



HALF YEAR FINANCIAL RESULTS

FOR THE 6 MONTHS TO 30 JUNE 2019

herbsofgold™

VITA SCIENCE
THE SCIENCE OF HEALTHY LIVING

VitaLife®
Vital for life

VitaHealth

BUSINESS OVERVIEW



- Australian and Asia Pacific based pharmaceutical and healthcare over-the-counter vitamins and supplements business: formulation, packaging, distribution and sale of 3 major consumer retail brands
- Over 800 registered vitamins and supplement products (SKU's) sold in 7 countries:

- **Herbs of Gold:** sold in Australia, Malaysia and Singapore

- **VitaHealth:** sold in pharmacies, clinics and health food stores throughout Southeast Asia

- **VitaScience:** sold through Blooms The Chemist stores exclusively in Australia



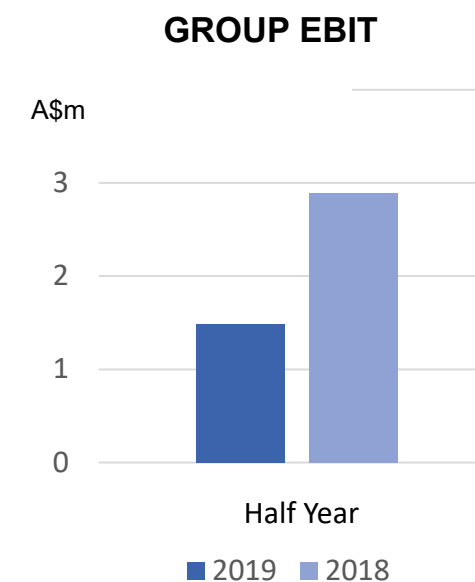
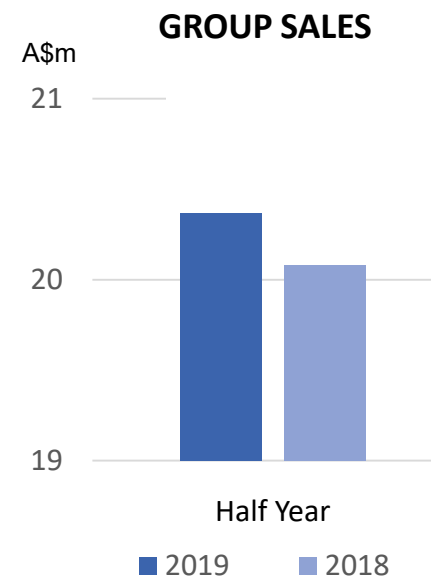
- 430 employees in 7 countries

- ASX listed since 2007 (ASX code: VLS)



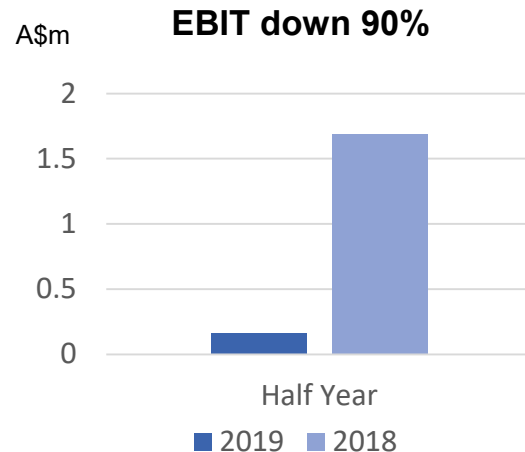
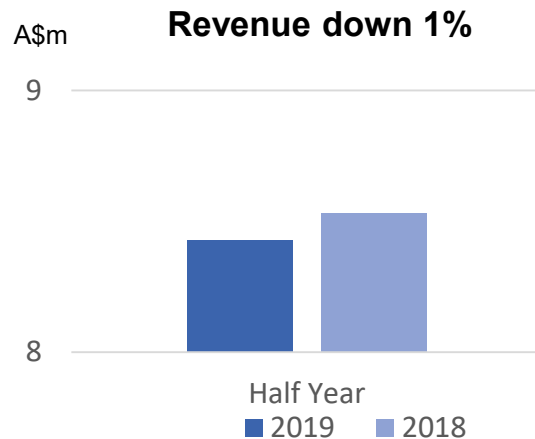
FINANCIAL COMMENTARY

- Group sales of \$20.4 million, up 1% on prior corresponding period
- Softer retail conditions within the Australian and Singaporean markets stalled revenue expectations
- Net profit impacted by an additional \$1.0m investment in advertising a marketing initiatives predominantly in Australia, plus \$0.9 million incremental administrative costs to support resource requirements across the organisation
- Balance sheet remains strong with equity of \$21.2m and a net cash balance of \$7.5m (after borrowings)
- Dividend of 1.5 cents per share approved for payment in October 2019



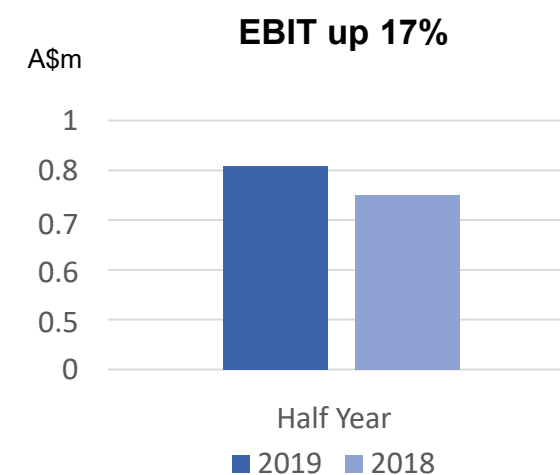
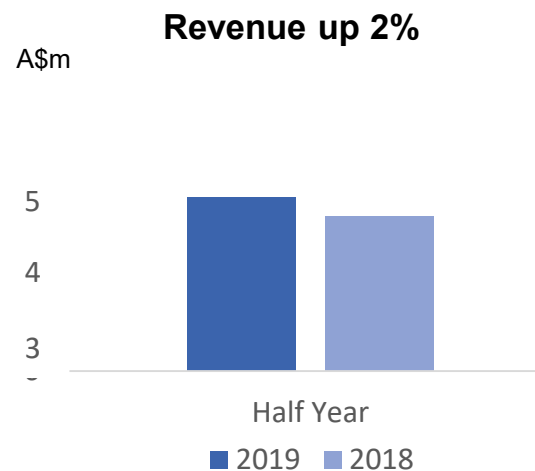
AUSTRALIA

- Sales of \$8.4million, a marginal decline of \$0.1million on prior corresponding period (PCP)
- Soft retail conditions within the traditional health food channel stalled overall revenue growth
- Stronger contributions from Pharmacy sales offset the softer health food channel performance
- Herbs of Gold expansion into Pharmacy progressing well
- EBIT impacted by mass media brand campaign expensed in the first half



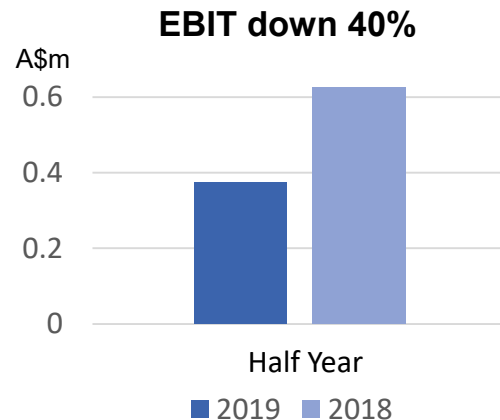
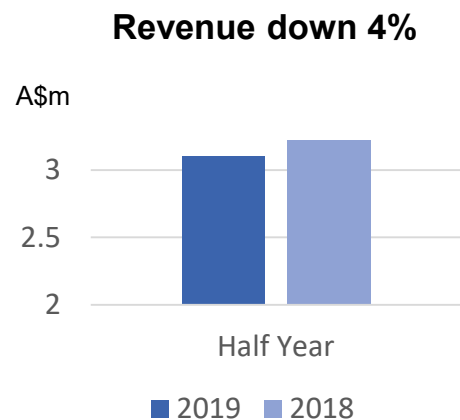
MALAYSIA

- Malaysian sales of \$7.1million, an increase of 2% on PCP
- VitaHealth brand executed a deliberate strategy to increase brand presence within modern chain pharmacies across the market
- Herbs of Gold performed well and continues to deliver growth across the Caring pharmacy group
- EBIT contributions increase by 17% against PCP



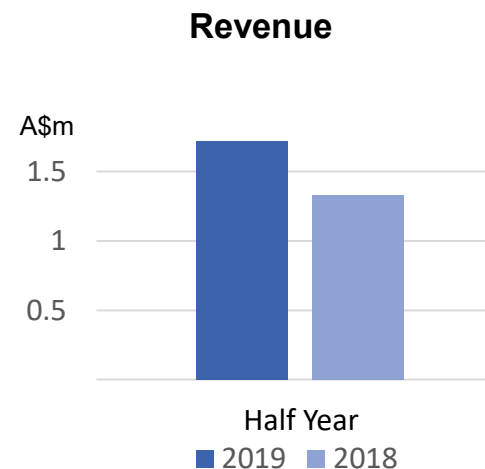
SINGAPORE

- Sales of \$3.1million, a decline of 4% over PCP
- Market remains highly competitive amidst slowing economic environment
- Higher trade and promotional expenses have resulted in lower EBIT
- Traditional channels challenged by competitive low margin e-commerce platforms



OTHER ASIA

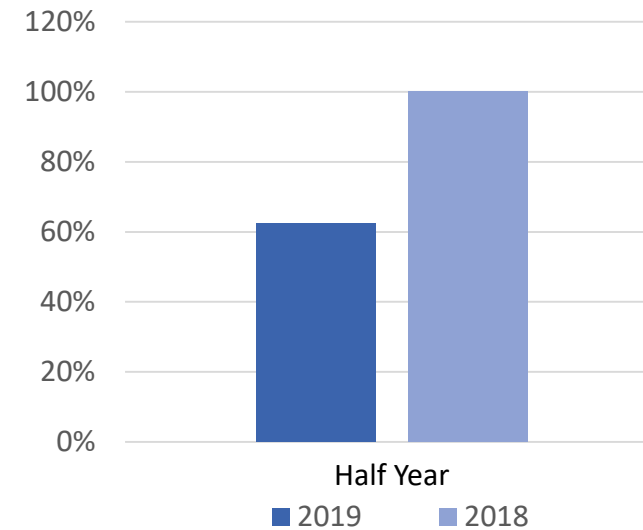
- Other Asia sales of \$1.7million, an increase of 29% on PCP
- **Vietnam:** Continues to perform well. New channel and export opportunities to Vietnam are currently under evaluation
- **Thailand & Indonesia:** sales increased marginally albeit from a low base. The organisation has initiated a strategic review for the Thailand and Indonesian markets



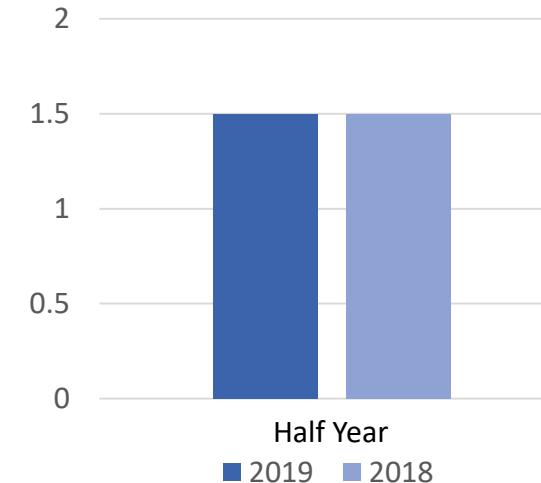
INTERIM DIVIDEND & CASHFLOWS

- Fully franked interim dividend declared of 1.5 cents per share for HY19 (1.5 cents HY18)
- Reduced in gross operating cashflow conversion to EBITDA mainly due to higher non-operational non-cash income and timing of payments
- Cash balances however remains within expectations

Gross operating cashflow to EBITDA



Interim dividend per share



OUTLOOK



- The first half performance reflects the softer retail climate within the vitamin and supplements category across the region
- Softer retail conditions expected to continue into the foreseeable future
- Higher advertising and promotional costs expensed in the first half will impact full year EBIT performance
- Directors remain confident in the long term strategies set for the business

APPENDIX

HALF YEAR 2019 RESULTS

Half year ended June	2019 \$'m	2018 \$'m
Revenue	20.3	20.1
EBITDA	1.8	3.0
EBIT	1.5	2.8
Profit before tax	1.5	2.8
Profit after tax	1.1	2.0
EPS (Diluted-cents)	2.06	3.76
Dividend (cents / share)	1.50	1.50

BALANCE SHEET

Balance Sheet as at	June 2019 \$m	December 2018 \$m
Current assets	24.0	24.8
Non-current assets	10.3	10.9
Total assets	34.3	35.7
Current liabilities	11.1	11.4
Non-current liabilities	2.0	1.9
Total Liabilities	13.1	13.3
Net Assets	21.2	22.4

CASH FLOW

Cash Flow for the half year ended June	2019 \$m	2018 \$m
Receipts from customers	22.9	21.5
Payments to suppliers and employees	(21.9)	(18.5)
Gross operating cash flow	1.0	3.0
EBITDA	1.8	3.0
Gross operating cash flow / EBITDA	59.3%	100.0%
Net interest (paid)	(0.0)	(0.1)
Income tax paid	(1.1)	(1.0)
Operating cash flows	(0.1)	1.9
Cash flows from investing	(0.0)	(0.3)
Net movements in equity	(1.5)	(2.1)
Cash flows from financing	(1.6)	(0.5)
Net foreign exchange differences	0.1	0.1
Net increase in cash reserves	(1.5)	(0.4)
Cash at beginning of period	10.9	10.0
Cash at end of period	9.4	9.6

CONTACT

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SCIENCES

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