



Vinda International Holdings Limited

(incorporated in the Cayman Islands with limited liability) Stock Code: 3331



Annual Results Announcement 2013

Healthy Lifestyle Starts from

VINDA

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I. 2013 Key Achievements

II. Financial Highlights

III. Future Prospects

IV. Q&A



2013 Key Achievements

Steady Growth

- Revenue recorded HK\$6.8 billion, up 12.8% yoy
- Sales volume reached 481,929 tons, up 13.6% yoy

Market Share* Gain

- 11.9%* of total market share, up 0.9 p.pts yoy
- Ranked No.1 in cored-paper roll market segment

Product Mix Enhancement

- Softpack sales +35.0%
- Wet wipes sales +81.0%

Business Diversification

- Diversified into feminine napkin business with positive soft-launch response

SCA as Major Shareholder

- Expected to achieve synergy in all respects



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Financial Highlights

For the 12 months ended 31 December

(HK\$ million)

	2013	2012	Change
Revenue	6,798.0	6,024.0	+12.8%
Gross profit	1,971.7	1,854.9	+6.3%
Operating profit	712.5	775.1	-8.1%
EBITDA	959.2	959.4	--
Share of associate loss	27.0	15.9	+69.8%
Profit attributable to equity holders of the Company	542.9	536.6	+1.2%
Basic earnings per share (HK cents)	54.3	54.6	-0.6%
Dividend per share (HK cents)	15.6	15.6	--
- Interim dividend per share (HK cents)	4.8	4.3	
- Proposed final dividend per share (HK cents)	10.8	11.3	

Gross margin

30.8% 29.0% 28.9% 29.1%



2012 2013 1H2013 2H2013

Operating Margin

12.9% 10.5% 11.6% 9.4%



2012 2013 1H2013 2H2013

Net Margin

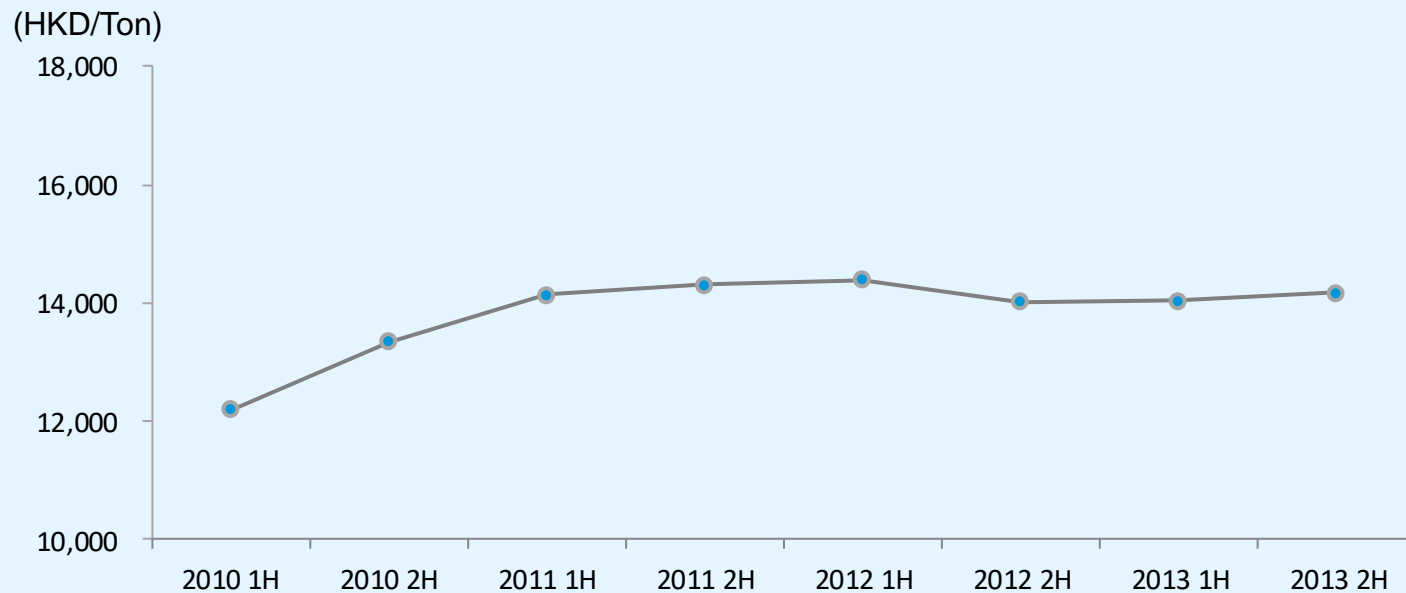
8.9% 8.0% 8.6% 7.4%



2012 2013 1H2013 2H2013

Average Selling Price Overview

Average Selling Price("ASP") (2010 – 2013)



- ASP per ton for 2013 was approximately HK\$14,106, sustained from last year
- ASP in 2013 2H was higher than that in 1H due to refined product mix & brand power

Revenue by Product Category

For the 12 months ended 31 December

(HK\$ million)

	2013	2012	Change
Toilet roll	3,968.9	3,670.7	+8.1%
Softpack	1,311.1	971.0	+35.0%
Box tissue	253.1	266.4	-5.0%
Hanky (including Wet wipes *)	767.4	633.5	+21.1%
Paper napkin	194.4	194.9	-0.3%
Others	303.2	287.5	+5.5%

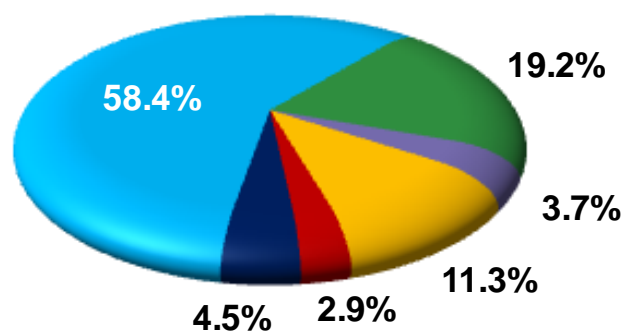
* Wet wipes

92.0

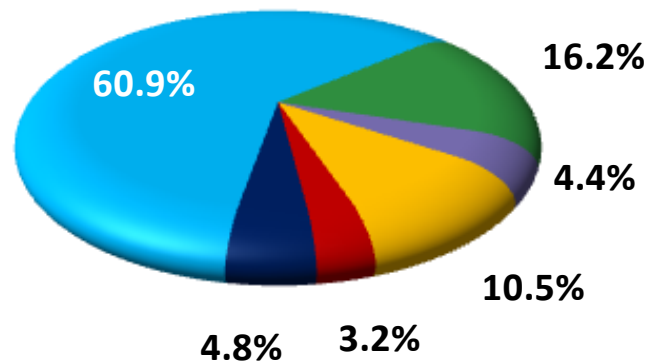
50.8

+81.0%

Product Mix % of Sales



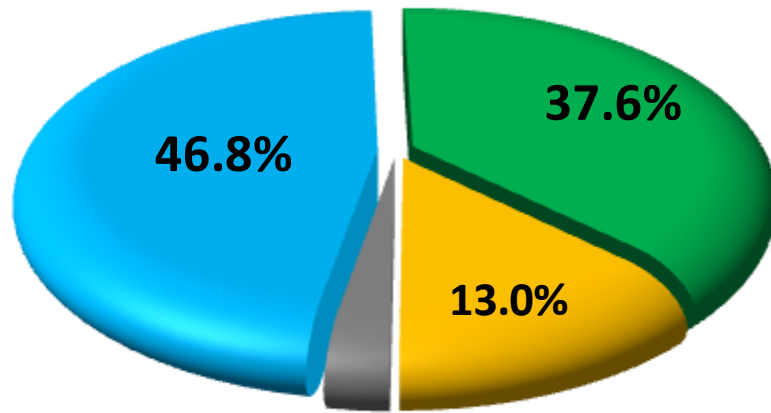
2013



2012

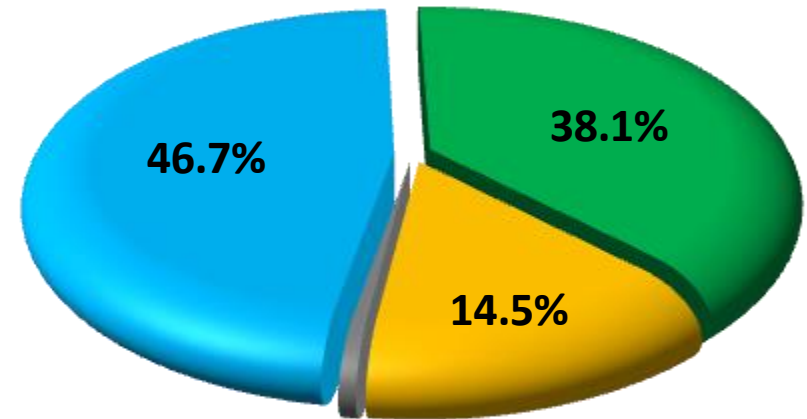
- Toilet roll
- Softpack
- Box tissue
- Handkerchief Tissue
- Paper napkin
- Others

Revenue by Distribution Channels



2.6%

2013



0.7%

2012

■ Traditional channels
(i.e. Distributors)

■ Modern channels
(i.e. Hypermarkets,
Supermarkets)

■ B2B
(i.e. Corporate clients)

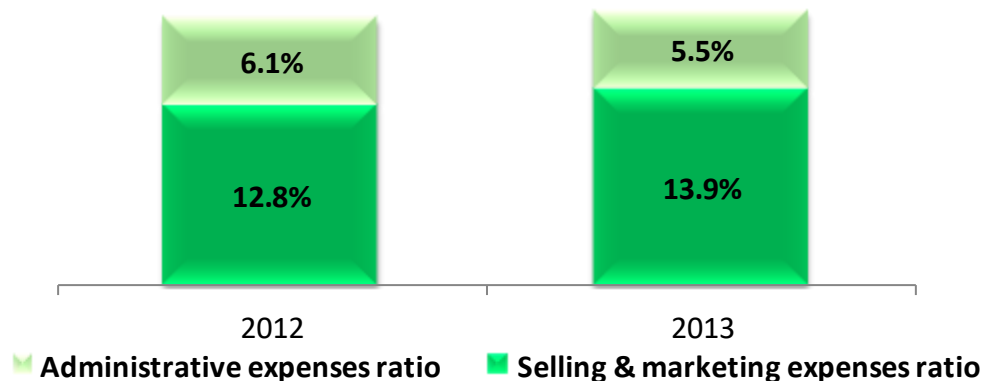
■ E-commerce

Note: There were 210 sales offices & 1,387 distributors as of 31 Dec 2013.



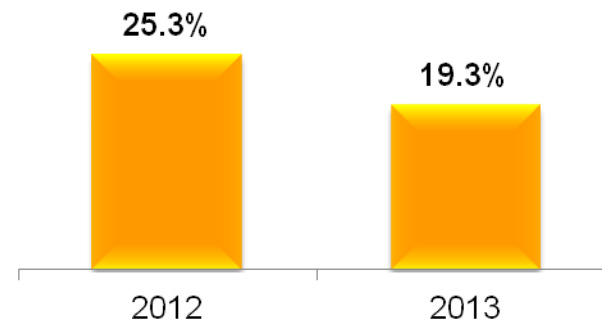
Operating Expenditure

Operating Expenditure as % of Sales



- Administrative expenses ratio decrease due to the reduced share options cost
- Selling and marketing expenses as a % of sales increased mainly due to:
 - Increase in sales promotion level & number of store-promoters
 - Increase in brand building efforts for long-term investment

Effective Tax Rate



- Effective tax rate decreased by 6 p.p., because:
 - Tax planning took effect
 - One subsidiary granted high-tech preferential rate
 - Less share option cost

Key Financial Indicators

	2013	2012
Receivable Turnover Days	48	49
Payable Turnover Days	70	64
Finished Goods Turnover Days	37	34

(HK\$ million)	2013 As at 31 Dec	2013 As at 30 June
Cash and cash equivalents	689.7	774.9
Net gearing ratio* (%)	44.0%	45.9%
Interest coverage** (times)	7.4	8.9

- Solid financial resources for capital expansion and sustained business growth:
 - As at 31 Dec 2013, unutilized credit facilities amounted to approximately HK\$5.01 billion

*Calculation of net gearing ratio: Total borrowings less bank balances and cash and restricted deposits / total shareholders' equity.

** Interest coverage: EBIT/interest (times), excluding exchange rate factor.



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Outlook of Operating Environment

Challenges

Opportunities

Slowdown in economic growth

China Macro-economic Environment

- Urbanization
- Relaxation of “One-child policy”
- Aging population

- Intensifying competition due to additional production capacities
- Fluctuation of pulp price

Industry Environment

- Tightening environment regulations speed up market consolidation
- Rise of e-commerce

Growing frugal trend in consumer market

Market Demand

- Increasing concern over product quality & health issues

Sales & Marketing Strategy

Marketing Strategy

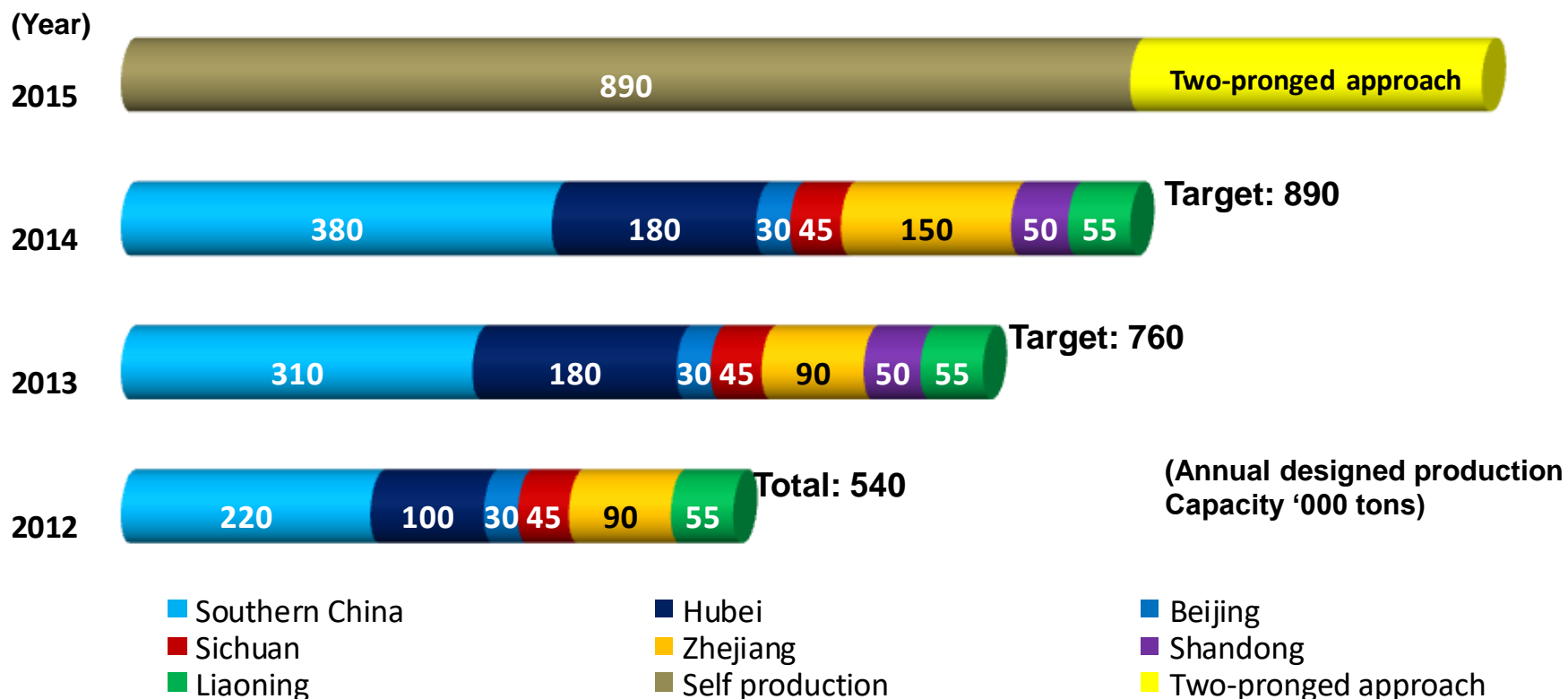
- Adopt scientific marketing approach
- Promote high-margin products such as Ultra Strong softpack, “FEEL” hanky, kitchen wipes

Channel Building

- Broaden online sales channel
- Expand presence in Shandong province
- Penetrate into lower-tier provinces and counties



Production Capacity Expansion



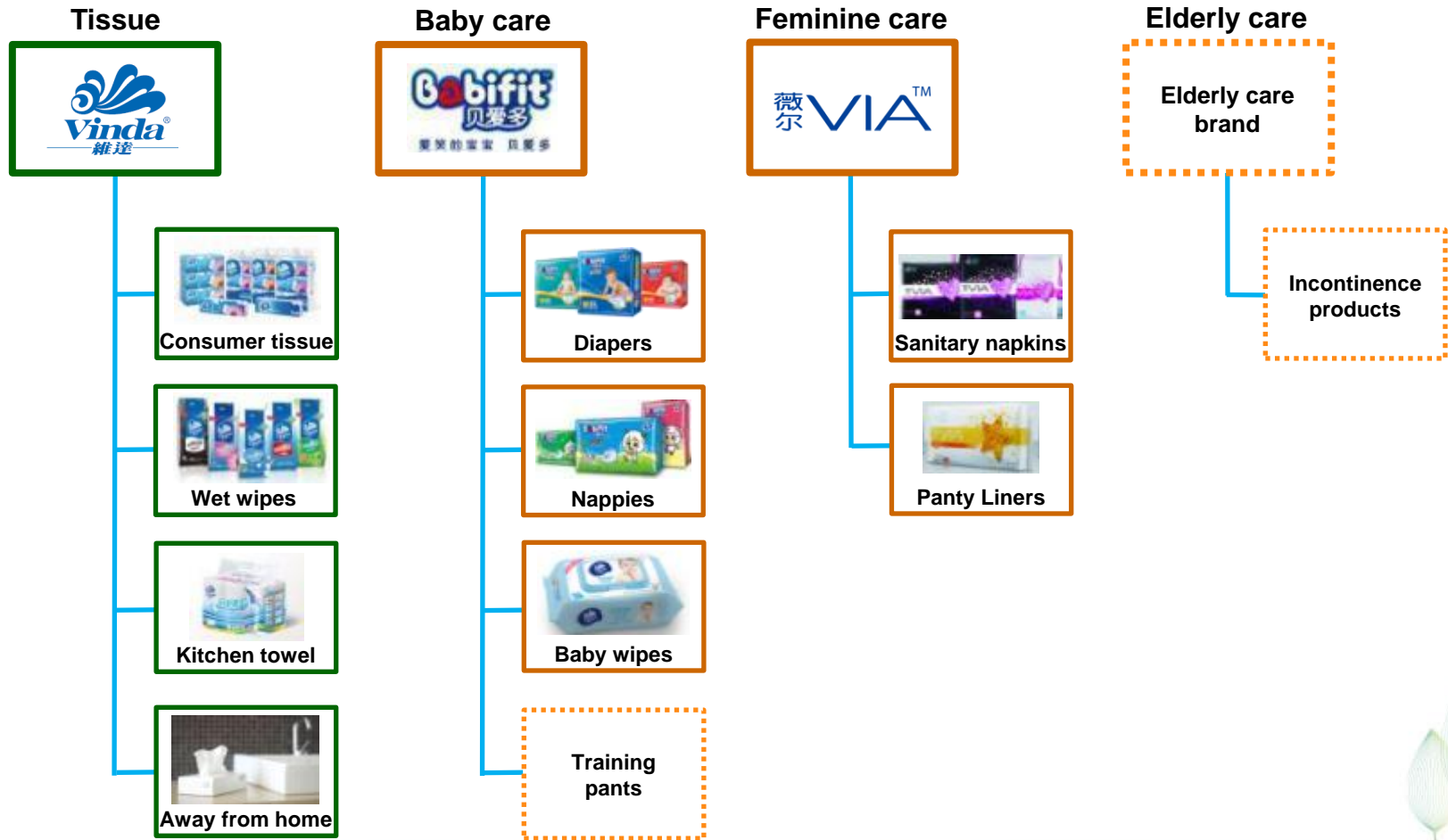
- Annual designed production capacity:
 - As of 31 Dec 2013: 760,000 tons.
 - 130,000 tons to be added in 2H 2014 and expected to reach 890,000 tons by end of 2014.
- To evaluate the viability of implementing a two-pronged development strategy, which fuses both the investment-driven growth model and asset-light model together, starting from 2015.

Synergy Opportunities with SCA



To Become Consumer's First Choice

To become a disposable hygiene product provider
Diversification into 4 brands covering 4 different care-segments



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