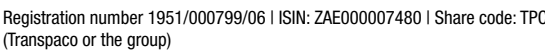


NET ASSET VALUE PER SHARE 2 148 CENTS ■ HEADLINE EARNINGS PER SHARE 157,7 CENTS ■ DIVIDEND PER SHARE 43,0 CENTS



DIVIDEND PER SHARE 43,0 CENTS

Transpaco's results reflect an overall 29,0% increase in headline earnings per share (HEPS) for the period to 157,7 cents per share (December 2019: 122,2 cents).

The Covid pandemic had a negative impact on all operations in varying degrees due to the markets we supply, and in particular, the closure of the liquor trade from time to time.

Revenue decreased by 3,0% to R1,09 billion (December 2019: R1,13 billion) with operating profit up by 12,6% to R78,9 million (December 2019: R70,1 million).

The group's expenses were contained at acceptable levels with gross profit margins well-managed and controlled.

The Paper and Board Division accounted for significant growth, while the Plastics Division performed within expectations albeit at reduced levels compared to last year.

The revenue in the first six months of the financial year is traditionally greater than that of the second six months due to the seasonal nature of the business.

Transpaco's continuing operations also achieved revenue growth of 1,4% to R1,09 billion.

Notwithstanding a challenging economic environment compounded by the impact of the Covid 19 pandemic, HEPS declined slightly by 3,1% to 156,2 cents (December 2019: 161,1 cents).

	Six months to December 2020	Six months to December 2019	% increase/ (decrease)
Total operations			
Revenue (R'm)	1 093,3	1 126,7	(3,0)
Operating profit (R'm)	78,9	70,1	12,6
Headline earnings (R'm)	51,9	40,2	29,0
Earnings per share (cents)	159,6	122,2	30,6
HEPS (cents)	157,7	122,3	29,0
Diluted HEPS (cents)	157,7	122,3	29,0
Continuing operations			
Revenue (R'm)	1 093,3	1 078,7	1,4
Operating profit (R'm)	78,5	80,9	(3,0)
Headline earnings (R'm)	51,4	53,0	(3,1)
Earnings per share (cents)	158,2	161,1	(1,8)
HEPS (cents)	156,2	161,1	(3,1)
Diluted HEPS (cents)	156,2	161,1	(3,1)

Transpaco's balance sheet remains healthy as the group continues its strict working capital management strategy.

The group's net interest-bearing debt-to-equity (gearing) position increased to 21.9% (December 2019: 7.4%) primarily due to the investment in plant and equipment at Britepak and Specialised Films to increase capacity to meet additional demand.

Further, the R64,5 million purchase of the property from which the Future Packaging Group operates was concluded during December 2020, increasing long-term borrowings.

Transpaco's net asset value per share increased by 6,8% to 2 148 cents (December 2019: 2 012 cents).

There were no subsequent events after the reporting period.

Transpaco maintained a level 2 BEE contributor level based on the revised BBBEE scorecard through various strategic initiatives, including participation in the YES programme.

The group's proven business strategy, targeting organic growth while maintaining strict financial control and at the same time identifying and pursuing appropriate acquisitions, will continue. While difficult trading conditions are expected to continue, Transpaco will endeavour to mitigate this by continuing to drive sales, contain costs and maintain gross profit contributions.

The board has declared an interim gross cash dividend out of income reserves of 43,0 cents per share (December 2019: 33,0 cents per share) for the six-month period ended 31 December 2020. After applying the dividend withholding tax of 20%, a net interim dividend of 34,4 cents per share will be paid to those shareholders who are not exempt from the dividends tax. The issued shares at the date of declaration is 32 886 359 ordinary shares. The income tax reference number is 9975/112/71/6.

The salient dates for the dividend are as follows:

Tuesday, 16 March 2021

Wednesday, 17 March 2021

Friday, 19 March 2021

Tuesday, 23 March 2021

Share certificates may not be dematerialised or rematerialised between Wednesday, 17 March 2021 and Friday, 19 March 2021, both days inclusive.

R'000	Note	Unaudited six months December 2020	Unaudited six months December 2020 % change	Unaudited six months December 2019	Audited twelve months June 2020
Continuing operations					
Revenue – sale of goods		1 093 321	1,4	1 078 651	1 905 764
Cost of sales		(701 348)		(696 211)	(1 217 294)
Profit before operating costs and depreciation		391 973	2,5	382 440	688 470
Operating costs		(274 162)	(3,4)	(265 080)	(481 254)
Depreciation		(39 353)	(7,8)	(36 496)	(71 326)
Operating profit		78 458	(3,0)	80 864	135 890
Finance income		821	(14,5)	960	2 088
Finance costs		(6 809)	14,0	(7 916)	(12 859)
Profit before taxation		72 470	(1,9)	73 908	125 119
Taxation		(20 453)	2,3	(20 931)	(33 632)
Profit for the year from continuing operations		52 017	(1,8)	52 977	91 487
Discontinued operations					
Profit/(loss) for the period from discontinued operations	1	468	103,7	(12 797)	(22 533)
Profit for the year		52 485	30,6	40 180	68 954
Other comprehensive income		–		–	–
Total comprehensive income		52 485	30,6	40 180	68 954
Weighted average ranking number of shares in issue ('000)		32 886		32 886	32 886
Diluted weighted average ranking number of shares in issue ('000)		32 886		32 886	32 886
Continuing operations					
Earnings per share (cents)		158,2	(1,8)	161,1	278,2
Diluted earnings per share (cents)		158,2	(1,8)	161,1	278,2
Headline earnings per share (cents)		156,2	(3,1)	161,1	277,5
Diluted headline earnings per share (cents)		156,2	(3,1)	161,1	277,5
Continuing and discontinued operations					
Earnings per share (cents)		159,6	30,6	122,2	209,7
Fully diluted earnings per share (cents)		159,6	30,6	122,2	209,7
Headline earnings per share (cents)		157,7	29,0	122,3	243,9
Fully diluted headline earnings per share (cents)		157,7	29,0	122,3	243,9
Dividend per share (cents)*		43,0	30,3	33,0	111,0
<i>*Dividend declared after the period</i>					
Reconciliation of headline earnings (R'000)					
Continuing operations					
Basic earnings		52 017		52 977	91 487
(Profit)/loss on disposal of property, plant and equipment – net of tax		(648)		9	(234)
Headline earnings		51 369	(3,1)	52 986	91 253
Continuing and discontinued operations					
Basic earnings		52 485		40 180	68 954
Impairment on property, plant and equipment		–		–	11 846
(Profit)/loss on disposal of property, plant and equipment – net of tax		(633)		30	(597)
Headline earnings		51 852	29,0	40 210	80 203

R'000	Note	Unaudited six months December 2020	Unaudited six months December 2019	Audited 12 months June 2020
ASSETS				
Non-current assets		646 483	476 376	549 309
Property, plant and equipment		507 636	319 640	397 508
Right-of-use assets		52 066	71 797	65 237
Intangibles		17 855	17 855	17 855
Goodwill		64 182	64 182	64 182
Deferred taxation		4 744	2 902	4 527
Current assets		686 162	589 885	561 486
Inventories		221 302	172 099	210 489
Trade and other receivables		400 693	376 345	289 927
Taxation receivable		1 118	2 572	248
Cash and cash equivalents		63 049	38 869	60 822
Disposal group assets classified as held for sale	2	–	36 075	10 062
TOTAL ASSETS		1 332 645	1 102 336	1 120 857
EQUITY AND LIABILITIES				
Capital and reserves		706 349	661 593	679 515
Issued share capital		328	328	328
Share premium		11 019	11 019	11 019
Distributable reserve		695 002	650 246	668 168
Non-current liabilities		260 166	146 786	143 691
Interest-bearing borrowings		177 482	56 207	53 684
Lease liability		39 079	49 862	51 410
Deferred income		2 614	3 747	2 614
Deferred taxation		40 991	36 970	35 983
Current liabilities		364 699	287 927	297 365
Trade payables and accruals		272 635	203 495	210 300
Employment benefit liabilities		30 798	23 394	36 046
Interest-bearing borrowings		40 257	31 432	25 521
Lease liability		18 257	28 106	19 714
Deferred income		896	962	1 133
Taxation payable		1 856	538	4 651
Disposal group liabilities classified as held for sale	2	1 431	6 030	286
TOTAL EQUITY AND LIABILITIES		1 332 645	1 102 336	1 120 857
Salient features				
Net asset value per share (cents)		2 148	2 012	2 066
Operating margin (%)		7,2	6,2	5,8
Net interest-bearing debt-to-equity ratio (%)		21,9	7,4	2,7
Number of shares ('000)		32 886	32 886	32 886

R'000	Issued share capital	Share premium	Distributable reserve	Total
Balance at 30 June 2019 (audited)	328	11 019	626 509	637 856
Profit for the period	—	—	40 180	40 180
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	40 180	40 180
Dividend paid	—	—	(16 443)	(16 443)
Balance at 31 December 2019 (unaudited)	328	11 019	650 246	661 593
Profit for the period	—	—	28 774	28 774
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	28 774	28 774
Dividend paid	—	—	(10 852)	(10 852)
Balance at 30 June 2020 (audited)	328	11 019	668 168	679 515
Profit for the period	—	—	52 485	52 485
Other comprehensive income	—	—	—	—
Total comprehensive income	—	—	52 485	52 485
Dividend paid	—	—	(25 651)	(25 651)
Balance at 31 December 2020 (unaudited)	328	11 019	695 002	706 349

	Unaudited six months Dec 2020	Unaudited six months Dec 2019	Audited 12 months June 2020
R'000			
Capital expenditure authorised and contracted			
Property, plant and equipment	2 939	34 432	6 146

R'000	Unaudited six months December 2020	Unaudited six months December 2019	Audited 12 months June 2020
Cash flows from operating activities			
Cash generated from operations	53 066	90 752	245 927
Dividends paid	(25 651)	(16 443)	(27 295)
Finance income received	821	960	2 088
Finance costs paid	(6 809)	(7 916)	(12 859)
Taxation paid	(19 327)	(16 765)	(25 644)
Net cash inflows from operating activities	2 100	50 588	182 217
Cash flow used in investing activities			
Proceeds on disposal of property, plant and equipment	10 566	177	7 070
Expansion and replacement of property, plant and equipment	(135 225)	(20 217)	(112 333)
Net cash outflows from investing activities	(124 659)	(20 040)	(105 263)
Cash flows used in financing activities			
Payment of principal portion of lease liability	(13 748)	(12 245)	(28 270)
Proceeds from borrowings	153 691	31 796	71 422
Repayment of borrowings	(15 157)	(47 907)	(95 967)
Net cash inflows/(outflows) from financing activities	124 786	(28 356)	(52 815)
Net movement in cash for the period	2 227	2 192	24 139
Cash and cash equivalents at the beginning of the period	60 822	36 683	36 683
Cash and cash equivalents at the end of the period	63 049	38 875	60 822

Unaudited six months to December 2020, six months to December 2019 and audited 12 months to June 2020						
R'000	Plastic products	Paper and board products	Properties and group services	Continuing operations	Discontinued operations	Total operations
Revenue – December 2020 – sale of goods	588 730	504 591	–	1 093 321	–	1 093 321
Revenue to all customers	614 568	546 993	–	1 161 561	–	1 161 561
Less revenue to internal customers	(25 838)	(42 402)	–	(68 240)	–	(68 240)
Revenue – December 2019 – sale of goods	619 761	458 890	–	1 078 651	48 019	1 126 670
Revenue to all customers	653 881	493 207	–	1 147 088	51 886	1 198 974
Less revenue to internal customers	(34 120)	(34 317)	–	(68 437)	(3 867)	(72 304)
Revenue – June 2020 – sale of goods	1 041 067	864 697	–	1 905 764	48 018	1 953 782
Revenue to all customers	1 098 488	928 983	–	2 027 471	51 885	2 079 356
Less revenue to internal customers	57 421	64 286	–	121 707	3 867	125 574
Operating profit – December 2020	47 295	23 775	7 388	78 458	468	78 926
Operating profit/(loss) – December 2019	64 600	6 052	10 212	80 864	(10 778)	70 086
Operating profit/(loss) – June 2020	96 261	26 728	12 901	135 890	(22 510)	113 380
Profit before tax– December 2020	45 257	19 995	7 218	72 470	468	72 938
Profit/(loss) before tax – December 2019	62 534	3 005	8 369	73 908	(17 774)	56 134
Profit/(loss) before tax – June 2020	92 583	21 416	11 120	125 119	(22 510)	102 609
Capital expenditure December 2020	26 141	30 665	78 419	135 225	–	135 225
Capital expenditure – December 2019	9 594	5 232	3 968	18 794	1 423	20 217
Capital expenditure – June 2020	51 990	51 201	7 705	110 896	1 437	112 333
Assets – December 2020	618 327	488 551	225 767	1 332 645	–	1 332 645
Assets – December 2019	525 962	408 542	131 757	1 066 261	36 075	1 102 336
Assets – June 2020	502 320	447 325	161 150	1 110 795	10 062	1 120 857
Liabilities – December 2020	274 503	216 653	133 709	624 865	1 431	626 296
Liabilities – December 2019	192 640	167 570	74 503	434 713	6 030	440 743
Liabilities – June 2020	191 799	218 680	30 577	441 056	286	441 342

NOTE 1	Unaudited six months December 2020	% change	Unaudited six months Dec 2019	Audited 12 months June 2020
R'000				
Revenue	471		48 109	48 018
Other income	–		–	7 351
Expenses	(3)		(58 887)	(66 033)
Operating profit/(loss)	468		(10 778)	(10 664)
Impairment loss recognised on the remeasurement to fair value less costs to sell	–		(6 996)	(11 846)
Profit/(loss) before tax from discontinued operations	468		(17 774)	(22 510)
Taxation				(23)
Related to pre-tax loss from the ordinary activities for the period	–		3 018	–
Related to remeasurement to fair value less costs to sell	–		1 959	–
Profit/(loss) for the year from discontinued operations	468		(12 797)	(22 533)
Earnings/(loss) per share (cents) from discontinued operations	1,4	103,7	(38,9)	(68,5)
Diluted earnings/(loss) per share (cents) from discontinued operations	1,4	103,7	(38,9)	(68,5)
Headline earnings/(loss) per share (cents) from discontinued operations	1,4	103,7	(38,8)	(33,6)
Diluted headline earnings/(loss) per share (cents) from discontinued operations	1,4	103,7	(38,8)	(33,6)
Discontinued operations				
Profit/(loss) for the year from discontinued operations	468		(12 797)	(22 533)
Impairment on property, plant and equipment	–		–	11 846
Profit/(loss) on disposal of property, plant and equipment	–		21	(363)
Headline earnings/(loss)	468		(12 776)	(11 050)
Cash flows from discontinued operations				
Net cash flows from operating activities	(3 031)		1 394	(4 877)
Net cash flows from investing activities	–		(1 393)	4 874
Net cash flows from financing activities	–		–	–
Net cash flows	(3 031)		1	(3)
NOTE 2 – Net assets directly associated with disposal group				
	R'000		R'000	R'000
Assets				
Property, plant and equipment	–		20 030	9 386
Deferred taxation	–		4 999	–
Trade and other receivables	5 320		11 040	676
Cash and cash equivalents	–		6	–
Disposal group assets held for sale	5 320		36 075	10 062
Liabilities				
Trade payables and accruals	(1 431)		(5 152)	(286)
Provisions	–		(878)	–
Disposal group liabilities directly associated with assets held for sale	(1 431)		(6 030)	(286)
Net assets directly associated with disposal group	3 889		30 045	9 776