

## Condensed consolidated financial statements

for the year ended 30 September 2019

### Results

Kaap Agri's ongoing diversification strategy and resilience yielded strong revenue growth despite exceptionally tough trading conditions. Agri-retail and manufacturing divisional performance was curtailed due to continued drought in certain areas as well as the slower than anticipated period of recovery in infrastructure expenditure. Retail performance has shown signs of recovery, albeit that margins remain under pressure, with retail profit growth again outperforming agricultural profit growth, and fuel contributions growing steadily. Wesgraan recovered from the previous year's drought related performance due to higher wheat yields and Mechanisation had a particularly good year. The Fuel Company ("TFC") experienced an improved second six months, with fuel volume growth in line with expectation. Further expansion and acquisition opportunities in the retail, agri and fuel areas are at various stages of completion.

Kaap Agri increased revenue by 29,1% to R8,5 billion, up from R6,5 billion in the previous financial year, with like-for-like comparable growth of 7,6%. This growth in revenue was driven mainly by a 10,6% increase in the number of transactions coming from strong organic growth as well as the inclusion of Partridge Building Supplies (Pty) Ltd from 1 October 2018. Product inflation is estimated at 3,0% (0,2% excluding fuel). Annualisation of TFC's revenues on sites previously on management contracts also added to the strong revenue growth.

Recurring headline earnings ("RHE") per share increased by 6,0% to 375,19 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 RHE.

The Group's financial position is sound. Gearing has increased in line with expectation to support growth and expansion and remains at levels within our internal thresholds, with sufficient headroom available to meet the coming year's requirements. Cash generation remains strong with EBITDA growing by 15,1%.

### Dividend

A gross final dividend of 90,00 cents per share (2018: 84,70 cents) has been approved and declared by the Board from income reserves, for the year ended 30 September 2019, representing a 6,3% increase on the previous year, bringing the total gross dividend to 123,50 cents (2018: 116,70 cents) per share. The final dividend amount, net of South African dividends tax of 20%, is 72,00 cents per share for those shareholders not exempt from dividends tax.

### The salient dates for the distribution are:

Declaration date	Thursday, 28 November 2019
Last day to trade cum dividend	Tuesday, 11 February 2020
Trading ex dividend commences	Wednesday, 12 February 2020
Record date to qualify for dividend	Friday, 14 February 2020
Date of payment	Monday, 17 February 2020

The number of ordinary shares in issue at declaration date is 74 170 277 and the income tax number of Kaap Agri Limited is 9312717177.

Share certificates may not be dematerialised or rematerialised between Wednesday, 12 February 2020 and Friday, 14 February 2020, both days inclusive.

### Prospects

Agricultural conditions in the Western Cape have largely improved year on year, except for certain areas still experiencing drought. Low rainfall through the latter parts of the wheat season has resulted in a decrease in the anticipated wheat harvest compared to the prior year, with a slightly below average yield expected across the total Swartland region. Farm dam levels are encouraging for fruit and vegetable production. Conditions in the northern regions of the country as well as KwaZulu-Natal are encouraging. We anticipate that retail sales and general retail performance will remain under pressure in the short term as a result of subdued consumer confidence and spending. Pressure will remain on fuel volume sales; however, in addition to new sites, we have and will continue to capitalise on convenience store and quick service restaurant revenue and margin opportunities at existing sites.

We believe the business is suitably positioned to take advantage of an improvement in trading conditions and to execute in terms of our strategic imperatives.

### 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 28 November 2019, 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 28 November 2019. 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.

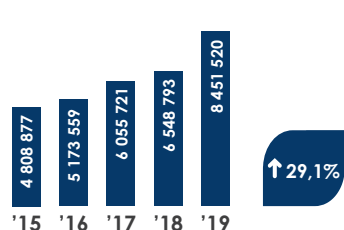
By order of the board

27 November 2019

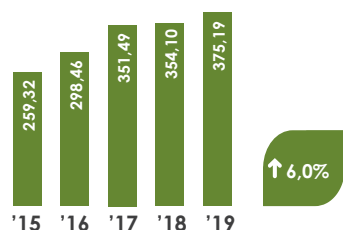
	2019 R'000	2018 R'000	% Change
<b>Income statement</b>			
Value of business transacted (including total turnover of direct transactions)	10 798 729	8 786 451	22,9
Revenue	8 451 520	6 548 793	29,1
Profit before tax	379 841	344 904	10,1
Earnings	281 279	248 957	13,0
Earnings per share (cents)	394,98	349,80	12,9
Headline earnings	283 274	248 379	14,0
Headline earnings per share (cents)	397,85	348,98	14,0
Recurring headline earnings	268 553	251 983	6,6
Recurring headline earnings per share (cents)	375,19	354,10	6,0
Dividend per share (cents)	123,50	116,70	5,8
Interim	33,50	32,00	4,7
Final	90,00	84,70	6,3
<b>Statement of financial position</b>			
Non-current assets	1 747 001	1 304 896	
Current assets	3 040 741	2 622 335	
Gross assets	4 787 742	3 927 231	
Capital and reserves	1 926 248	1 742 746	
Non-current liabilities	206 296	75 674	
Current liabilities	2 655 198	2 108 811	
Total equity and liabilities	4 787 742	3 927 231	
Net asset value per share (rand)	27,42	24,84	
Shares in issue (number - '000)	70 237	70 162	

### Salient features

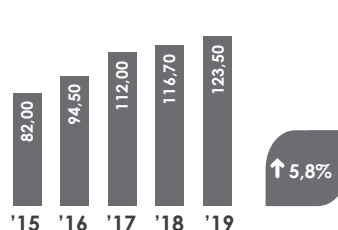
Revenue  
R'000



Recurring headline earnings per share  
Cents



Dividend  
Cents



KAAP AGRI



**Kaap Agri Limited ("Kaap Agri"):**  
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)