

# Condensed consolidated interim financial statements

for the six months ended 31 March 2021

# KAAP AGRI

## RESULTS

The Group's ongoing diversification strategy and resilience continue to yield strong revenue growth despite tough trading conditions. The first six months of the financial year generated higher than expected growth in retail categories as well as a strong contribution from the new retail fuel sites of The Fuel Company in terms of convenience sales. Agri-channel performance was stable and increased during the second quarter driven by packaging material sales. Business and consumer confidence remained subdued and inflation was at low levels. 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 dependent. Fruit and vegetable production has largely been positive, but significant expansions and infrastructural spend have slowed, partly due to COVID-19-related cash flow 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-19 lockdown levels. The Group continues to explore earnings-enhancing agri and retail expansion opportunities in line with its growth strategy.

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%.

Recurring headline earnings per share increased by 23,3% to 305,34 cents. Once-off items, predominantly adjustments for the interest and remeasurement of liabilities relating to put options exercisable by non-controlling subsidiary shareholders, as well as costs associated with new business development, are excluded from headline earnings to calculate recurring headline earnings.

The Group's financial position is sound. Capital spend was curtailed during the period, working capital has been effectively managed, operational cost control delivered pleasing results and the net interest-bearing debt reduced in line with expectation. The Group's debt-to-equity ratio, calculated on average balances, decreased to 63,0% from 77,1% in the prior comparable period. Cash generation remains strong with a focus on driving returns on capital previously invested in the business. EBITDA increased by 13,9%.

## DIVIDEND

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 six 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.

## PROSPECTS

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-19-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-19, 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-19 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.

## INTERIM FINANCIAL RESULTS

This short-form announcement contains only a summary, and does not contain full or complete details, of the announcement made on SENS on Thursday, 6 May 2021, and is the responsibility of the directors. The full announcement is available for viewing on Kaap Agri's website ([www.kaapagri.co.za](http://www.kaapagri.co.za)) or alternatively refer to the link in the short-form announcement released on SENS on 6 May 2021. The full announcement can also be requested and obtained in person, at no charge, at the registered office of the company or the company's sponsor during office hours. Any investment decisions by investors and/or shareholders should be based on consideration of the full announcement.

By order of the Board  
6 May 2021

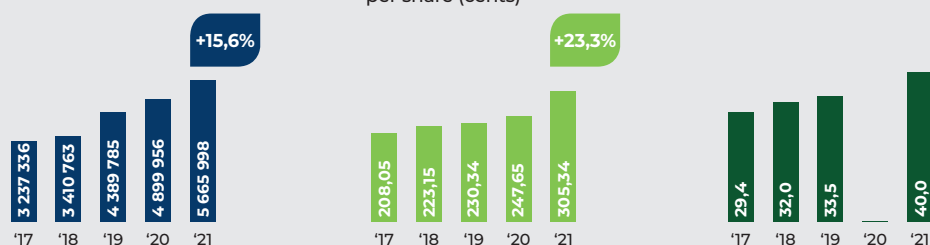
	Unaudited 31 March 2021 R'000	Restated Unaudited 31 March 2020 R'000	% change	Audited 30 September 2020 R'000
<b>Income statement</b>				
Value of business transacted <i>(including total turnover of direct transactions)</i>	<b>6 836 643</b>	6 021 850	13,5	10 830 942
Revenue	<b>5 665 998</b>	4 899 956	15,6	8 574 668
Profit before tax	<b>301 314</b>	241 046	25,0	381 514
Earnings	<b>218 256</b>	173 159	26,0	279 178
Earnings per share (cents)	<b>300,39</b>	242,21	24,0	391,49
Headline earnings	<b>217 954</b>	172 893	26,1	277 109
Headline earnings per share (cents)	<b>299,96</b>	241,83	24,0	388,54
Recurring headline earnings	<b>221 872</b>	177 443	25,0	280 453
Recurring headline earnings per share (cents)	<b>305,34</b>	247,65	23,3	392,52
Dividend per share (cents)	<b>40,00</b>	–	–	50,00
<b>Statement of financial position</b>				
Non-current assets	<b>2 391 882</b>	2 085 495		2 345 689
Current assets	<b>2 946 592</b>	2 886 123		2 927 774
Gross assets	<b>5 338 474</b>	4 971 618		5 273 463
Capital and reserves	<b>2 313 513</b>	2 019 522		2 126 703
Non-current liabilities	<b>865 884</b>	445 136		925 831
Current liabilities	<b>2 159 077</b>	2 506 960		2 220 929
Total equity and liabilities	<b>5 338 474</b>	4 971 618		5 273 463
Net asset value per share (rand)	<b>31,41</b>	27,34		28,86
Shares issued (number – '000)	<b>70 281</b>	70 281		70 281

## SALIENT FEATURES

Revenue (R'000)

Recurring headline earnings per share (cents)

Interim dividend (cents)



Kaap Agri Limited ("Kaap Agri" or "Group"):

Registration number: 2011/113185/06

Share code: KAL

ISIN code: ZAE000244711

Business address and registered office:

1 Westhoven Street | Paarl | 7646

Transfer secretaries:

Computershare Investor Services (Pty) Ltd

Sponsor: PSG Capital (Pty) Ltd

[www.kaapagri.co.za](http://www.kaapagri.co.za)