

## KAP REMAINS RESILIENT IN A CHALLENGING OPERATING ENVIRONMENT

Revenue up  
**12% to R15 billion**  
(1H22: R14 billion)

EBITDA down  
**2% to R2.2 billion**  
(1H22: R2.2 billion)

Operating profit before capital items down  
**8% to R1.4 billion**  
(1H22: R1.6 billion)

Headline earnings per share down  
**17% to 31.0 cents**  
(1H22: 37.2 cents)

### OPERATIONAL OVERVIEW

The operating environment was very challenging for the period under review with continued political uncertainty, unreliable infrastructure, and rising interest rates and inflation in South Africa. In this context, the group remained resilient and, although lower than in the prior year, delivered a credible operational performance, supported by the diverse nature of our operations.

The group increased revenue by 12% to R15 billion whereas operating profit before capital items declined by 8% to R1.4 billion for the period. Cash generated from operations decreased by 96% to R0.1 billion, primarily due to a temporary increase in working capital. The group invested R0.9 billion in the replacement and expansion of operational assets. The group's balance sheet remains strong with debt levels remaining comfortably within targeted financial covenant ratios.

### FINANCIAL OVERVIEW

	Six months ended 31 Dec 2022 Unaudited	Six months ended 31 Dec 2021 Unaudited	% change
<i>From continuing operations:</i>			
Revenue (Rm)	15 265	13 649	12
Operating profit before capital items (Rm)	1 421	1 552	(8)
Headline earnings (cents per share)	31.0	37.2	(17)
Basic earnings (cents per share)	31.1	37.6	(17)
<i>From continuing and discontinued operations:</i>			
Revenue (Rm)	15 265	13 649	12
Operating profit before capital items (Rm)	1 421	1 562	(9)
Headline earnings (cents per share)	31.0	37.5	(17)
Basic earnings (cents per share)	31.1	37.3	(17)
Net asset value (cents per share)	469	433	8

*In line with historic practice the board of directors has not declared an interim dividend.*

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



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.



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



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 is directed toward preventing plastics from entering the environment.



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 commuter transport.



DriveRisk utilises leading global video telematics and predictive analytics to prevent road accidents and improve road safety in 37 countries. Its unique user interfaces provide real-time event-based interventions, business intelligence tools and driver support to improve fleet efficiency and reduce risk.

### ABOUT THIS SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors. It should be noted that this short-form announcement is only a summary of the information in the full announcement and therefore does not contain full or complete details. It contains extracted financial information from the unaudited condensed consolidated interim financial results for the six months ended 31 December 2022. This short-form announcement has not been audited or reviewed.

Any investment decisions by investors and/or shareholders should be based on the information in the full announcement.

The full announcement has been published on the company's website on [www.kap.co.za](http://www.kap.co.za) and is available through the link in the short-form announcement released on SENS, or alternatively can be inspected at the registered office of the company and the offices of the equity sponsor, free of charge to investors and/or shareholders, during office hours (09:00 – 17:00) from Monday to Friday. Copies of the full announcement may be requested by emailing [investors@kap.co.za](mailto:investors@kap.co.za) or by telephoning Johann Pieterse on 010 005 3000.

By order of the board  
KAP Secretarial Services Proprietary Limited  
20 February 2023

### CORPORATE INFORMATION

KAP Industrial Holdings Limited ('KAP' or 'the company') **Independent non-executive directors:** PK Quarmby (Chairperson), KJ Grové (Lead), TC Esau-Isaacs, Z Fuphe, KT Hopkins, V McMenamin, 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 **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](mailto: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 sponsor:** PSG Capital Proprietary Limited **Debt sponsor:** Nedbank Limited **Announcement date:** 21 February 2023

The full announcement is available on  
[www.kap.co.za](http://www.kap.co.za)