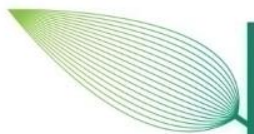




# Vinda International Holdings Limited

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

維達30周年 為家加滿FUN



HEALTHY LIFESTYLE  
STARTS FROM  
Annual Results  
Announcement 2014

# VINDA

# Disclaimer

Information contained in our presentation is intended solely for your personal reference and is strictly confidential. Such information 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 assumes no responsibility or liability for, the fairness, accuracy, correctness or completeness of, or any errors or omissions in, any information or opinions 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.

This presentation does not constitute an offer or invitation to 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.



I. Business Review

II. Financial Highlights

II. Future Outlook

IV. Q&A



# Major Achievement

## Steady Growth

- Revenue recorded HKD8.0 billion, up 17.5% yoy
- Net profit reached HKD593.5 million, up 9.3% yoy

## Promising Tissue Business

- Core household paper business up 16.2% yoy to HKD 7,870.0 million
- Sales volume (tissue) reached 555,685 tons, up 15.3% yoy
- ASP per ton (tissue) was HKD14,163

## Diversified Brand Portfolio

- 4 product categories under 10 brands
- Personal Care accounted for 1.4% of the Group's revenue

## Integration with SCA & V-Care

- Integrated V-care & operations of SCA in mainland China, HK, and Macau

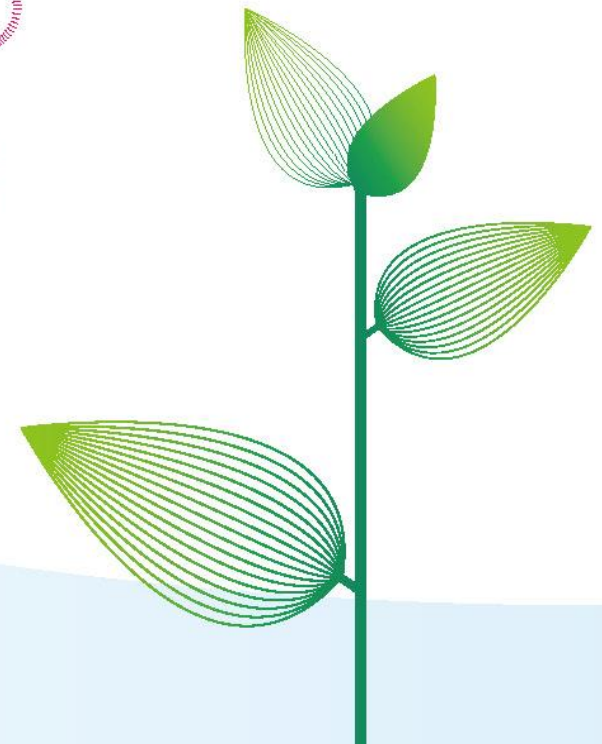


I. Business Review

II. Financial Highlights

II. Future Outlook

IV. Q&A



# Financial Highlights

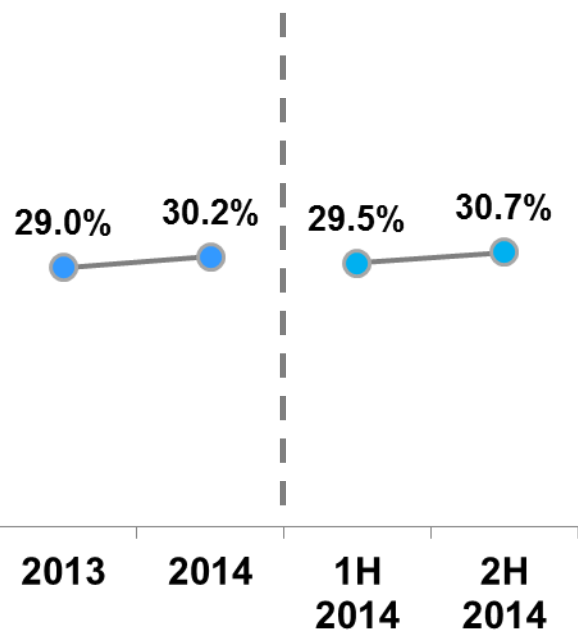
<i>(HKD million)</i>	<i>For the 12 months ended 31 December</i>		
	<b>2014</b>	<b>2013</b>	<b>Change</b>
<b>Revenue</b>	<b>7,985.2</b>	<b>6,798.0</b>	<b>+17.5%</b>
<b>Gross profit</b>	<b>2,408.7</b>	<b>1,971.7</b>	<b>+22.2%</b>
<b>Operating profit*</b>	<b>822.3</b>	<b>712.5</b>	<b>+15.4%</b>
<b>EBITDA</b>	<b>1,196.9</b>	<b>959.2</b>	<b>+24.8%</b>
<b>Profit attributable to equity holders of the Company</b>	<b>593.5</b>	<b>542.9</b>	<b>+9.3%</b>
<b>Basic earnings per share (HK cents)</b>	<b>59.4</b>	<b>54.3</b>	<b>+9.4%</b>
<b>Total Dividend per share (HK cents)</b>	<b>16.0</b>	<b>15.6</b>	<b>+2.6%</b>
- Interim dividend per share (HK cents)	4.0	4.8	
- Proposed final dividend per share (HK cents)	12.0	10.8	
<b>Gain from V-care fair value re-measurement*</b>	<b>40.9</b>	nil	
<b>Foreign exchange gain / (loss)**</b>	<b>(17.9)</b>	62.4	

\* Operating profit included the one-gain from V-care fair value re-measurement

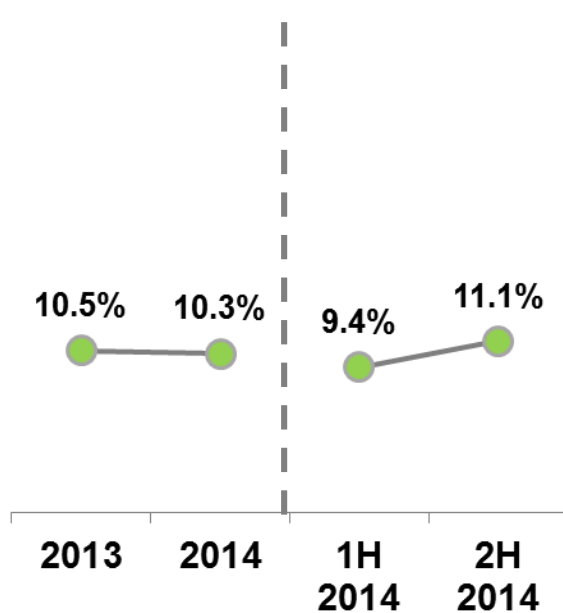
\*\* Mainly consisted of unliquidated, non-operating and non-cash items

# Financial Highlights

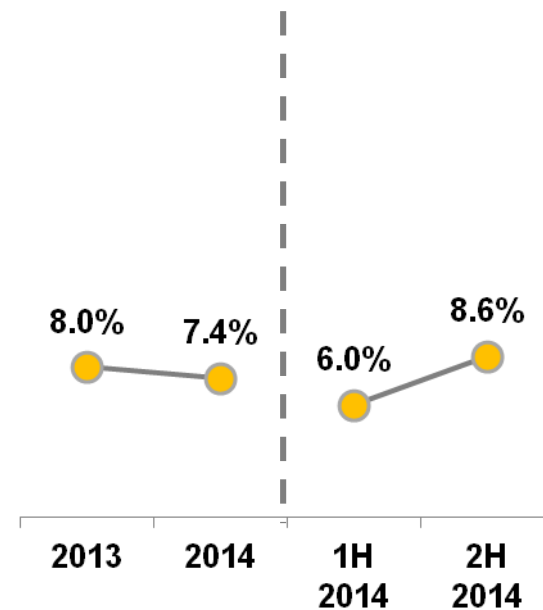
## Overall Gross Margin



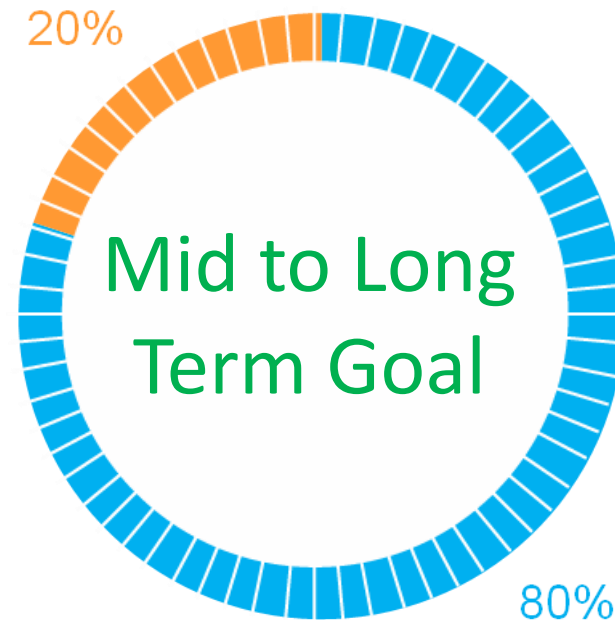
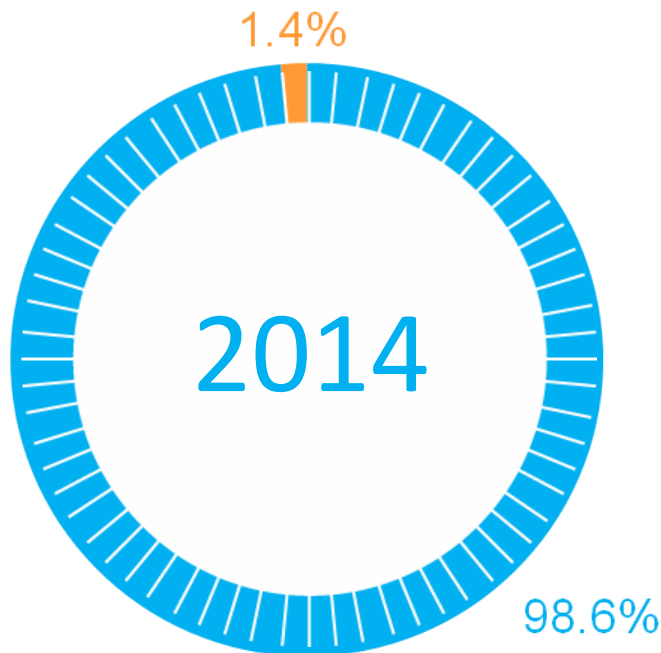
## Overall Operating Margin



## Overall Net Margin



# Revenue by Business Categories



■ Household paper  
("Tissue")

■ Personal care  
("Incontinence Care", "Feminine Care", and "Baby Care")

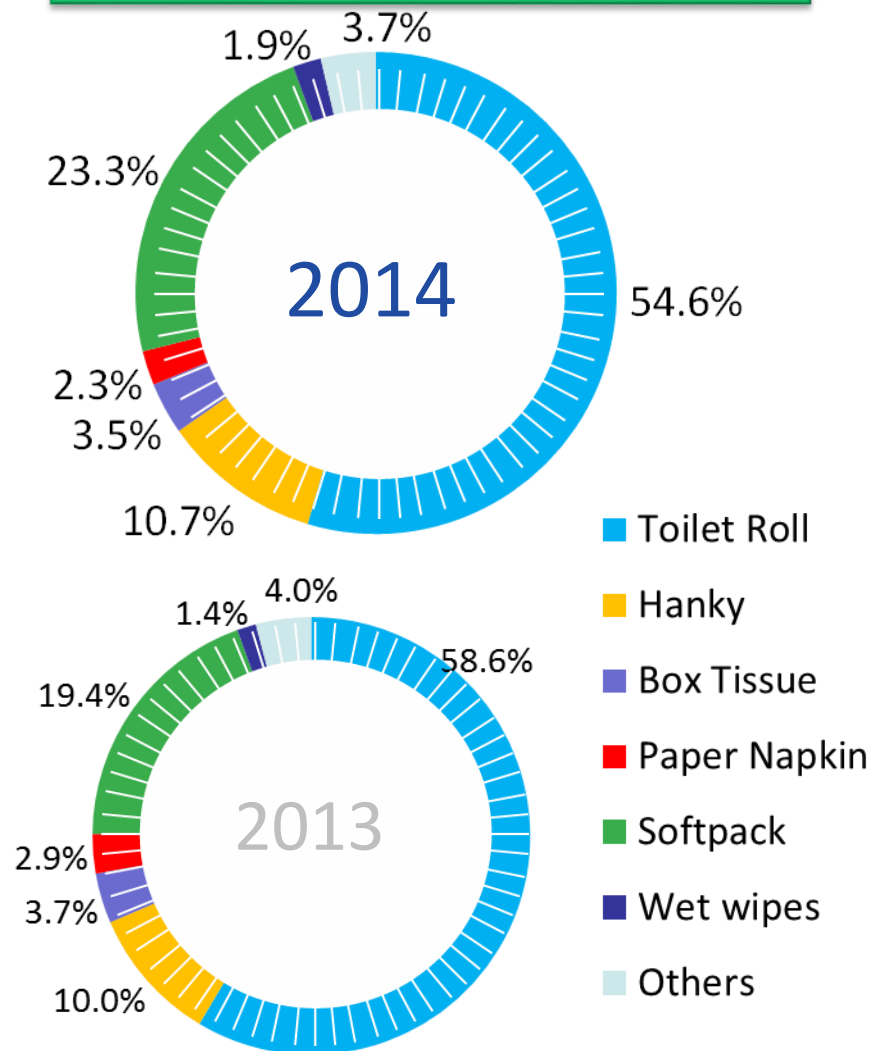


# Revenue by Household Paper (Tissue) Categories

*For the 12 months ended 31 December*

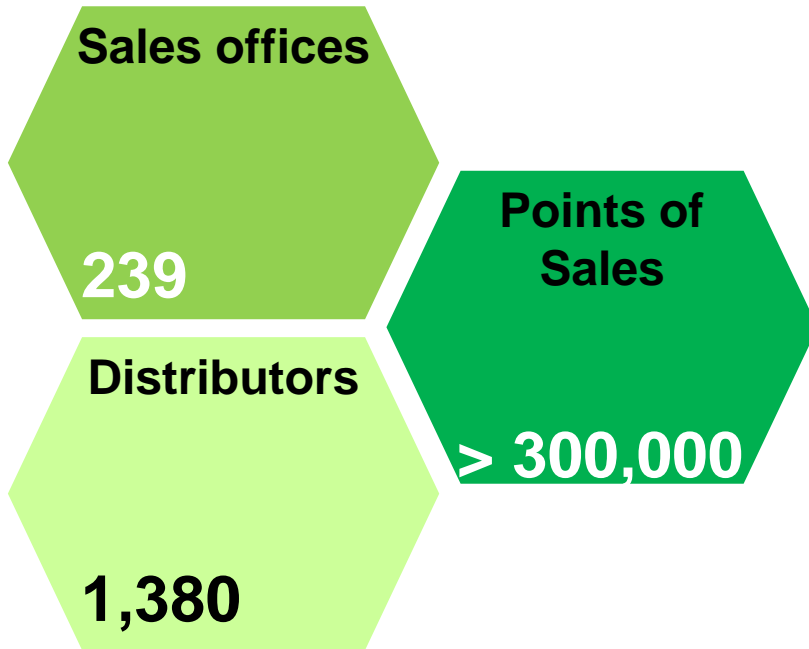
<i>(HKD million)</i>	2014	2013	Change
<b>Toilet roll</b>	<b>4,293.3</b>	3,968.9	<b>+8.2%</b>
<b>Softpack</b>	<b>1,830.9</b>	1,311.1	<b>+39.6%</b>
<b>Box tissue</b>	<b>278.4</b>	253.0	<b>+10.0%</b>
<b>Hanky</b>	<b>841.7</b>	675.4	<b>+24.6%</b>
<b>Wet wipes</b>	<b>150.0</b>	92.0	<b>+63.0%</b>
<b>Paper napkin</b>	<b>180.8</b>	194.4	<b>-7.0%</b>
<b>Others</b>	<b>294.9</b>	277.3	<b>+6.4%</b>

**Revenue Mix % of Tissue Sales**

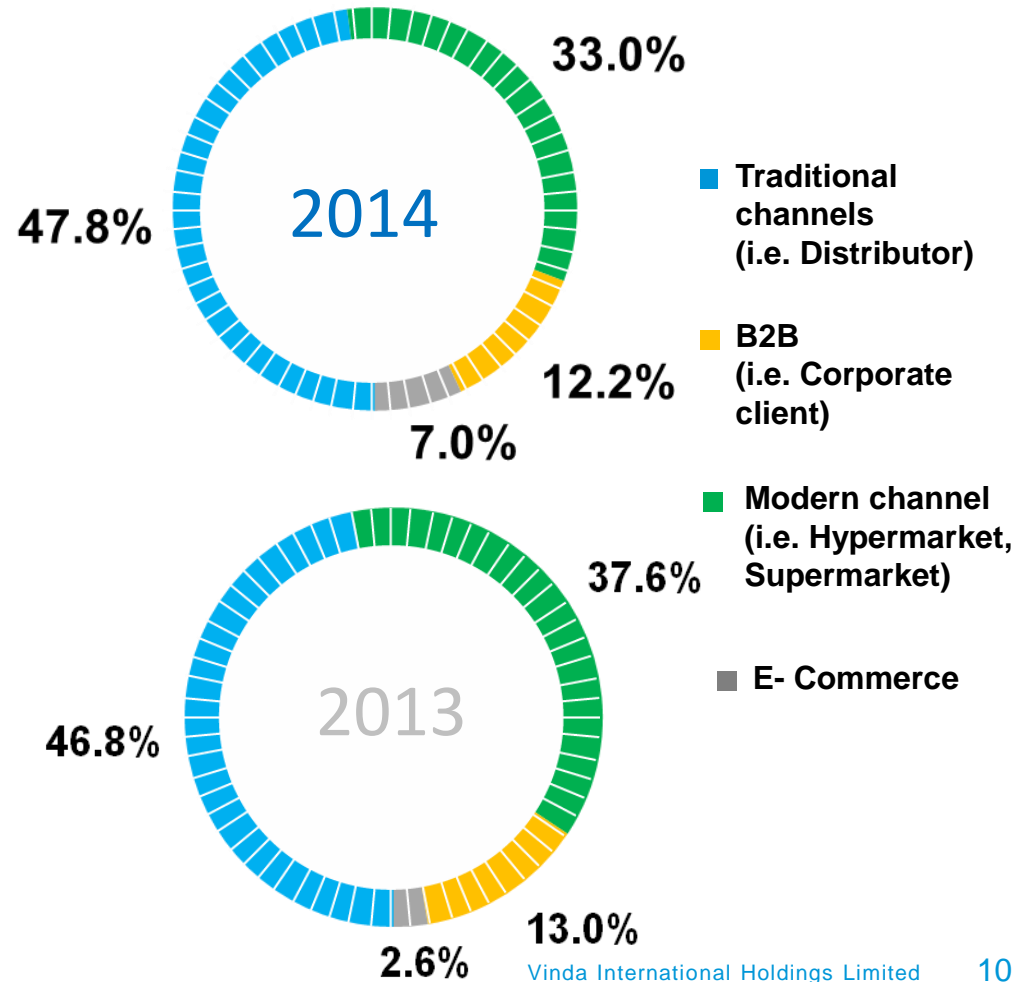


# Revenue by Distribution Channels

## Channels Coverage (As of 31 Dec 2014)

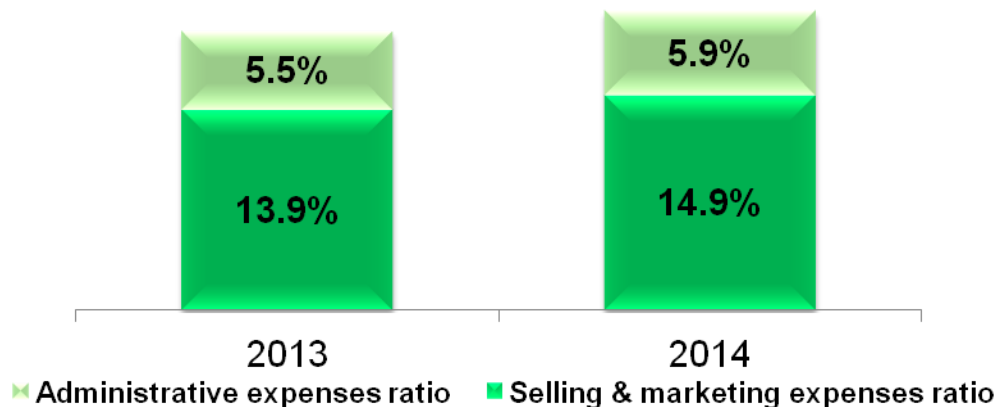


## Revenue by Distribution



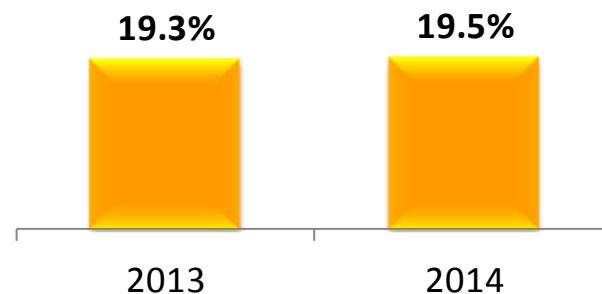
# Operating Expenditure

## Operating Expenditure as % of Sales



- Administrative expenses ratio increased by 0.4 p.pt
- Selling and marketing expenses ratio increased mainly due to:
  - Increase in promotion level against intense competition
  - Increase in more brand building efforts
  - Increase in investment in the personal care and hygiene product business for long-term investment

## Effective Tax Rate



- Effective tax rate slightly increased by 0.2 p.pt.

# Key Financial Indicators

	As at 31 Dec 2014	As at 31 Dec 2013
Receivable Turnover Days	47	48
Payable Turnover Days	83	70
Finished Goods Turnover Days	40	37
<i>(HKD million)</i>	<b>As at 31 Dec 2014</b>	<b>As at 31 Dec 2013</b>
Total borrowings (including SCA shareholder loan)	4,464.8	2,737.4
Total borrowings (excluding SCA shareholder loan)	2,434.7	2,737.4
Cash and cash equivalents*	721.6	693.3
Net gearing ratio** (%)	73.7%	44.0%
Net debt to EBITDA***	3.1	2.1
Interest coverage**** (times)	8.2	7.4

- Solid financial support from SCA for business expansion and sustained business growth:
  - HKD 1.5 billion (short term facility) signed Apr 2014, converted to long term facility in Dec 2014;
  - HKD 1.2 billion (3-year loan) signed July 2014;
  - HKD 3.0 billion (4-year facility) signed Dec 2014;
  - Total outstanding at end Dec 2014 HKD 2.0 billion.
- As at 31 Dec 2014, unutilized credit facilities (including unutilized shareholder loan) amounted to approximately HKD9.71 billion

\* Incl. Restricted bank deposit.

\*\* Net gearing ratio: Total borrowings (incl. SCA shareholder loan) less bank balances and cash and restricted deposits / total shareholders' equity.

\*\*\* Net debt to EBITDA: Total borrowings minus cash and cash equivalents/EBITDA

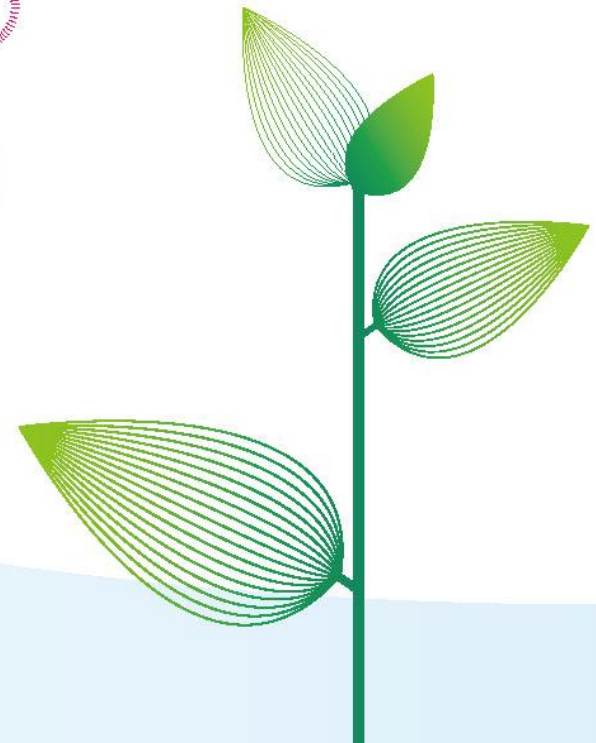
\*\*\*\* Interest coverage: EBIT/interest (times), excluding exchange rate factor.

I. Business Review

II. Financial Highlights

II. Future Outlook

IV. Q&A



# Mid-Long Term Goal



In mid to long run, to become.....

- **Leader** in household paper & incontinence care category respectively
- **First tier brand** in baby care & feminine care category respectively

**Personal care businesses to contribute 20% of Group's total revenue in mid to long term**

# Priorities in 2015

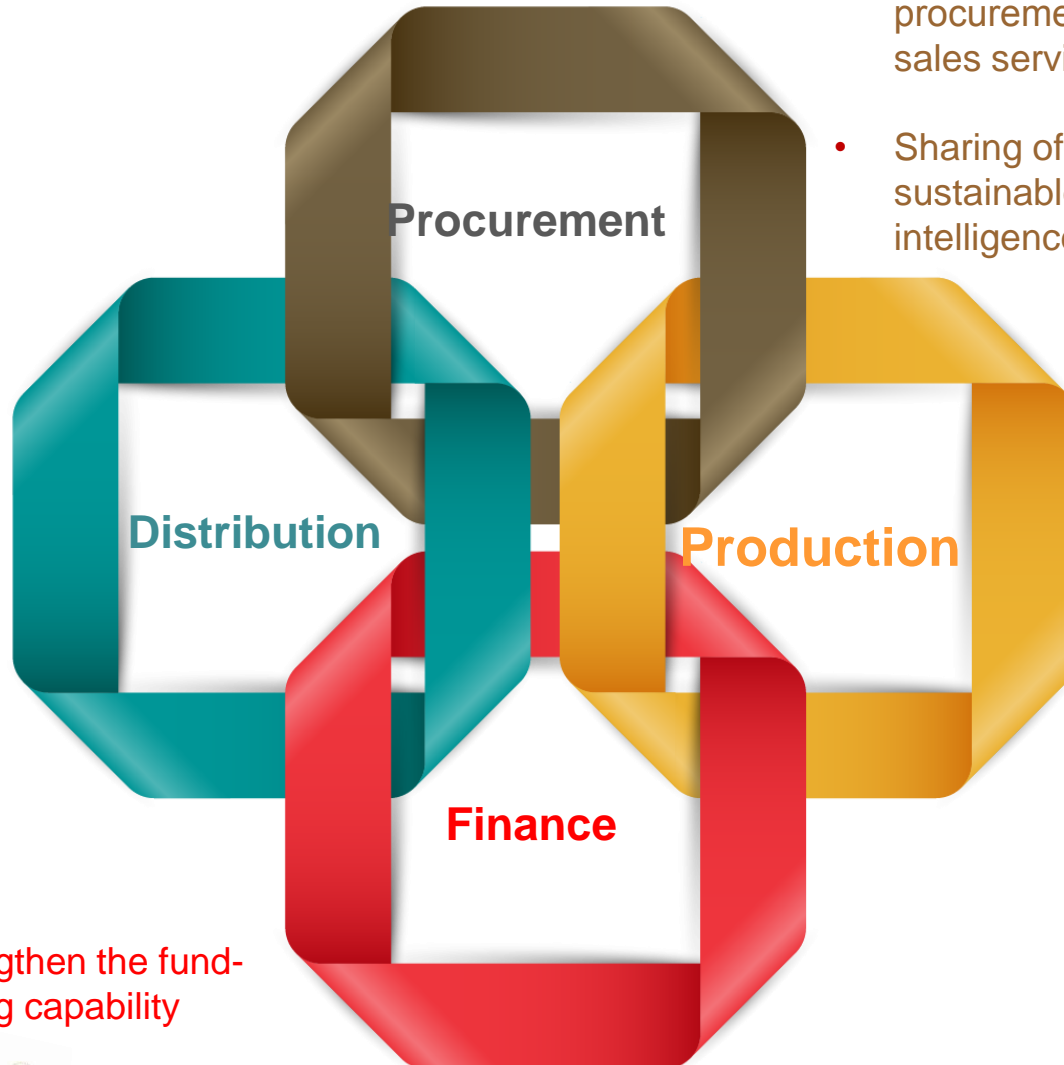
Ensure stable growth in the core business. i.e. household paper (“Tissue”)

Enhance the awareness and reputation of the personal care brands

Further broaden and penetrate the traditional channels, e-channel and specialized distribution for baby and incontinence products

To achieve more synergies with SCA. e.g. to localize the production of SCA’s products

# Synergies with SCA



- Strengthen bargaining power on procurement & suppliers' after-sales services
- Sharing of market info & sustainable development intelligence

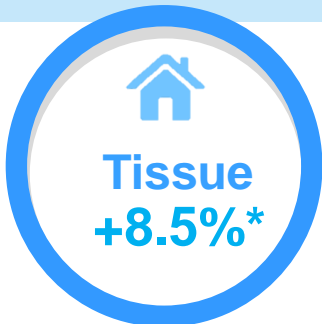
- Economy of scales in tissue production
- Localise personal care products' production
- R&D capability

- >300,000 points of sales open to 10 brands
- Specialty channel
- Sharing logistics costs & promoters' fee

- Strengthen the fund-raising capability



# Market Opportunities & Strategies



## Opportunity

- ▶ Urbanization
- ▶ Market consolidation
- ▶ Stricter environment regulation

## Strategy

- ▶ Maintain stable growth as core business
- ▶ Promote *Tempo* nationwide
- ▶ Adopt “brand strategy”, not “pricing strategy”



- ▶ Aging population

- ▶ Dr.P & TENA able to cover all consumer segments
- ▶ Localise the product production



- ▶ New generation with new consumption behavior

- ▶ Targeting female born in 80s and 90s
- ▶ Rely on e-channel for distribution
- ▶ Use asset light model for product production

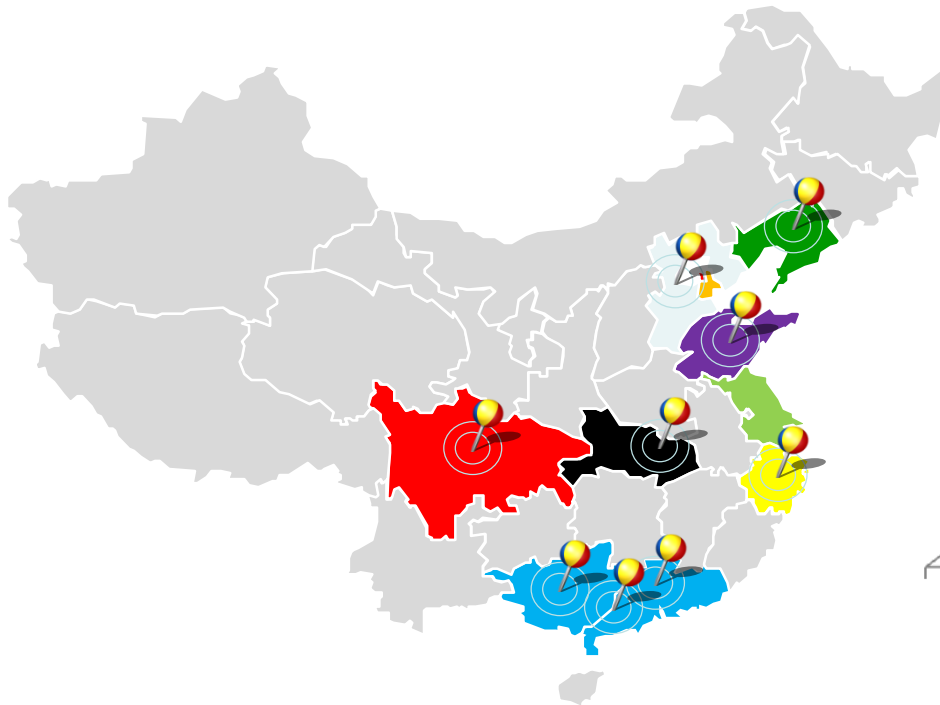


- ▶ Relaxation of the one-child policy
- ▶ Higher penetration of usage rate

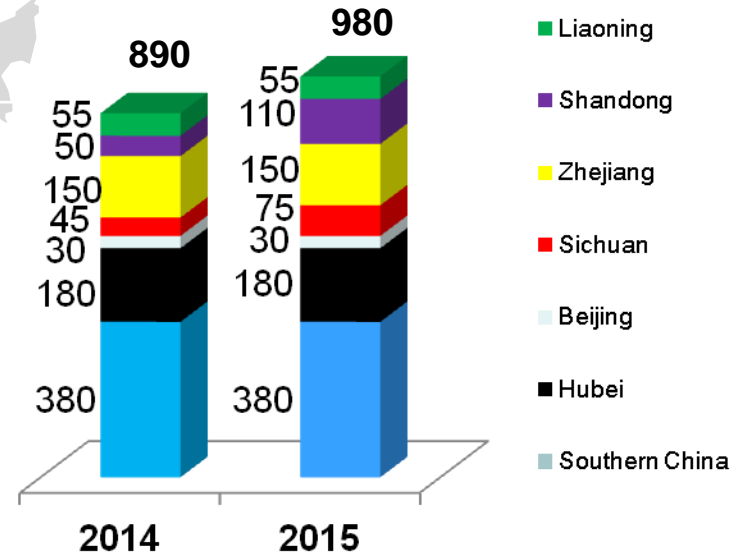
- ▶ Libero, Babyfit and Sealers able to cover all consumer segments

\* 2013 market size growth rates estimated by China National Household Paper Industry Association

# Advanced & Efficient Production Sites



**Annual Designed Production Capacity:**  
Thousand tons



- To add production capacity of 60,000 tons in Shandong and 30,000 tons in Sichuan
- Evaluating new areas in central and southern China for further production capacity expansion to sustain future growth

Four  
Business  
Categories

One  
Platform



I. Business Review

II. Financial Highlights

II. Future Outlook

IV. Q&A

