



## **ASX Announcement**

**26 April 2018**

### **FIRST QUARTER SALES AND DIABETES PRODUCT EXPANSION SHOW STRONG POTENTIAL FOR 2018**

**Eagle Health Holdings Limited (ASX: EHH)** (“Eagle Health” or the “Company”) is pleased to report that sales for the first quarter of 2018 remain on budget driven by strong ongoing growth in Protein Powders and Amino Acid ranges, representing almost one half of the Company’s overall sales. China’s per capita consumption of Protein supplements and Amino acids is below that of Australia and the United States with China set to provide excellent long-term category growth for the Company.

The Company’s unaudited sales results during the quarter ended 31 March 2018 were A\$19.8m or RMB 98.9m, driven by strong performance across all product ranges. With seasonality in gifting resulting in approximately 66% of the Company’s sales occurring in the second half of the year, the first quarter sales remain on track to budget. The Top 3 products, Protein Powders, Amino Acid, and the Dendrobium range, which collectively contribute to circa 60% of the Company’s revenue, grew 7.7%, 5.6% and 7.1% respectively.

The Company is also pleased to report that the newly launched Hutang-1 diabetes product has now reached over 80,000 consumers, including over 24,000 diabetes or pre-diabetes patients and showed promising conversion to sales. This commercial roll-out is being conducted with four dedicated retail stores in Xiamen and a direct community outreach program.

Eagle Health is scaling up stores beyond Xiamen and into other Chinese regions and expects the trend in traffic and sales conversion to further increase. The Company believes it has a proven track record of introducing innovative nutritional products to Chinese consumers. In 2016, the Company was one of the first to introduce dendrobium, a plant based Traditional Chinese Medicine that has grown quickly to represent 13% of total sales in 2017 or approximately A\$12m.

#### **Mr Zhang Mingwang, Managing Director of Eagle Health, said:**

“While our business is traditionally stronger in the second half of the year with Chinese New Year and gifting, we are delighted with the progress we have made in the first Quarter of 2018 compared to 2017.”

“Given our ongoing roll-out of the Hutang-1 diabetes product, we remain dedicated and committed to helping educate the wider community about diabetes management. The clinically proven diabetes pre-meal shake developed and tested in Australia is the first of its kind to be made available to patients in this category. According to the International Diabetes Federation, China has 114.4 million people with diabetes and this large scale and developing trend has been reflected in the customer and conversion numbers we have seen in just four of our dedicated diabetes outlets in Xiamen.”

#### **About Eagle Health Holdings Limited**

Eagle Health Holdings Limited is a vertically integrated nutritional products business that aims to help people live healthier lives by developing, manufacturing, marketing and distributing a range of health food products and nutritional and dietary supplements under its own brand in China. The Company distributes its products through a broad range of channels, including pharmacies, health food stores, trading companies, supermarkets and online channels, covering 23 provinces and autonomous regions throughout China.

For more information visit: <http://www.eaglehealthltd.com/EN/index.aspx>

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