



## PROBIOTEC LIMITED

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### ASX ANNOUNCEMENT

3 October 2017

#### COMPLETION OF ACQUISITION OF PHARMACEUTICAL PACKAGING BUSINESS

Probiotec Limited (ASX: PBP) ("**Probiotec**") today announces that it has completed the acquisition of South Pack Laboratories (Aust) Pty Ltd ("**SPL**").

As previously announced on 20 September 2017, SPL is a leading nutraceutical and pharmaceutical contract packer that has been established for over 15 years.

Probiotec expects the total consideration for the acquisition to be between \$11.3m to \$13.3m dependent on the achievement of the earn-out hurdles, which are based on financial targets over the next two years.

This total consideration represents a valuation multiple of between 4 and 5 times EBITDA, based on the prior 12 months performance of the business.

As previously announced, the acquisition is expected to be EPS accretive from completion.

The SPL business will also broaden the service offering of Probiotec, via the addition of the SPL facilities in Girraween, NSW and the specialist and highly efficient pharmaceutical packaging operations offered by SPL. This will provide further capacity to Probiotec, which the management team will look to fill.

Probiotec and SPL will look to achieve synergies between the two business in addition to the value proposition above by leveraging each other's manufacturing services, customer relationships and supply chain opportunities.

Probiotec's managing Director, Mr Wesley Stringer stated that "I am very optimistic regarding the opportunities the SPL business and management bring to Probiotec. I see this as an important stepping stone in Probiotec's expressed strategy to grow its high quality, contract manufacturing offerings".

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**About Probiotec**

Probiotec Limited is a brand owner, manufacturer, marketer and distributor of a range of prescription and over-the-counter (OTC) pharmaceuticals, complementary medicines and specialty ingredients. The company owns two manufacturing facilities in Australia and distributes its products both domestically and internationally. Products are manufactured by Probiotec for both its own products and on behalf of others, including major international pharmaceutical companies.

Further details about Probiotec are available at [www.probiotec.com.au](http://www.probiotec.com.au).

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