



SELECT EQUITIES CHINA CONFERENCE

5th ANNUAL INSTITUTIONAL CONFERENCE 28th OCTOBER 2021



herbs of gold™



MANAGING DIRECTOR'S REVIEW

ANDREW O'KEEFE MANAGING DIRECTOR



Mr O'Keefe was appointed Managing Director on 1st January 2017.

Mr O'Keefe has over 20 years' experience within the Australian pharmaceutical and healthcare industry. During his career Mr O'Keefe has held senior leadership positions in publicly listed companies and was the CEO of Australia's largest health food distributor and retailer. Andrew O'Keefe was appointed to the position of Chief Executive Officer – Herbs of Gold Australia in October 2014.



VITA LIFE SCIENCES (VLS)

Vita Life Sciences is an Australian owned healthcare company that is listed on the Australian Securities Exchange (ASX:VLS).

Our core business is the development and distribution of over the counter (OTC) medicines, as well as complementary and alternative medicines, dietary supplements and health foods under various brand names throughout Australia and South East Asia.

With approximately 800 registered products, and over 400 employees, we work under the philosophy of “thinking internationally, but acting locally”. We have teams of qualified naturopaths, nutritionists, biotechnologists and pharmacists formulating products that are clean, effective and functional.



SHARE PRICE (NOV 2020-OCT 2021)

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SUMMARY (AT 26 OCT 2021)

Share Price	\$1.96
Shares on Issue	52.6m
Market Cap (\$)	103.1m
Cash (\$) (30 Jun 2021)	15.7m
Debt (30 Jun 2021)	Nil

ASX Code:	VLS
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DIRECTORS

Mr Henry Townsing	Chairman
Mr Andrew W O'Keefe	Managing Director
Mr Gregory Charles Ralph	Non Exec. Director
Mr Shane Teoh	Non Exec. Director



LEADERSHIP TEAM



ANDREW O'KEEFE
MANAGING DIRECTOR



CHIN L KHOO
CHIEF FINANCIAL OFFICER



SHAUN RUTHERFORD
GLOBAL SALES DIRECTOR



MELISSA PEREIRA
HEAD OF MARKETING



KS BEH
GENERAL MANAGER, MALAYSIA
& SINGAPORE



RENEE TI
SENIOR CORPORATE MANAGER



SUAT LING KOAY
GENERAL MANAGER,
NEW PRODUCT DEVELOPMENT
& REGULATORY AFFAIRS,
SOUTH EAST ASIA



JUNE LAU
GENERAL MANAGER,
OPERATIONS & BUSINESS
SUPPORT, AUSTRALIA



SANDRA VELASQUEZ
REGULATORY AFFAIRS MANAGER,
AUSTRALIA



ALEXANDRA WARD
TECHNICAL & NEW PRODUCT
DEVELOPMENT MANAGER,
AUSTRALIA



OVERVIEW

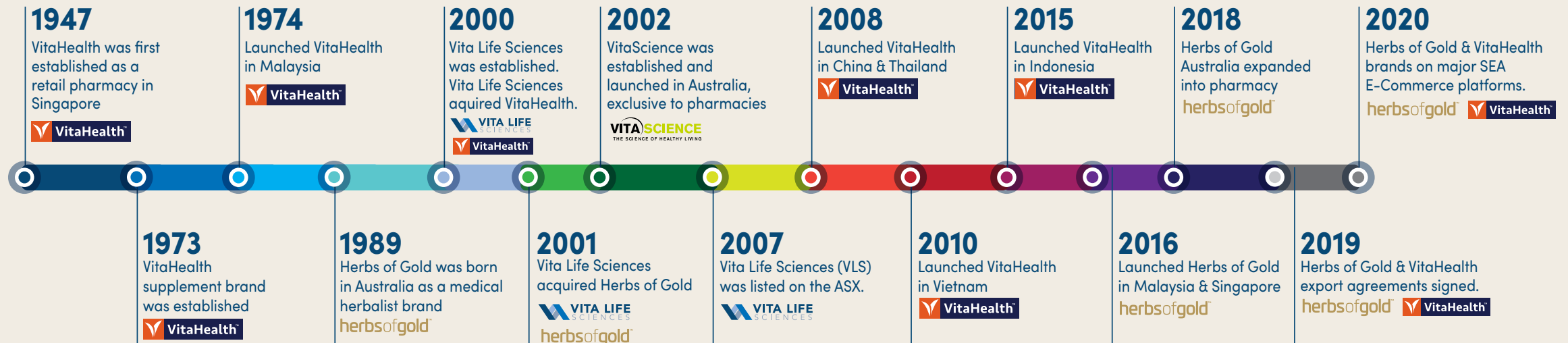
Vita Life Sciences is a multinational healthcare company involved in the formulation and distribution of high quality vitamins and supplements across the Asia Pacific region

VALUES







Vita Life Sciences has a companywide commitment to:

- Focus its efforts on the health and well-being of customers
- Conduct activities in a socially responsible manner
- Create a conducive working environment for its employees
- Provide competitive returns on shareholders' investment

HISTORY



VLS MARKETS

Market	Population	2020 Revenue (A\$'M)
 Australia*	26	20.8
 Malaysia	33	16.9
 Singapore	6	4.9
 Vietnam	97	4.0
 Indonesia	274	
 Thailand	70	

*Includes export sales



PRODUCT PORTFOLIO

herbsofgold™

VitaHealth™



Nervous System

Children's Health

Nutritional Oils

Immunity

Hair, Skin & Nails

Liver & Digestion

Nutritionals

Weight Management

Cardiovascular Health

Pain & Inflammation

Pregnancy & Breastfeeding

Men's Health

Women's Health

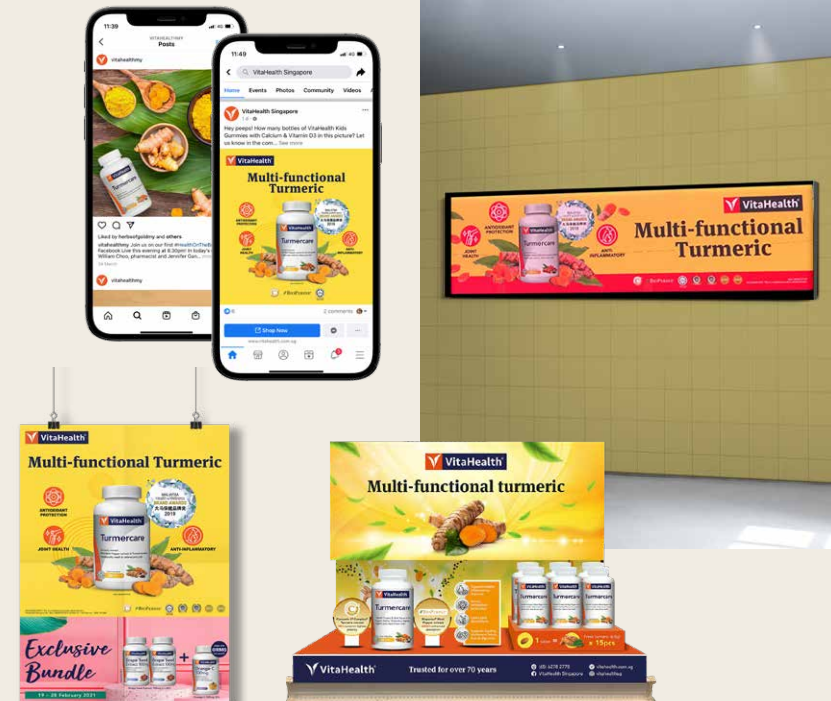
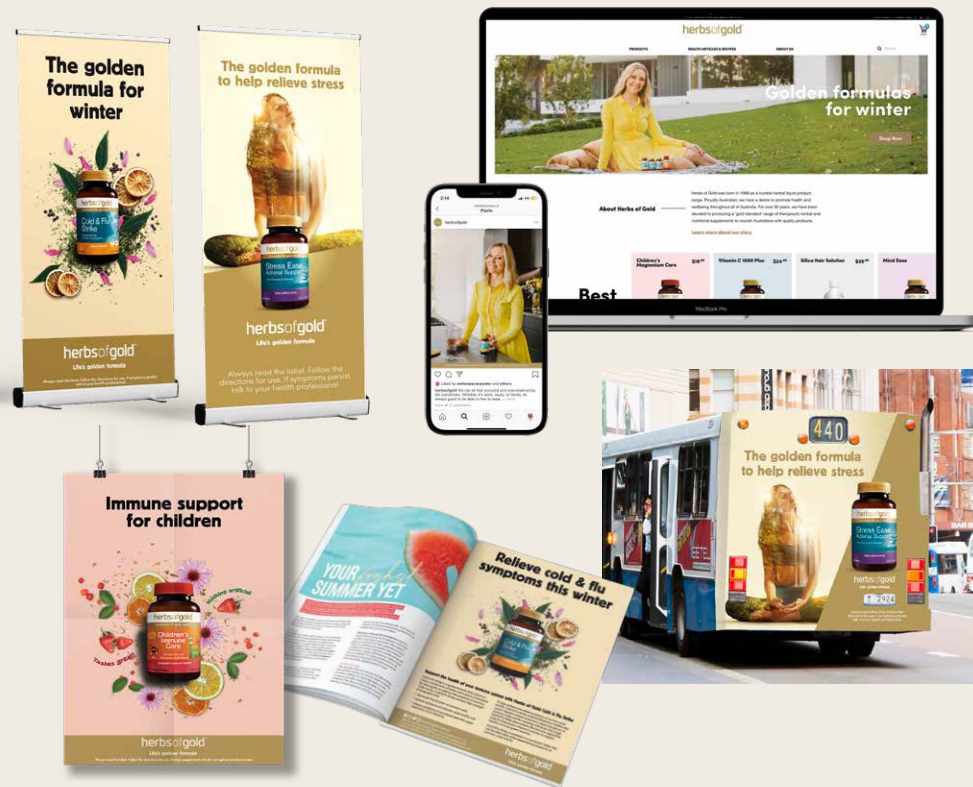
Antioxidants

Bones & Joints



BRANDING

herbs^{of}gold™



CHINA BUSINESS MODEL

- Launched in 2020 a direct to China (CBEC) model
- Exclusive partnership with a distributor based in Nanjing
- Strategy provides a simplified route to market
- Reduces channel conflict including stronger controls across the supply chain
- Year on year growth of over 300% albeit from a low base
- Operating on the key major platforms of Ali Baba (TMall & Kaola = 64.8%), JD (29.9%) and Little Red Book (1.6%)
- Strategy includes a combination of Herbs of Gold flagship and speciality stores
- Marketing and education focus on Little Red Book and livestreaming
- Continue to focus on building more Hero products
- Great growth opportunities moving forward



ADVERTISING IN CHINA




LOOK-BACK GROWTH DELIVERED

3 years ago the business implemented a strategic plan to stimulate sales after consistent periods of stagnant growth



2018/2019 the company increased its advertising and promotional investment impacting short term profit performance



2019 Expansion of the Herbs of Gold brand into the Pharmacies, whilst maintaining its traditional health food channel



2020 the strategic plan delivered over 1000 new retail customers and record sales revenue of \$46.5m with an average growth rate of 5.7% over the past four years



FY DECEMBER 2020 HIGHLIGHTS

- ✓ Record Group sales of \$46.5m, an increase of 9.5% on PCP
- ✓ New distribution channels delivered record sales performance across key markets in Australia and Malaysia
- ✓ Immunity products supporting consumers health and wellbeing during COVID -19 stimulated category performance
- ✓ New strategic partnerships in China is generating solid organic growth through the cross border E -Commerce Channel (CBEC)
- ✓ Comprehensive brand and product offering across all major E-Commerce platforms within South East Asia continues to broaden consumer reach
- ✓ 12 new products launched across the Herbs of Gold and VitaHealth brands, stimulating innovation across the category
- ✓ Financial strength – a balance sheet with equity of \$24.4m and a net cash balance of \$13.0m (after bank borrowings)
- ✓ Record fully franked full year dividend payment of 4.25 cents per share

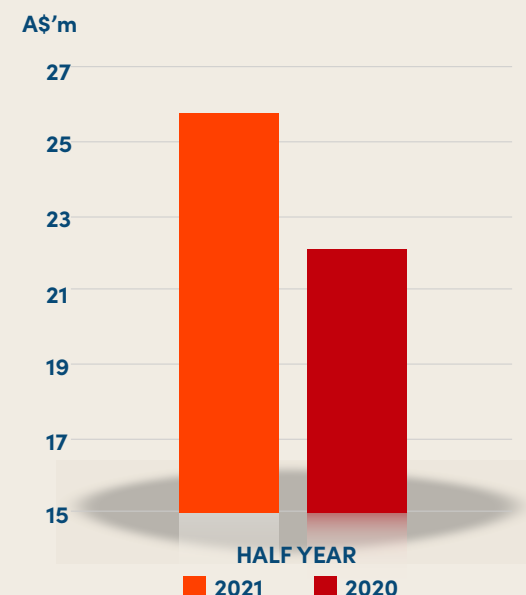


KEY FINANCIAL HIGHLIGHTS

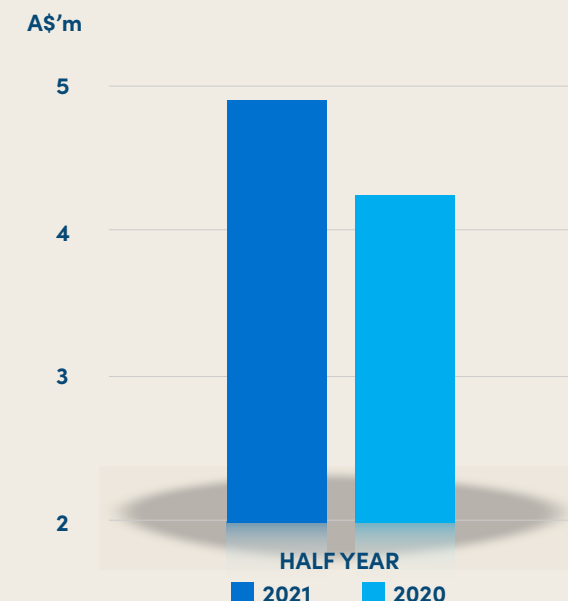
2021 FIRST HALF

- ✓ Record first half revenue of \$25.7 million, up 17% on prior corresponding period (PCP) reflecting impact of increased channels of distribution
- ✓ Strong brand representation across all major E-commerce platforms in South East Asia
- ✓ Increased consumer demand across the vitamin and supplements category
- ✓ EBIT improvement reflects higher sales contributions and disciplined operational cost controls
- ✓ Balance sheet remains strong with equity of \$26.8m including cash of \$15.7m
- ✓ Interim dividend of 2.75 cents per share, an increase of 1.25 cents on PCP in October 2021

GROUP SALES



GROUP EBIT



FUTURE INVESTMENT PILLARS

Brand building

Group investment strategy to drive consumer & retailer engagement



Education and Innovation

Group investment to deliver a high quality education program that supports existing & new products



Talent wellbeing

Group investment on talent acquisition to support growth expectations across the region



Operational leverage

Group investment on ERP integration across the business to provide supply chain & customer interface efficiencies





The Group plans to invest an additional **\$5-6m** across the key investment pillars over the next 3 years





OUTLOOK

- Several strategic initiatives initiated in 2020 are driving stronger domestic and Asian sales. The Group is benefiting from increased consumer interest and purchases across most categories in its major markets, Australia, Malaysia and Singapore.
 - The sales growth of 17% for the half year to 30 June 2021 (compared to the prior corresponding period) is expected to moderate slightly to around 15% for the year to December 2021. Full year sales are forecast to be in the range of \$51m to \$53m.
 - Continued financial discipline coupled with higher sales is expected to result in pre-tax profit increasing to around \$10m, an increase of approximately 20% on the prior year, FY 2020.
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THANK YOU

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