



Investor Presentation

FY15 Full Year Results – August 2015

“Building for stronger returns”

Our Vision: Australasia's
stand out packaging partner

colorpak 

foilmasters 

brandpack
AUSTRALASIA | the packaging *architects*

pharmakit 

Snapshot

- Manufacturer of folding cartons, paper cups / lids, leaflets, blister / lidding foils, self-adhesive labels, sachets, point-of-sale displays, printed lithographic, flexographic, digital.
- Consistently ranked as reputational industry leader by BIS Shrapnel annual customer survey.
- One of founding members of Global Packaging Alliance
- Major market segments : Pharmaceutical / Healthcare, Beverage, Food, FMCG , Confectionery.
- Brandpack – The packaging architects – packaging solution design, output, consulting, management.
- 584 employees (down from 628 in 12 months), operating from 2 sites in Australia ,and 1 site in New Zealand.



Business Model



Innovation Reputation

- Focus on producing world class packaging solutions
- Utilize embedded IP, experience and innovation capabilities to continually improve products, processes and costs
- Drive increased substitution towards folding carton/flexibles/paper cup

Organic Growth

- Close customer relationships to generate volume growth and cross-selling opportunities
- Focus on acquiring new customers via disciplined pipeline process

Acquisitive Growth

- Patient approach to evaluating opportunities
- Focus on synergy capture from industry changing or bolt-on acquisitions
- Potential acquisitions in new geographies or adjacencies to current business activities

Long term reputational leader in folding carton sector

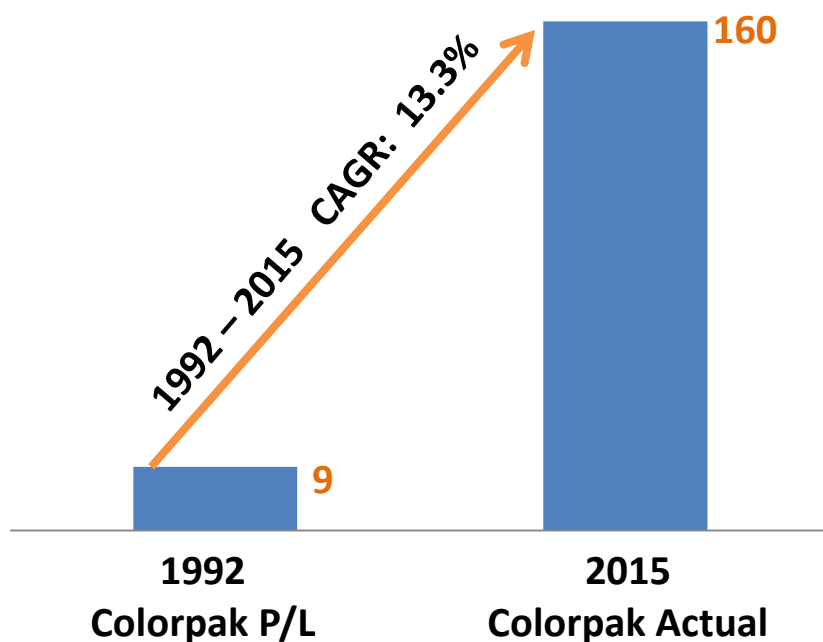
- Healthcare
- Beverage
- Food
- Fast Moving Consumer Goods
- Confectionery



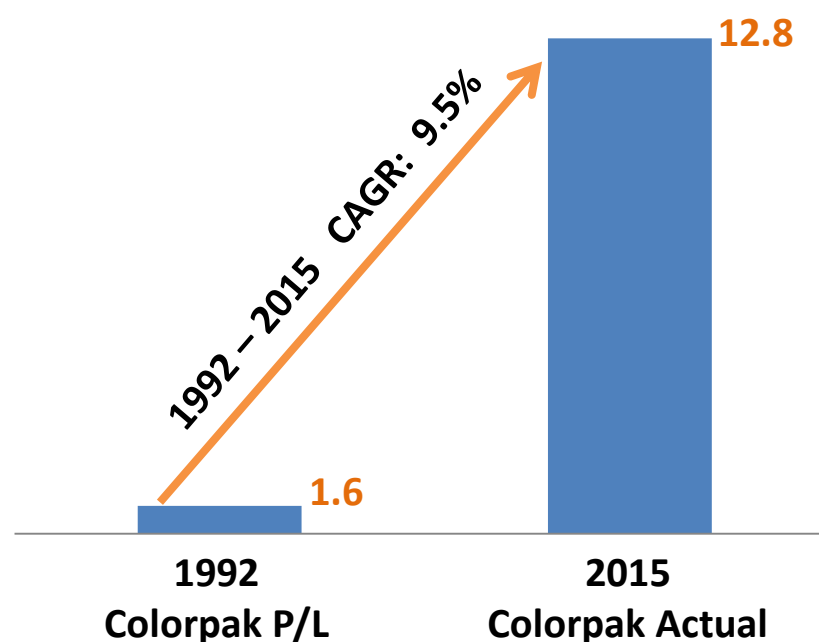
- A leading manufacturer of folding cartons and other printed components
- 2 purpose built plants in each of Melbourne, Sydney. One plant in Auckland.
- Produce 2,000 components per month across 1,150 customers

Long History of Steady Growth

Sales Revenue (\$m)



EBITDA (\$m)



FY15 Results Summary

(\$000)	2015	2014		Change	
	Underlying*	Underlying*	Reported	Underlying*	Reported
Sales (goods/services)	159,592	160,207		-%	
EBITDA	12,846	12,876	10,260	-%	25.2%
EBITDA %	8.0%	8.0%	6.4%	-%	1.6%
NPBT	5,314	5,393	(12,425)	(1.5)%	N/A%
NPAT	3,611	3,784	(13,188)	(4.6)%	N/A%
EPS (cps)	4.31	4.64	(16.18)	(7.1)%	N/A%
DPS (cps)	2.50	3.50		(28.6)%	

* Excludes impact of \$2.818m of restructuring costs and \$15.000m goodwill impairment charge in FY2014, \$0.2m asset impairment in FY2015.

Key Financials - H1v H2

(\$000)	2015		2014*	
	H1	H2	H1	H2
Sales	84,151	75,441	82,560	77,647
EBITDA	6,493	6,353	7,371	5,505
EBITDA %	7.7%	8.4%	8.9%	7.1%
Free Cashflow	2,953	4,985	542	(1,168)
Change in Net Debt	55.2%	99.7%	72.0%	(5.1)%

* Excludes impact of restructuring costs and goodwill impairment charge in FY2014

FY15 Financial Highlights

- Sales to the PCP consistent against competitive marketplace
- EBITDA 25% up versus pcpc on reported basis, consistent on underlying basis
- Strong progress made H2FY15 in cost reduction from final stages of Victorian integration.
- In particular Q4 FY15 versus the Q4 pcpc was strong.
- Net debt reduced \$7.95m from FY14 to \$31.45m.
- Bank facilities extended to January 2017.

Financial Summary

	FY13 \$M	FY14 \$M	FY15 \$M
Sales	171.7	160.2	159.6
EBITDA*	15.0	11.7	12.8
EBIT*	10.6	7.0	7.9
ROS%	6.2%	4.3%	4.9%
Average Working Capital	25.6	27.5	30.6
<i>AWC as % Sales</i>	14.9%	17.2%	19.2%
Average Funds Employed	107.8	108.7	95.8
RoAFE	9.8%	6.4%	8.0%
Operating Cashflow*	13.5	5.0	9.9
Capex	4.6	7.6	1.8
<i>As a % of Depreciation</i>	106.4%	159.5%	37.0%
Headcount	668	628	584
Sales per Employee (\$'000)	257.0	255.1	273.3

* Normalised to exclude significant one-offs / asset & goodwill impairments

FY15 Operational Highlights

- Productivity improvement process in the Braeside plant implemented January 2015. Process conducted by Internal resource. 15%+ throughput increases being measured and reported.
- Project remains on foot, benefits expected to flow on in FY16
- Safety focus and record continues. 1,960 Long Term Injury free days at Regents Park.
- Foilmasters manufacturing footprint reduced ,service internal customers only. Space reclaimed to allow paper cup expansion and storage.



Cash Management, Debt Reduction

(\$000)	2015	2014		Change	
		Underlying*	Reported	Underlying*	Reported
Operating cash flow	9,922	5,045	2,280	96.7%	335.6%
Capex (net)	(1,984)	(5,671)	(5,671)	(65.0)%	(65.0)%
Free cash flow	7,938	(626)	(3,391)	N/A	N/A
Dividends **	(2,475)	(2,854)	(2,854)	(13.2)%	(13.2)%
DRP (Underwritten)	2,475				
Reduction / (Increase) in net debt	7,938		(3,479)		N/A

* Excludes impact of restructuring costs in FY2014.

** Payout ratio of 68.5% (2014: 75.4%, on normalised EPS).

Free Cash Flow

(\$000)	2015	2014		
		Underlying **	Change	
EBITDA	12,846	12,876	-	Cost discipline/ efficiency
Capex *	(1,984)	(5,671)	(65.0)%	Capex discipline
Taxation (paid) / refund	(388)	409	N/A	Tax loss absorption
Interest	(2,613)	(2,779)	(6.0%)	Lower ave debt
Change in working capital	77	(5,461)	N/A	Marginal improvement
Free cash flow	7,938	(626)	N/A	Strong cash generation

* Capex assumed equivalent to Capex for Free Cash Flow calculation purposes.

** Excludes impact of restructuring costs in FY2014.

Balance Sheet Metrics

(\$000)	2015	2014
Net Debt	31,446	39,373
Interest Cover (EBITDA) (times)	4.98	4.69
Gearing (Debt/Debt + Equity, %)	34.7%	41.3%
Net Equity	59,235	55,926
Net Tangible Assets	28,101	24,792
Net assets per share (cents)	70.8	68.6
Working capital */ Sales (%)	18.1%	18.5%
Cash Conversion	77.2%	39.1%

* Trade and other receivables + Inventories – Trade and other payables (@ 30 June)

Debt Facilities

Debt Conservatively Managed	
Debt Facilities	<ul style="list-style-type: none"> Existing debt facilities agreed until January 2017/2018. \$41.8m committed bill, cash advance and trade finance facilities + \$3.1m OD. No bill facilities expire within next 12 months.
Debt Covenants	<ul style="list-style-type: none"> Financial ratios within bank covenants.
Debt Capacity	<ul style="list-style-type: none"> Capacity to finance both growth and integration activities.
Interest Rates	<ul style="list-style-type: none"> 67% of interest on bills swapped to fixed rates maturing between 2015 & 2018.

Key Ratios

	2015	2014	
(%)		Underlying *	Reported
EBITDA Margin	8.0%	8.0%	6.4%
Free cash flow	7,938	(626)	(3,391)
Cash Conversion	77.2%	39.1%	22.2%
EBITDA to Total Assets	10.2%	9.9%	7.9%
Return on Net Tangible Assets	12.0%	15.3%	N/A
Capex (net) / Sales (%)	1.2%	3.5%	

* Excludes impact of restructuring costs and goodwill impairment charge in FY2014.

Cash Management

Working Capital

- Increased raw material holdings – longer lead times resulting from international supply chain.

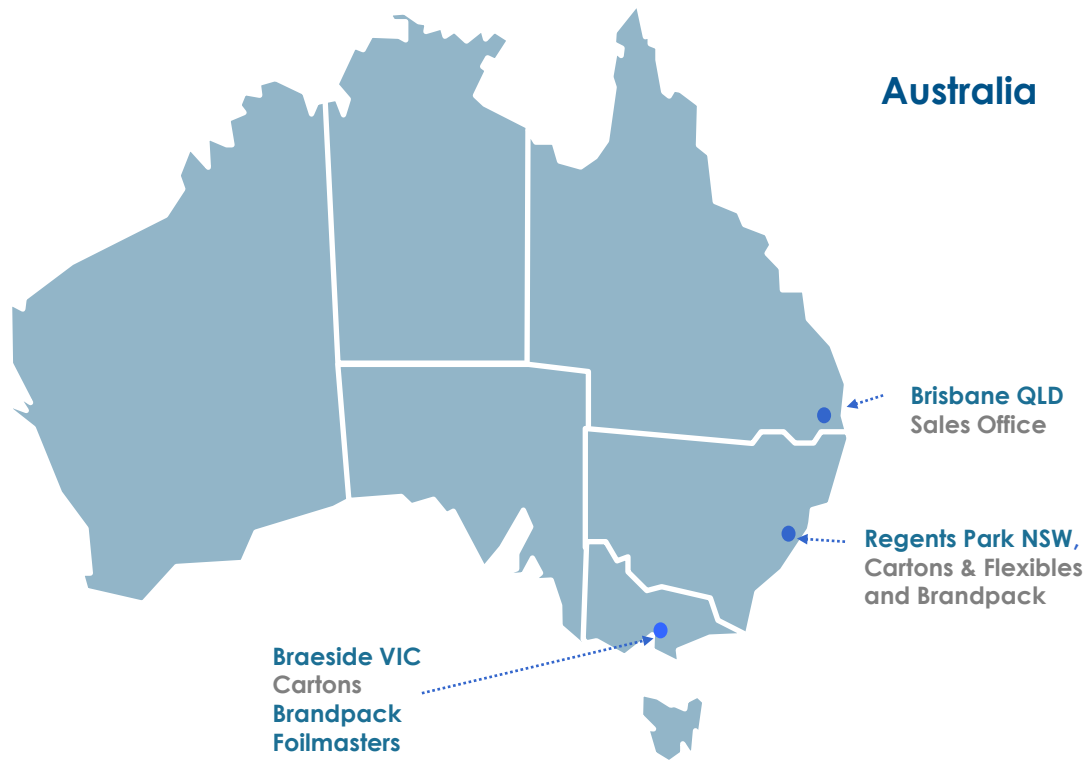
Capex

- Capex of \$ 1.98m.
- Items included : Full sprinkler system installed, Braeside, Turret rewinder, Flexibles, ancillary equipment, paper cup division.

Dividends

- Final Dividend 1.25 cents fully franked, payable 8 October 2015 – offered in conjunction with DRP.
- Final dividend 1.25 cps (pcp 1.75 cps).

Colorpak Locations



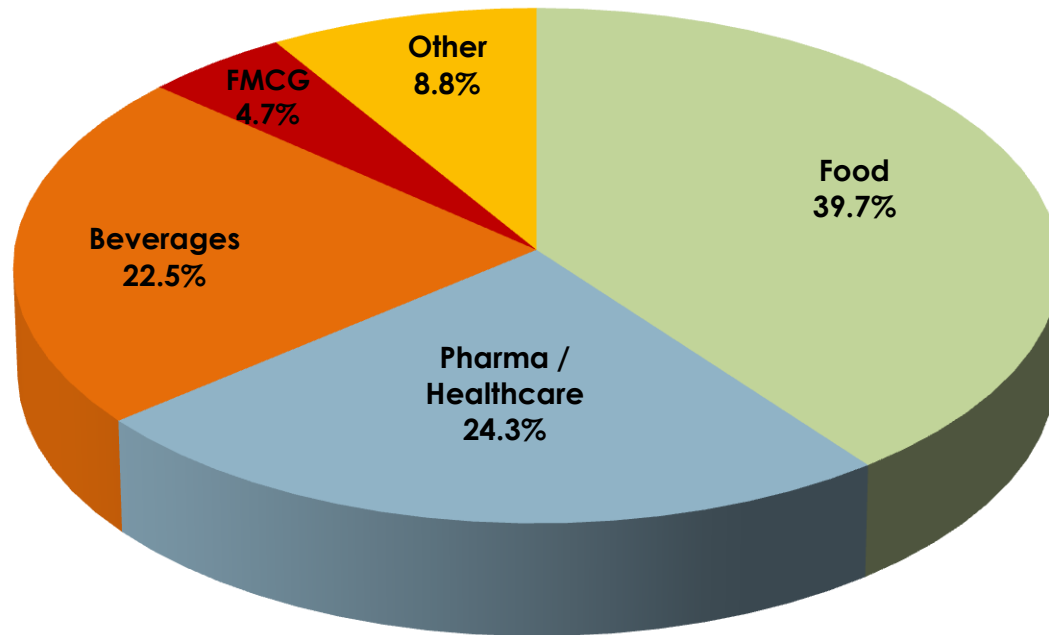
Australia

New Zealand

Auckland NZ
Cartons & Brandpack

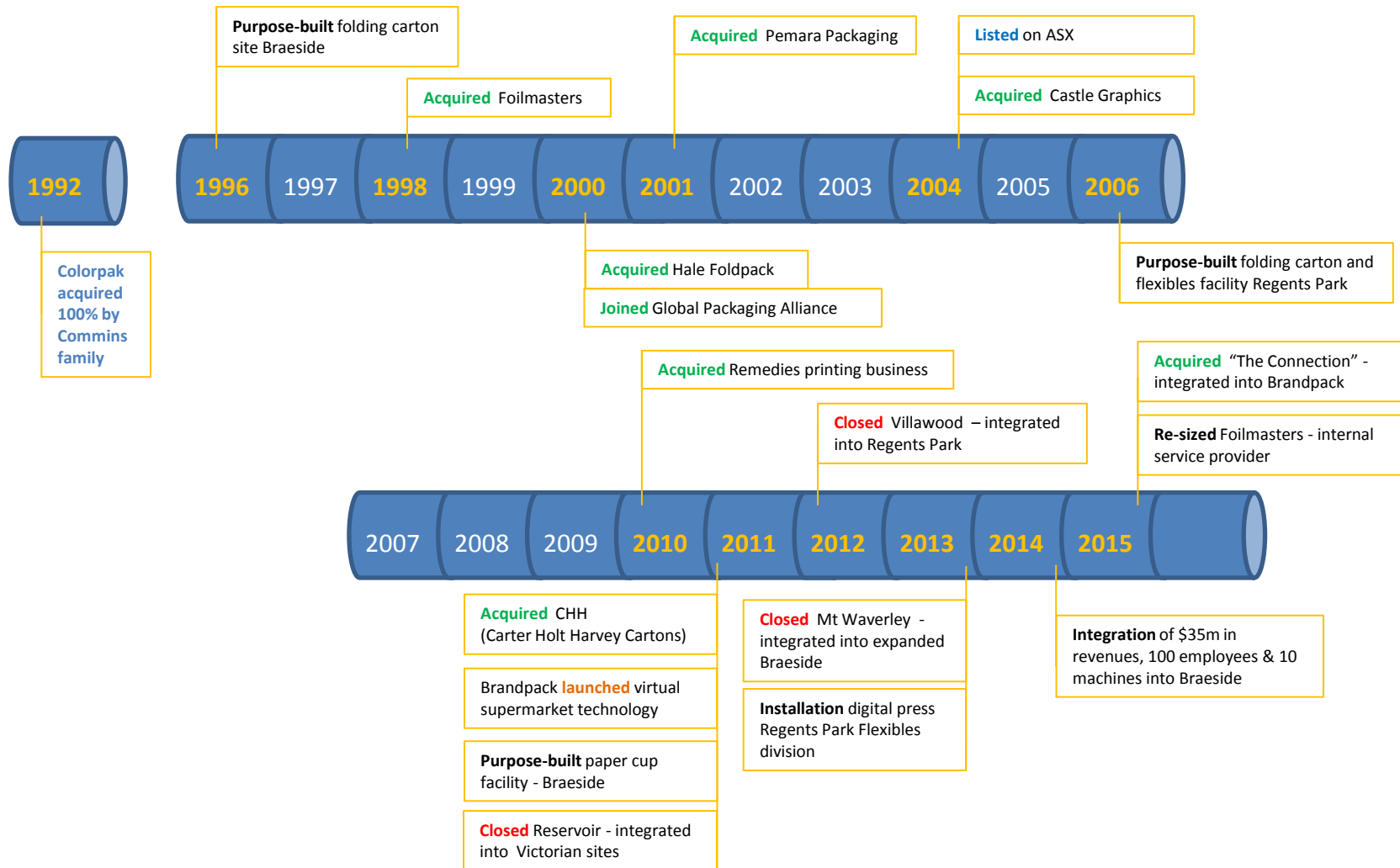


Market Segments



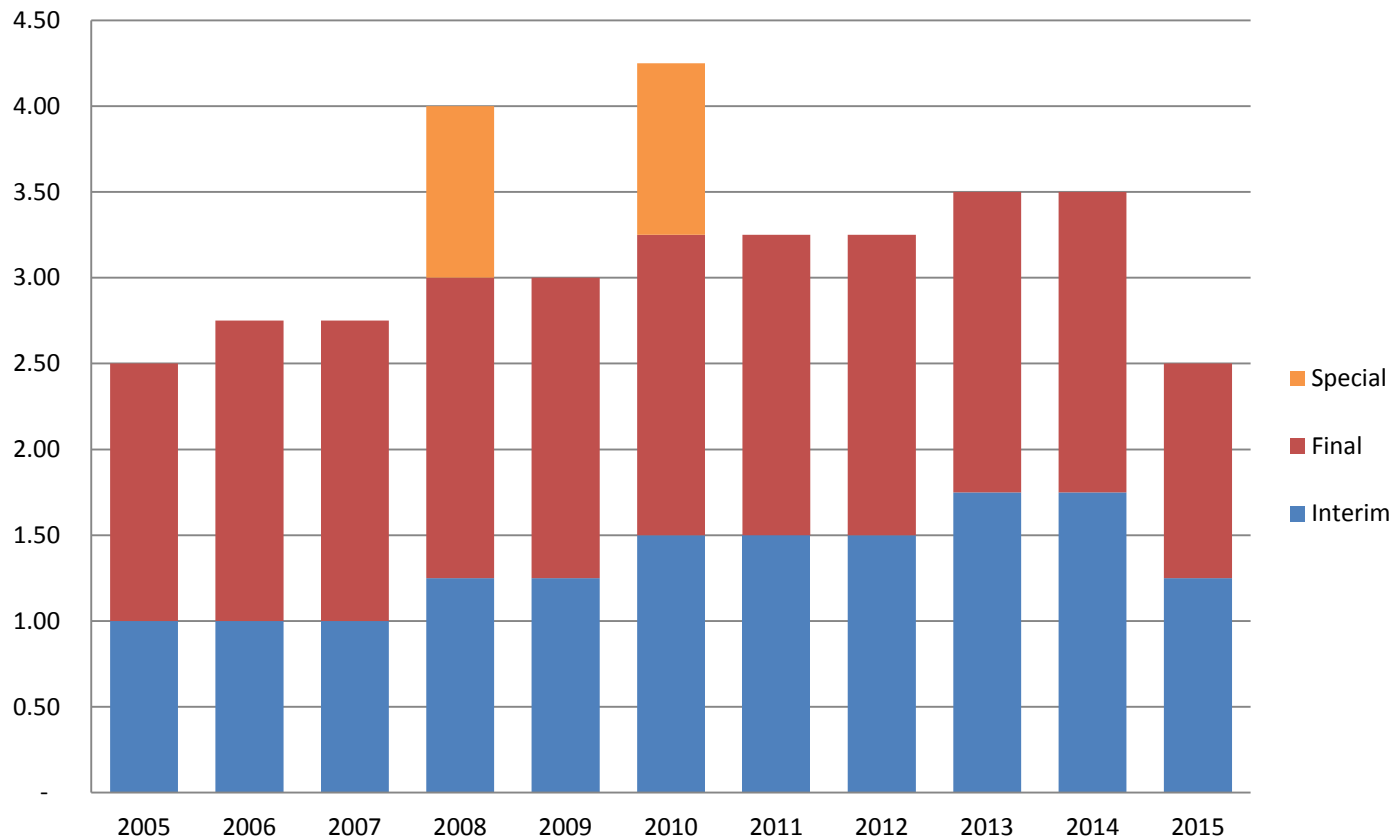
■ Food ■ Pharma/Healthcare ■ Beverages ■ FMCG ■ Other

Growth & Consolidation



Returns to Shareholders (since Listing)

Dividend Cents per Share (all fully franked)



- 35.25 cents per share returned in dividends since listing = 70.5%
- Payout ratio has averaged 50% (over the last 10 yrs)
- Average yield at 30 June has averaged 6.0% pa.

Track Record of Leadership

Industry Leaders

- Long-term industry Reputational leader
- Long-term investors in leading edge technology
- Have been the consistent industry game changers
- Early technology adopters – digital
- Cohesive experienced management team
- Large market share position – Pharma/Healthcare , Beverage

Predictable Earnings Streams

- Products underpinned by consumer non-discretionary spending.
- Long-term and blue-chip customer base
- Consistent strong free cash generation
- Stable cost regime.

View to the Future

- Astute technology based investment decisions
- Strong pipeline of organic and acquisitive growth opportunities
- Capture of alternative revenue streams from related sectors
- Capital project focussed on increasing automation

Outlook – Market / Industry

- Consumer spending growth expected in confectionery, soft drink, pharmacy, and ice cream
- Raw material board supply chain totally international, well settled
- Colorpak well placed competitively given scale; supply chain efficiencies afforded by direct mill supply model
- Cartonboard prices remain stable
- Large corporates demanding extended trading terms
 - Strategies being pursued to mitigate these impacts
- Productivity funded payments to employees in FY16 and beyond
- Industry rationalisation expected to continue



Outlook – Innovation / Growth

- Digital platform proving very successful , driving new and innovative opportunities across many customers in most sectors
- Super premium paper cup ice cream continues expansion, mooted for continued strength and growth from the consumer
- Expect further geographical reach with major customer in frozen food retail
- Remain vigilant to growth in core and adjacent industries. Accretive profit growth targeted both by organic and acquisitive means



Outlook – FY16

- Capture final benefits of the **Victorian integration**
- Significant **cost reduction and productivity** lift achieved, Colorpak **leaner, fitter, more competitive**
- FY16 operational focus remains focussed on productivity, innovation, quality, service, further **enhancing competitive position**
- Continued commitment to free cash generation via **margin expansion, working capital management**
- Light period expected in capital expenditure @ \$2m p.a.
 - NZ footprint right-sized / lease renewal benefit NZ\$300k p.a. FY17
- Machine fleet extensive and flexible, enabling maximum results in utilization
- Company remains well placed to participate in consolidation of the sector

Leaner + Fitter = More Competitive

Blue Chip diversified customer base



Blue Chip Customer Base

- Top 20 customers represent ~55% of FY15 revenues
- Largest customer represents ~14.6% of FY15 revenues
- Average length of relationship with top 20 customers > 10 years
- Large market position in Pharmaceutical / Healthcare sector
- Strategic partner with Global leader - Bundled Beverage systems
- Diversified, defensive, and extensive customer base

Shareholder Information

Substantial Shareholders	No. of Shares	%	6 Month Movement
Carton Services Pty Ltd (Commins Family)	21,654,754	25.3	Increased 242,780 under DRP
Bennamon Pty Ltd	13,115,469	15.3	Stable
Investors Mutual Limited	6,178,464	7.2	Increased 650,615 under DRP
Blue Drive Pty Ltd	6,078,012	7.1	Increased 165,869 under DRP
Argo Investments Limited	5,162,885	6.0	Increased 662,060 under DRP
Total for substantial shareholders	52,189,584	60.9	
All other shareholders	33,526,140	39.1	
Total Shares on issue	85,715,724	100.0	1,839,392 shares issued 6th February 2015 under DRP



Thank you