

TRADING UPDATE

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Swallowfield PLC

06 July 2017

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Swallowfield plc
("Swallowfield" or the "Group")

Trading update and notice of results

Swallowfield plc, a market leader in the development, formulation, and supply of personal care and beauty products, including its own portfolio of brands, is pleased to provide a trading update for the 52 weeks ended on 24 June 2017.

Trading update

The Board is pleased to confirm that the business has continued to trade strongly. Overall revenues for the full year are expected to show growth of 36% (30% on a constant currency basis) to approximately £74.1m (2016: £54.5m). Revenues excluding acquisitions are expected to show a growth of 7% (2% on a constant currency basis).

Revenue growth has been bolstered by the continuing strong performance of owned brands, in particular, the Brand Architekts' portfolio acquired in June 2016. In the Group's manufacturing business, revenues continued to perform solidly on the back of a stream of innovative new product launches.

As a result, underlying business performance* is expected to be significantly ahead of the previous year and in line with market forecasts.

The Group's balance sheet has further strengthened during the period with strong cash generation and working capital controls leading to a net debt position of £3.7m as at 24 June 2017 (2016: £4.3m). This figure includes a term loan of £2.0m used as part of the financing for the acquisition of The Brand Architekts.

Chris How, Chief Executive of Swallowfield, commented:

"Whilst the retail and consumer markets remain challenging, it has been a year of tremendous progress for the Group with the successful execution of our stated strategy driving us to record levels of sales and underlying profitability. The acquisition of The Brand Architekts has delivered fully against our expectations and has been integrated smoothly and effectively into the Group. The manufacturing business continues to perform solidly in its own right and provide crucial support to the growth of our owned brands."

Notice of results

The Company expects to announce its results for the 52-week period ended 24 June 2017 on 19 September 2017.

* Underlying business performance is adjusted for the impact of provisions made in relation to long term share based incentives (anticipated to be approximately £1.7m) and amortisation of acquisition-related intangibles. The majority of the charge on share based incentives relates to awards made in 2014 and become exercisable towards the end of 2017. These share options were put in place in order to incentivise the Group's wider management team (including the executive directors of Swallowfield) and to ensure that their interests are aligned with shareholders. At the time, this incentive plan was introduced the average share price was 95p and since that time shareholders have been rewarded with a capital improvement of over 300% in addition to progressive dividend income.

For further information please contact:

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