

For Immediate Release

Vitasoy Announces Business Results for 1H FY2022/2023

Financial Highlights

6 months ended 30th September 2022	<u>1H FY2022/23 HK\$ Mn</u>	<u>1H FY2021/22 HK\$ Mn</u>	<u>Change</u>	<u>Net of FX Impact</u>
Revenue	3,642	3,604	+1%	+4%
Gross Profit	1,738	1,727	+1%	+4%
EBITDA	473	320	+48%	+50%
Profit before Taxation	175	34	+421%	+382%
Profit Attributable to Equity Shareholders of the Company	142	33	+332%	+291%
Earnings per Share (HK cents)	13.3	3.1	+329%	+292%
Interim Dividend per Share (HK cents)	1.3	Nil	N/A	N/A

HKSAR, China, 18th November 2022 — Vitasoy International Holdings Limited (“Vitasoy” or the “Company”, together with its subsidiaries, the “Group”, SEHK Code: 00345) today announced its interim results ended 30th September 2022 (“the period”).

During the six months under review, the Group recorded revenue growth across the majority of markets on a local currency basis and recorded a total revenue of HK\$3,642 million (FY2021/2022 interim: HK\$3,604 million). The Group focused on fundamentals to secure sustainable and profitable revenue growth. The Group’s gross profit for the interim period was HK\$1,738 million (FY2021/2022 interim: HK\$1,727 million), mainly due to higher sales performance. Gross profit margin maintained at 48%. Profit from operations saw a significant increase of almost 400%, primarily due to strong performance in Mainland China, rephased advertising and promotion spending, further Hong Kong SAR government subsidies, and decreased operating expenses.

Mr. Winston Yau-lai Lo, Executive Chairman of Vitasoy International Holdings Limited, said at a press conference today, “Although we are encouraged by the substantial progress made by the Group towards achieving target growth and profitability, we still have much work ahead of us on our long-term growth trajectory. Nevertheless, barring unforeseen macro changes in the environment, we are confident that our discipline focus on fundamentals will enable us not only to sustain, but gradually improve, our revenue and profit performance in the years ahead.”

As a result of the Group's improved financial performance, the Board of Directors recommends an interim dividend of HK1.3 cents per ordinary share for the six months ending 30th September 2022 (Six months ending 30th September 2021: nil).

Mainland China -

Profit growth driven by solid core business performance and innovation

Vitasoy's Mainland China operation recorded revenue growth of 4% in local currency to RMB1,916 million, with strong growth in operating profit at HK\$139 million due to scale acceleration and tight control over operating costs.

The organisational structure and leadership capabilities of the Mainland China operation were further strengthened during the interim period, providing impetus for implementing the Group's strategy of gradual acceleration across the Company's three growth vectors: execution (same-store sales growth), expansion and innovation. Revenues from both VITASOY and VITA products grew, as did revenues in most provinces and sales channels.

VITASOY remained the soymilk leader while VITAOAT Oat Milk, which was launched last year, continued to gain scale, adding incremental revenue and advancing brand awareness among plant-based movement conscious shoppers. The core premium Lemon portfolio continued to be the main driver for VITA, and the new Fruit and Sparkling Teas were well received by consumers

For the remainder of FY2022/2023, the Company will continue to launch advertising and promotion campaigns as well as implementing its strategy across all vectors of growth. Vitasoy will also explore ways to save operational expenses and contain rising material and energy costs while adjusting pricing in order to maintain profitability.

Hong Kong Operation - (Hong Kong SAR, Macau SAR and Exports) -

Steady growth propelled by the strength of our core business and successful product innovation

The Hong Kong Operation delivered a steady growth with revenue growth of 6% despite weak consumer sentiment and travel limitations, thanks to the strength of Vitasoy's core business and successful product innovation. The market share increased in both the Soy and Tea categories, while new pricing and value creation projects helped grow protect margins and contain costs. The Group's Vitaland tuckshop and catering businesses saw improved performance, thanks to the increase in school days and quarantine hotel business.

In the Non-alcoholic Beverages Key Account segment, strong brand equity and effective sales execution confirmed the Group's leading position in the local market. Vitasoy also grew market share in both the Ready to Drink Tea and Soya/Plant Milk Drink categories with additional growth achieved through new product launches. All new products received encouraging shopper feedback.

Profit from operations increased 17% when compared to the same period last year, amounting to HK\$145 million. Excluding COVID-19 related government subsidies, profit from operations dropped 25%, mainly attributable to a surge in raw material and fuel costs.

The Group will continue to drive the core business and launch new products while optimising costs and exploring potential business opportunities in different channels.

Australia and New Zealand -
Sustained growth led by leveraging growing interest in oat milk

Vitasoy's operation in Australia and New Zealand continued to perform strongly in local currency basis despite significant economic headwinds and inflationary cost pressures. The revenue grew 8% in local currency, by successfully leveraging of consumers' growing interest in oat milk.

Steady results were also achieved in other plant milk platforms. Revenue from the VITASOY brand grew across all the key Plant Milk platforms of Soy, Almond and Oat. The oat category has been particularly well received in Australia, where VITASOY has grown to become the number one brand in the oat and soy categories. Slower performance in the coffee market was more than offset by innovative products, such as the new VITASOY Greek Style Soy Yoghurt range, which has received an encouraging initial response in the market. During the period under review, the profit from operations declined due to higher raw material costs caused by the global supply chain dislocations which led to higher logistics and overhead costs.

With strong demand for VITASOY products in Australia and New Zealand, Vitasoy will continue to drive scale in the key plant milk categories while working diligently to successfully establish the new VITASOY plant-based yoghurt in these markets.

Singapore -
Disappointing performance despite growth of new VITASOY Fresh Plant+ plant milk

The Group's performance in Singapore recorded a setback amidst increased price competitiveness and commoditisation of the tofu category, which could not be offset by the growth of our new Vitasoy Fresh Plant+ plant milk platform. Its revenues contracted by 16% in local currency. Operating profit dropped due to underperforming sales, higher soybean prices, utility costs and operating expenses, and the higher advertising and promotion spending in support of VITASOY Plant+ plant milk and tofu.

The Group will work in a disciplined manner to improve its execution and contain costs in its business in Singapore in order to secure price and product competitiveness while expanding its new Malaysian-sourced VITASOY Plant+ plant milk line.

The Philippines

The Company's joint venture with Universal Robina Corporation recorded a very strong half year, with revenues up by double digits, supported by local production that started with the

easing of COVID-19 restrictions. VITASOY plant milk has now gained a 14% market share of the plant milk category in the Philippines.

For the remainder of FY2022/2023, the Group will continue to improve VITASOY's visibility and availability in core sales channels, while strengthening brand equity for future growth. Vitasoy will also build on the success of the new single-serve and multi-serve products that have been launched in this market and enter all the key plant milk segments of Soy, Almond and Oat for future growth.

General Outlook

With Vitasoy's Mainland China business remaining the largest market and also the main engine for scaling up the Group, the priority now is to sustain profitable growth and per capita consumption in Mainland China through better execution in same stores, national expansion and innovation for equity building. The Group is also optimistic about sustaining performance in its other markets as the plant-based sector continues to go mainstream.

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For more details, please refer to the following documents.

- Announcement of results for the six months ending 30th September 2022:
[Link](#)
- Photo download:
[Photo Link](#)



Caption (1): Vitasoy management presents its latest **Fresh Vitasoy Plant+** launched in Hong Kong SAR at the press conference. (From left) Mr. Roberto GUIDETTI, Group Chief Executive Officer; Mr. Winston LO, Executive Chairman; and Ms. Ian NG, Group Chief Financial Officer.



Caption (2): **Fresh Vitasoy Plant+** launched in Hong Kong SAR.



About Vitasoy

Vitasoy International Holdings Limited is a leading manufacturer and distributor of plant-based food and beverages. Established in 1940 by the late Dr. Kwee-seong Lo in Hong Kong China, the Company strives to promote sustainable plant-based nutrition through provision of a variety of high-quality products with Nutrition, Taste and Sustainability as the guidelines for its portfolio offerings. Currently, Vitasoy has operations in China, including Mainland China and Hong Kong Special Administrative Region, Australia, Singapore and the Philippines. Its products are available in about 40 markets worldwide.

Vitasoy is listed on the main board of the Hong Kong Stock Exchange (00345.HK) and included as a constituent of Morgan Stanley Capital International (MSCI) Hong Kong Small Cap Index, Hang Seng Stock Connect Hong Kong Index and Dow Jones Sustainability Index (DJSI) - Asia Pacific, among others.

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New Fresh Vitasoy Plant+
*The Freshness and Milky Texture that
Bring a Whole New Taste Experience*

With our ongoing commitment to plant-based product innovation, Vitasoy International Holdings Limited (“Vitasoy”) is leading a new way again to enjoy plant milk with the launch of Fresh Vitasoy Plant+ range, which is specially formulated to offer consumers an exceptionally FRESH, smooth, and great taste experience. With its milky and delicious taste, Vitasoy Fresh Plant+ is the ideal and irresistible choice for anyone who looks for a fresh, premium plant milk product.

High Quality Fresh Plant-based Milk with a Smooth and Milky Texture

The new Fresh Vitasoy Plant+ range includes Fresh Oat Milk and Fresh Almond Milk which are high quality products. Made from 100% oats or almonds¹, Fresh Vitasoy Plant+ range brings consumers the goodness of plants in fresh format, with zero cholesterol, low sugar and high calcium. Fresh Vitasoy Plant+ is perfectly versatile and always deliciously fresh and milky!

The new range is freshly made in Hong Kong, with no added preservatives or flavours. It allows consumers to enjoy plant-based milk without compromising on taste and texture, making it a great drink to be consumed as part of a plant-based lifestyle and balanced diet for good health and sustainability.

Ms. Tinny Chan, Dietitian and Group Nutrition Manager at Vitasoy, advises, "Adding fresh plant milk to our daily diet is a delicious way to enjoy plant-based goodness. For instance, Fresh Vitasoy Plant+ Milk is perfect for breakfast cereals or smoothies by adding a milky taste and creamy texture to the recipe, while providing a great amount of important nutrients such as calcium and vitamin D."



¹ Refers to the oat or almond ingredient used in the product

New Fresh Vitasoy Plant+

Fresh Vitasoy Plant+ range is freshly made in Hong Kong with no added preservatives and flavours, offering a smooth and milky texture that is so delicious and healthy!



- ✧ Freshly made in Hong Kong
- ✧ Made from 100% oats/almonds* (heart-healthy grains/nuts*)
- ✧ Smooth and milky texture
- ✧ High calcium
- ✧ Low in sugar
- ✧ Rich in Vitamin D that helps with calcium absorption
- ✧ No cholesterol
- ✧ No lactose
- ✧ No added preservatives



* Refers to the oat / almond ingredient used in the product

