

Probiotec Limited

ASX: PBP

# HY22 RESULTS & OUTLOOK



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All values are expressed in Australian Dollars unless otherwise stated.

# Financial Highlights



## Revenue

**\$85.2m** Underlying\*  
+100% on HY21

**\$85.2m** Pro Forma\*  
+3% on HY21

## EBITDA

**\$14.9m** Underlying  
+100% on HY21

**\$14.9m** Pro Forma  
+24% on HY21

## EBIT

**\$10.0m** Underlying  
+78% on HY21

**\$10.0m** Pro Forma  
+28% on HY21

## NPAT

**\$6.0m** Underlying  
+66% on HY21

**\$6.0m** Pro Forma  
+11% on HY21

## Net Bank Debt

**\$22.0m** Net Bank Debt  
0.75x Proforma LTM EBITDA

\* See Slide 10 for reconciliation between Pro Forma, Underlying and Actual Results

# Key Highlights



## Strong performance to date with improving trading conditions forecast



Following AGM Update, the Group has continued to trade ahead of expectations



Guidance: revenue of \$175-180m for FY22 and Underlying EBITDA of \$32-33m



Acquisition of H&H Packaging effective from 1st Aug 2021, trading ahead of expectations



Revenue of \$85.2m, up 3% on Pro Forma pcp (HY21), despite impact of Covid-19



Underlying EBITDA<sup>1</sup> of \$14.9m, up 24% on pcp



Strong underlying cash flow from operations of \$12.4m, up 31% on pcp.  
Cash generation and conversion at 83% of EBITDA



Net bank debt<sup>2</sup> level conservative at 0.75x Underlying EBITDA (12 months ended 31st Dec 2021)



EPS<sup>1</sup> of 7.6 cps, up 57% from pcp



Interim Dividend of 2 cents per share

<sup>1</sup> Results from continuing operations, excluding amortisation of acquired Intangibles and non-recurring transaction costs

<sup>2</sup> Bank debt only, excludes AASB16 leases

# FY22 Outlook & Guidance

## Guidance

Based on no worsening of Covid-19 and/or economic conditions, in FY22 the Group currently expects to deliver:

## EBITDA

**\$32-33m**  
(underlying)

## Revenue

**\$175-180m**

## Organic Growth



The Group continues to secure new contract wins and whilst the onboarding of this work continues to be impacted by Covid-19, this business is secured under long term agreements



Cough, cold and flu categories are showing further signs of recovery (revenue declined by c. \$20m in FY21) and are expected to progressively recover as Covid-19 restrictions are eased and we head into the peak season for supply in 2HY22 and beyond



Enquiry, new business demand, onshoring and general industry tailwinds expected to continue and be realised through FY23 and FY24

## Inorganic Growth



Management continues to focus on strategic acquisitions to further enhance the Group's footprint and position in the market

## Covid-19 Statement



COVID-19 continues to impact the industry and operating environment, largely related to timing, execution, labour availability and supply chain disruption



All sites continuing to operate with effective Covid-19 management strategies in place to mitigate disruptions to operations

# Our Strategy

01

**Organic growth via key customer relationships**

Additional opportunities for cross fertilisation and leveraging of existing capabilities to improve revenues from existing customers

02

**Maximise opportunity from onshoring and domestic manufacturing**

Probiotec is well positioned given its capabilities, capacity and experience to assist global clients to localise their manufacturing in Australia

03

**Acquisition and capital investment opportunities**

Probiotec to continue its disciplined approach to accretive and strategic acquisitions

04

**Driving operational improvements and cost synergies**

Committed focus to reduce costs and leverage operating scale

# HY22 Profit & Loss Summary

\$m	HY22 Underlying	HY21 Underlying	Actual vs PCP
Sales Revenue	85.2	42.6	↑ 100%
EBITDA	14.9	7.4	↑ 100%
EBIT	10.0	5.6	↑ 78%
Net Profit After Tax	6.0	3.6	↑ 66%

\$m	HY22 Pro Forma	HY21 Pro Forma	Pro Forma vs PCP
Sales Revenue	85.2	82.6	↑ 3%
EBITDA	14.9	12.0	↑ 24%
EBIT	10.0	7.8	↑ 28%
Net Profit After Tax	6.0	5.4	↑ 11%

See Slide 10 for reconciliation between Pro Forma, Underlying and Actual Results.  
 Proforma: HY21 includes impacts of Covid-19 and adjustment to reflect Multipack H1 FY21 earnings.  
 Underlying: includes adjustments for non-recurring items.



# Balance Sheet & Cashflow

Significant capacity exists to support additional inorganic opportunities



Committed focus on optimising working capital and capex to drive cashflow generation

Net capex over the HY22 period totaled \$5.7m, comprising

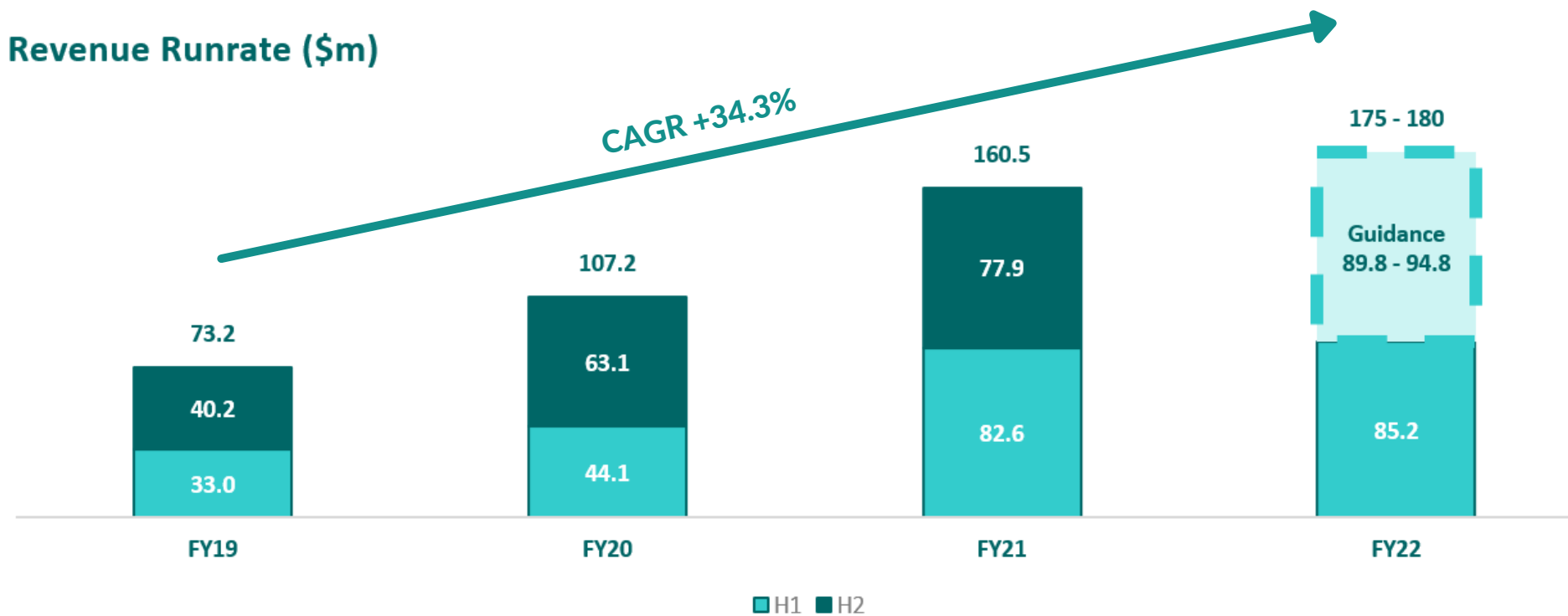
- Acquisitions & intangible asset purchases > \$3.7m
- Plant & equipment > \$2.0m

Probiotec maintains a conservative balance sheet, with leverage below 0.75x Pro Forma LTM EBITDA

<b>EBITDA (Underlying)</b>	<b>14.9</b>
Less: Tax	-3.4
Add: Working Capital	1.7
Less: Interest Expense	-2.1
Other	1.3
<b>Underlying Cashflow from Operations</b>	<b>12.4</b>
Less: Capital Investments	-2.0
Less: Acquisitions and Intangible Asset Purchases	-3.7
Less: Net Debt Repayment	-3.5
<b>Underlying Net Cashflow</b>	<b>3.2</b>
<b>Net Bank Debt (\$m)</b>	<b>31-Dec-21</b>
Cash	-28.9
Bank Debt	50.9
<b>Net Bank Debt</b>	<b>22.0</b>
<b>Net Bank Debt / Underlying LTM EBITDA (Rolling 12 months)</b>	<b>0.75 x</b>

# Key Trends & Drivers

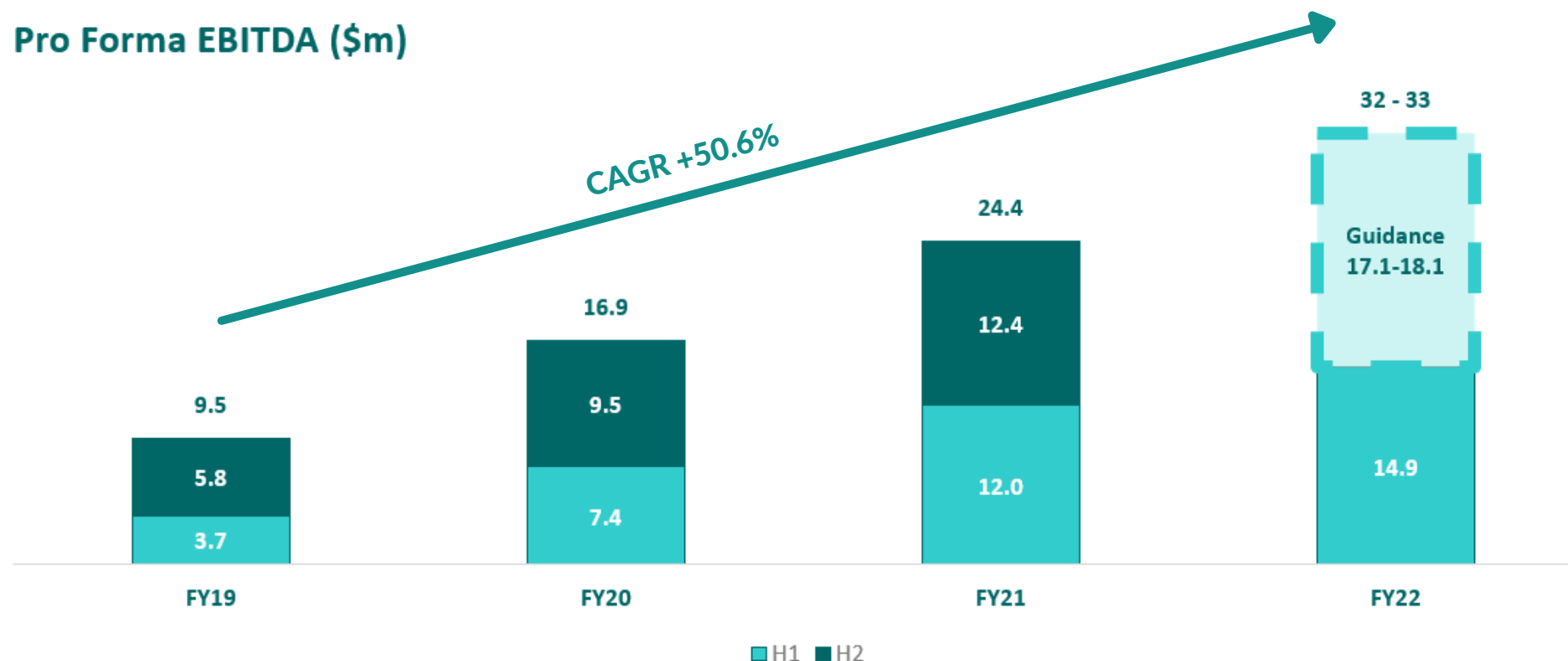
Revenue Runrate (\$m)



✓ Track record of strong growth continuing to be delivered

✓ Step change in the scale and opportunities within the business

Pro Forma EBITDA (\$m)



✓ Cough, Cold & Flu categories showing continuing signs of recovery as we enter the peak production season in 2nd half of FY22

\* See Slide 10 for reconciliation between Pro Forma, Underlying and Actual Results

# Results Reconciliation

## HY22 Results Reconciliation (\$m)

	HY22 Actual	Underlying Adjustments	HY22 Underlying	HY21 Actual	Underlying Adjustments	Pro Forma Adjustments	HY21 Baseline	Pro Forma Movement
Sales Revenue	85.2	0	85.2	42.6	0	40.0	82.6	3%
EBITDA	14.5	0.4	14.9	5.9	1.6	4.6	12.1	24%
EBIT	8.4	1.6	10.0	3.3	2.4	2.2	7.9	28%
Net Profit After Tax	4.4	1.6	6.0	1.2	2.4	1.8	5.4	11%

1	Underlying Adjustments	HY22	HY21
	Non-recurring transaction costs	0.4	1.6
	Amortisation of acquired intangibles	1.2	0.8

2		HY21			
	Normalisation Adjustments	Sales	EBITDA	EBIT	NPAT
	Multipack-LJM HY21 Results	40.0	8.0	5.6	4.6
	Proforma Interest on Multipack-LJM Acquisition Loan	0	0	0	-0.4
	JobKeeper Income	0	-3.4	-3.4	-2.4
	<b>TOTAL</b>	<b>40.0</b>	<b>4.6</b>	<b>2.2</b>	<b>1.8</b>

**Note:** Additional Covid-19 related operating costs are included in the figures above (HY22:\$1.2m, HY21: \$2.4m) but may ultimately prove to be non-recurring in nature.

# Contact Us

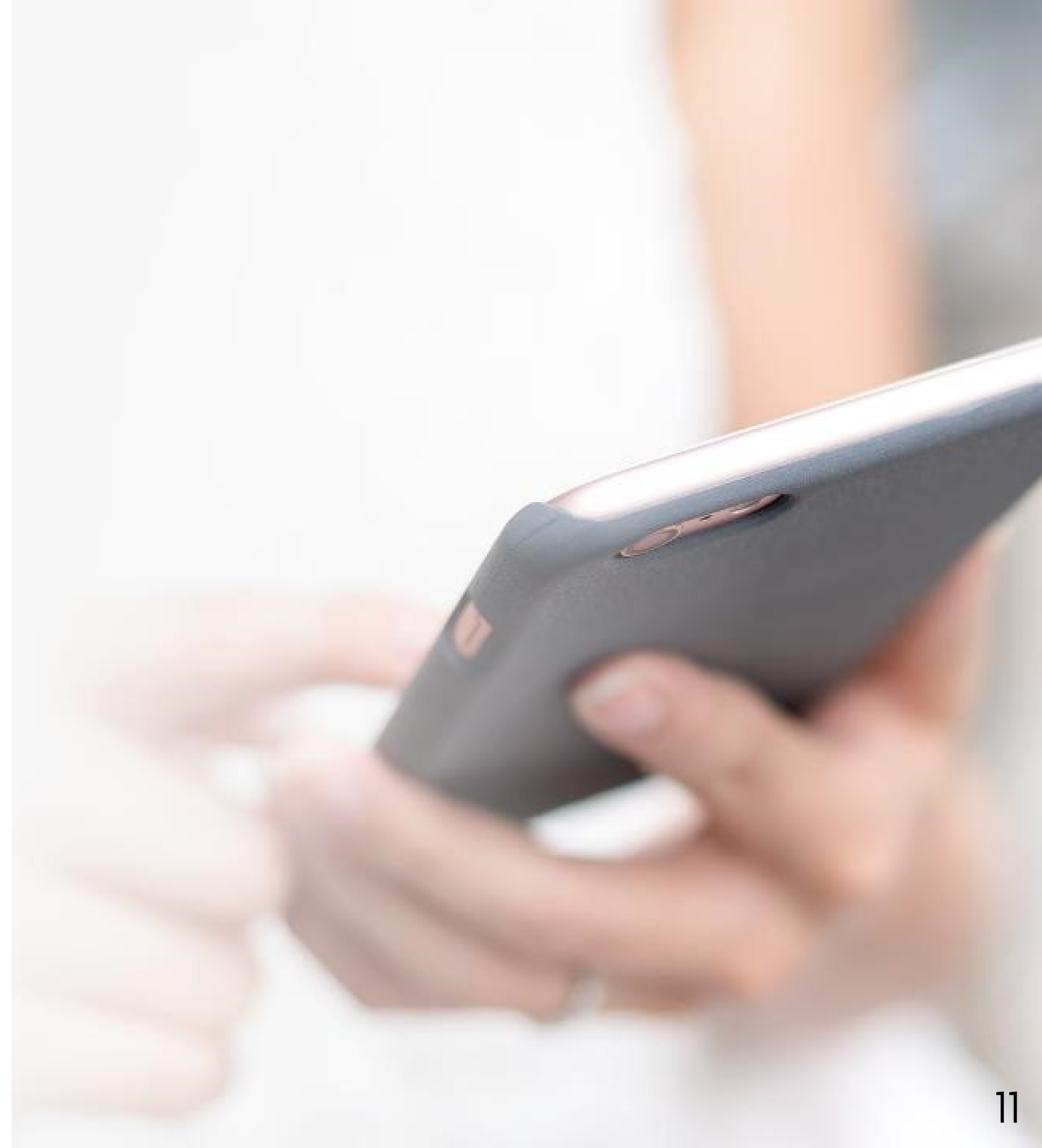
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# The Probiotec Group

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