



# Pou Sheng International 2025 1H Results

11 Aug 2025

MAKE SPORTS  
YOUR LIFE





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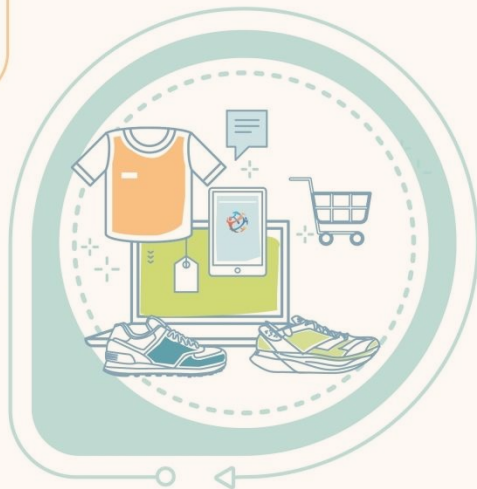
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# MAKE SPORTS YOUR LIFE

—— 让运动融入  
你的生活 ——





# Pou Sheng Strategy & Operating Highlights



## Multi-faceted Operation Matrix

### Y Segmented and Vertical Market Exposure

- Yoga → **XEXYMIX** (24 retail stores + 4 online platforms)
- Outdoor → **Pony** ↑ >30% YoY
- Self-owned Channel → **YYQUALITY** (inventory clearance+ incubating new brands + channel brands)

## Reasonable Discount

Y 1H25 Discount\* YoY enlarged **LSD%**, 2Q25 vs

1Q25 Discount\* QoQ improved **LSD%**

Y 2Q25 GPM **34.5%**, QoQ ↑ 1.8pp

Solid Financial Management ➤

Strengthening Strategic Cooperation  
with Brand Partners ➤

Digital Empowerment &  
Dynamic Mgt. to Enhance 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 146 days, aging inventory ~9% 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-** ↓LSD%
- 1H25 Same Store Sales Growth ↓ **mid-teens%** YoY

### 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 33% of total sales, ↑ 16% YoY
- Livestreaming ↑ >100% YoY

### ④ Solid Financial Management, focus on Cash Generation Capability

- Solid cash position at RMB 2.7bn
- Interim dividend & Special dividend of HKD 0.023 per share in total, with 60% payout ratio

## Our Strategies



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# Pou Sheng Financial Highlights (in RMB)



	1H 2025		1H 2024		YoY	
	RMB'mn	%	RMB'mn	%	%	pp
<b>Revenue</b>	<b>9,159</b>	<b>100.0</b>	9,983	100.0	-8.3	--
Cost of Sales	(6,090)	-66.5	(6,567)	-65.8	-7.3	-0.7
<b>Gross Profit</b>	<b>3,069</b>	<b>33.5</b>	3,416	34.2	-10.2	-0.7
SG&A	(2,890)	-31.5	(3,052)	-30.6	-5.3	-0.9
Other Income & Expenses, net	103	1.1	119	1.2	-13.4	-0.1
<b>Operating Profit</b>	<b>282</b>	<b>3.1</b>	483	4.8	-41.6	-1.7
Finance Cost*, net	(7)	-0.1	(8)	-0.1	-12.5	0.0
Other Gains (Losses)	--	--	--	--	N/A	N/A
Income Tax	(75)	-0.8	(137)	-1.3	-45.3	+0.5
<b>Profit for the Period</b>	<b>200</b>	<b>2.2</b>	338	3.4	-40.8	-1.2
<b>Profit Attrib. to Owners of PS</b>	<b>188</b>	<b>2.1</b>	336	3.4	-44.0	-1.3

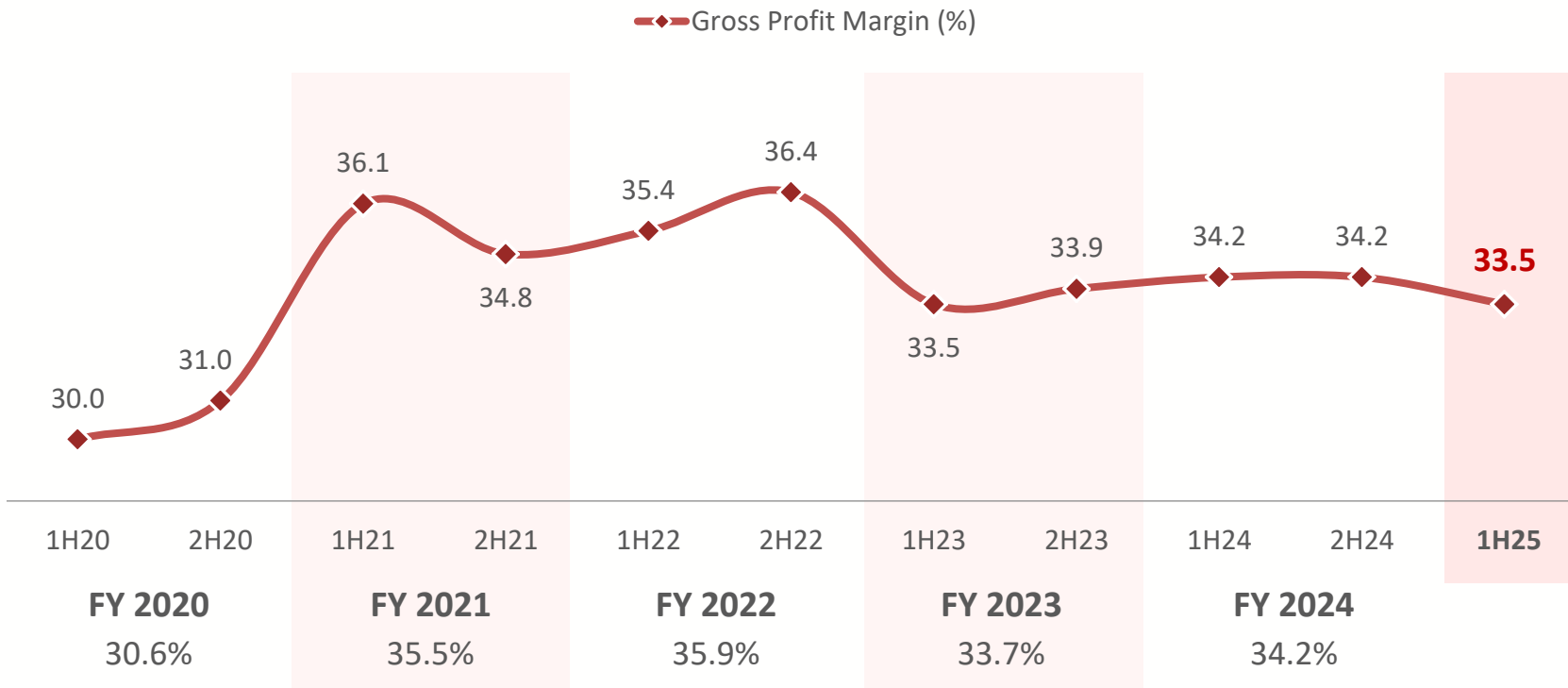
Source: Based on Pou Sheng's announcement on the HKEX website

\* Including interest expenses on lease liabilities which amounted to RMB 26.6mn (1H24: RMB 34.1mn).

Loan interest in 1H25 increased by 23.2% YoY to RMB 1.5mn while net finance income (finance income - loan interest) was RMB 20.1mn in 1H25 (1H24: RMB 26.5mn)



# Pou Sheng GP Margin Trend

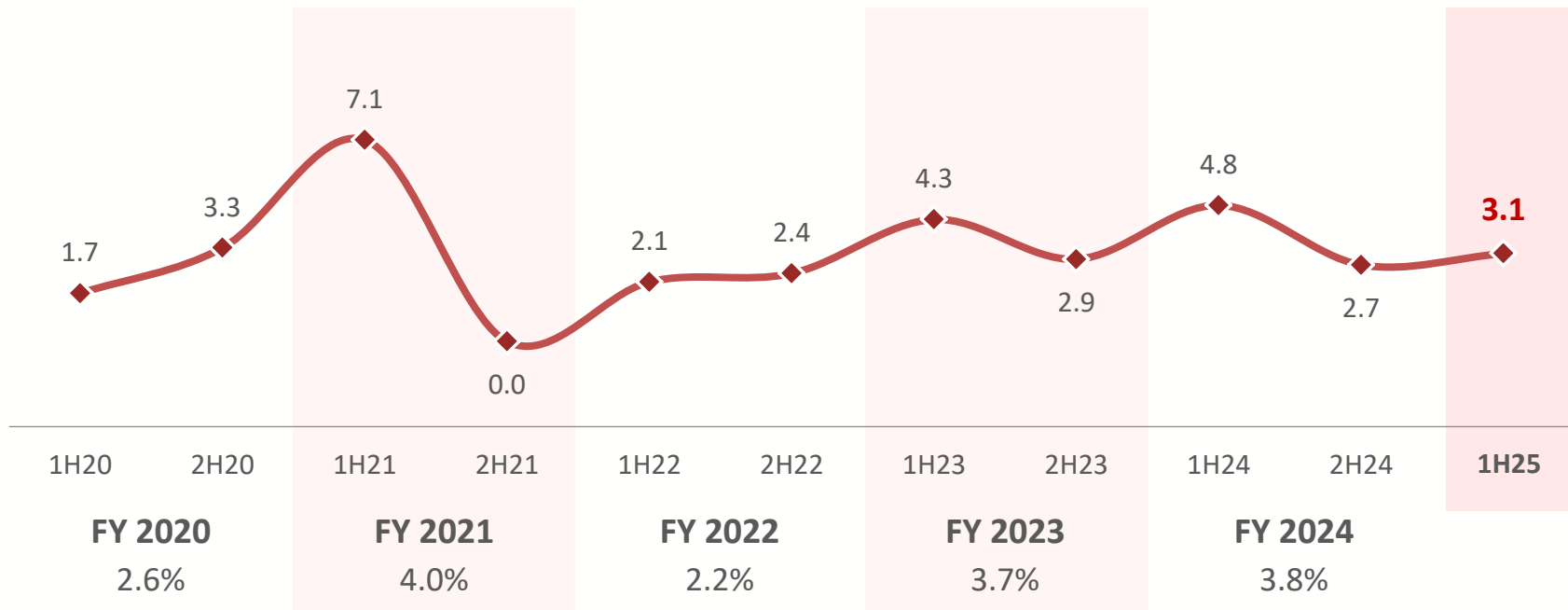




# Pou Sheng OP Margin Trend



◆ Operating Profit Margin (%)







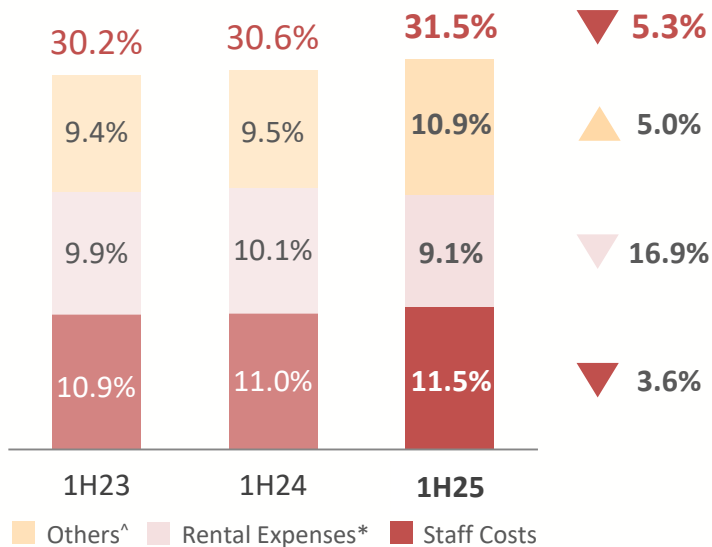
# Pou Sheng SG&A Expenses Breakdown



## 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 ↓ 2% 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 ↓ 7% YoY from 20,700 to 19,200

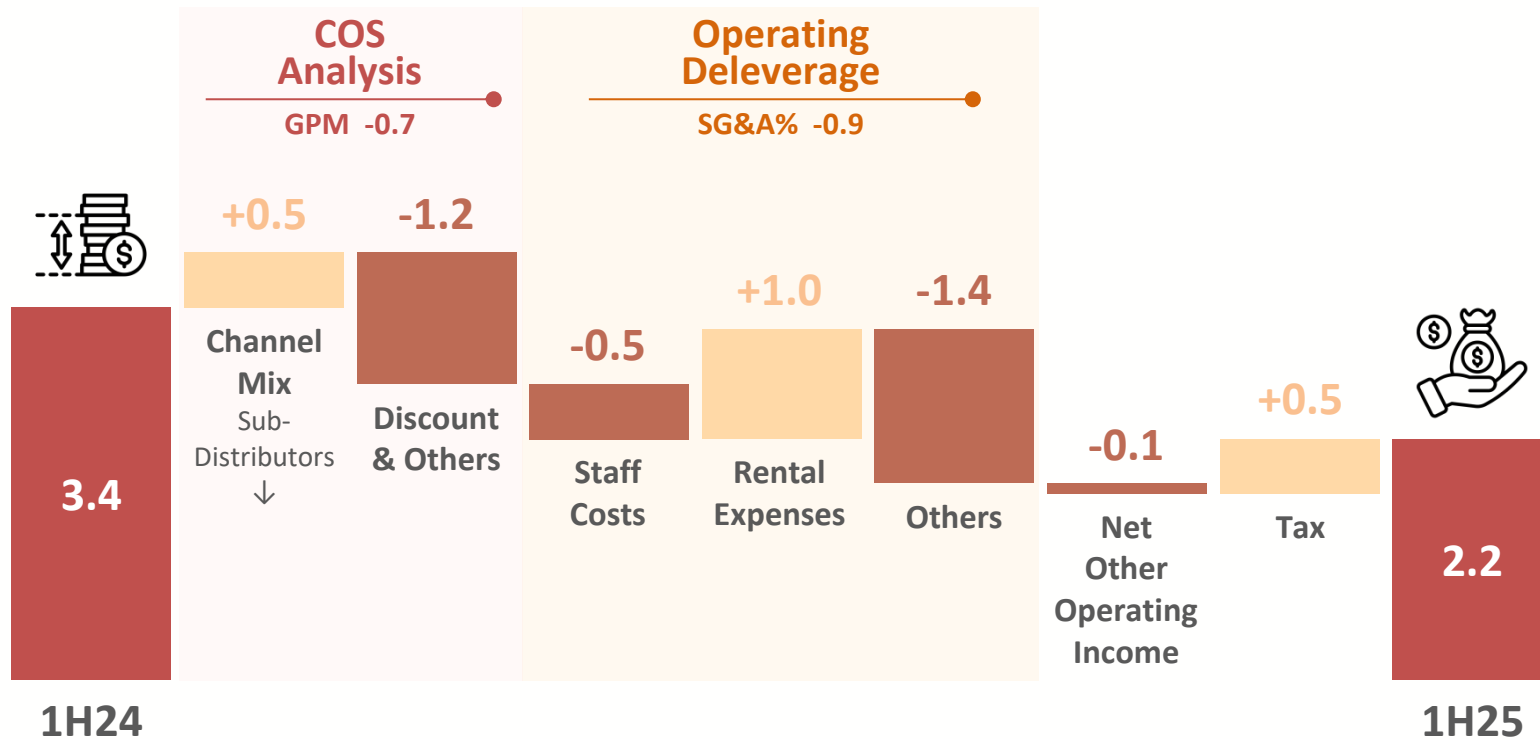
^ Others include shopping mall expenses, logistic expenses, depreciation of PPE and amortization, etc.

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

# Y Pou Sheng – Net Profit Margin



(%)





# Operation Efficiency – 1H25



(Based on RMB)



## Inventory Days

**146**

FY24: 145  
1H24: 130

## Working Capital Days

**140**

FY24: 130  
1H24: 116

## Trade Receivable Days



**19**

FY24: 19  
1H24: 18

## Trade Payable Days



**25**

FY24: 34  
1H24: 32

## Inventory Level

In RMB'mn

4,650

4,865

▲ 4.6%

## Working Capital

In RMB'mn

4,510

5,024

▲ 11.4%

1H24 ■ 1H25

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



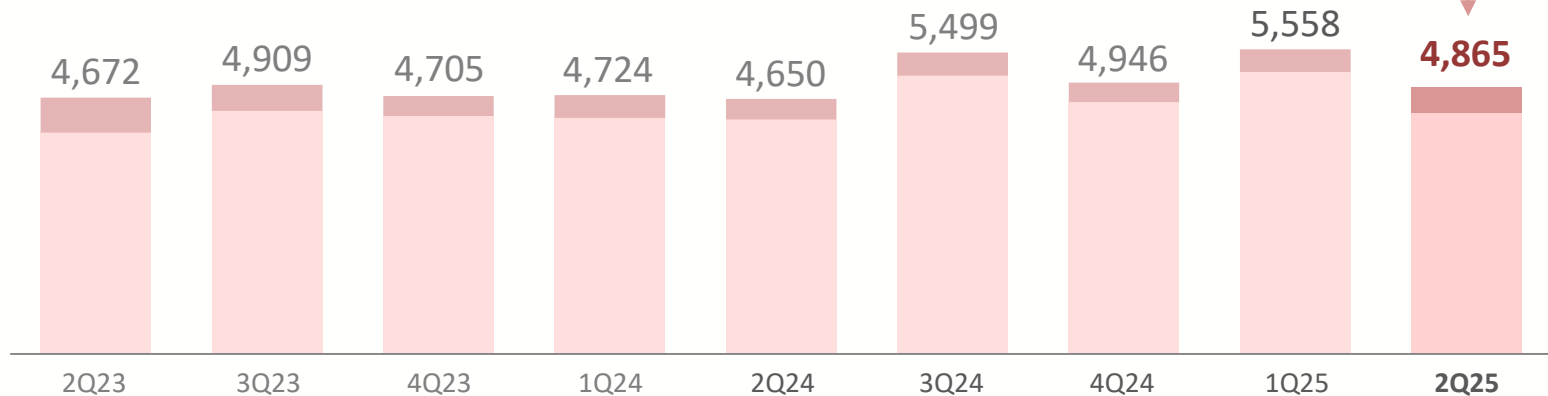
# Healthy Aging & Well-managed Inventory



(RMB'mn)

↑ 4.1%

-12.5%



Dynamic  
inventory  
management

■ >12 months inventory % among which 10-15% from 2Q23-3Q23, HSD% from 4Q23-2Q25



# Pou Sheng Financial Ratios (in RMB)



(RMB'mn)	1H 2025	1H 2024	YoY
Depreciation of PPE & Amortization	160.7	167.0	-3.8%
Depreciation of ROUA	337.7	389.6	-13.3%
EBITDA	801.6	1,066.9	-24.9%
EBITDA minus Depreciation of ROUA	463.9	677.3	-31.5%
Capital Expenditure <sup>Δ</sup>	119.4	190.8	-37.4%
Total Borrowings*	196.8	37.0	+431.9%
Net Cash*	2,497.4	3,071.5	-18.7%
Total Borrowings to Equity <sup>#</sup>	2.2%	0.4%	+1.8pp
Net Borrowings to Equity <sup>#</sup>	Net Cash	Net Cash	--
Return on Owner's Equity <i>LTM</i>	3.9%	5.9%	--
Return on Asset <i>LTM</i>	2.9%	4.0%	--

As of  
30 Jun

Source: Internal analysis report (figures rounded)

<sup>Δ</sup> Including SAP ERP-related capital expenditure

\* Total Borrowings and Net Cash exclude lease liabilities. Lease liabilities was RMB 1,261.1mn and 1,518.9mn as at 30 Jun 2025 and 2024 respectively

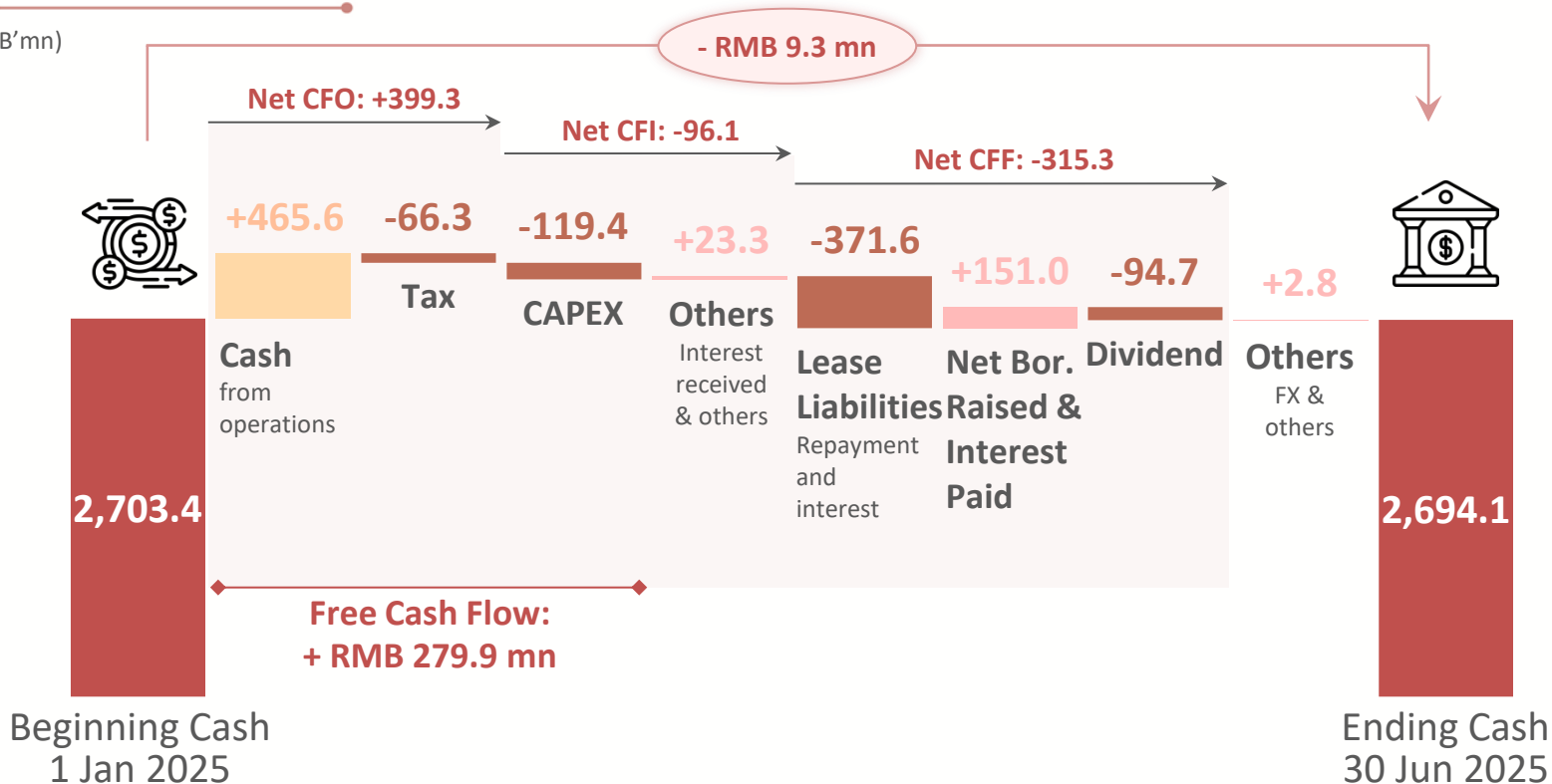
<sup>#</sup> Total Debt to Equity and Net Debt to Equity (including lease liabilities) would be 16.2% (1H24: 17.5%) and Net Cash (1H24: Net Cash) as at 30 Jun 2025 respectively



# Pou Sheng Sources and Uses of Fund – 1H25



(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



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# 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

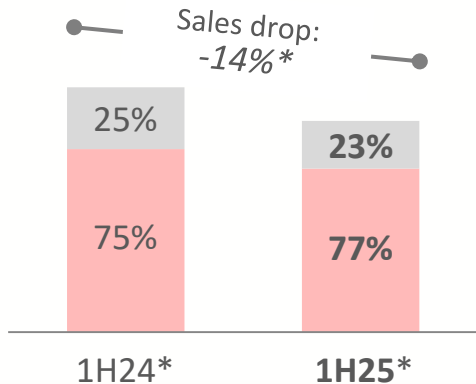
## Brick & Mortar Retail

Directly Operated Stores:

- Mono-Brands Stores: 3,390 stores
- Multi-Brands Stores: 18 stores (Incl. 8 YYQuality stores)

■ Sub-Distributors

■ Directly Operated Stores & Pan-WeChat

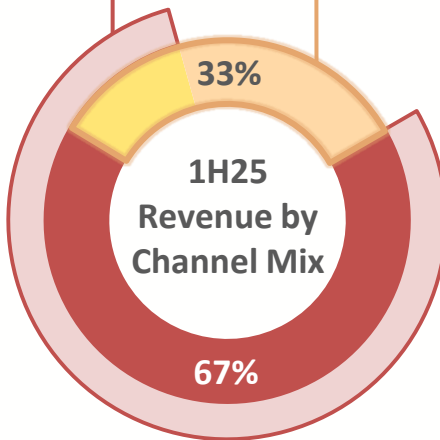


## Omni-channel

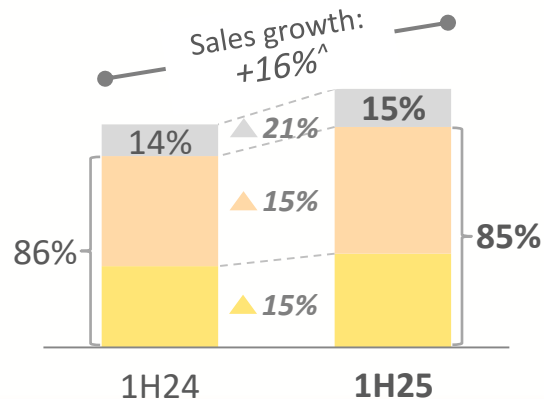
■ B2B: Wholesale arrangement with online 3<sup>rd</sup> Parties

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

■ B2C (Private): Pan-WeChat^



Top 5 brands account for ~94% of our revenue



\* Contribution analysis dimensions: including Pan-WeChat Ecosphere, without Other Sales. 1H25 Sales decreased by 12% YoY if excludes Pan-WeChat

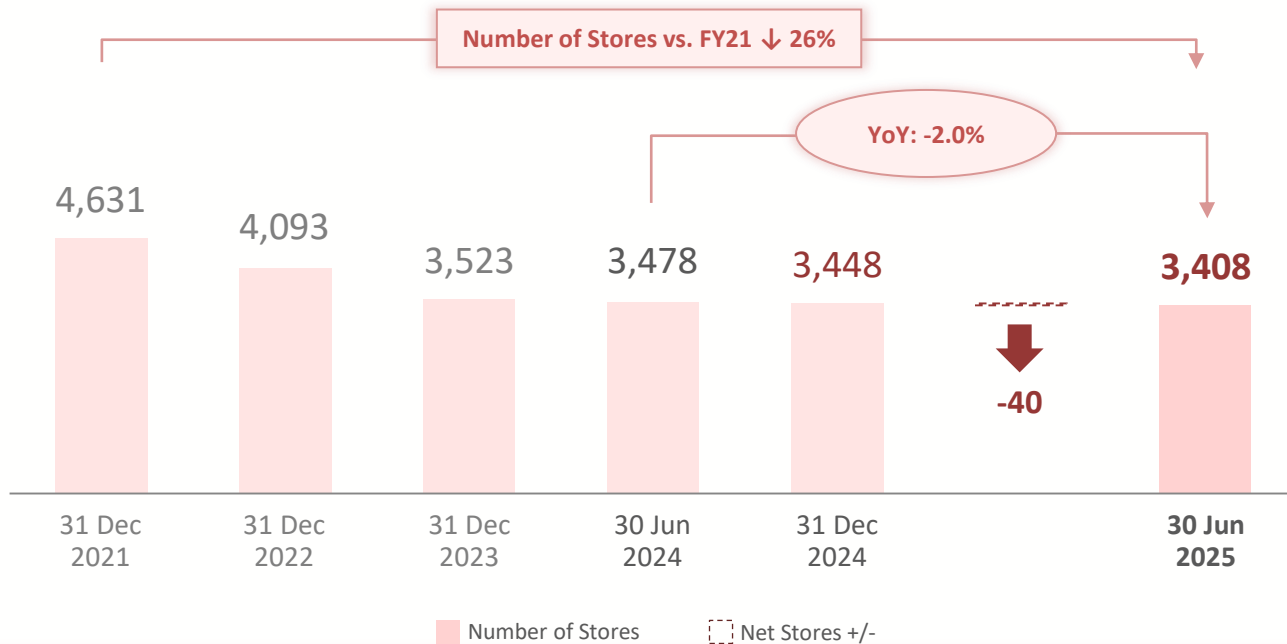
^ Reclassification has been made



# 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\*

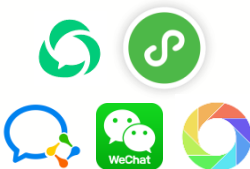


Shopping Mall  
Membership Platforms



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

Pan-WeChat  
Ecosphere



Seamless digital  
interface by  
designated KOS

\* ~63.9m YYsports members (as of 30 Jun 2025)



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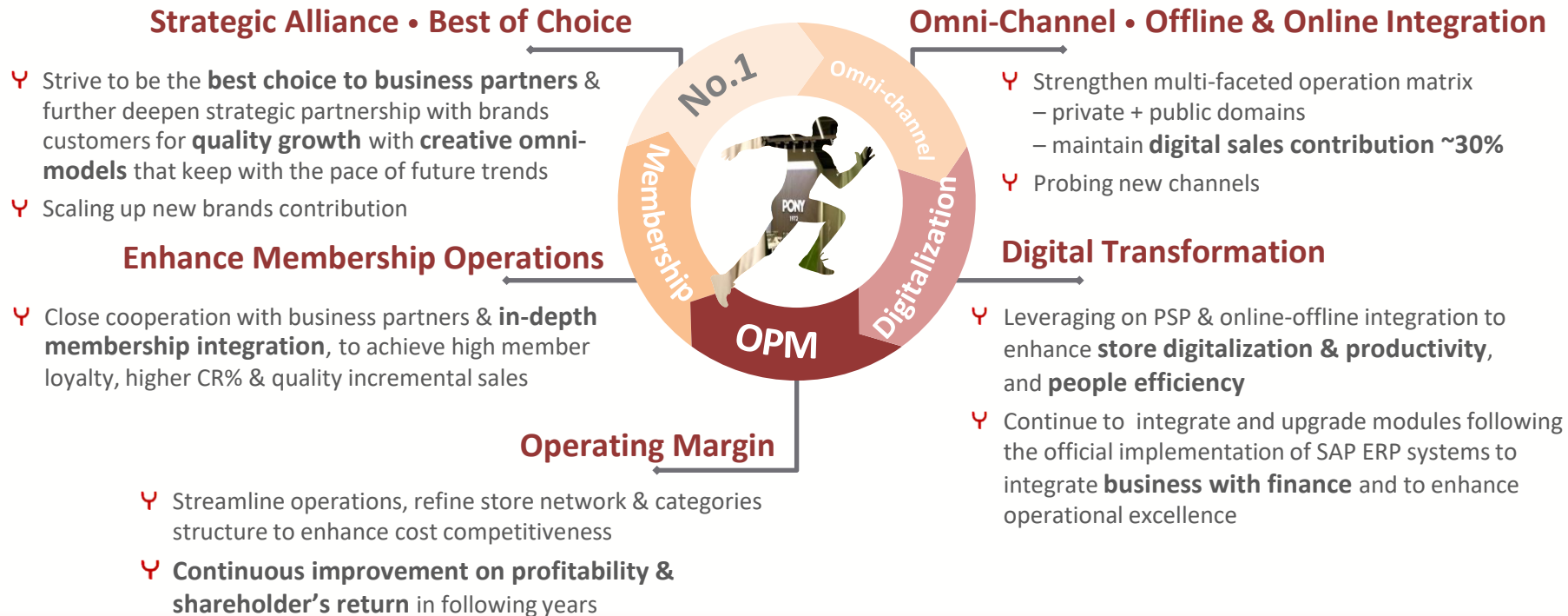
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# Y Critical Missions in 3 Years

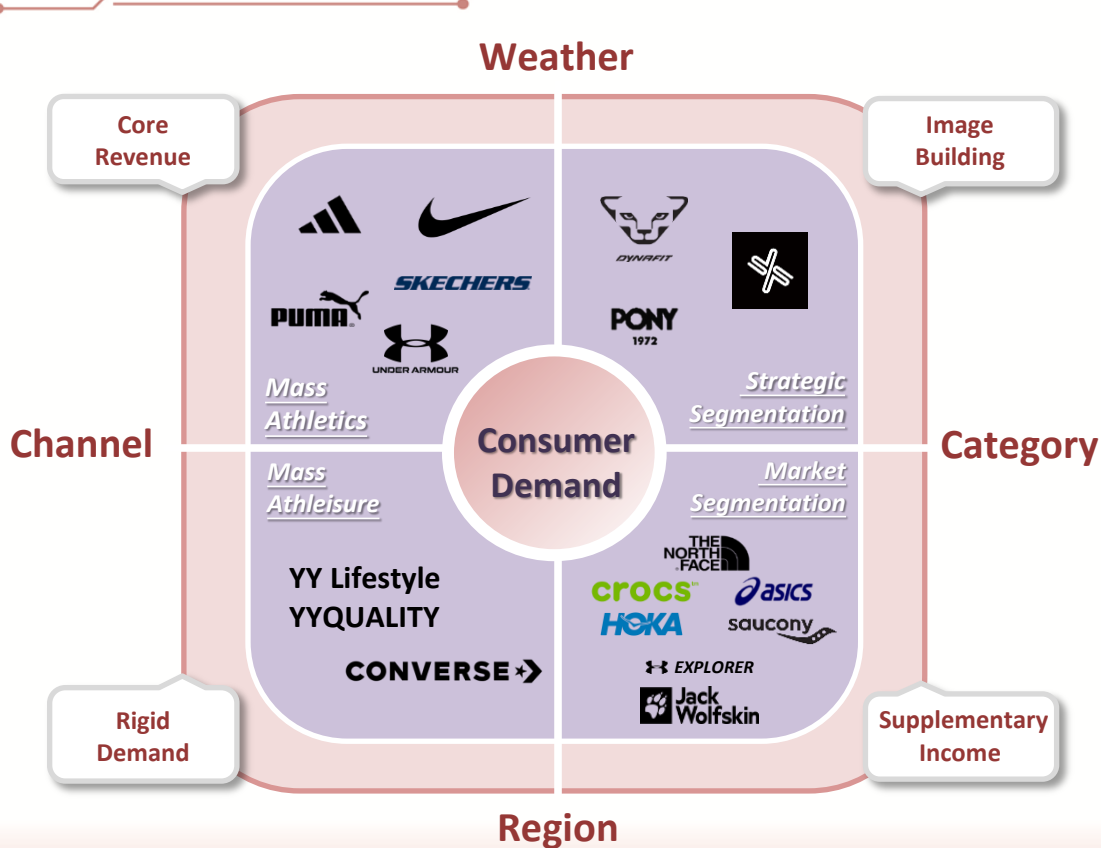


*“Creating Value-added Services & Quality Experiences to Customers”*





# Growth by Multi-faceted Brand Strategy Matrix



XEXYMIX



胜道仓  
YYQUALITY

仓储式购物体验





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# 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) – 1H25



	1H 2025		1H 2024		YoY
	US\$'000	%	US\$'000	%	%
<b>Revenue</b>	<b>1,262,168</b>	<b>100.0</b>	1,381,003	100.00	-8.6
Cost of Sales	(839,231)	-66.5	(908,503)	-65.8	-7.6
<b>Gross Profit</b>	<b>422,937</b>	<b>33.5</b>	472,500	34.2	-10.5
SG&A	(394,414)	-31.2	(418,844)	-30.3	-5.8
Other Income & Expenses, net	10,281	0.8	13,096	0.9	-21.5
<b>Operating Profit</b>	<b>38,804</b>	<b>3.1</b>	66,752	4.8	-41.9
Finance Cost, net	(895)	-0.1	(1,057)	-0.1	-15.3
Other Gains (Losses)	--	--	--	--	N/A
Income Tax	(10,335)	-0.8	(18,938)	-1.3	-45.4
<b>Profit for the Period</b>	<b>27,574</b>	<b>2.2</b>	46,757	3.4	-41.0
<b>Profit Attrib. to Owners of PS</b>	<b>25,853</b>	<b>2.0</b>	46,441	3.4	-44.3

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	%	%
<b>Revenue</b>	<b>2,561,408</b>	<b>100.0</b>	2,830,730	100.0	-9.5
Cost of Sales	(1,685,725)	-65.8	(1,877,586)	-66.3	-10.2
<b>Gross Profit</b>	<b>875,683</b>	<b>34.2</b>	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
<b>Operating Profit</b>	<b>98,441</b>	<b>3.8</b>	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
<b>Profit for the Period</b>	<b>69,098</b>	<b>2.7</b>	70,993	2.5	-2.7
<b>Profit Attrib. to Owners of PS</b>	<b>68,219</b>	<b>2.7</b>	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

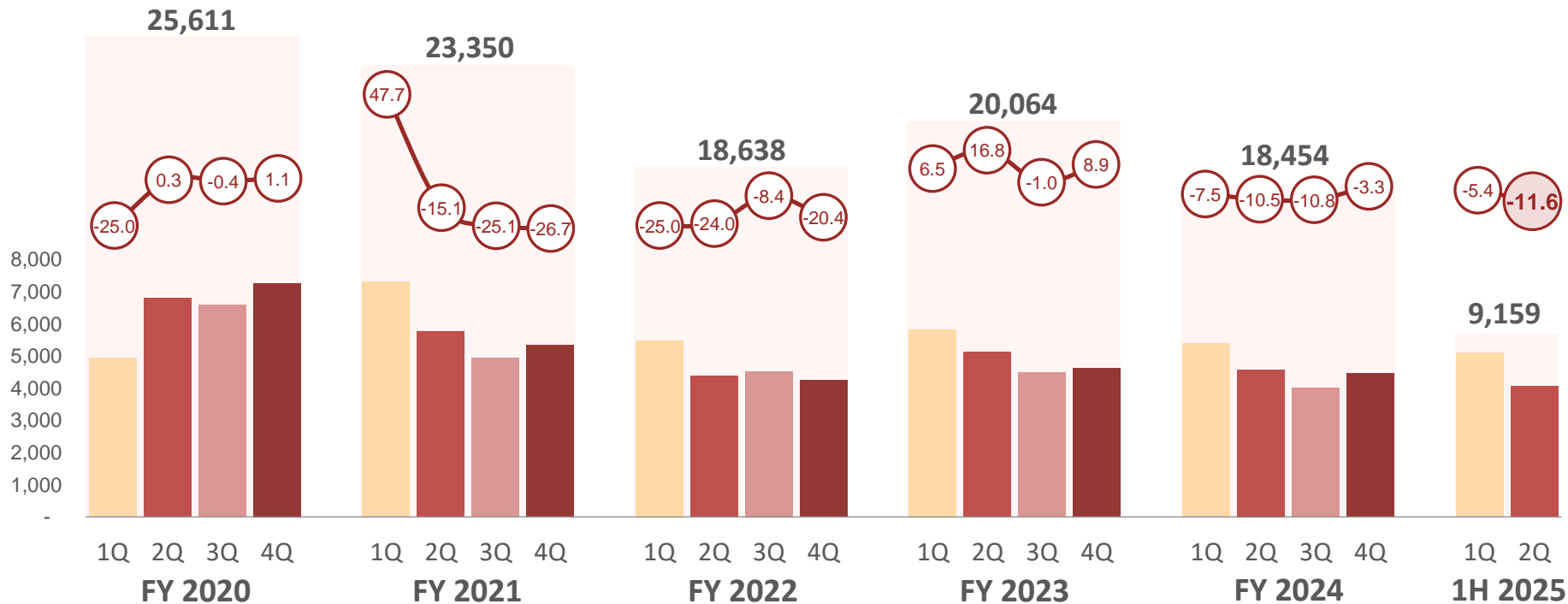


# Pou Sheng Revenue Trend



Revenue (RMB'mn)

YoY (%)



Thank you  
Q&A