



ASX / BWX

## ASX Announcement

29 October 2018

### FY19 Trading Update & Outlook

Melbourne, Australia – BWX Limited (ASX: BWX) Ahead of the AGM, Wednesday 31 October, BWX today announces that it expects normalised earnings before interest and tax (EBITDA) for the 2019 financial year (FY19) to be broadly in line with normalised FY18 EBITDA of A\$40.3m. The company also expects a significant skew in earnings to the second half, which is expected to account for ~70% of FY19 EBITDA.

BWX CEO and MD, Myles Anceschi, comments “There has been significant disruption and loss of business momentum at the beginning of FY19 due to the now failed management buyout (MBO) process. The MBO diverted significant management time and resources, and several key projects were delayed resulting in an impact on the business:

- ERP program; An extended delay in the return to normal operations following the “go-live” date on 1<sup>st</sup> July 2018. This program was scheduled to return to normal operations in mid to late August, however not occur until early October, resulting in lost domestic sales and materially higher operational costs for the Sukin and Nourished Life business units;
- Multi-brand selling platform roll-out delayed significantly, resulting in lost sales;
- Key personnel appointments for the leadership teams in APAC and North America;
- Mineral Fusion rebranding project deferred by three months to 1st Jan 2019
- Relocation of the Nourished Life Warehouse and the consolidation of 4 USA Warehouses to 1 also saw some temporary impacts on sales and costs.

All of these initiatives are vital to sustain future growth and to generate cost efficiencies and operating leverage. Encouragingly, all projects are now back on track and essentially complete, with the exception of the North American roll out of the ERP which will occur in 4QFY19.

Mr Anceschi adds, “We have re-energised the team post the MBO process, and momentum is building. We will enter 2H19 without the encumbrances that have impacted 1Q19, with the business operating at improved capacity. 2HFY19 will also see execution of group procurement programs and internalisation of 3<sup>rd</sup> party manufacturing for a segment of the Andalou Naturals brand production. Our categories are growing in all active markets and our market shares remain dominant for all core brands. After a period of disruption and critical platform work that will impact 1HFY19, management are encouraged by the outlook for 2HFY19 and beyond.”

BWX will provide a further update on business operations at its AGM on Wednesday 31 October 2018.

- ENDS -

For personal use only

## About BWX

ASX listed, BWX Limited is a vertically integrated developer, manufacturer, distributor and marketer of branded skin and hair care products with an emphasis on the natural segment of the beauty and personal care market.

The company owns, produces, and distributes under the Sukin, Andalou Naturals, Mineral Fusion, Life Basics, DermaSukin, Uspa, Edward Beale, and Renew personal care brands as well as the Nourished Life online marketplace.

### For further information please contact:

**Myles Anceschi**

**Chief Executive Officer &  
Managing Director**

E: myles.anceschi@bwxltd.com

T: +61 3 8785 6300

**Genevieve Milesi**

**Investor Relations**

E: gm@mileconsult.com.au

T: +61422 286 207

**Vinod Somani**

**Chief Financial Officer  
& Company Secretary**

E: vinod.somani@bwxltd.com

M: +61 3 8785 6300