

Registration number 1951/000799/06 | ISIN: ZAE000007480 | Share code: TPC

A leading manufacturer and distributor of plastic and paper packaging products

NET ASSET VALUE PER SHARE 2 432 CENTS 🔼 HEADLINE EARNINGS PER SHARE UP 39% TO 218,8 CENTS 📘 DIVIDEND PER SHARE 60,0 CENTS

Total operations

Transpaco's results for the six months ended 31 December 2021 ("the period") reflect a 38,7% increase in headline earnings

per share (HEPS) to 218,8 cents per share for the period (December 2020: 157.7 cents).

Although the July 2021 riots did not impact Transpaco directly, many of our customers were affected by store closures. This resulted in sales for July and August not reaching anticipated levels.

Notwithstanding the above, revenue increased by 10,1% to R1,20 billion (December 2020: R1,09 billion) with operating profit up by 38,0% to R108,3 million (December 2020: R78,5 million). The operating margin increased to 9,0% (December

The group's operating expenses were contained at acceptable levels with gross profit margins well-managed and controlled.

The Plastics Division accounted for significant revenue growth, while the Paper and Board Division performed within

Notably revenue in the first six months of the financial year is traditionally greater than that of the second six months due to the seasonal nature of the business.

FINANCIAL RESULTS

Total operations	Six months to December 2021	Six months to December 2020	% increase
Revenue (R'm)	1 204,2	1093,3	10,1
Operating profit (R'm)	108,3	78,9	37,2
Total comprehensive income (R'm)	72,3	52,5	37,7
Headline earnings (R'm)	69,5	51,4	35,4
Earnings per share (cents)	227,4	159,6	42,5
HEPS (cents)	218,8	157,7	38,7
Diluted HEPS (cents)	218,8	157,7	38,7
Net asset value per share (cents)	2 432	2 148	13,2

Transpaco's balance sheet remains healthy as the group continues its strict working capital management strategy.

The group's net interest-bearing debt-to-equity (gearing) position improved to 18,3% (December 2020: 30,0%)

During the period Transpaco repurchased 304 095 ordinary shares on the open market. Currently there are 31 499 388 shares

The weighted average number of ordinary shares in issue in calculating EPS and HEPS is 31 787 043 (December 2020:

In addition to reviewing the performance of Transpaco divisions based on the Return On Funds Employed, results will be assessed on the Return On Invested Capital and Economic Value Added of divisions. These criteria will be added to the

weighted calculation in determining incentive bonus awards for executives for the June 2022 year end. **EVENTS AFTER THE REPORTING PERIOD**

There were no subsequent events after the reporting period.

Transpaco maintained a level 2 BEE contributor based on the revised BBEEE scorecard through various strategic initiatives, including participation in the YES programme.

CHANGE IN DIRECTORS

Bonge Mkhondo resigned as an independent non-executive director with effect from 17 February 2022. The board thanks

her for her contribution to the Transpaco Group during her tenure.

The group will continue its proven business strategy of targeting organic growth while maintaining strict financial control and at the same time identifying and pursuing appropriate acquisitions. While difficult trading conditions are expected to continue, Transpaco will endeavour to counter this by continuing to drive sales, contain costs and maintain gross profit

Plastic and paper raw material supply remains challenging as world shortages continue. To mitigate against this, Transpaco has increased its stock holding for both commodities above normal levels. The strain on shipping container availability has further impacted the group, in particular with regards to imports of raw material and exports.

DIVIDEND

The board has declared an interim gross cash dividend out of income reserves of 60,0 cents per share (December 2020: 43,0 cents per share) for the six-month period ended 31 December 2021. After applying the dividend withholding tax of 20%, a net interim dividend of 48,0 cents per share will be paid to those shareholders who are not exempt from the dividends tax. The issued shares at the date of declaration is 31 499 388 ordinary shares. The Income Tax reference number is 9975/112/71/6.

The salient dates for the dividend are as follows:

Tuesday, 15 March 2022 Last date to trade shares cum dividend Wednesday, 16 March 2022 Shares trade ex-dividend Record date Friday, 18 March 2022 Payment date Tuesday, 22 March 2022 Share certificates may not be dematerialised or rematerialised between Wednesday, 16 March 2022 and Friday, 18 March 2022, both days inclusive.

BASIS OF PREPARATION AND ACCOUNTING POLICIES

The group's unaudited condensed interim financial results for the six-month period ended 31 December 2021 have been prepared in accordance with IAS 34 - Interim Financial Reporting ("IAS 34"), interpretations issued by the IFRS Interpretations Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and comply with the JSE Listings Requirements and the Companies Act of South Africa. The accounting policies and methods of computation used in the preparation of the unaudited condensed interim financial results are in terms of IFRS and are consistent in all material aspects with those applied in the most recent annual financial statements.

The unaudited condensed interim group financial results do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the group's annual consolidated financial statements as at 30 June 2021.

APPROVAL AND PREPARATION

These unaudited interim financial results have been prepared under the direction and supervision of the Chief Financial Officer, L Weinberg CA (SA)

On behalf of the board

DJJ Thomas PN Abelheim L Weinberg Non-executive Chairman Chief Executive Officer Chief Financial Officer

22 February 2022

DIRECTORS

DJJ Thomas (Chairman)*; PN Abelheim (Chief Executive); L Weinberg (Chief Financial Officer); HA Botha*^;

SR Bouzaglou; SP van der Linde (Lead Independent Director) *^ ^ Independent non-executive

Transpaco Limited Registration number: 1951/000799/06, Share code: TPC, ISIN: ZAE000007480 Auditors BDO South Africa Incorporated Company Secretary HJ van Niekerk Sponsor Investec Bank Limited

Registered office 331 6th Street, Wynberg, Sandton Transfer secretaries Computershare Investor Services

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME							
		Unaudited					
	Unaudited	six months	Unaudited	Audited			
	six months	December 2021	six months	twelve months			
R'000 Note	December 2021	% change	December 2020	June 2021			
Continuing operations							
Revenue	1 204 222	10,1	1 093 321	2 078 891			
Revenue – plastic products	660 116	12,1	588 730	1 085 387			
Revenue – paper and board products	544 106	7,8	504 591	993 504			
Cost of sales	(822 448)		(729 151)	(1 398 789)			
Profit before operating costs and depreciation	381 774	4,8	364 170	680 102			
Operating costs	(264 532)	3,5	(274 162)	(490 899)			
Depreciation	(8 970	22,3	(11 550)	(24 352)			
Operating profit	108 272	38,0	78 458	164 851			
Finance income	878	6,9	821	1 526			
Finance costs	(8 722)	(28,1)	(6 809)	(15 911)			
Profit before taxation	100 428	38,6	72 470	150 466			
<u>Taxation</u>	(28 134)	(37,6)	(20 453)	(40 188)			
Profit for the period from continuing operations	72 294	39,0	52 017	110 278			
Discontinued operations			400				
Profit for the period from discontinued operations	70.004		468	110.070			
Profit for the period Other comprehensive income	72 294		52 485	110 278			
Total comprehensive income	72 294	37.7	52 485	110 278			
Weighted average ranking number of shares in issue ('000)	31 787	01,1	32 886	32 686			
Diluted weighted average ranking number of shares in issue ('000)	31 787		32 886	32 686			
Continuing operations							
Earnings per share (cents)	227,4	43.8	158,2	337.4			
Diluted earnings per share (cents)	227,4	43,8	158,2	337,4			
Headline earnings per share (cents)	218,8	40,0	156,2	336,2			
Diluted headline earnings per share (cents)	218,8	40,0	156,2	336,2			
Continuing and discontinued operations	,	,	,	,			
Earnings per share (cents)	227,4	42,5	159,6	337,4			
Fully diluted earnings per share (cents)	227,4	42,5	159,6	337,4			
Headline earnings per share (cents)	218,8	38,7	157,7	336,2			
Fully diluted headline earnings per share (cents)	218,8	38,7	157,7	336,2			
Dividend per share (cents)*	60,0	39,5	43,0	153,0			
*Dividend declared after the period							
Reconcilliation of headline earnings (R'000)							
Continuing operations							
Basic earnings	72 294		52 017	110 278			
Impairment on property,plant and equipment – net of tax	1 837		-	-			
Profit on disposal of property,plant and equipment – net of tax	(4 594)		(648)	(385)			
Headline earnings	69 537	35,4	51 369	109 893			
Continuing and discontinued operations							
Basic earnings	72 294		52 485	110 278			
Impairment on property,plant and equipment – net of tax	1 837		_	-			
Profit on disposal of property, plant and equipment – net of tax	(4 594)		(633)	(385)			
Headline earnings	69 537	34,1	51 852	109 893			
*Depreciation relating to factory plant and equipment was previously classified as depreciation. This should have been classified as cost o		as resulted in cost of sales	increasing by R27 803 000	0 and depreciation			
decreasing by R27 803 000. The effect of the reclassification has no impact on the December 2020 profits for the half year, earnings an	d headline earnings.						

	Issued			
	share	Share	Distributable	
R'000	capital	premium	reserve	Total
Balance at 30 June 2020 (audited)	328	11 019	668 168	679 515
Profit for the period	-	-	52 485	52 485
Other comprehensive income	-	-	_	-
Total comprehensive income	-	-	52 485	52 485
Dividend paid	-	-	(25 651)	(25 651)
Balance at 31 December 2020 (unaudited)	328	11 019	695 002	706 349
Profit for the period	-	-	57 793	57 793
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	57 793	57 793
Shares repurchased and cancelled	(10)	(351)	(15 342)	(15 703)
Dividend paid	_	_	(14 142)	(14 142)
Balance at 30 June 2021 (audited)	318	10 668	723 311	734 297
Profit for the period	_	-	72 294	72 294
Other comprehensive income	-	-	_	-
Total comprehensive income	_	_	72 294	72 294
Shares repurchased and cancelled	(4)	(115)	(5 356)	(5 475)
Dividend paid	_	_	(35 023)	(35 023)
Balance at 31 December 2021 (unaudited)	314	10 553	755 226	766 093

CONDENSED STATEMENTS OF CASH FLOW						
R'000	Unaudited six months December 2021	Unaudited six months December 2020	Audited 12 months June 2021			
Cash flows from operating activities						
Cash generated from operations	103 368	53 066	189 814			
Dividends paid	(35 023)	(25 651)	(39 793)			
Finance income received	878	821	1 526			
Finance costs paid	(8 722)	(6 809)	(15 911)			
Taxation paid	(26 985)	(19 327)	(41 325)			
Net cash inflow from operating activities	33 516	2 100	94 311			
Cash flow used in investing activities						
Proceeds on disposal of property, plant and equipment	26 526	10 566	11 387			
Expansion and replacement of property, plant and equipment	(20 337)	(58 545)	(84 555)			
Net cash inflow/(outflow) from investing activities	6 189	(47 979)	(73 168)			
Cash flows used in financing activities						
Repurchase of shares	(5 475)	_	(15 703)			
Payment of principal portion of lease liability	(9 431)	(13 748)	(24 432)			
Proceeds from borrowings	32 000	77 011	102 499			
Repayment of borrowings	(21 323)	(15 157)	(68 082)			
Net cash (outflow)/inflow from financing activities	(4 229)	48 106	(5 718)			
Net movement in cash for the period	35 476	2 227	15 425			
Cash and cash equivalents at the beginning of the period	76 247	60 822	60 822			
Cash and cash equivalents at the end of the period	111 723	63 049	76 247			

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Jnaudited six months December 2021, six months December 2020 and audite R'000	Plastic products	Paper and board products	Properties and group services	Continuing operations	Discontinued operations	Tota operation
Revenue from all customers – December 2021	660 116	544 106	-	1 204 222	_	1 204 22
Revenue to all customers	693 339	571 520	_	1 264 859	-	1 264 85
Less revenue to internal customers	(33 223)	(27 414)	_	(60 637)	_	(60 63
Revenue from all customers – December 2020	589 201	504 591	-	1 093 792	-	1 093 79
Revenue to all customers	615 039	546 993	_	1 162 032	-	1 162 03
Less revenue to internal customers	(25 838)	(42 402)	-	(68 240)	-	(68 24
Revenue from all customers – June 2021	1 085 387	993 504	-	2 078 891	-	2 078 89
Revenue to all customers	1 133 821	1 067 851	_	2 201 672	-	2 201 67
Less revenue to internal customers	(48 434)	(74 347)	-	(122 781)	_	(122 7
Operating profit – December 2021	69 001	24 747	14 524	108 272	-	108 27
Operating profit – December 2020	47 295	23 775	7 388	78 458	468	78 92
Operating profit – June 2021	98 748	47 651	18 452	164 851	-	164 8
Profit before tax – December 2021	66 866	20 996	12 566	100 428	-	100 42
Profit before tax – December 2020	45 257	19 995	7 218	72 470	468	72 93
Profit before tax – June 2021	93 821	40 192	16 453	150 466	-	150 46
Capital expenditure – December 2021	14 664	2 863	2 810	20 337	-	20 3
Capital expenditure – December 2020	26 141	30 665	78 419	135 225	-	135 22
Capital expenditure – June 2021	31 363	35 089	94 783	161 235	_	161 23
Assets – December 2021	618 183	489 396	257 726	1 365 305	-	1 365 30
Assets – December 2020	618 327	488 551	225 767	1 332 645	_	1 332 6
Assets – June 2021	595 635	475 371	240 485	1 311 491	_	1 311 49
Liabilities – December 2021	254 716	225 065	119 431	599 212	-	599 2
Liabilities – December 2020	274 503	216 653	133 709	624 865	1 431	626 2
Liabilities – June 2021	236 496	245 202	95 496	577 194	_	577 19

CONDENSED STATEMENTS OF	T.	NANCI	AL POS	
		Unaudited	Unaudited	Audite
		six months	six months	12 month
R'000 N	ote	December 2021	December 2020	Jun 202
ASSETS	010	2021	2020	
Non-current assets		609 174	646 483	624 06
Property, plant and equipment		477 728	507 636	487 94
Right-of-use assets		44 472	52 066	47 53
Intangibles		17 855	17 855	17 85
Goodwill		64 182	64 182	64 18
Deferred taxation		4 937		
			4 744	6 54
Current assets		756 131	686 162	667 28
Inventories		222 082	221 302	245 21
Trade and other receivables		421 348	400 693	344 73
Taxation receivable		978	1 118	1 07
Cash and cash equivalents		111 723	63 049	76 24
Disposal group assets classified as held for sale – property, plant and equipment		-	_	20 14
TOTAL ASSETS		1 365 305	1 332 645	1 311 49
EQUITY AND LIABILITIES				
Capital and reserves		766 093	706 349	734 29
Issued share capital		314	328	31
Share premium		10 553	11 019	10 66
Retained income		755 226	695 002	723 31
Non-current liabilities		223 473	260 166	227 77
Interest-bearing borrowings		150 999	177 482	152 18
Lease liability		33 766	39 079	35 08
Deferred income		997	2 614	1 65
Deferred taxation		37 711	40 991	38 84
Current liabilities		375 739	364 699	349 42
Trade payables and accruals		303 331	303 433	288 66
Interest-bearing borrowings		49 979	40 257	38 12
Lease liability		16 836	18 257	18 03
Deferred income		1 517	896	1 09
Taxation payable		4 076	1 856	3 50
Disposal group liabilities classified as held for sale	2	- 4070	1 431	
TOTAL EQUITY AND LIABILITIES		1 365 305	1 332 645	1 311 49
Number of shares in issue ('000)		1 303 303	1 332 043	131143
` ,		21 020	20.006	20.00
Opening balance		31 839	32 886	32 88
Shares repurchased and cancelled		(340)		(1 04
Number of shares Salient features		31 499	32 886	31 83
		0.400	0 4 40	0.00
Net asset value per share (cents) Operating margin (%)		2 432 9,0	2 148 7,2	2 300 8,00

CAPITAL COMMITMENTS							
R'000	Unaudited six months Dec 2021	Unaudited six months Dec 2020	Audited 12 months June 2021				
Capital expenditure authorised and contracted							
Property, plant and equipment	16 478	2 939	26 778				

DISCONTINUED C	PERAT	ION		
NOTE 1				
R'000	Unaudited six months December 2021	% change	Unaudited six months Dec 2020	Audited 12 months June 2021
Revenue	-		471	_
Expenses	-		(3)	-
Profit/(loss) before tax from discontinued operations	-		468	_
Taxation	-		_	_
Profit/(loss) for the year from discontinued operations	-		468	_
Earnings per share (cents) from discontinued operations	-	100,0	1,4	_
Diluted earnings per share (cents) from discontinued operations	_	100,0	1,4	_
Headline earnings per share (cents) from discontinued operations	_	100,0	1,4	_
Diluted headline earnings per share (cents) from discontinued operations	_	100,0	1,4	_
Discontinued operations				_
Profit for the year from discontinued operations	-		468	
Headline earnings	_		468	_
Cash flows from discontinued operations				
Net cash flows from operating activities	-		(3 031)	_
Net cash flows from investing activities	-		-	-
Net cash flows from financing activities	-			
Net cash flows	-		(3 031)	
NOTE 2 – disposal group liabilities classified as held	for sale			
R'000				
Liabilities				
Trade payables and accruals	-		(1 431)	_
Disposal group liabilities directly associated with assets held for sale	_		(1 431)	