



ABN 98 084 370 669

June 21, 2017  
ASX Announcements  
ASX Limited  
20 Bridge Street  
Sydney NSW 2000

## **YOWIE PRE-ANNOUNCES PROJECTED ANNUAL REVENUE GROWTH FOR 2017 OF 55% VERSUS PREVIOUS GUIDANCE OF 70%, AND PRELIMINARY FISCAL 2018 REVENUE GROWTH OF 55% TO 70%**

**Yowie Group Ltd** (ASX: YOW, OTC ADR: YWRPY) (the “**Group**” or “**Yowie**”) wishes to advise that for the Full Year ending June 30, 2017, the group is projecting 55% Net Sales revenue growth versus Full Year 2016. The Q4 Net Sales revenue growth is projected to be 37% versus the Q4 2016 Net Sales. The change to guidance resulted from timing of Canada launch and customer front end programming change of Discovery World placement.

**Highlights from Q4 impacting the financial results for the full year fiscal 2017 include:**

- **Canada launch anticipated to contribute approximately Net Sales USD \$1M in Q4 fiscal 2017 are now projected to be initiated in Q1 fiscal 2018**
- **Discovery World launch, in our largest customer, anticipated to contribute approximately Net Sales USD \$500k in Q4 2017 will now be launched in Q1 fiscal 2018 as a Back-To-School item based on change in customer plans**
- **Slower post-Easter chocolate category sales across all US channels**
- **We continue to gain market share in the US market based on the latest Nielsen data**
- **Australia launch progressing above expectations**
- **All aspects of our manufacturing operations are performing efficiently throughout Q4, with adequate inventory levels available and gross margin projected to remain strong, in the mid-50% range**
- **Looking forward to fiscal 2018 our current outlook for Net Sales growth is in the 55% to 70% range versus fiscal 2017**

**Head Office**  
Yowie Group Ltd  
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Perth WA 6000

PO Box 7315, Perth WA 6850  
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“The Fundamentals of the business remain on-track despite the rescheduled timing of two of our anticipated Q4 programs, that we projected for the May/June timeframe. These programs are now being planned for Q1 2018. Overall, we continue to gain market share as indicated by the most recent Nielsen report May 20, 2017. Nielsen market share data for the 52 weeks ending May 20, 2017 xAOC (™eXtended All Outlet Combined), plus Convenience, (which includes Food, Drug, Mass, Dollar, Club and Convenience). Yowie reached .52% share versus .50% reported at the end of Q3 2017. This Nielsen data reflects Yowie’s share of the total front of store Chocolate segment plus Convenience, normally referred to as instant consumables (single serve).

Retail sales to our distributor in Australia are running ahead of expectations with Q4 Net Sales reaching approximately USD \$750k following USD \$1.2m in Q3 as accounts are beginning to re-order and new accounts such as K Mart are coming on line. Investment in a social media marketing campaign, for Australia, is underway to support the “Yowie IS Back” launch with consumers.

#### **Preliminary 2018 Outlook:**

**Looking forward to fiscal 2018 our current outlook for Net Sales growth is in the 55% to 70% range** for both US and non-US reflecting the pipeline fill in Australia in Q3/Q4 2017 and entry into Canada and one additional international market. We will continue to invest behind brand marketing in the low to mid-teens as a percentage of Net Sales via social media to increase brand awareness. **In fiscal 2018, we anticipate that we will achieve positive EBITDA and positive net profits in the second half of the year.** Additional details regarding fiscal 2018 will be provided in July with our Full Year/Q4 report.

“We remain confident regarding the prospects for the Yowie brand in both the US and selective international markets, and in our ability to grow rapidly in a highly competitive category. Our five key strategies: US and International expansion, talent development, innovative marketing, efficient manufacturing and longer term entering new categories remain our focus areas”, said Bert Alfonso, Global CEO. “As a young company, unfortunately any change by a customer to the timing of a planned program in any given quarter will have a significant percentage change on our business. However, having grown Net Sales from \$2m in FY15 to \$12.9m in FY16 to a projected \$20m FY17, we are outpacing all other brands in the confectionary plus space by a wide margin.

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In fiscal 2018, we have exciting innovation that we will bring to the US market with the launch of Series 3 and we are making good progress on Series 4, which we are developing and co-marketing in collaboration with the World Conservation Society".

**A conference call is now scheduled for 7.30am Perth time (AWST) / 9.30am Sydney time (AEST) later today to allow investors the opportunity for Q&A and to clarify any of the elements of this announcement and the overall state of the business. Details of the call are attached below.**

In addition, a date for the filing of our 2017 Full Year and Q4 financial results, related conference call and face to face meetings with investors following our Full Year/Q4 filing will be communicated shortly.

Yours sincerely



Bert Alfonso  
**Global CEO & Managing Director**  
**Yowie Group Ltd**

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**Conference call details:**

Date: 21<sup>st</sup> April 2017

Time: 7.30am Perth time (AWST) / 9.30am Sydney time (AEST).

Australia Dial-in Number 1800 804 595

International Dial-in Number + 61 3 8687 0650

No passcode is required. An operator will ask the name and company of those wanting to participate in the call.

The call will be recorded and uploaded to the Yowie website <http://www.yowiegroup.com/>.

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## **About Yowie**

Yowie Group Ltd is a global brand licensing company specializing in the development of consumer products designed to promote learning, understanding and engagement with the natural world through the adventures and exploits of six endearing Yowie characters. Educating children and adults about the environment and ecology is at the heart of the Yowie proposition.

Yowie Group employs its company-owned intellectual property rights in the outsourcing of the manufacturing and distribution of the Yowie chocolate confectionery product and in the development of a Yowie digital platform and Yowie branded licensed consumer products. The Company's vision for the Yowie brand includes distribution of Yowie product in North America, with further expansion planned into Australia, New Zealand and throughout Asia, where the Yowie brand is known and brand equity remains strong, even with the brand not having been active in the market for around ten years. Expansion into Europe and the Middle East are key strategic priorities for a second-stage brand rollout.

Yowie Group Ltd was first listed on the Australian Securities Exchange [www.asx.com.au](http://www.asx.com.au) in December 2012 under code name 'YOW'. The Company's registered head office is in Perth, Western Australia.

For more information on the company go to [www.yowiegroup.com](http://www.yowiegroup.com)  
The Yowie consumer website can be found at [www.yowieworld.com](http://www.yowieworld.com)

## **DISCLAIMER**

This Announcement contains interpretations and forward-looking statements that are subject to risk factors associated with the confectionary and retail industries. You are cautioned not to place reliance on these forward-looking statements, which are based on the current views of the Company on future events. The Company believes that the expectations reflected in the announcement are reasonable but may be affected by a variety of variables and changes in underlying assumptions which could cause actual results to differ substantially from the statements made.

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