

A large teal circle is centered on the page, containing the main title and date. A smaller teal circle is positioned to the right and below the main circle, containing the Blackmores logo. The background is a photograph of a modern building with large windows, surrounded by green grass, trees, and flowering bushes under a clear blue sky.

Blackmores Third Quarter Financial Results and Acquisition of Catalent Australia

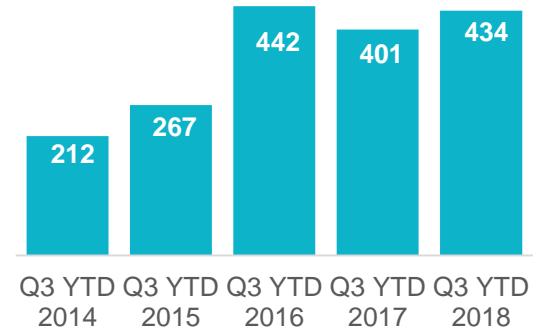
24 April 2018

BLACKMORES[®]

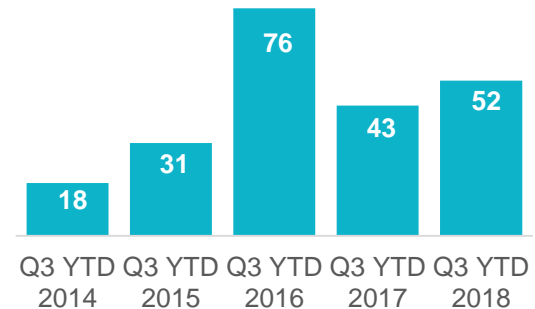
Nine months of consistent growth

- Continued consistent sales performance across the Group despite supply challenges
- Group revenue for the nine months of \$434 million, up 8.5%
- Promotional and other rebates in Q3 were impacted by customer mix and the timing of promotions. These investments are expected to normalise in the final quarter
- Cost benefits from the supplier tender are continuing to deliver
- Delivered EBIT of \$74 million, up 17.6% with steady EBIT margins at 17%
- NPAT for the nine months of \$52 million, up 19.3%

Group Revenue \$M



Group NPAT \$M



- Revenue of \$193 million for the nine months to 31 March, broadly in line with the prior corresponding period
- Solid market share gains in Australia over the quarter with Blackmores the clear number one brand
- Strong advertising and promotional activity supported sales in Australia in the third quarter
- Investment in education continues with pharmacy accreditation through online learning platform rolled out in the quarter
- Registrations and completions of online training continue to exceed expectations with more than 12,000 registrations and 19,294 completions for the first nine months



- China revenue of \$102 million for the first nine months, up 21% compared to prior corresponding period
- China sales were below our expectations in the quarter due to supply challenges and the renegotiation of customer trading terms. We anticipate a stronger Q4
- Other Asia revenue of \$60 million, up 20% compared to prior corresponding period
- Strong growth from Indonesia, Korea, Hong Kong & Taiwan in particular
- Supply challenges continued to impact markets across Asia in the quarter. This is expected to improve in Q4



Blackmores was awarded the 100 Million + club for our sales of over 100 million RMB on Tmall, at the recent Tmall Super TG1000 awards in Hangzhou.

- Revenue of \$79 million for the first nine months, up 11% compared to prior corresponding period
- IsoWhey products introduced to new channels in the quarter
- Marcus and Caroline Blackmore's personal philanthropic trust partnered with BioCeuticals to commit to \$1.5 million in combined funding for the Australian Research Centre in Complementary and Integrative Medicine at UTS over five years
- Former BioCeuticals sales director Eyal Wolstin appointed Managing Director during the quarter



Marcus Blackmore AM, Distinguished Professor of Public Health and Australian Research Council Professorial Future Fellow, Jon Adams from ARCCIM, Caroline Blackmore and Eyal Wolstin.

We ended the quarter with momentum, particularly as the impact of supply disruptions has improved. In addition, Blackmores continues to leverage its leading market share and strong consumer demand across all markets and brands.

Supply constraints will continue to ease in the fourth quarter, coupled with continued benefits from the supply tender.

We will continue to invest more in our brand, particularly in China, and to deliver our strategic priorities by connecting with our consumers, leveraging our global advantage, innovation and expertise and improving our operational fitness.

The Board expects our current growth trajectory will continue and that we will deliver good profit growth for the full year.



Appointment of Non-Executive Director

- Jackie McArthur appointed as Non-Executive Director
- Ms McArthur brings extensive experience in supply chain, logistics and operations management
- Qualified as an engineer
- Led businesses operating in Asia and Australia
- Bolsters the skills of the Board with operational and Asia-Pacific experience
- Passionate about corporate social responsibility, diversity and developing engaged workforces



Blackmores acquisition of Catalent Australia

24 April 2018

TRANSACTION HIGHLIGHTS

TRANSACTION DETAILS

- Acquisition of 100% of Catalent Australia, including the manufacturing facility in Braeside Victoria
- 18-month transition period, expected to close in October 2019

STRATEGIC RATIONALE

- Supports growth ambitions
- Ensures Blackmores products remain Made in Australia
- Vertical integration giving Blackmores greater control over production
- Increased agility to respond to changing market conditions
- Furthers Blackmores quality and R&D program
- Accelerates new product development through ability to test and launch new products
- Future proof Asian business with significant number of product registrations associated with the facility
- Greater control over intellectual property

TRANSACTION METRICS

- Total acquisition cost of AUD \$43.2 million
- Completion expected by 31 October 2019
- Subject to agreed adjustments for working capital

FINANCIAL IMPACT

- Fully debt funded
- Positive impact on EPS from year 1

Strategic Rationale

This acquisition supports Blackmores' growth strategy:

- Ensures Blackmores products remain Made in Australia
- Vertical integration giving Blackmores greater control over production
- Increased agility to respond to changing market conditions
- Furthers Blackmores quality and R&D program
- Accelerates new product development through ability to test and launch new products
- Future proof Asian business with significant number of product registrations associated with the facility. Product registrations in Asia are of increasing importance
- Greater control over intellectual property
- Furthers direct ingredient sourcing capabilities
- Opportunity to deliver operational efficiencies by configuring the site for Blackmores products



Overview of Catalent Australia

- Blackmores has had a 30-year relationship with this facility as a key manufacturing partner
- 30,756m² site in Braeside, Victoria. Purchase includes manufacturing facilities, buildings and land
- Halal compliant licensed manufacturing facility with certifications from TGA and international regulators
- Ability to deliver up to 50% of Blackmores' manufacturing requirements
 - Soft-gel encapsulation machines with capacity to produce 3.6 billion capsules per annum
 - Solid dose tableting capacity to produce 1.2 billion tablets per annum
- Catalent consistently ranks in Blackmores' top two suppliers based on quality audits and independent product testing
- 265 employees
- Acquisition demonstrates Blackmores' ongoing commitment to Australian manufacturing, jobs and skills
- Facility will remain in the control of Catalent Inc. until completion
- Transitional committee with representatives from Blackmores and Catalent will work together on a smooth transition



Questions