



# AuMake International Limited Investor Conference Town Hall

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# AuMake since ASX Listing

- **AuMake listed 5<sup>th</sup> October 2017**
  - From 8c to 67c as of 20 December 2017
  - From \$20m to \$160m market capitalisation
  - 300+ attendees at tonight's Town Hall investor conference
- **Value Drivers**



- Ongoing multi-generational demand from China for Australian products and what they represent for Chinese consumers in terms of lifestyle
- Comparisons to the value of single branded ASX listed peers (For example A2 Milk \$5.6 billion, Bellamy's \$1.3 billion and Blackmores \$3 billion) at 30-45 x PE multiples (as of 20 December 2017)

## AuMake since Listing (Continued)

- AuMake is the only ASX listed company that understands the complexities of both the daigou and Chinese tourist markets
- Significant growth in our financial performance (near 100% increase since July 2017)
- The ability for AuMake to own both the retail stores/distribution network and the brands we sell
- Creation of a proprietary distribution network for the flow of Australian products to Chinese consumers





# Capital Raising

## Capital raising of circa \$20 million at 63c

- Fully underwritten

### Key dates:

- Open on 20<sup>th</sup> December 2017
- Close on 19<sup>th</sup> January 2018

- Apply at [www.aumakeinvestors.com.au](http://www.aumakeinvestors.com.au)
- Significant institutional interest from China



228 site visits and receipt of 95 applications with payment on 20 December 2017

# The Future of AuMake



**Acquisition  
of brands**  
and brand ownership



**Retail expansion**  
of store footprint significantly  
over next 12 months to  
broaden AuMake's reach to  
daigou and Chinese tourists



**Online store**  
capability enhanced



**Increased  
marketing**  
to Chinese tourists

# Brand Acquisition/Growth Strategy



- Ongoing and advanced discussions in relation to transactions in milk formula and cosmetics categories

# Flagship Retail Store Expansion



- **Our vision** over next 18-24 months:

- A combination of large flagship stores (100% owned) complemented with smaller stores (100% owned and/or licensed) across Australia
- When a **Chinese tourist** visits Australia, they will visit one of our stores at least once on their trip
- In **every** Chinese centric community in Australia there will be an AuMake store in close proximity



## AuMake Online (WeChat)

- **50%** of existing sales come via WeChat orders from loyal AuMake customers
- AuMake will continue investing to grown online capability
- Significant growth potential to support and develop AuMake daigou who travel and relocate back to China (**10%** of existing WeChat and Alipay payments are coming from China)
- Recent opening of support team office based in Xiamen China (**pictured right**) with potential to support up to 3,000 – 5,000 China based AuMake daigou

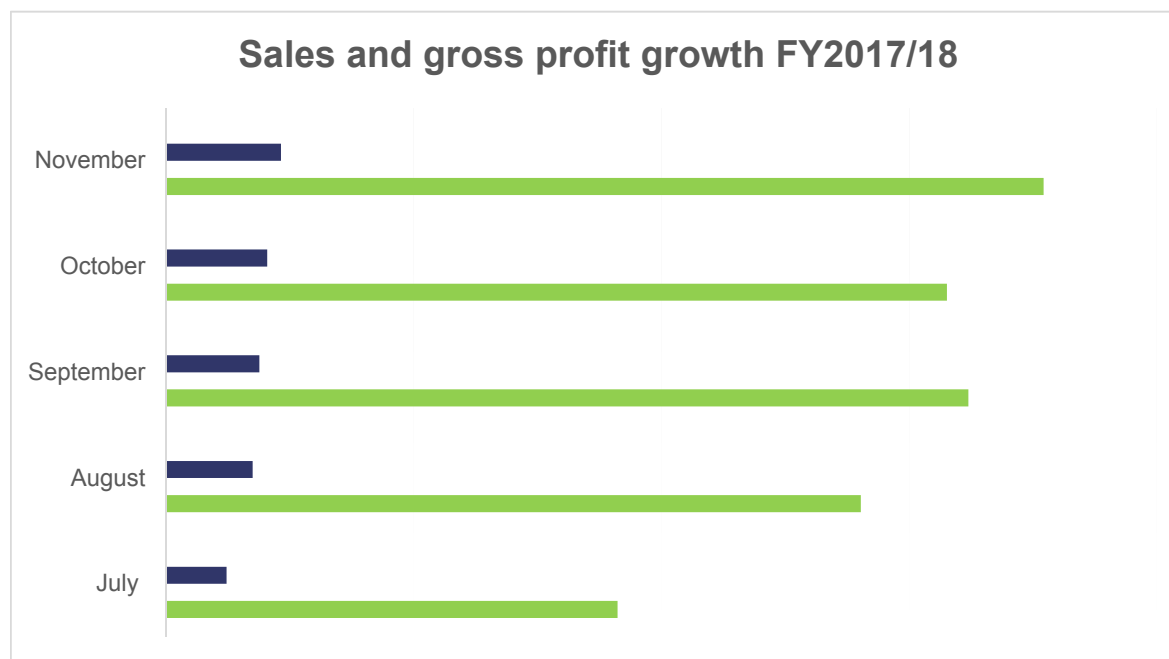


# Chinese Tourists

- Chinese tourists' spending has reached a new record in Australia - exceeding **\$10 billion** for the first time (*Spending by Chinese tourists reaches record \$10 billion in Australia SBS News, 12 December 2017*)
- **92% of Chinese citizens still do not have a passport** (*Chinese Extend Lead As The World's Biggest Spenders On Foreign Travel" – Forbes, 7 January 2017*)
- Chinese tourists travelling in Australia are **highly motivated** to find new and exciting Australian products
- Gross margins for our tourist focused stores (e.g. George St and Pitt St Haymarket) are in excess of **20%**



# Financial Growth



- Ongoing improvement across sales, gross profit and gross margin financial categories

## AuMake Owned Brand Growth (Health Essence)

- Sales in Health Essence products in November \$50,271 at a gross margin of **57.8%** for the month of November 2017
- November sales represents **26.3%** of total sales of Health Essence branded products for FY16/17 (\$191,347)
- Financial performance of Health Essence supports a key AuMake value driver:
  - the capability to **positively influence** daigou and Chinese tourists' buying behaviour



# Summary

- On completion of the capital raising, AuMake will be **fully funded** to execute key growth strategies
- Capital raising is a transformative step in the evolution of AuMake
- Execution of key strategies will position AuMake as an influential force in the Australia-China retail landscape
- Formation of a proprietary distribution network with significant presence both in Australia and China





# Contact Details

**Corporate Website:**

[www.aumake.com.au](http://www.aumake.com.au)

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