

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

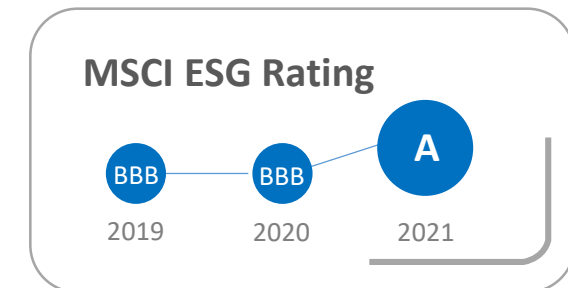
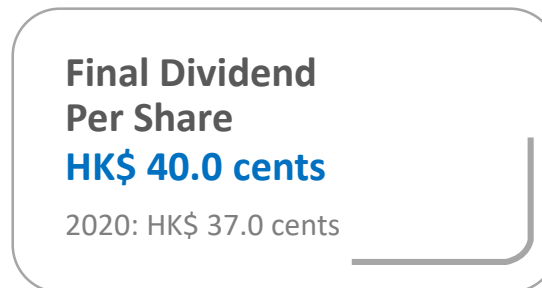
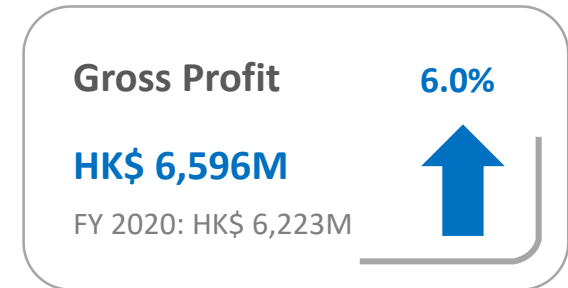
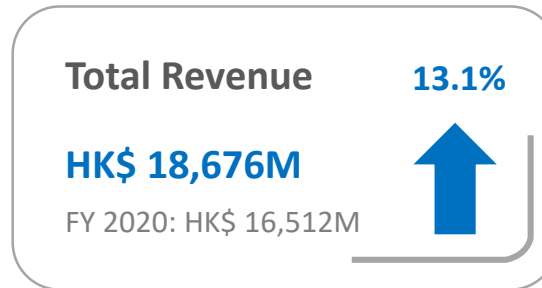
To become Asia's first choice for hygiene products and services



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

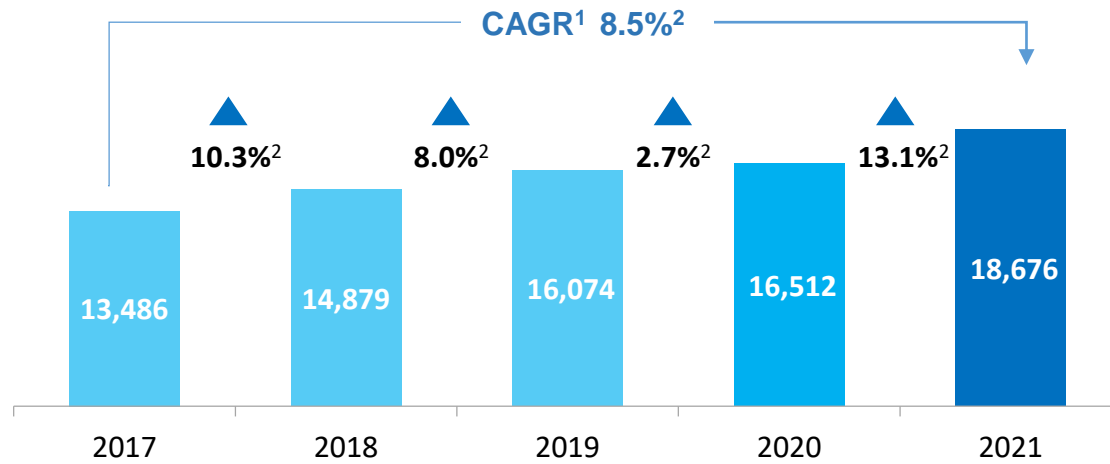


Financial Highlights

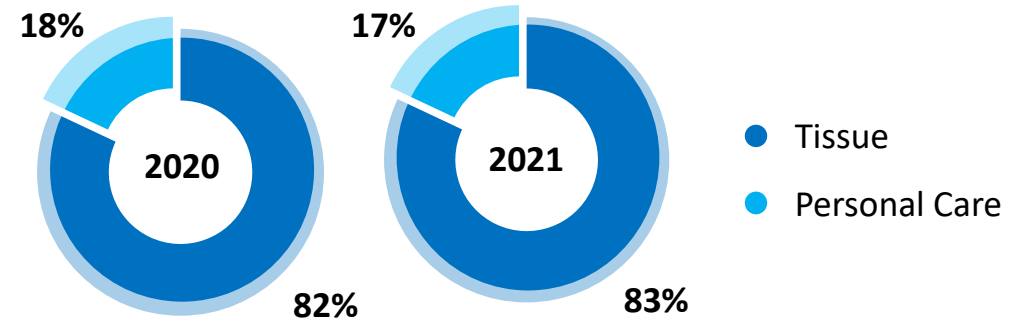


Group Revenue

Total Revenue (HK\$M)



Segment Mix

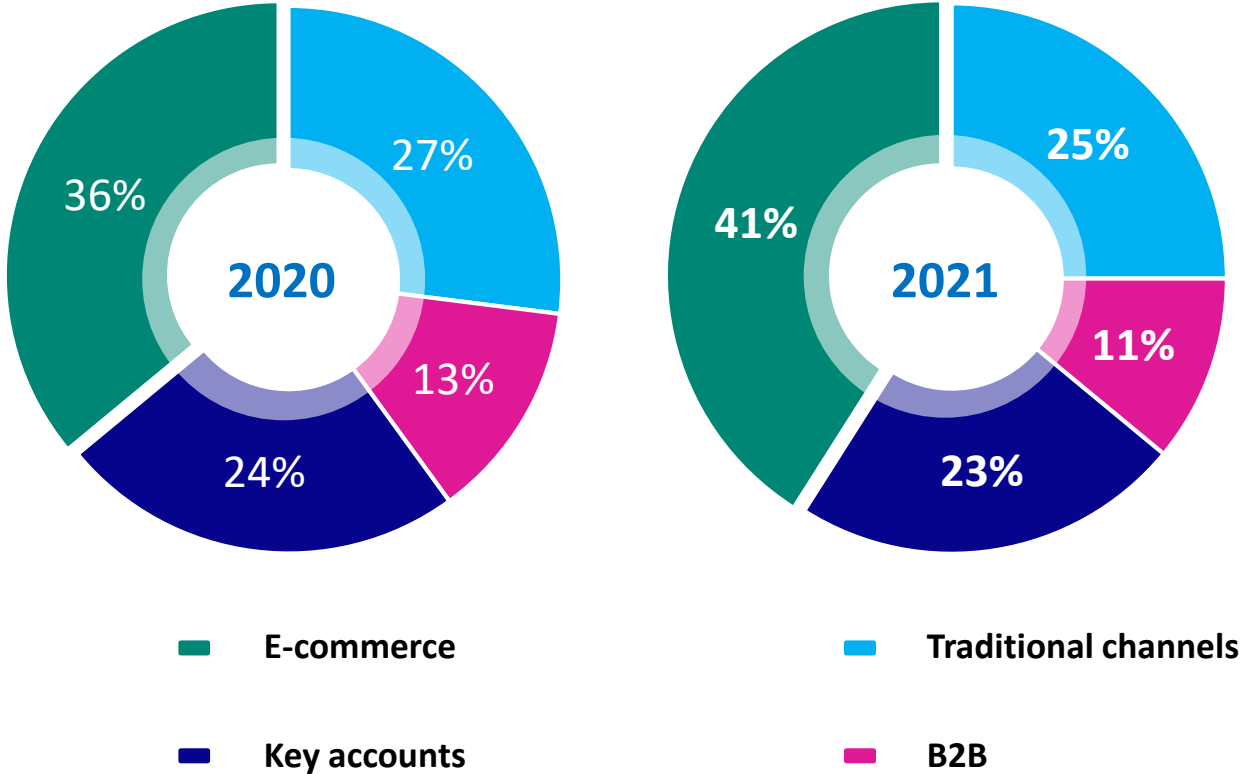


Tissue
Personal Care



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

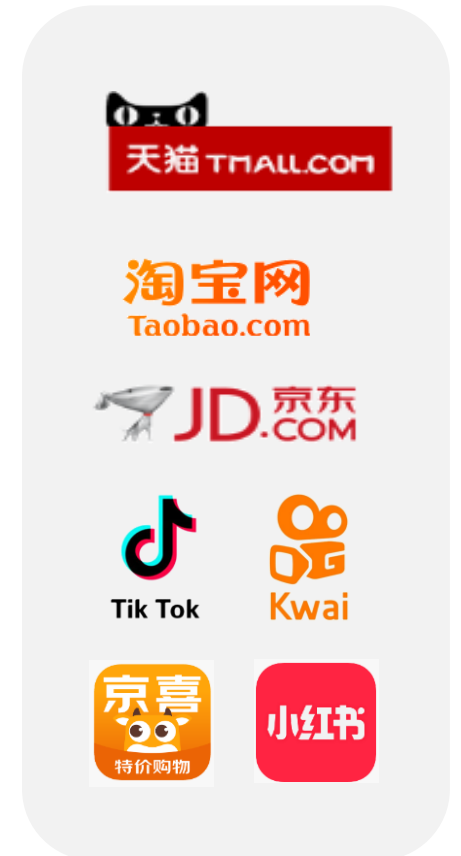
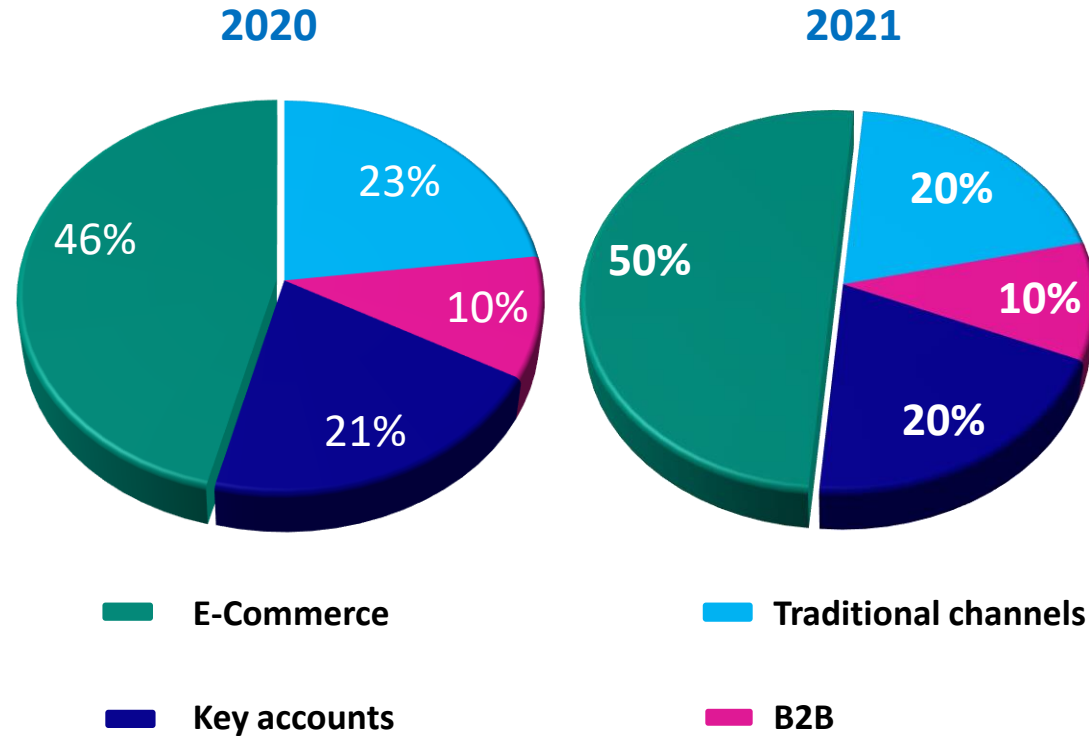
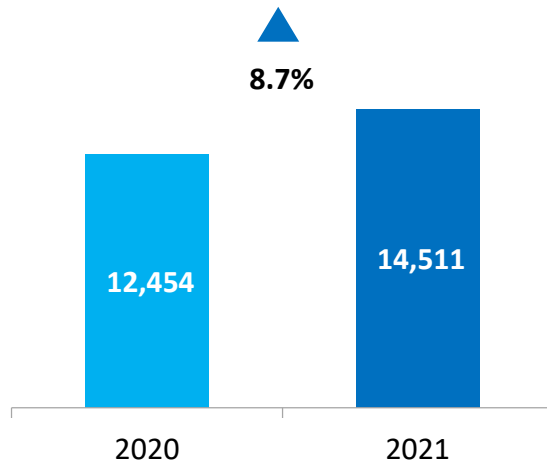


- ❖ Strong E-commerce growth in all markets
- ❖ B2B negatively impacted by COVID in Southeast Asia and North Asia
- ❖ Gradual recovery of traditional channels and key accounts

Mainland China Revenue and Channel Mix

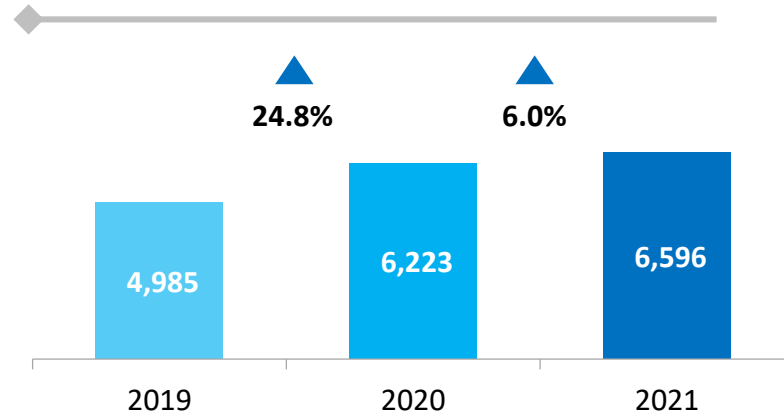
Total Revenue (HK\$M)

Growth at constant exchange rates

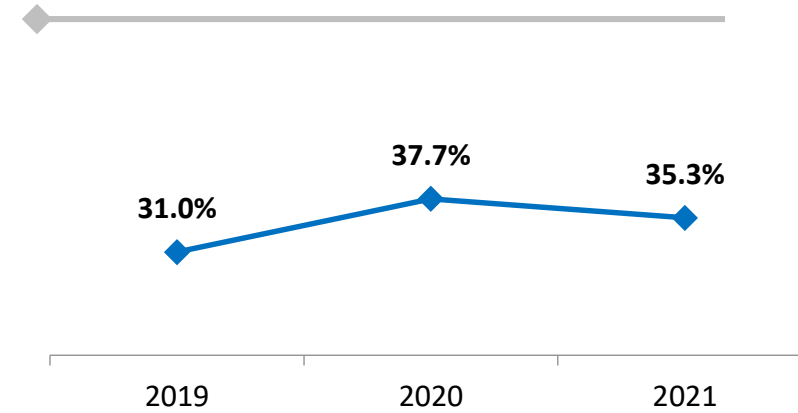


Gross Profit Margin

Gross Profit (HK\$M)

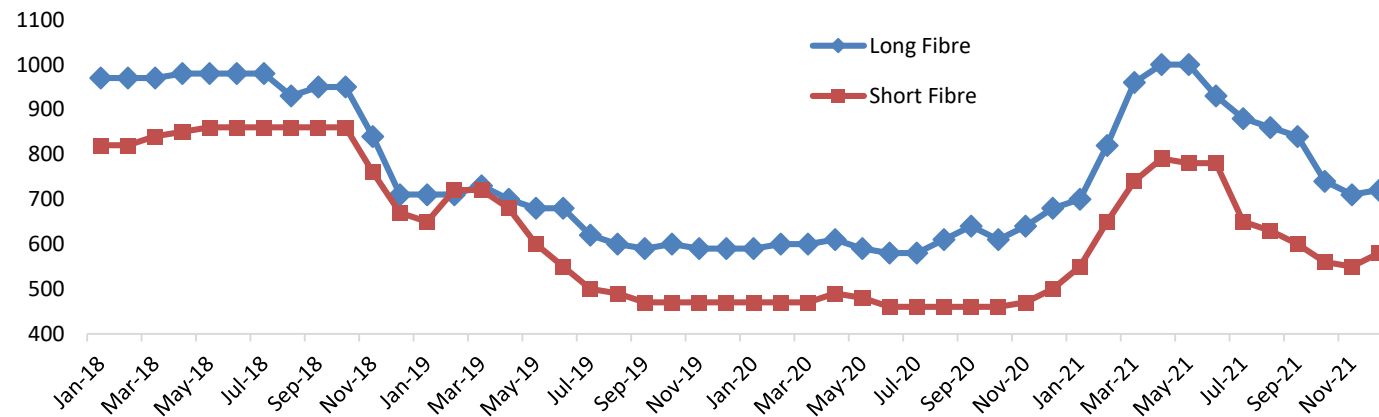


Gross Profit Margin (%)



Pulp Price Movement

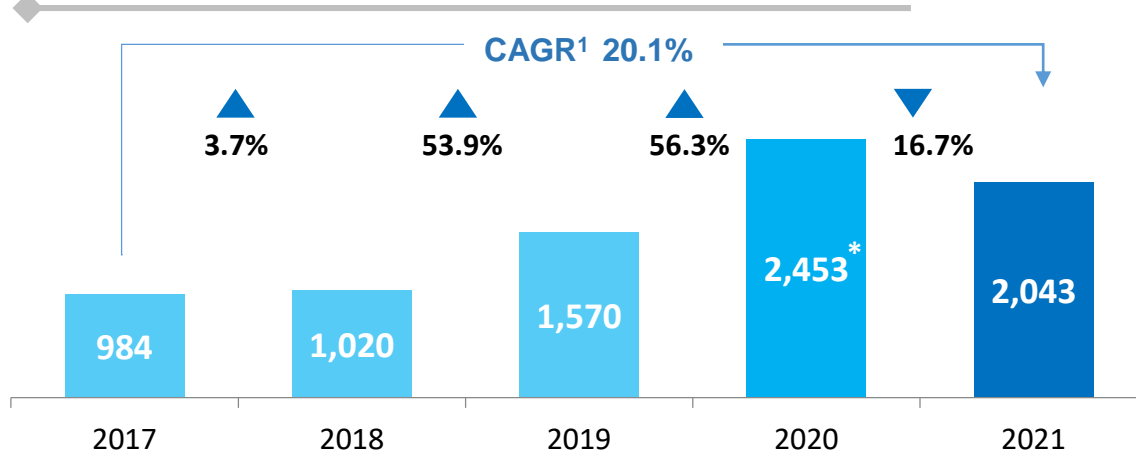
USD/ton



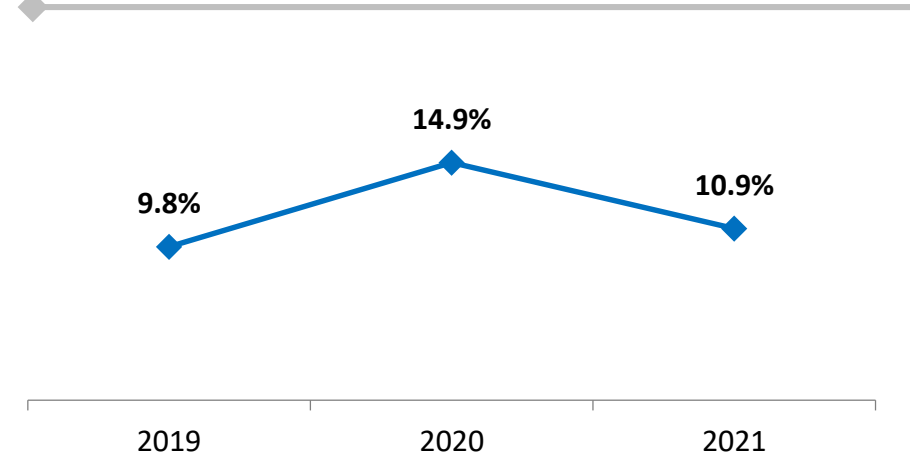
- ❖ Significant higher input costs in 2H
- ❖ Continuous focus in premium portfolio and personal care
- ❖ Optimization of product mix
- ❖ Efficient sourcing strategy
- ❖ Implementation of disciplined pricing strategies

Operating Profit & EBITDA

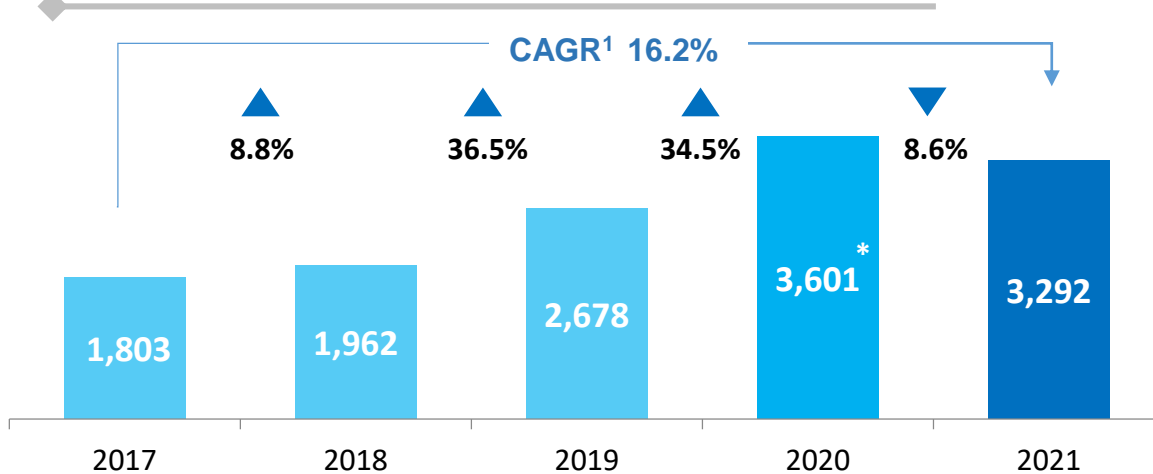
Operating Profit (HK\$M)



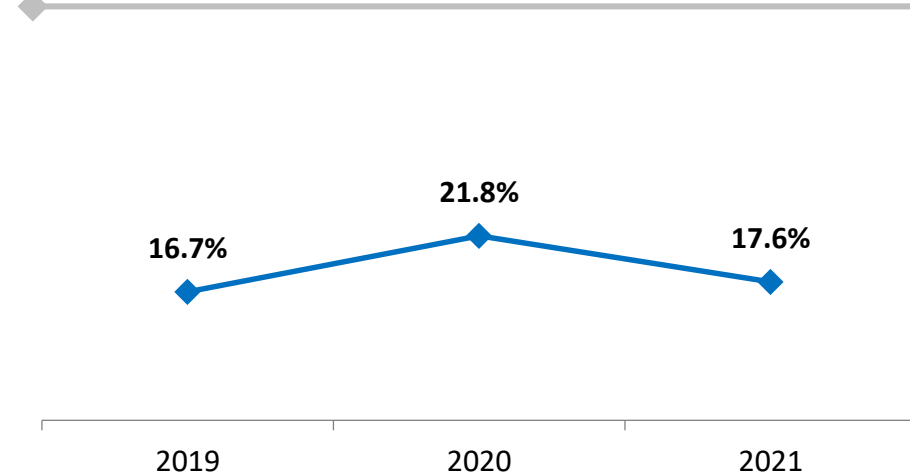
Operating Margin (%)



EBITDA (HK\$M)



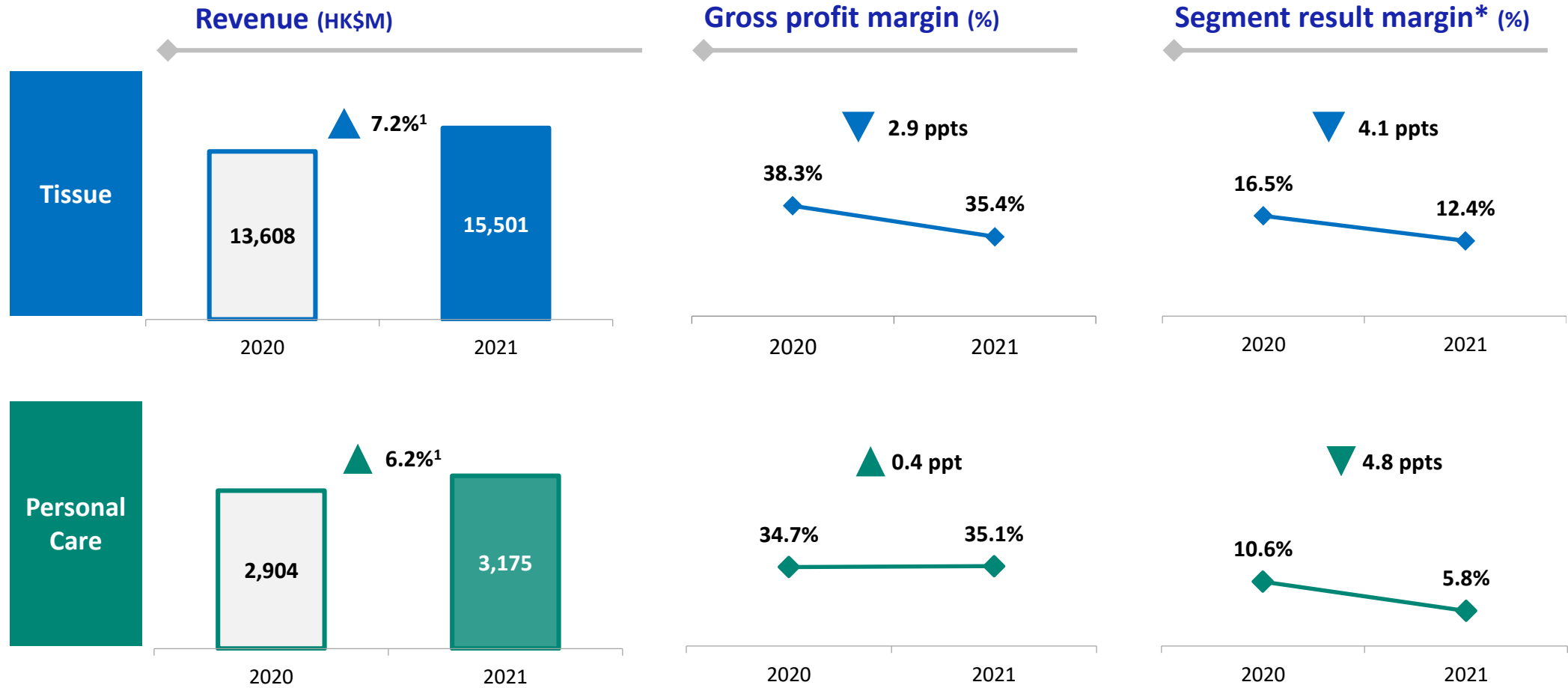
EBITDA Margin (%)



¹ Compound annual growth rate

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

Segment Performance

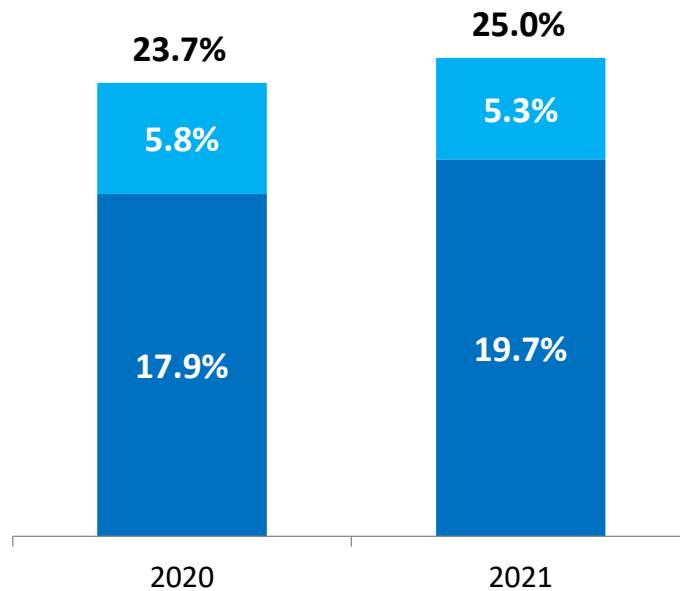


*Segment profit before amortisation of trademarks, licenses & contractual customer relationship

¹ YoY growth at constant exchange rates

SG&A

SG&A as a % of Revenue



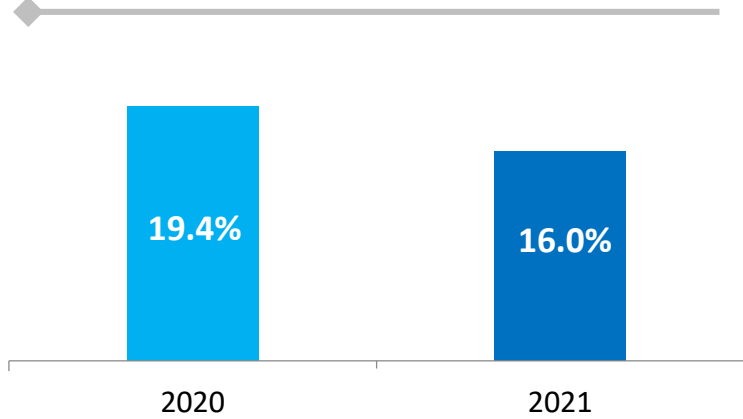
- Administrative expenses ratio
- Selling & marketing expenses ratio

- 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

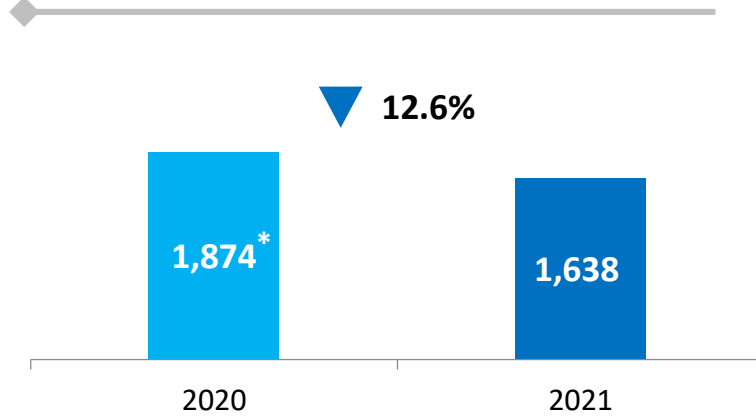


Tax Rate, Interest Rate, Net Profit & Dividend

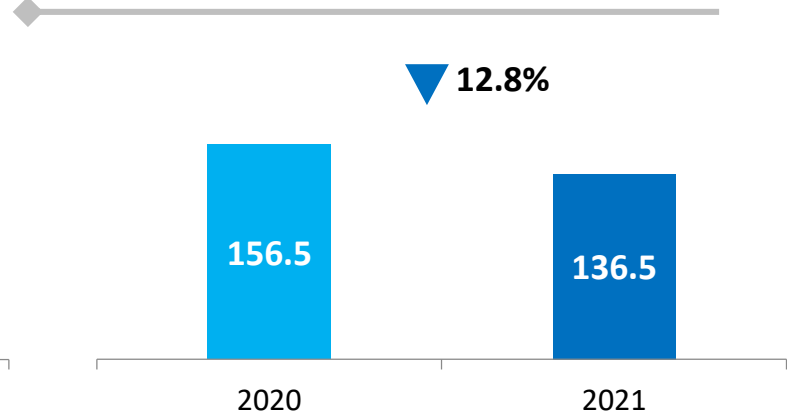
Effective Tax Rate (%)



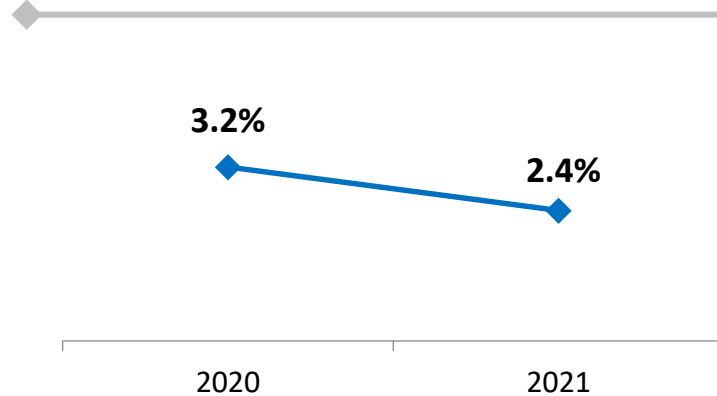
Net Profit (HK\$M)



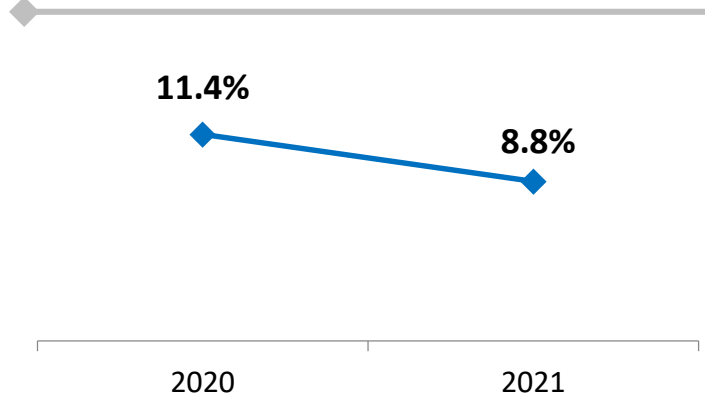
Basic Earnings Per Share (HK cents per share)



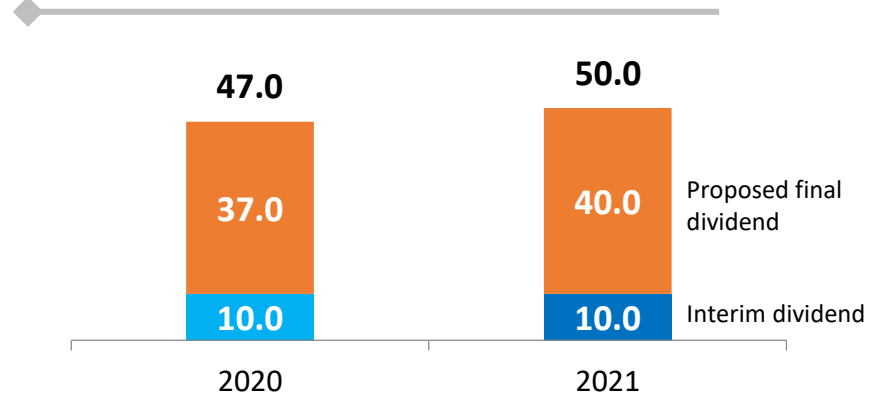
Effective Interest Rate (%)



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



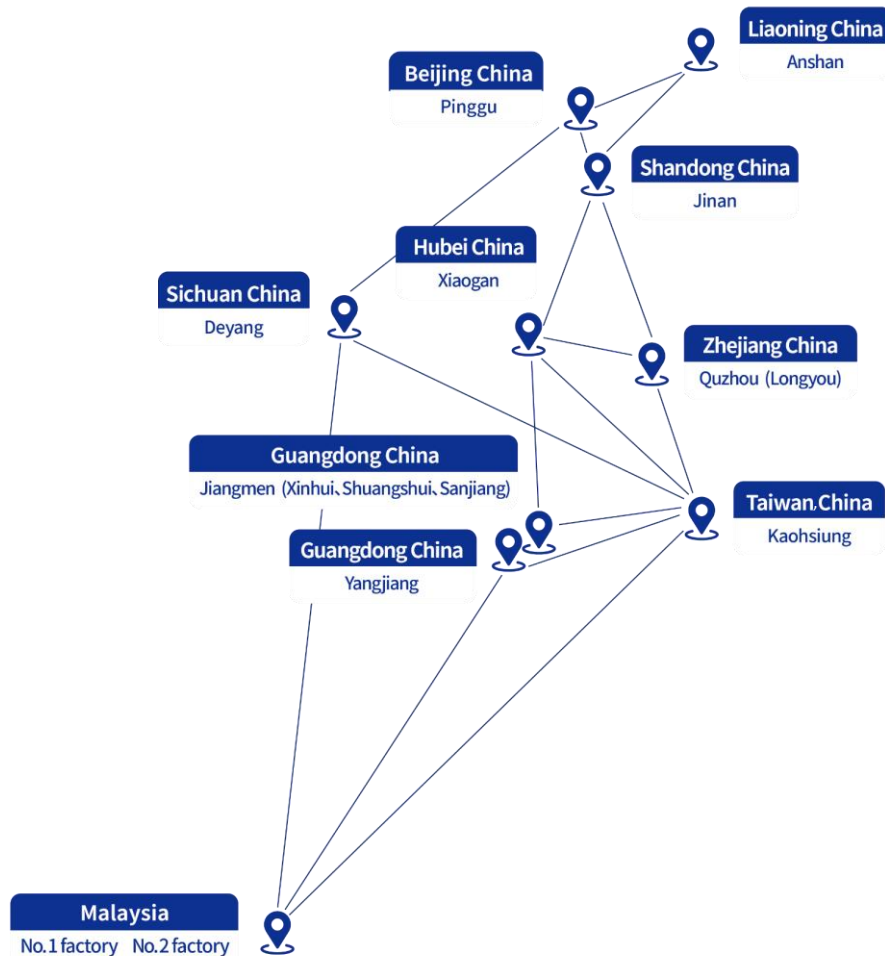
ESG

- **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

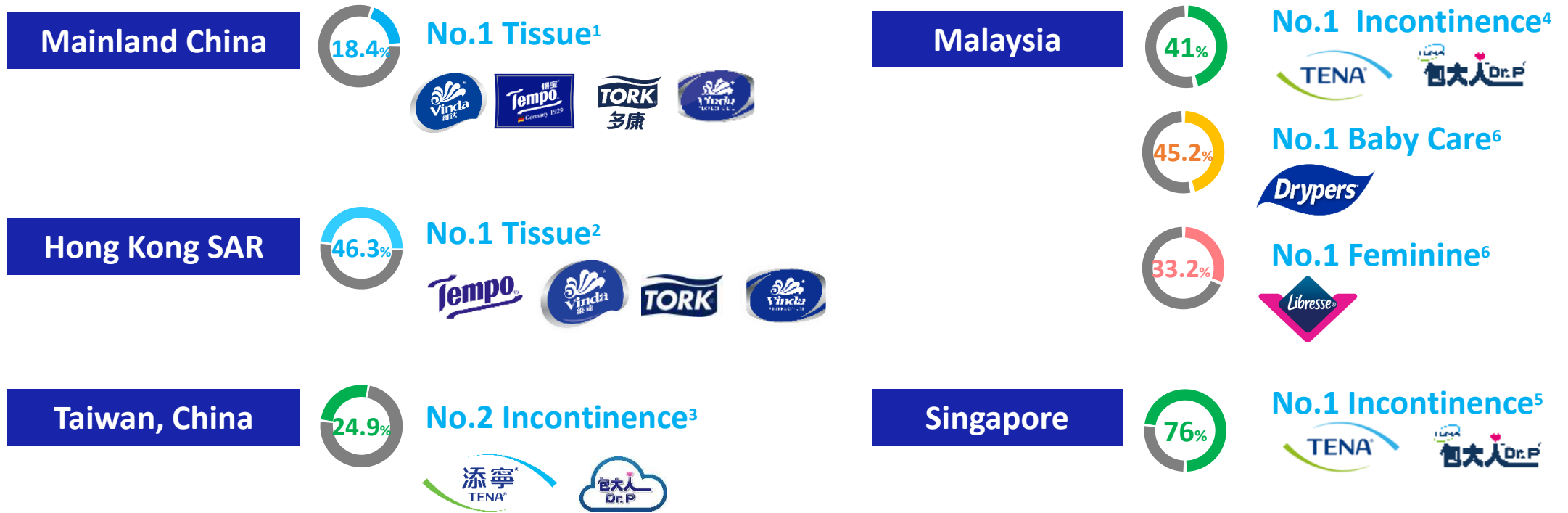
1.39 M tons
(2021 - 2022)

- 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

Leading Market Positions



Notes:

1. Kantar, value share in 2021 (P1-P13)
2. Nielsen, value share YTD Dec 2021
3. Nielsen, volume share YTD Dec 2021
4. Internal estimates, value share, YTD Jun 2021
5. Internal estimates, value share, YTD Mar 2021
6. Kantar, value share in 2021 (P1-P12)

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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