



10 July 2018

ASX Market Announcements
ASX Limited
20 Bridge Street
Sydney NSW 2000

Strong fourth quarter FY18 sales update, annual sales guidance achieved, US distribution and market share continue to increase

Yowie Group Ltd (ASX: YOW, OTC ADR: YWRPY) (the “Group” or “Yowie”) provides the following update:

- Revenue guidance achieved: FY18 global net sales, excluding the Walmart adjustment*, were slightly above last year, in line with guidance provided in February. Encouraging result given a large US launch by a major global competitor during the year.
- Q4 global net sales increased about 18% versus the prior corresponding period, with US Sales increasing 38%.
- US distribution across all channels continues to increase.
- US market share increased versus prior corresponding period.

Mark Schuessler, CEO said, “We are pleased to finish the year with strong Q4 results and achieve annual revenue guidance. We are making good progress in broadening our distribution network and growing market share. We enter F19 with momentum and confidence.”

* Please refer to ASX Announcement of 12 January 2018.

Q4 FY18 Sales Update

Yowie’s group net sales for the fourth quarter of FY18 were \$5.0 million, an 18% increase on sales in the corresponding period of FY17. Group net sales for FY18 were \$19.6 million, slightly above last year and in line with the guidance provided to ASX on 14 February 2018.

- North America Q4 net sales were \$4.8 million, an increase of 38% versus the prior corresponding period. 2H net sales were \$8.5 million, an increase of 3%. The strength in the quarter/half was due to increased USA distribution across all channels, stabilizing sales at our largest US customer, and additional promotional activity.

Head Office
Yowie Group Ltd
Level 4, 216 St Georges Terrace
Perth WA 6000

PO Box 7315, Perth WA 6850
Phone +61 8 6268 2640
Fax +61 8 6268 2699

ABN 98 084 370 669





- North America FY18 net sales were \$16.8 million, a decrease of 4%, due mainly to the impact of the major launch by a global competitor at our largest customer, offset by improvements in other retailers.
- Australia FY18 net sales were \$2.7 million, an increase of 44% due to a full year in the market and the ranging of Yowie in a major retailer.

Distribution and Market Share Growth

Yowie continues to grow US distribution by adding key accounts in all channels (Grocery, Convenience, Mass) ranging Yowie on an everyday basis. The percentage of stores carrying Yowie as reported by Nielsen effective 16 June 2018 increased to 44.5%** from 36.7% to the previous corresponding period.

Yowie US market share was reported by Nielsen at .8845%, an increase of .0124% versus previous corresponding period. Again, this was during the large launch by a major global competitor that invested heavily to enter the US market for the first time.

** Percentage relates to the Nielsen measurement of the number of stores that carry Yowie brand, thus indicating product availability to the consumer, based on ACV (All Commodity Volume) xAOC (eXtended All Outlets Combined: Food, Drug, Mass, Convenience).

Series 4 and Yowiescope™

As announced 4 June 2018, US Series 4 in support of the Wildlife Conservation Society will be launched this month. Continuing Yowie's commitment to innovation and bringing more collectability to the market, the release of this new series is being timed with our latest App, Yowiescope™ where children, families and collectors will be able to learn more about the species they collect with updated information, photos, videos and fun facts. This type of engagement is a breakthrough in both collectible toys and novelty confections.

Yowiescope™ can only be used when purchasing Yowie Surprise Chocolate. Each animal or character collected can be scanned and placed in a virtual collection gallery. This exciting technology provides new experiences and after sales engagement.

Please see the attached link to review the App. <https://yowiescope.com/>

Outlook

Yowie is pleased at achieving net sales in line with our last guidance given the increased competitive set of the chocolate novelty category in the US. The rebound in 2H FY18 was encouraging driven by our progress in expanding distribution and increased promotional activity.

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Margins remain healthy in excess of 50% (before the major US retailer stock adjustment). However, Yowie management is focused on continuing cost reduction efforts beyond what has been achieved to date to improve margins and our ability to invest in the trade and brand awareness.

FY18 EBITDA, excluding non-recurring items, is expected to be slightly better than the prior year. However, the Directors are reviewing the carrying value of assets on the Balance Sheet which may lead to one off revisions.

Results for the full year are expected to be released the week ending August 24, 2018.

Despite the improvement on turning around sales and significant cost reduction, the company recognizes shareholder disappointment with the share price performance and therefore no management incentives will be paid this year.

In light of progress the company is making in executing its strategic growth and cost management priorities, Yowie is looking forward to a year of positive growth and improved financial performance.

Mark Schuessler
Global CEO & Managing Director - Yowie Group Ltd

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 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
The Yowie consumer website can be found at www.yowieworld.com

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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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