



Vita Life Sciences Limited

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21 August 2020

Market Announcements
Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

Dear Sir/ Madam,

Correction to Half Year Ended 30 June 2020 Presentation

Vita Life Sciences Limited (ASX: VLS) wishes to advise of a correction to the HY Jun 2020 Presentation issued earlier today.

The Current Asset of the comparative Balance Sheet of December 2019 on page 9, should read \$25.8 million not, \$27.8 million.

An updated presentation with the corrected page 9 is now attached.

Vita Life Sciences Limited

A handwritten signature in black ink, appearing to read 'Chin L Khoo', written in a cursive style.

Chin L Khoo
Company Secretary

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HALF YEAR FINANCIAL RESULTS

FOR THE 6 MONTHS TO 30 JUNE 2020

herbsofgold™

VITA SCIENCE
THE SCIENCE OF HEALTHY LIVING

VitaLife®
Vital for life

VitaHealth

BUSINESS OVERVIEW



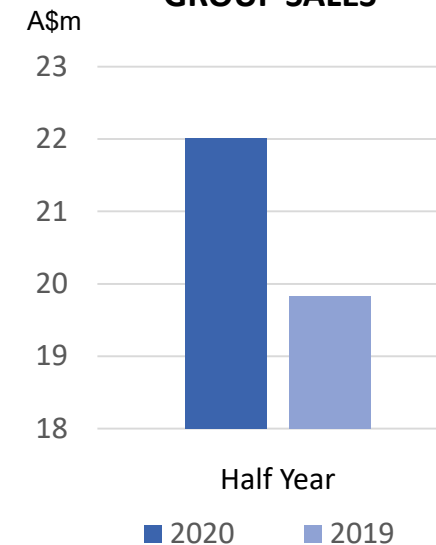
- Australian and Asia Pacific based pharmaceutical and healthcare over-the-counter vitamins and supplements business: formulation, packaging, distribution and sale of 3 major consumer retail brands
- Over 700 registered vitamins and supplement products (SKU's) sold in 7 countries:
 - **Herbs of Gold:** sold in Australia, Malaysia and Singapore
 - **VitaHealth:** sold in pharmacies, clinics and health food stores throughout Southeast Asia
 - **VitaScience:** sold through Blooms The Chemist stores exclusively in Australia
- 400 employees in 7 countries
- ASX listed since 2007 (ASX code: VLS)

FINANCIAL COMMENTARY

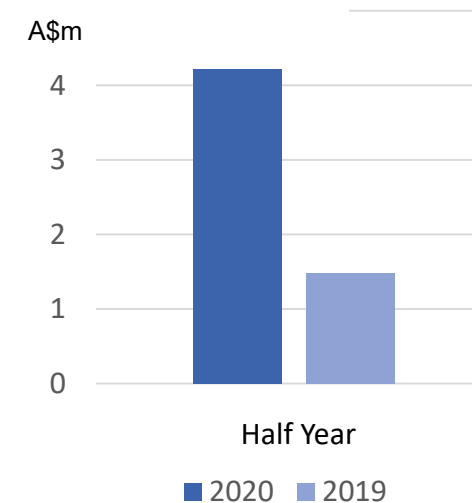
- Group sales of \$22.0 million, up 11% on prior corresponding period reflecting impact of increased channels of distribution from 3 year strategic plan
- Immunity support products aided key markets
- Significant EBIT improvement reflects substantial one off investment in advertising and promotion undertaken in 2019
- Balance sheet remains strong with equity of \$23.4m and a net cash balance of \$11.5m (after bank borrowings)
- Dividend of 1.5 cents per share approved for payment in October 2020

Half Year

GROUP SALES

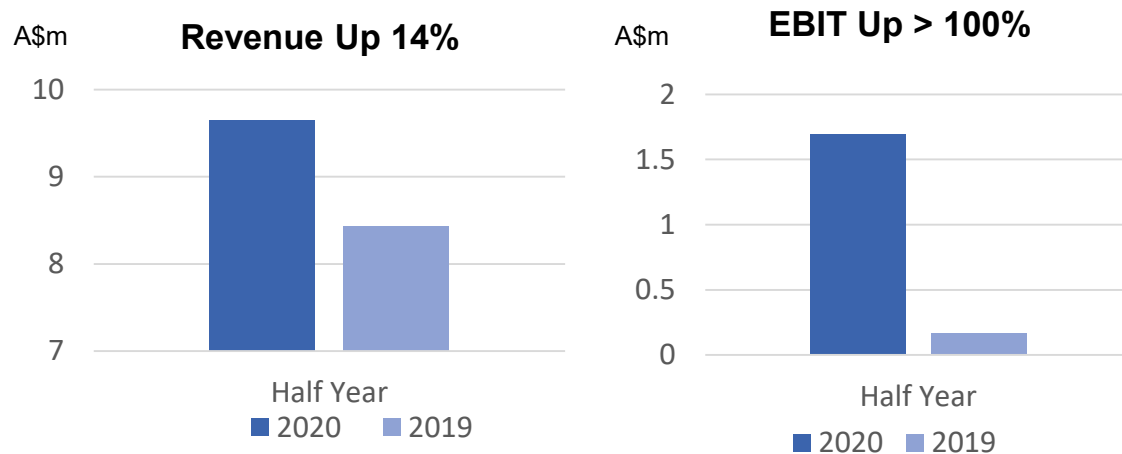


GROUP EBIT



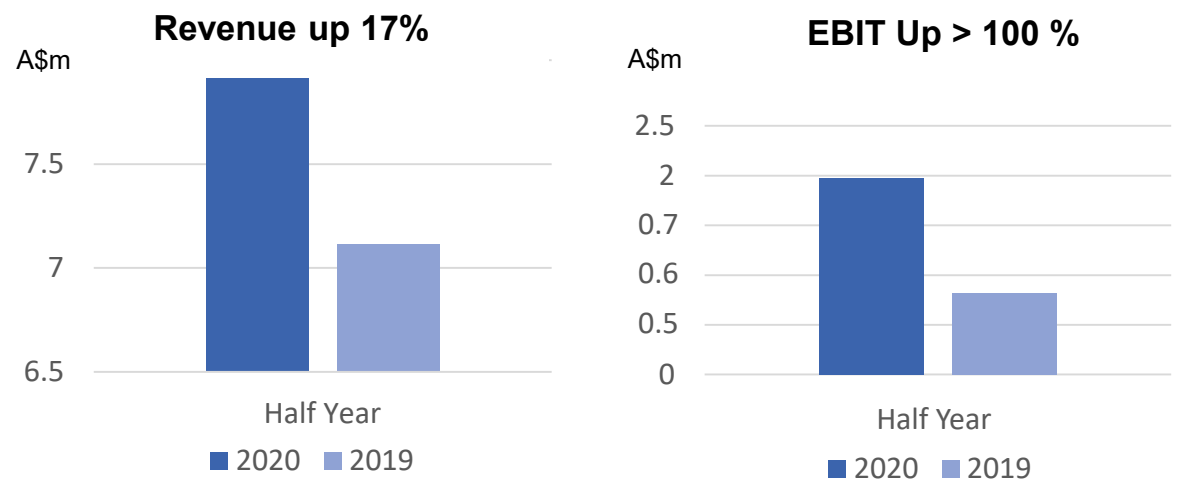
AUSTRALIA

- Sales of \$9.6million, an increase of \$1.2million on prior corresponding period (PCP)
- Stronger contributions from export markets supported the first half performance.
- Increased consumer demand during the Covid-19 pandemic helped in the overall revenue growth across all channels
- Substantial EBIT improvement as PCP reflects one off advertising and promotion investment



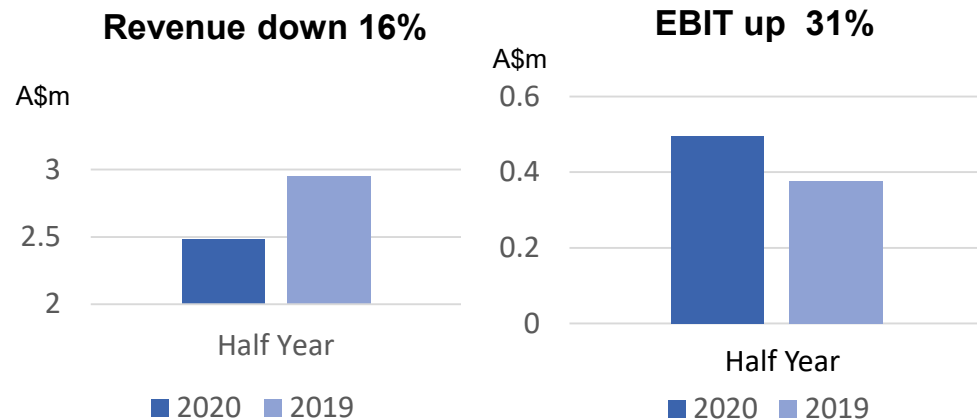
MALAYSIA

- Malaysian sales of \$7.9million, an increase of \$1.1million on PCP
- Higher consumer offtake in both VitaHealth and Herbs of Gold brand during Covid-19 pandemic
- Herbs of Gold performed well and continues to deliver growth
- EBIT contributions increases significantly against PCP due to lower marketing expenses and operational overheads



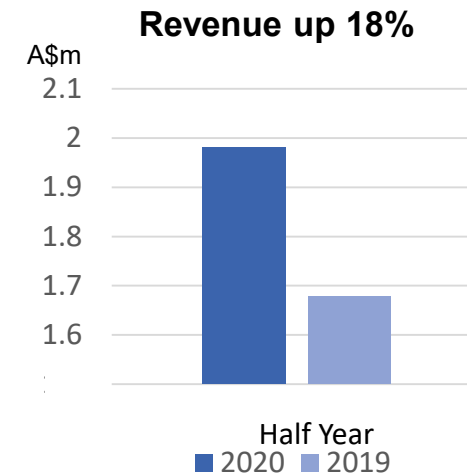
SINGAPORE

- Sales of \$2.5 million, a decline of 16% over PCP
- Market remains highly competitive coupled with consumer movement restrictions related to COVID
- Lower margin e-commerce sales improved, albeit from a low base, helped to cushion impact from lower traditional retail contributions
- Lower overheads (with support from Government for local businesses) led to improvements in the EBIT



OTHER ASIA

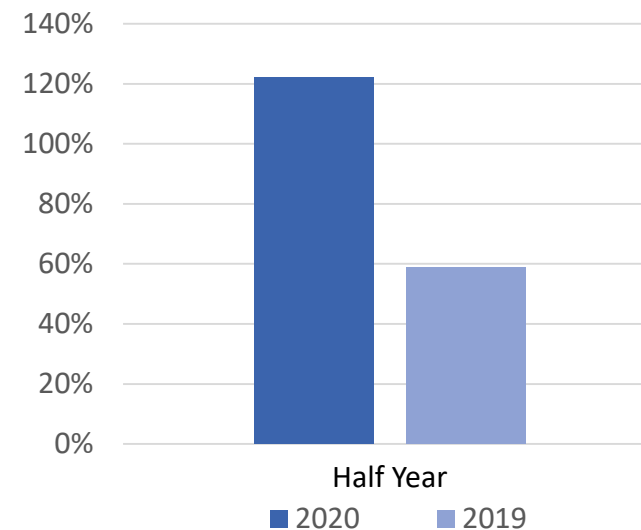
- Other Asia sales of \$1.9 million, an increase of 18% on PCP mainly for exports to East Asia. Our smaller markets recorded marginal decline except in Indonesia which reported marginal growth
- Growth was hampered by the Covid-19 pandemic as our three markets experienced government mandated shutdowns during a substantial part of this first half. An EBIT loss of \$36K was reported for the period.
- A strategic review of the Thailand has been undertaken and will be implemented in the second half of the year.



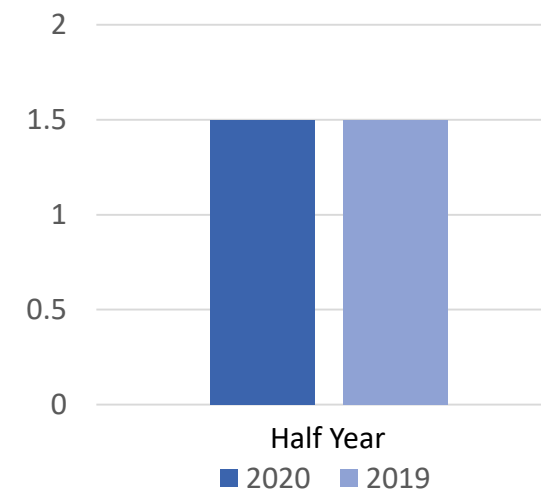
INTERIM DIVIDEND & CASHFLOWS

- Increase in gross operating cashflow conversion to EBITDA mainly due to higher sales, lower marketing investments, overheads and timing of payments
- Fully franked interim dividend declared of 1.5 cents per share for HY20 (1.5 cents HY19)

Gross operating cashflow to EBITDA



Interim dividend per share



OUTLOOK



- Results from our 3 year strategy of increasing channels of distribution are positive and further growth anticipated
- Retail conditions expected to be mixed in the foreseeable future due to uncertainties from Covid-19
- Advertising and promotional investments will be rechannelled to other below-the-line activities, focused to ensure optimal use of resources
- Directors remain cautiously optimistic in the medium term performance of the business.
- Due to uncertainties surrounding the Covid-19 pandemic, we are unable to provide any guidance for the remainder of the year.

APPENDIX

HALF YEAR 2020 RESULTS

Half year ended June	2020 \$'m	2019 \$'m
Revenue	22.0	19.8
EBITDA	4.5	1.8
EBIT	4.2	1.5
Profit before tax	4.2	1.5
Profit after tax	3.1	1.1
EPS (Diluted-cents)	5.84	2.06
Dividend (cents / share)	1.50	1.50

BALANCE SHEET

Balance Sheet as at	June 2020 \$'m	December 2019 \$'m
Current assets	27.3	25.8
Non-current assets	10.5	10.7
Total assets	37.8	36.5
Current liabilities	12.6	12.1
Non-current liabilities	1.8	1.9
Total Liabilities	14.4	14.0
Net Assets	23.4	22.5

CASH FLOW

Cash Flow for the half year ended June	2020 \$'m	2019 \$'m
Receipts from customers	25.6	22.9
Payments to suppliers and employees	(20.0)	(21.9)
Gross operating cash flow	5.6	1.0
EBITDA	4.6	1.8
Gross operating cash flow / EBITDA	121.7%	59.3%
Net interest (paid)	(0.0)	(0.0)
Income tax paid	(0.6)	(1.1)
Operating cash flows	5.0	(0.1)
Cash flows from investing	(0.0)	(0.0)
Net movements in equity	(2.1)	(1.5)
Cash flows from financing	(2.1)	(1.6)
Net foreign exchange differences	(0.1)	0.1
Net increase in cash reserves	2.8	(1.5)
Cash at beginning of period	10.4	10.9
Cash at end of period	13.2	9.4

CONTACT

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herbs of gold™

VITA SCIENCE
THE SCIENCE OF HEALTHY LIVING

 **VitaHealth™**


VITA LIFE
SCIENCES

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