BWX

INVESTOR PRESENTATION

19th December 2022

FY22 result summary

FINANCIAL PERFORMANCE

- FY22 statutory revenue of $198.3m and EBITDA loss of -$6.4m
- FY22 statutory NPAT loss of -$335.6m
- Profit Attributable loss of -$337m includes $325.9m significant items ($322.6m non-cash)
- FY22 underlying revenue of $204.5m[1] and underlying EBITDA of -$0.2m[1]
- Net debt pre-AASB16 of $64.3m[2] .
- Operating cashflow negative $22.2m, driven by elevated inventory excluding acquisitions ($11.2m), acquisition costs of $3.2m, tax of $9.6m (of which $8.3m claimed in FY23 via loss carry back rules)
- Inventory levels up $19.1m (v FY21) due to safety stock requirements from factory relocation move, acquisitions, cessation of investment buys and unwinding of pandemic safety inventory within our customer held inventory

NON-CASH IMPAIRMENTS ($322.6m)

- FY22 performance was below expectations across each cash generating business unit.
- Growth rates across segments inherent in previous financial models were revised down to reflect post Covid conditions, retail spending uncertainty and current trading conditions

PRIOR PERIOD RESTATEMENTS

- Accounting errors for revenue recognition, associated trade spend accruals and contract asset expenses resulted in a restatement of FY21 and H1 FY22 affecting Profit and loss, Balance sheet and cashflow in each period.
- FY21 revenue down $11.0m and EBITDA down $8.8m
- H1 FY22 revenue $5.7m down and EBITDA down $5.3m

[1] excludes $6.2m CWH cost of equity-linked partnership expense
[2] includes $5.6m of capital raising proceeds but excludes the increase in net debt referable to the new working capital facility which was entered into during F23



FY22 result summary (cont.)

OPERATIONAL & BRAND PERFORMANCE

- Segment revenue was $89.5 for Au/Int, $32.0m for Digital, $76.8m for USA, with AU result impacted by cessation of investment buys and other segments partly impacted by manufacturing transfer
- In-market scan performance for 52 weeks to July reflects growing market value share for Sukin +12%[1] (vs category +3%) and Mineral Fusion +19%[2] (vs category +10%); Andalou Naturals declined -7% YoY[2] (vs category -1%) due to promotional investment reduction during manufacturing transfer
- Increased marketing, people, and acquired business expenses impacted FY22 profitability

STRATEGIC ACTIONS

- Completed $23.2m capital raising in July 2022 to accelerate debt reduction and balance sheet improvement
- Strict financial discipline, with ~$10m in group-wide annualised cost-saving initiatives executed during 2H FY22, including tradespend and ~15% reduction in people costs
- Inventory reduction of ~$5m since April 2022, with continued inventory management as retail partners' inventory levels normalise
- Organisational restructure initiated to improve focus, accountability and financial reporting processes with group wide common KPIs supporting this.
- Strategic review of non-core assets progressing to reduce debt
- Complete removal of investment buys
- Finance structure, process and capability reset underway

[1]IRI MarketEdge combined categories, grocery, pharmacy, 52 weeks MAT to 31 July 2022
[2]SPINS total US Natural channel (cosmetics & beauty products) (facial care) 52 week MAT to 10 July 2022

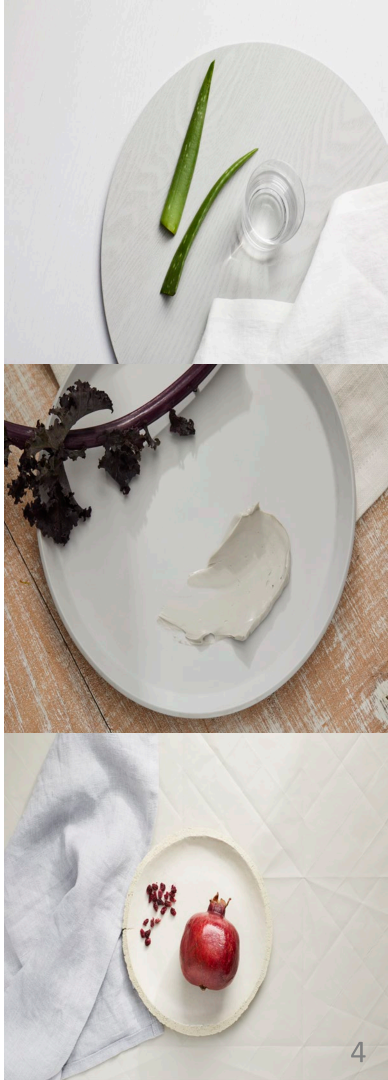
Board renewal & outlook

BOARD RENEWAL

- Board renewal continues with Mr. Steven Fisher appointed as new Chair and Non-Executive Director
- Mr. Ian Campbell has retired his role of Chair but remains on the board as a Non-Executive Director through to the AGM
- Ms. Fiona Bennett and Mr. Rod Walker have resigned their Non-Executive board positions as part of the previously announced board renewal process
- As previously announced, further Non-Executive Directors will be appointed through to the AGM ensuring the right mix of skills and experience to support BWX into the future

OUTLOOK

- FY23 revenue in the range of $205m-$230m and EBITDA in the range of $25m-$30m excluding significant one-off items. 1H FY23 will be operating at a loss
- 1H FY23 operating costs have been impacted by high restructuring, advisor costs and by our short-term liquidity challenges. Reductions in promotions and elevated customer held inventory levels have also impacted.
- Ongoing short term liquidity challenges managed through additional working capital support from current lender. Net debt expected to peak at ~$95m as we complete our restructuring plan.
- Subsequently, BWX expects our customer inventory levels to normalise in H2 FY23, which in turn will improve revenues and earnings in key high margin channels.



Financial Performance

Financial performance

- **Group performance is shown for FY21 on a restated basis**
- **Statutory Revenue** was $198.3m, an increase of 8.3% vs FY21
- **Underlying revenue**[1] was $204.5m, an increase of 11.5% vs FY21
- **Gross Profit Margin** decreased to 53.2%
- **Operating Expenses** increased by 34.6% due to increased marketing and people expenses, and acquired business expenses
- **EBITDA**[2] was -$6.4m and **underlying EBITDA**[3] was -$0.2m but excludes R&D tax benefit of $2.8m reclassified to tax benefit (see below)
- **Depreciation** of $7.0m, increase of $1.9m pcp related to increased lease associated depreciation (AASB16) and acquired businesses
- **Amortisation** of $6.6m, increase of $4.6m pcp related to acquisition-related intangibles and ERP/website development
- **Impairment loss – non cash** of $322.6m
- **Tax Expense** includes benefits from loss carry back rules from temporary full expensing of Clayton plant and R&D tax benefit of $2.8m previously in EBITDA
- **Statutory NPAT** was -$335.6m including the impairment loss

[1] excludes the $6.2m Chemist Warehouse strategic partnership cost of equity (FY21: $0.2m)
[2] EBITDA is defined as profit before depreciation, amortisation, finance costs, acquisition, restructuring related expenses, impairments and tax, and also excludes the share of net profits of associates accounted for using the equity method
[3] Underlying NPAT is Statutory NPAT adjusted for CWH equity cost (above), impairment charges, tax effected acquisition related costs, share of associate losses and non controlling interests.

AUD $ million	FY21 (restated)	FY22
Revenue	183.1	198.3
Gross Profit	106.3	105.4
Gross Profit Margin	*58.0%*	*53.2%*
Operating Expenses	(83.3)	(112.2)
% of sales	*45.4%*	*56.6%*
Other Income	1.7	0.4
EBITDA[2]	**24.7**	**(6.4)**
EBITDA margin	*13.4%*	*(3.2%)*
Acquisition- Related Benefit/(Cost)	6.9	(3.4)
Share of Net Loss of Associates	0.0	(0.7)
Depreciation & Amortisation	(7.1)	(13.6)
Impairment Loss	-	(322.6)
Interest Expense	(2.6)	(4.3)
Tax	(4.4)	15.4
Statutory NPAT	**17.5**	**(335.6)**
Profit Attributable	**17.5**	**(337.0)**
Underlying NPAT[3]	**12.9**	**(2.7)**
EPS – Basic	12.7	(214.2)
Dividend per share - cents	4.1	0

Balance sheet

- **Inventory** up $19.1m as discussed, however
  - Inventory peaked in April 2022, wound back by $5.0m in 4Q FY22
  - Acquired inventory of $8.0m at 30 June 2022
- **Intangibles assets and goodwill** up $160.5m during FY22 from acquisitions, however impairment charge of $318.3m incurred in second half ($4m of non-intangible assets were also impaired)
- **Plant & equipment** increased by $18.2m from growth initiatives at Clayton facility
- **Right of Use Assets** increased due to recognition of Clayton lease under AASB 16
- **Other Assets** primarily relates to current tax assets of $8.5m
- **Tax liabilities** increased by a net **$10.7m** vs pcp, primarily due to Tax Timing differences from the recognition of intangible assets acquired via Flora and Fauna and Go-To Skincare transactions.
- **Put Option** liability of **$59.2m** relates to the $30m revaluation of Go-To's remaining 49.9%
- **Net debt** increased to $107.3m (including AASB 16 lease liabilities) due to:
  - **Operating cashflow drag ($22.6m)** driven by higher inventory, taxation payments, interest and borrowing costs
  - Investment in Fortitude, Autostore and Go-To / Flora and Fauna
  - **Lease liabilities** increased **$32.2m** due to recognition of Clayton lease under AASB 16.
  - **Financial liabilities** increased **$36.1m** due to acquisitions
- **Net debt** pre AASB16 of $64.3m[1]

[1]includes $5.6m of capital raising proceeds but excludes the increase referable to the new working capital facility entered into during FY23.
[3]Transition to Clayton manufacturing facility and manufacturing ramp up/ramp down of the Dandenong facility which closed on the 30 June 2022

AUD million,	Jun-21	Jun-22
Trade and other receivables	30.6	27.7
Inventories	46.2	65.3
Trade Payables	(40.7)	(45.9)
Net Working Capital	**36.1**	**47.2**
Goodwill	178	18.6
Brands	104.3	105.7
Other Intangibles	17.8	33.4
Total Intangibles	**300.1**	**157.6**
Prepayments	4.3	5.0
Plant and Equipment	19.9	38.1
Right of use asset	9.0	41.3
Contract Assets	3.6	3.3
Other Investments	2.3	1.4
Tax Receivable	-	8.5
Other Assets	0.1	4.0
Subtotal - Other Assets	**39.3**	**101.6**
Contract Liabilities	4.5	1.9
Lease liabilities	10.8	43.0
Tax liabilities (DTL and Payable)	25.6	36.3
Employee Entitlements	2.3	3.2
Put Option	-	59.2
Subtotal - Other Liabilities	**32.4**	**143.5**
Funds Employed		
Net Debt / (Net cash)	(7.2)	107.3
Total Equity	350.4	98.5
Total Funds Employed	**343.2**	**205.8**
Gearing Ratio	**-2.1%**	**108.9%**

Non-cash impairment charges

BWX recognised a total non-cash impairment loss of $322.6m related to carrying value assessments of intangible assets and plant and equipment

Together with recent underperformance, the increased level of demand uncertainty as a result of the pandemic years' impact on the retail industry, and more recent economic conditions, caused more conservative assumptions for growth rates within each segment

The impairment is non-cash in nature and has no impact on debt facility obligations. BWX is confident in the health of our core brands, the underlying strength of the business and the strategic plans supporting revenue and EBITDA growth forecasts in FY23 and beyond

Significant items $Am Year-ended 30 June 2022	Nature of impact	Impairment loss
Australia & International (incl. Go-To)	• Reflective of trading performance in the current period • Slower than expected recovery from the economic impacts of the COVID pandemic • Independent estimates of growth rates showing declines over • the forecast period • Increase in the discount rate applied	$128.0m
Digital		$36.0m
USA		$158.6m
Total		**$322.6m**

Cash flow reconciliation

- **Operating cash flow** of **-$22.2m** reflects lower earnings and the strategic inventory build focus relating to the transition to the new manufacturing facility
- **Capital expenditure** has increased due mainly to manufacturing facility in Clayton and associated ERP initiatives.
- **Tax payments** reflected prior period taxable income however the group anticipates a significant tax benefit from the Clayton expenditure which will allow the group to claim $8.3m under Temporary Full Expensing and Loss Carry Back rules.

AUD million	FY21	FY22
EBITDA	**24.7**	**(6.4)**
Working Capital Movements		
Debtors	*9.3*	*6.3*
Stock	*(9.4)*	*(11.2)*
Prepayments	*(0.7)*	*(0.2)*
Payables	*9.0*	*(0.4)*
Employee benefits	*0.3*	*(0.3)*
Net Working Capital Movements	**8.5**	**(5.8)**
Acquisition-related payments	(0.5)	(3.2)
Interest Expense	(2.6)	(4.2)
Tax	(4.3)	(9.6)
Non-cash Chemist Warehouse cost of equity	0.2	6.2
Other	(0.4)	0.8
Operating Cash Flow	**25.5**	**(22.2)**
Purchase of PP&E/Intangibles	(17.3)	(30.0)
Free Cashflow	**8.2**	**(52.2)**

Segment & Brand Performance

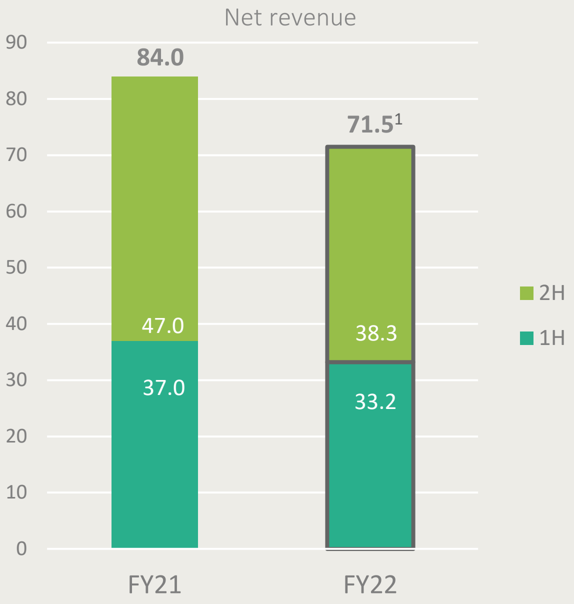
Segments

Revenue A$m	FY21[1] (restated)	FY22	Comments
Australia/ International	77.8	89.5	• FY22 result impacted by ▪ Decision to forgo investment buys in Q4 of FY22 to preserve future profits ▪ Woolworths sales performance offset pharmacy channel decline however with more sales in personal wash categories and more sold on promotion vs baseline, this impacted gross margin ▪ 1H22 COVID-related lockdowns impacting AU, Asia and European markets • Distribution gains made across core AU retail partners including Woolworths, Coles, Chemist Warehouse, IGA and Aldi, and Internationally AS Watson, Amazon India/UK Douglas and Look Fantastic • FY22 revenue includes 9-month contribution of GoTo, acquired 30 September 2021
USA	80.1	76.8	• FY22 result impacted by ▪ Manufacturing transfer of Andalou internally (80% of SKUs), reducing promotions ▪ Challenging e-comm environment with return to in-store traffic, increased customer acquisition costs and competitive promotional landscape • Strong performance in Food, Drug, Mass channel following return to in-store traffic and addition of new retail partner JCPenney – a midscale American department store chain
Digital	25.2	32.0	• FY22 result impacted by ▪ Macro digital disruption with CAC increases of between 50-65% YoY ▪ Deliberate reduction in promotional activity due to increasing stock shortages during 2H ▪ Temporary relocation disruption and centralisation in Clayton • Strategic review announced May 2022 progressing • FY22 revenue includes 12-month contribution of Flora & Fauna, acquired 1 July 2021
Total	**183.1**	**198.3**	

[1]FY21 revenue has also been restated for FY21 revenue recognition errors and to reflect change in segment reporting which took effect in 1H22 as a result of recent acquisitions

Sukin

- -14.9% revenue decline YoY
- Gross margin range: 54-57%



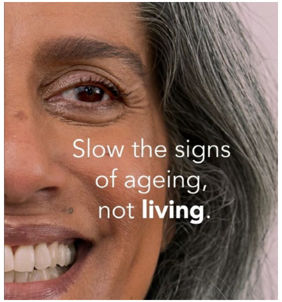
- H2 FY22 performance and margins impacted by decision to cancel domestic investment buy (June quarter)
- Gross Margin also impacted by mix of personal wash
- Net revenue of $71.5m including CHW cost of equity-linked partnership of $6.2m vs. $84.0m FY21 revenue (which included CHW equity cost of $0.2m in FY21)
- 52-week until July 2022 scan data shows strong in-market performance outperforming category growth +12% YoY (vs category +3%)[2]
- While ex-factory revenue declined in the half, **domestic scan-out performance for H2 FY22 remained +19%[3]** compared to last year
- Remains the #1 Natural Skincare & Haircare Brand in AU Pharmacy channel and the #1 Natural Skincare & #2 Natural Haircare Brand in AU Grocery channel[2]
- Points of distribution increased 13% YoY to ~719K

[1]includes $6.2m Chemist Warehouse cost of equity-linked partnership expense

[2]IRI MarketEdge combined categories, grocery, pharmacy, 52-wks MAT to 03 July 2022

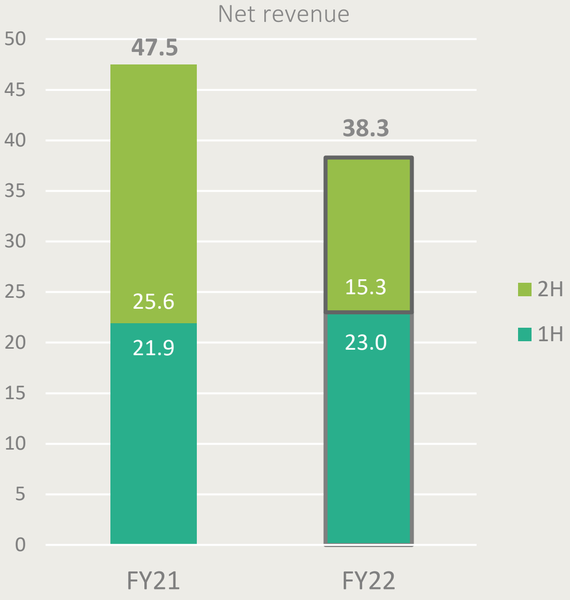
[3]IRI MarketEdge grocery, pharmacy (combined categories) 26 wks to 26 June 2022

Successful re-formulation and re-ranging of higher-margin SKUs e.g. Purely Ageless Pro



Andalou Naturals

- -19.3% revenue decline YoY
- Gross margin range: 44-47%



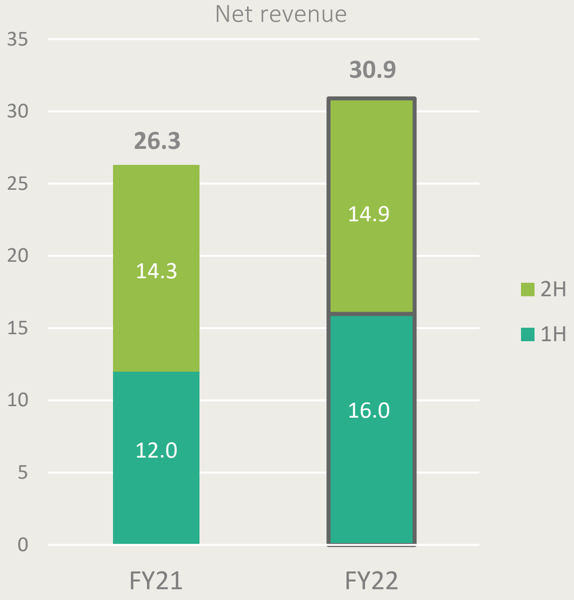
- H2FY22 performance and margin impacted by manufacturing transfer to Clayton (80% of SKU count) and subsequent reduction in promotional activity vs H1 FY22 (inventory run-down of older stock)
- New product launches delayed into FY23
- Increasing competition in niche skin care in Natural Channel - 52 weeks until July scan data showing underperforming Andalou sales -7% YoY (vs category -1%)[1]
- Remains the #1 Natural Brand in combined Face & Skin Categories in US Natural and #5 Natural Brand in Haircare category in US Natural[1]
- Outside of the US, South Korea (2nd largest market) and other Asian markets have been impacted by COVID-related lockdowns during 2H22
- Points of distribution increased 25% YoY to ~480K

[1]SPINS total US Natural channel (cosmetics & beauty products) (facial care) MAT to 10 July 2022

Deep Hydration press event launch (2H22) garnered **1 million** immediate social impressions

Mineral Fusion

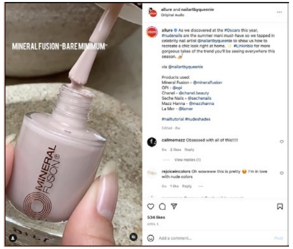
- +17.6% revenue increase YoY
- Gross margin range: 69-73%



- H2FY22 performance reflects strong 4Q sales growth accelerating 66% vs 3Q
- 52-week until July 2022 scan data shows strong in-market performance outperforming category growth +19% YoY (vs category +10%)[1]
- #1 Natural Cosmetics Brand in US Natural channel and #5 in US Conventional Food channel[1]
- Sales growth in Natural and Food, Drug, Mass Channels supported by:
  - Retail partner Sprouts commenced cosmetic expansion and trialed new display fixtures which are enhancing brand awareness
  - New product development focussed on strengthening core ranges (e.g. nail care)
  - Commenced rollout into JC Penney during Q4
  - Successful rose gold brand packaging refresh
- Points of distribution increased 11% YoY to 453K

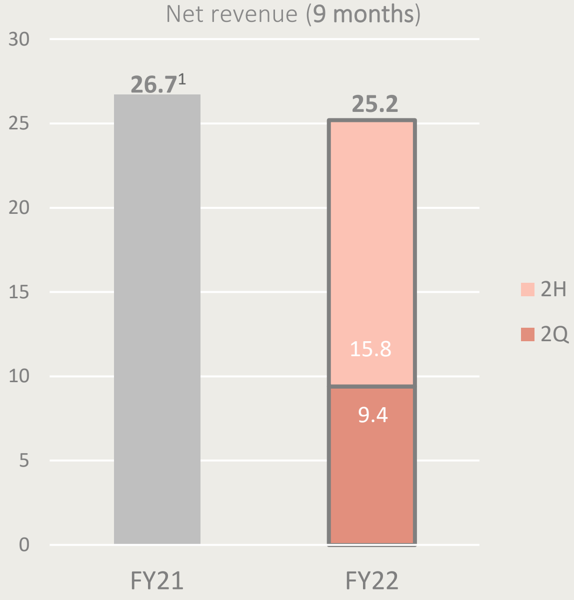
[1]SPINS total US Natural Channel (cosmetics & beauty products) 52 wks to 10 July 2022

Brand impressions
Fiona Styles attracted **+53m**
Queenie Nguyen attracted **+90m**



GO-TO

- -5.6% revenue decline YoY
- Gross margin range: 64-68%



- H2 FY22 performance of $15.8m softened vs H2FY21 ($16.4m) however domestic retail channel sales up 10% vs H2 FY21 due to increased post Covid retail foot traffic.
- Sales accelerated by 57% in 4Q vs 3Q with 2 new product launches in 4Q (vs 1 in 3Q) and resumption of in-store event participation
- Growth across a range of core customer metrics in the 12month period:
  - Go-To Gang loyalty base increased 67% YoY with current Lifetime Value of $420 – this is 166% higher than regular customer LTV of $300
  - Website traffic increased 11% YoY
  - Website conversion increased 7% YoY

Go-To Founder, Zoë Foster Blake

Skin Care Masterclass with Go-To Founder in May

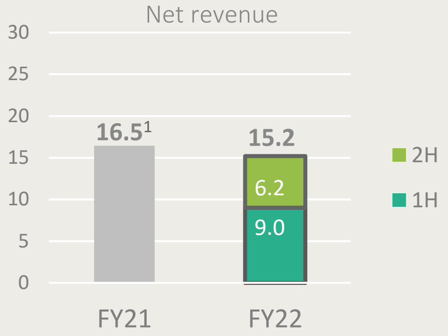
Go-To Customer retention strong with 48% repurchase rate

[1]FY21 revenue adjusted for 9-months and post IFRS15 Adoption to compare LFL performance. BWX acquired a controlling interest in Go-To on 30 Sept 2021

[2]consolidated (retail & wholesale) AU scan-out sales performance

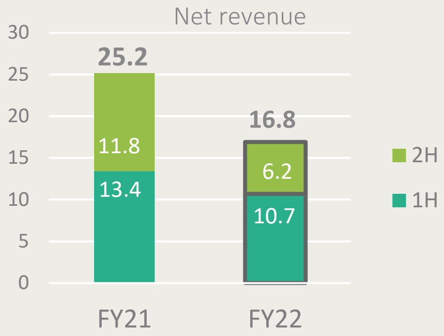
E-commerce platforms

flora&fauna



- -8.0% revenue decline YoY
- Gross margin range: 29-32%
- H2 FY22 performance impacted by
  - out-of-stocks and reduction in inventory as we prepared for relocation from Syd > Melb
  - macro digital headwinds including a significant increase (+50%) in customer acquisition costs and increasingly competitive landscape

Nourished Life



- -33.0% revenue decline YoY
- Gross margin range: 29-32%
- H2 FY22 performance impacted by
  - out-of-stocks and short-term disruption while consolidating warehouse in Clayton during 4Q
  - macro digital headwinds including a significant YoY increase (+50%) in customer acquisition costs and increasingly competitive landscape

[1]FY21 was outside BWX ownership period. BWX acquired Flora & Fauna on 1 July 2021

Strategic Priorities & Outlook

Strategic progress overview

	FY23 priorities	Progress made	Longer-term goals
Growing Revenue	• Brand distribution and activation in key regions and channels • Marketing ROI	✓ **21%** YoY growth to **+1.7 million total points of distribution** for brands ✓ Blueshift Tradespend and Marketing ROI software implemented	• Continued strong organic top-line revenue growth
Unlocking Margins	• Unlock better margin by brand (price review, procurement, supply chain & manufacturing efficiencies)	✓ Price increases from **1 July** ✓ **Automated** manufacturing to support efficiencies once inventory normalises	• Clayton manufacturing 300bp margin accretion from FY24 once stock levels normalise • Group margin: **62-64%+**
Managing cost base	• Deliver $10m+ cost-out initiatives • Ongoing efficiency program, including inventory reduction	✓ Increased **cost-out** initiatives from +$5m to **$10m annually** (**~60% fixed costs**) ✓ Strict financial discipline and continued inventory reduction (-$5m from April '22)	• OpEx (incl. marketing): **~40% of NR** • Cash conversion: **+70%**
Sustainable Earnings	• Normalise inventory and working capital • Supported by manufacturing capacity later in year	✓ Organisational restructure to improve financial and reporting processes ✓ Expanded working capital facility to support near-term liquidity	• EBITDA margin: **+22%**
Financial discipline	• Reduce net debt • Strategic review of non-core assets	✓ $22.1m net capital raising proceeds, **$10m** debt permanently retired with proceeds ✓ Strategic review of non-core assets progressing, planned **divestment** process underway	• Net debt/EBITDA leverage: <**1.0x**

Managing cost & inventories

Actions being taken to simplify the operating model to ensure a more sustainable cost-base and support sustainable earnings growth

Cost-controls in place and further supported by:

- **Actions to date have realised ~$10m annualised reduction in Operating Expenses**
- Organisational restructure implemented delivering ~15% reduction in people costs
- Reduction in projects and disciplined approach to expenditure
- ROI focus on all discretionary trade and marketing spend

Inventory reduction on track:

- **Further $15m reduction targeted**
- Internal reduction in levels of finished goods; reduction in raw materials as manufacturing for Sukin and Andalou Naturals ramps up capacity in Clayton
- Integrated Business planning (IBP) has been commenced
- Stronger discipline in portfolio and SKU rationalisation

Strategic review of non-core assets progressing:

- **External advisor engaged**
- Planned non-core assets divestments underway
- Binding asset sale agreement USPA
- Divesting Nourished ventures businesses

Brand strategy

FY23-25 Strategic Plan will see investment choices made around priority markets and drive higher-return regions, markets and customers such as Americas, Europe and Asia

Global strategy

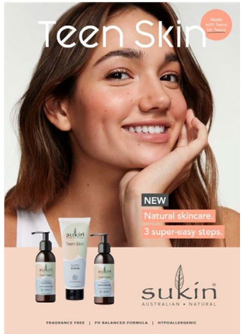
- Increase distribution in food, drug, mass and digital channels in the USA and Canada, including JCPenney rollout in FY23
- Select supermarket, beauty and e-commerce expansion in Europe and Asia

Domestic strategy

- Consistent, sustainable ordering and replenishing cycles, no investment buys
- Continued strong distribution gains with our largest customers in Woolworths, Coles, and Chemist Warehouse, as well as direct-to-consumer growth leveraging Autostore efficiencies

Product strategy

- Consumer-driven product innovation and leveraging our new facility to keep Sukin at the forefront of natural
- Leveraging local retailer support and co-investments in promotional marketing and new product development, such as the exclusive Teen Skin and Skin Relief product range for Chemist Warehouse



Brand strategy

ANDALOU NATURALS

MINERAL FUSION®

BWX

FY23-25 Strategic Plan will see further penetration of Food, Drug and Mass opportunities like JCPenney and in priority markets like Australia, Europe and Asia

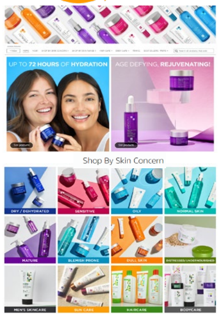
Global strategy

- Andalou Naturals distribution growth in Australia and South Korea, supported by in-house manufacturing benefits
- Continued regulatory compliance for European expansion across both brands to support international rollout

Domestic strategy

- Penetrating Food, Drug, Mass with greater distribution for core brands and returning to more in-store demonstrations in FY23
- 450 x JC Penney stores rolling out in 1H23, adding 150k new distribution points
- Maintain growth in Natural and Digital Channels

amazon.com



Product strategy

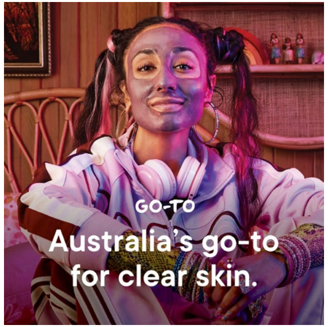
- Andalou brand packaging refresh development in FY23
- Mineral Fusion packaging refresh completed FY22 and rolling out through FY23
- Innovative NPD focussed on expanding core ranges (skin and nail) and growing brand awareness outside Natural Channel
- Global pricing strategy, supported by local retailer marketing and co-investment

GO-TO

Major retail partner wins for Go-To and Gro-To brands rolling out in FY23

Global strategy

- Product compliance reviews completed for Europe, The UK, Canada in 1H23
- In Europe, confirmed Go-To launch with premium retailer Douglas in 2H23 (6 countries)
- Reviewing International distribution options for Gro-To off the back of its Mass Market Australian rollout which is underway



Domestic strategy

- Gro-To executing mass market strategy with confirmed launch into 900+ Coles stores, 175 Woolworths stores, and 176 Big W stores and 480 Priceline stores launching in 2H23
- Mecca partnership continues to provide an exclusive and credible touch point for the brand in Australia with renewed ability to activate eventing and tactical in-store promotion
- Large-scale above-the-line brand awareness campaign launched in August, targeting increased brand awareness, stabilisation of CAC and new customer acquisition

Product strategy

- Innovative NPD pipeline to broaden addressable market with SPF technologically advanced filters, sensory experiences, and strong sustainability focus
- Successful first launch for the 'SPF Protect' strategic pillar with Nifty Fifty in August
- Launch of Gro-To Fragrance free range for sensitive skin in 2H23

The partnership involves Put/Call options for BWX and Go-To co-Founders (including Founder, Zoë Foster Blake) for period commencing in Year 3 (i.e. September 2024) and on every subsequent anniversary. Valuation will be determined at the time of exit considering the outlook and performance of Go-To at the time. There are no price floors or earnouts.
As at 30 June 2022, valuation of Go-To put option has been recognised as $59.2m.

Outlook

FY23 update and revised guidance

- For full-year FY23, revenue in the range of $205m to $230m with EBITDA in the range of $25m to $30m, excluding any significant one-off items
- H1 FY23 operating at a loss while we undertake restructuring and incur trade & other promotional costs as customer held inventory reduces to normalised levels, plus one-off abnormal restructuring and advisor costs impact. Short term liquidity constraints impacting revenues and now supported by debt facility increase with our lender
- Board renewal continues with the appointment of Steven Fisher as new Chair and independent Non-Executive Director
- Appointment of new CFO and reset of finance function underway
- The lower than anticipated H1 FY23 revenues have reduced our anticipated reductions in working capital and been a key driver of the higher trading losses. As a result, short term debt levels have increased significantly
- The risks and sensitivities around the revised guidance include:
  - Completion of group-wide organisational restructure by 3Q23; strict financial discipline and internal inventory run-down continuing as a priority.
  - Completion of long-term debt restructure in H2 FY23
  - Retail partners' inventory normalising to levels aligned with consumer demand to provide more sustainable and predictable revenue and earnings in H2 FY23
  - Other macroeconomic factors in our industry and the broader economy including any decline of discretionary spending due to high inflationary / interest rate period; impact on global debt markets and global economy of geopolitical tensions and conflicts; any significant outbreaks of COVID-19 resulting in retail shut-downs impacts on key customers or disrupting supply chains

Q&AS


sukin
AUSTRALIAN • NATURAL
HAIRCARE
DEEP CLEANSE
SHAMPOO
PARABEN FREE
REFRESHES WITH A BLEND OF NATIVE AUSTRALIAN RIVER MINT, APPLE CIDER VINEGAR & SUSTAINABLY SOURCED ALGAE.
sukin
AUSTRALIAN • NATURAL
HAIRCARE
DEEP CLEANSE
CONDITIONER
PARABEN FREE
NOURISHES WITH AVOCADO OIL, WHEAT PROTEIN & SUSTAINABLY SOURCED ALGAE FOR SHINIER HAIR.
sukin
AUSTRALIAN • NATURAL
HAIRCARE
DEEP CLEANSE
PURIFYING TONIC
PARABEN FREE
OILY & CONGESTED SCALPS
125mL / 4.23fl.oz

APPENDIX


sukin
AUSTRALIAN • NATURAL
HAND CREAM
PARABEN FREE
COMBINES ALOE VERA, VITAMIN E AND BORAGE OIL TO LEAVE HANDS FEELING NOURISHED AND SOFT.
ALL SKIN TYPES
500mL / 16.9fl.oz.
sukin
AUSTRALIAN • NATURAL
HAND WASH
PARABEN & SULPHATE FREE
INFUSED WITH JOJOBA, AVOCADO AND ROSEHIP OILS TO GENTLY CLEANSE, LEAVING SKIN FEELING NOURISHED.
ALL SKIN TYPES
500mL / 16.9fl.oz.

Reconciliation: underlying to statutory

BWX

A$m	Underlying FY22	Chemist Warehouse cost of equity expense	Acquisition related costs	Share of Associate Losses	Non-controlling Interests[1]	Impairment of carrying value of Intangibles	Statutory FY22
Revenue	**204.5**	-6.2	-	-	-	-	**198.3**
Gross Profit	**111.6**	-6.2	-	-	-	-	**105.4**
Gross Profit Margin	54.6%	-	-	-	-	-	53.2%
EBITDA	**-0.2**	-6.2	-	-	-	-	**-6.4**
EBITDA Margin	-0.1%	-	-	-	-	-	-3.2%
NPAT	**-2.7**	-6.2	-2.4	-0.7	-1.4	-322.6	**-337.0**

[1]Refers to BWX's controlling 50.1% interest in Go-To which allows 100% of revenue and EBITDA and 50.1% of NPAT to be consolidated into BWX Group results

Restatement of 1H22 revenue

BWX have recognised revenue recognition errors in H1FY22 and restated the comparatives accordingly

A$m	1H22 recorded	Adjustment	**1H22 restated**
Revenue	103.4	(5.7)	97.6
EBITDA	10.8	(5.3)	5.5

- As with FY21, H1 FY22 included Investment Buy transactions that were sold under a Bill and Hold Basis.
- $2.0 of Bill and Hold transactions did not meet AASB 15 requirements and were deemed to be a sales cut-off Error.
- Associated trade spend and contract asset expenses were also corrected.
- The adjustments represent the net impact of the accounting errors identified.

Restatement of FY21 revenue

BWX have recognised revenue recognition errors in FY21 and restated the comparatives accordingly

A$m	FY21 recorded	Adjustment	**FY21 restated**
Revenue	194.1	(10.9)	$183.1
EBITDA	33.5	(8.8)	**$24.7**

- FY21 Revenues were inflated due to $5.4m of Bill and Hold transactions that did not meet Revenue Recognition rules under Accounting Standard AASB 15 and are therefore a sales cut-off error.
- A further $5m of sales were sold under a "Sale or Return" basis and should not have been recognised.
- Both transactions were part of Investment buy initiatives that have now ceased.
- Associated trade spend errors of $0.5m were also corrected.
- Improvements in Financial policies, controls and procedures are planned to prevent a recurrence.