



# Pou Sheng International 2018 Annual Results

22 March 2019

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# Pou Sheng Key Business Activities



## **Y** Retail Business

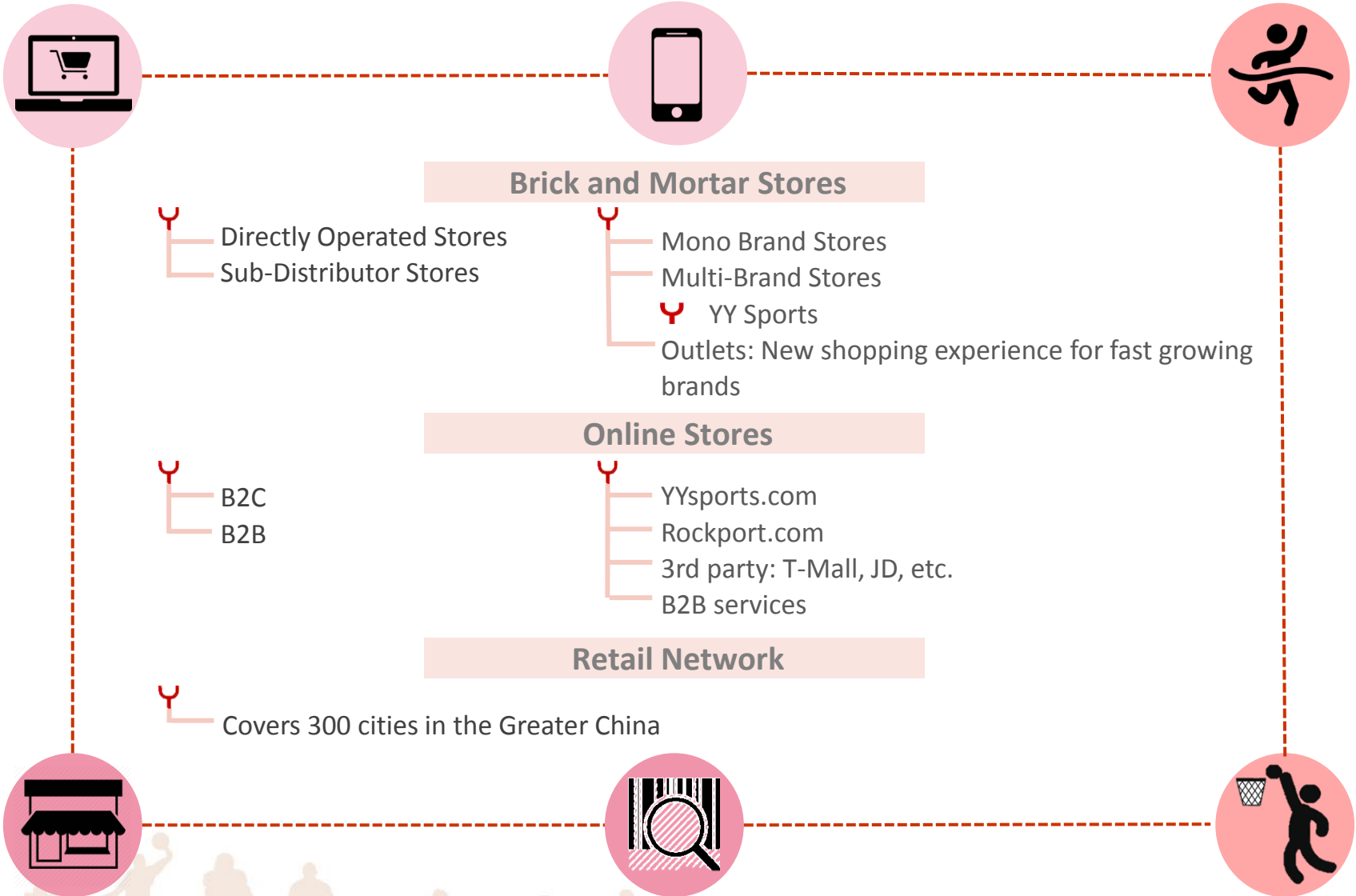
- Y Leading distributor of footwear, apparel & accessories for international brands in the Greater China region
  - Y A key partner to Nike and adidas
  - Y Sells through directly operated stores, or on a wholesale basis to sub-distributors, online & offline
  - Y Store locations include department stores,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



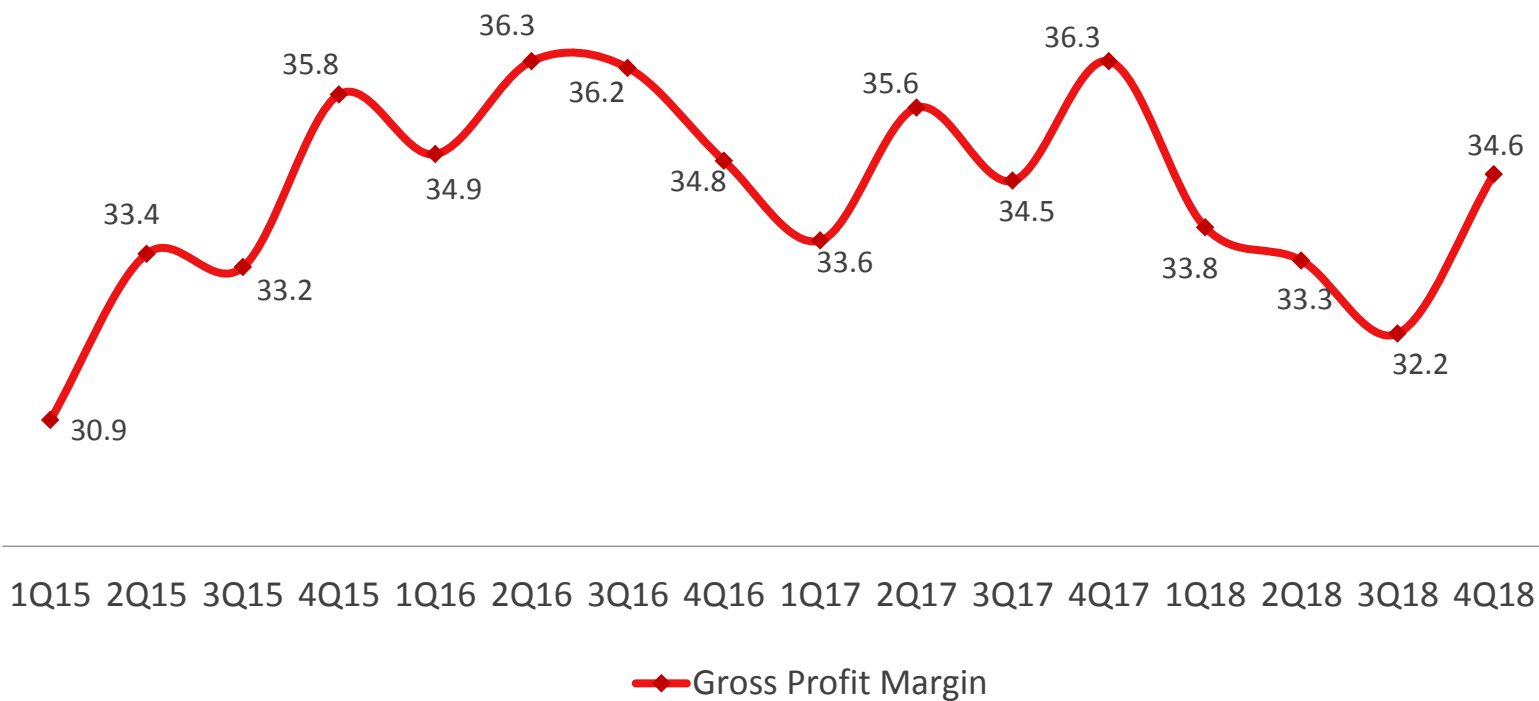
	RMB'mn			US\$'000		
	FY 2018	FY 2017	Y-o-Y	FY 2018	FY 2017	Y-o-Y
Revenue	22,677	18,833	20.41%	3,421,657	2,775,400	23.29%
Gross Profit	7,599	6,594	15.24%	1,146,501	971,674	17.99%
Gross Profit Margin	33.51%	35.01%	-1.50pp	33.51%	35.01%	-1.50pp
Operating Profit	967	770	25.58%	145,887	113,513	28.52%
Operating Profit Margin	4.26%	4.09%	+0.17pp	4.26%	4.09%	+0.17pp
Profit attrib. to Owners	543	394	37.82%	81,913	58,110	40.96%
Profit attrib. to Owners Margin	2.39%	2.09%	+0.30pp	2.39%	2.09%	+0.30pp

Source: Based on Pou Sheng's announcement on the HKEx website for the audited consolidated income statements of FY2018 & FY2017  
For more detail, please refer to Appendix

# Pou Sheng GP Margin Trend



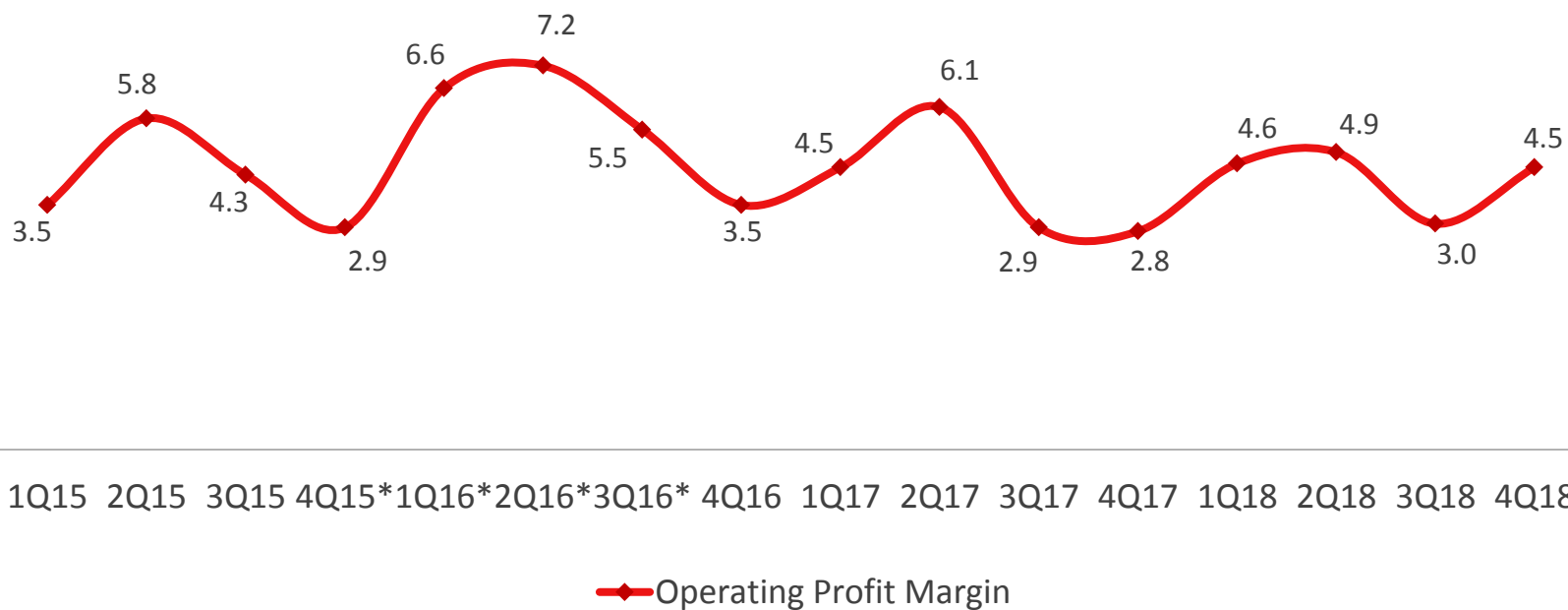
(%)



# 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>FY 2018</u>	<u>FY 2017</u>
Depreciation & Amortization	510	433
EBITDA	1,483	1,197
Capital Expenditure	532	576

	<u>31 December 2018</u>	<u>31 December 2017</u>
Total Borrowings	3,531	2,642
Net Total Borrowings	2,800	2,155
Total Debt to Equity	50.2%	41.0%
Net Debt to Equity	39.8%	33.5%

	<u>FY 2018</u>	<u>FY 2017</u>
Total Debt to EBITDA (x)	2.4 X	2.2 X
Net Debt to EBITDA (x)	1.9 X	1.8 X
Return on Owner's Equity	7.9%	6.2%
Return on Asset	4.2%	3.6%

Source: Internal analysis report (figures rounded)



# Operation Efficiency



Based on RMB



Inventory Days

149

149



Trade Receivable Days

28

27



Trade Payable Days

16

15



Working Capital Days

161

161

2017

2018

# Pou Sheng Store Performance



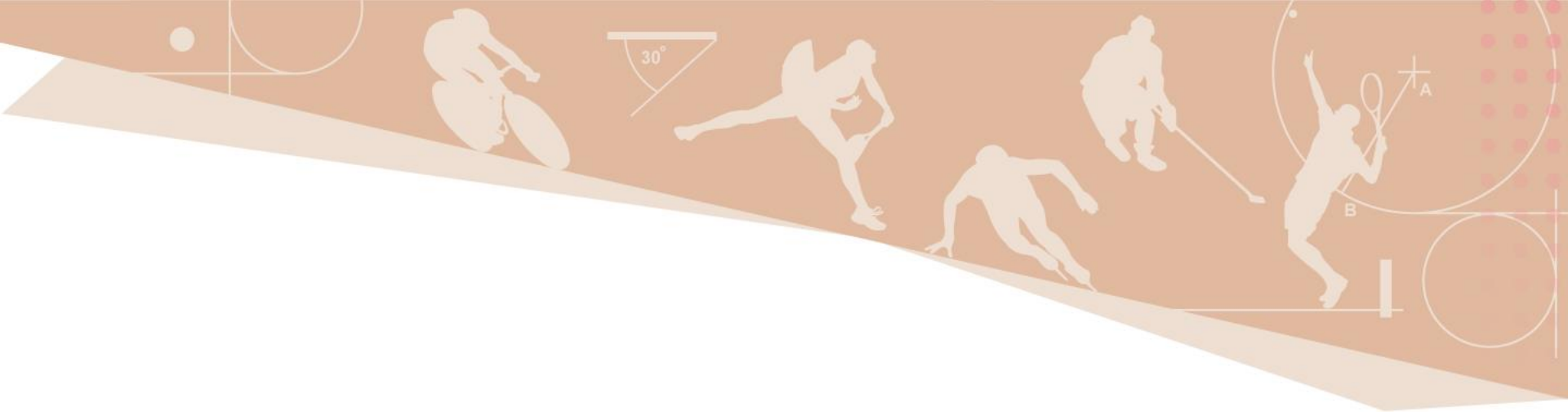
## Number of Stores

	Directly Operated	Sub-Distributors	Total Stores
As at December 31, 2017	5,465	3,313	8,778
Net New Store + / (-)	183	238	421
<b>As at December 31, 2018</b>	<b>5,648</b>	<b>3,551</b>	<b>9,199</b>

## Same Store Sales Growth (SSSg)

2018	1Q	2Q	3Q	4Q	Full Year
Directly Operated Stores	10.1%	2.2%	8.9%	8.7%	7.4%





# Appendix



# Pou Sheng Financial Highlights *(in RMB)*



	FY 2018		FY 2017		Y-o-Y
	RMB'mn	%	RMB'mn	%	+ / -
<b>Revenue</b>	<b>22,677</b>	<b>100.00</b>	<b>18,833</b>	<b>100.00</b>	<b>20.41%</b>
Cost of Sales	(15,078)	-66.49	(12,239)	-64.99	23.20%
<b>Gross Profit</b>	<b>7,599</b>	<b>33.51</b>	<b>6,594</b>	<b>35.01</b>	<b>15.24%</b>
SG&A	(6,913)	-30.49	(6,052)	-32.13	14.23%
Other Income & Expenses, net	281	1.24	228	1.21	23.25%
<b>Operating Profit</b>	<b>967</b>	<b>4.26</b>	<b>770</b>	<b>4.09</b>	<b>25.58%</b>
Share of Results of A&JV	(1)	-0.00	(4)	-0.02	-75.00%
Finance Cost & Other Gains/(Losses)	(144)	-0.64	(109)	-0.58	32.11%
Income Tax	(261)	-1.15	(242)	-1.29	7.85%
<b>Profit for the Period</b>	<b>561</b>	<b>2.47</b>	<b>415</b>	<b>2.20</b>	<b>35.18%</b>
<b>Profit Attrib. to Owners</b>	<b>543</b>	<b>2.39</b>	<b>394</b>	<b>2.09</b>	<b>37.82%</b>

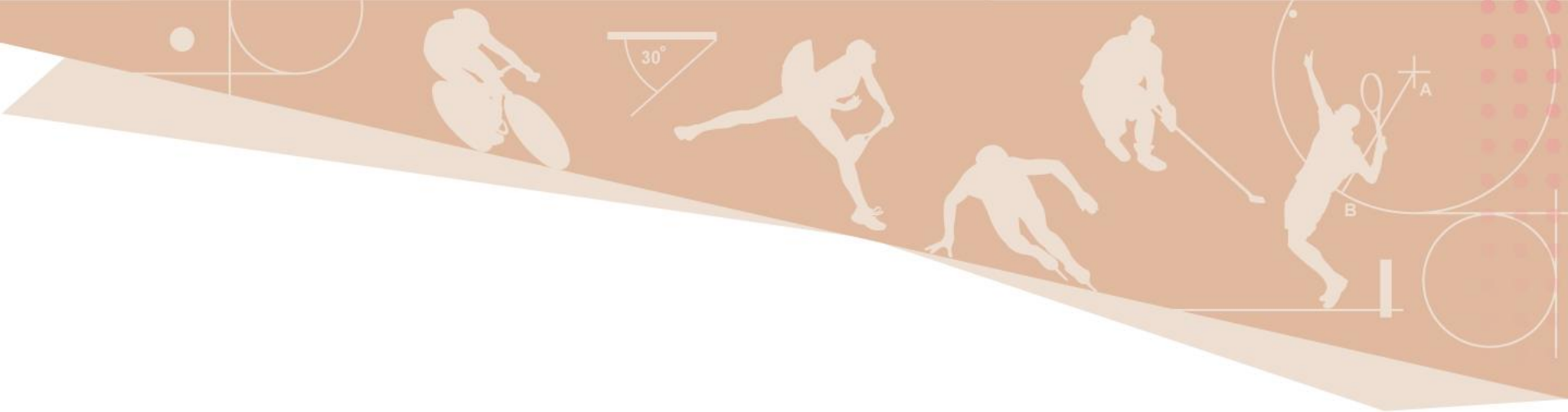
Source: Based on Pou Sheng's announcement on the HKEx website for the audited consolidated income statements of FY2018 & FY2017

# Pou Sheng Financial Highlights *(in USD)*



	FY 2018		FY 2017		Y-o-Y
	US\$'000	%	US\$'000	%	+ / -
<b>Revenue</b>	<b>3,421,657</b>	<b>100.00</b>	<b>2,775,400</b>	<b>100.00</b>	<b>23.29%</b>
Cost of Sales	(2,275,156)	-66.49	(1,803,726)	-64.99	26.14%
<b>Gross Profit</b>	<b>1,146,501</b>	<b>33.51</b>	<b>971,674</b>	<b>35.01</b>	<b>17.99%</b>
SG&A	(1,038,884)	-30.37	(886,324)	-31.93	17.21%
Other Income & Expenses, net	38,270	1.12	28,163	1.01	35.89%
<b>Operating Profit</b>	<b>145,887</b>	<b>4.26</b>	<b>113,513</b>	<b>4.09</b>	<b>28.52%</b>
Share of Results of A&JV	(140)	-0.00	(526)	-0.02	-73.38%
Finance Cost & Other Gains/(Losses)	(21,665)	-0.64	(16,135)	-0.58	34.27%
Income Tax	(39,452)	-1.15	(35,690)	-1.29	10.54%
<b>Profit for the Period</b>	<b>84,630</b>	<b>2.47</b>	<b>61,162</b>	<b>2.20</b>	<b>38.37%</b>
<b>Profit Attrib. to Owners</b>	<b>81,913</b>	<b>2.39</b>	<b>58,110</b>	<b>2.09</b>	<b>40.96%</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

