

[For Immediate Release]



## **Net profit soared by 75.3% to HK\$1,138 million**

### **Double-digit revenue growth<sup>1</sup> and strong profitability improvement**

(22 January 2020 – Hong Kong) **Vinda International Holdings Limited** (stock code: 3331) announced today its annual results for the year ended 31 December 2019.

#### **2019 Annual Results Highlights:**

**Net profit increased significantly by 75.3% to HK\$1,138 million (2018: HK\$649 million). Basic earnings per share rose by 75.2% to 95.3 HK cents (2018: 54.4 HK cents)**

**Proposed final dividend per share increased 50% to 21 HK cents (2018: 14 HK cents). Together with the interim dividend, total dividend per share for the year increased 40% to 28 HK cents (2018: 20 HK cents)**

- Total revenue increased by 11.6% to HK\$16,074 million at constant exchange rate, attributable to the strong sales growth momentum in all regions, particularly in mainland China
- Mainland China's organic growth in revenue achieved 12.5%
- Strengthening our leading position in e-commerce distribution channels

Tissue segment:

- Revenue increased by 9.4% to HK\$13,254 million, representing a growth of 13.3% at a constant exchange rate and accounted for 82% of the Group's total revenue
- Remarkable performance of premium tissue portfolio. The Group focused on the premium segment of our Tissue portfolio such as *Vinda Deluxe* and *Tempo*

Personal Care segment:

- Revenue increased by 1.9% to HK\$2,820 million, representing a growth of 4.4% at a constant exchange rate and accounted for 18% of the Group's total revenue
- Feminine and incontinence care business regained growth momentum

**Gross profit grew by 19.1% to HK\$4,985 million while gross margin expanded by 2.9 ppts to 31.0%**

**Net gearing ratio (excluding lease liabilities) dropped by 15 ppts to 39% (2018: 54%)**

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**Mr. Christoph Michalski, CEO** said, “Looking ahead, we will stay focused on the following development strategies, including 1) we will continue to focus on product innovation and strive to stand out from the peers by optimising our product mix to enhance our brand competitiveness and profit margin; 2) we will continue to develop sizable Personal Care business in China; 3) we will leverage the comprehensive layout of channels and our edges in e-commerce channel to tap every potential opportunity through excellent sales execution capabilities; 4) we will rigorously control the costs and make the best use of our resources to optimise cost-effectiveness; 5) we will continue to improve the efficiency of production and operation in order to support sustainable business growth; and 6) we will strengthen our financial position with strong operating cash flow and careful management of working capital.”

**Mr. Li Chao Wang, Chairman** said, “There are many business opportunities ahead in the household paper and personal care businesses of the Group in the medium-to-long term. China’s fast-moving consumer goods continues to upgrade to premium consumption. The progressively rising household disposable income and the significant room for growth in the per capita consumption of household paper products will help the Group to expand further. The significant acceleration of aging population in China will also provide opportunities for our professional incontinence care business. In addition, Vinda’s well-established channel layout and its advantages as an e-commerce leader will enable it to capture the potential market opportunities arising from the new retail model of online-to-offline integration. With increasingly stringent environmental protection regulations, our focus on the sustainability development will further enhance our competitiveness.”

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1. *Organic growth: Year on year growth at a constant exchange rate*

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