

bossini 

2018/19

Annual Results  
Corporate  
Presentation  
18 September 2019



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# Agenda

**Financial Review**

**Review of Operations**

**Future Plans and Strategies**











# Financial Review

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# FY 2018/19 Highlights

-  The Group recorded a decrease in total revenue of 16%, mainly due to slippage in same-store sales by 9%, and closure of underperforming stores
-  Gross profit decreased by 18% and the gross margin dropped 1% point to 52%. Same-store gross profit dropped by 11%
-  Loss attributable to owners was HK\$139 million. Basic loss per share amounted to HK8.48 cents
-  Strategically expand our shop network, by adding 123 stores net with footprint across 31 countries and regions
-  Maintained a solid financial position with a net cash balance of HK\$132 million. Held an investment fund of HK\$232 million



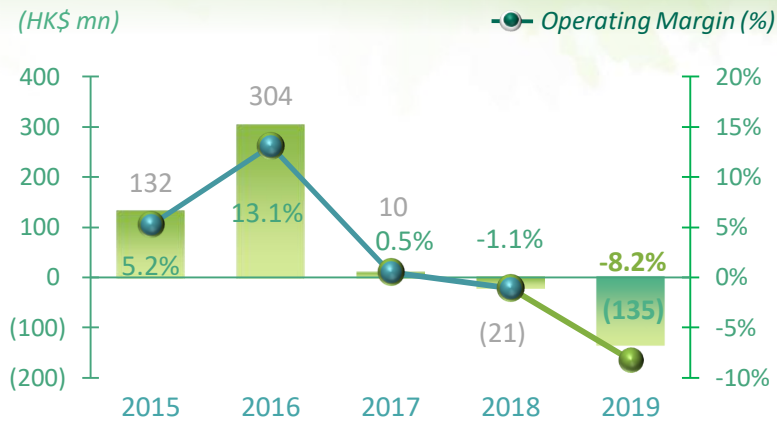
# Results Highlights

*For the year ended 30 Jun*

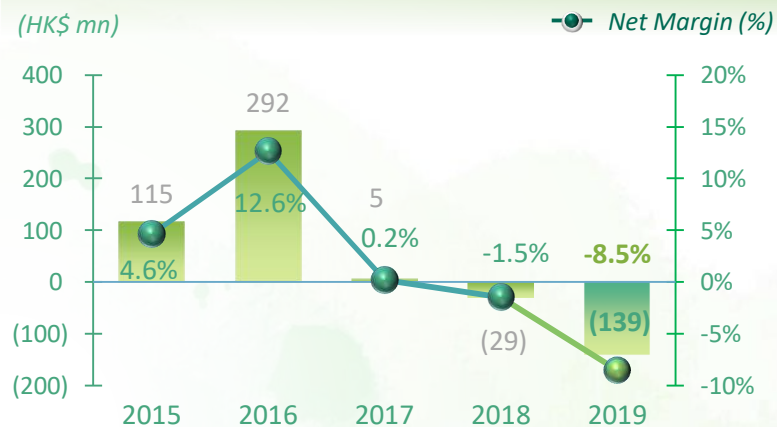
<i>(HK\$ mn)</i>	<b>2019</b>	<b>2018</b>	<b>Change</b>
<b>Revenue</b>	<b>1,641</b>	1,958	<b>-16%</b>
<b>Gross profit</b>	<b>846</b>	1,036	<b>-18%</b>
<b>Gross margin</b>	<b>52%</b>	53%	<b>-1% pt</b>
<b>EBITDA</b>	<b>(115)</b>	(2)	<b>-6,879%</b>
<b>Operating loss</b>	<b>(135)</b>	(21)	<b>-526%</b>
<b>Loss for the year attributable to owners</b>	<b>(139)</b>	(29)	<b>-380%</b>
<b>Basic loss per share <i>(HK cents)</i></b>	<b>(8.48)</b>	(1.77)	<b>-379%</b>
<b>Dividends per share <i>(HK cents)</i></b>			
<b>- Interim</b>	<b>1.22</b>	1.22	<b>0%</b>
<b>- Final</b>	<b>1.22</b>	1.22	<b>0%</b>



## Operating Profit/(Loss)



## Profit/(Loss) Attributable to Owners



For the year ended 30 Jun

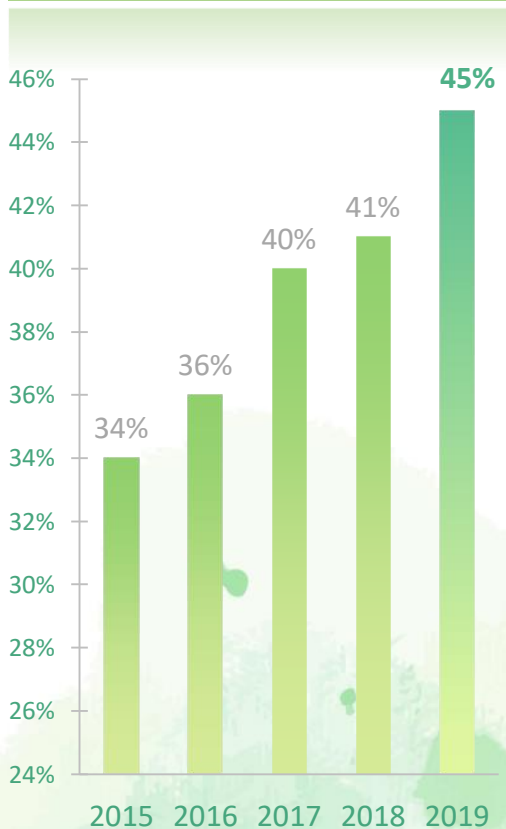


# Operating Expenses Breakdown

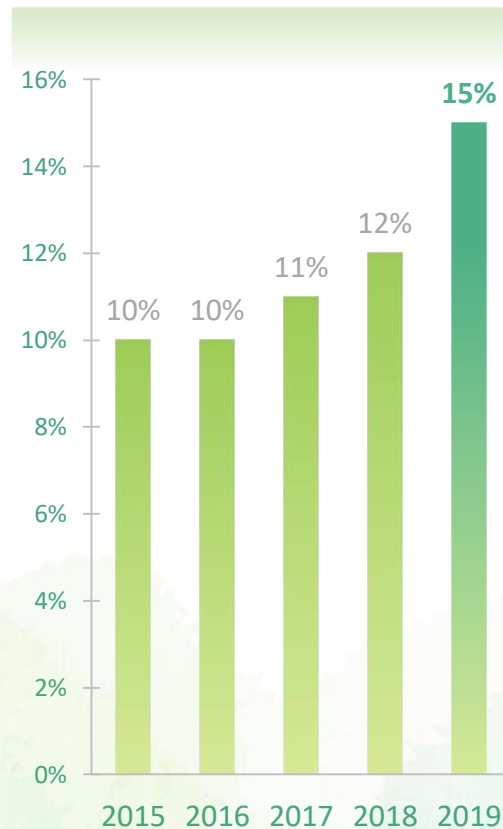


Total operating expenses accounted for 63% (2018: 57%) of total revenue

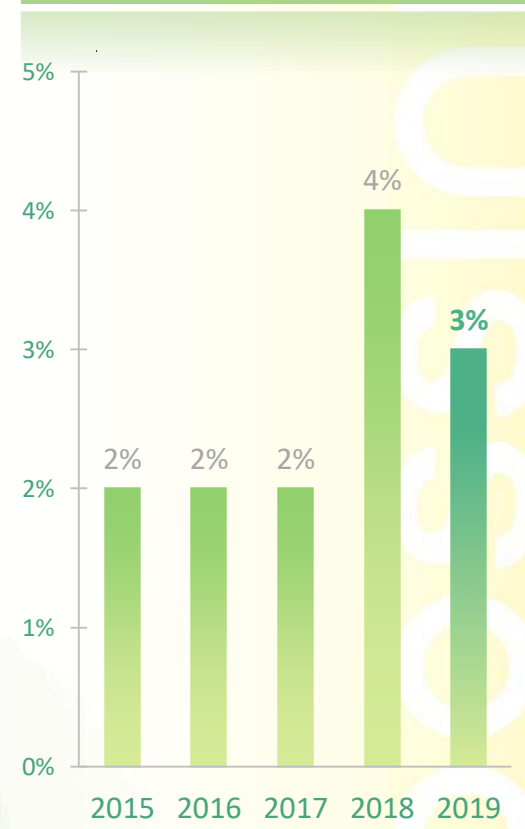
### Selling and Distribution Expenses as a % of revenue



### Administrative Expenses as a % of revenue



### Other Operating Expenses as a % of revenue



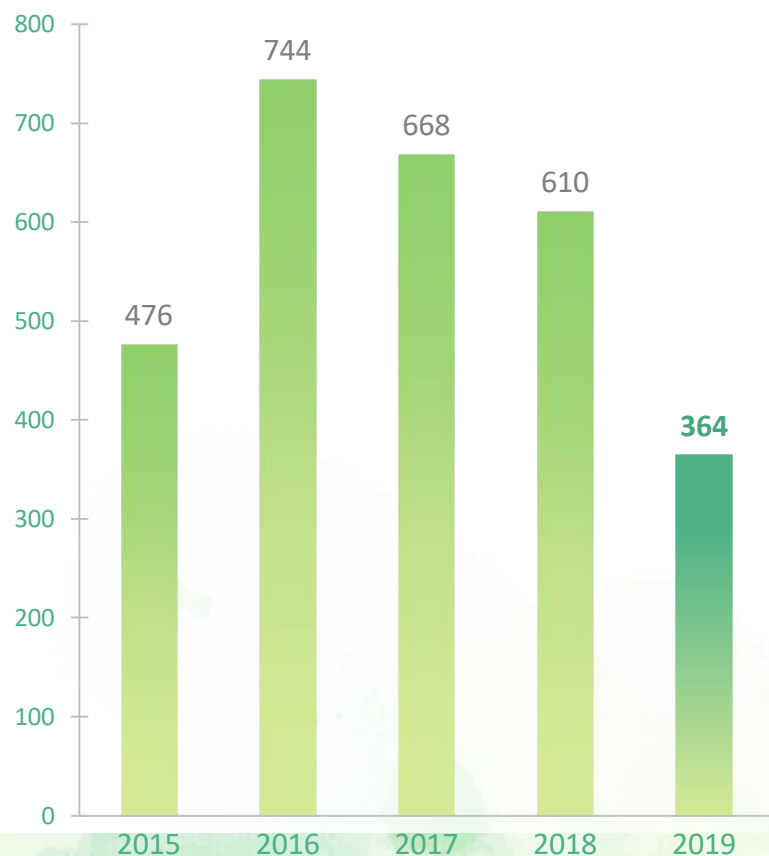
For the year ended 30 Jun



# Solid Financial Position

Net Cash \* +  
Investment Fund + Note Receivable

(HK\$ mn)



Net Cash \*

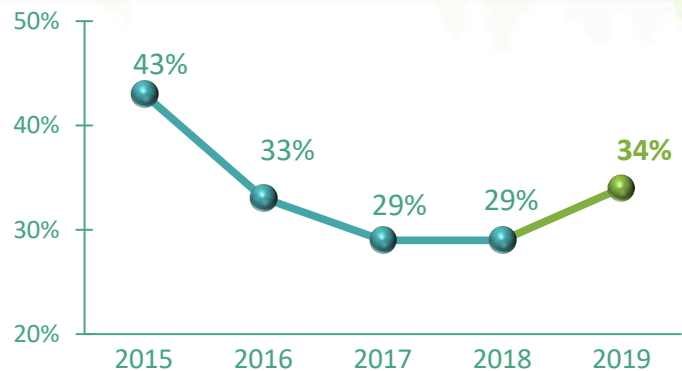
(HK\$ mn)



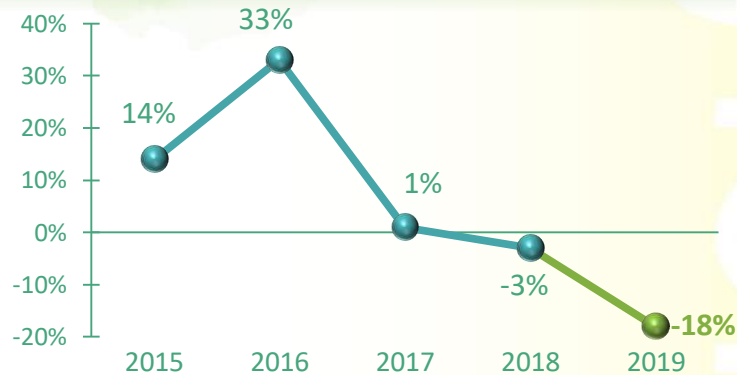
\* Time deposits, cash and bank balances less bank borrowings

At 30 Jun

## Total Liabilities to Equity Ratio

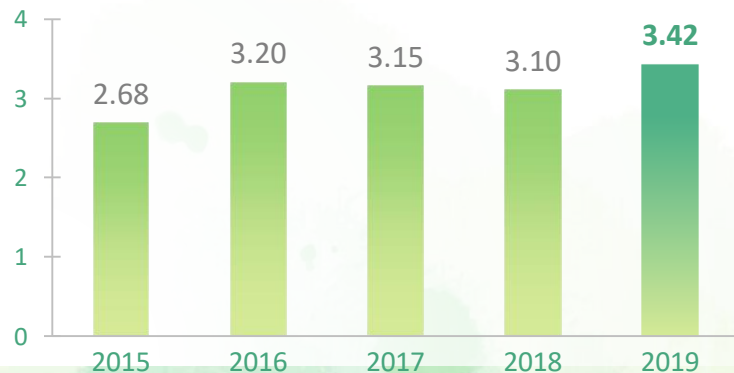


## Return on Equity



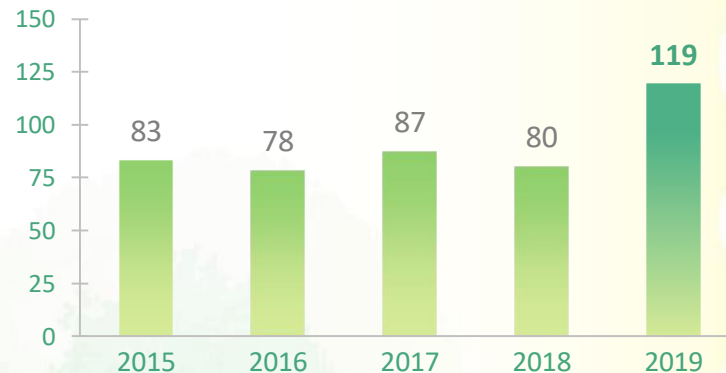
## Current Ratio

(Times)



## Inventory Turnover #

(Days)



# Inventory held at year end divided by cost of sales times 365 days





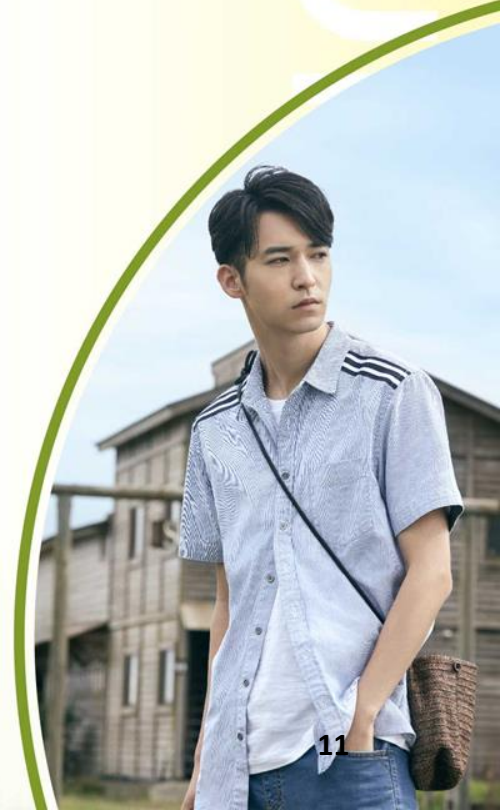
# Review of Operations

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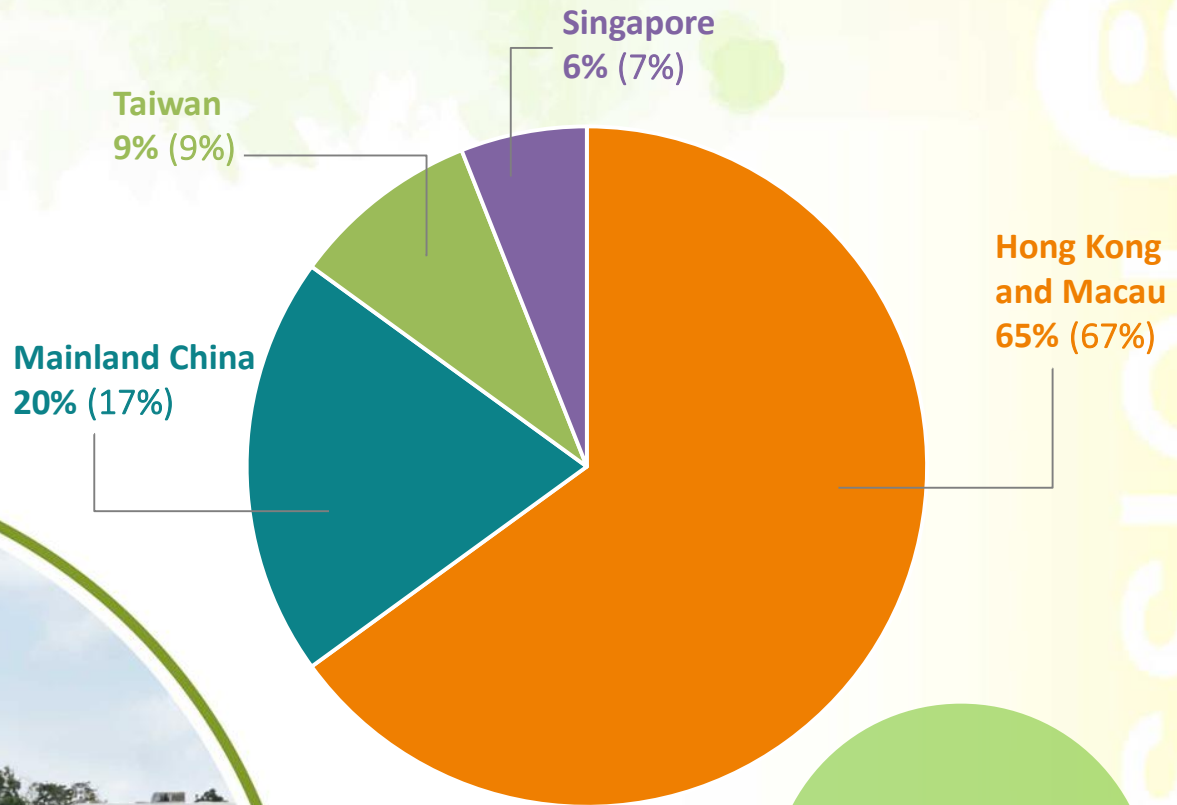


# Operating Environment in 2018/19

-  The global economy experienced a broad-based growth slowdown in the first half of 2019
-  In South East Asia, the re-escalation in trade tensions came at a time when export growth across the region is already in the doldrums from weaker import demand from mainland China. The deterioration in export momentum across the region has continued
-  In mainland China, the economic growth of the second quarter in 2019 was the country's slowest for almost 27 years. Domestic demand has become a major driver. Garment was the sector with the second slowest growth after automobile
-  The shoppers in Hong Kong were lacking the stimulus to boost their consumption. The consumer confidence index in the economic development of Hong Kong for the second quarter of 2019 recorded a significant drop. Overall, the Hong Kong consumers demonstrated the lowest confidence level over the past five years



# Revenue Analysis



Revenue by Geographical Market

*For the year ended 30 Jun 2019  
(Comparative figures for the year ended 30 Jun 2018 in brackets)*

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# Retail Performance by Segment

*For the year ended 30 Jun*

	Same-store Sales Growth*		Same-store Gross Profit Growth*	
	2019	2018	2019	2018
<b>Hong Kong and Macau</b>	<b>-10%</b>	<b>-2%</b>	<b>-12%</b>	<b>2%</b>
<b>Mainland China</b>	<b>-6%</b>	<b>6%</b>	<b>-6%</b>	<b>4%</b>
<b>Taiwan</b>	<b>-8%</b>	<b>3%</b>	<b>-10%</b>	<b>6%</b>
<b>Singapore</b>	<b>-9%</b>	<b>-5%</b>	<b>-5%</b>	<b>-9%</b>
<b>Total</b>	<b>-9%</b>	<b>-1%</b>	<b>-11%</b>	<b>1%</b>

*\* For directly managed stores only*



# Performance by Segment

*For the year ended 30 Jun*

	Operating Margin			Operating Profit/(Loss) (HK\$m)		
	2019	2018	Change	2019	2018	Change
Hong Kong and Macau	-3%	2%	-5% pts	(33)	24	-238%
Mainland China	-17%	-9%	-8% pts	(58)	(30)	-93%
Taiwan	-20%	-7%	-13% pts	(31)	(12)	-158%
Singapore	-13%	-2%	-11% pts	(13)	(3)	-333%
<b>Total</b>	<b>-8%</b>	<b>-1%</b>	<b>-7% pts</b>	<b>(135)</b>	<b>(21)</b>	<b>-526%</b>

# No. of Stores by Region

	At 30 Jun 2019	At 30 Jun 2018	Change
<b><i>No. of Directly Managed Stores</i></b>			
Hong Kong and Macau	39	40	-1
Mainland China	175	164	+11
Taiwan	57	64	-7
Singapore	15	16	-1
<b>Sub-total</b>	<b>286</b>	<b>284</b>	<b>+2</b>
<b><i>No. of Franchised Stores</i></b>			
Other countries	775	654	+121
<b>Total</b>	<b>1,061</b>	<b>938</b>	<b>+123</b>

# International Footprint



A total of 1,061 stores (30 Jun 2018: 938) with presence in 31 countries and regions



At 30 Jun 2019 (comparative figures at 30 Jun 2018 are shown in brackets)

\* The Middle East includes Armenia, Bahrain, Jordan, Kuwait, Lebanon, Oman, Palestine, Qatar, Saudi Arabia and UAE





- ③ Launched five new licensing programmes in 2018/19, namely *bossini x Coca-Cola* 《Taste It, Make Bold》, *bossini x Mickey 90* 《Beyond Classic》, *bossini x Winnie The Pooh* 《Sweet As Can Bee》, *bossini x Toy Story 4* 《Disney • Pixar: It's Play Time!》 and *bossini x QEE* 《QEE my way》





# Co-branded and Licensed Products

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# bossini x Coca-Cola

## 《Taste It, Make Bold》

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# bossini x Mickey 90 《Beyond Classic》

bossini 



@missool



# bossini x Winnie The Pooh

## 《Sweet As Can Bee》

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bossini x Toy Story 4

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《Disney • Pixar: It's Play Time!》



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bossini x QEE

《QEE my way》

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# Strong Brand Recognition



## Outstanding QTS Merchant – Gold Award (2019)

Quality Tourism Services  
(By Hong Kong Tourism Board)



## Hong Kong Licensing Awards (2018)

Best Licensee Award - Merit Award  
(By Asian Licensing Association)



## The Asian Licensing Awards (2018)

Best licensee - Merit Award  
(By Asian Licensing Association)





# Strong Brand Recognition



## The Best Marketing Campaign: Automation (2018)

(By Emarsys Evolution Hong Kong 2018)



## Good Employer Charter (2018)

(By Labour Department)



## Caring Company (since 2004)

15 consecutive years  
(By Hong Kong Council of Social Service)



## Happy Company (since 2014)

6 consecutive years  
(By Promoting Happiness Index Foundation)





<i>(HK\$ mn)</i>	For the year ended 30 Jun 2019
Shop and office renovation	17
I.T. investment	12
Others	1
<b>Total</b>	<b>30</b>



# Future Plans and Strategies

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# Business Strategies in 2019/20

- ③ Reinvent products to bring out a consistent brand identity
- ③ Execute an array of marketing strategy for key looks and key functional products
- ③ Develop a global visual merchandising execution
- ③ Nurture existing markets and develop new markets in Southeast Asia
- ③ Expand online to offline business for the Group
- ③ Turnaround and grow mainland China business
- ③ Maximise the economy of scale in operation
- ③ Adopt 80/20 rules to enhance operation efficiencies
- ③ Create and maximise business value through digitisation, the use of big data and information intelligence





# Our Commitments

## Our Vision

To be the most preferred everyday wear brand

## Corporate Culture

Continue to live the “7 Habits®” and cultivate our “be happy” core 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





Thank you!

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