

# RESULTS PRESENTATION

## FULL YEAR ENDED 31 DEC 2018



herbs**of**gold™

**VITA**SCIENCE  
THE SCIENCE OF HEALTHY LIVING

**VitaLife**®  
*Vital for life*

**VitaHealth**®

# VITA LIFE SCIENCES OVERVIEW

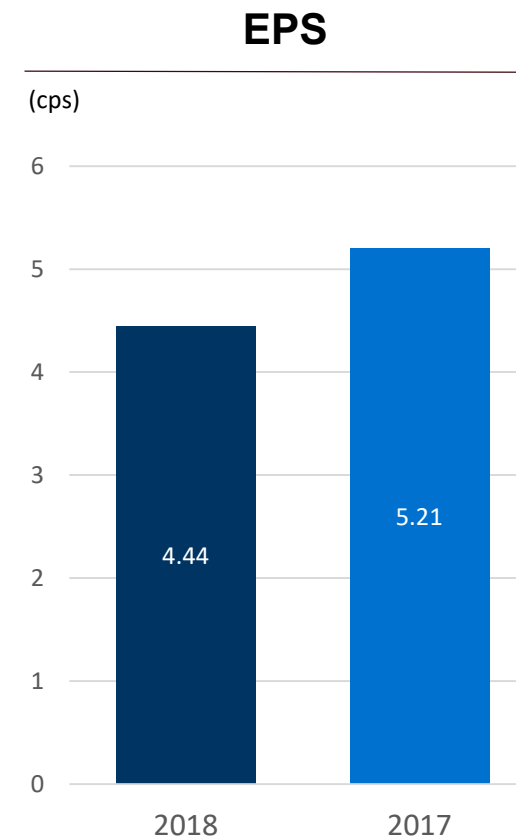
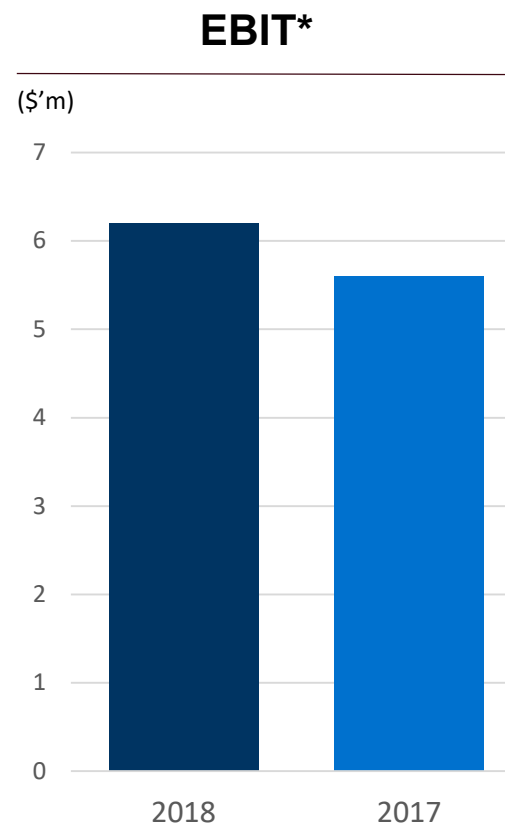
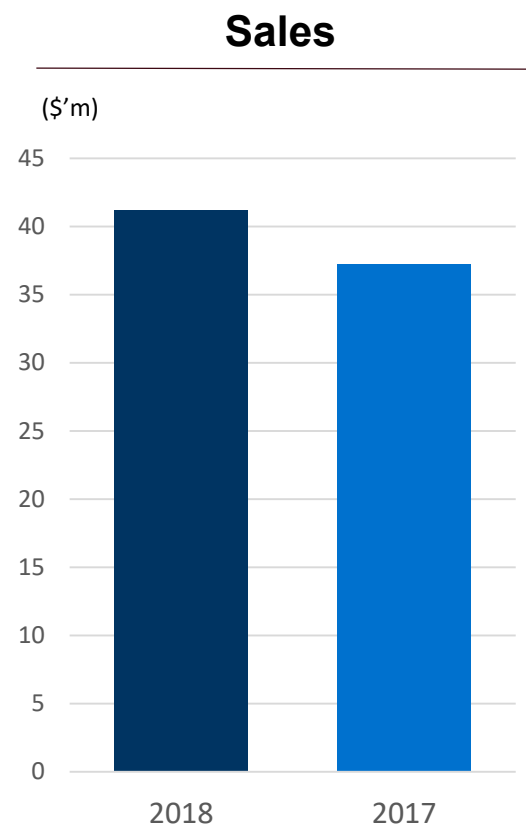
- Australian & Asia Pacific based pharmaceutical and healthcare over-the-counter business involved in the formulating, packaging, sales and distribution of vitamins and supplements
- 3 major consumer retail brands
- 750-800 registered SKUs of vitamins and supplements sold in 7 countries in Australia & Asia Pacific region:
  - **Herbs of Gold:** sold in Australia, Malaysia and Singapore
  - **VitaHealth:** sold in pharmacies, clinics and health food stores throughout Southeast Asia
  - **VitaScience:** sold through an exclusive arrangement in Australia
- 400 employees in 7 countries
- ASX listed since 2007 (ASX code: VLS)



# FY 2018 - GROUP SUMMARY

- Group sales of \$41.1 million for the financial year (FY) ended Dec 2018, an increase of 10.6% over the previous corresponding period (PCP) of \$37.2 million
- The Group recorded an underlying EBIT of \$6.2m (excluding a non-cash fair value loss adjustment on building of \$1.8 million), an increased of 10.5%, compared to the PCP of \$5.6 million
- Net profit after tax of \$2.4 million recorded for the financial year
- Returned \$2.8 million to shareholders through dividend payments and share buyback
- Final fully franked dividend of 2.25 cents per share declared; total full year dividend of 3.75 cents per share

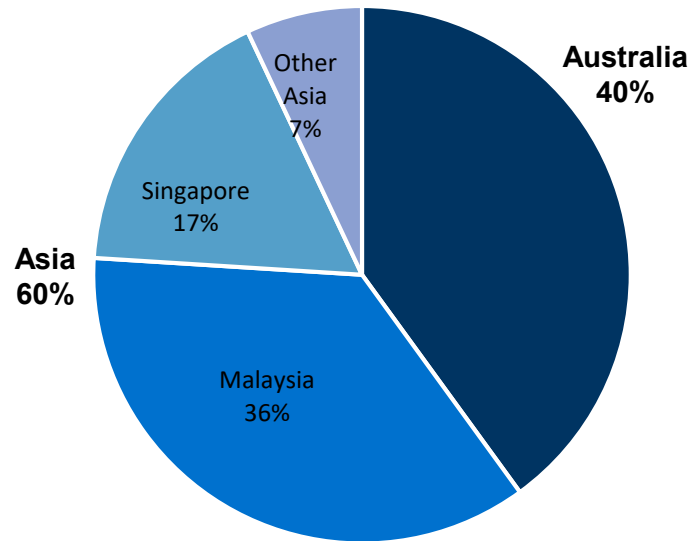
# Key Financial Charts



*\* Underlying EBIT excluding fair value loss on building of \$1.8m in 2018 (2017: excluding share options expense of \$0.9m)*

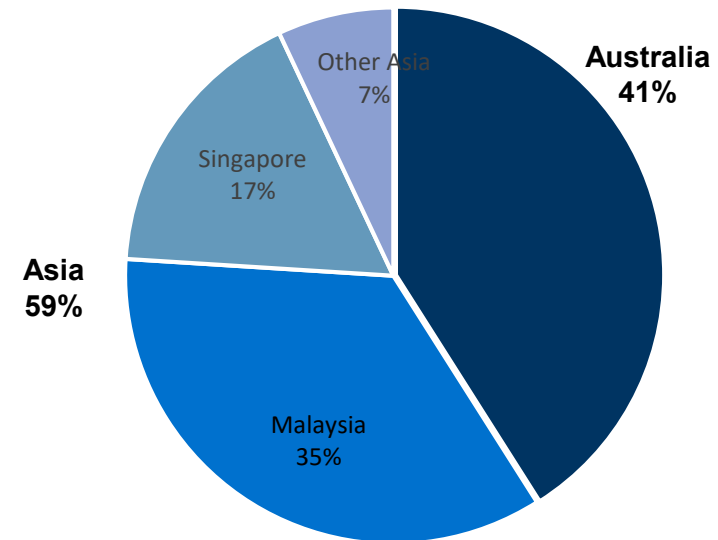
# FULL YEAR 2018 RESULTS

2018 revenue by geography



Total revenue: \$41.1m

2017 revenue by geography



Total revenue: \$37.2m

# SEGMENT RESULTS

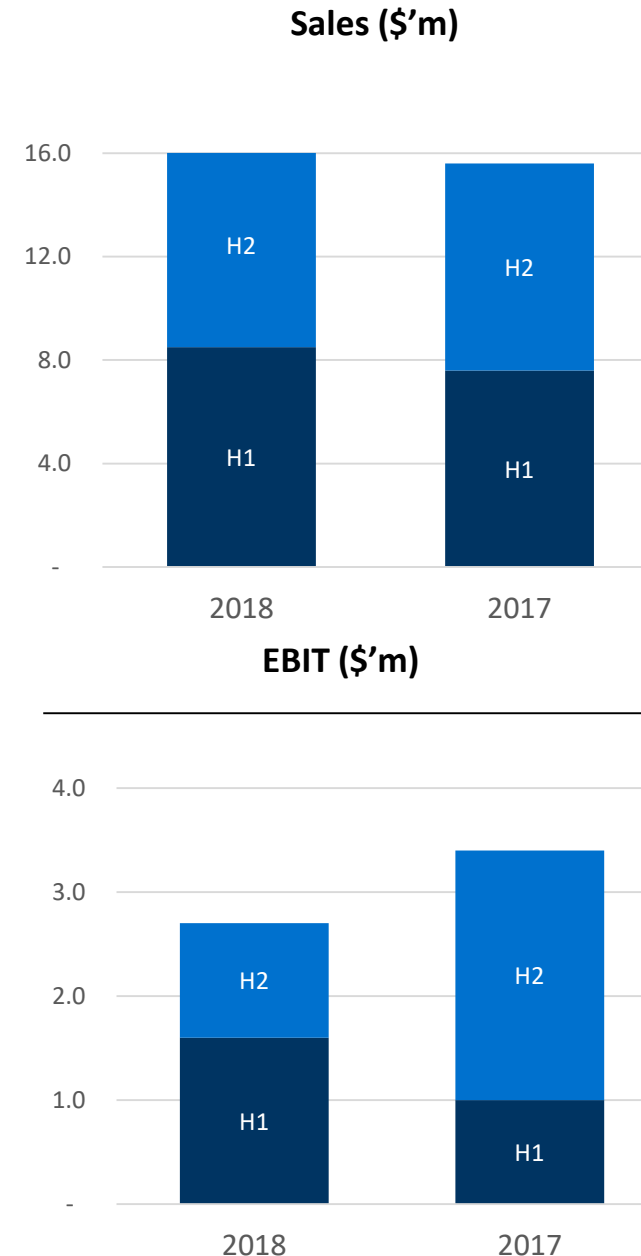
## AUSTRALIA

**Sales: \$16.4m (2017: \$15.6m)**

- Revenue base business grew despite a highly competitive Australian market conditions
- Moderate increase in export sales from Australia to China through the “daigou” channel
- Continued distribution expansion activities into selected pharmacies
- Increased A&P investment to drive broader brand awareness
- Gross margins remained steady

**EBIT \$2.7m (2017:\$3.4m)**

- EBIT down by 20% against FY17 mainly due to higher marketing investments in the Australian business planned during the year for new pharmacies channel for 2019



# SEGMENT RESULTS

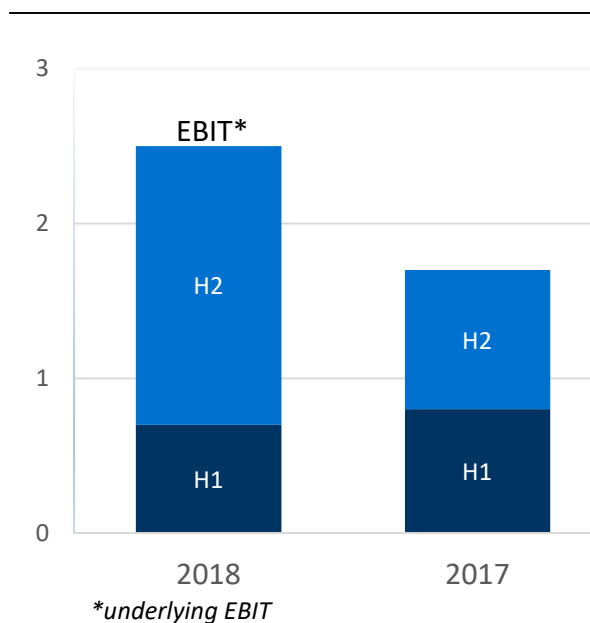
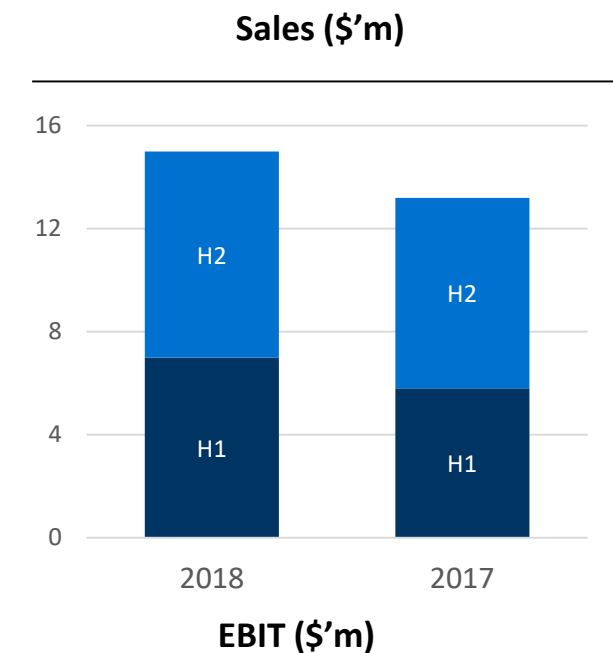
## MALAYSIA

### Sales \$14.9m (2017: \$12.9m)

- Revenue base increased by 15.5% due to rejuvenated consumer pull through trade activities
- Increased distribution of the VitaHealth brand through modern trade pharmacies
- Herbs of Gold brand performed strongly increasing revenues by 41% in local currency through our exiting exclusive distribution partnership

### Underlying EBIT \$2.5m (2017: \$1.7m) (excluding fair value loss adjustment of \$1.8m)

- Reported EBIT \$0.7m (2017: \$1.7m)



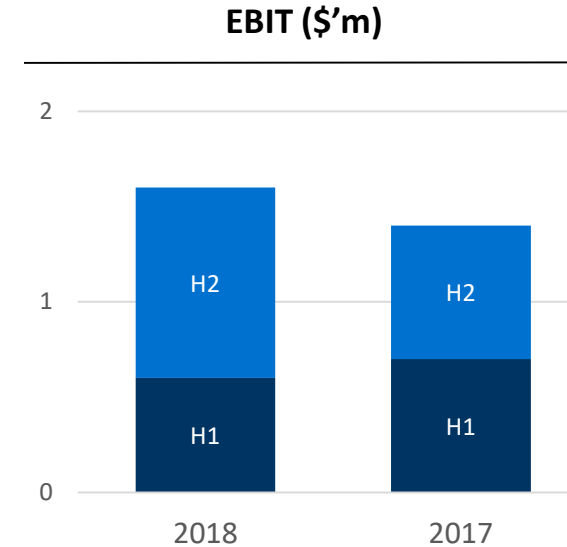
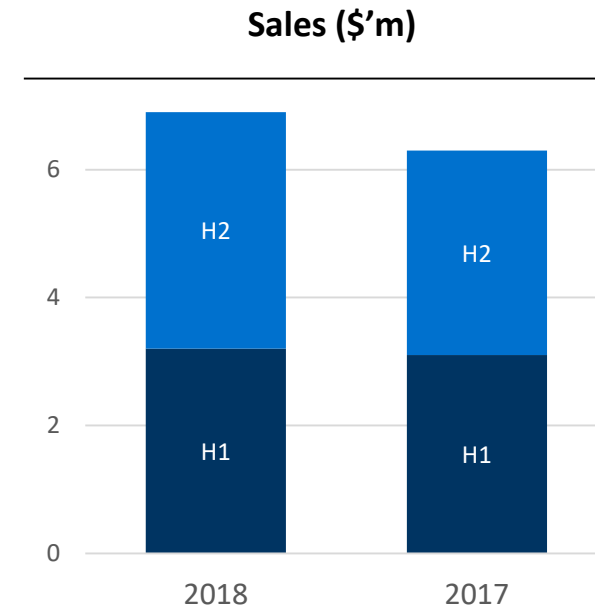
# SEGMENT RESULTS SINGAPORE

**Sales \$6.9m (2017: \$6.3m)**

- Revenue base business was sustained generating marginal growth on (PCP)
- Increased trade investment was required to maintain sales momentum

**EBIT \$1.6m (2017: \$1.4m)**

- EBIT improved mainly due to higher sales achieved for the year



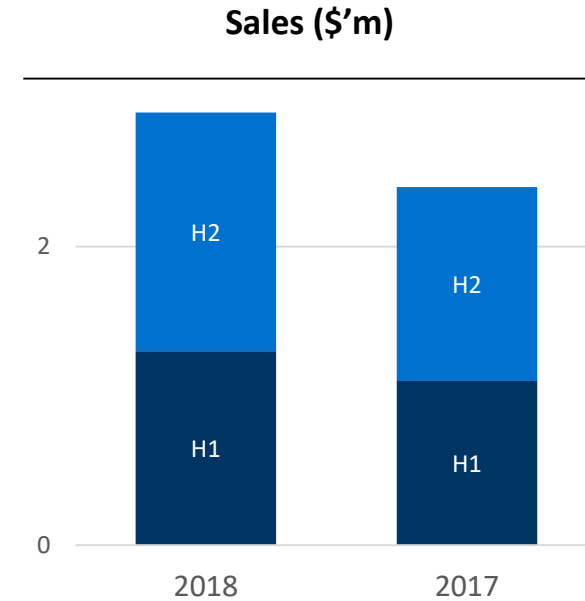


# SEGMENT RESULTS

## OTHERS

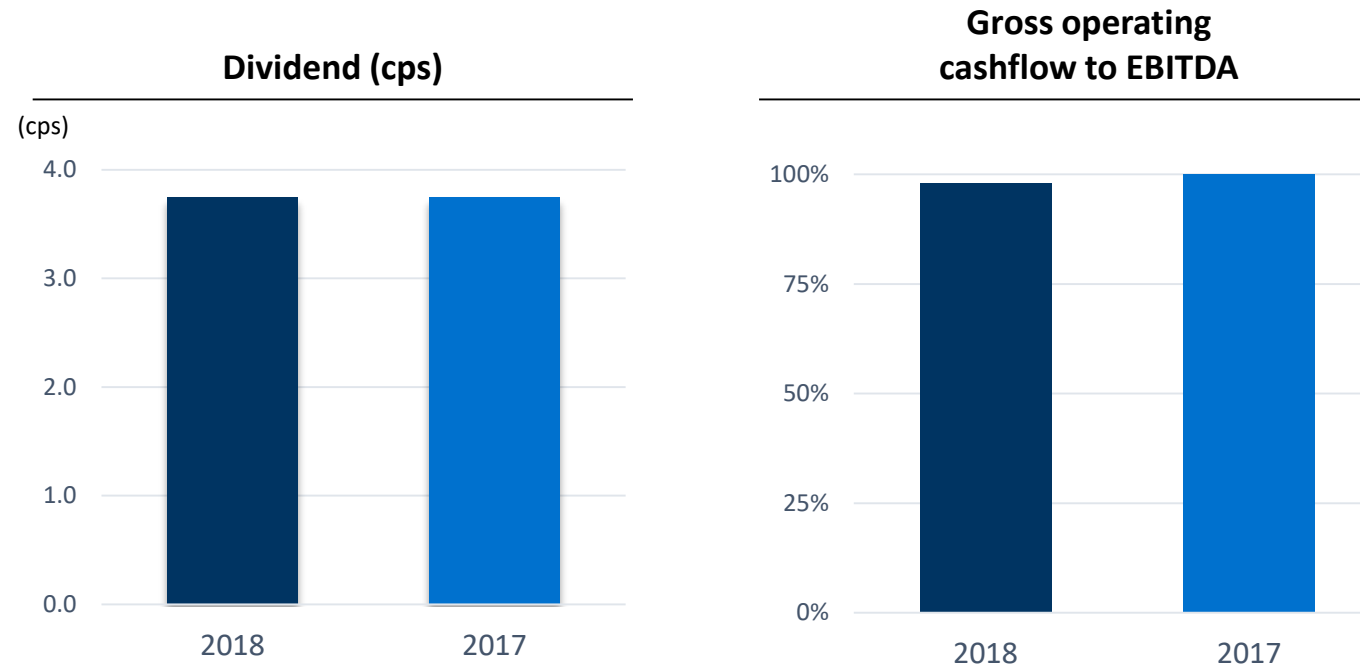
**Sales \$2.9m (2017: \$2.4m)**

- Revenue in other markets growth of 19% (PCP)
- Stronger sales were recorded for Vietnam with marginal improvement in Thailand compared to the PCP
- Vietnam continues to perform to expectation and is expected to grow faster with continued investment



# FINAL DIVIDEND & CASHFLOW

- Final dividend declared of 2.25 cents per share for FY 2018 (2017: 2.25 cents)
- Final dividend will be fully franked. Directors anticipate future dividends to be fully franked.
- Dividend reinvestment plan is currently suspended



# Strategic Priorities and Outlook

- 2019 will see Herbs of Gold launched into selected Pharmacies within the Australian market
- Continued branding and promotional investment of VitaHealth and Herbs of Gold brands within core markets
- South East Asia markets especially Vietnam, Thailand and Indonesia remain a key strategic pillar for the region and will receive additional investment to drive future revenues
- The Board will provide guidance mid-way through the year

The background is a complex, three-dimensional geometric pattern composed of numerous triangles in various shades of blue. The triangles are arranged in a way that creates a sense of depth and perspective, with some triangles appearing to be in the foreground and others receding into the background. The lighting is soft, highlighting the edges and facets of the triangles. The word "APPENDIX" is centered in the middle of the image, written in a bold, dark blue, sans-serif font.

# APPENDIX

# APPENDIX 1 – PROFIT & LOSS

Full year ended Dec	2018 \$'m	2017 \$'m
Revenue	41.1	37.2
EBITDA	6.6	5.0
EBIT	4.4	4.7
Profit before tax	4.3	4.7
Profit after tax	2.4	2.8
EPS (Basic – cents/ share)	4.44	5.21
Dividend (cents / share)	3.75	3.75

# APPENDIX 2 – BALANCE SHEET

Balance Sheet as at	Dec 2017 \$'m	Dec 2017 \$'m
Current assets	24.8	22.3
Non-current assets	10.9	10.6
<b>Total assets</b>	<b>35.7</b>	<b>32.9</b>
Current liabilities	11.4	6.0
Non-current liabilities	1.9	2.1
<b>Total Liabilities</b>	<b>13.3</b>	<b>8.1</b>
<b>Net Assets</b>	<b>22.4</b>	<b>24.8</b>

# APPENDIX 3 – CASH FLOW

Cash Flow for the year ended	2018 \$'m	2017 \$'m
Receipts from customers	44.6	40.8
Payments to suppliers and employees	38.1	34.8
<b>Gross operating cash flow</b>	<b>6.5</b>	<b>6.0</b>
Adjusted EBITDA <i>(ex fair value loss adjt &amp; share options exp)</i>	6.6	6.0
<b>Gross operating cash flow / EBITDA</b>	<b>98.1%</b>	<b>100.0%</b>
Net interest (paid) / received	0	0
Income tax paid	2.2	2.8
<b>Operating cash flows</b>	<b>4.3</b>	<b>3.2</b>
Cash flows for investing	0.4	0.2
Net movements in equity	3.1	2.5
<b>Cash flows from financing</b>	<b>0.8</b>	<b>0.5</b>
Net foreign exchange differences	0.1	0.1
<b>Net increase in cash reserves</b>	<b>0.9</b>	<b>0.6</b>
Cash at beginning of period	10.0	9.4
<b>Cash at end of period</b>	<b>10.9</b>	<b>10.0</b>

# CONTACT

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