Nampak
packaging excellence

Interim results for the six months ended 31 March 2021

May 2021

Forward-looking statements

Certain statements in this document do not comprise reported financial results or historical information, but forward-looking statements. These statements are predictions of or indicate future events, trends, future prospects, objectives, earnings, savings or plan and include, but are not limited to, statements regarding volume growth, increases in market share, exchange rate fluctuations, shareholder return and cost reductions. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “believe”, “continue”, “anticipate”, “ongoing”, “expect”, “will”, “could”, “may”, “intend”, “plan”, “could”, “may”, and “endeavour”.

By their nature, forward-looking statements are inherently predictive, speculative and involve inherent risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated.

There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: changes in economic or political conditions and changes to the associated legal, regulatory and tax environments; lower than expected performance of existing or new products and the impact thereof on the Group’s future revenue, cost structure and capital expenditure; the Group’s ability to expand its portfolio; skills shortage; changes in foreign exchange rates and a lack of market liquidity which holds up the repatriation of earnings; increased competition, slower than expected customer growth and reduced customer retention; acquisitions and divestments of Group businesses and assets and the pursuit of new, unexpected strategic opportunities; the extent of any future write-downs or impairment charges on the Group’s assets; the impact of legal or other proceedings against the Group; uncontrollable increases to legacy defined benefit liabilities and higher than expected costs or capital expenditures.

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1H21 overview

Highlights

1H21 results

Revenue stable at

R6.5bn

Strong performance by Metals businesses in Nigeria and South Africa

HEPS up 151% at

17.6cps

for continuing operations
(1H20: HEPS of 7.0ps)

Trading profit up 11% to

R706m

Cost savings initiatives, DivFood turnaround and strong growth at Nigerian operations

Operating profit up 89% to

R543m

Reduction in capital and other items

Group funding covenants complied with

- Net debt:EBITDA = 3.72x
  - Threshold ≤5.25x
- EBITDA interest cover = 3.08x
  - Threshold ≥2.25x

Cash generated from operations up 19% to

R852m

Nampak strategy

Reduce risk

1 Strengthen capital structure

2 Simplification

Grow profits

3 Optimisation

4 Growth and innovation

Strategic delivery highlights

Improved profitability boosts EBITDA and delivers covenant compliance

Group

Positive covenant trend

Reduced exposure to USD-denominated debt

Metals: Bevcan

Extension of 2 key contracts in South Africa

New export contract for ends

Metals: DivFood

Returned to profitability

Footprint rationalisation and supply chain optimisation

Simplification – reduction of diversified portfolio (Mobeni)

Plastics

Consolidation of inland operations

Rationalisation of product offering

Paper

Diversified customer base in Zambia

Joint venture with Elopak – approvals obtained in East Africa

Operational review

Divisional results

continuing operations

Metals

Revenue
R4 698m
up 3%

Trading profit
R550m
up 28%

Plastics

Revenue
R1 427m
down 1%

Trading profit
R140m
down 11%

Paper

Revenue
R397m
down 25%

Trading profit
R81m
down 39%

Strong growth by Nigerian operations plus exports led to improved Metals results

METALS

R million	1H21	1H20	% Δ
Revenue	**4 698**	4 553	3
Trading profit	**550**	429	28
Margin (%)	**11.7**	9.4	

SOUTH AFRICA

Bevcan SA

- Revenue growth driven by export contracts
  - Supply of can bodies commenced in Dec 2020
    - Volumes limited by teething issues, now resolved
    - Higher contribution in 2H21
- Softer local market demand
  - Local beverage can market contracted
    - Restrictions on large group gatherings and sporting events
    - Impact of five-week long alcohol ban in 2Q21
  - Reduced volumes resulted in lower profitability
- Successful contract renewals
  - Large customer for two years with no loss in allocated volumes
  - Additional contract for 400m can ends from Feb 2021

DivFood

- Turnaround led to improved profitability
  - Trading profit reversed material loss in prior period
  - Cost savings from restructuring projects
  - Gains supply chain improvements
- Good demand for cans
  - Food cans growth lead by meat, vegetables and fruit cans
  - Diversified cans demand reasonable
  - Increased metal closures volumes driven by home consumption trends

NIGERIA

- Bevcan Nigeria volumes grew in double digits
  - Beverage can market higher than pre-pandemic levels
  - Higher allocation from key customer
  - Shortages in raw materials for other packaging substrates
- General metals packaging rationalisation lead to improved sales and profitability

ANGOLA

- Weakened economy, COVID-19 restrictions suppressed demand
- Focus on L1 conversion to aluminium, preparing L2 for exports

Good performance in South Africa, limited by weaker forex rates in the Rest of Africa

PLASTICS

R million	1H21	1H20	% Δ
Revenue	**1 427**	1 438	(1)
Trading profit	**140**	157	(11)
Margin (%)	**9.8**	10.9	

SOUTH AFRICA

- Revenue stable, trading profit up due to cost savings at Plastics SA
  - Plastics SA improved profitability
    - Revenue stable despite lower volumes for milk bottles due to milk shortages
    - Stronger crate volumes and higher allocation for tubes
    - Significantly improved trading profits
      - Gains from site restructuring and closures
      - Fixed overheads closely managed
      - Impact limited by global raw material shortages
  - Cartons SA performed well despite alcohol ban
    - Good volume growth for Purepak and conical cartons
    - Lower profitability due to cost pressures

REST OF AFRICA

- Good operational performance at local rates in Zimbabwe
  - Translated results negated by weaker ZWL forex rate
    - Average ZWL/USD rate devalued >400%
    - Closing rate devalued >230%
  - Lower trading margins due to cost pressures
  - Continued to self-fund operational and capital requirements
    - Manufacture to extent able to source raw materials
    - Generated cash is reinvested into operations and equipment

Results limited by translation in Zimbabwe and lockdown restrictions in the rest of Africa

PAPER

R million	**1H21**	1H20	% Δ
Revenue*	**397**	528	(25)
Trading profit*	**81**	133	(39)
Margin (%)	**20.4**	25.2	

** Results impacted by inclusion of Cartons Nigeria for 3 months in 1H20, but not in 1H21*

Zimbabwe Hunyani

- Higher sales but profitability under pressure
  - Benefited from reduced imports due to slow cross-border traffic
  - Robust demand for tobacco cases
  - Cash generative, self funding
- Challenging operating environment remains
  - Liquidity remains challenging, only R8m transferred
  - Manufacture to extent able to source raw materials

Malawi and Kenya

- Weak trading conditions and results

Zambia

- Good progress in diversifying customer base
- Limited alcohol sales – COVID-19 restrictions
- Allocated crate volumes did not materialise
- Overall volumes declined, reduced profitability

JV with Elopak in SSA

- To grow footprint of gable top cartons
- Fresh and aseptic beverage markets
- Approvals obtained to commence trading in East Africa

Financial review

Group financial performance

Profit for the period benefits from substantially lower impairments

R million	1H21	1H20	% Δ
Continuing operations:			
Revenue	**6 522**	6 519	0
EBITDA	**783**	595	32
Trading profit	**706**	633	11
Operating profit	**543**	287	89
Profit before net impairments	**287**	117	>100
Profit/(loss) before tax	**272**	(2 923)	>100
Profit/(loss) for the period	**171**	(2 858)	>100
Cash generated from operations*	**852**	715	19
Cash flows from operations*	**489**	301	62
Gross interest-bearing debt	**5 777**	8 790	34
Net interest-bearing debt	**4 284**	4 834	11
Continuing operations:			
Earnings/(loss) per share (cents)	**17.0**	(408.9)	>100
Headline earnings per share (cents)	**17.6**	7.0	>100
Continued and discontinued operations:			
Earnings/(loss) per share (cents)	**17.0**	(336.0)	>100
Headline earnings per share (cents)	**17.6**	0.3	>100

** From continued and discontinued operations*

Trading margin
10.8% (1H20: 9.7%)

Operating margin
8.3% (1H20: 4.4%)

Improved profitability and strong working capital management boost **cash generated from operations** by
19%

Offshore net debt reduced to
45% of net debt (1H20: 92%)

HEPS of 17.6cps from continuing operations up
151%

Cost savings initiatives, successful restructuring and lower impairments improved profitability

Statement of comprehensive income

R million	1H21	1H20	% Δ
Revenue	6 522	6 519	0
Trading profit	706	633	11
Operating profit before Zimbabwe devaluation	554	315	76
Net impact of devaluation in Zimbabwe	(11)	(28)	61
Operating profit	543	287	89
Net finance costs	(255)	(168)	(52)
Share of net profit from associates and joint venture	(1)	(2)	
Profit before net impairments	287	117	>100
Net impairments	(14)	(3 040)	100
Profit/(loss) before tax	272	(2 923)	>100
Income tax (expense)/benefit	(101)	65	(>100)
Profit /(loss) for the period from continuing operations	171	(2 858)	>100
Profit for the period from discontinued operations	—	471	
Profit/(loss) for the period for total operations	171	(2 387)	>100
Continuing operations:			
Earnings/(loss) per share (cents)	17.0	(408.9)	>100
Headline earnings per share (cents)	17.6	7.0	>100
Continued and discontinued operations:			
Earnings/(loss) per share (cents)	17.0	(336.0)	>100
Headline earnings per share (cents)	17.6	0.3	>100

Minor rounding differences may affect additions

- No discontinued operations in 1H21
- Revenue: growth in Metals division in Nigeria and South Africa muted by subdued performance from other Rest of Africa operations
- Trading profit up as DivFood returned to profitability, higher Nigerian demand and successful restructuring of Plastics SA operations
- Operating profit improved due to:
  - Lower depreciation charges due to prior year asset impairments
  - Net devaluation loss arising from Angolan and Nigerian exchange rate movements reduced to R153m from R219m
  - Retrenchment and restructuring costs fell to R0.1m from R53m
  - Non-recurrence of capital items that rose in the prior period comprising a R129m loss on the disposal of Cartons Nigeria, partially offset by insurance proceeds of R83m
  - Net impact of devaluation in Zimbabwe reduced to R11m compared to R28m
- Net finance costs up 52%
  - Finance costs of R271m being up 7%, benefits of prior year disposals offset by ratchet interest costs of R65m
  - Finance income down 81% to R16m due to maturing of USD linked kwanza bonds
- Impairments fell to R14m compared to R3bn in 1H20
  - 1H21 impairment relates to Tubes held for sale
  - 1H20 comprised Nigeria goodwill R2.2bn and Angolan assets of R0.8bn
- Income tax expense of R101m compared to a tax benefit of R65m in 1H20 with effective tax rate of 37%
- Headline earnings of 17.6cps up 151%

ZAR:USD strength benefited debt, significant weakening in ZWL impacted earnings

Major foreign exchange rates

	Average rates					Closing rates				
Currency	**1H21**	1H20	**% Δ**	FY20	% Δ	**1H21**	1H20	**% Δ**	FY20	% Δ
ZAR/USD	**15.29**	15.04	**2**	16.24	(6)	**14.76**	17.80	**(17)**	16.69	(12)
NGN/USD	**389.84**	363.75	**7**	375.15	4	**407.63**	387.51	**5**	381.75	7
AOA/USD	**662.25**	493.22	**34**	549.67	20	**642.03**	567.04	**13**	640.10	0
ZWL/USD(1)	**87.41**	17.34	**>100**	36.76	>100	**84.40**	25.00	**>100**	81.44	4

(1) ZWL average rate not applicable as results translated at period end spot rate

- Impact of South African Rand on results:
  - Income statement translated at average rates, balance sheet at closing rate
  - Covenants and gearing – USD-denominated debt translation benefited from 17% stronger ZAR/USD closing rate
- Nigerian Naira average rate devalued by 7% versus 1H20, closing rate 5% weaker
  - Forex loss of R151m in period
- Angolan Kwanza average rate devalued by 34% compared to prior period with closing rate 13% weaker
  - Forex gain of R7m on unhedged monetary items (1H20: Forex loss of R170m)
- Zimbabwe
  - Earnings of Zimbabwean operations translated at closing spot rate as opposed to average due to hyperinflationary economy
  - 238% weakening in closing spot rate versus 1H20
  - US dollar availability remains challenging but operations self funding since April 2018
  - Currency stabilised since FY20 closing rate

Tax reconciliation

Continuing operations

Reconciliation of statutory to effective tax rate

%	1H21	1H20
Statutory tax rate	**28.0**	28.0
Government incentives	**(0.9)**	(0.6)
Foreign tax rate differential, withholding and foreign taxes	**(2.1)**	(12.4)
Prior tax losses utilised in Angola	**(11.8)**	0.0
Prior year adjustments	**2.1**	2.4
Disallowed expenses and other	**6.3**	3.4
Normalised effective tax rate before impairments and loss on disposals	**21.6**	20.8
Tax effects of the following:		
Impact of disallowed finance costs due to loan restructuring	**2.4**	0.0
Nampak International Ltd trading loss impact	**7.8**	0.0
Impairments and loss on disposal	**0.0**	(17.2)
Angolan losses not shielded	0.0	(2.4)
Adjusted tax rate before Zimbabwe	**31.8**	1.2
Tax effect of Zimbabwe hyperinflation, exchange losses and loan receivable	**5.3**	1.0
Effective group tax rate	**37.1**	2.2

The tax rate impacts of trading in countries with a lower tax rate than SA offset by withholding tax in foreign jurisdictions primarily on interest and technical fees

Interest waived on inter company loans resulted in Nampak Bevcan Angola utilising tax losses on which deferred tax not raised before

Nampak International income decreased due to lower procurement activities, technical fees and interest income (mainly from Angola)

Tax effect of impairment of goodwill pertaining to Bevcan Nigeria increased the effective tax rate while impairment of fixed assets in Angola, SA and Nigeria were adjusted to obtain a normalised effective tax rate

Tax impact of weak economic conditions in Angola results in negative impact on tax base of non-monetary assets and deferred tax assets not raised due to uncertainty of future taxable profit streams

Effective tax rate for 1H21 materially impacted by lower trading levels in the Rest of Africa, disallowed expenses and hyperinflation impacts in Zimbabwe

Foreign debt exposure reduced to 45% of net debt

Abridged statement of financial position

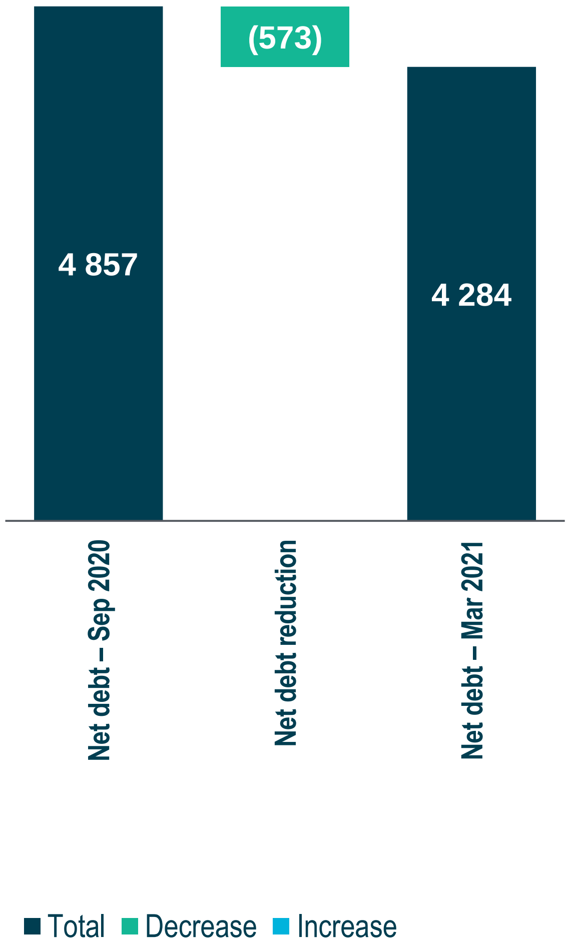
R million	1H21	1H20	% ∆	FY20
Property, plant, equipment and investment property	**5 404**	7 199	(25)	5 906
Right of use assets	**782**	1 228	(36)	881
Goodwill and other intangible assets	**1 813**	2 215	(18)	2 042
Liquid bonds and other loan receivables	**98**	192	(49)	140
Other non-current assets	**385**	131	>100	402
Non-current assets	**8 482**	10 965	(23)	9 371
Inventories	**2 463**	3 364	(27)	2 816
Trade and other current receivables	**2 228**	2 855	(22)	1 981
Bank balances	**1 314**	3 494	(62)	1 529
Liquid bonds and other loan receivables	**80**	270	(70)	359
Tax assets	**11**	17	(35)	45
Current assets	**6 096**	10 000	(39)	6 730
Assets held for sale	**548**	38	>100	93
Total assets	**15 126**	21 003	(28)	16 194
Total equity	**4 059**	5 875	(31)	4 214
Loans	**4 760**	6 452	(26)	5 755
Lease liabilities	**1 113**	1 395	(20)	1 291
Other non-current liabilities	**966**	1 321	(27)	1 033
Non-current liabilities	**6 839**	9 168	(25)	8 079
Trade and other current payables	**2 542**	3 255	(22)	2 327
Loan, other borrowings and bank overdrafts	**1 186**	2 496	(52)	1 263
Other current liabilities	**310**	209	48	311
Current liabilities	**4 038**	5 960	(32)	3 901
Liabilities for assets held for sale	**190**	—	100	—
Total equity and liabilities	**15 126**	21 003	(28)	16 194

- **PPE:**
  - Comparison impacted by stronger Rand, impairments in FY20 and classification of disposal assets to assets held for sale in 1H21
  - Movement compared to 1H20 also impacted by asset impairments in 2H20 (R308m in Angola, R117m in DivFood and R270m in Plastics SA)
- **Right of use assets**: Recognition of assets related to *IFRS16 Leases* in FY20 net of DivFood (R56m) and Plastics SA (R153m) impairments in 2H20
- **Goodwill:** Movement largely due to forex movements on Nigerian USD goodwill given Rand strength. No further impairment in 1H21
- **Liquid bonds:** Reduction due to bonds maturing
- **Assets held for sale:** DivFood Mobeni and the Plastics Tubes business earmarked for disposal to reduce debt
- **Total equity:** Stabilised at R4.1bn after impairments and operating loss in prior year and net profit in 1H21 of R171m offset by R322m charge to OCI primarily from FCTR given Rand strength
- **Gearing of 142% down from 149% in FY20** (excluding *IFRS16* leases at 105%) adversely impacted by impairments in FY20
- **Lease liabilities:** Recognition of liabilities related to adoption of IFRS16 Leases in FY20. Higher than right of use asset due to 2H20 impairments
- **Loans** and **current liabilities**:
  - USPP funders $115m debt settled on 28 May 2020, reducing current liabilities by R1.7bn
  - Stronger Rand vs 1H20 benefited net debt in 1H21
  - Includes R1bn mandatory repayment of funding by 30 September 2021
- Short-term liquidity ratios strong
  - Current ratio and acid test ratios of 1.6 times (1H20:1.7 times) and 1.0 times (1H20: 1.1 times) respectively
  - Adversely impacted by inclusion of R1bn debt repayment due on 30 September 2021

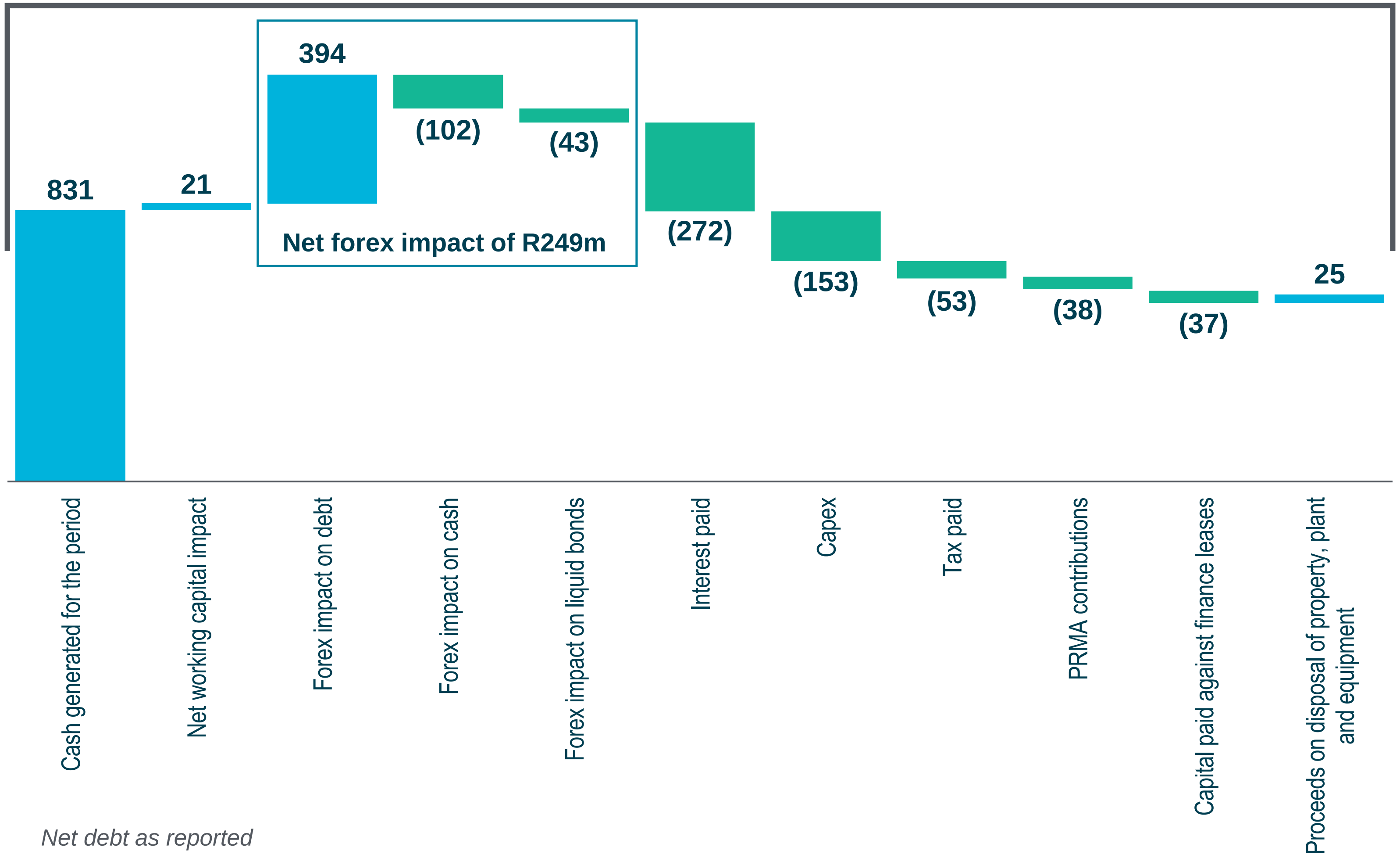
Net debt reduced by improved cash generation

Rand strength assists

Reduction in net debt (Rm)



Net debt reduction of R573m

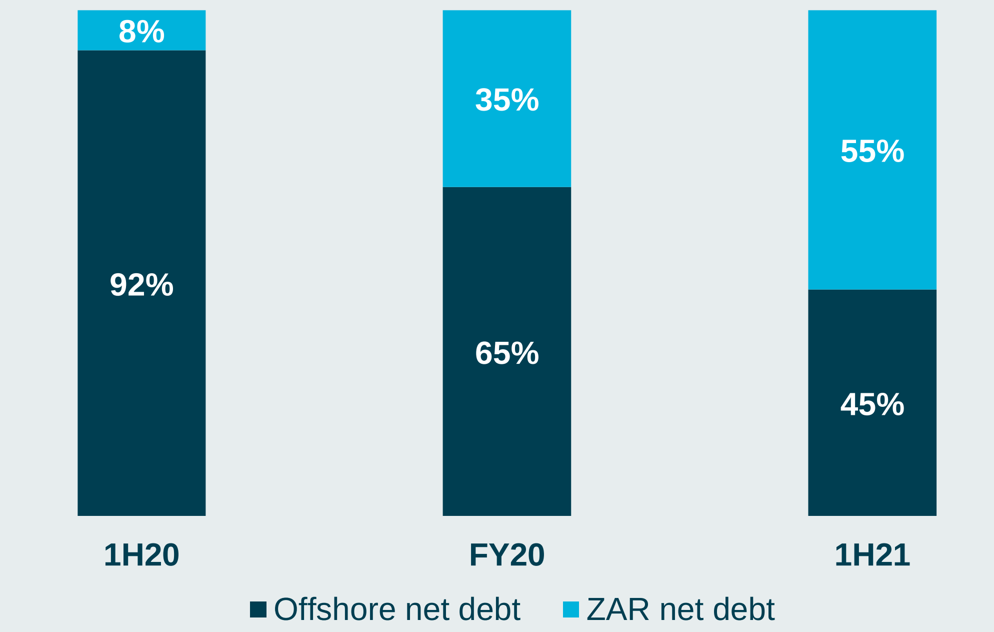


Net debt as reported

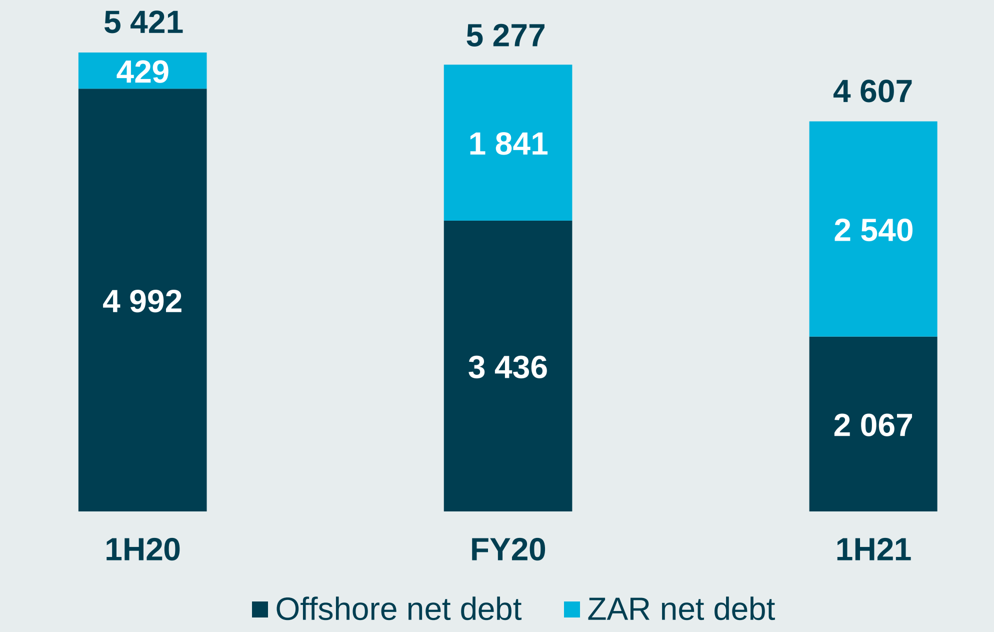
Reduced offshore net debt from 92% to 45%

- Utilised proceeds from disposal of Glass division and Cartons Nigeria to reduce USD denominated debt in 2H20
- Swopped R1bn USD debt for ZAR debt in October 2020
- Stronger Rand benefits group net debt

Composition of net debt (%)



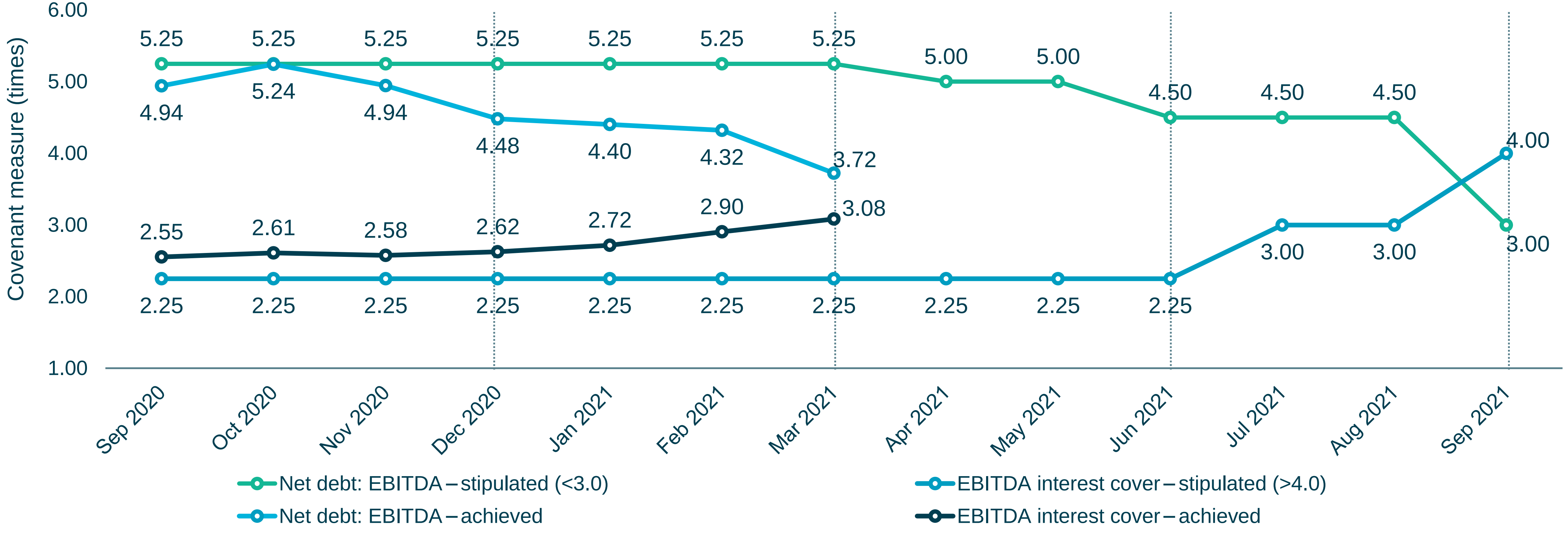
Composition of net debt (R million)



Computation of net debt as per covenants excludes cash in non-permissible banks, certain loan receivables and 50% of liquid bonds

Positive trends as improved trading lifts 12-month rolling EBITDA, complemented by lower net debt

- EBITDA based on rolling 12 months – significant impacts of COVID-19 lockdowns in FY20 reduce from April 2021 given stronger trading
- Covenants measured on a quarterly basis for the duration of 2021
- Group tracking internal EBITDA budget for FY21 with proceeds from asset disposals to reduce debt further and benefit covenants
- Requirement to secure R1bn of binding offers by 31 March 2021 reduced to R400m
- Requirement to settle R1bn in debt by 30 September 2021 remains; funders to reassess position at next covenant measurement date of 30 June 2021



Monthly covenant computations adjusted for latest Zimbabwe spot rate in terms of IAS21: The Effects of Changes in Foreign Exchange Rates

Deleveraging milestones

Plan to deleverage the group by 30 September 2021

Milestone	Deliverable	Due date	Progress
1	Appoint independent advisor to perform valuation of potential business disposals	15 Oct 2020	✓
2	Completion of independent valuation	30 Oct 2020	✓
3	Receipt of non-binding offers for business disposals	01 Dec 2020	✓
4	Receipt of binding offers for business disposals*	31 Mar 2021	✓
5	Delivery of duly executed sale and purchase agreement for each potential business disposal	30 Jun 2021	In progress
6	Permanent repayment of senior financial indebtedness by not less than R1bn	30 Sep 2021	

**Initial requirement of R1bn binding offers by 31 March 2021 relaxed to R400m by 31 March 2021*

- Milestones 1 to 4 adhered to
- Non-binding offers amounting to greater than R1bn received for milestone 3, one business subsequently removed from process
- Requested lenders to reduce asset disposal requirement to R400m at 31 March 2021 given strong trading and pleasing covenant trends
- Binding offers of R400m achieved by 31 March 2021 to comply with milestone 4
- Lenders to reassess possible requirement for a capital raise at 30 June 2021 after another quarter of results

Cash generated from operating activities up 62%

Statement of cash flows

R million	1H21	1H20	% Δ	FY20
Cash generated from operations before working capital changes	**831**	791	5	720
Net working capital inflow/(outflow)	**21**	(76)	>100	367
Cash generated from operations	**852**	715	19	1 087
Net interest paid	**(272)**	(280)	3	(552)
Retirement benefits, contributions and settlements	**(38)**	(48)	21	(78)
Income tax paid	**(53)**	(86)	38	(42)
Cash generated from operating activities	**489**	301	62	415
Capital expenditure	**(153)**	(407)	62	(666)
Net proceeds on disposal of liquid bonds	**271**	518	(48)	457
Other investing activities	**31**	52	(40)	54
Net cash generated before financing activities and disposals	**638**	464	38	260
Net proceeds on the disposal of businesses	**–**	1 599	100	1 568
Cash repaid in financing activities	**(638)**	(381)	(67)	(1 817)
Net increase in cash and cash equivalents	**0**	1 682	(100)	11
Net cash and cash equivalents at beginning of year	**1 400**	1 358	3	1 358
Translation of cash in foreign subsidiaries	**(102)**	143	(>100)	31
Cash and cash equivalents at end of year	**1 298**	3 183	(59)	1 400

- Improved profitability off optimised cost structures lifts cash generated from operations before working capital by 5%
- Tight management of working capital lead to R21m inflow compared to outflow of R76m in 1H20
- Cash generated from operations of R852 improved by 19%
- Net interest paid 3% lower than 1H20
  - Benefits of FY20 disposal proceeds reduced by ratchet interest costs
- Cash generated from operating activities up 62% assisted by positive working capital swing and lower taxes paid
- Capital expenditure well managed and reduced by 62%
- Proceeds from liquid bonds lower as bonds reach maturity
- Cash generated before financing activities and disposals of R638m up 38%
  - R601m used to reduce debt
  - R37m used to settle lease liabilities

Working capital well managed

Continuing and discontinuing operations

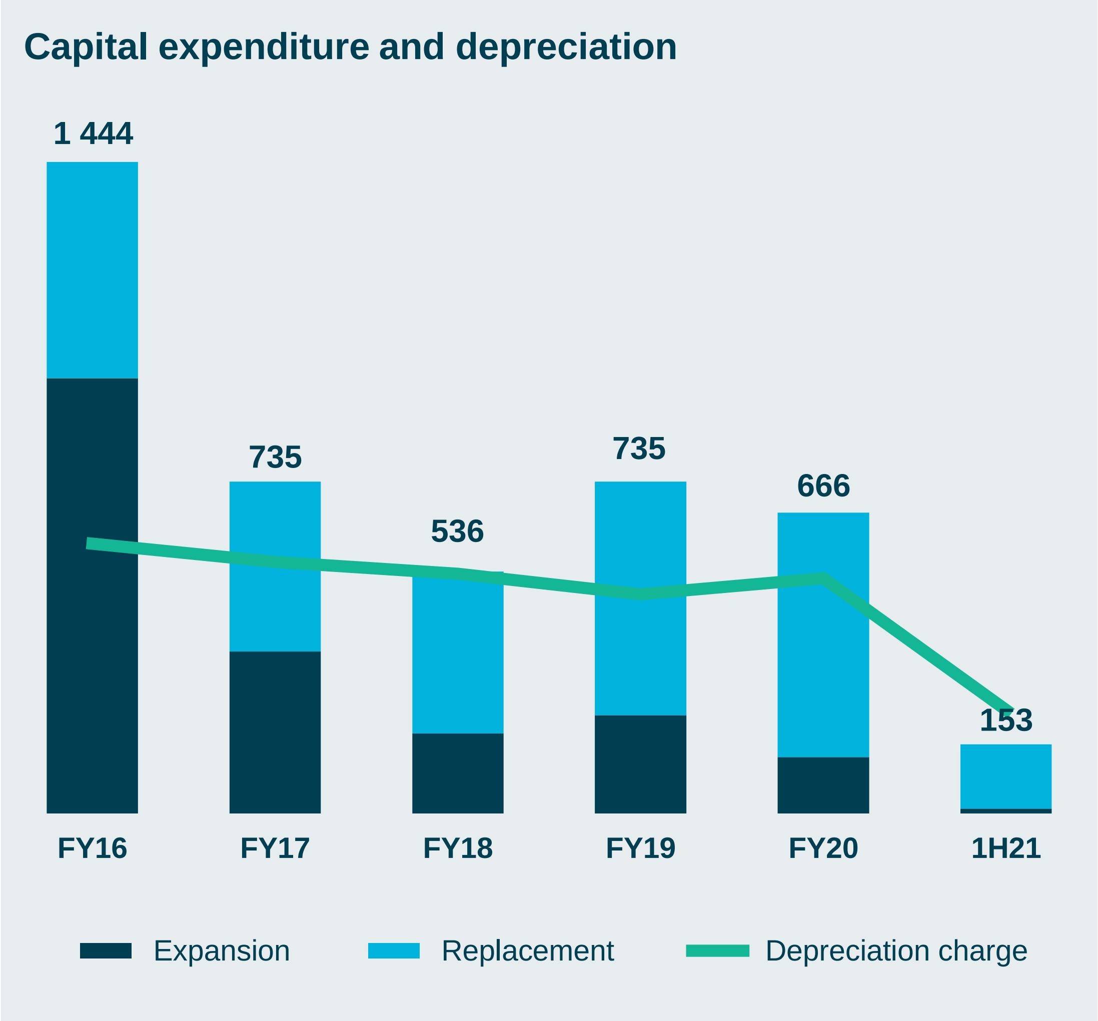
Changes in working capital

R million	1H21	1H20	FY20
Decrease in inventories	**80**	354	570
(Increase)/decrease in trade and other receivables and other current assets	**(377)**	(148)	590
Cash (outflow)/inflow before payables	**(297)**	206	1 160
Increase/(decrease) in trade payables and other current liabilities	**318**	(282)	(793)
Net working capital inflow/(outflow)	**21**	(76)	367

- Focus on sales and operating plans to inform procurement decisions have yielded benefits
- Decrease in inventories due to active programme focused on reducing inventory in line with new demand patterns
- Increase in trade receivables due to improved trading conditions in certain markets, funding of export debtors and change in terms with a major customer
- Increase in trade payables partially offset cash utilised to fund trade receivables
- Positive swing of R97m in net working capital with R21m inflow compared to outflow of R76m in prior year

Capital programme significantly reduced

Limited capex required given well capitalised PPE base



- › Capital Assurance Committee continued to be effective
- › Prudent allocation of capital without compromising integrity of asset base
- › Replacement capex ~93%
- › Future capex planned to be tightly controlled and significantly lower than FY20
- › Capex expected to be between R360-R410m for FY21
  - » No major single capex spend in FY21
  - » Includes capex in 1H21 for export contracts

Outlook

Outlook for FY21

Momentum continues into 2H21

METALS

Bevcan South Africa

› Bulk of 3x export contract volumes in 2H21
  » 2x beverage can bodies
  » 1x beverage can ends

Bevcan Nigeria

› Continued strong demand into 2H21

› Port congestion a concern

› Currency devaluation

Bevcan Angola

› No improvements in economy expected

› Export contracts resume in 4Q21

DivFood

› Simplification projects largely complete in 2H21

› Residual equipment relocations in 1H22

PLASTICS

Plastics SA

› Simplification projects complete in FY21

› Further cost savings in 2H21

› Raw material shortages a concern

PAPER

› Commencement of trading for JV with Elopak

› Pandemic restrictions will continue to limit trading in East Africa

Conclusion

Recovery on track

Enhanced position to compete

Long-term supply contracts secured

Reduced cost base

Simplified and more focused portfolio

Optimised footprint

Creating balance sheet capacity for future growth

Thank you

Appendices

EPS and HEPS

Continuing operations:

› EPS of 17.0c for 1H21 improved from a loss of 408.9cps in 1H20 primarily due to improved trading and a significant reduction in net impairment losses which reduced from R3bn in 1H20 to R14m in 1H21

› HEPS of 17.6c for 1H21 from 7.0c in 1H20 primarily due to:

» No further impairment of goodwill in Nigeria and significantly reduced net impairments of other assets in 1H21 compared to R3bn in 1H20

» The non-recurrence of capital items resulting from the net loss on the disposal of businesses and property offset by insurance proceeds for asset replacements

» Reduced retrenchment and restructuring costs and profitability improvement project in DivFood and Plastics near completion and show benefits

» Lower net devaluation losses arising from Angolan and Nigerian exchange rate movements

Total operations:

› EPS of 17.0c for 1H21 improved from a loss of 336.0cps in 1H20 primarily due to improved trading and a significant reduction in net impairment losses which have reduced from R3bn in 1H20 to R14m in 1H21

› HEPS of 17.6c in 1H21 from 0.3c in 1H20 for the same reasons listed under HEPS for continuing operations

Gross debt to net debt workings

Breakdown of net borrowings (excluding finance leases)

R million	FY19	1H20	FY20	1H21
Loans	(6 133)	(6 452)	(5 755)	(4 760)
Loans – current portion	(1 726)	(2 028)	(1 000)	(1 000)
Bank overdrafts	(228)	(310)	(129)	(17)
Gross debt	**(8 087)**	**(8 790)**	**(6 884)**	**(5 777)**
Liquid bonds	862	192	139	98
Liquid bonds – current portion	40	270	359	80
Bank balances	1 463	3 494	1 529	1 314
Bank balances – held for sale	124	–	–	–
Net debt	**(5 598)**	**(4 834)**	**(4 857)**	**(4 284)**

R848m transferred from Nigeria and Angola

Cash transfers impacted by lower trading levels in Angola and USD shortages

Cash balances including liquid bonds

31 March 2021

R million	Angola	Nigeria(1)	Sub-total	Zimbabwe(2)	Total
Opening cash on hand – 30 Sep 2020	R335m	R294m	R629m	R62m	R691m
Cash on hand	R166m	R256m	R422m	R76m	R498m
Hedged cash	R7m	–	R7m	–	R7m
% cash hedged	4%	0%	2%	0%	1%
Cash transferred	R321m	R527m	R848m	R8m	R856m
Cash transfer rate(3)	96%	179%	135%	13%	124%

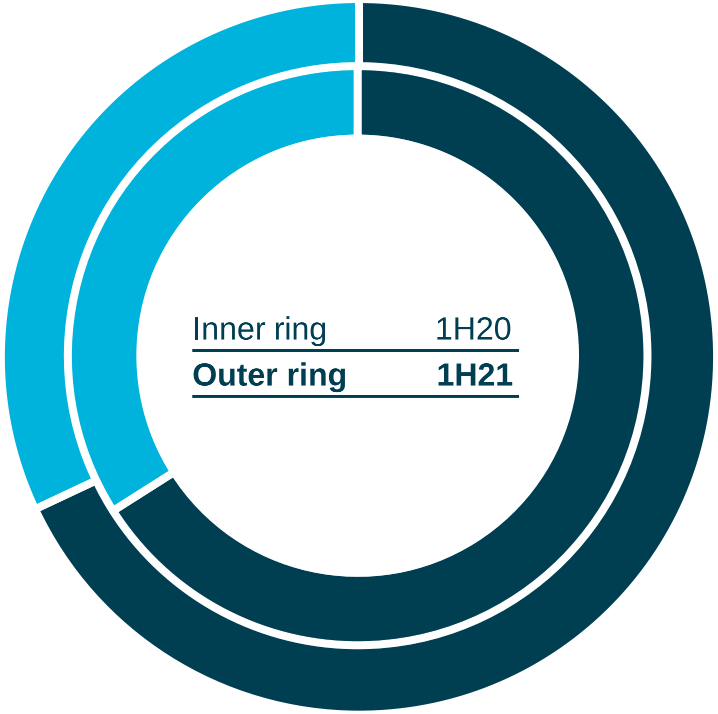
31 March 2020

R million	Angola	Nigeria(1)	Sub-total	Zimbabwe(2)	Total
Opening cash on hand – 30 Sep 2019	R1 041m	R217m	R1 258m	R57m	R1 315m
Cash on hand	R477m	R379m	R856m	R68m	R924m
Hedged cash	R266m	–	R266m	–	R266m
% cash hedged	56%	–	31%	–	29%
Cash transferred	R842m	R794m	R1 636m	–	R1 636m
Cash transfer rate(3)	81%	366%	130%	–	124%

(1) US dollar availability in Nigeria slowed in 1H21
(2) No further funding provided to Zimbabwe since April 2018. Operations are self-funding
(3) Cash transfer rate is the amount of cash transferred compared to cash on hand at the end of the previous reported period.

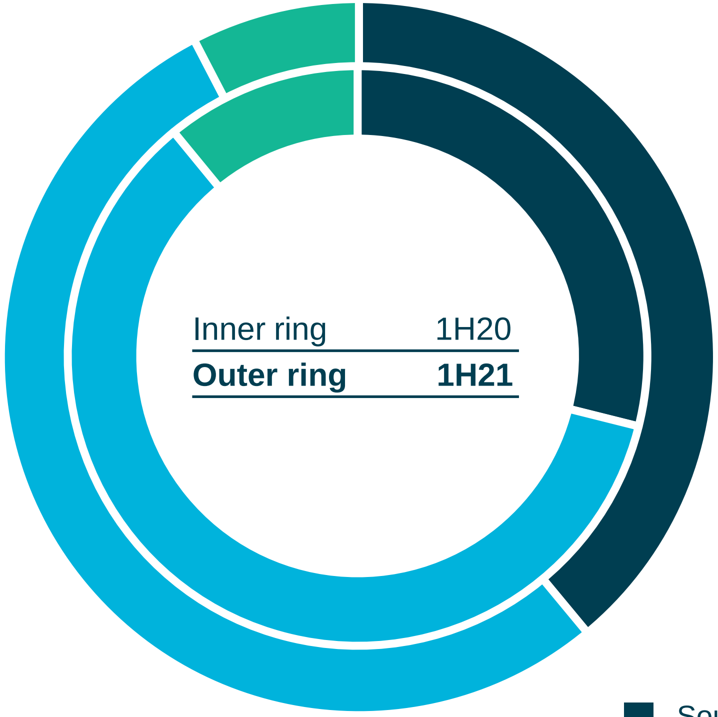
Segmental information by region

Revenue (%)
Continuing operations



South Africa	66 | **68**
Rest of Africa	34 | **32**

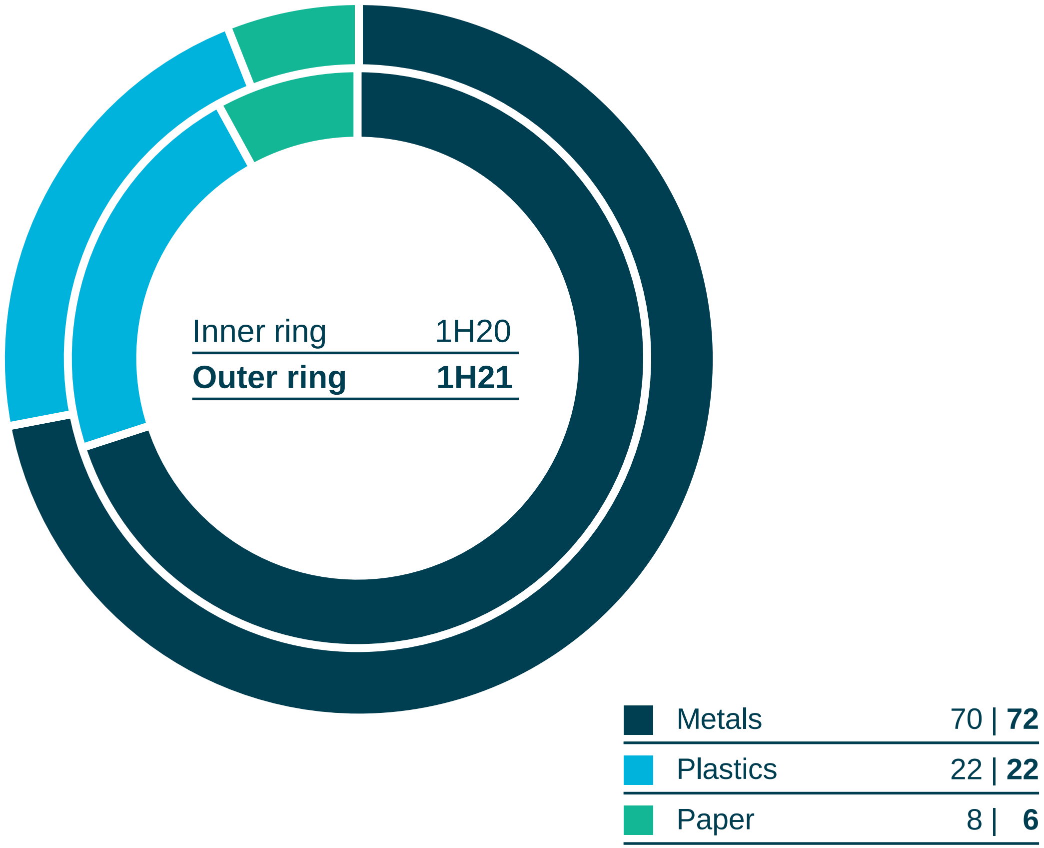
Trading profit (%)
Continuing operations



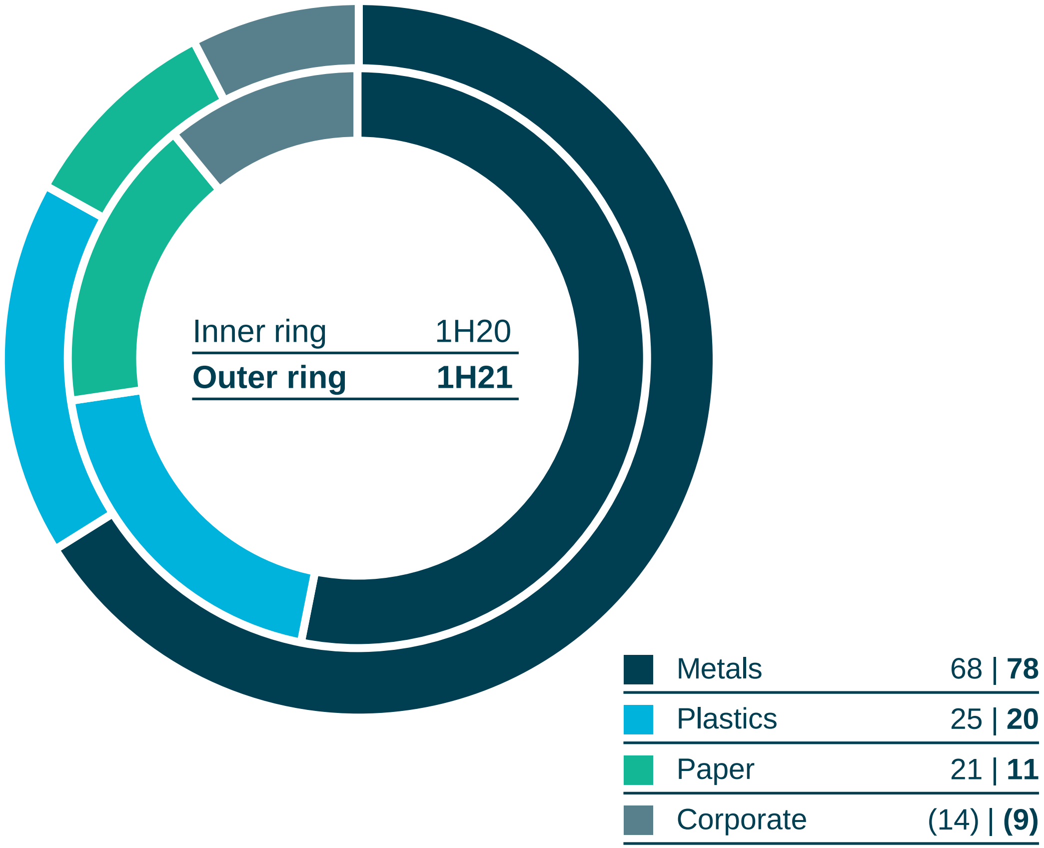
South Africa	37 | **46**
Rest of Africa	77 | **63**
Corporate	(14) | **(9)**

Segmental information by substrate

Revenue (%)
Continuing operations



Trading profit (%)
Continuing operations



Segmental information

Segmental performance by substrate: Revenue

R million	1H21	1H20	% ∆
Metals	**4 698**	4 553	3
Plastics	**1 427**	1 438	(1)
Paper	**397**	528	(25)
Continuing operations	**6 522**	6 519	0
Glass	**–**	791	(100)
Plastic Europe	**–**	131	(100)
Discontinued operations	**–**	922	100
Total	**6 522**	7 441	(12)

Segmental performance by substrate: Trading profit

R million	1H21	1H20	% ∆
Metals	**550**	429	28
Plastics	**140**	157	(11)
Paper	**81**	133	(39)
Corporate Services	**(65)**	(86)	24
Continuing operations	**706**	633	11
Glass	**–**	88	(100)
Plastic Europe	**–**	(18)	100
Discontinued operations	**–**	70	(100)
Total	**706**	703	0

Segmental performance by region: Revenue

R million	1H21	1H20	% ∆
South Africa	**4 436**	4 304	3
Rest of Africa	**2 086**	2 215	(6)
Continuing operations	**6 522**	6 519	0
South Africa – Glass	**–**	791	(100)
Europe	**–**	131	(100)
Discontinued operations	**–**	922	100
Total	**6 522**	**7 441**	**(12)**

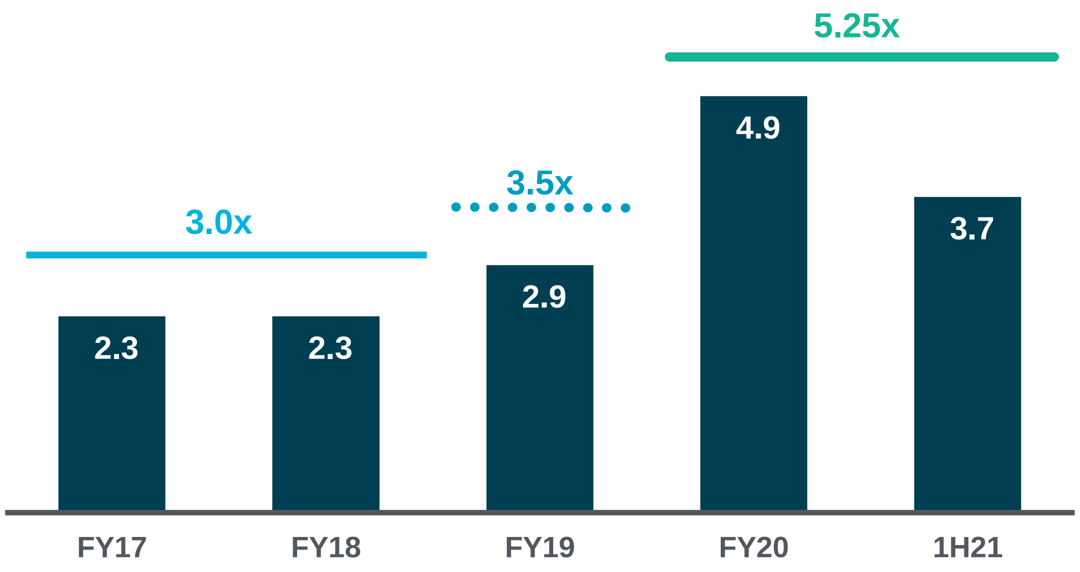
Segmental performance by region: Trading profit

R million	1H21	1H20	% ∆
South Africa	**324**	232	40
Rest of Africa	**447**	487	(8)
Corporate services	**(65)**	(86)	24
Continuing operations	**706**	633	11
South Africa – Glass	**–**	88	(100)
Europe	**–**	(18)	100
Discontinued operations	**–**	70	100
Total	**706**	703	0

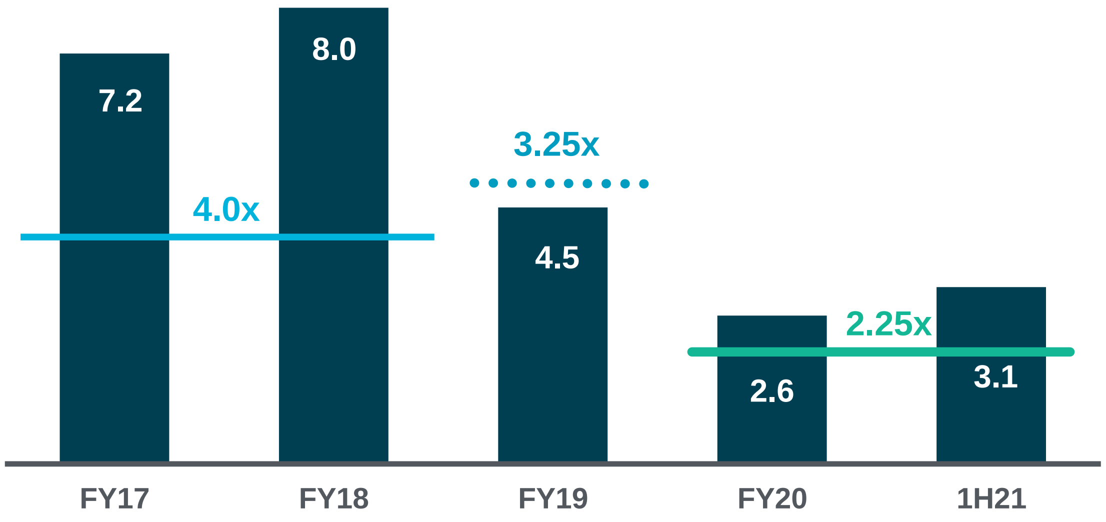
Group covenants complied with in 1Q21 and 2Q21

Improved trading, reduced dollar debt and stronger Rand improve covenant position

Net debt: EBITDA (times)
Covenant less than 5.25 times



EBITDA: Interest cover (times)
Covenant greater than 2.25 times

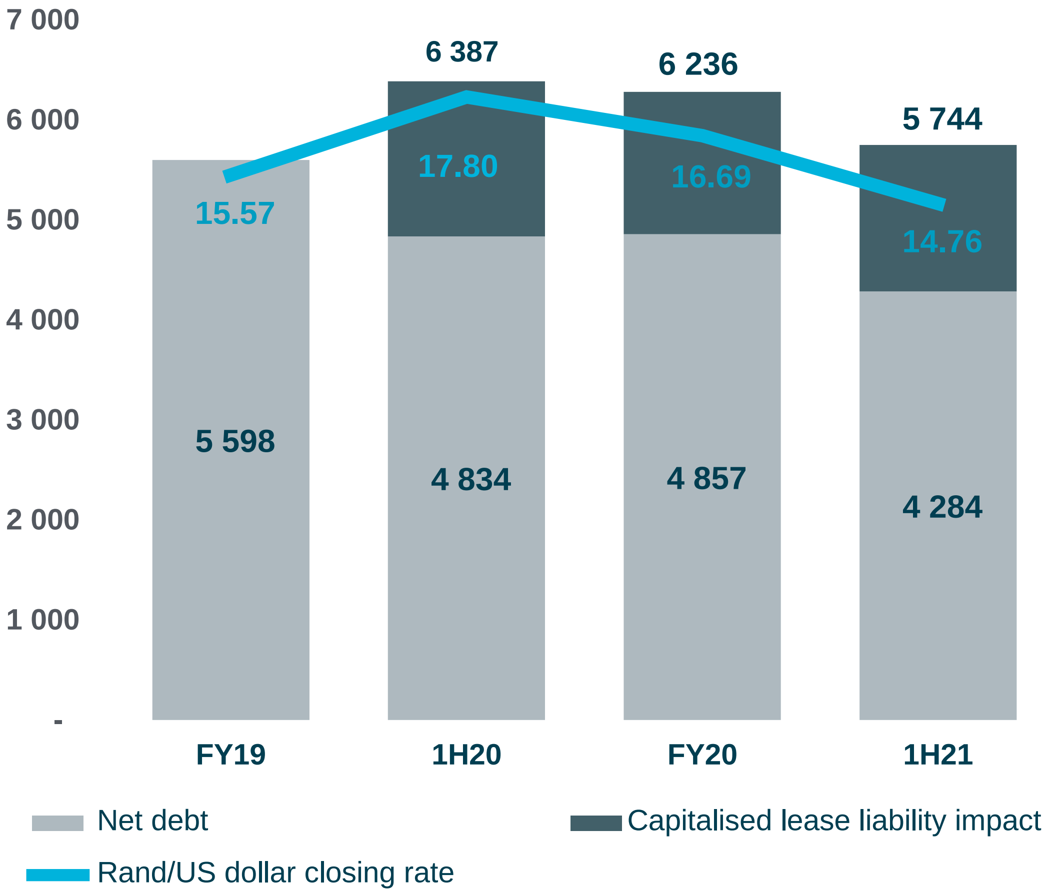


- For FY20 and 1H21, covenant relaxed to 5.25x due to COVID-19 impacts
- Quarterly covenants requirement complied with
- Net debt: EBITDA covenant:
  - 12% stronger ZAR/USD closing rate for USD-denominated debt benefited rand translated debt vs FY20
  - Rolling 12-month EBITDA improving due to stronger trading in 1H21, lifting rolling 12-month average
  - IFRS 16 lease liabilities excluded from net debt and EBITDA adjusted for actual lease payments

- For FY20 and 1H21, covenant relaxed to 2.25x due to COVID-19 impacts
- Ratio has improved vs FY20 due to higher EBITDA despite higher net interest due to ratchet interest cost and lower interest received on US dollar linked kwanza bond
- Net interest paid excludes IFRS16 impacts

Gearing and debt covenants impacted by prior year impairments, IFRS 16 but USD debt reduced

Net debt (R million) and ZAR/USD exchange rate



- › R1.4bn (US$61m) proceeds from Glass and R0.4bn from Cartons Nigeria utilised to settle US$ debt
- › Gearing impacted by:
  - » Impairments of R4.0bn in FY20 reduced total equity by 49% to R4.2bn
  - » IFRS 16 required recognition of R1.4bn lease liabilities materially increasing total gearing
  - » 12% stronger Rand/US dollar exchange rate compared to FY20

Nampak
packaging excellence

Investor Relations

Nondyebo Mqulwana
E nondyebo.mqulwana@nampak.com
M +27 11 719 6300

www.nampak.com