



Investor Presentation

March 2016

- Leading manufacturer and supplier of packaging products, services and solutions
- Established 1987
- Listed on the Australian stock exchange, April 2005
- Two major divisions, Rigid Plastics and Industrial
- 16 sites across Australia, 10 distribution centers and 6 manufacturing plants
- 10,000+ customers
- 500+ staff
- Annual sales circa A\$250 million

➤ **Ahmed Fahour (Chairman)**

- Managing Director and CEO of Australia Post since February 2010
- held a number of senior executive positions within the finance and banking industries in Australia and overseas
- previously CEO of Citigroup (Australia and New Zealand) and National Australia Bank (Australia)
- former chairman of Rip Curl Group. Mr Fahour is currently Executive Chairman of Our Neighbourhood and Star Track, as well as Chairman of the LaunchVIC

➤ **Elliott Kaplan**

- Managing Director of CVC Private Equity Limited, a non-executive director of Cellnet Limited and a director of a number of unlisted companies.
- former director of Dolomatrix Limited, The Environmental Group Limited and ASX listed Grays Ecommerce Group Limited.

➤ **Brandon Penn**

- founding director of the PB Group which merged with PPG in 2007 and former CEO of PPG
- held number of business interests alongside the PB Group including the establishment of a leading software development company, Dealing Information Systems (DIS), which developed wholesale banking systems. DIS was acquired in 1996 by Sungard Data Systems NYSE.

➤ **Dr Gary Weiss**

- Chairman of ClearView Wealth Ltd and Ridley Corporation Ltd
- Executive Director of Ariadne Australia Ltd and a director of several other public companies including Premier Investments Ltd, Thorney Opportunities Ltd and The Straits Trading Company Ltd

➤ **Peter Sutton (CEO)**

- over 25 years' experience in senior management roles in the packaging industry
- previously Managing Director and CEO of the private equity owned company Aperio Group, the largest supplier of plastic flexible packaging in Australasia
- previously in senior management roles in Amcor and Southcorp Packaging

The Pro-Pac Packaging Group



- Sydney, NSW – 5 sites
- Melbourne, VIC – 5 sites
- Brisbane, QLD – 3 sites
- Adelaide, SA – 2 sites
- Perth, WA – 1 site



Very broad Product Range

Rigid Containers and Closures

Bottles
Jars
Caps and closures
Cubes
Jerry cans
Sprays and triggers
Pails and crates
Vials



Industrial and Protective Packaging

Tapes
Bubble
Strapping and tools
Void fill
Strapping
Plastic sheets
Warehouse consumables



Safety and PPE

Gloves
Head, ear and face protection
Hi-Visibility clothing
Disposable protective apparel
Signage



Disposable Food Packaging

Cups and napkins
Disposable cutlery
Food trays
Punnets
Foil products
Disposable food paper products



Machinery and Service

Stretch wrap machinery
Carton sealers
Strapping machines
Hooding machines
Shrink tunnels
Banding machines
Servicing



Very broad Product Range

Washroom and Janitorial

Paper towels
Toilet & facial tissue
Facial tissues
Soaps and dispensers
Cleaning chemicals
Bin liners
Mops, buckets and cleaning accessories



Industry Specific

Body bags
Boning knives and meat trade tools
Syringes
Knives
Chain mesh gloves
Lashing and twine



Flexible Films

Poly bags
Stretch wrap
Plastic sheets
Pouches and rewind
Barrier films
Shrink bags
Top and bottom web



Cartons and Paper Products

Cartons and mailers
Parts boxes
Printers cartons
Litho laminated
Folding cartons
Edge protectors
Paper food packaging



Source and Sell

Kitchenware
Food storage containers
Retail lines
Machinery



Strong Diverse Customer Base



- PPG is primarily a distribution business. It is our intention to retain distribution as the core of what we do.
- To be successful in distribution you must “Buy Well and Sell Well”. Therefore our core competencies must be procurement, logistics and selling for profit.
- Manufacturing is an important secondary activity for PPG. The focus is on smaller scale, niche operations that support our distribution businesses.
- Manufacturing provides us with make or buy options and allows us to offer customers flexibility and innovation.

- We are focused on 3 key market segments
 - Industrial
 - Food & Beverage
 - Healthcare/Pharmaceutical
- Food industry businesses within PPG are up 14.5% H1 versus H1 last year. Products include meat trays, films & produce bags.
- Pharmaceutical & Complimentary Medicine businesses within PPG are up 57.7% H1 versus H1 last year. Products include jars, bottles and closures.

BUSINESS HIGHLIGHTS

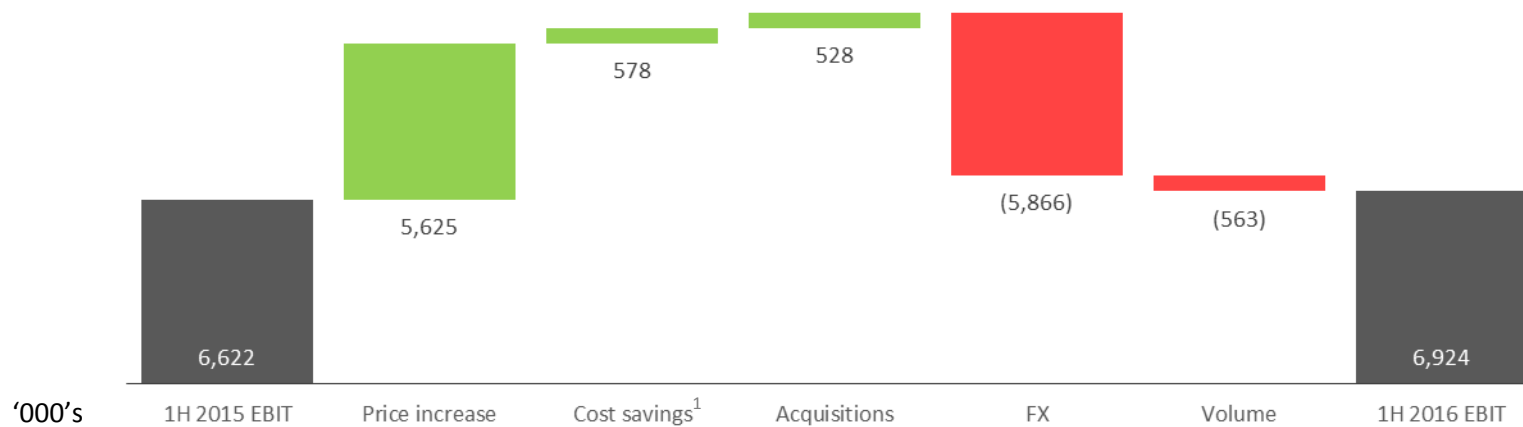
	\$A millions	1H 2016	1H 2015	Movement	
Solid Financial Performance	Sales Revenue	\$126.8	\$124.9	1.5%	↑
	EBITDA	\$8.6	\$8.3	3.4%	↑
	EBITDA %	6.8%	6.6%	0.1%	
Consistent Earnings	EBIT	\$6.9	\$6.6	4.6%	↑
	EBIT %	5.5%	5.3%	0.2%	
	NPAT	\$4.5	\$4.2	7.4%	↑
Excellent Cash flow	Operating cash flow	\$6.3	\$4.6	37.6%	↑
	Gearing ¹	22.5%	23.0%	-2.2%	↓
Good returns to shareholders	Earnings per share	1.97	1.88	4.8%	↑
	Interim dividend - cents per share	1.25	1.00	25.0%	↑

1. Gearing ratio is defined as Net debt divided by Shareholder's equity

AUD/USD CURRENCY MOVEMENTS 2012 TO 2016



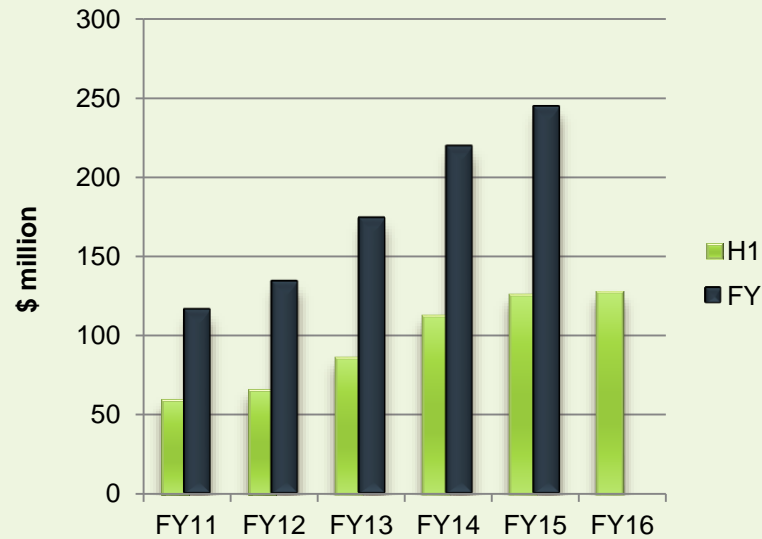
EBIT Growth



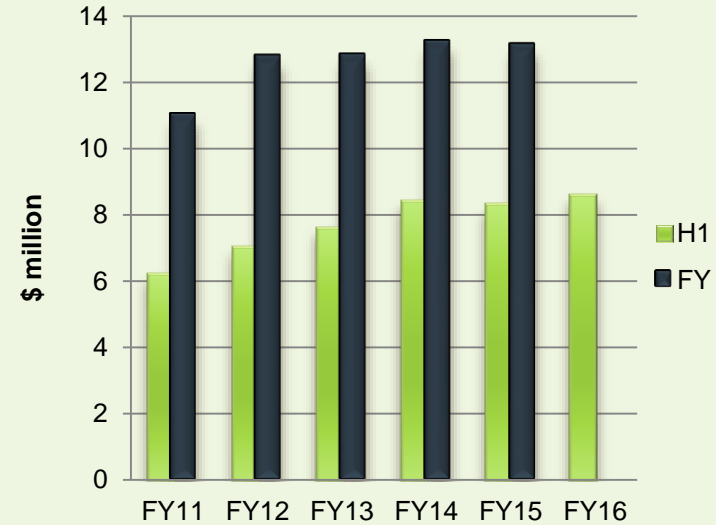
1. Cost savings are net of inflationary increases
2. Expenses as % of sales 20.2% 1H 2016, down from 20.7% in 1H 2015

Financial Trends

Revenue over past 5 years



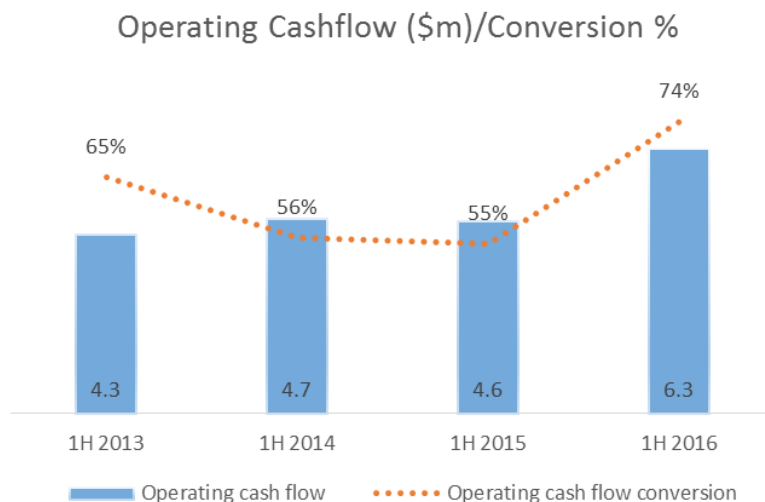
EBITDA



DISCIPLINED CASH MANAGEMENT

Half Year ended 31 December, \$A millions	1H 2016	1H 2015	1H 2014	1H 2013
Operating cash flow	6.3	4.6	4.7	4.3
Capex	1.0	1.6	1.3	1.8
Free cash flow	5.3	3.0	3.4	2.5
Operating cash flow conversion ¹	74%	55%	56%	65%

1. Operating cashflow conversion is defined as Operating Cashflow divided by EBITDA



STRONG BALANCE SHEET

Half Year ended 31 December, \$A millions	1H 2016	1H 2015	Target
Net Debt ¹	24.8	24.9	
Gross Leverage ratio ²	2.5	2.4	< 3.0
Interest Cover	12.3	10.7	> 4.0

Key metrics well within target levels

1. Net debt is current debt plus non current debt less cash
2. Total drawn Debt (excluding contingent liabilities) plus Crystallised Earn Outs (as recognised in Balance Sheet) to normalised EBITDA

The Way Forward

- Focus on profit growth and ROACE
- Continue to strengthen management team
- Partner with innovative suppliers
- Continue to improve processes that increase efficiency and reduce cost
- Complete standardisation across the group. One I.T. system
- Bolt on acquisitions in Australia. Sales \$5m to \$50m p.a. Focus is food and health and/or highly synergistic.
- Expand into New Zealand through acquisition

Thank You