



Pou Sheng International 2025 1Q Results

12 May 2025





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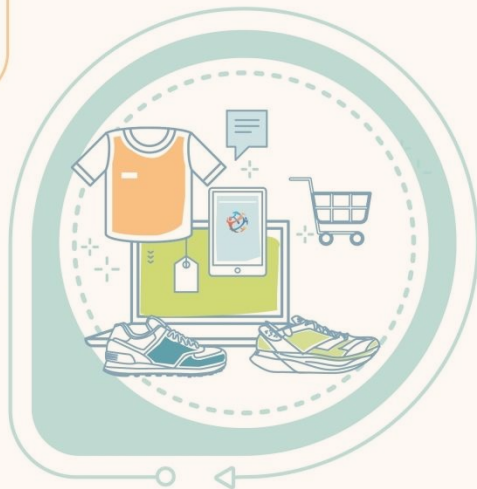
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你的生活 ——





Pou Sheng Strategy & Operating Highlights



Prioritize Profitability

Y 1Q25 Sales ↓ RMB 293mn YoY,
Profit Attrib. to Owners ↓ RMB 36mn YoY
Rent control supported ↓ RMB 73mn YoY

Reasonable Discount

Y 1Q25 Discount* YoY enlarged **LSD%**, QoQ **stable**

Solid Financial Management ➤

Strengthening Strategic Cooperation
with Brand Partners ➤

Digital Empowerment & Dynamic
Management to Enhancement Efficiency ➤



① Strategic Alliance with Business Partners

Y **Connected Inventory Programme** → share products with brand partners, together with PSP – to enhance sales efficiency

- Inventory days was **138** days, aging inventory < **8%** out of total

Y **Connected Membership Programme** → to allow consumers to access exclusive products and services in both PS & brands' direct stores

② Retail Refinement Strategy

Y **Optimise** store format and enhance sales conversion, partially offset volatile foot traffic

- Average GFA & overall GFA vs FY24 **stable**
- 1Q25 Same Store Sales Growth ↓ **13.9%** YoY, ASP stable despite of more discount

③ Resilient Omni-channel

Y **Online platform multi-storefront model**, product selection enhancement

Y **WeChat stores, Douyin live-streaming via KOS & influencers + inventory fully integrated** → digitally-enabled experience with a human touch

- Online contribution reached a historical high, accounted for **32%** of total sales, ↑ **20%** YoY
- Livestreaming ↑ **230%** YoY

④ Solid Financial Management, focus on Cash Generation Capability

- Solid cash position at RMB 2.6bn

Our Strategies

PSP: Product Sharing Platform UPT: Units Per Transaction ATV: Average Transaction Value GFA: Gross Floor Area KOS: Key Opinion Staffs

* Offline direct retail discounts



Agenda



01



Financial Summary

p 6-14

02



Business Highlights

p 16-18

03



Future Target & Strategy

p 20-21

04



Appendix

p 23-26



Pou Sheng Financial Highlights *(in RMB)*



	1Q 2025		1Q 2024		YoY	
	RMB'mn	%	RMB'mn	%	%	pp
Revenue	5,107	100.0	5,400	100.0	-5.4	--
Cost of Sales	(3,435)	-67.3	(3,606)	-66.8	-4.7	-0.5
Gross Profit	1,672	32.7	1,794	33.2	-6.8	-0.5
SG&A	(1,505)	-29.5	(1,571)	-29.1	-4.2	-0.4
Other Income & Expenses, net	64	1.3	54	1.0	+18.5	+0.3
Operating Profit	231	4.5	277	5.1	-16.6	-0.6
Finance Cost*, net	(5)	-0.1	(4)	-0.0	+25.0	-0.1
Other Gains (Losses)	--	--	--	--	N/A	N/A
Income Tax	(77)	-1.5	(91)	-1.7	-15.4	+0.2
Profit for the Period	149	2.9	182	3.4	-18.1	-0.5
Profit Attrib. to Owners of PS	138	2.7	174	3.2	-20.7	-0.5

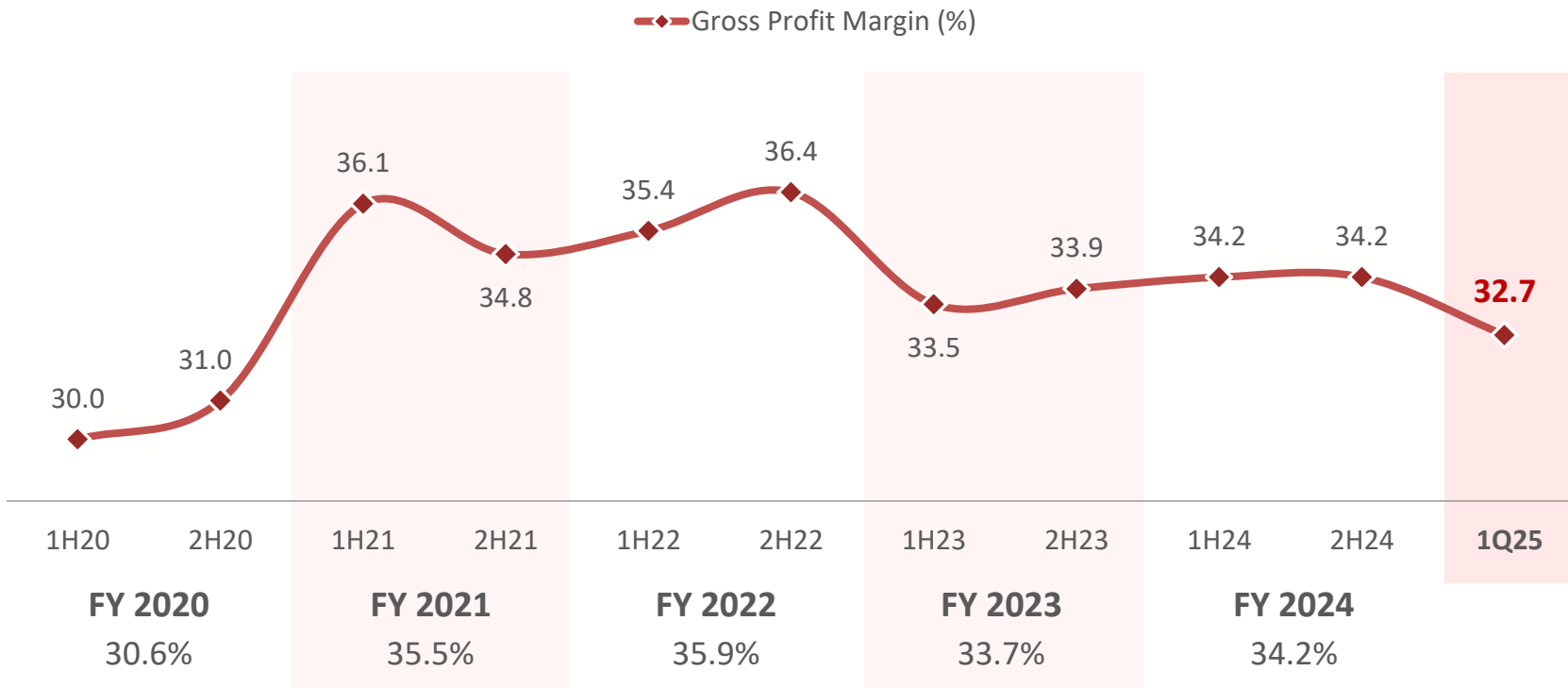
Source: Based on Pou Sheng's announcement on the HKEX website

* Including interest expenses on lease liabilities which amounted to RMB 14.1mn (1Q24: RMB 17.6mn).

Loan interest in 1Q25 decreased by 9.1% YoY to RMB 0.6mn while net finance income (finance income - loan interest) was RMB 8.9mn in 1Q25 (1Q24: RMB 13.5mn)



Pou Sheng GP Margin Trend

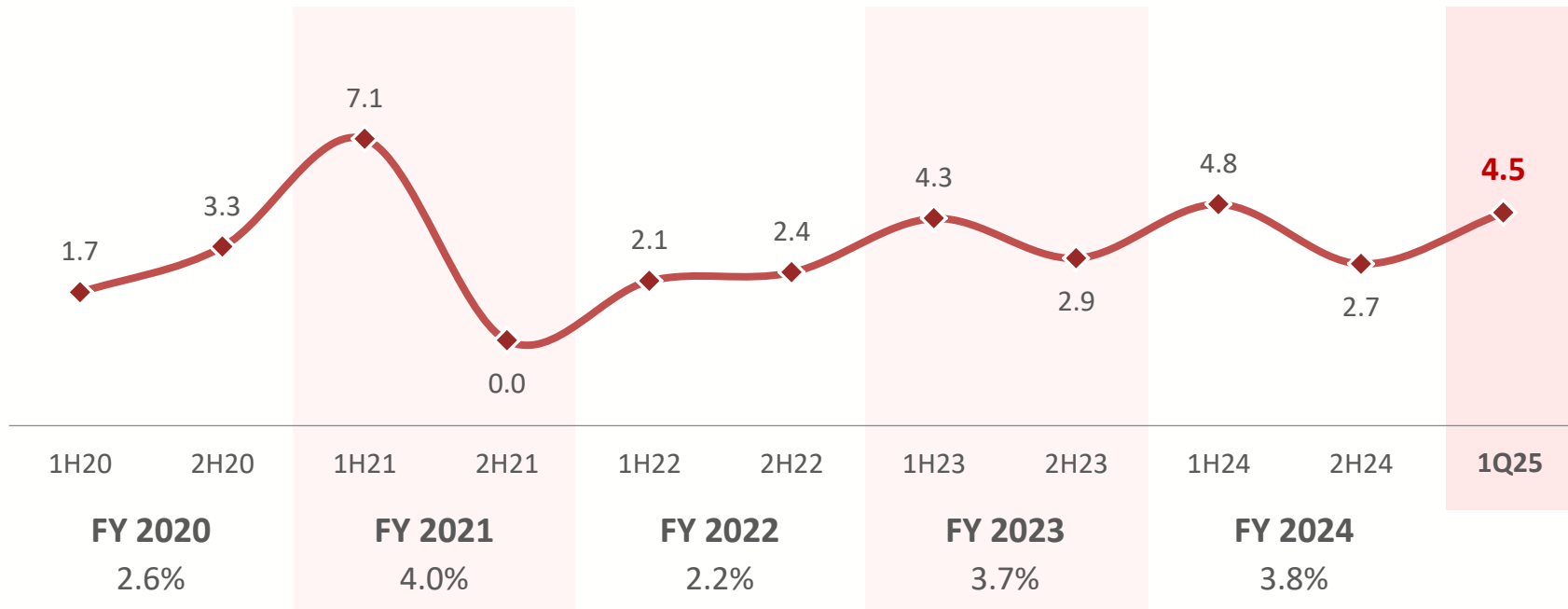




Pou Sheng OP Margin Trend



◆ Operating Profit Margin (%)





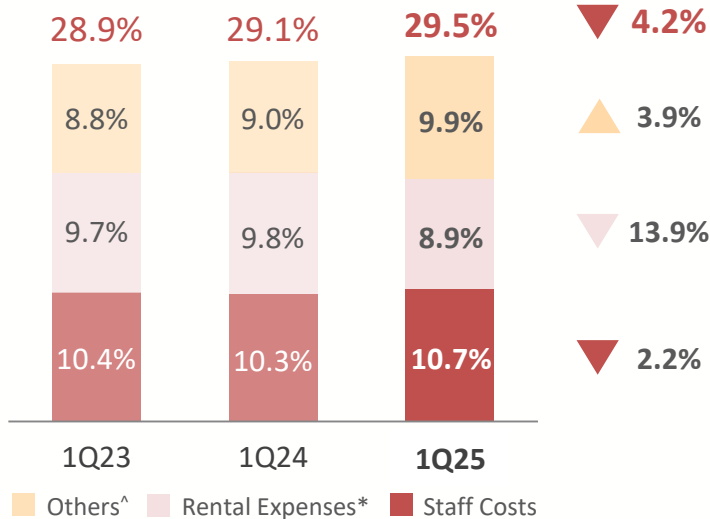
Pou Sheng SG&A Expenses Breakdown



SG&A Ratio

% of Revenue

Amount (YoY)



Strategically Manage Retail Network, Optimize Rental Expenses

- Holistic approach in channel planning to avoid low-efficiency store opening & closing
- Number of direct operated stores ↓ 1% YoY
- Facilitate rental saving & reduction programme



Rational Expenses Control to counter Operating Deleverage



Active Management on People Efficiency

- Lean Management:
Pou Sheng's no. of employees ↓ 8% YoY from 21,300 to 19,500

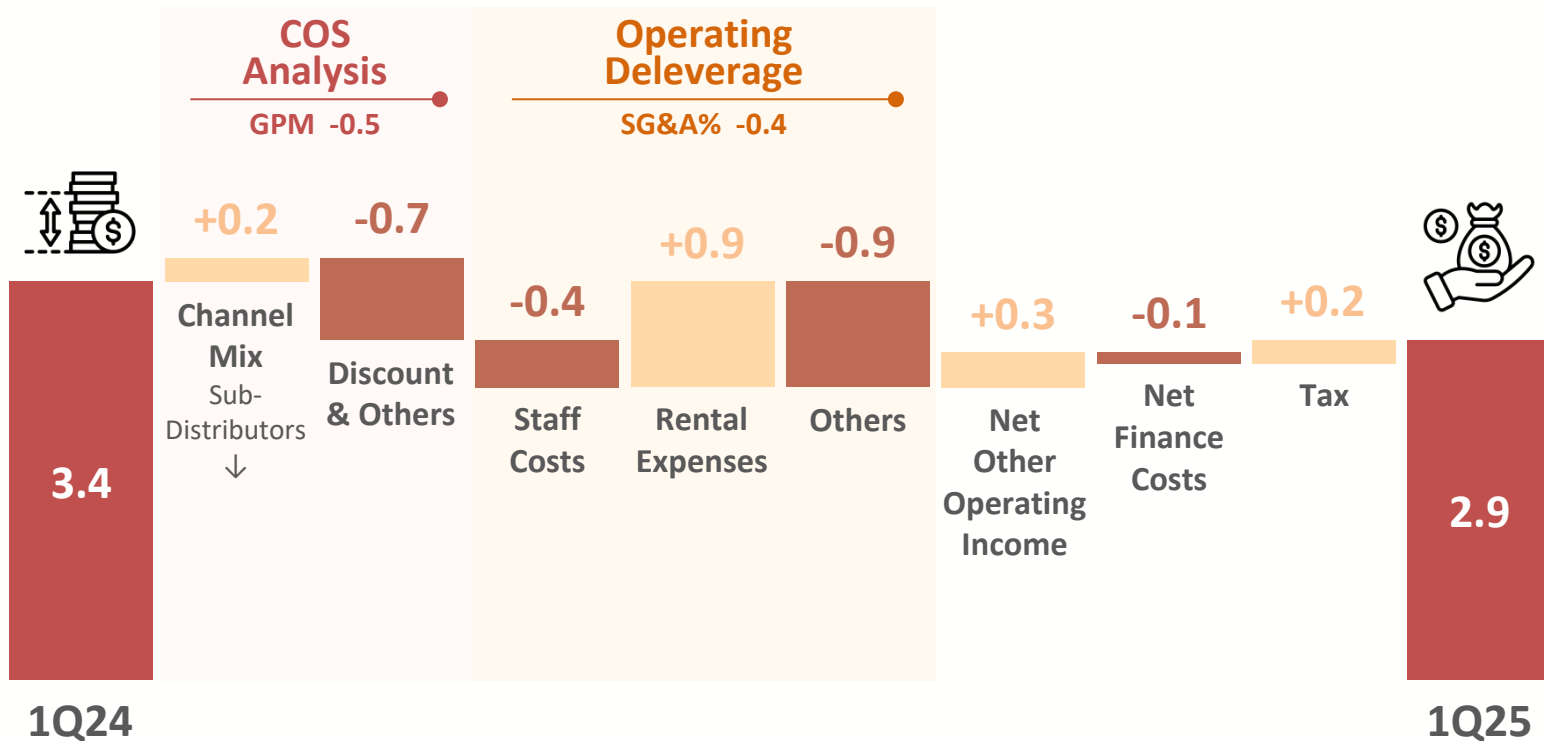
^ Others include shopping mall expenses, logistic expenses, depreciation of PPE and amortization, etc.

* Rental Expenses include expense of operating leases, concession expenses and depreciation of right-of-use assets

Y Pou Sheng – Net Profit Margin



(%)

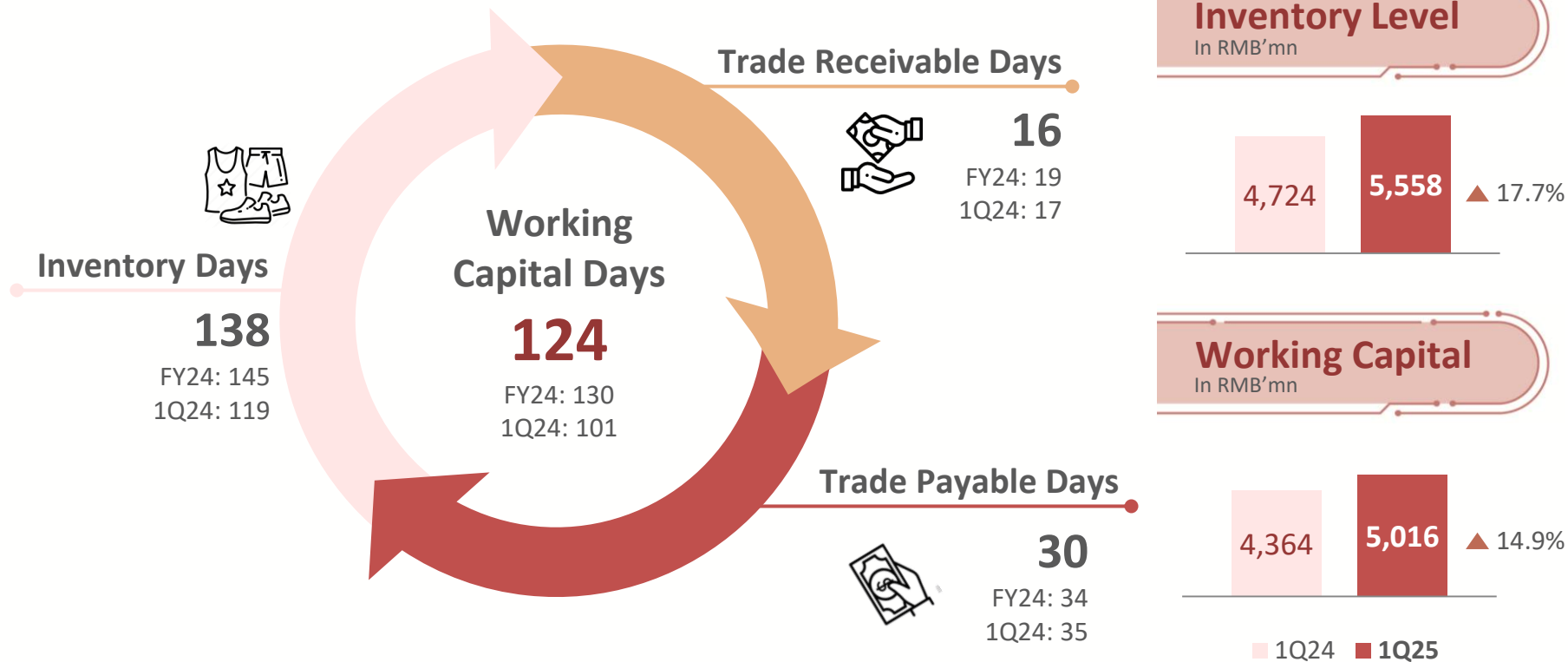




Operation Efficiency – 1Q25



(Based on RMB)



Used a two-year average of Inventory, TR and TP for the calculations of turnover days: $(\text{starting balance} + \text{ending balance}) / 2$



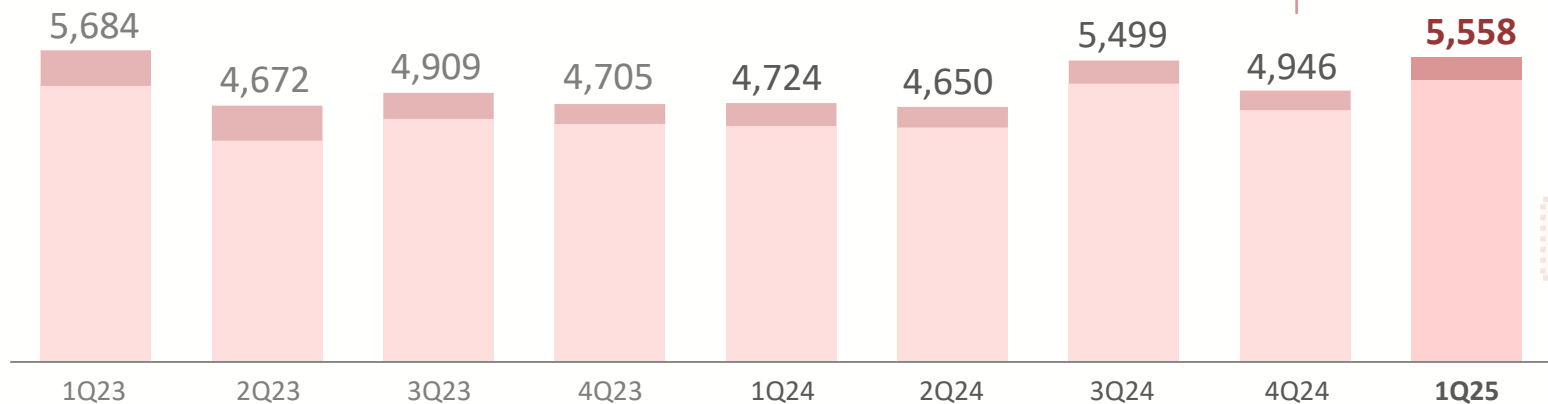
Healthy Aging & Well-managed Inventory



(RMB'mn)

↓ 2.2%

+12.4%



Dynamic inventory management

■ >12 months inventory % among which 10-15% from 1Q23-3Q23, HSD% from 4Q23-1Q25



Pou Sheng Financial Ratios (*in RMB*)



(RMB'mn)		1Q 2025	1Q 2024	YoY
As of 31 Mar	Depreciation of PPE & Amortization	80.2	82.4	-2.7%
	Depreciation of ROUA	174.4	191.1	-8.7%
	EBITDA	494.7	565.0	-12.4%
	EBITDA minus Depreciation of ROUA	320.3	373.9	-14.3%
	Capital Expenditure ^Δ	60.2	88.5	-32.0%
	Total Borrowings*	138.9	38.3	+262.7%
	Net Cash*	2,459.1	3,027.9	-18.8%
	Total Borrowings to Equity [#]	1.5%	0.4%	+1.1pp
	Net Borrowings to Equity [#]	Net Cash	Net Cash	--
	Return on Owner's Equity <i>LTM</i>	5.1%	5.1%	--
	Return on Asset <i>LTM</i>	3.5%	3.3%	--

Source: Internal analysis report (figures rounded)

^Δ Including SAP ERP-related capital expenditure

* Total Borrowings and Net Cash exclude lease liabilities. Lease liabilities was RMB 1,376.9mn and 1,623.7mn as at 31 Mar 2025 and 2024 respectively

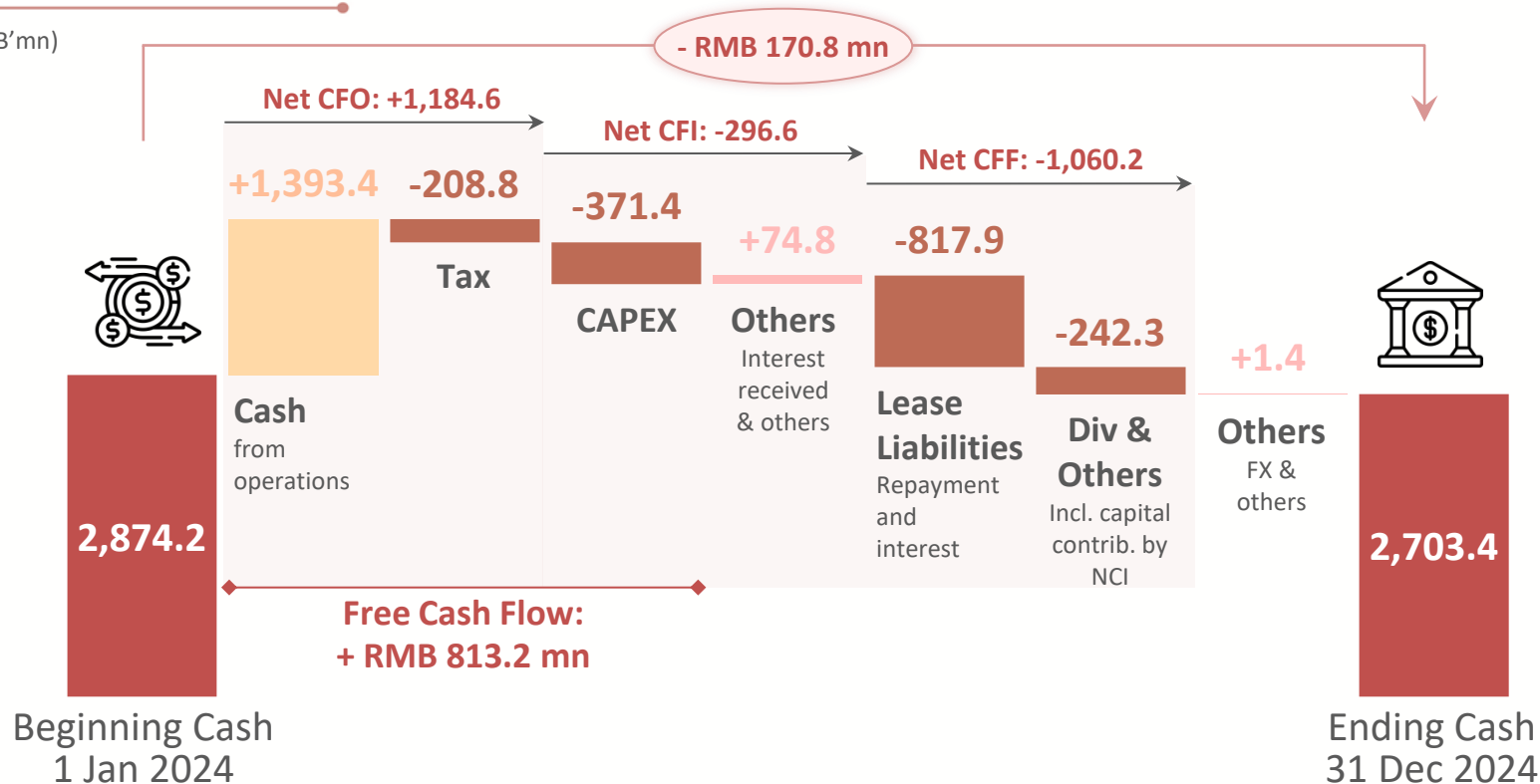
[#] Total Debt to Equity and Net Debt to Equity (including lease liabilities) would be 16.8% (1Q24: 18.9%) and Net Cash (1Q24: Net Cash) as at 31 Mar 2025 respectively



Pou Sheng's turnover efficiency continues to improve, contributing strong cash flow in FY24



(RMB'mn)



Net CFO: Net cash from/(used in) Operating Activities

Net CFI: Net cash from/(used in) Investing Activities Net CFF: Net cash from/(used in) Financing Activities



Agenda



01



Financial Summary

p 6-14

02



Business Highlights

p 16-18

03



Future Target & Strategy

p 20-21

04



Appendix

p 23-26



Pou Sheng Retail Strategy



Pou Sheng is one of the largest retailers and sports services providers for world renowned sportswear brands in the Greater China region

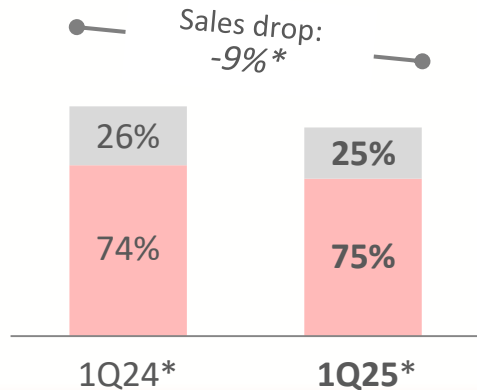
Brick & Mortar Retail

Directly Operated Stores:

- Mono-Brands Stores: 3,419 stores
- Multi-Brands Stores: 18 stores

■ Sub-Distributors

■ Directly Operated Stores & Pan-WeChat

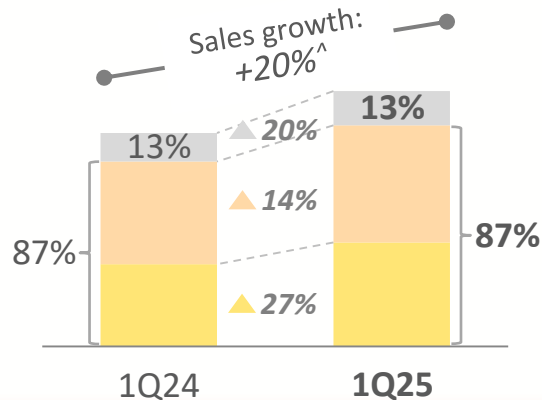


Omni-channel

■ B2B: Wholesale arrangement with online 3rd Parties

■ B2C (Public): Authorized mono or multi brand stores on Tmall, JD and other platforms

■ B2C (Private): Pan-WeChat^



1Q25
Revenue by
Channel Mix

68%

Top 5 brands account for
~94% of our revenue

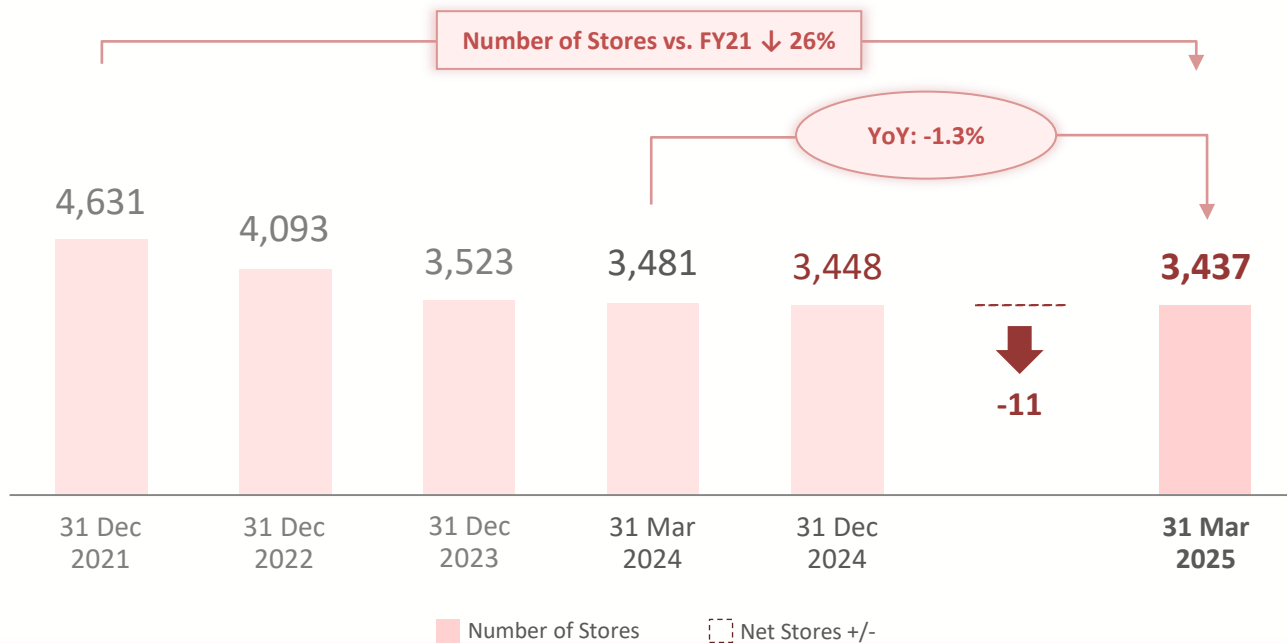
* Contribution analysis dimensions: including Pan-WeChat Ecosphere, without Other Sales. 1Q25 Sales decreased by 14% YoY if excludes Pan-WeChat

^ Reclassification has been made

Y Right-Sizing B&M Network



Directly Operated Stores





Customized Pan-WeChat Ecosphere



- Y Establishing solid relationship with consumer through comprehensive platforms, enhancing Sales conversion rate, Full-price in-season sales and Repeat purchases



YYsports & membership program*

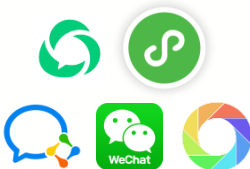


Shopping Mall Membership Platforms



Douyin Livestreaming

- Y Localized operations by upgrading regional and store level accounts with inventory fully integrated
- Y Authorized YYsports Douyin accounts with selected brand partners



WeChat Stores

- Y Regional operation with multi-faceted approach and multi-brands by designated KOS



Seamless digital interface by designated KOS

Pan-WeChat Ecosphere

* ~62.9m YYsports members (as of 31 Mar 2025)



Agenda



01



Financial Summary

p 6-14

02



Business Highlights

p 16-18

03



Future Target & Strategy

p 20-21

04



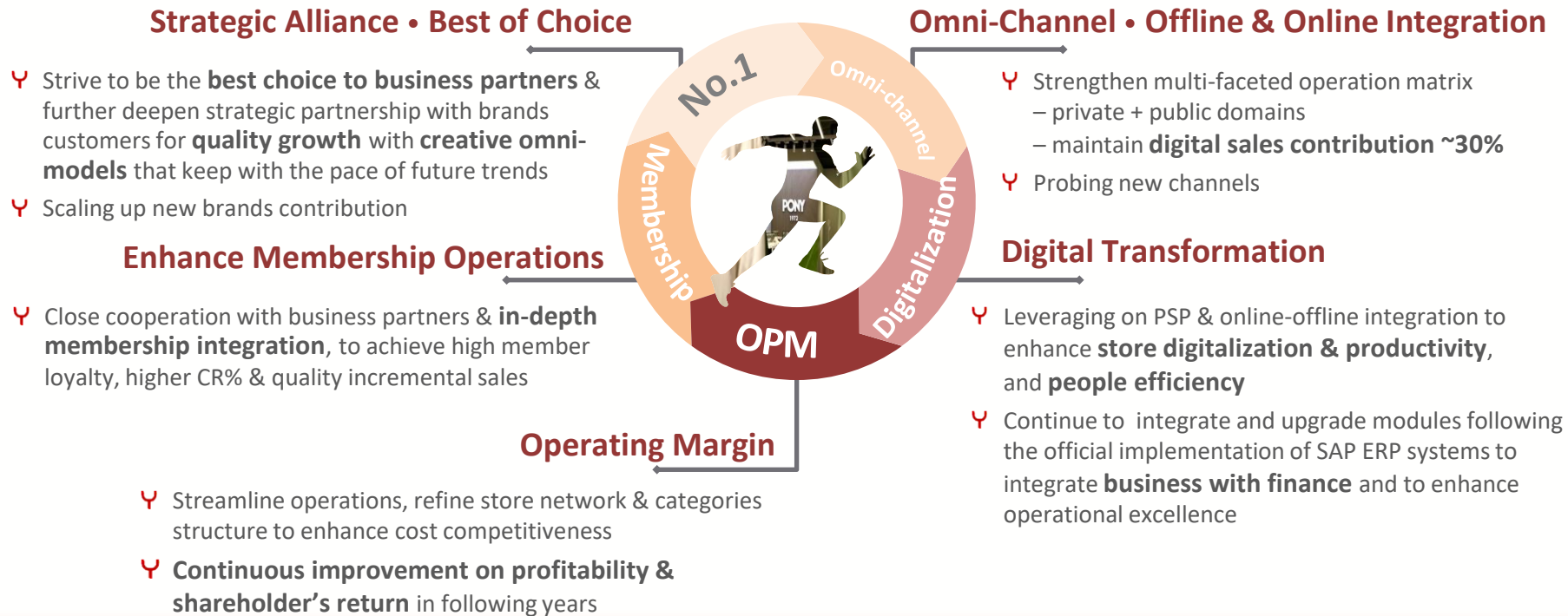
Appendix

p 23-26

Y Critical Missions in 3 Years

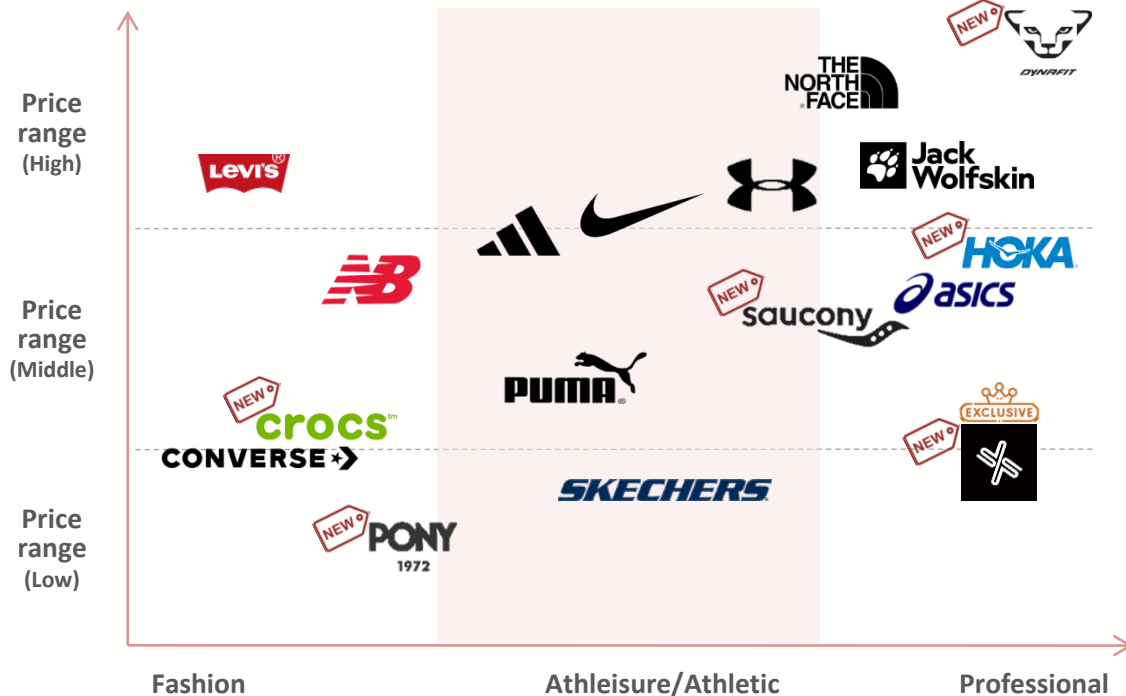


“Creating Value-added Services & Quality Experiences to Customers”





Growth by Multi-faceted Operation Matrix



XEXYMIX



胜道仓
YYQUALITY

仓储式购物体验



New Brands: Crocs, DYNAFIT, HOKA, Pony 1972, Saucony, XEXYMIX



Sole Distribution Brand in Mainland China: XEXYMIX



Agenda



01



Financial Summary

p 6-14

02



Business Highlights

p 16-18

03



Future Target & Strategy

p 20-21

04



Appendix

p 23-26



Company Milestones



- 2024 ● Sole distribution rights for XEXYMIX brand (Mainland China)
SAP ERP system went live
- 2021 ● Omni-channel contributed over 20% of total sales
- 2018 ● Recorded over RMB 22bn revenue
- 2016 ● Recorded over RMB 15bn revenue
- 2014 ● Became sole licensee for Pony in Taiwan & Mainland China
- 2013 ● Recorded over RMB 10bn revenue
- 2008 ● **Pou Sheng International listed on HKEX (3813.HK)**
- 2001 ● Expanded into retail business in Mainland China





Pou Sheng Financial Highlights (in USD) – 1Q25



	1Q 2025		1Q 2024		YoY
	US\$'000	%	US\$'000	%	%
Revenue	701,205	100.0	749,733	100.0	-6.5
Cost of Sales	(471,614)	-67.3	(500,672)	-66.8	-5.8
Gross Profit	229,591	32.7	249,061	33.2	-7.8
SG&A	(204,658)	-29.2	(217,140)	-29.0	-5.7
Other Income & Expenses, net	6,721	1.0	6,583	0.9	+2.1
Operating Profit	31,654	4.5	38,504	5.1	-17.8
Finance Cost, net	(717)	-0.1	(571)	-0.1	+25.6
Other Gains (Losses)	--	--	--	--	N/A
Income Tax	(10,539)	-1.5	(12,707)	-1.6	-17.1
Profit for the Period	20,398	2.9	25,226	3.4	-19.1
Profit Attrib. to Owners of PS	18,998	2.7	24,209	3.2	-21.5

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 USD) – FY24



	FY 2024		FY 2023		YoY
	US\$'000	%	US\$'000	%	%
Revenue	2,561,408	100.0	2,830,730	100.0	-9.5
Cost of Sales	(1,685,725)	-65.8	(1,877,586)	-66.3	-10.2
Gross Profit	875,683	34.2	953,144	33.7	-8.1
SG&A	(809,193)	-31.6	(887,443)	-31.4	-8.8
Other Income & Expenses, net	31,951	1.2	38,115	1.4	-16.2
Operating Profit	98,441	3.8	103,816	3.7	-5.2
Finance Cost, net	(2,473)	-0.1	(7,720)	-0.3	-68.0
Other Losses	(444)	-0.0	(3,447)	-0.1	-87.1
Income Tax	(26,426)	-1.0	(21,656)	-0.8	+22.0
Profit for the Period	69,098	2.7	70,993	2.5	-2.7
Profit Attrib. to Owners of PS	68,219	2.7	69,190	2.4	-1.4

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

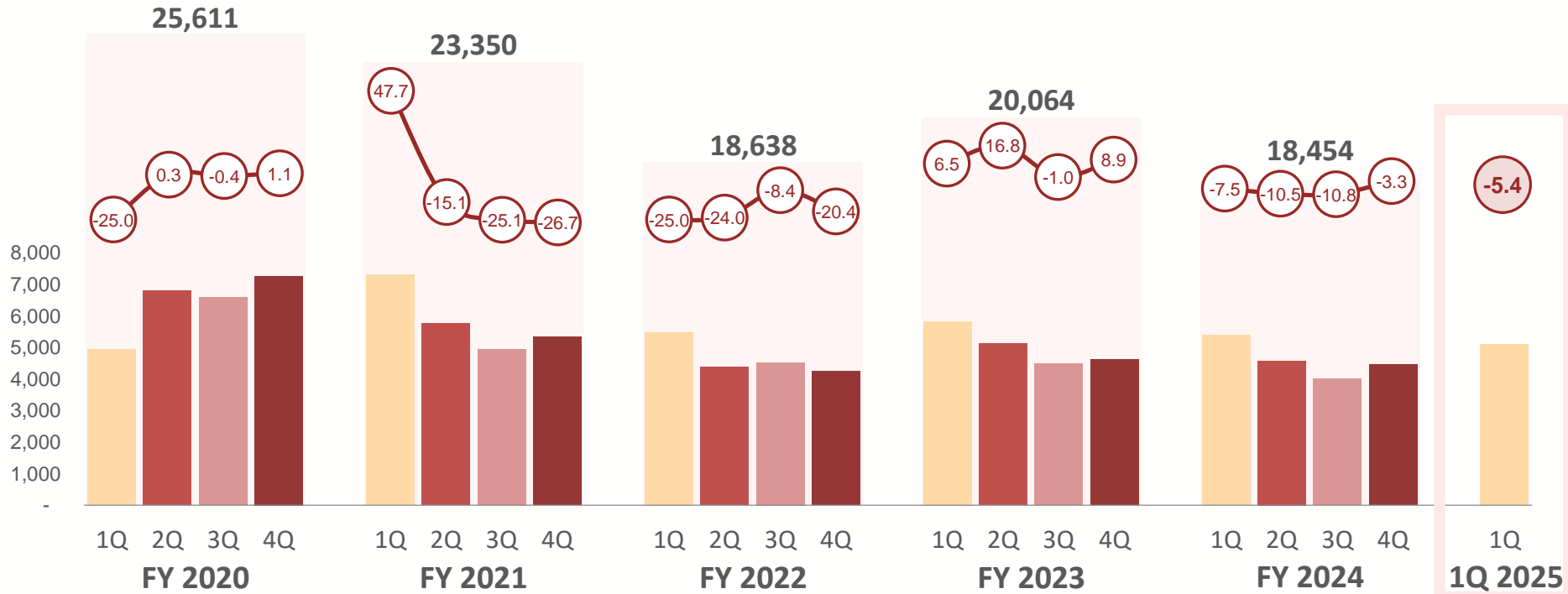


Pou Sheng Revenue Trend



Revenue (RMB'mn)

YoY (%)



Thank you
Q&A