

GROWING IN SPECIALTY CO-MANUFACTURING

Acquisition of Australian Pharmaceutical Manufacturers

5th September 2016

TRANSACTION SUMMARY

Acquisition of Australian Pharmaceutical Manufacturers (APM), a specialty co-manufacturer servicing the high growth Australian nutraceuticals sector

Compliments and extends existing co-manufacturing capability

Consideration of \$90M - \$75M cash and \$15M of equity

EBITDA multiple of 6.5 times 2016FY normalised earnings

ROI of 20% expected in year 3 and EPS accretive in year 1

Funded by bank debt and incremental committed financing

Operational synergies of \$1M expected to be realised over 18 months

Transaction costs of approximately \$1M to be accounted for in FY2017

Completion expected 16 September 2016



OVERVIEW OF APM

One of the largest co-manufacturers in the high growth nutraceuticals sector

Significant industry experience - established in 2002

Manufactures a range of therapeutic nutraceutical products including:

- vitamin and mineral supplements / herbal remedies / amino acids
- other specialised formulations

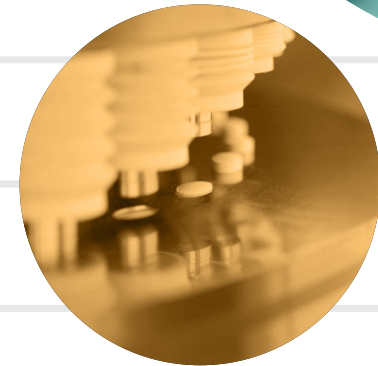
Strong customer alignment – established long term relationships with leading participants in the health and wellness sector

Facilities located at Keysborough, Victoria

Market leading manufacturing and packaging expertise

Complies with the Australian Therapeutic Goods Administration's licensing requirements and the Code of Good Manufacturing Practice

Approximately 130 employees



STRONG ALIGNMENT WITH GROWTH STRATEGY

Alignment with the Group's strategy to expand in specialised co-manufacturing and packaging, leveraging the position established through the successful acquisition of Jalco in 2015.

Strategic priority	Opportunities provided by APM
Growth through disciplined M&A	<ul style="list-style-type: none">Strong returns which meet Pact's strict financial hurdlesExpands co-manufacturing offeringAccess to growing offshore demand
Deliver organic growth	<ul style="list-style-type: none">Leverage overlap in customer portfolios to expand existing customer service offering and deepen customer relationshipsIncreased exposure to the high growth health and wellness sector
Productivity improvement through operational excellence and efficiency	<ul style="list-style-type: none">Leverage core capability in manufacturing, procurement and product developmentLeverage scale to deliver operational cost synergies

HIGHLY ATTRACTIVE **FUNDAMENTALS**

Strong alignment with strategy to expand in specialised co-manufacturing

Increased exposure to the high growth sectors of co-manufacturing and health and wellness

Leading industry position, with strong reputation for quality

Attractive investment returns which meet strict financial hurdles

Significant opportunity to drive further growth by leveraging existing position in the health and wellness sector



