MCPHERSON'S

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ASX Announcement

FY26 Results

27 August 2026

McPherson's Limited (**ASX:MCP**) today announces its audited results for the financial year ended 30 June 2026 (**FY26**).

Summary of Financial Results

- Revenue from continuing operations of $118.3m, down 14.9% on $139.0m in FY25;
- Underlying EBITDA[1] from continuing operations of $4.3m, down 41.4% from $7.3m in FY25;
- EBITDA margin of 3.6%, down 1.6 ppts from 5.2% in FY25;
- Material items of $25.6m, of which $23.5m is non-cash[2] and $2.1m is in cash;
- Group statutory net loss after tax of $20.3m (FY25: net loss of $15.0m);
- Basic and diluted loss per share from continuing operations of 14.2 cents, compared to loss per share of 11.5 cents in FY25;
- Net cash[3] of $4.5m and debt facilities undrawn as at 30 June 2026 ($8.8m net cash at 30 June 2025).

Overview of FY26 Performance

FY26 is the first full year operating under McPherson's new pharmacy wholesaler and 3PL distribution model. The transition to some of Australia's largest pharmacy wholesalers has led to the creation of a scalable operating model with a lower fixed cost base, broadening distribution and reach in the Australian pharmacy sector and reducing operating complexity.

The Company's FY26 financial performance was below expectations. The transition to the new operating model created greater disruption than anticipated, with a significant impact on revenue. The disruption was most evident in parts of the pharmacy channel, where it has taken longer to transition the independent pharmacy market to our list of bestselling products. In addition, out-of-stock execution issues and the consequential reduction in effectiveness of promotional activity impacted sales. Revenue also reflected the dilutive impact of new wholesaler rebates and the cycling of FY25 transitional pipe-fill into wholesalers.

Notwithstanding these challenges, the Company is confident the new operating model provides the right foundation for future growth. The new model has unlocked structural benefits of approximately $2.8m of route-to-market savings at the EBITDA level and approximately $5.6m at the EBIT level, broadly in line with expectations. The performance of the Company's largest pharmacy wholesaler was also encouraging, with sales and volumes increasing during FY26 and SKU ranging largely maintained through the transition.

During the year the Company continued to invest in capabilities to support future growth, including the launch of new direct-to-consumer platforms for Dr. LeWinn's and Fusion Health, the rollout of several

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[1] Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-GAAP measure and does not have a standardised meaning prescribed by GAAP. However, the Company believes that, in combination with GAAP measures, it assists in providing investors with a comprehensive understanding of the operational performance of the business. Underlying EBITDA excludes material items.
[2] Including $18.9m pre-tax impairment for 2H26, in line with guidance on 14 July 2026.
[3] Net cash is defined as cash and cash equivalents, less borrowings, excluding lease liabilities. Underlying EBITDA excludes material items. A reconciliation of EBITDA to net profit after tax is shown on slide 27 of the presentation accompanying this release.

brand platforms on Amazon and the development of enhanced social and creator-led marketing capabilities. These initiatives, together with a refreshed and growing innovation pipeline, provide important foundations for the Company's growth agenda.

Brett Charlton, CEO & Managing Director, said:

"We are disappointed with the financial result, which reflects transition and execution challenges. However, we enter FY27 with our new operating model embedded and a targeted plan to restore growth."

"We believe the actions taken over the past 12 months have strengthened the foundations of the business and position us to capture the benefits of our expanded distribution footprint over time."

"Our priorities for FY27 are clear: accelerating growth by investing behind our brands, customers, innovation pipeline and e-commerce capabilities."

Continuing Operations

Results from Continuing Operations[4]	**FY26 ($m)**	**FY25 ($m)**	**Change ($m)**	**Change (%)**
Revenue	118.3	139.0	(20.7)	(14.9%)
Underlying CAAP[5]	41.6	52.8	(11.2)	(21.2%)
Underlying EBITDA	4.3	7.3	(3.0)	(41.4%)
Material items (before tax)	(25.6)	(19.7)	(5.9)	29.8%
EBITDA including material items	(21.3)	(12.4)	(8.9)	71.4%
Statutory NPAT[6]	(20.3)	(16.6)	(3.7)	22.0%

Revenue was $118.3m, down 14.9% on FY25. The decline reflects disruption in connection with the transition to the new model (including ranging changes), execution challenges (including out-of-stocks and below expectation brand performance), as well as the accounting impact of wholesaler rebates under the Company's new route-to-market model. Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue declined by 10.1%.

Core brand performance (down 11.3%) accounted for $14.1m of the total decline in revenue, with the remainder, $6.6m, from other brands.

- Manicare declined by 5.7% to $45.1m during the year (FY25: $47.9m). Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue was in line with prior year. Performance primarily reflected ranging disruption following the transition, chiefly in the independent pharmacy sector, as well as increased competitive dynamics in parts of the pharmacy channel. These declines were partially offset by stronger growth in Grocery, supported by new price initiatives, and in a major pharmacy customer.
- Swisspers grew by 1.0% to $21.8m during the year (FY25: $21.6m). Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue grew by 4.1%. Swisspers'

[4] Continuing Operations exclude the value of Discontinued Operations. Refer to FY26 Financial Statements, Segment Information Note 5.
[5] Contribution after Advertising and Promotions (CAAP) is a non-IFRS measures that does not have a standardised meaning prescribed by IFRS. However, the Company believes that, in combination with IFRS measures, it assists in providing users with a comprehensive understanding of the operational performance of the business. CAAP comprises sales less materials and consumables, cartage and freight, third party warehousing, and advertising and promotions (A&P). Underlying CAAP excludes material items. A reconciliation of CAAP to net profit after tax is shown on slide 27 of the presentation accompanying this release.
[6] Statutory NPAT from Continuing Operations in FY25 excludes NPAT from Discontinued Operations of $1.6m.

performance was supported by improved off-promotion sales in key pharmacy accounts and more effective promotional initiatives in the Grocery channel.

- Lady Jayne declined by 18.7% to $15.8m during the year (FY25: $19.4m). Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue declined by 14.4%. The result reflected ranging changes connected with the route-to-market transition, reduced promotional activity with key customers and delays in the rollout of the brand's electrical range, together with increased competitive activity in the independent pharmacy segment.
- Dr. LeWinn's declined by 22.3% to $15.7m during the year (FY25: $20.2m). Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue declined by 15.5%. Performance was materially impacted by out-of-stock issues associated with a packaging refresh and supplier consolidation activities, which reduced product availability and constrained participation in key promotional programs. While product availability improved during 2H26, the impact of earlier disruptions continued to affect sales momentum throughout the year. The launch of a new e-commerce platform saw encouraging growth during the year.
- Fusion Health declined by 22.1% to $12.1m during the year (FY25: $15.6m). Excluding the impact of new wholesaler rebates and net transitional pipe-fill, revenue declined by 16.9%. Sales were impacted by weaker-than-expected innovation performance net of deletions, and lower rates of sale across health food channels together with ranging disruption in the independent pharmacy sector. As with Dr. LeWinn's, a new e-commerce platform was launched during the year and early trading has been positive.

Underlying EBITDA was $4.3m, down from $7.3m in FY25, with the decline primarily driven by lower revenue and reduced contribution across core brands. While structural benefits of the RTM transformation were realised, they were more than offset by weaker trading performance, disruption across parts of the pharmacy channel and specific execution challenges with Dr. LeWinn's and Fusion Health during the year.

Total investment in A&P of $20.5m was down from $22.3m in FY25 but reflects a marginal increase in investment rate (as % of revenue), with a continued reallocation of support from portfolio brands to core brands. Employee costs were $24.9m, down 21.5% from $31.7m in FY25, chiefly driven by the Kingsgrove warehouse exit and new operating model. Other expenses reduced from $13.8m in FY25 to $12.4m in FY26, also reflecting the benefit of the lower cost operating model as well as disciplined cost management.

The Group recognised $25.6m in pre-tax material items during the period:

- $20.7m non-cash impairment of intangible assets, comprising $15.0m goodwill impairment in the ANZ segment and $5.7m of brand impairments, reflecting a recalibration of growth projections based on current trading performance. This included Manicare $2.3m, Fusion $2.1m, and $1.3m across Swisspers, Revitanail and Dr LeWinn's.
- $1.5m restructuring and transformation costs in connection with the new operating model; and
- $3.3m in other items, including $2.3m in regulatory and legal costs associated with the Company's ASIC proceedings.

Depreciation and amortisation reduced significantly from $6.5m in FY25 to $4.1m, primarily reflecting write-down of the Kingsgrove warehouse and office lease. Net finance costs also declined from $0.7m in FY25 to $0.1m in FY26, reflecting lower costs associated with the refinanced debt facility.

Statutory net loss from continuing operations after tax was $20.3m, compared to a net loss of $16.6m in FY25.

Operating Segment Performance

Australia and New Zealand

Results from Continuing Operations	FY26 ($m)	FY25 ($m)	Change ($m)	Change (%)
Revenue	115.8	135.9	(20.2)	(14.8%)
Underlying CAAP	41.4	52.8	(11.3)	(21.5%)
Underlying EBITDA	9.6	12.9	(3.3)	(25.4%)

The ANZ segment continued to represent the vast majority of the Company's revenue. Core brand performance was mixed, with Swisspers delivering modest growth supported by strong Grocery execution and improved performance in key pharmacy accounts. Manicare, Lady Jayne, Dr. LeWinn's and Fusion Health each declined year-on-year. The decline reflected disruption following the transition to the new route-to-market model, particularly within independent pharmacy, together with out-of-stock issues affecting Dr. LeWinn's and weaker-than-expected performance in Fusion Health. The independent pharmacy sector experienced challenging trading conditions across a number of health and beauty segments during the year.

International

Results from Continuing Operations	FY26 ($m)	FY25 ($m)	Change ($m)	Change (%)
Revenue	2.6	3.0	(0.5)	(16.3%)
Underlying CAAP	0.2	0.0	0.2	n/m[7]
Underlying EBITDA	(1.1)	(1.6)	0.4	(28.6%)

International revenue declined by $0.5m, driven primarily by Dr. LeWinn's performance in China, which reflected ongoing weakness in demand and slower-than-anticipated recovery in market activity. Notwithstanding a decline in revenue, through cost management initiatives, the business delivered a positive contribution margin (CAAP) and improved its underlying EBITDA loss position.

Following a review of the international business unit, management has identified a distributor-led operating model as the preferred approach that best aligns with the opportunity for its brands in international markets and the Company's capital allocation priorities. Implementation is expected to commence during FY27.

Net cash and cash flow

The balance sheet remained sound with net cash of $4.5m as at 30 June 2026, down from $8.8m at 30 June 2025. The Company's debt facilities were undrawn through the year and at 30 June 2026.

This decline in net cash primarily reflects an increase in working capital, which has more than offset underlying cash generation through the period. Inventory increased by $6.4m to $26.2m to restore product availability and support service levels across key brands, particularly Dr. LeWinn's, while also accommodating variability in wholesaler ordering patterns. The Company continues to adopt a disciplined approach to inventory to support the new operating model.

[7] Ratio not considered meaningful.

Dividends and capital management

Given the balance of retained losses at 30 June 2026, and informed by the loss after tax for FY26, the Board has determined not to pay a full year dividend.

The Company has continued its disciplined approach to capital management. During the year it refinanced its debt facilities to better align with the new operating model and conducted an on-market share buy-back (announced on 25 February 2026)[8].

The Board continues to monitor and review the Company's allocation of capital to ensure the business is appropriately supported to deliver sustainable revenue growth.

Post balance sheet events

As announced on 13 August 2026, the Federal Court of Australia (Court) ruled in favour of the Australian Securities & Investments Commission in Proceedings No. NSD1063 of 2022 against the Company and a former Chief Executive Officer and Managing Director of the Company. The Company will make a separate announcement once orders conforming to the judgment are made by the Court.

Priorities and outlook

McPherson's enters FY27 with a clear imperative to build brand momentum and drive revenue growth. Management's focus is on:

- strengthening customer engagement through joint business development planning;
- optimising ranging through increasing wholesaler SKU availability of our bestsellers list;
- accelerating growth through impactful consumer marketing by deploying the new social and creator-led marketing capabilities;
- increasing the launch frequency of our expanding innovation pipeline, supported by sustained A&P investments; and
- upweighted investment in e-commerce capabilities, both owned and marketplace.

While the subdued sales in 4Q26 continued into July, with the benefit of the new operating model, management's priorities for FY27, and a disciplined approach to cost management, the Company is focused on delivering underlying EBITDA growth for the full year.

Investor call details

An investor and analyst call will be held today, Thursday 27 August 2026, 11.00am (AEST) hosted by Brett Charlton, CEO and Managing Director and Mark Sherwin, Chief Financial Officer. Participants can register and join the call using the following link:

https://s1.c-conf.com/diamondpass/10055343-b1qly5.html

Shareholders will be required to register to participate in the briefing call. Shareholders may choose to join the briefing call by either Teleconference (using a telephone number and PIN) or via Webcast. Shareholders wishing to ask an audio question should register via Teleconference. Written questions can be submitted using the Webcast.

Authorisation

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

[8] As at 30 June 2026, the Company had acquired 4,995,130 shares for a consideration of $0.8m.

For further information please contact

Mark Sherwin (Chief Financial Officer) at msherwin@mcpher.com.au
Craig Durham (General Counsel & Company Secretary) at cdurham@mcpher.com.au

About McPherson's Limited

McPherson's Limited is a supplier of some of Australia's well-known essential health and beauty products. The Company's portfolio is anchored in iconic household brands: 'Manicare', 'Swisspers', 'Lady Jayne', 'Maseur', 'Glam', 'Dr. LeWinn's' and 'Fusion Health'. McPherson's strategy is to invest in and grow these brands through the pharmacy, grocery, health food and e-commerce channels. McPherson's is headquartered in Sydney and is listed on the Australian Securities Exchange.

For further information, please visit **www.mcphersons.com.au**