demand for vehicle accessories

FINANCIAL ANALYSIS
Tax rate reconciliation

	FY25 %	FY24 %
Statutory tax rate	**27.0**	27.0
Taxation losses (net)	**24.4**	2.4
Impairments	**20.8**	0.1
Withholding taxes	**9.6**	2.0
Government incentives	**(9.8)**	(15.7)
Prior year adjustments	**(7.1)**	0.7
Other	**(1.7)**	(1.5)
Effective tax rate	**63.2**	15.0
Effective tax rate – Headline earnings	**30.1**	15.4

Tax rate increase mainly due to:

- Tax losses (net) not recognised of R205 million
- Impairments of R180 million, goodwill of R145 million and intangible assets of R35 million, which are not tax deductible

Tax rate decrease mainly due to:

- Government incentives include a R51 million section 12I tax allowance related to the PG Bison MDF line. The prior year included R790 million.
- Prior year adjustments include penalty refunds

FINANCIAL ANALYSIS

Balance sheet

	30 Jun 25 Rm	30 Jun 24 Rm
Property, plant and equipment and investment property	**15 653**	16 043
Right-of-use assets	**318**	300
Intangible assets	**1 491**	1 790
Goodwill	**510**	659
Biological assets	**1 610**	1 586
Net working capital	**3 267**	2 883
Other assets	**423**	451
Assets	**23 272**	23 712
Total equity	**12 704**	12 775
Net interest-bearing liabilities	**8 106**	8 326
Other liabilities	**2 462**	2 611
Equity and liabilities	**23 272**	23 712
Net asset value per share (cents)	**498**	500

Investment in major projects (R2.6 billion) completed in 2H24

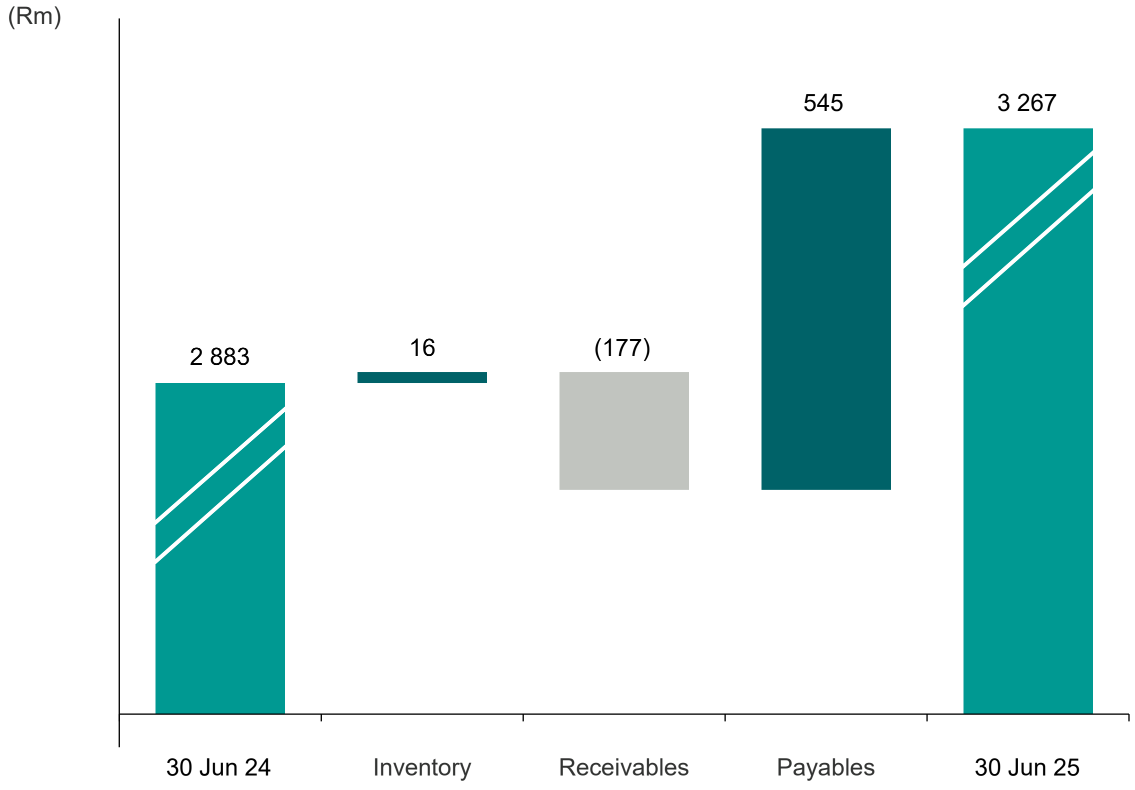
Net working capital R384 million higher predominantly due to decline in payables of R545 million

Net interest-bearing debt reduced by R220 million

Targeted reduction in net interest-bearing debt continue into FY26 and FY27

FINANCIAL ANALYSIS

Net working capital



Increase of R384 million (13%) from 30 June 2024

Net inventory remained stable as reduction in PTA/PET inventory offset the impact of investment in engineering spares

Decline in payables mainly due:

- Lower Q4 PTA imports for PET production, in preparation for commercial shut in July 2025
- Completion of major capital projects and resultant lower capex creditors

FINANCIAL ANALYSIS

Cash flow

	FY25 Rm	FY24 Rm
EBITDA	**3 422**	3 694
Net revaluation of biological assets	**(24)**	(49)
Other non-cash adjustments	**35**	49
Cash generated from trading	**3 433**	3 694
Working capital changes	**(411)**	(203)
Inventory	**(36)**	(333)
Receivables	**107**	(134)
Payables	**(482)**	264
Cash generated from operations	**3 022**	3 491
Dividends received	**22**	10
Net finance costs paid	**(983)**	(1 016)
Taxation paid	**(282)**	(307)
Cash flow from operating activities	**1 779**	2 178
Cash conversion ratio*	**88%**	95%

* Conversion of EBITDA to cash generated from operations

Cash generated from operations down 13% due to:

- R272 million (7%) decrease in EBITDA
- R208 million movement in net working capital

Net finance costs paid decreased by R33 million

Cash conversion at 88%

FINANCIAL ANALYSIS

Cash flow (continued)

	FY25 Rm	FY24 Rm
Cash flow from operating activities	**1 779**	2 178
Investing activities	**(1 297)**	(2 257)
Expansion capex*	**(500)**	(1 759)
Replacement capex^	**(921)**	(423)
Disposal/(acquisition) of subsidiaries	**110**	(77)
Other investing activities	**14**	2
Free cash flow before dividends paid	**482**	(79)
Dividends paid to minorities	**(116)**	(79)
Financing activities	**339**	174
Movement in cash and cash equivalents	**705**	16

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

Planned reduction in expansion capital expenditure (down by R1 259 million)

FY24 replacement capital expenditure included R319 million proceeds from underutilised Unitrans vehicles and trailers

Disposed of commuter contract in North West Province for R110 million excludes property for R33 million awaiting transfer

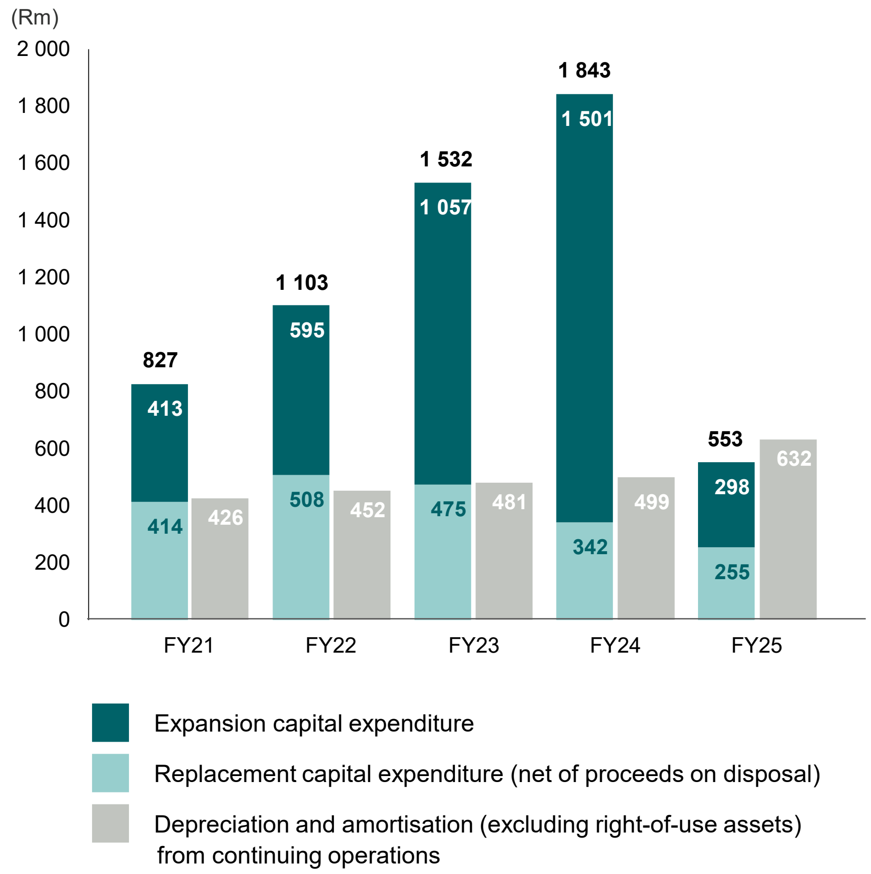
Prior year included bolt-on acquisition in Feltex of R86 million

Free cash flow before dividends paid, improved by R561 million

FINANCIAL ANALYSIS

Investment to drive growth and efficiency benefits

Manufacturing capital expenditure



Material and strategic items*

PG Bison

MDF line
of R2 061 million
Pre-FY25: R1 923 million
FY25: R96 million
FY26: R42 million^
Completed in June 2024

PG Bison

Photovoltaic (9.4 MWp PV) projects
of R125 million
Pre-FY25: R116 million
FY25: R9 million
Completed in May 2024 (Boksburg and Wood Chemicals) and August 2024 (Mkhondo)

Safripol

HDPE conversion and extruder line
of R402 million
Pre-FY25: R395 million
FY25: R7 million
Completed in May 2024

Safripol

Photovoltaic (10 MWp PV) project
of R174 million
Pre-FY25: R174 million
PV plant completed in June 2023; substations completed in October 2023

Feltex/Sleep Group

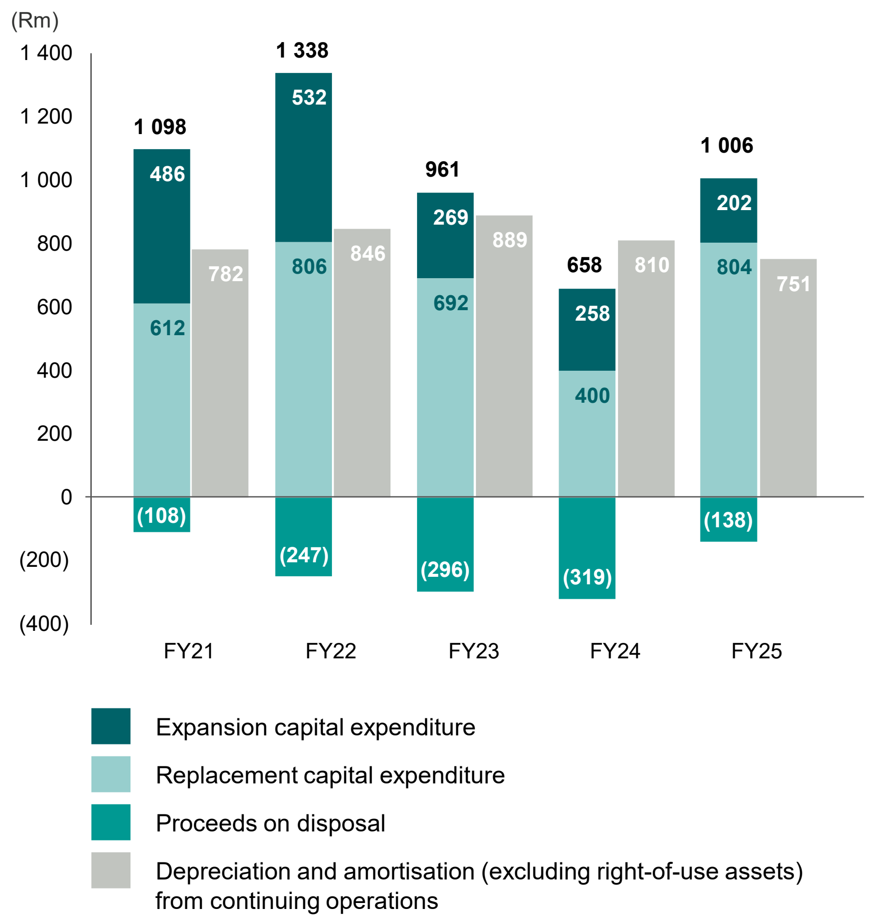
Laroche lines
of R159 million
Pre-FY25: R159 million
Completed in June 2023 (Feltex) and December 2023 (Sleep Group)

* Excluding capitalised borrowing costs
^ Estimated

FINANCIAL ANALYSIS

Investment to drive growth and efficiency benefits (continued)

Non-manufacturing capital expenditure*



Items to highlight

Unitrans

Proceeds of	Replacement of	Expansion of	Total
R137 million	**R804 million**	**R146 million**	**R813 million**
(FY24: R319 million)	(FY24: R400 million)	(FY24: R172 million)	(FY24: R253 million)

- Redeployment of assets and disposal of underutilised assets to improve capital efficiency completed
- Continued focus on disposal or closure of underperforming operations

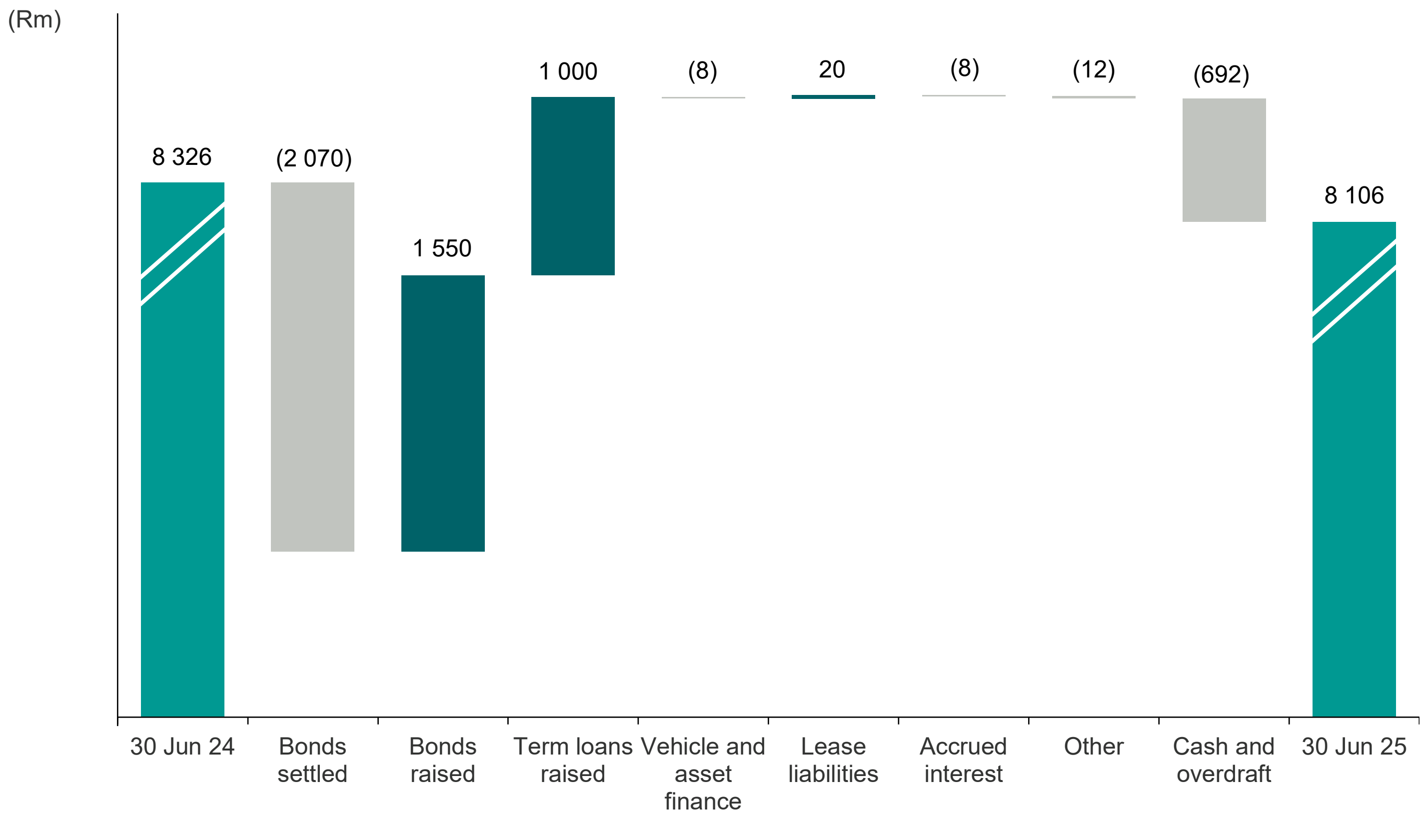
Optix

Expansion of rental assets
R48 million
(FY24: R86 million)

*Includes Unitrans and Optix

TREASURY ACTIVITY

Net interest-bearing debt



Decrease of R220 million from 30 June 2024

R1 550 million raised through a public bond auction on 19 May 2025

Concluded a new R1 000 million, 18-month term facility in September 2024 to refinance maturing debt

Target to reduce net debt in FY26 and into FY27, mostly supported by:

- Cash flow contribution from major projects
- Improvement in Unitrans' performance

TREASURY ACTIVITY

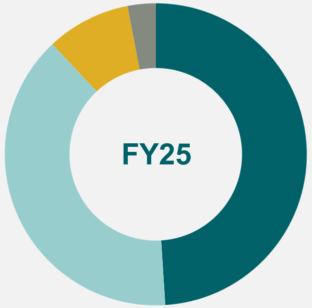
Debt serviceability ratios

	Bank covenant FY25	30 Jun 25	30 Jun 24
Gross interest-bearing debt (Rm)		**10 196**	9 724
Net interest-bearing debt (Rm)		**8 106**	8 326
Equity excluding non-controlling interest (Rm)		**12 443**	12 475
Gearing (net debt: equity)		**65%**	67%
Net debt: EBITDA (times)	< 3.0	**2.4**	2.3
EBITDA: interest cover (times)	> 3.25	**3.5**	3.7

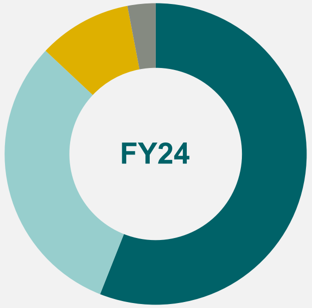
Net debt: EBITDA internal limit < 2.5 times

EBITDA: interest cover internal limit > 4.5 times

Funding structure



Listed notes – **49%**
Banks and financial institution – 39%
Unutilised facilities – 9%
Lease liabilities – 3%



Listed notes – **56%**
Banks and financial institution – 31%
Unutilised facilities – 10%
Lease liabilities – 3%

TREASURY ACTIVITY

Significant debt funding activities for the period

Revolving credit facility ('RCF') concluded in FY24

- R2 billion in three-year and R1 billion in five-year tenures at more favourable rates
- Covenant ratchet on interest cover for the next three financial years
  ›› FY24: > 3.0 times ›› FY25: > 3.25 times ›› FY26: > 3.5 times
- Net debt to EBITDA cover < 3 times
- R1 billion available in June 2025 to refinance 1H26 maturing debt

Corporate bonds raised

- KAP031 – Listed: R925 million
- KAP032 – Listed: R625 million

Corporate bonds settled at maturity

- KAP014 – Listed: R500 million
- KAP015 – Listed: R450 million
- KAP019 – Listed: R500 million
- KAP022 – Listed: R200 million
- KAP024 – Listed: R420 million

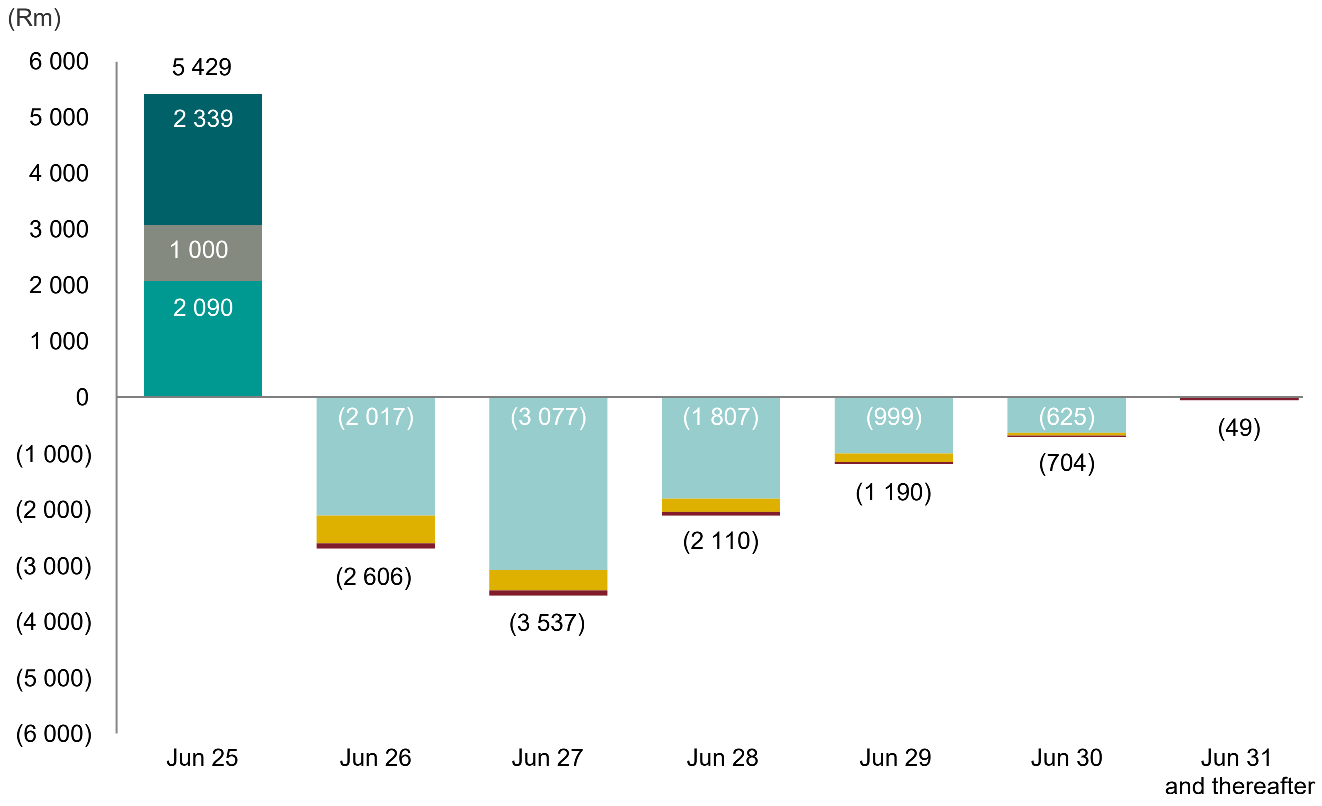
Term loan

- R1 billion term loan raised with a maturity of 18 months

Global Credit Rating confirmed KAP's rating as A+(za) with the outlook revised to stable (November 2024)

TREASURY ACTIVITY

Net interest-bearing debt maturity at 30 June 2025



Debt maturity profile allows for planned reduction of net debt in FY26 and into FY27 as major projects contribute to cash flow generation and underperforming businesses, mostly Unitrans, are expected to deliver improved results

GROUP OUTLOOK

Frans Olivier

Chief financial officer and chief executive officer designate

GROUP OUTLOOK

- KAP well-positioned to weather an uncertain macroeconomic environment locally and globally:
  - Major projects fully ramped up, debt refinanced for 1H26 and strong executive teams
  - Operational and financial effects related to major projects (including lower tax incentives) will ease over time; not unusual considering the nature and scale of the projects
- We remain focused on the following three objectives which will underpin higher returns and earnings growth:
  - Value-realisation from our recent investments (c. R2.6 billion capital projects)
  - Addressing areas of underperformance, Unitrans being the largest
  - Reducing net debt from FY26 and into FY27
    - Supported by cash flow contribution from major projects, expected improvement in Unitrans’ performance
- Alignment between strategy, executive capacity and capability, and incentives to support the delivery of the above objectives
- Revenue growth, cost control and margin enhancement pursued by all divisions
- Capital expenditure to remain constrained to mostly replacements
- CEO transition and CFO recruitment process progressing constructively according to communicated timelines

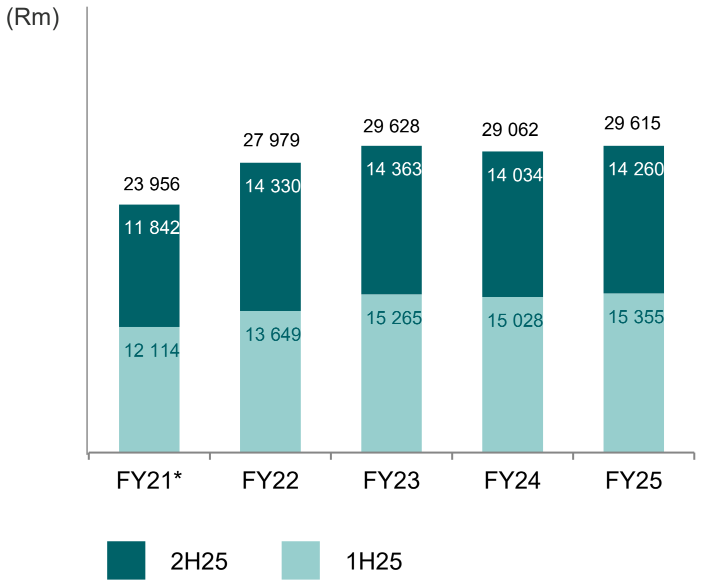
Q&A

APPENDIX

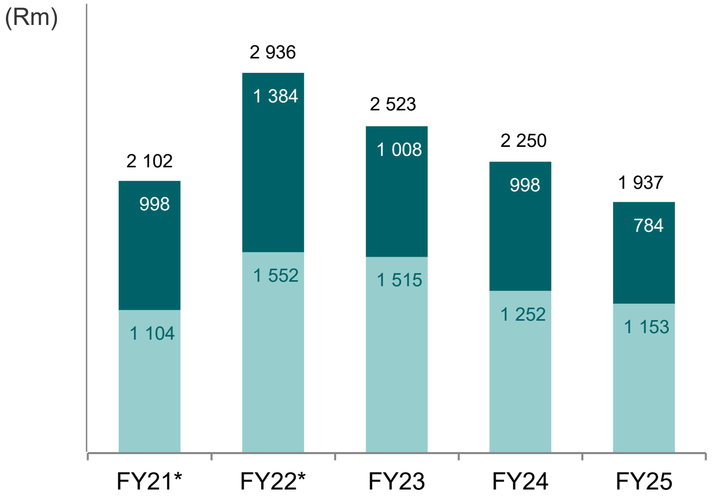
FINANCIAL ANALYSIS

Group revenue, operating profit and HEPS

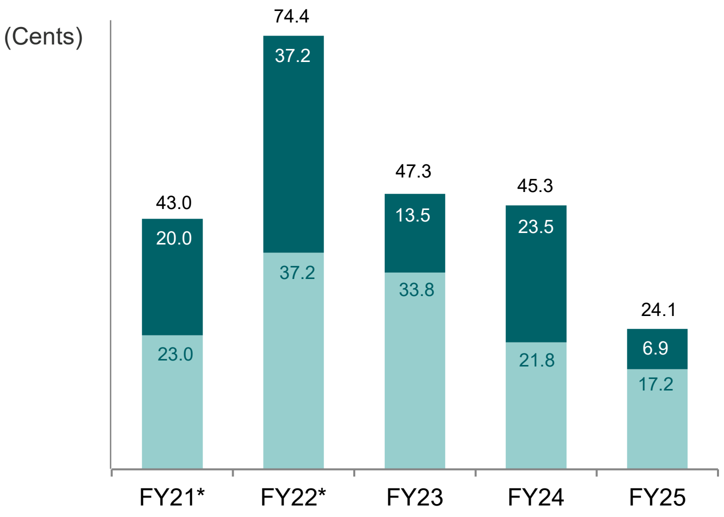
Revenue



Operating profit



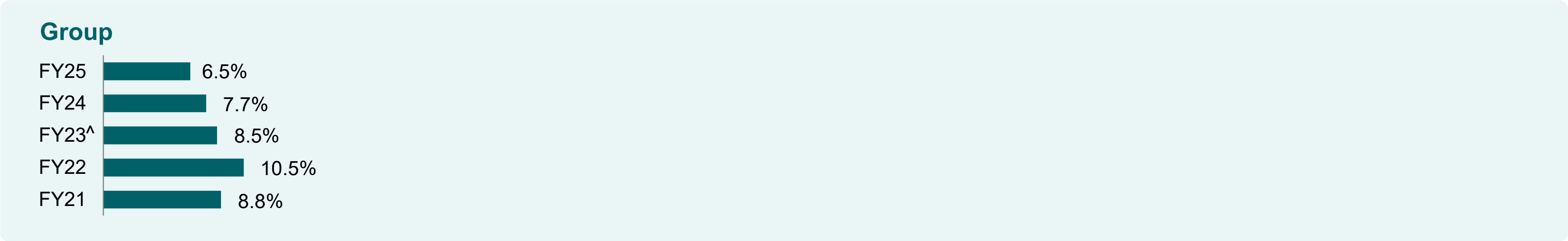
Headline earnings per share

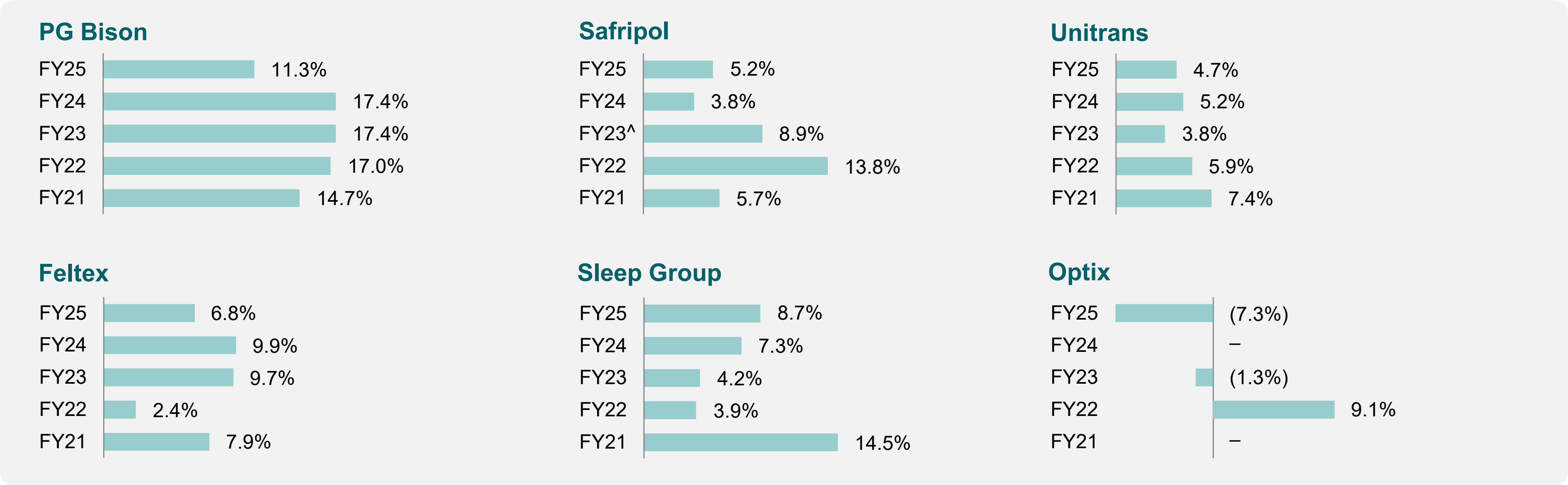


* From continuing operations

FINANCIAL ANALYSIS

Group margin analysis



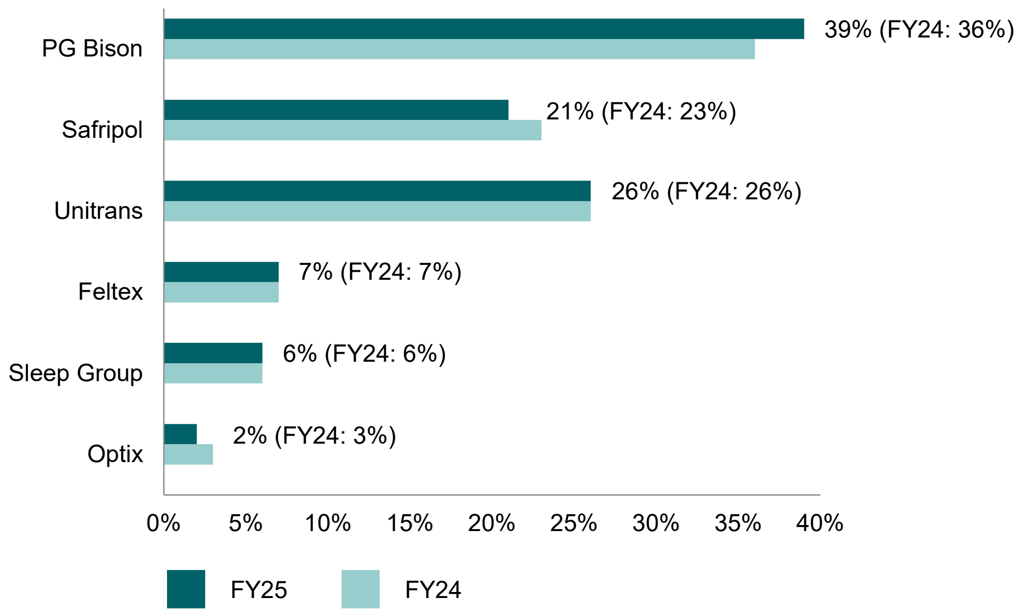


* From continuing operations
^ Restated

FINANCIAL ANALYSIS

ROCE performance per division

Net operating asset contribution



Return on capital employed