



Nampak
packaging excellence

Annual Results

For the year ended
30 September 2023

December 2023



Forward looking statement

Forward-looking statements: This announcement contains statements about Nampak that are or may be forward-looking statements. All statements, other than statements of historical fact, are, or may be deemed to be, forward-looking statements, including without limitation, those concerning: strategy; the economic outlook for the packaging industry; cash costs and other operating results; growth prospects and outlook for operations individually or in the aggregate; liquidity and capital resource and expenditure and the other outcome and consequences of any pending litigation proceedings and specifically including the proposed rights offer. These forward-looking statements are not based on historical facts but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as “believe”, “aim”, “expect”, “anticipate”, “intend”, “foresee”, “forecast”, “likely”, “should”, “planned”, “may”, “estimated”, “potential” or similar words and phrases. Examples of forward-looking statements include statements regarding a future financial position or future profits, cash flows, corporate strategy, estimates of capital expenditure, acquisition strategy, or future capital expenditure levels.

By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. Nampak cautions that forward-looking statements are not guarantees of future performance.

Actual results, financial and operating conditions, liquidity and the developments including within the industry in which Nampak operates, may differ materially from those made in, or suggested by, the forward-looking statements contained in this notice. All these forward-looking statements are based on estimates and assumptions, which estimates and assumptions, although Nampak may consider them to be reasonable, are inherently uncertain and as such may not eventuate. Many factors (including factors not yet known to Nampak, or not currently considered material), could cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those estimates, statements or assumptions. 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 related foreign exchange gains or losses; a lack of market liquidity which holds up the repatriation of funds; changes in commodity prices and working capital; increased competition; higher inflation; increased interest rates; 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; changes in taxation rates; 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.

Nampak shareholders should keep in mind that any forward-looking statement made in this notice or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors may emerge from time to time that could cause the business of Nampak or other matters to which such forward-looking statements related, not to develop as expected and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement are not known. Nampak has no duty and does not intend to update or revise the forward looking statements contained in this notice after the date of this notice, except as may be required by law.

Sustained macroeconomic challenges



South Africa

- › Low GDP growth
- › Muted consumer spending
- › Categories contract
- › Energy woes continue
- › Low investor confidence



Angola

- › Kwanza devalues 47%
- › Significant inflation
- › DRC border closed
- › Oil output lifts



Nigeria

- › New President
- › Policy shifts
- › Fuel subsidy removed
- › Naira devalues 44%
- › Pedestrian economic growth
- › Significant category contraction

The renewed vision

Defining the “North Star”

Innovation
Efficiency
Profitability and return on capital
Market share superiority

Customer-centric
Partner of choice/leading edge
Category thought leader

To be the **leading packaging solutions partner** in **selected geographies**

Food and beverage metals
Home care metals
Small bolt-on acquisitions/
“Horizon three”

South Africa
Angola

Performance overview



Performance inhibitors

- › Non-recurring lender advisory costs of R335m
- › Retrenchment and restructuring costs of R150m
- › Muted consumer spending
- › Heightened competition
- › Bevcan SA capacity constraints
- › Dysfunctional currency markets in Nigeria and Angola
 - » Currency devaluation and forex losses

Decoding Nigerian forex losses

R1.0bn of forex losses attributable to Nigeria
Naira weakened consistently
Forex market is dysfunctional with dual rates

1st exposure

- › Raw material imports are sourced in dollars
- › Partial recovery in price
 - » Price elasticity
 - » Volume decline

2nd exposure

- › Lag from invoice to settlement by customers
 - » Currency movements

3rd exposure

- › Monetary adjustments
 - » Cash and debtors' balances restated /transferred at weaker naira/US dollar rates

4th exposure

- › Forex risk
 - » Acquisition of dollars and settlement of foreign creditors

We cannot hedge our position

Progress update

GETTING BUSY — GETTING SMART



Step change in working capital disciplines



Cash generation of R1.6bn



Internal merger completed and management team appointed



Successful rights offer; c.90% shareholders followed rights; 38% oversubscribed



New capital structure



S189 phase 1 completed (end August 2023)



Broad based cost curtailment



DivFood profit step change



Strong SA Bevcn EBITDA growth 19%



Disposal plan gains traction

Financial review



Structural financial changes achieved

Successful refinancing of group's R8 billion funding package

- › R1.9bn historical debt restructured
 - » to be settled from Asset Disposal Plan
- › Flexible funding structure
- › More favourable covenants

Oversubscribed rights offer augments equity base

- › Raised R960m net of costs
- › Utilised to settle debt
- › Strengthened shareholder base

Significant de-risking of the group

- › Reduction in dollar debt to 5% of total net debt
- › Materially lower short-term debt
 - › Reduced to R720m from R2.2bn

Group balance sheet structure improved substantially

- › Short-term liquidity improved
- › Adequate funding headroom

Improved cash flows from operations: up 95%

- › Generated R1.6bn from operations
- › Inclusive of R905m working capital release

Reduction in fixed cost base through focused interventions

- › Further initiatives to follow

Significant forex losses, net impairments and interest negatively impact the results

Abridged statement of comprehensive income

R million	FY23	FY22	% Δ
Revenue	16 634	16 937	(2)
Trading profit	1 638	1 611	2
Capital and other items	(1 295)	(389)	(>100)
Operating profit before Zimbabwe devaluation	343	1 222	(72)
Net impact of devaluation associated with Zimbabwe	(67)	(70)	5
Operating profit before net impairment losses	276	1 152	(76)
Net impairment losses	(2 842)	(512)	(>100)
Operating (loss)/profit	(2 566)	640	(>100)
Net finance costs	(1 224)	(586)	(>100)
Share of net (loss)/profit from associates and joint venture	(6)	5	(>100)
(Loss)/profit before tax	(3 796)	59	(>100)
Income tax expense	(156)	(85)	(84)
(Loss) for the period	(3 952)	(26)	(>100)
Other comprehensive income	16	464	(97)
Total (loss)/comprehensive income for the year	(3 936)	438	(>100)
(Loss) attributable to owners of Nampak Limited	(4 033)	(147)	(>100)
Headline (loss)/earnings	(1 610)	229	(>100)
Loss per share (cents)	(117 295.5)	(4 879.5)	(>100)
Headline (loss)/earnings per share (cents)	(46 811.7)	7 589.2	(>100)

- › Revenue decrease due to volume reductions in Bevcana Nigeria, Bevcana SA and DivFood
 - › Net finance costs up 109%
 - › higher interest rates
 - › R335m of non-recurring lender advisory fees
- › Trading profit up 2%
 - › Bevcana SA up 28%
 - › Bevcana Nigeria down 10%
 - › DivFood improvement of R77m
- › Capital and other items includes:
 - › net forex losses of R1.2bn
 - › retrenchment costs of R150m
 - › net profit on disposal of PPE of R139m
- › Net impact of Zimbabwe devaluation
 - › ECL increased from 90% to 97.5%
- › Impairment losses due to:
 - › increased country risk premiums
 - › forecast volume reductions mainly Angola and Nigeria
- › Effective tax rate (4.1%) (FY22: 143.7%)
 - › impacted by impairments
- › Loss for period:
 - › loss attributable to owners of Nampak Ltd R4.0bn
 - › profit attributable to NCI in subsidiaries R72m (Zimbabwe)
- › Per share statistics
 - › impacted by 250 for 1 share consolidation
 - › 5.7m rights issue shares issued
 - ratio of 2.20902 per share

Operational performance

Forex losses impact operating profit before net impairments losses

Metals

Revenue

R12 269m

down 5%

Trading profit

R1 387m

up 9%

Operating profit before
net impairment losses

R178m

down 76%

Plastic

Revenue

R2 999m

up 2%

Trading profit

R217m

down 13%

Operating profit before
net impairment losses

R224m

up 6%

Paper

Revenue

R1 366m

up 28%

Trading profit

R250m

up 37%

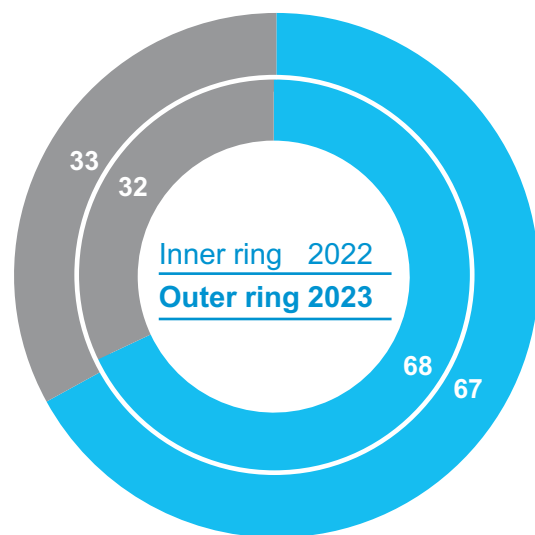
Operating profit before
net impairment losses

R216m

up 38%

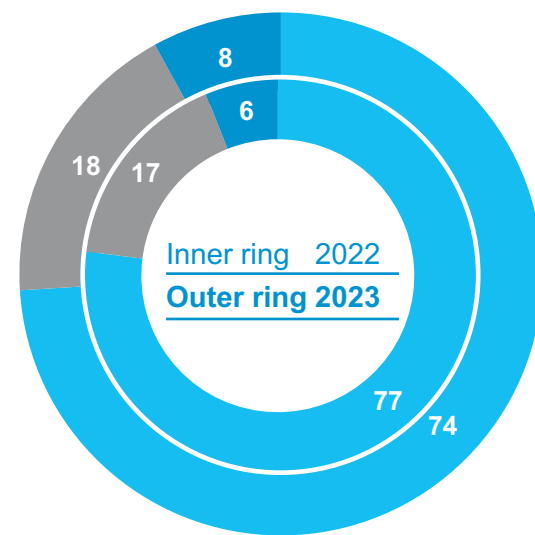
Segmental information

Revenue (%)
By region



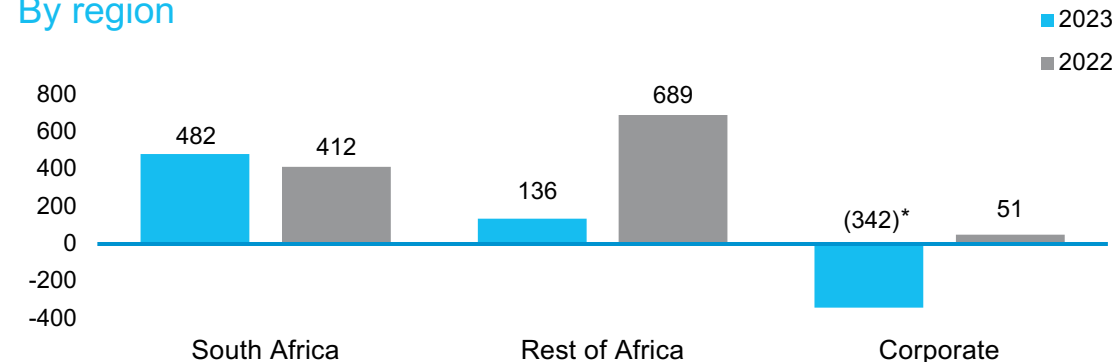
■ South Africa
■ Rest of Africa

Revenue (%)
By substrate

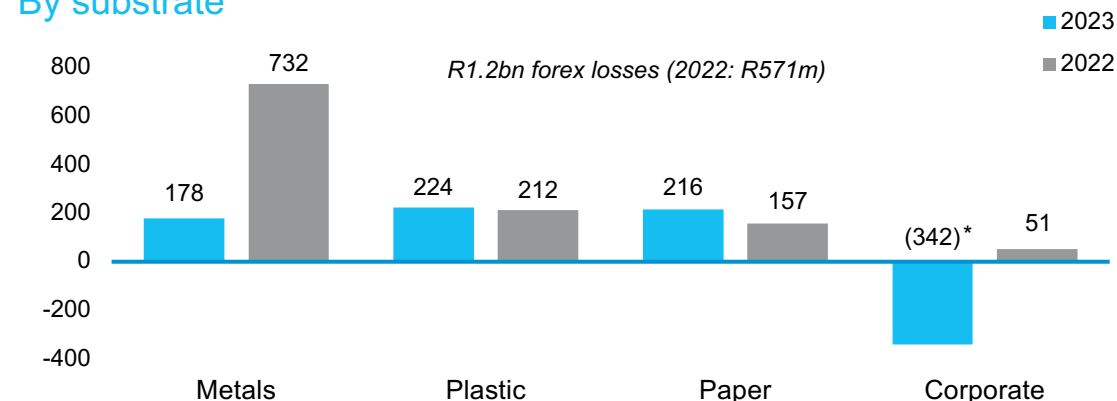


■ Metals
■ Plastic
■ Paper

Operating profit before net impairment losses (Rm)
By region



Operating profit before net impairment losses (Rm)
By substrate



* Corporate:
 – variance attributable to non-recurrence of Malbak Pension Fund surplus of R222m, reversal of restructuring provision of R48m no longer required and R50m insurance gap loss in prior year
 – current year includes R65m RBZ ECL, R49m loss on liquidation of NHUK and DivFood Botswana, unrealised movement on FECs of R44m and R33m retrenchment costs in August 2023
 – net of the above corporate costs of R179m flat year on year

Nigeria forex losses of R1.0bn – dysfunctional currency market

Major foreign exchange rates

Currency	Average rates			Closing rates		
	FY23	FY22	% Δ	FY23	FY22	% Δ
ZAR/US\$	18.17	15.82	(13)	18.92	18.09	(4)
NGN/US\$	547.92	419.25	(23)	776.79	437.74	(44)
AOA/US\$	614.99	490.60	(20)	842.04	443.55	(47)
ZWL/US\$	—	—		5 252.66	621.53	(88)

% changes represent devaluations

› Group results

- › Earnings benefitted from weaker rand
- › debt adversely impacted

› Nigerian naira

- › Forex loss of R1bn
- › US dollar availability limited

› Angolan kwanza

- › Forex loss of R179m

› Zimbabwe

- › Earnings translated at closing rate (hyperinflation)
- › Forex gains of R257m neutralised by hyperinflation adjustment of R258m

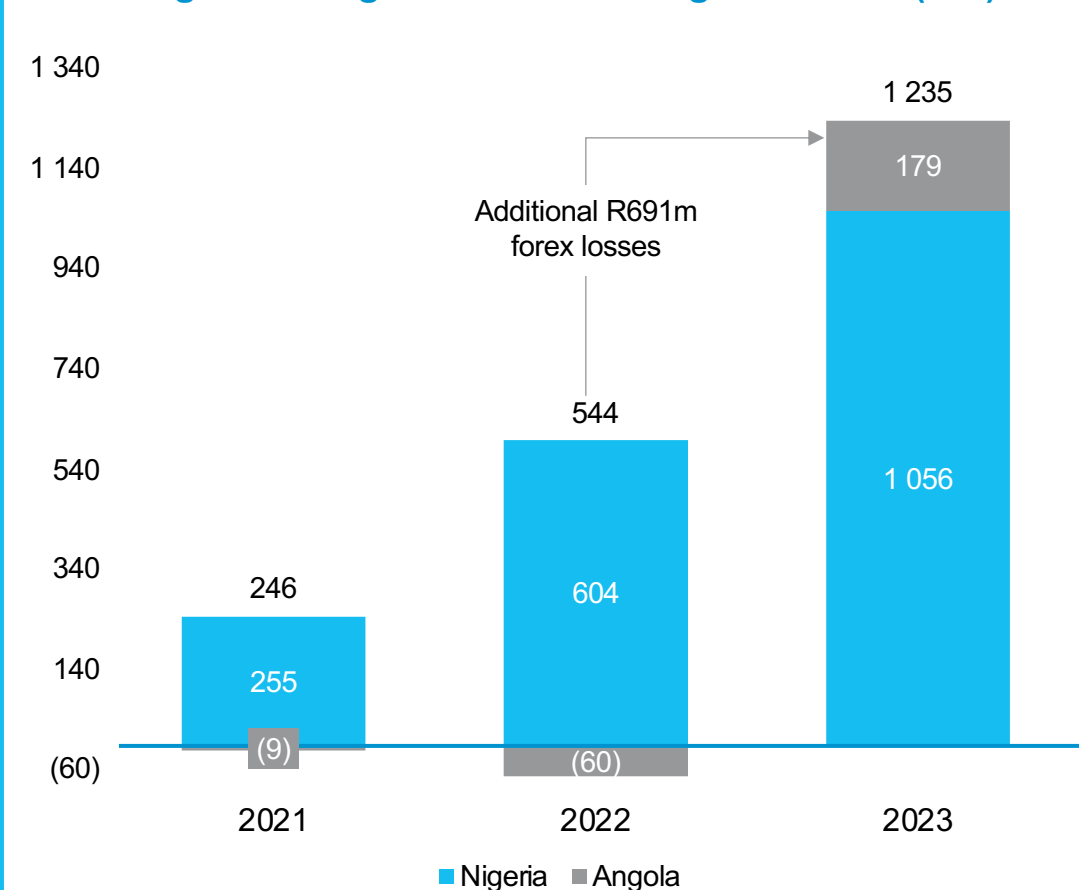
› Forex loss cause

- › Dysfunctional currency market
 - Primarily Nigeria
 - Partial under-recovery of difference between official and parallel rate
- › Timing differences between receipt of naira and settlement of foreign creditors
- › Lack of US dollar availability

› Forex loss mitigation/remedy

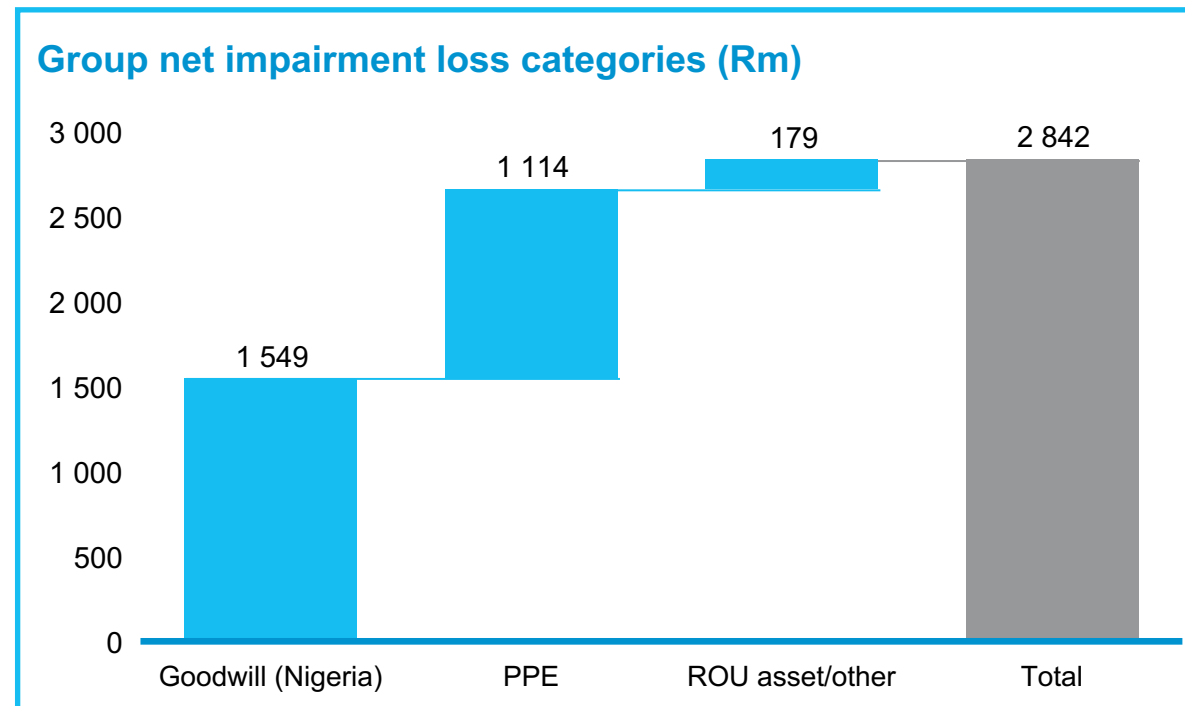
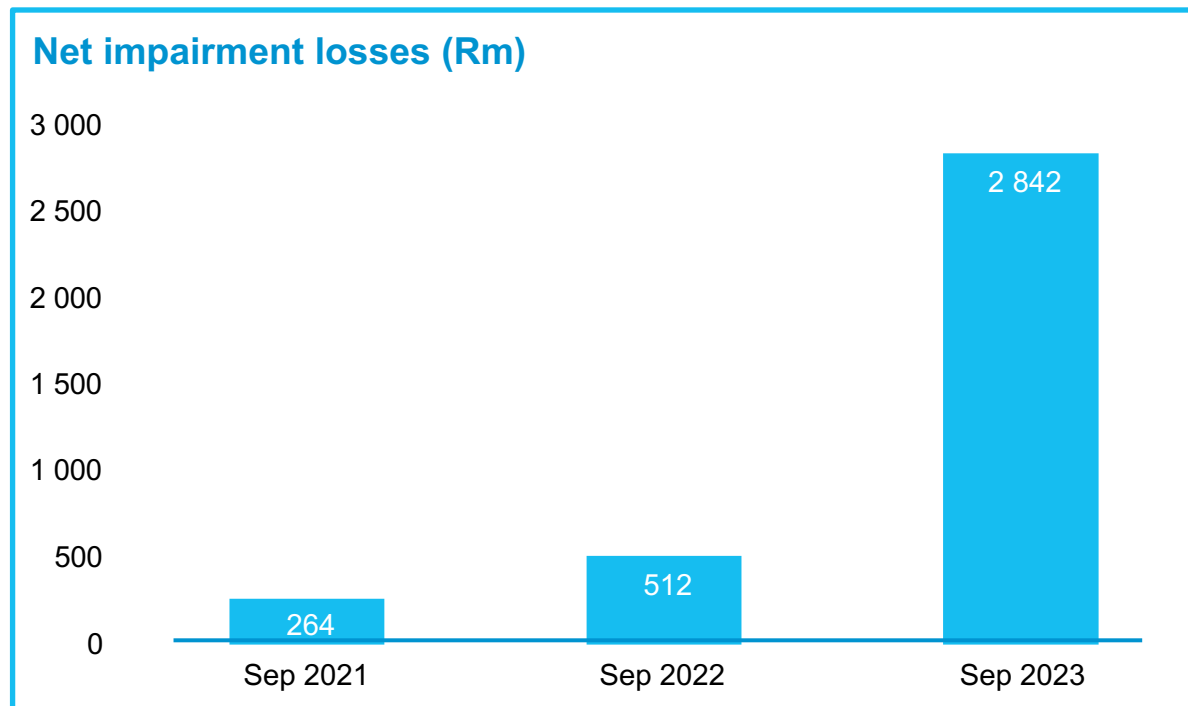
- › Amendment of pricing terms wef 2Q23
- › Debtor terms under review
- › Policy of instant transfer of funds

Net foreign exchange losses excluding Zimbabwe (Rm)



R2.8bn net impairment losses

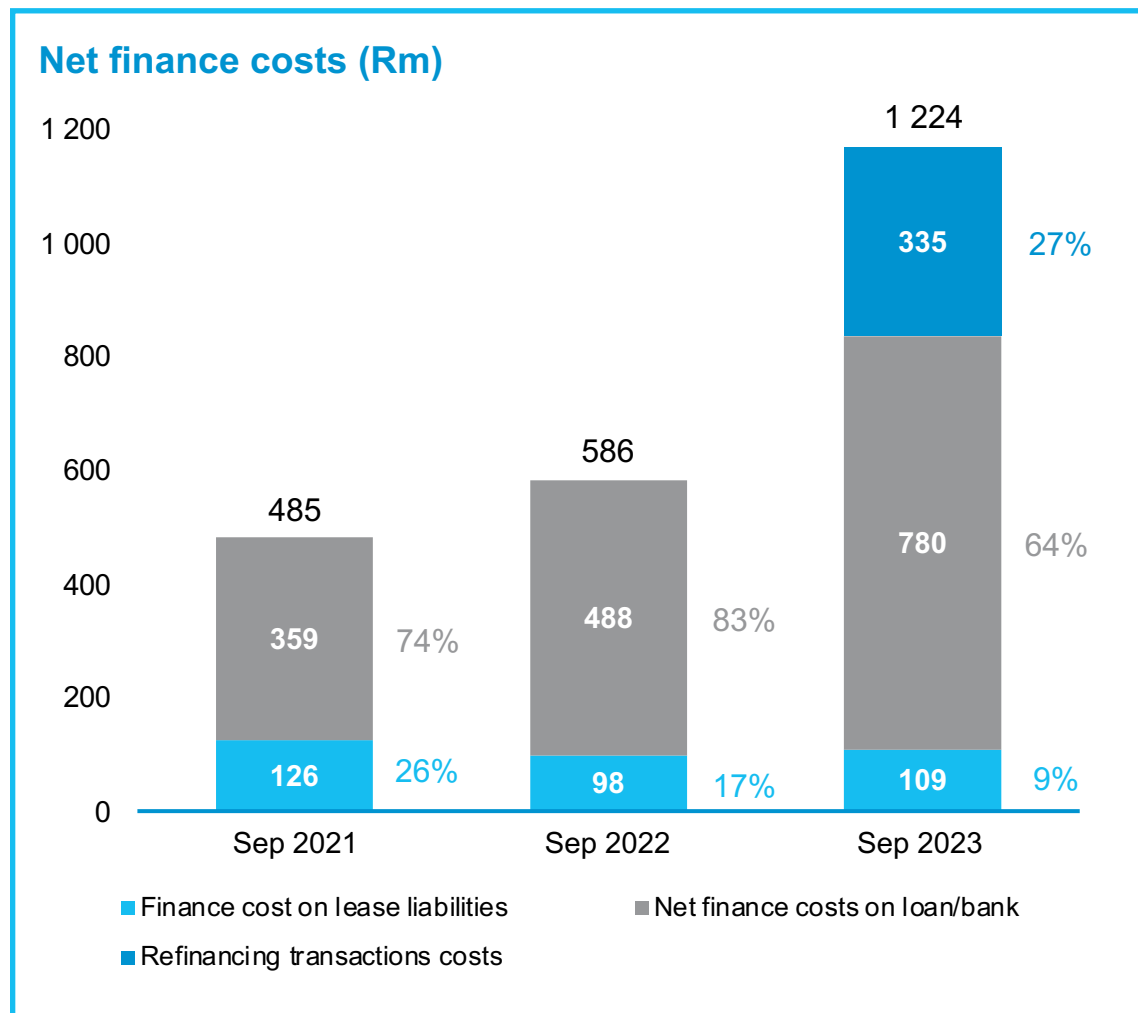
Higher WACC rates and revision of future volumes



WACC rates (%)	Sep 23	Sep 22	Δ bps
South Africa	14.2	13.6	60
Angola	17.7	14.9	280
Nigeria	16.6	12.5	410

- › WACC related impacts due to:
 - » Higher country risk premiums
 - » Increased interest rates
- › Net impairment losses mainly attributed to:
 - » WACC rate changes R1.0bn
 - » DivFood and Rigid Plastic R472m
 - » Angola and Nigeria volume and other revisions R1.4bn

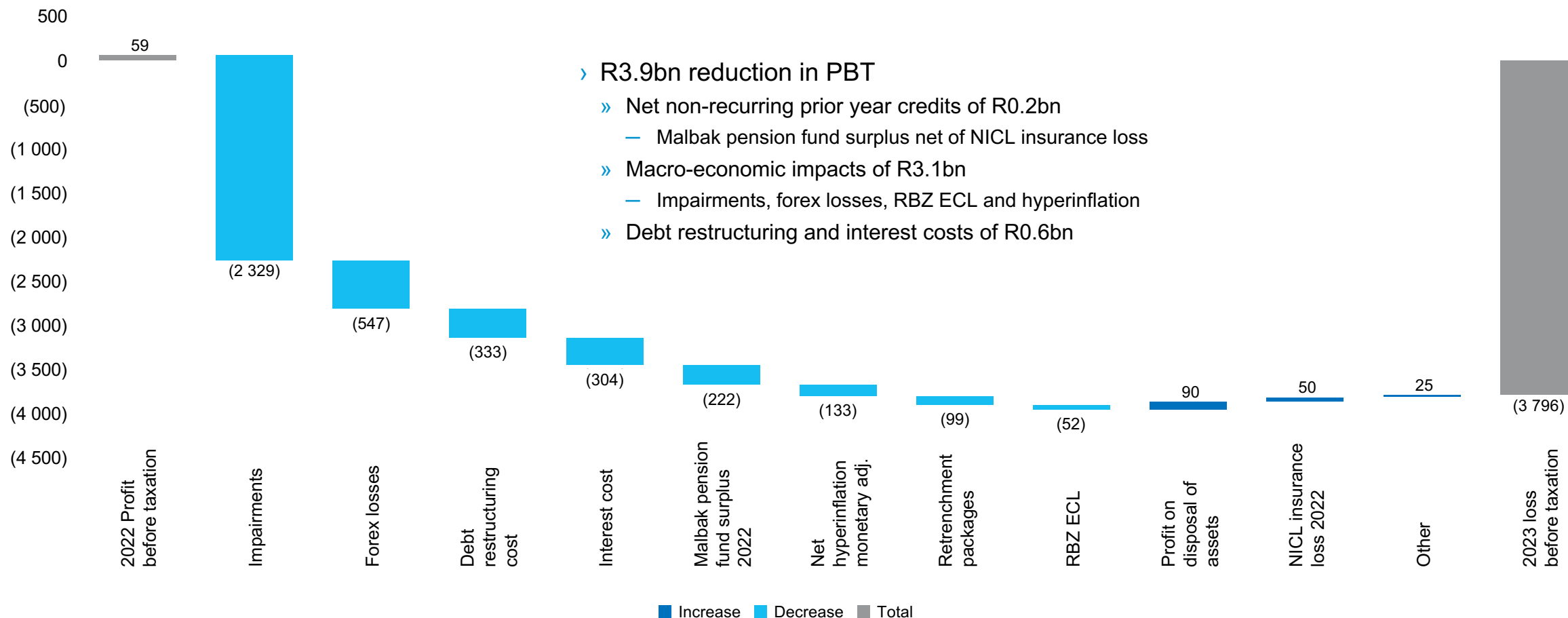
Net finance costs increase 109%



- › Net finance costs increased by 109% to R1.2bn from R586m
 - » Repo rate increased by 200 bps
 - » Refinancing wef 1 April 2023 at higher rates
 - » Higher investment in working capital for majority of year
 - » R335m advisory fees incurred on the debt restructuring
 - R88m expensing of refinancing costs previously capitalised
 - R247m of debt modification advisory fees
 - Non-recurring
 - » USPP interest rate increased to 12.0% from 5.25%
 - 5.25% for 10 years fixed rate set in 2013
- › Rights issue proceeds received 22 September 2023
 - » No material reduction in finance costs
 - » FY24 to benefit
- › Year-end interest rates:
 - » Local borrowings – ranges from 13.3% to 14.1%
 - » Foreign borrowings – ranges from 13.3% to 13.5%

(Loss)/profit before tax bridge

Year-on-year movements



Refinancing and rights issue positively impact balance sheet structure

Abridged statement of financial position

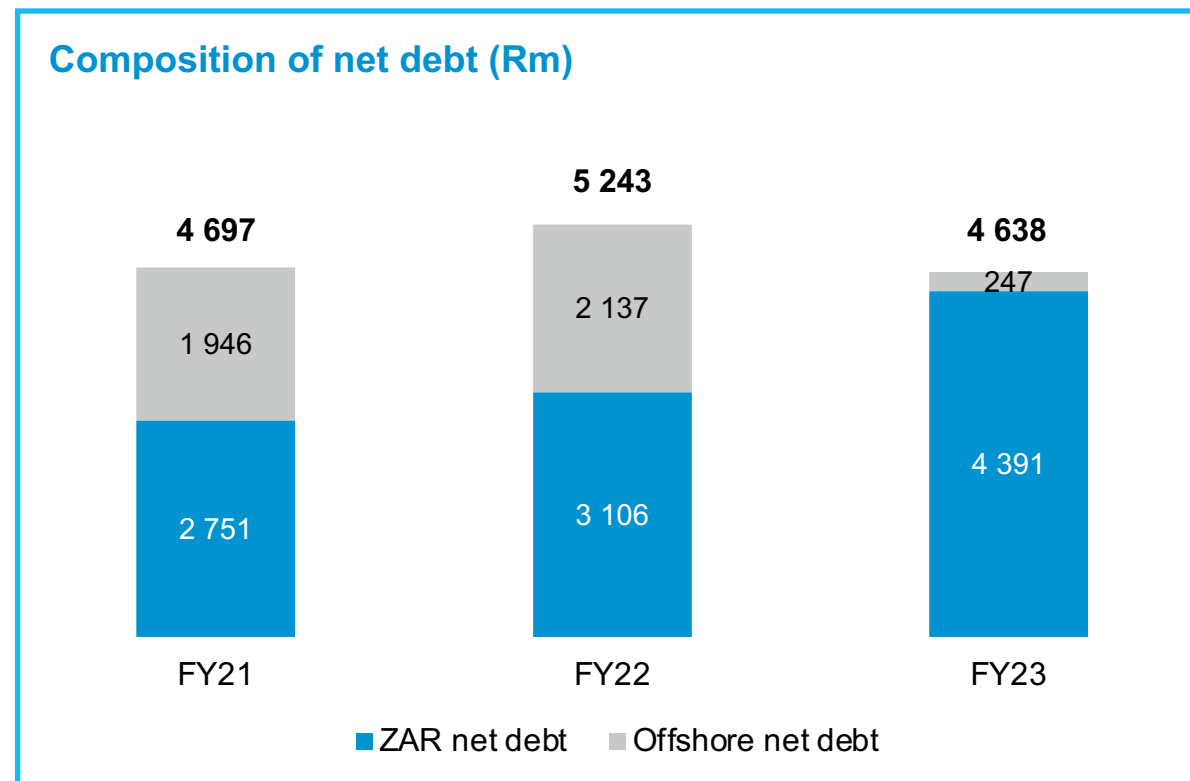
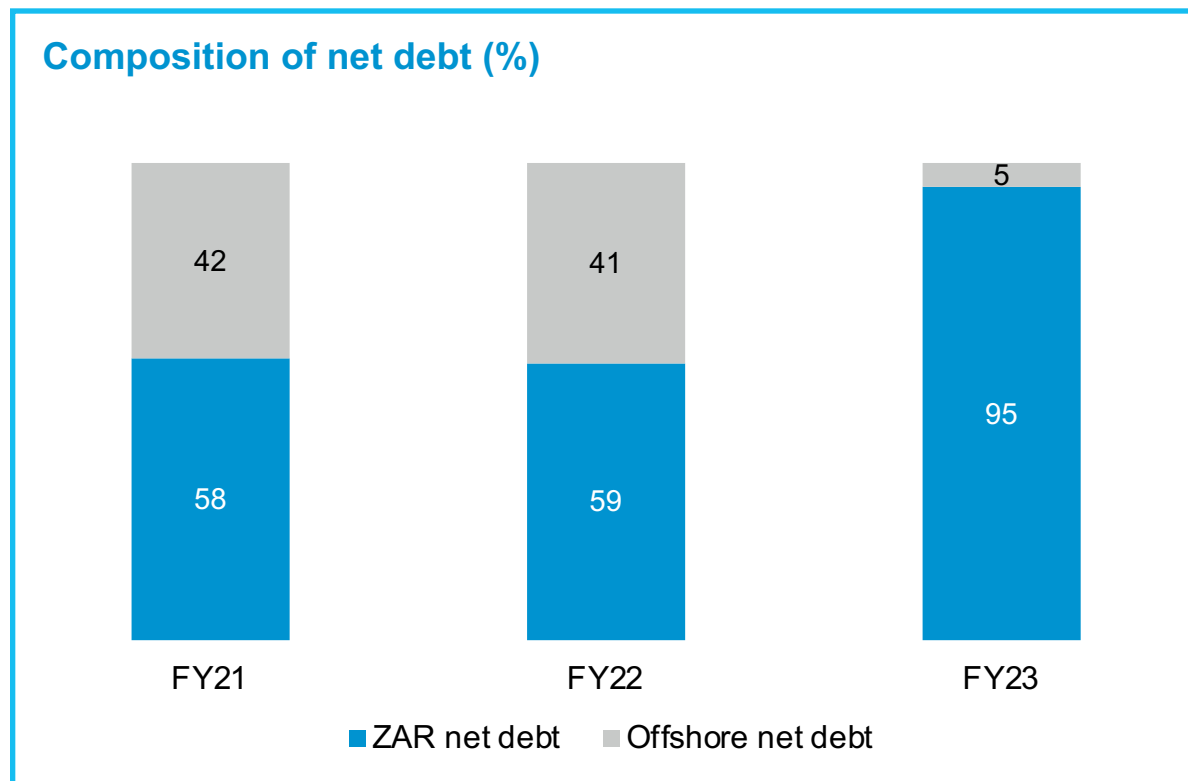
R million	FY23	FY22	% Δ
Property, plant, equipment and investment property	4 341	5 452	(21)
Right of use assets	453	680	(34)
Goodwill and other intangible assets	590	2 118	(73)
Loan and lease receivables and other non-current assets	641	781	(18)
Non-current assets	6 025	9 031	(34)
Inventories	3 414	3 935	(14)
Trade and other current receivables	2 489	3 258	(24)
Loan and lease receivables and other current assets	49	76	(36)
Bank balances and deposits	1 844	1 502	23
Current assets	7 796	8 771	(12)
Assets classified as held for sale	90	51	77
Total assets	13 911	17 853	(22)
Shareholders' equity	1 638	4 662	(65)
Non-controlling interests	276	214	29
Total equity	1 914	4 876	(61)
Loans and lease liabilities	6 826	5 813	18
Retirement benefit obligation	728	746	(3)
Other non-current liabilities	55	106	(49)
Non-current liabilities	7 609	6 665	15
Trade and other current payables	3 258	3 754	(14)
Loans, lease liabilities and bank overdrafts	930	2 373	(61)
Other current liabilities	200	184	10
Current liabilities	4 388	6 311	(31)
Total equity and liabilities	13 911	17 853	(22)

Minor rounding differences may affect additions

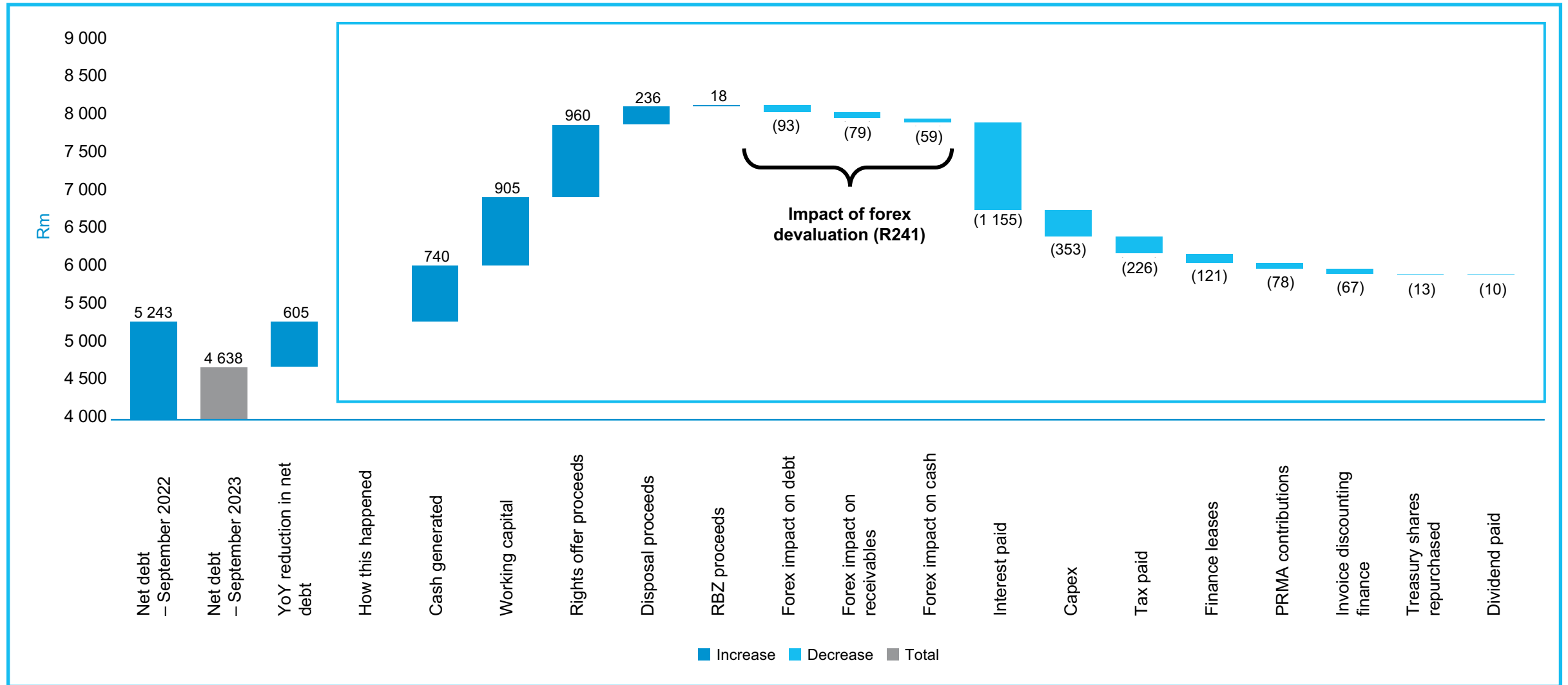
- › Total assets reduced by 22%
 - » Non-current assets impacted by R2.8bn impairment losses
 - » Improved working capital management
- › Capex investment R353m (FY22:R208m)
- › Improved short-term liquidity
 - » Current ratio of 1.8 compared to 1.4
 - » Acid-test ratio of 1.0 compared to 0.8
 - » Net working days cycle improved to 74 from 89
- › Shareholders' equity
 - » Reduced 61% mainly due to forex losses, impairments and higher interest costs
 - » Assisted by rights issue raising R960m net of costs
- › Refinancing completed
 - » Requisite security provided to lenders
 - » Significant reduction in US dollar denominated component of debt
 - » Flexible funding structure utilising borrowing based financing underpinned by inventories and trade receivables
- › Debt has been successfully termed to 31 March 2026 except for R720m
 - » R243m due 31 March 2024
 - Repayment secured through disposals to date
 - » R477m due 30 September 2024

Debt reduction and dollar denominated debt reduced to 5%

- › Net debt decreased 12% to R4.6bn from R5.2bn
- › Path to redeem the USPP debt of USD25 million within the next 18 months; and
 - » will minimise exchange rate exposure further
- › Unutilised facilities of R680m as of 30 September 2023

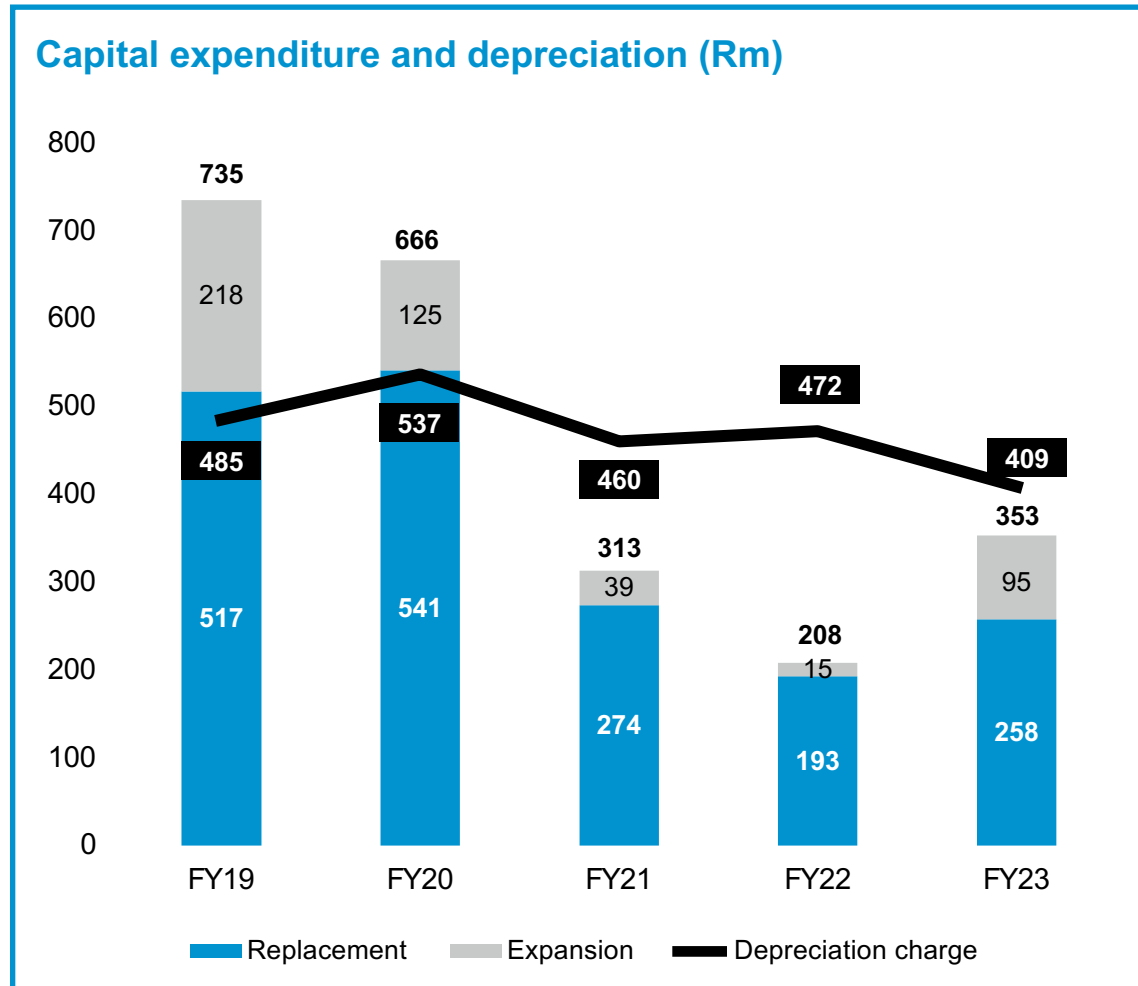


R605m reduction in net debt



Judicious management of capital expenditure

Bevcan Springs Line 2 approved



- › The group's asset base remains well capitalised and maintained
- › Capital expenditure of R353m
 - › South Africa: R271m
 - › Rest of Africa: R 82m
- › Expansion capital expenditure
 - › Includes R350m for Bevcan Springs Line 2
 - FY23: R 86m
 - FY24: R264m
 - › To meet growing demand for pack format
- › Capex spend post FY25
 - › To range between R350m and R400m
 - Inclusive of Metals c.R300m tapering to R200m p/a

Cash generated from operations of R1.6bn up 95%

Step change in working capital disciplines

Abridged statement of cash flows

R million	FY23	FY22	% Δ
Cash generated from operating operations before working capital changes	740	1 504	(51)
Net working capital outflow	905	(659)	>100
Cash generated from operations	1 645	845	95
Net interest paid	(1 155)	(547)	(>100)
Retirement benefits, contributions and settlements	(78)	(75)	(4)
Income tax paid	(226)	(170)	(33)
Dividend paid	(10)	–	(>100)
Cash generated from operating activities	176	53	>100
Capital expenditure	(353)	(208)	(70)
Disposal of property, plant, equipment and investments	236	43	>100
Proceeds from RBZ receivable	18	–	>100
Decrease in other non-current financial assets	11	3	>100
Cash utilised in from investing activities	(88)	(162)	46
Net cash generated/(utilised in) before financing activities	88	(109)	>100
Net cash raised in financing activities	313	408	(23)
Net increase in cash and cash equivalents	401	299	34
Net cash and cash equivalents at beginning of periods	1 502	1 112	
Translation of cash in foreign subsidiaries	(59)	91	(>100)
Cash and cash equivalents at end of period	1 844	1 502	23

Minor rounding differences may affect additions

- › Cash generated from operations reduced by R764m mainly due to:
 - » Significant forex losses in Nigeria and Angola
- › Cash generated from operations of R1.6bn benefitted from:
 - » R905m release from working capital
 - » Focused initiatives to improve working capital velocity
 - » Positive swing of R1.6bn in working capital
- › Net cash from financing activities of R313m
 - » R960m raised net of costs from rights issue
 - » Debt repaid of R447m
 - » Reduction in liabilities R187m
 - » Treasury shares purchased R13m
- › Net cash increased by R401m

Net working capital release of R905m

Improved working capital disciplines

Changes in working capital

R million	FY23	FY22
Decrease/(increase) in inventories	370	(754)
Decrease/(increase) in trade and other receivables	423	(404)
Cash inflow/(outflow) before payables	793	(1 158)
Increase in trade and other current payables	112	499
Net working capital outflow	905	(659)
Liquidity ratios:		
Current ratio	1.8	1.4
Acid test ratio	1.0	0.8

Working capital days

Days	FY23	FY22
Inventory	119	133
Trade and other receivables	52	65
Sub-total	171	198
Trade and other current payables	(97)	(109)
Net working capital days	74	89

› Net working capital

- › 22 days disconnect between inventory and payables
- › Striving for a model where inventory funded by trade payables
- › Further improvement sought in FY24

Outlook



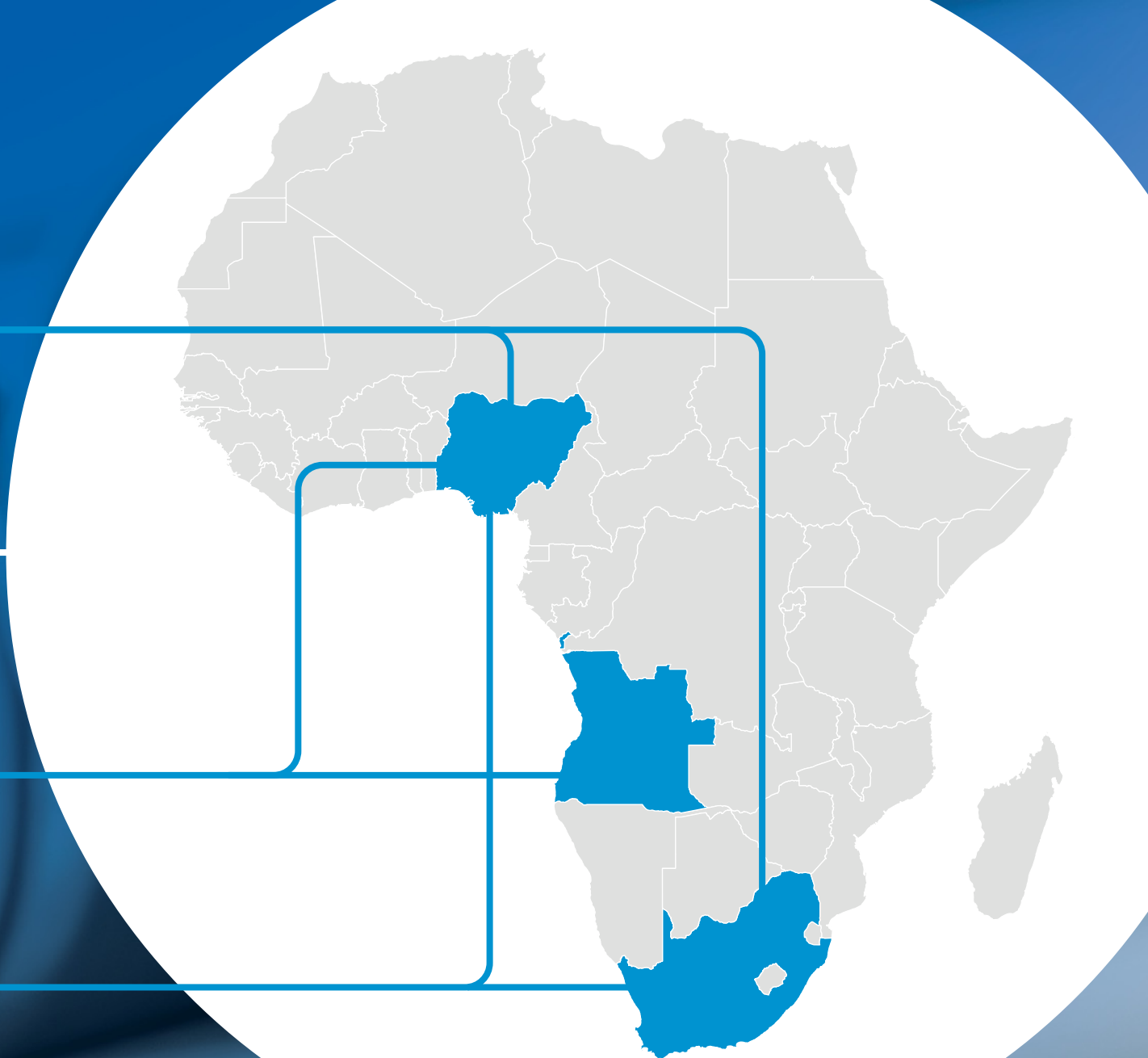
The outlook

Sustained low growth in most markets in particular SA and Nigeria (price elasticity)

Inflationary pressure will hopefully begin to moderate which will be a stimulus for growth

Sustained dysfunctional currencies in Angola and Nigeria

Increased competitor presence



Nampak response



You can't go back and change the beginning, but you can start where you are and change the ending.

C.S. Lewis

Thank you





Nampak
packaging excellence

Investor Relations

Teboho Lempe

Email

teboho.lempe@nampak.com

Telephone

+27 11 719 6300

www.nampak.com

Supplementary information



Segmental and operational reviews



Metals



Bevcan SA strong performance supported by DivFood turnaround Nigeria volume reduction and forex losses

Metals

R million	2023	2022	% Δ
Revenue	12 269	12 915	(5)
Trading profit	1 387	1 281	9
Trading profit margin (%)	11.3	9.9	
Operating profit before net impairments	178	732	(75)
Operating margin (%)	1.5	5.7	

SOUTH AFRICA

- › Revenue declined marginally
- › Pressure on consumer disposable income
- › Improvement in profitability across South African operations — efficiencies
- › Key operations affected by loadshedding

Bevcan SA

- › Marginal revenue decrease
- › EBITDA growth of 19%
- › Demand for larger cans continues

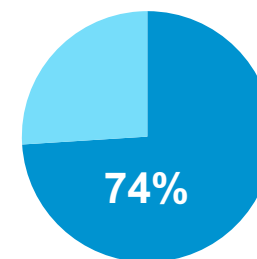
SOUTH AFRICA continued

DivFood

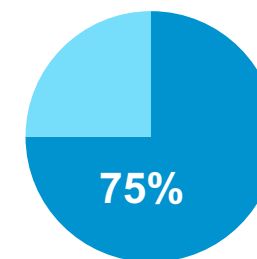
- › Category rationalisation, good cost control and improved working capital
- › Despite subdued demand for food, closures and diversified business units
 - › R77 million improvement in trading profit
 - › R41 million improvement in operating profit
- › Development of a structural blueprint

CONTRIBUTION TO GROUP

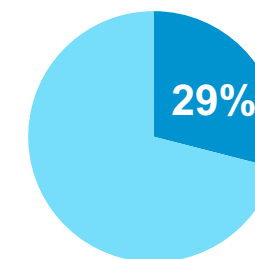
Revenue



Trading profit*



Operating net profit before impairments*



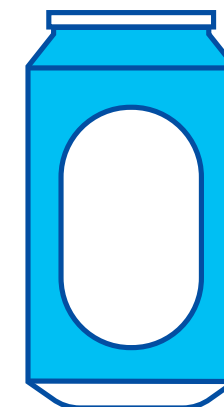
* Group contribution computations are pre corporate changes

NIGERIA

- › High inflation and devalued currency
- › Wage increases lag inflation
- › Sharp decline in volumes
- › Naira devalues 44% with significant forex losses
- › Critical economic reforms implemented

ANGOLA

- › Volume and revenue increase
- › Stop supply, working capital optimisation
- › 47% Kwana devaluation of the currency



Plastic



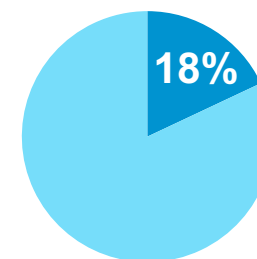
Marginal revenue growth despite the closure of two manufacturing facilities

Plastic

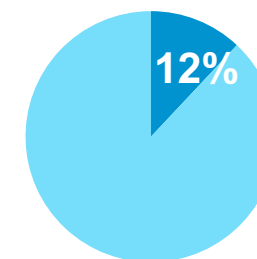
R million	2023	2022	% Δ
Revenue	2 999	2 953	2
Trading profit	217	247	(12)
Trading profit margin (%)	7.2	8.2	
Operating profit before net impairments	224	212	6
Operating margin (%)	7.5	7.2	

CONTRIBUTION TO GROUP

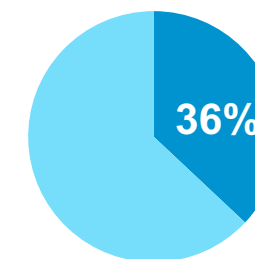
Revenue



Trading profit*



Operating net profit before impairments*



* Group contribution computations are pre corporate changes

SOUTH AFRICA

- › Market remains highly competitive
- › Improved working capital and reduction in cash utilisation
- › Crates disposal for R40 million in March 2023
- › Change cost profile through drastic cost reduction measures

Plastic SA

- › Lower volumes were recorded in plastic bottles, crates and drums
- › Pure-Pak cartons and tubes increased
- › Large and small drum volumes declined

Cartons SA

- › Pure-Pak volume increases

REST OF AFRICA

Zambia

- › Crates volume increased
- › Capacity growth at our production facility
- › Beverage and conical cartons volume decreased

Zimbabwe

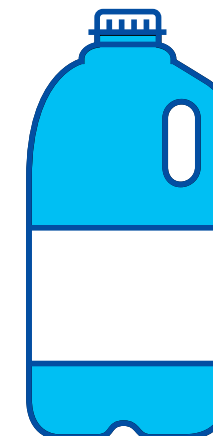
- › Power cuts and shortage of packing material
- › Customer imports to cover peak period demand
- › Strong demand for juice, mageu and sorghum beer returnable bottles and closures
- › R11 million dividend received

Malawi

- › Volume increases in conical cartons
- › Forex challenging

Kenya

- › Kenya manufacturing facility closed in October 2022



Paper



Strong volume growth across all categories in Zimbabwe

Paper

R million	2023	2022	% Δ
Revenue	1 366	1 069	28
Trading profit	250	183	37
Trading profit margin (%)	18.3	17.1	
Operating profit before net impairments	216	157	38
Operating margin (%)	15.8	14.7	

Zimbabwe

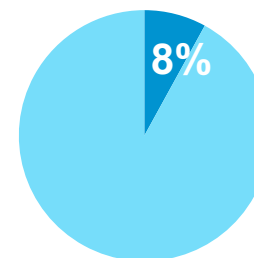
- › Volume growth across categories
- › Easing of raw material constraints on corrugated cartons
- › Hyperinflation continues to be a deterrent

Zambia

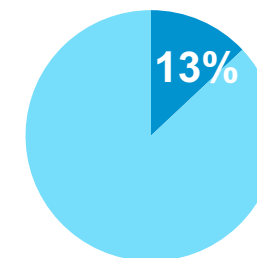
- › Suppressed demand for self opening bags
- › Constrained demand for conical cartons
 - › Independent producers continuing to drive sales of beer in bulk containers
 - › Driven by cost-saving initiatives in a challenging economic environment

CONTRIBUTION TO GROUP

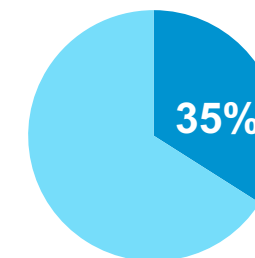
Revenue



Trading profit*



Operating net profit before impairments*



* Group contribution computations are pre corporate changes

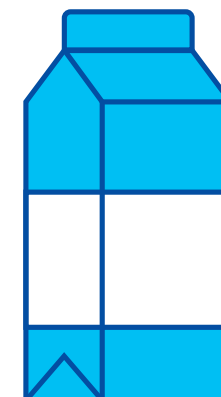
REST OF AFRICA

Malawi

- › Constraints on foreign exchange availability
- › Financial feasibility study assessments

Kenya

- › Self-opening bags manufacturing operations ceased in October 2022
- › Closure of Bullpak
- › Ongoing sale of equipment



Segmental information

Revenue by substrate

R million	FY23	FY22	% Δ	FY23 % Contr.	FY22 % Contr.
Metals	12 269	12 915	(5)	74	76
Plastic	2 999	2 953	2	18	18
Paper	1 366	1 069	28	8	6
Total	16 634	16 937	(2)	100	100

Revenue by region

R million	FY23	FY22	% Δ	FY23 % Contr.	FY22 % Contr.
South Africa	11 115	11 495	(3)	67	68
Rest of Africa	5 519	5 442	1	33	32
Total	16 634	16 937	(2)	100	100

Operating profit before net impairments by substrate

R million	FY23	FY22	% Δ	FY23 % Contr.	FY22 % Contr.
Metals	178	732	(76)	29	67
Plastic	224	212	(6)	36	19
Paper	216	157	38	35	14
Operations	618	1 101	(44)	100	100
Corporate	(342)	51	(>100)		
Total	276	1 152	(76)		

Operating profit before net impairments by region

R million	FY23	FY22	% Δ	FY23 % Contr.	FY22 % Contr.
South Africa	482	412	17	78	38
Rest of Africa	136	689	(81)	22	62
Regions	618	1 101	(44)	100	100
Corporate	(342)	51	(>100)		
Total	276	1 152	(76)		

Minor rounding differences may affect additions

Reconciliation of operating profit before net impairment losses to trading profit

R million	Notes	FY23	FY22	% Δ
Operating profit before net impairment losses		276	1 152	(76)
<i>Adjusted for capital and other items:</i>	2 and 3	1 362	459	>100
Capital items¹		(90)	–	<100
Net loss on liquidation of business	4	49	–	100
Net profit on plant and equipment disposed due to business closure	5	(139)	–	<100
		1 452	459	33
Other items²		67	70	(4)
Net impact of devaluation associated with Zimbabwe		1 235	546	>100
Net devaluation loss arising from Angolan and Nigerian exchange rate movements		–	(222)	>100
Retirement benefit plan surplus ³	6	–	50	<100
Insurance loss ⁴	7	–	11	>100
Retrenchment, restructuring costs and other		150	11	>100
Net measurement of expected credit loss allowance on loan and lease receivables (other than the Reserve Bank of Zimbabwe financial instrument)		–	4	<100
Trading profit	1	1 638	1 611	2

Notes

- Capital items relate to items other than impairment losses/(reversals) that are adjusted for in the headline earnings per share calculation.
- Other items are defined as losses/(gains) which do not arise from normal trading activities or are of such a size, nature or incidence that their disclosure is relevant to explain the performance for the year.
- Prior year relates to the portion of the actuarial surplus in the Malbak Group Pension Fund accruing to Nampak Products Limited, a direct subsidiary of Nampak Limited.
- Prior year relates to the gap cover for insurance claims intimated due to the exceptional losses arising from the flood damage incurred in KwaZulu-Natal during April 2022.

*Minor rounding differences may affect additions

Decoding Nigerian forex losses

R1.0bn of forex losses attributable to Nigeria
Naira weakened consistently
Forex market is dysfunctional with dual rates

1st exposure

- › Raw material imports are sourced in dollars
- › Partial recovery in price
 - » Price elasticity
 - » Volume decline

2nd exposure

- › Currency movements to invoice date now recouped from customers
 - » Lag from invoice to settlement by customers results in forex loss

3rd exposure

- › Monetary adjustments
 - » Straddle reporting periods - skew results due to mismatch
 - » R330m forex loss impact in FY23 from Sept 22 monetary items
 - » Naira cash balances at FY22 used to settle foreign creditors in FY23 at weaker rate
 - » Debtors' balances at FY22 subject to devaluation risk in FY23

4th exposure

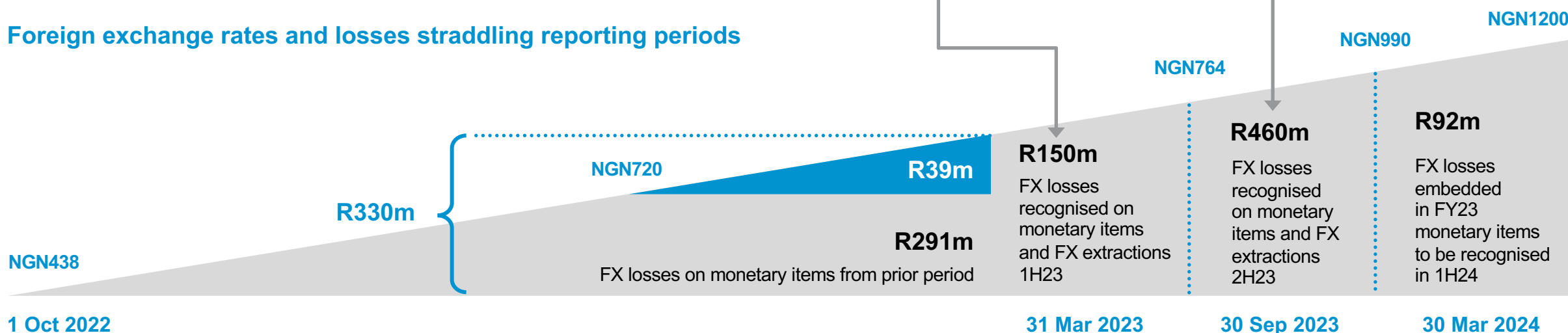
- › Forex risk
 - » Acquisition of dollars once customer pays and settlement to Isle of Man for foreign purchases

We cannot hedge our position

Bevcan Nigeria forex loss

Year ended 30 September 2022	6 months ended 31 March 2023	12 months ended 30 September 2023
Revenue (partial price recovery) Gross profit (partial price recovery)	Revenue (partial price recovery) Gross profit (partial price recovery)	Revenue (full forex recovery) Gross profit (full forex recovery)
Monetary items:	Monetary items:	Monetary items:
Debtors R626m Cash R119m Total R745m	Debtors R692m Cash R103m Total monetary items R795m	Debtors R119m Cash R143m Total monetary items R262m
Official naira spot rate = 438 Parallel spot rate = 720	Official naira spot rate = 461 Parallel spot rate = 764 Forex purchases 1H23 = US\$36m FX loss on FY22 monetary items R330m FX loss on 1H23 receipts R150m Total FX loss for 1H23 R480m	Official naira spot rate = 777 Parallel spot rate = 990 Forex purchases 1H23 = US\$29m FX loss on FY22 monetary items R480m FX loss on 1H23 receipts R460m Total FX loss for 1H23 R940m

Foreign exchange rates and losses straddling reporting periods



Cash transfers from Angola and Nigeria and forex

30 September 2023

R million	Angola	Nigeria	Total
Opening cash on hand — 30 Sep 2022	50	369	419
Cash on hand — 30 September 2023	46	192	238
Net cash movement — 2023	(4)	(177)	(181)
Cash transferred	621	1 305	1 926
Forex loss	(179)	(1 056)	(1 235)

30 September 2022

R million	Angola	Nigeria	Sub-total
Opening cash on hand — 30 Sep 2021	49	414	463
Cash on hand — 30 September 2022	50	369	419
Net cash movement — 2022	1	(45)	(44)
Cash transferred	717	1 688	2 405
Forex gain/(loss)	60	(604)	(544)

No hedges are available in Angola, Nigeria and Zimbabwe

- › Cash transfers of R621m from Angola, the availability of US dollars tightened towards the end of the year
- › Transfers from Nigeria of R1.3bn attracted significant foreign exchange losses
 - » Despite monetary policy reforms significant gap still exist between official and secondary market rates

Gross debt to net debt workings

Breakdown of net debt per IFRS

R million	FY23	FY22
Loans – non-current portion	(5 810)	(4 722)
Loans – current portion	(720)	(2 159)
Gross debt	(6 530)	(6 881)
RBZ financial instrument	28	106
Equipment sales receivables	7	12
Other loan receivables	13	18
Bank balances	1 844	1 502
Net debt	(4 638)	(5 243)

Tax rate reconciliation

Reconciliation of statutory to effective tax rate

%	FY23	FY22
Statutory group tax rate	27.0	28.0
Increase in tax rate due to:	(32.0)	542.0
Goodwill impaired	(10.9)	–
Deferred taxation not recognised	(8.2)	135.5
Foreign currency translation impact	(5.0)	68.7
Hyperinflation adjustments	(3.0)	166.8
Foreign tax rate differential	(1.9)	–
Disallowable expenses	(1.7)	92.3
Withholding and other foreign taxes	(0.9)	53.9
Adjustment for prior years	(0.4)	–
Tax rate reduction	–	24.8
Reduction in tax rate due to:	0.9	(426.3)
Recognition of losses and temporary differences not previously recognised	–	(34.4)
Adjustment for prior year	–	(36.8)
Foreign tax rate differential	–	(84.1)
Utilisation of tax losses not previously recognised	0.2	(247.4)
Government incentives and exempt income (including capital profits)	0.7	(23.6)
Effective group rate of tax	(4.1)	143.7

The End