



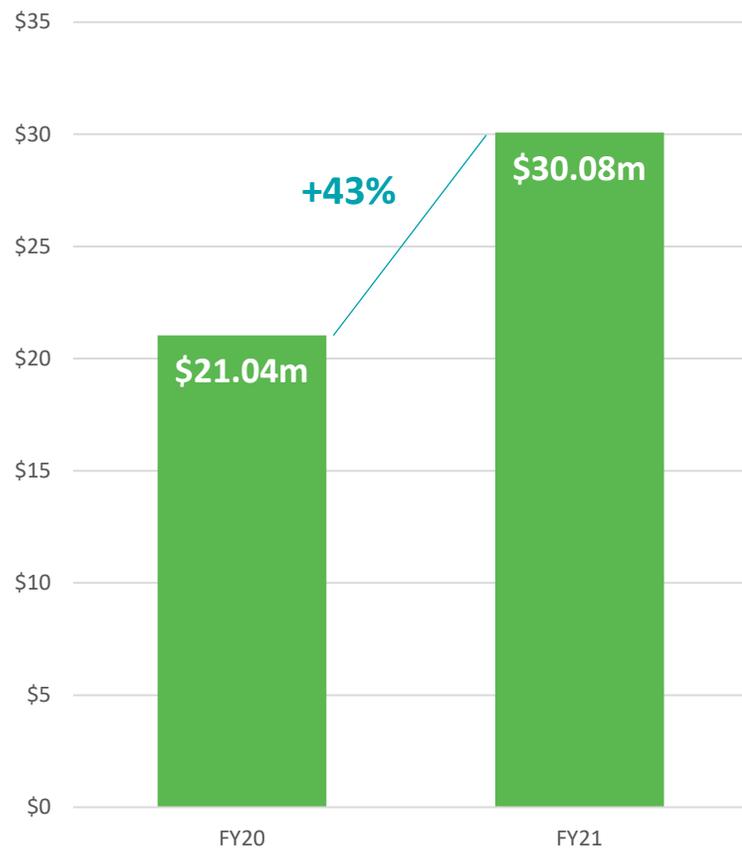
# AGM PRESENTATION

30 November 2021

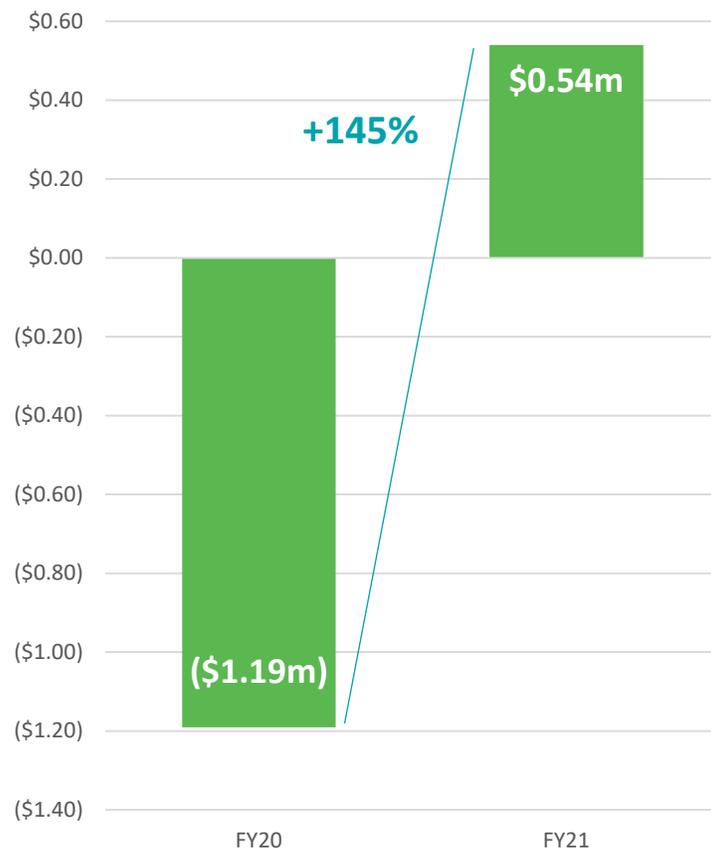
ASX:SES

# KEY FINANCIAL INDICATORS

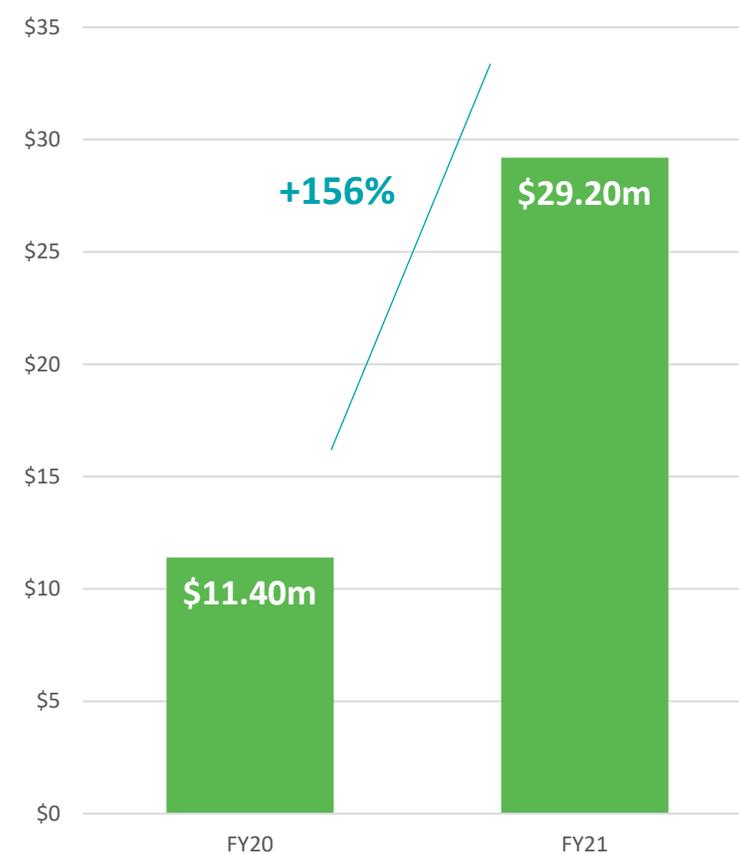
## REVENUE (\$m)



## NET PROFIT BEFORE TAX (\$m)



## NET ASSETS (\$m)



# FY21 SALES HIGHLIGHTS

All biopolymer segments grow, with total annual growth of 126.6 % vs PCP, by segment:

- Increased demand for certified compostable bags growth of 259% vs PCP
- Increased demand for certified compostable resin by 82%
- Increased sales of certified compostable film of 32%

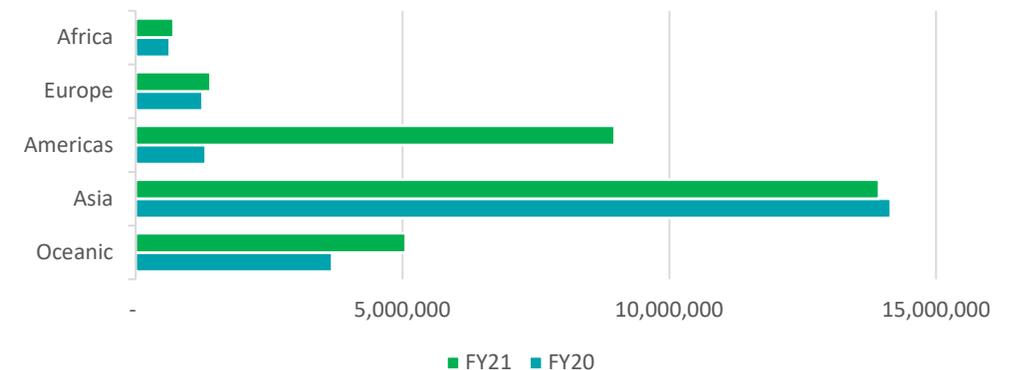
SECOS sales growth focused on higher value markets and geographies.

- Approximately 29.8% (6.2% PCP) of total annual sales growth for the Group was derived from the Americas as retail markets switched from conventional plastic to compostable alternatives
- Stronger sales growth in Australia, mainly to Council FOGO programs also underpinned growth seen in the Oceanic Sales.

Sales by product group AU\$



Sales by region



# SECOS IS BUILDING CAPACITY, MARKET REACH & FUTURE PRODUCTS



# UPDATE ON EXPANSION ACTIVITIES RELATING TO ASSETS

## China

- Phase 1 expansion of compostable film and bagging lines was completed in Jan. '21.
- Additional work underway to increase output on existing resin lines.
- Supply of the MyEcoBag™ Courier Satchel for Officeworks launch in Australia.

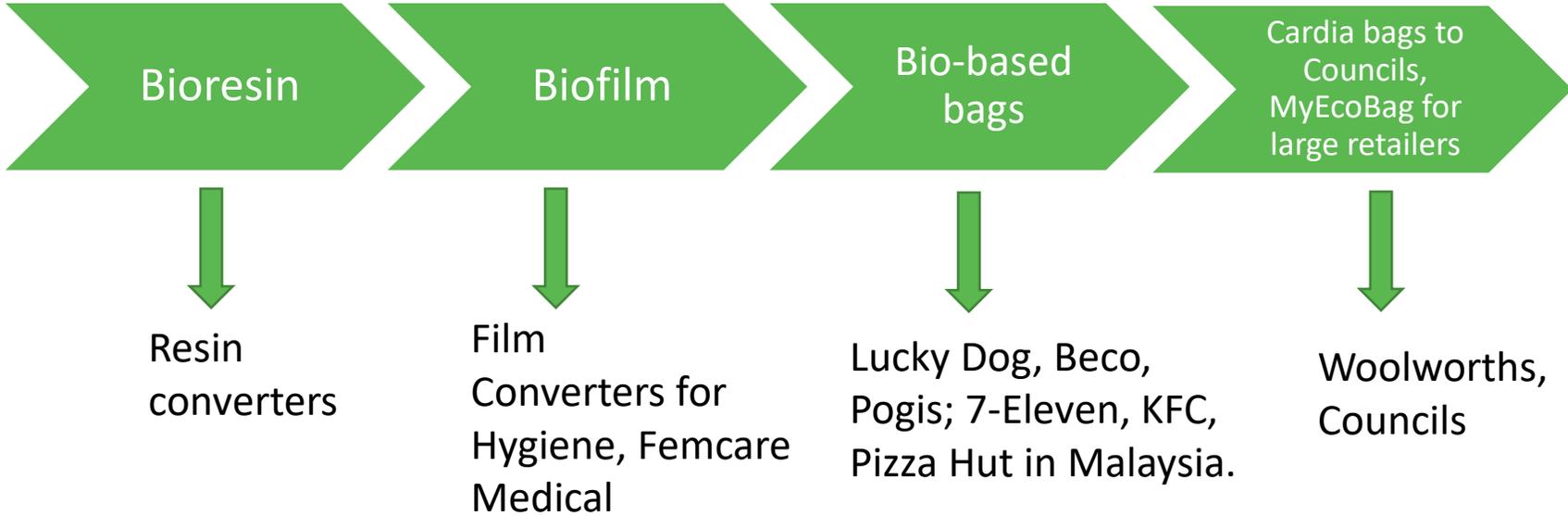
## Malaysia

- Phase 2 expansion of compostable film & bagging lines continues, with full installation to 40mil./month bag capacity to be completed in Jan '22. First production has commenced, plant to supply 'MyEco' branded stock to USA and Australia and other 3<sup>rd</sup> party sales.
- Bioresin: Installation and commissioning of 2<sup>nd</sup> resin line in Malaysia was completed in April '21; the remaining two lines are anticipated to arrive in Dec '21/Jan '22 for installation and commissioning.

## Americas

- We see increasing interest from retailers to expand their presence in the Pet Sector and other compostable products.
- Establishment of warehouse in the Americas to support larger customers on JIT supply.

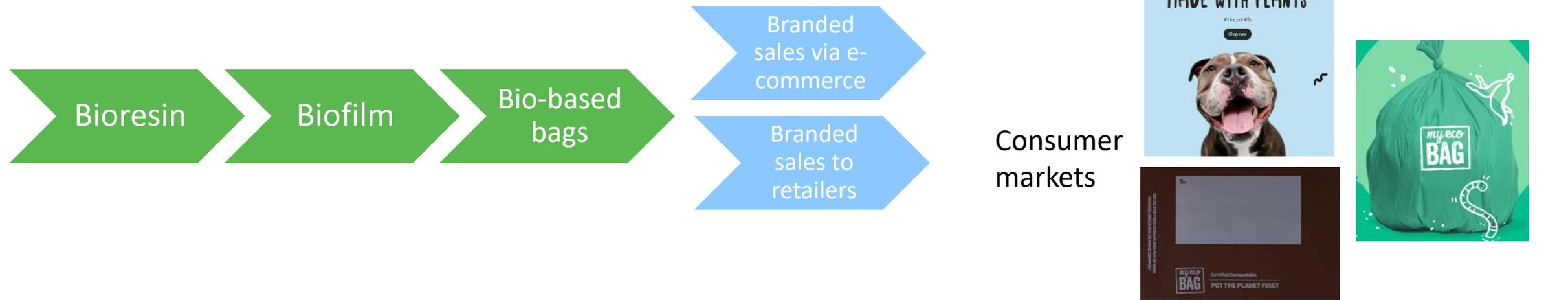
# SECOS GROUP VALUE CHAIN – SUPPLY TO CONVERTERS OR OTHER BRANDS



SECOS Group can supply a range of biobased materials to converters to supply their own brands or end- products for brands.

- Cardia™ certified compostable resin: Converters around the world; supply to converters that supply their own bio-based products.
- Cardia™ Biobased film to producers of Hygiene, Medical & Femcare products.
- Cardia™ certified compostable bags: Australian Councils; various branded dog bags to USA, Europe & Courier Bags.
- MyEcoBag to Woolworths

# SECOS GROUP VALUE CHAIN – EXPAND OWN BRAND SALES

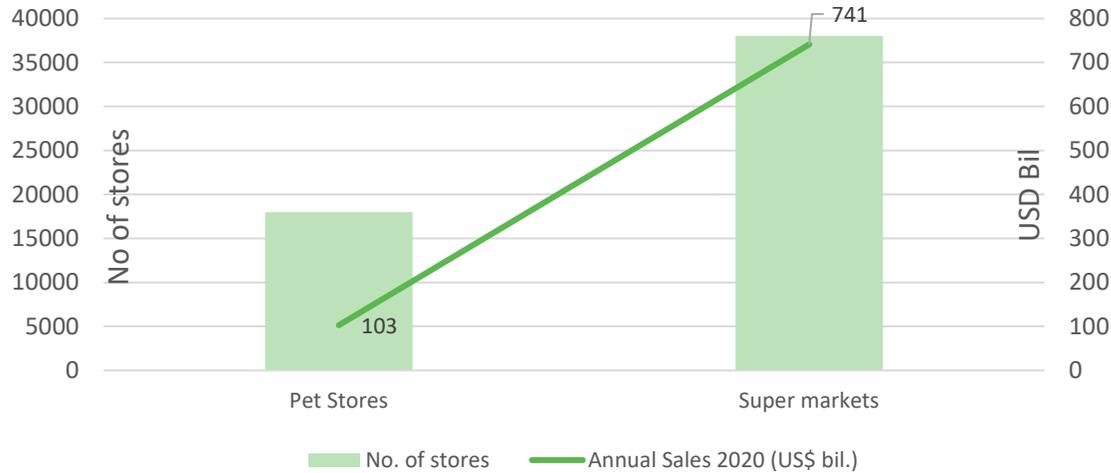


SECOS Group is investing in USA & Aust. retail opportunities to develop its own branded sales:

- Developing a new product range to be launched under the 'MyEco' brand in the USA & Australia
- Expanding channels to market
  - New retail opportunities (B2B) to add to Woolworths in Australia => Officeworks for MyEcoBag™ Courier satchels and plan a launch to additional Australian and USA retailers.
  - Invested in digital assets to develop e-commerce (B2C) sales & support retail sales via MyEcoPet.com in the USA. => e-commerce capability will be added to MyEcoBag.com.au & MyEcoPet.com.au in the new year.
- Invested in staff and digital marketing competencies.

# MARKETS DRIVING GROWTH – USA

USA Supermarket & Pet Store: Annual Sales & No. of Stores



Scale of USA supermarkets & pet chains is ~8-10 times Aust. in terms of store numbers and total revenue.

Early stage adoption of compostable products ie., dog poop bags & other compostable products.

- Increasing interest from general retailers to expand their presence in the Pet Sector.
- MyEcoPet™ brand well received, early orders have started with VCS and we are in discussion with other retailers.
- Marketing program will be launched to support store sales in Jan. '22.
- B2C channel: opportunities for digital sales with launch of MyEcoPet™ e-commerce capability & to support retail store sales.
- In addition MyEcoPet™ now available via Kroger e-commerce site.
- Bin Liners and Courier Bags will enable range extension into other retail markets, developing marketing to support further product roll outs in the USA .

# MARKETS DRIVING GROWTH - AUST

Aust. Supermarket & Pet Store: Annual Sales & No. of Stores



## Growing Market

- Introduction of compostables & biobased products underway.
- Sales of MyEcoBag™ to 220 Woolworths' stores are exceeding expectations.
- SECOS are looking to launch the 'MyEco' brand more broadly across various retail outlets in the new year under the MyEcoPet™ and MyEcoBag™ brands.
- Launch of Courier Bag under the MyEcoBag™ brand with Officeworks is a first for Officeworks and SECOS.
- We see increasing interest for general retailers to expand their presence in the Pet Sector and other compostable products.

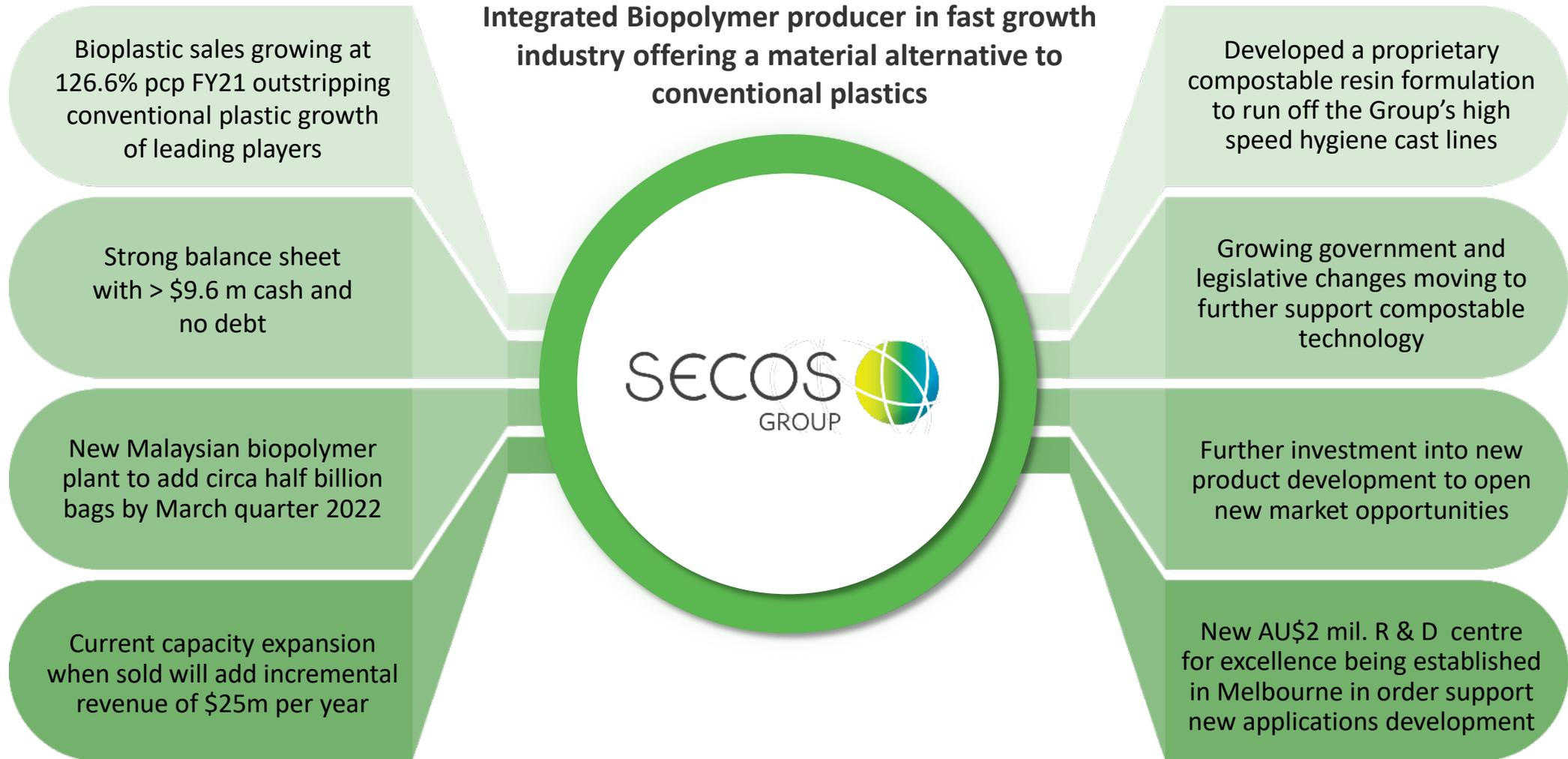


# FUTURE GROWTH- RESEARCH & DEVELOPMENT

- SECOS has secured a lease property near Monash University to house the new Research & Development Centre for Excellence with respect to bioresin formulation development and different biofilm applications.
- SECOS will install new specialised R & D equipment (compounder & film extruder) arriving in Jan./Feb. '22.
- SECOS has retained Dr Mehran Ghasemlou PhD, winner of RMIT 2021 research award, to continue his work on compostable products.
- SECOS R & D will be developing various film structures and resin formulations to assist in the development of a broader array of compostable packaging solutions, leveraging our starch based technology.
- SECOS will also work with Universities to accelerate the development of higher value compostable solutions. We are currently working with University of Queensland on new resin formulations and are also one of the principal Industry leads on an RMIT sponsored CRC grant application for research into reducing Waste.



# KEY STRENGTHS & HIGHLIGHTS



# CORPORATE OVERVIEW



## ASX Code: SES

Share Price (18 Nov 2021)	\$0.30
Market capitalisation @ 30 cents	\$160m
Shares on issue (listed)	535m
Cash on hand (30 Sep 2021)	\$9.5m

0.30 AUD

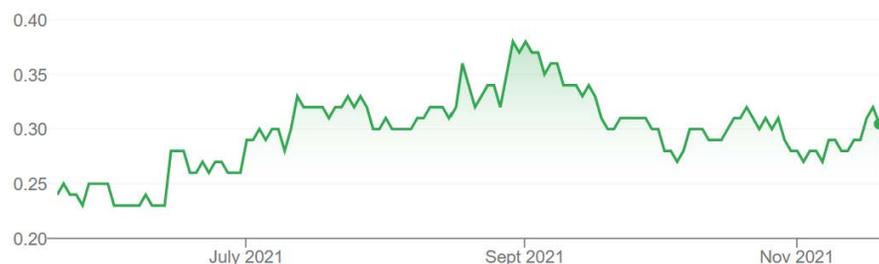
+0.07 (27.08%) ↑ past 6 months

18 Nov, 4:10 pm AEDT • Disclaimer

ASX: SES

✓ Following

1D | 5D | 1M | **6M** | YTD | 1Y | 5Y | Max



Open	0.32	Mkt cap	160.81M	52-wk high	0.39
High	0.32	P/E ratio	59.92	52-wk low	0.18
Low	0.30	Div yield	-		

## Substantial Shareholders

R&K Edwards Investments LLC	10.7%
Belgravia Strategic Equities	9.6%
Donald Haller Jr	8.5%
Top 20	61.4%
Total Board and management shareholdings*	19.9%

\*Includes indirect holdings

## Board & Executive Members

Richard Tegoni	Executive Chairman
Ian Stacey	Chief Executive Officer
Donald Haller Jr	Non-Executive Director
David Wake	Non-Executive Director
Jim Walsh	Non-Executive Director
Stephen Walters	Executive Director
Edmond Tern	Chief Financial Officer, Company Secretary

# FORWARD-LOOKING STATEMENTS DISCLAIMER



This presentation contains “forward-looking statements.” Such forward-looking statements may include, without limitation:

- estimates of future earnings;
- estimates of future production and sales;
- estimates of future cash costs;
- estimates of future cash flows;
- statements regarding future debt repayments; and
- estimates of future capital expenditures.

This document may include forward looking statements. Forward looking statements include, but are not necessarily limited to, statements concerning SECOS’ planned operational program and other statements that are not historic facts. When used in this document, the words such as “could”, “plan”, “budget”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward looking statements. Although SECOS believes its expectations reflected in these are reasonable, such statements involve risks and uncertainties, including but not limited to risks and uncertainties relating to impacts that may arise from Covid-19, and no assurance can be given that actual results will be consistent with these forward-looking statements. SECOS confirms that it is not aware of any new information or data that materially affects the information included in this announcement and that all material assumptions and technical parameters underpinning this announcement continue to apply and have not materially changed.

All financial amounts are expressed in Australian dollars unless otherwise indicated. The Company trades globally using over four different currencies which may materially impact the consolidation of the group’s accounts and may impact the outcome of future events or results expressed or implied in this presentation.

