



MCPHERSON'S
Est. 1860

MCPHERSON'S LIMITED

1H20 RESULTS RELEASE

19TH FEBRUARY 2020

DR. LEWINN'S®

[Akin]



manicare

swisspers

Multix

CREATING BETTER IN

Health Wellness & Beauty





AGENDA

- 1 INTRODUCTION – LAURIE MCALLISTER
- 2 1H 2020 FINANCIAL RESULTS – PAUL WITHERIDGE
- 3 CORE BRANDS – DONNA CHAN
- 4 R&D – DONNA CHAN
- 5 CHANNEL & CUSTOMER – LORI PIROZZI
- 6 VENTURES- DAVID FIELDING
- 7 EXPORT – DAVID FIELDING
- 8 NEW BUSINESS – BRETT OWERS
- 9 SUMMARY AND OUTLOOK – LAURIE MCALLISTER

HEALTH, WELLNESS & BEAUTY – A \$17 *billion market*



HEALTH

(\$4.9 BILLION, +3.9% VS YA)

THE INTENT OF ENHANCING AND RESTORING HEALTH
VIA SYMPTOMATIC TREATMENT

WELLNESS

(\$5.7 BILLION, +3.8% VS YA)

MAINTAIN THE STATE OF GOOD HEALTH BY PRO-
ACTIVELY SEEKING TO PREVENT THE ONSET OR
WORSENING OF CONDITIONS

BEAUTY

(\$6.5 BILLION, +2.8% VS YA)

THE SUBJECTIVE ENHANCEMENT OF PHYSICAL
PERCEPTION FOR ONES OWN SATISFACTION

STRATEGIC BUSINESS IMPERATIVES

1

REFOCUS MCPHERSON'S ON HEALTH, WELLNESS & BEAUTY WITH SUSTAINABILITY AND PEOPLE AT THE CORE

2

REVITALISE OUR OWN MCPHERSON'S BRANDS

3

ENSURE A HEALTHY BALANCE SHEET

4

MOVE FROM TRANSACTIONAL TO STRATEGIC PARTNERSHIPS WITH OUR TOP SIX CUSTOMERS

5

INTEGRATE AND GROW ACQUIRED SKINCARE BRANDS; DR. LEWINN'S AND A'KIN

6

CREATE A CHINA FACING BUSINESS

7

ENSURE WE HAVE OUR TEAM FIT FOR THE FUTURE WITH APPROPRIATE EXPERTISE, CAPABILITIES AND VALUES

8

STABILIZE AND GROW NZ & SINGAPORE AND EXPAND IN ASIA & INTERNATIONAL (SELECTIVELY)

9

GAIN EFFICIENCIES AND SAVINGS ACROSS SUPPLY CHAIN INFRASTRUCTURE

10

CREATE A NEW BUSINESS TEAM FOCUSED ON SIGNIFICANT M&A OPPORTUNITIES AND NEW VENTURES



MCPHERSON'S

1H 2020 FINANCIAL RESULTS HIGHLIGHTS

A'KIN
Cellular Radiance Booster Oil

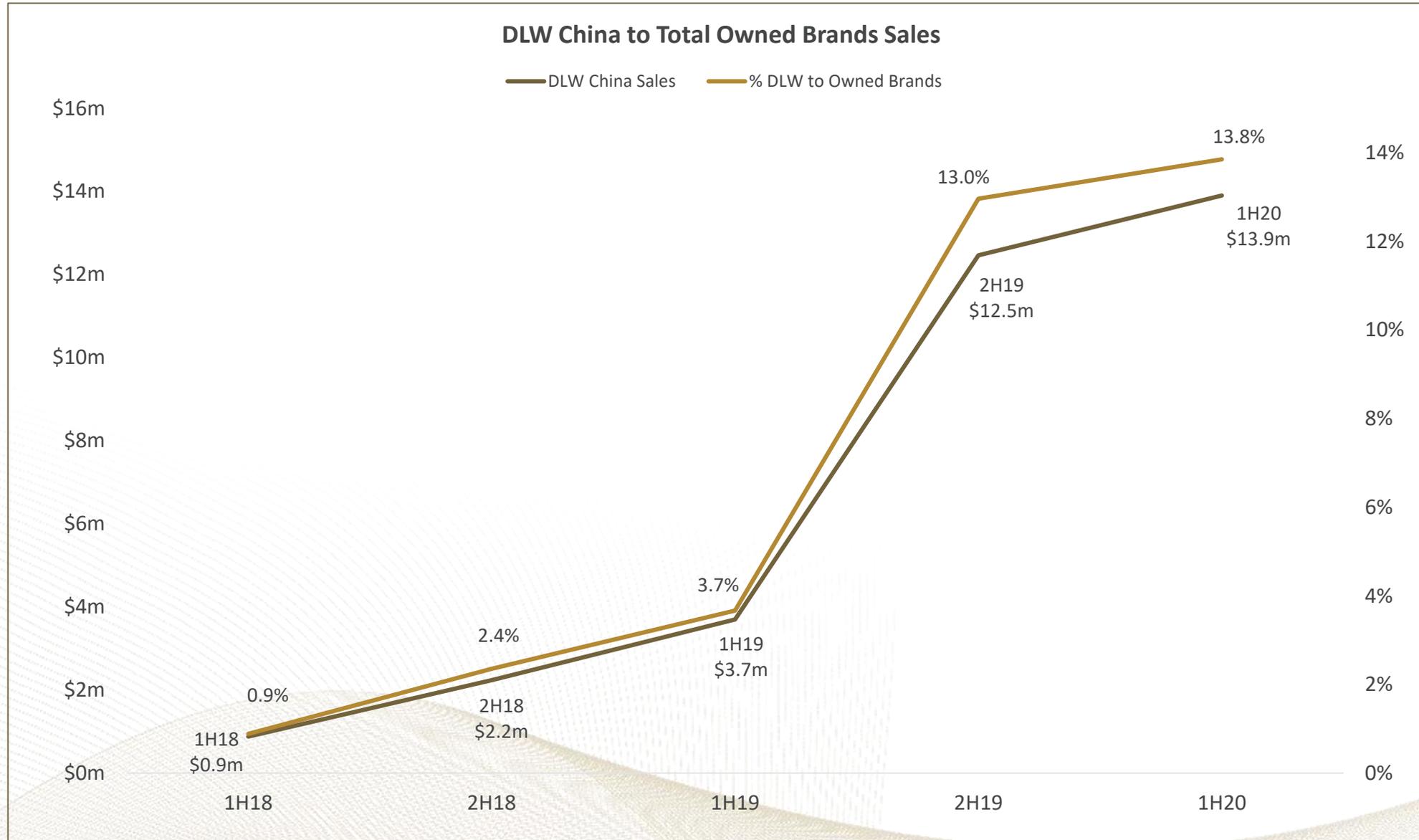


1H20 SALES REVENUE BREAKDOWN BY PRODUCT CATEGORY

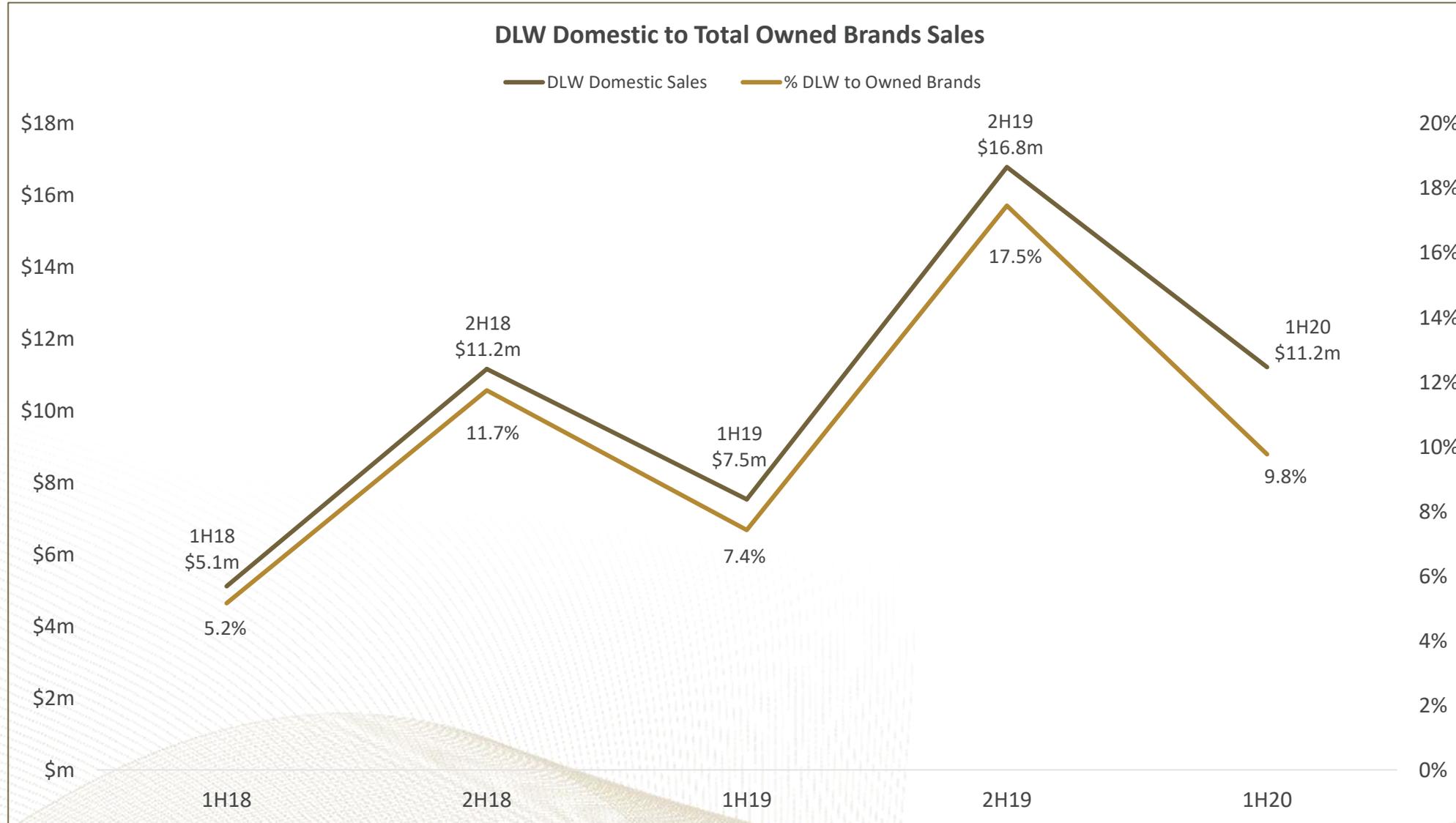
SALES REVENUE FROM OWNED BRANDS INCREASED BY 13%

Owned brands:	1H20 \$m	1H19 \$m	% change	Comments
Skin, Hair and Body	28.7	15.1	90%	<ul style="list-style-type: none"> • Strong export and domestic sales of Dr. LeWinn's • Domestic growth for A'kin
Essential Beauty	28.8	28.9	Flat	<ul style="list-style-type: none"> • Growth in Manicare offset by declines in Lady Jayne and Swisspers due to competition from Private Label products
Household Essentials & others	30.4	34.2	(11%)	<ul style="list-style-type: none"> • Grocery range rationalisation of Multix category, leading to improved profit mix
Total Owned brands	87.9	78.2	13%	
Agency Brands	7.0	12.7	(45%)	<ul style="list-style-type: none"> • Termination of Trilogy and Karen Murrell agencies
Private Label	11.0	15.6	(30%)	<ul style="list-style-type: none"> • Reduced volumes in Aldi
Total Sales	106.0	106.5	-	
Less Terminated Agencies	(0.3)	(6.3)		
Total Sales excluding Terminated Agencies	105.7	100.2	6%	

RAPID GROWTH IN DR. LEWINN'S CHINA REVENUE



STRONG GROWTH IN DR. LEWINN'S DOMESTIC REVENUE



A POWERFUL SHIFT TOWARDS PLUMPER, FIRMER SKIN

Over 100,000 consumers reported an average increase in skin firmness and hydration after 4 weeks of use. Advanced Micro Technology with collagen peptides and hyaluronic acid, naturally associated to healthy skin, and skin care.

- **Maximizes** collagen fiber synthesis that restores firmness & elasticity
- **Hydrates** skin, to help 10x more and soothe

84% OF USERS NOTICED PLUMPER SKIN AFTER 1 WEEK*

92% OF USERS NOTICED PLUMPER SKIN AFTER 4 WEEKS*

DR. LEWINN'S®

*Based on a 4-week clinical study. See full disclosure on the product packaging.

TRANSFORMATIVE POWER OF HYALURONIC ACID FOR THE ULTIMATE HYDRATION HIGH

Discover the next generation in topical skincare alternatives with the Dr. Lewinn's Hyaluronic Acid Boosting Essence. Delivering a supercharged shot of hydration to your skin and combining powerful active ingredients.

- **Hyaluronic Acid 20-Complex** - a superior combination of Hyaluronic Acid, which act as a moisture magnet and "lock" into penetrating the skin faster to that its standard hyaluronic acid.
- **2% Niacinamide**™ - the topical alternative to Botox® already proven to reduce the appearance of lines and wrinkles
- **2% Retinamide** - a potent vitamin and antioxidant to smooth and improve skin texture

95% NOTICED IMPROVED SKIN HYDRATION IN A WEEK*

95% NOTICED IMPROVED SKIN SMOOTHNESS IN A WEEK*

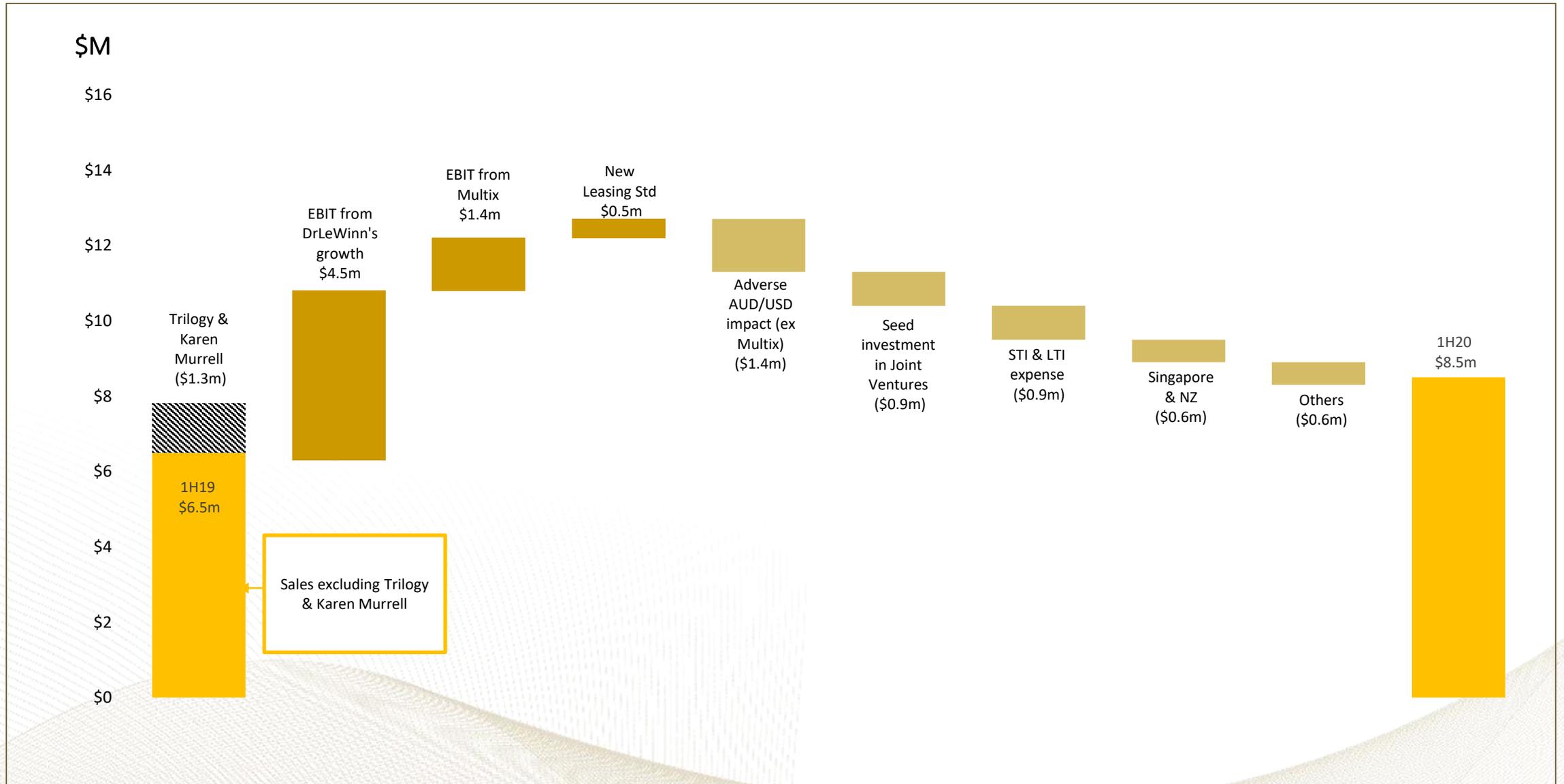
DR. LEWINN'S®

*Based on a 4-week clinical study. See full disclosure on the product packaging.

BRIDGE OF 1H19 TO 1H20 SALES

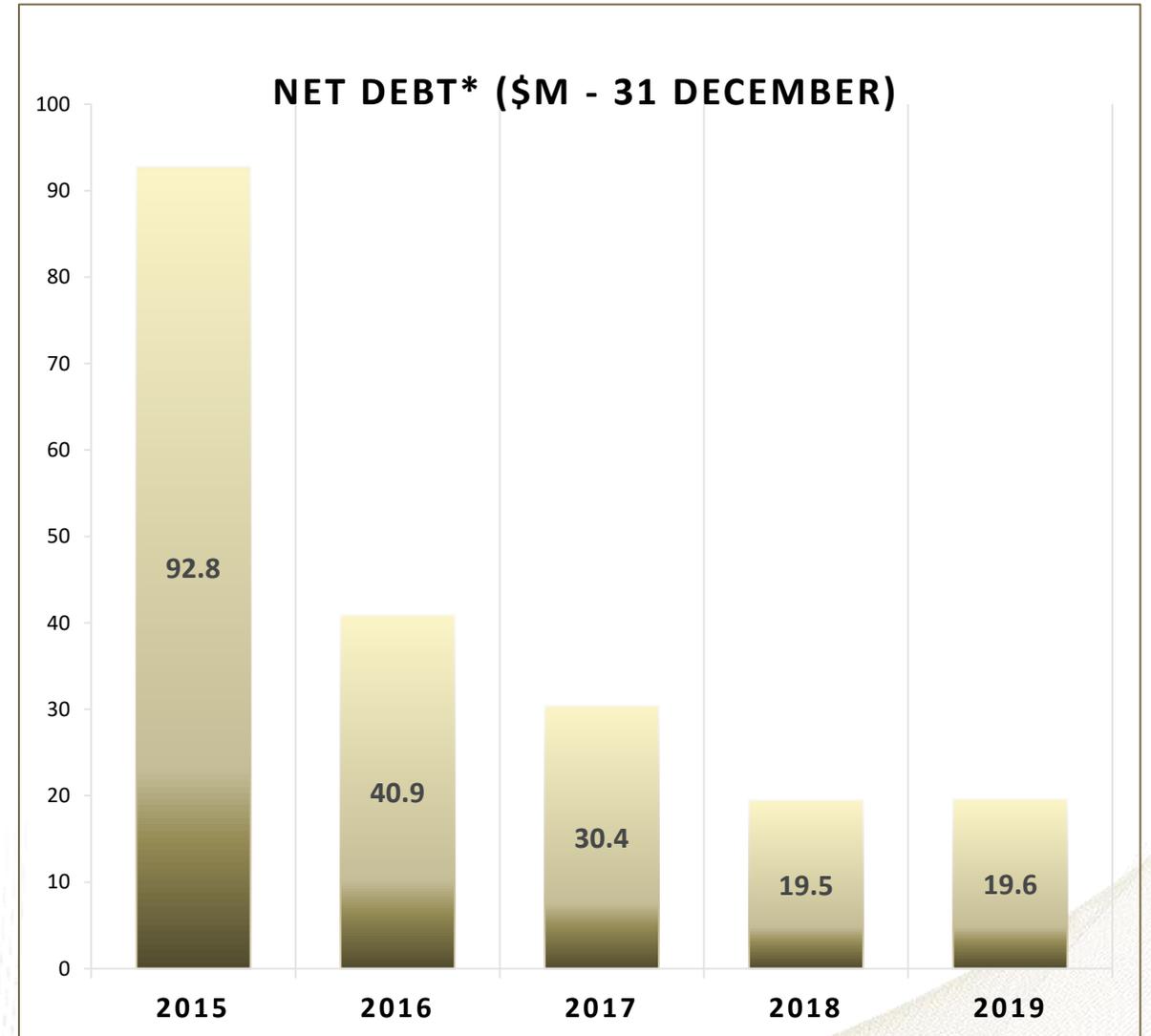
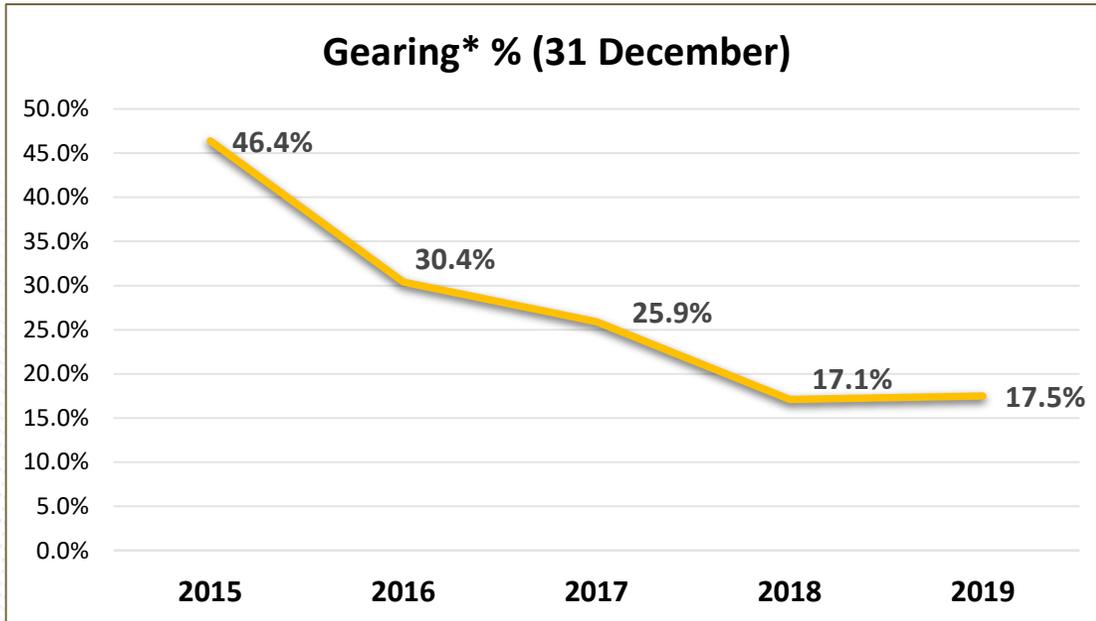


BRIDGE OF 1H19 TO 1H20 PBT



BALANCE SHEET

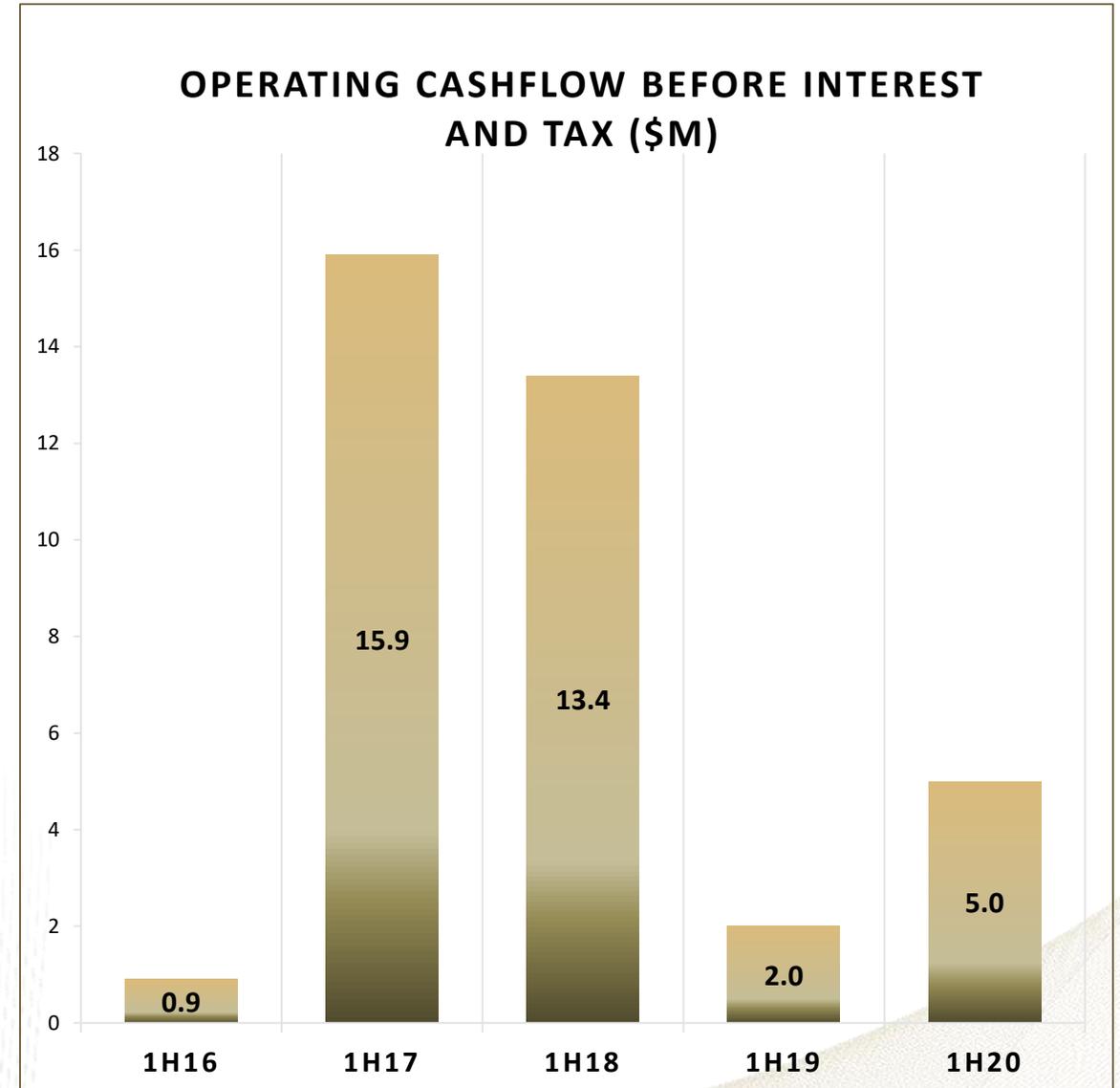
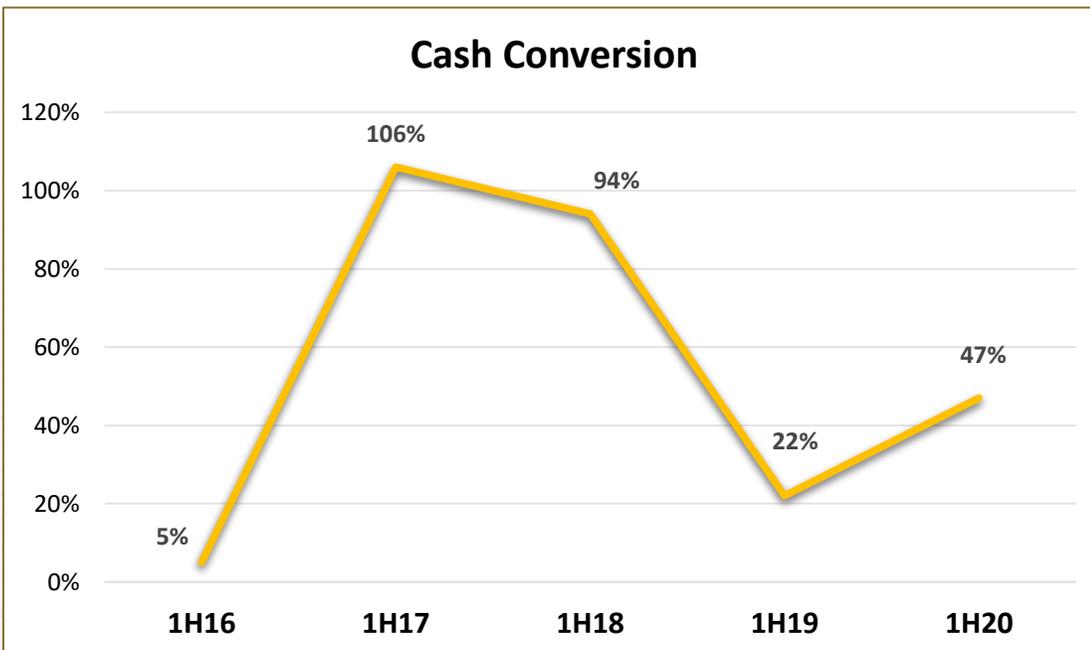
- ❑ Net debt excluding lease liabilities has remained stable at \$19.6m over the last 12 months
- ❑ Key additional investments in Aware (\$3.0m), joint ventures (\$1.8m) and display stands (\$1.0m) made over last 6 months
- ❑ Gearing modest at 18%, excluding lease liabilities



* Excluding lease liabilities

CASHFLOW

- ❑ Seasonally low cash conversion of 47% due to:
 - High December 19 sales;
 - Build in skincare inventory to support future growth in export sales; and
 - General seasonal increase in stock ahead of Chinese new year shutdowns
- ❑ Vastly improved 2H20 cash conversion is forecast



1H20 INTERIM ORDINARY

- ❑ Interim ordinary dividend of 4.0 cents per share fully franked (1H19 4.0 cents per share)
- ❑ Payout ratio of 74% of 1H20 Earnings per Share
- ❑ Interim dividend payable 19 March 2020
- ❑ Dividend reinvestment plan retained, 2.5% discount to VWAP re-introduced

CORONAVIRUS: CURRENT STATUS AND DILIGENT MANAGEMENT OF IMPACTS

1. Staff

- MCP Human Resources actively supporting staff, particularly those based in Hong Kong
- No incidence of staff infection with appropriate workplace and travel controls implemented

2. Product supply

- Majority of top 150 selling products > 12 weeks supply with minimum cover at 8 weeks supply
- Top 150 selling products and key suppliers are being closely monitored
- Hong Kong sourcing team monitoring key suppliers – vast majority are operating following extended Chinese new year shutdown
- All relevant shipment ports are open with exception of Wuhan
- Maximum period of order delay is approximately 5 weeks
- Safety stocks on key lines to be increased by 4 weeks

3. Customers

- Formal weekly updates being provided to customers
- Some major customers are increasing safety stock levels by 2 – 4 weeks
- MCP's relationship with customers strengthened by reliability of supply and clear information flow
- Some disruption to ABM's internal supply chain and courier services
- Continual review of ABM's supply chain to Chinese customers

FY20: GUIDANCE MAINTAINED

- ❑ Solid 1H20 PBT outcome
- ❑ Good start to 2H20
- ❑ No material impact from Coronavirus at this stage – monitoring situation closely
- ❑ Guidance of 10% increase in FY20 PBT vs FY19 maintained

MCPHERSON'S

CORE BRANDS

A'KIN

Australian Tea Tree Oil Detoxifying Mask



PORTFOLIO OF LEADING BRANDS



#1 AUSTRALIAN
COSMECEUTICAL BRAND



#1 BEAUTY ACCESSORIES



#1 HAIR ACCESSORIES



#1 COTTON



#1 BAGS, WRAPS & FOIL



#3 NATURAL HAIRCARE

LEVERAGING MACRO TRENDS

CHINA EXPORT



- China middle-class population projected to exceed 600M by 2022

DEMAND FOR NATURAL



- Global Organic Personal Care Market projected to reach \$25B by 2025
- Here to stay

SUSTAINABLE SOLUTIONS



- Renew | Reuse | Recycle | Remove
- Consumers voting with their wallet

PROACTIVE SELF CARE



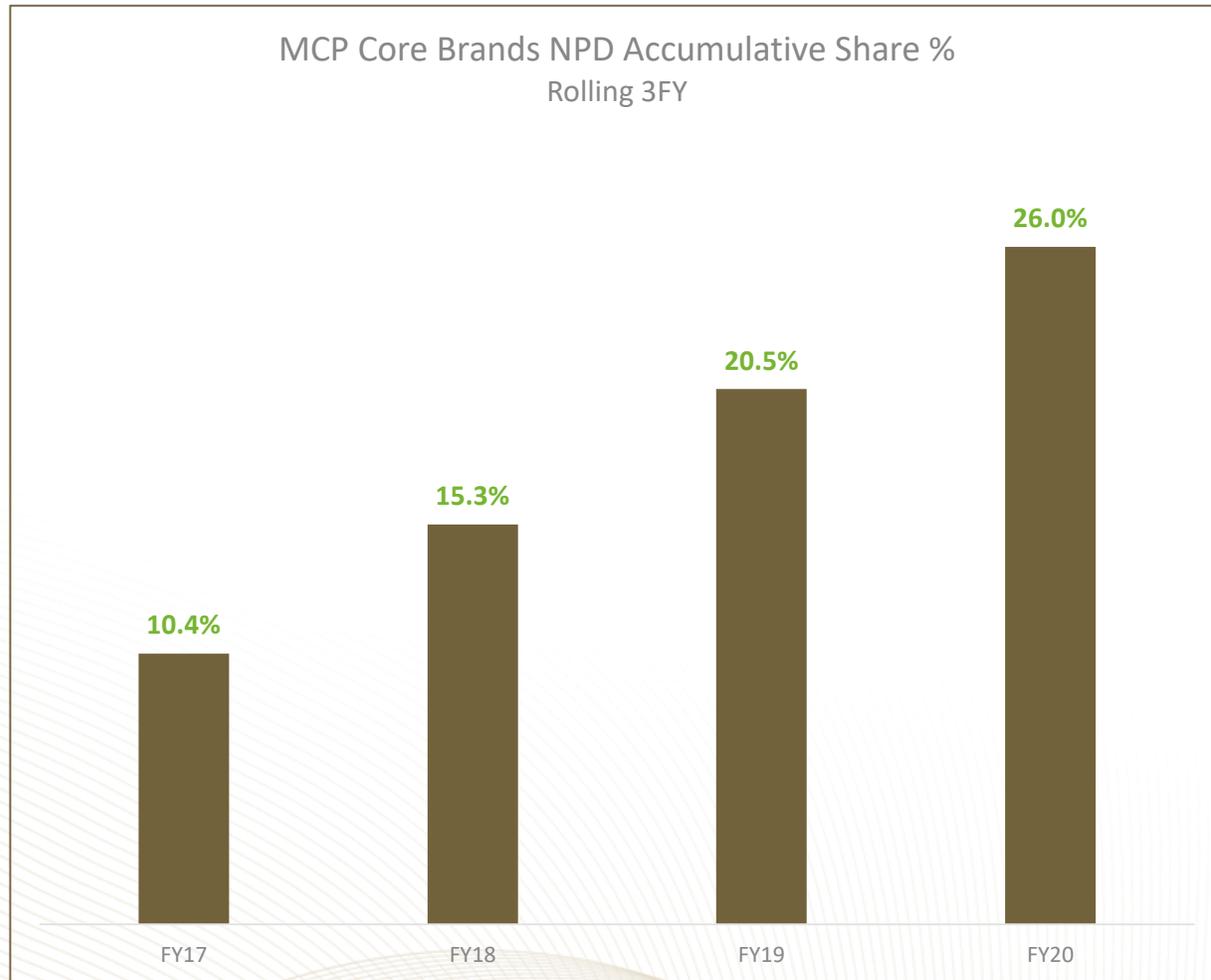
- Global Face Mask Market expected to reach \$8.8B in 2021
- China represents 48% of market
- Australia Face Mask Market +50% CAGR (2016-2018)

HOLISTIC WELNESS



- Beauty & wellness market in 2017 was worth \$14.5B in China
- The US saw a 61% increase in sales in beauty positioned supplements this past year

INNOVATION DRIVING SUSTAINABLE GROWTH



#1 Facial Skincare NPD in Pharmacy (MAT)

Dr. LeWinn's R4 Collagen Surge

#1 Facial Skincare NPD in Pharmacy (QTR)

Dr. LeWinn's LSC Boosting Essence

#1 Hair Accessories Brush NPD in Pharmacy (MAT)

Lady Jayne Flexi Glide

#1 Beauty Accessories NPD in Pharmacy (MAT)

Glam Magnetising Eyeliner & Lash System

#1 Sustainable Brand in Bags Wraps and Foils (MAT)

Multix Greener

LEADING SUSTAINABLE INNOVATION WITH *Multix*

MCPHERSON'S
FIRST TO MARKET
GREENER COMPOSTABLE
GREENER 60% PLANT BASED
RE-USE ME & RECYCLED

80% SUSTAINABLE MARKET SHARE
GROWING +70%



EARTH KIND INNOVATION WITH *Swisspers*

MCPHERSON'S **FIRST TO LAUNCH** COTTON TIPS WITH SUSTAINABLY SOURCED PAPER STEMS

OUTPACING CATEGORY GROWTH
EXTENDING MARKET LEADERSHIP BY +1.6 SHARE POINTS



CATEGORY LEADERSHIP INNOVATION WITH *Manicare*

CLINICALLY PROVEN
MASSTIGE
INNOVATION
ACCESSIBLE & AVAILABLE

DRIVING CATEGORY GROWTH
EXTENDING MARKET LEADERSHIP BY +1 SHARE POINT

start your **SKIN FITNESS** routine
manicare

5X CLINICALLY PROVEN
deeper clean



1ST TO MARKET INNOVATION WITH *Glam*

MCPHERSON'S LAUNCHED

THE MOST INNOVATIVE LASH TECH

+15% MAT GROWTH
PROPELLING GLAM TO THE #1 LASH BRAND

glam Pro
by manicare®

NEW!

THE WORLD'S MOST INNOVATIVE
lash tech

**MAGNETISING EYELINER
+ LASH SYSTEM**

glam Pro
by manicare®

MAGNETISING EYELINER
LONG LASTING & SMUDGE PROOF

Revolutionary eyeliner technology containing invisible magnetising particles.
Apply eyeliner along top of all lash line and gently click magnetic lashes in place on top of liner for a professional finish.

BLACK
Sml. 0.16 fl.oz. e

glam Pro
by manicare®

MAGNETIC LASHES
Micro-magnetic and lightweight for use with Glam By Manicare® Magnetising Eyeliner

64. Willow
2 delicately curving lashes with subtle layers for a beautiful finish.

NATURAL
LIGHTWEIGHT. NO ADHESIVE. REUSABLE

glam Pro
by manicare®

MAGNETIC LASHES
Micro-magnetic and lightweight for use with Glam By Manicare® Magnetising Eyeliner

66. charlotte
2 ultra-fine lashes with subtle layers for a properly measured look.

NATURAL
LIGHTWEIGHT. NO ADHESIVE. REUSABLE

glam Pro
by manicare®

MAGNETIC LASHES
More magnetic and lightweight for use with Glam By Manicare® Magnetising Eyeliner

65. Khloe
2 multi-dimensional lashes for a full textured look.

INTENSE
LIGHTWEIGHT. NO ADHESIVE. REUSABLE

5 MAGNETIC LASH STYLES TO DISCOVER

CONSUMER DRIVEN INNOVATION WITH *Lady Jayne*

5 STAR RATED

DETANGLING INNOVATION



FLEXI GLIDE #1 BRUSH NPD
EXTENDING MARKET LEADERSHIP BY +1 SHARE POINT



BIO-DEGRADABLE INNOVATION WITH *A'kin*

MADE FROM
100%
NATURAL EUCALYPTUS
FIBRES

TOP 5 NATURAL SHEET MASK IN PRICELINE
ATTRACTING 23% NEW USERS TO THE CATEGORY



POWERFULLY EFFECTIVE INNOVATION WITH *Dr. LeWinn's*

A POWERFUL SHIFT TOWARDS PLUMPER, FIRMER SKIN

Over time, skin continuously transitions as collagen depletes and a loss of volume occurs. Dr. LeWinn's **Advanced Pearl Technology** with collagen pearls immersed in a velvety gel, restores moisture & boosts dull, tired skin with:

- **Neodermyl**™, our needle-free collagen filler, to enhance firmness & elasticity
- **Hyaluronic Acid**, to help fill lines and wrinkles

84% OF USERS NOTICED PLUMPER SKIN AFTER 1 HOUR*

92% OF USERS NOTICED PLUMPER SKIN AFTER 4 WEEKS*



DR. LEWINN'S®

*Results based on an independent laboratory study. Refer to drlewinns.com.au for more information.

#1 NPD
in last
12
Months

TRANSFORMATIVE POWER OF HYALURONIC ACID FOR THE ULTIMATE HYDRATION HIGH

Discover the next generation in topical Botox® alternatives with the Dr. LeWinn's Hyaluronic Acid Boosting Essence. Delivering a supercharged shot of hydration to your skin and combining powerful active ingredients:

- **Hyaluronic Acid Tri-Complex** – a superior combination of Hyaluronic Acids, which act as a moisture magnet and 'flash' filler, penetrating the skin twice as fast as standard Hyaluronic Acid
- **3% Munapsys™** – the topical alternative to Botox®, clinically proven to reduce the appearance of lines and wrinkles
- **3% Niacinamide** – a potent vitamin and antioxidant to smooth and improve skin texture

95% NOTICED IMPROVED SKIN HYDRATION IN 4 WEEKS*

95% NOTICED IMPROVED SKIN SMOOTHNESS IN 4 WEEKS*



DR. LEWINN'S®

*Clinical testing performed by the manufacturer on the Munapsys™ Peptide System. Botox® is a registered trademark of Allergan, Inc. Results based on an independent laboratory study. Refer to drlewinns.com.au for more information.

#1 NPD
in latest
Quarter

#1 VALUE GROWTH BRAND WITHIN FACIAL SKINCARE & FASTEST GROWING TOP 10 BRAND +41% GAINING 1% SHARE

R&D INVESTMENT FUELLING GROWTH IN *Sales and Marketing*

CAPABILITY

INVESTMENT IN INTERNAL RESOURCES

2 PHD DEGREES &
4 MASTERS DEGREES IN SCIENCE

BACHELOR DEGREES IN BIOCHEMISTRY,
CHEMISTRY, CHEMICAL ENGINEERING, BUSINESS MGT
& OTHERS

DEVELOP STRONG EXTERNAL PARTNERSHIPS



PROCESS



QUALITY FOCUS



REGULATORY AFFAIRS



ROLE CLARITY



PORTFOLIO BALANCE



Ten Types of Innovation



HOW DO WE DO IT?

R&D INVESTMENT FUELLING GROWTH IN *Sales and Marketing*

FY20

FY18

FY19

SUSTAINABLE OPTIONS



NATURAL PERSONAL CARE

PACKAGING REFRESH



LINE EXTENSIONS



EFFICACIOUS SKINCARE



6 TEAM MEMBERS
~ 60 PRODUCTS LAUNCHED

EXPANDED SUSTAINABLE PRODUCT PORTFOLIO



LEADERSHIP IN NEW CATEGORIES



PRODUCT RENOVATIONS



CLINICALLY PROVEN RESULTS



FOREIGN MARKET REGISTRATIONS



11 TEAM MEMBERS
~ 100 PRODUCTS LAUNCHED

SUSTAINABILITY PILLAR IMPLEMENTATION



ACCELERATED DR LEWINN'S PORTFOLIO GROWTH



MINIMISE PORES MAXIMISE SKIN PERFECTION

- 83% OF USERS NOTICED SIGNIFICANTLY CLEANER PORES*
- 88% OF USERS NOTICED REDUCTION IN SKIN BLEMES*
- 88% OF USERS NOTICED A HEALTHY GLOWING SKIN**

NEW ECO OFFERINGS



NEW EXCITING CATEGORIES

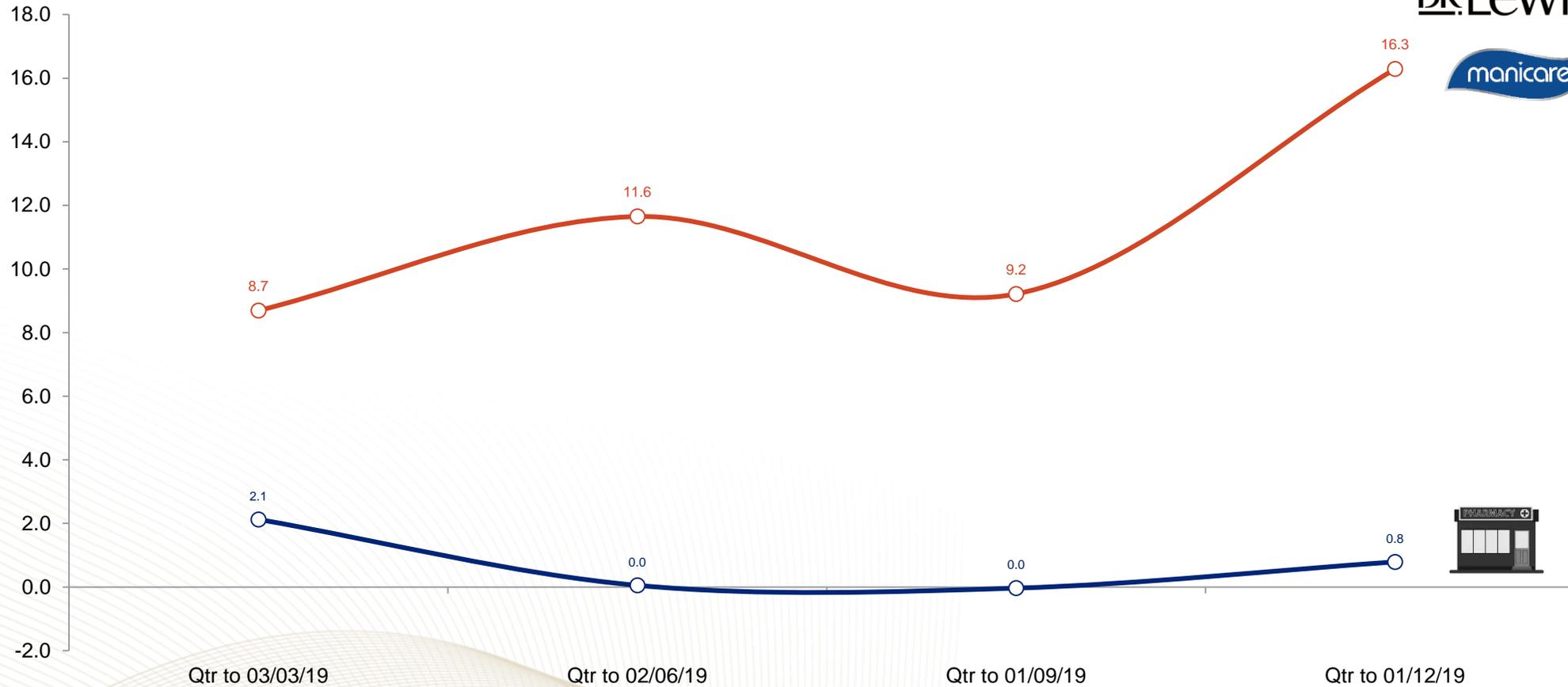


13 TEAM MEMBERS
~ 200 PRODUCTS WILL BE LAUNCHED

OUTPACING PHARMACY CHANNEL GROWTH BY 20X

Australia Pharmacy
Dollars Growth % YA

—○— Total Defined Pharmacy —○— Total McP Core brands



DR. LEWINN'S® [A'kin]



RECOVERËDERM™

proAGE + SENSITIVE SKIN

2020 INNOVATION

NEW
CLINICALLY PROVEN[^]
INNOVATION

Australian Bio-Active
Marine Algae

ProRenew CLR™
Probiotic Complex*

Dermatologist Tested



[^]Results based on a 1 week clinical study of the Recoverëderm™ range as part of an independent laboratory study
* Applies to Day Cream, Night Balm, Toning Mist only

2020 NATURAL INNOVATION

MIRACLE SHINE CONDITIONING HAIR MASK

With Australian Avocado Oil,
Australian Jojoba Oil & Squalene

84%
INCREASED
MOISTURE*

58%
LESS
BREAKAGE*



*Results based on independent laboratory testing

NEW

2020 INNOVATION



nova FIT™ for your skin face massager with EMS technology

CLINICALLY PROVEN



82% OF USERS NOTICED IMPROVED SKIN FIRMNESS*



Firm & Tone



Plump & Rejuvenate



Tension Relief

*Clinically proven after 4 weeks. ^Results based on independent clinical study.

2020 SUSTAINABLE INNOVATION

EARTH KIND FACIAL WIPES

- ✓ Bio-Degradable
- ✓ 100% plant based
- ✓ Widget made from recycled plastic



MCPHERSON'S

CHANNEL & CUSTOMER



CHANNEL LANDSCAPE Overview

CHANNEL PERFORMANCE



RETAILER SHARE SHIFTS



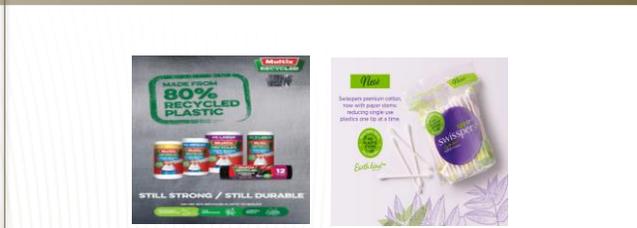
PRICING AND PROMOTIONS



RATIONALISATION



DIFFERENTIATION



SUSTAINABILITY



ONLINE

MCP BUCKING THE RETAIL MACRO TREND

1

MCP H&B GROWTH 5 X RETAIL PERFORMANCE LATEST QTR

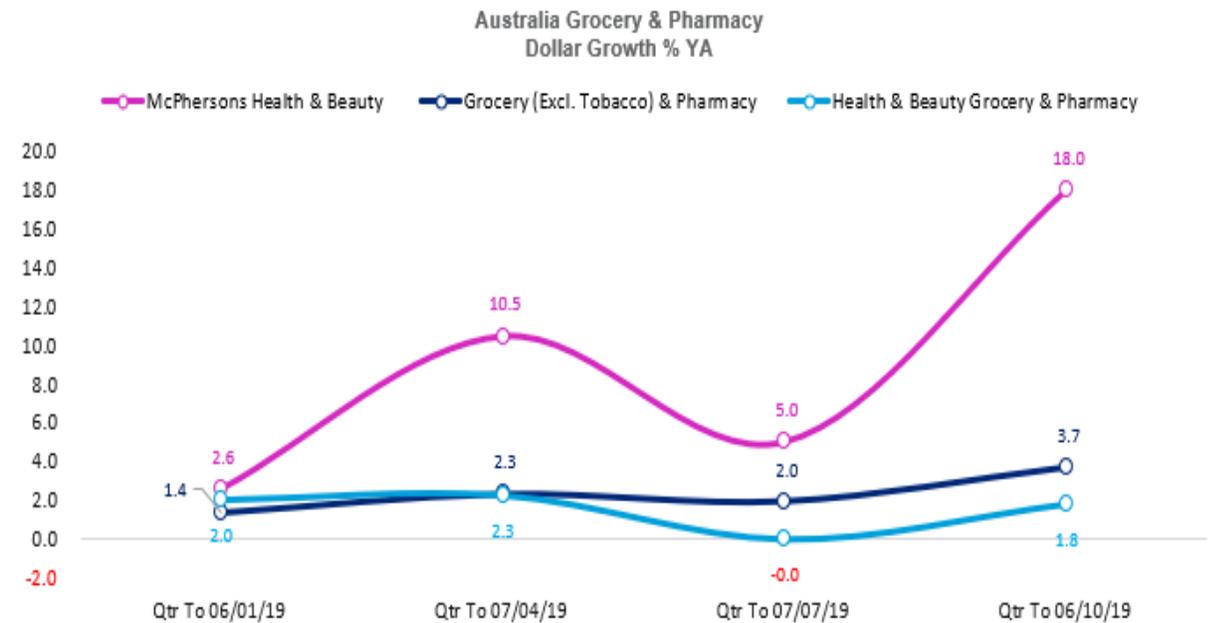
2

DRIVING CATEGORY GROWTH

3

HIGH BRAND RELEVANCE IN MARKET

Quarterly Trend



DELIVERING SUSTAINABLE *Growth*



CORE BRAND GROWTH

- HW&B GROWTH CORE **1.7 TIMES THE CATEGORY** FYTD
- HW&B EX FACTORY **+12%**
- **RANGE OPTIMISATION** DELIVERING PROFIT IMPROVEMENTS
- **+1% SHARE POINTS** MAT IN SWISSPERS COTTON, MANICARE, LADY JAYNE AND DR.LEWINN'S



EXPANSION

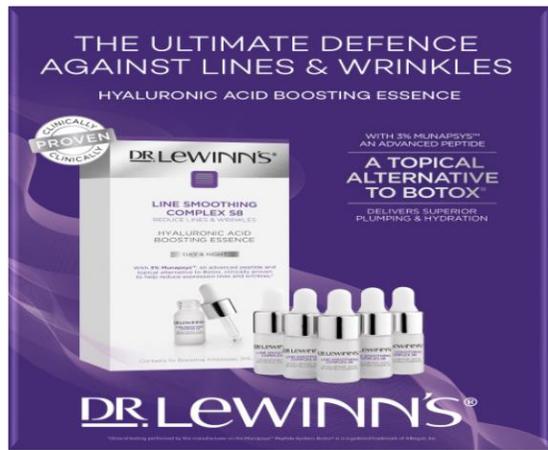
- **+ 6968** DISTRIBUTION POINTS **EXPANSION IN COLES** LADY JAYNE, MANICARE & EYLURE
- LOWES DISTRIBUTION **65 NEW DOORS**
- **NEW RETAILER** DISTRIBUTION **MULTIX**
- **NEW ONLINE RETAILERS** IN BEAUTY



EXECUTION

- **+32K** TOTAL INCREMENTAL DISTRIBUTION POINTS
- **+3%** IMPROVEMENT IN CORE RANGE DISTRIBUTION IN MARKET QTR ON QTR
- CATEGORY **CAPTAINCY**
- **INNOVATION** AND **ACTIVATION** SUCCESS IN MARKET

INNOVATION FUELLING IN MARKET *Performance*



#1

NPD LAUNCHED IN FACIAL SKINCARE LATEST QTR - DR. LEWINN'S LSC AMPULES

#1

BRUSH NPD – LADY JAYNE DETANGLE



#1

TREATMENT NPD IN CWH LAST 39 WEEKS – MIRACLE SHINE MASK

#4

MASK BRAND IN PRICELINE – AKIN SKIN

ACTIVATIONS DRIVING GROWTH *Pharmacy*

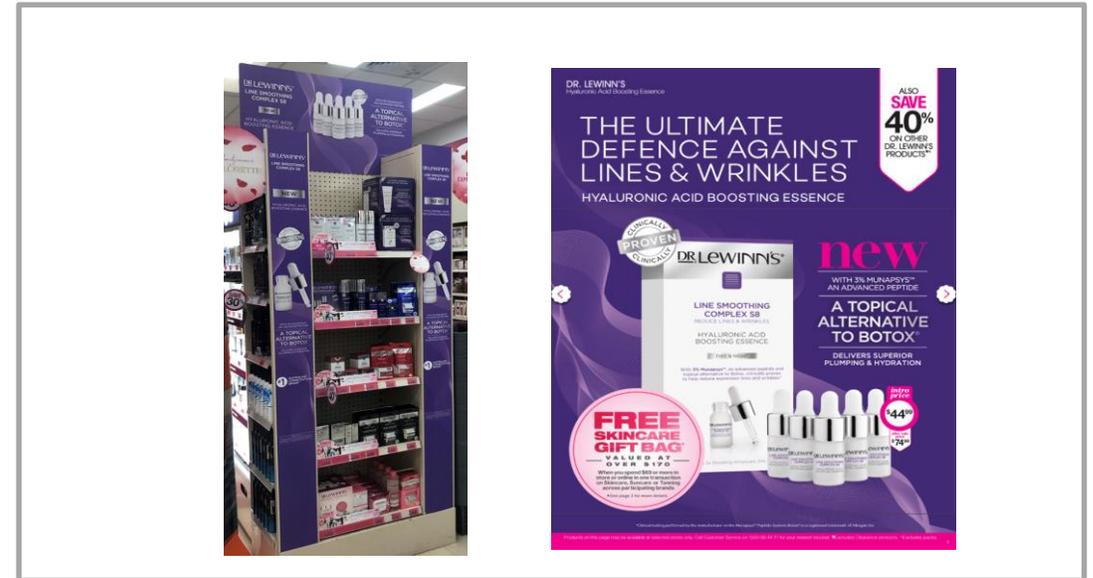
BEAUTY BREAK



DRL \$3.3M RSV

DRL 14.1% SHARE DURING PROMOTIONAL PERIOD

GOODY BAG PROMOTION



\$0.85M RSV

DRL 9% SHARE DURING PROMOTIONAL PERIOD

CONTINUED INVESTMENT IN *Real Estate*

DRIVE THE CORE



CATEGORY SOLUTION



OFF LOCATION STANDS



GONDOLA ENDS

SUPPORT INNOVATION



LAUNCH OFF LOCATIONS

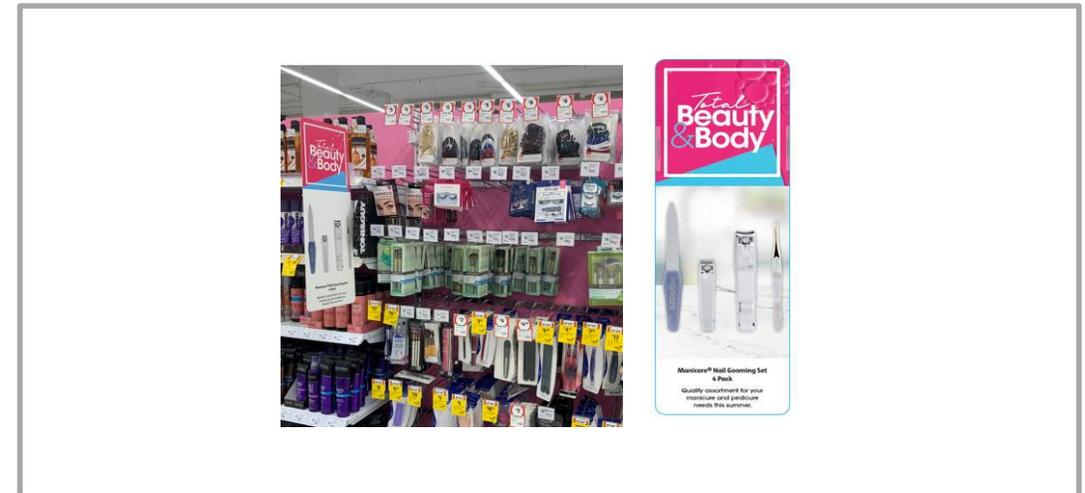
ACTIVATIONS DRIVING GROWTH IN *Grocery*

ALDI SPECIAL BUYS



85,000 UNITS SOLD IN ONE WEEK

MANICARE CATALOGUE/AISLE FIN



\$0.32M RSV DURING PROMOTION

CONTINUED INVESTMENT IN *Real Estate*

DRIVE THE CORE



2 SKUS
\$0.73M RSV



BRAND PRESENCE

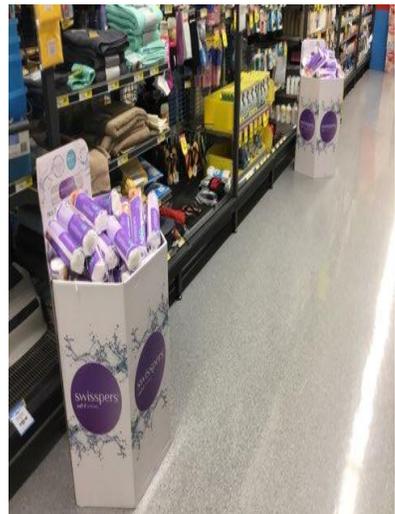


+10% VS
CATEGORY

SUPPORT INNOVATION



MULTIX GREENER



SWISSPERS

Source: IRI Market Measurement – Scan, Data during promotional period/MCP Ex Factory

UPWEIGHTED ONLINE PRESENCE

Customer Partnerships 1



25.5M

CHEMIST WAREHOUSE AD IMPRESSIONS

9%

INCREASE EX FACTORY SALES TO CHEMIST WAREHOUSE ONLINE YTD V LY



154%

INCREASE EX FACTORY SALES TO PRICELINE ONLINE YTD V LY

28.4%

TOTAL RECYCLED RANGE MULTIX SALES IN WOOLWORTHS, IN 4 DAY CYBER SALE

NEW ZEALAND STABLE AND POISED FOR *Growth*



CORE BRAND GROWTH

- **+12% GROWTH** VERSUS LAST YEAR EX AGENCY
- **+140.5% GROWTH** ON LAST YEAR DR. LEWINN'S
- **STRONG AND HIGHLY RELEVANT** PORTFOLIO



EXPANSION

- **+600** DISTRIBUTION POINTS IN MULTIX AND SWISSPERS
- **+7** CWH STORES (TOTALLING 12)
- **ONLINE** EXPANSION WITH RETAILERS



PARTNERING

- **JOINT BUSINESS PLANNING** WITH KEY RETAILERS – PHARMACY & GROCERY
- **#1 RANKED BEAUTY SUPPLIER** AT KEY ACCOUNTS FOR PHARMACY MARKET.
- **INCREMENTAL DISTRIBUTION** PARTNERSHIP OPPORTUNITIES

ANZ BUSINESS GROWTH PILLARS *Outlook*

INNOVATION



NEW RETAILERS NEW CHANNELS

GREATER EXPOSURE IN STORE

LEVERAGING ONLINE RETAIL

HIGH CALIBRE TEAM

RANGE AND INVESTMENT OPTIMISATION



DRIVE GROWTH FROM INNOVATION

LEAD IN CATEGORY

LEAD IN SUSTAINABILITY

EQUITY EXPANSION



RATIONALISE THE CORE

DILIGENT PROMOTIONAL EFFECTIVENESS

CONTINUE TO GAIN EFFICIENCIES

MCPHERSON'S
EXPORT



DR LEWINN'S
Line Smoothing Complex S8

EXPANDING ACROSS ASIA *strategy*



CONTINUE TO EXPAND OUR PRESENCE GEOGRAPHICALLY WITH A FOCUS ON ASIA

Capabilities

Execution

Opportunities

PEOPLE

30

DEDICATED HEADCOUNT FOR MCP
SOUTHEAST ASIAN EXPANSION

GLOBAL COVERAGE



STRONG PARTNERSHIPS

INNOVATION



NPD

DRIVEN BY HEALTH,
WELLNESS & BEAUTY

CHANNELS



TARGETING GROWTH CHANNELS

IN MARKET

100+

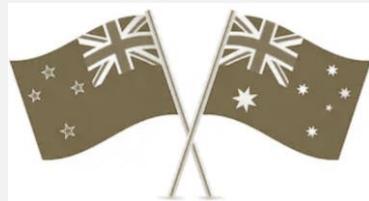
MERCHANDISING UNITS
ACROSS SOUTHEAST ASIA

EXPANSION



BUILDING DEPTH OF PORTFOLIO
ON ASIAN MARKETS

BRAND AUSTRALIA/NEW ZEALAND



DEMOGRAPHIC

66%

SHARE OF GLOBAL MIDDLE CLASS
REPRESENTED IN ASIA BY 2030

EXPERTISE



WINNING
IN BEAUTY AND
EXPANDING INTO
HEALTH & WELLNESS

VIRTUOUS ABM CHINA CYCLE 良性循环

ABM TRUSTED PARTNERSHIPS
ACCESS BRAND MANAGEMENT

AUSTRALIA

SPEED TO MARKET



AGREED BUSINESS MODEL

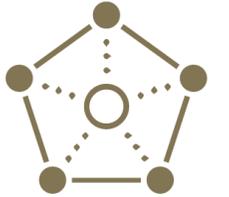
FLEXIBILITY TO REACT TO CHANGE



APPROPRIATE PRICING CORRIDORS

M
MCPHERSON'S
Est. 1860

RIGOROUS PROCESSES



aware CONTINUITY OF SUPPLY

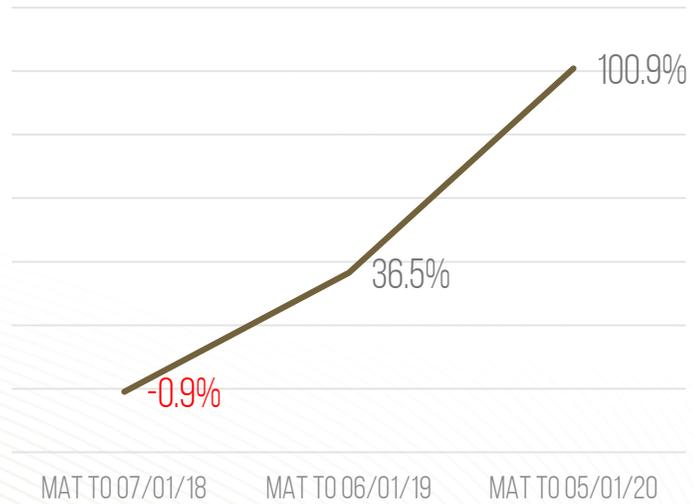
CHINA

ADAPTABLE TO MARKET DYNAMICS

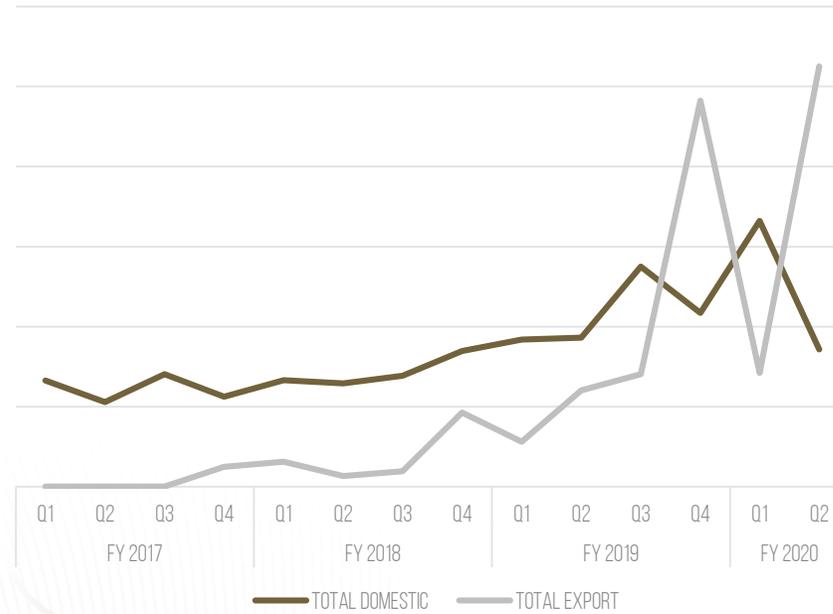


DR. LEWINN'S – DRIVING A VIRTUOUS CYCLE

AUSTRALIA PHARMACY
DR. LEWINN'S LINE SMOOTHING COMPLEX
VALUE GROWTH % VS YA



DR. LEWINN'S EXFACTORY SALES
DOMESTIC VS EXPORT



DR. LEWINN'S[®]



Source: IRI Market Measurement - Pharmacy Scan, Data to: MAT Value To 31/03/19
MAT= Moving Annual Total; Qtr= Quarter; YA= Year Ago

ABM & DR. LEWINN'S *Joint Venture*

1

HK BASED JV REPRESENTING GREATER CHINA (PRC)

2

ABM TARGET: AUD\$35 MILL ANNUAL PURCHASES, AUD\$82.5 OVER 3 YRS

3

SECURES EARNINGS FROM THE CHINA MARKET

4

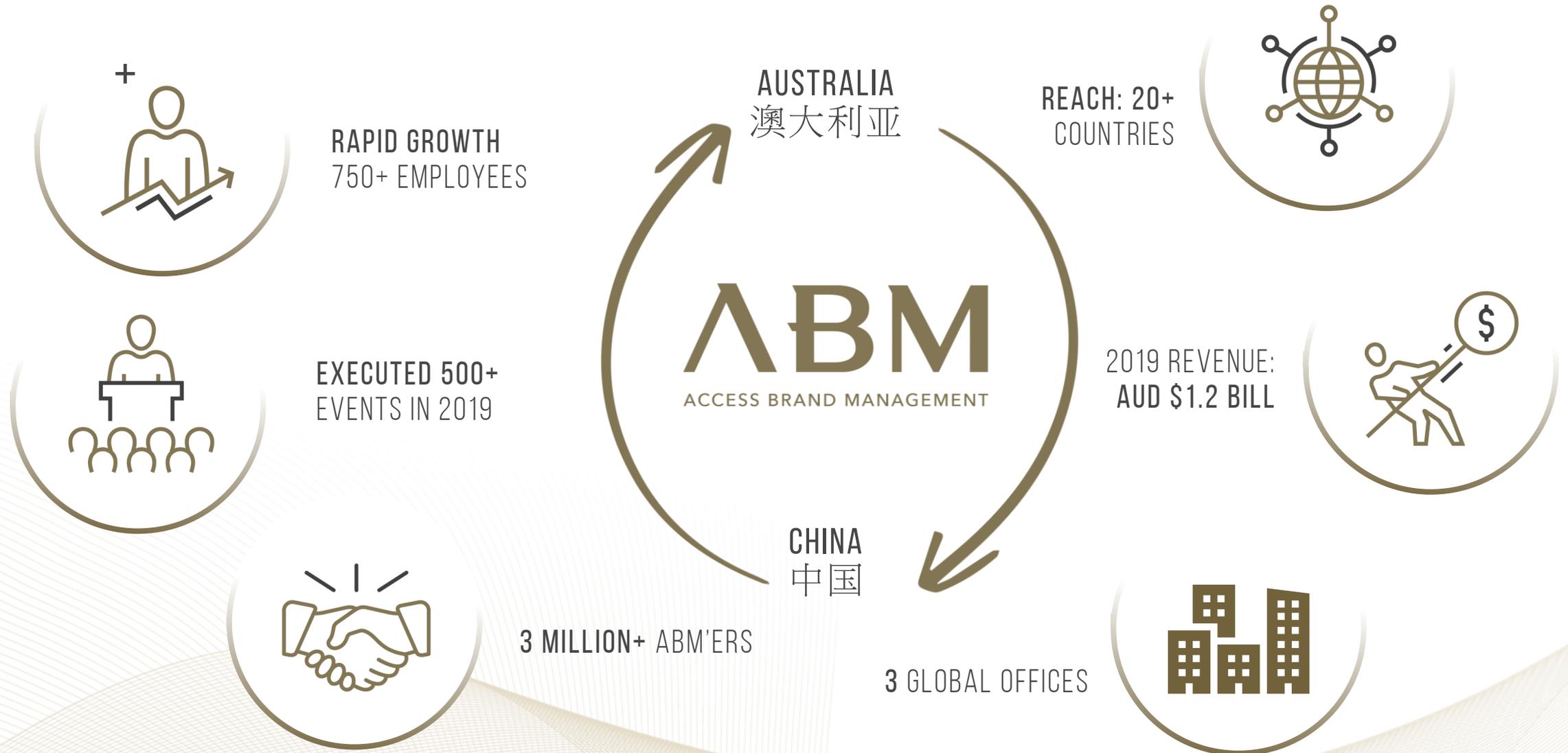
SIGNIFICANT UPSIDE OPPORTUNITY FOR DR. LEWINN'S

5

ABM & MCP EXPLORING FUTURE POTENTIAL ACQUISITIONS VIA JV



ABM'S ACCELERATING GROWTH JOURNEY





DR. LEWINN'S®
Celebrating Success

ABM / DR. LEWINN'S SALES UPDATE

TOTAL DECEMBER SALES

RMB 38,970,000

(AUD 7,794,000)

5TH DEC

LAUNCH OF CNY GIFT BOXES

TOTAL SALES IN ONE DAY

RMB 9,699,000

(AUD 1,939,800)

30TH DEC

2ND RELEASE OF CNY GIFT BOXES

TOTAL SALES IN ONE DAY

RMB 9,454,000

(AUD 1,890,800)

ABM DR. LEWINN'S SALES UPDATE

3X

NO. VISITORS ON ABM APP (DEC '19)



10,000

CNY GIFT BOXES **SOLD OUT** IN 5 DAYS



15,000

CNY GIFT BOXES **SOLD OUT** EARLY JAN



117%

TOTAL SALES **INCREASE** COMPARED WITH DECEMBER 2018



MCPHERSON'S

VENTURES



THE BRAND

PREMIUM DEER MILK SKINCARE



DISTRIBUTION



342
DOORS



148
DOORS

2020 INCREMENTAL DISTRIBUTION OPPORTUNITIES



INDEPENDENT
PHARMACY 200+



MAJOR E-COMMERCE
PLATFORMS

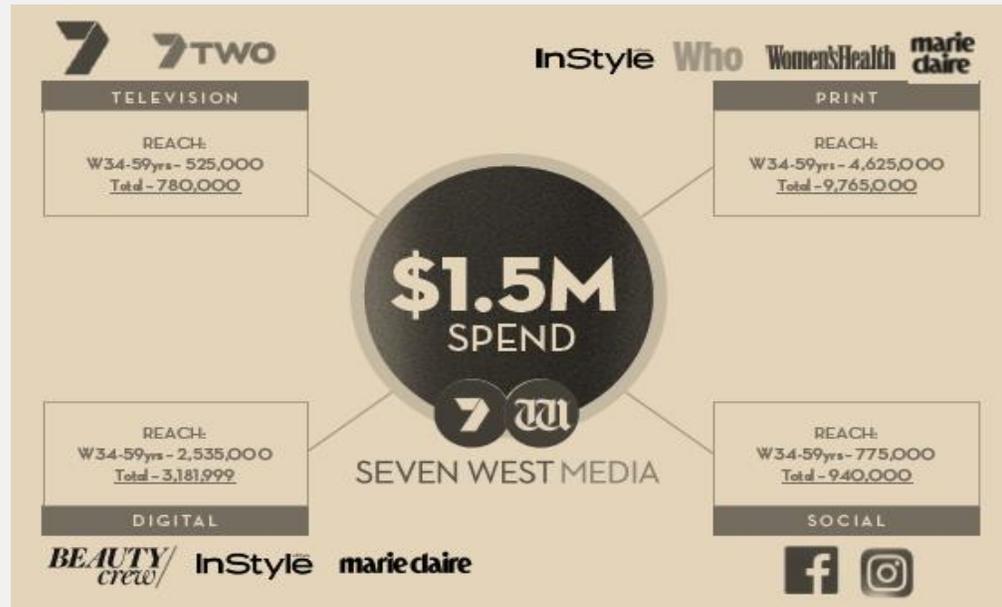


CROSS BORDER
E-COMMERCE

FY2020 KEY MARKETING ACTIVATIONS

ATL CAMPAIGN

SAW BASE
SALES RISE
BY 50%



SAMPLING



50,000
GOODY BAGS

AWARDS



Winner of Harper's Bazaar
THE ANTI-AGEING AWARDS
Best Serum for Smoothing 2019



Transform Magazine Silver Winner
BEST VISUAL IDENTITY
from the lifestyle and wellbeing sector



5 STAR TRIAL TEAM RATING



CIBE
MOST POTENTIAL BRAND
Award 2019



Beauty Review
TOP RATED PRODUCT
Hydrating Day Cream

FY2020 UPCOMING ACTIVATION

OFFICE SAMPLING

- 50 OFFICES
- 5 WEEKS
- 5000+ TARGET REACH
- BOUNCE BACK OFFER



Domestically



AUSTRALIAN BRAND
AWARENESS AT 5% &
GROWING



3 OUT OF 5 CONSUMERS OPEN
TO BUYING DEER MILK
SKINCARE

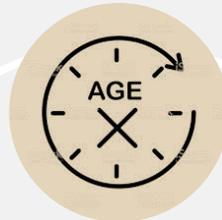


PURCHASE INTENT AT
70%+ WITH CONSUMERS
INTENDING TO BUY
MULTIPLE PRODUCTS

& in China



IN CHINA DEER MILK SEEN AS
SOURCE OF DEEP
NOURISHMENT & UNIQUE IN
SKINCARE



ANTI-AGEING KEY TO SUCCESS
IN CHINA WITH CONSUMERS
ENGAGED IN ANTI-AGEING
SKINCARE 21+ Y/O



KEY TARGET OF 30-45 Y/O
WOMAN WERE MOST ENGAGED
BY KOTIA IN CHINA

INSIGHTS

Soulful

THE BRAND



NUTRITION SOLUTIONS

INNOVATIVE FORMATS

AUTHENTIC BRAND STORY

AUSTRALIAN INGREDIENTS

EVIDENCE BASED

China Opportunity



DIGESTIVE REMEDIES



16.7B
CNY

LAXATIVES



384M
CNY

ACTIVE AGEING



BY 2050, 330 MILLION
CHINESE WILL BE OVER AGE 65

GROWTH



+44.9%
CAGR
2018-23

NATURAL WELLNESS

\$70BN

CHINA'S EMERGING HEALTH AND WELLNESS
MARKET WILL CLIMB TO NEARLY \$70BN BY
2020.

IMMUNITY

IMMUNE HEALTH
ACCOUNTS FOR 23.3% OF
ALL DIETARY
SUPPLEMENT SALES IN
CHINA

PRODUCT

MILLENNIAL SKIN TREATMENTS & TANNING



THE BRAND



115K
FOLLOWERS



5K
FOLLOWERS

MILLENNIAL CONSUMER



2BN GLOBALLY

72% WANT NATURAL, ETHICAL BEAUTY PRODUCTS

79% SHOP ONLINE BUT ALSO IN STORE TO 'TOUCH & FEEL'

OPPORTUNITY



E-COMMERCE
\$26.8BN
INDUSTRY IN AUS

1 IN 10 ITEMS WILL BE BOUGHT ONLINE IN 2020

BEAUTY E-COMMERCE



\$100M+
15-34 TARGET AUDIENCE

SPECIALTY RETAIL



\$350M+
+14.7% PROJECTED
GROWTH TO YEAR 2023

MCPHERSON'S

NEW BUSINESS DEVELOPMENT



MCPHERSON'S MERGERS & ACQUISITIONS ACTIVITY

- BUSINESS CONTINUES TO REVIEW OPPORTUNITIES

OVERVIEW OF CURRENT OPPORTUNITIES BEING REVIEWED



HEALTH



WELLNESS



BEAUTY

OF PROJECTS
REVIEWED

25

49

41

OF LIVE
PROJECTS

5

3

5

MCPHERSON'S MERGERS & ACQUISITIONS ACTIVITY

- M&A REMAINS A STRATEGIC PRIORITY FOR MCP
- +100 NEW BUSINESS OPPORTUNITIES REVIEWED
- BUSINESS BEING PRUDENT ON OPPORTUNITIES DUE TO HIGH VALUATIONS IN CATEGORIES

OVERVIEW OF OPPORTUNITIES TAKEN TO DUE DILIGENCE

	 HEALTH	 WELLNESS	 BEAUTY
REVENUE \$20-\$100M			

MCPHERSON'S

SUMMARY AND OUTLOOK



A'KIN
Natural Australian Skincare

3 YEAR STRATEGY



FOCUS ON
CORE 6
OWNED BRANDS



EXPLORE NEW
PRODUCT GROWTH
PLATFORMS



MOVE TO STRATEGIC
CUSTOMER AND SUPPLIER
PARTNERSHIPS



DRIVE VALUE
FROM GEOGRAPHIC
FOOTPRINT

END TO END CAPABILITY AND CAPACITY
– SUPPLY CHAIN, ROUTE TO MARKET AND IT

STRATEGIC ENABLERS

STRONG AGENCY PARTNERS COMPLEMENT
PORTFOLIO, SCALE AND CAPABILITY

TO GROW IN

Health Wellness & Beauty

SUMMARY AND OUTLOOK

- 1 STRONG BRAND AND CHANNEL MIX – OWNED BRANDS +13% VS 1H19
- 2 EXCEPTIONAL DEMAND FOR DR. LEWINN'S IN DOMESTIC / EXPORT CHANNELS 107%
- 3 STRATEGIC JV WITH **ABM** SECURES CHINA GROWTH.
AWARE INVESTMENT SUPPORTING SUPPLY CHAIN
- 4 INVESTMENTS IN KEY CAPABILITIES SUPPORTING INNOVATION AGENDA
- 5 GROWTH THROUGH **M&A** IS A STRATEGIC PRIORITY – EXPERIENCED NEW BUSINESS TEAM
AND LASER FOCUSSED ON H,W & B TARGETS
- 6 EXTREMELY HEALTHY BALANCE SHEET / LOW GEARING (**18%**), FACILITATING DIVIDEND
PAYOUT RATIO OF **74%**
- 7 STATED GUIDANCE MAINTAINED: FY20 GROWTH IN PROFIT BEFORE TAX ~ 10% VS FY19
- 8 MANAGEMENT CLOSELY MONITORING CORONAVIRUS SITUATION





MCPHERSON'S

Est. 1860



Q & A