



Health
Wellness
Beauty



22nd November 2022

Company Announcements
ASX Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

ASX:
MCP

ABN:
98 004 068 419

ADDRESS:
**105 Vanessa Street
Kingsgrove
NSW 2208**

PHONE:
(02) 9370 8000

Dear Sir / Madam,

2022 ANNUAL GENERAL MEETING – CHAIR’S ADDRESS

The Chair of McPherson’s Limited, Mr. Ari Mervis, is today addressing shareholders at the company’s Annual General Meeting (AGM).

McPherson’s is holding a hybrid AGM, meaning the meeting can either be attended in person at the offices of Thomson Geer, Level 14, 60 Martin Place, Sydney, or accessed online by entering this link in your browser: <https://web.lumiagm.com/361828837>.

The meeting commences at 11.00 a.m. (Sydney time).

The Chair’s Address follows below.

The Chief Executive Officer’s AGM Address and the AGM Presentation will be lodged separately with the ASX.

Yours sincerely,

P R Bennett
Company Secretary

Approved for release by MCP’s Company Secretary.

McPherson's Limited 2022 Annual General Meeting

Chairman's Address – Mr. Ari Mervis

22 November 2022

At last year's AGM in my inaugural role as Chair, I stated the need for rapid and significant change, in order to set up the company to deliver more predictable and profitable results.

During financial year 2022, we not only refined our strategy and improved our capability, but also streamlined our resources to focus on sustainable growth opportunities that have produced a robust base for future growth.

Notwithstanding a challenging macro environment which has been well documented and which I do not intend to rehash, the Company achieved 7% growth in total sales revenue, resulting in 11% growth in underlying Profit Before Tax. This strong performance was largely due to double-digit growth in our Essential Beauty brands, which is a key strategic focus area of the business. Grant will provide an expanded summary of the Company's performance in his presentation.

Over the last twelve months we have continued to integrate the Health Division, comprising the acquired brands Fusion and Oriental Botanicals into our existing operational structure and this not only provides operating efficiencies, but also improved customer experience.

As I mentioned last year, we needed to become more focussed, and concentrate on winning with the winners, and in this regard, we have not only increased our efforts and investment behind our leading brands including, Manicare, Lady Jane and Swisspers, but have also exited underperforming joint ventures, and more notably entered into a Strategic Alliance with Chemist Warehouse which we announced on 24 March 2022. This provides two significant new growth opportunities for the Company. Firstly, McPherson's has been appointed as Chemist Warehouse's exclusive long-term distributor of Chemist Warehouse owned brands outside of the Chemist Warehouse Network, and secondly, Chemist Warehouse will increase the ranging and presence of McPherson's brands in Australia and New Zealand. This will particularly improve the distribution of Fusion Health, which has previously had narrower distribution in the domestic Pharmacy channel.

As part of the agreements, we also welcomed Chemist Warehouse onto our shareholder register.

Earlier in the calendar year, McPherson's launched an enhanced Sustainability Strategy, with the objectives of operating our business in a more sustainable manner, and also to proactively assist our customers to drive positive change through their purchasing decisions.

Grant will elaborate on these commitments shortly.

Furthermore, McPherson's has proudly remained a key supporter of our community and partners. In 2022, McPherson's partnered with Good360 and Mondiale VGL to help flood

affected victims across the country, as well as CanTeen NZ, to support young people across New Zealand affected by cancer. The Company has also provided donations to the Great Barrier Reef Foundation and worked with "Trees That Count" to plant over 1000 native trees, assisting to ensure a more sustainable future.

On the back of the improved financial performance, the company achieved strong underlying cash conversion of 129% in FY22, with net debt, excluding lease liabilities, remaining low at \$1.7 million and the Company's gearing ratio at 1% at year end.

The Company has for some time now maintained a relatively low level of bank debt. Our existing debt facilities are due to expire in June 2023 and the process of arranging new facilities is currently being undertaken. Mindful of present uncertain market conditions, your Board proposes to adopt a prudent, but disciplined capital management profile for the Company going forward. With that intention, as part of the refinancing of the Company's expiring facilities we will be seeking lender support to implement an on-market share buyback, or other form of capital return to shareholders once the new facilities are agreed. Details in this regard will be announced to the market subject to and once the Company's refinancing arrangements have been settled.

The board continued its rejuvenation in 2022, and I am delighted that Helen Thornton agreed to join the board as an independent, Non-Executive Director in December 2021, and was appointed as chair of the Audit Committee and member of the Risk & Compliance Committee in February 2022. Helen will introduce herself shortly, and will also be standing for election at today's meeting.

Geoff Pearce recently announced his retirement from the board effective from the closure of today's AGM, and I would like to thank Geoff for his significant contribution to McPherson's. His extensive experience in the pharmaceutical, cosmetic and personal care industries has been invaluable and he leaves the Company with our gratitude and best wishes for the future.

The Board will take this newly created vacancy as an opportunity to enhance the existing skill set of Directors, taking into account the current and future needs of the business.

I would also at this time like to acknowledge Phil Bennett, our Company Secretary, who after 31 years at McPherson's will soon be retiring. Phil, thanks for all you have done for the company over the many years and enjoy your well-earned retirement in good health.

While I realise that we are closer to the beginning than the end of the journey, I am confident that we are strategically well placed and are focussing resources more appropriately. We will continue to ensure that we invest behind our leading brands and that we make every effort to exceed our customer's expectations.

I would like to take this opportunity to thank our management team, as well as all our employees for their effort and input over the past year, and also particularly all our shareholders for their enduring support.

I now call on Grant to present his CEO's address to the meeting.