

ASX Announcement

2 July 2021

BWX COMPLETES ACQUISITION OF FLORA & FAUNA

Highlights

- BWX completes acquisition of Flora & Fauna for an estimated total consideration of approximately \$27.9m representing an estimated acquisition multiple of approximately 1.7x actual net revenue for FY21
- Flora & Fauna is a leading Australian curated online retail platform exclusively focused on vegan, ethical and sustainable products
- BWX appoints Julie Mathers as Managing Director – Flora & Fauna and Nourished Life, with responsibility for overseeing the new direct-to-consumer business unit
- Acquisition to be EPS accretive in FY22, and strongly EPS accretive by FY24 with the realisation of anticipated synergies

Melbourne, Australia – BWX Limited (ASX:BWXL or “the Company”) announces the successful completion of its acquisition of the Good Collective Pty Ltd, trading as Flora & Fauna – a leading Australian curated online retail platform exclusively focused on vegan, ethical and sustainable products.

Flora & Fauna will operate alongside BWX’s pureplay e-commerce business, Nourished Life, forming a new business unit within the BWX Group focused on a multi-category portfolio of better-for-you, healthy and sustainable products, 80% of which are not available in mainstream retail.

Flora & Fauna trading update and estimated consideration

Flora & Fauna are on track to deliver total net revenue of \$16.4m in FY21, which is a 35% increase on FY20 net revenue.

As announced on 17 May 2021, BWX agreed to acquire Flora & Fauna for a price between \$27.9m to \$30.8m¹ payable on completion, based on multiple of between 1.6x and 1.8x Flora & Fauna’s actual FY21 revenue.

BWX has paid an instalment of the total consideration, with the balance anticipated to be paid in Q1 of FY22, subject to finalisation of the closing accounts.

The acquisition is fully funded through a debt facility provided by the Company’s lender.

Appointment of Julie Mathers

As part of the acquisition, BWX is pleased to announce the appointment of Julie Mathers as Managing Director – Flora & Fauna and Nourished Life, effective today.

Julie founded Flora & Fauna in 2014, and joins the BWX Group with her 47-strong team.

BWX Group CEO Dave Fenlon said he was thrilled to officially welcome Flora & Fauna onboard, with them bringing deep expertise and valuable insights to help scale the new business unit.

¹ Based on forecast revenue for the Financial Year ending 30 June 2021

“Flora & Fauna have a track record of strong sales growth as clearly evidenced by their FY21 revenue performance which is a 35% increase in sales on FY20. We are really excited to have this great brand, Julie and her team join our business, and share a commitment to keep investing into our new direct-to-consumer business unit housing both Flora & Fauna and Nourished Life.

“BWXLTD is at the forefront of the global wellness revolution, and now our business is even more leveraged to industry and digital tailwinds through this acquisition. Importantly it supports our ambition to stay connected with our consumers and their values. Demand for non-discretionary skincare remains strong but has been buoyed by preferences for ethical, vegan and sustainable products.”

The platform enjoys a loyal following (with repeat customers contributing the majority of revenues) and over 300,000 unique monthly visitors. Flora & Fauna offsets all carbon emissions and in 2017 became one of the first Australian retailers to achieve Certified B Corporation status.

Flora & Fauna has a track record of strong sales growth, with FY20 revenue of \$12.0m, up from \$10.0m in FY19.

The acquisition is expected to be EPS accretive in FY22, and strongly EPS accretive by FY24 with the realisation of anticipated synergies.

ENDS

Authorised for release by:

Dave Fenlon

Group CEO and Managing Director – BWXLTD Limited

For further information:

Domestique Consulting

investorrelations@bwxltd.com

Courtney Howe +61 404 310 364 | Jon Snowball +61 477 946 068

About Flora & Fauna

Flora & Fauna was established by Julie Mathers in 2014 with a clear vision to be the most responsible retailer possible with the best customer service. Today, Flora & Fauna is an award winning, purpose-driven B Corp Certified business with best-in-class systems, exceptional customer service and online metrics.

Flora & Fauna is 100% carbon offset, and recognised by its 94,000 active consumers as a leading online vegan retailer with 340+ brands and over 10,000 SKUs available across its multi-category offering that covers beauty, personal care, lifestyle, baby & kids, pet, food & health. Flora & Fauna has a physical store in North Rocks, NSW, where it offers bulk refill along with all products available on its website.