



ASX / Media Release

(ASX: MCP)

28 July 2022

McPherson's FY22 Preliminary Results

The following results are preliminary and subject to board approval and final audit clearance.

Summarised Preliminary Financial Results

	FY22	FY21	Increase / (Decrease)	February 2022 guidance
Sales Revenue (\$m)	214.0	200.5	7%	212.5 to 216.5
Underlying PBT (\$m)	10.7	9.6	11%	11.1 to 12.1
Statutory PBT (\$m)	0.4	(4.9)	NCM*	1.0 to 3.0
Net Bank Debt (\$m)	1.7	8.4	(79%)	5.4 to 7.4
Underlying Cash Conversion (%)	131	110	19%	90 to 100

* Not considered meaningful

McPherson's Limited ("McPherson's") today announced its preliminary unaudited results for the year ended 30 June 2022. McPherson's expects to generate a 7% increase in total sales revenue to \$214.0 million (FY21: \$200.5 million), an 11% increase in underlying profit before tax (PBT) of \$10.7 million (FY21: \$9.6 million¹) and an underlying profit after tax (PAT) of \$7.0 million (FY21: \$6.2 million).

McPherson's Chief Executive Officer and Managing Director, Grant Peck said: "Despite the widely reported decline in consumer sentiment over the latter months of fiscal 2022, we are pleased that our FY22 sales performance is expected to achieve year-on-year growth of 7%. Our expected growth in underlying profit before tax of 11% has been achieved amidst significant and unanticipated macro-economic challenges including protracted sea freight inflation and commodity cost pressures."

McPherson's major brands in the pharmacy sector continue to grow relative to the market and we remain focussed on further developing growth opportunities, including those arising from our recently announced strategic partnership with Chemist Warehouse and the significant opportunities for our health brands."

McPherson's expects to report a statutory PBT of \$0.4 million² for FY22 (FY21: statutory LBT (\$4.9 million)³) and a statutory PAT of \$0.3 million⁴ (FY21: statutory LAT (\$5.4 million)⁵).

Net bank debt, excluding lease liabilities, decreased by 79% to \$1.7 million at 30 June 2022.

McPherson's will provide further detailed information in relation to its FY22 outcomes when its final audited results are released in late August.

Authorisation

This ASX announcement has been authorised by the McPherson's Limited Board of Directors.

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About McPherson's Limited

McPherson's, established in 1860, is a leading supplier of Health, Wellness and Beauty products with operations in Australia, New Zealand and Asia. McPherson's markets and distributes beauty care, hair care, skin care, vitamins, supplements, and personal care items such as facial wipes, cotton pads and foot comfort products, as well as a range of kitchen essentials such as baking paper, cling wrap and aluminium foil.

McPherson's revenue is primarily derived from its diversified portfolio of owned, market-leading brands, including Manicare, Lady Jayne, Swisspers, Dr. LeWinn's, A'kin, Multix, Fusion Health, Oriental Botanicals, Moosehead and Maseur. McPherson's also manages several brands for agency partners, including brands owned by Chemist Warehouse that the Company distributes as part of our Strategic Alliance.

For further information on McPherson's business and its strategy and to view the most recent corporation video please refer to the company's website <http://www.mcphersons.com.au>

¹ FY21 underlying and statutory profit before tax and have been adjusted for an increase in amortisation expense of \$0.5m following a correction of an FY21 error in relation to cloud computing costs.

² FY22 Statutory PBT includes the following one-off, material items: (i) Dr. LeWinn's inventory provision (\$9.4) million; (ii) Restructuring costs (\$0.6) million; (iii) Costs associated with establishing the Chemist Warehouse Strategic Alliance (\$0.6) million and (iv) Other items, including reversal of estimated joint venture exit costs \$0.3 million.

³ FY21 Statutory LBT includes the following one-off material items: (i) Inventory provision for hand sanitisers (\$6.7) million; (ii) Impairment of investments in joint ventures, shareholder loans and receivables (\$5.0) million; (iii) Takeover response advisory fees (\$1.9) million; (iv) Acquisition costs in relation to the Fusion Health and Oriental Botanicals brands (\$0.9) million; (v) Cash salary, fee package and non-cash expense for unvested performance rights relating to the resignation of the previous Managing Director (\$1.5) million; (vi) Due diligence costs on other potential acquisition targets (\$0.3) million; and (vii) Release of contingent consideration for the My Kart (Soulful) joint venture \$1.8 million.

⁴ FY22 Statutory PAT includes the following one-off, material items: (i) Dr. LeWinn's inventory provision (\$6.6) million; (ii) Restructuring costs (\$0.3) million; (iii) Costs associated with establishing the Chemist Warehouse Strategic Alliance (\$0.4) million and (iv) Other items, including reversal of estimated joint venture exit costs \$0.7 million.

⁵ FY21 Statutory LAT includes the following one-off material items: (i) Inventory provision for hand sanitisers (\$4.8) million; (ii) Impairment of investments in joint ventures, shareholder loans and receivables (\$4.8) million; (iii) Takeover response advisory fees (\$1.4) million; (iv) Acquisition costs in relation to the Fusion Health and Oriental Botanicals brands (\$0.9) million; (v) Cash salary, fee package and non-cash expense for unvested performance rights relating to the resignation of the previous Managing Director (\$1.3) million; (vi) Due diligence costs on other potential acquisition targets (\$0.2) million; and (vii) Release of contingent consideration for the My Kart (Soulful) joint venture \$1.8 million.