

Mpact Limited

(Incorporated in the Republic of South Africa)

(Company registration number 2004/025229/06)

Income tax number: 9003862175

JSE Share Code: MPT      JSE ISIN: ZAE 000156501

( "Mpact" or "the Group" or "the Company")

AUDITED PRELIMINARY SUMMARISED CONSOLIDATED ANNUAL RESULTS FOR THE YEAR ENDED  
31 DECEMBER 2018 AND DECLARATION OF CASH DIVIDEND

SALIENT FEATURES

- Revenue up 5% to R10.6 billion
- Underlying operating profit up 47% to R672 million
- Underlying earnings per share up 25% to 208.0 cents
- Return on Capital Employed ( "ROCE ") increased to 10.7%
- Gearing improved to 32.2%
- Total gross dividend increased 27% to 70 cents per share

Earnings per share

Basic and headline earnings per share for the year were 185.1 cents and 195.6 cents respectively (December

2017: 162.1 cents and 164.5 cents, respectively). Underlying earnings per share were 208.0 cents, an increase

of 25.1% when compared to the prior year of 166.3 cents.

13 March 2019

Earnings per share (EPS) for profit attributable to equity holders

of Mpact:

Basic EPS (cps)	5	185.1	162.1
Diluted EPS (cps)	5	184.9	162.0

(1)Administrative and other operating expenses includes an expected credit loss on trade receivables of R24.5 million

(2017: R28.7 million) and an impairment loss on foreign cash balances of R4.8 million (2017: R4.8 million).

(2)Special items include impairment on property, plant and equipment of R29.6 million (2017: R4.9 million), impairment on

foreign cash balance of R4.8 million (2017: R4.8 million), impairment on goodwill and intangible assets of Rnil million (2017:

R3.2 million), impairment on an associate loan of R1.2 million (2017: Rnil million) and restructure costs of R17.7 million

(2017: Rnil million).

per share per share

## 5. EARNINGS PER SHARE

## Earnings per share (EPS)

Basic EPS	185.1	162.1
Diluted EPS	184.9	162.0
Headline earnings per share for the financial year(1)		
Basic headline EPS	195.6	164.5
Diluted headline EPS	195.3	164.4
Underlying earnings per share for the financial year(2)		
Basic underlying EPS	208.0	166.3
Diluted underlying EPS	207.7	166.2

(1)The presentation of headline EPS is mandated under the JSE Listings Requirements. Headline earnings has been

calculated in accordance with Circular 4/2018, "Headline Earnings", as issued by the South African Institute of Chartered

Accountants.

(2)Underlying earnings is arrived at after adjusting profit attributable to equity holders of Mpact for special items, net of tax.

The calculation of basic and diluted EPS and basic and diluted headline EPS is based on the following data:

	2018	2017
Earnings	Earnings	
R'm	R'm	
Profit for the financial year attributable to equity holders of Mpact	316.2	275.2
Impairment of property, plant and equipment	29.6	4.9
Impairment of goodwill and other intangible assets	-	3.2
Profit on sale of joint arrangements and subsidiaries	(6.7)	-
Profit on disposal of tangible assets	(0.1)	(3.3)

Related tax	(4.9)	(0.8)	
Headline earnings for the financial year	334.1	279.2	
Profit for the financial year attributable to equity holders of Mpact	316.2	275.2	
Impairment of property, plant and equipment	29.6	4.9	
Impairment of goodwill and other intangible assets	-	3.2	
Impairment of foreign cash balances	4.8	4.8	
Impairment of loan to associate	1.2	-	
Restructure costs	17.7	-	
Related tax	(14.3)	(5.8)	
Underlying earnings for the financial year	355.2	282.3	
	Weighted	Weighted	
	number of	number of	
	shares	shares	
Weighted average number of ordinary shares in issue(3)	170 784 638	169 746 140	
Effect of dilutive potential ordinary shares(4)	253 484	78 066	
Weighted average number of ordinary shares adjusted for the effect of dilution	171 038 122	169 824 206	

(3)The weighted average number of shares takes into account the weighted average effect of changes in treasury shares and

the capitalisation issue of shares during the year.

(4)Diluted EPS is calculated by adjusting the weighted average number of ordinary shares in issue, on the assumption of

conversion of all potentially dilutive ordinary shares.

DIRECTORS:

On 21 December 2018, Mr PCS Luthuli was appointed as non-executive director to the Mpact Limited Board.

Independent Non-Executive:

AJ Phillips (Chairman), NP Dongwana, NB Langa-Royds, PCS Luthuli, M Makanjee, TDA Ross, AM Thompson

Executive:

BW Strong (Chief Executive Officer), BDV Clark (Chief Financial Officer)

Company secretary:

MN Sepuru

Registered office:

4th Floor, No.3 Melrose Boulevard, Melrose Arch, 2196  
(Postnet Suite #179, Private Bag X1, Melrose Arch, 2076)

Transfer secretaries:

Link Market Services South Africa Proprietary Limited  
13th Floor, Rennie House, 19 Ameshoff Street, Braamfontein, 2001  
(PO Box 4844, Johannesburg, 2000, South Africa)

Sponsors:

Rand Merchant Bank (a division of FirstRand Bank Limited)  
1 Merchant Place, corner Fredman Drive and Rivonia Road, Sandton, 2196

(PO Box 786273, Sandton, 2 146)

Auditors:

Deloitte & Touche

Deloitte Place, The Woodlands, Woodland Drive, Woodmead, Sandton, 2196

(Private Bag X6, Gallo Manor, 2052)

<https://senspdf.jse.co.za/cts/2019/jse/isse/mpt/Mpact.pdf>