



Nampak
packaging excellence

Unaudited consolidated interim results

for the six months ended
31 March 2024



Salient features

Continuing operations

Revenue

R6.2bn

up 7% (1H23: R5.8bn)



Trading profit

R770m

up 133% (1H23: R330m)



EBITDA

R1 148m

up 201% (1H23: R381m)



Operating profit before net impairments

R1 005m

up R770m (1H23: R235m)



Significant decline in net impairment losses



Operating profit for the period

R992m

compared to operating loss of R558m in 1H23



Profit for the period

R395m

compared to a loss of R878m in 1H23



Earnings per share of

5 280.3c

up from loss per share of 31 043.7c in 1H23



Headline earnings of

R447m

compared to a headline loss of R327m in 1H23



Headline earnings per share of

5 393.9c

compared to headline loss of 11 027.3cps in 1H23



Total operations

Loss for the period from discontinued operations

R530m

compared to a loss of R1.6bn in 1H23



Headline earnings of

R267m

compared to headline loss of R342m in 1H23



Net debt:EBITDA for covenant purposes

3.04

below covenant threshold of 6.5x



Current ratio

1.8

compared to 1.6 in 1H23



Cash generated from operations

R878m

compared to R21m in 1H23



Free cash flow

R810m

up from cash outflow of R109m in 1H23



Commentary

Continuing operations

"The Group has made positive strides over the past 12 months in respect of its ambitious transformation agenda.

The first half of FY24 reflects this progress in respect of the five strategic pillars, namely:

- › portfolio optimisation, spearheaded by divestitures and stock keeping unit rationalisation;
- › unearthing of inefficiencies and cost reduction enabled by a merged SA Metals business model;
- › strengthening of the Nampak brand proposition as a purveyor of packaging excellence;
- › group wide focus on customer obsession; and
- › building a high-performance anatomy calibrated for learning agility.

The most salient first half performance drivers include a step change in performance of the continuing Metals Group, a highly effective cost reduction programme, significantly lower impairment losses, improved working capital management and pleasing progress on asset disposals.

In addition to significant macro-economic headwinds in most geographies, there were notable performance inhibitors, namely constrained consumer demand in South Africa and Angola, unreliable municipal infrastructure resulting in electricity failures at the Springs plant, partial volume loss with two major customers and an invasive cyber incident which was successfully remedied.

Notwithstanding the aforementioned, the Group's results were pleasing. SA Metals performed exceptionally well due to the turnaround initiatives gaining momentum."

Phil Roux

Chief Executive Officer

Group financial performance

R million	1H24	1H23	% change
Continuing operations			
Revenue	6 166	5 782	7
Trading profit	770	330	>100
Net devaluation losses	(47)	(58)	19
Capital and other items	282	(37)	(>100)
Operating profit before net impairment losses	1 005	235	>100
Net impairment losses	(13)	(793)	>100
Operating profit/(loss)	992	(558)	>100
Profit/(loss) before tax	530	(1 052)	>100
Profit/(loss) for the period from continuing operations	395	(878)	>100
Headline earnings/(loss)	447	(327)	>100
Discontinued operations			
Loss for the period from discontinued operations	(530)	(1 569)	66
Total operations			
Loss for the period	(135)	(2 447)	94
Cash generated from operations before working capital changes	905	591	53
Net working capital changes	(27)	(570)	95
Cash generated from operations	878	21	>100
Net cash generated/(utilised) before financing activities	276	(584)	>100
Earnings/(loss) per share (cps)			
– continuing operations	5 280.3	(31 043.7)*	>100
– total operations	(1 123.5)	(83 882.1)*	99
Headline earnings/(loss) per share (cps)			
– continuing operations	5 393.9	(11 027.3)*	>100
– total operations	3 227.9	(11 524.1)*	>100

During the period the Group has classified various assets as held for sale and discontinued operations further to the stage of completion of the asset disposal programme that commenced in August 2023.

* Comparative numbers in HY23 have been re-presented in accordance with the application of IFRS 5: Assets Held for Sale and Discontinued Operations. In addition, as a consequence of the share consolidation and rights offer the weighted average number of shares ("WANS") in issue for HY23 has been re-presented from 627 822 506 to 2 968 572 in terms of IAS 33: Earnings per Share. The WANS for HY24 is 8 277 921.

Overview

Continuing operations

Group revenue from continuing operations increased by 7% to R6.2 billion reflecting encouraging growth despite an operating environment that was characterised by high interest rates, inflation and the resultant pressure on consumers' disposable income. Despite declines in revenue in DivFood and BevcAn Angola, Metals recorded a 6% increase in revenue boosted by growth achieved with BevcAn South Africa, while Plastics and Paper posted 9% and 10% increases in revenue respectively.

Improved operating margins were achieved through portfolio optimisation and cost reduction initiatives. Operating profit was assisted by active management of the post-retirement medical aid liability which resulted in a cost curtailment gain of R290 million and materially lower impairments. Forex risk management continues to improve as it remains a key focus of management.

Operating profit before impairment losses of R1 005 million reflects a 328% increase compared to R235 million in the prior period.

Impairment losses decreased significantly to R13 million from R793 million with an operating profit of R992 million delivered compared to an operating loss of R558 million for the prior period.

Net finance costs decreased 7% to R459 million from R491 million benefiting from the reduction in debt as a result of the net rights issue proceeds of R960 million received in September 2023 and net cash generated during the period under review. This was partially offset by increased interest rates and higher trade receivables due to the inability of the Group to invoice timeously in March 2024 as a consequence of the cyber incident. The repayment of R243 million in borrowings late in the period under review will benefit interest costs in the second half.

A profit before tax of R530 million compares favourably to the loss before tax of R1 052 million incurred in the prior period with a profit of R395 million reported compared to a loss of R878 million in 1H23.

A profit for the period of R395 million was delivered compared to a loss of R878 million in the comparative period and resulted in earnings of 5 280.3cps compared to a loss of 31 043.7cps in the prior period. A headline profit of R447 million and headline earnings of 5 393.9cps is reported compared to R327 million headline loss in the prior year and headline loss of 11 027.3cps.

Discontinued operations

Discontinued operations include BevcAn Nigeria, Liquid Cartons South Africa, Malawi and Zambia as well as the South African Plastic and Tubes businesses.

The material reduction in the loss for discontinued operations of R530m million compared to the prior period loss of R1 569 million, is primarily attributable to a significant reduction in impairments. The remaining goodwill of R335 million was impaired coupled with a post-tax asset impairment of R184 million valuing this asset at its fair value less cost to sell.

The second half is expected to benefit from the recycling of the attributable foreign currency translation reserve of R2.2 billion on completion of the BevcAn Nigeria disposal (based on the closing rand/dollar exchange rate on 31 March 2024).

Total operations

A loss for the period of R93 million attributable to owners of Nampak Limited was incurred compared to a loss of R2 490 million in the comparative period and resulted in a loss of 1 123.5cps compared to 83 882.1cps in the prior period. A headline earnings of R267 million is reported compared to a headline loss of R342 million in the prior period, resulting in headline earnings of 3 227.9cps compared to headline loss of 11 524.1cps.

Trading performance by substrate – continuing operations

R million	Revenue		Trading profit		Trading margin (%)		Operating profit before net impairments		Operating margin (%)	
	1H24	1H23	1H24	1H23	1H24	1H23	1H24	1H23	1H24	1H23
Metals	5 288	4 982	717	325	13.6	6.5	706	284	13.4	5.7
South Africa	4 747	4 403	591	227	12.4	5.2	583	227	12.3	5.2
Rest of Africa	541	579	126	98	23.3	16.9	123	57	22.7	9.8
Plastic	465	425	74	81	15.9	19.1	22	87	4.7	20.5
Paper	413	375	23	84	5.6	22.4	26	71	6.3	18.9
Corporate Services	–	–	(44)	(160)	–	–	251	(207)	–	–
Group total	6 166	5 782	770	330	12.5	5.7	1 005	235	16.3	4.1

Overview

Metals South Africa

SA consumers have been severely impacted by rising costs due to inflationary pressure, high interest rates and increased fuel costs amongst others. Numerous fast-moving consumer goods categories suffered volume declines. These declines were not limited to discretionary categories and were inclusive of staple food products. Notwithstanding the aforementioned, Metals South Africa has significantly improved its profitability with the operating margin expanding from 5.2% to 12.3%. This is consequent to numerous turnaround initiatives coming to fruition. This margin is deemed to be sustainable given both growth and further efficiency opportunities.

Bevcan SA

The beverage category that Nampak serves has shown relative resilience with satisfactory beer and sustained energy drink volume growth. The can substrate has increased its participation as a format of choice. Profitability was bolstered by improved product mix, increased scrap sales, significant cost reduction and improved plant efficiencies which resulted in margin expansion.

The planned capital investment of R350 million in capacity expansion bodes well for the future given the sustained growth of the large pack format which offers an enhanced value proposition to consumers. The commissioning of the new Springs Line 2 is progressing according to plan and will add the much needed capacity to address this growing market segment.

Net working capital was particularly well managed with positive impacts on improved cash flows.

DivFood

DivFood reported a marginal decrease in revenue due to portfolio rationalisation and plant closure by a large customer for maintenance during the period under review. Disruptions in local ports in Q1 impacted supply to customers.

The food category experienced mixed fortunes with a softening in demand for deciduous fruits and vegetable products partially offset by growth in other categories. Monobloc and tinsplate aerosol volumes have been affected by weak demand. The paint operation was closed thereby mitigating operating losses incurred in this segment.

The solid progress within the Diversified portfolio performance is an amalgam of numerous interventions which include inter alia portfolio rationalisation, cost management and margin expansion coupled with revitalised leadership.

An operating loss reported in the prior period was converted into a strong operating profit with a turnaround of R186 million. Notwithstanding the pleasing results from the turnaround, there is further scope for growth and efficiency improvements.

Rest of Africa

Continuing operations

Bevcan Angola

Notwithstanding a doubling of inflation and slowing consumer demand, Bevcan Angola reported an encouraging improvement in operating profit assisted by improved trading margins and lower forex losses. Supply to a critical customer was resumed during the period due to adherence with payment terms. The DRC portends a further growth opportunity given filling line investment in the country.

In Angola, the kwanza was relatively stable devaluing by 2% from September 2023. Cash transfers of R337 million (1H23: R342 million) for the period were made representing a marginal decline. There are recent signs of less dollar availability in the market. This is being closely monitored.

Zimbabwe

Zimbabwe continues to be plagued by hyperinflation and a dysfunctional currency.

The business continues to perform satisfactorily notwithstanding a dynamic environment and impending drought conditions.

A lower than anticipated tobacco crop is expected which will manifest in lower volumes in the second half. Reengineering of products in order to compete more effectively is being implemented.

Corporate Services

Trading profit at corporate services benefitted from lower employee costs as a consequence of the restructuring and reduced forex losses coupled with reduced professional fees. A R290m curtailment benefit from a plan change to the post-retirement medical aid added further savings at the operating profit before net impairments level.

Trading performance by region – continuing operations

R million	Revenue		Trading profit		Trading margin (%)		Operating profit before net impairments		Operating margin (%)	
	1H24	1H23	1H24	1H23	1H24	1H23	1H24	1H23	1H24	1H23
South Africa	4 747	4 403	591	227	12.4	5.2	583	227	12.3	5.2
Rest of Africa	1 419	1 379	223	263	15.7	19.1	171	215	12.1	15.6
Corporate Services	–	–	(44)	(160)	–	–	251	(207)	–	–
Group total	6 166	5 782	770	330	12.5	5.7	1 005	235	16.3	4.1

Discontinued operations

Bevcan Nigeria

Nigeria as an economy encountered severe headwinds consequent to a significant devaluation of the naira with resultant high imported inflation. This impacted consumer demand with adverse impacts on revenue and profitability. A concerted effort to increase market share will be the primary source of volume growth in the short-to-medium term.

The naira devalued by 40% during the period. Cash transfers of R368 million (1H23: R622 million) were made for raw material costs. Cash on hand in country reduced from the rand equivalent of R331 million to R25 million at 31 March 2024 compared to 31 March 2023. Higher cash transfers were made in the comparative period to reduce elevated cash balances held at 30 September 2022.

A sale and purchase agreement for \$68.5 million was concluded on 16 May 2024 date with conditions precedent as set out in the circular to shareholders on 30 May 2024. A loss before tax of R666 million was incurred inclusive of a R335 million goodwill impairment and a R261 million impairment of property, plant and equipment.

Asset Disposal Plan

The Group concluded refinancing agreements on 27 September 2023. As part of the refinancing the Group is required to settle R2.7 billion by 31 March 2026 with repayments of R243 million and R477 million due on 31 March 2024 and 30 September 2024 respectively. The first payment of R243 million which was due on 31 March 2024 was settled in full.

Proceeds from completed disposal transactions, as well as contracted disposals subject in the main to Nampak shareholder and regulatory approvals, will be utilised to settle the R477 million due on 30 September 2024. Divestiture initiatives have concluded disposals of R2.1 billion across the business portfolio and are tracking ahead of the internally set timeframes to complete these disposals.

The proceeds from all disposals will be utilised to repay debt and reduce gearing.

Outlook

Nampak is not immune to constrained economic conditions in the multiple geographies in which it operates. The business is however increasingly better positioned to compete effectively and unlock further value. We anticipate improvements and growth within the Diversified portfolio as we re-engineer the business. The new capacity installed within Bevcac South Africa will be fully leveraged. A sustained corporate focus on scaling down and cost reduction remains an ongoing theme.

The momentum behind the asset disposal plan gives further credence to the turnaround. The amalgam of the aforementioned strengthens the outlook for Nampak with a platform created to reduce the Group's level of debt and improve leverage ratios.

The board has decided not to declare an ordinary dividend for 1H24 (1H23: Nil).

Interim results presentation

Nampak management will hold an in-person presentation at the Table Bay Hotel in Cape Town and a webcast presentation on Friday, 28 June 2024 at 11h00 Central Africa Time (UTC+2) to present the interim results, provide a business update and address questions from the investment community.

Webcast details are available on Nampak's website <http://www.nampak.com/investors>. The interim results presentation and announcements will be uploaded on the website on the same morning.

Bryanston

28 June 2024

Sponsor

PSG Capital

Forward-looking statements

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. 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. Nampak cautions that forward-looking statements are not guarantees of future performance.

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. 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 are 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 is 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.

Condensed group statement of comprehensive income

R million	Notes	Unaudited 6 months ended 31 Mar 2024	Re-presented* Unaudited 6 months ended 31 Mar 2023	Change %	Re-presented* Audited Year ended 30 Sep 2023
Continuing operations					
Revenue	4	6 166.1	5 782.5	7	12 324.8
Operating profit before net impairment losses	5	1 005.1	235.1	>100	500.8
Net impairment losses	6	(12.7)	(792.9)		(1 117.6)
Operating profit/(loss)		992.4	(557.8)	>100	(616.8)
Finance costs	7	(479.6)	(501.9)	4	(1 244.7)
Finance income	7	21.0	10.8		30.0
Share of net loss from associates and joint ventures		(4.1)	(2.8)		(6.2)
Profit/(loss) before tax		529.7	(1 051.7)	>100	(1 837.7)
Income tax (expense)/benefit	8	(134.9)	173.4		(138.3)
Profit/(loss) for the period from continuing operations		394.8	(878.3)	>100	(1 976.0)
Discontinued operations					
Loss for the period from discontinued operations	9.6	(530.1)	(1 568.5)		(1 975.8)
Loss for the period		(135.3)	(2 446.8)	>100	(3 951.8)
Other comprehensive income/(loss), net of tax		15.7	(92.1)		16.0
<i>Items that may be reclassified subsequently to profit or loss</i>					
Exchange differences on translation of foreign operations excluding Zimbabwe operations		(17.4)	(20.1)		38.0
Exchange differences on translation and hyperinflation effects of Zimbabwe operations		33.1	(67.8)		(24.7)
(Loss)/gain on cash flow hedges		—	(4.2)		3.4
<i>Items that will not be reclassified to profit or loss</i>					
Net actuarial loss from retirement benefit obligations		—	—		(0.7)
Total comprehensive loss for the period		(119.6)	(2 538.9)	95	(3 935.8)
(Loss)/profit attributable to:					
Owners of Nampak Limited		(93.0)	(2 490.1)	>100	(4 032.8)
Non-controlling interests in subsidiaries		(42.3)	43.3		81.0
Total		(135.3)	(2 446.8)	94	(3 951.8)
Total comprehensive (loss)/income attributable to:					
Owners of Nampak Limited		(93.4)	(2 548.8)	>100	(4 008.2)
Non-controlling interests in subsidiaries		(26.2)	9.9		72.4
Total		(119.6)	(2 538.9)	95	(3 935.8)
Earnings/(loss) per share					
<i>Basic (cents per share)</i>					
Continuing operations	10.1	5 280.3	(31 043.7)	>100	(59 829.4)
Discontinued operations		(6 403.8)	(52 838.4)		(57 466.1)
Total	10.2	(1 123.5)	(83 882.1)	99	(117 295.5)
<i>Diluted (cents per share)</i>					
Continuing operations	10.1	5 265.5	(31 043.7)	>100	(59 829.4)
Discontinued operations		(6 389.0)	(52 838.4)		(57 466.1)
Total	10.2	(1 123.5)	(83 882.1)	99	(117 295.5)

* The comparatives have been re-presented for the impact of the discontinued operations. Refer to note 2.3.

Condensed group statement of financial position

R million	Notes	Unaudited 31 Mar 2024	Unaudited 31 Mar 2023	Audited 30 Sep 2023
Assets				
Non-current assets				
Property, plant and equipment and investment property	11	3 307.2	4 619.5	4 341.4
Right of use assets		425.0	510.0	453.0
Goodwill		67.5	437.4	457.7
Other intangible assets		128.2	132.0	132.3
Investments in associates, joint venture and other		30.5	36.4	34.6
Retirement benefit asset		52.6	233.2	97.8
Deferred tax assets		468.9	612.1	495.7
Loan and lease receivables – non-current	12	7.8	20.0	12.5
		4 487.7	6 600.6	6 025.0
Current assets				
Inventories		2 193.0	3 806.5	3 413.5
Trade and other current receivables		2 179.2	3 468.7	2 488.6
Tax assets		18.8	19.1	15.4
Loan and lease receivables – current	12	27.5	112.0	34.1
Bank balances and deposits	15.2	867.2	877.3	1 843.9
		5 285.7	8 283.6	7 795.5
Non-current assets classified as held for sale	9.6	2 227.3	77.7	90.3
Total assets		12 000.7	14 961.9	13 910.8
Equity and liabilities				
Capital and reserves				
Stated and share capital		1 266.3	35.5	1 266.3
Capital reserves		(498.6)	(243.2)	(501.5)
Other reserves		728.8	608.4	729.2
Retained earnings		47.9	1 715.6	143.8
Shareholders' equity		1 544.4	2 116.3	1 637.8
Non-controlling interests		236.3	216.7	276.3
Total equity		1 780.7	2 333.0	1 914.1
Non-current liabilities				
Loans – non-current	13.1	4 736.1	5 443.4	5 809.9
Lease liabilities – non-current	13.2	747.0	1 031.0	1 016.1
Retirement benefit obligation		435.6	749.9	727.6
Deferred tax liabilities		86.2	29.0	46.4
Other non-current liabilities		7.0	9.9	8.4
		6 011.9	7 263.2	7 608.4
Current liabilities				
Trade and other current payables		2 627.4	3 546.8	3 257.6
Provisions	14	135.5	105.2	135.1
Tax liabilities		33.9	67.8	65.6
Loans and lease liabilities – current	13.3	969.5	1 285.6	930.0
Bank overdrafts	15.2	–	360.3	–
		3 766.3	5 365.7	4 388.3
Liabilities directly associated with assets classified as held for sale	9.6	441.8	–	–
Total equity and liabilities		12 000.7	14 961.9	13 910.8

Condensed group statement of changes in equity

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited Year ended 30 Sep 2023
Opening balance	1 914.1	4 876.3	4 876.3
Rights issue — net proceeds of shares issued during the year	—	—	959.9
Liquidation of business ¹	—	—	37.5
Share-based payment expense	—	15.3	(1.1)
Treasury shares purchased ²	—	(12.6)	(12.6)
Total comprehensive loss for the period	(119.6)	(2 538.9)	(3 935.8)
Dividends paid ³	(13.8)	(7.1)	(10.1)
Closing balance	1 780.7	2 333.0	1 914.1
Comprising:			
Share capital	1 266.3	35.5	1 266.3
Capital reserves	(498.6)	(243.2)	(501.5)
Share premium	—	270.9	—
Treasury shares	(511.6)	(571.5)	(523.7)
Share-based payments reserve	13.0	57.4	22.2
Other reserves	728.8	608.4	729.2
Foreign currency translation reserve	1 372.8	1 259.3	1 373.2
Financial instruments hedging reserve	6.7	(0.9)	6.7
Recognised actuarial losses reserve	(624.5)	(623.8)	(624.5)
Other ⁴	(26.2)	(26.2)	(26.2)
Retained earnings	47.9	1 715.6	143.8
Shareholders' equity	1 544.4	2 116.3	1 637.8
Non-controlling interests	236.3	216.7	276.3
Total equity	1 780.7	2 333.0	1 914.1

1. Represents the foreign currency translation reserve relating to Nampak Holdings UK Ltd that was recycled on its liquidation.
2. During the previous period 8 884 629 Nampak Limited shares were acquired at a cost of R12.6 million as the deferred incentive portion of the Executive Share Plan for 2022. The deferred incentive is structured as forfeitable shares, meaning participants are the owners of the shares, but the shares are subject to forfeiture (until vesting) and disposal restrictions (until the expiry of the holding period, where applicable).
3. Dividends paid relate to the outside shareholders' portion of an interim distribution by Nampak Zimbabwe Ltd to its parent, Nampak Southern Africa Holdings Ltd.
4. Other reserves relate to deferred tax on the equity contribution by Nampak International Ltd to Nampak Zimbabwe Ltd of R26.2 million.

Condensed group statement of cash flows

R million	Notes	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited Year ended 30 Sep 2023
Cash generated from operations before working capital changes	15.1	905.2	591.1	740.4
Net working capital changes	15.1	(26.8)	(569.7)	904.6
Cash generated from operations	15.1	878.4	21.4	1 645.0
Finance costs paid		(493.7)	(427.8)	(1 169.3)
Finance income received		13.4	5.5	14.6
Retirement benefits, contributions and settlements		(35.5)	(37.8)	(78.2)
Income tax paid		(151.1)	(74.4)	(226.0)
Cash flows from operations		211.5	(513.1)	186.1
Dividends paid		(13.8)	–	(10.1)
Net cash generated from/(utilised in) operating activities		197.7	(513.1)	176.0
Cash flows from investing activities				
Capital expenditure	17	(181.7)	(137.0)	(352.5)
Replacement		(68.9)	(130.8)	(258.2)
Expansion		(112.8)	(6.2)	(94.3)
Proceeds on disposal of property, plant, equipment and investments		249.0	55.2	235.5
Proceeds from RBZ receivable		–	9.1	18.2
Decrease in other non-current financial assets		11.3	1.7	11.1
Cash generated/(utilised) in investing activities		78.6	(71.0)	(87.7)
Net cash generated/(utilised) before financing activities		276.3	(584.1)	88.3
Cash flows from financing activities				
Loans raised		706.8	107.5	6 649.7
Loans repaid		(1 701.3)	(400.2)	(7 097.0)
Invoice discounting finance (repaid)/raised		(111.4)	10.8	(66.5)
Lease liabilities repaid		(65.1)	(57.9)	(120.8)
Treasury shares purchased		–	(12.6)	(12.6)
Proceeds from issue of shares		–	–	1 000.0
Share issue expenses		–	–	(40.1)
Net cash (repaid)/raised in financing activities		(1 171.0)	(352.4)	312.7
Net (decrease)/increase in cash and cash equivalents		(894.7)	(936.5)	401.0
Net cash and cash equivalents at beginning of period		1 843.9	1 501.6	1 501.6
Translation of cash in foreign subsidiaries		(46.4)	(48.1)	(58.7)
Net cash and cash equivalents at end of period	15.2	902.8	517.0	1 843.9

Notes

1. Basis of preparation

The condensed interim financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, and the requirements of the Companies Act of South Africa applicable to condensed financial statements. The Listings Requirements require interim reports to be prepared in accordance with and contain the information required by IAS 34: Interim Financial Reporting, as well as the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council.

The interim financial statements have been prepared under the supervision of the chief financial officer, GR Fullerton CA(SA).

2. Accounting policies, new and revised standards and re-presented comparatives

2.1 Accounting policies

The accounting policies adopted and methods of computation used are consistent with those applied for the group's 2023 annual financial statements other than for the amendments to new standards.

2.2 New and revised International Financial Reporting Standards in issue

IFRS 17: Insurance contracts is effective for annual reporting periods beginning on or after 1 January 2023. The implementation of IFRS 17 is not material to the group as no new insurance contracts were written by the company from 1 September 2023 as Nampak Insurance Company Ltd is currently in the process of unwinding.

IFRS 18: Presentation and Disclosure in Financial Statements was issued in April 2024 and is effective for annual reporting periods beginning on or after 1 January 2027. IFRS 18 will replace IAS 1 Presentation of Financial Statements when implemented and the objective of the standard is to improve how information is communicated in the financial statements, with a particular focus on information in the statement of profit or loss. A full assessment of the impact of the standard on current presentation and disclosure will be carried out in due course.

There are also various amendments which have been issued. The amendments that are effective for the current year did not have a significant impact on the group. Similarly, those amendments that are not effective for the current year are not expected to have a significant impact on the group.

2.3 Re-presentation of comparatives

The comparatives to the condensed statement of comprehensive income (March 2023 and September 2023), have been re-presented for the impact of certain operations being recognised as discontinued operations during the current period as required by IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer note 9.

2. Accounting policies, new and revised standards and re-presented comparatives continued

2.3 Re-presentation of comparatives continued

The main impact of these re-presented comparatives is as follows:

R million	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Revenue – decrease	(2 639.8)	(4 308.8)
Operating profit before net impairment losses – (decrease)/increase	(24.4)	225.0
Net impairment losses – decrease	1 566.4	1 724.0
Operating loss – decrease	1 542.0	1 949.0
Finance costs – decrease	4.4	10.8
Finance income – decrease	(1.3)	(1.7)
Loss before tax – decrease	1 545.1	1 958.1
Income tax benefit – increase/(expense) – decrease	23.4	17.7
Loss for the period from continuing operations – decrease	1 568.5	1 975.8
Discontinued operations		
Loss for the period from discontinued operations – increase	(1 568.5)	(1 975.8)
Loss for the period	–	–
Loss per share		
Basic (cents per share)		
Continuing operations – decrease	52 838.4	57 466.1
Discontinued operations – increase	(52 838.4)	(57 466.1)
Total	–	–
Diluted (cents per share)		
Continuing operations – decrease	52 838.4	57 466.1
Discontinued operations – increase	(52 838.4)	(57 466.1)
Total	–	–

3. Critical judgements and key sources of estimation uncertainty

3.1 Going concern

In determining the appropriate basis of preparation of the annual financial statements, the directors are required by IAS 1: Presentation of Financial Statements to assess the group's ability to continue as a going concern. In assessing whether the going concern assumption is appropriate, the directors are required to take into account available information about the future which is at least but not limited to twelve months from the end of the reporting period. Such information may include the current and expected profitability of operations, as well as debt covenant levels and repayment schedules.

Key features that create uncertainty in the ability for the group to meet lender requirements relate to the refinanced lender agreements dated 25 September 2023. These agreements remain a key feature of the going concern review and are specifically addressed below.

3. Critical judgements and key sources of estimation uncertainty continued

3.1 Going concern continued

Financial performance for the period

Continuing operations

Group revenue from continuing operations increased by 7% to R6.2 billion reflecting encouraging growth despite an operating environment that was characterised by high interest rates, inflation and resultant pressure on consumers' disposable income.

Improved operating margins were achieved through portfolio optimisation and cost reduction initiatives. Operating profits were further boosted by a post-retirement medical aid curtailment gain of R290 million and materially lower impairments. Operating profit before impairment losses of R1.0 billion reflects a 328% increase compared to R235 million in the prior period. Impairment losses decreased significantly to R13 million from R793 million with an operating profit of R992 million delivered compared to an operating loss of R558 million.

Net finance costs decreased 6% to R459 million from R491 million.

A profit for the period of R395 million compares favourably to the prior period loss R878 million.

A headline profit of R447 million is reported compared to a R327 million headline loss in the prior year.

Discontinued operations

A loss of R530 million for discontinued operations compared to the prior period loss of R1.6 billion, is primarily attributable to a significant reduction in impairments.

Total operations

A headline earnings of R267 million is reported compared to a headline loss of R342 million in the prior period.

Statement of financial position

The group's total assets at 31 March 2024 of R12.0 billion have reduced by R1.9 billion from 30 September 2023 and by R3.0 billion since 31 March 2023 mostly due to lower cash balances and lower inventory levels as well as the impairment of goodwill and plant and equipment in Bevcan Nigeria of R596.3 million in this period. Current assets have declined to R7.5 billion from R8.4 billion at 31 March 2024. Cash balances have decreased from R877.3 million at 31 March 2023 to R867.2 million at 31 March 2024.

Non-current liabilities have decreased to R6.0 billion from R7.3 billion at 31 March 2023 due to the decrease in longer term debt post the group debt restructure process, and the R960 million rights offer proceeds net of costs. Current liabilities are affected by lower trade payables moving from R5.4 billion at 31 March 2023 to a balance of R4.2 billion at 31 March 2024, largely due to decreased inventory levels with concomitant lower creditor funding required. At 31 March 2024 there was lower overall debt as net debt decreased from R5.9 billion to R4.6 billion.

3. Critical judgements and key sources of estimation uncertainty continued

3.1 Going concern continued

Statement of cash flows

The key contributors to the decrease in the net cash and cash equivalents to R903 million held at 31 March 2024 compared to net cash and cash equivalents of R1.8 billion at 30 September 2023 are set out below:

- › an increase of R165 million in cash generated before working capital changes;
- › supplemented by the release of R78 million from working capital primarily due to inventory delivering positive cash flows of R355 million, an outflow on trade receivables of R602 million partially assisted by increased funding from trade payables of R220 million demonstrating the continued positive drive towards reducing cost and managing working capital optimally;
- › capital expenditure of R182 million offset by R249 million proceeds from asset disposals; and
- › net debt repaid of R1.2 billion.

Liquidity management

Group treasury manages liquidity risk for the group on an ongoing basis. Treasury only deals with leading financial institutions and constantly monitors counterparty exposures with these institutions. The majority of the group's funding facilities were subject to covenants on net debt to EBITDA and EBITDA interest cover.

Covenant compliance for 31 March 2024 is set out below along with the quarter to date as at 31 December 2023. Covenant compliance for the year at each measurement period are set out below:

Covenant	Measurement period	
	31 Dec 2023	31 Mar 2024
Leverage ratio	8.69	3.04
– Threshold	<8.75	<6.50
Interest cover ratio	0.87	2.16
– Threshold	>0.80	>1.00
Current ratio	1.65	1.53
– Threshold	>1.40	>1.00
Net tangible asset ratio	N/A	2.00
– Threshold	N/A	>2.00
Available liquidity	R1 110m	R1 747m
– Threshold	>R650m	>R650m

The current ratio for the group as at 31 March 2024 was 1.8 times and the acid test ratio at 1.2 times, well ahead of the prior year ratios of 1.6 times and 0.8 times, respectively. This is due to the successful rights offer process being concluded and the debt restructure implemented at the end of September 2023 which converted debt previously classified as short term to long term since 30 September 2023. The requirements from the delivery of the asset disposal plan as approved by the board will be critical to achieve the required debt reduction.

Timing and success of asset disposals

Debt obligations have been successfully extended to 31 March 2026 except for R720 million with R243 million and R477 million required to be settled on or before 31 March 2024 and 30 September 2024 respectively. These proceeds were/are required to be used for settlement against Facility A1, A2 and USPP noteholders. The repayment obligation for R243 million was successfully met on or before 31 March 2024 with the proceeds from Project Harvest representing the largest contributor to the required repayment on or before 30 September 2024.

3. Critical judgements and key sources of estimation uncertainty continued

3.1 Going concern continued

Security

On 25 September 2023, the group entered into new financing agreements with its lenders and US private placement noteholders which replaced the financing agreements from 31 March 2023. The new financing was secured through inter alia, the following security granted to the lenders:

Nampak Limited

- › A first ranking pledge and cession in security under South African law in terms of which Nampak Limited pledged its shares in, and ceded its shareholder claims against, Nampak Products Limited and any other entity incorporated in South Africa (other than a member of the group which is a dormant company); and
- › To the extent applicable, local law governed first ranking security over its shares in and shareholder claims against Nampak International Limited and any other entity incorporated in a jurisdiction other than South Africa (other than a member of the group which is a dormant company).

Nampak Products Limited

- › A first ranking cession in security of its present and future claims (including trade receivables), cash and cash equivalents, bank accounts, intellectual property rights (other than trademarks), insurance and disposal proceeds, and a Deed of hypothecation over trademarks under South African law including:
 - » first mortgage bonds over fixed assets;
 - » a general notarial bond over moveable assets and inventory; and
 - » a special notarial bond over certain specified moveable assets.

Nampak International Limited

- › local law governed first ranking security agreements in terms of which it charges its shares in, and assigned its shareholder claims against Nampak Bevcan Nigeria Limited and Nampak Bevcan Angola, LDA; and
- › to the extent possible, customary local law all asset security over its present and future assets, including but not limited to all present and future claims (including trade receivables), cash and cash equivalents, bank accounts, insurances, insurance proceeds, disposal proceeds intellectual property rights (including trademarks and patents).

The tables below set out the covenant ratios going forward:

Covenants

Leverage ratio

Measurement period	Leverage ratio
Period ending 30 June and 30 September 2024	6.25 : 1.00

The leverage ratio is the total outstanding loans and drawn-down facilities (other than for a loan of R1.9 billion that forms part of the junior debt package which is required to be settled from the disposal of businesses and assets in terms of the group's asset disposal plan i.e. the 'junior debt component') expressed as a ratio of the adjusted EBITDA (defined for covenant purposes i.e. the 'covenant EBITDA') relating to Nampak Products Ltd for the previous 12 months determined on a rolling 12-month basis for all measurement periods.

3. Critical judgements and key sources of estimation uncertainty continued

3.1 Going concern continued

Interest coverage ratio

Measurement period	Interest cover ratio
Period ending 30 June and 30 September 2024	1.05 : 1.00

The interest coverage ratio is the covenant EBITDA relating to Nampak Products Ltd for the previous 12 months determined on a rolling 12-month basis expressed as a ratio of the net finance costs of the group relating to the total outstanding loans and drawn-down facilities (other than the junior debt component). These net finance costs are annualised for all measurement periods concerned in the financial year ending 30 September 2024. For all measurement periods after 30 September 2024, these net finance costs relate to the previous 12 months on a rolling 12-month basis.

Current ratio

Measurement period	Current ratio
Period ending 30 June 2024	1.20 : 1.00
Period ending 30 September 2024	1.10 : 1.00

The current ratio is the total current assets of Nampak Products Ltd expressed as a ratio of the total current liabilities of Nampak Products Ltd.

Group tangible net asset value

Measurement period	Group tangible net asset value
Period ending 30 September 2024	2.00 : 1.00

The group tangible net asset value ratio is the total net tangible asset value of Nampak Limited (excluding the junior debt component) expressed as a ratio of the junior debt component. The parent shall, at all times, ensure that the group maintains available liquidity of no less than R650 million.

Material uncertainties

The board is of the view that, despite a material uncertainty existing at the reporting date regarding the group's ability to effectively complete delivery of the ADP, with a very high proportion of the proceeds derived from the disposal of Bevcan Nigeria, the group delivered a successful, oversubscribed rights offer process with a net R960 million settled against debt as well as the full implementation of the restructured debt package. These were two critical items previously in doubt were delivered. The disposals of the Tanzania, NIL UK apartment and Nampak Nigeria properties were completed as well as a signed sale and purchase agreements for Bevcan Nigeria, the Liquid Cartons group, rest of SA Plastic and other minor asset disposals, all pointing towards the ADP being well under way and likely to deliver well ahead of expectations from our lenders and shareholders. The debt restructure and rights offer process has strengthened the balance sheet and significantly improved the group's short-term liquidity. Furthermore, increased focus on the collection of overdue trade receivables as well as the tightening of credit terms to customers is expected to positively impact working capital, cash flow and resultant debt levels. The reduction in accounts receivables terms has also assisted in reducing debt and improving liquidity.

3. Critical judgements and key sources of estimation uncertainty continued

3.1 Going concern continued

Conclusion

Having considered the above as well as significant achievements in asset disposal process and taking into account the group's 2025 budgeted cash generation, financial position and debt facilities, as well as the contingent liabilities and commitments for the period to September 2024 and March 2025, the board believes that the group will continue to trade as a going concern for the foreseeable future. The group is also expected to remain solvent and liquid for the foreseeable future.

3.2 Impairment of assets

In terms of IAS 36: Impairment of Assets, the group is required to perform tests for the impairment of property, plant and equipment, right of use assets and intangible assets based on the expected future cash flows pertaining to these assets whenever there is an indication that these assets may be impaired, while goodwill must be tested on an annual basis or, as with the aforementioned assets, whenever there is an indication that goodwill may be impaired.

Discounted cash flow valuation principles are applied in assessing the expected future cash flows pertaining to assets. The key assumptions used are cash flow projections, growth rates and the weighted average cost of capital (WACC). The cash flow projections including established growth rates are prepared by divisional management and approved by executive management, while the discount rates are established by the corporate treasury team, taking into account geographic and other risk factors.

For continuing operations impairment tests were conducted by each division at 31 March 2024 on a value in use basis using their most recent cash flow projections, growth rates and WACC rates. The results of these tests indicated that there were no impairment losses required to be recognised.

Further impairment tests were conducted on disposal groups and property, plant and equipment on a fair value less costs to sell basis using the information in the agreements concerned where these assets were intended to be disposed and the disposal was considered highly probable at 31 March 2024. Impairment losses relating to Bevcan Nigeria of the remaining attributable goodwill of R334.9 million (USD17.8 million) and property (leasehold improvements), plant and equipment of R261.4 million (USD13.9 million) pre-tax were recognised due to the expected proceeds on the disposal being less than their carrying value. A further impairment loss of R12.7 million was recognised on certain plant and equipment in DivFood South Africa classified as held for sale at 31 March 2024.

Details of these assets are disclosed in note 9.1 and 9.5.

3. Critical judgements and key sources of estimation uncertainty continued

3.3 Expected credit loss determination of the Reserve Bank of Zimbabwe settlement agreement

During the 2019 financial year, Nampak Zimbabwe Limited (NZL) entered into a legal agreement with the Reserve Bank of Zimbabwe (RBZ) in terms of which the RBZ agreed to settle blocked funds related to legacy debt owing by NZL to Nampak International Limited amounting to USD66.8 million.

The RBZ defaulted on the terms of the agreement during the financial year ended 30 September 2021. Payments of USD5.0 million have been received on this agreement, and taking into account continuing macroeconomic conditions in Zimbabwe, management has decided to maintain the ECL provision at 97.5% at 31 March 2024.

Details of the carrying value of the RBZ financial instrument are disclosed in note 12.

3.4 Classification of disposal groups as discontinued operations and as held for sale

In terms of the facilities' agreements entered into in the previous year, the group is required to dispose of certain non-core assets in terms of an ADP which was agreed to by the board of directors at that time. The ADP is expected to deliver proceeds of R2.7 billion and is key to the group's deleveraging plans. As such the proceeds from the disposal of these assets are to be applied to reduce interest-bearing debt with resultant savings in net finance costs in the future. The ADP is also expected to reduce exposures to markets that have historically contributed significantly to the group's realised foreign exchange losses.

In line with ADP, the board has either taken the decision to dispose of certain businesses, or to close the businesses concerned and to dispose of the property, plant and equipment of these businesses. The disposals of these businesses and the assets of those businesses closed have either been completed at 31 March 2024 or otherwise meet the criteria for presentation and disclosure in terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations as held for sale at this date. The results of these businesses are also presented and disclosed as discontinued operations in line with the criteria set out in the standard.

Details relating to these businesses are disclosed in note 9.

3.5 Functional currency of Nampak Bevcan Angola Limitada and Nampak Bevcan Nigeria Limited

In determining the functional currency of an entity, management is required to consider the indicators provided in IAS 21: The Effects of Changes in Foreign Exchange Rates. Where the above indicators are mixed and the functional currency is not obvious, management should use its judgement to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Only where there is a change to those underlying transactions, events and conditions, can the functional currency be changed.

After consideration of these factors, in particular selling prices and production costs being the dominant factors, the US Dollar was determined to be the functional currency for Nampak Bevcan Angola Limitada and Nampak Bevcan Nigeria Limited in management's initial and ongoing assessment.

There has been no change to the transactions, events and conditions supporting these factors. Consequently, there has been no change to the group's initial assessment and the decision was made that the US Dollar remains the functional currency of both companies.

3. Critical judgements and key sources of estimation uncertainty continued

3.6 Functional currency and translation of Zimbabwe group companies

The functional currency of the Nampak Zimbabwe group companies is the ZWL dollar and their results have been prepared in accordance with IAS 29: Financial reporting in hyperinflationary economies as if the economy had been hyperinflationary from 1 October 2018. Hyperinflationary accounting requires transactions and balances to be stated in terms of the measuring unit current at the end of the reporting period in order to account for the effect of loss of purchasing power during the period.

Nampak has adopted the use of the exchange rate movements between the Zimbabwe Dollar (functional currency) and the US Dollar (a relatively stable foreign currency) in determining the general price index from February 2023 onwards. Management has applied these factors in determining the hyperinflation numbers for six months ended 31 March 2024.

The group uses the Zimbabwe Consumer Price Index (ZCPI) as the general price index to restate amounts as the ZCPI provides an official observable indication of the change in the price of goods and services. The general price index used is as published by the Zimbabwe National Statistics Agency.

The economy in Zimbabwe remained hyperinflationary during the six months ended 31 March 2024 with annual inflation reaching 2 273% as at 31 March 2024.

Nampak Zimbabwe's hyperinflated results have also been converted to rand, being the reporting currency of the group for consolidation purposes, at the closing rate on 31 March 2024 in terms of IAS 21: The effects of changes in foreign exchange rates. The exchange rate used in translating these results are derived from the Bloomberg market internet site and are based on the official auction mid-rates as published by the Reserve Bank of Zimbabwe.

3.7 Aggregation of operating segments

The group is required to report financial information about each operating segment separately in terms of IFRS 8: Operating Segments. Operating segments may be aggregated into a single operating segment if they meet the criteria set out in IFRS 8.

The operating segments of the group are aggregated in line with the core principle of IFRS 8 which is to enable users to evaluate the nature and financial effects of the business activities in which the group engages and the economic environments in which it operates. These segments are aggregated based on their similar economic characteristics, the nature of their products, the nature of their production processes, the type of customers for their products and the methods to distribute their products.

The operating segments of the group are aggregated into the Metals, Plastic and Paper operating segments for segmental reporting purposes where the type of packaging material of the products produced by the operating segments is the key aggregation determining factor.

3. Critical judgements and key sources of estimation uncertainty continued

3.8 Recognition of deferred tax assets

Deferred taxation assets represent the amount of income tax recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. These assets are recognised to the extent that it is probable that taxable income will be available in future periods against which they can be utilised. Future taxable profits are estimated based on business plans which include estimates and assumptions regarding economic growth, interest, inflation and taxation rates, and competitive forces.

The deferred tax assets raised relate mainly to Nampak Products Limited in respect of provisions, retirement benefit obligations, right of use assets, lease liabilities and assessed losses carried forward from prior years. These assets are expected to be recoverable against future taxable profits in the normal course of business.

Further deferred tax assets were recognised in Nampak Bevan Angola Limitada in respect of assessed losses carried forward from prior years as well as unrealised foreign exchange losses. In respect of the former, deferred tax assets are only recognised to the extent that the company is expecting to utilise the tax losses with the consideration that these losses prescribe at 31 December 2025. A deferred tax asset was also recognised at Nampak Bevan Nigeria Ltd in relation to unrealised foreign exchange losses. However, deferred tax was not recognised on non-deductible finance costs due to uncertainty about the recoverability thereof against future taxable profits.

4. Revenue

	Unaudited 6 months ended 31 Mar 2024	Re-presented Unaudited 6 months ended 31 Mar 2023	Re-presented Audited year ended 30 Sep 2023
Sale of goods	5 871.3	5 547.7	11 852.4
Transport cost recoveries	35.2	31.5	117.4
Rendering of services	0.6	20.3	10.9
Other*	259.0	183.0	344.1
Total	6 166.1	5 782.5	12 324.8

* Other revenue primarily relates to scrap sales. Revenue is recognised on the sale of goods when control is transferred to the customer being at the point where the goods are loaded on to the transport vehicle of the customer concerned.

Revenue comprises the consideration received or receivable on contracts entered into with customers in the ordinary course of the group's activities and is shown net of taxes, cash discounts, settlement discounts and rebates provided to customers.

Revenue is recognised on the sale of goods when control is transferred to the customer usually by means of delivery of the goods concerned. Transport costs recovered from customers are recognised on provision of the transport concerned. Revenue from providing services is recognised when the services have been performed over the period of the contract(s) concerned.

5. Operating profit before net impairment losses

5.1 Operating profit before net impairment losses (continuing operations)

Operating profit is defined as the profit derived from the core operating activities of group companies over which we have control in terms of IFRS 10: Consolidated Financial Statements. Operating profit is presented after deducting operating expenses, including employee benefit expenses, depreciation and amortisation, net foreign exchange losses and net impairment losses, from gross profit (being revenue less raw materials and consumables used in production) and other operating income. Operating profit, therefore, excludes finance costs and finance income as these are not part of the core operating activities of the group, while the share of net profits/(losses) of associates and joint ventures are excluded from operating profit as the group does not have control over the investing, financing and operating decisions of these entities.

Included in operating profit before net impairment losses are the following items in addition to those indicated in the reconciliation below:

R million	Unaudited 6 months ended 31 Mar 2024	Re-presented Unaudited 6 months ended 31 Mar 2023	Re-presented Audited year ended 30 Sep 2023
Depreciation	(137.5)	(138.3)	(283.6)
Property, plant and equipment	(97.1)	(94.3)	(194.9)
Right of use assets	(40.4)	(44.0)	(88.7)
Amortisation	(4.9)	(7.5)	(14.1)
Net loss on financial instruments	(7.9)	(50.8)	(215.3)
Loss on derivatives	(1.0)	(37.6)	(16.1)
Net foreign exchange losses excluding Zimbabwe*	(6.9)	(13.2)	(199.2)

* Includes devaluation losses arising from Angolan exchange rate movements relating to trade receivables, trade payables and bank balances.

R million	Unaudited 6 months ended 31 Mar 2024	Re-presented Unaudited 6 months ended 31 Mar 2023	Re-presented Audited year ended 30 Sep 2023
Fair value gain on assets	—	—	8.1
Net expected credit losses — financial instruments other than Reserve Bank of Zimbabwe financial instrument	(4.7)	(12.0)	(3.0)
Net impact of devaluation associated with Zimbabwe	(43.6)	(17.3)	(66.8)
Net foreign exchange gains	176.4	43.0	256.7
Monetary adjustment for hyperinflation	(220.0)	(68.5)	(258.1)
Net expected credit loss reversals/(losses) — Reserve Bank of Zimbabwe financial instrument	—	8.2	(65.4)

5. Operating profit before net impairment losses continued

5.2 Reconciliation of operating profit before net impairment losses to trading profit (continuing operations)¹

R million	Unaudited 6 months ended 31 Mar 2024	Re-presented Unaudited 6 months ended 31 Mar 2023	Re-presented Audited year ended 30 Sep 2023
Operating profit before net impairment losses	1 005.1	235.1	500.8
Adjusted for capital ² and other items ³ (excluding net impairment losses separately disclosed)	(235.3)	95.1	363.1
Capital items			
Net loss on liquidation of business ⁴	—	37.5	49.2
Other items	(235.3)	57.6	313.9
Net impact of devaluation associated with Zimbabwe	43.6	17.3	66.8
Net devaluation loss arising from Angolan exchange rate movements ⁵	3.0	40.3	178.6
Retrenchment and restructuring costs	14.3	—	68.5
Gain on plan amendment of post-retirement medical aid ⁶	(290.0)	—	—
Gain on restructuring lease liabilities	(6.2)	—	—
Trading profit	769.8	330.2	863.9

- Trading profit is the main measure of profitability used for segmental reporting purposes and includes foreign exchange movements on forward exchange contracts.
- Capital items relate to items other than net impairment losses/loss 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 period.
- Relates to the loss on the liquidation of Nampak Holdings (UK) Ltd in October 2022 and of DivFood Botswana (Pty) Ltd in August 2023.
- Relates to the devaluation losses recognised in Nampak Bevcan Angola Lda. The devaluation losses recognised for Nampak Bevcan Nigeria Ltd and Nampak Nigeria Ltd are disclosed in note 9.1 and 9.4 respectively.
- Relates to the gain arising from the reduction of the post-retirement medical aid (PRMA) liability following an agreement reached in February 2024 with the requisite majority of members to amend the PRMA policy.

6. Net impairment losses

R million	Unaudited 6 months ended 31 Mar 2024	Re-presented Unaudited 6 months ended 31 Mar 2023	Re-presented Audited year ended 30 Sep 2023
Impairment losses			
Plant, equipment and vehicles	(12.7)	(682.1)	(984.8)
Right of use assets	—	(109.8)	(132.3)
Other intangible assets	—	(1.0)	(0.5)
Total	(12.7)	(792.9)	(1 117.6)

7. Net finance costs

R million	Unaudited 6 months ended 31 Mar 2024	Re-presented Unaudited 6 months ended 31 Mar 2023	Re-presented Audited year ended 30 Sep 2023
Short-term facilities ¹	(13.3)	(57.3)	(107.8)
Long-term facilities	(404.6)	(307.7)	(700.0)
Lease liabilities	(47.7)	(49.0)	(102.1)
Other	(14.0)	—	—
Finance costs before transaction costs	(479.6)	(414.0)	(909.9)
Previously capitalised transaction costs now expensed ²	—	(87.9)	(87.9)
Transaction costs incurred in current period ²	—	—	(246.9)
Total	(479.6)	(501.9)	(1 244.7)
Short-term facilities	12.2	3.5	13.7
Other ³	8.8	7.3	16.3
Finance income	21.0	10.8	30.0
Net finance costs	(458.6)	(491.1)	(1 214.7)

1. Finance costs in respect of short-term facilities includes the factoring loss on the invoice discounting facility in the prior year.
2. Transaction costs previously capitalised on the previous facilities were expensed on the extinguishment of these facilities while the transaction costs incurred in the current year were expensed immediately as they were considered part of the same financing transaction.
3. Finance income received for the prior year primarily relates to interest received on the retirement benefit asset.

8. Income tax (expense)/benefit

R million	Unaudited 6 months ended 31 Mar 2024	Re-presented Unaudited 6 months ended 31 Mar 2023	Re-presented Audited year ended 30 Sep 2023
Current tax			
Current year	(54.7)	(72.1)	(131.5)
Prior year	0.2	0.9	1.1
Capital gains tax	—	2.5	2.3
Hyper-inflation adjustment	(51.2)	(2.8)	(83.9)
Deferred tax			
Current year	6.1	259.6	138.7
Prior year	31.7	(13.1)	(11.2)
Change in tax rate	(0.7)	—	—
Capital gains tax	(1.2)	—	—
Hyper-inflation adjustment	(52.3)	10.8	(29.2)
Withholding tax	(12.8)	(12.4)	(24.6)
Total income tax (charge)/credit	(134.9)	173.4	(138.3)

8. Income tax (expense)/benefit continued

The company tax rate in South Africa is 27% (2023: 27%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in those relevant jurisdictions.

%	Unaudited 6 months ended 31 Mar 2024	Re-presented Unaudited 6 months ended 31 Mar 2023	Re-presented Audited year ended 30 Sep 2023
Reconciliation of rate of tax¹			
Statutory group tax rate	27.0	27.0	27.0
Increase in tax rate due to:	39.3	(10.8)	(35.0)
Hyperinflation adjustments	19.6	(0.4)	(6.1)
Disallowed interest charges	9.0	(0.7)	(0.9)
Other disallowable expenses ²	6.8	(0.6)	(2.8)
Withholding and other foreign taxes	2.4	(1.2)	(1.3)
Foreign currency translation impact when converting local tax computations to functional currency	0.8	(2.6)	(5.4)
Deferred taxation not recognised ³	0.6	(1.1)	(11.1)
Tax rate increase	0.1	—	—
Adjustment for prior years	—	(1.1)	(0.5)
Foreign tax rate differential	—	(3.1)	(6.9)
Reduction in tax rate due to:	(40.8)	0.3	0.5
Capital gains tax	—	0.2	0.1
Government incentives and exempt income (including capital profits)	(1.3)	0.1	0.4
Adjustment for prior years	(5.8)	—	—
Foreign tax rate differential	(7.8)	—	—
Recognition of losses and temporary differences not previously recognised	(25.9)	—	—
Effective group tax rate	25.5	16.5	(7.5)

1. Inverse signage of reconciling items in the prior periods is due to the loss before tax.
2. Disallowed expenses include expenses not in the production of income, expenses not deductible in terms of local tax law and expenses of a capital nature.
3. Deferred tax not recognised in 2023 relates mainly to deferred tax assets not recognised on a portion of the tax loss of Nampak Products Ltd where taxable profits forecast were insufficient to allow recoverability.

The group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted by the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled. In addition to the income tax charge to profit and loss, no deferred tax charge has been recognised in equity during the year (March 2023: R—; September 2023: R31.5 million charge).

9. Discontinued operations, and disposal groups and other non-current assets classified as held for sale

The results, assets and associated liabilities of Nampak Bevcan Nigeria Ltd and the Liquid Cartons group (consisting of the combined operations of the Liquid Cartons division of Nampak Products Ltd as reported in the South African Plastic segment, Nampak Zambia Ltd and Nampak Packaging Malawi Ltd) are disclosed separately in light of their materiality to the line of business or geographical area of operation. The combined results of the remaining divisions of the South African Plastic segment and the combined results of the remaining businesses that are considered immaterial to the group are also disclosed separately. The latter combination consists of Nampak Nigeria Ltd (Nampak Nigeria Metals), Nampak Tanzania Ltd (Nampak Tanzania), Nampak Properties (Isle of Man) Ltd (Nampak Properties IOM), Bullpak Ltd (Bullpak) and Nampak Packaging Pvt Ltd (Nampak Ethiopia).

Certain redundant plant and equipment of the DivFood South Africa division of Nampak Products Ltd, classified as held for sale in the previous year, continue to meet the criteria as held for sale in terms of the standard at 31 March 2024. These assets are disclosed in 9.5 below. This business does not form part of the ADP and, therefore, the results of this business remain in continuing operations.

9.1 Discontinued operation – Bevcan Nigeria

The group concluded a non-binding term sheet for the disposal of Bevcan Nigeria on 15 March 2024 (final agreement concluded on 16 May 2024) for an amount of USD68.5 million excluding cash held at the completion date. The final price is subject to the confirmation of the company's working capital balances on the closing date of the transaction. The disposal is subject to certain conditions precedent including the approval for the disposal by the Federal Competition and Consumer Protection Commission of Nigeria, and the group obtaining approval from the shareholders of Nampak Ltd on 28 June 2024 at an extraordinary general meeting for the disposal as a Category 1 transaction in accordance with section 9 of the JSE Listings Requirements.

The recoverable value of this business, based on fair value less costs to sell at 31 March 2024, was determined as being R1 238.1 million after providing for disposal costs of R59.3 million. As a consequence of the carrying amount of the disposal group being higher than the recoverable amount, an impairment loss relating to the remaining goodwill attributable to the disposal group of R334.9 million (USD17.8 million) and an impairment loss relating to property, plant and equipment of R261.4 million (USD13.9 million) were recognised (at the ZAR/USD exchange rate for March 2024).

9. Discontinued operations, and disposal groups and other non-current assets classified as held for sale continued

9.1 Discontinued operation – Bevcan Nigeria continued

The results of this business were previously reported in the Metals operating segment and Rest of Africa geographical segment for segmental reporting purposes.

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Results of the discontinued operation			
Revenue	600.3	1 264.9	1 832.6
Operating expenses other than depreciation, amortisation, capital and other items, and impairment losses	(445.0)	(739.0)	(1 103.2)
EBITDA before capital and other items*	155.3	525.9	729.4
Devaluation loss arising from exchange rate movements	(192.6)	(503.3)	(940.9)
EBITDA after capital and other items*	(37.3)	22.6	(211.5)
Depreciation and amortisation	(32.9)	(34.8)	(65.9)
Impairment of property, plant and equipment, and goodwill	(596.3)	(1 549.2)	(1 549.2)
Net finance costs	0.2	0.2	(0.1)
Loss before tax	(666.3)	(1 561.2)	(1 826.7)
Attributable income tax benefit/(expense)	63.4	(21.7)	(37.1)
Loss for the period from discontinued operation	(602.9)	(1 582.9)	(1 863.8)
Major classes of assets and liabilities of the discontinued operation			
Property, plant and equipment	618.8		
Deferred tax assets	113.5		
Inventories	318.3		
Trade and other current receivables	271.3		
Assets classified as held for sale	1 321.9		
Trade and other current payables	66.3		
Tax liabilities	17.5		
Liabilities directly associated with assets classified as held for sale	83.8		

* EBITDA is calculated before net impairment losses.

9.2 Discontinued operations – Liquid Cartons group

The group entered into an agreement to dispose of the Liquid Cartons group on 25 March 2024 for an amount of R450.0 million on the locked-box construct (set at 1 October 2023) with the final price being subject to a working capital locked box calculation and a daily interest adjustment. The disposal is subject to certain conditions precedent including the group receiving approval from the Competition Commission (of South Africa) and the group obtaining approval from the shareholders of Nampak Ltd on 28 June 2024 for the disposal as a Category 1 transaction in accordance with section 9 of the JSE Listings Requirements.

The recoverable value of the group, based on fair value less costs to sell at 31 March 2024, was determined as being R437.4 million after providing for disposal costs of R12.6 million. As the expected proceeds exceed the carrying amount of the net assets of the disposal group, no impairment losses were recognised against the assets of the disposal group.

9. Discontinued operations, and disposal groups and other non-current assets classified as held for sale continued

9.2 Discontinued operations – Liquid Cartons group continued

The results of the Liquid Cartons division (of Nampak Products Ltd) were previously reported in the Plastic operating segment and South Africa geographical segment for segmental reporting purposes, while the results of the Nampak Zambia and Nampak Packaging Malawi companies were previously reported in the Paper operating segment and the Rest of Africa geographical segment for segmental reporting purposes.

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Results of the discontinued operations			
Revenue	327.0	382.8	763.9
Operating expenses other than depreciation, amortisation, capital and other items, and impairment losses	(311.9)	(312.7)	(606.8)
EBITDA after capital and other items*	15.1	70.1	157.1
Depreciation and amortisation	(7.7)	(10.8)	(21.1)
Net finance income	0.5	1.7	1.0
Profit before tax	7.9	61.0	137.0
Attributable income tax expense	(3.4)	(8.5)	(30.1)
Profit for the period from discontinued operation	4.5	52.5	106.9
Major classes of assets and liabilities of the discontinued operations			
Property, plant and equipment	81.7		
Right of use assets	2.9		
Goodwill	53.9		
Deferred tax assets	10.1		
Inventories	151.7		
Trade and other current receivables	170.3		
Tax asset	0.6		
Bank and cash	37.7		
Assets classified as held for sale	508.9		
Lease liability	3.3		
Trade and other current payables	128.5		
Tax liabilities	8.3		
Bank overdraft	2.1		
Liabilities directly associated with assets classified as held for sale	142.2		

* EBITDA is calculated before net impairment losses. There were no impairment losses or capital and other items for the periods presented.

9. Discontinued operations, and disposal groups and other non-current assets classified as held for sale continued

9.3 Discontinued operations – Rest of SA Plastic

The Nampak group has either completed transactions or entered into agreements involving the disposal of the various businesses within the South African Plastic segment (in addition to the Liquid Cartons business indicated above) both in the previous and current years. These involve the Crates, Closures, Liquids and Drums businesses. The disposal of the Crates business for an amount of R35.3 million was effective in the previous year. Agreements for the disposal of the Liquids and Drums business for R65.0 million were entered into on 6 February 2024. The consideration agreed for these businesses is subject to final working capital adjustments on completion of the transactions. The Closures business (relating to the plant, equipment and inventory only) was disposed effective 1 March 2024 for an amount of R12.0 million. Negotiations for the disposal of the Tubes business are also at an advanced stage.

The results of these businesses were previously reported in the Plastic operating segment and South Africa geographical segment for segmental reporting purposes.

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Results of the discontinued operations			
Revenue	630.6	857.3	1 495.7
Operating expenses other than depreciation, amortisation, capital and other items, and impairment losses	(593.4)	(850.6)	(1 513.0)
EBITDA after capital and other items*	37.2	6.7	(17.3)
Net profit on property, plant and equipment disposed due to business closure	–	–	36.2
Retrenchment and restructuring costs	(11.8)	(19.2)	(61.6)
EBITDA after capital and other items*	25.4	(12.5)	(42.7)
Depreciation and amortisation	(2.8)	(15.7)	(22.8)
Impairment of plant, goodwill, other intangible assets and assets classified as held for sale	–	(17.2)	(174.8)
Net finance income	(2.9)	(5.1)	(10.1)
Profit/(loss) before tax	19.7	(50.5)	(250.4)
Attributable income tax (expense)/benefit	(5.3)	11.5	61.9
Profit/(loss) for the period from discontinued operations	14.4	(39.0)	(188.5)
Major classes of assets and liabilities of the discontinued operations			
Property, plant and equipment	143.4		
Right of use assets	1.1		
Inventories	166.5		
Trade and other current receivables	51.6		
Assets classified as held for sale	362.6		
Lease liabilities	192.7		
Trade and other current payables	23.1		
Liabilities directly associated with assets classified as held for sale	215.8		

* EBITDA is calculated before net impairment losses. There were no impairment losses or capital and other items for the periods presented.

9. Discontinued operations, and disposal groups and other non-current assets classified as held for sale continued

9.4 Discontinued operations – Other

The group wound down and closed the manufacturing operations of Nampak Tanzania, Nampak Nigeria and Nampak Ethiopia in the previous year, while the operations of Bullpak were wound down and closed in the financial year ended 30 September 2022. Agreements have been entered into to dispose of the property, plant and equipment of these businesses.

An agreement was effected to dispose of the Nampak Tanzania property for an amount of USD5.6 million (R105.8 million based on the ZAR/USD exchange rate at the date that the SENS was released of 16 May 2023). The purchase consideration was receivable in four tranches with the final instalment received in August 2023. All payments were received and are currently held in the attorney's escrow account until final transfer of the property.

An agreement to dispose of the Nigeria Metals property and various equipment, tools and machinery for an amount of NGN7.3 billion and NGN200.0 million respectively (R182.8 million based on the ZAR/NGN exchange rate at the date that the SENS was released of 30 August 2023). The effective date of disposal was on the transfer of the property which occurred during the first quarter of the 2024 financial year.

The plant and equipment of the Bullpak and Nampak Ethiopia businesses continued to be disposed or marketed for sale during the period ended 31 March 2024.

In addition, the group disposed of a property located in the United Kingdom as operated by Nampak Property (IOM) for the net amount of GBP1.8 million (R41.4 million based on the ZAR/GBP exchange rate at the date of the transaction). Transfer was effected on 10 November 2023 and these proceeds were received during November 2023.

The results of the Nampak Tanzania and Nampak Nigeria businesses were previously reported in the Metals and Rest of Africa segments for segmental reporting purposes. The results of the Bullpak business and the Nampak Ethiopia businesses were previously reported in the Plastic and Rest of Africa segments, and Paper and Rest of Africa segments, respectively. The results of the Nampak Property (IOM) business were previously reported in the Corporate segment.

9. Discontinued operations, and disposal groups and other non-current assets classified as held for sale continued

9.4 Discontinued operations – Other continued

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Results of the discontinued operations			
Revenue	6.8	134.8	216.6
Net operating expenses other than depreciation, amortisation, capital and other items, and impairment losses	(19.0)	(105.6)	(200.1)
EBITDA before capital and other items*	(12.2)	29.2	16.5
Net profit on property, plant and equipment disposed due to business closure	182.6	5.7	102.8
Devaluation loss arising from Nigerian exchange rate movements	(73.1)	(27.8)	(115.2)
Retrenchment and restructuring costs	–	(0.1)	(20.3)
EBITDA after capital and other items*	97.3	7.0	(16.2)
Depreciation and amortisation	(0.3)	(1.5)	(1.9)
Net finance (expense)/income	(3.5)	0.1	0.1
Profit before tax	93.5	5.6	(18.0)
Attributable income tax expense	(39.6)	(4.7)	(12.4)
Profit/(loss) for the period from discontinued operations	53.9	0.9	(30.4)

* EBITDA is calculated before net impairment losses. There were no impairment losses or capital and other items for the periods presented.

Assets of the discontinued operations

Property, plant and equipment of the discontinued operations classified as held for sale at the end of the period relate to the following businesses:

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Nampak Nigeria	–	47.3	30.1
Nampak Properties IOM	–	–	9.2
Bullpak	0.3	10.8	11.0
Nampak Ethiopia	3.8	–	–
Total	4.1	58.1	50.3

9. Discontinued operations, and disposal groups and other non-current assets classified as held for sale continued

9.5 Other non-current assets held for sale

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Plant and equipment — DivFood division*	29.8	19.6	40.0

* Certain redundant plant and equipment were classified as held for sale during the year.

9.6 Summary

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Loss for the period from discontinued operations			
Bevcan Nigeria	(602.9)	(1 582.9)	(1 863.8)
Liquid Cartons	4.5	52.5	106.9
Rest of SA Plastic	14.4	(39.0)	(188.5)
Other	53.9	0.9	(30.4)
Total	(530.1)	(1 568.5)	(1 975.8)
Non-current assets classified as held for sale			
Bevcan Nigeria	1 321.9		
Liquid Cartons group	508.9		
Rest of SA Plastic	362.6		
Other	4.1	58.1	50.3
Other non-current assets held for sale (refer note 9.5)	29.8	19.6	40.0
Total	2 227.3	77.7	90.3
Property, plant and equipment	877.8	77.7	90.3
Right of use assets	4.0		
Goodwill	53.9		
Deferred tax assets	123.6		
Inventories	636.5		
Trade and other current receivables	493.2		
Tax assets	0.6		
Bank balances and deposits	37.7		
Total	2 227.3	77.7	90.3
Liabilities directly associated with assets classified as held for sale			
Bevcan Nigeria	83.8		
Liquid Cartons group	142.2		
Rest of SA Plastic	215.8		
Liabilities directly associated with assets classified as held for sale	441.8		
Lease liabilities — non-current	196.0		
Trade and other current payables	217.9		
Tax liabilities	25.8		
Bank overdrafts	2.1		
Total	441.8		

10. Earnings/(loss) per share

10.1 Continuing operations

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Loss attributable to equity holders of the company for the period*	(93.0)	(2 490.1)	(4 032.8)
Loss for the period from discontinued operations	530.1	1 568.5	1 975.8
Less: preference dividend	—	—	(0.1)
Basic earnings/(loss)	437.1	(921.6)	(2 057.1)
Adjusted for:			
Net impairment losses	12.7	792.9	1 117.6
Plant, equipment and vehicles	12.7	682.1	984.8
Right of use assets	—	109.8	132.3
Other intangible assets	—	1.0	0.5
Net loss on liquidation of business	—	37.5	49.2
Net profit on disposal of plant, equipment and non-current assets classified as held for sale	(0.2)	(10.4)	(12.5)
Tax effects and non-controlling interests	(3.1)	(225.8)	(281.9)
Headline earnings/(loss) for the period	446.5	(327.4)	(1 184.7)
Basic earnings/(loss) per share (cents)	5 280.3	(31 043.7)	(59 829.4)
Diluted basic earnings/(loss) per share (cents)	5 265.5	(31 043.7)	(59 829.4)
Headline earnings/(loss) per share (cents)	5 393.9	(11 027.3)	(34 455.9)
Diluted headline earnings/(loss) per share (cents)	5 378.8	(11 027.3)	(34 455.9)

* Total operations.

10.2 Total operations

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Loss attributable to equity holders of the company for the period	(93.0)	(2 490.1)	(4 032.8)
Less: preference dividend	—	—	(0.1)
Basic loss	(93.0)	(2 490.1)	(4 032.9)
Adjusted for:			
Net impairment losses	609.1	2 359.3	2 841.6
Plant, equipment and vehicles	274.2	699.3	1 113.7
Right of use assets	—	109.8	178.2
Goodwill	334.9	1 549.2	1 549.2
Other intangible assets	—	1.0	0.5
Net loss on liquidation of business	—	37.5	49.2
Net profit on disposal of plant, equipment and non-current assets classified as held for sale	(185.0)	(21.4)	(156.9)
Tax effects and non-controlling interests	(63.9)	(227.4)	(310.5)
Headline earnings/(loss) for the period	267.2	(342.1)	(1 609.5)
Basic loss per share (cents)	(1 123.5)	(83 882.1)	(117 295.5)
Diluted basic loss per share (cents)	(1 123.5)	(83 882.1)	(117 295.5)
Headline earnings/(loss) per share (cents)	3 227.9	(11 524.1)	(46 811.7)
Diluted headline earnings/(loss) per share (cents)	3 218.8	(11 524.1)	(46 811.7)

11. Property, plant, equipment and investment property

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Net carrying value at the beginning of the period	4 341.4	5 452.0	5 452.0
Additions	181.3	133.4	344.5
Depreciation	(140.6)	(150.5)	(296.6)
Disposals	(5.9)	(31.8)	(67.7)
Net impairment losses	(274.2)	(699.3)	(1 113.7)
Net reclassifications to assets held for sale	(848.0)	(48.6)	(78.5)
Translation differences	(97.0)	(70.8)	(13.0)
Other movements*	150.2	35.1	114.4
Net carrying value at the end of the period	3 307.2	4 619.5	4 341.4

* Included in other movements is an increase of R115.2m related to hyperinflation (March 2023: R8.3m; September 2023: R93.3m).

Property, plant and equipment are secured as indicated in note 3.1.

Property, plant and equipment and investment property are stated at cost less accumulated depreciation and accumulated net impairment losses.

Depreciation is charged so as to write off the cost over their estimated useful life, using the straight-line method – other than for the Bevcam operations where the units of production method is applied. Depreciation is not provided in respect of land.

Depreciation methods, useful lives and residual values are reassessed annually or when there is an indication that they have changed.

Impairment losses are recognised on property, plant and equipment where the carrying value exceeds the higher of value-in-use of the assets at the operation/cash generating unit concerned or the fair value of the asset less costs to sell these assets.

12. Loan and lease receivables

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Reserve Bank of Zimbabwe financial instrument*	27.2	103.2	27.2
Equipment sales receivables	—	11.8	6.8
Other loan receivables	8.1	17.0	12.6
Loans and lease receivables	35.3	132.0	46.6
Less: Amounts receivable within one year reflected as current	(27.5)	(112.0)	(34.1)
Reserve Bank of Zimbabwe financial instrument	(27.2)	(103.2)	(27.2)
Equipment sales receivables	—	(3.9)	(5.7)
Other loan receivables	(0.3)	(4.9)	(1.2)
Loans and lease receivables — non-current	7.8	20.0	12.5

* Refer to note 3.3. The gross carrying value of the instrument is R1 088.6 million, while the expected credit loss (ECL) provision relating to the instrument is R1 061.4 million being 97.5% of the gross carrying value. The net carrying value of this instrument is therefore R27.2 million.

Loan and lease receivables are measured initially at fair value and are subsequently measured at amortised cost.

13. Loans and lease liabilities

13.1 Loans – non-current

R million	Redeemable/ repayable	Period end interest rates (%)	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Local*	2024 – 2026	12.6 – 13.9	4 926.2	3 445.0	5 775.0
Foreign*	2024 – 2026	10.8 – 13.3	609.0	3 078.0	754.9
Loans			5 535.2	6 523.0	6 529.9
Less: amounts due for repayment within one year, reflected as current			(799.1)	(1 079.6)	(720.0)
Loans – non-current			4 736.1	5 443.4	5 809.9

* Loans are secured and subject to covenants as follows:

- › R5 535.2 million (March 2023: R6 523.0 million; September 2023: R6 529.9 million) debt is secured by guarantees issued by the Nampak Ltd group as well as indicated in note 3.1. These facilities are also subject to covenants relating to leverage, interest cover, the current ratio and the tangible net asset value. Refer note 3.1.
- › the Nampak Ltd group was within the relaxed covenant requirements at the measurement dates for the periods presented.

13.2 Lease liabilities – non-current

R million	Redeemable/ repayable	Period end interest rates (%)	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Local	2024 – 2031	6.9 – 13.4	906.6	1 219.6	1 215.6
Foreign			10.8	17.4	10.5
Lease liabilities			917.4	1 237.0	1 226.1
Less: amounts due for repayment within one year, reflected as current			(170.4)	(206.0)	(210.0)
Lease liabilities – non-current			747.0	1 031.0	1 016.1

13.3 Loans and lease liabilities – current

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Current portion of loans	799.1	1 079.6	720.0
Current portion of lease liabilities	170.4	206.0	210.0
Total	969.5	1 285.6	930.0

14. Provisions

R million	Restructuring	Customer claims	Other	Total
At 1 April 2023	94.0	6.0	5.2	105.2
Additions	42.3	2.7	10.2	55.2
Usage	(16.0)	(2.2)	(0.2)	(18.4)
Reversals	(3.8)	(3.0)	–	(6.8)
Translation differences	(0.7)	–	–	(0.7)
Other	0.5	–	0.1	0.6
At 30 September 2023	116.3	3.5	15.3	135.1
Additions	0.7	3.8	19.3	23.8
Usage	(6.1)	(2.2)	(9.8)	(18.1)
Translation differences	(4.9)	–	0.5	(4.4)
Other	(0.4)	–	(0.5)	(0.9)
At 31 March 2024	105.6	5.1	24.8	135.5

14. Provisions continued

Restructuring

The provision for restructuring is recognised when the group has a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it. The restructuring provision only includes those direct expenditures which are necessarily entailed by the restructuring and are not associated with the ongoing activities of the group.

Customer claims

The provision for customer claims consists of amounts expected to be payable under customer claims in respect of packaging already supplied. The provision is based on historical customer claims data and a weighting of all possible outcomes against their associated probabilities.

Other

These provisions mainly relate to matters arising from the Glass disposal for which the group may be responsible, as well as on-going tax audits in Nampak Bevcan Angola Lda.

15. Condensed group statement of cash flows analysis

15.1 Reconciliation of (loss)/profit before tax to cash generated from operations

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
(Loss)/profit before tax	(15.5)	(2 596.8)	(3 795.8)
Continuing operations	529.7	(1 051.7)	(1 837.7)
Discontinued operations	(545.2)	(1 545.1)	(1 958.1)
Adjustment for:			
Depreciation and amortisation	186.1	208.7	409.3
Net profit on disposal of property, plant, equipment, right of use assets, intangible assets and non-current assets classified as held for sale	(185.0)	(21.4)	(156.9)
Net loss on liquidation of business	—	37.5	49.2
Financial instruments fair value adjustment	1.0	37.6	16.1
Net defined benefit plan expense	33.7	36.6	58.6
Retirement benefit plan utilisation	53.9	—	30.8
Retirement benefit plan gain	(290.0)	—	—
Impairment losses	609.1	2 359.3	2 841.5
Net devaluation impact associated with Zimbabwe	43.6	17.3	66.8
Net foreign exchange gains	(176.4)	(43.0)	(256.7)
Monetary adjustment for hyperinflation	220.0	68.5	258.1
Net expected credit (loss reversals)/losses — Reserve Bank of Zimbabwe financial instrument	—	(8.2)	65.4
Share of loss/(profit) in associates and joint ventures	4.1	2.8	6.2
Share based payment expense/(benefit)	—	15.3	(1.1)
Fair value gains on assets	—	—	(8.1)
Net finance costs	464.2	494.2	1 223.8
Cash generated from operations before working capital changes	905.2	591.1	740.4
Net working capital changes	(26.8)	(569.7)	904.6
Decrease in inventories	355.4	15.8	369.9
(Increase)/decrease in trade and other current receivables	(601.9)	(445.1)	423.0
Increase/(decrease) in trade and other current payables	219.7	(140.4)	111.7
Cash generated from operations	878.4	21.4	1 645.0

15. Condensed group statement of cash flows analysis continued

15.2 Net cash and cash equivalents at the end of the period

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Bank balances and deposits	904.9	877.3	1 843.9
Bank balances and deposits per statement of financial position	867.2	877.3	1 843.9
Bank balances and deposits classified as held for sale	37.7	—	—
Bank overdrafts*	(2.1)	(360.3)	—
Bank overdrafts per statement of financial position	—	(360.3)	—
Bank overdrafts classified as held for sale	(2.1)	—	—
Total	902.8	517.0	1 843.9

* Bank overdrafts are not considered to be financing as they are overnight facilities that are capable of being drawn down accordingly. These overdrafts are repayable on demand and are therefore classified as cash and cash equivalents.

Bank balances and deposits and bank overdrafts are measured at amortised cost.

16. Carrying amount of financial instruments

The carrying amounts of financial instruments as presented on the statement of financial position are measured as follows:

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
At fair value through profit or loss — level 2			
Derivative financial liabilities ¹	76.5	10.1	84.7
At fair value through profit or loss — level 3			
Investments	23.5	22.3	23.5
At amortised cost			
Financial assets	2 897.6	4 227.6	4 156.6
Non-current loan and lease receivables	7.8	20.0	12.5
Trade and other current receivables ²	1 995.1	3 218.3	2 266.1
Current loan and lease receivables	27.5	112.0	34.1
Bank balances and deposits	867.2	877.3	1 843.9
Financial liabilities	8 985.3	11 396.5	10 634.8
Non-current loans	4 736.1	5 443.4	5 809.9
Non-current lease liabilities	713.1	1 031.0	1 016.1
Trade and other current payables ³	2 532.7	3 276.2	2 878.8
Current loans and lease liabilities	1 003.4	1 285.6	930.0
Bank overdrafts	—	360.3	—

1. Derivative financial assets and liabilities consist of forward exchange contracts and commodity futures. Their fair values are determined using the contract exchange rate at their measurement date, with the resulting value discounted back to the present value.
2. Excludes derivative financial assets (disclosed separately), prepayments and VAT refunds due and other current receivables presented as part of assets classified as held for sale.
3. Excludes derivative financial liabilities (disclosed separately), shareholders for dividends, VAT payables and trade and other current payables presented as part of liabilities directly associated with assets classified as held for sale. In the current year, additional adjustments include payroll accruals, which do not represent financial instruments, and the invoice discounting financial liabilities. The prior period has been restated accordingly as it was incorrectly presented.

17. Capital expenditure, commitments and contingent liabilities

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Capital expenditure	181.7	137.0	352.5
Replacement	68.9	130.8	258.2
Expansion	112.8	6.2	94.3
Capital commitments	117.5	486.5	322.2
Contracted	115.5	96.6	299.3
Approved not contracted	2.0	389.9	22.9
Lease commitments	12.7	3.9	12.4
Land and buildings	—	1.0	0.7
Other	12.7	2.9	11.7
Contingent liabilities — customer claims and guarantees	3.2	26.3	60.1

18. Share statistics

R million	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Ordinary shares in issue (000)	8 476	690 475	8 476
Ordinary shares in issue — net of treasury shares (000)	8 280	626 496	8 268
Weighted average number of ordinary shares on which basic (loss)/earnings and headline earnings per share are based (000)	8 278	2 969	3 438
Weighted average number of ordinary shares on which diluted basic (loss)/earnings per share are based (000)*	8 301	2 969	3 438
Weighted average number of ordinary shares on which diluted headline (loss)/earnings per share are based (000)*	8 301	2 969	3 438

* No dilution of basic loss per share for the six months ended 31 March 2023 or for the full year ended 30 September 2023.

The weighted number of shares have been restated in March 2023 for the effect of the share consolidation and rights issue which took place in July 2023 and September 2023 respectively.

19. Related party transactions

Group companies, in the ordinary course of business, entered into various purchase and sale transactions with associates, joint ventures and other related parties. The effect of these transactions, other than sales to an associate of R4.7 million (March 2023: R11.7 million; September 2023: R26.5 million), is not significant and is included in the financial performance and results of the Group.

20. Subsequent events

The group entered into an agreement on 16 May 2024 to dispose of Bevcam Nigeria for an amount of USD68.5 million excluding cash held at the completion date.

Key ratios

		Unaudited 6 months ended 31 Mar 2024	Re-presented ¹ Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
EBITDA – continuing operations ²	R million	1 147.5	380.9	798.5
Net debt	R million	5 710.5	7 111.0	5 865.5
Net debt – excluding capitalised lease liabilities	R million	4 597.1	5 874.0	4 639.4
Net gearing	%	321	305	306
Net gearing – excluding capitalised lease liabilities	%	258	252	242
Current ratio	times	1.8	1.6	1.8
Acid test ratio	times	1.1	0.8	1.0
Return on equity – continuing operations ³	%	47.8	(57.1)	(65.3)
Return on net assets – continuing operations ⁴				
– based on trading profit	%	27.0	8.6	11.8
– based on operating profit	%	34.9	(14.7)	(8.5)
Return on invested capital – continuing operations ⁵				
– based on trading profit	%	13.3	4.8	6.6
– based on operating profit	%	17.1	(8.1)	(4.7)
– based on operating profit (excluding gain on plan amendment of post-retirement medical aid)	%	12.1	(8.1)	(4.7)
Net asset value per ordinary share ⁶	cents	18 652	18 682	19 810
Tangible net asset value per ordinary share ⁶	cents	15 638	25 559	12 674
Covenants ⁷				
– leverage (threshold: less than or equal to 6.50 times)	times	3.04		
– interest cover (threshold: greater than or equal to 1.00 times)	times	2.16		
– current ratio (threshold: greater than or equal to 1.00 times)	times	1.55		
– net tangible asset ratio (threshold: greater than or equal to 2.00 times)	times	2.00		
– available liquidity (threshold: greater than or equal to R650.0 million)	Rm	1 746.7		

1. Refer note 2.3 and 9.

2. EBITDA is calculated as operating profit before depreciation, amortisation and net impairment losses.

3. Calculated on average total shareholders' equity.

4. Calculated on average net operating assets excluding those relating to discontinued operations.

5. Calculated on average total net debt and average total equity.

6. Calculated on shareholders' equity and ordinary shares in issue, net of treasury shares. The March 2023 measures have been restated based on the number of net ordinary shares in issue at March 2024.

7. Covenants applicable are as per the facilities agreement effected in September 2023.

Exchange rates

Key currency conversion rates used for the periods concerned were as follows:

	Unaudited 6 months ended 31 Mar 2024	Unaudited 6 months ended 31 Mar 2023	Audited year ended 30 Sep 2023
Rand/UK pound			
Average	23.61	21.13	22.31
Closing	23.91	21.95	23.08
Rand/Euro			
Average	20.33	18.52	19.41
Closing	20.44	19.29	20.00
Rand/US dollar			
Average	18.81	17.69	18.17
Closing	18.94	17.80	18.92
Naira/US dollar			
Average	1 085.39	452.87	547.92
Closing	1 303.33	461.15	776.79
Kwanza/US dollar			
Average	850.80	506.97	614.99
Closing	855.55	516.70	842.04
Zimbabwean dollar/US dollar			
Closing*	21 321.28	928.59	5 252.66

* No average rate is disclosed as Zimbabwe is considered to be a hyperinflationary economy and the results of the Zimbabwe group companies are, therefore, translated at the closing rate.

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