

RESULTS PRESENTATION

HALF YEAR ENDED 30 JUNE 2017



VITA LIFE SCIENCES OVERVIEW

- Asia Pacific & Australian based pharmaceutical and healthcare over-the-counter business involved in the formulating, packaging, sales and distribution of vitamins and supplements
- 4 major consumer brands
- Over 800 registered SKUs of vitamins and supplements sold in 7 countries in the Asia Pacific & Australian region:
 - **Herbs of Gold:** sold in health food stores in Australia, and within pharmacies in Malaysia and Singapore
 - **VitaHealth:** sold in pharmacies, clinics and health food stores throughout Southeast Asia
 - **VitaScience:** sold through independent pharmacies in Australia
 - **VitaLife:** sold through distributors direct to consumers in Malaysia
- 400 employees in 7 countries
- ASX listed since 2007. Note: Vita Life Sciences ASX code will change from VSC to VLS on 1 Sept 2017



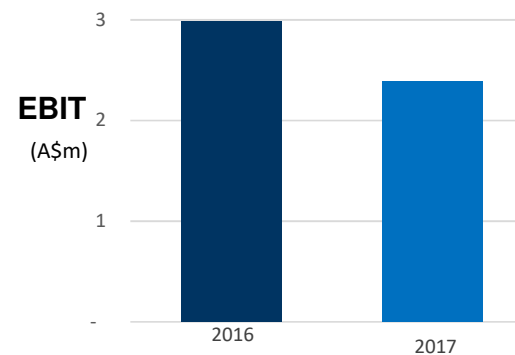
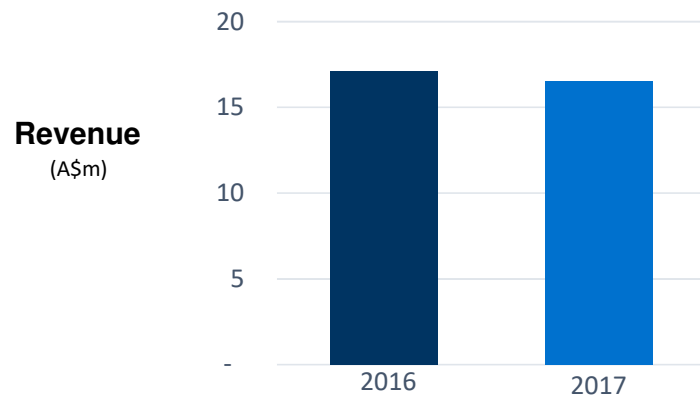
GROUP SUMMARY

- Group sales of \$17.7 million for the 6 months to June 2017, marginally lower than the previous corresponding period (PCP)
- Net profit after tax of \$1.5 million for the 6 months to June 2017, 17.5% down on the PCP
- Interim 2017 dividend of 1.5 cents declared. This dividend is fully franked and the directors anticipate future dividends to be fully franked.
- Period of transformational change for the organisation in the first half performance
- Key leadership positions filled across the business including, CEO Asia, CFO, VLS Head of Marketing
- Continued advertising and promotion investment required to drive broader distribution appeal for Herbs of Gold and VitaHealth brands
- Management remains confident in its strategy and takes a longer term view around future growth prospects

HALF YEAR 2017 RESULTS

Established markets: Australia, Singapore and Malaysia had mixed results

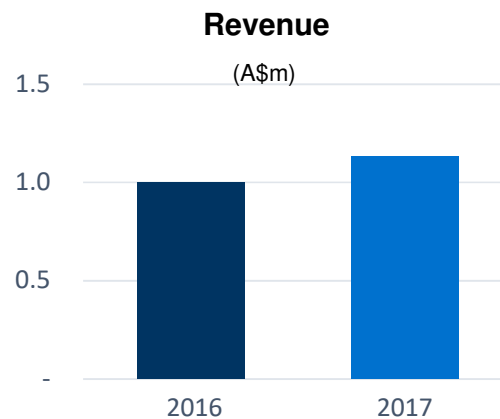
- **Australia:** Domestic market sales remained steady; however exports sales of Herbs of Gold products sold in China were affected by slower uptake in the 1st 6 months of 2017.
- **Malaysia:** Revenue and EBIT for the over the counter pharmacy market remained strong, producing record results notwithstanding adverse currency movements (strong Australian Dollar and weak Malaysian Ringgit).
- **Singapore:** Revenue decline marginally due to aggressive competition. The business increased the level of brand investment through a tailored promotional program with major customers.



HALF YEAR 2017 RESULTS

Other Asia: performance was mixed

- Vietnam continued to grow steadily and performance was in line with expectations. Continued investment will be a key focus for this market.
- Thailand recovering, although sales marginally lower than the previous corresponding period
- Indonesia produced its 1st sales in HY17. Sales anticipated to increase following an exclusive arrangement with a major retailer.
- China: The distribution agreement with Jointown is building and is expected to produce good results leading into 2018



SEGMENT RESULTS

AUSTRALIA

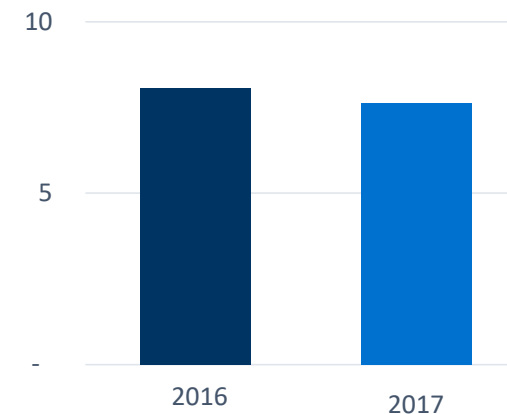
Sales revenue: \$7.6m (HY16 \$8.1m)

- Herbs of Gold
 - Revenue base for products sold within Australian was sustained in a competitive Australian market
 - Sales via international distribution agreement were slow, as anticipated
- VitaScience in the pharmacy channel continues to be slow although gaining some traction

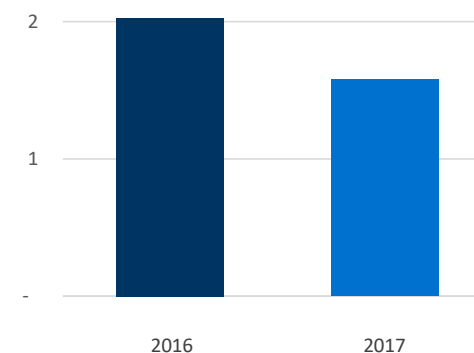
EBIT of \$1.5m (HY16: \$2.0m)

- Continued focus on high quality products and leveraging of the fixed cost base

Revenue (\$m)



EBIT (\$m)



SEGMENT RESULTS

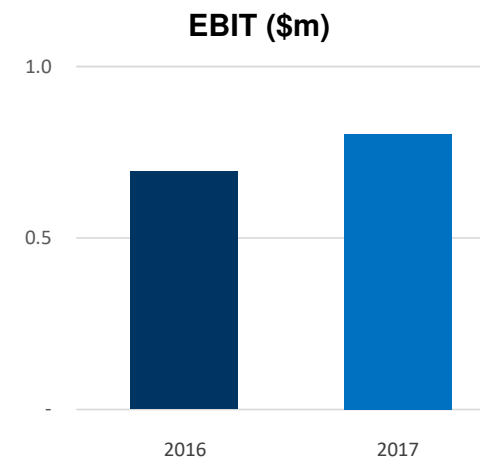
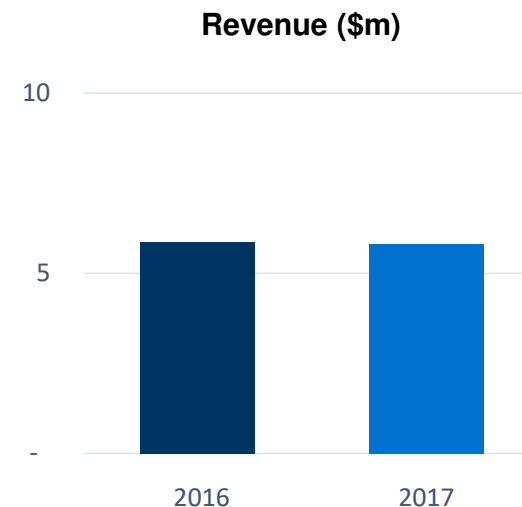
MALAYSIA

Sales revenue: \$5.8m flat on HY16: \$5.9m

- Malaysian business performed exceptionally well
- Revenue improved by 9% in local currency over HY16. Depreciating Malaysia Ringgit and a strong Australia Dollar resulted in a flat revenue result.

EBIT: \$0.8m up 21% (HY16: \$0.6m)

- Strong sales combined with a relatively fixed cost base lead to a record EBIT for the half, overcoming the adverse currency changes.



SEGMENT RESULTS

SINGAPORE

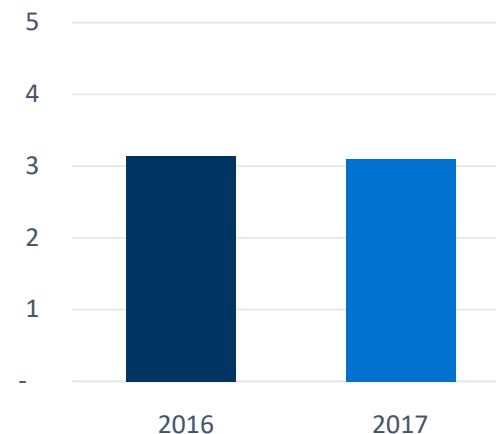
Sales revenue of \$3.1m, flat on HY16 \$3.1m

- Highly competitive market and difficult trading terms

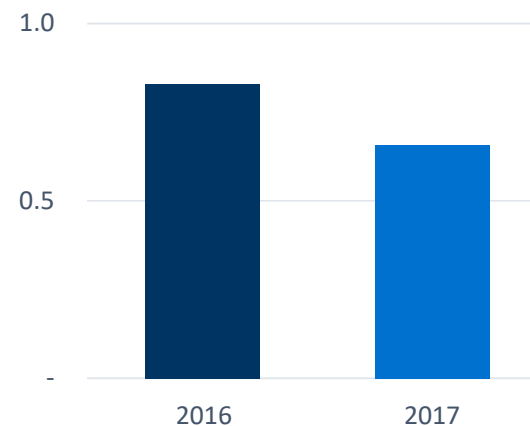
EBIT of \$0.6m (HY16 \$0.8m)

- Margins impacted by higher advertising and promotional expenditures including higher incentives to retailers to increase brand presence

Revenue (\$m)



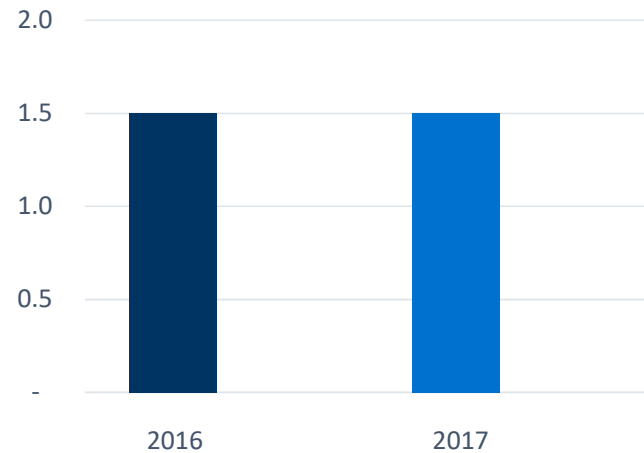
EBIT (\$m)



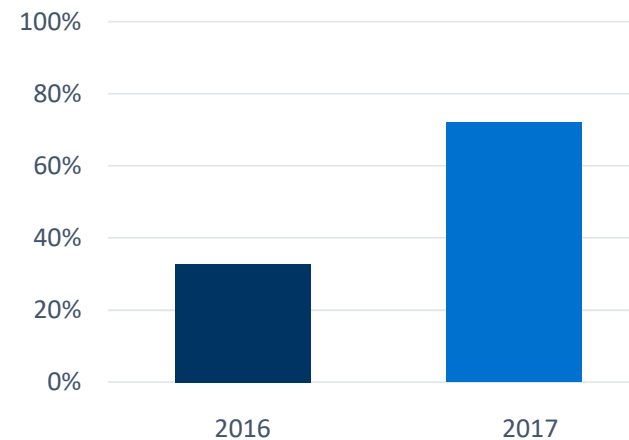
INTERIM DIVIDEND & CASHFLOW

- Interim dividend declared of 1.5 cents per share for HY17 (1.5 cents HY16)
- Interim dividend will be fully franked. Directors anticipate future dividends to be fully franked.
- Dividend reinvestment plan is currently suspended
- The increase in gross operating cashflow conversion to EBITDA is due to working capital timing differences in previous period.

DPS - interim



Gross operating cashflow to EBITDA



SENIOR MANAGEMENT

- Appointed Mr Chin Khoo as group CFO on the 1st of May.
- Appointment of Mrs Melissa Pereira as Head of Marketing on the 1st of July.
- Appointment of a new Asian Regional CEO, Dr Edward Choo, to head our business in Asia. He will join us on the 14th September 2017 and brings with him sales, marketing and operational experiences in various industries including FMCG, MLM and other related businesses.

SHAREHOLDER UPDATE

Trading update

Based on trading to June 2017 and no material changes within the Company's regions of operation, the Directors provide the following guidance for the 2017 full year;

- Full year revenue guidance of ~\$38m;
- Full year EBIT guidance of \$5.0m to \$5.5m.

The background of the page is a complex, abstract geometric pattern. It consists of numerous light blue triangles of various sizes, some of which are slightly offset from each other, creating a three-dimensional, crystalline effect. Darker blue lines intersect to form a network of smaller triangles and polygons across the entire surface. The overall color palette is monochromatic, ranging from very light, almost white blues to deep, dark blues.

APPENDIX

APPENDIX 1 – PROFIT & LOSS

Half year ended June	2017 \$m	2016 \$m
Revenue	17.7	18.1
EBITDA	2.6	3.1
EBIT	2.4	3.0
Profit before tax	2.4	3.0
Profit after tax	1.5	1.9
EPS (Diluted – cents)	2.75	3.28
Dividend (cents / share)	1.50	1.50

APPENDIX 2 – BALANCE SHEET

Balance Sheet as at	June 2017 \$m	December 2016 \$m
Current assets	21.1	21.7
Non-current assets	10.2	10.6
Total assets	31.3	32.4
Current liabilities	6.2	6.8
Non-current liabilities	2.1	2.3
Total Liabilities	8.4	9.2
Net Assets	22.9	23.2

APPENDIX 3 – CASH FLOW

Cash Flow for the half year ended	2017 \$m	2016 \$m
Receipts from customers	19.8	19.6
Payments to suppliers and employees	(18.1)	(18.6)
Gross operating cash flow	1.8	1.0
EBITDA	2.5	3.0
Gross operating cash flow / EBITDA	72.1%	32.8%
Net interest (paid) / received	(0.1)	-
Income tax paid	(1.2)	(0.1)
Operating cash flows	0.4	0.9
Cash flows from investing	(0.0)	(1.5)
Net movements in equity	(1.4)	(1.3)
Cash flows from financing	(1.4)	(2.8)
Net foreign exchange differences	(0.1)	0.3
Net increase in cash reserves	(1.1)	(2.0)
Cash at beginning of period	9.4	9.7
Cash at end of period	8.3	8.0

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