ELEVATION CAPITAL MANAGEMENT LIMITED:
PENTAL LIMITED [PTL:AU]

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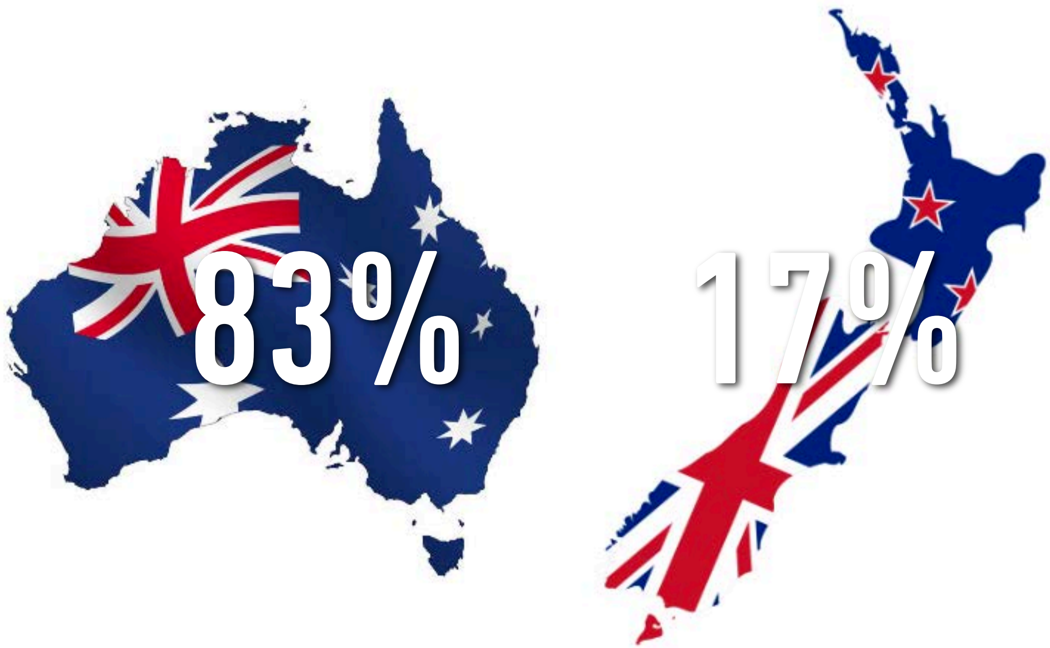
PENTAL LIMITED: THE LARGEST MANUFACTURER OF SOAP IN AUSTRALIA

PENTAL LIMITED: AUSTRALIA'S 'HIDDEN GEM'

- Pental Limited ("Pental") offers products in Household Cleaning, Laundry Care, Personal Care, Fire Needs, Oral Care and Dish Washing (2015 Revenue split: 83% Australia & 17% New Zealand*)
- The Company went through a near-death experience in 2012 due to a heavy debt load and the collapse of the global market in its former chemical production business
- The Company entered a debt restructuring arrangement with its bank in late 2012, and has now successfully emerged from the restructure with a renewed focus on the consumer goods business after it discontinued the specialty chemical business
- The Company is now debt free (with a net cash position), and management are focusing on margins and operational efficiency improvements, delivering steady incremental growth in revenue and underlying profits since restructuring, and has recently reinstated dividend payments (~60% of NPAT)
- Additionally, the Company still has no broker/research coverage

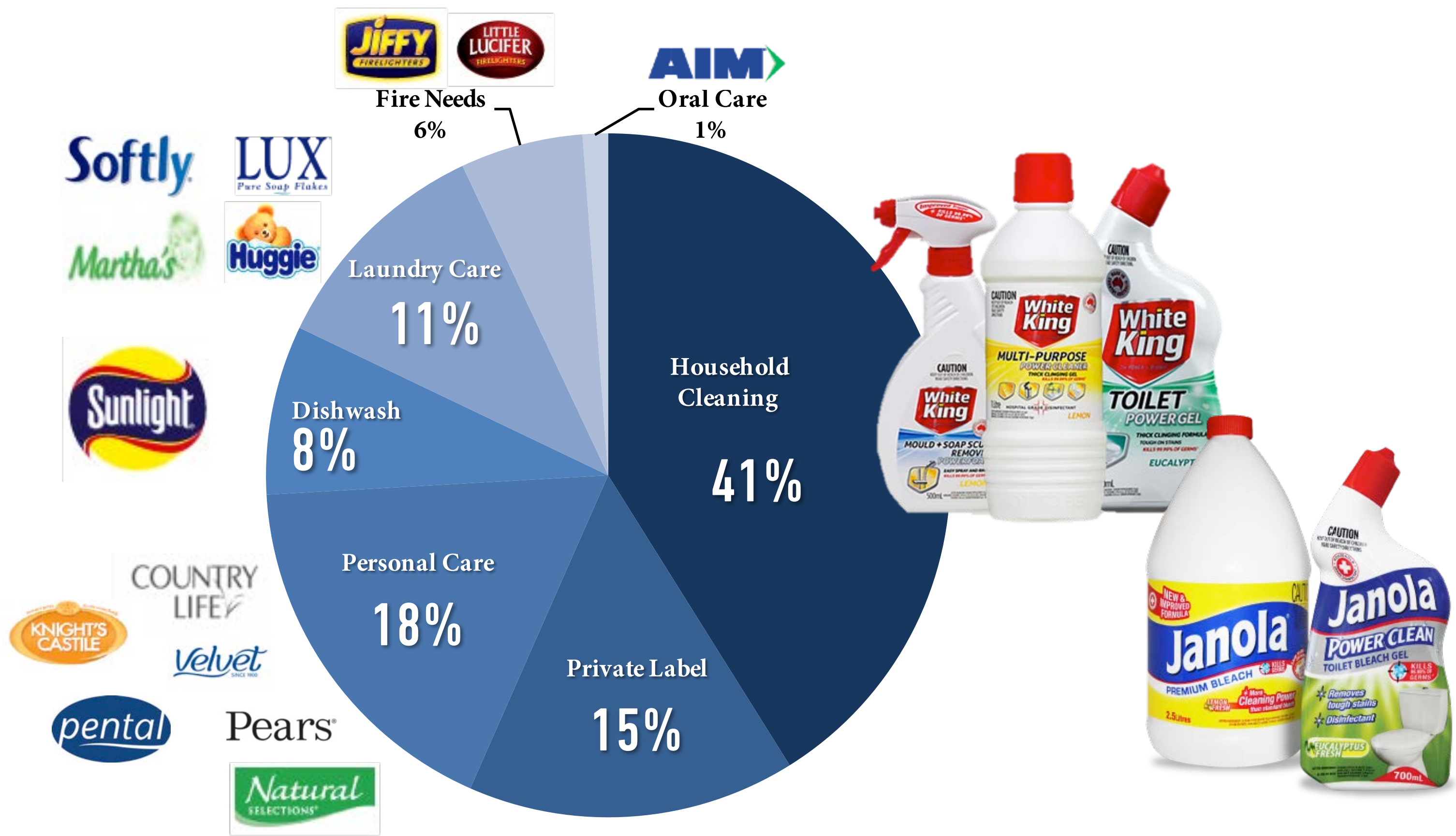


* As at 30/6/2015

PENTAL LIMITED: A PORTFOLIO OF ICONIC BRANDS

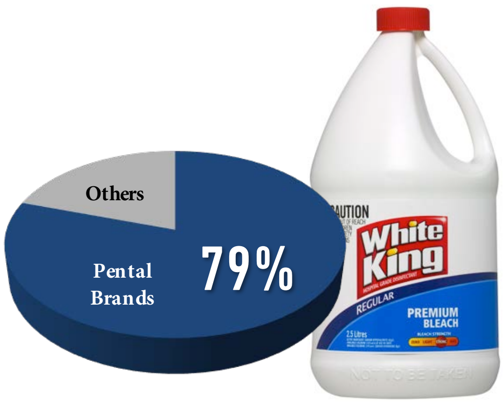
Pental is a consumer goods manufacturer with iconic Australian and New Zealand brands

- Focus on consumer goods only
- Strong brand recognition
- Strong market positions
- Private Label manufacture increasingly important



Source: Pental 1H FY2015 Results Presentation

PENTAL LIMITED: STRONG MARKET POSITIONS*



Bleach

Wool Wash

Firelighters

Manual Toilet Cleaner

Dishwash NZ

Bar Soaps

* Pental 2014 ASM Presentation

PENTAL LIMITED: EARLY HISTORY (SYMEX HOLDINGS LIMITED)

1954	Pental was established
1983	Incorporated as Pental Soap

2000	UK chemicals major ICI sold its Uniqema oleochemicals operation in Australia to Symex, a management buyout (MBO) team in March 2000
2000	Symex was listed on ASX on 29 August 2000
2003	Symex acquired Pental Soap from Mayne for AU$ 21M
2004	Symex acquired the permanent rights to manufacture and distribute Huggie, Close Up, AIM, Softly, Velvet, Sunlight, Lux Flakes, and Knights Castile for the Australian, NZ and the Pacific Islands region from Unilever
2006	Symex purchased Jiffy and Little Lucifer from Reckitt Benckiser
2011	Symex purchased Janola and White King from Sara Lee


Australia's Symex buys Mayne's Pental soap unit for Aus$21m

19 December 2002 17:40 Source: ICIS News

LONDON (CNI)--Australian chemicals company Symex has agreed to buy Mayne's Pental soap business for Aus$21m ($11.9m/Euro11.6m), it said on Thursday.

Pental is Australia's largest soap manufacturer, with about 20% of the soap bar market. It ma several brands of soap at its factory in Shepparton in Victoria state, as well as manufacturing consumer brands. Sales for the 2002-03 financial

Symex Acquires Firelighter Brands

By: Symex 24-Nov-2005
Keywords: Firelighters

Symex Holdings Ltd (ASX: SYM) today announced that its wholly owned subsidiary, Pental Products Pty Ltd, has acquired two firelighter brands manufacturing equipment from Reckitt Benckiser. established market presence in

ONE NEWS
TE KARERE
WATCH LIVE

Symex acquires iconic Kiwi Janola brand

Published: 8:29PM Wednesday December 29, 2010 Source: ONE News

An Australian company has today announced its acquisition of an iconic Kiwi brand - in a move aimed to propel the company into being forcible category contender in bleach, toilet and cleaning products in New Zealand.

The Janola business, which includes the White King brand in Australia, was purchased

PENTAL LIMITED: RECENT BRAND ACQUISITION HISTORY (1)

2004 — The Company purchased the permanent rights to manufacture and distribute Softly, Velvet, Sunlight, Lux Flakes and Knights Castile for the Australia, New Zealand and Pacific Island region from Unilever for AU$ 32M

2004 — The Company purchased the full and permanent rights to manufacture and distribute Huggie, a fabric softener and Close Up and AIM, toothpaste brands, in Australia, New Zealand and the Pacific Islands from Unilever for a reported AU$ 3M

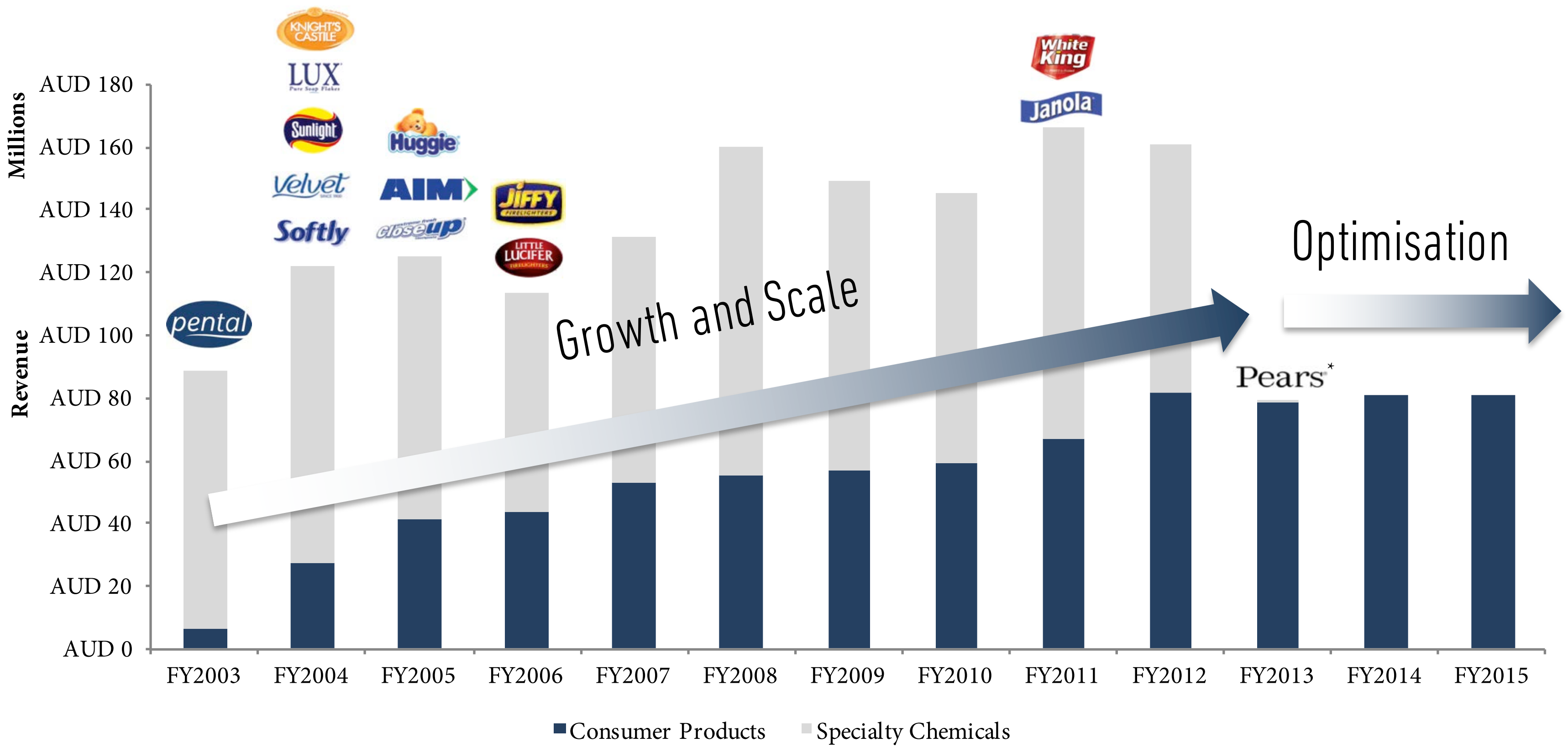
2006 — The Company purchased all rights associated with Little Lucifer and Jiffy firelighter brands in 2006 from Reckitt Benckiser (Price not disclosed)

2011 — The Company purchased all rights associated with Janola and White King bleach from Sara Lee Corporation on 7 February 2011 for AU$ 50.1M

2013 — The Company entered an agreement with Unilever India to distribute Pears soap bars, shower gel and wash products in Australia and New Zealand. The agreement with Unilever India lasts for three years, ending January 2016

PENTAL LIMITED: RECENT BRAND ACQUISITION HISTORY (2)

- Management have expressed reservations with regard to possible acquisition opportunities under current market conditions in the FMCG sector
- We concur with management, and believe that it is in the best interest for the Company and its shareholders for management to focus on the current capital investment programme which should maximise its operational capabilities and efficiency as well as the organic growth opportunities they have, before embarking on any acquisition/s



* Distribution Rights Only

PENTAL LIMITED: BOARD/MANAGEMENT CHANGES SINCE 2011

- Major management/board changes occurred in 2011 and 2012
- The current management team and most of the board members went through the 2012 restructuring together as a team. They have contributed significantly to the restructuring and the revitalisation of the Company
- However, we would like to see some further reinvigoration of the Board with a minority shareholder proposed director

CURRENT MANAGEMENT

Charlie McLeish – CEO (2013)

Albert Zago – CFO (2012)

CURRENT BOARD

Peter Robinson – Director (2002), Chairman (2009)

Mel Sutton – Director/Vice-Chairman (2013)

Alan Johnstone – Director (2003)

John Rishworth – Director (2004)

John Etherington – Director (2013)

2011	May 2011, **Charlie McLeish** appointed as COO/GM of Pental Products Pty Ltd November 2011, Mark Evans resigned as Non-Executive Independent Director
2012	February 2012, Robert Fraser resigned as Non-Executive Independent Director March 2012, Greg Tremewen resigned as MD and CEO April 2012, Alan Fisher appointed as CEO with two-year contract June 2012, **Albert Zago**, the former GM of Finance at Mitre 10, appointed as CFO
2013	November 2013, **Charlie McLeish** appointed as CEO

PENTAL LIMITED: A STORY OF TRANSFORMATION FROM 2012 TO 2013

The Symex factory at Port Melbourne

2012

Symex Holdings Limited

Net loss of -AU$ 60.7M

Net Debt of AU$ 60.9M

Entered a debt restructuring arrangement with ANZ

The failing specialty chemical business was discontinued

2013

Renamed – Pental Limited

Net Profit of AU$ 1.9M

Reduced Net Debt to AU$ 8.2M

Equity capital raised and AU$ 10M of debt written off by ANZ

Renewed focus on Consumer Goods and Brands

PENTAL LIMITED: PROGRESS SINCE 2012…

RESTRUCTURE BUILDING EXPANSION

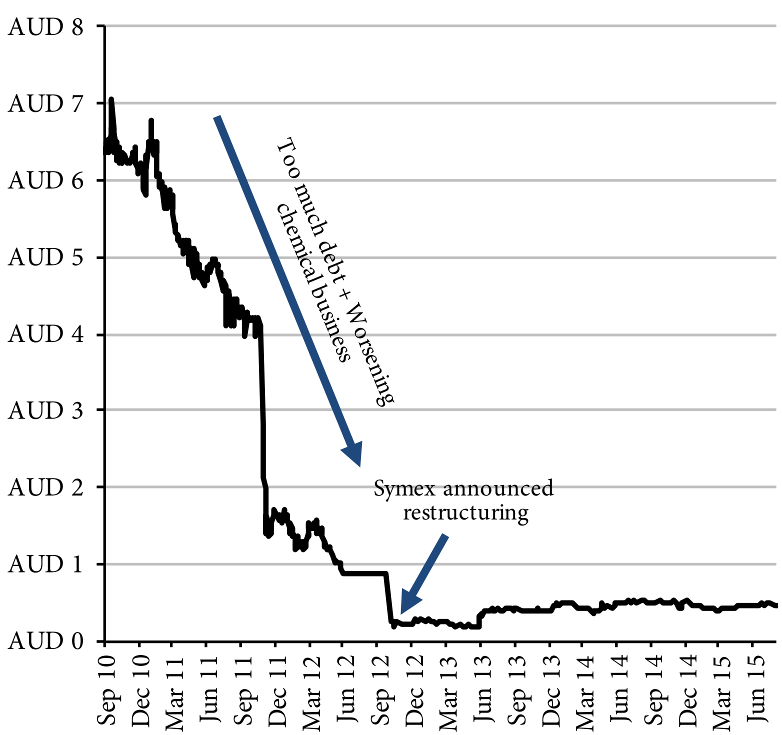
	Events	Underlying Profit Before Tax	Underlying EBITDA	Capex	Net Cash (Debt)	Dividends
FY2012	Restructured group	-AU$ 5.2M	AU$ 5.4M	AU$ 0.3M	-AU$ 60.9M	Suspended
FY2013	Relocation of bleach plant and commenced new bleach private label production	AU$ 4.2M	AU$ 9.6M	AU$ 2.2M	-AU$ 8.2M	Suspended
FY2014	Key bleach products previously outsourced brought in house	AU$ 6.9M	AU$ 9.7M	AU$4.6M	AU$ 0M	Recommenced
FY2015	AU$ 5.3M of capital projects announced & on target for completion in Q3/FY2016	AU$ 8.0M	AU$ 10.3M	AU$4.1M	AU$ 11.0M	60% of underlying NPAT
FY2016+	To complete announced capital projects, and execute on the growth strategy plan	-	-	Bulk, high speed liquid line and soap automation	Strong balance sheet	60% of underlying NPAT

Source: Pental 2015 Investor Presentation

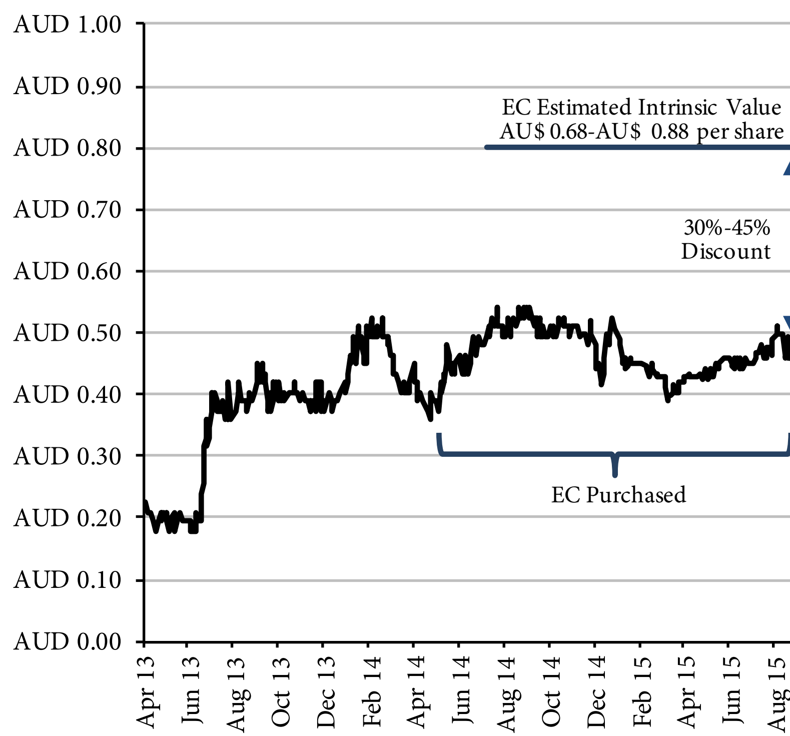
PENTAL LIMITED: SHARE PRICE MOVEMENT IN RECENT YEARS

- Too great a debt load and a prolonged deterioration of the Company's specialty chemical production business resulted in a significant loss of the Company's value since 2010. The Company's share price declined from over AU$ 7.06* in 22 October 2010 (Market Cap = AUD$ 77.5M*) to a low of AU$ 0.195* in 15 November 2012 (Market Cap = AUD$ 17.7M*) after the announcement of the restructuring
- We first uncovered the Company in early 2014, initiated research and later initiated a position in May 2014
- Current share price = AU$ 0.48 (Market Capitalisation = AUD$ 65.4M)**

Pental 5-Year Share Price History*



Pental Share Price History After 2012 Restructuring



* Data Source: Thomson Reuters Eikon
** As at 7 October 2015

PENTAL LIMITED: CONTINUED IMPROVEMENT IN FINANCIALS SINCE 2012

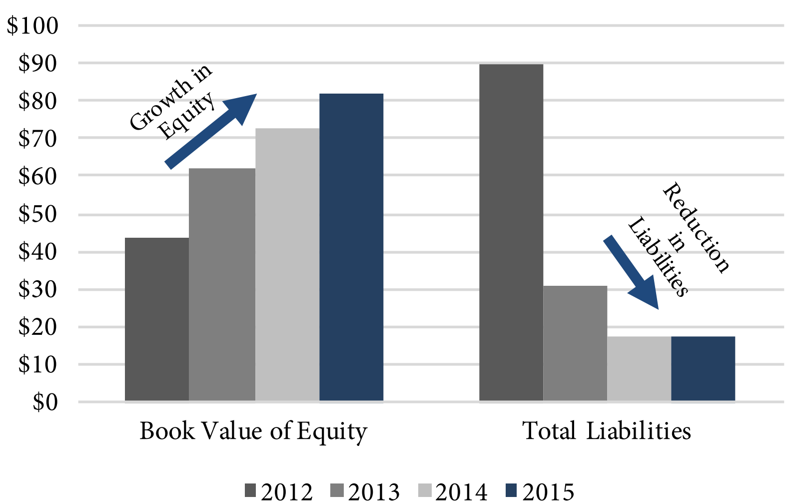
BALANCE SHEET

- Positive developments in terms of debt reduction and moving to a net cash position of AU$ 11.04M as at 28 June 2015
- Book Value has increased since the restructure of 2012 to AU$ 0.60 per share as at 28 June 2015

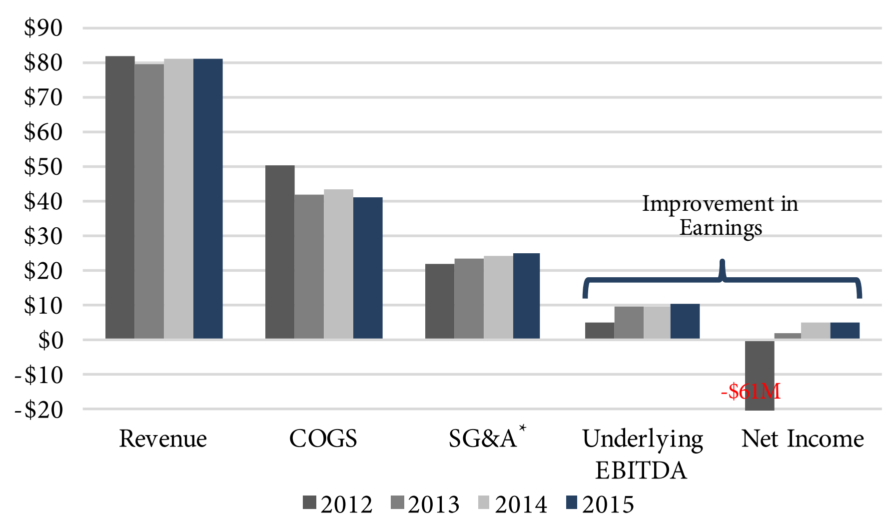
INCOME STATEMENT

- Interest savings resulting from debt reduction will likely be reflected in higher net income on a go forward basis
- Cost of Goods Sold ("COGS") has decreased significantly as a percentage of sales because of the closure of the specialty chemicals business
- COGS is expected to further reduce with the current investment programme

Book Value vs Total Liabilities (AU$ M)



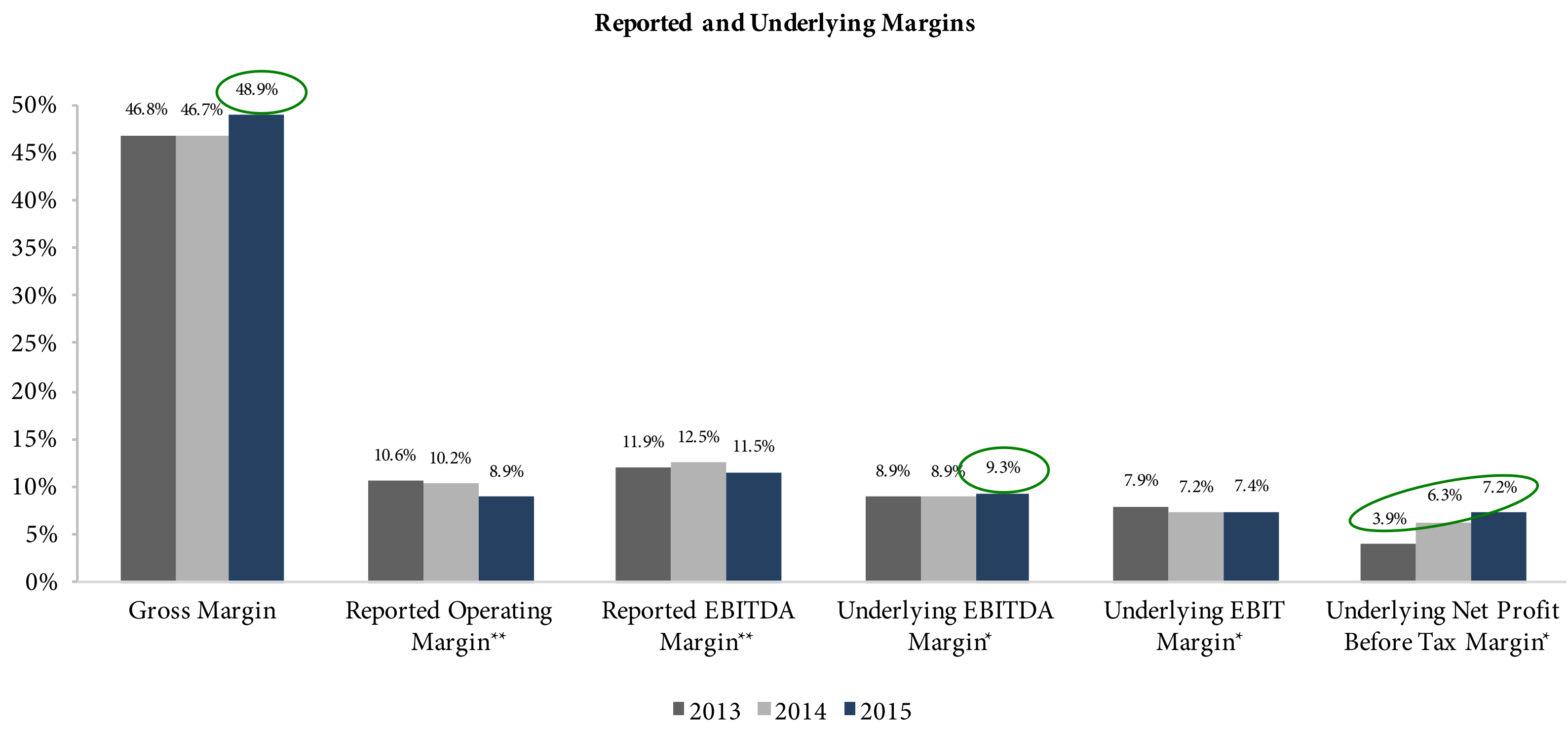
Revenue, Costs and Profits (AU$ M)



* SG&A is Selling, General and Administrative Expenses

PENTAL LIMITED: IMPROVEMENT IN UNDERLYING MARGINS

- We note continued improvement in underlying margins* in 2015 at a pre-tax level, and believe that this will continue to flow through to the actual reported figures* in the future years as significant one-off items are minimised after the employee restructuring and the current capital investment programme are completed



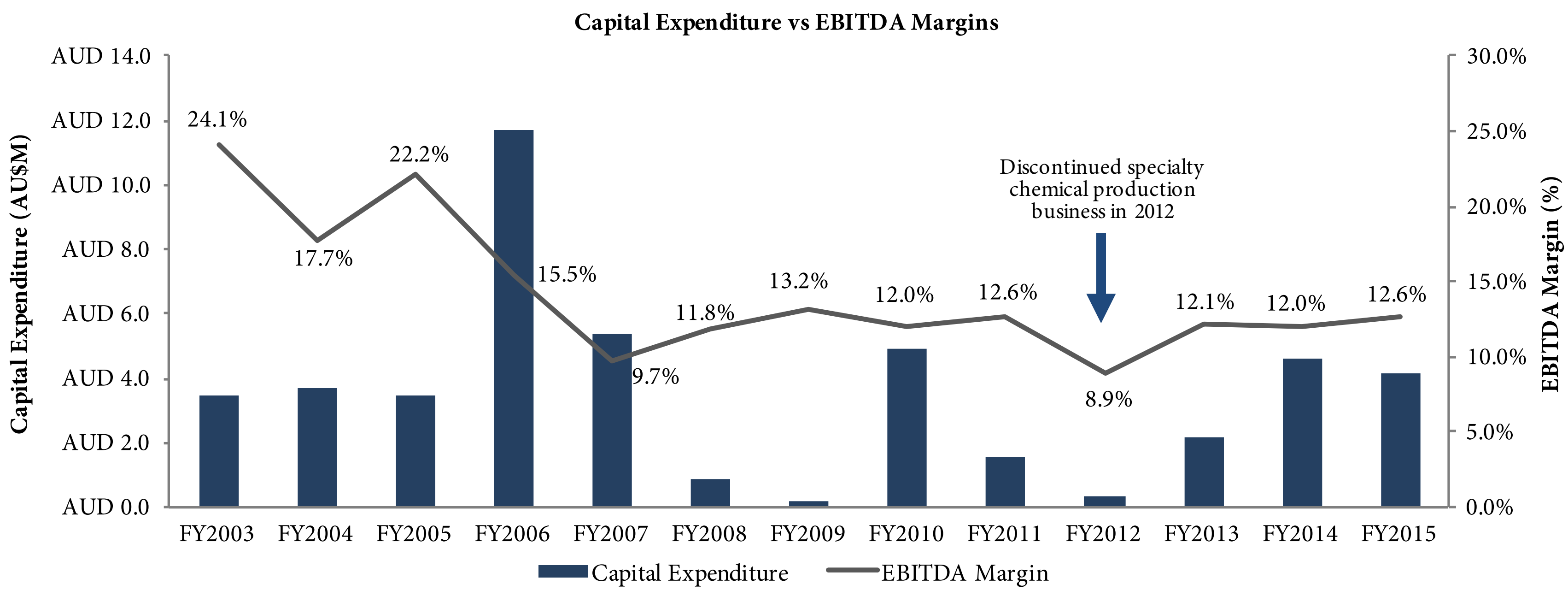
* The non-IFRS underlying figures are provided by the Company in its FY15 Financial Report, and they exclude significant one-off items

** The reported figures are in accordance with the International Financial Reporting Standards (IFRS)

*** Data source: Thomson Reuters Eikon and Company FY15 Results Presentation

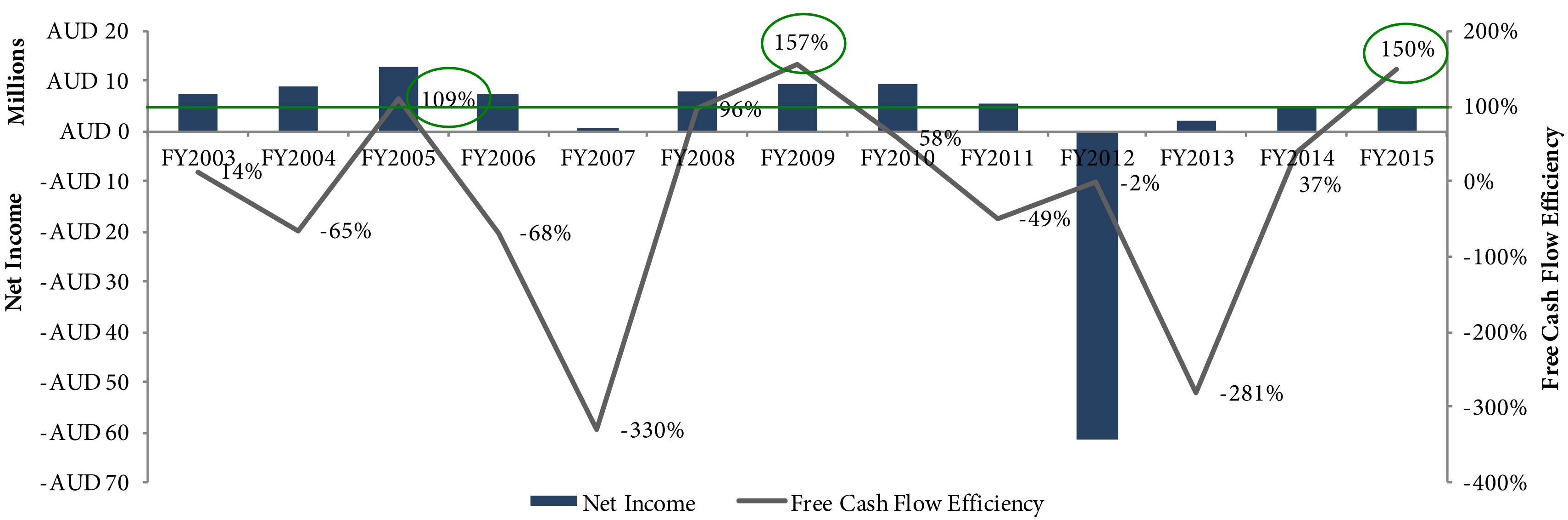
PENTAL LIMITED: CAPITAL EXPENDITURE

- The chart below highlights the volatile nature of the Company's EBITDA margins in the past when the Company's specialty chemical production business was still in operation until 2012
- The major capital expenditure in 2014 was the relocation and upgrade of the bleach manufacturing operations from the Port Melbourne site to the Shepparton site, which had a total cost of AU$ 4.424M
- The Company announced an AU$ 5.3M capital project in February 2015 which aims "*to bring the key parts of the operations up to best practice standards within the next 6-12 months and achieve significant cost savings moving forward*". Management are expecting the project to be completed by Q3 FY2016
- We expect the EBITDA margin to improve in the near future as the capital projects improve efficiency and delivers further cost reductions



PENTAL LIMITED: IMPROVEMENT IN FREE CASH FLOW GENERATION

- It is important to understand a company's ability to generate cash without external financings. We look at measures such as <u>Free Cash Flow (FCF*) Efficiency</u>** to help gauge the resources available for strategic opportunities such as making acquisitions, investing in the business, strengthening the balance sheet, and to assess the strength of a company's earnings performance
- Historically, the Company has only delivered >100% FCF Efficiency three times (2005, 2009, 2015) since 2003 – driven by the need to undertake reinvestment capex
- Post indicated capex in the next two years, and with a renewed focus on the consumer goods business, our expectation for management is to maintain >100% Free Cash Flow Efficiency, as other well run consumer goods companies do (e.g., Edgewell Personal Care and Clorox both have a 5yr average FCF Efficiency of 115%***)



Data Source: Thomson Reuters Eikon

* Free Cash Flow (FCF) is defined as cash from operating activities minus capital expenditures

** Free Cash Flow Efficiency is defined as Free Cash Flow / Net Income and it shows how efficient the business is at generating free cash flow versus its reported/accounting net income

*** Edgewell Personal Care Investor Kickoff 2015 Presentation – 2 June 2015, Clorox figure based on Thomson Reuters Eikon data

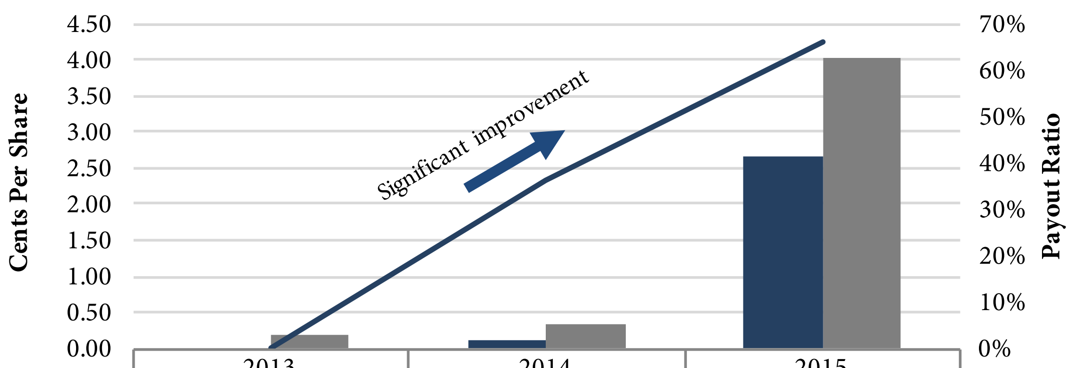
PENTAL LIMITED: DIVIDEND REINSTATED IN FY2014

- The Company advised the market in its 1H FY2014 report that it will evaluate the reinstatement of dividend at the end of FY2014. By the end of FY2014, it reinstated the dividend and paid out 36% of Net Profit for FY2014
- In early 2015, the Company announced that it was targeting a payout ratio of 60%. The actual payout ratio for FY2015 was 66%
- Current Gross Dividend Yield = 5.5%*

"Furthermore, with a strong balance sheet and more predicable underlying cash flows, subject to Board's overall discretion on dividend payments, Pental will target to distribute 60% of the company's net profit after tax to shareholders (via interim and final dividends), commencing with the interim dividend detailed below, provided current conditions continue as is and no unforeseen events occur."

- Pental FY2015 Half Year Report

Dividend and Earnings Per Share Since 2013



	2013	2014	2015
Dividend Per Share	0.00	0.12	2.65
Earnings Per Share	0.20	0.33	4.02
Payout Ratio	0%	36%	66%

* Based on share price of AU$ 0.48 as at 7 October 2015

PENTAL LIMITED: COMPARABLE COMPANIES – VALUATION (1)

- Favourable valuation metrics on both an absolute, and relative basis to companies operating in the same sector globally

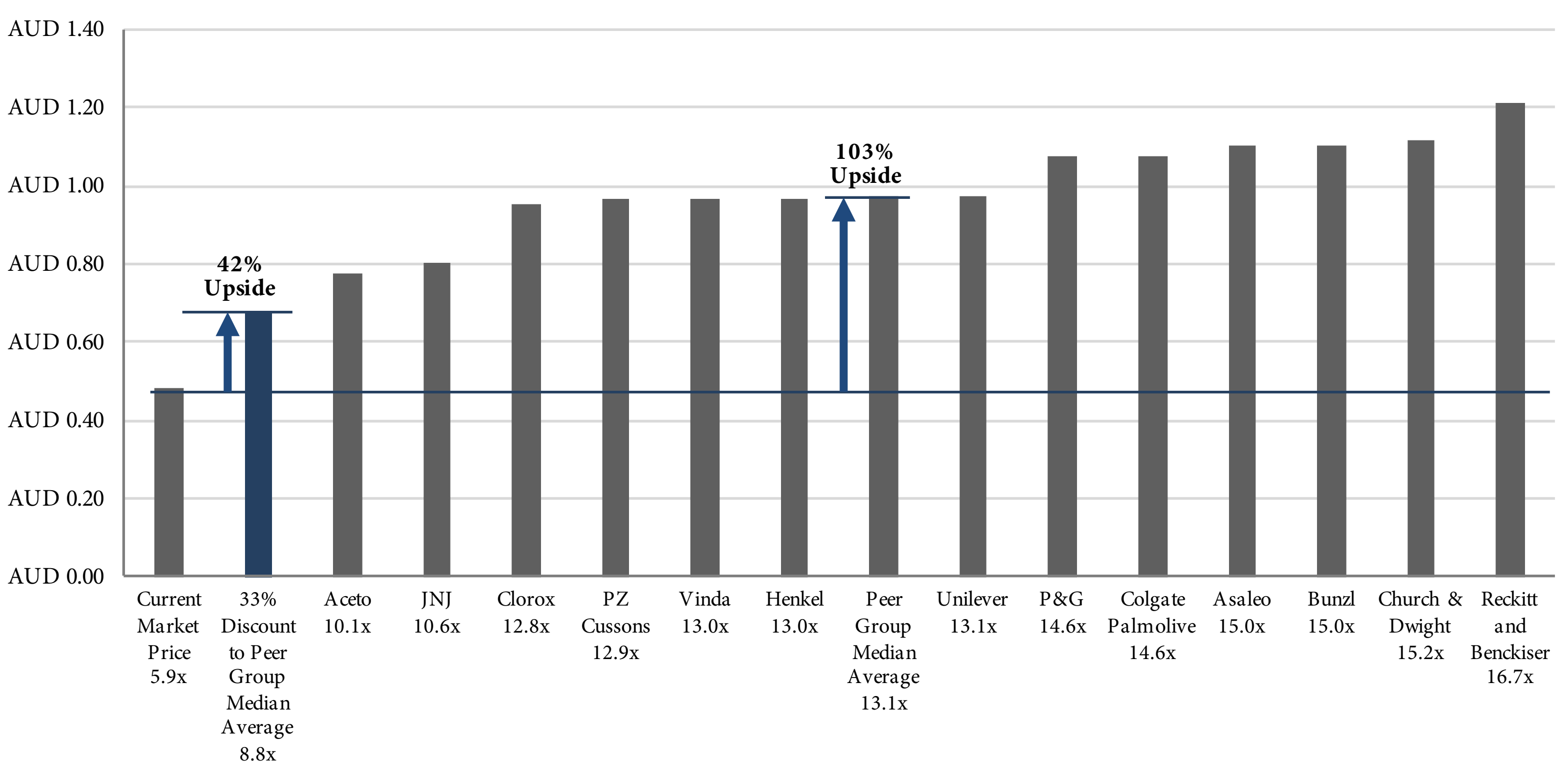
	P/E	PRICE / SALES	EV / EBITDA	PRICE / CF	PRICE / BV	GROSS DIV. YIELD
Aceto	21.5x	1.5x	11.2x	100.2x	3.3x	0.8%
Asaleo Care	276.7x	1.8x	14.9x	10.3x	2.9x	5.1%
Bunzl	27.7x	1.0x	15.0x	20.3x	7.2x	2.0%
Church & Dwight	26.2x	3.4x	15.2x	19.5x	5.7x	1.5%
Clorox	22.8x	2.7x	12.8x	17.6x	129.7x	2.5%
Colgate Palmolive	29.3x	3.5x	14.6x	18.8x	129.6x	2.3%
Henkel	23.9x	2.3x	13.0x	18.7x	3.2x	1.4%
Johnson & Johnson	18.4x	3.7x	10.6x	15.4x	3.7x	3.0%
Procter & Gamble	26.4x	2.6x	14.6x	13.7x	3.2x	3.5%
PZ Cussons	28.9x	1.6x	12.9x	36.0x	2.9x	2.6%
Reckitt and Benckiser	22.9x	5.0x	16.7x	20.5x	6.9x	2.2%
Unilever	18.9x	2.2x	13.1x	18.4x	6.9x	2.3%
Vinda International Holdings	19.2x	1.7x	13.0x	16.0x	2.9x	1.1%
Pental	**10.8x**	**0.8x**	**5.9x**	**5.5x**	**0.8x**	**5.5%**
Peer Group Median Average	**23.9x**	**2.3x**	**13.1x**	**18.7x**	**3.7x**	**2.3%**

Data Source: Thomson Reuters Eikon as at 7 October 2015
CF = Cash Flow, BV = Book Value

PENTAL LIMITED: COMPARABLE COMPANIES – VALUATION (2)

- If Pental trades at the peer group median average of 13.09x EBITDA, the implied share price is AU$ 0.975, which suggests an upside potential of 103%
- To be conservative, if we placed a 33% discount to the above EV/EBITDA multiple, the implied share price based on a 8.8x EBITDA equates to AU$ 0.68, which suggests an upside potential of 42%

Pental Share Price Based On Compcos EV/EBITDA



* Based on share price of AU$ 0.48 as at 7 October 2015

PENTAL LIMITED: COMPARABLE COMPANIES – MARGINS AND RETURNS

- Our analysis suggests there still exists room for further margin improvement. The Company could also repurchase the Shepparton facility, continue its capex programme and undertake a share buyback to place a conservative amount of debt on the balance sheet to improve returns to shareholders without the risk/s inherent in any acquisition

	NET MARGIN	GROSS MARGIN	EBITDA MARGIN	EBIT MARGIN	ROE	ROA	NET DEBT TO EV
Aceto	6.1%	24.8%	14.3%	12.1%	13.7%	7.3%	8.0%
Asaleo Care	0.5%	41.9%	13.1%	9.2%	NA	0.45%	17.7%
Bunzl	3.4%	24.3%	7.4%	6.0%	26.1%	6.5%	14.8%
Church & Dwight	12.6%	44.1%	22.4%	19.6%	20.2%	9.6%	7.1%
Clorox	10.7%	43.6%	21.0%	18.0%	445.6%	14.4%	10.5%
Colgate Palmolive	12.6%	58.7%	26.9%	24.3%	204.7%	17.1%	8.3%
Henkel	9.9%	47.5%	18.3%	16.0%	15.0%	8.2%	0.8%
Johnson & Johnson	22.0%	70.4%	35.4%	30.1%	21.6%	12.4%	Net Cash
Procter & Gamble	11.2%	49.9%	20.9%	16.8%	13.2%	6.5%	8.9%
PZ Cussons	6.4%	39.8%	16.4%	14.0%	11.2%	5.6%	10.3%
Reckitt and Benckiser	18.8%	57.7%	26.6%	24.7%	24.9%	10.9%	4.0%
Unilever	10.7%	41.4%	16.8%	14.5%	33.2%	11.8%	9.6%
Vinda International Holdings	7.4%	30.2%	14.6%	10.0%	14.0%	5.5%	20.6%
Pental	**6.3%**	**49.0%**	**12.6%**	**10.0%**	**6.6%**	**5.4%**	**Net Cash**
Peer Group Median Average	**10.7%**	**43.6%**	**18.3%**	**16.0%**	**20.9%**	**8.2%**	**9.0%**

Data Source: Thomson Reuters Eikon as at 7 October 2015

PENTAL LIMITED: PENTAL VS. ASALEO CARE (1)

We compare Pental to its ASX listed peer – Asaleo Care (AHY.ASX) – A personal care and hygiene company that operates in Australia, New Zealand and Fiji.

pental

Market Cap = AU$ 65.4M*
Revenue = AU$ 81M**

asaleo care

Market Cap = AU$ 1.11B*
Revenue = AU$ 630M**

White King · Country Life · Jiffy · Softly · Martha's · Pears · Velvet
Sunlight · LUX · Little Lucifer · AIM · Huggie · Janola · Natural

Sorbent · Libra · TENA · TORK · Handee Ultra
Treasures · purex · Deeko · Orchid · Viti

* As at 7 October 2015 ** Latest Annual Reports

PENTAL LIMITED: PENTAL VS. ASALEO CARE (2)

- Pental is significantly cheaper, with higher margins than ASX listed peer – Asaleo Care
- Pental has lower financial leverage, with a net cash position
- However, we note that Pental is a much smaller company – revenue AU$ 81M* for Pental vs AU$ 630M* for Asaleo Care

VALUATION**

	P/E	PRICE / SALES	EV / EBITDA	PRICE / CF	PRICE / BV	GROSS DIV. YIELD
Asaleo Care	276.7x	1.8x	14.9x	10.3x	2.9x	5.1%
Pental	10.8x	0.8x	5.9x	5.5x	0.8x	5.5%
Peer Group Median Average	23.9x	2.3x	13.1x	18.7x	3.7x	2.3%

MARGINS & RETURNS**

	NET MARGIN	GROSS MARGIN	EBITDA MARGIN	EBIT MARGIN	ROE	ROA	NET DEBT TO EV
Asaleo Care	0.5%	41.9%	13.1%	9.2%	NA	0.45%	17.7%
Pental	6.3%	49.0%	12.6%	10.0%	6.6%	5.4%	Net Cash
Peer Group Median Average	10.7%	43.6%	18.3%	16.0%	20.9%	8.2%	9.0%

* Latest Annual Reports
** Data Source: Thomson Reuters Eikon as at 7 October 2015

PENTAL LIMITED: RECENT INDUSTRY M&A TRANSACTIONS

- Below we have categorised a number of comparable transactions undertaken in the industry in which Pental operates (or similar industries). We find that the most comparable transactions are the 2015 acquisition of Colgate Palmolive's Australian & New Zealand brands by Henkel, the 2014 acquisition of the Poland based 'E' laundry brands by Henkel and the 2013 acquisition of Domtar by Associated Hygiene

  (Note: Pact Group's acquisition of Jalco Group (a contract manufacturer) is less relevant given the lack of a brand portfolio in our view)

- Clorox, in our opinion, is the most likely acquirer of Pental. Clorox has a focus on bleach and cleaning products and may seek to gain further exposure to the Australasian market by acquiring a competitor. Currently, Clorox brand bleach competes directly with Pental's White King and Janola and Clorox's 'Stain Remover and Colour Booster' product competes with Pental's laundry care products such as Softly

Acquirer	Target	Deal Status	Date	EV (US$)	EV/EBITDA	P/Revenue
Domtar Corporation	Associated Hygienic Products	Completed	May 2013	$0.27B	8.8x	0.9x
Genomma Lab	Prestige Brands	Rejected	April 2012	$1.33B	9.3x	3.95x
Sanofi	Chattem	Completed	December 2009	$1.9B	13.3x	4.8x
Henkel	Spotless Group	Completed	June 2014	$1.06B	12.1x	3.36x
Henkel	"E" Brands (Eastern Europe)	Completed	February 2014	$0.06B	-	0.83x
Henkel	Colgate Palmolive (Australia/NZ)	Completed	May 2015	$0.25B	-	2.0x
Pact Group	Jalco Group	Completed	September 2015	$0.06B	6.5x	-
			Average:	**$0.7B**	**10.0x**	**2.65x**

PENTAL LIMITED: CAPITAL STRUCTURE & OWNERSHIP

EQUITY

- Pental now has an uncomplicated capital structure, with all former piggyback options and loyalty options exercised and/or expired past the recapitalisation
- Currently, Pental has 136.25 million shares outstanding, with a market capitalisation of AU$ 65.4M based on share price of AU$ 0.48[*]

DEBT

- The Company has no debt with AU$ 11.04M net cash as at 30 June 2015

Concentrated Ownership

- Top 10 investors own a combined 72.3% of the Company, with Elevation Capital currently holding 8.17%[*] on behalf of clients/associates

Top 10 Shareholders[*]	Number of Shares[*]	%[*]
Johnstone (Alan Graham)[**]	29.85m	21.91 %
Allan Gray Australia Pty Ltd	18.44m	13.53 %
Homewood (John Rostyn)	17.75m	13.03 %
Elevation Capital Management Ltd	11.13m	8.17%
Johnson (Garry George)	5.56m	4.08%
Labelmakers Group Pty Ltd	5.56m	4.08%
Robinson (Peter John)[**]	3.97m	2.92%
PMSF Company Pty Ltd	2.51m	1.84%
Vanward Investments Ltd	2.17m	1.59%
Rathvale Proprietary Ltd	1.54m	1.13%
Total:	98.47m	72.28 %

* Data Source: Thomson Reuters Eikon as at 7 October 2015 and Elevation Capital Records

** Directors of the Company (including John Rishworth) own a combined 24.83% of the Company as at 30 June 2015

PENTAL LIMITED: ELEVATION CAPITAL'S VALUATION RANGE

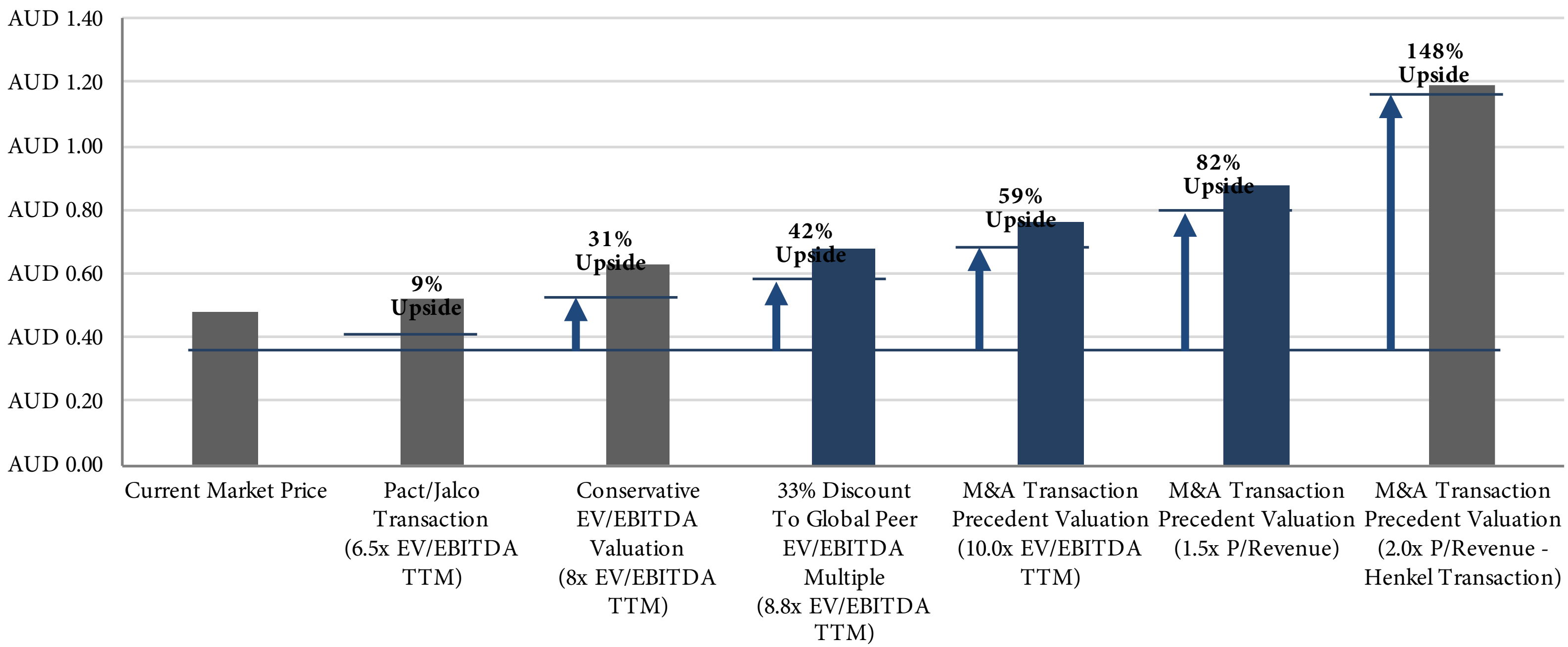
Elevation Capital Estimated Intrinsic Value Range:

AU$ 0.63 - AU$ 1.19 PER SHARE

Upside Potential Range:

31% - 148%

Valuation Summary



Current Market Price = AU$ 0.48 (as at 7 October 2015)
Pact Group acquired Jalco Group (a contract manufacturer) at 6.5x EBITDA (TTM) in September 2015
Conservative EV/EBITDA Valuation is based on 8x EBITDA (TTM) – assumes no growth or efficiency gains from current capital investment programme
33% Discount To Global Peer EV/EBITDA (TTM) Multiple – We discounted the average multiple of 13.09x by 33%, which resulted in a multiple of 8.8x
M&A Transaction Precedent Valuation is based on EV/EBITDA, and is based on the average of selected M&A transaction EV/EBITDA multiple of 10.0x EBITDA TTM
M&A Transaction Precedent Valuation (1.5x P/Revenue) is based on the average P/Revenue multiple of three comparable M&A transactions)
M&A Transaction Precedent Valuation (2.0x P/Revenue) is based on the P/Revenue multiple in the recent Henkel/Colgate Palmolive' transaction

PENTAL LIMITED: KEY OPPORTUNITIES (1)

Organic Growth Strategy

- As the Company went through restructuring and building stages (2012-2015), management recently released their organic growth strategy (see slides on the right). We believe some of the strategies have higher probabilities of success (commercial & industrial channels, product innovation, productivity savings, etc.) than exporting. However, exporting could be the key to delivering more significant growth to the Company if executed successfully

Productivity/Margin Improvement

- As mentioned in the Capex section, Pental is currently investing in significant upgrades to its manufacturing and distribution facilities at Shepparton, Victoria. These include measures which will increase production capacity, reduce wastage and automate processes allowing for a reduction in personnel costs and improved production efficiency to allow growth in private label and bulk industrial/commercial. We believe this is the “low hanging fruit” that the Company should complete before investing significant resources on other growth strategies

Source: Pental FY2015 Investor Presentation

PENTAL LIMITED: KEY OPPORTUNITIES (2)

M&A Activity

- Henkel recently acquired Colgate Palmolive's brands in Australia and New Zealand. They paid € 220M (AU$ 320.20M) for Colgate Palmolive's brands which generated € 110M (AU$ 160.60M) of revenue. This multiple of 2.0x revenue generates a valuation if applied to Pental of AU$ 162.4M or AU$ 1.19 per share. We believe that Pental would make a sensible acquisition target for one of its larger competitors (such as Clorox) in the event that one of these companies were seeking to increase/initiate exposure to Australasia

Bolt-on Acquisitions

- We have listed acquisitions as a source of potential risk. We believe the best course of action for Pental in the short to medium term is to focus on reducing costs and increasing margins – driving cash flow and capital returns to shareholders. However, in the long term – if Pental is not acquired - bolt on acquisitions may be a source of opportunity, provided management are patient and acquire the right businesses at the right price. Small private businesses producing homecare or personal care products may make good targets, particularly given Pental is in a better position than many to negotiate with supermarkets and retailers as it has a larger product base from which to build its negotiating position

PENTAL LIMITED: KEY RISKS (1)

Competition

- Levels of competition are moderate to high. Pental operates in an industry in which producers struggle to offer points of distinction for their products. In our view, the Company is approaching this threat in the correct way, by seeking to minimise costs and increase margins. However, margin squeeze from retailers in the supermarket industry in Australia and New Zealand is also a risk to Pental. Australian supermarkets are increasingly competitive and as a result have to squeeze their suppliers in order to maintain their own margins

Macro Environment

- Macroeconomic conditions in Pental's home market are difficult, with Australia experiencing a decline in aggregate demand related to a decline in consumer confidence. Our valuation has priced in no organic growth for the next financial year (only cost savings such as interest) to reflect this and maintain conservatism with our valuations

Market Limitations

- Pental currently faces geographical and industry constraints. It holds a significant market share in a number of its product segments, most notably the household cleaning, laundry care and personal care segments, and it is doing a good job of maintaining its market share (growing it in some areas). However, the market is only so big in Australia and New Zealand and this imposes limits on Pental's growth. This limitation is one explanation for the markets reluctance to value Pental at the same multiples as its peers
- The possibility of an export channel could reduce this risk significantly

PENTAL LIMITED: KEY RISKS (2)

Acquisition Risks

- We perceive a risk that management may try to expanding the business through potentially larger acquisitions in order to combat the limitations discussed in the previous slide
- We are pleased that management have expressed reservations with regard to possible acquisition opportunities under current market conditions in the FMCG sector
- Pental concentrating on organic growth rather than acquisitions is central to our investment thesis and management need to further prove up their operational capabilities before embarking on major acquisitions in our opinion

Liquidity

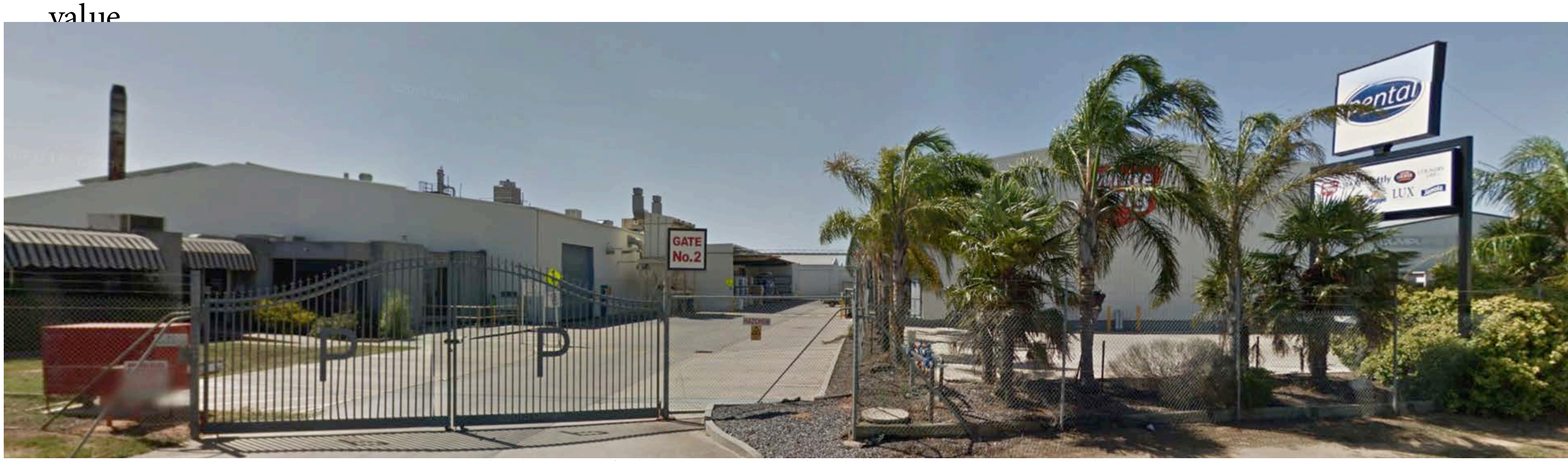
- From an investors point of view, the liquidity of Pental's shares is a source of risk. Currently, the market capitalisation of the Company is AU$ 65.4M*, meaning it falls firmly into the small-cap category, with shares thinly traded

* As at 7 October 2015

PENTAL LIMITED: ELEVATION CAPITAL SUGGESTIONS TO THE BOARD

We would like to suggest the following actions for the Board/Management to consider:

- Exercise the option to repurchase the Shepparton facility after 1/7/2017 (it was sold in 2013 for AU$ 6.0M) to further reduce the cost of operating at the Shepparton location
- Post capex requirements return excess capital to shareholders and place a conservative amount of debt on the balance sheet ~AU$ 5M – AU$ 10M to improve returns to shareholders and maintain management focus
- Introduce a AU$ 2.5M share buyback programme with a target maximum buyback price of 10% discount to Book Value per share (currently $0.60) to take advantage for the benefit of <u>all</u> shareholders what we believe to be an attractive discount to the Company's intrinsic value based on current share price levels
- Reinvigoration of the Board from within the supportive shareholder base (to maintain an alignment of interest) and additionally from within consumer products industry globally. However a special focus should be on capital allocation skills
- Acquisitions should only be considered post these steps and should be small in size (not transformative). Potential acquisitions must be based on low growth expectations, low synergy benefits and compared to an investment/repurchase of Pental shares at the prevailing market price and the current discount to intrinsic value



The Shepparton facility at 48 Drummond Rd., Shepparton VIC 3630, Australia

PENTAL LIMITED: ELEVATION CAPITAL CONCLUSION

Conclusion

- Our October 2015 update on Pental reconfirms our original investment thesis. We find the Company to be significantly undervalued by the market. Pental has the potential to improve margins through targeted capital expenditure and cost cutting as well as being a prime target for M&A activity (particularly in the wake of Henkel's recent acquisition)
- It also has a stable of highly recognisable brands in the Australia and New Zealand household goods industry and management are developing a positive track record of maintaining the market share of their leading brands (even growing them in some cases)
- Management (and the Board) have proven themselves more adept at allocating capital (than past management), with debt reduction the key focus during 2012-13 and the current focus on upgrading plant (The next focus has to be to improve returns on invested capital)
- We believe that the case for an investment in Pental has grown stronger over the past year, with the discount to intrinsic value remaining elevated (as it was one year ago), but with substantially reduced downside risk
- A successful execution of the organic growth strategy plan could potentially add significant value and growth opportunities to the business
- Currently, the Elevation Capital Value Fund and Separate Accounts managed by Elevation Capital hold an 8.17%* ownership interest in the Company
- Elevation Capital's Intrinsic Value Range of AU$ 0.63 – AU$ 1.19 suggest the shares are currently trading at a 31% - 148% discount to this estimated intrinsic value range*

* As at 7 October 2015

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ELEVATION CAPITAL®

‘INDEPENDENT THINKING – DISCIPLINED INVESTING’

INDEPENDENT THINKING

[In-de-pend-ent Think-ing] **ində’pendənt THiNkiNG** *verb*

Is essential to long-term investment success. We are often contrarian and do not pay attention to index compositions when making investment decisions. We believe that when you’re several thousand miles away from Wall Street in a different nation, it’s easier to be independent and buy the things that other people are selling, and sell the things that other people are buying. We also believe that cash is sometimes the most attractive investment.

DISCIPLINED INVESTING

[Dis-ci-plined In-vest-ing] **disciplinəd inves’ting** *verb*

The market presents opportunities every day, but disciplined investing is as much about the opportunities you do not take. Our investments are premised on the concept of “Margin of Safety” which we believe reduces risk.

ELEVATION CAPITAL®