



Orora acquires The Register Print Group



15 December 2016

Orora expands its geographic footprint by acquiring New Jersey (USA) based point of purchase business, The Register Print Group for US\$44.0M

Consideration

- US\$44.0M (approx. A\$59M) - (US\$40.0M paid upfront, US\$4.0M holdback payable in 18 months)
- US\$3.0M (approx. A\$4M) growth capex reimbursement

EBITDA Multiple

- 5.8x LTM

ROI Hurdle Rate

- Expected to meet 20% RoAFE by 3rd full year of ownership

Sales Revenue

- Approximately US\$42.0M (LTM) (A\$57M)
- Revenue CAGR in excess of 5% for last 3 years

Synergies

- Approximately US\$1.5-2.0M (A\$2.0-2.7M)
- Expected over the first 2-3 years
- Relating to purchasing and back office service costs

Other Key Points

- The Register Print Group to be integrated into the IntegraColor Business Group
- Acquisition completion expected January 2017
- Funded from existing bank debt facilities
- The transaction has been structured to enable tax deductibility (over time) of the full purchase price
- Transaction costs of approximately US\$750K (A\$1.0M) to be expensed in FY17

The Register Print Group Overview

A provider of customised POP retail display solutions

- The Register Print Group (“Register”) is a full service provider of point of purchase (POP) retail display solutions to leading retailers and brand owners in the US
- Long term customer relationships with large blue-chip corporates mainly across the consumer and technology sectors (including telecoms, retail, beverage and cosmetics)
- Full service POP solutions provider covering the entire value chain:
 - Concept development
 - Design
 - Manufacture and printing (high quality and digital)
 - Fulfilment
- Established for 40 years
- Family owned
- Located in Clifton, New Jersey
- Operating from 2 adjacent leased facilities
- Approximately 100 employees, contract labour used to support peak demand periods

The Register Print Group offers a full range of innovative product solutions

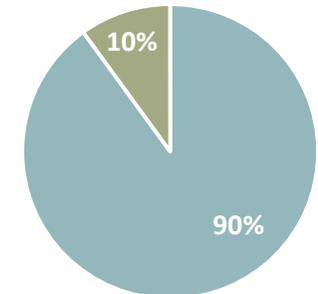


Displays



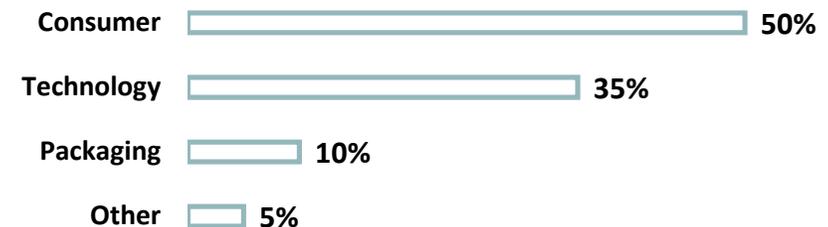
Packaging

Sales by Product



■ Displays ■ Packaging

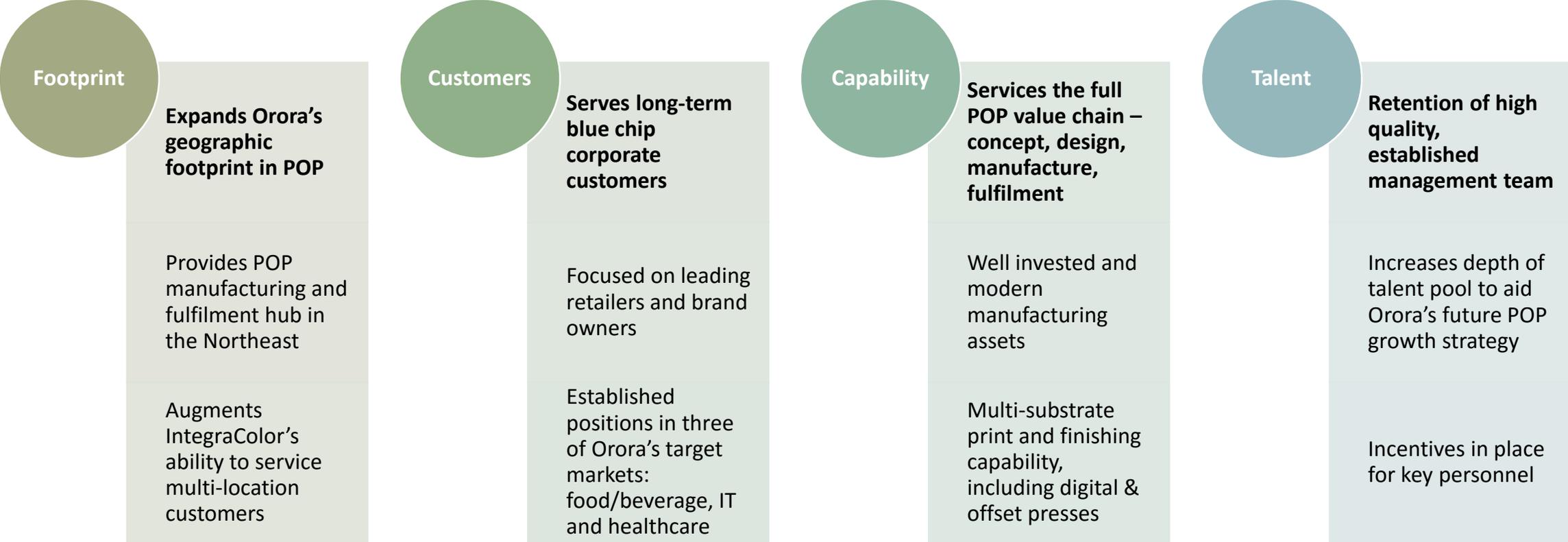
Sales by Sector



Alignment with Orora's growth strategy in Point of Purchase



The acquisition of Register aligns with Orora's four key strategic M&A pillars



Integration

- Register will be integrated into IntegraColor with shared resources, process and best practices (“best of the best” approach)
 - The business will continue to be managed by the existing Register management team
 - It will report to the CEO of IntegraColor
- A comprehensive 100 day plan has been established
 - Steering group consists of Orora MD&CEO/CFO/GGM Strategy/CEO IntegraColor
- The procurement and administration functions will be integrated and optimised with IntegraColor over time
 - Register will be integrated onto a common ERP system with IntegraColor. Potential integration onto SAP will be assessed in due course
 - Cross selling opportunities with Landsberg will be coordinated centrally



Acquisition is in line with Orora's stated growth strategy in POP

1. Expands Orora's geographic footprint in POP - provides IntegraColor with a manufacturing and fulfilment hub in the Northeast
2. Enhances IntegraColor's ability to service multi-location national customers
3. Strengthens Orora North America's (ONA) corporate account revenue growth strategy
4. Services three of ONA's four identified target markets – food/beverage, IT and healthcare
5. Augments Orora's talent pool to aid future growth in POP
6. Provides purchasing and administration synergies with IntegraColor
7. Opportunities to cross sell with Landsberg in time

Expanding Orora North America's POP footprint

