

31st January 2023

VENTURE LIFE GROUP PLC
("Venture Life" "VLG" or the "Company")
Full Year Trading Update

Venture Life (AIM: VLG), a leader in developing, manufacturing and commercialising products for the self-care market, announces a trading update for the year ended 31st December 2022 "the year".

Overview

The Group expects to report revenues for the year of £44.0m (2021: £32.8m), an increase of 34% over the reported revenues in the previous year and slightly ahead of market expectations. On a proforma basis¹, assuming the acquisitions in 2021 had been in place for the whole of 2021, the Group delivered 17% revenue growth.

Key Highlights:

- Group revenues of £44.0m (2021: £32.8m), a growth of 34% over the reported revenues in the previous year.
- Revenues from Venture Life Brands grew 29% to £23.2m (2021: £18.0m) and Customer Brands grew 41% to £20.8m (2021: £14.8m).
- Adjusted EBITDA² is expected to be at least in line with market expectations.
- Positive trading momentum post year end, supported by the order book which is 114% ahead of the same point last year on a like for like basis.

Venture Life Brands represented 53% of revenues for the Group in the year (2021: 55%). The slight reduction in mix compared to the prior year being due to the strong performance of the Customer Brands business. However, with the recent acquisition of Earol, which is expected to be a valuable contributor to both revenue and profitability in 2023, and further growth from the Venture Life brands this percentage split in favour of the Venture Life Brands is expected to increase in 2023.

Whilst the temporary change in revenue mix has a small dilutive impact on the gross margin percentage, the Company's overall gross margin percentage improved over the previous year and absolute gross profit is expected to be at least in line with market expectations.

Adjusted EBITDA² is expected to be at least in line with market expectations and Group leverage³ (excluding finance leases) in the region of 1.4x net debt to Adjusted EBITDA (31st December 2021: 0.4x) reflecting the impact of the recent acquisition of Earol. The strength of the order book had some impact on inventory levels at 31 December 2022, which reduced less than anticipated and remained broadly in line with those reported at the half year.

Group leverage is expected to fall in 2023 to 1.0x or lower due to the cash generative nature of the business, now including the highly cash generative Earol brand, and bolstered by strong post year end cash collection.

Jerry Randall, Chief Executive Officer, commented: "The revenue growth seen by the Group this year has been a continued combination of organic and acquired growth. The full year effect of the acquisitions made in 2021 has positively contributed to both revenues and profitability, as well as delivering organic growth across the ex-BBI brands. The Customer Brands team at Biokosmes delivered an exceptionally strong year, supporting many customers with their inventory positions to protect against the ongoing supply chain difficulties. I am delighted that overall the Group has demonstrated good revenue growth on a like for like basis in what has been a very challenging year globally. Our supply chain team has done an excellent job to ensure that at all times we have had the raw materials and packaging to manufacture to meet our own brand and customers' needs."

¹ Proforma basis i.e. if the acquisitions of BBI Healthcare and Helsinn had been in place for the whole of the prior year

² Adjusted EBITDA is EBITDA before deduction of exceptional items and share based payments

³ Group leverage calculated using proforma EBITDA on a trailing 12-month basis

For further information, please contact:

Venture Life Group PLC

+44 (0) 1344 578004

Jerry Randall, Chief Executive Officer

Daniel Wells, Chief Financial Officer

Cenkos Securities plc (Nomad and Joint Broker)

+44 (0) 20 7397 8900

Michael Johnson/Russell Kerr (Sales)
Stephen Keys/Camilla Hume (Corporate Finance)

Singer Capital markets (Joint Broker)

+44 (0) 20 7496 3000

Jonathan Dighe (Sales)
Shaun Dobson/Alaina Wong (Corporate Finance)

About Venture Life (www.venture-life.com)

Venture Life is an international consumer self-care company focused on developing, manufacturing and commercialising products for the global self-care market. With operations in the UK, Italy, The Netherlands and Sweden, the Group's product portfolio includes some key products such as the UltraDEX and Dentyl oral care product ranges, the Balance Active range in the area of women's intimate healthcare, the Lift and Glucogel product ranges for hypoglycaemia, products for fungal infections and proctology, and dermo-cosmetics for addressing the signs of ageing. Its products are sold in over 90 countries worldwide.

The products, which are typically recommended by pharmacists or healthcare practitioners, are available primarily through pharmacies and grocery multiples. In the UK and The Netherlands these are supplied direct by the company to retailers, elsewhere they are supplied by the Group's international distribution partners.

Through its two Development & Manufacturing operations in Italy and Sweden, the Group also provides development and manufacturing services to companies in the medical devices and cosmetic sectors.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTKBLFXXFLXBBZ