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**26 November 2024**

**ASX Announcement**

### **Star Combo 2024 AGM – CEO Presentation**

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Attached, please find the CEO Presentation to be delivered by Su Zhang at the Star Combo Pharma Limited 2024 Annual General Meeting held on 26 November 2024 at 11:00am.

Authorised for Release by the CEO and the Chairman.

For more information please contact:

**Investor relations contact**  
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#### **About Star Combo Pharma**

Star Combo Pharma Ltd (ASX: S66) is a Sydney based contract manufacturer of vitamins, health and beauty products with a portfolio of own brands and distribution capabilities. Our products are made from natural ingredients with scientific R&D and adheres to the highest manufacturing practices governed by the Therapeutic Goods Administration. Star Combo has offices in China and currently supplies the Australian pharmacy network through 450 Terry White Chemmart stores as well as wholesale customers in Australia and China. Directed by pharmacist and experts in health supplement manufacturing, Star Combo's vision is to be the leading manufacturer of premium vitamins and dietary supplements in Australia. Since its establishment in 2004, Star Combo has demonstrated strong product and business development and continues to expand our current operations to serve our loyal business partners, customers and employees.

# Su Zhang

Chief Executive Officer

## CEO Presentation

STAR COMBO PHARMA LIMITED

Annual General Meeting  
26 November 2024



# FY24 Key results



- Group Revenue increased by 5.3% year on year and Group Profit Before Asset write down increased by 4.6% year on year
- Record OEM Revenue
- OEM production efficiencies
- Retail Division returns to small full year profit
- Strong cash position at 30 June 2024 and continuing
- Fully Franked Dividend declared for payment on 31 October 2024



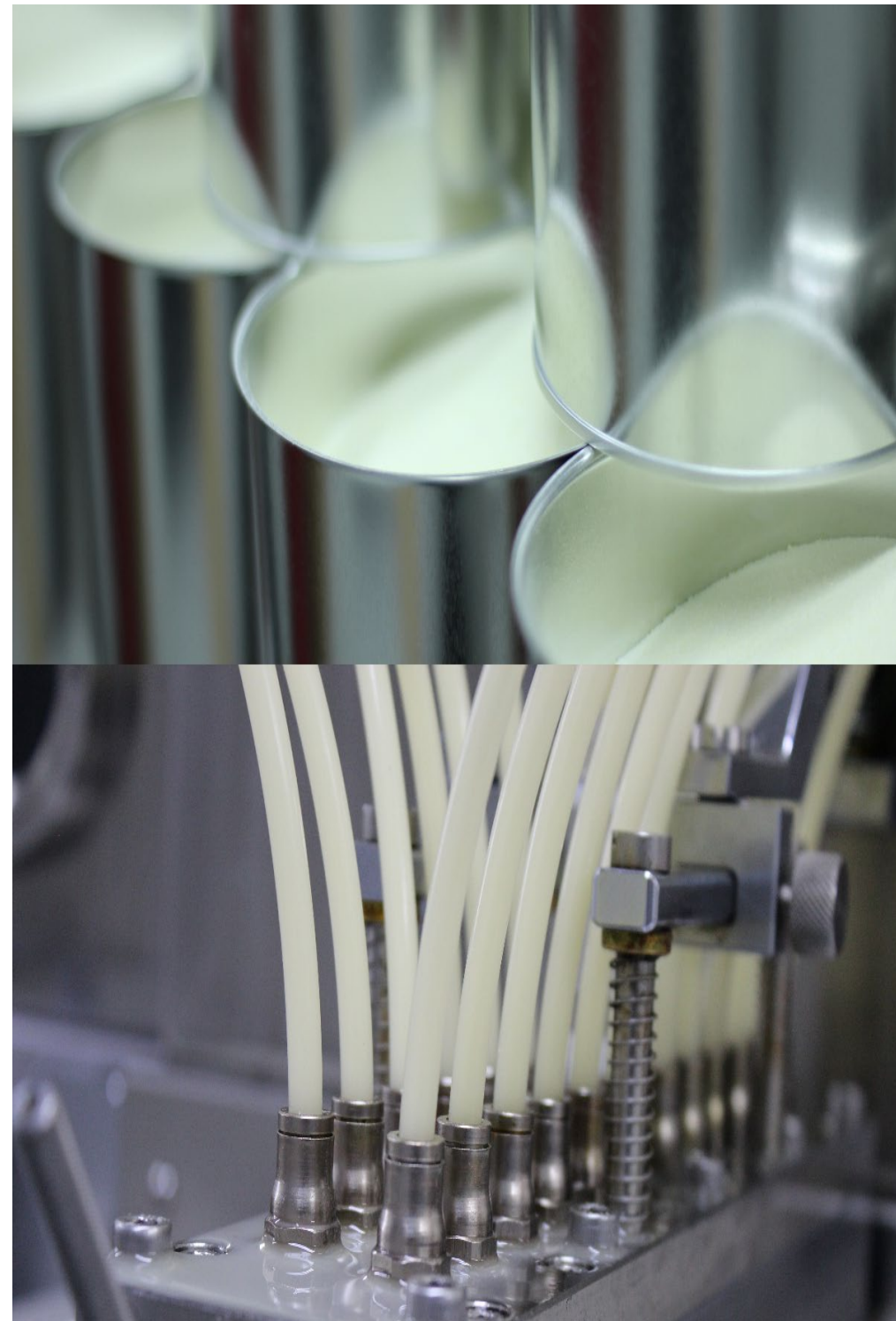
# FY 24 Group Financial Performance



	FY24	FY23	FY22
	\$000's	\$000's	\$000's
		Note 1	
OEM Revenue	\$23,400	\$20,729	\$16,177
Retail Revenue	\$2,660	\$3,947	\$6,672
<b>Group Revenue</b>	<b>\$26,019</b>	<b>\$24,700</b>	<b>\$22,880</b>
Profit/(Loss) Before Tax	\$1,001	(\$3,454)	(\$1,081)
Profit before asset write down	<b>\$1,001</b>	<b>\$957</b>	<b>\$377</b>

Note 1 Asset Write Down due to Factory Fire in Oct 22

# OEM Division record Revenue



	FY 24 Full Year \$000's	FY 23 Full Year \$000's	FY 22 Full Year \$000's
External Sales	\$23,342.7	\$20,729.7	\$16,177.3
Profit from Operations	\$1,235.0	\$1,303.9	\$1,489.8
Asset Impairment <small>Note</small>		(\$4,412.7)	
Depreciation and Amortisation	(\$275.9)	(\$125.4)	(\$453.0)
Profit / (Loss) Before Tax	\$959.1	(\$3,234.2)	\$1,036.8

Note: Impairment due to Factory Fire in Oct 2022



# OEM Division Update

## Manufacturing Division (OEM and Branded)

- OEM division has again performed strongly with increasing volume of bulk orders manufactured for new customers
- 34 new customer accounts have been established in the last twelve months.
- At the date of this report the group order book for the FY 2025 remains strong.
- The following new products have been developed and are available for further commercialisation going forward
  - Gummie line
  - Liquid products
  - APVMA products
- Distribution agreement continues in Vietnam for supply of Costar products throughout the country

# OEM Production efficiencies



	FY 2024	+/(-) % YOY	FY 2023
Capsules/Tablets Manufactured	519,052,811	0%	520,767,220
Batches Manufactured	335	9%	306
Actual Production Time – Hrs	59,715	-6%	63,342
Potential Production Time - Hrs	78,489	-7%	84,456
Production OEE	76.08%	1%	75.00%

# Building Improvements

- Building 1 (main manufacturing facility and commercial offices)
  - Continues to be well maintained to a high standard.
- Building 2 (subject of the fire in October 2022).
  - has been made safe and limited manufacturing capacity re-instated
- Building 3 – (warehouse ).
  - upgrade wall, floor and ceiling
  - removal of all asbestos.
  - converted to storage and warehouse facility
  - capability to introduce environmentally sensitive products such as probiotics.



# Retail Division returns to Profit



	FY 24	FY 23	FY 22
	Full Year	Full Year	Full Year
	\$000's	\$000's	\$000's
External Sales	\$2,660.6	\$3,947.2	\$6,672.8
Profit/(Loss) from Operations	\$41.9	(\$216.7)	(\$613.3)
Asset Impairment <small>Note</small>			(\$1,459.4)
Depreciation and Amortisation		(\$4.1)	(\$45.7)
Profit / (Loss) Before Tax	\$41.9	(\$220.8)	(\$2,118.4)

Note: Impairment due to Retail closure due to Covid

# Retail Division Update

- The retail division was significantly impacted by the COVID pandemic and has required some significant restructuring and impairment of assets in FY23.
- Physical retail stores that the business operated in Carlingford and Ashfield in Sydney were closed in September 2022 with all sales transferred online.
- Newly formed customer service team was established in China to improve customer retention and sales.
- 49% of the business was sold to members of the customer service team in November 2022.
- Modest profits have been achieved monthly since the beginning of calendar year 2024 thus providing a significant improvement in the operating profits of the group.



# Cash Position



Strong cash position at 30 June 2024

	2024	2023
	\$M's	\$M's
Full year cash flow:		
Cash and Cash Equivalents at beginning of Year	\$9.49	\$10.39
Less Capital Expenditure	(\$1.44)	(\$2.73)
Changes in Working Capital	\$0.31	\$1.82
Cash and Cash Equivalents at end of Year	\$8.36	\$9.49



# FY25 Q1



- During FY2025 the Group is continuing its focus on implementing and transitioning its strategy to become a leading contract manufacturer in Australia for the vitamin and health supplements sector.
- OEM production increases
- OEM Revenue grows
- Retail Division continually under review
- Strong cash position at 30 September and continuing
- Fully Franked Dividend paid on 31 October 2024.

# Group Revenue Q1 FY25



OEM Revenue  
Retail Revenue  
**Group Revenue**

**Profit/(Loss) Before Tax**

FY25 Q1	FY24 Q1
\$000's	\$000's
Note 1	
\$8,395	\$6,075
\$489	\$759
<hr/> \$8,885	<hr/> \$6,834
<hr/>	<hr/>
<hr/> \$666	<hr/> \$568
<hr/>	<hr/>

Note 1    Unaudited three months trading to end Sept



# Our people

## People

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Our team have demonstrated agility and tenacity in guiding the business through the unfortunate fire at the company factory in October 2022 and have continued to execute on our strategy of becoming Australia's leading nutraceutical manufacturer.

## Safety

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As a manufacturing business, we are dedicated to ensuring we have a safe workplace.

The company has in place a comprehensive occupational health and safety program which all staff are required to follow.

No safety incident has been reported at Star Combo YTD 2023.

## Well being

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A comprehensive WHS plan has been implemented at Star Combo.

Significant precautions and protocols are in place to safeguard the health and wellbeing of our employees.



# Achievements & Outlook

## FY24 Achievements

Continued growth in contract manufacturing division

Operating cash flow positive with \$8.3M in cash in bank

Retail Business restructured

## 2025 Outlook

Contract manufacturing sector remains main area of strategic focus

Contract manufacturing outlook remains resilient benefiting from strong macro trends

New market development opportunities providing potential for growth

## 2025 Opportunities

Gummy line manufacturing capabilities and new sales

Commence manufacture of pet supplements, utilising the recently acquired license granted by the Australian Pesticides and Veterinary Medicines Authority (APVMA)

A woman with a backpack is sitting on a rock, looking out over a mountain landscape at sunset. The sun is low on the horizon, creating a warm, golden glow. The woman is wearing a white tank top, grey shorts, and brown hiking boots. She has a large orange backpack on her back. The background shows a mountain range under a cloudy sky.

Investor relations

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**THANK YOU**



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STAR COMBO

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