



ANNUAL RESULTS PRESENTATION

For the financial year ended 30 September 2022

Presented by:

Sean Walsh
Chief Executive Officer

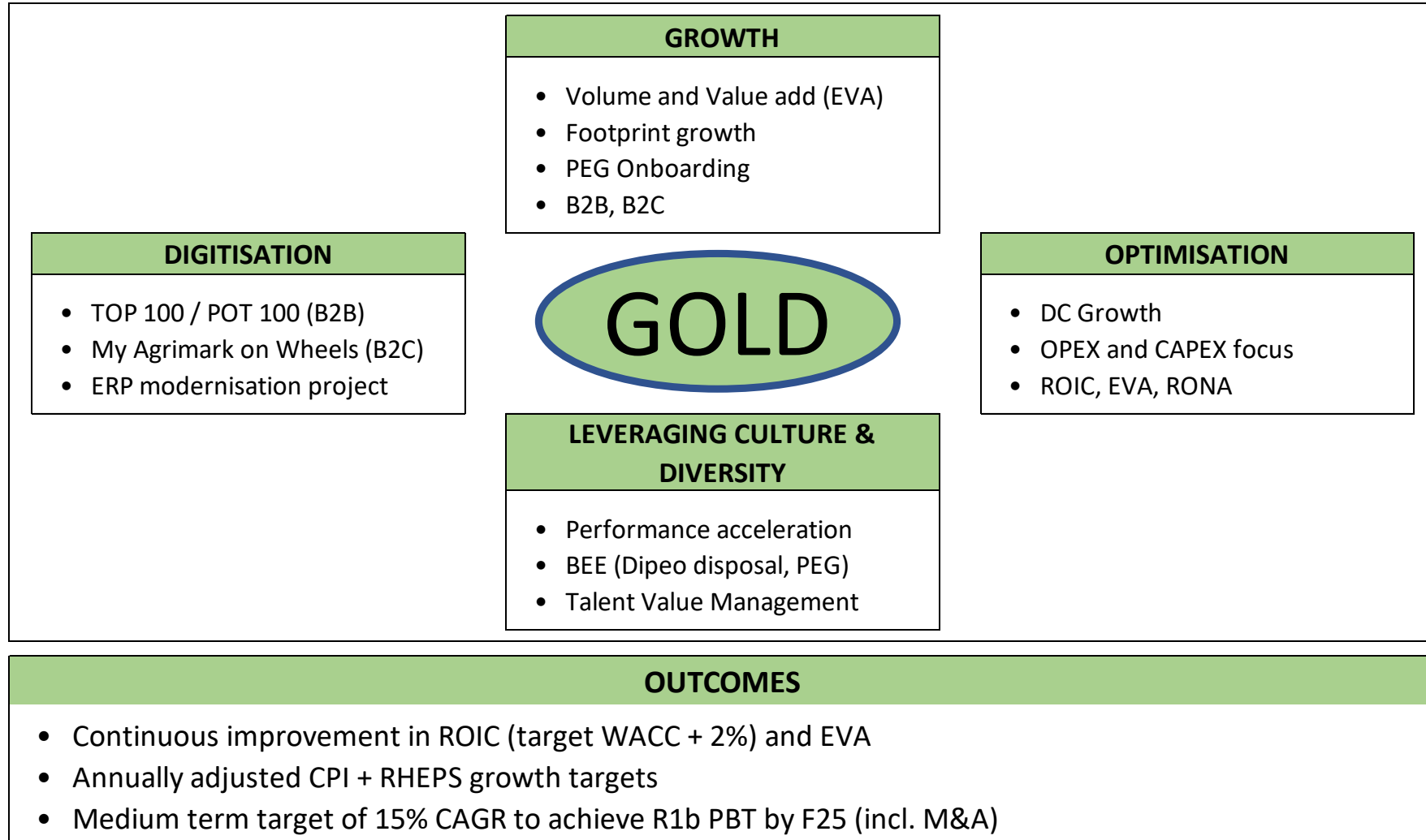
Graeme Sim
Financial Director

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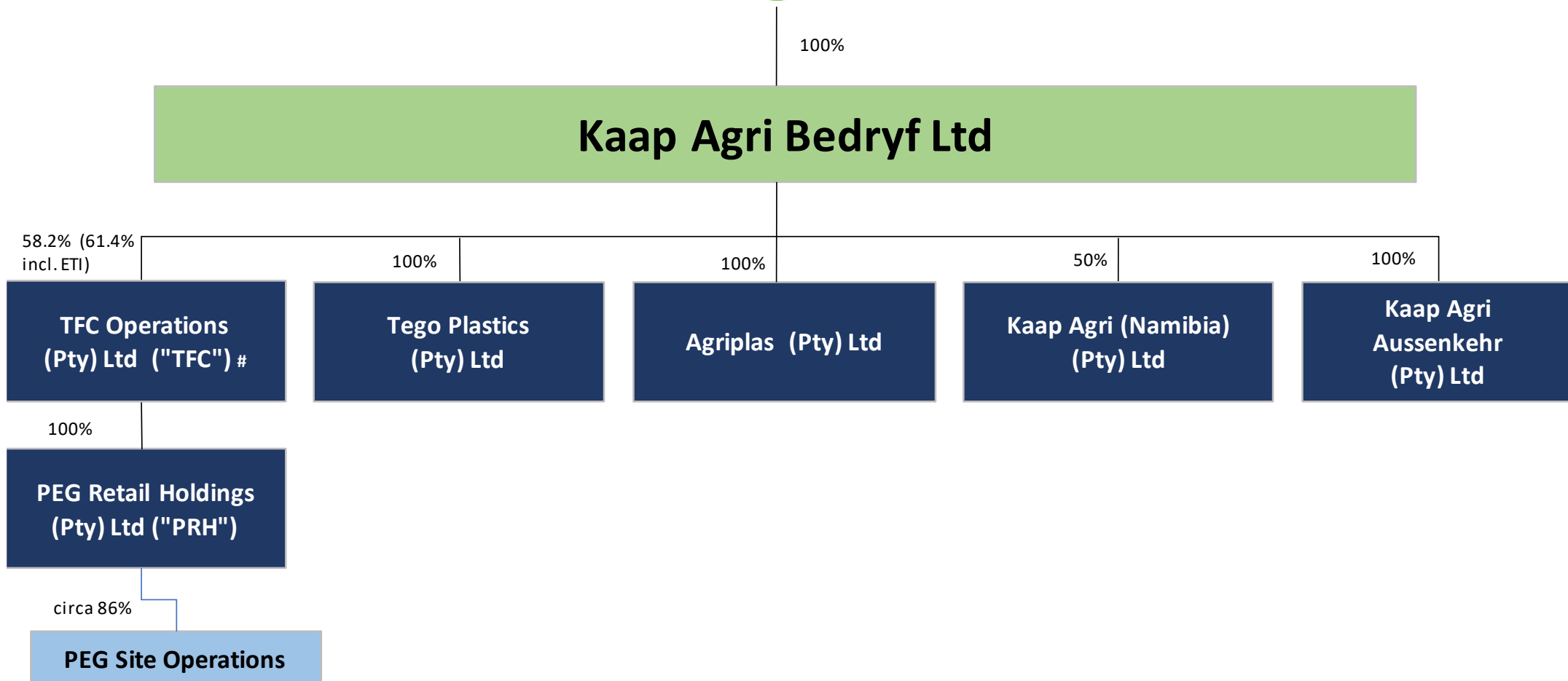
PURPOSE, STRATEGY & STRATEGIC INITIATIVES

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



GROUP STRUCTURE

KAAP AGRI



TFC Black ownership = 52.72%







BUSINESS SEGMENTS - TRADING BRANDS



WOOLWORTHS FOOD



BUSINESS SEGMENTS - TRADING BRANDS (Cont.)

AGRIMARK	RETAIL FUEL & CONVENIENCE	AGRIMARK GRAIN	MANUFACTURING
 <p>148 Units (61 licences)</p>	 <p>89 Units (85 licences)</p>	 <p>15 Units (2 licences)</p>	 <p>5 Units</p>

Trading Profit contribution		
	2021	2022
Agri	26%	28%
Retail	35%	35%
Fuel	31%	30%
Manufacturing	8%	7%

TOTAL:
272 Units
148 Licences

54.5%
non-agri!

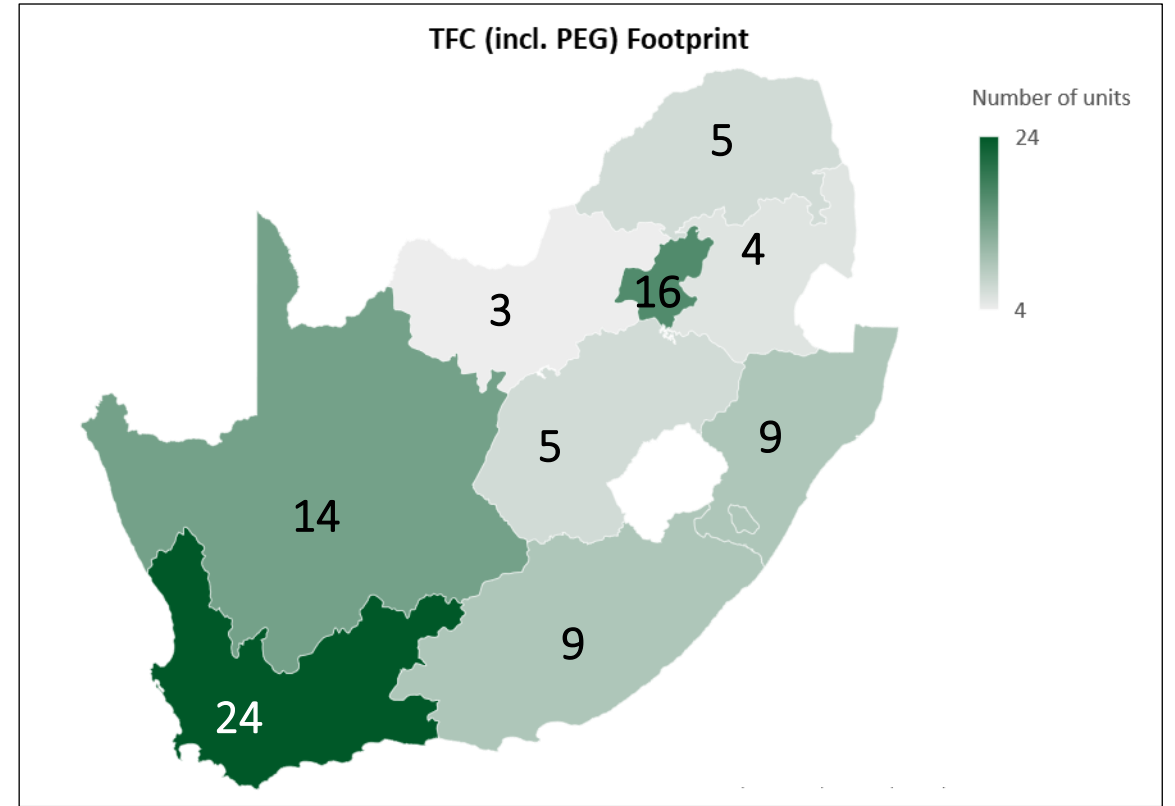
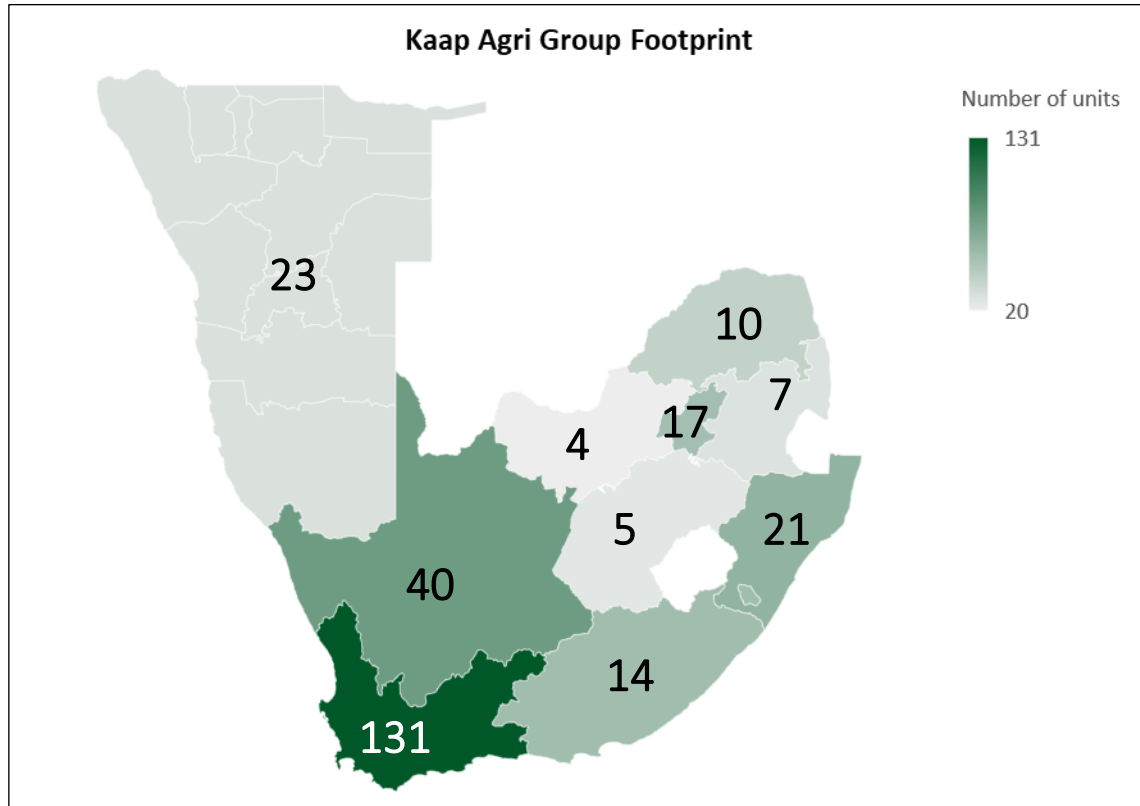
Supply Chain - Support service for product procurement, distribution and logistics

Corporate & Financial Services

(2 Offices, 13 Financial services units)



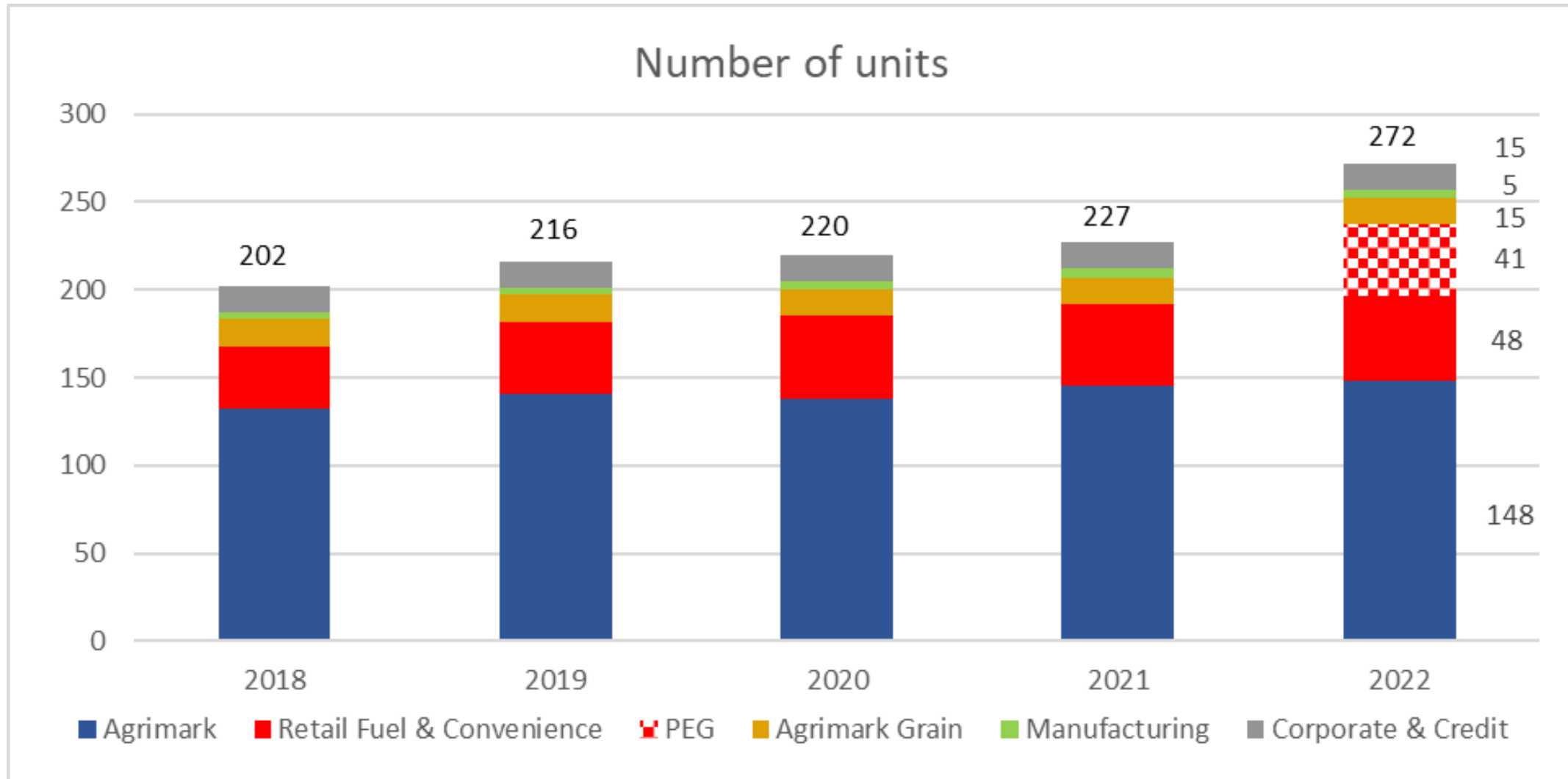
GEOGRAPHIC REPRESENTATION



 **272 Units**  **SA & Namibia**
 **148 Places**  **9 Provinces**

 **89 Units**  **SA**
 **61 Places**  **9 Provinces**

FOOTPRINT OVERVIEW

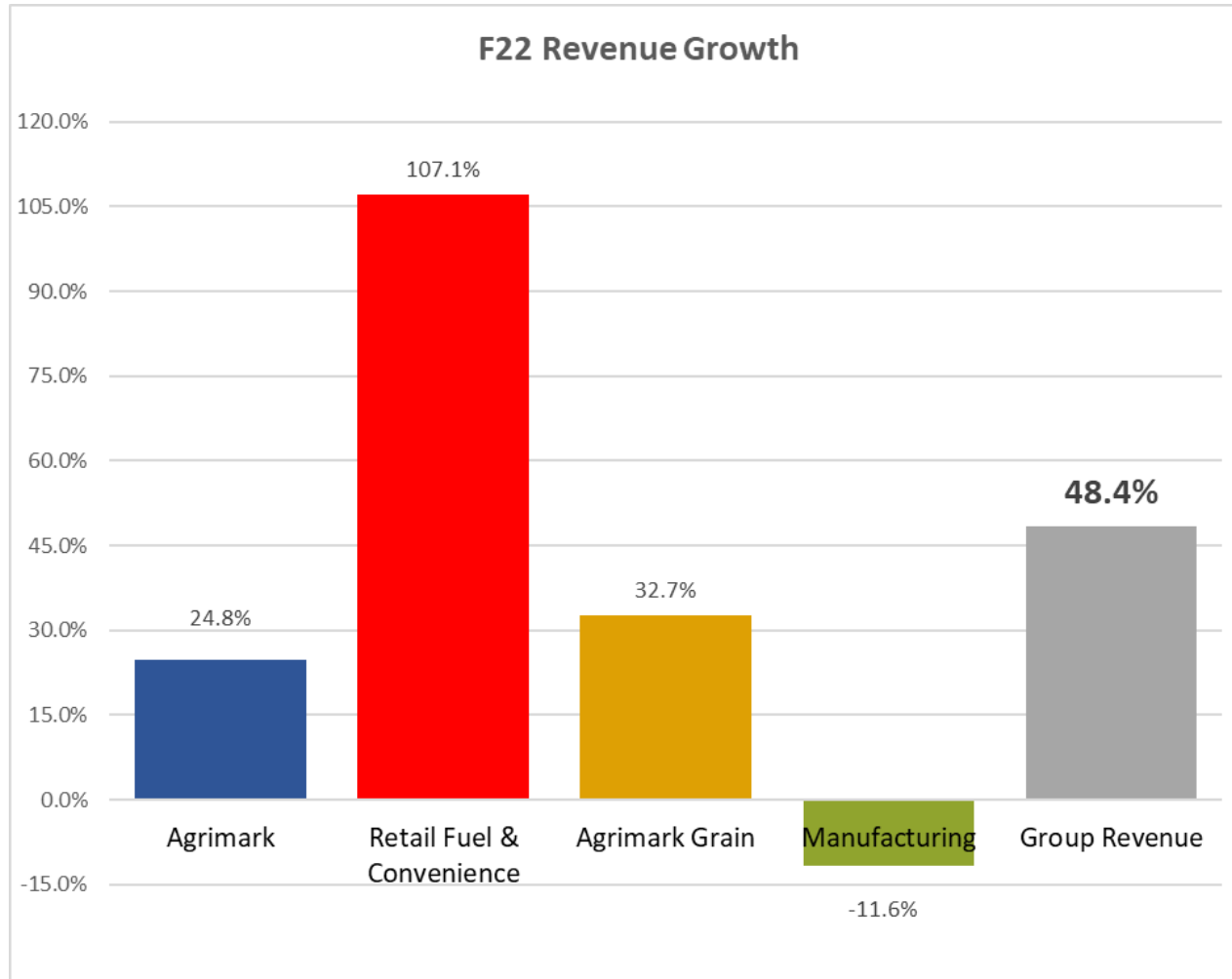


GROUP - KEY MILESTONES

-  Group AGRI real revenue growth +14.7%, market share growth from our B2B strategy
-  Excl PEG, Group RETAIL real revenue growth +1.5% outperforming struggling building sector and strong recovery in convenience
-  Group fuel liters outperforming sector trends, gaining market share, PEG resilient (petrol)
-  Agrimark Grain and New Holland Agency profitability has accelerated
-  TFC Property disposal executed, TFC acquisition of PEG executed
-  B2C – My Agrimark On Wheels (on-line) platform launched end Sept '22
-  Surviving LOAD SHEDDING
-  Excl PEG, Net interest-bearing debt decreasing by 7.7%
-  Group BBBEE accreditation maintained
-  Improvement in JV returns from operations in Namibia
-  DC throughput growth +17%, cost to serve down from 3.9% to 3.5%
-  RHEPS CAGR of 14.7% over last 10 years, ROIC upward trend continues



TRADING ENVIRONMENT - REVENUE GROWTH

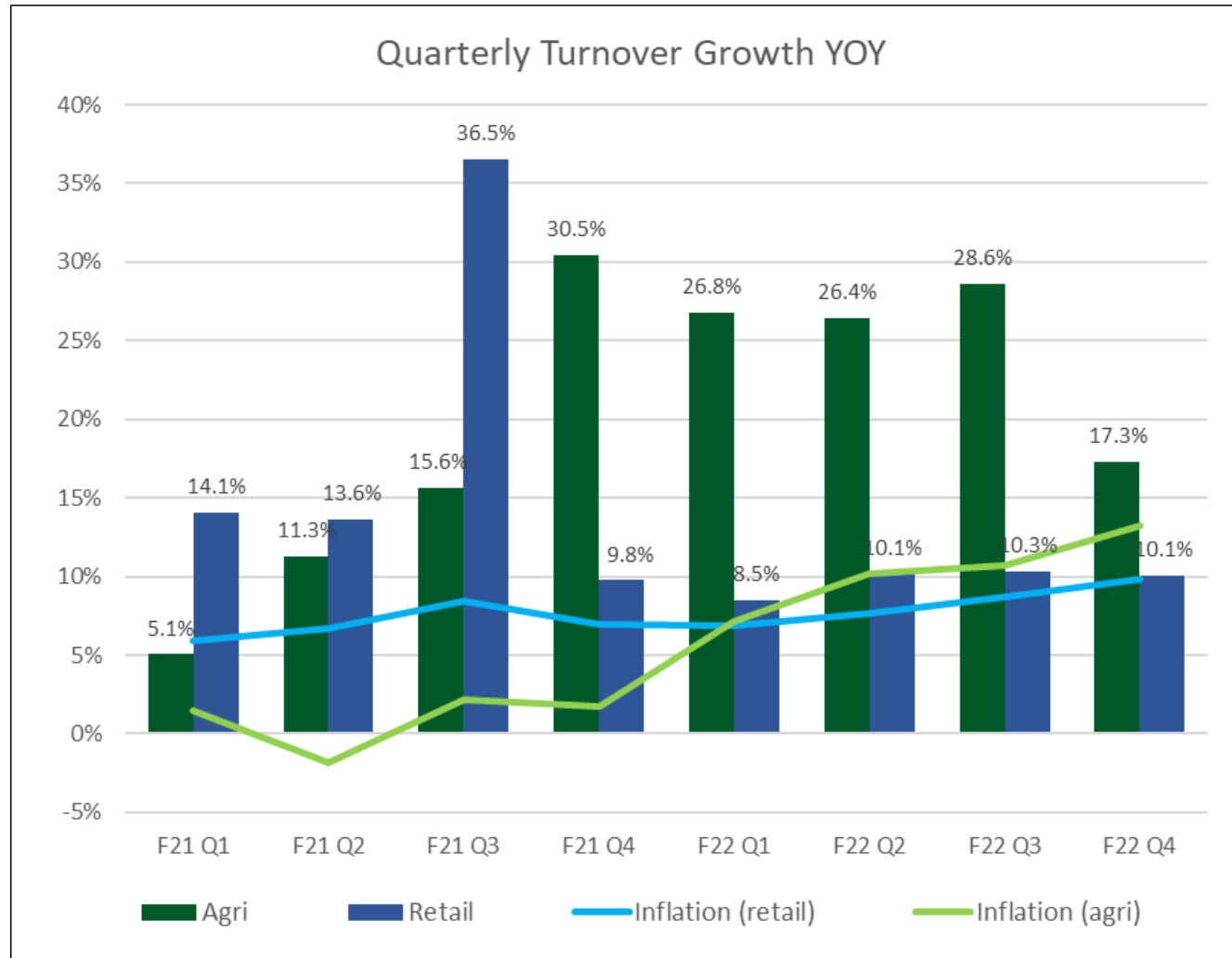


F22 REVENUE GROWTH DRIVEN BY:

- Group revenue +48.4%, LFL growth 24.0%
- On the back of F21 revenue growth of 23.4%
- Inflation 24.2% (9.3% excl fuel)
- Transactions up 54.3%
- Agrimark 24.8% (Agri 24.7%, Retail 9.8%)
- RF&C 107.1% incl. PEG (37.6% excl. PEG)
- Agrimark Grain 32.7% (increased wheat volumes)
- Manufacturing -11.6% (curtailed farm infrastructure spend)



TRADING ENVIRONMENT - RETAIL & AGRI



AGRI AND RETAIL CATEGORY GROWTH IMPACTED BY:

➤ F21:

- Retail: strong throughout
- Q3 compares to hard lockdown
- Agri: acceleration (fertilizer, chemicals)

➤ F22:

- Continued high agri turnover growth (fertilizer, packing material, animal feeds, mechanization equipment, horticulture)
- Subdued real retail growth (excludes PEG)
- High agri & retail inflation



HIGHLIGHTS FOR THE YEAR



Revenue
(R'000)
15,700,499
+48.4%
LFL +24.0%



EBITDA
(R'000)
673,226
+21.8%



**Recurring
headline EPS**
(cents)
578,23
+21.1%



Fuel liter growth
369.8m liters
Group +21.1%
TFC +37.6%








**Return on
Invested Capital**
("ROIC")
11.6%
LY: 11.1%



**Total dividend
per share**
(cents)
168,00
LY: 151,00



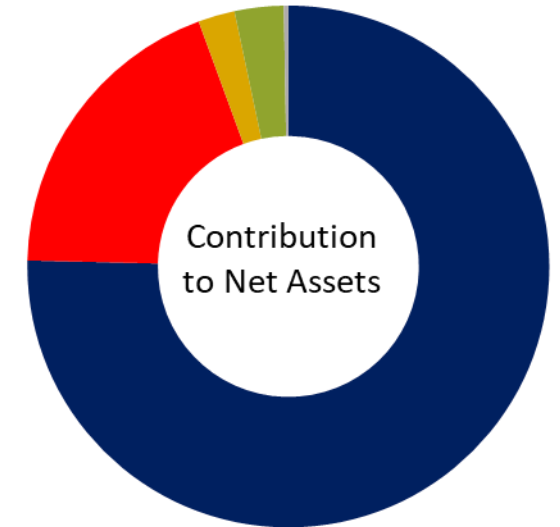
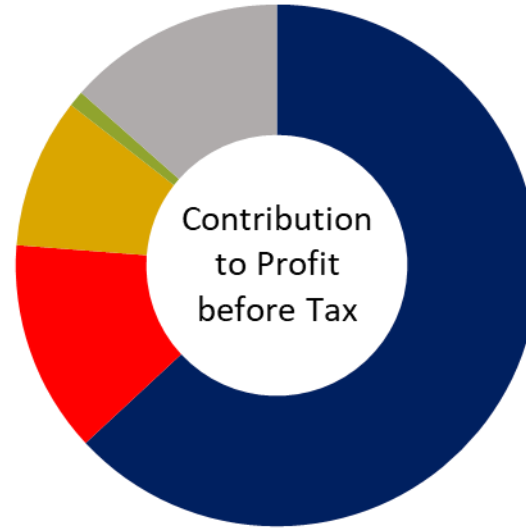
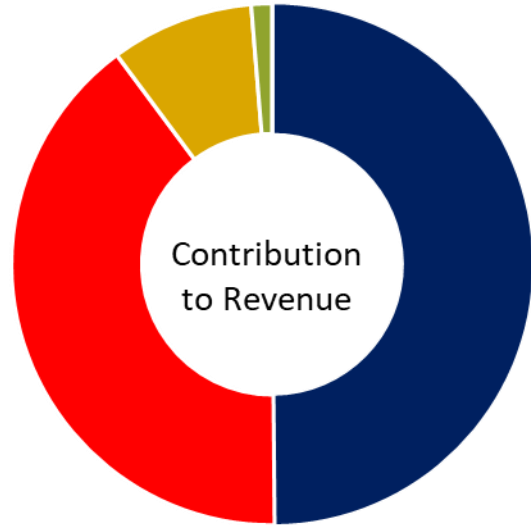
SEGMENTAL REPORT

	 Agrimark		 Retail Fuel & Convenience		 Agrimark Grain		 Manufacturing		 Corporate	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue	6,271,932	7,829,295	3,029,734	6,274,506	1,049,238	1,391,930	231,684	204,768	-	-
Profit before tax	401,457	481,343	72,036	100,462	61,972	70,939	14,040	7,443	-89,306	-102,897
Gross assets	3,962,781	4,901,360	1,309,023	2,910,698	133,385	94,630	317,978	338,407	89,198	93,657
Net assets	1,800,117	2,127,249	507,450	537,612	93,842	64,085	105,332	85,709	-108,575	7,822

Note: During 2021, the methodology applied to segmental reporting was improved in that trade debtors and borrowings, as well as the associated interest received and interest paid, are allocated to the operating segment to which they relate. This provides a more accurate representation of invested capital within the various segments.



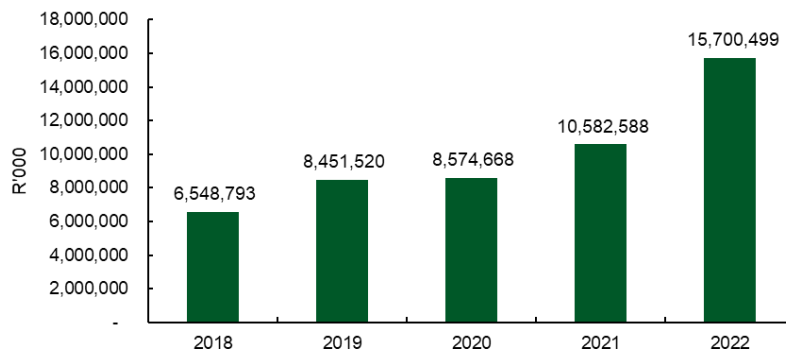
SEGMENTAL REPORT (cont.)



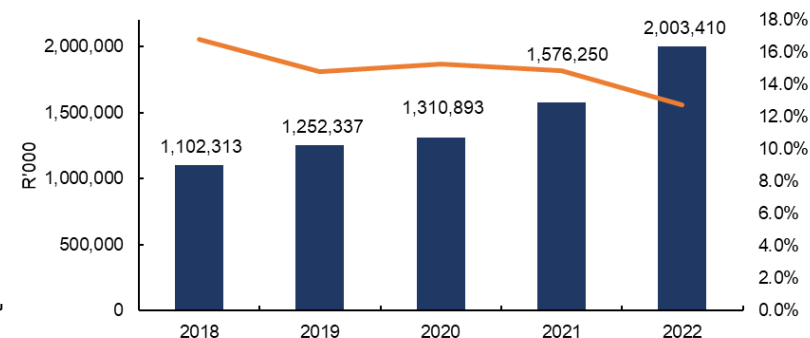
FINANCIAL PERFORMANCE - INCOME STATEMENT

R'000	2018	2019	2020	2021	2022
Revenue	6,548,793	8,451,520	8,574,668	10,582,588	15,700,499
Gross profit	1,102,313	1,252,337	1,310,893	1,576,250	2,003,410
<i>Gross profit margin</i>	16.8%	14.8%	15.3%	14.9%	12.8%
Profit after tax	248,957	281,279	279,178	332,276	412,959
Recurring headline earnings	251,983	268,553	280,453	347,208	430,521
Return on equity	15.2%	14.6%	13.8%	15.3%	16.5%
Recurring headline earnings per share (cents)	354.10	375.19	392.52	477.55	578.23
Dividend per share (cents)	116.70	123.50	50.00	151.00	168.00
Dividend cover (times)	2.9	2.9	7.4	3.0	3.3

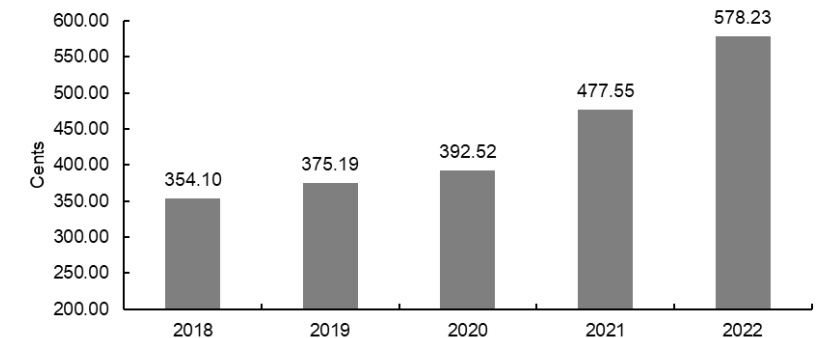
Revenue



Gross profit and margin

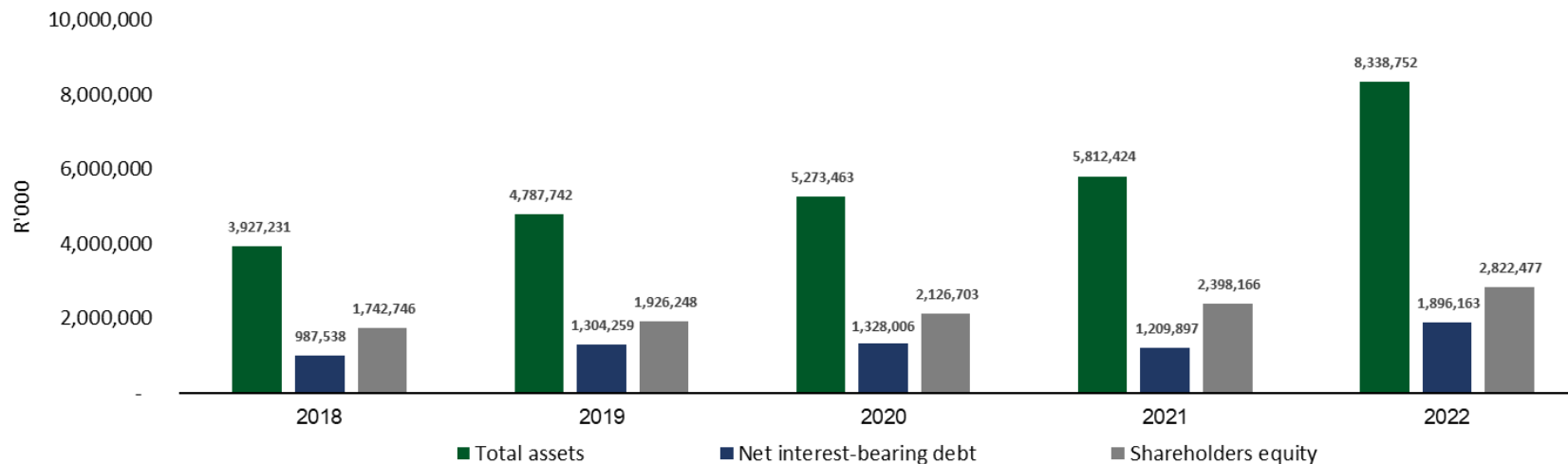


RHEPS



FINANCIAL PERFORMANCE - BALANCE SHEET

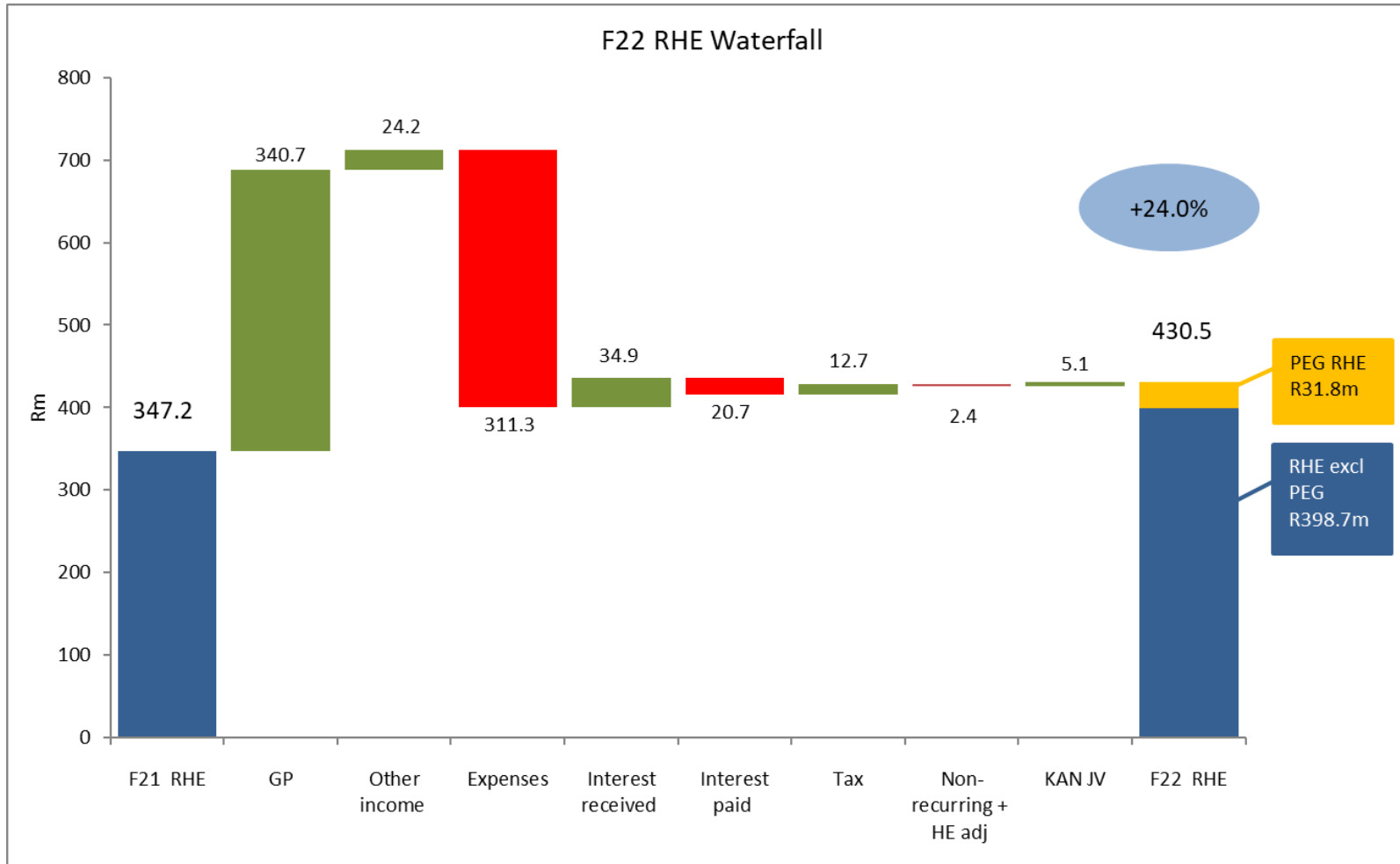
R'000	2018	2019	2020	2021	2022
Total assets	3,927,231	4,787,742	5,273,463	5,812,424	8,338,752
Non-current assets	1,304,896	1,785,701	2,345,689	2,442,661	3,683,198
Current assets	2,622,335	3,002,041	2,927,774	3,369,763	4,655,554
Liabilities and loans	2,184,485	2,861,494	3,146,760	3,414,258	5,516,275
Net interest-bearing debt	987,538	1,304,259	1,328,006	1,209,897	1,896,163
Shareholders equity	1,742,746	1,926,248	2,126,703	2,398,166	2,822,477
Net asset value (rand)	24.8	26.0	28.9	32.6	38.2
Debt to equity ¹	52.4%	62.5%	64.9%	56.1%	59.5%
Interest cover (times)	5.5	5.0	5.0	6.8	6.0



¹ calculated on average balances



FINANCIAL PERFORMANCE - RECURRING HEADLINE EARNINGS ('RHE')

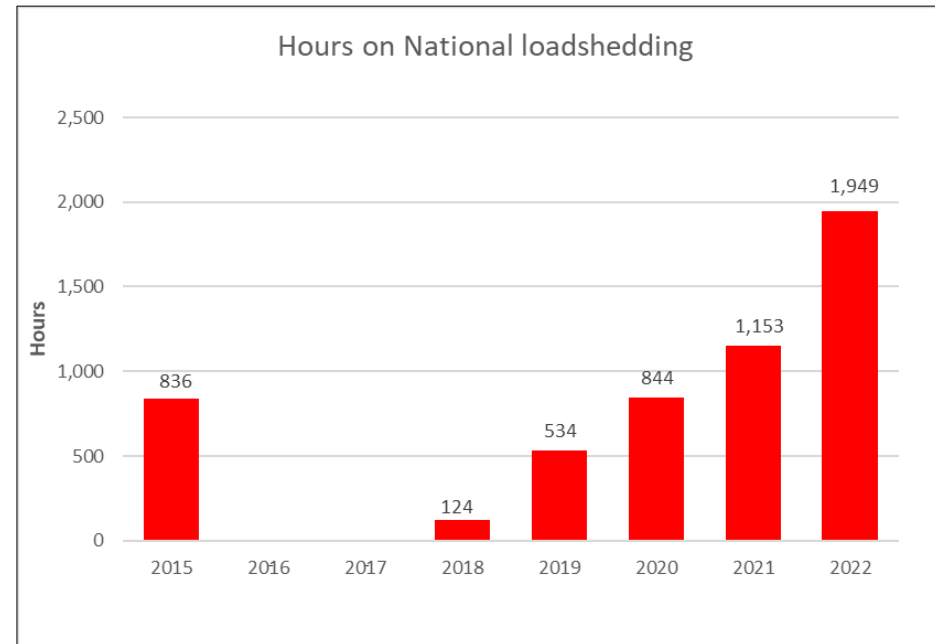
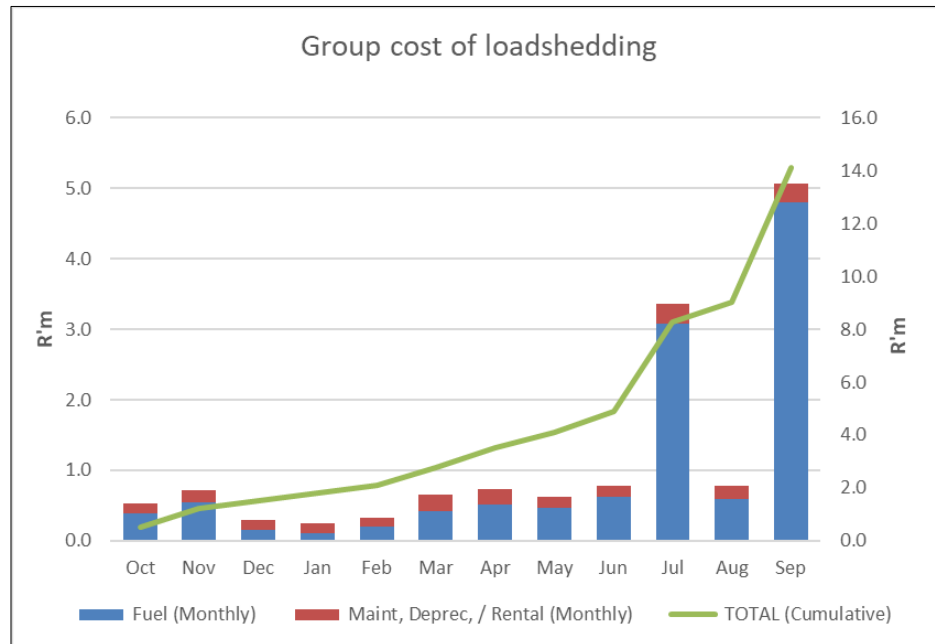


RHE HIGHLIGHTS

- Strong GP growth at 12.8% margin
- Expense management +12.2% LFL
- Interest received +48.9%
 - higher average debtors book, higher rates
- Interest paid
 - Higher average debt levels
 - PEG acquisition debt
 - Banks +36.6%
 - R37.9m IFRS 16 cost
- 24.0% RHE growth (F21 23.8% growth)



FINANCIAL PERFORMANCE - COST OF LOADSHEDDING



- Loadshedding trend - 2022 worst in history
- Direct cost impact
 - Fuel: R11.9m
 - Maintenance, depreciation, rental: R2.2m
- PEG costs
 - included from July 22: R4.7m
 - Full year cost: R10.0m

- Indirect costs
- Generator capex R4.4m
- Solar capex R12.5m
- Lost revenue unquantifiable
- Driving up costs, driving up capital expenditure and **driving down earnings**



FINANCIAL PERFORMANCE - RHE & RHEPS RECONCILIATION

	F22			F21			Var
	Total (R'000)	Attributable (R'000)	Cents per share	Total (R'000)	Attributable (R'000)	Cents per share	Cents per share
Earnings	412,959	396,368	562.54	332,276	321,099	456.88	23.1%
Headline Earnings adjustments	-4,419			-1,470			
Profit on disposal of assets	-4,419			-1,470			
Headline Earnings	408,540	391,972	556.30	330,806	319,722	454.92	22.3%
Non-Recurring items	21,981			16,402			
Non recurring expenses	17,307			7,464			
Revaluation of put options	4,674			8,938			
Recurring Heading Earnings	430,521	407,421	578.23	347,208	335,630	477.55	21.1%
Weighted average number of shares	70,460	70,460		70,281	70,281		

➤ HEPS vs RHEPS

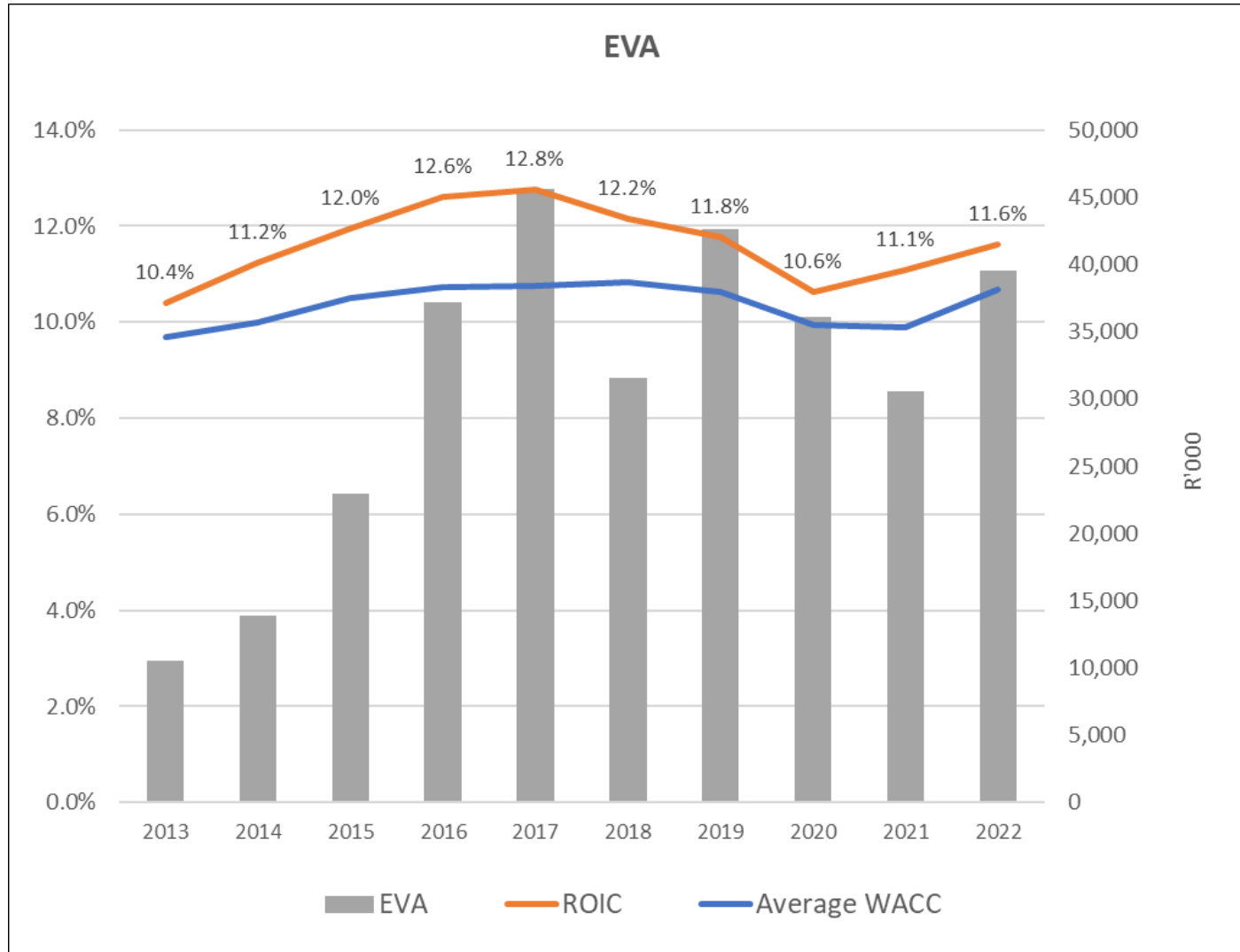
- Non-recurring transaction and legal costs
- Revaluation of Put option liabilities

➤ RHEPS

- 10 yr. CAGR 14.7% increase



FINANCIAL PERFORMANCE - ROIC vs WACC vs EVA



F22 ROIC INFLUENCED BY:

- Strong trading
- Stringent ROIC focus for capital investment
- TFC Properties disposal (March 22)
- PEG acquisition (July 22)



ROIC OUTLOOK:

- Strong trading
- F23 improvement expected
 - Continued ROIC focus
 - Annualisation of
 - TFC properties disposal
 - PEG acquisition
 - High return opportunities



SEGMENTAL REVIEW - AGRIMARK DIVISION

F22 REVIEW:

- ✓ Strategy: Market share growth from B2B initiatives, growth from B2C initiatives, retail format optimization, DC utilization, central assortment, pricing & replenishment
- ✓ Agri inputs* +23.7% : fertilizer +66%, packaging material +15%
- ✓ New Holland agency sales +17%, both from spares and equipment
- ✓ Retail +6% : pre-paid +35%, Gas +25%, building materials +4.5%, pool & garden the star!
- ✓ Total revenue +24.4%, OPEX +12.7%, Interest +26.4%, DC cost to serve down 10.6%, PBT +19.9%

OUTLOOK:

- ✓ Accelerate our B2B market share drive, continue store upgrades
- ✓ Fruit sector stable, average wheat harvest expected
- ✓ Farm infrastructure spend will be under pressure
- ✓ Retail diversification: cash 28% of sales, contributing 42% of GP, slightly down
- ✓ Continue Margin improvements off central pricing, assortment, replenishment – Retail margin up 2.8% in last year!
- ✓ TEGO agency growth, new product launches

* Chemicals, fertilizer, packaging material, animal feeds, horticulture & infrastructure



SEGMENTAL REVIEW - RETAIL FUEL & CONVENIENCE DIVISION ('TFC')



F22 REVIEW:

- ✓ Strategy unchanged: PEG onboard, selective footprint growth, Oilco collaboration, centralized support, leveraging diversity
- ✓ 1 fuel site added, PEG 41 sites added
- ✓ Covid seems to have normalized in patterns, but high fuel price is dampening volumes
- ✓ Excl. PEG, Liter volumes decreased by only 2.3%, outperforming sector
- ✓ Incl. PEG, PBT growth 39.5%, RONA increasing to 19%
- ✓ Average site tenure > 19 yrs POST Propco sale and PEG (using 30 yrs for evergreen sites)



OUTLOOK:

- ✓ Petrol mix % increasing on the back of high diesel price and lower volume contribution
- ✓ Travel pattern change seems permanent
- ✓ Very selective new site investigations, KFC rollout focus
- ✓ Forward looking liter ("FLL") growth 3%
- ✓ Opex cost per liter focus, bank cost mitigation
- ✓ TFC 52% direct black ownership
- ✓ Forward looking site tenure > 18 yrs





ACQUISITION HIGHLIGHTS

- 41 National highway retail fuel sites including convenience stores and quick service restaurants (183 retail touch points)
- Over 3,000 Employees, selling over 3,300,000 pies, and over 700,000 coffees
- Purchase consideration R1.1b
 - R949.1m cash
 - R72.1m TFC shares
 - R80.8m contingent consideration
- PRH shareholding: TFC 100% (NCI 15.2% in underlying subsidiary operations)
- TFC shareholding: Kaap Agri 58.2%, ETI 3.2%, NCI 38.6%
- TFC black ownership 52.72%

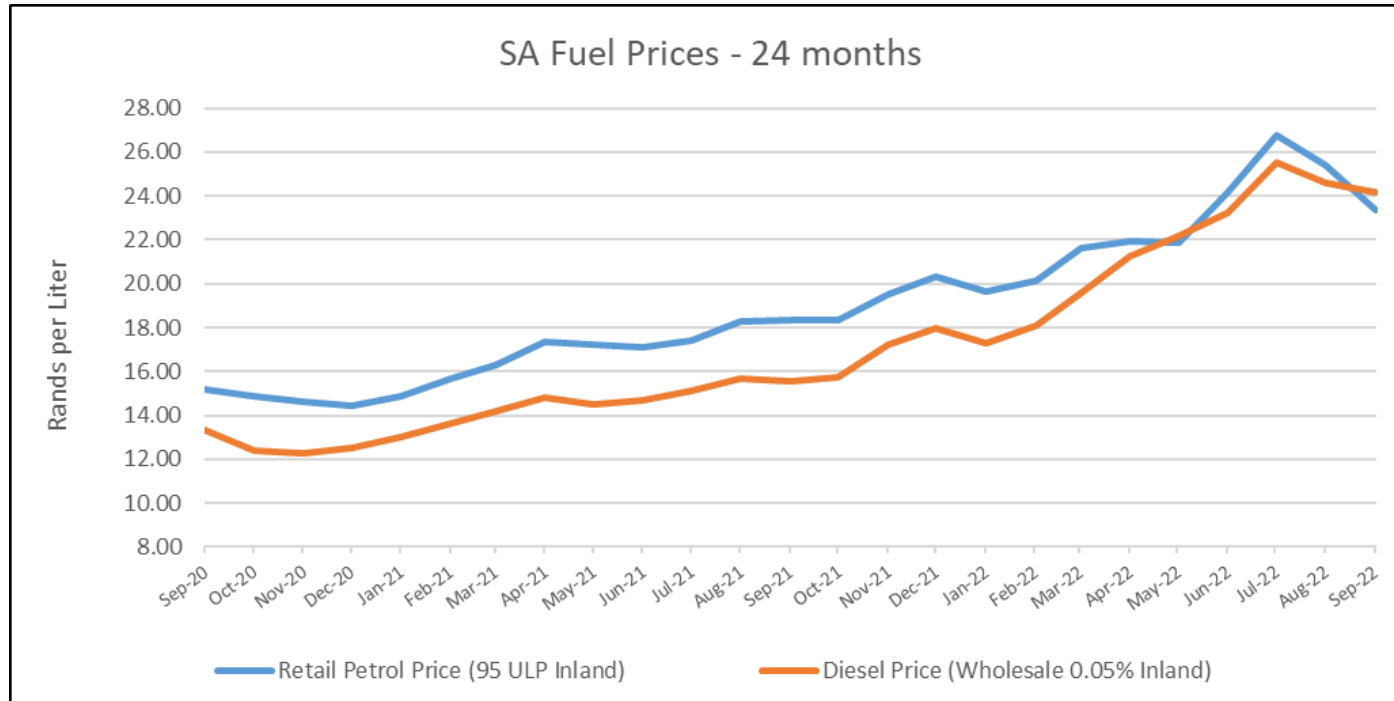


F22 FINANCIAL PERFORMANCE

- Fuel volumes 290m liters (* 69.9m litres)
- Revenue R7.5bn (* R2.1b) 55% petrol 45% diesel
- Gross profit 44% fuel 56% retail
- PBT R288.0m (* R52.5m)



FUEL PRICE IMPACT



FUEL PRICE CHANGE IMPACT

- National fuel prices YOY
 - Petrol +27.5%
 - Diesel +55.6%
- TFC Fuel price adjustments
 - F22: R26.4m profit
 - F21: R9.7m profit
- Volume drives profitability, not fuel price
 - Petrol price regulated
 - Rand margin regulated (fixed)
 - High prices put pressure on volumes

Impact on margin of fuel price changes

Retail Petrol Price (95 ULP Inland)	@ 30 Sept	R1 Price increase	R1 Price decrease
Selling Price (R/litre)	23.38	24.38	22.38
Margin (R/litre)	2.29	2.29	2.29
Margin %	9.8%	9.4%	10.2%



SEGMENTAL REVIEW - AGRIMARK GRAIN DIVISION



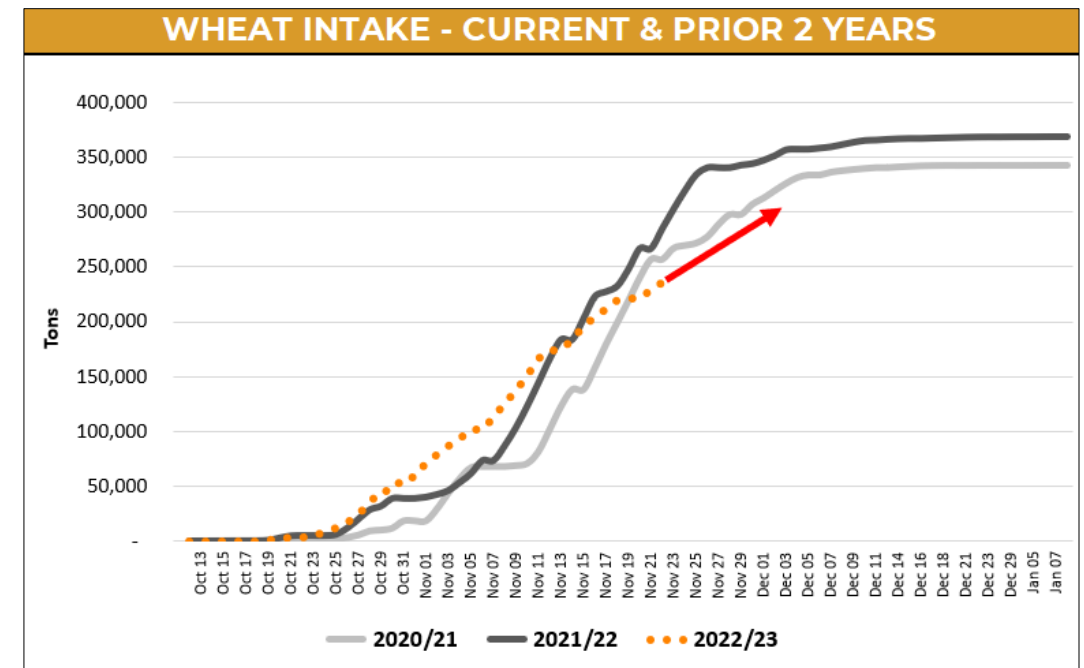
F22 REVIEW:

- ✓ Strategy: wheat & seed market share, facility optimization & growth, a regional player
- ✓ 2021/22 wheat harvest highest in 15 years
- ✓ High volumes = high inter-silo movement costs
- ✓ PBT +14.5%, c.R70m, a new record
- ✓ 2022/23 wheat harvest progress very positive



OUTLOOK:

- ✓ Average Wheat harvest expected for 2022/23 season
- ✓ Canola tonnage – similar to PY
- ✓ Wheat prices positive for farmers, will cover high input costs



SEGMENTAL REVIEW - MANUFACTURING DIVISION



F22 REVIEW:

- ✓ Strategy unchanged: market share, new products, optimization, no 1-way plastic, fruit Sector
- ✓ High farm input prices dampened farm infrastructure spend especially at Agriplas
- ✓ Tego sold similar qty of bins, commissioned new mould End Oct '22
- ✓ Overall, manufacturing decreased PBT contribution by R6.6m

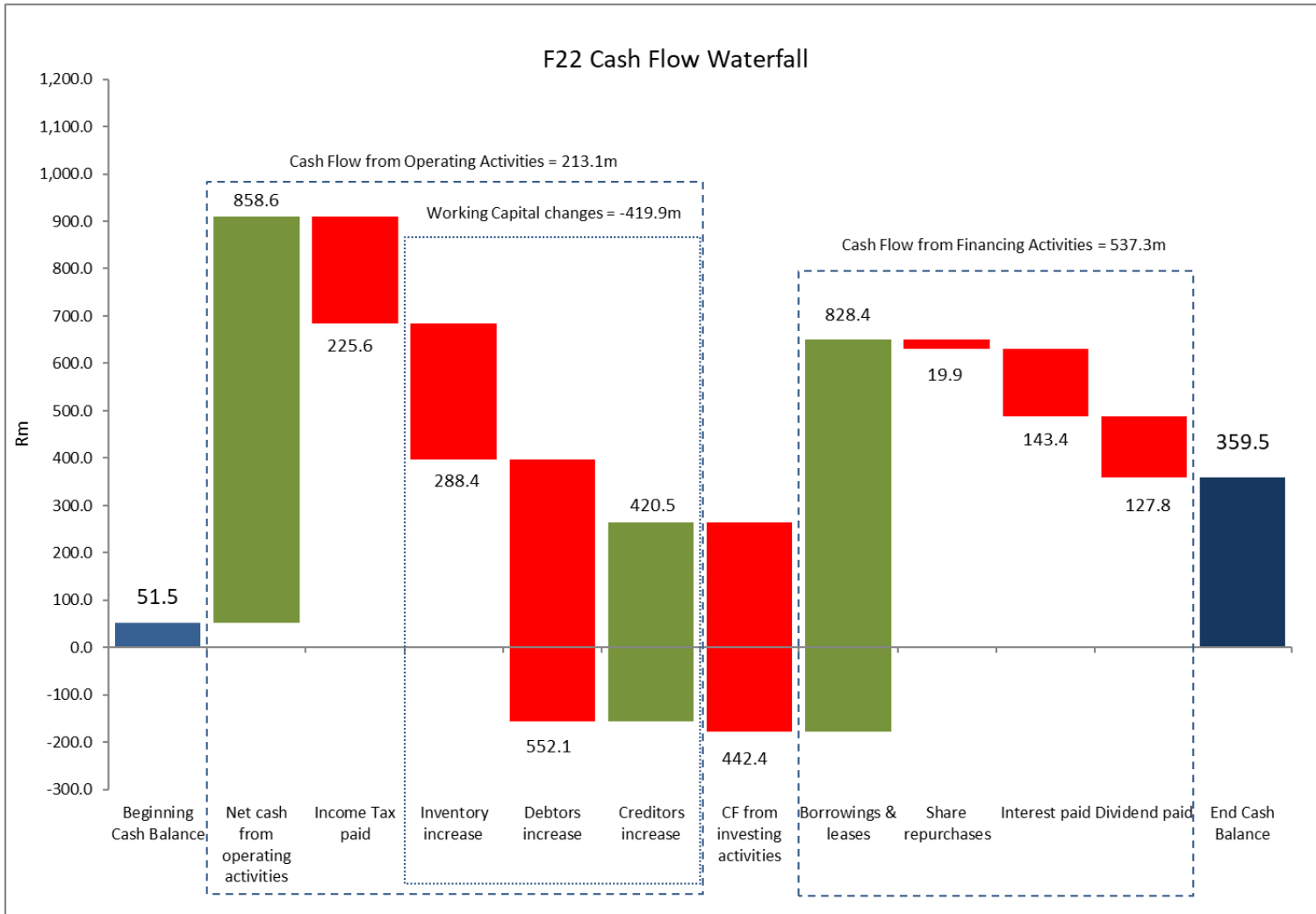


OUTLOOK:

- ✓ Agriplas
 - PC sprinkler progress
 - 0.7/0.8 liter per hour dripline product launched late F22
 - F23 recovery expected
- ✓ Tego
 - Continue citrus market penetration
 - New Xtra Volume bin for Pome and Raisin market launched
 - Continue toll manufacturing
 - F23 swing expected



CASH FLOW PERFORMANCE

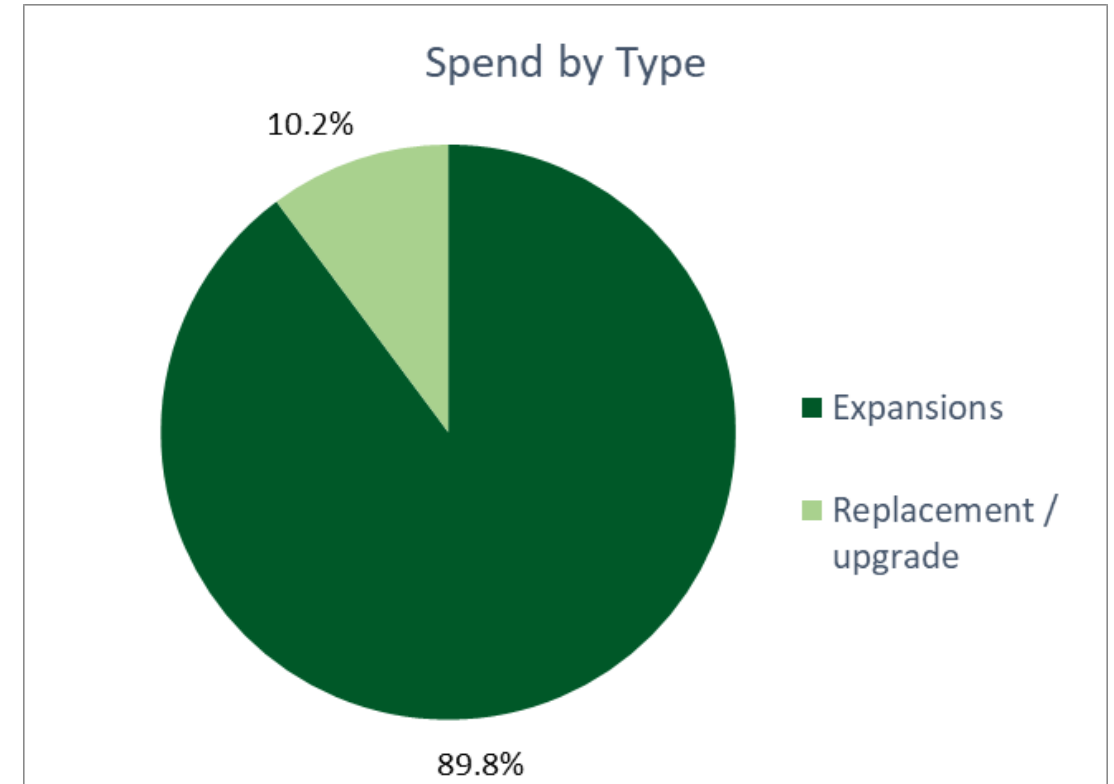
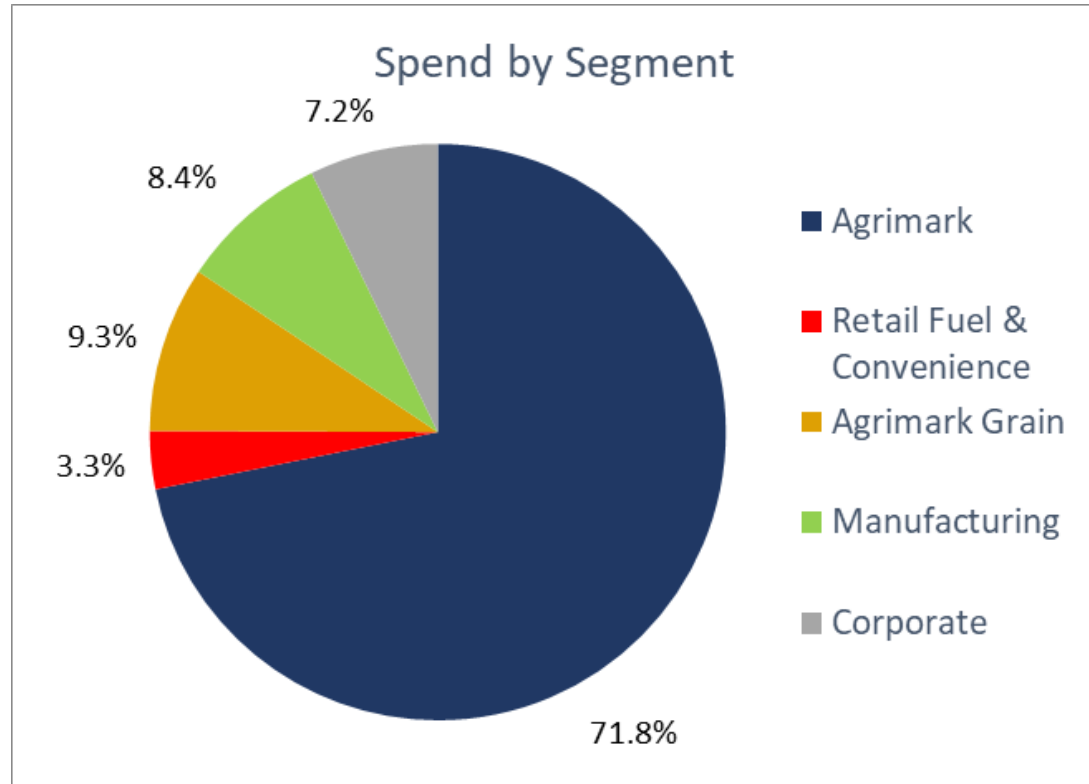


KEY CASHFLOW DRIVERS:

- Strong cash generation from operating activities
- Effective working capital management, real growth and inflation impacted
 - net working capital cycle +6 days
 - Inventory growth < revenue growth
 - Debtors healthy
- TFC properties disposal proceeds
- PEG acquisition funding
- Prudent capital investment – ROIC focus
- Increased net interest received



CAPITAL EXPENDITURE

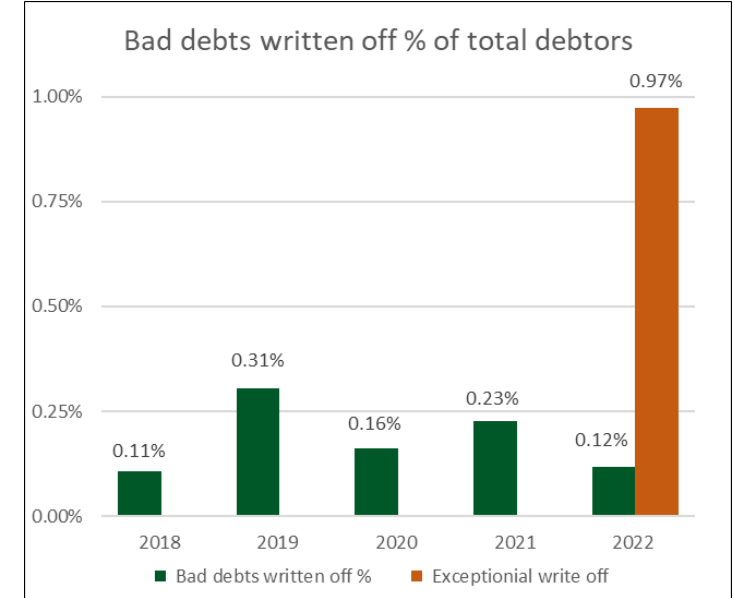
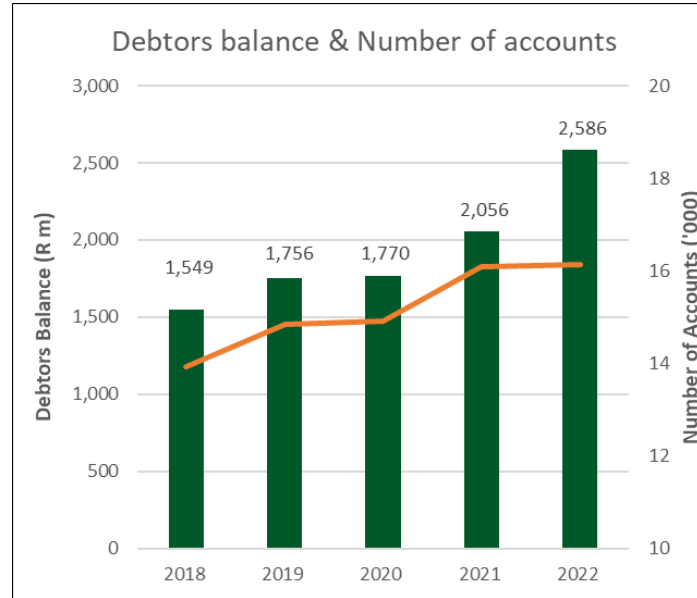
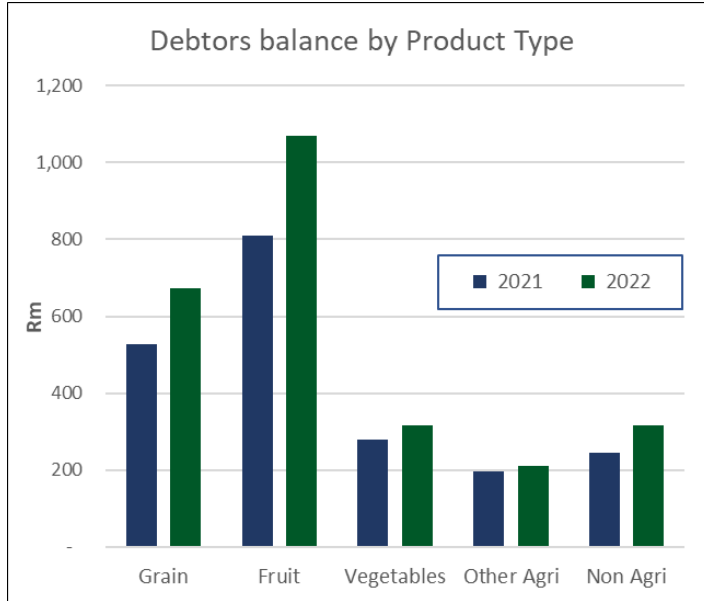






- Total capex: R217.6m, largely expansion, (excludes acquisitions)
- Agrimark: numerous expansions, additional DC, Forge properties
- TFC: QSR upgrades




- Agrimark Grain: capacity expansion, SHEQ
- Manufacturing: new Extra Volume Pome (“XVP”) mould
- Corporate: Agrimark online, ERP modernisation



TRADE DEBTORS

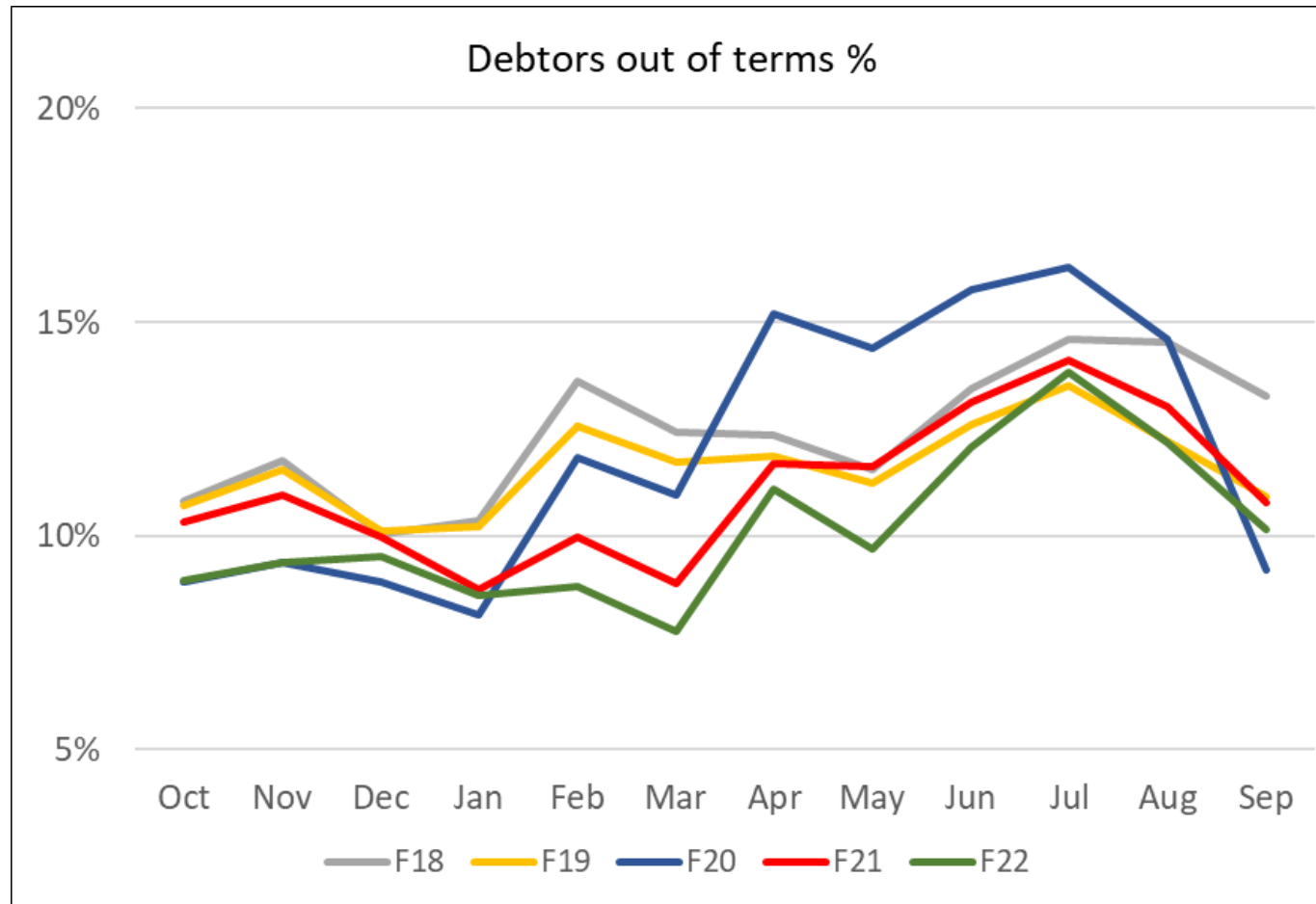


-  Enabler to revenue growth
-  Product and geographic diversity reduces risk & improves cash flow
-  Trade receivables +25.7%
-  16,137 accounts (3,311 seasonal and 12,826 monthly)

-  Debtors book turns 4.1x per year (4.1x LY)
-  Bad debts written off
 - Normal: 0.12%
 - Exceptional: 0.97%
 - 5 yr average: 0.43%
 - 10 yr average: 0.41%
-  Income spread 225 bps



TRADE DEBTORS – OUT OF TERMS



OUT OF TERMS

- Down 0.6% of debtors
- Below the 5-year average as % of debtors
- Above average wheat harvest
- Stable agri conditions bode well looking forward

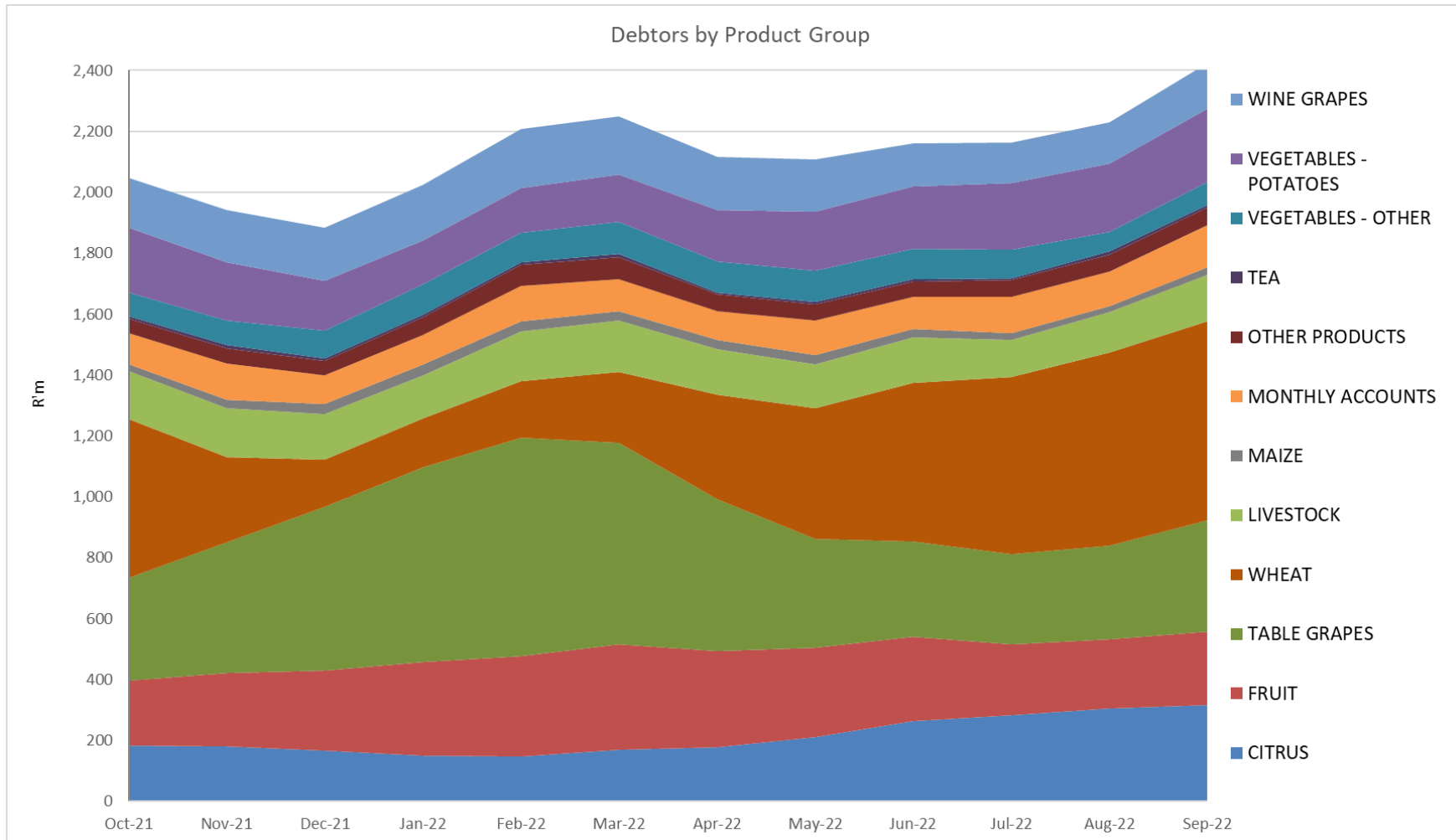


SUMMARY

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



TRADE DEBTORS – BY PRODUCT GROUP

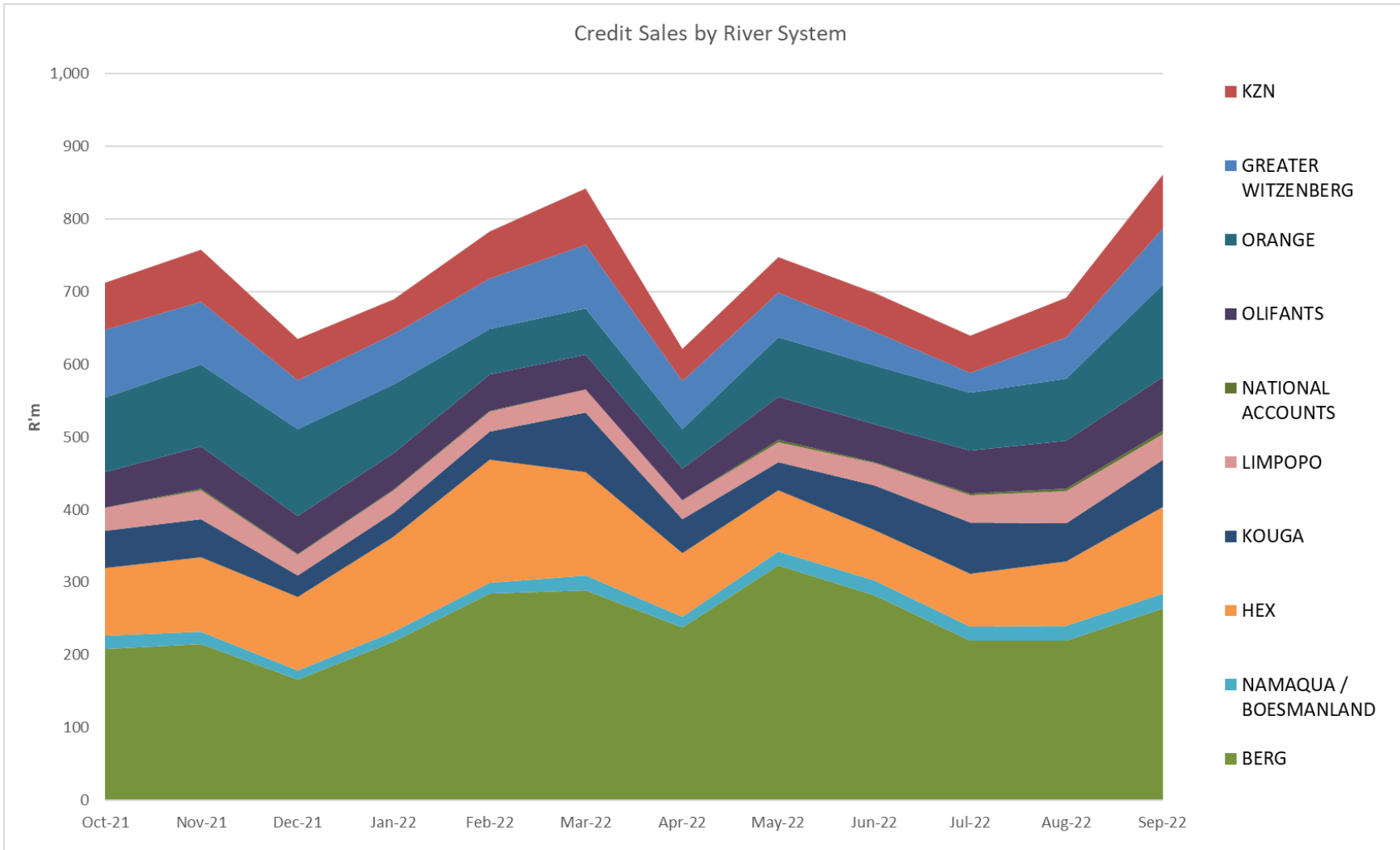


SUMMARY

- 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

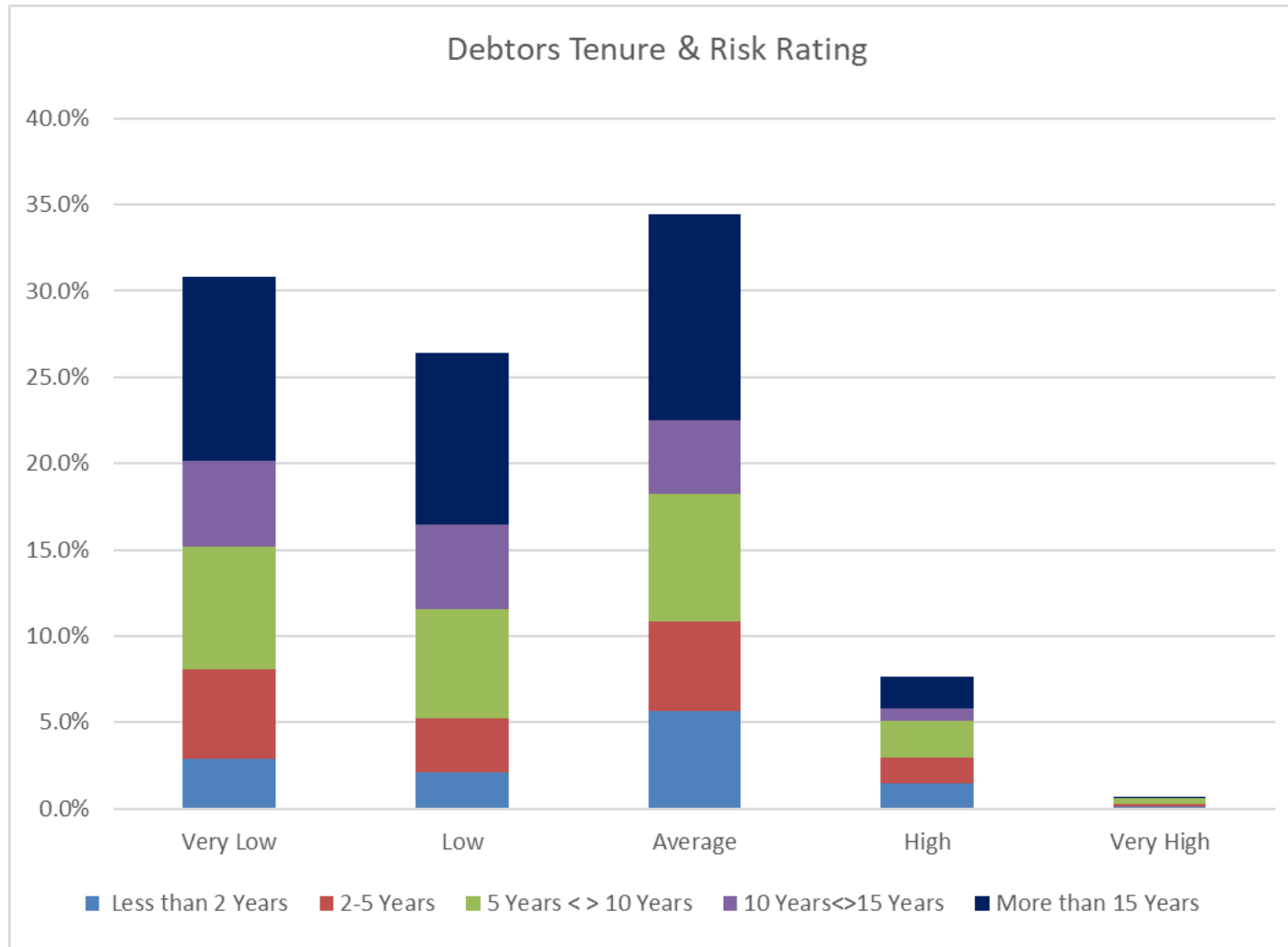


SUMMARY

- 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

- 49.4% more than 10 years
- 72.6% more than 5 years
- 12.2% less than 2 years
- Well established customers, long track record with KAL



RISK RATING

- 57.3% low / very low
- 34.4% average
- 7.6% high
- 0.7% very high
- Stringent vetting, low risk book, suitable securities



CONCLUSION



F22 REVIEW:

- ✓ Real growth from our Agrimarks, New Holland agencies and record from Grain services
- ✓ Real growth in Agri of 14.7%, retail categories of 1.5% ahead of sector, diversified growth
- ✓ But, an ABNORMAL year...ups & downs...high inflation...increased interest rates...pressure on consumer...fuel volume recovery ahead of sector....convenience strong recovery to above pre-Covid
- ✓ Executed TFC Props disposal and PEG acquisition
- ✓ Continued with optimization & digitization initiatives
- ✓ Opex, working capital and Capex stable, overall Returns lifting
- ✓ All in all, a year we ended with over 7000 employees, doing circa. 5m transactions a month



OUTLOOK:

- ✓ Wheat harvest average, wheat prices to make up for high input costs
- ✓ Stable F23 Agri sector expected, logistical challenges and high shipping costs should dissipate (inflation high for longer dependent on War and China demand)
- ✓ PEG onboarding (additional 9 months contribution), operational consolidation key, convenience expansions
- ✓ Manufacturing recovery
- ✓ Economy is expected to remain sluggish – general retail, load shedding?
- ✓ Remain on track to deliver on our medium-term growth targets, PEG uptick F23 to upper range



KAAP  **AGRI**

THANK YOU