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HD **Push to get Pact Group to \$5 billion, five-year target**
BY Sue Mitchell
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Packaging

Packaging **billionaire** Raphael Geminder says he would be willing to consider mergers, roll-ups and major acquisitions to help Pact **Group**, Australia's largest plastic packaging manufacturer, achieve its \$5 **billion** sales target within five years.

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"We will do whatever is in the best interests of shareholders whether it's a roll-up, an acquisition, a merger - as long as it's accretive - whatever combination works we'll be open minded," Mr Geminder told investors on Wednesday after Pact released its maiden results after a \$1.7 **billion** initial public offering last December.

Pact, which makes plastic and steel containers for the food, beverage, personal care and chemical industries, reported a net profit of \$57.7 **million** in 2014, beating prospectus forecasts, after booking a one-off tax benefit, cutting costs and reaping the benefit of recent acquisitions.

Sales for the year ended June rose 3.6 per cent to \$1.14 **billion**, falling slightly short of prospectus forecasts of \$1.15 **billion**, due mainly to the loss of a **milk** bottle contract with Parmalat last year and softer agricultural conditions in Australia.

However, statutory earnings before interest and tax and one-off items rose 4.8 per cent to \$147 **million**, beating a prospectus forecast of \$146.1 **million**, as the **company** cut costs, recovered higher resin prices and completed the acquisition of bolt-on acquisitions.

Pact acquired Cinqplast Plastop and Viscount **China** from interests associated with Mr Geminder at the time of the IPO. Underlying net profit rose 13.5 per cent to \$59.7 **million**, compared with a prospectus forecast of \$52.6 **million**.

Pact booked one-off costs of \$26.2 **million**, but also reported a \$19.2 **million** one-off tax benefit, which swelled bottom line profits to \$57.7 **million** compared with a prospectus forecast of \$25.5 **million**.

The initial public offer raised \$650 **million**, valuing the **company** at \$1.7 **billion** including debt, and enabled Mr Geminder to cut his **stake** by almost half, to 40 per cent.

The shares traded above their \$3.80 issue price for the first time earlier this week, but slipped 4¢ to \$3.82 after the result, which was in line with market forecasts.

Pact shares have been weighed down by investor concerns over related party transactions and corporate governance issues.

Pact chief executive Brian Cridland and Mr Geminder put paid to these concerns, however, saying the **company** had robust governance and related-party protocols in place.

The **company** declared a final dividend of 9.5¢, partly franked, payable on October 3.

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