

20 October 2022

ASX Market Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street,
Sydney NSW 2000

2022 ANNUAL GENERAL MEETING ADDRESSES AND PRESENTATION

Please find attached the following materials to be delivered by the Chair and the Chief Executive Officer at Blackmores Limited's Annual General Meeting today:

1. Chair's address
2. Chief Executive Officer's address
3. Presentation accompanying the addresses

This announcement was authorised for release by the Board of Directors.

Helen Mediati

Helen Mediati
Group General Counsel & Company Secretary
Blackmores Limited

ASX Announcement Chair's Address Annual General Meeting

Thursday, 20th October 2022, SYDNEY: Address by Anne Templeman-Jones, Chair of Blackmores Limited, at the Blackmores Limited 2022 Annual General Meeting (AGM). The webcast of the AGM can be viewed at: www.blackmores.com.au/investorcentre

Shareholders,

Welcome to all our shareholders, our employees and guests who are joining us here at Warriewood and to those of you online, in this year that the company celebrates a significant milestone - our 90th anniversary. The Board and I also extend a warm welcome to Marcus Blackmore who is here with us in the room today.

For today's Annual General Meeting, I will briefly review our history and the journey of Blackmores, our results in FY22, including brief commentary on our financial performance, and those areas that have had board focus this year, including our commitment to sustainability and exercising discipline to ensure we continue to execute to deliver our strategic initiatives.

I will also address some specific items in relation to capital management that have been raised by shareholders prior to this meeting, and an update on our Board and executive renewal process, before concluding with some commentary on our outlook for the future.

Can I firstly acknowledge our CEO, Alastair, his executive team and all our people at Blackmores for their contribution this year.

We faced many challenges this year, including the ongoing effects of the COVID-19 pandemic, the significant supply chain disruption from the devastating floods in northern New South Wales and south-east Queensland, along with accelerating input cost inflation.

On behalf of the Board, I want to thank our team for their efforts throughout the year in responding to these challenges, to not only deliver an improved result, but also a stronger and more sustainable business for the future.

As we look back on our history, we can be justifiably proud of the significant progress Blackmores has made, from its earliest beginnings when the Company was founded by Maurice Blackmore in Brisbane in 1932. Today, Blackmores is an international and diverse business with a trusted brand and reputation synonymous with quality, assurance and efficacy with natural health products that deliver choice to our customers in how they may live healthier lives. I would like to acknowledge the incredible commitment and dedication from Marcus Blackmore during his time building Blackmores, and to the many current and past employees and shareholders who have shared in this journey.

The 2019/2020 financial year was a critical turning point for Blackmores. Like many other companies in our sector in Australia, we faced the strategic challenges of falling revenue, the significant decline in earnings from the Daigou channel, limited control over our distribution channels, and the emerging threat of price discounting as retailers fought for share of wallet.

To address some of these challenges, Blackmores decided in 2019 to purchase the former co-manufacturing site from Catalent at Braeside in Victoria. This was a deliberate strategic decision that enabled Blackmores to become a vertically integrated business and therefore the master of its own destiny, in quality and assurance. It gave us the opportunity to deliver growth, which would have been challenging under a 100% co-manufacturer model. A proven Therapeutic Goods Administration approved site, producing quality products, Braeside created the opportunity for:

- greater control over the supply chain deleveraging the risk from co-manufacturers,
- securing important product registrations for many of our products supplied to Asia,
- the ability to extract margin once critical investment spend is complete, and
- the potential to meet the growing demand coming from Asia for expanded volumes and differentiated market specific product.

The equity raised in the FY20/21 year repaid the debt used to fund the purchase of Braeside and future capital improvements at the site, creating a strong balance sheet by which the business would be able to invest, grow and restore earnings to shareholders.

In August 2021, we articulated a three-year strategy that defined 5 strategic pillars for growth. This strategy also recognised both the new risks and costs from Braeside that we did not have before 2020, as well as the ongoing investment required for:

- upgrading and expanding capacity at Braeside,
- new cloud-based technology platforms that will enable us to better serve our customers and increase speed to market of our innovation, and
- delivering a leaner and more efficient organisational redesign which can improve operating leverage for the company over time.

In doing so we also committed to a target state for FY24, which reset the base line for measuring a return to year-on-year growth and shareholder value over time, to which Board and management remain committed.

The Braeside acquisition created a vertically integrated organisation that is going through the next stage of its maturity.

Turning to our financial results for the year.

Blackmores delivered a solid result for FY22 notwithstanding some challenging circumstances. The business has responded with agility to the disruption and impacts from the COVID-19 pandemic, floods, rising inflation, full employment and the energy crisis precipitated by the war in Ukraine.

Underlying Net Profit After Tax was \$31.1million, up 22.6% on FY21. On a statutory basis, Net Profit After Tax from Continuing Operations was \$30.6 million, up 27.8% from the prior year.

Alastair will provide more detail about our financial performance in his CEO address later today.

Let me now turn to dividends which I know is an important area of focus for many of our shareholders.

Our ongoing strong financial position and improved financial result for FY22, enabled your Board to declare a fully franked final dividend of 32 cents per share, bringing the full year dividend to 95 cents per share, fully franked. That is up 24 cents per share or 33.8% on the prior year.

Shareholders will note that dividend payments were restored in FY21 and the dividend for FY22 represented a dividend payout ratio of 60% of statutory net profit, which is at the top end of our dividend payout range.

The Board reviewed our capital management alternatives for the coming years which included considerations of the options as part of our capital allocation framework. We concluded that to be consistent with our strategy to deliver shareholder returns in FY24, paying a dividend at the higher end of the payout ratio could be accommodated together with the ongoing investment required to deliver for shareholders in the longer term.

We remain focused on optimising our capital allocation to maximise risk-adjusted returns for shareholders considering capital management against our other investment initiatives, including working capital requirements for our fast growth markets and multi-year investments required in technology and digital.

While our cash balance has grown, the Board has continued to exercise a disciplined and balanced approach to managing working capital in each of the countries in which Blackmores operates.

Together with cost control and investment in technology, we believe these will drive greater business returns over the coming years and maximise the returns to shareholders by way of dividends.

Our team at Blackmores remains focused on executing our strategy to strengthen the business for the medium term. The Board was pleased with the progress made in a number of areas during the year.

Specifically, this includes the focus on cost efficiency which resulted in gross margin and Earnings Before Interest and Tax margin improvements, together with the delivery of gross annualised savings in Cost of Goods Sold and Operational Expenditure of \$46m in FY22.

While these cost efficiencies are contributing to margin improvement, they are also enabling us to fund growth initiatives including higher marketing spend behind our core brands and capabilities to drive further growth.

While this represents an improvement on the prior year, the Board is highly alert to the investment expenditure that is required particularly in an inflationary economic market both domestically and internationally. We are focused on optimising our cost base to deliver further margin growth in line with our strategic plan. As a consequence of this commitment, the Board has introduced cost reduction as a key performance measure and the remuneration reward framework, which is designed so that if targets are not met, Short Term and Long Term Incentives will not be paid out.

As you will hear from Alastair in a moment, we remain on-track to deliver our FY23 target of \$55 million in gross annualised savings.

We have also successfully executed our strategy to enhance the geographic diversity of our business into India, and with new Halal products, which provides the Group with earnings resilience and opportunity.

In the era we live in today, our strategy and ambitions are anchored through our commitment to Environmental, Social and Governance.

Our focus is to ensure that our risk and governance approaches adequately reflect the changes to our natural world – that we fully understand, and can quantify the impacts climate change and biodiversity loss will have on our business. But equally that we are able to measure our impact on people and the environment and can accelerate our sustainability programs to underpin our business resilience.

Blackmores benefits from the legacy of our founder, Maurice Blackmore, who always held the knowledge that you can't have healthy people without a healthy planet. That sentiment is particularly relevant in the business and investment community in response to our global challenges, and one that proudly aligns to our values.

Our approach to sustainability is underpinned by governance and goals to ensure we tread lightly, respond to our changing world, source responsibly, create a fair, safe, inclusive and sustainable workplace and support community health.

We believe our sustainability goals meet the evolving expectations of our stakeholders and reflect both impacts and opportunities relevant to Blackmores.

I encourage shareholders to read our Sustainability Report which provides significant detail of our ongoing efforts to create a more sustainable business. The report is available in the Investor Centre of our website.

I will now make some comments on Board and executive renewal at Blackmores.

Firstly, I would like to acknowledge the contribution and commitment of David Ansell, who resigned from the Board on 30 June 2022. David served as a Director from October 2013 and served on all Committees, most recently as Chair of the People and Remuneration Committee. David made a significant contribution to Blackmores Group over his 9-year tenure and on behalf of the Board and management, I want to thank

him for his efforts and wish him every success for the future as he further develops his career as a Non-Executive Director.

At the 2021 AGM, you, our shareholders elected all current Independent Non-Executive Directors. Throughout the past year we have harnessed this additional significant diversity of perspectives and experience to provide guidance and direction to our management team in the ongoing execution of our strategy. We will continue to add expertise to our board in those areas where additional skills will align to the new growth markets and challenges we may need to address.

Over the past year, Erica Mann, Stephen Roche, Wendy Stops and Sharon Warburton have made valuable and meaningful contributions to our Board and to Alastair and his team, contributing with their deep collective expertise across a number of sectors and capabilities. I have personally valued their wise counsel and support.

Erica is standing for re-election at today's meeting and I look forward to shareholders' support of Erica's appointment. Erica brings significant expertise and understanding of complementary medicines, and a deep global perspective in over-the-counter healthcare products. Erica adds challenge and insights to our discussions and decision making from her experience working in leadership roles in organisations at the forefront of health technology trends - navigating highly regulated, complex, multi-channel and multi-product environments globally.

Stephen Roche was appointed the Chair of the People and Remuneration Committee following the resignation of David Ansell. During the past year he has drawn on his extensive 20-year board and senior executive/CEO experience in the Australian and New Zealand pharmacy and health care markets, including serving as Deputy Chairman of the National Pharmaceutical Services Association.

I noted in my Chair speech last year that the transformation and maturity required in the business would also involve adding new talent and experience to our management team.

We strengthened our leadership team with key appointments during the year which Alastair will detail in his address.

We always welcome feedback from shareholders. One question some of our shareholders have raised is whether we have walked away from the commitment to the three-year outlook we spoke to in 2021. I wanted to take the opportunity to explain the company's perspective on this.

Our strategy has set out defined pillars and the goals we have set looking out to 2024. The execution of any strategy is never linear and our progress in the last year has delivered a financial and operating performance that has provided growth in revenue, earnings and dividends since the last year, noting some of the choices we had to make with supply chain challenges such as out of stocks and the impact to customers not always within our control in time of unprecedented global disruption.

However, to be prudent, we have needed to recognise the world in which we will be delivering our transformation has changed significantly over the past 6-12 months and to consider the implications on the timing and manner in which we sequence our investment choices.

While our markets remain highly attractive, such extraordinary global events impacting global markets and the macro-economic environment have increased near-term volatility. This includes continuing supply chain disruption, continuing COVID-19 lockdowns (particularly in China), the significant increase in input cost inflation and rising interest rates, exchange rate fluctuations, disruption in global energy markets - all leading to increases in the cost of living and pressure on household budgets. The Board is conscious that to act in the best interests of the company with these previously unforeseen risk events, we need to be both cautious and prudent.

Within that context, we are focused on responding to these issues through continued execution against cost savings, driving further efficiency initiatives and margin expansion opportunities through pricing and innovation. These initiatives are designed to enable us to address these short-term challenges while we continue to implement our strategic objectives.

Thank you once again to our entire team at Blackmores for their contribution during the year and I wish to thank you our shareholders for your ongoing support of this great Company.

- ENDS -

ASX Announcement CEO's Address Annual General Meeting

Thursday, 20th October 2022, SYDNEY: Address by Alastair Symington, CEO and Managing Director of Blackmores Limited, at the Blackmores Limited 2022 Annual General Meeting (AGM). The webcast of the AGM can be viewed at: www.blackmores.com.au/investorcentre

Welcome to all our shareholders who join us in person from our Headquarters in Warriewood, and those joining virtually through the stream; welcome to the Blackmores Board of Directors, and to the Blackmores Executive Team who are here today.

I would like to take this opportunity to welcome our new Chief Financial Officer, Patrick Gibson, who joined Blackmores in February 2022 and who, in his brief time in the role, has already added significant depth of experience and insight to support me, the Executive Team and the Board. I would also like to welcome Andrew Fuary our new Chief Operating Officer who joined Blackmores in June 2022. Andrew, with his expertise in global supply chain excellence is already making an impact in the areas of customer service and product availability for our customers, Integrated Business Planning as well as what is needed to deliver our future manufacturing and supply chain footprint, which I will speak about a little later.

I would like to take some time to recap on our achievements over the past 12 months, then provide highlights on the progress against our strategic plan, including the steps we are taking to strengthen our supply chain and transform digital commerce and our operations.

I will finish my address today with an update on Blackmores Group trading performance year-to-date.

We delivered a strong set of results in FY22, with all three brands and all markets in growth for the first time in four years. These results were achieved while facing volatility and disruption caused by floods and the COVID-19 pandemic in Australia in the first half of the year, ongoing lockdowns in China and rising inflationary pressure through the second half of the year.

Overall, we generated solid revenue growth of 12.9% from improvements across all markets, and our operating leverage and cost discipline has enabled us to grow earnings faster than revenue with Earnings Before Interest and Tax up 19%.

In addition to revenue and earnings growth, we are also seeing continued margin expansion driven by operational discipline, including enhanced price and mix, targeted and more effective trade spend, better inventory management and a timely and effective response to the supply chain challenges and inflation cost headwinds that all businesses are currently facing. The key point I want to make here is that our operational discipline is enabling the Group to continue to invest in advertising, and important technology upgrades, while still lifting our Earnings Before Interest and Tax margin.

Group gross profit margin increased 1.1 percentage points from 52.3% in FY21 to 53.4% in FY22. Our initiatives to enhance price / mix contributed \$10 million in incremental gross profit, corresponding to a net sales per unit increase of 3%.

Like all businesses, we were not immune from the impact of Cost of Goods Sold inflation which resulted in a 4.4% increase in direct input costs. However, we were able to successfully mitigate most of this increase by optimising our network and efforts in strategic sourcing. This enabled Blackmores to deliver to our shareholders a full year dividend of 95 cents per share, fully franked, an increase of 33.8% on the prior year. This is at the top of our dividend payout range at 60%.

We are pleased with the operating and financial performance delivered in FY22 which gives us momentum and confidence for the delivery of our strategy and long-term growth targets.

Clear choices and actions allowed Blackmores to return to growth despite disruption in the Australia and New Zealand market.

By simplifying our operations and targeting investments in growth segments and markets we were able to better drive greater focus in the areas of distribution expansion and product innovation. Part of our strategy is to establish greater diversity and scale for our business. This has been achieved through the work we've done in recent years to strengthen our brands and operating units. It is important to note that these geographic areas and channels are also where we are able to generate a higher quality of earnings.

The shift over the past few years has seen Asia grow from 38% of Group sales in FY18 to 56% in FY22. This increase has more than offset the decline in Daigou sales; the divestment of the Global Therapeutics business; and rationalisation of unprofitable product lines. Despite the Daigou channel coming down \$139 million in net sales since 2018 we have managed to more than offset this, through growth in targeted markets and segments.

As you just heard from Anne, the acquisition of Braeside manufacturing in FY20 delivered many important capabilities required for Blackmores to build the supply chain resilience needed to deal with emerging risks in global supply chains, while at the same time being masters of quality and assurance. However, while this was a strategically important move, it was also met with an increase in cost, both in terms of increases in Cost of Good Sold as well as fixed costs. This is noted on the slide by the gross margin drop in FY20 of 6.6 percentage points or close to \$45 million.

Most of this incremental annualised cost has been offset through business improvement initiatives in the past 2 years. The fact remains that, in securing almost 300 jobs in Victoria, acquiring product development and procurement capabilities and the engineering, IT systems, maintenance and running costs associated with manufacturing, our underlying cost base is very different to the Blackmores of just 3 years ago.

The other area where we have increased our investments is in digital and technology. In FY22, we spent almost \$10 million on cloud computing, which was up from just \$800,000 in FY21. It is important to note that most systems improvements these days are cloud based. Under today's accounting standards, these costs need to be expensed in year, as opposed to being capitalised previously.

I am sure that you agree that it is important that your company steps up to contemporary and reliable technology systems to ensure that we are in the best possible position to make data driven decisions, are responsive to our customers, and to enable faster and more efficient execution of business processes, while at the same time maintaining the best possible cyber posture.

We remain focused on delivery of our strategic plan and are well progressed along the 3 phases of our transformation.

Our plan has 5 strategic pillars, which I will now take you through.

As our FY22 results have demonstrated, the quality of our earnings has improved with a lift in revenue including a double-digit increase in earnings from our International segment resulting from strong progress in Indonesia, market share growth in Thailand and entry into new segments and markets. Pet health remains a fast-growing segment and our offer in nutraceuticals is proving to be a winner with the local

market in Australia. We have plans to expand into South-east Asia and a pilot in the lucrative China market via cross border ecommerce this year. Our India plans are progressing, and we now have distribution via ecommerce and more than 500 independent pharmacies in 3 cities. We have some way to go working with the regulator in India to deliver an assortment which meets local consumer needs and as with any market this is a multi-year process.

Continuous improvement in our manufacturing to enhance efficiency while adapting to the current challenges in supply chain to meet our customers' needs at best cost, is key to delivering Cost of Goods Sold savings. In FY22, Braeside, Warriewood and Bungaribee delivered a solid performance across all metrics and maintained full production without interruption to ensure supply to customers.

The local market of Australia and New Zealand still represents a significant opportunity for your company. As the market leader, we will always look to further strengthen our brands, while also driving category growth in the vitamin and dietary supplement segment. We have seen success of the strategy over the past year with all 3 brands in growth with a number of our key channels growing in the Australian market. The Blackmores, BioCeuticals and PAW brands continue to resonate strongly in the market, retaining the company's number one position in Australia in our key segments.

Against our Business Improvement Program, we have delivered gross annualised savings in Cost of Goods Sold and Operational Expenditure of \$46 million since 2021 and remain on-track to deliver our FY23 target of \$55 million in gross annualised savings.

These five strategic pillars and focus areas are creating value by delivering on our ambition to connect 1 billion people to the healing power of nature by 2025 and for Blackmores to become a true global consumer health company.

The importance of giving people a choice to invest in their health and wellbeing through nature is what drives us at Blackmores, anchored in our values, what we call PIRLS.

Our strategic focus underpinned by Environment, Social and Governance, will continue to create value, where we will prioritise organic revenue growth and strengthen underlying Earnings Before Interest and Tax margins over time.

Becoming a truly global consumer health company which unlocks long term value creation requires a strong platform in two critical areas of our business.

The first is creating the supply chain of the future. Our growth will be supported by a number of supply chain workstreams commencing with the continued maturing of our Integrated Business Planning process designed to support our customer service levels while optimising our inventory and working capital.

We will evolve our supply network design that will shape our route to market, driving efficiency, capacity, and a lower cost structure through strategic partnerships. In turn, this will enable better speed to market and also allow Blackmores to support our growth agenda across our International markets.

Group operations are establishing a supply chain reinvention program that will focus on "lines of the future" and the optimisation of our manufacturing footprint to deliver best service at the lowest possible cost. Key building blocks for this program include our technology and digital strategy and advancements in Robotic Process Automation.

Finally, we have made structural changes across operations that provide for dedicated resources to lead the implementation of a companywide continuous improvement program. The program will be known as World Class Operations and tasked to develop capability across the organisation whilst delivering Cost of Goods Sold improvements of 4 to 5% year-on-year to support our future growth goals and more than cover the rate of inflation.

The second strategic enabler is our technology and digital transformation starting with programs initiated in FY22 such as a cloud-based planning system, content management system and cyber security upgrades.

Over the coming years, to deliver our core technology goals, we will simplify and standardise our system landscape to reduce complexity and deliver digital capabilities that better engage our practitioners and consumers and better serve our customers.

One of the key investment projects that we will embark on will be a Product Lifecycle Management platform that will unlock a faster innovation pipeline by digitising our entire product lifecycle from ideation through to store shelf.

We will also enhance our e-commerce capabilities across all our markets and implement a group Customer Relationship Management system to continuously improve customer service and engagement.

In recent years, we've taken you through our plans toward a Net Zero Emissions future and to decarbonise our operations and in 2023, we expect 100% of electricity used at our manufacturing facility will be from renewable sources. It's just one initiative in a broader program of works including energy efficiency projects and a study to explore the feasibility of using green hydrogen at our plant in future years.

In our second Modern Slavery Statement (which you can find on the investor centre of our website), you can see the steps we have made to assess and address the risk of exploitation in our supply chain.

Further, in the community, we were pleased to recently return to the full-scale Blackmores Sydney Running Festival now in its 20th year, which provided fundraising support to Beyond Blue. We also provided community support for natural disasters brought about by climate change.

Recently we've grown our understanding of our impact on Nature and the importance of biodiversity to our business. This is our next sustainability mission – toward a Nature Positive future.

Blackmores Group's sustainability vision of a world where people and nature thrive together captures the true meaning of a nature positive future. More practically, nature positive means not limiting our sustainability efforts to 'doing less bad' but instead to understanding changes to our natural world and investing in restoration and regeneration initiatives so we leave things better than we found them.

Now onto our trading update.

As we noted at our full year results, the team are progressing well against their plans and are very much on top of what is inside their control. Some markets are showing great resilience despite inflationary pressure and rising interest rates, while others are showing signs of lower consumer confidence and potential contraction. At Blackmores we have the benefit of geographic and channel diversification operating across 13 markets, with strong brands all in market leading positions, so we are confident to ride out the economic downturn just like we have for the past 90 years.

In Australia, we are seeing continued growth in the vitamin and dietary supplement category and pleasingly, Blackmores Group total company Blackmores Group total company market share value growth in line with the category. In the first quarter, we continued the rollout of new product innovation with Vision Care + Energy launching in September. We also implemented in September a 5-6% price increase, as we look to absorb cost inflation pressures.

In the International segment, first quarter lapped a very strong performance compared to the prior corresponding period for the immunity segment which was boosted by the COVID-19 surge demand in 1Q22. Blackmores in the 1Q23 gained distribution in Indonesia and also maintained its strong market leading position in Thailand. In September, we implemented a 7-8% price increase across all our

International markets. Based on the very high quarter year ago and some market contraction coming from inflation pressure, we reconfirm 1H23 revenue in the International segment is expected to be lower than 1H22.

In China, we are seeing good momentum in premium fish oil and eye care segments and encouraged by the performance of new product launches. We expect Blackmores to maintain number 4 brand position in 1H23 driven by Double 11 online sales event. We also implemented a price increase of 6-8% in September.

The market is showing resilience despite continued rolling lockdowns due to COVID-19.

In closing, I want to recognise our suppliers, distributors, and employees which have all remained resilient once again through the challenges of the past year and I would like to make special mention to our customers both domestic and in our overseas markets where following the easing of travel restrictions, I have been fortunate to visit, together with our teams over the past year.

As we progress towards our 2024 strategic objectives, we remain confident in the outlook for the business across all core markets.

It is a privilege to be entrusted with leading this great Australian health company together with my executive team. I'd like to acknowledge Anne and the Board for their support, and our people for the continued commitment to our purpose and their work to deliver on our strategic goals.

I am grateful to our shareholders, for your ongoing support of Blackmores and look forward to updating you on our first half results in February 2023.

Thank you.

- ENDS -

AGM | **90** YEARS OF
NATURAL
HEALTH

Welcome to the 60th Annual General Meeting

Blackmores Limited

20 October 2022

Warriewood, Sydney, NSW

Important information

This presentation is in summary form and is not necessarily complete. It should be read together with the Company's Appendix 4E, Annual Report for the year ended 30 June 2022 and other announcements lodged with the Australian Securities Exchange.

This presentation contains information that is based on projected and/or estimated expectations, assumptions or outcomes. Forward looking statements are subject to a range of risk factors. The Company cautions against reliance on any forward-looking statements, particularly in light of the current economic climate. This includes, without limitation, continuing supply chain disruption, probable COVID-19 pandemic lockdowns (particularly in China), the significant increase in input cost inflation and rising interest rates, exchange rate fluctuations, disruption in global energy markets all leading to increases in the cost of living and pressure on household budget.

While the Company has prepared this information based on its current knowledge and understanding and in good faith, there are risks and uncertainties involved which could cause results to differ from projections. The Company will not be liable for the correctness and/or accuracy of the information, nor any differences between the information provided and actual outcomes, and reserves the right to change its projections from time to time. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date of this presentation, subject to disclosure obligations under the applicable law and ASX listing rules.

Webcast viewers

If shareholders require assistance during the stream, please contact:

(03) 9415 - 4024



Welcome from the Chair

Anne Templeman-Jones
Chair



Acknowledgement of Country

Introductions – Board of Directors, Company Secretary and Chief Financial Officer



Anne Templeman-Jones
Chair



Wendy Stops
Non-Executive Director



Erica Mann
Non-Executive Director



Alastair Symington
CEO & Managing
Director



Stephen Roche
Non-Executive Director



Sharon Warburton
Non-Executive Director



Helen Mediati
Company Secretary and
Group General Counsel



Patrick Gibson
Chief Financial Officer

60th Annual General Meeting

Blackmores Limited

Chair's Address

Anne Templeman-Jones

CEO's Address

Alastair Symington

Welcome



Patrick Gibson
Chief Financial Officer



Andrew Fuary
Chief Operating Officer

FY22 result overview

Strong performance on all key metrics

Revenue	Underlying EBIT²	Underlying NPAT³	Underlying EPS
\$649.5m ↑ +12.9% (constant FX) ¹	\$56.6m ↑ +19.0%	\$31.1m ↑ +22.6%	160.2 cents ↑ +22.0% Statutory EPS 157.9 cents
Gross margin	Underlying EBIT margin	Final dividend per share	Full year dividend per share
53.4% ↑ +1.1ppts	8.7% ↑ +0.5ppts	32 cents	95 cents ↑ +33.8%

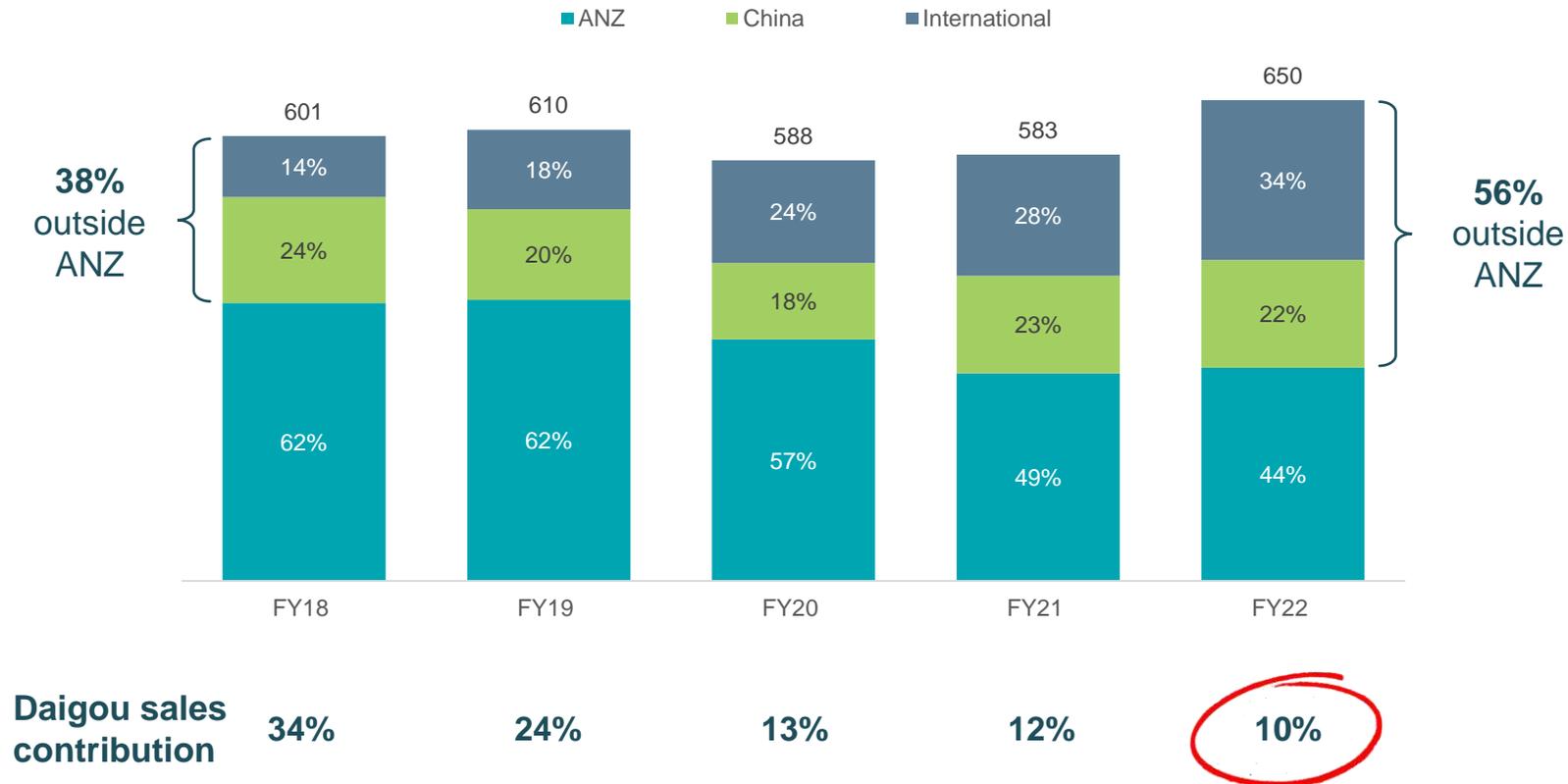
Notes:

1. Revenue up 12.9% on a constant currency basis (up 12.8% after adjusting for FX movements)
2. Underlying EBIT (Earnings Before Interest and Tax) is a non-IFRS measure and used by management to assess the operational performance of the business. Refer to page 31 for a reconciliation to statutory figures.
3. Refer to page 31 for a reconciliation to statutory figures

Blackmores has improved its geographic diversification

Investments into markets outside ANZ have allowed Blackmores to return to growth despite ongoing disruption in ANZ markets

Blackmores revenue by segment contribution (\$m)¹



Commentary

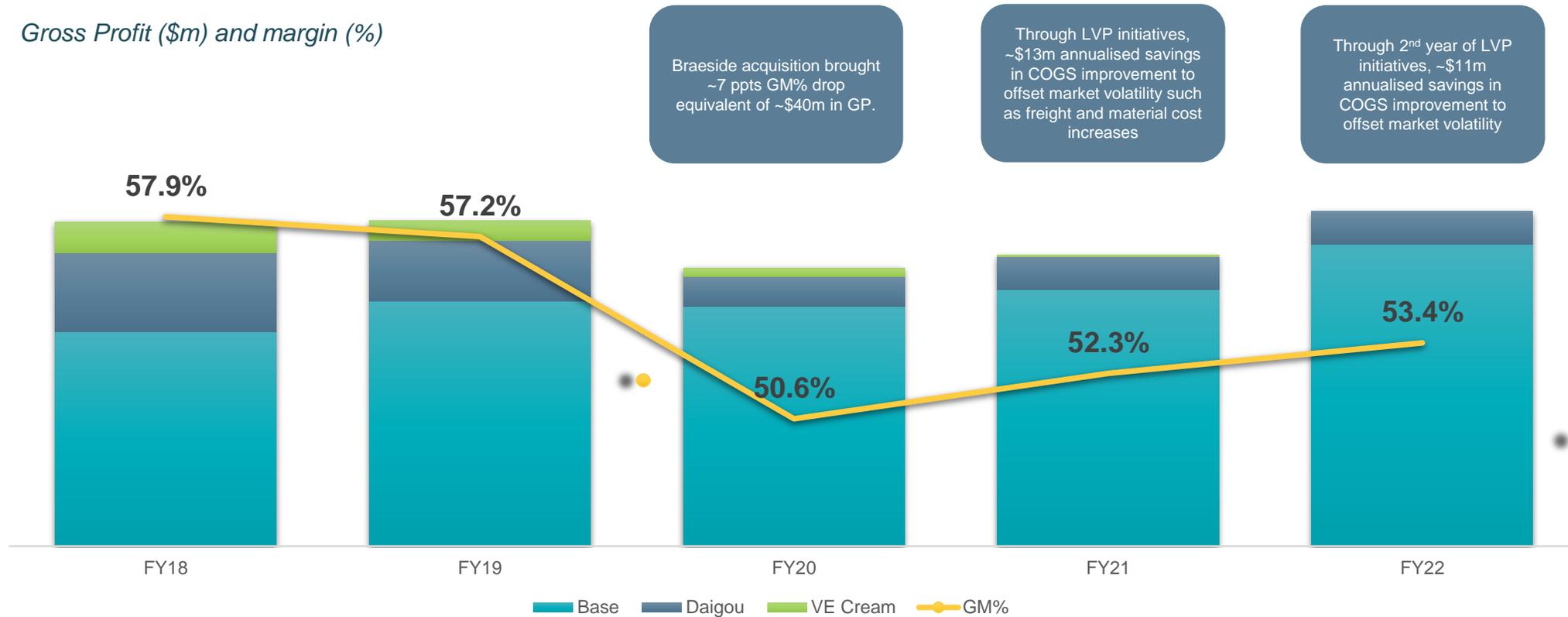
- Blackmores investments in International markets since FY20 have delivered strong growth, and improved quality of earnings; more than offsetting:
 - \$139m decline in Daigou revenue
 - the discontinuation of the Global Therapeutics business; and
 - rationalisation of unprofitable SKUs
- Reduction in Daigou channel more than compensated by other markets - now accounts for only 10% of group sales

1. Presented on a continuing and discontinued business basis

Gross Margin improvement since Braeside / Daigou impact

In FY20 Gross Margin declined 6.6 pts which has been partly recovered by LVP cost savings

Gross Profit (\$m) and margin (%)



Braeside acquisition brought ~7 pts GM% drop equivalent of ~\$40m in GP.

Through LVP initiatives, ~\$13m annualised savings in COGS improvement to offset market volatility such as freight and material cost increases

Through 2nd year of LVP initiatives, ~\$11m annualised savings in COGS improvement to offset market volatility

Heavy reliance on Daigou / Vitamin E cream

Business Improvement Program – cost savings

On track to deliver \$55m in gross annualised EBIT savings by FY23 which management implemented in FY21 to recover for margin loss post the Braeside acquisition, Daigou loss mix impact and investments in digital and technology

Gross savings overview

\$ millions	FY21 Annualised Savings Delivered	FY22 In-Year Savings Delivered	FY22 Annualised Savings Delivered	Cumulative FY21 & FY22 Annualised Savings	Target FY23 Annualised Savings
Supply chain savings (primarily COGS)	\$13m	\$10m	\$11m	\$25m	\$30m
Operating model savings (primarily opex)	\$15m	\$6m	\$6m	\$21m	\$25m
TOTAL SAVINGS / EFFICIENCIES	\$28m	\$16m	\$17m	\$46m	\$55m

Our strategic plan

Well progressed along the 3 phases of our transformation

	Stabilise & simplify	Digitise & innovate	Extend reach & influence
	FY20 & 21	FY22-23	FY24+
 1. Driving growth in targeted segments and markets	<ul style="list-style-type: none"> ✓ Capability/brand investments - Asia ✓ Global Innovation Centre (Shanghai) ✓ Price/pack strategy executed in Int'l 	<ul style="list-style-type: none"> ✓ India entry starting from Q1 2022 ✓ Halal launch – starting in Singapore, then rollout to Indonesia, Malaysia, Pakistan ⇒ Pet expansion in Asia starting from Q2 2023 ⇒ China segment and channel expansion 	
 2. Simplify our operations and reduce cost	<ul style="list-style-type: none"> ✓ Portfolio simplification ✓ Innovation process overhauled ✓ Customer salesforce unified 	<ul style="list-style-type: none"> ✓ Further cost reduction via process improvements, sku productivity, capability upgrade ✓ Leverage RPA on repetitive / manual tasks to boost efficiency on higher value activities ⇒ Scope and rollout new Product Lifecycle Management system 	
 3. Strengthen our supply chain	<ul style="list-style-type: none"> ✓ Integration of Braeside Plant ✓ New manufacturing capabilities ✓ Warriewood upgrade 	<ul style="list-style-type: none"> ✓ Cloud based demand/supply planning system ✓ Strategic sourcing / value engineering ⇒ Manufacturing & supply chain excellence program ⇒ Investment in site automation & capacity systems 	<ul style="list-style-type: none"> • Supply network re-design • Implement new packaging strategy • Renewables transition ongoing
 4. Ignite the Australian VDS opportunity	<ul style="list-style-type: none"> ✓ Strategic revenue management ✓ Strengthen omni-channel presence ✓ Focus investments into 3 brands 	<ul style="list-style-type: none"> ✓ Execution of brand plans aimed at growth segments ⇒ New product pipeline from 2H 2023 ⇒ Enhanced CRM / customer experience 	<ul style="list-style-type: none"> • Brand support at scale • Strengthen HCP / KOL influence • Enter into key adjacencies
 5. Transform Digital Commerce and Operations <small>✓ Delivered</small> <small>⇒ Underway</small>	<ul style="list-style-type: none"> ✓ Asia Cloud ERP launched ✓ Cyber security upgrade ✓ Enhanced employee digital tools 	<ul style="list-style-type: none"> ✓ Accelerating e-commerce capabilities ✓ Continue investments in digital enterprise ⇒ Digitising customer and consumer interactions 	<ul style="list-style-type: none"> • Deliver Global ERP Design • Upgrade MRP

The steps we are taking to become a Global Health Company

Our purpose & values

Why:

To give people a choice to make living well a natural way of life

How:

Combine our knowledge of nature and science to deliver quality solutions to bring wellness to people and their pets everywhere, every day

Anchored in our values (PIRLS)

Passion for Natural Health › Integrity ›
Respect › Leadership › Social Responsibility

Our strategic focus

Diversify

geographies, channels
and talent base

Simplify

our operations and the
customer experience

Codify

global supply chain and
regulatory capabilities

Amplify

digital commerce and a
connected enterprise

ESG leadership



Healthy People



Healthy Planet



Healthy Communities

Underpinned by Good Governance

Value creation

Prioritise

Organic revenue growth

Strengthen

Underlying EBIT margins

Creating the supply chain of the future



Integrated Business Planning

- › Implementation of structure and infrastructure
- › Deliver a monetised plan and drive end-to-end supply chain efficiencies
- › Enabler to working capital and cash conversion cycle



Supply Network Design

- › Evolve our route to market and customers across our International markets
- › Explore strategic partnerships leveraging scale, minimising costs and capacity to support future growth



Supply Chain Reinvention

- › Focus engineering on “lines of the future”
- › Developing the future manufacturing and distribution footprint
- › Leverage digitisation and Robotic Process Automation



World Class Operations

- › Supply chain and manufacturing excellence program
- › Leadership development that enable high performing teams
- › Driving COGS improvement 4-5% YoY



Unlocking value

- ✓ To better serve both our Domestic and International markets
- ✓ Agility to innovate and improve speed-to-market
- ✓ Deliver a supply chain platform that secures our future
- ✓ Digital integration that drives speed and reduces complexity across value chain
- ✓ Cash and capacity to support our future growth goals

Strategic enablement through digital commerce and operations transformation

Strategic enablement

What:

Technology investment that empowers our **simplify** and **amplify** strategic focus

How:

Consolidate and standardise core business platforms on the cloud to unlock efficiency, provide greater flexibility and improve capabilities within our enterprise value chain

Use digital technologies to deliver more innovation to the market and expand category share across all channels

Core technology goals

Simplify and **standardise** our system landscape to reduce complexity

Deliver digital capabilities that can **engage** consumers and **serve** our customers

Digitise and automate the operational backbone to extract **efficiency**

Become more data driven, powering the business to make **better decisions** with data

Key investment projects

Product Lifecycle:

Drive innovation and global products by digitising our entire product lifecycle from idea to the store shelf

ERP Cloud:

Move to a single cloud-based ERP platform that will build more flexibility into the enterprise from the ground up. Enabling us to adapt to changing supply chain challenges and take advantage of more expansion opportunities

E-Commerce and CRM:

Expanding our e-commerce capabilities across all our markets and implementing a group CRM to continuously improve customer service and engagement



Unlocking value



A faster innovation pipeline



Expansion of market share across our ecommerce channels



Improved revenue and market share through customer centric engagement



Continuous improvement in operational efficiency

ESG at the core of all we do

Key programs we will continue in FY23 and beyond



Net **Zero**
Emissions by 2030



Planning for 100%
renewable
electricity at the
Braeside facility
in 2023



Towards **Zero**
Exploitation
in our supply chain



Progress towards
a **nature positive**
supply chain

TOWARDS
ZERO
CARBON
BLACKMORES
| GROUP



Learn more at www.blackmoressustainability.com.au

1Q23 trading update

Solid start to FY23 with supply chains stabilising, service levels to customers improving to the best in the past 3 years. Backdrop of rising inflation and interest rates creating some uncertainty regarding consumer behaviour

Australia and NZ

- › Australian VDS category continued growth in 1Q23
- › Blackmores Group total company market share value growth in line with the category
- › Continued roll out of new product innovations e.g., Vision Care & Energy (September'22)
- › Implementation of price increases in 1Q23 of 5-6%¹ across all 3 brands to absorb cost inflation pressures

International

- › Reconfirming we expect revenue in International markets in 1H23 to be lower than 1H22 which was boosted by COVID-19 surge demand
- › Blackmores Indonesia gained distribution in 1Q23
- › Strong market leading position maintained in Thailand
- › Implementation of price increases in 1Q23 of 7-8%¹

China Region

- › Good momentum in premium fish oil and eye care segments - performance of new product launches encouraging
- › Blackmores expected to maintain #4 brand position in 1H23 driven by Double 11 online sales event
- › Market uncertainty remains due to continuing COVID-19 restrictions / rolling lockdowns
- › Implementation of price increases across ecommerce platforms of 6-8%¹ 1Q23

¹ Price Increase shown is average



THANK YOU
TO OUR
customers



Procedural matters

Anne Templeman-Jones
Chair

In-person attendees

Shareholder/Proxy Holder Admission and Voting Card

BLACKMORES[®]
| GROUP

ANNUAL GENERAL MEETING
20 October 2022

SHAREHOLDER/PROXYHOLDER
ADMISSION & VOTING CARD

THE DIRECTORS OF BLACKMORES LIMITED
THANK YOU FOR YOUR ATTENDANCE

PLEASE RETAIN THIS CARD UNTIL THE CLOSE OF THE MEETING


4463

POLL VOTING
Please mark a box below to indicate your voting intention.


4463

	For	Against	Abstain
2 Adoption of the Remuneration Report for the year ended 30 June 2022	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Erica Mann	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Grant of STI award to the CEO and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Grant of LTI award to the CEO and Managing Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you mark the Abstain box for a particular item, your abstention will not be counted in computing the required majority on the Poll

Name of Shareholder/Proxyholder

Signature

Formal Business

Anne Templeman-Jones

Chair

Items of Business of the AGM

01

Financial
Statements
and Reports

Note:

There is no requirement for shareholders to approve the financial statements and reports.

02

Adoption of
Remuneration
Report

Note:

This resolution is advisory only and does not bind Blackmores or the directors.

03

Election of
Director –
Erica Mann

04

Grant of FY23
STI Award to
the CEO and
Managing
Director

05

Grant of FY23
LTI Award to
the CEO and
Managing
Director

Item 1

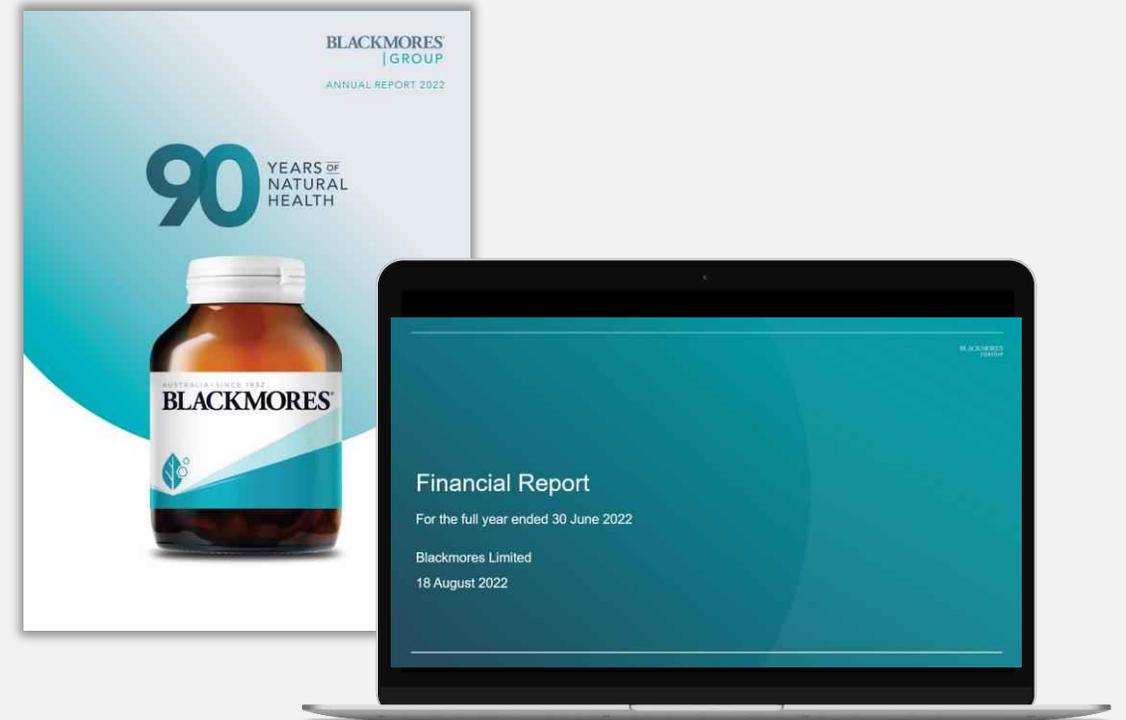
Financial Statements and Reports

To consider:

The Financial Report and the reports of the Directors and Auditors for the year ended 30 June 2022.

Note:

There is no requirement for shareholders to approve the financial statements and reports.



Item 2

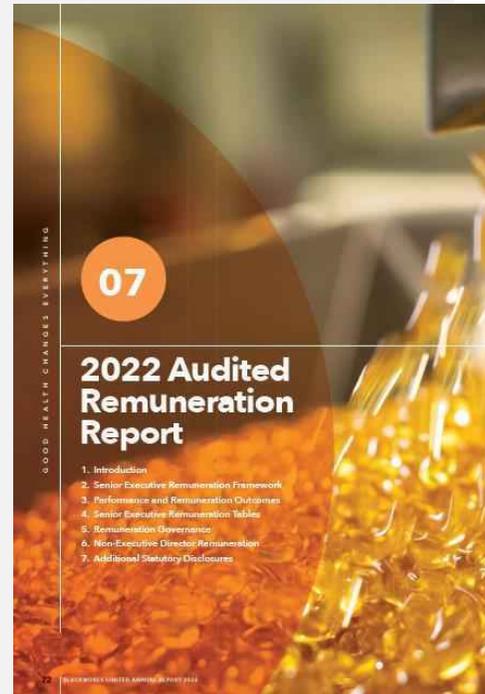
Adoption of Remuneration Report

To consider and, if thought fit:

Approve the adoption of the Remuneration Report for the year ended 30 June 2022, as set out in the 2022 Annual Report.

Note:

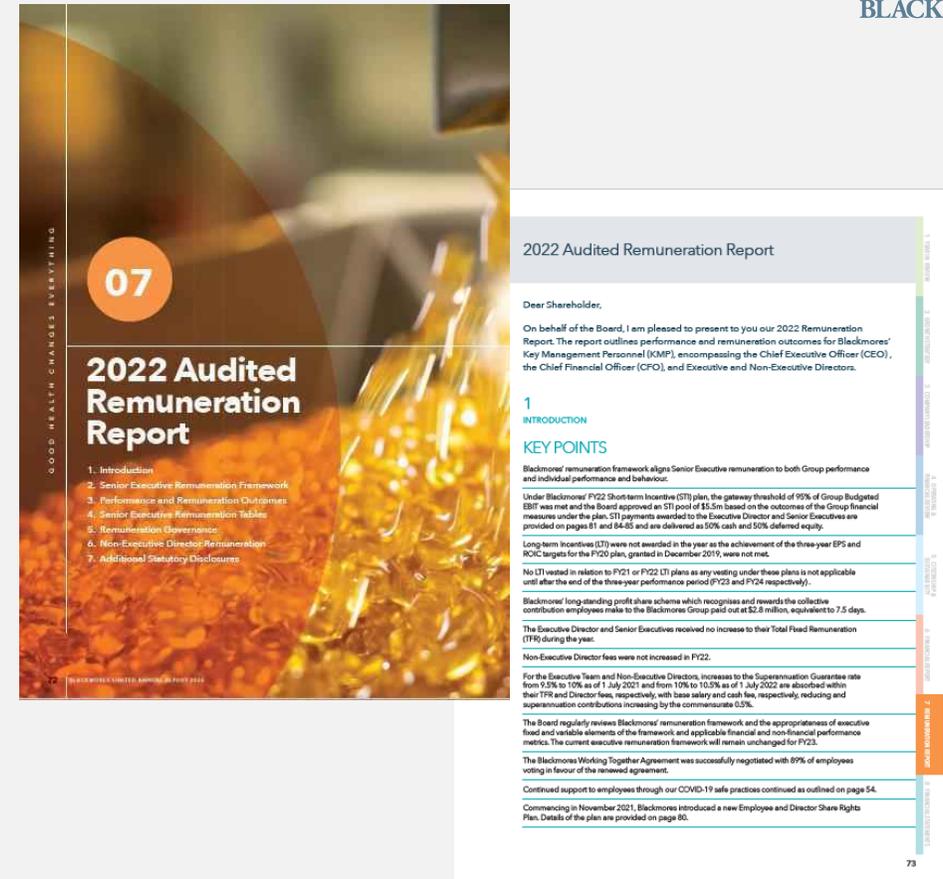
This resolution is advisory only and does not bind Blackmores or the directors.



Item 2 (cont.)

Adoption of Remuneration Report

Proxy Votes	For	Open/Usable	Against	Total
Voted	7,039,557	286,637	1,269,724	8,595,918
% of voted	81.89	3.34	14.77	100



Item 3

Election of Ms Erica Mann as Director

To consider and, if thought fit:

Pass as an ordinary resolution:

“ That Erica Mann
is re-elected as a director.”



Erica Mann

Item 3 (cont.)

Election of Ms Erica Mann as Director

Proxy Votes	For	Open/Usable	Against	Total
Voted	8,023,111	287,618	305,404	8,616,313
% of voted	93.12	3.33	3.55	100



Erica Mann

Item 4

Grant of FY23 STI award to Mr Alastair Symington

To consider and, if thought fit:

Pass the following resolution as an ordinary resolution:

“ That approval is given for all purposes, including ASX Listing Rule 10.14, for the Company to grant Mr Alastair Symington, the Company’s CEO and Managing Director, Rights under the Company’s Executive Share Plan for his STI award on the terms and conditions set out in the Explanatory Notes”.

Item 4 (cont.)

Grant of FY23 STI award to Mr Alastair Symington

Proxy Votes	For	Open/Usable	Against	Total
Voted	7,129,275	281,866	1,205,375	8,616,516
% of voted	82.74	3.27	13.99	100

Item 5

Grant of FY23 LTI award to Mr Alastair Symington

To consider and, if thought fit:

Pass the following resolution as an ordinary resolution:

“ That approval is given for all purposes, including ASX Listing Rule 10.14, for the Company to grant Mr Alastair Symington, the Company’s CEO and Managing Director, Rights under the Company’s Executive Share Plan for his LTI award on the terms and conditions set out in the Explanatory Notes”.

Item 5 (cont.)

Grant of FY23 LTI award to Mr Alastair Symington

Proxy Votes	For	Open/Usable	Against	Total
Voted	7,139,118	282,881	1,192,974	8,614,973
% of voted	82.87	3.28	13.85	100

Conclusion of Business and Closing Remarks

Anne Templeman-Jones

Chair

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