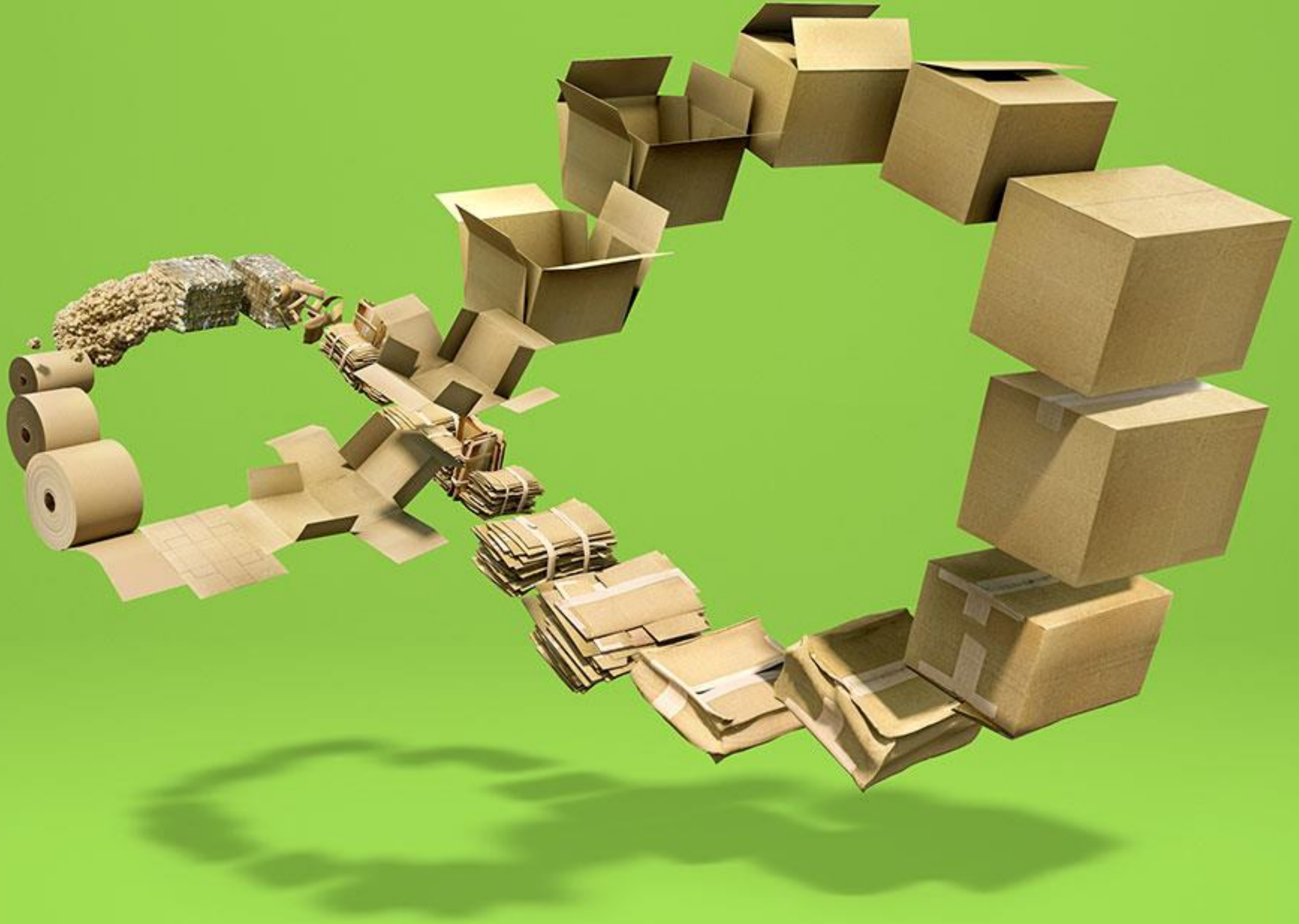
FOREVER FOCUSED ON
THE CIRCULAR ECONOMY

mpact
smarter, sustainable solutions

2025 Interim results presentation

for the six months ended June

Period in context



Period in context

Good volume growth in containerboard and fruit packaging, offset by lower industrial sales volumes and lower margins

- Benefits of alignment to growth sectors and competitiveness of Felixton mill following recently completed projects
- Industrial sales volumes down due to portfolio optimisation (FMCG Wadeville) and depressed consumer spending
- Sustained margin pressure in the paper business
  - Cyclical downturn in global paper markets impacted domestic cartonboard and containerboard selling prices; exacerbated by higher recovered paper prices due to export demand, and energy costs
- Controllable costs well managed
- R1.3 billion Mkhondo mill upgrade project progressing well
- NAV per share of R35.85, up 5%
- Mpact Operations (Pty) Ltd maintained its level 1 B-BBEE status.

Delivering on our strategy – Investing for the future

Mkhondo mill upgrade project, Mpumalanga

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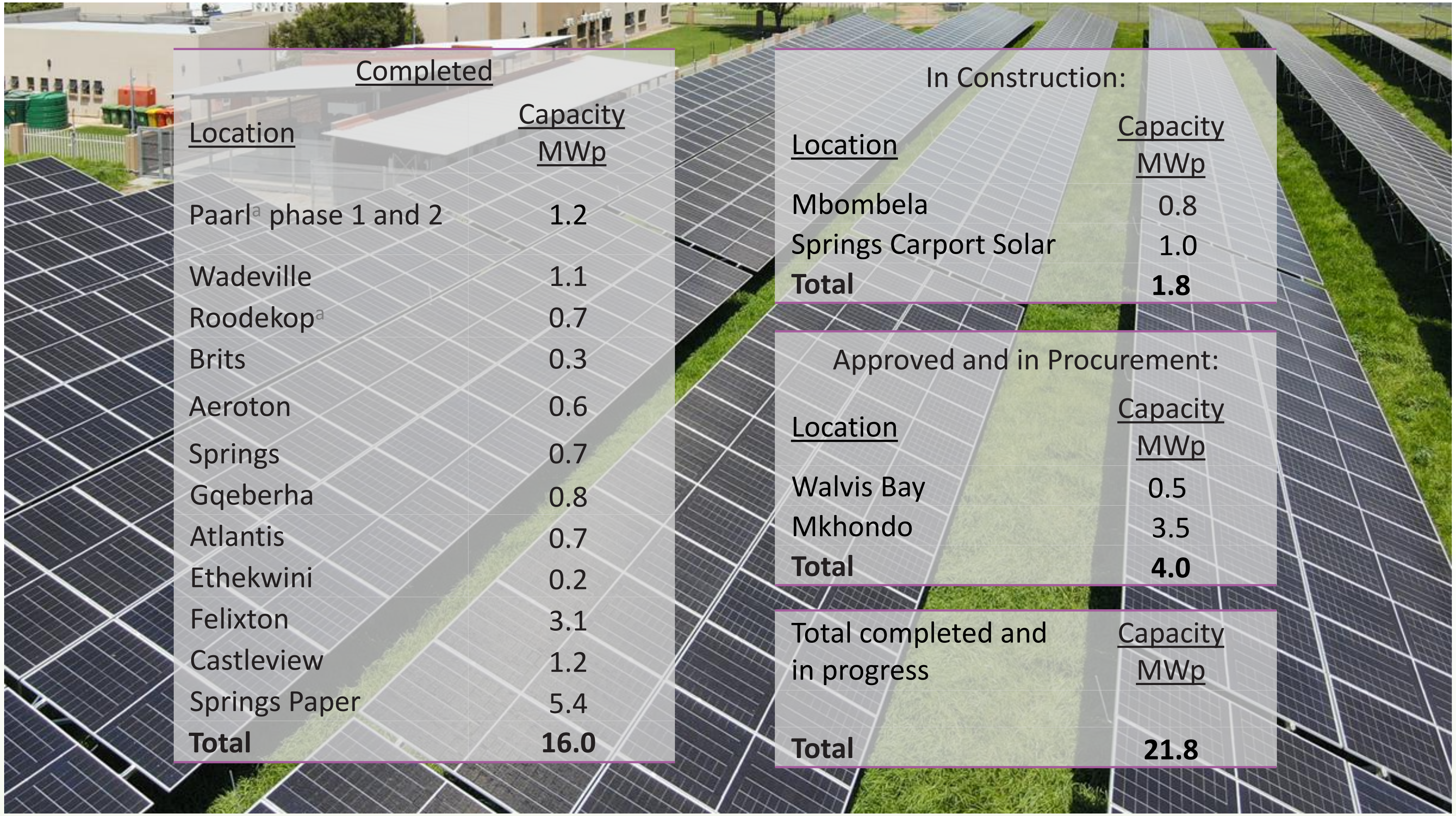
Mkhondo mill upgrade project					
Capex budget	R1.30 billion				
Project progress	New SLS spray dryer commissioned, to be optimised after pulp mill shut. New chipping line and turbo vacuum pumps fully operational. Paper machine shut complete. Pulp mill construction and planned shut nearing completion.				
Expected completion	Pulp plant upgrade, new spray dryer, paper machine modifications – Latest estimate, end Sept. 2025. Originally scheduled for end June 2025. Upgraded waste management infrastructure – Latest estimate 1H2027. Originally scheduled for 2H2028.				
Targeted capacity per annum	Virgin pulp: 120,000 tonnes (additional 58,000 tonnes) Containerboard: 142,000 tonnes (additional 10,000 tonnes) SLS powder: 35,000 tonnes (new)				
Targeted saleable product mix	Containerboard: 80% Semi-chemical fluting (Bayplex®); 20% Mixed liner (HiPact®) By-products: SLS powder (new); purified sodium sulphate and SLS liquid dust suppressant (existing - Dalisu)				
Rationale	▪ Repositioning of the mill to a predominantly virgin fibre mill to meet increasing demand for high-quality SC-fluting based on growth in the export fruit sector ▪ Improved cost competitiveness ▪ Attractive returns with IRR above 20%				
Other benefits	▪ USD revenue generated through SLS powder exports ▪ Enhanced and flexible product range ▪ Reduced environmental footprint				
Planned cash flow	2023 actual	2024 actual	2025 forecast	2026 planned	2027/2028 planned
	R344m	R424m	R402m	R107m	R47m
Update 28 July 2025	▪ Pulp mill project shut is on schedule to be completed in August ▪ Estimated cost to completion R1.33 billion • 82% of project budget committed ▪ Projected returns still attractive				

Mpact renewable energy – June 2025 update

- Purpose: Sustainable energy generation, security of supply, cost saving and carbon emissions saving
- Other benefits: Reduction of CO2e Scope 2 emissions; reduction of diesel usage in back-up generators; contribution to load curtailment requirements
- Scope: Installation of solar PV and inverters and compatibility with other energy backup systems where feasible; wheeling agreements
- Capacity: Total solar PV capacity of 16 MWp in operation, 1.8 MWp under construction and a further 4 MWp approved and being procured (21.8 MWp total)
- Green energy wheeled to Mpact:
  25.7 GWh p.a bagasse (existing);
  30 GWh p.a solar (starting Sep-2026)
- Investment committed to date:
  approx. R218 million on the Group's balance sheet (excl. wheeled energy)
- Target: 25 MWp solar PV behind our meters by 2027



Completed

Location	Capacity MWp
Paarl[a] phase 1 and 2	1.2
Wadeville	1.1
Roodekop[a]	0.7
Brits	0.3
Aeroton	0.6
Springs	0.7
Gqeberha	0.8
Atlantis	0.7
Ethekwini	0.2
Felixton	3.1
Castleview	1.2
Springs Paper	5.4
Total	**16.0**

In Construction:

Location	Capacity MWp
Mbombela	0.8
Springs Carport Solar	1.0
Total	**1.8**

Approved and in Procurement:

Location	Capacity MWp
Walvis Bay	0.5
Mkhondo	3.5
Total	**4.0**

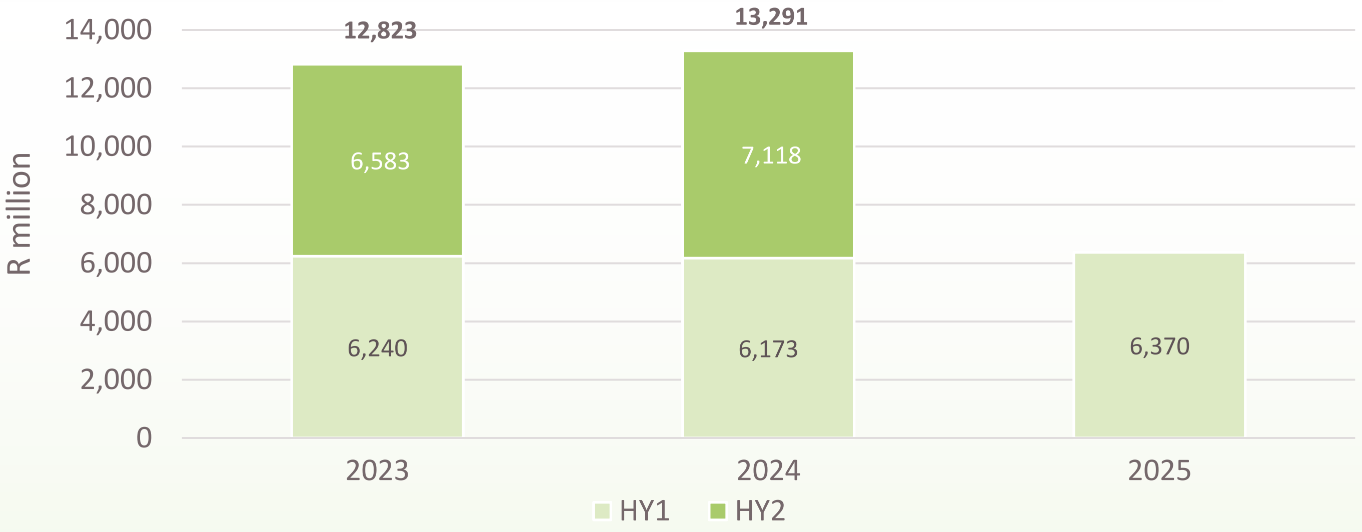
Total completed and in progress	Capacity MWp
Total	**21.8**

a. Leased to tenant

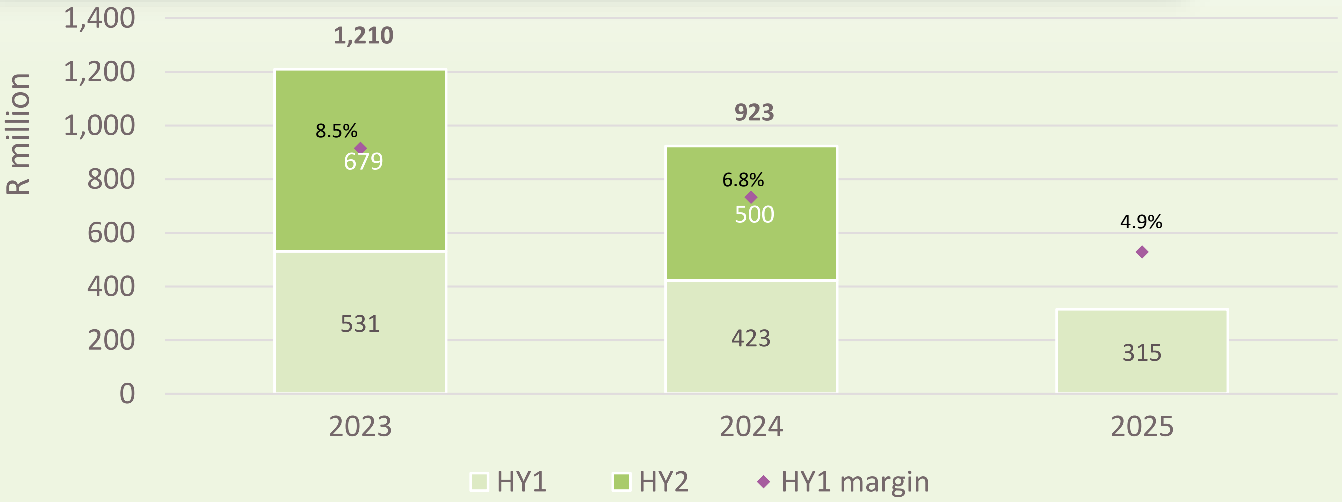
Financial review

Financial review

Group revenue



Underlying EBIT

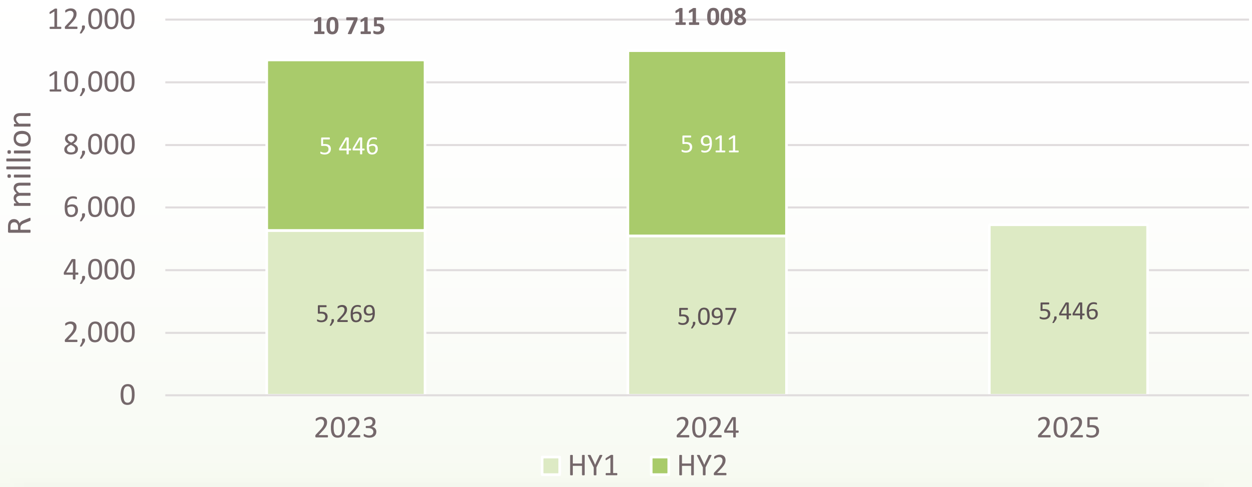


- Revenue up 3.2% to R6.4bn
  - Sales volumes increased 1.5%
    - Good growth in containerboard, citrus cartons, jumbo bins and agricultural crates
    - Offset by declines in FMCG Wadeville, cartonboard, and industrial cartons
  - Average selling price increased 1.7% due to sales mix
- Gross profit declined 2.8% due to under recovery of higher paper input costs and lower sales volumes in plastics. Gross margin of 38% (June 2024: 40%)
- Underlying operating profit of R315m (June 2024: R423m) due to lower gross profit
  - Fixed costs well managed, up 1.9%
- HEPS of 93 cents (June 2024: 128 cents)
- ROCE of 9.3% (June 2024: 13.5%)
- Gearing down to 33.7% (June 2024: 36.9%)
- Interim dividend per share of 30 cents (June 2024: 30 cents)

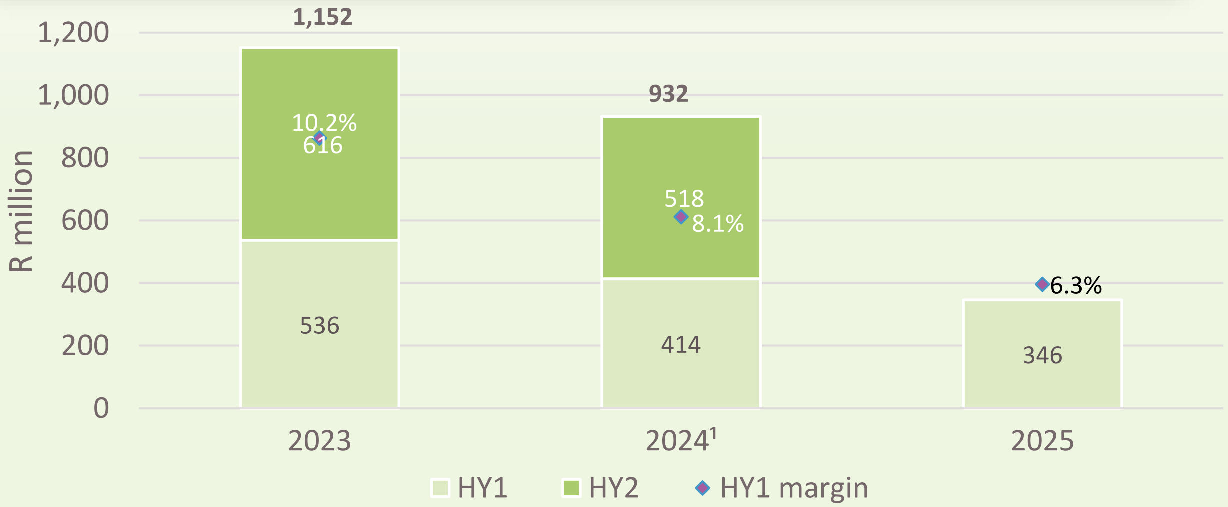
Operating review

Paper Business

Segment Revenue



Underlying EBIT

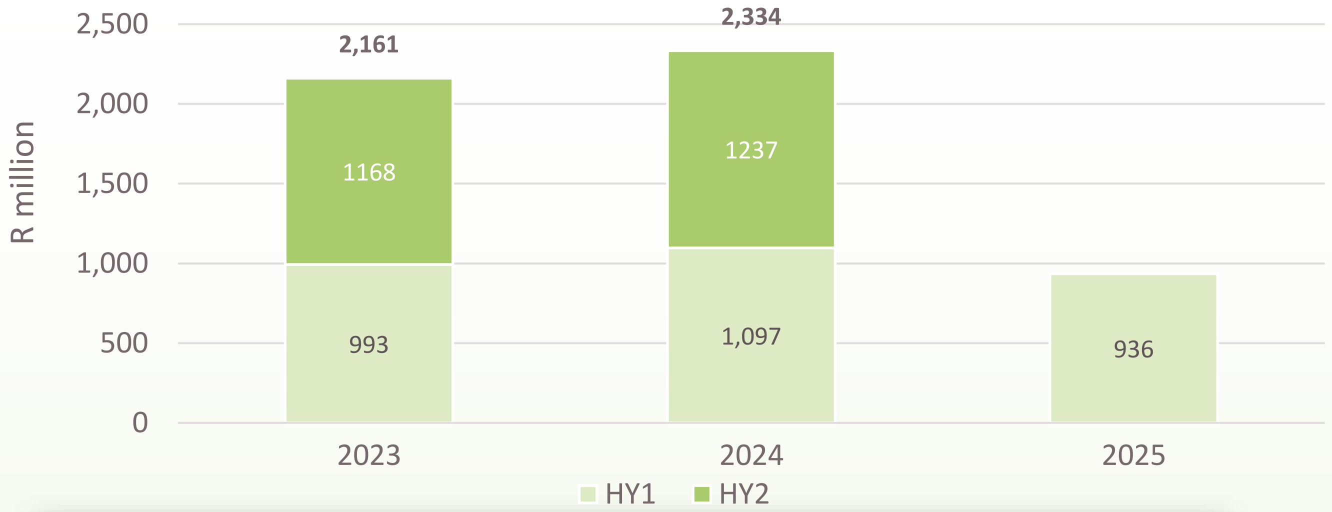


- Revenue up 6.9% to R5.4bn
  - Sales volumes up 6%
    - Growth in containerboard and citrus cartons offset by declines in cartonboard and industrial cartons
  - Average selling price increased 1%, with containerboard similar to prior, and corrugated and cartonboard up due to sales mix
- Gross profit in line with prior period, margin declined 2.7 percentage points
  - Increased volumes offset by higher OCC prices, up 18%, and energy costs, up 9.9%
- Underlying EBIT of R346m (June 2024: R414m)
  - Fixed costs up due to circa. 26 days commercial downtime at each containerboard mill in the prior period, and
  - Project-related operating costs at Mkhondo mill

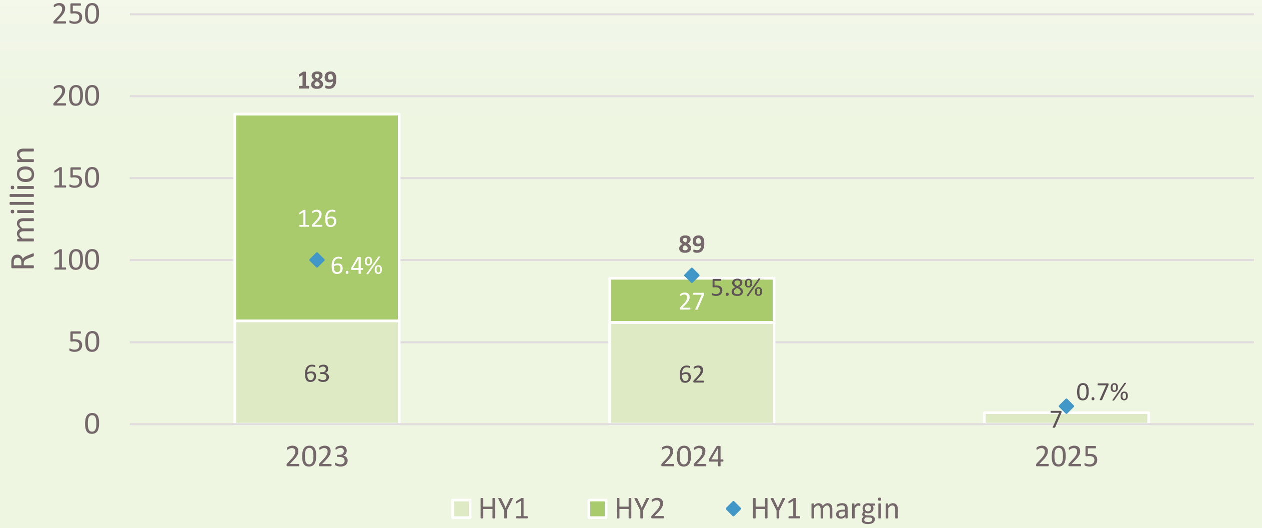
1. 2024 have been restated following a reallocation of unrealised gains on inter-company sales from “Corporate” to “Paper”.

Plastics Business

Segment Revenue



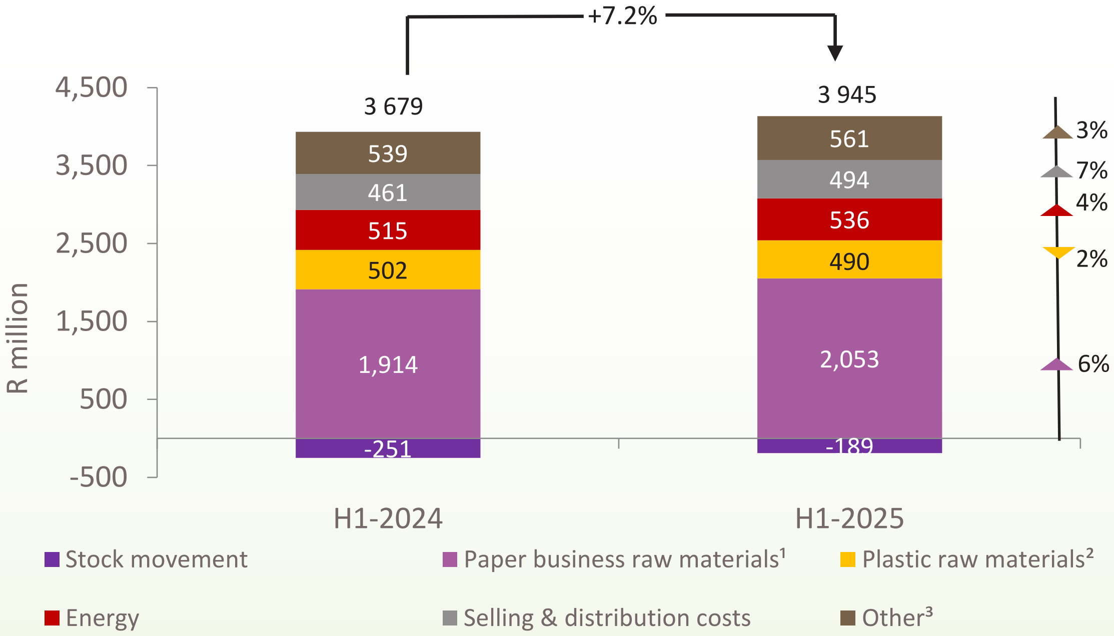
Underlying EBIT



- Revenue of R936m, down 14.7%
  - Volume down 47% due primarily to portfolio optimisation at FMCG Wadeville, which was anticipated, and decline in bottling crates
    - Vinegar shortage also affected mayonnaise jar and closure sales
    - Offset partially by growth in other crates and the rest of FMCG
  - Higher average price reflects a change in sales mix due primarily to exit from toll-manufactured preforms at Wadeville
- Gross profit declined 13.9% due to lower sales volumes; gross margin increased marginally to 43.2%
- Underlying EBIT reduced to R7m due to lower gross profit
  - Fixed costs decreased 4.5%
  - Profitability in the Plastics business is typically heavily weighted towards the second half of the year
  - Expect an improved full-year result from the Plastics business compared to the prior year

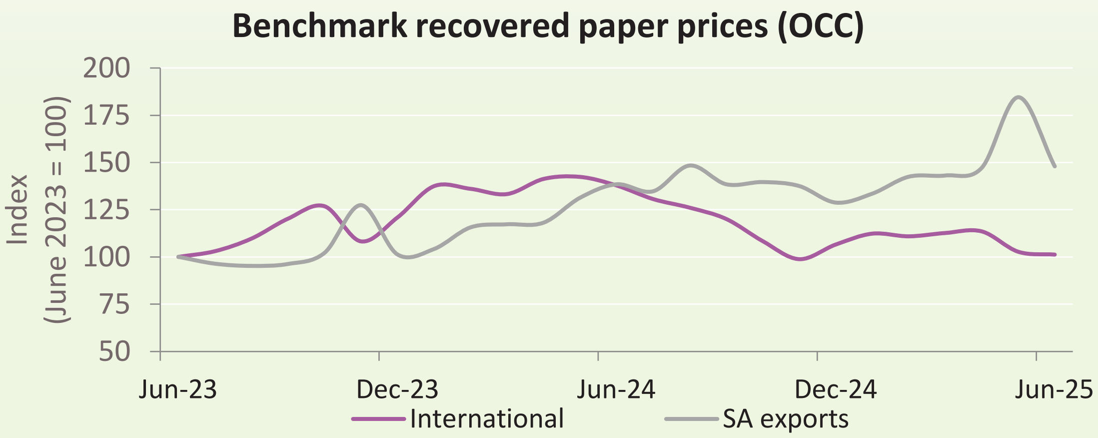
Financial performance

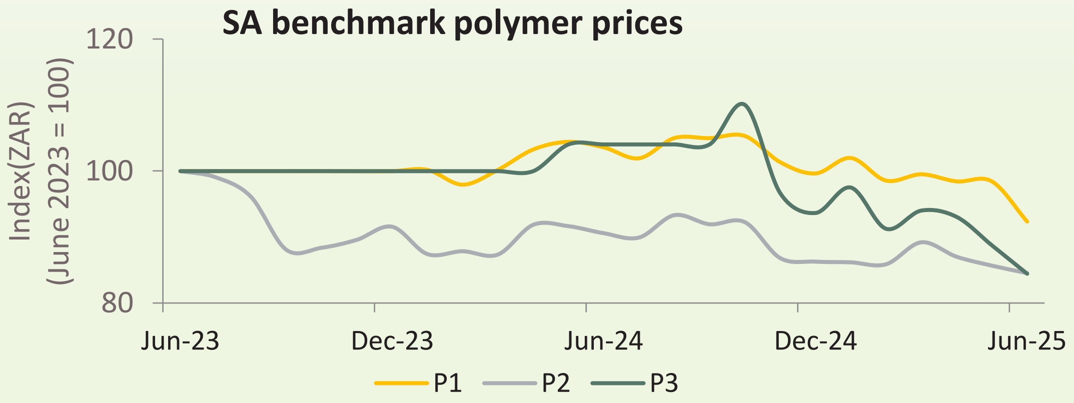
Variable costs
from continuing operations



Variable cost up 7.2% in absolute terms (up 5.7% per ton)

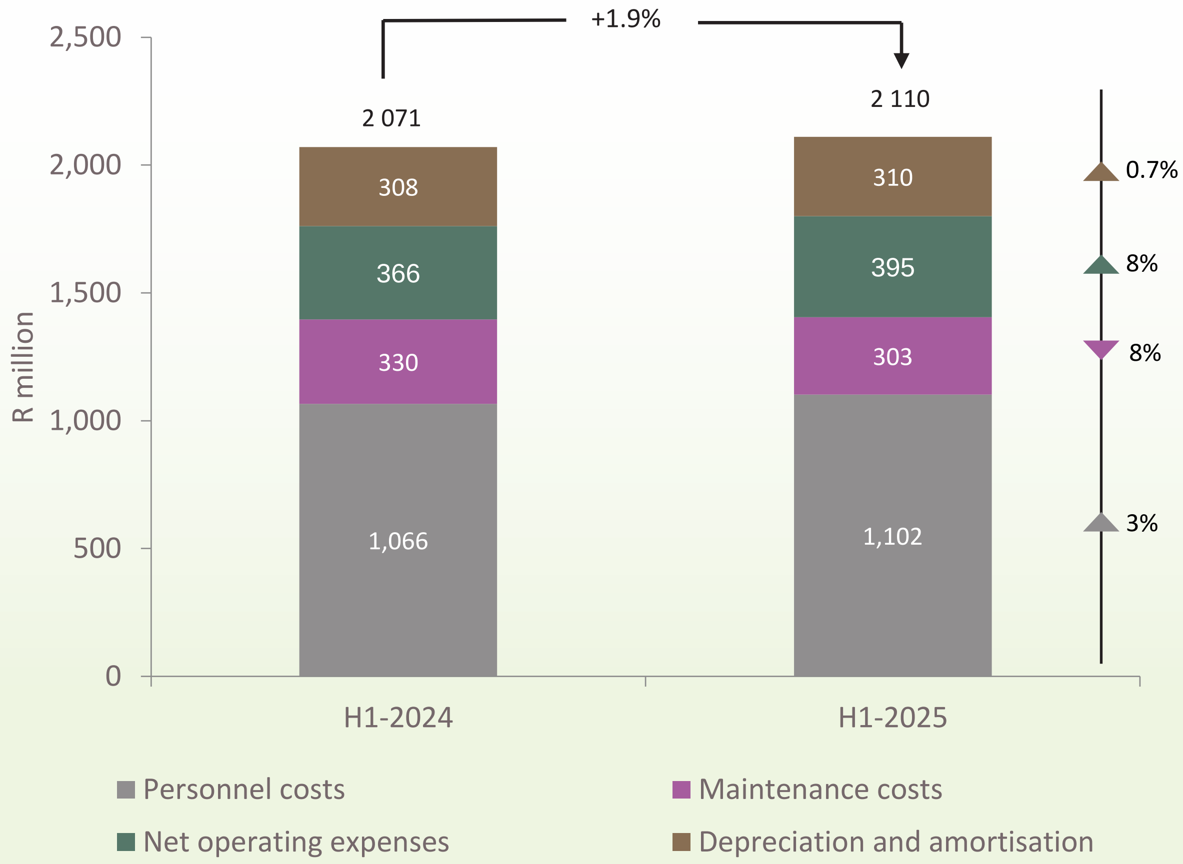
- Paper raw material up 6.3%
  - Higher OCC prices due to increased export demand, especially from India
  - Increase in external paper purchases in Paper Converting
- Plastics raw material down 2.4%
  - Lower polymer prices and production volumes
  - Change in product mix
- Selling and distribution costs up 7.2% due to an increase in containerboard exports and diverting OCC from the Cape
- Energy costs up 4.0% due to increased production volumes at paper mills and higher electricity prices





Notes:
1. Paper business raw materials include purchased paper, wood, pulp and recovered paper
2. Plastic raw materials include PET, HDPE, PVC and polypropylene
3. Other variable costs include amongst others chemicals, starch and packaging costs

Fixed costs
from continuing operations



- Fixed costs up 1.9%
  - Personnel cost up 3.4%
    - Less downtime at paper mills compared to H1-2024
  - Net operating expenses increased by 2.1%, excluding an unfavourable forex movement in the current period of R20m
  - Maintenance costs have moderated after elevated levels in 2023 and 2024

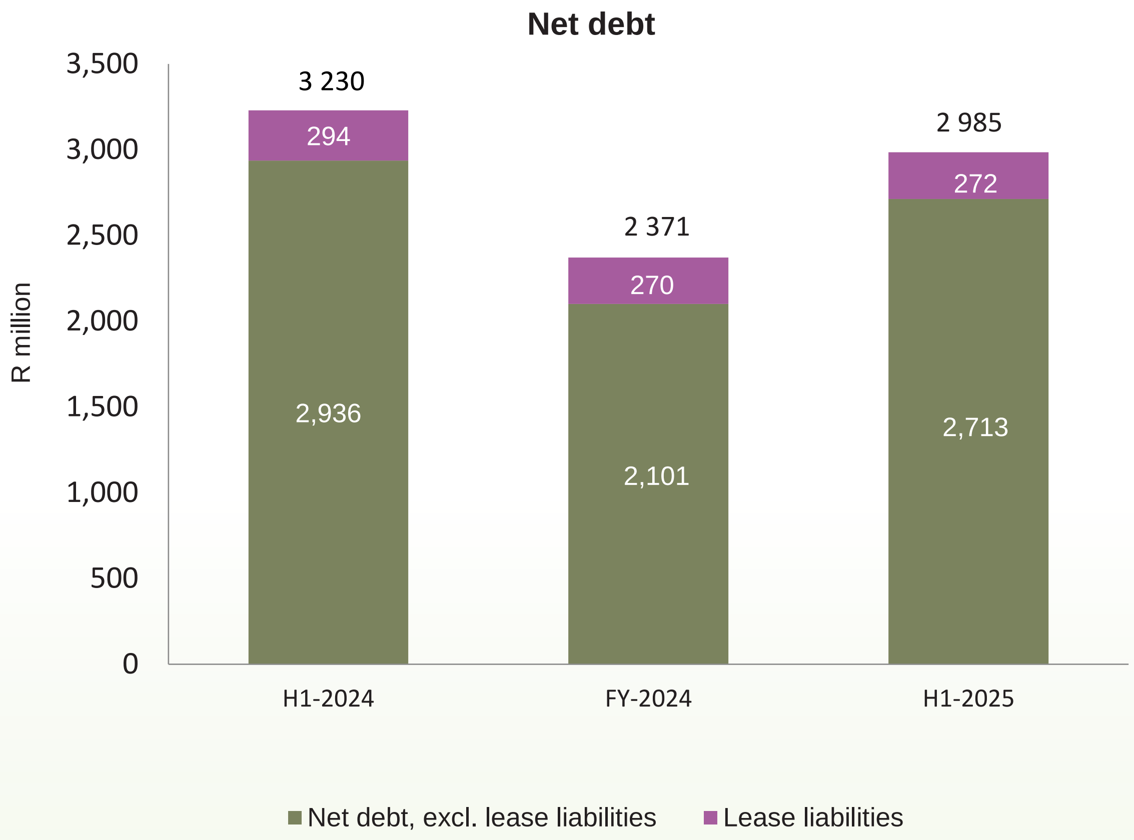
Financial review

	June 2025	(Restated)[1] June 2024	change
Underlying operating profit from continuing operations	**314**	423	(25.5%)
Net finance costs	**(119)**	(148)	(19.3%)
Earnings from equity accounted investees and other	**9**	12	(24.8%)
Underlying profit before tax from continuing operations	**204**	287	(28.6%)
Tax charge	**(52)**	(75)	(30.7%)
Non-controlling interest	**(13)**	(20)	(35.0%)
Underlying earnings from continuing operations	**139**	192	(27.6%)
Profit from discontinued operation	**-**	24	
Basic earnings for the period from continuing operations	**139**	216	(35.7%)
Basic headline earnings per share from continuing operations (cps)	**93.0**	128.1	(27.4%)
Effective tax rate from continuing operations	**26.8%**	27.3%	

Notes:

[1] Tax charge has been restated to present Versapak, the discontinued operation, on a post-tax basis.
This restatement impacted both the continuing and discontinued operations.

Net debt and facilities

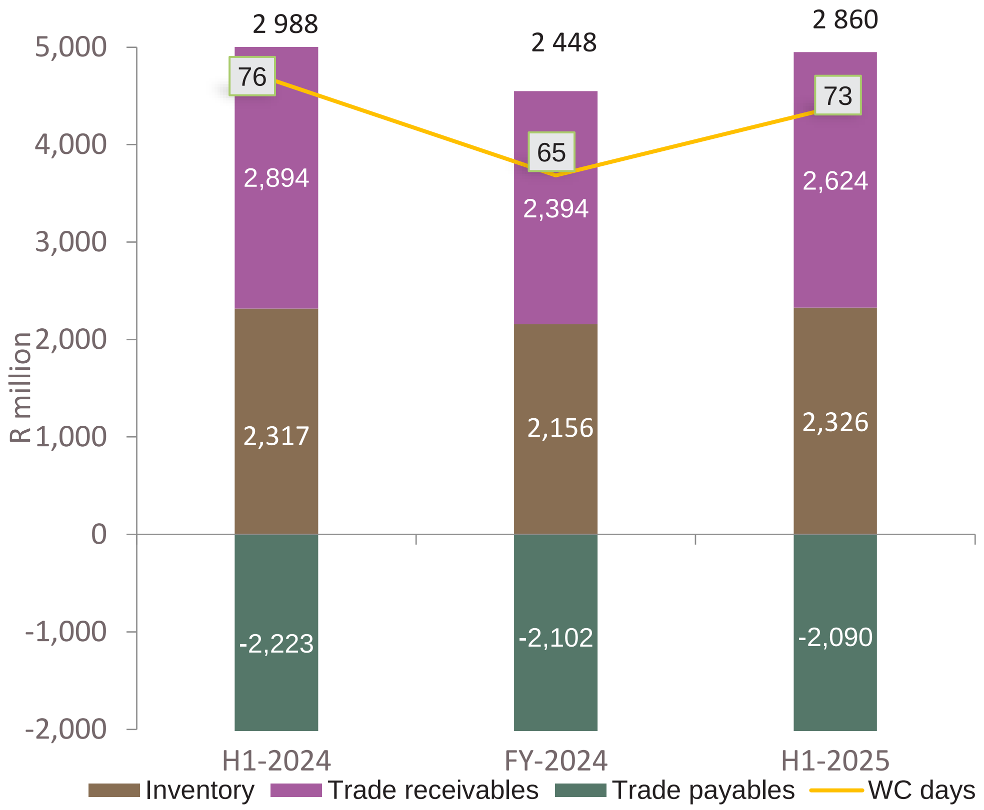


	H1-2025	H1-2024	change	FY-2024
Net debt close	2,985	3,230	(7.6%)	2,371
Net debt average	3,284	3,251	1.0%	3,311
Net finance costs	119	148	(19.3%)	297
Gearing	33.7%	36.9%	(3.2)	28.8%
Bank covenant ratio (times)				
Interest cover (≥3.5)	4.4	5.3		4.6
Net debt to EBITDA (≤3.0)	1.9	1.6		1.3

Movements in net debt

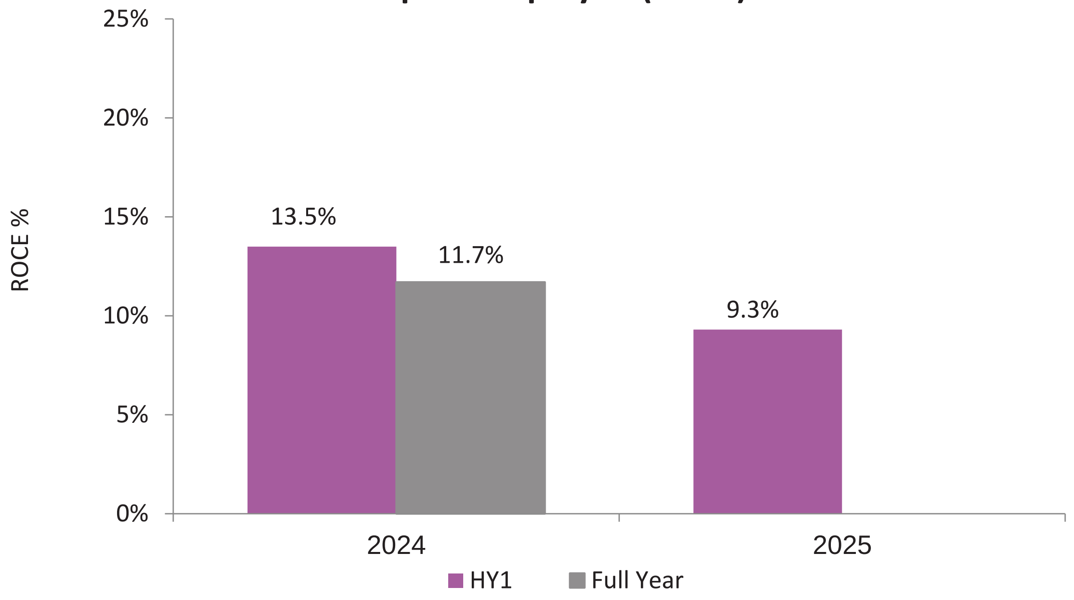
Working capital and ROCE

Working capital



- Working capital as % of revenue at 22.4% (June 2024: 24.2%)
  - Improved collections in Paper business
  - Realisation of Versapak working capital

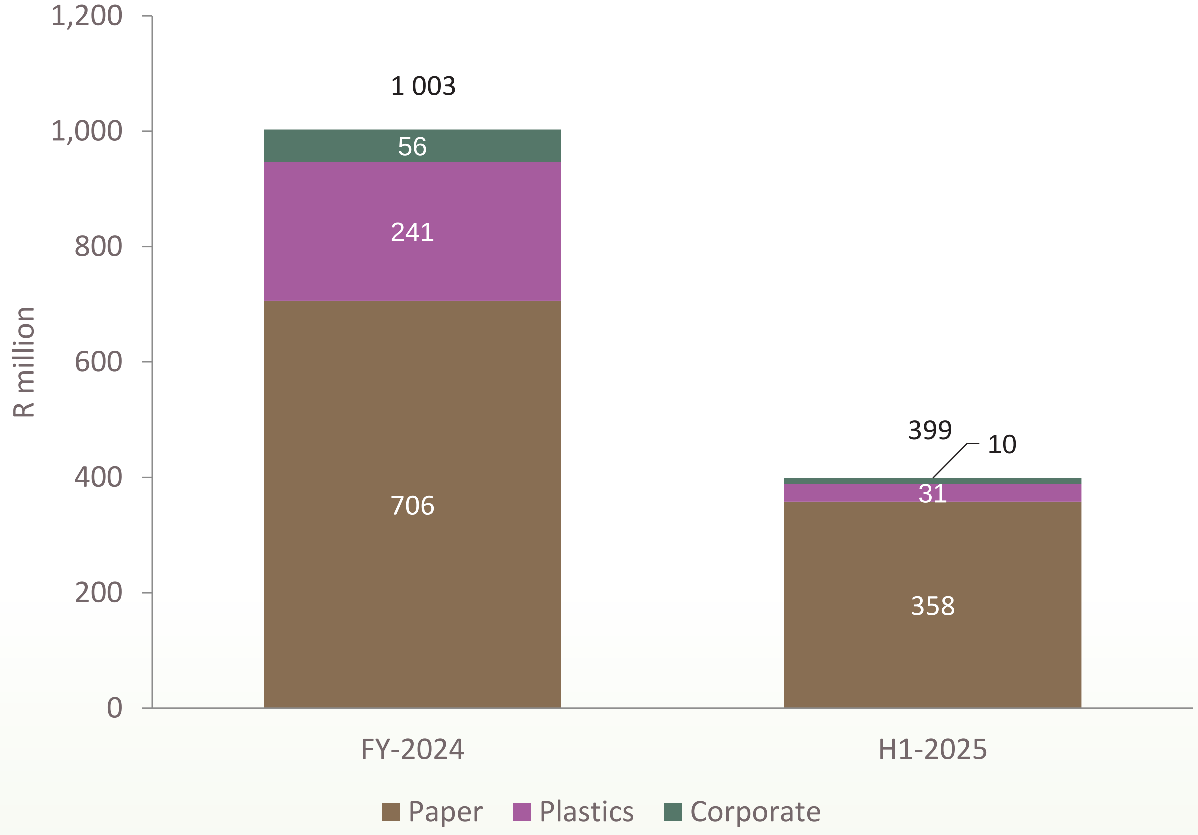
Return on Capital Employed (ROCE)[1]



- ROCE, excluding capital-work-in progress (CWIP), of 10.9% (June 2024: 15.5%)
- Large capital outlays for strategic projects which are still in progress and lower profitability
- CWIP of R1.3 billion as at 30 June 2025, which includes R1.1 billion related to Mkhondo project

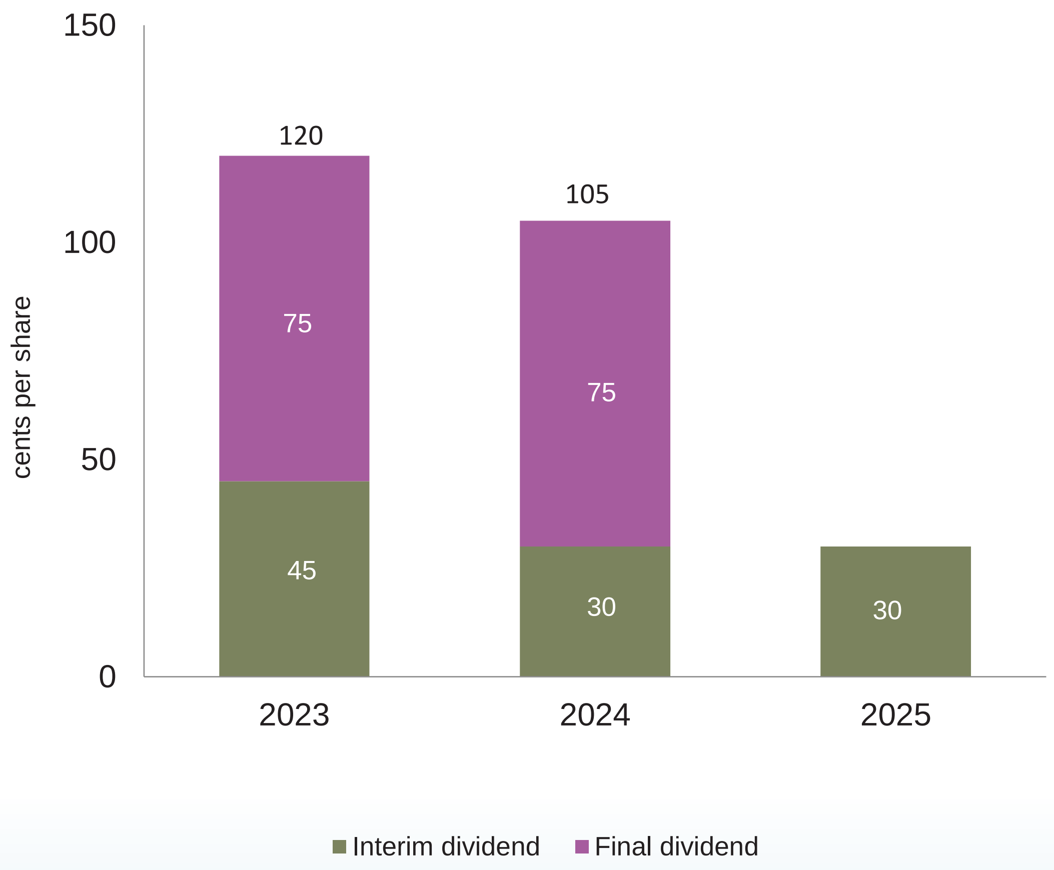
1. Return on Capital Employed (ROCE) is an annualised measure based on underlying operating profit plus share of equity accounted investees' net earnings divided by average capital employed

Capital expenditure cash flows



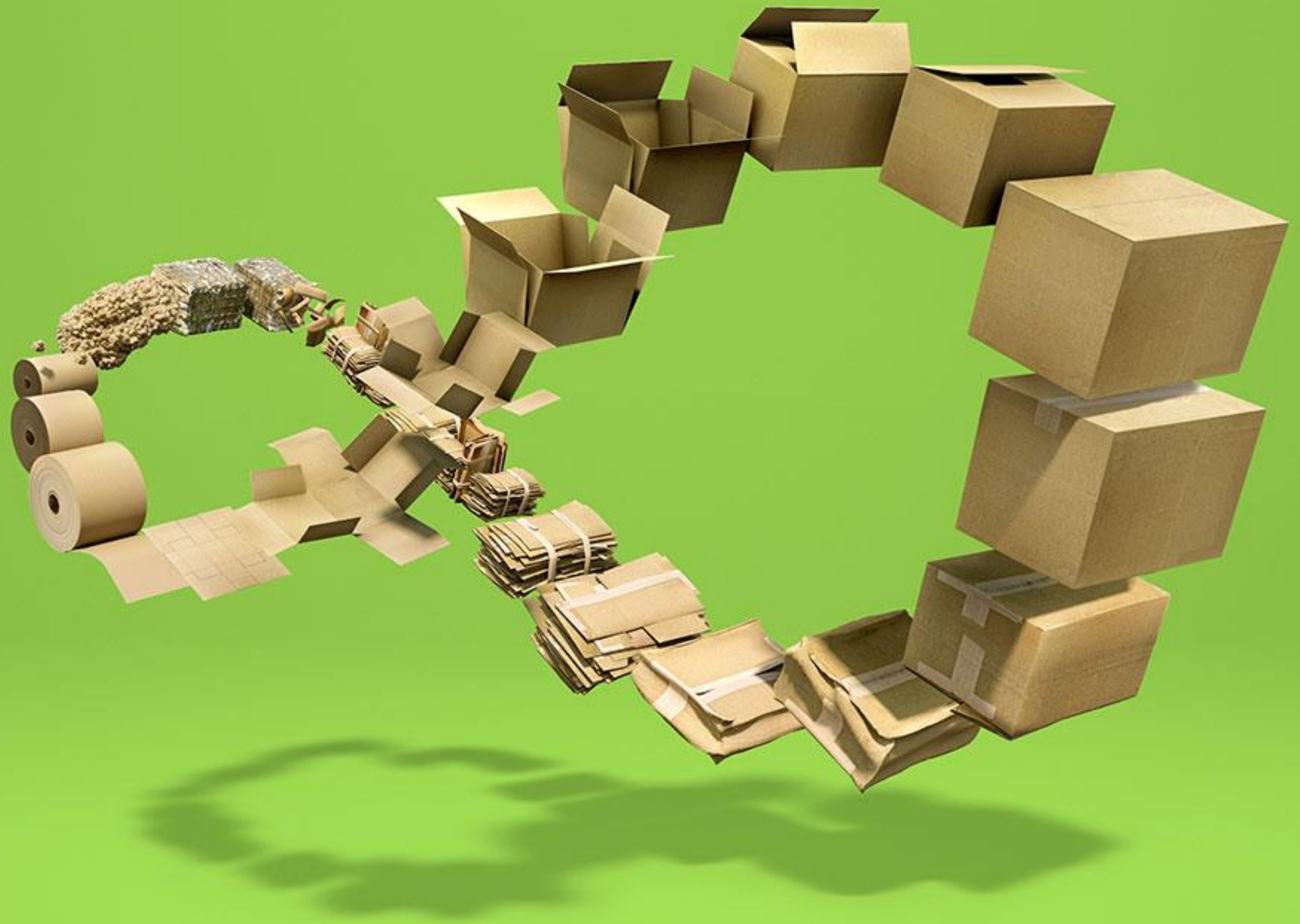
- H1-2025 includes R218 million of capex related to Mkhondo project
  - we expect to spend a further R185 million in H2-2025 on the project
- Total capital commitments of R1.0bn expected to be spent in the next 12 months

Dividends



- Interim dividend per share of 30 cents per share (June 2024: 30 cps)
  - Reflects the importance of shareholder returns and our continued confidence in the future of the business
- Continue to focus on:
  - driving long-term value for shareholders;
  - prudent capital allocation in the context of growth opportunities; and
  - returning cash to shareholders through dividends, share buybacks or a combination thereof
- Targeting dividend cover of three times underlying earnings through the cycle

Outlook



Outlook

- Trading conditions are expected to remain difficult in the second half of the year, with a corresponding impact on profitability
- Based on current projections, no commercial downtime is anticipated at the containerboard mills,
  - but continued pressure on selling prices is expected to offset the positive operating leverage benefits
  - Cartonboard prices and sales volumes are expected to remain under pressure due to low-priced imports
- Good growth is expected from the fruit sector, which has been a strategic focus area. The CGA is currently forecasting citrus exports will increase by around 9% compared to last year
- An improved full-year result is expected from the Plastics business compared to the prior year
- The main production elements of the Mkhondo mill upgrade project are on track to be completed during the third quarter, following approximately four weeks of downtime.
  - The contribution from this project to the Group's overall profitability will be limited for the 2025 financial year
- We remain confident in our value-enhancing strategy and committed to executing it effectively

Thank you

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