

## ASX ANNOUNCEMENT



Vita Group Limited  
ACN 113 178 519  
77 Hudson Road  
Albion Qld 4010

26 November 2021

Market Announcements Office  
Australian Securities Exchange  
4<sup>th</sup> Floor, 20 Bridge Street  
SYDNEY NSW 2000

### ELECTRONIC LODGEMENT

Dear Sir or Madam

#### **Vita Group Limited (ASX:VTG) – 2021 Annual General Meeting**

Vita Group (ASX:VTG) holds its financial year 2021 Annual General Meeting (AGM) today (Friday, 26 November 2021).

Please find enclosed copies of the:

- 2021 AGM Prepared Addresses; and
- 2021 AGM Presentation.

This announcement has been authorised for lodgement by VTG's Board of Directors.

Yours sincerely

A handwritten signature in black ink, appearing to read "George Southgate".

**George Southgate**  
Chief Legal and Risk Officer / Company Secretary  
Vita Group Limited

#### **Further enquiries:**

Andrew Ryan  
Chief Financial Officer  
Mob: 0417 644 756

George Southgate  
Chief Legal and Risk Officer / Company Secretary  
Mob: 0412 514 030



**ANNUAL  
GENERAL MEETING**

*26 NOVEMBER 2021*

# Vita Group Board



**DICK SIMPSON**  
Chairman



**MAXINE HORNE**  
Chief Executive Officer  
(to 12 Nov 2021)

Non-Executive Director  
(from 12 Nov 2021)



**PETER CONNORS**  
Chief Executive Officer  
(from 12 Nov 2021)



**PAUL WILSON**  
Non-Executive Director



**PAUL MIRABELLE**  
Non-Executive Director



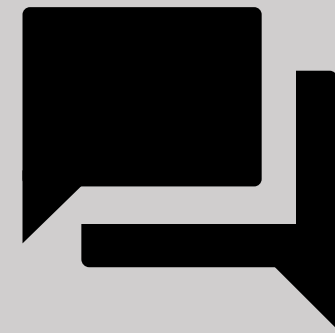
**NEIL OSBORNE**  
Non-Executive Director

# ONLINE ATTENDEES – TEXT QUESTION PROCESS



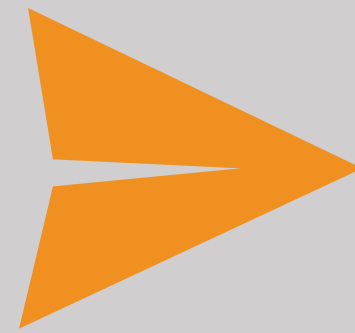
1

When the question function is available, the messaging tab will appear at the top of the screen



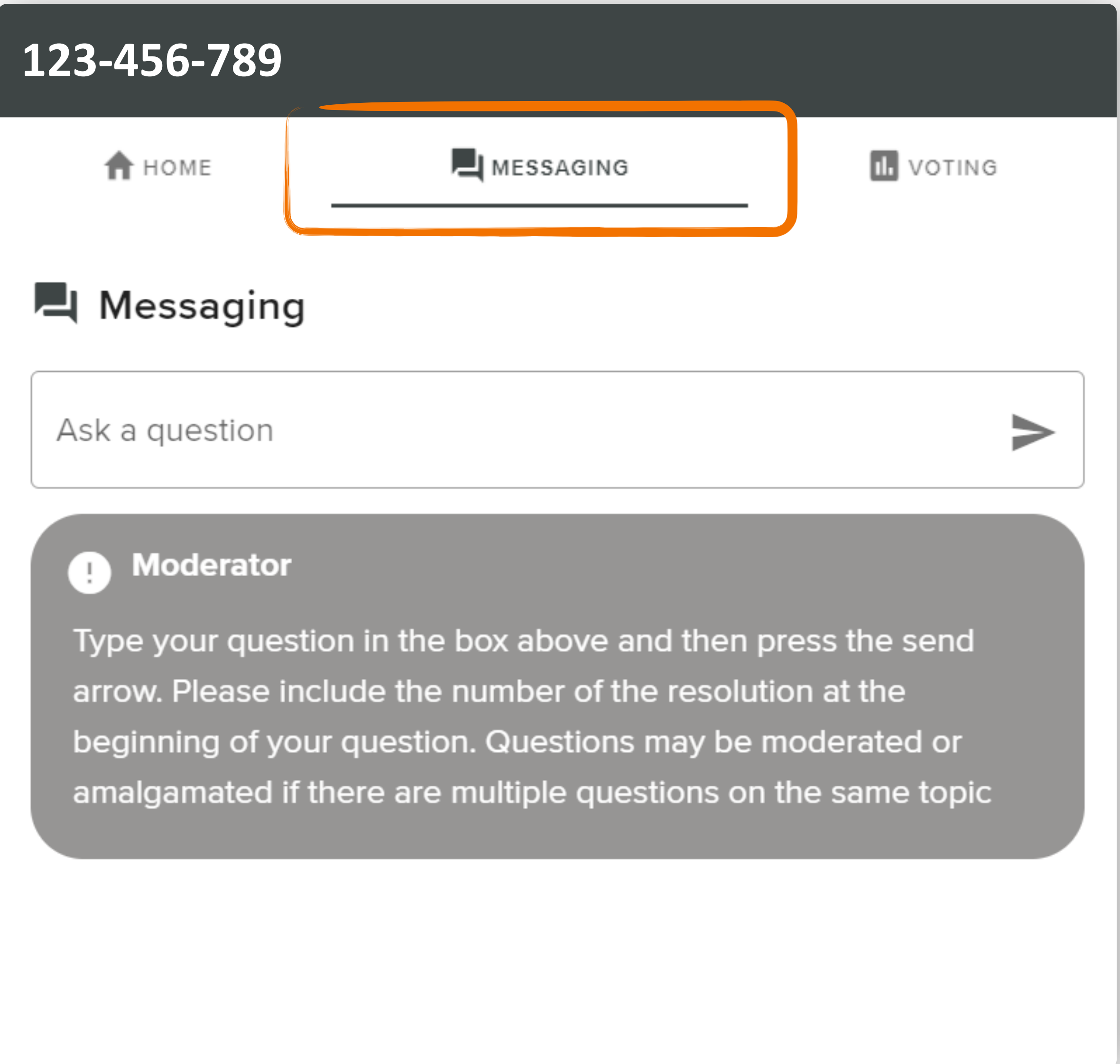
2

To submit a question, type your question in the “Ask a question” box and press the send arrow



3

Your question will be sent immediately for review



# ONLINE ATTENDEES – AUDIO QUESTION PROCESS



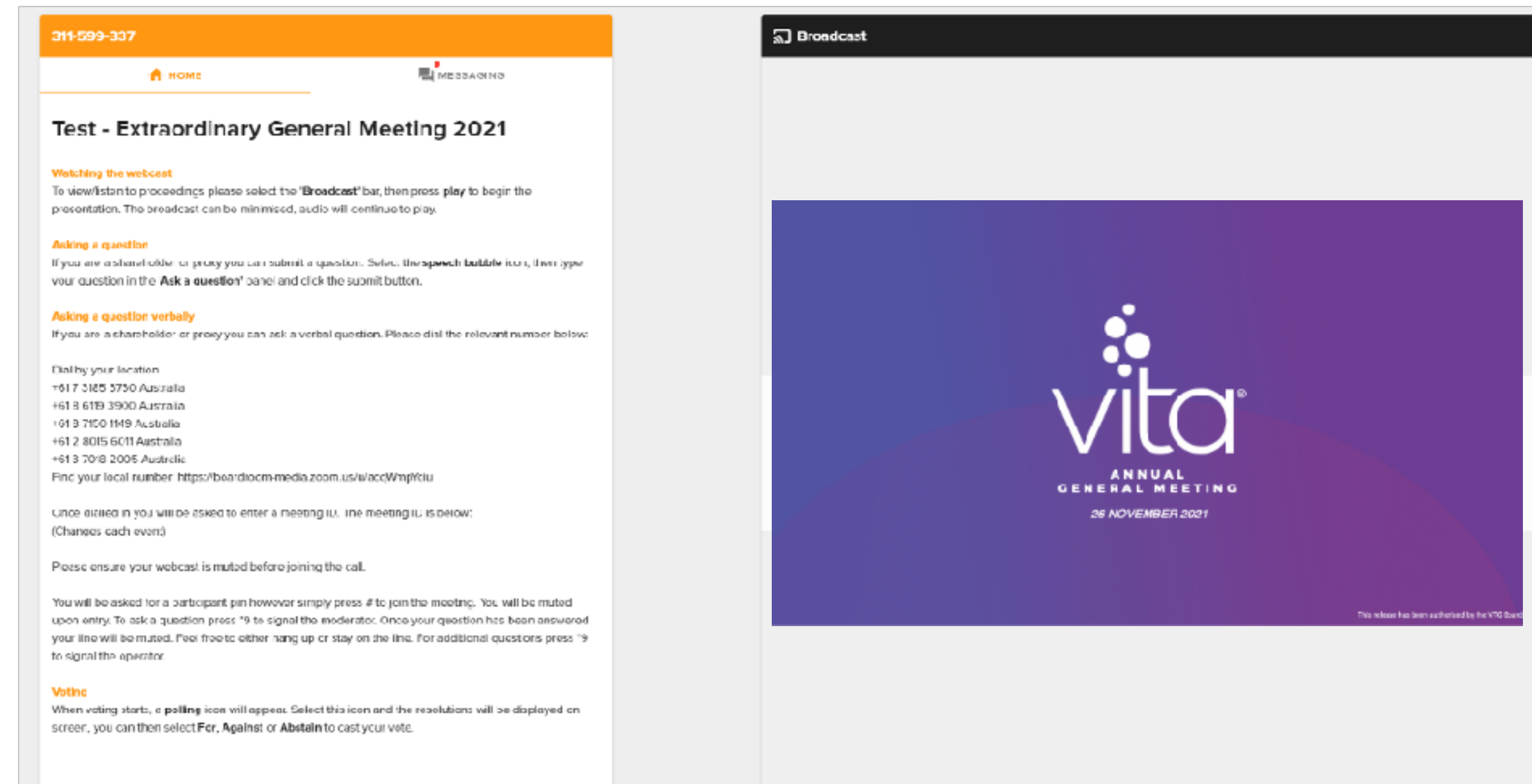
**\*Please ensure you pause the webcast before joining the call.\***

1

To ask a question verbally, please ensure **you pause the broadcast**

2

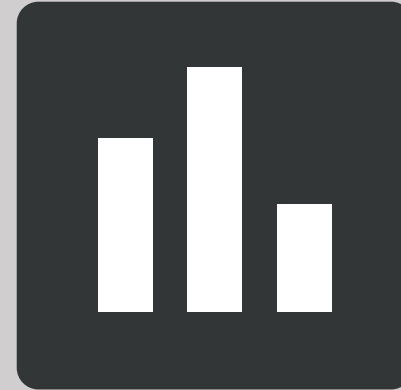
Dial 1800 271 192 (within Australia) or  
+61 2 9189 6788 (from overseas)  
Press \*1 to ask a question



# ONLINE ATTENDEES – VOTING

1

When open, the vote will be accessible by selecting the voting tab at the top of the screen



2

To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For



Against



Abstain



3

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed

123-456-789

HOME

MESSAGING

VOTING

Poll Open

You have voted on 0 of 2 items

Resolution 1

Select a choice.

For



Against



Abstain



CANCEL

Question 2

Select a choice.

Yes



No



Unsure



# Order of Business

- 1. Chairman and CEO presentation**
- 2. Financial statements and reports**
- 3. Resolutions**

# CHAIRMAN AND CEO PRESENTATION



# FY21 Recap

## Vita Group

- Group revenues \$633.5m, down 18%
- EBIT \$40.3m, up 8%
- EBITDA<sup>1</sup> \$50.3m, up 1%
- NPAT \$26.3m, up 17%

## Artisan

- Revenues \$28.4m
- Operational EBITDA<sup>2</sup> \$1.4m, includes:
  - JobKeeper subsidy \$1.1m
  - Non-recurring expenses \$0.9m

## ICT<sup>3</sup>

- Retail ICT and Sprout volumes down from COVID-19 impacts
- Total ICT revenues \$604.3m, down 20%
- Operational EBITDA<sup>4</sup> \$71.1m, down 16%, includes:
  - Includes JobKeeper subsidy \$13.5m; and
  - Gain on sale of Enterprise business and TBTCs of \$2.4m

## Strong, flexible balance sheet with no net debt<sup>5</sup>

## Prudent and balanced approach to capital management

- Fully-franked dividends of \$13.2m (8.0cps)

<sup>1</sup> Pre-AASB 16, includes JobKeeper subsidy and non-recurring items

<sup>2</sup> Pre-AASB 16, includes JobKeeper subsidy and non-recurring expenses, excludes full corporate overhead allocation

<sup>3</sup> Information and Communication Technology

<sup>4</sup> Pre-AASB 16, includes JobKeeper subsidy and non-recurring gain on sale of Enterprise business and TBTCs, excludes full corporate overhead allocation

<sup>5</sup> Net debt excludes lease liabilities

# Information and Communication Technology

- Transaction completed 12 November 2021
- Ongoing post completion activities include:
  - Final adjustments
  - Finalisation of certain exit costs
  - Transition services arrangement
- Major special dividend declared \$0.39 cps
- Minor distribution of approx. \$0.03 - \$0.06 cps in H2 FY22, subject to post-completion adjustments



# Artisan Trading Update H1 FY22

- ▶ Long-term COVID-19 lockdowns across NSW, Victoria, and ACT (July to Mid-October)
  - ▶ Revenues significantly impacted due to clinic closures
  - ▶ Prudent management of cost base
  - ▶ Strong booking rates after long-term lockdowns lifted
- ▶ Higher than expected staff attrition in Queensland has impacted Queensland revenues

# Looking to the future – Artisan Aesthetics Clinics

## *Artisan will continue to:*

- ▶ Develop its position as the premium brand in the aesthetics category
- ▶ Focus on organic growth
  - ▶ Invest in state-of-the-art skin technology, allowing a holistic approach to skin treatments through several different modalities
  - ▶ Develop and enhance client experiences and loyalty programs
  - ▶ Draw business insights from advanced business intelligence capability
  - ▶ Build out clinical education and training ecosystem
  - ▶ Develop our proprietary cosmedcloud® software
  - ▶ Invest in operational standards, client and team safety through evolving systems, processes, governance and risk frameworks
- ▶ Optimise clinic portfolio through targeted acquisitions

*All aimed to attract, develop, and retain clinical talent who will provide exceptional client outcomes and achieve our brand promise:*

*Master the Artistry of You®*

*Focus is on Artisan with a skilled team in place with a strong and flexible balance sheet, enabling the execution of Vita Group's growth strategy.*



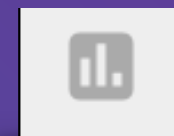
# FINANCIAL STATEMENTS AND REPORTS

# RESOLUTIONS

# RESOLUTION ONE

## Adoption of Remuneration Report

▶ *The vote is now accessible by selecting the voting icon at the top of the screen*



▶ *To vote, simply select the direction in which you would like to cast your vote, the selected option will change colour*

▶ *There is no submit or send button, your selection is automatically recorded*

*‘That the Remuneration Report contained in the Company’s 2021 Annual Financial Report in respect of the financial year ended 30 June 2021, be adopted.’*

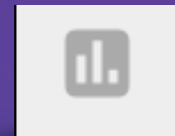
### 1, REMUNERATION REPORT

For	57,667,542	98.10	34.82
Against	786,796	1.34	0.48
Open-Usable	327,352	0.56	0.20
	<i>Board</i>	<i>224,297</i>	<i>0.38</i>
	<i>Non-Board</i>	<i>103,055</i>	<i>0.18</i>
Open-Cond	0	0.00	0.00
Open Unusable	0	N/A	0.00
Abstain	407,357	N/A	0.25
Excluded	29,810,509	N/A	18.00

# RESOLUTION THREE

## Election of Ms Maxine Horne

▶ The vote is now accessible by selecting the voting icon at the top of the screen



▶ To vote, simply select the direction in which you would like to cast your vote, the selected option will change colour

▶ There is no submit or send button, your selection is automatically recorded

*‘That Ms. Maxine Horne, a non-executive Director of the Company to be appointed by the Directors since the last AGM of the Company, and retiring in accordance with Clause 58 of the Company's Constitution, being eligible, be elected as a non-executive Director of the Company.’*

3, ELECTION MAXINE HORNE	For	88,403,900	99.42	53.38
	Against	135,069	0.15	0.08
	Open-Usable	383,078	0.43	0.23
	Board	280,023	0.31	0.17
	Non-Board	103,055	0.12	0.06
	Open-Cond	0	0.00	0.00
	Open Unusable	0	N/A	0.00
	Abstain	77,509	N/A	0.05
	Excluded	0	N/A	0.00



# RESOLUTION FOUR

## Approval of the Vita Group Loan Funded Share Plan

▶ The vote is now accessible by selecting the voting icon at the top of the screen



▶ To vote, simply select the direction in which you would like to cast your vote, the selected option will change colour

▶ There is no submit or send button, your selection is automatically recorded

*‘That, for the purposes of ASX Listing Rule 7.2, Exception 13(b) and for all other purposes including under the Corporations Act 2001 (Cth), approval be given for the issue of shares under the Vita Group Loan Funded Share Plan, subject to the implementation of the transaction with Telstra, as described in the Explanatory Notes.’*

4, APPROVE LOAN SHARE PLAN	For	57,198,109	97.61	34.54
	Against	991,789	1.69	0.60
	Open-Usable	406,154	0.70	0.25
	Board	303,099	0.52	0.18
	Non-Board	103,055	0.18	0.06
	Open-Cond	0	0.00	0.00
	Open Unusable	0	N/A	0.00
	Abstain	588,260	N/A	0.36
	Excluded	29,815,244	N/A	18.00

# RESOLUTION FIVE

## Approval of grant of shares to Peter Connors under the Vita Group Loan Funded Share Plan

▶ The vote is now accessible by selecting the voting icon at the top of the screen



▶ To vote, simply select the direction in which you would like to cast your vote, the selected option will change colour

▶ There is no submit or send button, your selection is automatically recorded

*‘That, for the purposes of ASX Listing Rule 10.14, sections 200C and 200E of the Corporations Act, and for all other purposes, approval be given for the grant of 6,624,178 shares in the Company Peter Connors, to be appointed the Chief Executive Officer and Managing Director of the Company subject to and following implementation of the sale of the ICT business, under the Vita Group Loan Funded Share Plan, on the terms described in the Explanatory Notes.’*

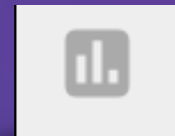
### 5, SHARES TO PETER CONNORS

For	86,899,416	98.33	52.47
Against	1,127,964	1.28	0.68
Open-Usable	337,352	0.39	0.20
	<i>Board</i>	234,297	0.27
	<i>Non-Board</i>	103,055	0.12
Open-Cond	0	0.00	0.00
Open Unusable	0	N/A	0.00
Abstain	634,824	N/A	0.38
Excluded	0	N/A	0.00

# RESOLUTION SEVEN

## Reinsertion of Proportional Takeover Approval Provisions

- ▶ *The vote is now accessible by selecting the voting icon at the top of the screen*
- ▶ *To vote, simply select the direction in which you would like to cast your vote, the selected option will change colour*
- ▶ *There is no submit or send button, your selection is automatically recorded*



*‘That the Company's Constitution be amended by reinserting clause 25 and any related definitions in the form set out in the Explanatory Notes ’*

### 7, TAKEOVER PROVISIONS

For	87,718,575	99.13	52.97
Against	403,741	0.46	0.24
Open-Usable	355,929	0.41	0.21
	<i>Board</i>	252,874	0.29
	<i>Non-Board</i>	103,055	0.12
Open-Cond	0	0.00	0.00
Open Unusable	0	N/A	0.00
Abstain	521,311	N/A	0.31
Excluded	0	N/A	0.00

# CLOSURE



## DISCLAIMER

This presentation is authorised by the Board of Vita Group Limited (Company or Vita) . The material in this presentation is current as at the date of preparation, 26 November 2021. Further details are provided in the Notice of Meeting and Explanatory Notes released to the market on 27 October 2021.

No representation, express or implied, is made as to the fairness, accuracy, completeness or correctness of information contained in this presentation, including the accuracy, likelihood of achievement or reasonableness of any forecasts, prospects, returns or statements in relation to future matters contained in the presentation (“forward-looking statements”). Such forward-looking statements are by their nature subject to significant uncertainties and contingencies and are based on a number of estimates and assumptions that are subject to change (and in many cases are outside the control of Vita and its Directors) which may cause the actual results or performance of Vita to be materially different from any future results or performance expressed or implied by such forward-looking statements. Undue reliance should not be placed on forward-looking statements and except as required by law or regulation, Vita assumes no obligation to update these forward-looking statements. To the maximum extent permitted by law, Vita and its related corporations, Directors, officers, employees and agents disclaim any obligations or undertaking to release any updates or revisions to the information in this presentation to reflect any change in expectation or assumptions and disclaim all responsibility and liability for these forward-looking statements (including without limitation, liability for fault or negligence).

This presentation provides information in summary form only and is not intended to be complete. More details can be obtained from the Notice of Meeting (and its Explanatory Notes). The Company is under no obligation to update the presentation and the information in this presentation remains subject to change by the Company in its absolute discretion and without notice.

To the maximum extent permitted by law, neither Vita nor its related corporations, Directors, officers, employees or agents, nor any other person, accepts any liability, including, without limitation, any liability arising from fault or negligence, for any loss arising from the use of this presentation or its contents or otherwise arising in connection with it.

This presentation is not and should not be considered as an offer or an invitation to acquire shares in Vita or any other financial product and does not and will not form any part of any contract for the acquisition of shares.

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This presentation should be read in conjunction with other publicly available material lodged with the Australian Securities Exchange (ASX) by the Company by which are available at [www.asx.com.au](http://www.asx.com.au). Further information including historical results and a description of the activities of Vita is available on our website, [www.vitagroup.com.au](http://www.vitagroup.com.au).

## 2021 Annual General Meeting Prepared Addresses

**{SPEAKER: Dick Simpson – Independent Non-Executive Chairman}**

Let's start with a recap on the financial year.

It's fair to say that it was another challenging year for Vita with the continued impacts of COVID-19, particularly in our ICT channel.

Whilst group revenues declined by 18% to \$633.5 million, the team successfully maintained profitability.

Earnings before interest and tax (EBIT) increased 8% to \$40.3 million, while earnings before interest, tax, depreciation, and amortisation (EBITDA), including JobKeeper and non-recurring items, increased 1% to \$50.3 million.

Net profit after tax (NPAT) increased 17% to \$26.3 million.

Our growth business, Artisan, also suffered some impacts from COVID-19 during FY21, delivering revenues of \$28.4m, and operational EBITDA (which included the JobKeeper subsidy and non-recurring expenses, but excluded full corporate overhead allocations) of \$1.4m.

Our ICT business experienced ongoing challenges leading to a decline in revenues of 20% to \$604.3 million. This was a result of:

- Ongoing impacts from local lockdowns;
- An overall reduction in foot traffic;
- Social distancing requirements restricting in-store interactions;
- Changes in consumer spending habits; and
- An increase in service-related transactions.

Despite these impacts, the team continued to focus on consulting and adding value in every customer interaction, and were supported by tight cost control and the receipt of \$13.5 million from the Federal government's JobKeeper subsidy, which helped to partially offset the decline in revenue and earnings.

Vita's Sprout accessories business was also impacted by lower hardware volumes, however continued to make great strides in product innovation and sustainability, attaining two best practice ISO certifications.

During the period, we divested Vita's Business ICT division in order to direct our focus towards growing our Artisan brand and supporting our 104 Telstra retail stores.

Operational EBITDA (which excludes the impact of AASB 16 and full corporate overheads, and included the JobKeeper subsidy and a non-recurring gain on sale of the Enterprise business and some TBTCs), was \$71.1m, down 16% in the period.

The group's balance sheet at the end of the period was strong and flexible, with no net debt, providing the group with significant capital allocation flexibility.

Thanks to the group's prudent and balanced approach to capital management, the team were able to pay out fully-franked dividends throughout the year of \$13.2m, or 8 cents per share.

Before I hand over to Maxine, the board and I would like to offer our sincere thanks and appreciation to Maxine and her team for delivering throughout a particularly challenging year. Their proactive, thorough, and professional response to COVID-19 is to be commended, and is just one example of the skillset of the team.

With that, I'll hand over to Maxine to provide you with a brief update on Vita's two key channels throughout FY21.

### {SPEAKER: Maxine Horne – Outgoing Chief Executive Officer}

Thanks Dick and good morning everyone.

As many of you will be aware, on 24 September 2021, Vita announced it had entered into a Share Sale Agreement for the sale of Vita's ICT business to Telstra, with Telstra providing Vita with cash consideration of \$110m, subject to a net working capital and net-debt adjustment mechanism.

On 10 November 2021, Vita Shareholders voted to approve the Proposed Transaction and, as we announced to the market, Vita Group completed the transaction with Telstra on 12 November 2021.

There are post completion activities ongoing, which include final adjustments, finalisation of certain exit costs, and a transition services arrangement.

Eligible Vita Shareholders will receive \$0.39 cents per Vita share as part of the first tranche of the Special Dividend, which is scheduled for payment today, 26 November 2021 to shareholders on record as at 19 November 2021.

The Board currently expects to pay the final tranche of approximately \$0.03 to \$0.06 per Vita share in H2 FY22, once exit costs are finalised and post-completion adjustments are completed.

The remaining proceeds from the transaction (net of costs) of \$35m, after both tranches of the Special Dividend are paid, will be retained as working capital to fund the further growth of the Artisan Business.

As well as being in the best interest of shareholders, we were very pleased to be able to make this transaction work in a way that supported our team members' future employment, with the majority of team members either transferring to Telstra or remaining with Vita Group.

I thank the team sincerely for everything they have done to complete this transaction

I would now like to provide you with a trading update for our Artisan business.

In the first half of FY22, COVID-19 continued to impact our Artisan business, with revenues impacted from July through to mid-October, due to the long-term lockdowns that were in place across NSW, Victoria, and the ACT, as well as higher than expected staff attrition in Queensland.

The team worked to partially offset this loss of revenue by prudently managing the cost base for the duration of the long-term lockdowns.

Pleasingly, once restrictions lifted in mid-October, we received many enquiries within our Artisan clinic network as clients seek to book appointments before the end of the year.

Vita Group has separately issued guidance for the first half of FY22 for our continuing operations (i.e. Artisan).

We expect Artisan to deliver revenues from its Artisan business in the range of \$12.5 million to \$12.9 million, a decrease of 15 to 17 per cent on the prior year. As mentioned earlier, this decrease is a result of state-based COVID-19 lockdowns in NSW, Victoria, and ACT forcing the closure of many of Artisan's clinics between July and mid-October 2021, as well as higher than expected staff attrition in Queensland.

As a result, we anticipate Operational EBITDA (pre-AASB-16), before the allocation of corporate overheads to be in the range of \$1.0m - \$1.4m. We are finalising the allocation of corporate overheads following the completion of the sale of our Retail ICT and Sprout businesses to Telstra.

After a long period of negotiation with Telstra and completion of the ICT sale transaction, Artisan is now Vita's primary business and growth opportunity.

In H2, whilst future economic conditions remain uncertain and in what is a traditionally lower half from a seasonality perspective with a typical 55:45% split, the Vita Group management team will focus on:

- Executing Artisan's organic growth programs;
- Attracting, developing, and retaining clinical talent, which is key to Artisan's future success; and
- Maximising and leveraging our corporate support capability while driving efficiencies in operations

Looking to the longer-term future, and under the guidance of Vita's new CEO Pete Connors, the team will continue to:

- Develop Artisan's position as the premium brand in the aesthetics category
- Focus on organically growing Artisan by:

- Investing in state-of-the-art skin technology, allowing a holistic approach to skin treatments through several different modalities
- Developing and enhancing client experiences and loyalty programs
- Drawing business insights from Vita's advanced business intelligence capabilities
- Building out its clinical education and training ecosystem
- Developing its proprietary cosmedcloud® clinic management software; and
- Investing in operational standards, client and team safety through evolving systems, processes, governance, and risk frameworks
- And optimise Artisan's clinic portfolio, including targeted acquisitions

Having said all of the above, everything we do in Artisan is aimed at attracting, developing and retaining clinical talent who will provide exceptional clinical outcomes and achieve our brand promise which is to "Master the Artistry of You"

In summary, Artisan now has a skilled team in place with a strong and flexible balance sheet, enabling the execution of Vita Group's growth strategy.

This announcement has been authorised for release by VTG's Board of Directors.

**Further enquiries:**

Andrew Ryan  
Chief Financial Officer  
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George Southgate  
Chief Legal and Risk Officer / Company Secretary  
Mob: 0412 514 030