

21 December 2020

Strong 1H21 domestic sales growth and confirmation of 1H21 dividend policy

- **Resilient growth in core domestic business, with year to date sales from owned brands up 7% in the Australian market, excluding Dr. LeWinns**
- **Integration of Global Therapeutics and creation of the McPherson's Health division is progressing to plan**
- **Confirmation of 1H21 forecast underlying PBT in the range of \$6.5 million to \$7.5 million**
- **Consistent cashflows are driving a strong balance sheet with low debt**
- **Forecast interim FY21 dividend of at least 3 cents per share, fully franked**
- **Suspension of the Dividend Reinvestment Plan due to capital surplus**
- **Access Brands Management and McPherson's expect that maturing the JV partnership will continue to grow Dr. LeWinn's brand relevance to Asian consumers.**

McPherson's Limited ("McPherson's" or "the Group") today confirmed that sales from its core brands in the Australian market continue to exceed last year, with year to date growth of approximately 7% across the Group's owned brands excluding Dr. LeWinn's. The growth has been driven by increased sales from 5 out of 6 of its core owned brands, and market share growth in 4 out of 6 of these brands.

Double-digit growth has been achieved with Manicare, Lady Jayne and A'kin. Domestic sales of Dr. LeWinn's product has been impacted by the decline in Daigou sales in the Pharmacy channel due to the impact of COVID-19 on student and tourist numbers.

Following completion of the Global Therapeutics acquisition on 30 November 2020, integration of the highly qualified team and business is progressing smoothly reflecting the professional, collaborative approach of Global Therapeutics, McPherson's and Blackmores.

McPherson's Chief Executive Officer and Managing Director, Mr. Grant Peck, said: "McPherson's year to date domestic sales growth reflects the consumer appeal of our market leading brands and our focus on new product innovation. All of the early signs are positive as we integrate Global Therapeutics into McPherson's and realise the complementary capabilities of the combined teams. Domestically, we continue to drive cashflow to support our mature dividend profile and modest debt levels"

Mr. Peck added: "In respect of Export, ABM has established a highly successful, adaptive and entrepreneurial China facing business model in a very short period of time. McPherson's and ABM are aligned and highly motivated to build the maturity of this model together with our relationship. The Dr. LeWinns brand remains in circa 50% growth in demand from the consumer in China."

We look forward to working diligently with ABM on maturing all facets of the brand and customer relationship - from innovation, to supply chain management and pricing."



McPherson's is on track to record its previous 1H21 underlying profit before tax guidance in the range of \$6.5 million to \$7.5 million (1H20 - \$8.5 million). The Group's dividend policy is to pay a minimum dividend of 60% of underlying profit after tax, subject to cash requirements. In line with policy, based on forecast 1H21 underlying earnings, an interim FY21 fully franked dividend of at least 3 cents per share (cps) (interim FY20 – 4 cps) is anticipated to be paid in late March 2021.

Given the Group's low net debt and strong cash conversion, the Directors have decided to suspend the dividend reinvestment plan.

Authorisation

This ASX announcement and media release has been authorised by the McPherson's Limited Board of Directors.

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About McPherson's Limited

McPherson's, established in 1860, is a leading supplier of Health, Wellness and Beauty products in Australasia and increasingly China, with operations in Australia, New Zealand and Asia. McPherson's markets and distributes beauty care, hair care, skin care and personal care items such as facial wipes, cotton pads and foot comfort products, as well as a range of kitchen essentials such as baking paper, cling wrap and aluminium foil.

McPherson's manages some significant brands for agency partners and via joint venture arrangements; 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>

About Global Therapeutics Pty Ltd.

Since 1999, Global Therapeutics has been a leader in harnessing the benefits of coming traditional herbal medicines with western complementary medicines, specially formulated to deliver optimal therapeutic results, with 80% of the range based on traditional herbal medicines. For further information please visit <http://www.mcphersons.com.au>