



CAPITAL MARKETS DAY

January 2019

Sis | SCIENCE
IN SPORT



scienceinsport.com

AGENDA

- **GROUP STRATEGY** – STEPHEN MOON, CEO
- **SCIENCE IN SPORT** – ASHLEY READ, MANAGING DIRECTOR
- **PHD NUTRITION** – JASON RICKABY, FOUNDER & MANAGING DIRECTOR
- **FOOTBALL** – SIMON FREEDMAN, HEAD OF FOOTBALL
- **WINNING A GRAND TOUR** – JAMES MORTON, WORLD CLASS KNOWLEDGE DIRECTOR
- **E-COMMERCE STRATEGY** – MARK MCKECHNIE, E-COMMERCE DIRECTOR
- **SUPPLY CHAIN STRATEGY** – CRAIG FLETCHER, SUPPLY CHAIN DIRECTOR
- **PEOPLE, SYSTEMS, FINANCE** – ELIZABETH LAKE, CFO



GROUP STRATEGY OVERVIEW

STEPHEN MOON
CEO

£11bn GLOBAL MARKET IN CONSISTENT STRONG GROWTH

LARGEST MARKETS BY REVENUE

1. North America
2. UK
3. Australia
4. Brazil

Market: **North America****
 SiS Presence: **Y**
 PhD Presence: **N**
 Protein Category: \$8.2bn (+9.2%)
 Non-Protein Category: \$971m (+6.8%)
 Bracketed Values are CAGR > 2023

Market: **Brazil****
 SiS Presence: **N**
 PhD Presence: **N**
 Protein Category: R\$1529m (+14.9%)
 Non-Protein Category: R\$717m (+16%)
 Bracketed Values are CAGR > 2023

Market: **UK***
 SiS Presence: **Y**
 PhD Presence: **Y**
 Protein Category: £450m (+8.7%)
 Non-Protein Category: £176m (+7.2%)
 Bracketed Values are CAGR > 2022

Market: **Italy***
 SiS Presence: **Y**
 PhD Presence: **N**
 Protein Category: €103m (+5.5%)
 Non-Protein Category: €53.2m (+5.2%)
 Bracketed Values are CAGR > 2022

Market: **Russia***
 SiS Presence: **Y**
 PhD Presence: **Y**
 Protein Category: 2030m RUB (+1.7%)
 Non-Protein Category: 1517m RUB (+1.6%)
 Bracketed Values are CAGR > 2022

Market: **China***
 SiS Presence: **Y**
 PhD Presence: **Y**
 Protein Category: 1308m CNY (+22.6%)
 Non-Protein Category: 102m CNY (+18.6%)
 Bracketed Values are CAGR > 2022

Market: **Middle East****
 SiS Presence: **N**
 PhD Presence: **Y**
 Sport Nutrition Category: £127m (+6.6%)
 Bracketed Values are CAGR > 2023

Market: **Australia***
 SiS Presence: **Y**
 PhD Presence: **Y**
 Protein Category: \$683m (+3.6%)
 Non-Protein Category: \$317m (+3.7%)
 Bracketed Values are CAGR > 2022

**GLOBAL SPORTS NUTRITION MARKET VALUED AT £11.4bn
 PROJECTED TO GROW TO £18bn BY 2023****

*EUROMONITOR PASSPORT 2017 **EUROMONITOR PASSPORT 2018

WORLD'S #1 PREMIUM PERFORMANCE NUTRITION BUSINESS



- SiS premium positioning offers strategic advantage through elite usage and latent awareness with endurance athletes in global markets
- PhD premium positioning and strong innovation has navigated the challenge of commoditisation by e-commerce platforms
- Both brands enjoy price and gross margin advantage from their premium positioning

REACHING THE £11bn PERFORMANCE NUTRITION MARKET

GROUP WILL HAVE WIDE CONSUMER REACH AND ACCESS TO MORE USAGE OCCASIONS AND DISTRIBUTION POINTS

PREMIUM ENDURANCE
SPORT NUTRITION BRAND

+

PREMIUM PROTEIN BRAND
FOR GYM LIFESTYLE

=

PREMIUM PERFORMANCE
NUTRITION BUSINESS

SIS | SCIENCE
IN SPORT



PhD
SPORTS NUTRITION





[GROUP]





SIS | SCIENCE
IN SPORT

PhD
PERFORMANCE NUTRITION



GROWTH AND VALUE CREATION - E-COMMERCE

			OPPORTUNITY
	55% of sales in FY2017	21% of sales in FY2018	
BRAND.COM	<ul style="list-style-type: none"> • Magento 2 platform serving multiple markets • UK is more developed, >7% conversion profitable .com business • USA delivering brand awareness and trial • Italy and Australia goal to be online market leaders • Opportunities in EU and Russia 	<ul style="list-style-type: none"> • Only 5% of sales • Limited in-house capability 	<ul style="list-style-type: none"> • To grow PhD.com on SiS.com platform and capability • Extend PhD.com to all SiS markets
AMAZON	<ul style="list-style-type: none"> • Delivered 37% UK CAGR since 2016 • Strategic driver of USA growth • Trading in Italy and Australia 	<ul style="list-style-type: none"> • 16% of sales • PhD delivered 24% CAGR since 2016 	<ul style="list-style-type: none"> • To extend PhD into SiS current USA, Italy and Australia businesses
THIRD PARTY	<ul style="list-style-type: none"> • Wiggle largest customer • October launch TMall, extend to other Chinese platforms 2019 	<ul style="list-style-type: none"> • n/a 	<ul style="list-style-type: none"> • Combine efforts on Chinese platforms

GROWTH AND VALUE CREATION - INTERNATIONAL

	 SCIENCE IN SPORT		 SPORTS NUTRITION		OPPORTUNITY
INTERNATIONAL	<ul style="list-style-type: none"> Directly sold in over 70 countries Strategic partner with Shimano 		<ul style="list-style-type: none"> Presence in over 45 countries International growth focused on Middle East, now China 		
ITALY	<ul style="list-style-type: none"> Milan office, two retail distributors, Amazon, SiS.com, 3PL 	✓	<ul style="list-style-type: none"> No presence 	✗	<ul style="list-style-type: none"> PhD.com addressing €103m market Some retail opportunity
USA	<ul style="list-style-type: none"> San Francisco office, wholesale and retail agents, Amazon, SiS.com, 3PL Partnerships include USA Cycling, USA Triathlon and Rock'n'Roll Marathon 	✓	<ul style="list-style-type: none"> No presence 	✗	<ul style="list-style-type: none"> Biggest market globally for protein, representing substantial PhD.com and Amazon opportunity
AUSTRALIA	<ul style="list-style-type: none"> Melbourne office, grocery and wholesale presence, Amazon, SiS.com, 3PL Relationship with Cycling Australia 	✓		✗	<ul style="list-style-type: none"> Combine efforts in Australia Protein-led market will deliver scale opportunity for combined business
CHINA	<ul style="list-style-type: none"> October launch on TMall, extend to other platforms in 2019 	✓	<ul style="list-style-type: none"> Relationship with distributor in China 	✓	<ul style="list-style-type: none"> Combine efforts in China
MIDDLE EAST	<ul style="list-style-type: none"> Limited presence 	✗	<ul style="list-style-type: none"> Established a presence in 2018 Good relationships with regional distributors 	✓	<ul style="list-style-type: none"> Better distribution for SiS
RUSSIA	<ul style="list-style-type: none"> Distributor-led rapid growth market Exploring Baltic States expansion via joint venture 	✓	<ul style="list-style-type: none"> No presence 	✗	<ul style="list-style-type: none"> Distributor-led approach Expected opportunities in MMA sports PhD.com launch with proposed SiS.com business

GROWTH AND VALUE CREATION - RETAIL

		OPPORTUNITY
12 MONTHS REVENUE TO DECEMBER 2018	12 MONTHS REVENUE TO DECEMBER 2018	
<p>High Street: £1.5m Grocery: £1.8m Specialist: £1.2m</p>	<p>High Street: £5.3m Grocery: £3.3m Specialist: £4.6m*</p>	
<ul style="list-style-type: none"> • Strong presence in independent cycling and running shops • Commands wide distribution in Grocers and High Street 	<ul style="list-style-type: none"> • Strong relationships with Grocers and Holland & Barrett • Commands wide distribution in Grocers and High Street 	<ul style="list-style-type: none"> • Full range sports nutrition category offering to retailers • SiS will seek to leverage PhD relationships, e.g. Holland & Barrett

* Includes UK sales in international distributors

SIS OVERVIEW & STRATEGY

ASHLEY READ
Managing Director

BRITISH MANUFACTURING STORY

COLLABORATE WITH ELITES &
ACADEMIC INSTITUTES



MANUFACTURE
ON-SITE IN LANCASHIRE



MARKET & SELL IN
OVER 80 COUNTRIES



OUR VISION

OUR VISION TO BE THE WORLD'S #1 ENDURANCE NUTRITION BRAND HAS 3 FOUNDATION PILLARS.

TO BE WORLD LEADERS IN:

1. INNOVATION DRIVEN BY CUTTING EDGE SCIENCE
2. DELIVERING WORLD CLASS KNOWLEDGE
3. PROVIDING THE HIGHEST STANDARD OF BANNED SUBSTANCES CONTROL



TRANSLATING SCIENCE TO PERFORMANCE

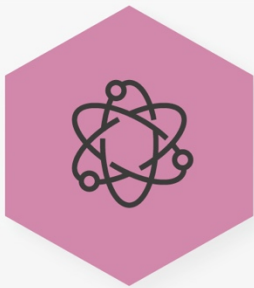


TEAM | sky

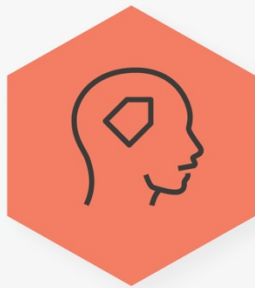
Rock'n'Roll
MARATHON SERIES®



FUNDAMENTALS OF THE BUSINESS MODEL



SCIENCE &
INNOVATION AS THE
ENGINE OF GROWTH



INVEST IN BRAND
AWARENESS,
EQUITY & USAGE



DRIVE ONLINE
PLATFORM & LEVERAGE
3rd PARTY REACH

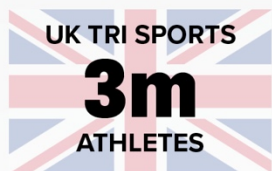


INVEST IN NEW MARKET
OPPORTUNITIES

PROFITABLE CORE BUSINESS & DRIVE ON EXPANSION IN NEW MARKETS



STRATEGIC MARKET REACH OF 25m ENDURANCE ATHLETES



34%
Shop Online

89%
Use Sports Nutrition



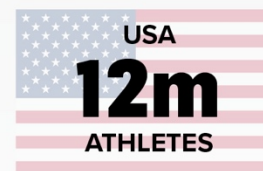
31%
Shop Online

80%
Use Sports Nutrition



29%
Shop Online

87%
Use Sports Nutrition



27%
Shop Online

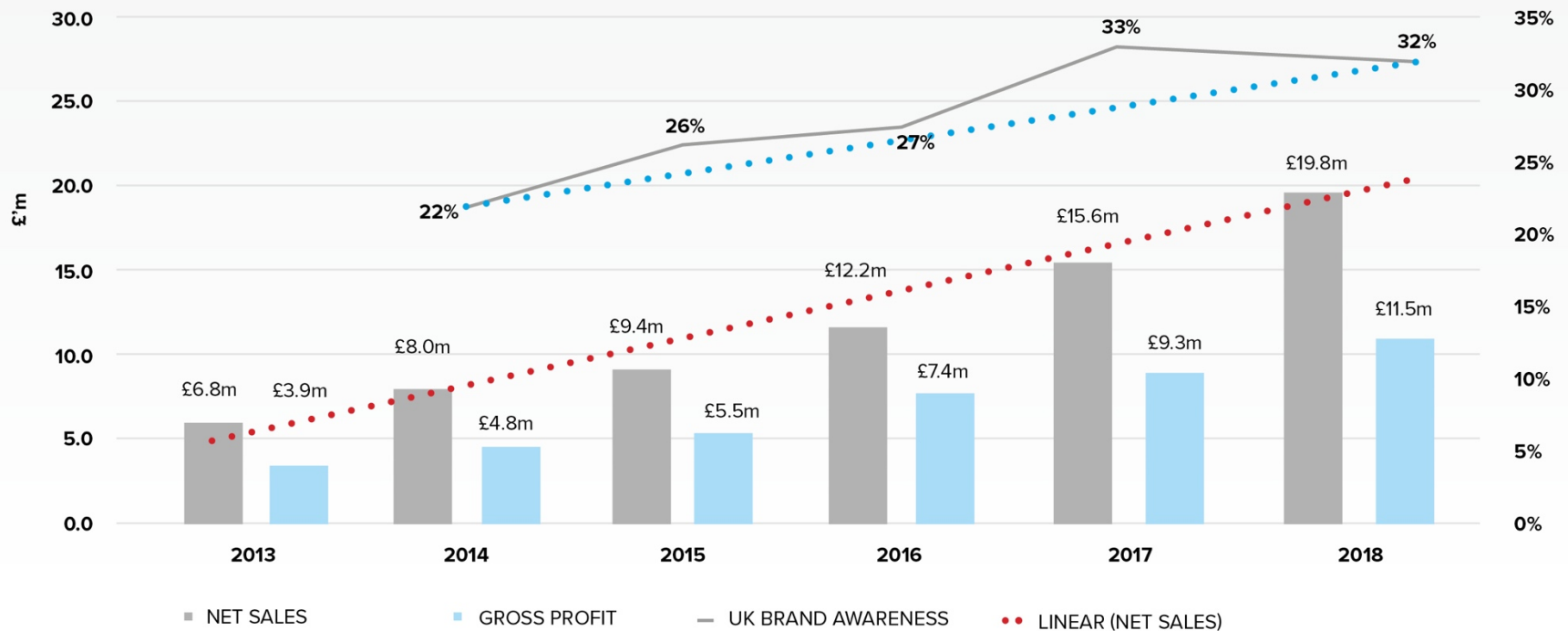
92%
Use Sports Nutrition



49%
Shop Online

86%
Use Sports Nutrition

DELIVERING +24% CAGR OVER LAST FIVE YEARS



OUTLOOK FOR 2019

+30% GROWTH

£11m ENERGY GEL SALES

+45% .COM GROWTH



2019

YEAR OF THE GEL.

ONE TARGET.

ONE COMPANY.

£11 MILLION GEL SALES.

SIS | SCIENCE
IN SPORT



PhD OVERVIEW & STRATEGY

JASON RICKABY
Managing Director

PhD: PREMIUM PERFORMANCE NUTRITION BRAND



UK PREMIUM PROTEIN BRAND FOR GYM LIFESTYLE

- STRONG RETAIL AND AMAZON FOOTPRINT IN UK
- GROWING INTERNATIONAL BUSINESS
- TRACK RECORD OF INNOVATIVE NEW SUB-BRANDS A KEY GROWTH DRIVER
- EXPERIENCED MANAGEMENT TEAM WITH TRACK RECORD OF CONSISTENT GROWTH AND PROFITABILITY



LEADING UK PERFORMANCE NUTRITION BRAND WITH STRATEGIC INTERNATIONAL EXPANSION

A DIFFERENT
APPROACH TO
SPORTS NUTRITION

2006



REVOLUTIONARY
FLAGSHIP PRODUCTS
DRIVE EARLY GROWTH

2006 - 2010



LARGE SCALE UK
ROLLOUT AS BRAND
GAINS SCALE

2010 - 2014

HOLLAND & BARRETT



INTERNATIONAL

2014 - 2017

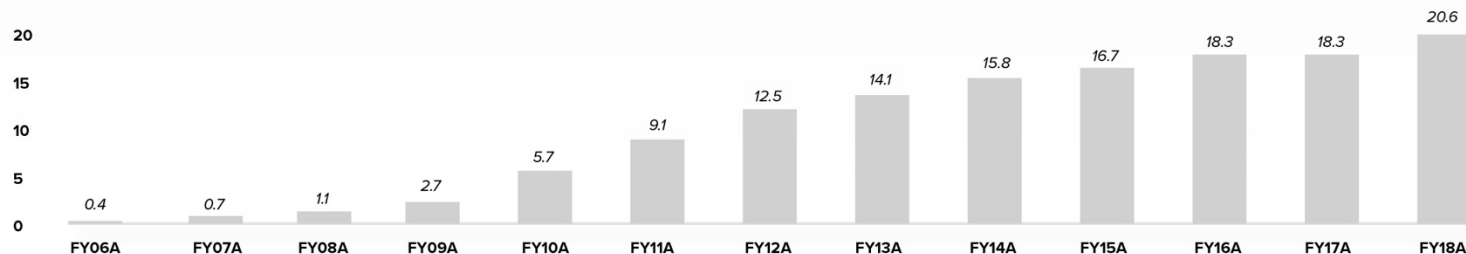


SMART
RANGE LAUNCHES

2017

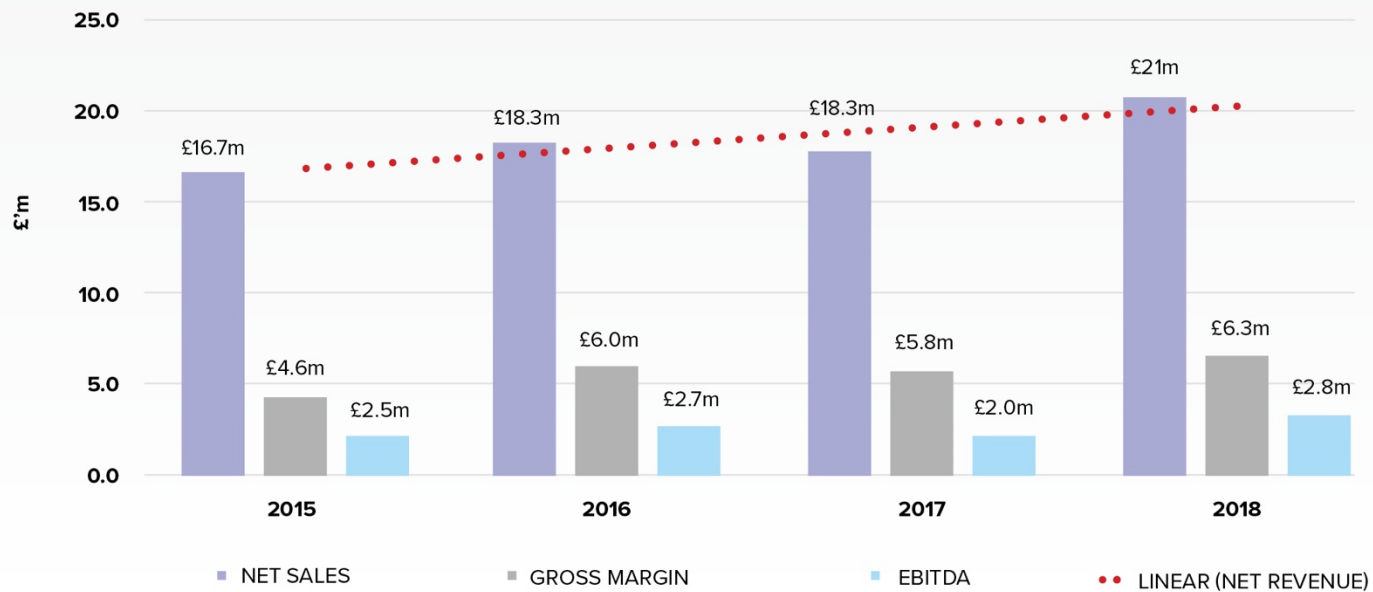


25 Revenue | £'m | Aug YE



PhD: PREMIUM PERFORMANCE NUTRITION BRAND

PROVEN BUSINESS MODEL



PERFORMANCE OFFERING WITH BROAD MARKET APPEAL...

HISTORICAL CONSUMER FOCUS

- Traditional sports nutrition market focused predominately on supplementation after weight training at the gym
- PhD's heritage and reputation for high quality specifications ensures continued popularity within this segment

PRE/POST GYM

MACRO AND EFFICACY FOCUS

LARGE PACK FORMATS

POWDER AND CAPSULES DOMINANT

EMERGING CONSUMER FOCUS

ALL DAY CONSUMPTION & ALTERNATIVE TO TRADITIONAL FOODS

INCREASING FOCUS ON TASTE

DEMAND FOR CONVENIENCE

RAPID GROWTH IN RTD AND BAR FORMATS

- Increasing popularity of high protein foods consumed throughout the day has driven sports nutrition into mainstream channels and increased usage occasions for traditional consumers
- Growth in segment led to launch of exceptional tasting Smart range



PERFORMANCE



ACTIVE & LEAN



SMART

INCREASING LIFESTYLE FOCUS

#THESMARTCHOICE

SMART BAR – ONE OF THE UK'S FASTEST GROWING PROTEIN LIFESTYLE BARS



MAY 17

Smart Bar launches at BodyPower UK 2017 to over 100,000 health and nutrition consumers



JUN 17

The one millionth Smart Bar is dispatched from Phd's warehouse after just 47 days on sale



1m SOLD

JUL 17

Smart Bar is shipped to Iceland and is now available in >30 countries worldwide



AUG 17

Smart Bar becomes the fastest growing protein bar in the UK, launching into Tesco, Holland & Barrett and other key retailers



APR 18

With 6 delicious flavours, Smart Bar continues to gain listings, with >4,700 distribution points

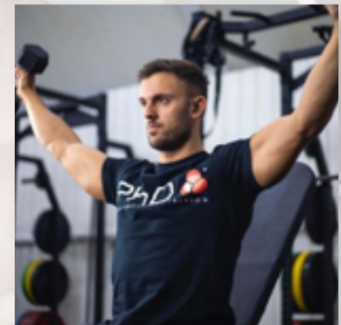
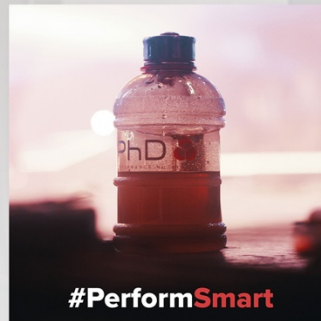


2019...

Target to double smart bar growth in 2019 to 12m bars



A MULTI CHANNEL GROWTH STRATEGY AND CLEAR GROWTH DRIVERS WILL PROPEL PhD TO >£30M REVENUE BY FY21E



1. DRIVE TURNOVER:
UNITED KINGDOM
INTERNATIONAL
AMAZON &
E-COMMERCE

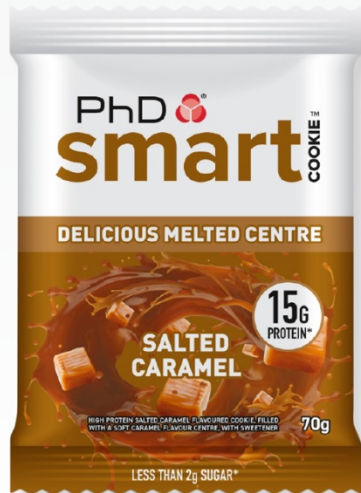
2. ABSOLUTE FOCUS
ON DIET WHEY &
SMART BAR GROWTH

3. DRIVING BRAND
AWARENESS,
ENGAGEMENT &
RELEVANCY WITHIN
18-24 YEAR OLDS

4. PERFORMANCE &
ON-TREND
INNOVATION

5. WINNING PEOPLE
STRATEGY

STRONG INNOVATION FOR 2019 IN LINE WITH GROWING TRENDS



INCREASING PERFORMANCE
INDULGENCE



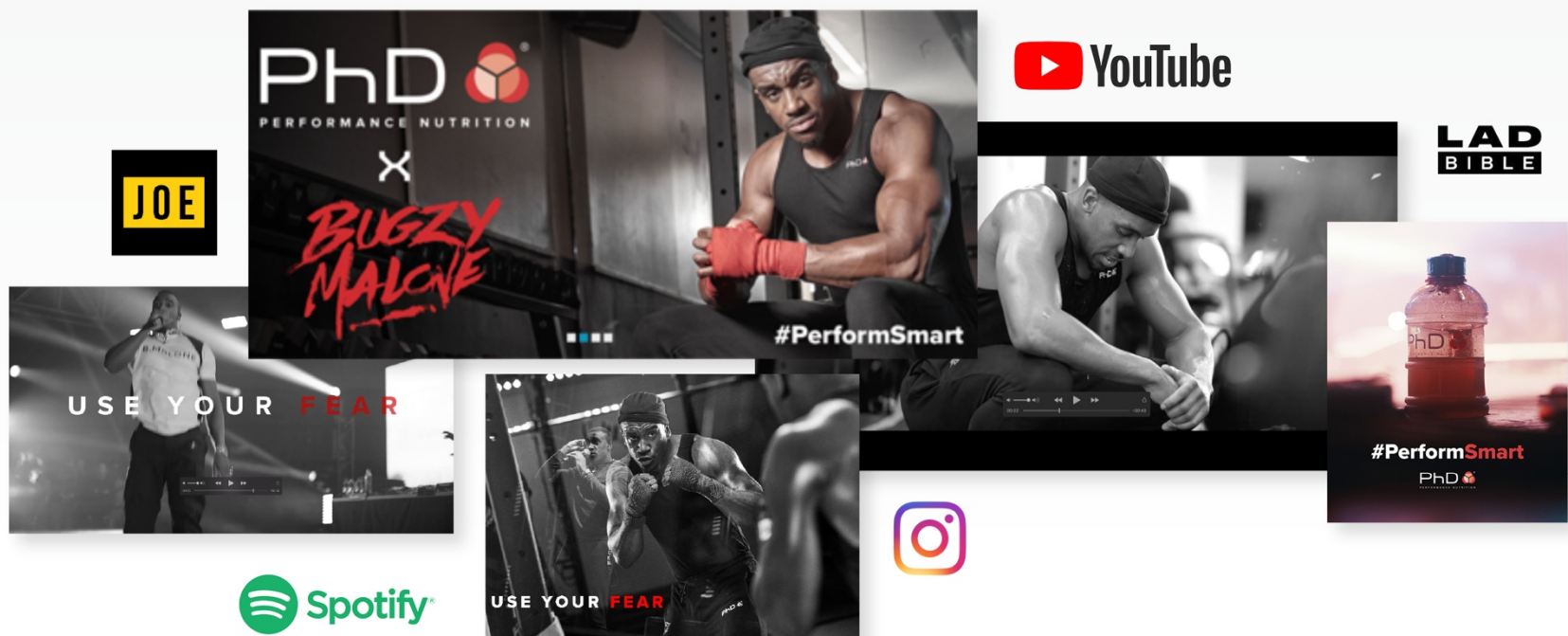
COGNITIVE “SMART”
ENERGY



VEGAN RANGE

BUILDING THE PhD BRAND ACROSS SOCIAL WITH INSPIRATIONAL AMBASSADORS

REACHING OVER 5 MILLION PERFORMANCE DRIVEN 18-35 YEAR OLDS WITH BUGZY MALONE & #PERFORMSMART



FOOTBALL STRATEGY

SIMON FREEDMAN
HEAD OF FOOTBALL

FOOTBALL OFFERS HUGE UPSIDE



**MASS PARTICIPATION:
2.2m ADULTS PLAY
FOOTBALL EACH WEEK**



**FOOTBALLERS
ALREADY CONSUME
SPORTS NUTRITION**



**264m CONSUMPTION
OCCASIONS PA**

**OPPORTUNITY TO
OWN THE SPACE**



SIGNIFICANT CONSUMER & COMPETITOR CHALLENGE

WE NEED TO DRIVE A SIGNIFICANT ATTITUDE AND BEHAVIOUR AMONGST AMATEUR FOOTBALLERS



ENGRAINED
ATTITUDES
ABOUT WATER



LOW BRAND
AWARENESS



BENEFITS NOT
UNDERSTOOD



USING
RTD'S



PURCHASE
IN C-STORES,
LESS ONLINE



EVALUATING IMPACT
OF NUTRITION IS
HARDER VS. 'PB' SPORTS



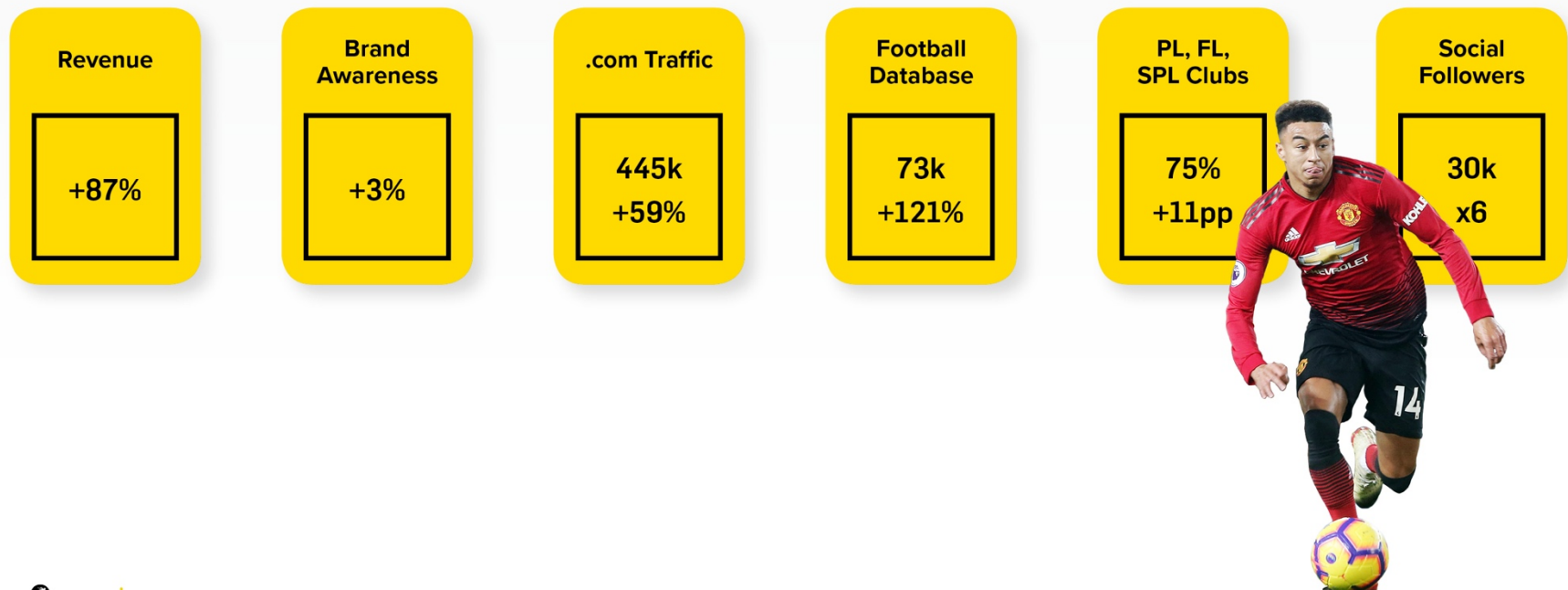
BIG COMPETITORS,
HERITAGE, LARGELY
OUTSIDE NUTRITION
CATEGORY



WE HAVE AN EXCITING LONG-TERM FOOTBALL VISION, WITH STRETCHING 2019 KPI'S

BY 2025, BE THE PERFORMANCE BRAND OF CHOICE FOR
GRASSROOTS FOOTBALLERS (BIGGER THAN LUCOZADE SPORT)

IN 2019, WE WILL DELIVER



STRATEGIC PLAN TO DRIVE GROWTH



MAN UTD & PRO CLUBS TO
DRIVE CREDIBILITY



ENGAGE &
EDUCATE PLAYERS



.COM/RETAIL



WORLD CLASS
INNOVATION

MAN UTD & ELITES

LEVERAGE MAN UTD
PARTNERSHIP

ENHANCE RELATIONSHIPS
WITH 85 CURRENT
CLUBS IN PL, FL, SPL

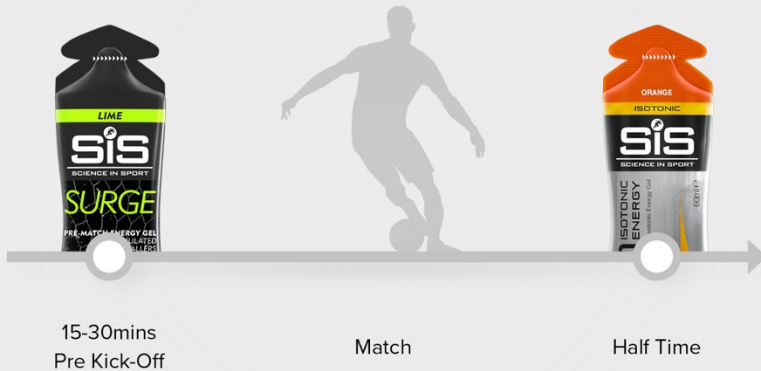


GROW ELITE
CLUBS IN EUROPE



ENGAGE & EDUCATE PLAYERS

GEL FOCUS IN TWO KEY NEED STATES ON MATCHDAY



THE NEW HALF-TIME ORANGE.

THE WORLD'S FIRST ISOTONIC ENERGY GEL,
DELIVERING HALF-TIME ENERGY. FAST.



USED BY 75% OF BRITISH TEAMS

EDUCATION



sis | SCIENCE
IN SPORT
SISFOOTBALL.COM

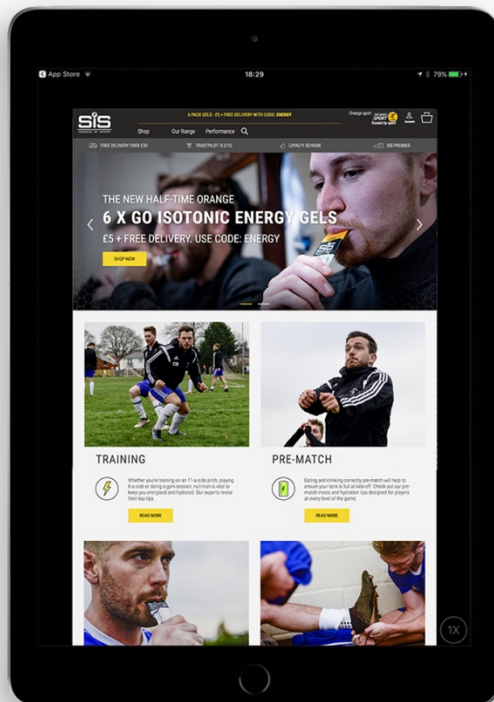
EXTENSIVE CONTENT AND EXPERIENTIAL PLAN



.COM & RETAIL CHANNELS

UP-WEIGHTED INVESTMENT TO DRIVE
.COM METRICS

GROW PRESENCE AND AVAILABILITY IN RETAIL



WORLD CLASS INNOVATION - FORMULATED JUST FOR FOOTBALLERS



NEED STATE	15-30 MINS PRE-MATCH/TRAINING		PRE MATCH/ PRE TRAINING	MATCHDAY -1	DURING THE WEEK	PRE TRAINING & MATCHDAY
PRODUCT	SURGE GEL	SURGE ZERO SHOT	SURGE GUM	PRE-90	MASS POWER	PRO COLLAGEN
RATIONALE	<p>CHO improves physical performance</p> <p>Caffeine can decrease the perception of fatigue</p> <p>Beta Alanine can enhance repeated sprint performance</p>		<p>Low dose of caffeine can decrease the perception of fatigue</p>	<p>Footballers are on average 200g under fuelled on MD-1</p> <p>Nitrates may enhance high intensity repeated sprint performance</p>	<p>Add lean muscle mass faster through Creatine</p> <p>Protein required post full body exercise</p>	<p>Collagen Peptides support connective tissue, limit joint discomfort and can prevent injury</p>



Q&A





SCIENCE & INNOVATION

PROF. JAMES MORTON
CSO

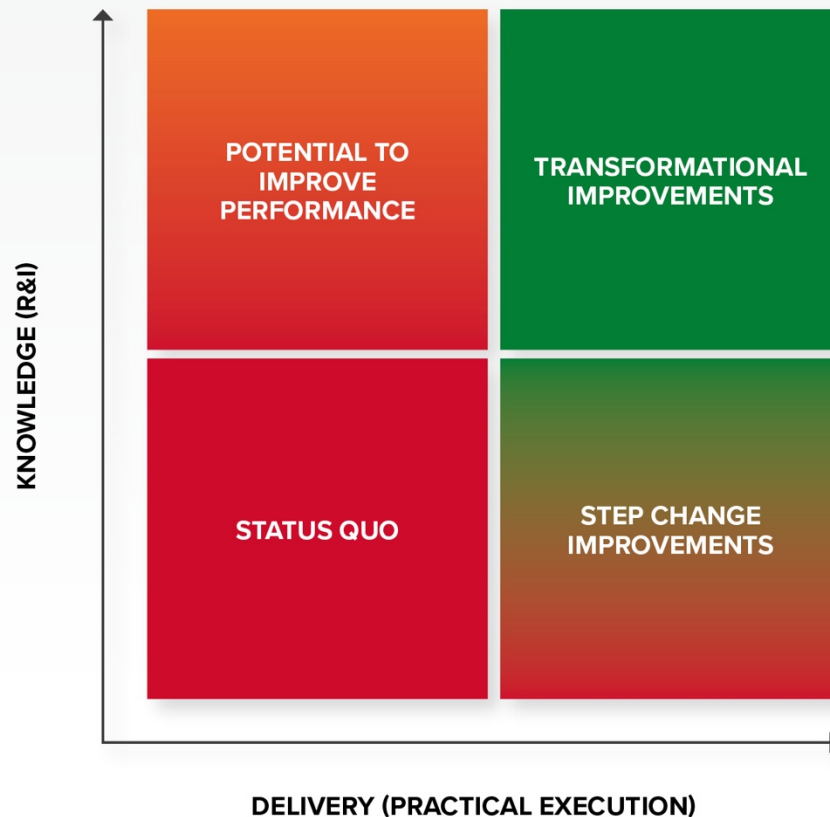


Sis DIRECTOR OF WCK



HOW DO SiS FUEL WINNING PERFORMANCES?

HOW DO SiS FUEL WINNING PERFORMANCES?





SiS PhD STUDENTSHIPS (KNOWLEDGE)

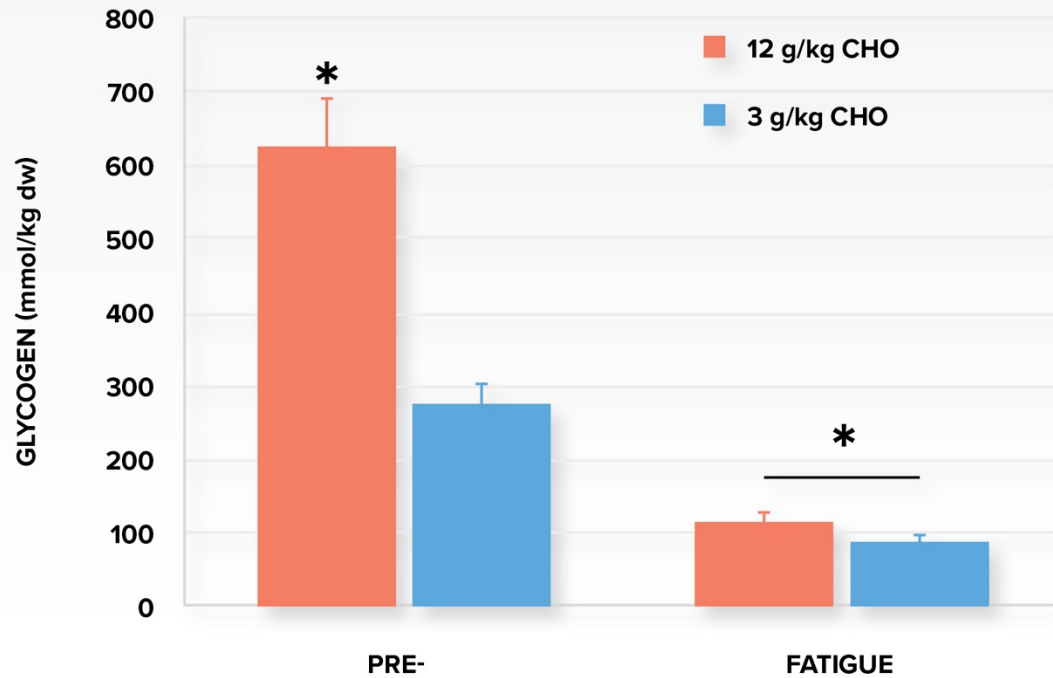


CHO LOADING & RECOVERY

CHO LOADING & RECOVERY



Dr Sam Impey
(SiS / LJMU
PhD Thesis)

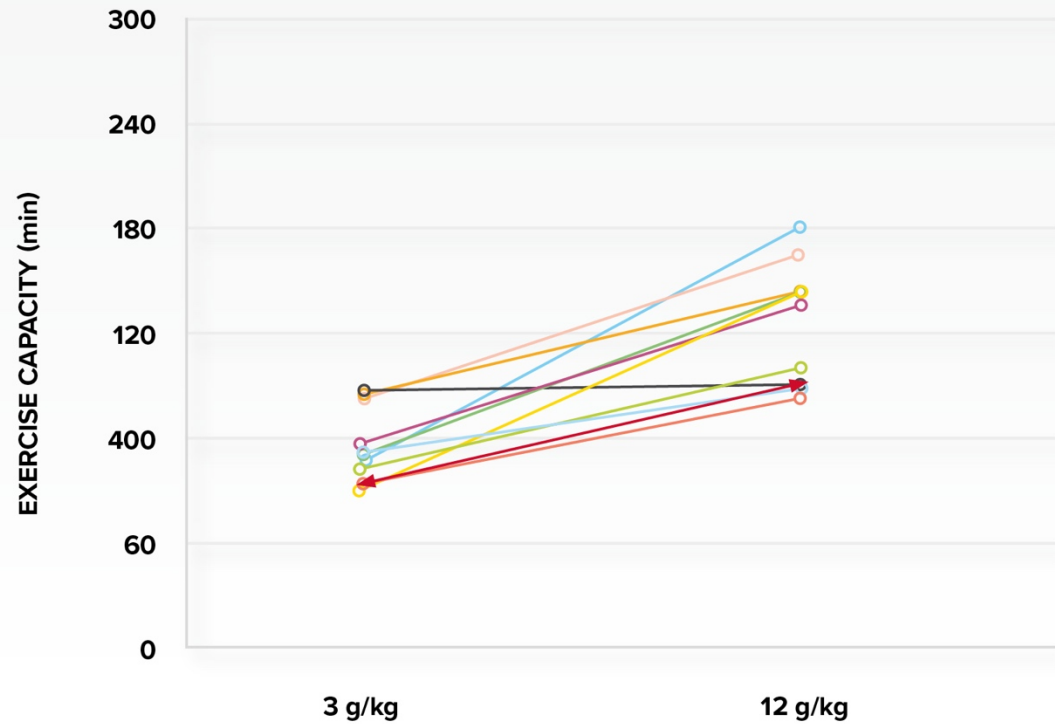


Impey et al. (2016). Physiol Reports

CHO LOADING & RECOVERY



Dr Sam Impey
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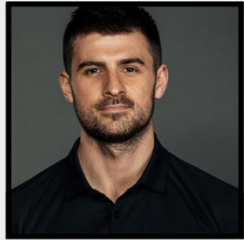


Impey et al. (2016). *Physiol Reports*



FEEDING CHO DURING EXERCISE

FEEDING CHO DURING EXERCISE

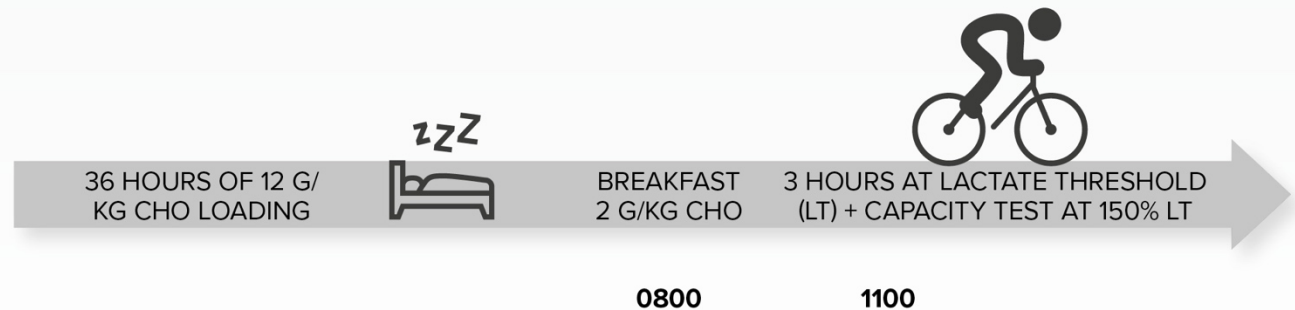


Mark Fell
(SiS / LJMU / Team Sky
PhD Thesis)

0 g/h

45 g/h

90 g/h

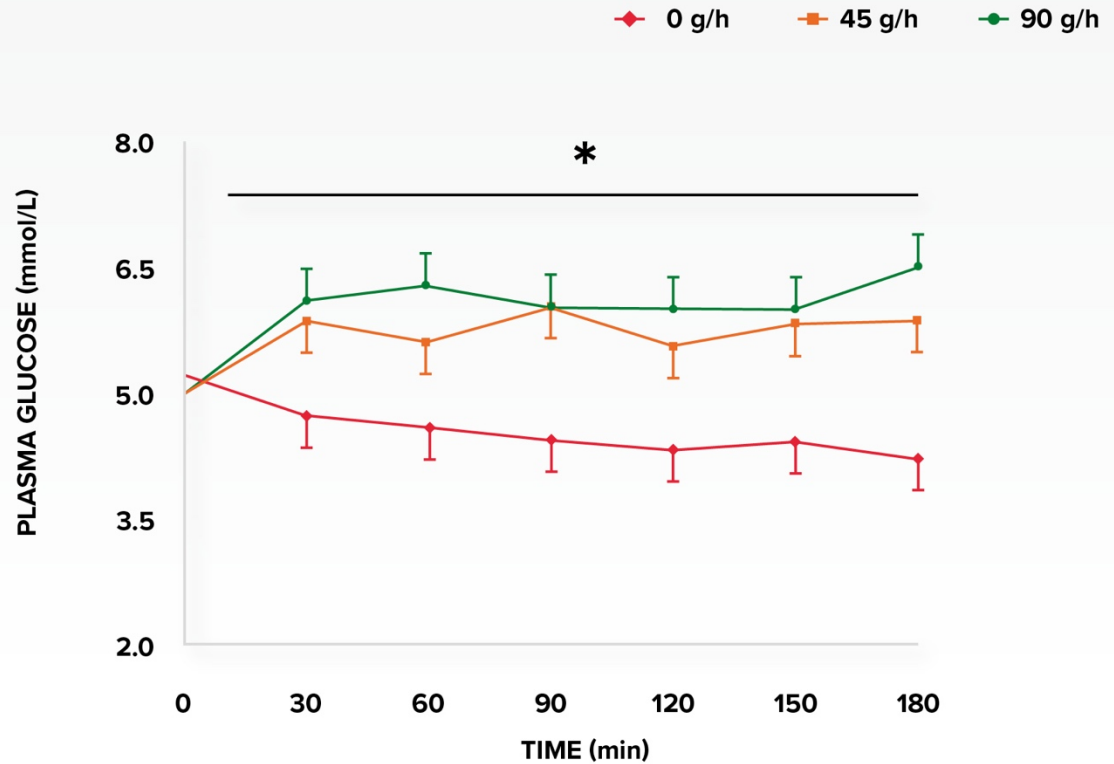


Fell et al. (2019). In Preparation

FEEDING CHO DURING EXERCISE CONT.



Mark Fell
(SiS / LJMU / Team Sky
PhD Thesis)

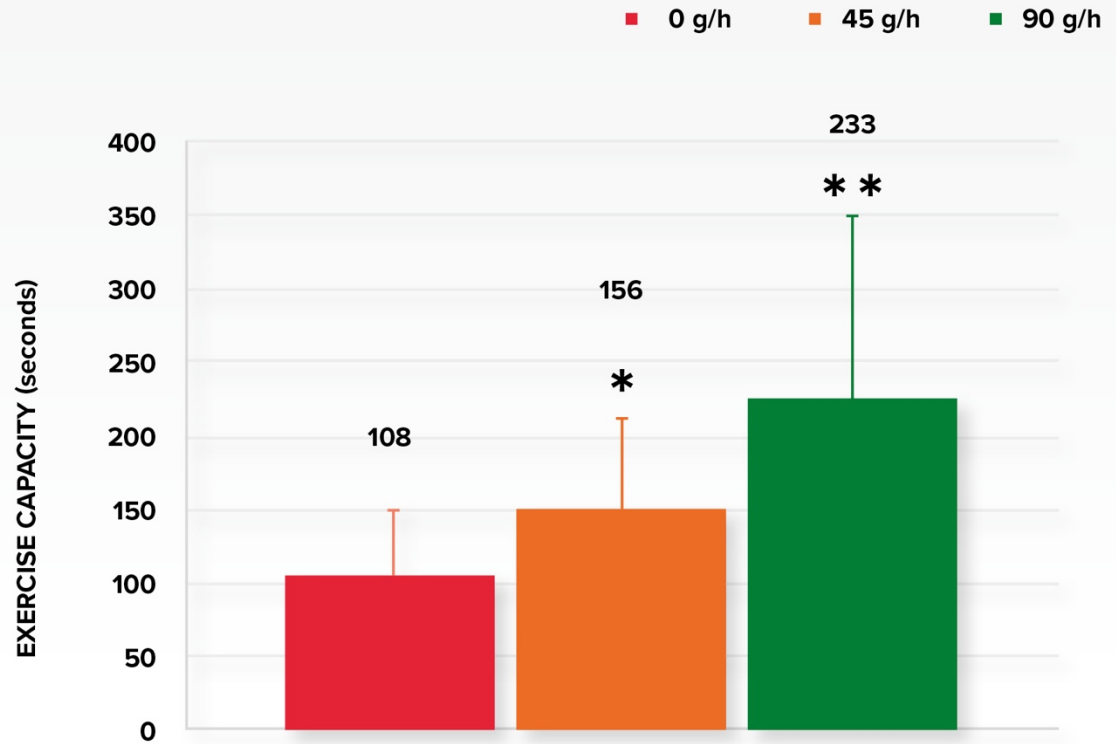


Fell et al. (2019). In Preparation

FEEDING CHO DURING EXERCISE CONT.



Mark Fell
(SiS / LJMU / Team Sky
PhD Thesis)



Fell et al. (2019). In Preparation



2018 GIRO D'ITALIA (DELIVERY)

LIVE

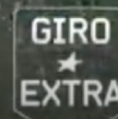
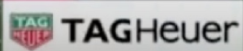
EUROSPORT 1



OVERALL STANDING

STAGE 18

1	SIMON PHILIP YATES		MTS		75h 06' 24"
2	TOM DUMOULIN		SUN		28"
3	DOMENICO POZZOVIVO		TBM		2' 43"
4	CHRIS FROOME		SKY		3' 22"
5	THIBAUT PINOT		GFC		4' 24"
6	MIGUEL ANGEL LOPEZ MORENO		AST		4' 54"
7	ROHAN DENNIS		BMC		5' 09"
8	P. BILBAO LOPEZ DE ARMENTIA		AST		5' 54"
9	RICHARD CARAPAZ		MOV		5' 59"
10	PATRICK KONRAD		BOH		7' 05"

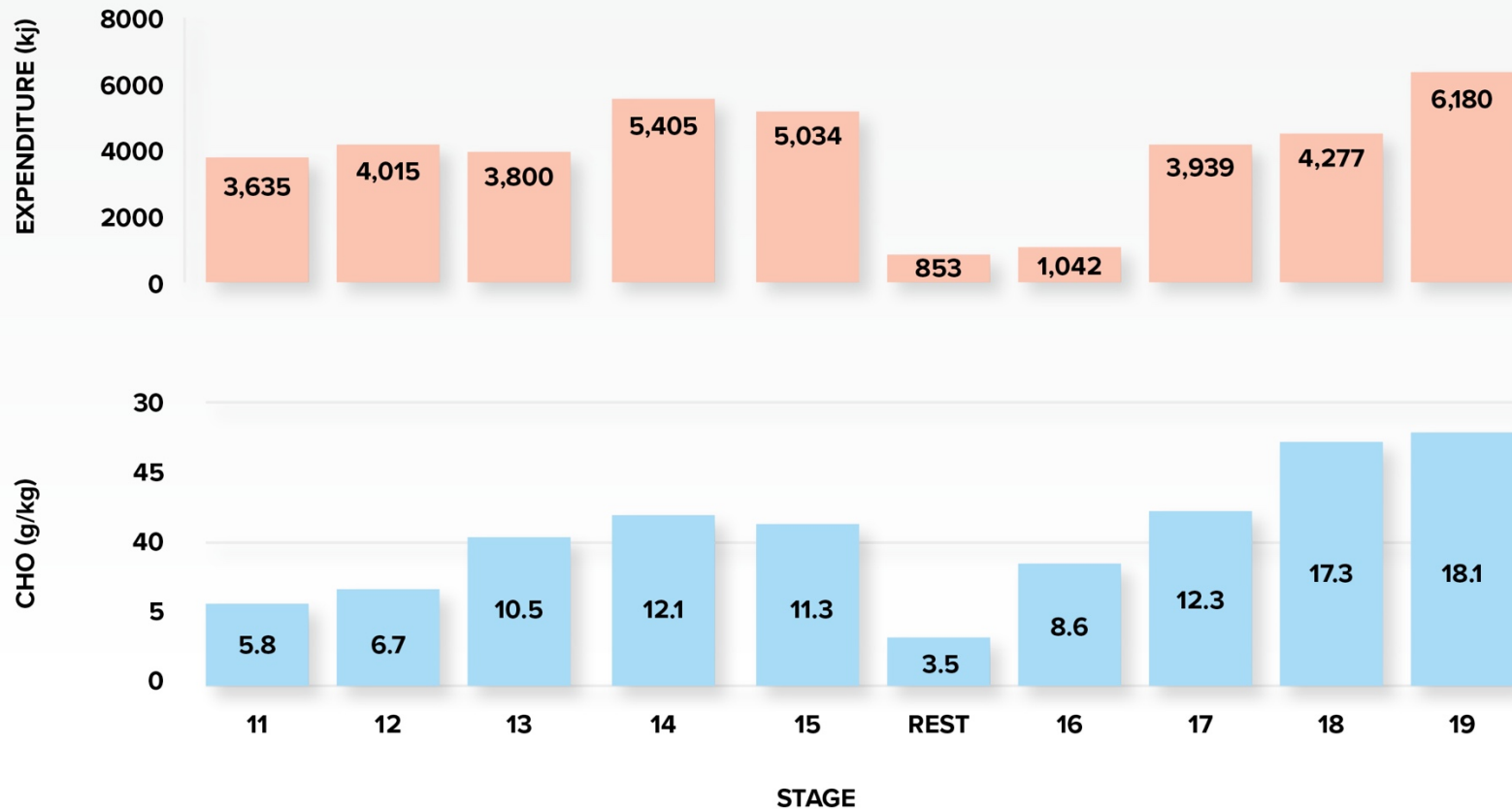




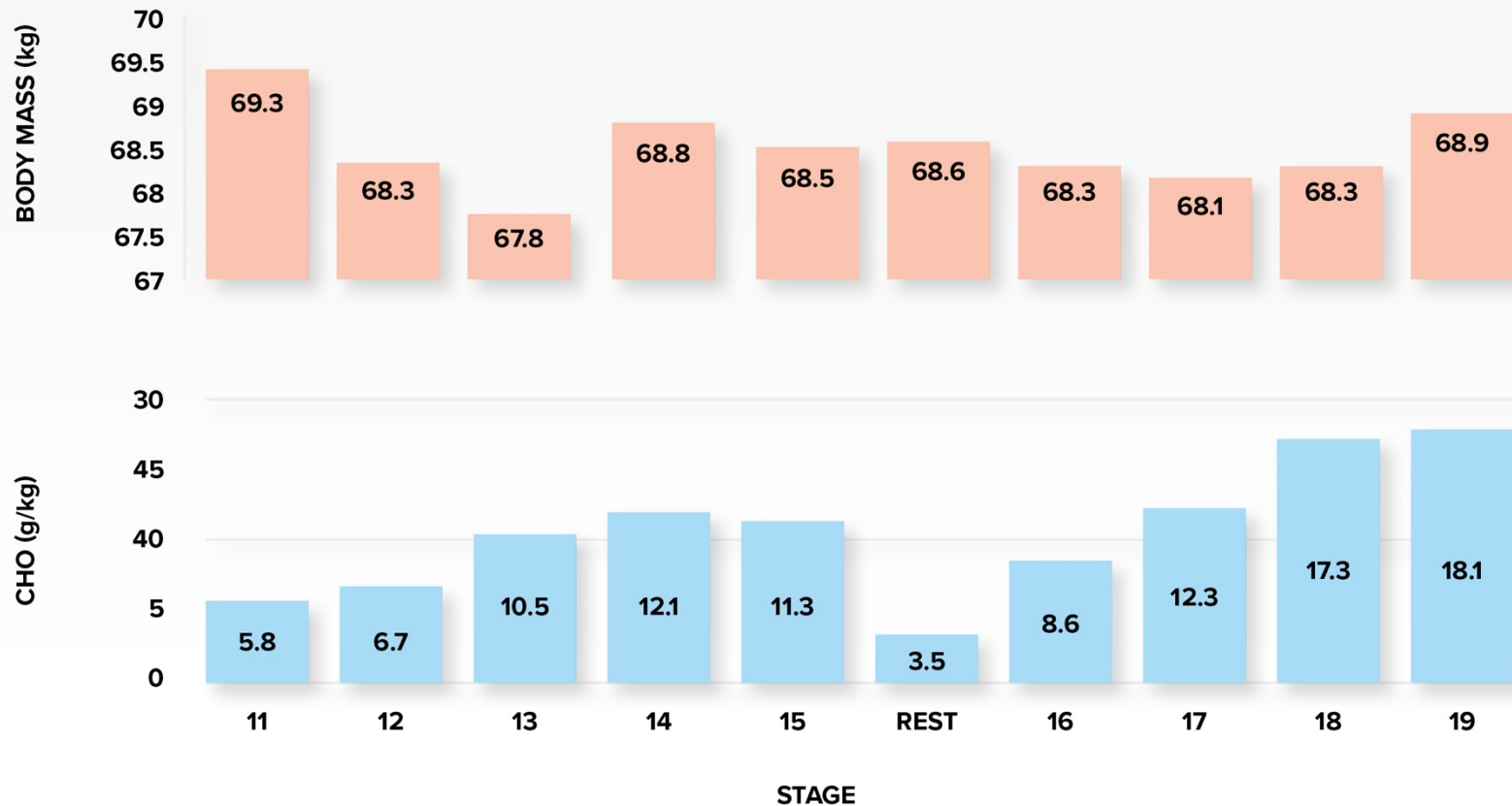
**WHAT MATTERS MOST IS
WHAT GOES IN YOUR MOUTH...**



WHAT MATTERS MOST IS WHAT GOES IN YOUR MOUTH...



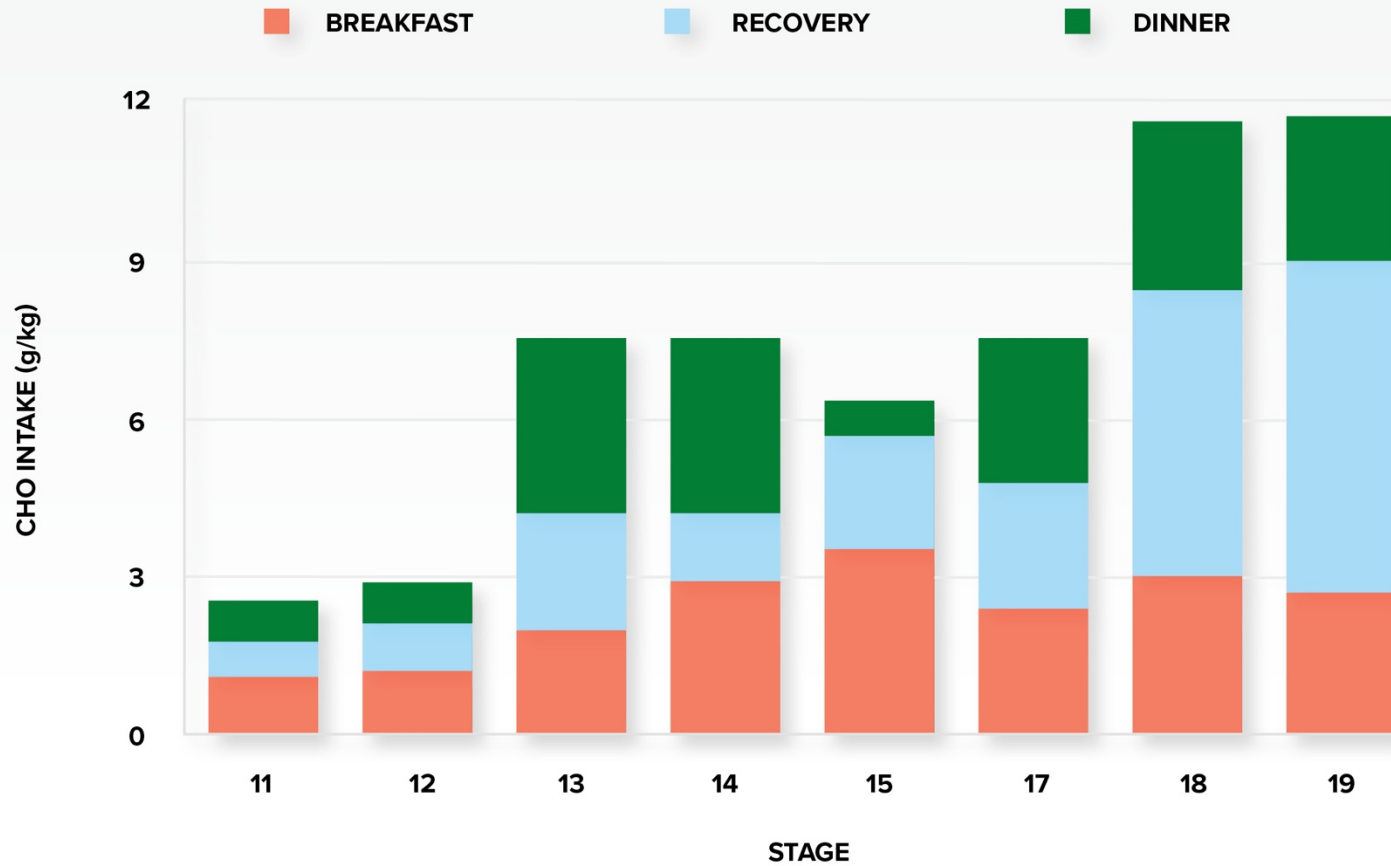
WHAT MATTERS MOST IS WHAT GOES IN YOUR MOUTH...





DAILY CHO DISTRIBUTION

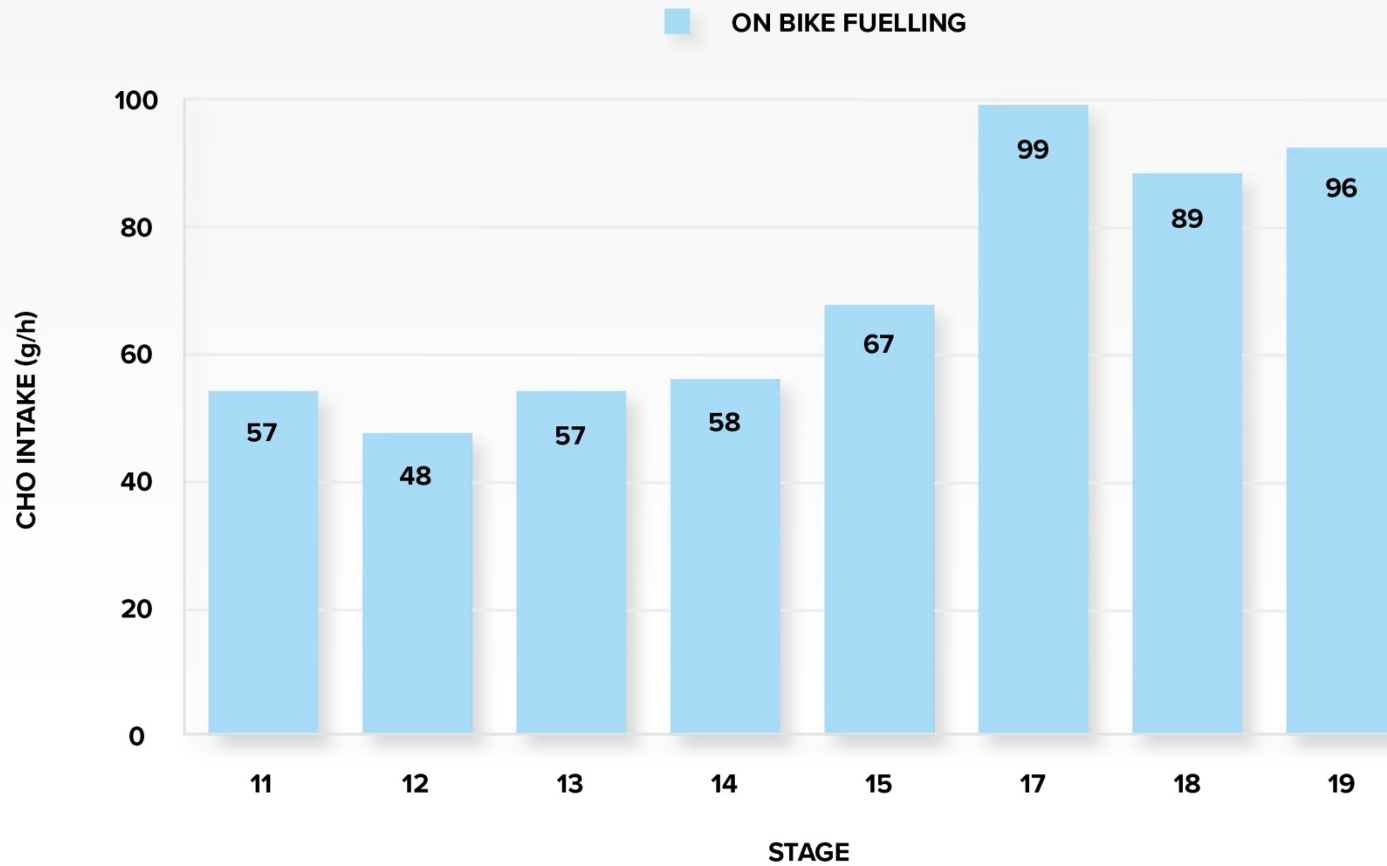
DAILY CHO DISTRIBUTION





ON BIKE FUELLING

ON BIKE FUELLING



ON BIKE FUELLING





STAGE 19

SPORT

[Home](#) | [Football](#) | [Formula 1](#) | [Cricket](#) | [Rugby U](#) | [Rugby L](#) | [Tennis](#) | [Golf](#) | [Athletics](#)

[Cycling](#) > [Results](#) | [Calendar](#)

How Chris Froome won Giro d'Italia thanks to 'spectacular' stage 19 victory

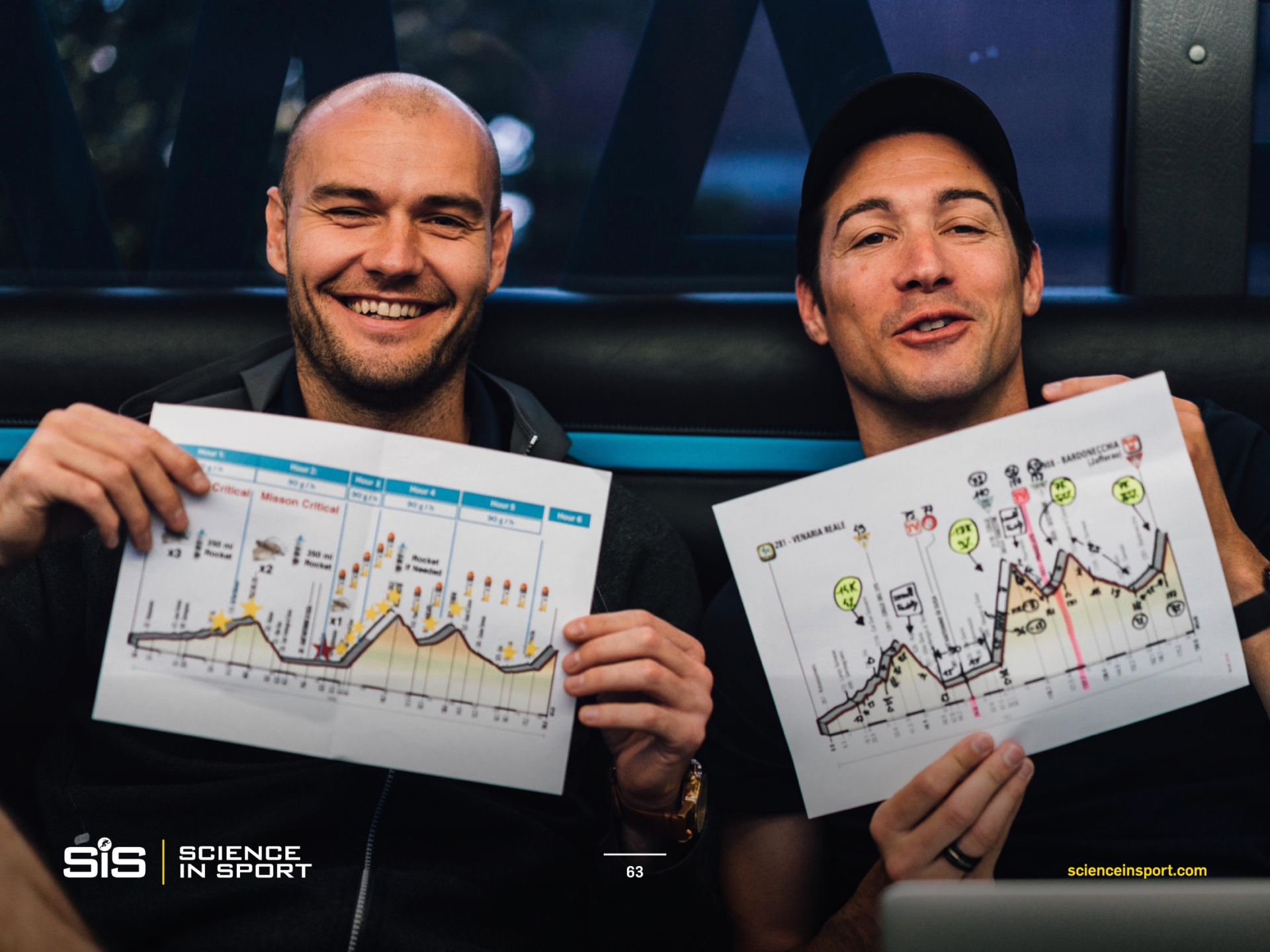


By Tom Fordyce
Chief sports writer

🕒 6 June 2018 | [Cycling](#)

[Share](#)





[illegible]



E-COMMERCE STRATEGY

MARK McKECHNIE
e-commerce Director

WHAT'S THE FUTURE OF E-COMMERCE / TRENDS?

- CONSUMER EXPECTATIONS ARE HIGHER THAN EVER
- WEBSITE PERFORMANCE – THE NUMBER 1 FRUSTRATION USERS HAVE WHEN BROWSING ON THEIR MOBILE DEVICE IS SLOW LOAD TIME
- 49% OF CONSUMERS BEGIN A PRODUCT SEARCH ON AMAZON
- MOBILE COMMERCE & PROGRESSIVE WEB APPS
- DELIVERY - 38% OF SHOPPERS EXPECT HIGH STREET RETAILERS TO OFFER SAME-DAY DELIVERY



WHAT IS OUR E-COMMERCE STRATEGY?

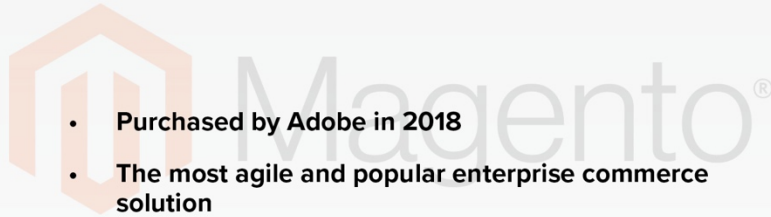
THERE IS NO “SILVER BULLET” IN DIGITAL, THE “LITTLE IDEAS” NEED TO ADD UP TO SOMETHING BIG.

$$\text{REVENUE} = \text{TRAFFIC} \times \text{CONVERSION RATE} \times \text{ORDER VALUE}$$

$$\text{REVENUE} = \text{MARKETING INVESTMENT} + \text{PLATFORM INVESTMENT}$$

$$\text{REVENUE} = \text{PEOPLE INVESTMENT}$$

WHAT IS MAGENTO?



- Purchased by Adobe in 2018
- The most agile and popular enterprise commerce solution
- **Strengths:**
 - Scalable
 - Customisable
 - Huge developer base
 - International
- **Weakness:**
 - Wrong partner **Magento partner = hard to manage**
Magento website

WEBSITES USING MAGENTO

- *Made.com*
- *Burger King (B2B)*
- *Helly Hansen*
- *Oliver Bonas*
- *Paul Smith*
- *End clothing*
- *Paperchase*
- *Bulk Powders*
- *Missguided*
- *Omega Watches*
- *Kurt Geiger*
- *Wrangler*
- *Richer Sounds*
- *Harvey Nichols*
- *Ford*
- *Swoon Editions*
- *Oliver Sweeney*
- *Charlotte Tilbury*

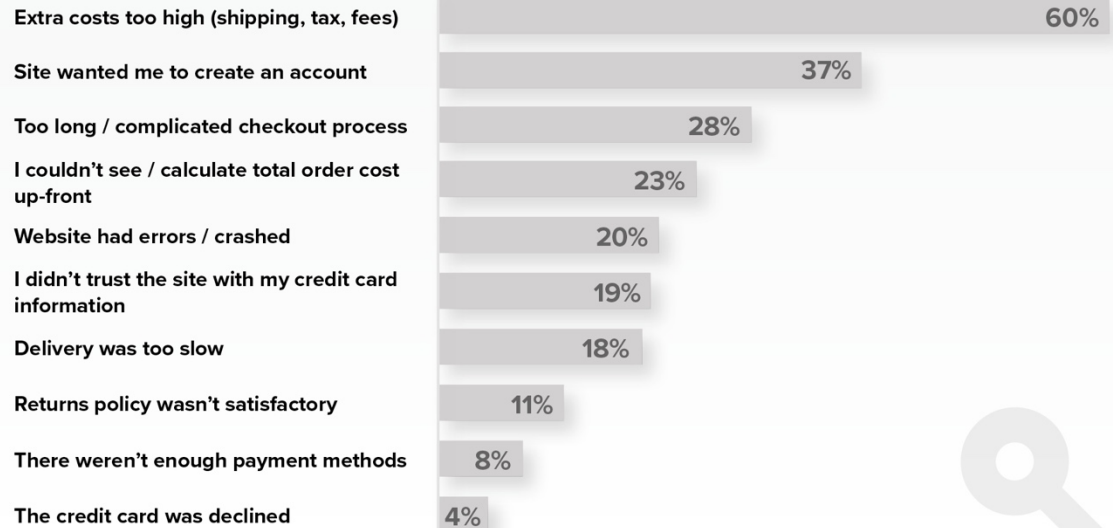
THE PIXEL CLIENTS

- *Bulk Powders*
- *Cycle Repulic*
- *Jojo Maman Bebe*
- *Calor Gas*
- *Gill Marine*
- *National Trust*

WEBSITE UPGRADE ROADMAP / FUTURE OF THE GROUP

- *PhD Magento 2*
- *Subscriptions*
- *Progressive web apps*
- *New European websites*
- *New payment options (Apple Pay, Poste Pay)*
- *Website Hosting*

Reasons for abandonments during checkout



PRICE, PROMOTIONS, RETAINING CUSTOMERS

- HOW TO SELL A PRODUCT WHEN YOU DON'T HAVE A NEW SPRING/SUMMER RANGE EVERY YEAR
- WHY WE CONVERT OUR CUSTOMERS BETTER THAN OUR COMPETITORS
- HOW WE RETAIN OUR CUSTOMERS BETTER THAN OUR COMPETITORS
- BLACK FRIDAY 2018 – ADOBE ESTIMATES THE AMOUNT SPENT ONLINE WAS UP 23% ON 2017, FUELLED BY SMARTPHONE SALES WHICH ARE NOW 34% OF ALL SALES.
- BLACK FRIDAY 2018 - 128% GROWTH IN SiS.COM SALES, 35% MOBILE SALES.



AMAZON, EBAY & MARKETPLACES

- HOW CAN YOU MAINTAIN CONTROL ON THE “EVERYTHING STORE”?
- EBAY IS ONLY FOR USED PRODUCTS
- SALES ON CHINA'S SINGLES DAY DWARF BLACK FRIDAY AND CYBER MONDAY



SUPPLY CHAIN STRATEGY

CRAIG FLETCHER
Supply Chain Director

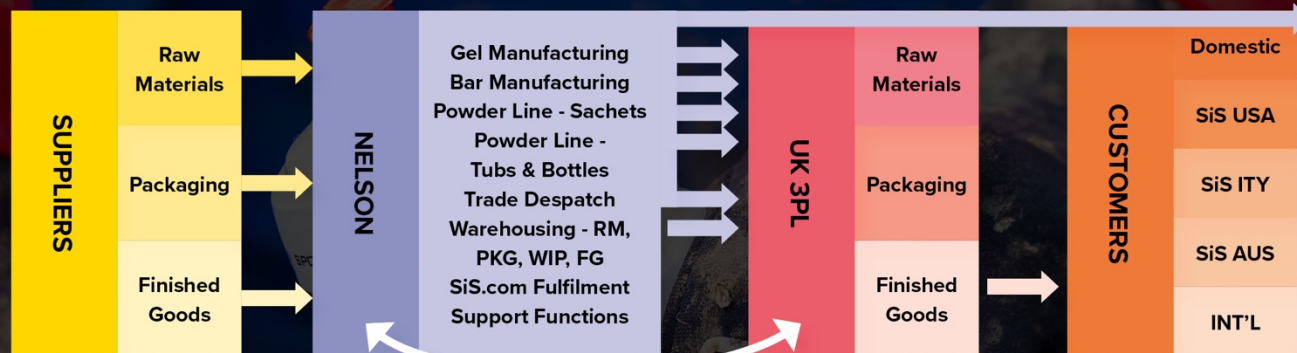
CURRENT KEY STRENGTHS

- HIGH SiS GM
- BEST GEL MANUFACTURING
- FINEST BANNED SUBSTANCES REGIME
- HIGHLY EFFICIENT SiS.COM OPERATION
- PhD SUPPLY CHAIN SIMPLIFICATION



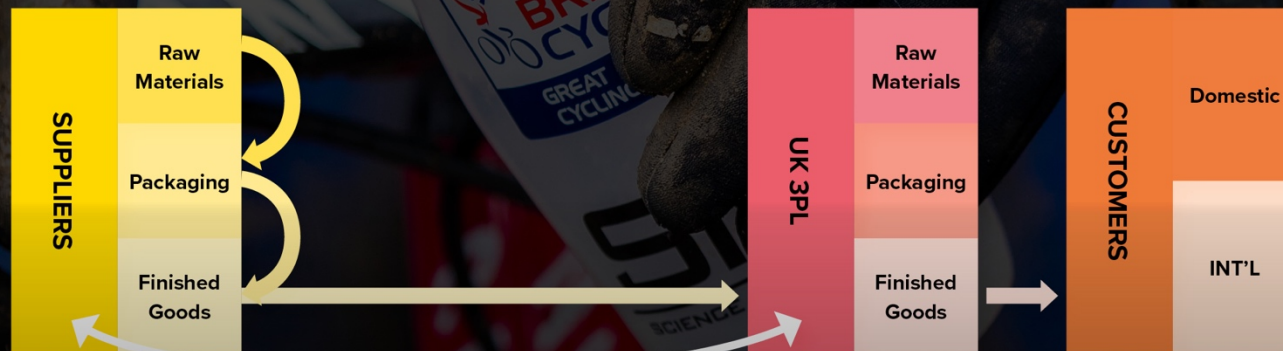
CURRENT SUPPLY CHAIN DESIGN

SiS SUPPLY CHAIN



RM; PKG; FG Replen into Nelson Site

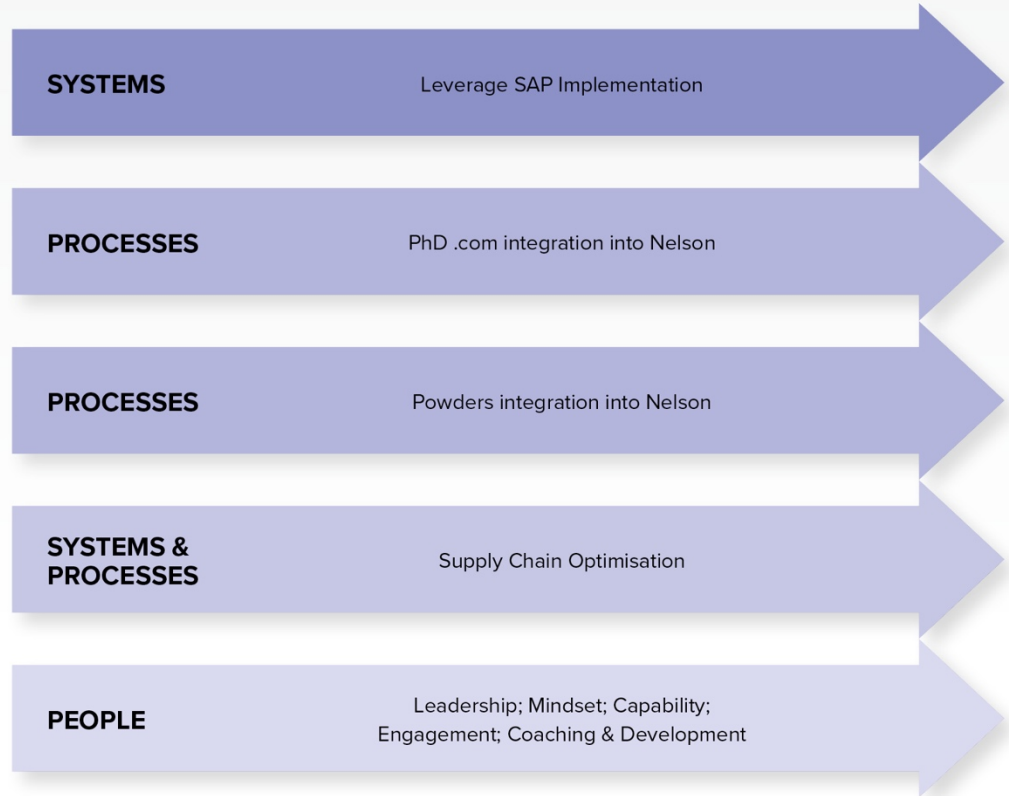
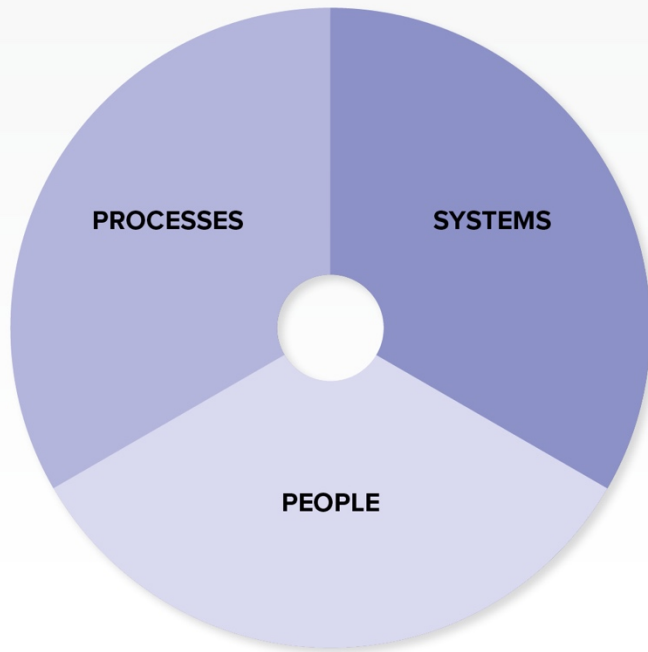
PhD SUPPLY CHAIN



Small Element of RM & PKG Replen into 3rd Party Suppliers

DEVELOPMENT PLAN

2019 DEVELOPMENT



INTEGRATION & OPTIMISATION PLAN

JAN 19 | FEB 19 | MAR 19 | APR 19 | MAY 19 | JUN 19 | JUL 19 | AUG 19 | SEP 19 | OCT 19 | NOV 19 | DEC 19 | 2020 ONWARDS

KEY PRIORITIES

PhD.COM INTEGRATION
INTO NELSON

PhD POWDERS INTEGRATION INTO NELSON (PHASE 1)

PhD POWDERS INTEGRATION INTO NELSON (PHASE 2)

SUPPLY CHAIN OPTIMISATION

GM SUSTAINABILITY



FUTURE SUPPLY CHAIN DESIGN

GROUP SUPPLY CHAIN



ONE ORDER - ONE DELIVERY - ONE INVOICE

SIMPLIFIED & INTEGRATED SUPPLY CHAIN - OPTIMAL COST TO SERVE



PEOPLE, SYSTEMS, FINANCE

ELIZABETH LAKE
CFO

HIRING & DEVELOPING THE BEST PEOPLE

ATTRACTING THE BEST...

- 17 new roles created in 2018



...FOSTERING THEIR PASSION

- Strong commitment to our values across our teams
- Passion for our brands
- Performance matters

ALIGNING OUR OPERATING MODEL FOR GROWTH

- Clarifying accountabilities across brands/regions/BUs
- M&A integration focused on revenue growth
- Commercial team realignment across channels and markets in pursuit of growth
- Investment in systems and processes for scalability

STRATEGIC PILLARS & PRIORITIES



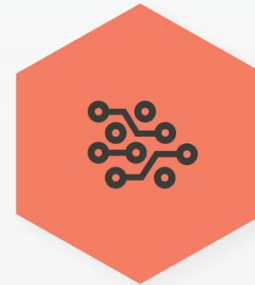
PEOPLE



SCIENCE & INNOVATION



BRAND



DIGITAL



INTERNATIONAL

RESOURCE ALLOCATION FOCUS AREA

GROWTH OPPORTUNITIES

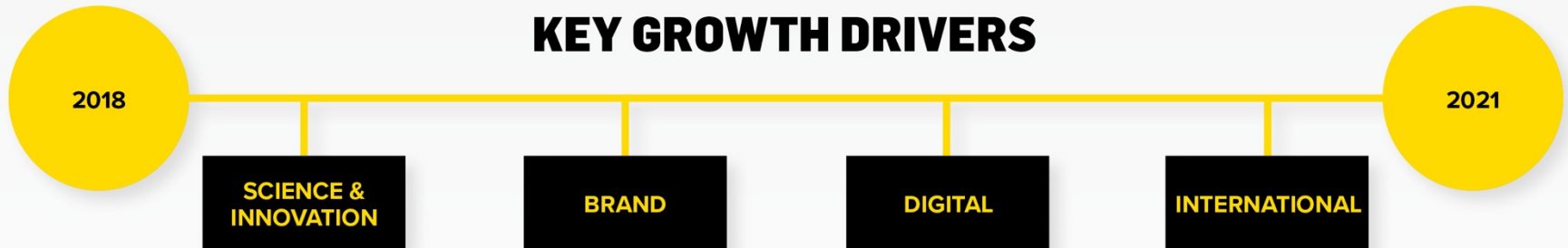
NEW VERTICALS
NEW MARKETS
PORTFOLIO ENHANCEMENT
COMPLEMENTARY BUSINESS

STRATEGIC CAPEX

DIGITAL CAPABILITY
MANUFACTURING
INNOVATION

OVERALL ROCE TARGET RANGE OF 10-13%

GROWTH AMBITION BY 2021



AMBITION



WORLD'S #1 PREMIUM PERFORMANCE NUTRITION BRAND

- TWO SECTOR LEADING BRANDS
- STRONG INNOVATION PIPELINE
- PROFITABLE & GROWING CORE MARKET
- INTERNATIONAL & E-COMMERCE GROWTH RUNWAY
- PATH TO PROFITABILITY





Q&A





CAPITAL MARKETS DAY

January 2019

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