Probiotec Limited
ABN 91 075 170 151

83 Cherry Lane
Laverton North, VIC 3026

+61 3 9278 7555
www.probiotec.com.au

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ASX ANNOUNCEMENT

15 November 2023

CEO'S AGM ADDRESS & TRADING UPDATE

Good morning shareholders and welcome to the Probiotec Annual General Meeting for 2023.

Thank you for joining us today.

Opening

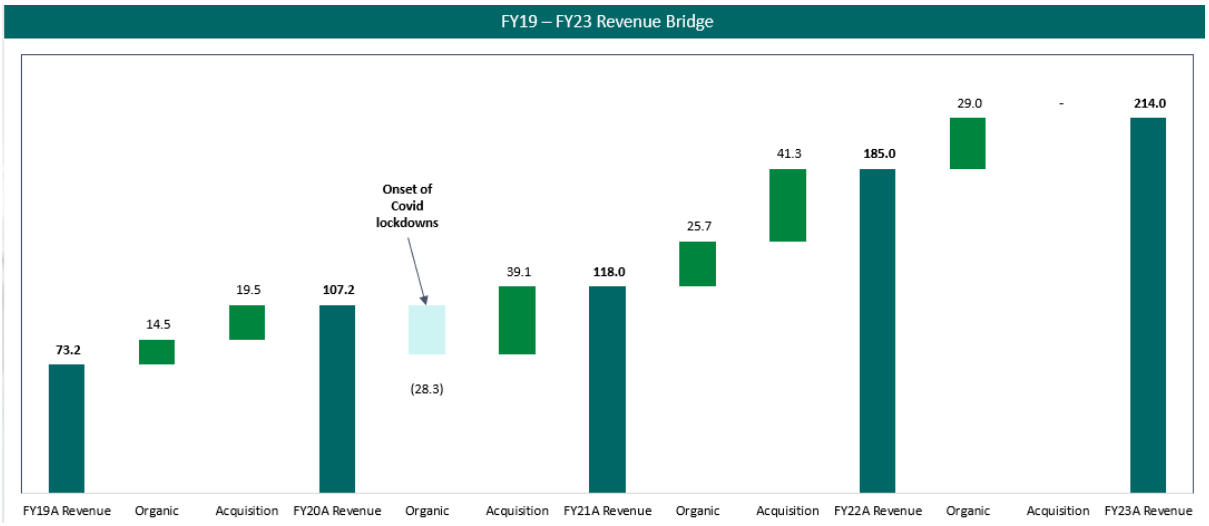
The past year has seen Probiotec continue to deliver on its strategic plans and deliver strong financial results with record sales and EBITDA achieved.

Probiotec has once again shown its resilient nature and ability to deliver consistent and defensible growth in revenue and earnings.

Key milestones for the year included:

- ✓ Record revenue of $214.0m
- ✓ Record EBITDA of $35.3m
- ✓ Record full year dividends of 6.5 cents per share (fully franked)

The Company's balance sheet position remains conservative with Net Bank Debt / EBITDA of 0.9 times as at 30 June 2023. Underlying cashflow from operations of $19.5m for the year was also pleasing.



The Probiotec Group
Probiotec Pharma
Multipack LJM
LJM partners in co packing
SPL SOUTH PACK LABORATORIES (AUST) PTY LTD
ABS Simply the best!

Strategy

Probiotec is now one of the dominant players in the pharmaceutical contract manufacturing and packing market in Australia.

Our key focus and strategy remain unchanged, including:

1. Organic Growth
    a. delivered by capitalising on our key multinational client base, selling our full range of manufacturing and packing offerings.
    b. New and material focus and spend on sales and business development resource is expected to continue to drive above market organic growth rates.
2. Maximising opportunity from onshoring
    a. Focusing on domestic manufacturing trends.
    b. Providing a cost competitive and flexible manufacturing option in the domestic market.
3. Acquisition and strategic investment opportunities
    a. Continuing to seek, execute and integrate accretive and strategic acquisitions.
    b. Renewed focus on Pharma, and manufacturing style acquisition targets.
4. Operational cost-out and site consolidation
    a. Reducing our cost base, ensuring ongoing competitiveness and leveraging operating scale.
    b. This includes our major NSW site consolidation project, which remains on track to delivery material savings to the Group.
    c. Push for automation removing manual operations within our sites.

Site Consolidation

Pleasingly the NSW site consolidation project remains on track.

This will position Probiotec as the leading packing business in Australia, in a new, state of the art, purpose-built site. This site has been designed to accommodate our future aspirations and comes with material capacity available for the business to seek to fill between now and when we commence operations at the start of calendar year 2025.

As outlined previously, this is expected to deliver material savings between $3-5m per annum, once fully operational.

Site Consolidation

Site consolidation efforts will drive future operational efficiencies, resulting in significant capacity increases and cost savings.

Site Consolidation Opportunities	
NSW Site Consolidation	• Probiotec's plan is to combine its NSW sites into a single, 36,000 sqm purpose-built site located at 657-679 Mamre Road, Kemps Creek in Western Sydney. • The site consolidation effort is anticipated to: + Significantly reduce overhead expenses by circa. $3m – 5m per annum once fully operational; + Remove duplication of roles; + Improve coordination and efficiency between the NSW packing businesses; + Simplify logistics to deliver shorter turnaround times for customers; + Support the opportunity to cross-sell services across the enlarged platform; and + Increase capacity to meet future customer demand and accommodate any acquisitions. • Probiotec has agreed a 15-year lease with the landlord, Frasers-Altis Property, with 2 x 5-year options to extend. The site is expected to be fully operational by early in the 2025 calendar year.

NSW New Site - 657-679 Mamre Road, Kemps Creek

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Outlook

Consistent with previous years, we do not intend to provide formal full year guidance today.

However, the Board and management today would like to advise that:

Revenue for the first half of FY24 is expected to be in the range of **$110m to $115m** and Underlying EBITDA in the range of **$16.5m to $17.5m**.

Closing

I would like to extend my sincere thanks to several people today:

- The Board for their counsel, guidance, and leadership.
- Our valued shareholders for their ongoing support.
- Our dedicated staff across all of Probiotec's sites and Operations.

The Board, executive and entire senior leadership team look forward to continuing to execute on our strategic plan and delivering for our shareholders.

Yours Sincerely

Wes Stringer
Managing Director

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About Probiotec

Probiotec Limited is a manufacturer, packer and distributor of a range of prescription and over-the-counter (OTC) pharmaceuticals, complementary medicines, consumer health products, and fast-moving consumer goods. The company owns 6 manufacturing facilities in Australia and distributes its products both domestically and internationally. Products are manufactured by Probiotec on behalf of a range of clients, including major international pharmaceutical companies.

Further details about Probiotec are available at www.probiotec.com.au

Authorised for release to the ASX by the board of directors.

For further information contact:

Wes Stringer
Chief Executive
Ph: (03) 9278 7555

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