KAL GROUP

ANNUAL RESULTS PRESENTATION

For the financial year ended 30 September 2023

Presented by:

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Chief Executive Officer

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Financial Director

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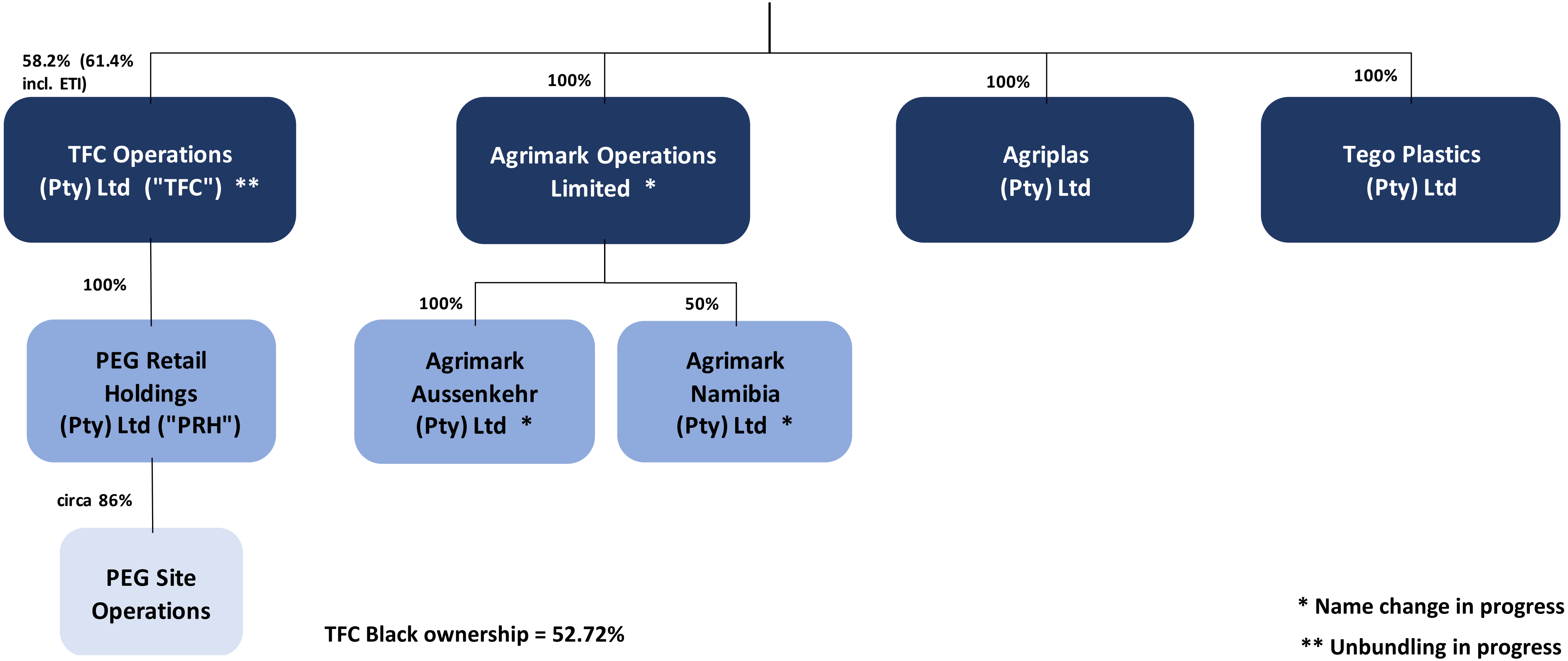
PURPOSE, STRATEGY & STRATEGIC INITIATIVES

All our stakeholders must be better off because we exist than what they would have been if we didn't exist !

			Initiatives	Outcomes	
STRATEGY & INITIATIVES	**G**	**GROWTH**	* Measured footprint expansion * Virtual branch market share growth * Service station of the future	ROIC	Target WACC + 2%
	O	**OPTIMISATION**	* Store upgrades & merchandise optimisation * Facility & DC utilisation * Unlocking asset value * ESG focus	EVA	Continuous improvement
	L	**LEVERAGING CULTURE & DIVERSITY**	* Talent Value Management * Beneficiation * Reward & Recognition	RHEPS Growth	Annually adjusted CPI + growth targets
	D	**DIGITAL TRANSFORMATION**	* B2B (Data) & B2C (Omnichannel) * ERP modernisation project * Digital transacting	**Target**	**R1b PBT by F25 (incl. M&A)**

Outcomes aligned with Key Performance Measures **RHEPS CAGR 5yr 11.8%, 10yr 13.0%**

GROUP STRUCTURE

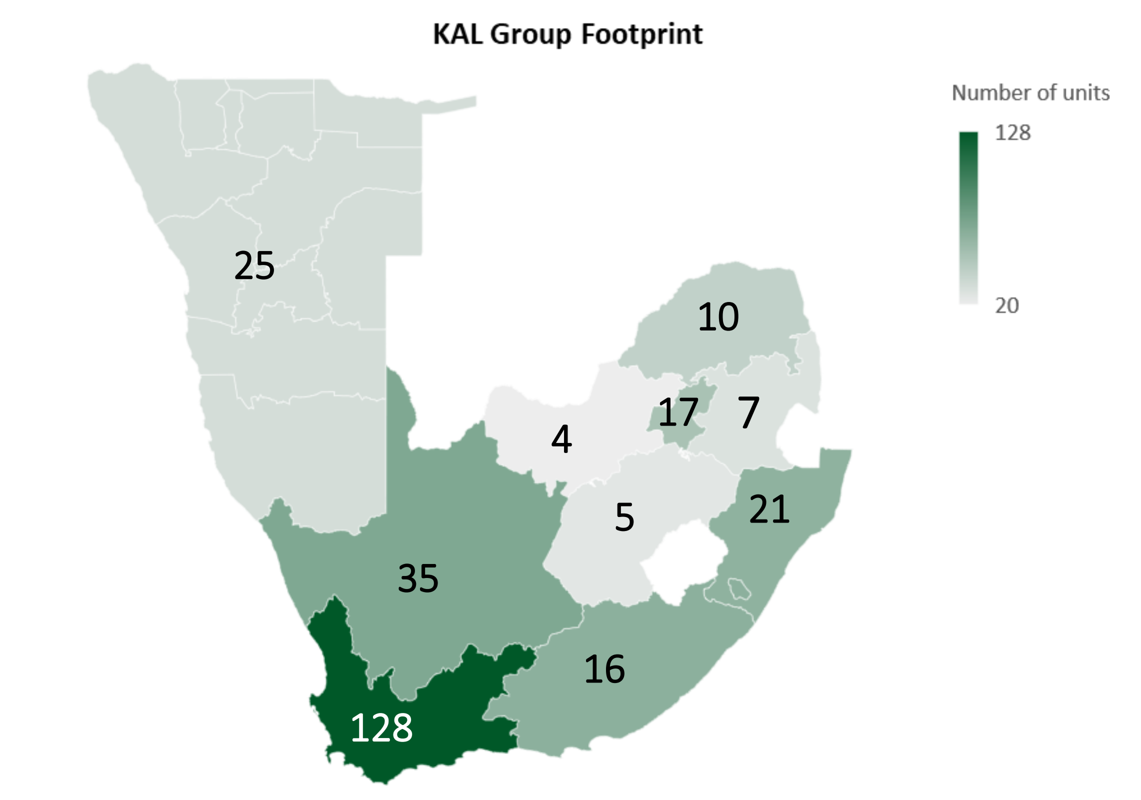


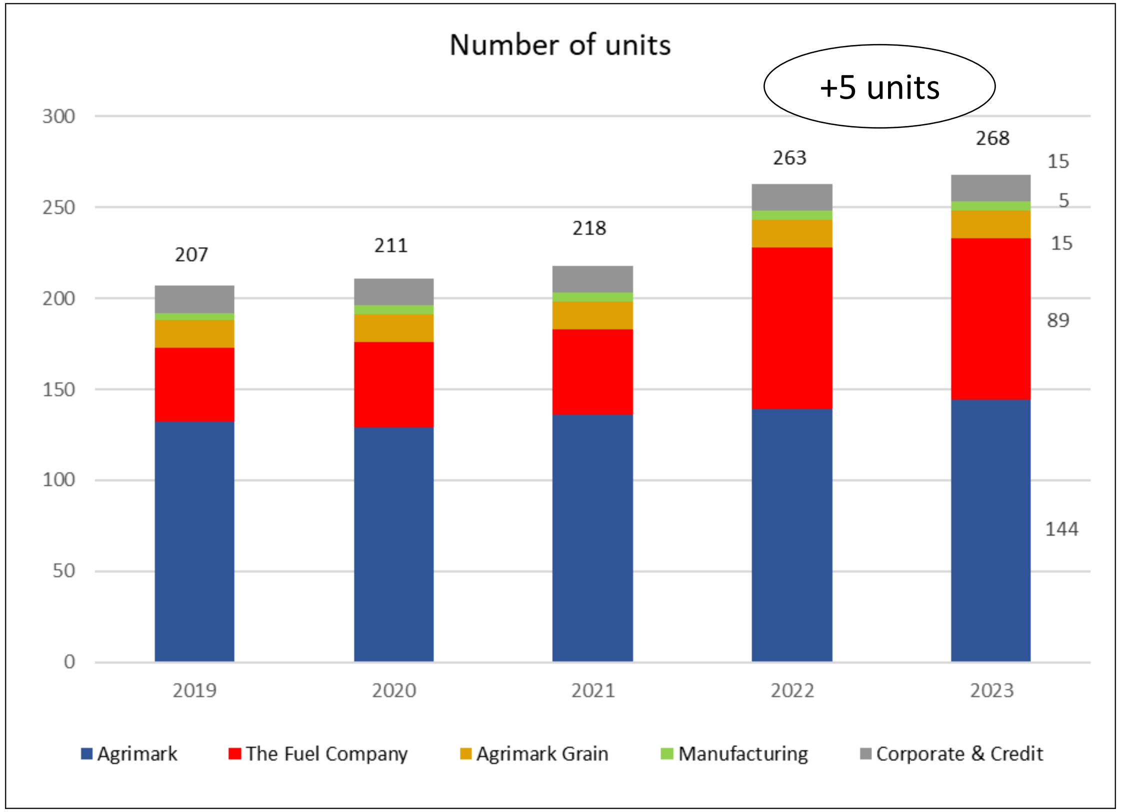
TFC Black ownership = 52.72%

* Name change in progress

** Unbundling in progress

GEOGRAPHIC REPRESENTATION & FOOTPRINT OVERVIEW

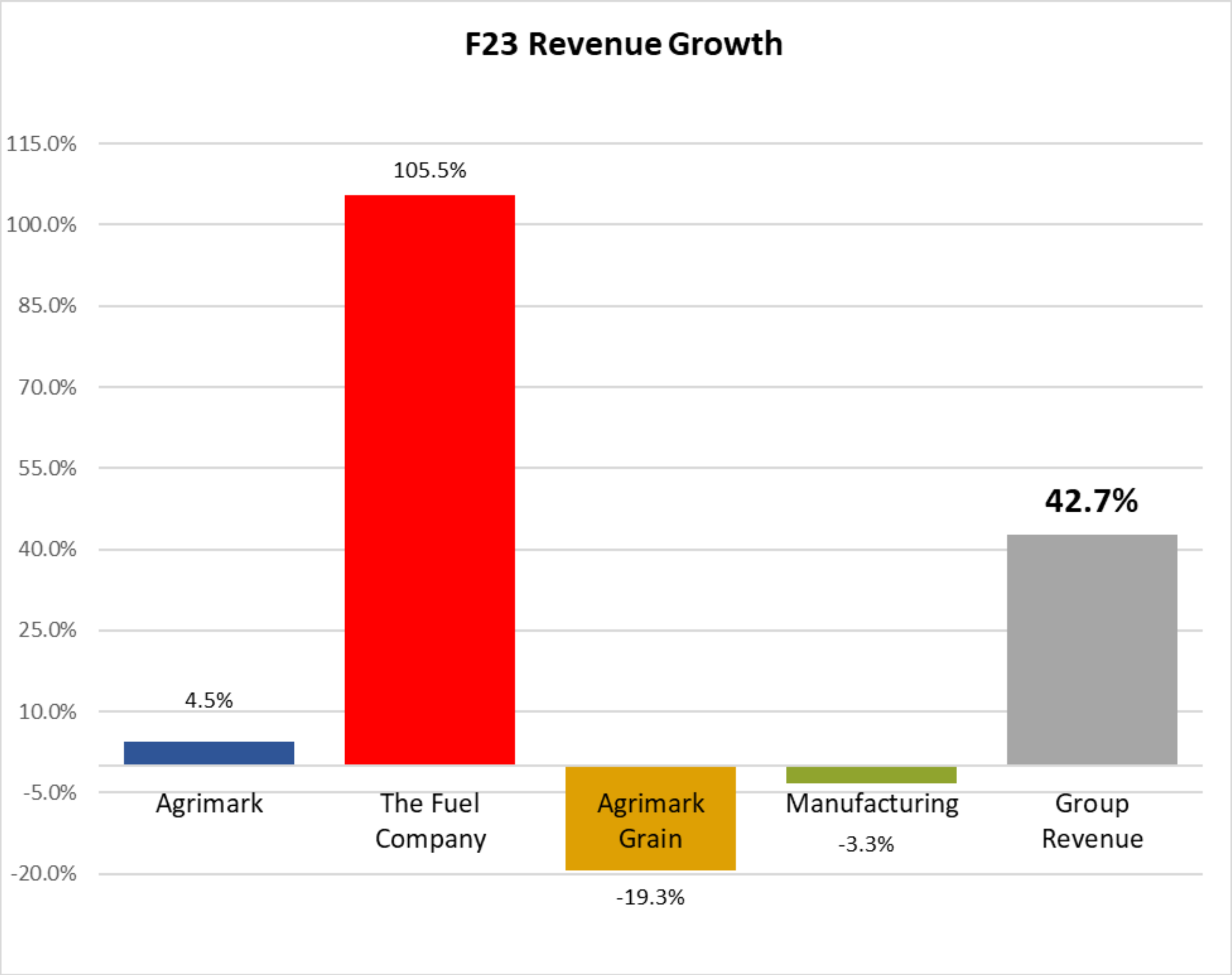




- KAL: 268 Units in 148 Places, SA & Namibia
- TFC: 89 Units in 61 places, SA only
- Fuel licences KAL 148 including TFC 85
- Mainly peri-urban, rural and highway locations

- + 6 Agrimark (incl. Agrimark online)
- -1 New Holland Agency workshop
- 4 TFC sites earmarked for disinvestment

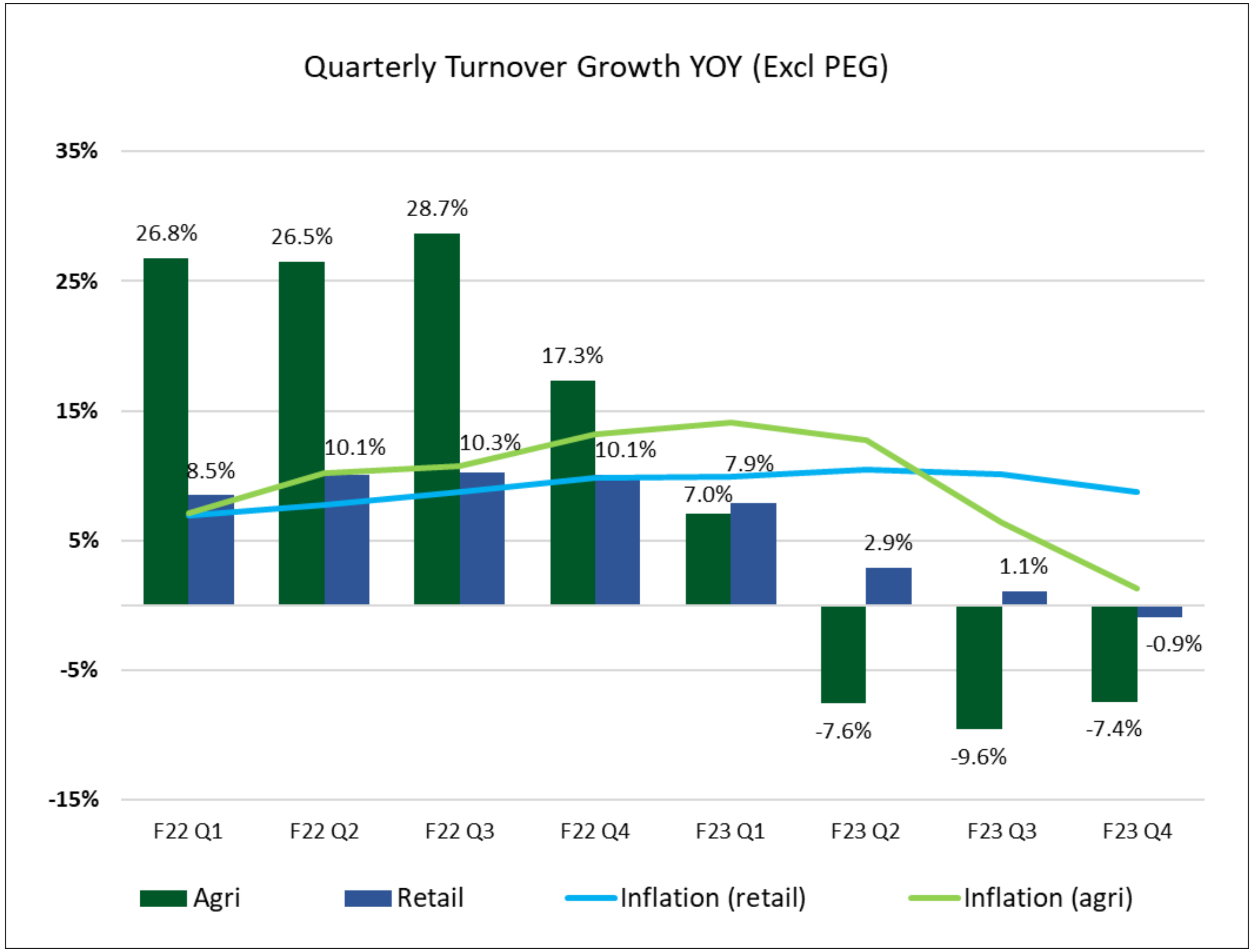
TRADING ENVIRONMENT - REVENUE GROWTH



F23 REVENUE GROWTH DRIVEN BY:

- Group revenue +42.7%, LFL growth 5.0%
- On the back of F22 revenue growth of 48.4%
- Inflation 8.0% (retail 9.8%, agri 9.4%, fuel 6.7%)
- Transactions up 93.4%
- Agrimark 4.5%
- TFC 105.5% incl. PEG (11.8% excl. PEG)
- Agrimark Grain -19.3% (reduced wheat volumes)
- Manufacturing -3.3% (curtailed farm infrastructure spend)

TRADING ENVIRONMENT - RETAIL & AGRI



AGRI AND RETAIL (Excl. PEG) CATEGORY GROWTH IMPACTED BY:

- F22:
  - High agri turnover growth, (fertilizer, packing material, animal feeds, mechanization equipment)
  - Subdued real retail growth
  - High agri & retail inflation
- F23:
  - Agri: Q1 & Q2: Turnover slowdown (reduced infrastructural spend, mechanization, fertilizer)
  - Agri Q4: Slight recovery, continued into October
  - Significant agri inflation reduction
  - Retail sluggish & slow inflation reduction

HIGHLIGHTS FOR THE YEAR

Revenue
(R'000)
22,397,058
+42.7%
LFL +5.0%

EBITDA
(R'000)
898,592
+33.5%

Recurring headline EPS (cents)
619,69
+7.2%

Fuel liter growth
624.6m liters
Group +68.9%
TFC +97.1%
Non-TFC +16.3%

Return on Invested Capital ("ROIC")
14.3%
LY: 11.6%

Total dividend per share (cents)
180,00
+7.1%

Gearing Ratios:

Debt:Equity ✓
61.9% (LY: 59.5%)
Excl. PEG **45.4%** (LY: 48.8%)

Debt:EBITDA ✓
2.0x (LY: 2.8x)
Excl. PEG **2.0x** (LY: 2.8x)

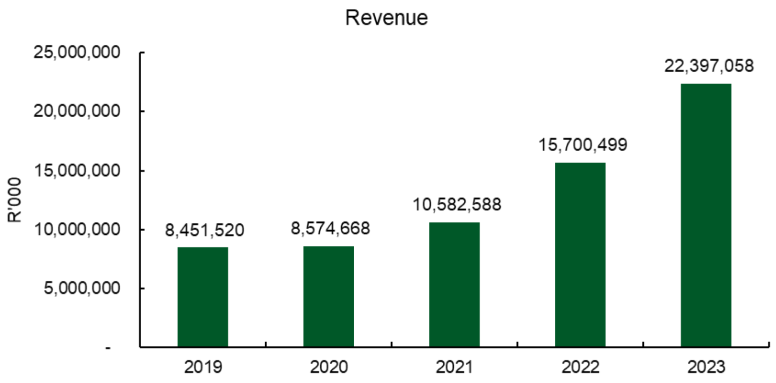
Interest cover ✓
4.0x (LY: 6.0x)
Excl. PEG **4.3x** (6.0x)

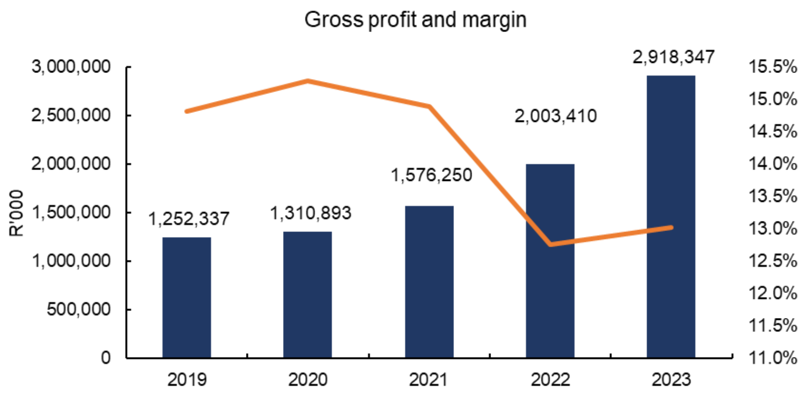
GROUP – INVESTOR DASHBOARD

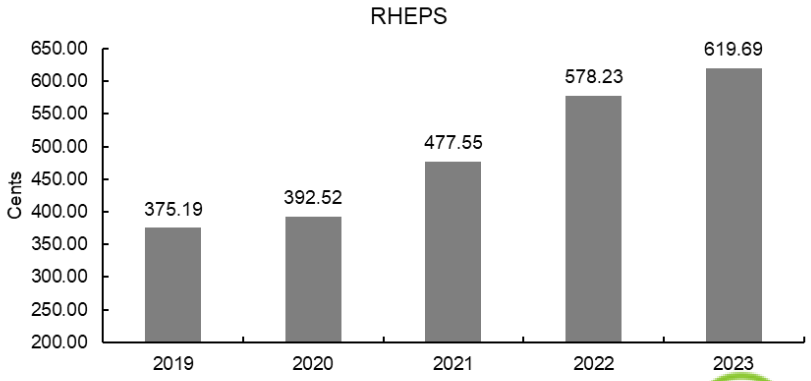
- Shareholding
  - April 22: Zeder unbundled, +8,656 shareholders
  - Sept 22: PSG unbundled, +10,555 shareholders
  - April 23: Odd lot offer, -11,624 shareholders
  - Sept 23: Total 11,266 shareholders
  - Share repurchase considered, not at this stage
  - MSR progress: CEO 57%, FD 39% - ahead of plan
- Share price (Sept 23)
  - R34.50, -10.4% YOY, 19.8% shares traded in F23
  - NAV R41.78
- Dividends
  - Consistent 3x cover policy
  - F23 180.00 cps, +7.1% growth (PEG debt repayment priority)
- Financial performance (5 yr. CAGR)
  - Revenue 27.9%
  - RHE 14.4%
  - RHEPS 11.8%
  - DPS 9.1%
  - ROIC 14.3% vs 12.2%
- Gearing improvement, best in over 10 years
- Moving debtors off balance sheet consideration - No
- M&A considerations and investigations
- F25 targets
  - 25% / 25% / 25% / 25% diversification strategy remains
  - R1b PBT incl. M&A - achievable

FINANCIAL PERFORMANCE - INCOME STATEMENT

R'000	2019	2020	2021	2022	2023
Revenue	8,451,520	8,574,668	10,582,588	15,700,499	22,397,058
Gross profit	1,252,337	1,310,893	1,576,250	2,003,410	2,918,347
Gross profit margin	*14.8%*	*15.3%*	*14.9%*	*12.8%*	13.0%
Profit after tax	281,279	279,178	332,276	412,959	480,002
Recurring headline earnings	268,553	280,453	347,208	430,521	493,959
Return on equity	14.6%	13.8%	15.3%	16.5%	16.7%
Recurring headline earnings per share (cents)	375.19	392.52	477.55	578.23	619.69
Total dividend per share (cents)	123.50	50.00	151.00	168.00	180.00
Dividend cover (times)	2.9	7.4	3.0	3.3	3.3

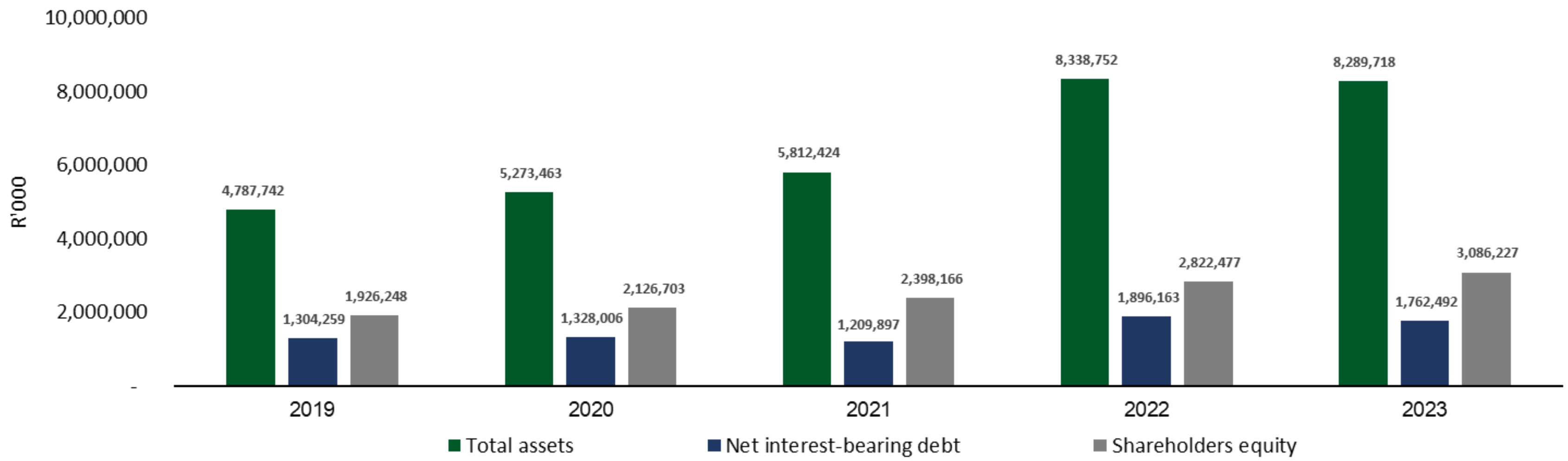






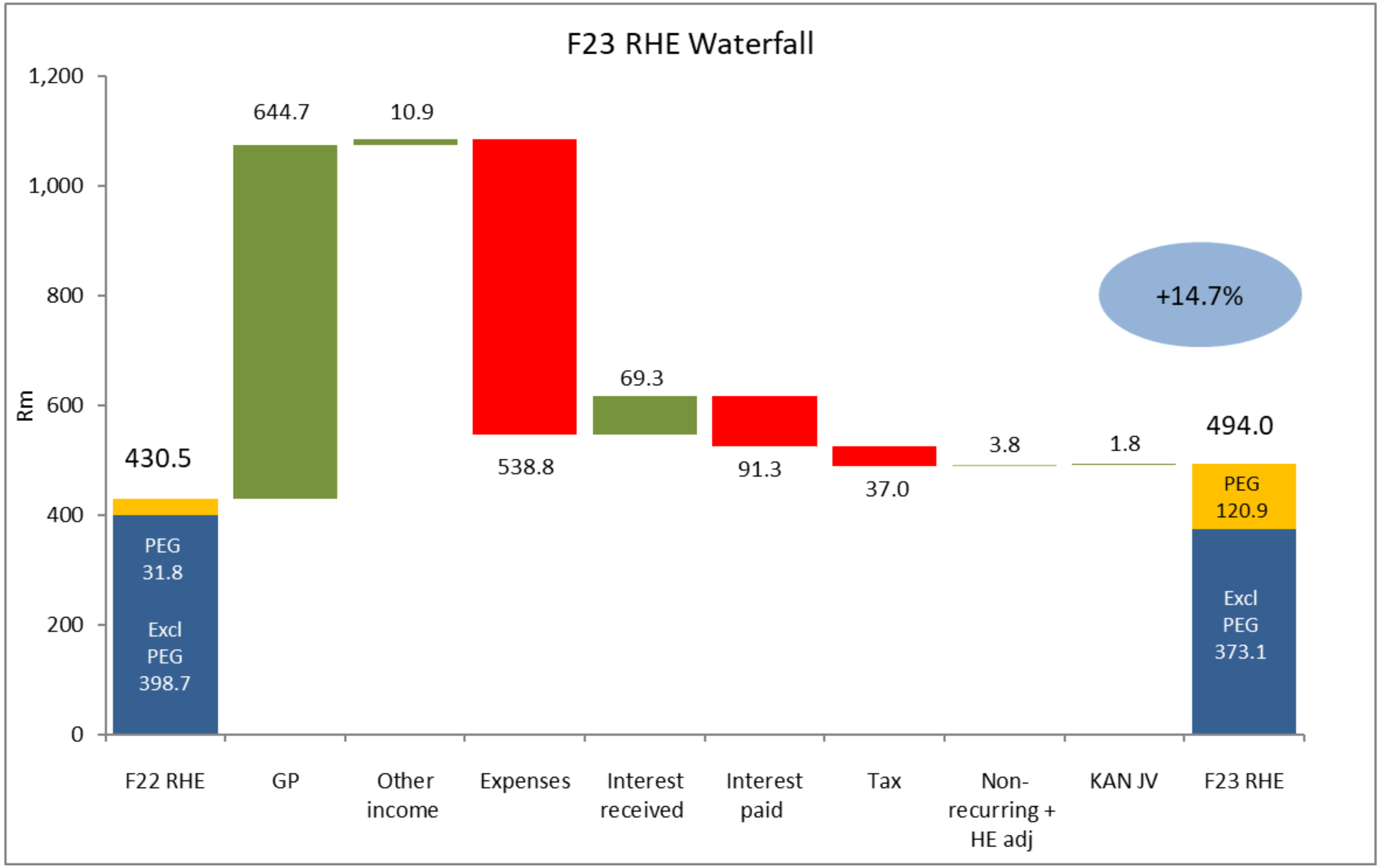
FINANCIAL PERFORMANCE - BALANCE SHEET

R'000	2019	2020	2021	2022	2023
Total assets	**4,787,742**	**5,273,463**	**5,812,424**	**8,338,752**	**8,289,718**
Non-current assets	1,785,701	2,345,689	2,442,661	3,683,198	3,670,253
Current assets	3,002,041	2,927,774	3,369,763	4,655,554	4,619,465
Liabilities and loans	**2,861,494**	**3,146,760**	**3,414,258**	**5,516,275**	**5,203,491**
Net interest-bearing debt	1,304,259	1,328,006	1,209,897	1,896,163	1,762,492
Shareholders equity	**1,926,248**	**2,126,703**	**2,398,166**	**2,822,477**	**3,086,227**
Net asset value (rand)	26.0	28.9	32.6	38.2	41.8
Debt to equity[1]	62.5%	64.9%	56.1%	59.5%	61.9%
Interest cover (times)	5.0	5.0	6.8	6.0	4.0



1 calculated on average balances

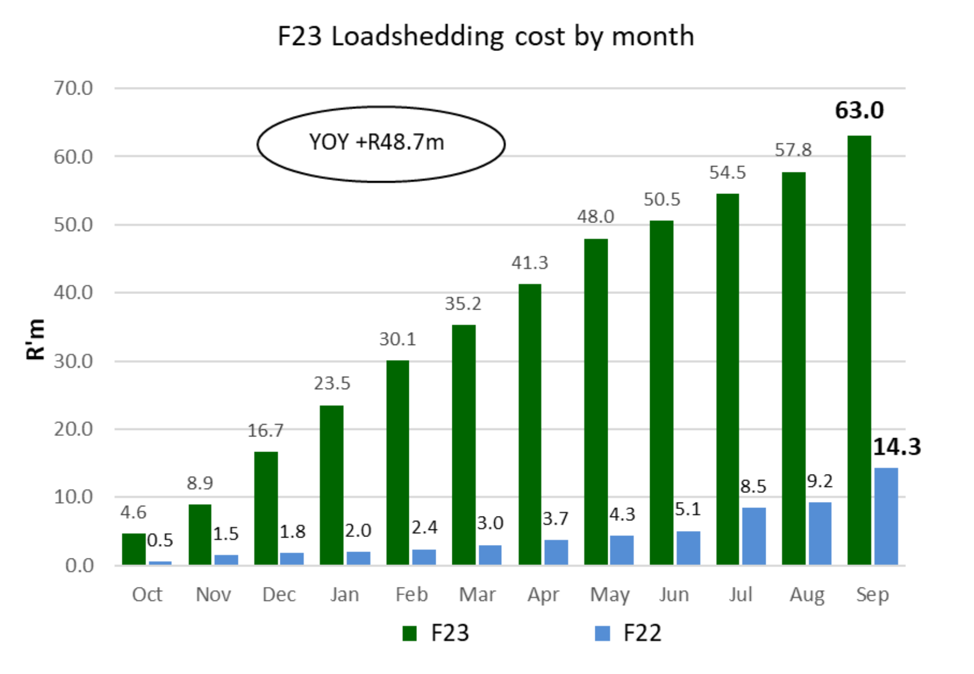
FINANCIAL PERFORMANCE - RECURRING HEADLINE EARNINGS ('RHE')

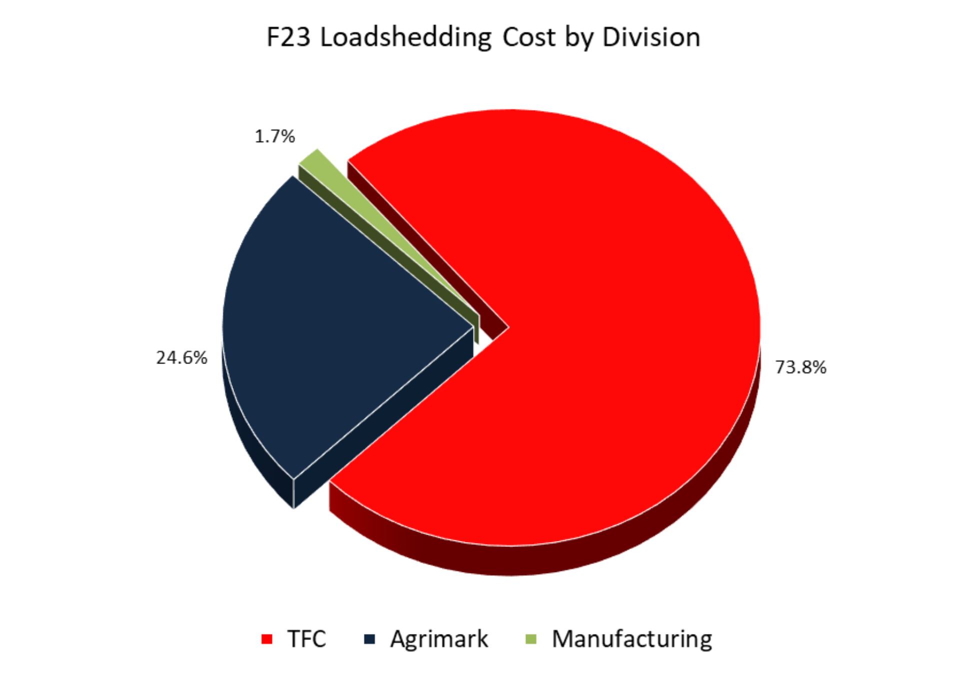


RHE HIGHLIGHTS

- Strong GP growth at 13.0% margin
- Expense management LFL -2.1% (-3.7% excl loadshedding)
- Interest received +64.4%
  - Higher average debtors & rates
  - PEG cash
- Interest paid
  - Higher average debt levels & rates
  - PEG acquisition debt
  - Banks +109.3%
  - IFRS 16 cost +32.8%
- 14.7% RHE growth (F22 24.0% growth)

FINANCIAL PERFORMANCE - COST OF LOADSHEDDING





- Loadshedding trend: F23 cost 4.4x F22 cost
- Direct cost impact
  - Fuel: R54.4m
  - Maintenance, depreciation, rental: R8.6m
- PEG costs
  - F22: Included from July : R4.7m
  - F23: Full year cost: R31.8m

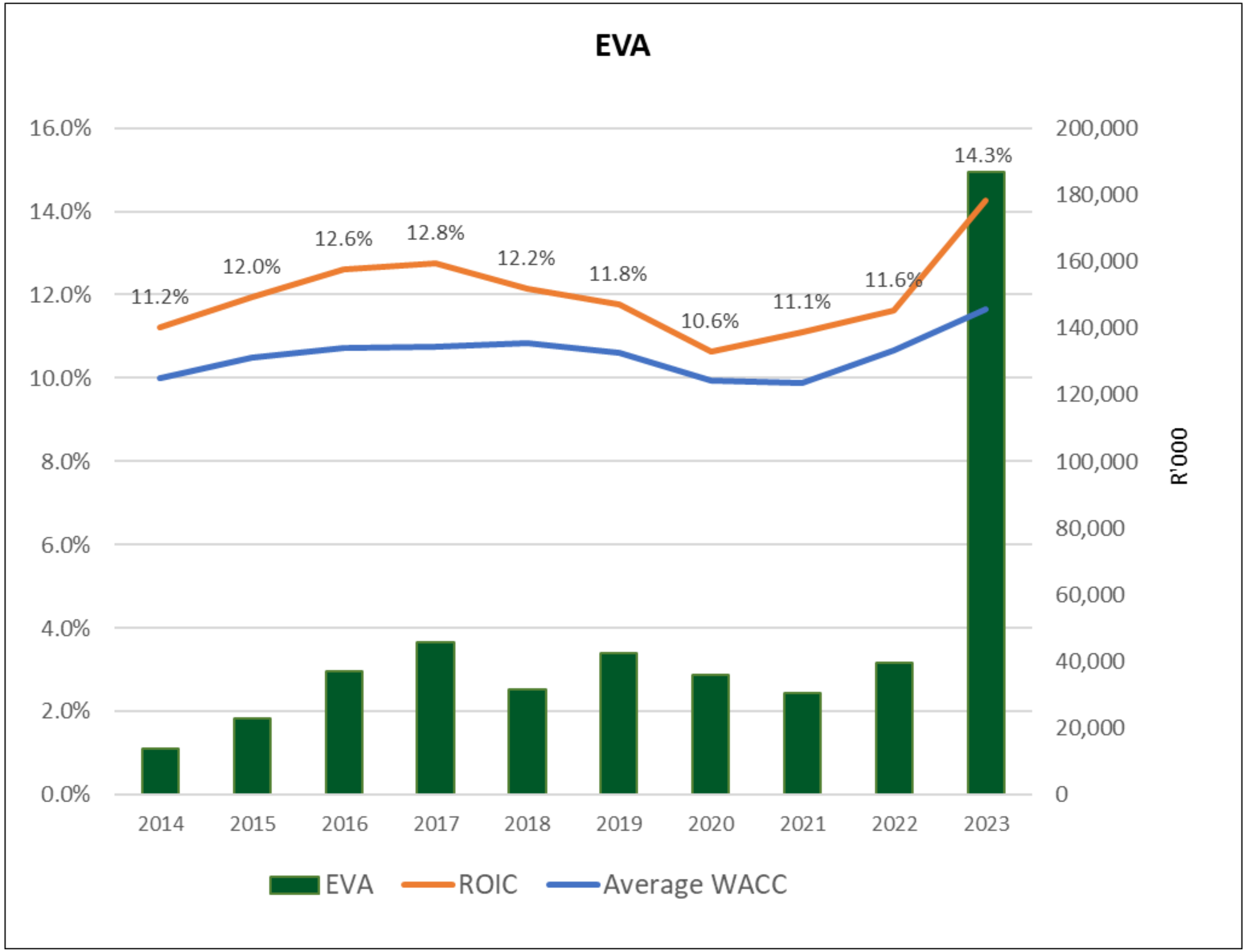
- TFC segment 73.8% contribution
- Lost revenue estimated R140m
- Alternate energy capex R24.3m
- Driving up costs, driving up capital expenditure and **driving down earnings**
- F24 circa 13% saving due to AES capex

FINANCIAL PERFORMANCE - RHE & RHEPS RECONCILIATION

	F23			F22			Var
	Total (R'000)	Attributable (R'000)	**Cents per share**	Total (R'000)	Attributable (R'000)	**Cents per share**	**Cents per share**
Earnings	480,002	426,945	**607.45**	412,960	396,369	**562.54**	**8.0%**
Headline Earnings adjustments	12,987			-4,419			
Profit on disposal of assets	-2,280			-4,419			
Goodwill written off	15,267						
Headline Earnings	492,989	434,580	**618.31**	408,541	391,973	**556.30**	**11.1%**
Non-Recurring items	970			21,981			
Non recurring expenses	970			17,307			
Revaluation of put options	-			4,674			
Recurring Heading Earnings	493,959	435,549	**619.69**	430,522	407,422	**578.23**	**7.2%**
Weighted average number of shares	70,285	70,285		70,460	70,460		

- Earnings vs HEPS
  - Profit on assets sold
  - Goodwill written off on TFC assets held for sale (disposal sites)
- HEPS vs RHEPS
  - LY impact
- RHEPS
  - 7.2% growth (13.1% excl. loadshedding costs)
  - 10 yr. CAGR 13.0% increase

FINANCIAL PERFORMANCE - ROIC vs WACC vs EVA



F23 ROIC INFLUENCED BY:

- Subdued LFL trading
- Continued ROIC focus
- Annualisation benefits of:
  - TFC properties disposal
  - PEG acquisition

EVA:

- ROIC increase > WACC increase
- Significant EVA enhancement

ROIC OUTLOOK:

- Continued improvement expected
- High return opportunities targeted
- 4x TFC site disposals

Lifestyle-minded Customers

We call them "Farmers, Families Friends and the Fur family".

We serve them in Peri-urban, Rural, and Highway Locations.

AGRIMARK


PET ZONE
BUILD ZONE YARD

AGRIMARK


AGRIMARK
AGRIMARK


BUILD ZONE
PAINT ZONE
PAINT ZONE
WAREHOUSE ZONE
ANIMAL & PET ZONE
ELECTRICAL FENCING
SAFETY WEAR
WARM WEAR

SEGMENTAL REVIEW - AGRIMARK

(R'000)	2021	2022	2023
Revenue	6,271,932	7,829,295	8,183,113
Retail	1,996,891	2,316,165	2,203,945
Agri	2,621,655	3,165,545	3,059,314
Fuel	1,653,386	2,347,585	2,919,854
Gross Profit %	*12.3%*	*11.7%*	*10.6%*
Fuel price gains	13,783	35,905	13,250
PBT	401,457	481,343	481,277
Gross Assets	3,962,781	4,901,360	4,899,293
Net Assets	1,800,117	2,127,249	2,317,720
Fuel volumes ('m Litres)	130.4	129.0	150.0
Growth %	18.3%	-1.1%	16.3%
No. of operating units	136	139	144

F23 REVIEW & OUTLOOK:

- Strategy: growth from B2B and B2C focus, retail format optimization, DC utilization, virtual and bricks store exp's
- Agri inputs* (3.3%): fertilizer (14.7%), Infrastructure (19%), p/material +5.2%, Chemicals +12.5%
- New Holland agency sales (15.3%): mainly WG's (21.6%) off prior records
- Retail (4.9%): Workwear +11.2%, Pet +11%, Arms & ammo +70%, BM's (7.2%)
- Total: revenue +4.5% (fuel), load shed R140m sales!, TP (5.3%), OPEX +1.7%, Interest paid +63%, DC cost to serve down 2.9%, PBT flat!
- Outlook: Uptick since Aug, fuel market share gains, farm spend normalization, positive fruit outlook, good wheat harvest, low and slow for building materials

***fertilizer, chem's, farm infrastructure, packing materials, horticulture**

TotalEnergies

EXPRESSMARK

sasol

bp

Shell

ASTRON ENERGY

ENGEN

KFC

oumeul bakery & café

HOMESTEAD TRUE FOOD

WIMPY

café bonjour

SEATTLE COFFEE COMPANY

the fuel company

Pick n Pay Express

Mugg & Bean

FEGO Caffé

STEERS

vida e caffè

SPAR express

PRIMI
WE LOVE PEOPLE. WE LOVE FOOD.

FRESH STOP

DEBONAIRS PIZZA

W
WOOLWORTHS FOOD

BORN IN CAPE TOWN · SOUTH AFRICA
BOOTLEGGER
COFFEE COMPANY

fishaways
CATCH IT FRESH

Crispy Chicken
freshly fried chicken

the fuel company

SEGMENTAL REVIEW – THE FUEL COMPANY

(R'000)	2021	2022	2023
Revenue	3,029,734	6,274,506	12,892,808
Fuel	2,635,636	5,441,287	10,977,065
Retail	394,098	833,219	1,942,588
Gross Profit %	*12.9%*	*10.6%*	*12.1%*
Fuel price gains	9,659	33,507	21,142
PBT	72,036	100,462	201,348
Attributable RHE	20,342	65,702	84,459
Gross Assets	1,309,023	2,910,698	2,794,079
Net Assets	507,450	537,612	578,022
Fuel volumes ('m Litres)	175.0	240.7	474.6
Growth %	9.8%	37.6%	97.1%
Petrol mix %	44.9%	45.9%	43.8%
Diesel mix %	55.1%	54.1%	56.2%
No. of operating units	47	89	89
No of retail touch points	154	345	348

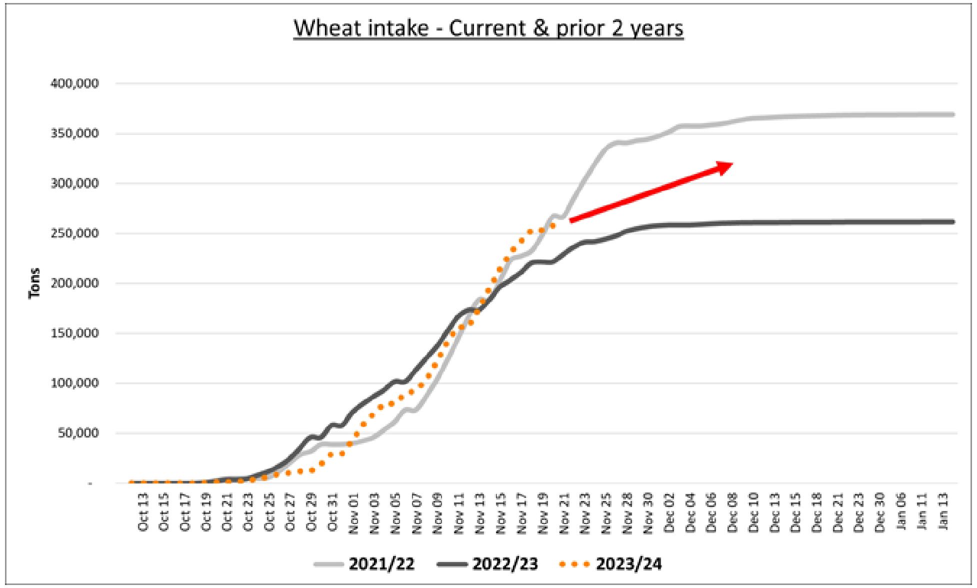
F23 REVIEW & OUTLOOK:

- Strategy: PEG onboard complete, selective footprint growth, leverage convenience opportunities, centralization
- Only 1 site added and 1 exited during PEG consolidation phase
- High fuel price impacting travelling patterns & fuel mix [ave. fuel price for F23 +7%]
- Volume growth 97%, **excl PEG 4.7%, *outperforming sector!***
- PBT growth 100%, despite loadshedding cost R46.5m, PBT RONA increasing to 35%
- Other info: Average site tenure > 18 yrs, Fuel price gains R12m < PY, ***Convenience uptick!***
- Outlook: conservative view on volumes due to price, convenience growth to moderate. KFC rollout, M&B conversion, selected sites, disinvestments, ***cash generation!***

AGRIMARK
GRAIN

SEGMENTAL REVIEW – AGRIMARK GRAIN

(R'000)	2021	2022	2023
Revenue	1,049,238	1,391,930	1,123,014
PBT	61,972	70,939	62,300
Gross Assets	133,385	94,630	89,549
Net Assets	93,842	64,085	62,757
Wheat Volumes (tons)	343,650	379,114	277,944
No. of operating units	15	15	15



F23 REVIEW & OUTLOOK:

- Strategy: wheat & seed market share, facility optimization & growth, a regional player
- 2022/23 wheat yield < average, harvest lower off the back of 15-year record in prior year
- Invested circa R27m in handling and storage expansions over 5 yrs
- Although harvest 27% down, PBT was only down 12%
- 2023/24 wheat & canola harvest progress very positive
- F24 outlook positive

agriplas

TEGO
PLASTICS

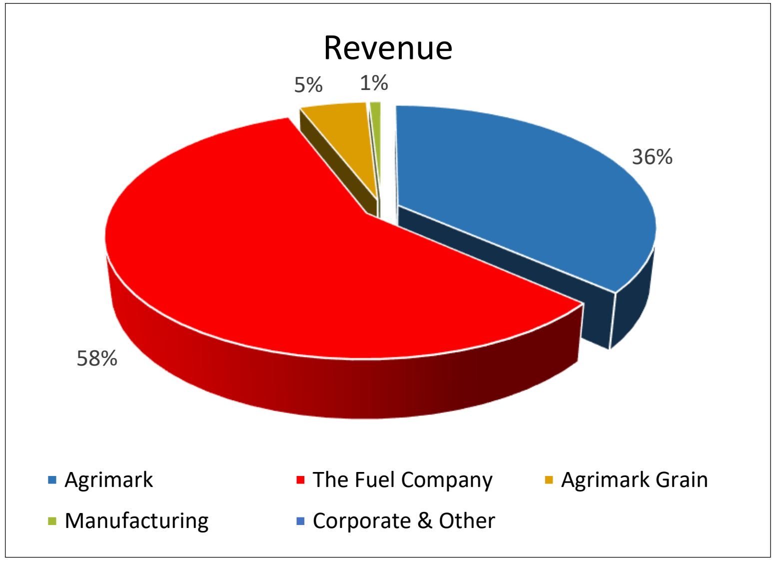
SEGMENTAL REVIEW – MANUFACTURING

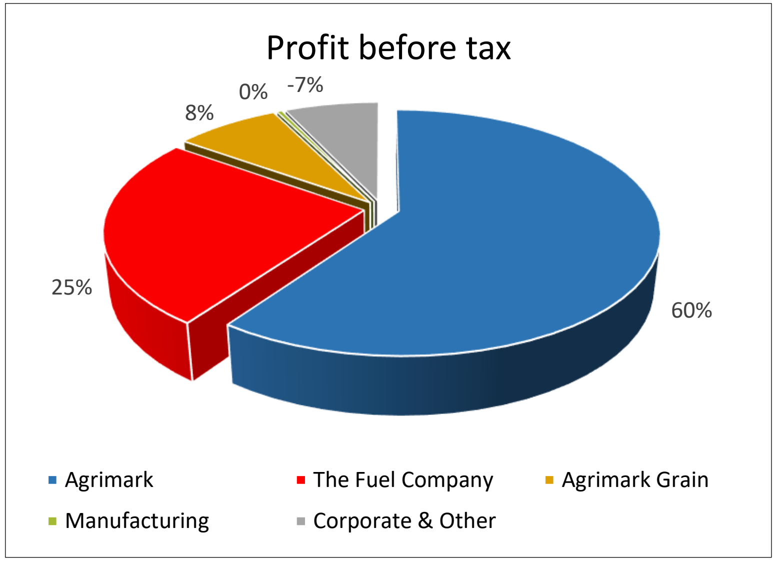
(R'000)	2021	2022	2023
Revenue	231,684	204,768	198,102
Gross Profit %	*35.9%*	*35.8%*	*39.0%*
PBT	14,040	7,443	3,074
Gross Assets	317,978	338,407	320,563
Net Assets	105,332	85,709	63,101
No. of operating units	5	5	5

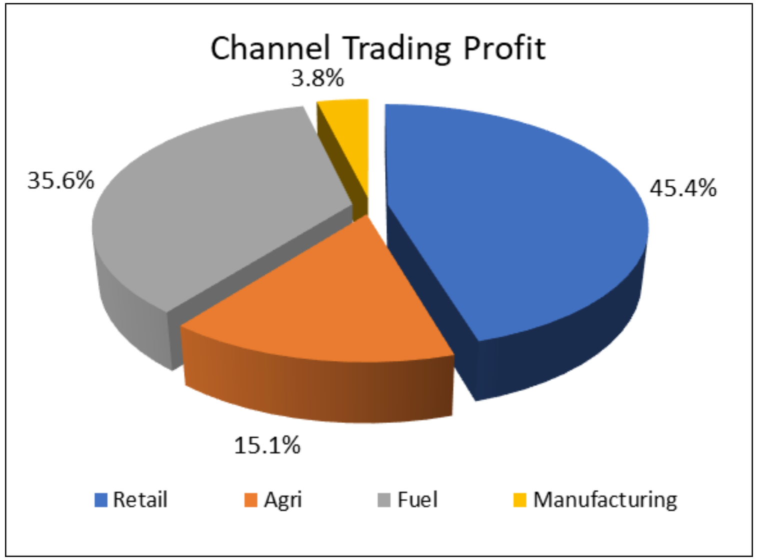
F23 REVIEW & OUTLOOK:

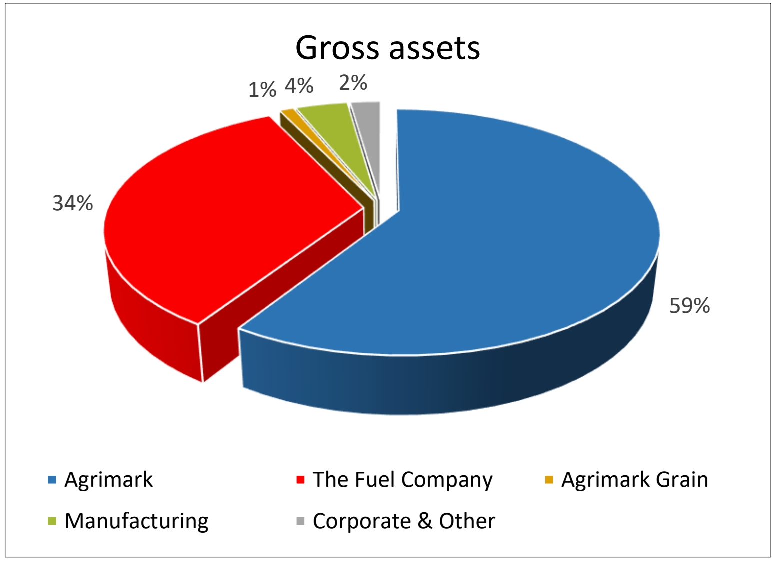
- Strategy unchanged: drive market share, new products, optimization, no 1-way plastic, fruit Sector
- Loadshedding & high interest rates dampened farm infrastructure spend – Q2!
- Tego bins sales up, XVP bin well accepted, Agriplas recovered Q3&4
- Overall, manufacturing decreased PBT contribution by R4.3m, mainly due to Agriplas sales pressure
- Margins & Opex well managed in both units
- Tego agri crate launch Nov’23, Agriplas sales back to normal levels

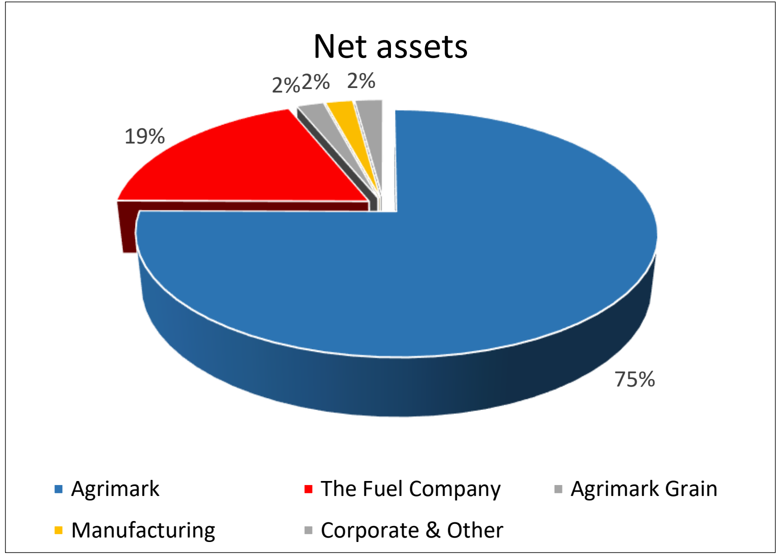
BUSINESS SEGMENT & TRADING ACTIVITY SUMMARY

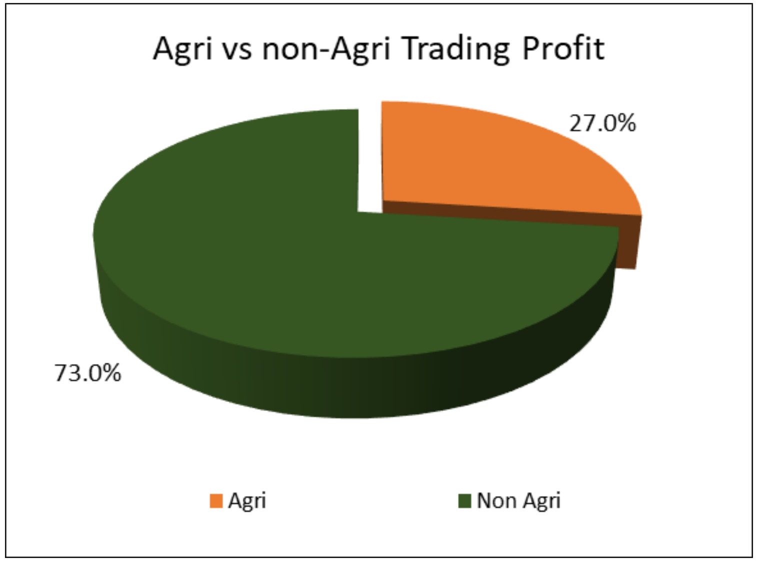




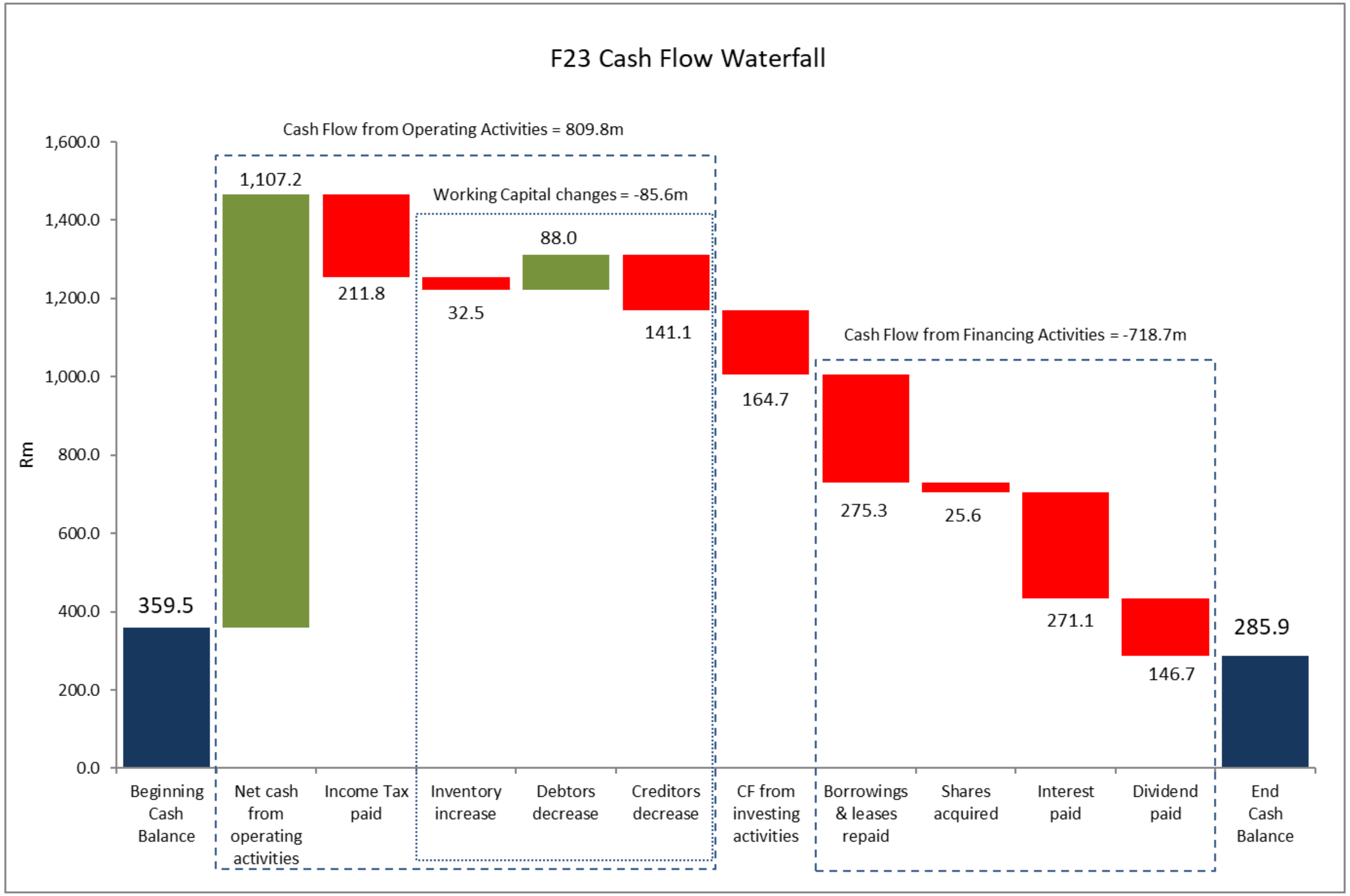








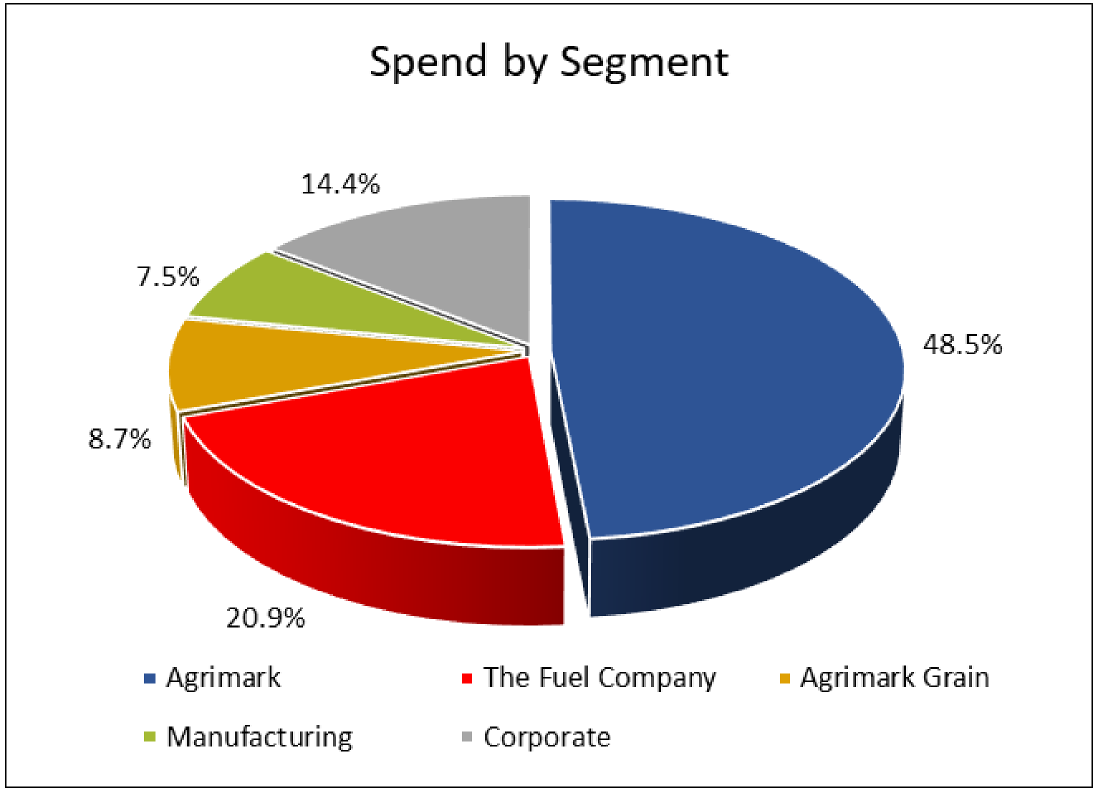
CASH FLOW PERFORMANCE

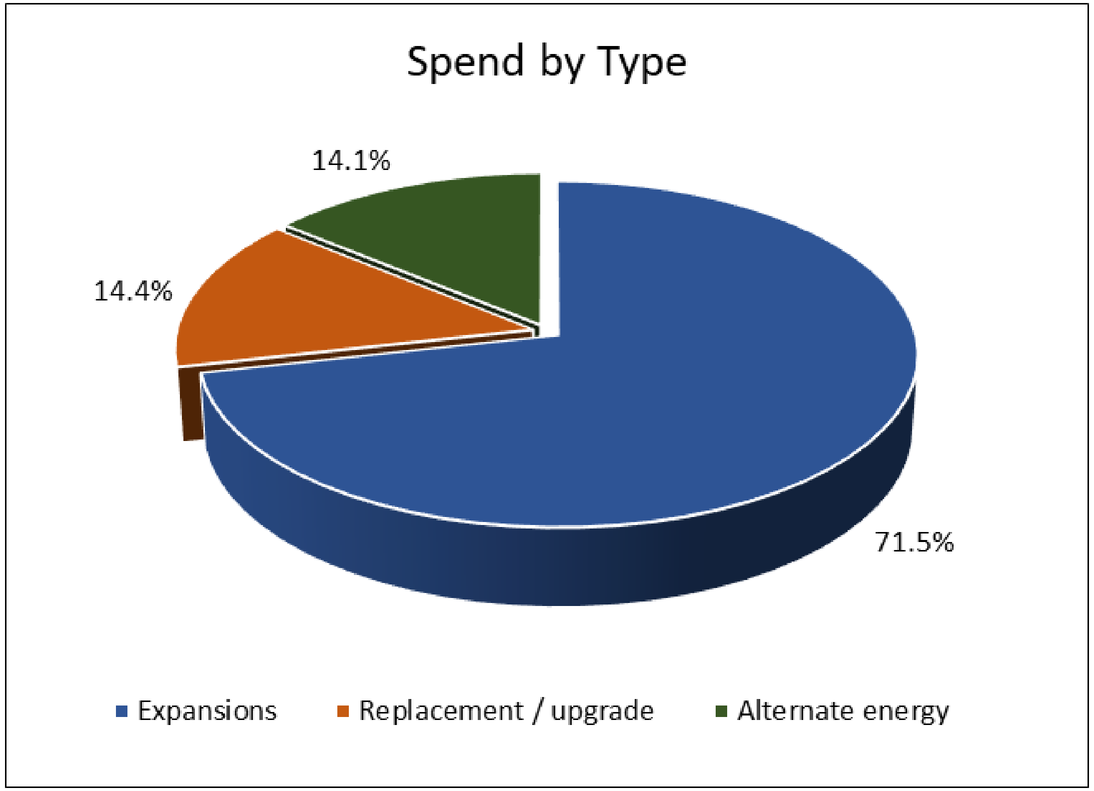


KEY CASHFLOW DRIVERS:

- Strong cash generation from operating activities
- Higher cash contribution
- Increased net interest received
- Effective working capital management
  - Inventory growth < revenue growth
  - Debtors resilient & healthy
  - Creditors – fuel impact
- Prudent capital investment – ROIC focus
- Debt repayment
- Interest paid on PEG acquisition debt
- Consistent dividend payment

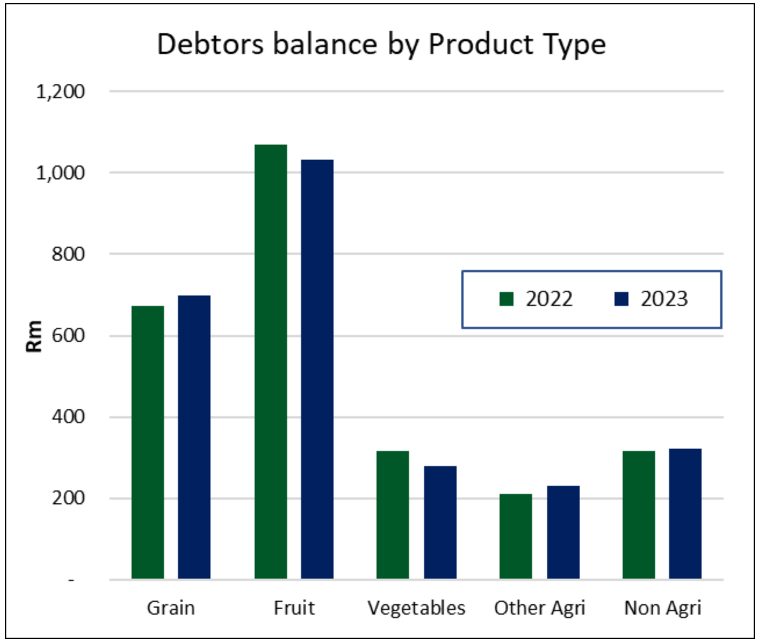
CAPITAL EXPENDITURE

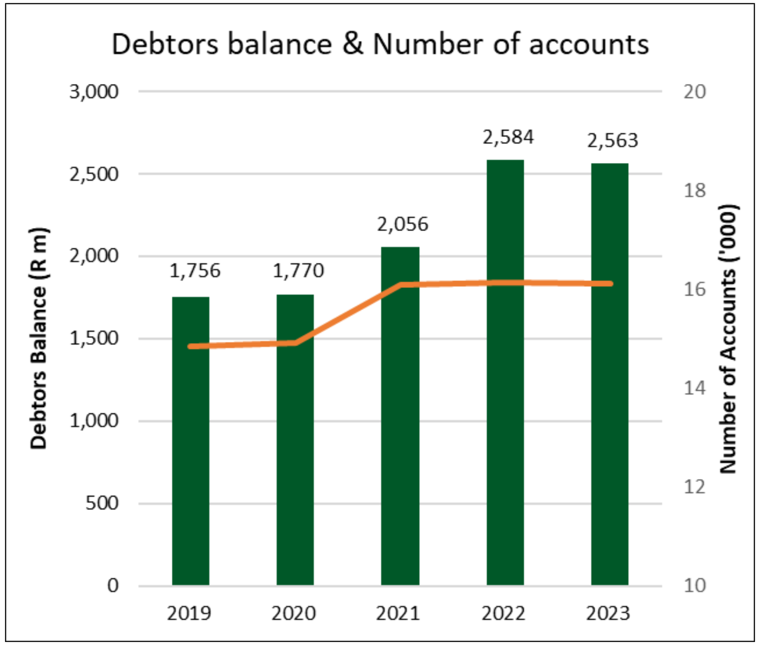


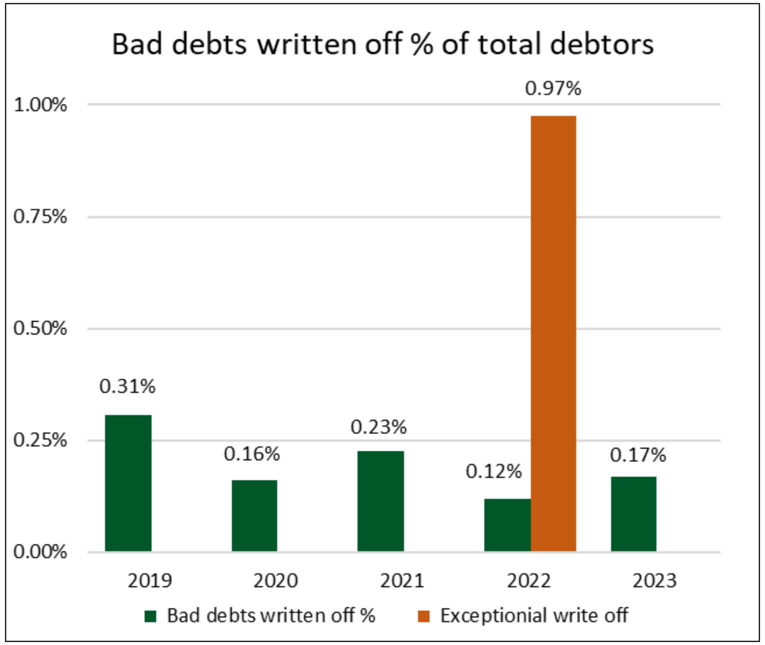


- Total capex: R173.1m, 71.5% expansion
- Agrimark: numerous expansions, upgrades and alternate energy solutions ("AES")
- TFC: expansion & AES
- Agrimark Grain: capacity expansion & AES
- Manufacturing: AES & replacement
- Corporate: Agrimark online & ERP modernisation

TRADE DEBTORS



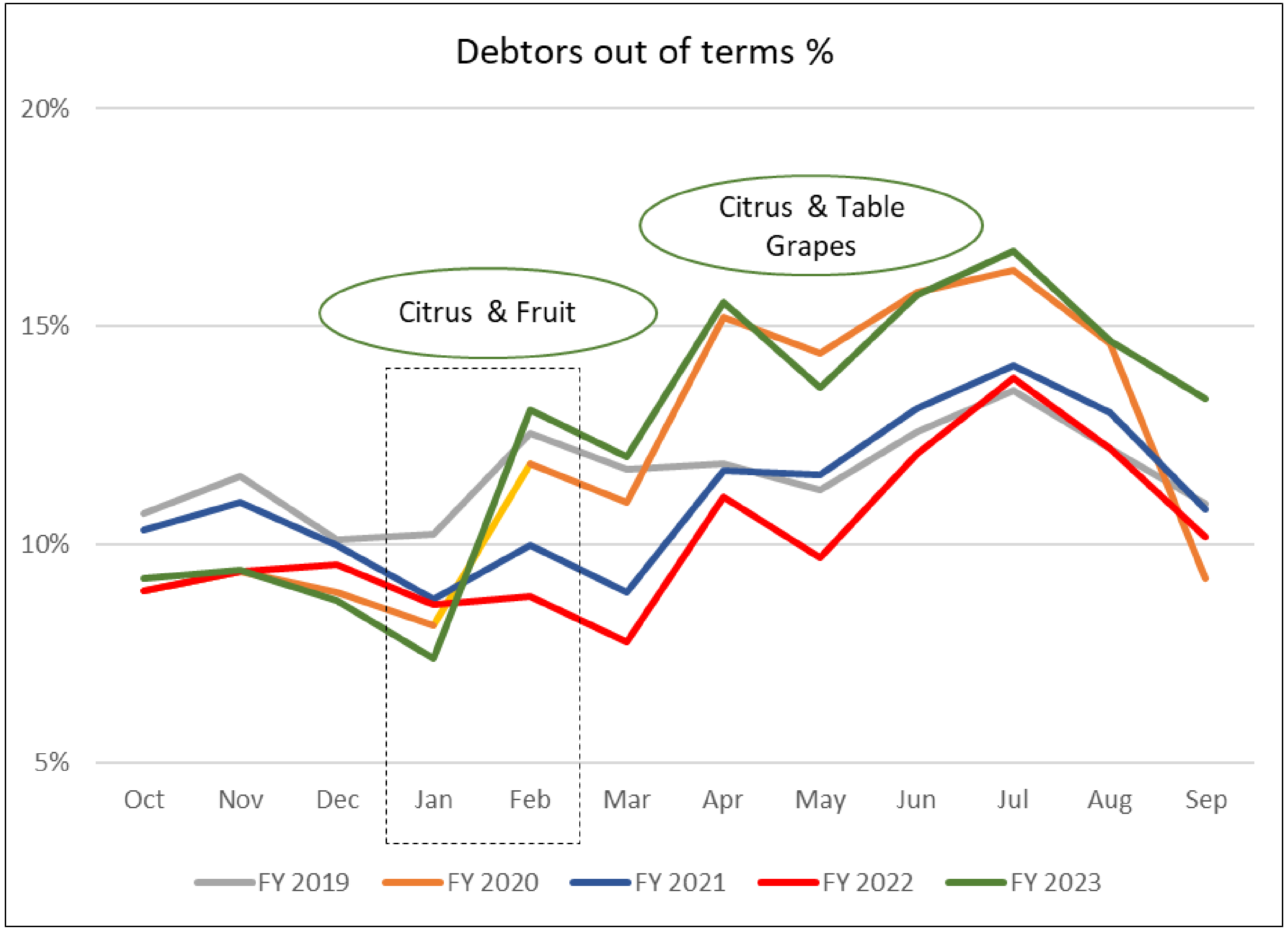




- Enabler to revenue growth
- Product and geographic diversity reduces risk & improves cash flow
- Trade receivables -3.6%
- 16,105 accounts (3,379 seasonal and 12,726 monthly)

- Debtors book turns 4.1x per year (4.1x LY)
- Bad debts written off
  - 0.17%
  - 5 yr average: 0.40%
  - 10 yr average: 0.35%
- Income spread 240 bps

TRADE DEBTORS – OUT OF TERMS



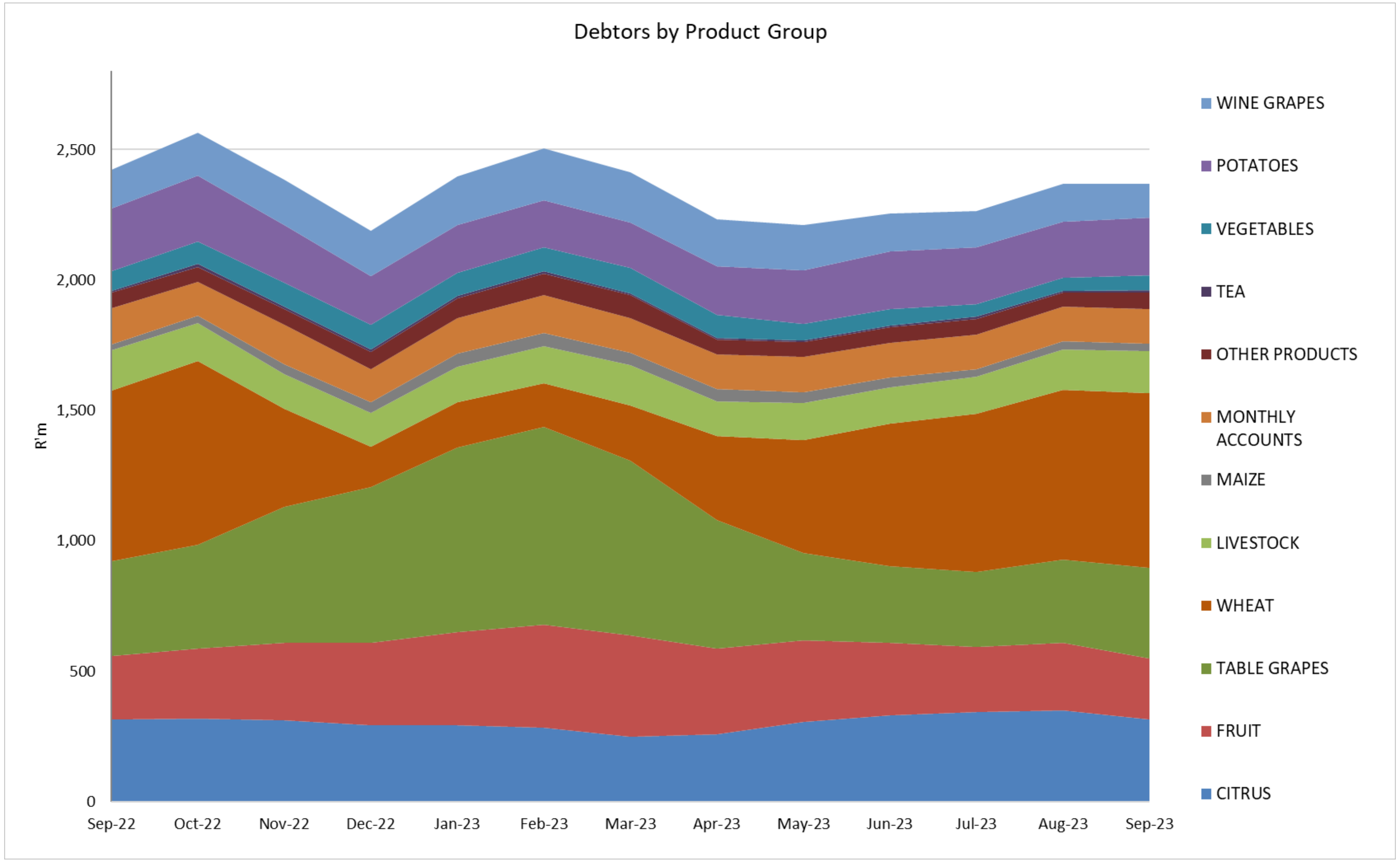
OUT OF TERMS

- Up 3.0% of debtors (small number, securities in place)
- Jan / Feb: Loadshedding impact on farmer cashflow
- Above the 5-year average as % of debtors
- Positive agri conditions bode well looking forward

SUMMARY

- Healthy & resilient book
- Predictable & consistent yearly trend
- Diversified risk
- Low default rate
- Well secured by various categories

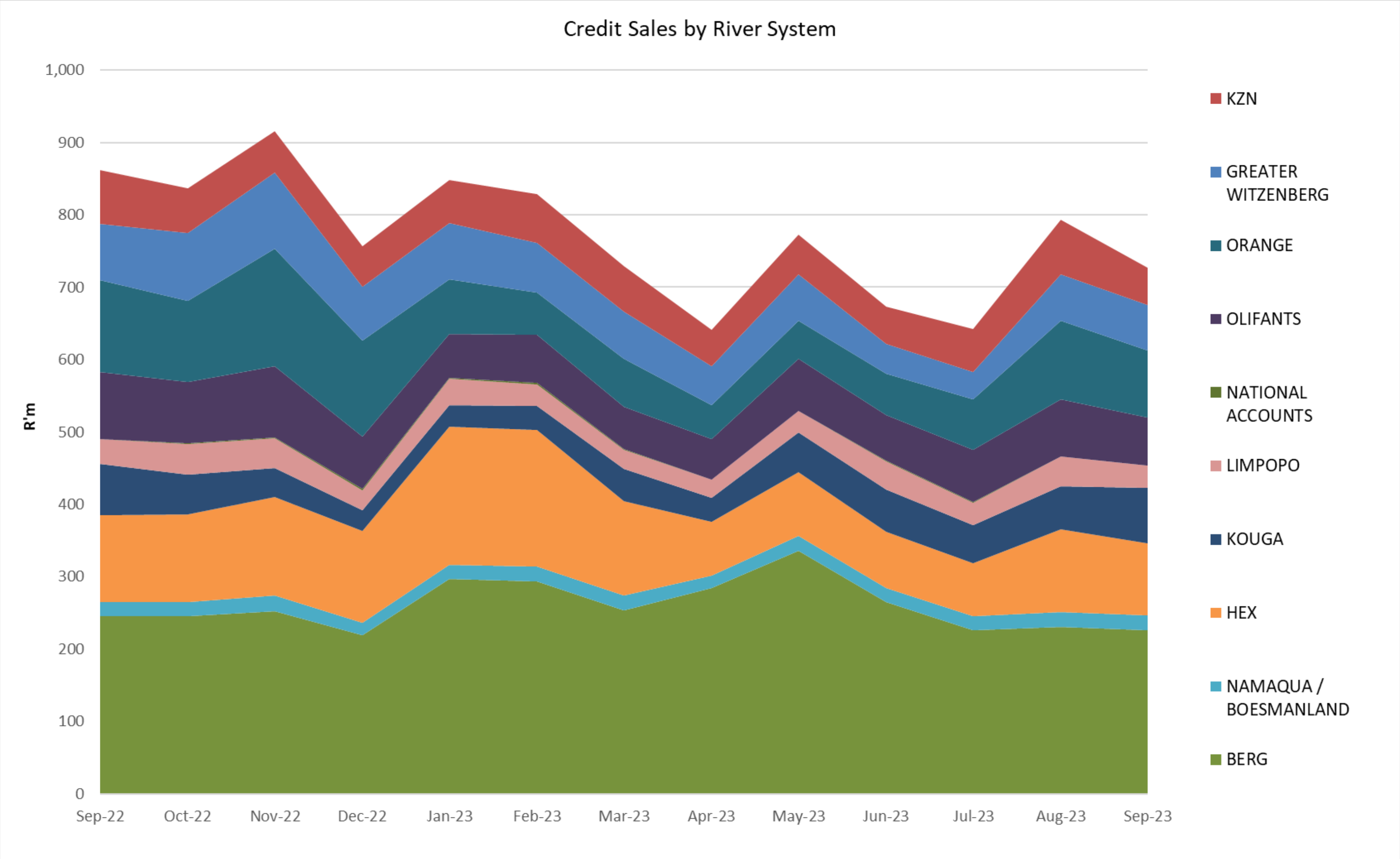
TRADE DEBTORS – BY PRODUCT GROUP



SUMMARY

- Good spread over wide product range = reduced risk
- Product diversity reduces cashflow peaks & troughs
- Wheat the only dryland crop
- Table grape peak aligned with good harvest (mainly packaging materials)
- Growth opportunities

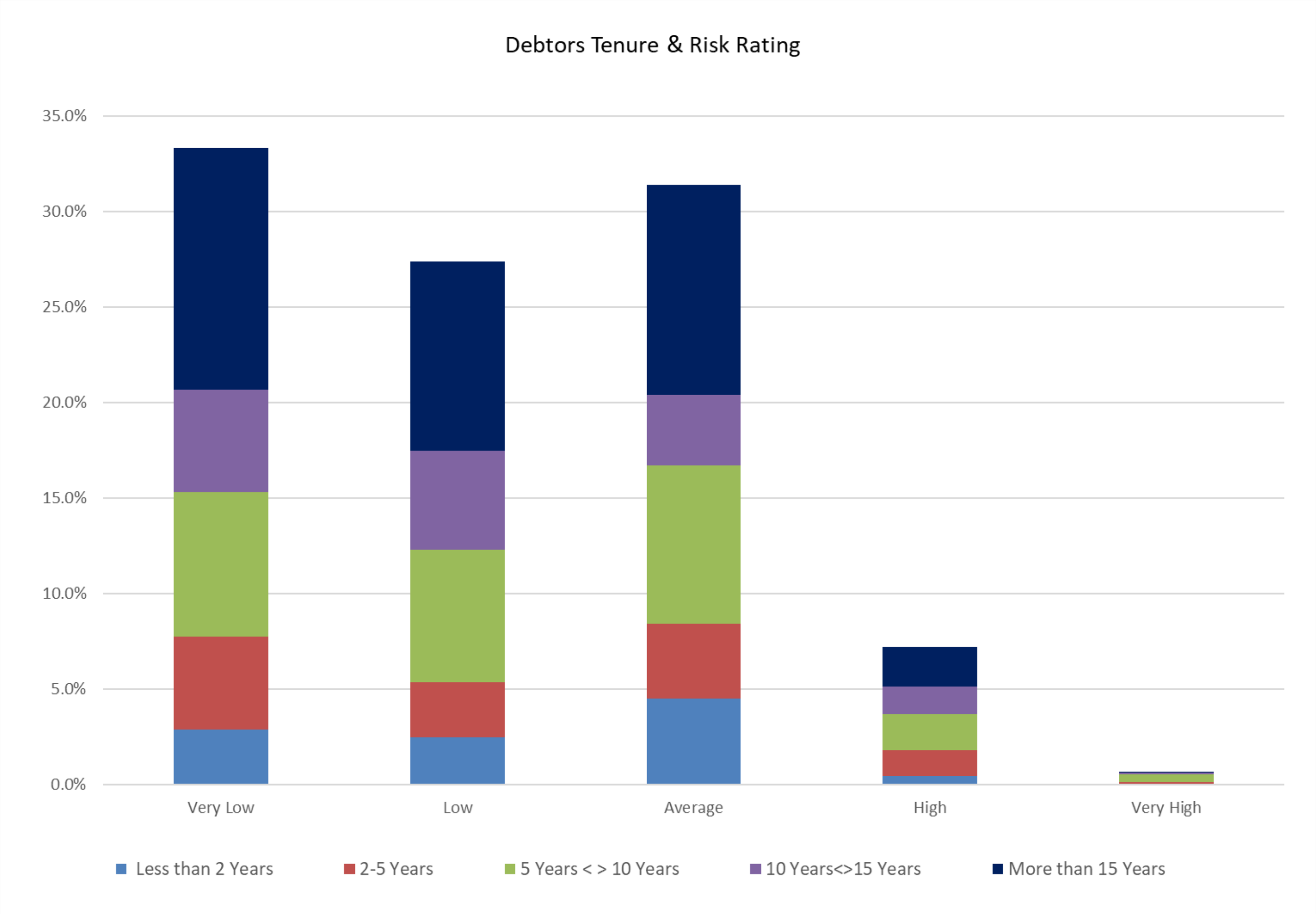
TRADE DEBTORS – CREDIT SALES BY RIVER SYSTEM



SUMMARY

- Good spread over wide geographic area = reduced risk
- Water intensive farming focused
- Managed by decentralized credit teams with centralized credit vetting
- Growth opportunities

TRADE DEBTORS – TENURE & RISK RATING



TENURE

- 51.4% more than 10 years
- 76.5% more than 5 years
- 10.3% less than 2 years
- Doing more business with well established customers, long track record with KAL

RISK RATING

- 60.7% low / very low
- 31.4% average
- 7.2% high
- 0.7% very high
- Stringent vetting, low risk book, suitable securities
- Doing more business with lower risk customers

CONCLUSION

"We made it...it will go down as the year Eskom ate our pie.... it's behind us.... we learnt that being resilient in challenging times was crucial, yet again.... that we can outperform some of the big guns...that the future holds exciting prospects...that we can still sell more products to more customers in more areas, and make more money... by growing, optimising, leveraging culture and digitisation." Simple!

Some highlights for F23:

- Growing earnings despite the Eskom challenges, for the 12th year in a row
- Surviving the agri- and general-retail downturn by managing operational expenditure
- Bedding down our PEG investment and capitalising on the retail convenience uptick
- Growing fuel volume market share with both retail and agri customers
- Improving our ability to service customers with alternate energy solutions & products
- Significantly increasing ROIC and growing EVA
- Improving balance sheet strength through strong cash generation & reducing debt
- Improving the quality of our employees lives with above inflation increases
- Increasing our Trust beneficiation by 354% since 2021, and
- Continuing to pay a consistent dividend to shareholders

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