

Vita Life Sciences Ltd

Results Presentation
2014 Financial Year



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
- 800 registered sku of 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 and Singapore
- Approx. 400 employees across 8 countries
- ASX listed since 2007 (ASX:VSC)

2014 Financial Highlights

1

Disciplined management team, and continued execution of VSC's proven strategy, delivers sales and profit growth while continuing expansion throughout South-East Asia

2

5th consecutive year of sales and EBIT growth culminated in EBIT of \$6.9m, 24.9% growth over 2013

3

Continued strong operating cashflow of \$6.9m equates to an EBITDA conversion of 101% in 2014

4

Financial discipline maintained a net cash balance sheet position while:
- Returning \$2.6m to shareholders through dividends & the share buyback
- Procuring the key strategic investment of the Malaysian central facility

5

Final 2014 dividend of 2.0 cents per share brings 2014 dividends to 3.5 cents per share, a 16.7% increase on 2013

2014 Operational Highlights

1

First step implemented in positioning VSC for next stage of lifecycle and growth with the appointment of CEO in Australia

2

Malaysian central facility will increase VSC's operational capabilities:

- **On-site new packing plant will enable VSC to increase customer service;**
- **On-site laboratory positions VSC to meet more stringent product efficacy pharmaceutical regulations associated with the inception of the ASEAN free trade agreement;**
- **State of the art training centre providing an education focal point for staff and customers alike; and**
- **Technologically and aesthetically improved office & meeting spaces**

3

Preparation of Indonesian business unit continued with the completion of key product registrations

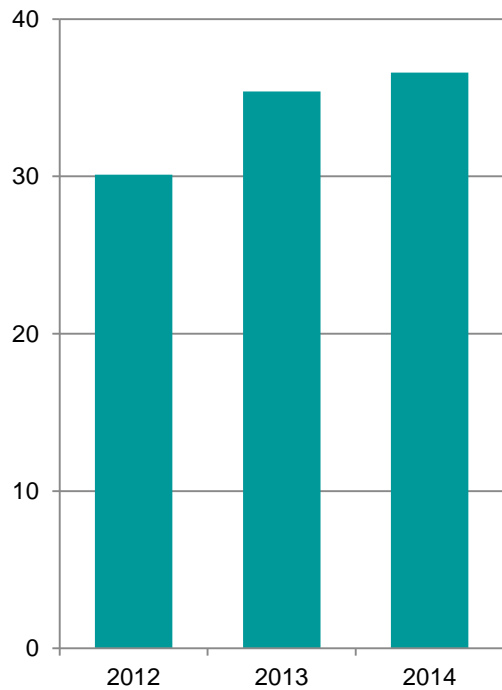
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Confirmation received from Revenue Authority of Singapore that S\$19m of tax losses within 100% subsidiary is available for future utilisation

Proven management team deliver 5th consecutive year of growth

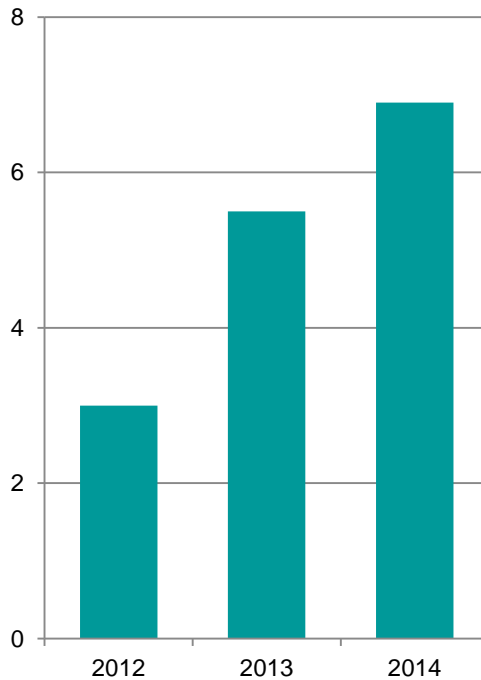
Revenue

(A\$m)



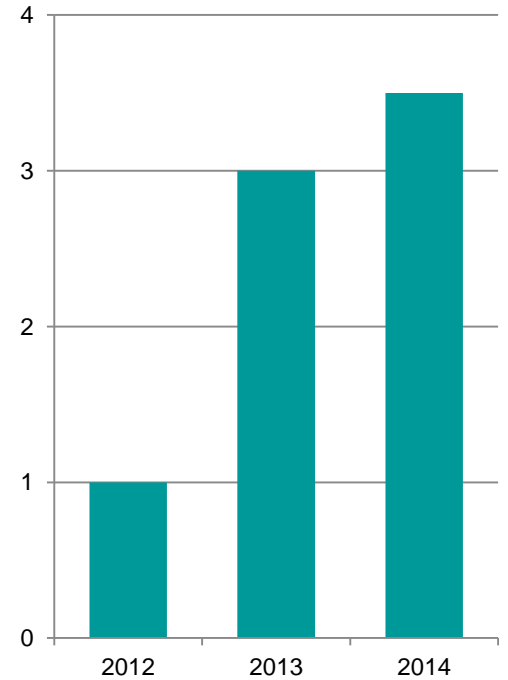
EBIT

(A\$m)



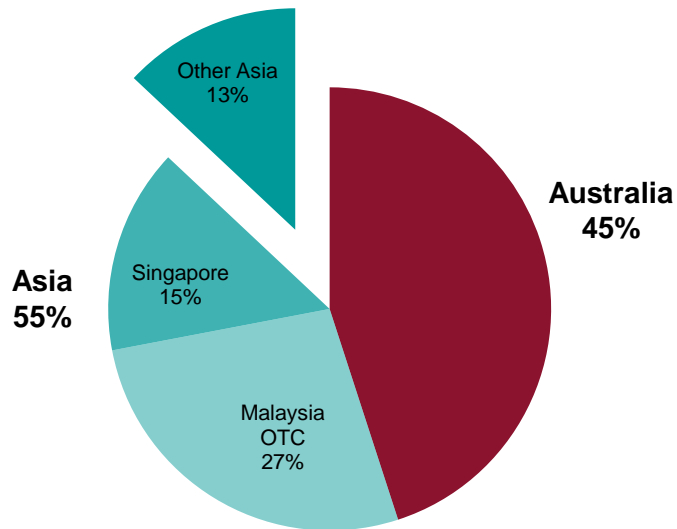
DPS

(cps)



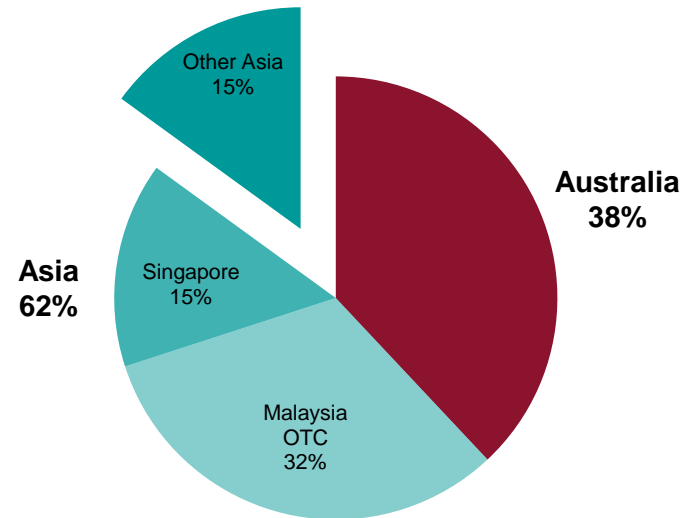
VSC segment results

2012 revenue by geography



Total revenue: \$30m

2014 revenue by geography



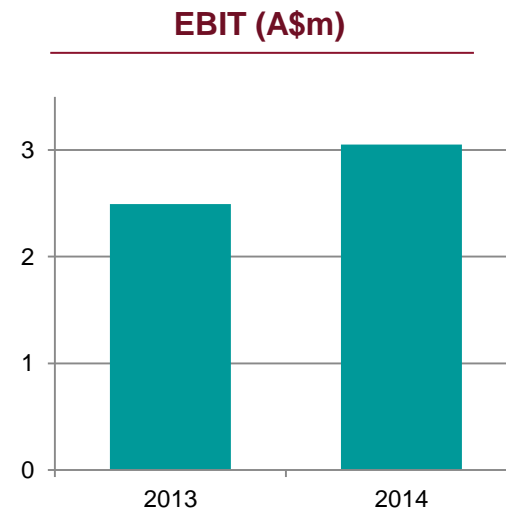
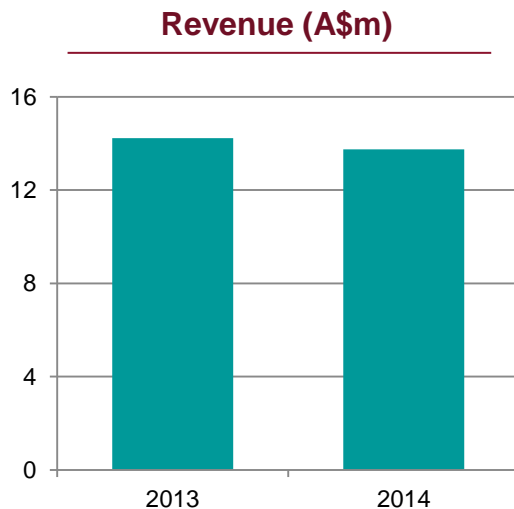
Total revenue: \$37m

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

Segment results

Australia

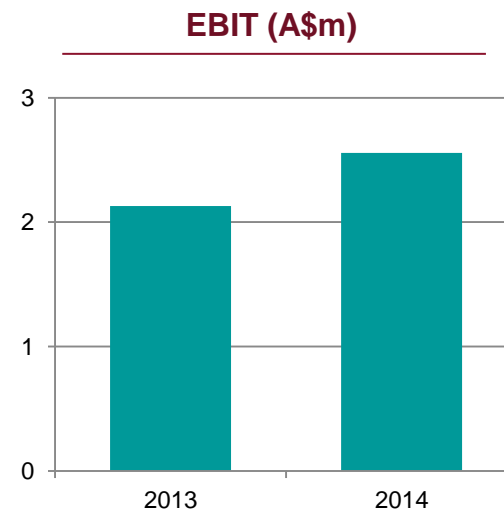
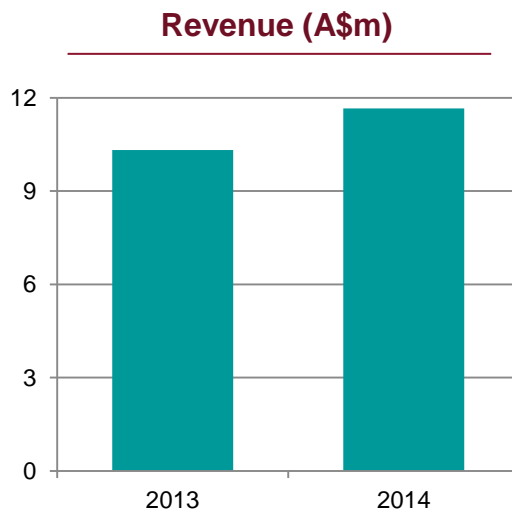
- Management's proven strategy delivered 22.3% EBIT growth against FY13, increasing to \$3.1m
- Strategy remains to differentiate VSC's unique premium ingredient formulation products within the 'Herbs of Gold' and 'Vita Science' brands and exclusively supply independent retailers
- The appointment in late 2014 of Mr Andrew O'Keefe as the Australian division's first dedicated CEO is considered by the Board to be a key step in positioning the Group for the next stage of its lifecycle and growth



Segment results

Malaysia

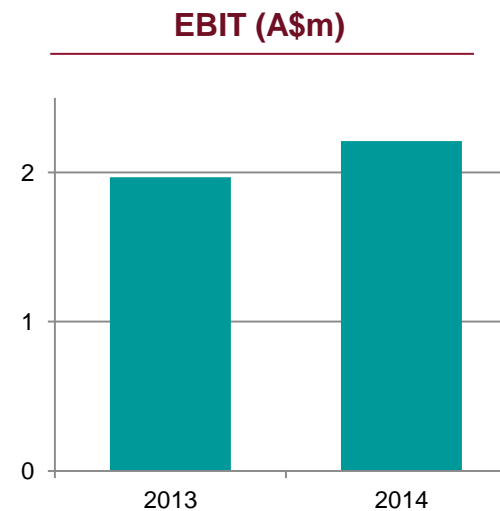
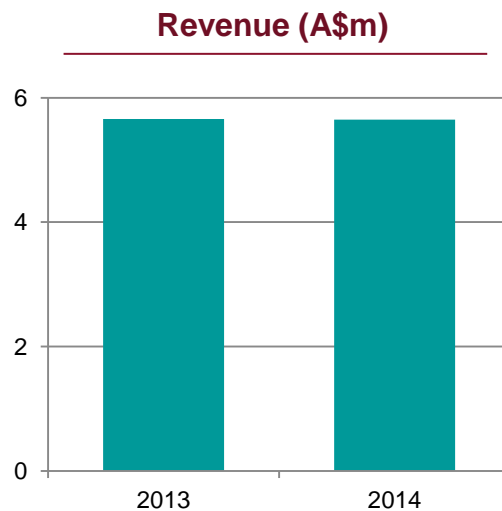
- Strong momentum in 'Vita Health', considered one of Malaysia's leading OTC health supplement brands, led to \$11.7m in sales, a 12.9% increase over FY13
- Higher EBIT margins, driven by management's proven strategy of designing and selling unique formulation premium ingredient products, resulted in an EBIT of \$2.6m, an increase of 20.1% against FY13
- Management continues to focus on expansion of customer base whilst maintaining margins



Segment results

Singapore

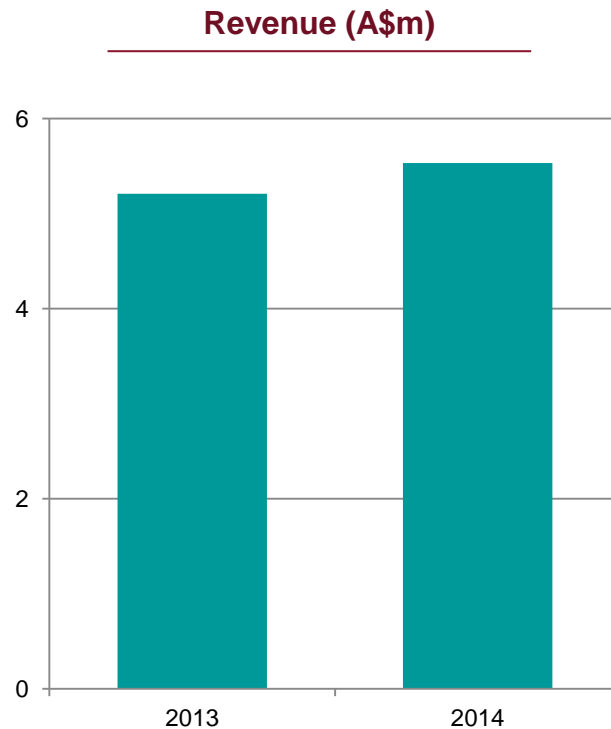
- Strong second half offset depressed first half sales leading to consistent year on year revenue of \$5.7m
- EBIT of \$2.2m increased 12.3% against FY13 as a result of the continuation of management's proven strategy to focus on selling unique formulation premium ingredient products



Segment results

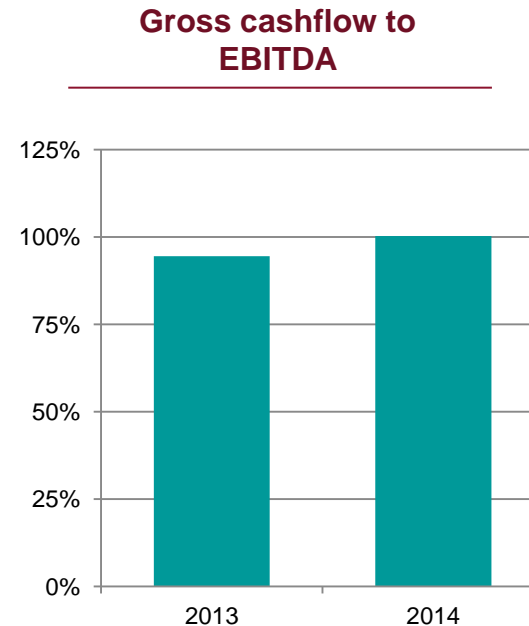
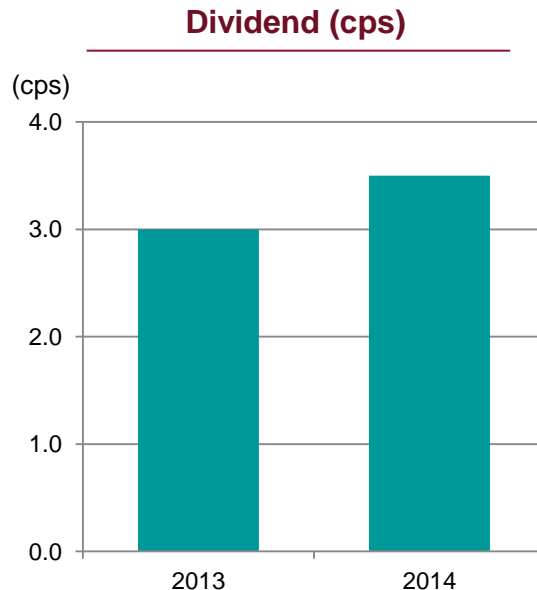
Other Asia⁽¹⁾

- Sales revenue of \$5.5m increased 6.1% against FY13
- Sales growth in Vietnam and China partially offset by a contraction in Thailand



Final dividend and cashflow

- Directors declare a final dividend for 2014 of 2.0 cents per share. Dividends paid to shareholders in FY14 total 3.5 cents per share
- Final dividend will be unfranked & is fully sourced from Foreign Conduit Income
- Strong operating cashflow conversion combined with prudent financial management has facilitated VSC's consistent growth in annual dividends



2015 strategic initiatives

- The Board continues to actively explore strategies to capitalise on the established Asia-Pacific platform
- Two key growth strategies implemented in mature markets:
 - Build out of 'Vita Sciences' brand within the Australian independent pharmacy channel
 - Introduction of the 'Herbs of Gold' brand to the Singaporean market
- Build-out of senior management in countries with established businesses positioning VSC for next phase in lifecycle & growth, allowing the Managing Director to focus on bringing operations in Other Asian markets to critical mass
- Indonesia to commence sales in second half 2015
- Opening of the Malaysian central facility's office and training centre in Q4 2015, with warehouse/packing laboratory capabilities to be rolled out during 2016

2015 Trading Forecast

- The implementation of market tailored strategies is forecast to return sales growth to a 3 year trendline of 8 - 10% per annum
- Accordingly, Directors forecast 2015 sales circa \$40m with margins similiar to those achieved in 2014

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Appendix

Appendix 1 – Profit and Loss

Year ended 31 December	2014 \$m	2013 \$m	Change %
Revenue	36.58	35.41	3.3%
EBITDA	7.00	5.62	24.6%
EBIT	6.88	5.51	24.9%
Profit before tax	6.92	5.52	25.4%
Profit after tax ⁽¹⁾	7.28	4.75	53.3%
EPS (Diluted – cents)	12.84	8.42	52.5%
Dividend (cents / share)	3.50	3.00	16.7%

Appendix 2 – Balance Sheet

Balance Sheet as at 31 December	2014 \$m	2013 \$m
Current assets	20.81	20.49
Non-current assets	9.46	1.52
Total assets	30.27	22.01
Current liabilities	(5.53)	(5.68)
Non-current liabilities	(3.17)	(0.06)
Total Liabilities	(8.71)	(5.74)
Net Assets	21.56	16.27

Appendix 3 – Cash Flow

Cash Flow	2014 \$m	2013 \$m
Receipts from customers	38.97	38.86
Payments to suppliers and employees	(31.95)	(33.54)
Gross operating cash flow	7.02	5.32
EBITDA	7.00	5.62
Gross operating cash flow / EBITDA	100.3%	94.7%
Net interest received	0.12	0.07
Income tax paid	(1.02)	(0.56)
Operating cash flows	6.12	4.83
Net cash flows from investing	(3.41)	(0.28)
Net movements in equity	(2.64)	(0.70)
Cash flows from financing	(6.05)	(0.98)
Net foreign exchange differences	0.12	0.10
Net increase in cash reserves	0.19	3.95
Cash at beginning of period	8.97	5.02
Cash at end of period	9.16	8.97