

McPherson's Limited (ABN 98 004 068 419)

2025 AGM – CEO Address

Thank you, Alison, and good morning, everyone.

Strategy update

When we embarked upon our strategic reset in November 2023, we knew we needed to focus on working through our plans with logical, methodical steps. We had a clear plan to set the business on a pathway of sustainable long-term growth, but we needed to take a careful approach: transformations are challenging at the best of times.

In FY24, our steps were about divesting Multix and setting out a new direction for the business as a health, wellness, and beauty company, leveraging the benefits of our iconic brands in higher growth, higher margin categories.

In FY25 our priority has been overhauling our route to market – essentially changing the way we get our products to market so that we can be as efficient and effective as possible – and, in doing so, addressing our legacy cost base which was no longer required for the business' future.

Throughout FY24 and FY25, as Alison said, we also recruited a new Executive Leadership Team for the business, bringing in the capabilities and experience we would need to deliver on our strategy. Our entire Executive Leadership Team has joined the business within the past 2 years. Early on, we appointed a Chief Information Officer, who is overseeing our digital-first transformation. As a consumer company focused on sales and marketing, we recruited an Insights and Growth Director, a Supply Chain & Logistics Director and a Chief Commercial Officer. We've also added a new Chief Marketing Officer. The Executive Leadership Team now comprises group leaders with deep, relevant experience, and this has been essential for ensuring a smooth transition to our new operating model. To demonstrate the depth of the change through the organisation, 65% of the individuals working at McPherson's today have a tenure of less than two years.

We entered FY25 with a clear strategy: simplify our operations, focus our portfolio, and build a leaner, more agile organisation centred on our core capabilities. I am pleased to report that we made strong progress on all fronts, delivering the foundational changes required to reshape McPherson's into a more competitive and consumer-led business. While our international business continues to be an area of focus, trading conditions have been challenging and in FY25 we restructured it to reduce costs and reposition the business. There is clearly more work to do including an assessment of the best go to market model and we look forward to updating the market in due course.

A major milestone was the successful implementation of our new route-to-market model. By exiting our own warehouse operations and transitioning distribution to specialist wholesalers and a 3PL partner, we created a more streamlined, asset-light and scalable platform. This new model reduces our fixed cost base, improves service capability, and enables us to focus on what we do best — building powerful brands and driving demand. The way our people embraced this transition reflected the important cultural shift underway, marked by resilience, accountability, and commitment.

Our brands

In parallel, we sharpened our focus on our five iconic core household brands: Manicare, Lady Jayne, Dr. LeWinn's, Swisspers and Fusion Health. These brands are our most recognisable, generate the highest margins, and hold the greatest potential for sustainable growth.

In FY25, we invested in marketing, digital campaigns and innovation, and foundational consumer research across all our core brands to ensure we truly understood our consumers and were responding to evolving consumer needs. Part of our investment was in consumer advertising and promotions, where we intend to invest in more working media in FY26. We have also aligned our promotional schedule to our customers this year with a greater focus on promotional activities in the first half of the financial year.

We also strengthened our commercial capability through the rollout of Salesforce® Trade Promotion Management (TPM) and Retail Execution (REX), providing our teams with better tools for promotional planning and investment review, supported by enhanced data capability.

During FY25, our brands achieved modest revenue growth in Australia and New Zealand. As we said in August, we are clear it will take a multi-year effort to realise their full potential as we seek to rectify a period of sustained underinvestment in these brands. However, there are encouraging early indicators that our brand strategies are working and that we are making progress.

Fusion Health exemplifies this progress, delivering a standout result in FY25 with revenue growing 10.5% year on year. Those of you who have seen our FY25 results presentation will be familiar with the case study we presented on Fusion. In it, we explained how we have approached turning around and driving growth in the Fusion brand. Our strategy involved several key initiatives. First, we took a deliberate strategic decision to prioritise Fusion Health over its sister brand Oriental Botanicals. We then undertook consumer research to deepen our understanding of Fusion's consumer base and refined our brand positioning accordingly. We reviewed our product range to focus on our strongest performing products and implemented our new route to market model, including partnering with a specialist wholesaler for Fusion in the health food store channel. We also refreshed our innovation pipeline, creating an exciting 2-to-3-year roadmap. Finally, we developed a new brand concept which we began launching in September 2025, with new packaging to be rolled out progressively throughout FY26.

Financial results

As Alison laid out earlier, there are three key things reflected in our results for FY25: carrying residual costs post the divestment of Multix at the end of FY24, the steps we have taken to resolve these costs, and foundational investment we have made in our core brands. We are clear our financial results do not yet reflect either the benefits of our new operating model, nor our aspirations for our brands or the business.

With that in mind, I'll now re-cap on our FY25 financial performance.

Revenue from continuing operations in FY25 was \$139.0 million, with core brands up 1.9% to \$124.6 million.

Underlying EBITDA of \$7.3 million was down \$0.4 million compared to \$7.7 million in FY24 and the EBITDA margin remained broadly in line with FY24 at 5.2% compared to 5.3% in FY24.

The Company recognised \$19.7 million in material items during FY25, comprising mainly of \$10.6 million in operating model transformation costs including redundancy and implementation expenses, and \$10.2 million in non-cash impairments primarily related to goodwill and certain brand assets. The Company also had other material items totalling a net benefit of \$1.1 million. With the new operating model substantially implemented, we anticipate a reduction in material costs for future reporting periods.

Consistent with our results release in August, we expect benefits from the transition to our new operating model to approximate \$4.5 to \$5.0 million in recurring EBIT from FY26 onwards. A

substantial portion of these benefits will be reinvested in the Company's customers, brands, and capabilities in FY26, in line with our strategy. We expect this investment will, in the first year, deliver moderate returns. However, consumer brands need consistent investment to unlock their full potential, and this early investment is an essential step in rebuilding our brands for sustainable, long-term growth.

As Alison said earlier, our capital allocation review remains underway. In the meantime, work on our balance sheet has continued. Our debt facility was reduced in FY25 from \$45 million to \$25 million. This was to better reflect the working capital requirements of the business and reduce ongoing financing costs. With our current debt facility maturing in March 2026, we are well progressed in finalising a new facility that will provide access to sufficient capacity moving forward. Our new operating model has further reduced our working capital requirements, reducing our near-term reliance on debt funding.

A clear path forward

We are building a stronger McPherson's, one that is more focused, better equipped, and ready to respond to the needs of today's consumers and tomorrow's opportunities. In the near term, our priorities for 1H26 are embedding our new operating model, along with the enhanced talent, processes and data capability to support it, while capitalising on the improved distribution and service delivery capabilities, and other strategic benefits, that it provides. In addition, our international business is under review.

Our strategy is anchored in four pillars.

Firstly, our brands. During FY26 we will be relaunching Dr. LeWinn's – in fact, this started in September this year, with new product development, to be followed in 2Q with refreshed positioning and a revitalised go-to-market strategy. Across all five iconic core household brands, we are focused on building volume and momentum with focused investment in high-potential channels, customers and categories while at the same time achieving this in a sustainable way.

Secondly, our customers. The potential benefits of the new route-to-market model for customers are significant, and we are focused on ensuring we can realise these benefits with improving service, scalability and efficiency. Through this, we will deepen our customer partnerships.

Thirdly, our people. Along with our primary focus to ensure the safety of our people, we are embedding a more agile, accountable and consumer-led culture as a sales and marketing organisation. This involves strengthening our ways of working, and equipping our teams with the tools, training and leadership to thrive. Additionally, as we approach the final year of our lease at Kingsgrove, consideration will be given to the future location of our corporate offices, ensuring we have a workspace that supports strong collaboration and employee engagement.

Finally, digital. We need to keep expanding our digital capability, including practical AI learning, data and analytics, to modernise our business. We're also progressing a review of our core business systems, laying the groundwork for a new ERP system that aligns with the size of the business and its requirements, which will support future growth. Consistent with our approach so far, we intend to work through the implementation of this new ERP system methodically and carefully to ensure minimal business disruption.

In December 2025 we will be hosting an online strategy webinar and investor meetings to talk further about our strategy (and details of that webinar will be released on the ASX in due course). We'll provide further details and information on our brands, our customers, our people and our digital focus, and we'll be setting out in greater detail how we think about the future of McPherson's and our financial goals. We recognise McPherson's has changed dramatically in two years and we want to ensure we keep sharing with you how your business is evolving and the opportunities ahead.

Year to date trading performance

July, August and September –1Q FY26 – have marked our first quarter trading under our new operating model and we have seen steady progress towards normalised volumes.

We are on track with our ambition to realise the incremental underlying EBIT benefits from our new operating model, including the cost savings from our route-to-market changes. These will be reinvested in customers, brands, and capabilities in FY26, in line with our strategy.

Consistent with our comments in August, we are anticipating moderate growth in underlying EBITDA in FY26. As with FY25, the FY26 results are expected to be weighted to 2H26.

Closing remarks

Our approach to the transformation of McPherson's has been consistent: we have focused on a logical, methodical, approach and getting the basics right. Our approach to the path ahead is the same: we are relentlessly focused on turning around our core brands and growing the business with discipline.

I would like to thank our Board for its counsel and support over FY25 in a very busy year. I'd also like to thank the Executive Leadership Team and all McPherson's employees for their energy and resilience through a year of significant change. They have worked exceptionally hard to deliver a complex transformation, inspired by a determination to deliver the next iteration of this 165-year-old company. I am so grateful for all their efforts. I'd also like to acknowledge and thank those who left McPherson's over the year, including those team members who had worked in our warehouse for many years, and whose positions were made redundant as part of the transformation. We thank them for their significant contribution over many years.

Finally, thank you to you, our shareholders, for your continued support. We are committed to delivering sustainable value as McPherson's accelerates into FY26 and beyond.

Thank you, and I will now hand back to Alison.