

# ASX Release

12 December 2017

## Market Update and Revised FY17 Earnings Guidance

Asaleo Care Limited today announces a trading update and a reduction in its full year guidance for the financial year ending 31 December 2017.

### Revised Guidance to December 31, 2017

	2016 Full Year Actual	Previous 2017 Full Year Guidance	Revised 2017 Full Year Guidance
<b>Underlying EBITDA*</b>	\$130.7m	Low Single Digit growth	\$124 - \$125m
<b>Underlying NPAT*</b>	\$64.6m	Low Single Digit growth	\$59 - \$60m
<b>Statutory NPAT</b>	\$59m	No Guidance	\$57 - \$58m
<b>Underlying EPS*</b>	11.5 cents per share	Low to Mid Single Digit growth	10.8 – 11.0 cents per share
<b>Free cash flow^</b>	\$54.6m	\$85 - \$95m	\$70 - \$75m

\* adjusted for non-recurring income and expenditure

^ inclusive of capital optimisation initiatives and growth capex

### Feminine Care

The reduced guidance is largely due to sales under performance in the Feminine Care category where extensive competitive pricing impacted sales volumes.

Competitors' increasingly aggressive price activity resulted in Asaleo Care's Feminine Care range becoming uncompetitively priced as a result of being locked in to fixed every day pricing in major retail accounts. Accordingly we chose to exit the Every Day Pricing arrangements at the end of October. Since then Asaleo Care has had more flexibility to price competitively, which it has been doing. With increased price flexibility and based on November sales, management is confident that the Libra Feminine Care brand will return to growth.

### Other Categories

The Incontinence and Tissue segments continue to trade strongly, with solid profit growth Year To Date (11 months to November), despite the cost imposts associated with energy, pulp and currency.

The recent Baby product upgrade and relaunch was impeded by quality issues associated with the commissioning of the new diaper line in New Zealand. These quality issues are now resolved and a higher quality diaper product is being manufactured.

**Asaleo Care Limited**

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2017 Full year results, detailed commentary and 2018 outlook will be provided on 22 February 2018 as previously scheduled.

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