ASX Announcement

2025 AGM Chair & CEO Addresses and FY26 Trading Update

31 October 2025

In accordance with ASX Listing Rule 3.13.3, McPherson's Limited (**ASX: MCP**) releases to the market the addresses to be delivered by the Board Chair, Ms Alison Cook and the Chief Executive Officer & Managing Director, Mr Brett Charlton, at the McPherson's Limited 2025 Annual General Meeting to be held at 1.00pm (AEDT) today.

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. The Company's portfolio is anchored by five iconic 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 footware, 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**

McPherson's Limited (ABN 98 004 068 419)

2025 AGM – Chair Address

Introduction

At last years' AGM, we outlined the transformation that was underway at McPherson's. During FY25, we have continued to make solid progress on this: re-setting our operating model and building a robust platform for sustainable growth. Today I look forward to providing you with an update on the work underway at McPherson's, and the way ahead.

Our transformation

In August 2023, the Board appointed Brett Charlton as CEO and Managing Director with a clear mandate to transform the company given its underperformance.

We then announced a strategic reset in November 2023 to focus McPherson's on its core health, wellness and beauty brands. We also announced a strategic review of the Multix. This review concluded that Multix was a strong brand but was overly exposed to factors outside McPherson's control. When these factors moved against us, investment would be diverted away from our core brands.

As a result, the Company determined to divest Multix and to ensure investment in our core health, wellness and beauty categories, which are higher growth and higher margin. The divestment was completed, and cash proceeds received, in June 2024. This allowed us to turn our attention to addressing several key issues that remained post divestment, including the residual cost base of the continuing business, the relatively high fixed cost base overall and the fact that the Kingsgrove warehouse management system was no longer fit for purpose.

Tackling these things has been a complex and major effort. A highly experienced new management team joined the business over the course of FY24 and FY25 and set out a series of logical and careful steps to ensure we could deliver on the plan. In addition, we ensured we could fund the transformation, primarily through proceeds from the divestment of Multix.

The Board and Management of McPherson's have endeavoured to provide a clear pathway and explanation of what has been achieved at every half and full year result during the past two years. This past year, FY25, was one in which we undertook the majority of the work to entirely re-shape and reset our operating model and our CEO, Brett, will talk more about these shortly.

Ensuring that we bring investors with us on this journey has been – and remains – critical for the Board and Management, and we recognise there is more we can do to further explain our strategy and share some of the opportunities for McPherson's.

FY25 results

The backdrop to our results is of course, the transformation underway at McPherson's. I want to say upfront that while our results continue to reflect the transformation underway, they are not yet where we want them to be and we acknowledge that.

There are three key themes reflected in our FY25 results.

Firstly, this was the Company's first year as a pure play health, wellness and beauty company. However, the business still carried the residual cost base attached to the Multix business that was divested in June 2024. Addressing this cost base was a priority during the year.

Secondly, our results reflected our transition to a new operating model – which, in turn, is part of our effort to address the cost base and position the business for growth.

Thirdly, and finally, our results included the foundational investment we have made in our core brands to position them for growth during the year. The operating environment during FY25 remained challenging, with cost-of-living pressures weighing on consumer sentiment. In this context, our core brands delivered moderate growth overall, assisted modestly by transitional pipe-fill revenues from the change to our new operating model. Our core brands are resilient and are in attractive categories. However, they are not yet performing to our expectations as we work to rebuild them after a period of sustained under-investment. We have now laid the foundations for improved performance in FY26 and beyond and look forward to keeping you updated on our progress.

Transformation activities to date have been fully internally funded, both through proceeds from the divestment of Multix, and operating cash flow. Our balance sheet strength is well positioned to support the next phase of business transformation.

Capital management

The Board determined not to pay a final dividend for FY25. In arriving at that decision, the Board considered the accumulated loss position of the Group, as well as the capital needs required to support the embedding of the Company's new operating model.

Additionally, we elected to undertake a review of the Group's capital allocation framework early last financial year (FY25). This remains ongoing, with further updates on the development of this framework expected through the course of FY26 as we fully embed the new operating model and gain a more fulsome understanding of the cash flow profile of the business. This review will include a framework for future potential shareholder returns. While this work is ongoing, other capital management activity is underway including realising working capital efficiencies and a refinancing of our debt facilities.

Governance & remuneration

During the year, I assumed the role of Board Chair after Ari Mervis stepped aside from that role due to his increased workload outside McPherson's. While Ari's external commitments have now reduced, the Board determined to retain this Board structure through FY25 year end and this AGM to ensure stability and continuity during this time of company transformation. Ari remains on the Board as a non-executive director and member of the Audit and People & Culture Committees.

However, Board renewal remains a priority to ensure that the skills, experience and capabilities we have on the Board evolve with the Company's new strategy.

Currently, we are engaged in a selection process to supplement the Board with at least one new director who can bring the desired skills and experience in areas such as digital technology and consumer goods.

Following the appointment of a new director, Jane McKellar will retire from the Board after 11 years of service as a non-executive director and Chair of our People & Culture Committee. Jane has been a committed and hard-working director and has contributed her skills and experience to support the Board and Management. This will therefore be Jane's last AGM and we would like to take this opportunity to thank her and wish her well.

At that time, the Board will then comprise non-executive directors with tenures of 4, 5 and 7 years and a new director. The Board will then determine the most appropriate committee structure, composition and leadership positions of the Board to align with the Company's new strategy.

I also wanted to note two final points on governance and remuneration.

Firstly, Helen Thornton, a valued director who joined the Board in December 2021 and the current chair of our Audit Committee, is standing for re-election today and she has the full support of her fellow Board members for her re-election as a director. Helen brings a wealth of relevant listed company experience – particularly in the areas of audit, finance, risk management and governance matters – which are invaluable for the Board and your Company.

Secondly, shareholders have the opportunity to vote on the remuneration report at this meeting. The Group did not meet the financial targets required for any payment of short-term incentives during the year, and vesting conditions were not met for any performance rights under the long-term incentive plan. The Board therefore determined that the FY25 short-term incentive would not be paid.

Nevertheless, the Board recognised the significant effort to ensure that the Company delivered on our change in operating model and therefore determined to recognise this with a modest one-off discretionary payment to certain executives. This payment will form part of executive remuneration in FY26 and will be disclosed for shareholder consideration in the FY26 Remuneration Report.

Looking ahead

The Board recognises that it will take sustained and disciplined investment, together with differentiated sales and marketing, to unlock the full potential of the Company's core brands in the coming years. The new operating model was specifically designed for this purpose, and the Board is confident that our strategy provides a strong platform for sustainable growth and long-term shareholder value.

The Company's priorities for FY26 include embedding the new operating model, continuing to reinvest in our brands, and leveraging the incremental operating benefits unlocked through transformation.

Closing remarks

On behalf of the Board, I would like to thank Brett Charlton, our CEO, the Executive Leadership Team and all employees for their continued dedication and commitment through a year of significant change. It has been no small feat to implement the change in operating model, and the Board recognises that the McPherson's team has worked exceptionally hard to effect a smooth, but complex, transition.

To our shareholders, I also sincerely thank you for your continued support while we have been making the significant and necessary changes to position the Company for sustainable, long-term growth.

I will now hand over to Brett to share his reflections on your company and will then return to go through the formal business of the meeting.

McPherson's Limited (ABN 98 004 068 419)

2025 AGM – CEO Address

Thank you, Alison, and good morning, everyone.

Strategy update

When we embarked upon our strategic reset in November 2023, we knew we needed to focus on working through our plans with logical, methodical steps. We had a clear plan to set the business on a pathway of sustainable long-term growth, but we needed to take a careful approach: transformations are challenging at the best of times.

In FY24, our steps were about divesting Multix and setting out a new direction for the business as a health, wellness, and beauty company, leveraging the benefits of our iconic brands in higher growth, higher margin categories.

In FY25 our priority has been overhauling our route to market – essentially changing the way we get our products to market so that we can be as efficient and effective as possible – and, in doing so, addressing our legacy cost base which was no longer required for the business' future.

Throughout FY24 and FY25, as Alison said, we also recruited a new Executive Leadership Team for the business, bringing in the capabilities and experience we would need to deliver on our strategy. Our entire Executive Leadership Team has joined the business within the past 2 years. Early on, we appointed a Chief Information Officer, who is overseeing our digital-first transformation. As a consumer company focused on sales and marketing, we recruited an Insights and Growth Director, a Supply Chain & Logistics Director and a Chief Commercial Officer. We've also added a new Chief Marketing Officer. The Executive Leadership Team now comprises group leaders with deep, relevant experience, and this has been essential for ensuring a smooth transition to our new operating model. To demonstrate the depth of the change through the organisation, 65% of the individuals working at McPherson's today have a tenure of less than two years.

We entered FY25 with a clear strategy: simplify our operations, focus our portfolio, and build a leaner, more agile organisation centred on our core capabilities. I am pleased to report that we made strong progress on all fronts, delivering the foundational changes required to reshape McPherson's into a more competitive and consumer-led business. While our international business continues to be an area of focus, trading conditions have been challenging and in FY25 we restructured it to reduce costs and reposition the business. There is clearly more work to do including an assessment of the best go to market model and we look forward to updating the market in due course.

A major milestone was the successful implementation of our new route-to-market model. By exiting our own warehouse operations and transitioning distribution to specialist wholesalers and a 3PL partner, we created a more streamlined, asset-light and scalable platform. This new model reduces our fixed cost base, improves service capability, and enables us to focus on what we do best — building powerful brands and driving demand. The way our people embraced this transition reflected the important cultural shift underway, marked by resilience, accountability, and commitment.

Our brands

In parallel, we sharpened our focus on our five iconic core household brands: Manicare, Lady Jayne, Dr. LeWinn's, Swisspers and Fusion Health. These brands are our most recognisable, generate the highest margins, and hold the greatest potential for sustainable growth.

In FY25, we invested in marketing, digital campaigns and innovation, and foundational consumer research across all our core brands to ensure we truly understood our consumers and were responding to evolving consumer needs. Part of our investment was in consumer advertising and promotions, where we intend to invest in more working media in FY26. We have also aligned our promotional schedule to our customers this year with a greater focus on promotional activities in the first half of the financial year.

We also strengthened our commercial capability through the rollout of Salesforce® Trade Promotion Management (TPM) and Retail Execution (REX), providing our teams with better tools for promotional planning and investment review, supported by enhanced data capability.

During FY25, our brands achieved modest revenue growth in Australia and New Zealand. As we said in August, we are clear it will take a multi-year effort to realise their full potential as we seek to rectify a period of sustained underinvestment in these brands. However, there are encouraging early indicators that our brand strategies are working and that we are making progress.

Fusion Health exemplifies this progress, delivering a standout result in FY25 with revenue growing 10.5% year on year. Those of you who have seen our FY25 results presentation will be familiar with the case study we presented on Fusion. In it, we explained how we have approached turning around and driving growth in the Fusion brand. Our strategy involved several key initiatives. First, we took a deliberate strategic decision to prioritise Fusion Health over its sister brand Oriental Botanicals. We then undertook consumer research to deepen our understanding of Fusion's consumer base and refined our brand positioning accordingly. We reviewed our product range to focus on our strongest performing products and implemented our new route to market model, including partnering with a specialist wholesaler for Fusion in the health food store channel. We also refreshed our innovation pipeline, creating an exciting 2-to-3-year roadmap. Finally, we developed a new brand concept which we began launching in September 2025, with new packaging to be rolled out progressively throughout FY26.

Financial results

As Alison laid out earlier, there are three key things reflected in our results for FY25: carrying residual costs post the divestment of Multix at the end of FY24, the steps we have taken to resolve these costs, and foundational investment we have made in our core brands. We are clear our financial results do not yet reflect either the benefits of our new operating model, nor our aspirations for our brands or the business.

With that in mind, I'll now re-cap on our FY25 financial performance.

Revenue from continuing operations in FY25 was $139.0 million, with core brands up 1.9% to $124.6 million.

Underlying EBITDA of $7.3 million was down $0.4 million compared to $7.7 million in FY24 and the EBITDA margin remained broadly in line with FY24 at 5.2% compared to 5.3% in FY24.

The Company recognised $19.7 million in material items during FY25, comprising mainly of $10.6 million in operating model transformation costs including redundancy and implementation expenses, and $10.2 million in non-cash impairments primarily related to goodwill and certain brand assets. The Company also had other material items totalling a net benefit of $1.1 million. With the new operating model substantially implemented, we anticipate a reduction in material costs for future reporting periods.

Consistent with our results release in August, we expect benefits from the transition to our new operating model to approximate $4.5 to $5.0 million in recurring EBIT from FY26 onwards. A substantial portion of these benefits will be reinvested in the Company's customers, brands, and capabilities in FY26, in line with our strategy. We expect this investment will, in the first year, deliver moderate returns. However, consumer brands need consistent investment to unlock their full potential, and this early investment is an essential step in rebuilding our brands for sustainable, long-term growth.

As Alison said earlier, our capital allocation review remains underway. In the meantime, work on our balance sheet has continued. Our debt facility was reduced in FY25 from $45 million to $25 million. This was to better reflect the working capital requirements of the business and reduce ongoing financing costs. With our current debt facility maturing in March 2026, we are well progressed in finalising a new facility that will provide access to sufficient capacity moving forward. Our new operating model has further reduced our working capital requirements, reducing our near-term reliance on debt funding.

A clear path forward

We are building a stronger McPherson's, one that is more focused, better equipped, and ready to respond to the needs of today's consumers and tomorrow's opportunities. In the near term, our priorities for 1H26 are embedding our 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. In addition, our international business is under review.

Our strategy is anchored in four pillars.

Firstly, our brands. During FY26 we will be relaunching Dr. LeWinn's – in fact, this started in September this year, with new product development, to be followed in 2Q with refreshed positioning and a revitalised go-to-market strategy. Across all five iconic core household brands, we are focused on building volume and momentum with focused investment in high-potential channels, customers and categories while at the same time achieving this in a sustainable way.

Secondly, our customers. The potential benefits of the new route-to-market model for customers are significant, and we are focused on ensuring we can realise these benefits with improving service, scalability and efficiency. Through this, we will deepen our customer partnerships.

Thirdly, our people. Along with our primary focus to ensure the safety of our people, we are embedding a more agile, accountable and consumer-led culture as a sales and marketing organisation. This involves strengthening our ways of working, and equipping our teams with the tools, training and leadership to thrive. Additionally, as we approach the final year of our lease at Kingsgrove, consideration will be given to the future location of our corporate offices, ensuring we have a workspace that supports strong collaboration and employee engagement.

Finally, digital. We need to keep expanding our digital capability, including practical AI learning, data and analytics, to modernise our business. We're also progressing a review of our core business systems, laying the groundwork for a new ERP system that aligns with the size of the business and its requirements, which will support future growth. Consistent with our approach so far, we intend to work through the implementation of this new ERP system methodically and carefully to ensure minimal business disruption.

In December 2025 we will be hosting an online strategy webinar and investor meetings to talk further about our strategy (and details of that webinar will be released on the ASX in due course). We'll provide further details and information on our brands, our customers, our people and our digital focus, and we'll be setting out in greater detail how we think about the future of McPherson's and our financial goals. We recognise McPherson's has changed dramatically in two years and we want to ensure we keep sharing with you how your business is evolving and the opportunities ahead.

Year to date trading performance

July, August and September –1Q FY26 – have marked our first quarter trading under our new operating model and we have seen steady progress towards normalised volumes.

We are on track with our ambition to realise the incremental underlying EBIT benefits from our new operating model, including the cost savings from our route-to-market changes. These will be reinvested in customers, brands, and capabilities in FY26, in line with our strategy.

Consistent with our comments in August, we are anticipating moderate growth in underlying EBITDA in FY26. As with FY25, the FY26 results are expected to be weighted to 2H26.

Closing remarks

Our approach to the transformation of McPherson's has been consistent: we have focused on a logical, methodical, approach and getting the basics right. Our approach to the path ahead is the same: we are relentlessly focused on turning around our core brands and growing the business with discipline.

I would like to thank our Board for its counsel and support over FY25 in a very busy year. I'd also like to thank the Executive Leadership Team and all McPherson's employees for their energy and resilience through a year of significant change. They have worked exceptionally hard to deliver a complex transformation, inspired by a determination to deliver the next iteration of this 165-year-old company. I am so grateful for all their efforts. I'd also like to acknowledge and thank those who left McPherson's over the year, including those team members who had worked in our warehouse for many years, and whose positions were made redundant as part of the transformation. We thank them for their significant contribution over many years.

Finally, thank you to you, our shareholders, for your continued support. We are committed to delivering sustainable value as McPherson's accelerates into FY26 and beyond.

Thank you, and I will now hand back to Alison.