

ASX / BWX

# **ASX Announcement**

17 September 2018

## BWX STRATEGIC REVIEW CONCLUDES – BWX TO REMAIN INDEPENDENT

The Independent Board Committee (**IBC**) of BWX Limited (ASX:BWX or the "Company") announced on 12 June 2018 that it would undertake a thorough evaluation of all of the Company's options (**Strategic Review**).

The Strategic Review was initiated following the receipt of an unsolicited preliminary, nonbinding, indicative and conditional proposal (**Indicative Proposal**) from John Humble and Aaron Finlay in partnership with Bain Capital Private Equity, L.P. and its affiliates (**Bain Consortium**) on 21 May 2018.

BWX announced on 27 August 2018 that the IBC had agreed to continue engaging in discussions with the Bain Consortium until mid-September, with a view to determining whether a binding proposal that is in the best interests of BWX shareholders could be developed. Those discussions have now concluded with the Bain Consortium not being able to submit a binding proposal and withdrawing its Indicative Proposal.

BWX Chairman, Ian Campbell, said:

"A substantial amount of time and resources have been committed by the IBC, management, our advisers and the Bain Consortium. Nevertheless, in the absence of a binding proposal, it is clear that we have reached a point where management's time is better spent focusing on the substantial growth opportunities available to the Company."

"The process of exploring the potential for a change-of-control proposal also provided an opportunity to validate our existing strategy and identified new growth opportunities that had not previously been explored. I'm pleased to say that we have even more conviction in the strength of the growth opportunities available to BWX than we did before the Strategic Review commenced."

The Company's key organic growth opportunities include:

- accelerating growth of the Sukin brand domestically and globally;
- expanding market share of all key BWX brands in existing markets and diversifying into new geographies and channels; and
- enhancing the Company's e-commerce presence by capitalising on Nourished Life's digital capabilities.

BWX Limited ACN 163 488 631 2 Darby Way Dandenong South VIC 3175 AUSTRALIA Telephone +61 3 8785 6300 In addition, during the course of the Strategic Review a number of parties approached BWX with joint venture, distribution and licencing proposals that have the potential to accelerate the growth of BWX's brands in international markets. BWX will continue to explore these partnering opportunities, and may selectively pursue opportunities to maximise shareholder value.

BWX's major shareholder has confirmed its support for the outcome of the Strategic Review. Mark East, Chief Investment Officer of Bennelong Australian Equity Partners said:

"We continue to believe very strongly in the attractive medium and long term growth opportunities available to BWX. The culmination of the Strategic Review represents a clean break for the Company, and we provide our full support to the IBC, Myles and his management team in driving the future growth of the business."

### **Management changes**

BWX announces that Interim CEO Myles Anceschi has been appointed the permanent CEO. In addition, Mr Anceschi, who was instrumental in leading the Company throughout the Strategic Review, will join the BWX Board of Directors as the Managing Director.

Mr Anceschi has extensive international FMCG experience in marketing, sales, operations, manufacturing, business development and strategic planning. The key terms and conditions of Mr Anceschi's appointment are set out in Attachment 1. In addition, Mr Vinod Somani will continue in his role as Chief Financial Officer.

Mr Campbell said:

"The IBC was thoroughly impressed by Myles' contribution throughout the Strategic Review process, and we are delighted that he has agreed to act in the permanent role of CEO and be appointed the Managing Director. Myles has committed to executing on the Company's growth opportunities".

## **Board update**

BWX announces that Mr John Humble and Mr Aaron Finlay have agreed to resign from their executive and Board roles.

Mr Humble served as Managing Director and Chief Executive Officer and Mr Finlay served as Finance Director and Joint Company Secretary.

Mr Humble and Mr Finlay have made a significant contribution to the Company's historical growth and development, and the IBC thanks them for their valuable contribution.

A process to appoint additional non-executive directors has commenced and BWX will provide an update in due course.

#### About BWX

ASX listed, BWX Limited is a vertically integrated developer, manufacturer, distributor and marketer of branded skin and hair care products with an emphasis on the natural segment of the beauty and personal care market.

The company owns, produces, and distributes under the Sukin, Mineral Fusion, Andalou Naturals, DermaSukin, Life Basics, Uspa, Edward Beale, and Renew personal care brands as well as Nourished Life online marketplace.

#### For further information please contact:

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## Attachment 1 –Key terms of employment of Myles Anceschi

	Description	Details
1	Position	Chief Executive Officer and Managing Director
2	Commencement Date	17 September 2018
3	Term	Three years after Commencement Date
4	Duties	The duties ordinarily required to be performed by a person filling a like role
5	Annual leave	4 weeks
6	Reporting Responsibility	The board of directors of the Company
7	Remuneration Package	\$500,000 per annum, exclusive of superannuation plus entitlement to participate in employee incentive plans
8	Notice Period	By the Employee - 3 months.
		By the Company - 6 months.
9	Restraints	Customary non-compete and non-solicitation of clients, customers, contractors and employees for a period of 3 months after termination within Australia