



BOWLER METCALF LIMITED

Final Results Presentation

June 2021



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Welcome!

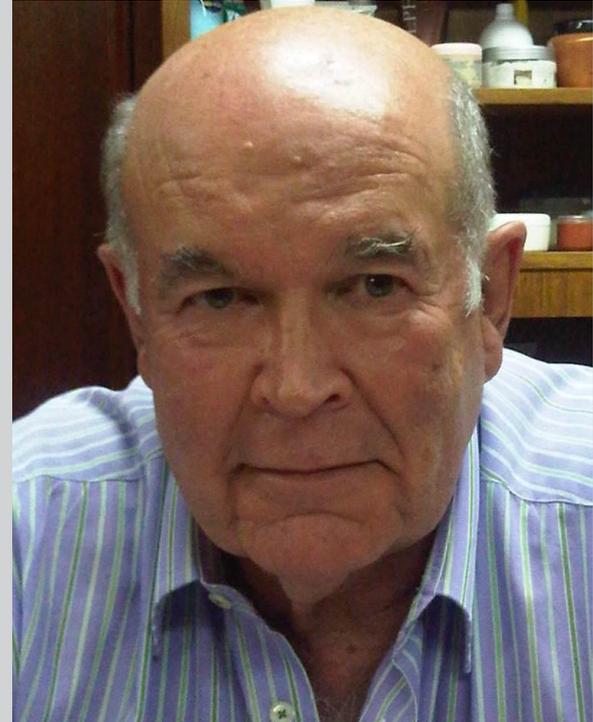
Agenda

- Season of Transformation
- Group Results, Cash Flow and Dividends
- Results & Overview
 - Bowler Packaging
 - Bowler Properties
- The Road Ahead
- Questions



Season of Transformation

- ❖ Board of Director changes
- ❖ Packaging Leadership changes
- ❖ Packaging Operations changes

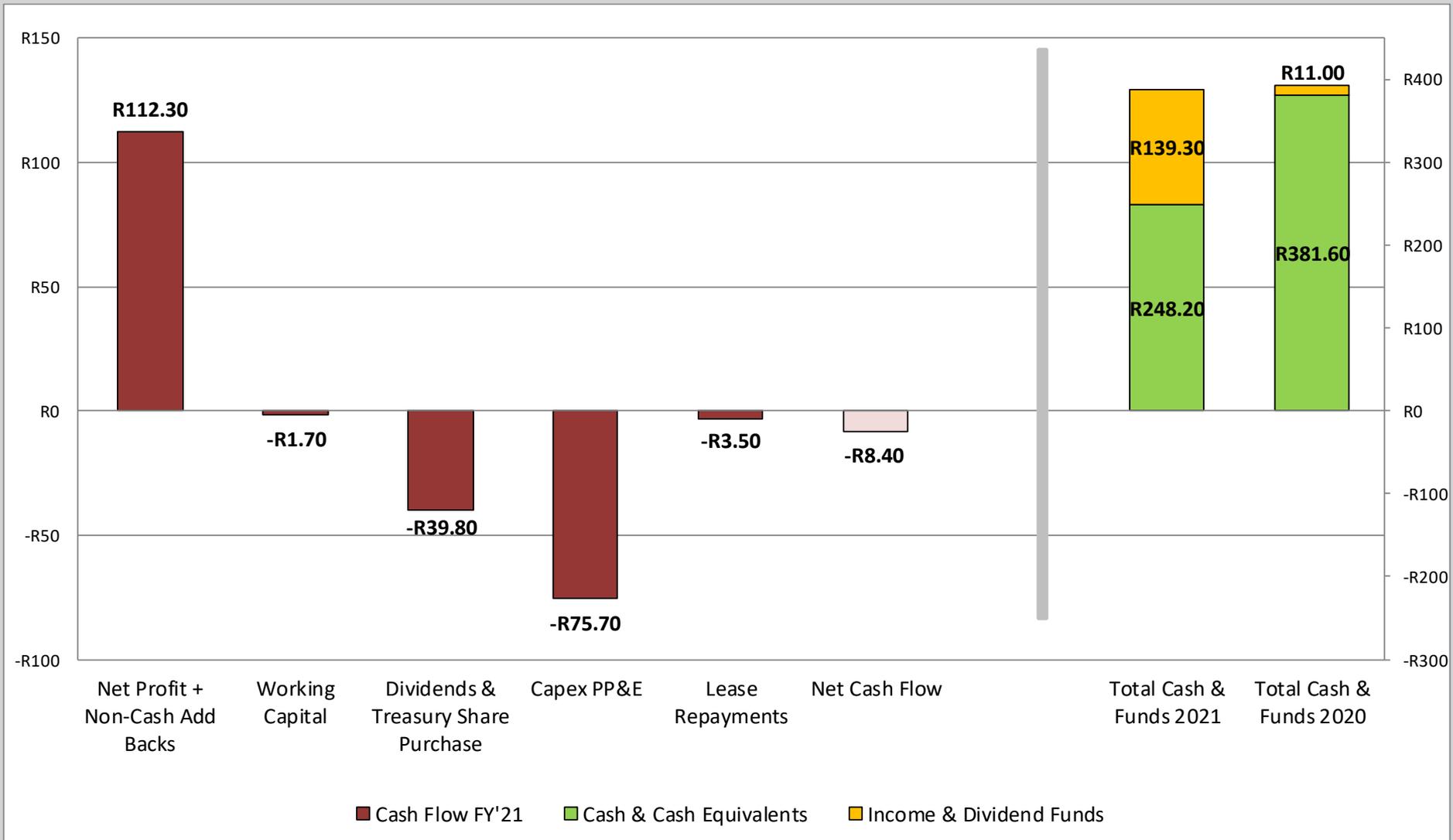


Group Results

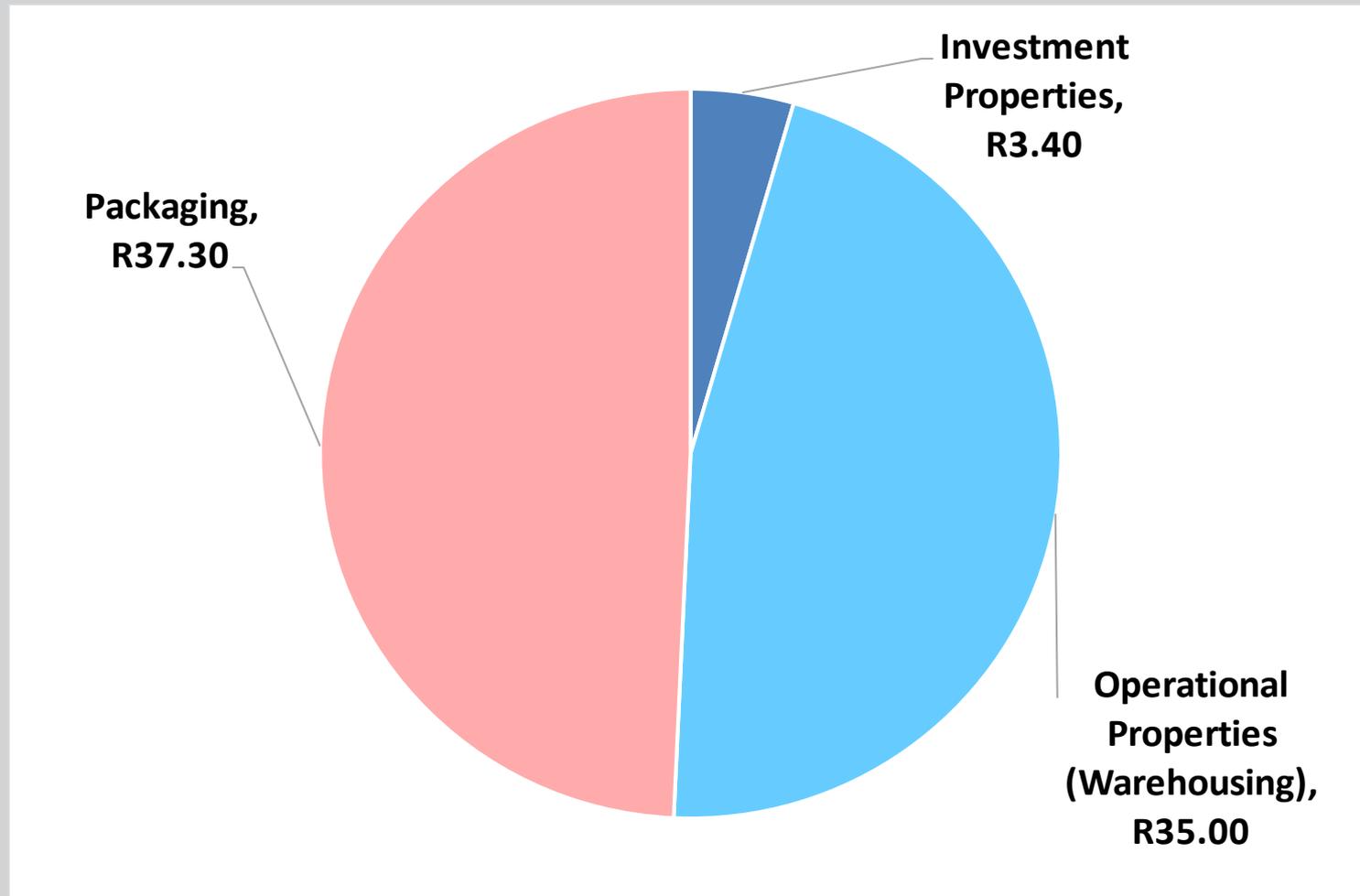
	FY'21	FY'20
HEPS (cents)	127,31	112,75
<i>Increase of 13%...positive contribution from share buy-backs</i>		
Headline Earnings (R'm)	R91,5	R83,7
<i>Increase of 9%</i>		
Attributable Profits (R'm)	R91,5	R82,4
<i>Increase of 11%</i>		
- Packaging	R67,1	R51,6
- Properties	R17,0	R16,1
- Holdings	R10,5	R17,5
- Eliminations	R3,1	R2,8



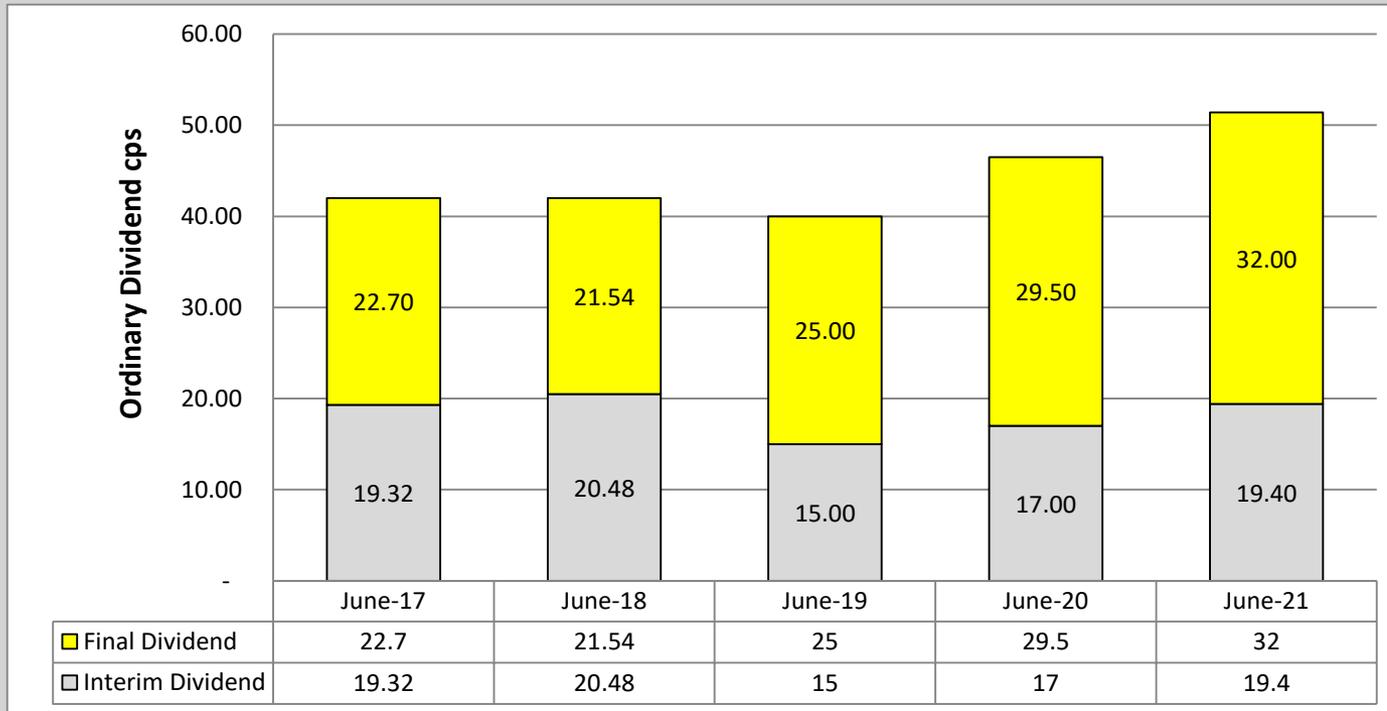
Group Cash Flow Summary (R'm)



Group Capex PP&E - Unpack of R75,7m



Dividend and Treasury Shares



- 11% increase in ordinary dividend – highest dividend yet
- Treasury share purchase @ R4,6m
 - Lack of liquidity has hindered efforts
 - Remains priority



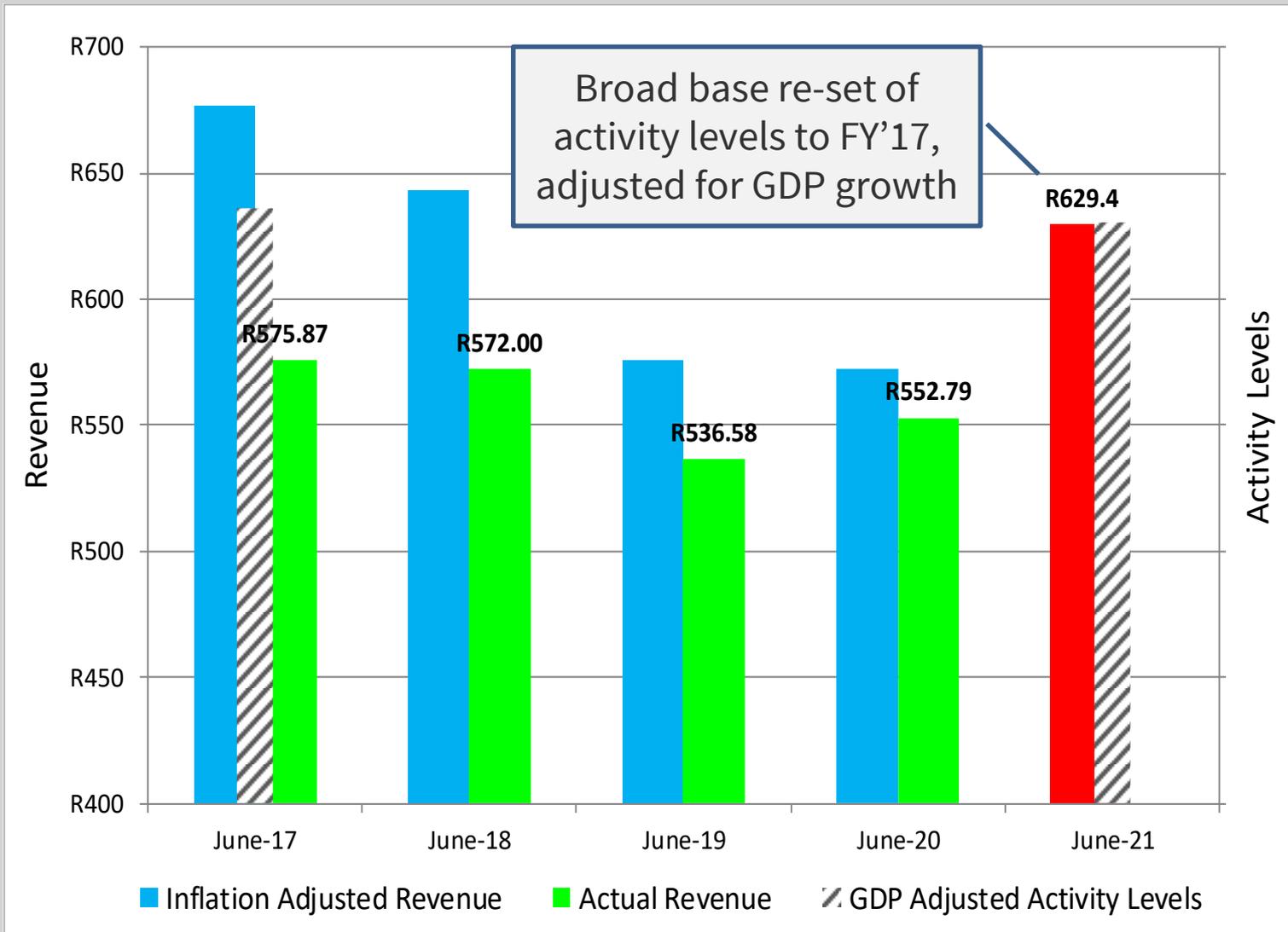


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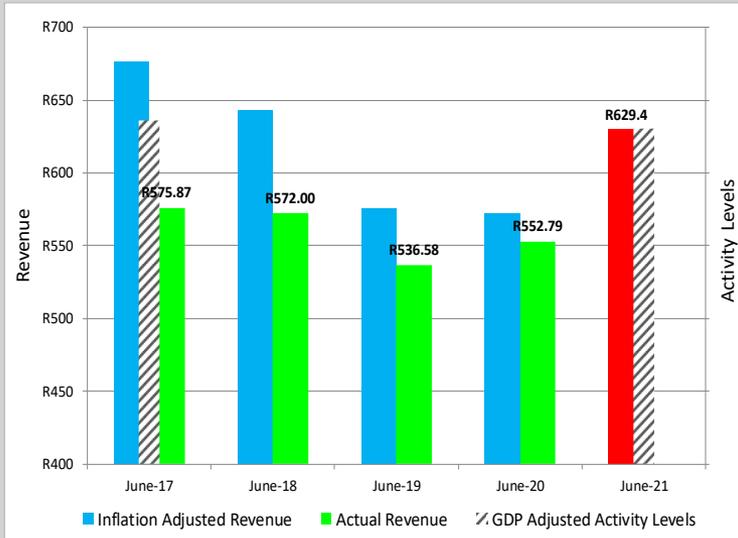
PACKAGING

Results and Overview

Packaging Revenue (R'm)



Packaging Revenue (R'm)



- ❖ Good volume growth year-on-year mainly attributable to:
 - ❖ Customer centric and reliable performance from an agile situational (VUCA) management, despite COVID impactful 3rd wave
 - ❖ Market relevant product mix in a changing market
 - ❖ Diversification a imperative to sustainability
 - ❖ Strong and entrepreneurial existing customer base with partnership mind-set shared risk profile increase
- ❖ Capacity extension of existing equipment base
 - ❖ Through innovative technology;
 - ❖ Information systems – Bowler 4.0;
 - ❖ Reliability management mind-set; and
 - ❖ Superior market intelligence .
- ❖ **Pricing and cost pressures are a given.** Identifying the causes early and managing the effect smartly are the differentiators.



Results

R'm	FY'21	FY'20
Operating Profits	R91,9	R71,3
	<i>Increase of 29%</i>	
Operating Profit % of Revenue	14,6%	12,8%

- Low base for FY'20
- Margins flat; but raw material double digit % increase in FY'21 Q4 will be felt in FY'22
- Benefitted from economies of scale; but capacity 'step change' spend in FY'21 will be felt in FY'22
- Covid
 - Ongoing risk mitigation costs
 - 'Lost work hours', especially 3rd wave



Overview of Packaging Focus 2021/22

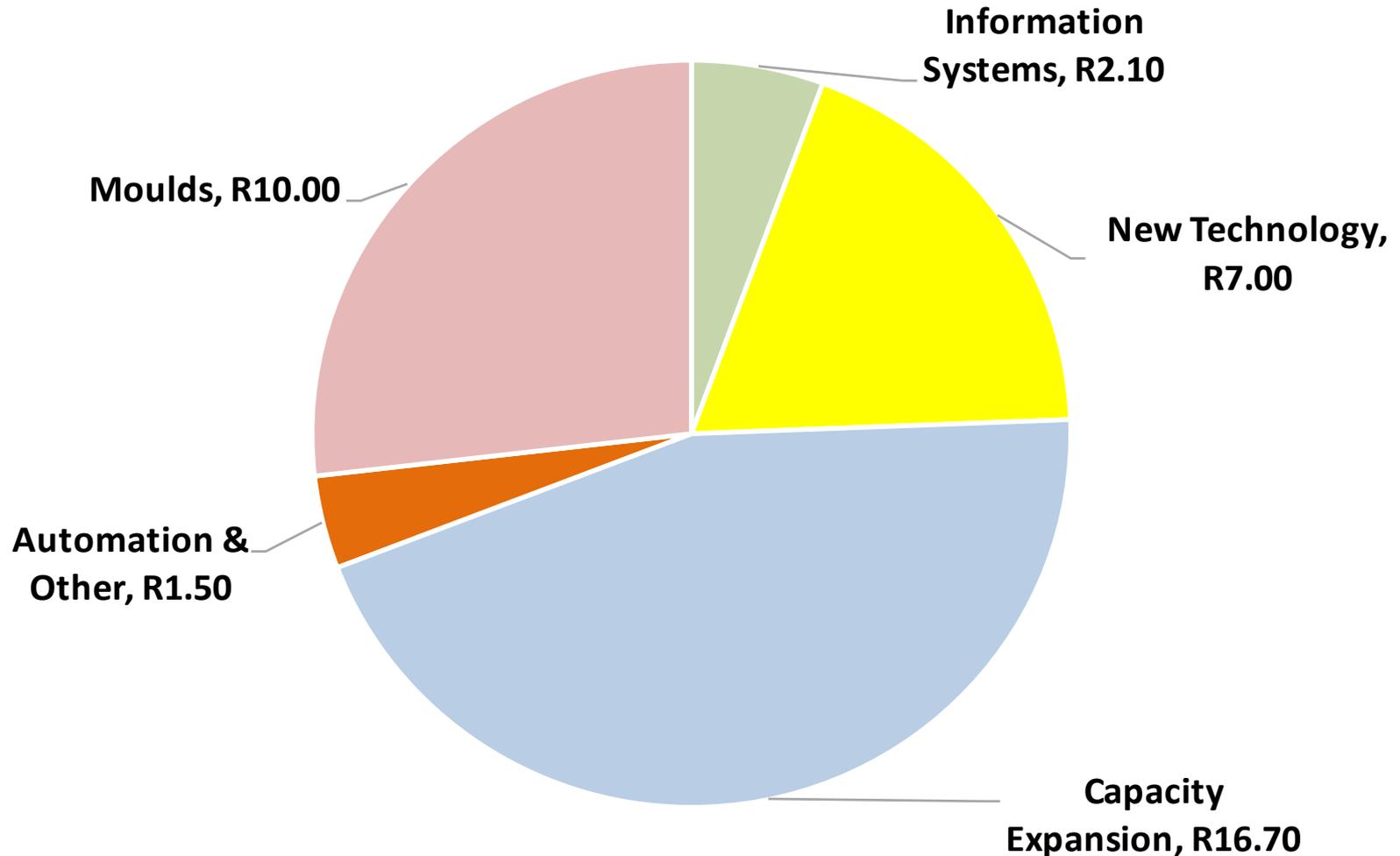
- ❖ Lay foundations for the future - evidenced in:
 - ❖ Transformation of Operations management and focus;
 - ❖ Broadening of senior leadership base; and
 - ❖ Diversification of Customer, Market and Product base

Overview (continued)

- ❖ BBEE compliance level 8 status likely
 - ❖ R1,7m investment in Enterprise Development / Supplier Development
 - ❖ R1m in support of Social Economic Development
- ❖ Sustainability / environmental empathy
 - ❖ Roll on ball project – ‘Product Lifecycle Assessment’ case study
 - ❖ 3MW solar project (discussed below)
 - ❖ PRO and EPR circular industry progress



Capex – Unpack of R37,3m



Bowler Properties Results and Overview



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Results & Overview

R'm	FY'21	FY'20
Attributable Profits	R17,0	R16,1
	<i>Increase of 6%</i>	

- ❖ Epping – complete
 - ❖ Flow and compliance upgrade of R3,4m complete and lease secured
- ❖ Philippi – completed Sept'21
 - ❖ 5800 m² warehouse extension completed under budget, ahead of schedule
 - ❖ Existing facility upgrade
 - ❖ Capex of R35m (capital commitments of R27m)





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The Road Ahead....

The Long and Ever- Winding Road....

Uncertainty prevails

- ❖ Politics, factional priorities, unions, collective bargaining, elections - distraction noises par excellence

Can this destructive loop break out? How and when ?

- ❖ Covid, short / long, PTS, socio economic fallouts?
- ❖ PRO, EPR and circular industry wrangling's and positioning, levies and collaboration challenges?
- ❖ Supply chain disruptions, raw material price volatility, stock outs, international priorities, profiteering?
- ❖ Energy – cost, load shedding, alternatives, red tape?
- ❖ Bowler will not be spared in the ‘perfect storm’

HOWEVER with



Momentum and Kinetic Positive Energy in 4x4 gear for Packaging

We focus to:

- ❖ Expand base for next 3 years
- ❖ Keep **Noise** out of Operations to enable focus
- ❖ Drive **Product Diversification** within customer base
- ❖ Provide **Agility** through Information systems and Bowler 4.0
- ❖ Transform the **Organization** into 21st century relevance



Cash Allocations

- ❖ Spend on Property, Operations, Projects and Opportunities **Capex (R 135m earmarked)**
- ❖ Capital commitments from FY'21 **(R35m)**
- ❖ Packaging segment capex **(R25m)**
- ❖ Opportunities for H1 FY'22 progress
 - ❖ Possible new business line investment **(R40m)**
 - ❖ Solar plant 3MW capabilities **(R35-40m)**
 - ❖ 3 x new installations (Ottery x 2 and Isando)
 - ❖ 1 x upgrade (Philippi)
 - ❖ Roof and plant upgrades
- ❖ Share Buy Back





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Questions?



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Thank You