



NAMPAK LIMITED

Registration number 1968/008070/06

Incorporated in the Republic of South Africa

Nampak reports resilient first-half performance with stronger earnings quality, lower finance costs and improved balance sheet capacity

Nampak reported a muted performance in the first half of 2026, notwithstanding sustained improvement in Beverage South Africa and a stellar contribution from Beverage Angola (collectively “Beverage”). The Diversified business contracted sharply due to vagaries associated with fish and deciduous fruit supply, business loss, which is structural in nature, and disruptions through customer pack changes and related inventory management not expected to be repeated.

Riaan Heyl, Chief Executive Officer, described the result as reflecting “performance resilience despite headwinds in Diversified with the strategic clarity, revenue growth management discipline and elevated cost efficiency focus instilled in the business during the past three years underpinning the sustained progress in improving operational profitability, cash generation and debt reduction despite pedestrian economic growth and muted demand”

Beverage SA delivered stable results with customer retention offset by the loss of can end exports following the sale of the Nampak interest in Bevcan Nigeria, lower exports to Zambia and Argentina, as well as raw material quality and supply disruption.

The relocation of the can manufacturing line from Angola to Beverage SA (“the Springs Line 4 project”) is progressing per plan and within budget. The line will increase capacity and flexibility across pack formats.

Beverage Angola accelerated its performance consequent to an improved economic environment, stable currency, and increased consumer demand. This has been further bolstered by regional filling capacity expansion and related export opportunities. Sustained efficiencies and cost discipline continue to enable increased substrate competitiveness.

The Diversified South Africa business (“Diversified”) contracted sharply due to vagaries associated with fish and deciduous fruit supply, business loss, which is structural in nature, and disruptions through customer pack changes and related inventory management not expected to be repeated. The strategic review of Diversified was concluded during the current period with the ensuing actions being implemented. Diversified remains integral to the overall Nampak portfolio strategy.

Financial overview: continuing operations

Normalised EBITDA decreased 6% to R816 million from R865 million primarily driven by a reduction in Diversified of R103 million. This was partially offset by a 9% increase in Beverage's normalised EBITDA due to respective increases of 28% in Beverage Angola to R187 million from R146 million and a 4% increase in Beverage South Africa to R533 million from R512 million.

Net finance costs decreased by 33% to R189 million from R282 million in 1H25, primarily due to the proceeds received from disposals in the latter part of 1H25 being applied to reduce net debt, lower comparative net working capital levels and lower interest rates linked to negotiated financing package ratchets. This was partially offset by lower borrowing costs capitalised.

Normalised headline earnings increased by 9% to R346 million from R317 million in 1H25, with normalised headline earnings per share increasing by 8% to 4 131.6 cents from 3 816.6 cents per share (cps). Post-tax items affecting HEPS but excluded from normalised HEPS include a pension fund surplus of R47 million and an R82 million interim settlement of an outstanding Covid-19 insurance claim received in the prior period and in the current period, Angolan production can-line relocation costs of R68 million.

Cash of R493 million was generated from operations, after R338 million was utilised to fund net working capital. Net cash generated from operating activities increased to R256 million from R82 million.

Net debt excluding capitalised leases reduced by 30% to R2.2 billion from R3.1 billion at the end of 1H25, with net gearing decreasing to 69% from 149% in 1H25.

Discontinued operations

The loss for the period from discontinued operations amounted to R114 million, primarily due to the after-tax effect (before non-controlling interest) of a R136 million impairment in respect of Nampak Zimbabwe. This compared to a 1H25 profit of R2.5 billion that included a recycling of a foreign currency translation reserve of R2.4 billion relating to Bevcan Nigeria on its disposal in 1H25.

Net asset value per share increased by 61% to 34 759.2 cents from 21 587.9 cents in 1H25.

Total operations

A profit of R410 million is reported compared to R3.0 billion in 1H25.

This resulted in earnings per share of 5 517.8 cents compared to 35 842.2 cents in 1H25. Headline earnings of R293 million and headline earnings per share of 3 491.6 cents decreased by 47% and 48% respectively compared to R555 million headline earnings and headline earnings per share of 6 692.2 cents in 1H25.

Capital expenditure, asset disposal plan and debt reduction

Capital expenditure for the current period was R239 million, which included R126 million for the relocation of the surplus Angolan line to Springs. Net debt inclusive of capitalised finance leases of R2.9 billion decreased by R1.0 billion from R3.9 billion, this was assisted by cash generation despite capital expenditure of R474 million for the past 12 months.

The disposal of Nampak's 51.43% interest in Nampak Zimbabwe Limited is progressing with interested parties, and the business continues to be classified as held for sale. Proceeds from the disposal are expected to reduce group net debt and eliminate risk associated with operating in the Zimbabwe economy.

Outlook

Notwithstanding global disruption, inflationary pressures and the subdued South African growth outlook, Nampak is well positioned to compete effectively. The beverage category is expected to remain relatively resilient, with capacity expansion and pack format flexibility supporting Beverage South Africa's competitiveness. Beverage Angola is expected to remain a growth driver, while the Diversified reset is expected to support a sustainable double-digit EBITDA margin business once completed.

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