

The background of the slide features a light gray surface with several green leaves and white flowers. One large leaf is prominent in the center, with a red stem. Other leaves and flowers are scattered around it, some with water droplets on them.

BWX Ltd

UBS AUSTRALASIA INVESTOR CONFERENCE

Dave Fenlon, Group CEO & Managing Director

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AGENDA

1. Business & Market Overview
2. FY19 Result Highlights
3. FY19 Brand Performance
4. Strategic Direction
5. Questions



A top-down view of a floral arrangement on a light gray background. The arrangement includes several white roses of different sizes, some with green leaves attached. There are also several pink petals scattered around, and a small cluster of tiny white flowers on a stem in the upper right. A semi-transparent white horizontal bar is overlaid across the center of the image, containing the text 'BUSINESS OVERVIEW' in a bold, black, sans-serif font.

BUSINESS OVERVIEW

Our House of Natural Brands



#1 natural skincare brand in Australia

It's what we leave out that makes us special



#1 facial skincare brand in US natural channel

Natural beauty, precisely



#1 cosmetics brand in US natural channel

Clean beauty without the nasties



An Australian Sensory Experience since 1995

Pure, clean skincare that utilises the best of nature through science



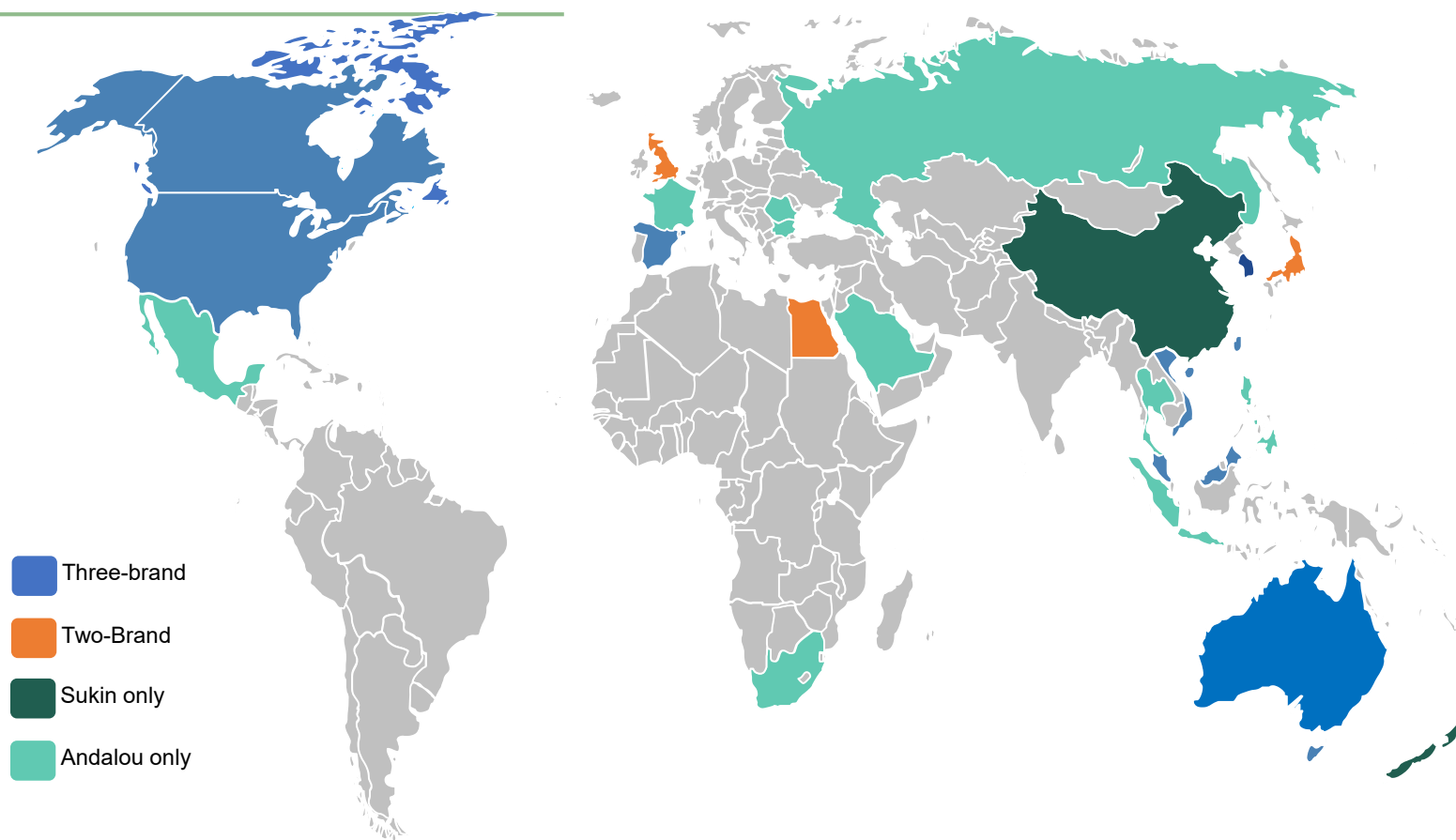
The #1 natural personal care and lifestyle B2C platform in Australia

Driving the future of Natural



On a journey to bring a consumer-connected, innovative and natural beauty business

Three Brands; Two Regions – Time to Focus



Asia Pacific

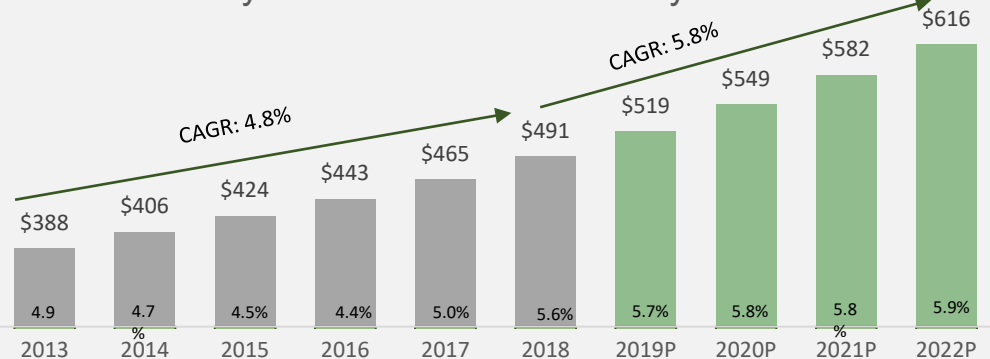
- Focus on key customer relationships
- Continued roll-out of Andalou, Nourished Life platform and other BWX e-commerce sites
- Mineral Fusion roll-out underway
- Significant opportunity to unlock Chinese market further

North America

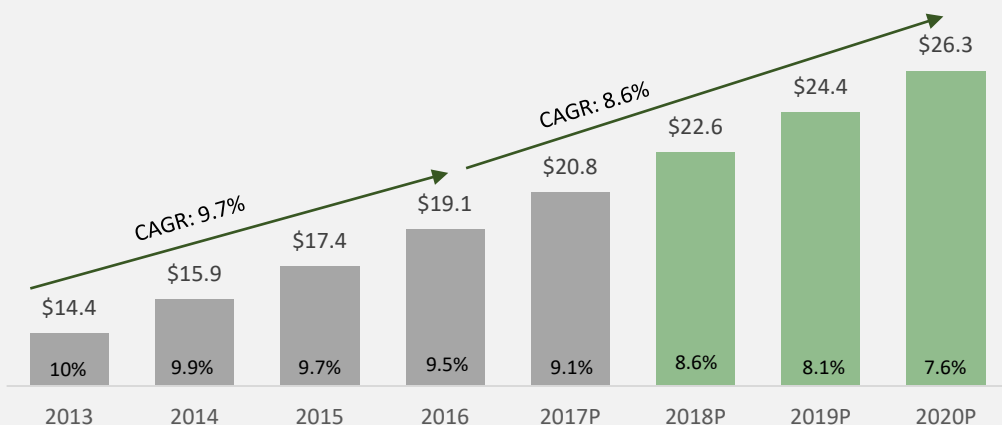
- Multi-brand selling model supported by channel expansion
- ERP roll-out conducive to smarter working capital
- Significant capability added

Market Opportunity — Natural is a Movement

Global Beauty & Personal Care Industry Growth



Natural Personal Care Market Growth (USA)



- By 2022 – the **global beauty and personal care market** is expected to reach the value of **US\$616 billion**, growing at 5.8%
- The **skincare segment is expected to dominate** with a 26.6% share
- **Australasia is the second largest region in terms of per capita spend** on beauty and personal care, accounting for a third of the industry value in 2018
- The **natural and organic personal care market is outperforming the broader market** with 8.6% growth

Global megatrends driving growth of Natural and Organic:

- ✓ Heightened consumer consciousness, particularly among millennials
- ✓ Willingness to pay more for natural ingredients
- ✓ Pressure on retailers to supply environmentally friendly and ethically sourced products
- ✓ Discerning consumers demanding transparency around ingredients
- ✓ eCommerce channel educating consumers directly



FY19 RESULT HIGHLIGHTS

FY19 Highlights — Focusing on Sustainable Results

NET SALES
\$149.5m

US retail market momentum
19.5% up on H1

GROSS MARGIN
52.7%

Stabilising
+120 bps in H2

UNDERLYING
EBITDA
\$21.3m

In line with guidance
Up 100% on H1

BALANCE SHEET
STRENGTHENED

Refinancing completed
Improved terms
Flexibility for growth

BRANDS
HEALTHY



sukin
AUSTRALIAN • NATURAL

Sukin growth outperforming the natural segment in pharmacy (+4.4% vs -3.7%) & sales growth in Coles (+38%)

ANDALOU
NATURALS

Andalou remains #1 in Facial Skin Care with a 15.5% share (+0.6%)

MINERAL FUSION[®]
minerals on a mission™

Mineral Fusion revenue growth +37.5% in H2

Nourished Life

Nourished Life club membership up 29% yoy

FY19 Operational Highlights

US SALES MOMENTUM

- Market share growth in the Natural category
- Successful multi-brand selling model for Sukin, Andalou and Mineral Fusion
- New ranging in mass retailers coming online in January 2020

BRAND EXPANSION

- SUKIN now selling in to 500 new US doors, 300+ AU retailers
- ANDALOU & MINERAL FUSION successful pilots in Priceline & MyChemist with roll out now underway
- NOURISHED LIFE user experience improved website upgrade

WAREHOUSE & PLATFORM

- USA benefitting from a fully consolidated facility with warehouse, production and support teams
- Increased capacity to process 3,300 eCommerce orders in a single shift
- ERP delivering improved efficiency and increased margin visibility

INCREASED CAPABILITY

Virginie Descamps,
Group Chief Marketing Officer



Allison Smith,
Chief Transformation Officer



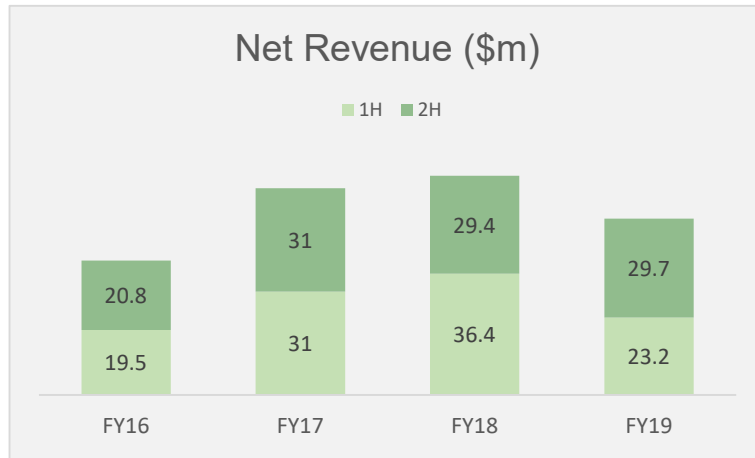
Alistair Grant,
Co-Sec & Chief Legal Officer





FY19 BRAND PERFORMANCE

Sukin - #1 Natural Skincare Pharmacy

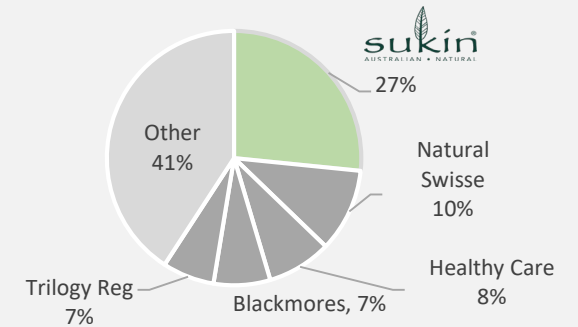


#1 Natural Skincare – outstripping growth of natural pharmacy (+4.4% vs -3.7%)

#2 Total Skincare brand in Pharmacy – Sukin continues to perform strongly²

#4 Total Skincare brand in Coles¹ – compelling sales growth (+38%)

AU Pharmacy Natural Skincare Market (%)²



35.3% of Group Revenue - Gross Margin of 65-67%

Resilient to the impact of domestic export sales

Almost no pharmacy sales cannibalization



Popular products - 2 Sukin products in Top 10 Skincare at Coles¹

Margin accretive new products – Blemish Control (\$1.4m, 3.4% sales)²

Strong pipeline of new products (rollout 2020)

¹ IRI Market Edge Data – Coles – Dollars growth – MAT to 07/07/2019

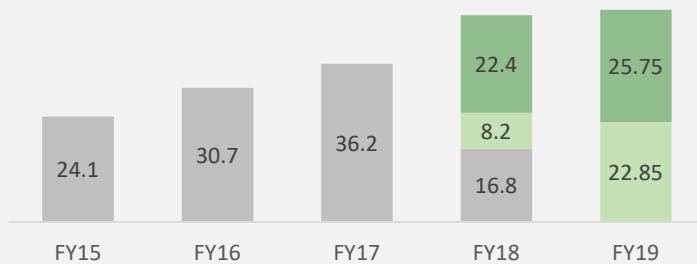
² IRI Market Edge Data – AU Pharmacy (Natural) Skin Care – Dollars Share –MAT to 07/07/2019

³ IRI Market Edge Data – AU Pharmacy – MAT to 07/07/2019 – No Hair Care included

Andalou Naturals - #1 Facial Skincare US Natural

Net Revenue (\$AUDm)^{1,2}

■ Andalou ■ BWX owned, 1H ■ BWX owned, 2H

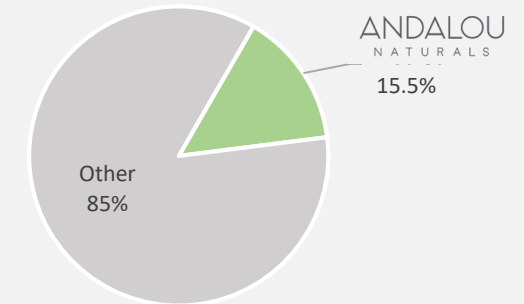


#1 Facial Skincare Brand – Strong performance in US Naturals (15.5%, +0.6%)

#4 Hair Care Brand – growing share in US Naturals (7.6%, +14%)

#5 Facial Skincare Brand – US conventional

US Naturals Skincare Market (%)³



32.5% of Group Revenue - Gross Margin of 43-45%

Total Andalou Sales +19% in 2019 in Whole Foods Market (#1 Natural retailer)

Sold in 22 countries – positioned for growth



Andalou is ranked the #11 Natural brand in Australia

Popular products – 4 Andalou products in Top 10 Facial Skin Care (US Naturals)

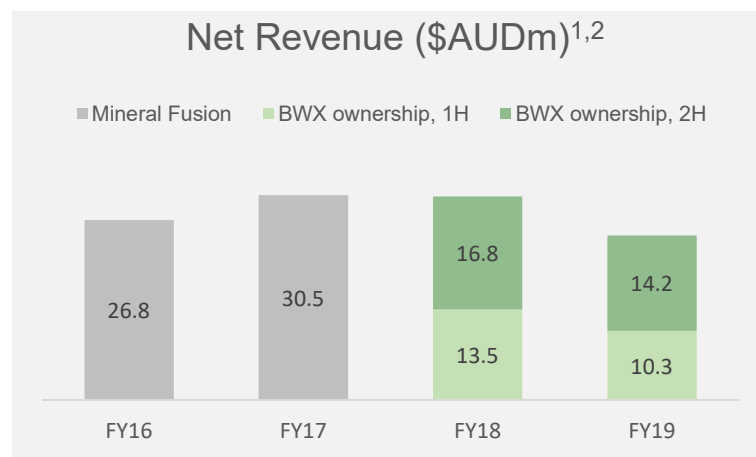
CannaCell collection – launched in June 2018 – represents 21% of Total Andalou sales in Facial Skin Care

¹ Pre-acquisition figures are unaudited and have not been restated using BWX accounting policies

² Constant FX rate assumed across all years

³ Based on SPINS 12 week data for period ending 07/07/19 and Nielsen Whole Foods data for period ending 07/07/19

Mineral Fusion – #1 Cosmetics US Natural

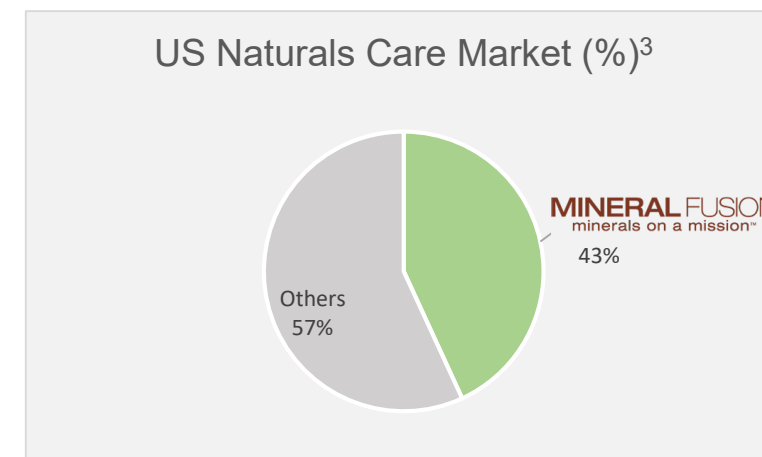


#1 Cosmetics Brand – dominant market share in US Naturals

#3 Natural Cosmetics Brand in US conventional market

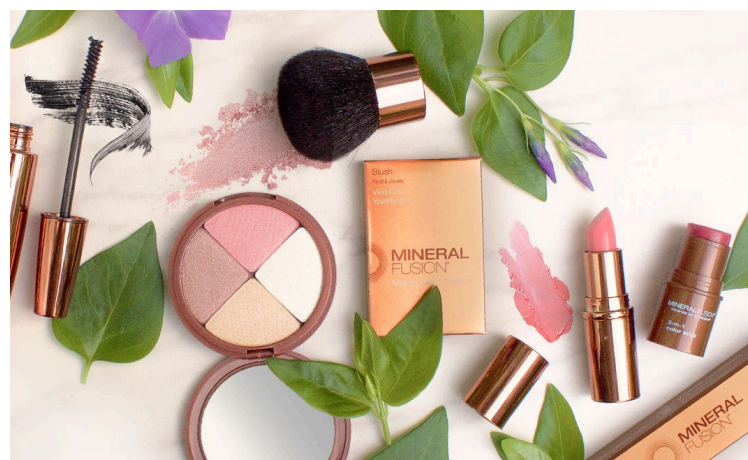
Regaining market share – positive early signs from packaging re-launch (01-2019)

Strong revenue growth in 2H19 +37.5%



16.4% of Group Revenue - Gross Margin of 52-54%

AU channel expansion – early momentum from Priceline store test signals potential upside



Popular products – 16 Mineral Fusion products in Top 20 Cosmetics (US Naturals)

Outperforms – MF sales -1.6% vs. -6.2% Cosmetics (US conventional market)

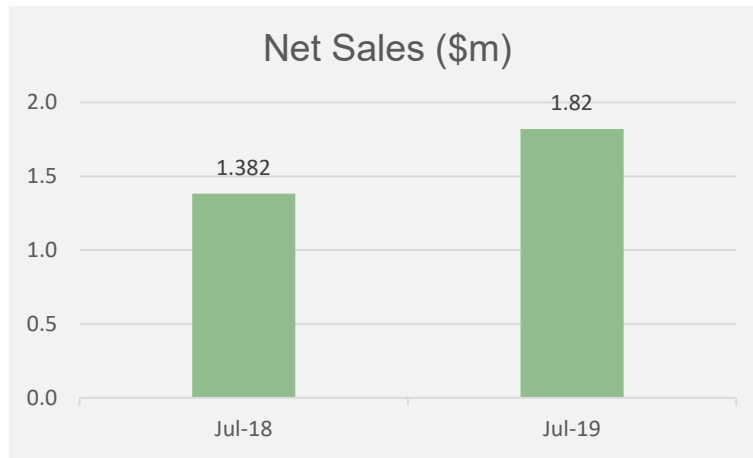
Launching in mass channel (01-2020)

¹Note: Pre-acquisition figures are unaudited and have not been restated using BWX accounting policies

²Constant FX rate assumed across all years

³Based on SPINS 12 week data for period ending 01/07/19 and Nielsen Whole Foods data for period ending 01/07/19

Nourished Life – Loyal Following



Member Loyalty – continued expansion of Loyalty Club (+29% in FY19)

Website upgrade – direct international shipping now available

Customer audit complete – implementing plan to enhance customer experience



14% of Group Revenue - Gross Margin of 35-37%

Stable performance over FY19 at \$20.9m

Latest QTR delivering strong growth



Leading digital platform for deep consumer insights on natural and beauty

Measured expansion – increase in daily orders in 2H19 (+4%)

Capacity to extend Life Basics range

STRATEGIC OUTLOOK

Strategic Priorities

CONNECT TO CONSUMERS



Invest more in marketing – speak directly to the consumer.

Reinforce our brand values.

Invest more in NPD to serve the consumer.

Go direct to the consumer. Leverage Nourished Life platform.

Build a meaningful direct-to-consumer model by brand.

GO GLOBAL, GO MAINSTREAM



Grow natural segment. Compete with mainstream skincare.

Build customer and influencer base in China around key brands: Sukin, Andalou and Mineral Fusion.

Launch Nourished Life into new markets. Launch Sukin in Germany.

Invest in supermarket and mass channel relationships in key geographies.

Objective to have a \$50m supermarket skincare business in Australia and a \$75m conventional and mass skincare business in the US.

INVEST IN OURSELVES



Build capability. Lift Net Promoter score to 67%+. Be an employer of choice.

GET CLEAN & GET HEALTHY



Focus on operational efficiency. Invest in scalable systems and processes to support growth. Ensure best practice governance.

Growth Initiatives



GROWTH

- Invest in global enterprise approach to marketing
- Appoint Chief Marketing & Revenue Officer
- Launch Sukin in Germany
- Invest in CBEC capability

HORIZON ONE

- Reduce SKU count by 10%
- Exit sub brands of NL and third party representation
- Improve working capital
- Phase rollout ERP project kick-off

- Target 15% of net revenue from NPDs
- Joint business plans with key retailer customers
- Launch Chinese-influenced SKUs
- Launch Nourished Life in next two markets

HORIZON TWO

- GROW, MAINTAIN & EXIT market prioritisation strategy implemented
- Implement ERP in USA business
- Manufacture 60% of group revenue
- Lift employee engagement (Net Promotor Score 67%)

- Invest in partnerships with leading natural platforms
- Transform cost-base to fund growth
- Accelerate growth of a direct-to-consumer model per brand

HORIZON THREE

- Become THE brand for talent + employer of choice
- Champion globally recognised natural benchmark
- Improve gross margin by 1.5-2.0%



OPERATIONAL IMPROVEMENT

Sukin – Launched in Indonesia

Images of Sukin's launch in Jakarta, Indonesia



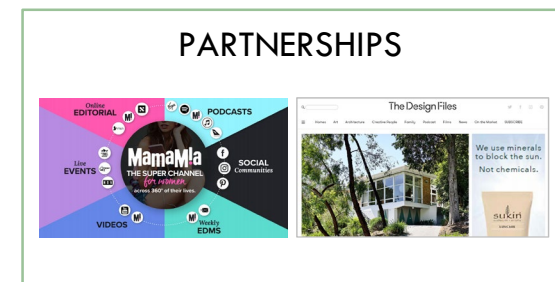
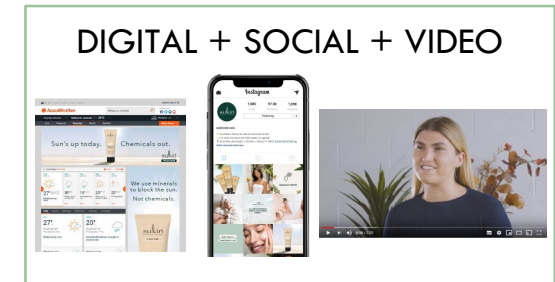
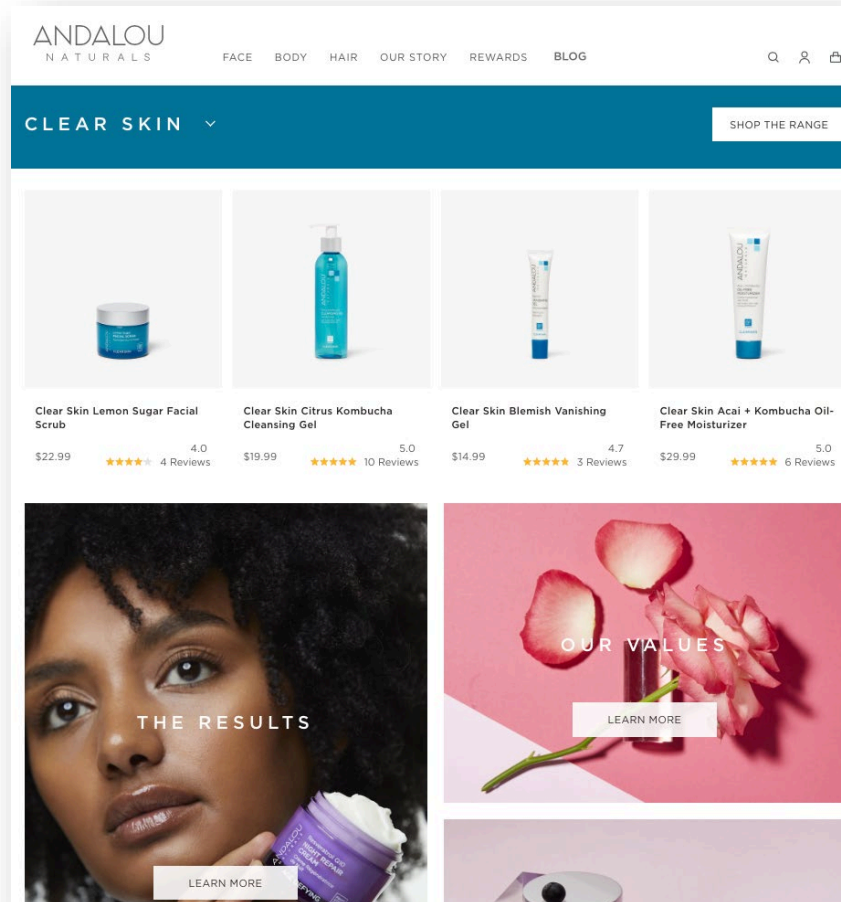
Sukin – Launched in Germany

Images of Bunte Beauty – one of Europe's largest trade & consumer exhibitions with more than 10,000 visitors



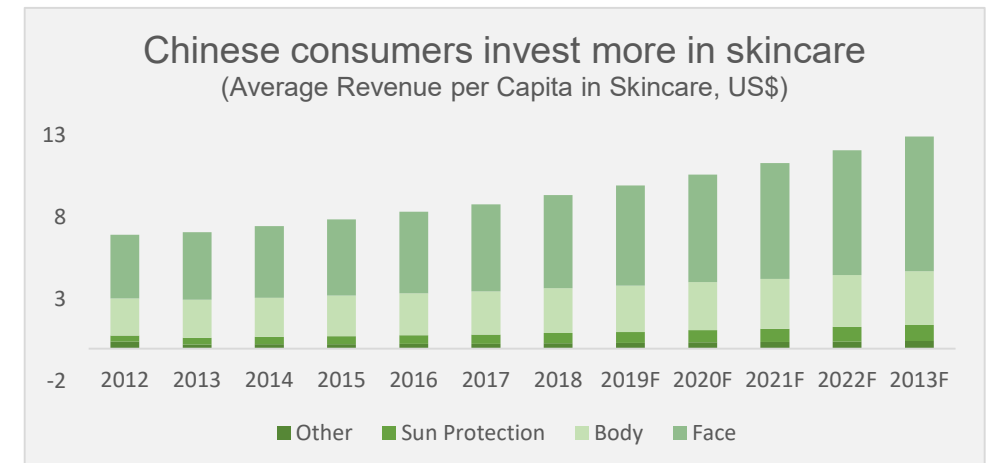
Marketing – Direct to Consumer

We continue to launch industry leading NPD and go Direct to Consumer



Natural Skincare - an Opportunity in China

- China has the largest skincare market in the world and is expected to be a key contributor to the growth of the organic and natural personal care market
- Australian products seen as green, clean and eco-friendly
- Chinese consumers believe in power of single ingredients, and perceive natural ingredients as safe and trendy
- Sukin holds an unmatched position in the “masstige” part of the Chinese market – ranked the #6 Natural brand in China



Source: statista.com, October 2019, Skincare market in China

Chinese Market Opportunities

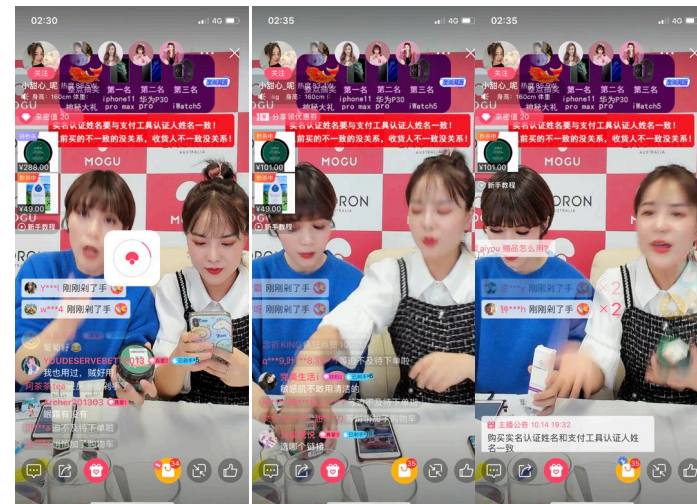


CHINESE HERO SKUs

Focus on hero brands and SKUs that align with Chinese preferences

Launch Chinese inspired SKUs with variations of NPD (e.g. single ingredient products)

Introduce Andalou Naturals in Chinese market



MULTI-CHANNEL STRATEGY

Increase market share of online platforms

Potential to establish offline channel in China to expand consumer access to the brand



ENGAGE & EDUCATE MILLENNIALS

Build customer and influencer base in China around key brands

Invest in partnerships with leading natural influencers to ensure continued relevance to consumers

Summary

BWX is well positioned with **CATEGORY LEADING BRANDS** that are **INCREASING MARKET SHARE**.

The **BWX** brand portfolio has **non-discretionary** attributes and is exposed to favourable megatrends which are **accelerating growth of the natural and organic category** and outpacing the growth of the global personal care and beauty industry.

Through **TARGETED INVESTMENT** in brand building, process improvement, capability and innovation, **BWX** is confident of driving **DEEPER CONSUMER PENETRATION** and **BASKET SIZE**, to support **GROWTH** in FY2020.



A top-down view of various botanical specimens, including green and dark, glossy leaves and small, light-colored flower spikes, scattered on a light gray background. A semi-transparent white rectangular box is centered horizontally across the middle of the image.

THANK YOU. QUESTIONS?