

# Media Release

20 February 2019

## A Turning Point for the Company

Asaleo Care today announced an underlying Group EBITDA of \$80.6 million for the year ended 31 December 2018. Continuing Operations underlying EBITDA was \$81.5 million and underlying NPAT was \$37.0 million. Statutory Net Loss After Tax from continuing and discontinued operations was \$108.7 million.

### Key Financials

A\$ millions	Underlying FY18*	Underlying FY17	Change
<b>Continuing Operations:</b>			
Revenue	407.8	415.4	(2%)
EBITDA	81.5	97.6	(17%)
EBIT	65.8	82.2	(20%)
NPAT	37.0	50.3	(26%)
Earnings Per Share (EPS)	6.8 cps	9.2 cps	(26%)
<b>Continuing and Discontinued Operations:</b>			
EBITDA	80.6	124.3	(35%)
Earnings Per Share (EPS)	5.4 cps	10.9 cps	(50%)
Leverage (Net Debt/EBITDA)	3.25x	2.25x	1.00x
Return on Equity (ROE)	17.7%	20.1%	-2.4 pp
Return on Invested Capital (ROIC)	9.2%	11.7%	-2.5 pp
<b>Statutory FY18</b>			
NPAT from Continuing Operations	0.8	55.1	(99%)
Net (Loss)/Profit After Tax from Continuing and Discontinued Operations	(108.7)	57.2	(290%)
Dividend	Nil*	4cps 50% franked (1H17) 6cps 40% franked (2H17)	

\*The Directors have determined that there will be no final dividend.

Chief Executive Officer and Managing Director, Sid Takla, said: "This year was a turning point for the Company. Following a comprehensive strategic review of the whole business, we agreed to divest the lower margin Australian Consumer Tissue business in order to concentrate on our core, higher margin and less capital-intensive businesses in Personal Care and B2B."

"The sale to Solaris Paper is on track to be completed during Q1 FY19, and will significantly strengthen our balance sheet and allow us to make ongoing investments in our higher margin, higher growth brands. We have a renewed focus on our customers and consumers, and have improved and solidified our relationship with our key customers."

#### Asaleo Care Limited

Alisa Street, PO Box 117 Box Hill Victoria, 3128  
ABN 61 154 461 300 [www.asaleocare.com](http://www.asaleocare.com)

Page 1 of 2



“Significant headwinds from higher pulp prices and lower year on year sales in Baby Care and Feminine Care pushed down Retail EBITDA by 21.1% to \$36.4 million. Despite this, the successful launch of new products *Night Pants* and *Lights* by Tena drove strong performance in the Incontinence Retail category, with revenue up 4.8%.”

“Feminine Care market share stabilised from investment in trade spend, with 2H18 volume share up on 2H17. Baby Care continues to be challenged to regain market share due to heightened competitive activity in NZ despite an improved product now fully in market.”

“Business to business (B2B) EBITDA decreased 12.4% to \$45.1 million. Incontinence Healthcare performed strongly, while Professional Hygiene showed modest growth in revenue, but EBITDA was impacted by an increase of approximately \$12 million in pulp costs.”

“The outlook for FY19 is underlying EBITDA<sup>^</sup> from continuing operations in the range of \$80 to \$85 million under the new accounting standard for leases, vs. \$90.6 million in 2018 under the same standard. The reduction is driven by our commitment to invest significantly to support the long term growth of our brands.”

“Our core, market leading Personal Care and B2B range of products and services offers higher margin and less volatile returns. Combined with our access to world leading innovation through our relationship with Essity, continued investment in our brands and our simplified company structure, we are well positioned to achieve sustainable, long-term growth.”

**\* Continuing Operations Underlying FY18 Result:** Has been adjusted for ~\$46.6m (pre-tax) or \$36.2m (after-tax) non-recurring costs, associated with abnormal manufacturing, abnormal third party warehousing, restructuring, Kawarau site upgrade, strategic review and asset write-downs and impairments.

**Discontinued Operations Underlying FY18 Result:** Has been adjusted for ~\$130.1m (pre-tax) or \$101.7m (after-tax) non-recurring costs, associated with abnormal manufacturing, abnormal third party warehousing, restructuring, Kawarau site upgrade, strategic review and asset write-downs and impairments.

**^FY19 Outlook:** Statutory result expected to be ~\$6 million lower primarily due to the completion of the Kawarau site upgrade of which ~ \$4 million will be cash. FY19 Outlook excludes EBITDA from discontinued operations and profit on sale.

ENDS –

#### About Asaleo Care (ASX:AHY)

Asaleo Care is a leading personal care and hygiene company that manufactures, markets, distributes and sells Personal Care and Tissue products. Asaleo Care’s portfolio of market-leading brands includes Sorbent, Handee Ultra, Purex, Libra, Treasures, TENA, Tork, Deeko, Viti and Orchid.

The company has 16 manufacturing and distribution facilities throughout Australia, New Zealand and Fiji. Asaleo Care employs about 1,000 people who work together to make it easier for hygiene, health and wellbeing to be part of everyday life.

For more information visit [www.asaleocare.com](http://www.asaleocare.com)

#### Contact:

##### INVESTORS:

Linda Young, Executive Assistant

P: +61 3 9258 0601

E: [linda.young@asaleocare.com](mailto:linda.young@asaleocare.com)

##### MEDIA:

Sandi Harwood, Corporate Communications Manager

M: +61 411 027 006

P: +61 3 9258 0634

E: [sandi.harwood@asaleocare.com](mailto:sandi.harwood@asaleocare.com)

#### Asaleo Care Limited

Alisa Street, PO Box 117 Box Hill Victoria, 3128

ABN 61 154 461 300 [www.asaleocare.com](http://www.asaleocare.com)

