

# M

MCPHERSON'S

Est. 1860

DR. LEWINN'S®

[Akin]®



manicare

swisspers®

Multix

MCPHERSON'S LIMITED

# AGM 2019

18<sup>TH</sup> NOVEMBER, 2019

CREATING BETTER IN

*Health Wellness & Beauty*





# GRAHAM CUBBIN, CHAIRMAN







# AGENDA

- 1 WELCOME FROM GRAHAM CUBBIN AND CHAIRMAN'S ADDRESS
- 2 LAURENCE MCALLISTER, MANAGING DIRECTOR'S ADDRESS
- 3 SALES & MARKETING – LORI PIROZZI & DONNA CHAN
- 4 EXPORT – DAVID FIELDING
- 5 R&D – MARY PEARCE
- 6 NEW BUSINESS – BRETT OWERS
- 7 SUMMARY – LAURIE MCALLISTER
- 8 FORMAL RESOLUTIONS
- 9 QUESTIONS, (ALL RESOLUTIONS TO BE BY POLL)
- 10 POLL RESULTS ANNOUNCED TO ASX AFTER THE CONCLUSION OF THE MEETING

# OUR BOARD

OUR BOARD'S EXPERIENCE REFLECTS OUR STRATEGY



**GRAHAM A. CUBBIN**

Independent Non-Executive  
Director



**JANE M. MCKELLAR**

Independent Non-Executive  
Director



**GRANT W. PECK**

Independent Non-Executive  
Director



**GEOFFREY R. PEARCE**

Independent Non-Executive  
Director



**ALISON J. MEW**

Independent Non-Executive  
Director



**LAURENCE MCALLISTER**

Managing Director







**A leading supplier  
of health, wellness  
&  
beauty brands**

# 3 YEAR STRATEGY



FOCUS ON  
CORE 6  
OWNED BRANDS



EXPLORE NEW  
PRODUCT GROWTH  
PLATFORMS



MOVE TO STRATEGIC  
CUSTOMER AND SUPPLIER  
PARTNERSHIPS



DRIVE VALUE  
FROM GEOGRAPHIC  
FOOTPRINT

END TO END CAPABILITY AND CAPACITY  
– SUPPLY CHAIN, ROUTE TO MARKET AND IT

STRATEGIC ENABLERS

STRONG AGENCY PARTNERS COMPLEMENT  
PORTFOLIO, SCALE AND CAPABILITY

TO GROW IN

*Health Wellness & Beauty*



# FY19 KEY FINANCIAL

*highlights*

UNDERLYING PROFIT BEFORE TAX  
FROM CONTINUING OPERATIONS

**+17%**  
on FY18

STAT PROFIT AFTER TAX

**+165%**  
on FY18

UNDERLYING EPS FROM CONTINUING OPERATIONS

**+33%**  
on FY18

NET DEBT

**-24%**  
on FY18

SALES REVENUE FOR 6 CORE BRANDS

**13%**  
on FY18

R&D INVESTMENT

**+80%**  
on FY18

CHINA SALES UPLIFT

**400%**  
on FY18

# HEALTH, WELLNESS & BEAUTY – A \$17 billion market



## HEALTH

(\$4.9 BILLION, +3.9% VS YA)

The intent of enhancing and restoring health via symptomatic treatment

## WELLNESS

(\$5.7 BILLION, +3.8% VS YA)

Maintain the state of good health by pro-actively seeking to prevent the onset or worsening of conditions

## BEAUTY

(\$6.5 BILLION, +2.8% VS YA)

The subjective enhancement of physical perception for ones own satisfaction



# LAURIE MCALLISTER, MCPHERSON'S CEO AND MANAGING DIRECTOR



# OUR MANAGEMENT TEAM

ENSURE WE HAVE OUR TEAM FIT FOR THE FUTURE WITH APPROPRIATE EXPERTISE, CAPABILITIES AND VALUES



**SARAH TULLY**  
HR Director



**PAUL WITHERIDGE**  
Chief Financial Officer



**DONNA CHAN**  
Marketing Director



**DAVID FIELDING**  
Strategy, Planning and  
Innovation Director



**LORI PIROZZI**  
International Sales  
Director



**BRETT OWERS**  
Commercial Finance  
Business Director



**MARY PEARCE**  
R&D Director



**MARK BRADY**  
Supply chain Director



**LAURENCE MCALLISTER**  
Managing Director



# OUR STRATEGIC BUSINESS IMPERATIVES

1

REFOCUS MCPHERSON'S ON HEALTH, WELLNESS & BEAUTY WITH SUSTAINABILITY AND PEOPLE AT THE CORE

2

REVITALISE OUR OWN MCPHERSON'S BRANDS

3

ENSURE A HEALTHY BALANCE SHEET

4

MOVE FROM TRANSACTIONAL TO STRATEGIC PARTNERSHIPS WITH OUR TOP SIX CUSTOMERS

5

INTEGRATE AND GROW ACQUIRED SKINCARE BRANDS; DR. LEWINN'S AND A'KIN

6

CREATE A CHINA FACING BUSINESS

7

ENSURE WE HAVE OUR TEAM FIT FOR THE FUTURE WITH APPROPRIATE EXPERTISE, CAPABILITIES AND VALUES

8

STABILIZE AND GROW NZ & SINGAPORE AND EXPAND IN ASIA & INTERNATIONAL (SELECTIVELY)

9

GAIN EFFICIENCIES AND SAVINGS ACROSS SUPPLY CHAIN INFRASTRUCTURE

10

CREATE A NEW BUSINESS TEAM FOCUSED ON SIGNIFICANT M&A OPPORTUNITIES AND NEW VENTURES





MCPHERSON'S

# SALES & MARKETING

A'KIN

Australian Tea Tree Oil Detoxifying Mask





# LEVERAGING MACRO TRENDS

## CHINA EXPORT



## DEMAND FOR NATURAL



## SUSTAINABLE SOLUTIONS



## PROACTIVE SELF CARE



## HOLISTIC WELNESS



- China middle-class population projected to exceed 600M by 2022

- Global Organic Personal Care Market projected to reach \$25B by 2025
- Here to stay

- Renew | Reuse | Recycle | Remove
- Consumers voting with their wallet

- Global Face Mask Market expected to reach \$8.8B in 2021
- China represents 48% of market
- Australia Face Mask Market +50% CAGR (2016-2018)

- Beauty & wellness market in 2017 was worth \$14.5B in China
- The US saw a 61% increase in sales in beauty positioned supplements this past year



# OWNED BRAND PILLARS OF GROWTH



## INNOVATION

- +80% increased **R&D investment** to fuel differentiation
- 11 x **first to market** sustainable NPD to grocery
- **Clinical & Consumer User efficacy claims**
- FY19 **\$13.5M** RSV delivered
- Innovation **Partnerships**

## EXECUTION

- +45% increase in **merchandising investment**
- +10% increase in **A&P**
- +65% increase in **customer participation**
- +63k incremental **distribution points**

## PARTNERSHIPS

- **Strategic** alignment
- **Trading Terms** optimisation
- Building category solutions in **partnership**
- Integrated **Sales and marketing** plans
  - 360 degree launches
  - Investment in customer vehicles

## EXPANSION

- **12 New Countries** in FY19
- Segment Expansion:  
**Dr. LeWinn's Mask Destination**
- Category Expansion:  
**A'kin Natural Deodorant**



# #1 AUSTRALIAN COSMECEUTICAL BRAND

## FACIAL SKINCARE PHARMACY CHANNEL

**DR. LEWINN'S®**

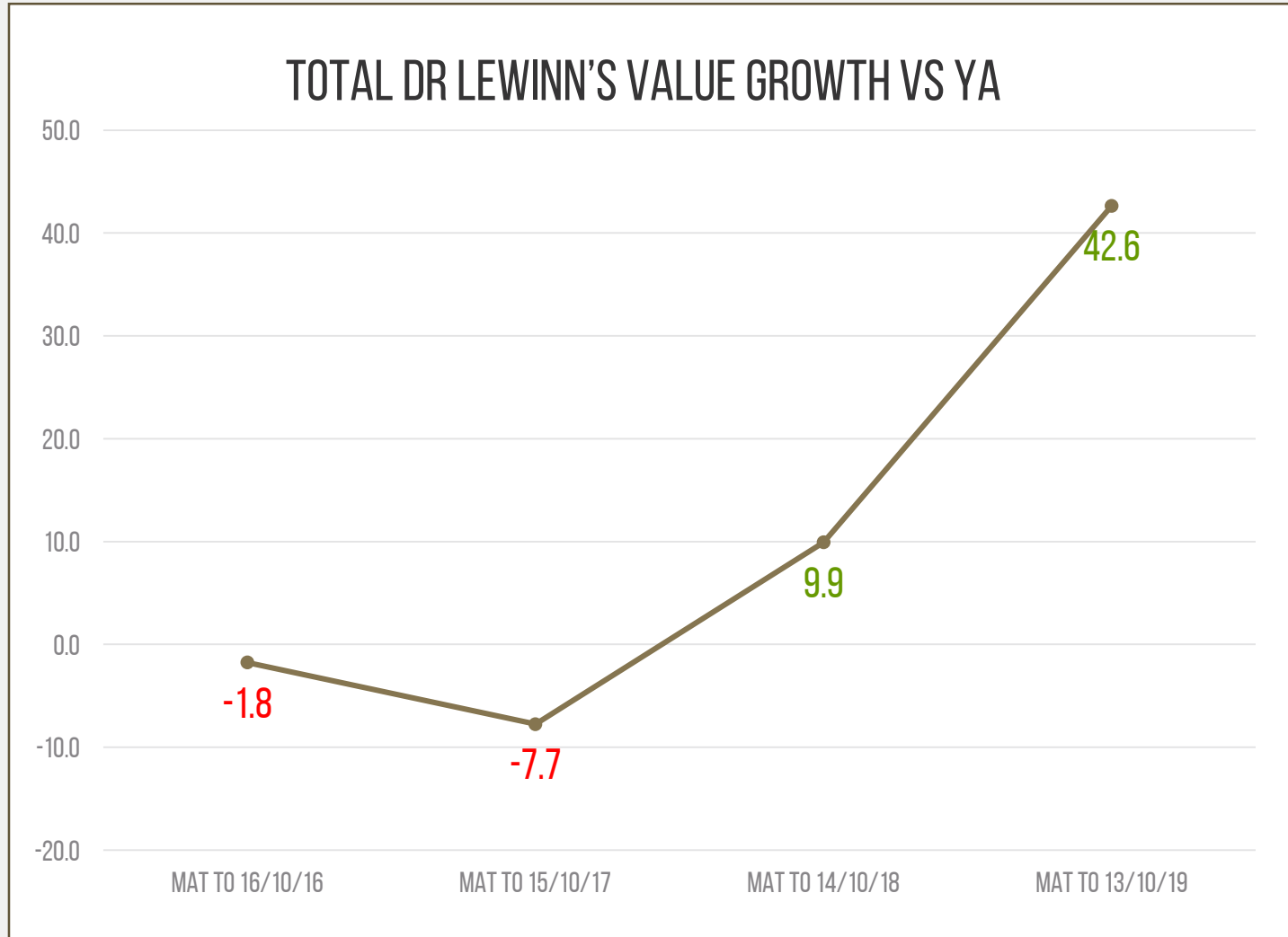
ADVANCED COSMECEUTICAL SKINCARE



125% Revenue Growth FY19

Source: Data sourced from IRI MarketEdge based on data definitions provided by McPherson's Consumer Products. Australian Pharmacy Market, Facial Skincare Category MAT

# DR. LEWINN'S BRAND TRANSFORMATION IN DOMESTIC MARKET



- **#6** Facial Skincare brand in Pharmacy channel
- **+43%** Growth vs YA - fastest growing top 10 Pharmacy Facial Skincare brand
- **#1** Retail Sales Value growth contributor in Facial Skincare vs YA (+\$7.1M)
- **23<sup>rd</sup>** largest brand contributor to value growth across all Pharmacy categories (out of over 10,000 brands)



# DRIVING CONSUMER DEMAND THROUGH CLINICALLY PROVEN SUB-BRANDS

## ESSENTIAL HYDRATION



### PRIVATE FORMULA

**+24%**

Domestic retail sales growth vs LY

## ADVANCED ANTI-AGEING



### LINE SMOOTHING COMPLEX

**+95%**

Domestic retail sales growth vs LY



### ULTRA R4

**+100%**

Domestic retail sales growth vs LY

## CORRECTING IMPERFECTIONS



### REVERSADERM

**+53%**

Domestic retail sales growth vs LY

# INNOVATION SUCCESS DELIVERED 57% BRAND GROWTH IN FY19

**NEW**

## DR. LEWINN'S®

### Boost your skin to beautiful

**PRIVATE FORMULA VITAMIN & MINERAL NOURISHING FACE MASK**  
DERMATOLOGICALLY TESTED

**ETERNAL YOUTH CHARCOAL & BLACK PEARL DETOXIFYING FACE MASK**  
DERMATOLOGICALLY TESTED

**REVERSADERM BRIGHTENING VITAMIN C FACE MASK**  
DERMATOLOGICALLY TESTED

**ADVANCED SHEET MASK TECHNOLOGY**  
Bio-cellulose second skin technology | Bamboo fibre infused with 40% charcoal | Provides a continuous moisture surge | For a more youthful looking complexion

**The most successful Anti-aging mask launch**

6 Masks sold every minute since launch

## A POWERFUL SHIFT TOWARDS PLUMPER, FIRMER SKIN

Over time, skin continuously transitions as collagen depletes and a loss of volume occurs. Dr. Lewinn's **Advanced Pearl Technology** with collagen pearls immersed in a velvety gel, restores moisture & boosts dull, tired skin with:

- **Neodermyl™**, our needle-free collagen filler, to enhance firmness & elasticity
- **Hyaluronic Acid**, to help fill lines and wrinkles

**84% OF USERS NOTICED PLUMPER SKIN AFTER 1 HOUR\***

**92% OF USERS NOTICED PLUMPER SKIN AFTER 4 WEEKS\***

**DR. LEWINN'S®**  
**ULTRA R4**  
COLLAGEN SURGE PLUMPING GEL  
30g 1.0 wt.oz. E\*

**DR. LEWINN'S®**

\*Results based on an independent laboratory study. Refer to [drewinn.com.au](http://drewinn.com.au) for more information.



**The #1 NPD Facial Skincare Launch**

One sold every 4 minutes

## THE ULTIMATE DEFENCE AGAINST LINES & WRINKLES

### HYALURONIC ACID BOOSTING ESSENCE

**CLINICALLY PROVEN CLINICALLY**

**DR. LEWINN'S®**

**LINE SMOOTHING COMPLEX S8**  
REDUCE LINES & WRINKLES

**HYALURONIC ACID BOOSTING ESSENCE**  
DAY & NIGHT

With 3% **Munapsys™**, an advanced peptide and topical alternative to Botox, clinically proven to help reduce expression lines and wrinkles.\*

Contains 5x Boosting Ampoules, 3ml.

**DR. LEWINN'S®**

WITH 3% MUNAPSYS™ AN ADVANCED PEPTIDE

**A TOPICAL ALTERNATIVE TO BOTOX®**

DELIVERS SUPERIOR PLUMPING & HYDRATION

\*Clinical testing performed by the manufacturer on the Munapsys™ Peptide System. Botox® is a registered trademark of Allergan, Inc.



**Launched October 2019**

High demand across Australia & China



# VIRTUOUS CYCLE ACCELERATING SUCCESS

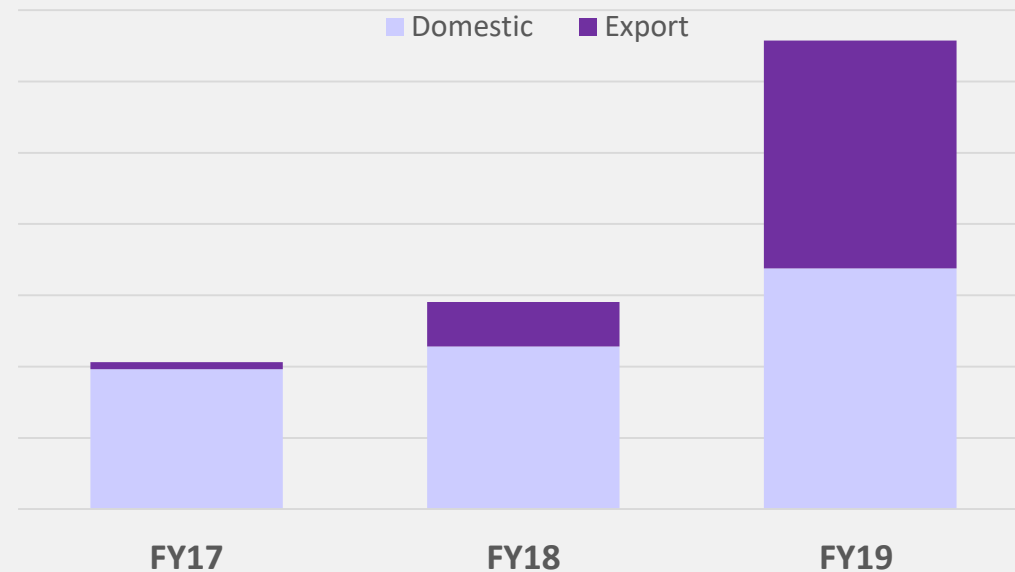
## LINE SMOOTHING COMPLEX



**#1** range for  
Dr. LeWinn's driven by  
China demand  
排名#1 莱文医生系列

## AUSTRALIA 澳大利亚

Dr. LeWinn's Domestic vs Export



CHINA  
中国

FY19 ex. Factory Sales Revenue

# [A'kin]<sup>®</sup>



NO  
NASTIES



AUSTRALIAN  
MADE & OWNED



100%  
VEGAN



NOT TESTED  
ON ANIMALS



RECYCLABLE  
PACKAGING



**HAIR CARE**



**SKIN CARE**



**PERSONAL CARE**

11% Domestic Revenue Growth FY19

FY19 ex. Factory Sales Revenue



# GROWTH THROUGH INNOVATION & PROVEN CLINICAL TRIALS

A'kin is clinically proven to Defy Age with a 143% improvement in skin hydration<sup>^</sup>.

76% of users saw a reduction in fine lines and wrinkles after using the Line Smoothing Day Cream\*

91% of users saw improvements in skin firmness and elasticity after using the Firming Night Cream\*

80% of users saw firmer, tighter and more lifted skin after using the Lifting Eye Cream\*

NO NASTIES  
AUSTRALIAN MADE & OWNED  
NOT TESTED ON ANIMALS  
100% VEGAN  
RECYCLABLE PACKAGING

CLINICALLY PROVEN  
CLINICALLY PROVEN

Not all natural brands are created equal [A'kin]<sup>®</sup>

\* Results based on a clinical study by an independent laboratory using the A'kin Age-Defy Line Smoothing Day Cream, A'kin Age-Defy Firming Night Cream and A'kin Age-Defy Lifting Eye Cream together.  
^ Results based on an independent laboratory self assessment study.



**Core Rejuvenation**  
Clinically proven Age Defy range  
+177% vs YA

24HR | CLINICAL PROTECTION<sup>®</sup>



**Category Expansion**  
Clinically proven Natural Deodorant  
+241% vs YA

**High Growth Mask Category**  
100% Natural Eucalyptus Fibres  
1 in 4 customers new to Natural category



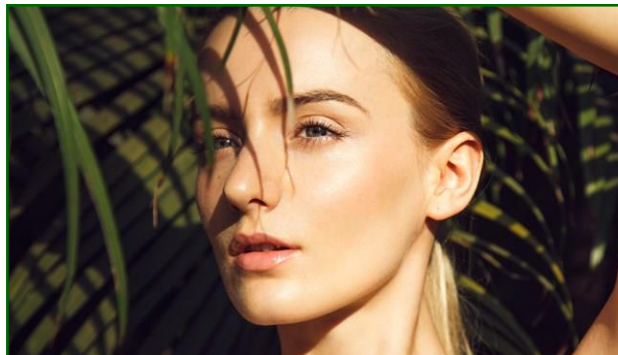
# NEW BRAND PHILOSOPHY

[A'kin]<sup>®</sup>



## Plant Based

Pure, Natural and of the highest Quality botanical ingredients.



## A-Beauty

A sense of simplicity. Australian Made and Australian sourced natural ingredients. Harnessing Botany and Biochemistry.



## Clinical Proof

High levels of active botanical ingredients, backed by clinical studies and Consumer User Trials.



## From our land, For our skin

Ingredients from Australia's diverse natural landscapes & nutrient rich rainforests.



## No Nasties

No Parabens, Sulfates, Silicones, Mineral oils, Fillers, Artificial colours, Preservatives. No animal testing, Vegan and Halal friendly.



## 20 Years Expertise

From Cosmetic Chemist to in-house Botanist and Experts in Natural Skincare.



# DRIVING CATEGORY GROWTH WITH “SMART BEAUTY” INNOVATION



**#1 BEAUTY ACCESSORIES**  
 +\$3.1M retail sales growth  
 Extending market leadership to 25.5%

**#2 BEAUTY ACCESSORIES**  
 Glam Magnetising EyeLiner #1 Lash NPDP  
 +\$1.3M incremental retail sales

**#1 HAIR ACCESSORIES**  
 Extending Pharmacy leadership to 48%  
 +3564 incremental distribution points



# CONNECTING WITH THE COMMUNITY BY ENRICHING CHILDREN'S LIVES



LADY JAYNE®  
ESTD 1928

GIVE SOMEONE THE GIFT OF  
*confidence*

Support the Lady Jayne x Variety's  
'Hair with Heart' Double Bar slides  
to help children in need.

100% PROFIT TO CHARITY

Available at Chemist Warehouse,  
Priceline & Independent  
Pharmacy stores. RRP \$9.99

Helping children in need.  
100% profit to charity.

variety  
the children's charity

Hair with  
Heart

www.ladyjayne.com.au  
facebook.com/ladyjaynehair  
@ladyjaynehair

variety  
the children's charity

Hair with  
Heart

M  
MULTIPLY ME







**MULTIX SUSTAINABILITY**  
**Remove | Renew | Reuse | Renew**  
 73% market share; +13M MAT value growth vs YA

**SWISSPERS #1 COTTON**  
 58% Market Share  
 +9% growth in latest quarter

# AMPLIFYING MAJOR LAUNCHES ACROSS DIGITAL

## WEB

84% OF USERS NOTICED PLUMPER SKIN AFTER 1 HOUR

92% OF USERS NOTICED PLUMPER SKIN AFTER 4 WEEKS\*

88% OF USERS NOTICED FIRMER SKIN AFTER 4 WEEKS\*

LUXURIOUS COLLAGEN PEARLS

Over time, skin continuously transitions as collagen depletes, and a loss of volume occurs. Dr. LeWinn's Advanced Pearl Technology with collagen pearls immersed in velvety gel, restores moisture & boosts dull, tired skin with:

- NEODERMYSIL: Our needle-free collagen fills to restore firmness & elasticity.
- HYALURONIC ACID: To help fill the appearance of lines and wrinkles.

ADVANCED PEARL TECHNOLOGY

DISCOVER ULTRA R4

Dr. LeWinn's Ultra R4 serum contains high-performance Panamylol Triacetate-3 designed to lift and firm skin and combat the signs of age-related collagen depletion. While the Eye Repair Cream targets the 4 signs of aging around the delicate eye area: puffiness, dark circles, lines and wrinkles.

+81% INCREASE IN VISITS TO OUR SITES VS LY

## DIGITAL ADVERTISING

Chemist Warehouse Sponsored

Looking for a non-invasive way to plump & firm your skin? Dr. LeWinn's is your solution!

A POWERFUL SHIFT TOWARDS PLUMPER, FIRMER SKIN

DR. LEWINN'S

CHEMISTWAREHOUSE.COM.AU

Instantly Plump & Boost

Look after your future self.

SHOP NOW

44.7 MILLION AD IMPRESSIONS

## VIDEO

Instantly plump and smooth your skin with Dr. LeWinn's Ultra R4 Collagen Surge Plumping Gel.

WITH HYALURONIC ACID

chemistwarehouse.com.au

Instantly Plump & Boost

Look after your future self.

SHOP NOW

2.2M VIDEO VIEWS  
+317% INCREASE VS LY

## SOCIAL

driewinns

driewinns ANTI-AGEING ALTERNATIVES // Keen to embrace younger-looking skin but not into needles? We've got another idea. ... more

View all 6 comments

p.aigelouise this gel is amazing!

sharynleanna\_fitmumof5 Skincare addict here! If it's worth trying you can bet I've tried it! 🙌 2 days in and impressed is an understatement! 🌟 Comparative to other brand skin care products worth their salt this little jar is a great price and seems to blow many out of [...]

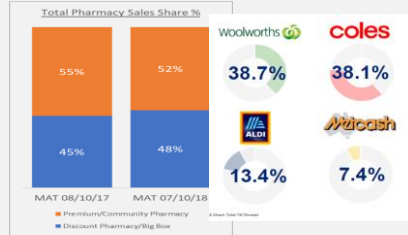
18M SOCIAL REACH  
3M+ SOCIAL REACH VIA INFLUENCERS



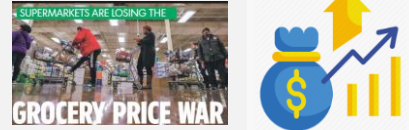
# CHANNEL LANDSCAPE OVERVIEW

Market & Retailer Dynamics

## RETAILER SHARE SHIFTS



## PRICING AND PROMOTIONS



## RANGE RATIONALISATION



## DIFFERENTIATION



## SUSTAINABILITY

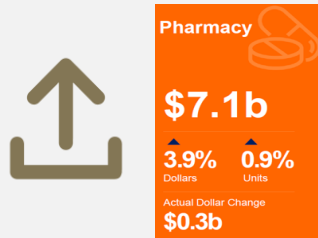


## RETAILTAINMENT



Channel Performance

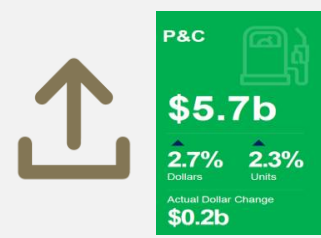
## PHARMACY



## GROCERY

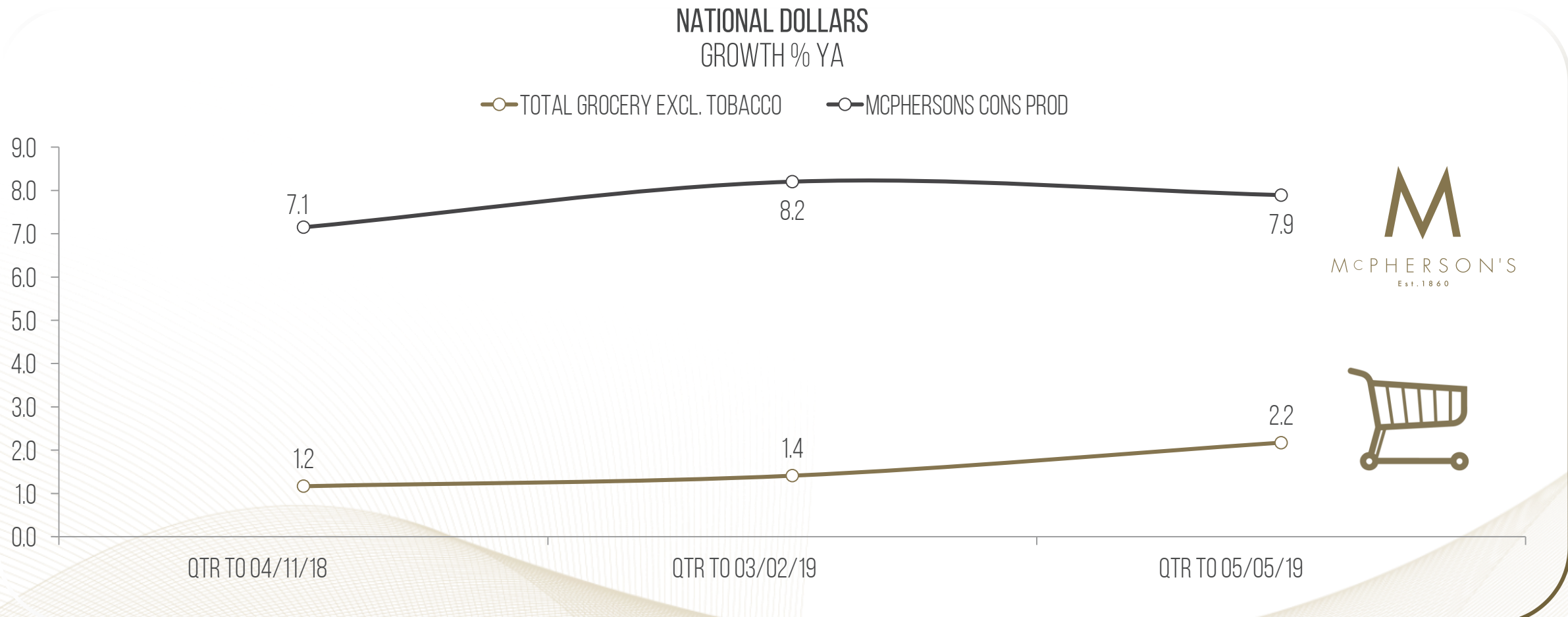


## P&C



# MCP IN POSITIVE GROWTH DESPITE PRESSURE

*on range rationalisation*





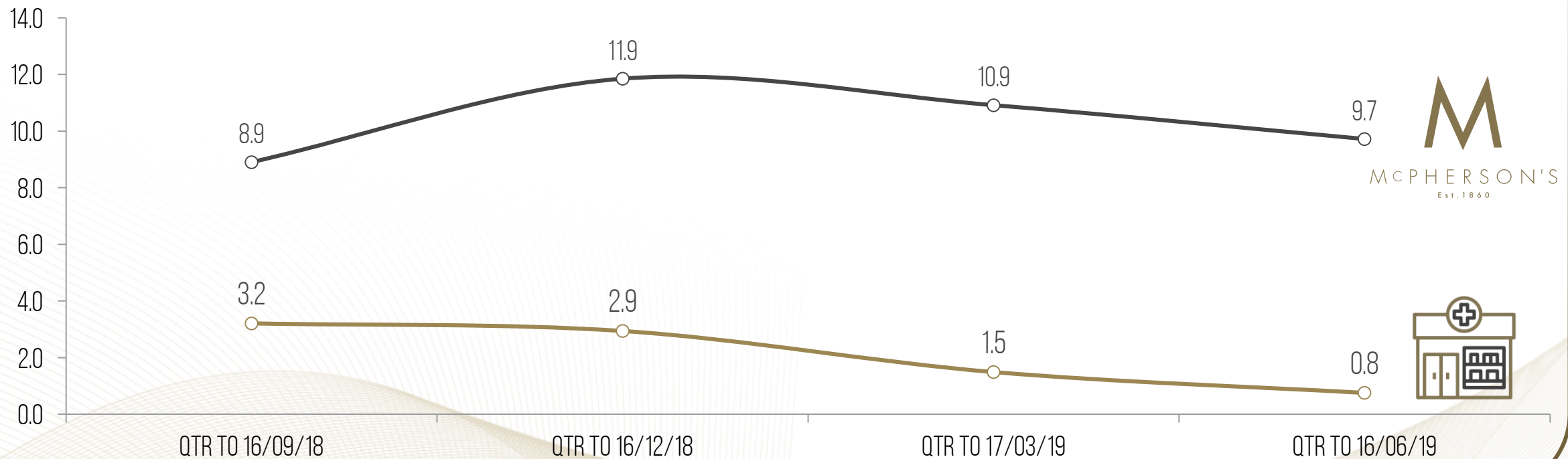
# MCP DRIVING PHARMACY GROWTH WITH

*Strong retailer partnerships*



## AUSTRALIA PHARMACY DOLLARS GROWTH % YA

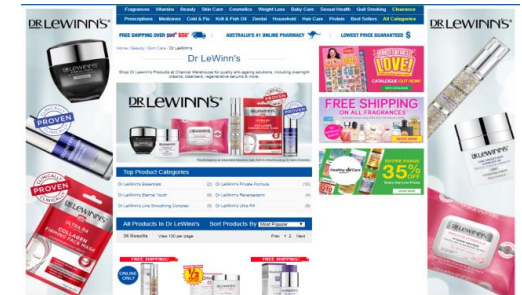
—○— TOTAL DEFINED PHARMACY    —○— TOTAL MCP CORE BRANDS



# STRATEGIC PARTNERSHIPS DRIVING VALUE

*Strategic customer partnership key elements*

- 1 TOP TO TOP MEETINGS
- 2 JOINT BUSINESS PLANNING
- 3 OPTIMISED TRADING TERMS
- 4 FIRST TO MARKET LAUNCHES
- 5 EXCLUSIVE OFFERS
- 6 INTEGRATED PROMOTIONAL PROGRAMS





# RETAILER ACTIVATIONS DRIVING SHARE GAINS



## GLAM APPLICATION BARS

120 APPLICATIONS IN 4 HRS  
**129% GROWTH**  
 46.2% SHARE + 18% SHARE POINTS



## CWH BEAUTY BREAK

MOST SUCCESSFUL DR. LEWINN'S PROMOTION EVER  
**+469% GROWTH**  
 15.1% SHARE + 12% SHARE POINTS



## PRICELINE TACTICAL

CUSTOMER SPENDING +27% MORE PER BASKET  
**569% GROWTH**  
 6.1% SHARE + 3% SHARE POINTS



# WINNING IN STORE WITH CATEGORY

*LED Solutions*



NEW PRODUCT LAUNCHES

HIGH IMPACT IN HIGH TRAFFIC AREAS

AWARD WINNING  
CATEGORY SOLUTIONS

EDUCATION AND NAVIGATION

REAL ESTATE OPTIMISATION

ASSIST SHOPPER NAVIGATION



# ALIGNING THE RETAILER INSTORE AND

and online experience

**IGA**

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

**Greener Allfoil**

Multix Greener Allfoil Recycled 10mx30cm 250 per Metre

**\$250** ea  
SAVE 49¢

**Greener**

Multix Greener Brown Baking Paper 10mx30cm 200 per Metre

**\$3** ea  
SAVE 99¢

**Greener**

Multix Greener Garbage Bags 28c each

**\$280** ea  
SAVE 70¢

**Greener**

Multix Greener Degradable 10 Litre Mini Plastic Bags 25 Pack 10 each

**\$2** ea  
SAVE \$1.10

**Multix**

**CHOOSE WISELY**  
this Christmas

**40% OFF\*\* SWISSPERS RANGE!**

**swisspers**  
with Eucalyptus

**swisspers** 2-25  
**swisspers** 2-25

**Make-up Removing Facial Wipes**

**Micellar & Coconut Facial Wipes** For a refreshing cleanse that leaves skin feeling fresh & pure.

**Coconut Oil Facial Wipes** For a nourishing cleanse that leaves skin feeling soft & hydrated.

**swisspers** No.1 in Make-up Pads

**\$1.99** ea

**Akin** EST. 2002  
NATURAL AUSTRALIAN HAIRCARE  
Not all natural brands are created equally.

**SAVE 30%**

**NEW LOOK**

**priceline pharmacy**

NO Silicones  
NO Parabens  
NO Sulfates

NO NASTIES  
AUSTRALIAN MADE & OWNED  
NOT TESTED ON ANIMALS  
100% VEGAN  
RECYCLABLE PACKAGING

**30% OFF RRP ENTIRE LADY JAYNE RANGE!**

**LADY JAYNE**  
ESTD 1928  
CELEBRATING 90 YEARS OF STYLE

**FROM \$139 ea**

**Lady Jayne Range**

ALL HAIR TYPES

**GLAM BY MANICARE**  
Brush & Lash range

**NEW!**

**flexi STYLE LASHES**

**SAVE 30%**

**glam** 37 Length  
**glam** 37 Intense  
**glam** 37 Natural

**just landed**

**MANICARE**  
Sonic Wave Facial Cleansing Brush

**NEW!**

**i am sonic**

**cleaner brighter healthier skin**

**SAVE 30%**

**manicare**

**SONIC SKIN**

**RECHARGEABLE FACIAL CLEANSING BRUSH**  
**SONIC-WAVE VIBRATION CLEANSING**  
**GENTLE ON SKIN**

**SAVE ON SKINCARE**

**40% OFF\*\* DR. LEWINN'S! IMPERFECTIONS? REVERSADERM THEM**

**CLINICALLY PROVEN**

CLINICALLY PROVEN TO IMPROVE:  
✓ Skin tone\*  
✓ Signs of Pigmentation\*  
✓ Signs of Age Spots\*

**DR. LEWINN'S REVERSADERM**

**100%** noticed visibly brighter skin\*

**DR. LEWINN'S**

**1/2 PRICE OFF\*\* A-KIN SKINCARE & HAIRCARE RANGE!**

**Akin** EST. 2002  
NATURAL AUSTRALIAN SKINCARE & HAIRCARE  
Not all natural brands are created equally.

**NO PARABENS NO SULFATES**

NO NASTIES  
AUSTRALIAN MADE & OWNED  
NOT TESTED ON ANIMALS  
100% VEGAN  
RECYCLABLE PACKAGING

**50% OFF PRESCRIPTIONS** OPEN 7 DAYS A WEEK!



MCPHERSON'S  
**EXPORT**



DR LEWINN'S  
Line Smoothing Complex S8



# EXPANDING ACROSS ASIA

*strategy*



CONTINUE TO EXPAND OUR PRESENCE GEOGRAPHICALLY WITH A FOCUS ON ASIA

## *Capabilities*

### PEOPLE

30

DEDICATED HEADCOUNT FOR MCP  
SOUTHEAST ASIAN EXPANSION

### GLOBAL COVERAGE



STRONG PARTNERSHIPS

### INNOVATION



NPD

DRIVEN BY ASIAN  
BEAUTY TRENDS

## *Execution*

### DISTRIBUTION

2500+

DISTRIBUTION POINTS IN  
SOUTHEAST ASIA

### IN MARKET

100+

MERCHANDISING UNITS  
ACROSS SOUTHEAST ASIA

### EXPANSION

12

NEW SOUTHEAST  
ASIAN COUNTRIES

## *Opportunities*

### BRAND AUSTRALIA



### DEMOGRAPHIC

66%

SHARE OF GLOBAL MIDDLE CLASS  
REPRESENTED IN ASIA BY 2030

### EXPERTISE



WINNING  
IN BEAUTY

# VIRTUOUS CYCLE 良性循环

**ABM**  
ACCESS BRAND MANAGEMENT

TRUSTED PARTNERSHIPS  
与合作伙伴的高度互信

AUSTRALIA  
澳大利亚

SPEED TO MARKET  
快速响应市场



AGREED BUSINESS MODEL  
相互认可的商业模式

**M**

FLEXIBILITY TO REACT TO CHANGE  
灵活应对变化



APPROPRIATE PRICING CORRIDORS  
合理的价格体系

MCPHERSON'S  
Est. 1860

RIGOROUS PROCESSES  
严格的过程控制



**aware**

CONTINUITY OF SUPPLY  
与合作伙伴保障供应

CHINA  
中国

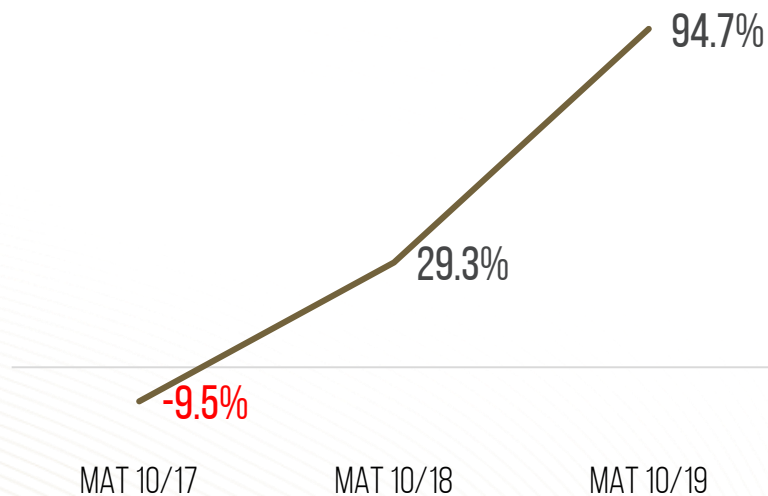
ADAPTABLE TO MARKET DYNAMICS  
适应市场动态变化



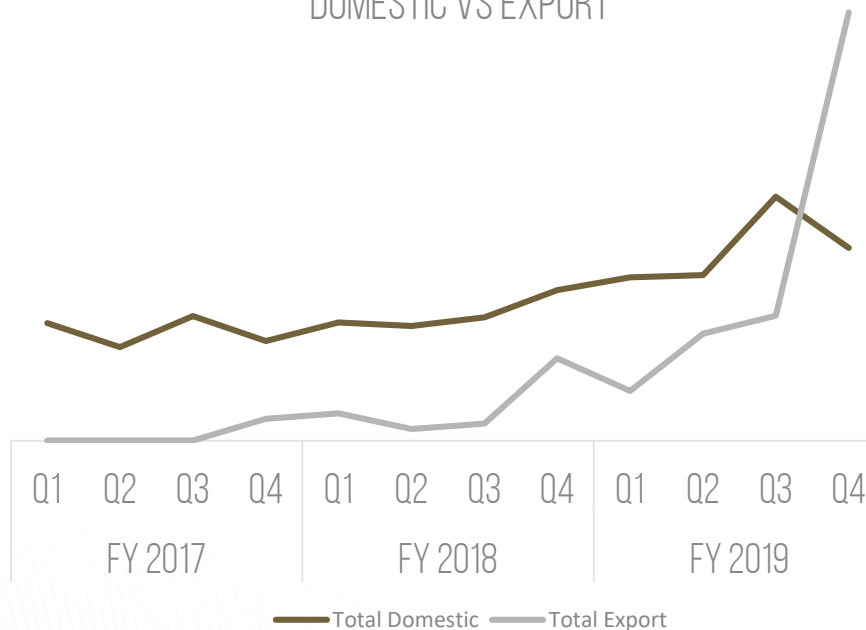


# DR. LEWINN'S – DRIVING A VIRTUOUS CYCLE

**AUSTRALIA PHARMACY**  
**DR. LEWINN'S LINE SMOOTHING**  
**COMPLEX VALUE GROWTH % VS YA**



**DR. LEWINN'S EXFACTORY SALES**  
**DOMESTIC VS EXPORT**



**DR. LEWINN'S®**



**LIVIA WANG**

CHIEF EXECUTIVE OFFICE

ACCESS CHINA



# ABM & DR. LEWINN'S *Joint Venture*

- 1 HK BASED JV REPRESENTING GREATER CHINA (PRC)
- 2 ABM TARGET: AUD\$35 MILL ANNUAL PURCHASES, AUD\$82.5 OVER 3 YRS
- 3 SECURES EARNINGS FROM THE CHINA MARKET
- 4 SIGNIFICANT UPSIDE OPPORTUNITY FOR DR. LEWINN'S
- 5 ABM & MCP EXPLORING FUTURE POTENTIAL ACQUISITIONS VIA JV



**TOP1** 八胜肽三色凝胶  
累计售出 **43657** 支

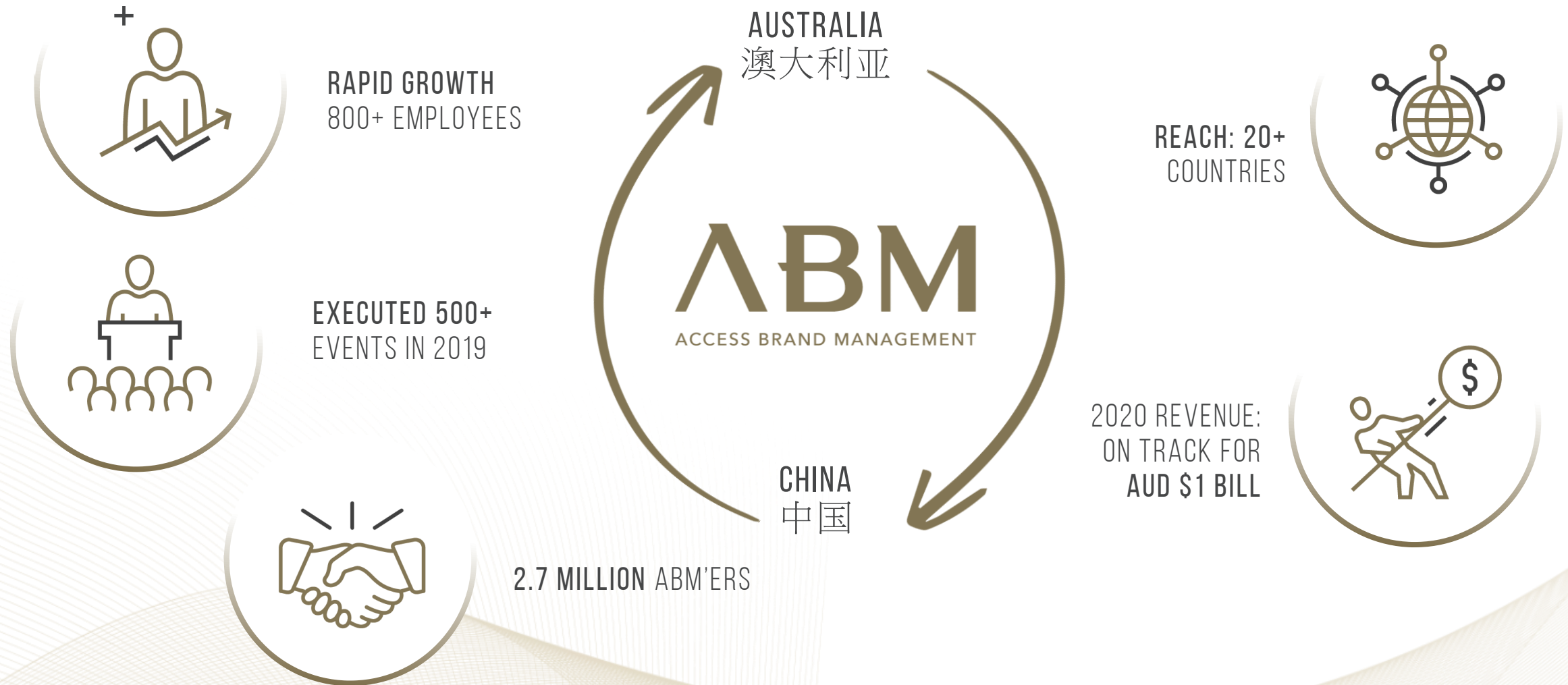
**TOP3** 八胜肽抗皱三部曲  
累计售出 **20961** 套

八胜肽人皮面膜  
累计售出 **40544** 盒

**TOP2** 八胜肽人皮面膜  
开抢3分钟 **25,000** 件  
全部售罄!



# ABM'S ACCELERATING GROWTH JOURNEY







**DR. LEWINN'S®**  
*Celebrating Success*

# ABM DR. LEWINN'S 11.11 SALES UPDATE

单创 11.11澳新超品节

疯抢日开抢1秒钟

超40,000人同时抢单

OVER 40,000+ ONLINE USERS SHOPPING FOR DR. LEWINN'S PRODUCTS WITHIN 1 SECOND OF BRAND DAY STARTS

43,657 TRIPLE ACTION DAY DEFENCE WERE SOLD DURING THIS PERIOD



八胜肽三色凝胶

累计售出  
**43657**支

20,961 TRINITY PACKS WERE SOLD DURING THIS PERIOD



八胜肽抗皱三部曲

累计售出  
**20961**套

40,544 LSC MASK 3PC WERE SOLD DURING THIS PERIOD



八胜肽人皮面膜

累计售出  
**40544**盒

COLLAGEN SURGE 25,000 UNITS WERE SOLD OUT IN 3 MINUTES AT THE START OF THE CAMPAIGN



开抢3分钟 **25,000**件  
全部售罄!

THREE LSC NPD SKUS (TONER, CLEANSER, BOOSTER) ACHIEVED RMB 10M+ SALES WITHIN 10 MINS LAUNCHING



上线10分钟 累计销售额  
突破¥ **10,000,000**



MCPHERSON'S

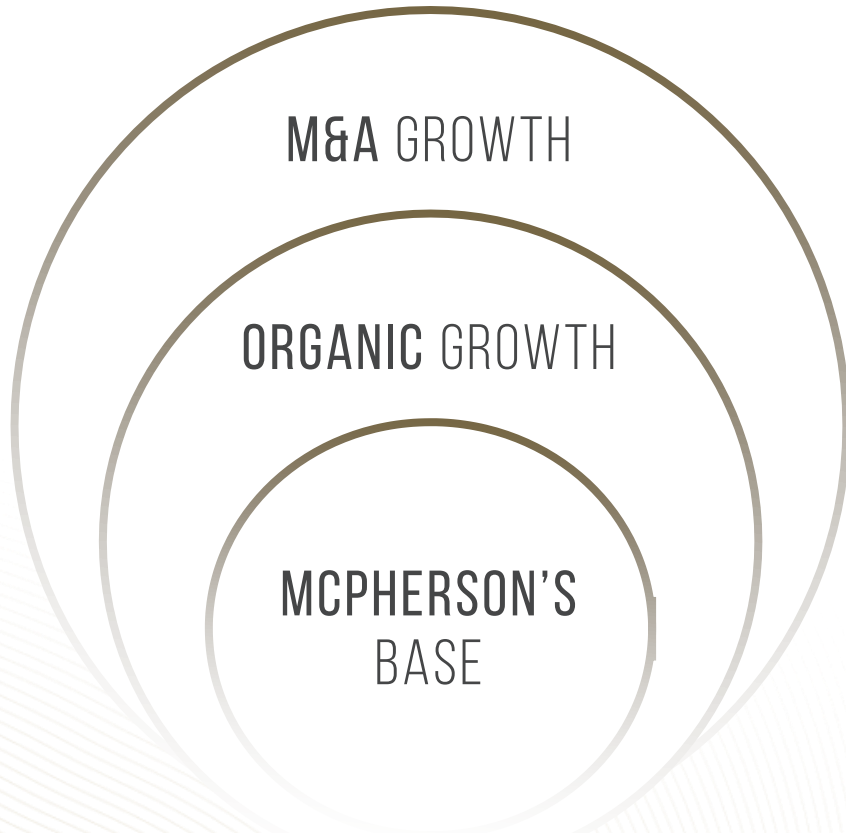
# NEW BUSINESS DEVELOPMENT





# MERGERS & ACQUISITIONS

*Strategic Investments*



M&A **GROWTH** REMAINS A **STRATEGIC PRIORITY**



HEALTH, WELLNESS & BEAUTY **FOCUSED**



**STRONG BALANCE** SHEET TO FUND ACQUISITIONS



**RIGOROUS** PROCESS AND CRITERIA



HAVE BEEN ACTIVELY **APPROACHING TARGETS**



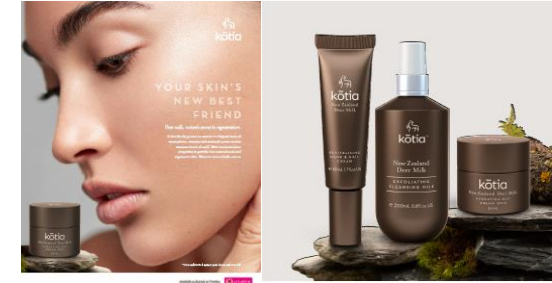
ABM, AWARE, & NEW VENTURE DEALS SIGNED



# BUILDING LONG TERM GROWTH VIA *joint ventures*



- ANTI-AGING SKINCARE
- NZ DEER MILK HERO INGREDIENT
- CHINA & EUROPEAN POTENTIAL



- TANNING AND SKINCARE
- TARGETING FAST GROWING, HIGH-SPENDING MILLENNIAL CONSUMERS
- RECRUITING YOUNG CONSUMERS TO MCP PORTFOLIO
- E-COMMERCE BEAUTY



- HEALTH AND WELLNESS FOCUSED
- TARGET FAST GROWING GUT HEALTH MARKET (AUS \$0.4BN AND CHINA \$3.5BN)
- STRONG CHINA POTENTIAL





MCPHERSON'S  
R&D



MANICARE  
Sonic Mini – Facial Cleansing Brush



# R&D INVESTMENT FUELLING GROWTH IN

# *Sales and Marketing*

## CAPABILITY



## EFFICIENCY



DESIGN – BASED  
THINKING

STAGE-GATE  
NPD PROCESS



ROLE  
CLARITY



PORTFOLIO  
BALANCE



## RIGOUR



## HOW DO WE DO IT?



# R&D INVESTMENT FUELLING GROWTH IN

# Sales and Marketing

FY18



6  ~60 PRODUCTS

FY19

10% GROWTH ON PRIOR YEAR  
\$13.4M RSV



11  ~100 PRODUCTS

FY20

EST 2X RSV ON PRIOR YEAR



11  ~200 PRODUCTS



MCPHERSON'S

# SUMMARY



A'KIN

Natural Australian Skincare



# HIGH QUALITY OF FY19 EARNINGS

- 1 INCREASE IN PROPORTION OF “OWNED BRAND” SALES FROM 69% IN FY18 TO 76% IN FY19
- 2 REDUCTION IN PROPORTION OF SALES IN GROCERY, INCREASE IN PHARMACY
- 3 ABSENCE OF “SIGNIFICANT ITEMS” IN FY19
- 4 VERY STRONG OPERATING CASH CONVERSION – 117%
- 5 KEY STRATEGIC INVESTMENTS IN CHINA /AWARE, DISPLAY FIXTURES & JOINT VENTURES
- 6 HIGH DIVIDEND PAYOUT (77%)
- 7 LOW GEARING (7%)
- 8 GUIDANCE OF +10% PBT VS PRIOR YEAR MAINTAINED





MCPHERSON'S

# FORMAL RESOLUTIONS



# AGENDA ITEM 1: FINANCIAL STATEMENTS AND REPORTS

TO CONSIDER THE FINANCIAL STATEMENTS, THE DIRECTORS' REPORT AND THE AUDITORS' REPORT FOR THE COMPANY FOR THE YEAR ENDED 30 JUNE 2019.

NOTE THAT THERE IS NO REQUIREMENT FOR SHAREHOLDERS TO APPROVE THESE REPORTS.

AN OPPORTUNITY WILL BE PROVIDED FOR SHAREHOLDERS TO ASK QUESTIONS.



# AGENDA ITEM 2: REMUNERATION REPORT

TO ADOPT THE REMUNERATION REPORT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019.

IN ACCORDANCE WITH THE CORPORATIONS ACT 2001 (CTH) (CORPORATIONS ACT), THIS RESOLUTION IS ADVISORY ONLY AND DOES NOT BIND THE COMPANY OR THE DIRECTORS OF THE COMPANY (DIRECTORS). THE DIRECTORS WILL CONSIDER THE OUTCOME OF THE VOTE AND COMMENTS MADE BY SHAREHOLDERS ON THE REMUNERATION REPORT AT THE MEETING WHEN REVIEWING THE COMPANY'S REMUNERATION POLICIES.

	Number of Proxies (m)	%
For	43.1	96.6
Against	1.0	2.2
Open	0.5	1.1
Total Valid Proxies	44.6	100

# AGENDA ITEM 3: RE-ELECTION OF GRAHAM CUBBIN

TO CONSIDER, AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

“TO ELECT, AS A DIRECTOR OF THE COMPANY, MR. GRAHAM CUBBIN, WHO RETIRES BY ROTATION AS A DIRECTOR IN ACCORDANCE WITH THE COMPANY'S CONSTITUTION AND THE ASX LISTING RULES AND OFFERS HIMSELF FOR RE-ELECTION”

	Number of Proxies (m)	%
For	43.8	98.0
Against	0.4	0.9
Open	0.5	1.1
Total Valid Proxies	44.7	100



# AGENDA ITEM 4: APPROVAL OF PERFORMANCE RIGHTS TO LAURIE MCALLISTER

TO CONSIDER, AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

“THAT FOR THE PURPOSES OF PART 2E.1 OF THE CORPORATIONS ACT AND ASX LISTING RULE 10.14, AND FOR ALL OTHER PURPOSES, THE GRANT OF PERFORMANCE RIGHTS AND SHARES ON EXERCISE OF SUCH PERFORMANCE RIGHTS TO MR. LAURIE MCALLISTER, THE MANAGING DIRECTOR OF THE COMPANY, UNDER THE MCPHERSON’S LIMITED PERFORMANCE RIGHTS PLAN AND HIS EMPLOYMENT CONTRACT WITH THE COMPANY, IS APPROVED ON THE TERMS SET OUT IN THE ATTACHED EXPLANATORY NOTES TO THIS NOTICE OF ANNUAL GENERAL MEETING.”

	Number of Proxies (m)	%
For	43.0	96.2
Against	1.2	2.7
Open	0.5	1.1
Total Valid Proxies	44.7	100

# AGENDA ITEM 5: APPROVAL OF POTENTIAL TERMINATION BENEFITS

TO CONSIDER, AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

“THAT FOR THE PURPOSES OF SECTIONS 200B AND 200E OF THE CORPORATIONS ACT, AND FOR ALL OTHER PURPOSES, THE GIVING OF BENEFITS TO ANY CURRENT OR FUTURE EMPLOYEE WHO HOLDS A MANAGERIAL OR EXECUTIVE OFFICE IN THE COMPANY OR A RELATED BODY CORPORATE, IN CONNECTION WITH THEIR CEASING TO HOLD THAT OFFICE IN THE CIRCUMSTANCES REFERRED TO IN THE ATTACHED EXPLANATORY NOTES, IS APPROVED ON THE TERMS SET OUT IN THE ATTACHED EXPLANATORY NOTES TO THIS NOTICE OF ANNUAL GENERAL MEETING.”

	Number of Proxies (m)	%
For	41.8	93.7
Against	2.3	5.2
Open	0.5	1.1
Total Valid Proxies	44.6	100



# AGENDA ITEM 6: BENEFITS ON TRANSFER OF UNDERTAKING OR PROPERTY

TO CONSIDER, AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

“THAT FOR THE PURPOSES OF SECTIONS 200C AND 200E OF THE CORPORATIONS ACT, AND FOR ALL OTHER PURPOSES, THE GIVING OF BENEFITS TO ANY CURRENT OR FUTURE EMPLOYEE WHO HOLDS A MANAGERIAL OR EXECUTIVE OFFICE IN THE COMPANY OR A RELATED BODY CORPORATE, IN CONNECTION WITH THE TRANSFER OF THE WHOLE OR ANY PART OF THE UNDERTAKING OR PROPERTY OF THE COMPANY IN THE CIRCUMSTANCES REFERRED TO IN THE ATTACHED EXPLANATORY NOTES, IS APPROVED ON THE TERMS SET OUT IN THE ATTACHED EXPLANATORY NOTES TO THIS NOTICE OF ANNUAL GENERAL MEETING.”

	Number of Proxies (m)	%
For	43.0	96.4
Against	1.1	2.5
Open	0.5	1.1
Total Valid Proxies	44.6	100

# AGENDA ITEM 7: ISSUE OF SECURITIES UNDER PERFORMANCE RIGHTS PLAN

TO CONSIDER, AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS AN ORDINARY RESOLUTION.

“THAT FOR THE PURPOSES OF ASX LISTING RULE 7.2 (EXCEPTION 9), APPROVAL IS GIVEN TO THE ISSUE OF SECURITIES UNDER THE MCPHERSON'S LIMITED PERFORMANCE RIGHTS PLAN ON THE BASIS SET OUT IN THE ATTACHED EXPLANATORY NOTES TO THIS NOTICE OF ANNUAL GENERAL MEETING.”

	Number of Proxies (m)	%
For	43.0	96.2
Against	1.2	2.7
Open	0.5	1.1
Total Valid Proxies	44.7	100



# AGENDA ITEM 8: APPROVAL OF 10% PLACEMENT CAPACITY

TO CONSIDER, AND, IF THOUGHT FIT, TO PASS THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION.

“THAT FOR THE PURPOSES OF ASX LISTING RULES 7.1A, APPROVAL IS GIVEN TO THE ISSUE OF EQUITY SECURITIES BY THE COMPANY OF UP TO 10% OF THE ISSUED CAPITAL OF THE COMPANY (AT THE TIME OF ISSUE) CALCULATED IN ACCORDANCE WITH THE FORMULA PRESCRIBED IN LISTING RULES 7.1A.2, OVER A 12 MONTH PERIOD FROM THE DATE OF THE ANNUAL GENERAL MEETING, AT A PRICE NOT LESS THAN THAT DETERMINED PURSUANT TO THE LISTING RULE 7.1A.3 AND OTHERWISE ON THE TERMS AND CONDITIONS SET OUT IN THE ATTACHED EXPLANATORY NOTES TO THIS NOTICE OF ANNUAL GENERAL MEETING.”

	Number of Proxies (m)	%
For	31.6	70.9
Against	12.5	28.0
Open	0.5	1.1
Total Valid Proxies	44.6	100



MCPHERSON'S

Est. 1860

THANK  
YOU

