

Nampak's operational performance still improving

Packaging manufacturer Nampak said on Wednesday that it has made significant progress in the implementation of its comprehensive plan to improve operational performance through "buying better, making better and selling better".



Nampak CEO Andre de Ruyter

"Operations excellence initiatives and programmes to improve efficiencies and cost are generating good results and we have refocused the culture towards 'making bottles and cans profitably'," the group said in a trading update.

It said the asset recapitalisation programme in SA was almost complete and already contributing to improved efficiencies and competitiveness. "Following on achievements made in 2016, our operational performance has continued to improve in the five months to end February 2017."

However, the group noted that sluggish growth and low consumer confidence in its key markets continued to affect consumer spending and hence demand for packaging. "Being mindful of the challenging and uncertain macroeconomic environment in key markets in SA, Angola and Nigeria, we continue to focus our attention on managing and optimising aspects of the business within our control, namely our costs, assets and processes."

Slower than optimal cash extraction from Nigeria and Angola and exposure to currency volatility of cash held in these restricted areas continued to affect overall performance. "While we have taken all possible steps to extract cash from these markets, we cannot rule out further impacts resulting from exchange rate fluctuations," Nampak said.

Source: *BDpro*

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