



MCPHERSON'S LIMITED  
2018 INVESTORS DAY PRESENTATION

10 MAY 2018

Today's Presenters are

Laurie McAllister, Managing Director

Paul Witheridge, Chief Financial Officer

Donna Chan, Marketing Director

Lori Pirozzi, International Sales Director

David Fielding, Strategy Director

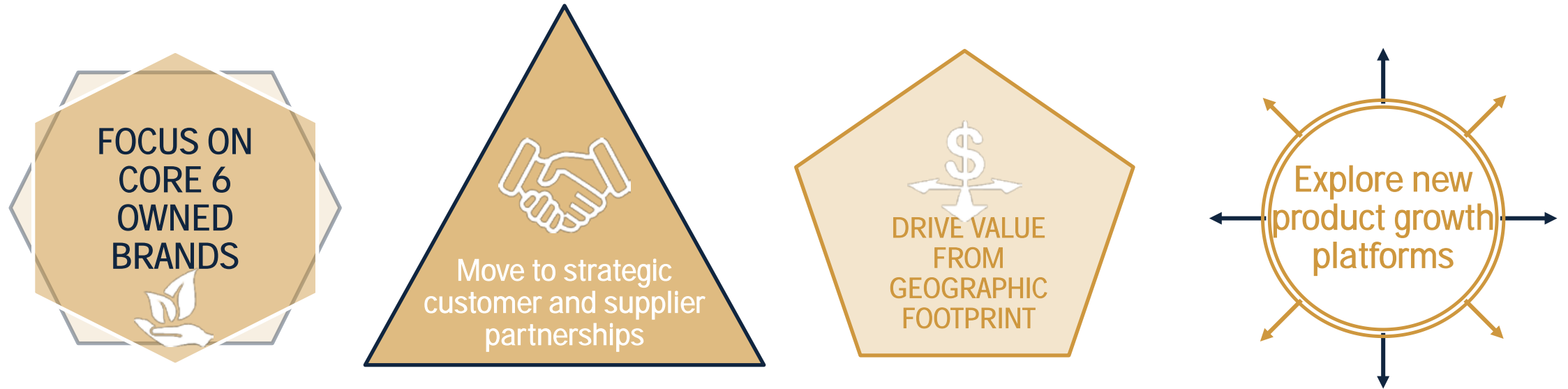
Brett Owers, Finance Director

Mary Pearce, R&D Director

Mark Brady, Supply Chain Director

# OUR STRATEGY IS TO GROW IN HEALTH, WELLNESS AND BEAUTY

---



## STRATEGIC ENABLERS

End to end capability and capacity - supply chain, route to market and IT

Strong agency partners compliment portfolio, scale and capability

# DESIRED OUTCOMES FROM TODAY!

---

Why a **Health, Wellness and Beauty** strategy ?

What is the status of **MCP's structure and capacity to support the H,W & B strategy?**

How are MCP's core brands **PERFORMING** in 2018 versus prior year...are you **GROWING** them?

Has MCP **de-risked its customer / channel profile?**..& is MCP achieving balanced growth ?

Is MCP achieving **REAL** & meaningful **expansion in Export** ?

Is MCP **PURSUING** M&A / collaboration targets that leverage its capabilities, capacities & vision?

Is MCP **ON TRACK** versus latest ASX guidance ?

Has MCP **FULLY** divested Home Appliances ?

Has MCP's **risk profile improved** ?

# MCP IS PROGRESSING AT AN ASSERTIVE PACE

Now exclusively focused on fast growing \$13.0 B Health, Wellness and Beauty categories

Reinvigorating MCP core growth brands & selectively participating in premium agency partners

Winning in Pharmacy and key segments in Grocery – Multix stabilised with positive trajectory

- #1 Australian Beauty supplier in Pharmacy, 2X sales over 5 years in this channel and now a top 10 player in-total

Demonstrating successful growth in acquired brands – A'kin & Dr. LeWinn's

Step changed Export business model & relationships (China, Japan, South Korea & UK)

Re-aligning organisational capability to enable growth strategies (R&D, Innovation, New Business/M&A & Corporate Strategy)

Successfully divested Home Appliances for 7 x EBIT

MCP now poised to divert capital to investments that will enhance our branded footprint and utilise existing capacity and operational / "go to market" strengths



# FINANCIALS



## BROAD FINANCIAL METRICS ex HOME APPLIANCES

Sales Revenue	~ \$210m
EBIT	~ \$21m
PBT	~ \$19m
EPS	~ 12cps
Net Debt	~ \$15m
Market Cap (\$1.30 / share)	~\$136m
EV / EBIT	7.2 times

Figures stated are approximate, underlying from continuing operations on an annualised basis. These figures do not represent an FY18 forecast



# CURRENT SALES MIX & ANTICIPATED GROWTH PROFILES

Owned brands:	1HFY18 \$Am	% TOTAL	1H FY18 vs 1H FY17	Anticipated growth profiles
Skin, Hair and Body	9.5	9%	24%	<ul style="list-style-type: none"> <li>Strong export and domestic sales of both Dr. LeWinn's and A'kin.</li> </ul>
Essential Beauty	30.1	28%	(1%)	<ul style="list-style-type: none"> <li>Innovation lead GDP + 1 - 2 % growth</li> </ul>
Household Essentials & others	29.6	28%	(12%)	<ul style="list-style-type: none"> <li>Maintenance of market position and moderate growth via new "Greener" products</li> </ul>
<b>Total Owned brands</b>	<b>69.2</b>	<b>65%</b>	<b>(4%)</b>	
Agency Brands	21.9	21%	(4%)	<ul style="list-style-type: none"> <li>Near term decline due to termination of Fragrance agreement with Coty.</li> </ul>
Private Label	11.9	11%	(20%)	<ul style="list-style-type: none"> <li>Low margin, low priority, however assists MCP meet customer requirements</li> </ul>
<b>Total HW &amp; B Sales Australia &amp; NZ</b>	<b>103.0</b>	<b>97%</b>	<b>(6%)</b>	
Asia (Singapore office)	3.1	3%	(35%)	<ul style="list-style-type: none"> <li>GDP growth</li> </ul>
<b>Total sales from continuing operations</b>	<b>106.1</b>	<b>100%</b>	<b>(7%)</b>	



# CASHFLOW & BALANCE SHEET METRICS

1H FY18 Underlying Cash Conversion*	94%	Follows FY17 Cash conversion of 113%
1H FY18 ROFE ** (6 months)	10.8%	Solid return on funds employed
Current underlying EBIT Interest Cover	> 20 times	EBIT*** / Interest†

\* Operating cashflow / Underlying EBITDA excluding non-cash, non-recurring items.

\*\* Underlying EBIT / Total funds employed.

\*\*\* Underlying EBIT excludes significant, non-recurring items

† Interest normalised to reflect HAPL divestment and exclude bond buyback costs





# TRANSFORMATION TO A LOWER RISK PROFILE

- **DEBT REDUCTION** - from \$93m January 2016 to \$14m at end April 2018.
- **REDUCED CHANNEL CONCENTRATION** - In FY14 the Grocery channel comprised ~63% & Pharmacy ~20% of total sales. 1H FY18 was ~45% Pharmacy & ~43% Grocery (ex Home Appliances).
- **REDUCED EXPOSURE TO USD** - In FY14 inventory purchases denominated in USD comprised ~81% of total stock purchases. Today USD purchases comprise ~45% of total stock purchases.



# ANTICIPATED MEDIUM TERM GROWTH PROFILES

- ORGANIC growth. Build our own brands & stretch existing in to new categories & Segments.
- SMALL “BOLT ON ACQUISITIONS” - < \$10m revenue, uncomplicated, leverage capacity, compelling multiples.
- JOINT VENTURES – Mutually beneficial ventures combining MCP’s capacity and execution capabilities with attractive Intellectual Property contributed by a partner.
- MATERIAL M&A – Complimentary businesses of scale, where material revenue and cost synergies can be achieved via a transaction which would be subject to comprehensive due diligence and execution planning.



## OTHER INFORMATION

- Retention of FY18 Guidance provided at 1H results release being:

*“For the full 2018 financial year, subject to continuation of current trading conditions, we expect to deliver an improvement in underlying profit before tax from continuing operations, excluding the Home Appliances business.”*

- Dividend policy is to pay a minimum of 60% of underlying profit after tax, subject to other cash requirements.
- Current FX hedging policy is to hedge estimated USD purchases for the next 12 months using at least 50% options with balance of hedging using FEC's.



# MARKETING CORE 6 & KEY ACCOUNTS



# CORE 6 BRANDS: PLAY TO WIN MINDSET



## BUILD THE CORE

- Packaging refresh
- Tailored Channel Plans
- Field Execution Compliance



## INNOVATION

- Consumer Led
- Market leading Innovation
- Differentiated product & packaging



## BRAND INVESTMENT

- Building brand equity
- Share of mind (reach and impact)
- A&P and Customer Investment



## Strategic Partnerships

- Building brands in partnership
- Trading Terms optimisation
- Strategic Investment strategy
  - Promotional effectiveness
  - In store Presence



# Driving Growth Through Innovation

**DR. LEWINN'S®**

**NEW**

luxurious skincare from  
**ETERNAL YOUTH**

With the power of **Juveleven™** which helps to **rejuvenate** and **revitalise** skin cell appearance by **10 years**.

**FOAMING MOUSSE CLEANSER**  
A soft velvety cleanser combining the anti-oxidant properties of **Elfe Flower** and the soothing benefit of **Green Tea**.

**SKIN POLISHING EXFOLIANT**  
An invigorating exfoliant containing **Activated Charcoal** to draw out impurities and refine pores for a glowing complexion.

**RICH NOURISHING CREAM**  
A rich and luxurious cream formulated with **Hydroviton® Plus** and **PatchiO™** for intense and lasting hydration.

**OVERNIGHT RECOVERY COMPLEX**  
A powerful and concentrated complex containing **Epitensive™**, a breakthrough in skin rejuvenation.

Anna Bamford  
Australian actor

Renew your you

Discover more at [drlewinns.com.au](http://drlewinns.com.au) [facebook.com/drlewinns](https://www.facebook.com/drlewinns) @drlewinns

## Dr. LeWinn's Eternal Youth

- #2 sub brand launched by McPherson's in 2014
- +30% growth in both Priceline and Chemist Warehouse
- Innovation and ATL support fuels continued growth

# Daigou Demand Accelerating Growth



## Dr. LeWinn's Line Smoothing Complex

- Export demand fuels domestic sales
- Growth accelerating in latest quarter +45% across Chemist Warehouse and Priceline
- Hero products include the Trinity Pack and Mask



# Rejuvenating the Core

**IMPERFECTIONS?**  
REVERSADERM THEM

CLINICALLY PROVEN CLINICALLY

TO IMPROVE  
✓ SKIN TONE\*  
✓ SIGNS OF PIGMENTATION\*  
✓ SIGNS OF AGE SPOTS\*

100% OF USERS NOTICED VISIBLY BRIGHTER SKIN\*

Resurface, renourish and correct imperfections with Dr. LeWinn's Reversaderm featuring:

- Glycolic Acid** An Alpha Hydroxy Acid to resurface uneven skin tone and diminish imperfections.
- Resveratrol & Vitamin C** To help reduce the appearance of discoloration and pigmentation.

The result? Brighter, more flawless looking skin.

100% noticed visibly brighter skin  
86% noticed more evenly-toned skin  
65% noticed visible Age Spot reduction  
User results after just 12 weeks\*

**DR. LEWINN'S**  
REVERSADERM

Look forward to a flawless you

9 weeks post launch:

- Reversaderm sales 5X following re-launch
- Cleansers growing +57%

**DR. LEWINN'S**  
PRIVATE FORMULA  
GENTLE VITAMIN ENRICHED  
CLEANSING

NEW  
CLEANSER  
PACKAGING

Anna Bamford Australian Actor & Dr. LeWinn's Ambassador

Source: IRI Market Measurement - Scan, Data to: MAT Units To 01/04/18



# [Akin]<sup>®</sup>

No. 2 in Natural Hair Care

No. 9 in Natural Skin Care

Growing +47% MAT vs LY in Natural Skin Care

# A'kin: One Global Skin and Hair Care Brand



## [A'kin]<sup>®</sup>

NATURAL AUSTRALIAN HAIRCARE

### NATURAL SHAMPOO & CONDITIONER

Formulated with pure & concentrated botanical ingredients, extracted in their purest form & chosen for their compatibility with the hair & scalp.



#### DAILY SHINE

AKIN ROSEMARY  
DAILY SHINE SHAMPOO  
AKIN AVOCADO & CALENDULA  
DAILY SHINE CONDITIONER



#### MILD & GENTLE

AKIN FRAGRANCE FREE MILD  
& GENTLE SHAMPOO  
AKIN FRAGRANCE FREE MILD  
& GENTLE CONDITIONER



#### COLOUR PROTECTION

AKIN YLANG YLANG  
& QUINOA COLOUR  
PROTECTION SHAMPOO  
AKIN QUINOA & ABYSSINIAN  
OIL COLOUR PROTECTION  
CONDITIONER



#### PURIFYING

AKIN LEMONGRASS &  
JUNIPER PURIFYING  
SHAMPOO



AKIN JOJOBA & AVOCADO  
PURIFYING CONDITIONER



#### MOISTURE RICH

AKIN ABYSSINIAN OIL & WHEAT  
PROTEIN MOISTURE RICH  
SHAMPOO  
AKIN MACADAMIA OIL & WHEAT  
PROTEIN MOISTURE RICH  
CONDITIONER



#### VOLUMISING

AKIN BAMBOO  
VOLUMISING DRY  
SHAMPOO

# Growth through Innovation

Natural Deodorant, Micellar Water and Facial Lotion  
Incremental Ranging - Shelf Expansion  
+47% growth (outpacing 4% category growth)

EST. 2002

# [A'kin]<sup>®</sup>

NATURAL AUSTRALIAN SKINCARE

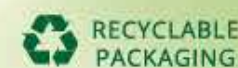
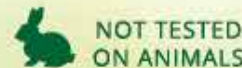
Not all natural brands  
are created equally.



NATURAL DEODORANT

SENSITIVE SKIN

ALL SKIN TYPES



# Introducing A'kin Oil Control Range

A longer-lasting, shine-free complexion, naturally

## NEW A'KIN OIL CONTROL RANGE

Discover a natural way to manage oily skin that's prone to shine.

Bamboo Powder!

For superior oil absorption

Flaxseed Extract

To control sebum production

Ginger

To calm and soothe

For a longer-lasting, shine-free complexion.



It's what goes in that makes it **[A'kin]**<sup>®</sup>



NO NASTIES



AUSTRALIAN MADE & OWNED



NOT TESTED ON ANIMALS



100% VEGAN



RECYCLABLE PACKAGING

Available at selected Pharmacies, David Jones and [akin.com.au](http://akin.com.au)



Results based on an independent laboratory self assessment study of Day and Night cream with 61 participants. \*Cleaner contains bamboo extract.

# ESSENTIAL BEAUTY PORTFOLIO



#1 Beauty Tools & Accessories



#1 Pharmacy Lashes  
Youth Destination



#1 Hair Tools & Accessories

**+\$6.7M Retail Sales Growth over last 2 years**

## Attract Younger Users



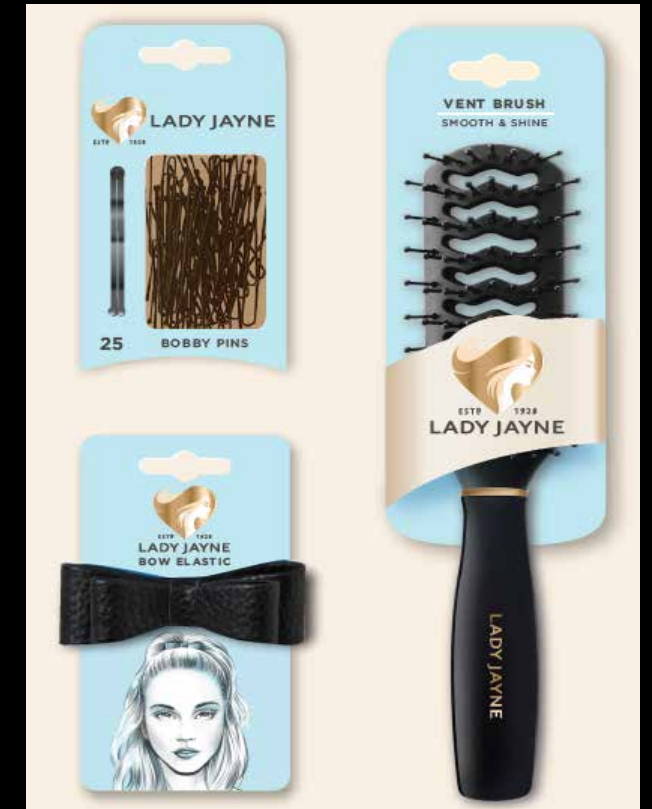
New Innovation  
Est. \$2M retail sales

## Consumer Engagement



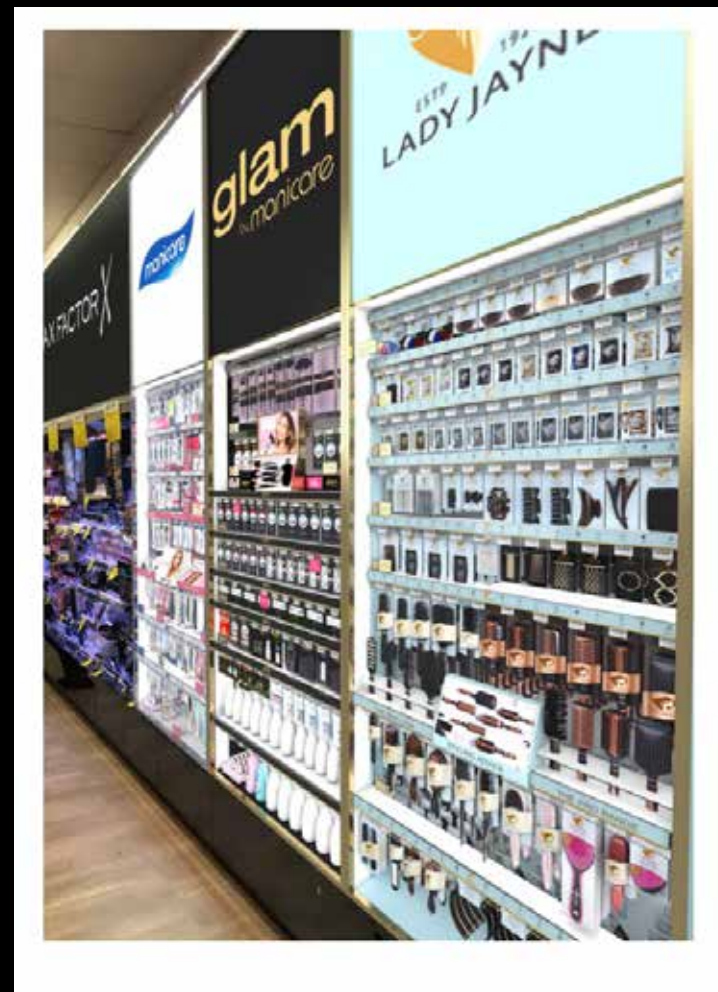
Glambassador  
3.5M followers

## Renovate the Core



Packaging Refresh  
+2ppt Sophistication

# BEAUTY & HAIR DESTINATION

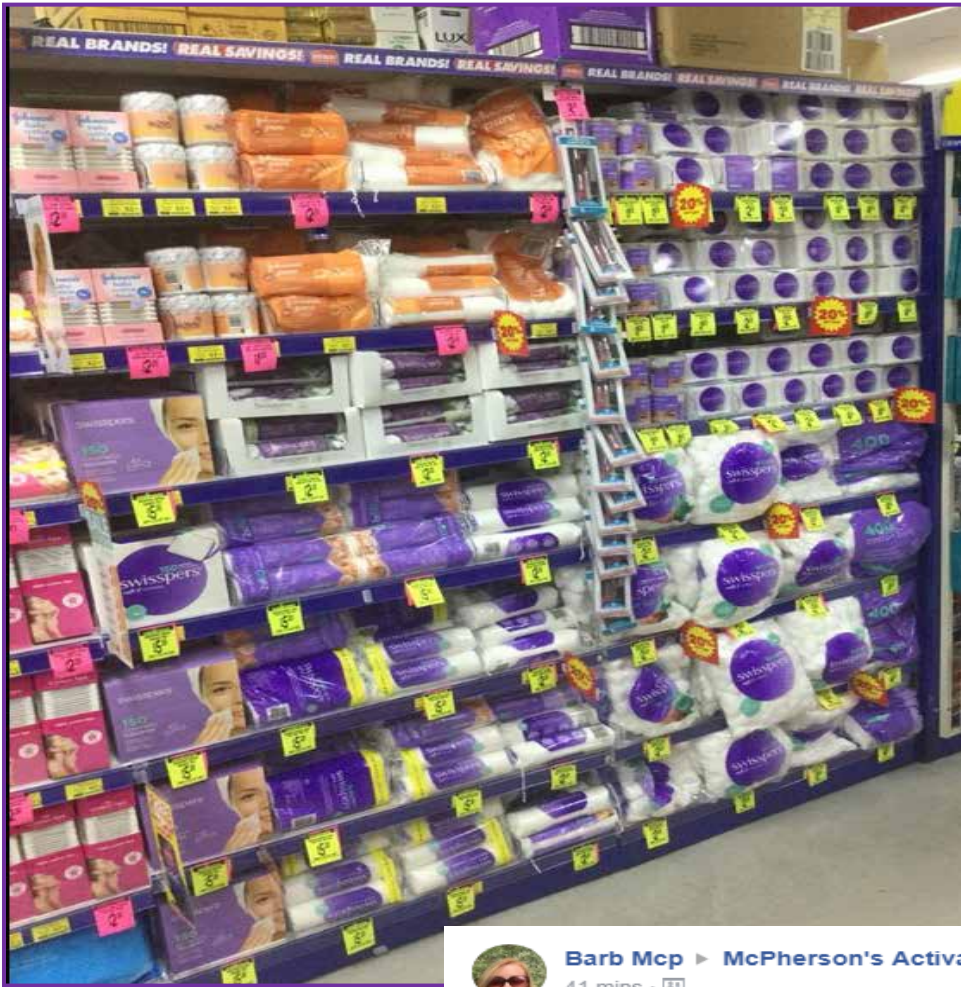





# SWISSPERS TRANSFORMATION: A catalyst for growth



# STRONG SHELF PRESENCE: Iconic, Premium & Modern



 **Barb McP** ▸ **McPherson's Activations** ...  
41 mins · 📷  
Our Swisspers looking amazing in CWH Fairfield ❤️  
❤️❤️❤️



- Market Leader in Cotton with 56% market share
- Innovating Facial Wipes – Micellar & Coconut
- Incremental Wipes ranging in Chemist Warehouse & Coles
- Driving growth in a flat category with 0.2 share point gains



# Market Leader with 31% Share in Bags Wraps and Foil

**\$112M**

Retail Sales Value

**51%**

of Australian Households have purchased a Multix product within the last year

**#1**

Foil, Kitchen Tidy, Garbage Bags, Baking Paper and Freezer Bags

New

# Multix<sup>®</sup> Greener<sup>™</sup>

At Multix we want to make it easy to choose household products that reduce the impact on the environment.

*Our new range is the first step  
towards a Greener future.*

New

# New Environmentally Friendly Food Wraps



## Multix Greener Brown Baking Paper 15m

Unbleached & chlorine free; sourced from European plantation forests, not native forest to reduce environmental impact.

New



## Multix Greener 100% Recycled Alfoil 10m

Strong & reliable Alfoil made from 100% recycled aluminium. Save precious resources without compromising on quality.

# New Compostable Tidy Bags

New

- ü Made from GMO free Corn Starch... even the worms can eat them!
- ü Home Compostable to Australian Standards
- ü No compromise on performance



A full range solution to support Ban the Bag

Degradable & Compostable solutions



# Building a Brighter and Greener Future



- Greener Innovation
- Incremental Core Ranging
- Ban the Bag
- TV Brand Campaign
- Christmas Activation
- Monash University Partnership



# MOVE TO STRATEGIC CUSTOMER PARTNERSHIPS

---

- Tangible benefits realised from strategic customer partnerships
  - #1 Australian beauty supplier within pharmacy
  - New trading terms with key Pharmacy customers and category approach in grocery have lead to
    - Increased participation
    - Incremental Ranging
    - In store Exposure and Share of Shelf
    - Tailored/ Differentiated Retailer Offers
    - Fully integrated plans



Strategic Partnerships

# INCREASED CATALOGUE PARTICIPATION

- Increased catalogue representation +5 % MAT



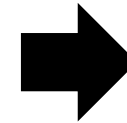
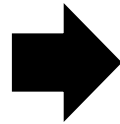
## INCREMENTAL RANGING IN PHARMACY & GROCERY

- Incremental ranging in over 3,000 doors across all channels
- 81 incremental SKUs accepted
  - 29,779 distribution points
  - 16,334 live in market
  - 13,445 May-Dec launch

# IN STORE PRESENCE



# INCREASED SHARE OF SHELF



# TAILORED & DIFFERENTIATED ACTIVATIONS



DR. LEWINN'S®

trilogy

[Akin] glam  
by manicare®

Personalised Xmas 2018

Differentiated Mother's Day Packs



Exclusive Pack Sizes and First to market retailer offers

# FULLY INTEGRATED PLANS



Floor stands



Catalogue Launch Panels



Retailer tagged ATL

**DR. LEWINN'S®**  
REVERSADERM ↻



Digital



Customer Asset Integration



Field team & Store take-overs



# DIGITAL AMPLIFICATION



Platforms / Technology



Syndication



Marketing



Big Data



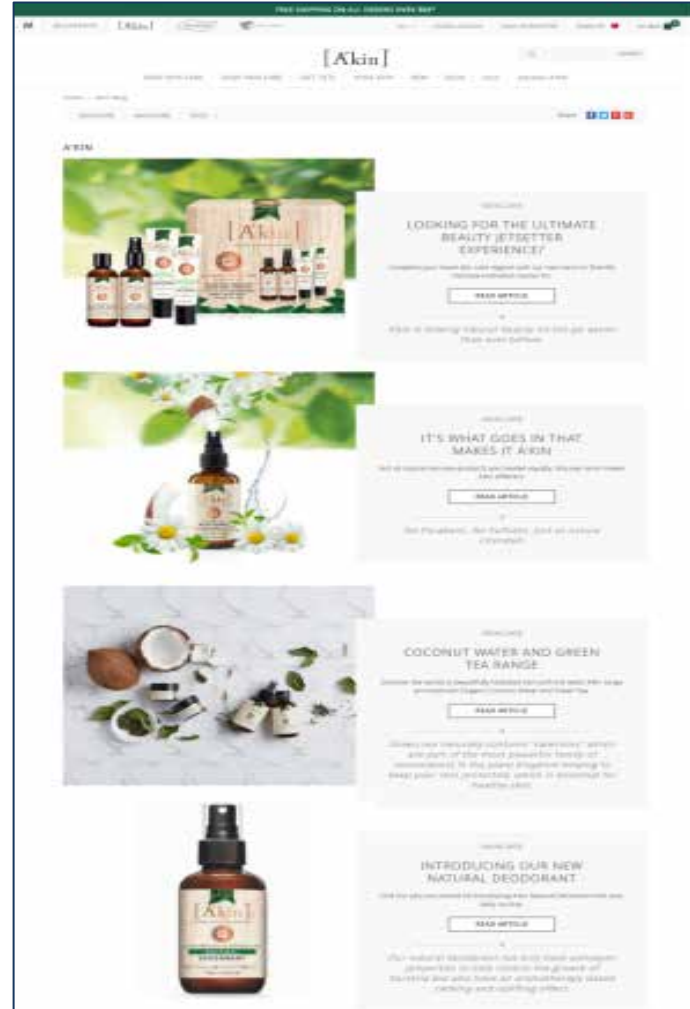
Customer & Consumer Relationships



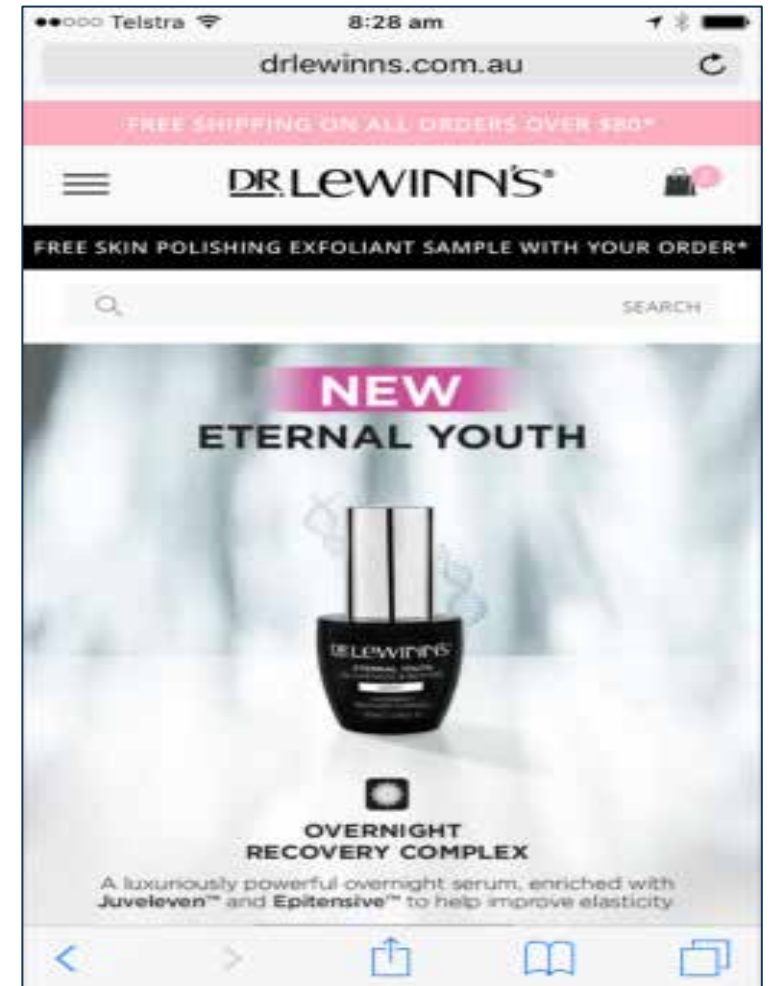
Product

# PLATFORM / TECHNOLOGY

## Best In Class eCommerce Solution



## Mobile First



# SYNDICATION

- SKU Library – 600+ product images | 7 Brands | Domestic & International access
- Retailers downloading daily with over 4000 downloads since October 2017

The screenshot displays the SKU Library website interface. At the top, there is a search bar with the text "Search by Title, Barcode, Brand..." and a "DOWNLOAD CONTENT" button. Below the search bar, the breadcrumb navigation shows "Dashboard | All Products | Brand: A'kin".

On the left side, there is a "Filter by:" section with several dropdown menus: "Category", "Supplier", "Asset Type", and "Brand". Below these is a "Search Brand..." input field. A list of brands is shown with checkboxes: "A'kin (63)" (checked), "Dr LeWinn's (62)", "Lady Jayne (110)", "MOOSEHEAD (9)", "Manicare (214)", "Maseur (4)", and "Maseur by Footcare (11)". Below the brand list are more filter options: "Retailer Visibility", "Enrich Status", "Copy Status", and "Product Status", each with a plus sign.

The main content area shows "63 Products found". Above the product list is a banner that says "Need to create or add a new product?" with a "Click here to submit a brief" link and an upward arrow icon. Below the banner is a pagination control showing "Date Modified (newest)", "1-50/63", and an "ADD ALL" button.

Two product listings are visible:

- A'kin Intense Hydration Day & Night Cream 50ML**: Last Updated: 13 days ago, SVcode: IKR1016, Supplier Code: 1110008, Barcode: 0897762000726. It includes an image of the cream jar and a row of small product thumbnails.
- A'kin Weightless Rosehip Oil For Face and Body 45ml**: Last Updated: 13 days ago, SVcode: IQA1060, Supplier Code: 1430056, Barcode: 9349288140567. It includes an image of the oil bottle and a row of small product thumbnails.

Each product listing has an "ADD" button and two menu icons.



# SYNDICATION – DIGITAL ASSETS AMPLIFICATION PACKAGES

---

## Social Media Images and Text |

### Suggested Text

The NEW Manicare Make-up Brush Kits are now in store. These great value brush kits from the Manicare Expert Brush Collection are endorsed by celebrity make-up artist Liz Kelsh!

You have a choice of the below images to use with your post.



Manicare Makeup Brush Kits  
Flat Lay.jpg



Manicare Eyes Makeup Brush  
Kit Flat Lay.jpg

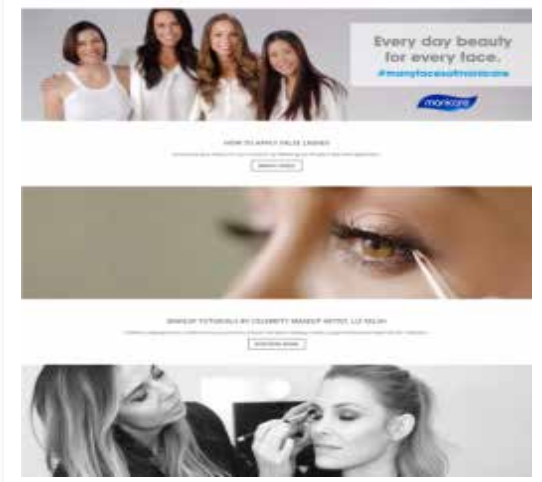
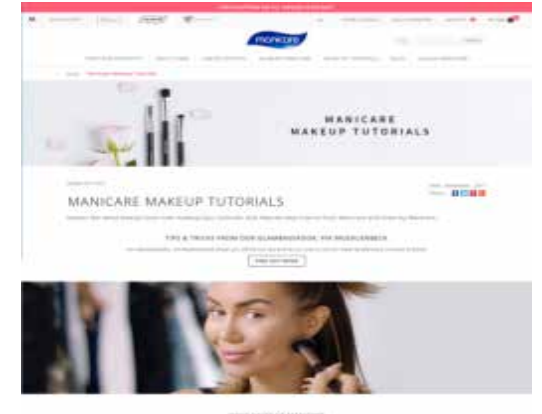
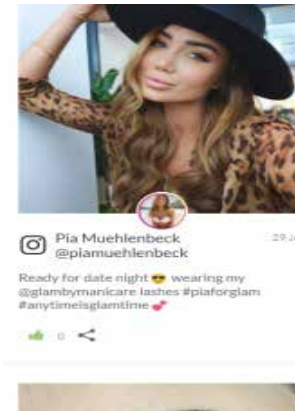


Manicare Essentials Makeup  
Brush Kit Flat Lay.jpg

# MARKETING

## Google Network | Stackla | Influencer Campaigns | How To Tutorials

- +200% increase in digital presence & media; Tutorials viewed +350k; Social Community 780k



# CUSTOMER PARTNERSHIPS

**priceline pharmacy**






Free shipping on all orders over \$99

**LADY JAYNE®**

1878 1928

With Lady Jayne you can be sure that you will always look great and feel confident, effortlessly.

**SHOP THE NEW BRUSH RANGE**

 <p><b>FIDDLE BRUSH</b></p> <p>Fiddle brush is ideal for detangling and smoothing natural waves.</p> <p><a href="#">SHOP NOW</a></p>	 <p><b>WADDLE BRUSH</b></p> <p>3.5 inch 2 in 1 Waddle brush with Fiddle side base. Ideal for thicker hair and creates volume and movement for superior wavy styles.</p> <p><a href="#">SHOP NOW</a></p>	 <p><b>VENT BRUSH</b></p> <p>Vent brush with a smaller vent base ideal for thicker hair and creates volume and movement for superior sleek styles.</p> <p><a href="#">SHOP NOW</a></p>
 <p><b>PORCUPINE FACIAL BRUSH SMALL</b></p> <p>Small porcupine facial brush that works in shower, ideal for thicker hair.</p> <p><a href="#">SHOP NOW</a></p>	 <p><b>PORCUPINE FACIAL BRUSH LARGE</b></p> <p>Large porcupine facial brush with in shower, ideal for thicker hair.</p> <p><a href="#">SHOP NOW</a></p>	

**GET THE LOOK**

**HALO BRAID**

How To Halo Braid By Celebrity Hair Stylist Jonathan Colombini

**Tips & Tricks**

2. Use the tip of your nose to guide your centre part



**SLEEK & STYLED**

How To Create The Sleek & Styled Look By Celebrity Hair Stylist Jonathan Colombini

**Tips & Tricks**

2. Section out the back of the hair and pin while you create your ponytail

**ACCESSORIES**

 <p><a href="#">SHOP PINS</a></p>	 <p><a href="#">SHOP SLIDES AND BARRETTES</a></p>
---	--

**CHEMIST MARKET** **WE BEAT EVERYONE'S PRICES**







DISCOUNT CHEMIST

FREE SHIPPING OVER \$99

**[Akin]** AUSTRALIAN ESSENCE

**NEW SIZE**

Discover the magic of Akin Micellar Water. The ultimate natural cleanser.

 <p><b>Akin Micellar Water</b> With Organic Coconut Water &amp; Vitamin E</p> <p><b>\$23.69</b> SAVE \$12.28</p> <p><a href="#">SHOP NOW</a></p>	 <p><b>Akin Hydrating Toner</b> With Organic Coconut Water &amp; Vitamin E</p> <p><b>\$23.69</b> SAVE \$12.28</p> <p><a href="#">SHOP NOW</a></p>	 <p><b>Akin Hydrating Mist</b> With Organic Coconut Water &amp; Vitamin E</p> <p><b>\$11.69</b> SAVE \$6.28</p> <p><a href="#">SHOP NOW</a></p>
 <p><b>Akin Toner</b> With Organic Coconut Water &amp; Vitamin E</p> <p><b>\$14.69</b> SAVE \$12.28</p> <p><a href="#">SHOP NOW</a></p>	 <p><b>Akin Exfoliating Lintener</b> With Organic Coconut Water &amp; Vitamin E</p> <p><b>\$23.69</b> SAVE \$12.28</p> <p><a href="#">SHOP NOW</a></p>	 <p><b>Akin Shampoo</b> With Organic Coconut Water &amp; Vitamin E</p> <p><b>\$17.69</b> SAVE \$12.28</p> <p><a href="#">SHOP NOW</a></p>

**FREE SHIPPING** On All Fragrance Orders No Minimum Spend

**35% OFF** ONLY ENTIRE RANGE! Healthy Care

**THE HOUSE OF wellness**

HEALTH BEAUTY LIFESTYLE WELLBEING EAT ASK RADIO TV

**TAKE CONTROL. TREAT PAIN**

**PHARMACY MEDICINE**

**Mersynofen**

Discover the magic of Akin Micellar Water

**BUY NOW**



# CORE 6 BRANDS: PLAY TO WIN MINDSET



## BUILD THE CORE

- Packaging refresh
- Tailored Channel Plans
- Field Execution Compliance



## INNOVATION

- Consumer Led
- Market leading Innovation
- Differentiated product & packaging



## BRAND INVESTMENT

- Building brand equity
- Share of mind (reach and impact)
- A&P and Customer Investment



## Strategic Partnerships

- Building brands in partnership
- Trading Terms optimisation
- Strategic Investment strategy
  - Promotional effectiveness
  - In store Presence

Brand Health & Equity

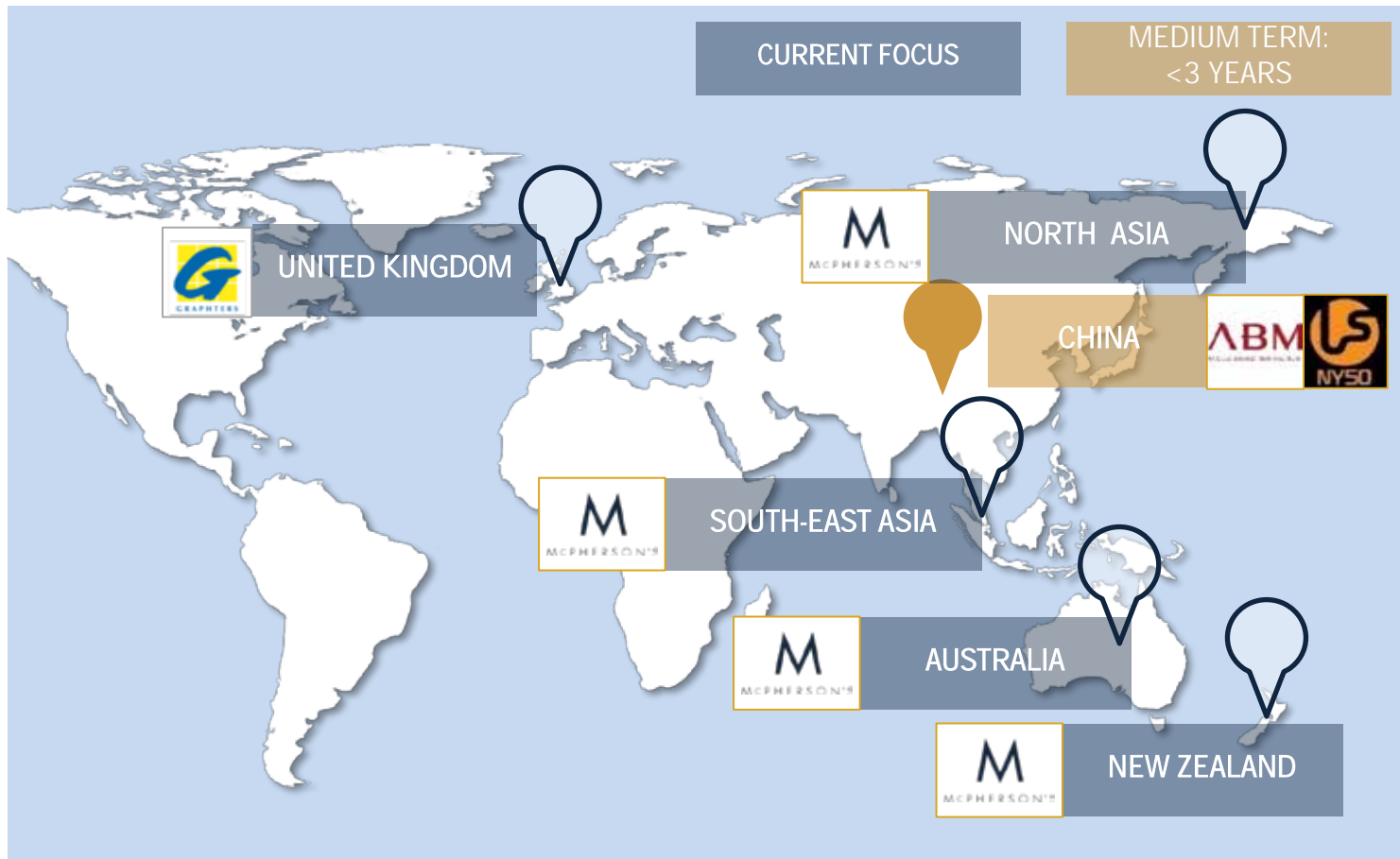
→ Sustainable Growth

→ Market Share Gains



EXPORT

# INTERNATIONAL KEY FOCUS AREAS FY18



- Stabilise NZ business
- Singapore
  - Reshape for growth domestically
  - eCommerce
  - Drive Regional expansion
  - Online
- Establish partnerships Japan and Korea
- Investment in China to Drive Brand awareness
- Build strategic plans with Partners
- Built an Export Team (5 HC's)

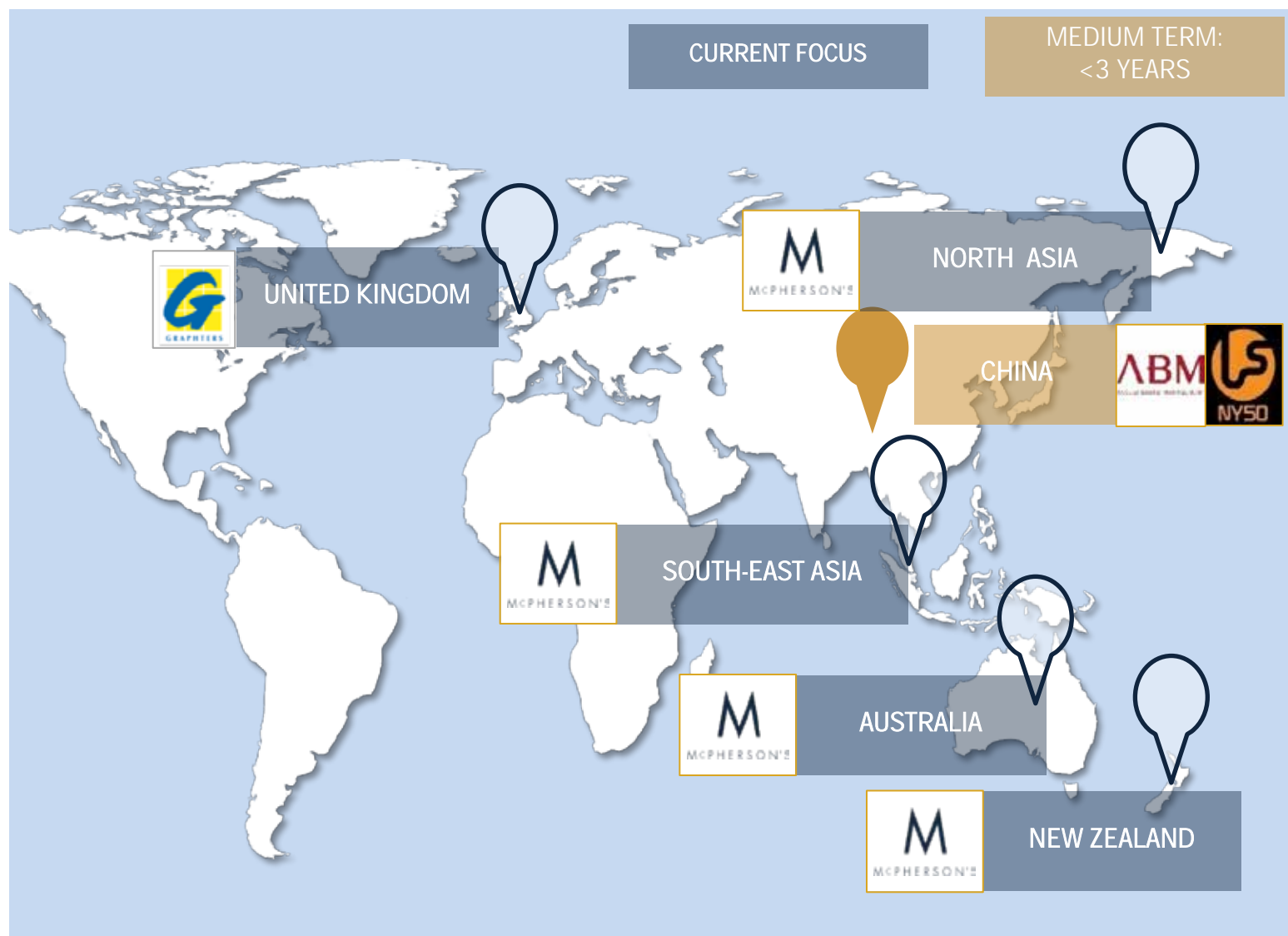
Build China E Commerce Platform profile through select partners



# EXPORT PERFORMANCE OVERVIEW FY18

	China	Nth Asia/Malaysia and India	Dubai	UK
				
% Chg vs YA FY18	+716%	100% Incremental	Flat	+22%
Strategy	<p>New Distribution Models</p> <ul style="list-style-type: none"> <li>• Exclusive</li> <li>• TP / Trader</li> <li>• Domestic (Exporter/Gift Stores)</li> </ul>	Capture new export markets	High Penetration Established Market	High Penetration Established Market
Brand Focus	<ul style="list-style-type: none"> <li>• Dr LeWinn's</li> <li>• A'kin</li> <li>• Karen Murrell</li> </ul>	<ul style="list-style-type: none"> <li>• Dr LeWinn's</li> <li>• A'kin</li> </ul>	<ul style="list-style-type: none"> <li>• A'kin</li> <li>• Moosehead</li> <li>• Manicare</li> </ul>	<ul style="list-style-type: none"> <li>• A'kin</li> <li>• Moosehead</li> </ul>
Platform	<ul style="list-style-type: none"> <li>• Wechat, Weishang, Tmall, Taobao</li> <li>• F'ship Stores</li> <li>• POP Stores / Beauty</li> </ul>	<ul style="list-style-type: none"> <li>• Classic Distribution Model</li> </ul>	<ul style="list-style-type: none"> <li>• Classic Distribution Model</li> </ul>	<ul style="list-style-type: none"> <li>• 2 X National Grocery</li> <li>• National Pharmacy</li> <li>• Beauty retail</li> <li>• Airlines / Home Shop</li> </ul>

# CONTINUE STEP CHANGE IN GEOGRAPHIC FOOTPRINT



## FY19 focus areas:

- NZ and Singapore Domestic Health
  - NZ profit
  - Singapore Sales Growth
- Grow UK through new channels
- Explore other regions, continue to build structure and people capabilities
- Build Japan/Korea
- Accelerate growth in China with 5 key partners



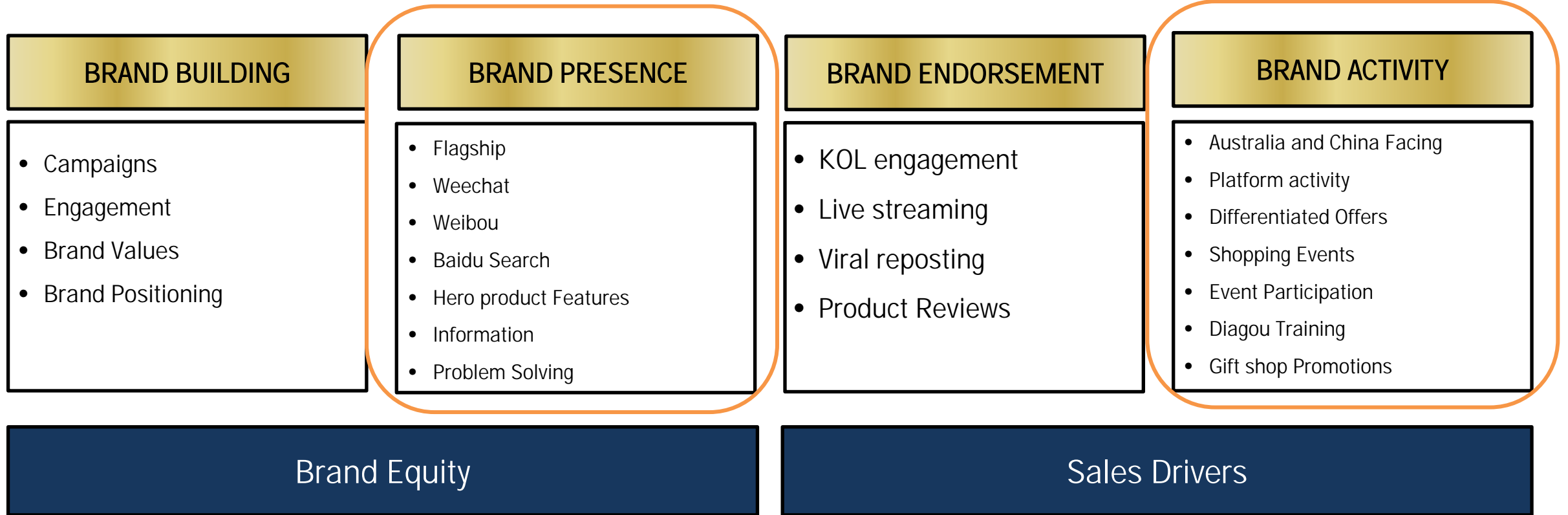
# CHINA SKIN CARE MARKET OVERVIEW

---

- Skincare is a \$29B category (22B US) growing at 5%
- Key trends
  - KOL's driving behaviour
  - Organics
  - Switch from mainstream to Prestige brands
  - Masks
- Ecommerce platforms gaining share in skincare and cosmetics



# BUILDING BRANDS IN CHINA



# BRAND PRESENCE



Key messaging and Hero SKUs



Flagship Store



Wechat /Weibo

# BRAND ENDORSEMENT



Live streaming

- Selection of right KOL's
- Sampling
- Event invitations

# BRAND ACTIVITY

## Australia Facing



- Diagon education
- Diagon Events
- Gift Store Promotions through key partners
- Targeted Retailer activations

## China Facing

- Key Platform promotion
- Differentiated Value Offers
- Key partner collaboration
- Integrated plans
- Shopping festival campaigns



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Shopping Festivals		8.18		Presale	11:11	12:12	CNY		Women's Day			6:18

# S U M M A R Y

---

Reset New Zealand and Singapore for profitable growth

- Domestic and Export

Strong strategic partners in Export

- Routines
- Strategic alignment
- Collaborative planning
- Regular joint visits

Investment in Brand Awareness

Brands that resonate in multiple markets

- Relevance and presence

Building the right structure and capability with appropriate culture and language considerations



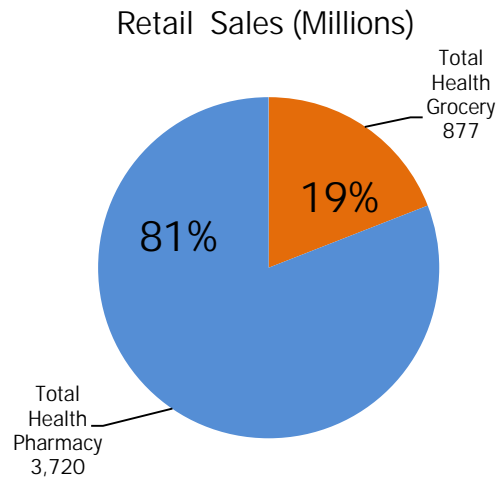
# PROJECT LANDSCAPE / INNOVATION / R&D

# HEALTH, WELLNESS & BEAUTY: A \$13 BILLION MARKET



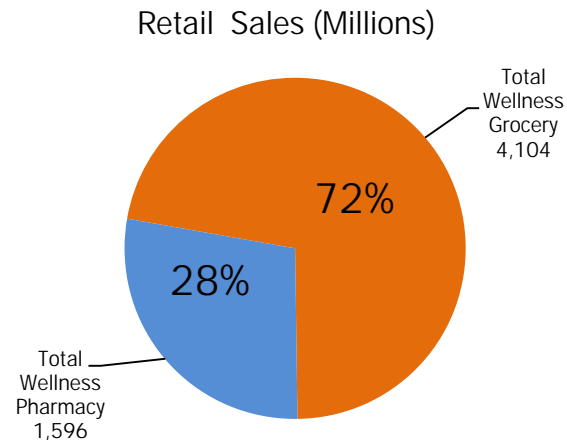
(\$4.6 Billion, 0.2% vs YA)

The intent of enhancing and restoring health via symptomatic treatment



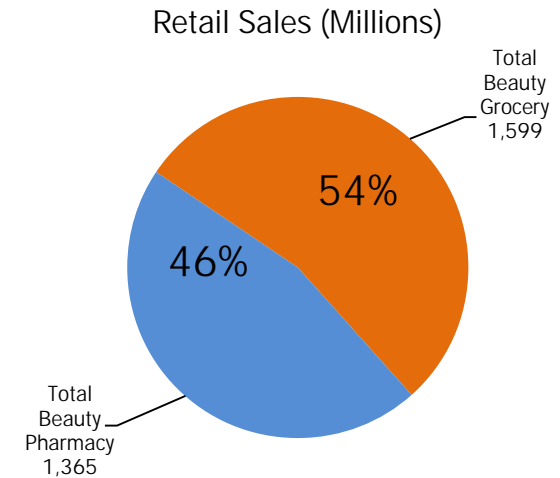
(\$5.7 Billion, +3.8% vs YA)

Maintain the state of good health by proactively seeking to prevent the onset or worsening of conditions




(\$3.0 Billion +1.3% vs YA)

The subjective enhancement of physical perception for ones own satisfaction




# 5 WELLNESS TRENDS RELEVANT TO MCP



## Green Beauty Boom

- Boutique to Mass
- Ingredient transparency the “new normal”
- Holy Grail - Natural beauty brands, high-quality, safe ingredients delivering exceptional results
- Application: Participating in Naturals with Akin & Alchemy brands




sponsored by BIOHUB

## Gut Health 2.0

- From probiotics, i.e. balancing good & bad bacteria
- To the rapidly evolving field of the microbiome
- Exciting new discoveries show that both bacteria and fungi play a critical role
- Application. Probiotic supplements with added prebiotic fibre. New products that include beneficial fungi & bacteria.

## Collagen

- Collagen: The ultimate gut-healing superfood.
- One of the cleanest types of protein powders
- Great for skin care, anti-aging, repairing the gut, wound healing, & boosting immune system
- Application: Bone broth: Rich, natural source of collagen
- Collagen matcha, coffee-infused bone broth and bone-broth-based veggie drinks



## Health Food Reigns

- Driven by Millennials, with an estimated \$1 trillion of buying power.
- Consumers expecting brands to;
  - Deliver meaning and nutrition in their products
  - Reflect their values
  - Help them meet their wellness goals
- Application: Clean-label snacks, protein & Superfood powders



## Fat & Mitochondria

- Mitochondria are “power plants” in the cells that turn your food and oxygen into energy
- mitochondria power the biochemical reactions in your cells
- not functioning optimally, people can expect to “get less from (their) body and brain, feel more tired, and age quicker
- Application: Healthy fats – supplements, powders, snacks



# EXPLORE NEW PRODUCT GROWTH PLATFORMS

## FINANCIAL HEALTH

- Management balance sheet discipline/improvement & HAPL divestment
- Leaving McPherson's **poised** for new Health, Wellness and Beauty Investment Opportunities



## CAPABILITY & CAPACITY

### Consumer & Business Intel.



- 2X Investment
- 3 FTE's & New Tools

### R&D



- 8 FTE's / Specialists
- 25+ HK Sourcing

### Sales & Marketing



- 26 FTE's KAM, 55+ Field
- 30+ Local & Intl Marketers

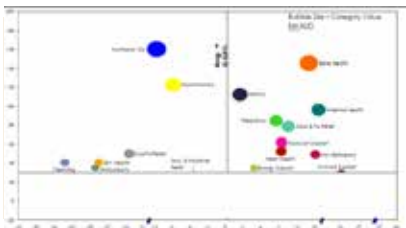
### Supply Chain



- 40% Capacity
- 5,000 Daily deliveries

## COLLABORATIVE PARTNERSHIPS and M&A

### Project Landscape



### Agency Partnerships



### M&A - Integ. Turn & Grown



# NEW BUSINESS / M & A

## Organically Build New Brand(s)

- Capability to enter new exciting spaces through internal development – not just via M&A

## Small Bolt-on Acquisitions

- Smaller uncomplicated deals
- Add value through our relationships, infrastructure, sales, marketing and execution capability

## Joint Ventures

- Recognising the value that MCP brings to partners
- Venture with other parties with strong upstream IP and leveraging MCP reach & execution capability

## Game Changing M&A Deal

- Well positioned to pursue a Game Changing Acquisition
- HW&B Focused
- Looking for strong synergies with existing business and ability to further expand geographic distribution (e.g. China)

# KEY M & A CRITERIA

## HW&B focused

- Strategic fit within HW&B sector

## Fit with existing business

- Fit with existing brand portfolio
- Fit with existing customer base
- Fit with distribution infrastructure

## Competitive landscape

- Size of market
- Competitive position and strength of target
- How concentrated is competitive landscape in sector

## Growth potential

- Strong growth potential and ability for MCP to add value / generate synergies
- Ability to expand distribution
- Export potential (both for target and existing MCP portfolio)

## Strong financial returns

- Target Return on Funds Employed 20%+

# REBUILDING R&D TO BE HEALTH, WELLNESS AND BEAUTY FOCUSSED

**Formulation Expertise**  
40+ yrs



*Expertise used to deliver unique products and claims*



**Product Development Expertise**  
20+ yrs



*Fast track route to market*




**Strategic Sourcing Expertise**  
30+ yrs



*The right global suppliers to deliver innovative solutions*



**Project Management Expertise**  
15+ yrs



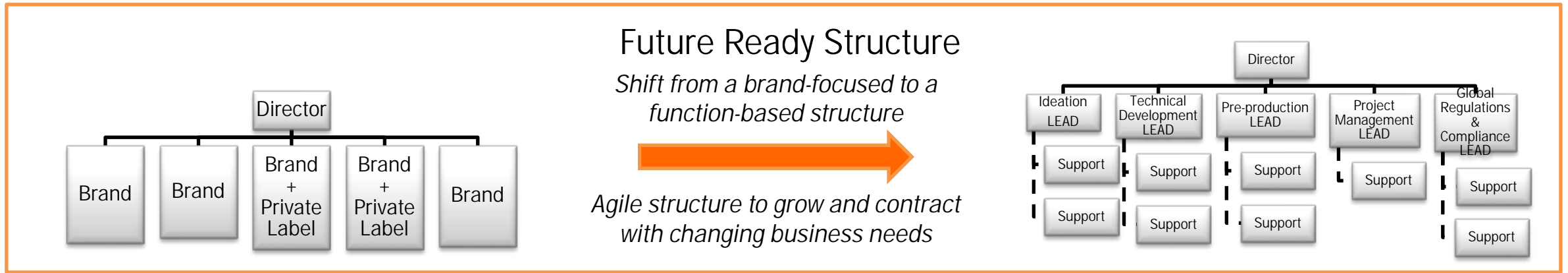
*MCP proprietary Stage-Gate software to prioritise resource allocation*

**Supplier Alliances**



*Local expert partners to access regional markets*

**Insights, Research & Education**

# BUILDING TOMORROW'S SUPPLY CHAIN TODAY

## Kingsgrove Warehouse

Capacity: **12,500**  
Flexible: **40%**

## Melbourne 3PL

Capacity: **10,000**  
Efficiency: **\$1.0m**

## 66% Distribution Capacity

Cartons Per Day  
**5,000**

24 hr Delivery  
**1,600** postcodes

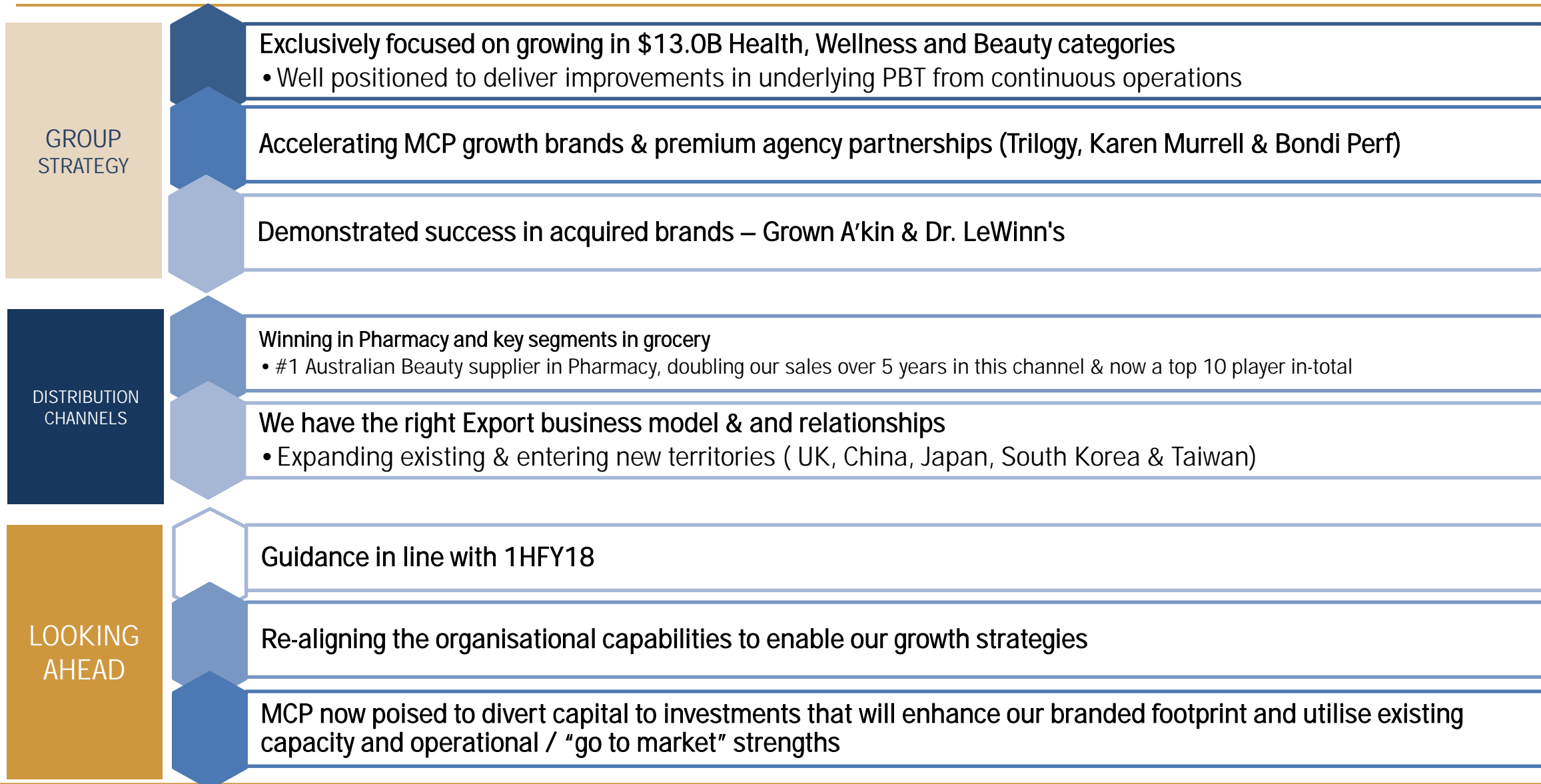
Direct Pharmacy Doors  
**5,301**

## Strong Supplier Alliance



SKU Rationalisation  
Active SKU's: **1,100**  
Past 3yrs: **33%↓**

# SUMMARY





# SENIOR LEADERSHIP TEAM



Laurence McAllister  
Managing Director



Paul Witheridge  
Chief Financial  
Officer



David Fielding  
Strategy, Planning &  
Innovation Director



David Smith  
Business Development  
Manager



Lori Pirozzi  
International Sales Director



Sarah Tully  
HR Director



Brett Owers  
Commercial Finance  
Business Director



Donna Chan  
Marketing Director



Mark Brady  
Supply chain Director



Mary Pearce  
R&D Director







*Poised for Growth*

---