

Amsterdam, 10 April 2019

# Trading update Q1 2019: Strong operating result and lower revenue

## Q1 2019 highlights

- Autonomous growth in own brands (3.2)%
- Further reduction of private label and distribution business in-line with strategy
- EBITE of €20.5 million, equal to 12.8% of revenue

## Q1 review

Revenue development in Q1 was impacted especially by our French operations. In the Grocery Channel, Bjorg was negative in the quarter due to later phasing of promotional and innovation plans compared to last year and the withdrawal of the chilled activities. Gayelord Hauser continued to decline at double-digit levels. Results for Alter Eco and Clipper were good.

In HFS, in a softer overall market, Bonneterre suffered from operational issues in connection with the changeover to our new distribution center.

Our results in Germany were strong across both channels with Clipper, Allos and Tartex.

Our Spanish business achieved good growth in particular with Ecocesta as well as our other brands. Isola Bio in Italy was negatively impacted by a product quality issue. While results for Clipper in the Benelux were strong, Zonnatura had a soft quarter due to later phasing of support plans compared to 2018.

In the UK we had another solid quarter continuing the turnaround of our brand performance in the trade, especially with Kallo.

Abbot Kinney's grew at double-digit levels and is now being activated across Europe by our country teams.

Development of gross margin was positive and EBITE as % of revenue high predominantly as a result of A&P phasing.

In Q1 revenue decreased by 4.1% to €159.8 million. Autonomous growth of our own brands was (3.2)% and total autonomous revenue growth amounted to (4.7)% as a result of continued decline in private label and distribution brands. The acquisition of Abbot Kinney's contributed 0.4% and the appreciation of the British pound contributed 0.2%.

## Guidance FY 2019

- We expect low to moderate growth of own brands and a further reduction of private label and distribution brand sales
- We expect EBITE as % of revenue to be in the range of 8 to 9% for the full year
- Net financing costs around €2.0-2.5 million. This includes an impact of around €0.5 million regarding the implementation of IFRS 16 and around €0.5 million related to the unwinding discount of the contingent consideration for the Abbot Kinney's acquisition
- Tax rate around 30%

- Capital expenditure of €10-12 million
- Depreciation and amortisation of €14-15 million. This includes an impact of around €4.3 million related to IFRS 16 and €0.4 million amortisation of the Gayelord Hauser brand after reclassification to a finite life

## **Analyst & investor meeting**

At 16h00 CET, a conference call for analysts, investors, and media will be hosted by Christophe Barnouin (CEO) and Ronald Merckx (CFO). The dial-in number is +31(0)20 341 8241, code 590844#.

The press release and presentation are available for download at [www.wessanen.com](http://www.wessanen.com).

## **Media, investor & analyst enquiries**

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