Mpact Limited
(Incorporated in the Republic of South Africa)
(Company registration number 2004/025229/06)
Income tax number: 9003862175
JSE share code: MPT
JSE ISIN: ZAE000156501
("Mpact" or "the Group" or "the Company")

Unaudited interim results and cash dividend declaration
for the six months ended 30 June 2019

Mpact is the largest paper and plastics packaging and recycling business in Southern Africa with customers that include packaging converters, fruit producers, FMCG companies and other consumer and industrial packaging companies. Mpact's integrated business model is uniquely focused on closing the loop in plastic and paper packaging through recycling and beneficiation of recyclables.

Salient features

- Revenue increased by 4.2% to R5.2 billion (June 2018: R5.0 billion)
- Underlying operating profit up 29.4% to R218 million (June 2018: R168 million)
- Underlying earnings per share up 25.1% to 39.4 cents (excluding IFRS 16, up 47.9%)
- Return on Capital Employed ("ROCE") increased to 10.3% (June 2018: 7.4%)
- Interim gross cash dividend up 20.0% to 18 cents per share (June 2018: 15 cents per share)

Group performance
The Group's improved financial results for the six months ended 30 June 2019 reflect further benefits from recent capital investments which more than offset the effects of a challenging trading environment and unfavourable market conditions.

Group revenue of R5.2 billion was 4.2% higher than the comparable prior period, with external sales volumes increasing by approximately 1%.

Underlying operating profit of R217.7 million was 29.4% higher than the comparable prior period (June 2018: R168.3 million) primarily due to improved containerboard margins.

Mpact has concluded the refinancing of R2.6 billion of its existing bank facilities, subject to the fulfilment of certain conditions precedent.

Outlook
There is currently no indication of any meaningful improvement in the South African economy. We do nevertheless expect better sales to the agricultural sector during the second half of the year as a consequence of good growth in citrus fruit volumes.

Recovered paper prices in the domestic market are stable, with the effects of waste-import-policy implementation in China and other Southeast Asian countries offsetting lower collections in South Africa.

Containerboard sales volumes are likely to remain under pressure due to global supply and demand, which may affect profit margins in the second half of the year. We expect to mitigate some of the effects through cost savings, higher efficiencies and improved product mix.

Our focus at Mpact Polymers is on improving plant yield, quality and throughput, whilst also realising sustainable prices for SavukaPET. Mpact's integrated business model is uniquely focused on closing the loop in paper and plastic packaging through recycling and beneficiation. We continue to work with our customers in developing new processes, products and opportunities that enable them to realise their sustainability goals.

Cash dividend
Notice is hereby given that the Board has declared a final gross cash dividend of 18 cents for the six months ended 30 June 2019 (14.40 cents net of dividend withholding tax) per ordinary share. The dividend has been declared from income reserves. A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt.

The Company's total number of issued ordinary shares at the date of this announcement is 173 304 517. Mpact's income tax reference number is 9003862175.

Salient dates for the cash dividend distribution.

	2019
Publication of dividend declaration	Wednesday, 7 August
Last day of trade to receive a dividend	Tuesday, 3 September
Shares commence trading "ex" dividend	Wednesday, 4 September
Record date	Friday, 6 September

Payment date Monday, 9 September

All times provided are South African local times. The above dates and times are subject to change. Any material change will be announced on the SENS.

Share certificates may not be dematerialised or rematerialised between Wednesday, 4 September 2019 and Friday, 6 September 2019, both days inclusive.

Financial summary

R'million	Six months ended 30 June 2019	Six months ended 30 June 2018	Change %
Revenue	5 182	4 976	4.2
Underlying operating profit(1)	218	168	29.4
Underlying profit before tax(2)	85	69	23.2
Net debt	3 000	2 217	35.3
Return on capital employed (%)	10.3	7.4	2.9
Interim gross dividend for the year (cents)	18.0	15.0	20.0
Basic earnings per share (cents)	40.2	29.7	35.4
Basic underlying earnings per share (cents)	39.4	31.5	25.1
Basic headline earnings per share (cents)	39.0	30.5	27.9

(1) Underlying operating profit is the Group operating profit before special items.
(2) Underlying profit before tax is the Group profit before tax and before special items.

This short-form announcement is the responsibility of the directors and is only a summary of the information in the full unaudited announcement. Any investment decision should be based on the full unaudited announcement which is available on our website www.mpact.co.za/investor-relations/financial-reports and on https://senspdf.jse.co.za/documents/2019/JSE/ISSE/MPT/Inter2019.pdf

The full unaudited announcement is also available at our registered offices for inspection, at no charge, during office hours. Copies of the full unaudited announcement may be requested by contacting
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7 August 2019

Directors
Independent Non-Executive:
AJ Phillips (Chairman), NP Dongwana, NB Langa-Royds, PCS Luthuli, M Makanjee, TDA Ross, AM Thompson

Executive:
BW Strong (Chief Executive Officer), BDV Clark (Chief Financial Officer)

Company secretary:
MN Sepuru

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Transfer secretaries:
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