

Vinda International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3331)



2022 Annual Results

*Healthy Lifestyle
Starts with Vinda*



Our Vision

To become Asia's first choice for hygiene products and services




CEO's Highlights

- ❑ Solid revenue growth
- ❑ Multiple pricing initiative executed
- ❑ Strengthened leading market positions
- ❑ Continuous growth in E-commerce & personal care
- ❑ Focus on product innovation, mix improvement and premium categories
- ❑ New SEA regional hub officially in operation

Total Revenue **+8.1%¹**

HK\$ 19,418 M

2021: HK\$ 18,676M



Final Dividend Per Share

HK\$ 20.0+10.0 cents²

2021: HK\$ 40.0 cents



1 YoY growth at constant exchange rates

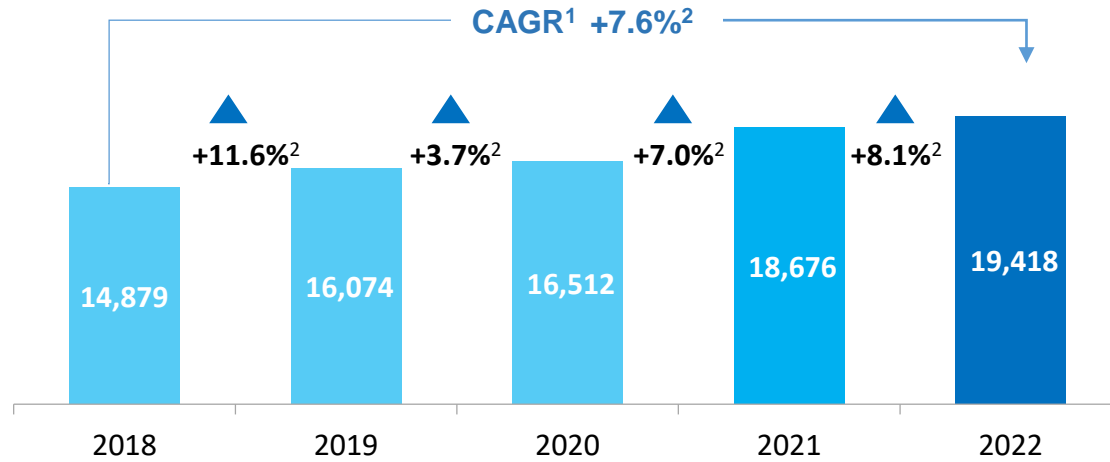
2 HK\$ 10.0 cents is the special portion of the dividend for 15th year listing anniversary

Financial Highlights

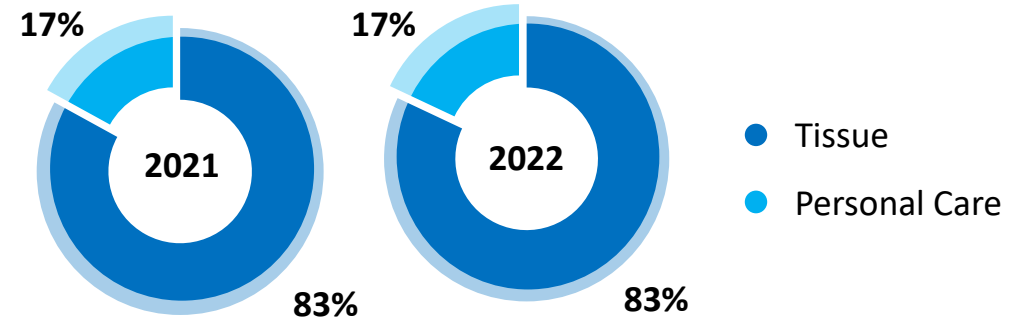


Group Revenue

Total Revenue (HK\$M)



Segment Mix



Tissue Personal Care



Incontinence



Feminine



Baby



¹ Compound annual growth rate

² Growth at constant exchange rates

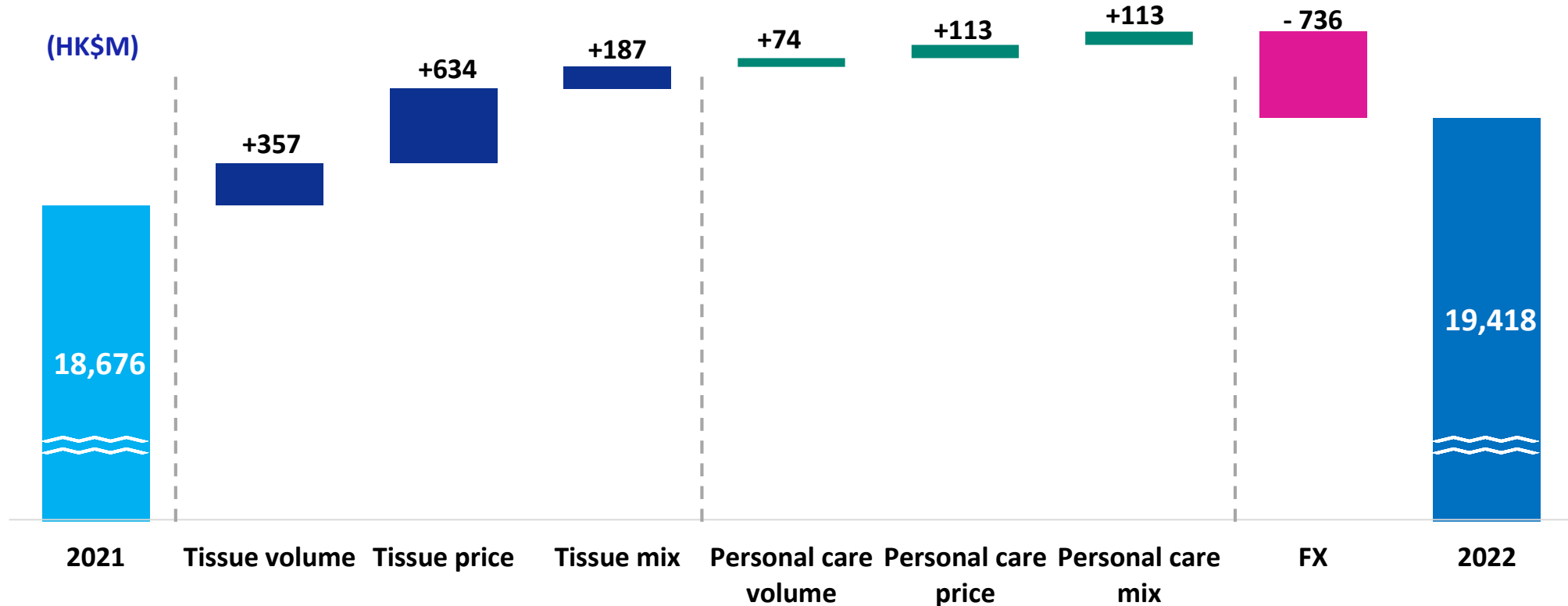
Growth rate in HKD:

2019 vs 2018: +8.0%; 2020 vs 2019: +2.7%; 2021 vs 2020: +13.1%

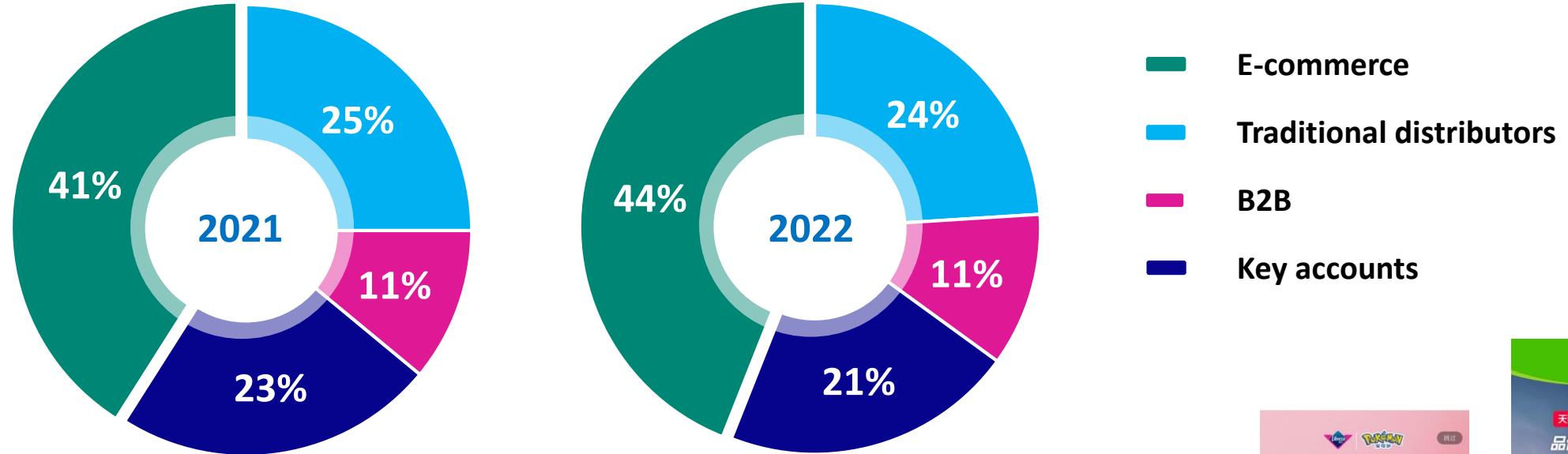
2022 vs 2021: +4.0%; 2022 vs 2018: +6.9% CAGR

Total Revenue Deviation

- Strong organic growth in Tissue and Personal Care
- Higher prices and volumes
- Continuous mix improvement
- Negatively impacted by FX



Group Revenue by Channels



- **16.7% organic growth in E-commerce in 2022**
- **Outstanding E-commerce performance in mainland China & North Asia**
Vinda brand being double 11 top sales tissue brand for ten consecutive year¹

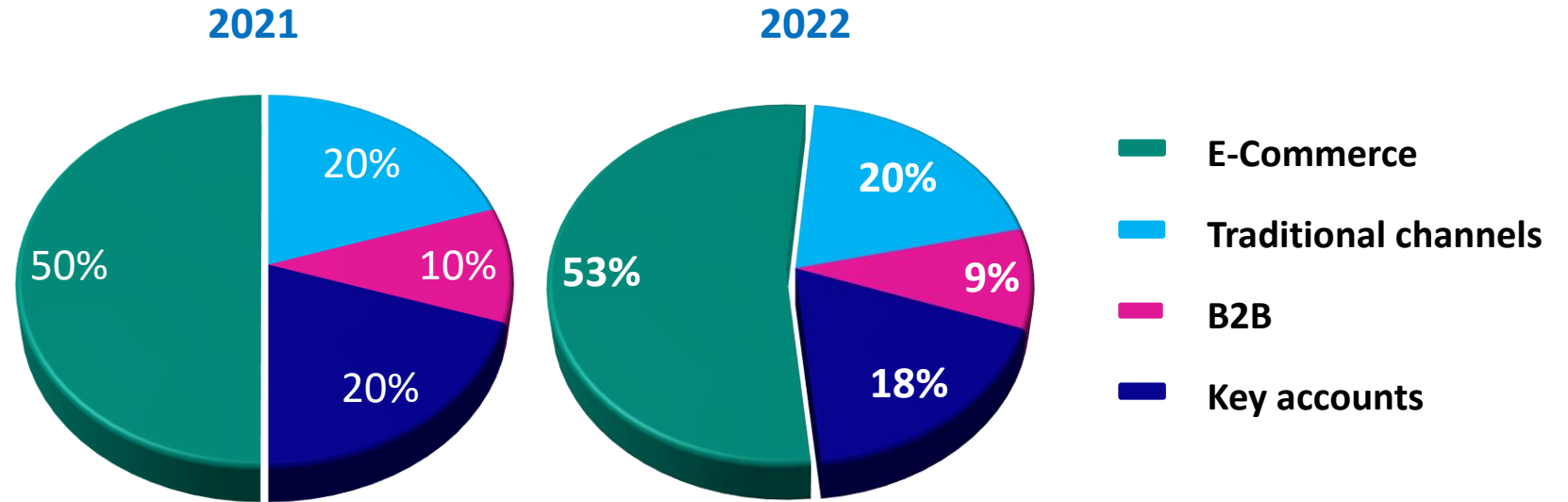
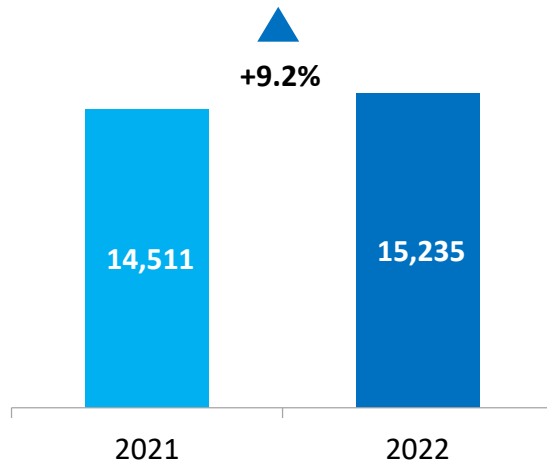


¹ Source: Internal data

Mainland China Revenue and Channel Mix

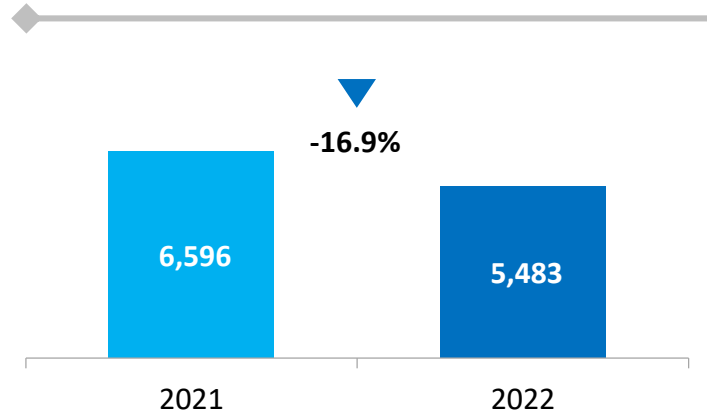
Total Revenue (HK\$M)

Growth at constant exchange rates

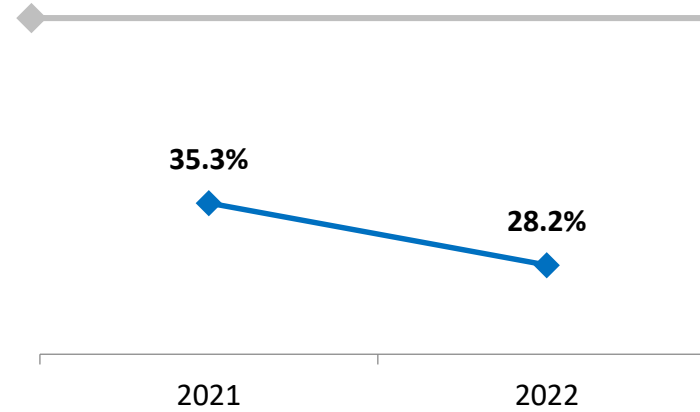


Gross Profit Margin

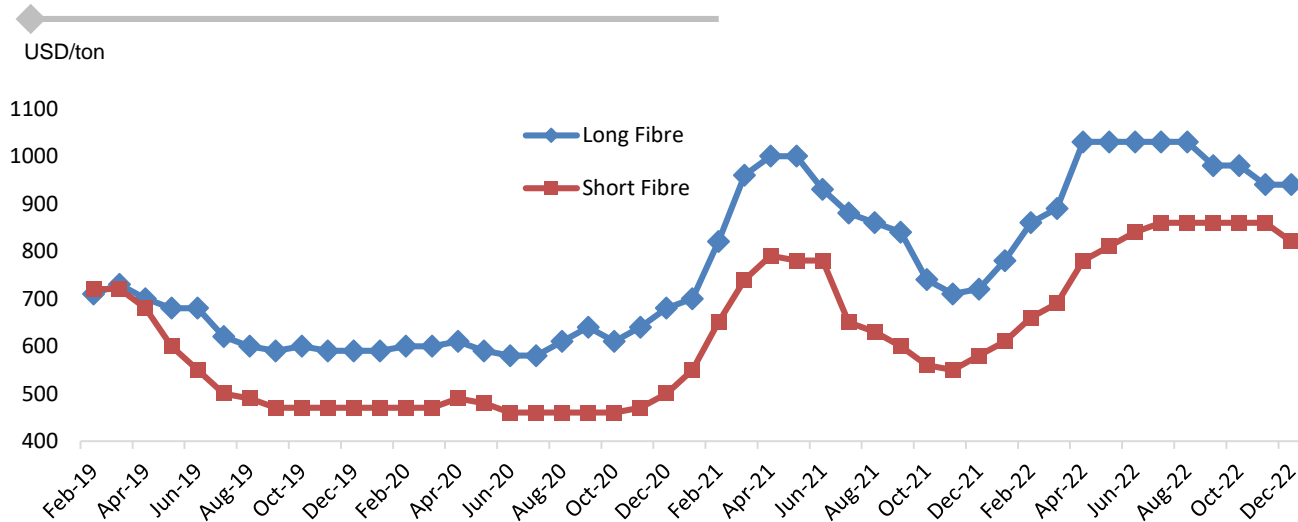
Gross Profit (HK\$M)



Gross Profit Margin (%)



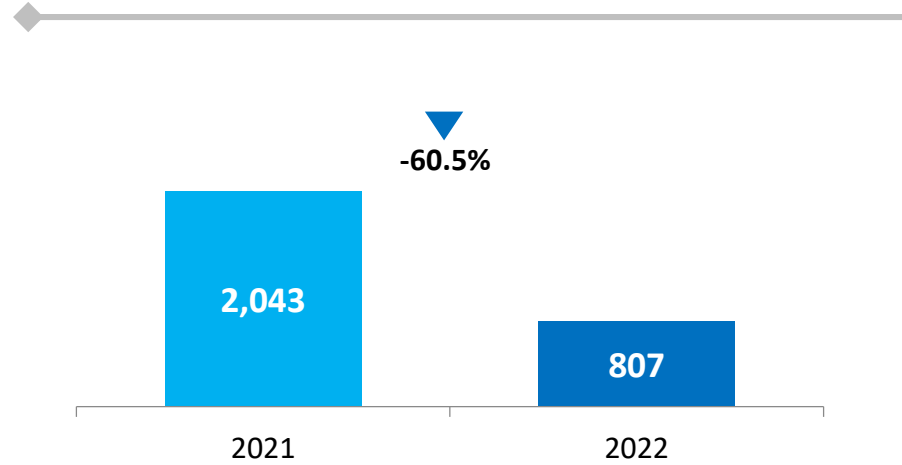
Pulp Price Movement



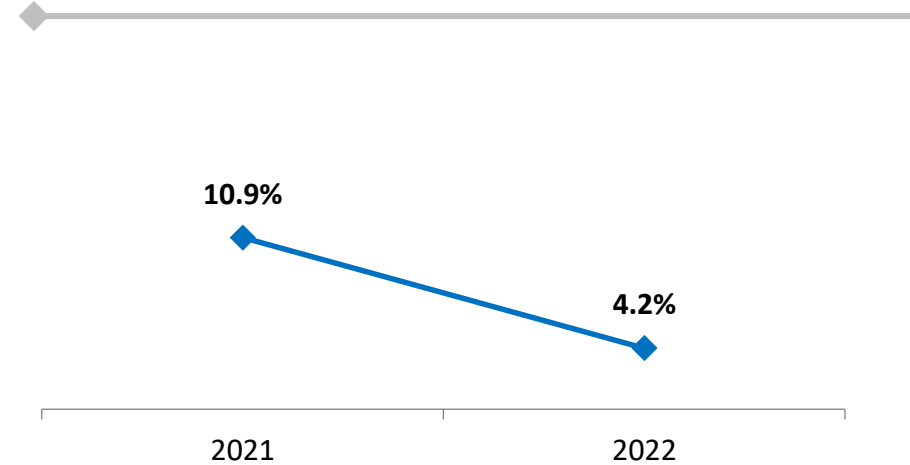
- ❖ Unprecedented level of cost inflation
- ❖ Improved prices and better mix
- ❖ Improved operational efficiency

Operating Profit & EBITDA

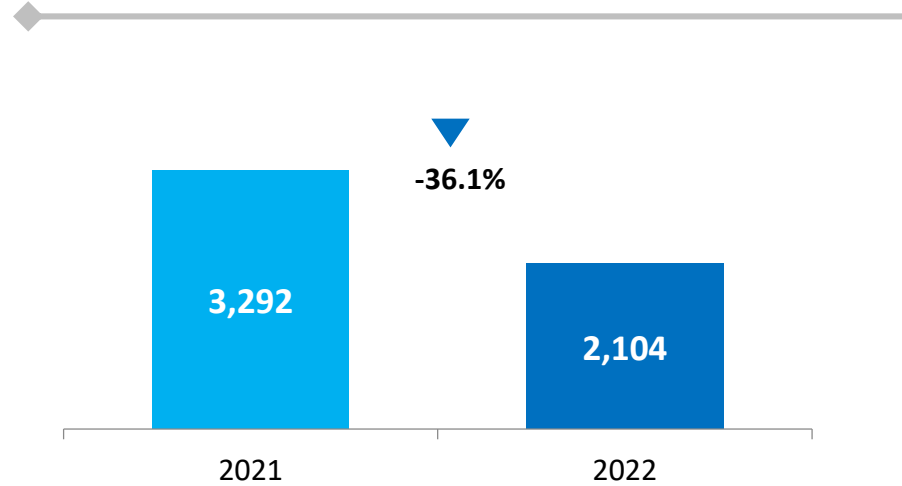
Operating Profit (HK\$M)



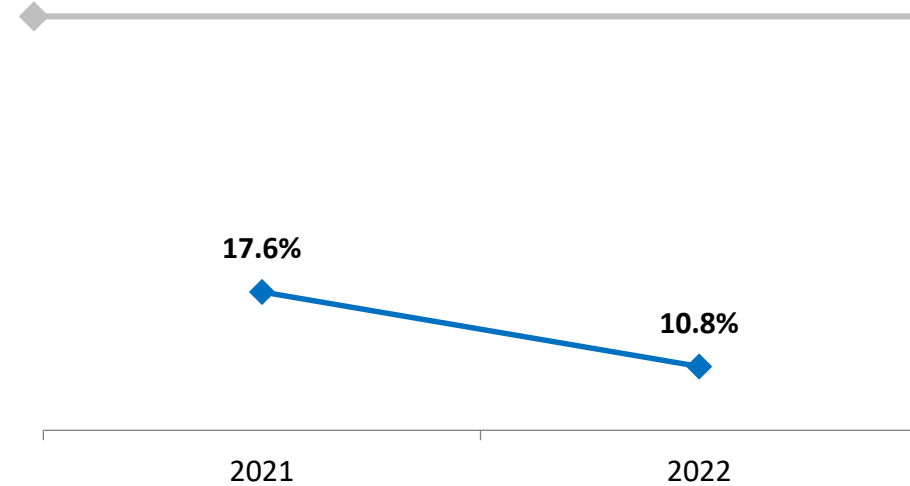
Operating Margin (%)



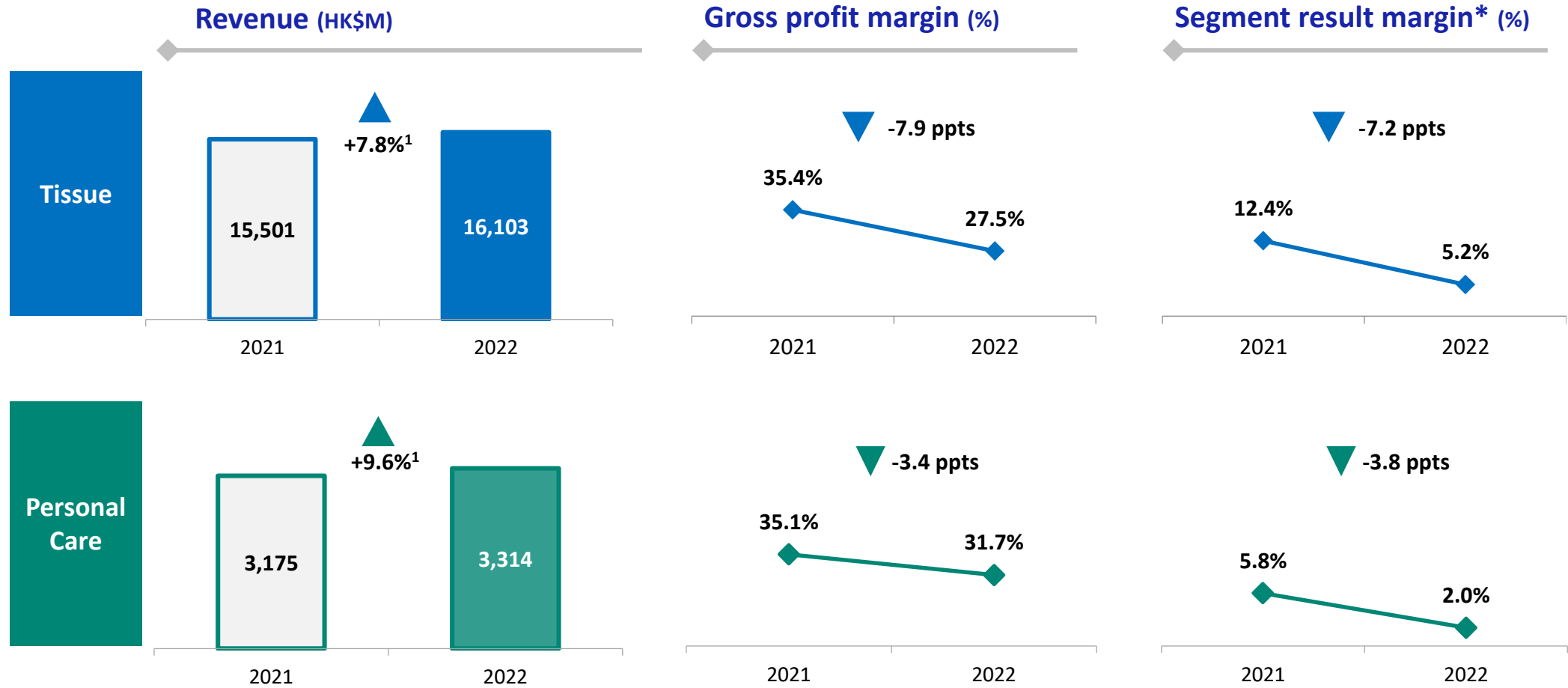
EBITDA (HK\$M)



EBITDA Margin (%)



Segment Performance

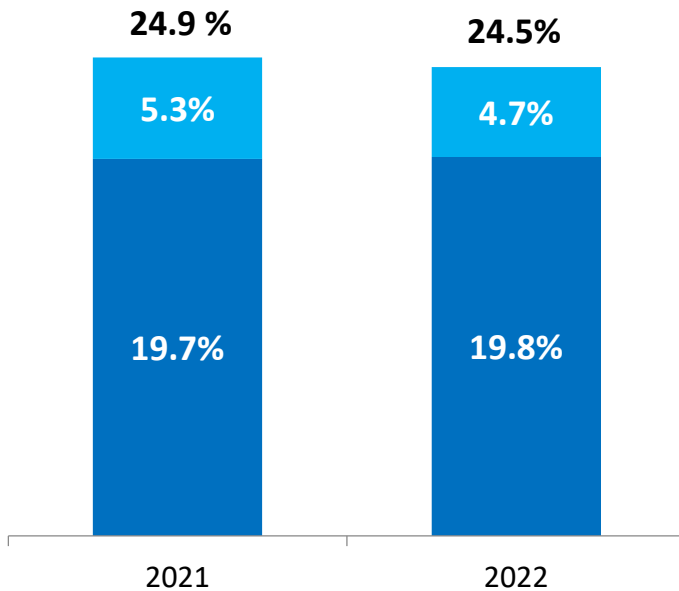


*Segment profit before amortisation of trademarks, licenses & contractual customer relationship

¹ YoY growth at constant exchange rates

SG&A

SG&A as a % of Revenue



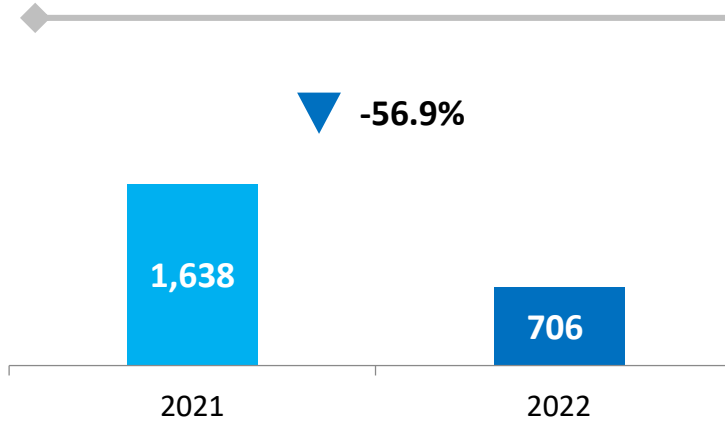
- Administrative expenses ratio
- Selling & marketing expenses ratio

- Efficiency improvement programs implemented
- Continued investment for premium categories and feminine care China
- Committed to invest in branding, innovation and channel developments

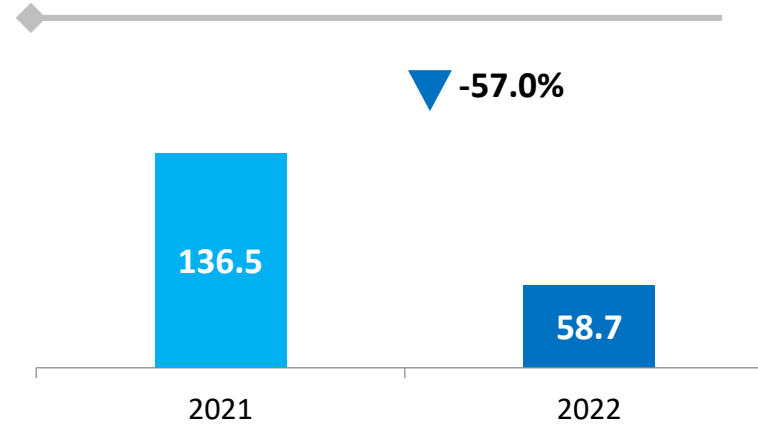


Interest Rate, Net Profit & Dividend

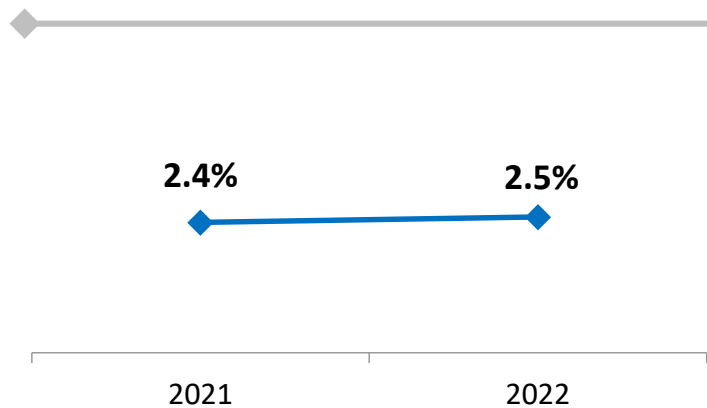
Net Profit (HK\$M)



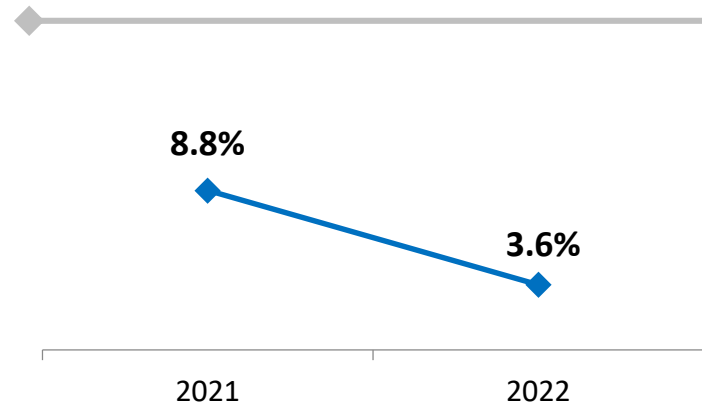
Basic Earnings Per Share (HK cents per share)



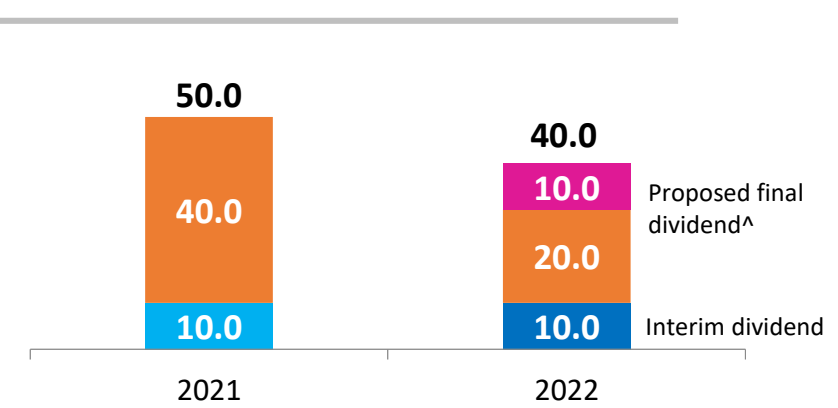
Effective Interest Rate (%)



Net Profit Margin (%)



Proposed Final Dividend (HK cents per share)



[^] HK\$ 10.0 cents is the special portion of the dividend for 15th year listing anniversary

Key Indicators

	As at 31 Dec 2021	As at 31 Dec 2022
Debtors turnover days ¹	44	40
Creditors turnover days ²	82	71
Finished goods turnover days ³	55	50
Working capital to sales ratio ⁴	9.6%	6.6%
(HK\$M)	As at 31 Dec 2021	As at 31 Dec 2022
Cash and cash equivalents	1,025	607
Total borrowings & lease liabilities	5,001	4,043
Net debt	3,976	3,436
Net gearing ratio ⁵	30.5%	28.6%
Net debt/EBITDA ratio	1.2	1.6
(HK\$M)	FY 2021	FY 2022
CAPEX	1,759	1,102

¹ Multiplying 12-month average account receivables by 360 days and dividing the result by the revenue for the last 12 months

² Multiplying 12-month average account payables by 360 days, and dividing the result by the cost of sales for the last 12 months

³ Multiplying 12-month average finished goods by 360 days, and dividing the result by the cost of sales for the last 12 months

⁴ Total working capital (excl. cash & cash equivalents)/ rolling 12 months revenue

⁵ Net gearing ratio: net debt / total shareholders' equity

Environmental, Social & Governance

	Five-year Targets from 2021 to 2025	Progress of 2021 & 2022
Energy consumption	-500 thousand tons of standard coal ¹	-237 thousand tons of standard coal 47.4%
Carbon emissions	-1 million tons ²	-0.58 million tons 57.8%
Water consumption ³	-100 million m ³	-46 million m ³ 46.1 %

1. Compared with the advanced value of China's national standard "GB31825-2015: Energy Consumption Per Unit of Pulp and Paper Products".
2. Compared with the benchmark 1.301 tons of CO₂/ton of paper, released by the Department of Ecology and Environment of Guangdong Province "2019 Implementation Plan for the Allocation of Carbon Emission Allowance in Guangdong Province".
3. With reference to GB/T18916.5 "Norm of Water Intake — Part 5: Pulp, Paper and Paper Board Production", which stated that a maximum of 30 tons of water can be consumed per ton of products.

2022 Performance and Recognition



Outstanding Award for Green and Sustainable Loan Issuer
傑出綠色和可持續貸款發行機構



Pioneering Organisation in ESG Disclosure Enhancement
ESG 披露優化先鋒機構



Hang Seng Corporate Sustainability Index Series Member 2022-2023

MSCI
ESG RATINGS



CCC B BB BBB A AA AAA



Bloomberg Businessweek/
Chinese Edition

Successful innovations

Tissue

- Strengthened leading position in mainland China
- Solid growth and market share gain in Malaysia
- Launch of new premium series
- Committed investments in branding, innovation and commercial capabilities for future growth



Personal Care

- Omni-channel sales of Inco were strongly supported by digital campaigns and activations
- Strong organic growth in Feminine Care
- New innovations for mix improvement and accelerate growth

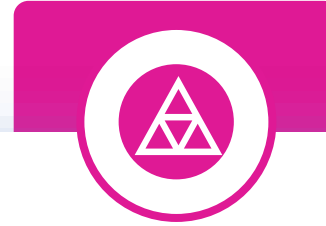


Priorities and Opportunities



Near Term

- Drive profitable growth
- Grow premium portfolio
- Market share gain
- Seize B2B business opportunity on the back of China's re-opening
- Margin improvement



Mid Term

- Innovate our leading brands
- **Embracing changes:**
Channel shift, digitalization, changing demography
- **Optimizing resources and capital allocation**



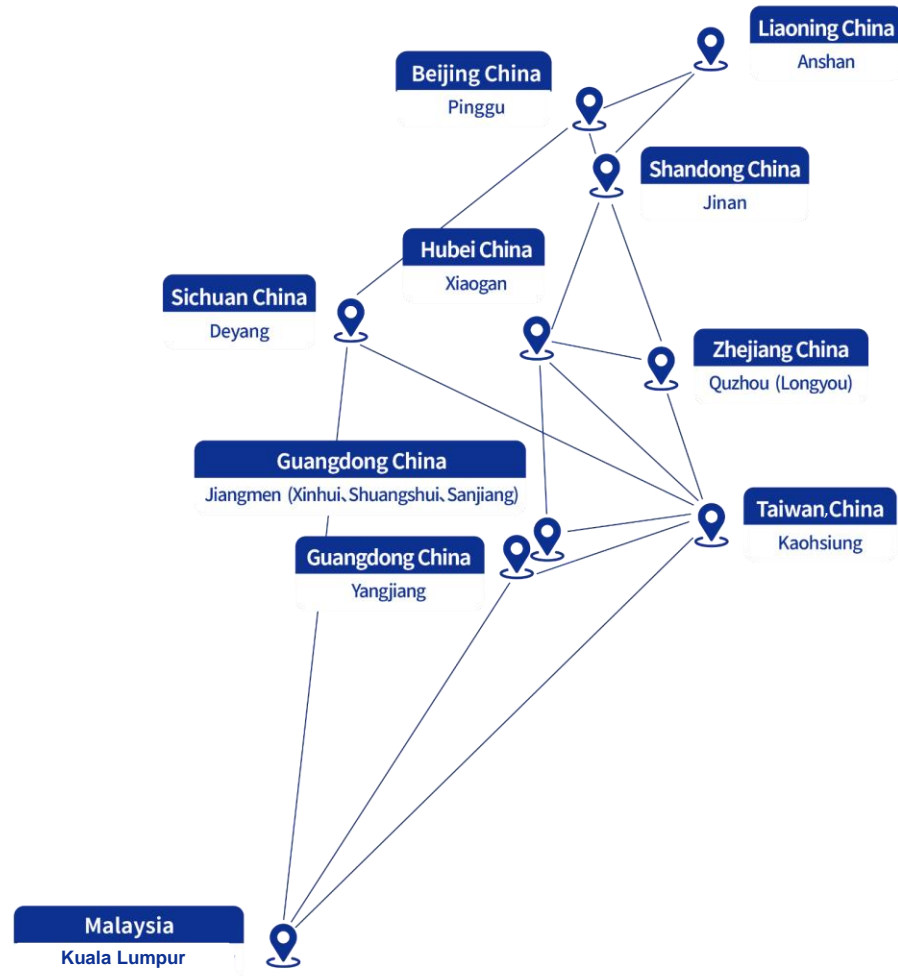
ESG

- **Sustainability**
Certified sourcing, energy conservation and carbon reduction
- **Excellent Corporate Governance**
Strong internal control, high level of transparency and sound compliance
- **Develop our People**
Health and safety, equal employment and promotion opportunities, comprehensive training and development program

Appendix



Production Capacity Plan



Tissue annual designed production capacity

1.39 M tons
(2023)

- Including the ongoing planned expansion of tissue production capacity across manufacturing sites in South and East China to fulfil the growing market demand
- Zhejiang carried out operation in H2 2022 and will further increase tissue making capacity in 2023

Personal care facility

- The new Southeast Asia regional headquarters, state-of-the-art production facilities, first-class warehouse and distribution centre and modern innovation centre in Malaysia is well operating as planned.
- China personal care facilities locate in East China and Central China and Chinese Taiwan

New Vinda SEA Regional Hub



SEA Regional Headquarters

Largely increase efficiency

2022.12.16 Phase I grand opening

30 acres (≈17 football fields)

1,200+ employees

Significantly reduce carbon footprint



Innovation Centre

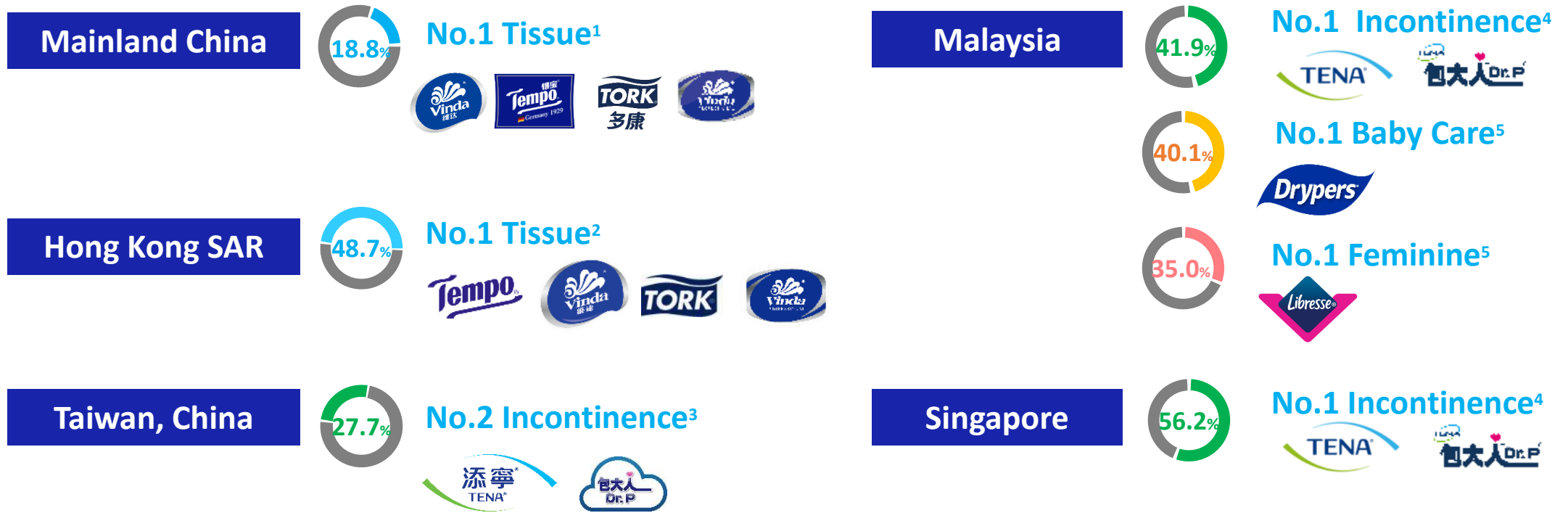


Production Workshop



Automated Warehouse

Leading Market Positions



Notes:
 1. Kantar, value share in 2022 (P1-P12)
 2. Nielsen, value share YTD Nov 2022
 3. Nielsen, volume share YTD Nov 2022
 4. Internal estimates, value share, YTD Nov 2022
 5. Kantar, value share in YTD P12 2022

Financial Highlights Summary

(HK\$M)	2018	2019	2020	2021	2022
Revenue	14,879	16,074	16,512	18,676	19,418
<i>Growth at constant exchange rate</i>	<i>+7.8%</i>	<i>+11.6%</i>	<i>+3.7%</i>	<i>+7.0%</i>	<i>+8.1%</i>
Gross profit	4,187	4,985	6,223	6,596	5,483
<i>Gross margin</i>	<i>28.1%</i>	<i>31.0%</i>	<i>37.7%</i>	<i>35.3%</i>	<i>28.2%</i>
Operating profit	1,020	1,570	2,453	2,043	807
<i>Operating margin</i>	<i>6.9%</i>	<i>9.8%</i>	<i>14.9%</i>	<i>10.9%</i>	<i>4.2%</i>
EBITDA	1,962	2,678	3,601	3,292	2,104
<i>EBITDA margin</i>	<i>13.2%</i>	<i>16.7%</i>	<i>21.8%</i>	<i>17.6%</i>	<i>10.8%</i>
Net profit	649	1,138	1,874*	1,638	706
<i>Net margin</i>	<i>4.4%</i>	<i>7.1%</i>	<i>11.4%</i>	<i>8.8%</i>	<i>3.6%</i>
Basic EPS (HK\$ cents)	54.4	95.3	156.5	136.5	58.7
Proposed total dividend per share (HK\$ cents)	20.0	28.0	47.0	50.0	40.0[^]

*2020 net profit without subsidy was HK\$1,771 million

[^] Including HK\$ 10.0 cents special portion of the dividend for 15th year listing anniversary

Q&A



Thank you!

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Starts with Vinda*



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