AUDITED RESULTS FOR THE YEAR ENDED 30 JUNE 2022

kap

BEING THE CHANGE


INSPIRING PEOPLE.
ENABLING BUSINESS.
CREATING VALUE.
BEING THE CHANGE

HIGHLIGHTS

Revenue up
17% to **R28 billion**
(FY21: R24 billion)

Cash generated from operations up
17% to **R4.1 billion**
(FY21: R3.5 billion)

Operating profit before capital items up
40% to **R2.9 billion**
(FY21: R2.1 billion)

Shareholder value enhanced by the repurchase of **65 million shares**

Headline earnings per share up
73% to **74.4 cents**
(FY21: 43.0 cents)

Dividend per share up
93% to **29 cents**
(FY21: 15 cents)

Revenue, operating profit before capital items and headline earnings per share from continuing operations.

OVERVIEW

The year under review was characterised by continued sociopolitical and macroeconomic volatility and uncertainty, with the following main themes evident:

- global supply chain disruptions;
- global commodity price volatility;
- rising global inflation;
- civil unrest in South Africa during July 2021;
- floods in KwaZulu-Natal during April and May 2022; and
- subdued economic growth and softening consumer demand.

KAP's diversified business model proved resilient under these circumstances, with the group producing a strong set of results for the year through a focus on market share gains, operational efficiencies, cash generation and capital efficiency. The results are underpinned by robust performances by Safripol and PG Bison.

The group increased revenue by 17% to R28 billion and operating profit before capital items by 40% to R2.9 billion for the year. Cash generated from operations increased by 17% to R4.1 billion. The group invested R2.2 billion in the replacement and expansion of operational assets and repurchased 65 million of its own shares during the year.

The group's balance sheet remains strong with debt levels comfortably within targeted debt serviceability ratios.

OPERATIONAL REVIEW

PG BISON

Revenue up
16% to R4 876 million
(FY21: R4 197 million)

Operating profit up
35% to R831 million
(FY21: R615 million)

PG Bison performed well throughout the year, supported by robust demand across all major sectors. Local demand exceeded available capacity, despite all production facilities operating at full planned capacity throughout the year. A sales allocation system was therefore maintained to ensure service consistency to customers, which was similar to the prior year. Export sales were reduced by 6% and the value-add ratio reduced from 69% to 67% in order to support the demand of local manufacturers for non-value-added products.

Increased selling prices and 3% higher production volumes were sufficient to offset significant raw material cost escalation during the year, thereby protecting margins. The annual maintenance shutdowns at all three PG Bison plants were successfully concluded during the second half of the financial year, impacting the division's operating profit compared to the first half of the year.

The division successfully concluded a 300 m^3 per day expansion at its eMkhondo (previously Piet Retief) particleboard plant during the year. The expansion was successfully commissioned during March 2022, and brought to full rated production capacity in the same month. This expansion increased total particleboard and medium-density fibreboard ('MDF') capacity by 14% to 2 400 m^3 per day.

The division's 780 m^3 per day MDF expansion in eMkhondo is progressing according to schedule, and commissioning is planned for July 2024.

The division experienced a plantation fire during the year. The estimated effects were provided for at 31 December 2021.

RESTONIC

SUPPORTING DREAMS SINCE 1938

Revenue down
7% to R1 612 million
(FY21: R1 731 million)

Operating profit down
73% to R69 million
(FY21: R254 million)

Restonic produced a disappointing set of results amid challenging trading conditions. The civil unrest during July 2021 had a meaningful impact on its performance. Customers' retail stores and distribution centres sustained significant damage, resulting in severe supply chain disruption and increased distribution costs for the division leading into its peak trading period. Consumer demand during the traditionally slower second half of the financial year was particularly weak. The division supported the market during this time with increased promotional offers and improved distribution capability.

In this context, the division did well to maintain sales volumes of bedding units at 6% lower than the prior year, which was a record year. Sales volumes of foam and textile products, key raw materials for the furniture manufacturing industry, were 17% and 12% lower respectively.

Throughout the year, the division was unfortunately exposed to significant raw material cost escalations at short notice. While there was a focus on procuring raw materials in advance of increasing prices, global supply disruptions and commodity volatility made this challenging. The division was not successful in passing these cost increases through to the market timeously, which had a negative impact on operating profit margins.

FELTEX

Revenue down
11% to R1 809 million
(FY21: R2 033 million)

Operating profit down
77% to R36 million
(FY21: R156 million)

The South African automotive sector experienced a number of setbacks during the year, the most prominent being the civil unrest during July 2021, significant flooding in KwaZulu-Natal during April and May 2022, and continued volatility arising from global supply chain disruptions and semiconductor chip constraints. This resulted in a 13% contraction in industry new vehicle assembly volumes and lower revenue for the division. The division was unable to reduce costs effectively in line with the lower assembly volumes, due mainly to significant demand-side volatility and uncertainty. As a consequence, it produced a disappointing result for the year.

The division also experienced technical challenges with the start-up of its component production for a new vehicle model, which resulted in unplanned overtime, low production yields and excessive rejects. In order to maintain customer service during this time, components were imported and supplied at additional cost. These challenges were resolved during the year.

New vehicle sales volumes of models targeted for aftermarket accessories produced by Maxe were between 23% and 34% lower than the prior year, due primarily to dealer stock shortages. These lower volumes, together with higher steel prices, further negatively impacted the division's revenue and operating profit.

DriveRisk
MANAGE • MOTIVATE • MITIGATE

Revenue*
R242 million

Operating profit*
R22 million
* Seven months to June 2022

DriveRisk was acquired on 1 December 2021, as an entry point for KAP into an exciting new space with attractive growth prospects. By accessing leading global technology, DriveRisk utilises 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. The division performed below expectations during the year due to supply chain disruptions resulting from semiconductor chip shortages.

Revenue up
35% to R10 120 million
(FY21: R7 509 million)

Operating profit up
227% to R1 400 million
(FY21: R428 million)

Safripol performed exceptionally well throughout the year with strong demand, increased prices and improved margins for all three polymers produced. The performance of the division was supported by strong consumer demand, continued global supply chain disruptions, which favoured local manufacture and supply, and an elevated oil price environment, which influenced polymer prices.

Key metrics of the division are reported as follows:

	PET		HDPE		PP	
	FY22	FY21	FY22	FY21	FY22	FY21
Revenue (Rm)	4 267	2 690	3 263	2 840	2 590	1 979
Sales volumes (tonnes)	203 993	180 864	142 472	154 845	117 603	107 645
Production volumes (tonnes)	195 860	169 140	146 457	152 547	118 363	114 280
Average R/USD exchange	15.21	15.39	15.21	15.39	15.21	15.39

PET – Polyethylene terephthalate | HDPE – High-density polyethylene | PP – Polypropylene

The actual raw material margin trend for Safripol is analysed as follows:

	FY22 vs FY21	2H22 vs 1H22	1H22 vs 2H21	2H22 vs 2H21	1H22 vs 1H21
PET	54%	70%	5%	79%	28%
HDPE	32%	30%	5%	36%	25%
PP	46%	12%	27%	42%	51%

Notes:
1. The actual raw material margin trend analysis includes Safripol's actual selling prices and actual raw material costs.
2. The actual raw material margin trend analysis has been adjusted to account for the R91 million ethylene price adjustment in 2H21.

The PET operation in Durban performed well with strong demand and an improved operational performance. The plant operated at full rated capacity and yield for extended periods during the year, with interruptions caused by the civil unrest, floods in KwaZulu-Natal, and extended electricity disruptions. An improvement in index equivalent raw material margins contributed R242 million to the increase in operating profit. A 13% and 16% increase in sales volumes and production volumes respectively, together with an improved product and regional sales mix, was more than sufficient to offset inflationary increases in operating costs, and contributed R148 million to the increase in operating profit.

The HDPE operations performed well for the year despite lower production volumes, due mainly to temporary raw material constraints from a key supplier in the first half of the year and resultant lower sales volumes. Index equivalent raw material margins, which take into account contractual raw material prices, deteriorated by R10 million compared to the prior year. Contractual raw material price determination, which was recently renegotiated, was applicable for the entire year. It successfully adjusted raw material prices to correlate with Asian polymer prices, which guide import prices into South Africa. Improved pricing, product range management, and the regional sales mix were more than sufficient to offset the lower volumes and inflationary increases in operating costs, and contributed R189 million to the increase in operating profit. The HDPE FY22 operating profit includes a R91 million benefit in relation to ethylene supplies for the prior year, due to negotiations concluded post-FY21 year-end, with retrospective application.

The PP operations performed well for the year with strong demand and a good operational performance. An improvement in index equivalent raw material margins, which takes into account contractual raw material prices, contributed R182 million to the increase in operating profit. A 9% and 4% increase in sales volumes and production volumes respectively, together with an improved product and regional sales mix, was more than sufficient to offset inflationary increases in operating costs and contributed R129 million to the increase in operating profit.

On a consolidated basis for all three polymers, an improvement in index equivalent raw material margins, which takes into account contractual raw material prices, contributed R414 million; operational factors contributed R467 million; and the retrospective ethylene cost adjustment contributed R91 million to the increase in operating profit for the division.

Continued progress was made in the value-add strategy toward higher specification, and higher-margin products for more durable applications. In addition, we continued to build momentum with the 'Let's plastic responsibly' campaign, which aims to educate consumers about the responsible use of plastics and promotes the sustainability of the sector.

UNITRANS

Revenue up
11% to R9 757 million
(FY21: R8 828 million)

Operating profit down
11% to R578 million
(FY21: R649 million)

Unitrans operates primarily in the food, agriculture, petrochemical, mining and commuter transport sectors, where it has a material footprint. While the Unitrans operations are currently divisionalised and disclosed according to geographic (South Africa and Africa) and functional (logistics and passenger transport) parameters, progress was made during the year to increase focus on these sectors to build increased expertise, and to develop a more streamlined client interface in order to facilitate growth and improve returns.

UNITRANS SOUTH AFRICA

Revenue up
11% to R5 754 million
(FY21: R5 207 million)

Operating profit up
53% to R382 million
(FY21: R249 million)

Unitrans South Africa performed well for the year despite the challenging South African macroeconomic environment and disruptions brought about by the July 2021 unrest, the April and May 2022 floods in KwaZulu-Natal, and various truck driver protests. The revenue and operating profit both include R107 million relating to a non-recurring termination penalty on a major contract. Excluding this, revenue and operating profit increased by 8% and 10% respectively on the prior year.

Excluding the above-mentioned termination penalty, the Food operations increased operating profit by 13%, the Petrochemical and Mining operations increased operating profit by 9% on the back of new contracts, while the General freight operations ended 46% down on operating profit due to subdued volumes in general linehaul, cement, sugar and alcohol.

The division renewed contracts to the value of R346 million in revenue, excluding the early termination of the major contract referred to above, and secured net new contracts with an annualised revenue of R152 million. The terminated contract made up 18% of the division's revenue for the year. There are no closure costs related to this contract. In view of disrupted global supply chains with resultant extended lead times and increased cost of new vehicles and trailers, the assets related to this contract have been retained and incorporated into a rental fleet within the division, with management committed to monetising these assets effectively.

UNITRANS AFRICA

Revenue up
7% to R2 147 million
(FY21: R2 010 million)

Operating profit down
77% to R48 million
(FY21: R211 million)

The Unitrans Africa results were disappointing, largely due to a number of internal operational matters and external factors beyond management's control. The performance of the Roadfreight operations, which serve mainly the petrochemical sector, was negatively impacted by the state of emergency in Botswana, which was only lifted on 1 October 2021 and was followed by continued border restrictions, and reduced cross-border work due to the civil unrest in both South Africa and Eswatini. The performance of the Agriculture operations was negatively impacted by lower customer cane yields and mill performances, strike action in Eswatini, and late starts to the new season across all regions due to wet weather conditions. The Rail operations, which are not material to the division, struggled due to limited availability of containers on African corridors as a result of the global supply chain disruptions. Performance of the Mining operations was satisfactory and was supported by a new contract in Botswana.

The division renewed contracts with an annualised revenue of R256 million and secured net new contracts with an annualised revenue of R303 million.

UNITRANS PASSENGER

Revenue up
15% to **R1 895 million**
(FY21: R1 647 million)

Operating profit down
22% to **R148 million**
(FY21: R189 million)

Unitrans Passenger produced a stable operational performance in a market that is struggling to recover to pre-Covid-19 pandemic levels. Revenue increased on the back of fuel-cost recoveries, increased kilometres travelled, increased ticket sales and special hires. However, the operating profit was negatively impacted by a non-recurring provision of R41 million related to an internal review of previous years' tax treatment.

The appointment of a new divisional chief executive officer has injected fresh energy and brought more structure into the business. Good progress is being made on protracted contractual rate and capacity disputes on legacy contracts in the Commuter and Personnel operations, with a view to curtailing marginal and loss-making operations, to concentrate on profitable growth prospects.

The division successfully concluded the disposal of the Greyhound and Citiliner assets for R84 million, which was R20 million lower than the impaired carrying value. The disposal of the R47 million tourism coaches remains outstanding due to a subdued tourism sector.

CORPORATE ACTIVITY

Effective 1 December 2021, the group acquired an effective 90% interest in DriveRisk Holdings Proprietary Limited and SingRisk Services Private Limited (DriveRisk) for a purchase consideration of R404 million. This resulted in intangible assets of R241 million net of deferred taxation being recognised and goodwill of R122 million being raised. The remaining 10% shareholding is retained by management.

FINANCIAL REVIEW

INCOME STATEMENT

Revenue from continuing operations increased by 17% to R27 979 million (FY21: R23 956 million).

Operating profit before depreciation, amortisation and capital items ('EBITDA') from continuing operations increased by 27% to R4 340 million (FY21: R3 419 million).

Operating profit before capital items from continuing operations increased by 40% to R2 936 million (FY21: R2 102 million), while operating margin increased to 10.5% (FY21: 8.8%). This includes a non-cash downward adjustment of R77 million (FY21: R190 million) to biological assets.

The operating profit and margin performance was due to strong growth in the PG Bison, Safripol and Unitrans South Africa divisions, with the remaining divisions trading lower than the prior year. This is reflected as follows:

Operating profit and margin %	Year ended 30 Jun 2022 Audited Rm	30 Jun 2022 margin %	Year ended 30 Jun 2021 Audited Rm	30 Jun 2021 margin %	Operating profit change %	Margin change %
Diversified industrial	936	11.3	1 025	12.9	(9)	(1.6)
PG Bison	831	17.0	615	14.7	35	2.3
Restonic	69	4.3	254	14.7	(73)	(10.4)
Feltex	36	2.0	156	7.7	(77)	(5.7)
Diversified chemical	1 400	13.8	428	5.7	227	8.1
Safripol	1 400	13.8	428	5.7	227	8.1
Diversified logistics	578	5.9	649	7.4	(11)	(1.5)
Unitrans South Africa	382	6.6	249	4.8	53	1.8
Unitrans Africa	48	2.2	211	10.5	(77)	(8.3)
Unitrans Passenger	148	7.8	189	11.5	(22)	(3.7)
Road safety	22	9.1	–	–	–	–
DriveRisk	22	9.1	–	–	–	–
	2 936	10.5	2 102	8.8	40	1.7

Safripol's operating profit includes a R91 million benefit resulting from a retrospective price adjustment relating to the 2021 financial year, after successful negotiations with a supplier were concluded during the year. The revenue and operating profit of Unitrans South Africa includes an accrual of R107 million in relation to a R125 million termination penalty on a major contract that will be settled in FY23. The remainder of the penalty of R18 million will be recognised in FY23.

The business interruption resulting from the KwaZulu-Natal floods in April and May 2022 is being determined and assessed by our insurers. No potential business interruption insurance income resulting from these events has been recognised in the results for the year.

Headline earnings per share ('HEPS') from continuing operations increased by 73% to 74.4 cents (FY21: 43.0 cents) and basic earnings per share ('EPS') from continuing operations increased by 60% to 70.3 cents (FY21: 44.0 cents). Both HEPS and EPS were positively impacted by a 3% reduction in the weighted average number of shares in issue compared to the prior year.

CAPITAL ITEMS

Capital items from continuing operations of R109 million (FY21: R32 million income) mainly comprise an R80 million impairment of goodwill relating to the Maxe business unit, which forms part of the Feltex division. This resulted from an anticipated slower recovery post-Covid than previously estimated, due to the further impact of the civil unrest and the impact of the flooding in KwaZulu-Natal, which affected a key customer's operations. The prior year comprises mainly insurance income relating to accidental equipment damages.

TAXATION

The effective tax rate from continuing operations of 24.6% (FY21: 29.8%) was impacted by three primary factors: a reduction in the South African corporate taxation rate to 27%, the release of a R68 million provision relating to a section 12I tax allowance due to performance criteria achieved during the year, and impairments of R80 million which are not deductible for income tax purposes.

STATEMENT OF FINANCIAL POSITION

The group's balance sheet remains strong. Although net debt increased during the year, the improved EBITDA resulted in the group improving its financial covenant ratios. The group remained comfortably within its financial covenant ratios during the year.

The net asset value per share increased by 15% to 466 cents (FY21: 405 cents).

Consumable biological assets were affected by a fire in the north-eastern Cape region during August 2021, which resulted in damage to 3 174 hectares of plantations. The value of the affected plantations is R164 million, and it is estimated that this entire value will be recovered through salvage operations and insurance proceeds. This was fully accounted for at 31 December 2021.

NET WORKING CAPITAL

Net working capital levels increased by R542 million compared to the prior year. Inventory increased by R818 million, accounts receivable increased by R664 million, and accounts payable increased by R940 million. Net working capital was impacted by selling price increases and cost escalation in the current year, as well as planned increases in inventory volumes. The current net working capital balance is approaching a more normalised level compared to the prior year. Continuous focus is placed on optimising net working capital with due regard for the current global supply chain challenges.

CASH FLOW

Cash generated from operations of R4 081 million (FY21: R3 485 million) is R596 million more than the prior year, comprising R1 016 million more cash generated from trading, less R420 million more cash invested in working capital. The cash conversion ratio of EBITDA to cash flow from operations of 94% is above our internal target of 90%.

Free cash outflow (before dividends paid) of R22 million is R788 million below the prior year, mainly due to R408 million more taxation paid and R929 million more spent on investing activities, offset by R596 million more cash generated from operations. The investing activities include the acquisition of an effective 90% interest in DriveRisk Proprietary Limited and SingRisk Services Private Limited for R379 million, net of cash at acquisition.

Dividends of R394 million (FY21: R27 million) were paid during the year.

CAPITAL EXPENDITURE

Replacement capital expenditure continues to be managed over time in relation to the annual depreciation charge. Depreciation and amortisation (excluding right-of-use asset depreciation) from continuing operations for the year amounted to R1 298 million (FY21: R1 208 million), while replacement capital expenditure amounted to R1 067 million (FY21: R918 million) net of proceeds from disposal, insurance proceeds and government grants received. Expansion capital expenditure of R1 127 million (FY21: R899 million), net of government grants received, was invested in the group's asset base to drive growth and efficiency benefits.

SHARE BUY-BACKS

The company repurchased and cancelled 65 million ordinary shares during the year. The total value of the share buy-back transactions amounted to R310 million.

CAPITAL STRUCTURE

Net interest-bearing debt increased by R929 million compared to the prior year as planned, resulting in a marginal increase in the net interest-bearing debt to equity (gearing) ratio to 65% from 64% in the prior year. Debt serviceability ratios for the year of net debt/EBITDA at 1.7 times and EBITDA/interest cover at 8.2 times remained well within our financial covenants of < 3.2 times and > 3.5 times, respectively. Net debt/EBITDA of 1.7 times improved as planned and is well within our internal target of < 2.5 times.

During the year, bonds to the value of R1 620 million were settled and new funding of R3 100 million was raised through bond issuances with maturities up to five years and at more favourable interest rates.

Global Credit Rating Co. Proprietary Limited reviewed KAP's credit rating in November 2021, and confirmed its rating as A+(za) with a stable outlook.

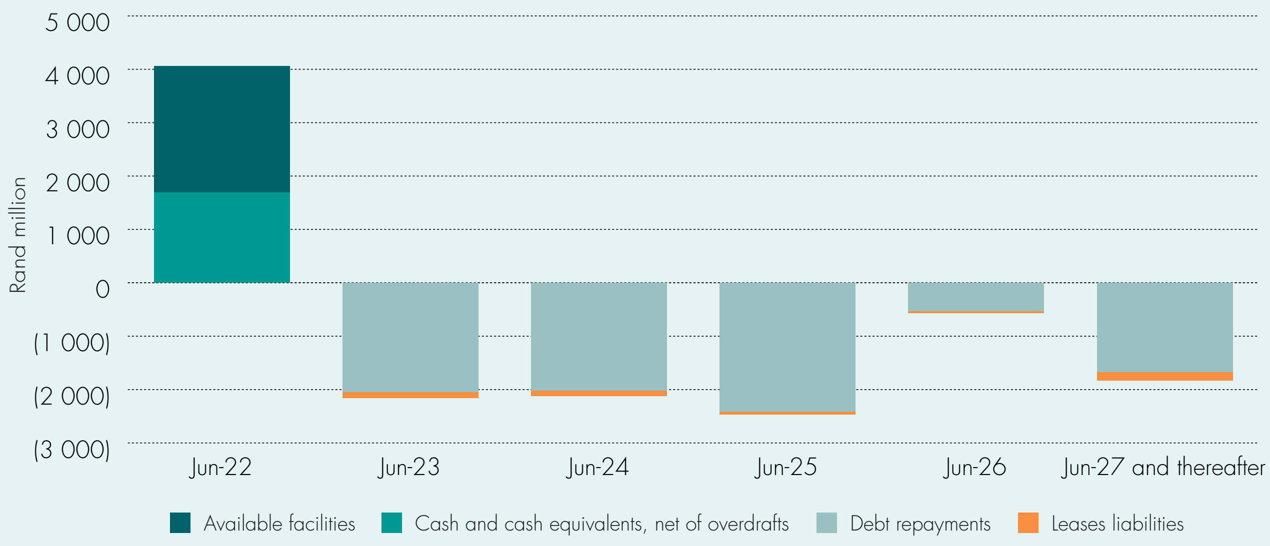
The debt structure, movement in net interest-bearing debt and financial covenant ratios are reflected as follows:

Debt structure and capacity ratios	30 Jun 2022 Audited Rm	30 Jun 2021 Audited Rm
Loans and borrowings non-current	6 681	5 360
Loans and borrowings current	2 049	1 526
Lease liabilities non-current	372	311
Lease liabilities current	106	86
Non-interest-bearing loans and borrowings	(57)	(47)
Bank overdrafts	38	45
Cash and cash equivalents	(1 730)	(751)
Net interest-bearing debt	7 459	6 530
Movement in net interest-bearing debt		
Balance at the beginning of the year excluding lease liabilities	6 133	6 575
Interest-bearing loans and borrowings received/(repaid)	1 760	(720)
Net (increase)/decrease in cash and cash equivalents	(965)	226
Net acquisition of subsidiaries	74	–
Effects of exchange rate translations on cash and cash equivalents	(21)	52
Net interest-bearing debt excluding lease liabilities	6 981	6 133
Lease liabilities	478	397
Net interest-bearing debt	7 459	6 530
EBITDA(1)(2)	4 340	3 419
Net finance costs(2)	529	466
EBITDA: interest cover (times) > 3.5(3)	8.2	7.3
Net debt: EBITDA (times) < 3.2(3)	1.7	1.9
Gearing %	65	64

(1) Operating profit before depreciation, amortisation and capital items.
(2) From continuing operations.
(3) Financial covenant triggers.

The group has sufficient facilities to settle near-term debt maturities. Management will continue to refinance the group's debt from time to time through a combination of bank term debt and corporate bonds. The maturity profile of net interest-bearing debt is reflected as follows:

Maturity of net interest-bearing debt as at 30 June 2022



DIVIDEND

The board of directors ('the board') declared a final dividend of 29 cents per share (FY21: 15 cents), an increase of 93%.

OUTLOOK

We expect the challenging macroeconomic environment experienced during the year to persist in FY23, with softer consumer demand across a number of sectors related to higher inflation and interest rates. Furthermore, while we expect that global supply chain disruptions will ease during the year, it is unlikely to be resolved and we therefore anticipate that commodity price volatility will continue. In the South African context, we expect escalating social and political instability leading up to the ANC national elective conference in 2022. While this environment will no doubt prove challenging, we remain optimistic about KAP's prospects and management's ability to execute the group's strategy successfully.

We believe that PG Bison and Safripol will continue to benefit from global supply disruptions, which favour local manufacture and supply, given their direct and downstream exposure to imports. Polymer margins are expected to moderate during FY23 from the high levels experienced during FY22, in line with global indices and a moderating oil price environment, but to remain at healthy levels.

Restonic, Feltex and Unitrans are expected to benefit from corrective management actions and an improvement in external factors specific to each division. We believe that DriveRisk will continue to grow the number of units and subscriptions sold to fleet operators by deploying its leading technology offering, which has a tangible impact on road safety and fleet efficiency.

We continue to pursue our strategic objectives in terms of market share growth, increased value-add activities, capacity expansions and select corporate actions, which we believe will enable us to outperform the sectors in which we operate and continue to improve shareholder value over time.

APPRECIATION

As a society, we have continued to face enormous challenges in South Africa, with the civil unrest of July 2021 and KwaZulu-Natal floods in April and May 2022 following a year of sustained hardship related to the Covid-19 pandemic. We are very proud of each of our employees who has risen above the personal challenges that we all faced during the year, and returned to work every day with commitment and dedication to each other, the group, and our many customers. We extend our appreciation and sincere gratitude for your loyalty and contribution to the group.

We are extremely grateful to our customers for their loyalty and support throughout this year.

We acknowledge and appreciate the ongoing trust and support of our shareholders, bondholders and banking partners in the continued funding of our operations.

On behalf of the board

Patrick Quarmby **Independent non-executive chairperson**	Gary Chaplin **Chief executive officer**	Frans Olivier **Chief financial officer**

23 August 2022

SUMMARISED CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm	% change
Revenue	1	27 979	23 956	17
Cost of revenue		(22 465)	(19 562)	
Gross profit		5 514	4 430	24
Operating profit before capital items		2 936	2 102	40
Capital items	2	(109)	32	
Operating profit		2 827	2 134	32
Finance costs		(527)	(486)	
Finance income		28	20	
Share of profit of associate and joint venture companies		19	28	
Profit before taxation		2 347	1 696	38
Taxation		(578)	(506)	
Profit for the year from continuing operations		1 769	1 190	49
Loss for the year from discontinued operations	3	(3)	(132)	
Profit for the year		1 766	1 058	67
Profit attributable to:				
Owners of the parent		1 746	991	76
Non-controlling interests		20	67	
Profit for the year		1 766	1 058	67
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain on defined benefit plans		2	–	
Gross obligation revaluation		(10)	–	
		(8)	–	
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of foreign operations		144	(233)	
Total other comprehensive income/(loss) for the year, net of taxation		136	(233)	
Total comprehensive income for the year, net of taxation		1 902	825	131
Total comprehensive income attributable to:				
Owners of the parent		1 878	765	
Non-controlling interests		24	60	
Profit for the year		20	67	
Foreign currency translation reserve transferred to non-controlling interests		4	(7)	
Total comprehensive income for the year		1 902	825	131

Earnings per share attributable to owners of the parent	Cents	Cents	% change
Basic earnings	70.2	38.8	81
Diluted earnings	68.5	38.3	79
Basic earnings from continuing operations	70.3	44.0	60
Diluted earnings from continuing operations	68.6	43.4	58

SUMMARISED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	30 Jun 2022 Audited Rm	30 Jun 2021 Audited Rm
Assets		
Non-current assets		
Goodwill	683	641
Intangible assets	2 363	2 028
Property, plant and equipment	14 130	12 957
Right-of-use assets	426	358
Consumable biological assets	1 491	1 565
Investments in associate and joint venture companies	183	78
Investments and loans receivable	25	1
Deferred taxation assets	48	33
Derivative financial instruments	55	–
	19 404	17 661
Current assets		
Inventories	3 411	2 593
Trade and other receivables[1]	4 794	4 170
Derivative financial instruments	50	10
Loans receivable	6	8
Taxation receivable	63	42
Cash and cash equivalents	1 730	751
	10 054	7 574
Assets held for sale	47	159
	10 101	7 733
Total assets	29 505	25 394
Equity and liabilities		
Capital and reserves		
Total equity attributable to owners of the parent	11 531	10 250
Non-controlling interests	219	199
Total equity	11 750	10 449
Non-current liabilities		
Loans and borrowings	6 681	5 360
Lease liabilities	372	311
Employee benefits	15	24
Provisions	–	2
Deferred taxation liabilities	2 641	2 637
Derivative financial instruments	60	–
	9 769	8 334
Current liabilities		
Loans and borrowings	2 049	1 526
Lease liabilities	106	86
Employee benefits	473	456
Provisions	89	77
Trade and other payables[1]	5 197	4 265
Derivative financial instruments	14	24
Taxation payable	20	132
Bank overdrafts	38	45
	7 986	6 611
Total equity and liabilities	29 505	25 394

[1]Derivative financial instruments were previously included in trade and other receivables and trade and other payables. The current year reflects them separately.

SUMMARISED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm
Balance at beginning of the year	10 449	9 770
Changes in stated share capital		
Ordinary shares repurchased and cancelled	(310)	(158)
Changes in reserves		
Total comprehensive income for the year attributable to owners of the parent	1 878	765
Ordinary dividends paid	(378)	–
Share-based payments	101	61
Transfer to non-controlling interests	(6)	–
Other reserve movements	(4)	16
Changes in non-controlling interests		
Total comprehensive income for the year attributable to non-controlling interests	24	60
Ordinary dividends paid	(16)	(27)
Transfer from other reserves	6	–
Shares purchased from non-controlling interests	(16)	(38)
Arising on acquisition of subsidiaries	22	–
Balance at end of the year	11 750	10 449
Comprising:		
Stated share capital	7 896	8 206
Distributable reserves	6 859	5 498
Share-based payment reserve	619	518
Reverse acquisition reserve	(3 952)	(3 952)
Other reserves	109	(20)
Non-controlling interests	219	199
	11 750	10 449

SUMMARISED CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021* Audited Rm
Operating profit from continuing operations	2 827	2 134
Operating loss from discontinued operations	(10)	(172)
Adjusted for:		
Capital items	129	(30)
Depreciation and amortisation	1 404	1 344
Net fair value adjustments of consumable biological assets[1]	77	190
Other non-cash adjustments	117	62
Cash generated before working capital changes	4 544	3 528
Increase in inventories	(776)	(305)
Increase in trade and other receivables	(522)	(865)
Increase in trade and other payables	835	1 127
Changes in working capital	(463)	(43)
Cash generated from operations	4 081	3 485
Dividends received	9	9
Finance income received	27	16
Finance costs paid	(556)	(498)
Dividends paid	(394)	(27)
Taxation paid	(803)	(395)
Net cash inflow from operating activities	2 364	2 590
Additions to property, plant and equipment and investment property[2]	(2 194)	(1 817)
Additions to intangible assets[3]	(15)	(6)
Additions to consumable biological assets	(3)	(1)
Acquisition of subsidiaries and businesses, net of cash acquired	(392)	–
Other investing activities	(132)	17
Net cash outflow from investing activities	(2 736)	(1 807)
Net cash (outflow)/inflow from operating and investing activities	(372)	783
Shares repurchased	(310)	(158)
Transactions with non-controlling interests	(20)	(22)
Loans and borrowings received	3 792	1 190
Loans and borrowings repaid	(2 032)	(1 910)
Lease liabilities capital repayments	(93)	(109)
Net cash inflow/(outflow) from financing activities	1 337	(1 009)
Net increase/(decrease) in cash and cash equivalents	965	(226)
Net cash and cash equivalents at beginning of year	706	984
Effects of exchange rate translations on net cash and cash equivalents	21	(52)
Net cash and cash equivalents at end of the year	1 692	706

** The cash flows have been restated to offset the bank overdrafts against cash and cash equivalents as it forms an integral part of the group's cash management. The increase in bank overdrafts of R28 million was previously reflected as cash flows from financing activities.*

[1] Includes fair value (gain)/loss and decrease due to harvesting and sale of livestock.

[2] Net of proceeds on disposal of property, plant and equipment and investment property, insurance proceeds and government grants received.

[3] Net of proceeds on disposal of intangible assets.

SEGMENTAL ANALYSIS

	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm	% change
Continuing operations			
Revenue			
Diversified industrial	8 259	7 927	4
PG Bison	4 876	4 197	16
Restonic	1 612	1 731	(7)
Feltex	1 809	2 033	(11)
Interdivisional eliminations	(38)	(34)	
Diversified chemical	10 120	7 509	35
Safripol	10 120	7 509	35
Diversified logistics	9 757	8 828	11
Unitrans South Africa	5 754	5 207	11
Unitrans Africa	2 147	2 010	7
Unitrans Passenger	1 895	1 647	15
Interdivisional eliminations	(39)	(36)	
Road safety	242	–	–
DriveRisk	242	–	–
	28 378	24 264	17
Intersegmental eliminations	(399)	(308)	
	27 979	23 956	17
Operating profit before depreciation, amortisation and capital items			
Diversified industrial	1 243	1 344	(8)
PG Bison	1 007	786	28
Restonic	120	307	(61)
Feltex	116	251	(54)
Diversified chemical	1 590	584	172
Safripol	1 590	584	172
Diversified logistics	1 464	1 485	(1)
Unitrans South Africa	836	701	19
Unitrans Africa	341	468	(27)
Unitrans Passenger	287	316	(9)
Road safety	38	–	–
DriveRisk	38	–	–
Corporate, consolidation and eliminations	5	6	
	4 340	3 419	27
Operating profit before capital items			
Diversified industrial	936	1 025	(9)
PG Bison	831	615	35
Restonic	69	254	(73)
Feltex	36	156	(77)
Diversified chemical	1 400	428	227
Safripol	1 400	428	227
Diversified logistics	578	649	(11)
Unitrans South Africa	382	249	53
Unitrans Africa	48	211	(77)
Unitrans Passenger	148	189	(22)
Road safety	22	–	–
DriveRisk	22	–	–
	2 936	2 102	40

	Notes	30 Jun 2022 Audited Rm	30 Jun 2021 Audited Rm	% change
Operating assets				
Diversified industrial		10 805	9 886	9
PG Bison		7 381	6 705	10
Restonic		1 774	1 623	9
Feltex		1 656	1 561	6
Interdivisional eliminations		(6)	(3)	
Diversified chemical		7 054	6 313	12
Safripol		7 054	6 313	12
Diversified logistics		8 949	8 166	10
Unitrans South Africa		4 994	4 530	10
Unitrans Africa		2 772	2 489	11
Unitrans Passenger		1 191	1 153	3
Interdivisional eliminations		(8)	(6)	
Road safety		683	–	–
DriveRisk		683	–	–
Corporate, consolidation and eliminations		(88)	(43)	
	6	27 403	24 322	13
Operating liabilities				
Diversified industrial		1 697	1 399	21
PG Bison		1 045	713	47
Restonic		246	283	(13)
Feltex		412	406	1
Interdivisional eliminations		(6)	(3)	
Diversified chemical		2 263	1 945	16
Safripol		2 263	1 945	16
Diversified logistics		1 628	1 324	23
Unitrans South Africa		935	775	21
Unitrans Africa		388	312	24
Unitrans Passenger		313	243	29
Interdivisional eliminations		(8)	(6)	
Road safety		78	–	–
DriveRisk		78	–	–
Corporate, consolidation and eliminations		182	180	
	7	5 848	4 848	21
Net operating assets/(liabilities)[1]				
Diversified industrial		9 108	8 487	7
PG Bison		6 336	5 992	6
Restonic		1 528	1 340	14
Feltex		1 244	1 155	8
Diversified chemical		4 791	4 368	10
Safripol		4 791	4 368	10
Diversified logistics		7 321	6 842	7
Unitrans South Africa		4 059	3 755	8
Unitrans Africa		2 384	2 177	10
Unitrans Passenger		878	910	(4)
Road safety		605	–	–
DriveRisk		605	–	–
Corporate, consolidation and eliminations		(270)	(223)	
		21 555	19 474	11

[1]Net operating assets/(liabilities) comprise operating assets less operating liabilities.

	Notes	30 Jun 2022 Audited Rm	30 Jun 2021 Audited Rm	% change
Net working capital				
Diversified industrial		1 271	1 166	9
PG Bison		911	933	(2)
Restonic		203	93	118
Feltex		157	141	11
Interdivisional eliminations		–	(1)	–
Diversified chemical		964	604	60
Safripol		964	604	60
Diversified logistics		425	389	9
Unitrans South Africa		232	104	123
Unitrans Africa		99	148	(33)
Unitrans Passenger		95	137	(31)
Interdivisional eliminations		(1)	–	
Road safety		81	–	–
DriveRisk		81	–	–
Corporate, consolidation and eliminations		(274)	(234)	
	8	2 467	1 925	28

	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm
Replacement capital expenditure[2]		
Diversified industrial	361	336
PG Bison	237	313
Restonic	28	6
Feltex	96	17
Diversified chemical	147	78
Safripol	147	78
Diversified logistics	559	511
Unitrans South Africa	480	223
Unitrans Africa	77	190
Unitrans Passenger	2	98
Corporate, consolidation and eliminations	–	(7)
	1 067	918

[2] *Net of proceeds on disposal of property, plant and equipment and investment property, insurance proceeds and government grants received.*

	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm
Expansion capital expenditure[3]		
Diversified industrial	485	413
PG Bison	360	86
Restonic	78	110
Feltex	47	217
Diversified chemical	110	–
Safripol	110	–
Diversified logistics	515	486
Unitrans South Africa	104	255
Unitrans Africa	375	218
Unitrans Passenger	36	13
Road safety	17	–
DriveRisk	17	–
	1 127	899

[3] *Net of government grants received.*

	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm
Total capital expenditure[(4)]		
Diversified industrial	846	749
PG Bison	597	399
Restonic	106	116
Feltex	143	234
Diversified chemical	257	78
Safripol	257	78
Diversified logistics	1 074	997
Unitrans South Africa	584	478
Unitrans Africa	452	408
Unitrans Passenger	38	111
Road safety	17	–
DriveRisk	17	–
Corporate, consolidation and eliminations	–	(7)
	2 194	1 817

[(4)] Net of proceeds on disposal of property, plant and equipment and investment property, insurance proceeds and government grants received.

During the year, the group changed the names of the divisions to refer to the brand names as follows: Integrated Timber to PG Bison, Integrated Bedding to Restonic, Automotive Components to Feltex, Polymers to Safripol, Contractual Logistics – South Africa to Unitrans South Africa, Contractual Logistics – Africa to Unitrans Africa, and Passenger Transport to Unitrans Passenger. However, this did not result in the restatement of the amounts presented.

SELECTED EXPLANATORY NOTES

	Goods Rm	Services Rm	Rentals Rm	Total Rm
Note 1: Revenue				
Year ended 30 Jun 2022				
Audited				
PG Bison	5 472	–	–	5 472
Restonic	1 793	–	–	1 793
Feltex	1 810	–	–	1 810
Safripol	10 202	–	–	10 202
Unitrans South Africa	111	5 643	–	5 754
Unitrans Africa	–	2 147	–	2 147
Unitrans Passenger	–	1 895	–	1 895
DriveRisk	58	131	–	189
Gross revenue	19 446	9 816	–	29 262
Variable consideration	(860)	–	–	(860)
Intergroup eliminations	(52)	(419)	–	(471)
Revenue from contracts with customers	18 534	9 397	–	27 931
DriveRisk	–	–	53	53
Intergroup eliminations	–	–	(5)	(5)
	18 534	9 397	48	27 979
Year ended 30 Jun 2021				
Audited				
PG Bison	4 724	–	–	4 724
Restonic	1 907	–	–	1 907
Feltex	2 034	–	–	2 034
Safripol	7 571	–	–	7 571
Unitrans South Africa[1]	56	5 151	–	5 207
Unitrans Africa	–	2 010	–	2 010
Unitrans Passenger	–	1 647	–	1 647
Gross revenue	16 292	8 808	–	25 100
Variable consideration	(766)	–	–	(766)
Intergroup eliminations	(49)	(329)	–	(378)
Revenue from contracts with customers	15 477	8 479	–	23 956

[1] The disclosure has been restated to reallocate R277 million from goods to services.

	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm
Geographical distribution		
South Africa	24 050	20 693
Rest of Africa	3 254	2 970
Americas	309	225
Europe	161	32
Middle East	129	22
Australasia	76	14
	27 979	23 956

	Notes	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm
Note 2: Capital items			
Continuing operations			
Loss on disposal of property, plant and equipment and investment property		(36)	(16)
(Impairments)/reversal of impairments[2]		(111)	4
Insurance income		36	44
Gain on bargain purchase		2	–
		(109)	32
Discontinued operations			
Loss on disposal of property, plant and equipment		(20)	(1)
Impairments[2]		–	(1)
		(20)	(2)
		(129)	30

[2] *(Impairments)/reversal of impairments of goodwill, intangible assets, property, plant and equipment, investment property and right-of-use assets.*

	Notes	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm
Note 3: Loss for the year from discontinued operations			
Revenue		–	179
Cost of revenue		10	(225)
Gross profit/(loss)		10	(46)
Operating profit/(loss) before capital items		10	(170)
Capital items	2	(20)	(2)
Operating loss		(10)	(172)
Finance costs		(1)	(12)
Loss before taxation		(11)	(184)
Taxation		8	52
Loss for the year		(3)	(132)

	Cents	Cents
Note 4: Earnings/(loss)		
Basic earnings/(loss) per share	70.2	38.8
Continuing operations	70.3	44.0
Discontinued operations	(0.1)	(5.2)
Diluted earnings/(loss) per share	68.5	38.3
Continuing operations	68.6	43.4
Discontinued operations	(0.1)	(5.1)
Headline earnings/(loss) per share	75.1	37.9
Continuing operations	74.4	43.0
Discontinued operations	0.7	(5.1)
Diluted headline earnings/(loss) per share	73.3	37.4
Continuing operations	72.6	42.4
Discontinued operations	0.7	(5.0)
Net asset value per share	466	405

	Notes	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm
Note 4: Earnings/(loss) (continued)			
Headline earnings attributable to owners of the parent			
Continuing operations			
Basic and diluted earnings attributable to owners of the parent		1 749	1 123
Adjusted for:			
Capital items	2	109	(32)
Taxation effects of capital items		(6)	8
Non-controlling interests' portion of capital items, net of taxation		(1)	–
		1 851	1 099
Discontinued operations			
Basic and diluted loss attributable to owners of the parent		(3)	(132)
Adjusted for:			
Capital items	2	20	2
Taxation effects of capital items		(3)	–
		14	(130)
		1 865	969

	Million	Million
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of the year	2 531	2 571
Effect of shares repurchased and cancelled	(48)	(16)
Effect of shares issued	4	–
Weighted average number of ordinary shares	2 487	2 555
Potential dilutive effect of share rights granted	62	34
Diluted weighted average number of ordinary shares	2 549	2 589
Number of ordinary shares in issue	2 472	2 531

	Fair value hierarchy	Fair value as at 30 Jun 2022 Audited Rm	Fair value as at 30 Jun 2021 Audited Rm
Note 5: Fair values of financial instruments			
Derivative financial assets	Level 2	105	10
Derivative financial liabilities	Level 2	(74)	(24)

There were no Level 1 or Level 3 financial assets or financial liabilities as at 30 June 2022 or 30 June 2021.

Level 2 financial instruments consist of derivative financial instruments that are valued using techniques where all the inputs that have a significant effect on the valuation are directly or indirectly based on observable market data. These inputs include foreign exchange rates.

The carrying amount for all financial liabilities approximates the fair value, with the exception of loans and borrowings where the fair value is R8 770 million (2021: R7 217 million).

	30 Jun 2022 Audited Rm	30 Jun 2021 Audited Rm
Note 6: Operating assets		
Goodwill	683	641
Intangible assets	2 363	2 028
Property, plant and equipment	14 130	12 957
Right-of-use assets	426	358
Consumable biological assets	1 491	1 565
Inventories	3 411	2 593
Trade and other receivables	4 794	4 170
Derivative financial instruments	105	10
	27 403	24 322

	30 Jun 2022 Audited Rm	30 Jun 2021 Audited Rm
Note 7: Operating liabilities		
Employee benefits	488	480
Provisions	89	79
Trade and other payables	5 197	4 265
Derivative financial instruments	74	24
	5 848	4 848
Note 8: Net working capital		
Inventories	3 411	2 593
Trade and other receivables	4 794	4 170
Employee benefits	(488)	(480)
Provisions	(89)	(79)
Trade and other payables	(5 197)	(4 265)
Current derivative financial instruments	36	(14)
	2 467	1 925

Note 9: Trading profit

The group considers trading profit to be a key benchmark to measure performance and to allow for meaningful year-on-year comparison, as it excludes the effect of the non-cash fair value adjustments of consumable biological assets.

The adjustments below regarding trading profit are not an International Financial Reporting Standards ('IFRS') measure and are shown for illustrative purposes only. It may not fairly present the issuer's financial position, changes in equity, results of operations or cash flows. It does not impact the financial position, changes in equity, results of operations or cash flows.

The financial information is the responsibility of the directors and has not been reviewed or reported on by the company's external auditors.

	Year ended 30 Jun 2022 Audited Rm	Year ended 30 Jun 2021 Audited Rm
Continuing operations		
Trading profit		
Operating profit before capital items	2 936	2 102
Net fair value adjustments of consumable biological assets	77	190
	3 013	2 292
Net fair value adjustments of consumable biological assets		
Net fair value adjustments of timber plantations	82	204
Fair value (gain)/loss	(125)	12
Decrease due to harvesting	207	192
Net fair value adjustments of livestock	(5)	(14)
Fair value gain	(10)	(19)
Decrease due to disposals	5	5
	77	190

STATEMENT OF COMPLIANCE

The summarised consolidated financial information has been prepared and presented in accordance with the framework concepts and the measurement and recognition requirements of IFRS, the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee, the financial pronouncements as issued by the Financial Reporting Standards Council, the JSE Limited ('JSE') Listings Requirements, as a minimum the information as required by IAS 34 – *Interim Financial Reporting*, and the requirements of the Companies Act, No. 71 of 2008 of South Africa. The summarised consolidated financial information has been prepared using accounting policies that comply with IFRS, which are consistent with those applied in the consolidated financial statements for the year ended 30 June 2021.

BASIS OF PREPARATION

The abridged summarised consolidated financial statements are prepared in millions of South African rand (Rm) on the historical cost basis, except for certain assets and liabilities, which are carried at amortised cost, and derivative financial instruments and consumable biological assets, which are stated at their fair values. The preparation of the consolidated financial statements and abridged summarised consolidated financial statements for the year ended 30 June 2022, was supervised by Frans Olivier CA(SA), the group's chief financial officer.

ACCOUNTING POLICIES

The accounting policies and methods of computation of the group have been consistently applied to periods presented in the summarised consolidated financial statements.

During the current year, the group has adopted all the new and revised standards issued by the International Accounting Standards Board ('IASB') that are relevant to its operations and effective for annual reporting periods beginning on 1 July 2021. The adoption thereof did not have a material impact on the consolidated financial statements.

FINANCIAL STATEMENTS

The consolidated financial statements for the year, which have been audited by KPMG Inc., and their accompanying unmodified audit report, which includes their key audit matters, are available on the company's website at www.kap.co.za. Information included under the headings Outlook and Operational review, and any reference to future financial information included in the summarised financial information, has not been audited or reviewed. The auditor's report does not necessarily report on all the information contained in this announcement. Shareholders are therefore advised that, in order to obtain a full understanding of the nature of the auditor's engagement, they should obtain a copy of both the auditor's report and the accompanying financial information (www.kap.co.za). The results were approved by the board of directors on 23 August 2022.

The annual general meeting ('AGM') of KAP shareholders has been scheduled to take place on Monday, 21 November 2022, at 15:30 in Stellenbosch.

The notice of the AGM will be published on SENS and dispatched to shareholders in due course.

BUSINESS COMBINATIONS

Effective 1 December 2021, the group acquired 80.39% of the shares and loan claims of Khuthaza Holdings Proprietary Limited for R105 million and 49% of the shares and loan claims of DriveRisk Holdings Proprietary Limited for a purchase price of R125 million. The total consideration amounted to R230 million and resulted in an effective holding of 90% in DriveRisk Holdings Proprietary Limited. In addition, the group also acquired 90% of the shares of SingRisk Services Private Limited for a purchase price of R174 million. These acquisitions resulted in intangible assets of R241 million net of deferred taxation being recognised and goodwill of R122 million being raised.

EVENTS AFTER REPORTING DATE

The board declared a dividend of 29 cents per share on 23 August 2022. The directors are not aware of any other significant events after the reporting date that will have a material effect on the group's results or financial position as presented in these annual financial statements.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders of KAP Industrial Holdings Limited

Opinion

The summarised consolidated financial statements of KAP Industrial Holdings Limited, which comprise the summarised consolidated statement of financial position at 30 June 2022, the summarised consolidated income statement and statement of other comprehensive income, summarised consolidated statement of changes in equity and summarised consolidated cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of KAP Industrial Holdings Limited ('the group') for the year ended 30 June 2022.

In our opinion, the accompanying summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements of KAP Industrial Holdings Limited, in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in the statement of compliance paragraph to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Summary consolidated financial statements

The summarised consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summarised consolidated financial statements and our report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and our report thereon.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 23 August 2022. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the current period.

Directors' responsibility for the summary consolidated financial statements

The directors are responsible for the preparation of the summarised consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports, set out in the statement of compliance paragraph to the summarised consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summarised consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements.*

KPMG Inc.
Registered auditor

Per IM Engels
Chartered accountant (SA)
Registered auditor
Director
23 August 2022

The Halyard
4 Christiaan Barnard Street
Foreshore
Cape Town
8001

CHANGES TO THE BOARD, BOARD COMMITTEES AND KEY PORTFOLIOS

Following 17 years of service on the board, IN Mkhari decided to retire and did not make herself available for re-election as a director at the company's annual general meeting held on 18 November 2021 ('2021 AGM'). She was consequently not reappointed as a director on the board, nor as a member of the nomination committee, the human capital and remuneration committee or the social and ethics committee.

On 18 November 2021, SP Lunga, the company's human capital and stakeholder relations executive, was appointed as an executive director on the board.

The following board committee and director role changes were approved and implemented by the board on 18 November 2021:

- J de V du Toit stepped down as chairperson of both the board and the nomination committee, but continues to serve on the board and the nomination committee as an independent non-executive director.
- PK Quarmby, the lead independent non-executive director, was appointed as the chairperson of the board and the nomination committee. As a consequence, he was not reappointed to the audit and risk committee but will remain a member of the investment committee.
- KJ Grové, the independent non-executive deputy chairperson, was appointed as the lead independent non-executive director. The deputy chairperson position on the board fell away. He retained his seats on the investment committee and the human capital and remuneration committee.
- V McMenamin became a member of the human capital and remuneration committee, in addition to her membership of the social and ethics committee.
- In addition to her seats on the audit and risk committee and the social and ethics committee, TC Esau-Isaacs became a member of the investment committee.
- Z Fuphe was appointed as the chairperson of the social and ethics committee and as a new member of the nomination committee.
- SH Müller was appointed as the chairperson of the investment committee in place of PK Quarmby. He remains a member of the audit and risk committee and the social and ethics committee, and remains chairperson of the human capital and remuneration committee.
- KT Hopkins' portfolio as audit and risk committee chairperson remains unchanged.

DIVIDEND TIMETABLE

The timetable in respect of the dividend is as follows:

Day	Event
Tuesday, 23 August 2022	Distribution declared in the form of a dividend
Tuesday, 20 September 2022	Last day to trade
Wednesday, 21 September 2022	Shares trade ex dividend
Friday, 23 September 2022	Date to be recorded in the register to receive the dividend
Monday, 26 September 2022	Payment date

Share certificates may not be dematerialised or rematerialised between Wednesday, 21 September 2022 and Friday, 23 September 2022, both days inclusive.

In terms of the taxation on dividends and the amendments to section 11.17 of the JSE Listings Requirements, the following additional information is disclosed:

(1) Local dividend tax rate is 20%.
(2) Dividends are to be paid from income reserves.
(3) The withholding tax, if applicable at the rate of 20%, will result in a net cash dividend per share of 23.2 cents.
(4) The number of issued ordinary shares of KAP Industrial Holdings Limited is 2 472 100 574 at 23 August 2022.
(5) KAP Industrial Holdings Limited's tax reference number is 9999/509/71/5.

CORPORATE INFORMATION

KAP Industrial Holdings Limited ('KAP' or 'the company')

Independent non-executive directors: PK Quarmby (Chairperson), KJ Grové (Lead), J de V du Toit, 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

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: 24 August 2022

BEING THE CHANGE