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ASX Announcement

FY25 Results

27 August 2025

McPherson's Limited (**ASX:MCP**) today announces its audited results for the financial year ended 30 June 2025 (**FY25**). During FY25, McPherson's transitioned from a direct-to-store distribution model to a new wholesaler and third-party warehousing model. In a challenging trading environment, the FY25 results reflect this period of transformation as well as continued foundational investment in the core health, wellness and beauty brands to position the business for long-term, sustainable growth.

Highlights

- Revenue from continuing operations[1] of $139.0 million (FY24: $144.7 million), down 3.9%, largely due to the exit of non-strategic, lower margin brands.
- Core brands revenue up 1.9% on prior year at $124.6 million (FY24: $122.4 million).
- Underlying EBITDA[2] from continuing operations of $7.3 million in line with previous announcements, down 5.3% on previous year (FY24: $7.7 million).
- Statutory net loss from continuing operations after tax of $16.6 million (FY24: net loss of $11.4 million).
- Basic loss per share from continuing operations of 11.5 cents, compared to loss per share of 7.9 cents in FY24.
- Material items of $19.7 million including $10.6 million related to operating model changes in line with guidance.
- Positive operating cash flow of $2.2 million for FY25, and closing net cash[3] position of $8.8 million at 30 June 2025 ($14.1 million at 30 June 2024).

McPherson's CEO, Brett Charlton, said:

"In November 2023, we set out a refreshed strategy as a pure play health, wellness and beauty company. We announced we would become a more streamlined and focused group and transform our operating model: both our route to market and our cost structure. A major milestone in this was the divestment of the Multix[4] brand in June 2024 following a strategic review, which released proceeds to fund the changes we needed to make.

"Following the Multix divestment, our key focus in FY25 has been the transformation of our operating model, a prerequisite if we are to drive growth and realise the full potential of our brands. We have substantially completed this, shifting from a direct-to-store legacy model to a new model, where we use the expertise of specialist wholesalers and a 3PL partner. This has created an asset-light and scalable model that better serves our customers and allows us to focus on our core strengths in sales and marketing.

[1] Continuing operations reflect McPherson's performance excluding discontinued operations. Refer to Segment Information (note 5) of the FY25 Financial Statements.
[2] Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-IFRS measure and does not have a standardised meaning prescribed by IFRS. However, the Company believes that, in combination with IFRS measures, it assists in providing investors with a comprehensive understanding of the operational performance of the business. Underlying EBITDA excludes material items. A reconciliation of Underlying EBITDA to net profit after tax is shown in the Company's FY25 Results Presentation (slide 23) dated 27 August 2025.
[3] Net cash is defined as cash and cash equivalents, less borrowings, excluding lease liabilities.
[4] Multix (**Multix**) is a trademark owned by International Consolidated Business Group Pty Ltd as trustee for ICBG Unit Trust (ABN 73 804 885 700).

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"Our core brands have delivered modest growth against this backdrop, however they are not yet performing in line with our aspirations. We know it will take sustained and disciplined investment, together with flawless sales and marketing, to unlock their full potential in the coming years. Our new operating model was specifically designed for this purpose, which we expect will realise further benefits over time as we deliver on our strategy."

Background to the FY25 results

The FY25 financial results reflect the transition to the new pharmacy wholesaler and third-party warehousing model.[5] As part of the transition:

- in 2H25, McPherson's announced it had entered into wholesaler agreements with Sigma Company Limited (**Sigma**)[6] and Symbion Pty Ltd (**Symbion**), each for a three-year term. Clifford Hallam Healthcare Pty Ltd (**CH2**) was also appointed as wholesaler for Fusion Health in the health food store channel;
- the Sigma, Symbion and CH2 contracts together account for approximately $65 million to $80 million of McPherson's annualised revenue. The impact of transitional pipe-fill orders from these parties is included in the FY25 result (approximately $5.0 million revenue);
- the Kingsgrove Warehouse was sub-let to Excel Logistics Pty Ltd (**Excel**) during 2H25, effective 1 July 2025, and Excel was appointed third-party logistics (**3PL**) provider to be responsible for the warehousing of McPherson's brands for all channels excluding New Zealand.

A wholesale agreement was signed with API following completion of the financial year.[7]

Overview of FY25 Performance

Results from Continuing Operations[8]	FY25 ($m)	FY24 ($m)	Change ($m)	Change (%)
Revenue[9]	139.0	144.7	(5.7)	(3.9%)
Underlying EBITDA	7.3	7.7	(0.4)	(5.3%)
Material items (before tax)	(19.7)	(12.7)	(7.0)	55.6%
EBITDA including material items	(12.4)	(5.0)	(7.5)	149.8%

Revenue was $139.0 million, down 3.9% compared to $144.7 million in FY24. Of the $5.7 million decline in revenue year-on-year, $4.1 million was attributable to the exit of certain non-strategic lower margin brands.[10] The remaining net shortfall reflects the performance of the Company's portfolio brands (down $3.8 million), partially offset by growth in the Company's core brands (up $2.3 million).

Sales of the Company's core brands, which comprise 89.8% of McPherson's sales, rose 1.9% to $124.6 million in FY25, compared to $122.4 million in FY24. This was a steady result in a more challenging trading environment, with lower growth rates across the core brand categories in FY25 compared to FY24.

- **Manicare** grew by 3.1% to $47.9 million during the year with above category growth reflecting the benefit of transitional pipe-fill. Increased ranging and innovation within both the Grocery and Pharmacy channels contributed to the result.
- **Swisspers** grew by 1.5% to $21.6 million during the year, reflecting a solid performance across the Pharmacy channel in Australia and New Zealand, with a major customer supporting a revised pricing strategy to drive volume and increased presence in stores.

[5] Refer "Transformation Update" ASX Announcement, 24 February 2025.
[6] A subsidiary of Sigma Healthcare Limited.
[7] Refer "Pharmacy Wholesaler Update" ASX Announcement, 15 August 2025.
[8] Continuing Operations reflect McPherson's performance excluding Discontinued Operations (Multix). Refer to Segment Information (note 5) of the FY25 Financial Statements.
[9] Including Other Income.
[10] Refer "McPherson's Strategy Update & Strategic Review of the Multix Brand" ASX announcement, 15 November 2023.

- **Dr LeWinn's** declined by 8.3% to $20.2 million during the year. However, the brand reported 1.5% year-on-year growth in Australia and New Zealand, reflecting improved momentum in 2H. This was offset by a material decline in international sales, reflecting heavy category discounting and the cycling of a major serum pipe-fill order into China in 1H24. This performance has led to a $3.7 million impairment of the Dr LeWinn's brand asset (refer to Material Items on page 4 of this announcement).
- **Lady Jayne** grew by 4.6% to $19.4 million during the year with growth supported by innovation, which drove strong performance in the electrical hair tools and brushes categories. The range rationalization for a major grocery customer in 1H25 was partially offset by re-ranging with another major grocery account during the year.
- **Fusion Health** grew by 10.5% to $15.6 million during the year. Fusion's performance in the Pharmacy channel was consistently strong, with momentum in 2H25 due to increased promotional activity, distribution and innovation.

The core brands benefitted from transitional pipe-fill to new wholesalers during May and June equivalent to approximately $5.0 million of sales (c.3.6% of FY25 revenue). This pipe-fill establishes a base level of working capital to support retailer demand in FY26, including from increased distribution and service capability.

Sales of portfolio brands (10.2% of McPherson's sales) declined 21.4% to $14.1 million, in part as available Advertising and Promotion (A&P) spend was deliberately redirected to core brands.

Underlying EBITDA was $7.3 million for FY25, down $0.4 million compared to $7.7 million in FY24. The EBITDA margin remained broadly in line with FY24 at 5.2% (FY24: 5.3%). Of note:

- underlying contribution after A&P (CAAP[11]) from core brands was down $1.9 million, reflecting upweighted consumer and customer A&P. This was offset by the performance of portfolio brands (underlying CAAP up $0.8 million as a result of A&P spend being directed to the core brands), along with some additional impact from the removal of non-strategic exit brands during FY25;
- overall A&P spend remained broadly consistent with FY24, with a significant weighting to the first half of the financial year to align with major customer promotional activity. Management continues to improve the effectiveness of the marketing model and A&P spend includes investment in foundational initiatives that will support in-market launches in FY26 and beyond;
- a comparatively weaker average AUD/USD (net of hedge cover) resulted in a ~$0.9 million EBITDA headwind during the year; and
- savings in employee costs ($1.9 million lower than FY24) and other expenses ($0.8 million lower than FY24) provided a partial offset to the impact of portfolio and exit brands and reflects the benefits of restructuring activities (FY24 and FY25), the absence of short and long-term incentive costs connected with the business model reset, and a disciplined approach to overhead cost management.

Segment Performance

Australia and New Zealand (ANZ)

Results from Continuing Operations[12]	FY25 ($m)	FY24 ($m)	Change ($m)	Change (%)
Revenue	135.9	139.1	(3.1)	(2.3%)
Underlying EBITDA	12.9	12.8	0.1	1.2%

[11] Contribution after A&P (CAAP) comprises revenue less materials and consumables (excluding foreign exchange), cartage & freight, third-party warehousing, and A&P. Underlying CAAP excludes material items. It is a non-IFRS measure and does not have a standardised meaning prescribed by IFRS. However, the Company believes that, in combination with IFRS measures, it assists in providing investors with a comprehensive understanding of the operational performance of the business. A reconciliation of CAAP to net profit after tax is shown in the Company's FY25 Results Presentation (slide 23) dated 27 August 2025.
[12] Continuing Operations for Australia and New Zealand are presented on the basis of Australia and New Zealand segment excluding the value of Discontinued Operations. Refer to Segment Information (note 5) of the FY25 Financial Statements.

The ANZ segment reported revenue of $135.9 million, down 2.3% compared to FY24, and underlying EBITDA of $12.9 million, broadly in line with FY24.

Revenue from McPherson's five core brands was $122.1 million in FY25, up 3.6% on FY24. All core brands reported revenue growth year-on-year including the impact of transitional pipe-fill: Fusion Health up 9.0%, Lady Jayne up 4.7%, Manicare up 3.3% and Swisspers and Dr LeWinn's each up 1.5%. Growth was weighted to the second half of FY25, in part reflecting the results of 1H25 spend on A&P (Fusion Health, Manicare, Lady Jayne), a weaker 2H24 comparable for Dr LeWinn's, and the transitional pipe-fill benefits associated with new wholesaler agreements.

Revenue from supporting portfolio brands was $13.6 million compared to $17.0 million in FY24.

International

Results from Continuing Operations	FY25 ($m)	FY24 ($m)	Change ($m)	Change (%)
Revenue	3.0	5.6	(2.5)	(45.3%)
Underlying EBITDA	(1.6)	(0.6)	(1.0)	(177.8%)

The International segment achieved $3.0 million of revenue, down 45.3% from $5.6 million in FY24. The decline in revenue was primarily due to Dr LeWinn's (down $2.1 million), which was impacted by competitor activity, the cycling of a major serum pipe-fill order in July 2023, and the impact of lower Maseur sales (down $0.4 million).

Underlying EBITDA of ($1.6) million represents a decline of $1.0 million from FY24 and comprises a reduction of $1.7 million in CAAP, reflective of reduced sales and deep promotional activity on social e-commerce platforms, partially offset by a reduction in salaries and wages of $0.7 million.

At the AGM in November 2024, the Company reported it had reset its international operations with new leadership appointed to focus on developing new consumers, particularly for Dr. LeWinn's, through social e-commerce channels in China. Sales during 2H25 did not meet management expectations, with deep discounting across the category challenging Dr LeWinn's ability to operate profitably at its current scale and with the available resources. Management continues to assess the opportunity for Dr LeWinn's and other brands in China and the Asia Pacific region in the context of its strategy.

Material Items

McPherson's has recognised a total of $19.7 million in pre-tax material items.

Non-Cash impairments to intangible assets ($10.2 million)

- $4.7 million impairment of goodwill for the ANZ segment, reflecting the current trading performance, and upweighted projections for A&P spend to support sustainable core brand growth in a competitive market with a growing private label offering.
- $3.7 million impairment of the Dr LeWinn's brand, in light of recent performance, primarily in the international business.
- $1.5 million impairments of the Maseur ($0.9 million) and Revitanail ($0.6 million) brands, reflecting current performance; and
- $0.3 million impairment of customer relationship assets connected to the previous direct-to-store model.

Material items related to new operating model ($10.6 million)

- $7.4 million redundancy and implementation costs. The majority of these costs were paid from the Company's available cash balance after 30 June 2025 in connection with the timing of employee exits.
- $3.2 million non-cash write downs of right-of-use lease and warehouse assets, and onerous contract provisions associated with the head lease at Kingsgrove.

Other material items totalling a net benefit of $1.1 million

- $1.3 million benefit from the realisation of Foreign Currency Translation Reserve (FCTR) gains, following the deregistration of the Group's Singapore subsidiary;
- Offset by $0.2 million in professional fees in relation to ASIC matters.

As a result of the strategy and transformation, significant material items were reported in FY24 ($26.7 million[13]) and FY25 ($19.7 million). With the shift to a new operating model substantially complete, the Company anticipates material costs should reduce for future reporting periods.

Net Debt and Cash Flow

Net Cash was $8.8 million at 30 June 2025, compared to $14.1 million at 30 June 2024. The Company was undrawn on its financing facilities at 30 June 2025.

Operating cash flows of $2.2 million were generated during FY25. Although positive, this was impacted by the timing of customer receipts collected in early July, including from transitional pipe-fill orders.

The Company invested $3.6 million in Salesforce® software and in-store activation assets, accounting for the majority decline in net cash during the period.

Capital Management

Given the balance of retained losses, including the loss after tax position for the year ended 30 June 2025, the Board determined that it was not appropriate to declare a final dividend for the year ended 30 June 2025. In addition to the retained loss position, the Board has considered the capital needs required to support the embedding of the Company's new operating model.

During 2H25, the Company rightsized its working capital facility down from $45 million to $25 million to reduce ongoing financing costs and better reflect current working capital requirements. The Company is currently engaged in a process to refinance its committed finance facilities, which mature in March 2026.

The Company expects to develop a revised capital allocation framework during FY26. This will endeavour firstly, to ensure the Company has appropriate funding to support its needs and secondly, to inform the process and timing of any potential future capital returns to shareholders.

Near Term Priorities & FY26 Outlook

With the implementation of the new operating model, McPherson's has a more focused and scalable value-creation platform to realise the potential of its core brands.

McPherson's priority for 1H26 is to embed the new operating model, along with the enhanced talent, processes and data capability to support it, while capitalising on the improved distribution and service delivery capabilities, and other strategic benefits, that it provides.

[13] Of which $14.0 million related to the divestment of the Multix brand.

Consistent with the Company's announcement on 18 July 2025, a substantial portion of the incremental EBIT benefits[14] from the new operating model will be reinvested in the Company's customers, brands, and capabilities in FY26, in line with its strategy. Management expects this investment to deliver moderate first-year returns.

The Company benefited from approximately $5 million of transitional pipe-fill revenues in FY25, which will not occur in FY26. Transitional pipe-fill from the onboarding of API will partially offset this.[15]

Taking these factors into account, the Company anticipates moderate growth in underlying EBITDA in FY26. As with FY25, the FY26 results are expected to be weighted to 2H26.

FY25 Investor Call Details

An investor call with be held today, Wednesday 27 August 2025, at 11.00 am (AEST). Investors can join using the following links:

- **Webcast:** https://meetings.lumiconnect.com/300-945-003-747
- **Telephone:** +61 3 5609 1204
- **Meeting ID:** 300-945-003-747

Investors who join will be required to register.

Authorisation

This ASX announcement has been authorised by the McPherson's Limited Board of Directors.

For further information please contact

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About McPherson's Limited

McPherson's Limited is a supplier of some of Australia's well-known essential health, beauty, and wellness products. McPherson's has five core household brands: 'Manicare', 'Lady Jayne', 'Dr LeWinn's', 'Swisspers' and 'Fusion Health'. McPherson's strategy is to invest in and grow these brands through the pharmacy, grocery and e-commerce channels. In addition, the Company supplies a supporting portfolio of other popular brands in attractive segments of the market including haircare, vitamins and supplements, fragrance, and nutrition. McPherson's is headquartered in Sydney and is listed on the Australian Securities Exchange.

For further information, please visit **www.mcphersons.com.au**

[14] Refer McPherson's FY25 Results Presentation (slide 16) dated 27 August 2025.
[15] Refer "Pharmacy Wholesaler Update" ASX Announcement, 15 August 2025.