

# EZZ

## 1H FY22 Results Presentation

Wednesday, 16 March 2022



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## AGENDA

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# 1. EXECUTIVE SUMMARY

Mark Qin,  
Interim CEO, COO and co-founder, EZZ Life Science Holdings Limited

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1.2	Value creating strategy	02
1.3	Delivering returns to shareholders	03

## 1.1 OPERATING AND FINANCIAL OVERVIEW

Revenue

**\$6.2M**

Down by 50.5% from 1H FY21

EBITDA <sup>1</sup>

**\$0.1M**

Down by 95.6% from 1H FY21

NPAT

**\$0.1M**

Down by 91.8% from 1H FY21

EPS

**0.24c**

Down by 94.1% from 1H FY21

Gross Margin

**47.9%**

Down from 58.1% in 1H FY21

Cash & Cash Equivalents

**\$8.9M**

Up by 1.0% from 30 June 2021

Debt <sup>2</sup>

**Nil**

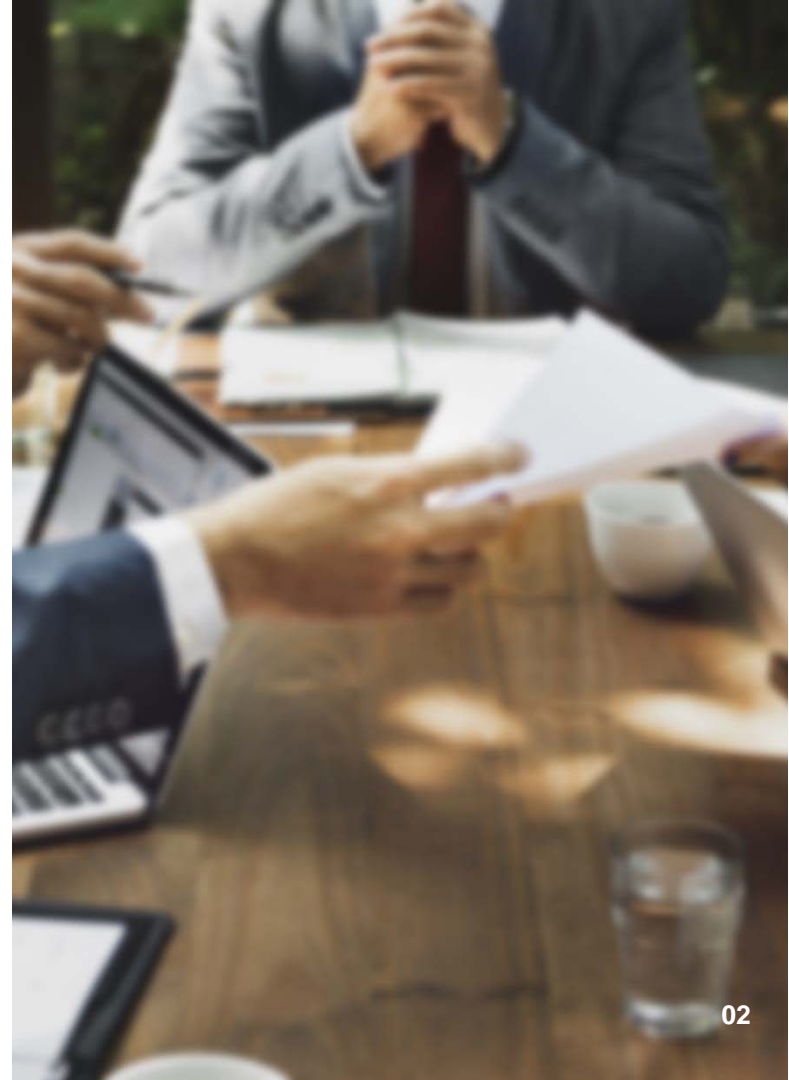
Interim Dividend Per Share

**Nil**

Declared

<sup>1</sup> Excluding other income  
<sup>2</sup> Excluding lease liabilities

## 1.2 VALUE CREATING STRATEGY



# 1.3 DELIVERING RETURN TO SHAREHOLDERS



Employ strong management teams to drive long-term earnings growth, and deploy best practice principles in operational execution.



Continuously improve working capital efficiency.



Ensure a highly disciplined approach in capital expenditure, and invest only in opportunities with a return exceeding the cost of capital.



## 2. COMPANY OVERVIEW

Mark Qin,  
Interim CEO, COO and co-founder, EZZ Life Science Holdings Limited

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## 2.1 WHO WE ARE

### An Australian life science company



#### **Vision**

Improve quality of life and human health



#### **Mission**

Become one of top life science companies within Australia and New Zealand



#### **Values**

Accelerate innovation to market

US

EZZ



## 2.2 WHAT WE DO

### EZZ

We formulate, produce, market and distribute health supplements under the brand of EZZ, with a focus on products with significant demand from the market by consumers.

#### Top 3 Products by Revenue in 1H FY22



### EÁORON

We are an exclusive wholesale distributor of skin care products under the EAORON brand in Australia and New Zealand to pharmacies, supermarkets and specialist retailers.

#### Top 3 Products by Revenue in 1H FY22



## 2.3 OUR HISTORY

Started operations as a wholesale distributor of the EAORON branded skincare products

Commenced development, production and marketing of the EZZ branded health supplements

Became an exclusive distributor of the EAORON branded products in Australia and New Zealand

Listed on the Australian Securities Exchange (ASX) via an over-subscribed initial public offer by issuing 12 million fully paid ordinary shares at 50 cents raising \$6 million

Continue to grow ...

2018

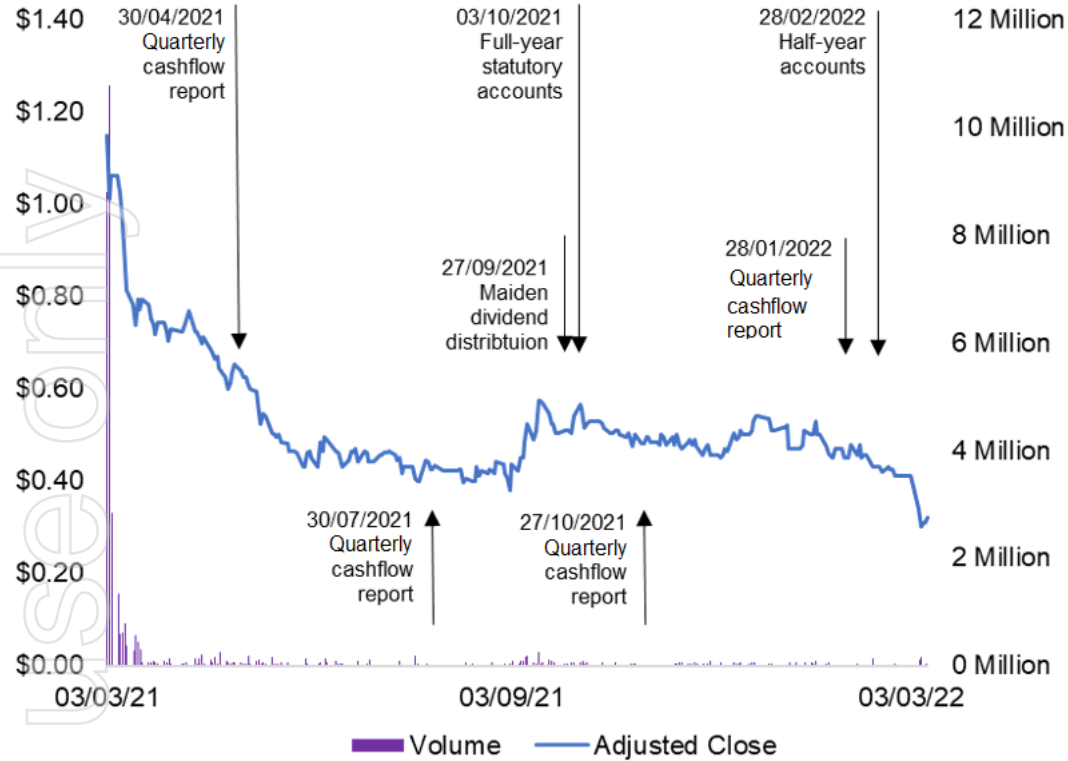
2019

2020

2021

2022

## 2.4 SHARE INFORMATION



### Share Information

ASX code:	EZZ
Close on 11 March 2022	\$0.32
Shares on Issue:	42.8M
Market capitalisation on 11 March 2022	\$13.3M
52-week price range:	\$0.300-\$0.965

### Top Five Shareholders

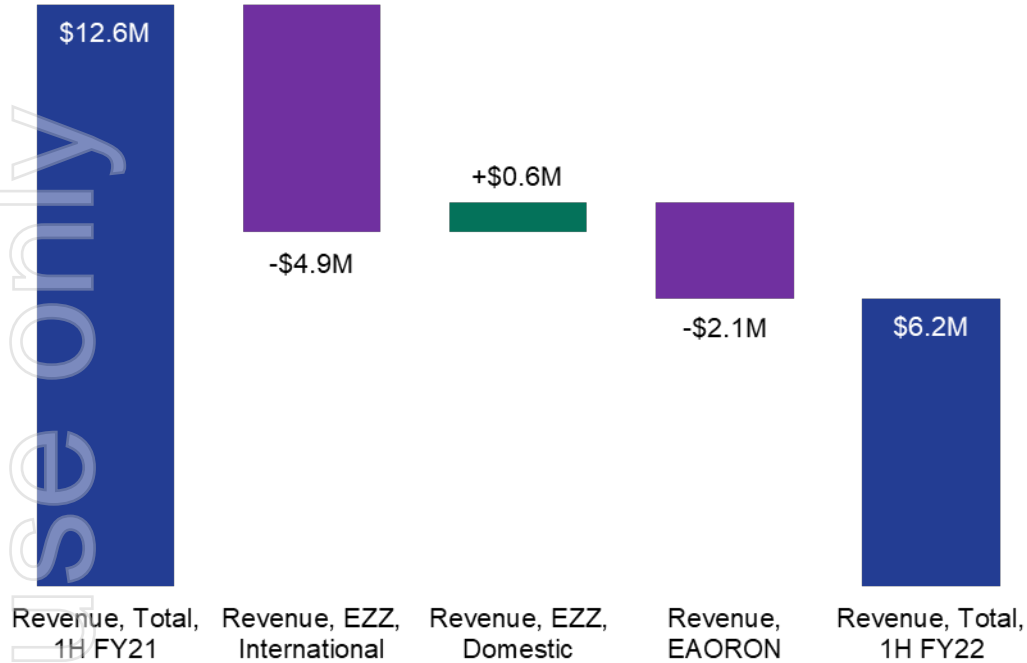
Macquarie Holdings Pty Ltd	39.8%
JNJ Mok Pty Ltd	26.5%
Yong Cao	4.1%
Haitao Zheng	1.1%
Jing Chen	1.1%

### 3. FINANCIAL OVERVIEW

Anthony Guarna,  
CFO, EZZ Life Science Holdings Limited

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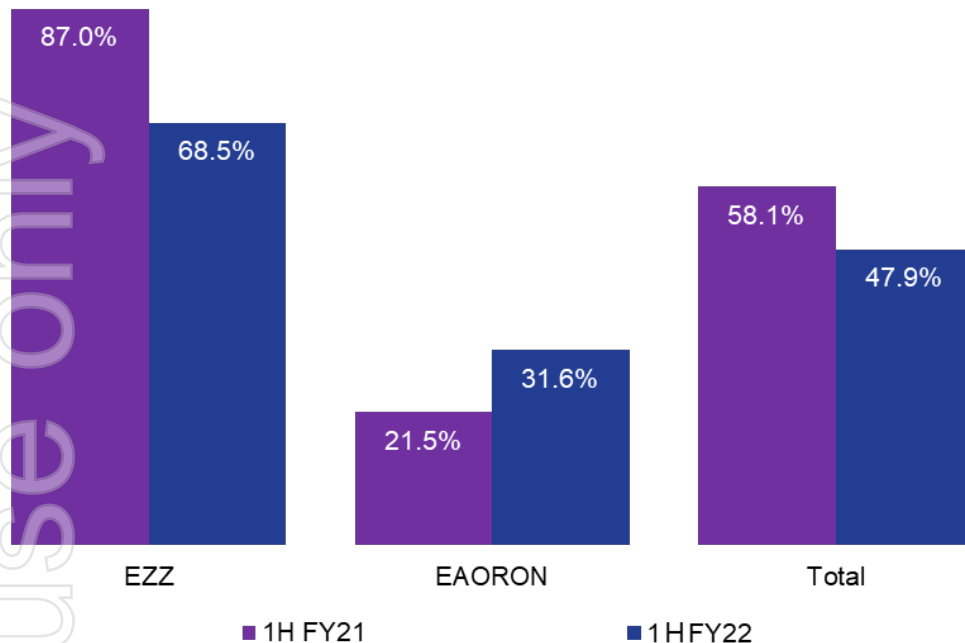
## 3.1 REVENUE



The revenue of EZZ branded products from domestic markets increased, while total revenue decreased for a number of reasons:

- cooling down of Tmall Global's transaction volume in Double Eleven e-commerce shopping festival in mainland China,
- multi-country supply chain disruption experienced by the retail industry due to the COVID-19 pandemic, and
- lockdown orders introduced by the Australian and New Zealand governments continuously affecting the operation of the retailers as well as the Company's.

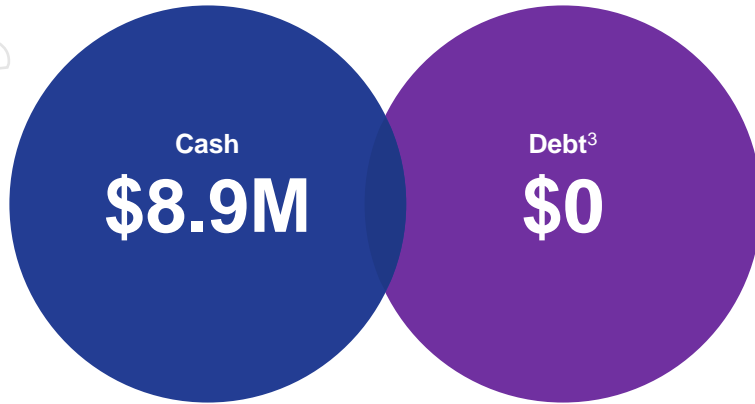
## 3.2 GROSS MARGIN



The gross margin decreased from 58.1% to 47.9% due to the revenue mix towards the EZZ branded products with a lower margin.

- The average gross margin of the EZZ branded products decreased from 87.0% to 68.5% due to the promotion of new products which were priced with a lower margin.
- The average gross margin on the EAORON branded products increased from 21.5% to 31.6% primarily due to Australian United Pharmaceuticals Pty Ltd's promotional pricing on selected products and the Company's focus on distributing higher margin products of the EAORON brand.

## 3.3 FINANCIAL POSITION



<sup>3</sup> Excluding lease liabilities

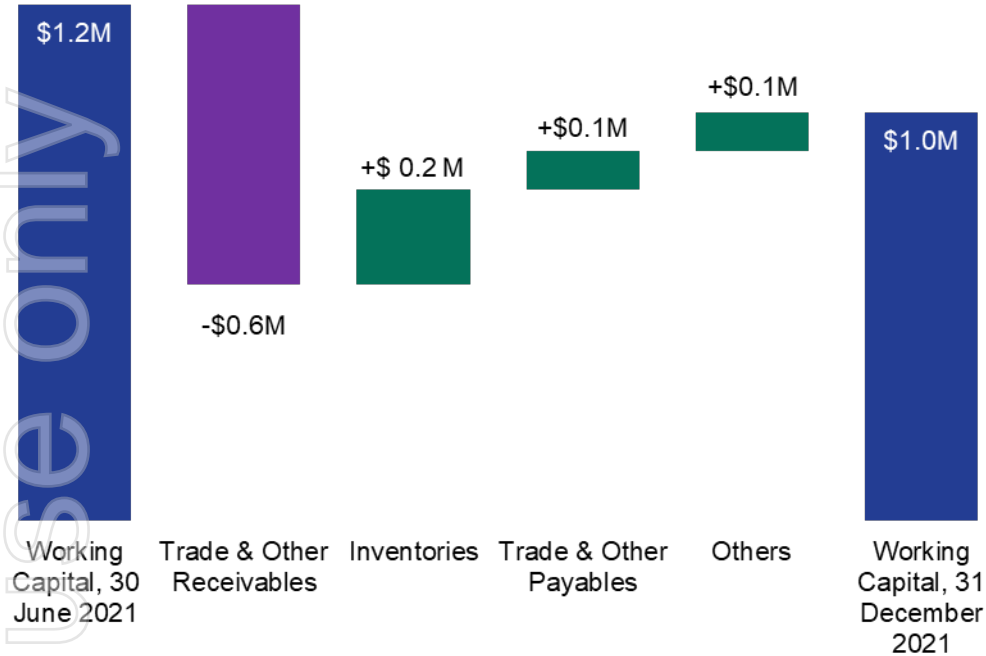
Allowed for balance sheet flexibility to act when opportunities arise and maintained balance sheet strength with:

- no debt, and
- a strong cash position of \$8.9 million

as of 31 December 2021.



## 3.4 WORKING CAPITAL

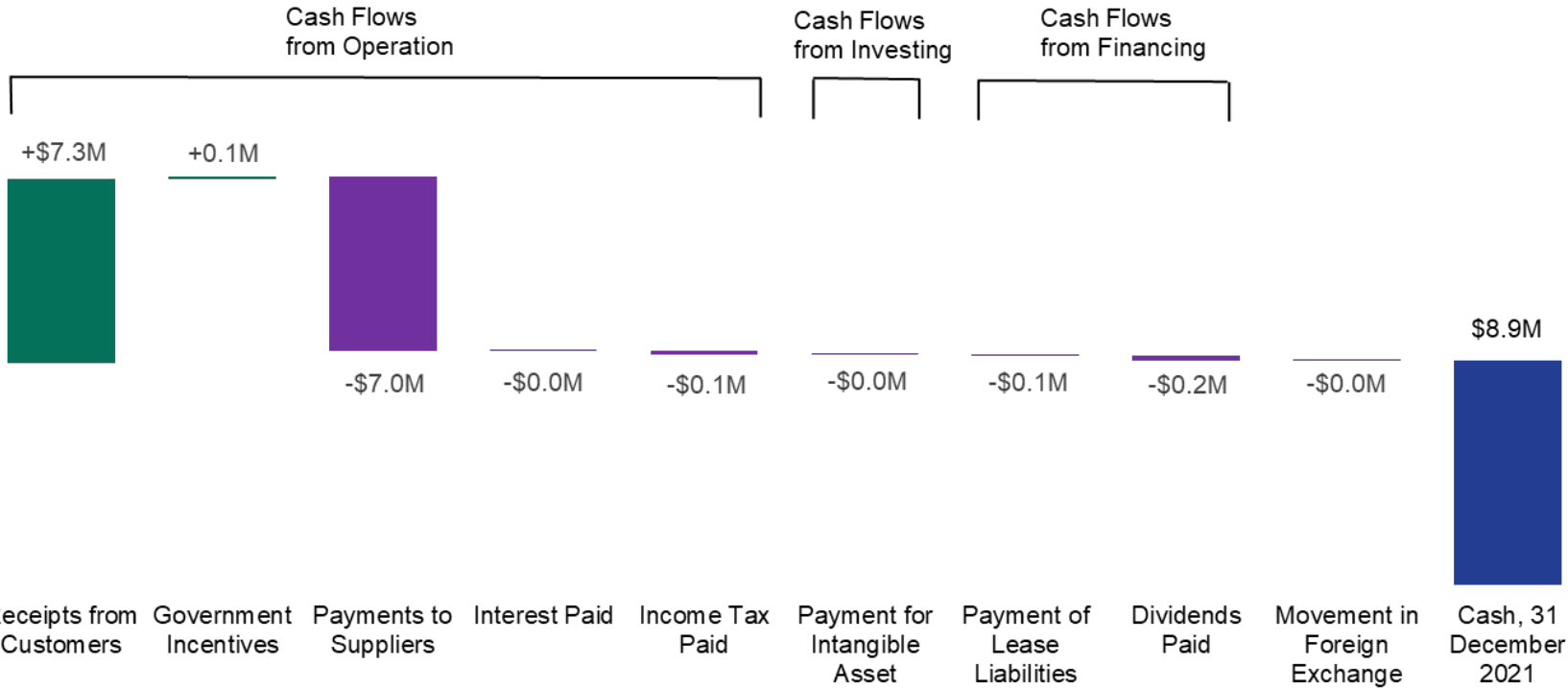


Our working capital is well maintained to support revenue growth.

- Trade and other receivables dropped due to the decrease in sales.
- Inventory increased due to the arrival of the EZZ branded stocks at the end of December 2021.
- Trade and other payables decreased because of the drop in sale of the EAORON branded products.

# 3.5 CASH FLOWS

Use only  
 EZZ



## 4. GROWTH STRATEGY

Mark Qin,  
Interim CEO, COO and co-founder, EZZ Life Science Holdings Limited

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# 4.1 STRATEGIC FOCUS

## Science



Product development pipeline to increasingly feature healthcare solutions based on scientific research

## Technology



Online store and data backed analytical capability to enable data driven decision making

## People



Ongoing investment in people and talent to support growth while carefully managing cost base

## Consumers



Creating greater brand awareness through omni-channel strategies in targeted sectors and regions

Research & development

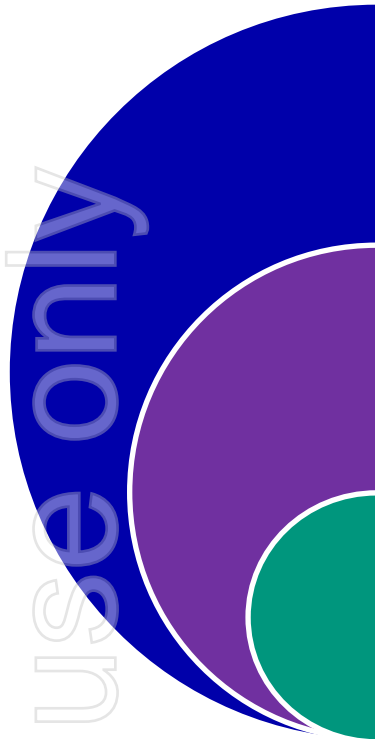
Manufacturing

Supply chain



Sales & marketing

Data analytics

# 4.2 RESEARCH AND DEVELOPMENT





### Applications

-  Supplements
-  Precision nutrition

### Areas

-  Longevity
-  Weight management
-  Human papillomavirus
-  Helicobacter pylori

### Technology

-  Genomics
-  Enzyme



## 4.3 MANUFACTURING



Enhance control over end-to-end supply chain



Improved operational efficiency



Reduce material and production costs



EBITDA growth over and above the current Five-Year Strategic Plan

A decision has been made to accelerate the plan to have good manufacturing practice (GMP) compliant manufacturing facility by the end of 2022.

## 4.4 SALES AND MARKETING

	Region	Brand	Online Store	E-commerce Platform	E-retailer	Grocery Retailer	Specialist Retailer	Pharmacy / Chemist	Supermarkets / Hypermarkets
Market Development	Australia & New Zealand	EZZ		●				●	●
		EAORON		●				●	●
	China	EZZ		●	●	●	●		●
		EAORON							
	Other international <sup>1</sup>	EZZ		●	●				●
		EAORON							
Market Penetration	Australia & New Zealand	EZZ	●			●	●	●	●
		EAORON	●		●	●	●	●	●
	China	EZZ	●	●	●				●
		EAORON							
	Other international <sup>1</sup>	EZZ	●		●				
		EAORON	●						

● Existing      ● Target

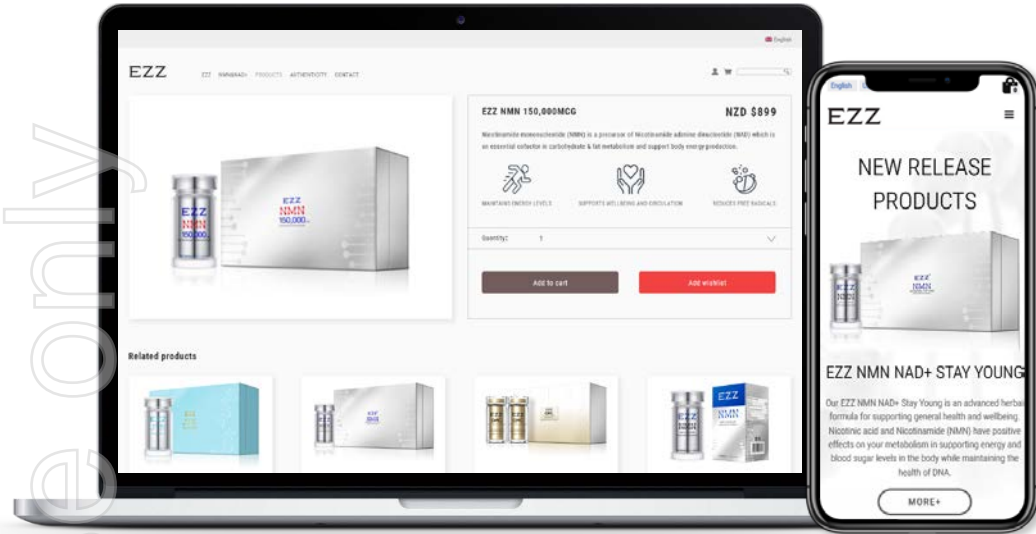
<sup>1</sup>. Other international markets focuses on Singapore, Malaysia, Indonesia, Philippines, Thailand, Vietnam, U.S.A and Europe.

There are more than 980 distribution points for the EAORON branded products and more than 1,280 distribution channels for the EZZ branded products both domestically and internationally as of 31 December 2021, with a focus on:

- high growth regions
- high growth segments, and
- high margin products, through

extensive industry experience, strong market know-how, and track record of success of omni-channel sale and marketing.

## 4.5 TECHNOLOGY



Invest in future growth through the ongoing development of technology capacity, expansion of in-house e-commerce capability and data backed analytical capability to enable data driven decision making and unlock scale efficiencies.



## 5. OUTLOOK

Mark Qin,  
Interim CEO, COO and co-founder, EZZ Life Science Holdings Limited

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# 5.1 FY22 OUTLOOK



Growth in new jurisdictions

New distribution points

**7,000+**

Growth with new distribution points

SKUs

**10+**

Growth with new products



Growth by acquisition



# Q&A

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EMZ



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# EZZ

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