



2022

AGM

INVESTOR PRESENTATION



VELVET



AIM



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



**5.2% overall growth with Pental Retail Brands**



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



Successfully commenced supply of 5 new products in Bunnings



**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



**7.8% Sales Growth in New Zealand market**



Recovered increased input cost of commodities and freight in FY22



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

# FY 22 Financial Performance

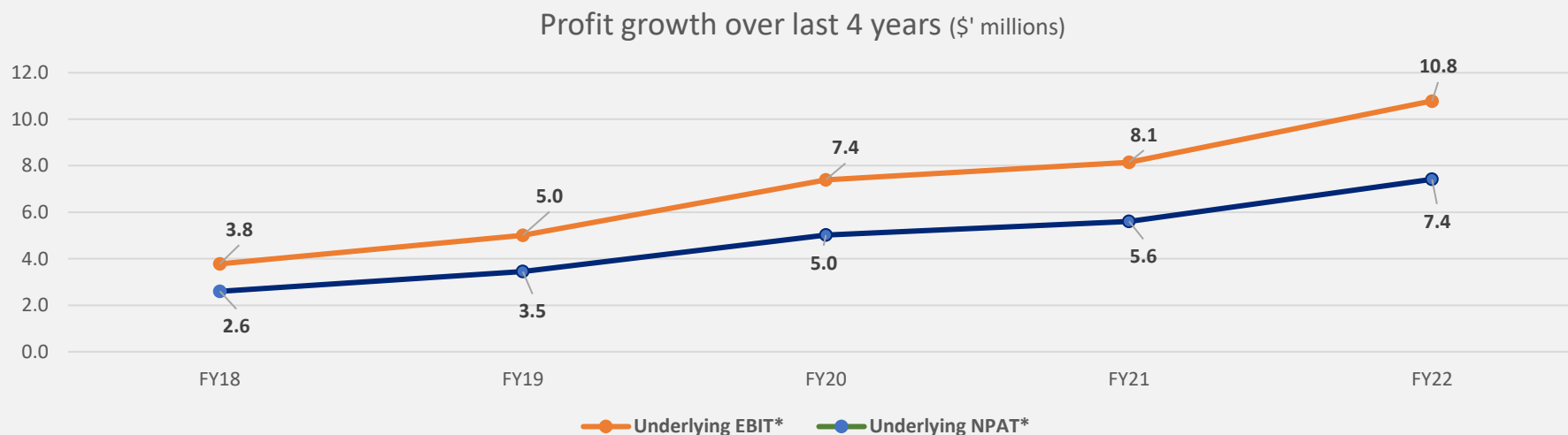
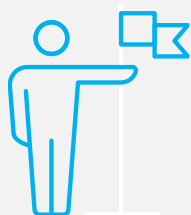


- 4 Year Trend
- Income Statement
- Statement of Accounts
- Cashflow



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

## Delivering Profit Growth



- 4<sup>th</sup> 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 <sup>1</sup> |
| 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 <sup>1</sup>     |
| 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%                                |

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

- Delivered a **strong bottom-line growth of 32.2%** in underlying NPAT towards the high end of market guidance.
- Owened 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

<sup>1</sup> 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        |
|--|----------------|---------------|---------------|
| <b>ASSETS</b>                          |                |               |               |
| 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           |
| <b>Total Assets</b>                    | <b>105,280</b> | <b>75,594</b> | <b>29,686</b> |
| <b>LIABILITIES</b>                     |                |               |               |
| 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         |
| <b>Total Liabilities</b>               | <b>33,468</b>  | <b>18,847</b> | <b>14,621</b> |
| <b>NET ASSETS</b>                      | <b>71,812</b>  | <b>56,747</b> | <b>15,065</b> |

- **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          |
|---|----------------|---------------|-----------------|
| <b>Profit after Tax</b>   | <b>6,367</b>   | <b>5,363</b>  | <b>1,004</b>    |
| 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)           |
| <b>Net cash provided / (used) by operating activities</b>                                     | <b>9,924</b>   | <b>16,045</b> | <b>(6,121)</b>  |
| 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)           |
| <b>Net increase/(decrease) in cash</b>  | <b>(4,570)</b> | <b>9,034</b>  | <b>(13,604)</b> |
| <b>Net cash position at the beginning of the period</b>                                       | <b>12,702</b>  | <b>3,668</b>  | <b>9,034</b>    |
| <b>Net cash position at the end of the period</b>   | <b>8,132</b>   | <b>12,702</b> | <b>(4,570)</b>  |

- 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 FY22<sup>1</sup>



**59%**

Web Orders from Returning  
Visitors

**15<sup>th</sup> August 2022**  
New Website Launched

**Vitale Wellness Brand  
Launch**

**520,000+**  
Hampers Distributed<sup>1</sup>

**43% Increase in FY22 vs  
FY21<sup>1</sup>**  
New Customers (B2B)

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

**206K + active email  
subscribers**  
(up 124% compared to June 2021<sup>1</sup>)

**128% Increase vs Last FY**  
Return Website Visitors<sup>1</sup>

**11% Increase vs Last FY**  
Increasing in B2C Average Order  
Value<sup>1</sup>



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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.

4%

GROWTH OF WELLNESS  
MARKET ANNUALLY

6%

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



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



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

Pental Brands  
Net Sales growth  
**5.2%**  
compared to  
previous year



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



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

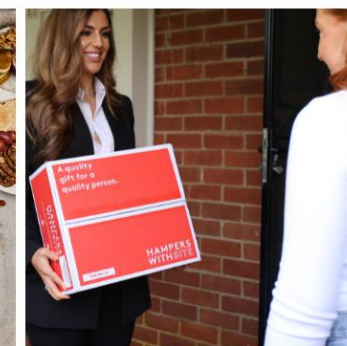
## STRATEGIC PARTNERSHIPS

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



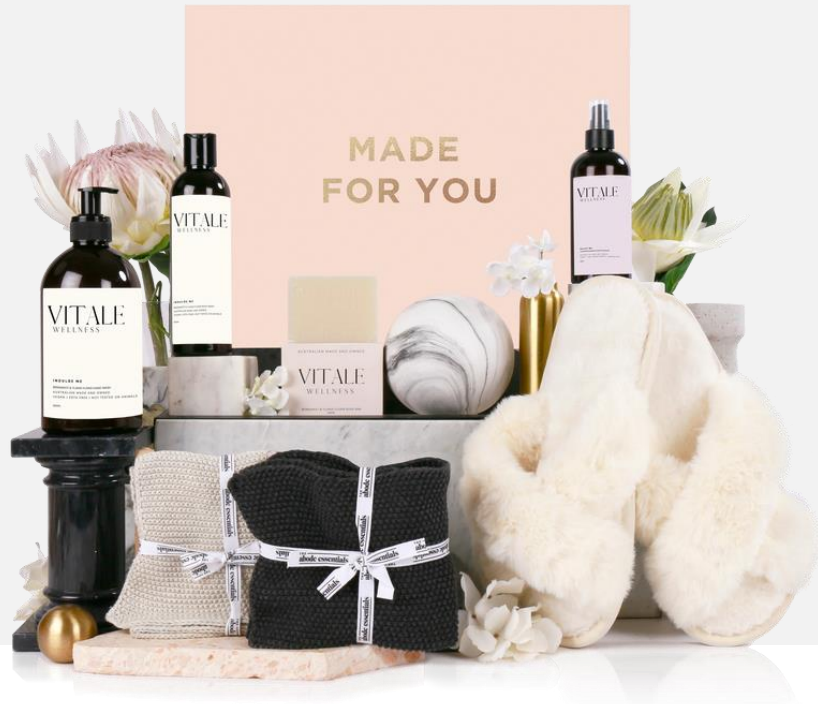
**25%**

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**

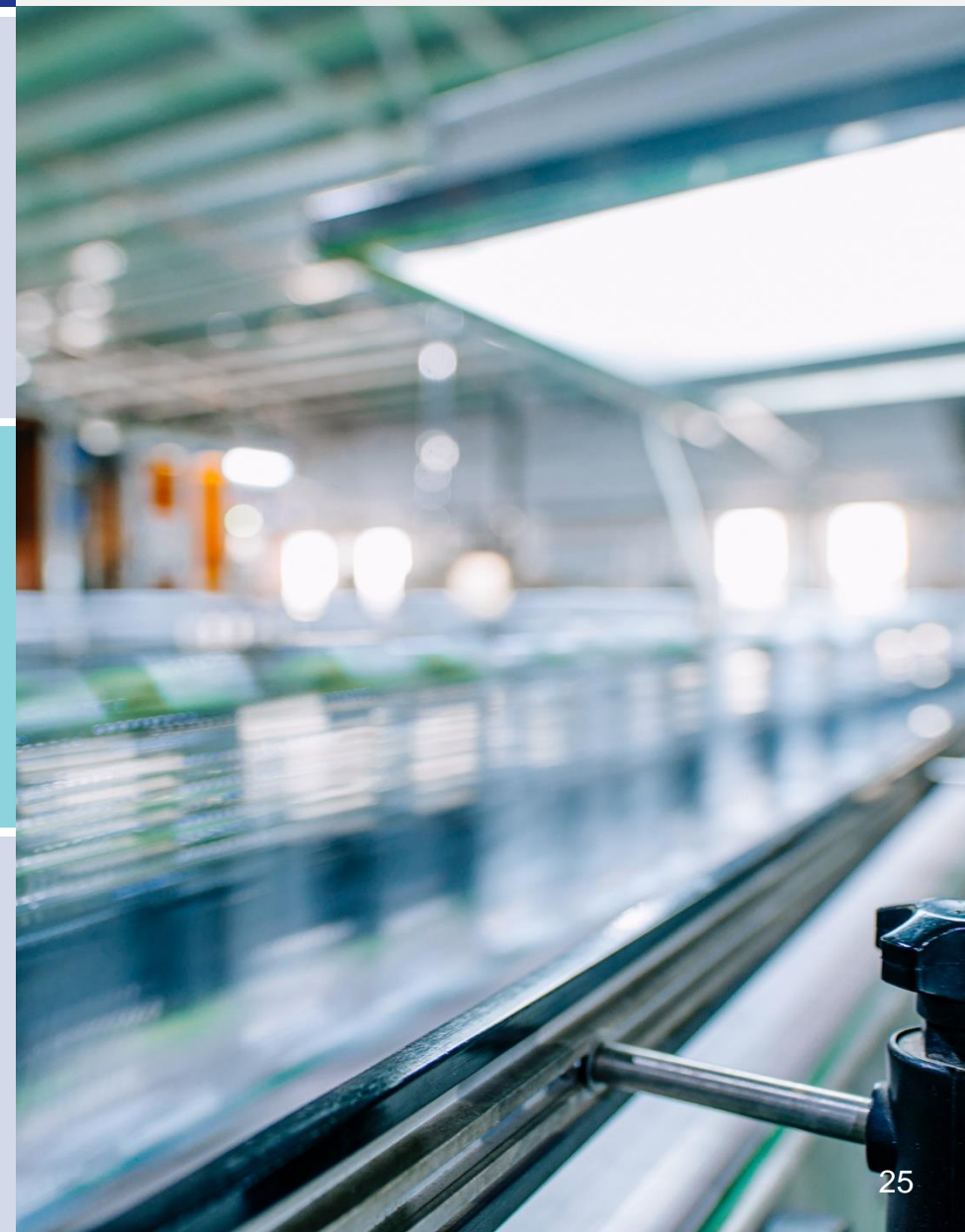
**INCREASED  
AUTOMATION**  
with packing of  
Hampers

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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