

Vinda International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3331)



2016 Interim Results Investor Presentation

Healthy Lifestyle
Starts with Vinda



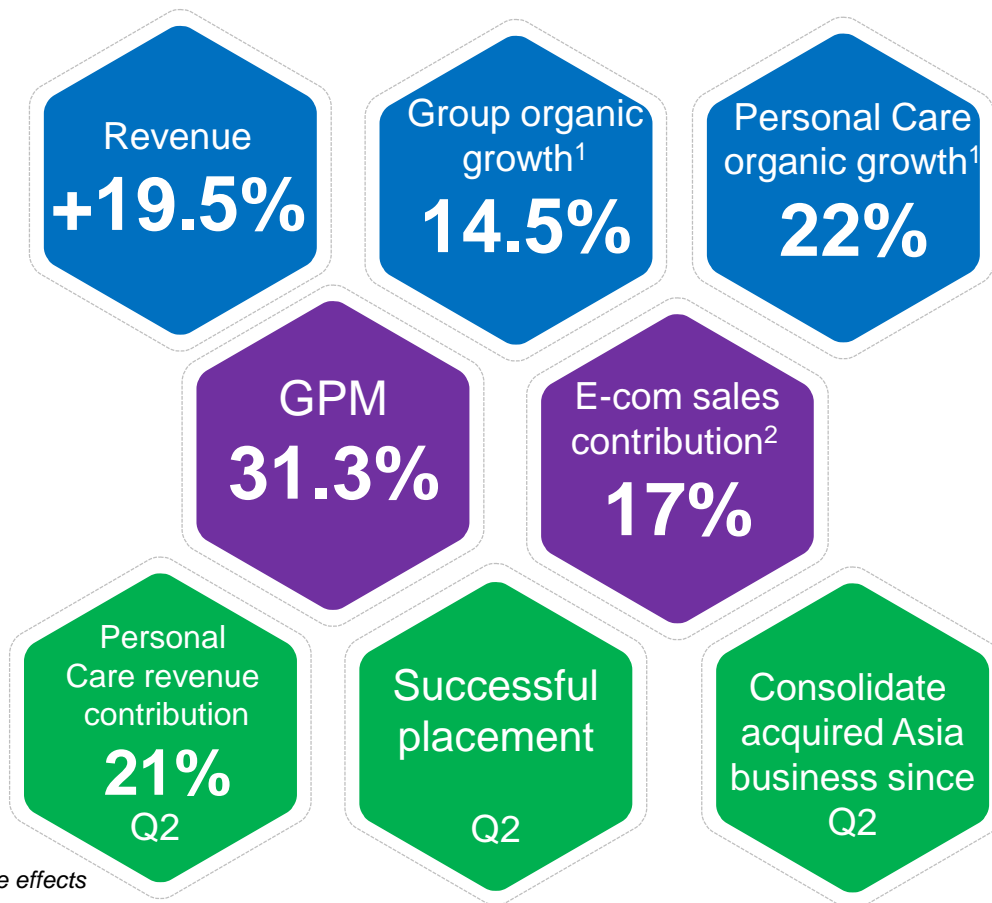


Key Accomplishments

Key Accomplishments in 1H2016

Ambition

To become a leading hygiene company in Asia



1.Excluding acquisition and exchange rate effects

2.Excluding acquisition effect

Financial Highlights



Financial Highlights

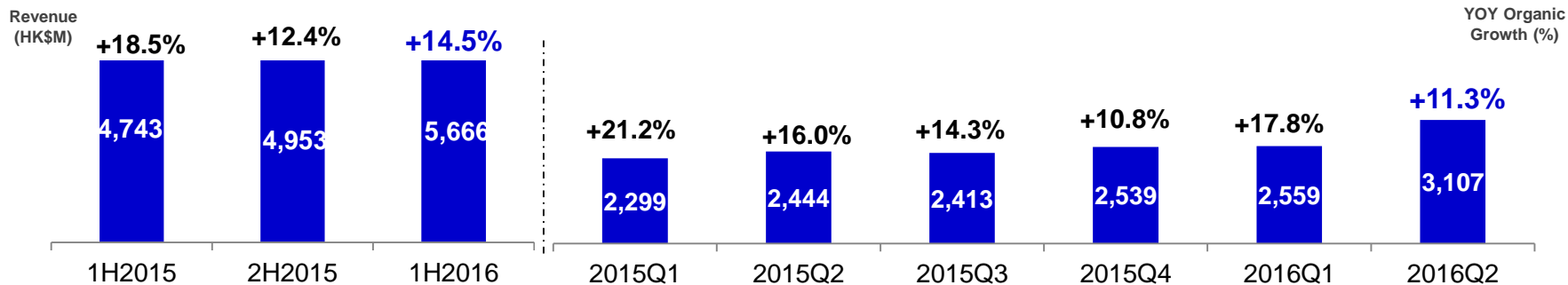
(HK\$M)	1H2016	1H2015	Change
Revenue*	5,666	4,743	+19.5%
Gross profit	1,772	1,497	+18.4%
EBITDA	831	702	+18.3%
Operating profit	515	468	+9.9%
Net profit	321	331	-2.9%
Basic earnings per share (HK cents)	30.6	33.1	
Proposed interim dividend per share (HK cents)	5.0	5.0	

* **Organic revenue growth: 14.5%**¹

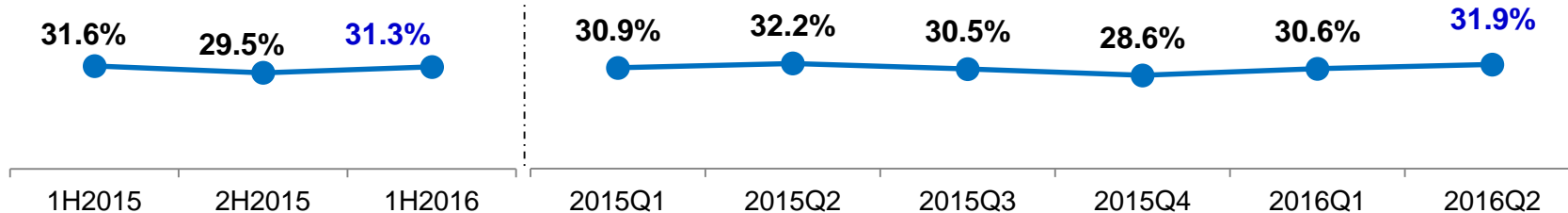
¹Excluding acquisition and exchange rate effects

Financial Highlights

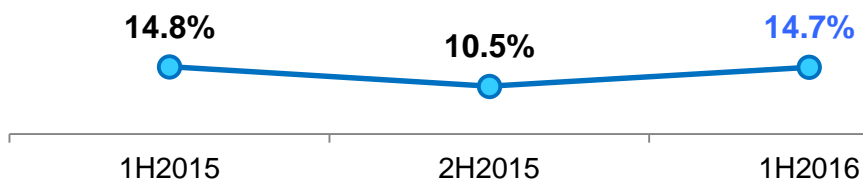
Revenue & Organic Growth



Gross Margin



EBITDA Margin



Enlarged Personal Care Portfolio



	1H2015		2H2015		1H2016		1H2016	
Revenue							Organic revenue growth³	
Tissue	4,583	(97%)	4,774	(96%)	4,923	(87%)	Tissue	14%
Personal Care	160	(3%)	178	(4%)	743	(13%)¹	Personal Care	22%
Total	4,743	(100%)	4,952	(100%)	5,666	(100%)	Total	14.5%
Gross margin								
Tissue	31.7%		29.6%		31.5%			
Personal Care	26.2%		26.5%		29.7%			
Total	31.6%		29.5%		31.3%			
Segment results² margin								
Tissue	12.3%		9.4%		11.1%			
Personal Care	(28.2%)		(29.1%)		5.4%			

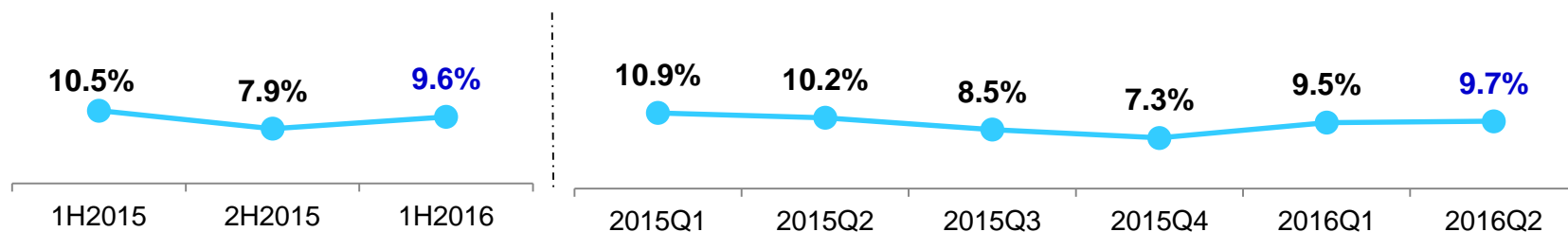
¹ Personal care accounted for 4% and 21% of total revenue in 1Q16 and 2Q16 respectively

² Segment results: segment profit before amortisation of trademarks, licenses & contractual customer relationship

³ Excluding acquisition and exchange rate effects

Financial Highlights

Underlying Operating Margin¹



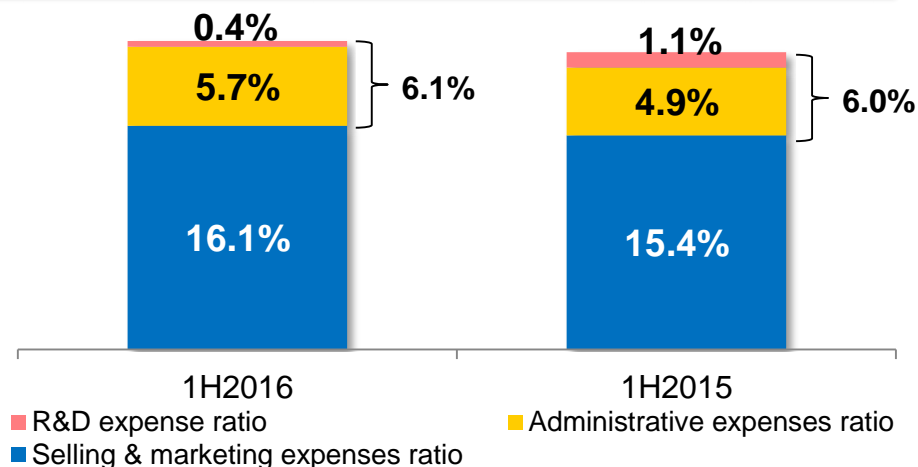
Items Affecting Comparability (HK\$M)	1H2016	1H2015
Operating items:		
• Foreign exchange gain/ (loss)	(14)	(32)
• Amortisation of the acquired intangible assets related to the acquisition on 1 Apr 2016 (non-cash item) ²	(14)	-
• <i>Transaction cost related to acquisition</i>	(3)	-
Financing items:		
• Foreign exchange gain/ (loss)	(1)	2
• Fair value downward adjustment on convertible note (non-cash item)	(18)	-

¹ Excluding items affecting comparability

² It will only be presented as an item affecting comparability where it was not included in comparative prior year period

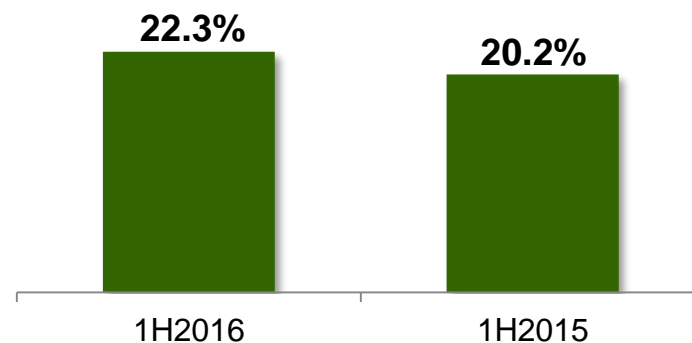
Expenditure

Operating Expenditure as % of Sales



- Increase in SG&A ratio
 - Due to the amortisation of the acquired intangible assets related to the acquisition on 1 Apr 2016 (non-cash item)
 - Due to the continuing commitment to brand building & promotional activities for Vinda brand, new brands & personal care business

Effective Tax Rate



- Increase in effective tax rate, mainly due to:
 - Non-tax deductible items including fair value downward adjustment on convertible note

Key Ratios

(HK\$M)	As at 30 Jun 2016	As at 31 Dec 2015	As at 30 Jun 2015
Debtors turnover days	44	43	45
Creditors turnover days	66	79	71
Finished turnover days	45	43	40
Working capital to sales ratio	14%	14%	16%
(HK\$M)	As at 30 Jun 2016	As at 31 Dec 2015	As at 30 Jun 2015
Cash and cash equivalents ¹	632	393	514
Total borrowings ²	5,666	4,739	4,528
<i>Borrowings in CNY (%)</i>	61%	<i>42%</i>	<i>10%</i>
Net debt	5,035	4,345	4,014
Net gearing ratio ³ (%)	74%	88%	76%
Interest coverage ⁴ (times)	5.8	6.2	7.4

HK\$390M
net proceeds from share
placement in May 2016

Lower
gearing level

Reduced FX
exposure by increasing
proportion of CNY loans

As at 30 June 2016:

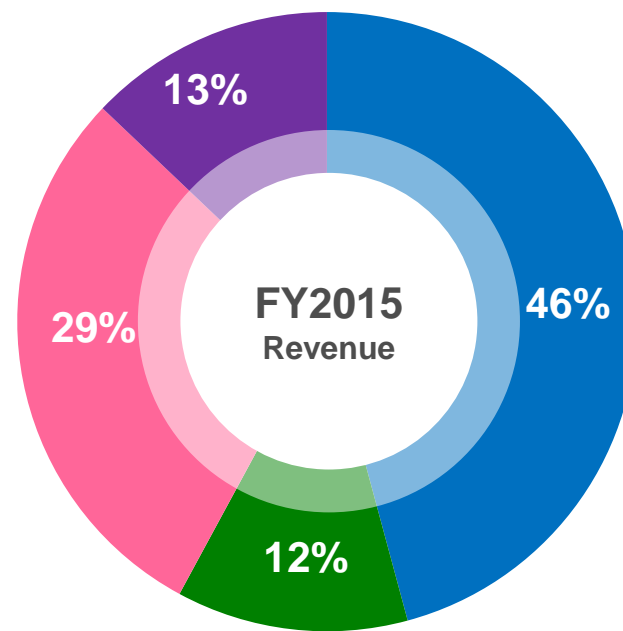
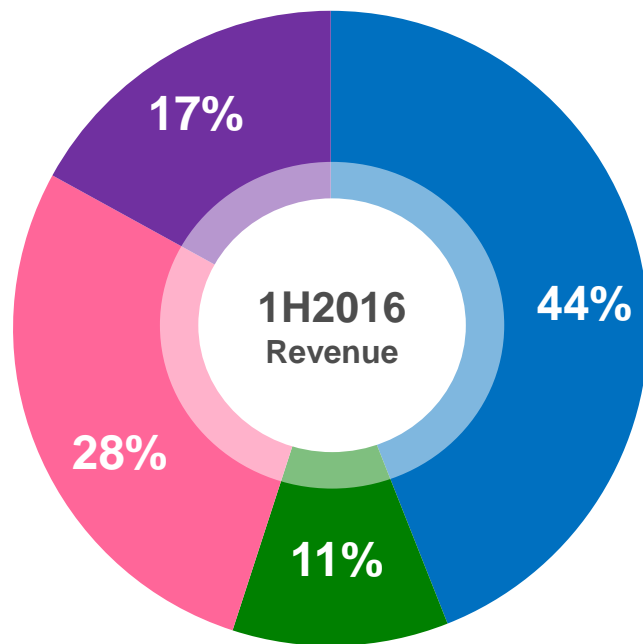
- Total outstanding loans from SCA: HK\$1.8 B
- Total unutilized credit facilities (incl. unutilized loan from SCA): HK\$5.7 B

1. Incl. restricted bank deposit. 2. Total borrowings (incl. SCA shareholder loan)

3. Total borrowing less bank balances and cash and restricted deposits / total shareholders' equity. 4. Underlying EBIT/interest (times), excluding interest capitalisation factor.

Rapid Growth in E-commerce

Revenue¹ (by sales channels)

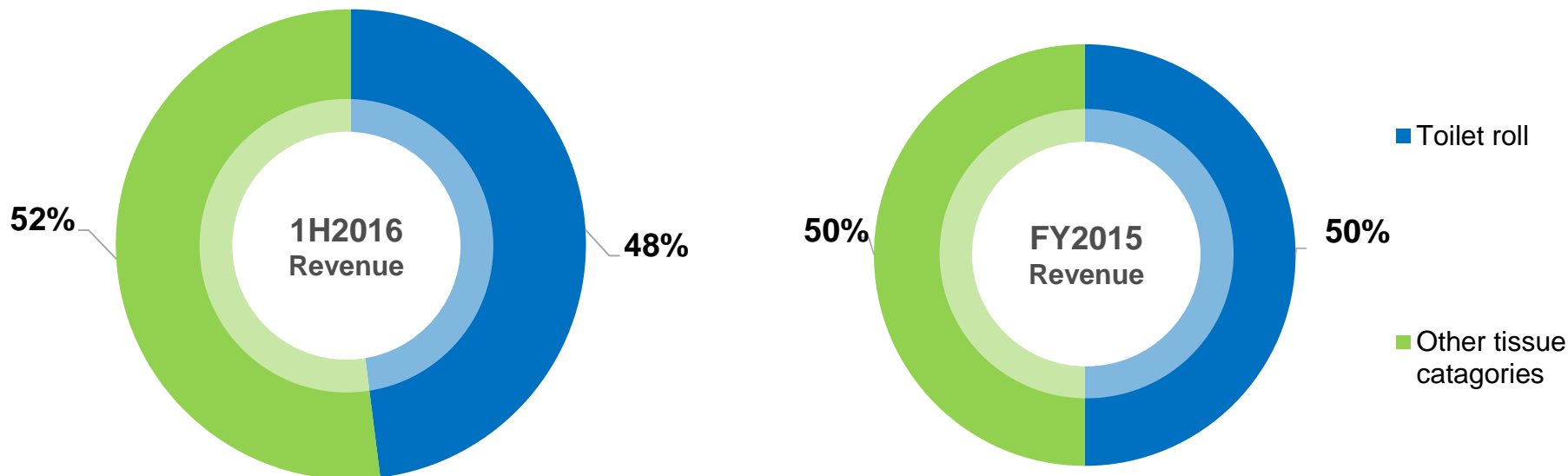


- Traditional channels (i.e. Distributors)
- B2B (i.e. Corporate clients)
- Modern channels (i.e. Hypermarkets, Supermarkets)
- E-Commerce

¹ Excluding the acquired sales in 2016

Enhanced Tissue Mix

Tissue Revenue¹ (by categories)



1H16 vs 1H15

Tissue organic sales
HK\$4.9B
+14%²

Tissue sales volume
360,000 tons
+13%

Sales of Tempo, higher-margin categories
e.g. softpack, box tissue, wet wipes
grew significantly

¹Excluding the acquired sales in 2016

²Excluding acquisition & exchange rate effects

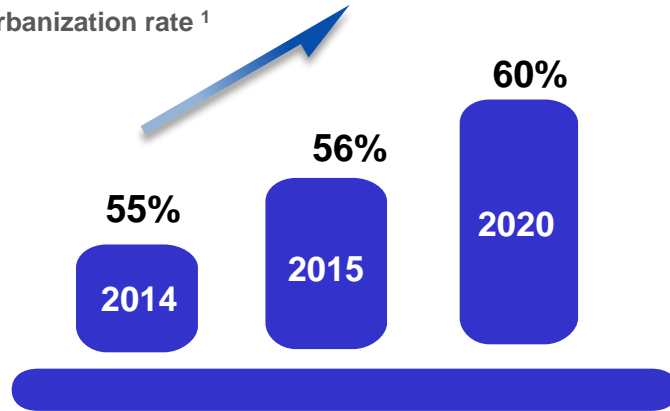
Future Outlook



Mid-Long Run Growth Catalysts

Urbanization

Urbanization rate ¹



Stringent environment regulations

China tissue capacity (tons)

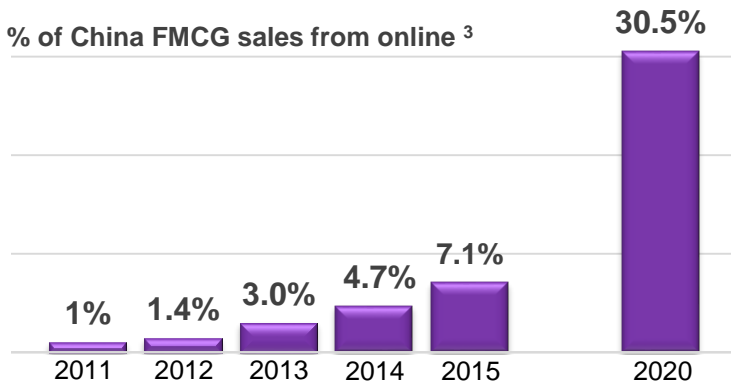
	2013	2014	2015
Shut down by government ²	>0.2M	0.42M	0.47M

Accelerate the market consolidation



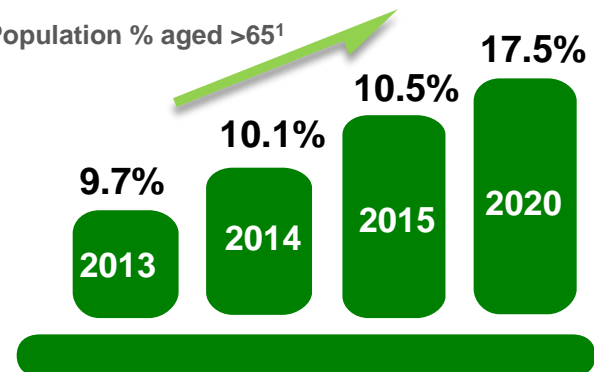
Growing E-commerce

% of China FMCG sales from online ³



Aging population

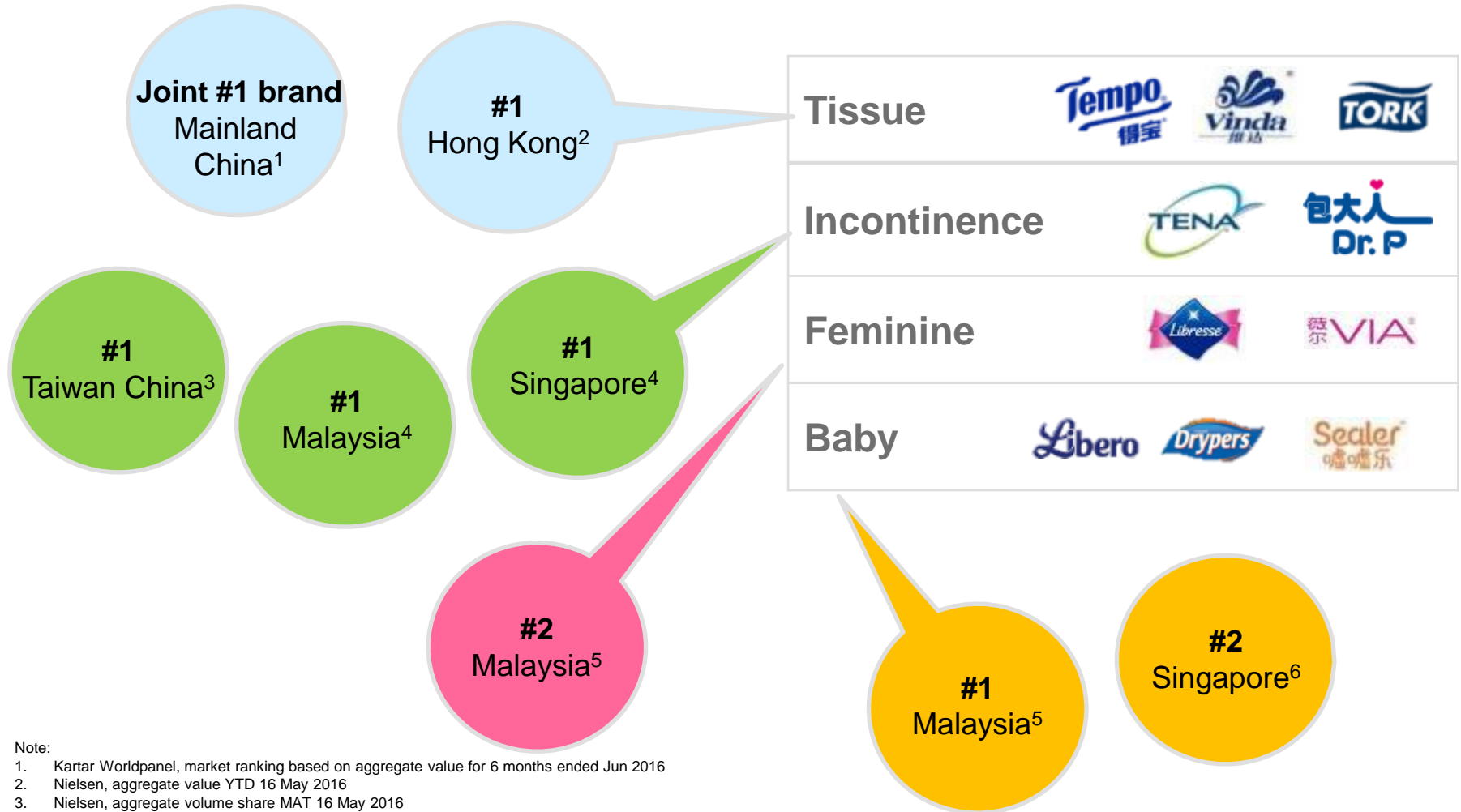
Population % aged >65¹



¹ National Bureau of Statistics & National Development & Reform Commission

² China Paper Association & China Silver Industry Association ³ Kantar 2015

Strong Market Positions



Note:

1. Kantar Worldpanel, market ranking based on aggregate value for 6 months ended Jun 2016
2. Nielsen, aggregate value YTD 16 May 2016
3. Nielsen, aggregate volume share MAT 16 May 2016
4. According to SCA's internal estimates
5. Kantar Worldpanel Malaysia, MAT 16 May 2016
6. Nielsen volume for 12 months ending 31 May 2016

Strong Supply Chain Support

Tissue



Annual Designed Production Capacity (tons)

<i>Production sites</i>	1H2016	Add in 2H2016	2016 end
Xinhui, Sanjiang	380,000	60,000	440,000
Hubei	180,000		180,000
Zhejiang	150,000		150,000
Shandong	80,000	30,000	110,000
Liaoning	55,000		55,000
Sichuan	75,000		75,000
Beijing	30,000		30,000
Total	950,000	90,000	1,040,000

Personal Care



- **2** production plants in **Malaysia** and **1** in **Taiwan China**
- Incontinence care production facilities in **Zhejiang**
- Baby care production facilities in **Hubei**

SCA support

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

Our Priorities

Ambition

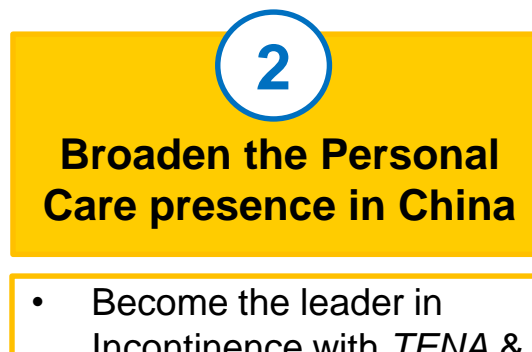
To become a leading hygiene company in Asia



1

Drive Tissue business in China

- Drive Tissue sales in China with innovative-driven product R&D & marketing campaigns
- Increase contribution from *Tempo* in high-end market



2

Broaden the 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



3

Drive Personal Care growth in Asia & roll out tissue

- Strengthen Personal Care market positions where we have presence
- Roll out tissue to Asia by leverage the strong route to market

Core Principles



Sustainability

- 100% certified pulp
- Reduce energy consumption
- Reduce water usage

- Consumer-focused
- Technology-focused
- Leverage global technological platform



Innovation

Integrity



- Good corporate governance
- Code of conduct
- Compliance

Q&A



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Thank You

*Healthy Lifestyle
Starts with Vinda*

