



**BOWLER METCALF LIMITED**

**Interim Results Presentation  
December 2021**

# Agenda

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- Welcome
- Group Interim Results
- Packaging Interim Results & Overview
- What Lies Ahead?



# Group Interim Results

R'm	Dec'21	Dec'20
HEPS (cents)	59,37	67,6
	<i>Decrease of 12%</i>	
Headline Earnings (R'm)	R42,5	R48,8
	<i>Decrease of 13%</i>	

- HEPS positively impacted by share buy-backs
- Property segment increase in earnings (mainly from new Philippi warehouse)
- Holdings segment (Bowler Metcalf) flat earnings (finance income)



# Group Interim Results (continued)

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- Capex
  - Plant & Equipment R5,3m
  - Property R16,8m (completion of new Philippi warehouse @ R5m below budget)
- Working Capital
  - Inventory higher (seasonality, raw material price and volumes )
  - Trade Receivables higher (seasonality and favourable Dec'21 sales)
  - Trade Payables lower (settlement of capex liabilities and broad based employee award accrual for prior FY)
- Other
  - Additional R18m allocation to Cash Units Trust (Ashburton Income Fund)
  - Treasury Share acquisitions R3,1m
- Dividend
  - Provision for R60m special dividend paid in Jan'22
  - Ordinary dividend flat
- BBBEE – awarded level 7 contributor





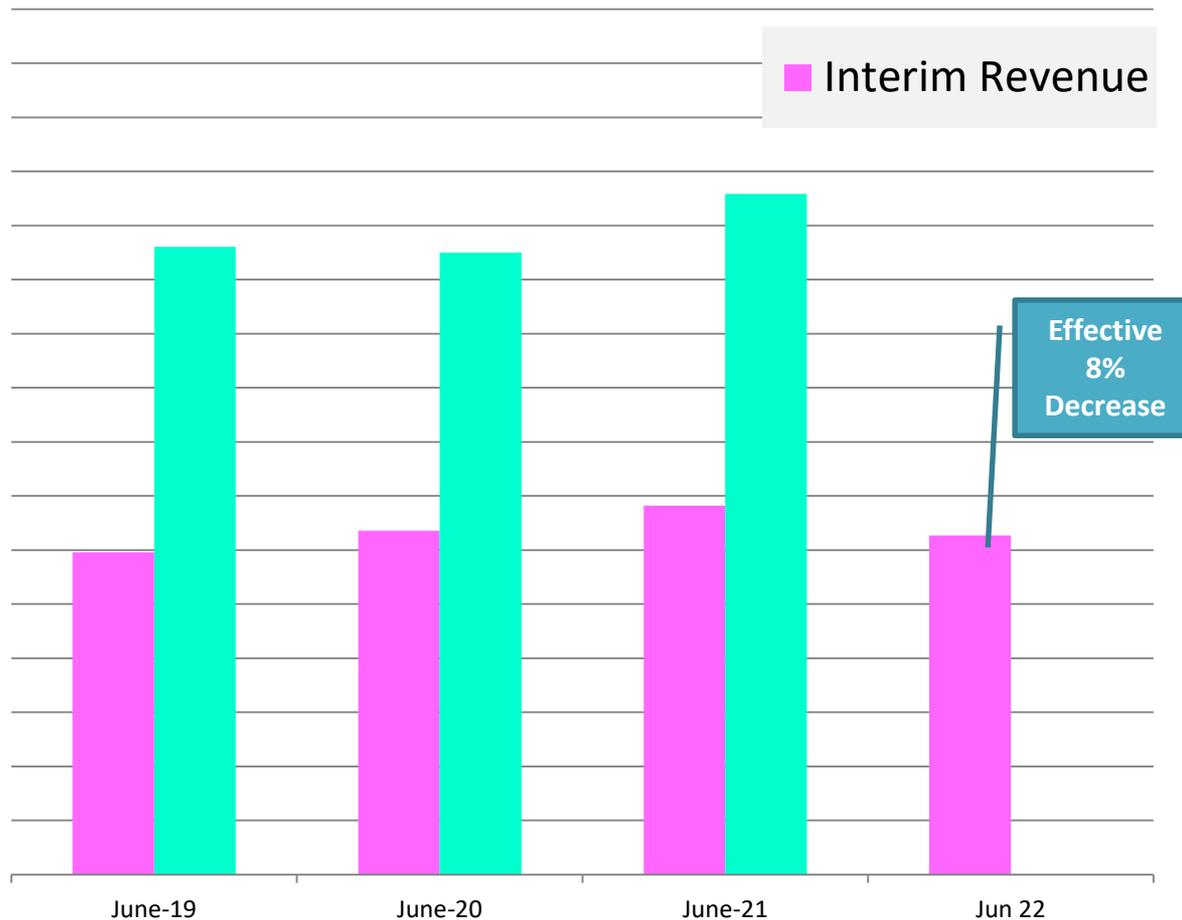
**B O W L E R**

PACKAGING

# **R**esults and Overview

# Packaging Interim Results

Inflation Adjusted, Packaging Revenue R'm



Revenue decrease

- ❖ Mainly volume Q1
- ❖ Uncertainty
- ❖ Supply chain ripple effect
- ❖ 2<sup>nd</sup> Quarter bounce back



# Packaging Interim Results (continued)

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Margins under pressure.....

- ❖ Market resistance to price adjustments – **erosion /loss?**
- ❖ Mix – stable, but **commoditisation?**
- Raw material ‘basket’ cost is the highest ever
  - Full impact of higher prices still to be felt in H2 – **recovery?**
- Supply chain constraints, exorbitant import costs, contingency costs – **stability?**



# Packaging Interim Results (continued)

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## ❖ Operating Costs

- Lower volumes impact manufacturing efficiencies and fixed cost
- Visibility of benefits resulting from the consolidation of the EBM plant in Philippi – economies of scale
- Electricity
  - Cost of interruptions – a way of life
  - Optimisations evident and ongoing focus - solar
- Fuel, VUCA, Covid and contingency costs

## ❖ Packaging segment earnings





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**What Lies Ahead ?**

# Matters in Hand

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## ❖ Group Focus

- Cash restructure, share buy-backs

## ❖ Packaging Focus

- Business momentum and growth focus
- Skye Plastics acquisition

- Finalisation and implementation

### Rational

- Business line extension
    - Capacity
    - Commodity offering
  - Innovative packaging solutions – changing times

## ❖ Property Focus

- Solar project



# Cash Allocations 2022

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- ❖ Capital expenditure - Packaging segment (R25m)
- ❖ Projects
  - Solar plants and roofs (R35-45m)
- ❖ Opportunities
  - Proposed new business line investment (Skye Plastics) (R40m)
- ❖ Share buy-backs – ongoing vs. merits of formal program(?)
- ❖ Special dividend – done (R60m in Jan'22)





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**Questions?**



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**Thank You**