

# Investor Briefing

## Investing for sustainable, profitable growth

Blackmores Limited

22 April 2021



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# Alastair Symington

Chief Executive Officer



# Acknowledgement of Country



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Director Digital  
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# Executive Team

with global experience across health, retail, FMCG



**Alastair Symington**  
Chief Executive Officer



## Business Unit Leaders



**Ayumi Uyeda**  
Managing Director,  
Australia & NZ



**Kitty Liu**  
Managing Director,  
China



**Dean Garvey**  
Managing Director,  
International



## Centres of Expertise



**Gunther Burghardt**  
Chief Financial  
Officer & Enterprise  
Services



**Joanne Smith**  
Chief Marketing &  
Innovation Officer



**Cecile Cooper**  
Chief Governance  
Officer



**Lesley Braun**  
Director,  
Blackmores Institute



**Jeremy Cowan**  
Chief Operations  
Officer



**Jane Franks**  
Chief People  
Officer



**Raffaele D'Alisa**  
Director  
Communications &  
Corporate Citizenship



**Mike Charter**  
Director Ventures  
& Strategy





# Key messages



## Blackmores Group transformation is well underway.

We have simplified our operating model and are focused on our growth strategy to return Blackmores to sustainable, profitable growth. Our transformation will be enabled by reaching and influencing more consumers through a fundamental change in digital capability.



## Australian vitamin and dietary supplement

category has been impacted by structural shifts and changing shopper behaviour, resulting from COVID-19.

Focus is on restoring value to the marketplace via innovation, partnering with our retailers on a great health experience and leveraging online platform to access more consumers.



## Blackmores Capital Allocation Framework

is aligned with our strategic and financial objectives to ensure capital discipline. This framework is a key enabler to guide investment decisions that drive growth and long-term shareholder value and returns.



## Long-standing and committed leadership in Environmental, Social & Governance (ESG)

is underpinned by investments that deliver on our responsibility to make a positive impact on “healthy people, healthy planet” through everything we do.



## Continue to execute against our Growth Strategy

with focus investments in Asia, Digital, Pet and Manufacturing via offers that deliver specific consumer needs and drive distinctive, market-leading brands.

Consider M&A that has a strong fit to agreed strategy, accelerates growth and builds shareholder value.

# Blackmores Group

FY21 First Half revenue  
**\$302.6m**

Leading natural  
healthcare company with  
**1,000** quality health products  
and services

**1,200+**  
Staff across ANZ & Asia  
25% are qualified HCPs

**1 in 5**  
Australian households  
use our products<sup>1</sup>



**1.2 million**  
touchpoints  
educating HCPs,  
customers and consumers



Annually produce  
**4 billion capsules and tablets**  
with 33,000 points of global  
distribution



Strong commitment  
to the **environment**  
and **community**



Unrivalled **quality**  
**standards** in sourcing  
and manufacturing



**Purpose-led**  
performance-driven  
culture

1. Nielsen Homescan MAT to 27/12/20





# Our focus over the last 18 months has been to create a stronger, more resilient Blackmores

Over the last 18 months we have rebuilt the foundations of our business and simplified the way we operate



## Organic strategy

Developed refreshed organic strategy focused on:  
3 core brands,  
3 focus markets and  
5 consumer growth platforms



## Portfolio simplification

Divested non-core assets and ongoing SKU rationalisation program. Align ANZ structure to needs of our customers while better leveraging the Blackmores Institute.



## Braeside manufacturing

Acquisition and successful integration of Braeside manufacturing site to absorb higher fixed costs over time and align unique capabilities to our strategy



## Leadership team

World-class leadership team with extensive global experience across Asia-Pacific, Middle East, Africa, North America and Europe



## Business Improvement Program (BIP)

Ongoing initiatives focused on savings/efficiencies to allow reinvestment in high growth markets and digital



## Balance sheet

Strengthened balance sheet through capital raise and debt paydown

# Three market-leading brands

BLACKMORES®



**#1 market share**  
Australia<sup>1</sup>, Thailand<sup>2</sup>,  
Malaysia<sup>3</sup> & Singapore<sup>4</sup>

**Most trusted brand**  
12 years running<sup>5</sup>

BioCeuticals



**#1 practitioner brand**  
in pharmacy<sup>6</sup> and leading  
VDS cold & flu brand with  
18% market share in  
Australia<sup>7</sup>

paw Pure Animal Wellbeing  
By BLACKMORES



**Natural health products for pets**  
- highest brand awareness in Australia<sup>8</sup>

1. Nielsen & IQVIA, RMS/Sell Out service, Vitamins and Dietary Supplements, Australia Grocery Pharmacy, Total Retail Sales, Fiscal Year 2020  
2. IQVIA sell out Thailand as of Q1 2020  
3. IQVIA sell in data MAT Q1/2020, Malaysia Pharmacy Channel  
4. Nielsen June 2019

5. Australia's most trusted vitamin and supplement brand as voted by Australians in the 2009-2020 Reader's Digest Most Trusted Brand Survey  
6. IQVIA, MAT to 14 June 2020  
7. IQVIA MAT to 14 June 2020  
8. Kantar Consumer Brand Health Tracking Study November 2019

# Innovating with the Consumer and Practitioner at the heart

BLACKMORES®



Premium, multi-action formula for energy and immune health, based on research that found 90% consumers felt run down

BioCeuticals



Immunity defence in lead-up to cold & flu season; contains clinically-proven Wellmune® ingredient

paw Pure Animal Wellbeing  
By BLACKMORES



Extends availability of mini chew range for smaller dogs; global rollout

# Proudly Australian

## Integrated manufacturing and quality assured supply chain

— Braeside, Victoria

**Manufacturing and R&D** > 30,000m<sup>2</sup> property  
> 3 billion doses per annum



Warriewood, NSW

**Bottling and packing**

> 11,500m<sup>2</sup> facility  
> 30 million units packed per annum



Bungarribee, NSW

**Distribution centre**

> 16,000m<sup>2</sup> facility  
> 7,000 orders per week



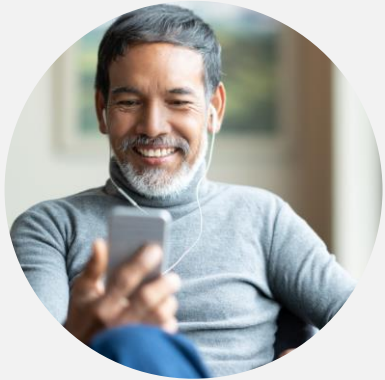


Access to  
>3 billion  
consumers  
in the region

- ANZ 30 million
- China 1.4 billion
- International 700 million
- India 1.3 billion

# Disciplined execution of our strategy

Relentless focus on executing our key choices



## Digital Transformation

**Leverage digital transformation** to rapidly access more consumers and transform how we operate to better serve consumers, customers and practitioners



## Superior Experiences

**Deliver a superior** consumer and practitioner **experience** leveraging unparalleled knowledge of nature and science and our brand



## Modern Career Woman

**Gain the trust** and loyalty of the Modern Career Women (led by China) to care for herself and her family



## New Consumer Reach Halal

**Reach underserved consumer groups** through an assured supply chain for culturally customised products (Halal being first)



## Expand Pet

**Accelerate our Pet supplements leadership** at home and in new markets

Connecting every  
person on earth  
to the healing  
power of nature

# Market Update

Health and Retail Sector

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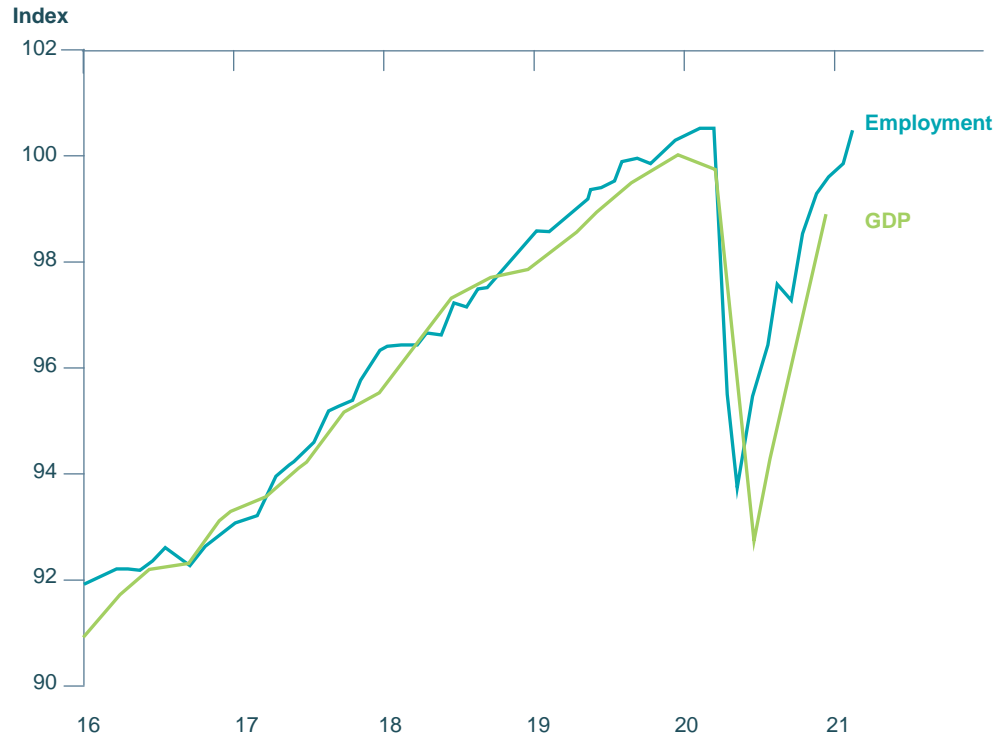
# Economic fundamentals are strong

Economic activity in our key markets has bounced back strongly following the COVID-19 hibernation

## Australia is experiencing a V-shaped economic recovery

### Australia GDP & employment

Q42019 = 100

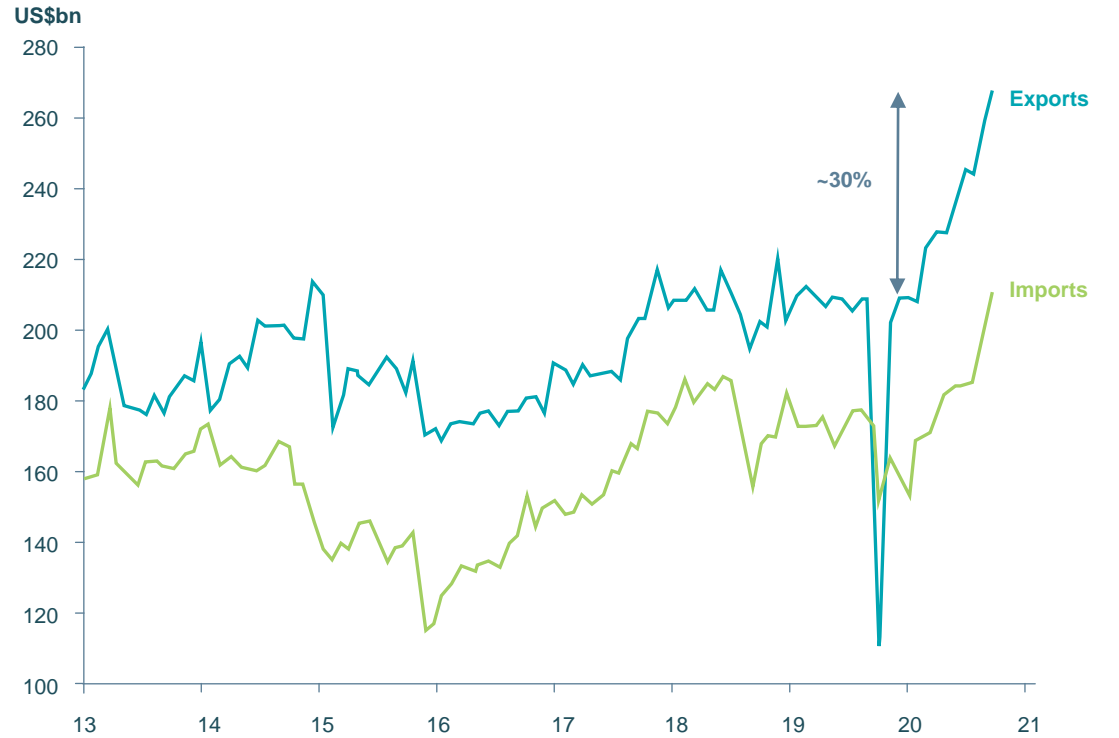


Source: Australian Bureau of Statistics, Macquarie Macro Strategy

## China's economy has surged to new highs

### China monthly trade

Seasonally adjusted



Source: Macrobond, Macquarie Macro Strategy

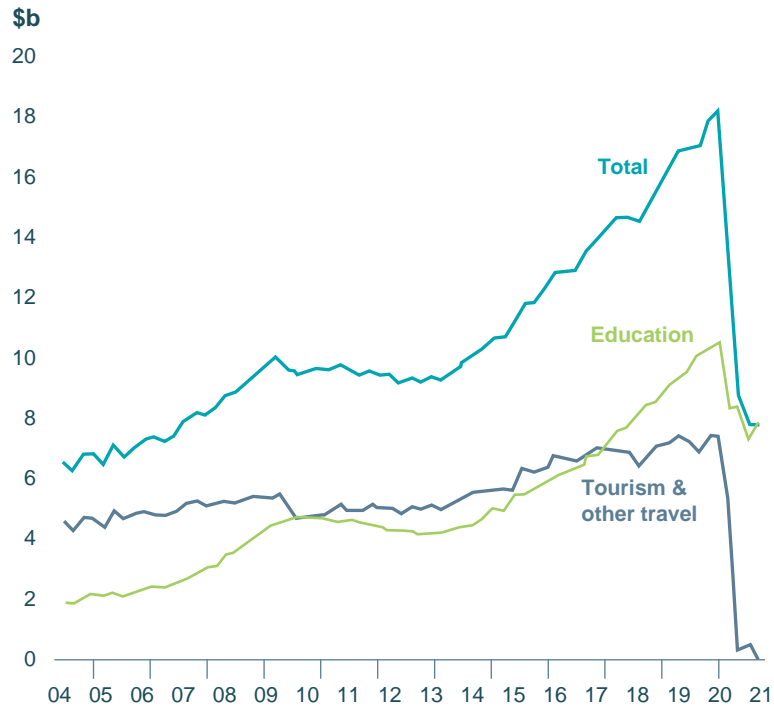


# However, inbound spending is significantly down in Australia driven by absence of international students and tourists

By end 2020, inbound spending had fallen to 1.5% GDP vs. 3.6% in 2019

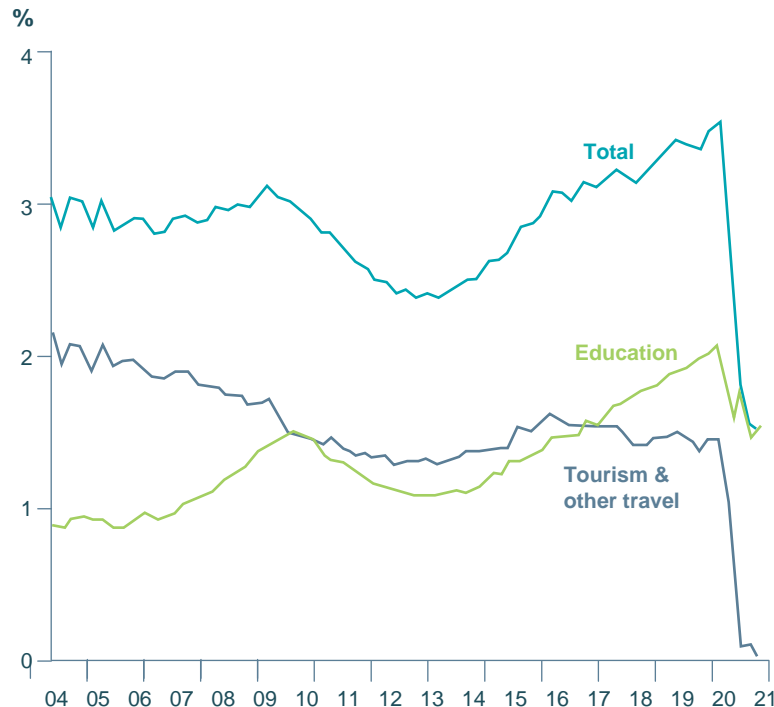
## Travel-related services exports

Nominal, quarterly



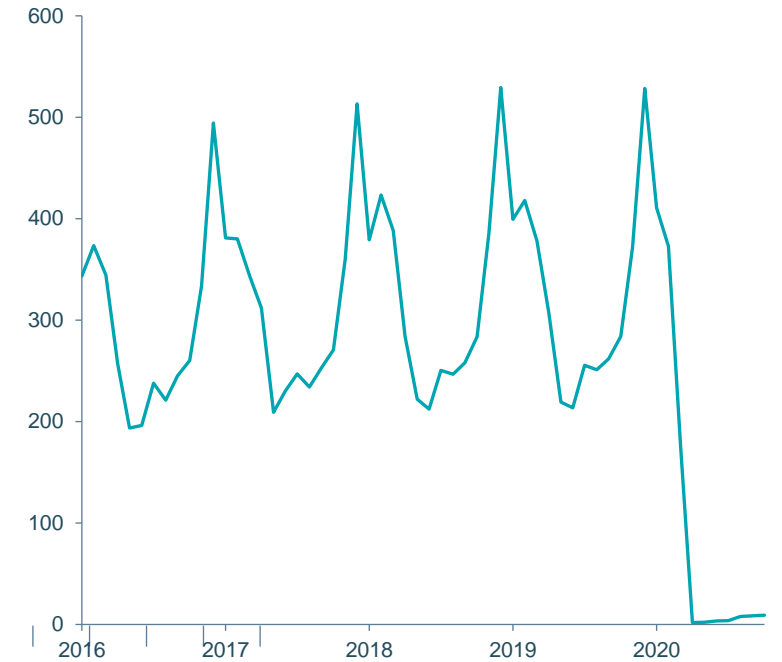
## Travel-related services exports

Percent of GDP, quarterly



## Border closures led to reduced foot traffic in key retailers

Monthly visitor arrivals (000s)

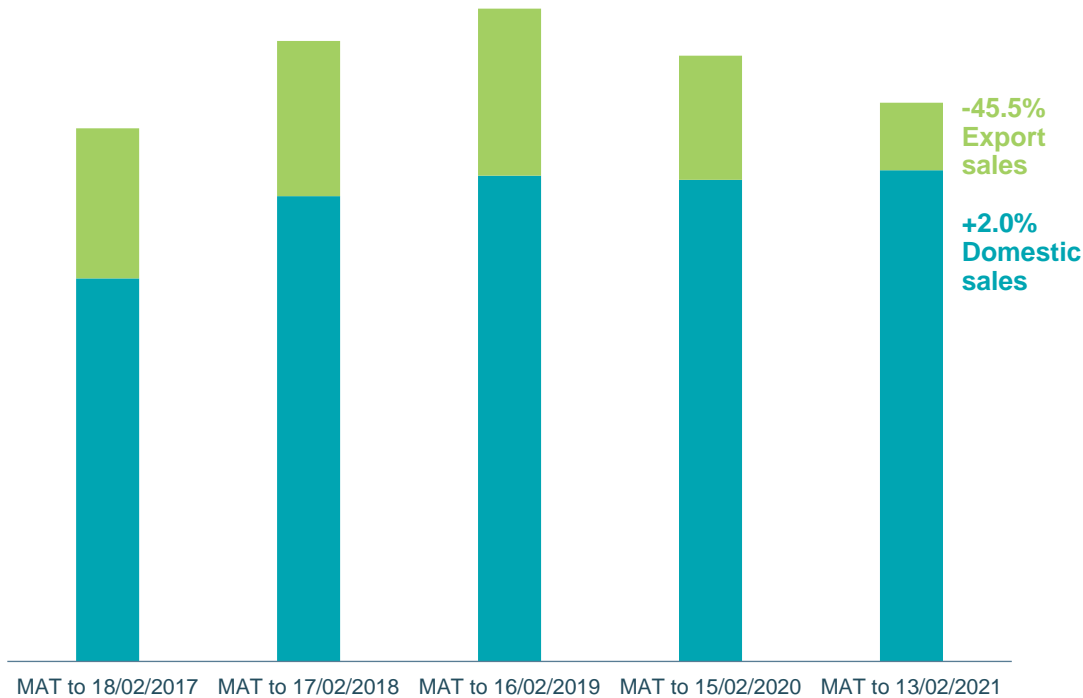


Source: Australian Bureau of Statistics, Macquarie Macro Strategy  
Monthly data to Feb shows that inbound spending by students and other travellers has fallen further so far this year

Source: Australian Bureau of Statistics, Macquarie Macro Strategy

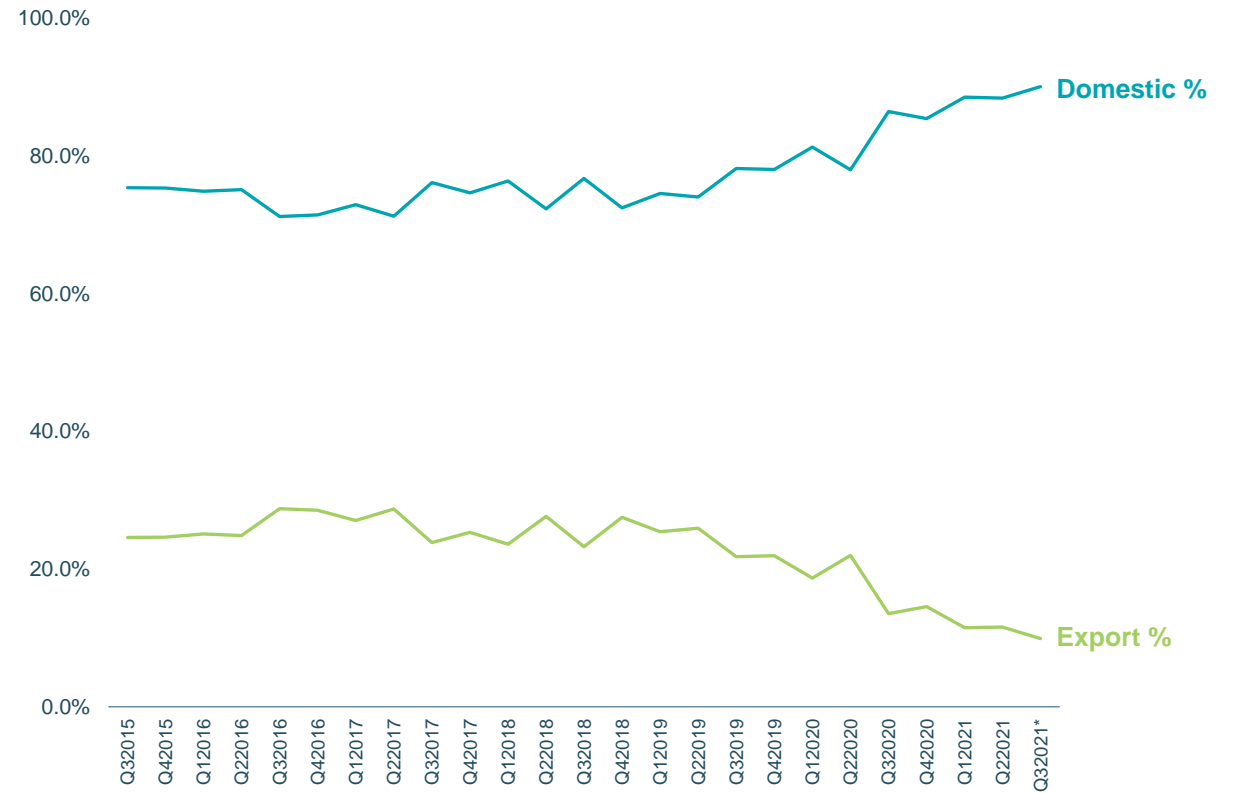
# Weaker category consumption will persist well into 2022, until regular international travel resumes

Category consumption continues to decline in Australia due to lower sales to Chinese shoppers



Source: Nielsen/IQVIA, Australia Grocery & Pharmacy, Domestic/Export Split, Total VMS, MAT to 13/02/2021

Share of Australian sales to Chinese consumers continues to decline with slight increase in domestic

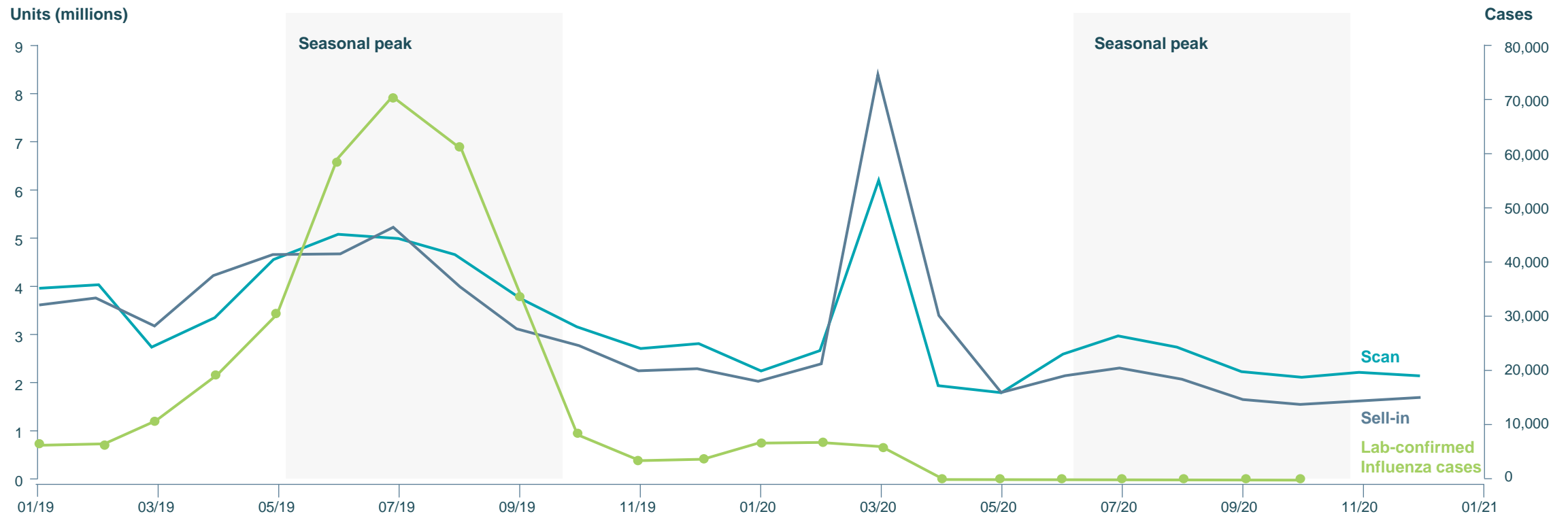


Source: Nielsen/IQVIA, Australia Grocery & Pharmacy, Domestic/Export Split, Total VMS, MAT to 13/02/2021, \*Q3 2021 only consists of 6 weeks of data

# The significantly milder cold & flu season has resulted in surplus stock in the pharmacy channel unlike 2019

## Cold & flu surplus

Lab-confirmed Influenza cases and cold & flu pharmacy sell-in and scan units (millions)



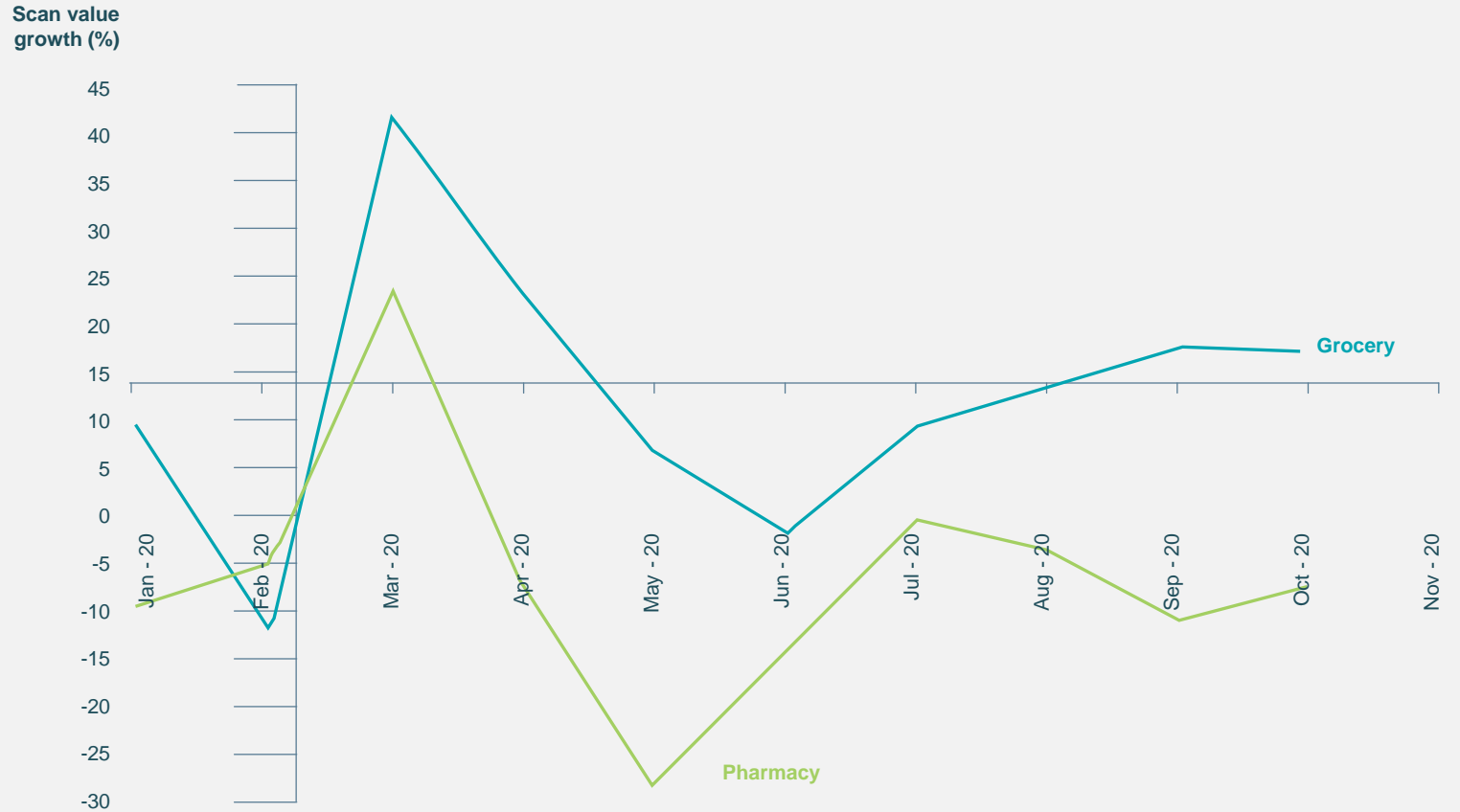
Source: IQVIA Pharmacy Scan, December 2020; IQVIA DDD; NNDSS IQVIA | Q1 2021 Consumer Health Landscape Review

# Pharmacy – a key channel for vitamins and supplements has been impacted

The Australian vitamin and dietary supplement category has been impacted by structural shifts as a result of COVID-19

## Grocery outperformed pharmacy in the last year

Vitamin and mineral supplements scan value sales growth by channel

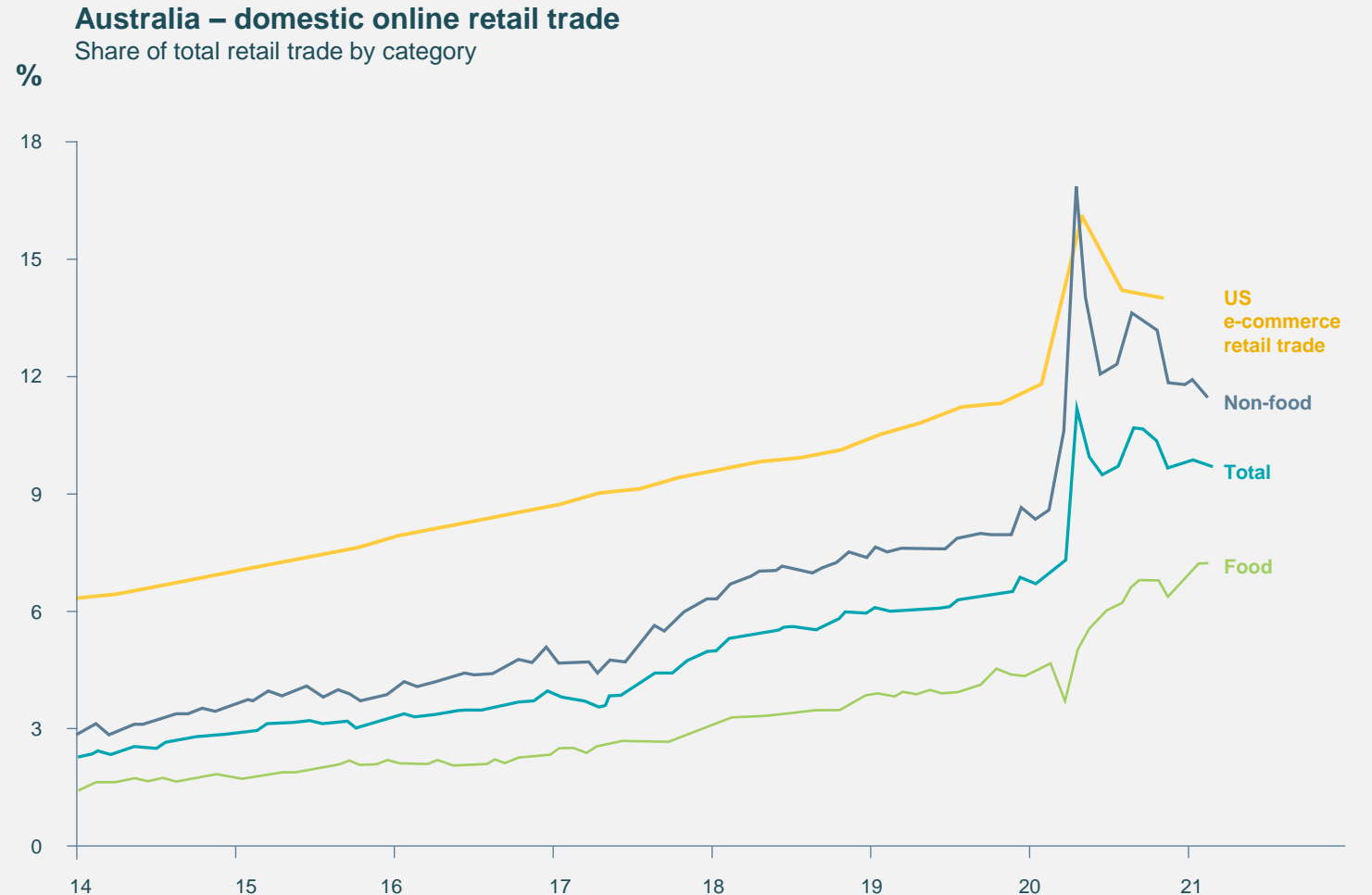


Source: IQVIA Scan; Nielsen Homescan



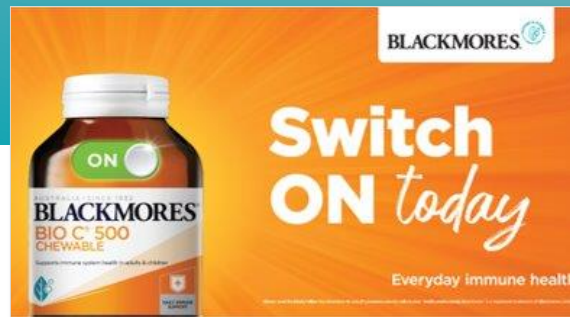
# Shift to online creates opportunity

The online share of retail sales has edged lower as mobility has improved but is well above pre-COVID levels



Source: Australian Bureau of Statistics, Macquarie Macro Strategy

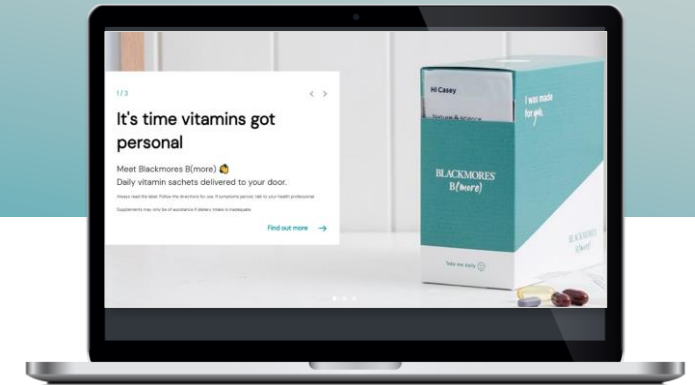
# We are focused on restoring category value in Australia



**Drive domestic consumption** by balancing product innovation, investing in brands and price discounting



**Channel-specific brand campaigns** that deliver distinctive consumer value propositions and purchase intent with shoppers



**Leverage online platforms** to better access more consumers and better serve customers and practitioners

Expand reach and influence, leveraging 90 years of naturopathic heritage

Connecting every  
person on earth  
to the healing  
power of nature

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# Capital Allocation Framework

**Gunther Burghardt**

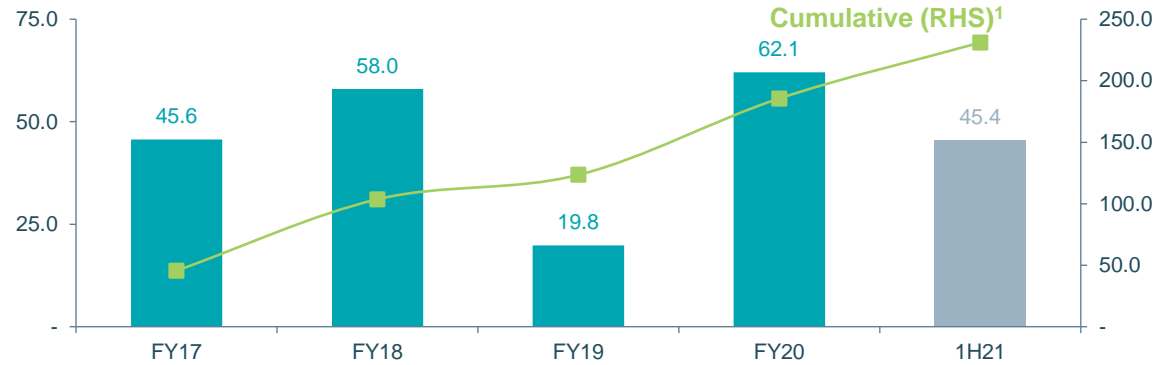
Chief Financial Officer



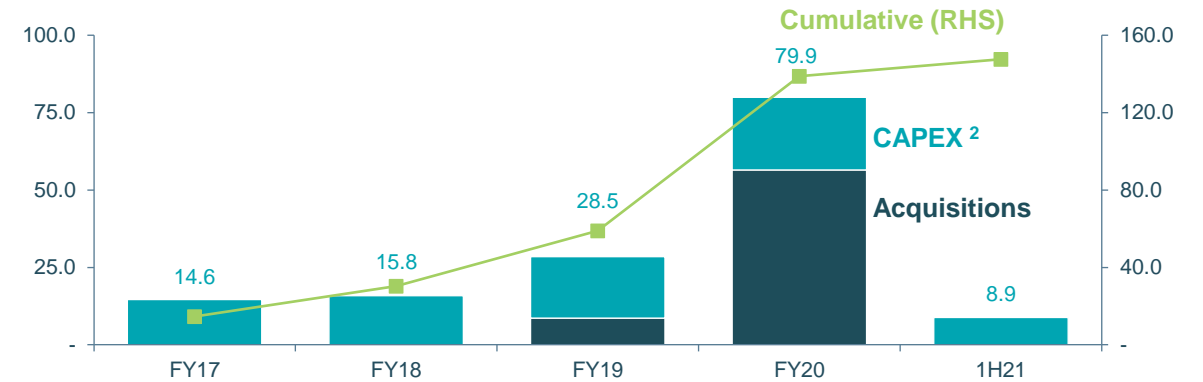
# Capital management history

Blackmores has a track record of solid operating cash flows and well controlled leverage

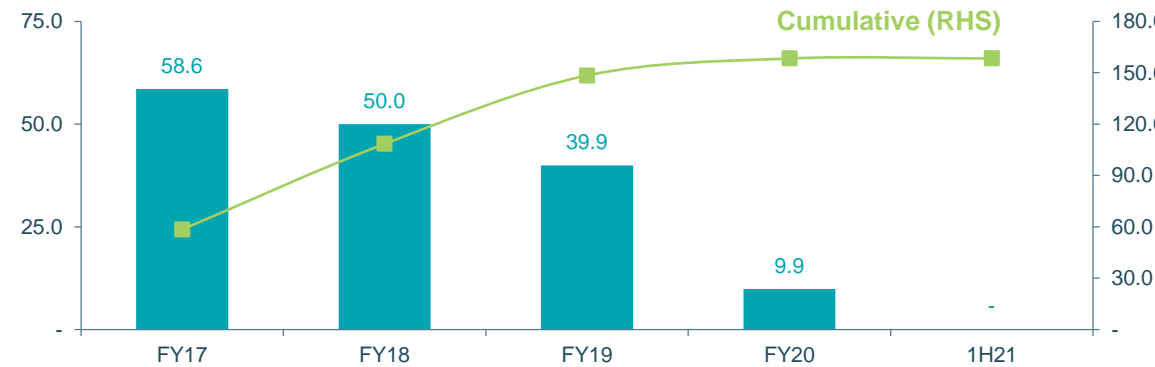
Cash flow from operations (\$m)



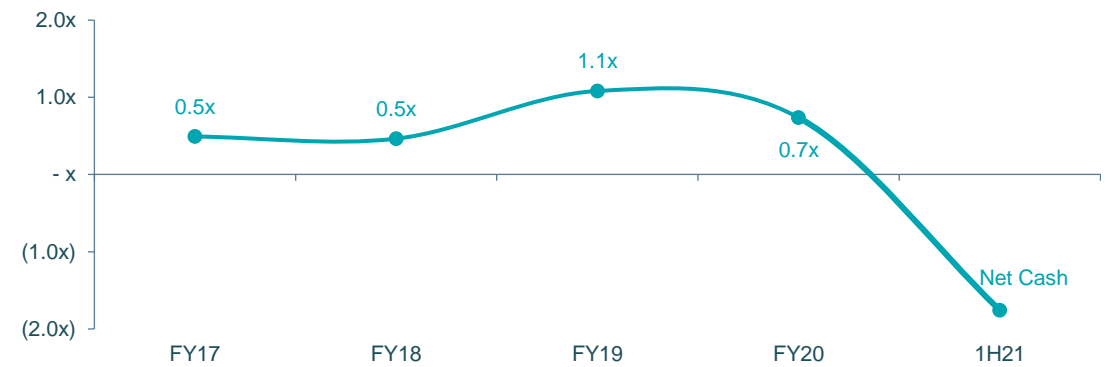
Capital investment (\$m)



Dividends<sup>3</sup> (\$m)



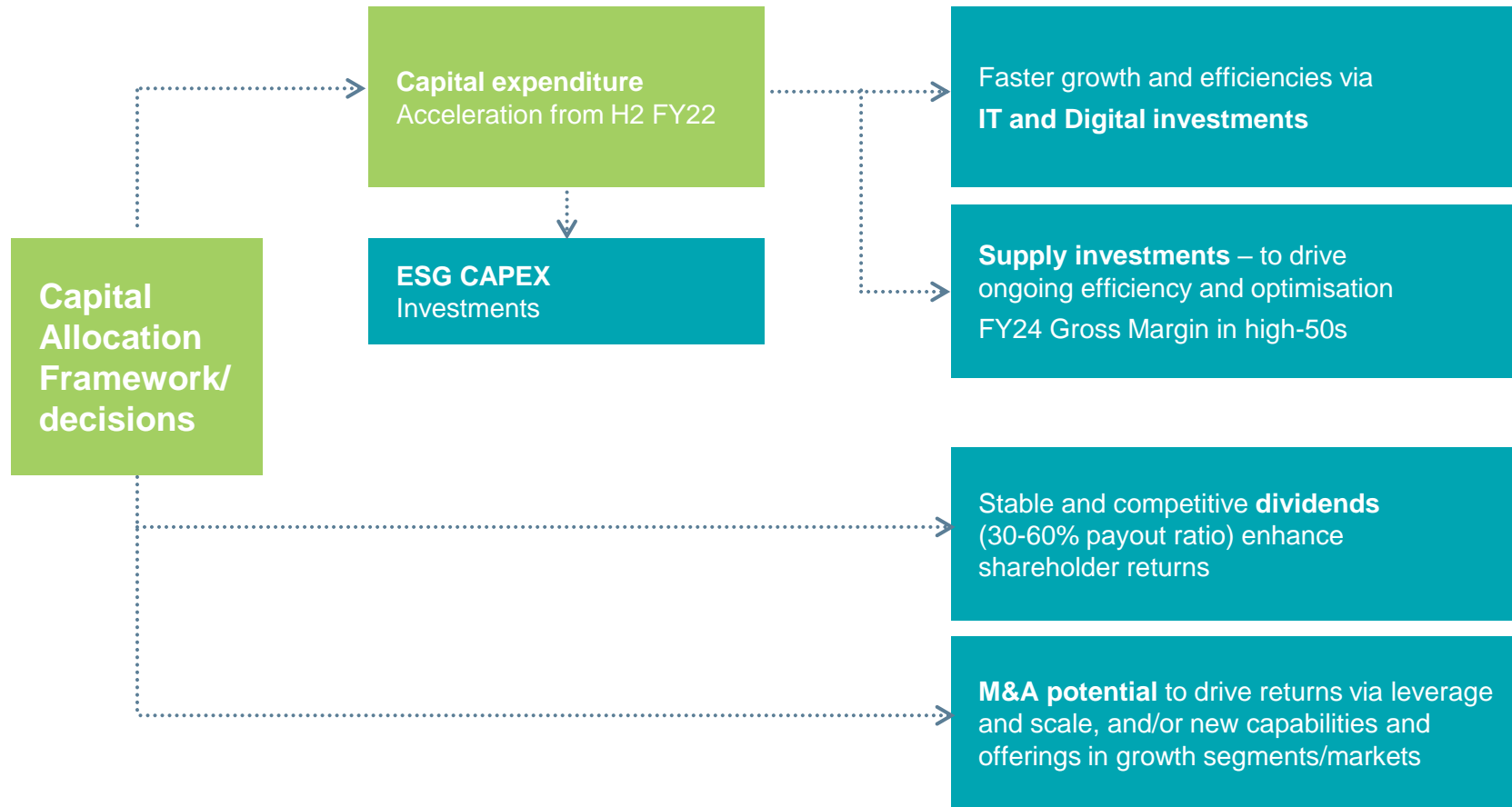
Pre-AASB 16 leverage (net debt/LTM EBITDA)



1. Cumulative Right Hand Side  
 2. CAPEX details in Blackmores Group Annual Report 2020  
 3. Dividends are shown in the period they were paid, not declared

# Maximise value and returns

Balance strategic growth/efficiencies with maintenance and risk investments



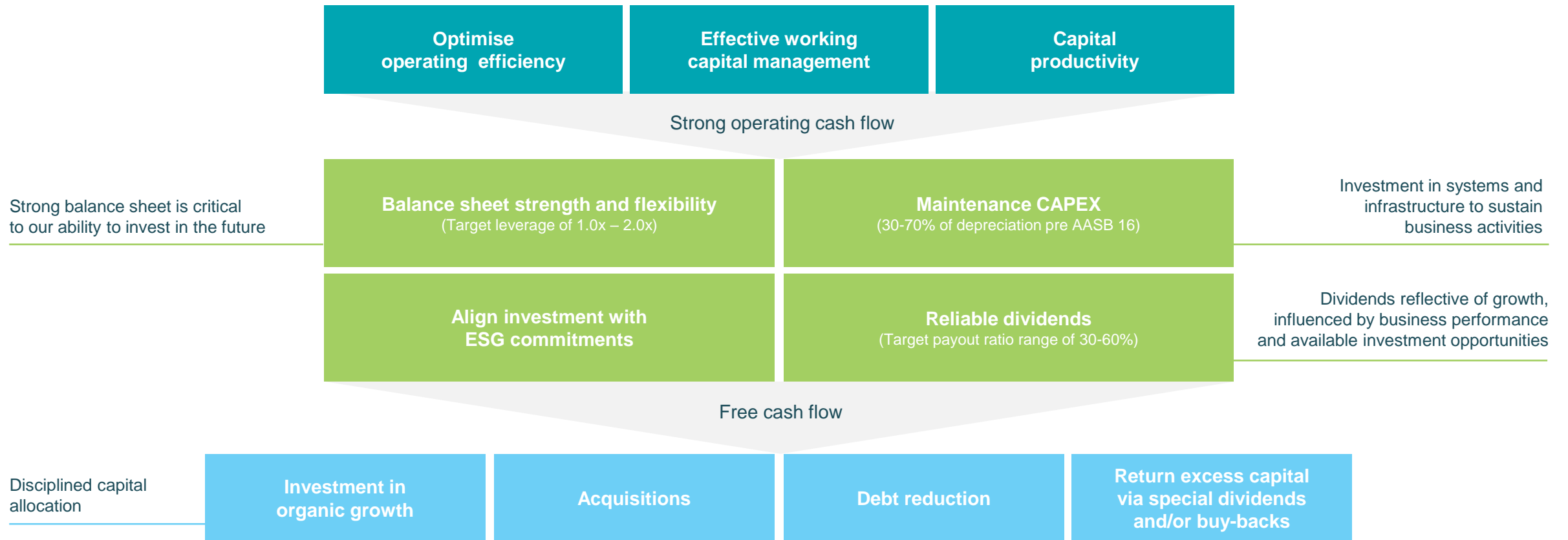
## Key features of our Capital Investment Framework

- > **Focus on** safe and efficient operations of world-class assets over the long term
- > **Maintain strong** balance sheet to reduce risk and focus organisation on solid operating cash flow delivery
- > **Reward our shareholders** while “doing the right thing” in terms of our sustainability investments and objectives
- > **Excess cash** is then tested against our strategic framework to identify investments that deliver growth while strengthening our competitive advantage



# Capital allocation framework

Aligned with our strategic framework to maximise value and returns; ensure ROIC > WACC



# Capital allocation framework

Our Capital Allocation Framework is aligned with our strategic and financial objectives to ensure capital discipline and a focus on returns

## Alignment with strategic framework

**Capital plan** set as part of annual business plan

**Assess the growth** potential of a business and the extent to which it can strengthen Blackmores' competitive advantage

**Projects** included in plan based on both individual and portfolio-wide assessment, taking into account interdependencies, sequencing, synergies and opportunity costs

## Value maximisation

**Maximisation** of shareholder value is the overarching driver of capital allocation both at the business and project level

**NPV and ROIC** as the primary assessment metrics with payback periods, IRRs and other financial metrics as secondary benchmarks

**Forecast cash flows** to be appropriately risk-adjusted and broader context considered (synergies, dis-synergies etc.)

## Aligned to our ESG commitments

**Plan aligned** to our ESG commitments

**Analysis** of strategic factors and other long-term objectives

**Identify 3-year paybacks or better in our supply network** including projects with a positive Net Present Value (NPV) to advance our sustainability objectives even if their payback periods are slightly longer

## Continuous review

**Iterative review** of projects during and after delivery to ensure delivery of returns against projections

**Investment framework** reviewed at least annually to ensure it remains fit for purpose

**In-depth investigation** of risks (including non-financial) and returns

**All investments** to be evaluated against specific hurdle rates

# Capital expenditure

We are expecting to reinvest in the business over the next 4 years, particularly in IT and Digital

## IT and Digital

- Investments to rapidly access more consumers and transform how we operate to better serve consumers, customers and practitioners
- Up to \$10 million in digital capability investments expected in OPEX in FY22

## Other CAPEX

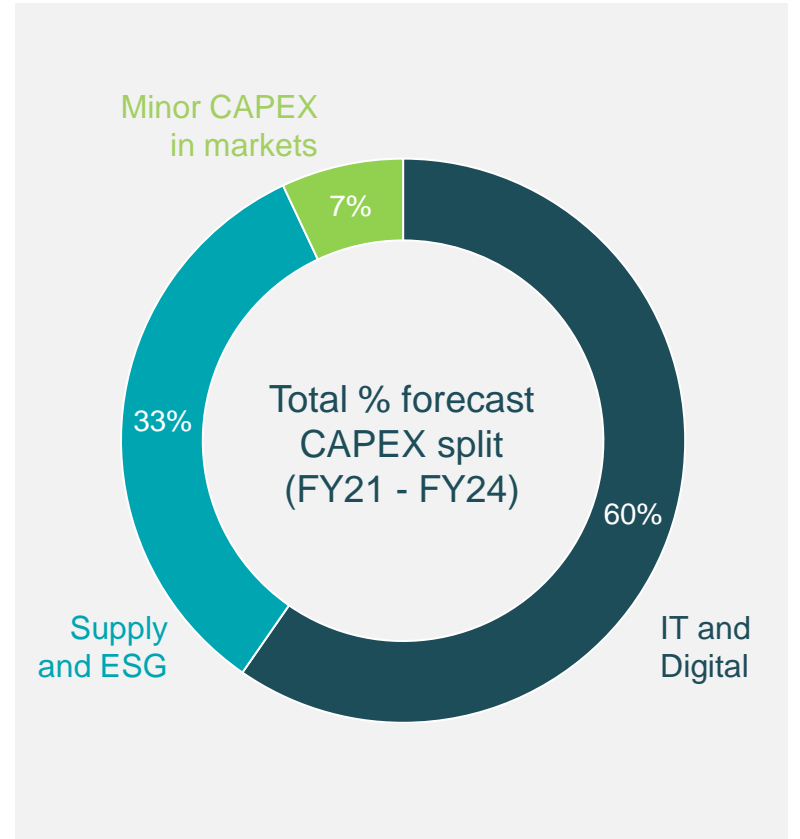
- Flexibility to invest at market and business unit level on growth opportunities

## Supply Chain

- Investment in efficiency and optimisation to support growth and programs such as cultural customisation
- Provide paybacks in under 3 years
- Strategic competitive advantage
- Automation and high level of efficiencies

## ESG

- Net Zero Emissions pathway
- Aligned to Scope 1-3 greenhouse gas (GHG) emissions
- Strategic sourcing and supply chain transparency



Connecting every  
person on earth  
to the healing  
power of nature

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# Assessing Strategic Opportunities

**Mike Charter**

Director – Ventures & Strategy



# Context to Blackmores' M&A strategy

Our focus over the last 18 months has been to transform and simplify to create a stronger, more resilient Blackmores

Over the last 18 months we have rebuilt the foundations of our business and simplified the way we operate



## Organic strategy

Developed refreshed organic strategy focused on:  
3 core brands,  
3 key markets and  
5 consumer growth platforms



## Portfolio simplification

Divested non-core assets and ongoing SKU rationalisation program. Align ANZ structure to needs of our customers while better leveraging the Blackmores Institute.



## Braeside manufacturing

Acquisition and successful integration of Braeside manufacturing site to absorb higher fixed costs over time and align unique capabilities to our strategy



## Leadership team

World-class leadership team with extensive global experience across Asia-Pacific, Middle East, North America and Europe



## Business Improvement Program (BIP)

Ongoing initiatives focused on savings/efficiencies to allow reinvestment in high growth markets



## Balance sheet

Strengthened balance sheet through capital raise and debt paydown



With a set of solid foundations, we are well positioned to explore M&A opportunities



# How we think about inorganic growth

Our M&A blueprint defines the types of investments we will explore while also setting the framework which investment opportunities will be assessed against



## Our M&A blueprint

- ✓ Pursue M&A investment themes that reflect the company's best value-creation opportunities
- ✓ Strategic fit to ensure shareholder value creation
- ✓ Aligned to our Capital Allocation Framework
- ✓ Enhance or leverage our distinctive capabilities and systems

# Blackmores' channel and geographic positioning

The practitioner channel and Europe/North America represent future expansion opportunities for Blackmores

Blackmores' market positioning matrix

		Channel			
		Mass retail	Pharmacy	Practitioner	Online
Geography	ANZ	✓	✓	✓	✓
	China	●	●	●	✓
	South East Asia	✓	✓	●	✓
	Europe	●	●	●	●
	North America	●	●	●	●

● Potential future expansion opportunity

# M&A evaluation and considerations

Meet various financial hurdle requirements with value accretive for shareholders

## M&A evaluation

- 1 Strategic fit review
- 2 Review of financial considerations
- 3 Risk and compliance
- 4 Integration
- 5 Management capability to execute
- 6 Digital capability assessment and link with digital strategy
- 7 Deal structuring and pricing
- 8 Due diligence by a combination of subject matter experts and independent evaluations reviewed by Board
- 9 Post-integration analysis

## Financial considerations

- Earnings per share (EPS) accretion
- Return on invested capital (ROIC)
- Funding/balance sheet impact
- NPV analysis based on an appropriate cost of capital (including scenario modelling)
- Growth enhancing vs. diluting
- Synergies and dis-synergies

With a set of solid foundations, we are well positioned to explore M&A opportunities

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# Manufacturing and Supply Chain

**Jeremy Cowan**

Chief Operating Officer



# Vertically-integrated global operation creating superior products



PLAN



SOURCE



MAKE



PACK



DELIVER



QUALITY

## Framework to drive manufacturing excellence

↔ **End-to-end control** of supply chain enables agile and efficient responses to drive our strategic choices

🛡️ **Efficacy and assurance** of ingredients sourcing, manufacturing, packing and shipment of world-class quality products through our end-to-end network of TGA-certified facilities

🔄 **Operational strategy** to optimise integrated supply chain and generate value through multiple initiatives

## Our stakeholders



Australian Government

Department of Health  
Therapeutic Goods Administration



Australian Government

Department of Agriculture,  
Water and the Environment





# Integrated Business Planning (IBP) is our backbone planning process

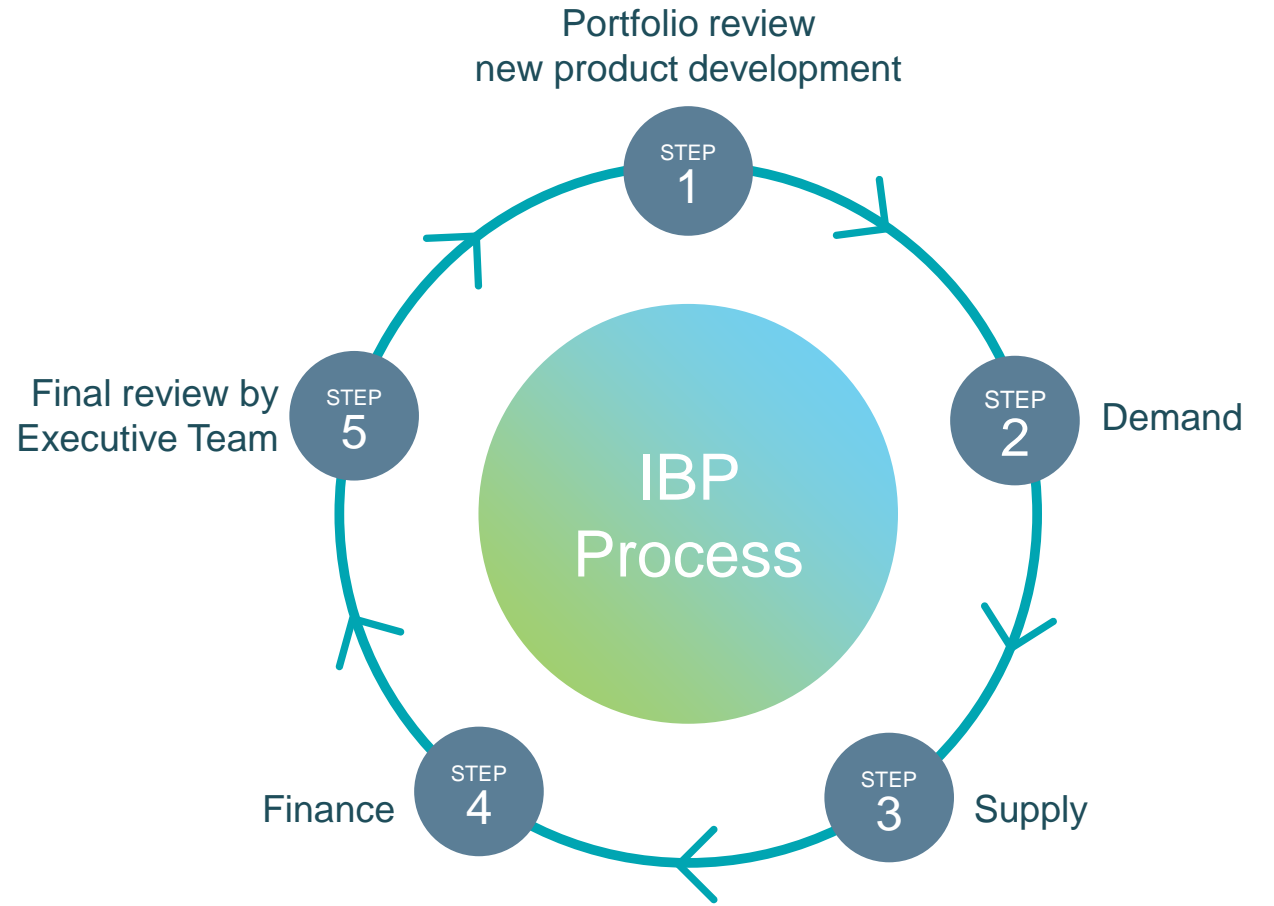
- > Five stage planning process designed to unlock value across our entire organisation
- > Shifting horizon focus for demand and supply to 18-24 months

**Unlocking value**

- > World-class customer service levels
- > Optimising inventory management, safety stock planning and stock obsolescence
- > Reduction of air freight

**Capital investment**

Technology and algorithms to drive demand planning efficiencies



# Strategic sourcing

- > Mutually-beneficial partnerships within our supplier network to deliver long-term value
- > Delivers value beyond price only – quality, service, innovation, cash, reliability, sustainability and social responsibility



## Unlocking value

- > Cash – inventory and terms
- > Price with overall focus on consolidating supplier base to create mutual scale and synergy
- > World-class customer service
- > **Quality – always!**



## Capital investment

Systems for supplier management and to increase transparency across supply chain



## Braeside provides strategic competitive advantage

- > Australian manufacturing assurance
- > Product development capability and connected IP control
- > End-to-end certification control for unmet consumer needs e.g. Halal
- > Soft gel and solid dose capability connected to 90% of our sales volume



### Unlocking value

- > Asset investment for efficiency
- > Volume and capacity growth
- > Volume certainty in our own facility – scheduling, sequencing, changeovers, scrap reduction
- > Formulation/product design optimisation



### Capital investment

Advanced manufacturing capabilities that deliver scale and efficiencies, plus Modern Manufacturing Initiative grant

### Ownership since October 2019:

- > 30,000m<sup>2</sup> property
- > 15,000m<sup>2</sup> facility
- > Operating 24/5
- > Employing 300 people
- > 3 billion doses per annum



## Warriewood provides quality assurance for our consumers

- > Australian manufacturing assurance – critical final quality control point before it reaches our consumers
- > Broad capability – from small incubator to large-scale SKUs
- > End-to-end certification control for unmet consumer needs e.g. Halal



### Unlocking value

- > Increasing bulk deliveries in re-useable vessels shared between Braeside and Warriewood for efficiency and sustainability
- > Focused continuous improvement program across all six packing lines
- > Significant extra capacity to be unlocked from current footprint and current fixed cost base



### Capital investment

Robotic technology for safety and efficiency



### Warriewood packing facility

- > 11,500m<sup>2</sup> building
- > 30 million units packed per annum

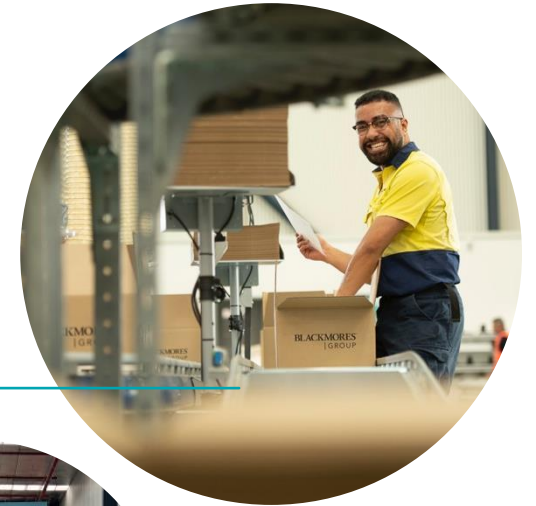




# Bungarribee Warehouse high-speed distribution centre

- > Fully TGA certified and for Blackmores' exclusive use
- > End-to-end certification control for unmet consumer needs e.g. Halal
- > Flexibility for customers - domestic, export, single pick and pallet pick capabilities

- > 16,000m<sup>2</sup>
- > 7,000 orders per week
- > 10,000+ storage pallets
- > Serving 18 global distribution partners



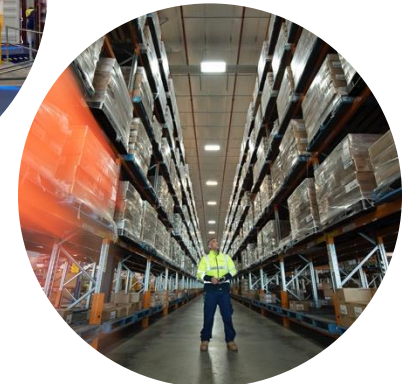
## Unlocking value

- > Portfolio simplification and IBP traction has enabled warehouse consolidation in 2020 into Bungarribee
- > Space to accommodate future growth and channel choices (utilisation currently 58%)
- > Continuous improvement program embedded with opportunities identified for FY22 and FY23



## Capital investment

Robotic technology for safety, flow and pick-face efficiencies





# Quality is the foundation to our 'trusted brand' promise

- > Our world-class quality team delivers high quality and consistent natural health products and services across all brands and markets



## Unlocking value

- > Industry-first real time release testing (RTRT) in Braeside
- > Laboratory efficiency and reconfiguration of workflow
- > Ongoing NIR Spectrometer technology across Blackmores' operations
- > Digitisation of records, data and workflow



## Capital investment

Software for process automation and artificial intelligence



# Leading value position

## Capturing supply chain value

Leading Value Position (LVP) is the official program office which captures all value creation for Blackmores Group

**Distinct value streams linked to KPIs**

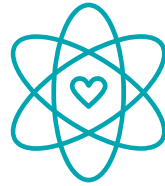
- > Plan
- > Source
- > Make
- > Pack
- > Deliver
- > Quality

FY21

**\$10m**  
in value

FY23 annualised

**\$30m**  
in value



**Unlocking value is critical to fuel our overall business strategy**



Connecting every  
person on earth  
to the healing  
power of nature

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# ESG commitments

**Sally Townsend**

Head of Sustainability

# Progressing ESG at Blackmores



## Committed to Net Zero Emissions by 2030

with a clear pathway of emissions reduction initiatives mapped.



## Development of Climate Change Resilience Model



## Deepened Supply Chain Transparency

to assess and address the risk of Modern Slavery, integrating this program into new procurement standards to understand the impact of our business on people and the environment.

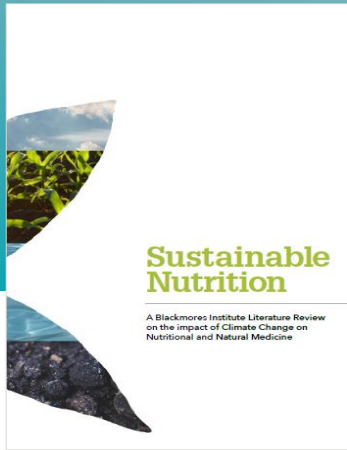
Full packaging review underway with sustainability a key focus.



## Strengthened Governance & Systemisation

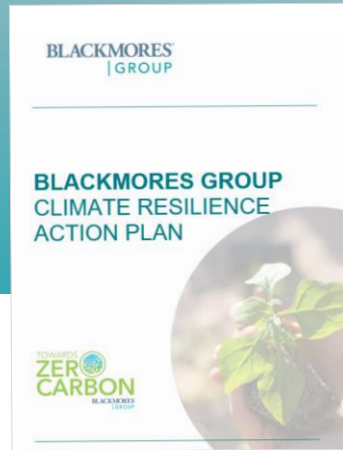
of the controls and metrics to support continuous improvement.

# Climate change resilience



## Informed by science

- › Blackmores Institute literature review



## Risks integrated into enterprise risk framework

- › Adaptation plan addresses operational and strategic impacts and transitional risks
- › Informed by regular Climate Change Scenarios



## Ingredient sensitivity financial model

- › Quantifies the financial impacts of the risk assessment of climate-related threats to our supply chain
- › Will inform our mitigation and adaptation actions
- › Reporting aligned to Task Force on Climate-related Financial Disclosures (TCFD) recommendations



## Systemising climate risk management

- › Integrated into strategic sourcing framework
- › Board and Executive Team sponsored
- › Alignment to incentives



# Protecting natural capital



**Broadening the scope**  
of sustainable and  
ethical sourcing



**Identifying** potential  
biodiversity interdependencies



**Growing understanding**  
of water cycling, soil nutrients,  
identification of pollinators and  
monitoring of climate change  
impacts



**Embedding these elements**  
into the strategic sourcing  
framework together with  
human rights and climate  
change impact assessments



**Reviewing opportunities**  
to align certified offsets  
programs to conservation  
initiatives in relevant geographic  
regions necessary for a resilient  
supply chain





# How we are addressing the risk of modern slavery



Human rights policy



New sourcing standards



Partnering on risk assessment and mitigation



Third party audit



Industry working group

Our approach is to foster good governance and effective collaboration



# Our future focus



## Climate change

Towards zero emissions

Business resilience



## Sustainable and ethical supply chains

Sustainable sourcing

Towards zero exploitation



## Sustainable packaging

Optimise recyclability

Future-proofing packaging formats

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# Digital Transformation

**Warren Mackay-Smith**

Director



# The digital future





# Blackmores' FY24 aspiration

Connect **1 billion** people to the healing power of nature through our brands

	China	India	Indonesia	Australia
Population	1.44b	1.39b	274m	25.6m
Internet users	939m	624m	202m	23m
Bought something online	77.4%	57.3%	87.1%	74.8%

Source: Wearesocial.com Digital Report 2021 – Australia, India, Indonesia, China





# We are accelerating our digital transformation

Consumer behaviours and expectations are changing rapidly



COVID-19 has moved **shoppers online with most likely to stay in the channel**



**New business models** and new ways to access health products and services (e.g. telehealth)



**New digital** brands who are focusing on health and nutrition products (e.g. subscription model)



**Data-led** consumer insights to inform product development, content and services

# A view of our digital business today

We have a solid foundation to build on



Size of our  
e-commerce business

25%

of sales via owned and  
partner digital channels



Growth of  
e-commerce

25%

growth in the  
past year



Marketing  
spend

50%

of our advertising  
spend is digital



Leading digitisation  
of education

100%

of education  
courses online

Opportunity to accelerate what is working and build where needed

# Our digital strategy



## Access to new consumers

Connecting them to our brands and the healing power of nature

- Connect via digital - advertising and content
- Win on e-commerce platforms e.g. Tmall, Lazada



## Empowering practitioners and retailers

Innovation and/or superior end-to-end digitally enabled experiences to better serve our customers and deliver better health outcomes

- Digital communication
- B2B e-commerce



## Health eco-system

Identify digitally-led innovation and integrative health solutions beyond the bottle

- Personalised content, recommendations
- Digital naturopathy
- Preventative care



## Creating world-class operations

Enabling data-led decisioning and automation of key processes, whilst ensuring the safety of our products and people

- Digitally-enabled operations
- Automation of processes
- Supporting our high level safety and quality

# A phased approach

Starting with e-commerce through to customer and consumer intimacy

## Horizon 1: FY22

### E-commerce optimisation

Expansion through our current partners

Find new consumers online and help them buy our brands



## Horizon 2: Mid FY22 - Mid FY23

### Customer experience

Make it easier for our practitioners and retailers to do business with us and recommend us



## Horizon 3: FY23

### Consumer data, content and ecosystem

Capture consumers online and convert in our channels (direct to consumer)



#### Initiatives:

- > Pet into new markets
- > Win in international e-commerce by applying China best practice



#### Initiatives:

- > Practitioner platform
- > Group customer relationship management (CRM)
- > Group e-commerce



#### Initiatives:

- > Content optimisation
- > Consumer insights via data
- > New business models

Choiceful and prioritised phased investment that builds over time

# Alastair Symington

Chief Executive Officer



# Blackmores has the future in mind

Towards net zero emissions and zero exploitation in supply chains

Unlocking value through our manufacturing and supply chain

Reaching new consumers and delivering superior customer experiences through digital



Connect 1 billion people to the healing power of nature through our brands

Disciplined approach to capital allocation and other investment opportunities

Relentless focus on executing our growth strategy

*Connect every person on earth to the healing power of nature*

Connecting every  
person on earth  
to the healing  
power of nature

# Q&A

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# Appendix – Acronyms used

Acronym	Meaning
AASB	Australian Accounting Standards Board
ANZ	Australia & New Zealand business units of Blackmores, BioCeuticals and PAW
B2B	Business 2 Business
BIP	Business Improvement Program
CAPEX	Capital Expenditures
CRM	Customer Relationship Management
DIFOT	Delivery in Full, On Time
DTC	Direct to Consumer
EPS	Earnings per Share
ESG	Environmental, Social & Governance
GDP	Gross Domestic Product
GHG	Greenhouse Gas
IBP	Integrated Business Planning
IP	Intellectual Property

Acronym	Meaning
KPI	Key Performance Indicator
IRR	Internal rate of return
LVP	Leading Value Position
M&A	Mergers & acquisitions
NIR	Near Infrared
NPV	Net Present Value
OPEX	Operating Expenses
ROIC	Return On Invested Capital
RTRT	Real Time Release Testing
SKU	Stock Keeping Unit
TCFD	Taskforce on Climate-related Financial Disclosures
TGA	Therapeutic Goods Administration Australia
VDS	Vitamins & Dietary Supplements
VMS	Vitamins, Minerals and Supplements
WACC	Weighted Average Cost of Capital

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