



FY24 Results Presentation

NOVEMBER 7, 2024

JIM FILIS - CEO / Managing Director

Agenda

FY2024 Strategy Reset and Highlights

FY2024 Financials

FY2025 Priorities and Back to Profitability



About Heritage Brands



We are an entrepreneurial Australian Health, Wellness and Beauty company, enhancing the lives of our consumers, with an assurance of quality, value and innovation.

With over 30 years of Heritage, our Brands are enjoyed across continents of Australia, New Zealand and Asia.



Our Strategy is defined by our core of Wellness, Skincare, Suncare and Colour Cosmetics categories



FY24 Strategy Reset and Highlights

FY24 Key Changes



A year of transformation with new and highly experienced management team and refreshed strategy now being executed. Improvement in sales trajectory in the last 8 weeks of FY24 supported by changes in brand and customer priorities.

New Leadership Team

- Significant capability improvement across Leadership team and senior roles, experience in turnaround businesses, health and wellness, brand elevation and in the trade across both Grocery and Pharmacy channels.

Strategy Reset

- Reset investment priorities to high growth categories of Aromatherapy, Suncare and Skincare with unprofitable volume exited impacting 2024 revenue.

Customer First Focus

- Renewed relationship momentum with priority customers, transformation in progress.
- By strategically narrowing our focus on retailers that purchase products within our categories, we aim to achieve strong and sustainable growth. Distribution wins achieved in Q4 2024.

OMNI Channel Momentum

- Investment in website refresh for Oil Garden and In Essence.
- Transformed digital marketing leading to enhanced OMNI channel outcomes, pointing shoppers into store.

Supplier Transformation

- Supplier transformation strategy has seen the appointment of new manufacturers to improve gross margin with reduced prices for goods and improved first to market innovation.



Leadership Team



Highly committed and experienced management team, ready to accelerate our iconic brands in the lucrative Health, Wellness, Skincare and Beauty sector.



JIM FILIS

CEO/MANAGING
DIRECTOR



DONNA RICHARDSON

CHIEF FINANCIAL OFFICER



BLAIR MINTER

GENERAL MANAGER
OF SALES



DI TIMLIN

HEAD OF MARKETING
AND ECOMMERCE



JANE SCHINCK

HEAD OF PRODUCT



HELEN SAHINIDS

PEOPLE AND CULTURE
MANAGER

Our three-year strategy will see brands elevated by delighting our consumers and collaborating relentlessly with our customers.

01

Build
brands

02

Delight
consumers

03

Customer
collaboration

04

Develop
people

05

Prioritise
sustainability

← OMNI CHANNEL →

Heritage brands competes in highly attractive growth categories that will continue to grow strongly.



Wellness: Pure Essential Oils



Mass & Luxury

Local and new markets

- Double sales in the next three years
- Total Addressable Market(TAM) Aromatherapy of \$123m in 2023*

OIL GARDEN IN ESSENCE®
ESTD BYRON BAY 1985

Skincare: Suncare, Self Tanning and Treatment



Leading sheet masks with expansion plans into treatment offering

Innovate first to market NPD (suncare, tanning)

- Grow faster than category (masks) accelerate in serums, enter other formats.
- Self Tanning : Leading Tanning Brand
- Suncare : Double sales in the next three years.
- TAM Masks & Serums of \$210.1m**
- TAM Market Suncare \$209.2m***

SKINREPUBLIC
SKIN LABORATORY



Beauty: Colour Cosmetics & Nails



Innovation & 1st to market NPD

Launch new markets

- Continue to outperform the category

aurallis **Helios**

*<https://www.grandviewresearch.com/horizon/outlook/aromatherapy-market/australia>

**Source IQVIA: Masks + Serums, ANZ Grocery Pharmacy Value MAT to 21/09/2024

***Source IQVIA: Suncare, ANZ Grocery Pharmacy Value MAT to 21/09/2024

Customer First



Renewed relationships has created momentum and opportunities with priority customers with transformation in progress.



DISTRIBUTORS



First to Market Innovation - #1 Rosemary Oil Brand*



OIL GARDEN

ESTD BYRON BAY 1985

ROSEMARY HAIR & SCALP OIL

revitalise
YOUR SCALP



“Liquid Gold 🥰”

I have been using this oil for over a year and my hair has never been so healthy. I also use it on my partners scalp as he has psoriasis and it helps to reduce redness and encourages hair growth plus it smells amazing so you really can't go wrong”

Brianna M.

FY24 Financials



Financial Summary 2024



\$ million	2024	2023
Revenue	40.6	45.5
Gross Margin	15.1	17.6
Gross Margin%	37.2%	38.8%
Marketing	(3.3)	(4.0)
Employee Costs	(7.6)	(8.2)
Other	(5.2)	(5.2)
EBITDA	(1.0)	0.2
One-offs	(0.4)	(0.3)
D&A	(0.8)	(0.8)
Finance Expenses	(0.9)	(1.1)
Income tax benefit	0.9	0.6
Loss on sale of Trade-Marks	(0.8)	
Impairment of Intangible Assets	(4.1)	
Profit (loss)	(7.1)	(1.3)

Net Revenue of \$40.6 million for the year down 10.6% against the prior corresponding period, reflecting the challenging trading conditions and cost of living pressures faced by consumers and a focus away from non – strategic brands. Exiting unprofitable volume has also impacted 2024 Revenue.

Le Tan Suncare which is a key priority brand achieved growth of +39.1% in 2024.

Internet Sales growth, +5.2% after a renewed focus on OMNI-Channel and the re-platforming of the Oil Garden and In Essence websites.

Gross Margin % lower due to FX impact of AUD vs USD and clearance of excess inventory in alternate channels at a lower margin %.

Right sizing cost to support sustainable and long -term growth.

EBITDA -\$1.2 million compared to 2023.

Sale of Innoxia Marks.



The image features three hands holding different LeTan skincare products against a plain, light-colored background. The top left hand holds a purple bottle of 'GRADUAL FACE TANNING SERUM NIGHT REPAIR' with a list of ingredients including Retinol, Squalane, and Hyaluronic Acid. The bottom right hand holds an orange bottle of 'GRADUAL FACE TANNING SERUM ANTI-AGEING' with ingredients like Peptides, Kakadu Plum, and Hyaluronic Acid. The bottom left hand holds a teal bottle, partially visible. A large, white, serif text overlay is centered across the middle of the image.

FY25 Priorities and back to profitability

Strategic Priorities



2024 reset has shown good early signs with 2025 to accelerate the momentum gained in Q4 2024.



Customer Collaboration and **Net Distribution** gains of our **core** and **NPD** into existing and new channels.



Build awareness and **grow market share** of our core brands Le Tan, Oil Garden, In Essence, Australis and Skin Republic.



Acceleration of Omnichannel initiatives leading more consumers online and into our customers stores.



Expansion into **international markets** with **China** a key focus for our flagship brands including **Le Tan** and **In Essence**.



Optimisation of investments and **Inventory review** to reduce complexity and improve free **cash flow**.



IN ESSENCE®



SKINREPUBLIC
SKIN LABORATORY

australis

Back to profitability



Growth in attractive categories and margin improvement initiatives will see improvement in profit in 2025.

Gross Margin

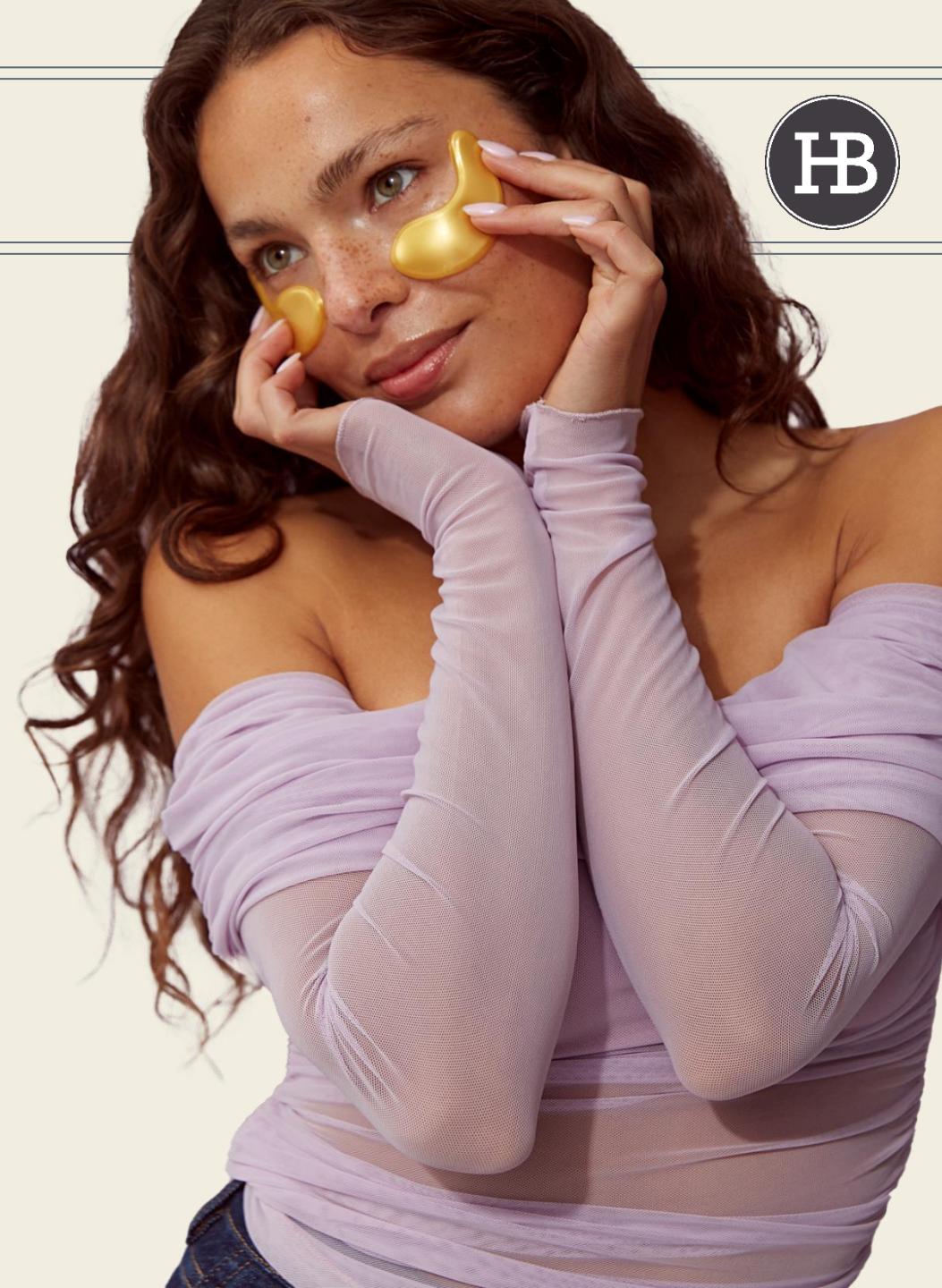
- Cost of goods improvement initiatives
- Winding back unprofitable promotions

Portfolio Optimisation

- Cut tail and low margin products
- Aligning brand investment behind most profitable portfolio

Channel Mix

- Grow more profitable channels faster



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Heritage Brands

WELLNESS | SKINCARE | SUNCARE | COLOUR COSMETICS

Thank you
