



ANNUAL GENERAL MEETING – 10 FEBRUARY 2022

F22 Q1 TRADING UPDATE














Presented by:

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Chief Executive Officer

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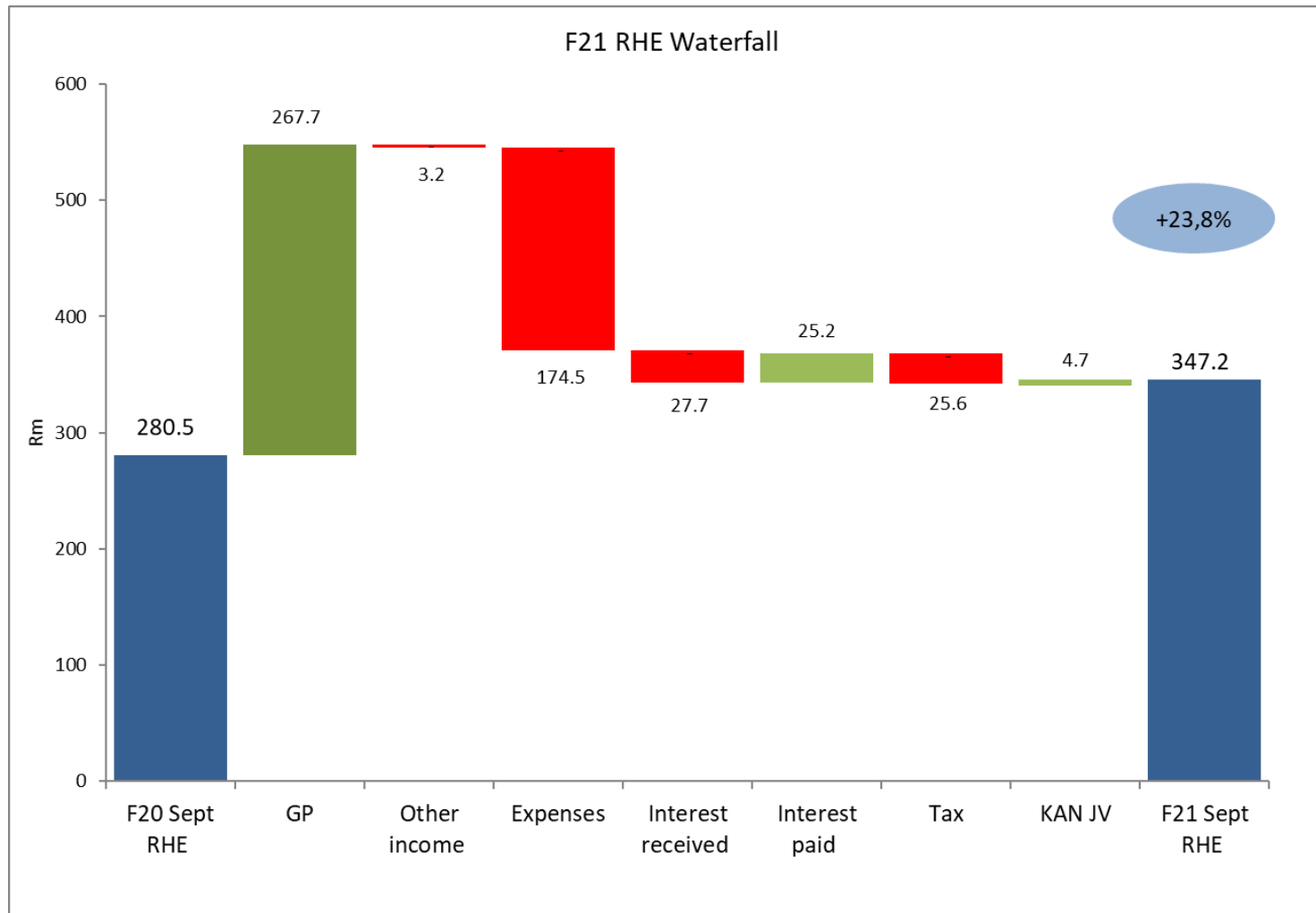
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HIGHLIGHTS FOR F21

-  Group real revenue growth 19.4%, inflation 4.0% (3.9% excluding fuel), Total revenue growth 23.4%
-  Group real Retail revenue growth of 11.0% on PY and 14% on pre-Covid (F19), this year inflation 7%, Total Retail revenue growth 18%
-  Agrimark Grain delivered another record profit contribution
-  New Holland Agency profitability has accelerated
-  Total Support Services cost to serve as % of GP reducing, when excluding non-LFL and Covid related costs
-  Group fuel litre growth 13.0% (managed & owned sites) being partly post Covid recovery, annualization and real growth
-  Trading profit contribution from non-agri retail activities growing to 58%
-  Working capital requirements growing at a slower rate than revenue growth
-  Net interest-bearing debt decreasing by 8.9%, contributing to increased ROIC
-  Group level 3 BEE accreditation maintained
-  TFC Propco disposal, c. R450m proceeds by H1F22
-  RHEPS CAGR of 15.1% since F11
-  Total dividend 151.00 cents per share (2020: 50.00 cents per share)



F21 - RECURRING HEADLINE EARNINGS ('RHE')

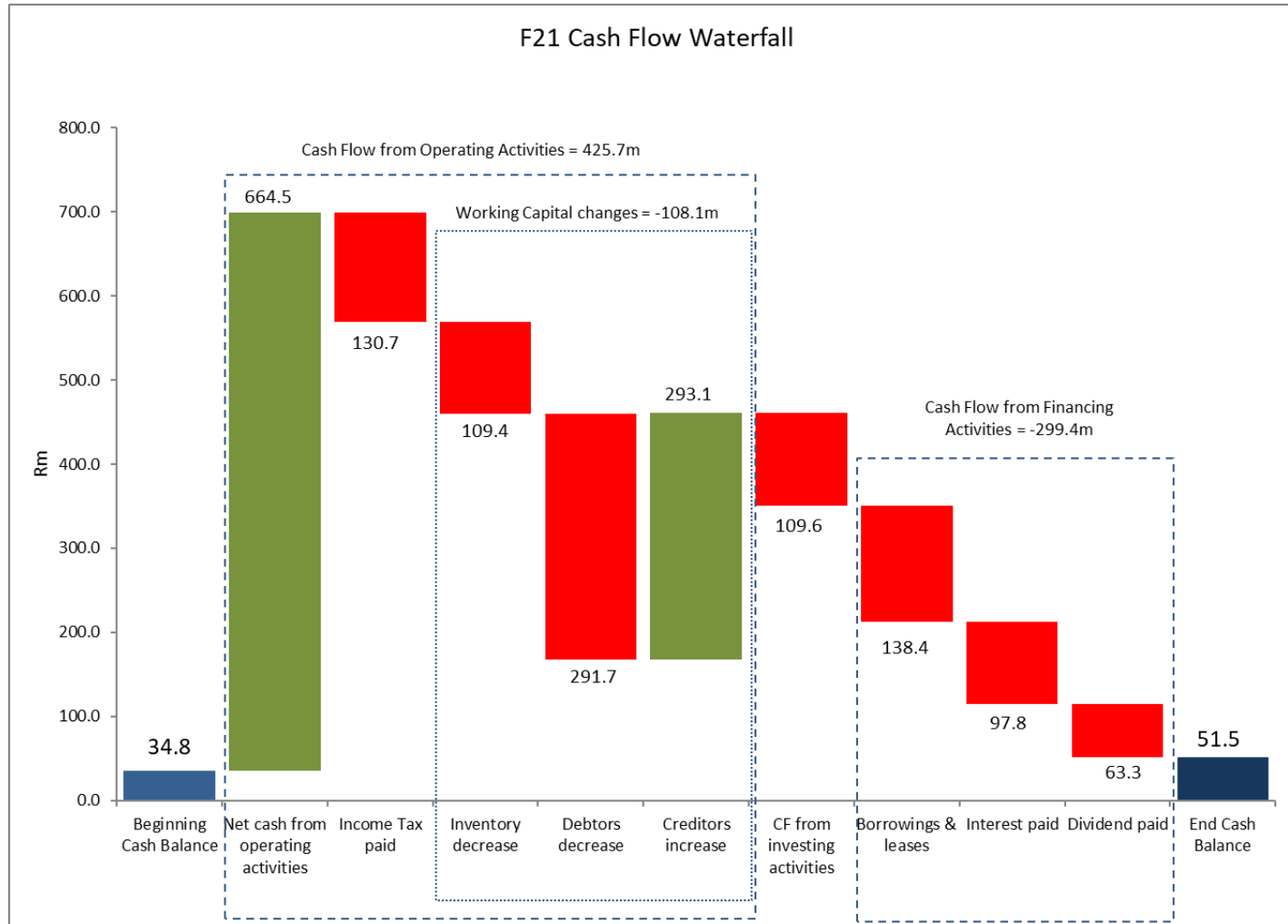


RHE HIGHLIGHTS

- Strong GP growth at 14.9% margin
- Good expense management 7.3% LFL
- Interest received -20.0%
 - lower average debtors book, lower overdues, lower rates
- Interest paid -20.5%
 - lower average debt levels, lower rates
- Earnings +19.0%
- Headline earnings +19.4%
- RHE +23.8% (F20 +4.4%)



F21 - CASH FLOW



KEY CASHFLOW DRIVERS:

- Strong cash generation from operating activities
- Effective working capital management
 - Improved net working capital cycle
 - Inventory growth < revenue growth
 - Debtors healthy
- Prudent capital investment – ROIC focus
- Debt repayment



HERE'S AN IDEA OF OUR SIZE TODAY



3 736

Employees



35 000+

Directly & indirectly support people



21.7 million

Transactions



IN FY21



6.5 million

kilograms of dog food



304.7 million

Litres of fuel



550 757

Pies



722 000

Litres of Coca-Cola

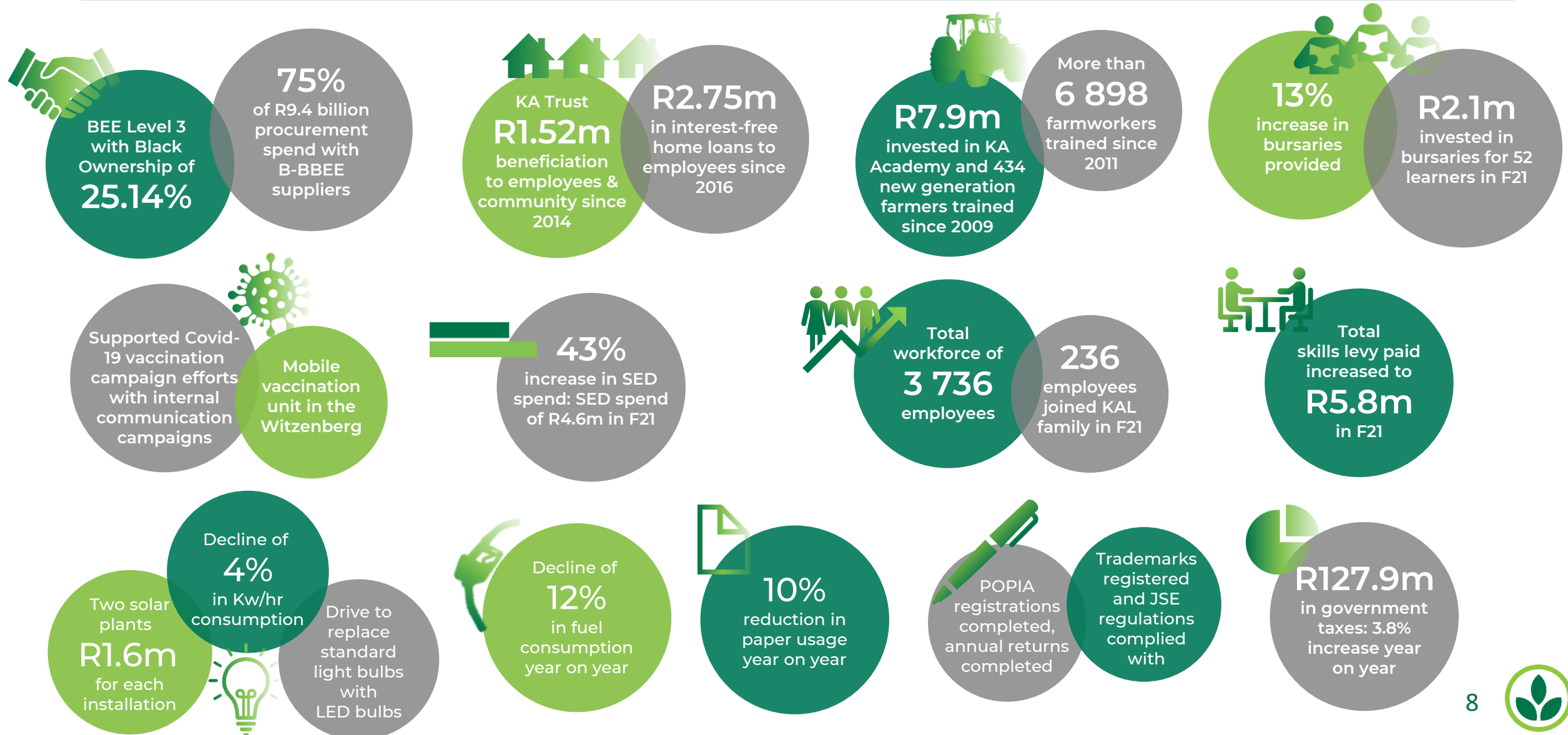


990 000











Pallets



ESG PERFORMANCE

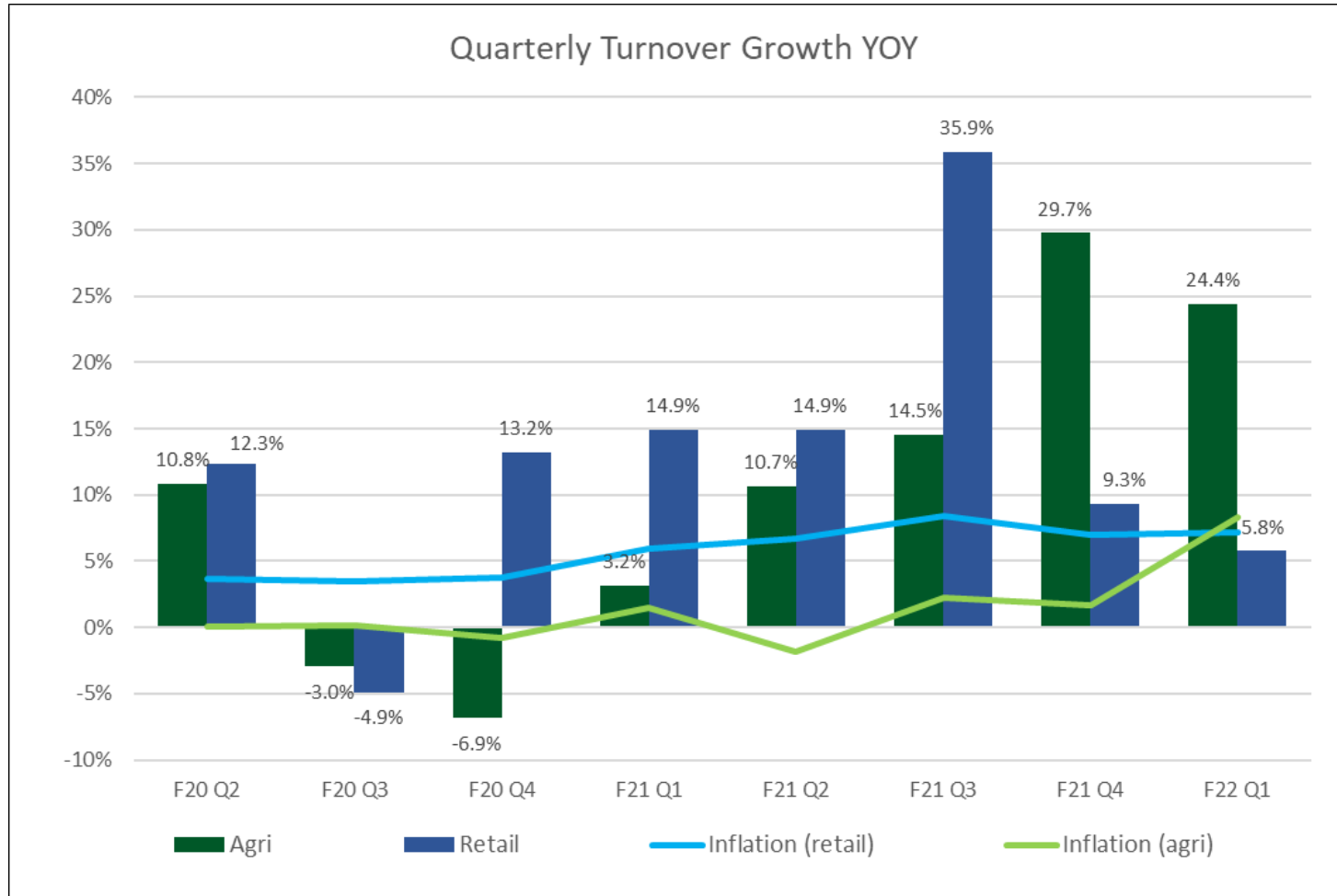


HIGHLIGHTS FOR F22 Q1

-  Group real revenue growth 4.0%, inflation 20.0% (7.7% excluding fuel), Total revenue growth 24.0%
-  Transaction growth 7.3%, mainly Trade & TFC
-  Group fuel litres -4.0%
-  Total opex as % of GP in line with PY
-  RHE growth 15.1% (RHEPS 14.9%)
-  Acquisition of further 25% of Partridge Building Supplies (“Forge”)
-  Focused working capital management
 - Stock growth < turnover growth
 - Debtors: healthy growth, not within terms (“NWT”) % of debtors reduced
-  Strong cashflow generation, improved debt ratios
-  TFC properties disposal
-  PEG acquisition announced



F22 Q1 TRADING UPDATE - GROUP AGRI & RETAIL CHANNEL



➤ Retail +5.8% slower Q1:

Building materials +12.6%, Pets +9.9%, Paint +7.1%, Hardware +7.9%, Tools +20.2%, TFC non-LFL, FMCG -3.8%, pool & garden -4.3%, irrigation -9.0%

➤ Agri +24.4% Q1 continued momentum, inflation uptick:

Packaging materials +16.0%, Fertilizer +56.9%, agri chemicals +15.5%, agri infrastructure +26.8%, strong Mechanisation +21.6% (timing)

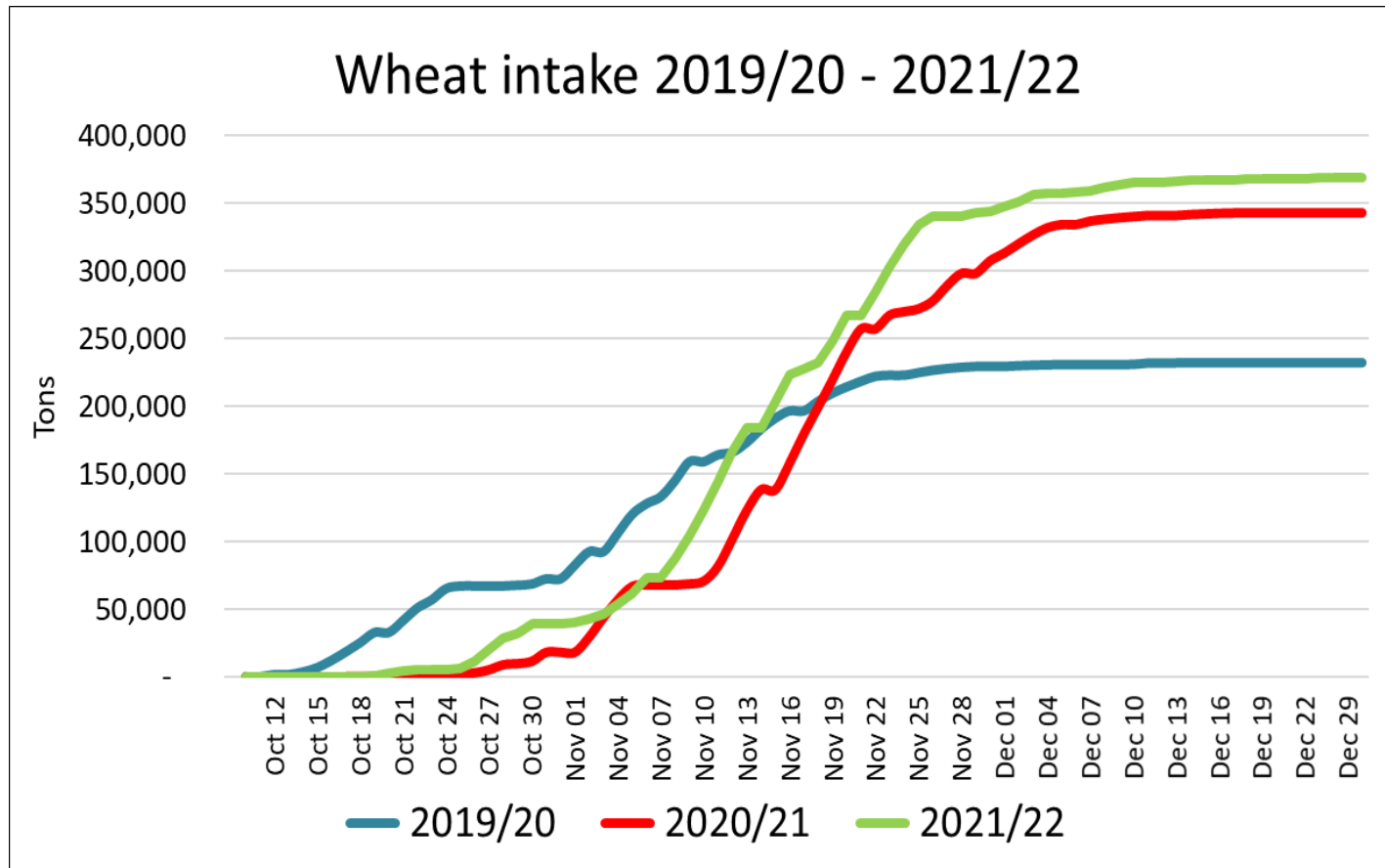
➤ Forge momentum continued + Farmsave acquisition

➤ Economic factors

- Increasing inflation
- Covid impact on GDP



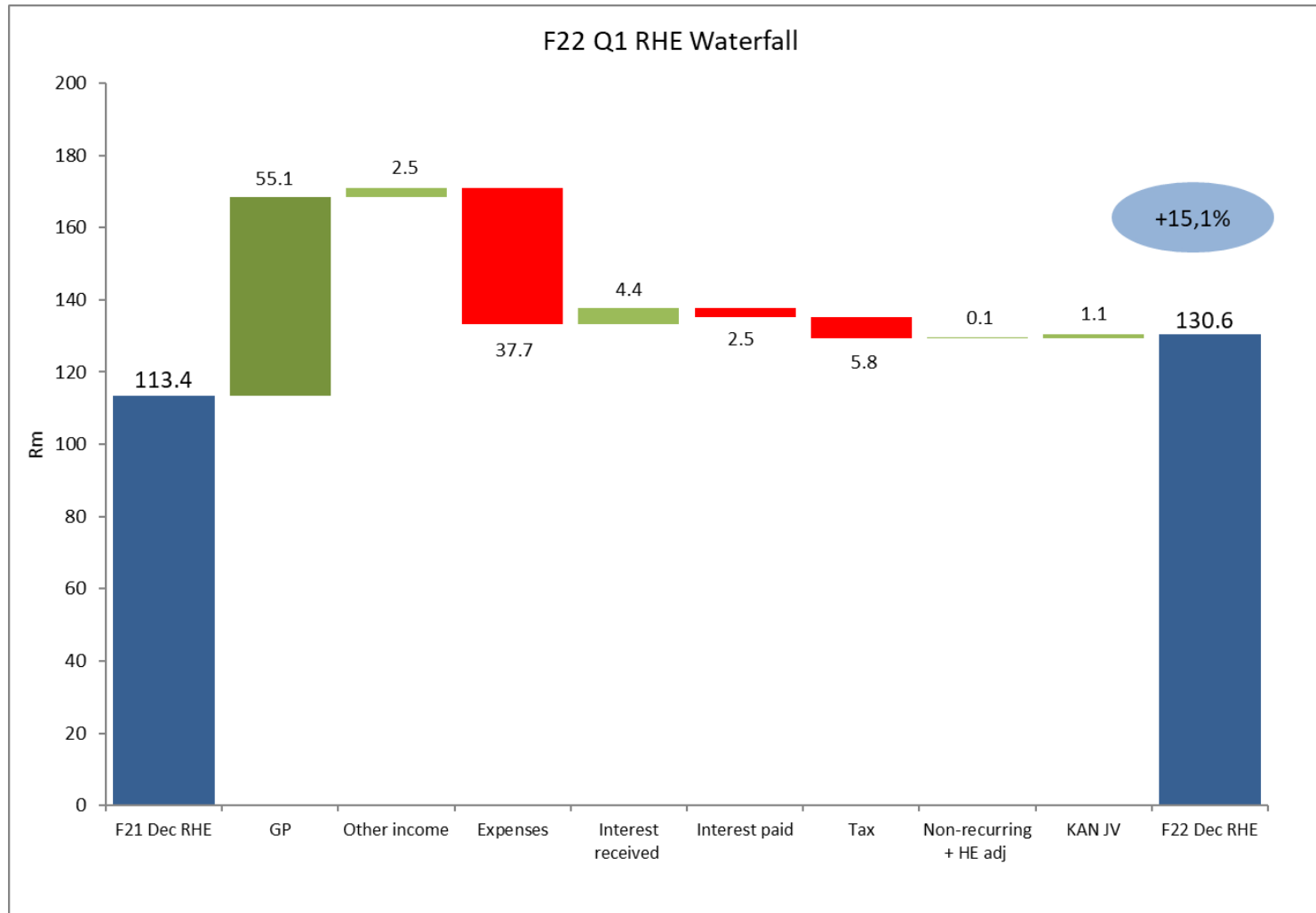
F22 Q1 TRADING UPDATE - GRAIN SERVICES CHANNEL



- 16yr record wheat intake
- Timing – earlier than F21
- Expected PBT H1 > H2




F22 Q1 - RECURRING HEADLINE EARNINGS ('RHE')



- Strong GP performance
- GP growth < turnover growth
 - fuel price inflation
- Strong operational cost management & support services cost to serve decrease
- Interest received: rate and debtors increase
- Interest paid: rate and interest-bearing debt increase
- Earnings +14.5%
- Headline earnings +14.6%
- RHE +15.1%



TFC PROPERTIES DISPOSAL

-  Category 2 disposal announcement 4 October 2021
-  KAL disposal of TFC Properties (Pty) Ltd
-  KAL current shareholding in TFC Properties 70.5%
-  21 properties, new long-term leases
-  No impact on TFC Operations
-  Improved ROIC, free up underperforming capital
-  Enterprise value R502m, payable to KAL approx. R445.6m
-  Conditions precedent – Bond registrations end February 2022
-  Effective date target 1 March 2022

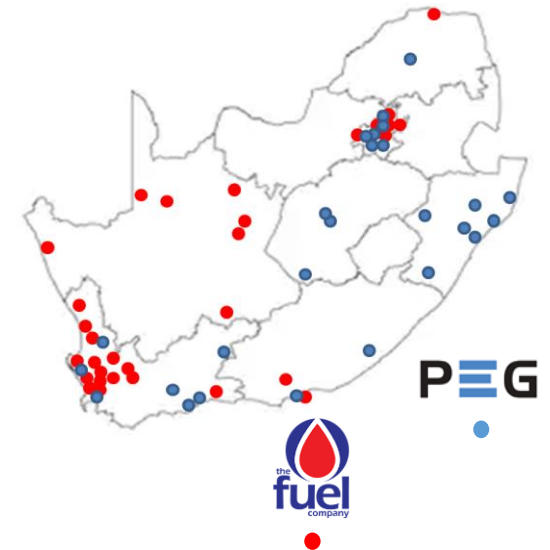


PEG ACQUISITION

- Category 1 acquisition announcement 19 January 2022
- TFC purchase of PEG Retail Holdings (Pty) Ltd
- Purchase consideration R1.097 billion
- 41 service stations (mostly national highway sites), across all major oil company brands
- Minority independent operator partners on all sites, effective ownership approx. 13.4%

	Pre-acquisition	Post-acquisition
TFC ownership by KAL	70.50%	57.88%
TFC direct BEE shareholding	40.31%	50.98%
TFC BEE shareholding (modified flow through)	47.22%	56.67%

- Earnings & ROIC enhancing, stable & predictable income streams, highly profitable & cash generative, favourable working capital cycle, diversified fuel brands, strong management team, increased BEE ownership opportunities
- Acquisition funded through bank funding and existing cash resources
- Conditions precedent incl. secured funding, DMRE approval, Competition Commission approval
- Effective date target 1 May 2022



OUTLOOK



Agriculture

- Overall Fruit sector expectations positive Logistics?
- Wine Grape producer cashflow pressure expected to continue
- Record wheat, barley and canola harvest is currently in storage
- Weather seems very volatile this year
- Damage on inland grain crops will not influence us



Retail

- Moderate growth in general retail, DIY boom over
- QSR continues to recover slowly
- Liquor category recovery expected to be high in Q2, albeit a small contributor
- Fuel prices and other inflationary pressures dampening retail spend
- PEG transaction – 5 months impact in F22



Retail Fuel

- 1 site to onboard Q2
- PEG transaction – 5 months impact in F22, note KAL share %!



Overall

- F22 – in line with the upper range of our medium term targets, PEG 5 months!
- When will the high inflationary cycle end?



KAAP  AGRI

THANK YOU