

**KAAP AGRI LIMITED**

(Incorporated in the Republic of South Africa)

(Registration number: 2011/113185/06)

Share code: KAL

ISIN: ZAE000244711

(“KaaP Agri” or “the Company”)



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**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS  
ENDED 31 MARCH 2021**

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**1. INTRODUCTION**

The first six months of the financial year generated higher than expected growth in retail categories as well as a strong contribution from new TFC retail fuel sites in terms of convenience sales. Agri channel performance was stable and increased during the second quarter. Kaap Agri grew revenue by 15.6% to R5.7 billion, up from R4.9 billion in the previous comparable financial period, with like-for-like comparable sales growth of 1.6%. This growth in revenue was driven by an 8.6% increase in the number of transactions. Product inflation, excluding the impact of fuel inflation, is estimated at 2.2%.

We continue to experience the positive impact of the 2020/21 wheat season and conditions for the upcoming wheat season look encouraging, although always weather dependant. Fruit and vegetable production has largely been positive, but significant expansions and infrastructural spend have slowed, partly due to Covid-19 (“Covid”) related cashflow curtailment, as well as ongoing concerns around land policies, with the main agri focus being on replacement infrastructure spend. The fuel industry has experienced significant fuel volume pressures throughout the various Covid lockdown levels.

Group fuel volumes increased by 11.9%, of which TFC owned and managed sites have grown fuel volumes by 8.3%. Fuel site convenience and quick service restaurant performance lagged fuel volume growth in like-for-like sites due to Covid-related restrictions.

Consumer confidence, although low, has seen an improvement in the past few months. Retail sales have rebounded, especially building materials, and general agricultural conditions in the areas we operate in bode well for the second half of the financial year. Retail fuel sales have improved as Covid-related restrictions eased. Fuel price inflation will weigh on trading margins. No new retail fuel sites are planned for the remainder of the financial year. As a result of Covid, the business has adapted the way in which we interact with customers to ensure we continue to provide a relevant and sustainable offering in a responsible manner. We remain cautious regarding the potential impact of further Covid infection cycles.

As in previous years, the first six months earnings will contribute more to full year earnings than the second six months. Management is positive regarding the performance of the business during the coming six-month period and remains committed to achieving our strategic medium-term growth targets.

## 2. SALIENT FEATURES

Revenue increased by 15.6% to R5.7 billion, up from R4.9 billion in the prior corresponding period.

EBITDA increased by 13.9% to R397.9m from R349.3m in the prior corresponding period.

Earnings per share increased by 24.0% to 300.39 cents per share, from 242.21 cents per share in the prior corresponding period.

Headline earnings per share increased by 24.0% to 299.96 cents per share, from 241.83 cents per share in the prior corresponding period.

Recurring headline earnings per share increased by 23.3% to 305.34 cents per share, from 247.65 cents per share in the prior corresponding period.

An interim dividend of 40.00 cents per share has been declared for the 6 months ended 31 March 2021. No interim dividend was declared in the prior corresponding period.

## 3. DIVIDEND DECLARATION

A gross interim dividend of 40.00 cents per share (2020: NIL cents per share) has been approved and declared by the Board from income reserves for the 6 months ended 31 March 2021. The interim dividend amount, net of South African dividends tax of 20% is 32.00 cents per share for those shareholders not exempt from dividend tax or who are not entitled to a reduced rate in terms of the applicable double tax agreement.

The salient dates for this dividend distribution are:

Declaration date	Thursday, 6 May 2021
Last day to trade cum dividend	Tuesday, 8 June 2021
Trading ex dividend commences	Wednesday, 9 June 2021
Record date to qualify for dividend	Friday, 11 June 2021
Date of payment	Monday, 14 June 2021

The number of ordinary shares in issue at declaration date is 74 170 277 and the income tax number of Kaap Agri is 9312717177.

Share certificates may not be dematerialised or rematerialised between Wednesday, 9 June 2021 and Friday, 11 June 2021, both days inclusive.

## 4. SHORT-FORM ANNOUNCEMENT

This short-form announcement is the responsibility of the directors of the Company. It contains only a summary of the information in the full announcement ("**Full Announcement**") and does not contain full or complete details. The Full Announcement can be found at: <https://senspdf.jse.co.za/documents/2021/JSE/ISSE/KALE/KALMar21.pdf>

Copies of the Full Announcement are also available for viewing on the Company's website at [https://www.kaapagri.co.za/financial\\_results/condensed-consolidated-interim-financial-statements-march-2021/](https://www.kaapagri.co.za/financial_results/condensed-consolidated-interim-financial-statements-march-2021/) or may be requested in person, at the Company's registered office or the office of the sponsor, at no charge, during office hours.

Any investment decisions by investors and/or shareholders should be based on consideration of the Full Announcement, as a whole.

The condensed consolidated interim financial statements have not been audited or reviewed by the Company's auditors.

6 May 2021

Sponsor

PSG Capital



PSG CAPITAL