23 February 2023

ASX Market Announcements Office
Australian Securities Exchange
Exchange Centre
20 Bridge Street,
Sydney NSW 2000

2023 HALF YEAR RESULTS PRESENTATION

Attached for release is the Blackmores Limited investor presentation for the half year ended 31 December 2022.

Further information on Blackmores can be found at www.blackmores.com.au.

This announcement was authorised for release by the Board of Directors.

Helen Mediati
Group General Counsel & Company Secretary
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Financial Results and Strategy Update

For the half-year ended 31 December 2022

Blackmores Limited

23 February 2023

Important information

BLACKMORES GROUP

Important Information

The information in this presentation about Blackmores Limited and the entities it controls (Group) and its activities is current as at 23 February 2023 and is being given in conjunction with the Company's Appendix 4D and Half-Year Report for the half-year ended 31 December 2022. It is in summary form and does not purport to be complete.

The financial information contained in the Half-Year Report for the half-year ended 31 December 2022 has been reviewed by the Group's external auditors.

Forward-looking statements

The presentation may contain certain "forward-looking statements". Forward-looking statements can generally be identified by the use of forward-looking words such as "may", "will", "would", "could", "expect", "intend", "plan", "aim", "estimate", "target", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or other similar words, and include statements regarding the Group's intent, belief or current expectations with respect to the Group's business and operations, market conditions, results of operations and financial condition, capital adequacy and risk management. These forward-looking statements should not be relied upon as a representation or warranty, express or implied, as to future matters. Forward-looking statements do not constitute any guarantee or assurance of future results, outcomes or performance. Forward-looking statements have been based on current expectations about future events and initiatives and are, however, subject to risks, uncertainties, contingencies and assumptions that may be beyond the control and knowledge of Blackmores (and its directors and management), and that could cause actual results, outcomes and performance to differ materially from the expectations described in such prospective information. The Group disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date of the presentation, subject to the disclosure requirements applicable to the Group.

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Totals throughout the presentation may not sum due to rounding

Agenda

01	02	03	04	05
Introduction and 1H FY23 highlights	Financial results	Capital management	Business improvement plan	Strategy update and Outlook

1. Introduction and 1H FY23 highlights

Alastair Symington - Chief Executive Officer

Key messages – 1H FY23

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Continued focus on market execution of controllables delivers solid first half result

- Solid first half result compared to very strong pcp which included COVID-19 surges primarily in Indonesia and Thailand
  - Net sales -1.6% and EBIT -5.5%; Underlying NPAT +17.3% driven by higher proportion of earnings from ANZ / China vs the Indonesia JV compared to pcp
  - Excluding COVID-19 surges, net sales would have been +3.0% and EBIT +28.4% vs 1H FY22
- Growth momentum continues in ANZ with continued margin expansion
- Solid performance in China: COVID-19 restrictions easing further towards end of half
- Disciplined in-market execution and improved Customer Service Level (CSL)[1] drove market share / distribution gains in core geographies
- Continued focus on operational efficiency / delivery of costs savings target - EBIT margin 10.7% up from 8.8% FY22
- Remain on track to deliver $55m of gross annualised cost savings by end FY23 with next phase of supply chain / operating cost savings targeting an initial $34-$44m in gross annualised cost savings over FY24 - FY26
- Balance sheet remains strong – net cash of $75.1m supports **interim dividend** of 87 cents per share; at a payout ratio of ~70% of statutory NPAT; +38.1% vs PCP (fully franked)
  - Increase in Dividend Payout Ratio (DPR) range from 30 - 60% to 40 - 70% of statutory NPAT
  - The Company's Dividend Reinvestment Plan (DRP) will not apply to the interim dividend
  - Trading conditions are expected to remain somewhat uncertain with continuing themes of cost inflation and rising interest rates impacting consumer sentiment and shopper behaviour

[1] Measures total quantity shipped and delivered on time against total quantity ordered.

Financial result overview

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Solid financial result with Underlying NPAT[1] up 17.3%

	1H FY23	% vs 1H FY22	% vs 2H FY22
Revenue	$338.0m[6]	(1.6)%	+12.8%
Gross Margin %	53.3%	(0.6) ppts	+1.5 ppts
Underlying EBIT	$36.2m	(5.5)%	+97.8%
Underlying EBIT Margin %	10.7%	(0.4) ppts	+4.6 ppts
Underlying NPAT	$24.4m	+17.3%	+136.9%
Underlying EPS (cents / share)	125.4	+17.0%	+136.2%

1 **Solid performance in 1H FY23 compared to very strong 1H FY22**

- ANZ revenue up 3.9%, EBIT up 5.0% with market share gains[2] in Blackmores
- China revenue up 6.1%, EBIT up 9.8% despite lockdowns for much of the 1H
- International revenue down 15.1%, EBIT down 40.2% reflects COVID-19 surges in 1H FY22
- Group Advertising and Promotion (A&P)[3] investment up 17.6% (including reinstatement of Blackmores' running festival)
- Inventory higher in 1H FY23 – expected to reduce progressively
- 1H FY23 Underlying NPAT[1] up 17.3% vs 1H FY22 (reflects higher proportion of earnings from ANZ / China vs the Indonesia JV compared to pcp)

2 **Continued margin improvement momentum from FY22**

- Ongoing disciplined focus on operational expenditure; OPEX[4] down 6.8%
- Annualised gross cost savings remain on target - $55m by end FY23
- Underlying EBIT margin up 4.6 ppts vs 2H FY22 and up 1.9 ppts on FY22

3 **Strong financial position maintained**

- Net Cash[5] $75.1m as at 31 December 2022
- Increase in Dividend Payout Ratio (DPR) range from 30 - 60% to 40 - 70% of statutory NPAT
- The Company's Dividend Reinvestment Plan (DRP) will not apply to the interim dividend

[1]Underlying NPAT from Continuing Operations
[2]Source: IQVIA Total Aus Scan Sales VDS Category (Grocery & Pharmacy) – FYTD to 31/12/22
[3]Advertising and promotion spend includes selling, marketing, research and innovation expenses
[4]OPEX is determined on an Underlying basis and excludes Raw materials and consumables, Selling and marketing
[5]Part of the cash balance is required to fund market expansion, especially with rapid growth in International across several countries, and investment in Technology and Digital
[6]Reclassified customer co-marketing payments from Selling and Marketing to Trade Spend (treated as a reduction in Revenue) in FY22 and FY23 due to a change in accounting policy

Disciplined focus on in-market operational plans

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Strong focus on pricing and cost recovery to maintain margins in inflationary environment

Australia/NZ

- Continued growth of Blackmores Group total market share ahead of the VDS market[1]
- Average price increase 5 - 6% implemented to offset cost inflation pressures
- Continued margin expansion despite increase in A&P investment to support brand initiatives
- Continued improvement in Customer Service Level (CSL)[2] through 1H FY23

International

- Key markets lapping significant immunity surge in 1H FY22
- Market share and distribution gains in Indonesia[3]
- Market leading position maintained in Thailand and regained in Malaysia[3]
- Average price increases of 7 - 8% implemented in majority of markets
- Working capital increased in anticipation of COVID-19 spikes that did not materialise – expected to reduce progressively

China Region[4]

- Solid performance - Blackmores improved to #3[5] brand position in Double 11
- Average price increases 6 - 8% implemented across eCommerce platforms
- Strong NPD program with launches of Omega mini, Vision Care and Energy, Superkids
- Restrictions eased from December 2022, however, too early to tell what post lockdown shopper behaviour will look like

[1]IQVIA Total Australia Scan Sales VDS Category (Grocery & Pharmacy) – FYTD to 31/12/22
[2]Measures total quantity shipped and delivered on time against total quantity ordered.
[3]IQVIA / Nielsen; Scan data to 31/12/2022
[4]China region includes China, Hong Kong and Taiwan in FY22 and FY23
[5]Smart Path China VDS e-Commerce Market Share data for the period ending Nov 2022

2. Financial results

Patrick Gibson - Chief Financial Officer

Group results

Underlying NPAT up 17.3%

A$m	Statutory[1]	Underlying		
	1H FY23	1H FY23	1H FY22	% vs pcp
Sales revenue[2, 3]	**338.0**	**338.0**	**343.6**	**-1.6%**
Gross profit	**180.2**	**180.2**	**185.2**	**-2.7%**
% of sales revenue	*53.3%*	*53.3%*	*53.9%*	*-0.6 ppts*
EBITDA	**49.2**	**49.4**	**52.7**	**-6.3%**
% of sales revenue	*14.6%*	*14.6%*	*15.3%*	*-0.7 ppts*
D&A	13.2	13.2	14.4	-8.3%
EBIT	**36.0**	**36.2**	**38.3**	**-5.5%**
% of sales revenue	*10.7%*	*10.7%*	*11.1%*	*-0.4 ppts*
NPAT – continuing operations (total)	**25.6**	**25.7**	**25.7**	**-0.0%**
Non-controlling interests	1.3	1.3	4.9	-73.5%
NPAT – continuing operations (BKL share)	**24.3**	**24.4**	**20.8**	**17.3%**
Earnings Per Share (EPS) – continuing operations	124.9	125.4	107.2	17.0%
Dividend Per Share (fully franked) – interim	87 cents			
% payout ratio	69.7%			

[1]See slide 28 for reconciliation of Statutory to Underlying EBIT. Presented on a continuing business basis
[2]Statutory sales revenue excludes Other Income
[3]Reclassified customer co-marketing payments from Selling and Marketing to Trade Spend (treated as a reduction in Revenue) in FY22 and FY23 due to a change in accounting policy

- **Group revenue[3]** of **$338.0m down 1.6%** (**-1.7%** constant currency basis) vs pcp, driven by growth in Australia +3.9% and China +6.1% offset by decline in International due to 1H FY22 including significant COVID-19 surge demand
- **Underlying Gross margin** down by **0.6 ppts** to **53.3%** vs pcp; improved margins in ANZ and China offset by decline in International
- **D&A** decreased by **8.3%** to **$13.2m** driven primarily by lower lease depreciation
- **Underlying EBIT** of **$36.2m**, down **5.5%** vs pcp
  - Underlying EBIT margin down **0.4 ppts,** on pcp but up **4.6 ppts** on 2H FY22 and up **1.9 ppts** on FY22 - driven by higher A&P spend in 1H FY23
- **Underlying NPAT** of **$24.4m**, up **17.3%** compared to pcp - (reflects lower earnings contribution from Indonesia (Blackmores 50.01% owned JV)
- **Fully franked interim Dividend per Share of 87 cents** representing a payout ratio of ~70% of statutory NPAT

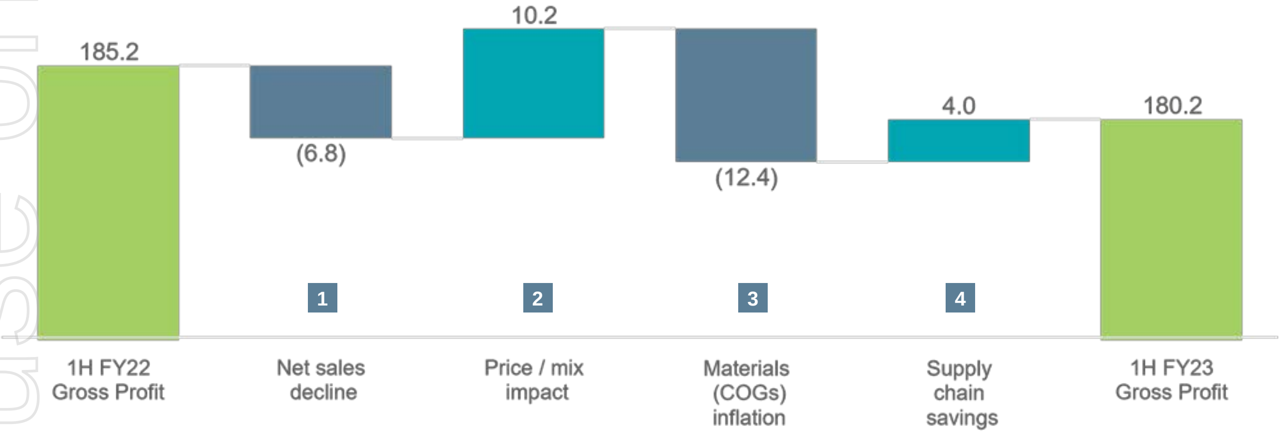
Gross profit margin[1]

Gross margin improvement in ANZ and China offset by International

Gross profit (A$m)

1H FY22 Gross Profit Margin 53.9%

1H FY23 Gross Profit Margin 53.3%



Key drivers

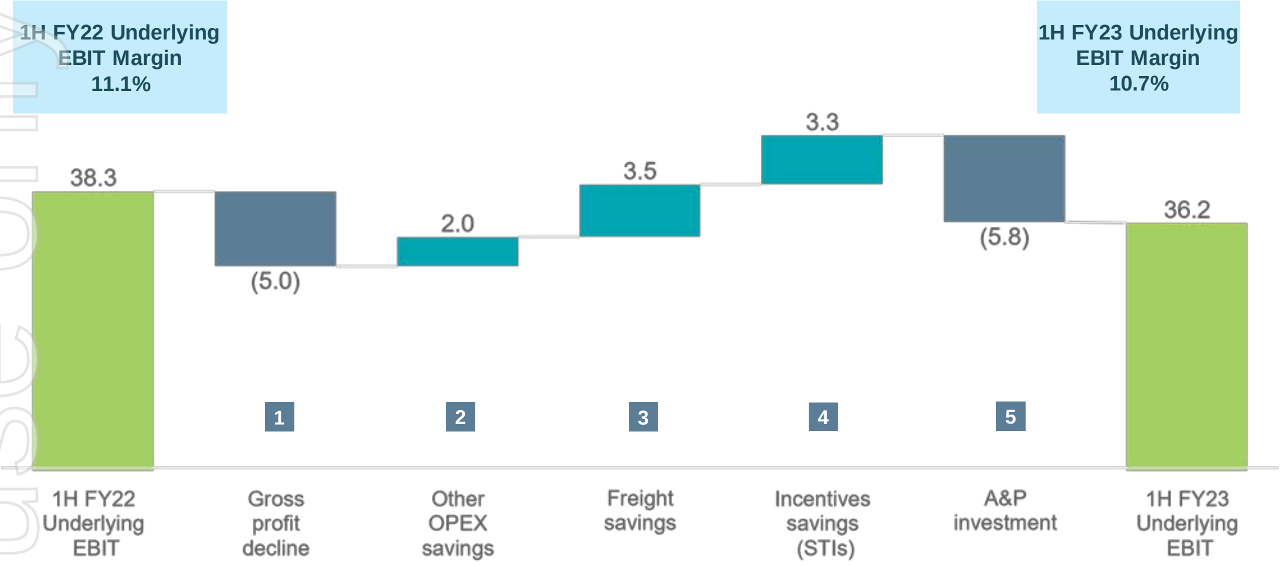
1. **Net sales decline** of **$5.6m, -1.6% (-1.7% constant FX)** at 1H FY23, gross margin of **53.3%.** Growth in ANZ and China offset by International
2. **Price / mix impact:** impact of global price increase, product mix
3. **Materials (COGs) inflation: 7.9%** gross increase in direct input costs
4. **Supply chain (COGs) savings:** driven by network and strategic sourcing savings

[1]Reclassified customer co-marketing payments from Selling and marketing to Trade Spend (treated as a reduction in Revenue) in FY22 and FY23 due to a change in accounting policy

Underlying EBIT margin

EBIT margin down slightly compared to strong pcp, however up 1.9 ppts on FY22 despite higher A&P investment

Underlying EBIT[1] (A$m)



Key drivers

1. **Gross profit decline[2]** of **$5m** (**-2.7%**)
2. **Other OPEX savings: $2.0m** savings with the majority from cost reduction initiatives per the Business Improvement Program
3. **Freight savings:** reduced outbound freight oncosts of **$3.5m** due to supply chains improving and lower air-freight
4. **Incentives savings (STIs)** of **$3.3m**
5. **A&P investment** of **$5.8m** driven by increased brand support including reinstating Blackmores running festival

[1]Underlying EBIT is a non-IFRS measure and used by management to assess the operational performance of the business. Refer to page 30 for a reconciliation to statutory figures
[2]Reclassified customer co-marketing payments from Selling and Marketing to Trade Spend (treated as a reduction in Revenue) in FY22 and FY23 due to a change in accounting policy

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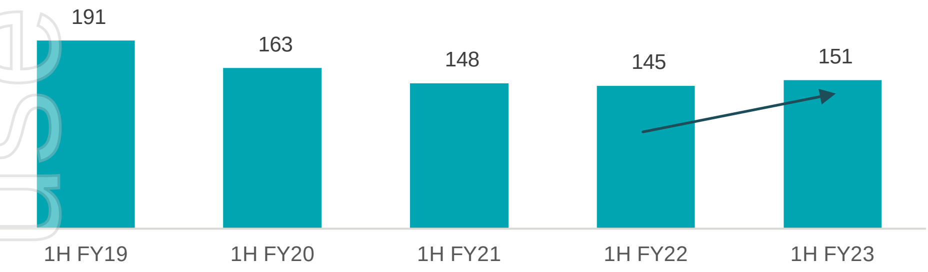
Australia and New Zealand

Continued revenue and sales growth momentum with margin expansion

Segment result

A$m	1H FY23	1H FY22	% vs pcp	% vs pcp (constant FX)
ANZ Sales[1] excluding contract manufacturing	149.8	141.8	5.6%	5.9%
Contract manufacturing sales	1.0	3.4	-70.3%	-70.3%
Sales Revenue Total[1, 2]	**150.8**	**145.2**	**3.9%**	**4.1%**
Underlying EBIT[2]	**27.4**	**26.1**	**5.0%**	
% of sales revenue	18.2%	18.0%	0.2ppts	

1H Revenue (A$m)[2]



Commentary

- **Revenue** of **$150.8m** up **3.9%** vs pcp (up **4.1%** constant FX), or **5.6%** excluding legacy Braeside contract (CMO) sales
  - Average price increases of 5 - 6% implemented to mitigate cost inflation
  - **Continued strong in market execution:** Australia business market share growth[3] YTD December
  - **Growth in** Blackmores brand with product and brand innovation, increased investments in advertising and increased points of sale
- **Underlying EBIT[2]** of **$27.4m** up **5.0%** vs pcp; **Underlying EBIT margin** up **0.2 ppts** to **18.2%** despite increased A&P spend
  - **Gross profit margin up 2.4 ppts** vs pcp driven by product mix and trade spend efficiencies
  - **A&P investment up $4.1m** with investment in brand initiatives and return of the **Blackmores Sydney Running Festival**

[1]Reclassified customer co-marketing payments from Selling and marketing to Trade Spend (treated as a reduction in Revenue) in FY22 and FY23 due to a change in accounting policy
[2]Historical revenue and EBIT includes Australia and NZ and BioCeuticals
[3]IQVIA Total Australia Scan Sales VDS Category (Grocery & Pharmacy) – FYTD to 31/12/22

China[1]

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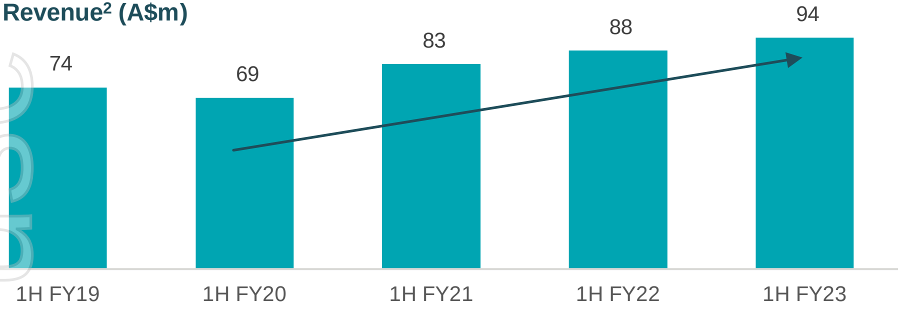
Solid performance with Blackmores brand improving to #3 in top VDS brands during Double 11[2]

Segment result

A$m	1H FY23	1H FY22	% vs pcp	% vs pcp (constant FX)
Sales revenue[1, 3]	**93.7**	**88.3**	**6.1%**	**6.1%**
Underlying EBIT	**9.0**	**8.2**	**9.8%**	
% of sales revenue	9.6%	9.3%	0.3 ppts	

1H Revenue[2] (A$m)



Commentary

- **Revenue** of **$93.7m** up **6.1%** vs pcp (up **6.1%** constant FX)
  - **Cross Border Ecommerce (CBEC)** channel steady; corporate Diagou sales up
  - **Solid performance during Double 11 -** Gross merchandise value sales up 19% vs pcp
    - **Blackmores improved to #3[4] top VDS brands** in CBEC platforms during Double 11
  - **Continued strong market execution to manage lockdown disruptions through**:
    - Brand positioning / pricing power
    - Positioning with key platform partners
    - New Product introduction
- **Underlying EBIT** of **$9.0m** up **9.8%** on pcp; **Underlying EBIT margin** up **0.3 ppts** to **9.6%**
  - **Gross margin** up **1.9 ppts** with price initiatives and favourable mix offsetting COGs challenges

[1]Revenue for Hong Kong and Taiwan entities, which were previously included as part of the International segment, have been transferred to China segment.
[2]Smart Path China VDS Ecommerce Market Share data for the period ending Nov 2022.
[3]Reclassified customer co-marketing payments from Selling and marketing to Trade Spend (treated as a reduction in Revenue) in FY22 and FY23 due to a change in accounting policy.
[4]Smart Path China VDS Ecommerce Market Share data for the period ending Nov 2022.

International[1]

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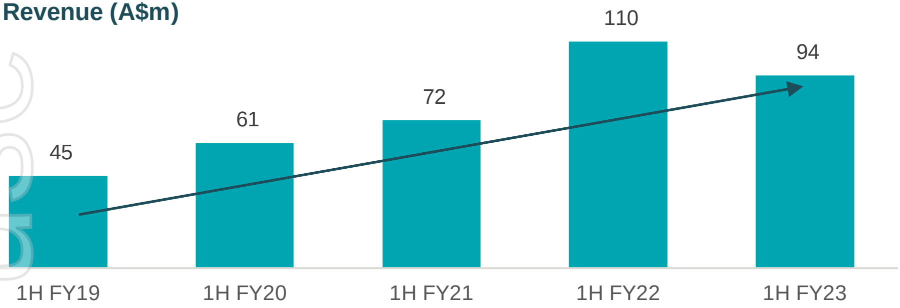
Lapping a very strong prior half which primarily included COVID-19 surges in key International markets

Segment result

A$m	1H FY23	1H FY22	% vs pcp	% vs pcp (constant FX)
Sales revenue	**93.5**	**110.1**	**-15.1%**	**-15.6%**
Underlying EBIT	**11.0**	**18.4**	**-40.2%**	
% of sales revenue	11.8%	16.7%	-4.9 ppts	

1H Revenue (A$m)



Commentary

- **Revenue** of **$93.5m** down **15.1%** vs pcp (down **15.6%** constant FX)
  - **Revenue impacted** by cycling of comparatives primarily related to significantly elevated immunity-related demand in 1H FY22
  - **Market share growth and distribution gains** in Indonesia; Thailand's #1 market position maintained; Regained #1 share position in Malaysia[2]
  - Average price increases of 7 - 8% implemented to mitigate cost inflation
- **Underlying EBIT** of **$11.0m** down **40.2%** on pcp; **Underlying EBIT margin** down **4.9 ppts** to **11.8%**
  - EBIT margin impacted by reduced operating leverage and higher A&P due to increased market competition
  - Inventory built in markets to ensure product availability for anticipated COVID-19 surge demand which did not materialise in 1H FY23

[1]Revenue for Hong Kong and Taiwan entities, which were previously included as part of the International segment, have been transferred to China segment.
[2]IQVIA / Nielsen; Scan data to 31/12/2022

Balance Sheet

Strong financial position maintained

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A$m	Dec-22	Jun-22
Cash	75.1	82.2
Receivables	119.8	121.1
Inventories	168.8	155.4
Other current assets	20.3	15.8
Property, plant and equipment	108.3	110.2
Other non-current assets	105.5	106.2
Total Assets	**597.8**	**590.8**
Trade and other payables	105.2	127.1
Other current liabilities	41.9	32.8
Interest bearing liabilities	-	-
Other non-current liabilities	18.5	22.2
Total Liabilities	**165.6**	**182.1**
Net Assets	**432.2**	**408.7**

- **Total Assets increased $7.0m**, driven by:
  - Group cash balance decreased by **$7.1m** to **$75.1m** due to higher inventories built to meet potential immunity surges
    - Extra working capital required to fund market expansion, especially growth in International across several countries
    - Significant funding capacity for investments in growth markets and Technology & Digital
  - Slightly lower receivables driven by slightly lower net sales growth and CNY[1] timing – no material concerns with debtors ageing or collectability
  - **$13.4m** increase in inventory to support customer service levels and increase in safety stocks in anticipation of COVID-19 surge in International which did not materialise
    - Inventory expected to reduce progressively
- **Total Liabilities decreased $16.5m**, driven primarily by lower trade and other payables, reflecting lower orders made to suppliers at the end of the half as we decrease our inventory balance
- The Company's **Dividend Reinvestment Plan** (DRP) will not apply to the interim dividend
- **Dividend Payout Range** increased from 30 - 60% to 40 - 70% of statutory NPAT

[1]Chinese New Year

Cash Flow

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Positive cashflow generation and debt free

A$M	Dec-22	Dec-21	% vs pcp
EBITDA	49.2	52.0	(5.3%)
Decrease / (increase) in net working capital	(30.4)	(2.9)	944.7%
Operating cash flow before interest and tax	**18.8**	**49.1**	**(61.7%)**
Operating cash flow conversion	*38.2%*	*94.5%*	(56.3 ppts)
Interest	(0.8)	(1.9)	(57.1%)
Tax	(11.8)	(12.0)	(1.3%)
Net operating cash flow	**6.2**	**35.3**	**(82.4%)**
Capital expenditure	(4.8)	(4.1)	16.7%
Proceeds from sale of assets	0.1	0.0	
Interest and dividend income	0.5	0.1	309.1%
Cash flow after investing activities	**2.0**	**31.3**	**(93.7%)**
Dividends / distributions paid	(5.0)	(8.9)	(43.4%)
Proceeds / (repayment) of leases and borrowings	(4.1)	(4.1)	1.5%
Share purchase (incl. LTI)	(0.3)	(0.9)	(70.7%)
Net cash flow before FX	**(7.5)**	**17.4**	**(142.9%)**
Effects of FX	0.3	1.9	(82.1%)
Net cash flow	**(7.1)**	**19.3**	(136.8%)

A$M	Dec-22	Dec-21	% vs pcp
Cash and cash equivalents	75.1	89.4	-16.0%
Net Cash/(Debt)	**75.1**	**89.4**	**-16.0%**

- **Operating cash flow before interest and tax** of **$18.8m** down **61.7%** with **cash conversion ratio** of **38.2%** compared to **94.5%** reported on 31 December 2021, driven by:
  - a **$47.0m** increase in inventory to support customer service levels and increase in safety stocks in anticipation of COVID-19 surge in International which did not materialise
  - lower EBITDA, reflecting strong pcp in International and lower D&A
- **Cash flow from investing activities** relates to payments for PP&E. CAPEX of $4.8m for additional Braeside capacity
- **Financing outflow** represents dividends paid by Blackmores, repayments of lease liabilities and payments for vested share rights
- **Blackmores Group** is in a consolidated net cash position of **$75.1m** compared to **$89.4m** net cash as of 31 December 2021

Investment expenditure

Disciplined investment to support growth

A$M	Dec-22	Dec-21
Technology and Digital spend (non-cloud)	2.1	0.6
Supply chain efficiency	2.4	2.5
Other capital expenditure	0.3	1.0
Total CAPEX	**4.8**	**4.1**
Total CAPEX % sales	*1.4%*	*1.2%*
Technology and Digital spend (OPEX)	**2.0**	**5.1**
Total Investment (incl OPEX)	**6.8**	**9.2**

- **Capital expenditure (CAPEX)** of **$4.8m** in 1H FY23, included:
  - **Maintenance and efficiency CAPEX** including increased capacity at Braeside, IT upgrades to equipment and facilities, cyber and other items
- **OPEX investment** of **$2.0m** in cloud and digital capability uplift
- **FY23 total investment spend** expected to be in the range **$20-$22m including OPEX** (Cloud computing)
  - **Supply chain** investments to enhance efficiency and unlock capacity for more growth
  - **Technology** investments in key processes including demand and supply planning solutions
  - **~$8.5m** is expected to be in much needed **digital capabilities** including progressing e-Commerce platforms and Customer Relationship Management and Product Life-cycle solutions
- All key investment spend will continue to be managed in accordance with Blackmores' capital allocation framework and require detailed individual business cases / ROI

3. Capital Management

Patrick Gibson - Chief Financial Officer

Capital allocation plan

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Leverage strong balance sheet and confidence in future cash generation to enhance shareholder returns

Working capital efficiency

- Increase in inventory in 1H FY23 re anticipated COVID-19 spike which did not materialise
- Expect inventory to reduce progressively as we drive efficiency improvements

Investment in organic growth

- Cost savings programs deliver growth investment capability balanced with continued focus on margin expansion
- Continued investment to support product and brand innovation, NPD and brand activation in core and developing markets

Investment in simplification, cost reduction and customer service

- Standardise operating systems to reduce complexity and improve customer service supported by faster innovation and NPD
- Ongoing investment in organic growth opportunities / multi-year investments (largely OPEX) to enhance technology and digital

Return excess capital

- Increase in dividend payout range (DPR) from 30 - 60% to 40 - 70% of statutory NPAT
- The Company's Dividend Reinvestment Plan (DRP) will not apply to the interim dividend

Acquisitions

- Continue to assess strategic accretive acquisition opportunities

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4. Business Improvement Plan

Alastair Symington – Chief Executive Officer

Business Improvement Program – cost savings

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On track to deliver $55m in gross annualised EBIT savings by end FY23

Gross savings overview

$ millions	FY21 Annualised Savings Delivered	FY22 Annualised Savings Delivered	Cumulative FY21 & FY22 Annualised Savings	1H FY23 Savings Delivered	Target FY21 - FY23 Cumulative Savings
Procurement savings (primarily COGs)	$13m	$11m	$24m	$4m	$30m
Organisational productivity savings	$15m	$6m	$21m	$2m	$25m
TOTAL SAVINGS / EFFICIENCIES	**$28m**	**$17m**	**$45m**	**$6m**	**$55m**

Implement phase 2 cost savings programme FY24 – FY26

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Targeting an initial $34 - $44 million in Gross[1] cost savings by FY26

- Remain on target to deliver Phase 1 annualised gross costs savings target of $55m by FY23
- Phase 2 of Cost Savings targets an initial $34-$44m in **gross** annualised cost savings over FY24 – FY26
- Key Project streams include:
  - Procurement savings in COGs
  - Other cost savings
- One-off restructuring costs of ~$2m in 2H FY23 expected to be incurred
- Work is underway to identify and validate further potential cost savings which we expect to update with the FY23 results

Targeted Gross[1] Savings $ million	**FY24**	**FY25**	**FY26**	**Total**
Procurement savings (primarily COGs)	$10-$13m	$10-$13m	$10-$13m	**$30-$39m**
Other cost savings	$ 4-$ 5m	-	-	**$ 4- $ 5m**
TOTAL GROSS SAVINGS	**$14-$18m**	**$10-$13m**	**$10-$13m**	**$34-$44m**

[1]Annualised gross savings shown. In year net savings will depend on re-investment in growth initiatives vs increase in EBIT

5. Strategy update and outlook

Alastair Symington - Chief Executive Officer

Key strategic initiatives

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1. Driving growth in targeted segments and markets	1	Build off strong performance across CBEC platforms as China reopens
	2	Deliver International NPD pipeline with product launches in 2H FY23 including Vision Care Plus Energy
2. Simplify our operations and reduce cost	3	Cost reduction from ongoing product and bulk rationalisation and productivity improvements
	4	Drive executional synergies and greater Integrated Business Planning Discipline in International
3. Strengthen our supply chain	5	Further investment in cloud-based demand / supply planning system to drive working capital efficiency
	6	Review underway on future supply chain network design with focus on best cost and agility
4. Ignite the Australian VDS opportunity	7	Strong New Products Development (NPD) pipeline into 2H with the launch of higher-margin products
	8	Continued investment in A&P behind key segments
5. Transform Digital	9	Increased investment in digital capabilities / eCommerce and cyber
	10	Progress PLM / CRM systems to improve quality, accuracy and speed of information flows

FY 23 Outlook

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Leverage our channel and geographic diversity amid ongoing market uncertainty

	Australia / NZ	International	China Region
Market commentary	Carefully monitoring impact of high inflation on shopper behaviour	Monitor economic activity in slower growth environment post COVID-19 surge demand	Too early to assess potential impact of easing of lockdown restrictions and slow build-up of Chinese travelers into FY24
Market execution focus	Continue to build marketing investment in Blackmores' brands Execute pipeline of higher-margin NPD Price / mix strategies to help offset further inflationary pressure Stay focused on operational discipline to deliver cost savings targets Continue to drive Braeside efficiencies	Execute NPD in all markets with excellence Indonesia – Independent Pharmacy distribution expansion with focus on value per store Malaysia – growth in Modern Trade (grocery) partially offset by slower growth in Independent Pharmacies Thailand – consolidate #1 market position	Leverage brand position across CBEC platform Execution of premiumisation in Fish Oil and NPD expected to continue Price / mix strategies to protect margins Preparation for the impact of returning Chinese travellers and student migration Still too early to tell what a post pandemic consumer environment will look like
Group focus	Deliver $55m annualised gross cost savings by end FY23 and embed new initial $34 - 44m cost savings program for delivery in FY24 - FY26 Continue the rollout of Technology and Digital improvements including strengthening Blackmores' cyber posture		

Q&A

Appendix

Reconciliation of Underlying to Statutory EBIT

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Underlying EBIT excludes the impact of one-off costs and non-recurring benefits; minimal adjustments

A$m		Adjustments		
1H FY23	**Underlying**	**Business transformation[2]**	**Other non-recurring income / (costs)**	**Statutory**
ANZ	27.4	(0.0)		27.4
China[3]	9.0	(0.1)		8.9
International[3]	11.0			11.0
Corporate	(11.2)	(0.3)	0.2	(11.3)
Group	**36.2**	**(0.4)**	**0.2**	**36.0**

1H FY22	Underlying	Business transformation[2]	Other non-recurring income / (costs)	Statutory
ANZ	26.1			26.1
China[3]	8.2			8.2
International[3]	18.4			18.4
Corporate	(14.4)	(0.6)	(0.1)	(15.1)
Group	**38.3**	**(0.6)**	**(0.1)**	**37.6**

[1]Includes JobKeeper and Jobs Support Scheme
[2]Includes transformation costs and redundancy payments
[3]Revenue for Hong Kong and Taiwan entities, which were previously included as part of the International segment, have been transferred to the China segment

Indonesia - Non-controlling Interest

Non-controlling Interest reconciliation

A$m[1]	1H FY23	1H FY22	% vs pcp
Sales revenue	**14.7**	**26.8**	(83.0%)
EBIT	**3.2**	**12.6**	(300.1%)
NPAT	**2.5**	**9.8**	(287.5%)
Less NCI Share 49.99%	**1.3**	**4.9**	(287.5%)
NPAT - BKL Share 50.01%	**1.3**	**4.9**	(287.5%)
Total Assets	**36.9**	**35.4**	4.1%
Total Liabilities	**11.4**	**18.0**	(57.9%)
Net Assets	**25.5**	**17.3**	31.9%

Consolidated Investment in PT Kalbe Blackmores Nutrition (Kalbe)

The Group, through its 100% owned subsidiary entity, Blackmores International PTE Limited, holds 50.01% of Kalbe Blackmores Nutrition (Kalbe), a company which acquires goods from Blackmores. The other 49.99% share is held by PT Sanghiang Perkasa, a subsidiary entity of Kalbe Group, a publicly listed pharmaceutical company operating in South East Asia.

By virtue of the majority shareholding and risks and rewards of the arrangement, Blackmores consolidates the assets, liabilities, income and expenses of Kalbe, and recognises a non-controlling interest (NCI) for Kalbe's 49.99% share.

[1]AUD value for P&L is converted using spot rate at the time of transaction. Balance sheet converted using EOM rate at 31/12/22

Acronyms

Acronym	Meaning
ANZ	Australia & New Zealand
CAGR	Category Average Growth Rate
COGs	Cost of Goods Sold
CBEC	Cross Border E-Commerce
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortisation
EPS	Earnings Per Share
ESG	Environmental, Social, Governance
FY	Financial Year / Full Year
FX	Foreign Exchange
GMV	Gross Merchandise Value
HY	Half Year
1H / 2H	1 Half / 2 Half
KPI	Key Performance Indicator
LVP	Leading Value Position
NPAT	Net Profit After Tax
OPEX	Operational Expenditure

Acronym	Meaning
PCP	Prior Corresponding Period
PAW	Pure Animal Wellbeing
PPTS	Percentage points
PP&E	Property, Plant and Equipment
VDS	Vitamin and Dietary Supplements

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