

PRO-PAC PACKAGING LIMITED
ANNUAL GENERAL MEETING
26 November 2020
ASX: PPG



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All dollar values are in Australian dollars (A\$) unless otherwise stated.

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CHAIRMAN'S ADDRESS
Jonathan Ling, Chairman





Good morning. My name is Jonathan Ling and I am your Chairman.

On behalf of the Directors and management, I extend a warm welcome to everyone joining us today and trust you and your families are well during these challenging times. I am pleased that you could join us for the 2020 Annual General Meeting of Pro-Pac Packaging Limited. We greatly appreciate your interest and virtual attendance. I am informed that a quorum is present and I declare the meeting open.

Questions

To ask a Question

If you would like to ask a question:

1. Select the question icon 
2. Compose your question.
3. Select the send icon 
4. You will receive confirmation that your question has been received.

The Chair will give all Shareholders a reasonable opportunity to ask questions and will endeavor to answer all questions at the Meeting.



Before we progress further, I will spend some time explaining how the meeting will be conducted.

Firstly, during today's meeting, shareholders or their appointed representatives will have the opportunity to ask questions or make comments to the company via the Lumi platform you have logged into today. Questions will be moderated and may be amalgamated where there are multiple questions on the same topic.

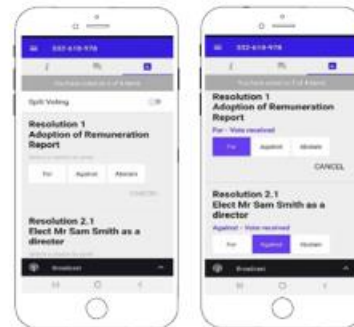
To ask a question during the meeting, click on the speech bubble icon at the top of the screen, type your question and then click the arrow to submit your question. You will receive confirmation that your question has been sent after you click on this "send" arrow. The question function is open now so it would be helpful if you could you submit questions as early as possible. When you submit your question, please identify which resolution it relates to, or if it does not relate to any resolution, please indicate it is a general question.

Voting

To Vote

If you would like to cast a vote:

1. When the Chair declares the polls open, the resolutions and voting choices will appear.
2. Press the option corresponding with the way in which you wish to vote.
3. Once the option has been selected, the vote will appear in blue.
4. If you change your mind and wish to change your vote, you can simply press the new vote or cancel your vote at any time before the Chair closes the polls.
5. Upon conclusion of the meeting the home screen will be updated to state that the meeting is now closed.



Secondly, today all voting will be conducted online, which allows you to cast your votes at your own pace. To allow for online voting, all voting will be by poll. The polls are already open and you will be able to see an icon on the Lumi platform that resembles a bar chart.

By clicking this icon each of the resolutions and the voting options will appear on your screen, and you may vote for a motion, against a motion or you may abstain your vote. Shareholders and Proxy Holders can vote by clicking on one of the applicable voting options that is displayed. There is no need to hit a submit or enter button as the vote is automatically recorded. Shareholders and Proxy holders can change their vote at any time before the polls close.

The poll will remain open until the conclusion of the meeting, but if you need to leave the meeting early, you may wish to cast your vote now. At the conclusion of the meeting, voting will be collated to include all proxy votes and those cast at today's meeting. The final poll results will be announced on the ASX later today.

I would also like to introduce you to my fellow Directors who are all with us remotely:

- ❖ Leonie Valentine - A Non-Executive Director, and a member of our Remuneration & Nomination Committee;
- ❖ Marina Go - A Non-Executive Director, Chair of our Remuneration & Nomination Committee and a member of our Audit, Business Risk & Compliance Committee;
- ❖ Darren Brown - A Non-Executive Director, and Chair of our Audit Business Risk & Compliance Committee;
- ❖ Rupert Harrington - A Non-Executive Director, a member of our Remuneration & Nomination Committee and a member of our Audit, Business Risk & Compliance Committee; and



- ❖ Tim Welsh, our Managing Director and Chief Executive Officer.

From our executive team I would like to introduce:

- ❖ Iona MacPherson our Chief Financial Officer; and
- ❖ Kathleen Forbes our General Counsel and Company Secretary.

Also, in attendance today is Kester Brown representing our external auditor, Ernst & Young.

I will now make some introductory comments reflecting upon our last year, which will be followed by a business update from our CEO, Tim Welsh.

CHAIRMAN'S ADDRESS

A year of challenges

The 2020 financial year has been a time of unprecedented events, from bushfires to management of the COVID-19 pandemic. During this time, Pro-Pac has been well led by CEO Tim Welsh, and we are proud of how he and his team have managed to look after our people, grow earnings, and strengthen the balance sheet during these challenging times.

As I reflect on financial year 2020, I am delighted to report that we have got the fundamentals of the business right, positioning us strongly for future growth.

Essential to the success of the company is its leadership, and over the last year Pro-Pac has focussed on building and embedding a strong Board and executive leadership team. We are delighted with the team that has been assembled, who bring a wealth of experience, diversity and capability to the company.

Under their leadership, we have successfully reduced net debt, refinanced our senior debt facilities; reduced our balance sheet gearing; increased our earnings; delivered strong improvements in our working capital; and resumed the payment of dividends to our shareholders.

With this solid foundation in place, Pro-Pac will continue to focus on its primary strategy of maximising long-term shareholder value by delivering organic growth, operational efficiencies and working capital improvements. With our strengthened balance sheet, we will also look to grow through earnings accretive acquisitions, in existing and adjacent market segments.

2021 will be a transformative year for Pro-Pac as it delivers on closing the Chester Hill factory and the new ERP implementation project. These will drive a step change in our cost base into the future and these significant investments in our business systems and manufacturing capability will establish a stable and efficient platform for our future growth.

As we continue to improve the business fundamentals, we will increasingly focus on investing in growth, both organically and through acquisitions and I am excited about the future of the Pro-Pac business.

Board Governance

Our Board has been unchanged for the last 12 months, and our collective focus on governance practices has provided a solid foundation for the Company's performance. This has also been our first full year working with CEO Tim Welsh. Tim has proven himself to be a performance driven people focussed leader, and we are delighted with the Company's progress since his appointment.

From a management perspective, the appointment of Iona MacPherson as Chief Financial Officer has seen a fresh approach. Iona has been an invaluable addition to our senior management team, bringing years of experience gained in publicly listed companies together with strong operational experience, and a focus on business transformation and process efficiency.

Together, Board and management bring significant industry experience, relevant skills and experience, and a shared and passionate commitment to delivering shareholder value.

On behalf of the Board of Directors, I would like to thank our shareholders for their on-going support together with our customers, suppliers and other stakeholders. I would also like to convey our appreciation to our leadership team and employees for their commitment and hard work in support of the Company and its strategic objectives.

I am now delighted to invite our CEO and Managing Director, Tim Welsh, to talk to you about our Financial Year 2020 performance, our strategy, the progress we've made with our business priorities, and the business outlook before we address the formal items on today's agenda.



CHIEF EXECUTIVE OFFICER'S ADDRESS

Thank you, Mr. Chairman. Good morning ladies and gentlemen and once again, welcome and thank you for joining us today.

Introduction

My name is Tim Welsh, and I have been the Managing Director and CEO of the Company since May 2019.

Despite 2020 having been a challenging year, I couldn't be more proud of how our team has responded and what we have been able to deliver together during this time.

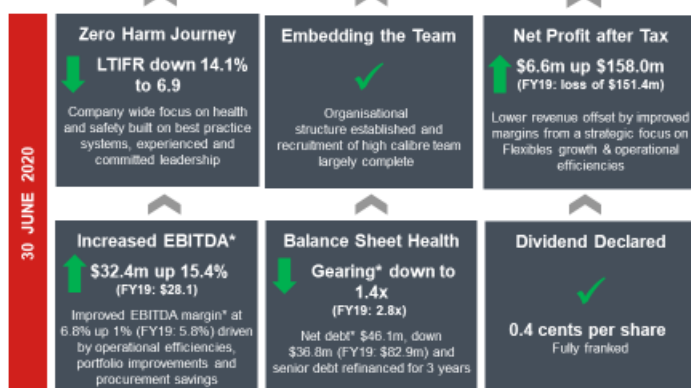
We have been uncompromising about prioritising a culture of health, safety and wellbeing and this unwavering commitment continues, particularly now for our team members in Malaysia.

Our Head of Health, Safety & Environment, Rachel Stephenson, has worked particularly effectively over a long period of time, successfully managing the global pandemic and minimising the risks to our people and the impacts on our business. I would like to congratulate Rachel and her team on their significant contribution and success to date.

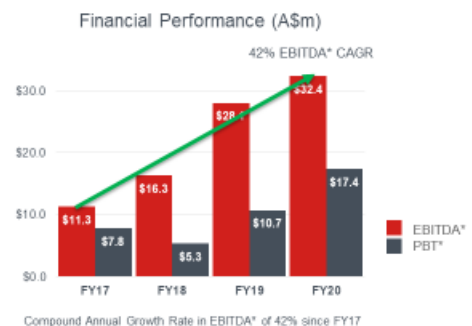
The safety of our employees and all our stakeholders has been at the forefront of everything we have done this year. We have seen safety performance improve with investment in experienced Health & Safety resources and the implementation of a new safety management system.

FY20 Results & Highlights

FY20 saw management drive considerable improvement in all key operating & financial metrics, building a platform for further improvement and future growth



* Non-IFRS measure as defined in the Appendices (page 20), pre-AASB 16





In the context of our FY20 results, the benefits from this investment in safety have been clear, with the Lost Time Injury Frequency Rate (LTIFR) reducing to 6.9 at the year end, down 17.9% from FY19.

Our COVID-19 management has been rigorous. New protocols and risk management initiatives have been implemented at all sites in Australia, New Zealand and Malaysia to reduce the potential risk of transmission of COVID-19, manage continuity of operations, and support our customers in the supply of essential products and services. We're pleased to report that our team has embraced these changes and to date, we haven't suffered a business interruption as a result of COVID-19 and did not receive the federal government's job keeper allowance.

Financial performance

Against the backdrop of all the challenges and opportunities that 2020 has thrown at us, our FY20 financial performance has been particularly pleasing.

In FY20 we delivered a result with both improved earnings and a significantly strengthened balance sheet.

Our EBITDA margin improved by 1% to 6.8%. This margin improvement came in part from our strategic focus to shift our business mix towards the higher margin products in our Flexibles division, but also from the delivery of operational efficiencies, the initiation of centralised procurement disciplines and better resin price outcomes.

This improved margin has delivered a pre-AASB 16 EBITDA outcome of \$32.4m, an increase of 15.4% on prior year.

These increased earnings along with a \$16.1m reduction in our working capital have contributed to the sizeable reduction in our net debt. At 30 June 2019, the company was carrying a net debt of \$82.9m with a net debt to EBITDA gearing of 2.8 x. At the end of FY20, we reduced that net debt by \$36.8m and closed the year with a net debt balance of \$46.1m and gearing of 1.4 x.

This strengthened balance sheet and our strong free cash flows were key considerations in the Board's decision to reinstate dividends and a fully franked dividend of 0.4 cents per share was paid to our shareholders last month.

Strategy

Strategy

- Growth
 - Tama Group transaction
 - Industrial division
 - Organic and acquisitive growth
- Operational excellence
 - Chester Hill project
 - ERP project
- Product innovation and sustainability
 - Head of Innovation Management
 - Duratrack



I'd like to spend a few minutes to update you on our key strategic imperatives and our progress with delivering on each element of our strategy.

Firstly, Growth

Growth continues to be a key strategic priority and we are pleased with our progress in this regard.

A significant step in ensuring our future growth has been entering into a strategic partnership with global Agricultural packaging company Tama Group. In June of 2020, we divested our Australian agricultural forage distribution business in conjunction with signing a 10 year agreement for Tama to exclusively distribute Pro-Pac's range of SilaWRAP film to the agricultural sector. This agreement provides guaranteed and increasing minimum annual volumes in each year of the agreement and we have also improved our working capital metrics within our Agricultural sector as a result of this transaction.

A key business priority for FY21 is to return our Industrial division to profitable growth. I'm delighted to advise that we have appointed a new Executive General Manager to our Industrial business, Mark Brunton, who joined us in August. Mark has over 25 years' experience in Managing Director and EGM roles across Australia and New Zealand in a variety of companies, many of which are household names. Mark brings values-based, results oriented leadership skills, along with innovative ideas to build and engage high performing teams. He has broad experience in customer centric strategies to lead business turn arounds, coupled with a strong strategic and commercial acumen. He has recently commenced a restructure of our Industrial division, and we are seeing positive impacts from this already: lost sales



are being re-gained; sku rationalisation is in progress; and supplier consolidation is underway. We are delighted to have Mark on board and working as part of the Pro-Pac team.

As well as our continuing emphasis on organic growth, our strengthened balance sheet gives us the capacity to consider acquisitive growth. Our primary focus is the acquisition of strategic assets and businesses that will grow our flexibles business, and select, qualified, target businesses are under consideration.

Secondly, Operational Excellence

In line with our strategy to optimise our operational footprint and increase manufacturing capability, in May this year we announced our decision to close the manufacturing facility at Chester Hill in NSW. The project is progressing well and is on time and within budget. Production is progressively being relocated to existing facilities in Sydney, Melbourne, Adelaide and Perth. The new 7-layer extruder and laminator is expected to be fully commissioned in Reservoir Victoria and operational early in the new year – this investment will provide new capacity and capability for growth with existing customers and expansion into new markets. The transition will be completed in FY21 and annualised benefits of around \$7m are on track to be delivered for FY22. We will continue to seek opportunities to rationalise and consolidate our manufacturing operations across the country if this sustainably improves our product and service offerings and our operating margins.

As also announced at our full year results, Pro-Pac commenced its ERP replacement project in June. This will consolidate multiple disparate existing systems onto a single, integrated ERP application for the Pro-Pac group. It will create a standard business framework to support effective and efficient operational and financial management and will provide a platform for sustainable growth. Again, I am pleased to report the project is progressing well and is on time and within budget. It is scheduled for completion in by the end of calendar year 2021.

Thirdly, Sustainability

In the medium-term, we aim to be an industry leading producer of sustainable packaging solutions. We are building our organisational capacity in this space, and have recently recruited Stephanie Thoo to the role of Head of Innovation Management. Stephanie's skills extend across product and program development, design thinking, human-centred design, and lean start up methodology. She will join the business in December and we are excited to welcome her on board to drive this vital part of our strategy.

We will continue to leverage innovation capacity, including our Duratrack recycled plastic railway sleepers, tailored closed loop solutions and supply partnerships to enhance the portfolio of recyclable, degradable and compostable products.

Business Outlook

Business Outlook

- Positive momentum from FY20 has carried forward into FY21
- We expect our 1H21 Profit Before Tax result to be better than last year (1H20: \$8.8m)
- Profit Before Tax to be the ongoing reporting metric
- COVID-19
 - broader macroeconomic conditions remain uncertain
 - ongoing global shipping disruptions



As we approach the end of our first half, we are pleased with how the year is progressing. The positive momentum with which we exited FY20 has continued, with operational performance in line with internal expectations and our major transformational projects on track and on budget.

Prior to significant items, we expect our first half Profit Before Tax result for FY21 to be better than last year (1H20 - \$8.8m).

The factors contributing to the improvement in the first half result compared to last year include:

- a slight improvement in the Flexibles result despite the Tama transaction shifting the timing of the earnings of our flexibles business. Historically we have made around 54% of our earnings in the first half and 46% in the second half. We now expect the earnings to be more balanced, around 50% in the first half and 50% in the second half.
- an improved performance in our Rigid business, with the successful retention of some of the new customers we gained during the initial stages of COVID-19;
- a return to profitability of our Industrial business;
- a reduction in bank interest due to the lower debt levels compared to prior year; offset by
- a full 6 months of health and safety and people and culture resourcing costs compared to prior year.



You will note that we are reporting this outlook at the Profit Before Tax level and this is the primary metric we will use in our results going forward. This is to ensure the costs of leases are appropriately incorporated into our results following the implementation of accounting standard AASB 16 Leases. However, rest assured that during FY21 we will continue to include reconciliations to pre-AASB 16 EBITDA in the appendices of our future results presentations.

Looking to the second half of the year, the broader macroeconomic conditions remain uncertain due to the ongoing impact of COVID-19. We will continue to prioritise the safety, health & wellbeing of our people in Australia, New Zealand and Malaysia, while doing everything within our control to ensure continuing operations and the supply of essential products and services to our customers.

The combination of COVID-19, Christmas, the Chinese New Year and recent industrial action at Australian ports are all factors contributing to ongoing global shipping disruptions. These issues are expected to continue in the short to medium term, however the Management team have navigated this well so far and will continue to do so.

In closing, I would like to thank you, our shareholders, for your continued support. I look forward to delivering continued progress for you into the future.

Finally, I would like to take this opportunity to personally thank all our staff and management for their commitment, support and their hard work over the last year, in particularly challenging circumstances. They make me proud every day.

I will now hand back to the Chairman to take us through the formal business of today's meeting.

CHAIRMAN

Thank you Tim.

Now turning to the formal part of the meeting.

The Explanatory Statement provided with the Notice of Meeting, sets out the reasons for each resolution, and I propose to take it as read. Shareholders voting at this meeting should also note the voting exclusion statements in relation to each Resolution as set out in the Notice of Meeting. All voting exclusion requirements imposed by the ASX Listing Rules, and set out in the Notice of Meeting, have been taken into account in determining all proxy counts in relation to the Resolutions proposed. I intend to vote all open proxies that I hold in favour of the resolutions.

As previously mentioned, votes may be cast in relation to each item of business by clicking on the icon on the Lumi platform that resembles a bar chart, which is at the top of the screen.

1. Financial Report

- To receive and consider the Financial Report of the Company and of the Consolidated Entity for the year ended 30 June 2020 and the Reports Directors' and Auditor's thereon.



Item 1 –

Financial Report

To receive and consider the Financial Report of the Company and of the Consolidated Entity for the year ended 30 June 2020 and the Reports by Directors and Auditors thereon.

The Annual Accounts including the Directors' Statements and Auditor's Report have been provided to shareholders. Ladies and gentlemen, this item of business does not require a vote, however, the reports are open for discussion. The Company's auditor is in attendance and is available to answer questions for Shareholders relevant to:

- The conduct of the audit;
- The preparation and content of the Auditor's report;
- The accounting policies adopted by the Company in relation to the conduct of the audit; and
- The independence of the auditor.

Kathleen - are there any questions relating to this item?

[Questions / Response]

If there are no [further] questions, we will move to the remaining resolutions for your consideration.

2. Remuneration Report Non Binding Advisory Resolution

- To receive, consider and adopt the Remuneration Report of the Company and Consolidated Entity for the year ended 30 June 2020.

FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
587,048,315	2,381,657	460,045	194,000
99.52%	0.4%	0.08%	



Resolution 2: To consider and if thought fit, pass the following resolution as an Ordinary Resolution:

“To receive, consider and adopt the Remuneration Report of the Company and Consolidated Entity for the year ended 30 June 2020.”

The Corporations Act requires the preparation of a remuneration report and that a resolution be put to members that the remuneration report be adopted. Voting on the resolution is not binding on the company or the Directors. However, the Board takes seriously the views of members on this matter and will be given proper consideration when we review our remuneration practices and policies.

The proxy votes received in respect of this resolution are now on your screen.

Kathleen - are there any questions relating to this item?

[Questions / Response]

Please cast your vote.



3. Director Election- Darren Brown

FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
587,943,014	577,452	530,045	1,735,644
99.81%	0.10%	0.09%	



Resolution 3: To consider and if thought fit, pass the following resolution as an Ordinary Resolution:

"That, for the purposes of clause 6.1 of the Company's Constitution and for all other purposes, Shareholder approval is given to the election of Mr. Darren Brown as a Director of the Company."

Darren's skills and experience are set out in the notice of meeting. Relevantly he brings over 30 years of finance and business professional experience much of which has been gained within the packaging industry. He is not an independent director, as he is an employee of an entity associated with the majority shareholder.

The proxy votes received in respect of this resolution are now on your screen.

Kathleen - are there any questions relating to this item?

[Questions / Response]

Please cast your vote.

4. Director Election- Leonie Valentine

FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
588,024,391	1,198,213	530,045	1,033,506
99.71%	0.20%	0.09%	



Resolution 4: To consider and if thought fit, pass the following resolution as an Ordinary Resolution:

"That, for the purposes of clause 6.1 of the Company's Constitution and for all other purposes, Shareholder approval is given to the election of Ms Leonie Valentine as a Director of the Company."

Leonie's skills and experience are set out in the notice of meeting. Relevantly Leonie is an IT&T executive with over 25 years' experience in sales, marketing and operations. She is currently Managing Director, Sales & Operations of Google Hong Kong.

The proxy votes received in respect of this resolution are now on your screen.

Kathleen - are there any questions relating to this item?

[Questions / Response]

Please cast your vote.

5. Increase Placement Capacity

FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
586,450,267	3,415,493	500,045	420,350
99.34%	0.58%	0.08%	



Resolution 5: To consider and if thought fit, pass the following resolution as a Special Resolution:

"That, in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholder approval is given to the issue, on one or more occasions, of such number of ordinary shares in the Company that is cumulatively equal to up to 10% of the issued share capital of the Company, at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2, at a price determined in accordance with ASX Listing Rule 7.1A.3, on the terms and conditions in the Explanatory Notes accompanying the notice convening this Annual General Meeting."

The proxy votes received in respect of this resolution are now on your screen.

Kathleen - are there any questions relating to this item?

[Questions / Response]

Please cast your vote.

6. Increase annual limit for Directors' fees

FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
584,503,033	5,004,939	460,045	818,138
99.07%	0.85%	0.08%	



Resolution 6: To consider and if thought fit, pass the following resolution as an Ordinary Resolution:

"That, for the purposes of ASX Listing Rule 10.17, clause 39 of the Company's Constitution and for all other purposes, Shareholder approval is given to increase the maximum aggregate annual remuneration that may be paid by the Company to its non-executive Directors as remuneration for their services as Directors from \$600,000 to \$800,000, with effect from the date of this meeting."

The proxy votes received in respect of this resolution are now on your screen.

Kathleen - are there any questions relating to this item?

[Questions / Response]

Please cast your vote.

7. Issue of Performance rights to Tim Welsh

FOR	AGAINST	PROXY'S DISCRETION	ABSTAIN
586,661,701	2,465,705	435,301	521,310
99.51%	0.42%	0.07%	



Resolution 7: To consider and if thought fit, pass the following resolution as an Ordinary Resolution:

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, shareholder approval is given to the issue and annual allotment of 3,446,154 Performance Rights (and Shares on exercise of such Performance Rights) to Mr. Tim Welsh, the Company’s Chief Executive Officer and Managing Director, under the Company’s Performance Rights Plan and otherwise on the terms set out in the Explanatory Notes accompanying this Notice of Annual General Meeting.”

The proxy votes received in respect of this resolution are now on your screen.

Kathleen - are there any questions relating to this item?

[Questions / Response]

Please cast your vote.

Ladies and Gentlemen, now that we have considered each resolution, I ask you to ensure that you have completed your voting. The poll on the resolutions will be closed at the conclusion of the meeting.

Kathleen - are there any general questions from shareholders?

[Questions / Response]

If there are no further questions, I will close the meeting and declare the voting closed. Thank you for your attendance today and for your support of Pro-Pac Packaging Limited.



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Reconciliations

Reconciliation to Gearing*

A\$ millions	Post- AASB 16 FY20	Adopt AASB 16 FY20	Pre- AASB 16 FY20	FY19	Change
EBITDA*	46.4	14.0	32.4	28.1	4.3
Add: unconsolidated LTM EBITDA from acquisitions*	-	-	-	1.2	(1.2)
Adjusted EBITDA*	46.4	14.0	32.4	29.3	3.1
Bank loans	66.5	-	66.5	100.1	(33.6)
Trade finance	-	-	-	4.7	(4.7)
Finance leases and hire purchase liabilities	-	(1.0)	1.0	1.8	(0.8)
Lease liabilities	58.7	58.7	-	-	-
Less: cash and cash equivalents	(21.4)	-	(21.4)	(23.6)	2.2
Net debt*	103.8	57.7	46.1	82.9	(36.8)
Gearing*	2.2x	0.8x	1.4x	2.8x	(1.4)x



* Non-IFRS measure as defined in the Appendices (page 20), pre-AASB 16
^ Portion of LTM EBITDA for Perfection Packaging and Polypak Plastics prior to acquisition

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Reconciliations

Reconciliation to PBT*, EBIT* & EBITDA*

A\$ millions	Post- AASB 16 FY20	Adopt AASB 16 FY20	Pre- AASB 16 FY20	FY19	Change
Profit/(loss) before tax	9.4	(2.9)	12.4	(152.7)	165.0
Add: significant items	5.0	-	5.0	163.3	(158.3)
PBT*	14.4	(2.9)	17.4	10.7	6.7
Add: finance costs	11.8	5.9	5.9	8.1	(2.3)
Less: interest income	(0.1)	-	(0.1)	(0.1)	-
EBIT*	26.2	3.0	23.2	18.7	4.4
Add: depreciation and amortisation	20.2	11.0	9.2	9.3	(0.1)
EBITDA*	46.4	14.0	32.4	28.1	4.3



* Non-IFRS measure as defined in the Appendices (page 20), pre-AASB 16

Definitions of IFRS & Non-IFRS Financial Measures



FY17 means the year ended 30 June 2017

FY18 means the year ended 30 June 2018

FY19 means the year ended 30 June 2019

FY20 means the year ended 30 June 2020

Adjusted EBITDA means EBITDA, plus any unconsolidated LTM EBITDA attributable to operations acquired

EBIT refers to PBT before finance costs and interest income

EBIT margin is calculated as EBIT divided by revenue

EBITDA refers to EBIT before depreciation and amortisation

EBITDA margin is calculated as EBITDA divided by revenue

Gearing is calculated as net debt divided by Adjusted EBITDA

LTM means the last 12-month period

Net debt is calculated as interest-bearing liabilities, less cash and cash equivalents

PBT refers to profit before income tax and significant items

-ends-