



Pou Sheng International

2018 1Q Results

14 May 2018

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Pou Sheng Key Business Activities



Y Retail Business

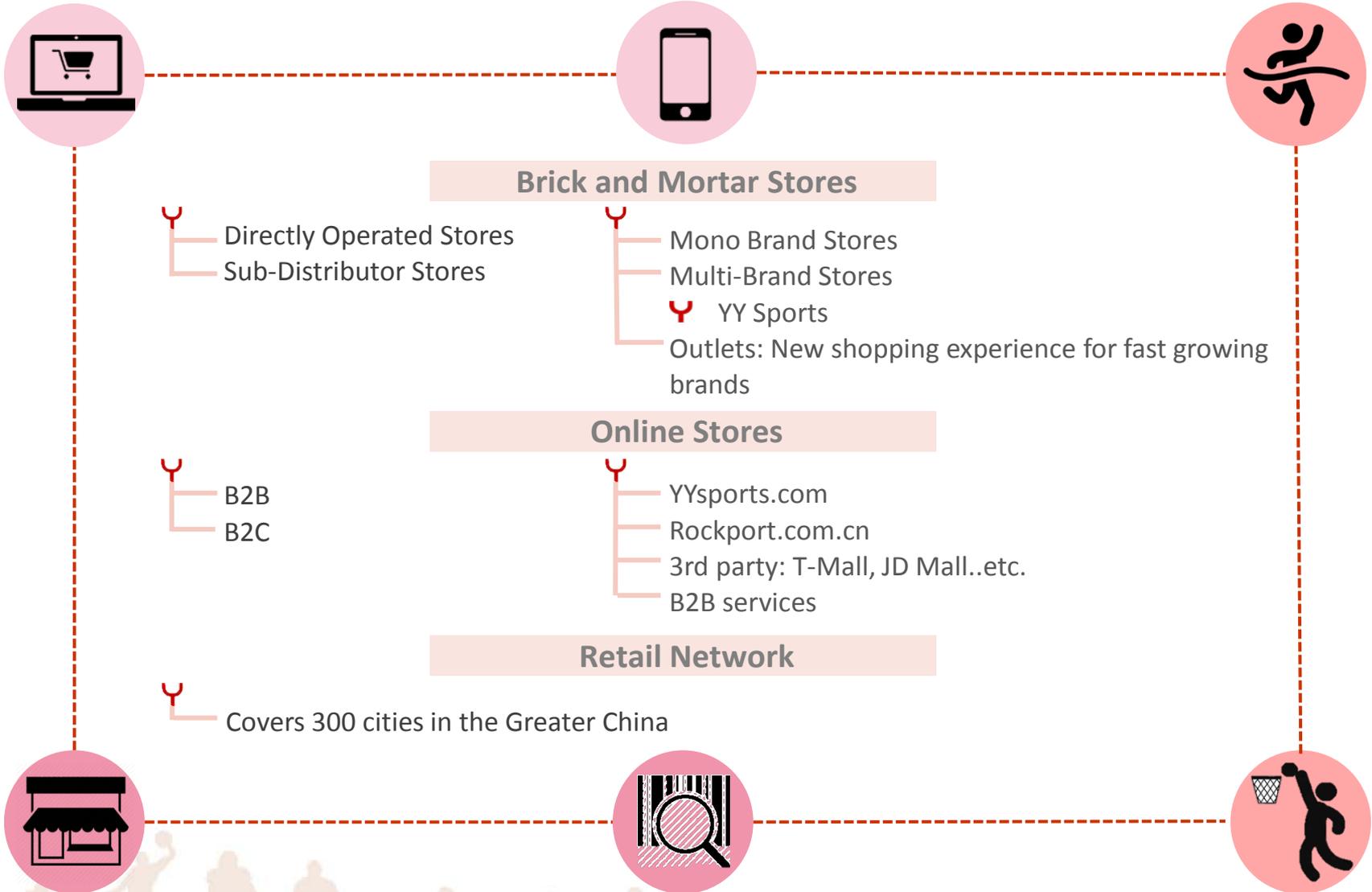
- Y Leading distributor of footwear, apparel & accessories for international brands in China
 - Y A key partner to Nike and adidas
 - Y Sells through directly operated stores, or on a wholesale basis to sub-distributors, online & offline
 - Y Store locations include department stores, shopping malls, sports cities, street level & outlets
- Y Brand licensee Business

Y Sport Services Platform

- Y Provides full range of sports services
 - Y Products + Services
 - Y 364 + 1
 - Y Online & Offline
 - Y Mainland China & Taiwan



Omni-Channel Strategy Across China



Brick and Mortar Stores

- Directly Operated Stores
- Sub-Distributor Stores
- Mono Brand Stores
- Multi-Brand Stores
- YY Sports
- Outlets: New shopping experience for fast growing brands

Online Stores

- B2B
- B2C
- YYsports.com
- Rockport.com.cn
- 3rd party: T-Mall, JD Mall..etc.
- B2B services

Retail Network

- Covers 300 cities in the Greater China

Distinguished Partners and Events



Pou Sheng Financial Highlights *(in RMB)*



	1Q 2018		1Q 2017		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
Revenue	5,503	100.00	4,674	100.00	17.74%
Cost of Sales	(3,644)	-66.22	(3,105)	-66.43	17.36%
Gross Profit	1,859	33.78	1,569	33.57	18.48%
SG&A	(1,699)	-30.87	(1,427)	-30.53	19.06%
Other Income & Expenses, net	92	1.67	69	1.48	33.33%
Operating Profit	252	4.58	211	4.51	19.43%
Share of Results of A&JV	(2)	-0.04	(6)	-0.13	-66.67%
Finance Cost & Other Gains/(Losses)	(33)	-0.60	(23)	-0.49	43.48%
Income Tax	(73)	-1.33	(74)	-1.58	-1.35%
Profit for the Period	144	2.62	108	2.31	33.33%
Profit Attrib. to Owners	141	2.56	104	2.23	35.58%

Source: Based on Pou Sheng's announcement on the HKEx website for the unaudited consolidated income statements of 1Q18 & 1Q17

Pou Sheng Financial Highlights *(in USD)*



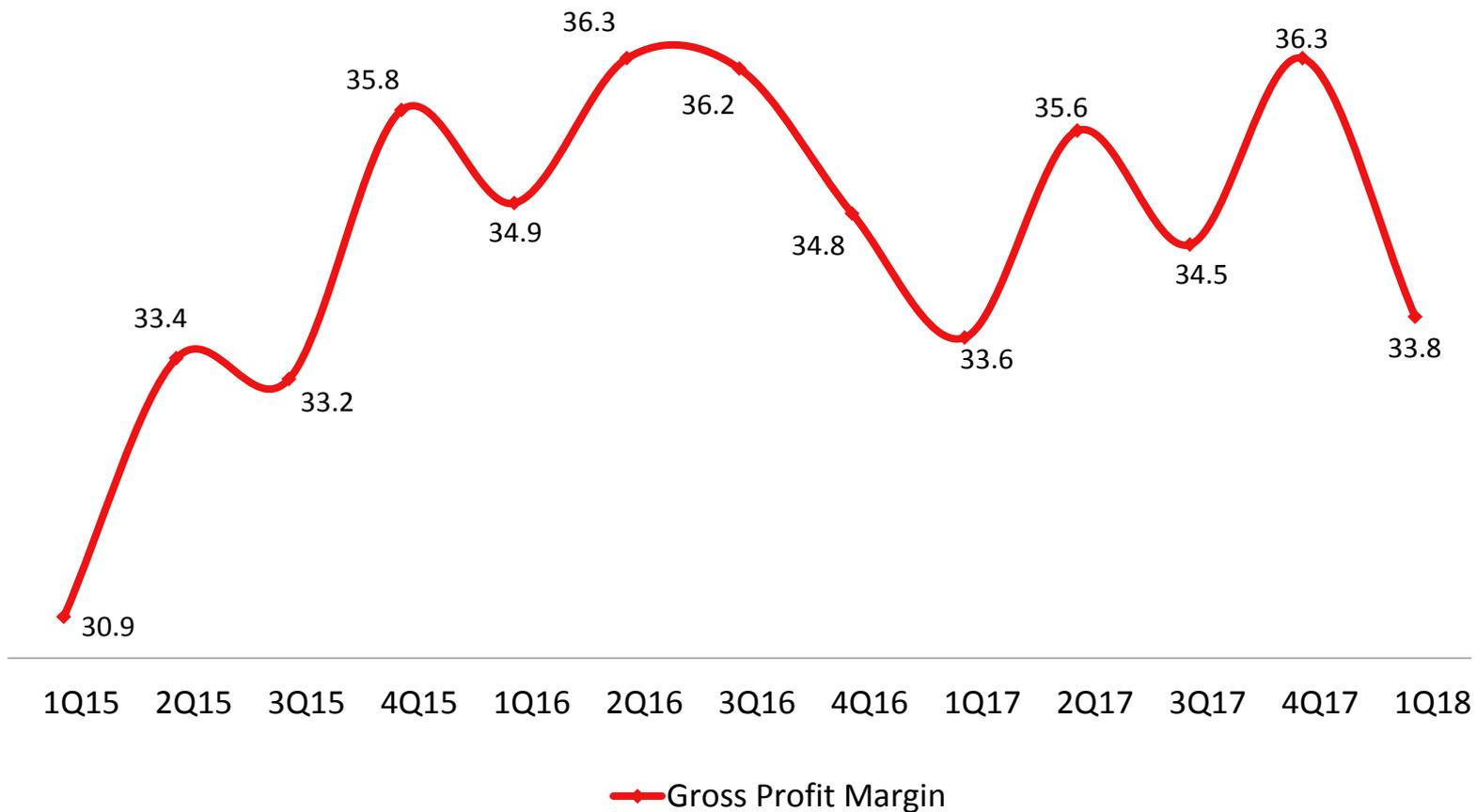
	1Q 2018		1Q 2017		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
Revenue	858,518	100.00	676,420	100.00	26.92%
Cost of Sales	(568,546)	-66.22	(449,388)	-64.44	26.52%
Gross Profit	289,972	33.78	227,032	33.56	27.72%
SG&A	(264,203)	-30.77	(205,660)	-30.40	28.47%
Other Income & Expenses, net	13,581	1.58	9,217	1.36	47.35%
Operating Profit	39,350	4.58	30,589	4.52	28.64%
Share of Results of A&JV	(334)	-0.04	(877)	-0.13	-61.92%
Finance Cost & Other Gains/(Losses)	(5,067)	-0.59	(3,380)	-0.50	49.91%
Income Tax	(11,423)	-1.33	(10,650)	-1.57	7.26%
Profit for the Period	22,526	2.62	15,682	2.32	43.64%
Profit Attrib. to Owners	22,030	2.57	15,001	2.22	46.86%

Source : Internal analysis report (figures rounded); various accounting **reclassification** and **adjustments** are made to some of the figures when consolidating Pou Sheng numbers into the Yue Yuen Group in order to comply with the requirements of accounting standards

Pou Sheng GP Margin Trend



(%)



Pou Sheng OP Margin Trend



(%)



** the figures have been restated due to the application of merger accounting*

Pou Sheng Financial Ratios (in RMB)



(RMB'mn)	<u>1Q 2018</u>	<u>1Q 2017</u>
Depreciation & Amortization	124.5	88.7
EBITDA	376.6	295.1
Capital Expenditure	78.8	103.7

	<u>31 March 2018</u>	<u>31 March 2017</u>
Total Borrowings	3,011.0	1,826.3
Net Total Borrowings	2,755.7	1,583.0
Total Debt to Equity (%)	45.7%	29.3%
Net Debt to Equity (%)	41.8%	25.4%

	<u>1Q 2018</u>	<u>1Q 2017</u>
Total Debt to EBITDA (X) <i>annualized</i>	2.0 X	1.5 X
Net Debt to EBITDA (X) <i>annualized</i>	1.8 X	1.3 X
Return on Owner's Equity (%) <i>annualized</i>	8.6%	6.7%
Return on Asset (%) <i>annualized</i>	4.7%	4.0%

Source: Internal analysis report (figures rounded)

Operation Efficiency



Based on RMB



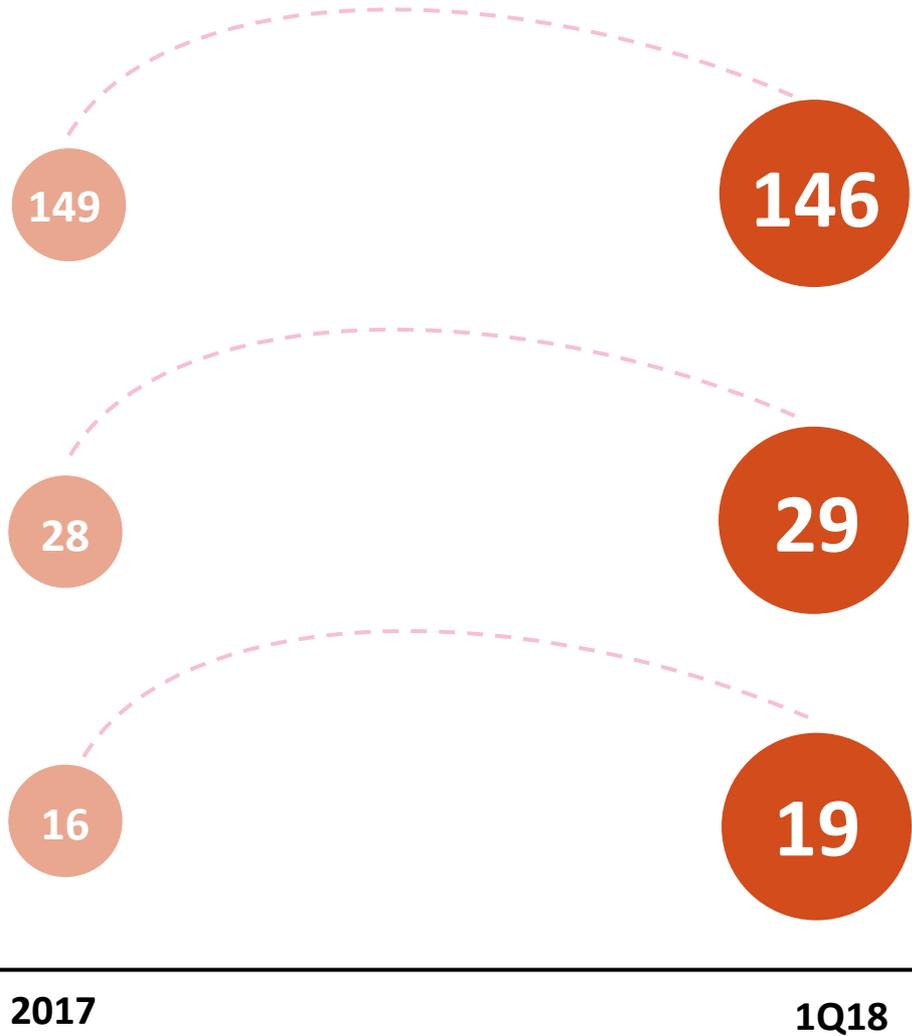
Inventory Days



Receivable Days



Payable Days



Pou Sheng Store Performance

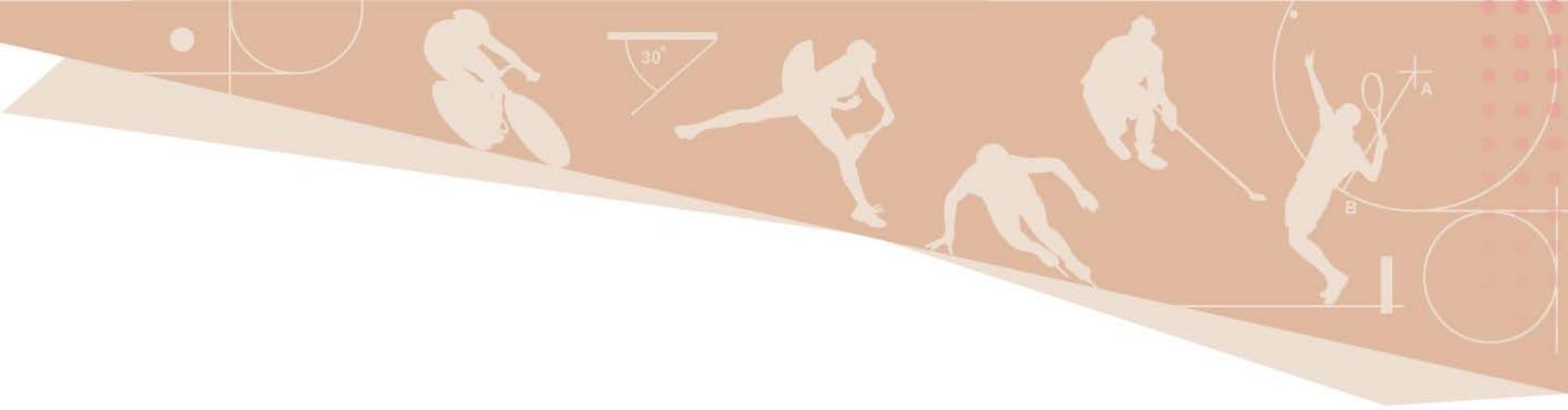


Number of Stores

	Directly Operated	Sub-Distributors	Total Stores
As at December 31, 2017	5,465	3,313	8,778
Net New Store + / (-) *	52	6	58
As at March 31, 2018	5,517	3,319	8,836

Same Store Sales Growth (SSSg)

2018	1Q	2Q	3Q	4Q
Directly Operated Stores	10.1%			



Appendix



Pou Sheng Financial Highlights *(in RMB)*



	FY2017		FY2016		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
Revenue	18,833	100.00	16,236	100.00	16.00%
Cost of Sales	(12,239)	-64.99	(10,468)	-64.47	16.92%
Gross Profit	6,594	35.01	5,768	35.53	14.32%
SG&A	(6,052)	-32.14	(5,072)	-31.24	19.32%
Other Income & Expenses, net	228	1.21	228	1.40	-0.00%
Operating Profit	770	4.09	924	5.69	-16.67%
Share of Results of A&JV	(4)	-0.02	(12)	-0.07	-66.67%
Finance Cost & Other Gains/(Losses)	(109)	-0.58	(80)	-0.49	36.25%
Income Tax	(242)	-1.28	(262)	-1.61	-7.63%
Profit for the Period	415	2.20	570	3.51	-27.19%
Profit Attrib. to Owners	394	2.09	561	3.46	-29.77%

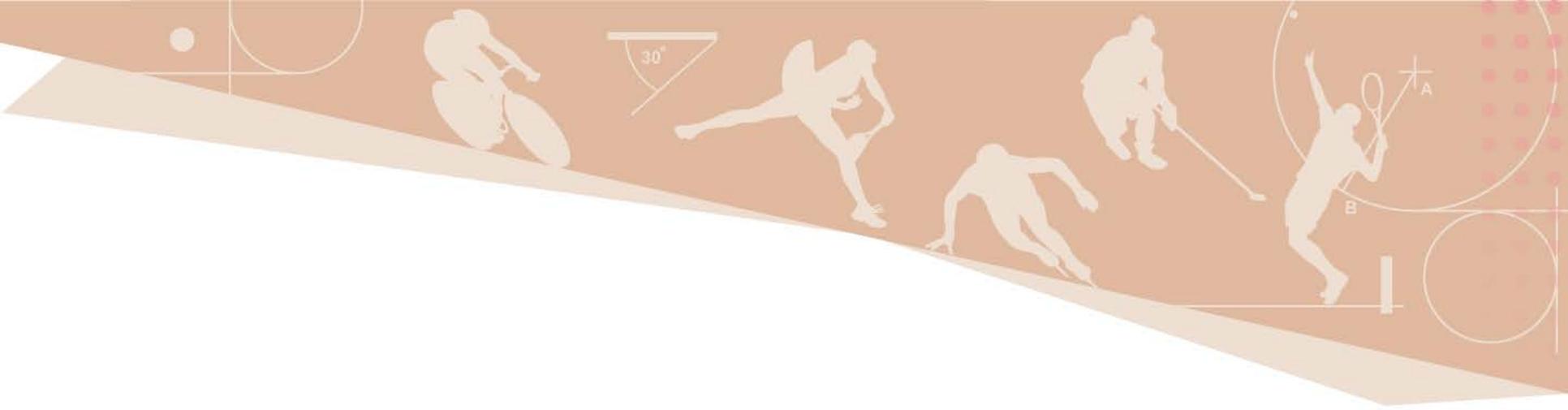
Source: Based on Pou Sheng's announcement on the HKEx website for the unaudited consolidated income statements of FY17 & FY16

Pou Sheng Financial Highlights (in USD)



	FY2017		FY2016		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
Revenue	2,775,400	100.00	2,443,730	100.00	13.57%
Cost of Sales	(1,803,726)	-64.99	(1,575,525)	-64.47	14.48%
Gross Profit	971,674	35.01	868,205	35.53	11.92%
SG&A	(886,324)	-31.94	(756,975)	-30.98	17.09%
Other Income & Expenses, net	28,163	1.02	31,860	1.30	-11.60%
Operating Profit	113,513	4.09	143,090	5.86	-20.67%
Share of Results of A&JV	(526)	-0.02	(1,793)	-0.07	-70.66%
Finance Cost & Other Gains/(Losses)	(16,135)	-0.58	(12,066)	-0.50	33.72%
Income Tax	(35,690)	-1.29	(39,468)	-1.62	-9.57%
Profit for the Period	61,162	2.20	89,763	3.67	-31.86%
Profit Attrib. to Owners	58,110	2.09	88,403	3.62	-34.27%

Source : Internal analysis report (figures rounded); various accounting **reclassification** and **adjustments** are made to some of the figures when consolidating Pou Sheng numbers into the Yue Yuen Group in order to comply with the requirements of accounting standards



Thank you

Q&A

