

The background of the slide features a top-down view of several green, elongated leaves and small white flowers, possibly camellias, scattered on a light grey surface. The leaves have prominent veins and some show signs of being wet, with small droplets visible. The flowers are in various stages of bloom. A semi-transparent white rectangular box is centered over the image, containing the text.

BWX

SELECT EQUITIES DOING BUSINESS IN CHINA INVESTOR CONFERENCE

Dave Fenlon, Group CEO & Managing Director



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BUSINESS OVERVIEW

A MULTI-BRAND PERSONAL CARE COMPANY



#1 natural skincare brand in Australia
offering highly efficacious, environmentally sustainable products at an affordable price



#1 facial skincare brand in US natural channel
with a portfolio of innovative natural skin, hair & body care products for the masstige market



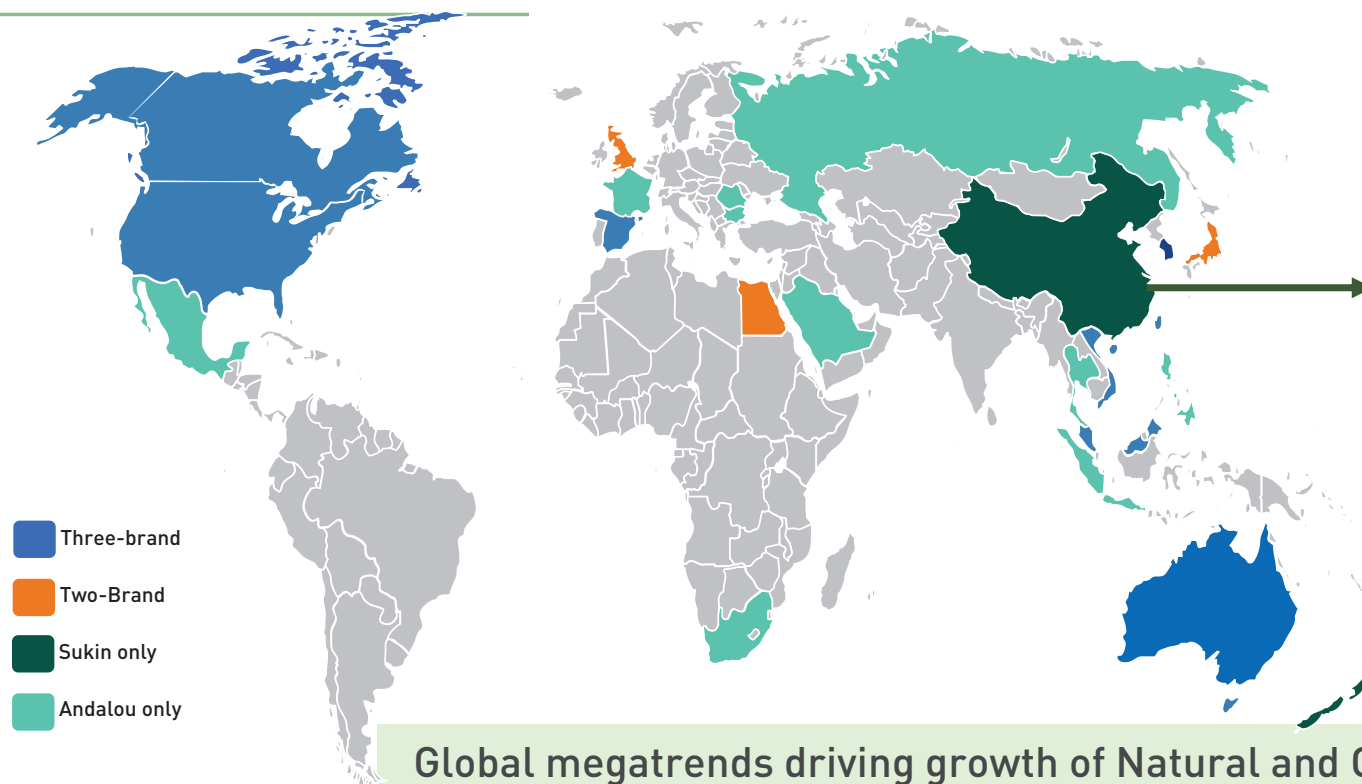
#1 cosmetics brand in US natural channel
with multi-purpose natural cosmetics that leave the skin in a better condition



The #1 natural personal care and lifestyle B2C platform in Australia
offering 7,000+ toxin-free products that appeal to every demographic



A GLOBAL LEADER IN NATURAL



China

- Sukin is the #6 Natural Brand in the Natural skincare segment in China
- FY19 net sales of \$2.4 million
- Chinese customers account for 5-7% of BWX brand revenue
- Significant opportunity to unlock this market further

Global megatrends driving growth of Natural and Organic:

- ✓ Heightened consumer consciousness, particularly among millennials
- ✓ Willingness to pay more for natural ingredients
- ✓ Pressure on retailers for ethical sourcing
- ✓ Consumer demand for transparency
- ✓ eCommerce channel educating consumers direct



FY19 RESULT HIGHLIGHTS

FY19 HIGHLIGHTS

NET SALES
\$149.5m

US retail market momentum
19.5% up on H1

GROSS MARGIN
52.7%

Stabilising
+120 bps in H2

UNDERLYING
EBITDA
\$21.3m

In line with guidance
Up 100% on H1

BALANCE SHEET
STRENGTHENED

Refinancing completed
Improved terms
Flexibility for growth

BRANDS
HEALTHY



sukin
AUSTRALIAN • NATURAL

Sukin growth outperforming the natural segment in pharmacy (+4.4% vs -3.7%) & sales growth in Coles (+38%)

ANDALOU
NATURALS

Andalou remains #1 in Facial Skin Care with a 15.5% share (+0.6%)

MINERAL FUSION
minerals on a mission™

Mineral Fusion revenue growth +37.5% in H2

Nourished Life

Nourished Life club membership up 29% yoy

FY19 OPERATIONAL HIGHLIGHTS

USA SALES MOMENTUM

- Market share growth in the Natural category supported by a successful multi-brand selling model for Sukin, Andalou and Mineral Fusion which is building more brand penetration amongst different consumer types
- New ranging in mass retailers coming online in January 2020

BRAND EXPANSION

- Sukin is now selling in to 500 new US doors and delivered double digit growth recorded in UK, Canada, New Zealand, Malaysia, Singapore and China
- Andalou Naturals completed a successful pilot in Priceline Pharmacy, Australia

WAREHOUSE & PLATFORM

- US benefitting from a fully consolidated facility with warehouse, production and support teams
- Increased capacity to process 3,300 eCommerce orders in a single shift
- ERP implementation to improve efficiency and increase margin visibility

INCREASED CAPABILITY

- SVP Sales North America
- Chief Transformation Officer
- Group Chief Marketing Officer
- Co-Sec & Chief Legal Officer



STRATEGIC PRIORITIES

CONNECT TO CONSUMERS



Invest more in marketing – speak directly to the consumer.

Reinforce our brand values.

Invest more in NPD to serve the consumer.

Go direct to the consumer. Leverage Nourished Life platform.

Build a meaningful direct-to-consumer model by brand

GO GLOBAL, GO MAINSTREAM



Grow natural segment. Compete with mainstream skincare.

Build customer and influencer base in China around key brands: Sukin, Andalou and Mineral Fusion.

Launch Nourished Life into new markets. Launch Sukin in Germany.

Invest in supermarket and mass channel relationships in key geographies.

Objective to have a \$50m supermarket skincare business in Australia and a \$75m conventional and mass skincare business in the US

INVEST IN OURSELVES



Build capability. Lift Net Promoter score to 67%+. Be an employer of choice.

GET CLEAN & GET HEALTHY



Focus on operational efficiency. Invest in scalable systems and processes to support growth. Ensure best practice governance.

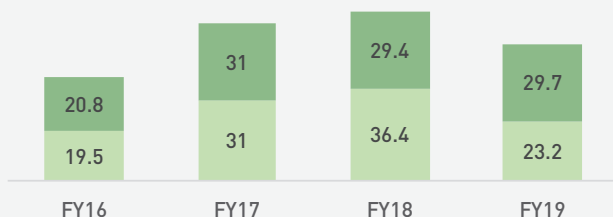


FY19 BRAND PERFORMANCE

SUKIN - #1 NATURAL SKINCARE PHARMACY

Net Revenue (\$m)

■ 1H ■ 2H

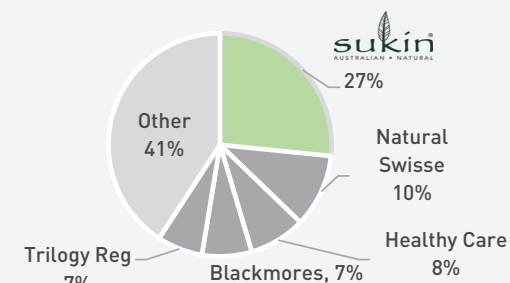


#1 Natural Skincare – outstripping growth of natural pharmacy (+4.4% vs -3.7%)

#2 Total Skincare brand in Pharmacy – Sukin continues to perform strongly²

#4 Total Skincare brand in Coles¹ – compelling sales growth (+38%)

AU Pharmacy Natural Skincare Market (%)²



35.3% of Group Revenue - Gross margin of 65-67%

Resilient to the impact of domestic export sales

Almost no pharmacy sales cannibalization



Popular products - 2 Sukin products in Top 10 Skincare at Coles¹

Margin accretive new products – Blemish Control (\$1.4m, 3.4% sales)²

Strong pipeline of new products (rollout 2020)

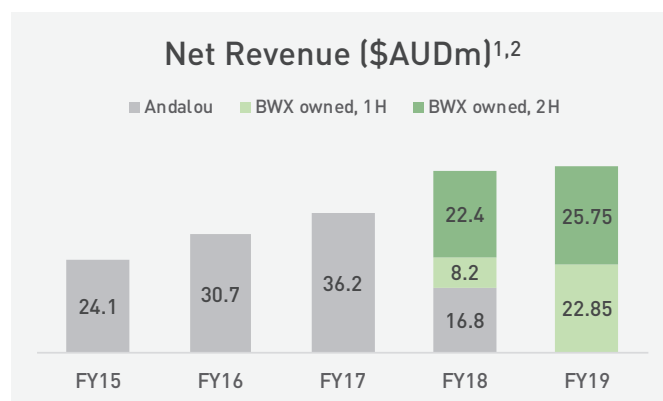
¹ IRI Market Edge Data – Coles – Dollars growth – MAT to 07/07/2019

11 ² IRI Market Edge Data – AU Pharmacy (Natural) Skin Care – Dollars Share –MAT to 07/07/2019

³ IRI Market Edge Data – AU Pharmacy – MAT to 07/07/2019 – No Hair Care included

⁴ Based on all SKUs in IRI Market Edge Scan Data -Pharmacy – MAT to 07/07/2019 BWX | Select Equities Presentation

ANDALOU - #1 FACIAL SKINCARE US NATURAL

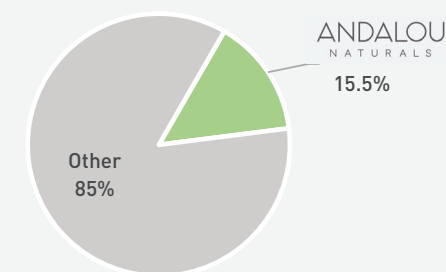


#1 Facial Skincare Brand – Strong performance in US Naturals (15.5%, +0.6%)

#4 Hair Care Brand – growing share in US Naturals (7.6%, +14%)

#5 Facial Skincare Brand – US conventional

US Naturals Skincare Market (%)³



32.5% of Group Revenue

Gross margin of 43-45%

Total Andalou Sales +19% in 2019 in Whole Foods Market (#1 Natural retailer)



Popular products – 4 Andalou products in Top 10 Facial Skin Care (US Naturals)

CannaCell collection – launched in June 2018 – represents 21% of Total Andalou sales in Facial Skin Care

¹ Pre-acquisition figures are unaudited and have not been restated using BWX accounting policies

² Constant FX rate assumed across all years

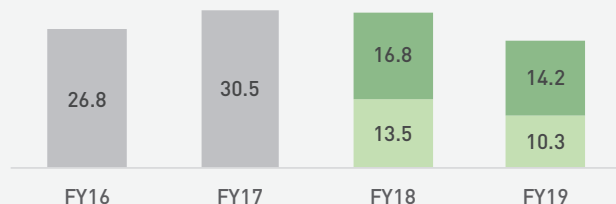
³ Based on SPINS 12 week data for period ending 07/07/19 and Nielsen Whole Foods data for period ending 07/07/19

⁴ SKUs for Skincare, Body Care, Hair Care

MINERAL FUSION – #1 COSMETICS US NATURAL

Net Revenue (\$AUDm)^{1,2}

■ Mineral Fusion ■ BWX ownership, 1H ■ BWX ownership, 2H

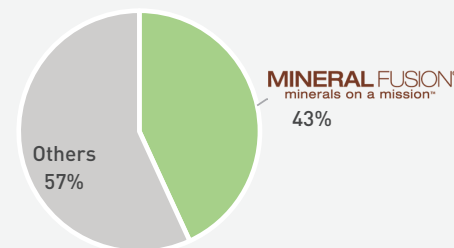


#1 Cosmetics Brand – dominant market share in US Naturals

#3 Natural Cosmetics Brand in US conventional market

Regaining market share – positive early signs from packaging re-launch (01-2019)

US Naturals Care Market (%)³



16.4% of Group Revenue

Gross margin of 52-54%

AU channel expansion – early momentum from Priceline store test signals potential upside



Popular products – 16 Mineral Fusion products in Top 20 Cosmetics (US Naturals)

Outperforms – MF sales -1.6% vs. -6.2% Cosmetics (US conventional market)

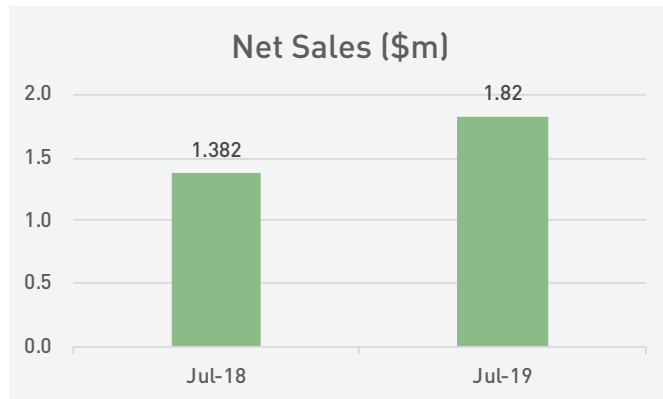
¹Note: Pre-acquisition figures are unaudited and have not been restated using BWX accounting policies

²Constant FX rate assumed across all years

³ Based on SPINS 12 week data for period ending 01/07/19 and Nielsen Whole Foods data for period ending 01/07/19

⁴ SKUs for Cosmetics and Nails

NOURISHED LIFE – LOYAL FOLLOWING



Member Loyalty – continued expansion of Loyalty Club (+29% in FY19)

Website upgrade – direct international shipping now available

Customer audit complete – implementing plan to enhance customer experience



14% of Group Revenue

Gross margin of 35-37%

Stable performance over FY19



Leading digital platform for deep consumer insights on natural and beauty

Measured expansion – increase in daily orders in 2H19 (+4%)

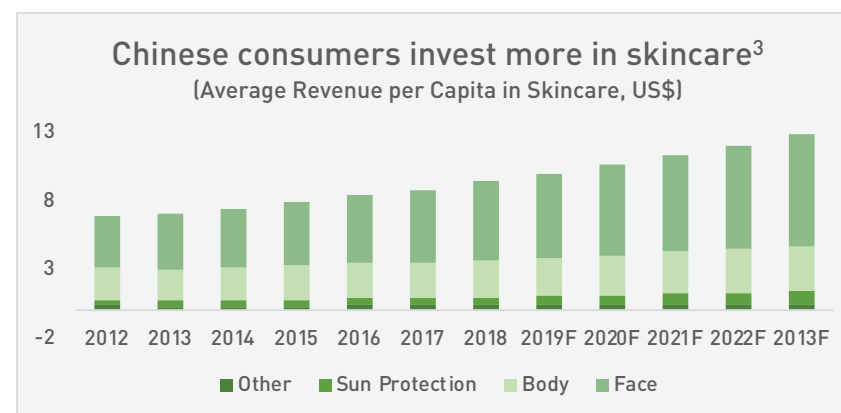
Capacity to extend Life Basics range

A flat-lay botanical arrangement on a light gray background. The composition includes a large, light green leaf on the left, a small white daisy flower, a sprig of small yellow flowers, a large blue monstera leaf on the right, a small green leaf, another small white daisy, a sprig of small white flowers, a large green leaf at the bottom left, a light blue fern frond, and two small green, textured fruits at the bottom center. A white rectangular box is centered over the image, containing the title text.

CHINA & THE NATURAL SKINCARE MARKET

SKINCARE BOOMING IN CHINA

- China has the largest skincare market in the world and is expected to be a key contributor to the growth of the organic and natural personal care market
- The skincare market is currently US\$14.3 billion (2019) and it is expected to reach US\$18.8 billion in 2023
- China's growth is outperforming the global skincare market, with an annual growth of 7.2% (CAGR 2019-2023) vs. 5.7% globally
- Chinese consumers are becoming more sophisticated and involved in their skincare regime – skincare is considered an essential product in their quest for “quality of life” and “self betterment”



Source: statista.com, October 2019, Skincare market in China

NATURAL TRENDS IN CHINA

- Natural indicates safety and quality
- Australian products seen as green, clean and eco-friendly
- Chinese consumers believe in power of single ingredients, and perceive natural ingredients as safe and trendy
- Natural connects well to Chinese philosophy and respect for the power of natural products
- Chinese millennial consumers possess a heightened consciousness



SKINCARE REGIMES ON THE RISE

- The sophistication of skincare regimes for South East Asian consumers is on the rise
- Typically uses all nine points of the skincare regime
- This means we can target “One Consumer” type
- The ranging strategy is to win with functional hero SKUs from Sukin’s primary ranges, and high efficacy secondary ranges

<p>78% Makeup Remover</p>	<p>100% Facial Cleanser</p>	<p>75% Mask</p>
<p>100% Toner</p>	<p>100% Eye Cream</p>	<p>19% Face Treatment Oil</p>
<p>90% Serum</p>	<p>100% Moisturizer</p>	<p>69% Sun cream</p>

Primary Ranges



Secondary Ranges



SUKIN – ‘GUO MIN’ NATURAL BRAND

- Sukin holds an unmatched position in the “masstige” part of the Chinese market – ranked the #6 Natural brand in China
- Sukin is the ‘guomin’ brand for Australia, meaning “national citizen’s” (brand)
- Sukin is currently sold via 25 Cross Border E-Commerce platforms in China with an opportunity for more share of this online market
- Sukin is not reliant on Daigou channel and was not materially impacted by Chinese regulation changes



CONSUMER EDUCATION

- Sukin successfully pioneered the first “in-campus” pop-up event in partnership with Cosmopolitan Magazine
- Visited 12 of China’s top universities in Beijing and Shanghai
- The personal seminars involved dermatologists to advocate for Sukin as well as effective sampling opportunities
- Sukin represents the first brand to campaign and educate university students in what is typically a ‘closed’ and protected channel



This campaign is still live and has already achieved **2 million online** engagements

4,000 samples dispatched through redemption

CONSUMER EDUCATION



KEY INFLUENCER SALES STRATEGY **BWX** Ltd

- Invited by Mogu.com (live stream platform)
- Partnered with key influencers, selling:
 - **1,000** units of Sukin Purely Ageless Reviving Eye Cream in **10 seconds**
 - **9,000** units of Super Greens Detoxifying Clay Masque in **2 minutes**
- Wide consumer exposure to an audience of **885,000** viewers



KEY INFLUENCERS - LIVESTREAM



CHINESE MARKET CHALLENGES

REGULATORY CHALLENGES

- Products sold in Chinese bricks-and-mortar stores must be tested on animals – which goes against BWX company values
- BWX continues to monitor this regulation as we assess the potential of establishing offline channel

CROWDED MARKET

- Chinese consumers are bombarded by thousands of new products and want efficacy, fast
- Chinese consumers maintain specific preferences when it comes to texture and fragrance
- BWX planning to launch specific Chinese SKUs

DIRECT CONSUMER ENGAGEMENT

- Maintaining direct consumer engagement with an offline presence is challenging
- BWX is focused on ensuring the Sukin brand remains relevant to Chinese consumers through NPD and distribution (online and offline) to expand access to the brand for more Chinese consumers

CHINESE MARKET OPPORTUNITIES

之前我看到Sukin, 主要是在Coles, 日常买菜路过, 印象比较深的是瓶子。... [全文](#)



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MULTI-CHANNEL STRATEGY

- Increase market share of online platforms
- Potential to establish offline channel in China to expand consumer access to the brand

CHINESE HERO SKUs

- Focus on hero brands and SKUs that align with Chinese preferences
- Launch Chinese inspired SKUs with variations of NPD (e.g. single ingredient products)
- Introduce Andalou Naturals in Chinese market



ENGAGE & EDUCATE MILLENIALS

- Build customer and influencer base in China around key brands
- Invest in partnerships with leading natural influencers to ensure continued relevance to consumers

A top-down view of various botanical specimens, including green and dark leaves and small green flower spikes, scattered on a light gray surface. A semi-transparent white rectangular box is centered over the image, containing the text "THANK YOU. QUESTIONS?".

THANK YOU. QUESTIONS?