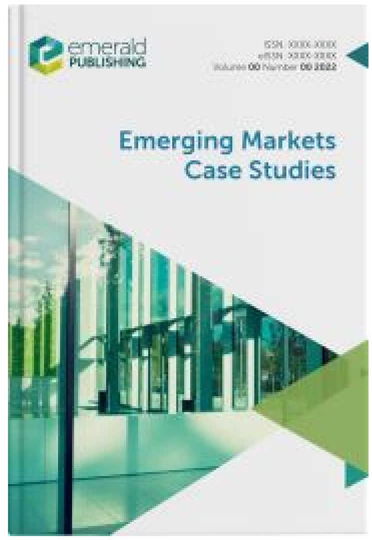

Nampak – Strategic Turnaround Leadership

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ABSTRACT:

This case study focuses on the strategic turnaround priorities of Phil Roux, Nampakâ€™s CEO, during and after a turnaround process. The case is set in 2025, as Roux is handing over responsibilities to the successor CEO. Remaining in his role as CEO, Roux questions what his priorities should be in the final phase of his tenure as CEO before retiring. The case uncovers the turnaround situation that has led to the decline of this leading African packaging company. The case focuses on Roux, a seasoned turnaround strategist and leader. It covers not only the leadership styles and relationships of the leader, but also the interrelated steps taken to turn the company around. The purpose of the case is to provide students with insights into successful leadership of a corporate turnaround, how the strategic turnaround process evolves, and approaches and priorities that can be followed for continued strategic renewal.

CUST_LEARNING_OBJECTIVES :No data available.

After ethical clearance, the data were gathered through in-depth interviews, internal documents shared by the protagonist, and a study of the company's results for the period 2017 to 2025.

CUST_SUPPLEMENTARY_MATERIALS :No data available.

NAMPAK – STRATEGIC TURNAROUND LEADERSHIP

"Nampak shares 70% up as turnaround plan pays off"(Khumalo, 2025).

In May 2025, Phil Roux, CEO of Nampak, stood in the office building in Bryanston, South Africa, thinking about his career, and his mind wandered to Mike Tyson's words as he was finally stepping out of the ring: "I don't love this anymore, I'm going to take care of my life" (Ultimate Mike Tyson, 2021).

Roux was not of the same mind, but he was ready to step back from the intensity of the CEO role and to share a lifetime of business experience more broadly. A few months earlier, he had introduced Andrew Hood to the investment community as his successor. This followed Roux's extraordinary thirty-month intervention, driving radical business rescue. He thought back on his turnaround strategy. "There was no time for an incrementalist approach because the business – once a revered and leading packaging giant – had descended into distressed asset status."

The first phase of the turnaround, which he styled "the restoration of vitality", was now drawing to a close with a balance sheet and investment thesis poised for sustainable growth. The journey to this point was not easy. Roux faced a moment where his experience and wisdom prompted a resolve to get off the treadmill and impart knowledge to future business leaders as an advisor or non-executive. In recognising that recently appointed CEO designate Hood would face high shareholder expectations, Roux wondered what the next phase of value creation would look like and the leadership imperatives that would sustain the momentum. Roux pondered how the management team under his joint leadership with Hood might address that question.

Nampak's strategic approach

As Roux reflected on the history of Nampak, he realised how tough the fight had been before he even stepped into the ring. Nampak's (National Amalgamated Packaging) Limited strategic focus on packaging materials had resulted in it gaining the status of being Africa's largest manufacturer of metal, paper, plastics, and glass packaging. The company had established a strong brand reputation, harnessing the support of a large blue-chip customer base. It was founded early in the 1960s through the merger of two packaging companies and by 1969 was listed on the Johannesburg Stock Exchange (JSE). Several acquisitions marked the growth journey of the company, first by it being acquired by Reed Corp, and soon afterwards, in 1983, sold to Barlow Rand, a leading conglomerate in the region. Great strategic progress occurred when Nampak acquired 51% of Metal Box in 1983 and its remaining shares in 1988. Through the turn of the century, the group expanded its operations by acquiring several packing companies in South Africa, the United Kingdom, and Europe. The group grew its Africa footprint by acquiring minority shares in Nigeria and Malawi, establishing a folding carton factory in Nigeria in 2007, a beverage can factory in Angola in 2011, and acquiring Alucan, an aluminium product manufacturer in Nigeria in 2014. By 2019, when Nampak celebrated its 50th anniversary as a public company listed on the Johannesburg Stock Exchange, its espoused strategic imperative to "Accelerate growth in the rest of Africa" had resulted in the location of 17 of the group's 39 manufacturing operations, and 16,766 of the group's 5,061 employees in sub-Saharan countries (Nampak, n.d).

Strategic risks, complexities, and decline

This geographic diversification strategy was not free from the risks associated with acquisitive growth or expansion into foreign jurisdictions. Among these were the political, economic, regulatory, operational, financial, and exchange rate and control risks in Africa's developing markets. The impact of these general risks on financial performance was further impacted by Nampak's use of US dollar debt capital to finance the expansion.

In 2019, revenue declined due partially to economic, competitive, and consumer pressures in the region, but more so due to management's decision to dispose of assets to reduce debt. The negative effect of lower revenues on trading profit was exacerbated by currency devaluation and impairments in Angola, and currency volatility in Zimbabwe and Nigeria. Earnings per share and headline earnings per share declined. As net debt rose 42% to R5.6 billion ($387.55 million) (Exchange Rates UK, n.d.), return on invested capital declined to 7.9% well below the weighted average cost of capital. Net asset value per share fell to 1,385 cents (0.96¢), the lowest in five years. The dividend was waived for the fifth successive year (Nampak, 2019).

The sharp deterioration of these important financial metrics exposed the flaws in Nampak's misguided historic strategy to accelerate growth in the volatile economies, markets, and currencies of the rest of Africa, funded by relatively firm or strengthening US dollar-denominated debt.

Nampak responded with restructuring initiatives and operational improvements. These included asset disposals and cost-cutting measures. Management attempted to allay shareholders' concerns by committing to debt reduction and, in line with world trends, narrowing the group's focus on fewer substrates. Despite these commitments, negative investor sentiment resulted in a significant decline in the year-end share price compared to 2015 (Exhibit 1). The negative trend continued into 2020, with Nampak's market value declining by 90% to R621 million ($42.980 million) relative to a net asset value of R4.98 billion ($302.33 million) (Exchange Rates UK, n.d.). Although this was in part attributable to the direct and indirect effects of the COVID-19 pandemic, subsequent performance did little to buoy investors' and lenders' confidence in the group's strategy or management (Nampak, 2020).

The sell-off was evidence that shareholders lacked confidence in management's ability to devise and implement the strategic and operational interventions necessary to reverse deteriorating financial performance to support the debt burden. The cost reductions, efficiency improvements and disposals announced in the 2019 accounts were seen by investors and lenders as inadequate recognition by management of the company's dire circumstances.

In late 2021, it was evident that Nampak couldn't go another round without reworking its capital structure—its financial stance was too unsteady to absorb any more blows.

By late November 2022, Nampak found itself on the ropes, projecting a decline in earnings per share of between 41% and 47% for the year to September 2022 (Nampak, 2022). With borrowing facilities close to their limit, the company announced its intention to undertake a rights issue of up to R2 billion ($122.14 million). As this was nearly R700 million ($42.75 million) more than its then market capitalisation of R1.35 billion ($82.45 million), the market gave Nampak another devastating blow. The share price fell sharply, bringing the market value to under R900 million ($54.96 million) (Exchange Rates UK, n.d.). The company was effectively looking to raise more than double its value on the JSE. Over 86% percent of Nampak's market value had been eroded in three years, leaving it dazed and unable to mount a coherent defence. Shareholders refused to approve a proposed R2 billion ($122.14 million) rights issue. By January 2023, the planned rights issue was reduced to R1.5 billion ($81.29 million), slightly above the R1.35 billion ($73.16 million) minimum rights issue, which was a condition, together with some asset disposals, of a new funding package under negotiation. In the half-year to March 2023, Nampak posted a R2.4 billion loss ($130.06 million), almost five times the value of its market capitalisation on the JSE at that point (Nampak, 2023).

From backers to punchers

Soon, Nampak's shareholders and lenders joined the fight. As each successive announcement of results failed to impress, market commentary became more critical and shareholders more strident. Frustration with management's inability to stimulate revenue growth, implement operational efficiencies, or reduce the debilitating debt was compounded by the award of generous executive remuneration packages that bore no relation to the group's poor performance. As one asset manager stated,

> "It was one minute to midnight, and it wasn't just a turnaround; the culture was rotten to the core. They were always ripping big bonuses out when they shouldn't have, from the top to the bottom. Then there was the operational mess and the banks …"

Nampak's complex debt capital structure comprised sixteen local and international banks and financial institutions. Notwithstanding the renegotiation of various covenants through the COVID-19 pandemic, lenders were increasingly alarmed by the group's deteriorating operating performance, rising debt, and inadequate free cash flows. The imperative to dramatically simplify the complexity of funding and reduce gearing increased as the metrics governing debt covenants deteriorated.

Stepping into Nampak's corner

Although Nampak was nearly on its knees, its foundational assets and market position still held substantial untapped value. In 2023, an investment firm, A^2 Investment Partners, accumulated shares in the company. Given the appalling results and fearing its insolvency, the managing director of A^2 Investment Partners, André van der Veen[1] mobilised shareholder support for changes to the board. His objectives were firstly to alter the orthodoxy and established views of a board responsible for the parlous status quo, and secondly, in so doing, to eliminate self-serving resistance to change. This required a critical mass of experienced new directors, each familiar with the levers and mechanisms of public company turnarounds, ideally from different perspectives. In March 2023, he was appointed non-executive director of Nampak, together with a seasoned FMCG CEO, and Phil Roux, who had previously served as CEO of public companies.

After more than 25 years of service, three as CEO, Erik Smuts resigned, and Roux was appointed interim CEO on 20 April 2023 and CEO on 13 August 2023.

Roux promptly assessed CFO Glen Fullerton as a "financial wingman" essential to the anticipated turnaround activities. Among the most complex of these was the restructuring of the balance sheet, which required toe-to-toe negotiation with hard-hitting lenders, advisors and their lawyers.

This process exposed the company for the first time in its experience to an unexpected and costly intervention, which van der Veen and Roux deemed unnecessary. The international lenders, disappointingly supported by local banks, insisted on the appointment of a Chief Restructuring Officer. This appointment, novel in South African business practice, contributed to refinancing advisory costs and debt modification fees amounting to R335 million ($18.15 million) (Exchange Rates UK, n.d.). Roux believed that these costs looked horrific relative to Nampak's pressing need for capital, telling the Financial Mail that they had no other choice. He reflected: "We have incurred exorbitant advisory costs, often in hard currency, which were seemingly unavoidable" (Rose, 2023).

New gloves for strategic turnaround

Roux's appointment acknowledged his credibility as a seasoned South African business leader with over 35 years of executive and non-executive leadership experience. His acumen as a value-creating interventionist was developed, augmented, and publicly demonstrated through successful assignments as an executive, CEO, director, or chairman of underperforming or distressed companies. To become a turnaround leader, Roux had to work his way through managerial roles at the fast-moving consumer goods (FMCG) giant Tiger Brands Limited while obtaining an MBA qualification. By 2009, he was appointed COO of Coca-Cola Sabco (SABCO), and in 2011, he returned to Tiger Brands as Business

[1] Mr van der Veen is a CA(SA), CGMA and CFA charter holder. He has served as a director of numerous listed companies and was the CEO of Johnnic Holdings Limited, KWV Holdings Limited, Niveus Investments Limited and eMedia Holdings Limited, the parent company of ETV. As a partner at A2 Investment Partners (Pty) Ltd ("A2 Investment Partners"), Mr Van der Veen has invested in and been appointed as Executive Chairman of Novus Holdings Limited and a director of York Timber Holdings Limited. He is also the Chairman of Alphawave Holdings, a specialised technology holding company.

Executive for Consumer Brands[2]. Soon, Roux was known for his ability to unlock shareholder value through business transformation. As CEO of Pioneer Foods, he led a significant transformation and strategic repositioning of the company, which resulted in the share price appreciating from R53 ($6.54) in October 2012 to a peak of R204 ($15.97) in September 2015. Here, he strengthened his skills in streamlining operations, shedding non-core assets, and unbundling and listing a major division, thereby increasing Pioneer's market value and laying the groundwork for the company's acquisition by PepsiCo in 2020. His ability to rapidly identify and rectify areas of strategic misalignment, operational mismanagement, and financial underperformance was given further expression in strategic and operational interventions as CEO of Adcorp and Chairman of the TiAuto Group. These roles broadened his experience in diverse sectors.

Colleagues described Roux as a highly disciplined leader of extraordinary energy and intensity, directed unashamedly at the creation of sustainable returns on invested capital. This approach, communicated with strategic clarity and implemented through a results-driven leadership style, endeared him to investors, asset managers, and analysts. One analyst commented: "If anybody can do this 'Phil the Knife' can. [...] His no-nonsense, tell it like it is, no BS, roll up your sleeves, get it done attitude is what the market wants".

Heading for a knockout

The moniker "distressed asset" was not one Roux applied lightly to Nampak in early 2023. The deteriorating financial performance was a lagging indicator of the convergence of all the previous blows (see Exhibits 2 and 3). The aggressive allocation of capital (mostly in 2014) for acquisitive growth and plant renewal had failed to produce returns above the weighted average cost of capital. Moreover, the somewhat underinformed rationale for the allocation of capital to geographic expansion in the rest of Africa proved to be less compelling than envisaged. The expected value creation through growth opportunities in the rest of Africa, against the slowing South African economy, failed to yield the expected results. In 2014, with a group market capitalisation of R28.8 billion ($2.66 billion), Africa contributed revenue and trading profit of 17% and 30% respectively. The CEO at the time suggested potential for continued growth for at least a decade. At first, it seemed plausible, as the region contributed 32% of revenue and 64% of trading profit in 2017. Before long, group earnings were severely eroded by, among others, market volatility and interest-bearing debt from the region. This set the stage for prolonged depressed performance. In response to Nampak's vulnerability, new competitors emerged, some with less stringent compliance standards in health, safety, and labour practices.

Despite debt falling 19% from R5.8 billion in 2020 ($352.11 million) to R4.7 billion ($287.04 million) (Exchange Rates UK, n.d.) in 2022, rising interest rates caused annual debt service costs to increase from R524 million ($32.00 million) to R605 million ($36.95 million). This, in addition to impairments of R512 million ($31.27 million) and taxation of R84 million ($5.13 million), reduced an attributable profit of R377 million ($23.02 million) to a loss of R26 million ($1.59 million). Return on invested capital of 10.6% fell short of the WACC of 13.6%. At the time of Roux's appointment, debt service costs were forecast to exceed R1.2 billion ($732.86 million) in the financial year to September 2023.

Heeding the warning bell

Roux approached his new assignment with the "unconscious competence of deep experience". Reflecting on the major causes of the group's desperate state, he highlighted overly optimistic assumptions, saying, "whether it's a capex or an acquisition, the number one thing that people get wrong is their top-line growth assumptions".

[2] Roux had 32 years' experience in the FMCG sector having held numerous executive positions inclusive of CEO, executive and non-executive director. He previously held board positions as an executive and/or non-executive director at Pioneer Foods (CEO), Tiger Brands, Oceana, Sea Harvest, Dairybelle, Langeberg and Ashton Foods. As the CEO of Adcorp Limited, he was instrumental in the turnaround of the organisation.

Roux attributed the loss of confidence in the business to "a toxic combination of poor allocation of capital to capex and acquisitions, structural working capital imbalances, a sub-optimal business model, an unsustainable cash operating expense base, and a failure of management to grasp and address the urgency of the situation." He believed that over time, with limited competition, apathy crept in, and no one seized the initiative to redress the deterioration of the company and its culture.

The breadth of challenges and potential insolvency facing the business denied Roux the leisure of an ordered sequential implementation of conventional turnaround initiatives. He said, "it requires a whole different approach when you're dealing with something that's completely broken and you're on the cusp of live or die, as opposed to something that is ostensibly not fully optimised but in fair shape".

Roux's strategy mirrored the three-phase framework and timetable of his previous turnaround interventions: a pre-appointment and first-month preparation or diagnostic phase, when insights were generated; the crafting of the strategic agenda phase in months two and three; followed by an implementation phase over the remainder of the first year. In this instance, Roux saw three strategic imperatives, namely to reduce cash expenditures, sell assets, and introduce efficiencies.

As an experienced turnaround leader, he fast-tracked a comprehensive analysis and quantification of the strategic, structural, human, and operational levers of financial performance before embarking on initiatives. Speaking about his approach, he said, "I typically identify and scribble down the ten things that represent the bulk of the value at stake. I then laminate the page, and it stays on my desk to haunt me as I go after it."

This ensured a clear and unwavering focus on the objective.

He therefore directed his attention concurrently to the cash crunch, cost reductions, portfolio realignment, organisation structure, staffing and culture, revenue growth, strategic customer management, and an agenda setting out the investment case for Nampak of the future. Nampak's disclosed biggest risk had evolved from dependence on foreign exchange liquidity and currency movements in 2019, to liquidity issues in 2023. Roux's unescapable priority was to deal with the cash crunch.

Cash strategies

Roux's first impression upon arriving at Nampak was of a company in the grip of a critical cash flow crisis.

> "When I arrived in April, I could not pay salaries. Nobody knew this. It's quite fascinating, people come to work and they just think they'll get their pay slip, and everything's nice. You know, they're oblivious. And when you're in this predicament, it's all about cash."

Acquiring new equity was indefensible and unaffordable. Similarly, further debt capital was constrained by lenders' concerns that continued underperformance would result in breached covenants and insolvency. While new management and a viable strategy might motivate a rights issue and the restructuring of debt in the medium term, Roux turned his immediate attention to operating cash flows. He mitigated outflows through a hiring freeze, reduction of absolute salaries and overtime, significant staff and payroll cuts, labour and time-saving digitisation, and the merger or closure of administrative offices. He reflected, "They call me Frugal Phil."

Roux advised the market that "every single cash operating expense in the company is under review. This includes 421 mobile phones, most of which are sponsored for staff who spend 90% of their time at their desks. No stone will be left unturned".

Inflows were stimulated by face-to-face meetings with major customers and suppliers to improve or ensure adherence to terms, adjusting those that were disadvantageous. Key to inculcating a frugal culture was imbuing an owner's notion of value. Accordingly, Roux applied a reasonable multiple to an expenditure or saving. throughout the organisation to express it as potential shareholder value. He also viewed the disposal of non-core assets as key to cost reduction, management focus, and the realisation of cash.

Investment thesis

In August 2023, Roux presented shareholders with a R1 billion ($54.93 million) (Exchange Rates UK, n.d.) rights issue proposal based on a comprehensive turnaround strategy and a debt restructuring package.

Founded on a new vision (Exhibit 4), the turnaround approach drew on McKinsey's ten-pillar model. These pillars were "force yourself to criticise the plan", "expect more from the board", "focus on cash", "create a great change story", "build traction for change with quick wins", " bin your perceptions of a company in distress", "treat every turnaround like a crisis", "throw out your old incentive plans", "find and retain talented people", and "replace a top-team member – or two" (McKinsey, 2014). The strategy (Exhibit 5) relied on six thrusts, one of which was the merger of the group's core metals business as "One Nampak". In addition to realising human capital and operational synergies and saving costs, this aimed to reinforce the Nampak brand proposition and establish cultural cohesion while emphasising technical, manufacturing, and customer-facing competencies.

Concurrently, CFO Fullerton, guided by the board, had devised and negotiated a favourable refinancing package with term loan lenders and US private placement note holders. The package received support from South Africa's big four banks, which expressed support for the business rescue strategy. The revised debt structure and significantly simplified lender arrangements comprised core and non-core debt at Nampak Products of R5 billion ($270.96 million), and Nampak International of R286 million ($15.50 million), and $34.6 million ($1.88 million). A borrowing base facility and a revolving credit facility provided flexible working capital finance (Nampak, 2023).The debt overhang of R1.9 billion ($1020.97 million), primarily associated with legacy expansion activities in Angola and Nigeria, would be housed in a new intermediate holding company. Proceeds from the R1 billion ($85.19 million) rights offer would be allocated to expunge debt (Burger, 2023). To minimise exchange rate exposure, the new structure would reduce dollar-based financing.

Together, these work streams enabled a compelling presentation to shareholders on a minimum R1 billion ($85.19 million) rights offer, which Nampak achieved by 26 September 2023 at a subscription price of R175.00 ($9.48) (Exchange Rates UK, n.d.) per ordinary share. Market support for the restructuring was reflected in a gross demand of more than 138% of the available shares. This injected the required liquidity into the business and signalled the strong confidence of the market in Nampak's turnaround efforts.

Operations

Considering the operational challenges ahead, Roux thought, "So we will traverse the value chain, assuming nothing is going to remain the same."

In a late 2023 update, Roux, now permanent CEO, produced what an independent equity analyst called "an easy to read, factual and transparent announcement of a complex turnaround strategy" (West, 2023). This announcement, which reported on the completion or implementation of numerous concurrent workstreams to refinance and right-size the business, captured the intensity and breadth of his interventions over the four months since his appointment as interim CEO.

The strategy to focus on its core metals businesses was progressing according to plan, with the appointment of a leadership team to ensure best practice in the merger of several metal entities. The focused business was returning to profitability as the turnaround initiatives gained traction.

Roux expected that the asset disposal programme would raise about R2.6 billion ($140.90 million) over the next 18 months, with a focus on high-value assets. Selling core assets would also be considered to help reduce debt and achieve a more sustainable capital structure. He reflected that "some of the assets we got rid of could potentially portend great value, but we never had the luxury of time."

Various programmes to right-size costs, unearth efficiencies, and manage revenue growth were underway. Initiatives to reduce working capital through renegotiated terms and reduced inventory levels were yielding positive results, and capital expenditure was being actively managed. Additionally, Nampak had implemented mechanisms to manage sustained currency volatility within Nigeria and Angola. Together, these initiatives aimed to reduce the EBITDA ratio to under three times by 2024 and two times by 2025, with ROIC exceeding WACC by the end of 2027 (Nampak, 2024, 2025).

Leadership and culture

Considering the apathy that had driven the Nampak failure, Roux set out to eliminate what he termed "cultural antibodies", referring to individuals resistant to change, as well as those who were unlikely to initiate and implement the drastic change necessary to revive a failing company. He said,

> "You can never fix companies in this condition with internal people. Forget it. It's just never going to happen. If you don't get the right senior leadership, you will not get it right. You might have 4,000 people working for you, but I promise you it takes a handful to get it right."

To imbue what he called a "performance anatomy", Roux exemplified five leadership principles, requiring employees to show customer obsession, act like owners, be frugal, simplify inside while differentiating outside, and show a bias for action. The unification of the two manufacturing division cultures and a corporate head office culture facilitated the dissemination and inculcation of a performance ethos. Roux believed that a CEO has a significant role to play in shaping organisational culture: "They say the minute a CEO opens his mouth, the culture starts to change."

Along with an action orientation, Roux also valued learning agility and speed. He said, "I can assimilate quickly and apply integrative thinking. My IQ is probably somewhat average, but I subscribe to the concept of applying multiple intelligences to new contexts."

This was demonstrated throughout the turnaround when unexpected developments required rapid adjustment and refinement of plans.

Roux believed that turnarounds require management to be tough and move swiftly.

> "Do a whole lot of things quickly in the first nine months. I'm convinced that, having done this a few times, if you drag your heels with incremental improvements over two or three years, you are never going to get there. You need to go hard and fast, and then incremental improvements will follow."

Leading during this period demanded navigating intense tensions and tough trade-offs. It took a toll on him, leaving him exhausted, short-tempered, and, in his own words, "acting like a madman" at times. He said, "I did not like myself a lot of the time."

Amidst the change, he recognised the importance of leadership visibility and using models, graphics, emotive language, and anecdotes to inform stakeholders frequently of the company's direction and progress. He thought, "I'm a good salesman, and I do sell hope. So I didn't stop selling our proposition to our staff, our customers, and our investors."

Rising from the canvas

Nampak's near knock-out became clear with its worst-ever performance results in September 2023 (see Exhibit 2). Net forex losses of R1.2 billion ($65.03 million), net impairment losses of R2.8 billion ($151.74 million), and interest paid of R1.2 billion ($65.03 million) contributed to a net loss of almost R4 billion ($216.77 million). Nevertheless, Roux's efforts and optimistic outlook for 2024 were reflected in the generation of R1.6 billion ($86.71 million) cash from operations, a R905 million ($49.04 million) working capital improvement, and a trading profit of R1.6 billion ($86.71 million) (Exchange Rates UK, n.d.). He announced that Nampak was in phase two of a three-stage retrenchment process that would result in job losses in February. He said, "We are not announcing numbers. We would like to note that we get no joy from retrenching."

While expressing concern about the economy, competitors, and dysfunctional currencies, Roux was confident that the previously publicised workstreams across every element of the group would ensure progress in 2024. He tried to encourage the workforce and markets by saying, "In 2023, we overcame challenges that some thought were insurmountable. We still have much work to do in the year ahead."

Despite the dismal bottom-line result, Roux was back in the ring and ready for the next stage of the fight. First, however, the board replaced the outgoing chairman, who had served for five years, with Van der Veen. This appointment, evidencing assertive governance, was among the most important of twenty changes to the board and its subcommittees by the end of the 2024 financial year. The board's role in the turnaround was manifest in twenty-one meetings and eleven special sessions over the two years. Roux emphasised the importance of sound relationships between a chair and CEO, especially for companies in distress. He commented,

> "I would have been lost without Andre. Don't think that the kudos for these turnarounds should accrue only to the CEO? It takes a few good people to pull together. It's just because you're the boss and you're in the public eye that they make you out to be a hero. Andre and I spoke to each other three, four times a day. You're lost without that."

Disposals

As 2024 unfolded, Nampak was hard at work rebuilding its fighting form. Pursuant to the implementation of the debt reduction and product rationalisation strategies, Nampak sold its Liquid Cartons unit and Zambian and Malawian carton businesses for R450 million ($24.55 million).

In May, the group sold its Nigerian business for $68.5 million (R1.25 billion) relative to the book value of R69.4 million ($378.65). This disposal was significant as the business had incurred R4 billion ($218.24 million) currency and liquidity-related losses, and the targeted sale proceeds amounted to 50% of the value realised from all asset disposals, Roux mentioned.

> "[The CFO] and I travelled to Nigeria to close the transaction. In year two, while dealing with the other priorities of the turnaround, I spent 40% of my time dealing with a buyer whose unconventional negotiating tactics were debilitating. I thought I was going insane. It was tormenting … It was perpetual."

This market applauded this transaction with a 15% increase in Nampak's share price.

A second applause occurred in June as the share price rose in response to the interim results declared in March 2024. Significant improvements in revenue, operating profit, and net profit resulted in a 12.1% improvement of ROIC to 12.1%. While acknowledging macro-economic headwinds, Roux identified the most important drivers of the result as a step change in the performance of the metals business (including a surprising turnaround in food canning business DivFOOD, which, under Hood's leadership, delivered an operating profit of R139 million ($47.90 million) from a prior loss of R47 million or $2.56 million) (Exchange Rates UK, n.d.), the cost reduction programme, lower impairment costs, improved working capital management and progress on asset disposals (Nampak, 2024).

Positive market sentiment was reflected in the comment by market pundit Anthony Clark, an external equity market pundit (Clark, 2024).

> "Let's not forget that the rights issue was fully raised and fully supported with some material blue-chip institutions coming into the stock. So that gives some degree of confidence that the wider institutional market believes that the recovery and restructuring story in the medium term will occur."

Encouraged by the cheers of the market, Roux soon announced further asset rationalisation with the potential sale of the Angola and Zimbabwean businesses despite their robust performances. The group remained committed to debt reduction. By the end of September, Nampak had met its deadline to return R720 million ($39.28 million) in net debt to its lenders, resulting in a much simpler funding structure and only a minor foreign debt component. Nampak continued to shed excess weight in disposing of its industrial printing and coding business for R142.5 million ($7.77 million).

Despite these developments, an unexpected 12.5% retracement of the share price occurred in November 2024 with the release of a positive trading update. Shareholders were responding negatively to a perceived slowing of second-half headline earnings growth. Roux and Fullerton moved quickly to explain the effect of accounting complexities on the calculation of headline earnings, and the share price rebounded 9.4%.

Considering Roux's approach to turnarounds, a seasoned executive and chairman reflected, "What distinguished Roux as an extraordinary saviour of underperforming companies was the speed and intensity with which he concurrently deployed numerous capabilities and interventions across every element of the business."

Winning the round

The year-to-date September 2024 results, released in December, provided irrefutable evidence of the efficacy of the efforts over the past two years. With revenue up only 1%, operating profit, EBITDA and earnings per share rebounded sharply from the prior year (Exhibit 2).

Roux's results presentation featured the group's performance drivers and inhibitors and "The Nampak Turnaround" (see Exhibit 5) formula. He announced that Nampak was entering the second phase of its strategy, focused on growth activities and capitalising on consumer trends towards canned beverages, saying, "If Chapter 1 was about restoration of vitality and transformation to get the business out of distress, then Chapter 2 is really about growth and sustained value creation."

Chairman van der Veen echoed this sentiment,

> "Looking ahead, we know what we need to do; we are in a healthy state with sustainable debt levels and sufficient liquidity. Going forward, we will focus on internal operations. We have to manufacture well and implement more manufacturing disciplines to stay best in class."

The May 2025 half-year results presented another victory round. The preceding two-year period culminated in a 13.5% trading margin (compared to 5.7% in 2023) and diluted headline earnings per share of 5,576 cents (0.31¢) compared to a 33,467 cents (1.86¢) (Exchange Rates UK, n.d.) headline loss per share in 2023 (Nampak, 2025b). The share price had appreciated 260% peaking at 300% before a retracement caused by the global tariff conundrum.

Quo vadis?[3]

[3] This means "where are you going?" in Latin.

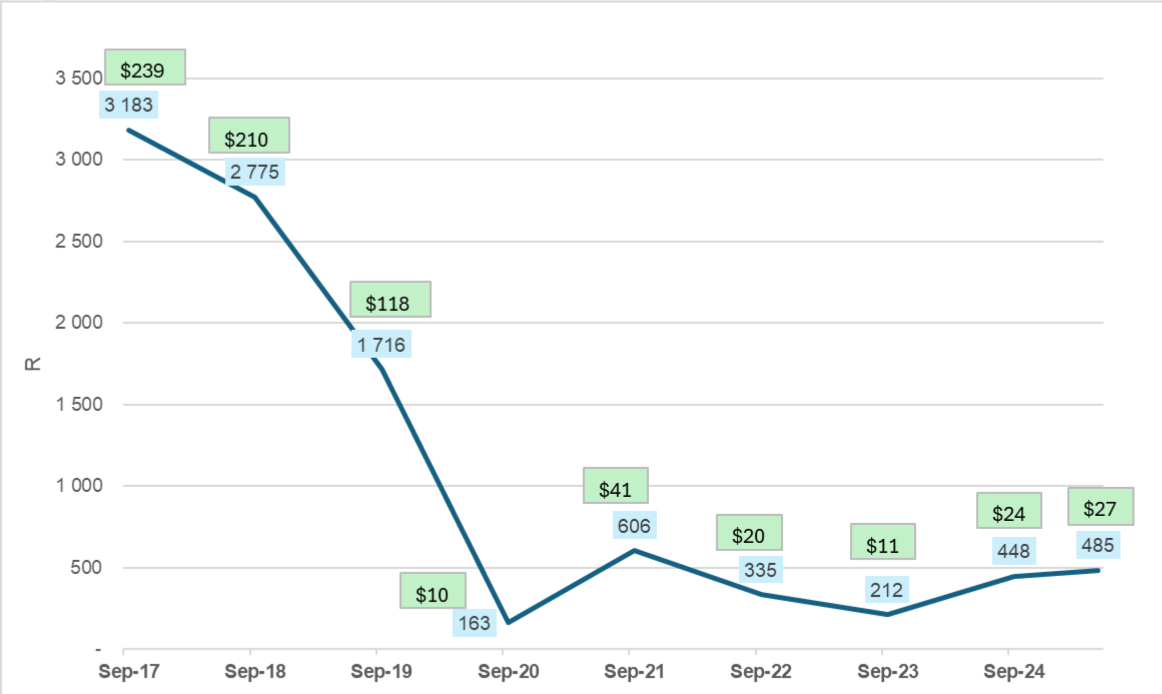
Roux described his term as CEO of Nampak as "a transactional period which drew down on 35 years of unconscious competence resulting from a convergence of experience and growing wisdom." He reflected,

> "I haven't in my 35 years of working had to do so much concurrently, but we didn't have a choice. I've gone into companies that were strong cash generators, but not fully optimised, but this was completely different as an assignment because Nampak was finished, and it wasn't a small firm."

An analyst commented on his pending retirement, saying, "He was never likely to stay once the restructuring was complete – so a handover to someone more focused on the day-to-day operational and strategic issues comes as no surprise" (Talevi, 2025).

The intense, multifaceted interventions of the preceding two years had rescued the group from the brink of insolvency and established a strategic, operational, and financial base for sustainable performance. An incoming CEO's task was to discover and exploit less obvious opportunities and inefficiencies in the quest for sustainable stakeholder value. Realising that "the job is never done", Roux wondered, "What should the management team's priorities be in the last phase of my tenure as CEO?"

Exhibit 1. Nampak's share price performance (2017- May 2025)



Source. Compiled by Nampak. Dollar values are added based on average annual Rand-Dollar exchange rates.

Exhibit 2. Simplified income statement (financial year ending September) (2017-2025)

R(000)s	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**H1 2025**
Revenue	15 966 ($1,200)	15 963 ($1,205)	14 642 ($1,011)	11 278 ($677)	13 958 ($947)	16 937 ($1,035)	9 880 ($536)	9 956 ($544)	5 671 ($314)
Trading profit	1 988 ($149)	1 968 ($149)	1 557 ($108)	682 ($41)	1 421 ($96)	1 611 ($98)	1 638 ($89)	1 633 ($94)	764 ($42)
Operating profit / (loss)	1 777 ($134)	1 575 ($119)	254 ($18)	-4 303 (-$258)	931 ($63)	640 ($39)	-1 039 (-$-56)	1 715 ($94)	952 ($53)
Attributable profit/loss	356 ($27)	569 ($43)	-1 514 (-$258)	-3 980 (-$239)	377 ($112)	-26 (-$2)	-3 952 (-$214)	-381 (-$21)	3 006 ($167)
EBITDA	191 ($14)	143 ($11)	1 601 ($111)	253 ($15)	1 655 ($112)	1 624 ($99)	343 ($19)	1 478 ($81)	1 093 ($61)
HEPS (cents)	146.0 (1.10¢)	168.7 (1.27¢)	54.1 (0.37¢)	87.7 (0.53¢)	62.3 (0.42¢)	35.9 (0.22¢)	14.811 (0.08¢)	3.361 (0.02¢)	5,683 (0.03¢)

Source. Compiled from Nampak annual reports and shared internal communication with permission. Dollar values are based on average annual Rand-Dollar exchange rates (Exchange Rates UK, 2017–2025).

Exhibit 3. Simplified balance sheet (financial year ending September) (2017-2025)

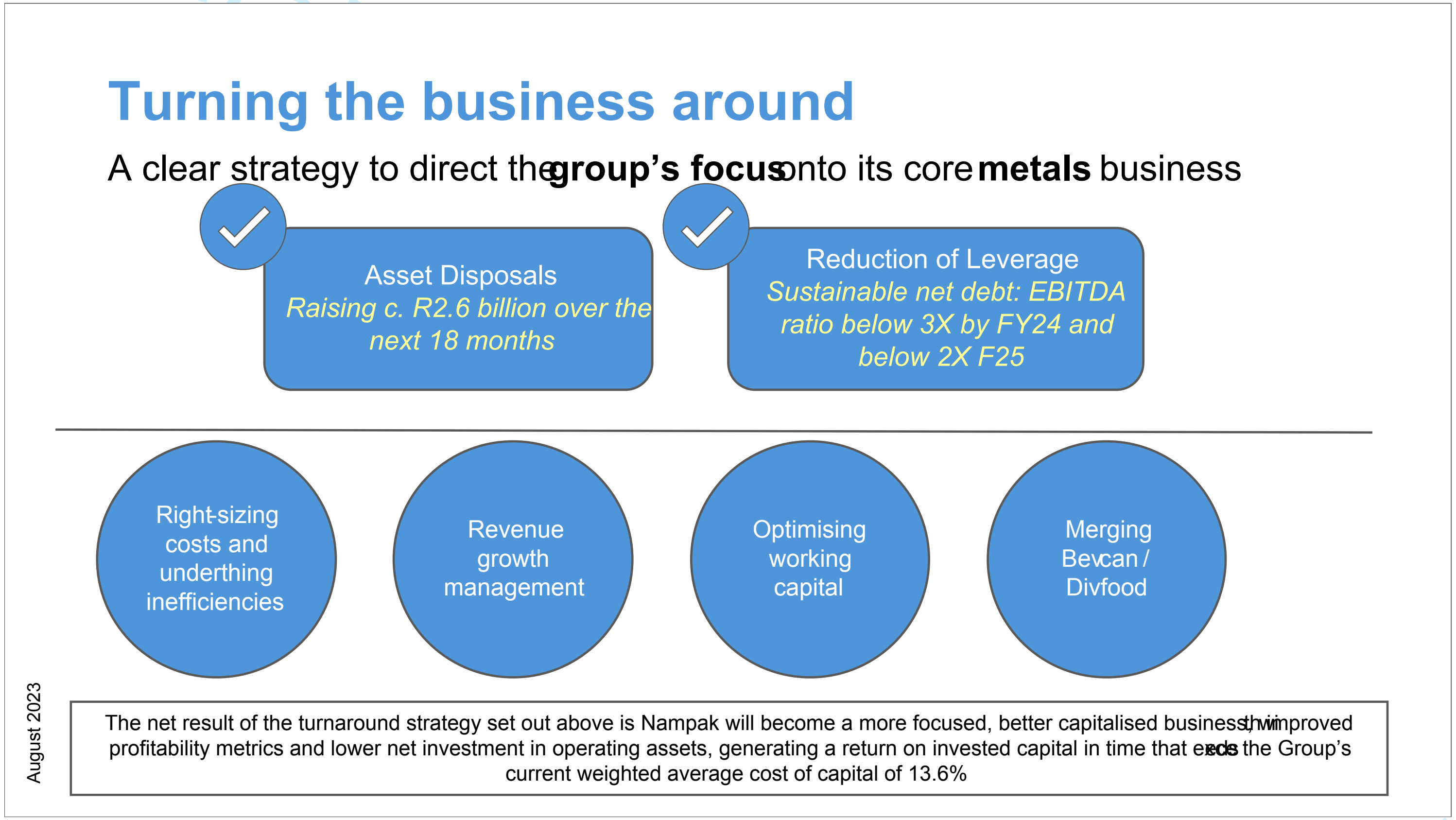
R(000)s	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**H1 2025**
Total assets	25 230 ($1,896)	25 914 ($1,957)	22 460 ($1,551)	16 194 ($972)	15 965 ($1,083)	17 853 ($1,091)	13 910 ($754)	11 289 ($617)	10 249 ($568)
Total equity	9 681 ($727)	10 613 ($801)	8 210 ($567)	4 372 ($262)	4 459 ($303)	4 876 ($298)	1 914 ($104)	1 422 ($617)	2 083 ($568)
Non-current loans and leased liabilities	6 007 ($451)	8 023 ($606)	6 133 ($423)	6 785 ($407)	5 447 ($370)	5 814 ($355)	6 825 ($370)	5 795 ($317)	4 600 ($255)
Current liabilities	7 624 ($573)	5 533 ($418)	6 650 ($459)	3 945 ($237)	5 040 ($237)	6 311 ($386)	4 388 ($238)	2 967 ($162)	2 676 ($148)
	13 631 ($1,024)	13 556 ($1,024)	12 783 ($883)	10 730 ($644)	10 487 ($712)	12 125 ($741)	11 213 ($608)	8 762 ($479)	7 276 ($403)
Loans and liabilities % of total assets	54.0	52.3	56.9	66.3	65.7	67.9	80.6	77.6	71.0

Source. Compiled from Nampak annual reports and shared communication with permission. Dollar values are based on average annual Rand-Dollar exchange rates (Exchange Rates UK, 2017–2025).

Exhibit 4. The renewed vision

Source. This slide has been reproduced with written permission from Nampak (Nampak Annual Results (2024, 2025).

Exhibit 5. The turnaround strategy



Source. Replication of Nampak internal document with permission.

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Teaching Note

NAMPAK – STRATEGIC TURNAROUND LEADERSHIP

Synopsis

This case study focuses on the decision that Phil Roux, CEO of Nampak, faces in May 2025. Roux questions what his priorities should be in the final phase of his tenure as CEO. He had led Nampak, the leading packaging company across the African continent, through its turnaround. To demonstrate successful turnaround leadership, the case begins by briefly tracing Nampak's history and resultant risks, and explains market complexities and the company's ultimate decline. The decline provoked interventions from shareholders and lenders. When shareholders stepped in to call for the rescue of the business, the case focuses on Roux, a seasoned turnaround strategist and leader. The case then raises not only the leadership styles and relationships of the turnaround leader, but also the interrelated steps taken to turn the company around. These included the revelation of performance obstacles predating Roux's appointment, which caused a setback in the trajectory of performance improvement under his leadership.. The case then presents an overview of the hard-hitting decisions required to streamline the business through disposals and a unified and singular strategic and operational focus. These priorities ultimately led to Nampak's successful financial performance. At the end of the story, the case returns to Roux's leadership priorities for the final phase of his tenure. The purpose of the case, as reflected in the teaching note, is to provide students with insights into successful leadership of a corporate turnaround, how the strategic turnaround process evolves, and a decision required regarding the approaches and priorities that can be followed for continued strategic renewal.

LEARNING OBJECTIVES

Although the case includes financial information for the analysis of a turnaround strategy, it focuses on strategic leadership during a corporate turnaround. It assists in considering the competencies and activities involved in successful strategic turnaround leadership, including the leadership priorities once the company is stabilised.

Through the analysis of the case study, students learn to:

- identify turnaround leadership styles and competencies;
- evaluate a strategic turnaround strategy; and
- understand the significance of post-turnaround priorities and continued strategic renewal to strengthen the culture and stakeholder confidence in the firm.

TARGET AUDIENCE

This case study has been written to provide business and management students, particularly MBA-level students and participants in executive programs, with new insights into turnaround leadership. It is best suited for students who have already acquired knowledge in strategic decision-making and need to understand how to lead an organization through a financial crisis. It encompasses topics of Strategy and Leadership.

Executives and MBA students who lead strategic change in their organisations can apply the lessons on turnaround leadership. Most business decision makers also have to deal with the aftermath of a turnaround, and the case offers insights on how to lead the organisation following a strategic change. The case also demonstrates the importance of ensuring the continued strategic renewal of the company, which is relevant to any leader. Therefore, the case study offers business students the benefits of learning about continued strategic change and how to lead it.

Nampak's core business is primarily metal and other forms of packaging. Accordingly, it operates in the Packaging and Containers Manufacturing industry upstream from dynamic consumer markets. Studying this company allows students to learn about commodity-like sectors. These sectors experience high-volume, low-margin challenges. As packaging is positioned within several value chains, with upstream stakeholders in metals, plastics, energy, and chemicals, and downstream involvement in FMCG, beverages, pharmaceuticals, agriculture, and similar sectors, learning about a turnaround in a packaging company is relevant to a wide spectrum of business students.

The company operates within the dynamics of emerging markets that further define the context of turnaround strategies. Specifically, Nampak faces economic and market volatility and is exposed to currency fluctuations. The company is headquartered in South Africa, which suggests a context of political drivers of employment regulations and infrastructure constraints. It faces a difficult balance of high unemployment coupled with skills shortages in the country (Katzenellenbogen, 2025). Thus, the case study demonstrates strategic turnaround strategies in a challenging business environment.

METHODS

The case study obtained ethical clearance from the University of Pretoria's Gordon Institute of Business Science Research Ethics Committee. The data gathering methods included in-depth interviews with the protagonist, internal documents shared by the protagonist, and a study of the company's publicly available results presentations, reports to shareholders, and media releases for the period 2017 to 2025. Following the initial drafts of the case study, the protagonist was allowed to examine whether the case accurately reflected the data and chronology of events. Following the protagonist's consent, the case was submitted to Emerald Emerging Market Case Studies for review before the final document was improved and accepted.

SUGGESTED CORE READINGS

Turnaround leadership

- Kumalo, M., & Scheepers, C. B. (2021). Leadership of change in South Africa's public sector turnarounds. *Journal of Organizational Change Management, 34*(1), 137–157. https://doi.org/10.1108/JOCM-04-2017-0142
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Strategic turnaround approach

- Barker, V. L., Luger, J., Schmitt, A., & Xin, K. R. (2024). Corporate decline and turnarounds in times of digitalization. *Long Range Planning*, *57*(1), 102211. https://doi.org/10.1016/j.lrp.2022.102211
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- Welch, J. (2023). Wells Fargo: A corporate recovery model to bank on. *Journal of Business Strategy*, 44(5), 247–256. https://doi.org/10.1108/JBS-03-2022-0045

Continued strategic renewal

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- Oliver, J. J. (2020). Corporate turnaround failure: Is the proper diagnosis transgenerational response? *Strategy and Leadership*, *48*(3), 37–43.https://ssrn.com/abstract=3664599

Videos

The case study headings are based on a boxing metaphor, as the protagonist reflects, at the beginning of the case, on the differences between Mike Tyson's retirement and his own planned retirement, which would take place later that year. The first video offers a provocation to uncover the leadership styles and similarities and differences between Mike Tyson and the protagonist, as well as how the turnaround echoes a boxing match, where sometimes one is winning and at other times not. The selection of Mike Tyson is based on the protagonist's interest in boxing and our acknowledgement of Tyson's boxing achievements. At the same time, we do not promote Tyson's public behaviour or abuse.
The second video offers further glimpses into the protagonist and the turnaround strategy.

- Ultimate Mike Tyson (2021, February 21). Mike Tyson announces his retirement from boxing! *YouTube*. Retrieved from https://youtu.be/-ef2CXA2kLM
- BusinessDayTV (2024, June 28). Watch: Nampak swings back to profitability. *YouTube*. Retrieved from https://youtu.be/cE81safIZWA

ASSIGNMENT QUESTIONS

1. What leadership styles and competencies did Roux utilise in the turnaround strategy?
2. What were the key phases in the turnaround process, and what are the important decision-making lessons to be learnt from this?
3. Which priorities should Roux and his protégé focus on that ensure continued strategic renewal in the next phase of value creation?

TEACHING PLAN

The case discussion and activities can be presented in a 90-minute session. Before the class, students should prepare high-level answers to the case questions. The instructor may opt to include a quiz at the beginning of the session to ensure adequate preparation for the case discussion.

The teaching method begins with a presentation of the Mike Tyson video and a brief discussion of the position Roux finds himself in as he phases out his role as CEO and plans to retire later that year. After the video, he instructor highlights the key themes of the "boxing match" that constitutes the Nampak turnaround story as seen in the case headings.

The first case question should be discussed using the discussion board. On the first board, the instructor can list the styles and competencies of successful leaders in an organisation. On the second board, the instructor can list students' insights on the unique or peculiar style needed to lead a turnaround, using the case to illustrate examples. This offers an opportunity to compare "hard" and "soft" leadership approaches as discussed later in the case. The instructor may invite students to share their views on the benefits and disadvantages of adopting an autocratic (hard or transactional) versus a democratic (soft or transformational) style in turnaround before presenting the strategies for effective leadership during turnaround.

The second assignment question aims to teach students how to implement a turnaround strategy through various phases. The instructor can present a handout illustrating a strategic turnaround approach. Students in small groups can then work together to populate the handout and discuss similarities and differences in the process. The instructor can then highlight the fact that, despite the concurrent processes implemented, Nampak still faced financial distress. The instructor should ask the students to find evidence of this in Exhibits 1 to 3. TN Exhibit 1 provides a blank template for students to complete, and TN Exhibit 2 gives the instructor a model answer. This offers insights into the approaches companies can use to institute a strategic turnaround strategy.

The model answer also offers a framework (Figure 1) displaying principles of turnaround enablement. Students may find further evidence of these principles in the case. The instructor should emphasise that these are just examples of principles employed, but that each change leader should have a set of clear guiding principles to help align their decision-making. At the end of the Assignment 2 discussion, the instructor may play the video showing Roux speaking about the firm's profitability, inviting students to share key insights they glean from the video.

To directly address the question at the end of the case and the final case question, students may be asked to present what they would do if they were Roux in the final phase of his tenure. The decision point in the case study appears as Roux contemplates his final year as a CEO amidst high stakeholder expectations. The instructor may invite five students to make a short presentation of their proposed priorities for the future of Nampak, allowing the other students to vote for the "best new CEO". Thereafter, the instructor should present the theory on the type of priorities and leadership that will best enable Nampak in the next phase. At the same time, Roux followed a structured approach to prepare the incoming CEO (elected to take over several months later). Roux played a significant role in appointing, evaluating, and proposing his successor. The instructor may note good practice in not delaying the appointment of the next CEO and in avoiding a leadership void. While Roux was performing well in the task, one should keep in mind that shareholders prefer avoiding delay in the appointment of new CEOs (Bae & Joo, 2021).

The instructor may close the session, inviting the students to have a short discussion among themselves on how the lessons apply to their own work circumstances in small groups of two to three students each.
The teaching plan appears below.

Class activity	Method	Time (minutes)
Introduction and boxing video, and analogy.	Mike Tyson video and discussing the analogy throughout the chronology of the case.	10
Assignment Question 1: Successful turnaround leadership	Board summary and theory on turnaround leadership. Review of the profitability video featuring Roux.	25

Assignment Question 2: Strategic turnaround phases	Small group work on the turnaround phases of the company, followed by a discussion of theory.	30
Assignment Question 3: Strategic renewal priorities	Competition for the best plan for Nampak. Theory on continued strategic renewal.	20
Conclusion	Small group discussion of its relevance and personal application.	5
Potential "homework"	Completing the template in TN Exhibit 1 to define the recovery strategy for Nampak.	

Online teaching option

The teaching plan is equally relevant for an online teaching environment. The table below suggests alternative approaches.

Class activity	Method	Time (minutes)
Before the class	The instructor distributes TN Exhibit 1 to the students via their online portal or email.	
Introduction, boxing video, and analogy	Mike Tyson's video and a discussion on the analogy throughout the chronology of the case.	10
Assignment Question 1: Successful turnaround leadership	The instructor uses an online whiteboard. Students work in small groups to populate the board, and the results are compared between the groups. The instructor shares theory on turnaround leadership.	25
Assignment Question 2: Strategic turnaround phases	Small group work on the turnaround phases of the company, followed by a discussion of theory.	30
Assignment Question 3: Strategic renewal priorities	Competition for the best plan for Nampak (open room) Theory on leadership post-turnaround (open room)	20
Conclusion	Small group discussion of its relevance and personal application (breakaway rooms). The instructor closes the session in the plenary.	5
Potential "homework"	Completing the template in TN Exhibit 1 to define the recovery strategy for Nampak.	

ANALYSIS

Before answering the assignment questions, the instructor may draw comparisons between the boxing analogy, starting with the Mike Tyson video clip, and the phases of the case story.

The first lesson from the video clip is that, much like a boxing career, a turnaround career is intensely demanding, marked by high-velocity moves and relentless pressure. Eventually, there comes a time when one must step back from the constant hard-hitting strategy to preserve long-term well-being and effectiveness.

The structure of the case study follows that of a boxing match.

Boxing analogy	Nampak events
From backers to punchers	When Nampak entered decline, the stakeholders they would normally rely on (shareholders and lenders) became aggressors.
Stepping into the fighter's corner	A^2 Investment Partners, like a boxing manager, took charge of Nampak, and through share accumulation, entered a board-level management role in the organisation.
New gloves	Roux was appointed specifically for his skills and established reputation in this high-distress situation.
Heading for a knockout	Roux recognised the historic reasons for the decline emanating from inappropriate capital allocation, an underperforming geographical diversification strategy across Africa, inadequate operational disciplines, and new, more agile competitors.
Heeding the warning bell	Roux made sense of the crisis and produced a three-pronged plan and unified strategy. The execution of the plan included cash management, debt restructuring, improved operations, and driving a new culture through leadership, as well as rectifying the liquidity of the company.
Down for the count	The year-end results of September 2023 reflected their worst-ever performance.
Dealing decisive blows	Roux had to make hard-hitting decisions and dispose decisively of assets that could have had future potential, but were problematic at the moment.
Winning the round	The decisive strategy successfully improved their financial performance by 2024.

1. What leadership styles and competencies did Roux utilise in the turnaround strategy?

Barker et al. (2024, p. 2) define a turnaround as a "dynamic process leading firms from a survival-threatening decline situation to a period of sustained success." Turnaround leadership theory in this literature assumes that a turnaround situation appears when there is a significant decline in an organisation's performance. Thereafter, the company follows a strategy to turn itself around.

Evidence of strategic decline in the case study appears under the heading "Strategic risks, complexities, and decline" in the 2019 period.

- 8% decline due to economic, competitive, and consumer pressures in the region;
- Currency volatility in the region;
- Increase of net debt (42%);

- Decline in return on invested capital (7% below the weighted average cost of capital);
- This was indicative of a sharp decline as it was the lowest in five years;
- Discontent of the shareholders (see From backers to punchers in the case study).

Based on the description of a turnaround, a scholar may define turnaround leadership as the styles, competencies, and relationships that enable a leader to guide an organisation through substantial strategic, operational, and financial change with a new vision to attain renewed financial growth and strategic sustainability.

Styles and competencies that the case study unveils regarding Roux include:

- Reflectiveness;
- 32 years of executive and non-executive leadership experience;
- Acumen to create value through turnarounds;
- Strategic repositioning skills;
- Experience in building operational efficiency (nicknamed “Phil the Knife”);
- Experience in diverse sectors;
- Stakeholder relationships focused on the board members, especially the chairman, shareholders, and lenders.

The literature gives some clues whether there is a specific leadership style that is most suitable during turnaround. The literature gives some clues. In seminal work, Muczyk and Steel (1998) argued that the focus of leaders should, in all circumstances, include good and respectful human relationships, a focus on achievement and high standards, and incentivised performance. They indicated that democratic leadership was not suitable in all circumstances. Considering turnaround situations specifically, they state,

> “Reversing inertia requires doing things in different, unfamiliar and often unpleasant ways” (Muczyk & Steel, 1998, p. 41).

They suggest that the “painful changes” require a disregard for employee self-interest, citing Mintzberg in saying that turnaround situations require an autocratic leadership style during a crisis mode. After the crisis has passed, they argue that the leader should revert to a more democratic style.

There are also unpleasant experiences during large-scale change events. Although unpleasant decisions need to be made during turnaround decisions, respectful human relations need to be retained reflected in the seminal literature.

From the case, one sees the following characteristics of Roux’s style during the turnaround:

- Intolerance for apathy, especially in leadership;
- Willingness to sacrifice roles for the sake of organisational sustainability (being tough);
- Implementing the five leadership principles (“requiring employees to show customer obsession, act like owners, be frugal, simplify inside while differentiating outside, and show a bias for action”);
- Leadership visibility through communication.

The case also illustrates that the painful experience of turnaround is not reserved for the employees. It implicitly warns against the potential burnout of the strategic turnaround leader and the need to sustain oneself through the difficult process. The case states:

> "Leading during this period demanded navigating intense tensions and tough trade-offs. It took a toll on him, leaving him exhausted, short-tempered, and, in his own words, 'acting like a madman' at times. He said, 'I did not like myself a lot of the time'."

Leadership styles

More recent literature gives further differentiation of the leadership activities and styles during different phases of turnaround. Kumalo and Scheepers' (2021) work is an example of literature that reflects on leadership during turnarounds. One may summarise the 26 studies these authors consulted as follows:

On the one hand, some studies argue for a soft leadership style, embodying elements such as empathy, motivation, and communication characteristic of transformational leadership. This approach remains relevant during turnarounds for engaging with stakeholders and employees. Proponents of soft leadership emphasise the importance thereof to:

- Maintain open and trustworthy relationships
- Gain the benefits of transformational leadership.

There are benefits of transformational leadership to keep in mind:

- influencing subordinates to emulate ethical and trustworthy behaviours (idealised influence); inspiring and motivating employees through vision and meaning (inspirational motivation); stimulating innovation and creativity in followers (intellectual stimulation), and offering individualised care that fosters growth (individualised consideration) (Muczyk & Steel, 1998).

On the other hand, during turnaround, leaders often need to adopt a hard leadership (transactional and assertive style) to practice decisiveness, control, and authority, especially when managing scarce resources.

Leaders, therefore, need to adapt to the demands of the environment, remaining dynamic under situational demands.

In contrast to transformational leadership, transactional leadership is characterised by a system of contractually rewarding performance and managing people based on standards aimed at correcting underperformance (Bass, 1990, p. 63). Many managers believe the only way to raise performance is to manage based on control. Instead, transformational leadership research has demonstrated that greater trust, motivation, innovation, and growth happen when the leader is an ethical role model, communicates an inspiring vision, cultivates a culture where people can contribute ideas, and treats people with respect and empathy (Erdurmazli, 2025; Lazăr, 2024).

From the case study, one predominantly sees a transactional leadership style. This was, presumably, in response to what Roux describes as a culture that is "rotten to the core". Thus, observing a mismatch between performance standards and rewards, he stepped in to control underperformance. His controlling style is also evident in the description of him behaving in a "no nonsense, tell it like it is" way, his being hands-on, and acting with urgency. In terms of the four elements of transformational leadership, one can argue that employees may find the direct and open approach to be more trustworthy, and that the emotive language that Roux used could rally the culture behind the transformational vision. There is no evidence in the case of allowing employees' viewpoints to surface or of individual care, although the absence of evidence does not mean it never occurred.

Changing the leadership team

Another key insight from Kumalo and Scheepers' (2021) review is that leadership change is often needed to ensure turnaround success.

There are three examples from the case study that illustrate the need for changing the leadership:

- The appointment of a new board and leadership following shareholder action;
- Roux's re-evaluation of the leadership team to overcome apathy;
- Roux is planning his retirement after the turnaround.

There are several strategies for effective leadership during turnaround:

1. Phased leadership imperatives: Different phases of the turnaround (such as decline, stabilisation, and recovery) necessitate different leadership styles.

    - The case describes the authoritarian and decisive leadership style of Roux, showing greater interest in financial, strategic, and operational performance than in employees' perspectives. One may aruge that the continued renewal phase, following the turnaround, requires a leadership style that encourages an innovative culture.

2. Balancing hard and soft leadership approaches: Effective turnaround leaders demonstrate both assertive and empathetic approaches.

    - The case study only shows the assertive side of Roux's approach. This could have implications for the long-term organisational culture.

3. Leadership change: Because of the differing needs during the distinct phases of turnaround, it may be necessary to change leadership. This does not only serve a symbolic purpose, but may be needed as the leadership skill set requirements of the different phases change.

    - Roux realised that after carrying out the turnaround that required hard-hitting decisions, it would be time to bring in a new leader with a different style of leadership.

4. Contextual intelligence: To be effective during the change process, the leader needs to be in tune and take guidance from any changes in the internal and external context.

    - Roux demonstrated contextual intelligence through his sense-making of the internal and external drivers of the turnaround (see TN Exhibit 2).

Within the Nampak turnaround, there was a response to a crisis. A crisis may be defined as "the situations of anticipated severe adversity that cause cessation of the entire business (bankruptcy, forced sale, loss of license to operate) (Osiyevsky & Dewald, 2018). Although there was no bankruptcy, they faced severe liquidity problems. An alternative definition of a crisis is "a low-probability, high-impact event that threatens the viability of the organisation and is characterised by the ambiguity of cause, effect, and means of resolution" (Maitlis & Sonenshein, 2010, p. 554). Osiyevskyy et al. (2023) describe three characteristics of crises: the organisation faces a serious threat; they are unusual and therefore the organisation is unprepared; and they arise unexpectedly based on uncertainty in the environment (Barker et al., 2024).

While Nampak experienced risks, complexities, and a decline in the 2017 to 2022 period, by late November 2022, the decline had reached crisis status. Although there was clarity in the cause of the events, what was unexpected was the response of shareholders and the degree of decline. The leaders could have prevented this outcome.

In terms of responding to the crisis, Osiyevskyy et al. (2023) warn against "business-as-usual" approaches. They observe that some organisations become more inflexible during crises, while others become more inventive. If leaders can frame the situation as a threat and allow enough time to make decisions and predict the situation, they could stimulate an entrepreneurial mindset throughout the organisation.

In the Nampak case, one sees evidence of rapid sensemaking of the crisis as set out in TN Exhibit 2:

- Asset disposals and cost cutting (before Roux);
- Shareholder group A^2 Investment Partners accumulated shares and demanded board representation;
- Appointment of new board, including Roux;
- Appointment of debt capital expert.

TN Exhibit 2 also highlights several internal and external drivers that formed the input of the sensemaking process. The list reflects that the team had to face strategic failures (an acquisitive growth strategy that did not adequately anticipate the hostile environmental pressures, a suboptimal business model, and a failure of management to understand the urgency of the situation). There was also evidence of financial errors, including Dollar-based debt financing of foreign assets with free cash flows in other currencies, leading to excessive debt service costs, as well as impairments, a complex debt capital structure, inadequate free cash flow, and share price devaluation. Operational challenges included inadequate control of expenses and poor capital allocation for plant renewal. One may also argue that there were governance issues as generous executive remuneration packages continued despite the decline.

Similarly, the external environment offered signals that it was time to heed the need for change. Exhibit TN 2 lists the following drivers, which include an environment characterised by political, economic, regulatory, operational, financial, and exchange rate and control risks across the continent and a slowing South African economy where Nampak was headquartered. Within the business environment, there were also new emerging competitors. Recognition of these negative environmental, competitive, and management factors by Nampak's shareholders was manifest in a 38% drop in the share price.

Roux specifically responded as follows to the crisis:

- Spent time reflecting and making sense (see first column in TN Exhibits 1 and 2);
- Identified the need for a radical change approach;
- Created a laminated summary of his strategic priorities to ensure consistent and clear focus.

However, the immediate responses were still met by lagging negative financial performance (see the 'Rising from the canvas' section in the case study). It is significant in this context that this was not a two-step intervention. Instead, this was potentially a legacy of the previous management's inaction. The turnaround continued with a series of urgent disposals.

2. What were the key phases in the turnaround process, and what are the important decision-making lessons to be learnt from this?

In defining the boundaries of turnarounds, Barker et al. (2024) note that conditions for a situation to be defined as a turnaround include that it presents a threat to the organisation's survival, involves a degree of decline, and emanates from the scarcity and misalignment of resources. They illustrate three phases of turnarounds: (1) internal and external causes; (2) a turnaround response (retrenchments for operational efficiencies; recovery by focusing on internal value creation; response orchestration that ensures alignment across strategic, operational, and managerial processes), and a turnaround outcome, as reflected in the financial performance of the firm.

Building on the Barker et al. (2024) perspective, TN Exhibit 2 illustrates that from a leadership perspective, the turnaround strategy begins with sense-making of the historical and recent drivers of the firm's decline. Once these have been identified, the leader needs to implement a few rapid responses to "get back on their feet". After the crisis response, the leader needs to develop a clear and easily communicable strategy that will guide all additional activities. To support the strategic priorities, specific financial, operational, and people-specific priorities need to be defined. Once success has been attained in achieving strategic, financial, and people-specific priorities, the recovery priorities need to be embedded. The measures of success are stage-specific and need to be evaluated throughout the turnaround process.

Welch (2023), examining the successful turnaround of Wells Fargo Bank, suggested the 4 "R's" of successful turnaround strategies:

1. Replacement of leadership: This echoes the people-related priorities in our template.

    - In the Nampak case, the board and CEO were changed, and Roux ensured that he enabled the timely introduction of his successor to investors. He played a critical role in searching for and finding his successor as well.

2. Restructuring the organisation: This is also reflected in our model under operational priorities.

    - In the Nampak case, there is clear evidence of streamlining operations and efforts to overcome silos.

3. Re-development of strategy: In our template, this would fall under strategic priorities.

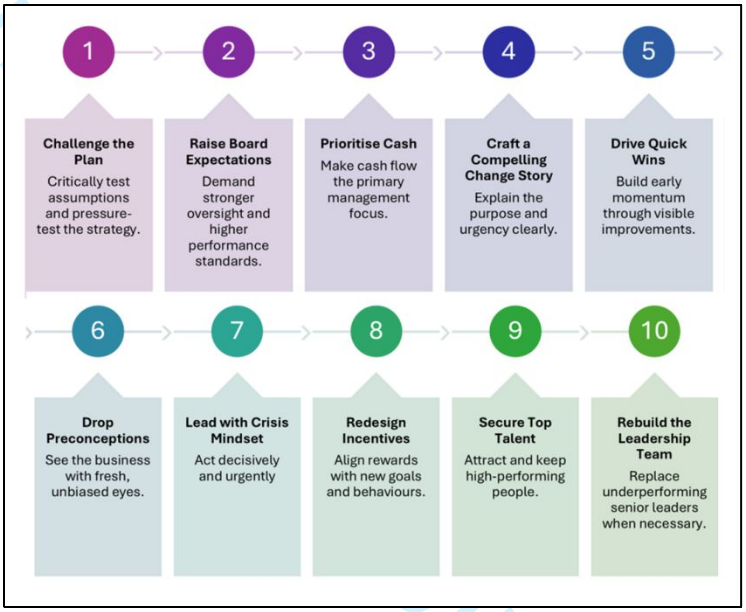
    - While Welch (2023) advocates for "comprehensive strategic plans", it is interesting to note that Roux simplified his strategic imperative, capturing it on a single laminated sheet. This enabled clear communication. However, in analysing the extent of his concurrent activities, it is clear that the implementation of the plan was comprehensive.

4. Rebranding of the product. Welch (2023) included this "R" specifically in the context of corporate scandals and the need to create a new perception and reputation for the firm.

    - In the Nampak case, there was a need to re-establish confidence in the leadership and performance of the firm. This was only achieved once the firm demonstrated renewed profitability. One could therefore replace this "R" for the Nampak case with Re-establishing profitability.

The case study mentions that the turnaround approach drew on the McKinsey ten-pillar model. This model posits enabling principles in a turnaround strategy. These principles also appeared in a later publication (McKinsey, 2014). Roux presented these principles to the board, and these principles informed the decision-making and investment thesis of the firm throughout the turnaround period. Figure 1 presents the adapted framework:

Figure 1. Ten-Pillar Model of Turnover Enablement (Adapted from McKinsey, 2014)



Several of these principles are demonstrated in the case. For instance,

- Roux mentioned that in acquisitions, people often get their top-line growth assumptions wrong. This demonstrates the “Drop Preconceptions” and “Challenge the Plan” principles.
- Called the turnaround situation a “live or die” situation, and identifying the cash crisis demonstrates the “Lead with a Crisis Mindset” principle.
- Roux’s laminated priorities page demonstrates the “Drive Quick Wins” principle.
- Several cash strategies and refinancing activities employed demonstrate the “Prioritise Cash” principle.
- When Roux rooted out what he called “cultural antibodies” he was demonstrating the “Rebuild the Leadership Team” principle.
- His requirement to do “a whole lot of things quickly in the first nine months” refers to the “Drive Quick Wins” principle. The Chairman’s words, “What distinguished Roux as an extraordinary saviour of underperforming companies was the speed and intensity with which he concurrently deployed numerous capabilities and interventions across every element of the business”, reflect this too.
- An example of “Crafting a Compelling Change Story” appears in the words of the chairman, who said, “We have to manufacture well and implement more manufacturing disciplines to stay best in class.”

Georgakakis et al. (2025) empirically tested potential obstacles to turnaround success. They focus specifically on ideological differences between members of the top management team. In the Nampak case, however, no evidence of differences between the management team appears. Inversely, one may see a strong alignment between the chairman, Van Der Veen, and the CEO, which enabled the success of the turnaround. Roux notes that although he was the public face of the turnaround, the chairman played a significant role in the leadership and enablement of the turnaround. Georgakakis et al. (2025) also demonstrated two further inhibitors of turnaround success, which they term “shareholder unrest” and “industry performance decline”. The case study suggests that Nampak’s potential failure was based on the market conditions in several jurisdictions. However, inversely, it was the decisive action of shareholders that catalysed the required changes within Nampak.

3. Which priorities should Roux and his protégé focus on that ensure continued strategic renewal in the next phase of value creation?

When Roux considers his final year's priorities, he should keep in mind strategic, people, operational, and financial priorities.

Strategic priorities

Despite the turnaround, there is a need for continuous strategic renewal. As with the turnaround period, several interrelated and contemporaneous activities are required. The first relates to new strategic priorities:

The principle of strategic renewal presupposes that there are internal and external forces that reinforce resistance to change. The leadership team should encourage the development of new competencies for creating and sustaining a competitive advantage. As stated by Floyd and Lane (2000, p. 154), "Successful strategic renewal overcomes the inertial forces embodied in the organisation's established strategy and closes the gap between its existing core competencies and the evolving basis of competitive advantage in the industry." Although this literature is dated, it offers a useful framework for understanding how different managerial levels implement strategic renewal in an organisation. According to these authors, the first priority for Roux will be to affirm the strategic direction post the turnaround. There are three proposed subcomponents to this:

1. Confirm the strategy: The CEO, future CEO, and top management team need to clearly communicate, monitor, and approve what needs to happen next. They should ensure alignment between their communication of the strategy.
2. Recognising potential: The CEO, future CEO, and top management team need to find strategic potential, set direction, and enable the execution of the strategy.
3. Directing: This involves ensuring alignment between plans and resources and directing the lower levels of management on what is required.

As a part of directing next actions, senior management needs to ensure that middle managers play their significant and unique roles in the strategy, which involves advocating for the strategy, integrating information across the firm, fostering adaptability and learning, and motivating implementation. Similarly, more junior management has a role to play, namely, at times conforming to requirements while simultaneously experimenting with new ideas.

Newer literature emphasises, however, that during the recovery phase of transformation, and in Roux's final year as CEO, top leaders must remain dynamic and shift their activities and approaches as the situation or context requires (Kumalo and Scheepers, 2021). One may therefore argue for the need for incremental strategic renewal within Nampak during the recovery phase, rather than a strategic transition which would require the sudden replacement of their business model, products, or markets (see Mallon & Lanovich, 2023).

Accordingly, one may propose that a strategy aimed at growth and innovation (e.g., new customer acquisition, existing market penetration, product innovation, manufacturing efficiency, etc.) now replaces the periods of stabilisation and turnaround. Since the organisation has been streamlined, there is no direct need for divestitures to renew the firm. Any diversification could put further strain on the firm's financial position, and should only be considered if it introduces capabilities that are key to Nampak's growth and innovation strategy.

People priorities

The second priority is a people and culture-centred priority. In analysing the processes and indicators of the turnaround strategy, it is also important to consider when turnaround strategies fail. Oliver (2020) critiques the notion that following a systematic approach during corporate turnarounds would yield the desired results. The author argues that a culture may have emerged in the organisation as a result of sustained underperformance and a harsh environment. This suggests that a post-turnaround culture will take time to adjust, and that a successful culture embraces adaptivity and innovation.

As a turnaround leader, Roux has focused more on the task than on people. This may have hurt the Nampak culture. A part of his priorities would be to help strengthen the capabilities of the incoming CEO. There is an argument that the incoming CEO would need to rebuild the culture through a transformational leadership approach to avoid sustained cultural resistance to change and develop strategies to empower employees to be innovative.

Reflecting on the transformational and transactional leadership debate, the post-turnaround phase will require greater emphasis on building a sustainable people-centred culture, while ensuring that there is no relapse into lower performance standards. Roux should encourage the future leader not to emulate his turnaround style after the turnaround is completed. Instead, the CEO-elect should build a more inclusive culture. This should include influencing subordinates to emulate ethical and trustworthy behaviours, inspiring and motivating employees through vision and meaning, stimulating innovation and creativity in followers, and offering individualised care that fosters growth.

Practical measures that Nampak can implement to:

- Inspire employees. Strategies that may be used include connecting their work with the longer-term meaning and purpose of the organisation, allowing autonomy in how they complete their tasks, and regularly and fairly acknowledging the contribution of team members.
- Raise trust. Strategies that may be used include clear and transparent communication, delivering commitments, demonstrating competence, treating everyone with respect, and avoiding micro-management.
- Ensure the growth of employees. Strategies that may be used include offering stretch assignments, encouraging continuous learning, and a coaching approach to performance.
- Embed a culture of innovation. Strategies that may be used include rewarding experimentation and learning, building cross-functional collaborations, and embedding continuous improvement in normal work.

Operational priorities

A third priority is ensuring alignment of the operations in the firm:

Strategic inertia also affects the firm's operations. A more recent literature on strategic renewal explains why. The forces that keep an organisation stuck include attributes such as poor planning and systems based on biases, lower motivation, lack of agility, competing interests and politics, and irrelevant routines.

In contrast, strategic renewal offers a solution. It is defined in this newer literature as "a form of organisational change that pertains to the process, content, and outcome of refreshing or even replacing central attributes to an organisation" (Janvier et al., 2025, p. 2). Janvier et al. (2025) argue that it is not only external forces but also "self-reinforcing mechanisms" that keep inertia in place

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Janvier et al. (2025) propose an integrated strategy aimed at breaking inertia in an organisation through interventions. They illustrate that once the vision is "triggered" by top management, experimented with by senior management, and implemented throughout the firm, the creation of strategic plans should follow the same firm-wide route. Relevant to strategic renewal of operations, there is then a need for the organisation to implement strategies to overcome organisational silos.

It appears that one of the most important steps for Nampak to overcome potential inertia is ensuring that they not only maintain focus on efficiencies (which was important in the epicentre of the turnaround), but also drive proactive behaviours. Accordingly, Jantunen et al. (2024) argue that when organisational members share a dominant logic or collective mindset centred on efficiency and proactivity, it enhances the organisation's performance and its capacity to adapt to change. The efficiencies and proactive approach developed during the turnaround phase should be reinforced and retained in the post-recovery phase in the final phase of Roux's tenure.

Financial priorities

A final and equally significant priority is ensuring the firm's performance improvement. Given this financial background, one should consider the best financial strategy for Nampak as Roux closes out his tenure.

First, considering the share price performance of the firm since 2017, Exhibit 1 reveals:

- A sharp decline in the share price from its strong position in September 2017.
- An early growth phase from 2020 to 2021, as the stock price rose from around 250 to 750 points, indicating a temporary recovery.
- Volatility in the 2021 to 2022 period, possibly due to market speculation, shifts in policies, or market overvaluation.
- A period of decline and distress in the 2022 to 2023 period, as there is a sharp decline in the stocks below 500, and a crash to under 250 early in 2023. This is reflected in the loss of market confidence described in the case study. This coincides with the initiation of the turnaround efforts.
- The 2023 period is a clear indication of stagnation, with the stock price at 100, as the market anticipates what will happen with Nampak.
- The exhibit shows a slow and steady recovery starting in 2024, signalling the success of the turnaround strategy.

Considering the simplified income statement (Exhibit 2), one may infer:

- Evidence of dramatic revenue instability. One may note the declining revenue of approximately 40% between the 2017-2018 period and 2023. From the figures, there appears to be potential for continued decline.
- Profitability has been inconsistent. One may note the net profit swings from losses (approximately R3.89 billion in 2020) to profits in 2025.
- Operating versus trading performance gap. For several years, there had been a disconnect between trading profit and operating profit (see, for instance, the disparity between the trading profit and operating profit in 2023). This may be attributable to restructuring costs.
- There has been an improvement in the short-term liquidity between 2022 and 2025.

Looking over the entire 2019 to 2025 period, the results suggest that Roux and the CEO-designate should still focus on improvements to the business model and the market positioning in an attempt to eliminate a decline. They should also be cautious in future investment decisions and focus on activities that may generate cash rather than capital-intensive growth strategies or large cash investments, until it is certain that further growth is possible. There should be continued work to maintain stakeholder confidence.

The implications of the balance sheet (Exhibit 3) present further limitations that Roux and his successor CEO should consider:

- The asset base had fallen from R25.2 billion in 2019 to R10.2 billion in 2025. This 59% decline follows from Nampak's unified strategy, but it has implications for the firm's capabilities.
- The equity situation suggests a dangerous position close to technical insolvency in 2025. The recovery in 2025 to R2.1 billion, while remaining low, gives signals of recovery.
- The increased debt-to-assets ratio from 2017 to 80% in 2023 gives evidence of financial leveraging. In 2025, there is still evidence of high financial distress, with a debt-to-asset ratio of 71%
- One victory for Nampak is the positive reduction of current liabilities between 2022 (approximately R6.3 billion) and 2025 (approximately R2.7 billion), as well as the improvement in current ratios. The short-term liquidity this represents offers some leeway to the new CEO.

The implications of the balance sheet from 2019 to 2025 suggest potential lag effects of the turnaround. The team should remain vigilant and continue optimising assets, focusing on the optimal core business. The improvement in equity may be leveraged for further operational improvements. The debt on the books should be further reduced, and stakeholder relationships remain paramount.

However, considering only the last two years (2024-2025), the income statement indicates a much more encouraging picture. Operating profits have increased, profitability has stabilised, and cash from operations remains positive. Similarly, the balance sheet reflects recovery of equity, reduction in debt, and improvement in liquidity. If the positive impact of the two-year turnaround persists, the team can expect signs of recovery. The strategy can begin to focus on growth, and the CEO and CEO-designate may carefully select new growth investments. Nevertheless, they should remain vigilant and ensure that the positive momentum is maintained.

The literature offers a few alternative strategies to consider. Connell et al. (2022) studied the investment patterns of the hundred fastest-growing firms based on Fortune Magazine's 2018 list. They identified five diverse investment strategies, namely (1) reduce spending compared to competitors; (2) invest more than competitors; (3) prioritise marketing and sales expenditure over research and development costs; (4) prioritise marketing and sales, as well as either research and development or purchases of fixed assets; or, (5) prioritise research and development or fixed assets, rather than marketing and sales. When examining firms that best survived crises, some of their pertinent recommendations include the need to focus strategy, delay investment in these activities, and rather invest in future growth based on emerging technologies.

Interestingly, they also found people-oriented and operations-related priorities of these firms. They found that the best-surviving firms focused on employee retention, including suspension of performance reviews, and ensured consistent communication with stakeholders. In terms of operational priorities, these firms cut the costs of the products they sold and developed contingency plans for potential operational disruptions. This suggests an integrated approach that does not examine financial indicators in isolation.

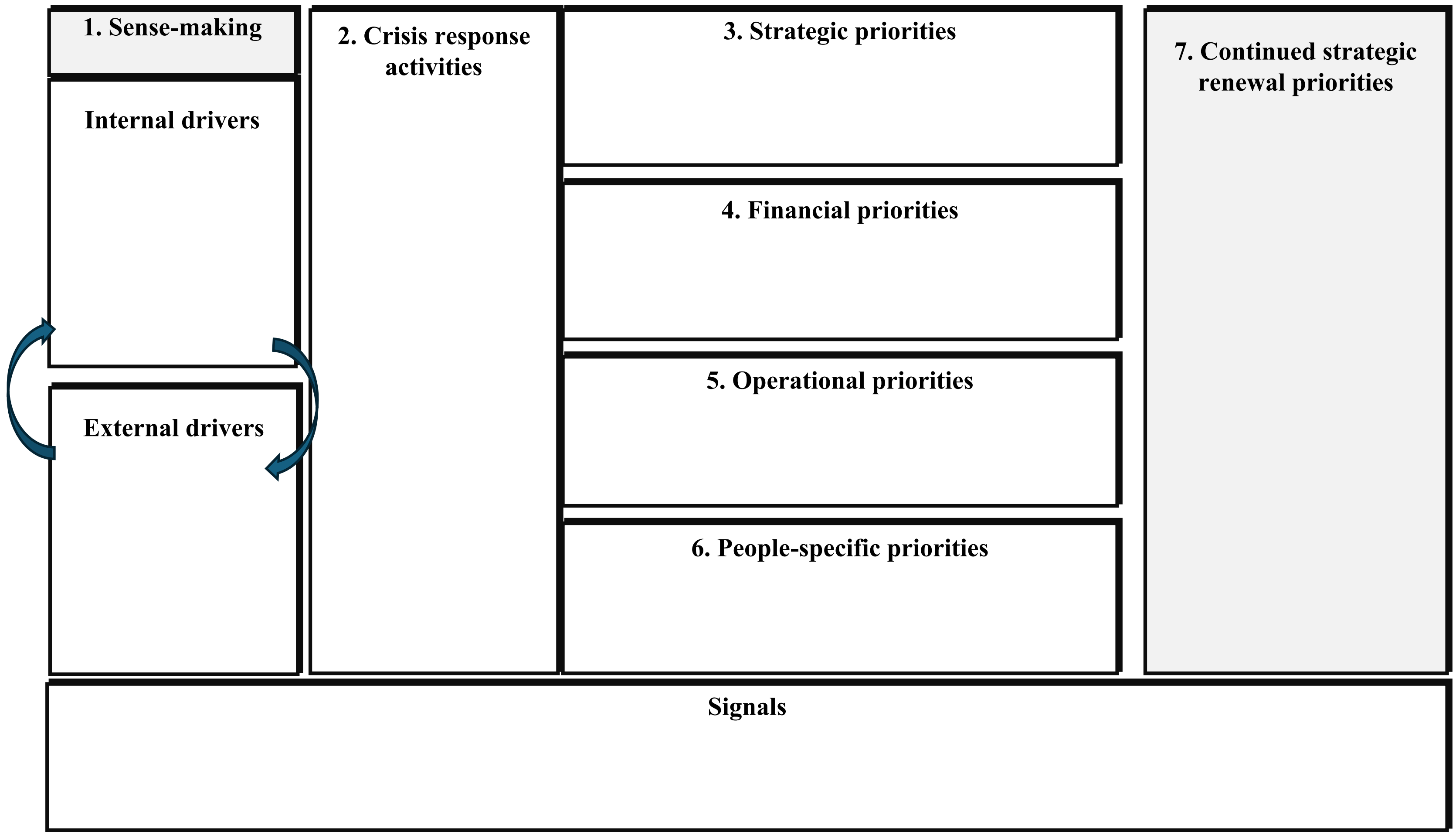
Key learnings

This case study offers students and instructors a structured approach to analysing the CEO's priorities during the turnaround and recovery phases of a firm facing decline. We offer a framework for analysis through which students can learn to plot a process of making sense of the internal and external drivers of change, and in support of continued strategic renewal, determine clear priorities upfront. The chosen priorities in our framework include immediate crisis response priorities, followed by sustained strategic, financial, operational, and people-centred priorities. We provide a separate space for identification of recovery priorities to emphasise that this period is not reactionary, but future-focused and strategic. The Nampak case offers key insights into how an experienced strategic change executive would approach a turnaround strategy, and leaves room open for debate on the next strategic priorities during the continued strategic renewal phase.

Postscript

In March 2025, Nampak put out a statement indicating that Roux had resigned from his position as CEO and would vacate the position in September 2025. Andrew Hood, the Chief Operating Officer, was earmarked for the role. As per this teaching note, Roux continued to play a role, handing over the CEO responsibilities in a structured manner beginning in April 2025. However, early in September of the same year, Hood resigned, citing personal family circumstances as the reason. Therefore, Roux remained in the position as CEO. Later that month, Nampak's board indicated that Riaan Heyl, a former CEO of PepsiCo South Africa, would assume the position as CEO in February the following year.

TN EXHIBIT 1. TEMPLATE FOR ANALYSING THE TURNAROUND APPROACH



Source: Created by the case authors

TN EXHIBIT 2. CASE EVIDENCE OF THE TURNAROUND APPROACH

Sensemaking	**Crisis response activities**	**Priorities - Concurrent**
Internal drivers • Nampak's acquisitive growth strategy did not adequately anticipate hostile environmental pressures • Dollar-based debt financing and debt service costs, as well as impairments • Share price devaluation • Generous executive remuneration packages • Operational inadequacies • Complex debt capital structure • Inadequate free cash flow • Plant renewal expenses • Suboptimal business model • Failure of management to grasp urgency (managerial apathy)	• Asset disposals and cost cutting (before Roux) • Shareholder group A^2 Investment Partners accumulated shares and demanded board representation. • Appointment of new board, including Roux • Appointment of debt capital expert Roux • Spend time reflecting and making sense (see previous column) • Identified the need for a radical change approach. • Laminated his strategic priorities	**Strategic priorities** Three-phase approach: 1. Diagnostic phase 2. Crafting a strategic agenda 3. Implementation phase A new vision (see Exhibit 4) Turnaround strategy (see Exhibit 5) **Financial priorities** Improving operating cash flow Reduction of people-related costs Creditor negotiations for timely payment Decision to dispose of non-core assets. R1 billion rights issue proposal Refinancing negotiations Mechanisms to manage currency volatility in Nigeria and Angola Asset disposals (even selling core assets)
External drivers • Political, economic, regulatory, operational, financial, and exchange rate and control risks in Africa • Negative investor sentiment (38% drop in share price) • Slowing South African Economy • New emerging competitors		**Operational priorities** Eliminating waste (e.g., digitisation of roles and cell phone costs) Closing administrative offices Assuming the entire value chain needs to change Leader team appointment Efficiency programmes Unification of departments

		People-centred priorities Hiring freeze (linked to financial priorities Reducing people-related costs – such as salaries and overtime Getting rid of individuals resistant to change ("cultural antibodies") Culture shift through leadership principles Overcoming silos in culture Valuing speed and agility Ensuring leadership visibility and persuasive communication.
	Signals	
Drop in earnings per share Falling share price a R2.4 billion loss (March 2023)	Potential insolvency	• Financial performance: Mostly revenue decline from R16.94 billion to R9.88 billion, and operating loss of R1.04 billion, ad drop in EBTDA and HEPS; however trading profit was maintained at R1.64 million (2023). • Revenue stabilised at R9.96 million, trading profit remained consistent, and there was evidence of strong recovery of operating profit (R1.72 million), of EBIDTA (R1.48 million). HEPS remained low (2024). • Projecting from the revenue growth at R5.77 million, there was potential of R11.3 million in revenue, strong trading and operating profit, and Positive EBITDA (R1.09 million) and an improved HEPS. (May 2025) • Consistent involvement of the board.

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