

Eagle Health to open 100 stores along China's east coast

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Eagle Health is planning to complement its existing distribution network with a range of new stores in China. Photo: Eagle Health

ASX-listed health and nutritional products group Eagle Health is rolling out 100 stores along China's east coast, part of an expansion plan that will see the company reach 570 million customers by 2019.

Eagle Health announced to the ASX this week that its expansion plan would initially focus on opening Eagle Health Education and Experience stores in Fujian Province, and would take place over the next two years.

The company, which was founded in 2001 in Xiamen, manufactures a wide range of traditional Chinese and western nutritional and dietary supplements, with 274 active distributors including supermarkets, pharmacies and health food stores in 26 provinces.

The new stores will be planned in locations designed to minimise disruption to Eagle Health's existing distributor footprint.

Sales data for the first quarter of 2018 showed the company achieved revenue of \$19.8 million, with protein powders, amino acids and its range of dendrobium herbal supplements the top sellers.

Eagle Health's Hutang-1 product, designed to assist the treatment of type 2 diabetes, was also a strong performer, having reached a milestone of 80,000 consumers in the three months to March 31.

Chief executive Zhang Mingwang said Eagle Health's expansion plan was focused on the changing behaviour of Chinese consumers, particularly in the nutritional sector, which is estimated to be worth around \$42 billion.

“Our Hutang One Education and Experience stores show us that we can reach a wide population and provide greater access to health education, product trial and on-going repeat purchases,” Mr Zhang said.

“We believe our direct store and multi-channel approach will not only provide consumers with the products they want, but also ensure our products are more accessible for consumers to buy every day.”

Eagle Health will fund the expansion with its existing cash on hand.

<https://www.acbr.com.au/eagle-health-open-100-stores-along-chinas-east-coast>