

波司登
BOSIDENG

Bosideng International Holdings Limited
Incorporated in the Cayman Islands with limited liability
Stock Code: 3998

2022/23 Interim Result

November 25, 2022



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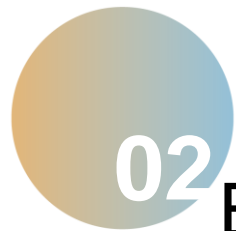
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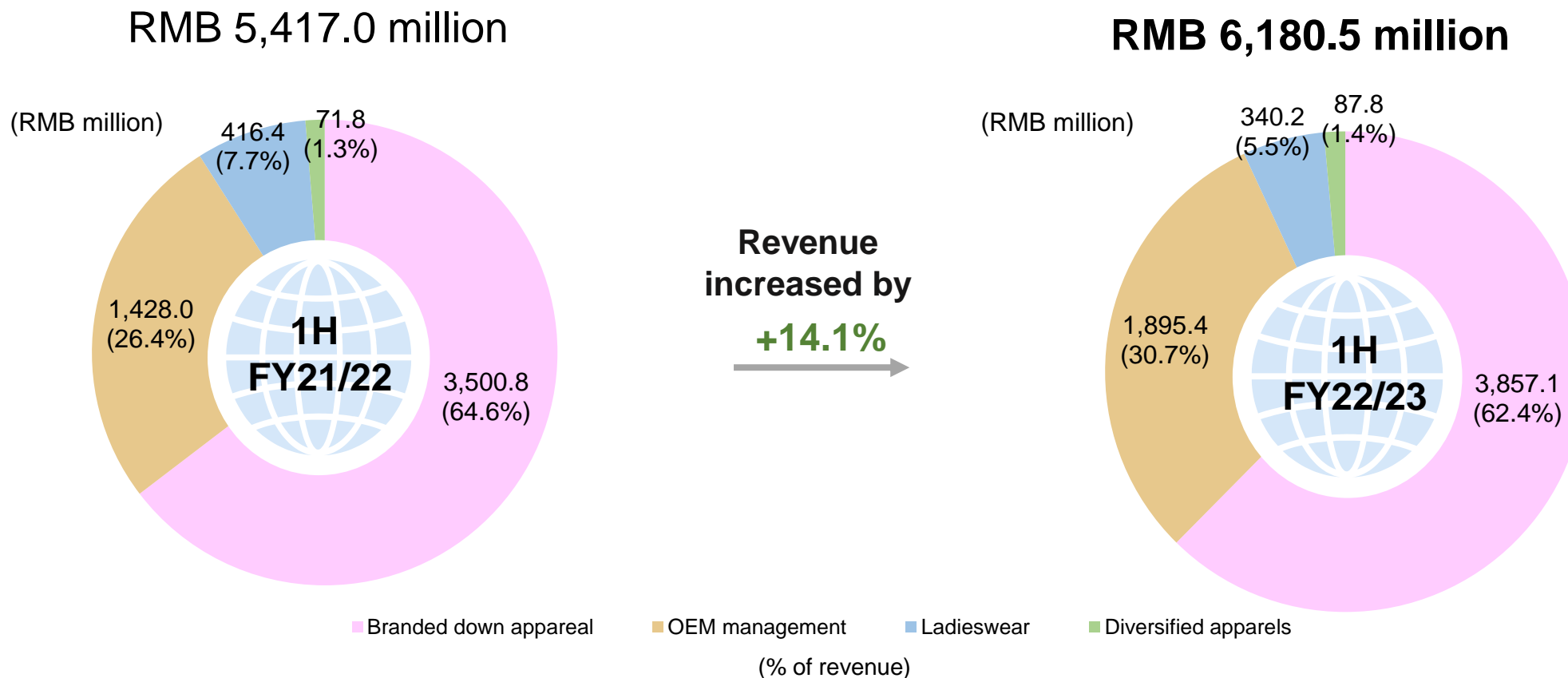
Financial Review

Financial Highlights

(RMB million)	For the six months ended Sep 30		Change
	2022	2021	
Revenue	6,180.5	5,417.0	+14.1%
Gross profit	3,089.1	2,748.2	+12.4%
Profit from operations	945.2	794.6	+18.9%
<i>Excluded impairment losses on goodwill of ladieswear</i>	1,043.2	794.6	+31.3%
Profit attributable to equity holders of the Company	734.3	638.5	+15.0%
Earnings per share (RMB cents)			
– Basic	6.79	5.95	+14.1%
– Diluted	6.74	5.88	+14.6%
Dividend per share (HKD cents)			
– Interim	4.5	4.5	-

Remark: Certain comparative figures have been reclassified or restated to conform to the presentation for the first half of the financial year.

Revenue Breakdown



The Group's revenue increased mainly due to:

- Continued to consolidate the four core competencies of “leading brand, innovating products, upgrading channel and adhering to high product quality and quick response” and the two security systems in relation to “organization, mechanism, culture and talent development and digital operation”, and achieved sustainable and steady growth, which showed the resilience of the Company's development

Revenue Breakdown by Business

(RMB million)	For the six months ended Sep 30		Change
	2022	2021	
Branded down apparel	3,857.1	3,500.8	+10.2%
OEM management	1,895.4	1,428.0	+32.7%
Ladieswear	340.2	416.4	-18.3%
Diversified apparels	87.8	71.8	+22.3%
Total	6,180.5	5,417.0	+14.1%

Revenue Breakdown

- Branded Down Apparel Business

(RMB million)	For the six months ended Sep 30		Change	% Change
	2022	2021		
Bosideng	3,522.0	3,255.9	+266.1	+8.2%
Snow Flying	174.4	134.8	+39.6	+29.4%
Bengen	36.8	33.2	+3.6	+11.0%
Other*	123.9	76.9	+47.0	+61.2%
Total	3,857.1	3,500.8	+356.3	+10.2%

* Represents revenue from sales of raw materials, etc., which are related to down apparel products

Revenue Breakdown

- Ladieswear Business

(RMB million)	For the six months ended Sep 30		Change	% Change
	2022	2021		
JESSIE	114.7	123.1	-8.4	-6.8%
BUOU BUOU	86.3	112.0	-25.7	-22.9%
KOREANO & KLOVA	139.2	181.3	-42.1	-23.2%
Total	340.2	416.4	-76.2	-18.3%

Revenue Breakdown

- Diversified Apparels Business

(RMB million)	For the six months ended Sep 30		Change	% Change
	2022	2021		
Sameite	76.2	55.8	+20.4	+36.6%
Other brands and others*	11.6	16.0	-4.4	-27.8%
Total	87.8	71.8	+16.0	+22.2%

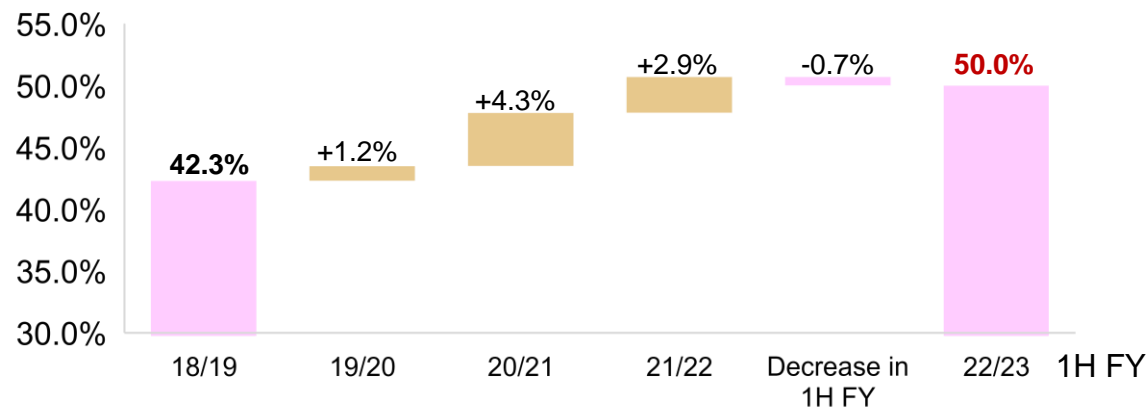
* Included children's wear, menswear and Bosideng HOME

Gross Margin

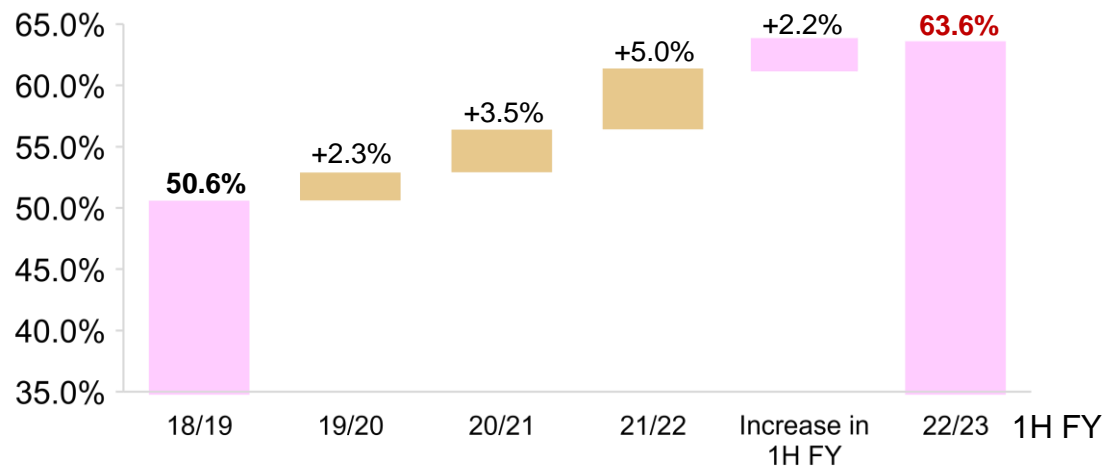
Business	For the six months ended Sep 30		Change
	2022	2021	
Branded down apparel	63.6%	61.4%	+2.2ppt.
OEM management	20.4%	19.1%	+1.3ppt.
Ladieswear	66.2%	73.6%	-7.4ppt.
Diversified apparels	26.9%	28.2%	-1.3ppt.
The Group	50.0%	50.7%	-0.7ppt.

Gross Margin

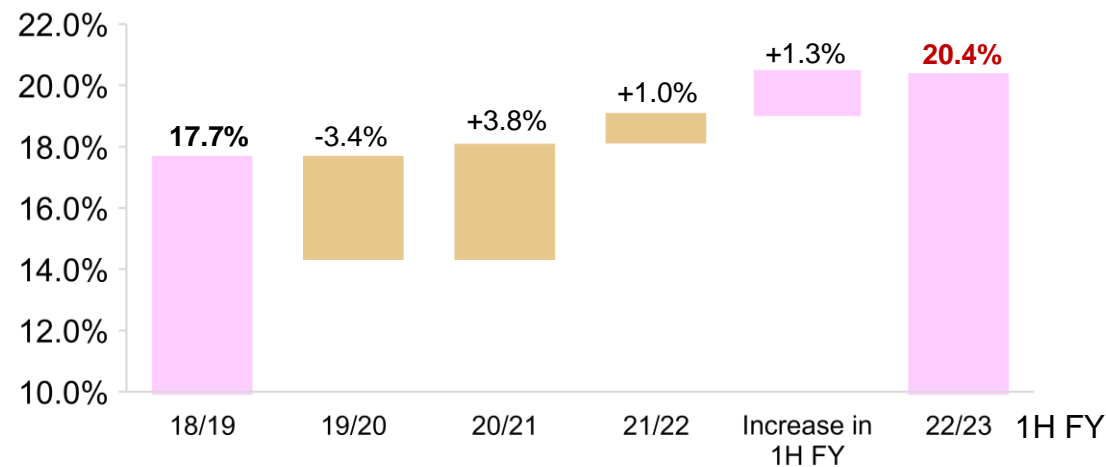
Growth Profit Margin of 1H of the Group



Growth Profit Margin of 1H of Branded Down Apparel



Growth Profit Margin of 1H of OEM Management



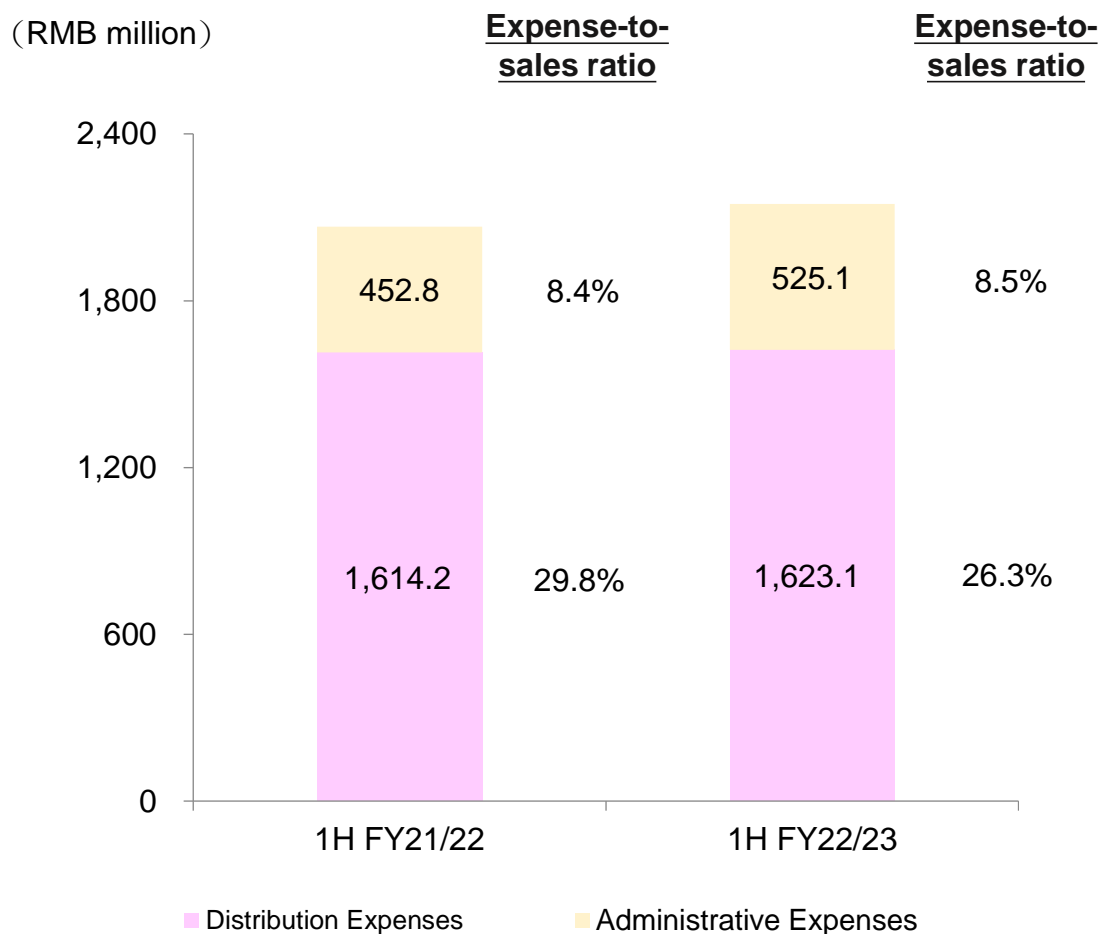
Gross Margin - Branded Down Apparel

	For the six months ended Sep 30		Change
	2022	2021	
Bosideng	66.5%	62.6%	+3.9ppt.
Snow Flying	46.4%	49.4%	-3.0ppt.
Bengen	25.8%	20.6%	+5.2ppt.
Branded Down Apparel	63.6%	61.4%	+2.2ppt.

Gross Margin - Ladieswear

	For the six months ended Sep 30		Change
	2022	2021	
JESSIE	64.6%	67.4%	-2.8ppt.
BUOU BUOU	65.6%	68.8%	-3.2ppt.
KOREANO & KLOVA	67.8%	80.8%	-13.0ppt.
Ladieswear	66.2%	73.6%	-7.4ppt.

Operation Expenditure



- **Distribution Expenses:** the distribution expenses as a percentage of the Group's total revenue effectively decreased 3.5ppt, it was mainly because the Group has strengthened and effectively managed the expenses in terminal store decoration, brand promotion and marketing activities and the utilization efficiency in the first half of FY2022/23
- **Administrative Expenses:** the increase was mainly because the Group has refined the management of the mandatory binding of employee assessment and incentive, achieved the integration of target assessment and incentive, and driven the increase in the employee expenses and the amortization of option fees during the period. The proportion of administrative expenses to the Group's total revenue was basically the same as that of the same period last year

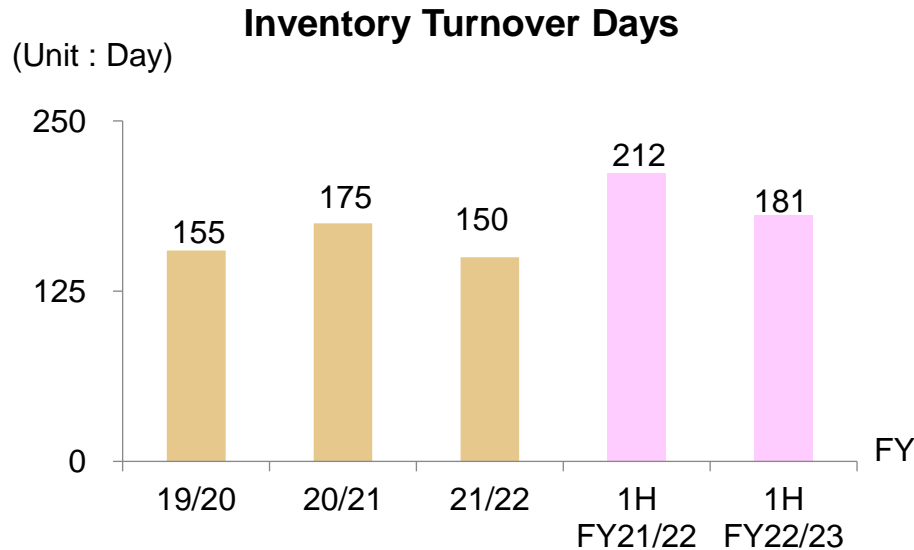
Inventories

(RMB million)	As at Sep 30, 2022	As at Sep 30, 2021	% Change
Raw materials	1,022.2	1,254.6	-18.5%
Work in progress	28.7	41.7	-31.1%
Finished goods	2,382.9	2,247.8	+6.0%
Total	3,433.8	3,544.1	-3.1%

Working Capital Management - Average Inventory Turnover Days

	For the six months ended		Change
	Sep 30 2022	2021	
Average inventory turnover days*	181	212	-31 days

* Calculated as average inventory divided by cost of sales, multiplied by 365 days/2

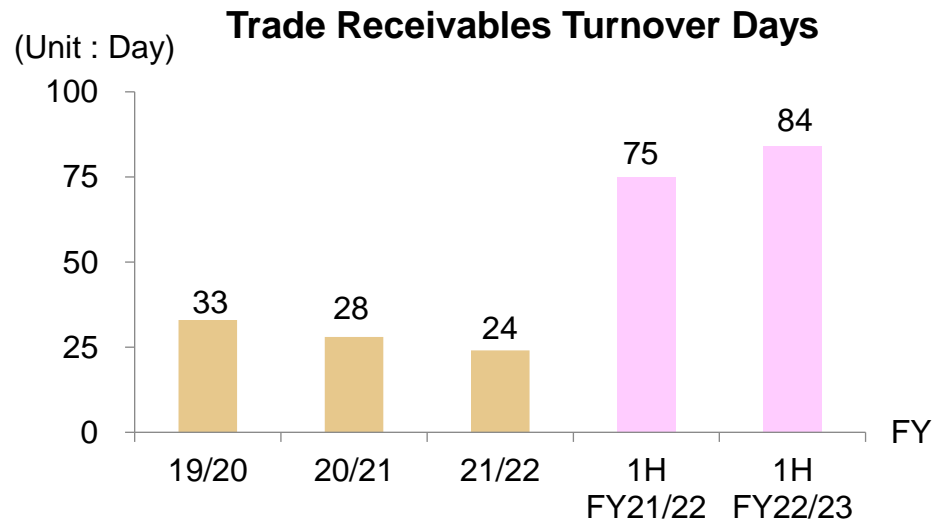


- Inventory turnover days decreased 31 days as compared to the corresponding period of last year, mainly due to:
 - ✓ insist on the maintenance of a relatively lower proportion of first-time orders
 - ✓ the continuous implementation of the demand-pull restocking, which effectively promoted the full-channel integrated operation model, and the optimization of the inventory at the beginning and end of the period

Working Capital Management - Trade Receivables Turnover Days

	For the six months ended		Change
	Sep 30		
	2022	2021	
Average trade and bills receivables turnover days*	84	75	+9 days

* Calculated as average trade and bills receivables divided by revenue, multiplied by 365 days/2

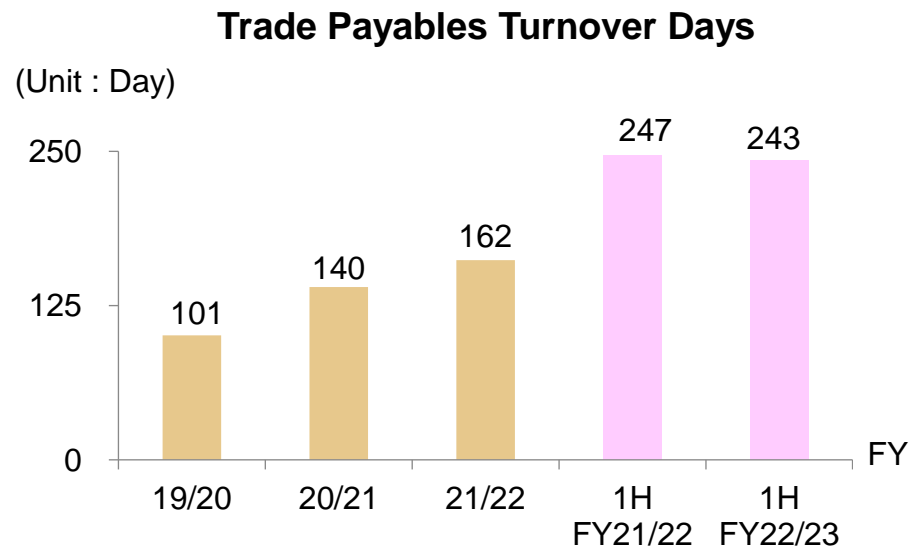


- The Group has provided customers with 30 to 90 days of credit period
- Trade receivables turnover days increased 9 days as compared to the corresponding period of last year, mainly due to :
 - ✓ the impact of the year-on-year increase in trade receivables of the branded down apparel business segment

Working Capital Management - Trade Payables Turnover Days

	For the six months ended		Change
	Sep 30 2022	2021	
Average trade and bills payables turnover days*	243	247	-4 days

* Calculated as average trade and bills payables divided by cost of sales, multiplied by 365 days/2



- Through supply chain finance, the Group has effectively managed the trade payables turnover days
- Trade payables turnover days slightly decreased 4 days as compared to the corresponding period of last year, mainly due to :
 - ✓ during the period, the increase in average trade payables compared with the same period last year was lower than the increase in cost of sales compared with the same period last year

Total Cash and Net Cash

(RMB million)	As at Sep 30, 2022	As at Mar 31, 2022	As at Sep 30, 2021
Cash and cash equivalents	1,766.9	2,502.6	1,895.4
Time deposits with maturity over 3 months	569.5	324.3	315.8
Pledged bank deposits	1,368.6	952.1	1,187.9
Other financial assets	4,080.7	6,521.3	3,721.9
Total cash	7,785.7	10,300.3	7,121.1
Minus: Bank borrowings	(1,654.5)	(934.0)	(1,011.1)
Minus: Convertible Bonds	(1,823.3)	(1,604.6)	(1,613.6)
Net cash	4,307.9	7,761.7	4,496.4

Total Cash and Net Cash

(RMB million)	As at Sep 30, 2022	As at Mar 31, 2022	As at Sep 30, 2021
Net cash inflow/(outflow) from operating activities	(1,665.3)	2,670.1	(1,223.8)
Net cash inflow/(outflow) from investment activities	1,817.6	(685.9)	2,493.0
Net cash inflow/(outflow) from financing activities	(845.5)	(1,232.5)	(1,121.8)
Net increase/(decrease) in total cash	(693.2)	751.7	147.4
Liquidity (times) ⁽¹⁾	1.9x	2.2x	1.9x
Gearing ratio (%) ⁽²⁾	30.1%	20.8%	23.2%

Operating activities: including changes of inventory, trades and other receivables and prepayment, etc.

Investment activities: including acquisition/sale of financial assets, changes of other financial assets and fixed assets, etc.

Financing activities: including financing, dividends, changes of pledged bank deposits, etc.

(1) Liquidity (times) is calculated as dividing current assets by current liabilities

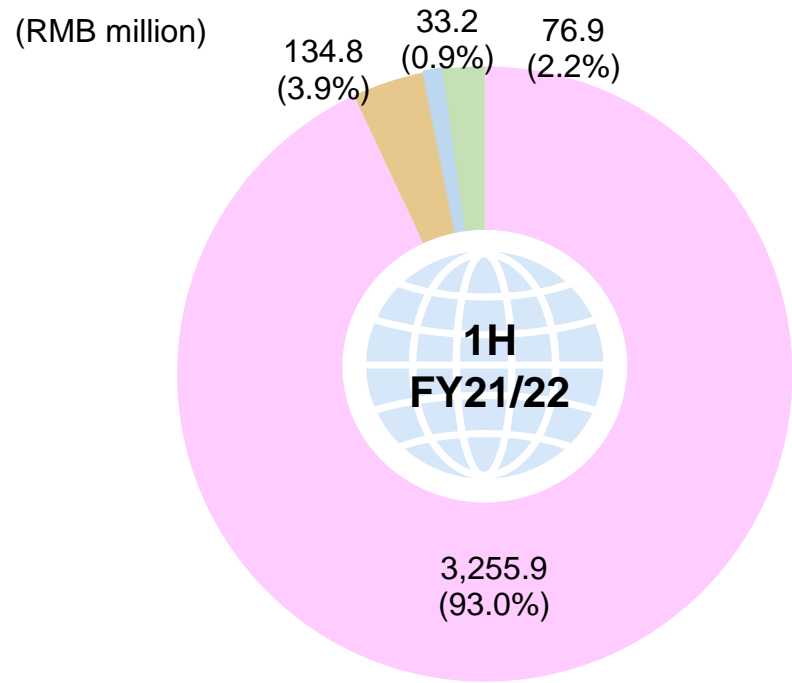
(2) Gearing ratio (%) is calculated as dividing total borrowings by total equity



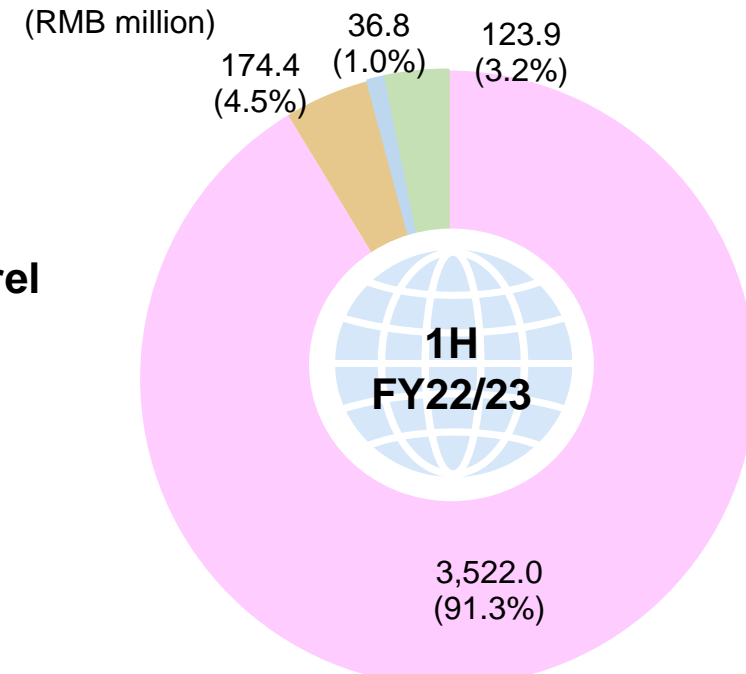
Business Review

Branded Down Apparel Business

RMB 3,500.8 million



RMB 3,857.1 million



Revenue from
Branded Down Apparel

+10.2%



■ Bosideng

■ Snow Flying

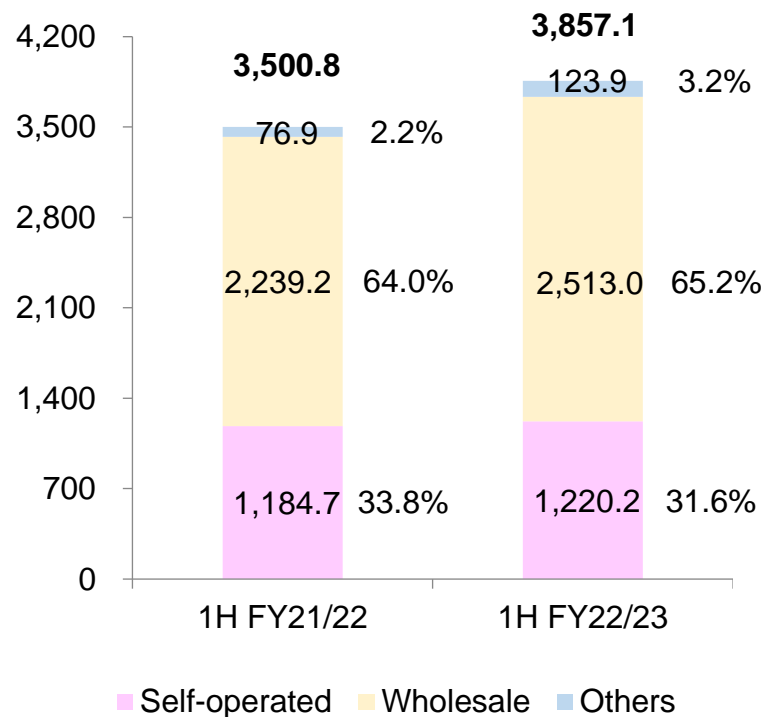
■ Bongen

■ Others

(% of revenue)

Revenue by Sale Category

(RMB million)



(RMB million)	For the six months ended Sep 30		
	2022	2021	Change
Self-operated	1,220.2	1,184.7	+3.0%
Wholesale	2,513.0	2,239.2	+12.2%
Others*	123.9	76.9	+61.2%
Total	3,857.1	3,500.8	+10.2%

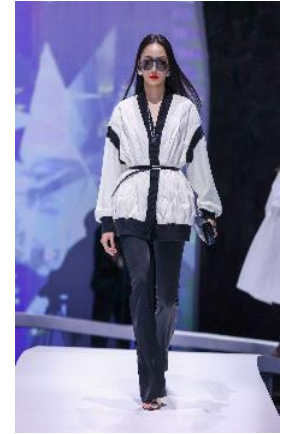
* Represents revenue from sales of raw materials, which are related to down apparel products

Brand Building

Keep its foothold of being the “World’s Leading Expert in Down Apparel”

- Based on the two key points of “product professional innovation” and “consumer experience breakthrough”, achieving its goals of becoming a leading brand and maximizing product sales
- Continued to focus on the strategic development direction of being the “world’s leading expert in down apparel” and adhere to the “brand-led” development model. It also deepened consumer awareness and brand reputation by constantly launching large brand promotion events, exporting communication content and uploading it onto compatible media platforms
- The ranking of the *Bosideng* brand for the “Brand Finance Apparel 50 2022 improved to 48th
- Received the Golden Novum Design Award in France for Thin Down Jackets; and the “2022 Golden Product Design Model” and “2022 New National Product” from the China Business Network
- In September, Bosideng’s New Generation of Ultralight Down Jackets launch event was held in Shanghai, presenting the new ultralight down jackets collection in a major show, setting off a wave of “innovation” in the category
- In the same month, the *Bosideng* brand announced its brand ambassador, which further attracted more customers, and empowered and drove the marketing of seasonal products

Brand Finance®



MUSE
DESIGN
AWARDS



reddot winner 2022



Operation Management

Supply Chain Management

- High-quality and quick response is an important competitive strength for the Group's continued success in the industry and core competitiveness for maintaining its efficient and healthy sustainability
- Support a shorter turnover cycle and higher efficiency by demand-pull restocking through quickly launching new products and responding to small orders
- Continuously replenished on a rolling basis during the peak seasons according to market sales data and trend forecast
- The supply chains underwent systematic planning and upgrading in terms of adopting flexible and quick response times, quality operations, scientific technology, resource integration and cost management

Logistics and Delivery

- Collected and monitored data in respect of each step of the entire process, including collection, distribution, in-transit and sign-for-acceptance
- Under the premise of maintaining reasonable costs, the Group maximized its service efficiency and improved users' experience
- The significantly improved out-warehouse rate and optimized in-transit efficiency has contributed to the Group's leading position in logistics and delivery in the industry

Digital Operation

- Efforts were placed for digital transformation in the future with focus on users, retailing and commodities by making significant achievements in terms of digitalization in many aspects, including smart manufacturing, smart logistics and smart commodity operations
- Preliminary completed the design, development and testing of the core business operation platform (based on user, retailing and commodities), and had launched the normal operation by batches, paving solid foundations for the ultimate realization of the goals of a mobile office, online business, digital operations and intelligent decision-making, thereby providing powerful technical solving tools or solutions for the Group's digital transformation

Business Highlights in 1H FY22/23

01

Successfully launched a new generation of ultralight down jackets

02

Expanded the new generation of younger customer groups

03

Further enhancing the sales channel and fine-tuning the management of retail stores

04

Consistently raising operational efficiency at single store operation

05

High and quality business growth through traditional online and new media platforms

1. Successfully Launched a New Generation of Ultralight Down Jackets

Bosideng overturned the status quo that conventional light warm down apparel is similar in style and cannot ensure both beauty and warmth, and completely innovated the ultralight down apparel category with century-old fashion items, unique down stitching and artistic quilting design, providing customers with varied, warmer and more fashionable professional options and opening a new pattern of cross-season, multi-scene fashion wearing freedom of down apparel

01

Marketable for different temperatures

02

Marketable for different regions

03

Marketable for the new generation of young customer groups



2. Expanded the New Generation of Younger Customer Groups

- Continued the use of corporate WeChat to build a more convenient communication bridge with customers
- The *Bosideng* brand has approximately 3.38 million new fans and approximately 830,000 new members on the Tmall and JD.com platforms. As of September 30, 2022, the *Bosideng* brand had approximately 23.24 million fans and approximately 11.07 million members in total on the Tmall and JD.com platforms
- The *Bosideng* brand has approximately 450,000 new fans on the Douyin platform. As of September 30, 2022, the *Bosideng* brand had approximately 5.44 million fans on the Douyin platform
- The proportion of young consumers below the age of 30 on the above platforms has increased significantly compared with that of the same period of last year



3. Further Enhancing Sales Channel and Fine-tuning the Retail Stores Management

- Paid attention to the quality of existing stores and elevated the “single store operation” to the strategic transformation dimension of the Group
- Focusing on core cities and business circles and continued to pay attention to the structural layout of channels; also paid attention to the layout of multi-level markets, and opened up sales in the local market by selectively and systematically opening self-operated stores or dealer stores
- Paid attention to the operation capacity of branch formats and widely promoted Top among model stores in different store formats by meticulously breaking down retail stores according to different store formats

London Flagship Store



Regular Format Stores



Approximately 500 Peak Season Stores



3. Further Enhancing Sales Channel and Fine-tuning the Retail Stores Management

Retail Network

As at Sep 30, 2022							Total	
	No. of stores	Change	No. of stores	Change	No. of stores	Change	No. of stores	Change
Specialty stores								
Operated by the Group	902	-116	34	24	1	-	937	-92
Operated by third party distributors	1,651	-1	88	-7	-	-8	1,739	-16
Sub-total	2,553	-117	122	17	1	-8	2,676	-108
Concessionary retail outlets								
Operated by the Group	521	-34	103	-22	2	-15	626	-71
Operated by third party distributors	316	57	52	7	-	-24	368	40
Sub-total	837	23	155	-15	2	-39	994	-31
Total	3,390	-94	277	2	3	-47	3,670	-139

Change: compared with that as at March 31, 2022

4. Consistently Raising Operational Efficiency at Single Store Operation

Implemented commodity and retail operation efficiency enhancement

Motivated store manager – Iron Triangle – the middle and back office with strong target assessments

Ultimately achieved the high-quality operation of outlets



5. High and Quality Business Growth through Traditional Online and New Media Platforms

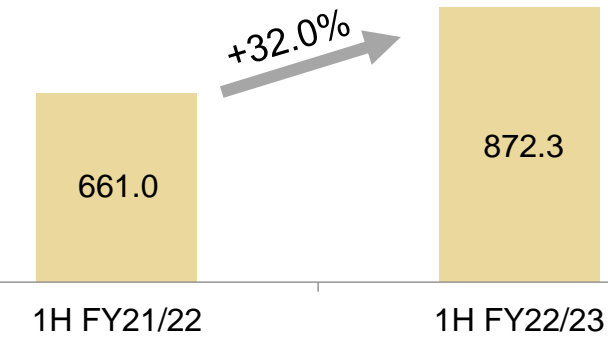
- Key focus for vigorous development of online sales channel and it continued to show high-quality growth
- Implemented the online multi-platform operation model and invested in more resources to actively expand emerging platforms such as Douyin apart from the traditional e-commerce platforms
- Focused on improving the operating efficiency of online high-quality distributors by improvement in quality and efficiency and operation refinement
- As of September 30, 2022, more than 97% of the Bosideng brand's revenue from Douyin was generated from live broadcasts
- Revenue from the online sales of the branded down apparel business increased by 32.0% year-on-year



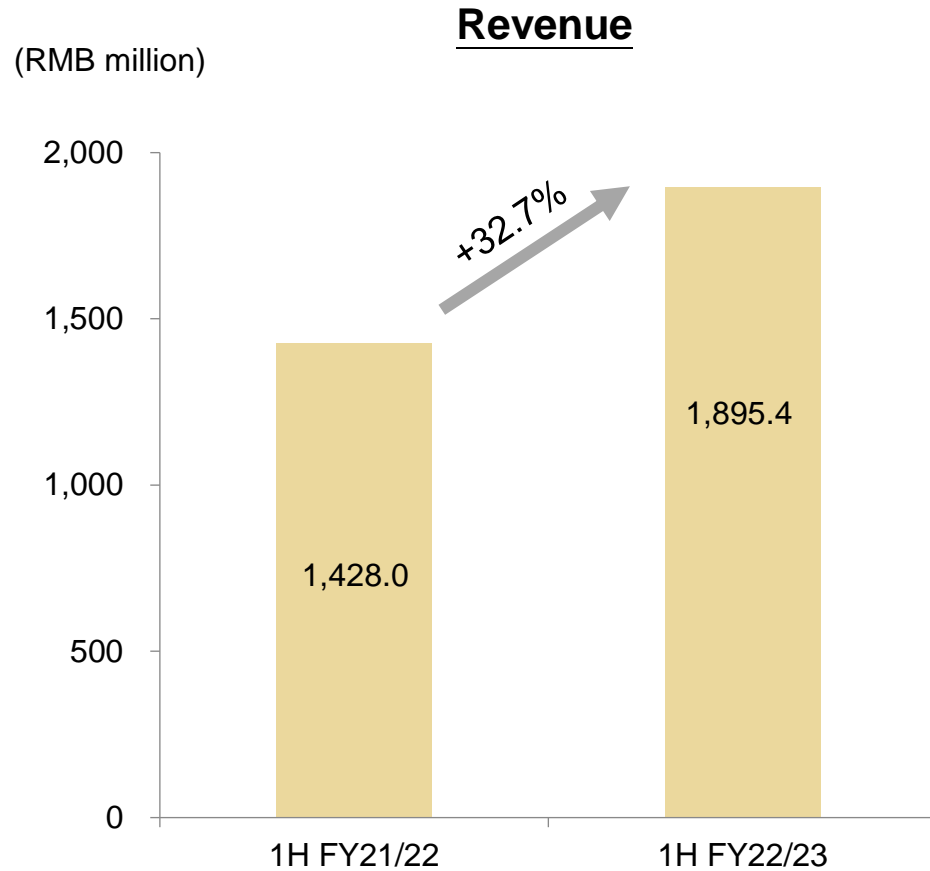
(RMB million)

1,000
800
600
400
200

Revenue of Online Sales of Branded Down Apparel



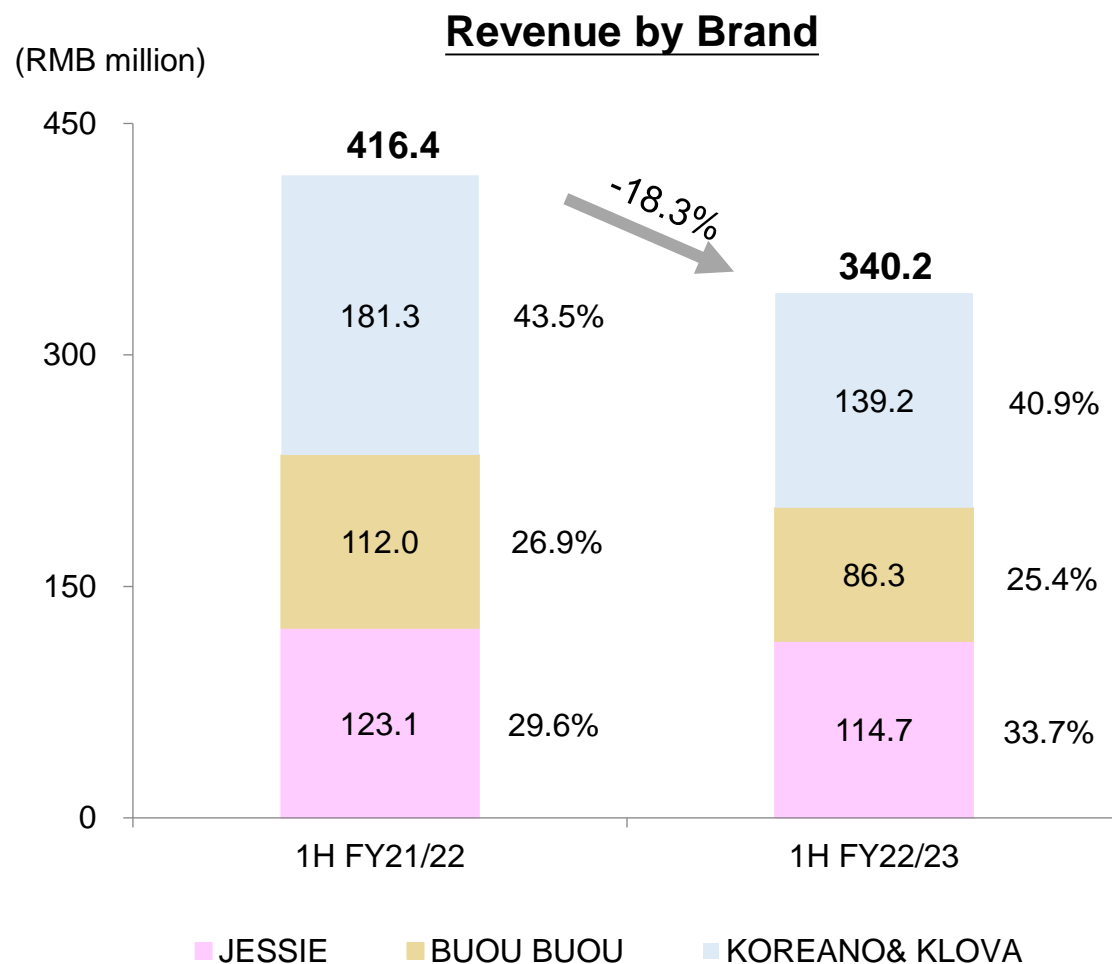
OEM Management Business



- The OEM management business maintained stable and healthy development, which was mainly due to :
 1. Steady increase in orders from existing customers
 2. Orders from new customers
 3. Flexible management mechanisms, especially during the epidemic in 2022, the team quickly adjusted its management ideas and production plans, dispatched core senior management to Vietnam and other Southeast Asian regions for on-site inspections, work and management, to achieve rapid growth
- Through effective cost management and benefiting from exchange rate changes during the period, the gross profit margin slightly increased 1.3ppt to 20.4%



Ladieswear Business



- In the highly competitive ladieswear market in the PRC, won the favor of Chinese female consumers through its rich product hierarchical image and brand positioning
- With the outbreak of the sporadic epidemic, there were uncertainties and difficulties in ladieswear business (especially the offline business)
- Ladieswear business was approximately RMB 340.2 million, down by 18.3% year-on-year
- Actively expanded online businesses with breakthroughs on the Tmall, Vip.com and JD.com platforms, as well as promoted new retail platforms such as Xiaohongshu, Douyin and WeChat Mall
- Online segment achieved a year-on-year growth of 1.3% in the first half of FY2022/23



Retail Network

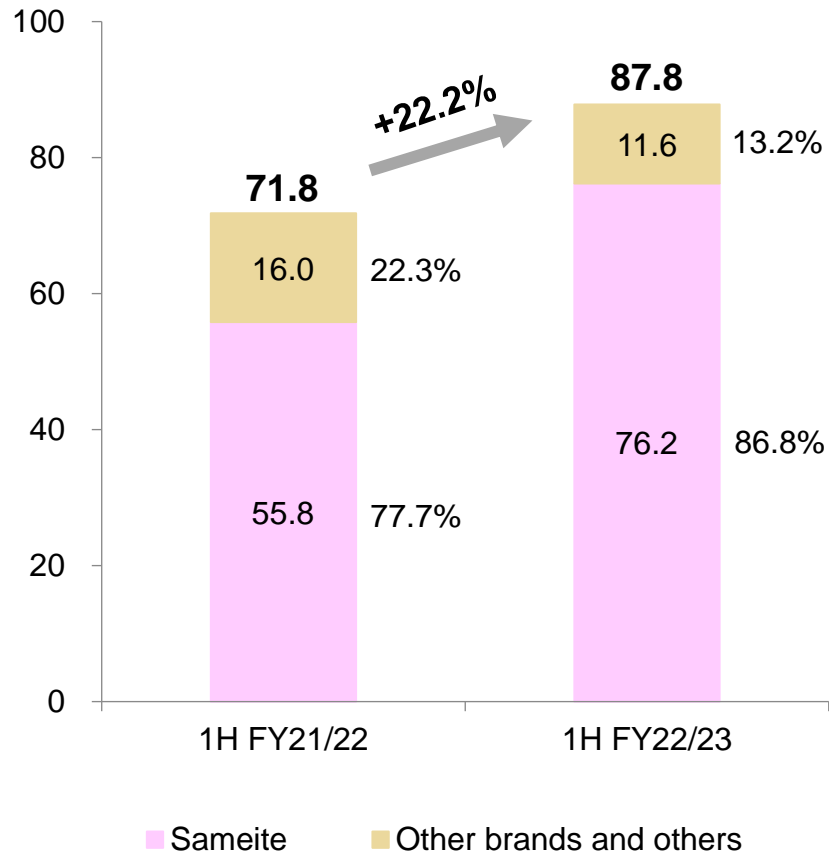
As at Sep 30, 2022	JESSIE		BUOUBUOU		koreano		KLOVA		Total	
	No. of stores	Change	No. of stores	Change	No. of stores	Change	No. of stores	Change	No. of stores	Change
Specialty stores										
Operated by the Group	1	-	9	-3	-	-	-	-	10	-3
Operated by third party distributors	14	-1	6	-1	-	-	-	-	20	-2
Sub-total	15	-1	15	-4	-	-	-	-	30	-5
Concessionary retail outlets										
Operated by the Group	110	2	99	-4	87	5	57	-1	353	2
Operated by third party distributors	60	-1	13	-2	-	-	-	-	73	-3
Sub-total	170	1	112	-6	87	5	57	-1	426	-1
Total	185	-	127	-10	87	5	57	-1	456	-6

Change: Compared with that as at March 31, 2022

Diversified Apparels Business

(RMB million)

Revenue by Brand



- Revenue from diversified apparels business continued to record stable growth with an increase of 22.2% as compared to that of the corresponding period of last year, of which, revenue from school uniform business of Sameite increased by 36.6%
- The Sameite brand continued to promote the channel upgrading, and through layout of digital operating to expand its online channels in order to increase revenue and expand market coverage
- The Sameite brand won many awards
- The proportion of MAN and children's wear businesses in the Group's total revenue continued to decline. During the period, no additional investment in the project company which cooperated with the Japanese brand of Petit main



Future Development Plan



Future Development

Continue to demonstrate its development resilience, build up its core competitiveness and strive to enhance its global leading position

Down Apparel Business

- Focus on positioning itself as the “world ‘s leading expert in down apparel” and insist on the “brand Leadership” development
- Deploy mid-end Snow Flying and other down apparel businesses, and take the initiative to strive for online channels through model innovation to stabilize and expand its market share
- Brand building - keep a foothold in two key points of “products professionalism and innovation” and “breakthrough in customers’ experience”, and achieve the goals of brand leadership and maximizing brand effect and sales volume
- Product development - take customers’ perception and need as the central task to carry out product innovation and promote the product structure upgrading
- Channel construction - focus on enhancing channel quality and upgrading channel structure
- Store establishment - enhance the operation capacity of large commodity and big retail through individual store operation

OEM Management Business

- Become the preferred supplier for its customers through its expert position in down apparel, making a breakthrough in ODM design and offering high-quality services to customers
- Continuously deepening good and stable co-operation with existing core customers
- Expand new customer resources to improve its quality of operations and profitability
- Accelerate the deployment of overseas production resources, while optimizing and improving its service capacity

Fashionable Ladieswear Business

- Establish a special working group to empower the operation and management of ladieswear and business exploration
- Attach greater importance to improve brand culture connotation and value publicity, strengthen the R&D and innovation of the products, focus on efficiency increase of the benchmarked stores in key areas and continue to drive the transformation and upgrading of digitalization
- Accelerate its progress in digital and intelligent transformation promoting the operation capacity and operating efficiency of the ladieswear business segment

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