

Vinda International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3331)



2020 Annual Results

Healthy Lifestyle
Starts with Vinda



Chairman's Highlights



1

Sound business fundamentals remained, continuous margin expansion

- Strong growth in profitability (GPM & NPM)
- Focus on innovation and value creation
- Favorable market trend

2

Growth driver

- Successful premium positioning
- Strong momentum in personal care (in particular, feminine care in China)
- Outstanding e-commerce performance

3

Key Achievement

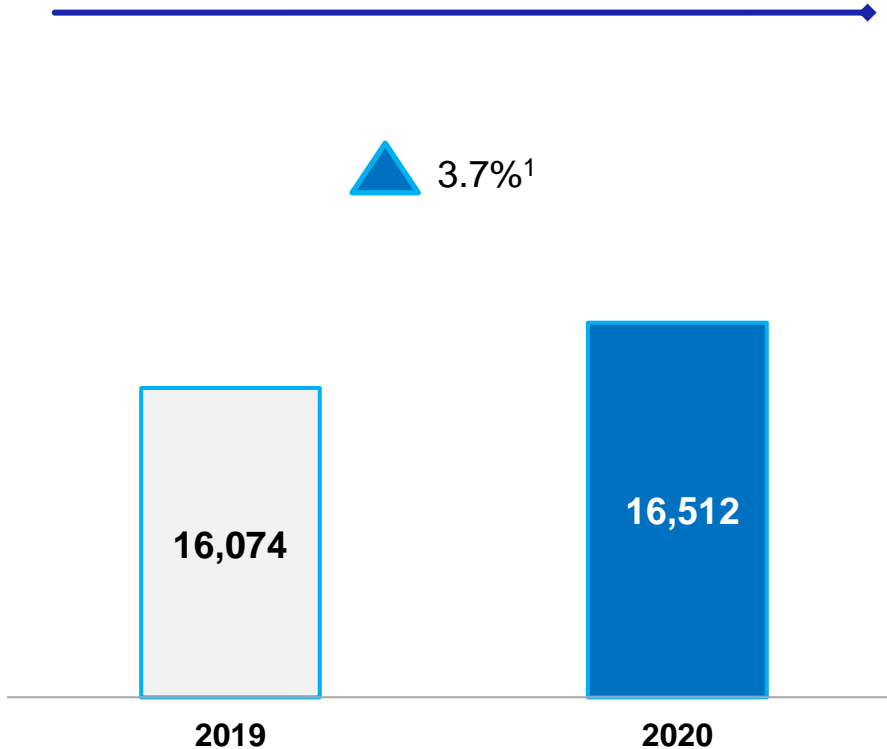
- MSCI Global Standard Indexes
- MSCI China All Shares Index
- Hang Seng Composite Index
- Hang Seng Stock Connect Greater Bay Area Composite Index

Financial Highlights

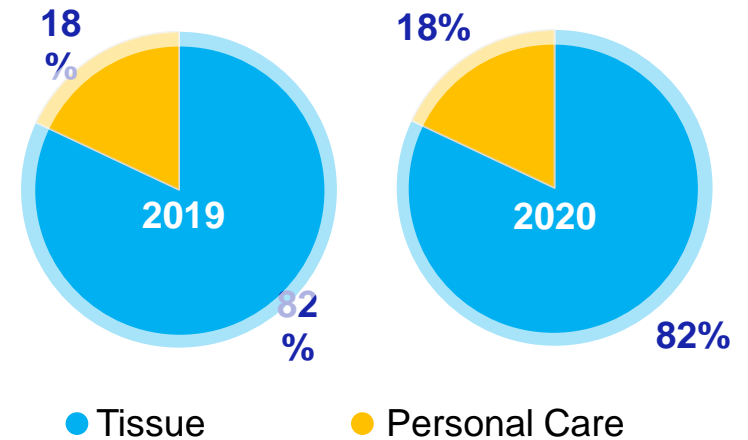


Revenue Growth

Total Revenue (HK\$M)



Revenue Mix (%)

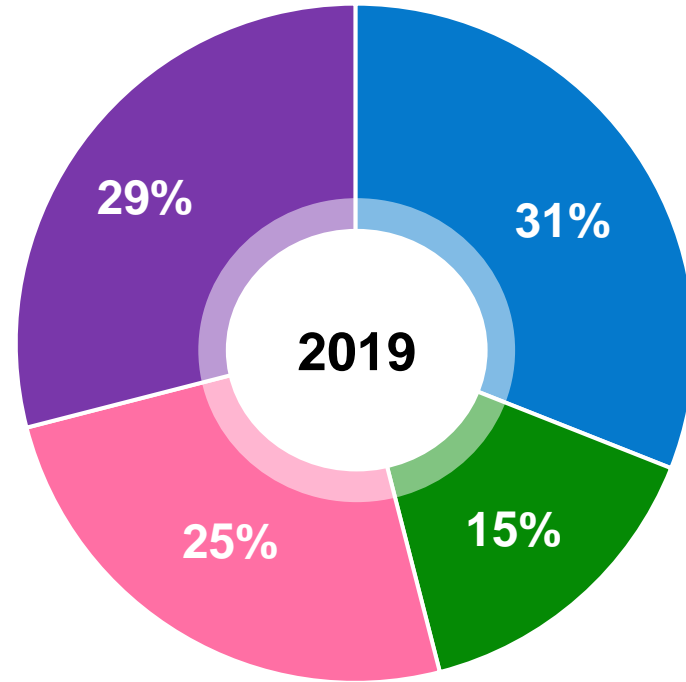
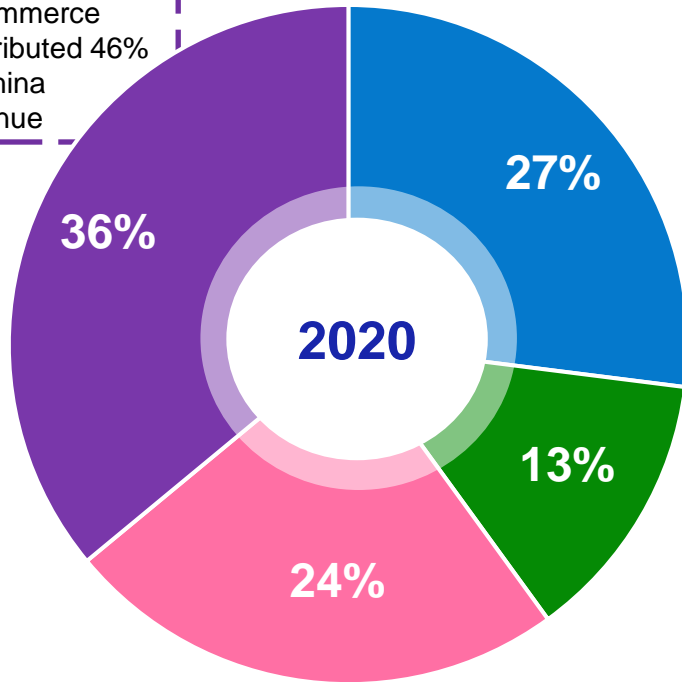


- Solid topline growth in a challenging environment
- China business regained strong momentum in Q4
- Continuous strong performance in personal care
- Increasing contribution from premium portfolio

¹ YoY growth at constant exchange rate: 3.7%, YoY growth at reported rate: 2.7%.

Revenue by Channels

China e-commerce contributed 46% of China revenue

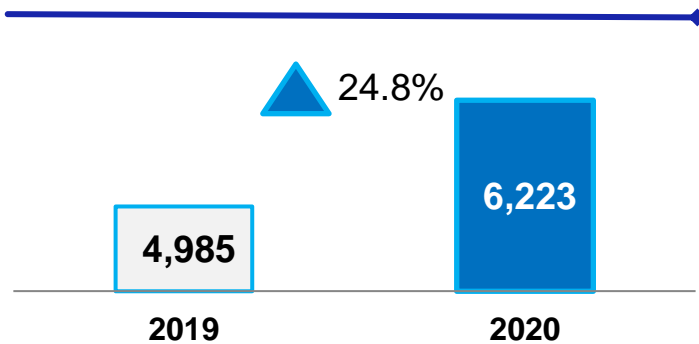


- Traditional channels (i.e. Distributors)
- B2B (i.e. Corporate client)
- Key accounts (i.e. Hypermarkets, Supermarkets)
- E-commerce

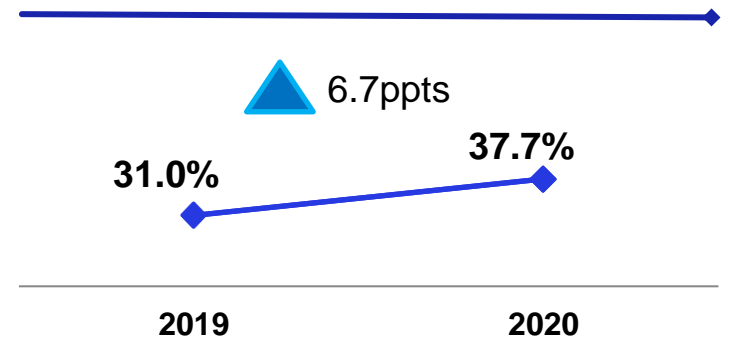
- Strong growth in e-commerce
- Good recovery of offline channels in Q4

Gross Profit Margin

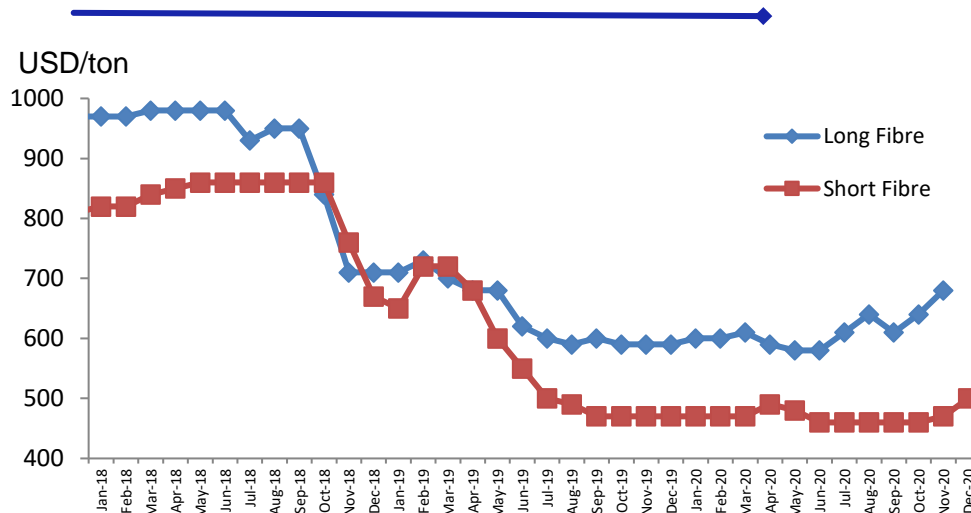
Gross Profit (HK\$M)



Gross Profit Margin (%)



Pulp Price Movement

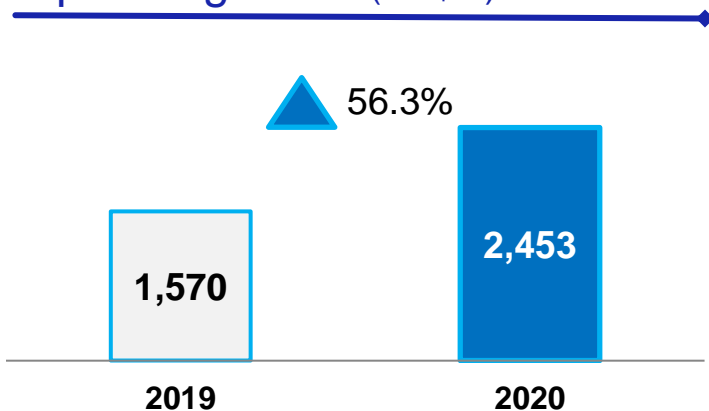


GPM expansion:

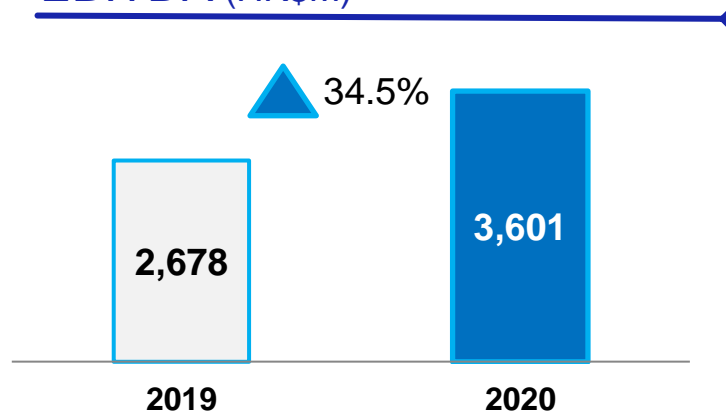
- Continuous improvement in product mix
- Increasing contribution from personal care business
- Disciplined pricing management
- Lower raw material prices

Operating Profit & EBITDA

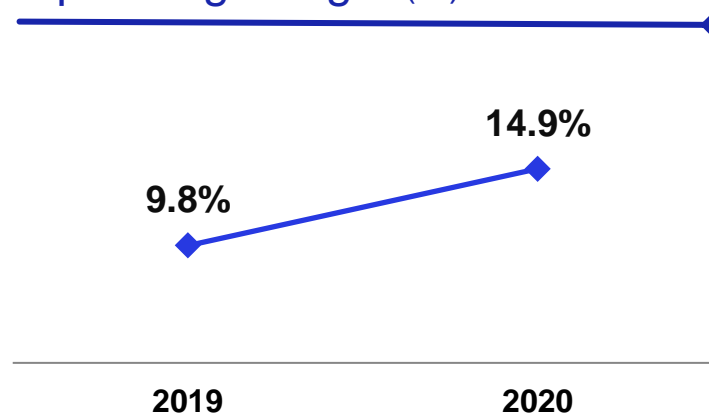
Operating Profit (HK\$M)



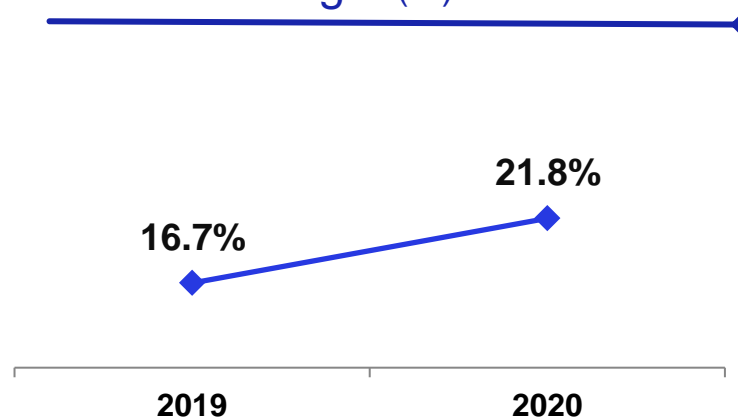
EBITDA (HK\$M)



Operating Margin (%)

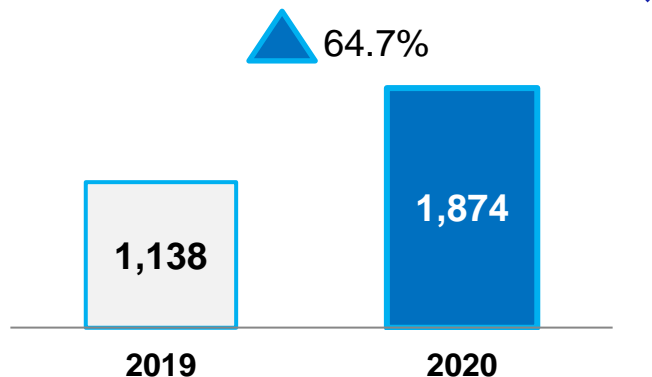


EBITDA Margin (%)

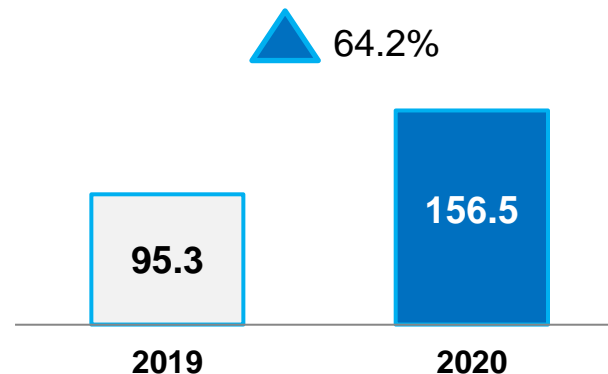


Net Profit & Dividend

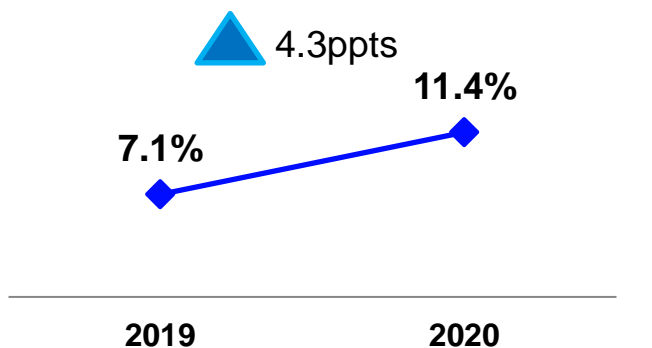
Net Profit (HK\$M)



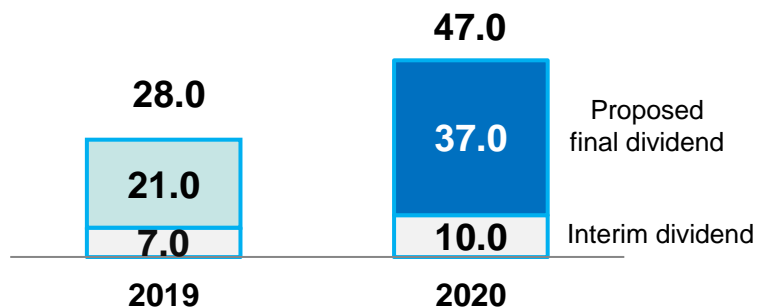
Basic Earnings Per Share (HK cents per share)



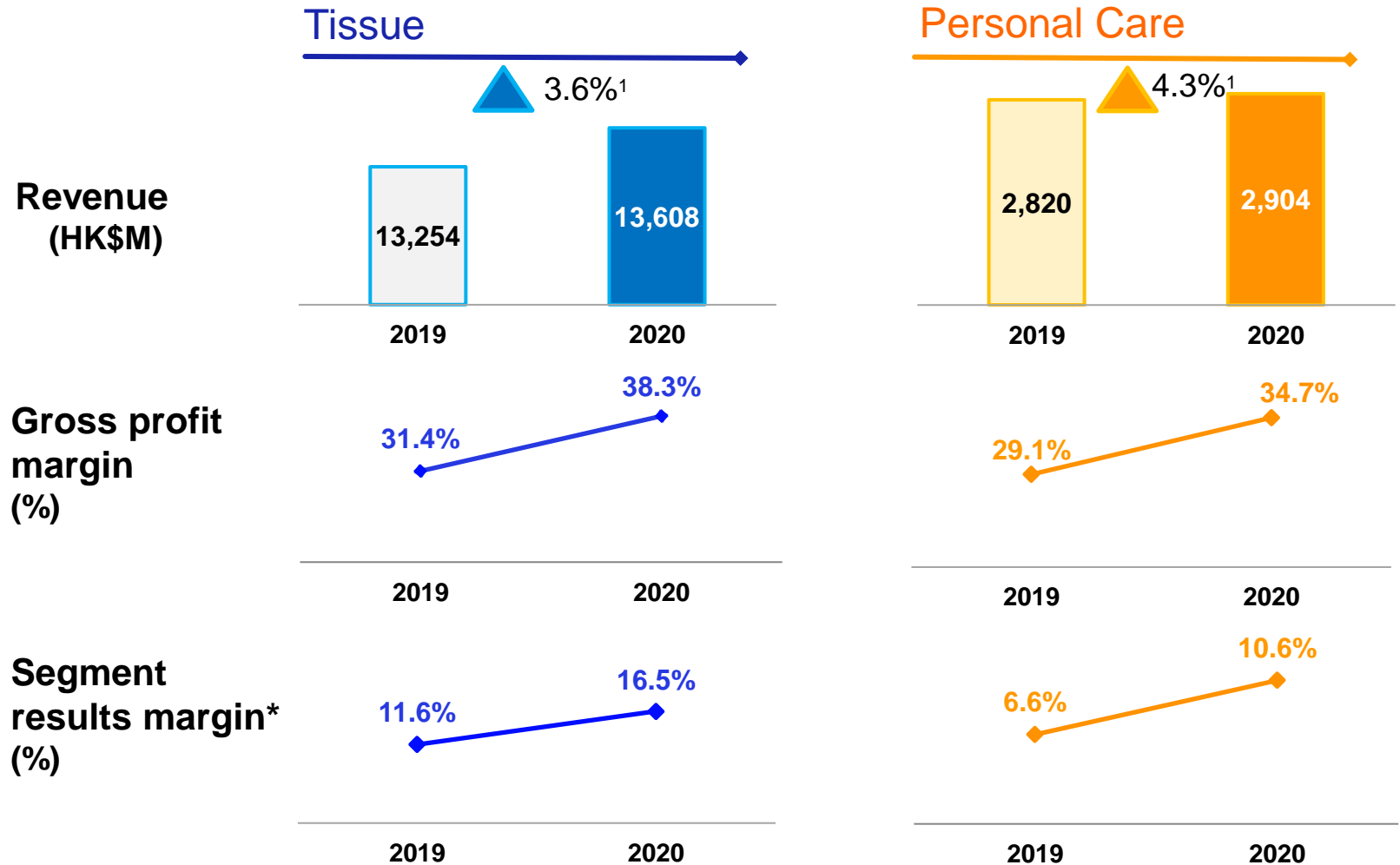
Net Profit Margin (%)



Total Dividend (HK cents per share)



Segment Performance

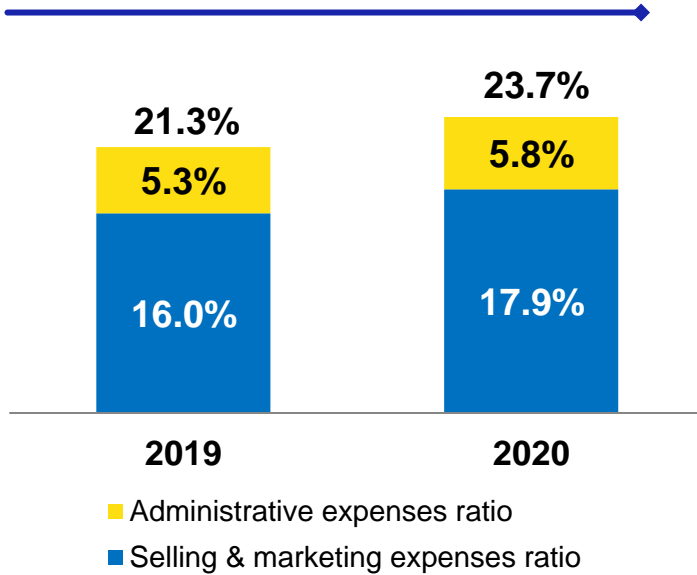


*Segment profit before amortisation of trademarks, licenses & contractual customer relationship

¹ YoY growth at constant exchange rate

SG&A

SG&A as a % of Sales

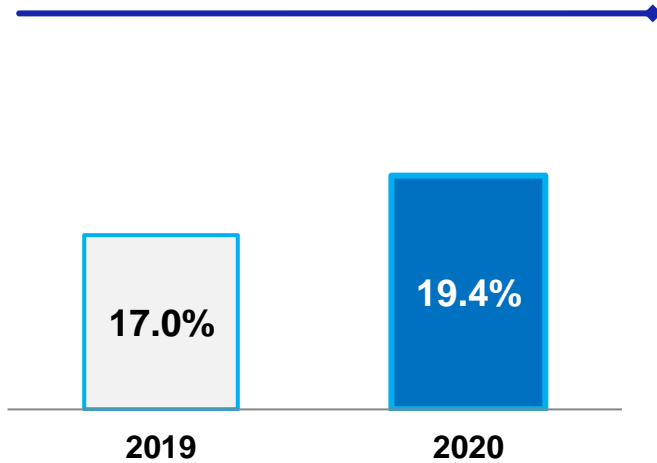


- Continuous long term brand building investment
- Prioritizing investment for premium brands and products
- Increased investment in personal care

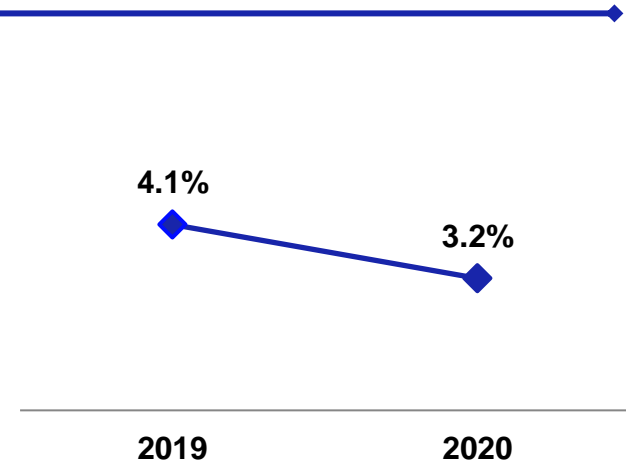


Tax Rate & Interest Rate

Effective Tax Rate (%)



Effective Interest Rate (%)



Key Indicators

(HK\$M)	As at 31 Dec 2020	As at 31 Dec 2019
Debtors turnover days¹	44	42
Creditors turnover days²	93	90
Finished goods turnover days³	49	46
Working capital to sales ratio⁴	11.0%	4.5%
(HK\$M)	As at 31 Dec 2020	As at 31 Dec 2019
Cash and cash equivalents	749	460
Total debt	4,934	4,339
Net debt	4,184	3,879
Net gearing ratio	35.9%	41.0%
Net debt/EBITDA	1.2	1.4

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)/ total revenue

Environmental, Social & Governance

1 Health & Safety

	2020	2019
<ul style="list-style-type: none"> LTA (case) <i>LTA: Lost Time Accidents</i> 	14	17

2 Green Production

	2020	2019
<ul style="list-style-type: none"> Avg. overall energy consumption per ton of paper (ton of stand coal) (Mainland China) 	0.32 ¹	0.33 ¹
<ul style="list-style-type: none"> CO2 emission intensity (per HK\$10,000 of sales) 	0.69	0.68
<ul style="list-style-type: none"> Water recycling rate 	>95%	
<ul style="list-style-type: none"> Wood pulp sourcing 	>99% environmentally certified	

3 Sustainable Development



Obtained the "Green Finance Pre-Issuance Stage Certificate" issued by HKQAA



¹below national standard upper limit of 0.42

Summary of Key Opportunities



Continuous growth opportunities

- **Tissue market:**
Low per capita consumption, premiumization and professional hygiene
- **Feminine:**
Driving towards double digit market share
- **Incontinence:**
Catering for the aging demographics
- Leveraging channel strength with focus on e-commerce



Profitability enhancement

- Portfolio management in tissue with focus on premium
- Higher contribution from Personal Care
- Continuous cost management



Consumer relevant innovations

- Excellent customer and consumer insight
- Focused innovation strategy and execution



ESG

- Focus on sustainability: certified fiber, emission and waste reduction
- Developing our people: health and safety, training & career development
- Excellent corporate governance: code of conduct, transparency & compliance



Appendix

Production Capacity Plan

Tissue annual designed capacity

1.25 M tons
(2020)



140,000 tons
(2021)

- Completion of tissue capacity expansion in Yangjiang, Zhejiang and Hubei in 2021
- In the future CAPEX focus on premium tissue capacity

Personal Care facility

- SEA Hub in Malaysia focus on cost reduction and capacity expansion
- The first phrase (Warehouse) will be completed in 2021



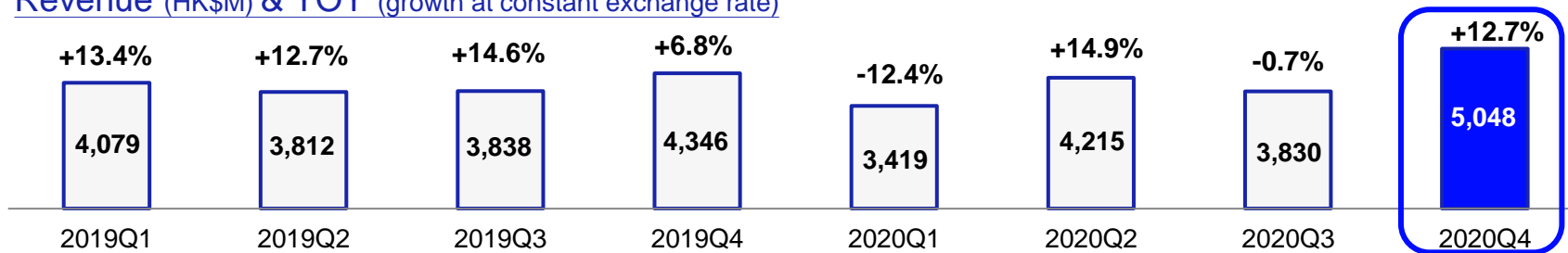
Financial Highlights Summary

(HK\$M)	2020	2019	YOY
Revenue	16,512	16,074	+2.7%
<i>Constant exchange rate</i>	+3.7%¹	+11.6%¹	
Gross profit	6,223	4,985	+24.8%
<i>Gross margin</i>	37.7%	31.0%	+6.7ppts
Operating profit	2,453	1,570	+56.3%
<i>Operating margin</i>	14.9%	9.8%	+5.1ppts
EBITDA	3,601	2,678	+34.5%
<i>EBITDA margin</i>	21.8%	16.7%	+5.1ppts
Net profit	1,874	1,138	+64.7%
<i>Net margin</i>	11.4%	7.1%	+4.3ppts
Basic EPS (HK cents)	156.5	95.3	64.2%
Proposed total dividend per share (HK cents)	47.0	28.0	67.9%

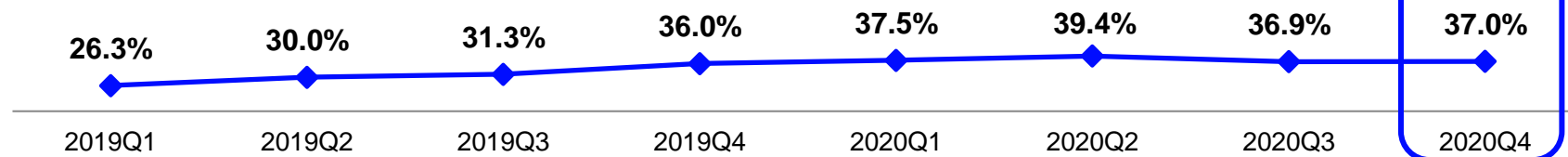
¹ Growth at constant exchange rate

Quarterly Financial Highlights

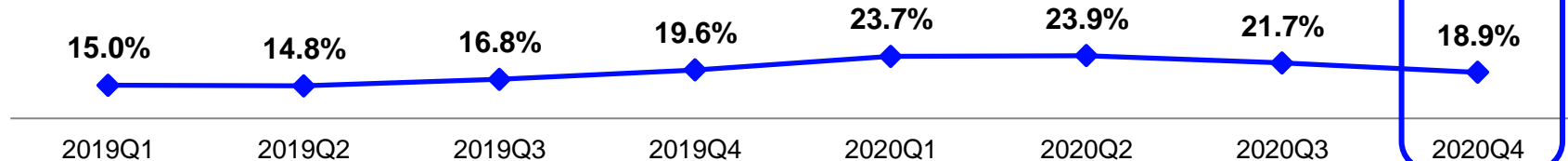
Revenue (HK\$M) & YOY (growth at constant exchange rate)



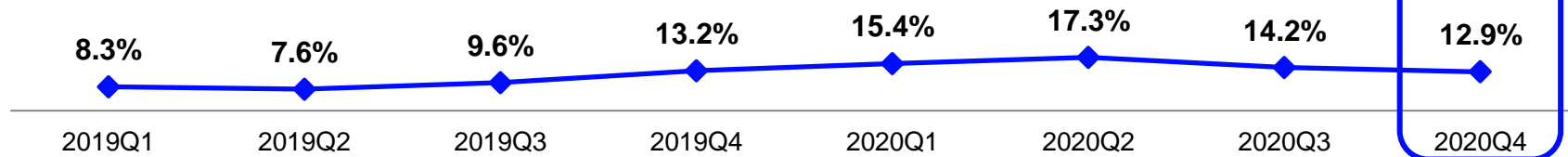
Gross Profit Margin (%)



EBITDA Margin (%)



Operating Margin (%)



Q&A



Disclaimer

Information contained in our presentation is intended solely for your personal reference and is strictly confidential. You may not reproduce, redistribute or pass on, directly or indirectly, this presentation to any other person or publish, in whole or in part, for any purpose. The distribution of this presentation may be restricted by law, and persons who come into possession of this presentation should inform themselves about, and observe, such restrictions.

Information in this presentation is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the company and/or its business. We make no representation or warranty, express or implied, regarding and no reliance should be placed on the fairness, accuracy, correctness, reasonableness or completeness of, or any errors or omissions in, any information, opinions, estimates, forecasts and projections contained herein.

In addition, the information contains projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the company's assumptions are correct. Actual results may differ materially from those projected. It is not the intention to provide, and you may not rely on this presentation as providing, a complete or comprehensive analysis of the Company's financial or trading position or prospects. We accept no liability whatsoever for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith.

This presentation does not constitute an offer or invitation to acquire, purchase or subscribe for any shares and no part of it shall form the basis of or be relied upon in connection with any contract, commitment or investment decision in relation thereto.