AUDITED RESULTS

FOR THE YEAR ENDED
30 JUNE 2026

kap

BEING THE CHANGE

AGENDA

OPERATIONAL REVIEW	Frans Olivier
FINANCIAL REVIEW	Dries Ferreira
GROUP OUTLOOK	Frans Olivier
Q&A	Frans Olivier / Dries Ferreira

OPERATIONAL REVIEW

Frans Olivier

Chief executive officer

OVERVIEW

General remarks

- Strategy execution to deliver improved returns and enhance shareholder value a three to five-year process
- FY26 execution and focus established good momentum, further progress required
- We remain focused on executing items within our control and expectations around delivery are clear

Operating environment

- Generally challenging trading conditions, supply chain disruptions related to the conflict in the Middle East

Highlights

- Improved profitability, cash generation and returns were supported by disciplined execution across the group; continued focus on customers, costs, asset optimisation, working capital and capital allocation
- PG Bison, Safripol, Unitrans and Feltex contributed to the improved performance
- Net debt reduction of R1.1 billion, ahead of R500 million target

Lowlights

- Sleep Group and Optix results lower

PG BISON

Increased capacity and commercial initiatives support growth

- Sustained demand, particularly for upgraded (value-add) board
- Full utilisation of new MDF line and process optimisation (value add) supported higher production volumes and plant efficiencies
- Panel sales volumes +13%: primary markets +9%; deep-sea exports (mainly raw MDF) +39%; value add +7%
- Value-add 60% (FY25: 63%) of sales volumes; deep-sea exports 18% (FY25: 14%) of sales volumes
- Revenue +15%; operating profit +30%, driven by higher panel sales and production volumes
- Outlook/actions:
  - +40% upgrading capacity by 2H27, focus on value-add sales
  - Maintain volume, with reallocation to higher-margin markets
  - Continued focus on efficiencies and cost savings

Revenue
R7 278 million
▲ 15%

Operating profit
R935 million
▲ 30%

Operating margin
12.8%
from 11.3%

ROCE
10.6%
from 8.2%

SAFRIPOL

Temporary Q4 tailwinds amid cyclical lows

- Challenging polymers market: global oversupply, subdued demand and weak pricing, increased PET imports priced below market
- Q4 Middle East-related supply disruptions tightened global polymer supply, supported global industry margins and temporarily reduced import competition
- Production volumes -10% following Q1 and Q3 PET plant shutdowns to reduce inventory and align output with demand
- Sales volumes flat: domestic +4% on Q4 recovery; exports -15% to 13% (FY25: 15%) of sales volumes
- Revenue -6% on rand strength; operating profit +25%, supported by Q4 recovery related to Middle East supply disruptions
- Outlook/actions:
  - Prices and margins expected to ease as supply normalises and industry remains oversupplied; rand strength a headwind
  - Continued focus on efficiencies, procurement, cost savings and higher-margin polymers

Revenue
R9 131 million
▼ 6%

Operating profit
R631 million
▲ 25%

Operating margin
6.9%
from 5.2%

ROCE
14.7%
from 9.9%

UNITRANS

Building a stronger, focused business

- Objective to build a focused business with improved profitability and returns; good progress during the year underpinned by disciplined execution
- Subdued regional economy constrained growth at acceptable returns
- Revenue -7% on lower passenger operations' contribution (Mozambique exit and FY25 commuter contract disposal)
- Operating profit +41%, driven by stronger agriculture, petrochemical and food operations, supported by efficiencies and cost control
- Petrochemical operations, c. 33% of revenue, delivered strong turnaround following 2H25 restructuring and Eswatini disposal
- Outlook/actions:
  - Continue to exit low-return activities, selectively modernise the fleet (including phased catch-up replacement), pursue value-accretive growth
  - Maintain R700 million medium-term operating profit target

Revenue
R8 671 million
▼ 7%

Operating profit
R616 million
▲ 41%

Operating margin
7.1%
from 4.7%

ROCE
10.3%
from 7.3%

FELTEX

Strong recovery in performance as prior-year constraints eased

- Domestic vehicle assembly volumes +6% following FY25 constraints
- Domestic passenger, LCV and SUV sales +15%, +14% and +17%, respectively, supported by lower average interest rates and competitively priced imports
- Revenue +14%; operating profit +63%, driven by higher assembly and aftermarket volumes, improved operational efficiencies, good cost control and no repeat of 1H25 model changeover costs
- Outlook/actions:
  - Assembly volumes momentum is expected to moderate
  - New LCV model launched in 2H26, replacement SUV planned for 2H27
  - Continued focus on localisation, efficiencies, cost savings and government engagement to support sector growth and sustainability

Revenue
R2 758 million
▲ 14%

Operating profit
R270 million
▲ 63%

Operating margin
9.8%
from 6.8%

ROCE
18.0%
from 10.8%

SLEEP GROUP

Performance weighed down by weak demand and competition

- Weak consumer environment: disposable income pressure, promotion-led buying, strong FY25 base
- Bedding unit sales declined modestly; Namibian growth and Botswana inclusion offset domestic weakness
- Revenue flat, modest bedding sales decline offset by marginal raw materials growth
- Operating profit -26%; stronger raw materials performance offset by lower bedding profitability
- Outlook/actions:
  - Extended bedding range (entry, mid-range, premium), Botswana operations to support growth
  - Continued focus on efficiencies and cost reductions to improve competitiveness

Revenue
R1 831 million
stable

Operating profit
R117 million
▼ 26%

Operating margin
6.4%
from 8.7%

ROCE
9.2%
from 11.0%

OPTIX

Slow sales pipeline conversion continued to pressure performance

- Subscriptions +74%, reflecting continued recurring revenue momentum
- Revenue -10%, subscription growth offset by decline in hardware sales in a highly price-competitive market
- Operating loss increased due to product development, capacity investments and slow sales pipeline conversion
- Outlook/actions:
  - Full benefits of restructuring completed during the year expected in FY27
  - Accelerate sales and recurring revenue to improve performance

Revenue
R544 million
▼ 10%

Operating loss
R96 million
▼ (> 100%)

FINANCIAL REVIEW

Dries Ferreira
Chief financial officer

SALIENT FEATURES OF THE FY26 RESULTS

Revenue
R29.6 billion
stable

EBITDA
R3.9 billion
▲ 13%

Operating profit before capital items
R2.5 billion
▲ 28%

Operating margin
8.4%
▲ 190 bps

Headline earnings per share
45.2 cents
▲ 88%

Loss per share
4.8 cents
(FY25: 0.4 cents earnings)

Net working capital
R3.3 billion
▲ 2%

Cash generated from operations
R3.9 billion
▲ 30%

Free cash flow (before dividends)
R1.3 billion
▲ 178%

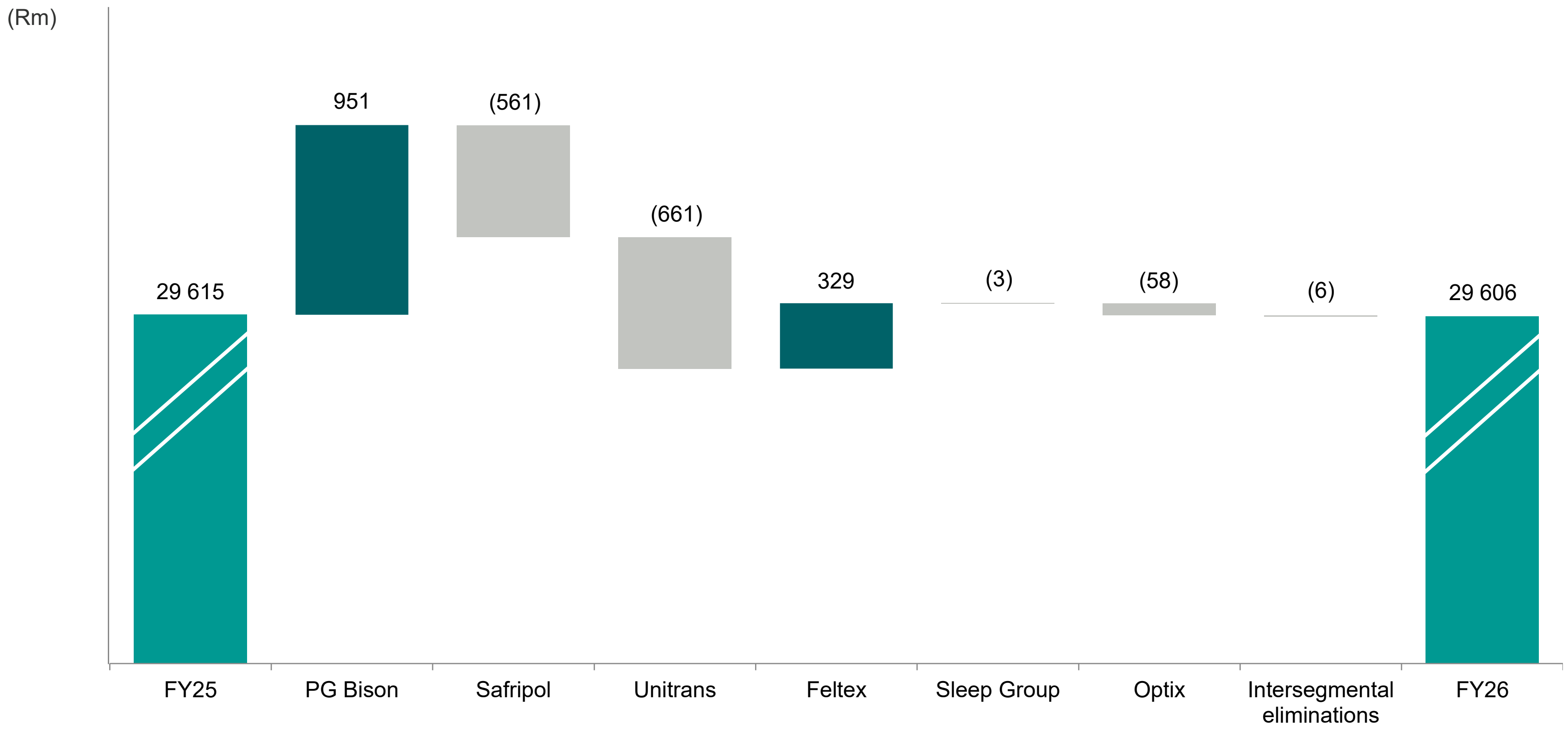
Expansion capital expenditure
R510 million
▲ 2%

Net interest-bearing debt
R7.0 billion
▼ 14%

ROCE
11.2%
▲ 280 bps

GROUP REVENUE

Stable compared with prior year



Revenue growth by:

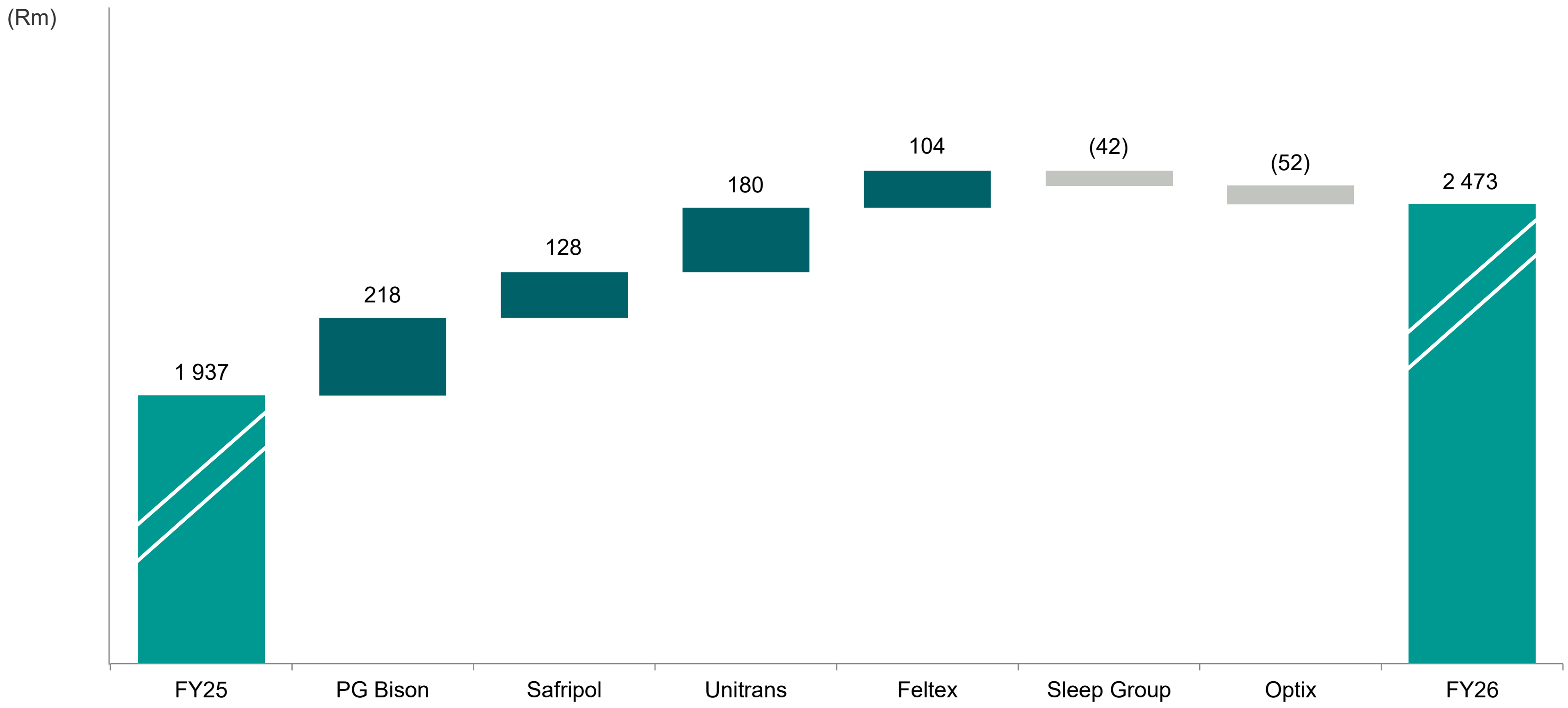
- Increased sales and production volumes at PG Bison
- Improved domestic vehicle assembly volumes benefiting Feltex

Offset by:

- Safripol impacted by stronger rand relative to the USD
- Unitrans affected by lower contribution from passenger operations

GROUP OPERATING PROFIT*

Increased by 28% compared with prior year



Operating profit increase mainly due to:

- Increased panel sales and production volumes in PG Bison
- Q4 recovery in Safripol's performance, largely due to Middle East-related supply disruptions
- Recovery in Unitrans' performance
- Higher domestic vehicle assembly volumes benefiting Feltex

Lower results from:

- Deterioration in domestic bedding market conditions in Sleep Group
- Optix decline due to increased costs and slow sales pipeline conversion

* Operating profit is presented before the impact from capital items

FINANCIAL ANALYSIS

Income statement

	FY26 Rm	FY25 Rm	Variance %
Revenue	29 606	29 615	–
EBITDA	3 882	3 422	13
Depreciation and amortisation	(1 409)	(1 485)	
Operating profit before capital items	2 473	1 937	28
Capital items	(1 568)	(765)	
Operating profit	905	1 172	(23)
Net finance costs	(849)	(976)	(13)
Associate and joint venture companies	45	38	
Taxation	(117)	(148)	
Minorities	(103)	(76)	
(Loss)/profit attributable to owners of the parent	(119)	10	(> 100)
Add back: capital items net of taxation	1 252	593	
Headline earnings	1 133	603	88
Weighted average number of ordinary shares (m)	2 505	2 498	
Headline earnings per share (cents)	45.2	24.1	88

Operating profit improved by 28%

Capital items include impairments of goodwill and intangible assets, with the largest associated with Safripol (R973 million) and Sleep Group (R389 million)

Decrease in net finance costs owing to the reduction in net interest-bearing debt and lower interest rates

Effective tax rate 115.8% (FY25: 63.2%)

FINANCIAL ANALYSIS
Capital items

	FY26 Gross Rm	FY26 Net* Rm	FY25 Gross Rm	FY25 Net* Rm
Impairments	**1 487**	**1 183**	757	579
Goodwill	**389**	**389**	145	145
Intangible assets	**1 095**	**784**	272	187
Property, plant and equipment	**3**	**10**	340	247
Loss on disposal of property, plant and equipment	**40**	**29**	32	19
Loss on disposal of subsidiaries	**43**	**42**	4	10
Insurance income	**(2)**	**(2)**	(29)	(21)
Other	**–**	**–**	1	6
Total capital items	**1 568**	**1 252**	765	593

Impairments consist of:

- Sleep Group – goodwill (R389 million)
- Safripol – intangible assets (R708 million, Sasol supplier relationship and R265 million trademark) primarily impacted by stronger rand relative to USD and limited recovery in forecast polymer prices and margins
- Optix – intangible assets (R122 million, Lytx supplier relationship)

* Net is the value after the impact of taxation, non-controlling interests' and associate and joint venture companies' portion of capital items

FINANCIAL ANALYSIS

Tax rate reconciliation

	FY26 %	FY25 %
Statutory tax rate	**27.0**	27.0
Impairments	**112.5**	20.8
Taxation losses (net)	**32.9**	24.4
Withholding taxes	**21.7**	9.6
Government incentives	**(64.1)**	(9.8)
Prior year adjustments	**(10.9)**	(7.1)
Other	**(3.3)**	(1.7)
Effective tax rate*	**115.8**	63.2
Effective tax rate – Headline earnings	**25.2**	30.1

Tax rate increase mainly due to:
- Goodwill of R389 million, not tax deductible
- Taxation losses (net) not recognised of R123 million

Tax rate decrease mainly due to:
- Government incentives include R248 million section 12I tax allowance related to PG Bison MDF line (FY25: R51 million)

* Effective tax rate distorted by low profit before tax base caused by impairments and permanent differences relative to the lowered profit before tax

FINANCIAL ANALYSIS

Balance sheet

	30 Jun 26 Rm	30 Jun 25 Rm
Property, plant and equipment and investment property	**15 287**	15 653
Right-of-use assets	**285**	318
Intangible assets	**368**	1 491
Goodwill	**135**	510
Biological assets	**1 065**	1 610
Net working capital	**3 323**	3 267
Net assets held for sale	**713**	–
Other assets	**398**	423
Assets	**21 574**	23 272
Total equity	**12 524**	12 704
Net interest-bearing liabilities	**6 976**	8 106
Other liabilities	**2 074**	2 462
Equity and liabilities	**21 574**	23 272
Net asset value per share (cents)	**486**	498

Intangible assets reduced predominantly due to impairments in Safripol and Optix

Decrease in goodwill as a result of Sleep Group impairment

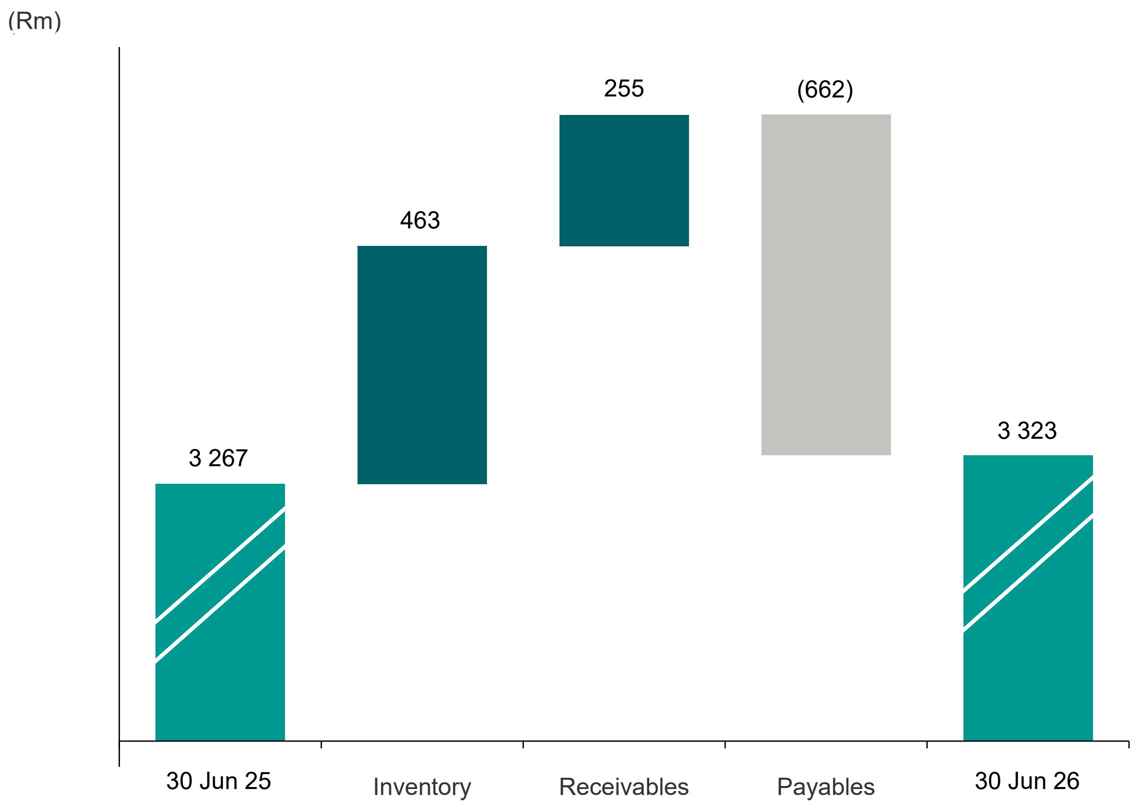
PG Bison southern Cape operations classified as held for sale (R460 million biological assets, R307 million property, plant and equipment, and deferred tax liability of R54 million)

Net working capital increased by R56 million

Net interest-bearing debt declined by R1 130 million; further reduction of R500 million planned for FY27

FINANCIAL ANALYSIS

Net working capital*



Marginal net increase of R56 million (2%) from 30 June 2025

Net **inventory** increased by R463 million (12%):

- PG Bison inventory increased related to expected deep-sea exports orders and planned maintenance shutdowns in 1H27
- Safripol's inventory increased due to significant raw material price increases following the Middle East-related supply disruptions, partly offset by lower PET inventory after the second commercial shutdown in 2H26

Net **receivables** increased by R255 million (5%):

- Safripol contributed majority of increase (R340 million) mainly due to higher average selling prices during Q4

Offset by R662 million increase (12%) in **payables**:

- Safripol (R600 million) due to higher raw material prices during Q4 and lower comparative payables preparing for the July 2025 PET commercial shutdown

* Includes net assets held for sale

FINANCIAL ANALYSIS

Cash flow

	FY26 Rm	FY25 Rm
EBITDA	**3 882**	3 422
Net revaluation of biological assets	**85**	(24)
Other non-cash adjustments	**34**	35
Cash generated from trading	**4 001**	3 433
Working capital changes	**(68)**	(411)
Inventory	**(473)**	(36)
Receivables	**(345)**	107
Payables	**750**	(482)
Cash generated from operations	**3 933**	3 022
Dividends received	**10**	22
Net finance costs paid	**(850)**	(983)
Taxation paid	**(355)**	(282)
Cash flow from operating activities	**2 738**	1 779
Cash conversion ratio*	**101%**	88%

Cash generated from operations up R911 million (30%) due to:

- R460 million (13%) increase in EBITDA
- R343 million less cash absorbed in working capital

Net finance costs paid decreased by R133 million (14%)

Cash conversion at 101%, exceeding internal target of greater than 90%

* Conversion of EBITDA to cash generated from operations

FINANCIAL ANALYSIS

Cash flow (continued)

	FY26 Rm	FY25 Rm
Cash flow from operating activities	**2 738**	1 779
Investing activities	**(1 397)**	(1 297)
Expansion capex*	**(510)**	(500)
Replacement capex^	**(1 034)**	(921)
Net disposal of subsidiaries and businesses	**135**	110
Other investing activities	**12**	14
Free cash flow before dividends paid	**1 341**	482
Dividends paid to minorities	**(88)**	(116)
Financing activities	**(1 613)**	339
Movement in cash and cash equivalents	**(360)**	705

Net increase of R123 million in capital expenditure

Net cash inflow of R170 million on the disposal of Unitrans' petrochemical operations in Eswatini (1 December 2025)

Sleep Group acquired a bedding manufacturer in Botswana for R30 million (1 August 2025)

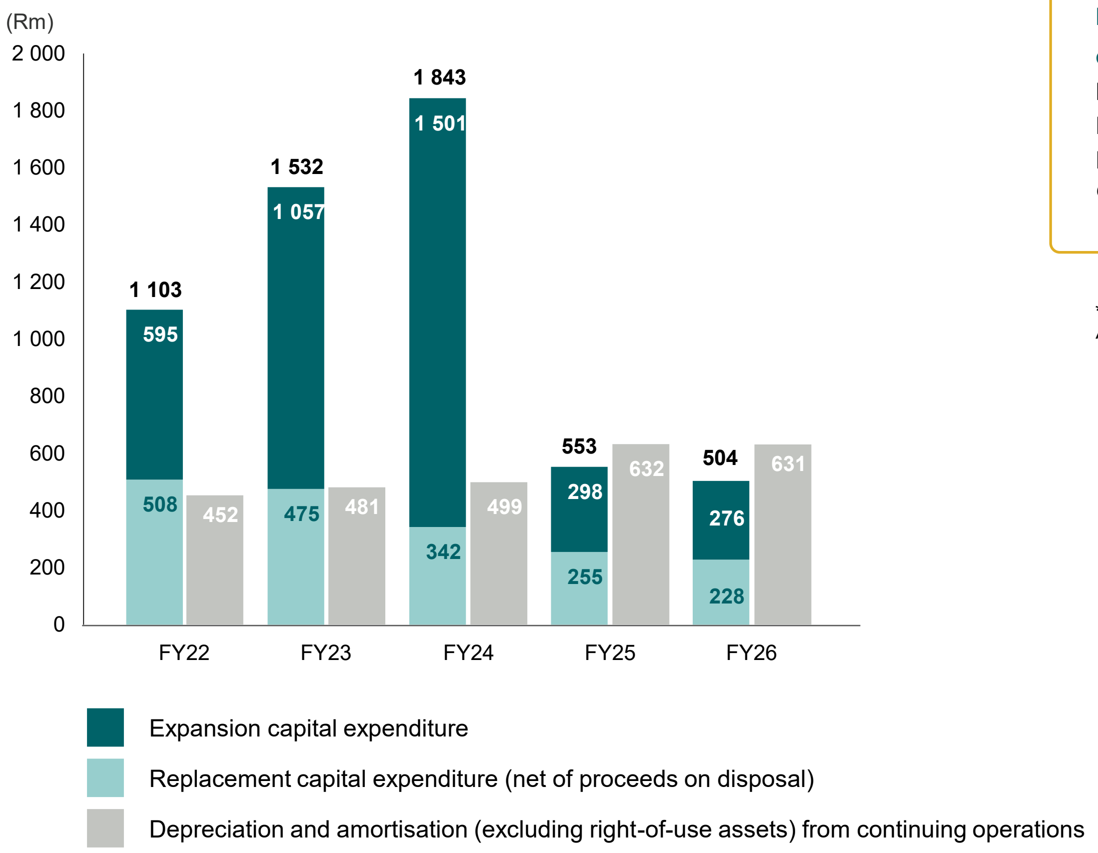
Free cash flow before dividends paid improved by R859 million (178%)

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

FINANCIAL ANALYSIS

Investment to drive growth and efficiency benefits

Manufacturing capital expenditure



Material and strategic items*

PG Bison
MDF line
of R2 047 million
Pre-FY25: R1 923 million
FY25: R96 million
FY26: R28 million
Completed in June 2024

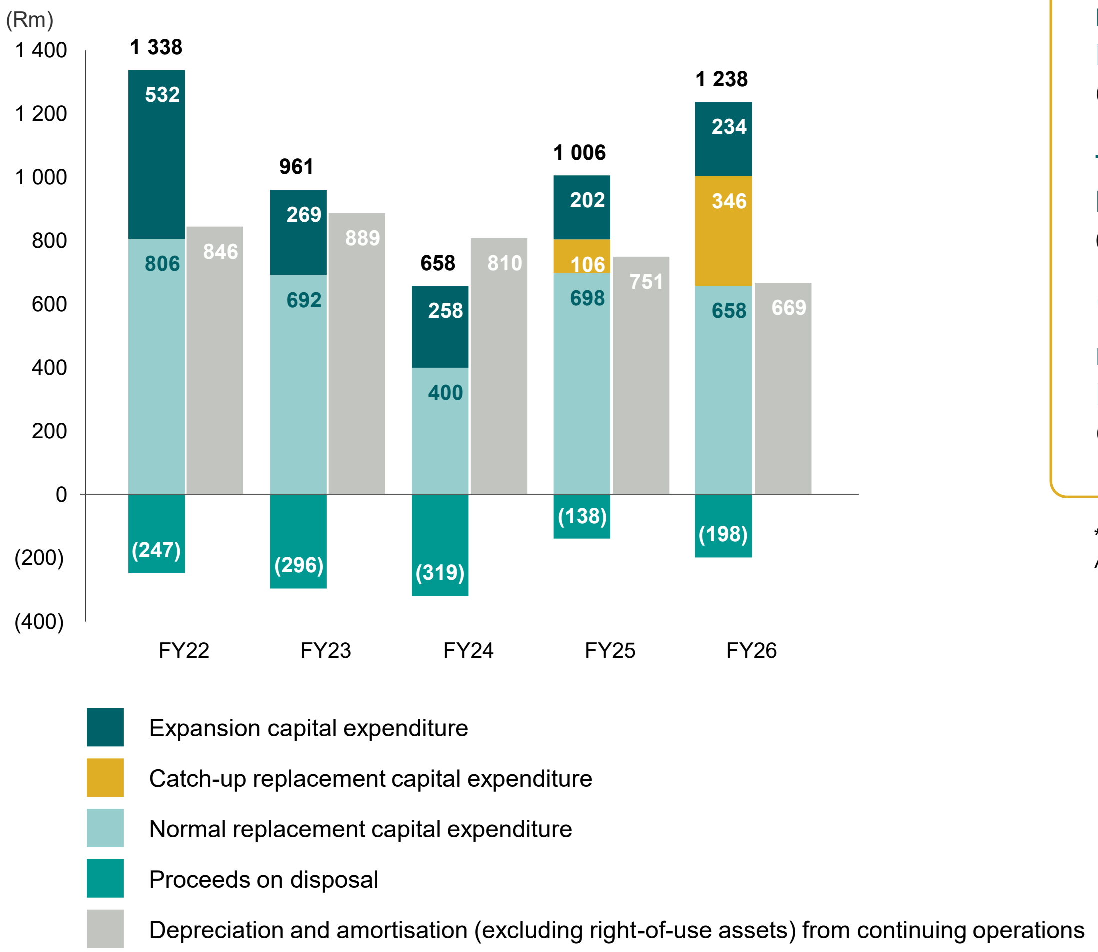
PG Bison
MFB expansion
of R239 million
FY26: R106 million
FY27: R133 million^
Planned completion in February 2027 (Mkhondo)

* Excluding capitalised borrowing costs, including government grants received
^ Estimated

FINANCIAL ANALYSIS

Investment to drive growth and efficiency benefits (continued)

Non-manufacturing capital expenditure*



Items to highlight

Unitrans

Normal replacement of
R657 million
(FY25: R698 million)

Total
R979 million
(FY25: R813 million)

'Catch-up' replacement of
R346 million
(FY25: R106 million)
(FY26: R346 million)
(FY27: R400 million)^
(FY28: R350 million)^
(FY29: R100 million)^

Proceeds of
R196 million
(FY25: R137 million)

Expansion of
R172 million
(FY25: R146 million)

Optix

Expansion of rental assets
R54 million
(FY25: R48 million)

* Includes Unitrans and Optix
^ Estimated/forecast

TREASURY ACTIVITY

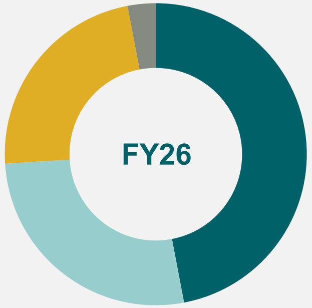
Debt serviceability ratios

	Bank covenant FY26	30 Jun 26	30 Jun 25
Gross interest-bearing debt (Rm)		**8 648**	10 196
Net interest-bearing debt (Rm)		**6 976**	8 106
Equity excluding non-controlling interest (Rm)		**12 189**	12 443
Gearing (net debt: equity)		**57%**	65%
Net debt: EBITDA (times)	< 3.0	**1.8**	2.4
EBITDA: interest cover (times)	> 3.5	**4.6**	3.5

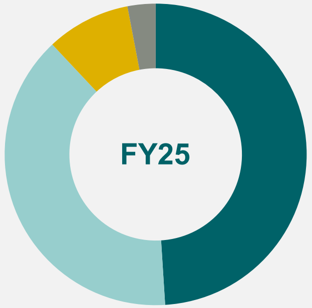
Net debt: EBITDA internal limit
< 2.5 times

EBITDA: interest cover internal limit
> 4.5 times

Funding structure



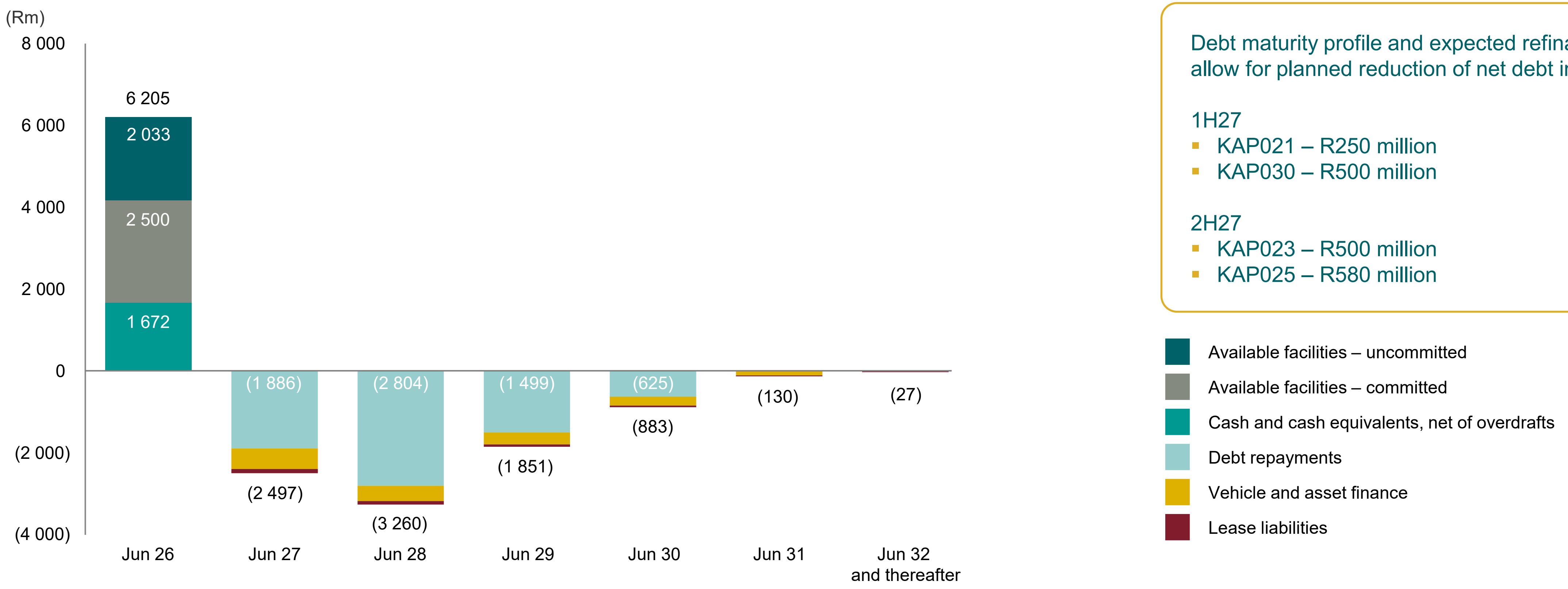
- Listed notes – **47%**
- Banks and financial institutions – **27%**
- Unutilised facilities – **23%**
- Lease liabilities – **3%**



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

TREASURY ACTIVITY

Net interest-bearing debt maturity profile at 30 June 2026



Debt maturity profile and expected refinancing allow for planned reduction of net debt in FY27

1H27
- KAP021 – R250 million
- KAP030 – R500 million

2H27
- KAP023 – R500 million
- KAP025 – R580 million

GROUP OUTLOOK

Frans Olivier
Chief executive officer

GROUP OUTLOOK

- FY26 progress reflects resilience and focus of our people, good momentum created in the group
- Operating environment is expected to remain uncertain and challenging
- Global polymer prices and margins are expected to moderate, with a stronger forecast rand relative to the USD
- Strategic objectives to remain focused on improving returns, supporting sustainable medium-term growth and strengthening balance sheet flexibility:
  - Extracting further value from recent investments – MDF line the largest
  - Addressing areas of underperformance – Unitrans and Optix the most material
  - Continue reducing net debt – targeting R500 million in FY27
- Debt reduction to be balanced with disciplined investment in maintaining our asset base and opportunities for value-accretive growth
- Expectations and deliverables are clear across the group, with continued focus on execution and value creation

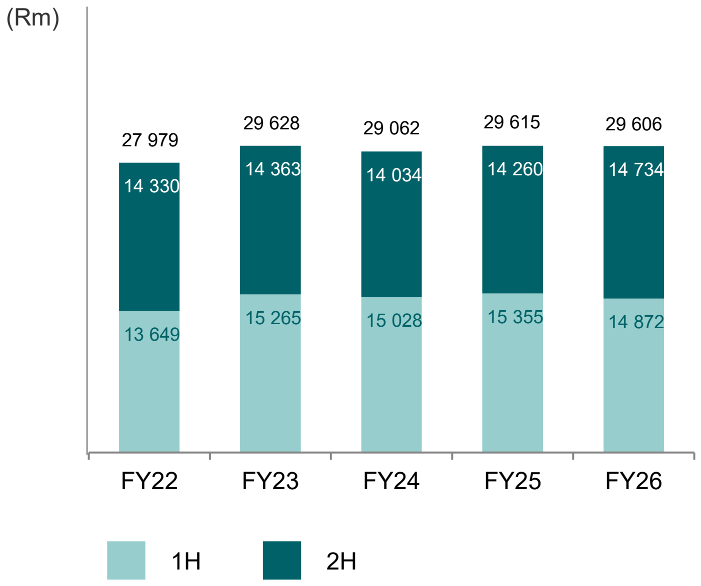
Q&A

APPENDIX

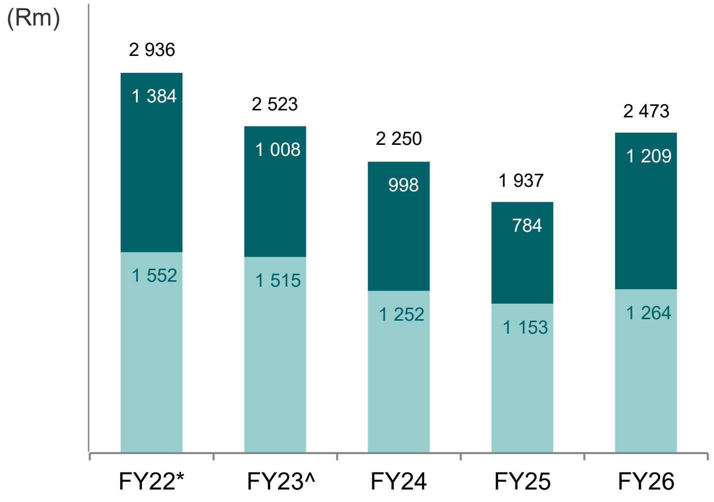
FINANCIAL ANALYSIS

Group revenue, operating profit and HEPS

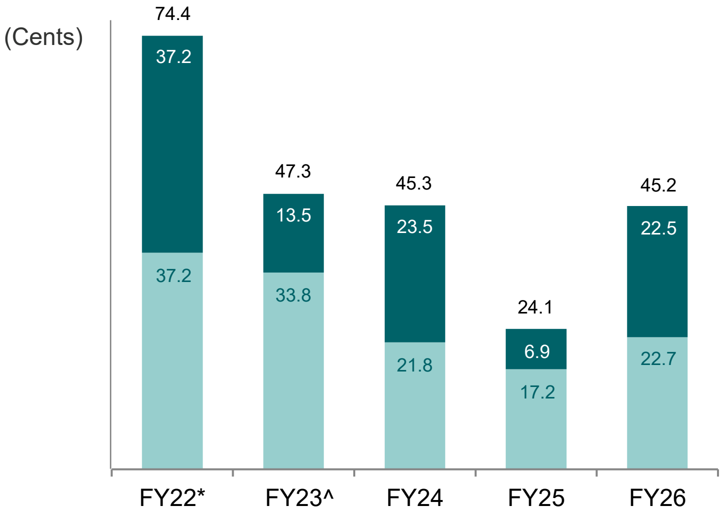
Revenue



Operating profit#



Headline earnings per share

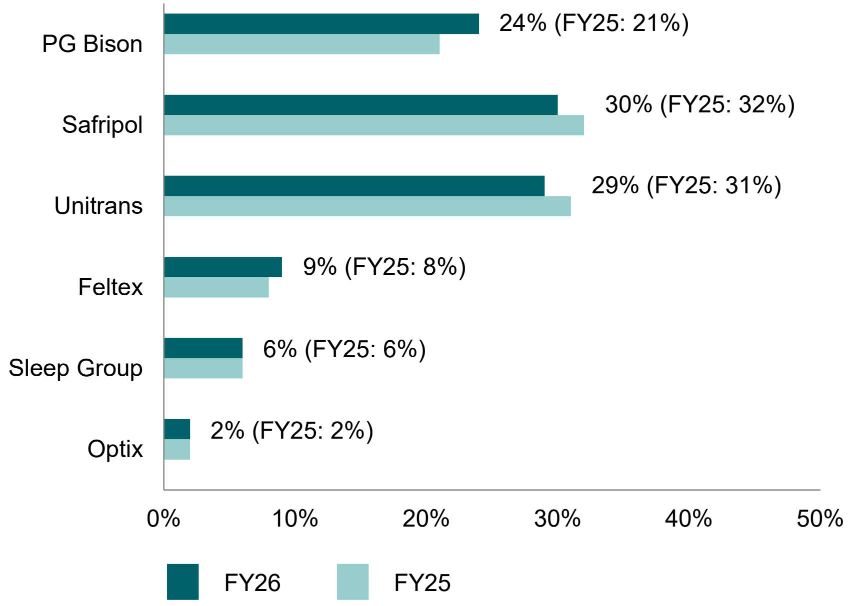


Operating profit is presented before the impact from capital items
* From continuing operations
^ Restated

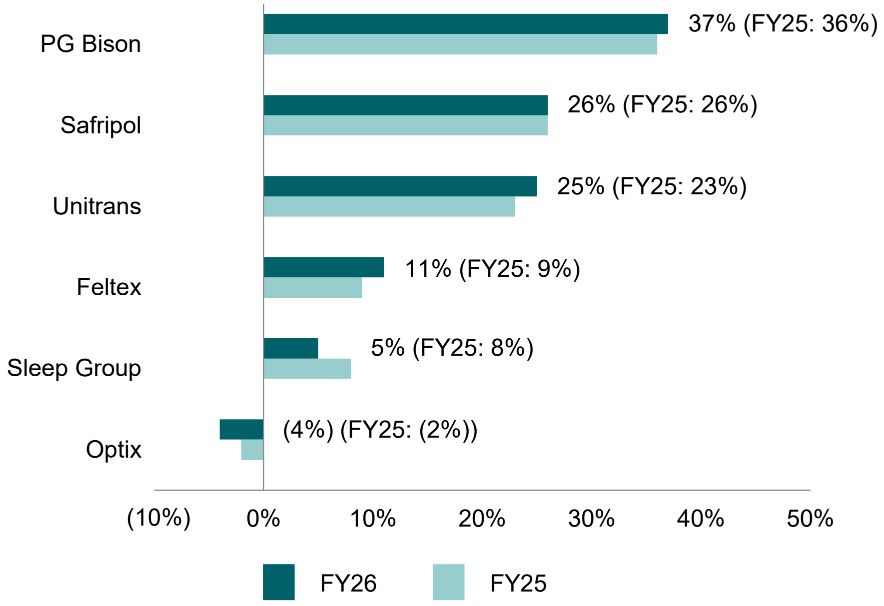
FINANCIAL ANALYSIS

Divisional contribution

Revenue*



Operating profit^

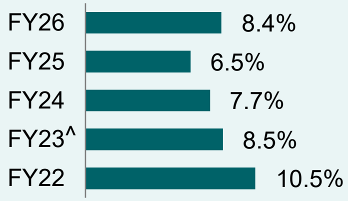


* Divisional contribution to group results, before intersegmental eliminations
^ Operating profit is presented before the impact from capital items

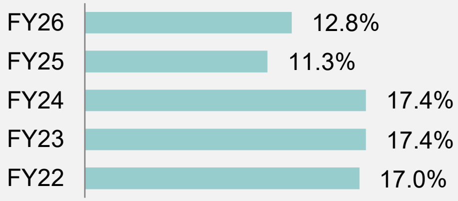
FINANCIAL ANALYSIS

Group margin analysis*

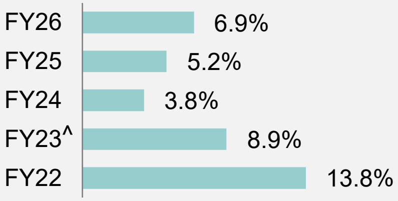
Group



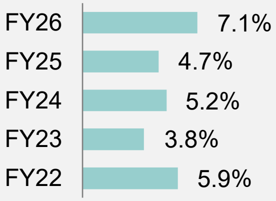
PG Bison



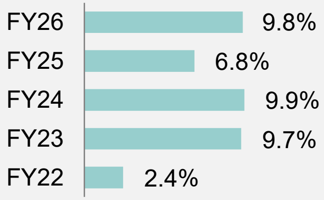
Safripol



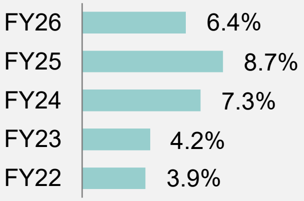
Unitrans



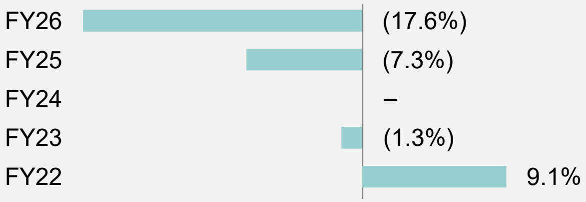
Feltex



Sleep Group



Optix

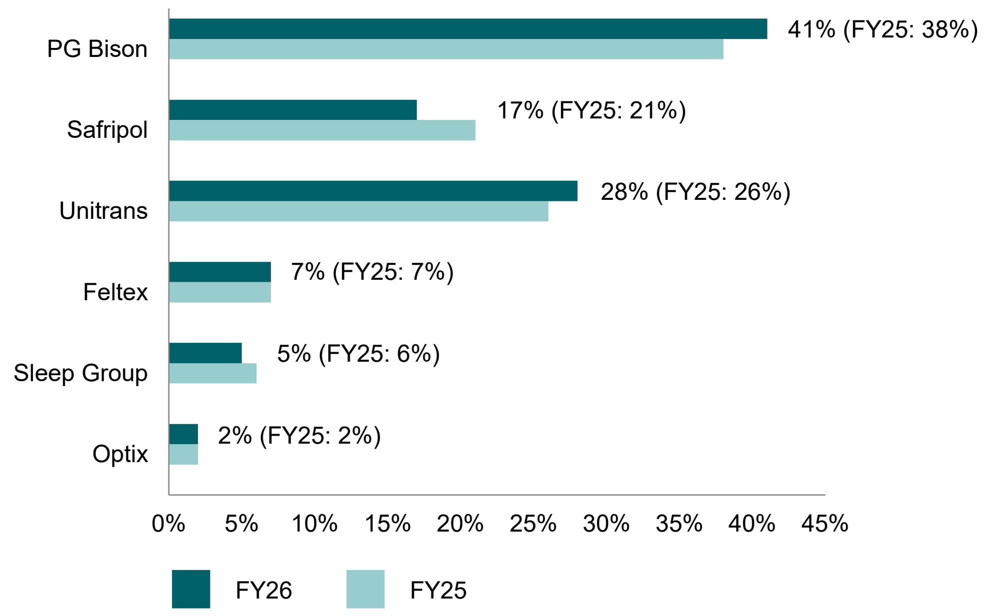


* From continuing operations
^ Restated

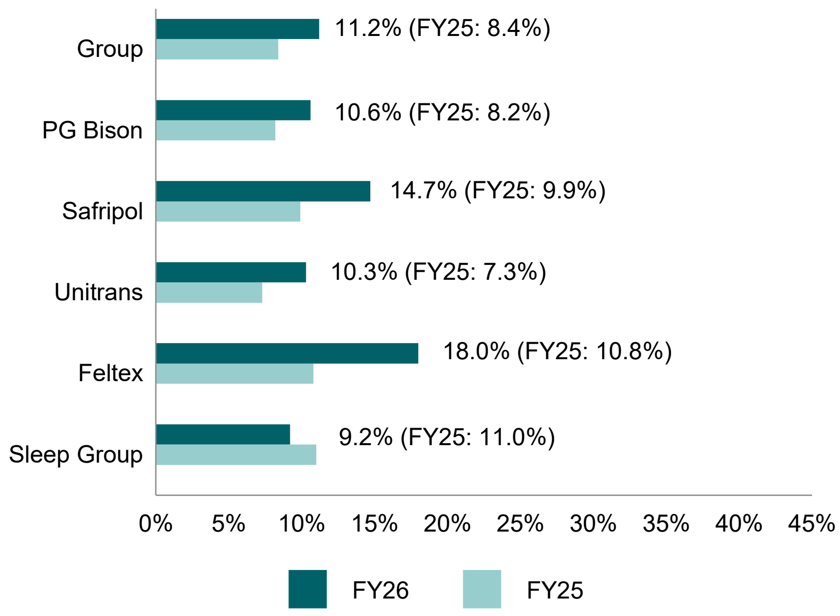
FINANCIAL ANALYSIS

ROCE performance per division

Net operating asset contribution



Return on capital employed



* Includes net assets held for sale

TREASURY ACTIVITY

Significant debt funding activities for the year

Revolving credit facility ('RCF')

- In December 2025, R2 billion tranche of KAP's RCF extended by two years to 7 December 2028
- Funds raised have been 'housed' in the RCF, of which R2.5 billion is currently undrawn and remains available

Corporate bonds raised

- KAP033 – Listed: R1 billion (April 2026)
- KAP034 – Listed: R500 million (post-year-end: July 2026)

Corporate bonds settled

- KAP026 – Listed: R340 million (September 2025)
- KAP028 – Listed: R600 million (November 2025)
- KAP020 – Listed: R250 million (March 2026)

Term loan

Term loan of R1 billion refinanced to March 2028 (ZARONIA funding)

Global Credit Rating confirmed KAP's rating as A+(za) but revised the outlook from stable to negative (November 2025)