

# bossini



ANNUAL RESULTS CORPORATE PRESENTATION 2022



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# RESULTS HIGHLIGHTS

	<i>(HK\$mn)</i>	For the year ended 31 Dec 2022	For the 18 months ended 31 Dec 2021
<b>Revenue</b>		585	1,164
<b>Gross Profit</b>		273	596
<b>Gross Margin (%)</b>		47%	51%
<b>EBITDA</b>		(27)	(141)
<b>Operating Loss</b>		(122)	(322)
<b>Loss for the period attributable to owners</b>		(132)	(340) <sup>#</sup>
<b>Basic loss per share (HK cents)</b>		(5.36)	(16.52) <sup>#</sup>

<sup>#</sup> Including continuing and discontinued operations

# RESULTS HIGHLIGHTS

- Gross margin decreased by 4% points
- Non-cash impairment on assets of HK\$78 million (For the 18 months ended 31 Dec 2021: HK\$119 million)
- Gain on disposal of assets held for sale of HK\$174 million (For the 18 months ended 31 Dec 2021: Nil)
- Loss attributable to owners was HK\$132 million (For the 18 months ended 31 Dec 2021: HK\$340 million)
- Operated a total number of 559 stores with footprint across 16 countries and regions
- Net cash balance was HK\$93 million (At 31 Dec 2021: HK\$269 million)
- Inventory reduced to HK\$172 million (At 31 Dec 2021: HK\$187 million)

# OPERATING ENVIRONMENT IN 2022

- In Hong Kong and Macau, the fifth wave of COVID-19 broke out on a large scale in the beginning of the year, which adversely affected the local economy
- In order to control the pandemic, the government has adopted a series of strict control measures which led to a reduction in the number of people going out. The overall consumer sentiment was weak. Retail industry encountered difficulties in operation
- Nevertheless, as the government introduced a series of measures such as consumption vouchers to stimulate economy, and the Group has actively controlled costs, closing stores with unreasonable rents to reduced losses

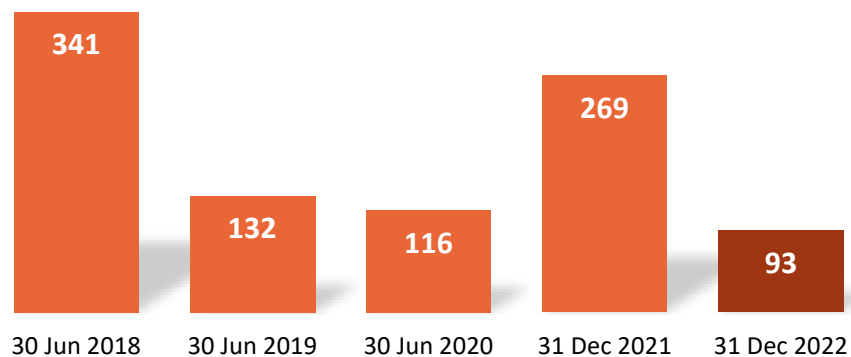
# OPERATING ENVIRONMENT IN 2022

- In mainland China, the economy slowed sharply, with an annual GDP growth rate of 3%, which was lower than the original target of 5.5%
- Many provinces and cities implemented stringent control measures intermittently, resulting in the closure of a number of stores in a timely manner
- Towards the end of the year, there was a large outbreak of the disease across the country, resulting in a significant decrease in the flow of people to the shopping malls and unstable operating hours of the stores. As “bossini.X” brand is in the stage of rebranding, the Group has become more conservative in channel expansion while reducing all non-essential expenses, and has taken the initiative to request rent reductions from landlords to reduce the Group’s losses

# FINANCIAL POSITION

(HK\$mn)

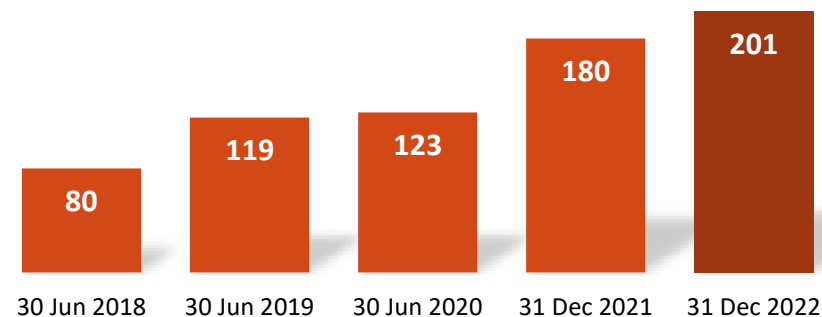
## Net Cash \*



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

(Days)

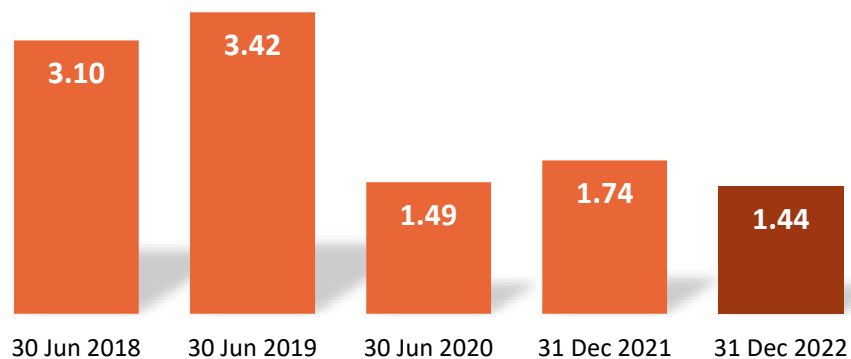
## Inventory Turnover #



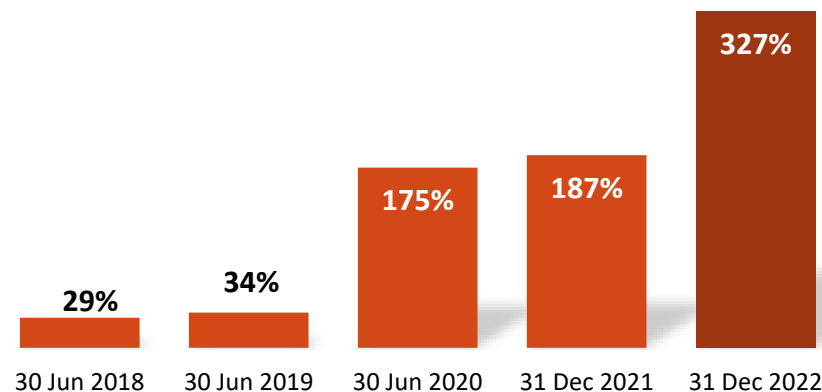
# Inventory held at year/period end divided by annualised cost of sales times 365 days

(Times)

## Current Ratio

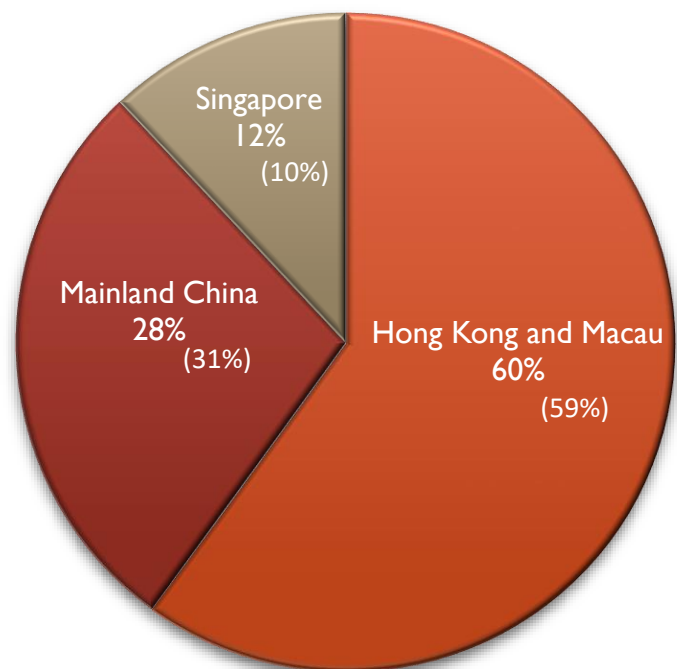


## Total Liabilities to Equity Ratio ^



^ The total liabilities to equity ratio as at 31 Dec 2022, 31 Dec 2021 and 30 Jun 2020 were subject to the impact arising from the adoption of the Hong Kong Financial Reporting Standards ("HKFRS") 16, Leases

# REVENUE BY GEOGRAPHICAL MARKET



*For the year ended 31 Dec 2022  
(comparative figures for the 18 months  
ended 31 Dec 2021 in brackets)*



# PERFORMANCE BY GEOGRAPHICAL SEGMENT

	Revenue		Segment Results		
	(HK\$mn)	For the year ended 31 Dec 2022	For the 18 months ended 31 Dec 2021	For the year ended 31 Dec 2022	For the 18 months ended 31 Dec 2021
Hong Kong and Macau		350	681	141	(169)
Mainland China		166	363	(267)	(180)
Singapore		69	120	(8)	11
<b>Total</b>		<b>585</b>	<b>1,164</b>	<b>(134)</b>	<b>(338)</b>

# PERFORMANCE BY GEOGRAPHICAL SEGMENT

## Same-Store Sales Growth \*

	For the year ended 31 Dec 2022	For the 18 months ended 31 Dec 2021
Hong Kong and Macau	-2%	-17%
Mainland China	-29%	-19%
Singapore	-2%	-9%
<b>Total</b>	<b>-7%</b>	<b>-17%</b>

\* For directly managed stores only

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# INTERNATIONAL FOOTPRINT

	<i>At 31 Dec</i>	
	<b>2022</b>	2021
<b>A) Directly managed stores</b>	<b>212</b>	159
<b>B) Export franchised stores</b>	<b>347</b>	539
<b>Total</b>	<b>559</b>	698

559 stores (At 31 Dec 2021: 698) in 16 countries and regions

	<i>At 31 Dec</i>	
<b>A) Directly managed stores</b>	<b>2022</b>	2021
Hong Kong and Macau	<b>26</b>	26
Mainland China	<b>171</b>	119
Singapore	<b>15</b>	14
<b>Sub-total</b>	<b>212</b>	159

	<i>At 31 Dec</i>	
<b>B) Export franchised stores</b>	<b>2022</b>	2021
Bangladesh	<b>1</b>	1
Brunei	<b>1</b>	1
Czech Republic	<b>1</b>	2
India	<b>249</b>	227
Laos	<b>1</b>	1
Middle East*	<b>7</b>	189
Myanmar	<b>-</b>	15
Nepal	<b>1</b>	-
Reunion Island	<b>2</b>	2
Romania	<b>3</b>	3
Rwanda	<b>1</b>	1
Taiwan	<b>1</b>	-
Thailand	<b>79</b>	80
Venezuela	<b>-</b>	8
Vietnam	<b>-</b>	9
<b>Sub-total</b>	<b>347</b>	539

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

# CAPITAL EXPENDITURE

	<i>(HK\$mn)</i>	<b>For the year ended 31 Dec 2022</b>
<b>Shop and office renovation</b>		<b>39</b>
<b>Furniture, fixtures and office equipment</b>		<b>10</b>
<b>Total</b>		<b>49</b>



# OUTLOOK

- The market generally expects that the economies of mainland China and Hong Kong will recover in 2023. We expect that after the resumption of normal travel in mainland China, domestic exports will grow favorably and the economy will gradually improve. Nevertheless, the speed of long-term economic growth recovery largely depends on the effectiveness of the series of measures to stimulate economic growth introduced by the government in stimulating domestic demand. The Group will continue to take a prudent approach to reduce or suspend unnecessary back-office expenses, strictly control the site selection and rental costs of sales points

# OUTLOOK

- The Group is committed to reinventing our brand image, focusing on the development of the “bossini.X” brand, integrating lifestyle and trendy culture and adding sports elements to the design to attract the new generation of consumers. We will strategically carry out marketing activities and continue to identify suitable locations and implement the store opening plan pragmatically to increase brand exposure and increase sales
- The Group will continue to focus its resources on rebranding and stimulate sales through product and channel optimization. We will grasp the opportunities brought to the retail industry in the process of economic recovery in the post-epidemic era

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