

## Ramp-up of major capital projects sets foundation for future growth

Revenue

**R15.4 billion**

(1H24: R15.0 billion)

▲ 2%

Operating profit before capital items

**R1.2 billion**

(1H24: R1.3 billion)

▼ 8%

HEPS

**17.2 cents**

(1H24: 21.8 cents)

▼ 21%

EBITDA

**R1.9 billion**

(1H24: R2.0 billion)

▼ 4%

Cash generated from operations

**R649 million**

(1H24: R790 million)

▼ 18%

Net interest-bearing debt stable at

**R9.3 billion**

### Corporate information

**KAP Limited** ('KAP' or 'the company') **Independent non-executive directors:** JA Holtzhausen (Chairperson), Z Fuphe, KT Hopkins, TC Isaacs, SN Maseko, V McMenamin, AFB Mthembu, SH Müller **Executive directors:** GN Chaplin (Chief executive officer), FH Olivier (Chief financial officer), SP Lunga (Corporate affairs executive) **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 **Auditor:** KPMG Inc. **Equity and debt sponsor:** PSG Capital Proprietary Limited **Announcement date:** 27 February 2025

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

### Operational overview

South Africa has experienced a generally positive sentiment following the formation of the government of national unity, implementation of the two-pot retirement system, suspension of loadshedding, and the easing of inflation and interest rates, all of which are encouraging changes. However, the positive sentiment has not yet filtered through to the group's trading performance, and the operating environment remained challenging during the period.

The group recently invested in several multiyear major capital projects, amounting to c. R2.5 billion, which were completed during the second half of FY24. These projects were successfully ramped up during the period and provide a good foundation for future value creation for the group, which management expects to be realised over the medium to longer term.

The group focused on operational efficiencies, cost savings and market share gains during the period. This supported improved performances from three of the group's divisions. The group's results were, however, affected by the near-term operational and financial effects of the ramp-up of its major capital projects.

The group remains focused on executing three key priorities: realising the value of its major capital projects, improving operating margins and returns, and reducing net debt.

### Financial overview

	Six months ended 31 Dec 2024 Unaudited	Six months ended 31 Dec 2023 Unaudited	% change
Revenue (Rm)	15 355	15 028	2
Operating profit before capital items (Rm)	1 153	1 252	(8)
Headline earnings (cents per share)	17.2	21.8	(21)
Basic earnings (cents per share)	16.2	21.2	(24)
Net asset value (cents per share)	518	478	8

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

### 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 statements for the six months ended 31 December 2024. 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. Copies of the full announcement may be requested by e-mailing [investors@kap.co.za](mailto:investors@kap.co.za) or by telephoning Bert Kok on 010 005 3000.

By order of the board

KAP Secretarial Services Proprietary Limited  
26 February 2025

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, with the objective of inspiring and enabling beautiful living spaces.



Safripol produces polymers that are used in a broad range of applications in sectors such as packaging, infrastructure, agriculture and homeware.



Unitrans is an end-to-end 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 manufactures automotive components designed and applied to enhance the comfort and style of new vehicles.



### Sleep Group

Sleep Group is an integrated manufacturer of sleep products under various brands, including Restonic, iDream, Green Coil and Genessi, as well as retail house brands for South African furniture and bedding retailers.



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