

Sustainable Growth

FY 2018/2019 Final Results

20/06/2019



FINANCIAL REVIEW


Chris Lau
Group CFO

Disclaimer

In addition to historical information, this presentation contains forward-looking statements with respect to the results of the operations and business of Vitasoy. These forward-looking statements represent Vitasoy's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.


Vitasoy International Holdings Limited


FINANCIAL PERFORMANCE – 2H

HKD' million	2H 2018/19		Net of FX impact
Revenue	3,078	+ 9%	+ 14%
Gross profit	1,634	+ 9%	+ 14%
GP%	53%	PAR	PAR
EBITDA	397	+ 6%	+13%
Profit before tax	253	+ 3%	+ 12%
Profit to shareholders	178	- 6%	+ 1%

 indicates variance with FY2017/18

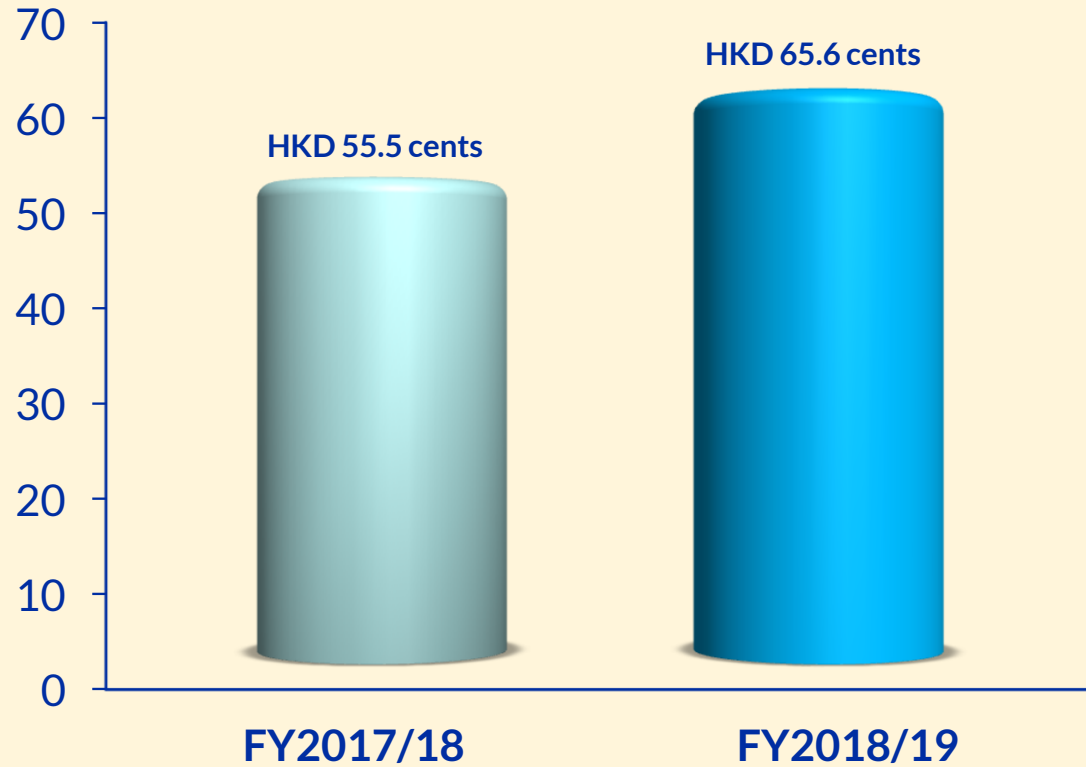
FINANCIAL PERFORMANCE – FULL YEAR

HKD' million	Full Year 2018/19		Net of FX impact
Revenue	7,526	+ 16%	+ 18%
Gross profit	4,042	+ 18%	+20%
GP%	54%	+1ppt	+1ppt
EBITDA	1,228	+ 16%	+17%
Profit before tax	956	+ 19%	+21%
Profit to shareholders	696	+ 19%	+ 20%

 indicates variance with FY2017/18

BASIC EARNINGS PER SHARE

HKD cent



+18%

DIVIDEND

Interim

3.8¢
per share

Final

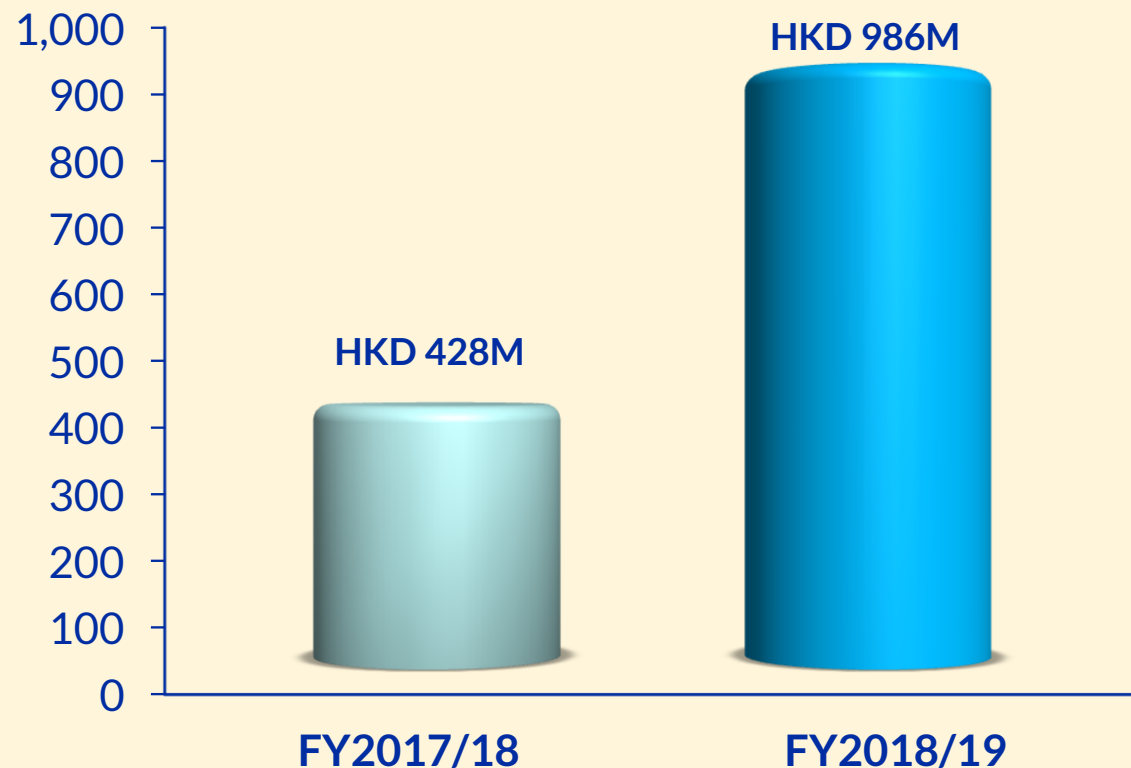
38¢
per share

Total

41.8¢
per share

CAPITAL EXPENDITURE

HKD million



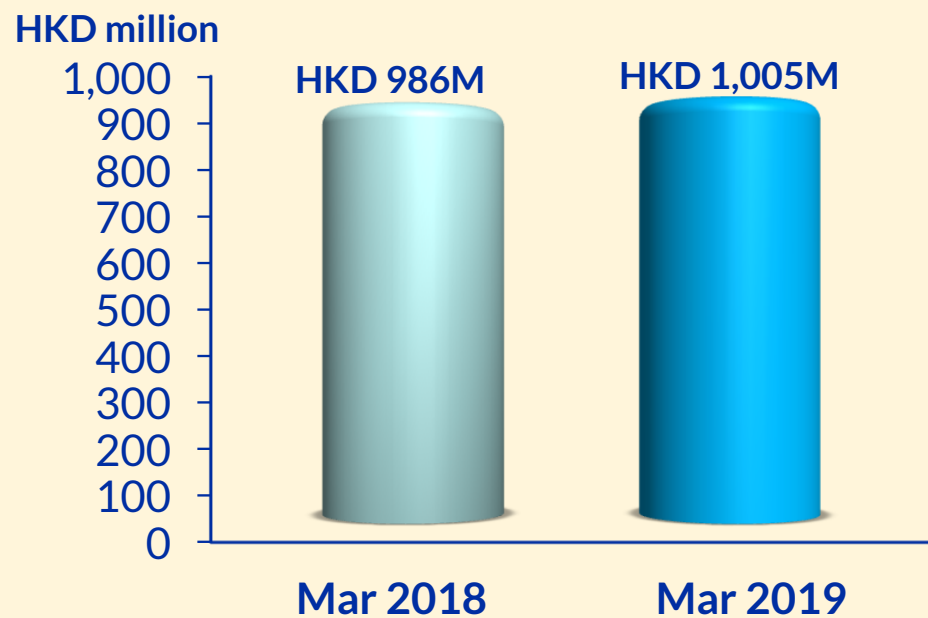
+130%

- Construction of new plant in Dongguan
- Upgrade program in HKSAR, China
- Acquisition of new production lines

FINANCIAL POSITION

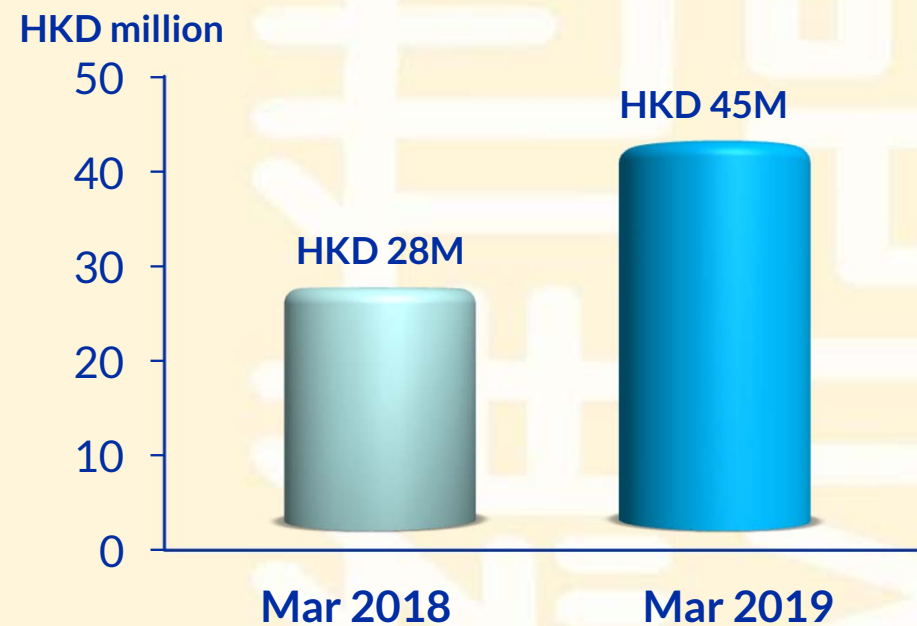
Cash

+2%



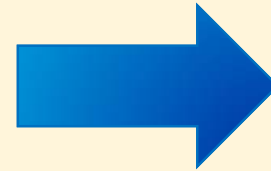
Borrowings

+61%



GEARING RATIO

1%



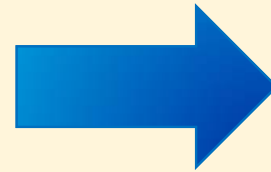
1%

March, 2018

March, 2019

ROCE

35%



37%

March, 2018

March, 2019

BUSINESS REVIEW & OUTLOOK

Roberto Guidetti
Group CEO

2ND HALF REVENUE GREW MORE MODERATELY AS EXPECTED WE WILL INCREASE OUR INVESTMENTS GOING FORWARD

- Net of FX impact, 2nd Half Revenue/Operating Profit was +14%/+13%
- The revenue growth continued to be broad-based with all geographies up
- Both our key equities VITASOY and VITA performed strongly
- In new FY2019/20, we expect strong but more moderate revenue growth
- We will substantially increase our investments in brand equity, organisation and infrastructure to support long term growth in more competitive market conditions

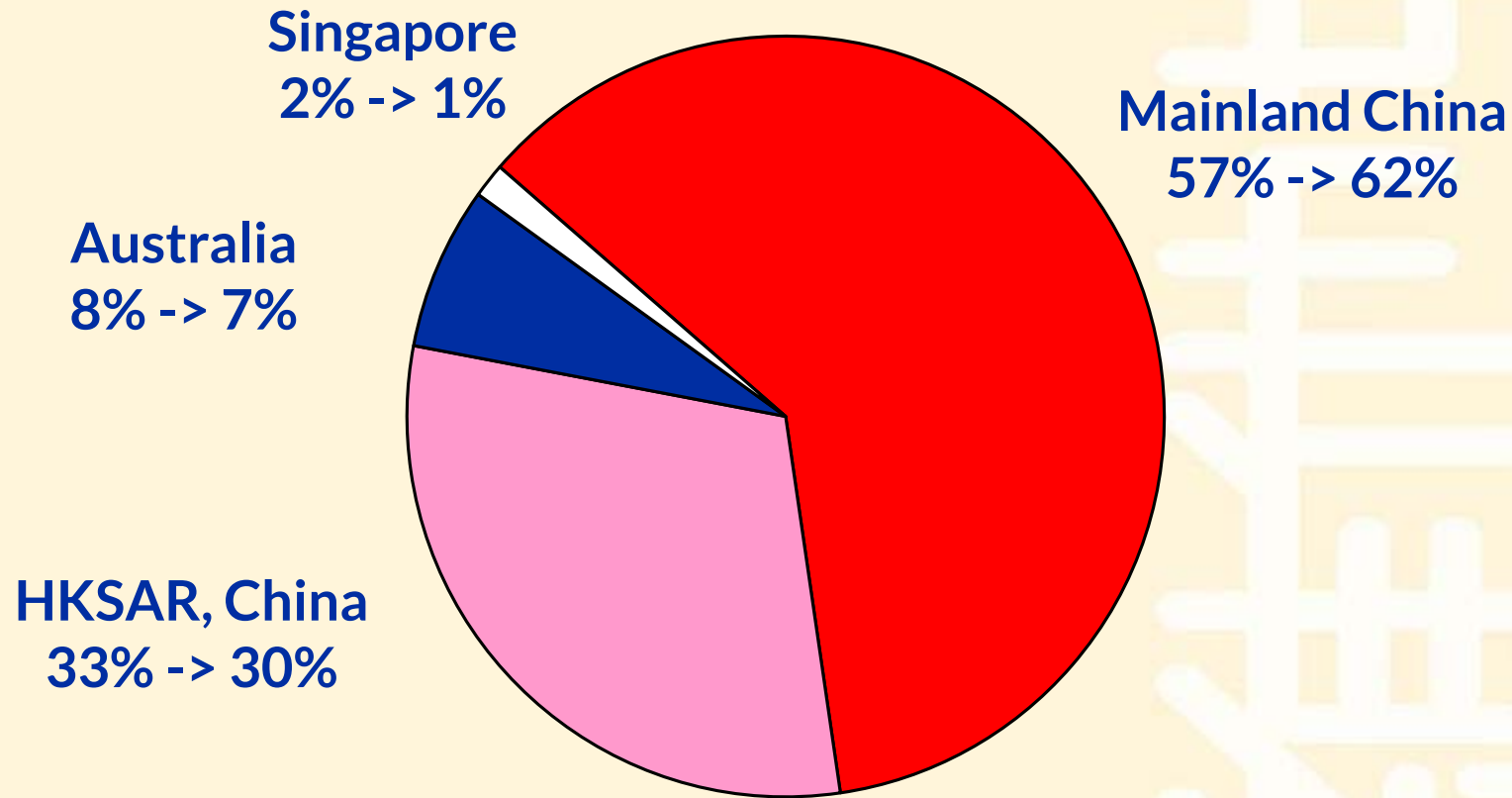
GROWTH BY GEOGRAPHY – 2H

	Mainland China	HKSAR, China	Australia	Singapore
Revenue				
<hr/> HKD	+13%	+6%	+3%	+6%
Local Currency	+22%	+6%	+12%	+8%
Operating profit				
<hr/> HKD	+8%	-14%	+4%	-100%
Local Currency	+23%	-14%	+13%	-100%

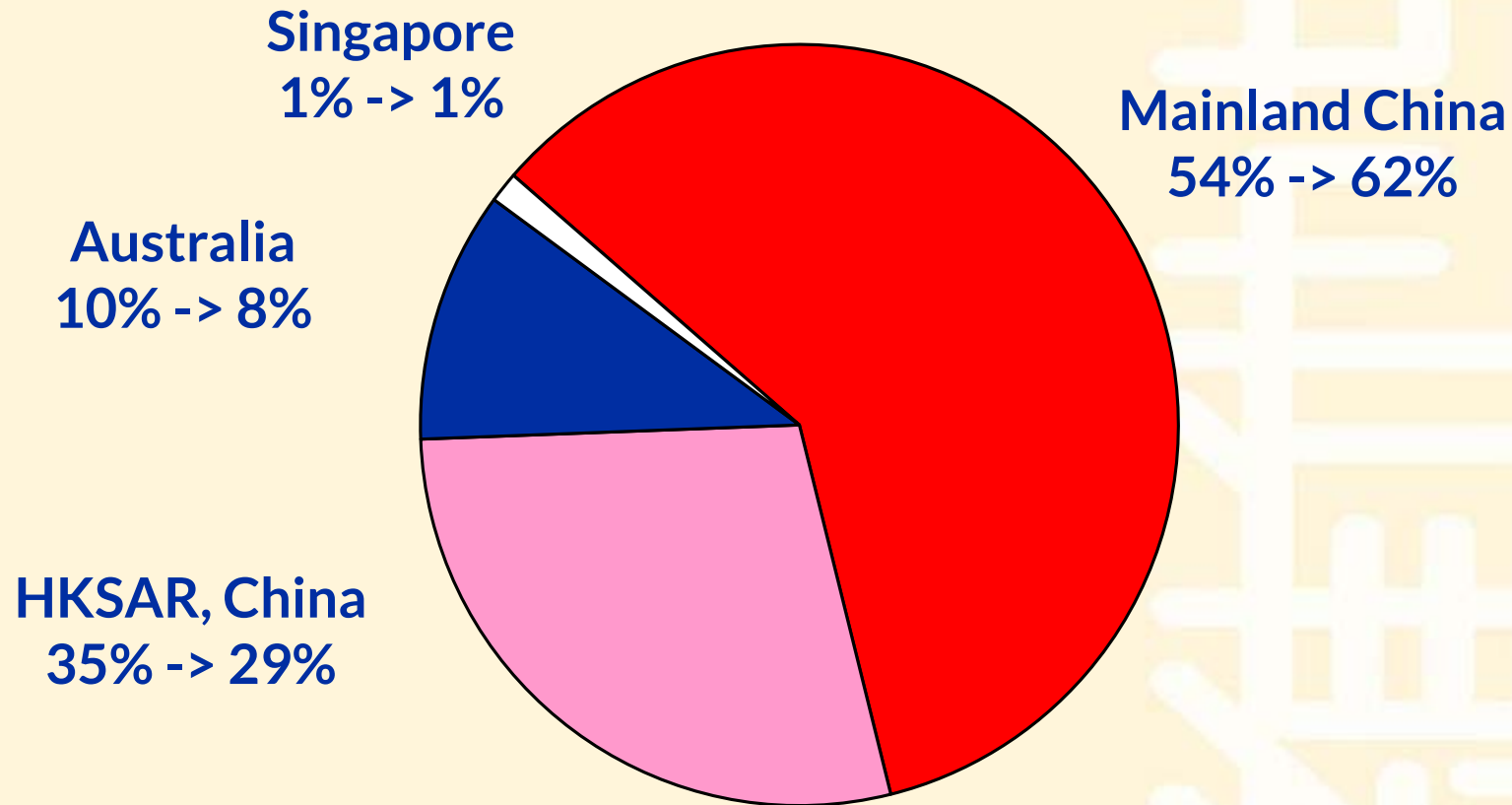
GROWTH BY GEOGRAPHY – FULL YEAR

	Mainland China	HKSAR, China	Australia	Singapore
Revenue				
<hr/> HKD	+25%	+5%	+4%	+7%
Local Currency	+27%	+5%	+10%	+8%
Operating profit				
<hr/> HKD	+33%	-4%	-2%	-88%
Local Currency	+35%	-4%	+4%	-88%

REVENUE BY GEOGRAPHY – FULL YEAR



OPERATING PROFIT BY GEOGRAPHY – FULL YEAR



Mainland
China



維他奶

Vitasoy
The Soy Experts

REVENUE: HK\$ 4,628M ↑25% (RMB ↑27%)
OP: HK\$ 720M ↑33% (RMB ↑35%)

- Both VITASOY and VITA registered double-digit growth
- Enhance consumer engagement as vibrant and energetic brands



REVENUE: HK\$ 4,628M ↑25% (RMB ↑27%)
OP: HK\$ 720M ↑33% (RMB ↑35%)

- Favourable raw material trends
- Manufacturing at high capacity
- Strong results in our established markets



HKSAR,
China



維他奶

Vitasoy
The Soy Experts

REVENUE: HK\$ 2,264M ↑ 5%
OP: HK\$ 339M ↓ 4%

- Both VITASOY and VITA growing
- Momentum in low/no sugar portfolio
- Investment in infrastructure and organisation capability to sustain soy leadership position



Australia



維他奶

Vitasoy
The Soy Experts

REVENUE: HK\$ 522M ↑4% (AU\$ ↑10%)
OP: HK\$ 93M ↓2% (AU\$ ↑4%)

- Both Soy and Plant milk sustaining growth
- Enhance VITASOY consumption occasions



Singapore



維他奶

Vitasoy
The Soy Experts

REVENUE: HK\$ 112M ↑7% (S\$ ↑8%)
OP: HK\$ 1M ↓88% (S\$ ↓88%)

- Sustaining leadership in tofu market with both brands VITASOY and UNICURD
- Imported beverages increasing scale to overall business



The Philippines



VITASOY GROWING IN THE PHILIPPINES

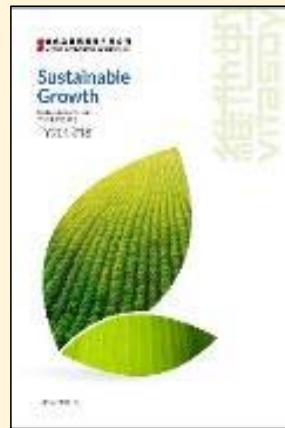
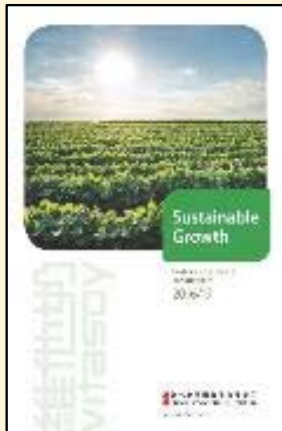
- Business gradually developing in a low per capita consumption market behind consistent communication and improving execution
- Continue to grow soy category and trial drive



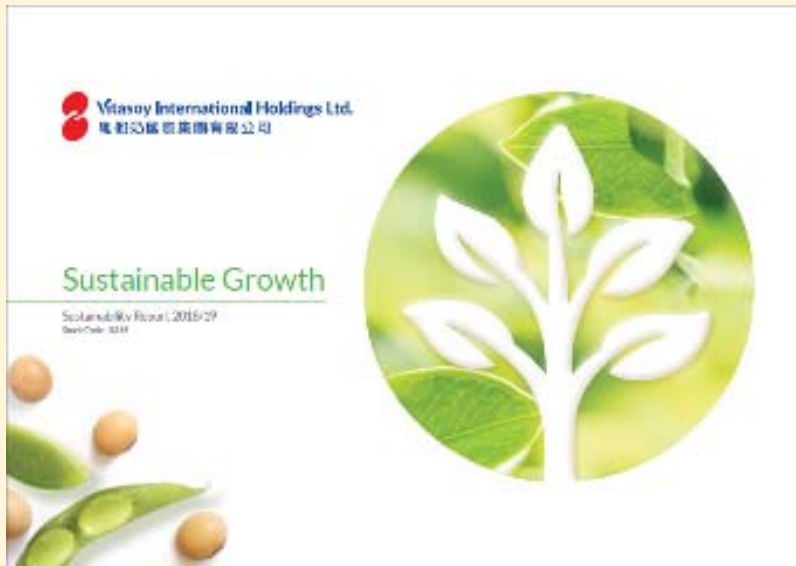
YEARLY UPDATE ON SUSTAINABILITY PROGRESS



OUR 5TH SUSTAINABILITY REPORT



PROGRESS INCLUDED IN THE REPORT



- Updated and adjusted existing KPIs upwards
- Added Packaging section and in-market pilots
- Executed Materiality Assessment
- Formalized Sustainability policies

PORTFOLIO – AHEAD OF OUR ORIGINAL KPIS ON PRODUCT

KPIs	Glidepath & Goals				
	2016/17	2017/18	2018/19	2020/21	2025/26
✓ Plant-based beverages	83%	89.5%	90%	85%	90%
✓ Nutritious plant milk beverages	88.5%	90%	93%	89%	95%
✓ “Low fat”, “low saturated fat and zero trans fat” beverages	91%	92%	93%	91%	93%
✓ Sugar: Moderate - zero beverages	64.5%	68%	76.5%	76%	82%

PORTFOLIO – RESET GOALS FOR FUTURE

KPIs	Glidepath & Goals			
	2020/21	2025/26	2020/21	2025/26
Plant-based beverages	85%	90%	≥90%	≥90%
Nutritious plant milk beverages	89%	95%	≥95%	≥95%
“Low fat”, “low saturated fat and zero trans fat” beverages	91%	93%	≥93%	≥93%



PORTFOLIO – NEW PACKAGING GOALS & STARTING PILOTS

Packaging	Goals
<p>Carton</p> 	<ul style="list-style-type: none"> • Continue maximising FSC paper from sustainably managed forests • Develop pilots for reducing / removing non-renewable materials • Start pilots on collection and recycling
<p>Plastic</p> 	<ul style="list-style-type: none"> • Weight reduction • Pilot bio-based PET • Implement recycled PET
<p>Glass</p> 	<ul style="list-style-type: none"> • Sustain our internal recycle rate to be >90%
<p>Aluminium</p> 	<ul style="list-style-type: none"> • Maintain our high quality on aluminium can to sustain high recycling rate and value

EXAMPLE OF PILOT – VITASOY GREEN CHINA



- NON-GMO SOY MILK
- NO SUGAR
- STEVIA AS NATURAL SWEETENER
- 30% BIO-BASED PET
- LAUNCHED ON-LINE WITH AMPLIFICATION PROGRAM FOR EARTH DAY

RESOURCES – AHEAD OF OUR ORIGINAL KPIS

KPIs	Glidepath & Goals				
	2016/17	2017/18	2018/19	2020/21	2025/26
✓ Less water to manufacture each unit of product (vs 2013/14 base: 5.076kg per 1kg)	-8.38%	-17.65%	-13.92%	-10%	-20%
✓ Less fuel to manufacture each unit of product (vs 2013/14 base: 0.284kWh per 1kg)	-7.31%	-16.9%	-15.81%	-15%	-20%
✓ Less electricity to manufacture each unit of product (vs 2013/14 base: 0.112kWh per 1kg)	-6.73%	-15.77%	-14.02%	-10%	-15%
Okara recycling rate	99.5%	97.8%	95.5%	≥99%	≥99%

RESOURCES – RESET GOALS FOR FUTURE

KPIs	Glidepath & Goals			
	2020/21	2025/26	2020/21	2025/26
Less water to manufacture each unit of product (vs 2013/14 base: 5.076kg per 1kg)	-10%	-20%	-20%	-25%
Less fuel to manufacture each unit of product (vs 2013/14 base: 0.284kWh per 1kg)	-15%	-20%	-20%	-25%
Less electricity to manufacture each unit of product (vs 2013/14 base: 0.112kWh per 1kg)	-10%	-15%	-20%	-25%



EXAMPLE OF PILOT – SOLAR PANELING



- Largest Grid-connected system in HKSAR, China for food & beverage company
- Provide electricity to CLP's Renewable Energy Feed-in Tariff scheme

EXAMPLE OF PILOT - REVERSE VENDING MACHINE



- Stimulate recycling activity in HKSAR, China
- Pilot Program in City University of Hong Kong
- In return for recycling PET bottles, we will make donation to charity or offer free drinks with Vsmart vending machine

OUR NEW EXPANDED FRAMEWORK



MAKING THE RIGHT PRODUCTS

MAKING PRODUCTS THE RIGHT WAY

Portfolio

Packaging

Manufacturing

Suppliers

Workplace

Community



Plant-based

Increase plant-based beverage offerings

2018/19
90%

±90% ±90%
2020/21 New Goal 2025/26 New Goal



Nutritious Plant Milk

Increase nutritious plant milk beverage offerings

2018/19
93%

±95% ±95%
2020/21 New Goal 2025/26 New Goal



Low Fat

Increase "low fat" or "low saturated fat and zero trans-fat" beverage offerings

2018/19
93%

±93% ±93%
2020/21 New Goal 2025/26 New Goal



Moderate to Zero Sugar

Increase beverage offerings with moderate to zero total sugar levels

2018/19
76.5%

76% 82%
2020/21 Goal 2025/26 Goal



Paper

Increase percentage of fresh-keeping laminated paper pack with FSC label

2018/19
98.7%

±95%
2020/21 New Goal



Glass

Glass bottle recycling rate

2018/19
94.87%

±90%
2020/21 New Goal



Plastics

Weight reduction
Pilot bio-based PET
Implement recycled PET



Water

Reduce the amount of water used to manufacture each unit of product

2018/19 vs 2013/14
-13.92%

-20% -22%
2020/21 New Goal 2025/26 New Goal



Electricity

Reduce the amount of electricity used to manufacture each unit of product

2018/19 vs 2013/14
-14.02%

-20% -23%
2020/21 New Goal 2025/26 New Goal



Fuel

Reduce the amount of fuel used to manufacture each unit of product

2018/19 vs 2013/14
-15.81%

-20% -25%
2020/21 New Goal 2025/26 New Goal



Carbon Footprint

Scope 1 + 2 emission intensity

2018/19
0.125

kgCO₂e per kg
Goal



Waste

Maintain okara (soya residue) recycling rate at or above 99%

2018/19
95.5%

±99%
Goal



Supplier Management

Supplier Responsibility Principles
Responsible Procurement Policy
Non-GMO
Sustainable farming



Inclusive Workplace

Gender ratio
42% : 58%
Female Male

Lost time injury rate
0.86 vs 1.32
2018/19 2014/15

Training hours per employee
9.64 p.a.



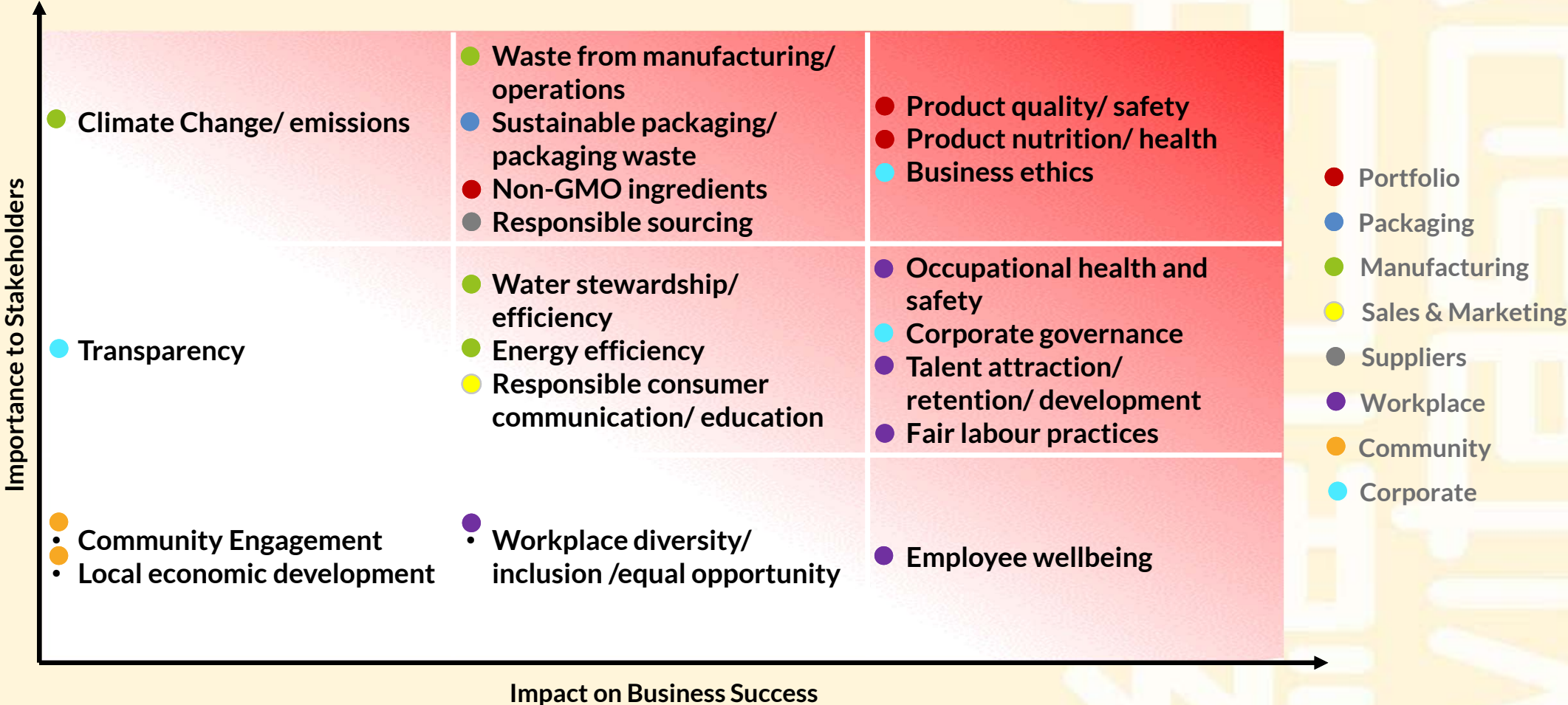
Nourish Your Body, Nourish Your Mind

Vitasoy University
Grant: Wuhan, Shanghai and Guangzhou

Vitasoy Nutrition Exploration Journey: partnership with St. James' Settlement in HK

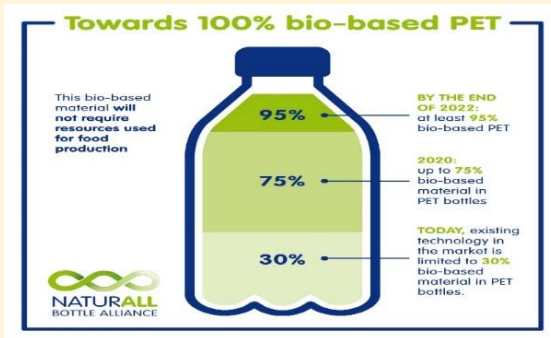
HK school PET bottle recycling programme

OUR MATERIALITY ASSESSMENT RESULTS



A BROADER DEFINITION OF SUSTAINABILITY

PACKAGING



WASTE



RENEWABLES



CARBON













POLICIES



CONTRIBUTION



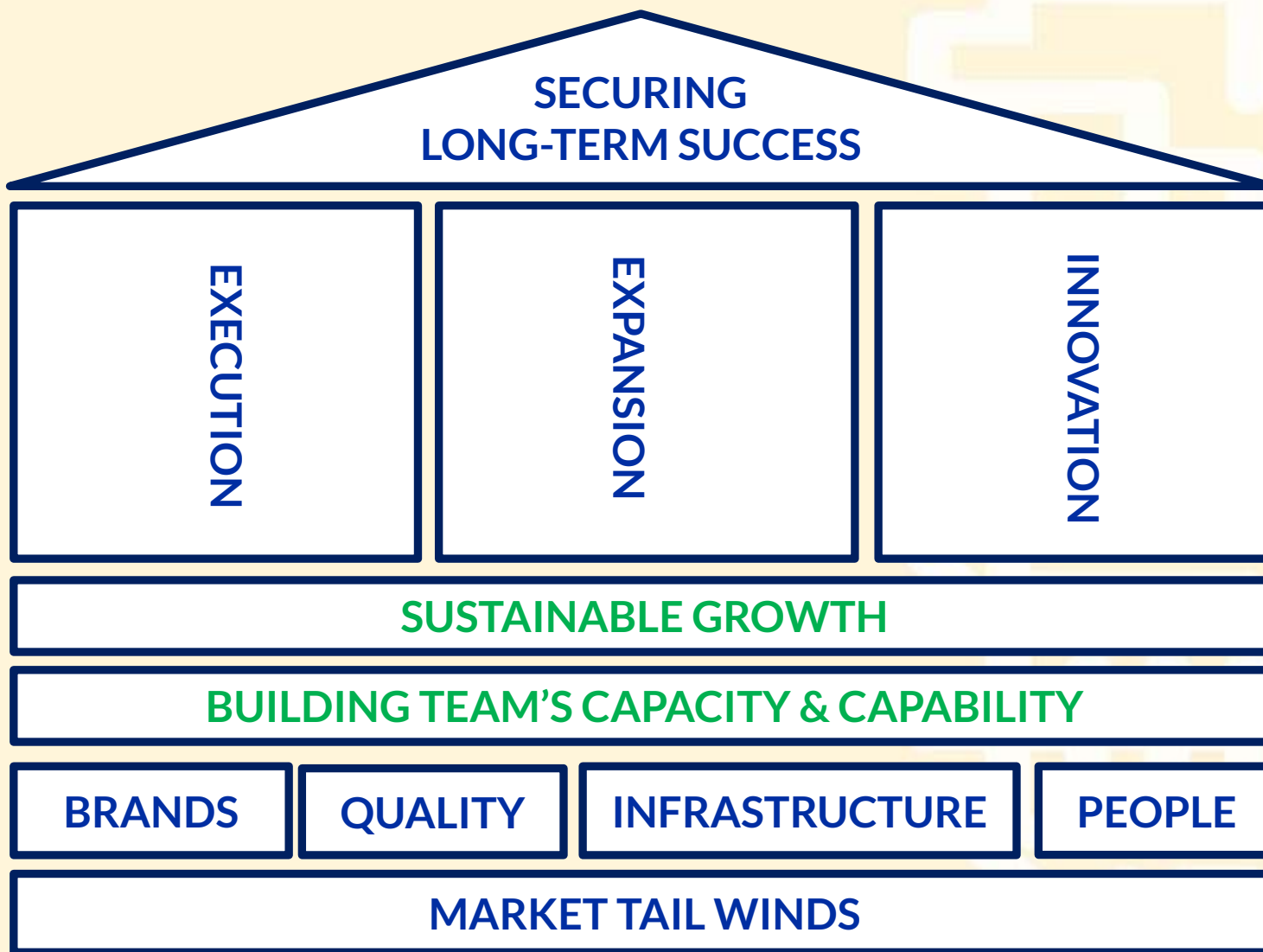
ADVANCING IN OUR RATINGS

Sustainability Ratings	2017	2018	2019
 Hang Seng Corporate Sustainability Index Series	56.7 / 100	61.3 / 100	Being run
 SUSTAINALYTICS	54 / 100	60 / 100 ¹	Being run
 Dow Jones Sustainability Indices In Collaboration with RobecoSAM	N/A 	N/A 	Starting 
 CDP DISCLOSURE INSIGHT ACTION	N/A 	N/A 	Starting 

¹Sustainalytics has updated their approach on ESG rating in 2018, figure in 2018 is based on previous methodology

IN SUMMARY

- Net of FX impact, 2nd Half Revenue/Operating Profit was +14%/+13%
- The revenue growth continued to be broad-based with all geographies up
- Both our key equities VITASOY and VITA performed strongly
- In new FY2019/20, we expect strong but more moderate revenue growth
- We will substantially increase our investments in brand equity, organisation and infrastructure to support long term growth in more competitive market conditions



Sustainable Growth

FY 2018/2019 Final Results

20/06/2019

