

6 August 2024

VENTURE LIFE GROUP PLC

("Venture Life", "VLG" or the "Group")

Trading Update

Marketing investment fuelling strong organic growth for VLG's Brands in the UK

Venture Life (AIM: VLG), a leader in developing, manufacturing and commercialising products for the international self-care market, announces a trading update for the six months ended 30 June 2024 (the "Period"), ahead of the expected announcement of the Group's interim results on 30 September 2024.

Trading Overview:

Group revenues for the Period of £23.5m (H1 2023: £23.5m) were in line with plan and showed strong growth for VLG's Brands in the UK market. VLG's Brands accounted for 59% of first half revenues (H1 2023: 56%) and in absolute terms increased by 5% during the Period to £13.8m (H1 2023: £13.1m), whilst the UK share of these sales grew by 14% to £9.4m (H1 2023: £8.3m). Revenue from Customer Brands declined by 7% to £9.6m (H1 2023: £10.4m). This was as expected due to a particularly strong H1 2023 performance and reflected these customers returning to normal inventory levels.

Balance Activ, Lift and Earol continue to perform particularly well in the UK, delivering revenue growth of 14%, 30% and 13% respectively, over the same period. The performance of these brands follows new listings for both existing and newly developed products, plus increased investment in marketing which has driven growth across all our key channels. It is pleasing to see the returns being achieved from these initiatives and the positive impact across the wider VLG Brands portfolio, with further gains also achieved in oral care where Ultradex revenues performed 23% ahead of last year, driven by increased promotional activity. Online sales via Amazon have continued to grow at pace, increasing by another 50% over the prior period to £2.5m (H1 2023: £1.6m and H1 2022: £0.9m). Further new retail listings have been secured since the beginning of the year and will be launched throughout 2024 and recently signed deals with international partners will deliver inaugural revenues in the second half of the year.

Gross margin is anticipated to improve by approximately 1ppt over the same period last year and is primarily a result of a greater sales composition of the higher margin VLG Brands and also the easing of inflationary pressures on supply prices.

Cash and debt

Solid free cashflow generation in the Period resulted in a further net debt reduction of approximately £3.0m to £10.7m (31 December 2023: £13.7m). Group leverage is anticipated to fall below 0.8x by the end of the year (31 December 2023: 1.3x) and presents more opportunity to explore strategic investment through attractive and accretive M&A.

Outlook

As is customary, revenues will be weighted towards the second half, particularly in the case of our international partners. The Group's strong order book provides good visibility over current revenue guidance and continues to build, notably comprising a much greater apportionment of higher margin VLG Brands than compared to the same time last year. The Board remains confident that trading for the full year financial performance is on-course to be in line with market expectation

Jerry Randall, CEO of Venture Life, commented: *"I am thrilled by the performance of VLG's Brands within the UK; we have launched some great new products over the last year and continued to grow our distribution points, most significantly across core brands, including Lift, Balance Activ and Earol. The increased investment in focused marketing activity, plus the strengthening of relationships with major retailers, is delivering evident results and has put us well placed to quickly build-out further, with exciting potential collaborations also under discussion within Europe. Further, we have taken steps to internalise production of the recently acquired Earol brand and have begun manufacturing these products from Biokosmes during H2 which will deliver further gross margin improvement."*

¹ Group leverage calculated as net debt (excl. finance leases) and using Adjusted EBITDA² on a trailing 12-month basis.

² Adjusted EBITDA for Group leverage is EBITDA after deduction of finance lease costs and before deduction of exceptional items and share based payments.

For further information, please contact:

Venture Life Group PLC

+44 (0) 1344 578004

Jerry Randall, Chief Executive Officer

Daniel Wells, Chief Financial Officer

Cavendish Capital Markets Limited (Nomad and Broker)

+44 (0) 20 7720 0500

Stephen Keys / Camilla Hume (Corporate Finance)

Michael Johnson (Sales)

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 Activ range in the area of women's intimate healthcare, the Lift and Glucogel product ranges for hypoglycaemia, Gelclair and Pomi-T for oncology support, Earol for ear wax removal, 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

TSTQKPBQOBKDCFK