



# Pou Sheng International 2018 9M Results

13 Nov 2018

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# Pou Sheng Key Business Activities



## Y Retail Business

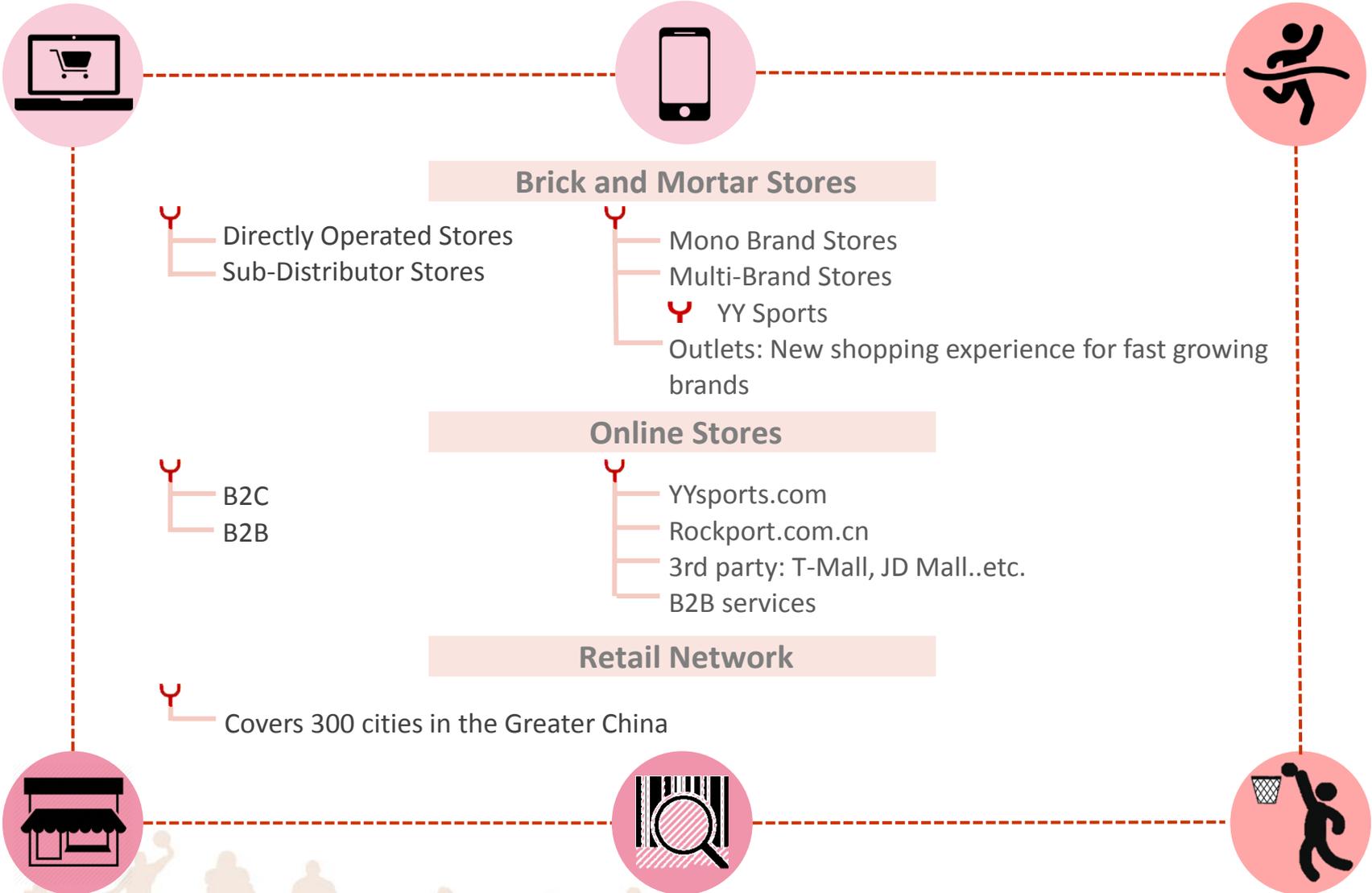
- Y Leading distributor of footwear, apparel & accessories for international brands in the Greater China region
  - Y A key partner to Nike and adidas
  - Y Sells through directly operated stores, or on a wholesale basis to sub-distributors, online & offline
  - Y Store locations include department stores, 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



# Distinguished Partners and Events



# Pou Sheng Financial Highlights



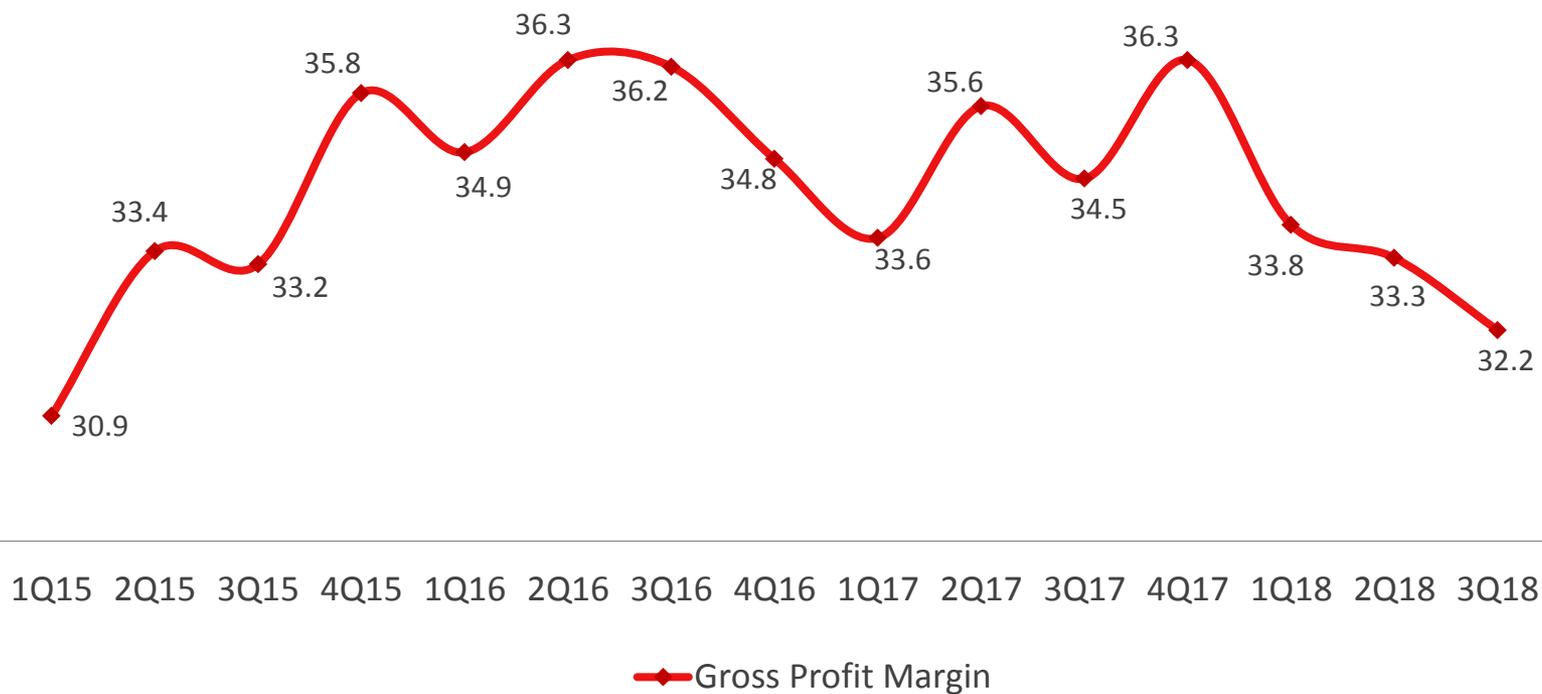
	RMB'mn			US\$'000		
	9M 2018	9M 2017	Y-o-Y	9M 2018	9M 2017	Y-o-Y
Revenue	16,636	13,883	19.83%	2,547,446	2,031,507	25.40%
Gross Profit	5,505	4,797	14.76%	843,018	701,872	20.11%
Gross Profit Margin	33.09%	34.55%	-1.46pp	33.09%	34.55%	-1.46pp
Operating Profit	694	632	9.81%	106,312	92,477	14.96%
Operating Profit Margin	4.17%	4.55%	-0.38pp	4.17%	4.55%	-0.38pp
Profit attrib. to Owners	389	337	15.43%	59,618	49,305	20.92%
Profit attrib. to Owners Margin	2.34%	2.43%	-0.09pp	2.34%	2.43%	-0.09pp

Source: Based on Pou Sheng's announcement on the HKEx website for the unaudited consolidated income statements of 9M18 & 9M17  
For more detail, please refer to Appendix

# Pou Sheng GP Margin Trend



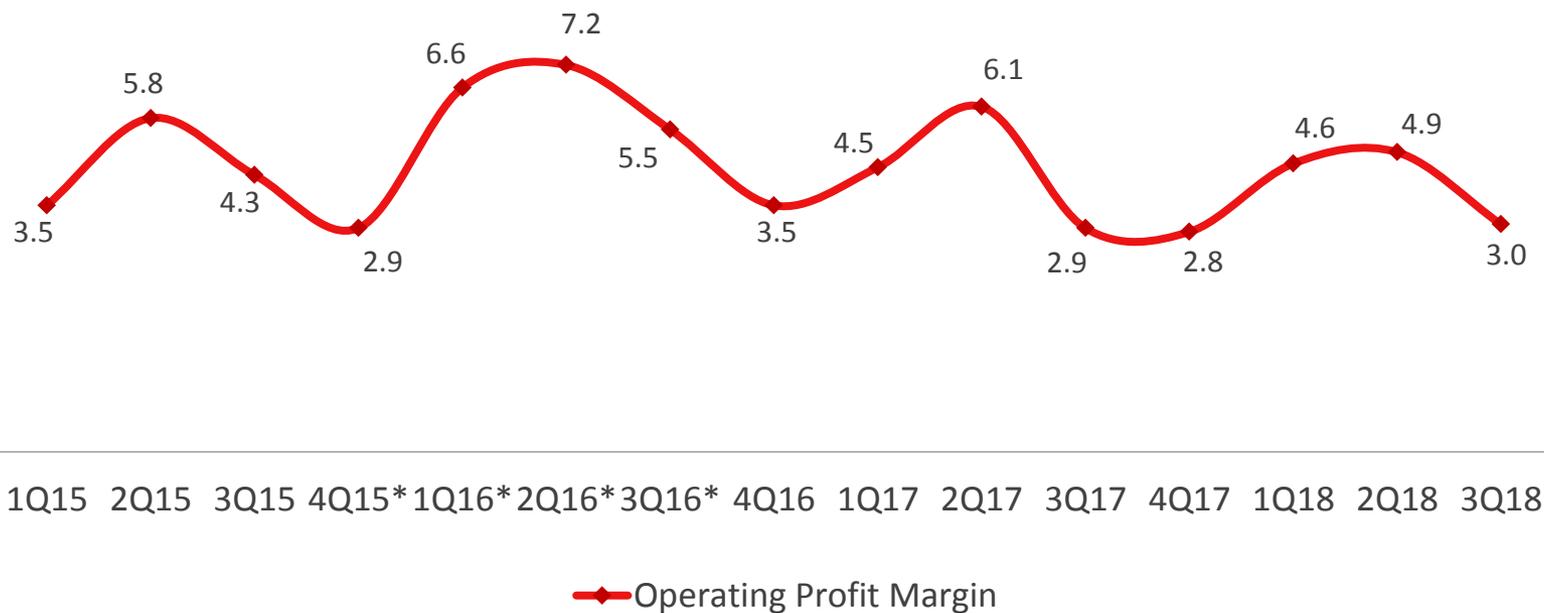
(%)



# 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>9M 2018</u>	<u>9M 2017</u>
Depreciation & Amortization	380.1	308.6
EBITDA	1,079.8	934.2
Capital Expenditure	356.0	432.2

	<u>30 September 2018</u>	<u>31 December 2017</u>
Total Borrowings	3,367.6	2,641.8
Net Total Borrowings	2,857.3	2,154.8
Total Debt to Equity	49.7%	41.0%
Net Debt to Equity	42.1%	33.5%

	<u>9M 2018</u>	<u>9M 2017</u>
Total Debt to EBITDA <i>(X) annualized</i>	2.3 X	2.1 X
Net Debt to EBITDA <i>(X) annualized</i>	2.0 X	1.8 X
Return on Owner's Equity <i>LTM</i>	6.7%	5.9%
Return on Asset <i>LTM</i>	3.4%	3.4%

Source: Internal analysis report (figures rounded)



# Operation Efficiency



Based on RMB



Inventory Days

149

154



Trade Receivable Days

28

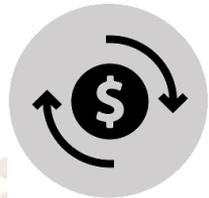
27



Trade Payable Days

16

22



Working Capital Days

161

159

2017

9M18

# Pou Sheng Store Performance



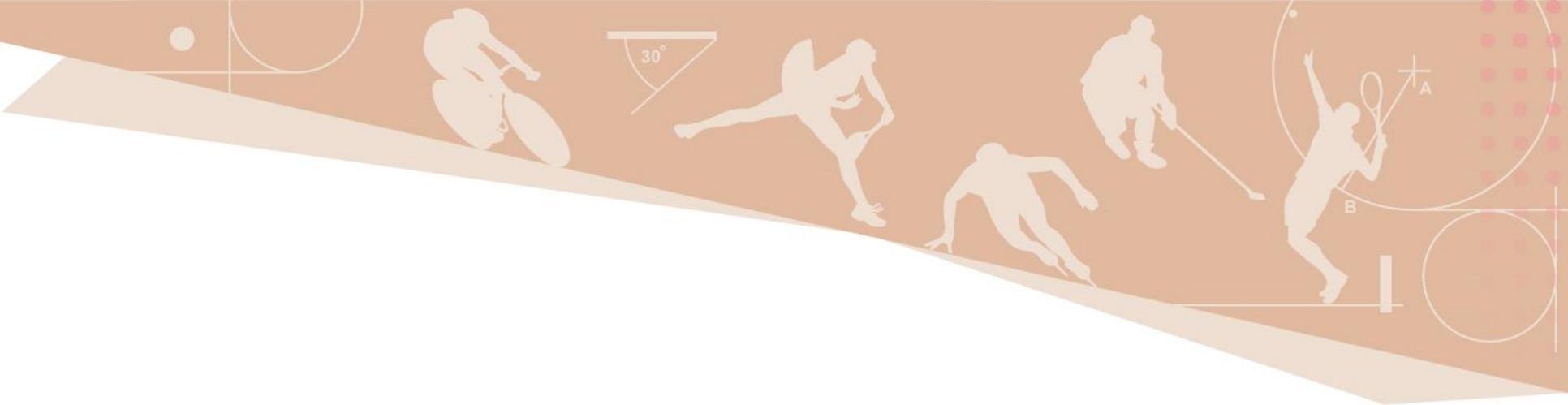
## Number of Stores

	Directly Operated	Sub-Distributors	Total Stores
As at December 31, 2017	5,465	3,313	8,778
Net New Store + / (-) *	120	84	204
<b>As at September 30, 2018</b>	<b>5,585</b>	<b>3,397</b>	<b>8,982</b>

## Same Store Sales Growth (SSSg)

2018	1Q	2Q	3Q	YTD
Directly Operated Stores	10.1%	2.2%	8.9%	6.9%





# Appendix



# Pou Sheng Financial Highlights *(in RMB)*



	9M 2018		9M 2017		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
<b>Revenue</b>	<b>16,636</b>	<b>100.00</b>	<b>13,883</b>	<b>100.00</b>	<b>19.83%</b>
Cost of Sales	(11,131)	-66.91	(9,086)	-65.45	22.51%
<b>Gross Profit</b>	<b>5,505</b>	<b>33.09</b>	<b>4,797</b>	<b>34.55</b>	<b>14.76%</b>
SG&A	(5,019)	-30.17	(4,358)	-31.39	15.17%
Other Income & Expenses, net	208	1.25	193	1.39	7.77%
<b>Operating Profit</b>	<b>694</b>	<b>4.17</b>	<b>632</b>	<b>4.55</b>	<b>9.81%</b>
Share of Results of A&JV	0.3	0.00	(1.9)	-0.01	N/A
Finance Cost & Other Gains/(Losses)	(102)	-0.61	(84)	-0.60	21.43%
Income Tax	(188)	-1.13	(191)	-1.38	-1.57%
<b>Profit for the Period</b>	<b>404</b>	<b>2.43</b>	<b>355</b>	<b>2.56</b>	<b>13.80%</b>
<b>Profit Attrib. to Owners</b>	<b>389</b>	<b>2.34</b>	<b>337</b>	<b>2.43</b>	<b>15.43%</b>

Source: Based on Pou Sheng's announcement on the HKEx website for the unaudited consolidated income statements of 9M18 & 9M17

# Pou Sheng Financial Highlights *(in USD)*



	9M 2018		9M 2017		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
<b>Revenue</b>	<b>2,547,446</b>	<b>100.00</b>	<b>2,031,507</b>	<b>100.00</b>	<b>25.40%</b>
Cost of Sales	(1,704,428)	-66.91	(1,329,635)	-65.45	28.19%
<b>Gross Profit</b>	<b>843,018</b>	<b>33.09</b>	<b>701,872</b>	<b>34.55</b>	<b>20.11%</b>
SG&A	(765,748)	-30.06	(634,737)	-31.25	20.64%
Other Income & Expenses, net	29,042	1.14	25,342	1.25	14.60%
<b>Operating Profit</b>	<b>106,312</b>	<b>4.17</b>	<b>92,477</b>	<b>4.55</b>	<b>14.96%</b>
Share of Results of A&JV	46	0.00	(272)	-0.01	N/A
Finance Cost & Other Gains/(Losses)	(15,692)	-0.61	(12,283)	-0.60	27.75%
Income Tax	(28,759)	-1.13	(27,980)	-1.38	2.78%
<b>Profit for the Period</b>	<b>61,907</b>	<b>2.43</b>	<b>51,942</b>	<b>2.56</b>	<b>19.18%</b>
<b>Profit Attrib. to Owners</b>	<b>59,618</b>	<b>2.34</b>	<b>49,305</b>	<b>2.43</b>	<b>20.92%</b>

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 Financial Highlights *(in RMB)*



	FY2017		FY2016		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
<b>Revenue</b>	<b>18,833</b>	<b>100.00</b>	<b>16,236</b>	<b>100.00</b>	<b>16.00%</b>
Cost of Sales	(12,239)	-64.99	(10,468)	-64.47	16.92%
<b>Gross Profit</b>	<b>6,594</b>	<b>35.01</b>	<b>5,768</b>	<b>35.53</b>	<b>14.32%</b>
SG&A	(6,052)	-32.14	(5,072)	-31.24	19.32%
Other Income & Expenses, net	228	1.21	228	1.40	-0.00%
<b>Operating Profit</b>	<b>770</b>	<b>4.09</b>	<b>924</b>	<b>5.69</b>	<b>-16.67%</b>
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%
<b>Profit for the Period</b>	<b>415</b>	<b>2.20</b>	<b>570</b>	<b>3.51</b>	<b>-27.19%</b>
<b>Profit Attrib. to Owners</b>	<b>394</b>	<b>2.09</b>	<b>561</b>	<b>3.46</b>	<b>-29.77%</b>

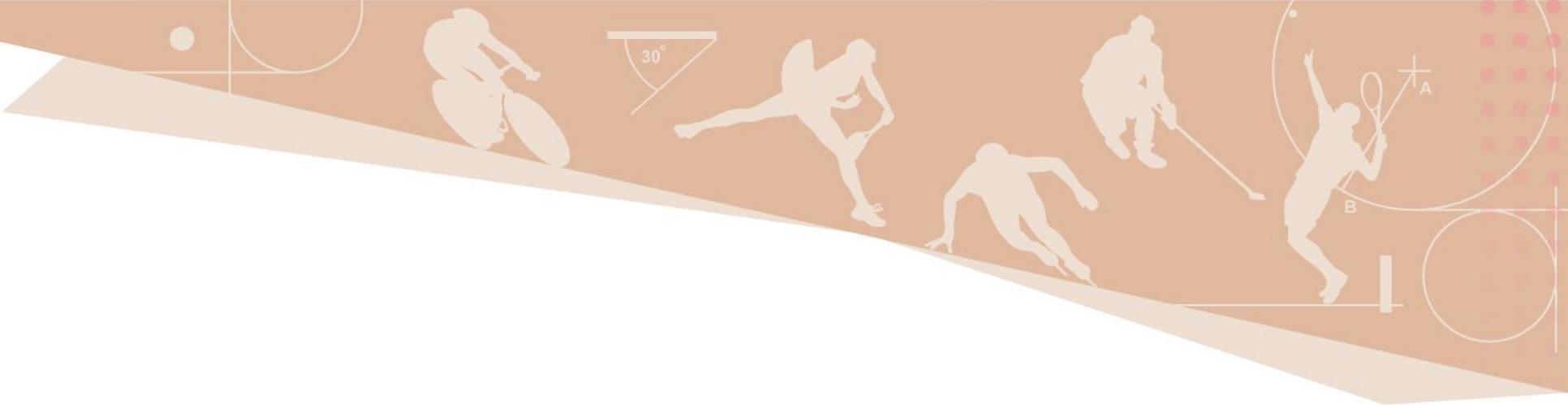
Source: Based on Pou Sheng's announcement on the HKEx website for the unaudited consolidated income statements of FY17 & FY16

# Pou Sheng Financial Highlights *(in USD)*



	FY2017		FY2016		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
<b>Revenue</b>	<b>2,775,400</b>	<b>100.00</b>	<b>2,443,730</b>	<b>100.00</b>	<b>13.57%</b>
Cost of Sales	(1,803,726)	-64.99	(1,575,525)	-64.47	14.48%
<b>Gross Profit</b>	<b>971,674</b>	<b>35.01</b>	<b>868,205</b>	<b>35.53</b>	<b>11.92%</b>
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%
<b>Operating Profit</b>	<b>113,513</b>	<b>4.09</b>	<b>143,090</b>	<b>5.86</b>	<b>-20.67%</b>
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%
<b>Profit for the Period</b>	<b>61,162</b>	<b>2.20</b>	<b>89,763</b>	<b>3.67</b>	<b>-31.86%</b>
<b>Profit Attrib. to Owners</b>	<b>58,110</b>	<b>2.09</b>	<b>88,403</b>	<b>3.62</b>	<b>-34.27%</b>

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**

