

**ASX / Media Release****(ASX: MCP)****15 June 2021****McPherson's concludes discussions with Arrotex**

McPherson's Limited ("McPherson's" or "Group") announced on 29 April 2021 that it had received an unsolicited, non-binding and indicative proposal from Arrotex Australia Group Pty Ltd ("Arrotex") to acquire, by scheme of arrangement, all of the outstanding shares ("Shares") in McPherson's at an indicative cash consideration of \$1.60 per share ("Arrotex Indicative Proposal").

After providing Arrotex with the agreed four-week due diligence period, the Board wishes to advise that the parties have agreed to cease due diligence and Arrotex has withdrawn its Indicative Proposal.

McPherson's reiterates its FY21 guidance provided to the market on 29 April 2021 for FY21 Group sales to be in the range of \$200 million to \$205 million and for FY21 Group underlying EBIT to be in the range of \$10 million to \$13 million.

As advised to shareholders on 31 March 2021, McPherson's has undertaken a comprehensive operational review, which identified key growth drivers, with a view to implementing a strategy that delivers both short-and long-term value to shareholders. Management presented the outcome of this review to the ASX and investors on 19 May 2021 and will continue to focus its efforts on executing upon the key pillars of this strategy, which include:

- Capitalising on the inherent market opportunity through reactivating Dr. LeWinn's and A'kin for market share gains, incremental subcategory ranging and strategic partnerships with suppliers and customers;
- Innovation and renovation of McPherson's product portfolio by amplifying the Group's focus on sustainability and placing emphasis on sub-range expansion, product development and rejuvenation within the essential beauty range;
- Customer and channel expansion to broaden distribution and product accessibility in addition to increased investment in digital and social platforms to enhance consumer engagement;
- Category expansion to diversify target market end-users; and
- Actioning identified efficiencies across the business to reset the Group's cost base and enhance profitability.

McPherson's CEO Grant Peck commented: "Following today's announcement in respect of Arrotex, I now look forward to working with the Board to continue to implement the outcomes of our Operational Review announced on 19 May 2021. We have a clearly defined strategy and are focused on its execution to deliver significant value to our shareholders in the short and long term. There is a substantial opportunity for McPherson's to gain market share through brand innovation and renovation and category expansion. Work is being progressed on a range of new channels that will provide access to new geographies, which will complement the existing brand recognition we have built. The McPherson's team will continue to focus its attention on delivering our Health, Wellness and Beauty strategy."

Authorisation

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



For further information please contact:

Paul Witheridge on pwitheridge@mcpher.com.au or +61 414 760 489

For media enquiries, please contact:

Max Hewett (GRACosway) on mhewett@gracosway.com.au or +61 432 332 215

About McPherson's Limited

McPherson's, established in 1860, is a leading supplier of Health, Wellness and Beauty products in Australasia and China, with operations in Australia, New Zealand and Asia. McPherson's markets and distributes beauty care, hair care, skin care and personal care items such as facial wipes, cotton pads and foot comfort products, as well as a range of kitchen essentials such as baking paper, cling wrap and aluminium foil.

McPherson's manages some significant brands for agency partners and via joint venture arrangements; however, the majority of revenue is derived from the company's diversified portfolio of owned market-leading brands, including Manicare, Lady Jayne, Dr. LeWinn's, A'kin, Swisspers, Multix, Fusion Health, Oriental Botanicals, Moosehead and Maseur.

For further information on McPherson's business and its strategy and to view our most recent corporation video please refer to the company's website <http://www.mcphersons.com.au>