

# Nampak 2013 Annual Results

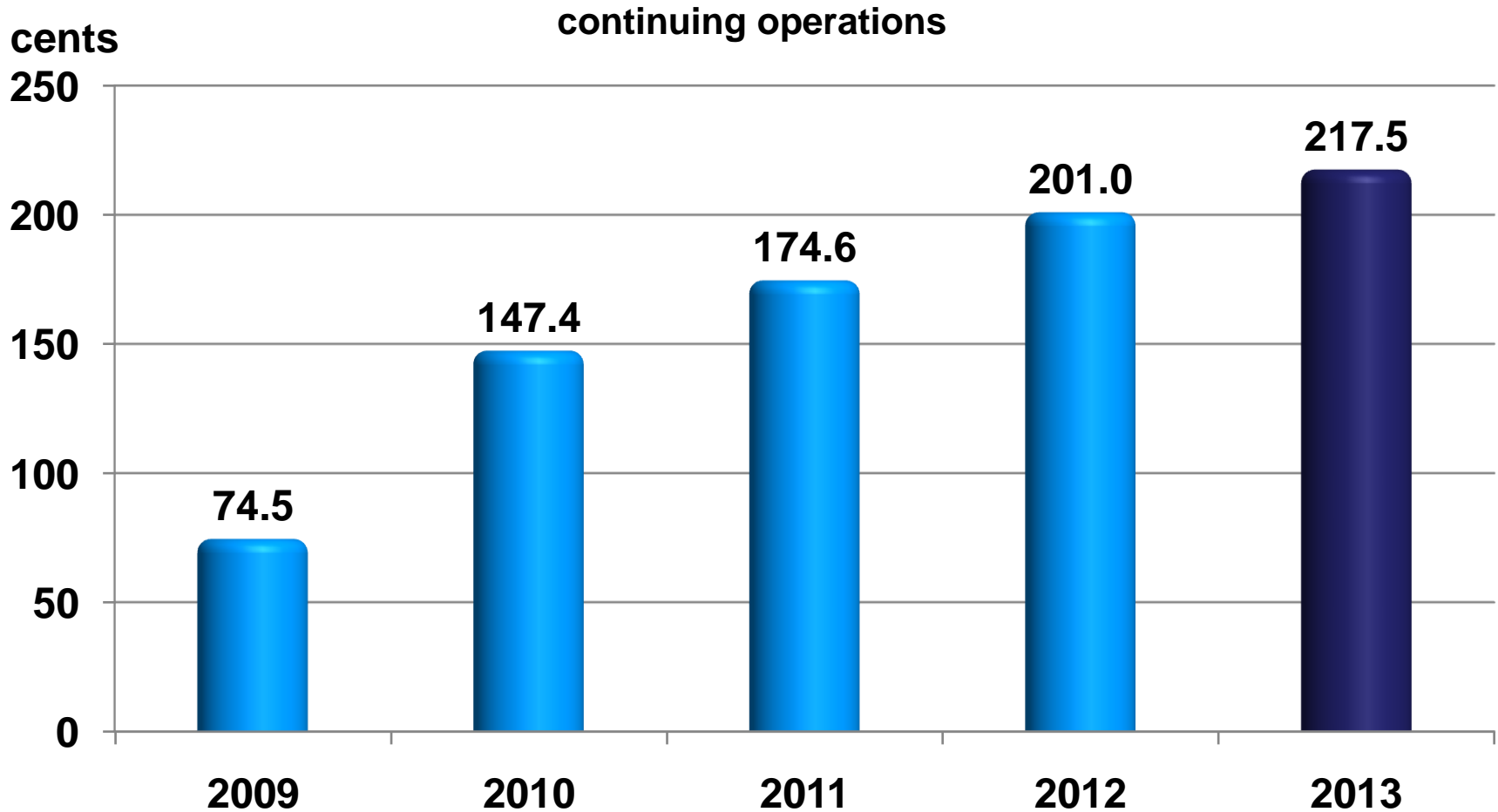


November 2013

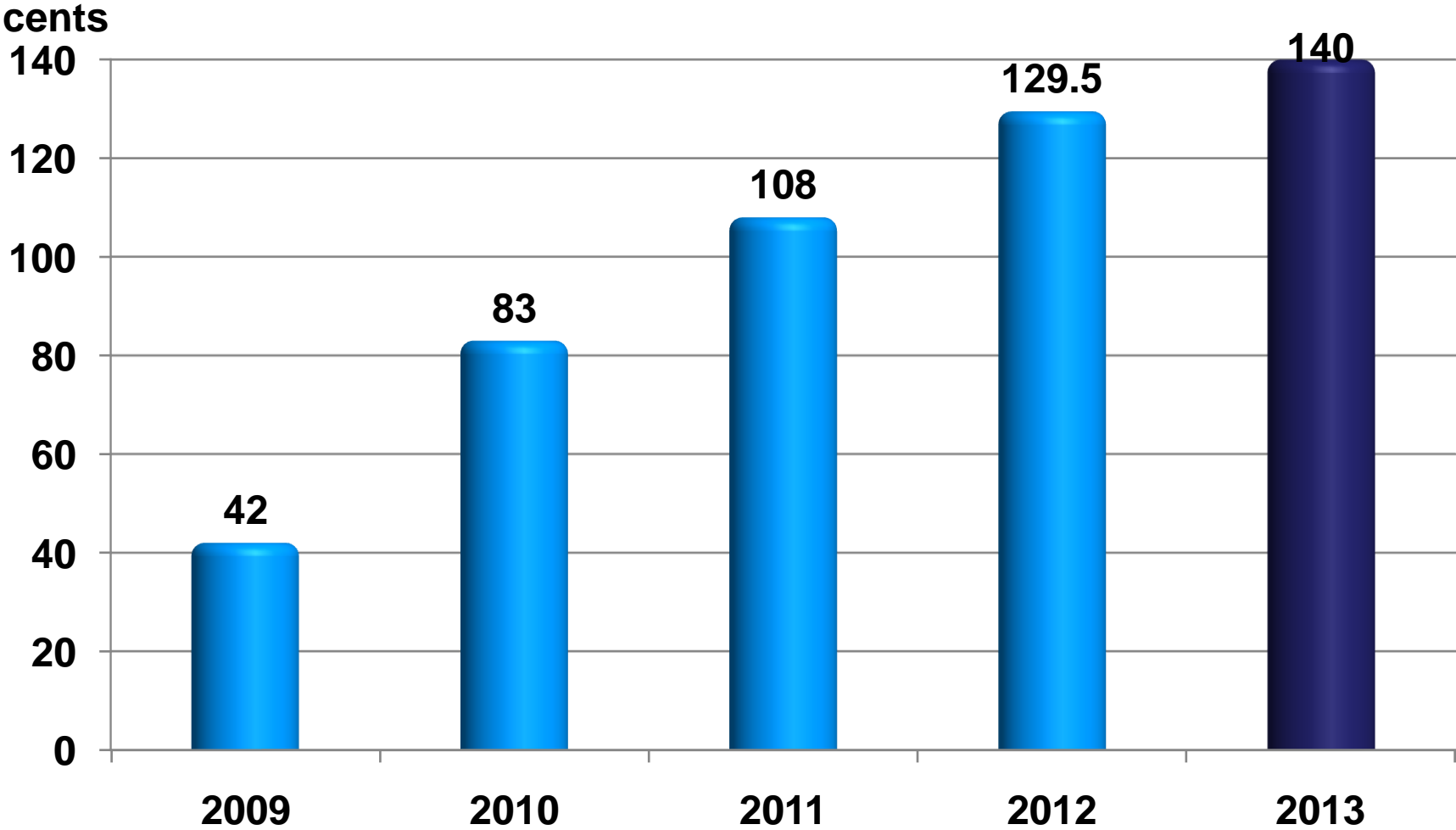
# Summary of Results

- **HEPS up 8%**
- **EPS up 13%**
- **Operating profit up 8%**
- **Africa trading profit up 60%**
- **Improvement in working capital management**
- **ROE 22%**
- **Dividend up 8% to 140 cents per share**

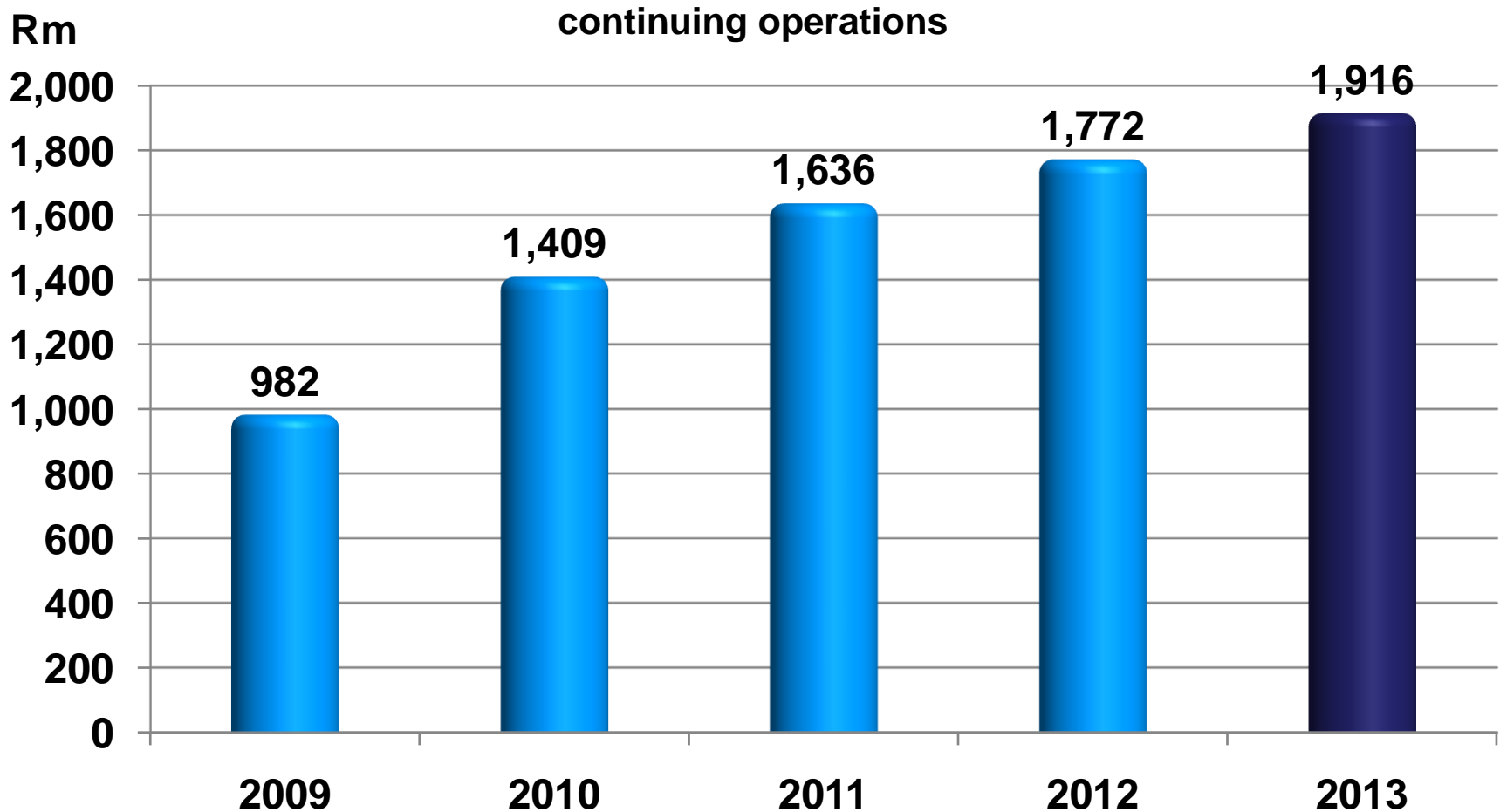
# Headline Earnings per Share



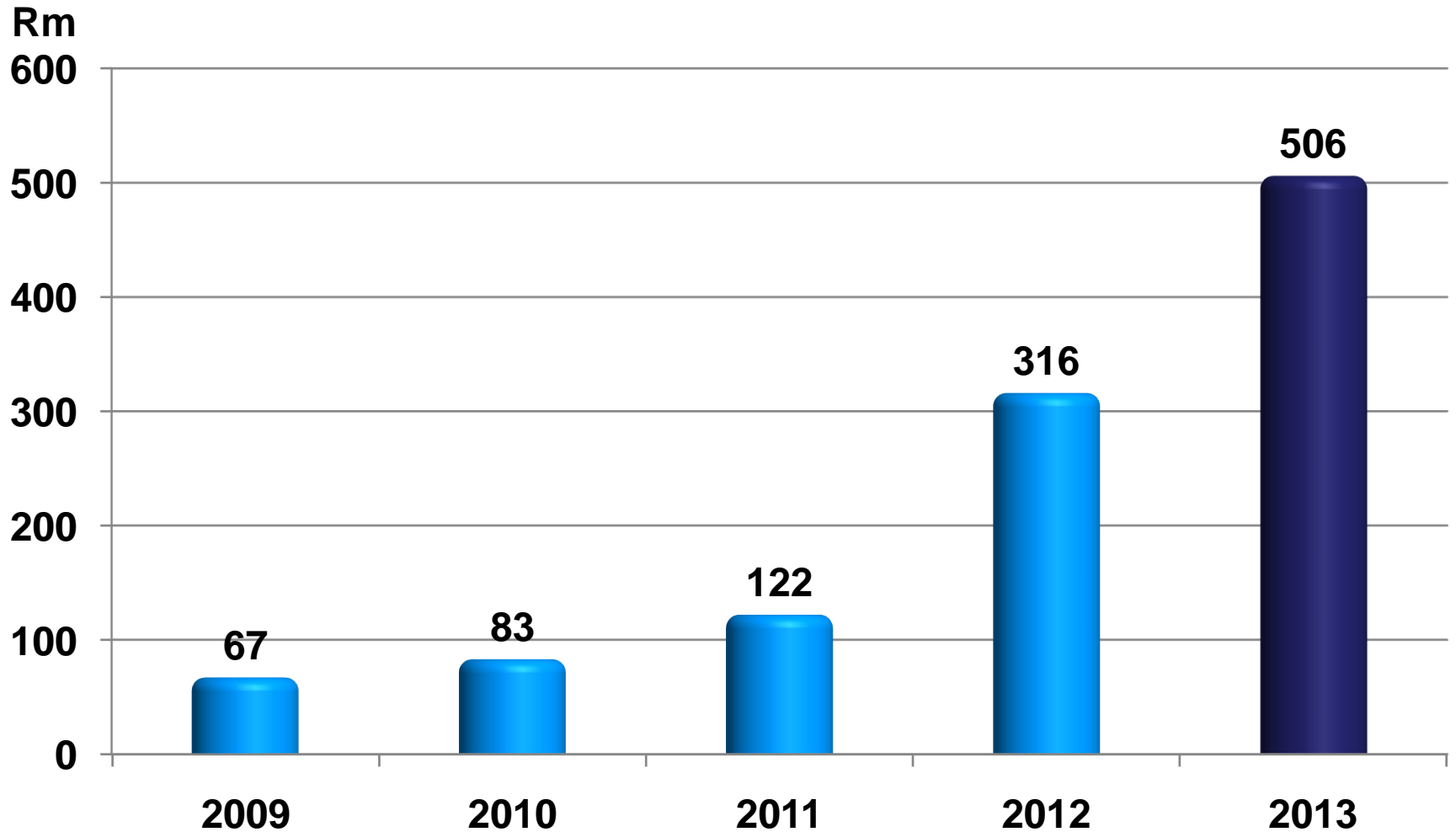
# Dividends per Share



# Trading Profit

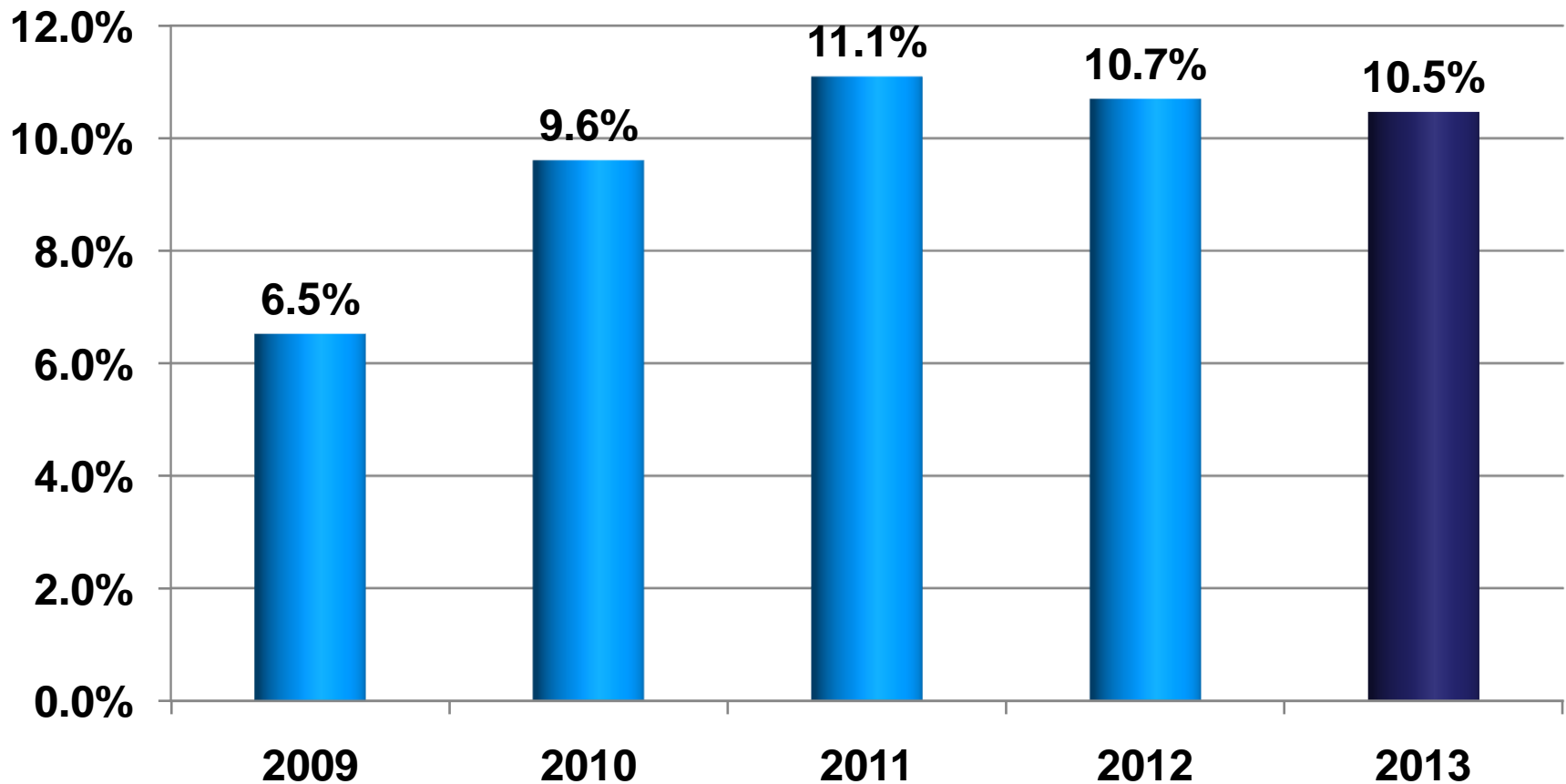


# Rest of Africa Trading Profit



# Trading Margin

continuing operations



# Group Income Statement

Continuing operations	Rm	2013	2012	%
Revenue		18 296	16 530	11
Operating profit		1 935	1 800	8
Net finance costs		220	169	30
Income from investments		24	14	
Profit before tax		1 739	1 645	6
Taxation		384	448	
Profit for the year from continuing operations		1 355	1 197	13
Discontinued operations		88	5	
Profit for the year		1 267	1 192	6
HEPS continuing		217.5c	201.0c	8

# Operating and Trading Profit

Rm	2013
<b>TRADING PROFIT</b>	<b>1 916</b>
Abnormal items	19
Impairments	62
Retrenchment and restructuring	31
Profit on disposal of property	1
Gain on revaluation of joint venture	23
Gain on reconsolidation of Zimbabwe	88
<b>OPERATING PROFIT</b>	<b>1 935</b>

# Tax Rate

Rm	2013
Profit before tax	1 739
Tax	384
Effective tax rate	22.1%
Tax rate differential	2.8%
Exempt income	2.2%
Prior year adjustments	2.0%
Other	1.1%
Standard tax rate	28.0%

# Group Financial Position

Rm	2013	2012
<b>Non-current assets</b>	<b>8 529</b>	<b>7 546</b>
Bank balances, deposits and cash	4 477	1 780
Other current assets	6 186	5 896
Assets held for sale	552	28
<b>TOTAL ASSETS</b>	<b>19 744</b>	<b>15 250</b>
<b>Total equity</b>	<b>6 992</b>	<b>6 216</b>
Loans and borrowings	6 042	3 189
Retirement benefit obligations	2 193	1 618
Current liabilities	4 276	4 227
Liabilities associated with assets held for sale	241	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>19 744</b>	<b>15 250</b>

# Group Cash Flow

	Rm
<b>Cash generated from operations before working capital</b>	<b>2 701</b>
<b>Working capital changes</b>	<b>248</b>
<b>Cash generated from operations</b>	<b>2 453</b>
<b>Net interest paid</b>	<b>207</b>
<b>Retirement benefits</b>	<b>118</b>
<b>Tax paid</b>	<b>432</b>
<b>Dividends /cash distributions paid</b>	<b>777</b>
<b>Capex</b>	<b>1 438</b>
<b>Acquisition of business</b>	<b>110</b>
<b>Other</b>	<b>76</b>
<b>Cash outflow before financing activities</b>	<b>553</b>
<b>Net borrowings raised</b>	<b>2 528</b>
<b>Net increase in cash</b>	<b>1 975</b>

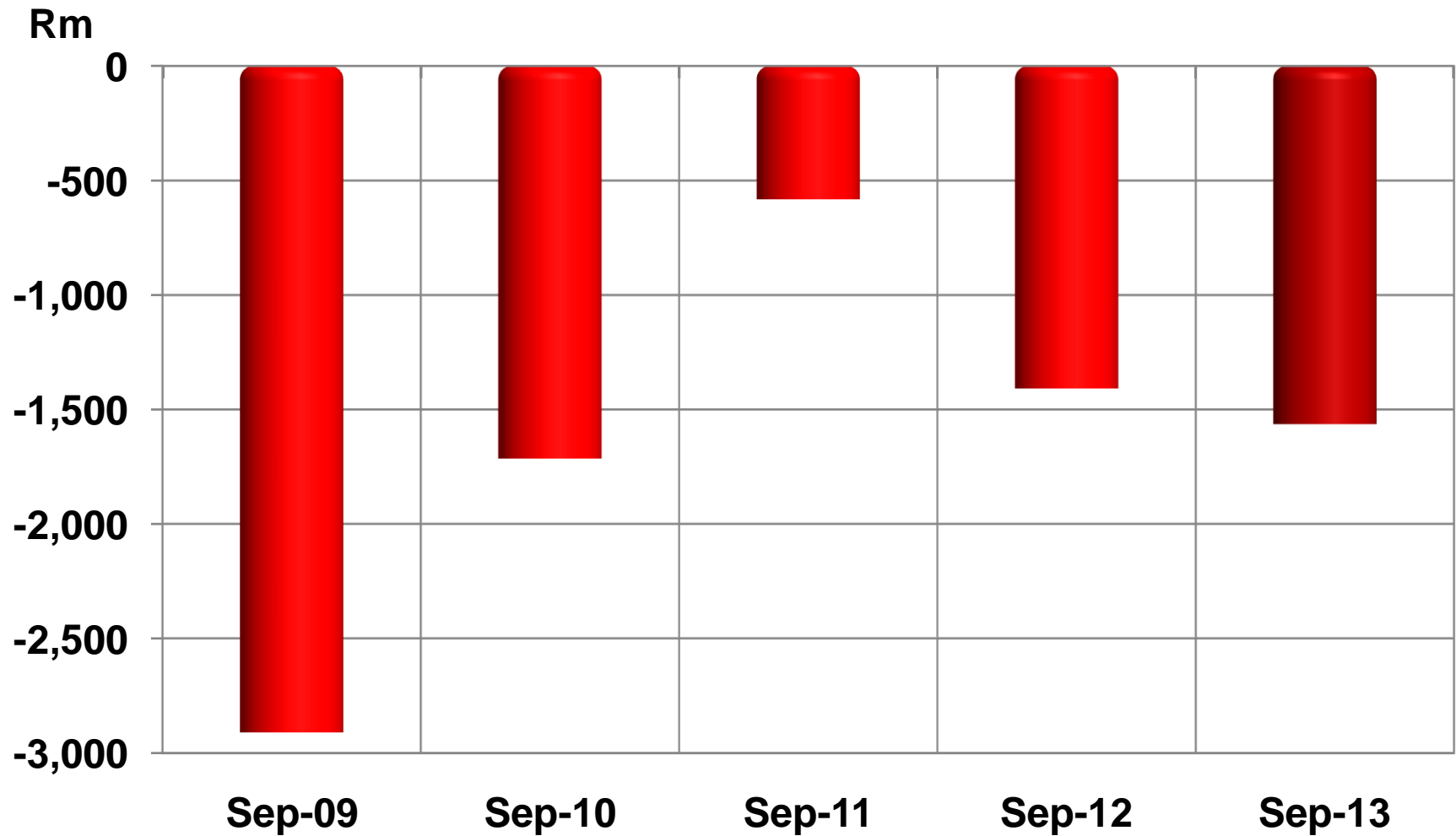
# Working Capital Movement

	Rm
<b>Inventories</b>	<b>31</b>
<b>Receivables</b>	<b>290</b>
<b>Payables</b>	<b>73</b>
<b>Total increase in working capital</b>	<b>248</b>

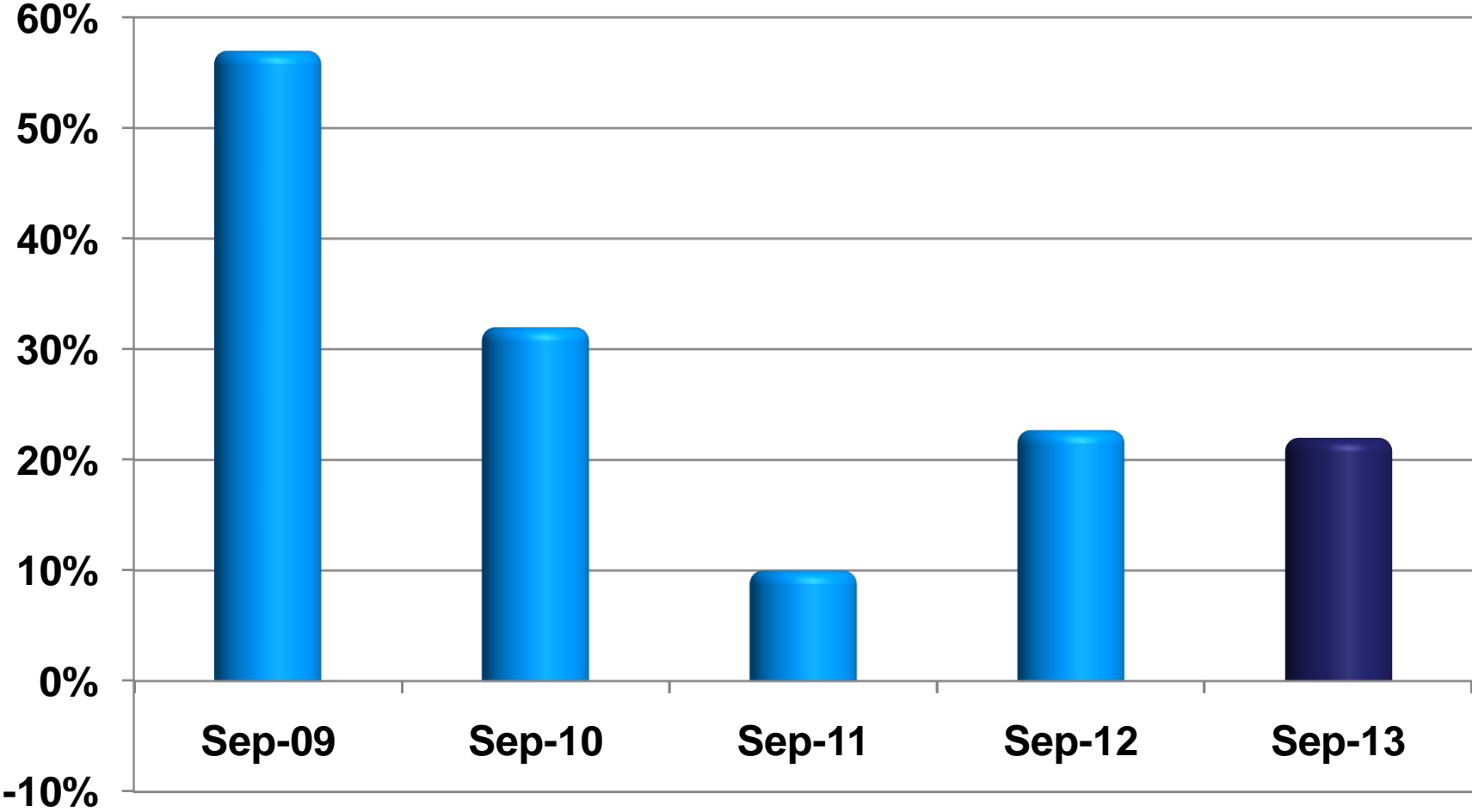
# Major Capex

	Rm
<b>Aluminium conversion</b>	<b>479</b>
<b>3<sup>rd</sup> furnace</b>	<b>161</b>
<b>Bevcan Springs warehouse</b>	<b>95</b>
<b>Diaper expansion</b>	<b>45</b>
<b>6<sup>th</sup> Aerosol can line</b>	<b>30</b>
	<b>810</b>
<b>Other projects (inc R33m intangibles)</b>	<b>661</b>
<b>TOTAL CAPEX</b>	<b>1 471</b>

# Net Debt

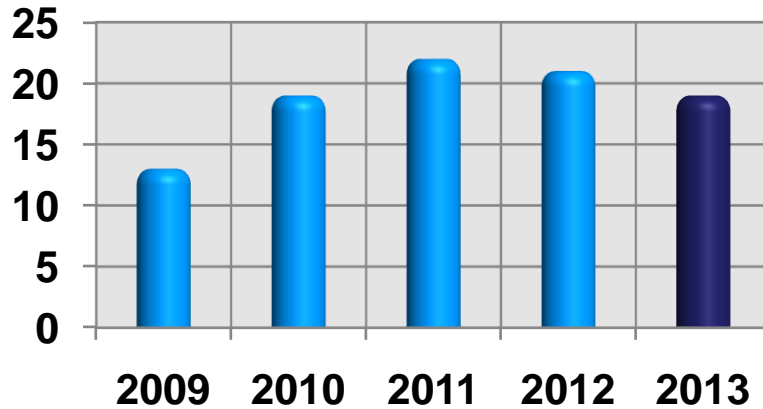


# Net Debt : Equity

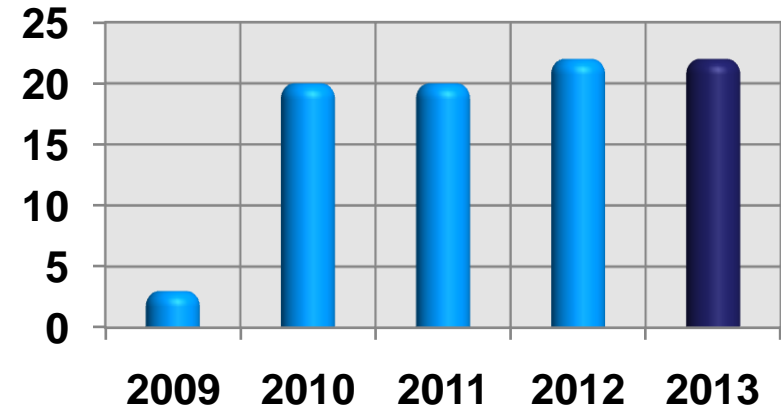


# Key Ratios

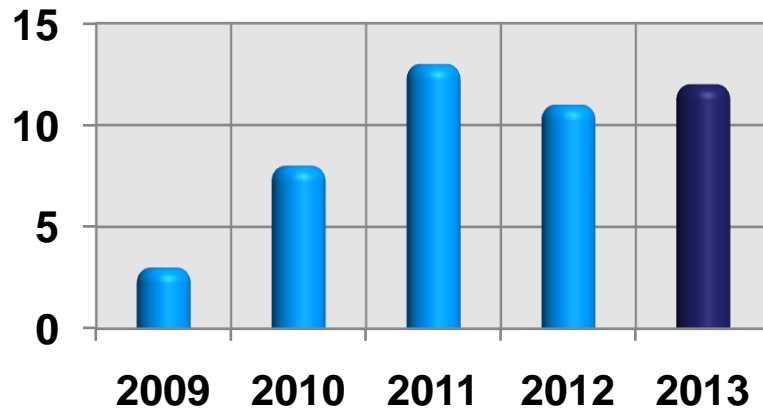
## RONA %



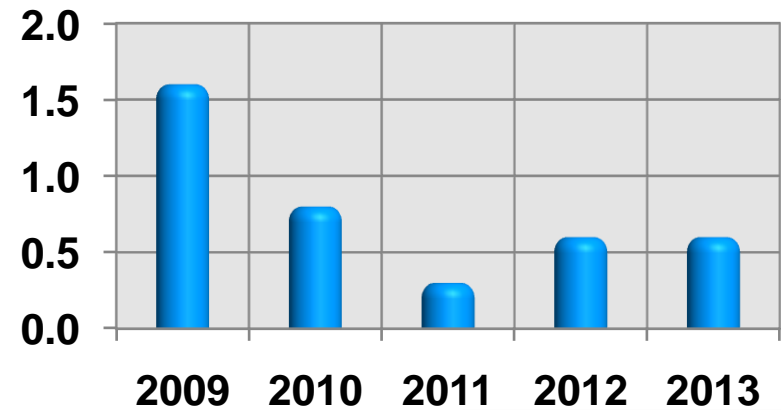
## ROE %



## Interest Cover X



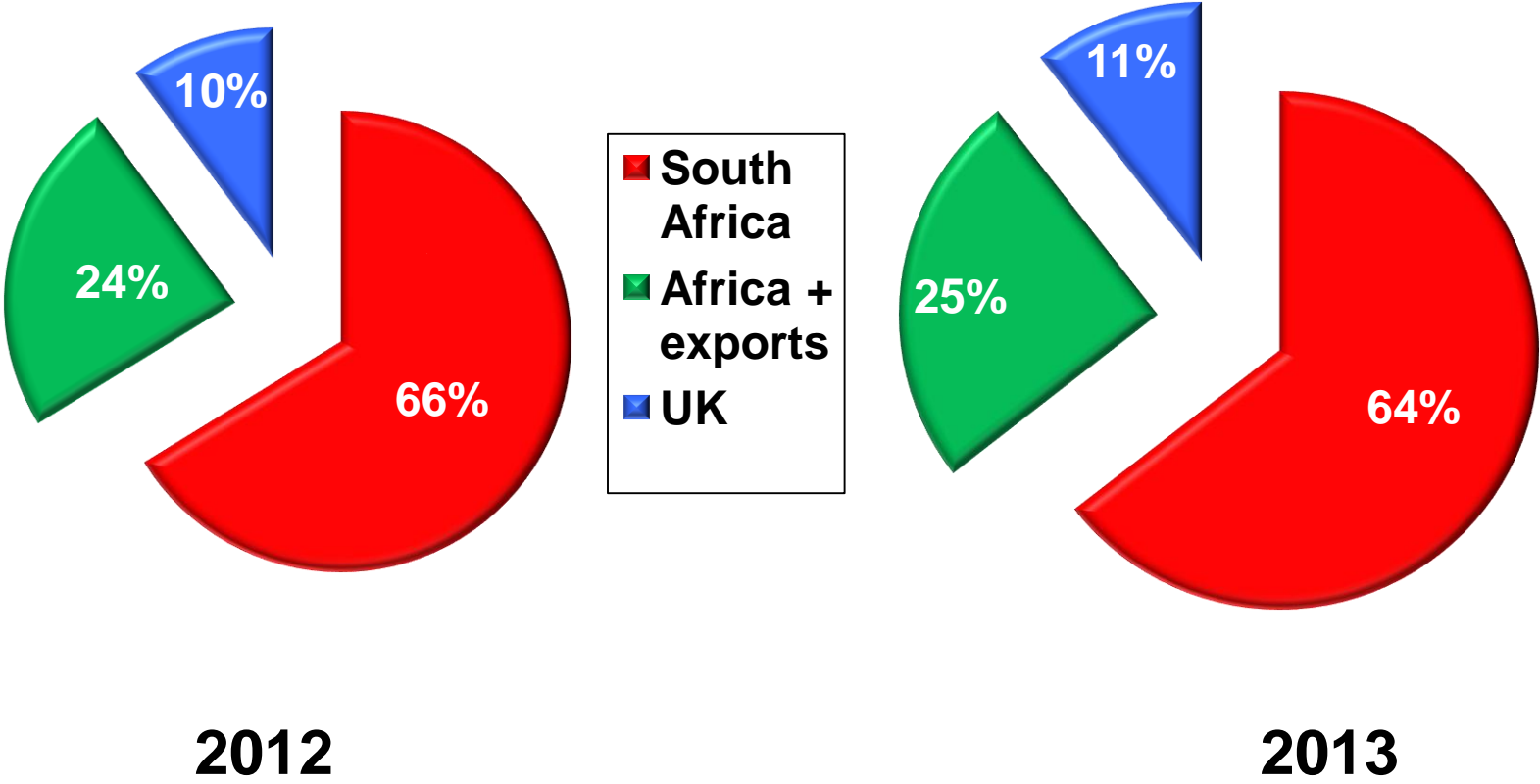
## Net debt:EBITDA X



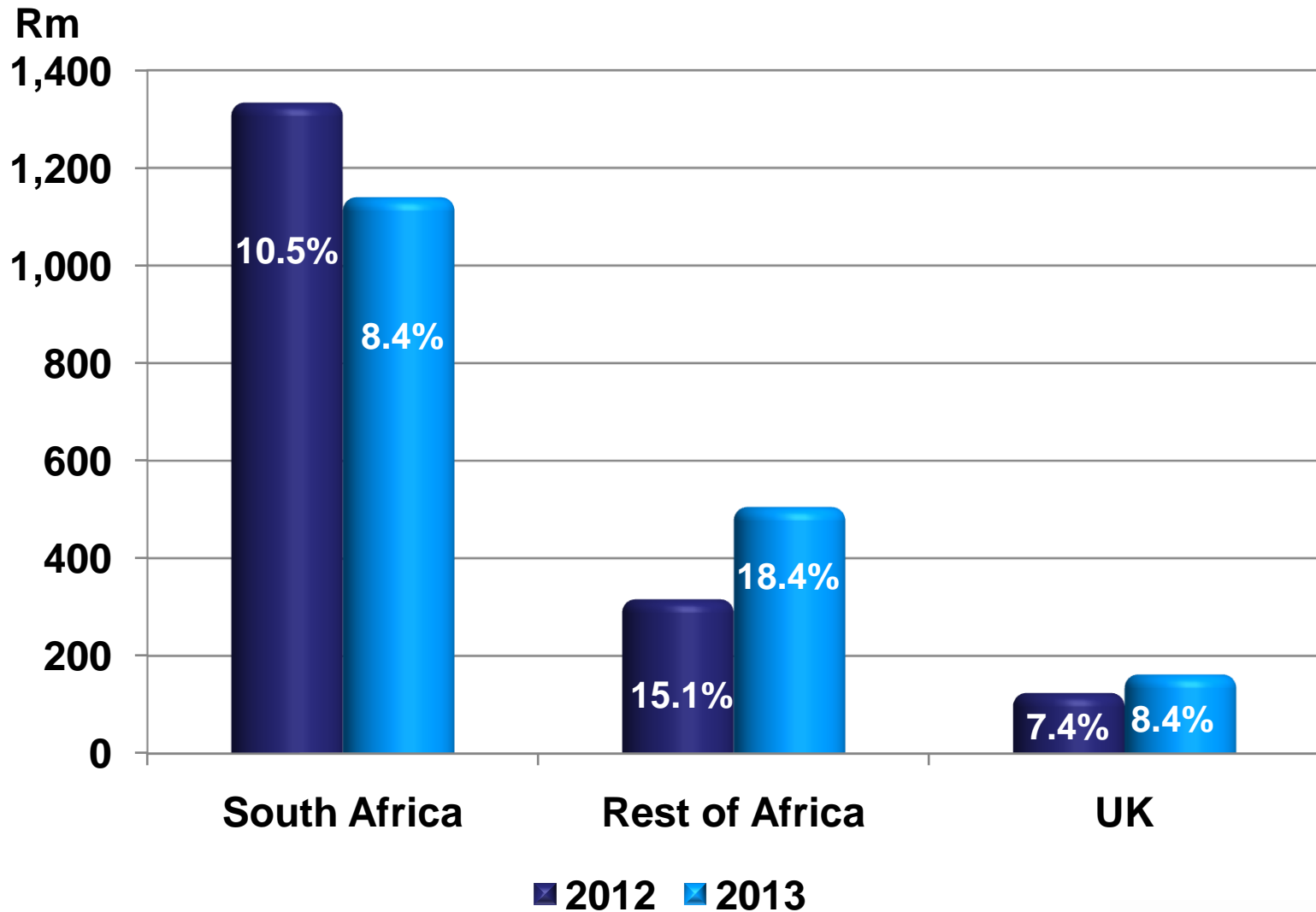
# Operational Review



# Geographical Revenue

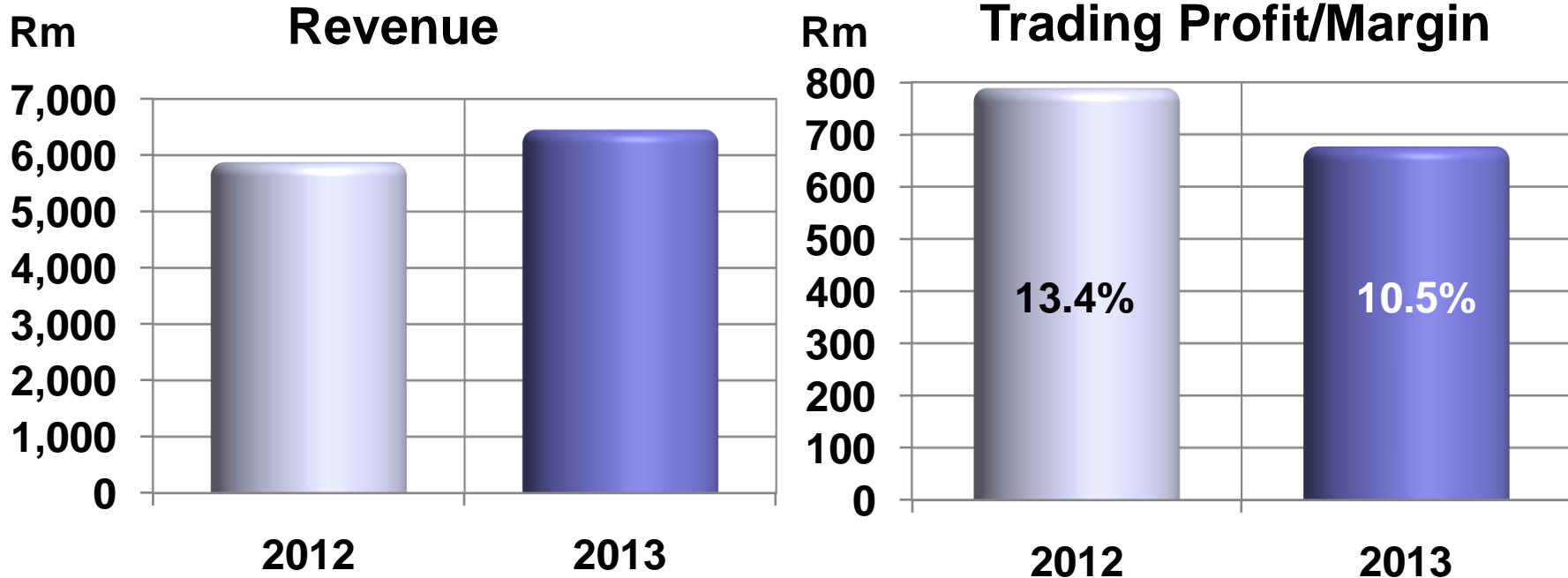


# Trading Profit and Margin



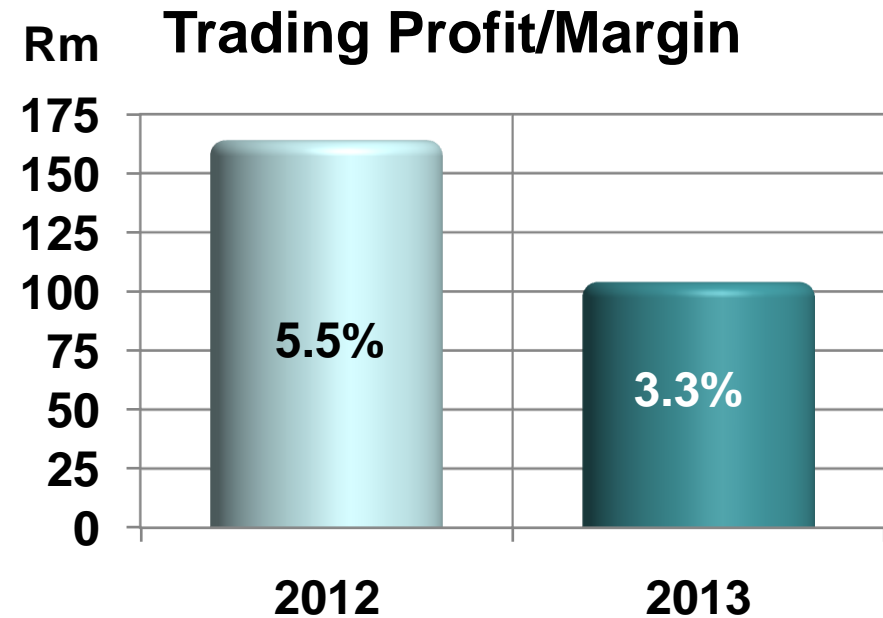
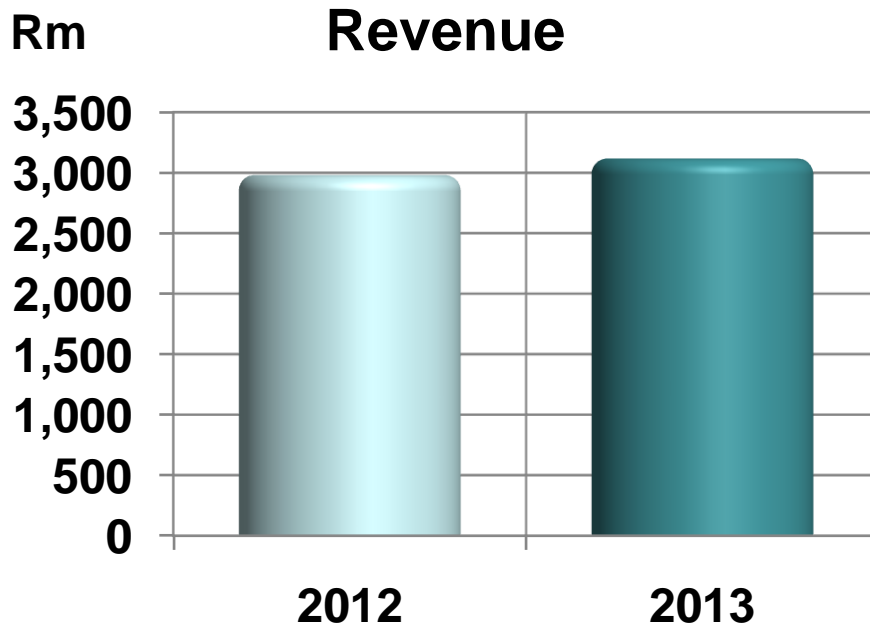
Note: exports profits included in South Africa

# South Africa: Metals & Glass



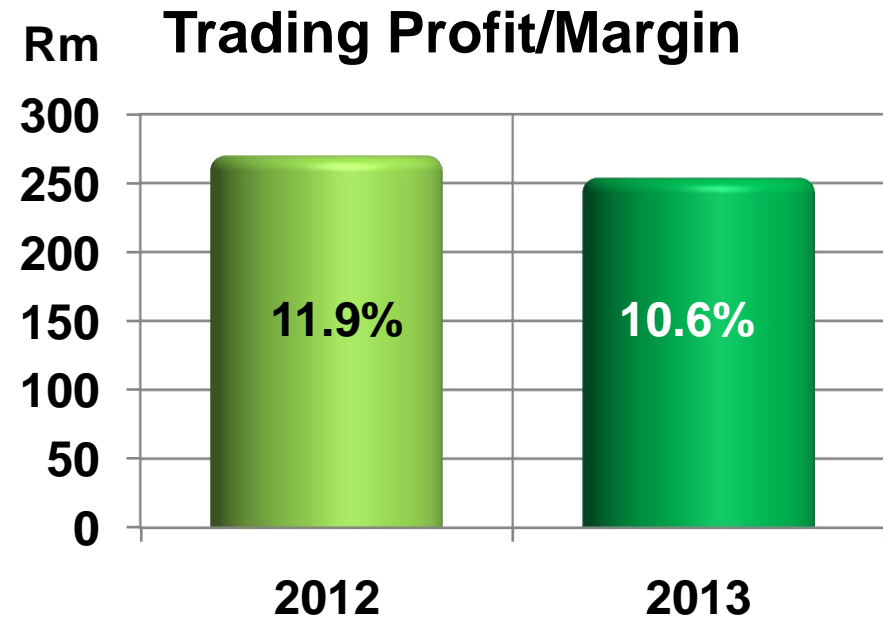
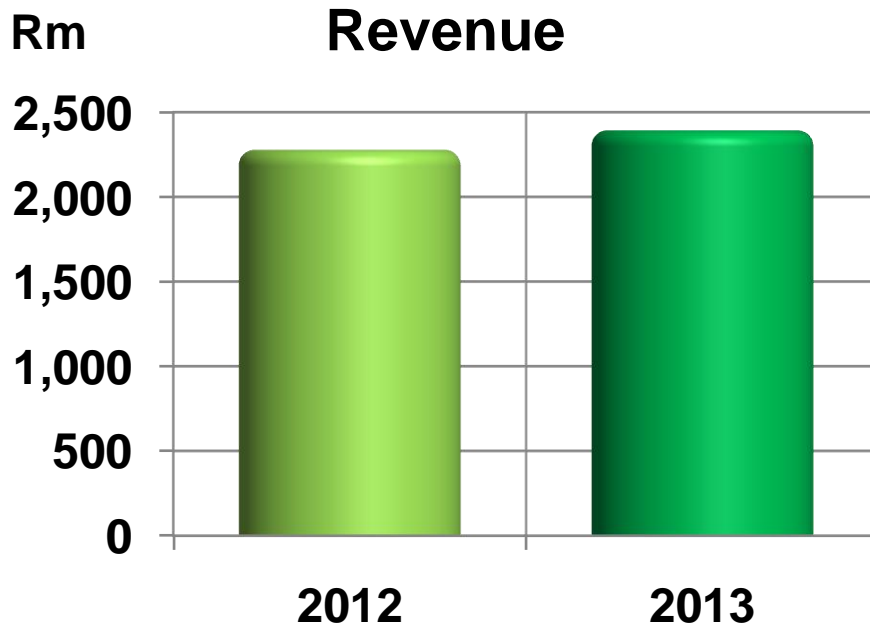
- **Good demand for beverage cans – lower average selling prices to secure long-term contracts**
- **Food can sales down – moderate demand for aerosol and polish cans**
- **Weak demand for glass bottles - lower average selling prices to secure long-term contracts**

# South Africa: Paper & Flexibles



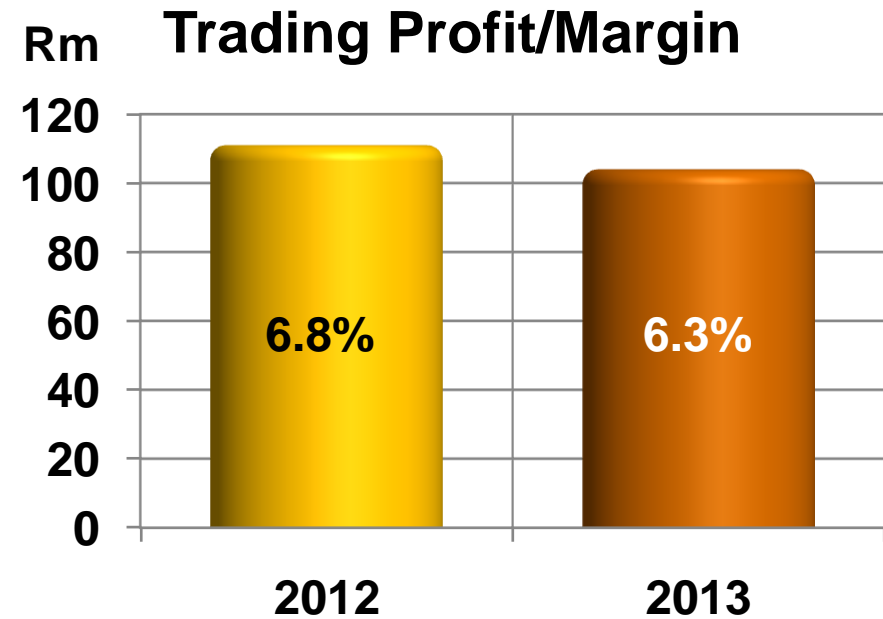
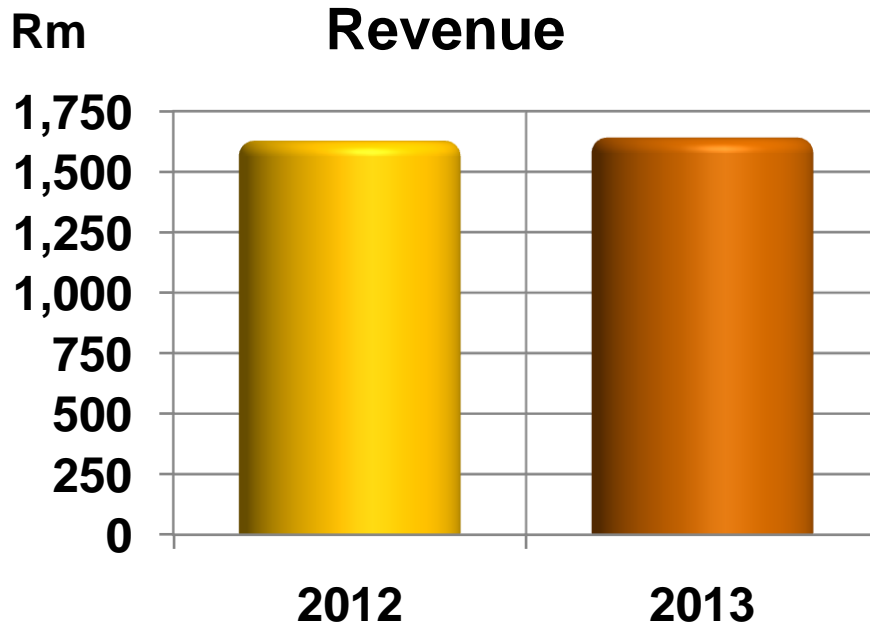
- Strong demand for agricultural corrugated boxes – weak demand in commercial sector
- Good sales of flexible packaging for food
- Lower demand for cement, sugar and milling paper sacks
- Cartons & Labels moved to discontinued operations

# South Africa: Plastics



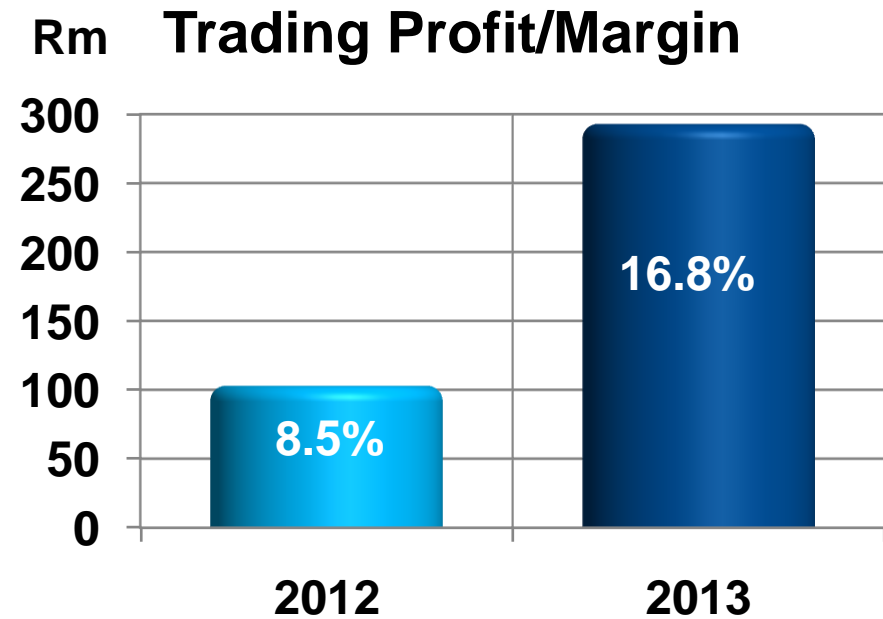
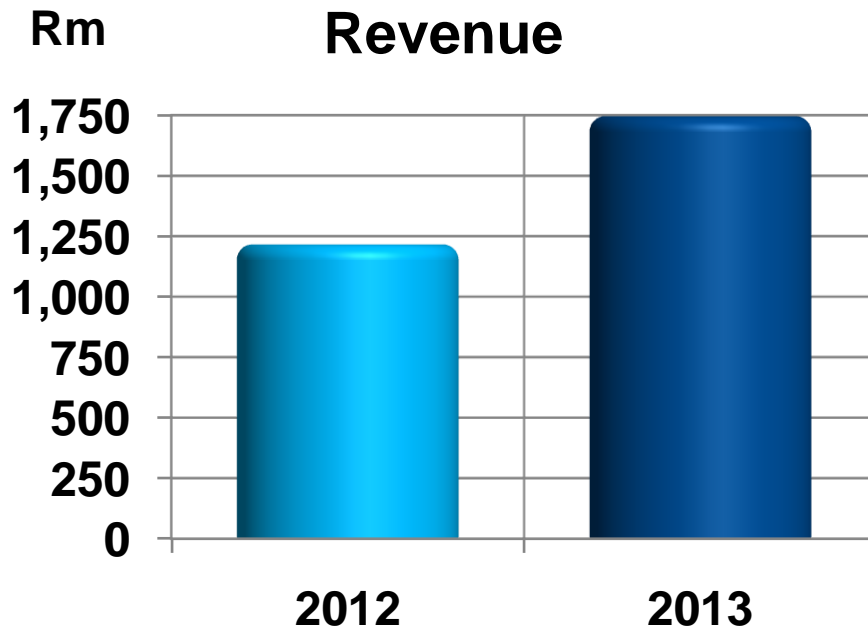
- Demand for milk and juice bottles flat
- Sorghum beer carton exports to Botswana affected by new legislation
- Good demand for CSD PET closures
- Increased drum sales especially for alcohol
- Higher crate sales to beer and milk customers

# South Africa: Tissue



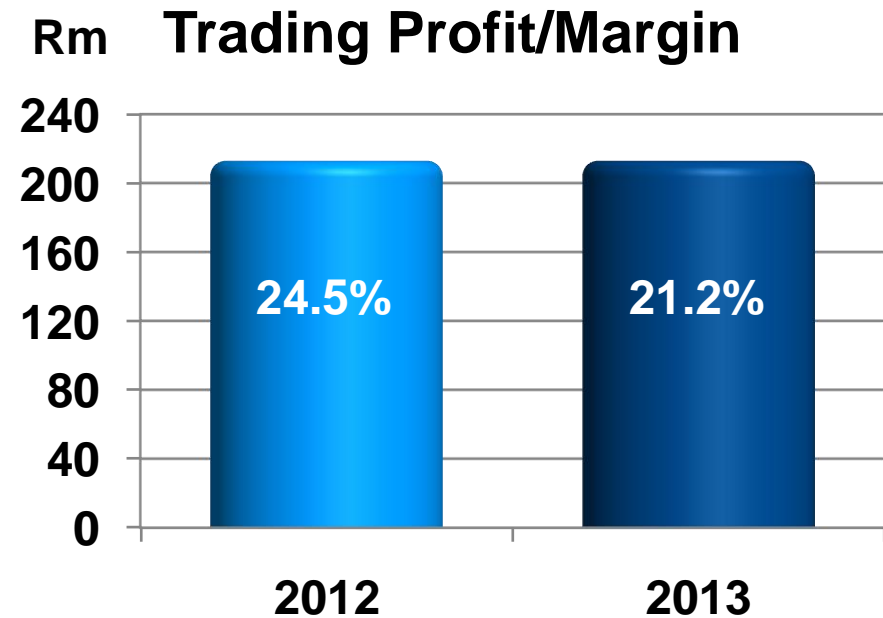
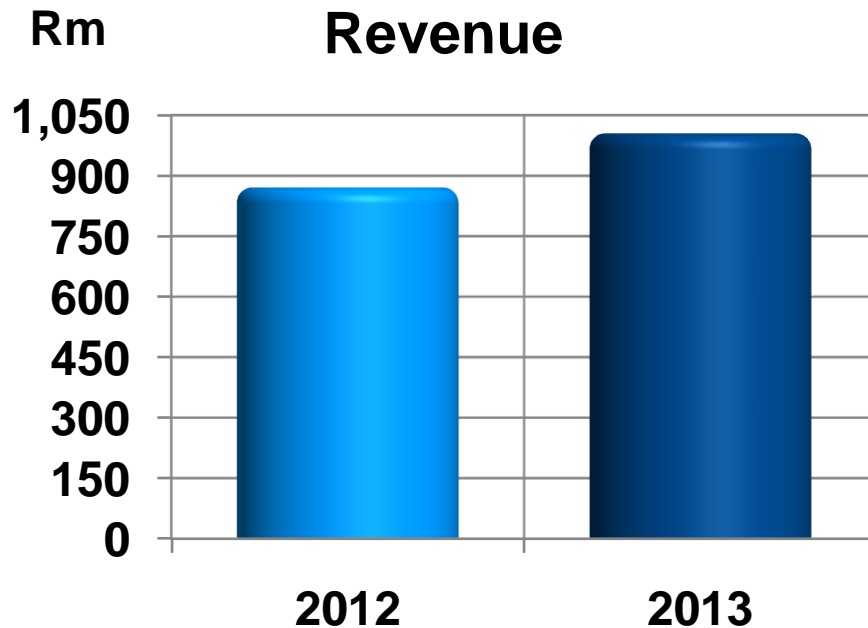
- Moderate growth in volumes of 1-ply toilet tissue
- Diaper volumes at similar level to last year
- Highly competitive market
- Cost savings achieved

# Rest of Africa: Metals & Glass



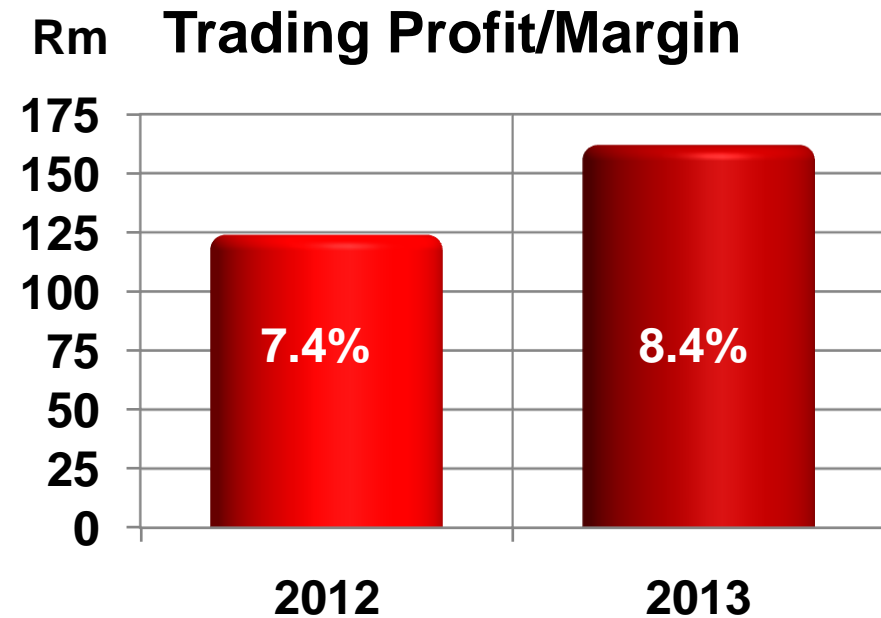
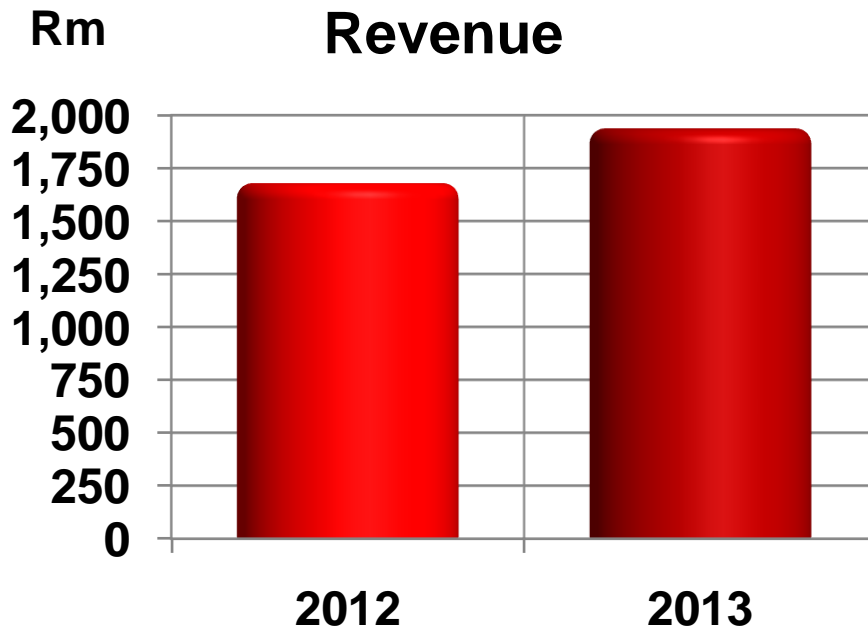
- Angola performed exceptionally well – ran at full capacity
- Higher sales of pineapple cans in Kenya
- Improvement in conditions in Nigeria

# Rest of Africa: Paper & Flexibles



- Improved sales of cigarette cartons in Nigeria in 2<sup>nd</sup> half
- Zambia continued to perform well
- Good performance from Malawi
- Zimbabwe satisfactory

# United Kingdom: Plastics



- Sales in £'s similar to last year
- Rand translation benefit
- Infini lightweight-bottle sold over 250m units
- Good cost control contributed to margin improvement

# Summary of Results

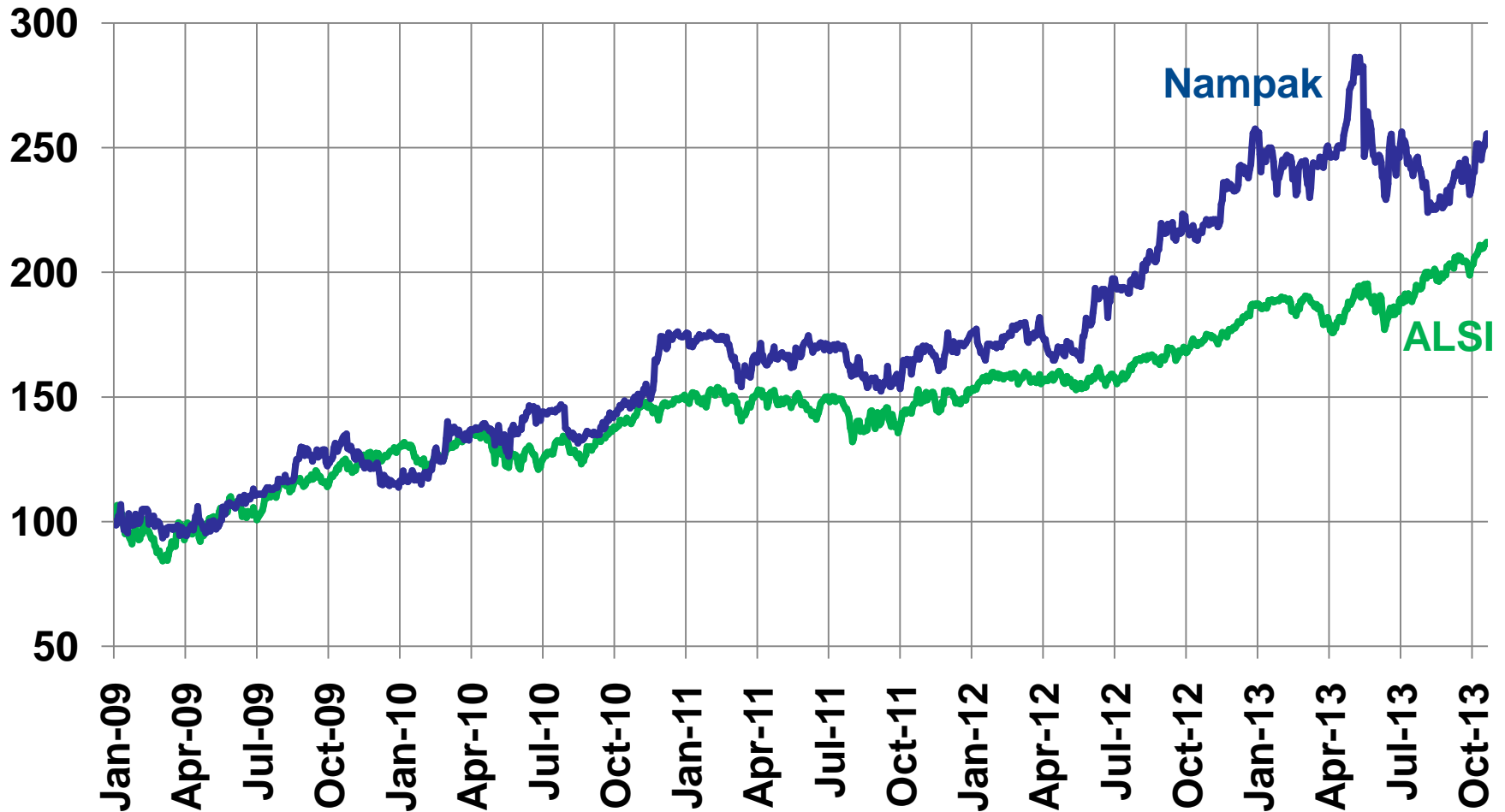
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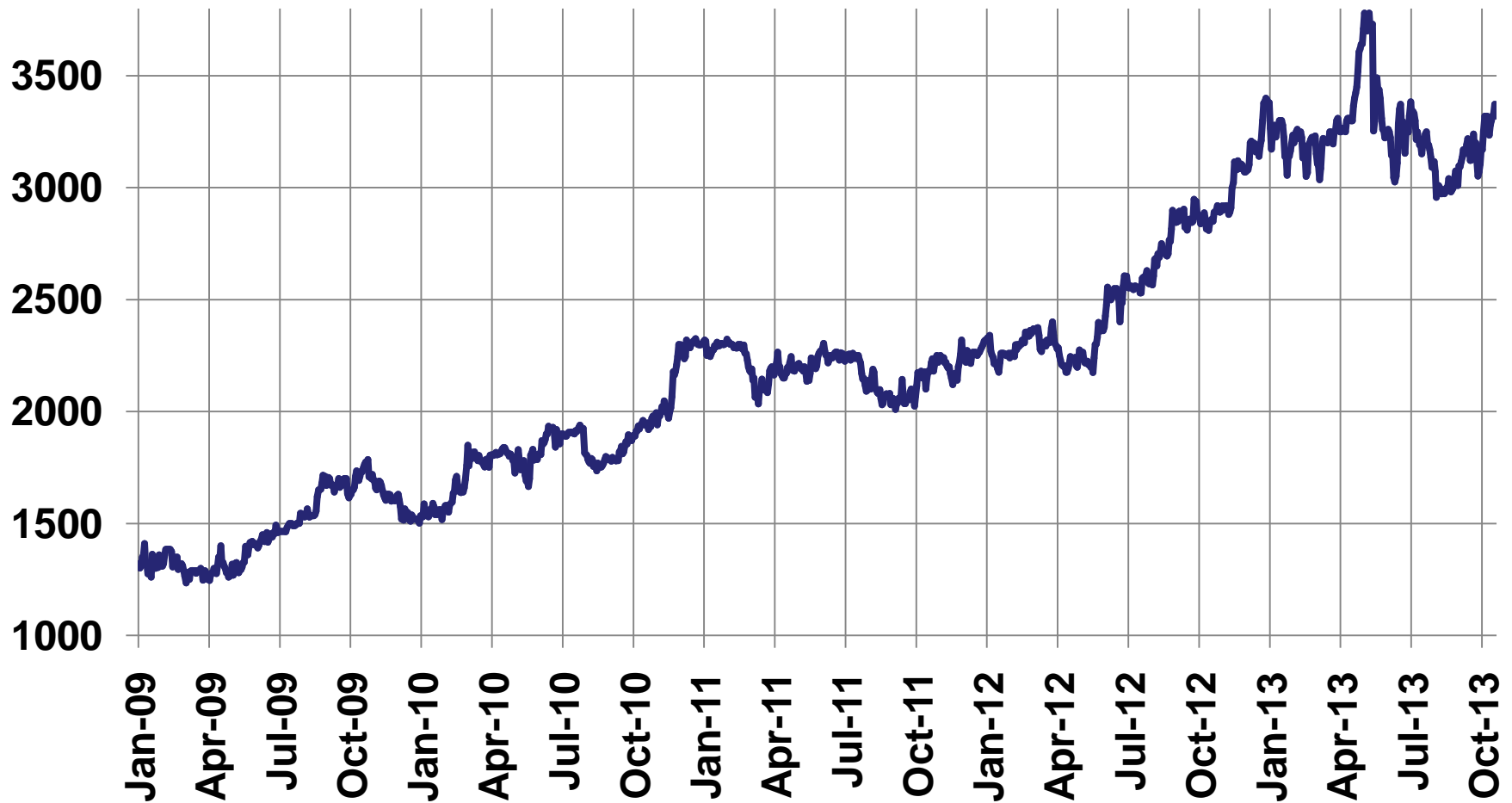
# Review of Past 5 Years



# Nampak vs ALSI from January 2009

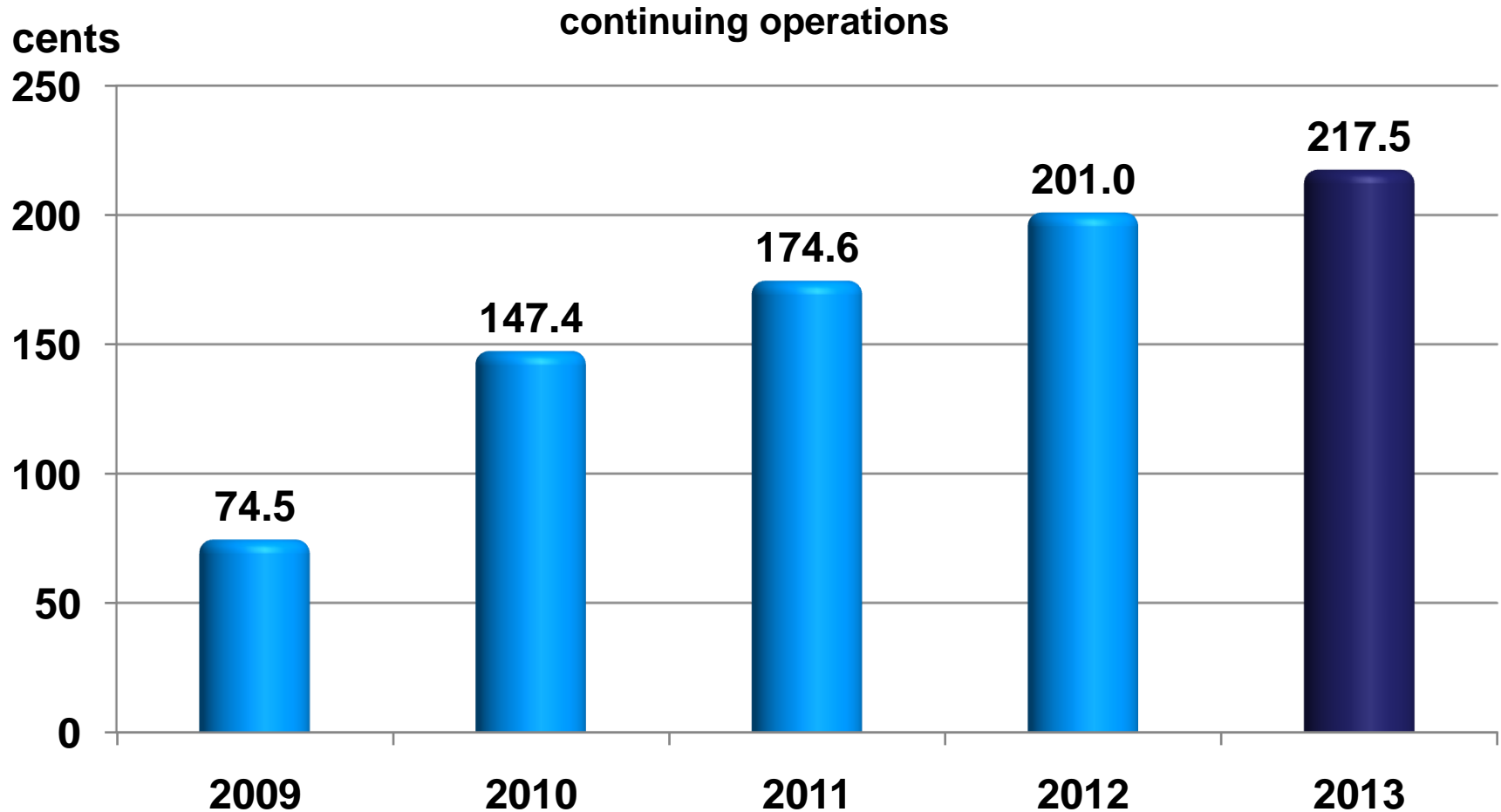


# Nampak Share Price from January 2009

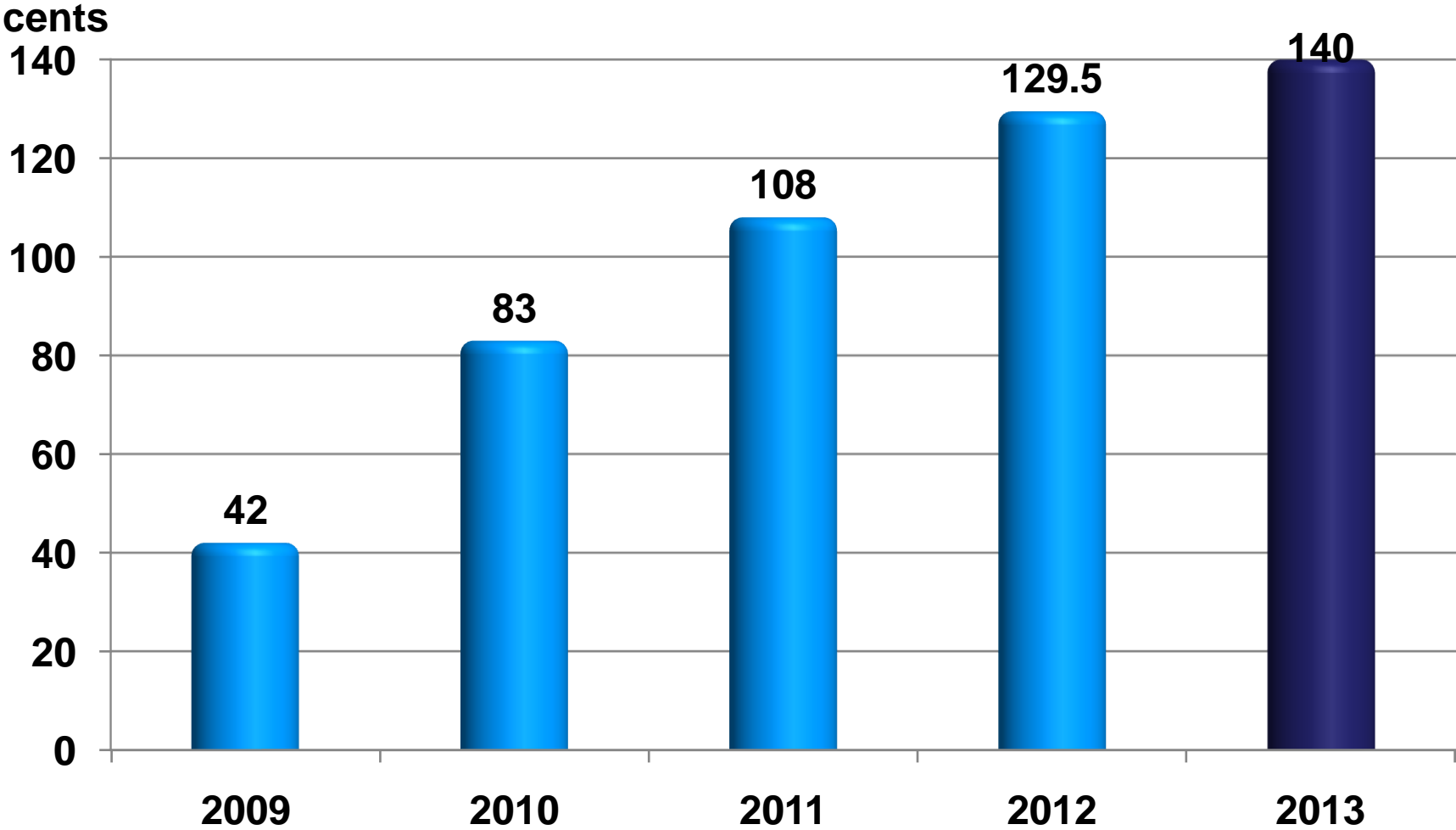


**Nampak**  
packaging excellence

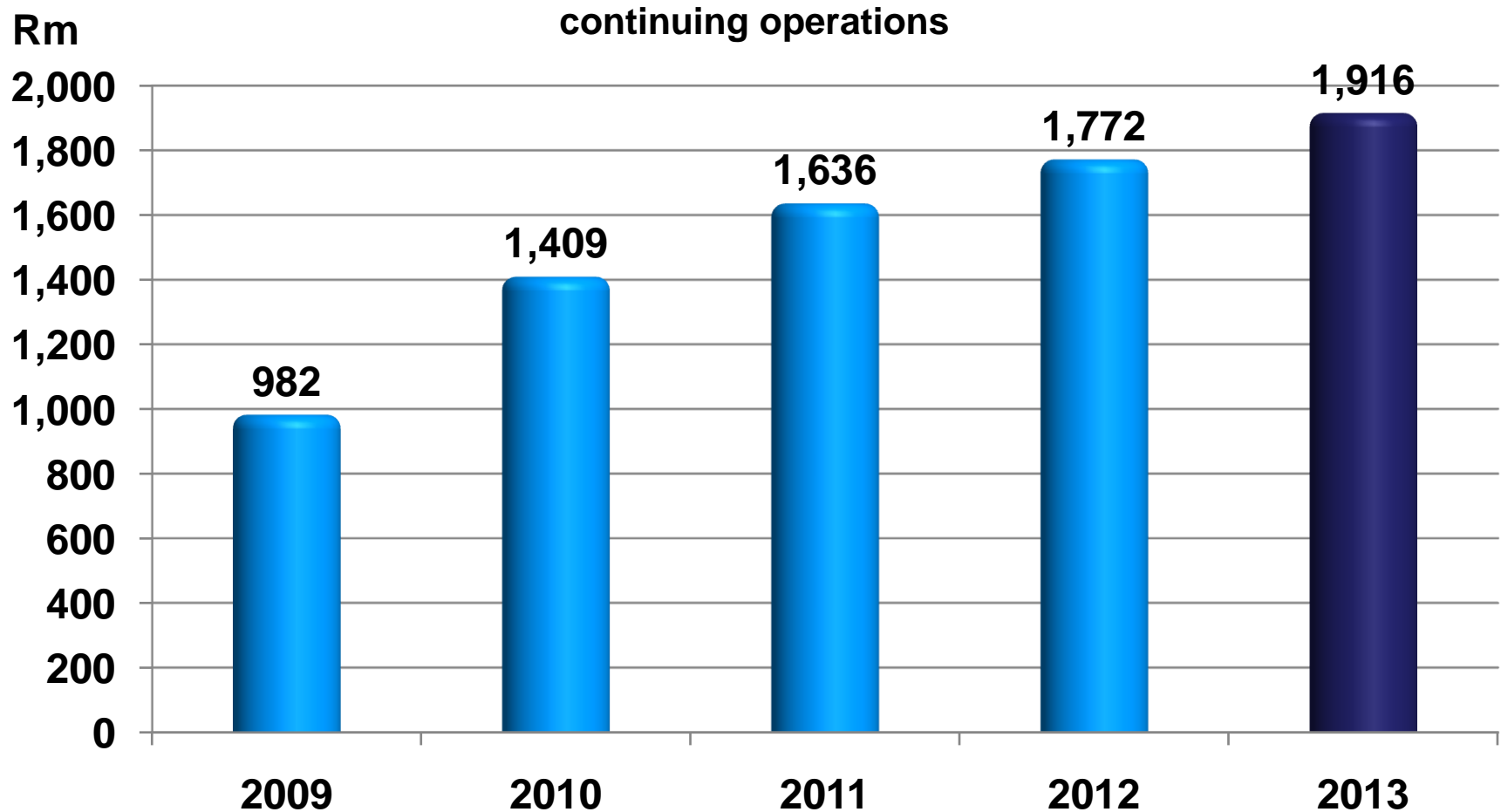
# Headline Earnings per Share



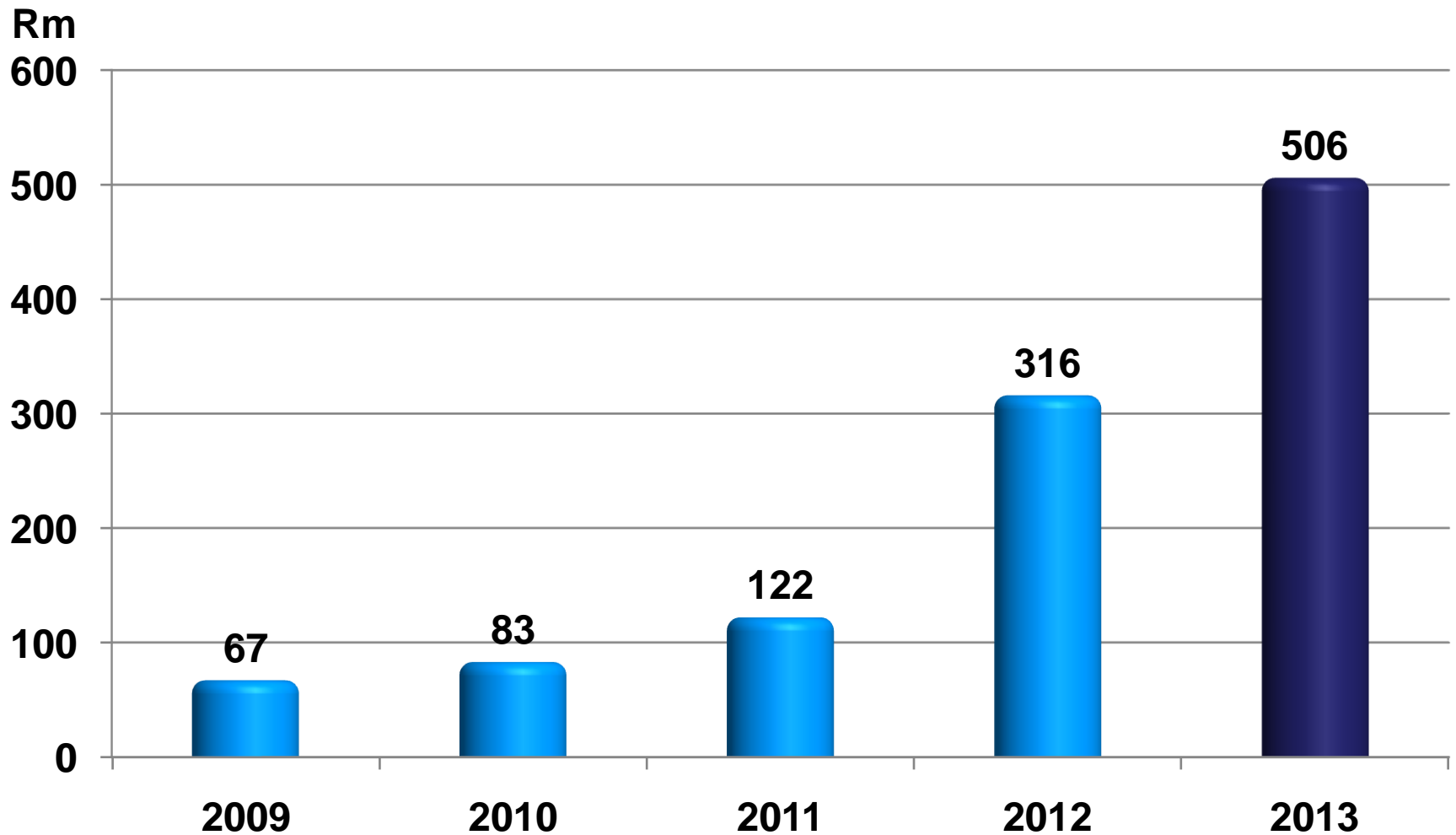
# Dividends per Share



# Trading Profit

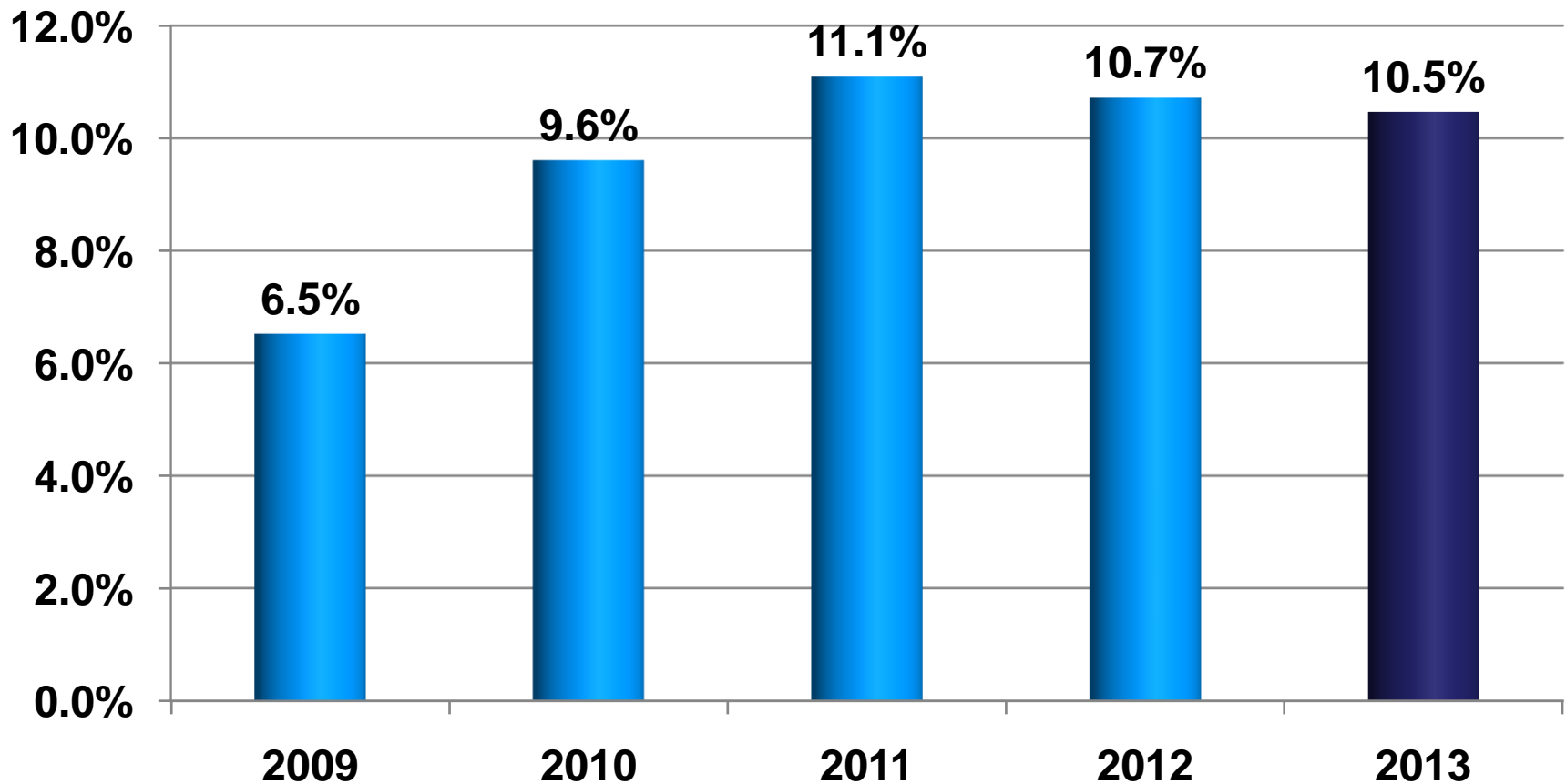


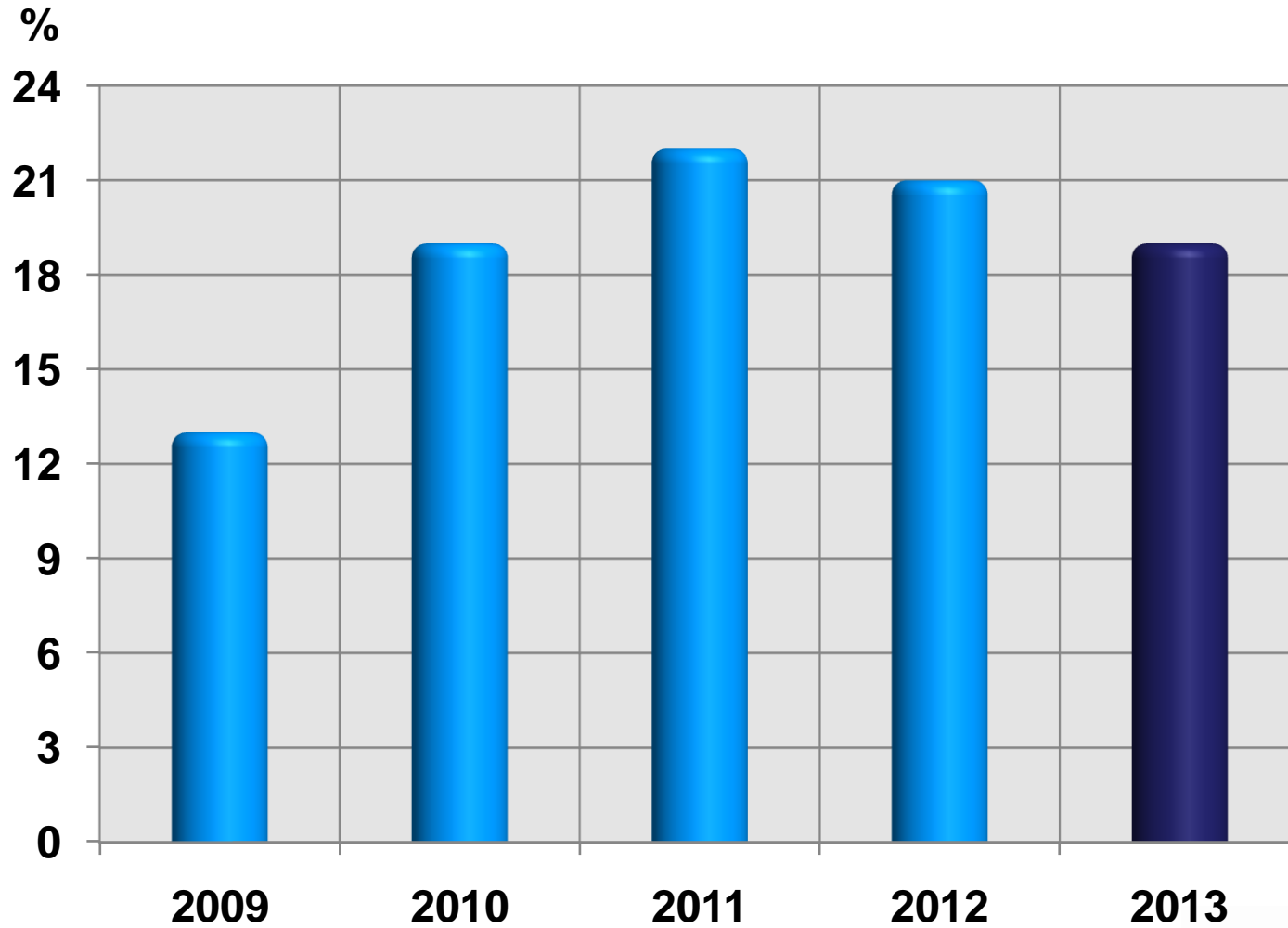
# Rest of Africa Trading Profit

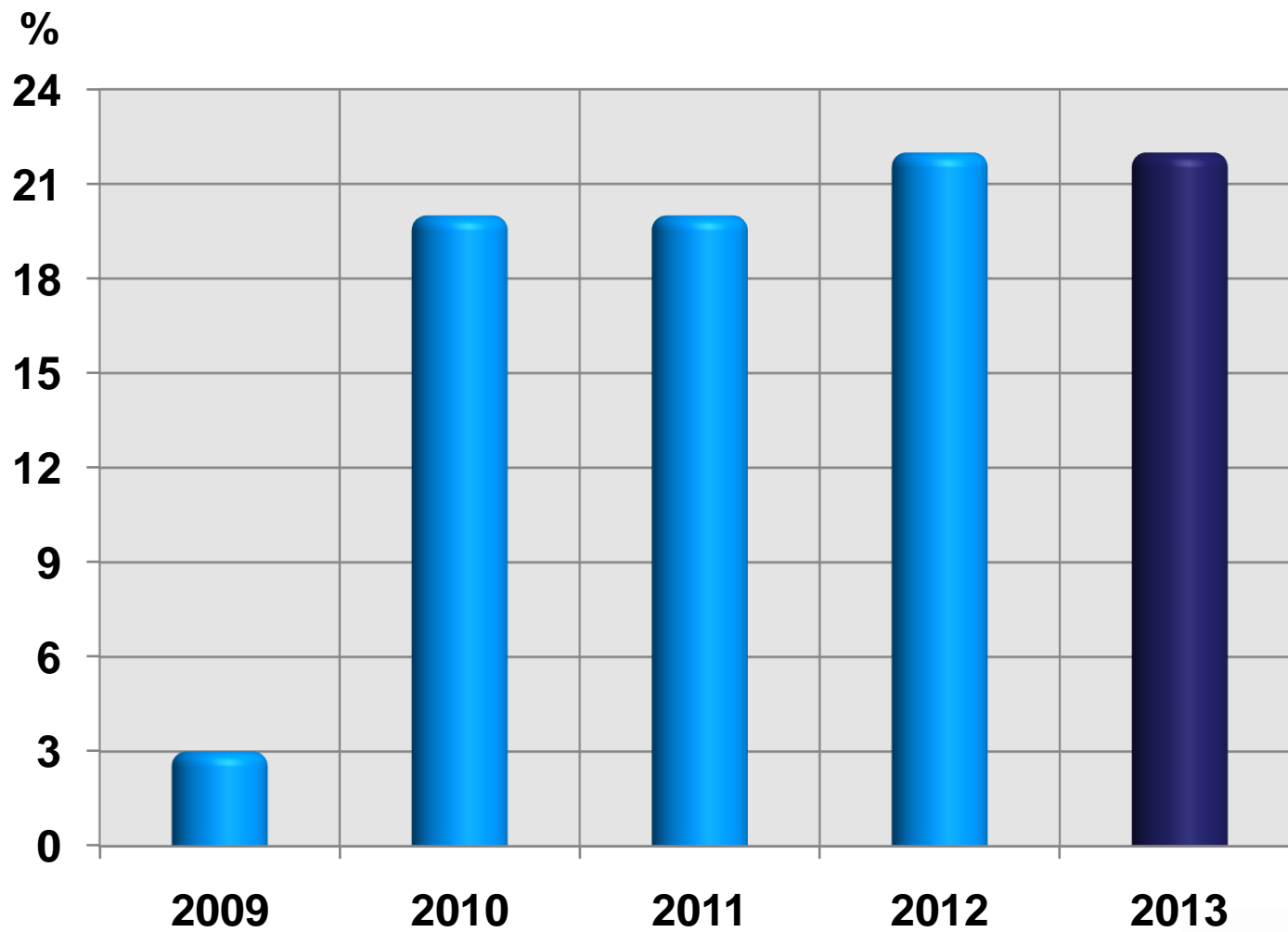


# Trading Margin

continuing operations







# Non-Executive Directors



**Tito Mboweni**  
(chairman)



**Disebo Moephuli**



**Nomfanelo Magwentshu**



**Roy Andersen**



**Nosipho Molope**



**Ipeleng Mkhari**



**Reuel Khoza**



**Roy Smither**



**Phinda Madi**



**Peter Surgey**



**Emmanuel Ikazoboh**

# Executive Directors



**Andrew Marshall  
(CEO)**  
retires 31.3.14



**Andre de Ruyter  
(CEO designate)**  
wef 1.4.14



**Gareth Griffiths  
(CFO)**



**Fezekile Tshiqi  
(HR)**

# Strategy Update

- **Beverage cans**
  - **South Africa**
  - **Angola**
  - **Nigeria**
- **Aerosol cans**
- **Printing modernisation**
- **Glass**
- **Rest of Africa**



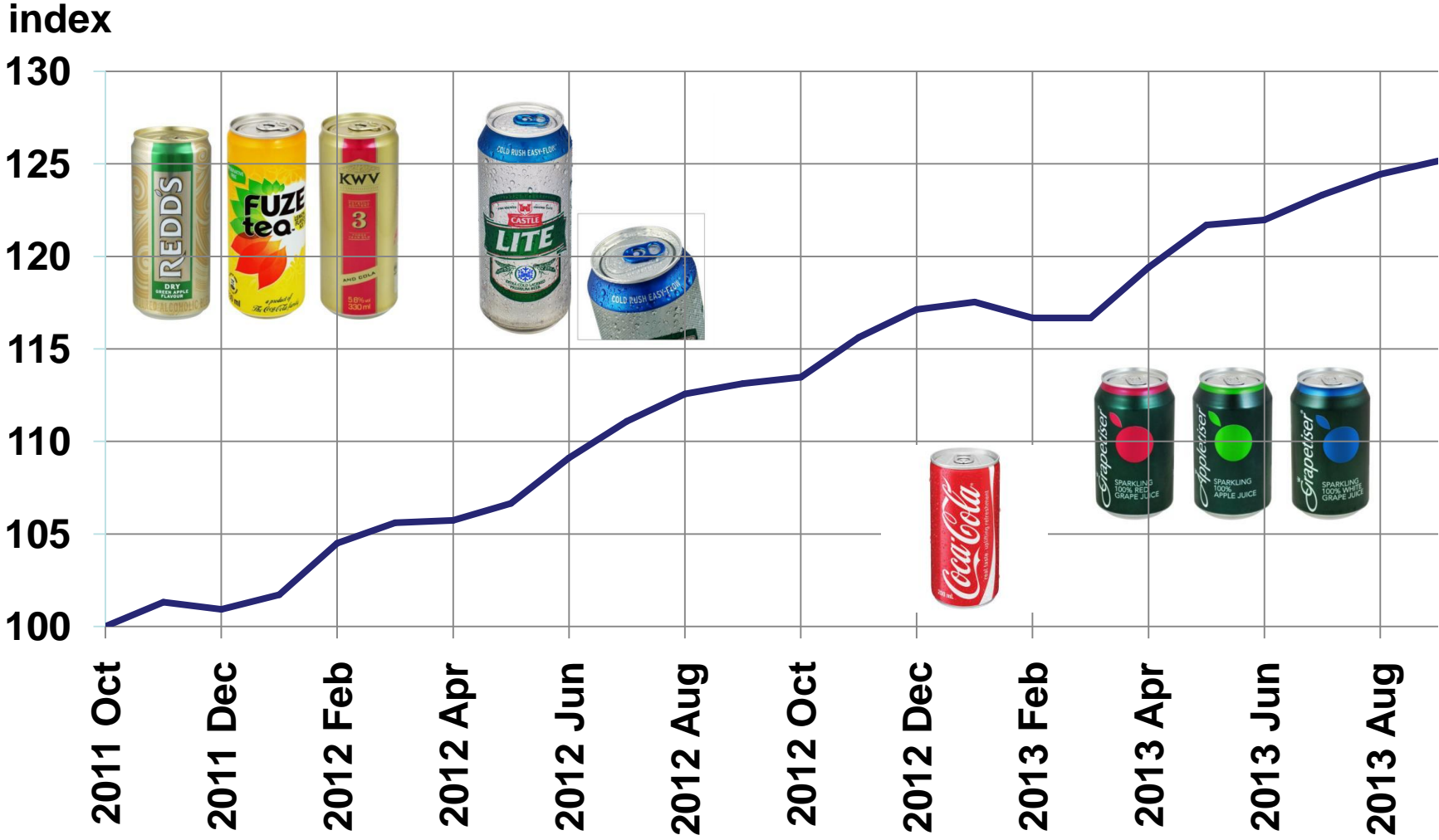


# Beverage Cans South Africa

- Ongoing growth
- New products and innovations
- New can filling lines by customers
- Market trends/demographics favouring cans
- New Bevcan aluminium line at Springs running well
- Board approval granted for a 2<sup>nd</sup> aluminium line to meet demand
- Conversion to aluminium of existing tinplate lines on track

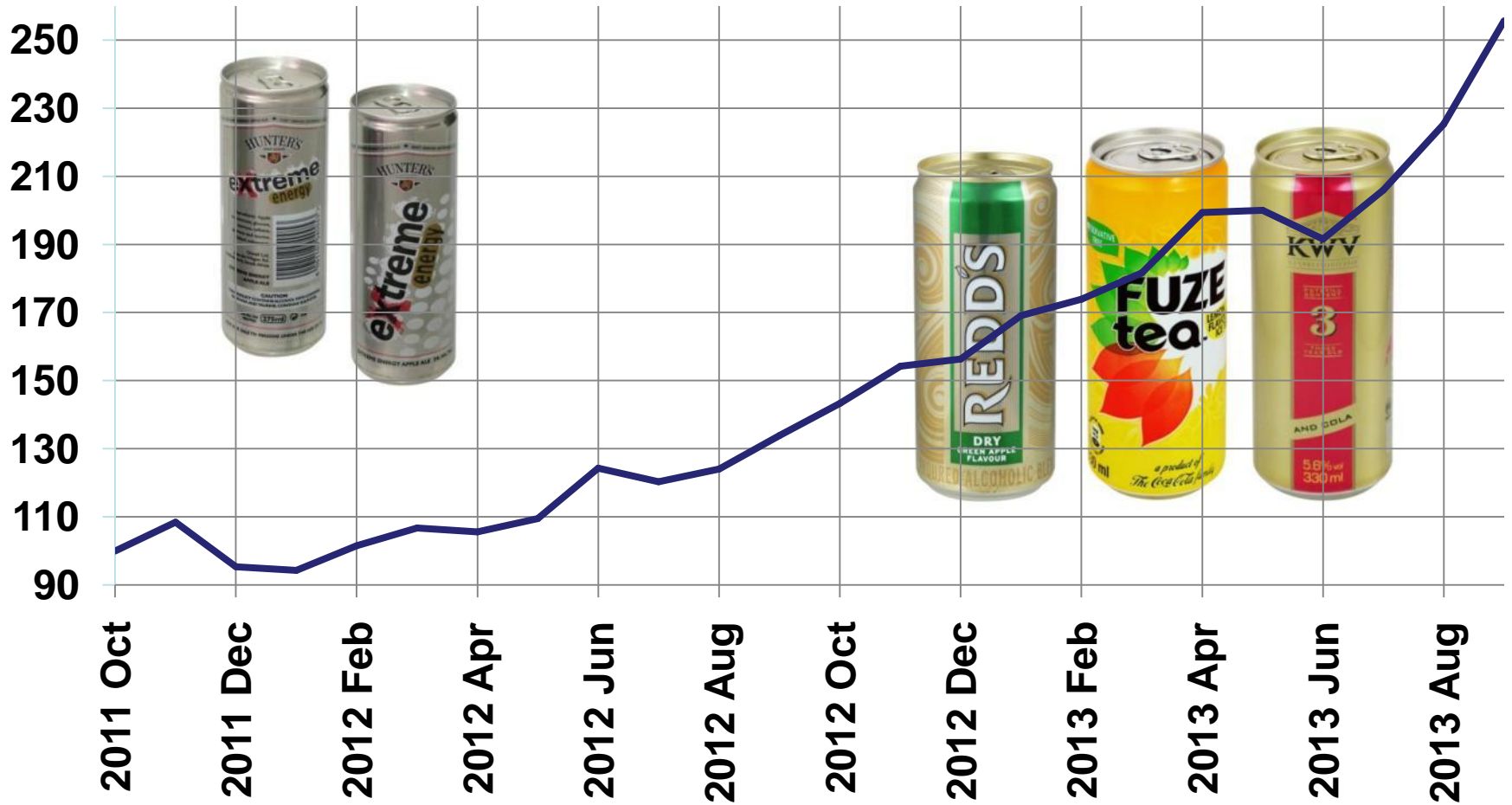


# Beverage Can Volumes: Total Market



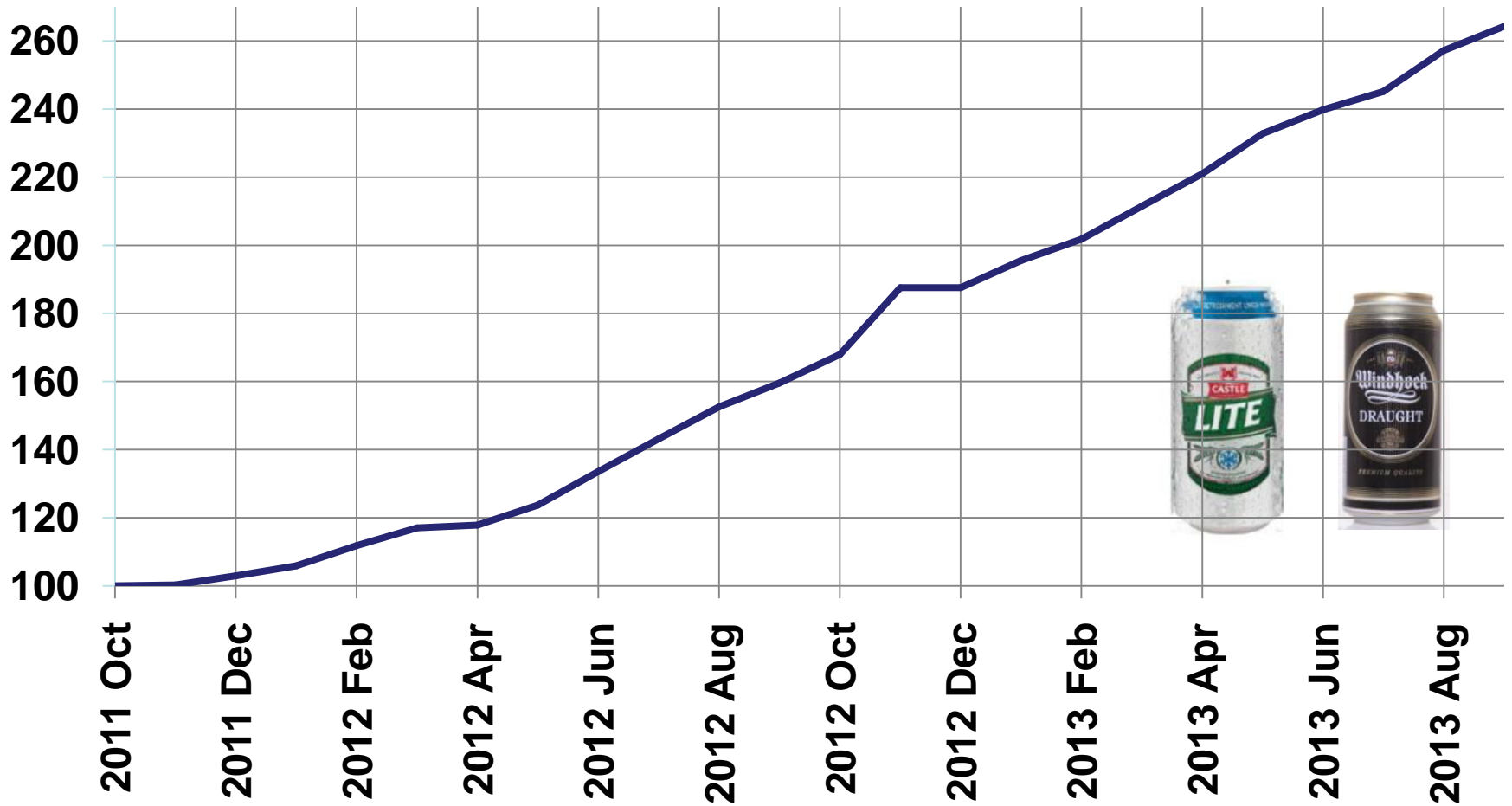
# 250ml Slim-Line Cans

index



# 440ml Cans

index



**Nampak**  
packaging excellence

# Recent Beverage Can Innovations



**Lift & Twist  
Easy Pour End**



**New Slender Can Shape**

**Soft Touch  
Speciality ink**









Soweto Beer Fest 2013

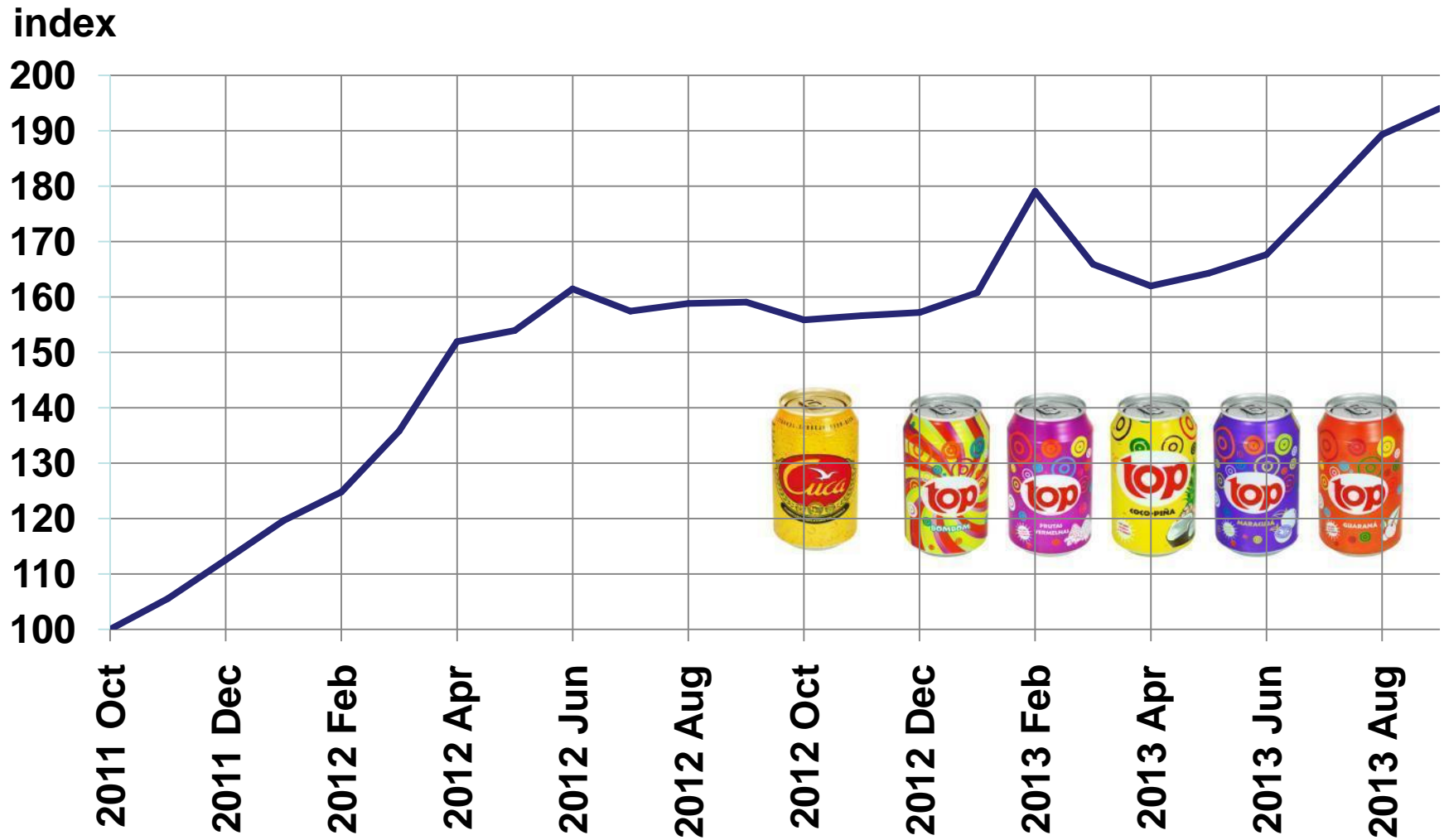


# Beverage Cans Angola

- Ongoing growth in cans
- New can filling lines by customers
- Market trends/demographics favouring cans
- Existing line at full capacity
- Board approval granted for 2<sup>nd</sup> line – will be aluminium
- Existing line will be converted to aluminium
- Duties expected to be implemented in January 2014



# Angola Beverage Can Volumes



# Angola



Current Warehouse Expansion

Additional Land Procured for future expansion

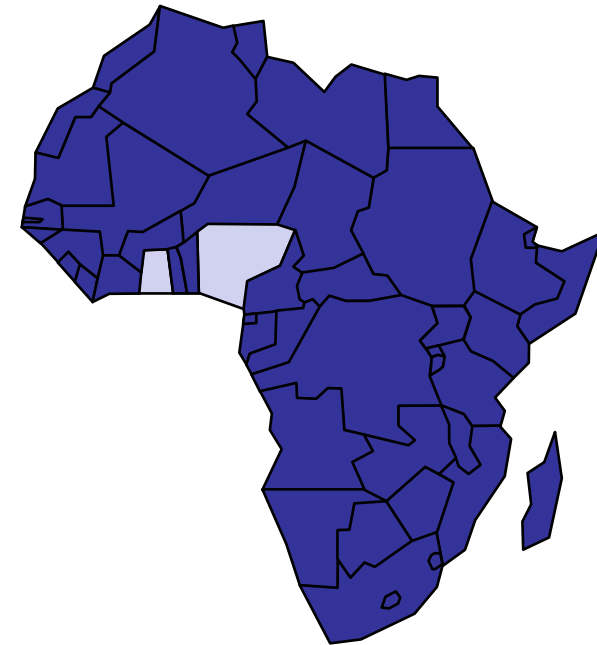
Image © 2013 DigitalGlobe  
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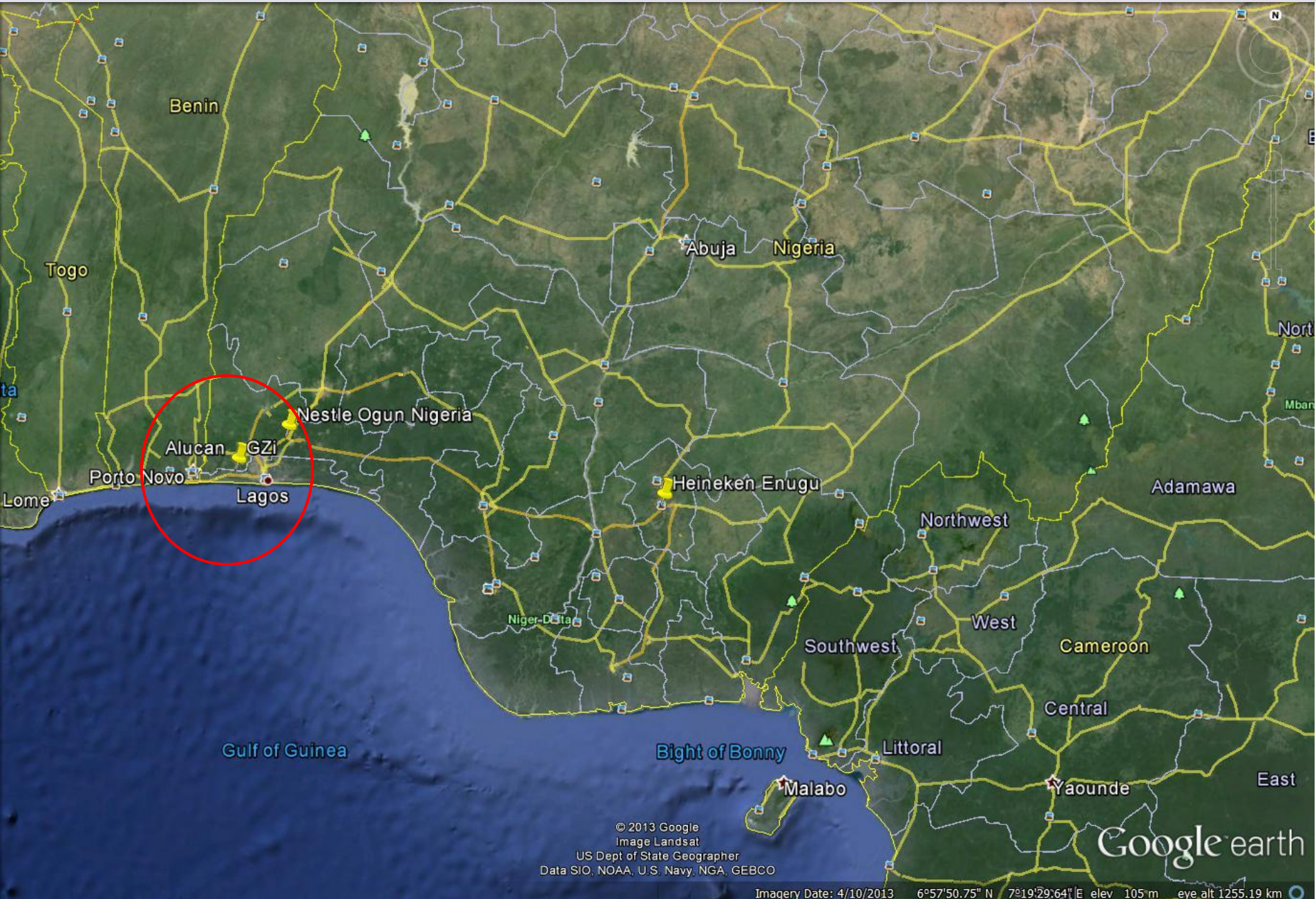
# Beverage Cans Nigeria

## Alucan acquisition successfully concluded

- Expect to complete in 1<sup>st</sup> qtr 2014
- 1 billion cans pa capacity
- Option to acquire a leading rigid plastics manufacturer in Nigeria



# Alucan Location



# Alucan Factory



# Alucan Factory



# Alucan Management Accommodation



# Alucan Beverage Equipment



# Alucan Beverage Equipment



# Alucan Beverage Equipment



# RSA, Angola and Nigeria Beverage Cans: Summary

- **Ongoing growth in cans**
- **New customer can filling lines**
- **Demographics expected to lead to ongoing can growth**
- **South Africa can capacity increased by 1 billion cans pa**
  - **Board approval granted for another 1-billion pa can line**
- **Angola can capacity to be increased with new 1-billion pa can line**
- **Acquisition of Alucan in Nigeria provides capacity of 1 billion cans pa**
  - **Factory building capable of 2<sup>nd</sup> line when required**

# Aerosol Line 6 Commissioned 2013



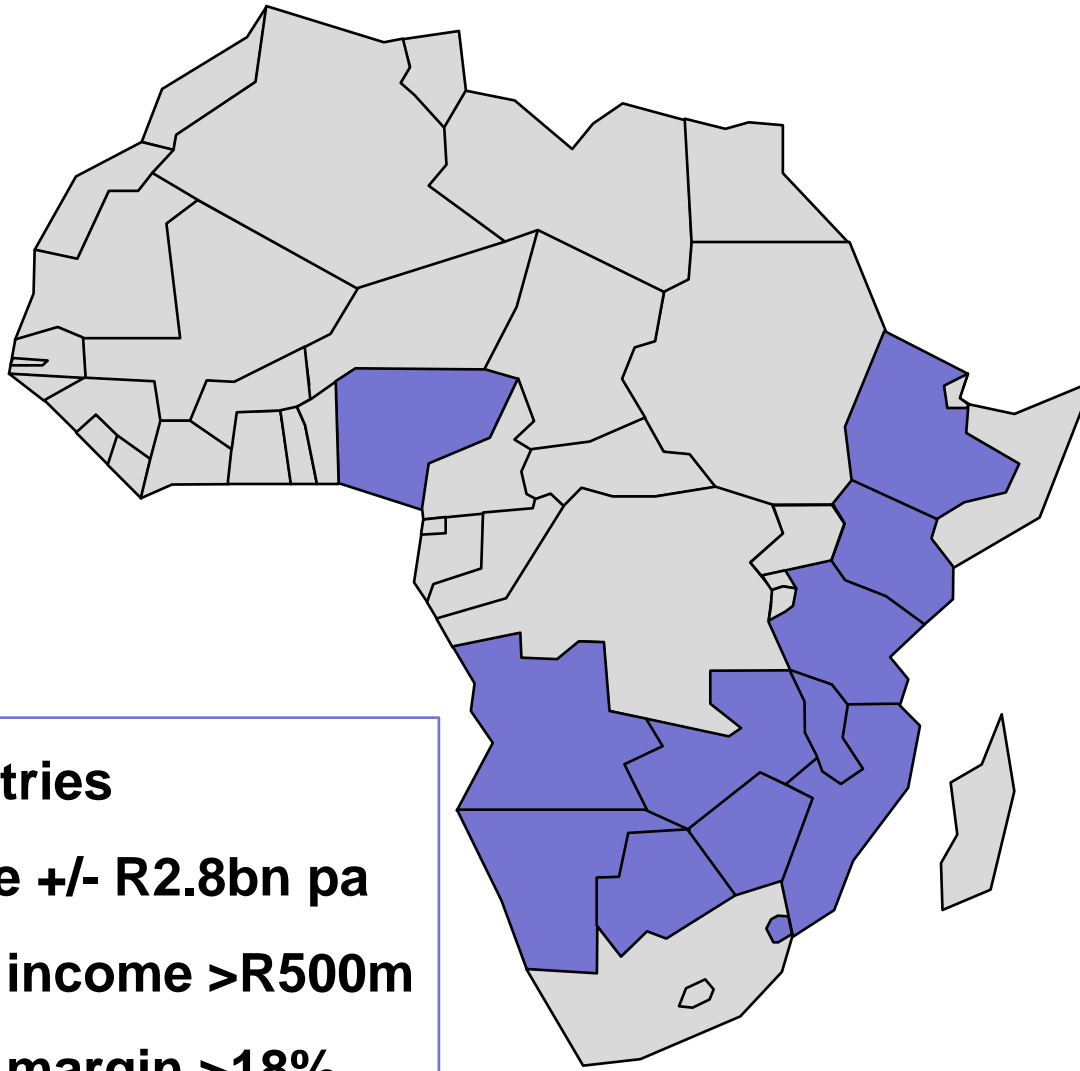
# DivFood Print Modernisation



- **Contracts signed for output from 3<sup>rd</sup> furnace**
- **Construction of 3<sup>rd</sup> furnace in progress**
- **Commissioning June 2014**



# Nampak in the Rest of Africa



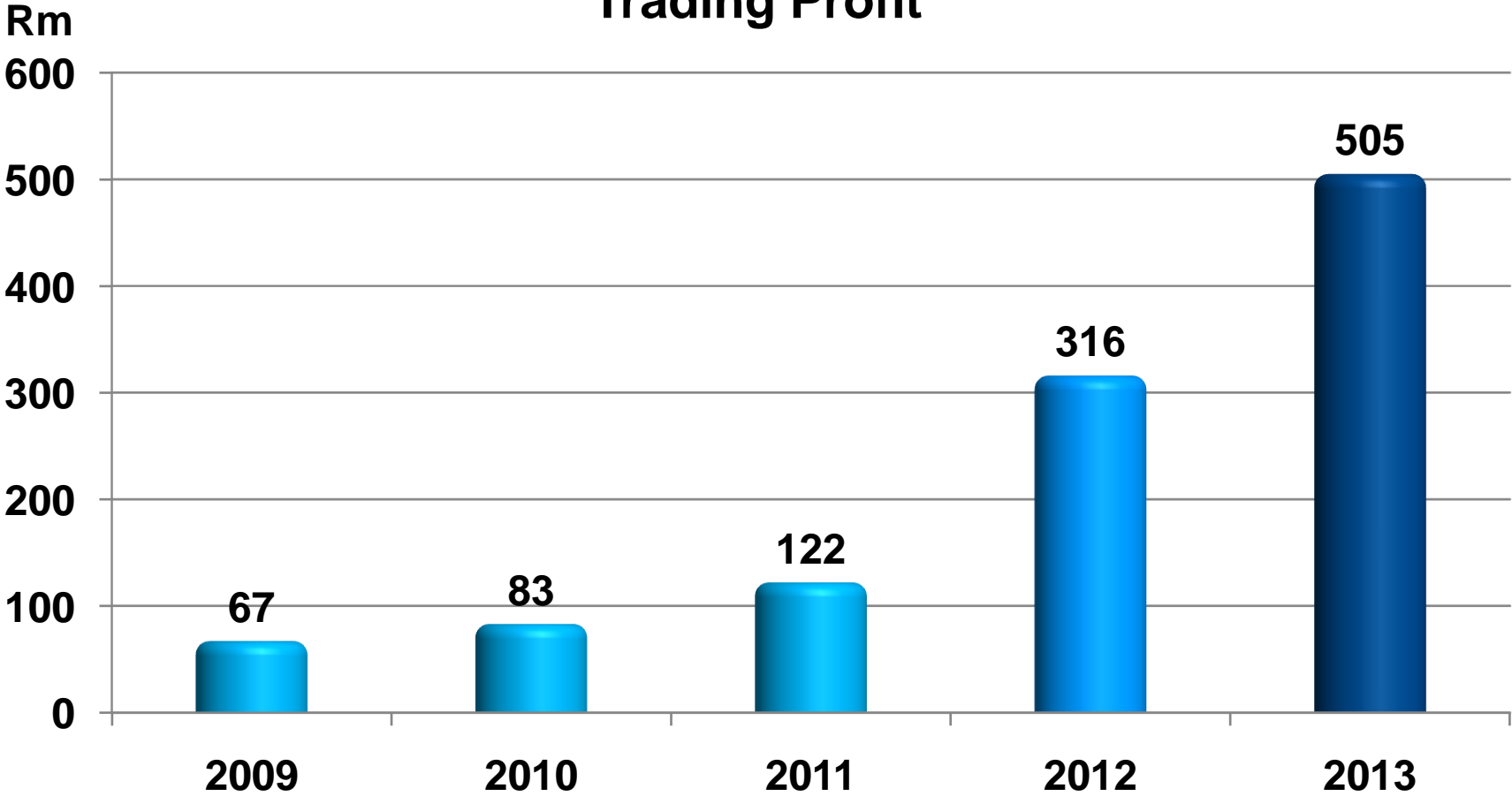
**12 countries**

**Revenue +/- R2.8bn pa**

**Trading income >R500m**

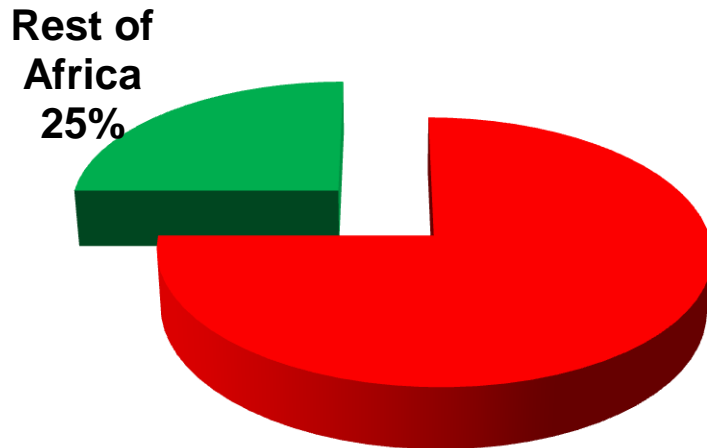
**Trading margin >18%**

## Trading Profit



# Rest of Africa : Revenue and Trading profit

## Revenue

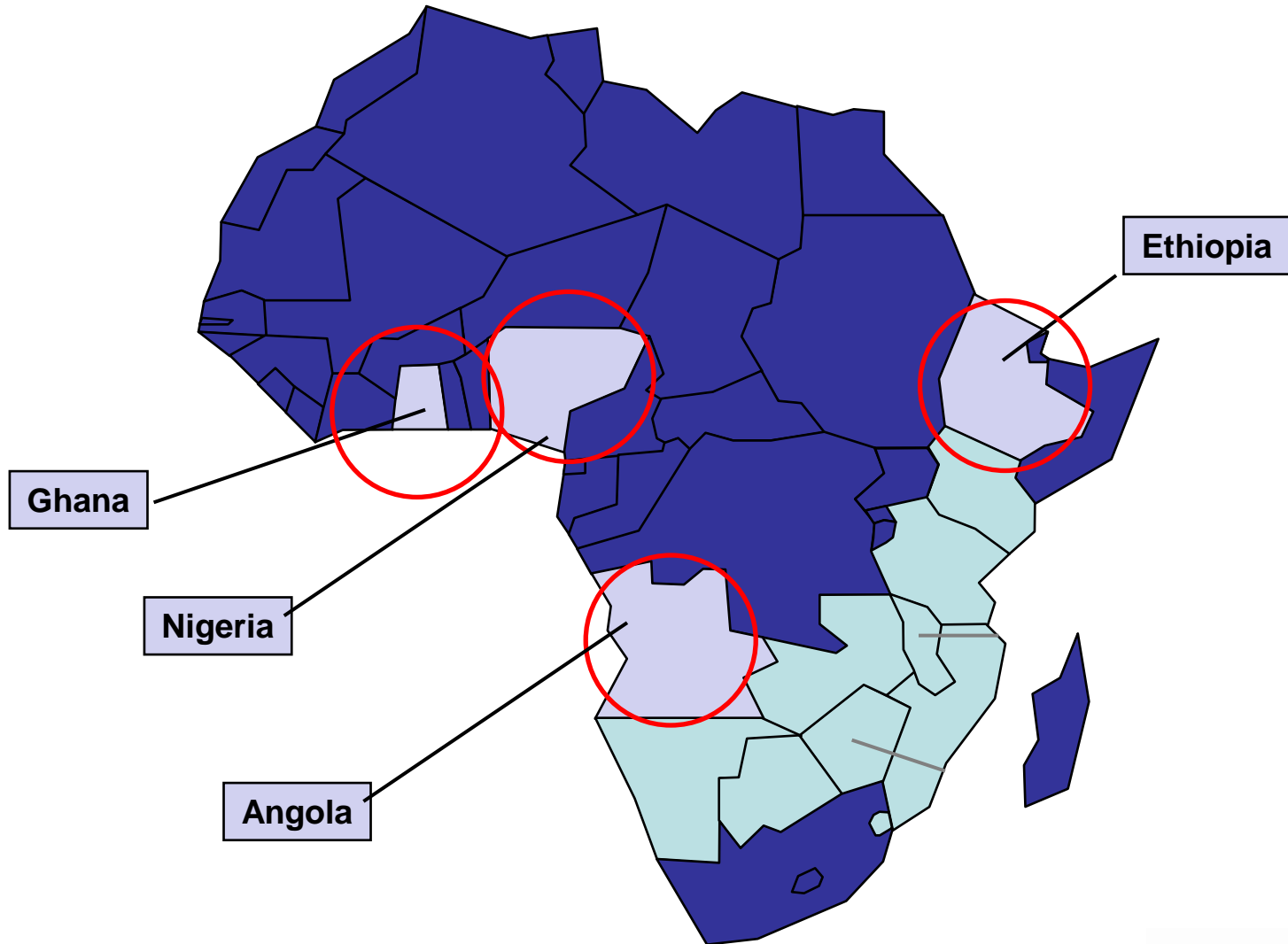


## Trading Profit



Note: rest of Africa includes exports

# Key Expansion Areas



# Where Nampak Operates

Country	Population	GDP	GDP Growth
Nigeria	168m	\$263bn	6.6%
Ethiopia	92m	\$43bn	8.5%
Tanzania	48m	\$28bn	6.9%
Kenya	43m	\$37bn	4.3%
Uganda	36m	\$20bn	3.4%
Ghana	25m	\$41bn	7.9%
Mozambique	25m	\$15bn	7.4%
Angola	21m	\$114bn	6.8%
Malawi	16m	\$4bn	1.9%
Zambia	14m	\$21bn	7.3%
Zimbabwe	14m	\$11bn	5.0%
Botswana	2m	\$14bn	6.1%
Namibia	2m	\$13bn	5.0%

Source: World Bank

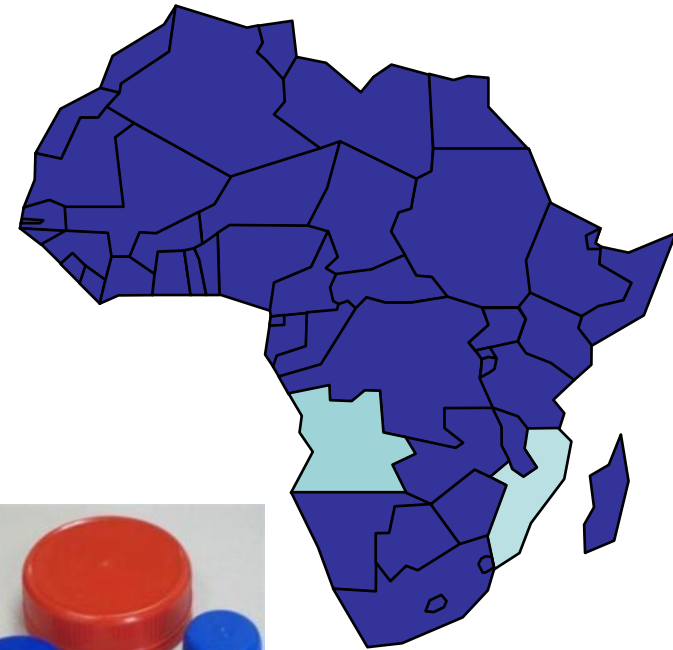
# Where Nampak Does NOT Operate

Country	Population	GDP	GDP Growth
DRC	66m	\$18bn	7.2%
Chad	12m	\$11bn	5.0%
Rwanda	11m	\$7bn	8.0%
Burundi	10m	\$25bn	4.0%
CAR	5m	\$2bn	4.1%
Congo	4m	\$14bn	3.8%
Gambia	2m	\$1bn	6.0%

Source: World Bank

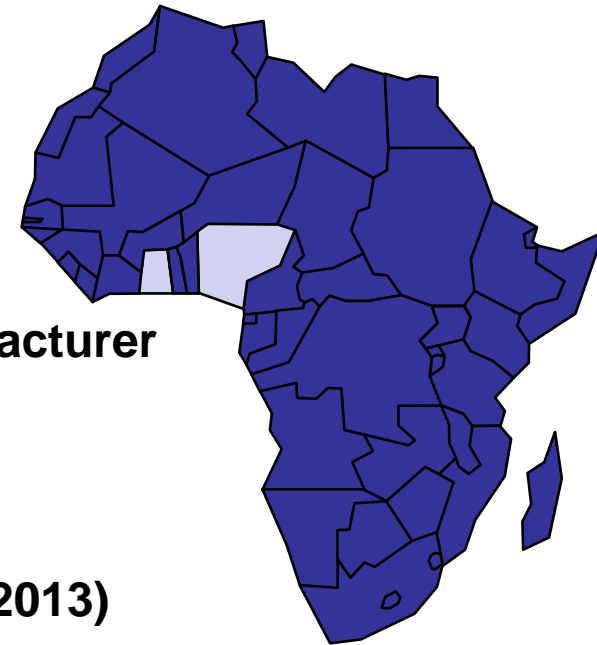
# Angola and Mozambique

- New production facility/warehouse for various expansion projects under construction
- 2<sup>nd</sup> can line approved - aluminium
- Expansion of product range
  - Closures
  - Rigid Plastics
- Plastics acquisition being investigated



## Nigeria

- Alucan acquisition
- Option to acquire a leading rigid plastics manufacturer
- Glass manufacture
- Plastic closures (commissioning Nov 2013)
- Sorghum beer cartons (commissioned August 2013)



## Ghana

- Investigating acquisition opportunities



## Kenya

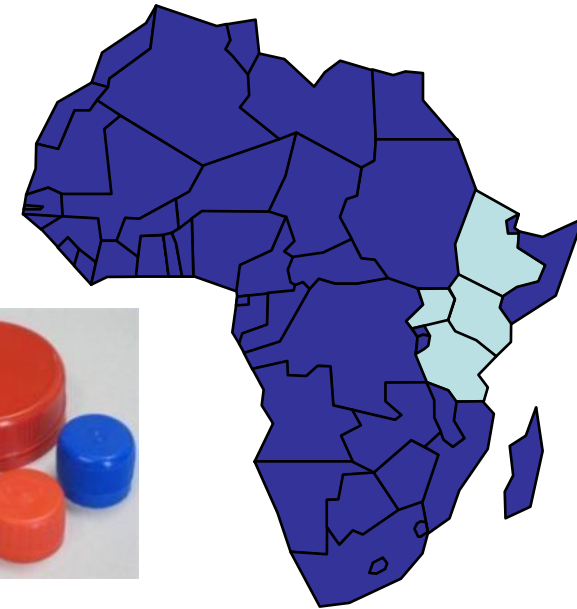
- ROPP closures line (commissioned March 2013)
- Additional metal crown capacity ( April 2014)
- Paper sacks facility ( +- Sept 2014)

## Tanzania

- Metal drums (commissioned March 2013)
- Sorghum beer cartons in Uganda (June 2013)

## Ethiopia

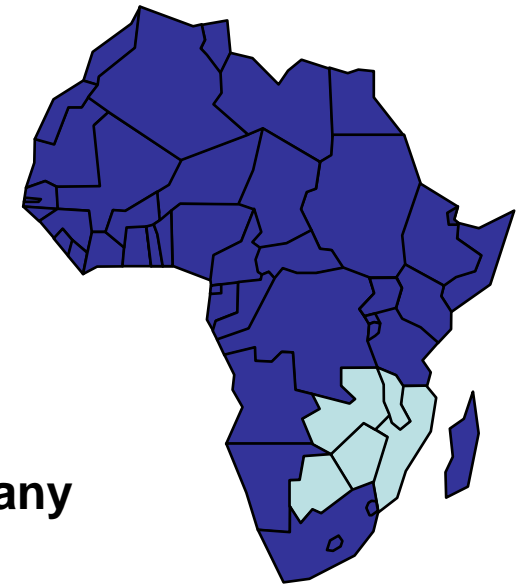
- Acquisition in Ethiopia (currently 25% equity) (on-going)
- Crates manufacture (commissioning Nov 2013)
- Green fields operation investigation



# Southern Africa

## Zambia

- Liquid carton printer (Jan 2014)
- PET jar line (Mar 2013)
- 2<sup>nd</sup> S/O bag line for sugar (Nov 2013)



## Zimbabwe

- Consolidation of businesses into one company
- Additional rigid plastics capacity (Mar 2013)



# Sorghum Beer Cartons & Fillers

	2013
Botswana	X
Zambia	X
Ghana	X
Nigeria	X
Uganda	X
Mozambique	X
Tanzania	X
Zimbabwe	X
Swaziland and Lesotho	X
Burkina Faso (fruit juice)	X

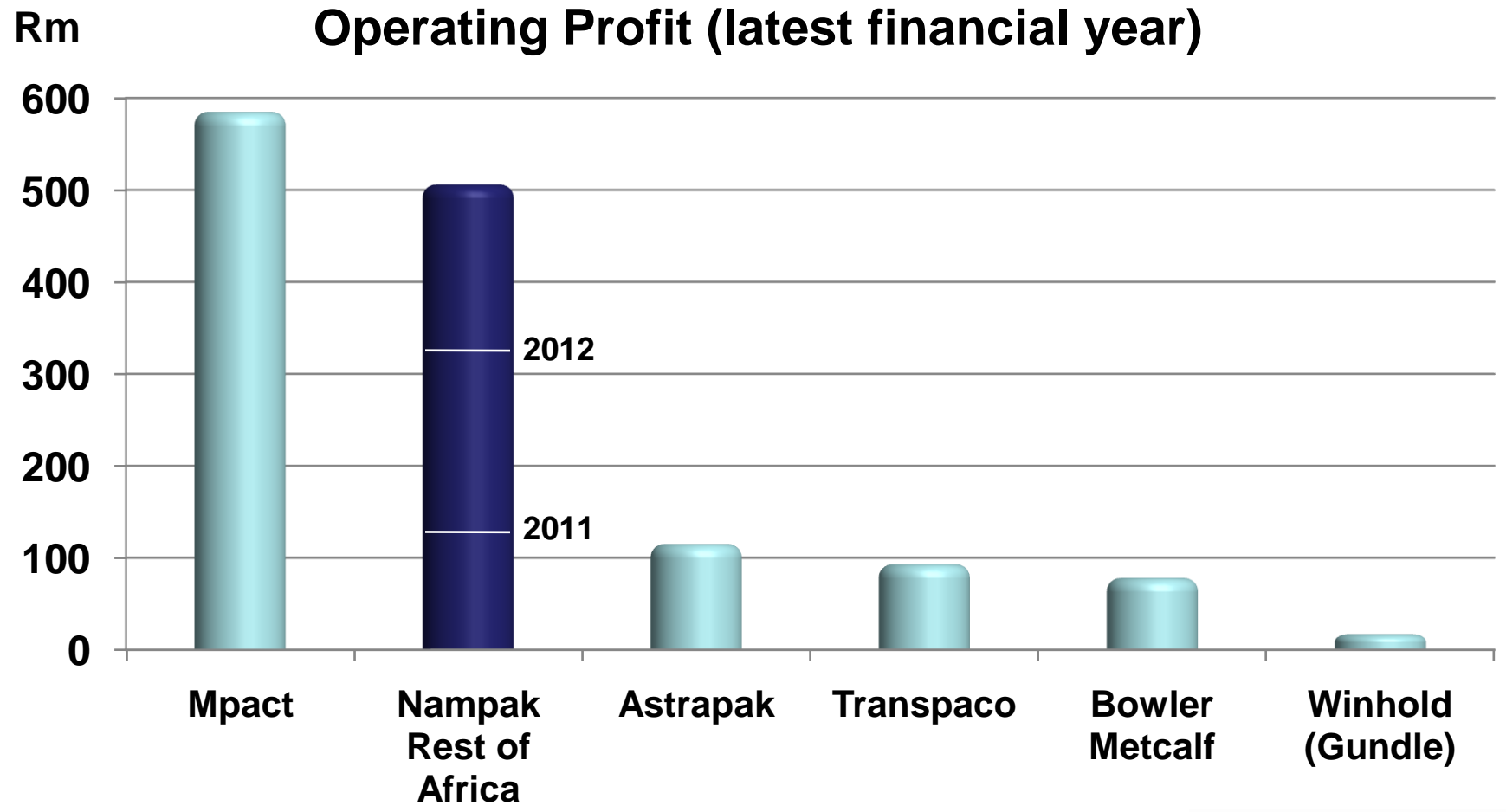


# Nampak Products Manufactured in Rest of Africa

Country	Bev cans	Food & other cans/drum	Crown	Carton & Paper Labels	Corr	Sack	Liquid Carton	Plastic Bottles & Jars	Closure	Crate	Glass	Flex
Angola	X	X						X	X			
Botswana								X				
Ethiopia		X	X							X		
Ghana							X (fill)					
Kenya		X	X			X	X(fill)	X	X			
Malawi					X	X	X					
Moz			X					X		X		
Namibia								X				
Nigeria	X	X		X			X(fill)		X		X	X
Swaziland					X							
Tanzania		X	X				X(fill)					
Uganda							X (fill)					
Zambia		X	X	X		X	X	X	X	X		
Zimbabwe		X	X	X	X	X	X(fill)	X	X	X		

Existing : X  
Proposed: X

# Nampak Rest of Africa vs Listed Competitors(Group)



Source: published results



# Outlook



- Nampak is strategically very well-positioned
- Strong positions in key metals, glass and plastics markets in SA
- African operations are growing strongly – many opportunities
- Nampak is in good hands to deliver on the strategy



# Thank You

