

【For Immediate Release】



## **LI NING COMPANY LIMITED**

*(Incorporated in the Cayman Islands with limited liability)*  
**Stock Codes: 2331 (HKD counter) and 82331 (RMB counter)**

### **Implementing the Core Strategy of “Single Brand, Multi-Categories, Diversified Channels” Excelling Through Professionalism, Strengthening Strategic Foundations**

#### **FINANCIAL HIGHLIGHTS**

- In the first half of the year, the Group recorded the following operating results:
  - Revenue rose by 3.3% to RMB14,817 million; gross profit margin declined by 0.4 percentage points to 50%
  - Net operating cash inflow was RMB2,411 million
  - Net profit attributable to equity holders was RMB1,737 million with net profit margin of 11.7%, and EBITDA margin was 23.7%
- Working capital remained at a healthy level:
  - The percentage of gross average working capital to revenue was 7.3%
  - The cash conversion cycle was flat at 31 days compared to the same period last year
- The Board resolved to declare an interim dividend of RMB33.59 cents per ordinary share of the Company issued or to be issued upon conversion of convertible securities for the six months ended 30 June 2025.

#### **OPERATIONAL HIGHLIGHTS**

- The retail sell-through for the overall platform increased by low-single-digit from last year, including online and offline channels.
- Channel inventory increased by low-single-digit comparing to the same period last year. The inventory turnover and ageing structure remained at a healthy level.
- Offline channel new products sell-through accounted for 84% of overall offline channel sell-through, maintaining a healthy and reasonable level.

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(Hong Kong, 21 August 2025) Li Ning Company Limited (the "Company" or "Li Ning Company"; together with the subsidiaries, collectively, the "Group"; stock codes: 2331 (HKD counter) and 82331 (RMB counter)) announces today its 2025 interim results for the six months ended 30 June 2025 (the "Reporting Period").

## **Financial Results**

In the first half of 2025, the Group steadily consolidated its operational foundation and actively accumulated momentum for business development, achieving steady revenue growth. During the Reporting Period, the Group's revenue amounted to RMB14,817million, representing an increase of 3.3% as compared to the corresponding period of 2024 (2024H1: RMB14,345 million). Gross profit amounted to RMB7,415 million, representing an increase of 2.5% as compared to the corresponding period of 2024 (2024H1: RMB7,236 million). The overall gross profit margin declined by 0.4 percentage points to 50.0%(2024H1: 50.4%).

During the Reporting Period, the net profit attributable to equity holders was RMB1,737 million (2024H1: RMB1,952 million). The margin of net profit attributable to equity holders was 11.7% (2024H1: 13.6%). Return on equity attributable to equity holders was 6.5% (2024H1: 7.8%). Basic earnings per share was RMB67.43 cents (2024H1: RMB75.80 cents). The Board resolved to declare an interim dividend of RMB33.59 cents (2024H1: RMB37.75 cents) per ordinary share of the Company issued or to be issued upon conversion of convertible securities for the six months ended 30 June 2025. The interim dividend payout ratio is 50%.

In terms of cash flow management, the Group's net cash generated from operating activities for the Reporting Period amounted to RMB2,411 million (2024 H1: RMB2,730 million). As at 30 June 2025, cash and cash equivalents (including cash at banks and in hand, and time deposits with original maturity of no more than three months) amounted to RMB11,798 million, representing an increase of RMB4,299 million, as compared with the position as at 31 December 2024. Adding back the amount recorded as time deposits, cash balance amounted to RMB19,190 million, which represented a net increase of RMB1,050 million as compared to 31 December 2024. During the Reporting Period, the decrease in retail revenue led to a reduction in retail collections. In addition, tax payments increased, resulting in a year-on-year decrease in net cash generated from operating activities. Meanwhile, the maturity and redemption of time deposits led to a significant increase in net cash generated from investing activities. The Group will continue to place extra emphasis on cash flow management to ensure the stable development of the Company in the long term.

## **Operational Summary**

In the first half of the year, the Group continued to strengthen its core strategy of “Single Brand, Multi-categories, Diversified Channels” steadily advancing planned initiatives across key areas including product upgrade, brand marketing, and channel optimization.

Leveraging years of efforts and accumulated experience in professional sports, and relying on superior product excellence and brand strength, the Group successfully signed an agreement in 2025 to become the official sportswear partner for the Chinese Olympic Committee and the Chinese Sports Delegation from 2025 to 2028. During the Reporting Period, anchored by its core strategy of the marketing theme of “China’s Glory, LI-NING Support” (中國榮耀，李寧同行) under its new Olympic identity, the Group reinforced its professional image as an unwavering supporter of Chinese sports, and further cemented its core positioning as a professional sports brand.

In respect of professional product and marketing, the Group focused on the six core categories of

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running, basketball, training, badminton, table tennis and sports casual, while actively grasping market trends and exploring new sports subcategories, such as outdoor sports, tennis and pickleball. The Group continued to strengthen its product capabilities through technological innovation and enhance the deployment of professional sports resources, based on three key pillars: solidifying a professional sports mindset, showcasing sports fashion aesthetics, and inheriting Chinese cultural values. Moreover, it proactively sought to strengthen its differentiated brand advantages, promote brand recognition and popularity and enhance brand influence through diversified and comprehensive marketing campaigns.

In respect of channel, the Group has actively built a multi-dimensional channel network, and systematically promoted deepening of market coverage and upgraded of operational efficiency. In high-tier markets, through deepening strategic coordination with top-tier commercial entities and leading outlet projects, the Group promoted innovative store format planning and deployment. In emerging markets, the Group implemented deep expansion and optimised channel hierarchy layout to expand market share. As of 30 June 2025, the number of conventional stores, flagship stores, China LI-NING stores and factory outlets under the LI-NING brand (including LI-NING Core Brand and LI-NING YOUNG) amounted to 7,534, representing a net decrease of 51 as compared to 31 December 2024.

In terms of retail operations, the Group focused on the systematic construction of operating models in high-tier markets and distribution business models. Through channel structure optimisation, adjustment of store product mix, and planning of consumer interaction activities, the Group has strengthened brand mindshare penetration and improving product operation efficiency. In addition, the Group concentrated on optimising store visual presentation and marketing promotion quality, upgrading property cooperation effectiveness, and enhancing the professional service capabilities of sports consultants. The Group has also strengthened efficient collaboration between headquarters and terminals, continuously improved retail process standards, and made full preparations for new store expansion and retail capability enhancement during the Olympic cycle.

In terms of new retail business, the Group has comprehensively deepened the construction of its new retail business system. With digital upgrade as the core, the Group has been committed to driving all-round enhancement of business efficiency.

For the e-commerce business, in the face of a challenging market environment across the industry, the Group adhered to a prudent and steady operational strategy. By fostering strong cooperation between online and offline channels, developing exclusive marketing IPs, and strategically deploying key promotional campaigns, the Group continued to drive comprehensive improvements in operational efficiency, making e-commerce a key motivation for the growth.

In terms of supply chain, the Group continued to advance deep optimisation and strategic upgrading of its supply chain, focusing on four core objectives: quality control, delivery assurance, cost optimisation, and sustainable development, and has achieved notable results. Breakthrough progress was made in flexible supply capabilities, successfully expanding into e-commerce exclusive product lines, and establishing a rolling replenishment system and cross-channel coordination mechanism to maximise market demand fulfilment. In addition, the Group deeply integrated the sustainability concept into supply chain practices, effectively advancing the implementation of green products, with order volume of eco-friendly products exceeding target

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levels.

In the first half of the year, the Group vigorously promoted the strategic construction of the logistics system, focusing on three core directions: omnichannel logistics integration, digital upgrade, and automation optimisation, to achieve comprehensive enhancement of logistics efficiency and precise optimisation of cost control. During the Reporting Period, the launch of the Nanning central warehouse marked the Group’s completion of nationwide logistics and warehousing network deployment, further enhancing market responsiveness and core competitiveness.

In terms of kidswear business, LI-NING YOUNG has achieved steady progress in product optimisation, channel expansion, retail efficiency enhancement and brand marketing, with an emphasis on improving its professional brand image and market share. In terms of product optimisation, LI-NING YOUNG continued to drive progress through product research and development, and IP establishment, fostering breakthrough growth in its core categories. In terms of channel development, LI-NING YOUNG focused on expanding market coverage and enhancing channel quality, with a strong commitment to implementing a multi-channel growth strategy. In addition to deepening its presence in core markets, it strategically expanded emerging markets and strengthened its outlet channel layout. In terms of marketing and promotion, LI-NING YOUNG has fully leveraged the Group’s resources, working in close collaboration with categories such as basketball and running to provide a wide range of brand experiences to consumers through diversified marketing campaigns. As at 30 June 2025, the total number of LI-NING YOUNG POS amounted to 1,435, representing a net decrease of 33 POS since 31 December 2024.

## **Outlook**

Looking ahead, the Group will firmly implement the core strategy of “Single Brand, Multi-categories, Diversified Channels”, uphold the core value of “Serve with Sportsmanship”, and continuously refine “LI-NING’s Experience Value”.

- 1. Building Product Competitive Advantage:** The Group will continue to rely on the LI-NING Technology Innovation Platform (李寧科技創新平台) to optimise product structure, strengthen diversified deployment under the single-brand strategy, and build differentiated competitive advantages. We will focus on the deep integration of technology and fashion, creating a sports product matrix that combines functionality and trend aesthetics, meeting consumers’ full-scenario needs, and actively driving market share acquisition across various sub-segment markets. At the same time, the Group will accelerate the deployment in high-growth potential markets, focusing on breakthroughs in three emerging tracks: women’s sports, outdoor gear, and youth sports products, to seize market opportunities and cultivate new business growth drivers. In addition, the Group will increase R&D investment, leveraging core technologies to enhance product strength, and reinforce long-term competitive advantage through technological barriers.
- 2. Deepening the Cooperation Effectiveness with COC:** LI-NING will fully support the Chinese Sports Delegation in competing on the international stage through high-quality products and highly efficient services. At the same time, the Group will further orderly launch online and offline marketing activities around this top-tier cooperation. It plans to release the 2026 Milan Winter Olympics apparel in the second half of the year, and initiate

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themed marketing campaigns for the Winter Olympics, continuously deepening LI-NING's professional sports image.

- 3. Focusing on Business Quality and Efficiency Enhancement:** The Group will coordinate efforts across three key areas, channels, products, and supply chain, to achieve dual improvement in business quality and efficiency. Channel efficiency upgrades will be pursued through dual breakthroughs in offline and online operations. Offline, the Group will enhance terminal competitiveness through initiatives such as efficiency improvement in high-tier markets, strengthening distribution capabilities, and deep cultivation of emerging markets. Online, the Group will unleash sales potential through overall ecosystem governance and brand marketing integration, aiming to achieve maximised online and offline sales. On the product side, by enhancing the full-chain system and improving the accuracy of omnichannel product planning, the Group will achieve significant optimisation of supply-demand matching, flexible production, and inventory turnover. In terms of supply chain, the Group will focus on three core indicators: cost control, quality improvement, and delivery timeliness, and deepen strategic integration with product and merchandise operations to enhance overall efficiency.
  
- 4. Consolidating Foundations to Drive Growth:** To consolidate the foundation for corporate development, the Group will focus on enhancing talent-driven development, financial governance and digital-intelligence empowerment as three core pillars. In terms of talent-driven development, the Group will build talent teams based on strategic business needs, continuously optimize organisational effectiveness, and establish a flexible and efficient operational structure. In terms of financial governance, the Group will strengthen target management, establish more rigorous budget management and risk control mechanisms, enhance financial transparency and capital utilisation efficiency, and provide robust financial assurance for strategic implementation. In terms of digital-intelligence empowerment, the Group will deeply apply cutting-edge AI technologies, build a digitalised operational support system, and enhance market insight and consumer analysis capabilities, laying a solid foundation for high-quality development.

**Mr. Li Ning, Executive Chairman and Joint CEO of the Group, concluded,** “Driven by policy promotion, technological iteration, and changes in consumer demand, the industry overall possesses potential for high-quality growth, with opportunities and challenges intertwined. Looking ahead to the second half of the year, the Group will maintain a prudent attitude, continue to consolidate its business foundation. At the same time, the Group will closely monitor market dynamics, actively capture and seize potential structural opportunities, and promote long-term sustainable growth through a series of strategic initiatives, striving to become consumers' preferred professional sports brand.”

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## **About Li Ning Company Limited**

Li Ning Company Limited is one of the leading sports brand companies in China, mainly operating professional and leisure footwear, apparel, equipment and accessories under the LI-NING brand. The Group has comprehensive research and development, design, manufacturing, marketing, distribution and retail management capabilities. It has established an extensive retail distribution network and supply chain management system in China. We are committed to be the most prominent, stylish, world-leading sports brand from China.

In addition to its core LI-NING brand, the Group also manufactures, develops, markets, distributes, sells various sports products which are self-owned by or licensed to the Group, including Double Happiness (table tennis), AIGLE (outdoor sports) and Kason (badminton), which are operated through joint venture/associate with third parties of the Group.

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