

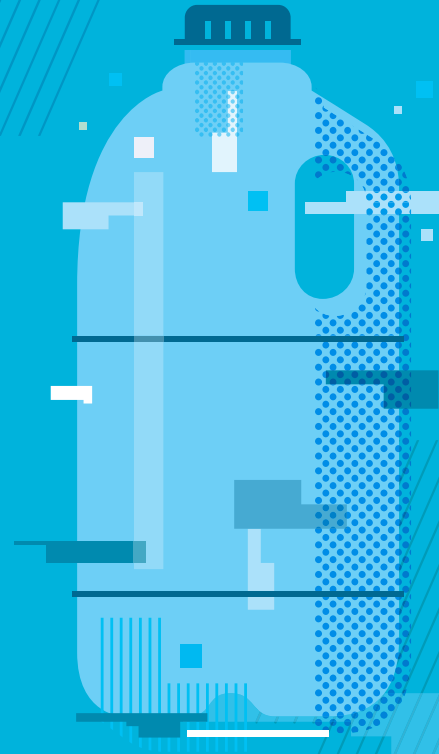


Nampak
packaging excellence

Interim Results

for the six months ended
31 March 2022

May 2022





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.

When relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.



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Nampak overview

01



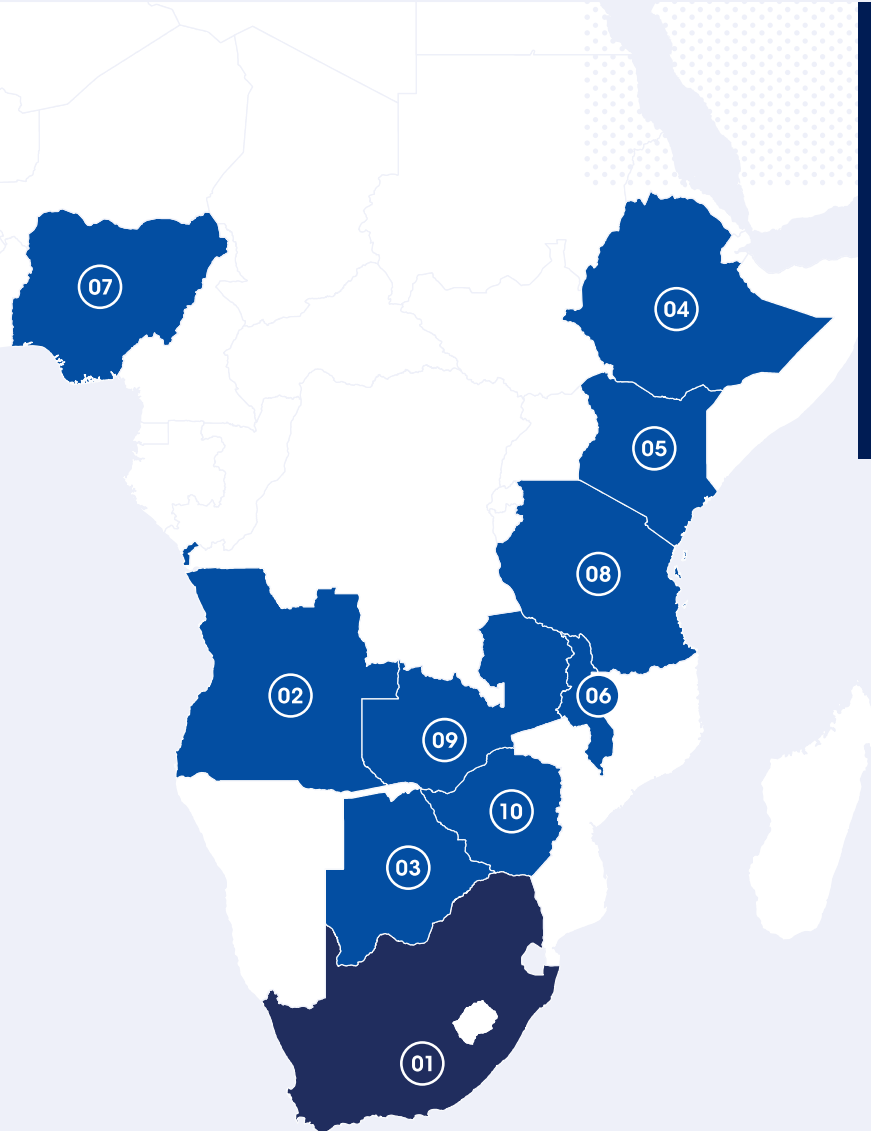
Africa's foremost packaging company

- › Listed on the JSE Limited (Johannesburg Stock Exchange) under the symbol NPK for 53 years
- › Produces world-class metal, paper and rigid plastic packaging from facilities across Africa
- › Market leader in the supply of beverage cans in South Africa & Angola and a key player in the supply of beverage cans in Nigeria
- › We operate in:
 - › South Africa – 19 operations, including corporate office and R&D
 - › Rest of Africa – 14 operations
- › World-class research and development facility based in South Africa established >70 years ago:
 - › Assists our factories in achieving operational excellence
 - › Provide valuable service to customers on packaging design, filling practices and problem solving
- › Committed to creating sustainable value for all our stakeholders
 - › A trusted partner to customers
 - › Deliver exceptional food safety packaging to consumers
 - › Aluminium beverage cans are infinitely recyclable
 - › Founder and/or supporter of all Producer Responsibility Organisations for all substrates in South Africa





Where we operate



01
South Africa
 including corporate office and R&D
 ⚙️ 19
 👥 3 063
 🏭

Isle of Man
 Trading office
 👥 13

Rest of Africa

02
Angola
 ⚙️ 1
 👥 110
 🏭

03
Botswana
 ⚙️ 1
 👥 18
 🏭

04
Ethiopia
 ⚙️ 1
 👥 10
 🏭

05
Kenya
 ⚙️ 2
 👥 87
 🏭

06
Malawi
 ⚙️ 1
 👥 37
 🏭

07
Nigeria
 ⚙️ 2
 👥 351
 🏭

08
Tanzania
 ⚙️ 1
 👥 0*
 🏭

09
Zambia
 ⚙️ 2
 👥 105
 🏭

10
Zimbabwe
 ⚙️ 3
 👥 458
 🏭

* No permanent employees

Key

⚙️ Operations

🏭 Metals

👥 Employees

🏭 Plastics

🏭 Paper

Our presence

10
Countries



4 252
Employees



33
Manufacturing operations





Strategic focus areas

Strategic building blocks



Reduce risk

1



Strengthen
capital
structure

2



Simplification



Grow profits

3



Optimisation

4



Innovation
and growth



1H22 results overview

02



Highlights

**Group revenue of R8.1bn
+24%**

Healthy demand in key markets, coupled with higher selling prices due to elevated commodity/raw material prices

**Operating profit of R668m
+26%**

Improved profitability due to significant gains made in Metals division and reduced adjustments to trading profit

**Profit for the period
of R321m
+87%**

Improved trading conditions and reduced tax charges contributed to higher net profits

**Earnings of 34.9cps
+105%**

**Headline earnings of
35.6cps
+102%**

**Cash generated from
operations before working
capital of R1.1bn**

+30%

**Required investment in
working capital of R653m**

**Group funding covenants
complied with**

Net debt:EBITDA 2.8x
Threshold ≤3.5x

EBITDA interest cover 4.7x
Threshold ≥4.0x



Focus areas for FY22 – Progress to date



Debt structure
optimisation



Continued
covenant
compliance



Increased focus
on ESG measures



Tight control
of capex and
working capital



Continue
exploring disposal
of non-strategic
assets



Continue building trust

- › Reliable partner to customers
- › Supply of safe, quality products
- › Supported by world-class R&D facility
 - » Operating for >70 years
 - » Assists operations in achieving operational excellence
 - » Environmentally friendly packaging



Operating context in 1H22



South Africa

- › Eased restrictions on large events benefits demand
- › Further savings from restructuring at DivFood and Plastics SA
- › Leverage productive capacity



Rest of Africa

- › Positive momentum to continue in Nigeria
- › Slightly improved conditions expected in Angola
- › Potential forex devaluations in Nigeria and Zimbabwe
- › Zambia to continue benefiting from eased trading conditions and diversified customer base
- › Strategic evaluation of smaller Rest of Africa operations



Global

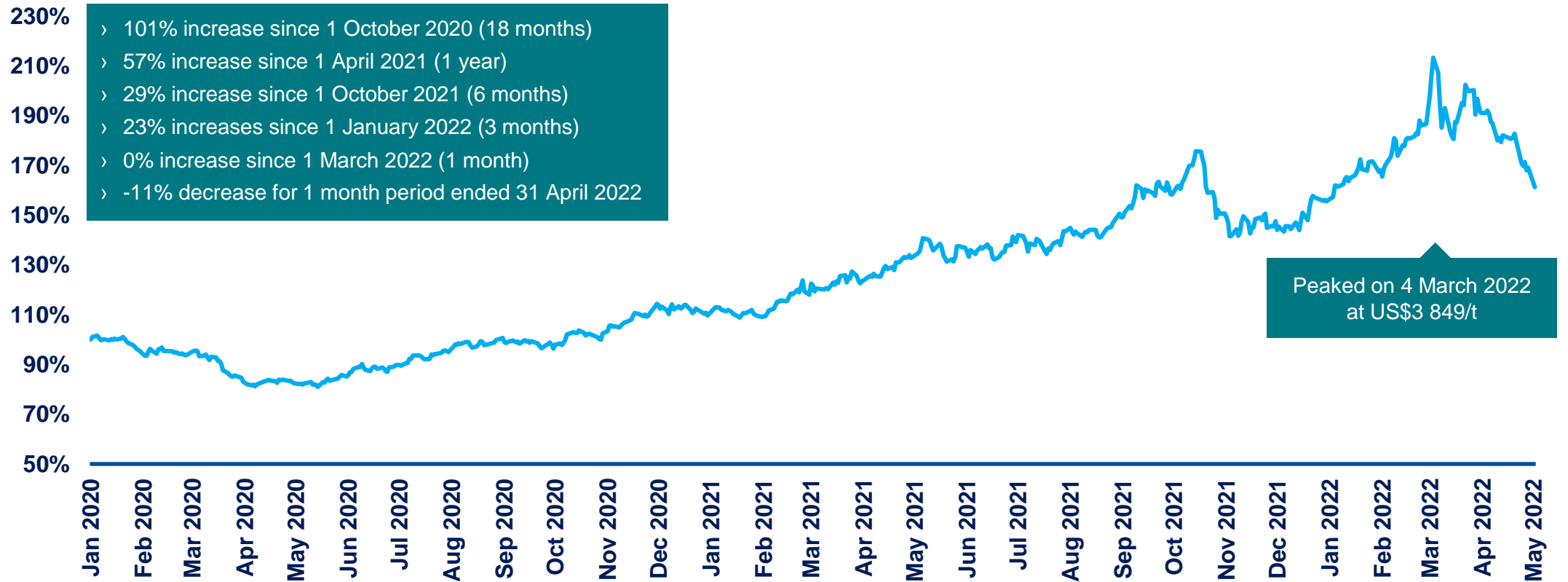
- › High commodity prices
- › Supply chain disruptions



Commodity price cycles

Aluminium price doubled since 18 months ago

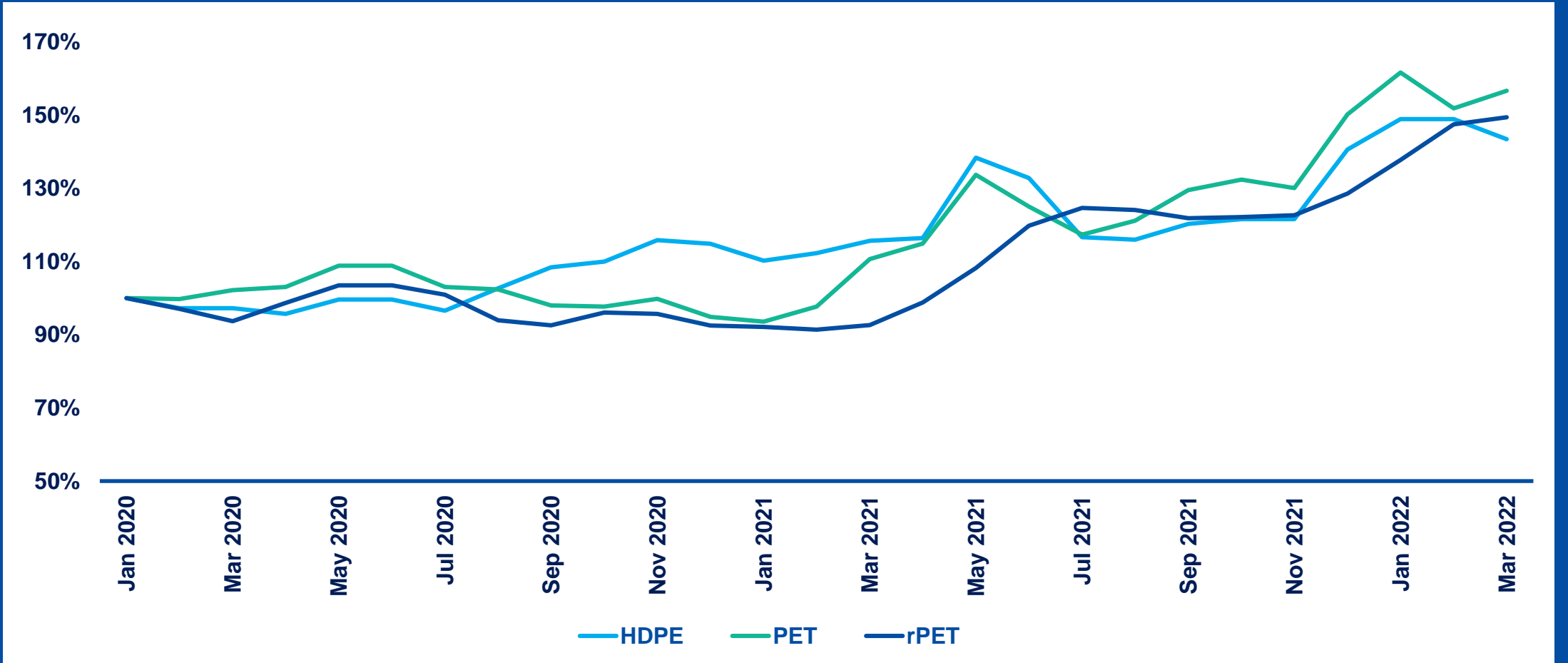
Indexed aluminium price





Polymer prices increased between 21–51% since April 2021

Plastics raw material price indices





Operational reviews

03



Improved group results

Driven by strong growth from Metals division

Metals

Revenue

R5 973m

up 27%

Trading profit

R752m

up 37%



Plastics

Revenue

R1 576m

up 10%

Trading profit

R143m

up 2%



Paper

Revenue

R516m

up 30%

Trading profit

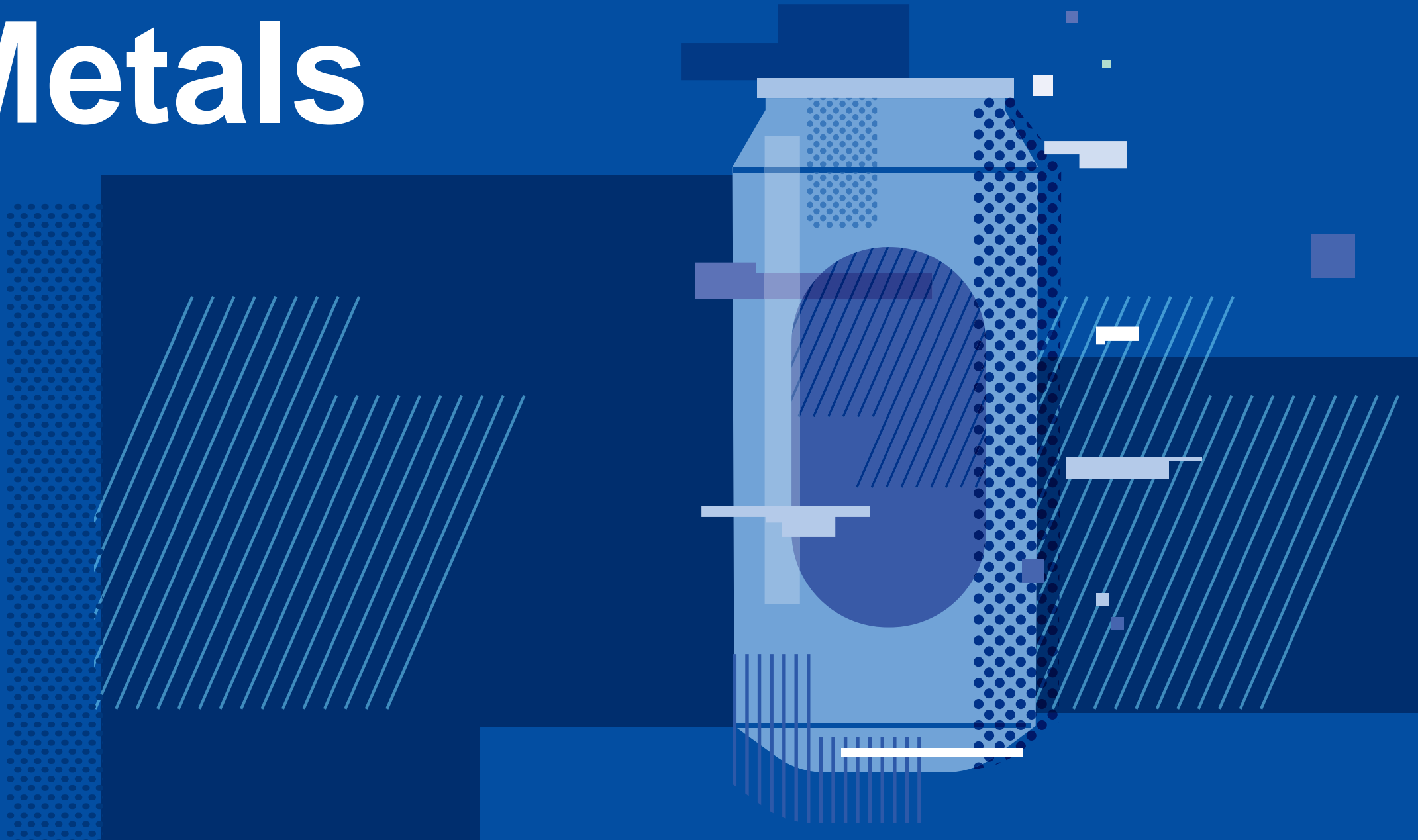
R81m

unchanged





Metals



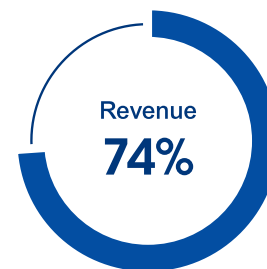


Improved profitability due to growth in South Africa and Nigeria

Metals

R million	1H22	1H21	% Δ
Revenue	5 973	4 698	27
Trading profit	752	550	37
Margin (%)	12.6	11.7	

CONTRIBUTION TO GROUP



SOUTH AFRICA

Bevcan SA

- › Strong growth due to increased local demand for larger can sizes
 - › Continual growth in beer, cider and energy drink markets
 - › Shortage of other packing substrates
 - › No restrictions on trading
 - › Higher selling prices due to cost recovery
- › Growth in local volumes compensated for loss of once-off exports in FY21
- › Cash flows adversely impacted by high commodity prices

SOUTH AFRICA continued

DivFood

- › Significant price increases for raw materials
- › Food can growth due to:
 - › Recovery of fish can volumes
 - › Improved volumes for fruit, vegetable and milk cans
- › Diversified cans limited by pressure on consumers disposable income
- › Metal closures growth driven by roll-on-pilfer-proof sales into wine & spirits markets

NIGERIA

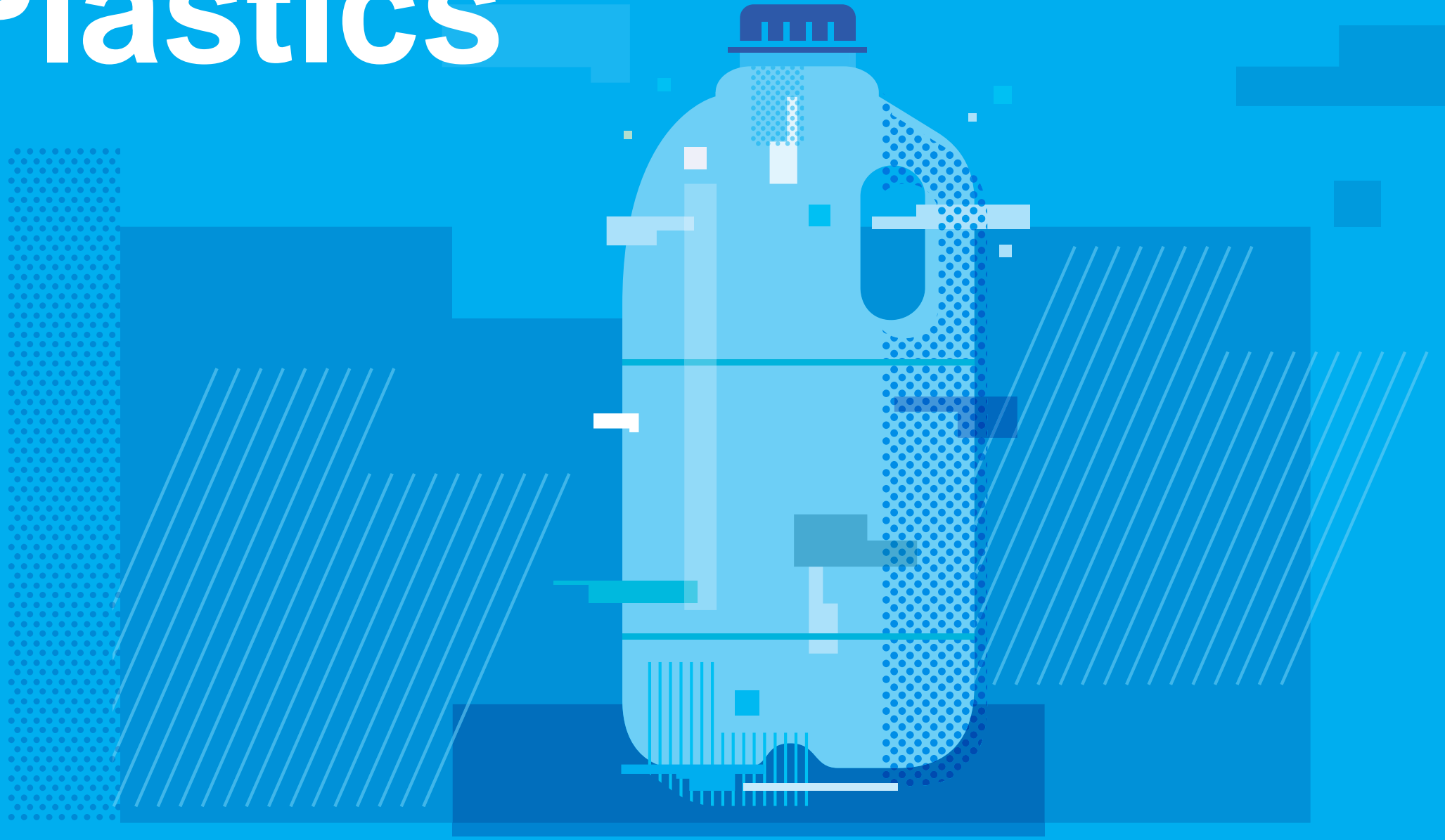
- › Strong revenue growth at Bevcan
 - › Boosted by shortages in raw materials for other substrates
- › Operating close to full capacity
- › General metals packaging below expectations, reduced volume allocations by key customers

ANGOLA

- › Encouraging revenue growth off low base
 - › Gradual reopening of economy, pandemic restrictions lifted
- › Improved profitability due to internal focus on lowering operating costs and higher volumes
- › Volumes limited by ongoing closure of the borders to neighbouring countries



Plastics





Strong performance from Cartons SA and Zimbabwe, limited by Plastics SA

Plastics

R million	1H22	1H21	% Δ
Revenue	1 576	1 427	10
Trading profit	143	140	2
Margin (%)	9.1	9.8	

CONTRIBUTION TO GROUP



SOUTH AFRICA

- › Good revenue growth driven by Cartons SA

Cartons SA

- › Continued revenue and trading profit growth
- › Good volume growth for both Pure-Pak and conical cartons
- › Unrestricted trading, no alcohol bans on sales
- › Improved operational efficiencies from additional sale volumes

Plastics SA

- › Disappointing results, revenue marginally down
 - › Lower volumes for liquid bottles due to elongated strikes at two key customers
 - › Resilient closure volumes with pleasing growth in challenging environment
 - › Lower demand for other categories
 - Customers experienced raw materials shortages due to global supply chain challenges

REST OF AFRICA

- › Robust demand at Zimbabwean operations
 - › Double digit revenue growth for Megapak and CMB
 - › Demand met to extent forex and raw materials available
 - › Continued to self-fund operational and capital requirements
 - Generated cash reinvested into raw materials, operations and equipment
 - › Experienced and stable management team, good production capabilities
 - › Significant currency devaluation and increasing inflation



Paper



Stable results from Zambia and Zimbabwe

Paper

R million	1H22	1H21	% Δ
Revenue	516	397	30
Trading profit	81	81	—
Margin (%)	15.7	20.4	

REST OF AFRICA

Zambia and Malawi

- › Improved trading conditions with economies reopening, no pandemic restrictions
- › Volume growth and market share gains
 - » Improved profitability at both operations
 - » Higher volumes from crate sales in Zambia, but lower carton volumes
 - » Promotional efforts advanced conical carton volumes in Malawi

CONTRIBUTION TO GROUP



Zimbabwe Hunyani

- › Robust demand, good revenue growth
- › Trading profit contraction
 - » Higher operating costs
 - » Unreliable electricity supply
 - » Impact of hyperinflation

Kenya

- › Improved trading conditions, low base
- › JV with Elopak in sub-Saharan Africa
 - » Trading commenced albeit at small volumes



Financial review

Nampak Interim Results
May 2022

04



Group financial performance

Statement of comprehensive income

R million	1H22	1H21	% Δ
Revenue	8 065	6 522	24
Operating profit	668	529	26
Profit before tax	392	272	44
Profit for the period	321	171	87
Cash generated from operations before working capital changes	1 080	831	30
Cash generated from operations	428	852	(50)
EBITDA for covenants	1 788	1 238	44
Debt covenants:			
Net debt to EBITDA (threshold ≤3.5x)	2.8x	3.7x	
EBITDA interest cover (threshold ≥4.0x)	4.7x	3.1x	
Earnings per share (cents)	34.9	17.0	105
Headline earnings per share (cents)	35.6	17.6	102

Revenue growth of 24%

Operating profit up 26%

Profit for the period up 87%

Strong revenue growth boosted cash generated from operations before working capital changes by 30%, R653m reinvested in working capital

EBITDA for covenants up 44%

HEPS of 35.6cps up 102%



Improved trading conditions, and lower impairments improved profitability

Statement of comprehensive income

R million	1H22	1H21	% Δ
Revenue	8 065	6 522	24
Trading profit	770	706	9
Operating profit before Zimbabwe devaluation	718	553	30
Net impact of devaluation associated with Zimbabwe	(40)	(10)	(>100)
Operating profit before net impairment losses	678	543	25
Net impairment losses	(10)	(14)	29
Operating profit	668	529	26
Net finance costs	(279)	(255)	(9)
Share of net profit/(loss) from associates and joint venture	3	(2)	>100
Profit before tax	392	272	44
Income tax expense	(71)	(101)	30
Profit for the period	321	171	87
Non-controlling interests in subsidiaries	(99)	(61)	(62)
Profit attributable to owners of Nampak Limited	222	110	102
Earnings per share (cents)	34.9	17.0	105
Headline earnings per share (cents)	35.6	17.6	102

- › Revenue up 24% due to healthy demand in our key markets coupled with higher selling prices caused by elevated commodity/raw material prices
- › Trading profit up 9%, adversely impacted by pass-through mechanism on high commodity prices and unrealised forex losses in South Africa on FECs expected to be recovered in 2H22
- › Net impact on devaluation associated with Zimbabwe due to 62% currency devaluation vs US dollar since September 2021
- › Reduced net impairment losses largely relate to specific assets classified as held for sale
- › Operating profit up 26% due to improved trading conditions and lower capital and other adjusting items:
 - › Net devaluation losses arising from Angolan and Nigerian foreign exchange rate movements reduced to R49m from R153m
 - › Net impairments reduced to R10m from R14m
 - › Net impact of devaluation in Zimbabwe increased to R40m from R10m
- › Net finance costs higher by 9% due:
 - › 5% increase in finance costs despite lower ratchet interest cost
 - › Lower finance income to offset against finance costs
- › Profit for the period up 87% with income tax expense down 30%
 - › Reduction in effective tax rate to 18.1% from 37.1% (FY21: 15.1%)
- › Angolan minority at 30%, restructure reduces minority to 0% in 2H22 (contractually 7%)
- › Profits attributable to equity shareholders up 102% to R222m



Lower forex losses improve operating profit

R million	1H22	1H21	% Δ
Trading profit	770	706	9
<i>Adjusted for:</i>			
Net foreign exchange movements	(88)	(163)	(46)
Net impact of devaluation associated with Zimbabwe	(40)	(10)	(>100)
Net devaluation loss arising from Angolan and Nigerian exchange rate movements	(48)	(153)	69
Retrenchment and restructuring costs	(4)	—	
Operating profit before net impairment losses	678	543	25
Net impairment losses	(10)	(14)	
Operating profit	668	529	26



Rand resilient, Kwanza strengthening, limited forex in Nigeria and Zimbabwean dollar continues to devalue

Major foreign exchange rates

Currency	Average rates				Closing rates			
	1H22	1H21	% Δ	FY21	1H22	1H21	% Δ	FY21
ZAR/US\$	15.33	15.29	0	14.83	14.64	14.76	1	15.11
NGN/US\$	415.17	389.84	(6)	400.33	416.09	407.63	(2)	413.05
AOA/US\$	546.32	662.25	18	655.82	448.92	642.03	30	614.21
ZWL/US\$	—	—	—	—	142.42	84.40	(69)	87.67

› Impact of South African Rand on results:

- › Income statement translated at average rates, statement of financial position at closing rate
- › Average ZAR/US\$ rate in line prior period
- › Covenants and gearing — US\$-denominated debt translation benefited from 3% strengthening in ZAR/US\$ FY21 closing rate

› Nigerian Naira average rate devalued by 6% versus 1H21, closing rate 2% weaker

- › Forex loss of R109m for the period (1H21: R160m loss)
- › US dollar availability at official spot rate limited

› Angolan Kwanza average rate strengthened by 18% compared to 1H21 with 30% stronger closing rate

- › Forex gain of R61m on unhedged monetary items (1H21: R7m gain)

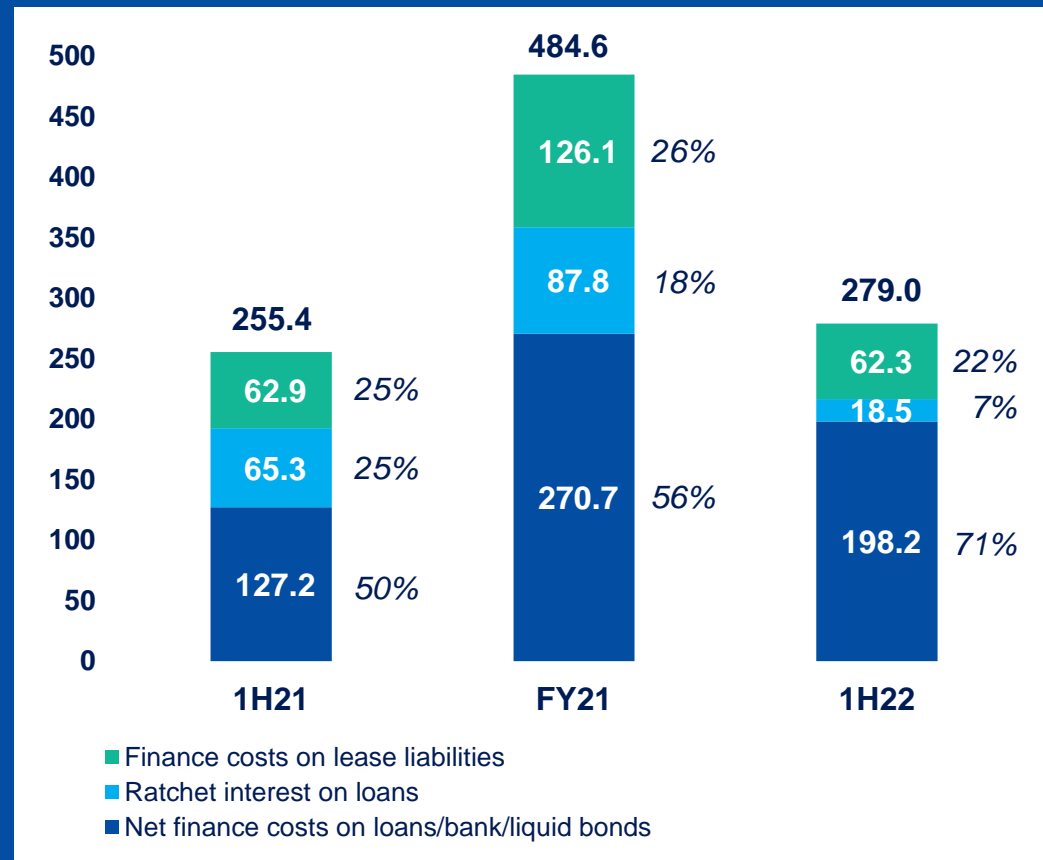
› Zimbabwe

- › Earnings of Zimbabwean operations translated at closing rate due to hyperinflationary economy
- › 69% weakening in closing spot rate vs 1H21
 - 62% vs FY21 closing rate
- › US dollar availability remains challenging, operations self-funding since April 2018
- › No further repayments in 1H22 from RBZ on US\$62.8m outstanding portion of historic debt
 - Received US\$4m (R57m) in FY21
 - Debt now formally included in the Zimbabwean Blocked Funds Framework for repayment (sovereign debt)
 - ECL provision remains at 90%



Higher core borrowing costs due to increased investment in working capital, lower ratchet interest and finance income

Net finance costs (Rm)



- › Increase in net core finance costs
 - › On average higher investment in working capital due to higher commodity prices
 - › Structural imbalance in South African beverage can supply chain
 - Being addressed
 - › Reduction in finance income due to no further interest from liquid bonds
 - › Higher interest rates in 1H22, up 50 basis points since FY21
 - Up by 0.25% in November 2021; and
 - Up by 0.25% in January 2022
- › Lower ratchet interest cost due to significantly improved net debt:EBITDA ratio from 3.7x in 1H21 to 2.8x
- › Interest rates on loans:
 - › Local loans between 7.1% and 7.7%
 - › Foreign loans between 3.8% and 5.3%



Total equity increased by 9%, no material disposals and investment in working capital required

Abridged statement of financial position

R million	1H22	1H21	% Δ	FY21
Property, plant, equipment and investment property	5 352	5 404	(1)	5 361
Right of use assets	734	782	(6)	667
Goodwill and other intangible assets	1 785	1 813	1	1 847
Loan and lease receivables	74	98	(24)	78
Other non-current assets	457	385	19	483
Non-current assets	8 402	8 482	(1)	8 436
Inventories	3 626	2 463	47	2 911
Trade and other current receivables	2 904	2 228	30	2 800
Tax assets	10	11	(9)	16
Loan and lease receivables	44	80	(45)	43
Bank balances and deposits	1 397	1 314	6	1 137
Current assets	7 982	6 096	31	6 907
Assets classified as held for sale	49	548	(91)	622
Total assets	16 433	15 126	9	15 965
Total equity	4 420	4 059	9	4 301
Loans and lease liabilities	6 853	5 874	17	5 667
Retirement benefit obligation	775	748	4	801
Other non-current liabilities	97	217	(55)	188
Non-current liabilities	7 725	6 839	13	6 656
Trade and other current payables	3 112	2 542	22	2 893
Loans, lease liabilities and bank overdrafts	905	1 186	(24)	1 602
Other current liabilities	271	310	(13)	228
Current liabilities	4 288	4 038	6	4 723
Liabilities for assets classified as held for sale	–	191	(100)	285
Total equity and liabilities	16 433	15 126	9	15 965

Minor rounding differences may affect additions

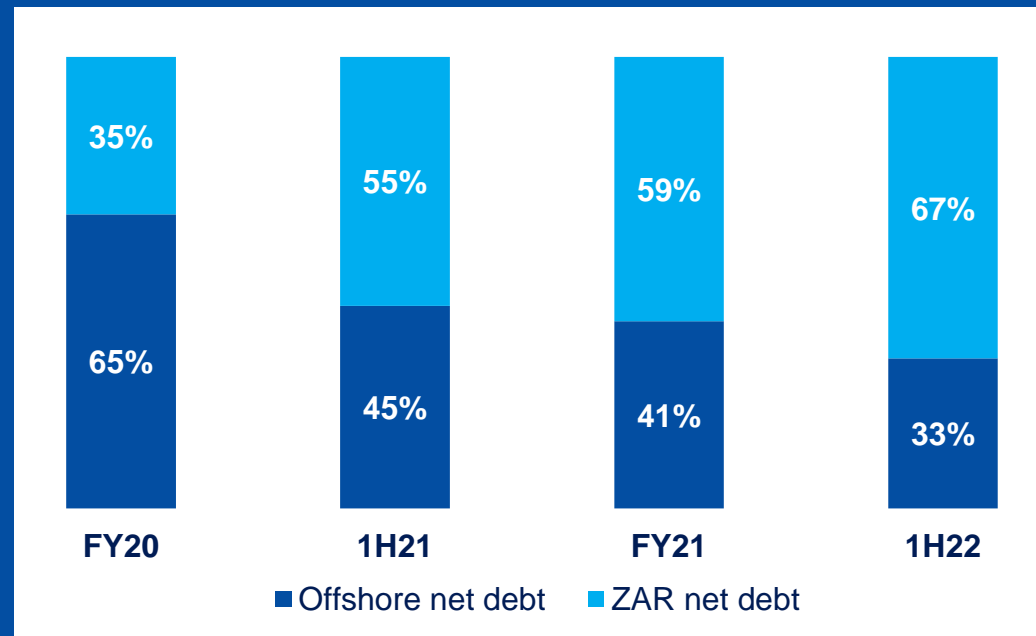
- › Assets and liabilities held for sale reclassified as no longer qualify per IFRS 5 (DivFood MobeNi and Tubes), balance represents specific Divfood non-core assets
- › PPE: no material additions during period
- › Right of use assets increased from FY21 due to reclassification of previously identified assets held for sale
- › Goodwill movements relate to ZAR/US\$ movements
- › Other non-current assets increase vs 1H21 due to higher deferred tax assets
- › Inventories up 25% from FY21, 47% up from 1H21 due to significant increases in commodity prices, increased demand and higher safety stock in certain countries
- › Trade and other receivables up 30% impacted by higher selling prices and increased volumes with book well managed at 63 days
- › R1.4bn held in bank balances
- › Total equity up 9%, non-controlling interest impacted by Angola restructure
- › Non-current loans and lease liabilities increased by R1.2bn from FY21 due to:
 - › R450m of RCF classified as current at FY21 now reflected as long term per funding agreement
 - › Increased draw-downs on term funding
 - › Reclassification of lease liabilities from assets classified as held for sale
- › Trade and other payables funding up 8% from FY21
 - › Commodity price increases and improved volumes placed credit limits under pressure
- › Current loans, lease liabilities and bank overdrafts declined by R697m from FY21
 - › R450m reclassified to long term loans
 - › R267m proceeds from trade finance facility utilised to repay debt
- › Short term liquidity sound with current ratio reflecting pleasing improvement to 1.9 times from 1.6 times at 1H21 and stable acid test ratio of 1.0 times



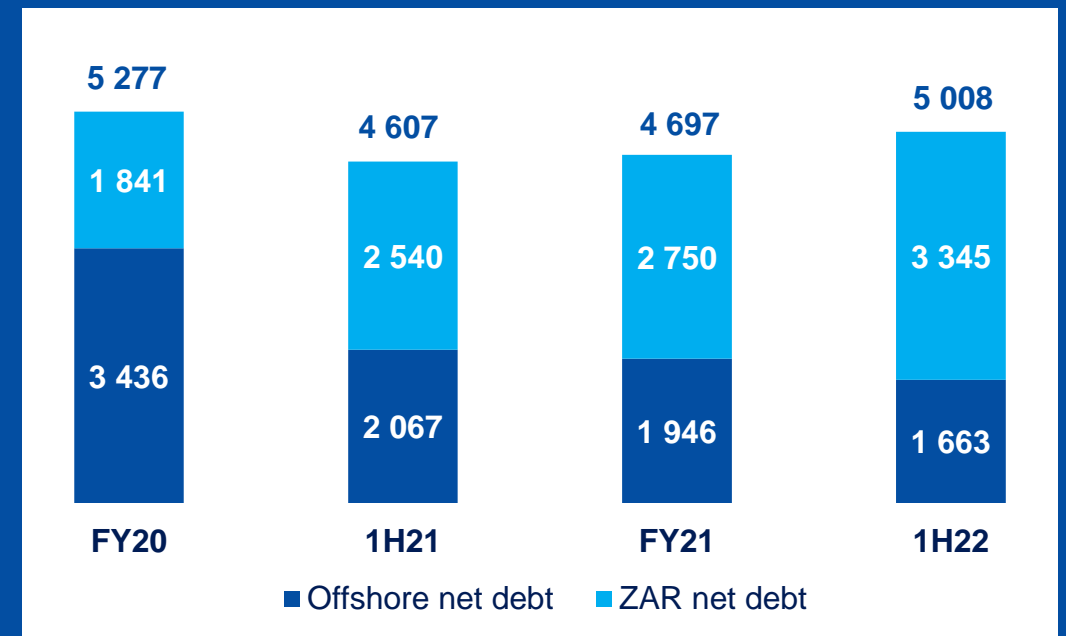
Reduced offshore net debt now approaching targeted levels

- › Further reduced US\$-denominated debt to now comprise 33% of total debt from 41% in FY21
- › R400m drawn from R1bn non-recourse trade finance facility
 - › R267m used to repay debt as at 1H22, with R133m settled post 31 March 2022
 - › Cumulative R400m used to reduce and cancel facilities to date
- › R653m invested in working capital during period, represents 13% of group net debt

Composition of net debt (%)



Composition of net debt (Rm)



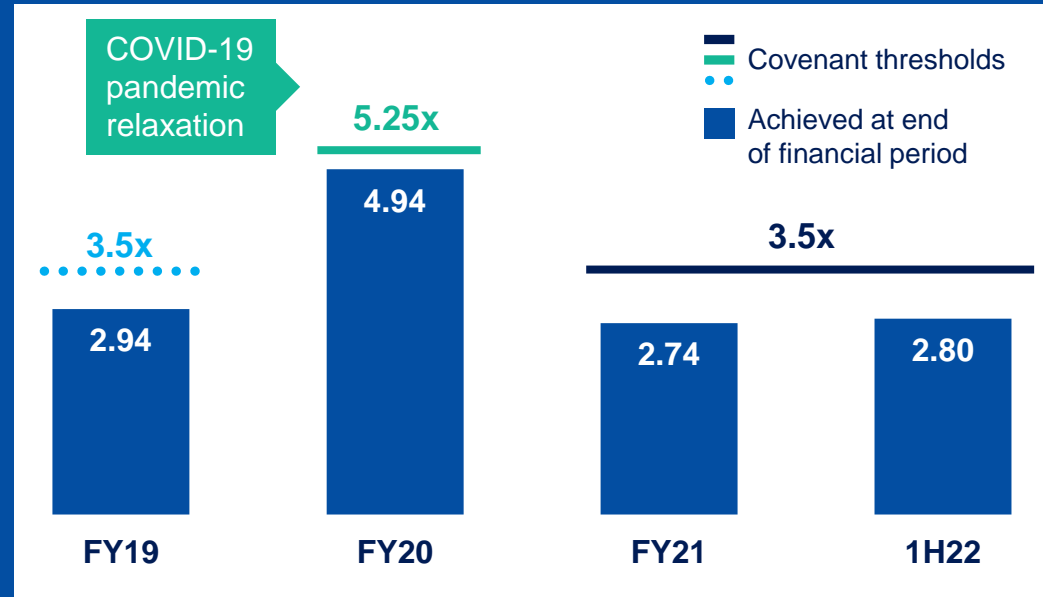
Computation of net debt as per covenants excludes cash in non-permissible banks, certain loan receivables and 50% of liquid bonds



Covenants met and returning to former levels

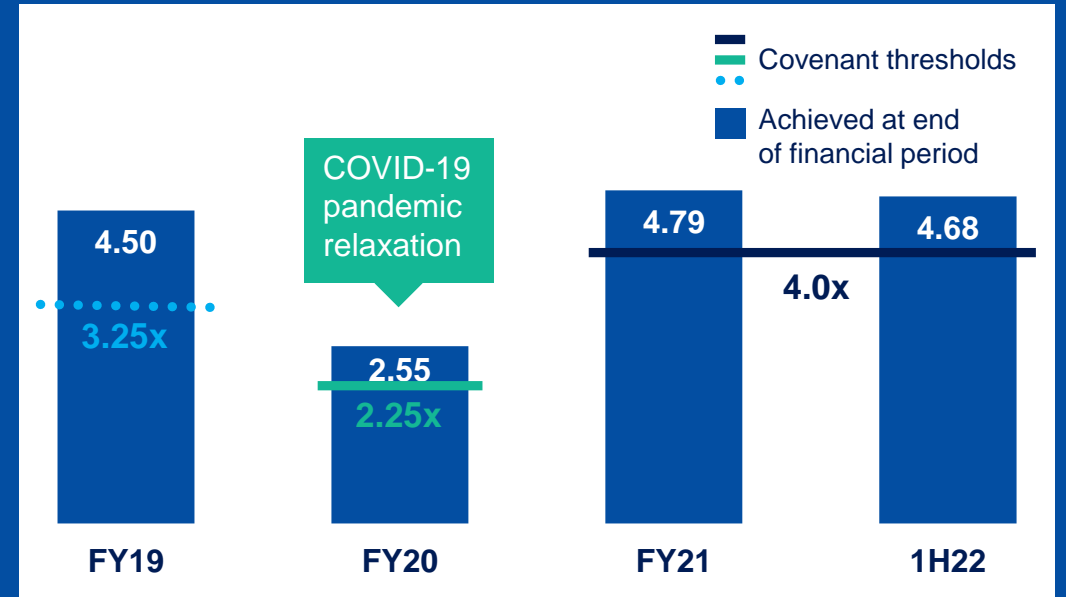
Net debt: EBITDA (times)

Covenant threshold less than or equal to 3.5 times



EBITDA: Interest cover (times)

Covenant threshold greater than or equal to 4.0 times

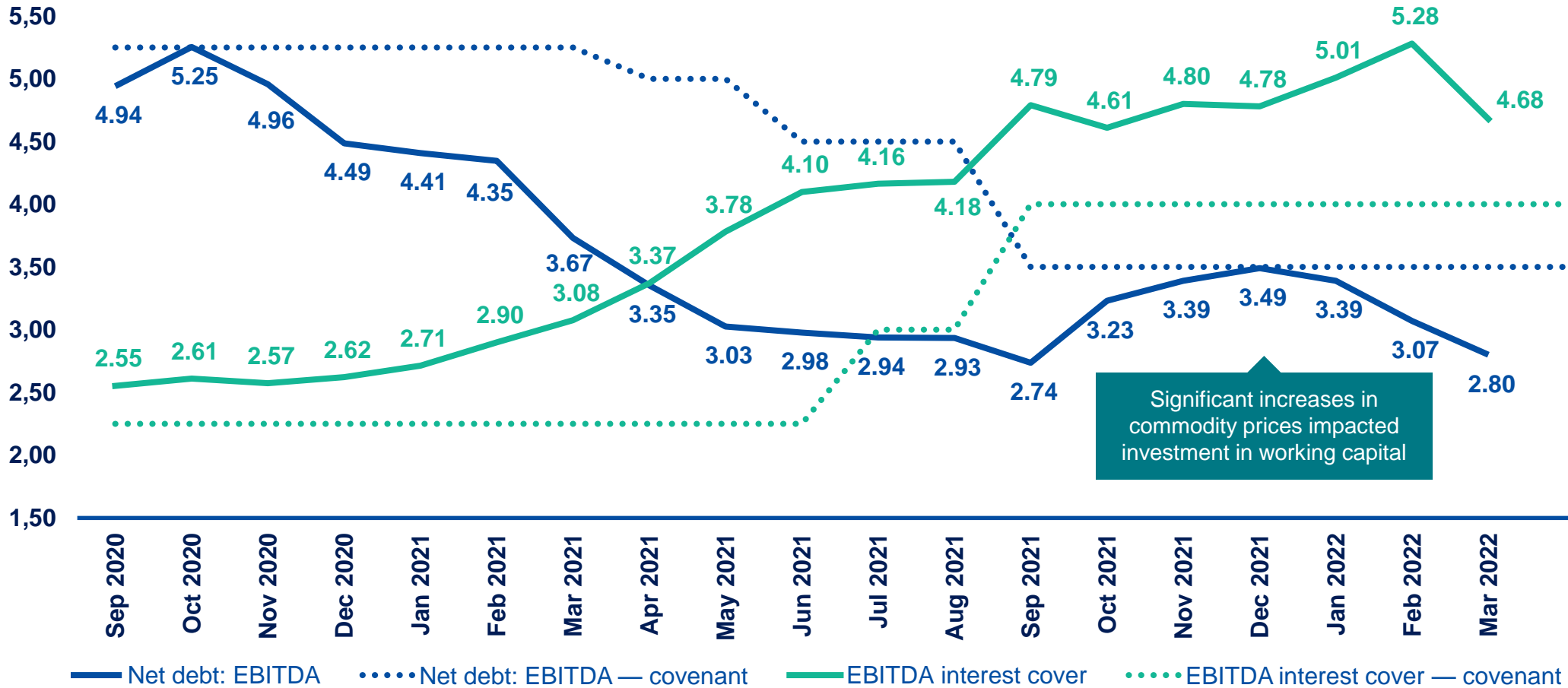


- › EBITDA based on rolling 12 months — improved trading and group profitability in 1H22 with minimal pandemic restrictions
- › Covenants measured quarterly for the duration of FY22 with covenants met in both quarters in 1H22
- › Net debt: EBITDA covenant threshold of 3.5x for FY22
 - › To revert to $\leq 3.0x$ from 1 October 2022
- › EBITDA: Interest cover already at historical threshold of $\geq 4.0x$

- › Required to reduce net debt by R1bn by 30 September 2022, funders to assess group's ability to repay at 30 June 2022
- › Additional inclusions in debt repayment programme:
 - › Cash flows generated through normal operating activities
 - › Proceeds from repayments of historical debt by RBZ
 - › R400m drawn from R1bn non-recourse trade finance facility
 - R267m used to repay debt as at 1H22
 - Cumulative R400m used to reduce and cancel facilities to date
 - Balance available to meet R1bn debt repayment requirement



Covenants complied with and well within thresholds



Covenant computations above reflect the adjustment for spot translation of the Zimbabwean hyperinflationary economy and may therefore differ from previously reported covenants



Cash generated from operations of R1.1bn up by 30% but R653m invested in working capital

Abridged statement of cash flows

R million	1H22	1H21	% Δ	FY21
Cash generated from operations before working capital	1 080	831	30	1 680
Net working capital (outflow)/inflow	(653)	21	(>100)	(621)
Cash generated from operations	427	852	(50)	1 059
Net interest paid	(247)	(272)	9	(523)
Retirement benefits, contributions and settlements	(38)	(38)	—	(77)
Purchase of shares for executive incentive plan	(45)	—	(100)	—
Income tax paid	(73)	(53)	(40)	(152)
Net cash generated from operating activities	24	489	(95)	307
Capital expenditure	(94)	(153)	39	(313)
Proceeds on disposal of PPE and investments	14	25	(44)	41
Proceeds from disposal of liquid bonds	—	271	(100)	268
Proceeds from RBZ receivable	—	—	—	57
Other investing activities	1	6	(83)	2
Cash (utilised)/generated from investing activities	(79)	149	(>100)	55
Net cash (utilised)/generated before financing activities	(55)	638	(>100)	362
Net cash raised/(repaid) in financing activities	385	(638)	>100	(570)
Net increase/(decrease) in cash and cash equivalents	330	0	100	(208)
Net cash and cash equivalents at beginning of periods	1 112	1 400	(21)	1 400
Translation of cash in foreign subsidiaries	(81)	(102)	21	(80)
Net cash and cash equivalents at end of period	1 361	1 298	5	1 112

Minor rounding differences may affect additions

- › Net working capital outflow due to:
 - › Increased demand
 - › Significantly elevated commodity prices
 - › Structural imbalances in South African beverage can supply chain being addressed
- › Capex well managed, reduced by 39% without compromising asset base
- › All cash from liquid bonds received, no longer issued by Angolan government
- › No further receipts from Reserve Bank of Zimbabwe on historical debt owed
 - › Now included in Blocked Funds Framework
- › Net cash raised in financing activities to finance increased working capital requirements and cash reserves
- › R1.4bn held in cash and cash equivalents



Active management of inventory days but higher commodity prices impact working capital

Changes in working capital

R million	1H22	1H21	FY21
(Increase)/decrease in inventories	(674)	80	(389)
Increase in trade and other receivables	(258)	(377)	(987)
Cash outflow before payables	(932)	(297)	(1 376)
Increase in trade and other current payables	279	318	755
Net working capital (outflow)/inflow	(653)	21	(621)
Liquidity ratios:			
Current ratio	1.9	1.6	1.5
Acid test ratio	1.0	1.0	0.9

› Increase in inventories due to:

- › Increased demand
- › Significantly elevated commodity prices
- › Higher safety stock in certain countries due to supply chain uncertainties
- › Inventory days well managed

› Increase in trade receivables due to:

- › Improved trading conditions
- › Increased selling prices due to higher commodity prices
- › Improved cash flows from key customer positively impacted interim results

Working capital days

Days	1H22	1H21	FY21
Inventory	121	155	123
Trade and other receivables	63	64	61
Sub-total	184	219	184
Trade and other current payables	(95)	(113)	(82)
Net working capital days	89	106	102

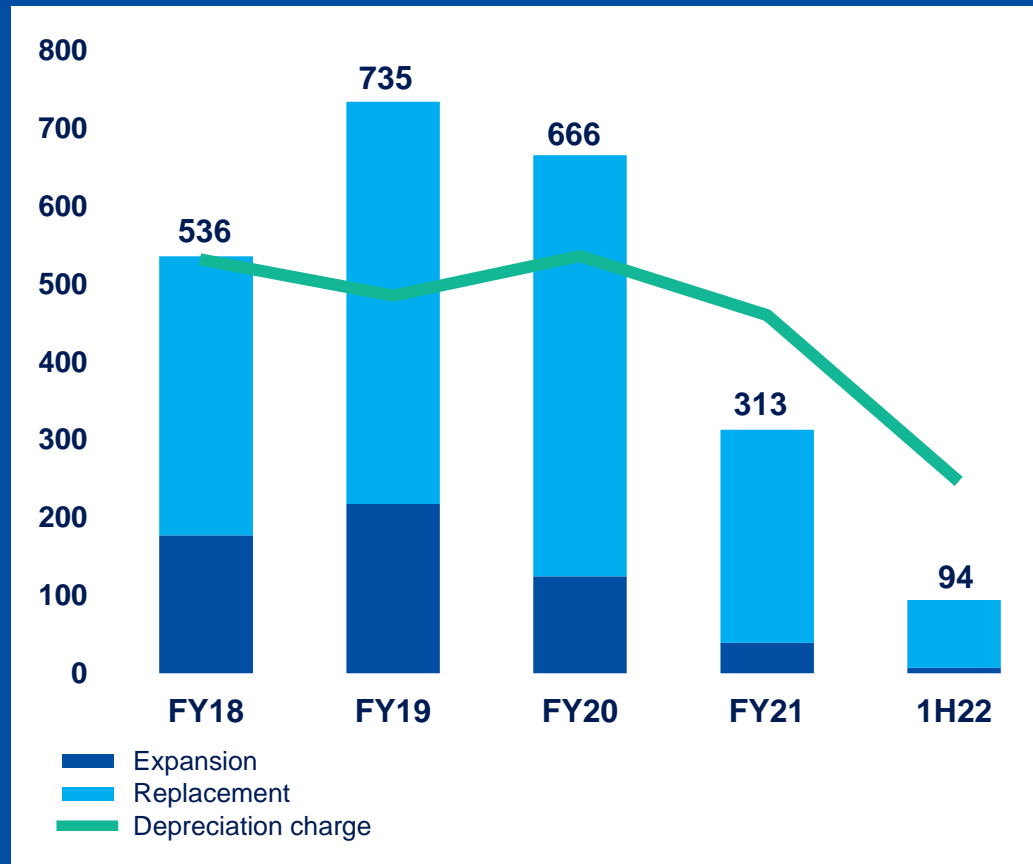
› Funding from trade payables

- › Impacted by static/limited increases in trade limits vs commodity price increases
 - › Adversely impacted ability to fund increased inventory holdings through creditor funding
- › R267m of non-recourse trade finance facility drawn at 1H22 and positively impacts trade receivables



Capital expenditure remained tightly controlled

Capital expenditure and depreciation* (Rm)



- › Prudent allocation of capital without compromising integrity of asset base
 - › Declined by 39%
 - › No major single capex spend in 1H22
- › Replacement capex ~92%
- › Capex spend expected to be less than R350m for FY22
 - › No concentration risk within planned spend

* Excludes right of use assets



Outlook

Nampak Interim Results
May 2022

05



Continued review and optimisation of balance sheet

- › Portfolio optimisation – risk vs reward
 - » Not successful to date in disposal of previously identified assets
 - » Continue to explore asset disposal opportunities
- › Current debt position
 - » Lenders to perform assessment by 30 June 2022 of group's ability to repay R1bn by 30 September 2022
 - R425m repaid to date
 - R600m balance of trade finance facility still available
 - » Debt package matures 1 April 2023
 - » USPP matures 28 May 2023
- › Review of appropriate capital and funding structure
- › Comprehensive plan to address balance sheet
 - » Targeting a simplified debt package and funding consortium
 - » Good progress made in initial design of structure
 - » Planning to finalise refinancing process by 30 September 2022



Outlook for 2H22



Global

- › Uncertainty caused by conflict in Ukraine
- › Early signs of easing in commodity prices
- › Higher interest rate cycle
- › Inflation to put pressure on consumer spend



South Africa

- › Increased demand for beverage and food cans to continue
- › DivFood operational improvements following restructuring
- › Plastics SA to focus on right sizing operations to improve profitability
- › Liquid cartons productivity to benefit from higher volumes



Rest of Africa

- › Impact of higher oil prices on economies of Angola and Nigeria
- › Gradual recovery of Angolan economy with Kwanza strengthening
- › Slowdown in Nigerian beverage can growth, plant operating close to capacity
- › Continued currency devaluation in Zimbabwe
- › Zambia and Malawi to continue benefiting from eased trading conditions
- › Continued portfolio optimisation



Thank you



Appendices



Satisfactory cash transfers in Angola and Nigeria

Cash balances including liquid bonds

31 March 2022

R million	Angola	Nigeria	Sub-total	Zimbabwe	Total
Opening cash on hand — 30 Sep 2021	49	414	463	79	542
Cash on hand — 31 March 2022	51	747	798	91	889
Increase in cash	2	333	335	12	347
Cash transferred	326	435	761	8	769

No hedges available in countries during the period

31 March 2021

R million	Angola	Nigeria	Sub-total	Zimbabwe	Total
Opening cash on hand — 30 Sep 2020	335	294	629	62	691
Cash on hand — 31 March 2021	166	256	422	76	498
(Decrease)/increase in cash	(169)	(38)	(207)	14	(193)
Cash transferred	321	527	848	8	856

Limited hedges available in Angola during the period, no hedges available in Nigeria and Zimbabwe



Tax rate reconciliation

Reconciliation of statutory to effective tax rate

%	1H22	1H21	
Statutory group tax rate	28.0	28.0	
Government incentives	(1.0)	(1.0)	
Foreign tax rate differential, withholding and other foreign taxes	1.7	6.2	Tax rate impacts of trading in countries with lower tax rates than South Africa offset by withholding tax in foreign jurisdictions mainly on interest and technical fees
Effective tax rate before items listed below	28.7	33.2	Mainly disallowed interest in South Africa, royalty charges in Nigeria and disallowed expenses in Zimbabwe
Disallowed expenses	6.7	6.5	South African corporate tax rate reducing from 28% to 27% impacting deferred tax on assessed losses and Zambian rate reduced from 35% to 30%
Tax rate changes, deferred tax not recognised, exempt income and other	4.4	1.0	
Prior tax adjustments	(4.9)	2.2	Angolan tax loss foreign exchange rate variations and Rigid Plastics tax base adjustment for fixed assets
Effective tax rate before Zimbabwean hyperinflation and Angola	34.9	42.9	Tax effect of Zimbabwe – hyperinflationary economy
Tax effect of Zimbabwean hyperinflation	9.2	4.6	
Effective tax rate before Angola	44.1	47.5	Kwanza strengthening against the US\$, tax liability in non-monetary assets US\$ functional currency financial statements have decreased, resulting in tax credit to Statement of Changes in Equity
Foreign currency translation impact when converting local tax computations to functional currency	(5.7)	2.4	
Prior tax losses utilised in Angola where no deferred tax was raised	(20.3)	(12.8)	Bevcan Angola significant taxable profits due to Kwanza strengthening against US\$ and conversion of debt to equity
Effective group tax rate	18.1	37.1	

Movement by items in effective tax rate are impacted by changes in profit before tax



Reconciliation of basic earnings to headline earnings

R million	1H22	1H21	% Δ	FY21
Basic earnings	222	110	102%	207
<i>Adjusted for:</i>				
Net impairment losses on PPE, right of use assets, goodwill, other intangible assets and assets held for sale	10	16		264
Net profit on disposal of investments and businesses	—	—		(10)
Net profit on disposal of plant, equipment, intangible assets and assets held for sale	(4)	(11)		(10)
Tax effects and non-controlling interests	(2)	(1)		(49)
Headline earnings	226	114	98%	402
Weighted average number of shares in issue ('000)	636 325	645 469		645 469
Earnings per share (cents)	34.9	17.0	105%	32.1
Headline earnings per share (cents)	35.6	17.6	102%	62.3

Weighted average number of shares reduced due to the purchase of executive incentive plan shares in the market during December 2021. These are considered treasury shares. Minor rounding differences may affect additions.



Gross debt to net debt workings

Breakdown of net debt per IFRS

R million	1H22	1H21	FY21
Loans — non-current portion	(5 555)	(4 760)	(4 474)
Loans — current portion	(707)	(1 000)	(1 450)
Bank overdrafts	(37)	(16)	(25)
Gross debt	(6 299)	(5 776)	(5 949)
Liquid bonds	—	7	—
RBZ financial instrument*	86	137	88
Other loan receivables	19	12	12
Bank balances and deposits	1 397	1 314	1 137
Net debt	(4 797)	(4 306)	(4 712)

*FY21 and 1H22: Expected credit loss of 90% provided for (1H21: expected credit loss of 85%)

Breakdown of net debt as defined for covenant purposes

R million	1H22	1H21	FY21
Loans — non-current portion	(5 555)	(4 760)	(4 474)
Loans — current portion	(707)	(1 000)	(1 450)
Bank overdrafts	(37)	(16)	(25)
Gross debt	(6 299)	(5 776)	(5 949)
<i>Permissible cash and cash equivalents:</i>	1 291	1 169	1 252
Bank balances	1 397	1 314	1 137
50% of liquid bonds	—	3	—
Proceeds from utilisation of non-recourse trade finance facility	—	—	206
Cash from unrecognised banks	(106)	(148)	(91)
Net debt	(5 008)	(4 607)	(4 697)



Segmental information by region

Revenue (%)



South Africa	68
Rest of Africa	32

South Africa	67
Rest of Africa	33

Trading profit (%)



South Africa	46
Rest of Africa	63
Corporate	(9)

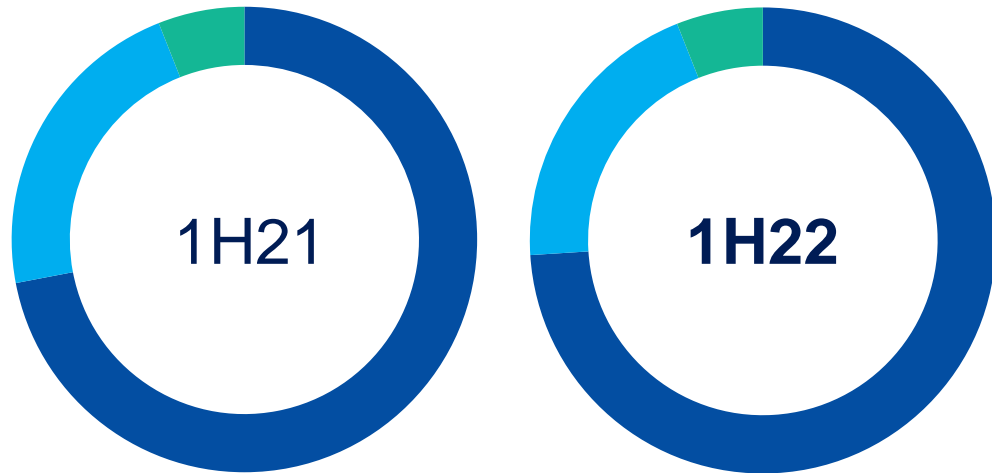
South Africa	42
Rest of Africa	84
Corporate	(26)

Corporate costs include unrealised foreign exchange gains/(osses) on forward exchange contracts



Segmental information by substrate

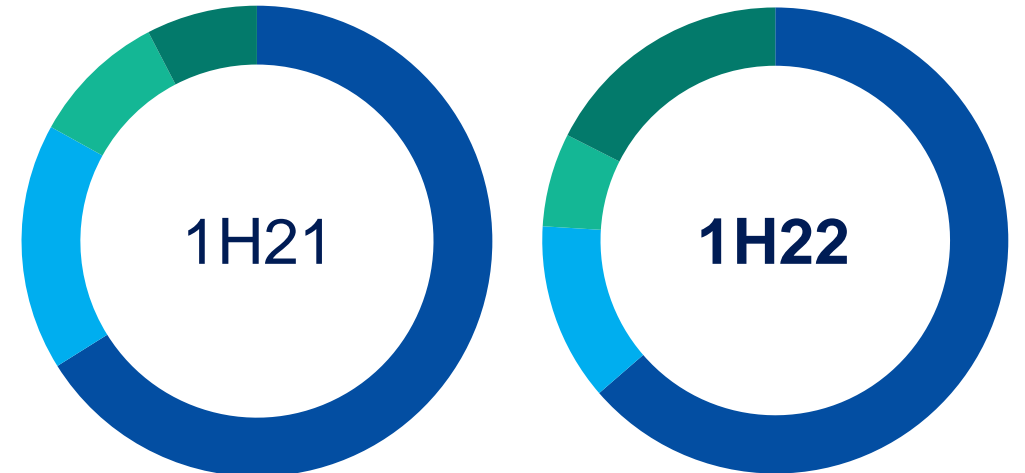
Revenue (%)



Metals	72
Plastics	22
Paper	6

Metals	74
Plastics	20
Paper	6

Trading profit (%)



Metals	78
Plastics	20
Paper	11
Corporate	(9)

Metals	98
Plastics	19
Paper	10
Corporate	(27)

Corporate costs include unrealised foreign exchange gains/(losses) on forward exchange contracts



Segmental information

Revenue by substrate

R million	1H22	1H21	% Δ
Metals	5 973	4 698	27
Plastics	1 576	1 427	10
Paper	516	397	30
Total	8 065	6 522	24

Revenue by region

R million	1H22	1H21	% Δ
South Africa	5 373	4 436	21
Rest of Africa	2 692	2 086	29
Total	8 065	6 522	24

Trading profit by substrate

R million	1H22	1H21	% Δ
Metals	752	550	37
Plastics	143	140	2
Paper	81	81	-
Corporate services	(206)	(65)	(>100)
Total	770	706	9

Trading profit by region

R million	1H22	1H21	% Δ
South Africa	327	324	1
Rest of Africa	649	447	45
Corporate services	(206)	(65)	(>100)
Total	770	706	9

Corporate costs include unrealised foreign exchange gains/losses on forward exchange contracts



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