

# Vita Life Sciences Ltd

Wilson HTM Small Cap Conference Presentation



# Vita Life Sciences overview



- Asia Pacific pharmaceutical and healthcare over-the-counter business involved in the formulating, packaging, sales and distribution of vitamins and supplements
- 400+ different vitamins and supplements sold in 8 countries in the Asia Pacific region
- 2 major brands
  1. VitaHealth: products sold in health food stores and pharmacies throughout Southeast Asia
  2. Herbs of Gold: products sold in health food stores in Australia
- Approx. 400 employees across 8 countries
- ASX listed since 2007 (ASX:VSC)

# Vita Life Sciences today



	Population (m)	Business Commenced	2013 Revenue (A\$m)
Australia	23	1989	14.2
Malaysia	29	2000	12.3
Singapore	5	1947*	5.7
Hong Kong	7	2006	3.2
Thailand	67	2007	
China	1,351	2008	
Vietnam	89	2010	
Indonesia	247	2015	

# VSC has achieved its IPO strategies

The establishment of an operational platform in Indonesia represents a watershed moment for VSC as it has now achieved strategic goals set at IPO:

- ✓ Consolidate business in 3 established countries: Australia, Malaysia and Singapore
- ✓ Expand into 4 new Asian countries with 50m+ population
- ✓ Expand marketing channels, namely Multi-Level-Marketing in Malaysia
- ✓ Generate consistent profitability and dividends for investors

# Building on the VSC AsiaPac platform

- Since IPO VSC has built an Asia Pacific platform strategically positioned to grow with the rapid emergence of the Asian middle class that is health conscious with increasing discretionary spending power
  - Sales and marketing distribution network of ~300 employees spanning 8 countries
  - Registered proprietary products in each country with significant pipeline of new products
  - Trusted brand portfolio
- The Board is now actively considering strategies to capitalise on the established VSC platform
  - First appointment made to build out management team in established markets with Andrew O'Keefe commencing as CEO of Australia in November 2014
  - Options being examined to continue to build presence and visibility in Asian markets

# Positioned to grow with the health conscious Asia Pacific middle class

- 1 Trusted brand portfolio
- 2 Established footprint in 8 countries
- 3 Substantial product portfolio of >400 products and growing, with a significant pipeline
- 4 Platform for sustained growth: operations established in 8 Asia Pacific countries
- 5 Financially disciplined: 19% 3 year revenue CAGR and expansion into 4 new Asian markets has been achieved since 2010 whilst maintaining a net cash balance sheet
- 6 Strong Asia based management team that thinks internationally but acts locally

# Focussed product offering tailored to meet the demands of each market



<b>Country presence</b>	Malaysia Singapore China Thailand Vietnam Indonesia	Australia Hong Kong	Malaysia
<b>Market channels</b>	Health food stores Pharmacies	Health food stores	Direct to customer
<b>Product offering</b>			
Supplements	✓	✓	✓
Vitamins	✓	✓	✓
Minerals	✓	✓	✓
Meal replacement	x	x	✓



# Vita Science is a dedicated pharmacy channel brand



Through the Vita Science brand, VSC is expanding in Australia into the growing pharmacy channel

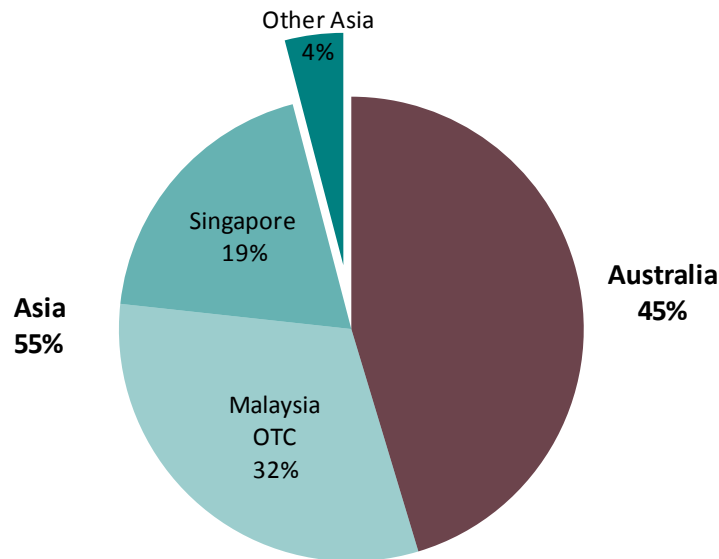


# Human Capital (Malaysia & Singapore)



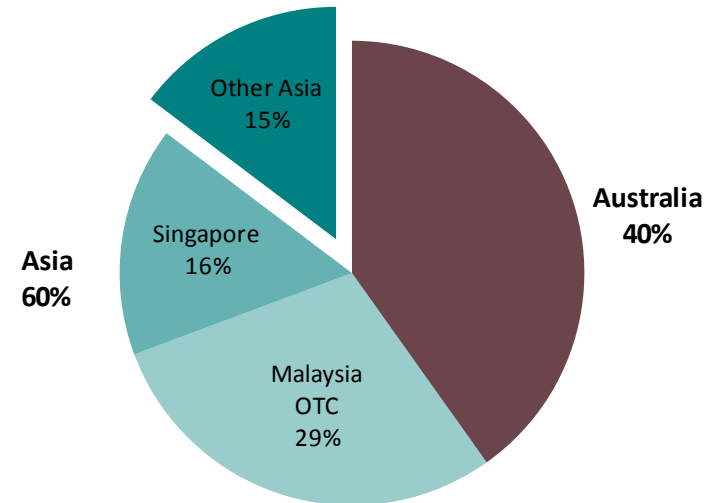
# An Asia Pacific platform built for sustained growth

2010 revenue by geography



Total revenue: \$21m

2013 revenue by geography

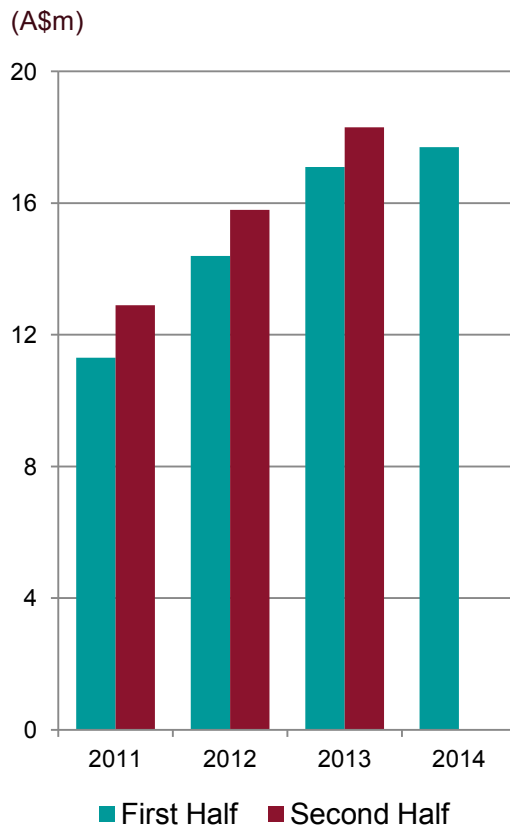


Total revenue: \$35m

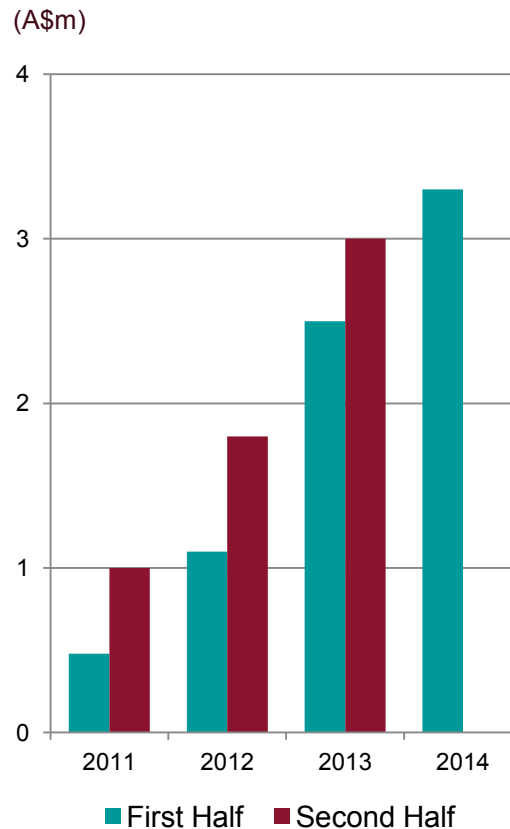
Thailand, Vietnam, Indonesia, China and Hong Kong are expected to contribute 25% of Group revenue in the medium term

# Vita Life Sciences has significant momentum

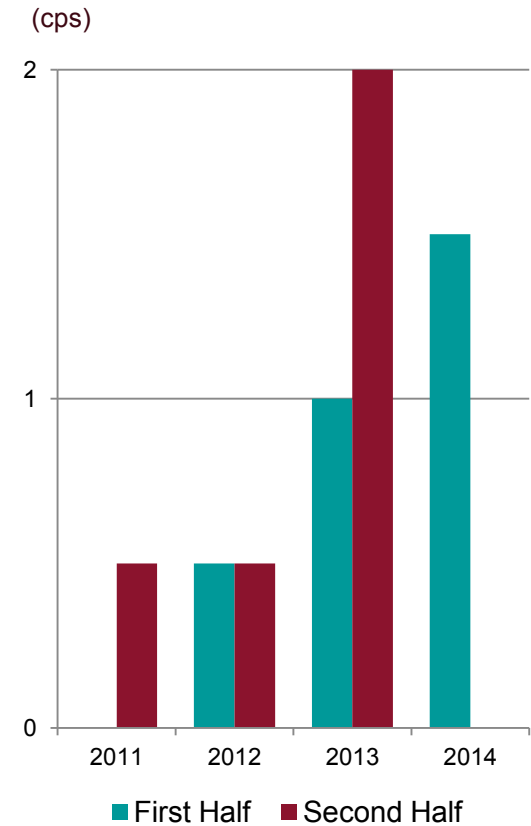
## Revenue



## EBIT



## DPS



# 2014 Trading Update

## Trading update

The Directors would like to reaffirm guidance for the 2014 financial year:

- Directors full year revenue guidance is \$37m to \$38m
- Directors full year guidance for EBIT is \$6.5m to \$7.0m

# Appendix

# Appendix 1 – Profit and Loss

Year ended 31 December	2013	2012	Change
	\$ m	\$ m	%
Revenue	35.41	30.19	17%
EBITDA	5.62	2.93	92%
EBIT	5.51	2.86	93%
Profit Before Tax	5.52	2.84	94%
Profit After Tax	4.75	2.32	105%
EPS (Diluted - cents)	8.42	4.14	103%
Dividend (cents/share)	3.00	1.00	200%

# Appendix 2 – Balance Sheet

Balance Sheet (\$ m)	2013	2012
Current assets	20.49	15.58
Non-current assets	1.52	1.23
<b>Total assets</b>	<b>22.01</b>	<b>16.81</b>
Current liabilities	(5.68)	(5.42)
Non-current liabilities	(0.06)	(0.05)
<b>Total liabilities</b>	<b>(5.74)</b>	<b>(5.47)</b>
<b>Net assets</b>	<b>16.27</b>	<b>11.34</b>



# Appendix 3 – Cash Flow

Cash Flow (\$ m)	2013	2012
Receipts from customers	38.86	32.74
Payments to suppliers and employees	(33.54)	(31.12)
<b>Gross operating cash flow</b>	<b>5.32</b>	<b>1.62</b>
<b>EBITDA</b>	<b>5.62</b>	<b>2.93</b>
<b>Ratio of gross operating cash flow to EBITDA</b>	<b>94.7%</b>	<b>55.3%</b>
Net interest received (paid)	0.07	0.04
Income tax paid	(0.56)	(0.27)
<b>Operating Cash flows</b>	<b>4.83</b>	<b>1.39</b>
<b>Cash flows from investing activities</b>	<b>(0.28)</b>	<b>0.09</b>
Net movements in Equity	(0.70)	(0.16)
<b>Cash flows from financing activities</b>	<b>(0.70)</b>	<b>(0.16)</b>
Net foreign exchange differences	0.10	0.07
<b>Net increase in cash reserves</b>	<b>3.95</b>	<b>1.39</b>
Cash at beginning of period	5.02	3.63
<b>Cash at end of period</b>	<b>8.97</b>	<b>5.02</b>

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