



Pro-Pac Packaging Limited ABN: 36112971874

18 April 2018

## Sale of Advent shares to new and existing shareholders

- Advent is offering to sell 59.6m PPG shares to new and existing investors (**Sale Shares**) at \$0.38 per share
- Bennamon is offering to purchase a minimum of 23.1m Sale Shares and any shares not taken up by other investors at \$0.38 per share
- The Sale Shares are to be released from voluntary escrow by agreement between PPG and Advent
- Advent's remaining 15% holding in PPG will remain subject to escrow on the existing terms
- The PPG Board believes the transfer of a portion of Advent's holding to new and existing investors is in the best interests of shareholders
- PPG remains on track to deliver an underlying annualised pro forma EBITDA run rate in calendar year 2018 of \$38 million.

Pro-Pac Packaging Limited (ASX code: PPG) (**PPG, the Company**) is pleased to announce that Advent Partners Pty Ltd (**Advent**) has agreed to sell 59,632,418 shares in PPG at \$0.38 per share (**Transaction**). To facilitate the Transaction, PPG and Advent have agreed to release the Sale Shares from voluntary escrow. Following careful consideration, the PPG Board has concluded that the Transaction is in the best interests of PPG's shareholders.

Bell Potter Securities Limited (**Bell Potter**) has been engaged as broker to the offer, and will be conducting a bookbuild for the Sale Shares at \$0.38 per share to new and existing investors over 2 May 2018 and 3 May 2018. Bennamon Pty Ltd (**Bennamon**), currently a 38.8% shareholder in PPG, has entered into a binding offer with Bell Potter to purchase a minimum of 23,115,910 Sale Shares (being 38.8% of the Sale Shares) which will result in it being an approximately 42.8% shareholder in PPG. In addition, Bennamon has offered to purchase any Sale Shares that are not placed to other investors by Bell Potter during the bookbuild.

The PPG Board has determined that it is in the best interests of PPG and its shareholders to release the Sale Shares from escrow. This transaction is in line with the Board's strategy of share register renewal and improvement of liquidity (with respect to the proportion of those Sale Shares being offered to new and existing investors through the bookbuild). The sale by Advent of the Sale Shares provides the opportunity for new and existing investors to either increase their holding or take an initial position in PPG.

PPG Chairman, Ahmed Fahour, provided the following comment in relation to the Transaction:

*"The sell down by Advent and the buying support from Bennamon represents a further positive step in the renewal of PPG's share register. PPG will seek to introduce further shareholders to the register. Despite some short term headwinds the business has experienced, the Board has considerable confidence around the Company's new growth strategy, its synergies with the IPG acquisition and its prospects in FY19 and beyond. I take this opportunity to thank existing shareholders for their support and to welcome new shareholders to the PPG register."*

### Outlook

The PPG Board provides the following trading update:

- Following its recent strategic review the PPG Board remains positive on the medium and long term outlook for the Company.

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- Integration synergies for FY19 are ahead of schedule and will underpin a solid FY19 performance
- PPG calendar year 2018 underlying annualised pro forma EBITDA remains on track for \$38m
- Core agricultural trading conditions remain challenging. In addition, a hold up in the installation of new equipment has led to timing delays in realising some forecast labour and efficiency savings. As a result, PPG is forecasting underlying annualised pro forma FY18 EBITDA of between \$34-\$35m
- The Board is pleased with the level of domestic and international interest in the strategic review of the Rigid business.

### Transaction Process

The bookbuild for the Sale Shares will commence on 2 May 2018 and conclude on 3 May 2018. Bennamon will receive a minimum allocation of 23,115,910 shares, being 38.8% of the Sale Shares. The remaining 36,516,508 shares will be allocated to new and existing investors and Bennamon has offered to purchase any Sale Shares that are not taken up by new and existing investors.

Parties interested in purchasing Sale Shares are invited to contact Bell Potter on (03) 9256 8700 for further details.

### Indicative Timetable

|   |                                  |
|---|----------------------------------|
| Bookbuild opens                         | 2 May 2018                       |
| Close of Bookbuild                      | 3 May 2018, 4:30pm (Sydney time) |
| Release of shares from voluntary escrow | 3 May 2018                       |
| Trade date                              | 3 May 2018                       |
| Settlement date                         | 7 May 2018                       |

The timetable is indicative only and the Company reserves the right to amend the dates at its discretion and without notice, subject to the ASX Listing Rules and the *Corporations Act 2001* (Cth) (**Corporations Act**).

### Background Information

As previously announced, the escrow period in respect of Advent's total shareholding in PPG was to expire upon the earlier of (a) the date on which PPG's Appendix 4E for the year ended 30 June 2019 is announced on ASX, and (b) 6 November 2019, subject to earlier release upon the achievement of certain EBITDA and VWAP targets. These escrow arrangements will continue to apply to the balance of 86,292,672 shares in PPG to be retained by Advent, representing a shareholding and voting power of 15.0%.

The maximum shareholding and voting power which Bennamon may have (in the event it acquired all of the Sale Shares) would be approximately 49.1%.

The early release of the Sale Shares from voluntary escrow means Advent may, in accordance with Listing Rule 3.10A, trade those shares on or after 3 May 2018. In compliance with ASX Listing Rule 3.10A, these transactions will take place on 3 May 2018, 10 trading days following this announcement.

## **Enquiries**

For further information please contact:

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## **About PPG**

Pro-Pac Packaging Limited (PPG) is a diversified manufacturing and distribution company, providing innovative, industrial & flexible and rigid packaging solutions for a broad group of blue chip clients. PPG is headquartered in Sydney with a national footprint including operations in all mainland states. PPG's securities are listed and quoted on the ASX. For further information on PPG visit [www.ppgaust.com.au](http://www.ppgaust.com.au).