

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: ZAE 000156501
A2X Share Code: MPT
("Mpact" or "the Group" or "the Company")

PRELIMINARY SUMMARISED CONSOLIDATED RESULTS AND CASH DIVIDEND DECLARATION
FOR THE YEAR ENDED 31 DECEMBER 2025

CONTINUING OPERATIONS

Key financial data

- Net asset value per share increased by 6% to R37.76 from December 2024
- Revenue up 5% to R14 billion
- Underlying EBITDA of R1.5 billion and EBIT of R914 million, in line with prior period
- Headline earnings per share of 307 cents (2024: 324 cents)
- Total dividend per share of 60 cents

Bruce Strong, Mpact's Chief Executive Officer said, "2025 was a demanding year, marked by sustained economic pressure and difficult trading conditions across several of our markets. While overall performance was mixed, we made progress in strengthening Mpact's strategic position through disciplined capital investment, portfolio optimisation and operational improvements. With the bulk of our major investment cycle completed, including the commissioning of the Mkhondo mill upgrade, we are shifting focus to converting the asset base into stronger earnings, cash generation and improved returns. Portfolio actions already taken, together with capital discipline and operational efficiency initiatives, are intended to strengthen the balance sheet and support sustainable shareholder returns as we move through 2026."

Overview

The Group's results for the year ended 31 December 2025 were delivered in an operating environment that remained demanding, with mixed performances across the portfolio, but affirmed the strategic choices made in recent years. Macroeconomic conditions were characterised by a weak domestic economy, persistent infrastructure constraints and elevated geopolitical uncertainty. From an industry perspective, global oversupply of containerboard and cartonboard led to lower margins and intensified competition from imports. These headwinds were offset by robust growth in the fruit sector and improved efficiencies across most of Mpact's businesses. Record citrus export volumes in 2025 reinforced the structural attractiveness of this market and validated the Group's strategic focus on investing in export oriented growth sectors.

Against this backdrop, Mpact continued to execute its capital investment and portfolio optimisation projects with discipline, aimed at unlocking long-term shareholder value, and delivered an improved performance in the second half of the year.

The Group achieved good volume growth in containerboard, citrus cartons, jumbo bins, agricultural crates, and Plastics FMCG (excluding Wadeville), supported by recent investments at the Felixton mill, Bins & Crates and Paper Converting operations. These gains were partially offset by lower volumes in cartonboard, industrial corrugated packaging, Plastics FMCG Wadeville and beverage crates.

In the Paper business, sales volumes increased, contributing to higher revenue, but margin pressure resulted in a decline in operating profit. The reduction in Paper's profitability is mostly attributable to Paper Manufacturing, whereas the Paper Converting business delivered a notable increase in operating profit in a competitive market. Despite lower sales volumes, the Plastics business delivered a significant increase in operating profit, supported by an improved product mix, lower input costs and improved performances from all the Plastics businesses.

Mpact made meaningful progress on its strategic development during the year. The multi-year upgrade of the Mkhondo mill was substantially completed, with the new pulp digester and sodium-lignosulphonate (SLS) plant commissioned and capitalised. The pulp mill is already delivering improved efficiency, while the SLS plant is undergoing optimisation, with meaningful output expected in the second half of 2026. This project supports Mpact's strategy of portfolio enhancement and strengthens its position in export-oriented agricultural packaging. The sale of Versapak in November 2024 reflects disciplined capital management and portfolio optimisation. The restructuring of FMCG Wadeville is largely complete, with the business now focused on higher-margin products and better aligned with long-term market trends. In early 2026, Mpact announced the contemplated closure of the Springs mill, following sustained import pressure, utility disruptions and customer attrition. This action reflects the Group's commitment to disciplined portfolio management and is expected to be cash positive and margin accretive over time. In support of its broader energy resilience and cost-efficiency objectives, the Group's solar PV generation capacity reached approximately 18MWp in 2025, delivering electricity cost savings of over R45 million compared to power that would otherwise have been purchased from municipalities or Eskom.

These initiatives mark a clear shift from investment-led growth to disciplined value realisation, with the Group increasingly focused on optimising returns from its modernised asset base, improving cash generation and delivering sustainable shareholder value.

Financial review

Group revenue from continuing operations for the year ended 31 December 2025 increased by 5% compared to the prior year to R14.0 billion (2024: R13.3 billion), primarily driven by increased containerboard and agricultural packaging sales volumes in the Paper business.

Revenue growth in the Paper business was offset by higher variable costs, driven by increases in external paper purchases and recovered paper prices, as well as higher energy costs. In the Plastics business, lower sales volumes were more than offset by higher average selling prices and a more favourable product mix, which led to an overall increase in the Group's gross profit of 3%.

Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) increased by 1.2% to R1.519 billion (2024: R1.501 billion) while underlying operating profit (EBIT) decreased by 1.0% to R914 million (2024: R923 million) due to an increase in depreciation of plant and equipment.

Return on capital employed (ROCE) was 10.9% (2024: 11.7%), primarily due to the substantial recent capital investment in Mkhondo, which has not yet contributed to earnings. The majority of the Mkhondo project was capitalised on 1 December 2025.

Paper business

Revenue in the Paper business increased by 7.4% to R11.8 billion (2024: R11.0 billion) due to increases of 4.3% in sales volumes and 1.6% in average selling prices, and the acquisition of Seyfert. Sales volumes increased on the back of good growth in containerboard and fruit packaging.

Gross profit was up approximately 1.7%, with the benefits of increased sales volumes offset by an increase in external containerboard purchases, higher recovered paper prices and energy costs. The gross profit margin declined by 2.1 percentage points. Recovered paper prices were up significantly compared to the prior year due to export demand, especially from India.

Underlying operating profit declined to R804 million (2024: R932 million) due to lower margins and the under-recovery of higher fixed costs, which increased by 5.9% primarily due to the Mkhondo mill upgrade project and extensive commercial downtime in the comparable period.

The global paper industry is in a prolonged downturn, with structural overcapacity across most paper grades continuing to depress selling prices, a condition expected to persist for the foreseeable future. In the local market, this was compounded by weak demand, a stronger rand and above-inflationary increases in utility costs, making imported paper increasingly competitive. The recent upgrades at our Felixton and Mkhondo paper mills have strengthened the competitiveness of our containerboard products, although margins remain under pressure.

Containerboard sales volumes increased by 8.8% following successful interventions at the end of 2024 to increase exports and displace imports in the local market, utilising the improved competitiveness of the Felixton mill. No commercial downtime was incurred at Felixton or Mkhondo during the period. Performance at the Mkhondo mill was impacted by construction related to the upgrade project which is now complete. We anticipate that the new SLS plant will start to make a meaningful contribution from the second half of 2026.

Cartonboard sales volumes from the Springs mill declined by 2.3% due to subdued local demand and import competition. The mill took 32 days of commercial downtime in the period to manage inventory levels, compared to nine days in 2024. In addition, the mill incurred 21 days of downtime due to external utility supply interruptions (2024: 27 days). In light of these persistent structural challenges, Mpact recently announced the contemplated closure of Springs mill.

Paper Converting's revenue increased by 3.2% compared to the prior period, with good growth in the fruit sector, partially offset by lower industrial sales due to weak demand. Operating profit increased on the back of a better sales mix and improved efficiencies. The outlook for fruit exports remains positive and we expect to benefit from further efficiency improvements across the Paper Converting business in 2026. On 1 August 2025, Mpact increased its shareholding in Seyfert Corrugated Western Cape (Pty) Ltd from 49% to 74%. Seyfert manufactures and distributes corrugated packaging products, predominantly to the agricultural sector.

Plastics business

Revenue in the Plastics business decreased by 7.5% to R2.16 billion (2024: R2.34 billion), largely due to lower sales volumes at FMCG Wadeville, as anticipated, as well as lower beverage crate sales in Bins & Crates. However, this was more than offset by a favourable product mix and higher average selling prices which resulted in a 7.8% improvement in gross profit.

Underlying operating profit doubled to R179 million (2024: R89 million) because of an increase in gross profit and a reduction in fixed costs. There was a concerted effort to reduce controllable costs in Bins & Crates and FMCG Wadeville given lower demand from the beverage sector.

Bins & Crates continued to achieve good volume growth in agricultural crates and jumbo bins, which was more than offset by lower beverage crate and wheelie bin sales, the latter due to weak municipal demand. Notwithstanding a decrease in revenue, profitability improved significantly, supported by an improved mix and efficiencies.

FMCG Wadeville's revenue declined by 21.8%, primarily reflecting the portfolio transition following the exit of two large contracts in June 2024. Performance was further impacted by a slower-than-anticipated roll out of new customer projects and a vinegar shortage in the first half of 2025, which disrupted customers'

mayonnaise production. While the business achieved an improved result in 2025, performance remains well below expectations, and a much-improved outcome is anticipated in 2026.

The rest of the FMCG business increased sales volumes and operating profit, driven by customer projects and growing export activity by some customers into other African markets and the Middle East. This resulted in a 39.2% increase in underlying operating profit. The businesses continue to find new opportunities and the outlook remains positive.

Net finance costs

Net finance costs decreased to R245 million (2024: R297 million) mainly due to lower interest rates and R71 million (2024: R47 million) of interest costs capitalised to the Mkhondo mill project.

Taxation

The effective tax rate for continuing operations of 20.8% is lower than the statutory rate due to the recognition of a deferred tax asset of R43 million attributable to previously unrecognised tax losses in Bins & Crates. As at the end of 2025, there are no unrecognised tax losses remaining at any of the Group companies.

Earnings per share

Basic earnings per share for continuing operations increased marginally to 329.3 cents (December 2024: 327.1 cents). Underlying earnings per share declined to 308.5 cents (December 2024: 325.8 cents), while headline earnings per share decreased to 306.6 cents (December 2024: 323.6 cents).

Basic earnings is higher than underlying and headline earnings, as it includes a gain on the remeasurement of our previously held investment in Seyfert.

Net debt

Net debt of R2.51 billion is higher than the prior year (December 2024: R2.37 billion), with cash generated from operations being offset by working capital outflows, capital investments, and dividend payments. Gearing of 28.7% was in line with the prior period (2024: 28.8%). In November 2025, the Group refinanced its bank debt facilities of R4.0 billion, comprising R3.0 billion of new revolving credit facilities with maturities ranging from three to five years, and R1.0 billion of 367 day notice and overdraft facilities.

SUBSEQUENT EVENTS

On 2 February 2026, the Board of Directors approved the commencement of a section 189A process in terms of the Labour Relations Act 66 of 1995 (LRA) in view of the contemplated discontinuation of operations at the Springs mill, which forms part of the Paper reporting segment. Subject to the consideration of alternatives, production at the Springs mill is likely to discontinue once all open orders have been completed. Based on current information, the mill is likely to run until the end of May 2026. The Springs mill currently employs 377 people. Further information is available in the SENS announcement issued on 3 February 2026.

An extract of the key financial information relating to the Springs mill for the year ended 31 December 2025 is set out below:

- Plant and equipment (including capital spares): R207 million (2024: R186 million)
- Current assets (inventories, trade and other receivables, cash and cash equivalents): R431 million (2024: R468 million)
- Current liabilities (trade and other payables): R223 million (2024: R297 million)
- Revenue: R1,753 million (2024: R1,740 million)
- Operating profit before tax: R2 million (2024: R32 million)

The consultation process in terms of section 189A of the LRA has commenced. The outcome of this process remains uncertain and further announcements will be made, as may be required.

DISCONTINUED OPERATION

The sale of Versapak was concluded in November 2024 and all working capital has been recovered.

OUTLOOK

South Africa's economic environment remains constrained, with few signs of meaningful improvement in the short term. Consumers continue to face intense financial pressure affecting demand, while widespread municipal infrastructure shortcomings are driving additional costs across our manufacturing operations. At the same time, an influx of imported products is placing strain on a number of domestic industries, including many of Mpact's customers. Combined with persistent fragility in the global economy, these factors are expected to contribute to another challenging operating period for the year ending December 2026.

Despite these headwinds, Mpact's ongoing optimisation initiatives and recent capital projects are enhancing the Group's resilience and competitiveness. The Group continues to benefit from robust demand in the agricultural segment, particularly within our Paper Converting and Bins & Crates businesses. The Citrus Growers Association continues to forecast further growth in citrus exports over the medium term, following the record 2025 season.

The completion of the Mkhondo mill upgrade project marks a significant milestone in enhancing the Paper Manufacturing business's capabilities and product offering to support future growth. However, as the plant remains in its optimisation phase, the additional depreciation and interest charges arising from the recent capitalisation of the project are not expected to be fully offset by incremental revenue in 2026. The contemplated closure of the Springs mill, if implemented, is expected to be cash flow positive for the

Group. The impact on operating profit is anticipated to be immaterial, excluding potential non-recurring closure costs and impairments.

We anticipate a stronger 2026 performance from the Plastics business relative to last year. Both FMCG Wadeville and Bins & Crates have completed their cost-base restructures, and the combination of these efficiency gains with increased sales volumes, is expected to support healthier margins across the division.

With the Group's major investment cycle now largely complete, Mpact's strategic focus has shifted decisively from capital expansion to realising the full potential of its modernised asset base. Key priorities for 2026 include optimising returns from recent investments, accelerating the commercialisation of SLS, driving efficiency improvements, and advancing targeted portfolio optimisation. The Group will continue to prioritise cash generation, working capital discipline and margin improvement, while maintaining strict capital allocation principles.

While the external environment remains uncertain, Mpact enters 2026 with a more focused, better-balanced portfolio and a strengthened operating platform. The Group is well positioned to navigate near-term challenges and deliver improved returns over time through disciplined execution, operational excellence and a clear commitment to long-term value creation.

BOARD CHANGES

Effective 29 May 2025, Mr AJ Phillips retired as a director of the Company, and accordingly, as the Chairman of the Board, member of the Remuneration Committee and the Chairman of the Nomination Committee.

Mr PCS Luthuli was appointed Chairman of the Board, effective 29 May 2025, in accordance with the Board's succession plan. Mr S Mayet was appointed to the Board as an Independent Non-Executive Director with effect from 10 April 2025.

The following changes were made to the composition of the Board committees with effect from 5 June 2025:

- Mr DG Wilson was appointed as the Chairman of the Remuneration Committee;
- Ms FC Futwa was appointed as a member of the Social and Ethics Committee;
- Ms ABA Conrad was appointed as a member of the Remuneration and Nomination Committee; and
- Mr S Mayet was appointed as the Chairman of the Audit and Risk Committee.

Effective 15 September 2025, Mr Clifford David Raphiri was appointed to the Board as an Independent Non-Executive Director.

Ms Donna Dickson resigned as Group Company Secretary effective 31 January 2026. Effective 1 February 2026, CorpStat Governance Services (Proprietary) Limited was appointed as the acting Company Secretary of the Group.

DIVIDENDS

The Board declared a final gross cash dividend of 30 cents per ordinary share for the year ended 31 December 2025 (2024: 75 cents per ordinary share). A dividend withholding tax of 20% will be applicable to all shareholders who are not exempt, which equates to a dividend of 24 cents per ordinary share net of dividend withholding tax. The dividend has been declared from income reserves.

The Company's total number of issued ordinary shares at the date of this announcement is 149,453,688. Mpact's income tax reference number is 9003862175.

Salient dates for the cash dividend distribution

Event	2026
Publication of dividend declaration	Monday, 9 March
Last day of trade to receive a dividend	Tuesday, 7 April
Shares commence trading "ex" dividend	Wednesday, 8 April
Record date	Friday, 10 April
Payment date	Monday, 13 April

Share certificates may not be dematerialised or re-materialised between Wednesday, 8 April 2026 and Friday, 10 April 2026, both days inclusive.

FINANCIAL SUMMARY

	Continuing operations		Total operations	
	Year ended	Year ended	Year ended	Year ended
	31 December	31 December	31 December	31 December
R'million	2025	2024	2025	2024
Revenue	13,955	13,291	13,955	14,146
Underlying ¹ EBITDA	1,519	1,501	1,519	1,565
Underlying ¹ EBIT	914	923	914	986
Underlying profit before tax ²	683	645	683	708
ROCE	10.9%	11.7%	10.9%	12.3%
Basic EPS (cents)	329.3	327.1	329.3	342.3
Basic HEPS (cents)	306.6	323.6	306.6	340.2
Underlying HEPS (cents)	308.5	325.8	308.5	342.4
Net debt	R2,514 million (December 2024: R2,371 million)			
Total gross dividend per share (cents)	60 cents (December 2024: 105 cents)			

1. Underlying profit is the Group's operating profit before special items.
2. Underlying profit before tax is the Group's profit before tax and before special items.

The Group presents certain measures of financial performance, position or cash flows that are not defined or specified according to International Financial Reporting Standards (IFRS). These items are referred to as special items and are defined in the Group accounting policies included in the condensed Consolidated Interim Financial Statements for the year ended 31 December 2025.

This short-form announcement is the responsibility of the directors and is only a summary of the information in the Audited Annual Financial Statements and do not contain full or complete details. This short-form announcement has not been reviewed or audited by PWC, the Company's external auditors. Any investment decision should be based on the Audited Financial Statements which includes the unmodified Group Audit Report (with Key Audit Matters) and which is available on our website: <https://www.mpact.co.za/investor-relations/financial-results/2025/GROUPAFSFY2025.pdf>, and on <https://senspdf.jse.co.za/documents/2026/jse/isse/mpt/AFSFY2025.pdf>

The Company Audit Report and the Company Annual Financial Statements can be accessed at: <https://www.mpact.co.za/investor-relations/financial-results/2025/COMPANYAFSFY2025.pdf>

The full audited announcement is also available for inspection at our registered offices at no charge during office hours.

PCS Luthuli
Chairman

BW Strong
Chief Executive Officer

9 March 2026

COMPANY PROFILE

Mpact is the largest paper and plastics packaging and recycling business in southern Africa, with a vertically integrated business model that spans the full packaging value chain - from raw material production and conversion to recycling and beneficiation. The Group employs 4,730 people and generated revenue of R14.0 billion for the year ended 31 December 2025.

Mpact operates 39 sites, including 22 manufacturing facilities and 14 recycling operations, strategically located to ensure proximity to customers. This footprint enables faster response times, reduced transport costs, and operational efficiencies. Approximately 89% of the Group's revenue is derived from sales in South Africa, with the remainder primarily from customers in other African markets.

The Group's integrated model is uniquely focused on closing the loop in paper and plastic packaging through its extensive recycling operations and investment in beneficiation technologies. In 2025, Mpact collected more than 600 million kilograms of recyclables, reinforcing its commitment to circular economy principles and sustainable resource use.

Mpact's strong customer relationships, deep sector knowledge, and focus on innovation underpin its ability to deliver fit-for-purpose, sustainable packaging solutions. The Group continues to invest in product development, operational efficiency, and renewable energy, such as its 18MWp solar PV capacity, to enhance competitiveness and reduce environmental impact.

With a sharpened strategic focus and a modernised asset base, Mpact is well positioned to support its customers' evolving needs while delivering long-term value to stakeholders through responsible growth and disciplined execution.

DIRECTORS

Independent non-executive:

PCS Luthuli (Chairman)
M Makanjee
DG Wilson
ABA Conrad
FC Futwa
S Mayet
CD Raphiri

Executive:

BW Strong (Chief Executive Officer)
JJ Snyman (Chief Financial Officer)

Company secretary:

CorpStat Governance Services (Proprietary) Limited

Registered office:

4th Floor, No. 3 Melrose Boulevard, Melrose Arch, 2196

Transfer secretaries:

JSE Investor Services (Pty) Limited

One Exchange Square, 2 Gwen Lane
Sandton, 2196

Sponsors:

The Standard Bank of South Africa Limited
30 Baker Street, Rosebank, 2196
(PO Box 61344, Marshalltown, 2107)

Auditors:

PricewaterhouseCoopers Inc. (PwC)
4 Lisbon Lane, Waterfall City, Jukskei View, 2090
(Private Bag X36, Sunninghill, 2157)