

Vinda International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3331)



2021 Annual Results

*Healthy Lifestyle
Starts with Vinda*



Our Vision

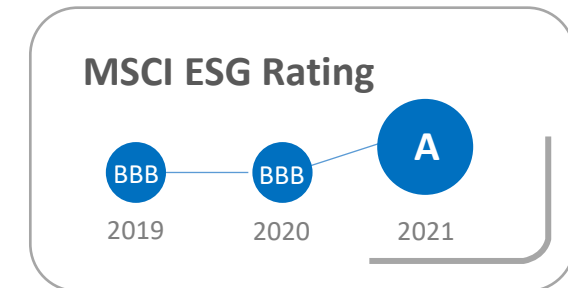
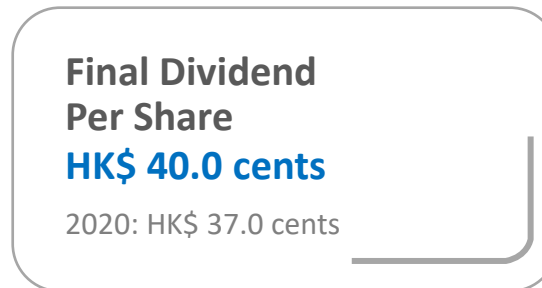
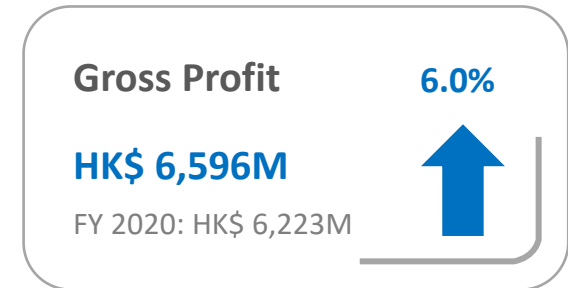
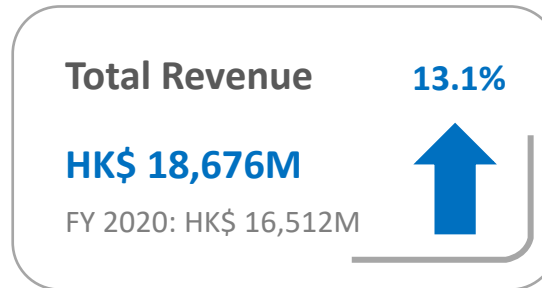
To become Asia's first choice for hygiene products and services



CEO's Highlights

Robust revenue growth despite complex and volatile market environment

- ❑ Significant increase in revenue
- ❑ Outstanding performance in mainland China market
- ❑ Continuous tissue portfolio mix enhancement
- ❑ Continuous strong momentum in personal care business in both mainland China and overseas markets
- ❑ E-commerce channel continues to grow in all business regions

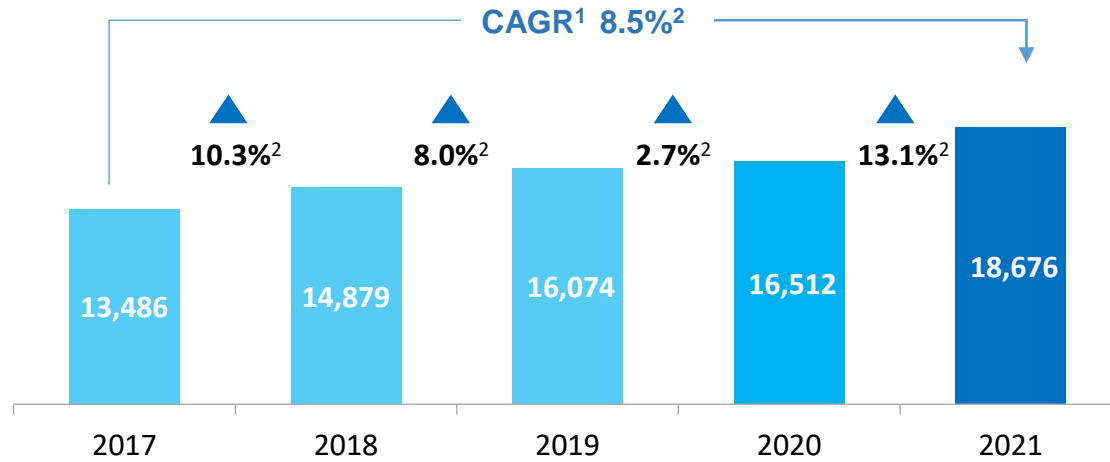


Financial Highlights

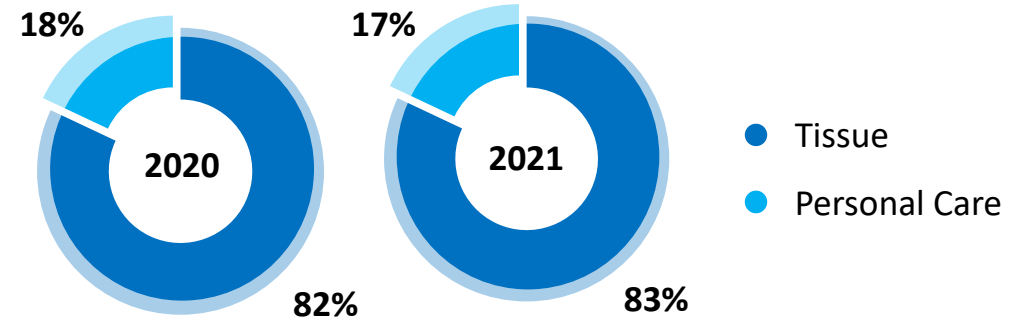


Group Revenue

Total Revenue (HK\$M)



Segment Mix



Tissue
Personal Care



Incontinence



Feminine



Baby



¹ Compound annual growth rate

² 2018 vs 2017: +7.8% at constant exchange rates

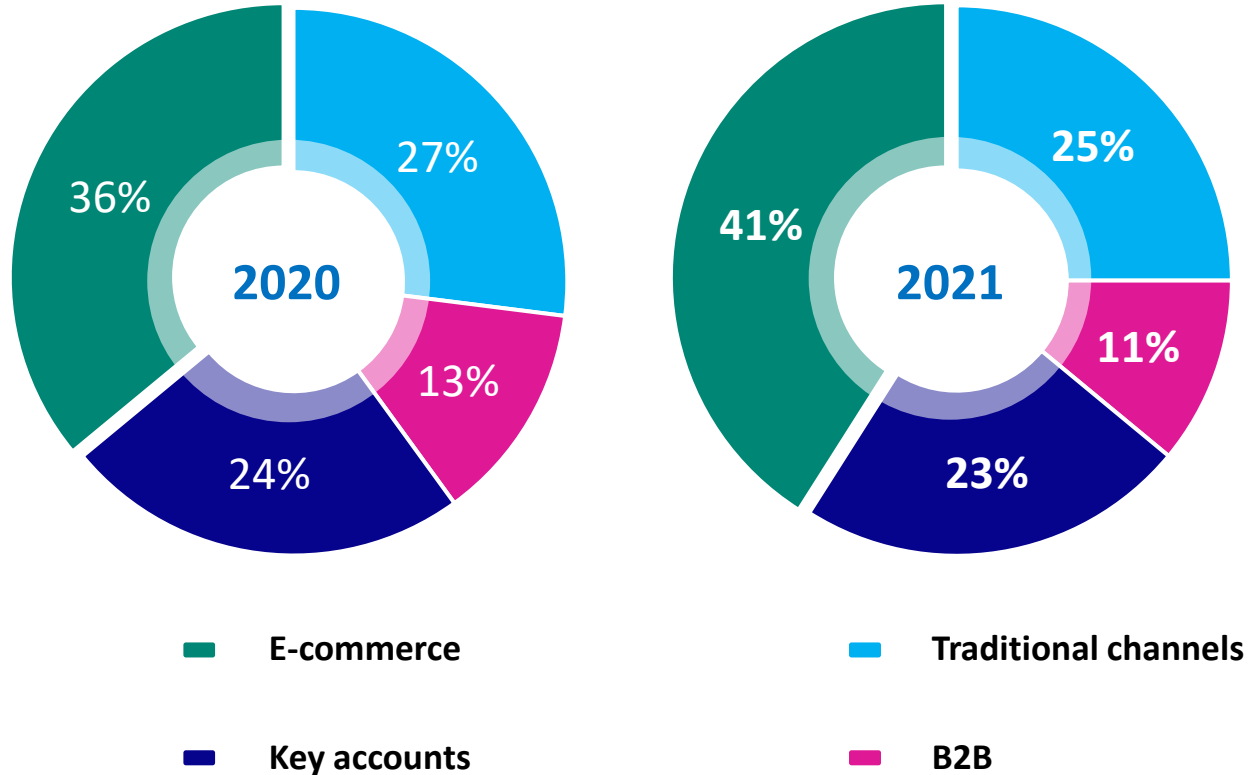
2019 vs 2018: +11.6% at constant exchange rates

2020 vs 2019: +3.7% at constant exchange rates

2021 vs 2020: +7.0% at constant exchange rates

2021 vs 2017: +7.5% CAGR at constant exchange rates

Group Revenue by Channels

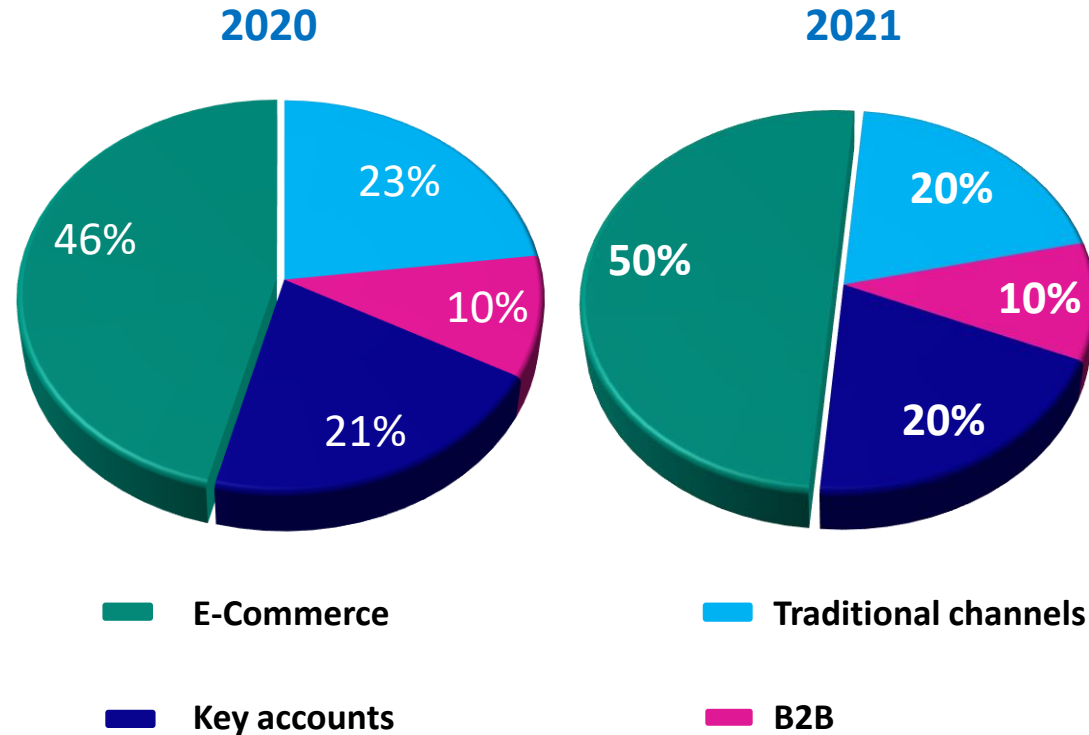
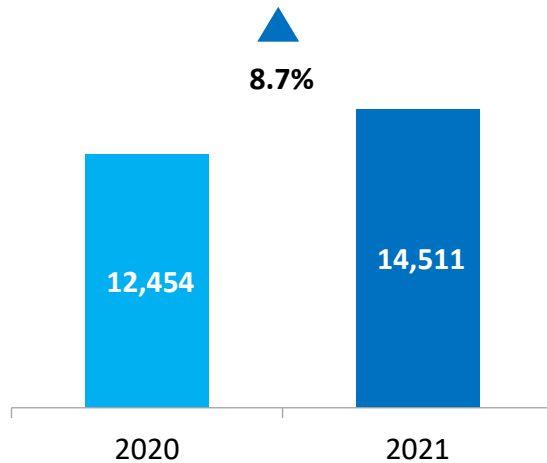


- ❖ Strong E-commerce growth in all markets
- ❖ B2B negatively impacted by COVID in Southeast Asia and North Asia
- ❖ Gradual recovery of traditional channels and key accounts

Mainland China Revenue and Channel Mix

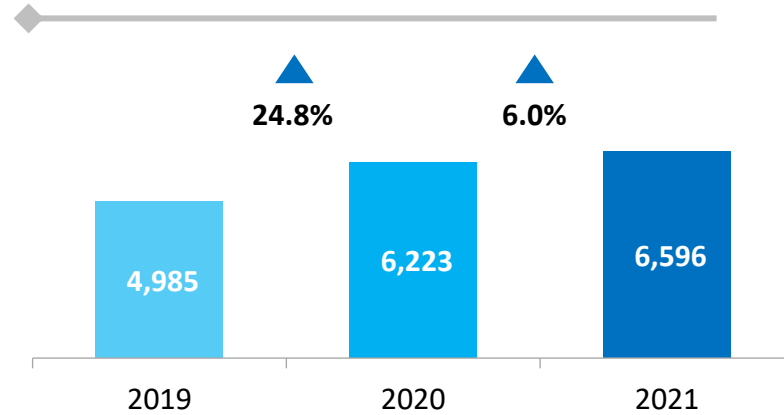
Total Revenue (HK\$M)

Growth at constant exchange rates

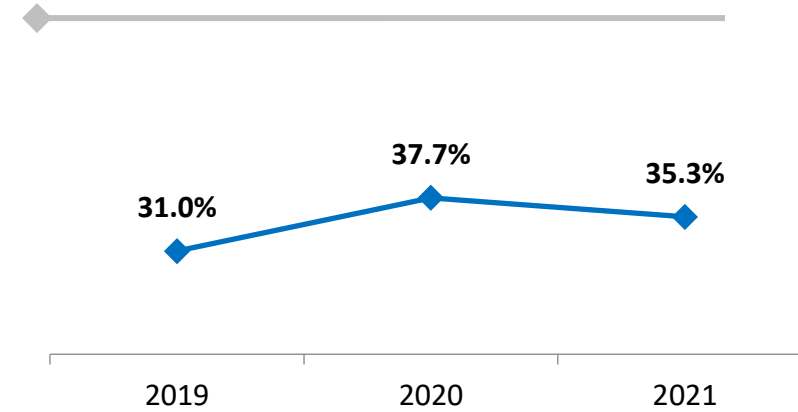


Gross Profit Margin

Gross Profit (HK\$M)

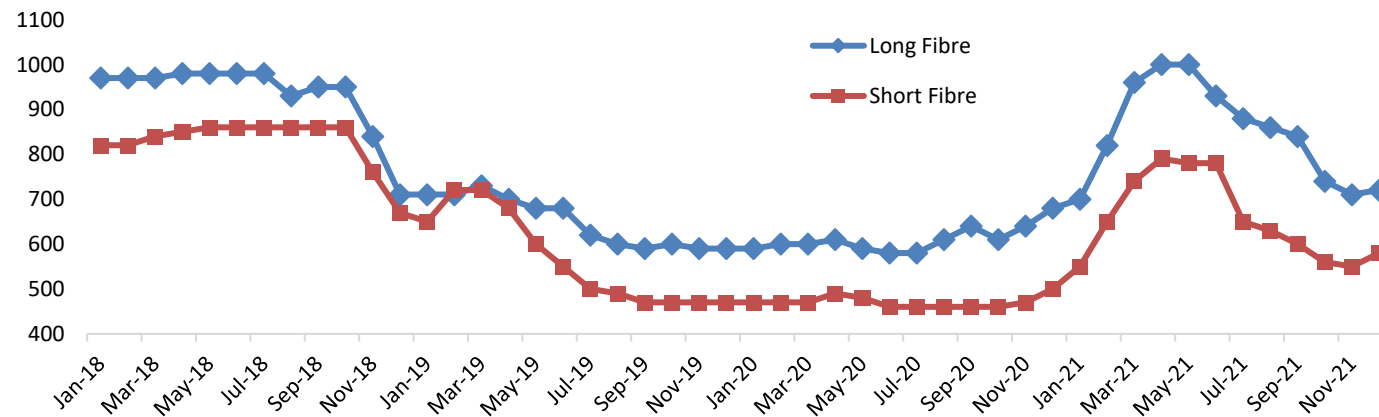


Gross Profit Margin (%)



Pulp Price Movement

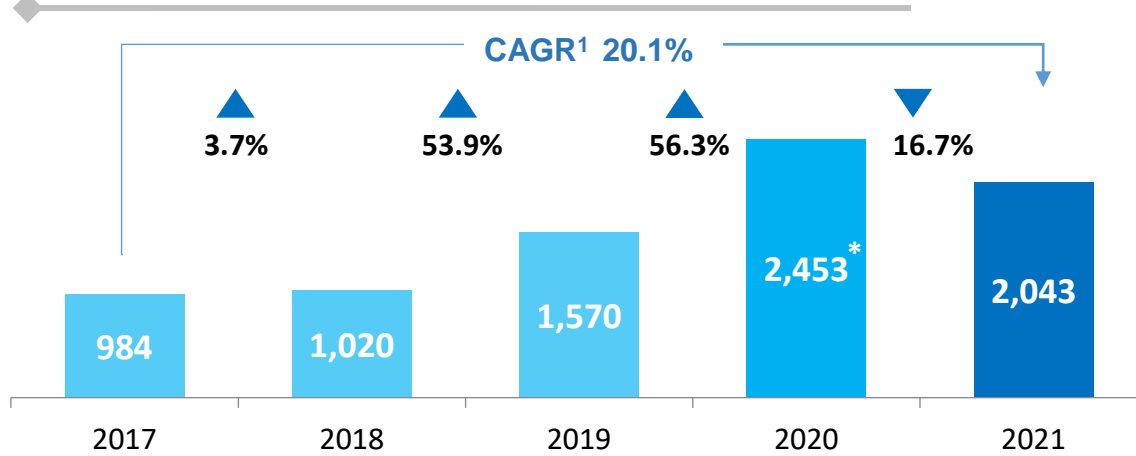
USD/ton



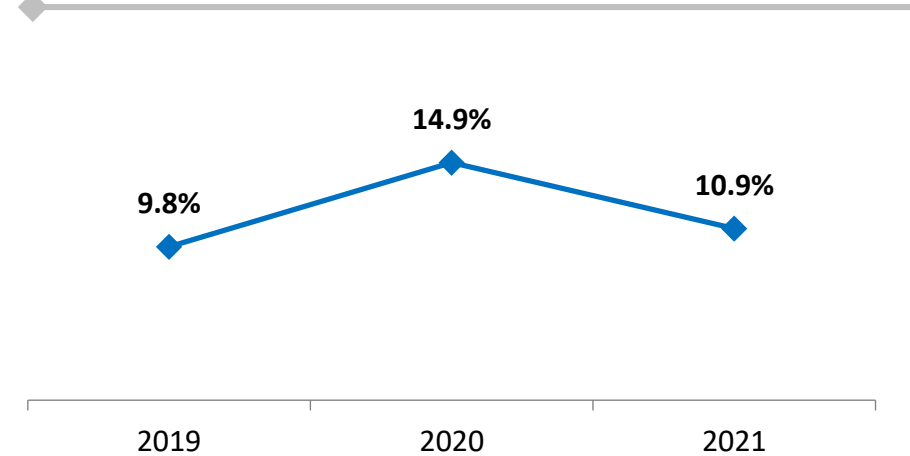
- ❖ Significant higher input costs in 2H
- ❖ Continuous focus in premium portfolio and personal care
- ❖ Optimization of product mix
- ❖ Efficient sourcing strategy
- ❖ Implementation of disciplined pricing strategies

Operating Profit & EBITDA

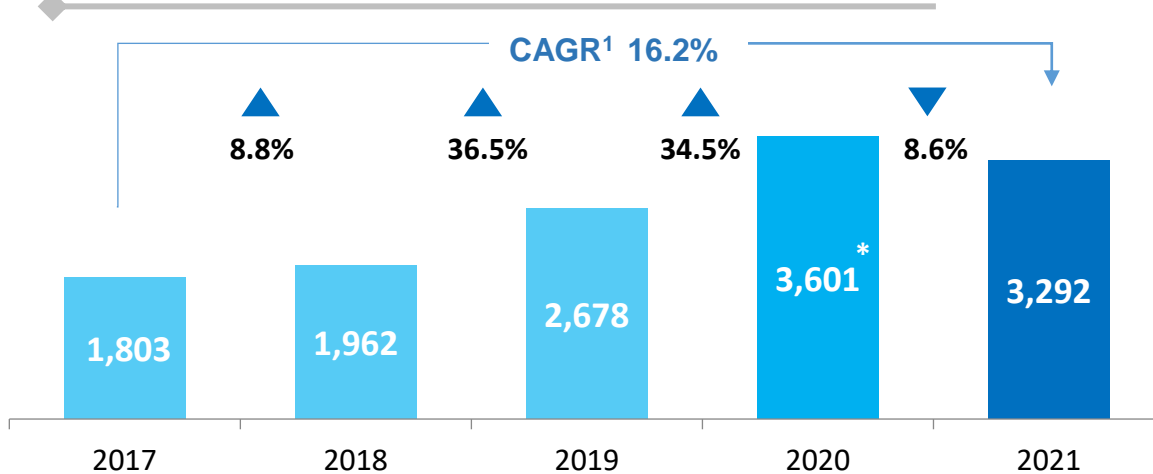
Operating Profit (HK\$M)



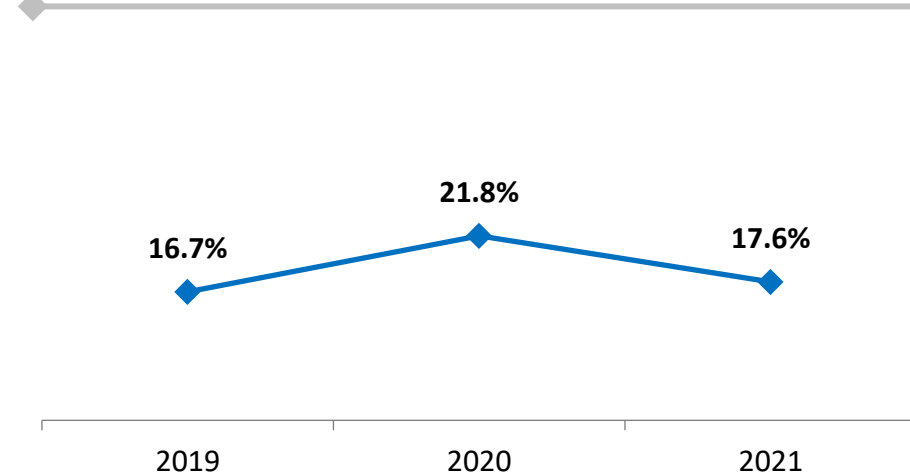
Operating Margin (%)



EBITDA (HK\$M)



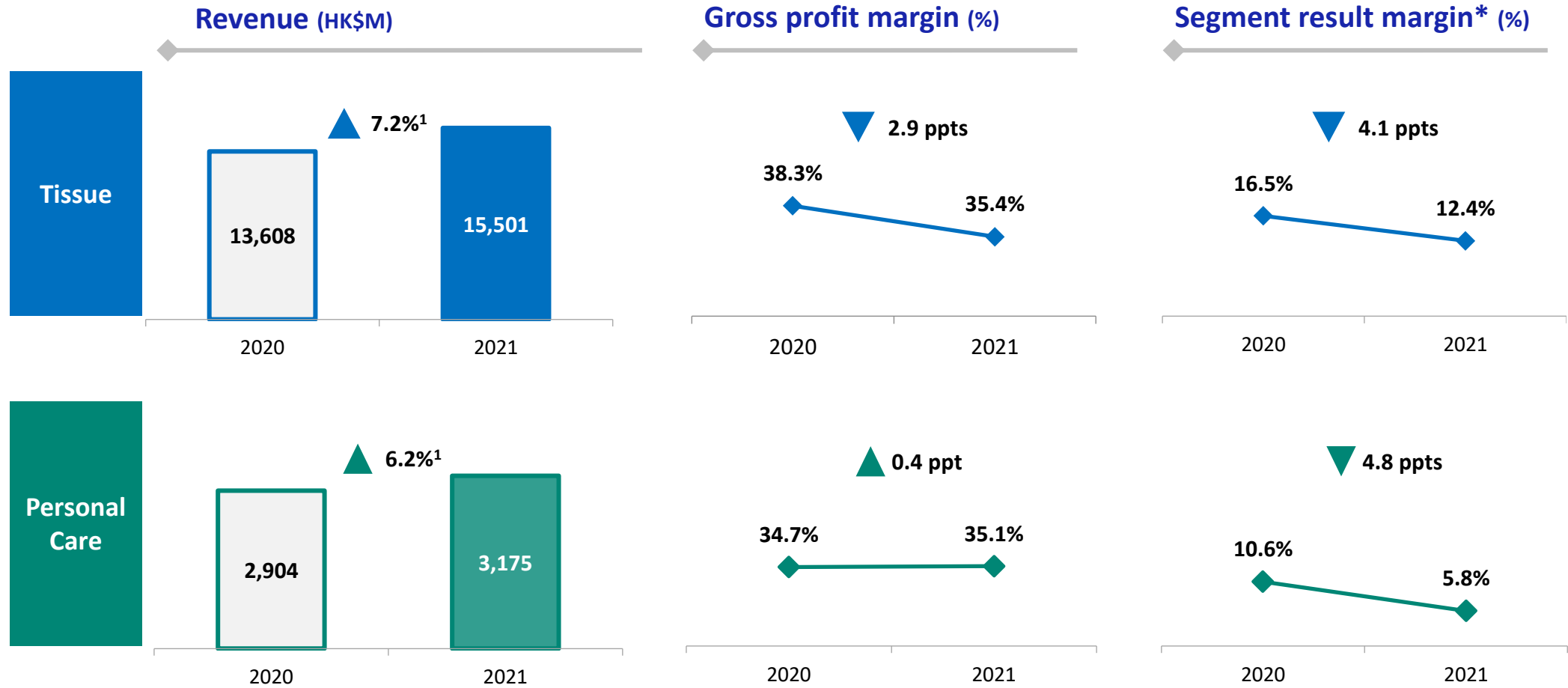
EBITDA Margin (%)



¹ Compound annual growth rate

*Included one-off HK\$121m COVID related subsidies.

Segment Performance

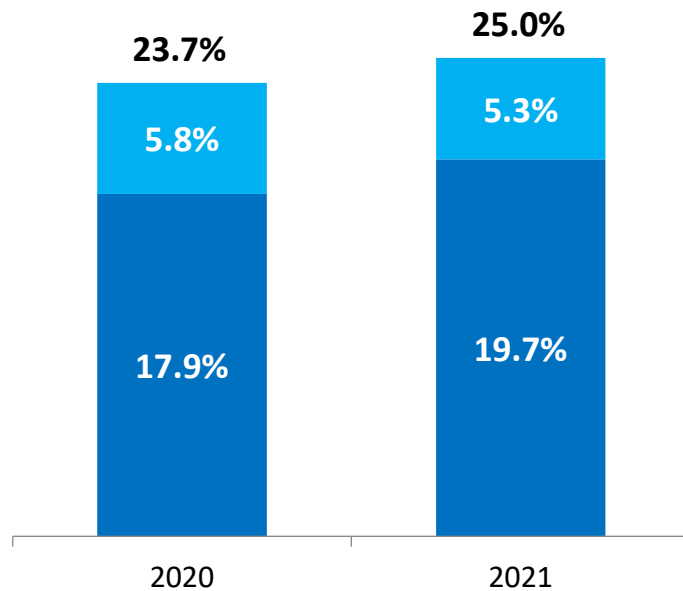


*Segment profit before amortisation of trademarks, licenses & contractual customer relationship

¹ YoY growth at constant exchange rates

SG&A

SG&A as a % of Revenue



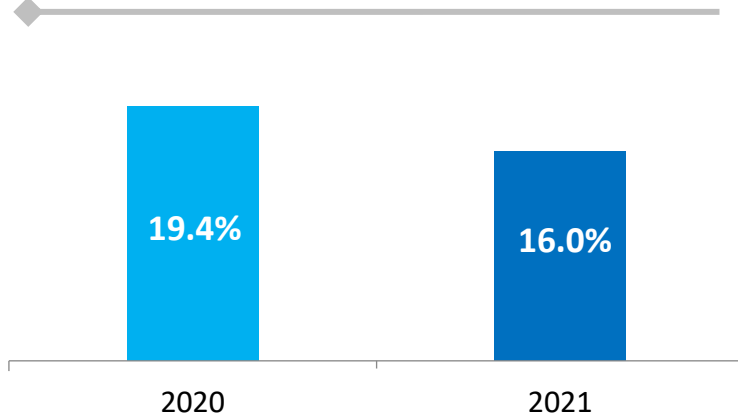
- Administrative expenses ratio
- Selling & marketing expenses ratio

- Continue to executive premiumization and innovation strategy and focus on brand building
- Committed investment in China premium feminine care market
- Investment in new channels for future growth
- Strengthen leading market position by commercial capabilities improvement
- Optimized general administrative efficiency

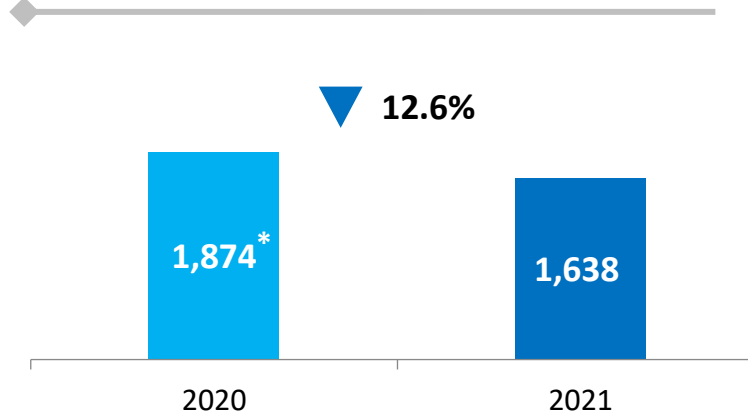


Tax Rate, Interest Rate, Net Profit & Dividend

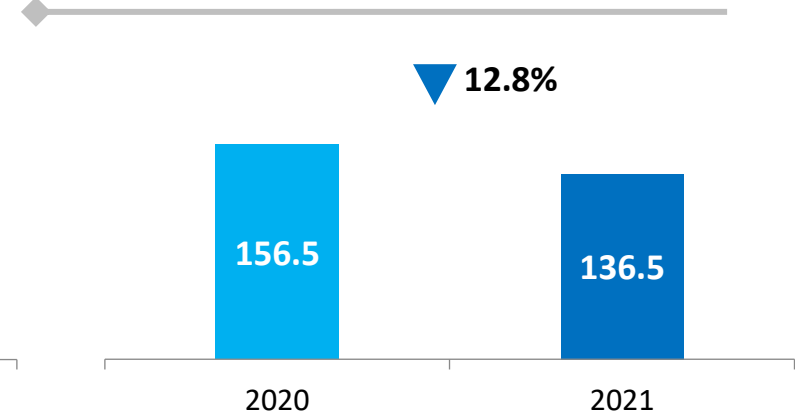
Effective Tax Rate (%)



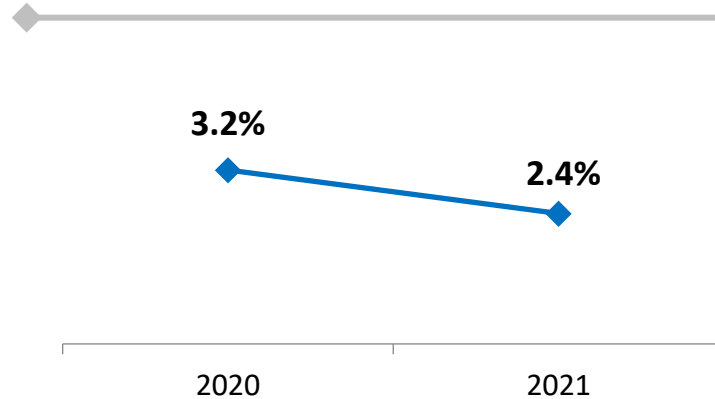
Net Profit (HK\$M)



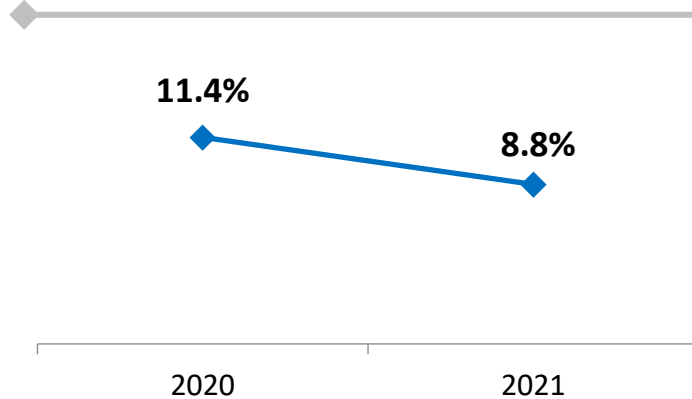
Basic Earnings Per Share (HK cents per share)



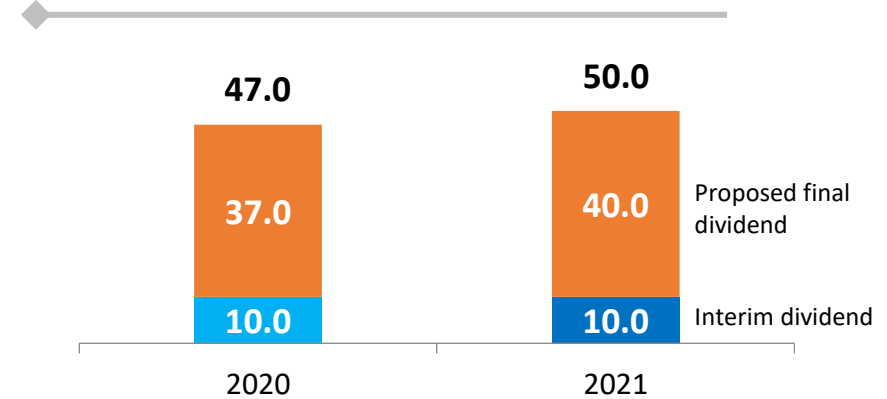
Effective Interest Rate (%)



Net Profit Margin (%)



Proposed Final Dividend (HK cents per share)



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

Key Indicators

	As at 31 Dec 2020	As at 31 Dec 2021
Debtors turnover days ¹	44	44
Creditors turnover days ²	93	82
Finished goods turnover days ³	49	55
Working capital to sales ratio ⁴	11.0%	9.6%
(HK\$M)	As at 31 Dec 2020	As at 31 Dec 2021
Cash and cash equivalents	749	1,025
Total borrowings & lease liabilities	4,934	5,001
Net debt	4,184	3,976
Net gearing ratio ⁵	35.9%	30.5%
Net debt/EBITDA ratio	1.2	1.2
CAPEX	1,725	1,759

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

1 Green Production

	2020	2021
• Energy utilization efficiency (standard coal consumption per HK\$10,000 of sales)	0.22 ton	0.21 ton
• CO2 emission intensity (per HK\$10,000 of sales)	0.69 ton	0.65 ton
• Paper production sewage recycling rate	>95%	
• Wood pulp sourcing	100% forest certification system certified	

2 Sustainable Development

<p>HKQAA Hong Kong Green and Sustainable Finance Awards 2021</p> <p>Outstanding Award for Green and Sustainable Loan Issuer</p>  	<p>The Asset ESG Corporate Awards 2021</p> <p>Platinum Award</p>  	<p>Bloomberg Businessweek ESG Leading Enterprise Awards 2021</p> <p>ESG Leading Enterprise Awards</p>  	<p>MSCI ESG Rating</p> <p>Upgraded to "A"</p>  
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Successful innovations

Tissue



Personal Care



Priorities and Opportunities



Short Term

- **Household Tissue:**
New generation of premium product series, profitable growth and market share gain
- **Feminine:**
Building up a sizable business and notable market position in China
- **Incontinence:**
Fulfilling the needs of an aging demographic
- **Away From Home:**
Hygiene solutions for business customers in post-pandemic era



Long Term

- **Optimization and Expansion:**
Clear strategic positioning and continuous optimization and expansion of product portfolio
- **Innovation:**
Continue to drive impactful innovations



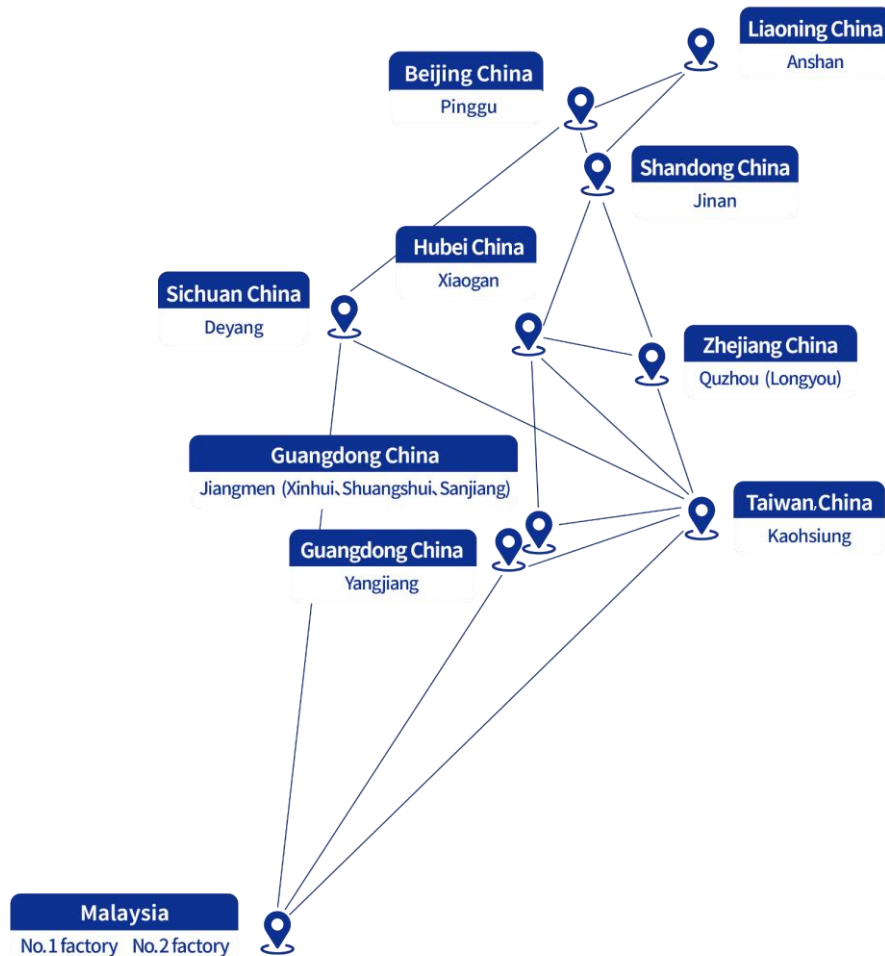
ESG

- **Focus on Sustainability:**
Certified fiber, emission and waste reduction
- **Excellent Corporate Governance:**
Code of conduct, transparency and compliance
- **Develop our People:**
Health and safety, gender equality, training and career development

Appendix



Production Capacity Plan



Tissue annual designed production capacity

1.39 M tons
(2021 - 2022)

- Including the completed, planned expansion of tissue production capacity across South, East and Central China
- Establishment of new wet wipe production facilities in South and North China was also completed and started operations

Personal care facility

- New Southeast Asia regional headquarters, production facilities and modern innovation centre in Malaysia is progressing as planned and expected to be completed in 2022

Financial Highlights Summary

(HK\$M)	2017	2018	2019	2020	2021
Revenue	13,486	14,879	16,074	16,512	18,676
<i>Growth at constant exchange rate</i>	<i>+8.5%</i>	<i>+7.8%</i>	<i>+11.6%</i>	<i>+3.7%</i>	<i>+7.0%</i>
Gross profit	4,000	4,187	4,985	6,223	6,596
<i>Gross margin</i>	<i>29.7%</i>	<i>28.1%</i>	<i>31.0%</i>	<i>37.7%</i>	<i>35.3%</i>
Operating profit	984	1,020	1,570	2,453	2,043
<i>Operating margin</i>	<i>7.3%</i>	<i>6.9%</i>	<i>9.8%</i>	<i>14.9%</i>	<i>10.9%</i>
EBITDA	1,803	1,962	2,678	3,601	3,292
<i>EBITDA margin</i>	<i>13.4%</i>	<i>13.2%</i>	<i>16.7%</i>	<i>21.8%</i>	<i>17.6%</i>
Net profit	621	649	1,138	1,874*	1,638
<i>Net margin</i>	<i>4.6%</i>	<i>4.4%</i>	<i>7.1%</i>	<i>11.4%</i>	<i>8.8%</i>
Basic EPS (HK cents)	52.6	54.4	95.3	156.5	136.5
Proposed total dividend per share (HK cents)	19.0	20.0	28.0	47.0	50.0

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

Q&A



Thank you!

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Starts with Vinda*



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