

III TRILOGY INTERNATIONAL LIMITED

Essential Sensory Brands

ANNUAL
GENERAL MEETING
SEPTEMBER 2017

trilogy

ECOYA

goodness

CS&Co.

Lanocorp
NEW ZEALAND LIMITED





Agenda

- INTRODUCTIONS
- CHAIRMAN'S ADDRESS
- CEO PRESENTATION
- Q&A
- FORMAL BUSINESS OF THE MEETING
- CLOSE AND MORNING TEA

Board of Directors

Grant Baker

CHAIRMAN



Geoff Ross

DIRECTOR



Jack Matthews

INDEPENDENT DIRECTOR



Stephen Sinclair

EXECUTIVE DIRECTOR



Mandy Sigaloff

INDEPENDENT DIRECTOR



Highlights

- Record breaking year of \$103.7 million revenue.
- Established partnerships in new markets.
- Launched 15 products across the three brands.
- Joint venture with Forestal Casino, supplier of rosehip oil.
- Dual listed on ASX with Foreign Exempt Listing.
- Acquired Lanocorp, developer and manufacturer of New Zealand made skincare, bodycare and haircare products.
- First phase deployment of new ERP system.



TIL's FY17 Year in Review

NZ\$ MILLIONS	FY16	FY17	YOY
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SALES 83.1 103.7 25%

GROSS PROFIT	44.8	53.1	19%
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% MARGIN 54% 51%

EBITDA	16.3	19.4	19%
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% MARGIN 20% 19%

EBIT	14.9	19.4	30%
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% MARGIN 19% 19%

NPAT	9.4	12.7	35%
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EPS 0.15 0.18

\$103.7m

REVENUE +25%

\$19.4m

EBITDA +19%

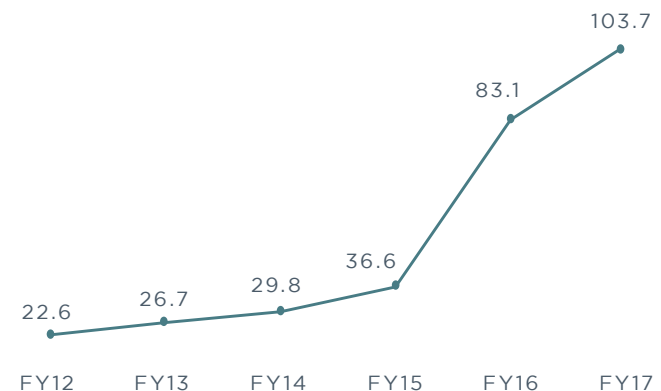
4.5 cents per share

DIVIDEND

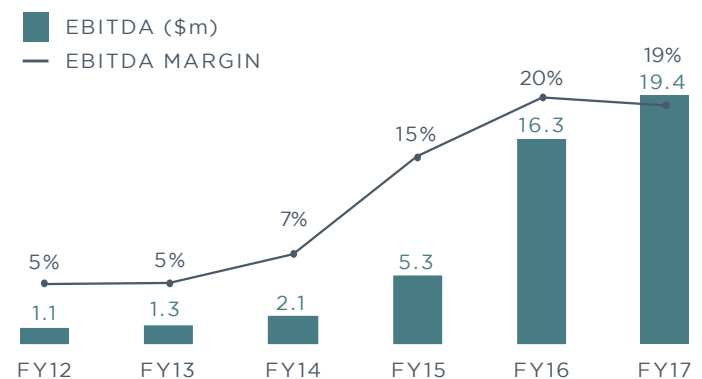
\$0.18

EPS

REVENUE (\$M)



EBITDA



ANGELA BUGLASS

CEO Presentation

Trilogy Management Team

Angela Buglass

CEO



Kristy Macgregor

HEAD OF
OPERATIONS



Claire Barnes

ECOYA BRAND
GENERAL
MANAGER



Brooke Riley

PEOPLE &
CULTURE
MANAGER



Lindsay Render

CFO



Louise Clayton

TRILOGY BRAND
GENERAL
MANAGER



Jo Bye

HEAD OF DIGITAL



5 Key Drivers of Result



Australia
primary
contributor
of revenue
growth

1



New
product
launches

2



Changing
regulations
and border
limitations in
China

3



Raw
materials
cost
pressure

4



Investment in
operational
infrastructure
to support
brand growth

5

FY17 Product Revenue

28%* of total
revenue

\$38.8m ^{+13%}



NATURAL PRODUCTS

21% of total
revenue

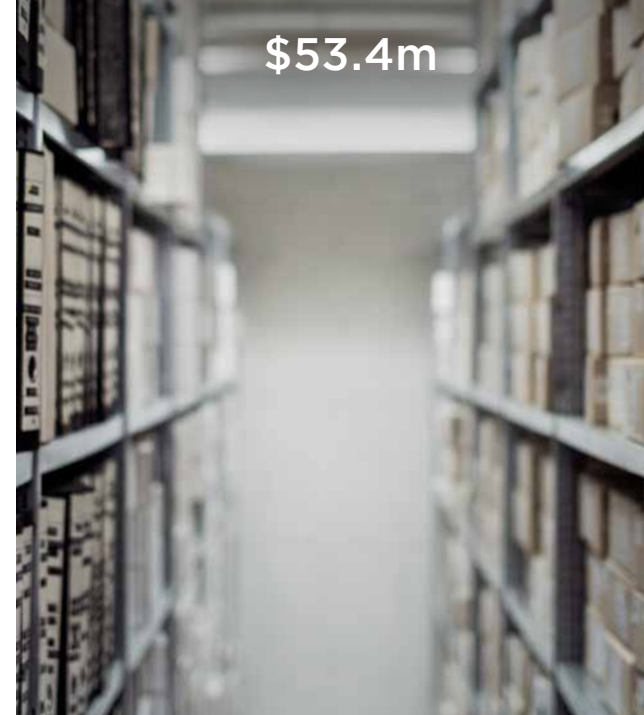
\$21.4m ^{+7%}



HOME FRAGRANCE & BODY CARE

51% of total
revenue

\$53.4m



DISTRIBUTION

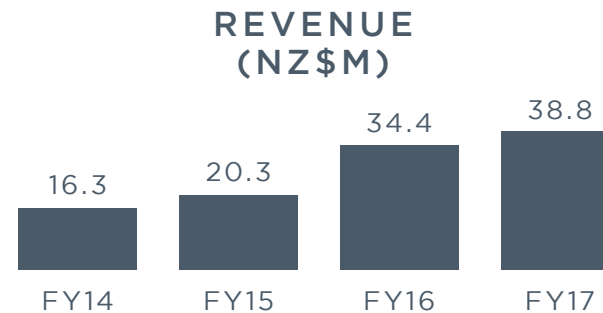
* Percentage includes intercompany elimination. On consolidation, \$10.0 mill is eliminated from Natural Products revenue to reflect inter-company sales.

trilogy® *goodness*

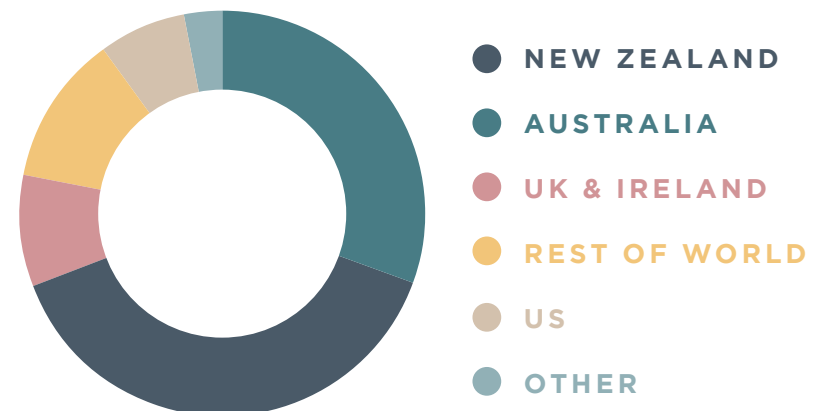
Natural
Products

A bottle of Trilogy rosehip oil is sold every 20 seconds around the world

- Revenue increased 13% to \$38.8 million¹.
- Revenue growth of 17% including CS inventory adjustment (-\$1.6m).
- High growth in Australia of 44% was the main driver of revenue growth.
- Asia and CBEC China performed well with 35% growth, showing positive momentum through improved distributor relationships.
- EBITDA increased 2% to \$11.8 million.
- Trilogy is now in over 6,000 doors globally. It launched four new products during the period and relaunched the bodycare range.



REVENUE BY MARKET (NZ\$M)



¹ On consolidation, \$10.0 mill is eliminated from Natural Products revenue to reflect inter-company sales.

FY17

Product Development



ROSEHIP
OIL LIGHT &
ROSAPENE™
RADIANCE
SERUM

Launched August 2016

Ranked **#12** within the
total Trilogy portfolio.

Winner of Best Face
Oil & Serum – Bauer
Media Awards 2017.



BODY RANGE REFRESH

Launched October 2016

Achieved an uplift
in sales of **341%**.

In NZ Pharmacy, there has been a 44%* increase in retail sales on the body range.

**IRI MarketEdge Pharmacy
MAT to 23/07/17*

Goodness



- Goodness, chia-based natural skincare brand, was launched in April 2015.
- Goodness can be found in 740 doors across New Zealand and Australia.
- Currently expanding New Zealand and Australian distribution into pharmacy.
- Selling direct to end consumer though a newly launched e-comm platform.
- Achieved 5.2% market share of total natural/organic grocery market in New Zealand¹.

¹ IRI/MarketEdge data MAT to 13/08/17 Grocery Facial Skincare, Natural Segment

FY18

Strategies & H1 Progress



STRATEGIC PILLAR	DELIVERABLE	H1 ACHIEVEMENT
MARKETS	Grow market share in existing markets and build emerging markets	Trilogy Market Share 30% in NZ to July 2017 Trilogy Market Share 13% in AU to July 2017
CHINA	Develop direct CBEC channels, by building new partnerships and evolve non-domestic consumption channels	QBID relationship solidified, and developing well. In addition to VIP launch in 2016, the flagship TMall Global launched May 2017
PARTNERS	Deepen relationships with all distributors	New retail channels being finalised
INNOVATION	Develop new products and grow basket size	15th birthday oil launch Sensitive relaunch 2 new products in H2
GOODNESS	Optimise product performance, channels, and cost	5.2% market share of total natural/organic grocery market in New Zealand Every Morning Moisturiser SPF15 was a finalist in the prestigious Bauer Best in Beauty Awards 2017

Cross Border E-Commerce (CBEC)



- The relationship with QBID, CBEC China distributor, is on target and progressing well.
- Flagship on Tmall Global launched in May and VIP.com launched late 2016.
- The strategy is to continue to nurture and support sales through the informal channels in ANZ and over time, direct CBEC China sales through formal channels managed by QBID.
- Chinese proposed regulatory changes in relation to CBEC sales, have been delayed again, until the end of 2018.

FY18

Product Development



SENSITIVE RANGE

Launched July 2017

204% uplift in Farmers sales, with the Very Gentle Moisturising Cream becoming their **3rd best seller** in the Trilogy range in July.

Received highly recommended Top Beauty Product status in Beauty Review.



15TH BIRTHDAY CELEBRATION

Launched September 2017

Introducing our limited edition super seed oil blend, and the Trilogy No. 1 sampler set with five hero minis.

The sampler set is already ranked the 5th best seller in the Trilogy range and the No. 15 oil #10. Limited edition oil sold out in Malaysia within first 2 weeks.

**This product has been independently reviewed by NZ consumers on www.beautyreview.co.nz.*

Strategic Priorities Going Forward



- Launch new international markets and retail channels, in progress.
- Bring relevant and exciting, new products to market to maintain market share.
- Drive awareness of breadth and depth of the Trilogy range to build regime.
- Launch of two new Goodness products to the range: Be Bright Chia Serum and On-the-Go Skincare Kit.
- Maximise partnership with Forestal Casino to maximise future supply of rosehip oil.

Distributor Model

A STRONG PARTNER IN EACH MARKET



The Beauty of Social Responsibility



- Trilogy made a social investment by way of a state of the art rosehip oil press, with one of our major rosehip oil suppliers based in Lesotho, a tiny country encircled by South Africa.
- Our new FY18 social investment will be set up to specifically support the Mants'ase Children's Home, where the staff work selflessly to foster the wellbeing of vulnerable children in Lesotho.
- This year we achieved another company milestone by achieving carbon-neutral status as a carboNZero certified organisation through ENviro-mark's carboNZero programme.

ECOYA



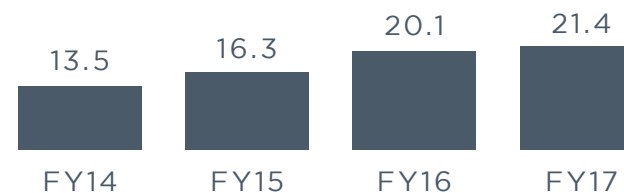
Home Fragrance & Body Care

FY17

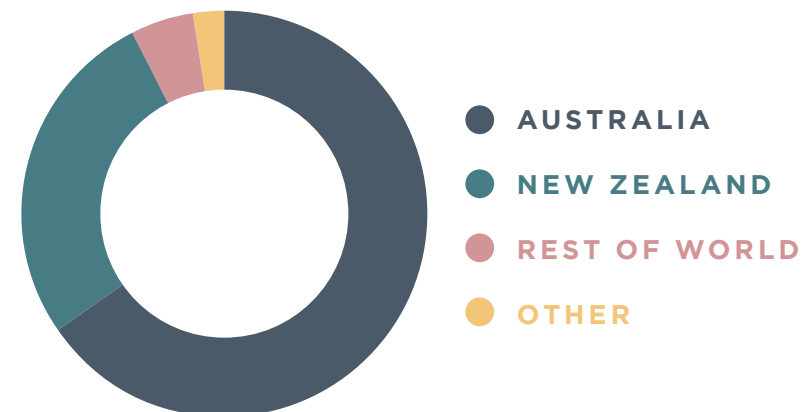
Home Fragrance Performance

- Revenue increased 7% to \$21.4 million.
- Growth driven by performance in home markets of Australia and New Zealand delivering combined growth of 12%.
- Growth in home markets partially offset by decline in RoW.
- Sales from limited editions and new products grew 18%, representing 28% of ECOYA sales in FY17.
- EBITDA was down \$0.7 million to \$1.8 million. This represents compression of gross margin, investment in brand and corporate cost allocation.

REVENUE
(NZ\$M)

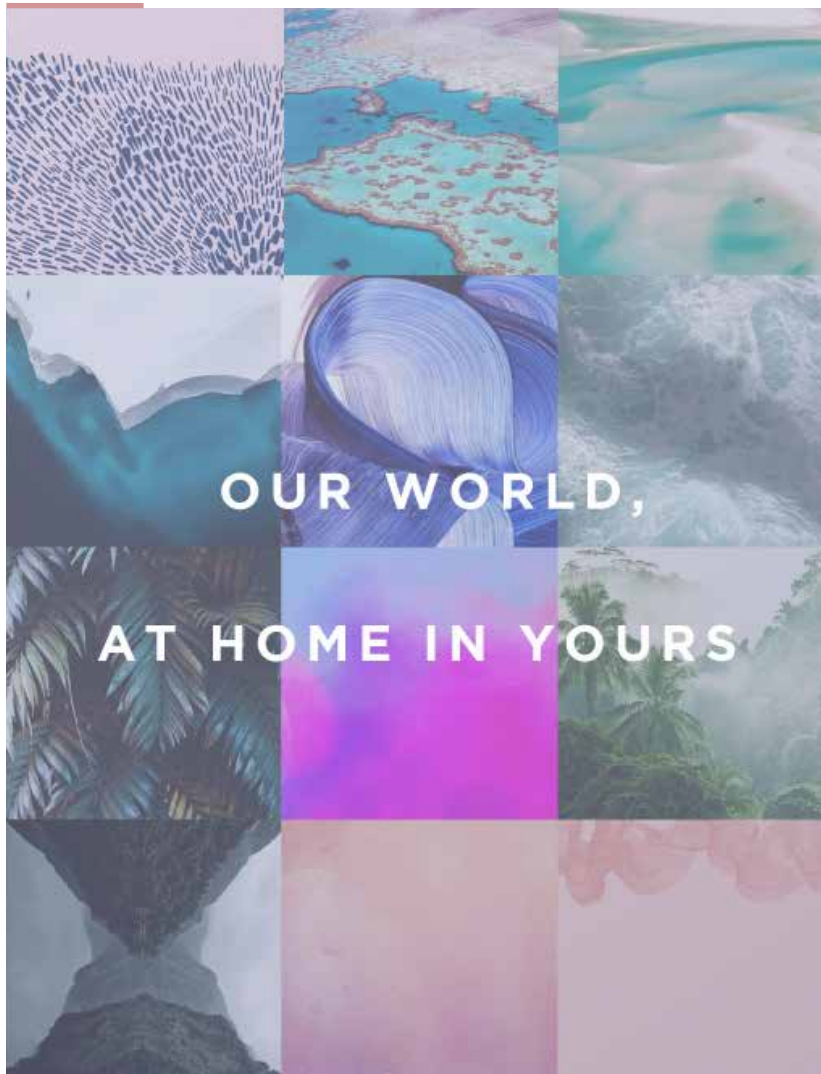


REVENUE BY REGION
(NZ\$M)



FY18

Strategies & H1 Progress



STRATEGIC PILLAR	DELIVERABLE	H1 ACHIEVEMENT
INNOVATION	Relaunch the brand & upweight new product plans	ECOYA core has re-launched
DISTRIBUTION	Grow footprint in AU & grow key channels	New retail channels being finalised
DIGITAL ECO-SYSTEM	Rebuild web & develop content strategy	New web platform launches in October
INTERNATIONAL	Focus on existing markets & improve competitiveness	Reset contractual terms with key distributors, including revised value offering

SEPTEMBER

Core Relaunch



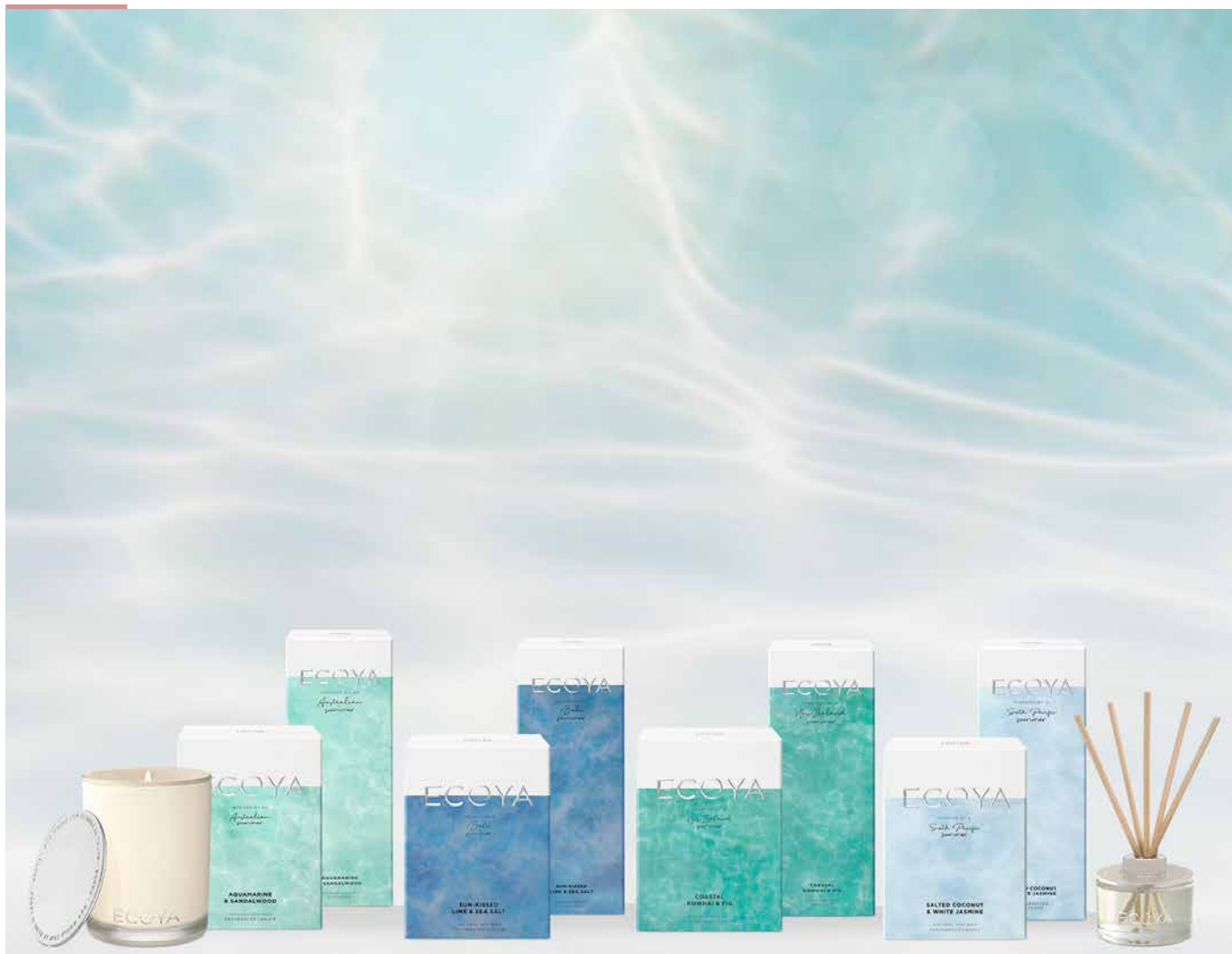
- Biggest portfolio overhaul in thirteen year history.
- Portfolio rationalisation: 68-63 SKUs.
- Three new fragrances: Spiced Ginger and Musk, Cedarwood and Leather, Blue Cypress & Amber. Taking core collection to a total of ten
- Updated marque, packaging, messaging, and marketing collateral.
- Full launch campaign to support rebrand – September.

Launch Campaign



SEPTEMBER

Summer Limited Editions



- Four coastal fresh fragrances depicting four Australasian summers: NZ, Australia, Bali & the South Pacific.
- Collection includes madisons and mini diffusers.
- Launch in September.

OCTOBER

Christmas Collection



- Portfolio of 16 SKUs all under one look & feel – inspired by an Australasian Christmas.
- Collection includes stocking fillers for the first time: mini madisons & Hand Cream Bon Bon Gift Sets.
- Three fragrances for the first time: Fresh Pine (iconic 6th season), Summer Spritz & Dark Chocolate, Meringue & Raspberry.
- Launch in October.

Strategic Priorities Going Forward



- Continue to drive category leadership in NZ & increase penetration in AU.
- Complete the roll out of the Core Relaunch.
- Deliver strong Christmas giving season.
- Re-launch Core across all existing international markets & establish new markets for FY19 entry.
- Build out NPD fragrance & explore new product category extensions including an exciting new launch in Q4 FY18.
- Fundamentally improve how we play digitally on new platform.

CS&Co.

Distribution

Distribution FY17 Performance



- Maintains position of number one beauty distributor in New Zealand by delivering first class service to agency partners.
- Delivered \$53.4 million in revenue, a 27% increase compared to FY16 Pro Forma.
- Delivered \$8.5 million in EBITDA, a 27% increase compared to FY16 Pro Forma.
- The increase represents the first full year period post acquisition and inclusion of distribution of Trilogy Natural Products since July 2016.



Recent Acquisitions

Brand Overview



Lanocorp New Zealand Limited ('Lanocorp'), founded over 25 years ago in Christchurch, New Zealand, is a manufacturer and distributor of nature-based skincare, bodycare and haircare brands including: **Lanocrème, By Nature, Rata & Co and Tiaki.**

Company Overview



- Founded over 25 years ago in Christchurch, NZ, Lanocorp manufactures and sells a number of beauty brands.
- Lanocorp achieved \$10.3 million in revenue and EBITDA earnings of \$2.4 million for the 12 months ending 31 March 2017.
- Moved into a 3,200sqm purpose built manufacturing facility in Rolleston, Christchurch in September 2017.
- More recently it has had great success with it's nature based brand, By Nature in the USA.
- Lanocorp's early success was shaped by the popularity of its iconic NZ brand Lanocreme with tourists visiting NZ and Australia.
- Its early success with Lanocreme provided a platform for the company to develop and manufacture new brands for specific markets, like By Nature for the US mass market.

Trading Update

- We continue to see demand for our consumer brands, maintaining and growing market share in skincare.
- Australasian skincare retail landscape has slowed as retail growth has been impacted by declining non domestic consumption.
- Underlying consumer demand in China remains strong. The formal and informal, industry wide, routes to market continue to evolve. Through our partnership, we are nurturing the growth of these new opportunities.
- Short term raw materials issues have impacted ECOYA H1 trading, which we expect to see rebound in H2, following the relaunch of the brand.
- We are pleased with our recent acquisition, of Lanocorp, which will contribute fully in H2.

Guidance

- Excluding anything unforeseen, for the six months ending September 30, 2017, we expect Total Revenue to exceed \$50m, and Total EBITDA to exceed \$6m.
- Impacts on H1 profitability have been: increased RHO costs, investment in ECOYA relaunch, CS margin compression as a result of weakening NZ dollar, offset by upside from Lanocorp.
- TIL expects revenue and EBITDA growth in FY18 to be greater than 10%, subject to the performance of our developing market in China.
- Consistent with prior years, TIL expects revenue and EBITDA growth to be skewed towards the second half.

Business of Meeting

Re-election of Directors

RESOLUTION 1



Grant Baker

CHAIRMAN

That Grant Baker, who retires by rotation and offers himself for re-election, be re-elected as a Director of the Company.

Re-election of Directors

RESOLUTION 2



Mandy Sigaloff

INDEPENDENT DIRECTOR

That Mandy Sigaloff, who retires by rotation and offers herself for re-election, be re-elected as a Director of the Company.

Appointment of Auditor

RESOLUTION 3



pwc

That PricewaterhouseCoopers (PWC) be reappointed as auditors of the Company and that the directors be authorized to fix the auditors' remuneration for the forthcoming year.

Poll Instructions



- Voting on each of the resolutions in the Notice of Meeting will be by way of poll.
- Computershare Investor Services will act as scrutineers.
- Please use the voting paper you received in the mail or were given when you registered for this meeting. If you do not have a voting paper, please raise your hand for assistance.
- Only shareholders, proxy holders or corporate representatives of a shareholder may vote on today's resolutions.
- Please complete your voting paper by ticking "FOR", "AGAINST" or "ABSTAIN" in the appropriate place on the form and ensure you have signed the form. Please do not tick the "DISCRETION" box.
- If you have any difficulty or do not have a voting paper, please raise your hand and someone will assist you.
- Once everyone has finished voting, scrutineers will collect the voting papers.
- The results of today's voting will be posted to the NZX as soon as practicable.

Disclaimer

TRILOGY INTERNATIONAL LIMITED

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Thank you

