

31 October 2019

CHAIRMAN'S ADDRESS BY MR BRENT WALLACE 2019 ANNUAL GENERAL MEETING

Good morning ladies and gentlemen. I'm Brent Wallace, Chairman of the Blackmores Board and it is my pleasure to welcome you to the 2019 Annual General Meeting of Blackmores Limited. This is our 57th AGM.

Ladies and gentlemen, as I've said before, there's no shying away from the fact that F19 was a very challenging year. Despite achieving record revenue of \$610 million, we faced a number of headwinds which meant that our net profit did not reflect this strong sales result.

But one of the key messages that I hope will be clear from the AGM today is that the fundamentals of the business are incredibly strong.

We are Australia's leading natural health company. We have been for 87 years. We're also number one in Thailand, Malaysia and Singapore. And with that comes enormous opportunities – both in Australia and abroad.

Blackmores operates in an incredibly complex environment – where consumer expectations, competitive forces, government regulation and market conditions are constantly evolving. But as a business, we are evolving as well.

There is significant transformation underway within the company. We're growing in new markets, we're expanding our products and services, and just this week we've become a manufacturer of tablet and soft gel capsules giving us all the advantages that come from being vertically integrated

We are changing the way we do business and we are becoming a better organisation.

One part of this is a transformation process that the Board started nearly two years ago. During the past year we announced that we would be targeting \$60 million in operational cost savings over three years.

This will allow us to continue investing in key strategic initiatives, build our capability and deliver overall margin improvement.

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Alastair is already putting in place his strong plans to grow the business in Australia, China and across Asia. And he's putting the right team and structure in place to lead this. He'll say more about this shortly but as a Board we are delighted with the fast start Alastair has made.

Just as we have instigated the refresh and renewal of the Executive Leadership Team, we are also instigating renewal at the Board level which I think is also very important for the company.

For the past 14 years it has been my great privilege to serve on the Board of Blackmores. However, having begun this renewal process I feel that it is time for me to retire as Chair and from the Board.

I will stay on while the Board completes the recruitment process to fill two non-executive director vacancies, at which time a new Chair will be appointed and I will retire. It is also important to note that we have begun this search process.

In my time at Blackmores I have seen, and been a part of, some wonderful achievements over the past 14 years. As many of our long-term shareholders would know, Blackmores is a very different company today to what it was 14 years ago.

We have grown enormously, expanded into new markets such as China and acquired new brands and businesses such as BioCeuticals. Importantly we have also introduced and supported our Blackmores Institute as a centre for harnessing our knowledge and intellectual property.

However, the things that make this company great have never changed and it has been a privilege to be a part of it.

Finally, as part of the Board renewal Marcus Blackmore has advised the Board that he will be stepping down as an Executive Director at the same time as I retire, but he will continue as a Non-Executive Director and let me reassure you that he will continue to have a strong voice on the Board.

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