



# FINANCIAL RESULTS

FOR THE YEAR ENDED 31 DECEMBER 2020

herbs<sup>of</sup>gold™



# VITA LIFE SCIENCES



- 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



- Around 380 employees in 7 countries



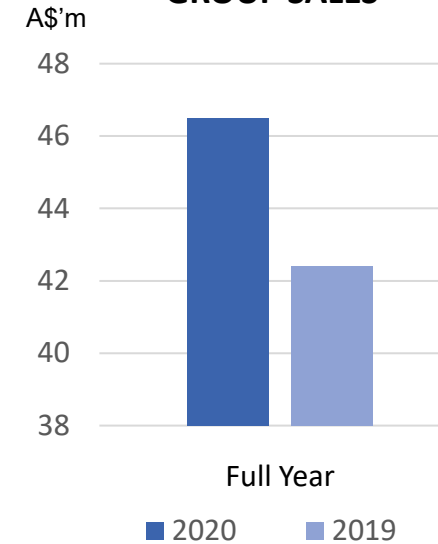
- ASX listed since 2007 (ASX code: VLS)

# COMMENTARY

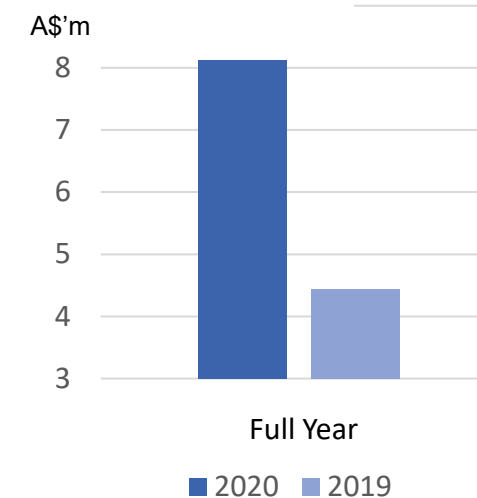
- Record Group sales of \$46.5m, up 9% on previous corresponding period reflecting the impact of increased channels of distribution and stronger consumer demand for complementary medicine.
- Covid -19 increased the demand for Immunity products supporting consumers health and wellbeing
- Due to market uncertainties relating to Covid-19, management deployed a deliberate strategy to reduce normalised advertising and marketing investment of approximately \$2m, combined with Government subsidies positively impacted EBIT.
- Balance sheet remains strong with equity of \$24.4m and a net cash balance of \$13.0m (after bank borrowings)
- Dividend of 2.75 cents per share approved for payment in April 2021

Half Year

## GROUP SALES

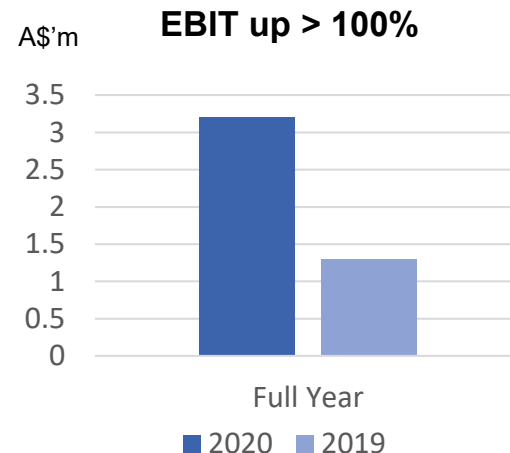
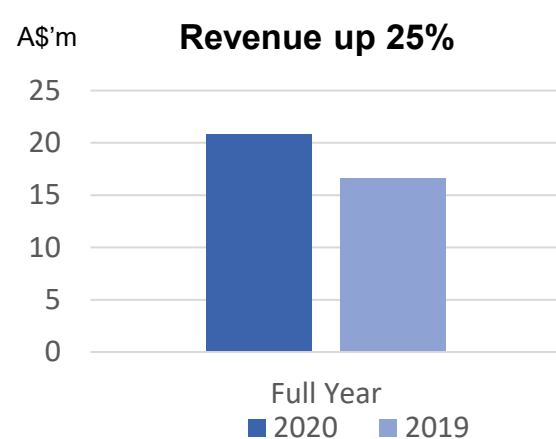


## GROUP EBIT



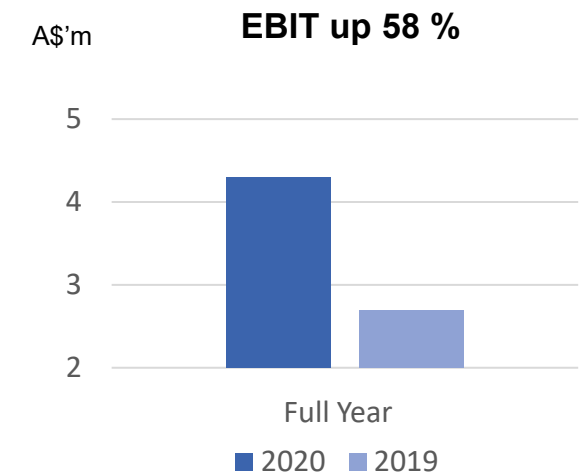
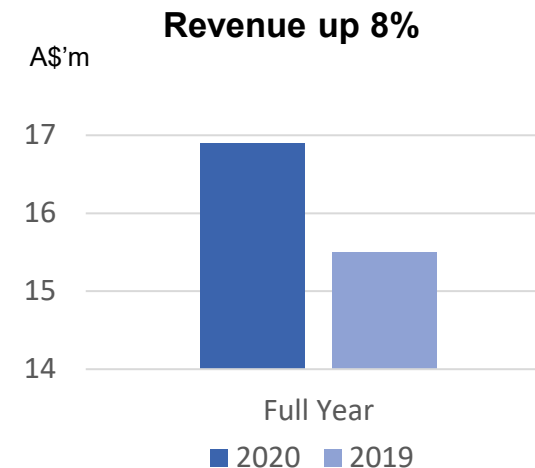
# AUSTRALIA

- Record revenue of \$20.8m an increase of 25% on previous corresponding period (PCP).
- Domestic sales were strong with 16% growth on PCP.
- Export sales continued to provide strong contributions to the full year performance.
- Higher sales, combined with a reduction in normalised advertising and promotional investments of approximately \$1m substantially increased EBIT on PCP.



# MALAYSIA

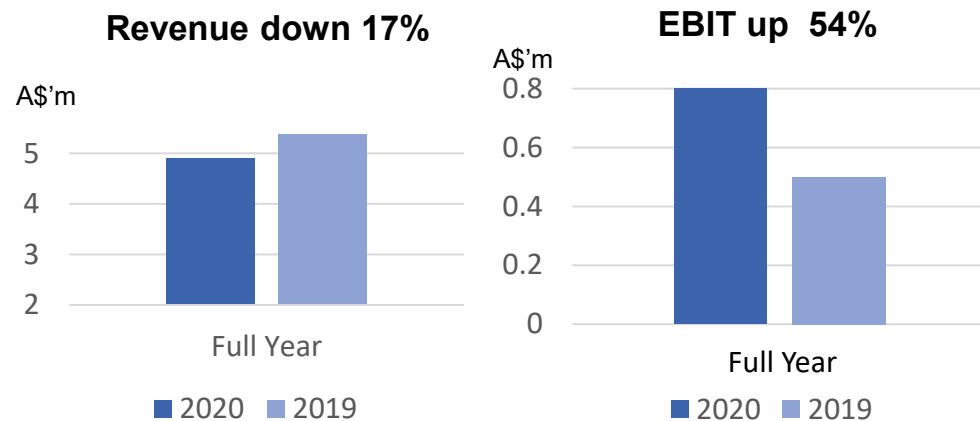
- Record revenue of \$16.9m an increase of 8% on PCP.
- Increased demand domestically for both VitaHealth and Herbs of Gold brands underpinned the performance.
- In conjunction with initial Covid-19 uncertainty, management deployed a deliberate strategy to reduce normalised advertising and promotional investments of \$0.5m.
- Higher sales and lower operating expenses supported higher EBIT on PCP.





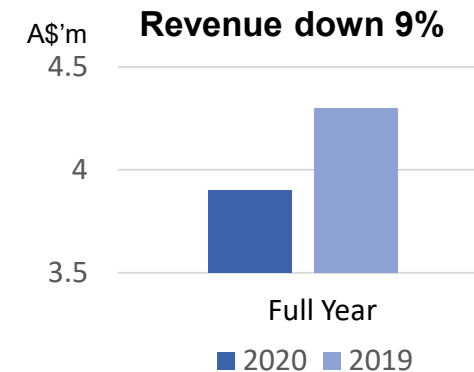
# SINGAPORE

- Revenue of \$4.9m a decrease of 17% on PCP due to the challenging trading conditions following Covid-19.
- Government orders temporarily closed a significant number of traditional selling outlets for an extended period.
- A pivot to drive consumers to e-commerce platforms helped partially offset the reduction in revenue from traditional retail platforms.
- EBIT increased through Government support from Covid-19 of around \$0.3m.



# OTHER ASIA

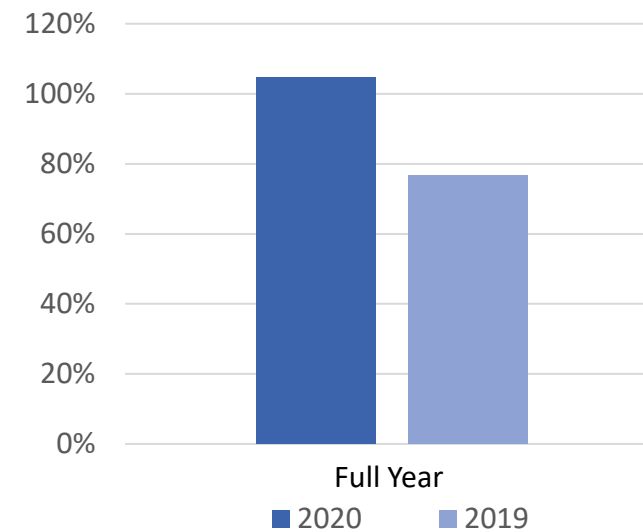
- Revenue of \$ 3.9m a reduction of 9% on PCP. Covid-19 related trading conditions across Vietnam, Thailand and Indonesia influenced the performance.
- Vietnam recovered in the second half of the year with trading conditions stabilising and remains a key strategic market.
- A restructuring was implemented in Thailand that will reduce ongoing fixed costs and drive sales.
- EBIT loss mainly due to lower sales and one-off restructuring costs in Thailand of around \$0.3m.



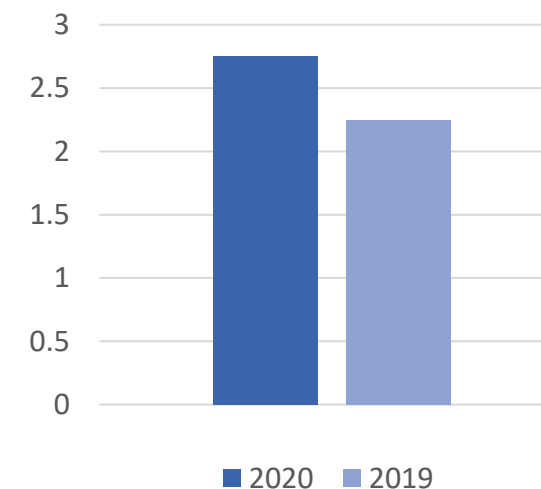
# FINAL DIVIDEND & CASHFLOWS

- Increase in gross operating cashflow conversion to EBITDA of 105% mainly due to higher sales, lower marketing investments, overheads and timing of payments
- Fully franked final dividend declared of 2.75 cents per share for FY20 (2.25 cents FY19)

Gross operating cashflow to EBITDA



Final dividend per share



# PRIORITIES & OUTLOOK



- Implement a new 3-year brand building investment strategy that drives higher consumer and retailer engagement.
- Execute an educational and digitally led marketing strategy which support the brands premium product positioning.
- Leverage the Groups brand portfolio to drive domestic and export expansion opportunities across Australia and South East Asia.
- Market conditions may be disrupted across some traditional channels. Despite this, management remains confident to deliver revenue growth. Due to current uncertainties, the Board will not be providing guidance for FY2021.



# APPENDIX



# FULL YEAR RESULTS

Full year ended Dec	2020 \$'m	2019 \$'m
Revenue	46.5	42.4
EBITDA	8.7	5.0
EBIT	8.1	4.4
Profit before tax	8.1	4.4
Profit after tax	5.9	3.1
EPS (Basic – cents/ share)	11.58	5.73
Dividend (cents / share)	4.25	3.75



# BALANCE SHEET

Balance Sheet as at Dec	2020 \$'m	2019 \$'m
Current assets	29.2	25.8
Non-current assets	9.9	10.7
<b>Total assets</b>	<b>39.1</b>	<b>36.5</b>
Current liabilities	13.0	12.1
Non-current liabilities	1.7	1.9
<b>Total Liabilities</b>	<b>14.7</b>	<b>14.0</b>
<b>Net Assets</b>	<b>24.4</b>	<b>22.5</b>



# CASH FLOW

Cash Flow for the year ended Dec	2020 \$'m	2019 \$'m
Receipts from customers	50.2	45.1
Payments to suppliers and employees	(41.1)	(41.2)
<b>Gross operating cash flow</b>	<b>9.1</b>	<b>3.9</b>
EBITDA	8.7	5.0
<b>Gross operating cash flow / EBITDA</b>	<b>104.6%</b>	<b>76.8%</b>
Net interest	0	0
Income tax paid	(1.7)	(1.8)
<b>Operating cash flows</b>	<b>7.4</b>	<b>2.1</b>
Cash flows for investing	(0.3)	(0.6)
Net movements in financing	(2.7)	(2.2)
<b>Cash flows from financing</b>	<b>4.4</b>	<b>(0.7)</b>
Net foreign exchange differences	(0.4)	0.3
<b>Net increase in cash reserves</b>	<b>4.0</b>	<b>(0.4)</b>
Cash at beginning of period	10.4	10.9
<b>Cash at end of period</b>	<b>14.4</b>	<b>10.5</b>

# CONTACT

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