McPHERSON'S

ESTD. 1860

ASX Announcement

1H26 Financial Results

25 February 2026

McPherson's Limited (**ASX: MCP**) today announces its results for the six months to 31 December 2025 (**1H26**). During the period, the Company focused on embedding its new operating model, a key step in delivering on the Company's strategy and unlocking planned financial and strategic benefits.

Highlights

- Revenue from Continuing Operations[1] of $66.0 million (1H25: $70.7 million), down 6.7%.
- Core brand revenue down 1.0% to $61.9 million (1H25: $62.5 million); growth in Manicare and Swisspers, and declines in Dr LeWinn's and Fusion Health.
- Excluding wholesaler rebates, core brand revenue up 2.2%.
- Underlying EBITDA[2] from Continuing Operations of $2.2 million (1H25: $2.0 million), up 10.6%, supported by reduced fixed costs under the new operating model.
- Pre-tax material items of $2.7 million, including a $1.9 million non-cash impairment of the Fusion Health brand and $0.8 million of one-off cash items.
- Statutory net loss after tax of $2.3 million (1H25: net loss after tax of $0.9 million).
- Basic loss per share of 1.6 cents (1H25: loss of 0.6 cents per share).
- Operating cash flow of $5.9 million.
- Net cash[3] position of $12.6 million up from $8.8 million at 30 June 2025.
- No dividend determined to be paid.
- On-market share buyback of up to A$2.0 million.

Commenting on the result, McPherson's CEO, Brett Charlton, said:

"The 1H26 result is our first under the new operating model and reflects a period of stabilisation as we onboard pharmacy wholesalers, improve demand forecasting, manage a more rationalised SKU portfolio, and strengthen our commercial team. Our category-leading Manicare and Swisspers brands reported strong growth while Dr LeWinn's and Fusion Health were both impacted by different issues connected to the transition and performed below the growth aspirations we had set for the half. We have taken deliberate steps to address these issues and anticipate progressive improvement in 2H26. On a like-for-like basis, our core brands demonstrated revenue growth of 2.2%, reflecting the resilience of our diversified five-brand portfolio.

"The removal of warehouse, logistics and associated overhead costs supported underlying EBITDA growth and strong operating cash flow despite transition-related revenue challenges. We continue to stabilise our new operating model and remain focused on driving growth across our core brands, unlocking further benefits from our new, more scalable operating model, and delivering sustainable shareholder returns.

---

[1] Continuing operations reflect the Company's performance excluding discontinued operations. Refer to Segment Information (note 4) of the 1H26 Financial Statements.
[2] Earnings before interest, tax, depreciation and amortisation (EBITDA) is a non-IFRS measure and does not have a standardised meaning prescribed by IFRS. However, the Company believes that, in combination with IFRS measures, it assists in providing investors with a comprehensive understanding of the operational performance of the business. Underlying EBITDA excludes material items. A reconciliation of EBITDA to net profit after tax is shown in the Company's 1H26 Results Presentation (slide 29) dated 25 February 2026.
[3] Net cash is defined as cash and cash equivalents, less borrowings, excluding lease liabilities.

McPherson's Limited
ABN 98 004 068 419

ADDRESS:
105 Vanessa Street
Kingsgrove NSW 2208

PHONE: +61 2 9370 8000
FAX: +61 2 9370 8093

WEBSITE:
www.mcphersons.com.au

In addition to today's announcement, the Board is announcing an on-market share buyback of up to $2.0 million, demonstrating confidence in McPherson's long-term strategy and prospects."

Overview of 1H26 performance

Continuing Operations

Results from Continuing Operations[4]	1H26 ($m)	1H25 ($m)	Change ($m)	Change (%)
Revenue	66.0	70.7	(4.7)	(6.7%)
Underlying EBITDA	2.2	2.0	0.2	10.6%

Revenue was $66.0 million, down 6.7% compared to $70.7 million in 1H25. Of this decline, $4.1 million was attributable to McPherson's supporting portfolio brands and reflects a redirection of A&P investment to core brands, coupled with supply challenges on a number of these brands.

Sales of the Company's core brands comprised 93.9% of McPherson's sales (1H25: 88.4%) and were broadly in line with 1H25 at $61.9 million. On a like-for-like basis, excluding the impact of new wholesaler rebates, which are now accounted for as an offset to revenue under the new operating model, core brand revenue growth was 2.2%. On this basis, three out of the five core brands delivered revenue growth, demonstrating the strong performance of the Manicare and Swisspers brands and the diversification benefit of the five core brands overall.

- **Manicare** sales grew by 6.7% to $25.5 million, driven by a steady growth in the largest major pharmacy customer, supported by brand investment and new product development. Within Manicare, the GLAM brand has performed well, especially in major grocery customers.
- **Swisspers** sales grew by 11.7% to $11.8 million, with a strong performance in both pharmacy and grocery channels, supported by disciplined price promotion activity. The brand outperformed private label offerings during the period, demonstrating the overall strength of the brand proposition.
- **Lady Jayne** sales were down 2.1% to $9.4 million. The brand performed well in major pharmacy and grocery channels. However, performance for the half was impacted by delays in new electricals product development and wholesaler range rationalisation.
- **Dr LeWinn's** sales were down 21.6% to $8.6 million. Packaging constraints linked to the brand refresh, along with transitional demand planning challenges with pharmacy wholesalers and manufacturing partners, led to out-of-stock positions during the period. The international business was impacted by brand out-of-stocks and the performance of the brand's key distributor in China.
- **Fusion Health** sales were down 11.8% to $6.7 million. While the performance of the core range in a major pharmacy customer was encouraging, new product development delays and underperformance in the health food channel, where execution issues led to declines in volumes per store and the loss of certain customer accounts, impacted revenue.

Management has taken targeted action to address the transition issues with Dr LeWinn's and Fusion Health. Stock availability of Dr LeWinn's has been restored, with refreshed packaging now in market, repositioning the brand for the unique Australian environment. While growth ambitions for Fusion Health have been moderated on the basis of its performance in 1H26, discussions are underway to expand the brand's reach into health food stores and increase sales per store in independent pharmacies, alongside initiatives to improve in-store execution and promotional effectiveness.

[4] Continuing Operations for the Company exclude the value of Discontinued Operations. Refer to Segment Information (note 4) of the 1H26 Financial Statements.

Sales of supporting portfolio brands (6.1% of McPherson's sales) declined 50.5% to $4.0 million. These brands were not prioritised for investment during the period. Management continues to refine this portfolio to focus on Maseur footwear and Revitanail nail health formulas.

Underlying EBITDA of $2.2 million for 1H26 was up 10.6% despite lower sales. Gross margin was favourably impacted by the increased weighting of core brands and the unwinding of inventory provisions, partially offset by the inclusion of wholesaler rebates and unfavourable FX. Compared to 1H25, employee and other costs were down $3.3 million and distribution costs were up $0.6 million. These changes were primarily due to the structural shift in operating model.

Depreciation and amortisation (D&A) has reduced significantly as a result of the Kingsgrove warehouse exit and the transition to a more asset light operating model.

Overall benefits from the new business model, including reduced D&A, were approximately $2.7 million in 1H26. The unlock of revenue benefits from improved distribution and DIFOT remains in progress as the new business model stabilises. These overall benefits are in line with management guidance of approximately $4.5 to $5.0 million of annualised net EBIT benefits from the new operating model.

Operating Segment Performance

Australia and New Zealand

Results from Continuing Operations[5]	**1H26 ($m)**	**1H25 ($m)**	**Change ($m)**	**Change (%)**
Revenue	64.8	68.9	(4.1)	(5.9)
Underlying EBITDA	5.9	4.9	1.0	21.5

The ANZ segment reported revenue of $64.8 million, down 5.9% compared to 1H25. Consistent with the overall performance, this primarily reflects the performance of portfolio brands, down $3.9 million, with core brands in line with 1H25. Underlying EBITDA was $5.9 million, up 21.5% on 1H25, reflecting the benefits of the new operating model, which primarily benefitted the ANZ segment.

International

Results from Continuing Operations[2]	**1H26 ($m)**	**1H25 ($m)**	**Change ($m)**	**Change (%)**
Revenue	1.2	1.9	(0.6)	(34.5)
Underlying EBITDA	(0.6)	(0.8)	0.2	(23.7)

The international segment reported $1.2 million of revenue, down 34.5% on 1H25. The decline in revenue was chiefly due to out-of-stock positions (primarily the Dr LeWinn's brand) and disruption to a major distributor in China.

Management continues to explore opportunities to grow the international business, including engaging with potential partners to expand digital and e-commerce distribution across existing and new markets.

[5] Continuing Operations for each segment are shown excluding the value of Discontinued Operations. Refer to Segment Information (note 4) of the 1H26 Financial Statements.

Strategy
McPherson's strategy is to build brands consumers love and customers champion, driving repeat purchase and enabling disciplined reinvestment in A&P to support long-term growth. Under the new operating model, the Company is focused on capturing market share opportunities for our brands through the right channels. The Company is investing in and developing the culture, capability, systems and processes that enable its people to thrive and execute on the strategy.

Material items
McPherson's recognised $2.7 million in pre-tax material items during the period. This includes a $1.9 million non-cash impairment of the Fusion Health brand, reflecting 1H26 performance, and a moderated growth outlook.

The remaining $0.8 million comprises $0.5 million in restructuring and transformation costs; and $0.3 million in professional fees relating to ASIC matters.

Net cash and cash flow
Net cash was $12.6 million as at 31 December 2025, up from $8.8 million at 30 June 2025.

The Company generated $5.9 million in operating cash flows during the half, reflecting positive underlying earnings and working capital benefits associated with the transition to the new operating model, a portion of which are expected to unwind in 2H26. During the period, the Company paid $7.3 million in redundancy costs in connection with the warehouse exit and change to operating model.

On 28 November 2025, the Company announced it had entered a new three-year debt facility with the Hongkong and Shanghai Banking Corporation, Sydney Branch (ARBN 117 925 970) (HSBC) for total facilities of $16.2 million. The Company was undrawn on its financing facilities at 31 December 2025.

Following the balance sheet date, the Company announced it had received amended ATO assessments for FY23 and FY24 and has received refunds totalling $2.0 million. A further benefit of $1.3 million is expected in future years, bringing the total anticipated tax benefit to approximately $3.3 million.

Dividends

Given the balance of retained losses at 31 December 2025, and informed by the loss after tax for 1H26, the Board has determined not to pay an interim dividend.

Capital management
As part of the continuing development of a suitable capital allocation framework, the Board is today announcing an on-market share buyback of up to $2.0 million over the next 12 months. The Board considers this is an appropriate initial mechanism to return capital to shareholders, optimise capital management and enhance shareholder value, while retaining sufficient flexibility to support future growth.

Near term priorities and outlook
As the new operating model continues to stabilise, the Company's focus in 2H26 is driving growth across its core brands and capitalising on the improved pharmacy distribution, service delivery capabilities, and other strategic benefits that the new operating model provides.

Subject to current trading conditions and the continued stabilisation of the operating model, McPherson's anticipates moderate year-on-year growth in underlying FY26 EBITDA, majority weighted to 2H26.

Investor call details

An investor and analyst call will be held today, Wednesday 25 February 2026, 11.00am (AEDT).
Participants can register and join here: https://s1.c-conf.com/diamondpass/10052650-hu7y6t.html

Authorisation

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

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 by five iconic core household brands: 'Manicare', 'Swisspers', 'Lady Jayne', '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**