

## Annual General Meeting November 2021

CONNECTING WITH OUR BRANDS



# Contents

**02 Content**

**03 Overview**

**07 FY21 Financial Performance**

**11 FY21 Sales Performance**

**15 FY21 Marketing Performance**

**25 FY21 Operations Performance**

**27 Business Outlook**



# Overview



# Core Values



## 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



## Innovation

Embracing New Ideas

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



## Quality

Quality Control

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



## 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 through Key Brands

White King / Janola

Jiffy Firelighters

Softly

Country Life



## Develop New Products and Channels

Bunnings

e-commerce

Developing Products with better margins



## Expand Export Markets

Continue the New Zealand growth strategy

Continue to Explore opportunities in Asian markets



## New Projects

Hampers With Bite

Bondi Soap

Explore Acquisitions

Product Innovation



## Continuous Manufacturing Improvement

Sustainability Projects

New technology

New product capability

Drive down costs

Waste and Energy reduction

# FY21 Highlights



Underlying EBIT  
Increased by  
**10%**



Operational  
Cost controls



Underlying EPS  
Increased by  
**12%**

Identified a strategically  
suitable Business  
Acquisition



Strong Cash  
position with  
\$12.7m

Inventory cover  
reinstated to  
adequate levels

following June  
2020 depletions

Effective Trade  
spend  
management

Strong balance  
sheet position  
to execute  
a strategic  
acquisition

No  
Debt





# FY21 Financial Results

# Financial Performance



## Key Consolidated Income Statement Items

\$'000	FY 21	FY 20	Change	%
<b>Net sales revenue (NSV)</b>	<b>124,940</b>	<b>126,460</b>	<b>(1,520)</b>	<b>(1.20%)</b>
<b>Underlying EBITDA<sup>1</sup></b>	<b>11,998</b>	<b>11,972</b>	<b>26</b>	<b>0.22%</b>
<i>Underlying EBITDA to NSV</i>	9.6%	9.5%	0.1%	
Depreciation	(3,849)	(4,576)	727	15.89%
<b>Underlying EBIT<sup>1</sup></b>	<b>8,149</b>	<b>7,396</b>	<b>753</b>	<b>10.18%</b>
<i>Underlying EBIT to NSV</i>	6.5%	5.8%	0.7%	
<b>Underlying net profit after tax<sup>1</sup></b>	<b>5,607</b>	<b>5,019</b>	<b>588</b>	<b>11.72%</b>
Statutory profit after tax	5,363	5,019	344	6.85%
<b>Underlying basic earnings per share in cents<sup>1</sup></b>	<b>4.12</b>	<b>3.68</b>	<b>0.44</b>	<b>11.85%</b>
Reported basic earnings per share in cents	3.94	3.68	0.26	7.06%
<b>Dividend per share in cents<sup>2</sup></b>	<b>2.60</b>	<b>2.20</b>	<b>0.40</b>	<b>18.18%</b>

- Net sales marginally down with impact of changes from Duracell distributorship agreement effective May 2021.
- Retained the Duracell sales agency distributorship in the non-supermarket and non-hardware sales channels, including Costco.
- Strong margin contribution performance from firelighters and cleaners
- Pental successfully developed and launched new White King germ killing variants during the COVID lockdown period
- Tight controls on cost of manufacturing overhead, labour efficiencies and utilisation improved year on year
- Private Label sales flat due to Australian consumers switching to trusted brands during these unprecedented times

<sup>1</sup> FY21 underlying results exclude impact of \$0.35m non-cash write-down of brandnames and related income tax of \$0.1m. No abnormal items in FY20 results.

<sup>2</sup> Please refer to Appendix 4E for a full reconciliation between statutory profit and underlying profit.

<sup>3</sup> FY20 dividend excludes special dividend of 0.7 cents per share paid in August 2021.



# Financial Performance



## Key Statement of Financial Position Items

\$'000	Jun-21	Jun-20	Change
<b>ASSETS</b>			
Cash	12,702	3,668	9,034
Trade and other receivables	14,096	21,854	(7,758)
Inventories	16,053	23,419	(7,366)
Property, plant and equipment	19,301	20,634	(1,333)
Brandnames and other intangible assets	12,181	12,508	(327)
Leased assets	928	1,170	(242)
Other assets	333	641	(308)
<b>Total assets</b>	<b>75,594</b>	<b>83,894</b>	<b>(8,300)</b>
<b>LIABILITIES</b>			
Trade and other payables	12,291	19,868	7,577
Current tax payable	449	1,362	913
Employee and other provisions	2,766	2,605	(161)
Lease liabilities	978	1,202	224
Deferred tax liabilities	2,363	2,865	502
<b>Total liabilities</b>	<b>18,847</b>	<b>27,902</b>	<b>9,055</b>
<b>Net assets</b>	<b>56,747</b>	<b>55,992</b>	<b>755</b>

- Strong cash position due to unwinding of Duracell related working capital –refer to Cash flow analysis for all movements.
- Pental remains **debt free** as at reporting date and in a strong cash position to execute a strategic **acquisition** and maintain **strong dividend**.
- Inventories of manufactured products were **built up to pre-COVID levels** following depletion in June 20 quarter.
- Strong collection and management of debtors with **minimal overdues**.
- Key brand values **remain strong** supported by strong marketing investment e.g. White King

# Financial Performance



## Key Consolidated Statement of Cash Flows Items

\$'000	FY 21	FY 20	Change
<b>Profit after Tax</b>	<b>5,363</b>	<b>5,019</b>	<b>344</b>
Add non-cash items (impairment, depreciation, amortisation and employee share options expense)	4,333	4,642	(309)
Change in net working capital	7,354	(1,835)	9,189
Other balance sheet movements	(1,005)	679	(1,684)
<b>Net Cash provided by Operating Activities</b>	<b>16,045</b>	<b>8,505</b>	<b>7,540</b>
Capital Expenditure	(1,955)	(2,079)	124
Repayment of lease liabilities	(565)	(491)	(74)
Utilisation/(repayment) of supplier payment facility	(131)	212	(343)
Dividend Paid	(4,360)	(2,725)	(1,635)
<b>Net increase/(decrease) in cash</b>	<b>9,034</b>	<b>3,422</b>	<b>5,612</b>
<b>Net cash position at the beginning of the period</b>	<b>3,668</b>	<b>246</b>	<b>3,422</b>
<b>Net cash position at the end of the period</b>	<b>12,702</b>	<b>3,668</b>	<b>9,034</b>

- Changes in Duracell distribution agreement resulted in release of approximately \$8.7 million in working capital. This was offset by \$1.3 million increase in working capital for rest of the business.
- Operating cash flow remains healthy excluding the release of Duracell working capital.
- Significant tax payments related to FY20 profits were made during the reported period. Tax liabilities (including deferred tax) reduced by \$1.4 million.
- The Company remains debt free as at reporting date.
- Dividend paid during the reported period was significantly more than prior year due to special dividend paid in August 2020.





# **FY21 Sales Performance**

# Sales



White King Bleach

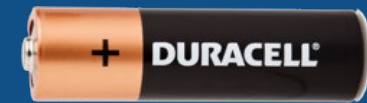
**Australia's**

No1 Selling Bleach



White King Toilet Gel's hit  
**\$10M+**  
in  
Retail Sales\*

Strong 1<sup>st</sup> Half Year growth



with Duracell revenue up

**32.8%**

**#1**

White King Mould & Scum  
&  
Jiffy Original 24PK

Retail Value & Unit Sales  
IRI MAT 27/06



Increased Jiffy  
Sales  
revenue by  
**44%**



**NEW**  
Sunlight Products

Agreed ranging  
in major NZ  
retailers



Little Lucifer  
experienced

**38% growth**

over previous year  
In Domestic Market



# FY21 – Australia Review (Core Business)



Australia



## Costco

- Pental business in Costco achieved 33% growth year on year

## Aldi

- Business grew by 11% vs FY20

## Coles

- Successful ranging of the White King 1L Disinfectant from May 2021

## Woolworths

- New White King Toilet Gel promotional strategy
- New Jiffy Scented Firelighters in Woolworths from April 2021

## Independents

- Ranging of the White King Drain & Sink and the Country Life Anti Bacterial sku's (4) from June 2021

# FY21 – Export Review



## New Zealand (NZ)



- Major COVID driven supply chain disruptions resulting in shortfall of sales. (down 6.85% in NZD)

Decline in NZ market due to major challenges with the unloading of shipping containers.

Sunlight project in progress with major NZ grocery retailers to improve our product range and revenue. As a result, Sunlight became the sole supplier in the 500ml dishwash segment in a major retailer.

## Other Exports



- Major impacts from increased import restrictions placed by Government of China targeting Australian exporters.
- Continue New Product Development for Asian market demands and sustainable growth
- Distributors focusing on creating Pental's Brand awareness by engaging social media influencer & through various exhibitions and trade shows
- Exploring new international opportunities, such as Vietnam, Singapore, etc.
- Continuing work with major distributors in China – Jiangsu and Silverstone - to increase demand through product awareness campaigns.





# **FY21 Marketing Performance**

## Product

Pental Brands were successful in launching new products in major retailers throughout FY21.

- New White King Toilet Gels with Added Stain Remover
- New White King Disinfectant Cleaner 1L in Coles
- New White King Drain and Sink Sanitiser in Metcash
- New Jiffy Scented Firelighters – Australia Wide Launch
- Janola Multi Purpose Cleaner in Woolworths Supermarkets in New Zealand
- Sunlight Dishwashing range in Foodstuffs New Zealand

## New Channels

Bundle Packs created for a new e-commerce platform.

Branded packs include:

- Bondi Soap range
- White King value packs
- Country Life Family Packs
- Velvet Beauty Packs
- Aim Travel Packs
- New Product development to target branded Sales and sustainable growth in new Channels such as Hardware, Aldi, E-Retailers and Export.





# FY21 Marketing



Our Australian Made campaign achieved:

Across all digital channels we achieved 2,573,983 impressions

729,571  
impressions  
across social

899,481  
impressions  
on YouTube

944,931  
impressions  
across  
Programmatic



# FY21 – Investing in Digital



## Pental Always On



- Instagram
- Facebook



## Pental Category & Brand Campaigns



- Programmatic Display
- Instagram
- Facebook
- YouTube
- Catchup TV
- Search



## Pental Ecommerce



- Google Shopping
- Search
- Facebook
- Instagram
- Programmatic Display



## Bondi



- Facebook
- Instagram
- YouTube
- Search
- Influencer Marketing



# Recent Developments & Key Wins



## Exclusive Bleach Distribution Agreement with Major Retailer

- Pental has successfully negotiated to be the sole supplier of bleach to Australia's largest retailer
- White King Bleach to be ranged in Major **Hardware Retailer** commencing September 2021

# Recent Developments & Key Wins



## New Jiffy Firelighter Products

- Two new Jiffy Firelighter variants ranged in Major Grocery Retailers commencing July 2021
- Pental is now the number one supplier of firelighters across all major retailers\*



# Recent Developments & Key Wins



## New White King Toilet Gel Range

- Developed new improved toilet gel cleaners. These products have been ranged in major grocery retailers.
- Scheduled to promote the new range at half price strategically across FY22 to increase market share whilst maintaining profitability.

# Recent Developments & Key Wins



## New Softly Range

- Re-launch of Softly range in June 2021
- Two new variants currently being rolled out into Major Grocery Retailers
- Three new variants will be presented for ranging in FY22



# FY21 New Zealand Products



Sunlight



# FY21 New Zealand Products



Janola  
Disinfectant





A photograph of a man and a young girl in a laundry room. The man is leaning over a white front-loading washing machine, and the girl is standing next to it. A large circular graphic with a white, textured, cloud-like border is overlaid on the image. Inside the circle, the text "FY21 Operations Performance" is written in white. The background of the slide is dark blue with a pattern of small, glowing white dots.

# **FY21 Operations Performance**

# FY21 – Supply Chain Scorecard



## Supply

Maintained **98%**  
**DIFOT**

In Domestic market

Managed import / export  
shipping capacity in a  
volatile market



## Planning

Optimised  
planning cycles to  
improve line  
efficiencies

Focused on long  
term capacity  
modeling



## Warehouse

**100%**

Picking accuracy  
warehouse controls

**90%**

warehouse  
utilisation





# FY22 Business Outlook

# Delivering on our Strategy



## Distribution Partnerships

- Procell & Duracell
- Bunnings
- Chemist Warehouse
- New Distributors



## Continuing Innovation Pipelines

- Innovate non-chemical products
- Focus on sustainability



## Export Partners

- Enhancing our export footprint including New Zealand and Asia



## Marketing Support

- Digital marketing
- Outdoor media
- Australian and New Zealand



## Strategic Growth

- Hampers With Bite
- Explore further acquisitions
- Shareholder Value
- Increase Scale



# FY22 Marketing Plans



Continue to focus on our Mass Reach Digital Marketing campaigns



Commence our E-commerce Sales strategy via our core brands



Continue with Hampers with Bite growth plans



Focus on improving White King and Country Life's shelf positioning in major Grocery

Sustain our current Branded Market Share growth throughout FY22

Develop Channel specific product ranges to grow General Trade Channels



Enter the General-Purpose Segment via White King NPĐ



Capitalise on White King's Share of Bathroom Cleaners through range extension



# FY22 New Value Packs



## Pental Home Cleaning Packs





# FY22 New e-commerce Products



## Pental Value Packs



# FY22 New Hardware Products



## Pental Tradie Packs





# Recent Developments and Key Wins



Pental has had several recent key wins that reinforce its position as a household goods and FMCG leader



## Exclusive Bleach Distribution Agreement with Major Retailer

- Pental has successfully negotiated to be the sole supplier of bleach to Australia's largest retailer
- White King Bleach to be ranged in major hardware retailer Bunnings commencing November 2021



## New Jiffy Firelighter Products

- Two new Jiffy Firelighter variants ranged in major grocery retailers commencing July 2021
- Pental is now the number one supplier of firelighters across all major grocery retailers



## New White King Toilet Gel Range

- Pental has developed new improved Toilet Gel Cleaners. These products have been ranged in major grocery retailers.
- Scheduled to promote the new range at half price across FY22



## New White King Stain Remover Range

- White King Stain Remover is a new product produced in Shepparton and has been ranged in major Supermarkets



## New Softly Range

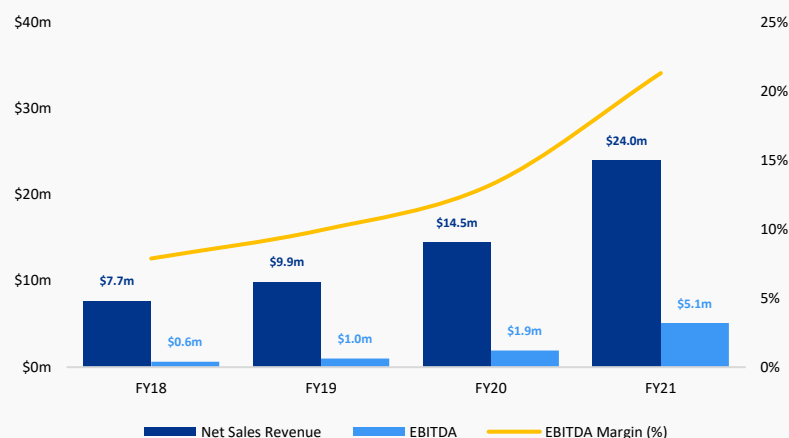
- Re-launch of Softly range in June 2021
- Two new variants currently being rolled out into major grocery retailers
- Three new variants will be presented for ranging in FY22

# HWB Acquisition completed 1 September 2021



- Hampers With Bite Pty Ltd (**HWB**) are hamper and gifting specialists, providing a range of hampers and gifts with the ability for customers to create their own hamper, or simply purchase one of HWB's pre-designed hampers online. HWB hampers and gifts are targeted towards gifts to friends & family and corporates clients
- HWB runs both a business to business (B2B), and business to consumer (B2C) model, supplying both gifts and food & wine hampers to a loyal customer and consumer database with HWB's own branded label products making up more than 60% of the product range, targeting 80% by Christmas 2021

HWB Financial Performance



- HWB has grown from a ~\$10m revenue business in FY19 to a ~\$24m revenue business in FY21<sup>1</sup>
- The HWB business has delivered strong EBITDA Margin growth as it continues to build scale

<sup>1</sup>Based on unaudited FY21 financial and other data provided by HWB

## HAMPERS WITH BITE



\$24.0m  
Revenue<sup>1</sup>

\$5.1m  
EBITDA<sup>1</sup>

2004  
Founded

Melbourne  
HQ

+134,000  
Email  
Subscribers<sup>1</sup>

54%  
Repeat  
Customers<sup>1</sup>

+4,200  
B2B  
Customers<sup>1</sup>

+60%  
Own  
Branded  
Sales<sup>1</sup>

### Key Corporate Customers<sup>1</sup>





# Hampers with Bite - Diversifying our sales channels by fast tracking the e-commerce growth strategy



## Online Channel Growth

HWB represents a transformational and strategically compelling acquisition with significant growth potential that advances Pental's online channel presence.



## Revenue Synergies

Significant cross-selling opportunities with Pental's products with a substantial existing HWB customer base, across B2B and B2C customers



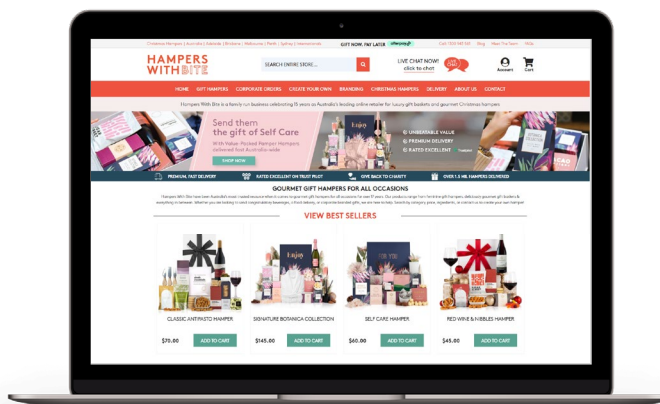
## Accretion

This acquisition will replace the impact of changes to the Duracell distributorship agreement with an incremental EBIT of approximately \$2.0m before any benefit from synergies.



## E-Commerce Expertise

Leverage HWB e-commerce capabilities to drive group e-commerce sales growth so that it forms a material revenue component of the Pental business



## Product Synergies

Product synergies to be identified in personal care products



## Improved Scale

Increases the combined group revenue by \$24.0m in net sales



## Enhanced Distribution Capability

Pental will leverage HWB's well established direct-to-consumer distribution capabilities and increased efficiencies



## Improved R&D and New Product Capabilities

Combining the new product development expertise of HWB together with the Pental new product R&D function to create new innovative gift and hamper products and offerings.

# FY22 Outlook summary



- Focus on sustainability
- Sales growth in the New Sales Channels



- Build Customer partnerships
- Competitive and innovative



- New Costs out/down initiatives in FY21/22
- Continued focus on improving productivity



- Strong team and safety culture
- Develop New Partnerships



- Continue to explore strategic acquisitions
- Maximise Hampers with Bite synergies





# Important Notice and Disclaimer



This presentation has been prepared by Pental Limited ACN 091 035 353 (**Company**). This presentation contains summary information about the Company, its subsidiaries and the entities, businesses and assets they own and operate (**Group**) and their activities current as at 18 November 2021 unless otherwise stated and the information remains subject to change without notice. This presentation contains general background information and does not purport to be complete. It has been prepared by the Company with due care but no representation or warranty, express or implied, is provided in relation to the accuracy, reliability, fairness or completeness of the information, opinions or conclusions in this presentation.

**Not an offer or financial product advice:** The Company is not licensed to provide financial product advice. This presentation is not and should not be considered, and does not contain or purport to contain, an offer or an invitation to sell, or a solicitation of an offer to buy, directly or indirectly, in any member of the Group or any other financial products (**Securities**). This presentation is for information purposes only.

**Financial data:** All dollar values are in Australian dollars (\$) or A\$). Any financial data in this presentation is unaudited.

**Effect of rounding:** A number of figures, amounts, percentages, estimates, calculations of value and fractions in this presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this presentation.

**Underlying financial information:** Any reference to underlying financial information in this presentation is a result of excluding impact of non-recurring income and expenditure based on the Company's judgement. A reconciliation between the Underlying financial information and Pental's statutory financial information is included within the Financial Report. The statutory results in this Report are based on the Final Financial Report which has been audited by the Group's auditors.

**Past performance:** The operating and historical financial information given in this presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of the Company's views on its future performance or condition. Actual results could differ materially from those referred to in this presentation. You should note that past performance of the Group is not and cannot be relied upon as an indicator of (and provides no guidance as to) future Group performance.

**Future performance:** This presentation contains certain "forward-looking statements". The words "expect", "anticipate", "estimate", "intend", "believe", "guidance", "propose", "goals", "targets", "aims", "outlook", "forecasts", "should", "could", "would", "may", "will", "predict", "plan" and other similar expressions are intended to identify forward-looking statements. Any indications of, and guidance on, future operating performance, earnings and financial position and performance are also forward-looking statements. Forward-looking statements in this presentation include statements regarding the Company's future financial performance, growth options, strategies and new products. Forward-looking statements, opinions and estimates provided in this presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Forward-looking statements, including projections, guidance on future operations, earnings and estimates (if any), are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. No representation is given that the assumptions upon which forward looking statements may be based are reasonable. This presentation contains statements that are subject to risk factors associated with the Group's industry. These forward-looking statements may be affected by a range of variables which could cause actual results or trends to differ materially, including but not limited to earnings, capital expenditure, cash flow and capital structure risks and general business risks. No representation, warranty or assurance (express or implied) is given or made in relation to any forward-looking statement by any person (including the Company). In particular, but without limitation, no representation, warranty or assurance (express or implied) is given that the occurrence of the events expressed or implied in any forward-looking statements in this presentation will actually occur. Actual operations, results, performance or achievement may vary materially from any projections and forward-looking statements and the assumptions on which those statements are based. Any forward-looking statements in this presentation speak only as of the date of this presentation. Subject to any continuing obligations under applicable law, the Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statements in this presentation to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any such statement is based. Nothing in this presentation will under any circumstances create an implication that there has been no change in the affairs of the Group since the date of this presentation.

**Non-IFRS terms:** This presentation contains certain financial data that has not been prepared in accordance with a definition prescribed by Australian Accounting Standards or International Financial Reporting Standards, including the following measures: EBITDA, EBITDA margin, EBIT, maintenance capital expenditure and growth capital expenditure or performance improvement capital expenditure. Because these measures lack a prescribed definition, they may not be comparable to similarly titled measures presented by other companies, and nor should they be considered as an alternative to financial measures calculated in accordance with Australian Accounting Standards and International Financial Reporting Standards. Although the Company believes that these non-IFRS terms provide useful information to recipients in measuring the financial performance and the condition of the business, recipients are cautioned not to place undue reliance on such measures.

**No liability:** The Company has prepared this presentation based on information available to it at the time of preparation, from sources believed to be reliable and subject to the qualifications in this document. To the maximum extent permitted by law, the Company and its affiliates, related bodies corporate (as that term is defined in the Corporations Act), shareholders, directors, employees, officers, representatives, agents, partners, consultants and advisers accept no responsibility or liability for the contents of this presentation and make no recommendations or warranties. No representation or warranty, express or implied, is made as to the fairness, accuracy, adequacy, validity, correctness or completeness of the information, opinions and conclusions contained in this presentation. To the maximum extent permitted by law, the Group does not accept any responsibility or liability including, without limitation, any liability arising from fault or negligence on the part of any person, for any loss whatever arising from the use of the information in this presentation or its contents or otherwise arising in connection with it.



# THANK YOU

