

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 EBITDA¹ 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 debt² level conservative at 0.75x Underlying EBITDA (12 months ended 31st Dec 2021)
- ✓ EPS¹ of 7.6 cps, up 57% from pcp
- ✓ Interim Dividend of 2 cents per share

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

² 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

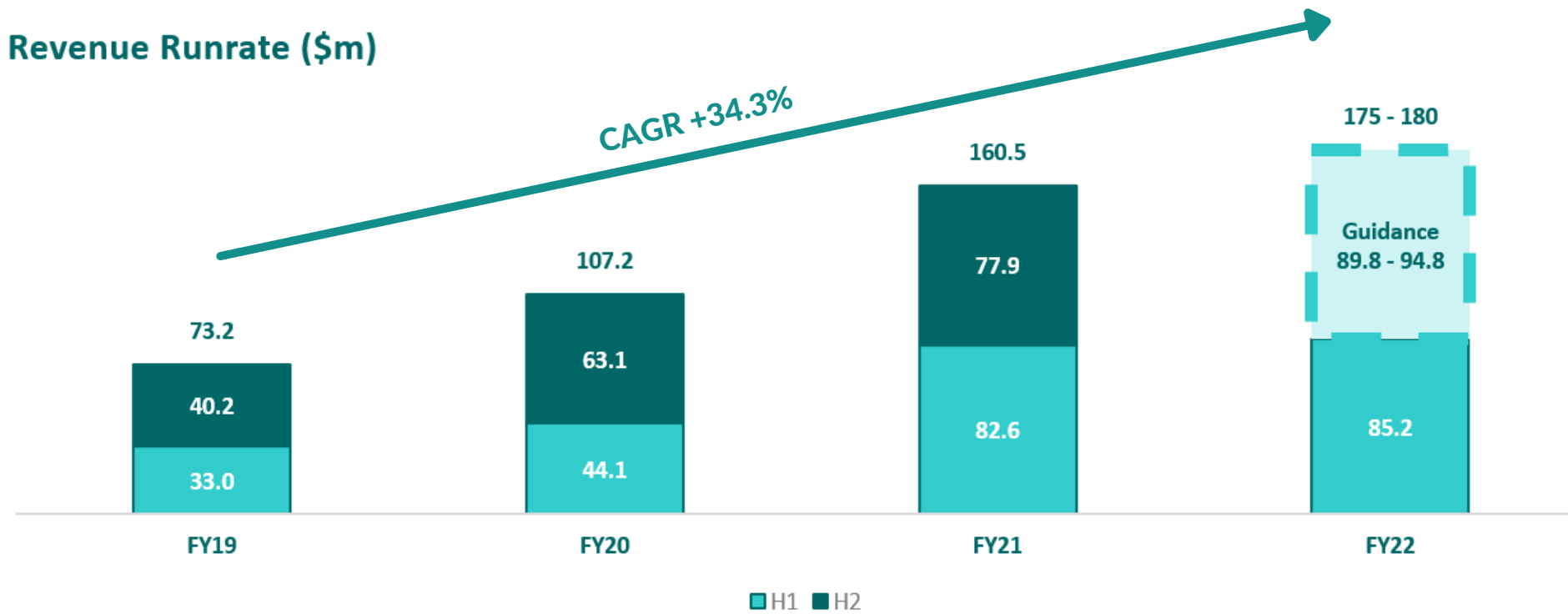
- Acquisitions & intangible asset purchases > \$3.7m
- Plant & equipment > \$2.0m

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

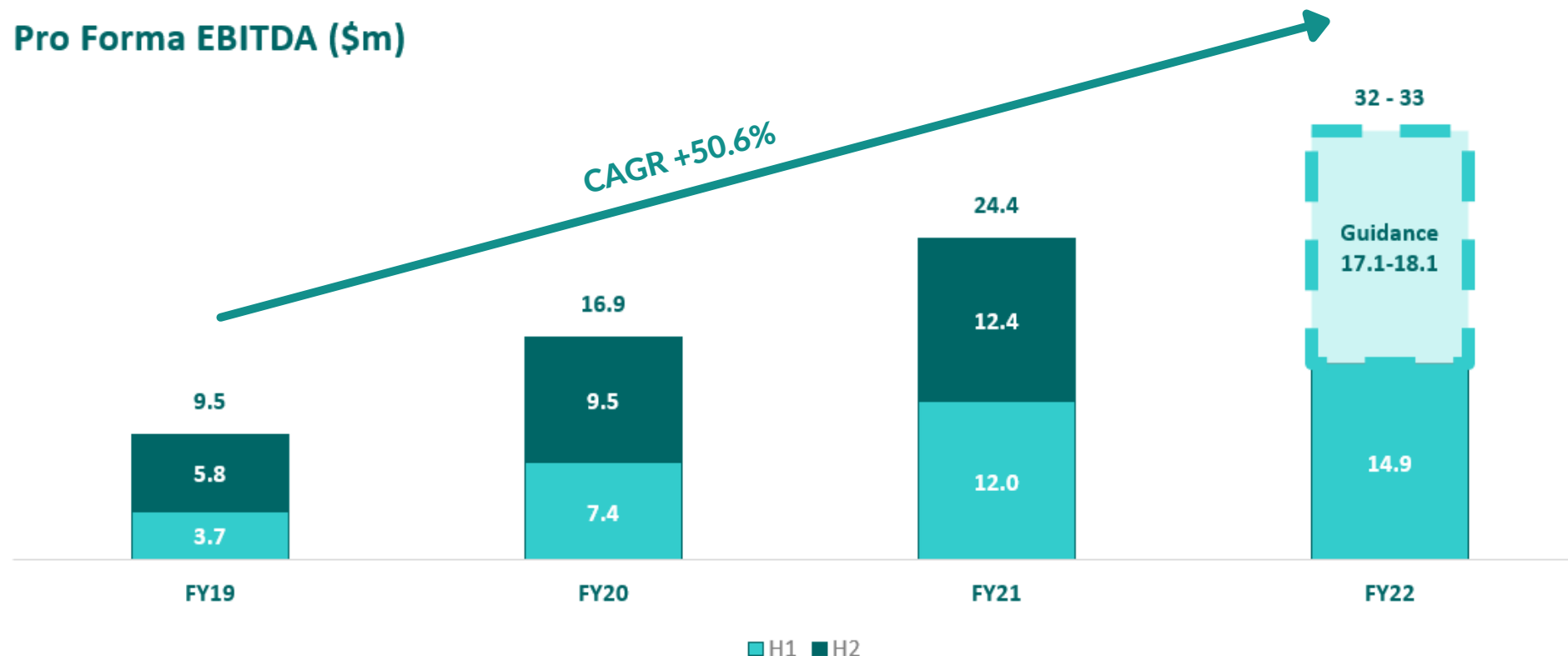
EBITDA (Underlying)	14.9
Less: Tax	-3.4
Add: Working Capital	1.7
Less: Interest Expense	-2.1
Other	1.3
Underlying Cashflow from Operations	12.4
Less: Capital Investments	-2.0
Less: Acquisitions and Intangible Asset Purchases	-3.7
Less: Net Debt Repayment	-3.5
Underlying Net Cashflow	3.2
Net Bank Debt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

Key Trends & Drivers

Revenue Runrate (\$m)



Pro Forma EBITDA (\$m)



- ✓ Track record of strong growth continuing to be delivered
- ✓ Step change in the scale and opportunities within the business
- ✓ 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	Normalisation Adjustments	HY21			
		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
	TOTAL	40.0	4.6	2.2	1.8

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.

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The Probiotec Group

