

# KAP KAP INDUSTRIAL HOLDINGS LIMITED

## UNAUDITED RESULTS FOR THE SIX MONTHS ENDED 31 DECEMBER 2018

KAP is a JSE-listed diversified industrial group consisting of industrial, chemical and logistics businesses, producing a broad range of products and services, utilising large scale, state-of-the-art facilities.

### OPERATIONAL OVERVIEW

KAP continued to grow its business during the six months under review, producing revenue, operating profit and operating cash growth while successfully concluding a B-BBEE transaction, implementing a number of major expansion projects and concluding the integration of its recent acquisitions. The disciplined execution of the company's strategy produced good results for the period.



Its **Integrated Timber division** operates as PG Bison and produces construction lumber under the **Thesen** brand, agricultural poles under the **Woodline** brand and a range of wood-based panel products under the **BisonBord**, **MelaWood** and **SupaWood** product brands.



The **Chemical division** manufactures a range of polymers under the **Safripol** brand, which are consumed by downstream converters in the manufacture of a variety of products, including pipes, textiles, containers, bottles and packaging materials.



Through its **Integrated Bedding division**, the company manufactures foam under the **Vitafoam** brand, mattress fabrics under the **DesleeMattex** brand and complete bed bases and mattresses in state-of-the-art facilities under a variety of brands, including **Restonic**, **Genessi**, **Support-a-Paedic** and **Green Coil**.



The **Automotive Components division** manufactures a range of vehicle retail accessories under the **Maxe**, **Auto Armor** and **Rhino Linings** brands and components used in the assembly of new vehicles including seats, carpets, boot packages, arm rests and headrests.



The company's **Contractual Logistics division** provides specialised logistics services for bulk commodities such as fuel, chemicals, agricultural products and food under the **Unitrans**, **Xinergistix** and **Lucerne** brands, while the **Passenger Transport division** provides personnel, commuter, intercity and tourism transport services under the **Greyhound**, **Citiiner**, **Mega Bus** and **Mega Coach** brands.

**Strategy execution delivers 83%**  
increase in cash from operations

**Revenue up 16%**

**EBITDA\* up 10%**

**Core headline earnings\* per share up 6%**

**Headline earnings per share down 19%**

**B-BBEE transaction concluded in Contractual Logistics**

\*Excluding the non-recurring, non-cash impact of the Unitrans B-BBEE transaction.

### FINANCIAL OVERVIEW

	Six months ended 31 Dec 2018 Unaudited	Six months ended 31 Dec 2017 Unaudited	% change
<i>From continuing operations:</i>			
Revenue (Rm)	13 290	11 478	16
Operating profit before capital items (Rm)	1 314	1 404	(6)
Core operating profit before capital items (Rm)*	1 508	1 404	7
Headline earnings (cents per share)	22.8	28.3	(19)
Headline earnings – core (cents per share)	30.1	28.3	6
Basic earnings (cents per share)	22.9	27.6	(17)
<i>From continuing and discontinued operations:</i>			
Headline earnings (cents per share)	22.8	27.7	(18)
Basic earnings (cents per share)	23.6	27.0	(13)
Net asset value (cents per share)	462	420	10

In line with historic practice, the board of directors has not declared an interim dividend.

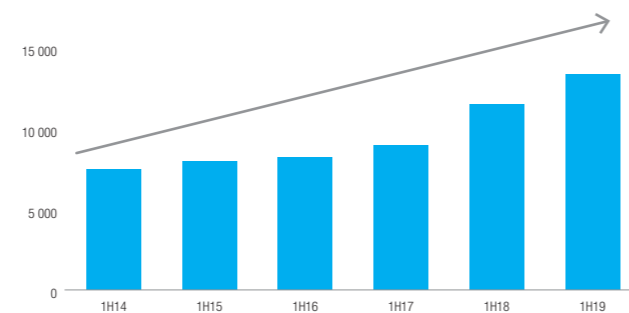
### ABOUT THIS SHORT-FORM ANNOUNCEMENT

This short-form announcement ('this announcement') is the responsibility of the directors. It should be noted that this announcement is only a summary of the information in the detailed announcement and therefore does not contain full or complete details.

Any investment decisions by investors and/or shareholders should be based on the information in the detailed announcement.

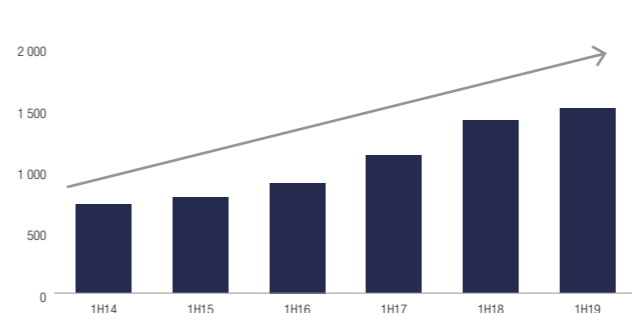
The detailed announcement has been published on SENS and the company's website on [www.kap.co.za](http://www.kap.co.za) and is available for inspection at the registered office of the company and

### FIVE-YEAR REVENUE GROWTH 12%



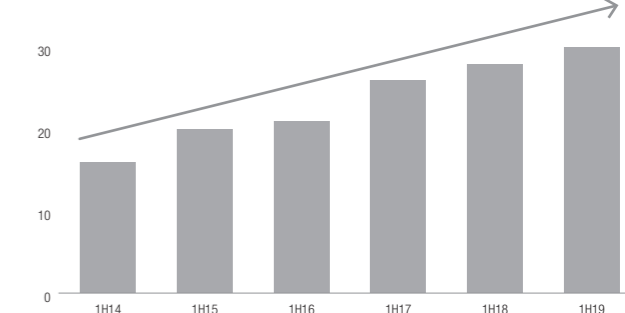
Based on five-year compound annual growth

### FIVE-YEAR CORE OPERATING PROFIT GROWTH 16%



Based on five-year compound annual growth

### FIVE-YEAR CORE HEADLINE EARNINGS GROWTH 13%



Based on five-year compound annual growth per share

### CORPORATE INFORMATION

**KAP Industrial Holdings Limited** ('KAP' or 'the company' or 'the group')

**Non-executive directors:** J de V du Toit (Chairman)\*, KJ Grové (Deputy chairman), TLR de Klerk, LJ du Preez, IN Mkhari\*, SH Müller\*, SH Nomvete\*, PK Quarumby\*

**Executive directors:** GN Chaplin (Chief executive officer), FH Olivier (Chief financial officer)

**Registration number:** 1978/000181/06 **Share code:** KAP **ISIN:** ZAE000171963 **Registered address:** 3rd Floor, Building 2, The Views, Founders Hill Office Park, 18 Centenary Street, Modderfontein, Johannesburg 1645 **Postal address:** PO Box 2766, Edenvale 1610 **Telephone:** 010 005 3000 **Facsimile:** 010 005 3050 **E-mail:** [info@kap.co.za](mailto:info@kap.co.za) **Transfer secretaries:** Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank 2196 **Company secretary:** KAP Secretarial Services Proprietary Limited **Auditors:** Deloitte & Touche **Sponsor:** PSG Capital Proprietary Limited

\* Independent

By order of the board

KAP Secretarial Services Proprietary Limited

12 February 2019