

SENS ANNOUNCEMENT



NAMPAK LIMITED

Registration number 1968/008070/06

Incorporated in the Republic of South Africa

Share Code: NPK ISIN: ZAE000071676

Share Code: NPP1 ISIN: ZAE000004966

Share Code: NPKP ISIN: ZAE000004958

LEI: 3789003820EC27C76729

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

SUMMARY OF UNAUDITED CONSOLIDATED INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 MARCH 2023

Salient features

- Revenue of R8.4bn up 4%
- Trading profit of R899m up 17%
- Net devaluation losses arising from Angolan and Nigerian exchange rate movements of R571m
- Operating profit before net impairment losses of R259m down 62%
- Net impairment losses of R2.4bn
- Net finance costs of R494m up 77%
- Operating loss of R2.1bn
- Loss for the period of R2.4bn (loss of 396.6cps)
- Headline loss of R342m (headline loss of 54.5cps)
- Cash generated from operations before working capital changes of R591m down 45%
- Net debt: EBITDA of 2.9x below covenant threshold
- EBITDA: interest cover of 3.4x above required covenant threshold

Commentary

"2023 is a defining year for Nampak. Our group is a formidable business that is faced with unsustainable debt levels. Our strategic imperative is to focus on a new business model that aims to unlock value in the short to medium term with a glide path that is configured to be fit for growth.

A rigorous cost reduction program, business remodelling and significant reduction in net working capital will be fundamental to our efforts in the short term. The divestiture program requires increased impetus as a critical enabler to reducing our debt encumbrance to manageable levels. The medium term will deliver an optimal portfolio of assets and consequently a reinvigorated

Nampak as an outcome. Customer centricity will be at the heart of the organisation as we refine our go to market practices enabled by an efficient supply chain.”

(Phil Roux, Interim Chief Executive Officer)

Overview

Revenue growth of 4% to R8.4 billion was enabled by increased volumes in Bevcan South Africa and improving volumes in Angola, partially offset by significant volume reductions in Bevcan Nigeria and DivFood. The Rest of Africa’s market volumes were stable.

Operating profit before net impairment losses of R259 million declined 62%. The operating profit was adversely impacted by devaluation losses of R571 million in Angola and Nigeria arising from exchange rate movements, net impairment losses of R2.4 billion and net finance costs of R494 million resulting in a net loss of R2.4 billion.

A headline loss of 54.5 cents per share is reported compared to a headline earnings of 35.6 cents per share in the comparative period.

The equity base has been adversely impacted by net impairment losses represented by a goodwill impairment of R1.5 billion in Bevcan Nigeria and asset impairments in Angola and South Africa of R0.9 billion. The impairments in Nigeria and Angola were significantly increased due to the higher weighted average cost of capital. A decline in current and future expected volumes in Nigeria also being a contributing factor.

Group financial performance

R million	1H23	1H22	% change
Revenue	8 422	8 065	4%
Trading profit	899	770	17%
Net devaluation losses arising from Angolan and Nigerian exchange rate movements	(571)	(49)	>(100%)
Capital and other items	(69)	(43)	(60%)
Operating profit before net impairment losses	259	678	(62%)
Net impairment losses	(2 359)	(10)	>(100%)
Operating (loss)/profit	(2 100)	668	>(100%)
(Loss)/profit before tax	(2 597)	392	>(100%)
(Loss)/profit for the period	(2 447)	321	>(100%)
Cash generated from operations before working capital changes	591	1 080	(45%)
Cash utilised in operations	(570)	(813)	30%
Cash generated from operations	21	267	(92%)
Net cash utilised in operating activities	(513)	(91)	>(100%)
(Loss)/earnings per share (cents)	(396.6)	34.9	>(100%)
Headline (loss)/earnings per share (cents)	(54.5)	35.6	>(100%)
Dividend per share (cents)	-	-	-

Resumption of proposed capital raise from a rights offer

The requirement for a minimum rights offer of R1.5 billion has been reduced to a rights offer of up to R1.0 billion. Nampak will convene an EGM in respect of which a circular will be published on or about 31 May 2023. All relevant authorisations will be sought to enable the company to conclude the process. The rights offer will enable management to further reduce the company's debt resulting in a more appropriate capital structure.

This short form announcement is the responsibility of the directors and is only a summary of the information contained in the full announcement, which is available on the JSE website <https://senspdf.jse.co.za/documents/2023/JSE/isse/NPK/HY2023.pdf> and on Nampak's website www.nampak.com/Investors under the 2023 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 reviewed or audited by the company's auditors.

Copies of the full announcement 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.

Interim results presentation

Nampak management will conduct an in-person and webcast presentation on Wednesday, 24 May 2023 at 10:00 Central Africa Time (UTC+2) to present the interim results and address questions from the investment community. Dial-in details are available on Nampak's website <http://www.nampak.com/Investors>.

On behalf of the Board

PM Surgey
Chairman

PM Roux
Chief Executive Officer

GR Fullerton
Chief Financial Officer

Bryanston
24 May 2023

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

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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.