BWX

INVESTOR PRESENTATION

27 February 2023

Key Management Changes

KEY MANAGEMENT CHANGES

- Mr Rory Gration CEO departed the Company on 26th February 2023.

- The Board announced the appointment of Mr Thinus Keeve as the new Managing Director and CEO with effect on 27th February 2023.

BOARD RENEWAL

- Board renewal continues with Mr. Steven Fisher appointed as new Chair and Non-Executive Director
- Mr Marcus Derwin and Ms Lisa Ronson have joined the Board as Independent non-executive Directors
- Mr. Ian Campbell, Ms. Fiona Bennett and Mr. Rod Walker have resigned their Non-Executive board positions

H1 FY23 result summary

FINANCIAL PERFORMANCE

- FY22 statutory revenue of $79.7m and EBITDA loss of -$29.7m
- FY22 statutory NPAT loss of -$100.8m includes $60.8m for impairment loss
- Net debt pre-AASB16 of $86.5m[2] .
- Operating cashflow negative -$30.6m
- Net working capital improvement down to $33.7m from $47.2m at June 22

NON-CASH IMPAIRMENTS ($60.8m)

- H1 FY23 performance was below plan for Americas, Digital and AU-Int
- Growth rates across segments inherent in previous financial models were revised down to reflect current economic conditions.
- The impairment includes the $2.6m write-down of a contract asset and a $2.8m charge against the carrying value of the Purely Byron investment and associated loans.

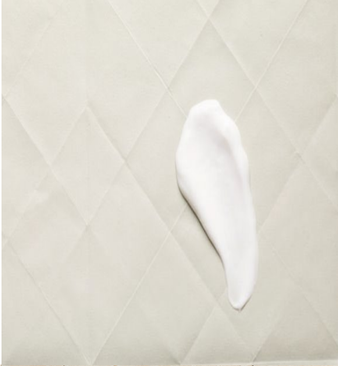
PRIOR PERIOD RESTATEMENTS

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

H1 FY23 result summary (cont.)

TRADING UPDATE

- **Revenues** were down to $79.7m from $97.6m in the previous H1 period:
    - Elevated customer owned inventory saw de-stocking and reduced sales
    - Capital commitments (Clayton) and lower cash receipts => cash constraints
    - Raw material and marketing spend curtailed however out of stock issues emerged
    - Digital segment sales declined
- **In-market scan** performance for 52 weeks to Jan reflects
    - Sukin increased +5.9% (vs category +6.9%)[1]
    - Mineral Fusion increased +4% (vs cosmetics category +8%)[2];
    - Andalou Naturals declined -6% YoY (vs face category -5%)[2]

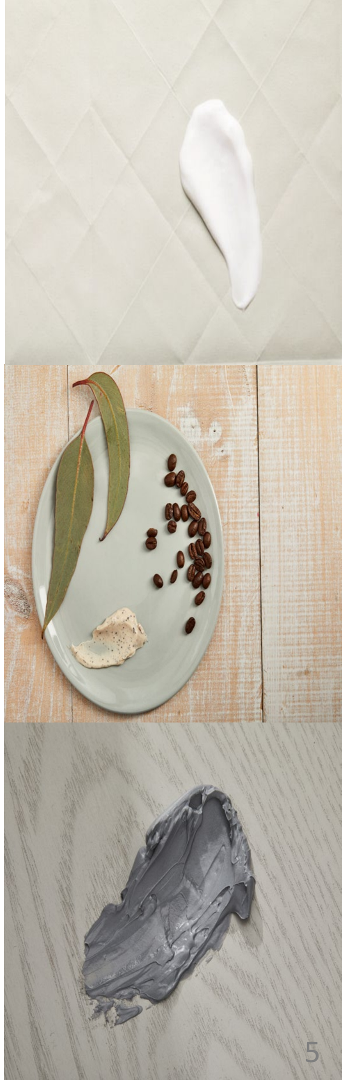


[1] IRI MarketEdge combined categories, grocery, pharmacy, 52 weeks MAT to Jan 2022
[2] SPINS total US Natural channel (cosmetics & beauty products) (facial care) 52 week MAT to Jan 2023

H1 FY23 result summary (cont.)

TRADING UPDATE

- **Gross Profit margins** reduced from 53% in FY22 H1 to 39% in short-term:
    - $4.5m of additional stock provisions
    - Clayton volumes down resulting in lower cost recoveries - $1.5m
    - Promotional expenses continued
    - Margins estimated at similar levels to pcp after normalising for above
- **Operating expenses** increased by $6.8m (net of Go To full year) to $60.8m.
    - Doubtful debts provision $2.5m
    - Restructuring costs of $2.3m
- **Significant items** included non-cash impairment charges of $60.8m (see slide 11).



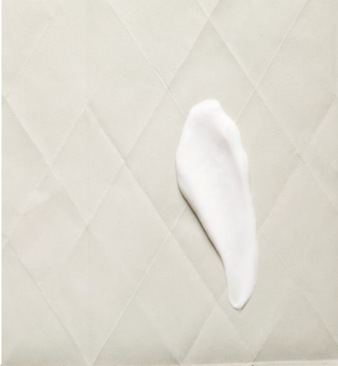
H1 FY23 result summary (cont.)

SEGMENT RESULTS

- **Au/Int** revenues up $5.5m to $41.0m due to the full year impact of Go-To.
  - Revenues impacted by customer de-stocking and cash constraints
  - Impairment expense of $10.2m recognised.
- **Americas** revenues down $10.3m to $32.2m – impacted by cash constraints.
  - Discretionary marketing/customer activation,
  - Delayed in-store display unit roll out and new product pipelines pushed to FY24.
  - Impairment charge of $40.6m recognised
- **Digital** revenues down $13.1m to $6.5m due to cash constraints impacting promotional activity and inventory levels.
  - Impairment charge of $4.6m recognised.

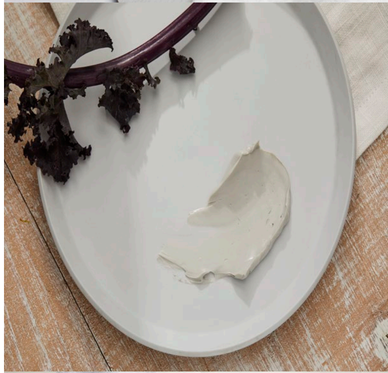
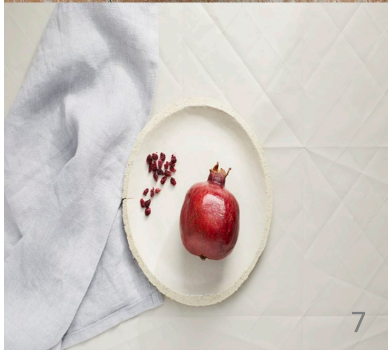
STRATEGIC ACTIONS

- Group-wide annualised cost-saving initiatives executed during 2H FY22, including trade spend
- Customer de-stocking is forecast to ease significantly during H2FY23 and sales are expected to improve
- Strategic review of non-core assets progressing to reduce debt
- Finance structure, process and capability reset underway



Outlook

- The Board is focused on returning to profitability to the Group during the second half.
- 1H FY23 operating costs have been impacted by one off charges, restructuring and advisor costs all of which driven by our short-term liquidity challenges and are forecast to reduce during H2FY23.
- Assuming that the debt restructuring initiatives are completed in a timely manner, the Board advises that it wishes to revise guidance as follows.
- Full year revenue is anticipated to be in the range of $150m to $175m
- EBITDA for H2 FY23 to be within $5m to $12m excluding any residual one-off or restructuring charges.

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Financial Performance

Financial performance

Key Items

- **Group performance is shown against H1 FY22 on a restated basis**
- **Statutory Revenue** was $79.7m, a decrease of -18.3% vs H1 FY22 due to overstocking, cash constraints (out of stock issues)
- **Gross Profit Margin** decreased to 39% (de-stocking, inventory obsolesce and lower cost recoveries at Clayton)
- **Operating Expenses** increased by 25.9% due to full year impact of acquisitions, doubtful debt expenses, increased operating expenses
- **Depreciation & Amortisation** of $8.0m, increase of $2.7m related to new Clayton sight (lease depreciation, Plant & ERP).
- **Impairment loss – non cash** of $60.8m (see following page)

AUD $ million	FY22 H1 Restated	FY23 H1
Revenue	97.6	79.7
Gross Profit	52.2	30.9
Gross Profit Margin	53%	39%
Operating Expenses	48.3	60.8
Other Income	1.5	0.2
EBITDA[1]	**5.4**	**(29.7)**
EBITDA margin	10%	(96.0%)
Acquisition- Related Benefit/(Cost)	(3.0)	(0.3)
Share of Net Loss of Associates	(0.4)	(0.4)
Depreciation & Amortisation	(5.3)	(8.0)
Impairment Loss	-	(60.8)
Loss Before Tax	**(3.3)**	**(99.3)**
Interest Expense	(1.5)	(3.9)
Tax expense / (benefit)	(0.5)	2.3
Loss after tax	**(5.4)**	**(100.8)**
Loss Attributable	**(6.1)**	**(101.6)**
EPS – Basic	(4.0)	(51.2)

[1] 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

Balance sheet

- **Net Working capital** reduced by $13.5m driven by reductions in Inventory $9.8m and increases in Payables $6.2m
- **Intangibles assets** reduced by $54.5m with further impairment charges
- **Tax receivable** of $10.5m with $8.9m anticipated from tax refund during H2 FY23.
- **Prepayments** of $7.6m represents prepaid Inventory and Slotting fees for the US
- **Put Option** liability remains at $59.2m relating Go-To's remaining 49.9%
- **Net bank debt** increased to $128.1m (including AASB 16 lease liabilities) due to:
    - **Cash** reduced by of $9.9m to $14.4m
    - **Financial liabilities** increased by $12.3m to $100.9m
    - **Net debt** pre AASB16 of $86.5m, an increase of $22.2m from June 2022

AUD million,	Dec 21 Restated	Jun-22	Dec 22
Trade and other receivables	33.8	27.7	30.1
Inventories	64.4	65.3	55.6
Trade Payables	(56.2)	(45.9)	(52.1)
Net Working Capital	**42.0**	**47.2**	**33.7**
Goodwill	269.4	18.6	18.6
Brands	162.4	105.7	57.3
Other Intangibles	33.3	33.4	27.3
Total Intangibles	**465.1**	**157.6**	**103.1**
Prepayments	4.1	5.0	7.6
Plant and Equipment	33.7	38.1	38.9
Right of use asset	8.7	41.3	39.4
Contract Assets	5.3	3.3	0.2
Other Investments	0.4	1.4	1.0
Tax Receivable	-	8.5	10.5
Other Assets	3.3	4.0	1.5
Subtotal - Other Assets	**55.6**	**101.6**	**99.1**
Contract Liabilities	1.3	1.9	-
Tax liabilities (DTL and Payable)	51.9	36.3	32.3
Employee Entitlements	3.3	3.2	3.0
Put Option	93.1	59.2	59.2
Subtotal - Other Liabilities	**149.5**	**100.6**	**94.4**
Funds Employed			
Net Debt	36.8	107.3	128.1
Total Equity	376.4	98.5	13.2
Total Funds Employed	**413.2**	**205.8**	**141.1**
Gross Debt (excl Lease liability)	**84.8**	**88.6**	**100.9**
Net Debt (excl Lease liability)	**26.4**	**64.3**	**86.5**

Non-cash impairment charges

BWX recognised a total non-cash impairment loss of $60.8m related to carrying value assessments of intangible and other assets

The increased level of demand uncertainty, increased discount rates from higher borrowing costs and more recent economic conditions, caused more conservative assumptions to be used for the 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 FY24 and beyond

Significant items $Am Half Year ended 31 Dec 22	Nature of impact	Impairment loss
Australia & International*	• 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	$15.6m
Digital		$4.6m
USA		$40.6m
Total		**$60.8m**

* Includes impairment of Purely Byron Investment and Chemist Warehouse Contract Asset

Cash flow reconciliation

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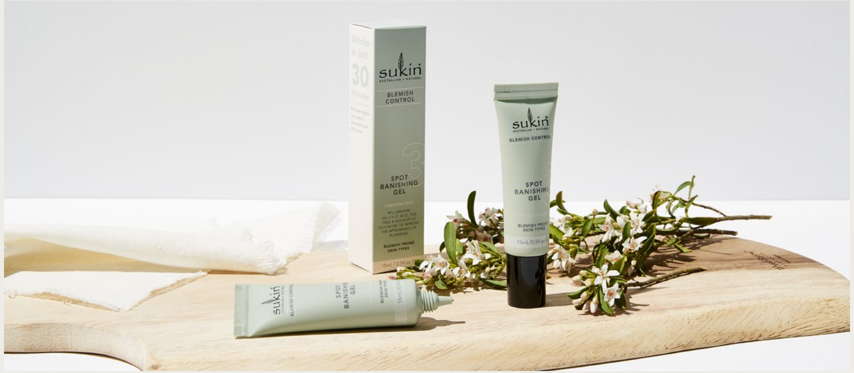
- **Operating cash flow** of **-$30.6m** reflective of EBITDA losses
- **Net working capital** improved
- **Interest** paid of $2.4m increasing with rising debt levels and interest rates
- **Income tax paid** of $3.7m primarily driven by Go-To
- **Capital expenditure** decreased relative to H1 FY22 through the completion of the Fortitude project.



AUD million	H1 FY22	H1 FY23
EBITDA	**5.4**	**(29.7)**
Working Capital Movements		
Debtors	*(1.2)*	*(4.1)*
Stock	*(9.7)*	*10.1*
Prepayments	*0.4*	*(2.6)*
Payables	*11.5*	*2.1*
Employee benefits	*0.1*	*(0.2)*
Net Working Capital Movements	**1.1**	**5.2**
Acquisition-related payments	(0.7)	-
Interest Paid	(1.4)	(2.4)
Tax paid	(1.7)	(3.7)
Non-cash Chemist Warehouse cost of equity	(3.5)	0.3
Other	3.1	(0.3)
Operating Cash Flow	**2.3**	**(30.6)**
Purchase of PP&E/Intangibles	(15.9)	(6.3)
Free Cashflow	**(13.6)**	**(36.9)**

Segment Performance

Segments

Revenue A$m	H1 FY22 Restated	H1 FY23	Comments
Australia/ International	35.5	41.0	• H1 FY23 revenue includes 6-month contribution of GoTo, acquired 30 September 2021 • H1 FY23 result impacted by ▪ Elevated inventories in Pharmacy channel. Pharmacy sales expected to increase in H2FY23 ▪ Capital expenditure and lower cash receipts resulted in cash constraints ▪ Cash constraints in Q2 resulted in out-of-stock issues -further eroding sales.
USA	42.5	32.2	• H1 FY23 result impacted by ▪ Cash constraints => reduced discretionary marketing, delayed in-store display unit role out and new product pipelines pushed to FY24. ▪ Online retailers over stocking Nail Polish Remover combined with a decline in online cosmetics post covid. ▪ Online retailers also ceased shipping to Russia
Digital	19.6	6.5	• H1 FY23 result impacted by ▪ Significant cash constraints impacting promotional activity and inventory levels creating significant out of stocks (OOS) ▪ Strategic review progressing
Total	**97.6**	**79.7**	