



**Nampak**  
packaging excellence

# Annual Results

for the year ended  
30 September 2021

*December 2021*





# Forward looking statements

Certain statements in this document do not comprise 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 plan and 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.



# FY2021 overview

01



# Highlights

Group revenue up 24% to  
**R14.0bn**

Strong performance by Bevcan operations in South Africa and Nigeria

HEPS up 171% to  
**62.3cps**

(FY20: Loss of 87.7cps)

Trading profit up 109% to  
**R1.4bn**

Cost saving initiatives, DivFood turnaround and improved trading conditions in key markets

Operating profit before net impairments up >100% to  
**R1.2bn**

Improved profitability and reduction in capital and other adjusting items

Cash generated from operations before working capital up 133% to  
**R1.7bn**

Group funding covenants complied with

Net debt:EBITDA — 2.74x  
*Threshold ≤3.5x*

EBITDA interest cover — 4.79x  
*Threshold ≥4.0x*



# Strategy implementation



## Reduce risk

1



### Strengthen capital structure

Improving covenant trends

Improved mix between USD and ZAR funding

Secured non-recourse trade finance facility for R1bn, which can be used to repay debt



2



### Simplification

Completed DivFood restructuring:

› Consolidated lines from Vanderbijlpark operation to Epping and Paarl plants

Consolidated Plastics SA's inland operations

› Sold Tubes business

› Rationalised Gqeberha plant

› Closed Polokwane and eSwatini plants

Not able to simplify business portfolio as intended



## Grow profits

3



### Optimisation

Continued focus on operational excellence

Leveraged Nampak R&D capabilities to improve manufacturing processes

Concluded conversion of Angola beverage can line to aluminium from tinplate

New crate line in Zambia now operational



4



### Innovation and growth

Export contract to North America completed in FY21

Export contract for ends to North America secured early FY21

Export contract for ends to Rest of Africa secured for FY22

Elopak JV to drive liquid cartons growth in sub-Saharan Africa





# Operational review



# 02



# Group results driven by strong growth from Metals division, supported by Plastics rebound

## Metals

Revenue

**R9 928m**

up 26%

Trading profit

**R1 091m**

up 159%



## Plastics

Revenue

**R2 996m**

up 21%

Trading profit

**R287m**

up 101%



## Paper

Revenue

**R1 034m**

up 9%

Trading profit

**R187m**

up 18%





# Metals





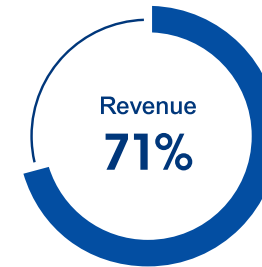
# Recovery in South Africa and strong growth in Nigeria

## Successfully restructured DivFood, significantly improved profitability

### Metals

R million	FY21	FY20	% Δ
Revenue	9 928	7 853	26
Trading profit	1 091	421	159
Margin (%)	11.0	5.4	

### CONTRIBUTION TO GROUP



### SOUTH AFRICA

#### Bevcan SA

- › Partial recovery of local volumes with eased restrictions on trading
- › Exports to North America boosted performance
  - » Serviced and completed in FY21
- › Improved pack share
  - » Strong demand for beer and energy drinks
  - » Shortage of other packing substrate
- › Performance limited by restrictions on large group gatherings and alcohol bans
- › Key contract renewals secured volumes
- › Improved safety record

### SOUTH AFRICA continued

#### DivFood

- › Successfully restructured operations
  - » Returned to profitability from significant loss in FY20
  - » Optimised operations and product offering
- › Revenue growth
  - » Stable food can volumes
    - Disappointing fish volumes
  - » Higher demand for diversified cans
  - » Recovery of volumes for metal closures

### NIGERIA

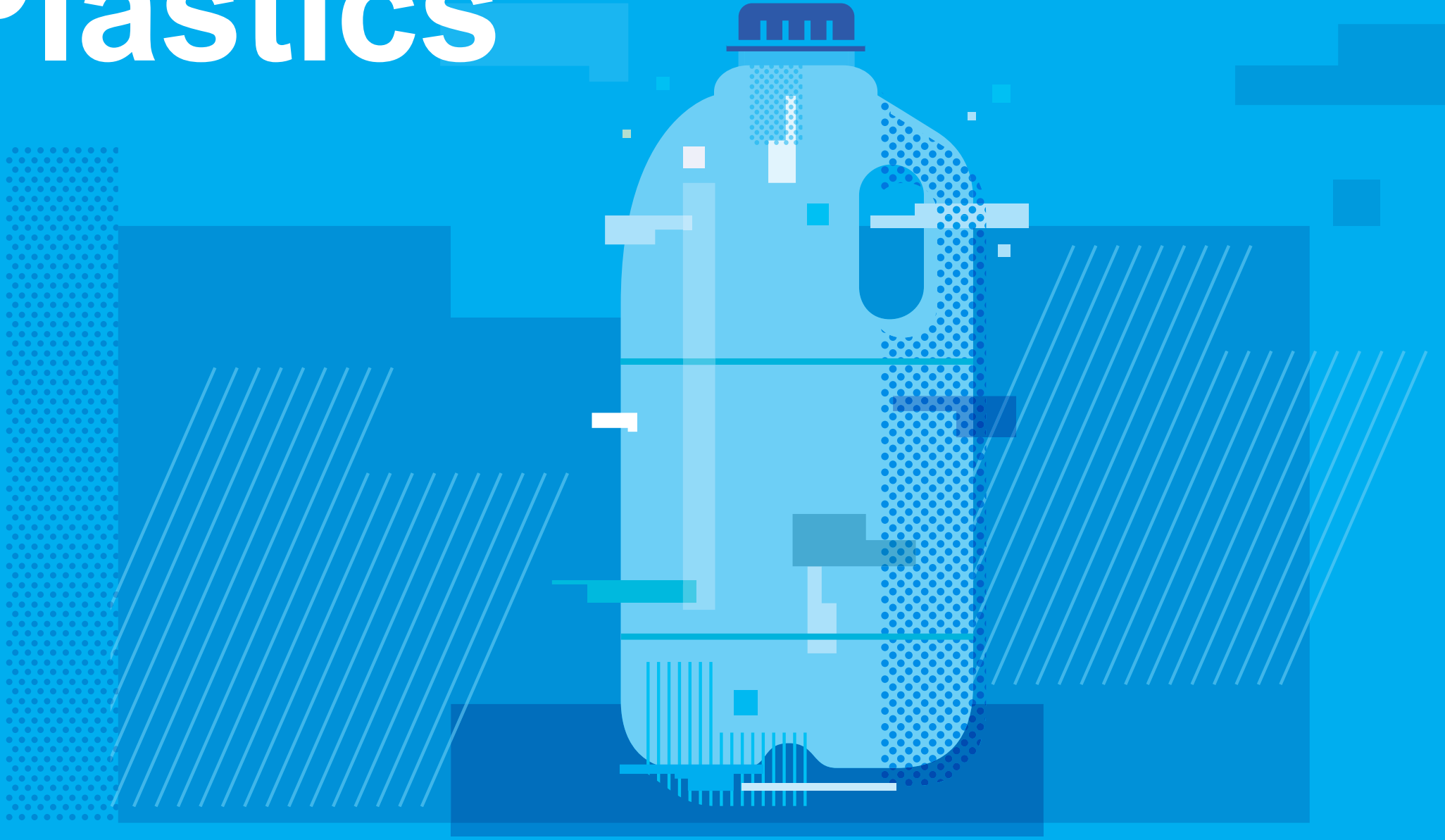
- › Double digit volume and revenue growth at Bevcan
  - » Higher allocations from key customer
  - » Shortages in raw materials for other substrates boosted can demand
- › Operating close to full capacity during FY21
- › General metals business improved profitability, revenue stable

### ANGOLA

- › Marginal revenue growth
  - » Low demand amid weak economy and continuing restrictions
- › Improved profitability due to internal focus on lowering operating costs
- › Line 1 conversion to aluminium completed



# Plastics





# Strong performance from Zimbabwean operations, recovery in South Africa

## Plastics

R million	FY21	FY20	% Δ
Revenue	2 996	2 479	21
Trading profit	287	143	101
Margin (%)	9.6	5.7	

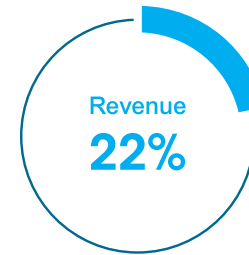
## SOUTH AFRICA

- › Good revenue growth, significantly improved profitability

### Plastics SA

- › Cost reduction initiatives drove improved profitability, but still below expectation
- › Improved trading conditions drove higher demand, good revenue growth
  - » Higher crates and closure volumes due to increased home-consumption of staples
  - » Higher allocations for tubes
  - » Liquid bottles limited by milk shortages and reduced demand on small pack sizes
- › Optimised operations — restructured one plant, closed two plants
- › Disposed of Tubes business for R49m
- › Further impairment of R391m for plastics businesses in SA and Botswana
  - » Higher replacement capex
  - » Resulting in reduced future cash flows expected

## CONTRIBUTION TO GROUP



## Cartons SA

- › Pleasing recovery
- › Revenue and trading profit materially up with less stringent alcohol bans
- › Good volume growth for both Pure-Pak and conical cartons
- › Benefited from export volumes to sub-Saharan Africa

## REST OF AFRICA

- › Zimbabwean operations boosted in 2H21
  - » Double digit revenue growth for Megapak and CMB
  - » Demand met to extent forex and raw material available
  - » Continued to self-fund operational and capital requirements
    - Generated cash reinvested into raw materials, operations and equipment
  - » Experienced and stable management team, good production capabilities



# Paper





# Good results from Zimbabwe and Zambian recovery mitigated weaker performance in other territories

## Paper

R million	FY21	FY20*	% Δ
Revenue	1 034	946	9
Trading profit	187	158	18
Margin (%)	18.1	16.7	

\* Results impacted by inclusion of Cartons Nigeria for 3 months in FY20, but not in FY21

## REST OF AFRICA

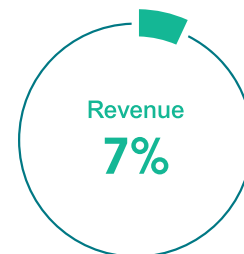
### Zimbabwe Hunyani

- › Robust demand
- › Double digit revenue and trading profit growth
  - » Despite raw material and forex shortages

### Malawi and Kenya

- › Results limited by economic downturn
- › Weak trading conditions due to pandemic

## CONTRIBUTION TO GROUP



## Zambia

- › Recovery in local demand with eased restrictions
- › Successfully diversified customer base
- › Market share gains
  - » Significant growth of new customers
  - » Gains from other substrates
- › New crates line now operational

## JV with Elopak in sub-Saharan Africa

- › To grow footprint of gable top cartons
- › Fresh and aseptic beverage markets



# Financial review

Nampak Annual Results  
December 2021

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# Delivered pleasing turnaround and complied with covenants

## Group financial performance

### Statement of comprehensive income

R million	FY21	Restated* FY20	% Δ
Revenue	13 958	11 278	24
Trading profit	1 422	682	109
Operating profit/(loss) before net impairment losses	1 195	(283)	>100
Operating profit/(loss)	931	(4 303)	>100
Profit /(loss) for the year from continuing operations	377	(4 349)	>100
Profit for the year from discontinued operations	—	369	(100)
Profit /(loss) for the year	377	(3 980)	>100
Cash generated from operations before working capital changes	1 680	720	133
Cash generated from operations	1 059	1 087	(3)
EBITDA for covenants	1 716	1 068	61
Net debt to EBITDA — debt covenants (times)	2.74	4.94	
EBITDA interest cover — debt covenants (times)	4.79	2.55	
<i>Earnings/(loss) per share (cents)</i>	32.1	(537.7)	>100
<i>Headline earnings/(loss) per share (cents)</i>	62.3	(87.7)	>100

\*2020 restated to include net impairment losses as part of operating profit

**Strong revenue recovery  
driven by Metals division**

**Trading profit up**

**109%**

**Trading margin up to**

**10.2%** (FY20: 6.0%)

**Improved profitability boosted cash  
generated from operations before  
working capital changes by**

**133%**

**EBITDA for covenants up**

**61%**

**HEPS of 62.3cps up**

**171%**



# Improved trading conditions, successful restructuring and lower impairments improved profitability

## Statement of comprehensive income

R million	FY21	Restated* FY20	% Δ
<b>Revenue</b>	<b>13 958</b>	11 278	24
<b>Trading profit</b>	<b>1 422</b>	682	109
<b>Operating profit before Zimbabwe devaluation</b>	<b>1 190</b>	(19)	>100
Net impact of devaluation in Zimbabwe	5	(264)	>100
<b>Operating profit/(loss) before net impairment losses</b>	<b>1 195</b>	(283)	>100
Net impairment losses	(264)	(4 020)	92
<b>Operating profit/(loss)</b>	<b>931</b>	(4 303)	>100
Net finance costs	(485)	(448)	(8)
Share of net (loss)/profit from associates and joint venture	(1)	1	(>100)
<b>Profit/(loss) before tax</b>	<b>445</b>	(4 750)	>100
Income tax (expense)/benefit	(68)	401	(>100)
<b>Profit /(loss) for the year from continuing operations</b>	<b>377</b>	(4 349)	>100
Profit for the period from discontinued operations	—	369	(100)
<b>Profit/(loss) for the year</b>	<b>377</b>	(3 980)	>100
Earnings/(loss) per share (cents)	<b>32.1</b>	(537.7)	>100
Headline earnings/(loss) per share (cents)	<b>62.3</b>	(87.7)	>100

\*2020 restated to include net impairment losses as part of operating profit

- › Revenue up 24% due to recovery of Bevcan South Africa, strong performance from Bevcan Nigeria & Zimbabwean operations and new customers in Zambia
- › Trading profit improved by 109% due to a significant turnaround at DivFood, strong recoveries in Bevcan SA, Bevcan Nigeria and pleasing improvements in the Plastics and Paper divisions
- › Operating profit improved significantly due to:
  - » Lower depreciation charges due to prior year asset impairments
  - » Net devaluation loss arising from Angolan and Nigerian exchange rate movements reduced to R246m from R324m
  - » Reversal of retrenchment and restructuring costs lead to R1m gain from R135m loss
  - » Non-recurrence of capital items that rose in the prior period comprising a R141m loss on the disposal businesses, partially offset by insurance proceeds of R83m
  - » R1m gain on restructuring loans and lease liabilities compared to R136m loss
  - » Net impact of devaluation in Zimbabwe reduced to R5m gain compared to R264m loss
- › Net impairment losses totalling R264m (R437m impairments and R173 reversals) were significantly lower than FY20. Impairments largely relate to R391m for Plastics SA and R27m for assets held for sale at DivFood. Reversals largely comprise R101m for DivFood and R69m for Bevcan Angola
- › Net finance costs up 8% due to lower finance income of R22m (reduced by 72%) while finance costs of R506m reduced by 3%
- › Income tax expense of R68m compared to a tax benefit of R401m in FY20 with effective tax rate of 15.2% (FY20: 8.5%)
- › HEPS of 62.3cps up 171%



# ZAR:US\$ strength benefited debt, US\$4m received from RBZ

## Major foreign exchange rates

Currency	Average rates			Closing rates		
	FY21	FY20	% Δ	FY21	FY20	% Δ
ZAR/US\$	<b>14.83</b>	16.24	9	<b>15.11</b>	16.69	9
NGN/US\$	<b>400.33</b>	375.15	(7)	<b>413.05</b>	381.75	(8)
AOA/US\$	<b>655.82</b>	549.67	(19)	<b>614.21</b>	640.10	4
ZWL/US\$	—	—	—	<b>87.67</b>	81.44	(8)

### › Impact of South African Rand on results:

- › Income statement translated at average rates, statement of financial position at closing rate
- › Covenants and gearing — US\$-denominated debt translation benefited from 9% stronger ZAR/US\$ closing rate

### › Nigerian Naira average rate devalued by 7% versus FY20, closing rate 8% weaker

- › Forex loss of R255m for the year (FY20: R138m loss)

### › Angolan Kwanza average rate devalued by 19% compared to FY20 with closing rate 4% stronger

- › Forex gain of R9m on unhedged monetary items (FY20: R186m loss)

### › Zimbabwe

- › Earnings of Zimbabwean operations translated at closing rate as opposed to average due to hyperinflationary economy
- › 8% weakening in closing spot rate vs FY20
  - Relatively stable vs prior year
- › US dollar availability remains challenging, operations self-funding since April 2018
- › RBZ resumed repayment of historic debt, albeit at a slower pace
  - Received US\$4m (R57m)
  - Contracted repayment of US\$5.6m per quarter for 3 years commencing March 2021
  - New temporary commitment for US\$1m per month = 54% of original contract value
  - Default occurred in September 2021
  - ECL provision increased to 90% from 85%



# Foreign debt exposure reduced

## Abridged statement of financial position

R million	FY21	FY20	% Δ
Property, plant, equipment and investment property	5 361	5 906	(9)
Right of use assets	667	881	(24)
Goodwill and other intangible assets	1 847	2 042	(10)
Loan and lease receivables	78	140	(44)
Other non-current assets	483	403	20
<b>Non-current assets</b>	<b>8 436</b>	<b>9 372</b>	<b>(10)</b>
Inventories	2 911	2 816	3
Trade and other current receivables	2 800	1 981	41
Bank balances and deposits	1 137	1 529	(26)
Loan and lease receivables	43	359	(88)
Tax assets	16	45	(64)
<b>Current assets</b>	<b>6 907</b>	<b>6 730</b>	<b>3</b>
Assets classified as held for sale	622	92	>100
<b>Total assets</b>	<b>15 965</b>	<b>16 194</b>	<b>(1)</b>
<b>Total equity</b>	<b>4 301</b>	<b>4 214</b>	<b>2</b>
Loans	4 474	5 755	(22)
Lease liabilities	1 193	1 291	(8)
Other non-current liabilities	989	1 033	(4)
<b>Non-current liabilities</b>	<b>6 656</b>	<b>8 079</b>	<b>(18)</b>
Trade and other current payables	2 893	2 327	24
Loans, lease liabilities and bank overdrafts	1 602	1 263	27
Other current liabilities	228	310	(26)
<b>Current liabilities</b>	<b>4 723</b>	<b>3 901</b>	<b>21</b>
Liabilities for assets classified as held for sale	285	—	100
<b>Total equity and liabilities</b>	<b>15 965</b>	<b>16 194</b>	<b>(1)</b>

Minor rounding differences may affect additions

### › PPE:

- › Comparison impacted by stronger Rand and classification of disposal assets to assets held for sale in 1H21
- › Movement compared to FY20 also impacted by net impairments of R264m

› **Right of use assets:** Reduced due to impairments and the reclassification of certain disposal assets to assets held for sale

› **Goodwill:** Movement due to forex movements on Nigerian US\$ goodwill given Rand strength. No further impairment in FY21

› **Loan and lease receivables:** Reduction due to increased ECL provision on RBZ receivable from 85% to 90% and the maturity of all liquid bonds in FY21

› Higher **working capital** with eased restrictions and revenue growth

› **Assets held for sale:** DivFood Mobeni and Plastics Tubes businesses earmarked for disposal during FY21

› **Lease liabilities:** Recognition of liabilities related to adoption of IFRS16 Leases in FY20. Higher than right of use assets due to impairments

### › Loans and current liabilities:

- › Stronger Rand vs FY20 benefited net debt in FY21
- › Proceeds from disposal of Glass division, Cartons Nigeria plus cash generated from operations used to repay loans during FY21
- › Includes R1bn required repayment of funding by 30 September 2022
- › Includes R450m for particular banking facility with maturity date of 25 Sept 2022 (maturity date extended to 1 April 2023 post year-end)

### › Short-term liquidity ratios strong

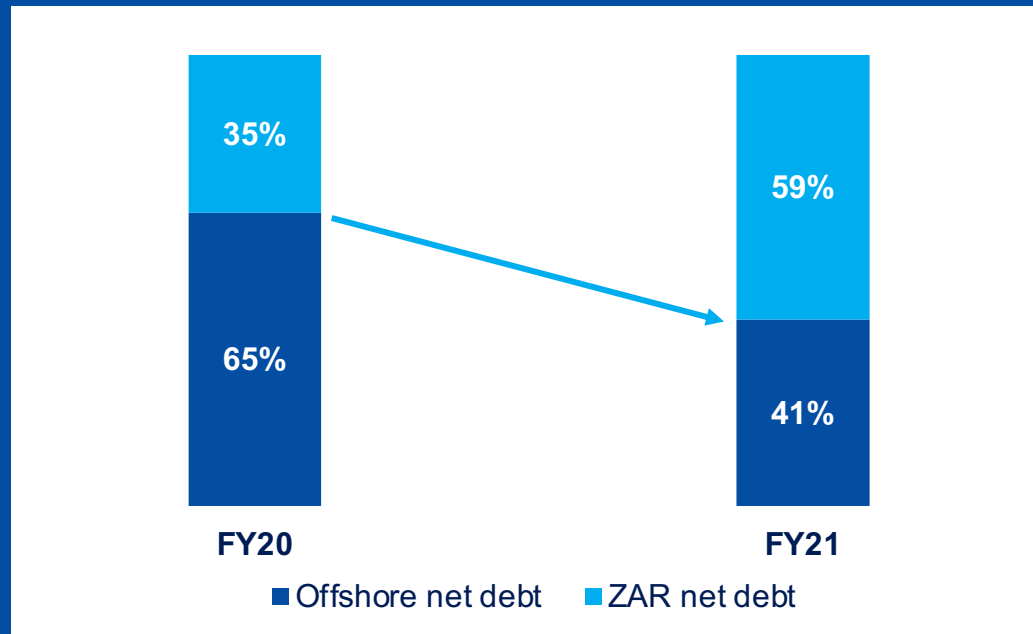
- › Impacted by classification of R450m facility classified as current liability
- › Current ratio and acid test ratios of 1.5 times (FY20:1.7 times) and 0.9 times (FY20: 1.0 times) respectively



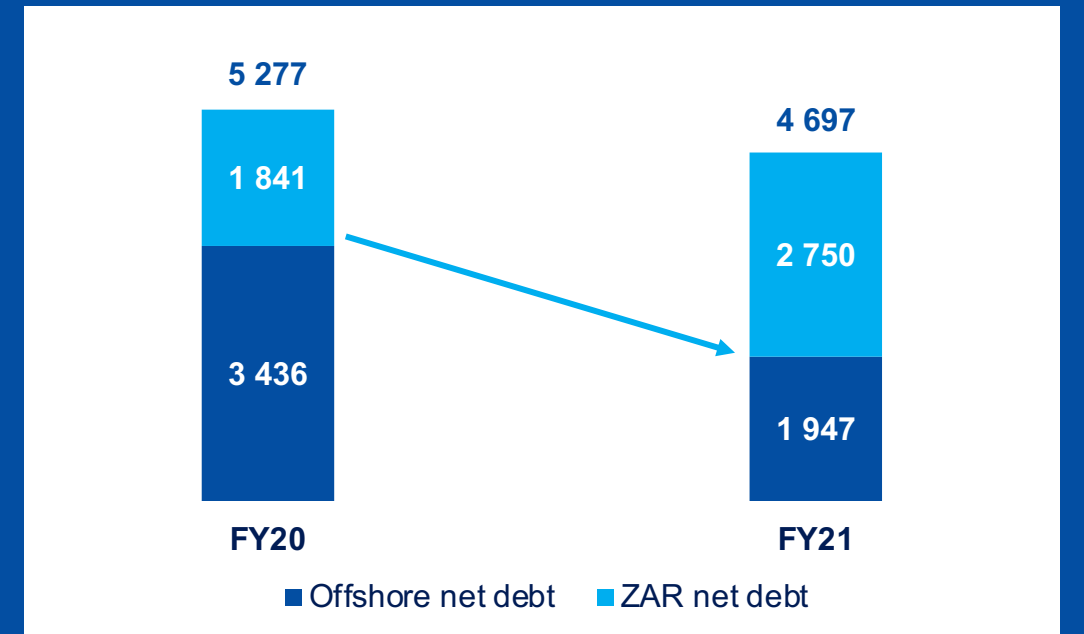
# Reduced offshore net debt from 65% to 41%

- › Utilised proceeds from disposal of Glass division and Cartons Nigeria to reduce US\$ denominated debt in 1Q21
- › Swopped equivalent of R1bn of US\$ debt for ZAR debt in October 2020
- › Further US\$16m debt repaid during FY21
- › Stronger Rand benefits group net debt

### Composition of net debt (%)



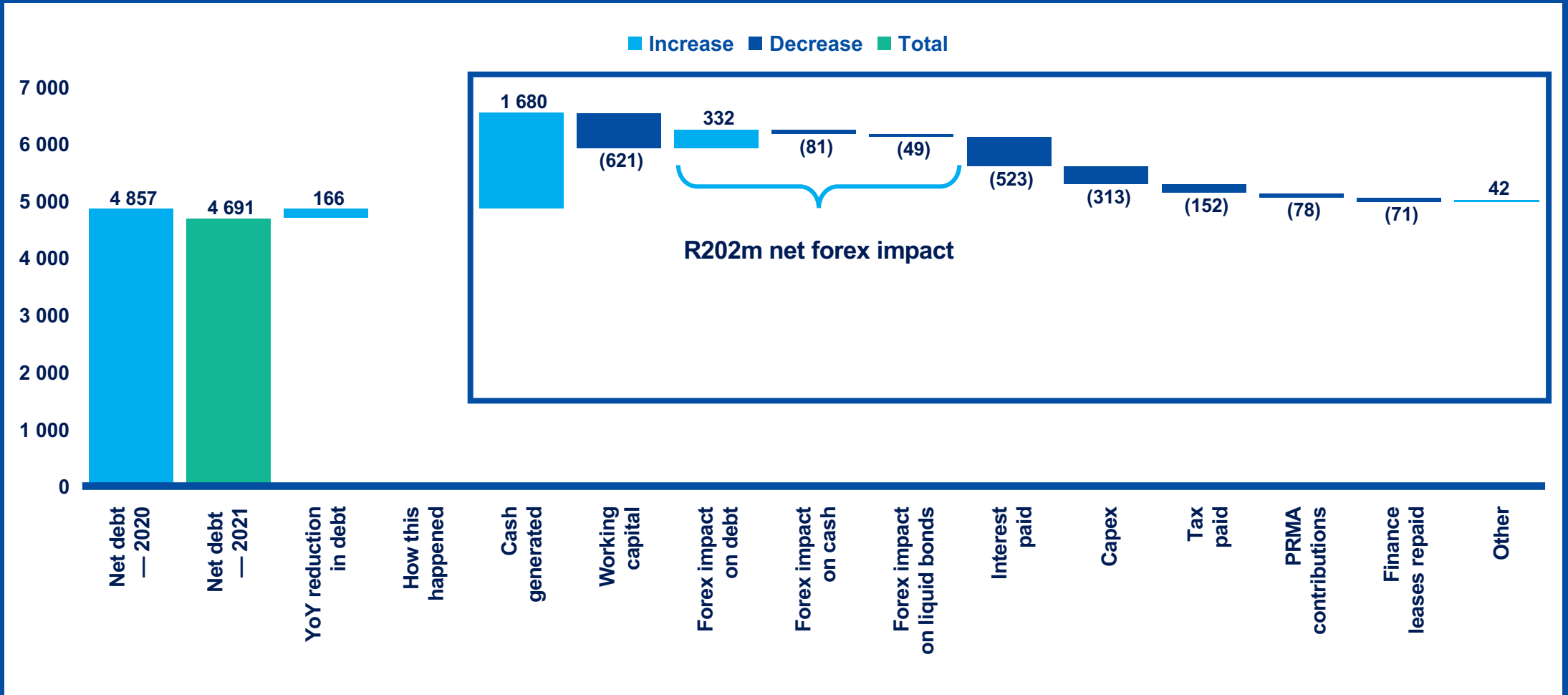
### Composition of net debt (R million)





# Net debt repaid and utilisation of cash flows

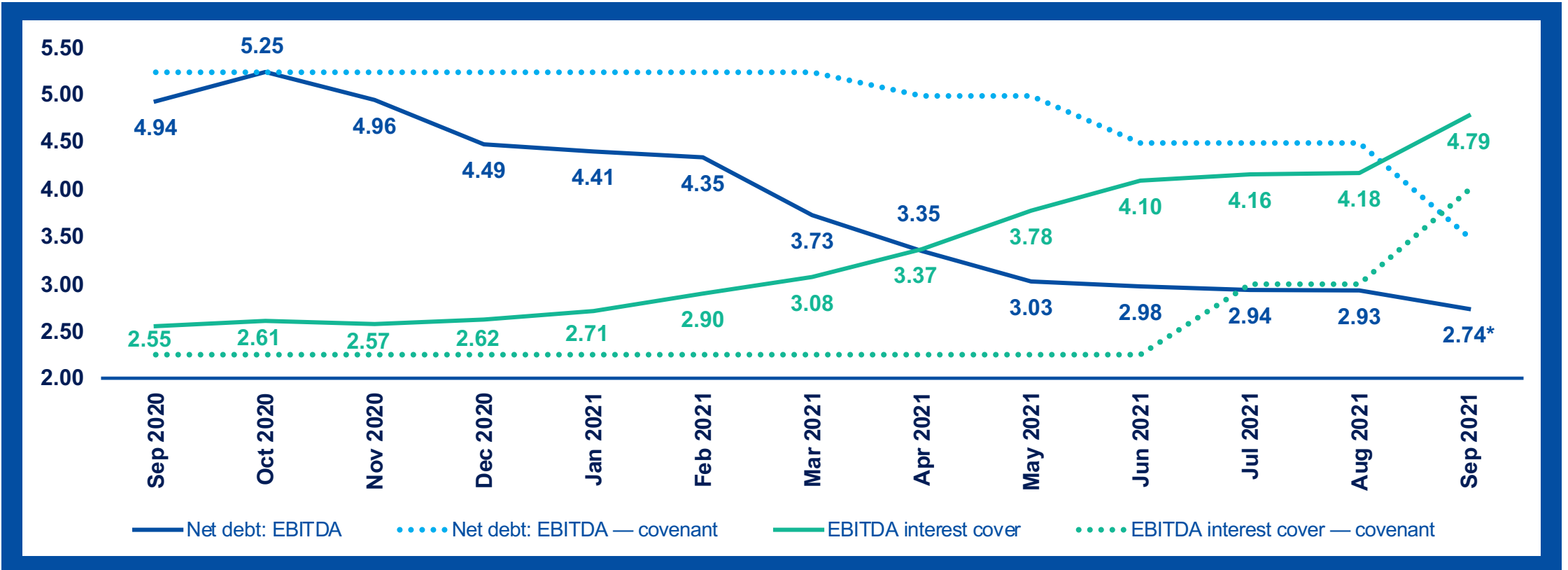
Per AFS





# Covenants met — improved trading and lower debt

- › 2H20 severely impacted by COVID-19 lockdown in FY20, hence covenant relaxations for FY21
- › EBITDA based on rolling 12 months — improved group profitability in FY21 with eased restrictions
- › Covenants measured quarterly for the duration of FY21 with all covenants met
- › Group comfortably met covenant thresholds for FY21
- › Net debt: EBITDA relaxed to 3.5x from 3.0x in light of improved trading results

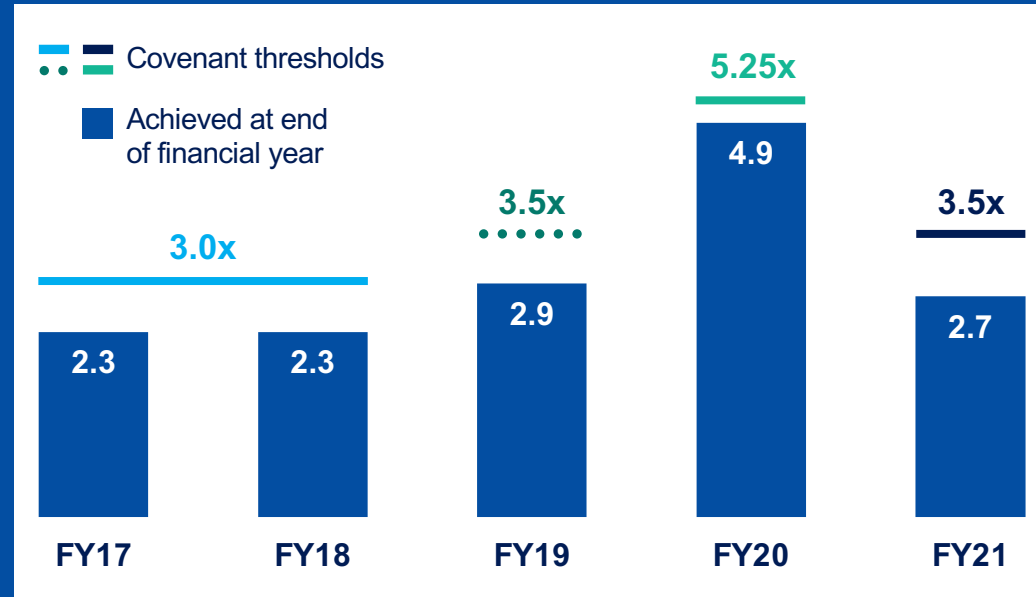


\*2.86x excluding post balance sheet date non-recourse trade finance utilisation of R206m permitted for covenant purposes  
 Monthly covenant computations adjusted for latest Zimbabwe spot rate in terms of IAS21: The Effects of Changes in Foreign Exchange Rates

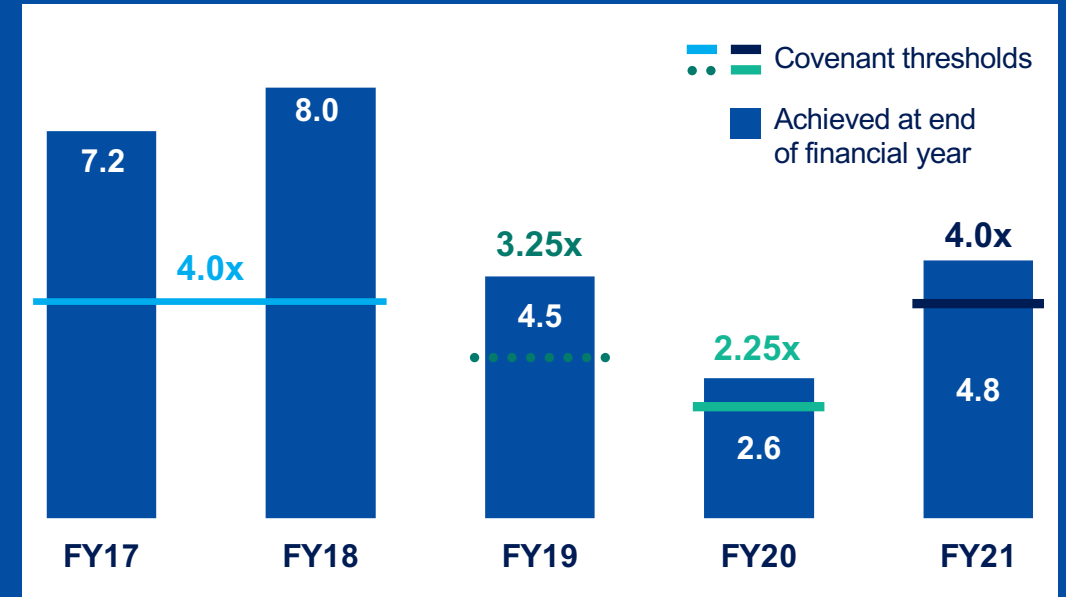


# Renegotiated covenants, R1bn trade finance secured

**Net debt: EBITDA (times)**  
Covenant less than 3.5 times



**EBITDA: Interest cover (times)**  
Covenant greater than 4 times



- › Net debt/EBITDA covenant 3.5x for FY22 to provide headroom for a further year
  - » To revert to  $\leq 3.0x$  from 1 October 2022
- › Covenants reported monthly to funders, measured quarterly
- › Required to reduce debt by R1bn by 30 September 2022, funders to assess ability to repay at 30 June 2022

- › Additional inclusions in debt repayment programme:
  - » Cash flows generated through normal operating activities
  - » Proceeds from repayments of historical debt by RBZ
  - » R1bn non-recourse trade finance facility raised post year end, any utilisation counts towards R1bn required debt repayment



# R1.7bn cash generated from operations before working capital reinvestment

## Statement of cash flows

R million	FY21	FY20	% Δ
<b>Cash generated from operations before working capital</b>	<b>1 680</b>	720	133
Net working capital (outflow)/inflow	(621)	367	(>100)
<b>Cash generated from operations</b>	<b>1 059</b>	1 087	(3)
Net interest paid	(523)	(552)	5
Retirement benefits, contributions and settlements	(77)	(78)	1
Income tax paid	(152)	(42)	(>100)
<b>Cash flows from operations</b>	<b>307</b>	415	(26)
Dividends paid	(0)	(0)	—
<b>Cash generated from operating activities</b>	<b>307</b>	415	(26)
<b>Cash generated from investing activities</b>	<b>55</b>	1 413	(96)
Capital expenditure	(313)	(666)	53
Net proceeds on the disposal of businesses	—	1 568	(100)
Proceeds from disposal of liquid bonds	268	457	(41)
Proceeds from RBZ receivable	57	—	100
Other investing activities	43	54	(20)
<b>Cash generated before financing activities</b>	<b>362</b>	1 828	(80)
<b>Cash repaid in financing activities</b>	<b>(570)</b>	(1 817)	(69)
Net (decrease)/increase in cash and cash equivalents	(208)	11	(>100)
Net cash and cash equivalents at beginning of year	1 400	1 358	3
Translation of cash in foreign subsidiaries	(80)	31	>100
<b>Cash and cash equivalents at end of year</b>	<b>1 112</b>	1 400	(21)

Minor rounding differences may affect additions

- › Cash generated from operations before investment in working capital up 133% to R1.7bn
- › Cash generated from operations down 3%
  - » Invested in working capital in line with improved trading conditions
  - » Impacted by significant investment in trade receivables
- › Net interest paid reduced by 5%
  - » Benefit of lower debt level offset by ratchet interest costs
- › Higher income tax paid in line with improved trading levels
- › Capex tightly controlled and reduced 53% to R313m
- › R57m received from RBZ for historical debt
- › Proceeds from sale of Glass division and Cartons Nigeria benefited cash flows and used to repay debt in FY21
- › R499m debt and R71m lease liabilities repaid in FY21
- › Proceeds of R206m received on non-recourse trade facility on 26 October 2021, utilised to repay debt



# Investment in working capital

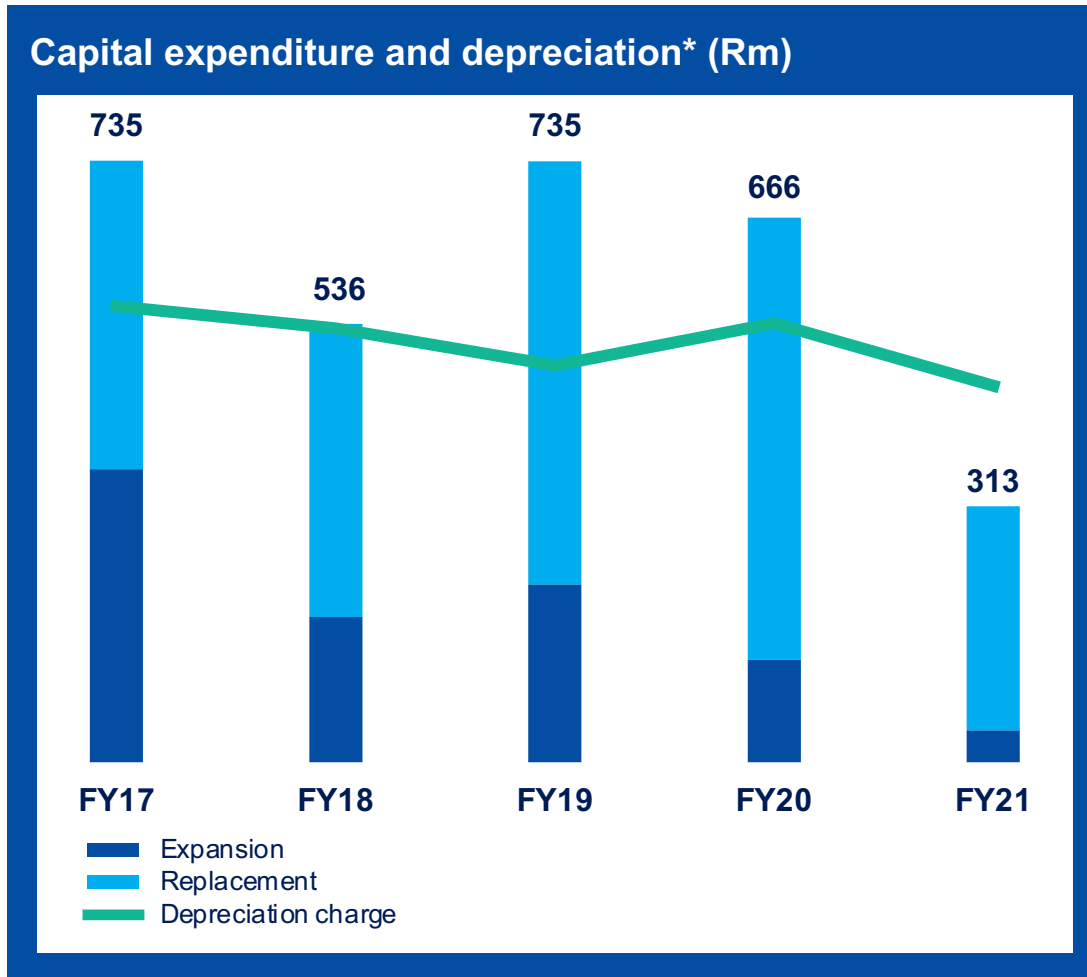
## Changes in working capital

R million	FY21	FY20
(Increase)/decrease in inventories	(389)	570
(Increase)/decrease in trade and other receivables	(987)	590
Cash (outflow)/inflow before payables	(1 376)	1 160
Increase/(decrease) in trade and other current payables	755	(793)
Net working capital (outflow)/inflow	(621)	367

- › In FY20 working capital contracted in line with lower trading levels during pandemic
- › Increase in inventories due to new demand patterns, higher than normal stock levels for certain territories due to global supply chain delays
- › Increase in trade receivables due to improved trading conditions in certain markets, funding of export debtors and change in terms with a major customer
- › Increase in trade payables more than funds increased investment inventories
- › Negative swing of R1bn in net working capital with R621m outflow compared to inflow of R367m in prior year
- › Non-recourse trade finance facility to positively impact net working capital cycle in FY22



# Capital programme remained tightly controlled



- › Capex tightly controlled by since FY17
- › Capex declined by 53%
- › Prudent allocation of capital without compromising integrity of asset base
- › Replacement capex ~87%
  - » No major single capex spend in FY21
- › Future capex planned to remain tightly controlled

\* Excludes right of use assets



# Outlook

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# Outlook for FY22



## South Africa

Eased restrictions on large events benefits demand  
Further savings from restructuring at DivFood and Plastics SA  
Leverage productive capacity



## Rest of Africa

Positive momentum to continue in Nigeria  
Slightly improved conditions expected in Angola  
Potential forex devaluations in Nigeria and Zimbabwe  
Zambia to continue benefiting from eased trading conditions and diversified customer base  
Strategic evaluation of smaller Rest of Africa operations



## Global

High commodity prices  
Supply chain disruptions



# Focus areas for FY22



Debt structure  
optimisation



Continued  
covenant  
compliance



Continue building trust

- › Reliable partner to customers
- › Supply of safe, quality products
- › Supported by world-class R&D facility
  - » Operating for >70 years
  - » Assists operations in achieving operational excellence
  - » Environmentally friendly packaging



Tight control  
of capex and  
working capital



Continue  
exploring disposal  
of non-strategic  
assets



Increased focus on ESG measures



# Thank you



# Appendices

05



# Pleasing cash transfers of R1.6bn from the Rest of Africa

## Cash balances including liquid bonds

### 30 September 2021

R million	Angola	Nigeria	Sub-total	Zimbabwe	Total
Opening cash on hand — 30 Sep 2020	335	294	629	62	691
Cash on hand — 30 Sep 2021	49	437	486	79	565
(Decrease)/increase in cash	(286)	143	(143)	17	(126)
Hedged cash	3	82	85	—	85
Net unhedged cash	46	355	401	79	480
Cash transferred	683	877	1 560	78	1 638
% cash on hand hedged	6	19	17	—	15

### 30 September 2020

R million	Angola	Nigeria	Sub-total	Zimbabwe	Total
Opening cash on hand — 30 Sep 2019	1 041	217	1 258	57	1 315
Cash on hand — 30 Sep 2020	335	294	629	62	691
(Decrease)/increase in cash	(706)	77	(629)	5	(624)
Hedged cash	307	84	391	—	391
Net unhedged cash	28	210	238	62	300
Cash transferred	1 099	1 255	2 354	9	2 363
% cash on hand hedged	92	29	62	—	57



# Tax rate analysis

## Reconciliation of statutory to effective tax rate

%	FY21	FY20
Statutory group tax rate	28.0	28.0
Government incentives	(1.1)	(2.9)
Foreign tax rate differential, withholding and foreign taxes	2.4	2.7
<b>Effective tax rate before items listed below</b>	<b>29.3</b>	<b>27.8</b>
Tax rate changes, deferred tax not recognised, disallowed expenses, exempt income and other	(0.5)	22.0
Adjustments for prior years	3.2	(43.6)
<b>Effective tax rate — continuing operations before impairments and loss on disposal</b>	<b>32.0</b>	<b>6.2</b>
Impairments and loss on disposal	1.8	5.6
<b>Effective tax rate — continuing operations before Angolan impact of utilising tax losses</b>	<b>33.8</b>	<b>11.8</b>
Angolan losses not shielded by deferred tax	—	(2.4)
Angolan tax losses utilised in current year and deferred tax assets raised on assessed losses based on future taxable profit	(24.0)	—
<b>Effective tax rate — continuing operations before Zimbabwean impact</b>	<b>9.8</b>	<b>9.4</b>
Tax effect of Zimbabwe hyperinflation impact	5.4	(0.9)
<b>Effective group tax rate</b>	<b>15.2</b>	<b>8.5</b>

The group benefited from learnerships and R&D incentives in SA and rebasing of tax bases on fixed assets in Zimbabwe

Tax rate impact of trading in countries with a different tax rate to RSA was offset by withholding tax in foreign jurisdictions primarily on interest charges and technical fees as well as education and turnover taxes

Disallowed expenses include non-deductible interest and expenditure limited in terms of tax legislation. Exempt income includes capital profit and non-taxable provisions released

Prior year adjustments include depreciation adjustments in Angola and adjustments for over/under provisioning of current and deferred tax accruals

Fixed asset impairments caused an increase in the effective tax rate for the group

Improved economic conditions in Angola resulted in the utilisation of assessed losses and the taxable profit outlook to 2025 resulted in the raising of a deferred tax asset on tax losses that expire by 2025

Tax effects of Zimbabwe becoming a hyperinflationary economy in FY19

Effective tax rate for the year materially impacted by impairments, improved profitability in Angola and hyperinflation impacts in Zimbabwe

The effective tax rate percentages for items listed above may be different to items in note 3.1 of the Annual Financial Statements due to changes in the denominator for profit/(loss) before tax resulting from impairments and hyperinflation.



# Reconciliation of trading profit to operating profit

R million	Continuing operations		Discontinued operations		Total operations	
	FY21	FY20	FY21	FY20	FY21	FY20
<b>Trading profit</b>	<b>1 422</b>	682	—	56	<b>1 422</b>	738
Adjusted for:						
<b>Capital items</b>	<b>10</b>	(58)	—	447	<b>10</b>	389
Net profit/(loss) on disposal of investments and businesses	<b>10</b>	(141)	—	447	<b>10</b>	306
Insurance proceeds for asset replacements in respect of a fire at the Rigids Dundee plant	—	83	—	—	—	83
<b>Other items</b>	<b>(237)</b>	(907)	—	(6)	<b>(237)</b>	(913)
Net impact of devaluation in Zimbabwe	<b>5</b>	(264)	—	—	<b>5</b>	(264)
Devaluation loss arising from Angolan and Nigerian exchange rate movements	<b>(246)</b>	(324)	—	—	<b>(246)</b>	(324)
Retrenchment and restructuring costs	<b>1</b>	(135)	—	(6)	<b>1</b>	(141)
Gain/(loss) on restructuring loans and lease liabilities	<b>0</b>	(136)	—	—	<b>0</b>	(136)
Other	<b>3</b>	(48)	—	—	<b>3</b>	(48)
<b>Operating profit/(loss) before net impairment losses</b>	<b>1 195</b>	(283)	—	497	<b>1 195</b>	214



# Reconciliation of basic earnings to headline earnings

R million	Continuing operations		Discontinued operations		Total operations	
	FY21	FY20	FY21	FY20	FY21	FY20
<b>Basic earnings/(loss)</b>	<b>207</b>	(3 836)	—	369	<b>207</b>	(3 467)
<i>Adjusted for:</i>						
Net impairment losses on PPE, right of use assets, goodwill, other intangible assets and assets held for sale	<b>264</b>	4 016	—	13	<b>264</b>	4 029
Net (profit)/loss on disposal of investments and businesses	<b>(10)</b>	141	—	(447)	<b>(10)</b>	(306)
Net (profit)/loss on disposal of plant, equipment, intangible assets and assets held for sale	<b>(10)</b>	9	—	—	<b>(10)</b>	9
Insurance proceeds — Rigids Dundee plant	—	(83)	—	—	—	(83)
Tax effects and non-controlling interests	<b>(49)</b>	(747)	—	(0)	<b>(49)</b>	(747)
<b>Headline earnings/(loss)</b>	<b>402</b>	(500)	—	(65)	<b>402</b>	(565)
<b>Weighted average number of shares in issue ('000)</b>	<b>645 469</b>	644 935	<b>645 469</b>	644 935	<b>645 469</b>	644 935
<b>Earnings/(loss) per share (cents)</b>	<b>32.1</b>	(594.9)	—	57.2	<b>32.1</b>	(537.7)
<b>Headline earnings/(loss) per share (cents)</b>	<b>62.3</b>	(77.6)	—	(10.1)	<b>62.3</b>	(87.7)

*Minor rounding differences may affect additions*



# Gross debt to net debt workings as reported

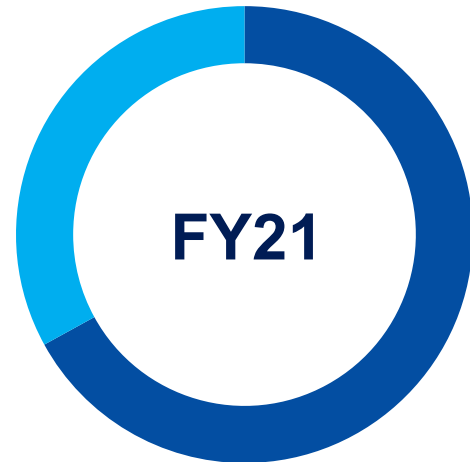
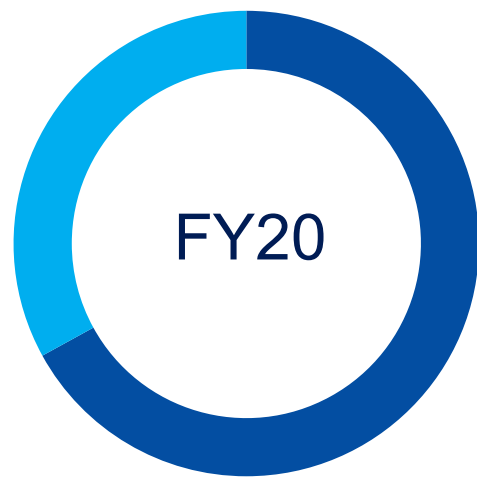
## Breakdown of net borrowings (excluding finance leases)

R million	FY21	FY20
Loans	(4 474)	(5 755)
Loans — current portion	(1 450)	(1 000)
Bank overdrafts	(25)	(129)
<b>Gross debt</b>	<b>(5 949)</b>	<b>(6 884)</b>
Liquid bonds	—	307
RBZ financial instrument	87	150
Other loan receivables	34	41
Bank balances	1 137	1 529
<b>Net debt</b>	<b>(4 691)</b>	<b>(4 857)</b>

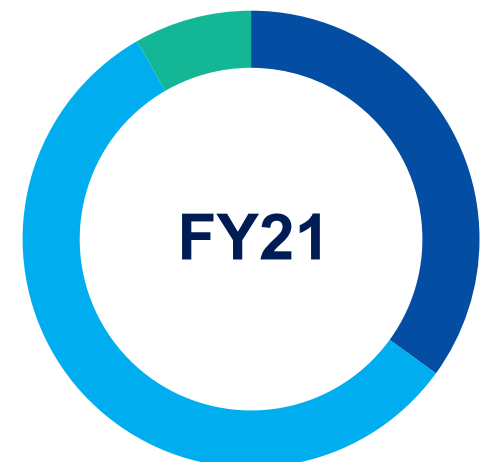
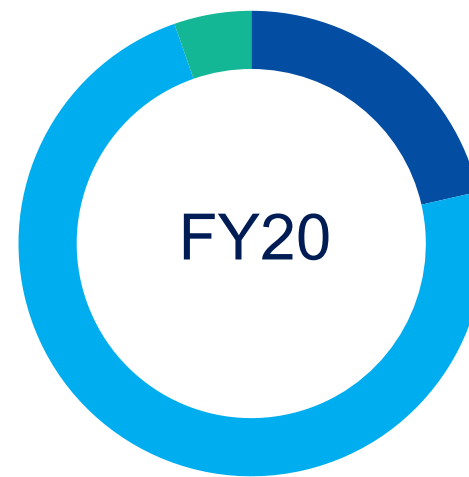


# Segmental information by region

## Revenue (%)



## Trading profit (%)





# Segmental information by substrate

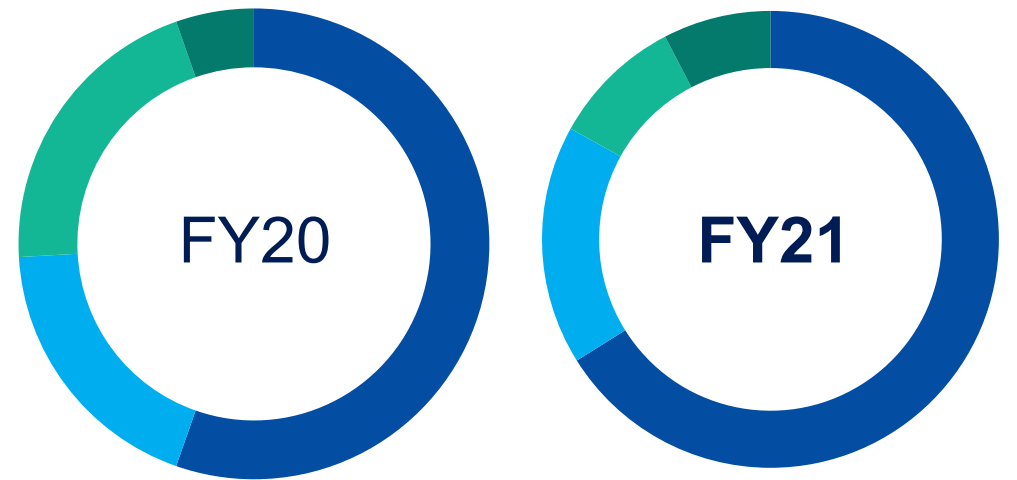
### Revenue (%)



Metals	70
Plastics	22
Paper	8

Metals	71
Plastics	22
Paper	7

### Trading profit (%)



Metals	62
Plastics	21
Paper	23
Corporate	(6)

Metals	77
Plastics	20
Paper	13
Corporate	(10)



# Segmental information

## Revenue by substrate

R million	FY21	FY20	% Δ
Metals	9 928	7 853	26
Plastics	2 996	2 479	21
Paper	1 034	946	9
Continuing operations	13 958	11 278	24
Discontinued operations	—	922	(100)
Total	13 958	12 200	14

## Revenue by region

R million	FY21	FY20	% Δ
South Africa	9 378	7 577	24
Rest of Africa	4 580	3 701	24
Continuing operations	13 958	11 278	24
Discontinued operations	—	922	(100)
Total	13 958	12 200	14

## Trading profit by substrate

R million	FY21	FY20	% Δ
Metals	1 091	421	159
Plastics	287	143	101
Paper	187	158	18
Corporate Services	(143)	(40)	(>100)
Continuing operations	1 422	682	109
Discontinued operations	—	56	(100)
Total	1 422	738	93

## Trading profit by region

R million	FY21	FY20	% Δ
South Africa	596	160	>100
Rest of Africa	969	562	72
Corporate services	(143)	(40)	(>100)
Continuing operations	1 422	682	109
Discontinued operations	—	56	(100)
Total	1 422	738	93



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