

Vinda International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3331)



2015 Annual Results Investor Presentation

Healthy Lifestyle
Starts with Vinda



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Mission

To provide people with high quality household hygiene products

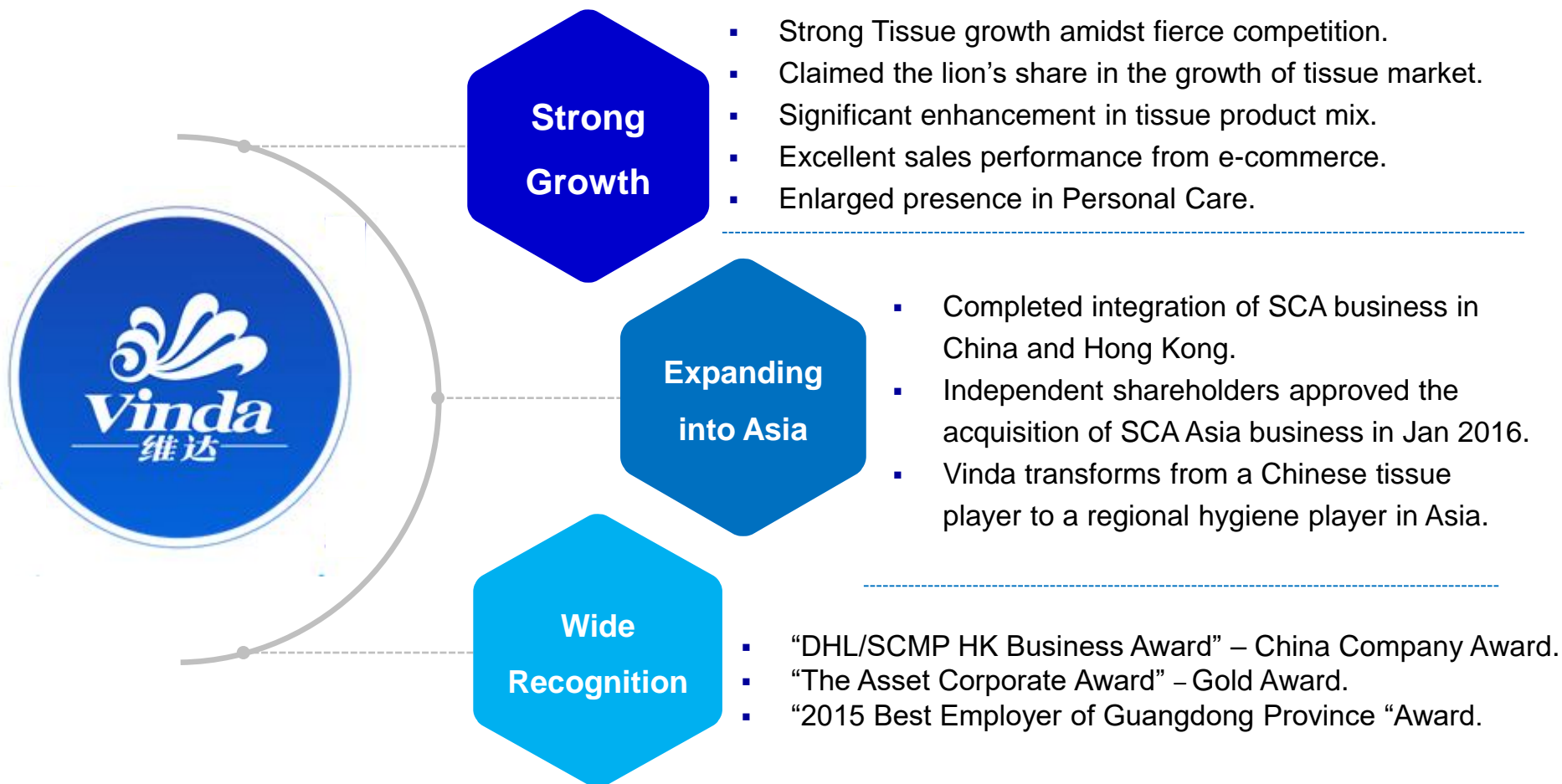
Ambition

To become a leading hygiene company in Asia

Key Achievement



Key Achievement in 2015



Financial Highlights



Financial Highlights



For the 12 months ended 31 December

(HKD million)	2015	2014	Change
Revenue	9,696	7,985	+21.4%*
Gross profit	2,959	2,409	+22.8%
<i>Gross margin</i>	<i>30.5%</i>	<i>30.2%</i>	
Operating profit	753	822	-8.5%
<i>**Underlying operating profit</i>	<i>892</i>	<i>820</i>	<i>+8.8%</i>
<i>**Underlying operating margin</i>	<i>9.2%</i>	<i>10.3%</i>	
EBITDA	1,223	1,197	+2.2%
Net profit	314	594	-47.0%
Basic earnings per share (HK cents)	31.5	59.4	-47.0%
Proposed total dividend per share (HK cents)	10.0	16.0	
<i>Dividend payout ratio</i>	<i>32%</i>	<i>27%</i>	

* *Organic sales growth: 15.3%*

** Excl. items affect comparability

Financial Highlights (Excl. Items Affect Comparability)

For the 12 months ended 31 December

Items Affect Comparability (HKD million)	2015	2014
Total foreign exchange gain/ (loss)	(309)	(18)
• <i>Operating items</i>	(108)	(17)
• <i>Financing items</i>	(201)	(1)
One-off gain*	Nil	41
Share of post-tax (loss) of V-care	Nil	(5)
Transaction cost for acquisitions	(31)	(21)

* reported in 2014 from the revaluation of pre-existing holding in V-Care

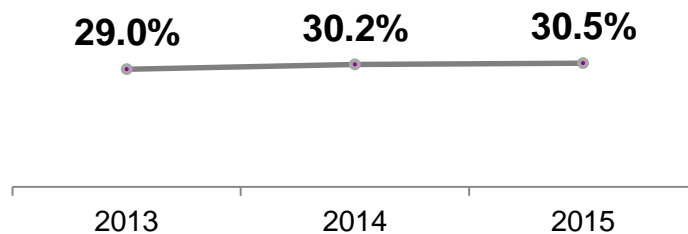
For the 12 months ended 31 December

(HKD million)	2015	2014	Change
Excl. items affect comparability			
• Underlying operating profit	892	820	+8.8%
• Underlying profit before tax	789	740	+6.6%

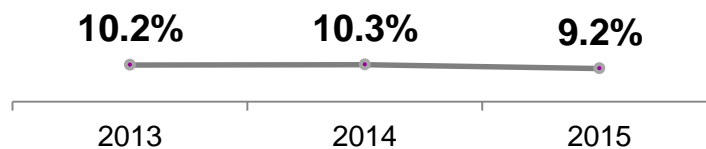
Margins



Gross margin

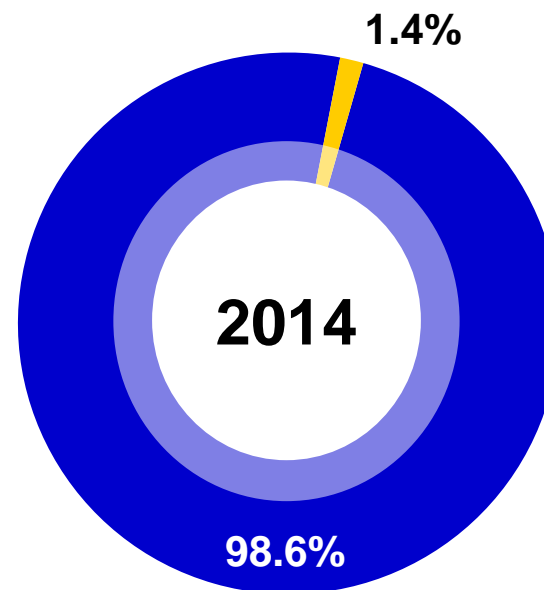
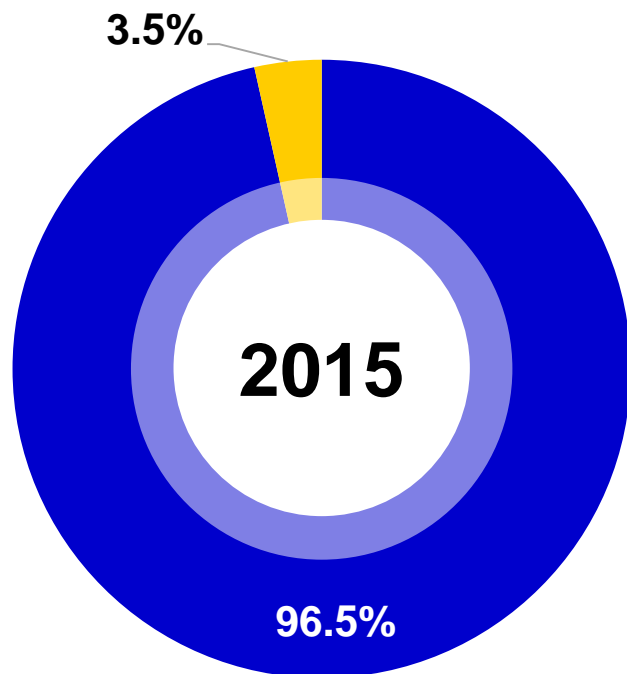


*Underlying operating margin



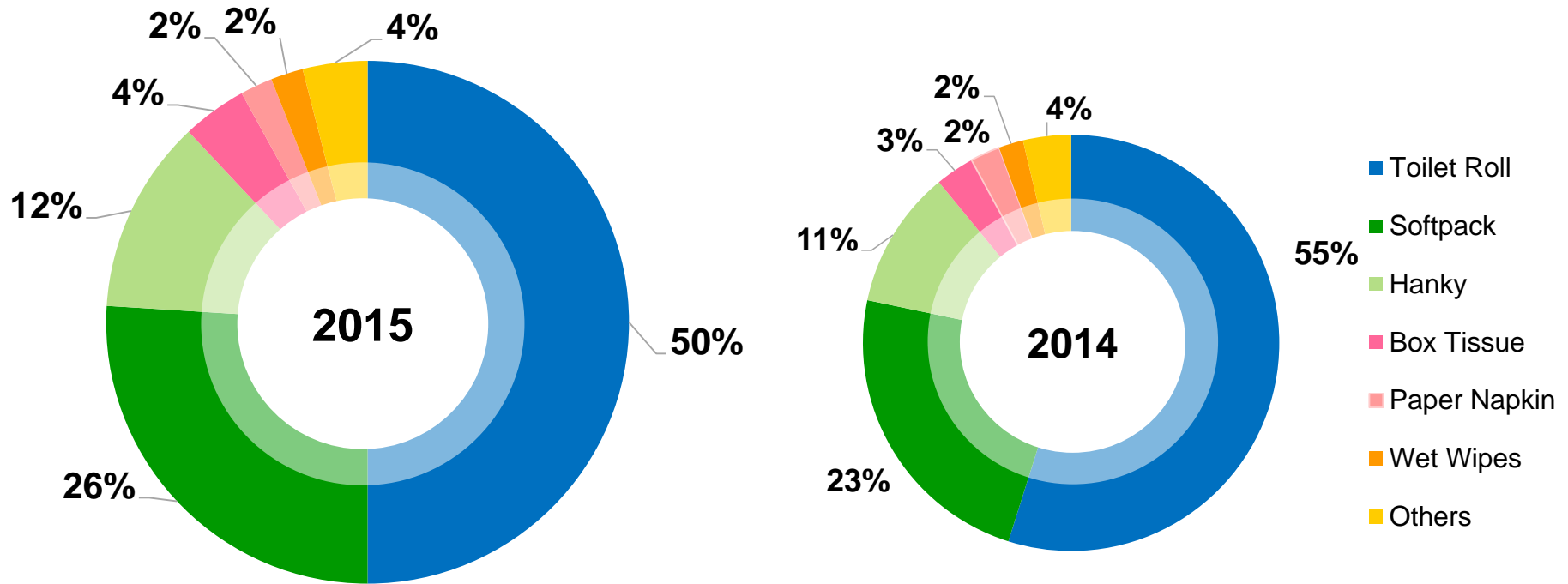
* Excl. items affect comparability

Revenue by Business Categories



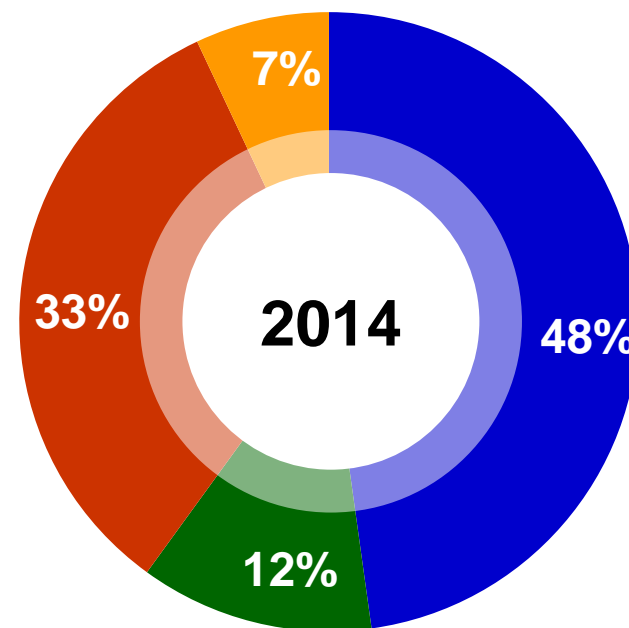
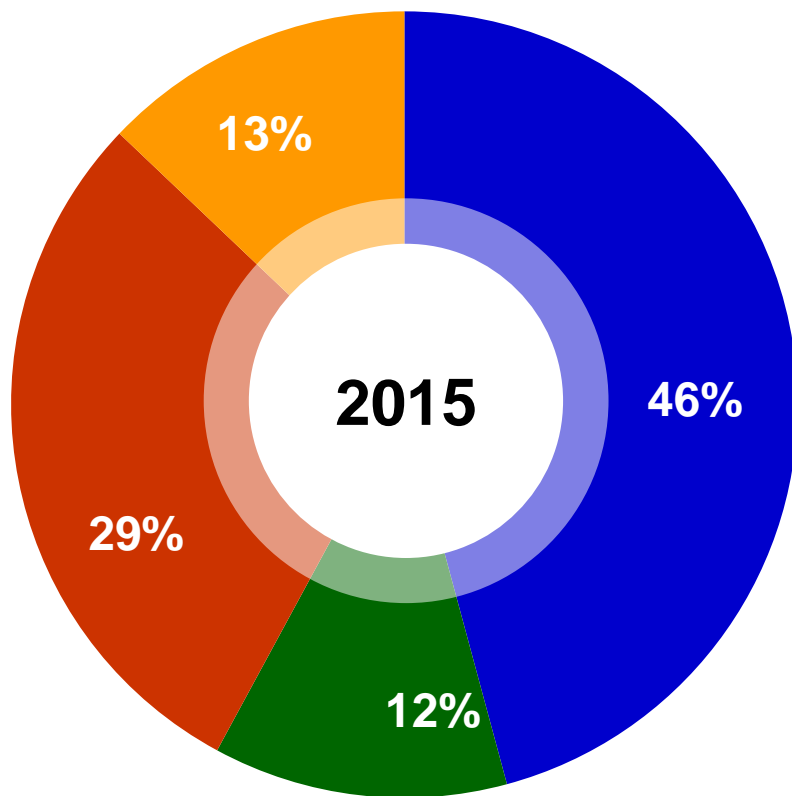
■ Tissue ■ Personal care (Incontinence care, feminine care and baby care)

Revenue by Tissue Categories



- Total sales volume (tissue) +19.6% to approx. 657,000 tons.
- Revenue of softpack +34%; box tissue +29%, hanky +35%; wet wipes +32%

Revenue by Distribution Channels



- Traditional channels (i.e. Distributor)
- B2B (i.e. Corporate client)
- Modern channel (i.e. Hypermarket, Supermarket)
- E-Commerce

As at 31 December 2015, the Group had 269 sales offices and 1,656 distributors.

Quarterly Financial Highlights

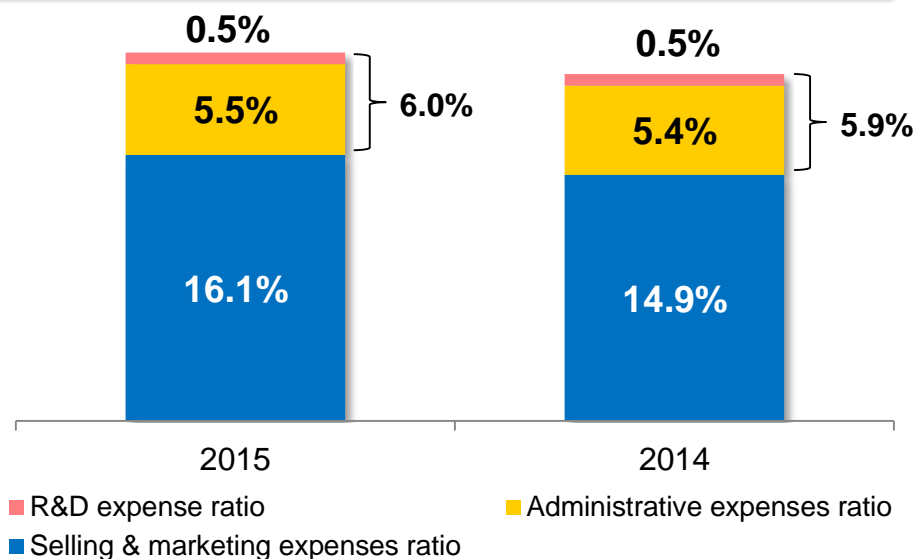
(HKD million)	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4
Revenue	2,342	2,299	2,444	2,413	2,539
<i>Organic growth</i>	<i>n.a.</i>	<i>+21.2%</i>	<i>+16.0%</i>	<i>+14.3%</i>	<i>+10.8%</i>
Gross profit	706	710	787	736	726
<i>Gross margin</i>	<i>30.2%</i>	<i>30.9%</i>	<i>32.2%</i>	<i>30.5%</i>	<i>28.6%</i>

(HKD million)	2015 H1	2015 Q3	2015 Q4
Underlying operating profit*	501	205	186
<i>Underlying operating margin</i>	<i>10.6%</i>	<i>8.5%</i>	<i>7.3%</i>

* Excl. items affect comparability

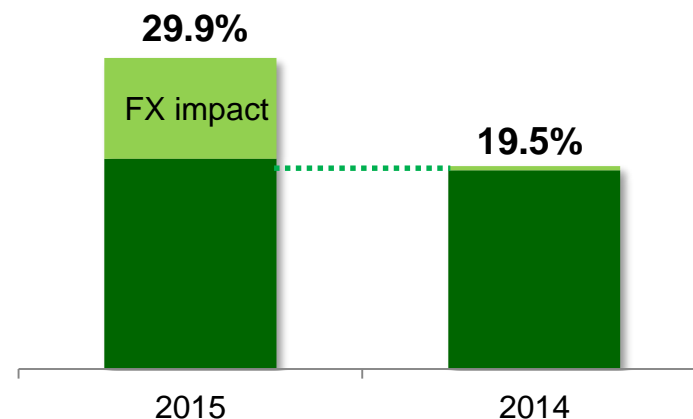
Expenditure

Operating Expenditure as % of Sales



- Total administrative expense ratio remained at 6%.
- Selling and marketing expenses ratio up by 1.2 p.pt., as more resources were allocated to build the brands, grow Tempo and develop the personal care business.

Effective Tax Rate



- The significant increase in effective tax rate was due to the non-tax deductible nature of the foreign exchange loss.

Key Ratios

(HKD million)	As at 31 Dec 2015	As at 31 Dec 2014
Debtors turnover days	43	47
Creditors turnover days	79	83
Finished turnover days	43	40
Working capital to sales ratio	13.6%	15.8%
(HKD million)	As at 31 Dec 2015	As at 31 Dec 2014
Cash and cash equivalents ¹	393	722
Total borrowings (including loan from SCA)	4,739	4,465
<i>Borrowings in RMB (%)</i>	42%	8%
Total borrowings (excluding loan from SCA)	3,431	2,435
Net debt	4,345	3,743
Net gearing ratio ² (%)	88%	74%
Interest coverage ³ (times)	7.4	8.2

- Actively reduced cash positions to minimise borrowings.
- Total outstanding loans borrowed from SCA as at 31 Dec 2015: approx. HKD1.3 billion.
- Total unutilized credit facilities (incl. unutilized loan from SCA) as at 31 Dec 2015: HKD7.8 billion.

Future Outlook



Mid-Long Run Growth Catalysts

Urbanisation

**Rise of
E-commerce**

**Stringent
environmental
regulations**

**Concern
over
product
safety**

**One-Belt
One-Road**

**Aging
population**

Our Priorities

1

**Drive Tissue
business in
China**

- Vinda brand in all market segments, build new categories.
 - Tempo in premium and selected categories.
 - Build Away-from-home market.
-

2

**Broaden
personal care
presence in
China**

- Become the leader in Incontinence with TENA & Dr. P.
 - Establish Feminine as a future profit contributor.
 - Selective presence in competitive Baby market.
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3

**Drive personal
care growth in
Asia & roll out
Tissue business**

- Focus on markets where we are established.
 - Sustained growth in Personal Care.
 - Roll out tissue products.
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Further Strengthen Leading Positions



	Market Position	Key Brand Portfolio
Tissue ¹	<ul style="list-style-type: none"> #3 in mainland China (excl. online sales) #1 in Hong Kong 	
Incontinence	<ul style="list-style-type: none"> #1 in Taiwan, China² #1 in Malaysia⁴ #1 in Singapore⁴ Leading position in export market⁴ 	
Feminine	<ul style="list-style-type: none"> #2 in Malaysia³ 	
Baby	<ul style="list-style-type: none"> #1 in Malaysia³ #2 in Singapore² Significant presence also in Thailand, Philippines, Taiwan, China, Korea and other countries 	

Note:

1. Nielsen, market ranking based on aggregate value for the ten months ended October 2015.

2. Nielsen, market ranking based on aggregate volume and value for the twelve months ended October 2015.

3. Kantar Worldpanel, market ranking based on aggregate value for the twelve months ended October 2015

4. According to SCA's internal estimates.

Capacity Expansion in line with Demand



Tissue

Annual Designed Production Capacity

<i>Production sites</i>	2016 end	2015 end
Xinhui, Sanjiang	440,000	380,000
Hubei	180,000	180,000
Zhejiang	150,000	150,000
Shandong	110,000	80,000
Liaoning	55,000	55,000
Sichuan	75,000	75,000
Beijing	30,000	30,000
Total	1,040,000	950,000

- The construction of the **10th** domestic production base was started in Yangjiang City in Q32015.
- **30,000 tons & 60,000 tons** of production capacity is expected to be added in Shandong and Sanjiang, respectively in 2H2016.

Personal Care

- Continue to build our Personal Care production facilities in China.
- Secured **2** production plants in **Malaysia** and **1** in **Taiwan, China** through the acquisition of SCA's Asian operations.

SCA support

- Ongoing cost-free support from SCA on R&D, branding etc.

Q&A





Thank You

*Healthy Lifestyle
Starts with Vinda*

