



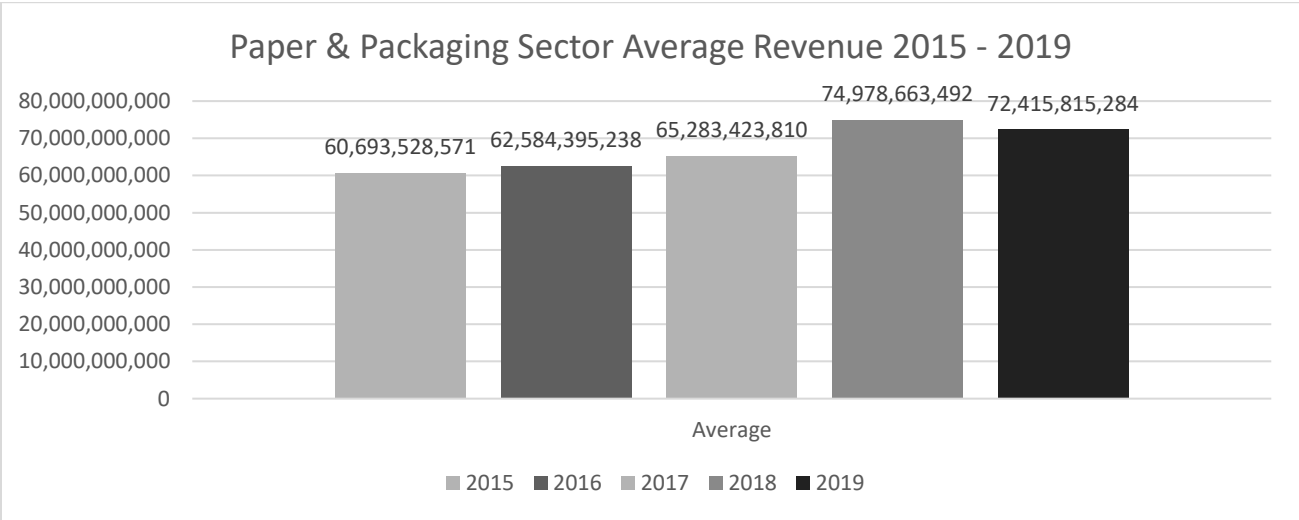
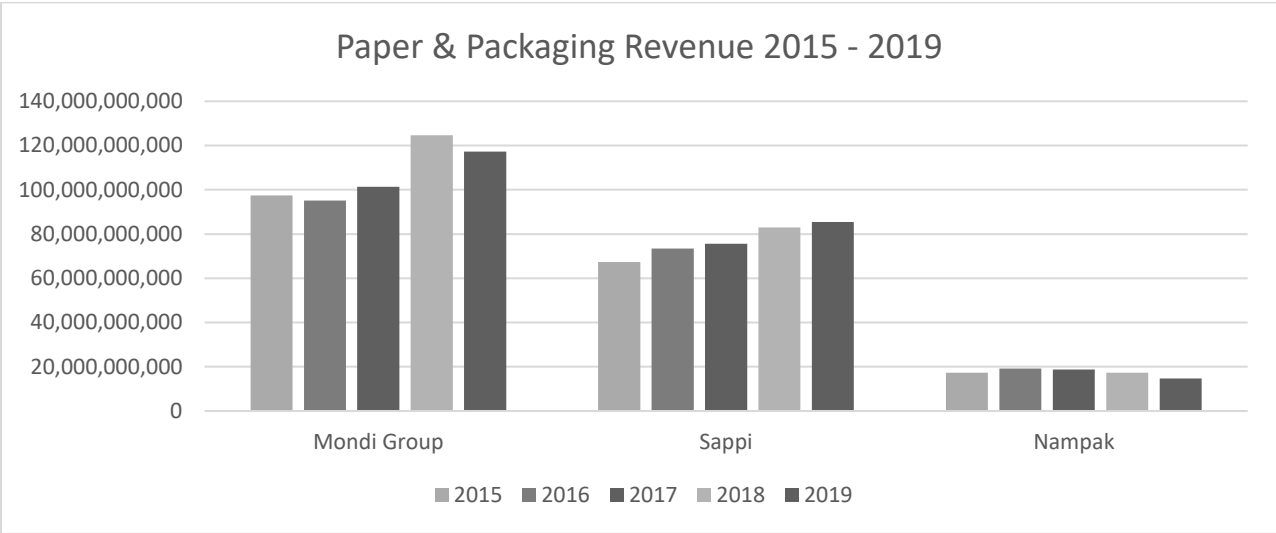
## **2020 Sector Report: Paper And Packaging**

### **Introduction**

The global paper packaging market was valued at USD 69.91 billion in 2019 and is anticipated to reach USD 88.73 billion by 2025. The increasing consumer consciousness regarding sustainable packaging, as well as the strict regulations imposed by various environmental protection agencies (regarding the use of environment-friendly packaging products) are the factors driving the paper and packaging sector in recent years.

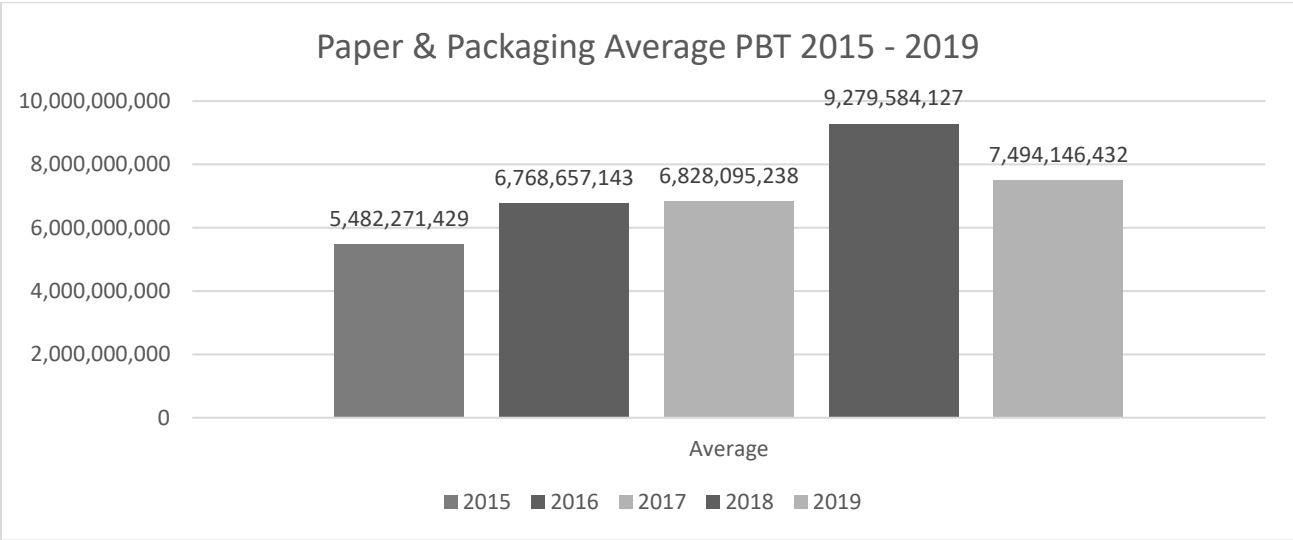
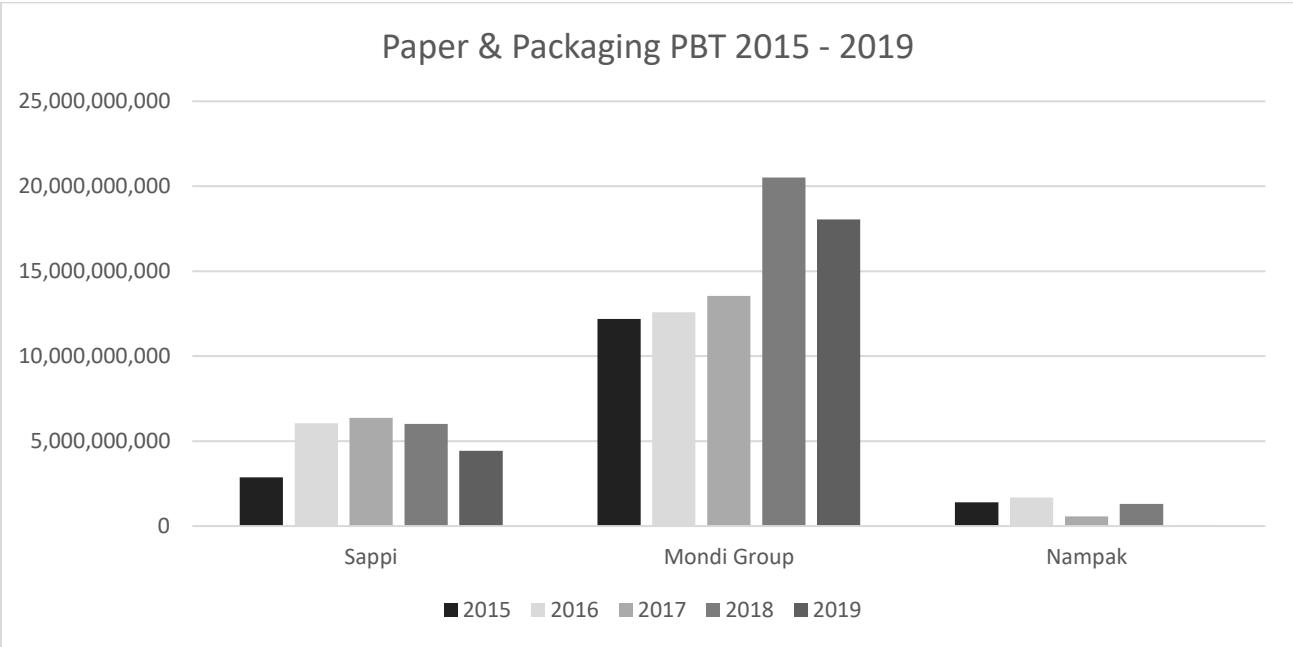
### **Revenue**

Both Mondi Group and Sappi fall within the forestry and paper sector on the JSE, while Nampak limited falls within general industrials. There are only four companies listed on the JSE in the forestry and paper sector, and the LRS's sample represents two of these four. In terms of revenue reported, Mondi Group and Nampak reported decreases of 6% and 15.41% respectively, while Sappi reported an increase of 3%.



## Profit

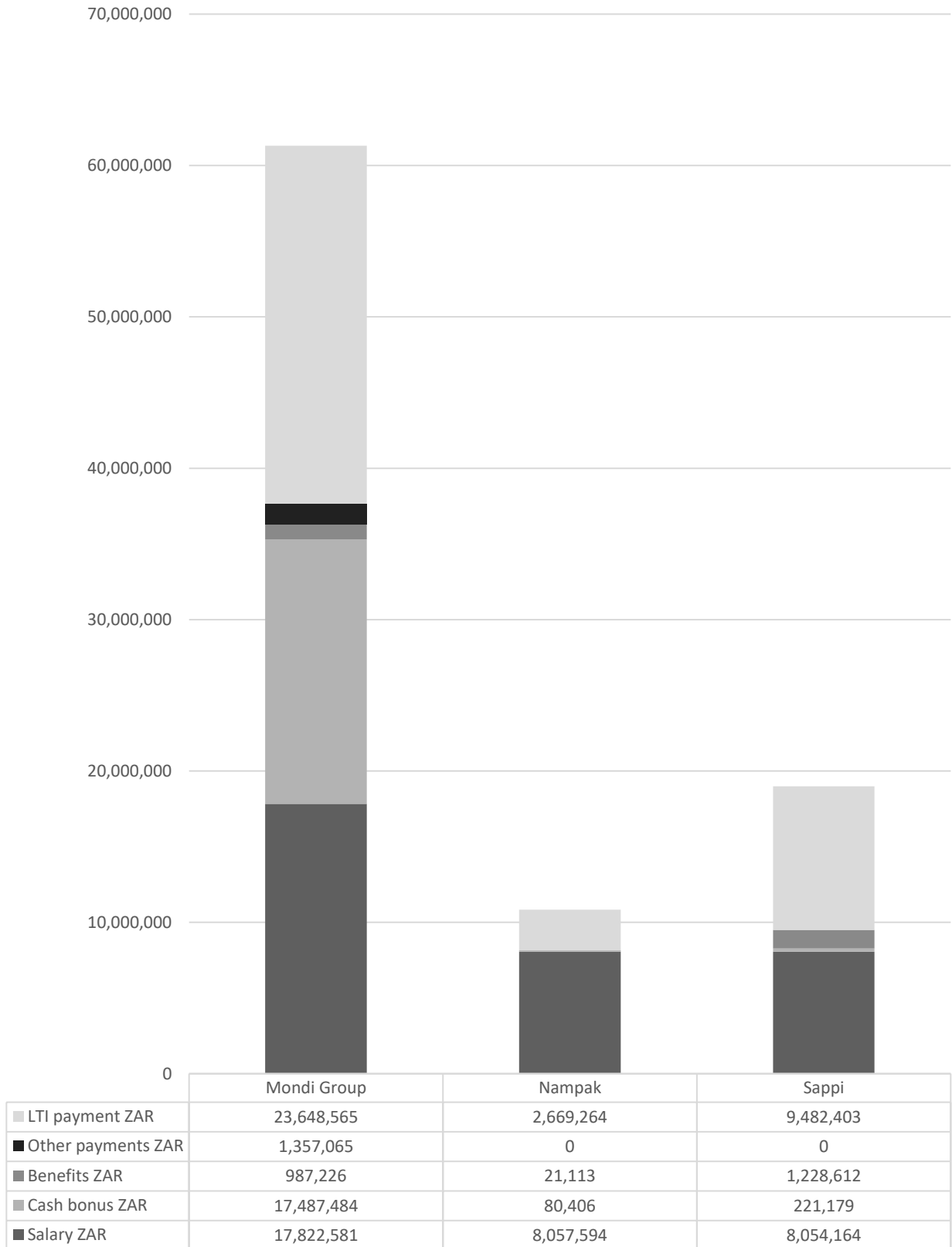
All three companies reported decrease in profit before tax with Nampak reporting the highest decrease of 95.53% for the 2019 year at ZAR 6 million. This is a significant decrease from the 2018 profit before tax of over ZAR 1 billion and it is largely due to over a ZAR1.1 billion loss before tax recorded by disposing of some of Nampak’s divisions with protracted period of continued poor performance and cash consumption. Mondi Group reported 12.03% decrease in profit before tax and Sappi with decrease of 26.38%.



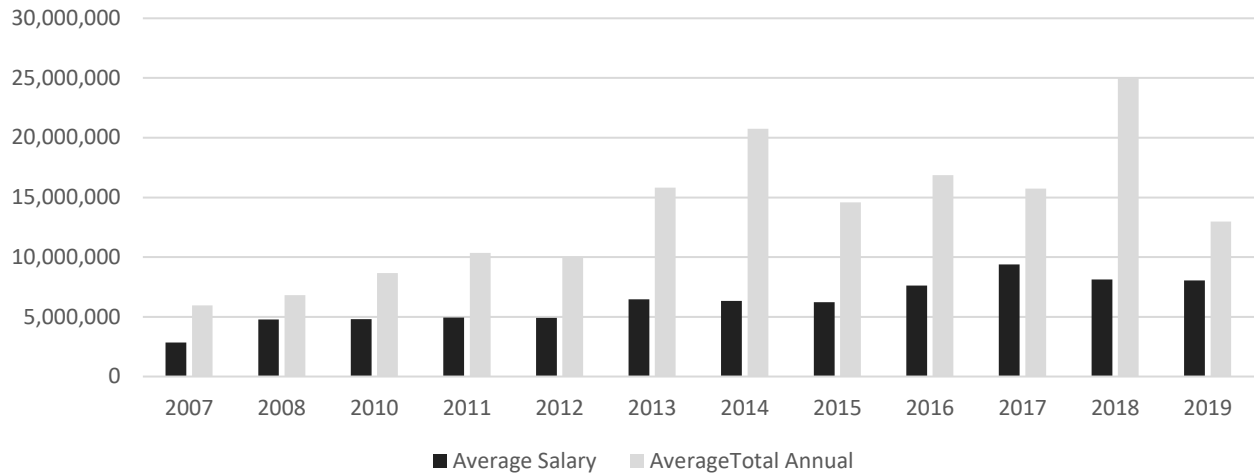
## Paper and Packaging: Executive Pay

In the Paper & Packaging sector, Mondi Group CEO Oswald was paid an LTI of over ZAR 23 million, bringing his total remuneration to ZAR 61 million. Non-executive remuneration went down on average by about 16%.

## Paper & Packaging Sector CEO Remuneration 2019



Paper & Packaging Average Remuneration 2007 - 2019



Paper & Packaging Average NED Remuneration 2007 - 2019

