

ASX Release

25 June 2020

Asaleo Care Ltd announces cessation of its New Zealand Diaper business

Asaleo Care today announced plans to withdraw from the Baby Diaper category in New Zealand, which involves the closure of its Te Rapa manufacturing facility.

The decision is pursuant to the Company's strategy of focusing on its core brands in the higher growth and higher margin Personal Care and B2B businesses. Asaleo Care will continue to innovate and invest in these brands for long-term growth and this decision better enables the Company to deliver on this objective.

Despite investing in the Treasures brand, innovation and manufacturing technology over the last 5 years, the New Zealand Baby Diaper business has been unable to generate adequate returns. The Company has actively reviewed all options for the continuation of the business however none were commercially viable.

All 26 affected employees will receive their full entitlements including severance benefits and support arrangements. The Company will work with customers and suppliers to support transition arrangements. A sale process of the business assets will be undertaken.

The Company's full year guidance of Underlying EBITDA in the range of \$84m - \$87m remains unchanged.

The Company's Baby Diaper business in the Pacific Islands, including the Drypers and Giggles brands, is not impacted by this closure. Asaleo Care remains committed to its manufacturing facility in Kawerau, New Zealand which develops and manufactures products for the Tork professional hygiene business and its New Zealand consumer tissue brands Purex, Sorbent and Handee.

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About Asaleo Care (ASX:AHY) Asaleo Care is a leading personal care and hygiene company that manufactures, markets, distributes and sells personal care and hygiene products. Our portfolio of market-leading brands includes Libra, TENA, Tork, Treasures, Viti and Orchid. The Purex, Sorbent, Handee Ultra and Deeko brands are not owned in Australia. The Company has 15 manufacturing and distribution facilities throughout Australia, New Zealand and the Pacific Islands. Asaleo Care employs about 700 people who work together to offer products and services which provide care, comfort and confidence every day. For more information visit www.asaleocare.com



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