



Pou Sheng International 2018 Interim Results

10 Aug 2018

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Pou Sheng Key Business Activities



Y Retail Business

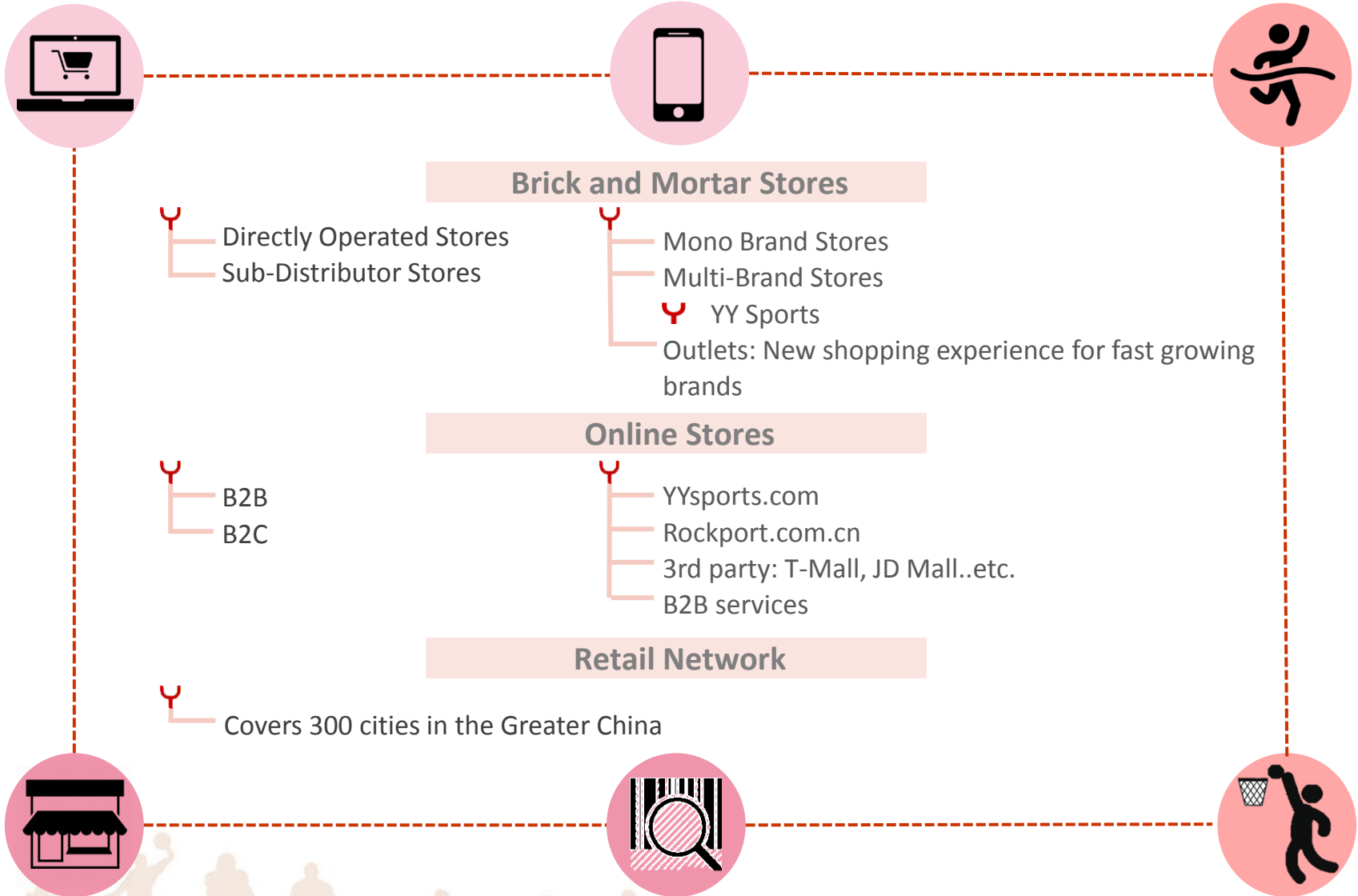
- Y Leading distributor of footwear, apparel & accessories for international brands in China
 - Y A key partner to Nike and adidas
 - Y Sells through directly operated stores, or on a wholesale basis to sub-distributors, online & offline
 - Y Store locations include department stores, shopping malls,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



Distinguished Partners and Events



Pou Sheng Financial Highlights



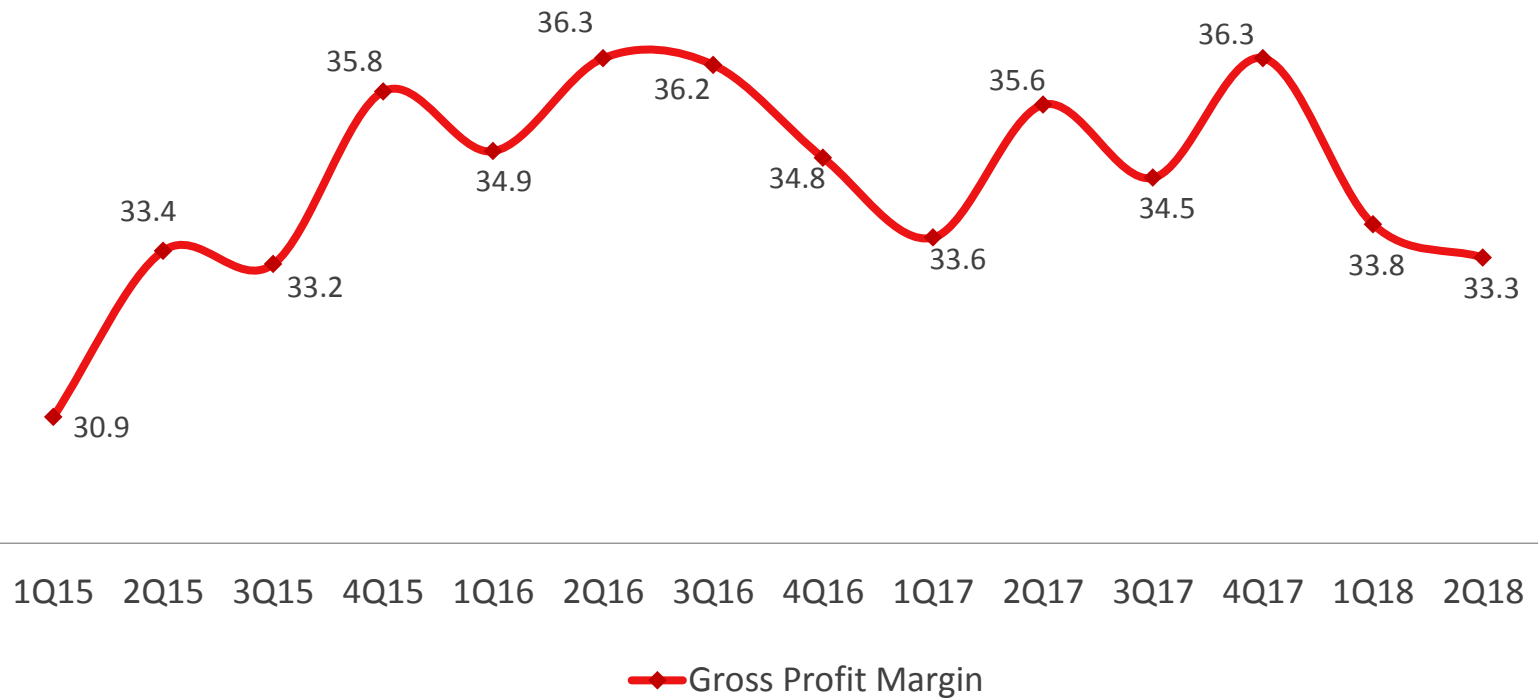
	RMB'mn			US\$'000		
	1H 2018	1H 2017	Y-o-Y	1H 2018	1H 2017	Y-o-Y
Revenue	11,202	9,515	17.73%	1,752,751	1,379,599	27.05%
Gross Profit	3,756	3,292	14.09%	587,720	477,314	23.13%
Gross Profit Margin	33.53%	34.60%	-1.07pp	33.53%	34.60%	-1.07pp
Operating Profit	530	506	4.74%	82,984	73,329	13.17%
Operating Profit Margin	4.73%	5.32%	-0.59pp	4.73%	5.32%	-0.59pp
Profit attrib. to Owners	307	299	2.68%	48,009	43,296	10.89%
Profit attrib. to Owners Margin	2.74%	3.14%	-0.40pp	2.74%	3.14%	-0.40pp

Source: Based on Pou Sheng's announcement on the HKEx website for the unaudited consolidated income statements of 1H18 & 1H17
For more detail, please refer to Appendix

Pou Sheng GP Margin Trend



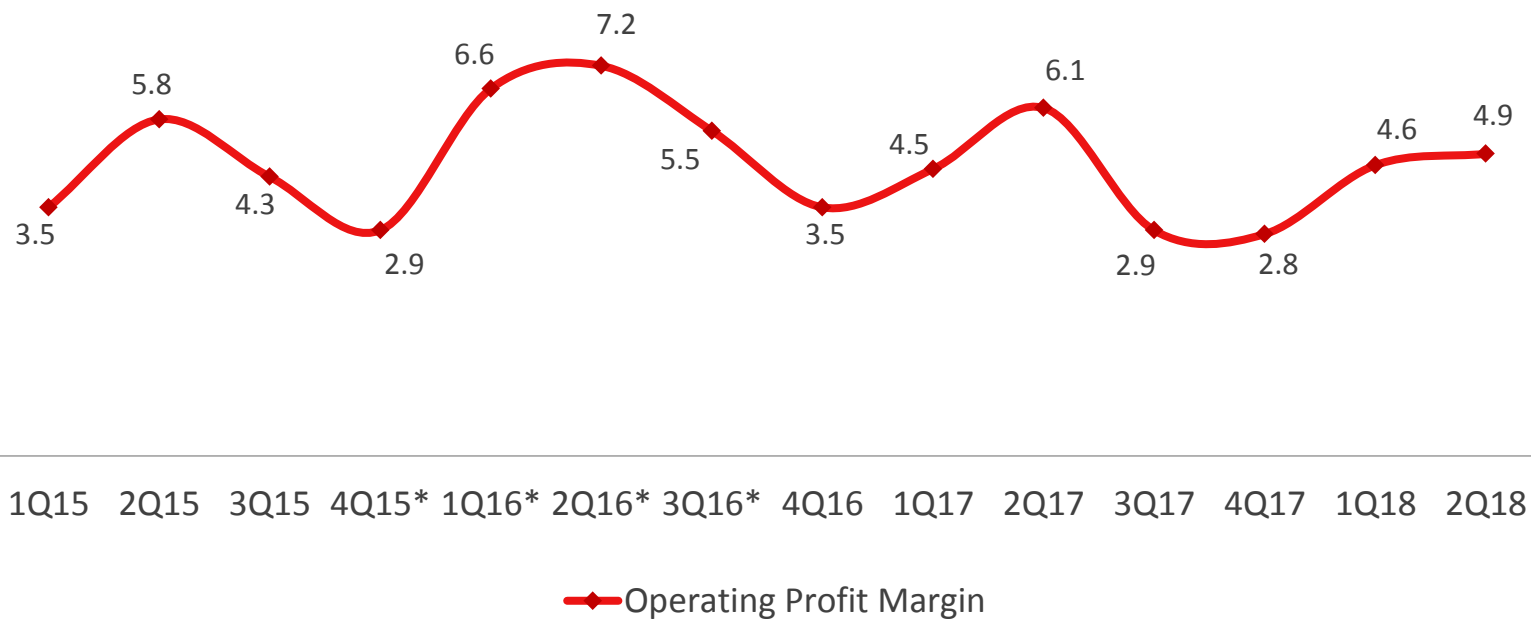
(%)



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>1H 2018</u>	<u>1H 2017</u>
Depreciation & Amortization	250.7	195.0
EBITDA	783.8	696.9
Capital Expenditure	216.7	277.0

	<u>30 June 2018</u>	<u>31 December 2017</u>
Total Borrowings	3,160.5	2,641.8
Net Total Borrowings	2,559.8	2,154.8
Total Debt to Equity	47.3%	41.0%
Net Debt to Equity	38.3%	33.5%

	<u>1H 2018</u>	<u>1H 2017</u>
Total Debt to EBITDA <i>(X) annualized</i>	2.0 X	1.6 X
Net Debt to EBITDA <i>(X) annualized</i>	1.6 X	1.2 X
Return on Owner's Equity <i>annualized</i>	9.3%	9.5%
Return on Asset <i>annualized</i>	5.2%	6.1%

Source: Internal analysis report (figures rounded)



Operation Efficiency



Based on RMB



Inventory Days

149

139



Trade Receivable Days

28

27



Trade Payable Days

16

13



Working Capital Days

161

153

2017

1H18

Pou Sheng Store Performance



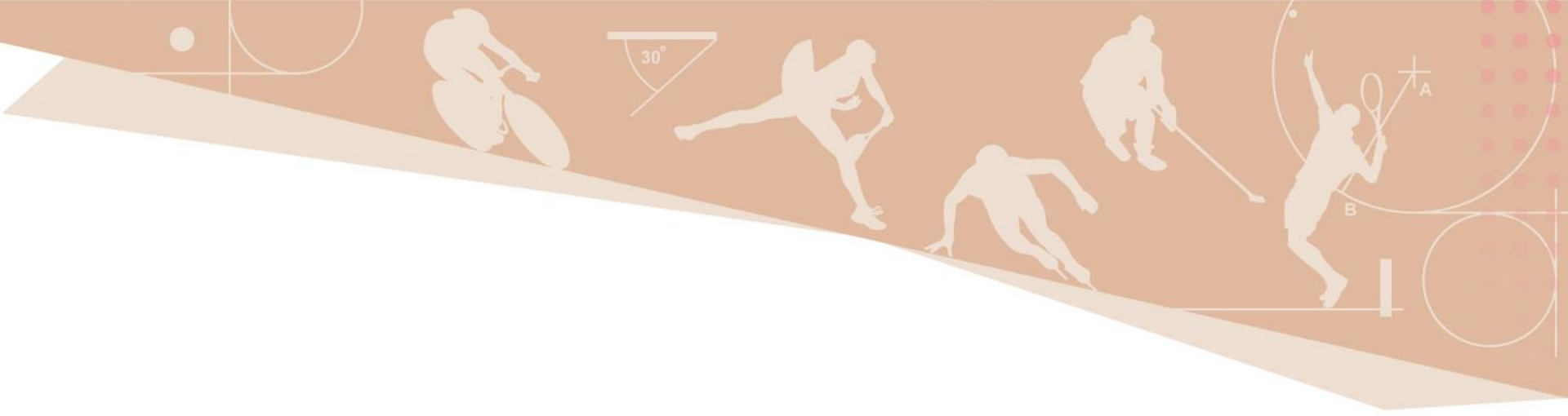
Number of Stores

	Directly Operated	Sub-Distributors	Total Stores
As at December 31, 2017	5,465	3,313	8,778
Net New Store + / (-) *	66	104	170
As at June 30, 2018	5,531	3,417	8,948

Same Store Sales Growth (SSSg)

2018	1Q	2Q	3Q	4Q
Directly Operated Stores	10.1%	2.2%		





Appendix



Pou Sheng Financial Highlights *(in RMB)*



	1H 2018		1H 2017		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
Revenue	11,202	100.00	9,515	100.00	17.73%
Cost of Sales	(7,446)	-66.47	(6,223)	-65.40	19.65%
Gross Profit	3,756	33.53	3,292	34.60	14.09%
SG&A	(3,387)	-30.24	(2,920)	-30.69	15.99%
Other Income & Expenses, net	161	1.44	134	1.41	20.15%
Operating Profit	530	4.73	506	5.32	4.74%
Share of Results of A&JV	(0.9)	-0.01	(2.5)	-0.03	-64.00%
Finance Cost & Other Gains/(Losses)	(69)	-0.62	(54)	-0.57	27.78%
Income Tax	(142)	-1.27	(138)	-1.45	2.90%
Profit for the Period	318	2.84	312	3.28	1.92%
Profit Attrib. to Owners	307	2.74	299	3.14	2.68%

Source: Based on Pou Sheng's announcement on the HKEx website for the unaudited consolidated income statements of 1H18 & 1H17

Pou Sheng Financial Highlights *(in USD)*



	1H 2018		1H 2017		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
Revenue	1,752,751	100.00	1,379,599	100.00	27.05%
Cost of Sales	(1,165,031)	-66.47	(902,285)	-65.40	29.12%
Gross Profit	587,720	33.53	477,314	34.60	23.13%
SG&A	(527,487)	-30.09	(421,879)	-30.58	25.03%
Other Income & Expenses, net	22,751	1.30	17,894	1.30	27.14%
Operating Profit	82,984	4.73	73,329	5.32	13.17%
Share of Results of A&JV	(141)	-0.01	(358)	-0.03	-60.61%
Finance Cost & Other Gains/(Losses)	(10,830)	-0.62	(7,751)	-0.56	39.72%
Income Tax	(22,324)	-1.27	(20,050)	-1.45	11.34%
Profit for the Period	49,689	2.83	45,170	3.27	10.00%
Profit Attrib. to Owners	48,009	2.74	43,296	3.14	10.89%

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	%	+ / -
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%

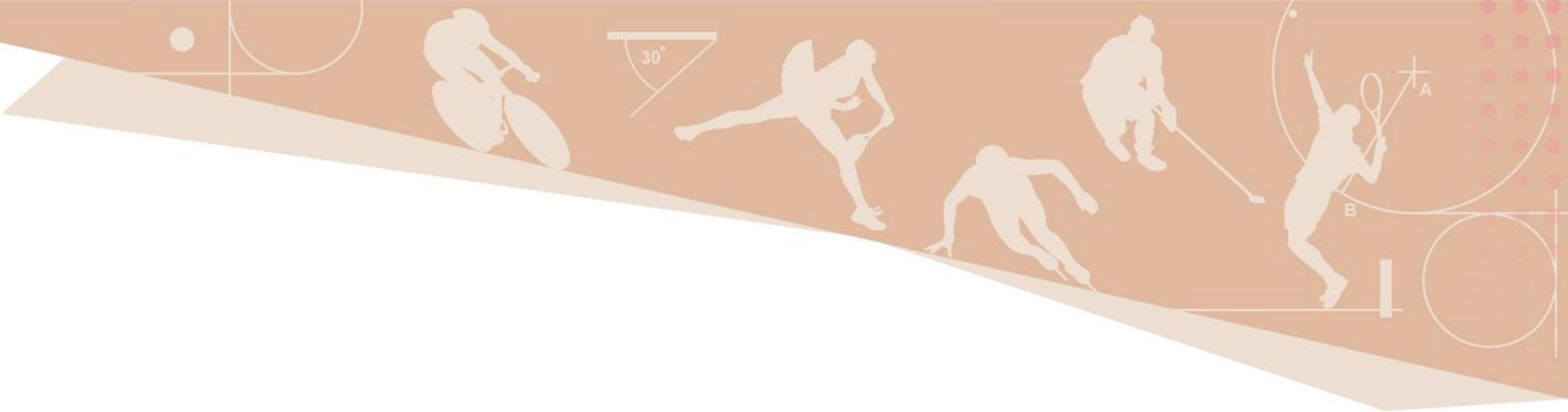
Source: Based on Pou Sheng's announcement on the HKEx website for the unaudited consolidated income statements of FY17 & FY16

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

