

16 November 2020

Manager Companies
Company Announcements Office
Australian Securities Exchange Limited
Level 4, Stock Exchange Centre
20 Bridge Street
SYDNEY NSW 2000

Dear Sir / Madam

BWX Limited: Chairman and CEO Addresses and CEO Presentation – 2020 AGM

Please find attached the addresses of the Chairman and Chief Executive Officer of BWX Limited and the presentation of the Chief Executive Officer to be given at the BWX Limited Annual General Meeting to be held today. These documents were authorised for release by Dave Fenlon, Group CEO and Managing Director – BWX Limited.

Yours faithfully



Alistair Grant
Company Secretary and Chief Legal Officer
BWX Limited

Chairman's Address

I would now like to deliver my formal address to the meeting.

Since our last meeting, BWX has been busy executing the changes to reposition the company for future growth. We have made good progress. At the same time, we have been faced with navigating the unprecedented events accompanying the global COVID-19 pandemic. I am pleased to report that despite these challenges, the Board and management team have responded to the pandemic, delivering a very strong financial performance in FY20. In particular, I'd like to thank Dave Fenlon for his strong leadership in what has been his first full year as CEO and Managing Director.

BWX delivered Group net revenue of \$187.7 million, an increase of 25%, and EBITDA of \$30.9 million, an increase of 30%, driven by strong performance in our Asia Pacific engine markets. Net profit after tax increased 59% to \$15.2 million and we ended the year with an improved cash position of \$28.6 million. This was a pleasing performance in comparison to the broader market, and was in line with the guidance provided to shareholders twelve months ago.

Our teams responded to the pandemic by creating new products and ramping up production to support our retail partners and meet surging consumer demand. To the entire BWX team – on behalf of the Board, I extend our gratitude for your hard work under difficult circumstances.

As you know, our review of the business last year identified the need to enhance our capability and bolster our executional focus in key markets. While we addressed the majority of these appointments at last year's AGM, we finalised the Group leadership team during the year and those decisions have contributed to our strong results this year. These included the appointment of Efee Peell as Group Chief Financial Officer in March 2020 and promoted Rory Gration to the role of Group Chief Operations Officer and Managing Director - APAC in February 2020.

Significantly this year, the Board approved the Three-Year Strategic Roadmap. This work builds on our strategic pillars and maps out the core strengths and opportunities for BWX and its brands to achieve organic growth, as well as the key financial and operations metrics to measure our progress towards becoming a leading global natural wellness company.

We also announced a \$52 million capital raising which was completed in August 2020. The proceeds will be invested in developing world-class manufacturing capabilities with scalable, efficient production, strengthening the balance sheet and future-proofing our supply chain, while ensuring financial flexibility for any opportunities that may arise. The capital raising was strongly supported by both institutional and retail shareholders. This investment is expected to deliver a step change in BWX's operational and financial performance when it is completed in December 2021, through labour productivity, efficiency improvements and material waste cost reductions.

Looking forward to the end of FY21, BWX expects ongoing growth in revenue and EBITDA of at least 10%. Dave Fenlon will update the meeting shortly in more detail on our trading and our progress against our guidance.

While the pandemic is still playing out, I am confident that all the decisions and actions we have taken this year have helped to safeguard the short-term, and have positioned the Company to thrive as the economy recovers support our objective of creating long-term value for you, our shareholders.

Thank you for your continued support and investment in BWX.

CEO Address

Thank you, Mr Chairman.

Good afternoon shareholders and welcome to the BWX Annual General Meeting for 2020.

Thank you for joining us virtually this year.

With me here today is our Group Chief Financial Officer, Efee Peell and Group Chief Operating Officer, Rory Gration, who heads up all our trading divisions. The rest of the senior leadership team are also available to answer your questions.

The year 2020 has been a marathon for all of us.

We have indeed learnt new things about ourselves, our business AND the world in general.

I personally have added to my vocabulary in 2020, however I promise NOT to say “unprecedented”, or “pivot” or indeed my personal favourite: “Rory you are on mute!”

As I reflect on the period since my address to shareholders at last year’s AGM, not in my wildest dreams (or nightmares) could we have ever predicted the events that have unfolded in 2020.

These events have changed the way we live..... the way we shop..... and what we value.

There is a renewed consciousness about health and hygiene.

There have been permanent shifts in supply chains.

The use of e-commerce, and consumer trust in brands – all of which provide significant tailwinds (our affordable) brands have also seen permanent change.

There has been acceleration with consumers globally willing to not only buy, but pay a premium for, ethical and Natural products.

Here in Australia, post the initial panic-buying period, we have experienced a slight increase in demand for hair, skin and body essentials.

As we know shopping online is quickly becoming the new normal. We are also seeing the return of shoppers to the Pharmacy channel.

I am pleased to say we are seeing promotional volume uplift returning in supermarkets. In the last few weeks, something we are grateful for!

Across the globe and relative to us, in the US, colour cosmetics as a category has experienced a more pronounced impact. We are subject to unpredictable consumer habits in light of COVID and the recent election.

We do expect a recovery here but it will be skewed to the second half of FY21.

As we have always been, I want to be very transparent in North America. We have work to do to accelerate our ‘go mainstream’ strategy. We are too reliant on natural channel where foot traffic recovery has lagged mass.

Looking to Europe.

We have today announced an important e-commerce partnership that will optimise the roll out of our brands directly to consumers right across the continent. I will share further details on this later in the presentation.

An finally in Asia, despite current trade tensions, Australian brands remain desirable as demonstrated by the recent 11/11 e-commerce sales in China.

Despite the very clear challenges almost all of us have faced – as an international business and as part of the local community – I am very proud to present a great deal of positive progress toward building the leading natural wellness company globally.

In testament to the resilience of our people, we have been able to deliver a strong financial performance through the crisis – and very importantly in line with the guidance we set for ourselves, and the market, over 12 months ago.

I believe a major part of our ability to perform and grow through the COVID crisis is because at BWX, we invest in brands and products that *make people feel better about themselves*.

Even in the face of unparalleled social, economic and health challenges, all of our core brands were able to increase revenue in FY20.

Financial Year 2020 saw Group revenue increase 26% on the prior year to \$187.7 million.

This was supported by strong second half momentum in Asia-Pacific engine markets and a robust omni-channel offering as consumers made the shift to online shopping.

EBITDA increased 30% on FY19 to \$30.9 million.

Importantly, and in spite of the profound pandemic challenges, the revenue and EBITDA metrics we delivered were within our guidance range – albeit in a different channel and product mix that we anticipated prior to the crisis.

As Ian has already mentioned our net profit after tax increased 59% to \$15.2 million, and we ended FY20 with an improved cash position of \$28.6 million.

Our strong NPAT performance and cash position enabled the Board to declare a fully franked final dividend of 2.6 cents per share for FY20, within the dividend payout guidance of 35-50%.

Undoubtedly, this year will always be remembered as the year of COVID-19.

While the financial and brand outcomes we delivered really demonstrate the resolve and leadership shown by the entire team, I also want to take this opportunity to call out some of the non-financial measures and outcomes we delivered in response to the global pandemic.

At the outset of the crisis, we introduced stringent health and safety measures to ensure our operations could continue to operate safely and effectively.

This meant we could continue supporting our retail partners through the provision of our personal care and hygiene products which were in high demand.

Not only were our products making consumers *feel better* during COVID lockdowns, they were *making customers safer*, helping prevent the spread of disease.

This continues to be a tangible feeling that resonates throughout our office, warehouse and manufacturing teams, and is backed up by a significantly improved employee engagement score of 73%.

Like many others we have placed high importance on mental health and wellbeing introducing a number of measures to keep people connected through mindfulness sessions, virtual yoga classes, company-wide trivia nights and providing opportunities for financial wellbeing checks for our teams.

Our warehouse and production teams were also recognised through a one-off payment and gift to the value of \$2,000 each, to acknowledge their consistent efforts and contribution throughout the pandemic -they really are Rockstars and I know they are working and watching today.....thank you to everyone in Dandegong and Petaluma.

Continuing to support our employees during COVID-19 remains a key priority of mine and the wider leadership team, and it's similarly important that we also actively contribute to the community.

In May, BWX donated a retail value of one million dollars' worth of hand sanitiser and other personal care products to three charities in Victoria.

I have never been more proud of our people given their response to the challenges of the COVID-19 outbreak – and I know we will manage any future hurdles with the same resolve.

Drilling deeper into the performance and putting the spotlight on our brands –their solid performance throughout FY20, and in particular their resilience during the second half.

All four brands captured greater market share within their respective Natural categories and generated strong growth during the year.

- Sukin led the way with 55% revenue growth compared to last year. We successfully launched the Sukin brand in Target USA, have launched recently in Indonesia and Vietnam; and increased total distribution points by 4,000 across our key engine markets.
- Andalou Naturals continued its successful roll out in Australia, where its sales grew 35% in the fourth quarter alone following its launch in Chemist Warehouse.
- Mineral Fusion continued to expand distribution across the Mass channel and was helped by its performance in the nail category, where online sales were up 200%¹ during North America's lockdown.
- Nourished Life, our eco-friendly e-commerce platform, experienced 15% revenue growth compared to last year and was an important platform for shoppers during COVID-19 lockdowns.

Overall a very pleasing performance for our brands. I am confident in our Brands and their clearly differentiated strengths.

The formal establishment of our Three Year Strategic Plan – which has been constructed faithfully around our four strategic pillars – was developed prior to the emergence of COVID-19 and has proved its resilience in the face of major external headwinds.

As the roadmap for how BWX will generate profitable revenue growth, it is also intended to create long-term, sustainable value for you, our shareholders- so lets have a look at our progress.

¹BWX ex-factory sales to online retail customers

(I apologise for the text heavy slide but I am sure you want some detail and again, I am unapologetic for our transparency – both good and bad)

We are Connecting to Consumers with accelerated direct-to-consumer marketing investment; market share gains in Grocery and Mass channels; and measuring the success of innovative new product development as a target percentage of total revenues.

Our pureplay e-commerce platform, Nourished Life, has seen its revenue growth accelerate 28% this last quarter alone.

We are Going Global, Going Mainstream with a dedicated focus on e-commerce as a channel. This channel grew to 27% of total revenues in FY20 (versus 20% in FY19) and continued to accelerate in 1Q FY21.

In the 4 months of October 31, sales via our own brand websites for Sukin and Andalou Naturals are up 277% and now account for 3-5% of total group revenues –This clearly shows that online shopping is the new normal for many of us.

This last quarter has seen 1,000 new distribution points added, including launches in Taiwan and Vietnam. There is clear growth plan by channel and by geography and our job is to execute.

I do need, in fact want to call out, that Mineral Fusion our coloured cosmetics brand is trading behind last year.

The category is down by 40% year on year over the last 6 months.

We are materially better than that but that is mainly due to the distribution gains.

I do expect H1 to close down in Mineral Fusion but a good recovery in H2 on a like for like basis is our focus.

We are Investing in Ourselves with the construction of a new state-of-the-art manufacturing facility in Clayton, Victoria.

I would like to thank all our institutional and retail shareholders for their overwhelming support on our capital raising. That means we can make this investment.

Our investment into marketing and people remains steady. We have not “knee jerked” and taken a short term view. We are building for growth!Not short term profit.

And we are Getting Clean and Getting Healthy with a stronger organisational structure; continued discipline around working capital; and robust sustainability goals.

These sustainability goals are important to us all and critical to our consumers.

Our brands position for good growth in the Natural skincare category – a category forecast to outpace the growth of total skincare as consumers switch from synthetic to Natural and we educate them on the benefits.

As this chart shows, in the USA, sales in the Natural segment represent just under 10% of the total skincare sales, and the Natural segment is forecast to grow at 6%, which is outpacing the growth rate for total skin.

Here in Australia, Natural skincare sales account for more than 15% of total skincare sales, and the Natural category is expected to grow 9.5% between now and 2025.

And across Europe, there is a similar trajectory

This is further confirmation that we are targeting growth in the right markets.

We have a clear, focused plan for which categories and markets we will unlock with our brands

Our strategy is underpinned by knowing and understanding the macro trends.

As you can see natural has tailwinds, our brands are affordable and we plan to execute.

It is vital we are futurists when it comes to ingredients, sustainability, and innovative new trends.

2020 has seen conscious Natural beauty rise to a new level, as consumers take a holistic approach to how their consumption affects not only themselves but the environment around them too. Consumers also love new, efficacious products

We are making strides forward with our innovative new product development against the growth platforms of active-ageing; protection; hydration; hair health; beauty inside & out; and of course, sustainability.

One example is the delivery of an antibacterial protective hand sanitiser in just 21 days which meant we were in market before many other brands and able to ensure we have the right stock levels and to be 100% clear, before the question we do not have excessive stock levels on sanitiser.

Rising awareness about natural ingredients providing UV protection is also fuelling the growth of Natural substitutes.

We will be extending our product ranges in SPF and hydration, while embracing new ingredient trends to support the delivery of revenues in the range of 15-20% of total group revenue.

In the short term, we will be launching Sukin Purely Ageless Pro, a premiumised version of the current Purely Ageless Range.

In the US, we have CBD oil to enhance our Andalou Naturals CannaCell range.

Over the longer term, we will tap into the scalp and hair health market with extensions of our shampoo range. We will investigate consumer acceptance in the form of waterless, powders and concentrates. This is a core part of our Get Clean, Get Healthy strategic pillar where our impact on the planet is as important to our team as it is to our conscious consumers.

We have set ourselves sustainability targets, including ensuring that we maximise recycled materials in our products and ensure that our packaging avoids going into landfill.

The sustainability section of our FY20 Annual Report outlines our commitment to sustainability and we look forward to updating you in the future on our progress.

Our continued focus on innovation is also reaping rewards.

H2 will see us launch product ranges containing Bakuchiol.

This is an amazing ingredient and is the natural alternative to retinol.

Our mission to deliver to consumers are also leading us to investigate trends on personalisation, refillable stations, waterless products and concentrates as further reduce our footprint on the planet.

And I personally am committed to championing “education on natural for all consumers”. Natural is in our DNA and we want to lead the understanding of what are genuinely natural products. We are not perfect, but we will not rest and we may need other companies to help on this vital subject.

Hopefully this provides a good snapshot of how we are categorising the many opportunities for growth to stay relevant, consumer-led and competitive.

Speaking of relevance – turning to where the opportunities are for our eco-conscious e-commerce business, Nourished Life.

We absolutely “Adore” this business, and we are firmly on the path to unlocking its full potential.

Everyone seems to be obsessed, and rightly so, with direct to consumer businesses.

We are very encouraged already this past quarter by the 40% increase in website traffic versus the same period last year, and the 24% increase in basket size which reflects our improved ranging and recommendation process.

I encourage you to check out the new site.

Nourished Life enjoys strong gross margins of (34%) as well as EBITDA margins (5%). Nourished Life also has strong cash conversion v’s a year ago and we are focussed on improving it further.

Nourished Life is uniquely positioned with more than two-thirds of its SKU’s not available or ranged in department stores, specialist beauty or mass retailers.

A great example of this is that we recently launched one of four new brands on Nourished Life that are owned by indigenous Australians.

Another point of difference is that Nourished Life’s private-label offering represents approximately 10% of revenues and we have over 30 more SKU’s in the product pipeline for launch in the next period.

We know there is more work to be done but the focus is there and upgrading our own manufacturing abilities is one way we are unlocking this potential.

Australia’s Federal Government made it clear in this year’s Budget that Australia’s economic recovery would be led by the manufacturing and infrastructure sectors.

Here at BWX we will be playing our part in supporting this plan underpinned by a major strategic investment we announced in July.

As part of that successful \$52 million capital raising, we're investing almost \$34 million in a brand new state-of-the-art manufacturing facility, in Clayton, Victoria.

Development is now well underway on the new facility in what will become the platform to support BWX's growth over and above our Three Year Strategic Plan.

Another couple of initiatives supporting this plan which I would like to briefly mention now:

We have established BWX Tomorrow

- Our incubator model will pursue investments in early-stage businesses and start-ups in skincare or adjacent categories in the Natural segment.

It is a model which effectively lends itself to collaboration around knowledge-sharing, best practice and innovation to benefit both parties.

- BWX Tomorrow made its first investment this last quarter, in a company called Vitable – a healthcare company delivering monthly personalised vitamin packs. It's a company that makes sense to us as they share our natural wellness ethos and obsession with innovative consumer solutions.
- Since launching the BWX Tomorrow initiative, we have 15 opportunities under assessment, five of which are active. We have taken time to set strong foundations, the training wheels are back in the shed and we are gaining pace.

Now I would like to talk about driving expansion into Europe

- We have activated significant growth opportunities on this continent where we aim to generate between \$30-50 million in revenue by FY23.
- To help us achieve this, we are very excited to announce our new partnership with The Hut Group ("THG") they will be managing and optimising our e-commerce business in key engine markets throughout the world.

THG are experts in designing, deploying and operating e-commerce websites for global brands, and with clients including L'OCCITANE, Boots Pharmacy, and Nestle, we believe that the partnership will position us to significantly grow our brands directly to consumers.

I look forward to updating you on our progress against these initiatives, which enable a deeper our connection to the consumer, expand the Natural category and unlock more value for BWX shareholders. I hope you can sense we are all very excited about this partnership.

Turning now to the outlook – which I know you are all very focused on.

The first half of this financial year (FY21) continues to bring challenges across the globe, especially as the US and Europe they find themselves in a different COVID cycle to Australia.

It is without a doubt a time where consumers are being prudent and discretionary spend is being impacted.

However Natural skincare and haircare sales across our key geographies of Australia, North America and Europe has been resolute in performance.

Very pleasingly we continue to gain share for our brands of Sukin and Andalou Naturals.

Natural Beauty is a revolution that continues to gather momentum. With the migration to online shopping, supermarkets and mass channels, we also commit to staying strong in pharmacy and specialty retailers, despite short term pressures for these channels.

While buying behaviours remain impacted, and will continue to for the foreseeable future, the unpredictability continues to keep us agile.

Some new distribution gains have also been delayed as we adjust to the changing circumstances for our retail partners.

However, our expectations remain positive for the full year and we re-affirm our growth in revenue and EBITDA to be 10% growth in FY2021.

I want to be very clear, the growth will be weighted to the second half when new initiatives and customers come on-line.

The first half of this financial year (FY21) will be a COVID impacted trading period of a full 6 months. In the second half, we will cycle the extremely volatile period of the first COVID wave so we do expect less disruption year on year in H2.

As you would expect and hopefully you have now come to trust, we are committed to being transparent and if conditions change, we will adapt and prove our agility.

We will of course keep all our shareholders updated in any changes to our guidance position.

I would like to extend my thanks to the invaluable counsel and guidance from the Board over the past 12 months and once again acknowledge the enormous contribution of the entire team to deliver an outstanding result in incredibly trying circumstances.

I would like to conclude by taking a moment to personally acknowledge and thank our shareholders for your support over the past year.

The senior leadership team, Board and I, assure you we maintain a laser focus on delivering the Strategic Roadmap and creating shareholder value well into the future.

Thank you for your time. I will now hand back to Ian.



BWX

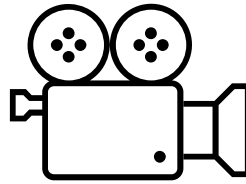
AGM will be starting promptly at 12pm



Annual General Meeting

16 November 2020

Placeholder for Year-in-Review video





Ian Campbell

Chairman



Board of Directors



Ian Campbell
Chairman &
Independent Non-
Executive Director



Dave Fenlon
Group CEO &
Managing Director



Denis Shelley
Independent Non-
Executive Director



Fiona Bennett
Independent Non-
Executive Director



Jodie Leonard
Independent Non-
Executive Director



Rod Walker
Independent Non-
Executive Director

Agenda



1. Welcome from Ian Campbell & Chairman's Address
2. Dave Fenlon, Group CEO's Address
3. Formal Business of the Meeting
4. Closing Remarks
5. Meeting Closes

How to Vote / Ask a Question

✓ GET A VOTING CARD

Once you have registered, your voting card will appear with all of the resolutions to be voted on by securityholders at the Meeting (as set out in the Notice of Meeting).

You may need to use the scroll bar on the right hand side of the voting card to view all resolutions.

✓ VOTING

To submit a full vote on a resolution ensure you are in the 'Full Vote' tab.

Place your vote by clicking on the 'For', 'Against', or 'Abstain' voting buttons.

Voting will end 5 minutes after the close of the Meeting.

✓ ASK A QUESTION

You will only be able to ask a question after you have registered to vote. To ask a question, click on the 'Ask a Question' button either at the top or bottom of the webpage.

Note: only securityholders are eligible to ask questions

Ian Campbell

Chairman



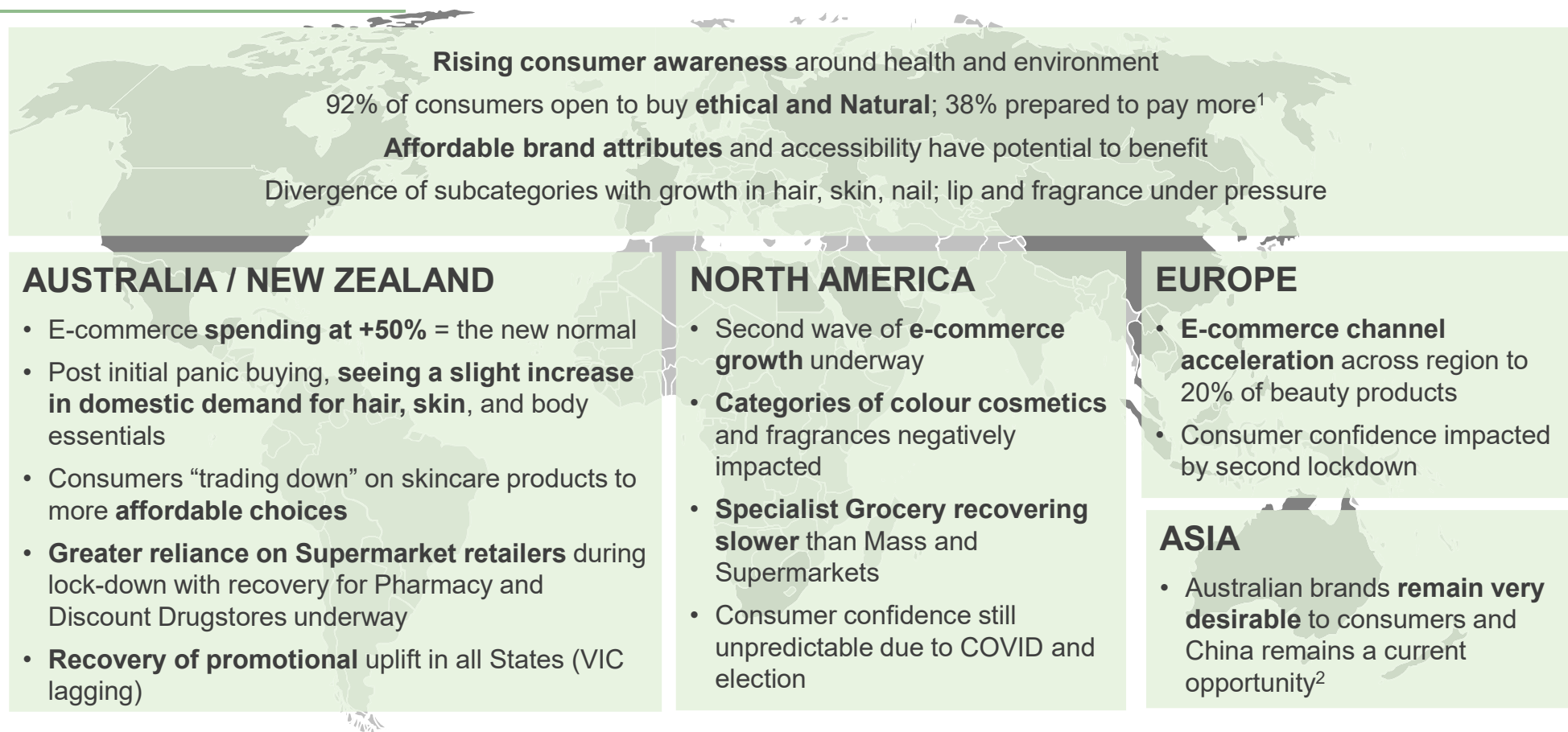
A detailed botanical illustration serves as the background for the left half of the image. It features a variety of plant elements: a small white daisy with a yellow center in the upper right; a long, thin stem with small, light-colored flowers or buds extending from the center; several large, elongated green leaves with prominent veins, some showing signs of aging or damage; and two small, green, teardrop-shaped fruits or seed pods at the bottom right. The entire illustration is set against a light, neutral background.

Dave Fenlon

Group CEO & Managing Director



The Market Environment



FY20 Financial Highlights

Net Sales
increased **26%**

\$187.7m in FY20 vs
\$149.5m in FY19

Gross Margin
58% (58.3% excluding hand sanitiser)

+210 bps vs FY19

Sukin, core brands all experience
healthy growth in Gross Margin

EBITDA¹
increased **30%**

\$27.5m in FY20 vs
\$21.3m in FY19

Statutory NPAT
increased **59%**
to **\$15.2m**

Strengthened balance sheet
Improved cash position vs FY19
Improved net debt position vs FY19

Fully franked final dividend of 2.6 cents per share

CORE BRANDS
GROWING
REVENUE



Sukin revenue **+55%** vs pcp



Andalou Naturals revenue **+10%** vs pcp



Mineral Fusion revenue **+16%** vs pcp



Nourished Life revenue **+15%** vs pcp

Agile response to COVID-19 in FY20



Prioritising
safety and wellbeing



Protecting
supply chain

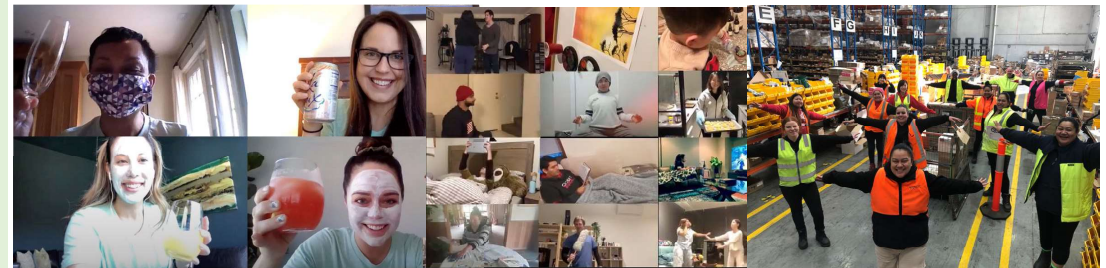


Supporting
'essential services'



Capturing
industry tailwinds

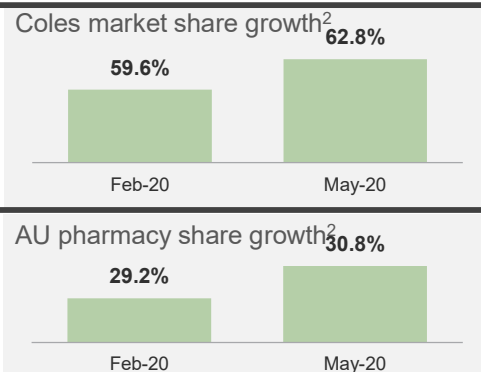
- Safety and wellbeing number 1 priority
- Employee engagement score of **73%** shows highly engaged culture
- Warehouse & production teams recognised with one-off **\$2,000** cash bonus each
- Launch of natural hand sanitiser range in **21 days** and donated **\$1m** (retail value) worth of product to local charities
- Supporting our retail customers who are continuing to trade in tightly regulated movement scenarios with ongoing supply



FY20 Brand Performance



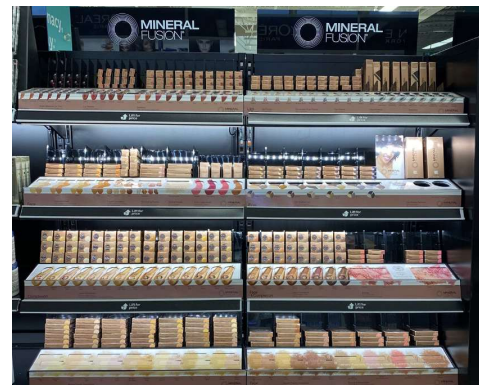
- ✓ Launch in Target USA and expanded in Wegmans & Publix
- ✓ Strong sales growth of 46% in Coles in FY20¹ and increased market share since March
- ✓ Accelerating consumer-led NPD pipeline



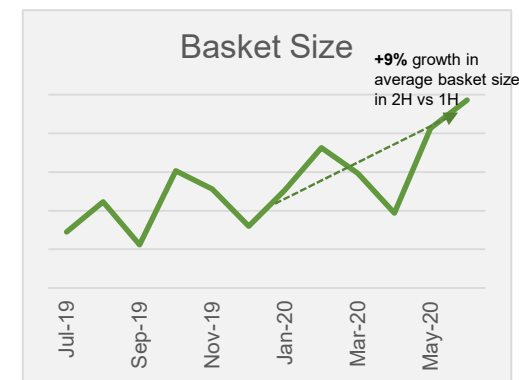
- ✓ Executed roll out in Australian Pharmacy across discount and traditional channels
- ✓ Experienced **+35%** growth in the last quarter (Q4) following launch into Chemist Warehouse³
- ✓ Strong e-commerce growth



- ✓ Launch in Target USA and expansion across Wegmans and Publix
- ✓ Strong e-commerce growth in 2H and expansion via direct-to-consumer model
- ✓ Anticipate a recovery in cosmetics post COVID-19



- ✓ Surge in online revenue -- promotional effectiveness leading to basket size growth of +7.4% MAT⁴
- ✓ Enhanced customer retention - personalised and segmented marketing
- ✓ Brand awareness - web sessions increased by +33% MAT (June 30)



Three Year Strategic Plan: PROGRESS

Relentlessly focused on our four strategic pillars, our strategy is underpinned by global beauty trends

1 Connect to Consumers

Acceleration in **direct to consumer** marketing investment to grow revenue

Nourished Life revenue growth accelerating **28%** in 1Q FY21

Strong market share gains in **Grocery** and **Mass** channels as shopper behaviours shift from traditional and specialty retailers

Launch of **BWx Tomorrow** with maiden investment in Vitable

NPD as a % of revenue in the **15-20%** range for FY21

Maintained **marketing investment**

2 Go Global, Go Mainstream

E-commerce revenue grew **to 27%** of total revenue in FY20 vs **20% in FY19**

1,000 new distribution points in 1Q FY21 (Taiwan, Vietnam, Canada, Australia)

Clear **channel** and **category** plan by geography for FY21 execution

Partnership with **The Hut Group** to drive growth across Europe, Asia

Focus on **Grocery** and **Mass** channels in USA to reduce reliance on Natural Supermarkets

Working towards unlocking **global retailer partnerships**

3 Invest in Ourselves

Capital Raising of \$52m with majority of proceeds to support new state-of-the-art **manufacturing facility** in Clayton, VIC

Growth Platforms defined and supported by macro industry trends

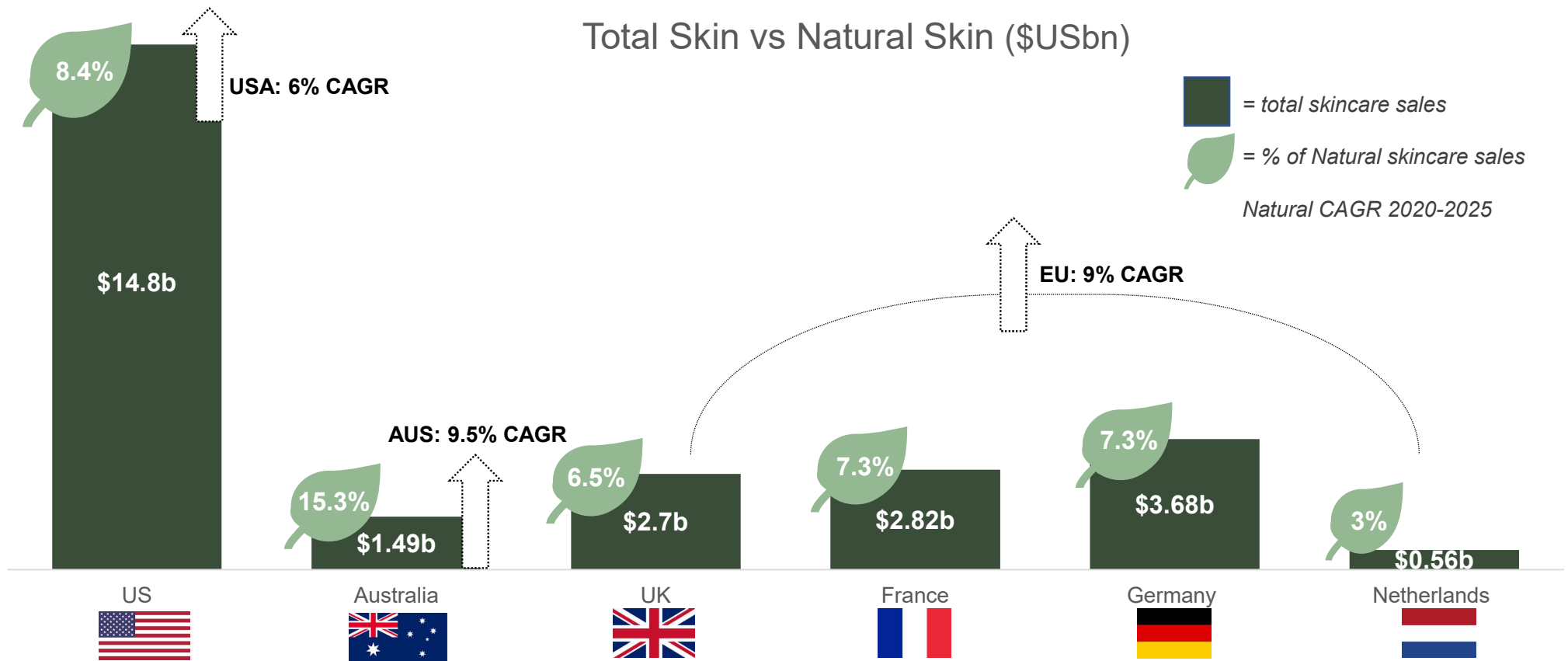
4 Get Clean & Get Healthy

Implementation of revised **organisational design** with 3 trading divisions leveraged by group support services

Continued disciplined focus on cash and **working capital**

Sustainability targets locked in for 2030

Size of Market Opportunity



Global Growth Platforms

Our growth agenda is clear: distribution gains, focussed category gains, and missions to support the planet are all consumer-led



Nourished Life

Nourished Life, our eco-conscious e-commerce platform, performed strongly in FY20 on e-commerce tailwinds and is strategically important to BWX's overall growth

+40%
Web Sessions
Q1 YoY
(FY21 v FY20)

+24%
Basket Size
Q1 YoY
(FY21 v FY20)

34%
Gross Margin

+35%
Database Growth YoY

245k+
Product Reviews

5.0%
EBITDA Margin



E-Commerce Growth Drivers

- Natural-conscious consumers and their demand for affordable, efficacious products
- Development of our **private brand strategy** and expanding product range
- Continual analysis of **data sets** to drive **consumer-led new product development**



Nourished Life ^{BWX}

lifebasics[™] by Nourished Life

- Australia's largest online Natural shop that continues to evolve in line with consumer trends
- 7.5k products on offer and **100 private-label** products
- Development of Life Basics private-label strategy – **30 additional SKU's** in the pipeline for launch
- Improvements to gross margin – more work to do



New Operations Facility

Developer appointed to construct a new BWV operations facility and support office

\$33.7 Estimated capital investment

Earnings uplift
expected in **FY23**

Consolidation of current sites

Located in **Clayton, VIC**

With construction expected to be commencing in FY21, the facility is expected to deliver material EBITDA growth over and above the current Three Year Strategic Plan. Strategically located in Clayton – a growth corridor along main distribution routes.

- ✓ **Four highly automated high-speed, production lines** (from 9 semi-automatic low speed lines) expected to drive significant per unit cost reduction and deliver **margin expansion**
- ✓ **Triple** throughput compared to existing site, with total manufacturing capacity expected to increase to **>100m** units p.a.
- ✓ Enhanced control over end-to-end **supply chain**, more flexibility and **scalability for future growth**
- ✓ Investment in R&D, laboratory facilities and pilot plant to accelerate our **innovation to market**



¹Expected payback of four years from Completion in relation to the full capital investment of \$33.7m to fund the New Operations Facility.

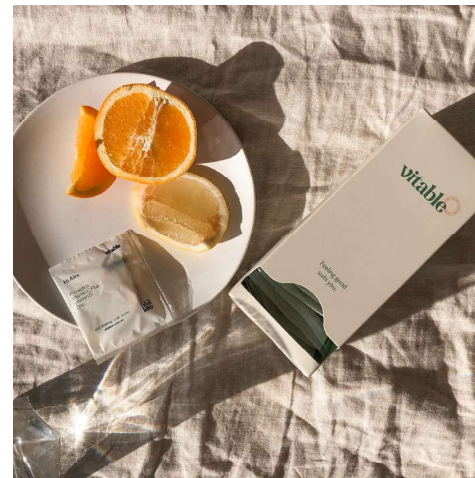


BWX Tomorrow

BWX

BWX Tomorrow is an incubator model designed to pursue investments in early-stage businesses in skincare or adjacent categories in the Natural segment

- The initiative will see BWX partner with early-stage businesses to
 - ✓ provide equity and working capital
 - ✓ engage in knowledge sharing and best practice
 - ✓ accelerate growth and drive scale while preserving what makes that business unique
- BWX offers early-stage businesses a global distribution network, manufacturing capabilities, superior marketing and connections to consumers in order to lead the wellness revolution
- Maiden investment in **Vitable**, a healthcare company delivering monthly personalised vitamin packs to consumers
- Actively continuing to assess opportunities



vitable





Europe Expansion

Partnership with The Hut Group (THG) to manage our e-commerce business and support our goal, alongside retail distribution gains, of building A\$30-\$50m in revenue from European operations by FY23

Targeting Sukin

across all priority European Drugstores, Supermarkets & Hypermarkets. Prioritise key retailer rollouts in UK.

Andalou to follow in FY22.



Enhance D2C

and improve the European shopper's journey through a targeted e-commerce collaboration with THG from FY21.



Optimise European marketplaces

including Amazon and eBay, tapping into the accelerated movement towards online shopping across Europe.



Maximise Australian brand attributes

to re-position the Sukin brand for the European market, maximising the A-Beauty trend across Europe.



Maximise seasonality

by tapping into the beauty gifting market in the UK and other markets.



Outlook



While the Group continues to closely monitor external market conditions, BWX is **well positioned** to capture further market share, underpinned by strong **brand health**, an **expanded offering** and a **protected supply chain** as our core business continues to support **essential services** (such as pharmacies and supermarkets) whilst meeting changing demand trends. We remain committed to our **Three Year Strategic Plan** and our **four strategic pillars**.

With FY20 providing a stable revenue base, subject to market conditions BWX expects to achieve ongoing **GROWTH in REVENUE and EBITDA of at least 10% in FY21**.

The investment in the **New Operations Facility** is expected to payback within **4 years** of completion (expected in 1H FY22) and is expected to be **EPS accretive** in FY23 and onwards.

Outlook for FY21 further boosted by **A\$4.5m one-off benefit** following agreement on the final consideration payable under the Egide Compensation Plan to the sellers of the Andalou Naturals business, with no impact on the carrying value of Andalou Naturals.

