

NAMPAK LIMITED

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Incorporated in the Republic of South Africa

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("Nampak" or "the group" or "the company")

VOLUNTARY TRADING UPDATE FOR THE FIVE MONTHS TO 28 FEBRUARY 2022 AND PRE-CLOSED PERIOD INVESTOR/ANALYST CALL

This announcement is to update the market on the group's performance for the first five months of the financial year ending 30 September 2022 ("FY22").

Strong trading conditions, improved profitability and covenants met

Trading conditions for the five months ended 28 February 2022 ("the period") were robust, with strong demand for the majority of our products. Strong volume growth for beverage cans in our key markets coupled with higher pricing, led to group revenue growth of more than 20% compared to the five months to 28 February 2021 ("the prior comparative period"). Despite higher input costs due to significant increases in global commodity prices, trading profits, operating profit as well as EBITDA for covenants increased with strong growth over the prior comparative period.

The group complied with funding covenants for the quarterly measurement period ended 31 December 2021. Management continues to closely monitor covenants on a monthly basis and access the sustainability of the long-term debt and capital structure.

Robust performance in the Rest of Africa, supported by unrestricted trading in South Africa

Metals

The Metals business saw volume increases in all key markets with the Rest of Africa making the largest contribution to revenue and trading profit growth.

The South African beverage can market experienced strong growth. To date, Bevcan South Africa experienced market conditions where demand for certain products exceeded its available capacity. Higher selling prices, resulting from significant increases in aluminium prices, was a key contributor to revenue growth as these price increases had to be passed onto customers using contractual pass-through pricing mechanisms.

Bevcan Nigeria continued to perform very well and was a major contributor to improved group results for the period.

Bevcan Angola started to experience improved volumes with the easing of pandemic-related trading restrictions, albeit from a very low base.

DivFood in South Africa traded strongly in the second quarter to date, with particularly strong fish can sales. The turnaround activities in the division continue and further benefits are expected to be realised during 2H22.

Plastics

Growth in the Plastics division was driven by the strong performance of the group's Zimbabwean operations, supported by a solid performance from the liquid cartons business in South Africa. Improved operational efficiencies contributed to higher profitability.

Plastics South Africa's performance was reasonable but lower volumes, due to an elongated strike at a key customer, impacted profitability negatively.

Zimbabwean operations performed well and demand remained resilient. Both revenue and trading profit grew in double digits while these operations remained self-funding despite constantly being limited by the lack of foreign exchange availability.

Paper

Overall performance for the Paper division was pleasing, largely driven by good performance in Zimbabwe and higher volumes in Zambia and Malawi. Both revenue and trading profit were significantly up.

Cash transfers and capital expenditure

Cash transfers from Angola were satisfactory for the period. In Nigeria foreign currency availability at the official spot market rate slowed compared to the prior comparative period given in country dollar shortages. Capital expenditure remains well controlled.

Unprecedented increases in commodity prices and global supply chain challenges led to higher working capital requirements

While operational cash generation is strong as a result of healthy trading conditions, there is increased pressure on the utilisation of cash flows to fund working capital. Significantly higher commodity and shipping prices, coupled with global supply chain disruptions, led to a higher than planned investment in working capital to ensure continued supply of raw materials into our operations. The newly added geopolitical risk of the Russian/Ukrainian war has put additional pressure on working capital.

Asset disposals and debt reduction

The disposal of identified non-core assets continued to be challenging in current market conditions and therefore other asset disposals are being considered.

Approximately R400 million of a non-recourse trade finance facility of R1.0 billion has been utilised to date, with R206 million having been applied to permanently reduce the group's existing banking facilities. Negotiations with both downstream and upstream trading partners in the South African supply chain are yielding results, which will assist to reduce the group's required investment in net working capital.

In line with existing funding agreements, the group's ability to reduce its net interest-bearing debt by R1 billion by 30 September 2022 will be assessed by the funders on 30 June 2022. Cash proceeds from the disposal of assets, internally generated cash, the use of the group's non-recourse trade finance facility and/or proceeds raised from a capital raise will be considered in determining the group's ability to repay net interest-bearing debt.

Pre-closed period conference call with management

Nampak management will hold a pre-closed period conference call on Tuesday, 29 March 2022 at 15:00 Central Africa Time (UTC+2) to discuss this trading update and address questions from the investment community. Dial-in details are available on Nampak's website.

The financial information contained in this trading update is based on unaudited management accounts. The information has not been reviewed or reported on by the company's external auditors.

Nampak will release its interim results for the six months ending 31 March 2022 on the Stock Exchange News Service on or about 26 May 2022. Nampak will be in closed period from 1 April 2022 until the release of its interim results.

Bryanston

29 March 2022

Sponsor: Nedbank Corporate and Investment Banking, a division of Nedbank Limited

Forward-looking statements: Certain statements in this document are not reported financial results or historical information, but forward-looking statements. These statements are predictions of or indicate future events, trends, future prospects, objectives, earnings, savings or plans. Examples of such forward-looking statements include, but are not limited to, statements regarding volume growth, increases in market share, exchange rate fluctuations, shareholder return and cost reductions. Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as "believe", "continue", "anticipate", "ongoing", "expect", "will", "could", "may", "intend", "plan", "could", "may", and "endeavour". By their nature, forward-looking statements are inherently predictive, speculative and involve inherent risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. These factors include, but are not limited to: changes in economic or political conditions and changes to the associated legal, regulatory and tax environments; lower than expected performance of existing or new products and the impact thereof on the group's future revenue, cost structure and capital expenditure; the group's ability to expand its portfolio; skills shortage; changes in foreign exchange rates and a lack of market liquidity which holds up the repatriation of earnings; increased competition, slower than expected customer growth and reduced customer retention; acquisitions and divestments of group businesses and assets and the pursuit of new, unexpected strategic opportunities; the extent of any future write-downs or impairment charges on the group's assets; the impact of legal or other proceedings against the group; uncontrollable increases to legacy defined benefit liabilities and higher than expected costs or capital expenditures. When relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

