



ASX/Media Release

(ASX: MCP)

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McPherson's enters joint venture with Australian SugarBaby Co

McPherson's Limited (ASX: MCP) ("McPherson's") today announced it has entered into a new joint venture with privately owned Australian company, SugarBaby, to create a unique and strengthened offering in the millennial beauty seekers segment of the market.

The new venture:

- Supports the expansion of McPherson's beauty portfolio, with a proven creative entrepreneurial team in Lizie & Nicci Clifton.
- Leverages McPherson's core capabilities;
- Provides a unique opportunity to target millennials, who as a group are expected to account for over \$6 billion* in retail growth over the next five years in Australia; and,
- Is expected to drive McPherson's further growth in export markets.

Established in Melbourne in 1998 by two high profile creative founders, Nicci and Lizie Clifton, SugarBaby has a rich heritage in colour cosmetics, tanning and skincare with established sales channels across department stores, pharmacy and e-commerce.

Nicci and Lizie have a wealth of experience in developing innovative beauty products and are highly regarded in the industry as being trend setters who are passionate about environmental and social issues.

Through the new venture, McPherson's will leverage its expertise to extend the brand into new segments with a focus on innovative and refreshed beauty enhancer products such as masks, lash serums and lip plumpers.

Under the terms of the agreement, McPherson's will acquire a 51% holding in SugarBaby Co. with the option to buy the remaining 49% at an agreed multiple within four years.

McPherson's Managing Director, Mr. Laurence McAllister said: "We are delighted to partner with the SugarBaby team and we are confident about the opportunity to add value to this creative brand while complementing our existing beauty portfolio.

"We will bring to market a refreshed and improved range of quality SugarBaby branded products attracting the fast-growing millennial segment."

"This new venture fits perfectly into our strategic approach to leverage our existing customer partnerships, infrastructure, sales and marketing capabilities and expand our reach and depth within the \$13 billion health, wellness and beauty sectors in which we operate. We have a healthy balance sheet and a team focused on assessing and securing M&A and new ventures that provide us with strong strategic growth potential in Australia and export markets," added Mr. McAllister.

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About McPherson's Limited

McPherson's, established in 1860, is a leading supplier of health, beauty, household and personal care products in Australasia, with operations in Australia, New Zealand and Asia. McPherson's markets and distributes beauty care, hair care, skin care and fragrance product ranges, kitchen essentials such as baking paper, cling wrap and aluminium foil, and personal care items such as facial wipes, cotton pads and foot comfort products.

McPherson's manages some significant brands for agency partners and via joint venture arrangements such as Kotia; however, the majority of revenue is derived from the company's diversified portfolio of owned market-leading brands, including Manicare, Lady Jayne, Dr. LeWinn's, A'kin, Swisspers, Multix, Moosehead and Maseur.

For further information on McPherson's business and its strategy and to view our most recent corporation video please refer to the company's website <http://www.mcphersons.com.au>