

## ASX ANNOUNCEMENT

28 November 2022

### CHAIRMAN'S ADDRESS TO AGM

Dear Shareholders,

On behalf of your board of directors, it gives me great pleasure to welcome you to the Probiotec AGM for 2022.

We are proud of what the Group has achieved against a difficult operating backdrop. The performance over the past 12 months is testament to the defensible and resilient business model of Probiotec and to the commitment of the wider Probiotec team.

In the face of unprecedented supply chain disruption, labour shortages, inflation and a myriad of operating challenges the company has continued to grow and deliver for shareholders.

The Group is entering an extremely exciting stage as we continue our organic growth trajectory, look to rationalise our operating footprint (and in turn deliver operational savings) and capitalise on a range of emerging tailwinds for the industries we operate in.

#### Industry tailwinds merging

I believe as a result of the pandemic there has and will continue to be a fundamental shift in global supply chains. As such, the outlook for domestic manufacturing, especially in specialist industries such as the pharmaceutical industry in which Probiotec primarily operates, is materially improved.

The pandemic has brought to the forefront the need for Australia to have increased sovereign manufacturing capability. Along with this, brand owners need to bring their supply chains closer to or within region to provide greater responsiveness and flexibility to the market and world events.

We have seen widespread supply chain disruption and significant freight cost increases along with political and global instability. All of these events have fundamentally shifted the pendulum in favour of local manufacturing and supply or at least a diversification of supply chains resulting in more domestic supply.

This onshoring of manufacturing has certainly commenced and we see this as an industry tailwind that is likely to benefit Probiotec for the foreseeable future.

#### Strong financial and operational performance

Record revenues of \$182 million were accompanied by Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of \$32.8 million. These results demonstrate the robust and defensive nature of the PBP business. The results are a testament to the leadership of the PBP management team and the dedication and skills of our employees.

Management remained agile in the operation of all PBP sites to ensure they remained safe and efficient as conditions evolved. The health and safety of PBP's employees remains at the forefront of our thinking.

Through the ongoing refinement of work practices, the flexibility of our work force, customer service, supplier co-operation and nimbleness in execution we believe we are emerging from the pandemic in a stronger position than we entered. The pressures on management and the wider Probiotec team have remained at an elevated level and I wish to convey my sincerest thanks to the entire PBP team who showed tremendous commitment over the past year. Their professionalism has prioritised safety, whilst we have seen delivery performance to our customers remain at the highest levels.

## Outlook for the future

I am pleased to re-affirm our previous guidance provided in August with the Board and management confident of delivering growth in both sales and earnings in FY23.

I will leave it to the CEO to provide an update on trading conditions and performance in more detail at the conclusion of my address.

Over the longer term, it continues to be our objective to become Australia's leading manufacturer and packer of pharmaceutical, consumer health and FMCG products. We will continue to pursue value-accretive acquisitions; to invest in customer and site capabilities; to invest in and develop our people; to expand our relationships with Tier 1 customers; and to maximise opportunities that arise from the onshoring of domestic manufacturing. The achievement of this goal will require the continued support of all our stakeholders - customers, suppliers, employees and shareholders - and we are grateful for the opportunity to work with all of you and for your support.

## Closing

As I enter my second year as Chairman, I am more excited than ever about the prospects of the company and look forward to contributing to the continuation of the growth journey we remain committed to.

I wish to thank my fellow directors for their guidance, counsel and steady hands over the past year and look forward to continuing to take the company forward together.

The results achieved would not have been possible without the leadership, vision and dedication of our CEO Wes Stringer, along with his entire executive team and all the staff at Probiotec. The entire team's focus on excellence has again been demonstrated in this year's result and the positioning of the Company for the future.

Yours Sincerely,

Jonathan Wenig

Chairman of the board

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## About Probiotec

Probiotec Limited is a manufacturer, packer and distributor of a range of prescription and over-the-counter (OTC) pharmaceuticals, complementary medicines and consumer health products, and fast-moving consumer goods. The company owns six manufacturing facilities in Australia and distributes its products both domestically and internationally. Products are manufactured by Probiotec on behalf of a range of clients, including major international pharmaceutical companies.

Further details about Probiotec are available at [www.probiotec.com.au](http://www.probiotec.com.au)

**Authorised for release to the ASX by the board of directors.**

## For further information contact:

Wes Stringer  
Chief Executive  
Ph: (03) 9278 7555