

Vita Life Sciences Ltd

ASX: VSC

Results Presentation
Half Year ended 30 June 2016

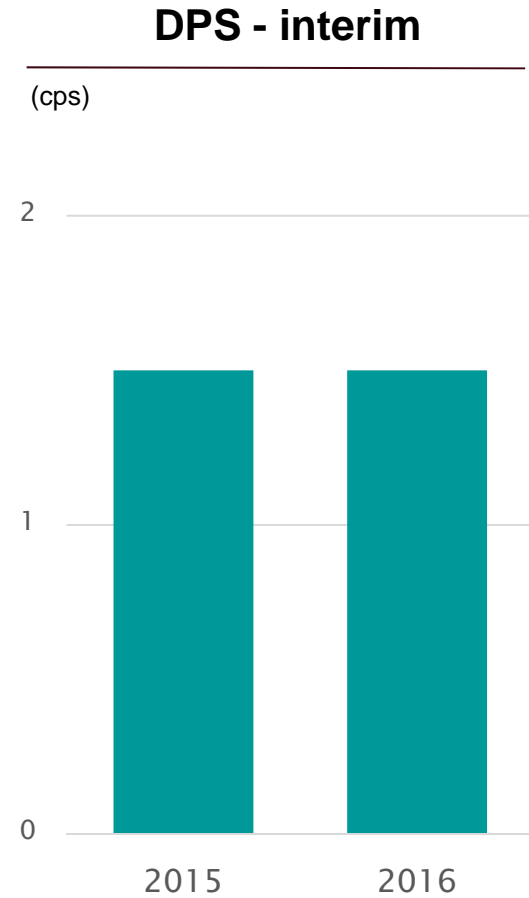
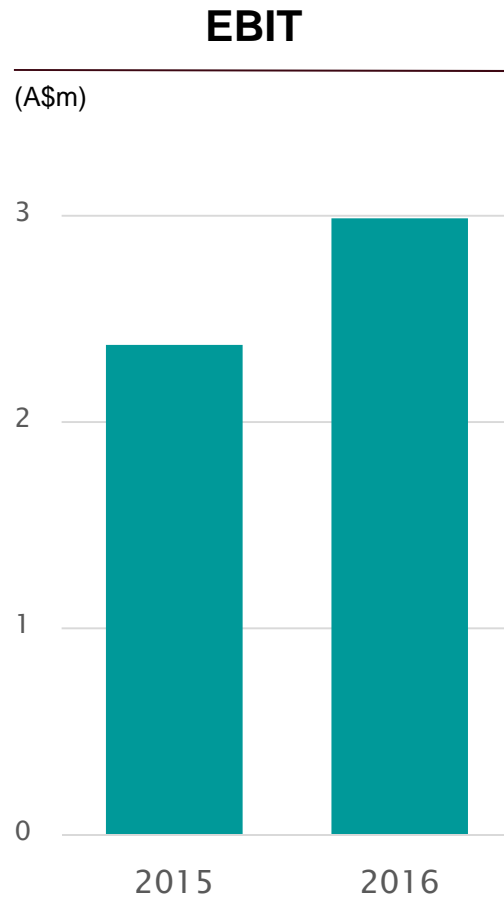
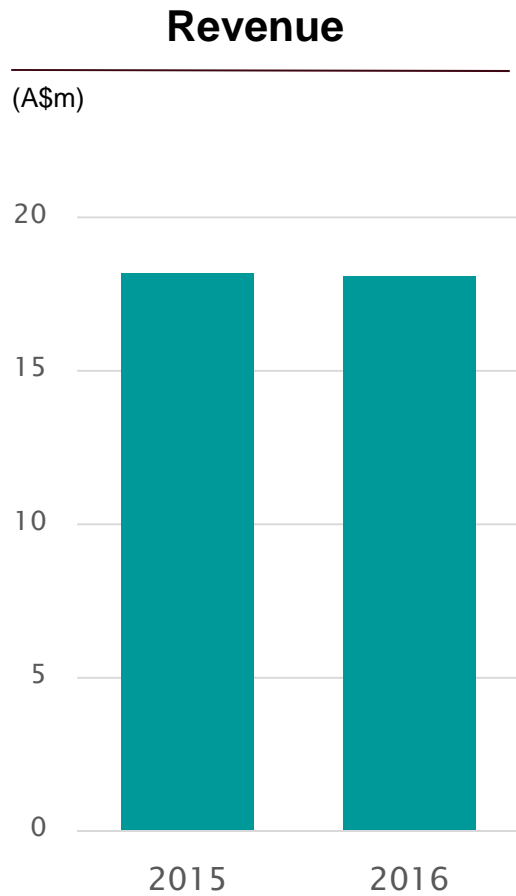


Vita Life Sciences overview



- Asia Pacific pharmaceutical and healthcare over-the-counter business involved in the formulating, packaging, sales and distribution of vitamins and supplements
- 750 - 800 registered sku of vitamins and supplements sold in 7 countries in the Asia Pacific region
- 3 major brands
- VitaHealth: products sold in pharmacies, hospitals, clinics and health food stores throughout Southeast Asia
- Herbs of Gold: products sold in health food stores in Australia, and pharmacies in Singapore and Malaysia
- VitaSciences: products sold through independent pharmacies in Australia
- Approx. 425 employees across 7 countries
- ASX listed since 2007 (ASX:VSC)

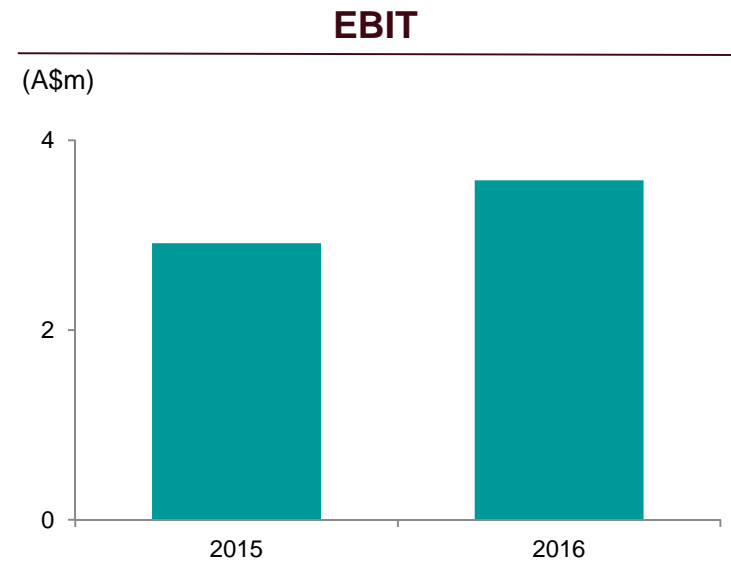
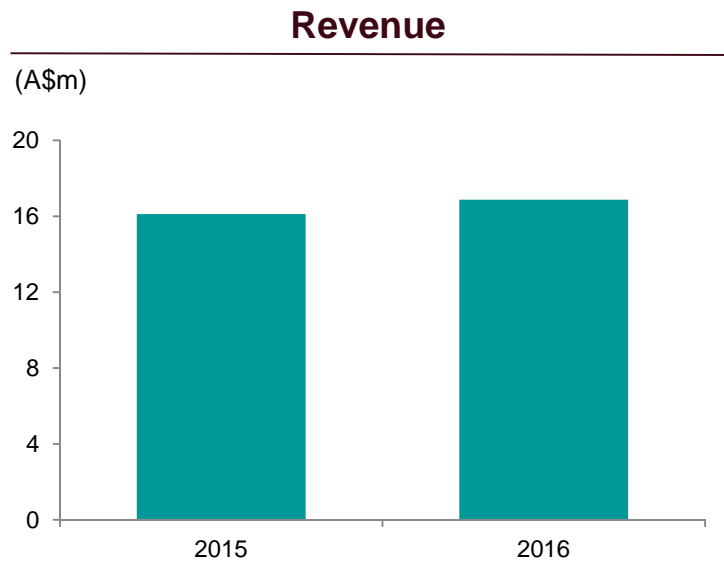
Half Year 2016 results



Half Year 2016 results

Established markets: Australia, Singapore and Malaysia had mixed results

- Australia: Achieved record revenue and EBIT margin growth
- Singapore: Stable revenues, decline in EBIT margins associated with the establishment of the Herbs of Gold brand
- Malaysia: Stable revenues in difficult trading conditions, EBIT margin growth

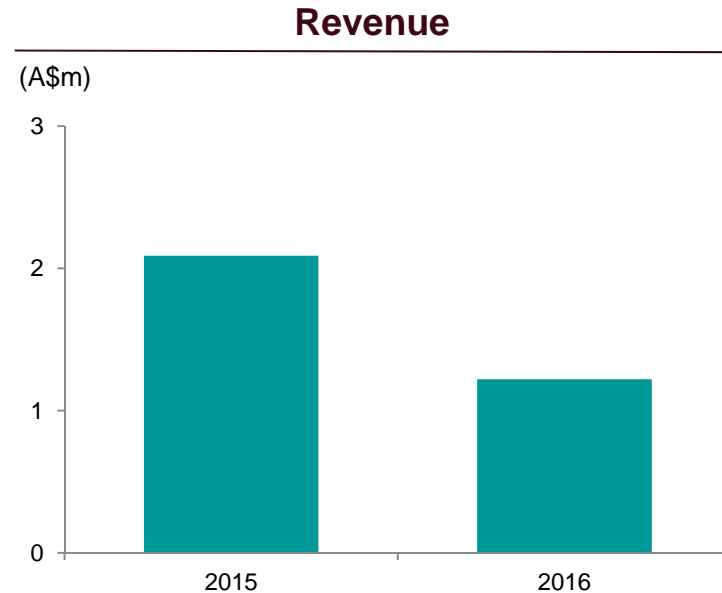


Note: Excludes the VSC corporate office.

Half Year 2016 results

Other Asia performance adversely impacted by:

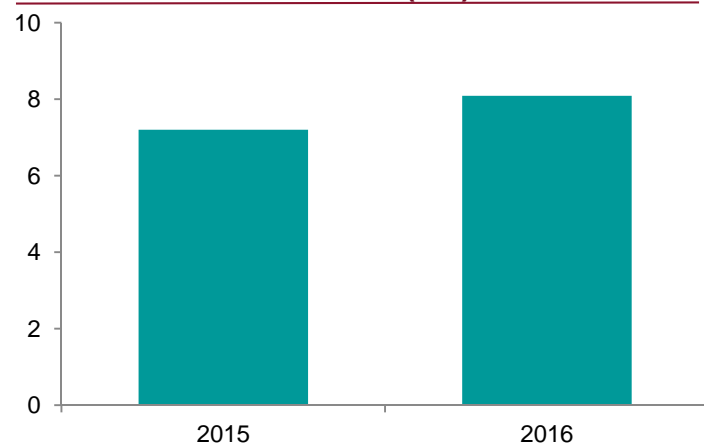
- Vietnam continued to grow steadily and Thailand has recovered
- Malaysia MLM revenue contracted to \$0.2m in HY16 mainly due to the turnover of key distributors
- No revenue from Indonesia in HY16 with sales anticipated to commence in late 2016
- China: Whilst regulatory issues continued the Group is exploring business options to enter this market



Note: Excludes the VSC corporate office.

Segment results Australia

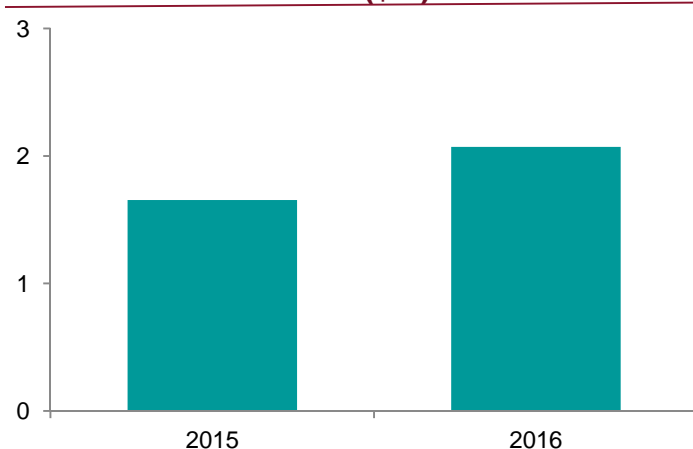
Revenue (\$m)



➤ Sales revenue of \$8.1m, increased 12% against HY15;

- Herbs of Gold
 - Revenue base was sustained in a competitive Australian market
 - Sales via international distribution agreement made a positive contribution

EBIT (\$m)



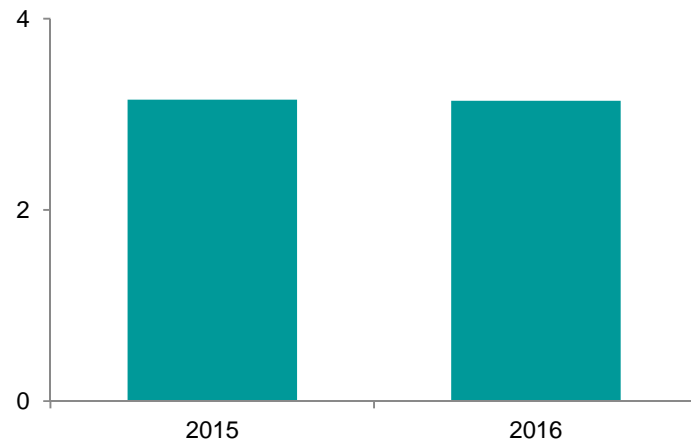
- Rollout of the Vita Science brand in the pharmacy channel
- EBIT of \$2.1m increased 25% against HY15
 - Continued focus on high quality products and leveraging of the fixed cost base



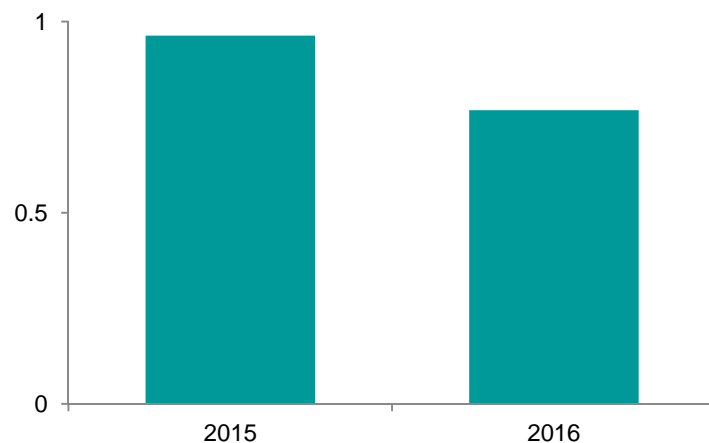
Note: Excludes the VSC corporate office.

Segment results Singapore

Revenue (\$m)



EBIT (\$m)



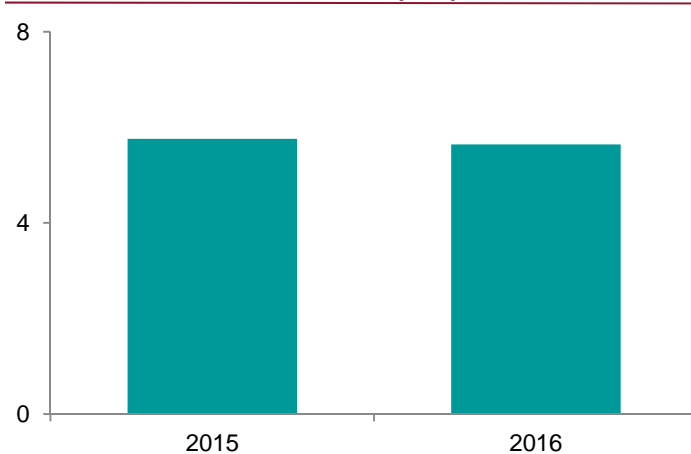
- Sales revenue of \$3.1m, was in line with HY15
 - VitaHealth sales increased
 - Herbs of Gold sales decreased
- EBIT of \$0.8m decreased 15.5% against HY15
 - Margins impacted by lower Herbs of Gold sales during the brand's establishment phase



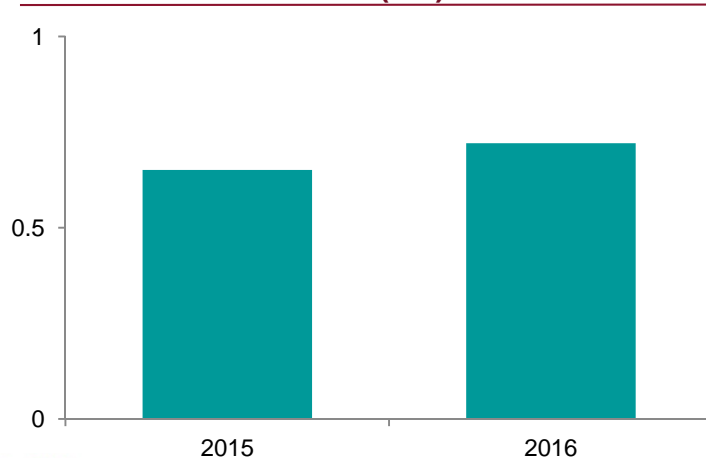
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Segment results Malaysia

Revenue (\$m)



EBIT (\$m)

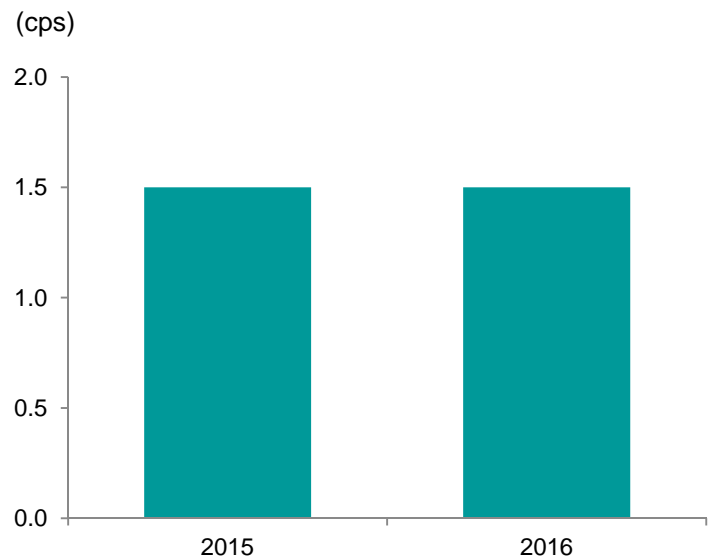


- Sales revenue of \$5.6m, declined 2% against HY15
 - Revenue base was sustained in continued difficult economic and trading conditions
- EBIT of \$0.7m increased 10% against HY15
 - Despite difficult trading conditions the continued focus on high quality VitaHealth products resulted in attractive margins
 - Herbs of Gold contributed positively. No contribution in HY15 as brand was in Malaysian launch phase

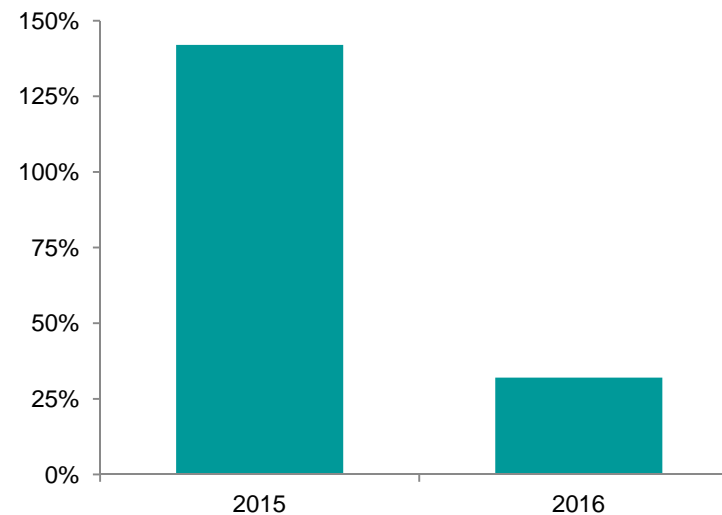
Interim dividend and cashflow

- Interim dividend declared of 1.5 cents per share for HY16 (1.5 cent HY15)
- Interim dividend will be unfranked & contains 100% Conduit Foreign Income
- Dividend reinvestment plan is currently suspended
- The decrease in gross operating cashflow conversion to EBITDA is due to working capital timing differences. Reversion to historic conversion up to 100% is expected for the full financial year

DPS - interim



Gross operating cashflow to EBITDA



Senior Management

- The Company's Managing Director, Mr. Eddie Tie, has served the Group continuously for almost 12 years. Mr. Tie will take long service leave from October to December 2016. During his absence, Mr. Andrew O'Keefe, who is presently CEO of the Company's Australian operations, will be Acting Managing Director of the Company.

Shareholder update

Trading update

Based on trading to June 2016 and no material changes within the Company's regions of operation Directors provide the following guidance for the 2016 full year;

- Full year revenue guidance of ~\$39m;
- Full year EBIT guidance of \$6.00m to \$6.75m.

Appendix

Appendix 1 – Profit and Loss

| Half year ended 30 June | 2016 \$m | 2015 \$m |
|--------------------------|-------------|-------------|
| Revenue | 18.1 | 18.2 |
| EBITDA | 3.1 | 2.4 |
| EBIT | 3.0 | 2.4 |
| Profit before tax | 2.9 | 2.3 |
| Profit after tax | 1.8 | 1.6 |
| EPS (Diluted – cents) | 3.3 | 2.8 |
| Dividend (cents / share) | 1.50 | 1.50 |

Appendix 2 – Balance Sheet

| Balance Sheet as at | 30 June 2016 \$m | 31 December 2015 \$m |
|--------------------------|------------------------|----------------------------|
| Current assets | 22.3 | 23.5 |
| Non-current assets | 10.8 | 8.9 |
| Total assets | 33.1 | 32.4 |
| Current liabilities | 7.0 | 6.9 |
| Non-current liabilities | 2.6 | 2.6 |
| Total Liabilities | 9.6 | 9.5 |
| Net Assets | 23.5 | 22.9 |

Appendix 3 – Cash Flow

| Cash Flow for the half year ended | 2016 \$m | 2015 \$m |
|---|--------------|--------------|
| Receipts from customers | 19.6 | 20.1 |
| Payments to suppliers and employees | (18.6) | (16.7) |
| Gross operating cash flow | 1.0 | 3.4 |
| EBITDA | 3.1 | 2.4 |
| Gross operating cash flow / EBITDA | 32% | 142% |
| Net interest (paid) / received | (0.0) | (0.0) |
| Income tax paid | (0.1) | (0.4) |
| Operating cash flows | 0.9 | 3.0 |
| Cash flows from investing | (1.5) | (0.1) |
| Net movements in equity | (1.4) | (1.2) |
| Cash flows from financing | (2.9) | (1.2) |
| Net foreign exchange differences | 0.3 | (0.1) |
| Net increase in cash reserves | (1.7) | 1.6 |
| Cash at beginning of period | 9.7 | 9.2 |
| Cash at end of period | 8.0 | 10.8 |

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