

Financial Results

Half Year Ended
30 June 2022



Vita Life Sciences Ltd

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, South East Asia and China.

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.

Values

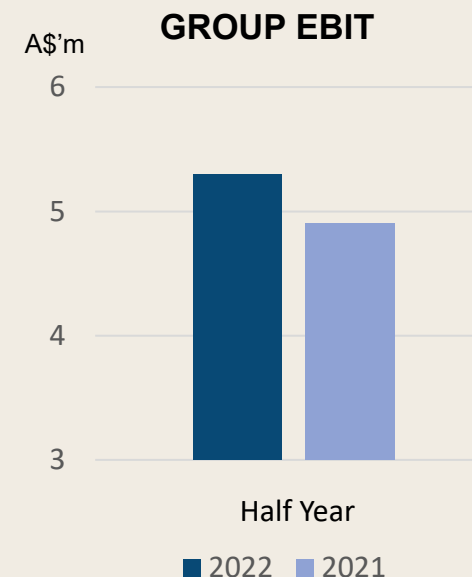
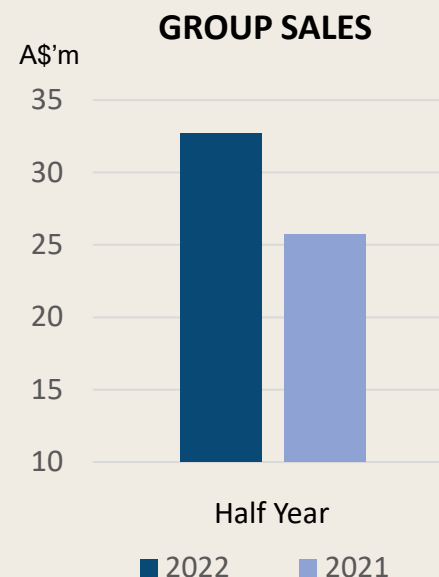
Vita Life Sciences has a companywide commitment to:

- 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



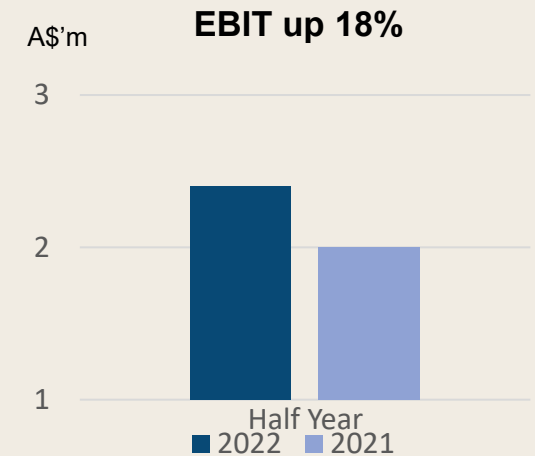
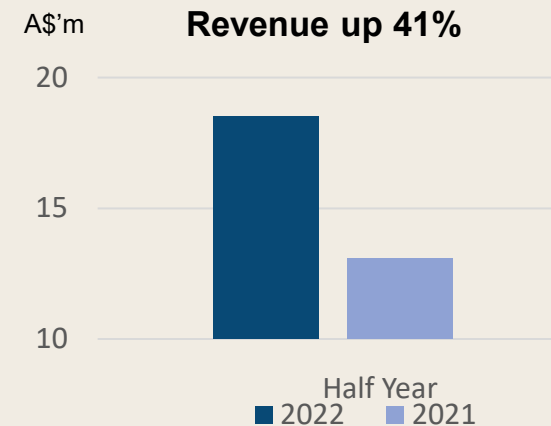
Commentary

- ✓ Group sales of \$32.7m, up 27% on prior corresponding period (PCP).
- ✓ New customer acquisition and high consumer demand across key categories driving growth.
- ✓ Domestic sales for both Australia and Malaysia combined with export sales to China underpinned revenue performance.
- ✓ Brand building and education lead marketing initiatives continued to stimulate retailer and consumer engagement .
- ✓ Group EBIT of \$5.3m, up 8% on PCP.
- ✓ Balance sheet remains strong with equity of \$33.7m and a cash balance of \$14.7m (no borrowings).
- ✓ Increased inventory holdings on PCP required to mitigate stock outages and extended lead time with manufactures.
- ✓ Interim dividend of 2.75 cents per share for HY22 (2.75 cents HY21) with payment in Oct 2022.



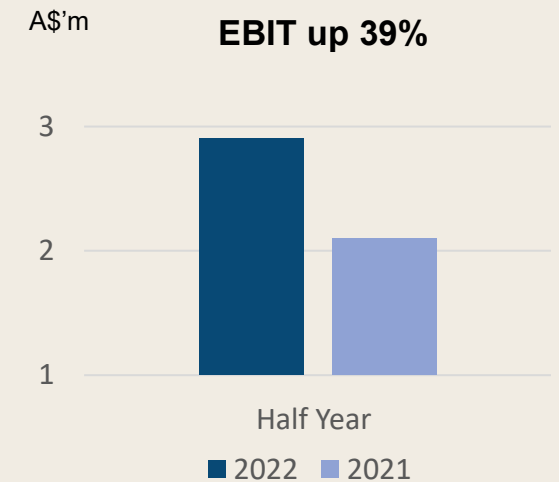
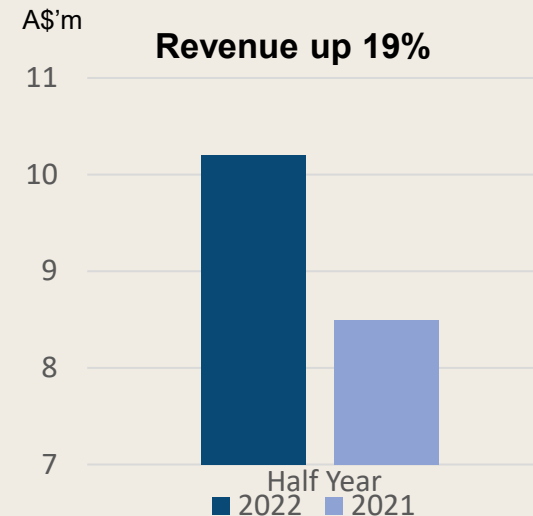
Australia

- ✓ Revenue of \$18.5m an increase of 41% on PCP.
- ✓ Domestic channel expansion combined with higher consumer offtake underpinned the performance.
- ✓ New customer acquisition across the Pharmacy channel was particularly strong.
- ✓ Direct export revenue also increased on PCP, however lockdowns across China did slow consumer uptake in qtr. 2.
- ✓ Australian EBIT of \$2.1m an increase of 18% on PCP.



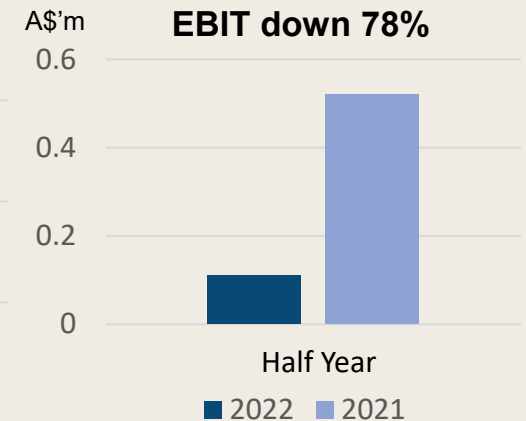
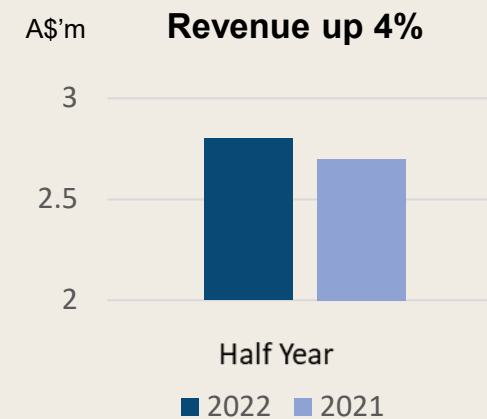
Malaysia

- ✓ Revenue of \$10.2m an increase of 19% on PCP.
- ✓ Increased consumer demand domestically for both VitaHealth and Herbs of Gold brands underpinned the solid performance.
- ✓ Additional ranging of the VitaHealth brand through modern trade pharmacies supported the performance.
- ✓ The Herbs of Gold brand delivered revenues in line with expectation.
- ✓ EBIT of \$2.9m an increase of 39% on PCP reflecting the healthy increase in sales.



Singapore

- ✓ Revenue of \$2.8m a marginal increase on PCP.
- ✓ Increased product ranging into “modern trade” retailers supported the improved performance.
- ✓ The increase in product ranging across modern trade Pharmacies, resulted in higher advertising and marketing investments.
- ✓ EBIT was down to \$0.1m, mainly due to higher marketing investments to increase ranging and channel expansion, which are expected to benefit future revenue.



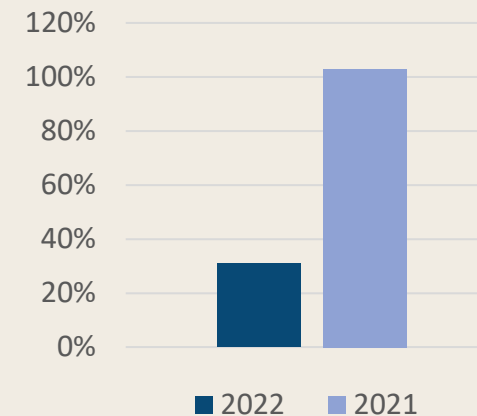
Other Asia

- ✓ Revenue of \$1.3M a decrease of 9% on PCP
- ✓ The Vietnam business started to show signs of normal trading conditions (post COVID).
- ✓ Similar to the Group's Thailand operations, Indonesian sales are now made through a third party distributor which reduced operating overheads whilst improving market coverage.

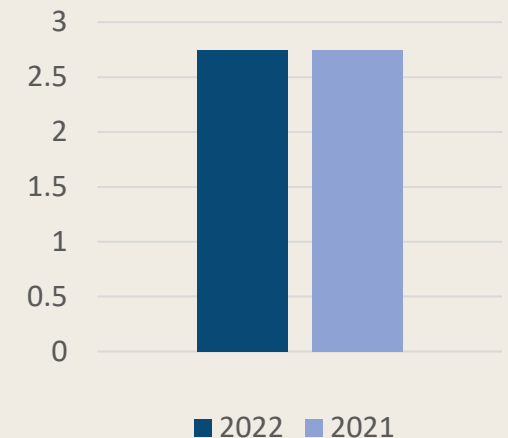
Interim Dividend & Cashflows

- ✓ Operating cashflow conversion was impacted by the planned increase stock holding levels in order to service the significant increase in Group sales and the almost doubling of manufacturing lead times i.e. from placing of orders to receipt of goods. The long lead times are a result of pandemic related supply chain issues.
- ✓ Fully franked interim dividend declared of 2.75 cents per share for HY22 (2.75 cents HY21).

Gross operating cashflow to EBITDA



Interim dividend per share



Priorities & Outlook

- ✓ Domestic business across the Group's key markets is expected to continue to be stable. New customer acquisitions and marketing initiatives and associated costs, in line with the 1st half, will continue for the remainder of the year.
- ✓ New customer acquisition and marketing activities will continue for the remainder of the year across domestic markets.
- ✓ Export sales to China are expected to remain steady due to the impact of continuing major city COVID -19 lockdowns.
- ✓ Guidance will be provided in the 4th quarter 2022.



Appendix

Half Year Results

Half year ended June	2022 \$'m	2021 \$'m
Revenue	32.7	25.7
EBITDA	5.5	5.1
EBIT	5.3	4.9
Profit before tax	5.3	4.9
Profit after tax	3.6	3.7
EPS (Basic – cents/ share)	6.89	7.02
Dividend (cents / share)	2.75	2.75

Balance Sheet

Balance Sheet as at	Jun 2022 \$'m	Dec 2021 \$'m
Current assets	39.1	35.1
Non-current assets	10.4	10.2
Total assets	49.5	45.3
Current liabilities	15.3	14.5
Non-current liabilities	0.5	0.4
Total Liabilities	15.8	14.9
Net Assets	33.7	30.4

Cash Flow

Cash Flow for the half year ended June	2022 \$'m	2021 \$'m
Receipts from customers	32.5	27.4
Payments to suppliers and employees	(30.8)	(22.1)
Gross operating cash flow	1.7	5.3
EBITDA	5.5	5.1
Gross operating cash flow / EBITDA	31%	103.9%
Net interest	(0.0)	(0.0)
Income tax paid	(1.7)	(1.0)
Operating cash flows	(0.0)	4.3
Cash flows for investing	(0.0)	(0.0)
Net movements in financing	(1.2)	(3.0)
Cash flows from financing	(1.2)	(3.0)
Net foreign exchange differences	0.0	(0.1)
Net increase in cash reserves	(1.2)	1.2
Cash at beginning of period	15.9	14.5
Cash at end of period	14.7	15.7



ANDREW O'KEEFE
MANAGING DIRECTOR



CHIN L KHOO
CHIEF FINANCIAL OFFICER



+61 2 9545 2633



1/ 102 Bath Road, Kirrawee, NSW 2232



enquiries@vitalifesciences.com.au



vitalifesciences.com

Disclaimer

This document has been prepared by Vita Life Sciences Limited (**Vita Life Sciences**) and comprises written material/slides for a presentation concerning Vita Life Sciences.

The presentation is for information purposes only and does not constitute or form part of any offer or invitation to acquire, sell or otherwise dispose of, or issue, or any solicitation of any offer to sell or otherwise dispose of, purchase, or subscribe for, any securities, nor does it constitute investment advice, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision.

Certain statements in this presentation are forward looking statements. You can identify these statements by the fact that they use words such as “anticipate”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import. These forward looking statements speak only as at the date of this presentation. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward looking statements.

No representation, warranty or assurance (express or implied) is given or made by Vita Life Sciences that the forward looking statements contained in this presentation are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct, Except for any statutory liability which cannot be excluded, Vita Life Sciences and its respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss of damage which may be suffered by any person as a consequence of any information in this presentation or any error or omission therefrom.

Subject to any continuing obligation under applicable law or any relevant listing rules of the ASX, Vita Life Sciences disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in these materials to reflect any change in expectations in relation to any forward looking statements or any change of events, conditions, or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of Vita Life Sciences since the date of this presentation.