



2023 Interim Results Presentation

31 August 2023



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- The latest developments of the Company are subject to the official announcement on the HKEX by the Company.





Agenda

01 Financial Review

02 Business Review

03 Outlook



01

Financial Review

Results Highlights

RMB: Millions (Ex EPS and dividend per share)	2023 1H	2022 1H	Change
Revenue	1,536	1,847	(16.9) %
Gross Profit	707	967	(26.9)%
Gross Margin	46.0%	52.4%	(6.4) p.p.
Operating Profit*	276	473	(41.7)%
Operating Margin*	18.0%	25.6%	(7.6) p.p.
Profit attributable the equity holders of the Company*	169	301	(43.8)%
Basic and diluted earnings per share* (RMB cents)	5.23	9.31	(43.8)%
Interim and/or special dividend per share (HKD cents)	3.5	1.5	

Analysis

- Revenue: decrease in the revenue of FF&Food ingredients offset the increase in the revenue of condiments
- Gross margin: the decrease in the volume and price of the major products led to the decrease in gross margin
- Operating Margin: Decrease in revenue and gross profit led to the decrease in operating margin



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*Excluding the goodwill impairment of Jiahao of RMB614 million in 2022 and the goodwill impairment of the aroma raw materials of RMB14.95 million in 2023

Operating efficiency and Financial condition analysis

	2023 1H	2022 FY	Change
Inventory turnover (days)	226	194	+32
Accounts receivable turnover (days)	102	89	+13
Accounts payable turnover (days)	57	53	+4
Current ratio (times)	6.7	5.0	
Quick ratio (times)	5.8	4.4	
Debt ratio*	3.7%	5.4%	(1.7)
Net cash (RMB million)	5,695	5,758	



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*负债率=流动及非流动贷款/总权益 (不包含非控制性权益)

^净现金=现金及现金等价物+金融资产 (列示于流动资产中 "以公允价值计量且其变动计入损益/其他全面收益之金融资产 "中) -贷款



02

Business Review

F&F and Food Ingredients

RMB: Million	2023 1H	2022 1H	Change
Revenue	681	888	(23.3)%
Operating Profit	238	469	(49.2)%
Operating Margin	34.9%	52.8%	(17.9) p.p.

Tobacco Flavour

- Developed speciality flavours to be used in the cooling down materials in heat-not-burn cigarettes

Food Flavour

- Products have been accredited by the testing bodies in the major Southeast Asian countries
- The group established data base to analyse the preference of Southeast Asian customers

Fragrances

- Improve R&D in personal care, oral, and pet care fields

Food Ingredients

- Provided financing, technological, and legal support to improve the business' performance



Tobacco Raw materials

RMB: Million	2023 1H	2022 1H	Change
Revenue	187	192	(2.3)%
Operating Profit	44	19	+128.6%
Operating Margin	23.6%	10.1%	+13.5 p.p.

Overseas Business Development

- International clients recognized the quality of the RTL for heat-not-burn cigarettes
- The group decided to add production lines to increase the capacity from 1,000 tonnes to 3,000 tonnes



Aroma Raw Materials

RMB: Million	2023 1H	2022 1H	Change
Revenue	290	478	(39.3)%
Operating Profit	5*	45	(88.9)%
Operating Margin	1.7%*	9.4%	(7.7) p.p.

Decreased Demand

- Weak macroeconomy in domestic and overseas, demand and orders decreased, which led to the drop in revenue and profit

Safe Production

- The regulators attached importance to safe production and the Group invested more resources in the management and training for safe production

*Excluding the goodwill impairment of the aroma raw materials of RMB14.95 million



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Condiment

RMB: Million	2023 1H	2022 1H	Change
Revenue	375	289	29.5%
Operating Profit	71	28*	+151.9%
Operating Margin	19.1%	9.8%*	+9.3百分点

Market Demand Rebounded

- The catering industry rebounded strongly and the demand for condiments increased significantly

Operating Efficiency Improved

- Adopted refined management model to decrease costs and improve efficiency

Strengthened product, channel, and marketing capabilities

- Launched new products
- First tier distributors increased to 600
- Resumed offline marketing activities and visited clients in person to raise brand loyalty

*Excluding the goodwill impairment of RMB614 million of the condiment segment



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03

Outlook

Outlook



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Strategy

FF&Food Ingredient

- ✓ Further the development of foods flavour, fragrances, and food ingredients
- ✓ Improve the added value and competency of the products and services

Tobacco Raw Materials

- ✓ Continue to develop international clients, promote sales, and raise brand awareness
- ✓ Build new production lines in an orderly manner and increase production capacity

Aroma Raw Materials

- ✓ Decrease costs and improve efficiency, increase supply chain resilience, and stabilize customer base
- ✓ Optimize management and production process and implement safe production

Condiment

- ✓ Further the penetration of sale channels to expand the sales network
- ✓ Strengthen marketing capabilities to improve sales

Thanks for Watching!



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