

For Immediate Release

Vitasoy Announces its Business Results for FY2022/2023

Financial Highlights

12 months ended 31 st March 2023	<u>FY2022/23</u> <u>HK\$ Mn</u>	<u>FY2021/22</u> <u>HK\$ Mn</u>	<u>Change</u>	<u>Net of FX</u> <u>Impact</u>
Revenue	6,341	6,501	-2%	+2%
Gross Profit	3,012	3,071	-2%	+2%
EBITDA	621	340	+82%	+83%
Profit / (Loss) before Taxation	49	(236)	N/A	N/A
Profit / (Loss) Attributable to Equity Shareholders of the Company	46	(159)	N/A	N/A
Basic Earnings /(Loss) per Share (HK cents)	4.3	(14.9)	N/A	N/A

HKSAR, China, 20th June 2023 — Vitasoy International Holdings Limited (“Vitasoy” or the “Company”, together with its subsidiaries, including a structured entity the “Group”, SEHK Code: 00345) today announced its annual results ended 31st March 2023.

In FY2022/2023, the Group registered a profit from operations of HK\$104 million versus a loss of HK\$213 million in the previous financial year, despite high raw material prices and utility costs. This result was mainly attributable to effective cost rationalisations in its operations and promotions in Mainland China, as well as higher government subsidies received by the Vitasoy’s Hong Kong Operation compared with last year. Selective pricing action was taken to alleviate the cost pressures of higher raw material prices.

During the year, Vitasoy was able to register a profit attributable to equity shareholders of HK\$46 million, compared with a loss of HK\$159 million in the previous year. The result was in line with the profit alert announcement issued on 19th May 2023.

As a result of the Group's improved financial performance, the Board of Directors will recommend a final dividend of HK\$1.4 cents per ordinary share at the Annual General Meeting to be held on 28th August 2023. Together with the interim dividend of HK\$1.3 cents per ordinary share, this brings the total dividend for FY2022/23 to HK\$2.7 cents per ordinary share.

Mr. Winston Yau-lai Lo, Executive Chairman of Vitasoy International Holdings Limited, said, "We improved the Group's performance with profitability for FY2022/23. We will remain focused on executing with discipline towards the goal of delivering sustainable growth and profitability."

The ESG performance of Vitasoy has been increasingly recognised by receiving an "A" grade in the MSCI ESG ratings and being featured on the Corporate Knights' Global 100 Most Sustainable Corporations list for the fourth consecutive year. The Company's wholly-owned subsidiary in Singapore – Vitasoy International Singapore Pte. Ltd. – became a Certified B Corporation™ in January 2023.

Mainland China -

Stabilisation of the business with a disciplined focus on core fundamentals

Revenue in local currency terms dropped slightly by 2% to RMB3,084 million.

The Mainland China operation registered an operating profit of RMB40 million versus an operating loss of RMB280 million in FY2021/2022, mainly due to effective control of higher input costs and operating expenses.

During the year, the Company has successfully implemented a pricing strategy to partially alleviate input cost pressures and have strengthened the organisational capabilities in the Mainland China operation. VITASOY retains strong leadership in the soymilk market. Under the VITA brand, the core premium Lemon Tea range was the main revenue driver, while sparkling tea and new fruit tea continued to gain popularity.

The goal of the business is to continue scaling up via disciplined execution, ever-improving availability and selective innovation. VITASOY will drive core product sales via a new marketing campaign, while VITA will drive its product platforms (Fruit, No Sugar, Sparkling) by leveraging on-the-go consumption.

**Hong Kong Operation (Hong Kong SAR¹, Macau SAR² and Exports) -
*Strong innovation-led growth from on-the-go consumption and school business***

Vitasoy's Hong Kong Operation made a strong recovery in FY2022/2023, driven by effective field sales execution, improved traffic since the removal of travel restrictions and an increase in the number of school days for the Vitaland tuck shop business. Revenue grew 11% from the previous year to HK\$2,144 million.

The Operation has grown its market share for soymilk, plant milk and tea, despite already being the leader in these three categories. Successful new innovations such as VITASOY CALCI-PLUS Protein Drink, VITA Fresh Tea and Sparkling Peach Orange Tea have been well accepted by shoppers, thereby generating incremental revenue.

The Company's operating profit grew by 10% in FY2022/2023. Excluding COVID-19 related government subsidies, its operating profit would have dropped by 13%, mainly due to a surge in raw material prices and production costs, but partly offset by an increase in sales.

As the Hong Kong SAR is the Company's most developed market, the local operation will complement execution on its core products with continuous innovation on both VITASOY and VITA brands, with a particular focus on the rapidly growing fresh short-shelf-life segment.

**Australia and New Zealand -
*Growth in the grocery channel driven by accelerated sales of our Oat Milk platform***

Revenue in the Company's operation in Australia and New Zealand recorded a 3% increase in local currency during the year, despite economic headwinds.

Profit from operations dropped by 89% in local currency, mainly due to increased raw material prices and higher logistics and overhead costs.

New products launched during the year, including VITASOY Café Latte Oat Milk and the VITASOY Greek Style Yoghurt range, have been well received by consumers.

Note:

¹ "Hong Kong SAR" stands for the Hong Kong Special Administrative Region of the People's Republic of China.

² "Macau SAR" stands for the Macao Special Administrative Region of the People's Republic of China.

During the year, the Company completed the acquisition of the remaining 49% equity interest in its non-wholly owned subsidiary in Australia. The transition and integration were managed effectively by its competent local team, who will continue to drive the business via core and new products.

The market for plant-based food and beverages continues to grow in Australia and New Zealand ahead of other markets in Asia, thus providing the Company with a unique opportunity to pilot new initiatives for broader reapplication. Vitasoy will continue to drive key plant milk categories while strengthening the availability and range of its new plant-based yoghurt.

Singapore -

Commoditisation of tofu category and weak exports affected the Singapore business

Revenue decreased by 11% in local currency terms. This was due in part to the commoditisation of the local tofu category, which caused consumers to switch to more affordable options. Furthermore, export sales to Europe, the Company's main tofu export market, fell as a result of weak overseas demand and increased logistical costs.

With the commoditisation of the tofu category, the Company will continue to drive cost efficiencies via product and organisational rationalisation, while at the same time driving growth in the export tofu business and beverages.

The Philippines

This market's results are not consolidated but the joint venture with Universal Robina Corporation, its local joint venture partner, continues to perform strongly as a result of strong growth in the still small plant-based milk category. The Company is now leveraging local manufacturing and growth in both single serve and multi serve by offering a range that has evolved from soymilk to the broader plant milk segments of Almond Milk and Oat Milk. The increasing mobility of on-the-go consumers and wider distribution will help the Company revive its single-serve business.

General Outlook

The Company is well positioned for long-term growth because of the strong potential of the plant-based market, as well as the solid foundation of its proven product platforms, market understanding and organisational scale and capabilities. In the short term, however, cost pressures will likely persist, as the price of raw materials and utilities together with logistics expenses are expected to remain high. The Company has confidence in the business's long-term profitable growth trajectory.

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For more details, please refer to the following documents.

- Announcement of results for the year ended 31st March 2023:
[Link \(English\)](#)
- Photos download:
[Photo Link](#)



Caption (1): Vitasoy management presents its **Greek Style Soy Yoghurt** launched in Australia 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): Vitasoy launched **Greek Style Soy Yoghurt** in Australia.

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, and the Hang Seng Stock Connect Hong Kong Index, among others.

Vitasoy website: www.vitasoy.com



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