



21 August 2017

ASX ANNOUNCEMENT

Pental Full-Year Result

Sales Increase in Australia/New Zealand; Higher Net Profit After Tax

Performance Highlights

Net sales rose 7.4% to \$85.12 million.

Underlying EBIT (Earnings Before Interest and Tax) up 3.2% to \$8.55 million.

Net Profit After Tax up 3.9% to \$5.85 million.

Final dividend declared of 2.10 cents per share fully franked (total dividends up 10.2% on last year).

Further export growth into China, and new sales into Vietnam.

Expansion into commercial and industrial channels.

OVERVIEW

Pental Limited (Pental or the Company) today announced it had achieved a 3.9% rise in Net Profit After Tax in the financial year to 30 June 2017 to \$5.850 million, with the Company achieving solid sales growth in Australia and New Zealand, and continuing to build its sales channels in Asia.

Group net sales rose 7.4% to \$85.124 million, with the White King brand increasing market share by 6.3% and enabling the Company to expand into new categories. This included the launch of the White King Blue range of non-bleach cleaning products.

The Little Lucifer and Jiffy firelighter brands outperformed category growth in the period and steady progress was also made in expanding the Company's geographical reach across China. In June 2017 Pental also made its first shipment into Vietnam.

In the personal care category, sales growth was achieved through driving a strong promotional programme, which also supported the launch of various new products.

Development commenced of Pental's new commercial and industrial sales channels, with a new bulk plant being successfully commissioned in the first half of the financial year. A new range of five-litre sized products were developed and launched under the White King, Sunlight and Huggie brands.

Pleasingly, the capital equipment and people investment made in recent years has delivered a solid improvement in plant efficiency and increased throughput of the plant. Through ongoing continuous improvement focus on the manufacturing plant, Pental expects the operational performance will continue to further improve.

Underlying Earnings Before Interest and Tax of \$8.547 million was 3.2% above last year after excluding one-off items. However, in achieving a positive result, the Company encountered operational challenges.

The financial performance was also affected by an unfavourable foreign currency exchange rate movement, causing a year-on-year impact of \$0.637 million. Excluding the foreign exchange impact, year-on-year underlying EBIT increased 11.2%.

Pental has declared a fully franked final dividend of 2.10 cents per ordinary share, payable to shareholders on 29 September 2017, with a record date of 15 September 2017. This brings the annual dividend to 3.25 cents per ordinary share, an increase of 10.2% from last year.



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OUTLOOK

Following significant capital investment in recent years, during the current financial year Pental's focus will be on increasing plant efficiencies and planning the next stage of the soap factory upgrade. This will include improving the plant's capability to manufacture non-bleach products from the existing bleach liquid lines, and commencing the roll-out of soap packaging automation.

Commenting on the latest results, Pental Chief Executive Officer, Charlie McLeish, said: "The Company remains strategically well positioned for the future and will continue to expand its operations."

"With the strong investment in plant, equipment and people over the past three years the company is now in a position of accelerating the launch of a number of new innovative products and expanding into new product segments and channels, that will provide year on year growth with our core brands in Australia, New Zealand and within the Asian Region."

For further information, contact:
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About Pental Limited

At Pental, we are dedicated to delivering the highest quality and value in all our products. We are proud to make a range of branded products (including White King, Country Life, Velvet, Softly, Martha's, Sunlight, Huggie, Jiffy, Little Lucifer, Aim and Janola) that have been an important part of Australian and New Zealand families for generations. Our goal is to help families

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live better by providing high quality products for *today's lifestyles* – which in itself shows our commitment to catering to the ever-changing needs of our consumers' lifestyles.

Innovation, production efficiencies and quality are the pillars which make up our core focus as providers of quality products and continue to make our manufacturing sustainably successful. More information on Pental is available at: www.pental.com.au