

Annual Results Presentation

for the financial year ended 30 September 2024

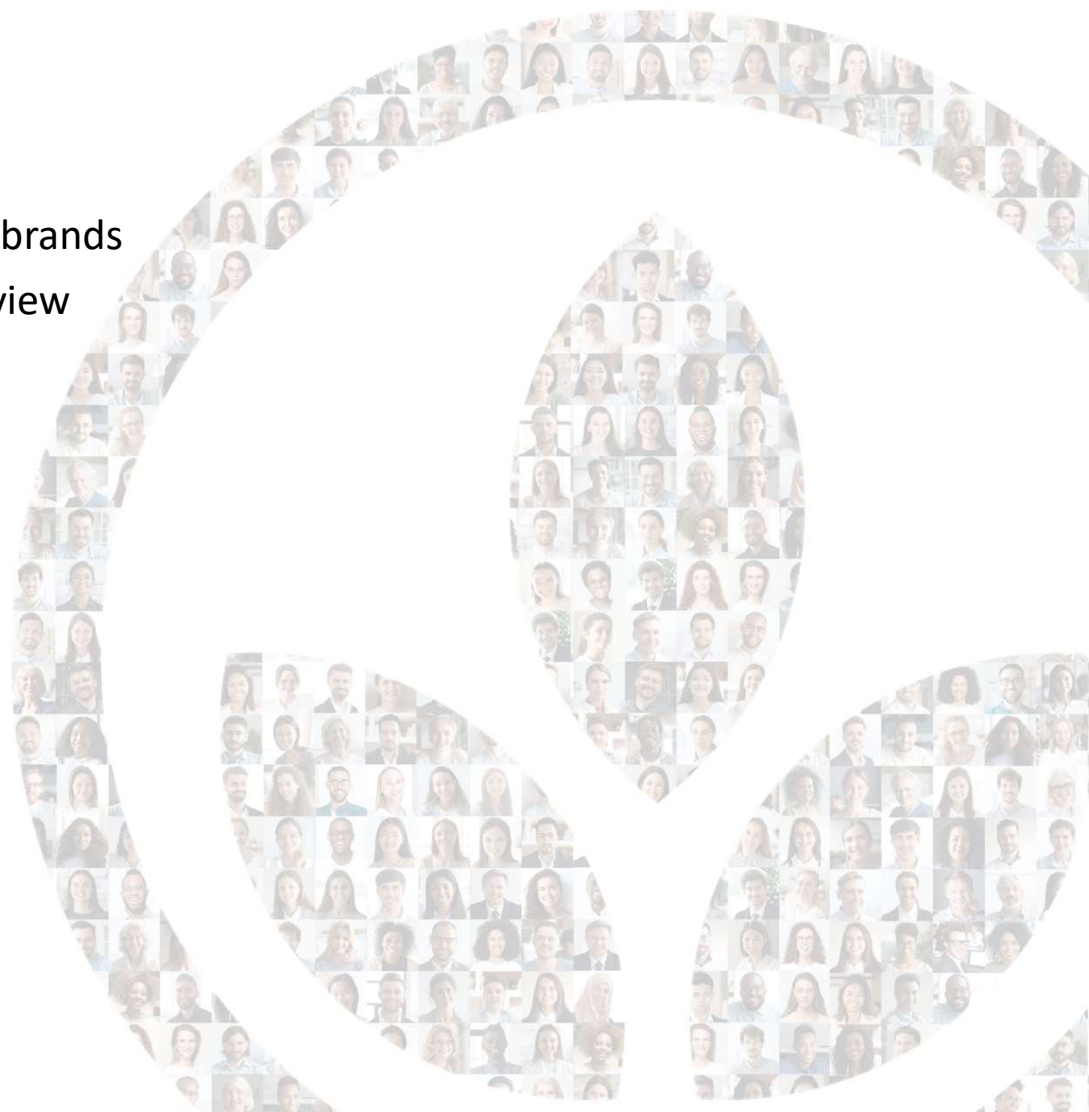
Presenters:

Sean Walsh, Chief Executive Officer
Graeme Sim, Financial Director



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F30 BUSINESS STRATEGY

PURPOSE:

The Group is powering growth from farm to fork whilst ensuring our stakeholders are better off because we exist

Our business model?

The Group is a *unique*, growth focused *lifestyle* retailer committed to providing *best-in-value solutions* with agri-inputs, fuel, general retail and convenience retail to consumers across Southern Africa.

Our Values?

- Communicate **C**
- Alignment **A**
- Relationship **R**
- Empowering **E**



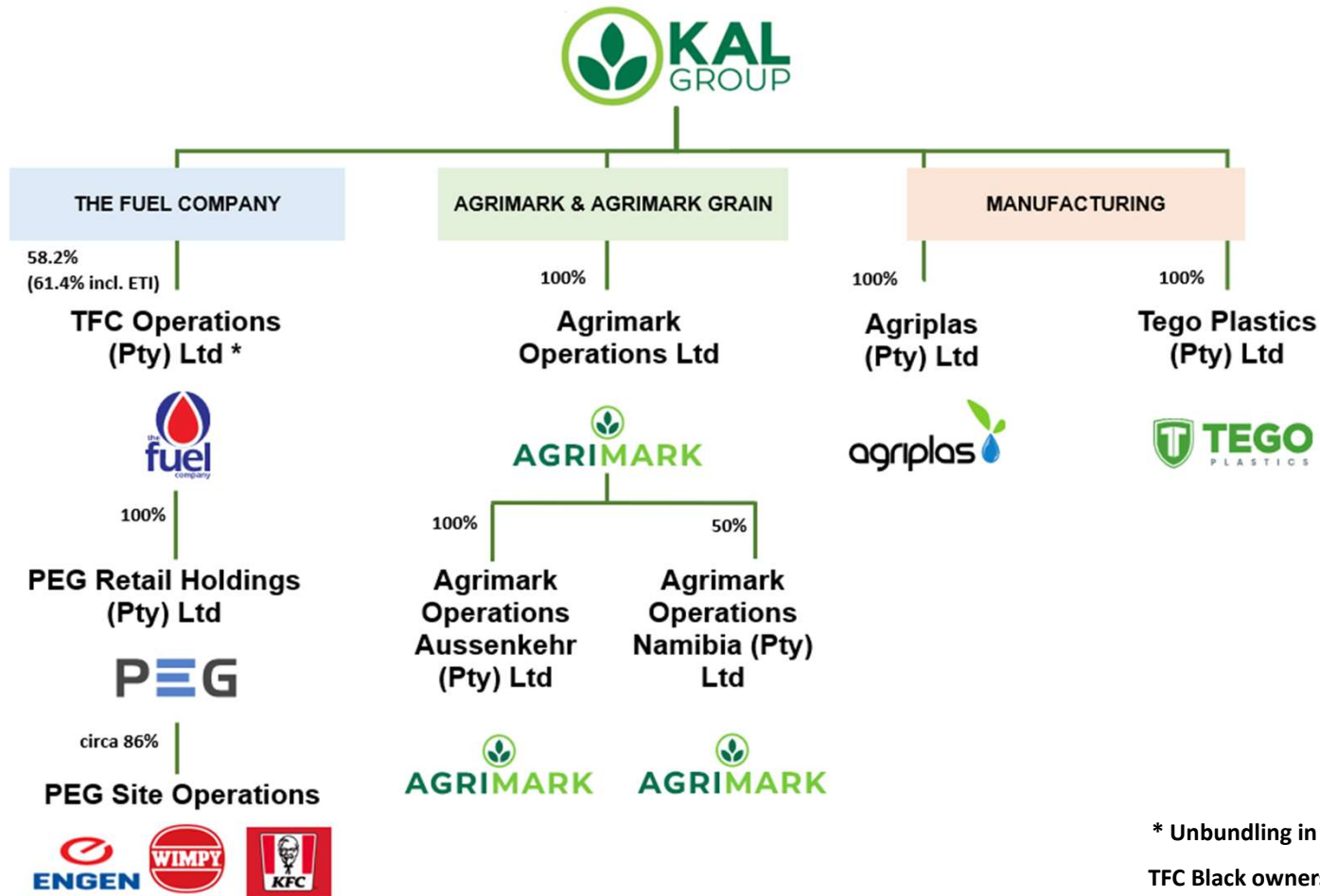
What gives us the right to win?

A combination of the following *anchors* creates our competitive positioning and recipe for success now, and into the future:

- Diverse and accessible footprint
- Scale efficiency
- Entrepreneurial spirit
- Digitally enabled

TARGET : By F30, we aim to deliver **R1500m PBT** (a CAGR of 12.5%) with a minimum **ROE of 15%**. We will also endeavor to reduce **dividend cover to 2.5x**, whilst targeting a minimum **ROIC of 14%** and **Debt to Equity** of circa. **40%**

GROUP STRUCTURE , SEGMENTS & BUSINESS BRANDING

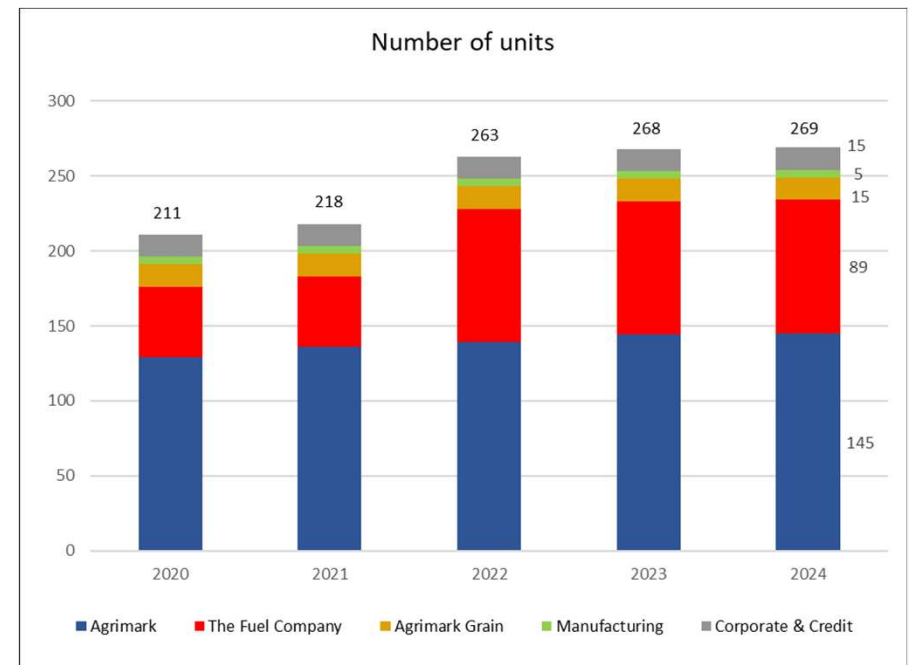
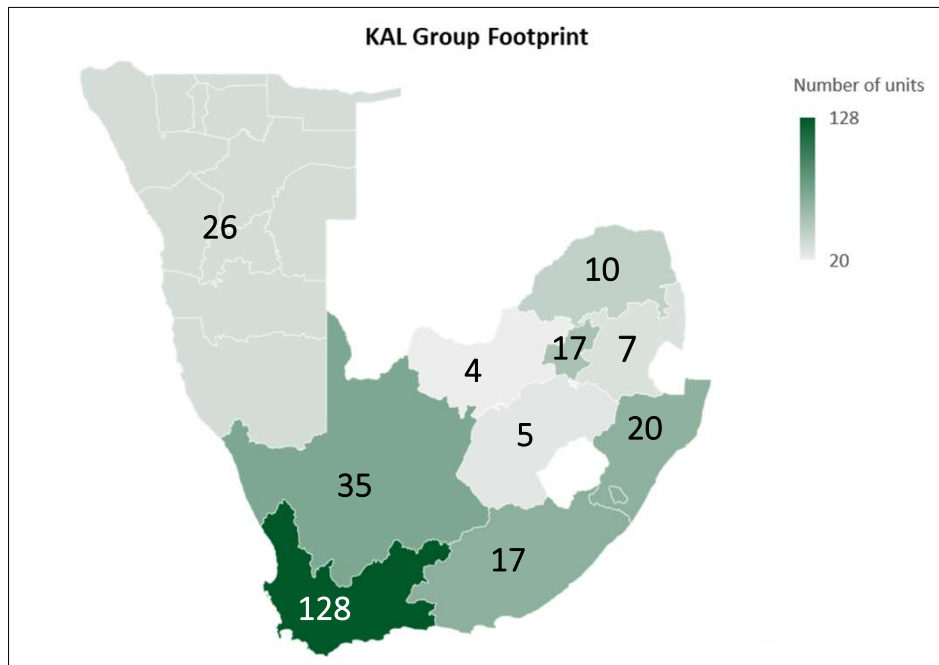


* Unbundling in progress

TFC Black ownership = 52.72%



GEOGRAPHIC REPRESENTATION & FOOTPRINT OVERVIEW



- KAL: 269 Units in 149 Places, SA & Namibia
- TFC: 89 Units in 61 places, SA only
- Fuel licences KAL 151 including TFC 84
- Mainly peri-urban, rural and highway locations

- +1 Agrimark Packaging, +1 Fuel DC, +1 Retail fuel site (Namibia)
- -1 Agrimark (KZN), -1 Agrimark Pet
- 4 TFC disinvestment sites ongoing

KEY OPERATIONAL TRENDS

▪ Positives!

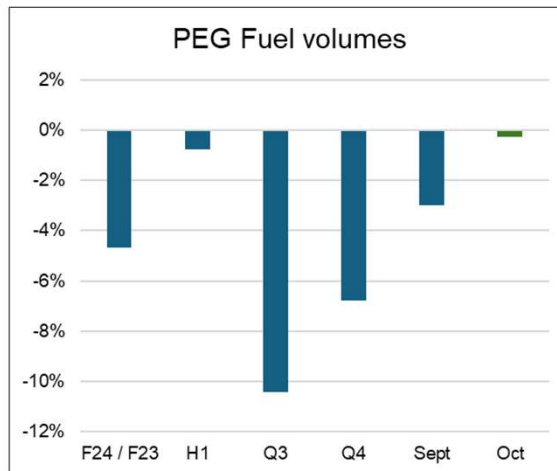
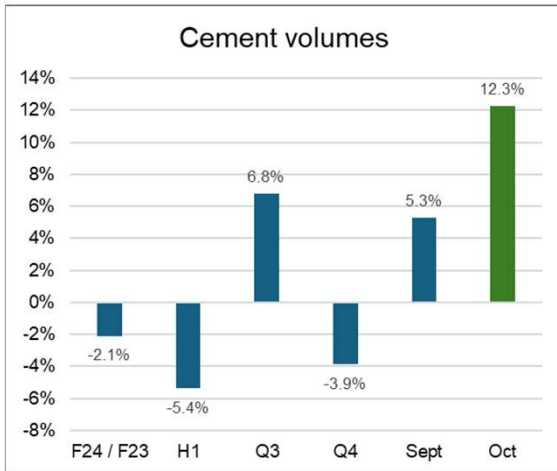
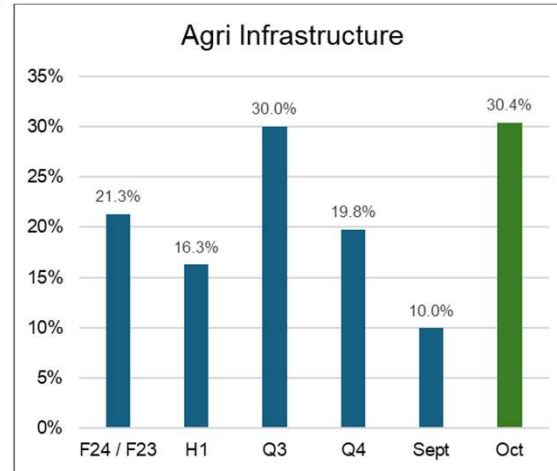
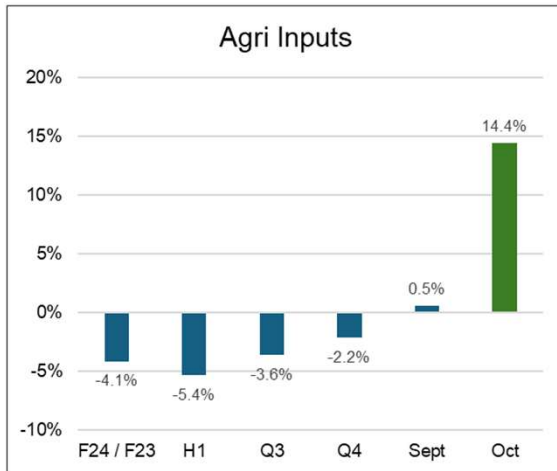
- *Limited capital expenditure*
- *Interest-bearing debt reduced by R206m*
- *Net interest earned increased by R16.8m*
- *Debt to Equity best in 10 years*
- *Stock levels reduced*
- *Debtors book reduced, NWT % improved*
- *Dividend payout maintained*
- DC value throughput +9.8%, cost to serve 2.9% lower
- Group OPEX only +4.5%
- Loadshedding saving R36m
- Sept & Oct fuel volume recovery – R5/litre ↓

▪ Challenges!

- Revenue down 3%, GP up 1.9%
 - H1 -0.2%, H2 -6.2%
 - Deflation H2 – fuel alone -15% by Sept!!
- *Limited footprint expansions*
- *Credit sales down due to low farm expenditure in core W/Cape areas*
- *Abnormal retail fuel volume reductions due to road closures, site upgrades and rebuilds – 13m litres*
- Loadshedding fuel demand lower, 4.6m litres less mining activity N2/3/7 highways
- Pressure on general consumer due to high interest rates
- Unfavorable weather events impacting Agri
- H2: Apr to Sept Fuel price decreases cost net R18.3m

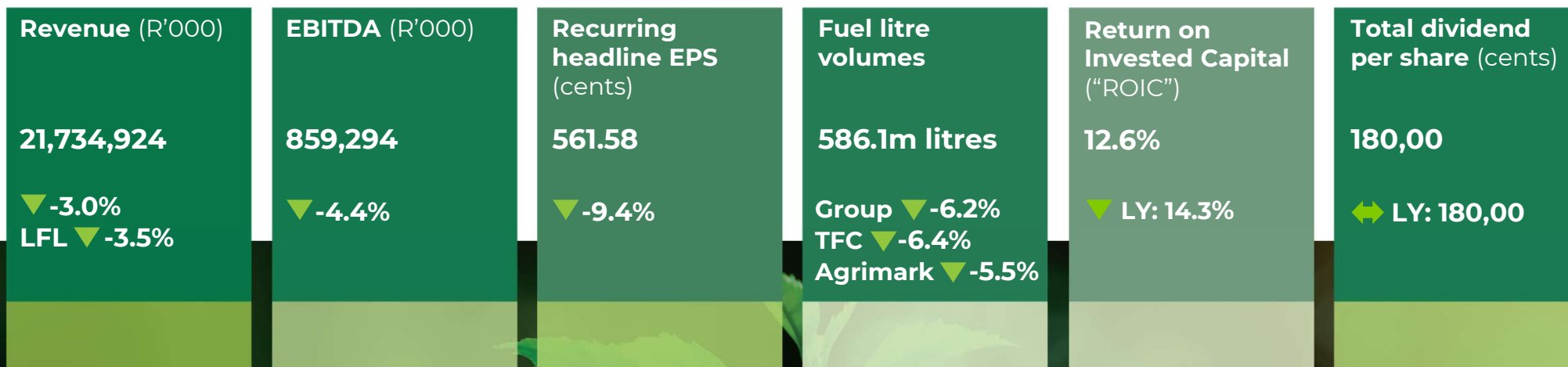


KEY OPERATIONAL TRENDS



- Based on total value of transactions
- Agri Inputs (being Fertilizer, Chem, Feeds, Horticulture, Health, Mech) trending up
- Agri Infrastructure (excl above) positive all year round, smaller category, but introduced prof. services
- Cement still a bit volatile, but improving
- PEG fuel volumes recovering
- Together with latest:
 - Inflation 2.8%
 - Business confidence highest since Q1 2022
 - Consumer confidence highest since H1 2019
 - Prime 2x 25bps cuts, more forecast
 - Improved GDP forecast outlook

KEY INDICATORS FOR THE YEAR



Gearing Ratios:

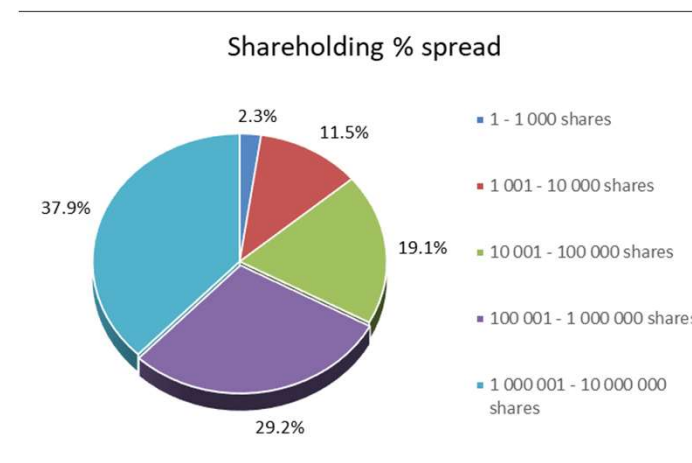
✓ Debt: Equity
51.3% (LY: 61.9%)

✓ Debt: EBITDA
1.8x (LY: 2.0x)

✓ Interest cover
4.1x (LY: 4.0x)

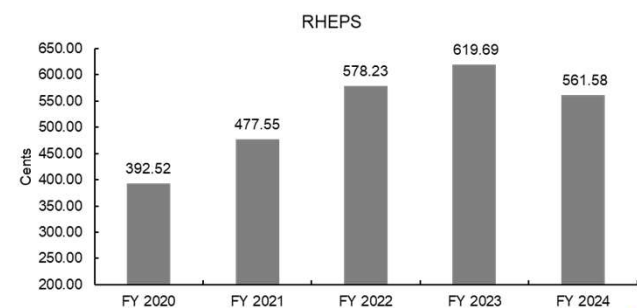
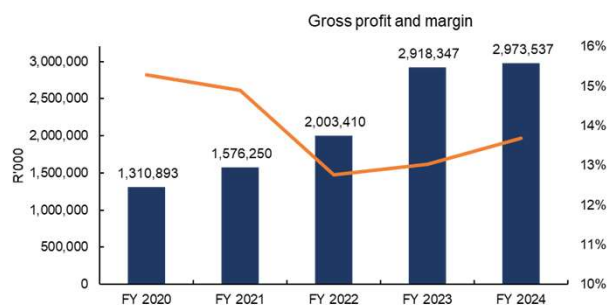
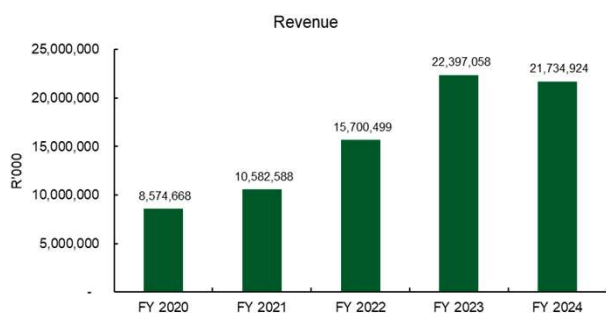
GROUP – INVESTOR DASHBOARD

- Share stats @ Sept. 24
 - Price R50.50, +46.4% YOY,
 - Volume 16.0% shares traded in F24
 - NAV R45.28, low price to book
- Dividends
 - Consistent 3x cover policy
 - F24 180 cps, unchanged YOY (PEG debt repayment priority)
- Shareholding
 - Public 93%
 - Non-Public 7% (incl. Directors 1.8%)
- Governance
 - Auditor rotation: PWC / D&T
- PBT targets
 - F25 target – will fall short
 - F30 target R1.5bn PBT incl. acquisitions



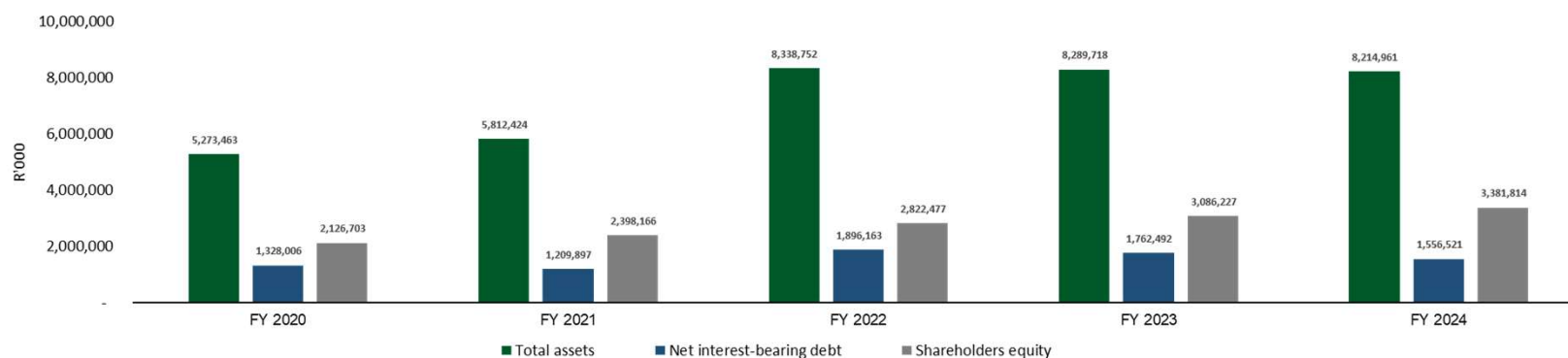
FINANCIAL PERFORMANCE - INCOME STATEMENT

R'000	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Revenue	8,574,668	10,582,588	15,700,499	22,397,058	21,734,924
Gross profit	1,310,893	1,576,250	2,003,410	2,918,347	2,973,537
<i>Gross profit margin</i>	15.3%	14.9%	12.8%	13.0%	13.7%
Profit after tax	279,178	332,276	412,959	480,002	451,097
EBITDA	463,696	552,792	673,226	898,592	859,294
Recurring headline earnings	280,453	347,208	430,521	493,959	450,597
Return on equity	13.8%	15.3%	16.5%	16.7%	13.9%
Recurring headline earnings per share (cents)	392.52	477.55	578.23	619.69	561.58
Dividend per share (cents)	50.00	151.00	168.00	180.00	180.00
Dividend cover (times)	7.4	3.0	3.3	3.3	3.0



FINANCIAL PERFORMANCE - BALANCE SHEET

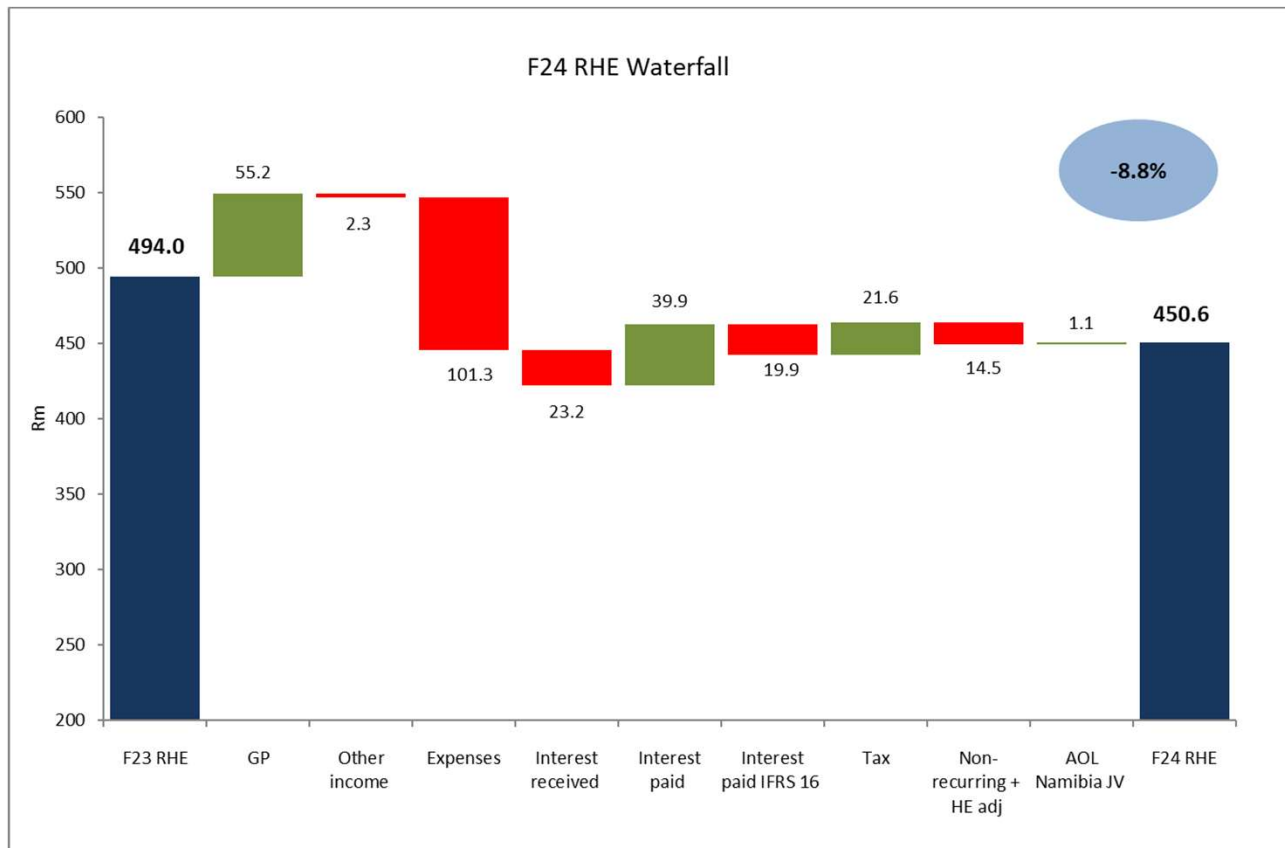
R'000	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total assets	5,273,463	5,812,424	8,338,752	8,289,718	8,214,961
Non-current assets	2,345,689	2,442,661	3,683,198	3,670,253	3,983,058
Current assets	2,927,774	3,369,763	4,655,554	4,619,465	4,231,903
Liabilities and loans	3,146,760	3,414,258	5,516,275	5,203,491	4,833,147
Net interest-bearing debt	1,328,006	1,209,897	1,896,163	1,762,492	1,556,521
Shareholders equity	2,126,703	2,398,166	2,822,477	3,086,227	3,381,814
Net asset value (rand)	28.9	32.6	38.2	41.8	45.3
Debt to equity ¹	64.9%	56.1%	59.5%	61.9%	51.3%
Interest cover (times)	5.0	6.8	6.0	4.0	4.1



¹ calculated on average balances



FINANCIAL PERFORMANCE - RECURRING HEADLINE EARNINGS ('RHE')



RHE HIGHLIGHTS

- GP growth outperforming turnover performance
- Expense management: 4.5% growth vs average inflation 5.1%
- Interest received -9.6%
 - Lower average debtors
- Interest paid -17.4% (excl. IFRS 16)
 - Lower average debt levels
- Interest paid IFRS 16
 - Lease conversion
- F24 RHE decrease 8.8%
- F24 vs F22 RHE increase 4.7%



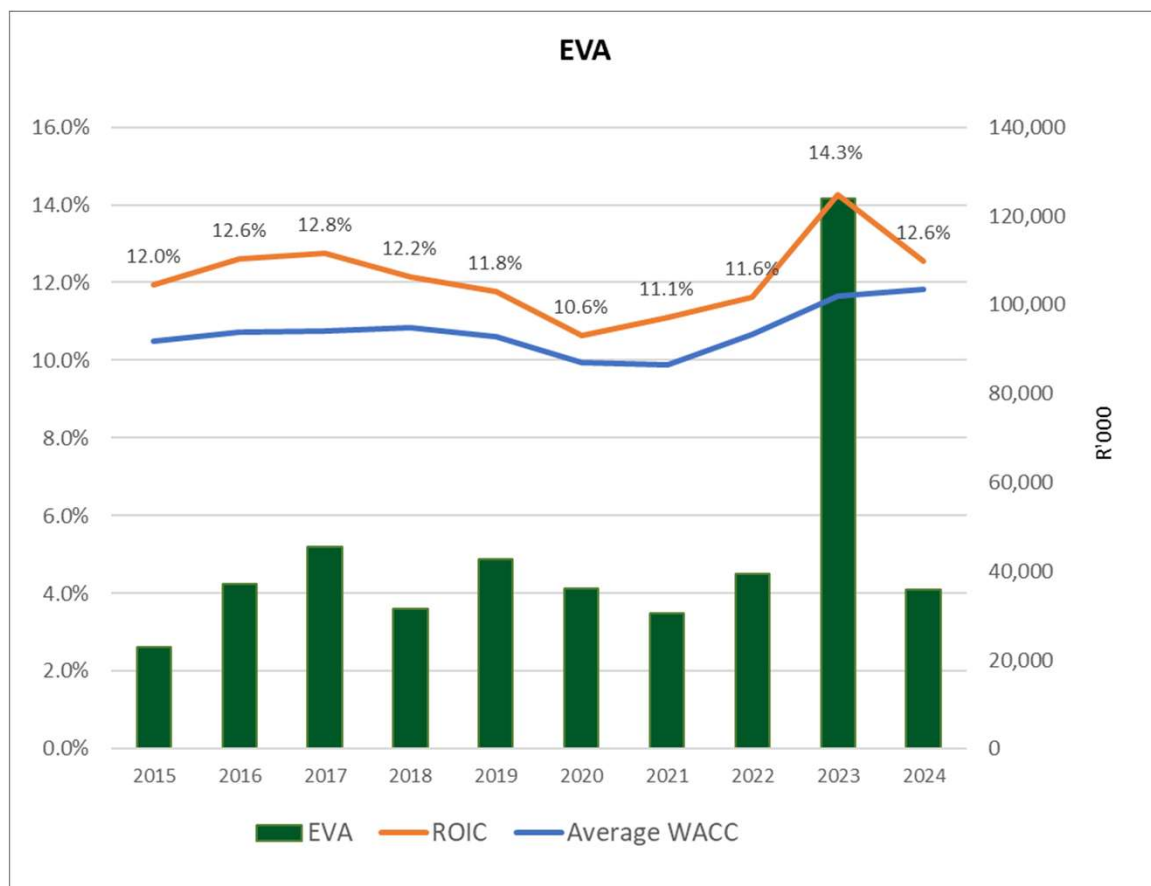
FINANCIAL PERFORMANCE - RHE & RHEPS RECONCILIATION

	F24			F23			Var
	Total (R'000)	Attributable (R'000)	Cents per share	Total (R'000)	Attributable (R'000)	Cents per share	Cents per share
Earnings	451,097	395,315	562.26	480,002	426,945	607.45	-7.4%
Headline Earnings adjustments	-500			12,987			
Profit on disposal of assets	-500			-2,280			
Goodwill written off				15,267			
Headline Earnings	450,597	394,836	561.58	492,989	434,580	618.31	-9.2%
Non-Recurring items	-			970			
Non recurring expenses				970			
Recurring Heading Earnings	450,597	394,836	561.58	493,959	435,549	619.69	-9.4%
Weighted average number of shares	70,308	70,308		70,285	70,285		

- EPS vs HEPS
 - Profit on assets sold
 - F23: Goodwill written off on TFC assets held for sale (disposal sites)
- HEPS vs RHEPS
 - LY impact
- RHEPS 10 yr. CAGR 9.6% increase



FINANCIAL PERFORMANCE - ROIC vs WACC vs EVA



Note: Calculated excluding the impact of IFRS 16

F23 ROIC

- Annualisation benefits of:
 - TFC properties disposal
 - PEG acquisition

F24 ROIC

- Subdued trading performance
- $ROIC > WACC = EVA$

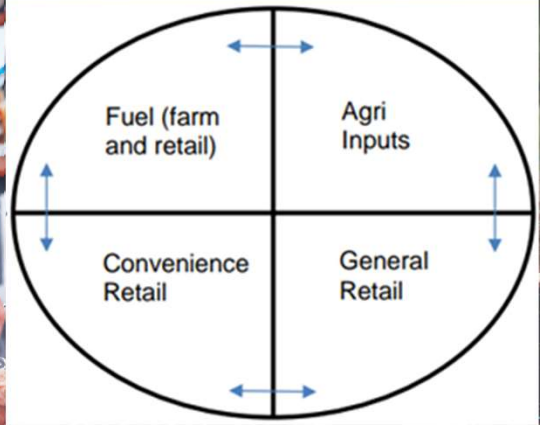
ROIC OUTLOOK

- Continued focus area
- F25 expected trading improvement
- High return opportunities in progress
- Underperforming sites – disinvest





The Group is powering growth from farm to fork, a unique, growth focused lifestyle retailer providing best-in-value solutions






AGRIMARK



SEGMENTAL REVIEW - AGRIMARK

(R'000)	2022	2023	2024
Revenue	7,829,295	8,183,113	7,775,413
<i>Gross Profit %</i>	11.7%	10.6%	10.7%
Fuel price gains	35,905	13,250	6,973
PBT	481,343	481,277	431,040
Gross Assets	4,901,360	4,899,293	4,578,429
Net Assets	2,127,249	2,317,720	2,574,396
Fuel volumes ('m Litres)	129.0	150.0	133.8
<i>Growth %</i>	-1.1%	16.3%	-10.8%
No. of operating units	139	144	145

F24 REVIEW *

- Agri inputs -1.0%, inflation 2%, fertilizer -6%, feeds -4.9%, Infrastructure +21%, horticulture +18%, Health +12%
- New Holland agency sales -12%: mainly less large & more smaller units
- **Retail +4.4%**, inflation 4.2%: Arms & ammo +58%, Tools +14%, Pool & Garden +10%, BM +5.9%, Outdoor gensets -18%
- Fuel volumes -10.8%, lower loadshedding & mining demand
- Margin flat (fuel price impact)
- OPEX +4.8%, Interest paid +9%, DC cost to serve improved 2.9%
- PBT down 10%

* Category commentary based on total value of transactions



SEGMENTAL REVIEW – AGRIMARK OUTLOOK

- Agri input market share gains in Kouga +12% and Elgin +32%
- Fuel volume market share gains EC
- Farm spend normalization in WC as interest rates lower
- Positive fruit outlook, improved Port readiness
- Wheat harvest average
- Cement uptick
- 1 new Agrimark Q1
- Note – fuel price already on average R4.75 per litre lower, will affect revenue value, but not profitability in new year, we will report on volume movement!




THE FUEL COMPANY



- ENGEN
- TotalEnergies
- ASTRON ENERGY
- SASOL
- Shell
- bp
- WIMPY
- STEERS
- fishaways
- PRIMI
- FEGO
- KFC
- oumel
- DEBONAIRS PIZZA
- MUGG & BEAN
- Crispy Chicken
- BOOTLEGGERS COFFEE COMPANY
- FRESH STOP
- SEATTLE COFFEE COMPANY
- café bonjour
- FORESTERS TRUE FOOD
- vida e caffè
- EXPRESSMARK
- WOOLWORTHS FOOD
- SPAR express
- Pick n Pay Express

SEGMENTAL REVIEW – THE FUEL COMPANY

 (R'000)	2022	2023	2024
Revenue	6,274,506	12,892,808	12,694,576
Fuel	5,441,287	10,977,065	10,697,808
Retail	833,219	1,942,588	1,996,768
Gross Profit %	10.6%	12.1%	13.4%
Fuel price gains	33,507	21,142	9,095
PBT	100,462	201,348	204,887
Attributable RHE	65,702	84,459	79,892
Gross Assets	2,910,698	2,794,079	3,048,771
Net Assets	537,612	578,022	583,008
Fuel volumes ('m Litres)	240.7	474.6	451.9
Growth %	37.6%	97.1%	-4.8%
Petrol mix %	45.9%	43.8%	43.3%
Diesel mix %	54.1%	56.2%	56.7%
No. of operating units	89	89	89
No of retail touch points	345	348	348

F24 REVIEW

- Strategy: debt repayment on track, restarted SS acquisition drive, leveraging convenience by expansion of current offerings and new offerings
- **No sites added in F24**
- Volumes hit low of -7% to -9% mid year, back to flat end of year, but 13m litres lost due to severe road closures, site upgrades and site rebuilds
- Fuel volumes impacted by lower mining transport on N2/3/7
- Retail growth moderate off lower volumes
- PBT growth low, despite loadshedding savings, impacted by fuel price reductions in H2
- Average site tenure > 17 yrs
- Fuel price gains R9m vs R21m LY.



SEGMENTAL REVIEW – THE FUEL COMPANY OUTLOOK

- H1 upgrades for F25
 - 2 service stations
 - 6 QSR's
- H1 expansions for F25
 - 6 QSR's (add on's)
- H1 acquisition pipeline for F25
 - 5 service stations (high quality)
- Optimization and integration of operational teams
- Less impact from road closures
- Lower fuel price of R4-R5/litre is expected to stimulate travel
- H1 F26 pipeline healthy
- Note : fuel price already on average R4.75 per litre lower, will affect revenue value, but not profitability in new year, we will report on volume movement!





AGRIMARK
GRAIN






agriplas  



SEGMENTAL REVIEW – MANUFACTURING

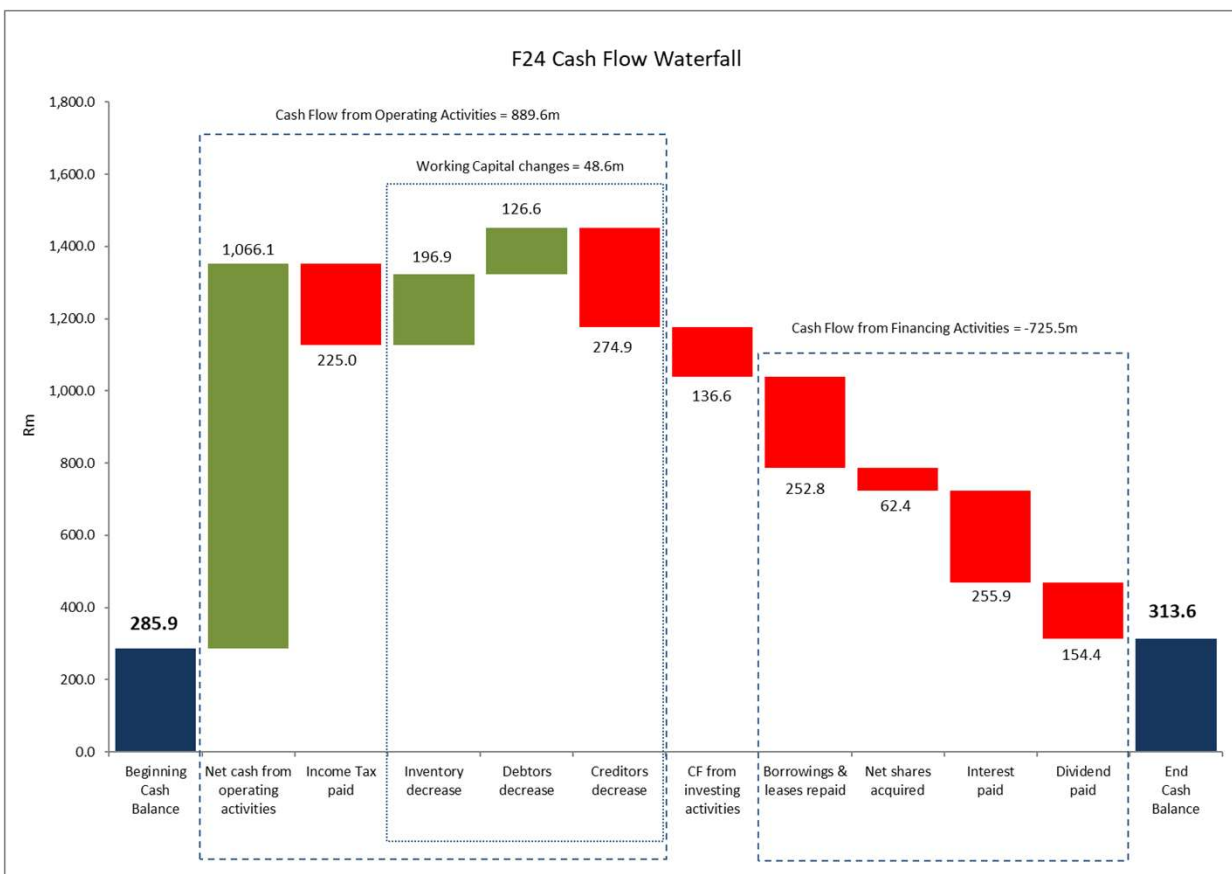
 (R'000)	2022	2023	2024
Revenue	204,768	198,102	214,688
Gross Profit %	35.8%	39.0%	37.0%
PBT	7,443	3,074	987
Gross Assets	338,407	320,563	326,474
Net Assets	85,709	63,101	34,617
No. of operating units	5	5	5

F24 REVIEW & OUTLOOK

- Revenue growth mainly from Agriplas
- Tego matched prior year sales
- Overall PBT drop compared to LY



CASH FLOW PERFORMANCE

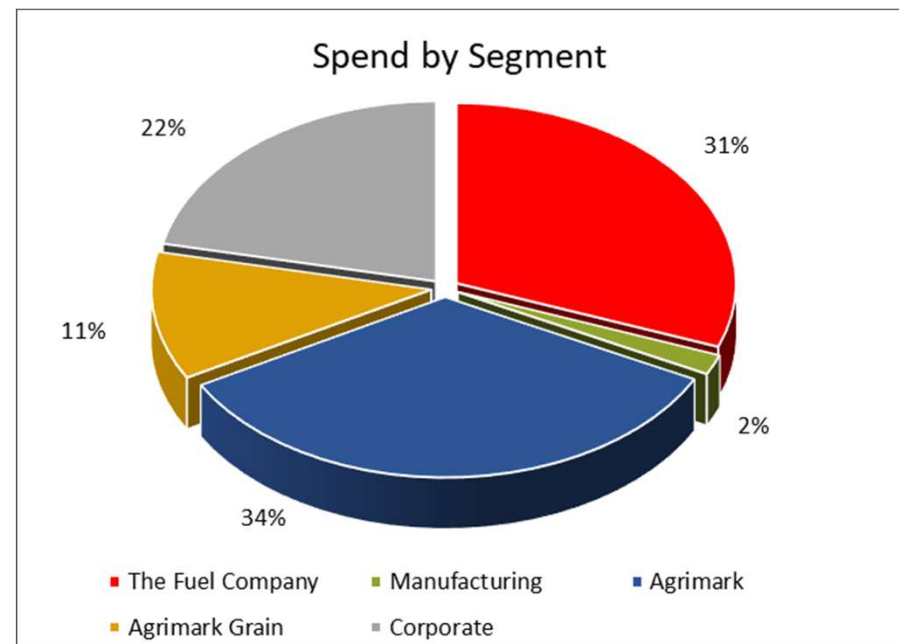
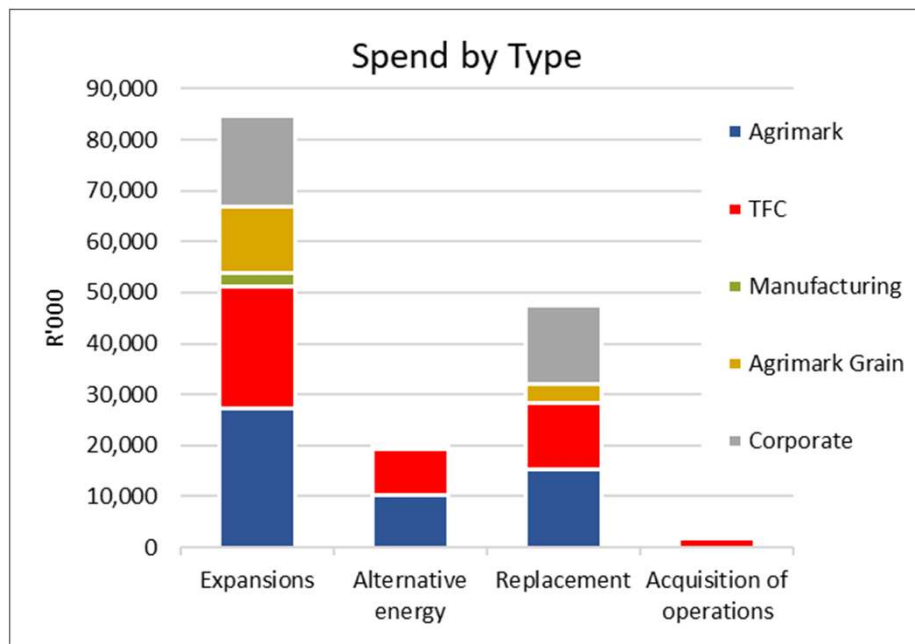


KEY CASHFLOW DRIVERS:

- Strong cash generation from operating activities
- High cash contribution
- Increased net interest received
- Effective working capital management
 - Inventory growth < revenue growth
 - Debtors resilient & healthy
 - Creditors constant
- Prudent capital investment
- Debt repayment
- Consistent dividend payment



CAPITAL EXPENDITURE

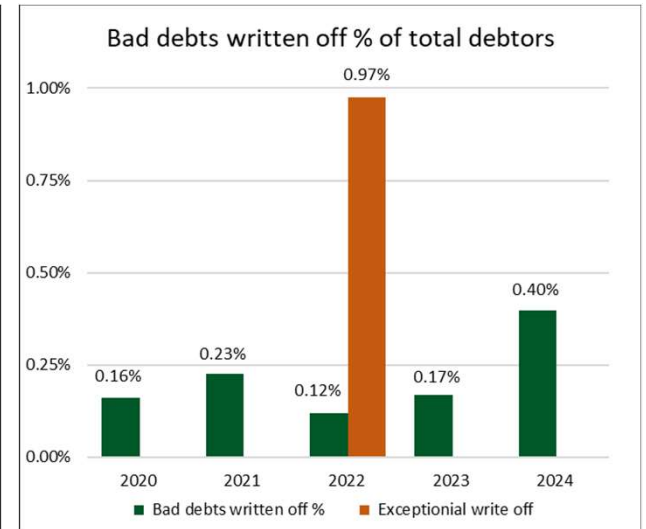
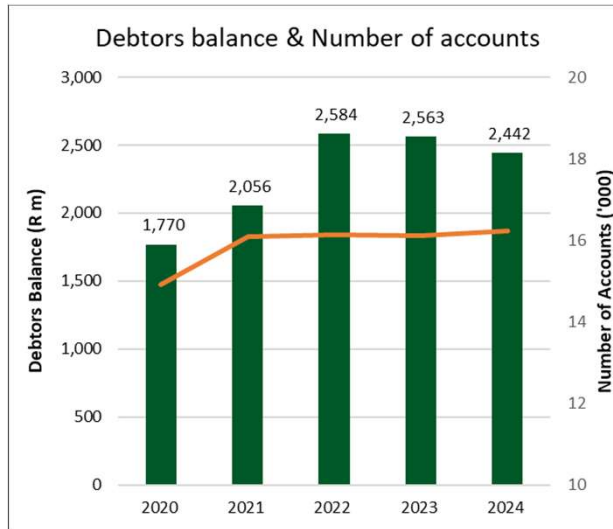
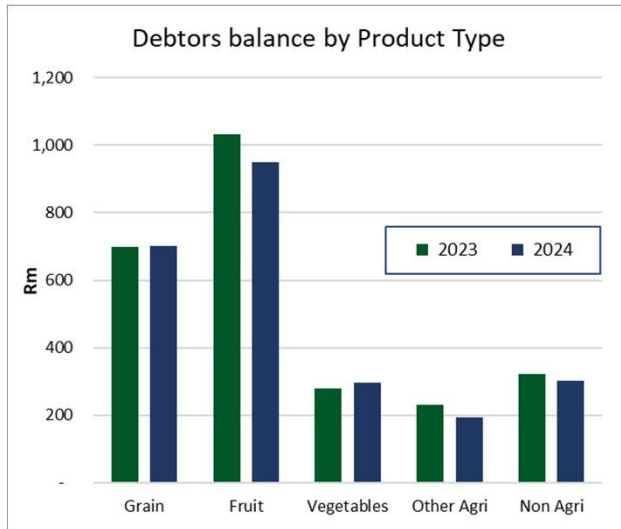


- Total capex: R154.0m (R173.1m LY)
 - Expansion 55%
 - Replacement 31%
 - Alternate energy solutions 13%
 - Acquisition of minorities 1%

- Agrimark & TFC = largest allocation
- Agrimark Grain: storage capacity expansion
- Corporate: ERP modernisation, replacement
- F25 capex will increase (expansion, acquisitions)



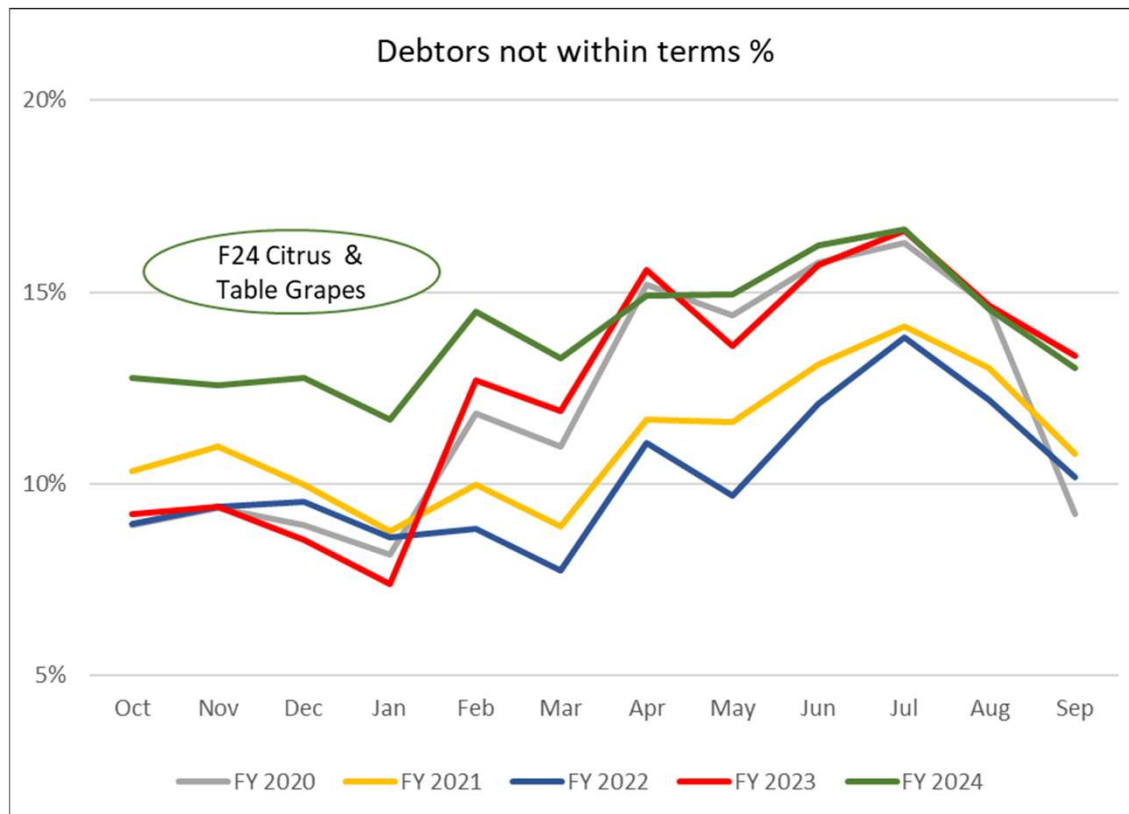
TRADE DEBTORS



- Enabler to revenue growth
- Product and geographic diversity reduces risk & improves cash flow
- Trade receivables -4.7%
- 16,222 accounts (16,105 LY)
 - 3,289 seasonal
 - 12,933 monthly

- Debtors book turns 4.2x per year (4.1x LY)
- Bad debts written off (% average debtors)
 - Actual: 0.40%
 - 5 yr. average: 0.42%
 - 10 yr. average: 0.34%
- Income spread circa 240 bps
- ECL provision 2.3% of book (2.1% LY)

TRADE DEBTORS – NOT WITHIN TERMS



NOT WITHIN TERMS (“NWT”)

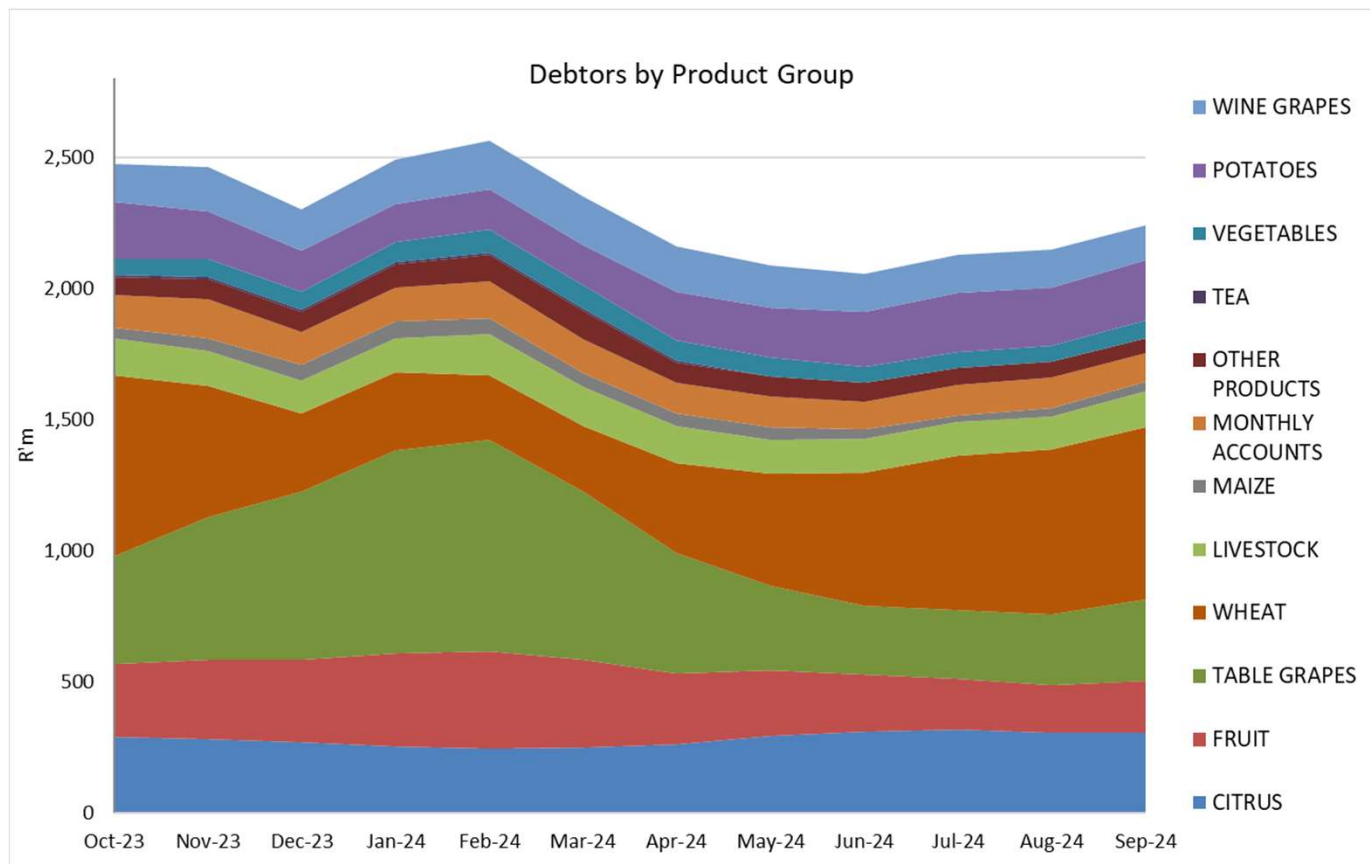
- F24 H1 higher, largely citrus and table grapes
- F24 H2 normalization
- F24 Year end down 0.3% of debtors
- Citrus NWT at year end (small number, securities in place, extended collection period)

SUMMARY

- Book remains healthy & resilient
- Low default rate continued
- Well secured by various categories



TRADE DEBTORS – BY PRODUCT GROUP

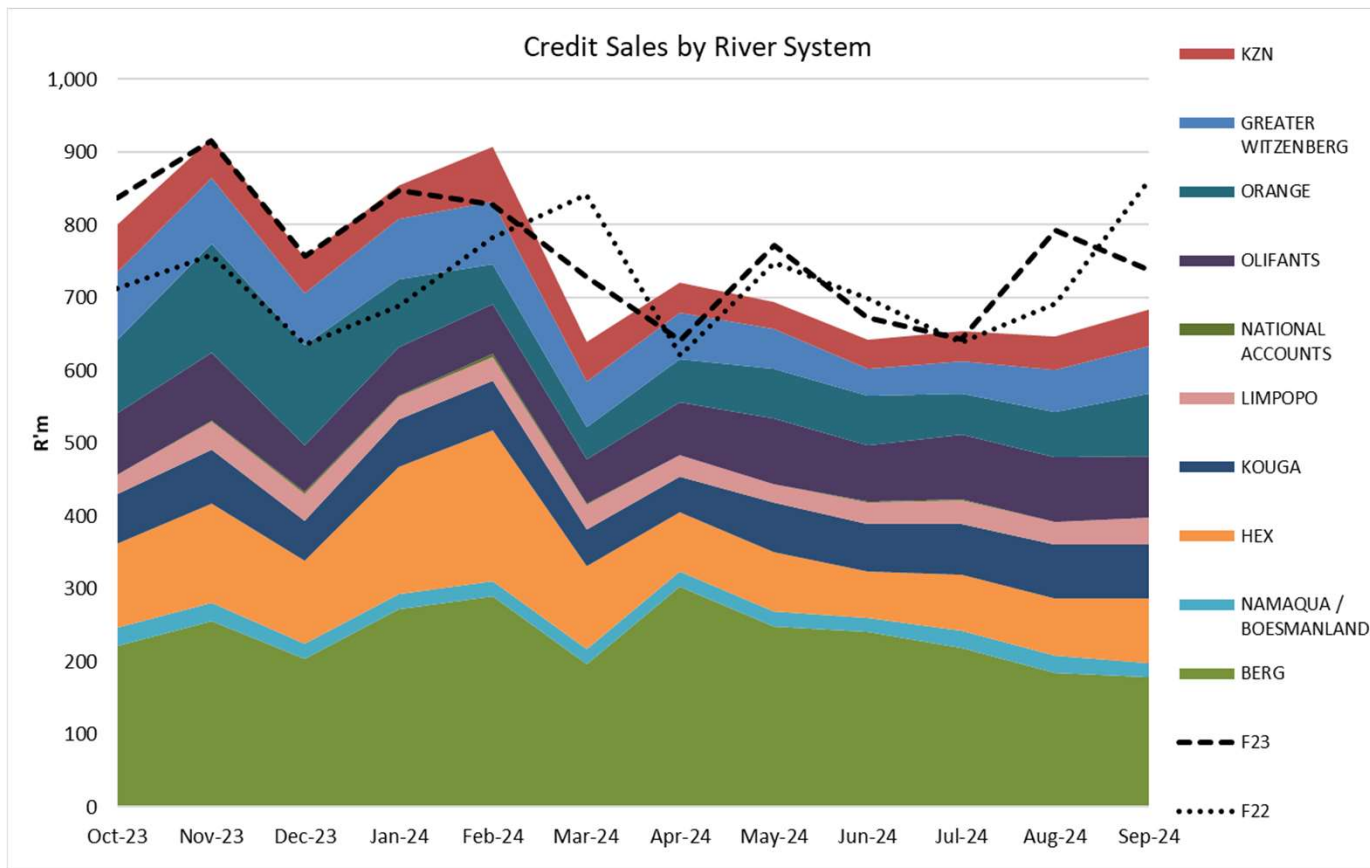


SUMMARY

- Good spread across wide product range reduces risk
- Product diversity reduces cashflow peaks & troughs
- Similar YOY trends
- Wheat the only dryland crop
- Table grape peak aligned with harvest (mainly packaging materials)
- Growth opportunities



TRADE DEBTORS – CREDIT SALES BY RIVER SYSTEM

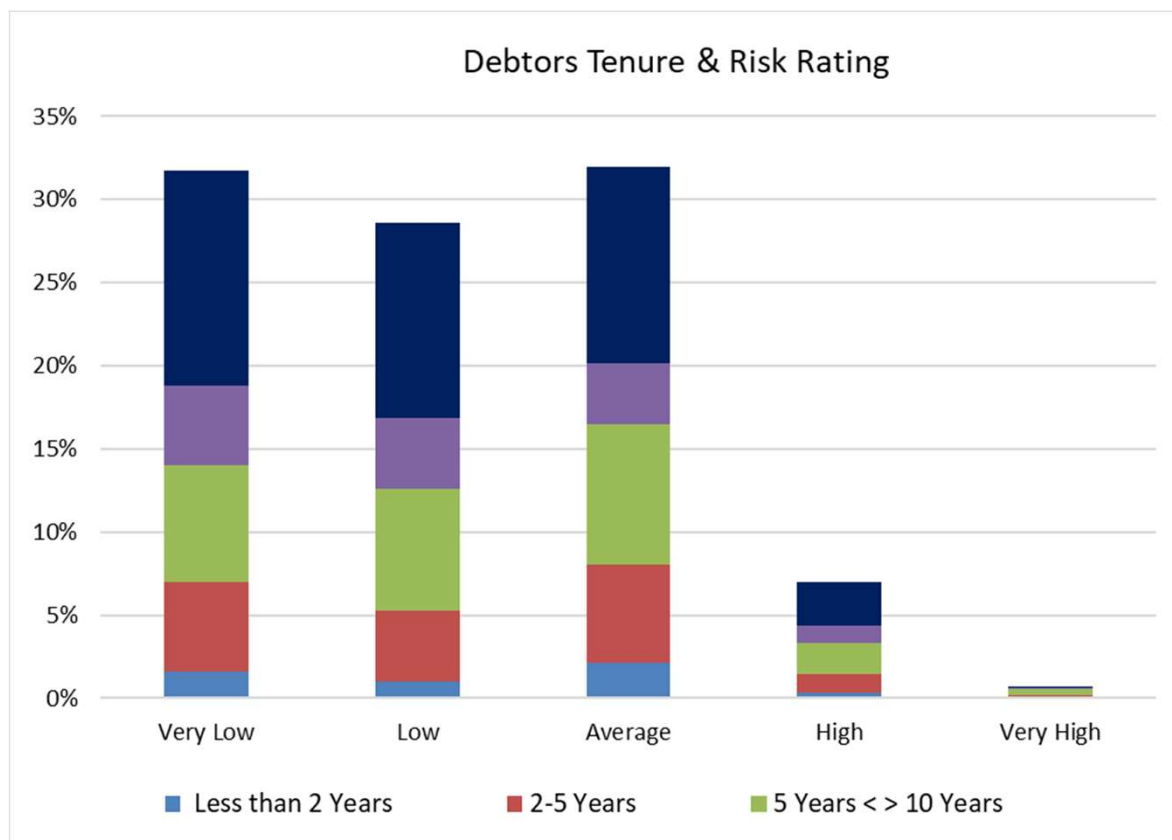


SUMMARY

- Good spread across wide geographic area reduces risk
- Water intensive farming focused
- Managed by decentralized credit teams with centralized credit vetting
- H2 slowdown vs F22 & F23
- Growth opportunities



TRADE DEBTORS – TENURE & RISK RATING



SUMMARY

- 53.0% longer than 10 years
- 78.1% longer than 5 years
- 5.1% less than 2 years
- Doing more business with well established customers, long track record with KAL

RISK RATING

- 60.3% very low / low
- 32.0% average
- 7.0% high
- 0.7% very high
- Stringent vetting, low risk book, suitable securities, low default
- Doing more business with low risk customers



CONCLUSION

- F24: a year of 2 halves, positive signs in H1, declining in H2, the 6 fuel price decreases not helping at all on the results, but bode well for increased travel going forward
- Group debt levels lowest in 10 years, good cash generation, a healthy balance sheet
- Revenue has disappointed resulting in lower earnings vs prior year, the first decline in 13 years
- Convenience retail under pressure due to lower travelling, general retail stable and picking up to the end, fuel volumes & agri inputs negative but improving to the end
- Above mainly due to less mining activities on highway sites, increased road closures and upgrades affecting our service station sites, high interest rates dampening farm spend, and general economic pressure on consumers

Outlook for F25:

- Agrimark market share growth efforts are paying off
- Pipeline for QSR upgrades, QSR expansion and new service stations **very healthy**
- Drag effects like severe road closures/disruptions & fuel price changes should dissipate
- Lower fuel price will stimulate travelling
- Lower interest rates will improve overall economic conditions





THANK YOU