

TRADING UPDATE

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Swallowfield PLC

08 July 2015

Swallowfield plc
("Swallowfield" or the "Company")

Trading Update

Swallowfield plc, a market leader in the development, formulation, and supply of personal care and beauty products; whose customers include many of the world's leading brands, today provides an update on trading for the year ending 30th June 2015.

Trading

The board is pleased to announce that we anticipate full year profitability to be in line with market expectations.

Overall revenues for the full year are expected to show growth of 2.7% on a constant currency basis, 0.8% as reported versus the comparable 52 week period in the prior year (the year ended 30th June 2014 was a 53 week year). We have seen a slight softness in revenues versus expectations, due to the delayed availability of some materials and the continuing effect of the weak euro.

The Group has made good progress on its strategic pillar of Product Category Focus which has helped improve contribution margin.

Our balance sheet also continues to strengthen with tight control of inventories and cash leading to a net debt position of £5.4m, net of the outflow of £1.2m on the acquisition of 'The Real Shaving Company' brand. Adjusted for this, net debt of £4.2m compares favourably to the prior year at £5.1m.

Strategic Development

The recently acquired brand 'The Real Shaving Company' has now been successfully integrated into the business ahead of schedule. Customer response to our innovation plans for the brand have been very positive.

Development of our own Swallowfield brands continues to progress well. First orders of our premium beauty brand, 'Bagsy', have been shipped in recent weeks and distribution of our value brand 'Tru' has been extended.

Our premium and innovative new male haircare brand has also been positively received by major retailers, and will be launched in the autumn,

Outlook

We expect the challenging retail market conditions currently being experienced in the UK and Europe to persist in the medium term. However, the Board remains confident that the new strategy outlined last year will continue to gain further momentum, improve profitability and build shareholder value. In addition, this year we expect to benefit from further efficiencies, and improved run rate profitability, tighter control of working capital and new product developments already progressed in the 2014/15 financial year.

The Company expects to announce its results for the year ended 30th June 2015 on 22nd September 2015.

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