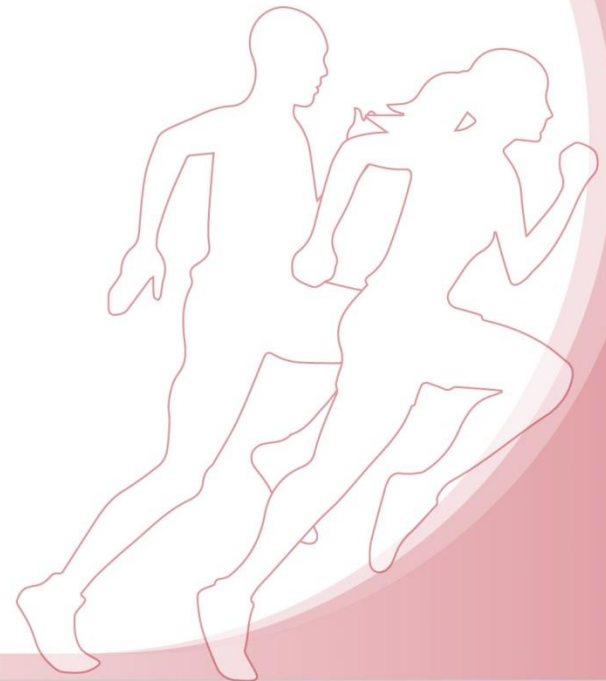




Pou Sheng International 2021 9M Results

11 Nov 2021



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主办单位：
昆山市人民政府

承办单位：
经济技术开发区管委会
昆山市文体广电旅游局
昆山市台办

KUNSHAN
2020 MARATHON
海峡两岸（昆山）马拉松



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Pou Sheng Financial Highlights (in RMB)



	9M 2021		9M 2020		Y-o-Y	
	RMB'mn	%	RMB'mn	%	%	ppt
Revenue	18,021	100.0	18,341	100.0	-1.7	--
Cost of Sales	(11,553)	-64.1	(12,812)	-69.9	-9.8	+5.8
Gross Profit	6,468	35.9	5,529	30.1	+17.0	+5.8
SG&A	(5,795)	-32.2	(5,321)	-29.0	+8.9	-3.2
Other Income & Expenses, net	324	1.8	226	1.3	+43.4	+0.5
Operating Profit	997	5.5	434	2.4	+129.7	+3.1
Finance Cost*, net	(131)	-0.7	(172)	-0.9	-23.8	+0.2
Share of Results of JV	(22)	-0.1	8	0.0	N/A	-0.1
Other Losses	(10)	-0.1	1	0.0	N/A	-0.1
Income Tax	(224)	-1.2	(81)	-0.5	+176.5	-0.7
Profit for the Period	610	3.4	190	1.0	+221.1	+2.4
Profit attrib. to Owners of PS	594	3.3	180	1.0	+230.0	+2.3

Source: Based on Pou Sheng's announcement on the HKEX website for the unaudited consolidated income statements of 9M2021 & 9M2020

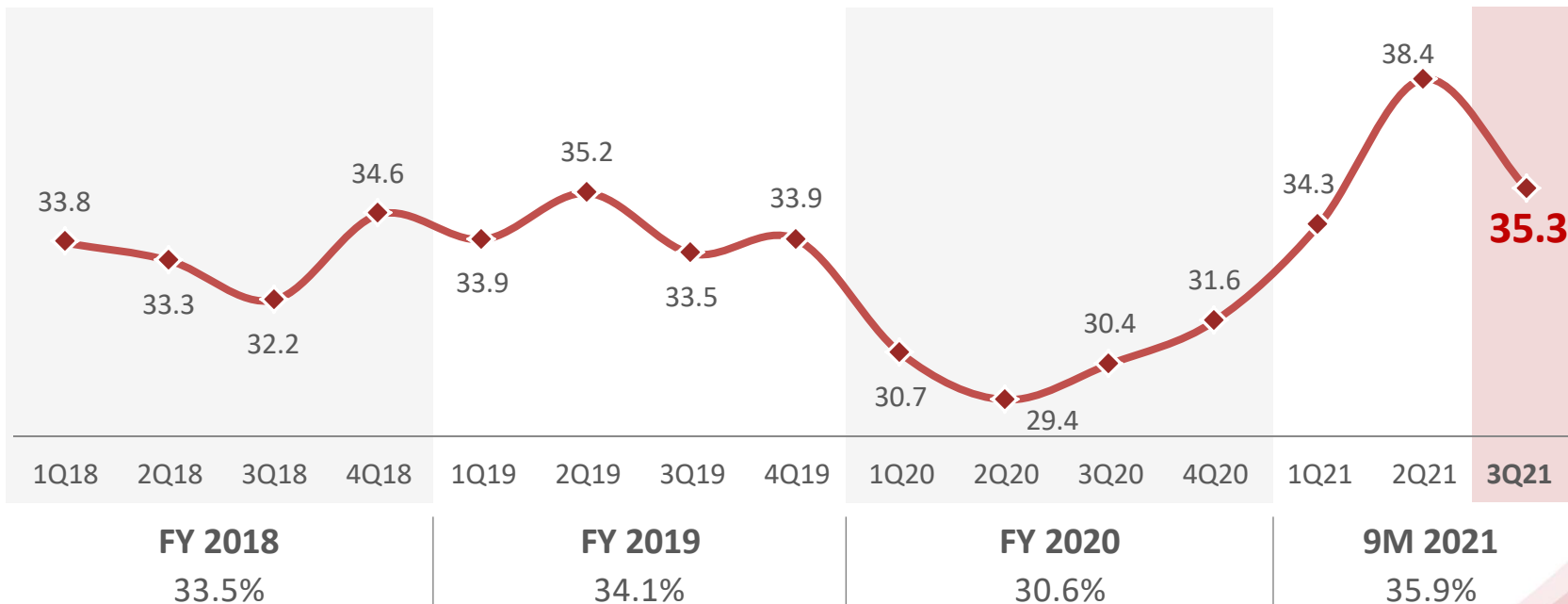
* Finance cost in 9M21 decreased by 42.1% if excludes interest expenses on lease liabilities which amounted to RMB 100.3mn (9M20: RMB 92.8mn)

Pou Sheng GP Margin Trend



(%)

◆ Gross Profit Margin

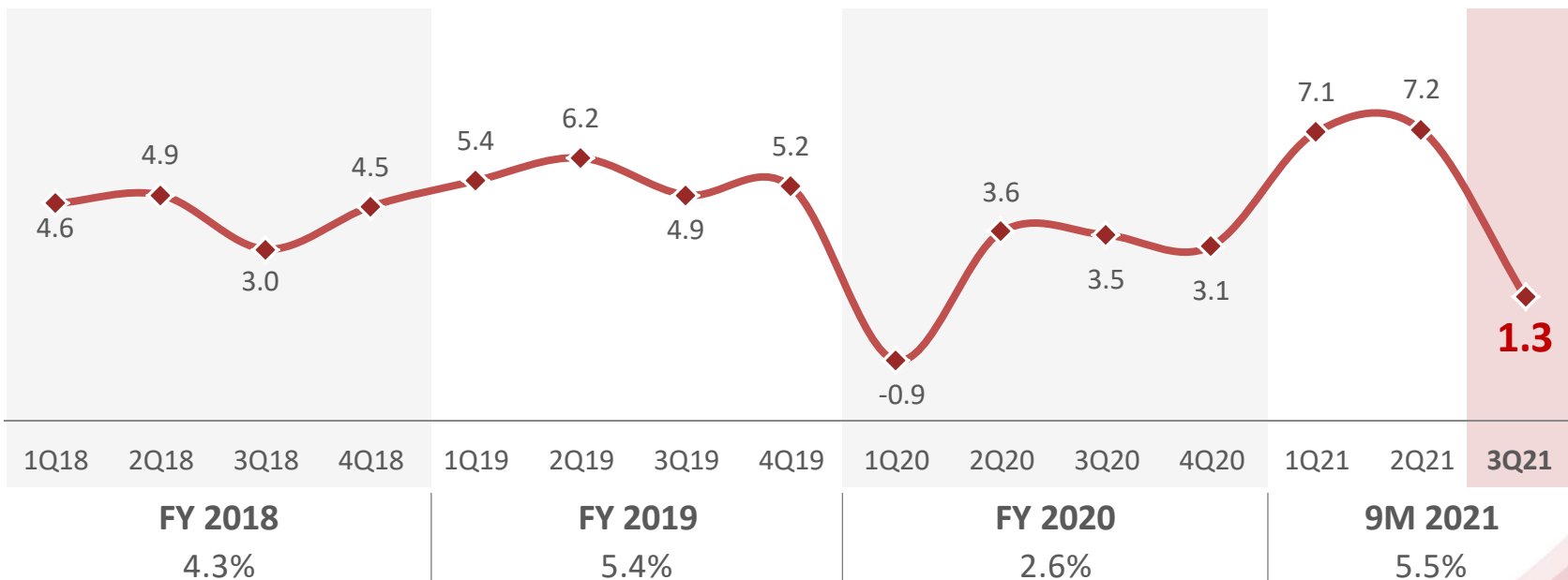


Pou Sheng OP Margin Trend



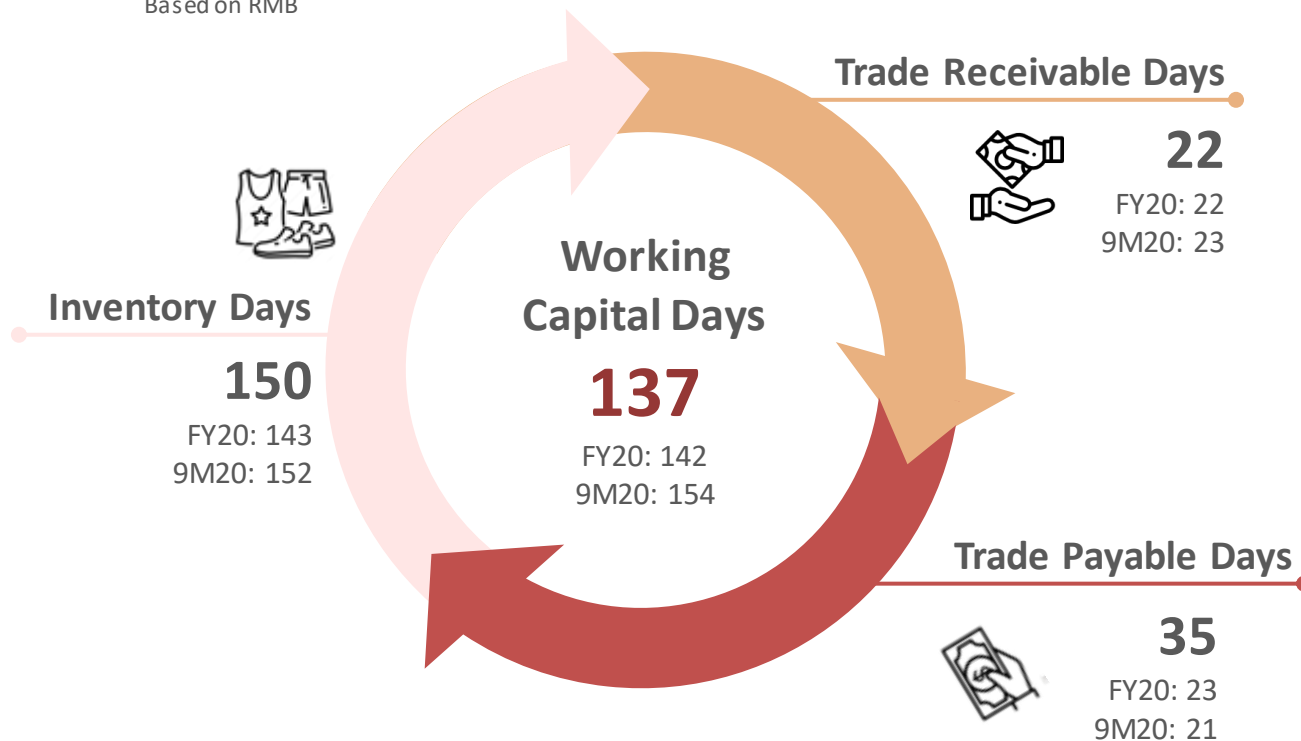
(%)

◆ Operating Profit Margin



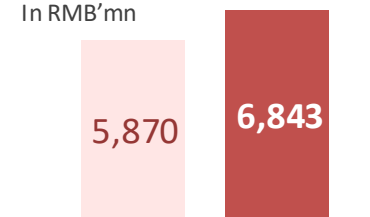
Operation Efficiency – 9M21

Based on RMB



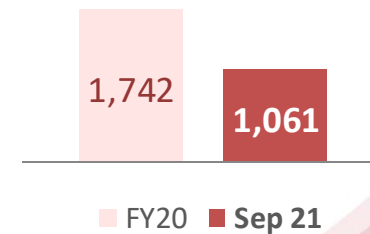
Inventory level

In RMB'mn



Cash Position

In RMB'mn



Pou Sheng Financial Ratios (in RMB)



(RMB'mn)	9M 2021	9M 2020	Y-o-Y
Depreciation of PPE & Amortization	482.2	484.7	-0.5%
Depreciation of ROUA	908.1	869.3	+4.5%
EBITDA	2,377.2	1,809.3	+31.4%
EBITDA minus Depreciation of ROUA	1,469.1	940.0	+56.3%
Capital Expenditure	333.7	372.2	-10.3%
Total Borrowings*	1,686.0	2,127.4	-20.7%
Net Borrowings*	624.6	1,465.6	-57.4%
Total Borrowings to Equity #	19.9%	27.2%	--
Net Borrowings to Equity #	7.4%	18.7%	--
Total Borrowings* to EBITDA (X) annualized	0.5 X	0.6 X	--
Return on Owner's Equity LTM	8.6%	5.3%	--
Return on Asset LTM	4.4%	2.6%	--

As of
30 Sep

Source: Internal analysis report (figures rounded)

* Total Borrowings and Net Borrowings exclude lease liabilities. Lease liabilities was RMB 2,898.9mn and 2,716.3mn as at 30 Sep 2021 and 2020 respectively

Total Debt to Equity and Net Debt to Equity (including lease liabilities) would be 54.2% (9M20: 61.9%) and 41.7% (9M20: 53.5%) as at 30 Sep 2021 respectively

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Pou Sheng Retail Strategy

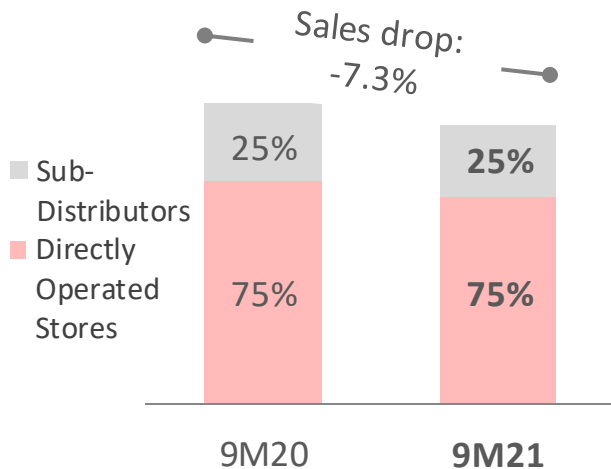


Y Pou Sheng is one of the largest retailers and sports services providers for world renowned sportswear brands in the Greater China region

Brick & Mortar Retail

Directly Operated Stores:

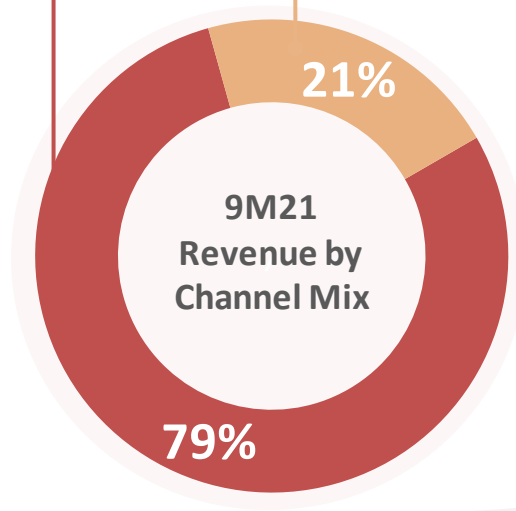
- Mono-Brands Stores: 4,665 stores
- Multi-Brands Stores: 47 stores



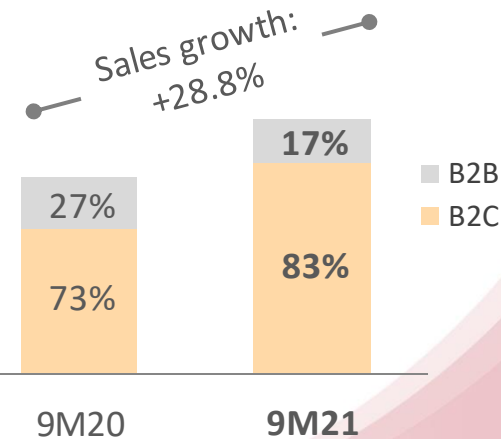
Omni-channel

B2C Channel:

- 3rd party platforms: T-Mall, JD, Vipshop, etc.
- WeChat stores (+ExP services)
- Shopping mall platforms



Top 5 brands account for ~95% of our revenue



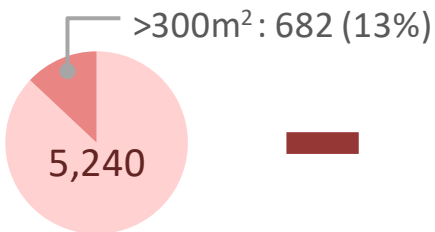
Solid B&M Network



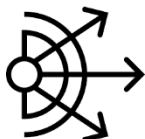
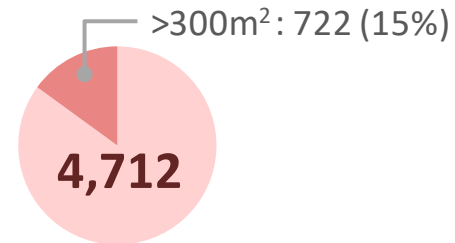
Number of Stores



Directly Operated
(Own-Store)



528



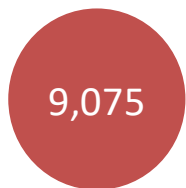
Sub-Distributor
(Franchisee)



38



Total Store



-490



As at
31 December 2020

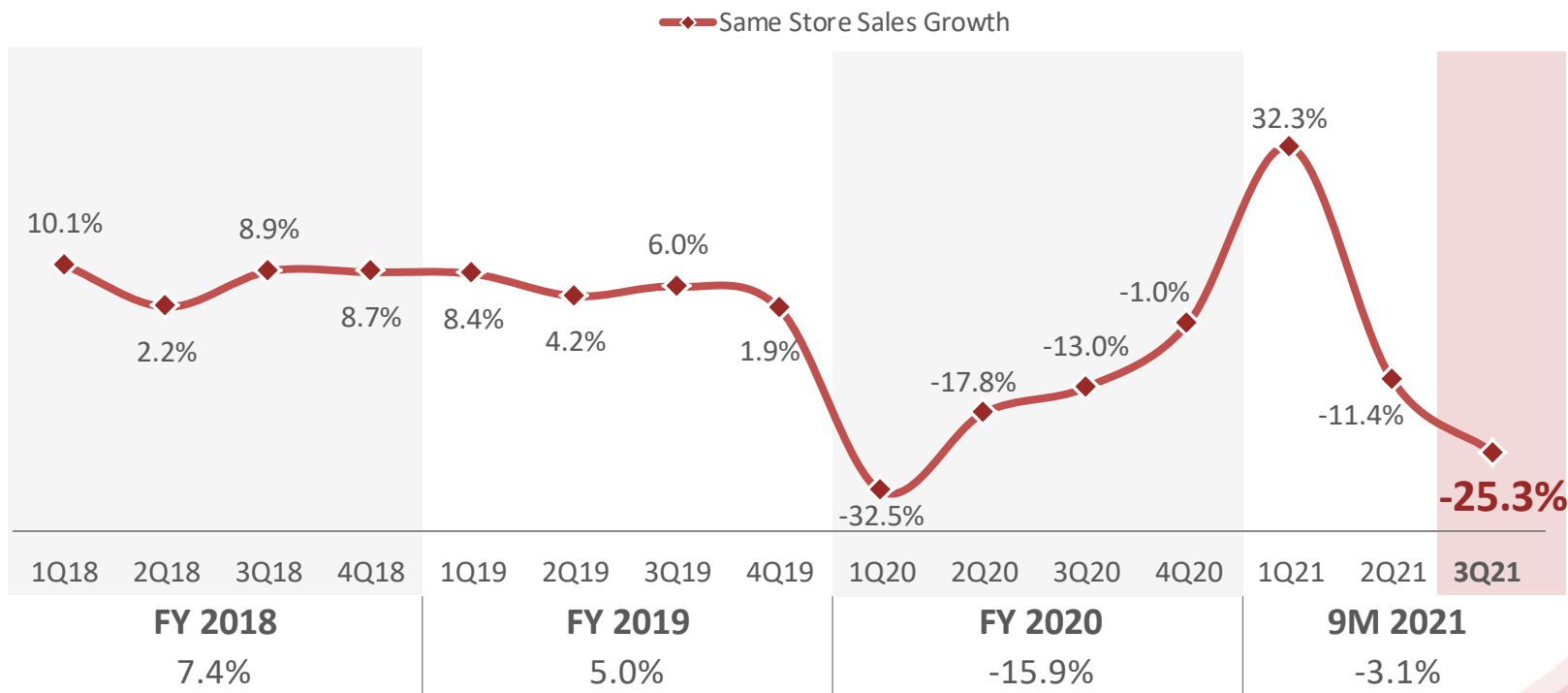
Net New Store +/-

As at
30 September 2021

Pou Sheng Same Store Sales Growth (SSSg)



(%)

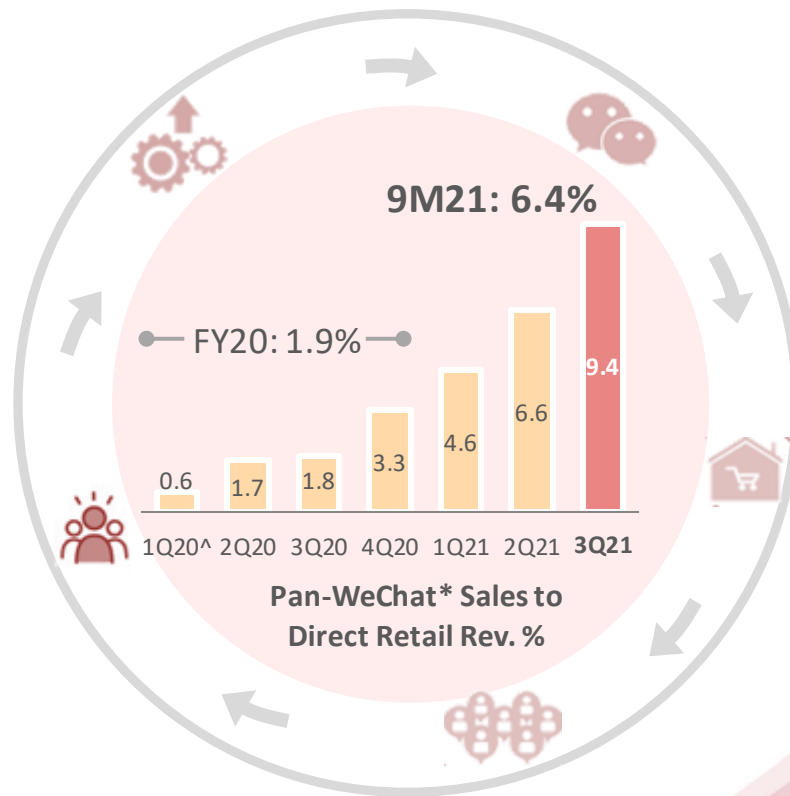


Note: Same-store sales measures revenue of full-price directly-operated stores (incl. WeChat stores' contribution) that have been operated over one year

Our Customized Pan-WeChat Ecosphere



- ✔ Stable and solid foundation with much better **conversion** and **return rate**
- ✔ **Better ASP** than 3rd party platform e.g. T-Mall, JD, Vipshop, etc.
- ✔ Account for 6.4% in 9M21 (FY20: 1.9%) of direct retail revenue with **“More sales with less WeChat stores”** (targeting to connect >70% inventory pool across different regions)” infrastructure



* Pan-WeChat Ecosphere consists of WeChat stores, Douyin live-streaming shopping events and shopping mall platforms

^ WeChat store was launched in February 2020

Our Customized Pan-WeChat Ecosphere (Cont.)



- Y Comprehensive relations with members by designated **Key Opinion Staff (KOS)** and **interesting contents (ExP)** as first step to elevate our services to consumers



Sports services and membership program



WeChat stores



24-hr digital interface by designated KOS



YYsports My ExP mini-program
>14.7m ExP members out of ~45m YYsports members (as of 30 Sep 2021)

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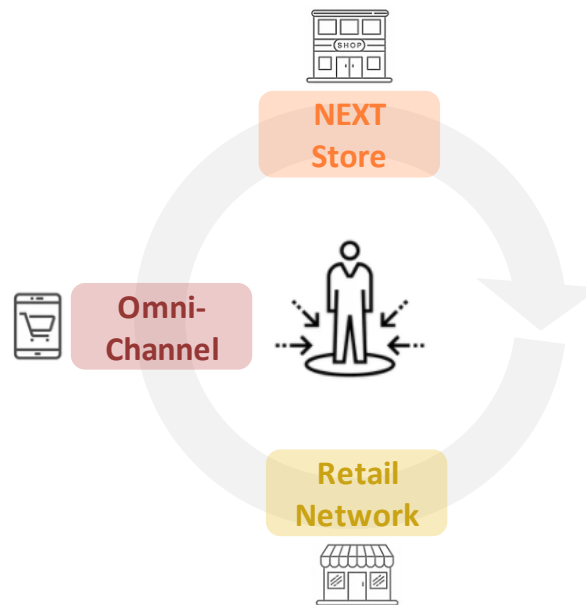
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2021 Target to be delayed due to short-term disruptions

Future Target

- Committed to drive **profitable revenue growth**
Omni-channel contributing to 20% of total revenue
- **More in-season sales** and **more effective off-season** products sales through owned and 3rd party channels
- Integrating the **Service Hub model** into our strong brick and mortar stores foundation
- Turnaround of **emerging brands** and **licensee brands**
- **Operating margin target: 7%**

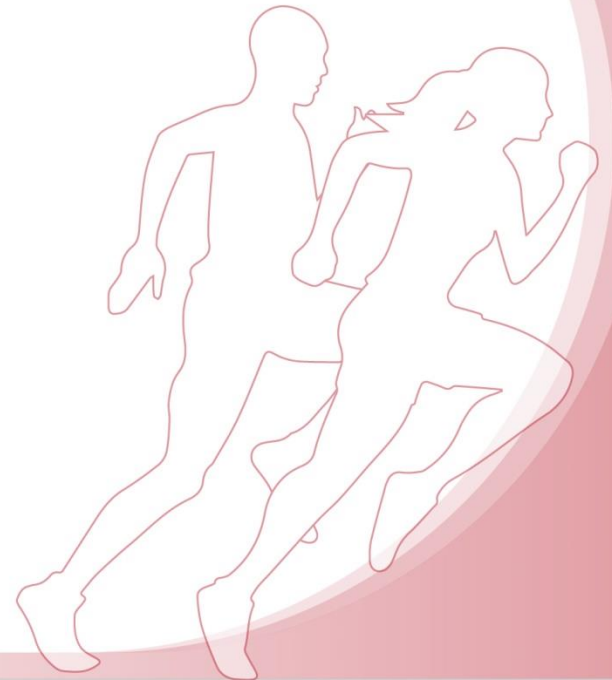


“Creating Value-added Services and Quality Experiences to Customers”

Distinguished Partners and Sports Services



Appendix



Company Milestones



-
- 2021 ● Omni-channel contributed ~20% of total sales (as of end of Sep)
Next Store launched in Shenyang, China
- 2020 ● Next Store launched in Hsinchu, Taiwan
- 2018 ● Recorded over RMB 22bn revenue
- 2016 ● Recorded over RMB 15bn revenue
- 2014 ● Became sole licensee for Pony in Taiwan & China
- 2013 ● Recorded over RMB 10bn revenue
- 2008 ● Pou Sheng International listed on HKEX (3813.HK)
- 2001 ● Expanded into retail business in China

Pou Sheng Financial Highlights *(in USD)*



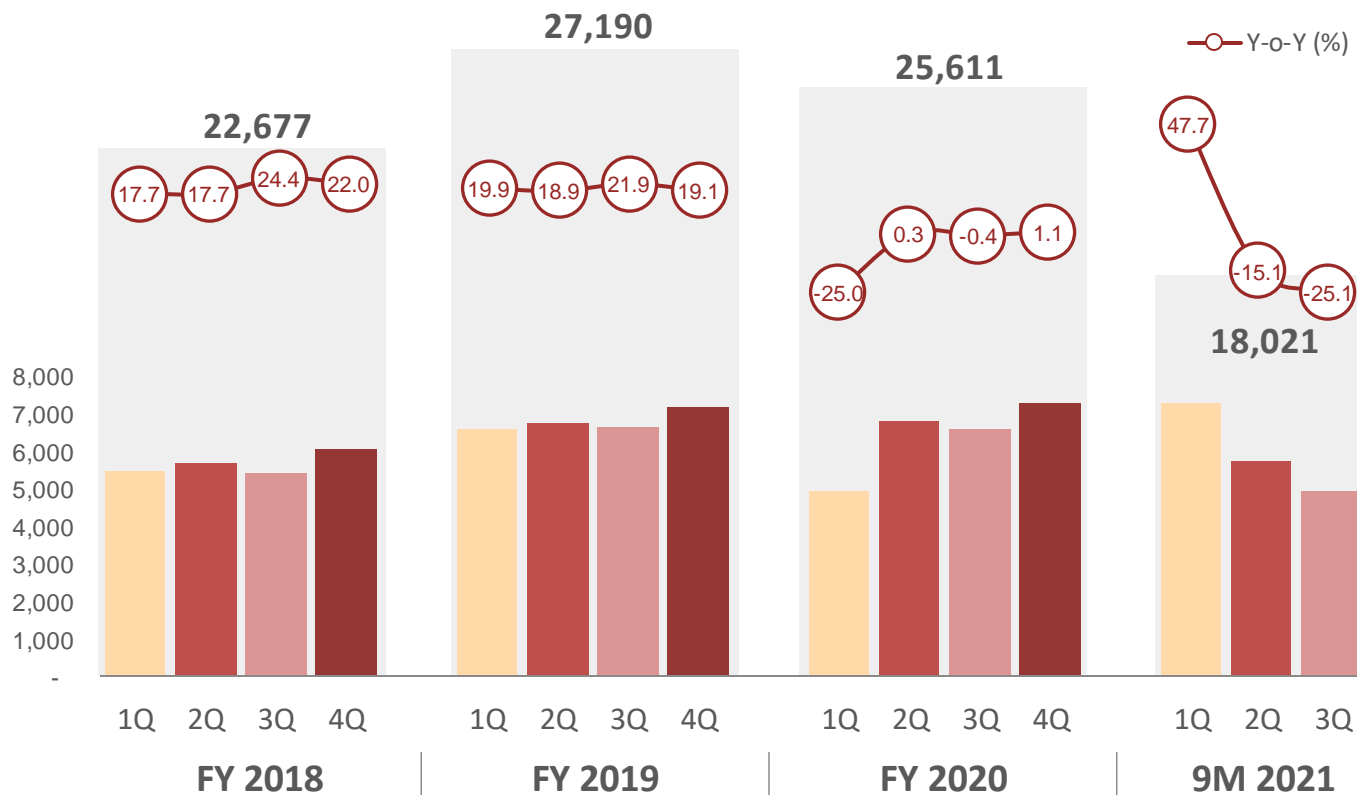
	9M 2021		9M 2020		Y-o-Y
	US\$'000	%	US\$'000	%	%
Revenue	2,785,230	100.00	2,619,287	100.00	+6.34
Cost of Sales	(1,785,514)	-64.11	(1,829,687)	-69.85	-2.41
Gross Profit	999,716	35.89	789,600	30.15	+26.61
SG&A	(889,604)	-31.94	(756,548)	-28.88	+17.59
Other Income & Expenses, net	43,926	1.58	28,970	1.10	+51.63
Operating Profit	154,038	5.53	62,022	2.37	+148.36
Finance Cost, net	(20,300)	-0.73	(24,534)	-0.94	-17.26
Share of Results of JV	(3,379)	-0.12	1,050	0.04	N/A
Other Losses	(1,570)	-0.06	73	0.00	N/A
Income Tax	(34,531)	-1.24	(11,570)	-0.44	+198.45
Profit for the Period	94,258	3.38	27,041	1.03	+248.57
Profit attrib. to Owners of PS	91,847	3.30	25,628	0.98	+258.39

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)



**Thank you
Q&A**

