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KUALA LUMPUR (Nov 27): Vanzo Holdings Bhd, an air fragrance maker poised to list on Bursa Malaysia's ACE Market in December, aims to introduce a series of up to three products annually, and is eyeing more collaborations to strengthen its market presence.

Vanzo has developed 12 product series with over 28 fragrances, including car and indoor scents since its inception in 2018, according to managing director Allan Wong. The company has also collaborated with The Walt Disney Company (Malaysia) Sdn Bhd and Warner Bros Consumer Products Inc to enhance its brand appeal and market reach, he noted.

Vanzo will allocate RM6.6 million from its initial public offering (IPO) proceeds to support its marketing efforts and business expansion, including the establishment of four new retail kiosks.

"We intend to strengthen our presence within Malaysia by setting up new retail kiosks. We plan to establish two kiosks by the first half of 2025, and another two by the first half of 2026," Wong told reporters during the prospectus launch. Though the specific locations are yet to be finalised, Wong indicated potential sites in Sabah, Johor Bahru, Penang, and Kelantan.

Vanzo currently operates six retail kiosks — five in Klang Valley shopping malls, and one in Kuching. The estimated setup cost for each kiosk is RM400,000, covering renovation and equipment, while monthly

ACE Market-bound Vanzo eyes annual air fragrance launches, plans more collaborations

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operational costs range from RM2,000 to RM10,000, excluding rental, Wong said.

Vanzo also markets complementary fragrance-related products, such as candle tool

sets, rechargeable electric lighters, and anti-slip car mats.

For the financial year ended Sept 30, 2023 (FY2023), Vanzo posted a profit after tax (PAT) of RM5.1 million, a 19% increase from RM4.28 million in FY2022, as revenue grew at a similar pace to RM40.86 million from RM33.97 million. This was driven by new car fragrance launches and increased sales volume.

In FY2021, the company recorded a PAT of RM3.04 million on revenue of RM22.79 million.

At an IPO price of 15 sen per share, Vanzo's market capitalisation is projected at RM70 million, with a price-earnings ratio of 13 times its FY2023 earnings. The company has no formal dividend policy.

Another RM3 million from the IPO proceeds will be allocated towards loan repayments, working capital, and listing expenses.

The IPO is open for subscription from Wednesday, with applications closing on Dec 4.

M&A Securities Sdn Bhd serves as the principal adviser, sponsor, underwriter, and placement agent for the IPO, while Eco Asia Capital Advisory Sdn Bhd acts as the financial adviser.

Read also: Air fragrance maker Vanzo unveils IPO prospectus to raise up to RM21 mil, shares priced at 15 sen apiece