

# 2021 FINAL RESULTS

12 MONTHS TO 31 DECEMBER 2021

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PERFORMANCE NUTRITION

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IN SPORT

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# HIGHLIGHTS

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# 2021 HIGHLIGHTS

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- Return to 24% revenue growth
- £62.5m revenue with all channels growing
- Gross margin 50% up from 49% in 2020
- Strategic investment in technology and new supply chain facility
- EBITDA\* profit at £2.2 million
- Cash at bank £4.9m in line with expectations

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<sup>1</sup> before interest, tax, depreciation, amortisation, share-based payments and foreign exchange variance on intercompany balances, IFRIC cloud based technology adoption, and Blackburn transition costs



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- Revenue growth 18% Feb YTD
- March delivered record revenue
- Robust gross margins as input headwinds mitigated
- Blackburn supply chain operations live; gel manufacturing on track for July

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# STRATEGY

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# PROVEN STRATEGY



## VISION & AMBITION

**Vision:** We get up every day to be the best. So you can be your best  
**Mission:** We will be the World's #1 Premium Performance Nutrition Business  
**Ambition:** Science-led Global Enterprise, £250m revenue  
**Values:** B-Corporation certification by 2024

## STRATEGIC PRIORITIES



## ENABLERS

- Retail UK & International
- B-Corp Corporation
- Finance: Cashflow is King
- Employer of Choice; Performance Culture

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# G R O W T H   A N D   C A S H G E N E R A T I O N

## Investing for cash-generative growth, spinning flywheel faster

- Improve supply chain margin further
  - Remove supply chain capacity block
  - Improve margin through efficiencies and in-sourcing
  - Medium-term ambition mid-50% GM
- Extend reach of our online business
  - Use technology to broaden customer base through insight and efficiency
  - Tailor audiences to upweight ASP/CVR
- Resulting in highly cash generative model post-investment phase
- Combination of asset finance and debt funds investment cycle

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# INVEST IN GROWTH CAPACITY

2021	2022	2023	2024
REMOVE BLOCKERS	REMOVE BLOCKERS	IN-SOURCE	DRIVE MARGIN
<p>Existing operation fragmented over four sites</p> <p>Gel capacity maximized</p> <p>New supply chain site commenced with –</p> <ul style="list-style-type: none"><li>• £200m revenue p.a.</li><li>• Quadrupled gel capacity<ul style="list-style-type: none"><li>• More effective web commerce</li><li>• Streamlined logistics</li></ul></li></ul>	<p>Deliver internal logistics savings of £1m p.a. from April</p> <p>Commission gel line in July</p> <p>Second protein line commissioned</p> <p>Enhanced web commerce operation</p>	<p>Bars are 44% of PhD and grew at 24%</p> <p>In-house bar line planned for H2</p> <p>Gross margin opportunity ~2.5%</p> <p>Capacity opens up further growth</p>	<p>Optimise Blackburn operation</p> <p>Bar line growth opportunity</p>

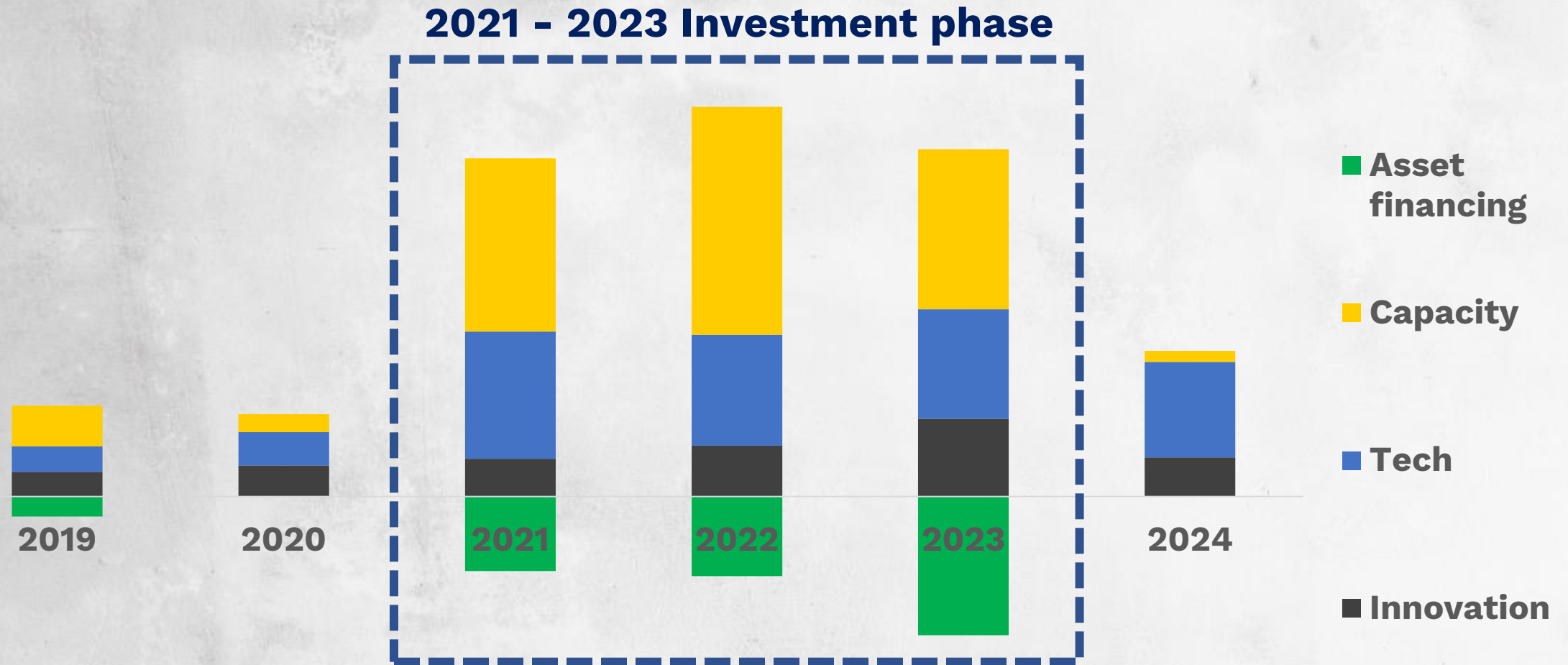


# TECHNOLOGY DRIVES GROWTH AND MARGIN

2021	2022	2023	2024
IDENTIFYING CONSUMER TRENDS	UNDERSTANDING CONSUMER TRENDS	PREDICTING CONSUMER TRENDS	INFLUENCING CONSUMER TRENDS
<p>Tealium CDP identifying online audiences</p> <p>Magento platform speed and functionality</p> <p>Integrating and streamlining back-end operations</p>	<p>Tealium ML to understand customer sentiment and LTV</p> <p>Loyalty and chatbot tech to deepen relationships</p> <p>Analysis of media spend to drive marketing ROI</p> <p>Data modelling to understand the brands</p> <p>Further streamlining back-end operations</p>	<p>Extend to content analysis</p> <p>Data modelling - multichannel, multimarket</p> <p>New channels e.g., social commerce</p> <p>Data modelling to optimise demand planning</p>	<p>Voice of consumer: social listening and customer affinity</p> <p>AI to gather customer intelligence</p> <p>Data to influence brand and innovation</p>

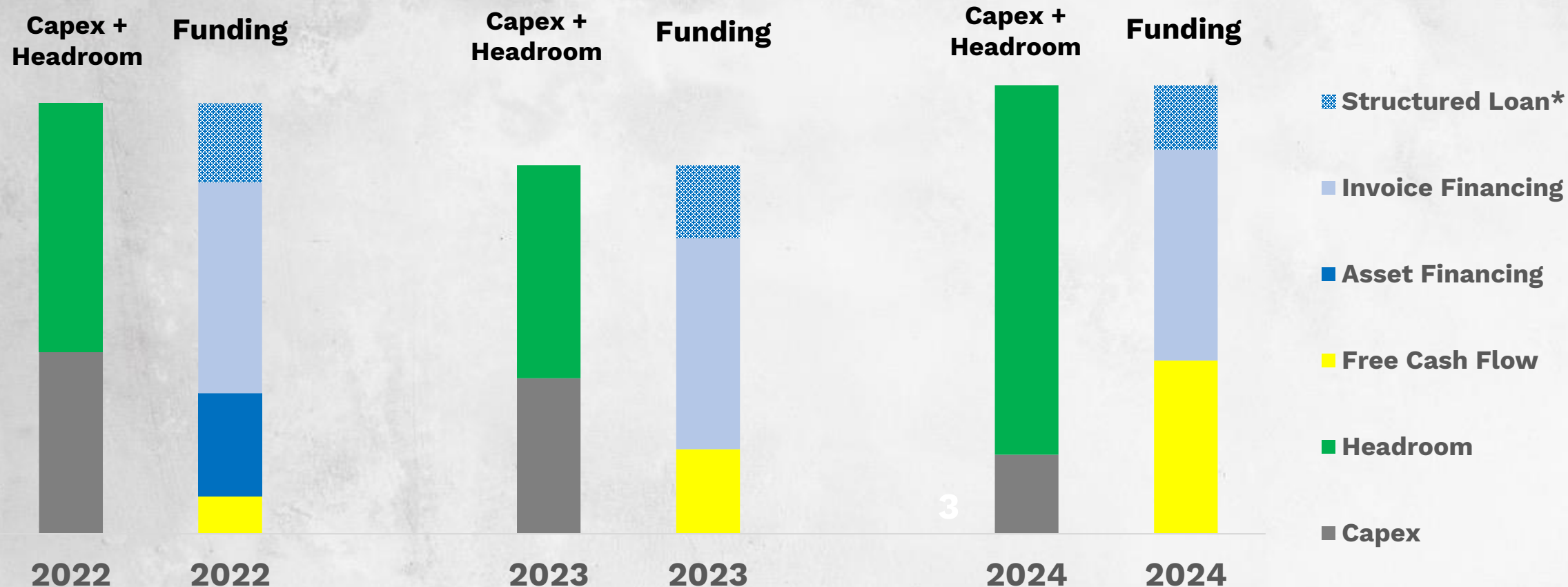


# G R O W T H   I N V E S T M E N T P H A S E





# CASH FLOW



\* Structured loan in HSBC credit approval process with decision due end April 2022.

# OPERATIONAL

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# WIN IN SCIENCE

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- Revenue from new products £3.9m, +77% on 2020
- 32% of revenue growth from new products
- PhD Diet Plant, underpins market leadership
- SiS Beta Fuel
  - Novel patented and science-proven technology
  - Breakthrough in high carbohydrate fuelling
- Three other major scientific research projects underway

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# WIN IN ELITES

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- Over 330 elite teams globally as customers
- Performance Solutions creating interest
- Vehicle for growth in new sports and territories
- Insight drives Win In Science

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# TECHNOLOGY & DATA SCIENCE

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- Built new technology and data science capability in-house
- Tealium customer data platform delivered high ROI through 8% revenue per visit improvement
- Magento platform enhanced
- Optimising customer acquisition scope and cost
- ERP system upgraded and integrated, new WMS, streamlining of backroom operations

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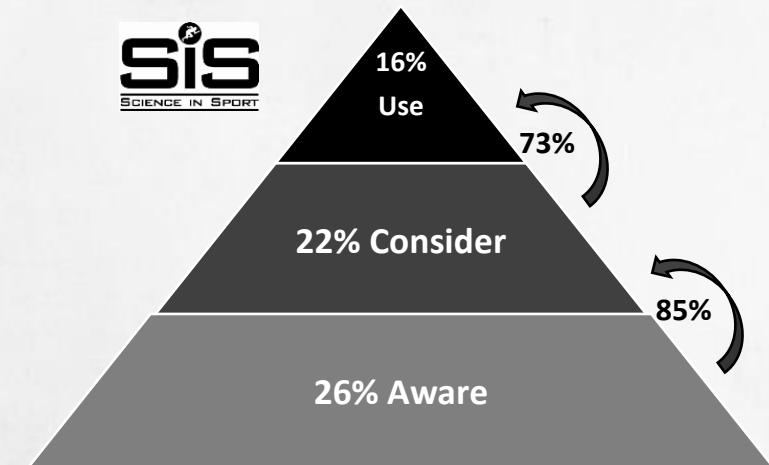
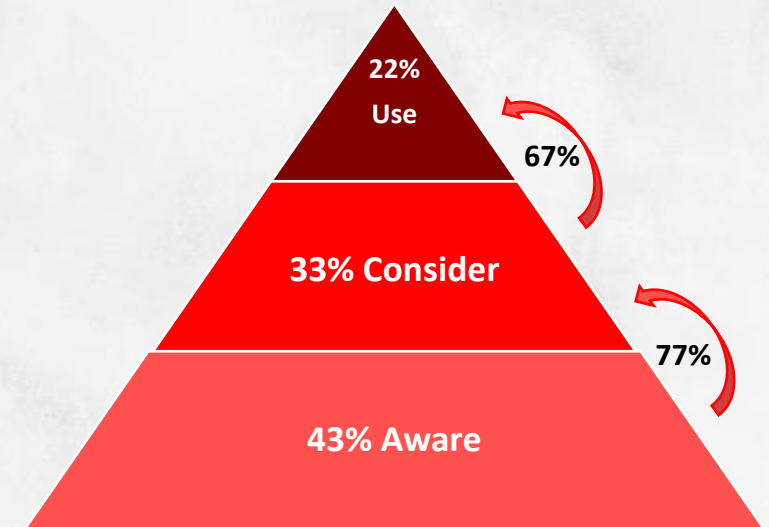
# P R E M I U M   B R A N D

## PhD Nutrition

- Active Nutrition Brand #3 in Brand Awareness
- Category leading quality, taste and trust
- Most engaged consumers in the category

## Science in Sport

- Elite endurance Brand, #2 Brand Awareness
- Strongest conversion awareness to usage
- Category leading quality, innovation and elite
- Most engaged consumers in the category





# GLOBAL ONLINE SCALE

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- Online sales up 40% and represent 56% of total
- Important US market increased 52% to £4.8m
- PhD Japan launch, developing well
- India launch Q1 2022
- Amazon extended into France, Poland and Sweden
- Data science increasingly a major driver of growth
- Integration of brand and digital marketing teams

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# D I G I T A L P E R F O R M A N C E

## 28% growth to £16.1m revenue

- Strong growth in trading KPIs with traffic +23% and AOV +7%
- Database +34% to 938k
- USA +56% growth local currency
- PhD Japan ahead of plan
- Consumer audience analysis underpinning improving ASP
- 2022 emphasis on broadening acquisition and ROI efficiency

Digital KPIs	FY 2021	FY 2020	YoY growth
Revenue (£m)	16.1	12.6	28%
Traffic (m visits)	7.6	6.2	23%
Orders (m)	0.46	0.41	12%
AOV (£)	36.6	34.2	7%
Conversion	5.8%	5.9%	-2%
ASP (£)	8.5	8.4	1%
ABS (units)	4.3	4.1	5%
Database (000)	938	699	34%



# MARKETPLACE PERFORMANCE

## Marketplace up 52%, £18.8m revenue

- Traffic +16% with conversion +17%
- Conversion now record 21.8%
- Positive core trading metrics in key markets
- Strong Amazon Choice product rankings

Marketplace KPIs		FY 2021	FY 2020	YoY growth
Revenue (£m)		18.8	12.4	52%
Sales Out (£m)		17.6	12.2	44%
Traffic (m visits)		7	6	16%
Conversion		21.8%	18.6%	17%
ASP (£)		12.5	10.5	19%

# R E T A I L

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## **UK Retail up 12%**

- Strong distribution gains in convenience and discounter
- No.1 protein powder and No.2 protein bar in grocery
- UK's No.1 in plant protein powders
- Gross margin gains

## **International up 3%**

- Strategic focus on scale markets and increased profitability
- Shimano relationship extended to Brazil
- Progress in key German market
- 2020 exited over 60 sub-scale accounts

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# EFFICIENT SUPPLY CHAIN

- Supply chain structural savings mitigating commodity price increases
- New WMS & demand planning system
- Product line count rationalisation
- New Blackburn site on track, logistics live April
- State-of-the-art gel line live July





# ESG

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- Real Living wage accreditation
- Carbon Neutral accreditation
- PhD protein containers recyclable, SiS 2022
- Extensive social development partnerships
- Diverse workforce supported in wellness
- B Corp project, 2023 accreditation submission

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# FINANCIALS

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# I N C O M E   S T A T E M E N T

12 Months ended 31 December £m	2021	2020	LFL Change
<b>Revenue</b>	62.5	50.4	24%
<b>Gross Profit</b>	31.4	24.6	28%
<b>% Sales</b>	50.2%	48.8%	+140bps
<b>Marketing</b>	(10.2)	(8.1)	26%
<b>Carriage &amp; Selling Costs</b>	(9.4)	(6.2)	52%
<b>Administrative Costs</b>	(9.6)	(9.2)	4%
<b>Underlying EBITDA<sup>1</sup></b>	2.2	1.1	100%
<b>% Sales</b>	3.5%	2.2%	+130bps

<sup>1</sup> before interest, tax, depreciation, amortisation, share-based payments and foreign exchange variance on intercompany balances, cloud software accounting policy change, and Blackburn transition costs



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# BRAND MARGIN

## S i S

12 Months ended 31 December £m	2021	2020	LFL Change
<b>Revenue</b>	32.9	25.4	30%
<b>Gross Profit</b>	20.1	15.7	28%
<b>% Sales</b>	61.1%	61.8%	-70bps
<b>Marketing</b>	(6.1)	(5.3)	15%
<b>Carriage &amp; Selling Costs</b>	(7.8)	(4.8)	63%
<b>Trading Contribution</b>	6.2	5.6	11%
<b>% Sales</b>	18.8%	22.0%	-320bps

## P h D

12 Months ended 31 December £m	2021	2020	LFL Change
<b>Revenue</b>	29.6	24.9	19%
<b>Gross Profit</b>	11.3	8.9	27%
<b>% Sales</b>	38.2%	35.6%	+260bps
<b>Marketing</b>	(4.1)	(2.9)	41%
<b>Carriage &amp; Selling Costs</b>	(1.6)	(1.4)	14%
<b>Trading Contribution</b>	5.6	4.6	19%
<b>% Sales</b>	18.9%	18.4%	+50bps

# CASH AT BANK





# OUTLOOK

# O U T L O O K 2 0 2 2

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- March a record revenue month
- Managing inflationary pressures
- Invest in premium brand, technology and data science
- Blackburn single site fully operational
- Proven strategic growth model
- Complete second investment phase in growth drivers
- £100m revenue medium term, profitable, highly cash generative

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