

KAL GROUP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2011/113185/06)

Share code: KAL

ISIN: ZAE000244711

(“KAL” or “the Company” or “the Group”)



VOLUNTARY BUSINESS UPDATE AT AGM

Immediately following the annual general meeting (“AGM”) of the Company, that will be held at 12:30 p.m. today, 6 February 2025 at the Grande Roche Hotel, 1 Plantasie Street, Paarl, a voluntary business update will be provided to shareholders by the CEO, Sean Walsh. A presentation relating to the voluntary business update is available on the Company’s website at <https://www.kalgroup.co.za/s3/AGM2025-Presentation>

The business update and presentation are focused on the Group’s performance during the first three months of the 2025 financial year (“Q1”). While the Company does not report on a quarterly basis, it wishes to provide shareholders with an update on its Q1 performance.

The salient points of the presentation are outlined below:

1. The Group’s 2030 strategy aims to deliver R1.5 billion profit before tax (Agrimark segment (R780m), The Fuel Company segment (R570m) and a new business segment (R150m)), targeting a debt-to-equity ratio of 40%, a return on equity of 15% and a return on invested capital of 14%.
2. When comparing the year-on-year (“YOY”) Q1 trading profit performance to the last three months of the 2024 financial year (“LY Q4”), the upward trend is as follows:
 - Retail +3.2% (LY Q4: -0.3%)
 - Agri +1.5% (LY Q4: -11.4%)
 - Fuel +7.6% (LY Q4: -8.5%)
 - Manufacturing -5.5% (LY Q4: +4.2%)
 - Total +4.1% (LY Q4: -4.9%)
3. Retail turnover ended 2.3% higher compared to the first three months of the prior year (“LY”). Within retail, FMCG (which includes convenience retail) experienced positive turnover growth, while the building material related categories disappointed. Cement trends which were positive in November 2024, flattened for Q1. FMCG drove retail category trading profit growth ahead of turnover growth.
4. Agri turnover, while initially volatile, grew 5.7% on LY, and although margins were under pressure due to competition and mix changes, trading profit growth was positive for Q1 compared to a severe downturn in LY Q4. Despite a slow start to Q1, packaging material sales in January 2025 have been very positive.
5. Fuel trading profit improved significantly from LY Q4 to Q1. An average 18% decrease in fuel prices impacted turnover but not trading profit. Fuel price gains were R5.2m lower YOY and Group fuel volumes increased by 0.7%.
6. Agrimark Grain’s wheat intake ended 18% lower YOY.

7. Group EBITDA increased by 1.8% YOY.
8. The Group's overall gearing position improved during Q1, with net interest-bearing debt reducing by R141m YOY.
9. The Group's debt-to-equity ratio reduced YOY to 49% (LY: 59%).
10. The Group's outlook is encouraging with positive convenience retail and agri performance, complimented by a healthy pipeline of quick service restaurant upgrades and expansions, and additional service stations for the remainder of the financial year. Furthermore, lower interest rates will improve overall consumer and farm spending patterns.
11. Various general operational statistics and comments on KAL's environmental, social and governance (ESG) practices are included in the presentation.

Shareholders are referred to the above presentation, available on KAL's website, for further details regarding the Group's Q1 performance.

The information above and in the presentation has not been audited or reviewed or otherwise reported on by the Company's external auditors.

Paarl
6 February 2025

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