



HALF YEAR FINANCIAL RESULTS

FOR THE 6 MONTHS TO 30 JUNE 2018



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 pharmacies in Australia
- 430 employees in 7 countries
- ASX listed since 2007 (ASX code: VLS)



HALF YEAR 2018 UNDERLYING RESULTS

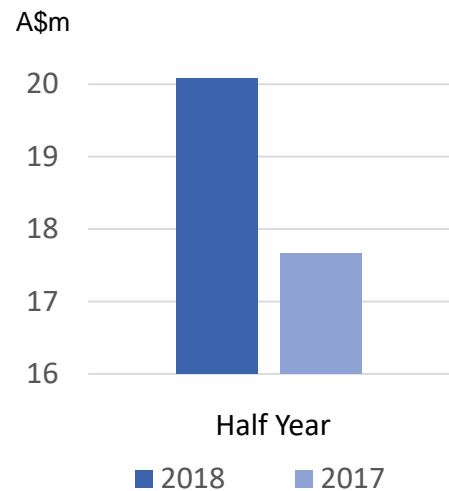
Half year ended June	2018 \$'m	2017 \$'m	% Change
Revenue	20.1	17.7	Up 13.7%
EBITDA	3.1	2.5	Up 20.9%
EBIT	2.9	2.4	Up 21.2%
Profit before tax	2.9	2.4	Up 21.2%
Profit after tax	2.1	1.5	Up 38.4%
EPS (Diluted-cents)	3.86	2.75	Up 40.4%
Dividend (cents / share)	1.50	1.50	0.0%

The underlying operating results excludes non-recurring share options expense of \$60K for the HY June 2018 and \$454K for HY June 2017. Please refer to the Appendix 4D, HY Report and Appendix for the reported results.

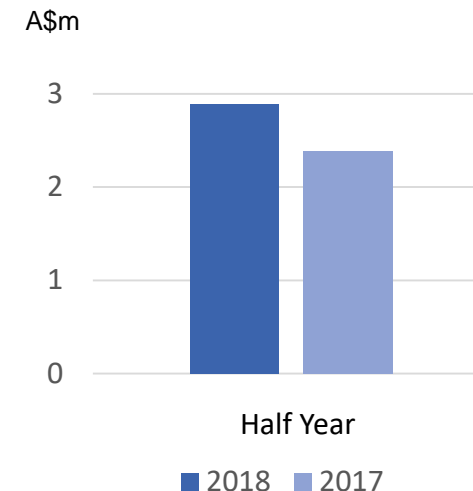
GROWTH AGENDA TAKING SHAPE

- The Company executed a growth agenda within its core markets in late 2017
- The initial impact delivered solid sales growth from the Australian, Malaysian and Singaporean markets
- Group revenue and underlying EBIT increased by 13.7% and 21.2% respectively
- The 2nd half will see additional investment in promotional activities required to drive revenues, primarily in Australia and Malaysia. This will impact EBIT and profit in the 2nd half 2018 and the 1st half 2019
- The remaining smaller markets within the Group will see continued investment phased at various stages, including revised market plans

GROUP SALES

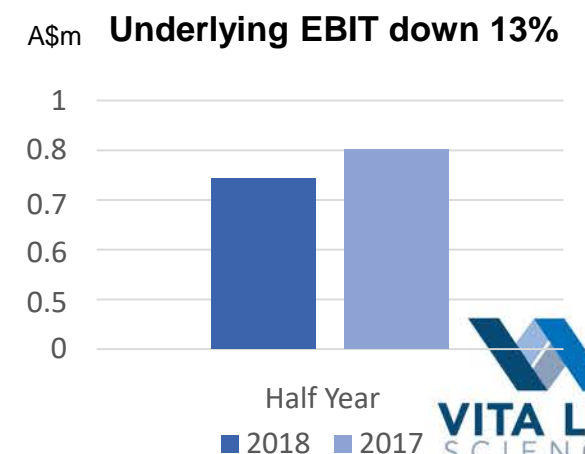
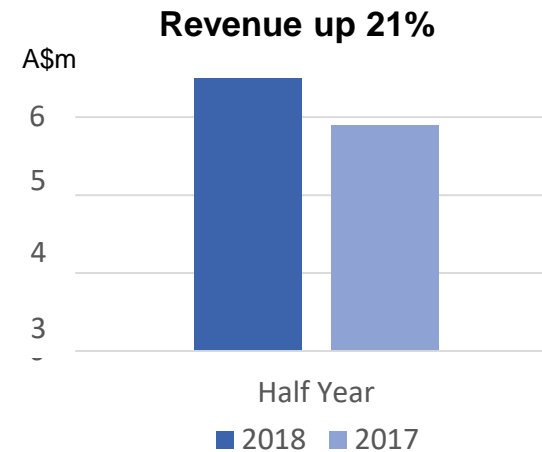
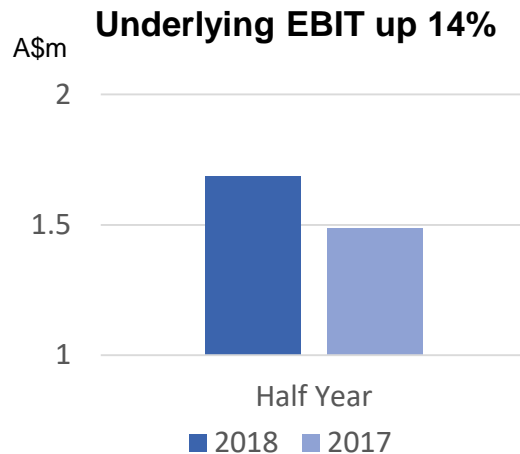
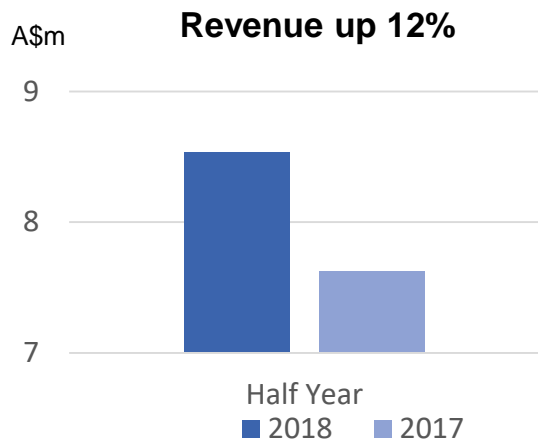


GROUP UNDERLYING EBIT



AUSTRALIA

- Sales within Australia to health food stores remained strong aided by the export of Herbs of Gold products to China
- The flow on from increased sales and the fixed operating cost base of the Australian business resulted in an increase in the underlying EBIT
- The growth agenda for the Australian business unit is underway, which will see an increase in trade and brand investment costs in the 2nd half of this year leading into 2019



MALAYSIA

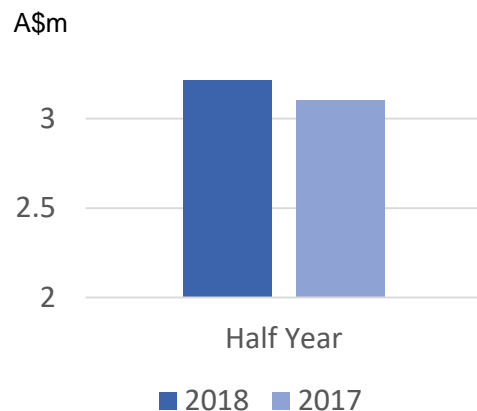
- Additional promotional activities were undertaken in accordance with the plan in the 1st half, stimulating sales for both VitaHealth and Herbs of Gold products
- Underlying EBIT was impacted by additional investment in promotional activities but is expected to normalise in the 2nd half/ early 2019



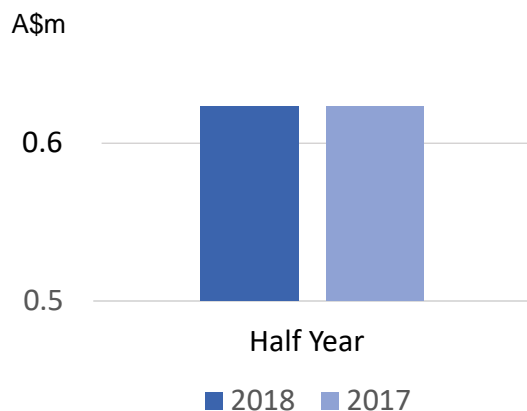
SINGAPORE

- Marginal revenue gains of 3% despite aggressive competition
- Underlying EBIT was in line with expectations
- Continued trade and promotional investment to drive sales performance in the 2nd half

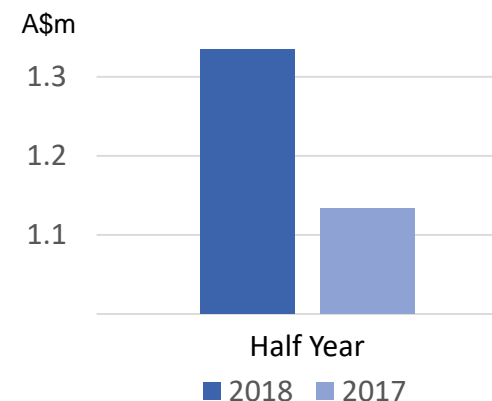
Revenue up 3%



Underlying EBIT (flat)



Revenue



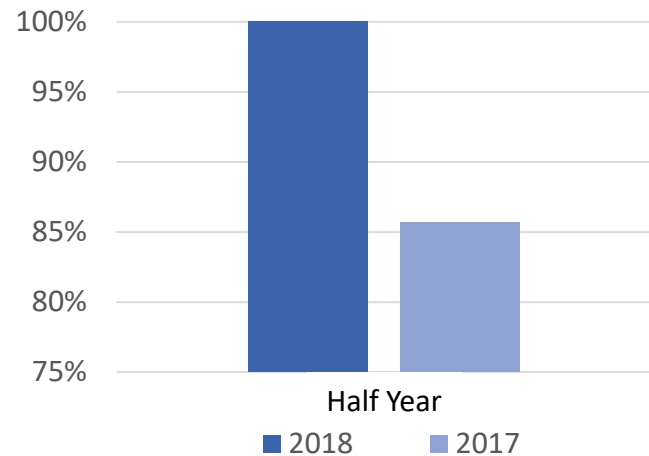
OTHER ASIA

- **Vietnam:** continued to grow steadily exceeding growth expectations. Increased investment will be implemented in late 2018/ early 2019 to drive market potential
- **Thailand:** sales increased marginally and same initial aspects of the plan will be implemented in late 2018/ early 2019
- **Indonesia:** distribution channels to be reviewed

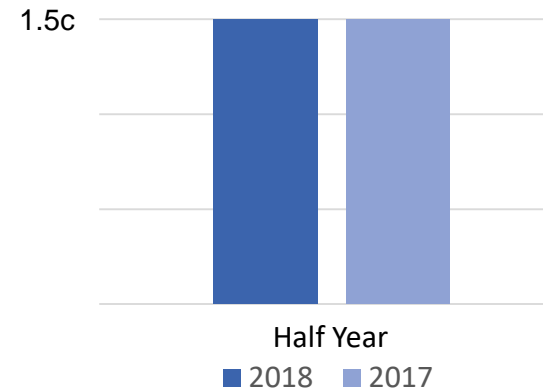
INTERIM DIVIDEND & CASHFLOWS

- Fully franked interim dividend declared of 1.5 cents per share for HY18 (1.5 cents HY17)
- Increased gross operating cashflow conversion to EBITDA primarily resulted from higher sales and working capital flows

Gross operating cashflow to EBITDA



Interim dividend per share



SHAREHOLDER UPDATE

Trading update

Taking into consideration the Groups growth agenda, including forecasted increases in expenditure within the Australian market in the 2nd half, Directors provide the following guidance for the year ended December 2018:

- Revenue - \$41m-\$42m
- EBIT - \$4.5m to \$5.0m

APPENDIX

HALF YEAR REPORTED 2018 RESULTS

Half year ended June	2018 \$'m	2017* \$'m
Revenue	20.1	17.7
EBITDA^	3.0	2.1
EBIT^	2.8	1.9
Profit before tax^	2.8	1.9
Profit after tax^	2.0	1.1
EPS (Diluted-cents)^	3.76	1.94
Dividend (cents / share)	1.50	1.50

**restated*

^ include non-recurring share options expense of \$60K for the current period (\$454K for HY Jun 2017)

BALANCE SHEET

Balance Sheet as at	June 2018 \$m	December 2017 \$m
Current assets	23.5	22.3
Non-current assets	11.4	10.6
Total assets	34.9	32.9
Current liabilities	6.8	6.1
Non-current liabilities	3.1	2.1
Total Liabilities	9.9	8.2
Net Assets	25.0	24.7

CASH FLOW

Cash Flow for the half year ended June	2018 \$m	2017 \$m
Receipts from customers	21.5	19.8
Payments to suppliers and employees	(18.5)	(18.1)
Gross operating cash flow	3.0	1.8
EBITDA	3.0	2.1
Gross operating cash flow / EBITDA	100.0%	85.7%
Net interest (paid)	(0.1)	(0.1)
Income tax paid	(1.0)	(1.2)
Operating cash flows	1.9	0.5
Cash flows from investing	(0.3)	(0.0)
Net movements in equity	(2.1)	(1.5)
Cash flows from financing	(0.5)	(1.0)
Net foreign exchange differences	0.1	(0.1)
Net increase in cash reserves	(0.4)	(1.1)
Cash at beginning of period	10.0	9.4
Cash at end of period	9.6	8.3

CONTACT

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