

Financial Results

Half Year Ended
30 June 2023



Vita Life Sciences Ltd

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

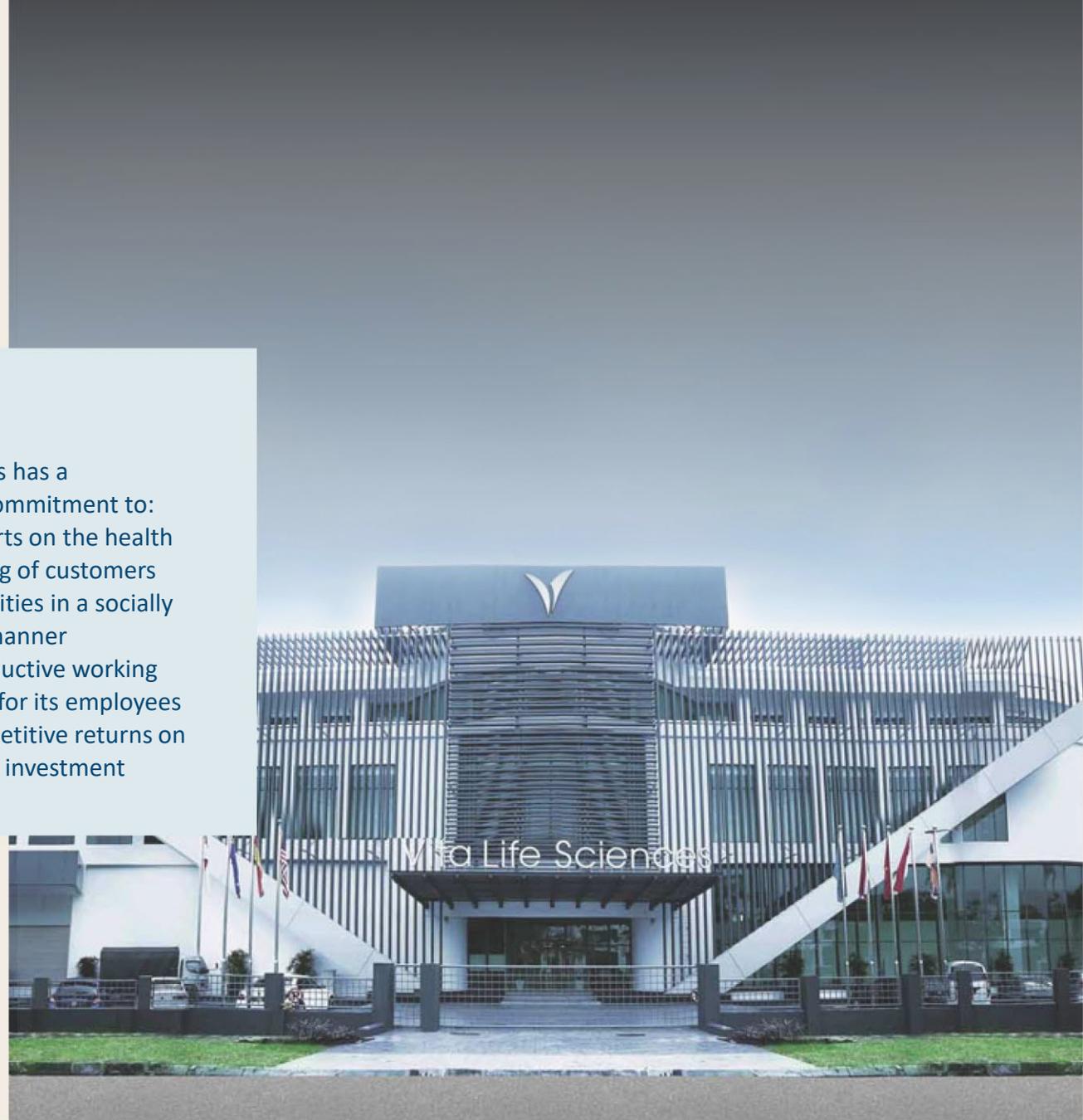
Our core business is the development and distribution of over the counter (OTC) medicines, as well as complementary and alternative medicines, dietary supplements and health foods under various brand names throughout Australia, South East Asia and China.

With over 400 registered products, and around 300 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.

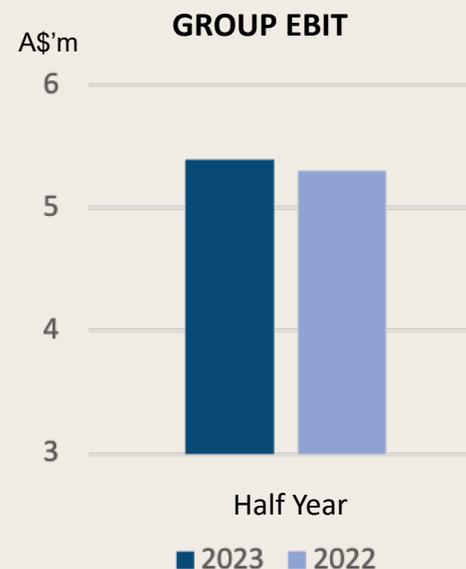
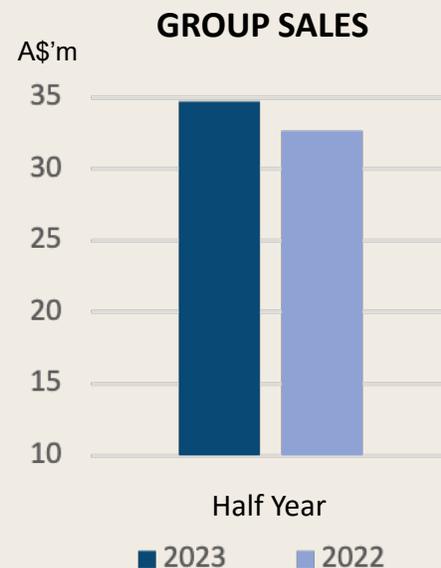
Values

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 \$34.7m, up 6% on prior corresponding period (PCP).



Strong revenue growth from Australia and exports into China.



New customer acquisition and increased market share gains underpins the performance



Group EBIT of \$5.7m, up 3% on PCP.



Balance sheet remains strong with equity of \$39.2m and a cash balance of \$18.7m (no borrowings).



Interim dividend of 3.00 cents per share for HY23 (2.75 cents HY22) with payment in Oct 2023.

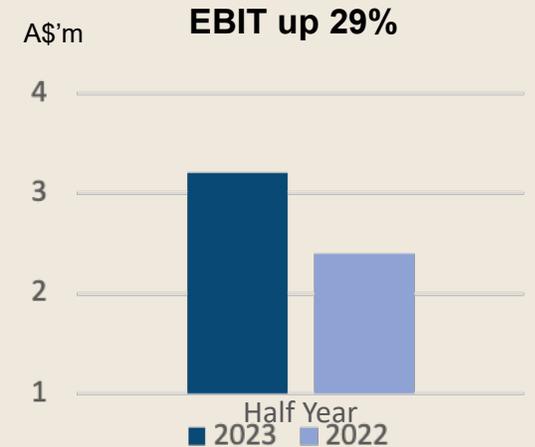


Financial achievement reflects the Groups ability to navigate dynamic market landscapes

Australia

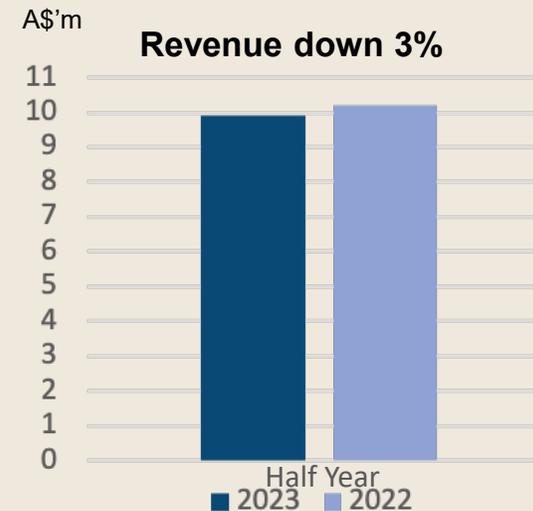


- ✓ Revenue of \$21.1m an increase of 14% on PCP.
- ✓ New customer acquisition across the Pharmacy channel continues with market share gains reported across the category.
- ✓ Consumer offtake domestically was particularly strong in conjunction with a mass media marketing campaign.
- ✓ Direct export sales into China increased by 36%, including strong representation across all major e-commerce channels in China.
- ✓ Australian EBIT of \$3.1m an increase of 29% on PCP.



Malaysia

- ✓ Revenue of \$9.9m a decrease of 3% on PCP.
- ✓ Malaysian market showcased resilience amongst tougher trading conditions.
- ✓ The business deployed a strategy to increase the VitaHealth brands footprint across many chain pharmacies.
- ✓ Increase trade marketing investment was required to stimulate stronger consumer sales offtake.
- ✓ EBIT of \$2.3m a decrease of 20% on PCP reflecting the lower sales and higher marketing and trade support investments.



Singapore

- ✓ Revenue of \$2.9m a marginal 5% increase on PCP.
- ✓ Increased product ranging into “modern trade” retailers supported the improved performance
- ✓ Increased ranging of the VitaHealth range across modern trade Pharmacies, resulted in higher advertising and marketing investments to support growth.
- ✓ EBIT was down to a small loss, mainly due to higher marketing investments to increase ranging and channel expansion, which are expected to benefit future revenue.



Other Asia

- ✓ Revenue of \$0.8m a decrease of 38% on PCP
- ✓ The Vietnam market conditions have been impacted by slower economic trading conditions. The conditions experienced in the H1 are expected to continue for the remainder of the year.
- ✓ Herbs of Gold Vietnam market launch expected in Q4 F23.
- ✓ Distribution agreement signed with ConCung to sell a range across their 600+ retail outlets.
- ✓ Thailand and Indonesia business models are now managed through external distributors. These markets are producing small profits after removing significant fixed costs.



Interim Dividend & Cashflows

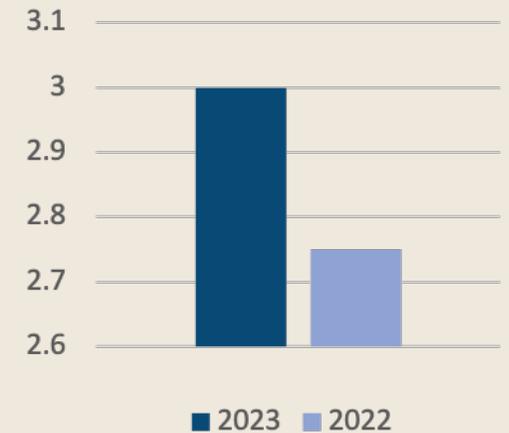


- ✓ Operating cashflow conversion improved due to higher sales and reduction in stock holding levels following normalisation of manufacturing lead times from suppliers in selective markets.
- ✓ Fully franked interim dividend declared of 3.00 cents per share for HY23 (2.75 cents HY22).

Gross operating cashflow to EBITDA



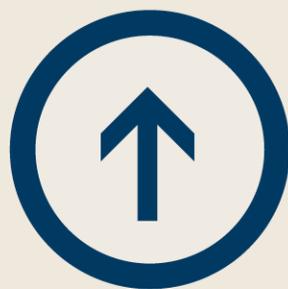
Interim dividend per share



Priorities & Outlook



Export sales to China are expected to continue leading into major e-commerce events in the H2.



New customer acquisition, channel expansion and further marketing activities will continue for the remainder of the year across all key markets.



Domestic business across the Group's key markets is expected to remain stable.



Management will continue to manage ongoing macro economic conditions.

Guidance will be provided in the 4th quarter 2023

Appendix



Half Year Results

Half year ended June	2023 \$'m	2022 \$'m
Revenue	34.7	32.7
EBITDA	5.7	5.5
EBIT	5.4	5.3
Profit before tax	5.5	5.3
Profit after tax	4.0	3.6
EPS (Basic – cents/ share)	7.42	6.89
Dividend (cents / share)	3.00	2.75

Balance Sheet

Balance Sheet as at	Jun 2023 \$'m	Dec 2022 \$'m
Current assets	44.1	41.2
Non-current assets	10.2	10.6
Total assets	54.2	51.8
Current liabilities	14.7	14.9
Non-current liabilities	0.3	0.4
Total Liabilities	15.0	15.3
Net Assets	39.2	36.5

Cash Flow

Cash Flow for the half year ended June	2023 \$'m	2022 \$'m
Receipts from customers	35.3	32.5
Payments to suppliers and employees	(29.3)	(30.8)
Gross operating cash flow	6.0	1.7
EBITDA	5.7	5.5
Gross operating cash flow / EBITDA	105%	31%
Net interest	0.1	(0.0)
Income tax paid	(1.5)	(1.7)
Operating cash flows	4.6	(0.0)
Cash flows for investing	(0.1)	(0.0)
Net movements in financing	(1.1)	(1.2)
Cash flows from financing	3.4	(1.2)
Net foreign exchange differences	(0.4)	0.0
Net increase in cash reserves	3.0	(1.2)
Cash at beginning of period	15.7	15.9
Cash at end of period	18.7	14.7



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