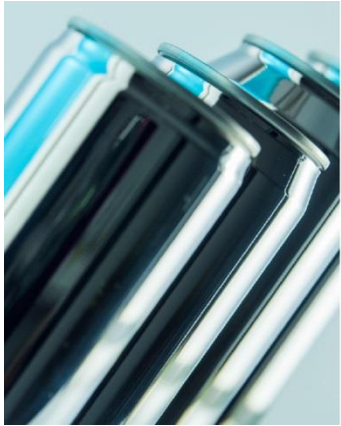




# Interim Results

## 2018

# Forward looking statements



We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour” and “project” and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward-looking statements will not be achieved.

If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions in such forward-looking statements are discussed in each year’s annual report. Forward-looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise. All income forecasts published in this report are unaudited. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

# Solid performance from continuing operations

Turnaround progressing according to plan

Revenue **+2%**

to **R8.8 billion** due to strong performance by Metals division and Plastics in the Rest of Africa

Trading profit **+7%**

to **R1.2 billion** due to improved efficiency gains from volume growth in key markets

HEPS **+10%**

to **132.0 cents** from 119.7 cents

**R1.3bn** (USD98m)

**Cash extracted** from Nigeria, Angola and Zimbabwe

Net gearing further improved to **39%** from 51% in H1 2017

Cash generated from operations **+10%** to **R576 million**

# Achievements in H1 2018

Back to basics, delivering results



**Safety LTIFR reduced to 0.31** – operations excellence delivering results, 8 plants exceeded 1 million incident free hours, Bevcan Springs at 3 million to date



**Capital expenditure more than halved to R206m** from R470m in H1 2017, asset integrity maintained



**Operational efficiencies improved** – divisional trading margin for continuing operations improved to **13.2%** from 12.5%



**Management of forex exposure improved** – USD74m cash extracted from Nigeria, USD21m from Angola and 95% of cash balances hedged

# Group revenue from continuing operations up 2%

Trading profit up 7%

## CONTINUING OPERATIONS



### Metals

Revenue  
**R5 849m**  
+5%

Trading profit  
**R925m**  
+5%

**15.8%** margin



### Plastics

Revenue  
**R2 393m**  
0%

Trading profit  
**R121m**  
+36%

**5.1%** margin



### Paper

Revenue  
**R603m**  
-14%

Trading profit  
**R78m**  
+37%

**12.9%** margin

## DISCONTINUED



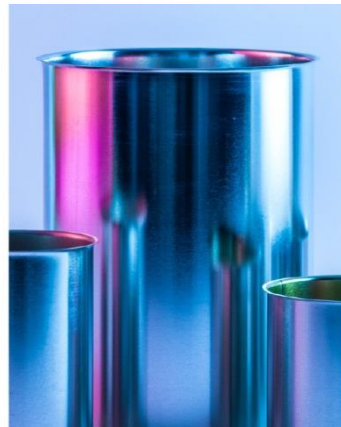
### Glass

Revenue  
**R720m**  
+9%

Trading profit  
**-R55m**  
>-100%

**-7.6%** margin

# Operational Review



# Metals continue to grow and drive Group performance

R million	H1 2018	H1 2017	% Δ
Revenue	5 849	5 570	5
Trading profit	925	883	5
Margin (%)	15.8	15.9	

## SOUTH AFRICA

### › Bevcan SA

- › 5% volume growth despite new entrant
  - › Energy drinks and shift towards value can sizes
  - › Boosted by exports to neighbouring countries
- › Improved trading margins
  - › Efficiency gains from operations excellence initiatives
  - › Increasing contribution from higher margin cans
  - › Ends now directly supplied to Rest of Africa
  - › Improved cost management
  - › Closure of Cape Town fully provided for
    - R50m annual saving + R5m H/O saving

### › DivFood

- › Recovery of canned fish volumes
  - › Imported frozen fish and higher fishing quota
- › Good volume growth in vegetables category

## REST OF AFRICA

### › Bevcan Angola

- › Strong volume growth from lower base in H1 2017
- › Revenue growth muted by strengthening of Rand
- › Margins impacted by
  - › Ends now being supplied directly by Bevcan SA
  - › Forex movements adverse impact

### › Strong cash generation

- › USD21m extracted
- › Increased hedging to protect value of cash

### › Bevcan Nigeria

- › Double digit volume growth off a lower base
  - › Driven by malt beer category

### › USD74m extracted

### › General metals packaging

- › Nampak Zimbabwe – strong performance despite forex challenges
- › Feasibility of food line in Nigeria in progress

R million	H1 2018	H1 2017	% Δ
Revenue	2 393	2 400	0
Trading profit	121	89	36
Margin (%)	5.1	3.7	

## › Plastics South Africa

- › Phase 1 of turnaround complete, phase 2 initiated
- › Slight decline in revenue
  - › Lower allocation by key customer
  - › Higher water demand in drought affected areas
  - › Closures and drums growth
  - › Impact of lost volume due to backward integration in 2017
  - › Capacity filling initiatives partially offset volume decline
- › Margins impacted by restructuring costs

## › Plastics Europe

- › Due to return to profitability one year sooner than guided
  - › Volume losses due to customer vertical integration nearly complete
  - › Growth from rest and new customers mitigated decline
  - › Actively diversifying into new markets
- › Margin improvement
  - › Active management of costs
    - SKU rationalisation to improve operating efficiencies
    - Consolidation of supplier base
  - › Losses reduced by 70%
  - › Return to profitability by financial year-end
- › Impairments of R26m due to lower volumes
- › Rest of Africa
  - › Exceptional growth in Zimbabwe
    - › Double digit volume growth
    - › New customers
  - › Improved trading margins
  - › Stricter credit terms

# Paper margins improved in tough markets

R million	H1 2018	H1 2017	% Δ
Revenue	603	698	(14)
Trading profit	78	57	37
Margin (%)	12.9	8.2	

## › Zimbabwe Hunyani

- » Tobacco case volumes impacted by seasonality
- » Stricter credit terms
- » Improved margins through better procurement

## › Nigeria Cartons

- » Recovery in volumes
- » Improved margins through internal efficiencies

## › Zambia and Malawi

- » Sales impacted by brewers change of pack strategy
- » Malawi restructuring to depot for region
  - Headcount reduction of 56 employees

## › Kenya Bullpak

- » Good sales growth

R million	H1 2018	H1 2017	% Δ
Revenue	720	663	9
Trading profit	(55)	23	(>100)
Margin (%)	(7.6)	3.5	

- › Volume growth despite operational challenges
- › Ongoing efforts to improve operations efficiencies
  - » Electricity supply into facility stabilised in January 2018
  - » Dedicated senior executive on site driving and implementing recovery plan
  - » Relevant operational skills introduced
  - » Better pack-to-melt ratio in April and May 2018
- › Loss-making for the period
  - » High fixed costs and depreciation charge
- › Classified as asset held for sale
  - » Ongoing challenges in leveraging economies of skill and scale
  - » Significant capital requirements
  - » Disposal process initiated
  - » Fair amount of interest from exploratory discussions
  - » No impairment indicated for the period

# Financial Results



# Group revenue for continuing operations up 2% trading profit up 7%

## Statement of comprehensive income

R million	H1 2018	H1 2017	% Δ
<b>Revenue</b>	<b>8 845</b>	8 668	2
<b>Trading profit</b>	<b>1 164</b>	1 085	7
Net abnormal (losses)/gains	(121)	24	(>100)
<b>Operating profit</b>	<b>1 043</b>	1 109	(6)
Net finance costs	(88)	(115)	(23)
Share of net profit/(loss) from associates and joint ventures	2	(2)	
<b>Profit before tax</b>	<b>957</b>	992	(4)
Tax expense	(86)	(96)	(10)
<b>Profit from continuing operations</b>	<b>871</b>	896	(3)
Loss from discontinued operation	(107)	(43)	
<b>Profit for the period</b>	<b>764</b>	853	(10)
<b>EPS (cents) – continuing operations</b>	<b>129.4</b>	127.4	2
<b>HEPS (cents) – continuing operations</b>	<b>132.0</b>	119.7	10

**Revenue +2%** due to strong performance by Metals division and Plastics in the Rest of Africa impacted by 6% stronger Rand

**Trading profit +7%** due to operating efficiencies and operations excellence initiatives offset by R149m forex losses from normal operations on translation of monetary items with majority being unrealised

**Net abnormal losses - R145m** adverse swing largely due to forex losses of R75m from devaluation of Angolan Kwanza and R22m cost of repatriating cash from Nigeria coupled with net impairments of R27m in Plastics Europe

**Net finance costs down 23%** due to reduced net gearing

**Effective tax rate of 9.0%**, lower than 9.7% in PY due to better than expected cash repatriation from Nigeria

**Loss from discontinued operation** represents net Glass loss after finance costs and tax

**EPS +2%** due to lower net finance costs, lower effective tax rate and lower net profit attributable to outside shareholders

**HEPS +10%** excludes capital items

# Strength of Rand has moderated Rest of Africa results

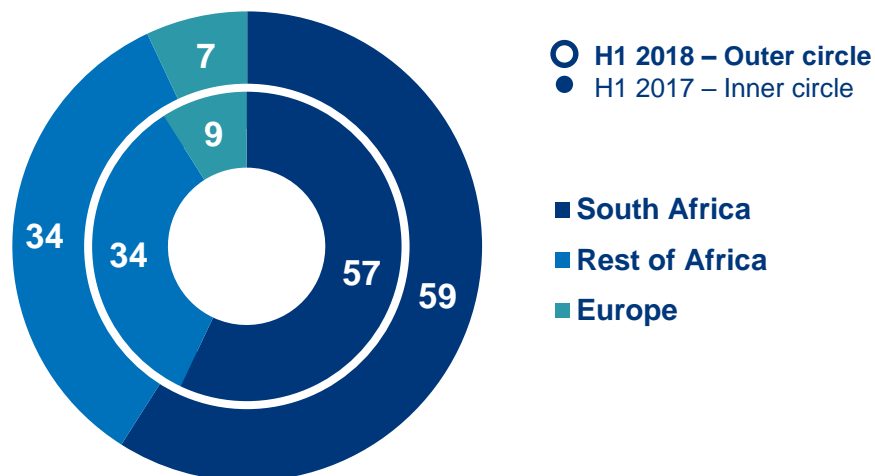
Nigeria stable, Angola in process of devaluation

- › Stronger Rand impact:
  - » Profitability from Rest of Africa adversely impacted by strengthened Rand
  - » US dollar based debt translation benefits favourably assisting gearing levels
  - » Income statement translated at average rates, balance sheet at closing rates – dislocation in rates results in a non-cash debit of R665m to foreign currency translation reserve on consolidation
- › Naira closing rate remains relatively constant
- › Angolan Central Bank in process of managing Kwanza devaluation
  - » 95% cash on hand hedged
  - » Forex loss of R75m for period

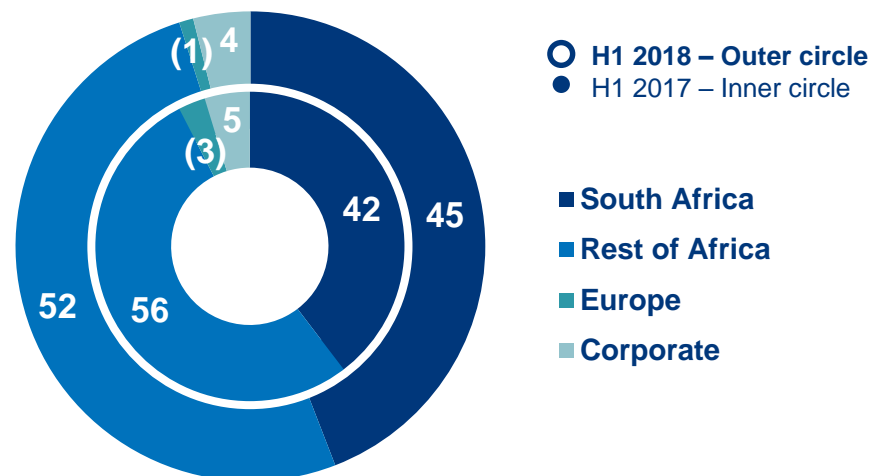
# Trading margins improved to 13.2%

Strength of the Rand moderated Rest of Africa results

CONTINUING OPERATIONS – REVENUE (%)



CONTINUING OPERATIONS – TRADING PROFIT (%)



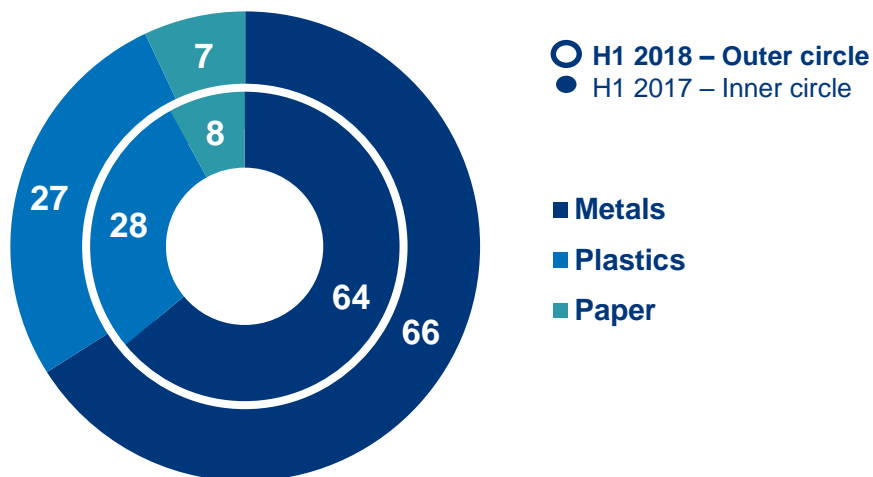
## Segmental performance by region

R million	Revenue			Trading profit			Trading margin (%)	
	H1 2018	H1 2017	% Δ	H1 2018	H1 2017	% Δ	H1 2018	H1 2017
South Africa	5 208	4 953	5	527	458	5	10.1	9.2
Rest of Africa	2 973	2 933	1	608	610	0	20.5	20.8
Europe	664	782	(15)	(11)	(39)	72	(1.7)	(5.0)
Corporate services	–	–		40	56	(29)		
<b>Continuing operations</b>	<b>8 845</b>	<b>8 668</b>	<b>2</b>	<b>1 164</b>	<b>1 085</b>	<b>7</b>	<b>13.2</b>	<b>12.5</b>
Glass – discontinued	720	663	9	(55)	23	(>100)	(7.6)	3.5
<b>Group total</b>	<b>9 565</b>	<b>9 331</b>	<b>3</b>	<b>1 109</b>	<b>1 108</b>	<b>0</b>	<b>11.6</b>	<b>11.9</b>

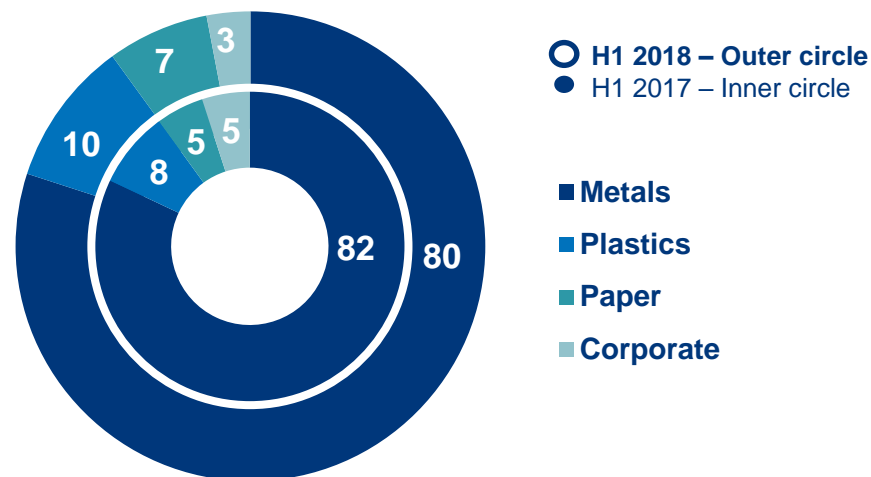
# Metals delivers solid result

Supported by improved trading profits in Plastics and Paper in RoA

CONTINUING OPERATIONS – REVENUE (%)



CONTINUING OPERATIONS – TRADING PROFIT (%)



## Segmental performance by substrate

R million	Revenue			Trading profit			Trading margin (%)	
	H1 2018	H1 2017	% Δ	H1 2018	H1 2017	% Δ	H1 2018	H1 2017
Metals	5 849	5 570	5	925	883	5	15.8	15.9
Plastics	2 393	2 400	0	121	89	36	5.1	3.7
Paper	603	698	(14)	78	57	37	12.9	8.2
Corporate services	–	–		40	56	(29)		
<b>Continuing operations</b>	<b>8 845</b>	<b>8 668</b>	<b>2</b>	<b>1 164</b>	<b>1 085</b>	<b>7</b>	<b>13.2</b>	<b>12.5</b>
Glass – discontinued	720	663	9	(55)	23	(>100)	(7.6)	3.5
<b>Group total</b>	<b>9 565</b>	<b>9 331</b>	<b>3</b>	<b>1 109</b>	<b>1 108</b>	<b>0</b>	<b>11.6</b>	<b>11.9</b>

# Sound financial position with further reduction in net gearing to 39%

## Abridged statement of financial position

R million	H1 2018	H1 2017	% Δ
Property, plant and equipment	7 651	10 471	(27)
Goodwill and other intangibles	3 144	3 979	(21)
Liquid bonds and other loan receivables	1 832	753	>100
Other non-current assets	48	83	(42)
<b>Non-current assets</b>	<b>12 675</b>	<b>15 286</b>	<b>(17)</b>
Other current assets	5 657	6 778	(17)
Liquid bonds and loans	883	425	>100
Bank balances	1 844	2 370	(22)
<b>Current assets</b>	<b>8 384</b>	<b>9 573</b>	<b>(12)</b>
Assets held for sale	2 589	–	100
<b>Total assets</b>	<b>23 648</b>	<b>24 859</b>	<b>(5)</b>
<b>Total equity</b>	<b>9 932</b>	<b>10 160</b>	<b>(2)</b>
<b>Non-current liabilities</b>	<b>5 031</b>	<b>8 159</b>	<b>(38)</b>
<b>Current liabilities</b>	<b>8 534</b>	<b>6 540</b>	<b>30</b>
Liabilities associated with assets held for sale	151	–	100
<b>Total equity and liabilities</b>	<b>23 648</b>	<b>24 859</b>	<b>(5)</b>

### › Glass accounted for in terms of IFRS 5 – Assets held for sale and discontinued operation

- › Assets and liabilities of Glass Division grouped and disclosed separately as decision taken to dispose of this asset
- › Impacts comparison to comparative period

### › PPE

- › Capex spend reduced by 56% to R206m from R470m

### › Goodwill and other intangibles

- › Reduction due to goodwill write off and intangible impairment in H2 FY17 and stronger rand in current period.

### › Liquid bonds

- › Separately disclosed from bank balances
- › Hedging of in-country cash balances increased to 95% from 77% in H1 2017
- › Continue to acquire bonds where available

# Steady improvement in financial position

Key structural financial ratios are sound

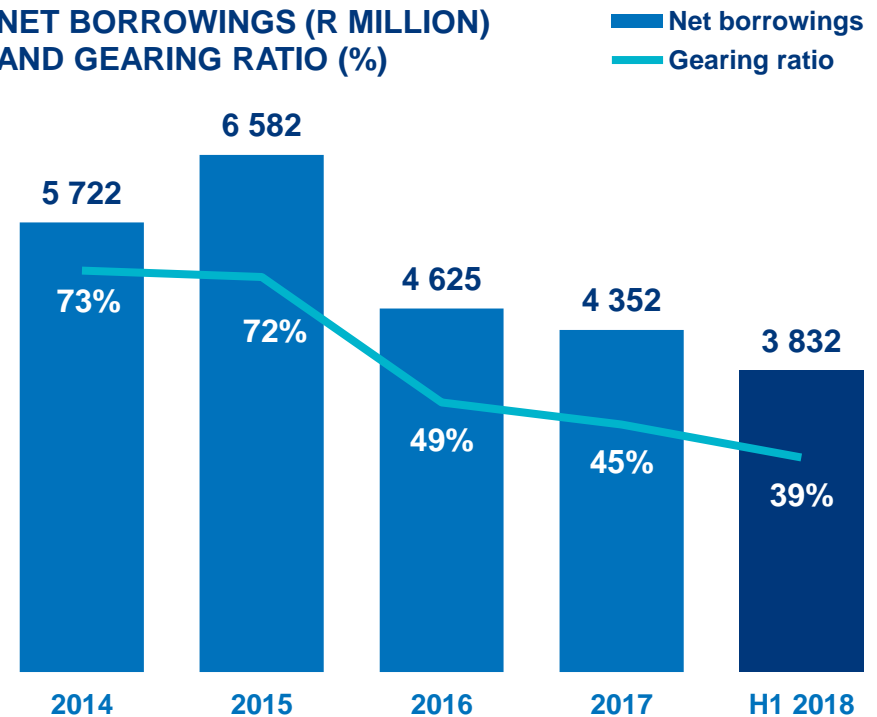
	H1 2018	H1 2017	FY2017
<b>Net gearing (%)</b>	<b>39</b>	51	45
<b>Net debt: EBITDA (times)</b>			
– excl. liquid bonds	<b>2.3</b>	2.1	2.3
– incl. liquid bonds <sup>(1)(2)</sup>	<b>1.4</b>	1.7	1.6
<b>EBITDA: Net interest (times)<sup>(2)</sup></b>	<b>7.6</b>	7.8	7.2
<b>Current ratio</b>			
– incl. current portion of liquid bonds	<b>1.3</b>	1.5	1.3
– incl. all liquid bonds <sup>(1)</sup>	<b>1.5</b>	1.6	1.5
<b>Acid test ratio</b>			
– incl. current portion of liquid bonds	<b>0.9</b>	0.9	0.8
– incl. all liquid bonds <sup>(1)</sup>	<b>1.1</b>	1.0	1.0

<sup>(1)</sup> Including all cash balances

<sup>(2)</sup> Based on covenant calculations

- › Rate of cash build up in Angola has slowed and managed prudently
- › Angolan and Zimbabwean cash balances will only increase by profit element

## NET BORROWINGS (R MILLION) AND GEARING RATIO (%)

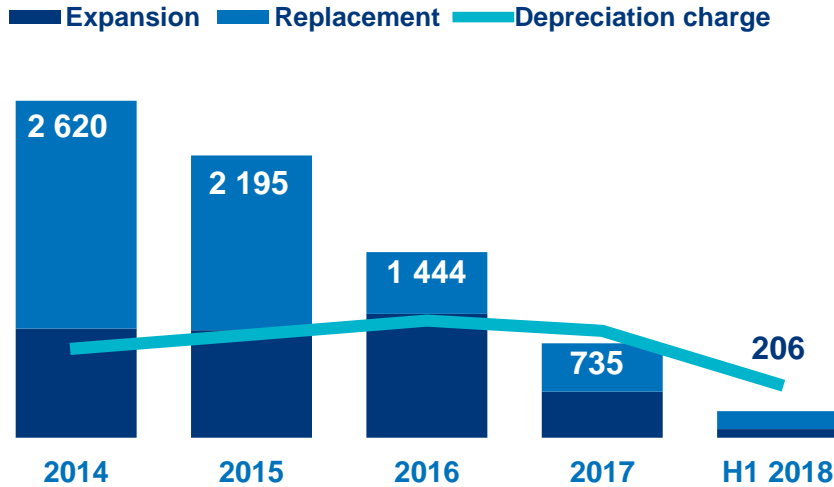


- › Gearing well managed with pleasing downward trend
- › Current and acid test ratios impacted by maturity profile of funding
- › Debt previously classified as long term now in current liabilities
- › Group Treasury addressing optimisation of group funding profile

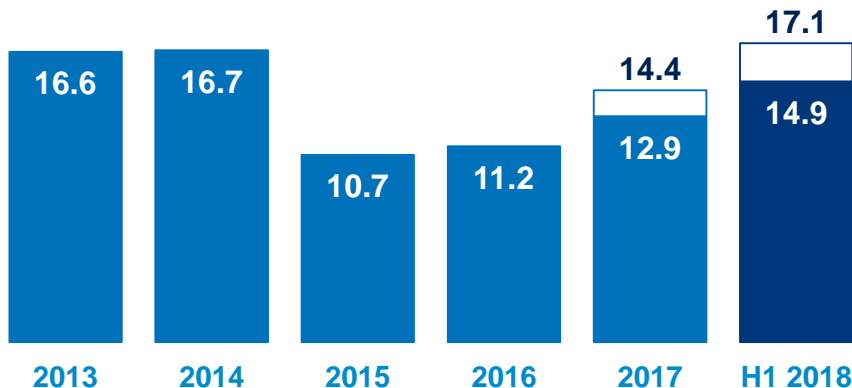
# Capex reduced by 56% to R206m

Continued focus on capex spend without compromising asset integrity

## CAPITAL EXPENDITURE AND DEPRECIATION (R MILLION)



## RETURN ON NET ASSETS (%)



- › Capital Assurance Committee
  - › Operating effectively with thorough capex reviews
  - › Prudent allocation of capital to qualifying projects
- › Asset base continues to be well maintained with focus on improving production efficiencies
- › Overview of capex spend to date
  - › Bevcan fully capitalised with minor spend
  - › DivFood re-capitalisation yielding benefits
  - › Modest incremental capex for Plastics
- › Includes Glass capex of R45m
- › Expansion capex R67m (33%)
- › Replacement R139m (67%)
- › FY18 capex range between R500m and R750m
- › Steady improvements in RONA pleasing and greater than WACC of 11.9%

# R1.3 billion cash extracted in six months

Recovering oil price supports liquidity in oil based economies

## Cash balances including liquid bonds

	RESTRICTED			NON RESTRICTED
	Angola	Zimbabwe	Sub-total	Nigeria
<b>31 March 2018</b>				
Cash on hand	R2 784m	R816m	R3 564m	R410m
Hedged	R2 622m	– (2)	R2 622m	– (3)
% cash hedged	95%	– (2)	74%	– (3)
Cash extraction rate <sup>(1)</sup>	61%	6%	37%	137%
<b>30 September 2017</b>				
Cash on hand	R2 188m	R654m	R2 842m	R828m
Hedged	R1 954m	– (2)	R1 954m	– (3)
% cash hedged	89%	– (2)	69%	– (3)
Cash extraction rate <sup>(1)</sup>	47%	40%	47%	93%
<b>31 March 2017</b>				
Cash on hand	R1 436m	R426m	R1 862m	R955m
Hedged	R1 107m	– (2)	R1 107m	R344m
% cash hedged	77%	– (2)		36%
Cash extraction rate <sup>(1)</sup>	80%			80%

<sup>(1)</sup> Liquidity ratio of invoices presented for payment in the period

<sup>(2)</sup> There are currently no appropriate hedges available in Zimbabwe

<sup>(3)</sup> Cash balances in Nigeria are no longer considered restricted as a consequence of the liquidity that has been provided by the introduction of the NAFEX

# Mitigation of foreign currency exposure

Initiatives to reduce cash build-up in cash restricted areas

## ANGOLA

- › **95% of cash balances hedged**
  - » Further bonds purchases in H1
  - » Maintain minimal cash balances in Kwanza
- › **Actively engaging customers and reducing build-up of cash in-country:**
  - » Ends now being supplied directly from South Africa
  - » Raw materials procured upon hard currency payment by customer
- › **Actively engaging Government on foreign currency allocations**
- › **No further dollars injected, awaiting approval from Government for tin plate line conversion to aluminium**

## ZIMBABWE

- › **Intensive engagements with customers and Central Bank on liquidity**
  - » Expect foreign currency allocations in H2
- › **Raw material procured upon hard currency payment by customers**
- › **Not supplying where raw material is not secured by customers**
- › **Cash balance at 31 March 2018 down to R816m from R841m in February 2018 reflecting benefits from changed operating model**

## NIGERIA

- › **NAFEX improved liquidity**
- › **Ends supplied directly from South Africa thereby improving margins. Model now changed to ensure customers pay for exports in dollars.**
- › **Significant reduction in cash balance through focused efforts and liquidity provided by NAFEX**
- › **Cash balance at 31 March 2018 of R410 million reduced by:**
  - » 50% from R828m in September 2017
  - » 57% from R955m in March 2017
  - » Further repatriation expected in H2

# Preparing a platform for future growth

Actively managing portfolio to improve competitiveness and profitability



## Metals

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Optimising footprint in South Africa, continue to improve profitability



## Plastics

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Restructuring of Plastics SA and UK into sustainable operations



## Paper

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Restructuring of operations in Rest of Africa to improve profitability, innovation to leverage competitive advantage



## Glass

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Discontinued operation to be disposed

# Thank you

