

## ASX - For immediate release

20 December 2021

### Pro-Pac Trading Update

Pro-Pac Packaging Limited (ASX: PPG) (Pro-Pac) would like to provide an update to the market on trading conditions.

On 18 November, Pro-Pac advised the market that it expected its 1H22 underlying PBT to be broadly consistent with its 2H21 underlying PBT result of \$7.1 million.

Since that time, the impacts of the COVID-19 pandemic, particularly the significant impacts on global supply chains and labour costs, have continued. These are impacting Pro-Pac's businesses in the following ways:

- Labour shortages continue to impact the Flexibles business, and capacity constraints have limited the business' ability to convert work in progress. An influx of orders prior to the introduction of the December price increases will result in a delay to the recovery of inflationary costs by approximately a month. Pro-Pac is in the process of installing additional capacity in printing and laminating, and a variety of other actions have been taken to alleviate bottleneck issues, which are expected to help improve efficiency, service to customers and top line growth. Pro-Pac also continues to develop its labour supply strategies to address shortages.
- The Industrial business continues to be impacted by global shipping delays, with shipping companies unable to provide assurances with respect to the 1H22 delivery of existing Pro-Pac customer orders which helped underpin the previously communicated 1H22 forecast.
- The Rigid business is performing largely in line with expectations.

As a consequence of these factors, Pro-Pac expects 1H22 PBT to be further impacted by c.\$3 million, resulting in an underlying PBT of approximately \$4 million. The influx of orders and the other actions already taken by Management will have a material positive impact on the second half result.

Pro-Pac will announce its half year results on Friday, 25 February 2022.

This announcement has been authorised for release by the Board of Directors.

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**About Pro-Pac:**

*Pro-Pac Packaging Limited (ASX: PPG) is an innovative Flexibles, Industrial Specialty Packaging and Rigid packaging company with a diversified distribution and manufacturing network throughout Australia and New Zealand. Headquartered in Melbourne, Pro-Pac delivers bespoke packaging solutions for a broad group of blue-chip and SME clients in the industrial, food and beverage, health, agriculture and manufacturing sectors. For further information, please visit [www.ppgaust.com.au](http://www.ppgaust.com.au)*

**Forward-Looking Statements:**

*Some of the statements in this document constitute “forward-looking statements”. These forward-looking statements reflect Pro-Pac’s current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside Pro-Pac’s control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from Pro-Pac’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this document with caution.*