



FY21 Half Year Results

Brands for Today & Tomorrow



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overview

Investor presentation Dec 2020



Velvet



LITTLE LUCIFER

softly

Janola

THE AUSTRALIAN COUNTRY LIFE

AIM

DURACELL



KNIGHT'S CASTLE





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



Core Values



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 (Bondi)
- New Customers
- Strategic Acquisition

Continuous Manufacturing Improvement

- New technology
- New product capability
- Drive down costs
- Developing a skilled workforce
- Waste and Energy reduction



First Half highlights



Sales Revenue up

\$9.37
mil



EBIT Increased

by
91%



Marketing spend up

39%

to support brand
growth



**Working Capital
Management**

Working capital in
line with June 20



**Secured new 4-year
Banking Facility
with CBA**

**No
Debt**

**New Website and social
media advertising
campaign**

**Significant
Growth in
White King
and Jiffy**

**Promotional
Effectiveness**

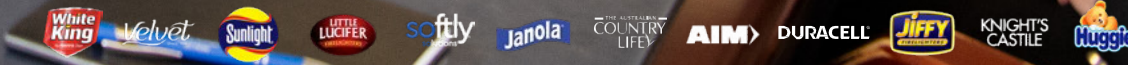




FY21

First Half Financial Results

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Financial performance



Key Consolidated Income Statement Items

\$'000	HY 21	HY 20	Change	%
Gross Sales (GSV)	95,089	85,288	9,801	11.49%
Trade Spend & Rebates	(30,457)	(30,029)	(428)	1.43%
Net Sales	64,632	55,259	9,373	16.96%
<i>Trade Spend & Rebates to GSV</i>	<i>32.03%</i>	<i>35.21%</i>	<i>3.18%</i>	
EBITDA	6,113	4,169	1,944	46.63%
EBITDA margin on Net Sales	9.46%	7.54%	1.91%	
Depreciation	(1,875)	(1,955)	80	(4.09%)
EBIT	4,238	2,214	2,024	91.42%
<i>EBIT margin on Net Sales</i>	<i>6.56%</i>	<i>4.01%</i>	<i>2.55%</i>	
Net profit after tax	2,889	1,475	1,414	95.86%
Basic earnings per share in cents	2.12	1.08	1.04	96.33%
Interim Dividend Per Share in cents	1.00	0.70	0.30	42.86%

- Gross sales up 11.49% & Net sales revenue up 16.96%
- Core brands White King and Jiffy experienced significant growth in Australia.
- Contracted brands revenue up significantly driven by channel expansion and strong promotional program
- EBIT margin improved significantly driven by high sales volume and improved utilisation of fixed cost base.
- Significant investment made into marketing support.
- HY20 interim dividend increased by 42.86%

Financial performance



Key Statement of Financial Position Items

\$'000	Dec-20	Jun-20	Change
ASSETS			
Cash	2,745	3,668	(923)
Trade and other receivables	15,587	20,133	(4,546)
Inventories	27,865	23,419	4,446
Property, plant and equipment	19,875	20,634	(759)
Leased assets	1,213	1,170	43
Brandnames and other intangible assets	12,507	12,508	(1)
Other	1,154	641	513
Total Assets	80,946	82,173	(1,227)
LIABILITIES			
Trade and other payables	18,128	18,340	(212)
Current tax payable	633	1,362	(729)
Lease liabilities	1,264	1,202	62
Employee and other provisions	2,642	2,393	249
Other financial liabilities	84	212	(128)
Deferred Tax Liabilities	2,607	2,865	(258)
NET ASSETS	55,588	55,799	(211)

- Cash movement – refer to Cash flow analysis. Pental remains **debt free** and in a healthy cash position to pay **strong dividend**.
- Working capital **in line with June-20** position.
- Inventory up as manufactured products were **built up to normal safe levels** following depletion in June 20 quarter. Also, includes additional stock in transit to support significant contracted brands growth.
- Strong collection and management of debtors with **no debt write-off and minimal doubtful debts**.
- Key Brand Values **sustained** due to strong marketing Investment e.g. White King
- **Continuous Focus** on inventory management.

Financial performance



Key Consolidated Statement of Cash Flows Items

\$'000	HY 21	HY 20	Change
Profit after Tax	2,889	1,475	1,414
Add non cash items (depreciation, amortisation and employee share options expense)	1,954	1,955	(1)
Change in net working capital	(112)	421	(533)
Movement in income tax liabilities	(987)	(257)	(730)
Other balance sheet movements	(444)	(269)	(175)
Net cash provided / (used) by operating activities	3,300	3,325	(25)
Capital Expenditure	(816)	(1,053)	237
Lease liabilities repaid	(280)	(239)	(41)
Utilisation/(repayment) of supplier payment facility	(129)	611	(740)
Dividend Paid	(2,998)	(1,771)	(1,227)
Net increase/(decrease) in cash	(923)	873	(1,796)
Net cash position at the beginning of the period	3,668	246	3,422
Net cash position at the end of the period	2,745	1,119	1,626

- Operating Cash in line with prior year despite paying **significant tax payments related to FY20 profits.**
- Working capital in line with June 20 position.
- Continuous focus on working capital management.
- The Company remains **debt free.**
- Dividend up **42.86% on prior year.**

FY 21 H1 Sales Performance

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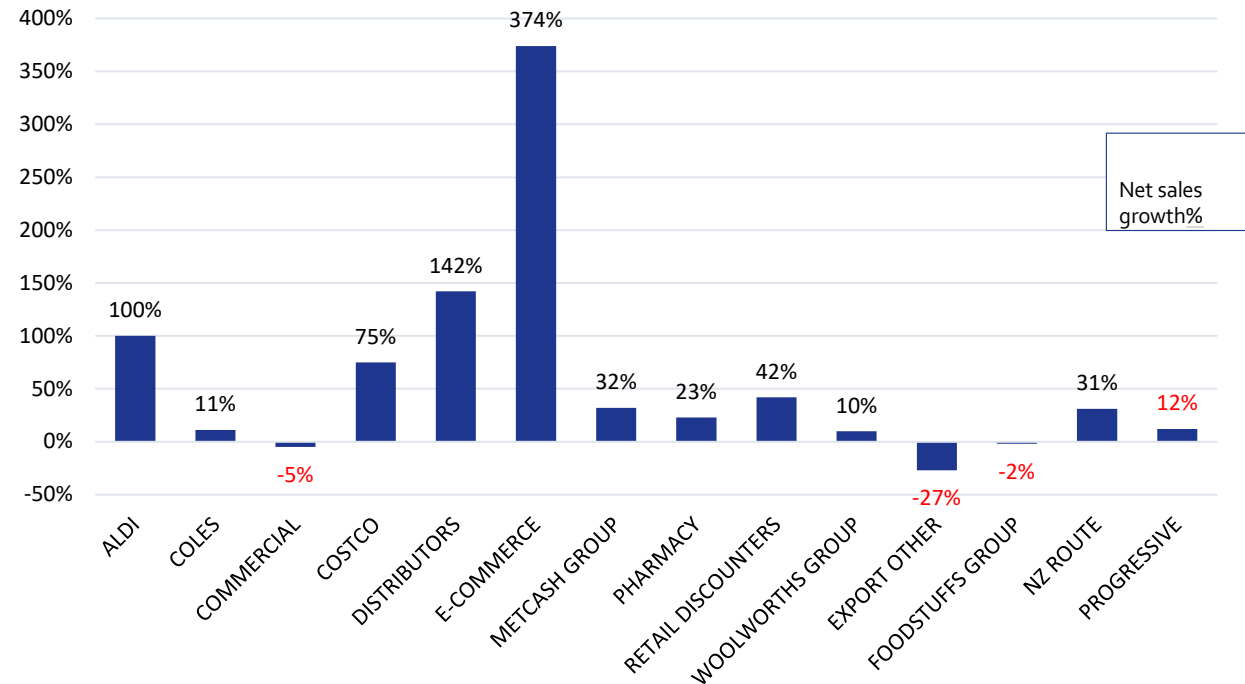


FY21 H1 – sales scorecard by channel (owned brands)



Channels by Region	Net Sales FY21 H1 vs FY20 H1	Indicator
Australia	19%	✓
ALDI	100%	✓
COLES	11%	✓
COMMERCIAL	-5%	✗
COSTCO	75%	✓
DISTRIBUTORS	142%	✓
E-COMMERCE	374%	✓
METCASH GROUP	32%	✓
PHARMACY	23%	✓
RETAIL DISCOUNTERS	42%	✓
WOOLWORTHS GROUP	10%	✓
Export – Rest of the world	-27%	✗
EXPORT OTHER	-27%	✗
New Zealand	-4%	✗
FOODSTUFFS GROUP	-2%	✗
NZ ROUTE	31%	✓
PROGRESSIVE	-12%	✗
Grand Total	12%	✓

Net Sales - FY21 H1 vs FY20 H1



- Exports into Asia down due to COVID 19 driven disruptions and unpredictable political relationship with China.
- Supply issues in New Zealand due to COVID 19 driven restrictions resulting in congestions at the New Zealand port in the latter part of 2020 impacted November and December 2020 sales.

Sales achievements



White King Products experienced

20.5%

Sales revenue Growth



New Products



Owned brands

Half Year net sales up vs previous year

11.6%

Increased Jiffy Sales revenue by



64%

New Jiffy Eucalyptus & Lemon Myrtle agreed ranging in major retailers

White King Toilet Gel lemon retains its

No.1 position



Strong Half Year growth with Duracell revenue up

32.5%



Little Lucifer in New Zealand experienced good

15% growth

over previous year



FY21 H1 – export (Owned Brands)



New Zealand



- Slight decline in New Zealand, down by -4% vs previous year (H1)
- Much of the decline in NZ market due to major challenges in Supply Chain industry forced by COVID-19 restrictions
- Little Lucifer up +15% versus LY
- Sunlight project in progress with major NZ retailers (Progressive & Foodstuffs) to improve our product range and revenue

Other Export



- Major impacts from increase Export Restriction placed by Gov of China, decline of -14.3% in sales revenue vs last year (H1)
- Continue New Product Development for market demands and sustainable growth
- Distributors focusing on creating Pental's Brand awareness by engaging social media influencer & through various exhibitions and trade shows
- 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 and Silverstone - to increase demand





FY 21 marketing performance

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Velvet



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softly

Janola

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FY21 Marketing



Brands

- Core Pental Brands experienced significant **Retail Sales Value (RSV)** growth in FY21:
White King **+16.3%** growth vsYA
Country Life **+26.5%** growth vsYA
Velvet **+16.0%** growth vsYA
Jiffy Firelighters **+22.7%** growth vsYA
Janola Toilet **+3.8%** growth vsYA
Sunlight **+9.1%** growth vsYA
- The continuation of high frequency, mass reach marketing campaigns heavily supported Pental's core brands throughout H1
- White King featured on SEN and 3AW promoting our new disinfectant range of household cleaners
- Country Life commences it's partnership with Royal Far West supporting Australian rural families

Products

- Focus on creating innovative NPD that addresses consumer needs and growth our Branded presence across the market:
 1. White King Toilet Gels
 2. Softly Baby and Active care laundry liquids
 3. White King and Country Life gifting bundles
 4. Sunlight 1L Dish Washing Liquid
 5. Bondi Selections Hand Wash and Bar Soap
- Jiffy Scented Firelighters officially accepted into major Retailers as incremental lines
- Janola Disinfectant cleaners and Knights Castile Antibacterial Soaps have been developed for the New Zealand market
- Gifting bundles being developed for new E-commerce platforms in 2021



FY21 marketing



Paid Social Media Advertising

Influencer Marketing

Consumer promotion



FY21 marketing



Outdoor billboards



FY21 marketing activities



High traffic website takeovers (Programmatic display)

**Total Impressions:
5,238,698**

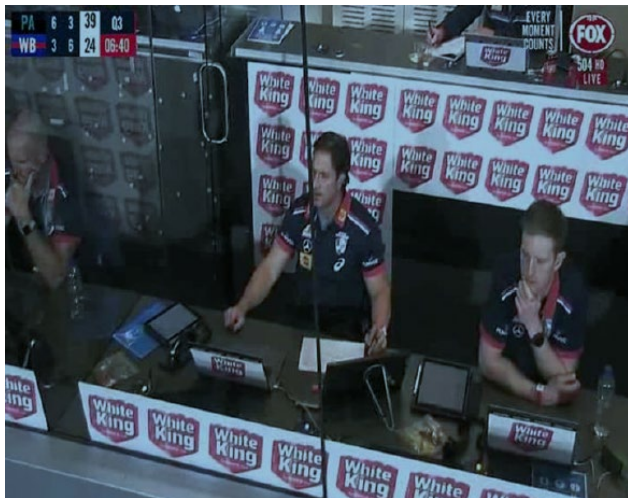
**Total Reach:
2,190,164**



FY21 marketing activities



Outdoor Advertising & Sponsorships



Corporate social - Royal Far West



Supporting families and children in rural Australia
with access to educational & health services.



FY21 new products



Jiffy Firelighters

Scented range



FY21 new products



Sunlight



FY21 new products



Janola disinfectant





HY 21 operations performance

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HY21 – supply chain



Supply

Maintain **98%**
DIFOT

Manage import / export
shipping capacity in a
volatile market



Planning

Optimise
planning cycles
to improve line
efficiencies

Focus on long
term capacity
modeling



Warehouse

100%
Picking accuracy
warehouse controls

90%
warehouse utilisation

HY21 – Quality Scorecard





Product Testing.
Quality Control Focus


Risk Reduction- Compliance Focus.

Best Practise GMP audits and training

Regulatory Compliance

Certification focus driving customer compliance
100% compliance to external audits


Customer Complaints Reduction.



Focus on Lean Manufacturing.

Quality Compliance

Quality Management Systems

COVID19 Crisis Management Plan

Keeping our people safe



HY21 – Operations Scorecard



Focus on Staff
Training

Electronic Training courses



**Safety
Focus Risk
Reduction**

Plant risk assessments

Labour Efficiency

5% improvement
on prior year

**Traffic
Management
Review**

Efficiency gains

through Engineering
inventory and stores
management



**Trade
waste
reduction**



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


**Plant
Performance**

Transition to Best practice Asset
care and life cycle management

**Plant
Maintenance**

Expand our Planned and
proactive Preventive
maintenance systems





FY 21 business outlook

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Velvet



LITTLE LUCIFER

softly
by nature

Janola

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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 Marketing Plans



Continue to focus on our Mass Reach Digital Marketing campaigns



Commence our E-commerce Sales strategy via our core brands



Prioritise quick to market, innovative NPD



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

Sustain our current Branded Market Share growth throughout FY21

Develop Channel specific product ranges to grow General Trade Channels



Enter the General-Purpose Segment via White King NPD



Capitalise on White King's number 1 Share of Bathroom Cleaners through range extension

FY21 New Products



Baby



Wool



Active

FY21 New Products



Pental bundle packs



White King



Velvet



Country Life

FY21 Summary



- Sales growth with the 4 Big Brands
- Sales growth in the New SalesChannels



- Build Customer relationships
- Enhance Brand protection
- Competitive and innovative



- New Costs out/down initiatives in FY20/21
- Continued focus on improving productivity



- Strong team culture
- Safety and the environment
- Grow the Duracell partnership
- Develop New Partnerships



- New Customers and Markets
- Possible Acquisition

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