



FY20 AGM Presentation

ASX: PTL

Brands for Today & Tomorrow

Pental Team



Mark Hardgrave
Non-Executive
Chairman

Charlie McLeish
Managing Director

Fred Harrison
Non-Executive
Independent Director

John Etherington
Non-Executive
Independent Director

Jeff Miciulis
Non-Executive
Independent Director

Senior Executive Team



Charlie McLeish
Managing Director



Neil Godara
CFO

Substantial Shareholders ⁽¹⁾

Alan Johnstone – 22.75 %

John Homewood – 14.83 %

Elevation Capital Management LTD – 5.68%

(1) As at 11 November 2020

(2) Elevation capital management ltd. has a relevant interest in shares held by BNP Paribas noms (NZ) Ltd and BNP Paribas nominees pty ltd.



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overview

Investor presentation 2020





Quality

QualityControl

- Immensely proud of our quality
- Accountability for achieving business objectives
- Agile, flexible and welcome change
- Long-term focus and plan for a sustainable future



Innovation

Embracing New Ideas

- Dare to be different
- Challenge the status quo
- Encourage fresh ways of working
- Maximise consumer insights



Customers

Heart Of Our Business

- Build trusted and recognised brands
- Develop lasting relationships
- Responsive to their needs
- Provide outstanding value
- Pride in delivering the best products on time



CoreValues



Safety

#1 Priority

- Zero harm objective
- Proactive in hazard identification
- Maintain clean and safe equipment



People

Trust & Development

- Compassion, honesty and consistency
- Empower, trust and support others
- Encourage positive can-do attitudes
- Work as one team, communication
- Foster personal growth and career development, success



Delivering on our strategy



Driving Sales Growth & Demand

- Key brand focus
- Brand exposure
- Strong customer relationships
- Value add promotions

Develop New Products & Sales Channels

- Product innovation
- Driving market share
- Grow margin contribution

Expand Export Markets

- Grow New Zealand
- China strategy
- Vietnam
- Explore other Asian markets

New Projects

- New products
- New Brands
- New Customers

Continuous Manufacturing Improvement

- New technology
- New product capability
- Drive down costs
- Developing a skilled workforce



FY20: A Year of Growth for Pental



AUG 19

New pack design
Refreshed look across the core Bleach portfolio



Product innovation
Bathroom Powergel
Mould & Soap Scum Remover



SEP 19

Install New Liquid filling line in Shepparton



NOV 19

Social Media, Influencer, Online Consumer Promotions & Programatics



JAN - FEB 20

Outdoor Advertising & Sponsorships
White King & Country Life



MAR 20

NEW Country Life Anti Bacterial range



Children's Ground NT Charitable donations



APR 20

New 3 White King Hospital Grade Disinfectant products



NEW Ranged in Bunnings White King 2L Bleach and Tradie Soap



MAY 20

Driving sales with the Australian Made Australian Owned Platform
Supporting local jobs in Victoria



Supporting communities East Timor



JUN 20

The "Thankyou" Campaign

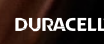
A video series interviewing Pental staff members about why they love their job and supporting local communities.



- The impact of the COVID-19 pandemic on Australia has amplified Pental's local supply and brand advantages with supermarkets (~75% of total sales).
- We anticipate Australian and New Zealand customers will continue to prefer locally-made and pay for differentiated household products in the post COVID-19 world.

FY20 financial performance

Investor presentation 2020



FY20: A Year of Growth for Pental



We have achieved a successful year driven by focussing on our core brands, launching new products, driving efficiencies in manufacturing and growing our business significantly.

- Net sales revenue +26% to \$126.5m in FY20, driven by growth across all sales channels
- Underlying NPAT +45% to \$5.0m
- Total Dividends +45% to 2.9 cents per share (including 0.7c special dividend)
 - The impact of the COVID-19 pandemic has accelerated the favorable growth trends that Pental has developed across its business



12-month share price performance and volume



Pental Ltd is the only major vertically integrated supplier of trusted personal, household and commercial cleaning brands with Australian manufacturing and Australasian distribution.

Our vision is to be a leading supplier of shelf stable products to our chosen markets, built around a reputation of delivering quality, innovation and sustainability to the satisfaction of customer needs whilst enhancing shareholder value.

Financial highlights



Sales Revenue up

\$26.01
mil



Underlying EBIT
Increased by

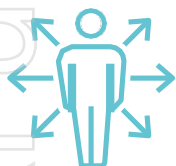
47.51%



Increased Advertising
Spend by

31%

(compared to previous year)



**Inventory
well managed**

(increased by only 2.8%
despite revenue increasing
by 25.9%)



Dividend Up

45%

**No
Debt**

Revenue growth
in all channels and territories

**Brands in
healthy position**
supported by strong revenue

**Targeted
promotions**
And strong focus on ROI
(return on investment)

Financial performance



Key Consolidated Income Statement Items

\$'000	FY 20	FY 19	Change	%
Gross Sales (GSV)	188,994	153,986	35,008	+22.73%
Trade Spend & Rebates	(62,534)	(53,540)	(8,994)	+16.80%
Net Sales	126,460	100,446	26,014	+25.90%
Trade Spend & Rebates to GSV	33.1%	34.8%	-1.7%	
Underlying EBITDA	11,972	8,330	3,642	+43.72%
Underlying EBITDA excluding impact of AASB 16	11,423	8,330	3,093	+37.13%
Underlying EBITDA to Net Sales	9.0%	8.3%	+0.7%	
Depreciation	(4,576)	(3,316)	(1,260)	
Underlying EBIT	7,396	5,014	2,382	+47.51%
Underlying EBIT to Net Sales	5.8%	5.0%	+0.9%	
Underlying Net Profit After Tax	5,019	3,451	1,568	+45.44%
Statutory Profit After Tax	5,019	1,921	3,098	+161.23%
Underlying basic earnings per share in cents	3.68	2.53	1.15	+45.44%
Reported basic earnings per share in cents	3.68	1.41	2.27	+160.97%
Total dividend per share in cents	2.90	2.00	0.90	+45.00%

- Gross sales **up 22.73%** & Net sales revenue **up 25.90%**

Driven by strength of core brands White King and Country Life.

Growth across all sales channels in FY20

Production ramped up in second half to address demand generated due to COVID 19.

New products created and launched within 6 weeks in response to market demand.

- Significant investment made into marketing support for core brands in second half.
- FY20 full year **dividend payout ratio 78.7%** on Net profit after tax



Financial performance



Key Statement of Financial Position Items

\$'000	Jun-20	Jun-19	Change
ASSETS			
Cash	3,668	246	3,422
Trade and other receivables	20,133	17,617	2,516
Inventories	23,419	22,777	642
Property, plant and equipment	20,634	22,588	(1,954)
Goodwill and other intangible assets	12,508	12,501	7
Leased Assets	1,170	-	1,170
Other	641	268	373
Total Assets	82,173	75,997	6,176
LIABILITIES			
Trade and other payables	18,340	17,017	(1,323)
Current tax payable	1,362	336	(1,026)
Employee and other provisions	2,605	2,116	(489)
Lease liabilities	1,202	-	1,202
Deferred Tax Liabilities	2,865	3,344	479
Total Liabilities	26,374	22,813	(3,561)
NET ASSETS	55,799	53,184	2,615

- Cash movement – refer to Cash flow analysis. Pental remains **debt free** and in a healthy cash position to pay **strong dividend**.
- Working capital higher by \$1.835 million impacted by timing of year end cut-off on 28th June.
- Key Brand Values **sustained** due to strong marketing Investment e.g. White King
- **Focus** on inventory management. Inventory marginally higher despite 25.9% increase in revenue.

Financial performance



Key Consolidated Statement of Cash Flows Items

\$'000	FY 20	FY 19	Change
Profit after Tax	5,019	1,921	3,098
Add non cash items (impairment, depreciation, amortisation and employee share options expense)	4,642	5,431	(789)
Change in net working capital	(1,835)	(9,374)	7,539
Other balance sheet movements	679	(408)	1,087
Net Cash provided by / (used in) Operating Activities	8,505	(2,430)	10,935
Capital Expenditure	(2,079)	(2,189)	110
Dividend Paid	(3,004)	(2,180)	(824)
Net increase/(decrease) in cash	3,422	(6,799)	10,221
Net cash position at the beginning of the period	246	7,045	(6,799)
Net cash position at the end of the period	3,668	246	3,422

- Operating Cash Flow **up \$10.935 million.**
- Working capital up \$1.835 million due to timing of year end on 28th June meaning debtors due at 30th June to be collected in FY21.
- Continuous focus on working capital management.
- The Company remains **debt free.**
- **Dividend payout ratio** at **78.7%** of NPAT.

Financial performance



Dividends

Cents per hare	FY 20	FY19	Change
Interim dividend	0.70	0.70	-
Special dividend	0.70	-	+100.00%
Final dividend	1.50	1.30	+15.38%
Total Dividend	2.90	2.00	+45.00%
Total dividend excluding special dividend	2.20	2.00	+10.00%
Opening share Price as at start of financial year*	30.50	28.00	+2.50
Franking	100%	100%	-
Pre-franking dividend yield	9.51%	7.14%	+2.37%
Dividend yield with franking credits	13.58%	10.20%	+3.38%

- **Dividend payout ratio** at **78.7%** of NPAT.
- A special fully franked dividend of 0.7 cents per share paid to shareholders on 7 August 2020.
- Final fully franked dividend of 1.5 cents per share t paid to shareholders on 25 September 2020 with record date of 7 September 2020.
- A strong dividend return of 13.58% based on opening share price for the financial year.

*Source: Commonwealth Securities trade history
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FY 20 sales performance

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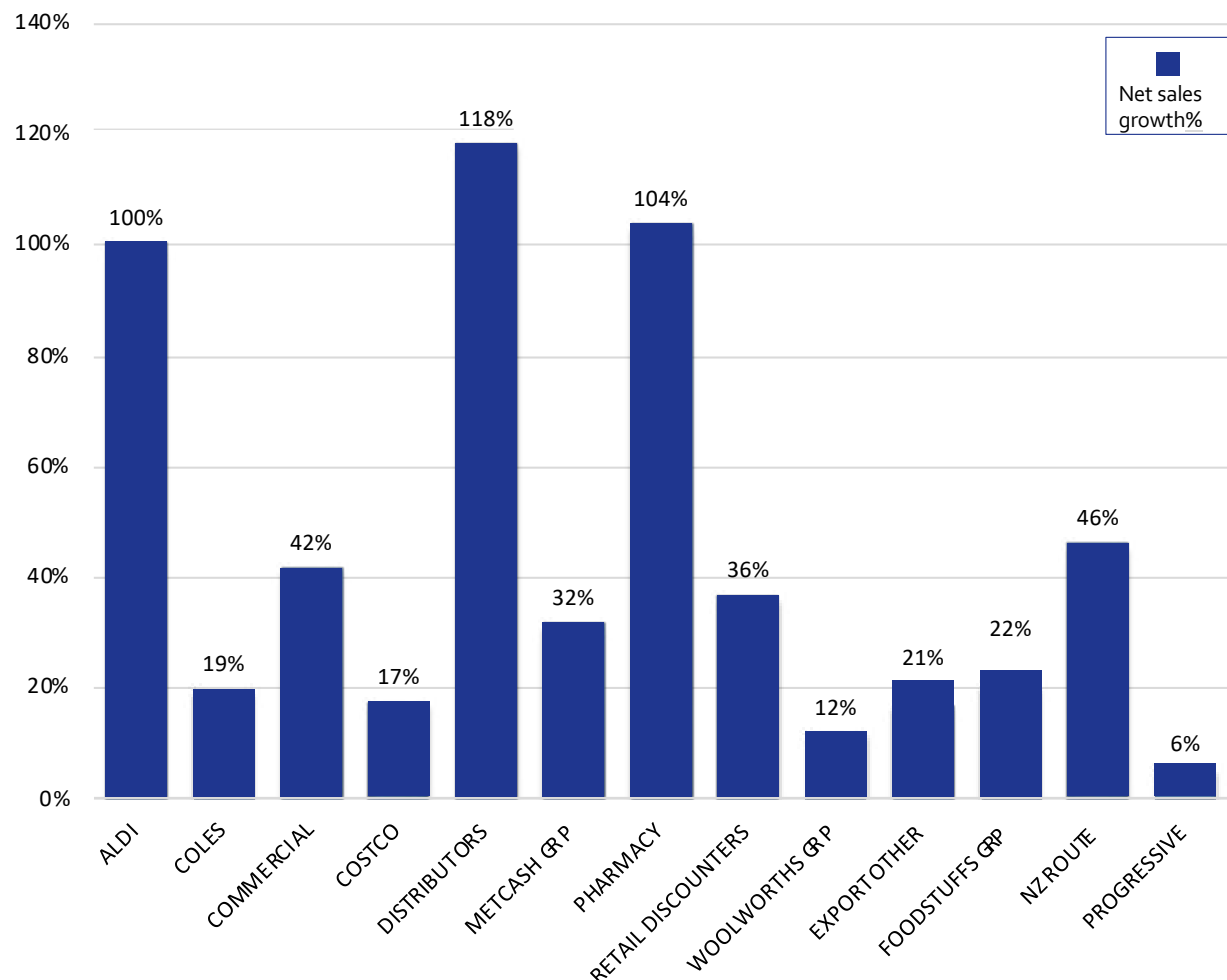


FY20 – sales scorecard by channel (owned brands)



Channels by Region	Net Sales FY20 vs FY19	Indicator
AUSTRALIA	26%	
ALDI	100%	✓
COLES	19%	✓
COMMERCIAL	42%	✓
COSTCO	17%	✓
DISTRIBUTORS	118%	✓
METCASH GROUP	32%	✓
PHARMACY	104%	✓
RETAIL DISCOUNTERS	36%	✓
WOOLWORTHS GROUP	12%	✓
Export – Rest of the world	21%	✓
EXPORT OTHER	21%	✓
New Zealand	19%	✓
FOODSTUFFS GROUP	22%	✓
NZ ROUTE	46%	✓
PROGRESSIVE	6%	✓
GrandTotal	24%	✓

Net Sales - FY20 vs FY19



Sales achievements



White King Products
Ranged in
**Bunnings
& Aldi**



Developed 3 New
**Hospital Grade
Disinfectant
Products**
to help protect
against Coronavirus

We experienced
**very positive
growth**
in all sales channels

Increased Country Life
Sales revenue by
52%

New White King disinfectants
permanent ranging
in Woolworths



Increased Advertising
spend by
31%
compared to previous year



Strong year on year growth
with Duracell
revenue up
44%



Janola in New Zealand
experienced good
26% growth
over previous year



FY20 – export scorecard



Territory Total	Var % vs LY
New Zealand Growth (AU\$)	19%
Export – Rest of the world (AU\$)	21%

New Zealand



- Strong Pental growth in New Zealand, up +19% versus LY
- Janola up +26% versus LY
- Sunlight up +8% versus LY
- Successful launch of new Janola Toilet Range, achieved incremental ranging & distribution across Foodstuffs South Island & Woolworths NZ

Export – Rest of the world



- Whilst budget was slightly down, versus LY growth was very strong at +21%
- Continue New Product Development for market demands and sustainable growth
- Attended different exhibitions and established awareness of Pental brands in China
- Maintain existing sales channels and build more for wider coverage and growth.
- Keep exploring new international opportunities, such as Vietnam, Singapore, etc.
- Continue work with major distributors in China – Jiangsu, TEG, Silverstone - to increase demand



FY20 – Duracell sales performance



Customer Total	TYvLY
COLES	Strong Growth
DISTRIBUTORS	Strong Growth
METCASH GRP	Strong Growth
Total Australia	Strong Growth
New Zealand	Strong Growth



- The Australian and NZ battery category size is approx. AUD \$201 million in annual retail sales.
- Predominantly an alkaline market making up 75% with Zinc 11%.
- Key Duracell customers are Coles, Metcash, Bunnings, and battery specialties.
- Coles represents the majority of the total Duracell business with very strong growth versus LY (increased share and range)
- Bunnings represents a significant share of the total Duracell business with very strong growth versus LY (new ranging)
- The Australian and New Zealand Supermarket channel is one of the most concentrated in the world with 2 major retailers making up 80% of business.
- New business in Westfarmers (Coles Express)
- NZ Duracell business whilst small achieved growth +125% versus LY

FY 20 marketing performance

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Velvet



LITTLE
LUCIFER

softly
solutions

Janola

THE AUSTRALIAN
COUNTRY
LIFE

AIM

DURACELL



KNIGHT'S
CASTLE



FY20 marketing performance



Brands

- Core Pental Brands experienced significant Retail Sales Value (RSV) growth in FY20:
 - White King **+12.6%** growth vs YA
 - Country Life **+21.2%** growth vs YA
 - Velvet **+11.5%** growth vs YA
 - Jiffy Firelighter **+18.5%** growth vs YA
 - Janola Toilet **+2.5%** growth vs YA
- Sunlight +3.6% growth vs YA
- High frequency, mass reach marketing campaigns heavily supported Pental's core brands throughout H2
- New Marketing Channels entered to reach our target audience including: Pay-per-click, Influencer, Programmatic display, Outdoor and much more
- Branded entered New Channels for the first time including Coles Express, Bunnings, Aldi

Products

- Focus on creating innovative NPD that addresses consumer needs and growth our Branded presence across the market:
 1. White King/Janola Disinfectant cleaners
 2. Country Life Antibacterial Liquid and Bar Soap range
 3. Velvet 'for beautiful skin' personal care range
 4. Sunlight Dish Foam range
 5. Jiffy Scented Firelighters
- A unique to Bunnings range of White King Cleaners
- Core brands White King and Country Life have launched into the growing Sanitiser segment with Retail and Commercial offers
- Softy's 'love you clothes' platform has opened opportunities to target high growth sub-segments such as Baby, Activewear, Sensitive and Eco specialty detergents



FY20 marketing activities



Paid Social Media Advertising



Influencer Marketing



FY20 marketing activities



High traffic website takeovers (Programmatic display)

**Total Impressions:
7,115,948**

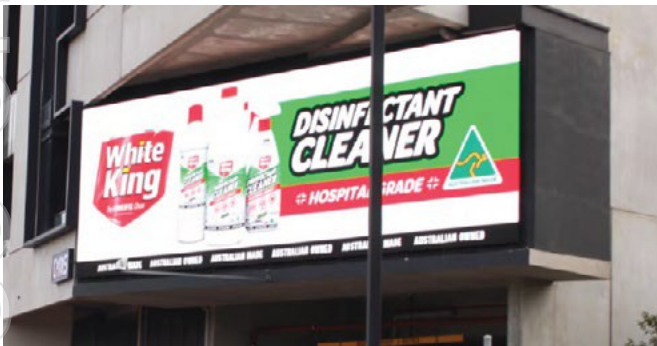
**Total Reach:
1,816,096**



FY20 marketing activities



Outdoor Advertising & Sponsorships



Corporate social responsibility



Supporting communities in the Northern Territory
and East Timor during the Global Pandemic



FY20 new products



White King's disinfectant range



FY20 new products

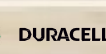


Country Life's antibacterial range

Country Life has re-positioned itself as the antibacterial for hand, body and bath



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FY21 New Products



Leverage our Channel specific Brands to launch into instant hand sanitisers



On the Go

(Pharmacy and Convenience)



Everyday houseproud

(Major Retail)



Workplace sanitation

(B2B)

FY20 operations performance

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Velvet



AIM

DURACELL



KNIGHT'S CASTLE



FY20 – supply chainscorecard



Supply

98%
supplied in full
and on time

Optimum transport
utilisation with additional
Duracell volumes



Planning

Reduced product
changeovers by
17%

Highly trained
and experienced
people



Warehouse

100%
Picking accuracy
warehouse controls

Air-conditioned
Warehouse for
Battery Range

FY20 – operations scorecard



**Staff
Retention**



**Safety Focus
Risk Reduction**

Plant risk assessments

**Plant
Performance**

Transition to Best practice Asset care and life cycle management

**Warehouse
Utilisation
97%**

Efficiency gains

through Engineering inventory and stores management



Major focus on
**waste
reduction**



Focus on
**innovation,
automation and
plant flexibility.**

**Overall Equipment
Effectiveness**

OEE metric's used to appraise performance and improvement opportunities

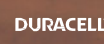
**Plant
performance**

Expand our Planned and proactive Preventive maintenance systems



FY21 business outlook

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FY21 Growth Strategies



Distribution Partnerships

- Ongoing Growth
- Extend Partnership
- New Sales Channels
- New Customers
- New Distributors



Continuing Innovation Pipelines

- Expand into new product segments
- Focus on quality and convenience
- Satisfy consumer needs
- Be quick and



Export Partners

- Enhancing our export & Asian footprint:
 1. New Zealand
 2. China
 3. Vietnam
 4. Thailand



Marketing Support

- Outdoor Media
- Digital communication
- Maximising shelf presence
- Driving sales with Australian Made Australian Owned platform



Strategic Acquisitions

- Profitable Growth
- Shareholder Value
- Increasing Scale
- Minimising risk
- Achieving best practice

FY21 Outlook



- Pental is maintaining strong momentum in FY21.
- Pental are embarking on developing a new brand and range of products to be sold exclusively in the E-commerce channel.
- We have a large range of new products to present to all major retailers in FY21.
- We are investing in our own trusted brands such as White King, Janola, Country Life and Softly with strong above the line social media and outdoor advertising.
- We are developing new products, similar to the successful launch of the White King disinfectants and Country Life antibacterial handwash. Product innovation is the key to Pental's long term success.
- Successfully negotiated an agreement to make Duracell the major battery brand in Coles.
- Building on the success of our strategic distribution partnership with Duracell, we are actively exploring additional partnership opportunities.
- Our strong financial and operating performance, coupled with a strong balance sheet, positions Pental well to identify and evaluate potential acquisitions to fit within our business.

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