

Nampak Limited
(Registration number 1968/008070/06)
(Incorporated in the Republic of South Africa)
Share code: NPK ISIN: ZAE 000071676
(‘Nampak’ or the ‘group’)

Summary of consolidated financial results for the year ended 30 September 2020

Key financial indicators for continuing operations

Revenue of R11.3bn decreased 23%
EBITDA for covenants R1.1bn down by 48%
Trading profit R682m down by 56%
Operating loss R283m 2019: R402m operating profit
Impairments R4.0bn primarily relating to Nigeria and Angola
Loss for the year R4.3bn
Headline loss 78cps for continuing operations 2019: 54cps earnings
Headline loss 88cps for total operations 2019: 19cps loss

Highlights

Operating capability sustained despite significant impact of the novel coronavirus (COVID-19) pandemic
Cash of R1.1bn generated from operations
Net proceeds from disposals and bonds of R2.0bn, used to reduce US\$ denominated debt R2.4bn transferred from Angola and Nigeria
Successful renewal of key contracts and meaningful export contracts secured for Bevcan
Group funding covenants renegotiated and complied with, but with stringent conditions
Improvement in short-term liquidity

CEO's comment

'2020 proved to be a challenging year across all geographies for Nampak as the COVID-19 pandemic significantly reduced economic activity in the markets where we operate. While performance in Nigeria was resilient, the lockdown in most markets impacted performance across all divisions and limited the progress in our restructuring activities at Plastics SA and DivFood divisions. Bevcan successfully defended its market share - renewing two substantial supply contracts for the next three years - and secured large export contracts for the coming financial period. In Angola, currency devaluations prevailed, and reduced consumer purchasing power led to further volume declines. Despite all these challenges, we made good progress in reducing US dollar-denominated debt, focused on optimising working capital and pulled back on capital expenditure during this year. This ensured cash generated from operations remained positive.' Erik Smuts, Nampak's CEO

Overview

This was one of the most challenging years for Nampak as the impact of COVID-19 took effect in the second half of our financial year. Most of the countries we operate in went into hard economic lockdown towards the end of March 2020 as governments grappled with limiting the spread of the virus. In South Africa this included a ban on the production, distribution and sale of alcohol products for effectively three months of the financial year. This negatively impacted the sale of beverage cans, paper conical cartons, closures for the wine and spirit markets, as well as other products deemed as non-essential during this period.

It also had a secondary impact on associated products as consumer patterns changed due to restrictions on social events. However, significant progress was made in reducing US dollar debt, defending our market shares in key markets and developing new growth

opportunities. As part of the revised funding agreement with our lenders, the group has committed to a further reduction of R1 billion of its net interest-bearing debt in FY21.

Our manufacturing sites continued to operate to the extent allowed by regulations and Nampak implemented safety measures to mitigate the impact of COVID-19 as best as possible. We experienced 291 COVID-19 infections across our facilities. Sadly, two employees passed away as a result of the virus and we extend our sympathies and condolences to their families.

Reduced economic activity across all geographies, coupled with an already weak economic climate and pressure on consumers' disposable income in the first half of the financial year, adversely impacted the group's performance and profitability, as indicated below:

Group financial performance for continuing operations

R million	FY 2020	FY 2019	% change
Revenue	11 278	14 642	(23%)
Trading profit	682	1 558	(56%)
Operating (loss)/profit before Zimbabwe devaluation	(19)	1 439	(+100%)
Operating (loss)/profit after Zimbabwe devaluation	(283)	402	(+100%)
(Loss)/profit before net impairments	(730)	154	(+100%)
Net impairments	(4 020)	(148)	(+100%)
(Loss)/profit before taxation	(4 750)	6	(+100%)
Loss for the year from continuing operations	(4 349)	(390)	(+100%)
Profit/(loss) for the year from discontinued operations	369	(1 124)	(+100%)
Loss for the year from total operations	(3 980)	(1 514)	(+100%)
Cash generated from operations⁽¹⁾	1 087	1 141	(4%)
Cash flows from operations⁽¹⁾	415	264	57%
<i>Continuing operations:</i>			
(Loss)/earnings per share (cents)	(595)	42	(+100%)
Headline (loss)/earnings per share (cents)	(78)	54	(+100%)
<i>Continuing and discontinued operations:</i>			
Loss per share (cents)	(538)	(132)	(+100%)
Headline loss per share (cents)	(88)	(19)	(+100%)

1 From total operations.

The group's independent auditor, Deloitte & Touche (Deloitte), conducted an audit of the consolidated annual financial statements for the group for the year ended 30 September 2020. Deloitte, have issued an unmodified audit opinion in terms of the International Standards on Auditing, with a paragraph on material uncertainty relating to going concern. The covenant conditions highlight potential events which could result in default on the group's funding agreements and this indicates that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. Notwithstanding this material uncertainty, the directors have determined that the group is a going concern based on the financial plans and forecasts, available funding facilities, actions taken by the group, the historic track record of the group to deliver on disposals, cost reduction and optimisation plans as well as the management of working capital and capital expenditure.

This short form announcement is the responsibility of the directors and is only a summary of the information in the full announcement. The full long form announcement including the audit opinion of the external auditor, Deloitte, on the summarised consolidated financial statements and the basis for its unmodified opinion is available on the JSE website at <https://senspdf.jse.co.za/documents/2020/JSE/isse/NPK/FY2020.pdf>

and on Nampak's website at

<http://www.nampak.com/Investors/Financial-Information>

under the 2020 financial year.

The annual financial statements including the auditor's report of the external auditor, Deloitte & Touche, which sets out key audit matters and the basis for its unmodified opinion is available at

<http://www.nampak.com/Investors/Financial-Information>

under the 2020 financial year.

Any investment decisions made by investors and/or shareholders should be based on consideration of the full announcement as a whole. The short form announcement has not been audited.

Copies of the full announcement and auditor's report may also be requested from the Group Company Secretary, Ilse van Lochem on Ilse.vanLochem@nampak.com, alternatively collected from the company's registered office, at no charge, during office hours.

Year end presentation webcast

Nampak management will hold a webcast on Tuesday, 1 December 2020 at 10h00 Central Africa Time (GMT+2) to present its annual results and address questions from the investment community. Webcast details are available on Nampak's website:

www.nampak.com/Investors.

Bryanston
1 December 2020

Sponsor: UBS South Africa (Pty) Ltd

Registered office
Nampak House, Hampton Office Park, 20 Georgian Crescent East,
Bryanston, Sandton, 2191, South Africa
PO Box 69983, Sandton, 2021, South Africa