

For Immediate Release

Vitasoy Announces Business Results for 1H FY2023/2024

Financial Highlights

6 months ended 30 September 2023	<u>1H</u> <u>FY2023/24</u> <u>HK\$ Mn</u>	<u>1H</u> <u>FY2022/23</u> <u>HK\$ Mn</u>	<u>Change</u>	<u>Net of</u> <u>currency</u> <u>impact and</u> <u>COVID-19</u> <u>related</u> <u>government</u> <u>subsidies</u>
Revenue	3,391	3,642	-7%	-3%
Gross Profit	1,712	1,738	-1%	+3%
EBITDA	422	473	-11%	+5%
Profit before Taxation	158	175	-10%	+39%
Profit Attributable to Equity Shareholders of the Company	163	142	+15%	+99%
Earnings per Share (HK cents)	15.2	13.3	+14%	+99%
Interim Dividend per Share (HK cents)	1.4	1.3	+8%	N/A

HKSAR, China, 21 November 2023 – Vitasoy International Holdings Limited (“Vitasoy” or the “Company”, together with its subsidiaries, the “Group”, Stock Code: 00345) today announced its interim results ended 30 September 2023 (“the period”).

During the six months ended 30 September 2023, the financial position of the Group remains solid and recorded a total revenue of HK\$3,391 million (FY2022/2023 interim: HK\$3,642 million). The Group’s gross profit for the interim period was HK\$1,712 million (FY2022/2023 interim: HK\$1,738 million), gross profit margin increased to 50.5% in the interim period (FY2022/2023 interim period: 47.7%), mainly attributable to higher gross sales prices and lower trade promotional expenses. This was partially offset by an unfavourable currency impact and sales mix as well as higher raw material costs.

Mr. Winston Yau-lai Lo, Executive Chairman of Vitasoy International Holdings Limited, said at the press conference today, “During the interim period, we made significant improvements in our structural profitability. Looking ahead, we will continue our disciplined focus on our fundamentals, execution and expansion, complemented by selective innovation, to attain long-term improvements in revenue and profitability.”

Based on the Group's financial performance, the Board of Directors has declared an interim dividend of HK1.4 cents per ordinary share for the six months ended 30 September 2023 (six months ended 30 September 2022: HK1.3 cents per ordinary share).

Mainland China -

Relentless focus on improving structural profitability up to target

Revenue on a local currency basis dropped 6% to RMB1,798 million, as a result of the high base in the second quarter of the last financial year before the October 2022 price increase. In Hong Kong Dollar terms, revenue dropped 11% due to Renminbi depreciation.

More encouragingly, Mainland China's profit from operations grew 44% in local currency terms, representing a 10% operating profit margin. This was mainly contributed by the organisational redesign, as well as more efficient spending on trade promotions and more effective control of input costs and containment of operating expenses. The organisational redesign has created synergy across functional teams and strengthened selected local capabilities.

During the interim period, Mainland China rolled out a new promotion campaign for VITASOY Soy Milk and renewed its VITA Tea marketing communications to raise both brands' visibility and presence. While VITASOY Soy Milk sustained its leadership position in core cities, the new VITA No Sugar Tea also registered commendable growth within this fast-expanding market segment as shoppers became more health oriented.

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

Solid and stable core business complemented by strong growth from product innovation

The Hong Kong Operation continued to deliver steady growth despite macroeconomic and retail headwinds. Revenue grew 4% on the back of solid and steady performance in Vitasoy's core business and innovative high performing products such as VITAOAT Oat Milk and VITA Sparkling Tea. Besides, VITASOY CALCI-PLUS Hi-Calcium Hi Protein Drink and VITA Fresh Tea also contributed to the growing momentum. According to the most recent Nielsen retail audit, Vitasoy maintained the leadership position in both the ready-to-drink tea and ready-to-drink soymilk categories under the VITASOY and VITA brands in Hong Kong SAR.

Vitaland's school business gradually normalised with the increasing number of school days, providing revenue and a unique platform for enrolling young new consumers. Revenue from Macau SAR achieved strong growth as a result of the fast recovery in local tourism.

Note: "Hong Kong SAR" stands for the Hong Kong Special Administrative Region of the People's Republic of China.
"Macau SAR" stands for the Macao Special Administrative Region of the People's Republic of China.

Excluding COVID-19 related government subsidies received in the previous interim period, Vitasoy managed to grow profit from operations by 22% due to its efforts to drive up sales volume and exercise greater cost controls.

Australia and New Zealand -

Revenue and profitability affected by temporary manufacturing and logistics issues

Revenue from Australia and New Zealand decreased by 10% in local currency and 16% in Hong Kong Dollar terms, owing to an out-of-stock situation arising from temporary manufacturing and logistics issues despite strong market demand for plant-based products. The business sustained its leadership in the Oat and Soy milk segments and registered net incremental growth for the new plant-based yogurt platform in Grocery. The performance was also affected by fierce price competition in the coffee channel.

As a result of high raw material, logistics and overhead costs together with other operating expenses incurred during the transition to full ownership, the business incurred an operating loss of HK\$33 million for the interim period.

Singapore -

Growth in tofu exports with improved sales helped offset strong local competition in tofu and beverages

Revenue from Singapore increased by 1% in local currency and 4% in Hong Kong Dollar terms, with a 19% improvement in the exports in local currency was mostly offset by weaker beverage sales and higher price pressures in the local tofu category. Despite rising raw material costs and keen price competition, the operating loss was narrowed in the interim period as compared with the previous interim period.

The Philippines

The joint venture with Universal Robina Corporation in the Philippines continued to increase gradually in scale in both the take-home and on-the-go platforms. Market share also continued on an upward trend, with promising growth in new and on-trend plant milk products segments, including Milky Almond and Milky Oat, supported by a new awareness and trial building campaign.

General Outlook

In the second half of the financial year, the Group will continue to focus on improving the sales execution and restoring revenue growth, while simultaneously containing costs and achieving greater efficiencies throughout its operations.

For the medium- to long-term, the Group is confident in the growing potential of sustainable plant-based food and beverages as well as its ability to expand the core products and

strategically accelerate growth. Vitasoy will continue striving for structural target profitability across all operations and gradually scaling up the business.

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For more details, please refer to the following documents.

- Announcement of results for the six months ended 30 September 2023:

[Link](#)

- Photos download:

[Photo Link](#)



Vitasoy management presents its exclusive premium VITASOY in Sam's Club of Walmart in Mainland China at the press conference. (From left) Ms. May Lo, Deputy Chairman; Mr. Winston Lo, Executive Chairman; Mr. Roberto Guidetti, Group Chief Executive Officer; and Ms. Ian Ng, Group Chief Financial Officer.



Exclusive premium VITASOY in Sam's Club of Walmart in Mainland China.

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.

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