

Interim Results 2017

For the half-year ended
31 March 2017



Forward looking statements



We may make statements that are not historical facts and relate to analyses and other information based on forecasts of future results and estimates of amounts not yet determinable. These are forward-looking statements as defined in the U.S. Private Securities Litigation Reform Act of 1995. Words such as “believe”, “anticipate”, “expect”, “intend”, “seek”, “will”, “plan”, “could”, “may”, “endeavour” and “project” and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that predictions, forecasts, projections and other forward-looking statements will not be achieved.

If one or more of these risks materialise, or should underlying assumptions prove incorrect, actual results may be very different from those anticipated. The factors that could cause our actual results to differ materially from the plans, objectives, expectations, estimates and intentions in such forward-looking statements are discussed in each year’s annual report. Forward-looking statements apply only as of the date on which they are made, and we do not undertake other than in terms of the Listings Requirements of the JSE Limited, to update or revise any statement, whether as a result of new information, future events or otherwise. All income forecasts published in this report are unaudited. Investors are cautioned not to place undue reliance on any forward-looking statements contained herein.

H1 2017 results overview

Group revenue marginally down 1%, despite 10% stronger average ZAR/USD

EPS up 15%

HEPS up 8%

Group trading profit up 12%

Operating profit up 30%

Net gearing down to 51% from 74% at 31 March 2016, significant headroom in funding covenants

Rest of Africa trading profit up 32% to R610 million, now 55% of Group

Nigeria and Angola cash extraction rate improved to 80% from 77% at 30 September 2016, 61% hedged

Net profit for the period up 41% to R853 million

USD54 million secured from Nigeria to be received before end FY2017



Delivered on profitable growth – trading profit advanced 12% despite marginal revenue decline

- › Rest of Africa now comprises 55% of group trading profit
- › Net profit for the period up 41% to R853 million

Continued to refine and improve operational efficiencies – group trading margin improved to 11.9% from 10.5%

Delivered Bevcam ends plant on budget and on time – contributed to improved Bevcam results

Maintained balance sheet strength – net gearing at 51% down from 74% in H1 2016

- › Net debt to EBITDA improved to 1.7 times and interest cover 7.8 times, comfortably within covenants
- › Reduced capital expenditure spend by 49% to R470 million

Successfully managed Nigeria and Angola risk and exposure

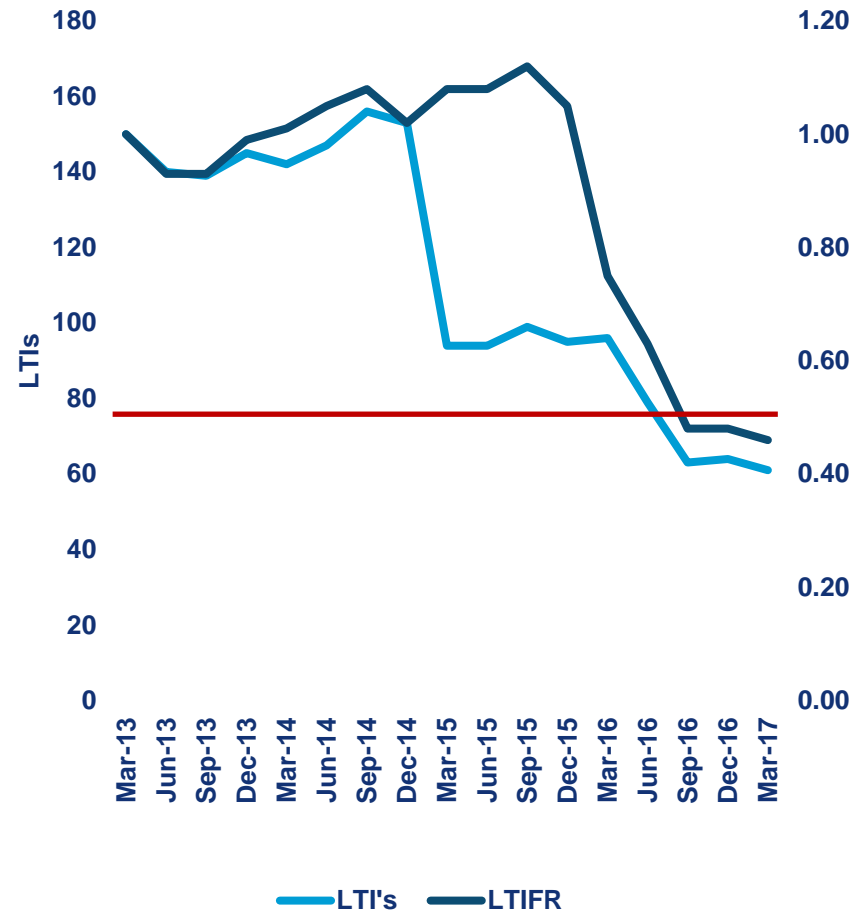
- › Cash extraction rate improved to 80% and 61% of cash balances hedged
- › USD54 million secured from Nigeria to be received before end FY2017

Further investments to drive future growth – Angola line conversion estimated to cost USD23 million

Secured major contract extension in Nigeria for three years

- › Safety on target
 - » Continued focus on operational excellence
- › Record can sales in Angola
- › Major customer secured in Nigeria
- › Bevcan SA efficiencies and cost saving initiatives
- › Glass PTM satisfactory
 - » Further improvements expected
- › Plastics SA had a good H1 in spite of subdued demand
- › Plastics UK disappointing
 - » New management team in place
 - » Pension fund liability being addressed

LTIFR and LTIs



- › Angola: volumes significantly up as demand recovers
- › Nigeria: volumes down in H1, worst recession in 25 years but early signs of recovery
- › No impairments to Nigerian investment
- › Contract extension in Nigeria with key customer
- › Overall long-term investment rationale unchanged
 - » Good market positions and strong customer relationships
 - » Nampak to benefit from long-term demand growth

“We’re pretty much selling everything we can produce. It follows that, yes, we need more capacity in Nigeria...”

“We have some breweries already in place. Some of this capacity will come as an additional line, some could be greenfields. But [it is] too early to comment on that.”

Brito warned that importing beer into Nigeria is not possible, due to ‘prohibitively’ high taxes.

“We have to produce locally. Capacity should also be used not only to continue to support the growth of the local brands, but also to enable our global brands to be present in that market as well.”

Carlos Brito – Anheuser-Busch InBev CEO
May 2017

- › PRMA liability
 - » R30-40 million per annum current service and interest cost savings, 45% in H1
 - » Curtailment benefit of R145 million on R562 million buyout
 - R91 million in H2 2016
 - R54 million in H1 2017, no further savings expected in H2
- › Head office costs
 - » Once-off cost savings of R34 million achieved through tight cost controls in H1
- › Cost containment
 - » DivFood – R19 million in H1, R20 million for H2 expected
 - » Bevcan Mobeni site – R10 million in H1, R15 million in H2
 - Annualised future savings of R25 million
 - » Procurement cost saving initiatives of R90 million identified – R65 million to benefit FY2017, 40% delivered in H1



Financial Results

Group financial results

Half-year to 31 March



9

R million	H1 2017	H1 2016	% Δ
Revenue	9 331	9 422	(1)
Trading profit	1 108	989	12
Net abnormal gains/(losses)	24	(119)	>100
Operating profit	1 132	870	30
Net finance costs	(198)	(239)	(17)
Share of (loss)/profit from associates and joint ventures	(2)	3	
Profit before tax	932	634	47
Tax expense	(79)	(28)	
Profit for the period	853	606	41
Effective tax rate (%)	8.5	4.4	
Basic EPS (cents)	120.8	105.0	15
HEPS (cents)	113.1	105.2	8

Group revenue marginally down 1% – 11% growth by Metals, 10% stronger average ZAR/USD adversely impacted foreign results

Group trading profit up 12% – improved Bevan SA performance, record Angolan profit partially offset Plastics Europe loss

Trading profit from Rest of Africa up 32%, now 55% of Group, SA improved by 7%

Group operating profit up 30% – positive swing of R143 million on abnormal items, prior year included Angolan forex loss of R114 million

Net finance costs down 17% – proceeds from sale and leaseback reduced net borrowings

EPS up 15% – impacted by non-controlling interest in Angola, 1% increase in shares in issue

HEPS up 8% – impacted by adjustment for capital profits

Reconciliation of trading profit to operating profit and EBITDA

R million	H1 2017	H1 2016	% Δ
Trading profit	1 108	989	12
Net abnormal gains/(losses)	24	(119)	
Devaluation loss arising from Angolan and Nigerian illiquidity	(5)	(114)	
Net impairment losses	(10)	(16)	
Profit on disposal of businesses, investments and other property	32	13	
Gain on acquisition of business/(business acquisition related cost)	27	(1)	
Retrenchment and restructuring costs	(20)	(1)	
Operating profit	1 132	870	30
Depreciation and amortisation	435	448	
Net impairments	10	16	
EBITDA	1 577	1 334	18

- › Operating profit benefited from a positive swing of R143 million in abnormal items
 - » Devaluation of R114 million in prior year primarily due to Kwanza devaluation in December 2015
 - » No devaluations in official Naira and Kwanza rates since 30 September 2016. Group translates at official exchange rates
 - » Disposed of two in-plants to a customer in the United Kingdom on termination of contracts
 - » Gain on acquisition relates to DivFood Botswana transaction
 - » Retrenchment and restructuring costs relate to restructuring at Plastics Europe sites and Hunyani downsizing in Zimbabwe

Operational improvements, subdued demand in certain markets

	Revenue (R million)			Trading profit (R million)			Trading margin (%)	
	H1 2017	% Δ	H1 2016	H1 2017	% Δ	H1 2016	H1 2017	H1 2016
Metals	5 570	11	5 041	883	42	622	15.9	12.3
Plastics	2 400	(17)	2 891	89	(56)	202	3.7	7.0
Paper	698	(16)	831	57	(40)	95	8.2	11.4
Glass	663	1	659	42	(5)	44	6.3	6.7
Total operations	9 331	(1)	9 422	1 071	11	963	11.5	10.2
Corporate Services	–	–	–	37	42	26	–	–
Group	9 331	(1)	9 422	1 108	12	989	11.9	10.5

› Marginal revenue decline primarily due to:

- › 10% stronger average ZAR/USD exchange rate adversely impacting consolidation of foreign operations results
- › Record can sales achieved in Bevcan Angola and pleasing revenue growth in Bevcan SA due to higher ends sales
- › Subdued volumes in Bevcan Nigeria due to inflationary pressures after currency devaluation, recovery expected in H2
- › Tough UK, Zimbabwe and Zambian market conditions affected Plastics and Paper divisions
- › Glass division impacted by subdued market demand despite improved operations

› Trading profit

- › Strong performance by Metals division due to improved operating efficiencies in Bevcan SA, and Angolan performance
- › Cost saving initiatives and projects contributed to improving trading profit
- › Corporate service contribution increased due to FEC gains and cost reductions offsetting lost rental income

Rest of Africa increases contribution to trading profit

	Revenue (R million)			Trading profit (R million)			Trading margin (%)	
	H1 2017	% Δ	H1 2016	H1 2017	% Δ	H1 2016	H1 2017	H1 2016
South Africa	5 616	3	5 459	500	7	466	8.9	8.5
Rest of Africa	2 933	5	2 805	610	32	462	20.8	16.5
Europe	782	(32)	1 158	(39)	>(100)	35	(5.0)	3.0
Total operations	9 331	(1)	9 422	1 071	11	963	11.5	10.2
Corporate services	–	–	–	37	42	26	–	–
Group	9 331	(1)	9 422	1 108	12	989	11.9	10.5

› South Africa

- › Growth driven by pleasing recovery in Bevcan through increased ends sales, internal production efficiencies and cost control
- › Partially offset by tough trading conditions in DivFood, Plastics and Glass

› Rest of Africa now contributes 31% to group revenue and 55% to group trading profit

- › Strong result from Angola off robust sales partially offset by lower demand in Bevcan Nigeria
- › Tough trading conditions in other markets
- › Margins compensate for risk

› Europe

- › Plastics Europe adversely affected by loss of a major customer due to vertical integration
- › New management appointed

EPS and HEPS impacted by increased contribution from Angola

R million	H1 2017	H1 2016	% Δ
Profit of the period	853	606	41
Non-controlling interests	(80)	58	
Basic earnings	773	664	16
<i>Adjustments for:</i>			
Net impairments	10	16	
Net profit on disposals/gains on acquisition	(59)	(15)	
Headline earnings	724	665	9
Basic EPS (cents)	120.8	105.0	15
HEPS (cents)	113.1	105.2	8
Weighted average number of shares (millions)	640.5	632.4	1

- › Profit attributable to Nampak shareholders (basic earnings) increased by 16%
 - » Adverse swing of R138 million on non-controlling interests line
 - » Primarily due to record Angolan profit compared to net loss in prior period
 - » Weighted average number of shares up 1%
- › Headline earnings impacted by:
 - » Net downward adjustment of R49 million to basic earnings compared to neutral position in prior period
 - Net gain of R27 million on an acquired business
 - Net profit of R30 million on disposal of assets

Incentives and lower rates in key markets benefit group tax rate

%	H1 2017	H1 2016
Effective group rate of tax	8.5	4.4
Government incentives	12.7	12.6
Deferred tax assets raised	11.9	15.1
Other	(5.1)	(4.1)
Normal tax rate	28.0	28.0

- › Tax rate increased to 8.5%
 - » Above prior year due to utilisation of CGT loss on sale and leaseback in 2016
 - » Lower than previous guidance due to
 - Increase in contribution to earnings from Angola
 - Deferred tax on unrealised foreign exchange losses
- › Future effective tax rates will be impacted by:
 - » Relative contributions from Nigeria and Angola
 - The Bevcan Nigeria pioneer status expires on 31 December 2017, impacts Nampak in FY2018
 - The Bevcan Angola tax holiday ends on 31 December 2018, impacts Nampak in FY2019
 - » Incentives, deferred tax assets and lower tax rates in tax jurisdictions outside of South Africa

Balance sheet strengthened

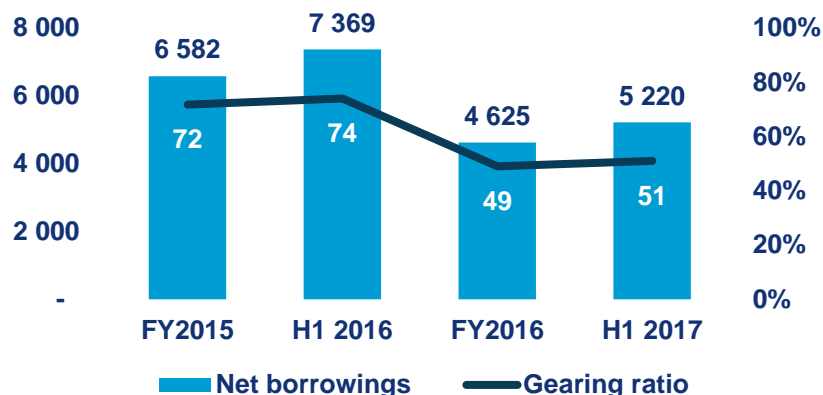
Net gearing down to 51% from 74%

R million	H1 2017	H1 2016	FY2016
Property, plant and equipment	10 471	11 807	10 573
Goodwill and other intangible assets	3 979	4 299	4 043
Other non-current assets	149	231	156
Current assets	10 260	9 511	9 332
Assets held for sale	–	22	–
Total assets	24 859	25 870	24 104
Total equity	10 160	10 016	9 445
Non-current liabilities	8 159	7 790	8 325
Loans and borrowings	6 080	5 462	6 202
Retirement benefit obligation	1 603	1 997	1 856
Deferred tax and other liabilities	476	331	267
Current liabilities	6 540	8 064	6 334
Total equity and liabilities	24 859	25 870	24 104
Current ratio	1.6	1.2	1.5
Acid test ratio	1.0	0.7	0.9

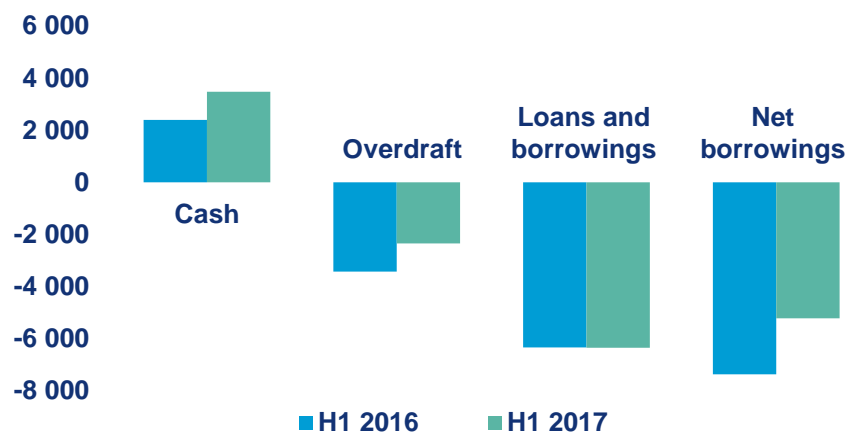
- › Balance sheet structure sound and adequately funded
- › Net gearing ratio improved to 51% from 74% (FY2016: 49%)
- › Current ratio improved by 33% to 1.6 times from 1.2 times
- › Acid test ratio improves to 1.0 times
- › Goodwill and intangibles movement mainly due to stronger ZAR/USD rate
- › Total equity impacted by:
 - » Stronger ZAR/USD rate
 - » Earnings for the period partially offset by adverse R139 million movement in foreign currency translation reserve
- › Non-current liabilities
 - » Repayment of R562 million retirement benefit obligation
 - » Partially offset by increase in deferred tax liabilities

Balance sheet strengthened significant headroom on loan covenants

NET BORROWINGS (R MILLION) AND GEARING RATIO (%)



BORROWINGS AS AT 31 MARCH 2017 (R MILLION)

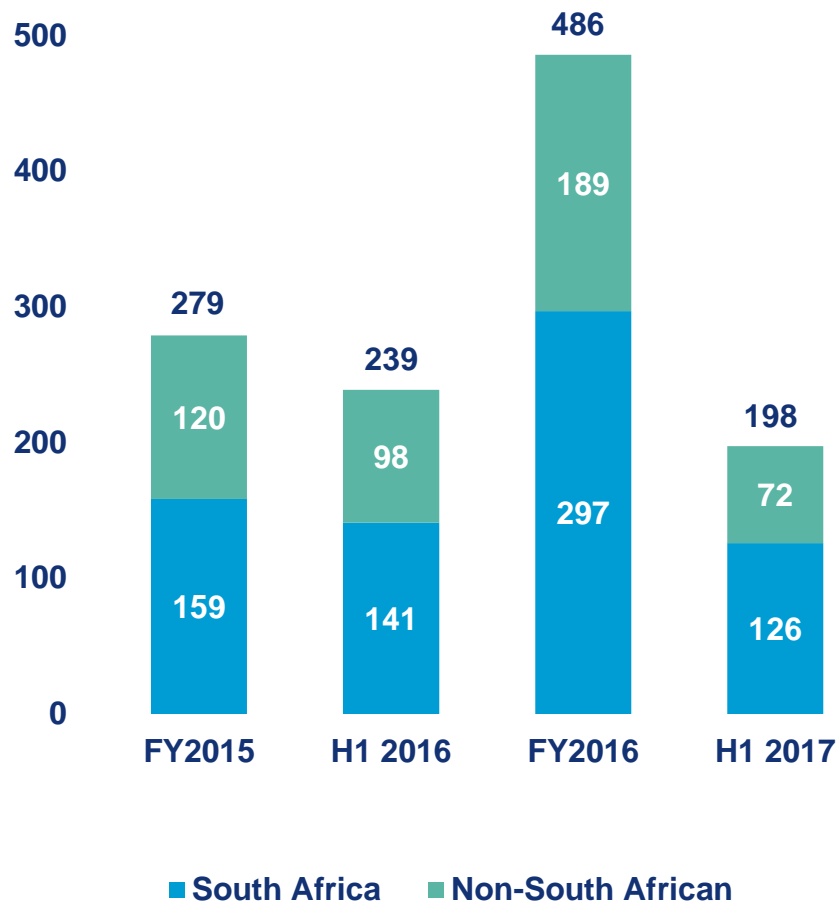


	H1 2017	H1 2016	FY2016
Net gearing (%)	51	74	49
Net debt: EBITDA (times)	1.7	2.7	1.7
EBITDA: Net interest (times)	7.8	5.9	5.4

- › Net gearing improved to 51% from 74% with net borrowings down 29% benefiting from stronger ZAR/USD
- › Gearing marginally up from 49% at September 2016 due to working capital absorption and PRMA payment
- › Significant headroom on loan covenants requirements of:
 - » Interest bearing debt: EBITDA < 3 times
 - » EBITDA interest cover > 4 times
- › Good short-term liquidity with adequate banking facilities

Net finance costs down benefiting from stronger average ZAR/USD exchange rate and sale and leaseback

NET FINANCE COSTS (R MILLION)



- › On average 10% stronger average ZAR/USD exchange rate benefits interest on USD debt
- › Significantly reduced capitalised interest as projects near completion
 - » FY2015: R100 million capitalised interest
 - » H1 2016: R20 million capitalised interest
 - » FY2016: R38 million capitalised interest
 - » H1 2017: No capitalised interest
 - » Effective reduction in net interest cost higher if prior periods capitalised interest is taken into account
- › Reduced net finance costs by R61 million after taking into account H1 2016 capitalised interest:
 - » R1.3 billion of sale and leaseback proceeds of R1.7 billion applied to reduce interest bearing debt
 - » R562 million used to settle portion of PRMA liability, R436 million from sale and leaseback and R126 million from H1 cash flow
 - » Capital expenditure of R470 million reduced by 49%
 - » Increased investment in working capital partially offset savings

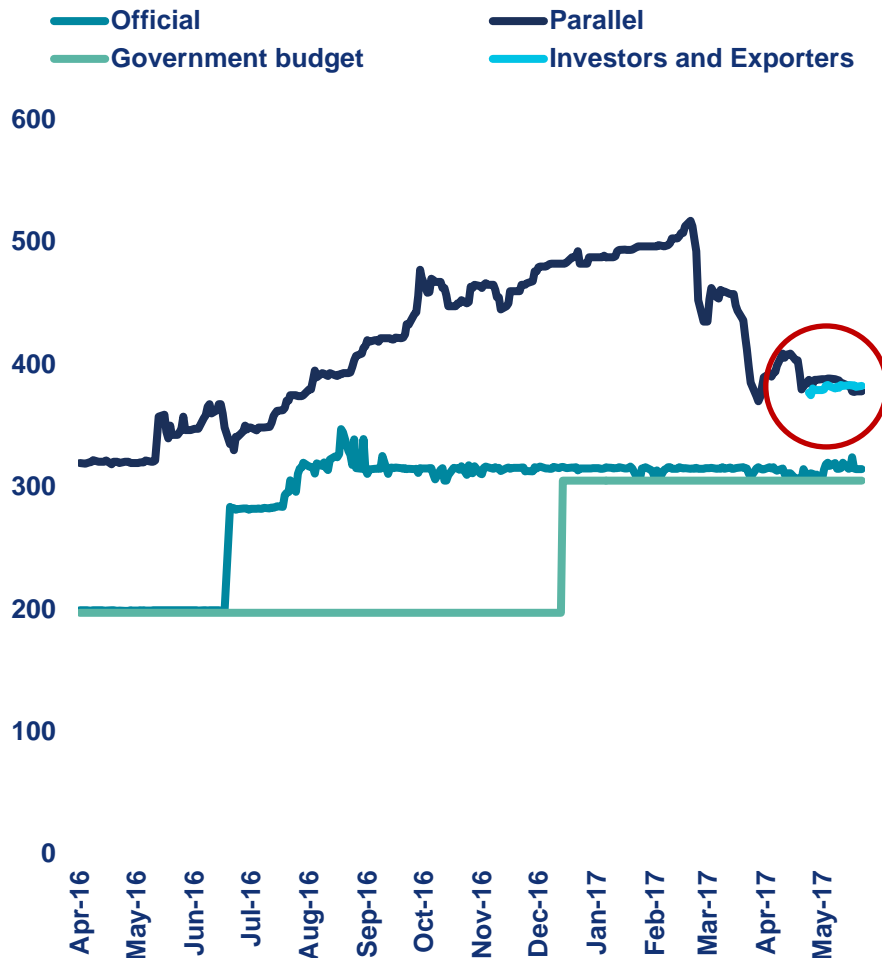
	Closing rates				Average rates			
	H1 2017	% Δ	H1 2016	FY2016	H1 2017	% Δ	H1 2016	FY2016
ZAR/USD	13.41	9	14.69	13.72	13.57	10	15.04	14.79
ZAR/GBP	16.83	20	21.15	17.80	16.83	24	22.13	21.07
NGN (Naira)/USD	314.29	(58)	199.05	315.00	311.69	(57)	198.91	229.60
AOA (Kwanza)/USD	171.73	(3)	166.32	171.72	171.73	(13)	151.73	161.57

- › Period characterised by:
 - » Stronger ZAR/USD spot and average rates adversely impacted translation of foreign earnings
 - » Weaker Naira and Kwanza versus prior year H1 rates but no devaluation post 30 September 2016
 - » Translation at ruling official exchange rates
- › NAFEX market introduced in Nigeria in April 2017 allowing autonomous counter party transactions
 - » Positive effects on liquidity
- › Increasing hedging to manage foreign exchange movement risk

Nigeria introduces NAFEX

Improves liquidity

NIGERIAN FOREX RATES:USD

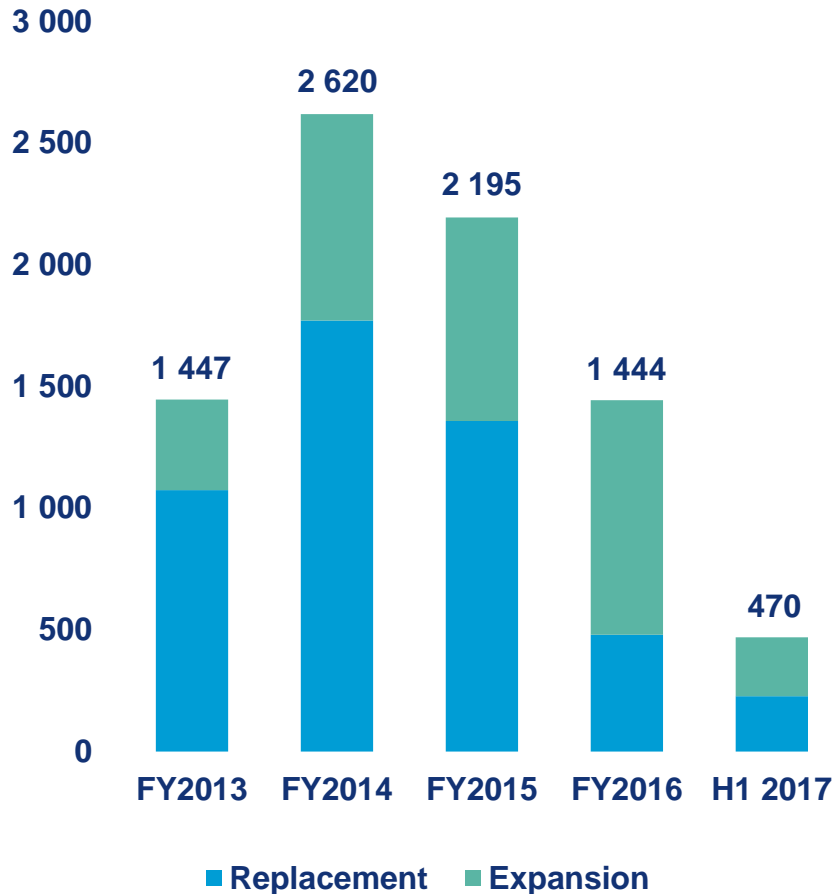


- › New foreign exchange mechanism
- › Now NIFEX and NAFEX markets
- › NIFEX controls trades at interbank/official rates
- › NAFEX
 - » Nigerian autonomous foreign exchange market
 - » Introduced in April 2017
 - » Allows trades between willing buyer/seller
 - » Results in improved liquidity albeit at weaker rate

Capital programme tightly controlled

Maintaining equipment integrity paramount

CAPITAL EXPENDITURE (R MILLION)



H1 2017 CAPITAL EXPENDITURE

- › Decreased by 49%
 - » Prioritised spending
- › **Expansion – R242 million (H1 2016: R647 million)**
 - » Metals – new dedicated food can lines (Paarl, Botswana and Nigeria)
 - » Glass – gas pipeline and inspection equipment
- › **Replacement – R228 million (H1 2016: R274 million)**
 - » DivFood – modernising printing and coating line
- › **Full-year 2017 capital expenditure**
 - » Estimated to be between R0.9 billion and R1.1 billion

Additional cash invested to support Angolan growth

R million	H1 2017	H1 2016
Cash generated from operations before working capital changes	1 436	1 371
Working capital changes	(912)	(488)
Cash generated from operations	524	883
Net interest paid	(198)	(236)
Tax paid	(75)	(167)
Replacement capital expenditure	(228)	(274)
Cash flow from operations	23	206
Dividends paid	–	(572)
Cash generated from/(utilised in) operating activities	23	(366)
Expansion capital expenditure	(242)	(647)
PRMA buy-out	(562)	–
Other investing activities	76	145
Cash utilised before financing activities	(705)	(868)
Cash raised from financing activities	12	1 886
Net (decrease)/increase in cash	(693)	1 018

- › Cash generated from operations before working capital up 5%
- › Working capital absorption higher off optimised FY2016 year end balance sheet
- › Adverse swing in working capital of R424 million
 - » Majority of investment of R223 million for inventories to fund Angolan growth versus release of R169 million in prior period, swing of R392 million
- › Net cash interest paid reduced by 16% due to sale and leaseback
- › Reduced capital expenditure by 49% to R470 million, as expansionary spend nearing completion
- › PRMA buy-out settlement to continuation members, R434 million funded from sale and leaseback proceeds in FY2016
- › Prior period financing activities related to restructuring of short-term debt to long term, not required in current period
- › No dividend payment – prudent approach adopted

Working capital

Investment in Angolan inventories to meet higher demand

R million	H1 2017	H1 2016
(Increase)/decrease in inventories	(223)	169
Decrease in trade receivables and other current assets	94	241
Cash (outflow)/inflow before payables	(129)	410
Decrease in trade payables and other current liabilities	(783)	(898)
Net working capital changes	(912)	(488)

Days	H1 2017	H1 2016	FY2016
Inventories	104	109	96
Trade receivables and other current assets	58	61	62
Trade payables and other current liabilities	101	100	100
Net working capital	61	70	58

- › Optimisation commenced during FY2016 resulting in significant improvements in FY2016 balance sheet
- › Inventory levels required further funding given strong sales in Angola
- › Inventory days reflect an improvement of five days compared to H1 2016
- › Further cash inflow achieved from quality receivables book with days improving
- › Lower outflow from trade payables as capital projects nearing completion
- › Net working capital days improved by nine days from H1 2016 but increased by three days versus FY2016

R1.5 billion (61%) of R2.4 billion cash holdings hedged

- › Further progress made in H1 with improved extraction rates and increased hedging
- › USD54 million secured from Nigeria to be received before end FY2017
 - » USD29 million deliverable forwards – 98% to mature before year-end
 - » USD10 million cash extracted in May 2017 with further USD15 million secured post 31 March 2017 with major South African bank and other financial institutions for extraction before year-end
 - » Expected foreign exchange loss of between R95-R110 million in H2
- › H1 2017 average liquidity ratio 80% of invoices presented for payment up from 77% in FY2016
- › Further USD-linked Kwanza bonds acquired
- › Currency volatility in Nigeria and liquidity constraints in Angola expected to remain in the short to medium term

	Angola	Nigeria	Total
31 March 2016			
Cash on hand	R474m	R1 018m	R1 492m
Hedged	R367m	–	R367m
% cash hedged	77%	–	25%
30 September 2016			
Cash on hand	R1 004m	R984m	R1 988m
Hedged	R614m	R376m	R990m
% cash hedged	61%	38%	50%
Cash extraction rate*	95%	57%	77%
31 March 2017			
Cash on hand	R1 436m	R955m	R2 391m
Hedged	R1 107m	R344m	R1 451m
% cash hedged	77%	36%	61%
Cash extraction rate*	80%	80%	80%

* Liquidity ratio of invoices presented for payment in the period.

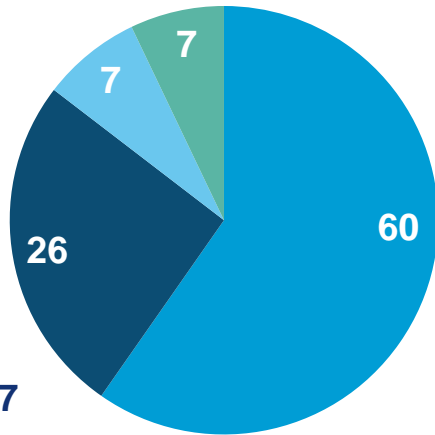
- › Cash conservation given tight liquidity in Nigeria and Angola still considered a priority
- › Management working on potential options to improve cash extraction rates
 - » Cash effects of recent successes will result in cash inflow before year-end
- › Good progress made on balance sheet restructure
 - » Expect to remain comfortably within covenants
 - » Significantly improved gearing ratios but further work to do given current strong ZAR/USD rate
 - » Working capital to be optimised during H2
- › Despite moderate gearing, majority of positive cash is held in Nigeria and Angola
- › Liquidity expected to improve in Nigerian market post March 2017 due to NAFEX
- › Angolan liquidity remains tight albeit good hedging
- › Decision taken to not declare an interim dividend
- › Further assessment will be performed based on H2 trading and cash extraction



Operational Review

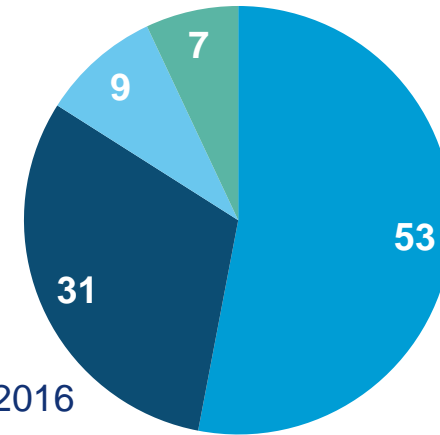
Revenue and trading profit contribution by substrate

REVENUE (%)



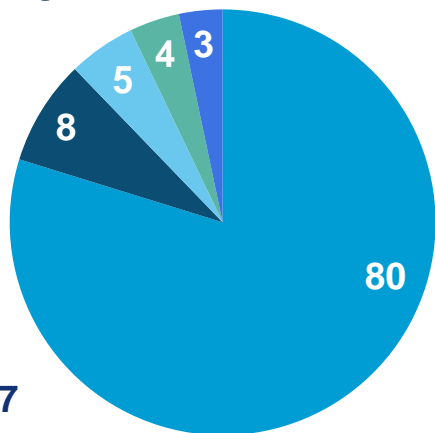
H1 2017

- Metals
- Plastics
- Paper
- Glass



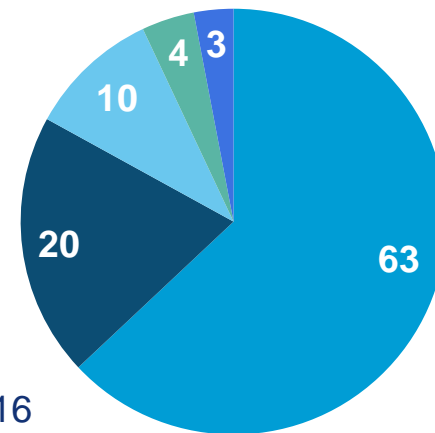
H1 2016

TRADING PROFIT (%)



H1 2017

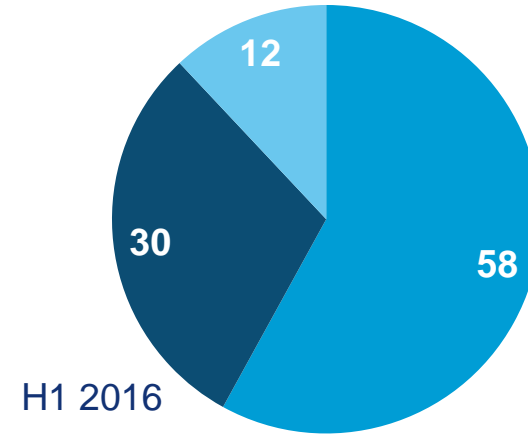
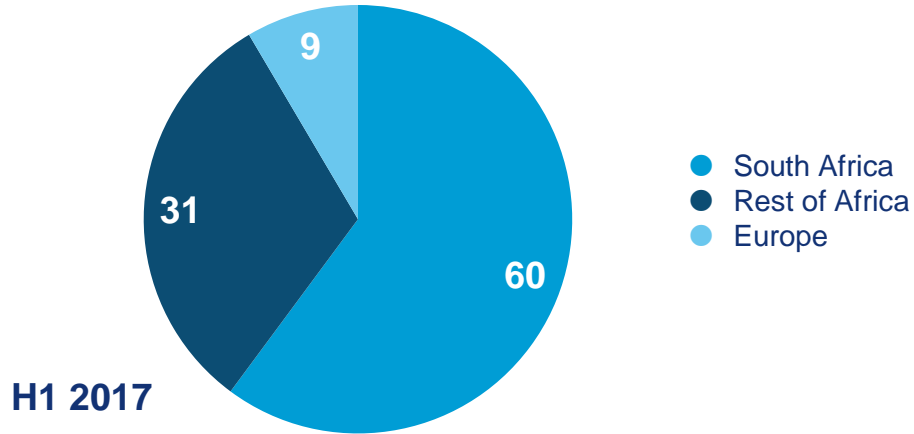
- Metals
- Plastics
- Paper
- Glass
- Corporate Services



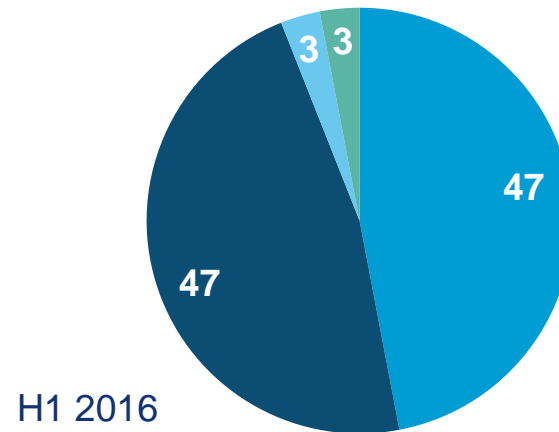
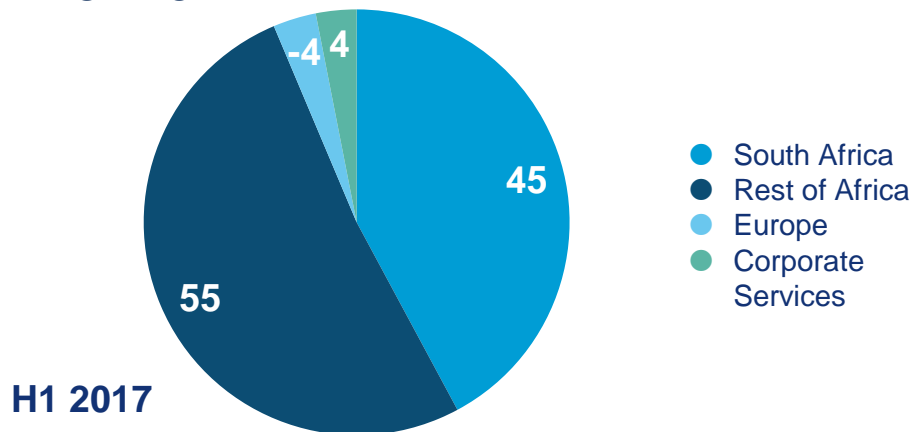
H1 2016

Revenue and trading profit contribution by region

REVENUE (%)



TRADING PROFIT (%)





Metals

R million	H1 2017	H1 2016	% Δ
Revenue	5 570	5 041	10.5
Trading profit	883	622	42.0
Margin (%)	15.9	12.3	

› **Bevcan South Africa**

- › Revenue and trading profit growth driven by additional volumes
 - Newly commissioned ends plant at cost of R366 million
 - Capacity for 500ml cans installed
- › Existing volumes marginally lower
- › Operational improvements and cost reductions offset volume decline
- › Strong market position

› **DivFood**

- › Progressed business improvement projects
- › Lower volumes in most categories due to depressed consumer sentiment

› **Bevcan Angola**

- › Significant beverage can market recovery in H1
 - Existing customer volumes improved
 - Pack share growth
 - Record can sales
- › Line conversion of USD23 million approved, awaiting allocation of currency
- › Liquidity constraints and high inflation environment remain

› **Bevcan Nigeria**

- › Can volumes declined
- › Macroeconomic challenges and slowdown in consumer spending
- › Medium-term prospects positive
- › Key contract extended for three years

› **General metal packaging**

- › Volume growth in Nigeria continued
- › In-house manufacture by key customer impacted Kenyan results



Plastics

R million	H1 2017	H1 2016	% Δ
Revenue	2 400	2 891	(17)
Trading profit	89	202	(56)
Margin (%)	3.7	7.0	

› **Plastics South Africa**

- » Revenue up 3% despite moderate volumes in Q2
 - Liquid packaging and closures demand recovered in Q1
 - Improved drum volumes – recovery in bulk alcohol sales to Rest of Africa

› **Zimbabwe**

- » Weak demand in both CMB and Megapak
- » Macroeconomic challenges
 - Inconsistent supply of foreign exchange

› **Plastics Europe**

- » Lower volumes – vertical integration by major customer reduced base
 - Lost volumes reduced base by >20% – Arla, Dairy Crest, Müller Wiseman and others
 - Two sites taken over by Müller Wiseman
 - Additional volumes from existing customers offset decline
- » Strengthened ZAR/GBP average rate worsened reported results
- » New investment in Ireland increased costs
- » Increased competition further deteriorated trading margins
- » New management team in place
- » Customer diversification programme making good progress
- » Addressing pension fund liability



Paper

R million	H1 2017	H1 2016	% Δ
Revenue	698	831	(16)
Trading profit	57	95	(40)
Margin (%)	8.2	11.4	

› Hunyani in Zimbabwe

- › Solid performance
 - Good tobacco carton sales
 - Benefited from cost containment initiatives
- › Demand for locally manufactured packaging stimulated by import duties

› Nigeria Cartons

- › Lower demand across all segments
 - Limited foreign exchange currency
- › Import restrictions on various packaging formats expected to positively impact H2

› Zambia

- › Sorghum beer carton sales down
 - Lower demand
 - Packaging substitution continued, new customers targeted

› Malawi

- › Lower sorghum beer carton demand
- › Improved tobacco carton demand expected in H2

› Bullpak

- › Subdued demand impacted results
- › Vertical integration of some customers into self-opening manufacture



Glass

Glass: good performance under tough market conditions

R million	H1 2017	H1 2016	% Δ
Revenue	663	659	1
Trading profit	42	44	(5)
Margin (%)	6.3	6.7	

- › Revenue marginally up
 - » Good market share growth for wine
 - » Subdued market demand for container glass
- › Glass furnaces at satisfactory production efficiencies
- › Further operational initiatives under way

- › External macroeconomic challenges in key markets expected to prevail in the short term
 - » Pressure on consumer spending in South Africa expected to limit volume growth
 - » After half-year, liquidity situation in Nigeria improved
 - » Further potential exists for foreign exchange losses
- › Efficiency gains expected to contribute to performance in challenging and uncertain times
- › Nampak remains optimistic about the long-term outlook in the Rest of Africa
 - » Expect to benefit from long-term demand growth when macroeconomic factors stabilise
- › Strong market position in markets Nampak operates in
 - » Strong customer relationships
 - » Well established footprint
 - » Knowledge of local market dynamics
 - » Focus on extracting operating leverage from capital invested

FOCUS AREAS

H1 RATING

Management of capital expenditure

✓ ✓ ✓

› Capex spend reduced by 49%

Improved cash generation through working capital management

✓ ✓

› Cash generation from operations before working capital improved by 5%

› Days of sales in inventory reduced by five days from 109 days to 104 days in spite of R223 million used to fund growth in Angola

Project execution improved

✓ ✓ ✓

› R366 million for beverage can ends plant expansion completed on schedule and within budget

Operational efficiencies

✓ ✓ ✓

› Cost savings contributed towards improving margins

Cash extraction, hedging and liquidity in Angola and Nigeria

✓ ✓

› Cash extracted improved to 80%

› 61% of R2.4 billion cash on hand hedged (H1 2016: 25%)

› USD54 million secured for delivery before end FY2017

Balance sheet strength maintained

✓ ✓ ✓

› Group gearing ratio improved to 51%

› Interest-bearing debt reduced and well within covenants

› PRMA liability addressed

✓ ✓ ✓ Achieved ✓ ✓ Partially achieved ✓ To be addressed


Strong base business, efficient and aligned organisation with a strong track record


Strong financial performance in challenging environment

 Revenue down 1% to R9 331m

 EBITDA **+18%** to R1 577m

 Group trading profit **+12%**

 Balance sheet deleveraged, gearing improved at **51%**

 **Strong cash generation**
Low capex spend

 EPS **+15%** to 120.8c

 HEPS **+8%** to 113.1c

Leading market positions in most segments in key growth markets

 **No. 1 supplier** of beverage cans in Africa

 Present in **key** growth markets in Africa

 **Strong relationships** with multinational corporates

 Invaluable **technical partnerships**

 **No. 1 packaging supplier** in Africa

Well capitalised base business, customer base strong

Beverage can assets **less than 5 years old**

Well-established cost-competitive manufacturing footprint focused on **sustainable profitability** and **cash generation**

Long-term sales agreements with major customers

Comprehensive plan to **improve performance**, creating a solid platform for growth when the market turns

Leadership and business structure well aligned to deliver on strategy



Unlock value from base business



Accelerate **RoA growth**



Thank you

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