Mpact Limited
(Incorporated in the Republic of South Africa)
(Registration number 2004/025229/06)
JSE and A2X share code: MPT ISIN: ZAE000156501
("Mpact" or "the Company" or "the Group")

TRADING STATEMENT

In terms of the JSE Limited Listings Requirements, listed companies are required to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on next will differ by 20% or more from the financial results of the previous corresponding reporting period.

The Group experienced a persistently challenging trading environment for the first half of 2025. Despite a reduction in interest rates and lower inflation, uncertainty in local and global markets contributed to poor business sentiment and consumer demand remained weak. Notwithstanding, good progress is being made on the Group's strategic development projects, which focus on growth sectors and investments in innovative, higher-margin, and sustainable products, and we remain confident in our value-enhancing strategy and future prospects.

Continuing operations

Group revenue from continuing operations is expected to increase by approximately 3% compared to the six months ended 30 June 2024 ("prior period") (June 2024: R6,173 million).

Revenue in the Paper business is up by approximately 7% due to higher containerboard sales volumes which were partially offset by lower cartonboard and corrugated sales volumes. No commercial downtime was taken at Felixton and Mkhondo paper mills in the first half of 2025.

Containerboard sales volumes increased due to growth in exports and market share gains in the local market, while cartonboard sales volumes were lower than the prior period due to weak local demand and lower-priced imports, which resulted in some commercial downtime at our Springs paper mill. Corrugated sales volumes are down due to weak industrial demand. Despite an overall increase in revenue, higher recovered paper prices, energy and fixed costs resulted in lower operating profit for the Paper business.

The Plastics business saw revenue decline by approximately 15% compared to the prior period. As anticipated, FMCG Wadeville's sales volumes were down significantly due to the expiration of two contracts with a major customer in 2024. Although the business has been able to find replacement customers for some of the lost volumes, the uptake has been slower than anticipated. Sales volumes were also down in Bins & Crates mostly due to lower beverage crate sales, which were somewhat offset by good growth in agriculture crates. Historically, Bins & Crates' sales and profitability have been heavily weighted towards the second half of the year and we expect this year to be similar. Both FMCG Pinetown and Atlantis experienced good sales volume growth due to new projects and growth from existing customers.

Earnings before interest, tax depreciation and amortisation (EBITDA) is expected to decrease by approximately 15% (June 2024: R731 million) and underlying operating profit by approximately 26% (June 2024: R423 million). Net debt at the period end decreased to approximately R2.985 billion from R3.230 billion in the prior period.

Based on the above, Mpact expects earnings per share (EPS) and headline earnings per share (HEPS) from continuing operations to be in the following ranges:

Continuing operations	Six-months ended 30 June 2025 (cents per share - cps)	Six-months ended 30 June 2024 (cps)
EPS	Between 88 and 100 cps, a decrease of between 29.0% and 19.3%	123.9
HEPS	Between 88 and 100 cps, a decrease of between 28.0% and 18.2%	122.2

Total operations

Total operations for the prior period include trading for Versapak, which was sold in November 2024. EPS and HEPS in respect of total operations is expected to be in the following ranges:

Total operations	Six-months ended 30 June 2025	Six-months ended 30 June 2024 (cps)
EPS	Between 88 and 100 cps, a decrease of between 39.8% and 31.6%	146.3
HEPS	Between 88 and 100 cps, a decrease of between 39.1% and 30.8%	144.6

Mpact's unaudited results for the six months ended 30 June 2025 will be released on SENS on or about 4 August 2025.

Shareholders are advised that the financial information on which this trading statement is based has not been reviewed nor reported on by the Company's external auditor.

Melrose Arch
16 July 2025

Sponsor
The Standard Bank of South Africa Limited