



FY19 investor presentation and outlook



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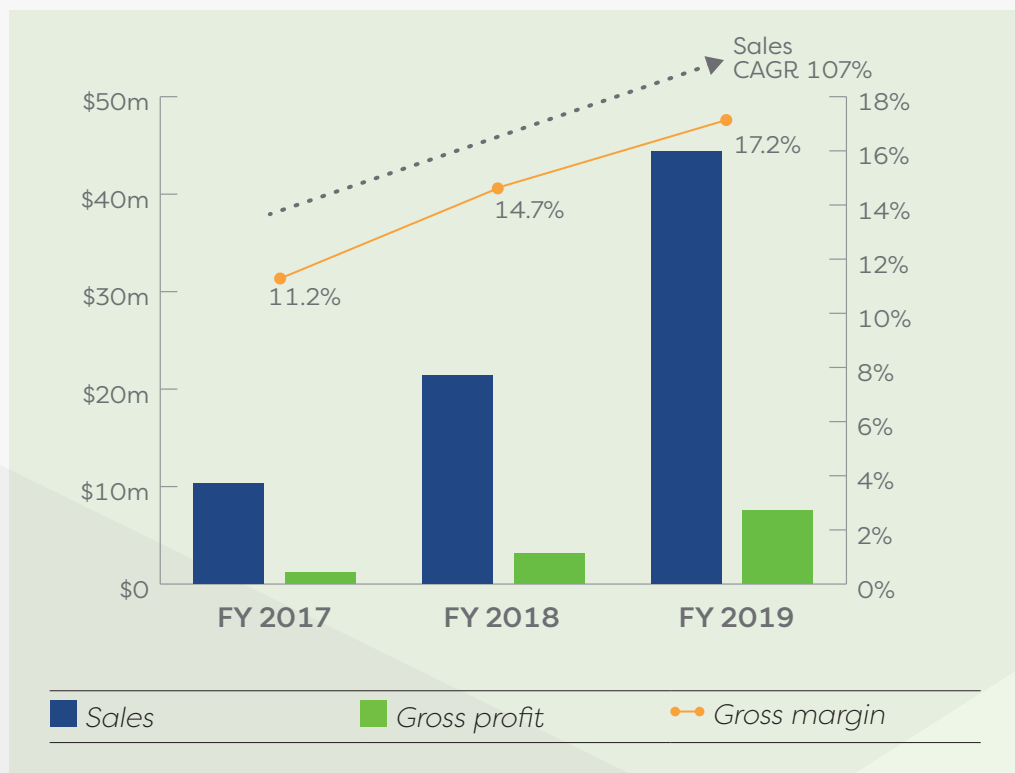
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FY2019 summary and highlights

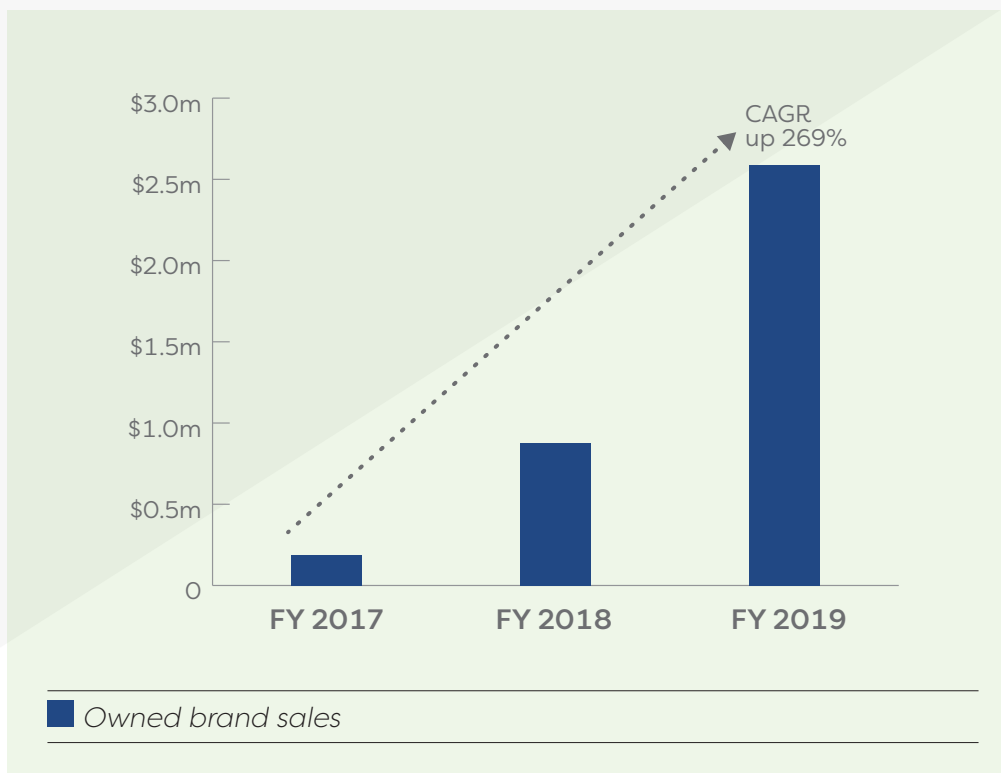


Sales, gross profit and margin

Significant year on year (YoY) growth in sales, gross profit and margin

Total sales were up 107% YoY to \$44.3 million with 107% compound annual growth (CAGR) from FY17.

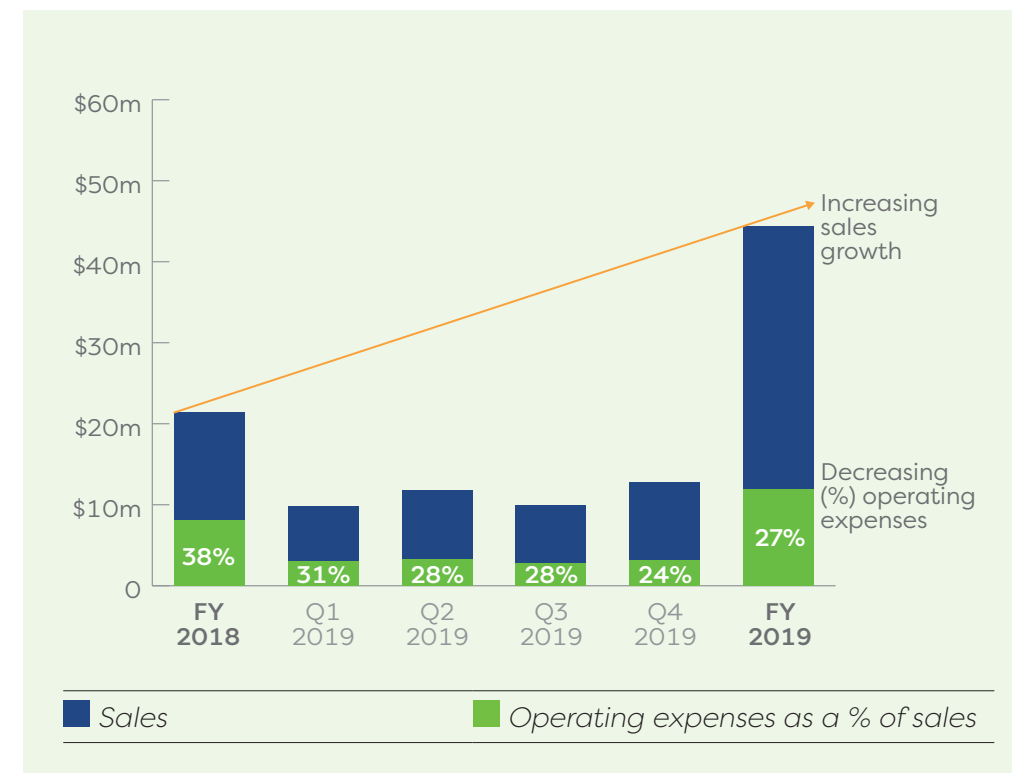
Gross profit increased by 143% YoY to \$7.6 million with gross margin of 17.2%, up from 14.7% in FY18.



Owned brand product sales

Strong owned brand product sales

Significant consistent growth of owned brand products, with a CAGR of 269% from FY17, demonstrates AuMake's ability to promote and sell new high margin brands.



Operating expenses

Normalised operating expenses as a percentage of sales

Decreasing normalised operating expenses as a percentage of sales indicates a trend towards profitability.



Proforma profit and loss statement

	FY 2019	FY 2018
Income Statement as per Financials:	\$000'	\$000'
Revenue	44,347	21,383
Cost of sales	(36,720)	(18,240)
Gross profit	7,627	3,143
Gross margin	17.2%	14.7%
Other income	165	187
Administrative expenses	(1,130)	(2,062)
Employee benefits expense	(7,340)	(3,797)
Rent and outgoing expenses	(2,305)	(1,163)
Marketing expenses	(1,173)	(967)
Travel and accommodation expenses	(241)	(197)
Total operating costs	(12,190)	(8,186)
Operating costs to sales %	27%	38%
Normalised EBITDA	(4,397)	(4,856)
One off expenses and non cash expense	(3,346)	(6,360)
Loss before income tax expenses	(7,743)	(11,216)
Income tax	(14)	(16)
Loss after income tax expense for the year	(7,757)	(11,232)
Exchange difference on translation of foreign operations	(287)	110
Statutory NPAT	(8,044)	(11,122)

Sales and gross profit up by 107% and 139% compared to FY18

Gross margin up by 2.5% demonstrating capability to promote new brands and products

Operating costs as a percentage of sales decreased from 38% in FY18 to 27% of sales in FY19, indicating sales growth outpacing operating expenses with a view towards profitability

FY19 EBITDA broadly consistent with FY18 reflecting increased investment in people and marketing

Non-recurring project related expenses and non-cash expenses such as depreciation and management equity incentives

“During FY19 AuMake continued to invest in the business, setting the foundation for new brand growth and material positive earnings for FY20.”



AuMake at a glance

- **Australian owned brand building platform** for the Asian market
- **Utilising offline and online stores** in Australia and New Zealand (ANZ) to create a unique brand building ecosystem
- **Multiple distribution channels** to Asian markets
- **Portfolio of owned brand products** across four product categories (skincare/cosmetics, wool, health supplements and honey)





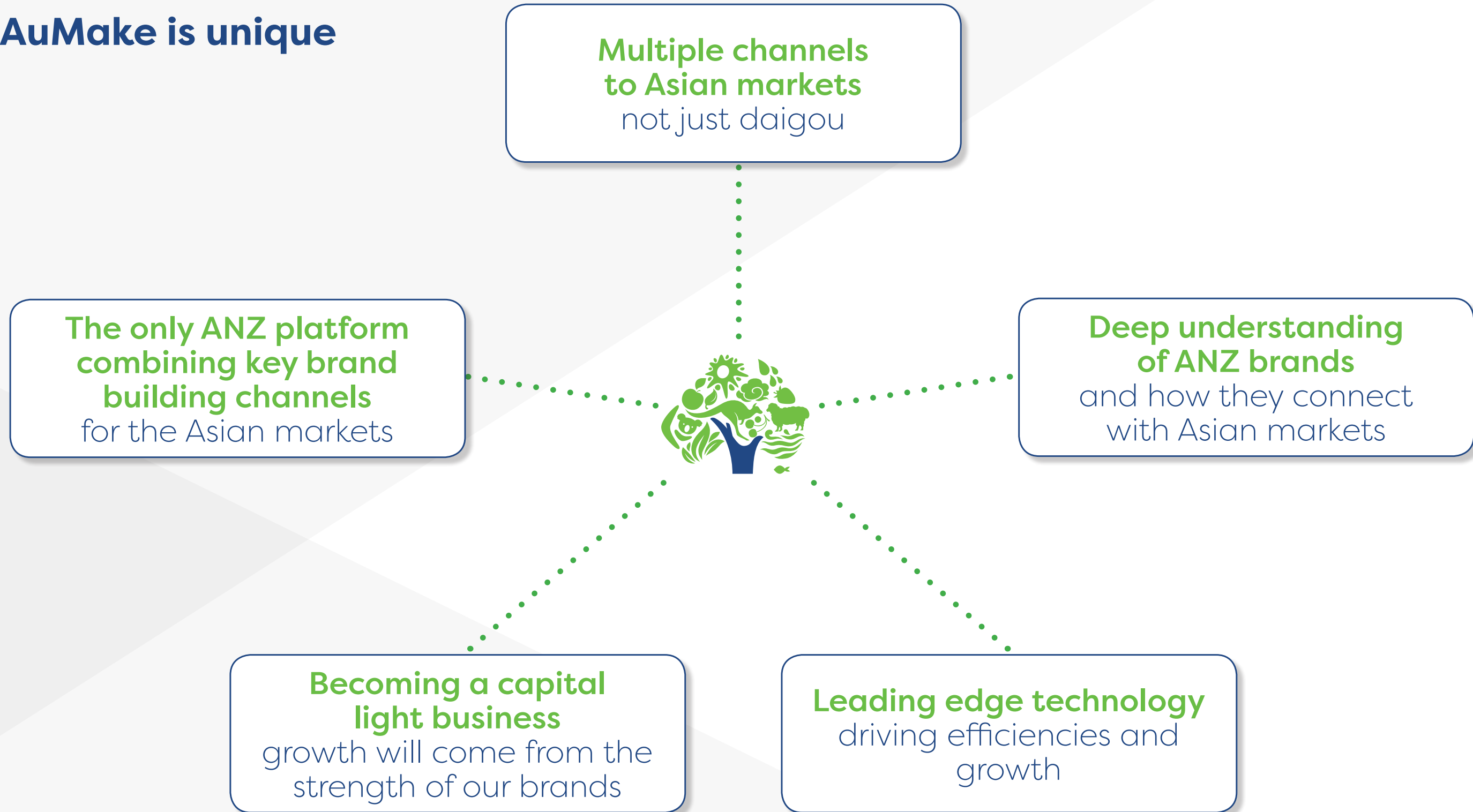
Long term trends supporting growth

- **Australia and New Zealand brands lead the world** for purity and provenance
- **Increasing middle class in Asia** with aspirations for higher standard of living
- **Continued growth of Asian visitation** to Australia and New Zealand forecast over the long term





Why AuMake is unique





AuMake brand building platform

Asian markets

AuMake platform

Primary customers: Daigou and Chinese tourists
Products delivered via parcels and bonded warehouses

Bricks and mortar stores

AuMake¹
16 Australia, 1 New Zealand
(50% Daigou and 50% Chinese Tourists)

Broadway
6 Australia, 2 New Zealand
(100% Chinese Tourists)



Online

30% of total sales and growing²
EBITDA % of online sales
3x bricks and mortar stores
Grows sales without the need for physical infrastructure



China partners

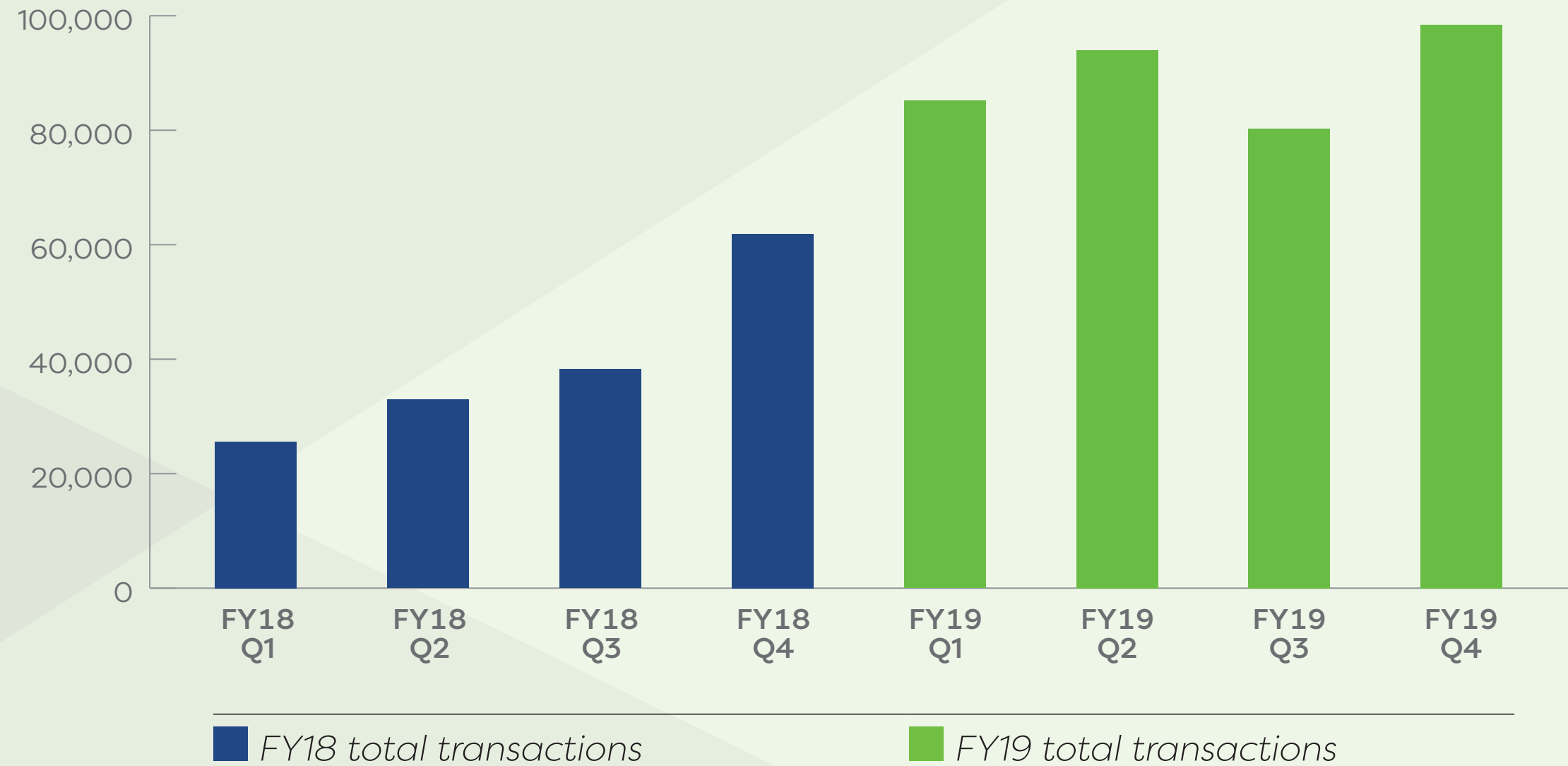
Exclusive strategic partnership with JD.com
300 million active user database



1000+ Australian and New Zealand brands

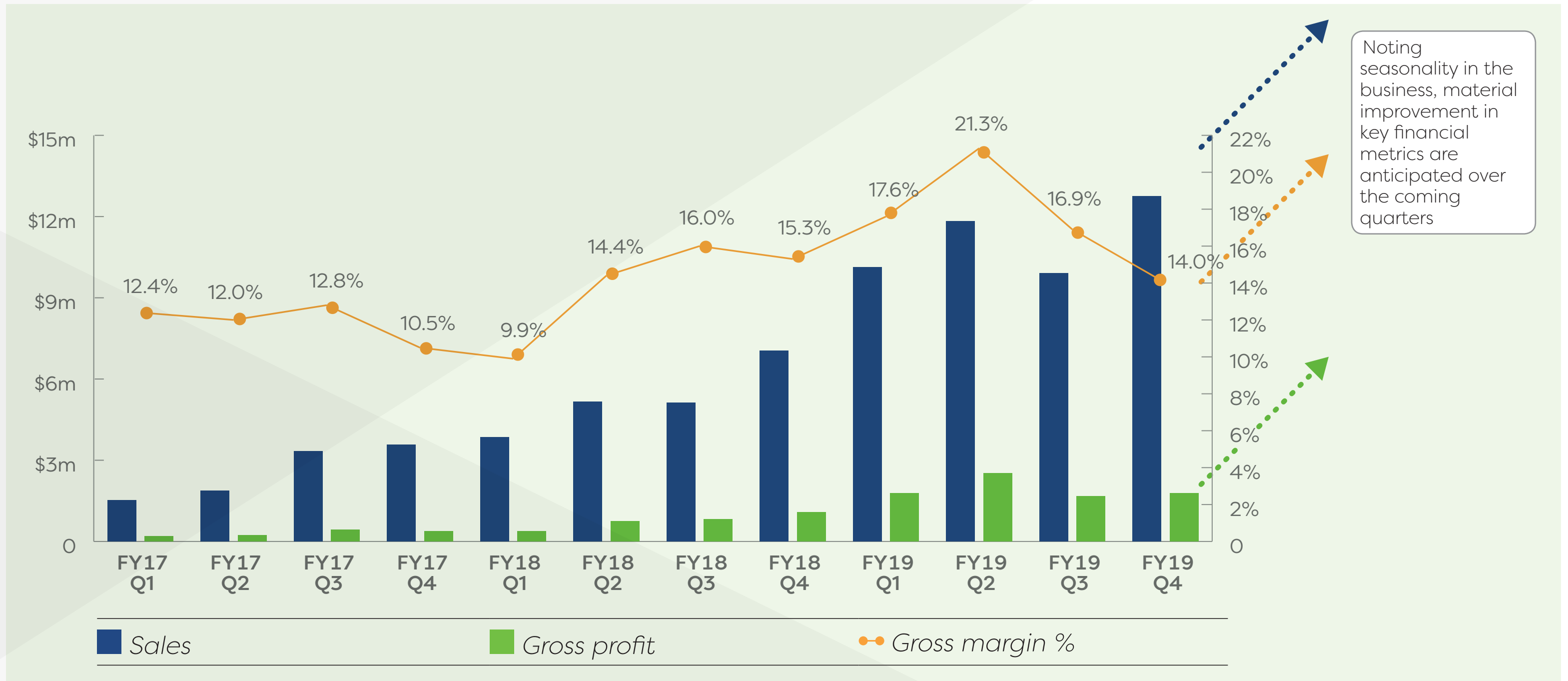


Total transactions (offline & online) – increasing traffic



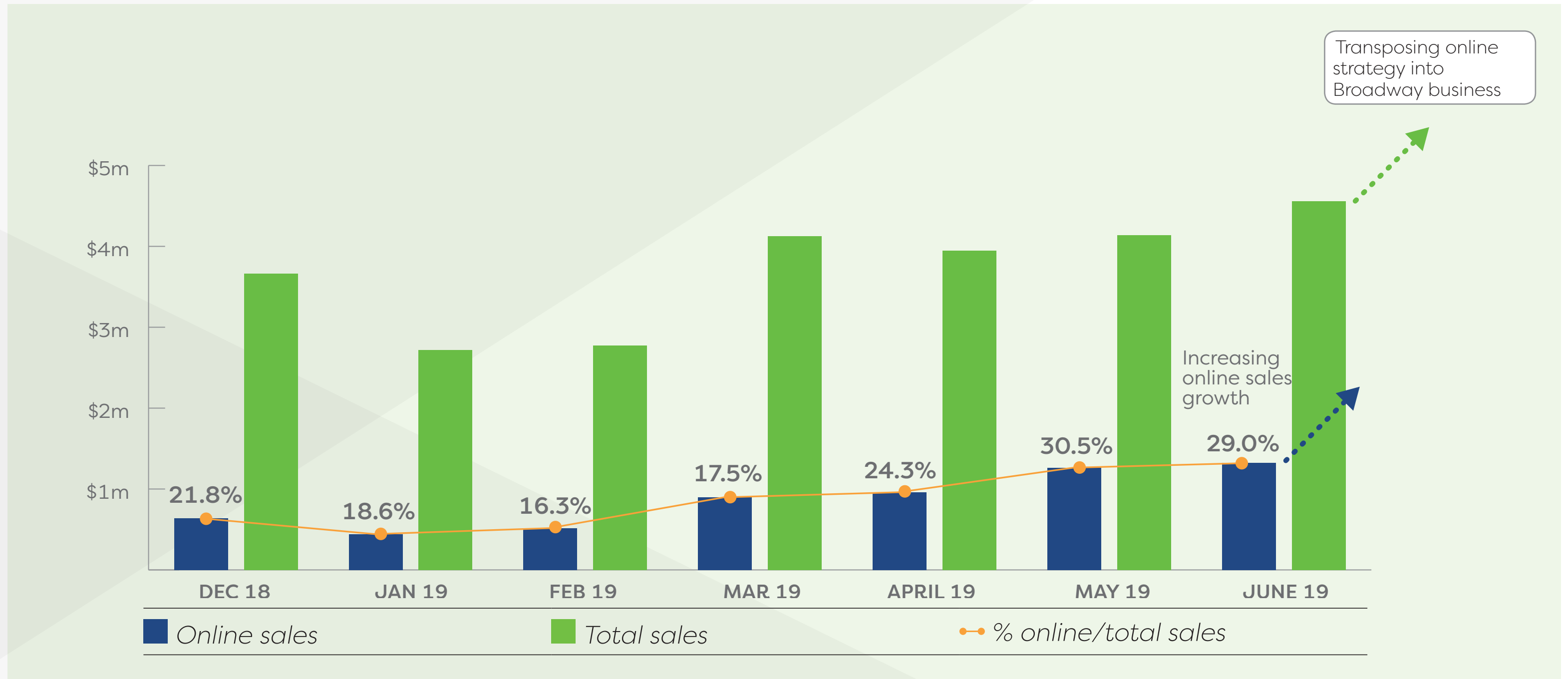


Total sales, gross profit and gross margin



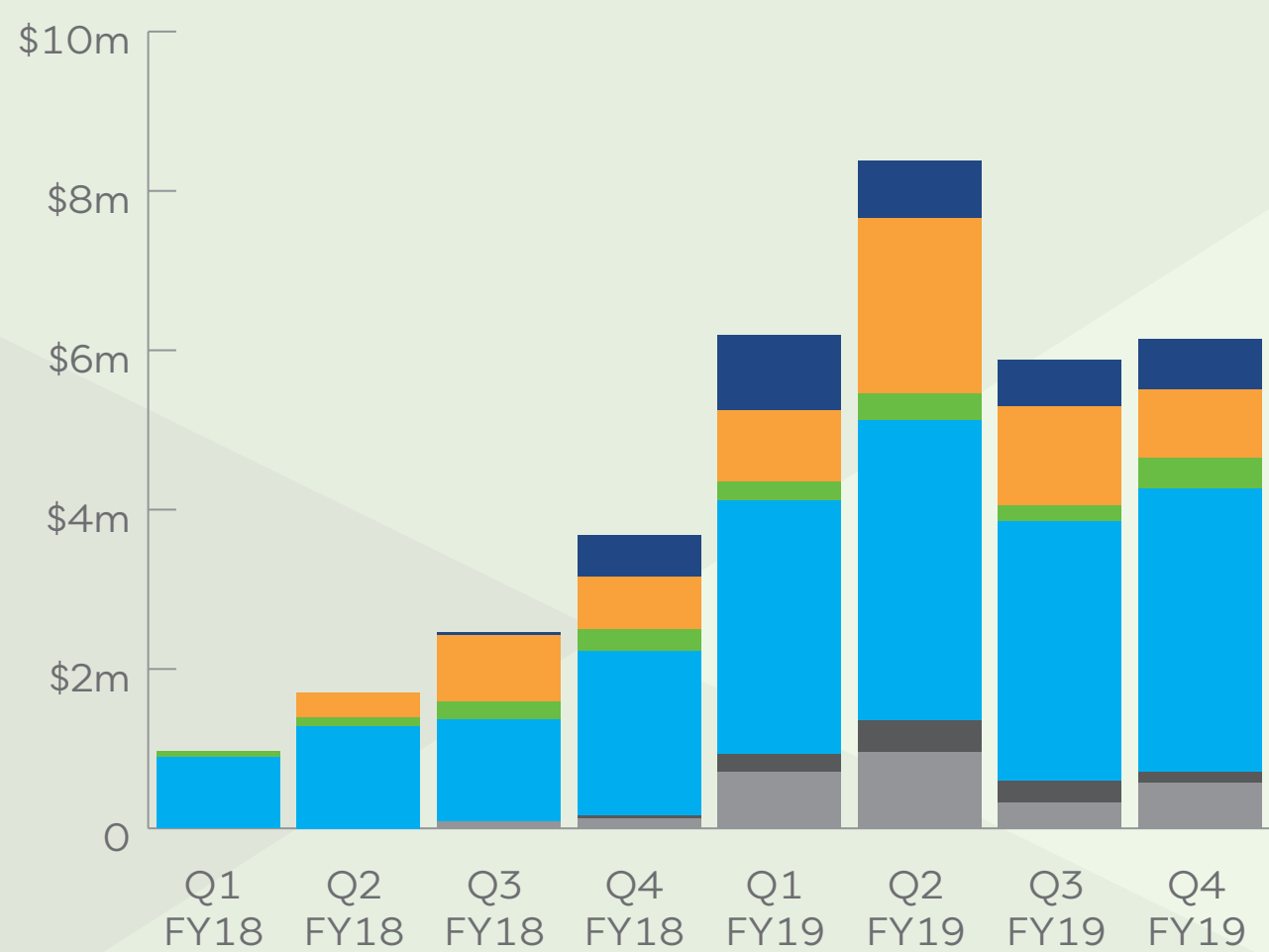


Increasing monthly online sales and % of total sales





Increasing owned brand sales



■ % Au8



■ % AuMake



■ % Health Essence



■ % Herbsmart



■ % Jumbuck (Aus Ugg)

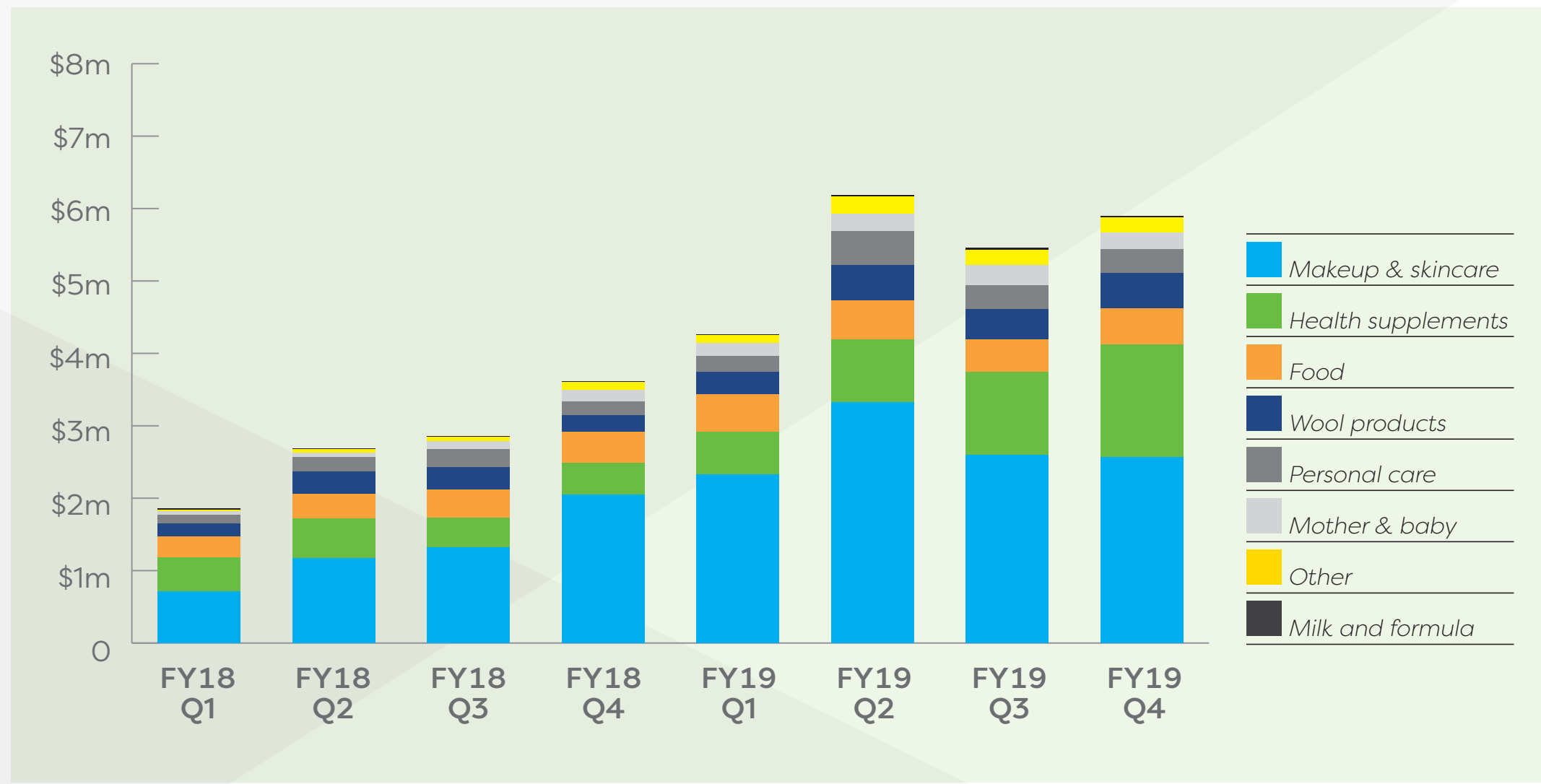


■ % Medigum





Increasing sales of 30%+ margin products (excluding owned brands)





Continued investment in the future to support strong growth

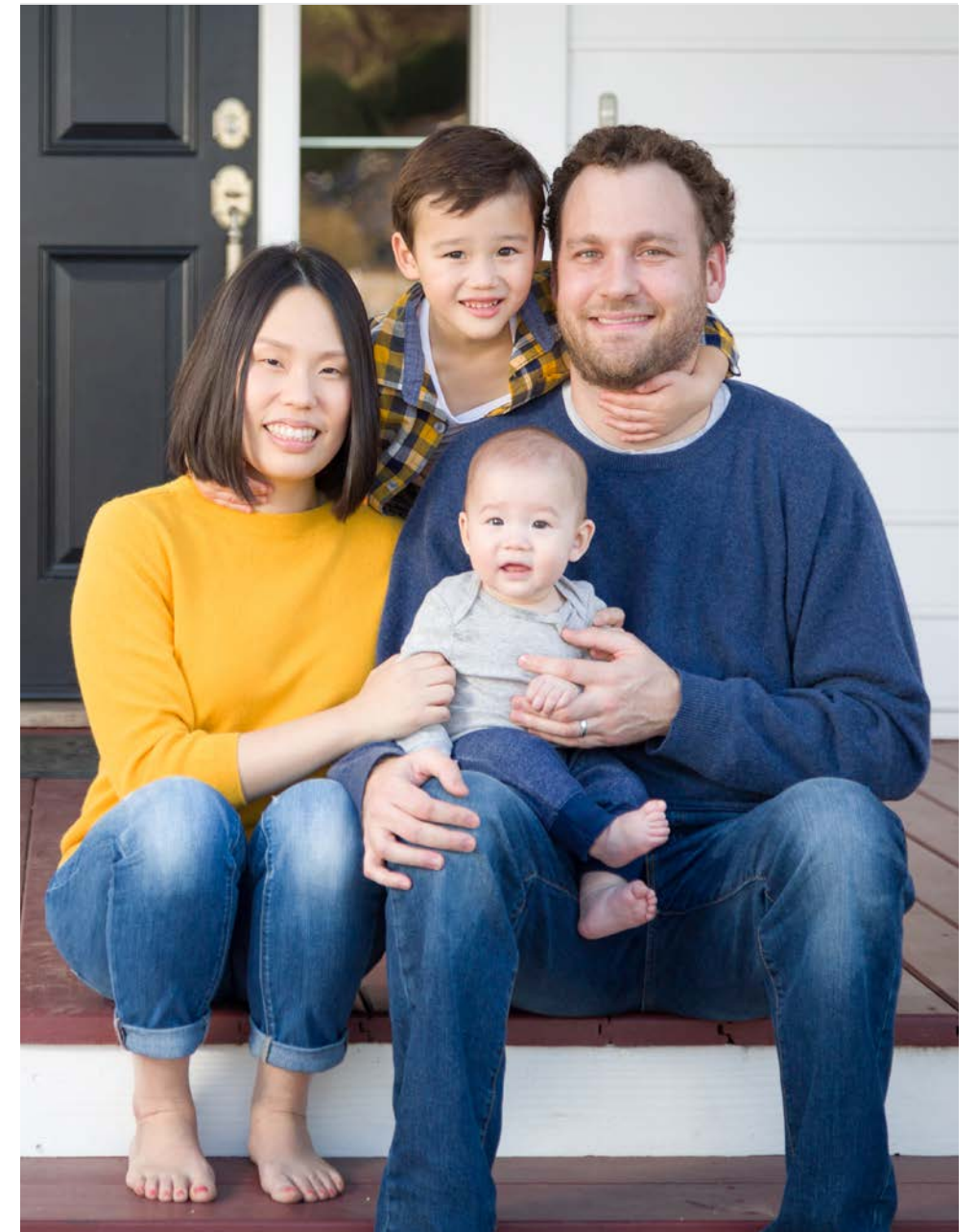
- **Significant YoY improvement** in sales, gross profit, gross margin and normalised NPAT
- **Continued investment in technology** to drive efficiencies and online growth including strengthening relationship with JD.com
- **Finding and investing in ‘best in class’ talent**
- **Increasing number of partner travel agencies** to drive tourist visitation
- **Continued investment in new SKUs** in owned brand portfolio





FY20 Outlook

- **A highly profitable, high growth, Australian multi-channel brand building platform** for Asian markets
- **Increasing focus on growth from online channels**
- **Significant investment during FY19 has provided foundation for growth** in all key metrics in FY20 and beyond
- **Broadway business performing above initial expectations** – market update shortly
- **Continued strong trading conditions** observed in daigou facing AuMake stores
- **Strong financial outlook anticipated** from material increases in:
 - Asian tourist visitation
 - Owned brand product sales and margin performance
 - Online sales and improving EBITDA as a % of sales stemming from online efficiencies
- **Aspirational sales of \$100m+**, increasing gross margin and material EBITDA for FY20



Contact details

CORPORATE WEBSITE
www.aumake.com.au

MEDIA RELATIONS
Lynn Semjaniv, Sauce Communications
Mobile: 0481 004 797
Email: lynn@saucecommunications.com.au

INVESTOR RELATIONS
Keong Chan
Executive Chairman
Email: keong.chan@aumake.com.au



Twitter: [@AuMakeAus](https://twitter.com/AuMakeAus)
Instagram: [@aumake](https://www.instagram.com/aumake)
LinkedIn: www.linkedin.com/company/aumake