



**Investor Presentation – FY2017**

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# FY2017 HIGHLIGHTS



- Continuation of dividends → 1.5 cent per share final dividend (total of 2 cps for the year)
- Underlying EBITDA<sup>1</sup> growth of 7% to \$7.1 million
- Underlying NPAT<sup>1</sup> growth of 16% to \$2.7 million

<sup>1</sup> Excludes non-recurring costs of \$0.3 million (\$0.2 million after tax)

# FY2017 FINANCIAL PERFORMANCE

Measure	Underlying Result from continuing operations (\$'m) <sup>1</sup>	Underlying Growth
Sales	62.5	0.3% <sup>2</sup>
EBITDA	7.1	7%
EBIT	4.3	14%
Net Profit Before Tax (NPBT)	3.6	17%
Net Profit After Tax (NPAT)	2.7	16%
Earnings Per Share (EPS)	5.1 cps	16%

<sup>1</sup> Excludes non-recurring costs of \$0.3 million (\$0.2 million after tax)

<sup>2</sup> Excluding discontinued operations and product lines

# OUTLOOK

- In the absence of any significant deterioration in economic conditions, **the Directors reasonably expect to deliver growth in both revenue and earnings in FY2018**
- The Company has a number of items of new business, along with opportunities in progress, that are expected to drive ongoing growth in the coming years
- The primary drivers of this growth are expected to be:
  - Contract Manufacturing:
    - Full year impact of contracted and existing business
    - New contracts which are executed coming online during the 2018 and 2019 financial years
    - Efficiency gains (margin improvement)
  - Obesity and Health Management:
    - New distribution for the Company's Impromy range of products and services
    - New product launches planned for the 2018 financial year

# PROBIOTEC BUSINESS DIVISIONS



## Contract Manufacturing

- OTC
- Complementary
- Prescription
- Consumer Health



## Branded Pharmaceuticals

- Gold Cross
- David Craig
- Skin Basics



## Obesity & Health Management

- Impromy
- Celebrity Slim

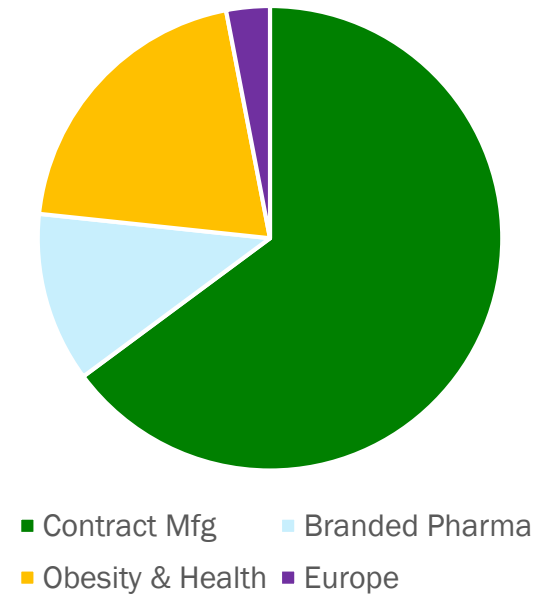


## Research & Development

- Product Development
- Research & Clinical Trials

# DIVISIONAL SALES PERFORMANCE

Division	Result from continuing operations (\$'m)	Like-for-like Growth <sup>1</sup>
Contract Manufacturing	40.6	5%
Branded Pharmaceuticals	7.4	1%
Obesity & Health Management	12.7	4%
Europe	1.9	(53%)
<b>Total</b>	<b>62.5</b>	<b>0.3%</b>



<sup>1</sup> Excluding discontinued operations and product lines

# DIVISIONAL OUTLOOK

Division	Key Developments and drivers
Contract Manufacturing	<ul style="list-style-type: none"> <li>• Full year impact of newly contracted work to flow in FY18.</li> <li>• Significant further opportunities in various stages of progress expected to drive additional growth in FY18 and FY19.</li> <li>• Margin expansion due to improved quality of work, efficiencies and synergies</li> <li>• Expected to grow strongly in FY2018.</li> </ul>
Branded Pharmaceuticals	<ul style="list-style-type: none"> <li>• Solid performance driven by brands with a strong heritage in the pharmaceutical market.</li> <li>• Several new products in development with plans to release in FY18.</li> <li>• Continued moderate growth expected.</li> </ul>
Obesity & Health Management	<ul style="list-style-type: none"> <li>• Several major distribution opportunities for IMPROMY being pursued.</li> <li>• New products being released under both IMPROMY and Celebrity Slim during the 2<sup>nd</sup> half of FY17.</li> <li>• New program streams addressing additional health issues to come online under IMPROMY in future years.</li> <li>• Expected to grow strongly in FY2018.</li> </ul>
Europe	<ul style="list-style-type: none"> <li>• FX headwinds.</li> <li>• Difficult economic conditions in major market, being the United Kingdom.</li> <li>• Limited downside risk to sales and/or earnings.</li> </ul>



# CONTRACT MANUFACTURE

	Result from continuing operations (\$'m)	Like-for-like Growth <sup>1</sup>
Sales revenue	40.6	5%
Divisional Earnings	4.8	7%

## COMMENTARY

- Growth driven from both existing and new customers
- Improved margins due to discontinuance of low margin product lines and improved cost management
- Continued high levels of sales inquiries, leads and contracted new business
- Significant capacity exists to continue growth

<sup>1</sup> Excluding discontinued operations and product lines

# BRANDED PHARMACEUTICALS

	Result from continuing operations (\$'m)	Like-for-like Growth
Sales revenue	7.4	1%
Divisional Earnings	1.2	45%

## COMMENTARY

- Sales growth of 1%
- Earnings grew significantly given prior period was impacted by clearance of rationalised lines
- Range of new products under development



# OBESITY & HEALTH MANAGEMENT

	Result from continuing operations (\$'m)	Like-for-like Growth <sup>1</sup>
Sales revenue	12.7	4%
Divisional Earnings	1.4	20%

## COMMENTARY

- Uplift in earnings and margins under streamlined product range
- IMPROMY program developed in conjunction with CSIRO continues to achieve growth in both sales and distribution levels
- New products released late in 2<sup>nd</sup> half of FY17 under both IMPROMY and Celebrity Slim
- IMPROMY program looking to diversify into further health categories in coming years
- Celebrity Slim performing satisfactorily in highly competitive environment

<sup>1</sup> Excluding discontinued operations and product lines

# EUROPE

	Result from continuing operations (\$'m)	Like-for-like Growth
Sales revenue	1.9	(53%)
Divisional Earnings	(0.3)	-

## COMMENTARY

- Operation simplified to be sales & marketing focused
- Sales impacted by weakening of the British Pound together with supply issues (now resolved)
- Challenging environment with currency headwinds together with an uncertain economic environment in the United Kingdom
- Limited downside risk due to reduced size and cost base of operation

# CONTACTS

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