



# INTERIM RESULTS

for the six months ended 30 June 2023

# Agenda

**Introduction  
and highlights**

**Outlook**

**Interim  
financial results**

**Operational review –  
Extrusions**



**Operational review –  
Rolled products**

01

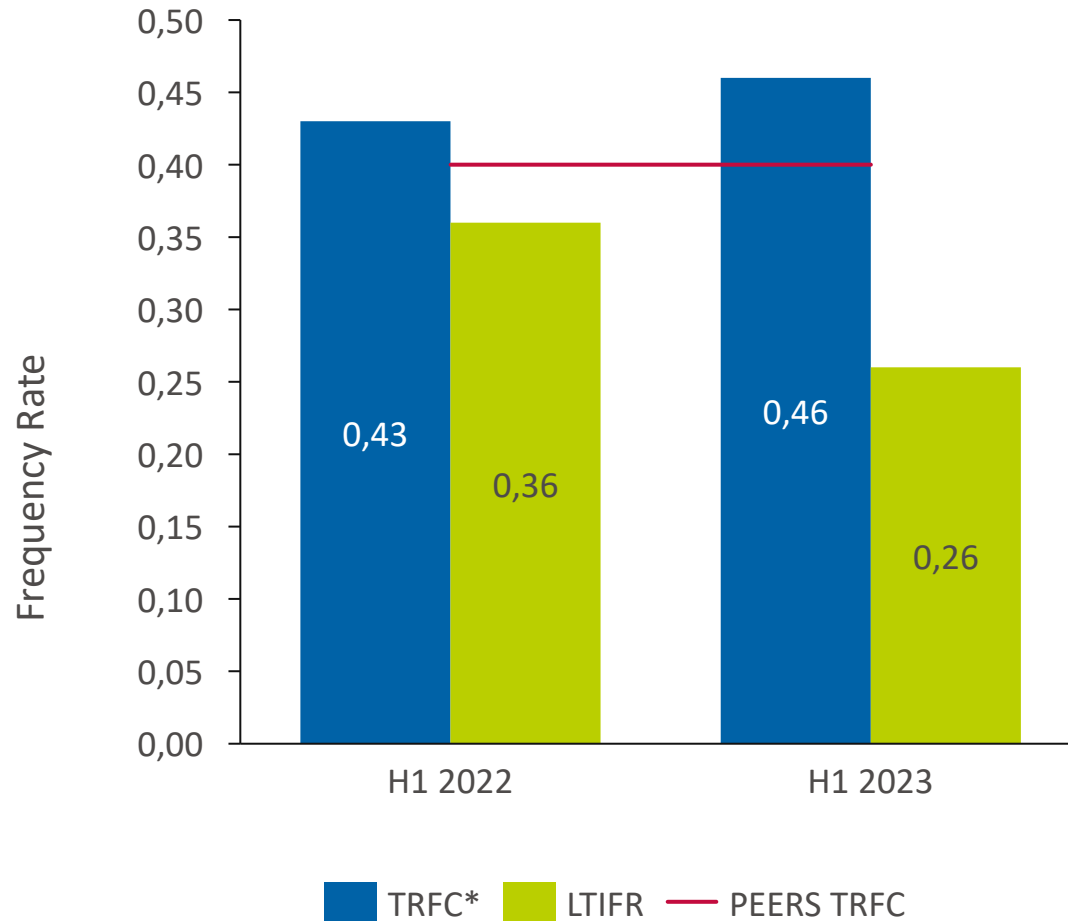


# Introduction and highlights

Geoff Watson – Interim CEO

# Safety Performance 2023

*“Zero harm to employee remains our primary focus”*



- Four lost time injuries in Q1
- Triggered an in-depth review of safety management
- Interventions include installation of cameras and sensors on mobile equipment and restricting interface with people.

\*TRFC is per 200 000hrs

# Key features H1 2022 to H1 2023

<b>Normalised EBIT grew 107% to R364m a result of:</b>	<ul style="list-style-type: none"><li>• Total Can products up 6% to 49% of total sales</li><li>• 6% improved scrap utilisation</li><li>• R/\$ exchange rate R2.79 weaker</li></ul>
<b>Market has moved to constrained in the short term with recovery in Q4</b>	<ul style="list-style-type: none"><li>• Local can makers have excess imported stock</li><li>• European canmakers are adjusting stock as demand after COVID returns to 5% CAGR</li></ul>
<b>Economic challenges</b>	<ul style="list-style-type: none"><li>• Stable cost base despite rising inflation and interest rates</li><li>• Continued impact of Geopolitical tensions with energy costs in Europe impacting industrial product demand</li></ul>
<b>Capital expenditure R141m, up R51m</b>	<ul style="list-style-type: none"><li>• Investment in reliability, capability and capacity</li></ul>



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# Interim 2023 financial results

Mark Gounder – CFO

“Improved quality of normalised earnings through richer mix and weaker exchange rate...”

HALF-YEAR  
FINANCIAL  
HIGHLIGHTS  
2023

**R364m** Normalised EBIT  
**UP 107%**

**46%** Net working capital % revenue  
**DOWN 1%**

**70 cps** Normalised HEPS  
**UP 94%**

**R11.46** Net asset value per share  
**UP 15%**

**90kt** Rolled Products sales  
with reprioritise richer mix

**(R152m)** Net free cashflows

**6%** improvement on scrap utilisation

**33%** Debt to equity ratio  
**DOWN 10%**

# Salient features

		H1 2023	H1 2022	% Change
<b>KEY PARAMETERS AND ACTIVITIES</b>				
Average LME	US\$	<b>2 331</b>	3 091	24 ▼
Average exchange rate	R/US\$	<b>18.20</b>	15.41	18 ▲
Group sales volume	Tons	<b>95 588</b>	103 329	7 ▼
Rolled Products sales volume	Tons	<b>90 123</b>	98 368	8 ▼
Revenue	R billion	<b>7 400</b>	7 900	7 ▼
<b>PROFITABILITY</b>				
EBIT	R million	<b>473</b>	223	112 ▲
Normalised <sup>1</sup> EBIT	R million	<b>364</b>	176	107 ▲
Normalised <sup>1</sup> EBITDA	R million	<b>425</b>	218	95 ▲
EPS	Cps	<b>95</b>	47	102 ▲
HEPS	Cps	<b>95</b>	47	102 ▲
Normalised <sup>1</sup> HEPS	Cps	<b>70</b>	36	94 ▲

1. Normalised EBIT, EBITDA and HEPS exclude metal price lag and material non-trading items



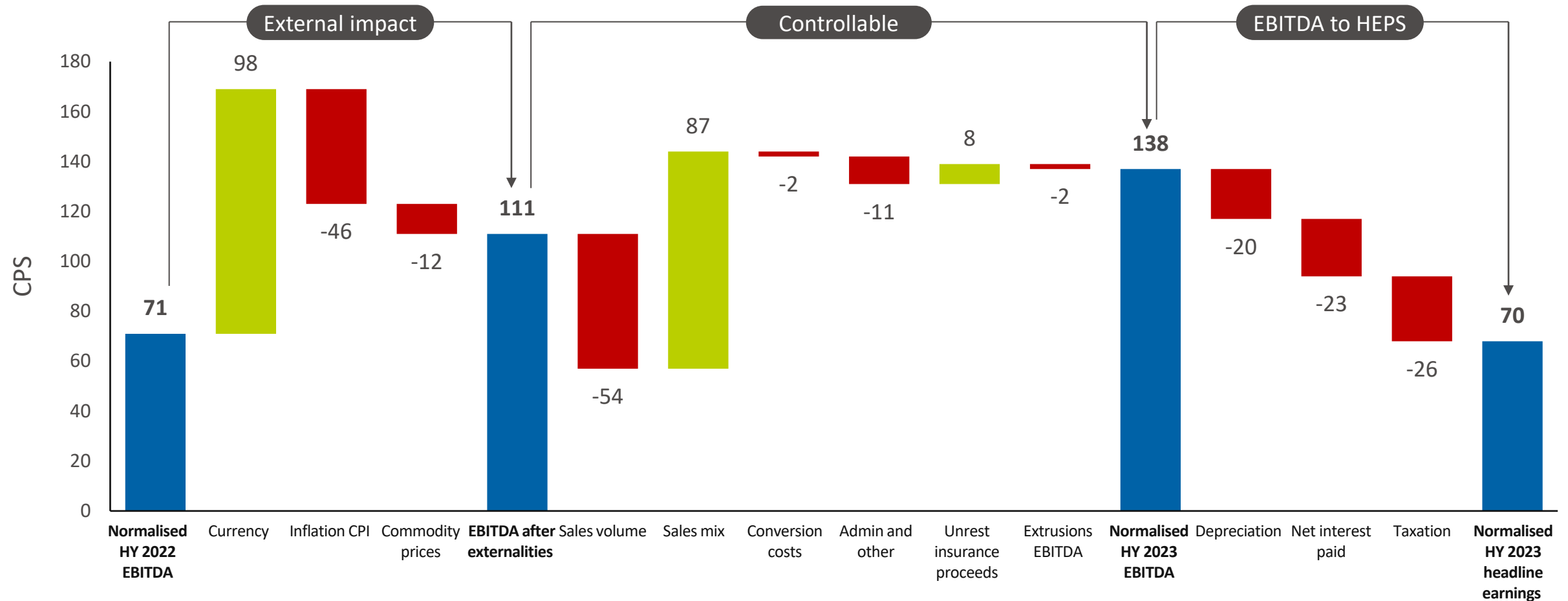
# Salient features

		H1 2023	H1 2022 Restated	% Change
Capital expenditure*	R million	<b>141</b>	90	57 ▲
Net working capital as % of revenue*	%	<b>46</b>	47	1 ▲
Net cash flow from operating and investing activities	R million	<b>(152)</b>	(564)	73 ▲
Closing net debt	R million	<b>999</b>	1 223	18 ▲
Debt equity ratio	%	<b>33</b>	43	10 ▲

\*2022 restated

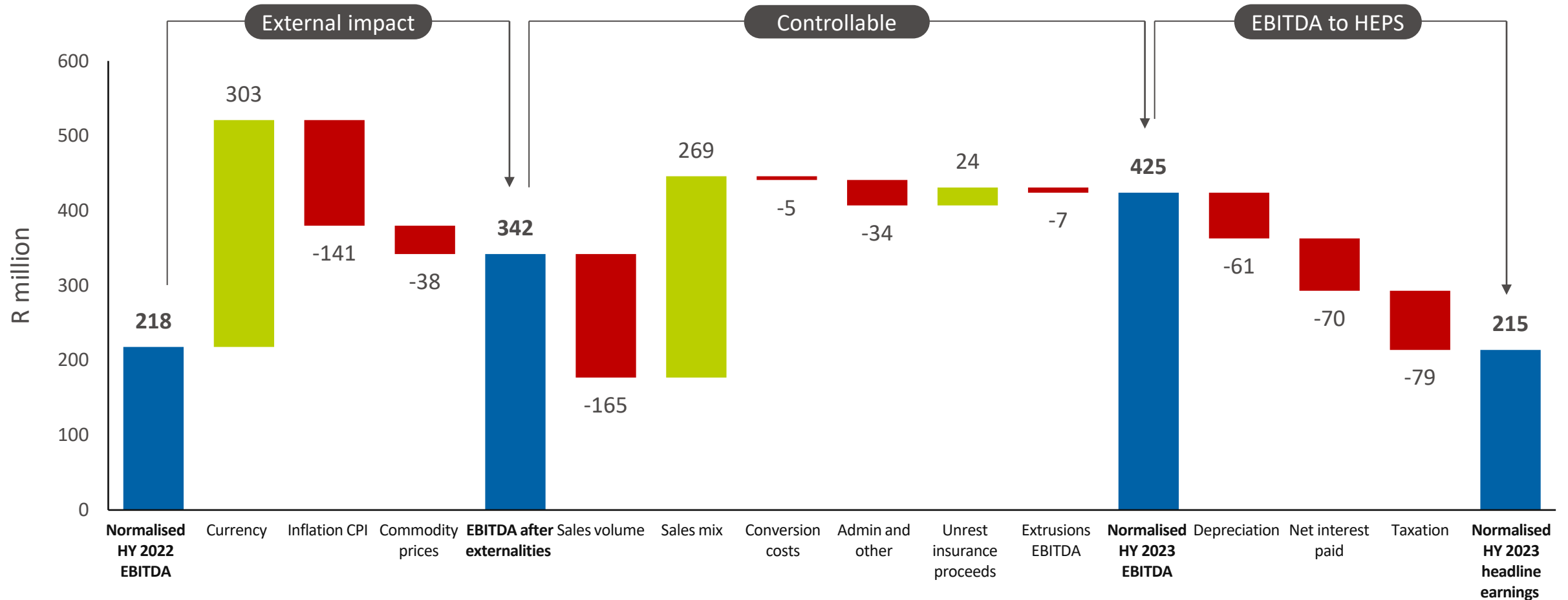
# Normalised EBITDA / Headline earnings per share

*“EBITDA being 95% higher was a result of rationalisation of product mix, weaker exchange rate and stable cost base...”*

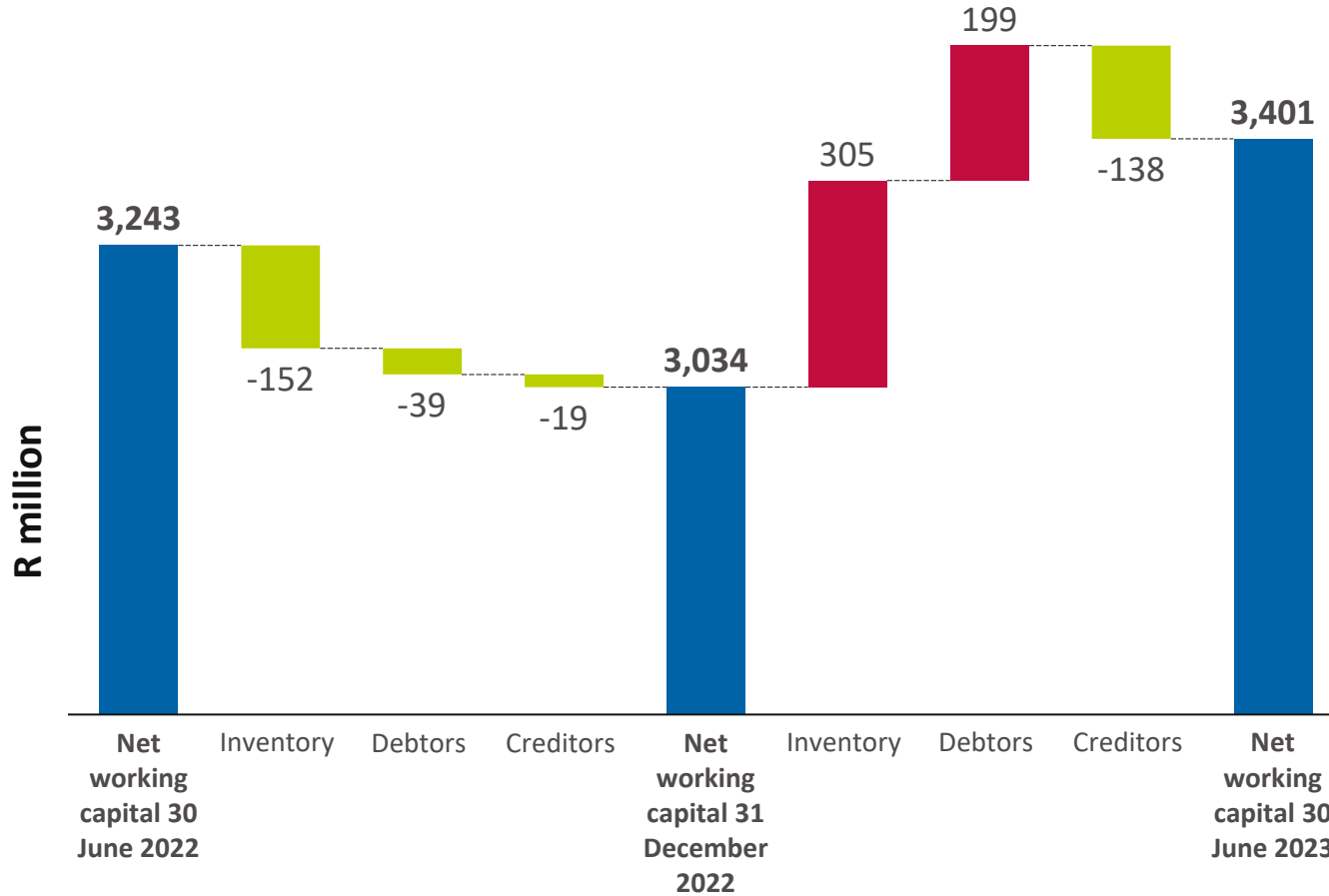


# Normalised EBITDA / Headline earnings (R million)

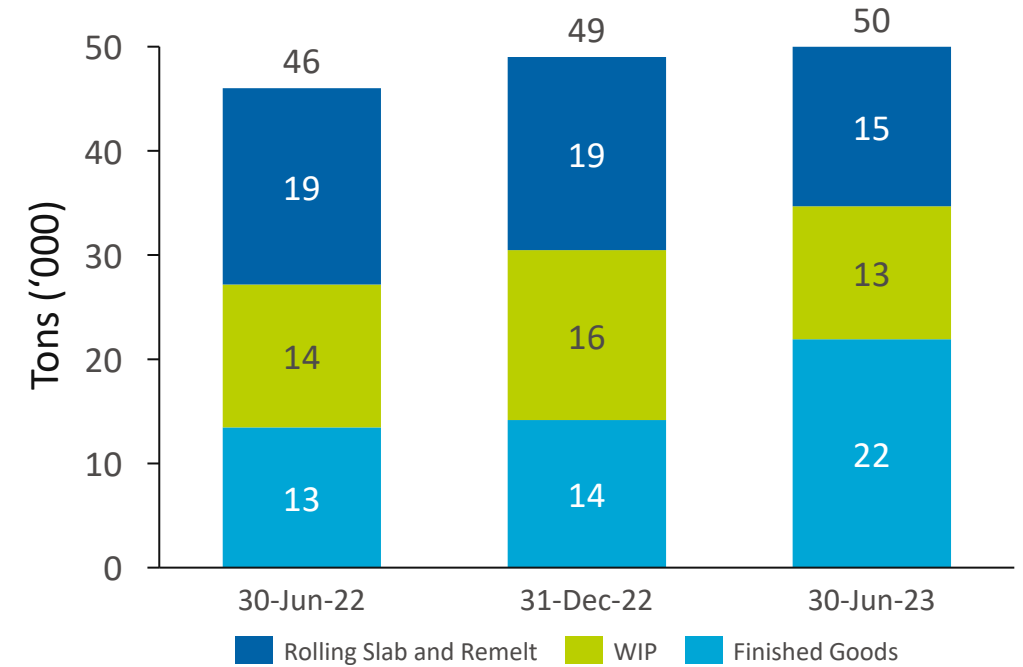
*“EBITDA being 95% higher was a result of rationalisation of product mix, weaker exchange rate and stable cost base...”*



# H1 2023 analysis of net working capital



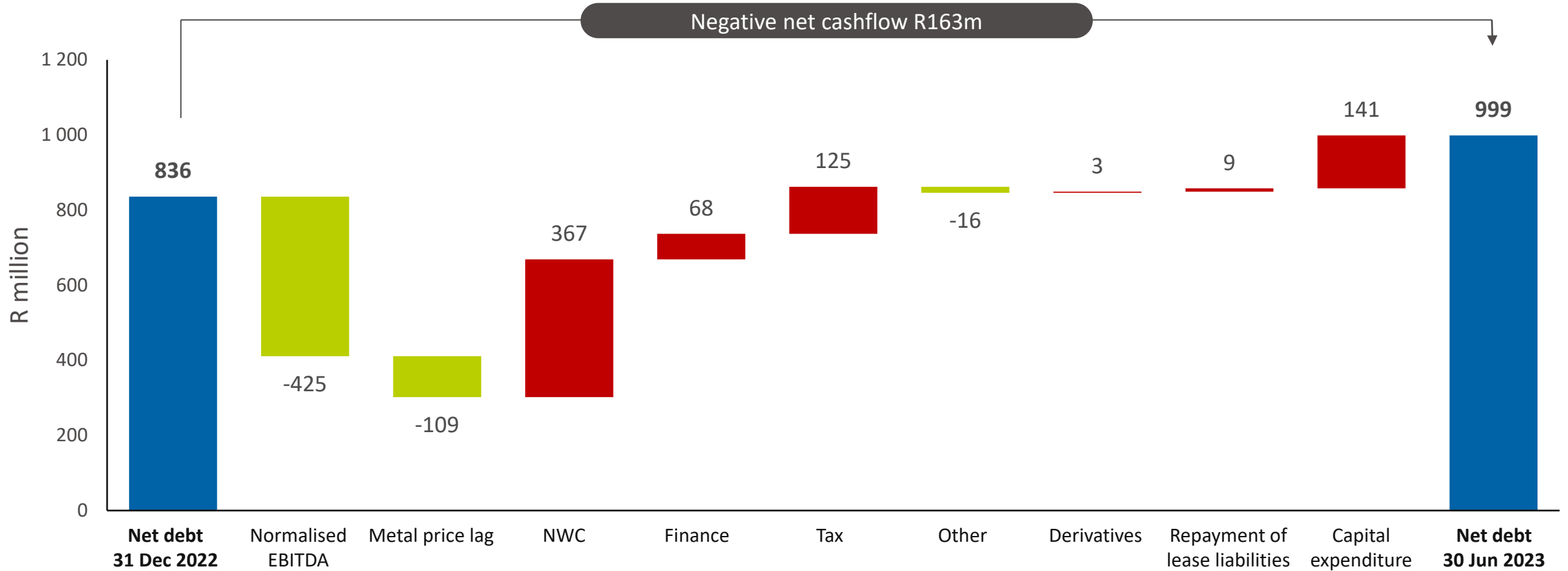
Aluminium Inventory Summary



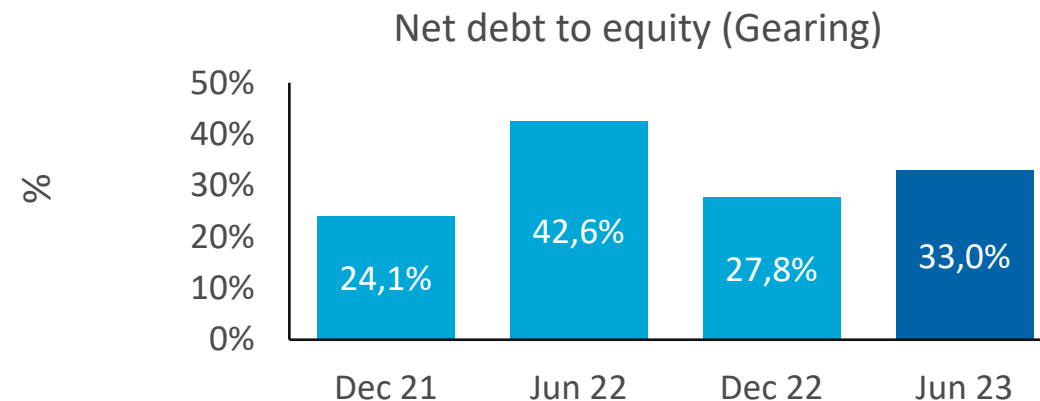
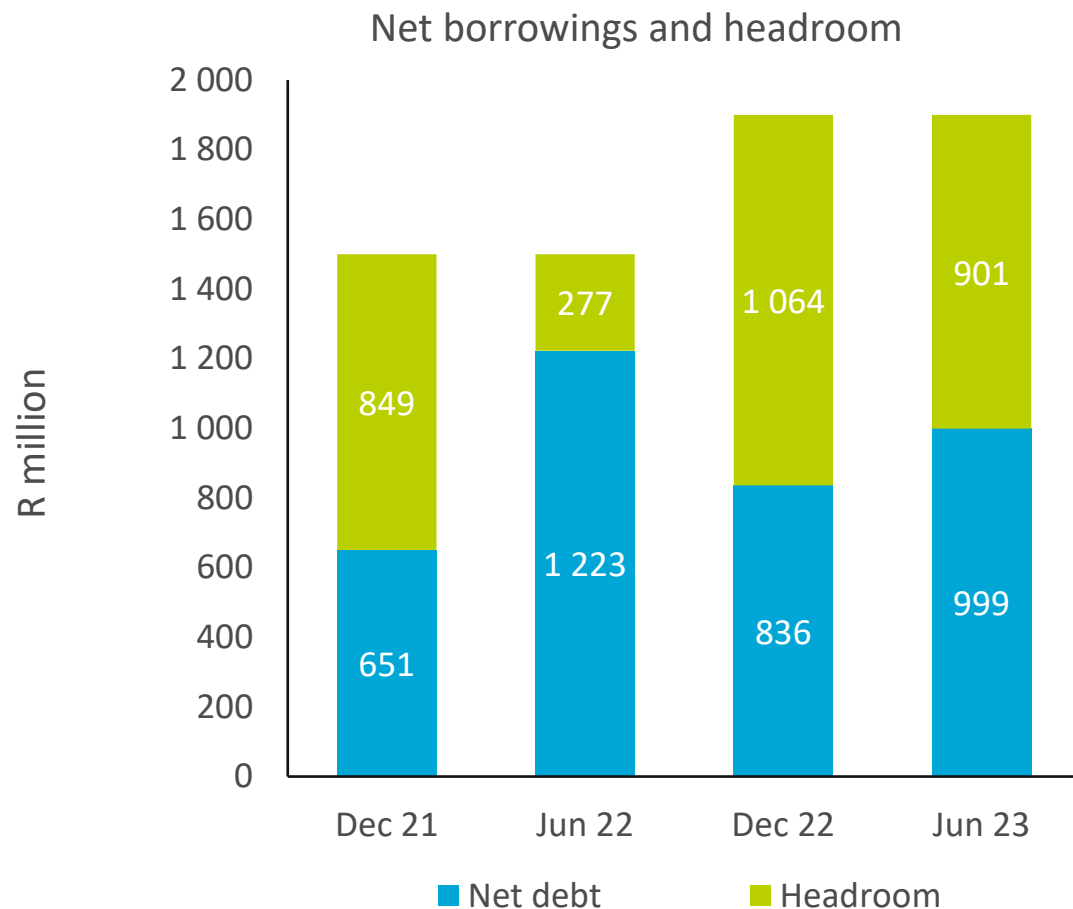
- **Inventory:** Available plant capacity utilised to build up finished goods for H2 sales
- **Trade Debtors & Trade Creditors:** Impacted by change in product mix and weaker R/\$ exchange rate

# H1 2023 analysis of cash flow

*“Impacted by increased working capital requirements, exchange rate, taxation and capital expenditure...”*



# H1 2023 liquidity and capital structure



## Covenant ratio

### Collateral cover ratio

Minimum required	1.20
<b>June</b>	<b>1.76</b>

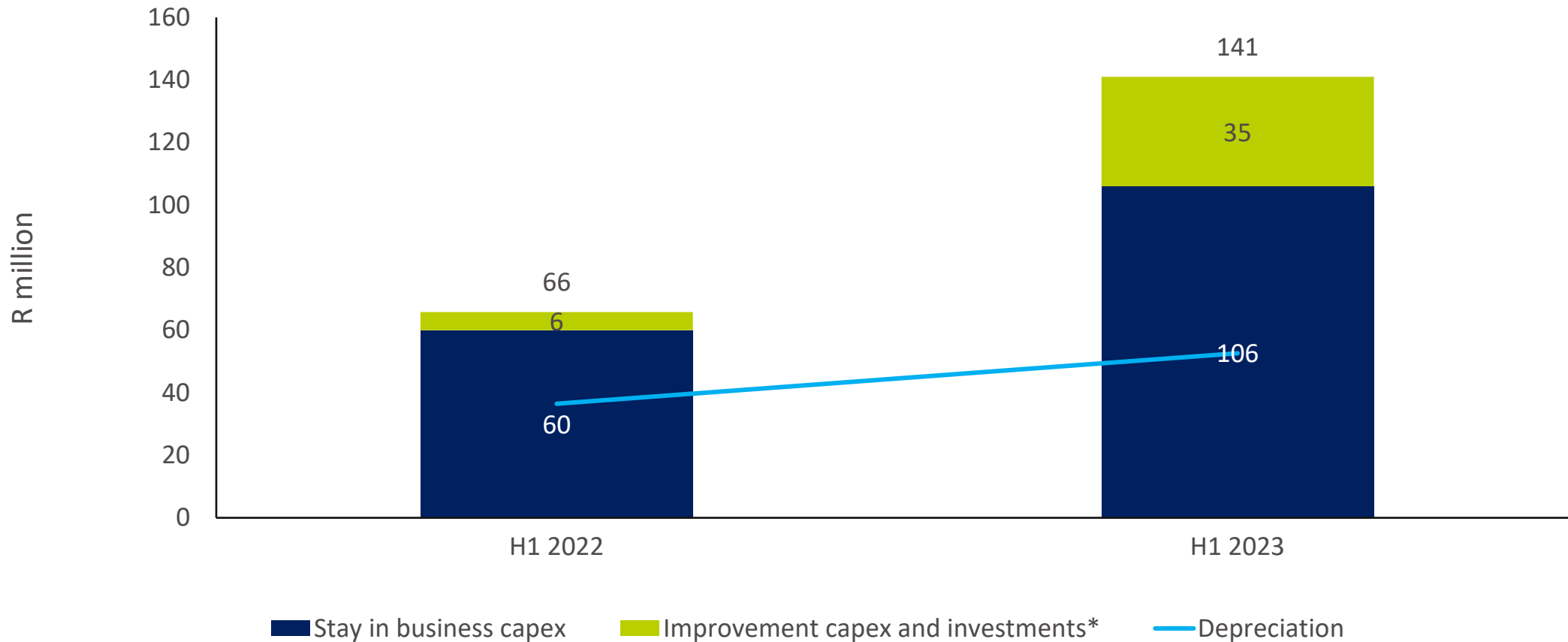
## Debt to equity

Maximum	60%
<b>June</b>	<b>35.6%</b>



# Capital expenditure

*"Investment in capacity, capability and reliability..."*



\* Excludes capitalised borrowing costs

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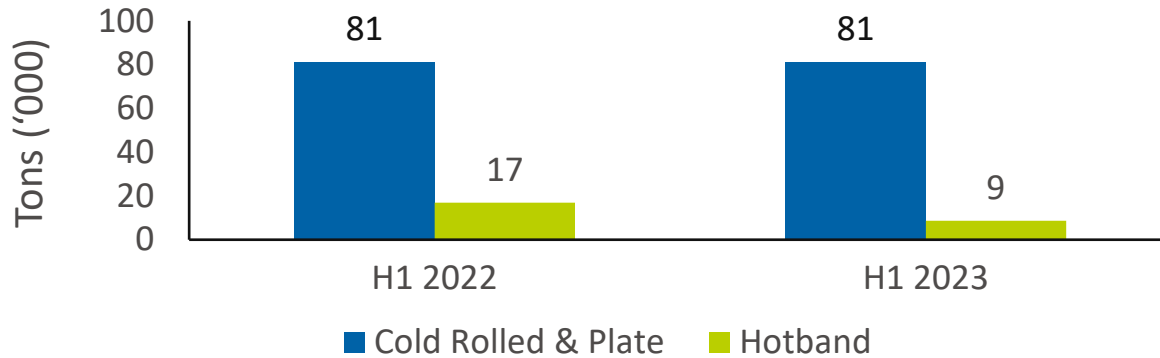
## Operational review – Rolled Products

Geoff Watson – Interim CEO

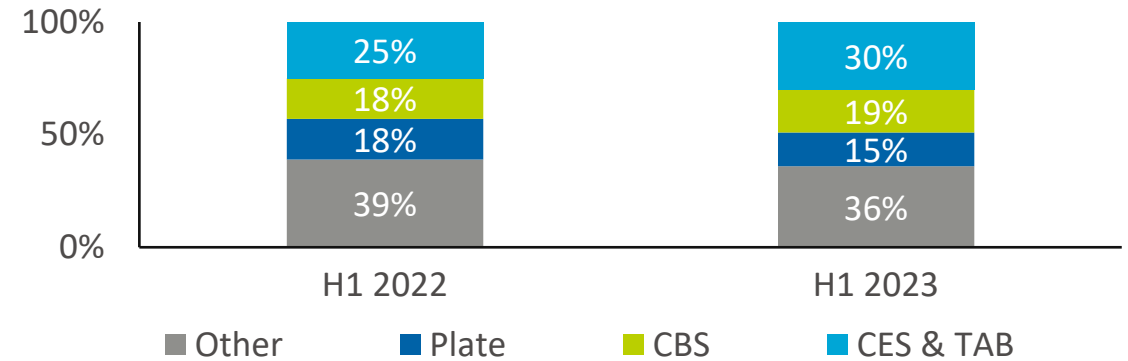
# Rolled Products H1 2023 operational highlights

*"Simplified sales mix continues to yield returns with plant capacity being prioritized towards core streams..."*

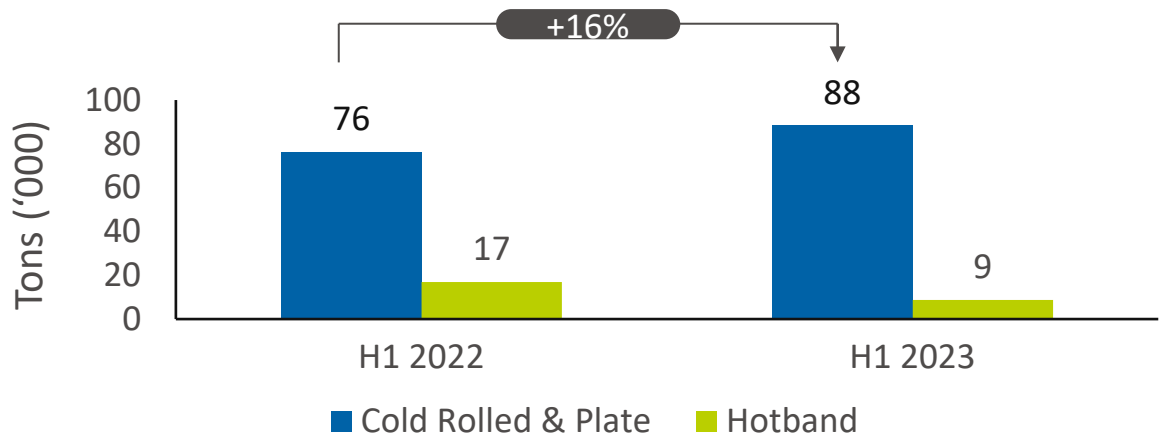
Rolled Products sales volumes (Tons 000's)



Sales mix (%)



Production (Kt)



Total volumes **down** 8%

- Reprioritised plant capacity to core streams
- Excess imported Canstock
- Softening export markets

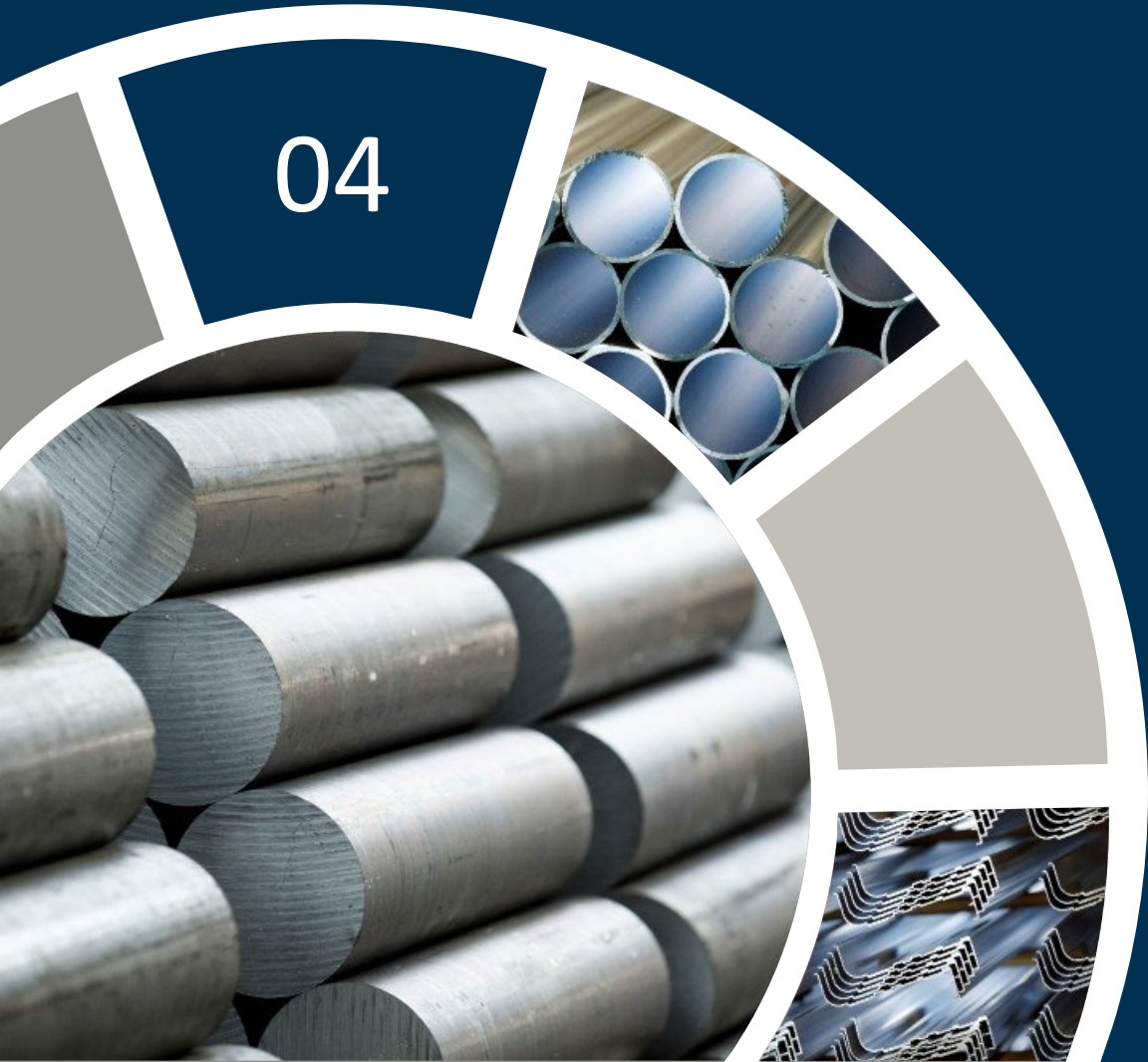
**Improved** can mix

- Prioritisation of local markets
- Product mix simplification

Cold rolled production **up** 16%

- Available plant capacity utilised to satisfy Canbody forecasted demand in H2

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## Operational review – Extrusions

Geoff Watson – Interim CEO



# Extrusions H1 operational highlights

- Sales volumes being 9% higher to 5.8k tons compared to prior period supported by recovery of automotive sector, but EBITDA impacted by lower pricing resulting in an unfavourable movement of R7m from prior period.



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# Outlook

Geoff Watson – Interim CEO



## H2 2023 Outlook

- Business stability has improved with capacity growing in preferred products by 12% or 20kt per year
- Market has moved to constrained with recovery evident by year end
- As a result, interventions to reduce inventory and cost significantly in Q3 are underway
- Engineering for increased Can Body products capacity and capability with increased UBC recycling will be complete by year end.
- Generator capacity will be increased to cover the equivalent of Load Shedding Level 6.





**THANK YOU.**