



bossini 
Corporate Presentation
2015/16 Interim Results

24 February 2016

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Financial Review

Review of Operations

Future Plans and Strategies






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Financial Review



1H 2015/16 Highlights



-  The Group saw a decrease of 13% in revenue while recorded 12% decline in same-store sales
-  Gross profit was HK\$543 million, with a gross margin down by 3% points to 47%
-  Launched licensing programmes with STAR WARS Collection and Frozen Collection, and collaborated with Ocean Park Halloween Bash, which received enthusiastic responses
-  Expanded footprint of export franchising business by adding 15 stores, with presence in 29 countries
-  Maintained a healthy financial position with a net cash balance of HK\$340 million



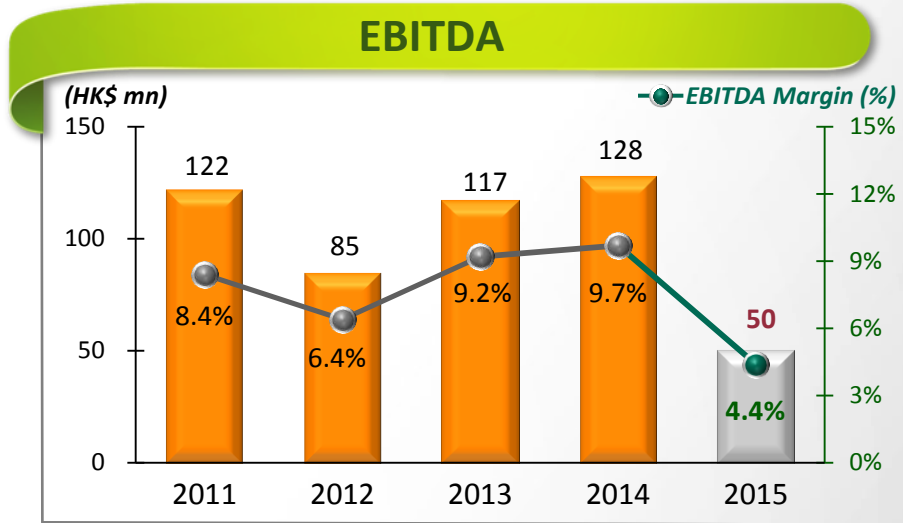
Results Highlights



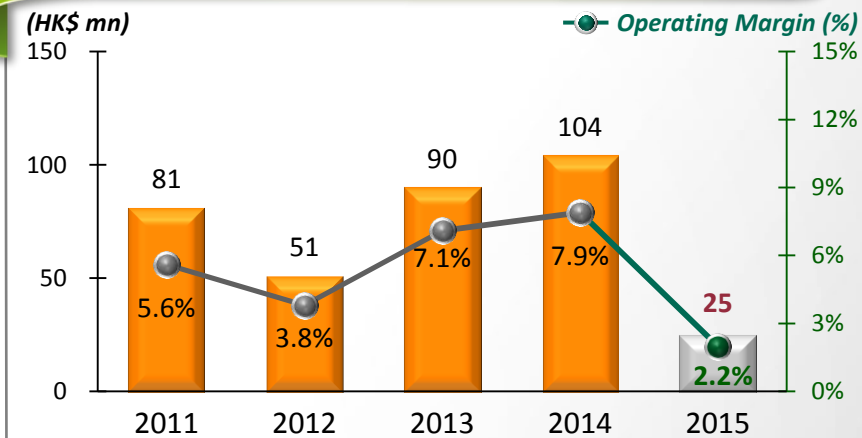
For the six months ended 31 Dec

<i>(HK\$ mn)</i>	2015	2014	Change
Revenue	1,146	1,319	-13%
Gross profit	543	665	-18%
Gross margin (%)	47%	50%	-3% pts
EBITDA	50	128	-61%
Operating profit	25	104	-76%
Profit for the period attributable to owners	14	87	-84%
Basic EPS <i>(in HK cents)</i>	0.86	5.37	-84%
Dividend per share <i>(in HK cents)</i>			
- Interim	Nil	2.70	-100%
- Special interim	1.22	Nil	n/a

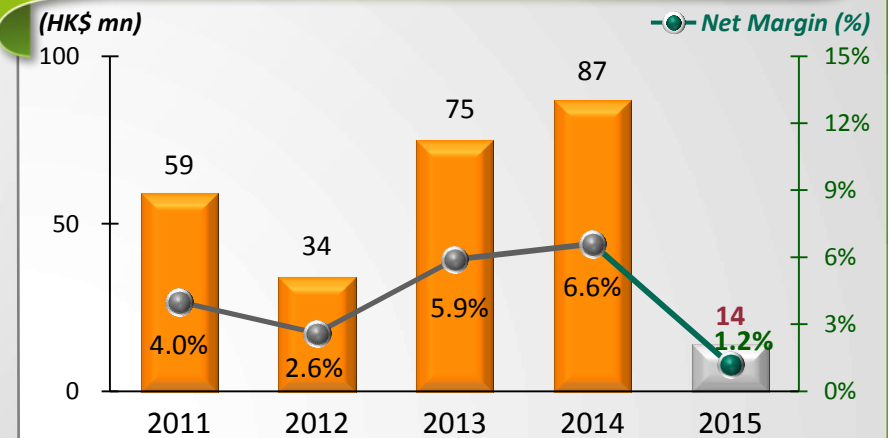
Profitability



Operating Profit



Profit Attributable to Owners



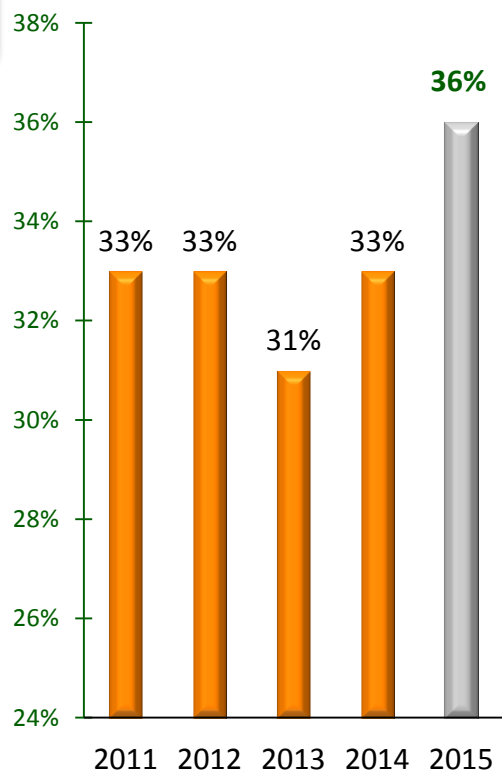
For the six months ended 31 Dec

Operating Expenses Breakdown

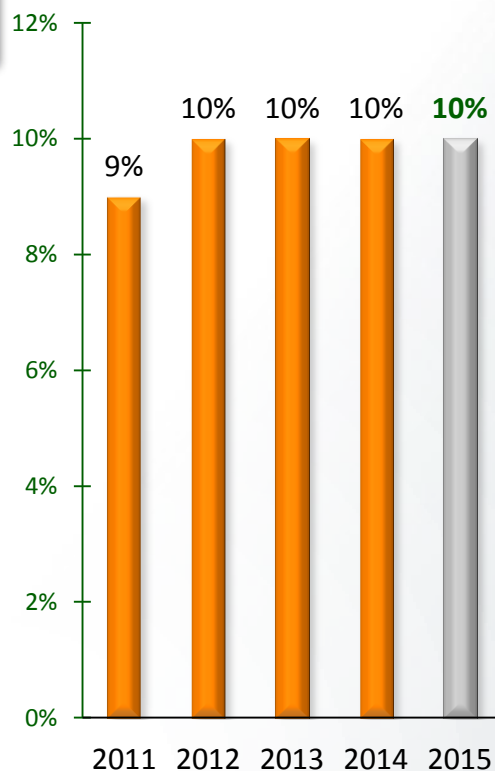


📌 Total operating expenses accounted for 46% (2014: 44%) of total revenue

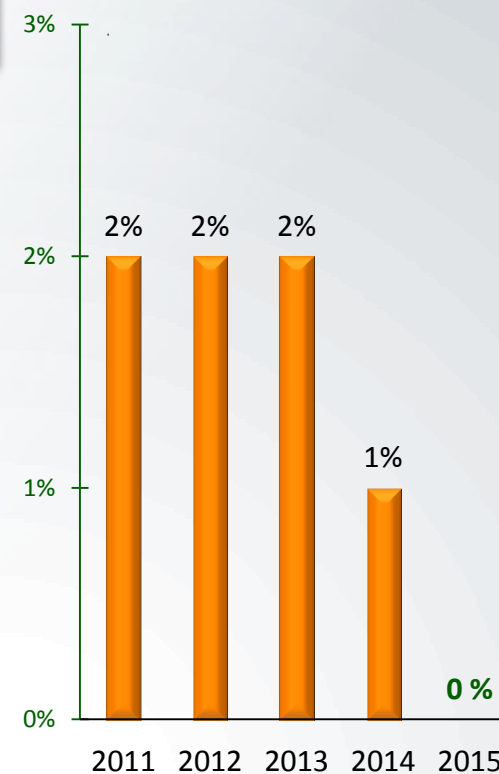
Selling and Distribution Expenses as a % of revenue



Administrative Expenses as a % of revenue



Other Operating Expenses as a % of revenue

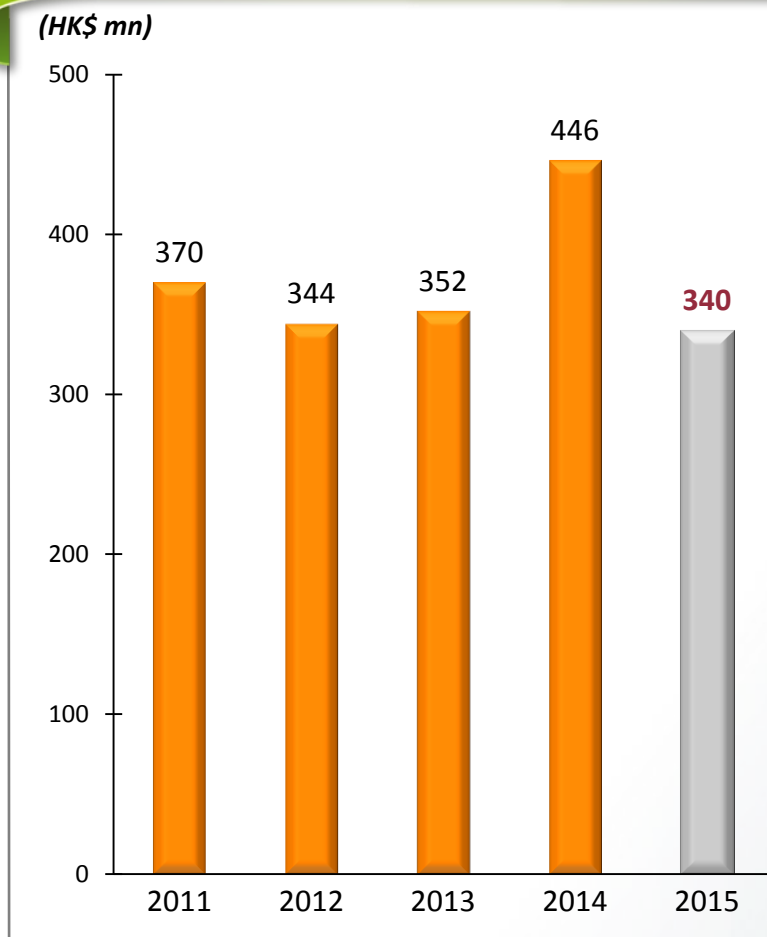


For the six months ended 31 Dec

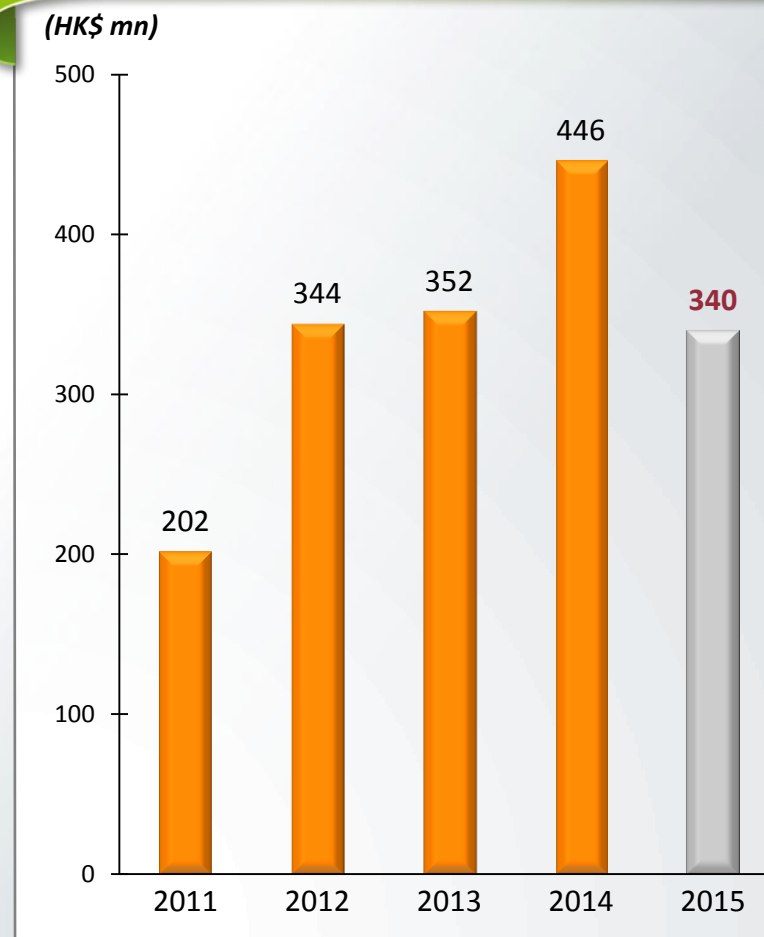
Solid Financial Position



Cash and Bank Balances



Net Cash*



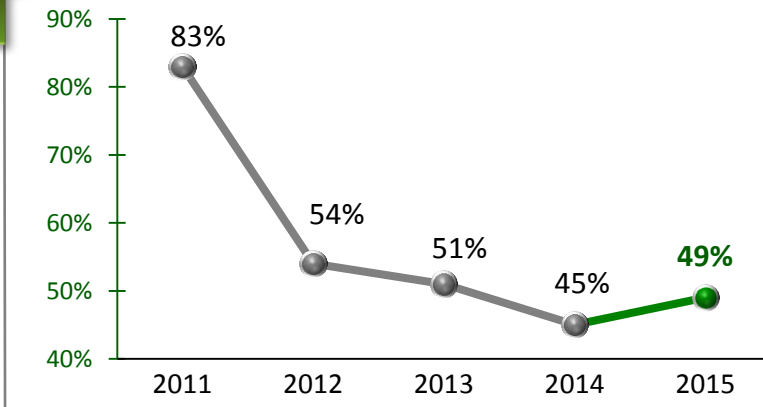
* Time deposits, cash and bank balances less bank borrowings

At 31 Dec

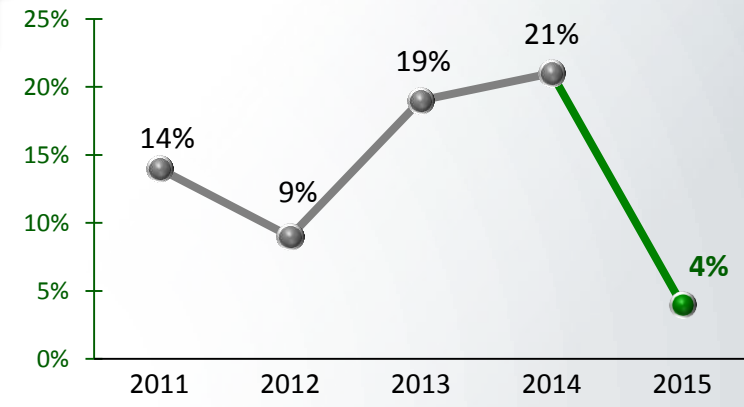
Solid Financial Position



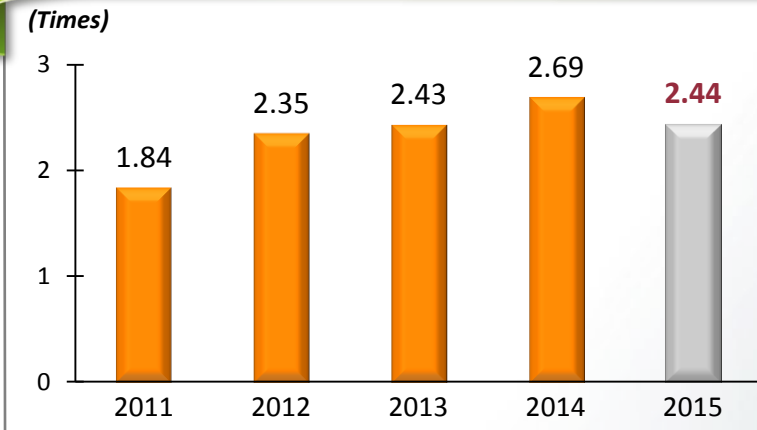
Total Liabilities to Equity Ratio



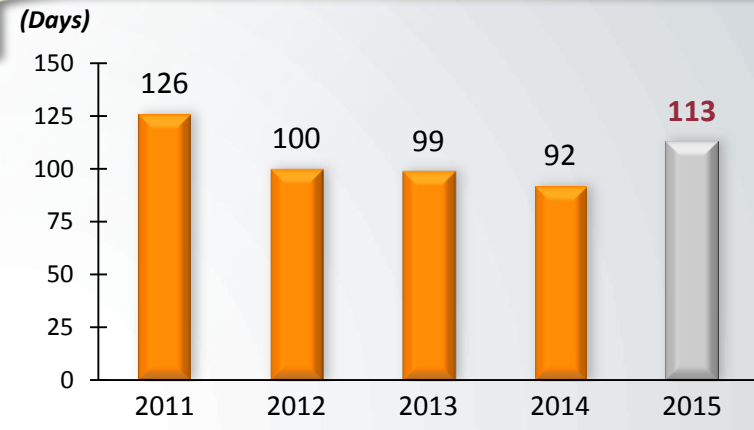
Return on Equity



Current Ratio



Inventory Turnover



Inventory held at period end divided by annualised cost of sales times 365 days

At 31 Dec

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Review of Operations



Operating Environment in 1H 2015/16



The world economy remained subdued in the second half of 2015, punctuated by market volatility across the globe

Hong Kong's economy continued to be affected by the reduced number of visitors, which has led to a decrease in the number of transactions being made in the retail industry

Weak local consumer sentiment for the apparel retail sector in several core markets due to the unseasonably warm winter weather which triggered fiercer competition



Revenue Analysis



Hong Kong and Macau

71% (70%)

Singapore

8% (9%)

Taiwan

7% (8%)

Mainland China

14% (13%)

Revenue by
Geographical Market

**For the six months
ended 31 Dec 2015**

*(Comparative figures
for the six months
ended 31 Dec 2014 in
brackets)*



Performance by Segment



	Same-store Sales Growth*		Operating Margin			Operating Profit (HK\$ mn)		
	<i>For the six months ended 31 Dec</i>		<i>For the six months ended 31 Dec</i>			<i>For the six months ended 31 Dec</i>		
	2015	2014	2015	2014	Change	2015	2014	Change
Hong Kong and Macau	-14%	5%	7%	12%	-5% pts	56	111	-50%
Mainland China	-8%	2%	-8%	1%	-9% pts	(12)	2	-700%
Taiwan	-14%	8%	-18%	-7%	-11% pts	(15)	(7)	-114%
Singapore	-1%	0%	-4%	-2%	-2% pts	(4)	(2)	-100%
Total	-12%	4%	2%	8%	-6% pts	25	104	-76%

* For directly managed stores only

No. of Stores by Region



	At 31 Dec 2015	At 30 Jun 2015	Change
<i>No. of Directly Managed Stores</i>			
Hong Kong and Macau	41	40	+1
Mainland China	131	120	+11
Taiwan	72	69	+3
Singapore	23	28	-5
Sub-total	267	257	+10
<i>No. of Franchised Stores</i>			
Mainland China	63	81	-18
Other countries	615	600	+15
Sub-total	678	681	-3
Total	945	938	+7

International Footprint



A total of 945 stores (30 June 2015: 938) with presence in 33 countries and regions



At 31 Dec 2015 (comparative figures at 30 Jun 2015 are shown in brackets)

* The Middle East includes Armenia, Bahrain, Iran, Iraq, Jordan, Kuwait, Lebanon, Oman, Qatar, Saudi Arabia, UAE and Yemen

Marketing and Branding



Partnered with *Ocean Park*, *Frozen* and *STAR WARS*, as part of a key strategy for the Group on marketing and branding



Co-branded and Licensed Products



Collaborated with Ocean Park Halloween Bash



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bossini x Frozen Collection



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Disney
FROZEN



bossini x STAR WARS Collection

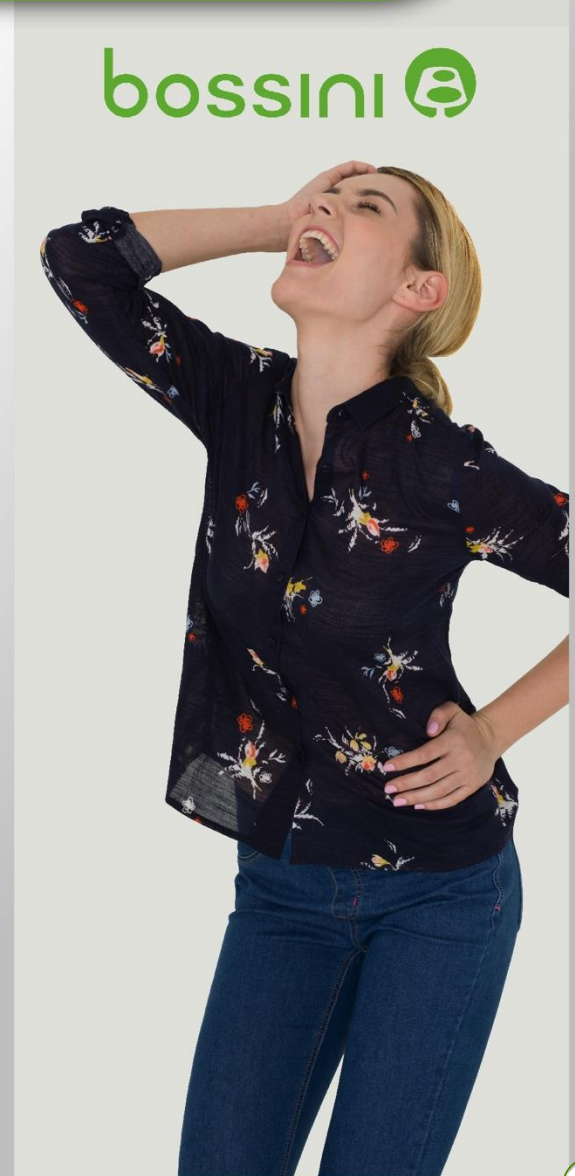


STAR WARS



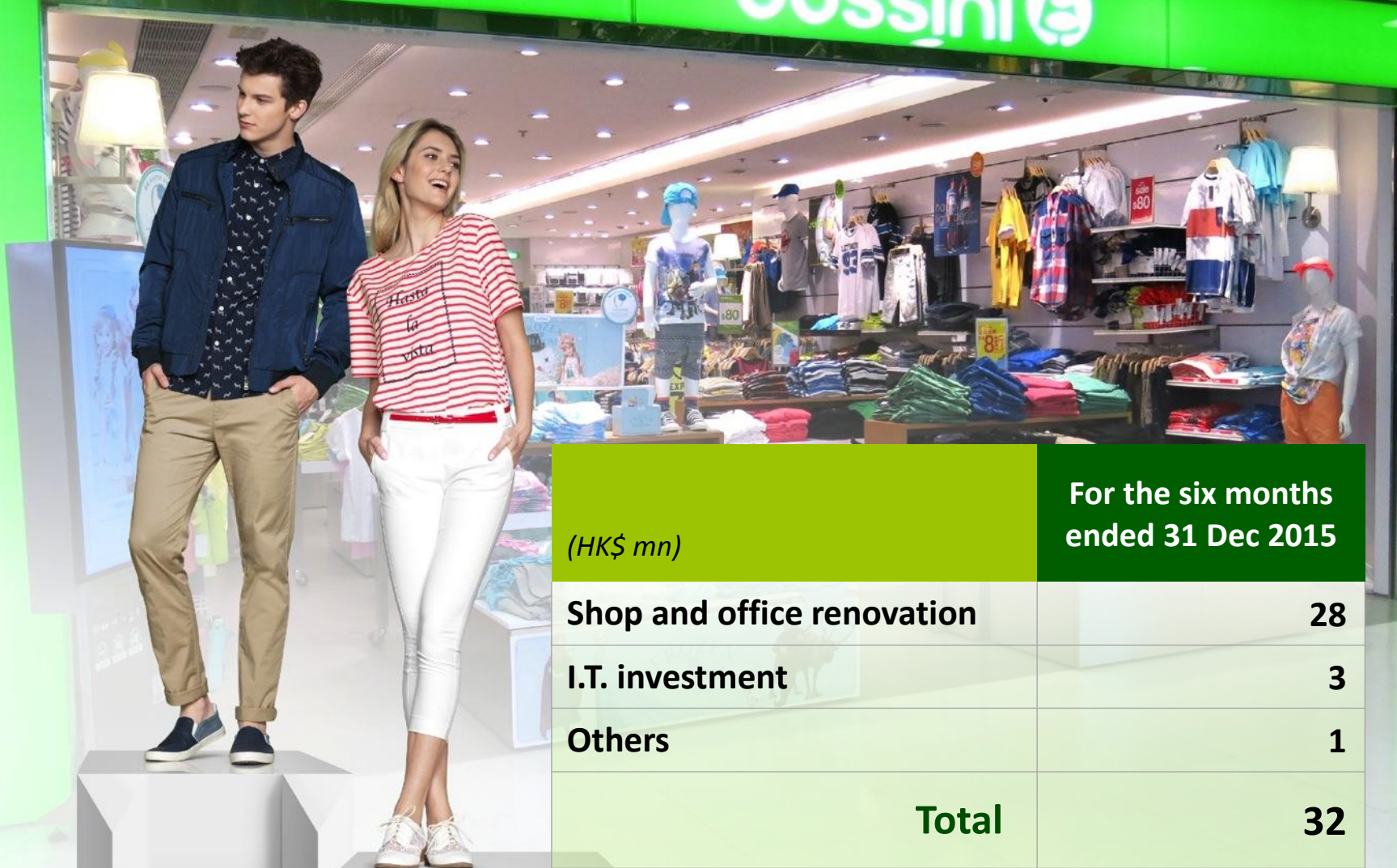
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Multi-Brand Strategy





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<i>(HK\$ mn)</i>	For the six months ended 31 Dec 2015
Shop and office renovation	28
I.T. investment	3
Others	1
Total	32



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Future Plans and Strategies



Business Strategies in 2015/16



- Offer more items which are easy for mix-and-matching, as well as products with better functions under a more competitive pricing strategy
- Continue to implement further cost control measure
- Expand operations further afield of Hong Kong and Macau
- Continue to expand apparel lines for kids, which has consistently been our competitive edge
- Launch “bossini” eyewear in mainland China through franchise arrangements



Our Commitments



Vision

To be the most preferred everyday wear brand



Corporate Culture

Continue to live the “7 Habits®” and cultivate “be happy” brand value



Dividend Payment

Strive to maintain dividend payout ratio above 50%



Human Capital

The Company and employees are bonded to serve each other’s interests in the best way possible

