



MCPHERSON'S LIMITED

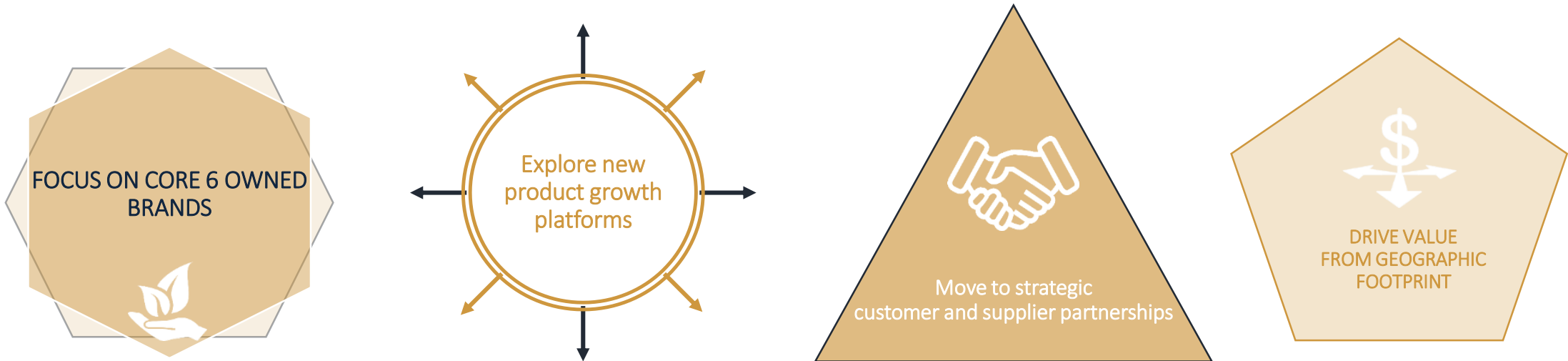
2019 HALF YEAR RESULT PRESENTATION

20 FEBRUARY 2019

Presented by:

- Laurie McAllister, Managing Director
- Paul Witheridge, Chief Financial Officer
- Donna Chan, Marketing Director
- Lori Pirozzi, National Sales Director

3 YEAR STRATEGY – 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 complement portfolio, scale and capability

FY19 BUSINESS PRIORITIES & 1H19 RESULT HIGHLIGHTS

At the beginning of 2019, we set our business priorities:

- ❑ Grow in \$13B Health, Wellness & Beauty categories
- ❑ Accelerate MCP growth brands & agency partnerships
- ❑ Deliver significant growth in Pharmacy and Grocery
- ❑ Ensure success of acquired brands – Grown A'kin & Dr. LeWinn's
- ❑ Expand the export business model
- ❑ Re-align organizational capabilities to continue to deliver growth
- ❑ Strengthen financial position to invest in enhanced branded footprint and our "go to market" capacities
- ❑ Maintain strong new product pipeline

At the end of 1H 19, I'm pleased to report on pcp:

- ❑ 11% increase in owned brands sales revenue and 14% growth in sales revenue of the core six brands vs 1H 2018
- ❑ 80% growth in Dr.LeWinn's sales revenue
- ❑ 11% growth in A'kin sales revenue
- ❑ 14% growth in Multix sales revenue
- ❑ \$7.8million underlying PBT from continuing operations – excluding Coty Fine Fragrances
- ❑ 108% growth in sales revenue from the China market, despite disrupted supply
- ❑ Skincare supply continuity addressed via completed strategic alignment with Aware Group
- ❑ World's first pure NZ deer milk based cosmetic range under 'Kotia' brand in development through JV with New Zealand Deer Cosmetics Ltd

TRADING ENVIRONMENT CHALLENGES

MACRO INDICES

CONSUMER SENTIMENT

103.8

Not Particularly Strong

Source: Westpac MI Consumer Sentiment Index Feb '19

CPI

+1.8%

Year Through to Dec '18

Source: ABS, Dec 18

HOUSEHOLD DEBT

200%

HH Debt To Income
2X ...last 20 Years

Source: ABS, Jan, '18

TRADING INDICES

Pharmacy

Front of Store

+3.9%



Source: IRI / Aztec , MAT Oct '18

GROCERY

Ex. Tobacco

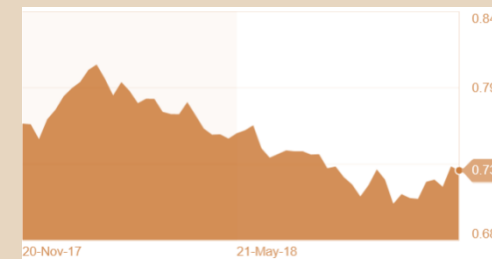
+2.1%



Source: IRI / Aztec , MAT Oct '18

COMMODITY PRESSURE

AUD/USD Weakness



A WINNING TEAM – SENIOR LEADERSHIP TEAM



Laurence McAllister
Managing Director



Paul Witheridge
Chief Financial Officer



David Fielding
Strategy, Planning & Innovation Director



Donna Chan
Marketing Director



Sarah Tully
HR Director



Brett Owers
Commercial Finance Business Director



Lori Pirozzi
International Sales Director



Mark Brady
Supply chain Director



Mary Pearce
R&D Director

A STRONG BOARD THAT REPRESENTS OUR STRATEGY OF HEALTH, WELLNESS & BEAUTY



Graham Cubbin
Chairman



Jane McKellar
Non-Executive Director



Grant Peck
Non-Executive Director



Geoffrey Pearce
Non-Executive Director



Alison Mew
Non-Executive Director



Laurence McAllister
Managing Director

1H19 SALES REVENUE BREAKDOWN BY PRODUCT CATEGORY

Sales revenue from continuing operations increased by 12%, excluding Coty Fine FRAGRANCES

Owned brands:	1H19 \$m	1H18 \$m	% change	Comments
Skin, Hair and Body	15.1	9.9	55%	• Strong export and domestic sales of Dr. LeWinn's and export growth in A'kin
Essential Beauty	28.9	29.0	Flat	• Growth in Manicare and Lady Jayne offset by de-stocking in Swisspers
Household Essentials & others	34.1	31.6	8%	• 14% growth in Multix brand, driven by new "Greener" range
Total Owned brands	78.1	70.3	11%	
Agency Brands (excl Fine Fragrances)	12.8	13.3	(4%)	
Private Label	15.6	11.8	33%	• Increased supply to Grocery customers
Total sales from continuing operations (excl Fine Fragrances)	106.5	95.4	12%	
Fine Fragrances	-	10.8	NM	• The Coty Fine Fragrances distribution arrangement ceased with effect from 1 February 2018
Total sales from continuing operations	106.5	106.2	Flat	

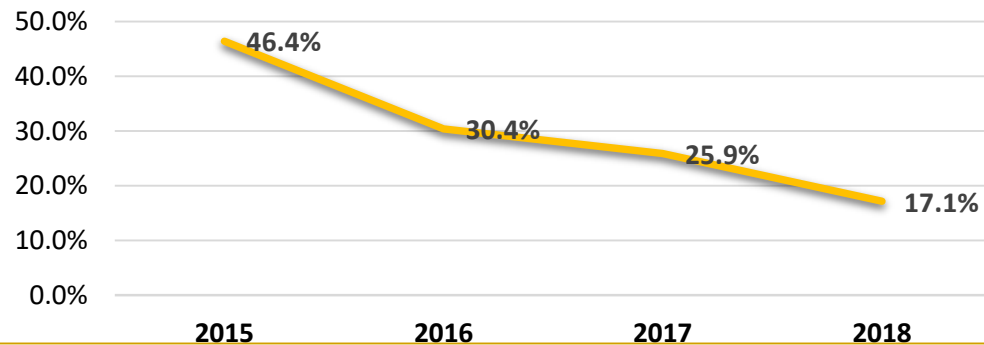
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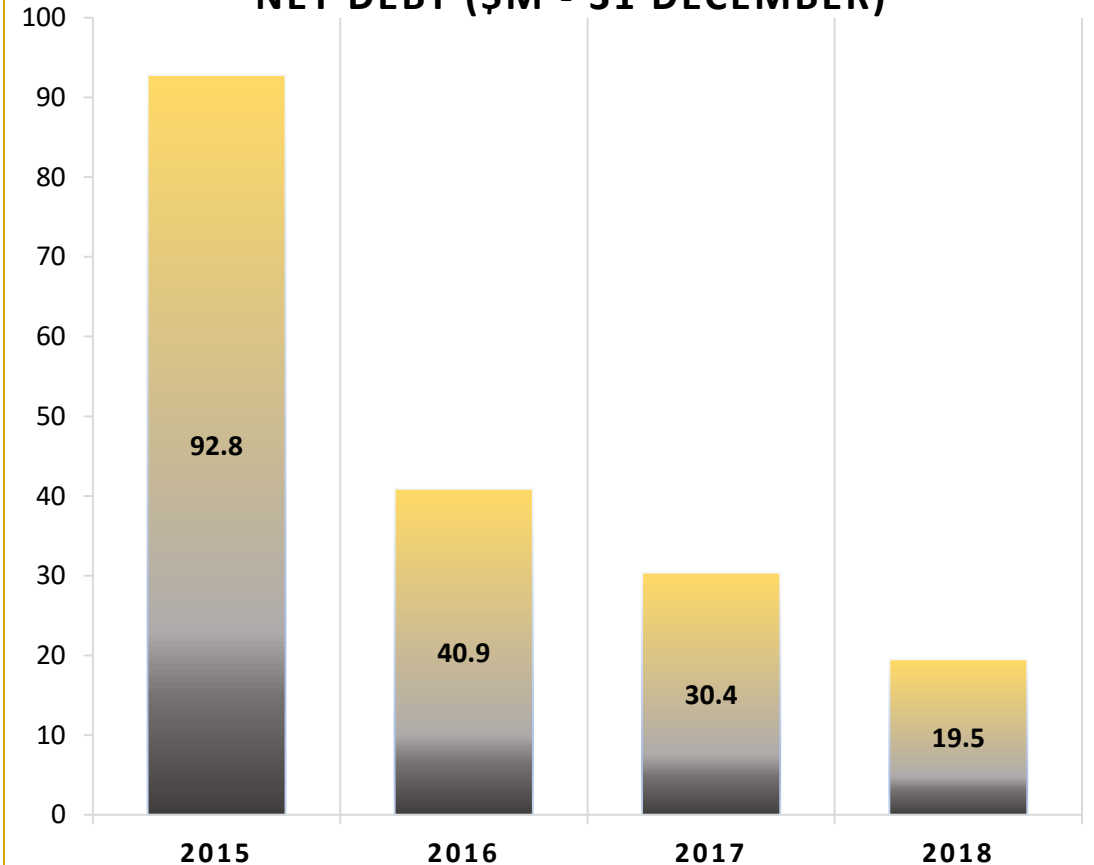
BALANCE SHEET

- ❑ Net debt has reduced from \$30.4 to \$19.5m over the last 12 months
- ❑ Divestment of Home Appliances 28 February 2018 generated \$28m
- ❑ Key investments in display fixtures (\$3m) and Kotia venture made over last 6 months
- ❑ Gearing modest at 17%

Gearing % (31 December)

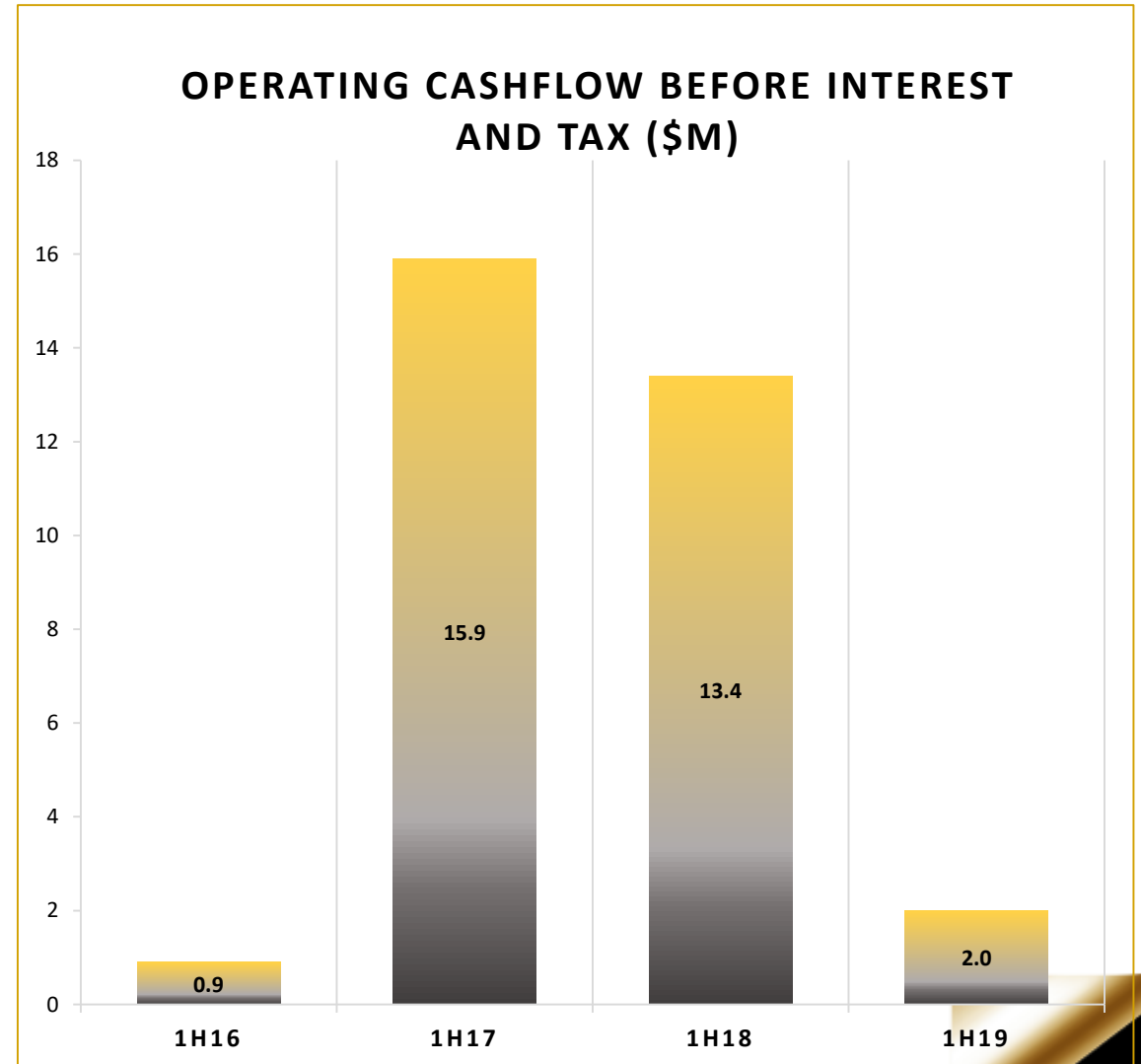
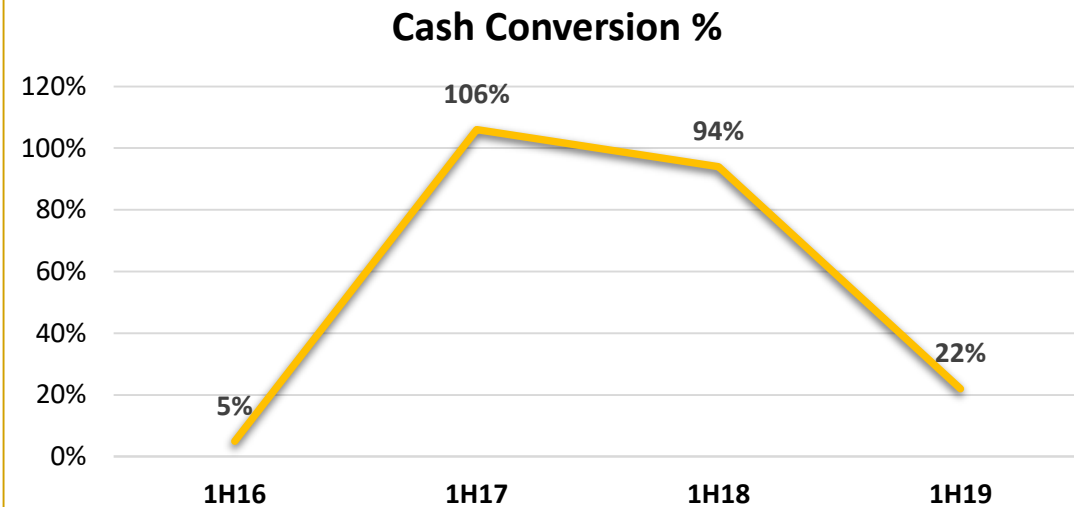


NET DEBT (\$M - 31 DECEMBER)



CASHFLOW

- ❑ Low cash conversion of 22% due to necessary build in skincare inventory to support future growth in export sales and higher safety stock levels for Multix product to maximise sales opportunities
- ❑ Continued focus on working capital management
- ❑ Vastly improved 2H19 cash conversion is forecast



1H19 INTERIM ORDINARY & SPECIAL DIVIDENDS

- ❑ Interim ordinary dividend of 4.0 cents per share fully franked (1H18 6.0 cents per share)
- ❑ Special dividend of 2.0 cents per share fully franked
- ❑ Objective to increase the return of franking credits
- ❑ Interim dividends payable 21 March 2019
- ❑ Dividend reinvestment plan retained, 2.5% discount to VWAP re-introduced

MACRO TRENDS TO LEVERAGE



CHINA EXPORT

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



DEMAND FOR NATURAL

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



SUSTAINABLE SOLUTIONS

Renew | Reuse | Recycle
Remove
Consumers voting with their wallet



PROACTIVE CARE

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

DR. LEWINN'S®

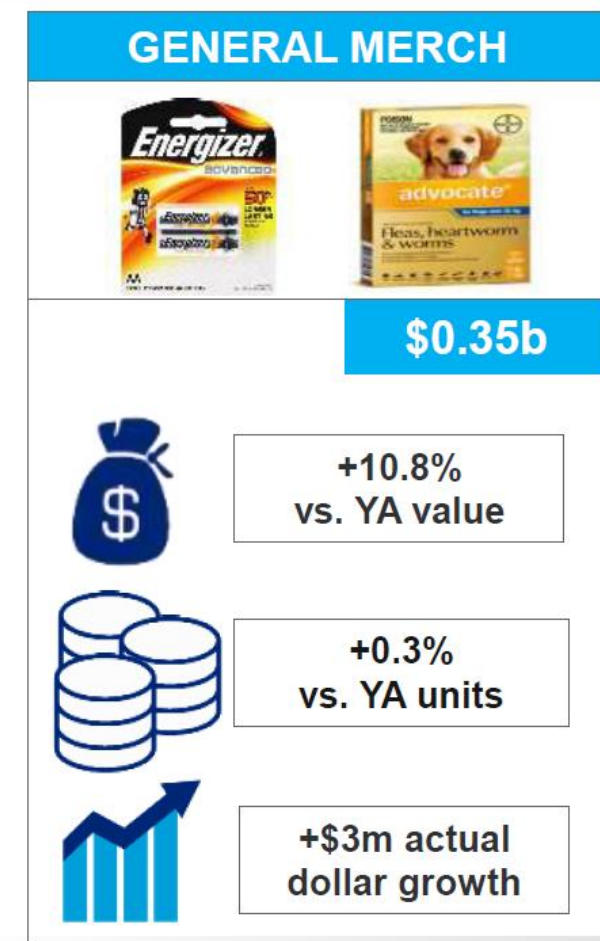
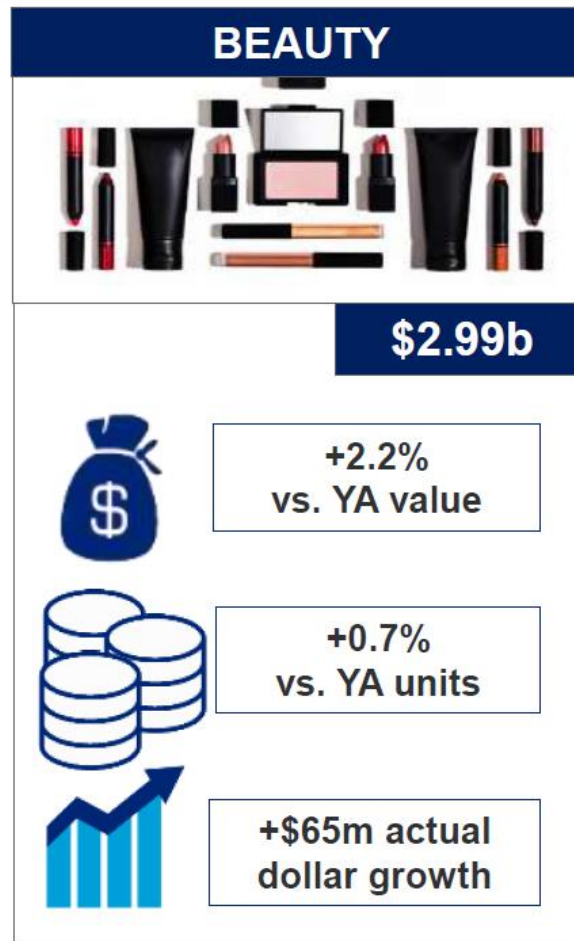
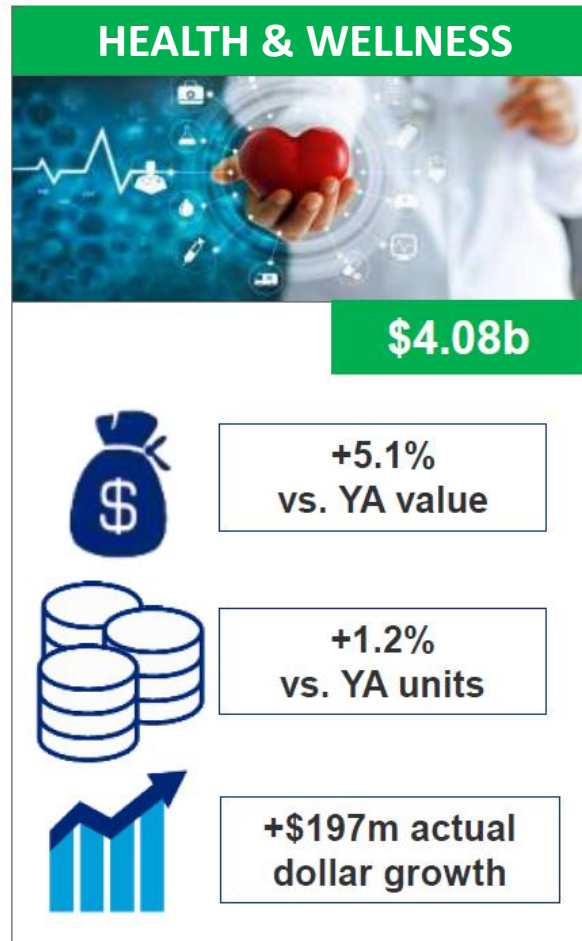
[A'kin]
NATURAL AUSTRALIAN SKINCARE

Multix
Greener™

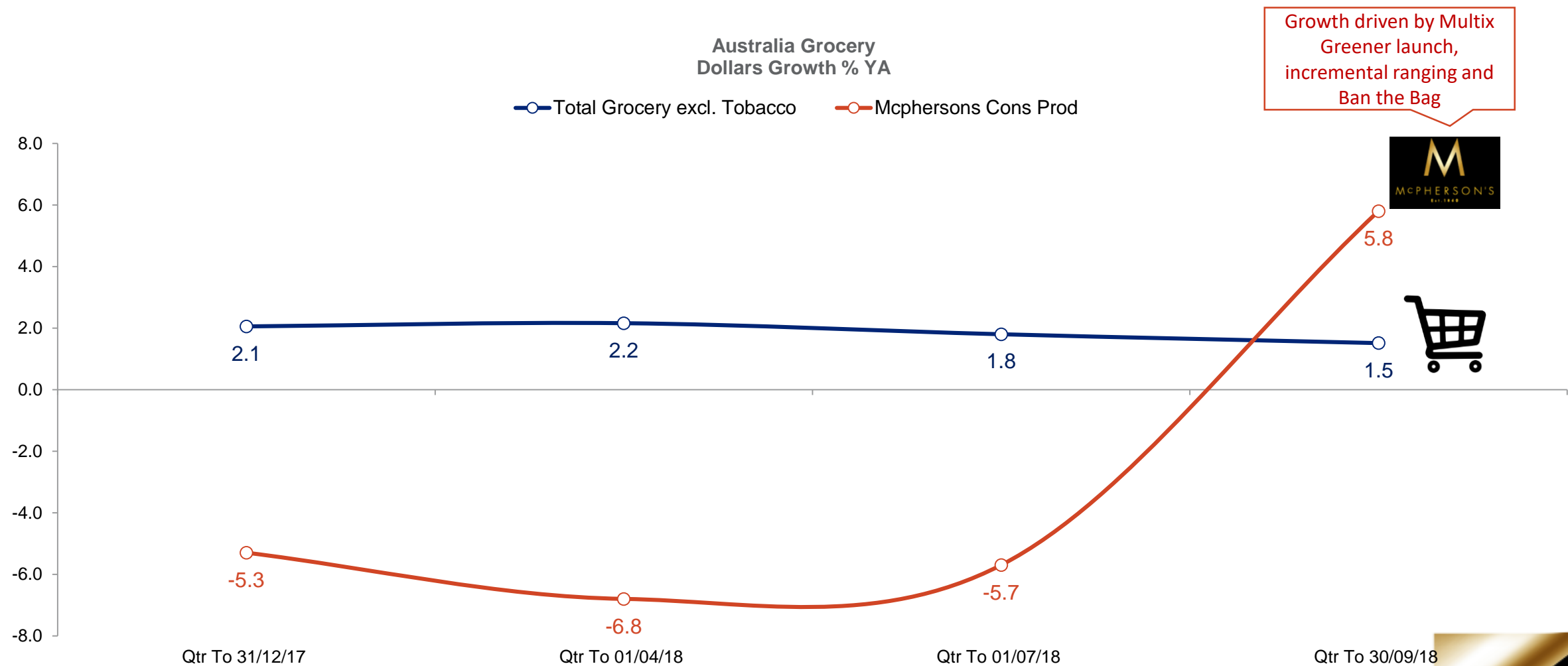
DR. LEWINN'S®

M
McPHERSON'S
EST. 1980

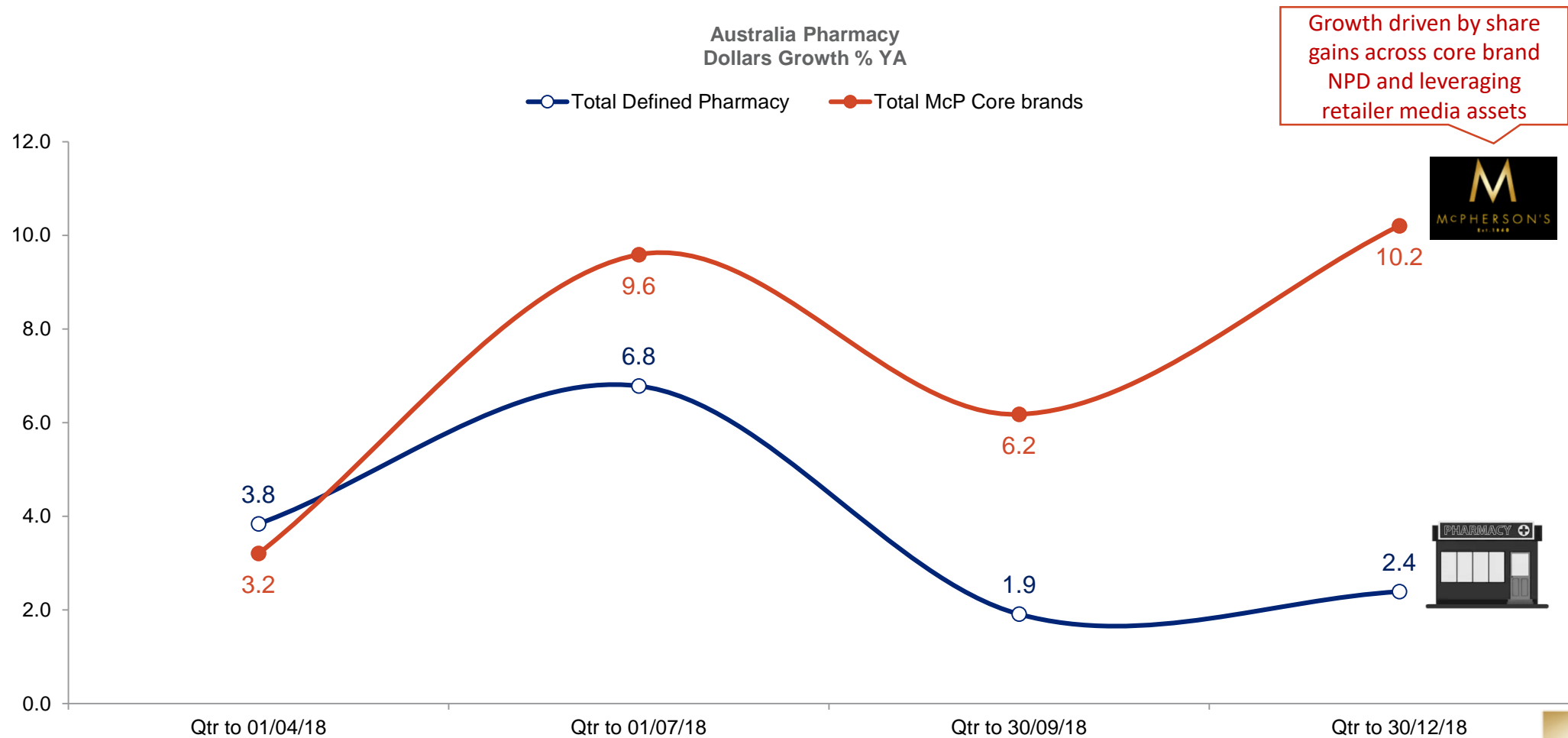
LEVERAGING STRENGTH WITHIN BEAUTY TO BUILD HOLISTIC HEALTH & WELLNESS PORTFOLIO



MCP EXPERIENCING POSITIVE GROWTH DESPITE PRESSURE ON RANGE RATIONALISATION AND HEAVY PRICE PROMOTIONS



MCP DRIVING GROWTH IN PHARMACY WITH STRONG RETAILER PARTNERSHIPS



DR. LEWINN'S – NO. 1 AUSTRALIAN COSMECEUTICAL

Accelerating Growth +18% (outpacing the category)



Core Rejuvenation
Reversaderm range
Sales 8x versus prior relaunch



Unique Innovation
Vitamin Enriched Private Formula
range +20% growth

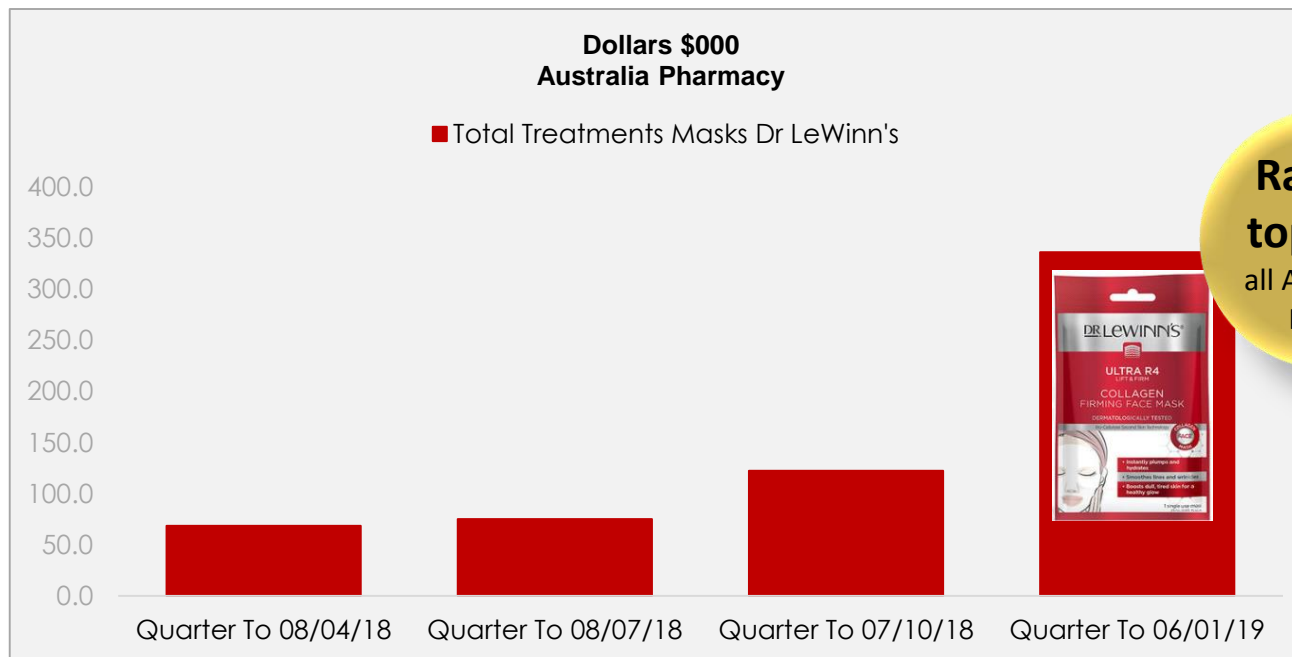


Virtuous Cycle
Line Smoothing Complex range
+33% growth

DR. LEWINN'S – NO. 1 AUSTRALIAN COSMECEUTICAL

Innovating in High Growth Segment

	2016	CAGR To 2021
Global Face Mask Market	\$5.7B	+9.1%
China Face Mask Market	\$2.7B	+11.7%



**Ranked
top 10** of
all Anti-aging
Masks



A'KIN – HIGH GROWTH NATURAL SKINCARE & HAIRCARE

Outpacing Category Growth



NATURAL HAIRCARE

A'kin +17% growth
Ranked #2 in pharmacy



NATURAL SKINCARE

A'kin +30% growth
Award Winning Products



DISTRIBUTION EXPANSION

Additional shelf in Priceline
9 international markets

MARKET LEADING BRANDS DRIVING CATEGORY GROWTH



#1 HAIR ACCESSORIES

Extending Pharmacy leadership to 31.4%
+4915 distribution points

#1 BEAUTY ACCESSORIES

+\$1.5M retail sales growth
Extending market leadership to 29.0%

#2 BEAUTY ACCESSORIES

#1 Lash Brand during Party Season
+\$750K incremental retail sales

FIRST TO MARKET SUSTAINABLE INNOVATIONS



MULTIX #1 BAGS, WRAPS & FOIL
33.3% market share, up +2.5 share points
+14% Multix brand growth

SWISSPERS #1 COTTON
54% Market Share
+4.2 share point gain in Woolworth Cotton Tips

ACCELERATING GROWTH WITH REAL ESTATE INVESTMENT



CATEGORY LEADERSHIP MERCHANDISING

- 335 high impact merchandising stands in 130 stores
- Front of store high traffic areas
- Ease of shopper shelf navigation
- Fuelling the path to purchase with interactive screens
- Accelerating sales growth to +16%



DELIVERING SHARE GAINS WITH KEY CUSTOMERS

#1 AUSTRALIAN BEAUTY SUPPLIER IN PHARMACY



PRICELINE/MANICARE SPRING BEAUTY
+2.0 share points
Top 5 NPd (out of 250 products)



CHEMIST WAREHOUSE DR. LEWINN'S
+1.7 share points
R4 range grew +166%



Fresh
reaching
3.1M
consumers

Off
location
in 360
stores



MULTIX XMAS ACTIVATION
+2.9 share points gain
+15% sales growth

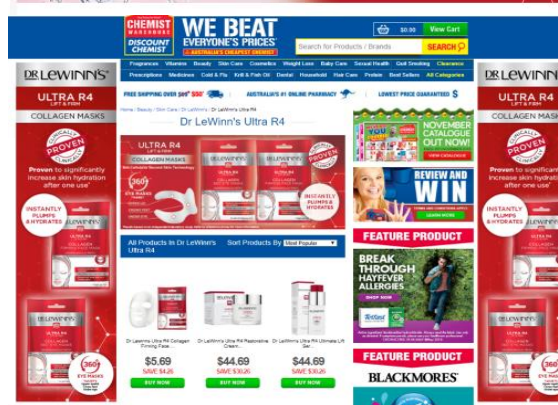
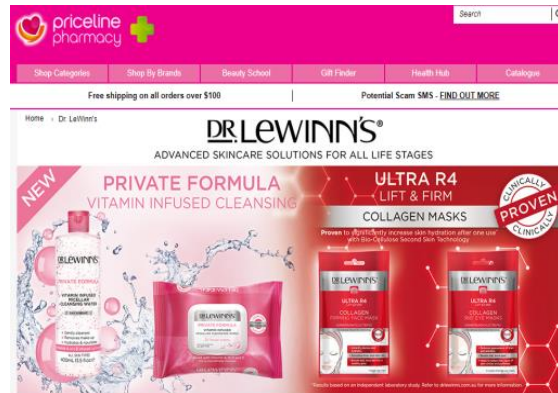
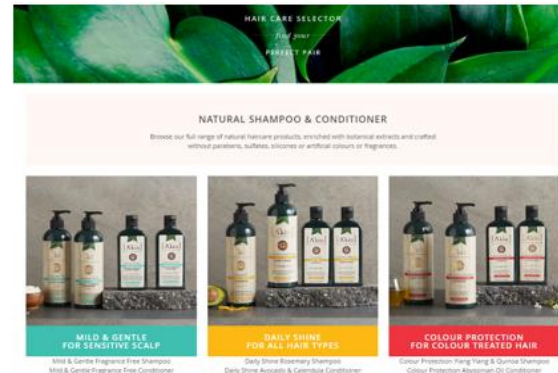
FUELLING THE PATH TO PURCHASE THROUGH DIGITAL



Get Ready With The Lady Jayne Incredi-Ball
Lady Jayne Hair
6 views • 2 weeks ago



Lady Jayne Incredi-ball Tips & Tricks
Lady Jayne Hair
3 views • 2 weeks ago



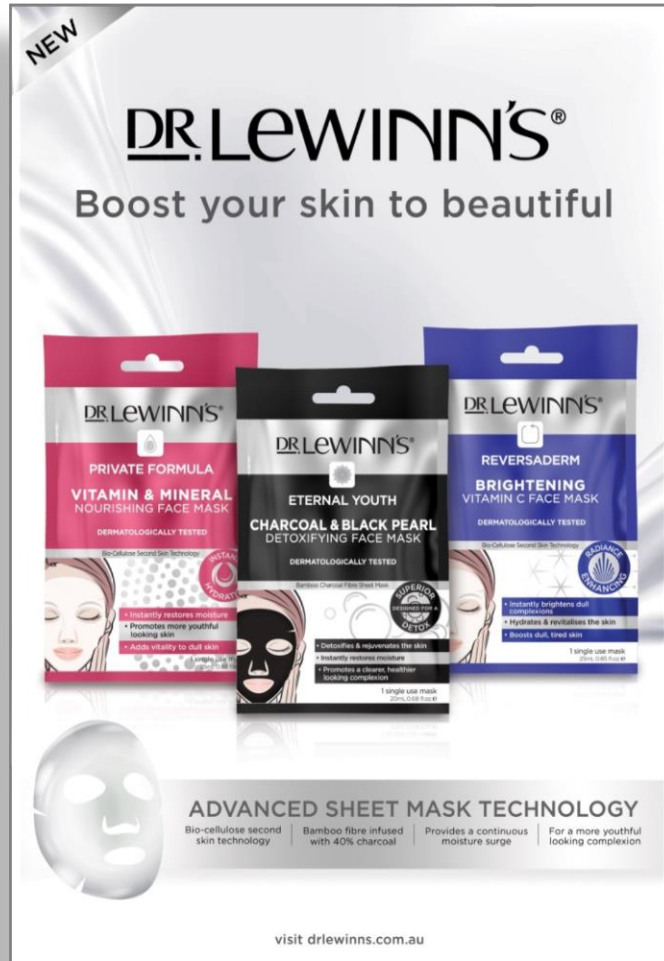
Expanding Digital Footprint

- 1.5M video views
- 26M ad impressions
- 2.5M consumers reached via influencer activity
- 10M consumers reached on owned social media

Customer Partnership Success

- 15M ad impressions
- MCP online sales over +70%
- MCP brand hubs in Priceline 200k visits
- Sonic Mini Social Campaign 75K views

Superior Innovation

**NEW**

NATURAL ROLL ON DEODORANT
24 HOUR Clinical Protection

Category Growth Innovation



NEW CONSUMER SEGMENT



SALON INSPIRED INNOVATION



FASHION COLLABORATION

Expanding our Sustainable Footprint

INCREASE ACCESSIBILITY

LAUNCH NEW FORMATS

INVESTIGATE NEW MATERIALS



New Formats



+2400 Distribution Points



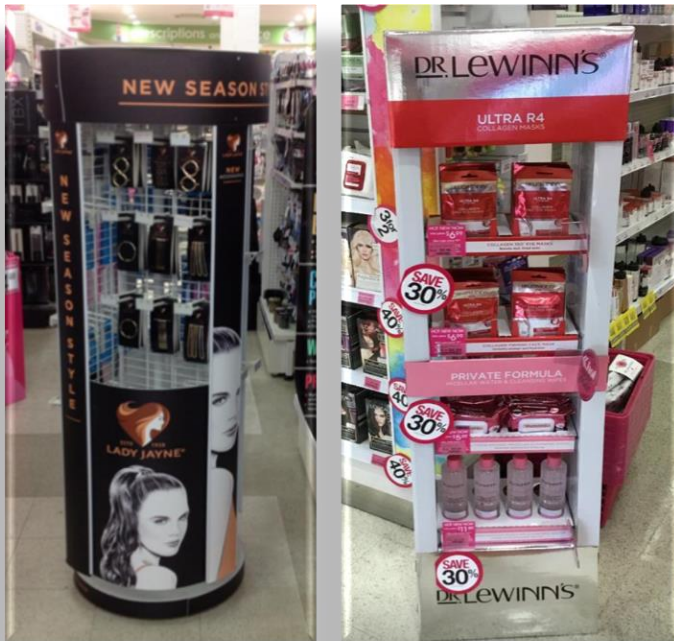
+2648 Incremental Distribution



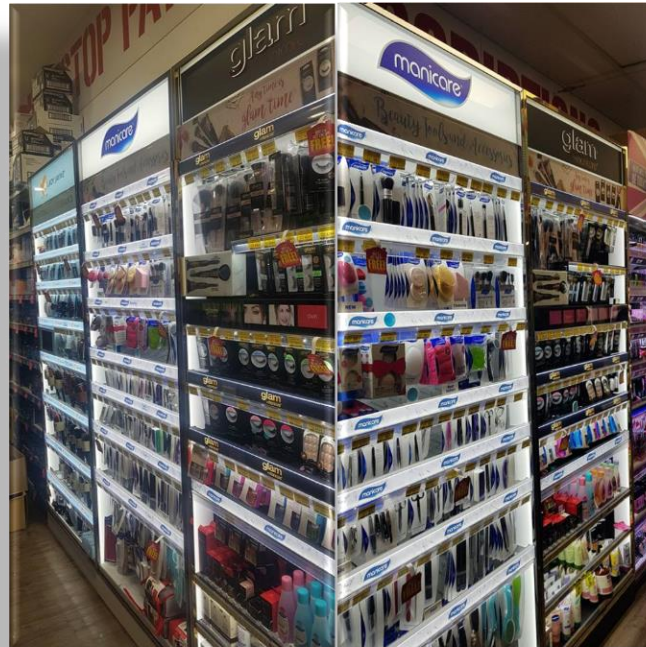
Next Generation

Real Estate Investment

+45% INVESTMENT IN REAL ESTATE, ROI IN 12 MONTHS



NEW PRODUCT LAUNCHES
High impact in high traffic areas



CHEMIST WAREHOUSE PHASE 2:
255 Stand in 165 Stores

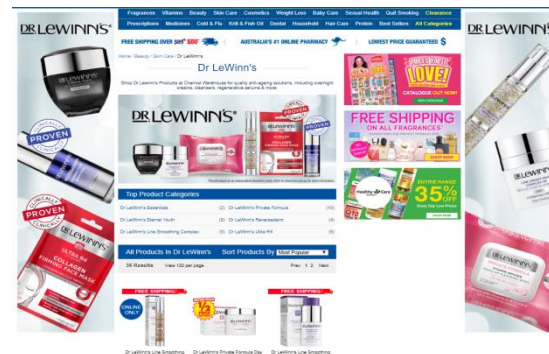


REAL ESTATE OPTIMISATION
Assist shopper navigation

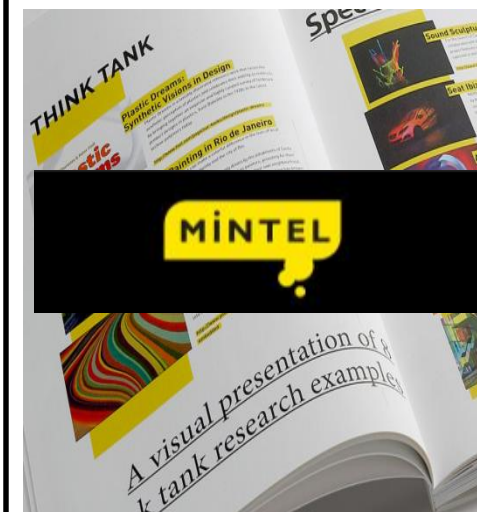
STRATEGIC CUSTOMER PARTNERSHIP

+65% increased participation +28,000 incremental distribution points in 2H +Category Captaincy

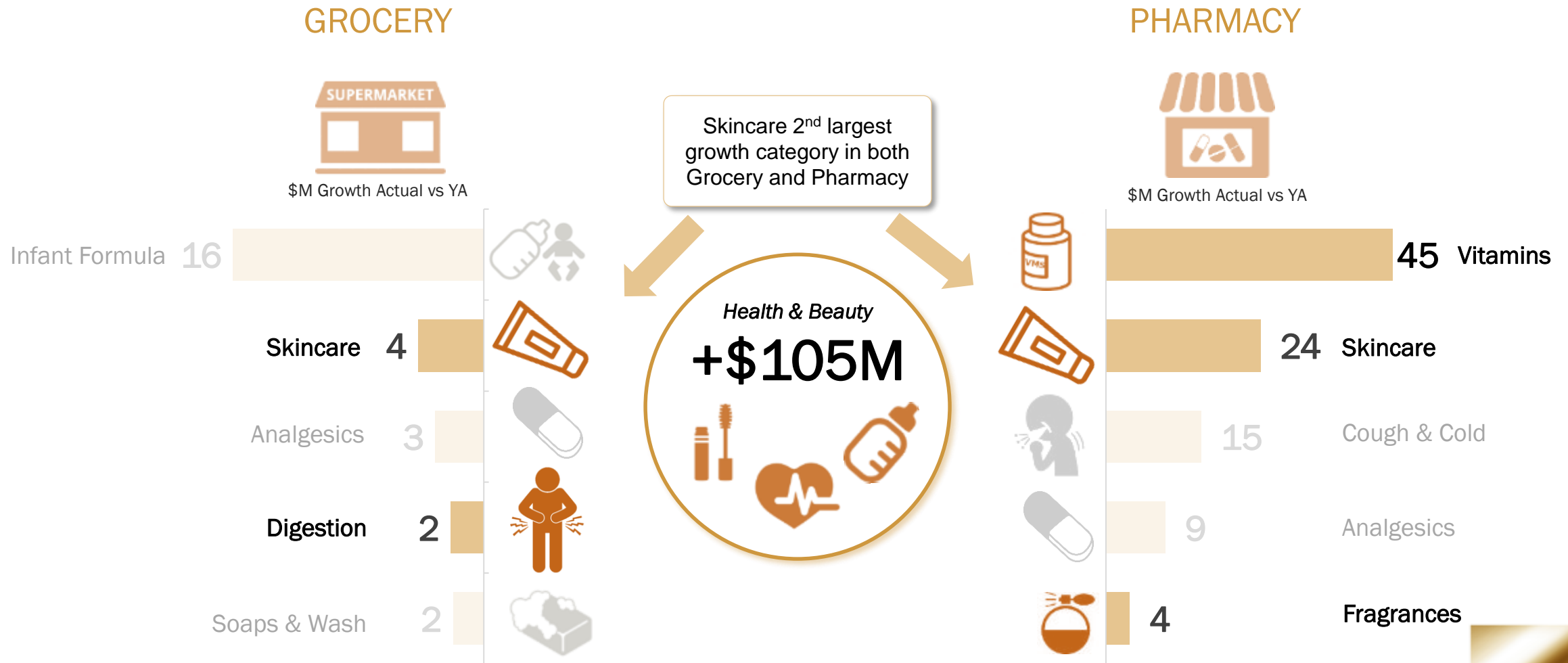
- Top to top meetings
- Joint Business Planning
- New Trading Terms to increase customer participation
- Strategic investment plans
- Strategic customer partnerships



INNOVATION PARTNERSHIPS



HEALTH, WELLNESS & BEAUTY CATEGORIES ARE WINNING



NEW BUSINESS: RIGOROUS EVALUATION

THE CRITERIA

- Health, Wellness Beauty categories focus
- Environmentally sustainable
- Socially responsible

Alignment with strategic direction

- Emerging growth categories within sector
- Strong innovation pipeline
- Broad potential customer base
- Scope to expand into export markets

Growth Potential

- Aligned with key customers & channels
- Strong brand portfolio fit
- Minimal structural change to salesforce
- Strong Warehousing, manufacturing and logistics efficiencies

Distribution Synergies

- Uniqueness of brand proposition
- Opportunity to become category leader
- Market dominance and rivalry with the category segment

Brand Potential

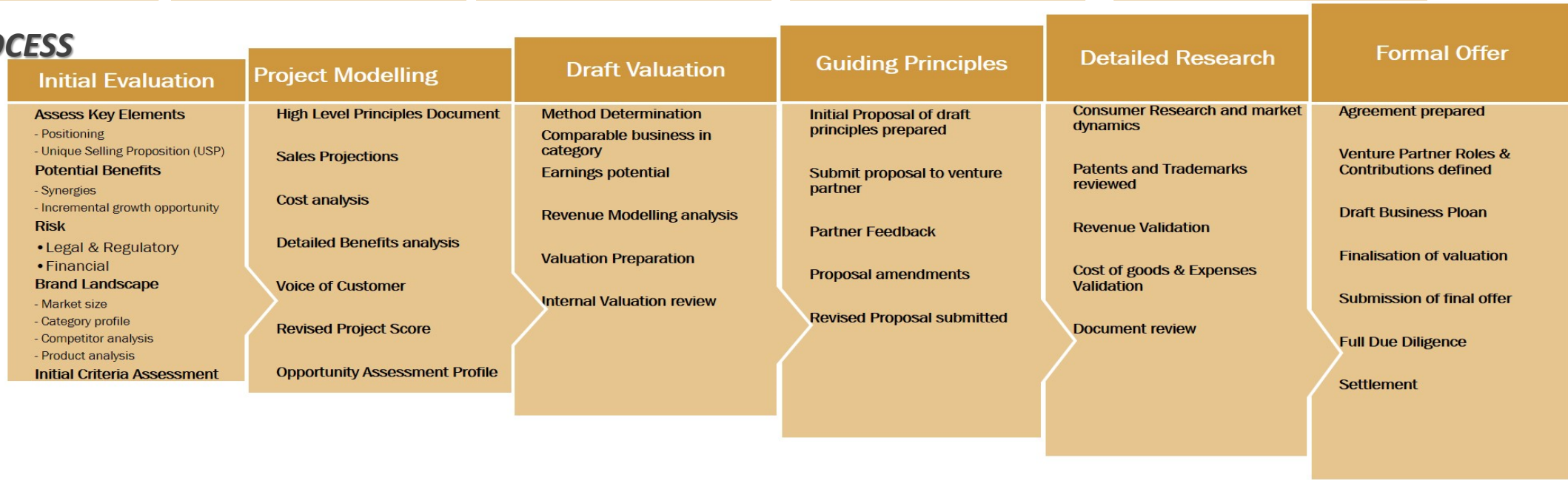
- High category margins
- Low levels of discounting within category
- Minimal category advertising & promotional spend requirements
- Return on Funds Employed (20% ROFE – 3 Years)

Financial Reward

- Regulatory challenges
- Strong IP ownership and low ability to replicate
- Minimal Resources and cashflow requirements
- Complexity of arrangement
- Low Legal and consumers risks

Project Risk

THE PROCESS



VENTURING: ENTERING FAST GROWING HEALTH WELLNESS & BEAUTY VIA A DE-RISKED MODEL

Day 1:
Majority Owned



Trusted Partner



Unique



Win Domestically



Export (China) Facing

New Venture Co.



Pre-Agreed Buyout





UNIQUE SKIN NOURISHMENT FROM THE PUREST PLACE ON EARTH



Queenstown,
New Zealand.

Introducing kōtia, the first skincare made with pure deer milk from the pristine pastures of Queenstown, New Zealand. By combining deer milk's naturally regenerative ingredients with scientifically proven actives, kōtia delivers a pure yet potent way to provide your skin with essential nourishment like never before.

KOTIA IS GENERATING A GROUNDSWELL OF MEDIA INTEREST

BUSINESS

Queenstown entrepreneur launches world first deer milk beauty product

9 Feb, 2019 5:00am

4 minutes to read



Graeme Shaw.

NZ Herald
By: Janetta Mackay



Milking deer could open up a new high-value dairy industry for New Zealand, reckons Queenstown entrepreneur Graeme Shaw, who is launching a world first, locally made deer milk skincare range.



Entrepreneur launches skincare project that's deer to his heart

Janetta Mackay

Milking deer could open up a new high-value dairy industry for New Zealand, reckons Queenstown entrepreneur Graeme Shaw, who is launching a world first, locally made deer milk skincare range.

His Kotia beauty brand will be presented to more than 70 industry buyers and media flown into the resort town this month.

A significant distribution deal for the skincare range has already been arranged here and in Australia in partnership with McPhersons Consumer Products. This will see the products in the big Priceline pharmacy chain and locally in selected Green Cross (Life and Unichem) pharmacies and Farmers stores.

But it is the vast Asian market which ultimately offers the most export potential.

Shaw says he is pioneering mech-

anised deer milking since 2012, initially for cheese making. It's a tricky business, with the highly-strung animals currently only milked on a handful of South Island farms.

The protein-rich milk is attracting interest from scientists. Shaw has had it analysed by AgResearch in Hamilton and has done clinical trials with Lincoln University to better understand its potential. "We've identified some other properties in the milk that we'd like to develop," he said.

He's not alone in seeing the industry's potential. Pāmu, the brand representing state-owned farmed deer, signed a supply deal in December with a South Korean pharmaceutical company, Yuhan, to provide deer milk for skincare which Yuhan said would go to market this year. Pāmu has also been providing deer milk to chefs.

While Shaw is focusing on deer milk skincare for now – where the

milk's hydrating and nourishing properties have obvious application – areas such as ingestibles are of longer-term interest. He is working with milkers in South Canterbury, after being the driving force behind the first successful deer milking trials in Otago in 2012.

Shaw believes New Zealand, with the world's largest population of farmed deer, has a unique opportunity to develop a valuable deer milk dairy industry. Those in the deer farming industry are watching developments with interest, he says. "They're all sitting back waiting to see if there's a market."

He's convinced there is, saying other countries can't just conjure up 500,000 deer so this, combined with excellent market potential, gives New Zealand a great opportunity.

Now approaching 60, Shaw is passionate about the country he grew up in and returned to with his young

family after establishing a large physiotherapy practice in Sydney. Shaw founded Queenstown's renowned Matakauri Lodge, stocking it wholly with New Zealand wine and food, and seeing it named one of the World's Top 50 Resorts by travel bible Conde Nast before selling it on.

It was his first, and a very hands-on, building project and sparked an interest in further property development of high-end apartments in both Queenstown and Sydney.

He's happy to see Matakauri now owned by the Robertsons of Kauri Cliffs and Cape Kidnappers renown, back on the luxury tourist map.

He's also glad he listened to his father's advice, that having three careers is a good way to keep up interest levels in working.

So from physio, to property, it's now red deer and New Zealand's beautiful potential that keep Graeme Shaw from retiring.

Otago Daily Times

Thursday, 14 February 2019

News Sport Life & Style Entertainment Business Regions Features Districts Rural Life

Wednesday, 13 February 2019

Potential of deer milk-derived cosmetics excites developer

By Janetta Mackay

Business

Business



Shaw with his baby deer in a world first range of skin care manufactured in New Zealand. Photo: Supplied

Graeme Shaw describes his latest venture as "a great example of tenacity". For the past six years, the Queenstown man has repeatedly pursued a desire to see milk harvested from deer and used in new products.

"I don't call myself a pioneer but I guess I am with it," Mr Shaw said yesterday, before a launch of the world's first deer-milk beauty range formulated with deer milk. Like most early pioneers of New Zealand's famed deer industry who he "looked up to", he had done the same, even though there had been plenty of opportunities to sell out.

Not that antelope projects were something new to him; the former physiotherapist had building projects in establishing the luxury Matakauri Lodge, near Queenstown, with his wife Sarah.

Given the natural, fatty nature of deer, the prospect of milking the animals, let alone establishing a market for their milk, seemed of eye-watering – and continues to do so.

However, Mr Shaw said "enormous" potential for the Kotia brand, both in New Zealand and internationally.

The range, which was formulated and manufactured in New Zealand, has been developed by cosmetics chemist David Vennart.

It uses healthy milk that would hydrate and nourish the skin while also being a sustainable resource, he said.

The creation of a sustainability (and product) was something that was derived from Mr Shaw's time at Matakauri, during which it was named one of the World's Top 50 Resorts by Conde Nast.



Graeme Shaw

CONNECT WITH US



MOST POPULAR

- Sharkwreck attack Māori women
- Monthly Christmas figure Graham
- Crash site dies
- Man who dropped off Enderby coast
- Man from South Otago
- Police called to help with dog at 8th Lane
- Woman (91) seriously hurt in Otago crash
- Woman avoids jail for web shop sales

EDITORS PICKS

- Crash site dies
- Police called to help with dog at 8th Lane
- It was a tragedy for the woman who was killed
- Woman (91) seriously hurt in Otago crash
- Woman avoids jail for web shop sales



Rural Life

Saturday, 9 February 2019

Q'town man launches world first deer milk beauty product

Rural life > Dairy



The protein-rich milk is attracting interest from scientists. Photo: Supplied via NZ Herald

Milking deer could open up a new high-value dairy industry for New Zealand, reckons Queenstown entrepreneur Graeme Shaw, who is launching a world first, locally made deer milk skincare range.

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Shaw has been pioneering mechanised deer milking since 2012. Initially, for cheese making, it's a tricky business, with the highly strung animals currently only milked on a handful of South Island farms.

The protein-rich milk is attracting interest from scientists. Shaw has had it analysed by AgResearch in Hamilton and has done clinical trials with Lincoln University to better understand its potential. "We've identified some other properties in the milk that we'd like to develop," he told the Herald.

He's not alone in seeing the industry's potential. Pāmu, the brand representing state-owned farmed deer, signed a supply deal in December with a South Korean pharmaceutical company, Yuhan, to provide deer milk for skincare which Yuhan said would go to market this year. Pāmu has also been providing deer milk to chefs.

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He's convinced there is, saying other countries can't just conjure up 500,000 deer so this, combined with excellent market potential, gives New Zealand a great opportunity. We should look to value add here, rather than export raw ingredients, he maintains.

Now approaching 60, Shaw says: "I'm always looking to see what we can do better to promote New Zealand."

stuff

Pioneer deer milker launches novel skincare range

05:00, Feb 15 2019



GAIL SIMONS

The man behind the deer milk cosmetics says it is the company's policy not to separate the hinds from fawns.

The man who says he pioneered deer milking has launched a range of skincare products using the unusual milk.

Queenstown-based Graeme Shaw, former owner of Matakauri Lodge, said he first tried to milk deer in 2012, thinking to make deer milk cheese.

"The brie and blue were fantastic, but then one day one of the ladies who was doing the milking said her skin was softer and more supple during the milking season."

He then convinced Landcorp to enter into a joint venture, which has since been dissolved, with the state-owned enterprise going its own way having recently entered into an agreement with South Korean pharmaceutical company Yuhan to supply it with deer milk from some of its farms.



KOTIA LAUNCH

LAUNCH EVENT

70+
MEDIA, KOL'S & CUSTOMERS

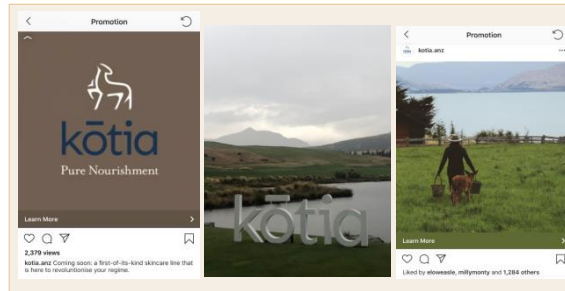
NZ LAUNCH – MARCH '19



AUSTRALIAN LAUNCH – APR '19



DRIVING LIKES SHARES COMMENTS



STRONG IN STORE ACTIVATION



WINNING WITH PRICELINE



EARNED MEDIA

Target
+\$4.0 Mill

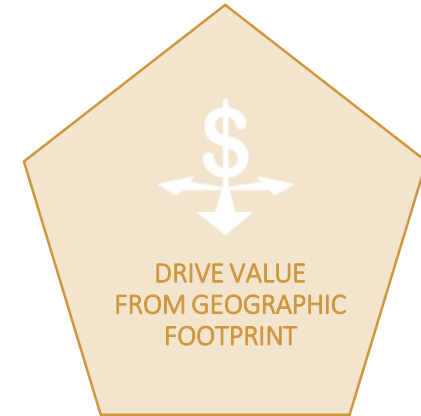
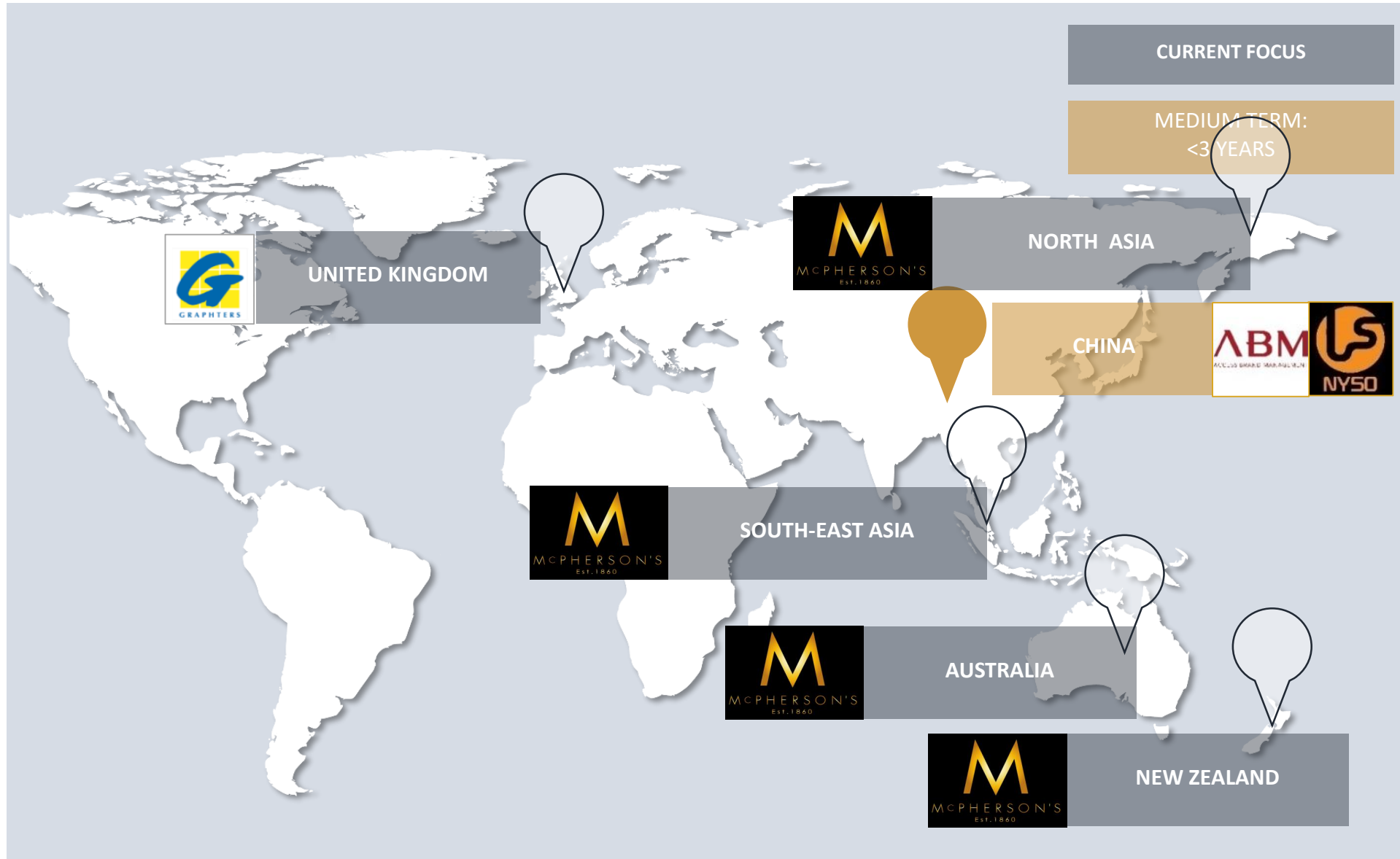
WINNING WITH CUSTOMERS

- Launch 100 Doors (Unichem/Life) – Target 350
- Launch 20 Doors (Farmers) – Target 50
- Catalogue Support
- Off Location Displays

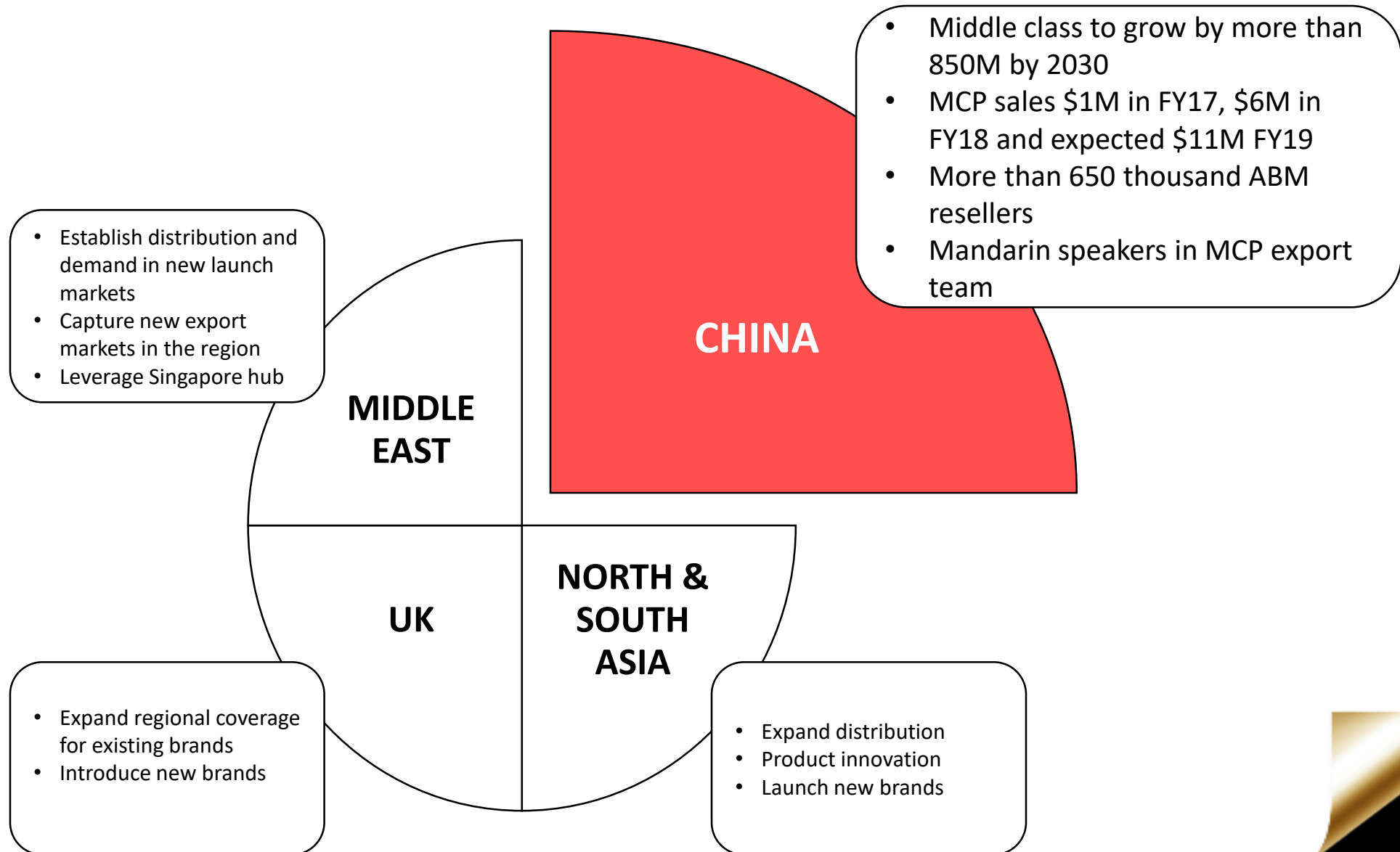
ANNUAL INVESTMENT

- 350 Doors
- 360° Activation – May '19
- Focused Daigou (15 stores)
- Off Location Displays

DRIVE VALUE FROM GEOGRAPHIC FOOTPRINT



SELECTIVE REGIONAL EXPANSION



VIRTUOUS CYCLE – DR LEWINN'S

DR. LEWINN'S®



Trusted partnerships



Agreed business model



Appropriate pricing corridors



Continuity of supply

AUSTRALIA
澳大利亚



CHINA
中国

Speed to market



Flexibility to react to change



Rigorous processes



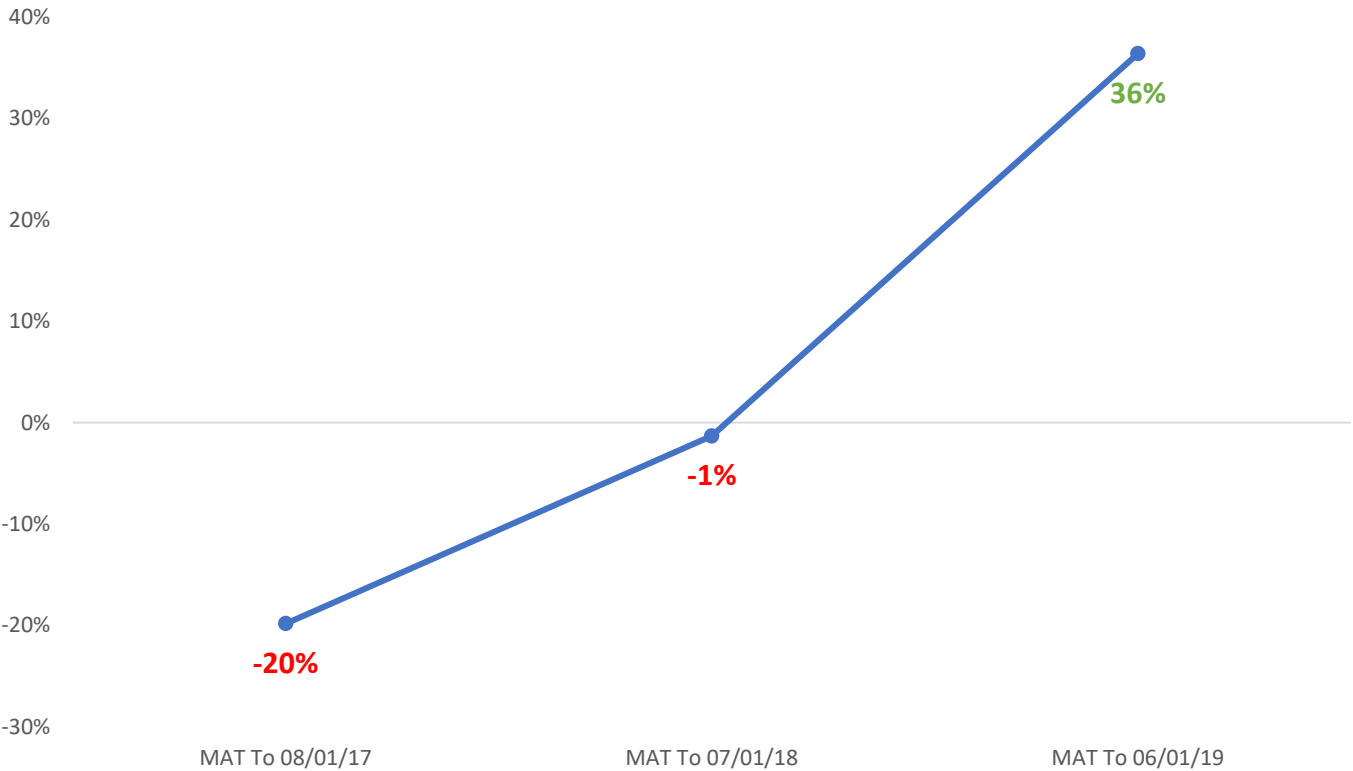
Adaptable to market dynamics



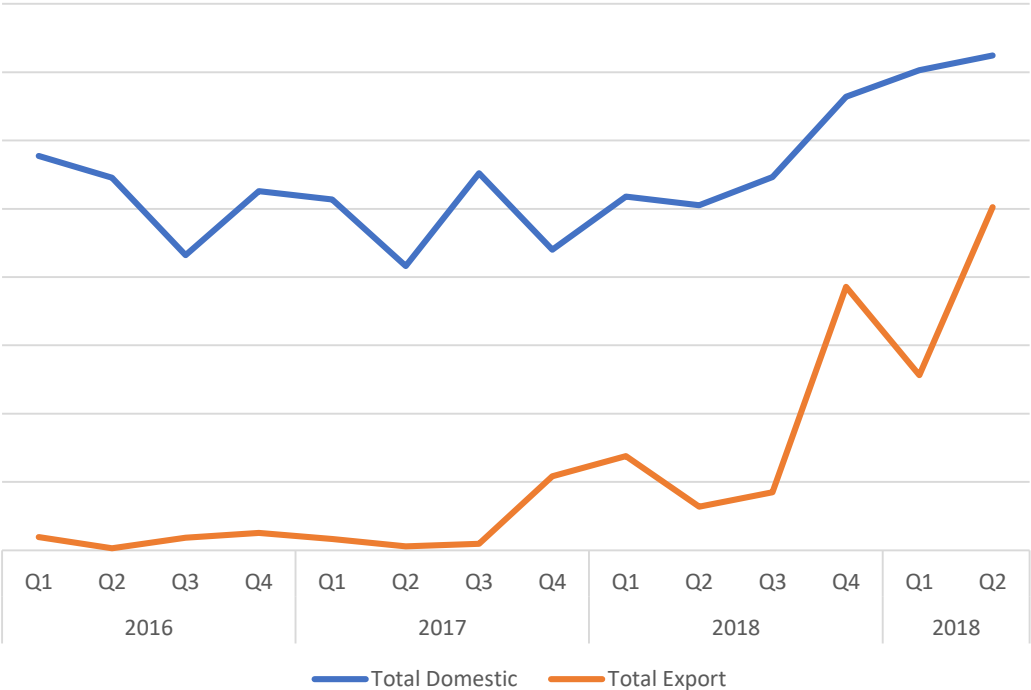
Dr LEWINN's – VIRTUOUS CYCLE IMPACT

DR. LEWINN'S®

Total Pharmacy
Total Dr. LeWinn's Line Smoothing Complex Growth % YA

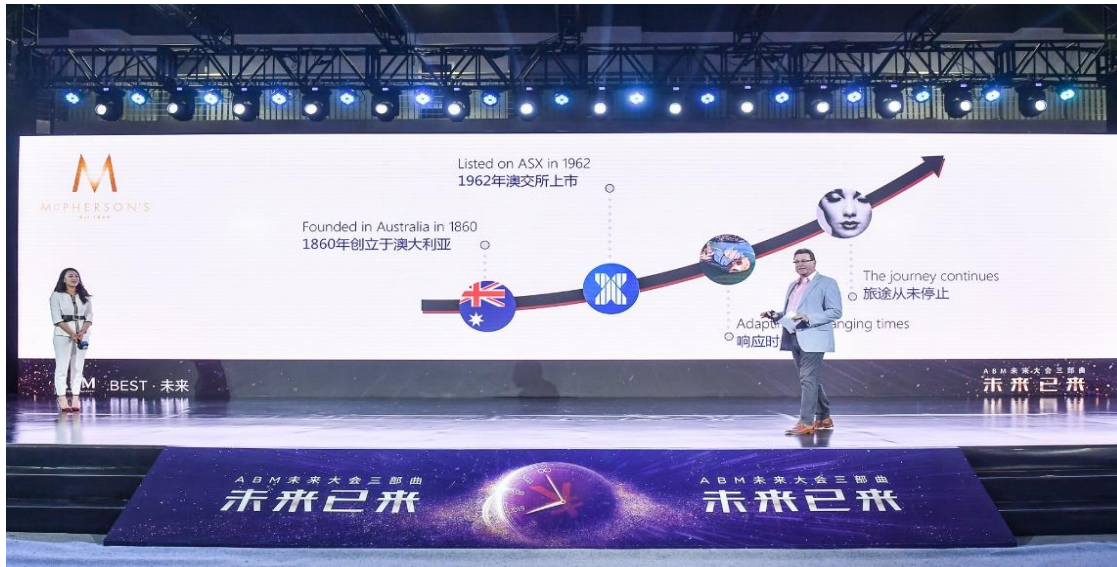


Dr. LeWinn's Growth Ex Factory



Source: IRI Market Measurement – Pharmacy Scan, Data to: MAT Value To 06/01/19;
MAT= Moving Annual Total; Qtr= Quarter; YA= Year Ago

SENIOR MANAGEMENT ENGAGEMENT – BUILD CHINA PARTNERSHIPS



MCP SUPPLY CHAIN - FIT FOR PURPOSE

ADAPTABLE & FLEXIBLE

AVAILABLE CAPACITY

+40%

SIGNIFICANT HEADROOM

DAILY DELIVERIES

5,000+

1,600 Australian Postcodes

STAFF RETENTION

80+

Tenure > 18 Years

EFFICIENCY

SUPPLY CHAIN COSTS



HARD SAVINGS

\$7.5 Mill

WORKING CAPITAL

-40%

Last 2 Years

FUTURE PROOFING

TRUSTED PARTNERS



ADAPTING

8
18



ANNUAL INVESTMENT

20%

CAPEX – SUPPLY CHAIN ERP

1ST HALF FY19 ACHIEVEMENTS

- ❑ 11% increase in owned brands sales revenue and 14% growth in sales revenue of the core six brands vs 1H 2018
 - 80% growth in Dr.LeWinn's sales revenue
 - 11% growth in A'kin sales revenue
 - 14% growth in Multix sales revenue
- ❑ Strong financial position leveraged to make strategic investments in partnership with key customers
 - Targeted in-store customer growth campaigns via installation of 780 merchandising display units in partnerships with Key Accounts
- ❑ Export channels, business model and relationships gaining momentum
 - Ongoing geographic expansion in 11 new countries
 - China business model successfully implemented with sales growth of 108% on pcp despite supply disruption
- ❑ Completion of the world's first pure NZ deer milk based cosmetic range under the 'Kotia' brand
 - Expected to be earnings accretive from FY20
 - Set new trend in "incubation" growth ventures in the \$13 billion Health, Wellness and Beauty market
- ❑ Enhanced supply chain through stronger supplier partnerships
 - Dr. LeWinn's supply disruption issue resolved through strategic alignment deal with The Aware Group, to meet anticipated rapid growth in skincare requirements in China
- ❑ An established Board and leadership team with deep sectorial expertise, capabilities & values

OUR PRIORITIES YEAR TO GO

- ❑ **BRANDS:**
 - **Innovation** - Masks Expansion, Dr. LeWinn's Pearl Technology NPD, Next Phase Sustainability & Manicare Sonic range extensions
 - **Real Estate** - merchandising investment, in-store activation, incremental ranging
- ❑ **CUSTOMERS:**
 - **Strategic partnerships** - Optimised investment strategy, 360 launch and promotional activities, in store real estate solutions
- ❑ **EXPORT:**
 - **Continue driving growth**
 - Fostering Growth trajectory for DRL (leveraging LSC growth via activations)
 - Continued Brand Penetration (for Akin and Karen Murrell)
 - Successful Launch of Kotia
- ❑ **SUPPLY CHAIN:**
 - **Savings:** Continued focus on Supply chain efficiency & opportunities to maintain savings profile
 - **Agencies & Acquisitions IN.** (Kotia, soulful etc): Ensure the transition of new brands & new agencies into MCP portfolio
 - **Keep the tail under control**
- ❑ **AGENCY**
 - Trilogy Agreement expiry, providing greater focus on MCP brands and financially offset by identified OPEX savings
- ❑ **NEW BUSINESS VENTURES:**
 - Kotia Deer Milk Skincare range launched in Queenstown, New Zealand – Saturday 16th February 2019
 - Second new Venture (Health & Wellness focused) – 90% Complete. Due Diligence underway
 - Third new venture (Millennial Skincare) – 50% complete. Heads of agreement complete

INVESTOR DAY 2019



9th May 2019



- ***Non-IFRS measures***

The non-IFRS measures used by the Company are relevant because they are consistent with measures used internally by management to assess the operating performance of the business. The non-IFRS measures have not been subject to audit or review.

- ***Disclaimer***

Statements contained in this presentation, particularly those regarding possible or assumed future performance, estimated company earnings, potential growth of the company, industry growth or other trend projections are or may be forward looking statements. Such statements relate to future events and expectations and therefore involve risks and uncertainties. Actual results may differ materially from those expressed or implied by these forward looking statements.