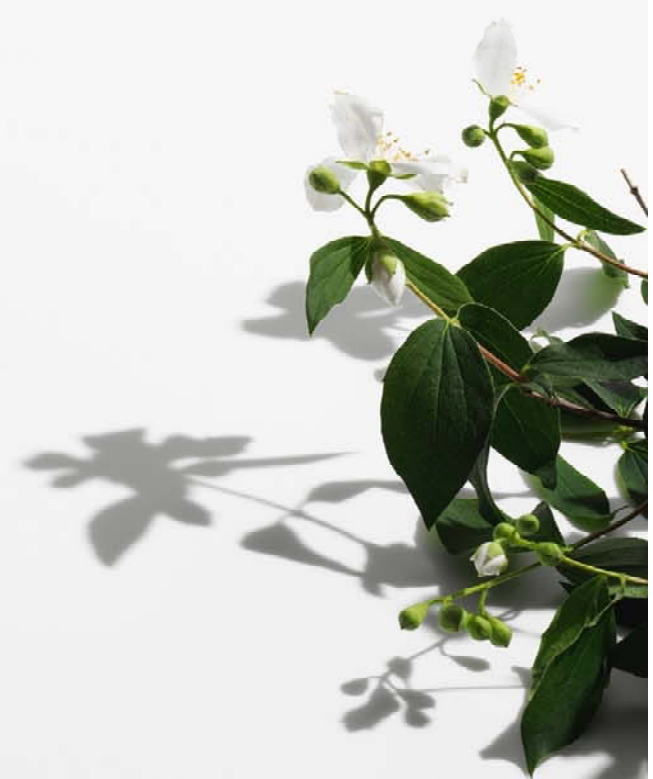


# SHAREHOLDER PRESENTATION FULL YEAR FY17 RESULTS

August 2017



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# COMPANY SUMMARY & OUTLOOK

- Revenue of \$72.7m, representing a 34.0% increase versus prior full year 2016;
- Gross margin of 65.5%, up from 62.1% from the prior full year 2016;
- EBITDA (normalised) <sup>(1)</sup> of \$26.4m, representing a 30.7% increase versus prior full year 2016;
- NPAT (normalised) <sup>(1)</sup> of \$17.6m, representing a 41.9% increase versus prior full year 2016;
- EBIT (statutory) of \$21.4m, representing a 11.5% increase versus prior full year 2016;
- NPAT (statutory) of \$13.4m, representing a 11.7% increase versus prior full year 2016;
- Sukin branded product sales of \$62.0m, representing a 53.9% increase versus prior full year 2016; and
- The Company declares a final fully franked dividend of 4.2 cents per share, which together with the 2.5 cent interim dividend, represents a 39.6% increase on full year 2016.

<sup>(1)</sup> normalised amounts exclude \$4.2 million of one-off costs incurred on the acquisition of Mineral Fusion

With the ongoing strategic initiatives we have in place, aimed at growing our brands across our existing domestic and expanding International platforms, combined with the expected contribution from recently acquired Mineral Fusion, we look forward to the continued growth of the company and expect growth in FY18 EBITDA to comfortably exceed the 30.7% increase achieved in FY17.

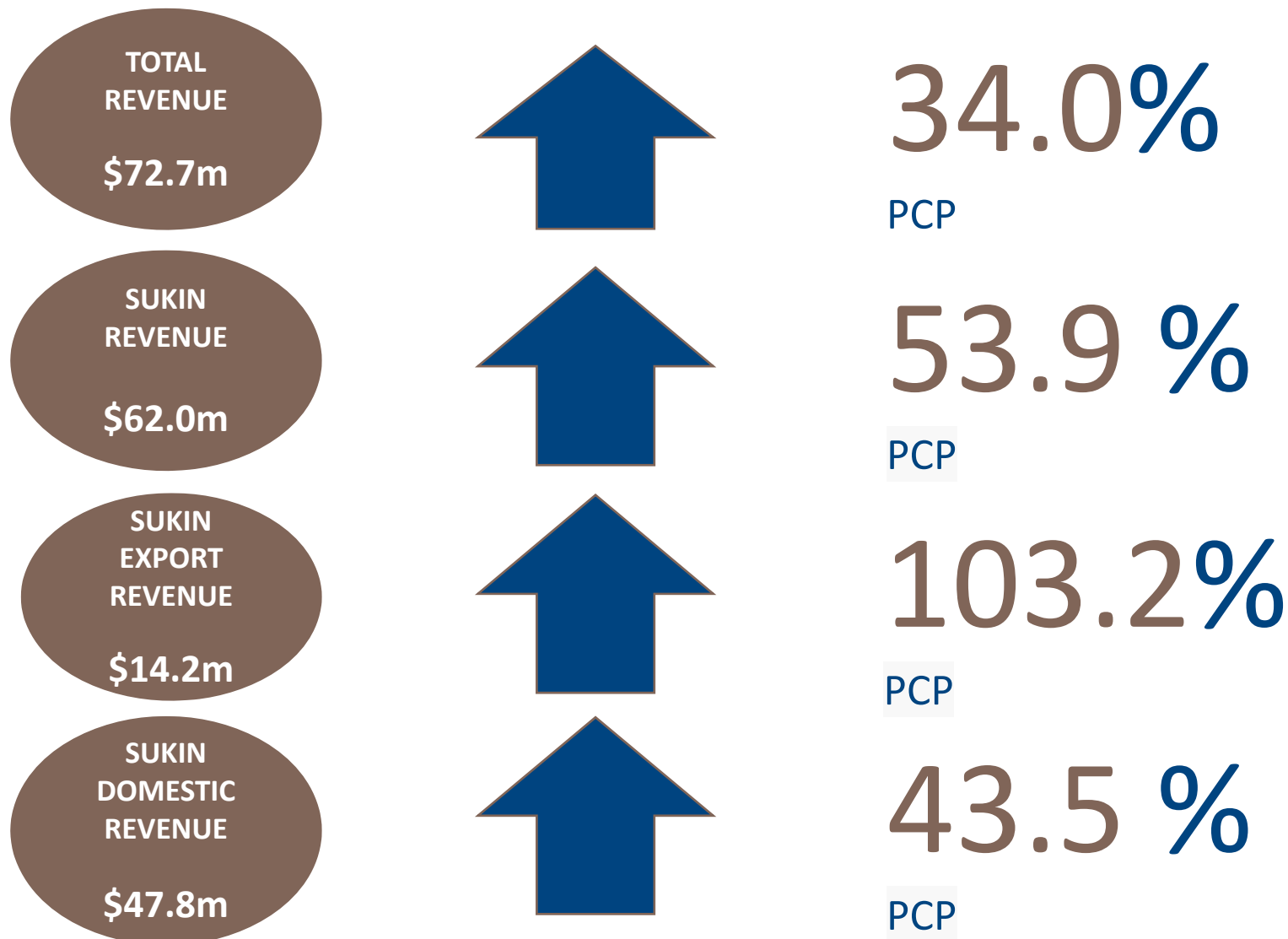




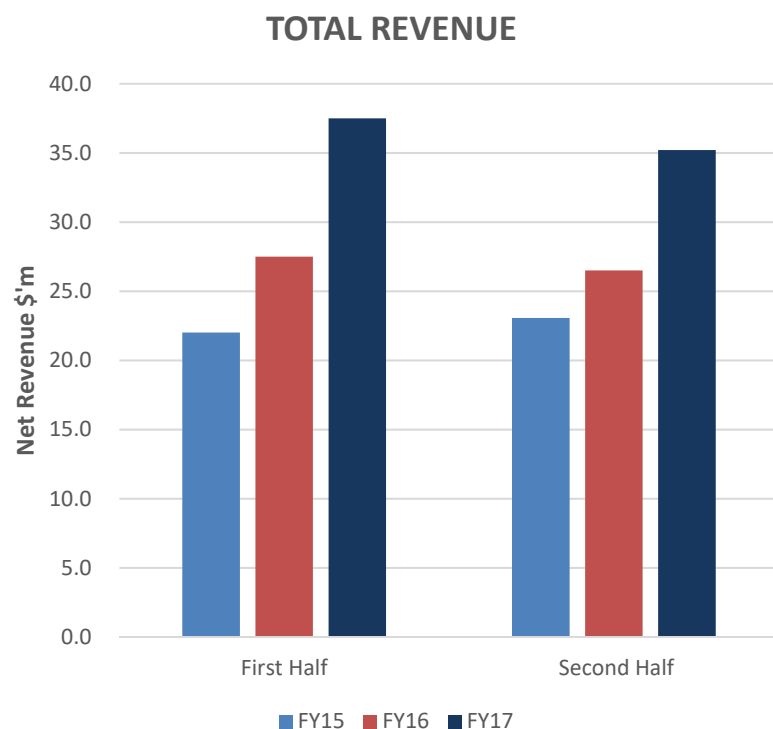
# **FINANCIAL HIGHLIGHTS FY 2017**

## **CONTINUING DOMESTIC GROWTH STRENGTHENING INTERNATIONAL PLATFORM**

## COMPANY FY17 FINANCIAL RESULT HIGHLIGHTS



## COMPANY 2HFY17 FINANCIAL RESULT HIGHLIGHTS



TOTAL  
REVENUE

\$35.2m



31.4%

PCP

SUKIN  
REVENUE

\$31.0m



48.8%

PCP

SUKIN  
EXPORT  
REVENUE

\$7.5m



93.1%

PCP

SUKIN  
DOMESTIC  
REVENUE

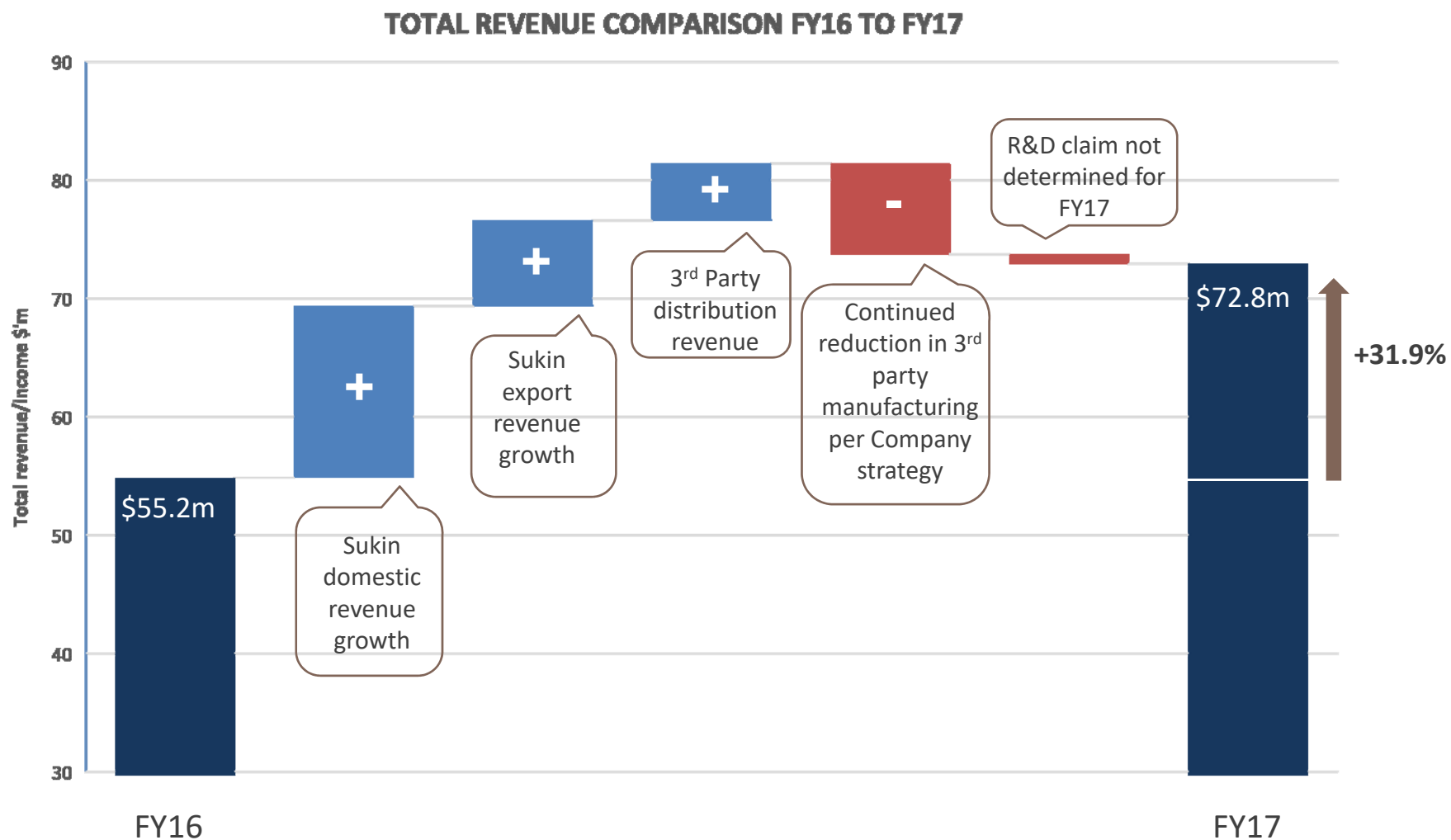
\$23.5m



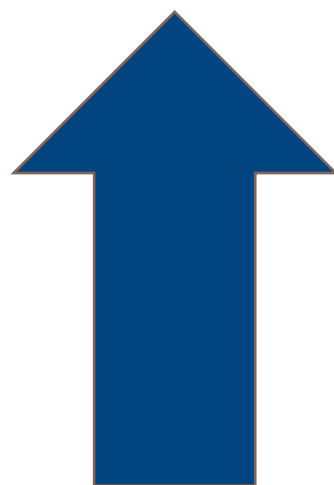
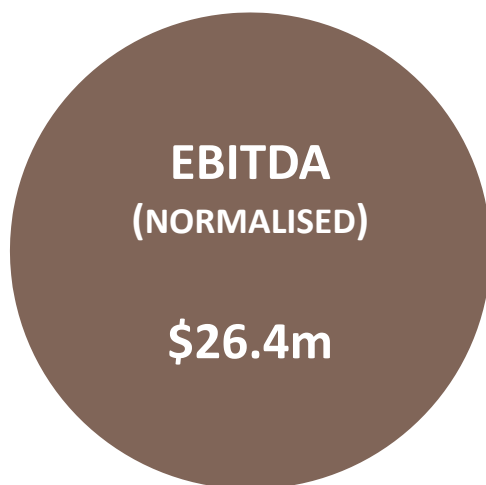
38.6%

PCP

# COMPANY FY17 FINANCIAL RESULT HIGHLIGHTS

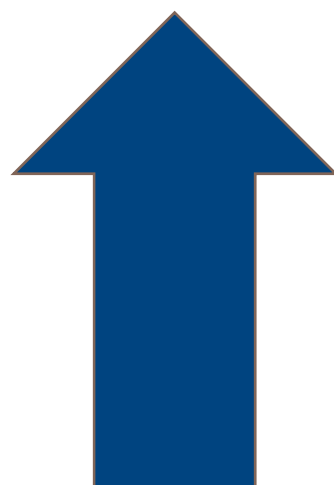
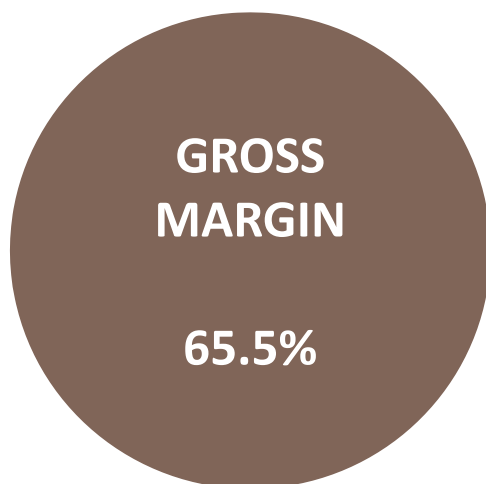


## COMPANY FY17 FINANCIAL RESULT HIGHLIGHTS



30.7%

PCP

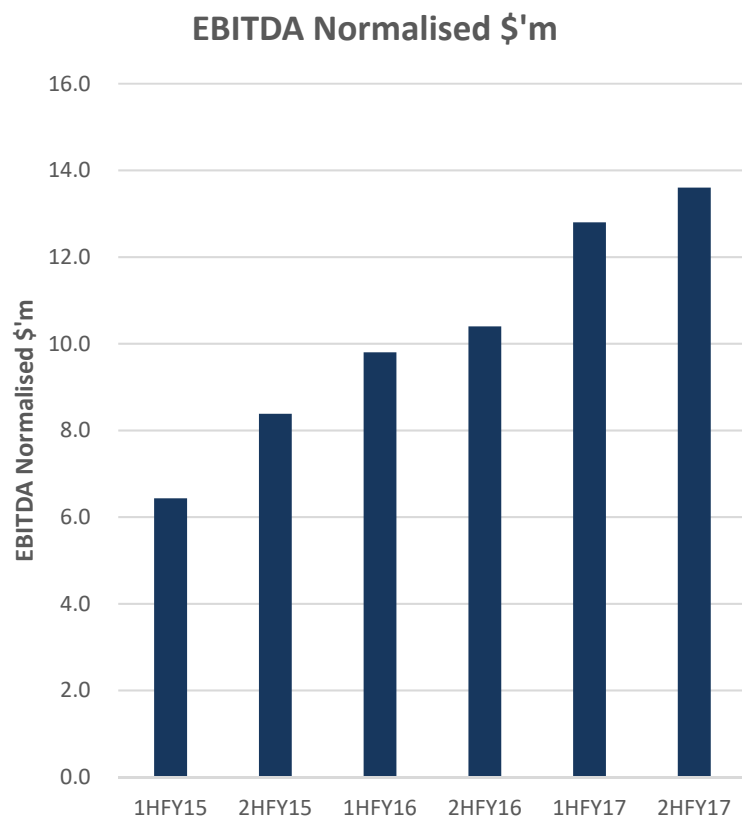


340bpts

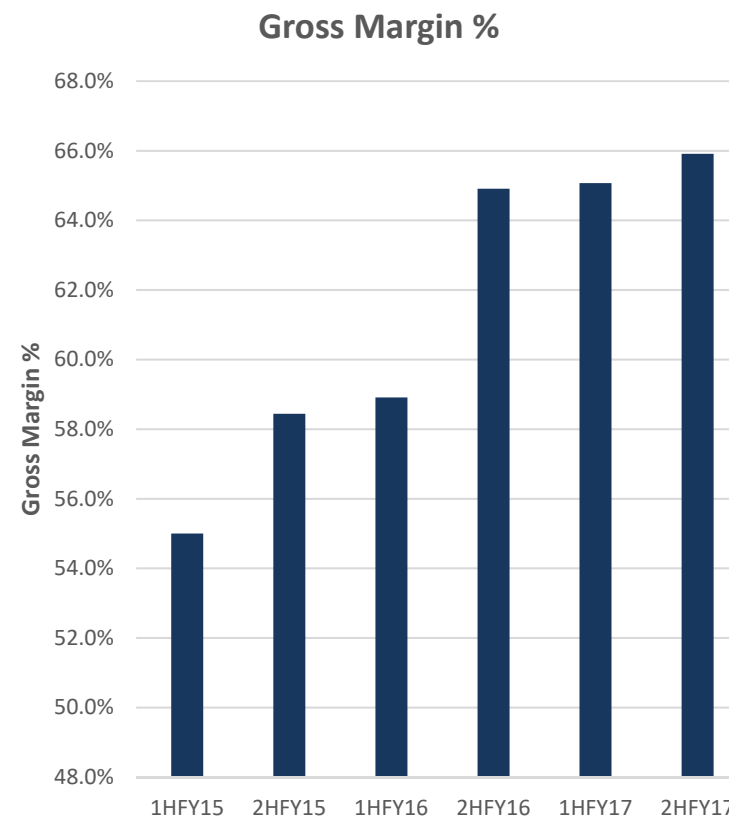
PCP



# COMPANY FY17 FINANCIAL RESULT HIGHLIGHTS

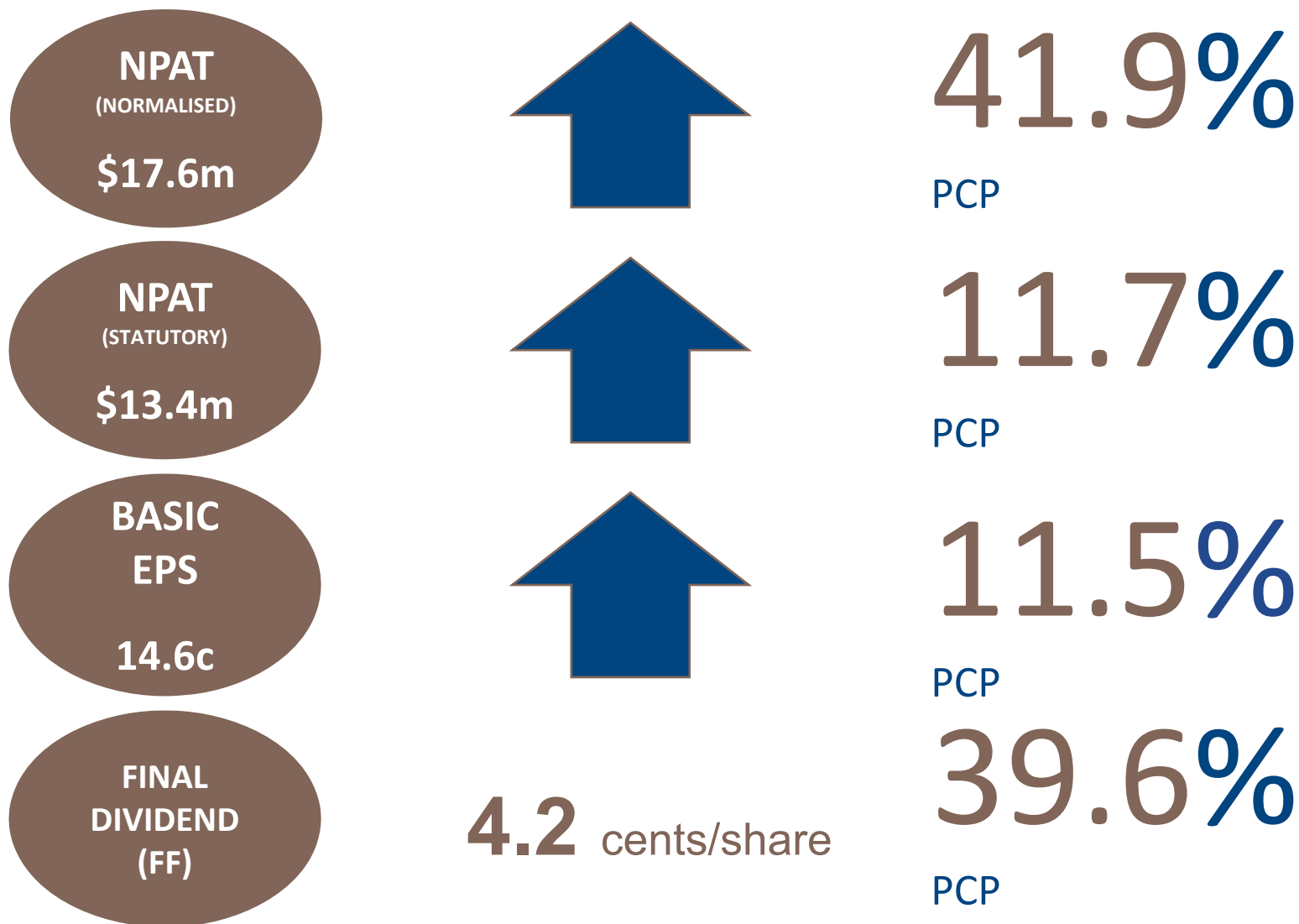


**EBITDA COMPARISON**



**GROSS MARGIN COMPARISON**

## COMPANY FY17 FINANCIAL RESULT HIGHLIGHTS





FY 2017

**OPERATIONS AND  
RESULTS REVIEW**

## FY 2017 REVIEW

After a strong FY16, the Company has had a solid 2HFY17 to grow FY17 revenues 34.0% to \$72.7m leading to a 30.7% increase in normalised EBITDA on the back of increased Gross Margins (65.5%).

This result was achieved whilst continuing the largely complete program of reducing our third party manufacturing income to \$3.1m in FY17, from prior \$10.8m in FY16; a reduction of \$7.7m.

The 30.7% increased EBITDA is without the benefit of an R&D claim, which led to a \$767k positive EBITDA impact in FY16 and includes the negative impact of \$535k attributable to the management STI bonus scheme introduced in FY17.

Looking forward, in order to deliver our strategy of continued international and domestic growth the Company continues to invest in future growth through its people and capabilities. Early in 2H17, Myles Anceschi was appointed to the position of BWX Group COO. Since Myles' appointment further key appointments have been made across the business to continue the strength in the management teams experience and capabilities.

Along with the transformational acquisition of Mineral Fusion and the widespread distribution platform that we now have in place across the USA as a result of that acquisition, we have further bolstered our presence in North America with the appointment of a Senior Vice President, Business Development, to provide direct oversight of our Canadian and USA operations.

Our UK team has been strengthened by the addition of an experienced senior brand manager and we have also expanded our capability at home where we have added key roles across Marketing, Quality Assurance and Sales and added considerably to the depth and breadth of talent in each of these functions.

## **FY 2017 REVIEW**

In conjunction with our ongoing investment in our human resource, we continually review each area of our business in order to drive maximum gains in productivity.

One such area that has recently undergone a structural change is that of our domestic distribution. In order to provide the most seamless interaction with our pharmacy retailers, we have moved to a national distribution model contracting the services of Sigma, Symbion and API.

This change we will greatly simplify the process of re-ordering our products, resulting in fewer occurrences of out of stocks and improved overall product representation on pharmacy shelves. These new arrangements will also free up our Lightning distribution field team to enable them to focus exclusively on future revenue growth through a greater engagement at store management level.

BWX's manufacturing operation continues to evolve. Through our ongoing capex program, (targeted at between 1-2% of net revenues) we have been able to maintain our production capacity headspace despite the increasing volumes of product sales. In addition to maintaining this production headroom we are now seeing the flow through of productivity gains in our financial results.

With the FY17 structural changes and enhanced management, the Company is well placed to continue its growth trajectory through both sustained organic growth, brand development and potential future acquisitions.

# SUKIN - DOMESTIC MARKET

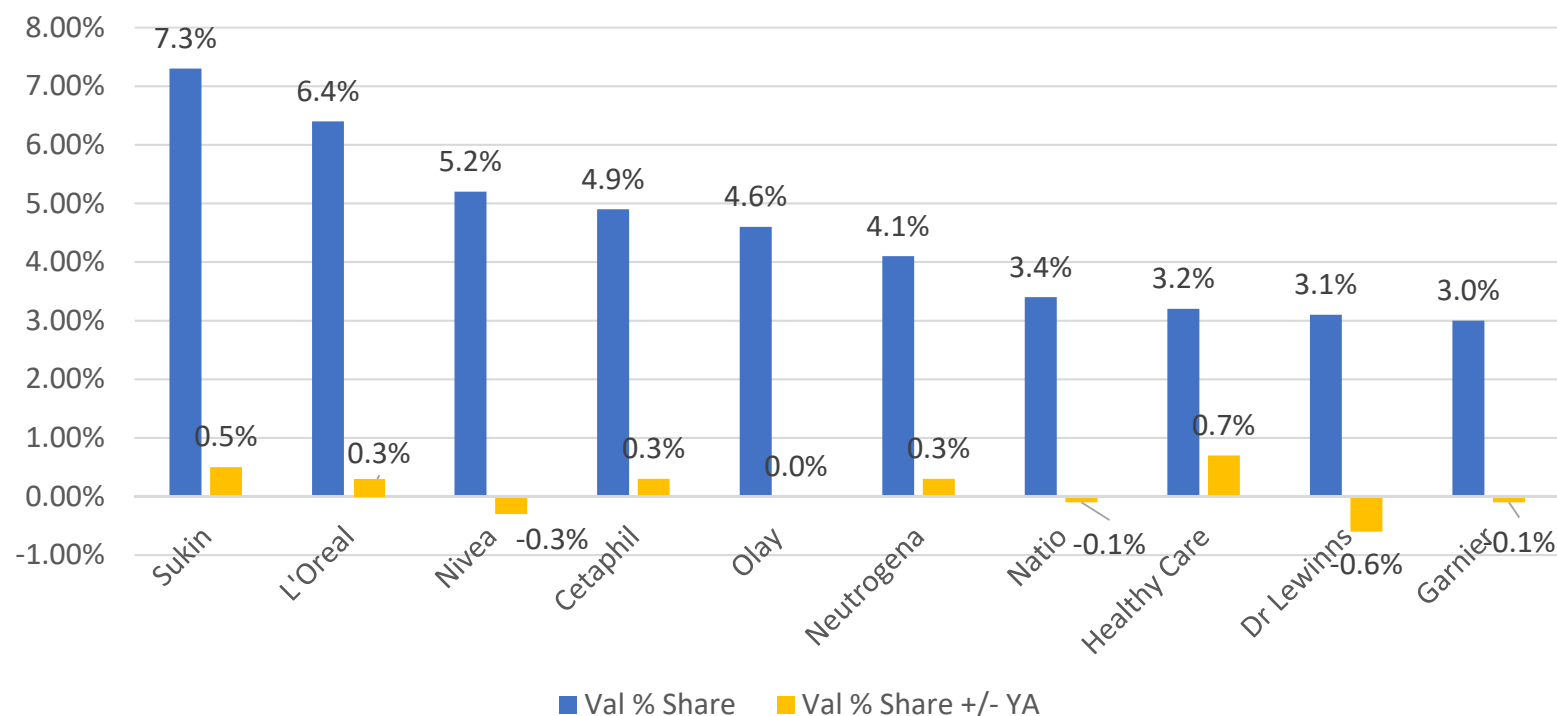
Sukin now commands a 7.3% market share of cosmetic skin care market in the pharmacy channel, a new high for the brand.

This success is the result of an enormous amount of hard work from our combined teams and the continued support of each of our retail partners.

Sukin continues to gain market share and is driving natural category growth.

## Share Report

Australian Nielsen Pharmacy Scan – MAT to 28/05/2017



# INTERNATIONAL PLATFORM

In addition to the strong domestic sales achieved, FY 2017 has seen BWX take significant steps in the development of its export markets, not only with increased presence of our Sukin brand, but also with some new distribution of DermaSukin (Watsons, Hong Kong), the reactivation of some international accounts for our professional Spa product range “Uspa” (Ireland, Belgium and USA) and of course the previously mentioned recent acquisition of US based, market leading natural cosmetics brand, Mineral Fusion.

In conjunction with the growth in Sukin’s domestic business, Sukin’s international sales have performed strongly increasing by 93.1% in 2H17, resulting in FY17 103.2% versus pcp.

For the Sukin brand, the offshore markets of UK, China and Canada have surpassed New Zealand in sales revenue.



# INTERNATIONAL PLATFORM – SUKIN

## UK/EU

### Holland & Barrett (H&B)

- After strong 12 months sales data, H&B have confirmed an increase in ranging of 5 additional Sukin SKU's across 500 UK stores with a further 2 SKU's going into their top 200 locations.
- In keeping with the developing popularity of travel size products, H&B will also range 6 of our 50ml travel size SKU's in all 700+ UK stores.
- Gift packs will also feature in all H&B UK locations in the lead up to Christmas.
- These range extensions are expected to take effect during the first half of Q2.
- Following our extensive engagement with their international team, H&B have also confirmed full distribution of 26 Sukin facial skincare SKU's throughout their 186 stores in the Netherlands and 18 stores in Belgium.

### Boots

- Sukin sales in Boots pharmacies continue to trend positively. We expect to be well positioned to increase our distribution beyond our existing 220 stores following the review of our 12 month data (available late Q2).

### Independent Retailers

- In the UK our network of independent retailers has performed well over 2HFY17 with revenues from this channel growing inline with Sukin's overall export growth of 103.2%.

With our increasing profile in the UK and other EU territories, further market opportunities are being actively pursued to expand distribution into several additional large banner groups. Early stage discussions have occurred with potential distributors in Germany, Israel and the Middle East.

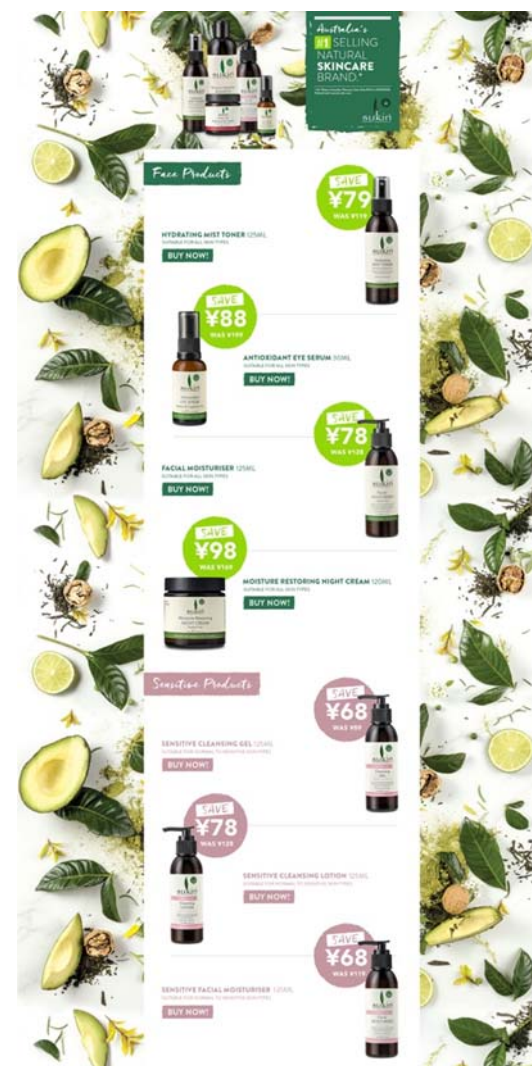


# INTERNATIONAL PLATFORM - SUKIN

## CHINA

During FY17 BWX's approach to our business in Asia has been dominated by regulatory developments in the Chinese, CBEC (Cross Border E-Commerce) space. The changes announced in November 2016 confirmed that CBEC skincare products would not be subject to animal testing for CBEC import registration. After gaining clarity on the issue, we have now allocated dedicated resources to building a growing sustainable brand presence within the Chinese market.

In addition to activating Sukin Weibo and Wechat accounts during 2HFY17 aimed at facilitating increased brand awareness, we have participated in a number of industry events and promotional activities. We have designed and produced specific marketing collateral to create demand in mainland China, supporting both Diagou and export partner demand. Sales through Tmall and VIP in particular have been consistently encouraging and remain a key route to market.



# INTERNATIONAL PLATFORM - SUKIN

## ASIA

Malaysian distribution is ahead of schedule with Sukin currently represented in approximately 150 retail outlets against a target of 100 accounts in CY2017.

Guardian pharmacies recently began stocking the range in their Mid Valley Megamall Flagship store. Sukin was one of only 8 brands to receive dedicated light box displays. This initiative is expected to roll out to their top 50 stores in conjunction with a further 100-200 floor stand accounts between late Q2 and early Q3 FY18.

Singapore has been a solid contributor to the export sales result, showing consistent double digit growth.

We have made our first sales to Vietnam through independent distribution and are in early stage discussions to establish distribution in Indonesia.



# INTERNATIONAL PLATFORM - SUKIN

## NORTH AMERICA

Our major activity in Canada over the past six months has been the transition to the new distribution arrangement with sales having performed in line with our expectations. Initial success has been achieved in gaining distribution with one of Canada's largest retailers, Loblaws. Loblaws have agreed to range Sukin in over 500 of their Natural Value and Super Store outlets following their Q2 planogram reset. The initial ranging is for between 8 and 12 SKU's depending upon store grading and is expected to be available on shelf by January 2018.

Work is now underway to engage Canada's largest retail pharmacy group Shoppers Drug Mart (owned by Loblaws). Shoppers Drug Mart operates over 1,200 stores across Canada.

As previously mentioned, the Mineral Fusion brand of natural cosmetics will provide opportunities to expand the Sukin product range and to leverage Mineral Fusion's already established distribution infrastructure for the distribution of Sukin in the US.



# INTRODUCING MINERAL FUSION®



## MINERAL FUSION ACQUISITION

On 30 June 2017 BWX acquired Mineral Fusion for USD\$38.4m, the leading US natural colour cosmetics brand, providing BWX with a significant entry into the world's largest consumer market. The acquisition at approximately 1.8 x TTM revenues, a measure most commonly used in the US to value deals, compares favourably to a median of 2.4 times TTM for strategic/scale deals and even more favourably when compared to a median of 5.1 times TTM for growth assets.

Following this acquisition BWX now has a substantial presence throughout the natural products channel in the US. We believe the transaction will provide significant opportunity to establish a retail presence for our existing brands as well as providing access for Mineral Fusion to BWX's domestic and International distribution network.

Combining the 7% segment leading growth of colour cosmetics in the global market with the almost 10% growth in demand for natural beauty and personal care, Mineral Fusion is perfectly placed for continued growth.

The MF business is an asset light, scalable business model that mimics the brand attributes, customer base, distribution channels, resources and management skill set that exist within the current business and brands of BWX. This provides a tremendous opportunities to build combined scale without the need to develop individual infrastructure.

Our respective teams are currently working together to introduce BWX's brands to the US through Mineral Fusion's extensive retail network. Concurrently, we see a great opportunity to market the Mineral Fusion product range within our domestic market, as well as across our existing and expanding international operations.

This strategic acquisition forms a solid platform on which to build further scale and progresses BWX's aims to become a global leader in the natural beauty and personal care markets.

Euromonitor International 2016



# MINERAL FUSION DELIVERING NATURAL HEALTHY BEAUTY

Mineral Fusion Natural Brands began in 2009 to provide professional quality products to the growing demographic of consumers searching for a healthier more Natural choice for their cosmetics at an affordable price.

The Mineral Fusion range consists of colour cosmetics, skin care, hair and nail care across over 250 SKU's . The range is free from parabens, artificial fragrance, and synthetic colours.

All mineral fusion products are 100% vegan and cruelty free.

Through an exclusive stocking arrangement with Wholefoods Markets USA, the brand quickly became the market leader in Natural colour cosmetics.

In 2012 Mineral Fusion began increasing distribution beyond Wholefoods and is now stocked in over 3000 outlets across generating an impressive 3 year retail sales CAGR +20.4%

Leveraging off its #1 position in the natural channel, Mineral Fusion has been successful in the crossover to conventional grocery and drug stores. The product range has recently gained distribution in 300 leading CVS pharmacies.



## MINERAL FUSION CONTINUED...

The channel diversification of Mineral Fusion (MF) is in its infancy. There remains huge growth potential within all areas of domestic and international distribution. The MF range is ideally placed to move further into US mainstream retail as mass retailers such as CVS, Walgreens and Target strive to attract a share of the growing consumption of Natural products.

Online sales currently account for ~10% of existing sales, and are the quickest growing retail channel recording a 3 year net sales CAGR of 49.9%. MineralFusion.com has grown at almost 90% over the previous 12 months, and in addition, Amazon.com the recent acquirer of Wholefoods Markets, has grown its sales of MF products by 45% over the same period.

International marketing is yet to be undertaken, offering a further opportunity to utilise BWX's existing international network to introduce the MF product range to several key international markets.



## OUR BRANDS







**sukin**<sup>®</sup>  
australian natural skincare



# EVOLUTION OF AUSTRALIA'S #1 NATURAL SKINCARE BRAND

In 2007, Sukin was launched in Melbourne, Australia, after identifying a gap in the market for high efficacy, environmentally sustainable, affordable natural skincare.

Sukin's tag line "skincare that doesn't cost the earth" links Sukin's stance on environmental sustainability with the brands affordable price point.

With a portfolio of product lines that are continually extending across face, body and hair, Sukin has quickly become Australia's #1 choice in natural skincare.



## SUKIN AUSTRALIA'S NO.1 SELLING 'NATURAL' SKINCARE BRAND

- As well as capturing consumers new to skincare in general, Sukin speaks loudly to the increasing number of existing consumers shifting their purchasing toward natural products.
- Increased awareness about the efficacy of natural personal care products and a desire to lead a healthier, more sustainable lifestyle drive category growth. Growing numbers of consumers are making cleaner, greener lifestyle choices for themselves and their families.
- Sukin has been increasingly successful in harnessing this increased *green* consciousness. This has, in turn translated into Sukin increasing it's market share to clearly lead the category.
- Distributed both domestically and internationally through pharmacies, health food retailers, gift stores as well as an increasing number of "wellness lifestyle businesses" Sukin provides an effective, natural, high quality skin care choice at an affordable price point.
- Sukin's international markets include; UK, Canada, China, Malaysia, Singapore, Vietnam, USA, New Zealand, Belgium and The Netherlands.



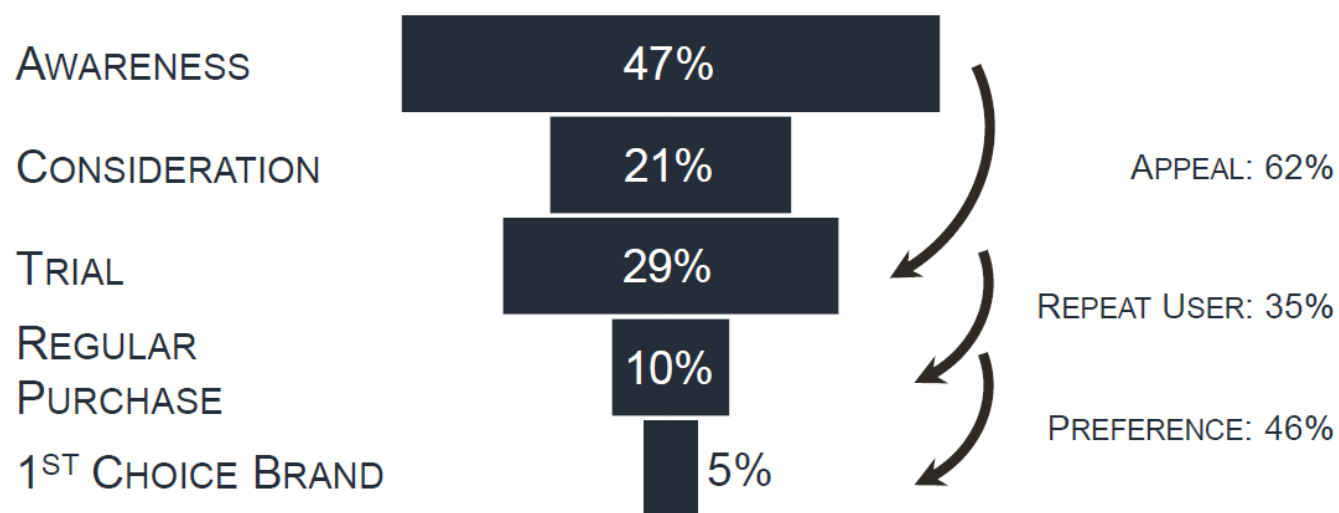
1 Nielsen Data MAT 26 June 2016

## MARKET LEADING TRIAL TO REGIME RATIO – DRIVING BRAND AND CATEGORY GROWTH

Sukin's use of digital media and targeted marketing and POS promotional campaigns continue to be highly effective in creating an enviable consumer funnel.

Sukin has a high conversion rate of over 34% from trial to becoming a regular purchase and an almost 50% conversion from regular purchase to first choice brand.

The next best performing brand has a conversion from trial of 38% but only a 32% conversion from regular purchase to first choice.





# MINERAL FUSION®



# MINERAL FUSION

When it comes to cosmetics, performance is king. Easy to apply and colours that last; that's the performance we want. I want my makeup to help me look and feel amazing and give me the confidence to go about the day feeling happy and radiant.

Mineral Fusion products are crafted with the perfect harmony of minerals infused with botanicals, vitamins, herbs and beneficial nutrients. The result? A perfect, radiant complexion that is simultaneously is nourished and nurtured.

We enrich our products with specialised botanicals to provide targeted treatment that soothes and nourishes the skin.

Mineral Fusion products contain:

Minerals such as Mineral Water and mineral rich Sea Kelp

Botanicals such as Argan Oil, Shea Butter and Coconut Oil

Natural Actives such as Hyaluronic Acid and Vitamin E

Inherent natural broad-spectrum UV protection without skin irritation

Our 100% pure mineral formulations are always:

Free of synthetic colors, synthetic fragrances, Gluten, Talc, Parabens, and Phthalates

Hypo-allergenic for those with sensitive skin

Non-comedogenic so the skin can breathe

Never tested on animals. Cruelty free. Wide range of vegan alternatives



# MINERAL FUSION

The number one skincare concern for women of all ages is premature ageing and not looking their best. Conventional make up products can dry the skin out and magnify lines which age the face.

Mineral Fusion skincare is formulated with a unique blend of antioxidant rich actives such as Green Tea, Pomegranate, Vitamin C, plus our elasticity promoting peptide to help firm skin and prevent the signs of ageing.

Naturally UV protecting, our minerals shield the skin from the sun's harsh rays and defend against free radical damage which can result in premature ageing.

Our light reflective cosmetic formulations diminish the look of fine lines and wrinkles by sitting on the surface of the skin. Our formulation prevents the appearance of fine lines and gives you a dewy, youthful look.

Available in a range of face, lip and eye products for all skin tones at an affordable price.

Create a naturally flawless complexion at any age.



## COMPLEMENTARY BRANDS

### Uspa Rebranding completed

Uspa is a premium range of skin care and hair care products formulated specifically for professional beauty therapists.

Uspa products are distributed in the Australian and International markets to day spas and beauty salons both directly and through a network of distributors.

There are substantial opportunities for growth both domestically and internationally.

The rebranding exercise completed late Q3FY17 has been well received with Uspa product sales increasing in excess of 25% in the following 4 months.

The rebranding has led to the rekindling of some previously held international distribution relationships and bodes well for growth during FY18.



**USPA<sup>®</sup>**



## COMPLEMENTARY BRANDS

**Edward Beale is a range of salon developed hair products targeted towards value conscious consumers**

Edward Beale re launched into the market with updated formulations, packaging and positioning.

The range is currently being evaluated for potential as private label for a major off price international retailer.



**edward beale**  
SALON SERIES

**Derma Sukin is a Natural Skin Care Brand for Sensitive Skin**

Natural skin care range formulated for consumers with sensitive skin.

DermaSukin has recently been accepted for ranging in Watson's HK.

**Derma  
Sukin**



**renew**  
skincare australia

**Renew is a Natural Skincare Brand**

Face, body and hair care products produced using Rosehip Oil.

Currently the last of BWX's existing brands undergoing a product and packaging facelift.





# MANUFACTURING CAPABILITIES

# BWX PRODUCT AND DEVELOPMENT CAPABILITIES

BWX's manufacturing operation is scalable to meet future growth

- BWX's products are produced at its purpose built facility
- BWX have both full R&D facilities and the expertise to develop new products from conception through to shelf readiness
- BWX has an extensive database of proprietary formulations
- BWX provides "brand Incubator" opportunities for small developing brands
- The production facility is readily scalable to meet increased demand of Sukin production
- BWX has the capacity and expertise to drive synergies through the in house manufacture of a suite of Mineral fusion products
- The BWX production facility is certified to ISO 22217:2006 'Guidelines on Good Manufacturing Practices (GMP)' standard to complying with Australian, European and Asian regulations





**GROWTH OPPORTUNITIES**

Whilst driving category growth we expect each of BWX's brands to grow revenue both domestically and internationally as a result of the following:

- Strong organic category growth fuelled by continued consumer shift from mainstream towards natural products
- Increased International points of distribution utilising each brands geographical strengths to cross pollinate distribution throughout BWX's growing international platform
- Introduction of new product ranges & increasing product representation in current retailers by extending ranges and identifying off planogram locations
- Increased exposure to new distribution channels & a focus on the development of a multi jurisdictional online platform
- Utilising BWX's re-structured national distribution model to engage retailers more easily and more often
- Continued improvement in in-market execution in terms of compliance, out of stocks, planograms
- More effective generation of brand awareness through mass media, feeding our consumer funnel (see slide 28 above)

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## GROWTH OPPORTUNITIES - R&D, MANUFACTURING

During the second half FY17 the Company's project to reformulate Sukin's hair care lines has been completed. The improved products are scheduled for release to market 1HFY18, with the aim of materially increasing the revenues attributable to our hair care range as a percentage of total Sukin sales. This reformulation provides Sukin with a competitive product set throughout its export markets.

There also remain opportunities to leverage BXW's R&D capabilities to engage in product development in the role of a brand incubator. Particularly active in the online space, BWX sees opportunities in working with developing brands that could benefit from the expertise, resource and experience of BWX as they endeavour to create meaningful scale.

BWX's manufacturing operation is expected to make a positive impact on earnings during FY18 through productivity gains resulting from our increasing scale and ongoing capex program. This program, which is targeted to remain between 1%-2% of net annual revenues, is designed to not only reduce cost across the manufacturing operation but to maintain a comfortable headspace in capacity to cope with forecast increase in production.

As the scale of our Mineral Fusion brand increases, opportunities may arise to relocate the manufacture of a number of SKU's to our Dandenong facility resulting in a reduction in cost of goods.





# FINANCIAL INFORMATION

# BWX FINANCIAL INFORMATION

## HISTORICAL

Consolidated Income Statement						
	6 months		FY16	6 months		FY17
\$m	31-Dec-15	30-Jun-16		31-Dec-16	30-Jun-17	
Revenue	27.5	26.8	54.3	37.5	35.2	72.7
Cost of sales	-11.3	-9.3	-20.6	-13.1	-12.0	-25.1
Gross profit	16.2	17.5	33.7	24.4	23.2	47.6
Other revenue	0.1	0.8	0.9	0.1	0.0	0.1
Operating Costs	-6.5	-7.9	-14.4	-11.7	-9.6	-21.3
EBITDA normalised	9.8	10.4	20.2	12.8	13.6	26.4
Acquisition costs	0	-0.4	-0.4	0	-4.2	-4.2
EBITDA	9.8	10	19.8	12.8	9.4	22.2
Depreciation and amortisation	-0.3	-0.3	-0.6	-0.4	-0.4	-0.8
EBIT	9.5	9.7	19.2	12.4	9.0	21.4
Interest	-0.5	-0.7	-1.2	-0.4	-0.5	-0.9
Profit before tax	9	9	18	12	8.5	20.5
Income tax expense	-2.7	-3.3	-6	-3.8	-3.3	-7.1
NPAT	6.3	5.7	12	8.2	5.2	13.4
NPAT normalised	6.3	5.7	12	8.2	9.4	17.6
Gross margin	58.9%	65.3%	62.1%	65.1%	65.9%	65.5%
EBITDA normalised margin	35.6%	38.8%	37.2%	34.1%	38.7%	36.3%
NPAT normalised margin	22.9%	22.7%	22.8%	21.9%	26.7%	24.2%
NPAT margin	22.9%	21.2%	22.1%	21.9%	14.7%	18.4%



# BWX FINANCIAL INFORMATION

2HFY16 and 2HFY17 comparison of selected financial information

	Actual	Actual	
\$m	2HFY16	2HFY17	Change
Revenue	26.8	35.2	31.4%
Cost of sales	-9.3	-12.0	29.0%
Gross profit	17.5	23.2	32.6%
Other revenue	0.8	-	n/a
Costs	-7.9	-9.6	21.5%
EBITDA normalised	10.4	13.6	30.8%
Acquisition costs	-	-4.2	n/a
EBITDA	10.0	9.4	(6.0)%
Depreciation and amortisation	-0.3	-0.4	33.3%
EBIT	9.7	9.0	(7.2)%
Interest	-0.7	-0.5	(28.6)%
Profit before tax	9.0	8.5	(5.6)%
Income tax expense	-3.3	-3.3	0.0%
NPAT	5.7	5.2	(8.8)%
NPAT normalised	5.7	9.4	41.9%
Revenue growth on pcip	16.2%	31.4%	1,520 Bpts
Gross margin	65.3%	65.9%	60 Bpts
EBITDA normalised margin	38.8%	38.7%	(10) Bpts
EBITDA margin	37.3%	26.7%	(1,060) Bpts
EBIT margin	36.2%	25.6%	(1,060) Bpts
NPAT margin	21.2%	14.7%	(650) Bpts
NPAT normalised margin	22.7%	26.7%	400 Bpts

# BWX FINANCIAL INFORMATION

## BALANCE SHEET AS AT 30 JUNE 2017

	Statutory, \$m
<b>Current assets</b>	
Cash and cash equivalents	11.0
Trade and other receivables	18.6
Inventory	16.4
Other assets	1.2
<b>Total current assets</b>	<b>47.2</b>
<b>Non-current assets</b>	
Property, plant and equipment	4.3
Intangible assets	132.4
Deferred tax assets	1.3
<b>Total non-current assets</b>	<b>138.0</b>
<b>Total assets</b>	<b>185.2</b>
<b>Current liabilities</b>	
Trade and other payables	12.1
Borrowings	18.9
Income tax payable	4.5
Provisions	1.2
<b>Total current liabilities</b>	<b>36.7</b>
<b>Non-current liabilities</b>	
Borrowings	49.1
Provisions	0.1
<b>Total non-current liabilities</b>	<b>49.2</b>
<b>Total liabilities</b>	<b>85.9</b>
<b>Net assets</b>	<b>99.3</b>

## CASH FLOW AS AT 30 JUNE 2017

	Statutory, \$m
<b>Cash flows from operations</b>	
Receipts from customers	74.1
Payments to suppliers and employees	-51.1
Payments for transaction costs	-1.3
Income taxes paid	-7.6
Net interest paid	-0.7
<b>Net cash from operating activities</b>	<b>13.4</b>
<b>Cash flow from investing activities</b>	
Purchase of property plant and equipment	-0.9
Acquisition of intangible assets	-
Net cash outflow on acquisition of business	-54.4
<b>Net cash flows used in investing activities</b>	<b>-55.3</b>
<b>Cash flows from financing activities</b>	
Proceeds from issue of shares	0.2
Capital raising costs	-0.0
Proceeds from financial liabilities	56.6
Dividends paid	-6.5
<b>Net cash used in financing activities</b>	<b>50.3</b>
<b>Net increase in cash</b>	<b>8.4</b>
Cash and cash equivalents at beginning of period	2.6
<b>Cash and cash equivalents at end of period</b>	<b>11.0</b>

# BWX FINANCIAL INFORMATION

- Net cash flows from operating activities demonstrates strong cash conversion
- Trade receivables (ex Mineral Fusion) were broadly in line with 31 December 2016, despite the significant growth in sales during the period
- The value of inventories (ex Mineral Fusion) at 30 June 2017 are in line with 31 December 2016 levels as forecast, again despite the significant growth in sales during the period
- Trade and other payables (ex Mineral Fusion) increased primarily due to the costs of the acquisition of Mineral Fusion during the period
- The effective corporate tax rate is above 30% due to the treatment of the costs of acquisition as non-deductible for the purposes of preparing the financial statements
- The Company continues to benefit from significant improvements in production efficiencies
- BWX Brands Malaysia was incorporated during 2HFY17
- BWX Brands India was incorporated during 2HFY17
- BWX Brands USA was incorporated during 2HFY17



# CORPORATE STRUCTURE

## Key Statistics

Shares on Issue	92.3m
Indicative market capitalisation at \$5.25 per share	\$484.6m
Net debt at 30 June 2017	\$57.0m
Indicative enterprise value	\$541.6m

In FY17 BWX issued shares in accordance with Employee Loan Plan and deferred consideration on the Lightning Brokers acquisition which completed on 31 March 2016.

The Company has 5,940,000 options on issue over fully paid ordinary shares in the Company with an exercise price of \$2.00 and an expiry date of 30 September 2018.

On 30 June 2017 the Company drew down acquisition debt facilities in the amounts of US\$22.5 million and \$28.1 million to fund the acquisition of Mineral Fusion.

The Company has an available working capital facility of up to \$30.67 million.

At 30 June 2017, the Company had 6,392 shareholders.

At 30 June 2017, the Company had 2,513,000 shares on issue in accordance with the Company's Employee Loan Plan.



# BOARD & MANAGEMENT



# BOARD



**DENIS SHELLEY**  
Chairman

Experienced marketing executive with more than 30 years in a range of brands, FMCG and manufacturing.

Broad industry background encompassing health and beauty, personal care, intimate apparel, household products and pharmaceuticals.

Past roles include Group Chairman of Sara Lee Australia, CEO Sara Lee South Africa, CEO Sara Lee Household & Body Care Australia, Group Marketing director Reckitt & Colman South Africa, President of Nutrimerics Australia.



**JOHN HUMBLE**  
Chief Executive Officer  
and Managing Director

More than 20 years experience in formulating, developing and producing personal care products.

Original founder of Leisure and Hospitality Services Pty Ltd (now merged into BWX Ltd) in 1993.

Instrumental in positioning BWX in the 'natural' personal care space.

Worked with Sukin in developing its IP/formulations since 2007.



**AARON FINLAY**  
Finance Director

More than 20 years experience as a chartered accountant and company secretary.

Has extensive public company experience in executive and director roles for ASX listed companies, including Mayne Pharma Group Limited (an ASX top 200 company), where Mr Finlay was instrumental in the acquisition of Mayne Pharmaceuticals International in 2009.

Also held roles as Australian CFO of INVESCO and Head of Group Tax & Treasury for INVESCO's global operations in London.



**IAN CAMPBELL**  
Independent Non-Executive  
Director

Over 30 years of senior management and operational experience in manufacturing, sales and marketing, brand management, mergers and acquisitions, industrial relations and OH&S.

Currently a director of ASX listed Mirrabooka Investments Ltd. 14 years as Managing Director of ASX 200 GUD Holdings Ltd. 10 years with Pacific Dunlop Cables Group, the last six as Managing Director.

# COMPANY SUMMARY





# COMPANY SUMMARY & OUTLOOK

With the ongoing strategic initiatives we have in place, aimed at growing our brands across our existing domestic and expanding International platforms, combined with the expected contribution from recently acquired Mineral Fusion, we look forward to the continued growth of the company and expect growth in FY18 EBITDA to comfortably exceed the 30.7% increase achieved in FY17, assuming stable market and economic conditions during the period.

- Owner of Australia's #1 Natural Skincare brand - Sukin
- Owner of USA's #1 Natural colour cosmetics brand – Mineral Fusion
- Leader in the High Growth 'Natural' beauty and personal care market
- Vertically integrated business Manufacturing own Brands
- Growth Opportunities in both Domestic and Export markets
- Continued New Product Launches
- High Quality Management
- Final Fully Franked Dividend 4.2 cents per share
- FY18 Forecast Dividend pay out ratio 35% to 50%



# APPENDIX



## ABOUT US

ASX listed, BWX Limited is a vertically integrated developer, manufacturer, distributor and marketer of branded skin and hair care products with an emphasis on 'Natural' products within the beauty and personal care market.

Headquartered in Victoria, Australia and with offices in both the UK and USA, BWX Limited, through its flagship brand Sukin, has long been at the forefront of both product and brand development catering to the ever growing consumer demand for high quality, naturally formulated, sustainable personal care.

BWX strives relentlessly to build shareholder value through the timely and efficient execution of its growth strategies, aimed at maximising EPS growth over the medium to long term whilst minimising risk.



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## OUR MARKET

- Global beauty and personal care products generate annual sales in excess of USD\$465bn, with the largest product categories being Skin care, Hair care and Cosmetics.
- The global beauty and personal care market grew approximately 5% in 2016, with colour cosmetics leading the way with a category increase in excess of 7% and skin care performing well with growth at 5%.
- The Australian domestic market accounts for in excess of USD\$5.6bn of the total global sales and recorded overall segment growth of 4.6% in 2016.
- Driven by the continuing market shift towards natural, organic and sustainable consumer lifestyle choices, the global natural segment of beauty and personal care grew at 9.7% in 2016, almost double the rate of the mainstream market.
- This continued demand for natural beauty and personal care products is expected to drive category growth at 8.8% CAGR for the period 2017 through 2022.

Euromonitor International 2016

## OUR DISTRIBUTION CHANNELS

**BWX Limited distributes its brands through a diverse wholesale and retail network.**

In the Domestic market, the natural brand attributes of the products has seen strong growth in the pharmacy channel, major health retailers, gift shops, and professional beauty spas.




Our international distribution in the UK, Ireland, Belgium, Netherlands, Canada, Singapore, New Zealand, Malaysia, Vietnam and the USA is similar to our domestic distribution, albeit in differing ratios between ranging in health food retailers, major pharmacy groups and independent pharmacy retailers.

Our distribution in China differs, with Chinese consumers supplied via a network of third party agents that meet consumer demand via CBEC (Cross Border E-Commerce) as well as through an extensive domestic diagou network.

Whilst mainstream grocery has not been a focus for our brands in the past, the increasing number of consumers shifting towards natural lifestyle consumption, provides a substantial untapped opportunity for future channel diversification and category growth.



**Investor Relations Contact**  
Genevieve Milesi

-  +61422 286 207
-  gm@mileconsult.com.au
-  bwxltd.com