



21 June 2019

ASX ANNOUNCEMENT

Trading Update

Pental Limited ("Pental" or the "Company") today updated the market concerning its expected unaudited financial results for Financial Year 2019.

Pental's underlying performance for Financial Year 2019 compared to Financial Year 2018 is expected to be as follows:

	Financial year 2019	Vs financial year 2018
Net sales revenue	\$101 million	up \$25.2 million
Underlying earnings before interest & tax (EBIT)	\$4.9 million	up \$1.1 million
Underlying net profit after tax (NPAT)	\$3.35 million	up \$0.75 million

The Company's strategy of adding distributorship partnerships to protect and improve profitability has been successful, with the addition of Duracell. As previously advised to the market, Pental has successfully integrated the Duracell distributorship business within its infrastructure to generate economies of scale and achieve better utilisation of its fixed overheads. In its short period as a distributor, Pental has been successful in growing Duracell business by extending supply into new channels such as Coles Express and office supplies. With the proven success of Duracell and Pears, the Company will continue to seek other distributorship opportunities.

The Company continues to experience significant price pressures across all categories in its manufacturing business. The retail environment of continuous deep price product promotions is expected to continue in the short to medium term. The Company is pleased to announce however that it was successful in securing ranging of 4 innovative fabric care products of its Huggie Brand range into Woolworths and Metcash nationally.

The Company continues to focus on reducing manufacturing & overhead costs to remain competitive in an aggressive retail environment. A staff restructure undertaken in the second half of financial year 2018 delivered substantial cost savings. Indirect wages are expected to be down approximately \$0.5 million on last year after absorbing the additional Duracell business.

Pental will further update the market concerning trading conditions when it releases its Full Year 2019 results in August 2019.

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 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



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