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How Holista Colltech (ASX:HCT) is maximising growth drivers in the health & wellness industry

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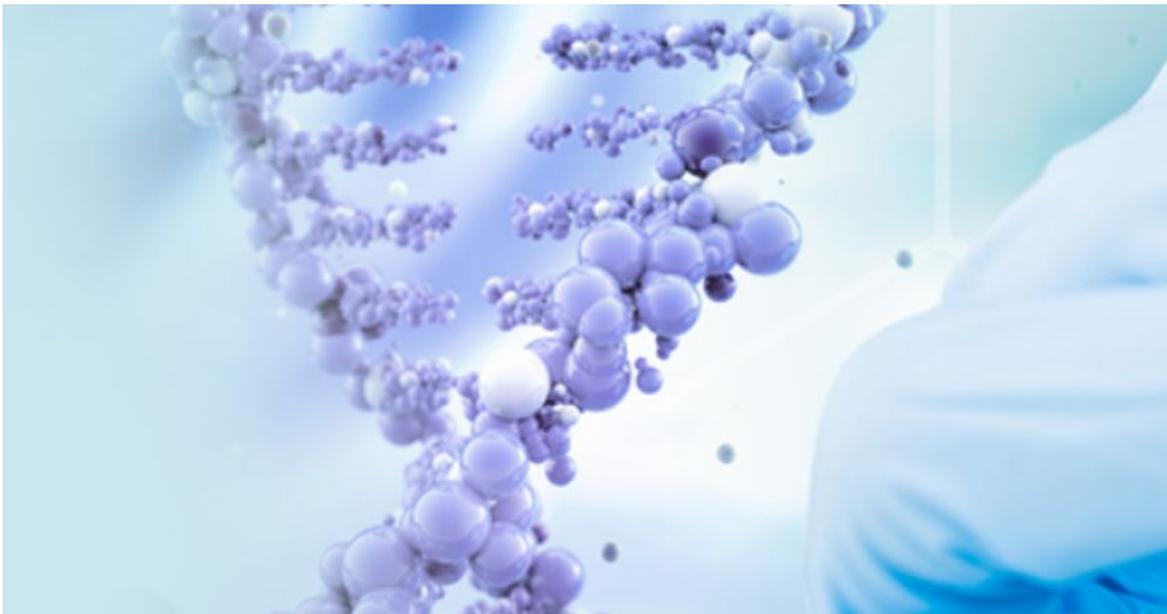
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Image source: HCT Website

Highlights

- Holista Colltech is dedicated to delivering high-quality wellness products with its suite of offerings including low-GI baking products and low-calorie sugar.
- Holista is the only producer of ovine (sheep) collagen using patented extraction methods.
- The Company, which recorded strong sales growth in Q2, has a positive outlook for all its divisions with global trends remaining supportive.
- Its global presence across Asia, North America and Australia provides the Company with multiple growth opportunities as it targets a wide range of customers.



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Holista Colltech Limited ([ASX:HCT](#)) continues to take giant strides towards growth and expansion. Building upon its strong track record, the Australian research-driven biotech company in the June 2021 quarter posted further growth in sales. Significantly, growth was recorded across most of the Company's divisions in 2Q 2021 vis-à-vis the previous corresponding period.

Quarterly and First Half Segment Revenue*

Division	Q2 2021	Q2 2020	% Chg	1H 2021	1H 2020	% Chg
Food Ingredients	\$414K	\$81K	+411%	\$769K	\$297K	+159%
Supplements	\$979K	\$1,131K	-13%	\$2,491K	\$2,280K	+9%
Infection Control	\$171K	\$0	N/A	\$178K	\$166K	+7%
Ovine Collagen	\$54K	\$0	N/A	\$128K	\$18K	+611%
Total Sales	\$1,618K	\$1,212K	+33%	\$3,566K	\$2,761K	+29%

Source: HCT update, dated 28 July 2021

For additional details on Holista Colltech, [read here](#)

What's more, the Company was able to command steady revenue in FY2020 against the backdrop of COVID-19 turmoil, signalling the resilience of Holista and its unique health and wellness products.

Holista anticipates a positive outlook through 2021, backed by global trends supporting growth across all of its four business divisions – Food Ingredients, Supplements, Infection Control and Ovine Collagen.

Related Article: [Holista Colltech \(ASX:HCT\): A powerhouse of unique health and wellness products](#)

With this backdrop, let us look at the key determinants of growth for Holista Colltech.

Global reach with customers

In addition to a solid presence in Australia, Perth-headquartered Holista commands an extensive customer base in Asia and North America. Significantly, the Company's sales network spans across the United States, Australia, and Malaysia, where it has extensive operations.

Some of the recent developments that served to expand the Company's global footprint include:

Exclusive distribution agreement with Mutiara Seribumi - Holista's Ovine Collagen division is positioned well to witness a strong rebound in revenue over the coming months.

In Q2, the Company's wholly owned subsidiary Holista Biotech Sdn Bhd signed an exclusive distribution agreement with Mutiara Seribumi for distributing its ovine (sheep) collagen into China (subject to successful customer trials which are currently ongoing).

Mutiara Seribumi Sdn Bhd has more than two-decades of experience in supplying quality ingredients to cosmetics and food companies in China. The firm primarily caters to state-owned enterprises.

Related Article: [Holista Colltech \(ASX:HCT\) braces for a \\$43m a year sea of opportunities in China with Ovine Collagen](#)

Natshield™ ongoing tests - The product is under testing for persistence (how long it remains effective) on hard surfaces and skin with SGS North America and Chemlab in Malaysia. The data will also help Holista make related claims for the Company's nasal balm ahead of its expected launch in the US, Singapore, and Malaysia in Q4 2021.

Global reach of The M3® system - While the M3® system has been approved for sale in Malaysia and Singapore, it can be used without regulatory approval in Australia. The M3® system is designed to control airborne viruses, including COVID-19, through a building's central ventilation system.

Well-diversified portfolio of healthy offerings

The Company is committed to delivering first-class natural ingredients and wellness products. Its suite offers low-glycemic index (GI) baking products low-calorie sugar without compromising mouth feel, taste, and odour.

In addition, Holista is the only Company to produce ovine (sheep) collagen using patented extraction methods. Australian ovine collagen is highly sort after around the world as sheep in the country are recognised as being disease-free.

Right strategies in the booming health market

On the back of its unique products, Holista Colltech targets the global health and wellness industry, which is valued at US\$4.5 trillion, as per the Global Wellness Institute.

Healthy Food

- Improved demand for GI-Lite™ and 80Less™
- Growing consumer focus on healthier foods to drive growth
- Early trials with other food manufacturers ongoing

Infection Control

- Additional growth opportunities from new products (M3, Nasal Balm)
- Test kits business expanded to offer full range

Dietary Supplements

- 1H 2020 sales up 9% pcp
- New products contributing to growth
- Will remain significant cash generator for Holista

Ovine Collagen

- Mutiara deal on track
- Major plant expansion if agreement becomes binding
- Capex fully funded from customer deposits, grants and internal resources

HCT Presentation, dated 30 July 2021

In essence, Holista is witnessing market tailwinds, which coupled with the Company's ongoing R&D initiatives, can provide a strong momentum to its key divisions. Moreover, the Company has a solid financial positioning with cash and cash equivalents of AU\$2.1 million, as of June end.

Also Read: [Holista Colltech \(ASX:HCT\) ropes in new board member to fuel growth](#)

Shares of HCT were trading at A\$0.063 on 23 August 2021 (AEST 10:14 AM).