



**BLACKMORES<sup>®</sup>**



# Investor Briefing

**Third Quarter Results**

**16 April 2019**

**Blackmores Limited**

On the call today:

- Marcus C Blackmore AM, Interim Chief Executive Officer
- Aaron Canning, Chief Financial Officer
- Dave Fenlon, Managing Director ANZ
- Peter Osborne, Managing Director Asia

# THIRD QUARTER F19 HIGHLIGHTS

## REVENUE

↓ 4%

Revenue of \$141 million, down 4% compared to pcp.

↓ ANZ

Softening sales in the quarter due to a deliberate move to clear inventory in China channels. Non-repeat of promotional activity from Q3 LY also a factor.

↑ CHINA

China segment sales are up 19%. Overall sales to Chinese consumers were estimated to decline by ~6%, impacted by slowing sales through Australian retailers.

↑ ASIA

Hong Kong up 18%, Taiwan up 81%, Korea up 13%, Malaysia up 32%, Indonesia up 99% and turned profitable in the quarter.

\$10m  
PROFIT

Profits down 43% in the quarter due to lower sales combined with high levels of investment in our brands. Operating expenses lower by 1%.

MARGINS

Rebates and promotional spend reduced by 3.4ppts.

No.1  
MARKET SHARE

Blackmores remains #1 domestic brand in Australia with 14.9% market share<sup>1</sup> and has increased the gap over nearest competitor.

EFFICIENCY

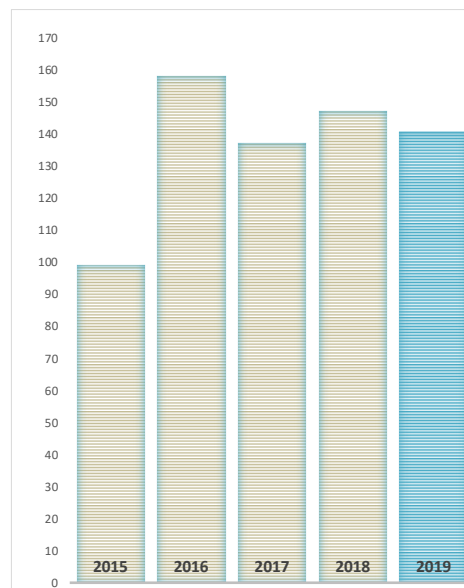
Business improvement program targeting \$60m of savings over 3 years is accelerating. Implementation will incur some one-off costs in Q4.

# THIRD QUARTER F19 RESULTS

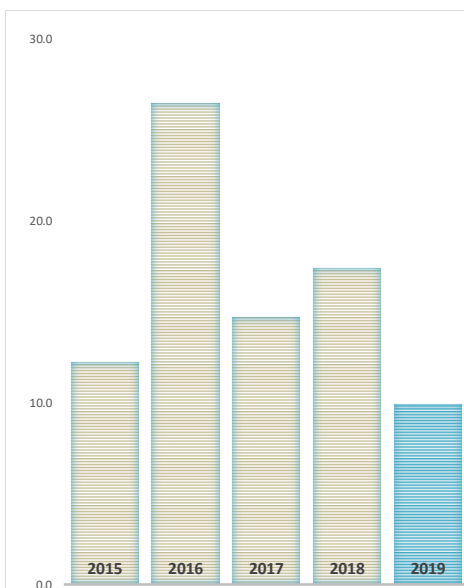
AUD \$m	F19	F18	% vs LY
Revenue*	140.7	147.1	-4%
EBITDA	17.7	27.5	-36%
EBIT	15.0	25.2	-40%
Net interest expense	1.3	1.0	+31%
Profit before tax	13.7	24.2	-43%
Income tax expense	3.8	7.4	-48%
NPAT*	9.9	17.4	-43%

## Q3 RESULTS

### REVENUE (\$m)



### NPAT (\$m)



\*Invoiced sales (in \$m's) were \$172.5 for the quarter, down 8% from \$188.0 in the pcp

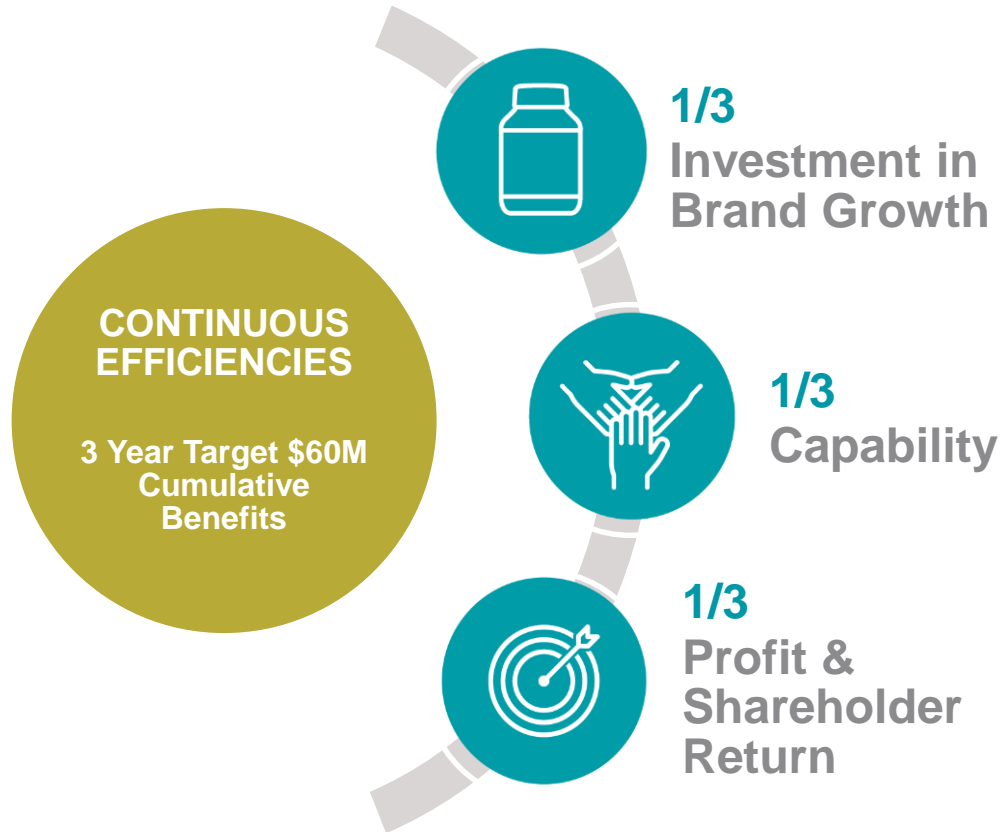
\*\*Profit for the period attributable to the owners of Blackmores Ltd

# THIRD QUARTER F19 REVENUE BY SEGMENT

AUD \$m	Q3 vs LY	YTD vs LY
ANZ	-26%	+3%
China	+19%	-3%
Other Asia	+32%	+33%
BioCeuticals Group	+1%	+5%
<b>Total Group</b>	<b>-4%</b>	<b>+6%</b>

# BUSINESS IMPROVEMENT PLAN

SAVE – INVEST – GROW



# F19 OUTLOOK & SHAREHOLDER COMMUNICATIONS

- As announced in our half-year result, our outlook is for modest full-year revenue growth.
- Second half profit performance not expected to be ahead of the first half result.
- We are accelerating our plan to streamline the business and target \$60 million in savings over three years. Implementation will incur some one-off costs in Q4.
- The Board is continuing its extensive search for a new Chief Executive Officer and this process is progressing well.
- Commencing F20, BKL to move to half and full-year reporting. Business updates to be provided for Q1 and Q3.
- 'Meet the Management' shareholder event scheduled for 28 May 2019.



March 2019 Blackmores Mercie Whellan Women+Wellbeing, 'StrongBeing' award winner Najah Zoabi from Lighthouse Community Support with Board Member Jackie McArthur



Questions?

