

Natural beauty and wellness for the world



mal use only

1H FY22 Results Presentation



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*Group CEO & Managing
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Friday 25 February 2022

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Executive Summary



STRONG 1H22 REVENUE & EBITDA

- Statutory Revenue increased 22.3% vs pcp to \$103.4m in 1H22
- Statutory NPAT decreased vs pcp to -\$2.3m in 1H22
- Underlying Revenue increased 26.5% vs pcp to \$106.9m¹ in 1H22 (\$107.1m constant currency²)
- EBITDA increased 26.2% vs pcp to \$14.3m³ in 1H22
- Underlying NPAT increased 22.1% vs pcp to \$4.7m³ in 1H22



STRATEGIC EXECUTION CONTINUES TO BE A KEY PRIORITY

- Points of distribution globally in line with expectations at 1.6 million at 1H22 (+21% vs pcp) and on track to achieve 2+ million target by end FY22
- Clayton Facility commencing manufacturing in April, on track to deliver 300bps margin expansion in line with business case
- Three-year growth strategy agreed for Go-To Skincare; commencing 2H22
- Direct-to-consumer revenues represented 41% of 1H22 revenue – ahead of previously stated target of 38% by FY23

PERFORMANCE WEIGHTED TO 2H WITH MORE GROWTH TO UNLOCK

- BWX anticipates strong underlying revenue and EBITDA growth in full-year FY22 with performance weighted to 2H as per previous years, however, BWX continues to closely monitor the external COVID-impacted trading environment
- Growth potential to be unlocked through an expanded brand portfolio and delivery of omnichannel distribution gains in key regions
- Clayton Facility will enable a step change in financial and operational performance as BWX continues to reinvest cost savings back into its brands to support longer-term value creation

(1) Includes 6-month contribution of Flora & Fauna (acquired 01/07/21) and 3-month contribution of Go-To Skincare (acquired 30/09/21). It excludes the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense (refer slide 8 for reconciliation to statutory results). (2) Constant currency excludes FX translation impact from USD, GBP, CAD, EUR. (3) non-IFRS measures that exclude \$3.0m of one-off Acquisition-Related Expenses and the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense.

Agenda



- Purpose
- Performance Highlights
- Financial Summary
- Strategy & Outlook
- Appendix

NATURAL
BEAUTY AND
WELLNESS
FOR THE
WORLD

OUR PURPOSE

LUXURY / PREMIUM

(Partially Price Determined)

GO-TO



NATURAL LED



MASS

(Partially Price Determined)

SCIENTIFIC / CLAIMS LED

ANDALOU
NATURALS



BWX

BWX is proudly a **purpose-driven company**. We exist to **democratise Natural**. Our growing portfolio of brands and platforms **empower consumers** to make **conscious choices** to support their health and the health of our planet.

Financial Highlights



	Statutory Revenue	Underlying Revenue ⁽¹⁾	EBITDA ⁽²⁾	Underlying NPAT ⁽²⁾	Statutory NPAT
1H22	\$103.4m	\$106.9m	\$14.3m	\$4.7m	-\$2.3m
1H21	\$84.5m	\$84.5m	\$11.3m	\$3.9m	\$9.7m
Change (pcp)	+22.3%	+26.5%	+26.2%	+22.1%	
constant currency ⁽³⁾		\$107.1m +27%			
Gross margin ⁽¹⁾	57.1%				
+206bps vs pcp		Cash position	\$58.4m	Operating cash flow	+\$2.3m

BWx's business delivered strong underlying revenue, EBITDA and underlying NPAT growth despite significant global disruption in recent trading environments due to the pandemic.

Strong balance sheet maintained.

Signs of a North American retail-led recovery reflected in USA segment performance (+12% vs pcp), supported by +27% growth in distributions gains delivered in the period vs pcp.

(1) Includes 6-month contribution of Flora & Fauna (acquired 01/07/21) and 3-month contribution of Go-To Skincare (acquired 30/09/21). It excludes the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense (refer slide 8 for reconciliation to statutory results). **(2)** non-IFRS measure that excludes \$3.0m of one-off Acquisition-Related Expenses and the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense. **(3)** Constant currency excludes FX translation impact from USD, GBP, CAD, EUR.

Reconciliation of Underlying to Statutory Earnings



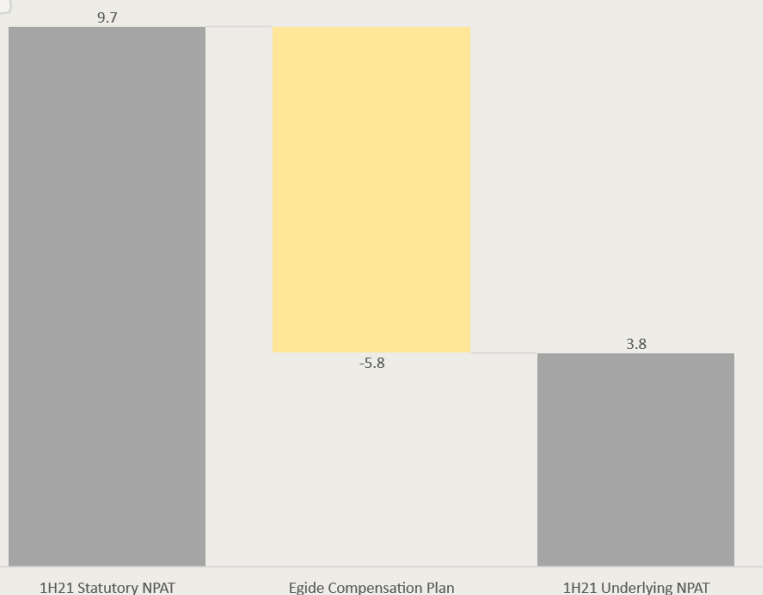
AUD Million	Underlying 1H22	Chemist Warehouse cost of equity	Acquisition costs	Share of Associate Losses	Statutory 1H22
Revenue	106.9	-3.5 ¹	-		103.4
Gross Profit	61.1	-3.5	-		57.5
Gross Profit Margin	57.1%	-	-		55.7%
EBITDA	14.3	-3.5	-		10.8
EBITDA Margin	13.4%	-	-		10.4%
NPAT	4.7	-3.5	-3.0 ²	-0.4	-2.3

(1) The Chemist Warehouse cost of equity-linked strategic partnership expense, for accounting purposes is a reduction in net revenue. (2) The acquisition costs were one-off costs related Flora & Fauna and to Go-To Skincare

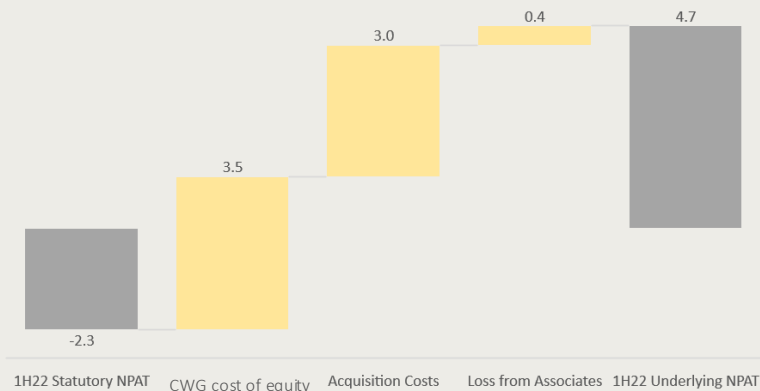
Statutory NPAT Reconciliation

- 1H22 Statutory NPAT result impacted by \$5.8m related to one-off benefit in 1H21 from the settlement of the Egide Compensation Plan to the sellers of the Andalou Naturals business; \$3.0m in one-off acquisition-related costs; \$3.5m relating to the Chemist Warehouse cost of equity expense that is linked to the strategic partnership that is in place; and \$0.4m relating to share of associate losses

1H21 Statutory to Underlying NPAT



1H22 Statutory to Underlying NPAT



Operational Highlights



Connecting to Consumers



Increase in direct-to-consumer (D2C) channel sales, delivering 41% of 1H22 revenues – ahead of 38% target by FY23

- Go-To three-year strategic growth plan established
- F&F integration and realisation of synergy upside
- Additional BWx brand.com sites activated via The Hut Group taking total live sites to 6

Continuing to invest in strategic marketing at 15% of 1H22 net revenues to strengthen and support expanding points of distribution

Going Global, Going Mainstream



Executing omnichannel distribution strategy globally with 1.6 million total points – on track to achieve 2 million target by 2H22

Demand for core brands continues across key markets and channels

Early indicators of consumption returning to pre-pandemic levels

Investing In Ourselves



Retaining talent in a highly competitive and challenging labour market and continuing to support employee wellbeing, health & safety

Refresh of company purpose and values enhancing employee value proposition and engagement globally

Executive team supported by lean, agile leadership team

New Clayton Facility completed in early 2022 remaining on budget

- Successfully recouped 10-week construction delay
- Strategic inventory build to support commencement of production and transition

Getting Clean & Getting Healthy



Strong margin profile sustained across core brands

- Core brand margin⁽¹⁾ improved by 334bps vs pcp to 58.5%
- Group Gross Margin⁽¹⁾ improved 206bps vs pcp to 57.1%

~\$1m in freight price increases have impacted the business across EBITDA and inventory values but were partially offset with group procurement efficiencies

⁽¹⁾ Includes 6-month contribution of Flora & Fauna and 3-month contribution of Go-To Skincare and excludes the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense.

Segment Performance

Reported revenue (A\$m)	1H21 ⁽¹⁾	1H22	1H22 CC ⁽⁵⁾	Change (pcp)
Australia/International ⁽²⁾	\$33.3m	\$41.3m	\$41.1m	24%
Digital ⁽³⁾	\$13.4m	\$19.6m	\$19.6m	47%
USA ⁽⁴⁾	\$37.9m	\$42.4m	\$42.8m	12%
Total	\$84.5m	\$103.4m	\$103.6m	22%



(1) 1H21 revenue has been restated to reflect change in segment reporting. (2) Australia/International segment includes 3-month contribution of Go-To in 1H22. 1H21 does not include Go-To. 1H22 does not include Nourished Life (3) Digital comprises Nourished Life and Flora & Fauna. 1H21 does not include Flora & Fauna. (4) USA segment also includes Canada (5) 1H22 revenues adjusted for constant currency to exclude FX translation impact from USD, GBP, CAD, EUR.

Australia/International

sukin®
AUSTRALIAN • NATURAL

GO-TO

ANDALOU
NATURALS

BWX

A\$41.3m segment revenue delivered in 1H22

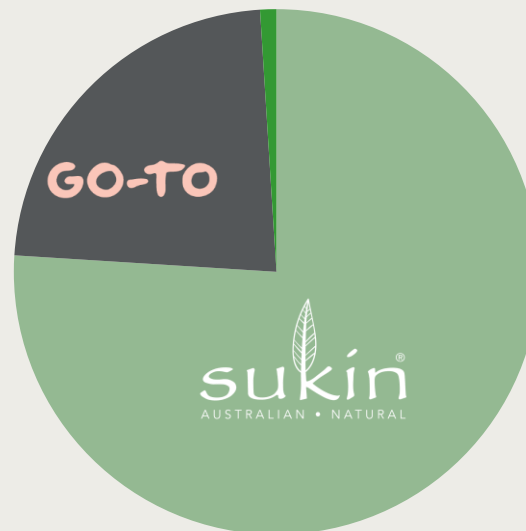
+24% growth vs 1H21

~642,500 total points of distribution in 1H22 with ANZ

+11% Asia +37% and UK & EMEA +25% vs pcp, and on track to achieve FY22 targets

- Sukin continues global expansion and cycling a very strong pcp performance
- Go-To Skincare in 2Q22 launched the Gro-To range in David Jones Australia and in Bloomingdales, USA
- Andalou Naturals launched in UK

REVENUE CONTRIBUTION BY BRAND



*In Australian Pharmacy Sukin remains the #1 Natural Skincare Brand;
#8 Total Skincare Brand; and the #1 Natural Haircare brand⁽¹⁾*

*In Australian Grocery Sukin is the clear #1 Natural skincare brand;
#6 Total Skincare brand; and #2 haircare brands⁽¹⁾*



(1) IRI MarketEdge for the 52 week period ending 16/01/2022

Digital

flora&fauna Nourished Life

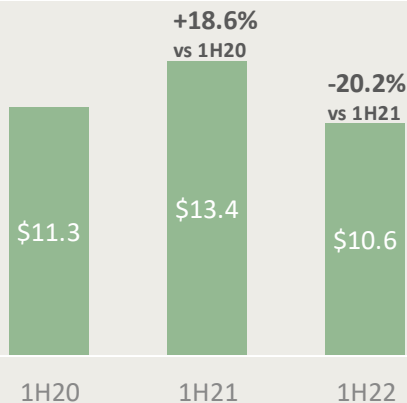
BWX

A\$19.6m segment revenue delivered in 1H22
up 16.5% vs 1H20

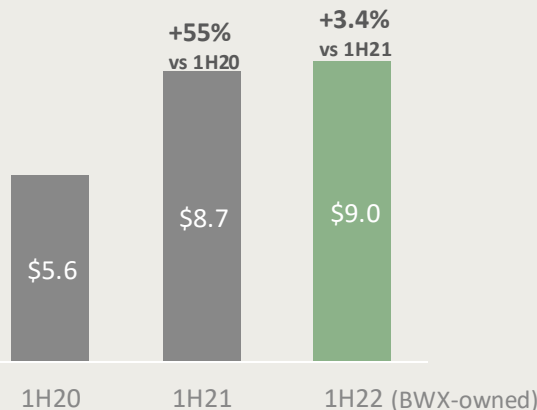
Natural insights engine for market drivers and
new product development

- Nourished Life profitability up more than 450%
vs pcp as a result of synergy realisation and
more effective promotions, as well as
improvements in:
 - Average order value at \$95 vs \$89
in pcp
 - Website conversion improved 11.5%
vs pcp
 - 18 new brands or 342 SKUs on-
boarded during 1H22
- Flora & Fauna cycling a strong sales period
with revenue up 3.4% vs pcp or 60% vs 1H20

Nourished Life
Net revenue (A\$m)



flora&fauna
Net revenue (A\$m)



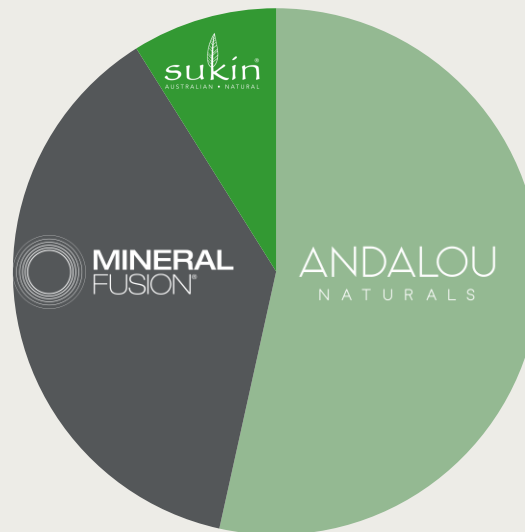
USA



A\$42.4m segment revenue delivered in 1H22
+12% growth vs 1H21

~956,000 total points of distribution in 1H22
which was 27% higher than pcp and on track
to achieve FY22 targets

- Evidence of North American retail-led recovery with Andalou Naturals and Mineral Fusion delivering sales growth against the pcp
- Increasing Food, Drug, Mass penetration; Sukin, Andalou Naturals and Mineral Fusion under trial with major USA-based department store



Andalou Naturals remains the #1 Natural Brand in combined Face Care and Skin Care categories; #5 Haircare and Body Care Brand; and #7 Body Care brand in US Natural Channel⁽¹⁾

Mineral Fusion remains the #1 Cosmetics Brand in the US Natural Channel; and #3 Natural Cosmetics Brand in US Conventional Channel⁽¹⁾



(1) SPINS report in US Natural Channel/US Conventional Channel for the 52-week period ending 23/01/2022

Brand Highlights



sukin®
AUSTRALIAN • NATURAL



ANDALOU
NATURALS



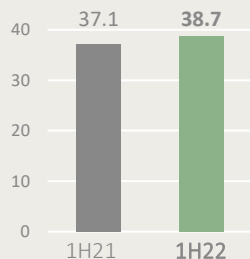
MINERAL
FUSION®



GO-TO

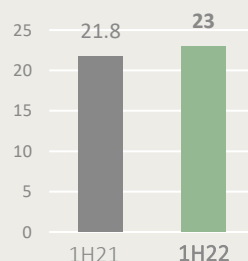


Underlying Revenue¹ (\$m)



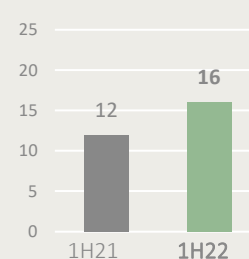
+4.3%
vs pcip

Revenue (\$m)



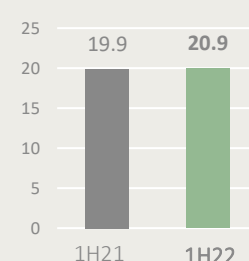
+5.5%
vs pcip

Revenue (\$m)



+33.3%
vs pcip

Revenue² (\$m)



+5%
vs pcip

¹Excludes the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense

²BWx ownership was 2Q22 onwards. Comparison included for consistency.

Financial Summary



Financial Performance



- Statutory NPAT was **-\$2.3m**, a decrease of **-124.2%** vs 1H21
- Underlying NPAT⁽²⁾ increased by **22.1%** in 1H22 vs 1H21
- Statutory Revenue increased **22.3%** vs pcg to \$103.4m in 1H22
- Underlying Revenue⁽¹⁾ increased **26.5%** vs pcg to \$106.9m in 1H22 (\$107.1m constant currency) including recent acquisitions
- Gross Profit Margin⁽¹⁾ increased 206 bps to **57.1%**
- Operating Expenses increased by 33.3% due to flow through of acquired businesses and strategic investment across marketing and people across the group during 1H22
- Depreciation & Amortisation has increased by 52.9% driven by acquired businesses and additions of plant and equipment and intangible assets
- Tax Expense in line with expectations and considering specific tax treatment obligations relating to acquisition-related expenses and cost of equity payments during the year

(1) Excludes the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense. (2) Non-IFRS measure that excludes \$3.0m one-off Acquisition-Related Expenses and the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense. (3) Relates to the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense.

AUD million	1H21	1H22	Change	CC	Change
Revenue ⁽¹⁾	84.5	106.9	26.5%	107.1	26.7%
Gross Profit ⁽¹⁾	46.5	61.1	31.2%		
Gross Profit Margin ⁽¹⁾	55.1%	57.1%	206bps		
Operating Expenses	-36.2	-48.3	33.3%		
Other Income	1.0	1.5	51.2%		
EBITDA ⁽²⁾	11.3	14.3	26.2%		
EBITDA margin ⁽²⁾	13.4%	13.4%			
Cost of Equity ⁽³⁾	-	-3.5	-100.0%		
Acquisition-Related Benefit/(Cost)	5.8	-3.0	-152.2%		
Depreciation & Amortisation	-3.5	-5.3	52.9%		
Interest Expense	-1.4	-1.5	7.2%		
Tax	-2.6	-2.1	-16.8%		
Reported NPAT	9.7	-1.7	-117.4%		
Statutory NPAT	9.7	-2.3	-124.2%		
EPS – Basic	7.2	-1.5	-120.8%		
Dividend per share	1.4	-			

Balance Sheet



- **Inventory** increased by **\$20.1m** compared to June 2021 predominately due to transition stock build for the cut over into new manufacturing facility, acquired businesses, and additional safety stock to navigate supply chain disruptions during the period
- **Plant and Equipment** increased by **\$13.8m** compared to June 2021 due to additions relating to the new manufacturing facility
- **Contract Assets and Contract Liabilities** predominantly relates to the cost of equity-linked strategic partnership with Chemist Warehouse
- **Intangibles assets and goodwill** increased by **\$165.0m** mainly due to the acquisitions of Flora and Fauna and Go-To Skincare
- **Trade and other payables** increased by **\$6.2m** compared to June 2021 due to timing of payments and inventory build-up
- **Financial liabilities** increased by **\$32.3m** compared to June 2021 predominantly due to the debt extension for the acquisition of Flora and Fauna
- **Deferred tax liabilities** increased by **\$21.8m** compared to June 2021 due to the recognition of intangible assets from the acquisitions of Flora and Fauna and Go-To Skincare
- **Put Option** liability relates to put options for Go-To Co-founders for periods commencing in year three and on every subsequent anniversary

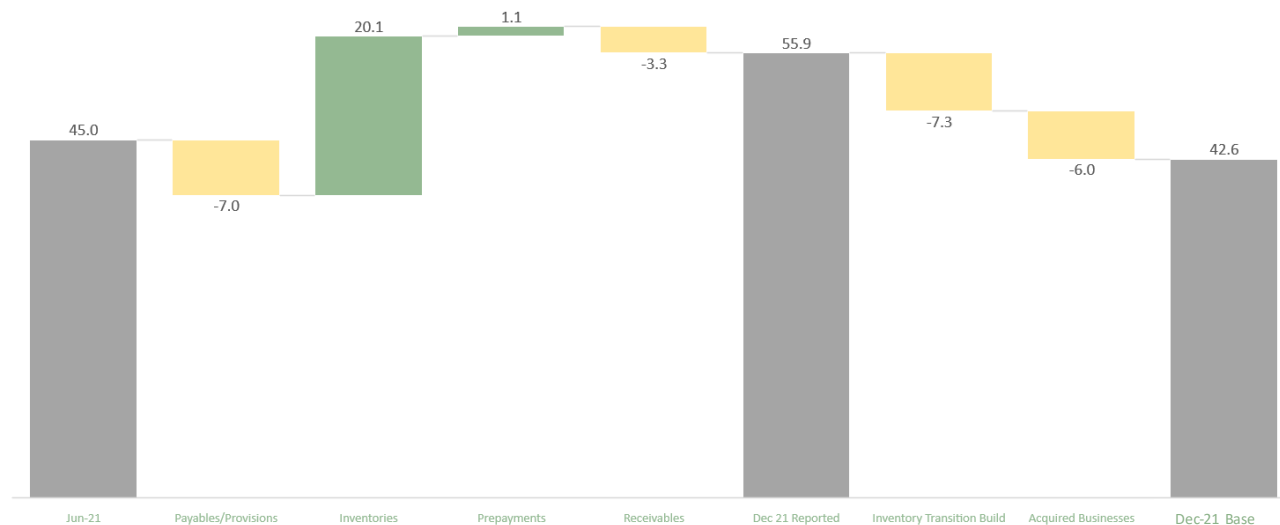


AUD million	DEC 20	JUN 21	DEC 21	Change
Assets				
Cash	77.7	70.5	58.4	-12.1
Trade and other receivables	29.0	39.4	36.3	-3.1
Inventories	38.9	44.0	64.1	20.1
Prepayments	5.9	3.0	4.1	1.1
Contract Assets	-	3.6	4.9	1.3
Right of use asset	10.2	9.0	8.7	-0.3
Plant and equipment	8.2	19.9	33.7	13.8
Intangible assets and goodwill	296.8	300.1	465.1	165.0
Investment in Associates	-	0.9	0.4	-0.5
Other Assets	3.6	1.6	3.3	1.7
Total assets	470.4	492.0	679.1	187.1
Liabilities				
Trade and other payables	32.0	39.3	45.5	6.2
Financial Liabilities	58.6	52.5	84.8	32.3
Contract Liabilities	-	-	1.2	1.2
Lease Liabilities	12.3	10.8	10.4	-0.4
Current tax liabilities	1.1	6.2	8.6	2.4
Employee benefits	2.0	2.3	3.3	1.0
Deferred tax liabilities	27.1	22.0	43.9	21.8
Put Option	-	-	93.1	93.1
Total liabilities	133.2	133.2	290.7	157.5
Net assets	337.2	358.8	388.3	29.5

Working Capital Performance

- **Working Capital** maintained to support sales growth together with managing the transition to our new manufacturing facility during Q3
- **Inventory**, when excluding transition stock increase and acquired businesses, grew by 9.7% during 1H22
- **Acquired Businesses** refer to Flora and Fauna and Go-To which were acquired on 1 July 2021 and 30 September 2021 respectively

Working Capital Movements (\$m)



Cash Flow Reconciliation

- **Operating cash flow of \$2.3m** reflects the strategic inventory build focus relating to the transition to the new manufacturing facility
- **Capital expenditure** in line with expectations and has increased to support plant and equipment requirements relating to the new manufacturing facility
- **Tax payments** are in line with expectations



AUD million	1H21	1H22
EBITDA ⁽¹⁾	11.3	14.3
Working Capital Movements	4.9	-4.6
Acquisition-Related Payments	0.0	-0.7
Interest Expense	-1.0	-1.4
Tax	-3.9	-1.7
Chemist Warehouse Cost of Equity (Non-Cash)	-	-3.5
Other	-1.9	-0.1
Operating Cash Flow	9.4	2.3
Capital Expenditure - Operational	-2.8	-4.4
Capital Expenditure - New Manufacturing Facility	-1.0	-11.4

(1) Non-IFRS measure that excludes one off \$3.0m of Acquisition-Related Expenses and the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense.

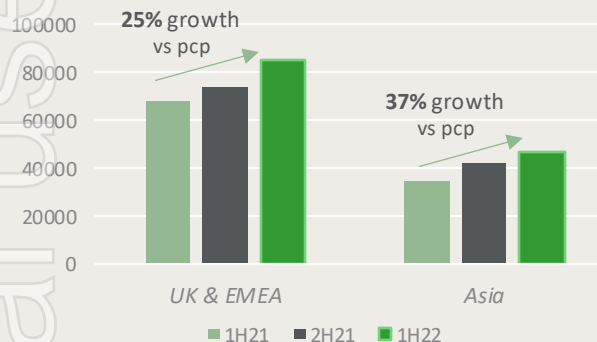
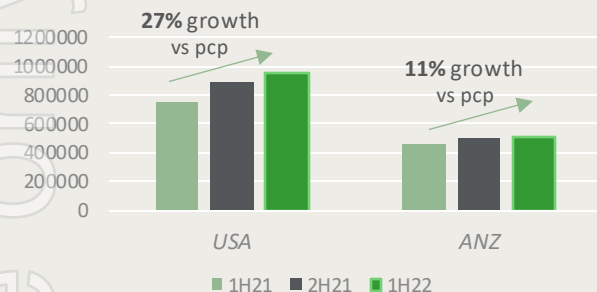
Strategy & Outlook



Delivering Points of Distribution Globally



- BWX increased total global points of distribution by **+21%** in 1H22 vs pcg to **1.6 million**
- Tracking in line with target for 2 million global points of distribution by the end of FY22
- Dedicated to omnichannel strategy to ensure that the presence of BWX brands is evolving with the shopping habits of consumers



- 203 Global Retail Partnerships (+14% vs FY21)
- 28 Active Markets (FY21: 25)
- 29,318 Retail Stores Worldwide (+57% vs FY21)
- +60 Global E-tailer Partnerships (FY21: 50)
- 24,039 POD Sold Online (+21% vs FY21)
- 17 Owned E-comm Sites Globally (FY21: 12)

The Rise of the Conscious Consumer Globally



- BWX brands are at the forefront of the clean beauty movement, providing accessible products with natural formulations, sustainable solutions and ethical credentials to consumers following the ever-growing global demand
- Our diversified portfolio of brands are positioned within the right categories to continue benefiting from industry trends supporting an emerging Natural & Organic subset of the ~\$500+ billion Beauty & Personal Care market globally

	PROVEN TRENDS			GROWING TRENDS			EMERGING TRENDS		
Market Share of total BPC	56%	43%	18%	21%	17%	13%	13%	5%	1%
Product Claim	Free from Parabens	Free from Sulfates	Botanical Extracts	Free from Phthalates	Free from Artificial Fragrance	Humane	Cruelty Free	Vegan Certified	Bio-Degradable
Growth % v. ya	+3.6%	+2.5%	+1.9%	+11.4%	+8.1%	+14.3%	+27.4%	+33.3%	+22.2%



New Facility Transforming Growth Agenda



45-49 McNaughton Road, Clayton

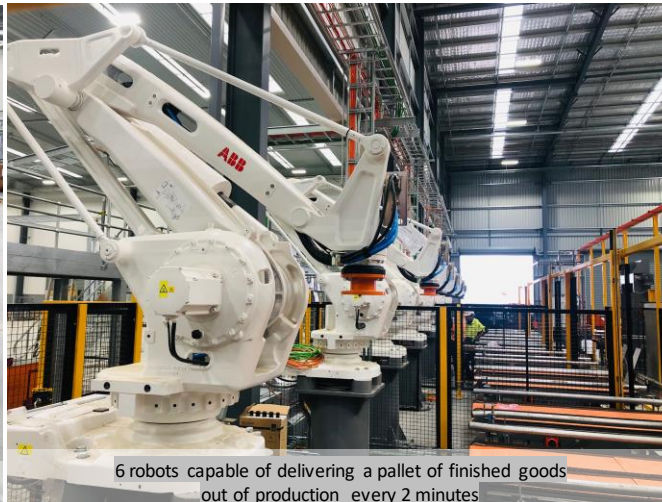
Facility completed early 2022 with manufacturing to commence from April.

Significant automation to support production efficiencies & enhance sustainability commitments.

Expected to deliver 300bps improvement in gross margin in line with business case.



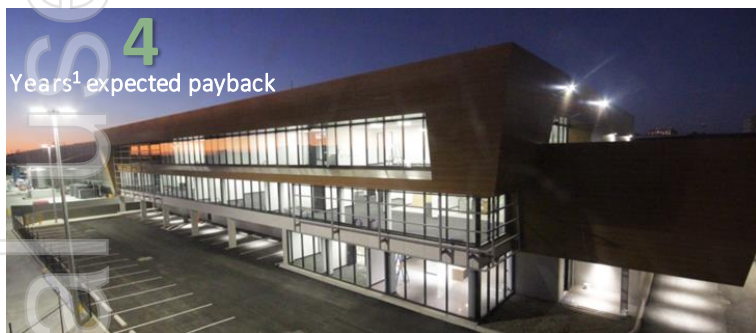
1 of 3 interconnected warehouses



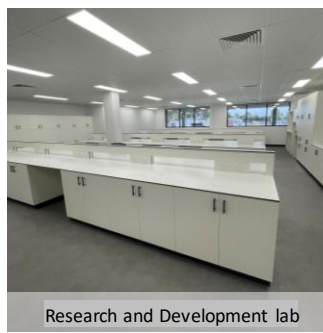
6 robots capable of delivering a pallet of finished goods out of production every 2 minutes



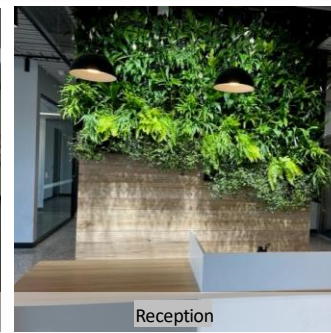
High speed automated production lines
5x line speed of Dandenong Facility



4
Years¹ expected payback



Research and Development lab



Reception

Fully automated production lines installed and expected to triple throughput, drive per unit cost reduction, and expand margins...

...from nine semi-automatic low speed lines at Dandenong Facility

(1) payback of 4 years from completion in relation to the full capital investment of \$33.7m

GO-TO Global Growth Plan



- The acquisition of a controlling stake in Go-To Skincare, which completed 30 September 2021, represents a strategically and financially compelling opportunity for BWX to partner with one of Australia's leading skin care companies comprising the Go-To, Bro-To, and Gro-To brands
- Go-To provides BWX with a complementary and diversified product suite, enhanced D2C channel presence, and expansion into the masstige subcategory – both domestically and internationally

FY22 GROWTH PRIORITIES

- Priority markets identified
- Align operating model for international markets
- Prepare new product launches

FY23 GROWTH PRIORITIES

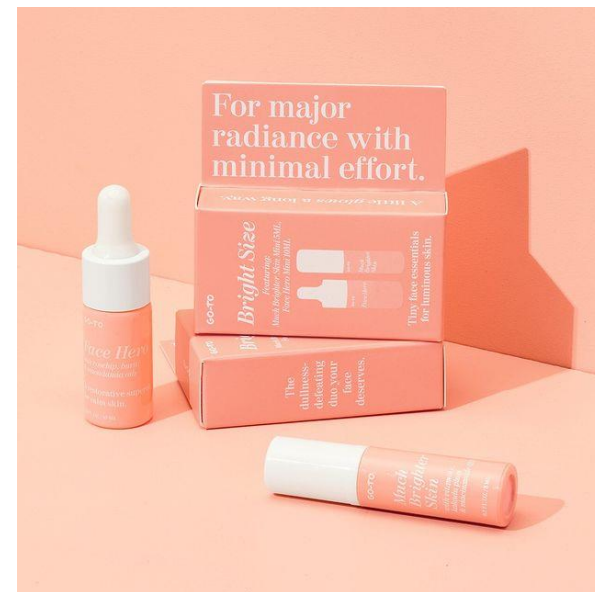
- On track to realise \$3m synergy upside
- Optimise manufacturing in Clayton facility and enhance margin
- Continuous improvement of NPD and speed to market

CHANNEL EXPANSION

- Unlock scale benefits leveraging BWX's e-commerce capability in new markets outside of Australia
- Leverage BWX's existing retail partnerships to enhance international distribution and economies of scale

MARKET EXPANSION

- Australia
- USA
- UK
- Canada



Outlook – Focusing on Execution



- BWX anticipates strong underlying revenue and EBITDA growth in full-year FY22 with performance weighted to the second half as per previous years, however, BWX continues to closely monitor the external COVID-impacted trading environment
- Q2 revenue momentum has been maintained
- With a simplified growth strategy, BWX is focused on executing against distribution targets across all channels with an expanded brand portfolio, while optimising financial and operational performance through the Clayton Facility
- As always BWX will continue to reinvest cost savings back into our brands to support longer-term value creation for all shareholders

1H22

\$14.3m¹

UNDERLYING EBITDA

\$106.9m²

UNDERLYING REVENUE

2H22

Revenue drivers

- Full 6-month contribution of Go-To, Flora & Fauna
- Nourished Life sales improvement
- Global price increases across core brands
- Points of distribution gains
- New product launches

Efficiency gains

- De-risked supply chain
- Trade spend optimisation
- Group procurement benefits
- Strategic marketing investment

FY23

Revenue drivers

- Organic growth
- Go-To global expansion
- Continued distribution gains
- New product launches

Efficiency gains

- Manufacturing benefits of our new facility (300bps group margin)
- Group procurement benefits
- Strategic marketing investment
- E-commerce automation

Sustainability initiatives

- Transition to carbon offset brands
- Continue to improve brand recyclability

(1) Non-IFRS measure that excludes \$3.0m one-off acquisition costs and the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense.

(2) Includes 6-month contribution of Flora & Fauna and 3-month contribution of Go-To Skincare and excludes the \$3.5m Chemist Warehouse cost of equity-linked strategic partnership expense.

Appendix

Internal use only



Changes to Segment Reporting

- As a result of recent acquisitions, BWX is making a change to its segment reporting to better align with the Group's new organisational structure and strategic direction
- BWX's operating segments are based on the geographic location where the management of the sale originates, as reviewed by the Chief Operating Decision Maker (defined under AASB 8 Operating Segments)
- The new structure comprises the following reportable segments:
 1. **Australia/International**
 2. **Digital**
 3. **United States of America (USA), includes Canada**
- The creation of a new, separate operating segment – Digital – comprises e-commerce platforms Nourished Life and Flora & Fauna (acquired 01/07/21)
- The Australia/International segment will capture results from Go-To Skincare (acquired 30/09/21)
- BWX previously operated within two reportable segments being United States of America (USA) and Australia/International (all other businesses outside of the USA)
- These changes affect only the composition of segment information and will not impact Group earnings previously reported to the market



Global Brand Presence

