

BLACKMORES®

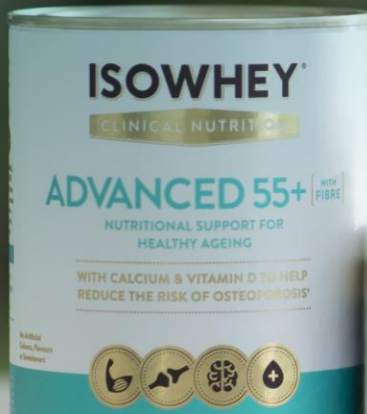
## MEET THE MANAGEMENT TEAM

VIEW THE LIVE STREAM OF THIS  
EXCLUSIVE SHAREHOLDER EVENT

23 MAY 2018

10AM - 12 NOON

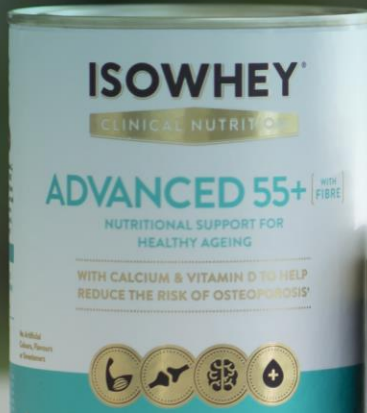
<http://live.creomedia.com.au/blackmores23mayupdate>



BLACKMORES®

# MEET THE MANAGEMENT TEAM

EXCLUSIVE SHAREHOLDER EVENT  
23 MAY 2018



- CEO Welcome
- Introduction to Executive Team
- Consumer Connectedness and the Australian Retail Market
- Unlocking China
- Education and Expertise
- The Acquisition of Catalent Australia
- Questions

# Introducing our Board



**Marcus C. Blackmore AM**  
*Executive Director*



**Stephen Chapman**  
*Chairman  
Independent Director*



**Richard Henfrey**  
*Chief Executive Officer  
& Managing Director*



**Brent Wallace**  
*Chairman of Audit & Risk Committee  
Independent Director*



**David Ansell**  
*Independent Director*



**Helen Nash**  
*Chairman of People  
& Remuneration Committee  
Independent Director*



**John Armstrong**  
*Independent Director*



**Jackie McArthur**  
*Independent Director*

# Meet the Executive Management Team



**Richard Henfrey**  
*Chief Executive Officer  
& Managing Director*



**David Fenlon**  
*Managing Director  
Australia & NZ*



**Cecile Cooper**  
*Company Secretary &  
Director of Corporate Affairs*



**Peter Osborne**  
*Managing Director  
Asia*



**Dr Lesley Braun**  
*Director  
Blackmores Institute*



**Aaron Canning**  
*Chief Financial Officer*



**Eyal Wolstin**  
*Managing Director  
BioCeuticals & Global Therapeutics*

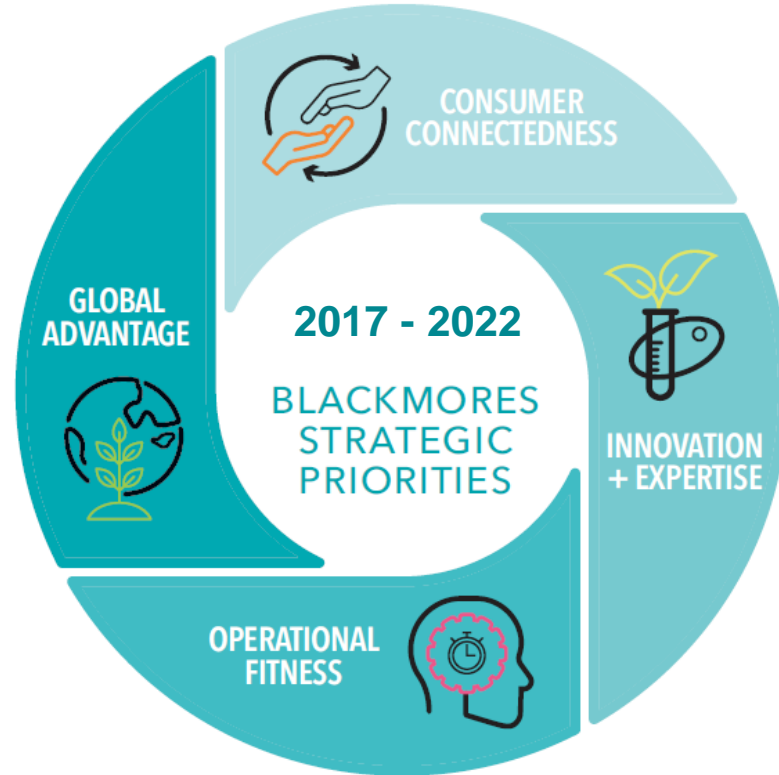


**Brett Winn**  
*Chief Information Officer*



**Jeremy Cowan**  
*Chief Operations Officer  
(commences July 2018)*

# Blackmores' Strategic Focus





# Consumer Connectedness

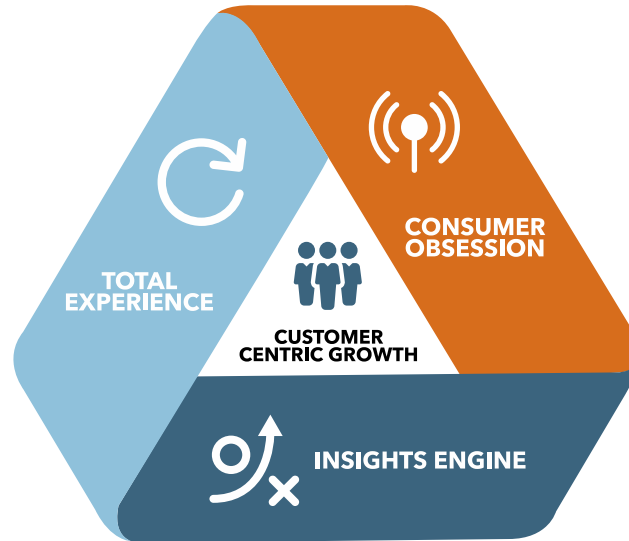
**Dave Fenlon**  
*Managing Director Australia & NZ*





# Consumer Connectedness

Our strategy is built around allowing Blackmores to navigate and create change, to get really personal and give experiential value propositions based on data driven insights.



# Total Experience

## BioCeuticals DNA testing



**CLINICAL SERVICES**

The future of personalised medicine is here

Ask your healthcare practitioner about DNA testing today

DNA testing available here

Brought to you by BioCeuticals



## Education through HCPs/Pharmacists

**BioCeuticals**

**Glutathione**  
Antioxidant Protection and Detoxification

Key benefits and benefits:

- An antioxidant in the body.
- Helps combat oxidative stress and inflammation.
- Supports the immune system and helps fight off infections.
- Supports healthy skin, hair and nails.
- Supports healthy eyes and vision.
- Supports healthy liver and helps detoxify the body.
- Supports healthy joints and helps reduce inflammation.
- Supports healthy blood pressure, cholesterol and heart health.
- Supports healthy digestion, stomach health and overall gut health.
- Supports healthy brain health.



FX  
Medicine  
Podcast

**FX Medicine**  
ISSUE 2018 VOL 11

A BEAUTIFUL MIND  
Inside the brain  
in your belly

Food, bugs  
and genetics

And BioCeuticals  
Research Symposium

FX Medicine

**BLACKMORES INSTITUTE**

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Home | **Education**

**Education**

**Start learning**  
Online, free, CPO-accredited education designed for healthcare professionals to integrate and apply complementary medicine to clinical practice.

**Condition information**  
Evidence-based recommendations for managing common conditions with complementary medicines.

**Ingredient information**  
Key complementary medicine ingredients, recommended doses, and how they work to treat various health conditions.

## BI Education



Asia Symposium

# Consumer Obsession

## Products that change shoppers' habits



### Probiotics



### Asia beauty range



### Superkids range

## Personalisation that makes a difference

Introducing  
BLACKMORES  
**Subscribe**

Set up a repeat delivery and save

Make it easy to stick to your health and wellbeing goals by ensuring you never run out of your favourite Blackmores products.

Set up a repeat delivery with Blackmores Subscribe, it's simple:

- 1 Add your favourite Blackmores products to your shopping cart
- 2 Apply the SUB530 voucher code to get 30% off and free shipping\* for the life of your subscription
- 3 Once you've completed your payment, choose a delivery option - every 4, 6, 8 or 10 weeks

Sign up today to receive  
**30% off + free shipping\***  
for the life of your subscription.  
Use code **SUB530** at the checkout.

Sign up today

### Blackmores Subscribe

Blackmores  
May 13 at 8:00am · 🌐

Happy Mother's Day all of you strong, brilliant women out there 🌸💕

#Blackmores #BeAWellBeing #MothersDay

To the new mums,  
the grand-mums,  
the working mums,  
the stay-at-home mums,  
the boss mums,  
the such-a-mum mums...

To every mum, we love you!

Be a Well Being  
BLACKMORES

Like Comment Share

You, Susie Diacopoulos, Amy Wagner and 966 others · Most Relevant

75 Shares

Write a comment...

### Social media outreach

BLACKMORES  
Home Health Food Products Action plans

Search Blackmores

4 items

### Action plans

What's new & exciting about Action Plans? There's an Action Plan for that! There's also more than 1000+ healthy recipes to help you live a healthy lifestyle. So sign up and control your wellbeing today.

How to live a sustainable life

Jump on the path to a greener, lighter life. With 100+ great recipes you can deliver huge benefits to your health and to the environment.

- 1 Reduce waste
- 2 Eat energy smart
- 3 Shop responsibly
- 4 Buy locally

Fire up your fitness

Take your health and fitness training to the next level.

- 1 Get goals & monitor results
- 2 Eat for energy
- 3 Recovery & relaxation
- 4 Interval training

Healthy eating for kids in 3 easy steps

More great food, less of the usual stuff. Help your child to feel great and thrive.

- 1 Fill those tummies with fruit & veg
- 2 Reduce sugar for a balanced diet
- 3 Healthy habits that stick like glue

4 weeks to better gut health

Discover how to help reduce allergic reactions and support healthy gut immune defences.

- 1 Remove gut stressors
- 2 Boost your good gut bugs
- 3 Upgrade your diet
- 4 Live gut friendly lifestyle

Calmer, clearer: 4 weeks to a healthier brain

Build your immune system

### Website action plans

# Insight – Data Driven

## Glocalisation



Why choose  
Blackmores  
Odourless  
Fish Oil 1000?

BLACKMORES  
ODOURLESS  
FISH OIL 1000

Always read the label. Use only as directed. If symptoms persist see your healthcare professional.

Fish Oil – Australia



BLACKMORES® | 绽放天然生命力  
澳佳宝™

“开往深海, 追寻心底的自己  
感受自然的力量”  
Blackmores 澳佳宝 全球健康大使 - 李娜

从深海冷水鱼萃取鱼油  
带回自然的精华

- 富含Omega-3 (DHA, EPA等多种不饱和脂肪酸)
- 甄选冷水深海小鱼、24小时冷凝加工
- 85年品质传承

BLACKMORES  
ODOURLESS  
FISH OIL 1000

BLACKMORES  
OMEGA BRAIN  
4x DHA

BLACKMORES  
kids fruity  
fishies

Fish Oil – Asia



# China Update

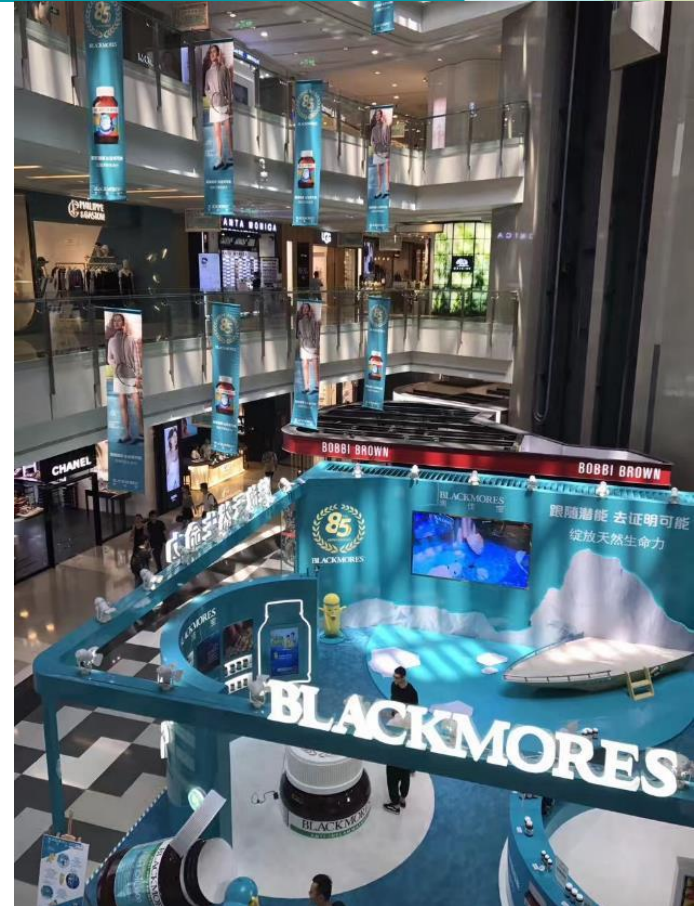
- **Raymond Chan – Deputy Managing Director Asia**
- **Rosa Li – Marketing Director China**
- **Shaun Rutherford – Head of Export**
- **John O'Doherty – Head of Government Relations**

# “Opportunities multiply as they are seized” *Sun Tze*

BLACKMORES™

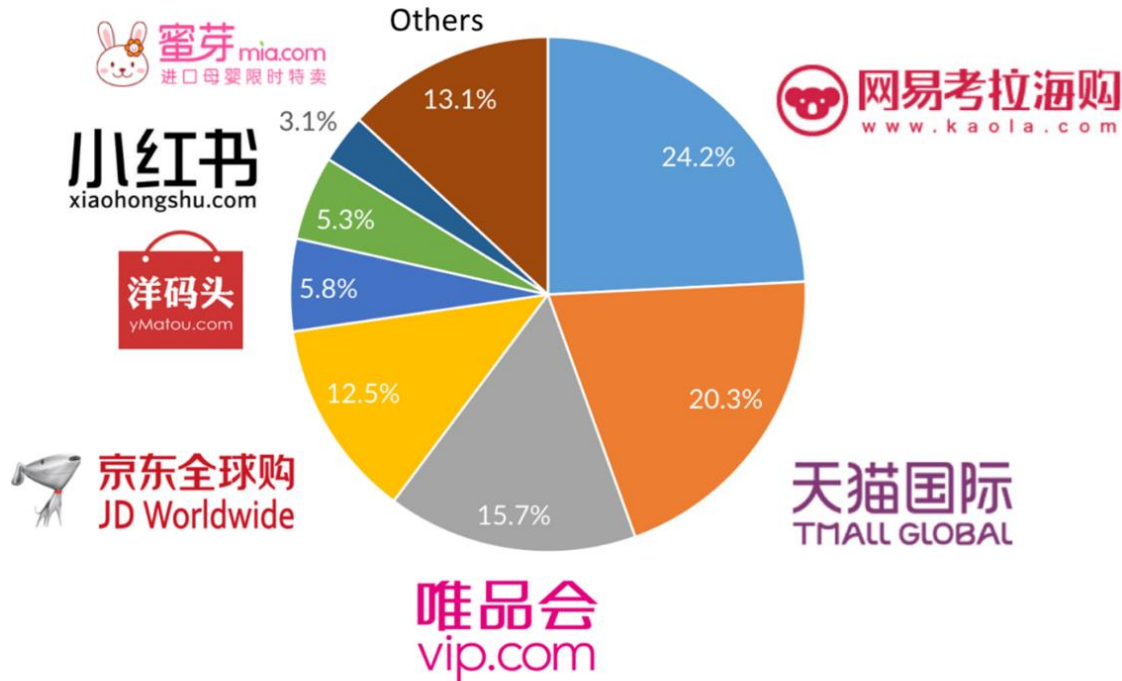
## China has emerged as Blackmores' single most important overseas market

- A highly complex market in a state of constant change
- World's most digitally advanced, socially active market
- The cross-border e-commerce market continues to undergo rapid evolution – we have strong partnerships and a unique understanding of new opportunities
- We are well established to capture significant growth
- We are further evolving our strategy and building our structure, staff capabilities, operations, supply chain and governance
- An A\$250 million business set for strong growth



# The Big Get Bigger – Evolution of cross border e-commerce

## Market share of main e-commerce players in China



# Enhancing our Platform & Retail Partnerships

- Platforms requiring deeper account engagement with brands
- Evolving platform servicing models
  - Flagship store purchasing and management
  - Direct sourcing by some platforms requires direct account management model development
  - Distributors and traders also having to evolve their roles
- Blackmores rapidly expanding our customer teams
- Awards for exceptional performance
  - Tmall Global “100 Million+ Club of 2018” award at Super TG1000 2018 Global Partners Summit, which is regarded as Oscar in e-commerce
  - Yunji Strategic Partnership Award
- Alibaba strategic partnerships – Blockchain, IP protection
- Continued expansion in offline channels – Watsons, Mother & Baby Stores



Alibaba BlockChain Pilot Launch April 2018



## Jul 2017

- Super Brand Day & 85<sup>th</sup> Anniversary
- Li Na live stream
- 1m unique views
- **Most viewed brand**
- Joint PR conference with Kaola CEO



## Aug 2017

- **Kaola Go Direct**
- Strategy partner
- Deepen relationship
- Investment efficiency
- Category management



## Nov 2017

- D11 POS **+481%** vs LY.
- **Blackmores VDS No.1 brand on 11.12**



## Apr 2018

- Women's Health Campaign
- Gained **+20K** new fans



## May 2018

- Jul 17 – May 18
- Sell in more than **doubled** vs LY



## Aug 2017

- Flagship Store Tmall Partner transfer and relaunch within only one month



## Sept 2017

- Deep co-operation on Blackmores Sydney Running Festival
- Tmall offered national brand day
- **Flagship store scan sales +700%**



## Nov 2017

- Singles Day (11/11)
- Blackmores Flagship Store surpassed last year's performance in first 2 hours
- **Flagship store scan sales +77%**



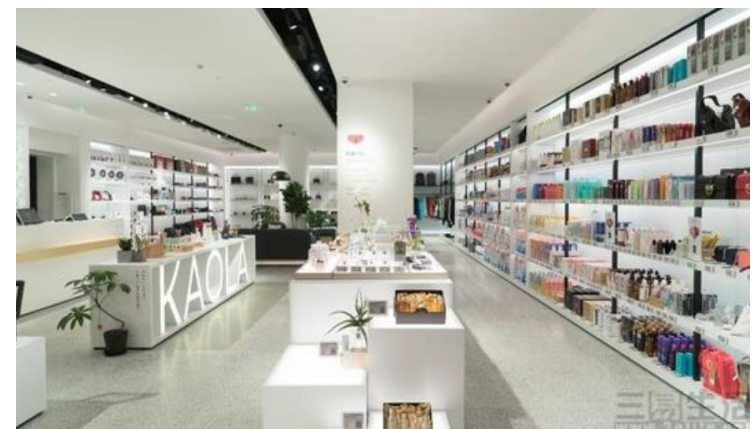
## Jan 2018

- Blackmores first Huanju Day
- Deep cooperation with Tmall leveraging Australian Open
- **Flagship store scan sales +100%**

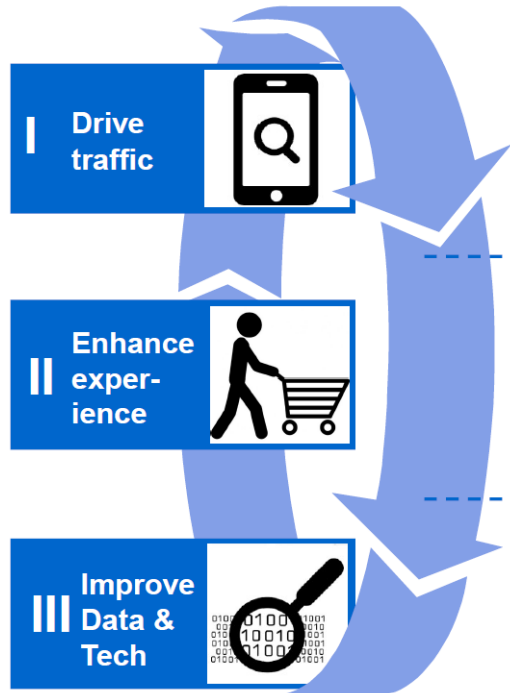


# China's 'New Retail' – Evolution Continues

- Platforms are becoming retailers
- 'Bonded store' model
  - 3 pilot stores in Hangzhou
  - Plans to expand to thousands of outlets across China
- QR code scan, pay via cross-border e-commerce (CBEC)
  - 24 hour delivery, but ...
  - Aim to enable take at time of purchase
    - ...then it's really just a normal retail store!
- Potential opportunity for health supplement category in China via broader availability of products
- Still plenty of challenges BUT this could be the leveller between CBEC and normal retail



# Smart Retail – Blackmores China WeChat Store



BLACKMORES®  
澳 佳 宝™

真妳·真赞

WOMEN'S  
HEALTH  
CAMPAIGN

Glorify the True

BLACKMORES®  
澳 佳 宝™

扛得住骂的妳  
因为一句  
贴心话  
却湿了双眼

林玲 31岁 | 销售总监

真妳·真赞

You

坚强如妳  
为妳点赞

女性生理平衡益生菌



KAOLA.COM 真妳真赞

# Insights to Engage

BLACKMORES

BLACKMORES  
澳佳宝

总有小情绪的**妳**  
如今面对挑战  
也乐观从容

徐敏 22岁 | 职场新人

真妳·真赞

丹他莫斯 月见草精华 为妳点赞



BLACKMORES  
澳佳宝

扛得住骂的**妳**  
因为一句贴心话  
却湿了双眼

李静 31岁 | 销售总监

真妳·真赞

丹他莫斯 女士生肌平疤益生肌 为妳点赞



BLACKMORES  
澳佳宝

上个月  
还爱撒娇的**妳**  
说长大就长大

冯莉莎 27岁 | 准妈妈

真妳·真赞

天健如斯 孕妇黄金营养素 为妳点赞



BLACKMORES  
澳佳宝

天天吵着  
要减肥的**妳**  
产后倒成了辣妈

胡冰 29岁 | 辣妈

真妳·真赞

美萃乐斯 每日维生素 为妳点赞



# Social Influencers to Disrupt and Create Buzz

- Young idols from China's hottest online singing show
- Loved by e-commerce platforms; high social appeal drives online traffic



BLACKMORES™  
澳佳宝

始终激励我的  
是用努力  
把握幸运的妳  
妳, 真的很赞

朱星杰 | 澳佳宝点赞官

真妳·真赞

BLACKMORES™  
澳佳宝

每一个普通的妳  
对我而言, 都不普通  
绽放妳自己  
妳, 本来就很赞

Jeffrey | 澳佳宝点赞官

真妳·真赞

# Amplify through Targeted Media Partnerships



160  
MILLION  
VIEWS!





# Kaola.com Cooperation – 270% Increase in Daily Sales!



网易考拉海购

- 270% increase in daily sales
- 20,000 new brand fans

# A highly successful campaign – but we're not finished yet...

- 160 million page views
- 83 million social impressions
- 94K increase in Blackmores Weibo & WeChat fans
- +28% value growth on Alibaba platforms in April
- 40% of sales contributed by female health products
- +1.2% share growth on Tmall Global in probiotics



唯品会  
全球精选 正品特卖



小红书RED  
种草好生活



# Blackmores Education for Daigous

BLACKMORES™

- Taking a leadership approach by offering an industry first education platform for daigous developed by **Blackmores Institute**
- An innovative platform offering education tools and resources to more than **40,000** daigous
- Access to **60+** Blackmores online assets including product fact sheets, condition videos and eLearning in both Mandarin and English
- **Blackmores Education** certificate for course completion
- Free online education this is mobile friendly so they can learn anywhere, anytime!



概况视频，  
产品介绍视频，  
产品详情，测验



澳佳宝官方认  
证的结业证书



在线课程

# Gift Store Activation

- There are an estimated 1,200 gift stores in Australia
- Trial commenced with pipeline into gift stores in Sydney and Melbourne
- Ability to influence the end consumer through daigous, tourists and consumer platforms in China
- Regular sharing of Blackmores digital content
- Trade launch event and brand training for gift store owners and daigous



# Positive Progress with Chinese Regulations

## Chinese Government key changes

### China's 19th Party Congress (Oct 2017)

- Xi Jinping policies written into Constitution – health a major focus

### National People's Congress (March 2018)

- Removal of term limits
- Major restructuring of 26 Ministries and Departments
- Establishment of National Health Commission



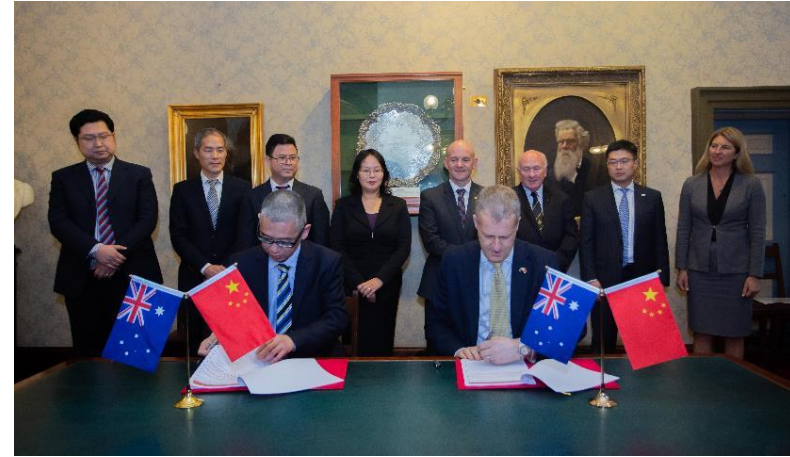
# Positive Progress with Chinese Regulations

## Impact on Blackmores

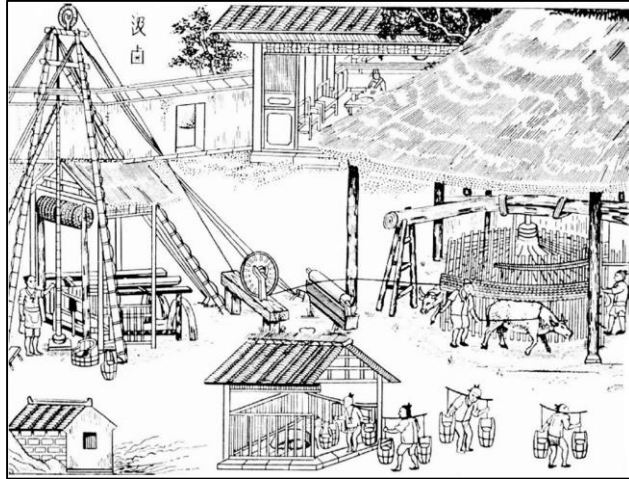
- Streamlining China's regulatory arrangements
- CFDA, AQSIQ, SAIC functions merged into single body
- Overlapping policy jurisdictions removed
- Simplifying customs processes

## Overall

- Changes are positive for Blackmores
- Blackmores welcomes the strong focus on health and simplification of regulations
- We continue to work very closely with Chinese Government
- Blackmores is a major supporter of China International Import Expo



# Blackmores understands China...



***“When the wind of Change blows, some build walls, while others build windmills”***

*Traditional Chinese proverb*

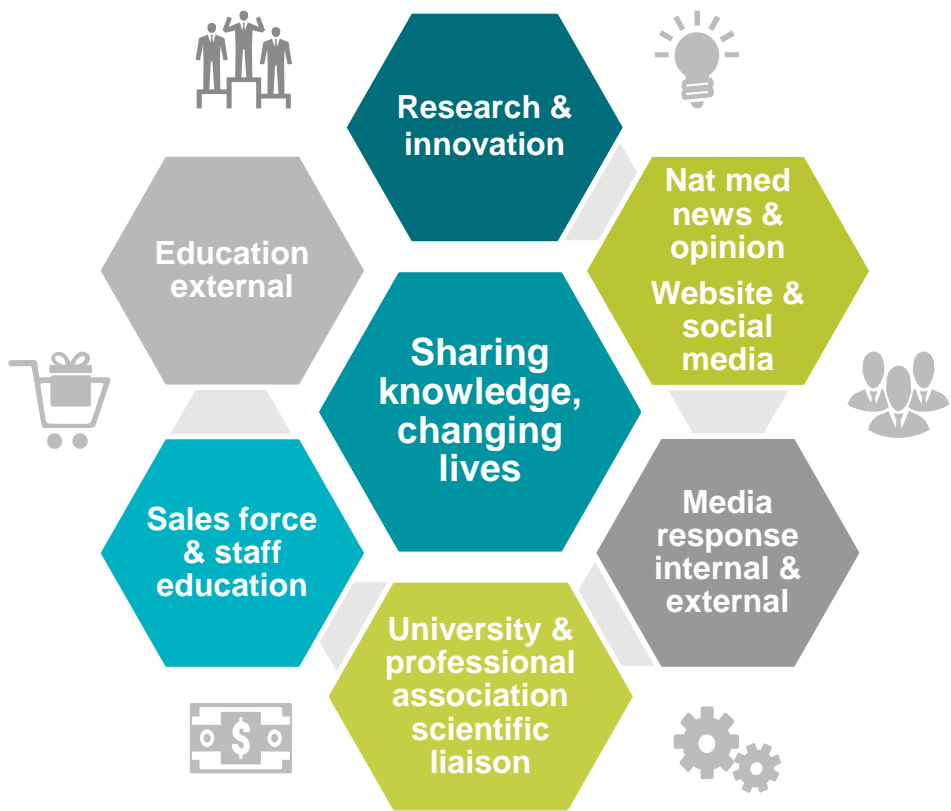


# Leveraging education & expertise

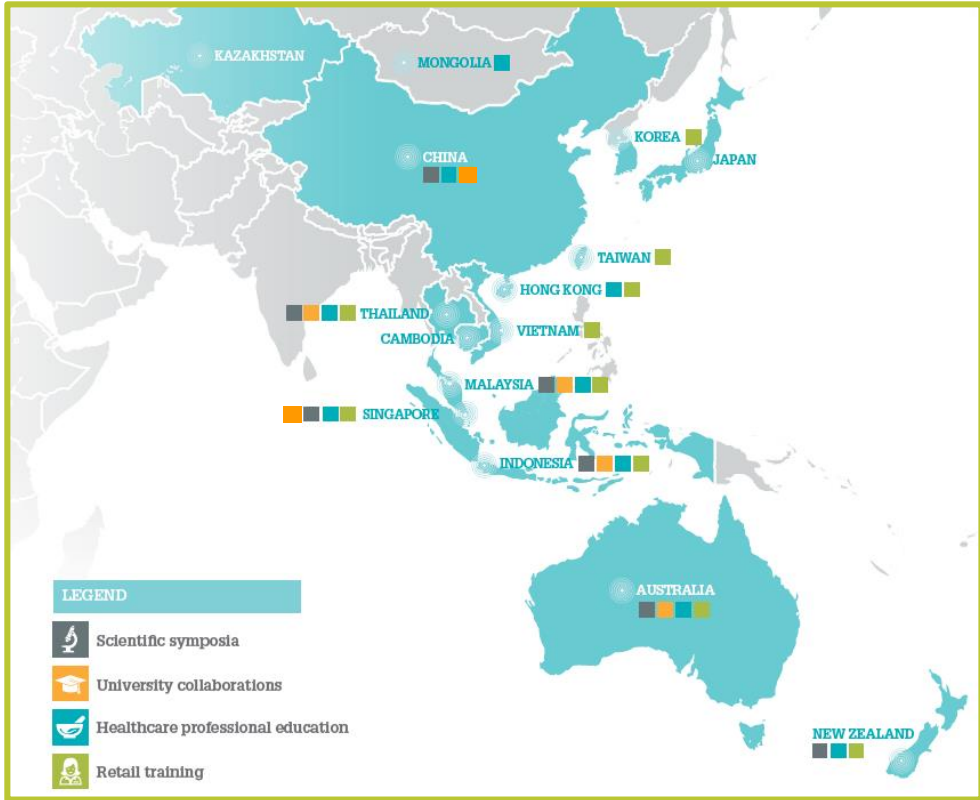
**Associate Professor Lesley Braun**  
*Director, Blackmores Institute*



# Blackmores Institute: Improving Public Health with Natural Medicine



# Deepening Engagement across the Asia-Pacific Region



1

### Blackmores Academy

Harnessing technology to extend and scale-up online learning opportunities

2

### Accredited Pharmacy Programs

CM training supported through education programs in Malaysia, Thailand, Singapore and Australia

3

### Extending Education to Consumers

In Chinese markets – to respond to large e-commerce interest and daigou influence

4

### Research Strategy

Two tiered approach, global and local research programs

5

### University Partnerships

Such as Tsinghua University to improve health literacy

# Global research program and partnerships



## RESEARCH PROJECTS

Scientifically rigorous research to improve public health outcomes



## ACADEMIC & PRACTICE GRANTS

Supporting future industry leaders to build capacity, expertise and research



## PARTNERSHIPS

Advancing knowledge and understanding of CM across the region



**NICM**

The science of integrative medicine



TAYLOR'S  
UNIVERSITY  
WISDOM • INTEGRITY • EXCELLENCE





# Research – Playing on the World Stage



- **Partnerships to develop, test and bring to market unique, effective, safe, natural health solutions for better health**
- **Developing and testing next generation formulas**
  - Looking at world trends in VDS ingredients and delivery systems
  - Population demographics, health care systems, consumer needs and interests
  - Opportunity windows to fill medication gaps
- **Utilising research partnerships across the globe**
  - Universities
  - Start-up innovation groups
  - Global companies with extensive R&D labs and capabilities
  - Open innovation model



# The Need for Pharmacist Education

## Australian research shows

- Consumers look to their pharmacist for advice about CM:
  - 92% thought pharmacists should provide safety information about CMs
  - 90% thought they should routinely check for interactions
  - 87% thought they should recommend effective CMs
- While pharmacists have a basic knowledge of CM, there is a gap in knowledge and confidence
- Research from Thailand and Malaysia confirms similar results

***Customers want insight and advice from Pharmacists about the best treatments for them***



***Pharmacy is a key point of purchase for CM***



***There is a need for specialised education, focusing on evidence-based CM***

# Importance of Bespoke Education for our Markets

## China



**Main Channel:**  
**E-commerce**

Education focus:  
**Consumer education**

*Social media health communications  
and daigou e-learning*

## Australia



**Main Channels:**  
**Grocery & pharmacy**

Education focus:  
**Pharmacists & retail  
assistants**

*In store via online delivery,  
face-to-face events and training*

## Indonesia



**Main Channel:**  
**Pharmacy**

Education focus:  
**Product advisors**

*In store via online delivery,  
face-to-face events and training*

# Our Solution



## High quality online natural medicine education

- Business enabler – authority in natural health
- Improves quality recommendations and advice about our brand proposition and products or services
- Differentiates us from other VDS companies
- Customers learn anytime, anywhere, on any device
- Four languages: English, Mandarin, Bahasa Indonesian, Thai

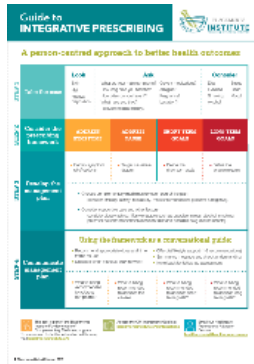
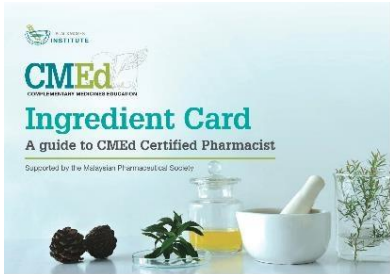
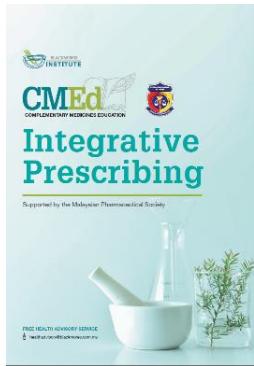


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# Our Solution: CMEd Accredited Pharmacist Education

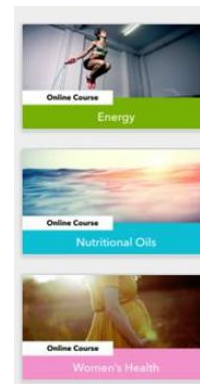




# The Need for Consumer Education

## Market research shows:

- Education can be used to engage online shoppers and instore customers
- Increases trust in the brand, loyalty and customer satisfaction
- Improves the customer experience
- Helps to improve natural health literacy



# Tsinghua University Partnership: Helping improve natural health literacy in China

## The value of a quality university partner

- Leverage Blackmores Institute's knowledge of natural health to encourage the promotion of evidence-based natural health information

## Why Tsinghua

- Tsinghua University No. 1 in China and top 25 internationally
- Shared interest in public health and educating society
- Very prestigious and influential with strong ties to government and policy makers

## Why Health Communications via journalist program

- Promote credible, evidence-based reporting of natural medicine
- The aim is to improve consumer health literacy around important public health messages such as women's health and the Healthy China Policy 2030





# Operational Fitness



**Blackmores' manufacturing strategy and the acquisition of Catalent Australia**

# Overview of Catalent Australia

- Announced plans in April to acquire 100% of Catalent Australia, including the manufacturing facility in Victoria
- Total acquisition cost of AUD \$43.2 million, fully debt funded and positive impact on EPS from year one
- Completion by 31 October 2019
- 265 employees
- Blackmores has a 30-year relationship with this facility
- 30,756m<sup>2</sup> – manufacturing facilities, buildings and land
- Halal compliant, TGA and international regulator certified
- Ability to deliver up to 50% of Blackmores' manufacturing requirements for softgel capsules and solid dose tableting
- One of Blackmores' top two suppliers based on quality audits



# Strategic Rationale

- 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
- Protects 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



The Blackmores logo is a teal circle containing the word "BLACKMORES" in white, uppercase, serif font. The background of the entire slide is a close-up photograph of olive branches with green leaves and yellowish-green buds against a clear blue sky. Several semi-transparent teal circles of varying sizes are overlaid on the image, creating a layered effect.

**BLACKMORES<sup>®</sup>**

**Thank you**

**Please join us for lunch**

**Campus Tours starting at Reception in 15 minutes**