

**ASX ANNOUNCEMENT**
**21 February 2018**
**1H18 Financial Results**

Bellamy's Australia Limited (ASX: BAL) (**Bellamy's** or the **Company**) today announces its results for the first half of the 2018 financial year as follows:

**Highlights**

- Bellamy's turnaround remains on track with its underlying health continuing to strengthen
- 1H18 revenue of \$174.9m (\$170.0m excluding Camperdown) compared with \$118.3m in 1H17
- 1H18 EBITDA of \$34.9m (\$36.3m excluding Camperdown) compared with \$10.4m in 1H17
- Improved cash position to net \$85.0m with \$59.1m in operating cash flow
- CFDA registration lodged for our Chinese label products and currently in review
- Upgraded FY18 revenue growth to 30-35% (from 15-20%) and FY18 EBITDA margin to 20-23% (from 17-20%) as per our 15 January 2018 announcement (excluding Camperdown)
- Expecting 1H18 revenue to be higher than 2H18 revenue due to:
  - the seasonality impact of Chinese online platform events, higher winter consumption in China and Chinese New Year
  - all '*Chinese label*' sales of \$18m occurring in 1H18 (2H18 \$nil) due to previously announced delays in Bellamy's CFDA registration.

Bellamy's 1H17 and 1H18 financial performance is set out below:

\$m	1H18				1H17		
	Statutory Core Business	Statutory Camperdown	Significant Items <sup>(1)</sup>	Normalised Result <sup>(2)</sup> Group	Statutory	Significant items <sup>(1)</sup>	Normalised Result <sup>(2)</sup> Group
Revenue	170.0	4.9	-	174.9	118.3	-	118.3
Gross Profit	63.0	0.9	-	63.9	46.8	-	46.8
Overhead	26.7	2.3	-	29.0	36.4	8.6	27.8
EBITDA	36.3	(1.4)	-	34.9	10.4	8.6	19.0
D&A <sup>(3)</sup>	0.5	1.6	-	2.1	0.3	-	0.3
NPAT	25.2	(2.8)	-	22.4	7.2	6.0	13.2

(1) Refer Note 4 for details of individually significant items in 1H17.

(2) Bellamy's has followed the guidance for underlying profit as issued by the ASIC regulator Guide RG230 'Disclosing non-IFRS information'. The profit and loss summary with a prior period comparison in the table above, has been sourced from the accounts but has not been subject to separate review or audit. The Directors believe that the presentation of the unaudited non-IFRS profit and loss summary in the table above is useful for users as 1H17 includes significant items that are not expected to be repeated in future years. The table reflects the normalised earnings of the business.

(3) Amortisation of the finite-life intangible assets arising from the acquisition and consolidation of Camperdown have been allocated to the Camperdown business for purposes of this analysis.

Commenting on the result, Bellamy's CEO Andrew Cohen said *'While there are still challenges to navigate, we are pleased to see that our turnaround plan continues to gain traction and the overall health of the business has improved.'*

*Mr Cohen further noted, 'Our sales and share position are stronger, we have increased marketing investment, streamlined logistics and overhead costs and worked through aging inventory.'*

*'While we recognise these positive initial results, we remain mindful of the inherent risk of a dynamic and highly regulated market. Our focus is now on obtaining our CFDA license and executing a long term growth plan.'*

Bellamy's Chief Executive Officer Andrew Cohen and Chief Financial Officer Nigel Underwood will present the financial results via a webcast at **10:00am (AEST) Thursday 22 February 2018**. The webcast link will be live from 9:45am (AEST). The link to the webcast is as follows:

<http://webcast.openbriefing.com/4218/>

A recording of the financial results webcast will be available on Bellamy's website (<http://investors.bellamysorganic.com.au/>) within 72 hours following the call.

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