



pental

2022

AGM

INVESTOR PRESENTATION



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HAMPERS WITH BITE

Agenda



- Pental Overview
- FY22 Business Review
- Financial Performance
- Business Outlook
- Recap



Business Highlights



Underlying EBIT Up 32.3%



Successfully completed acquisition of Hampers with Bite effective 1 September 2021 fully replacing reduced Duracell distributorship



Dividend Per Share Up 15.4%

**HAMPERS
WITH BITE**

Smooth integration of the HWB E-commerce business under the Pental umbrella boosting group profit margins



5.2% overall growth with Pental Retail Brands



7.8% Sales Growth in New Zealand market



Successfully raised \$10.05 million (net of costs) in capital for HWB acquisition



Recovered increased input cost of commodities and freight in FY22



Successfully commenced supply of 5 new products in Bunnings



Successful upgrade of fire protection systems at Shepparton facilities resulting in significant reduction in insurance premiums effective 1 December 2021

FY 22 Financial Performance



- 4 Year Trend
- Income Statement
- Statement of Accounts
- Cashflow



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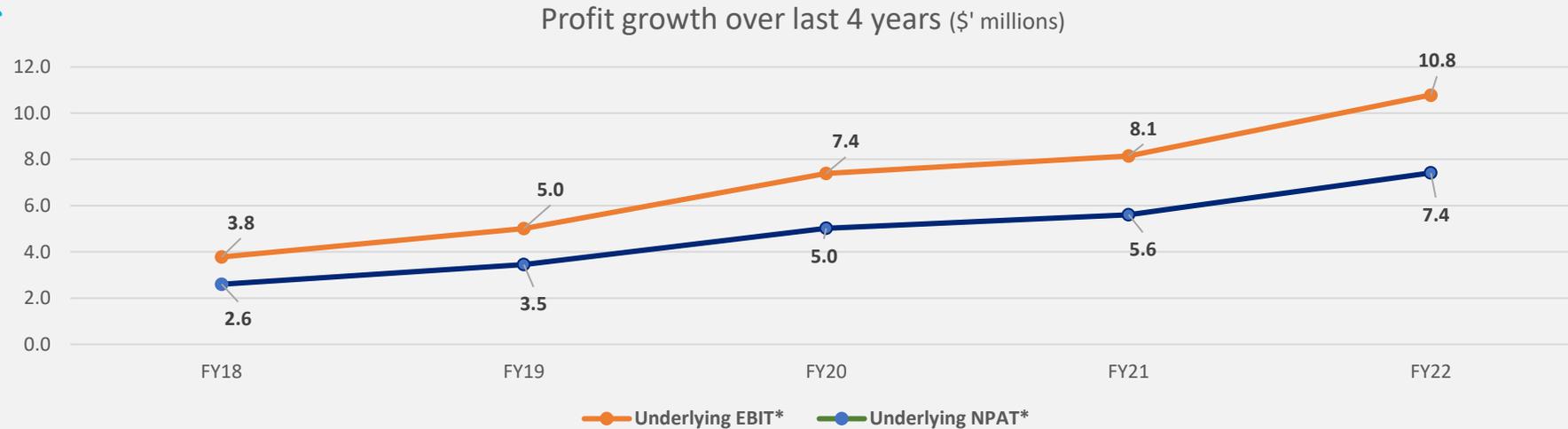
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HAMPERS WITH A BITE

4th continuous year of profitability growth delivered in FY22, with EBIT margins significantly improving

Delivering Profit Growth



- 4th continuous year of profitability growth in FY22
- Acquisition of HWB fully offset impact of Duracell distributorship changes and delivered strong EBIT of \$6.5m in 10 months
- FY22 EBIT margins significantly improved due to addition of B2C and B2B channels through HWB acquisition
- Pleasing performance from retail brands with revenue up 5.2%

1. Underlying EBIT	\$10.783m – up 32.3%
2. Underlying EBITDA	\$14.682m – up 22.4%
3. HWB EBIT contribution (for 10 months)	\$6.5m – up from EBIT of \$5.0 in full year FY21 ¹
4. Owned brands revenue	\$54.973m – up 5.2%
5. HWB revenue (for 10 months)	\$31.649m – up 56.3% on same 10-month period ¹
6. Cash & Debt position	\$8.1m in cash with \$3.8m in debt
7. Underlying earnings per share	4.53 cents per share – up 10.1%
8. Dividend per share	3.0 cents per share – up 15.4%

¹compared to unaudited figures from pre-acquisition period

- Acquisition of Hampers with Bite has not only **replaced profitability of lost Duracell distributorship channels**, but it has also brought Pental an **online channel customer base, improved scale, E-commerce expertise, revenue synergies and new product capabilities**
- Higher e-commerce sales mix of HWB **significantly improves underlying EBITDA margins**
- **Strong HWB growth while under Pental ownership** has offset reduced revenues following May 2021 changes to Duracell distributorship agreement
- Owned brand revenue **returned to growth in H2 – up 5.2% on FY21**
- Strong balance sheet position to target further **potential strategic acquisitions**
- **Increased dividend by 15.4%** to 3.0 cents per share

Key Consolidated Income Statement Items

	\$'000	FY22	FY21	Change	%
Net Sales		117,432	124,940	(7,508)	(6.0%)
Underlying EBITDA		14,682	11,998	2,684	22.4%
underlying EBITDA margin on Net Sales		12.5%	9.6%	2.9%	
Depreciation		(3,899)	(3,849)	(50)	1.3%
Underlying EBIT		10,783	8,149	2,634	32.3%
Underlying EBIT margin on Net Sales		9.2%	6.5%	2.7%	
Underlying Net profit after tax (NPAT)¹		7,414	5,607	1,807	32.2%
Reported Profit after tax		6,367	5,363	1,004	18.7%
Underlying Basic earnings per share (in cents)¹		4.53	4.12	0.41	10.1%
Dividends Per Share (in cents)		3.00	2.60	0.40	15.4%

- Delivered a **strong bottom-line growth of 32.2%** in underlying NPAT towards the high end of market guidance.
- Owned brands **sales up on PCP by 5.2%** driven by growth in White King (up 11.1%) and Country Life (up 9.3%). Both Australia (up 5.9%) and New Zealand (up 7.8%) regions grew revenue in brands
- Pental **successfully completed acquisition** of Hampers with Bite (HWB) on 1 September 2021 – within 2 weeks of entering agreement to acquire
- HWB delivered strong **revenue of \$31.6 million with an EBIT contribution of \$6.5 million** for the 10 months of ownership
- **EBIT margins improved significantly** impacted by strong margins from HWB e-commerce business
- **Underlying EPS of 4.53 cents per share up on PCP by 10.1%** after including the impact of new shares issued in FY22 H1 to facilitate acquisition of HWB

¹ FY22 underlying results exclude impact of \$1.047m costs relating to HWB acquisition (net of tax). FY21 results exclude impact of \$0.248m non-cash write-down of brandnames (net of tax)

Key Statement of Financial Position Items

\$'000	FY22	FY21	Change
ASSETS			
Cash	8,132	12,702	(4,570)
Trade and other receivables	17,395	14,096	3,299
Inventories	17,817	16,053	1,764
Property, plant and equipment	18,888	19,301	(413)
Leased assets	1,013	928	85
Brandnames and other intangible assets	41,366	12,181	29,185
Other	669	333	336
Total Assets	105,280	75,594	29,686
LIABILITIES			
Trade and other payables	16,306	12,291	4,015
Current tax payable	342	449	(107)
Lease liabilities	972	978	(6)
Employee and other provisions	3,057	2,685	372
Contingent consideration (HWB Earnout)	3,537	0	3,537
Borrowings	3,825	0	3,825
Other financial liabilities	89	81	8
Deferred Tax Liabilities	5,340	2,363	2,977
Total Liabilities	33,468	18,847	14,621
NET ASSETS	71,812	56,747	15,065

- **Strong cash position** as a result of strong operating cash flow of \$9.9 million
- Pental remains **effectively debt free** as at reporting date i.e. cash in excess of borrowings
- Working capital position marginally higher than June 21 due to HWB acquisition
- **Strong collection and management** of debtors with minimal overdues
- **Key brand values remain strong** supported by strong marketing investment e.g. White King
- **Healthy Balance sheet** to pursue further growth opportunities

Key Consolidated Statement of Cash Flows Items

\$'000	FY22	FY21	Change
Profit after Tax	6,367	5,363	1,004
Add noncash items (impairment, depreciation, amortisation and employee share options expense)	4,072	4,333	(261)
Add Acquisition related expenses (not operating in nature)	1,047	0	1,047
Change in net working capital	85	7,354	(7,269)
Movement in income tax liabilities	(1,328)	(1,415)	87
Other balance sheet movements	(319)	410	(729)
Net cash provided / (used) by operating activities	9,924	16,045	(6,121)
Capital Expenditure	(2,242)	(1,955)	(287)
Acquisition of HWB (net of cash and costs)	(20,653)	0	(20,653)
Lease liabilities repaid	(862)	(565)	(297)
Repayment of supplier payment facility	8	(131)	139
Proceeds from issue of shares (net of costs)	10,046	0	10,046
Borrowings (net of repayments)	3,825	0	3,825
Dividend Paid	(4,616)	(4,360)	(256)
Net increase/(decrease) in cash	(4,570)	9,034	(13,604)
Net cash position at the beginning of the period	12,702	3,668	9,034
Net cash position at the end of the period	8,132	12,702	(4,570)

- Changes in working capital negligible compared to June 21
- **Operating cash flow remains strong.** FY21 includes ~\$8.7m in release of Duracell working capital
- The Group **successfully completed acquisition of HWB** on 1 September 2021 with cash consideration of \$21.121 million and costs of \$1.047 million offset by cash acquired at HWB of \$1.515 million
- Pental **successfully raised \$10.046 million** in capital through placement and share purchase plan to facilitate acquisition of HWB
- The Company remains **effectively debt free** as at reporting date (cash in excess of borrowings and other financial liabilities)
- FY22 **dividend increased by 15.4%** compared to FY21



Hampers with Bite FY22 Highlights



Hampers With Bite

10 Months Performance as Part of Pental Group



\$31.6m

Revenue since acquisition
(\$37.8m FY22 revenue)

\$6.5m EBIT

since acquisition (\$7.7m EBIT
for FY22)

9,000+

Business Invoiced in FY22¹

59%

Web Orders from Returning
Visitors

15th August 2022

New Website Launched

**Vitale Wellness Brand
Launch**

520,000+

Hampers Distributed¹

**43% Increase in FY22 vs
FY21¹**

New Customers (B2B)

B2C – 42% & B2B – 58%
Share of Revenue

**206K + active email
subscribers**

(up 124% compared to June 2021¹)

128% Increase vs Last FY
Return Website Visitors¹

11% Increase vs Last FY
Increasing in B2C Average Order
Value¹



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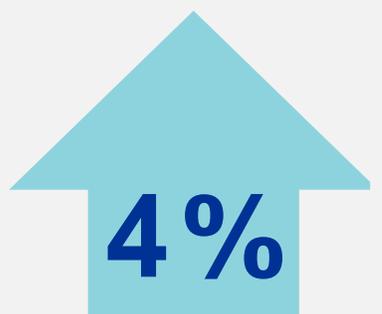
HAMPERS WITH BITE

Self Care and Wellness Gifting

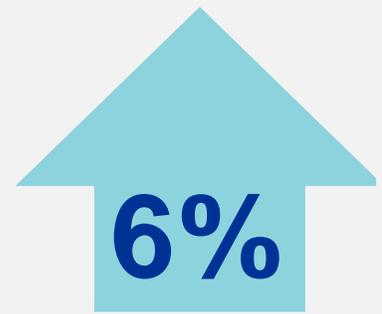


Developed a new Christmas & wellness range

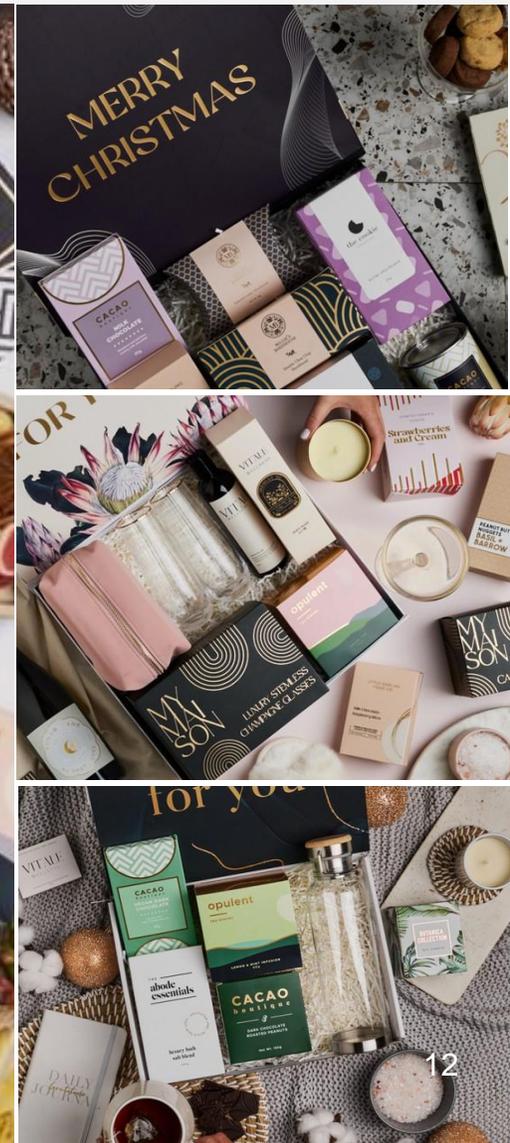
Hampers With Bite will continue to focus on building out our range to increase our wellness and self care gift product offering as this trend continues to grow across B2C and B2B sectors.



GROWTH OF WELLNESS MARKET ANNUALLY



ANNUAL PROJECTED GROWTH CORPORATE WELLNESS MARKET



HWB Product Rebranding



To meet consumer demand and market trends, we have revamped our existing products in-house to offer a more premium look and feel whilst maintaining affordable pricing. This eliminates the need to outsource from external suppliers, whilst giving us better control over product offering and competitive pricing

MY MAISON



BEFORE

AFTER

CONFECTIONER'S CHOICE



BEFORE

AFTER

LITTLE DARLING



BEFORE

AFTER

OLIVE GARDEN



BEFORE

AFTER





Pental Retail Brands FY22 Highlights





White King is
the #1 brand
in Bathroom Cleaners*



Launched 13 New
**Household Cleaning
Products**
within multiple grocery and
pharmacy chains

White King
11% Growth
in Net Sales compared
to previous year

Pental Brands
Net Sales growth
5.2%
compared to
previous year



**Dollar Growth up
(in Australia) 22%**

**Strong
Double-Digit Growth**
in Commercial,
Online, Pharmacy & Retail
Discounters channels



Extended our range of
**White King Toilet Gels in
Woolworths**



Little Lucifer in New Zealand
experienced exceptional
70% growth
over previous year

Market Share Recap



White King's Toilet Gel grew at double (Dollars) and triple (Units) that of the Segment.

This has resulted in Market Share gains of **+2.2% points*** for FY22



White King's Bathroom portfolio enjoyed sustainable, **7% growth.**

This result led to White King finishing FY22 as the **#1** brand of Bathroom cleaners*

#2
sku in Market



#4
sku in Market



#1
sku in Market



#6
sku in Market



FY22 NPD Launches



LAUNCH DATES

Toilet Gel - Jun 22
Detergent Bleach – May 22
Bleach Spray – Feb 22

Feb 22

Toilet Cleaner – Nov 21
Disinfectant – Nov 21

Mould and Soap Scum 6 pack – Feb 22
Premium bleach 4 pack – April 22

May 22

May 22

July - 21



FY23 Business Outlook

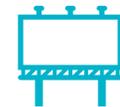


Business Outlook



Financials

Recovery of the \$1 Million increases in raw materials from H1. Plans in place to have full recovery in H2 with costs out initiatives.



Marketing

Continue the focus on White King as the master brand. Role out consumer communication plans with new on-pack communication machine



Sales Opportunities

Commence the supply of new White King cleaner into Costco. Role out new White King product range into Bunnings



Innovation

Roll out the energy reduction project realizing savings of \$200K in H2



Distributorships – Duracell / Procell

Continue the distribution agreements for both the Duracell and Procell Businesses



Hampers

Historical dependence on Christmas sales – Current economic environment appears to have reduced discretionary spend compared to FY21

Roll out the special event program , targeting one profitable event per quarter



Growth Plans

Continue to research possible opportunities for acquisition. Continue the development of new sustainable products and packaging. New White King cleaners to be ranged by major Customers



Partnerships

Commencing the new Coles private label product supply agreement from January 2023. Commence contract manufacturing partnership with International FMCG company

FY23 Focus – Sustainable NPD



100% plastic free, recyclable cardboard packaging (tablets cleaners)

Vegetable based inks

Eliminates the use of single use plastics



Biodegradable formulations

100% recyclable pump (no metal spring)

Ship less water

FY23 Investing in Sustainable Projects



New biodegradable firelighter wrapper will replace the current substrate, removing **more than 3.5million** non-degradable films from the waste stream

B2C Opportunities



Product Value

Add on Opportunities

SEASONAL CAMPAIGNS

Our seasonal campaigns traditionally focused on gifting are the largest sales events, giving us the opportunity for increased exposure and revenue

CVR INCREASE

Re-platforming of our current website enables us to have more robust changes made, leading to an increase in conversion



20%

Targeted growth on Annual Events

ADD ONS/UPSELLS

Diversifying our range of product add-ons as well as offering additional wine upsells to help increase basket size

PARTNERSHIPS

We have secured partnerships with Visa and Starward Whisky further grow our brand footprint and database



B2B Opportunities



Thousands

More B2B opportunities



94%

Retention rate for Yearlong B2B Customers

Business partnerships

Going after national companies with a new and improved targeted range & bespoke sales approach

STRATEGIC PARTNERSHIPS

Securing strategic partnerships with high profile companies

B2B CORPORATE PRONTO PORTAL

The creation of the corporate 'self-serve' style portal will enable existing clients a greater level of personalisation and improved experience when ordering online while reducing manual processing and increase efficiency for corporate clients. Data from this portal will also increase the visibility of our clientele allow us to make more target decisions regarding advertising and comms.

Christmas Catalogue Digital Preview 2022



Vitale e-commerce product range

Manufactured in-house at Shepparton



7500+

Vitale units moved since launch in June 2022



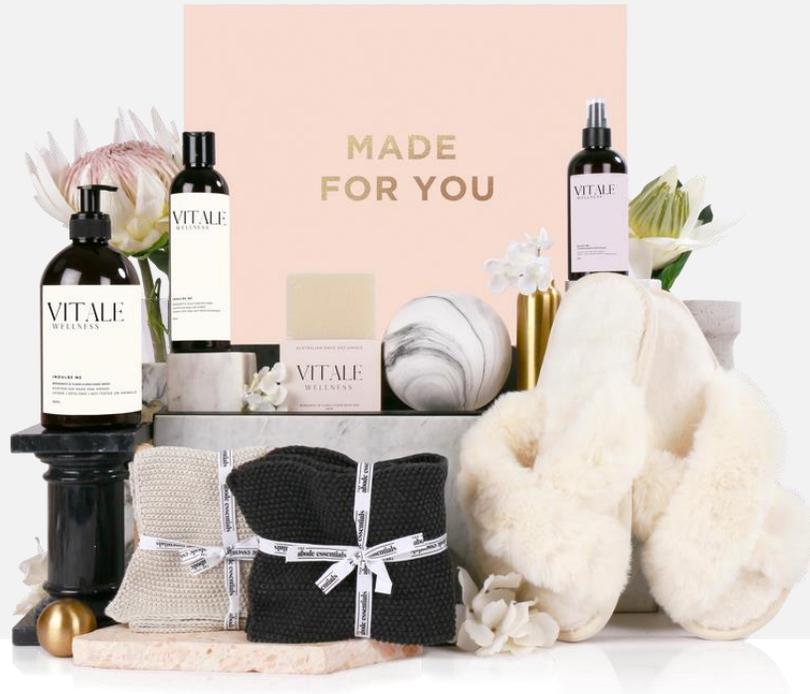
25%

Vitale saturation in existing hamper range



TOP 10

Consistent best seller since product launch



Ongoing Projects



Continuous
**IMPROVEMENT
PROJECTS**

Focusing on
**EMPLOYEE
RETENTION**

Ongoing
**PACKAGING
REVIEWS**

**White King
MASTER BRAND
STRATEGY**

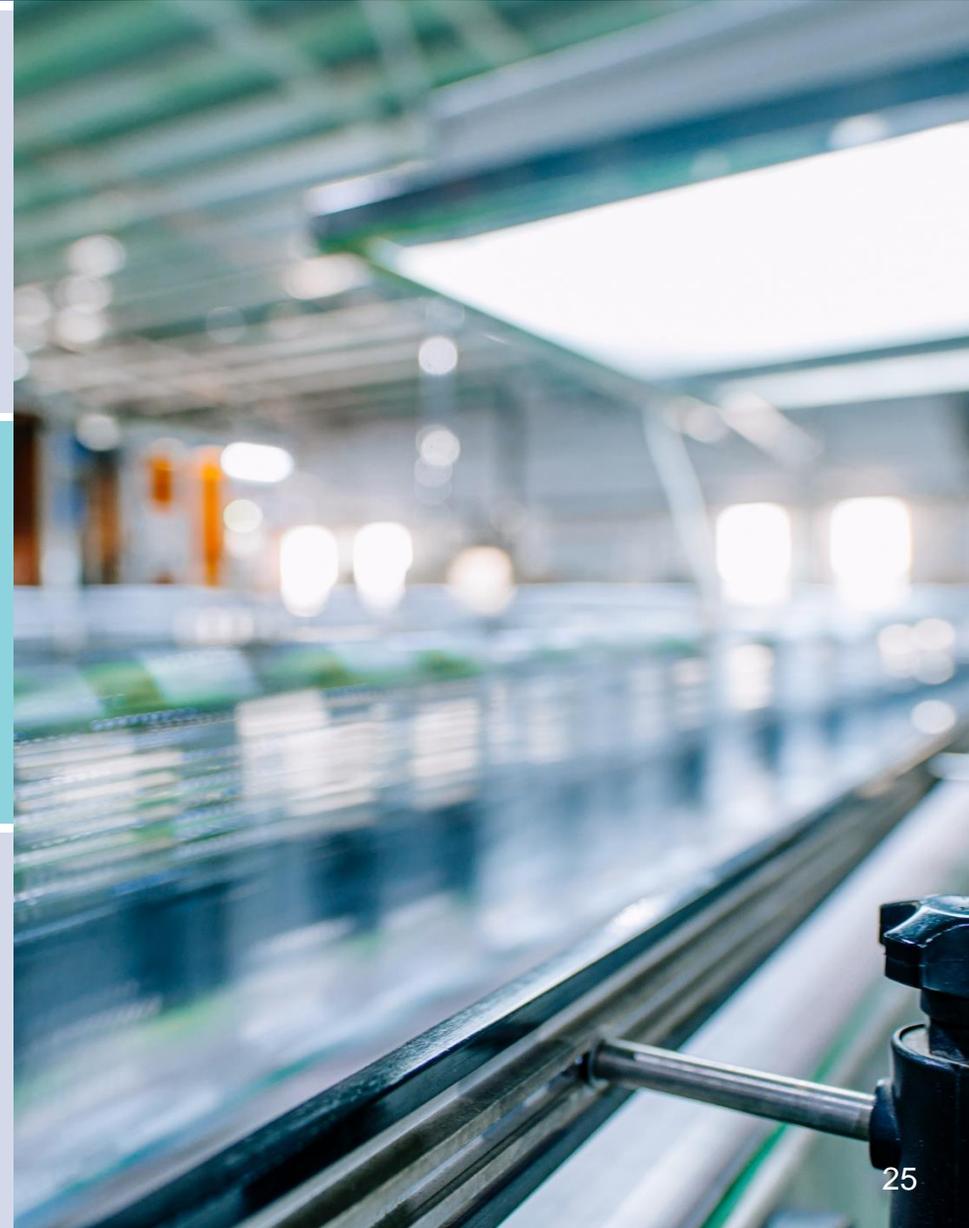
**INCREASED
AUTOMATION**
with packing of
Hampers

Pental Shepparton
producing products
for the **HAMPER
BUSINESS**

GROWTH
through both range
diversification and
range rationalisation

R&D team
to focus on new
**SUSTAINABLE
PRODUCTS AND
PACKAGING**

Always
progressing with
NEW TECHNOLOGY





**THANK
YOU**



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