



ASX / BWX

BWX LIMITED – TRADING UPDATE – 20 DECEMBER 2018

Melbourne, Australia – BWX Limited (ASX: BWX) today provides a trading update based on the unaudited year to date management accounts to 30 November 2018.

BWX now expects normalised earnings before interest, tax, depreciation and amortisation (EBITDA) for the 2019 financial year (FY19) to be in the range of \$27m-\$32m and EBITDA in the first half to be around \$7.0m. BWX had previously guided to normalised EBITDA for FY19 to be broadly in line with normalised FY18 EBITDA of \$40.3 million, with a skew of approximately 70% to the second half.

This revision in guidance is due to:

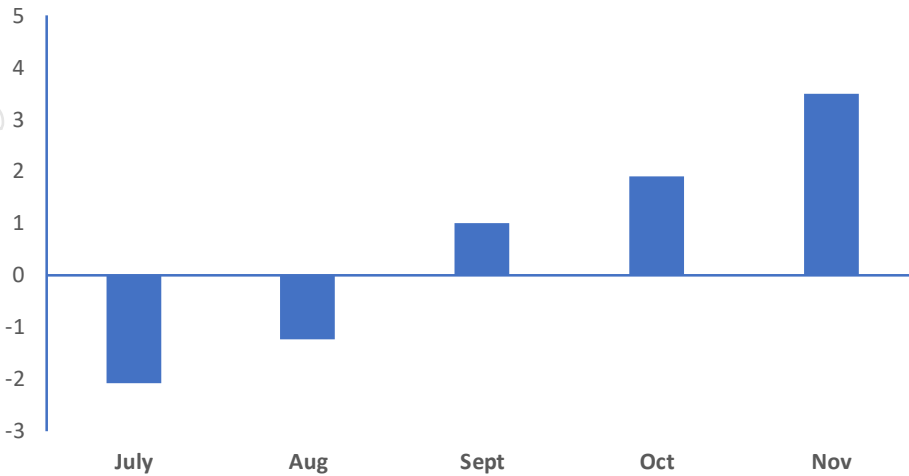
- Softness in domestic export trading sales to China. However, in-platform cross border e-commerce volumes (for example tmall.com, JD.com) are performing in line with expectations.
- Temporary loss of sales momentum in core US brands (Andalou Naturals and Mineral Fusion) during management transition, overlaid with some softening in US retail sales.
- Some recurring Sukin Domestic ERP start-up issues in early October. We also further refined our approach to Sukin Exports in keeping with our “fewer, better” approach which had an impact.

BWX CEO and MD Myles Anceschi said, “it is disappointing that China volumes were weaker than expected. We have further refined our go-to-market strategy to improve pricing controls, and ownership by signing an exclusive distribution agreement effective December 2018, that will yield more focused efforts on growing this high-growth export channel with an established partner.”

“In the US, we experienced a loss of sales momentum in our core US brands (Andalou Naturals and Mineral Fusion) during the management transition. Our new US senior leadership team has been appointed with a Senior VP of Sales starting with the company in December, and a Senior VP of Marketing commencing in January 2019. Some softening has also been seen in the most recent 12 week US retail sales numbers, which we are monitoring closely.”

“Our ERP system is now working well and Sukin domestic consumer sales data is supportive of a strong second half. Encouragingly, we have also seen a solid improvement in group EBITDA in November, as highlighted in the chart below, with further improvement expected in December. We remain confident that planned H2 initiatives in all strategic pillars will deliver to plan.”

BWX Ltd monthly EBITDA* (\$A millions)



*Based on unaudited management accounts

A conference call with CEO and MD Myles Anceschi will be held at 9.15 am this morning (20 December 2018). Participants can dial one of the numbers below. Please quote the Conference ID.

Participant toll: +61 2 8038 5221
Participant toll-free: 1800 123 296
Conference ID: 3764269
To ask a question, participants will need to dial “*1” (star, 1) on their telephone keypad.
International dial-in details
These numbers are toll-free dial-in numbers for each country listed below. For countries not listed below, the Australian Participant Toll number listed above can be dialled. To ask a question, participants will need to dial “*1” (star, 1) on their telephone keypad.
Canada 1855 5616 766
China 4001 203 085
Hong Kong 800 908 865
India 1800 3010 6141
Japan 0120 994 669
New Zealand 0800 452 782
Singapore 800 616 2288
United Kingdom 0808 234 0757
United States 1855 293 1544

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BWX will report half year results on Friday 22 February 2019.

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