

KAP LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 1978/000181/06)

Share code: KAP

ISIN: ZAE000171963

Company Alpha Code: KAP

LEI code: 3789001F51BC0045FD42

('KAP' or 'the Company')



TRADING STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2024

In terms of the JSE Limited ('JSE') Listings Requirements, a listed company is required to publish a trading statement once it is satisfied that a reasonable degree of certainty exists that the financial results for the next period to be reported on will differ by at least 20% from the financial results for the prior corresponding period.

The Company is in the process of finalising its half year results and a reasonable degree of certainty exists, that for the six months ended 31 December 2024:

- Earnings per share ('EPS') will be between 15.7 cents and 16.7 cents, representing a decrease of between 21% and 26% compared to the EPS of 21.2 cents reported for the prior half year; and
- Headline earnings per share ('HEPS') will be between 16.7 cents and 17.7 cents, representing a decrease of between 19% and 23% compared to the HEPS of 21.8 cents reported for the prior half year.

The Company's earnings were negatively impacted by the ramp-up of PG Bison's new medium-density fibreboard line which commenced in July 2024. Plant utilisation, sales volumes and product pricing associated with the new line were not yet optimal due to the ramp-up process and therefore insufficient to offset the higher operating and finance costs related to the new line. The line is operating well and good progress is being made on selling the additional volume. The ramp-up impact on earnings is not unusual for projects of this scale.

The Company's interim financial results for the six months ended 31 December 2024 are expected to be announced on SENS on or about 27 February 2025.

Shareholders are advised that the financial information in this announcement and on which this trading statement is based has not been audited, reviewed or otherwise reported on by the Company's external auditors.

Stellenbosch
12 February 2025

Equity and Debt Sponsor
PSG Capital



PSG CAPITAL