



bossini 

## Corporate Presentation

**2017/18 Annual Results**

19 September 2018



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# Agenda

1. Financial Review
2. Review of Operations
3. Future Plans and Strategies








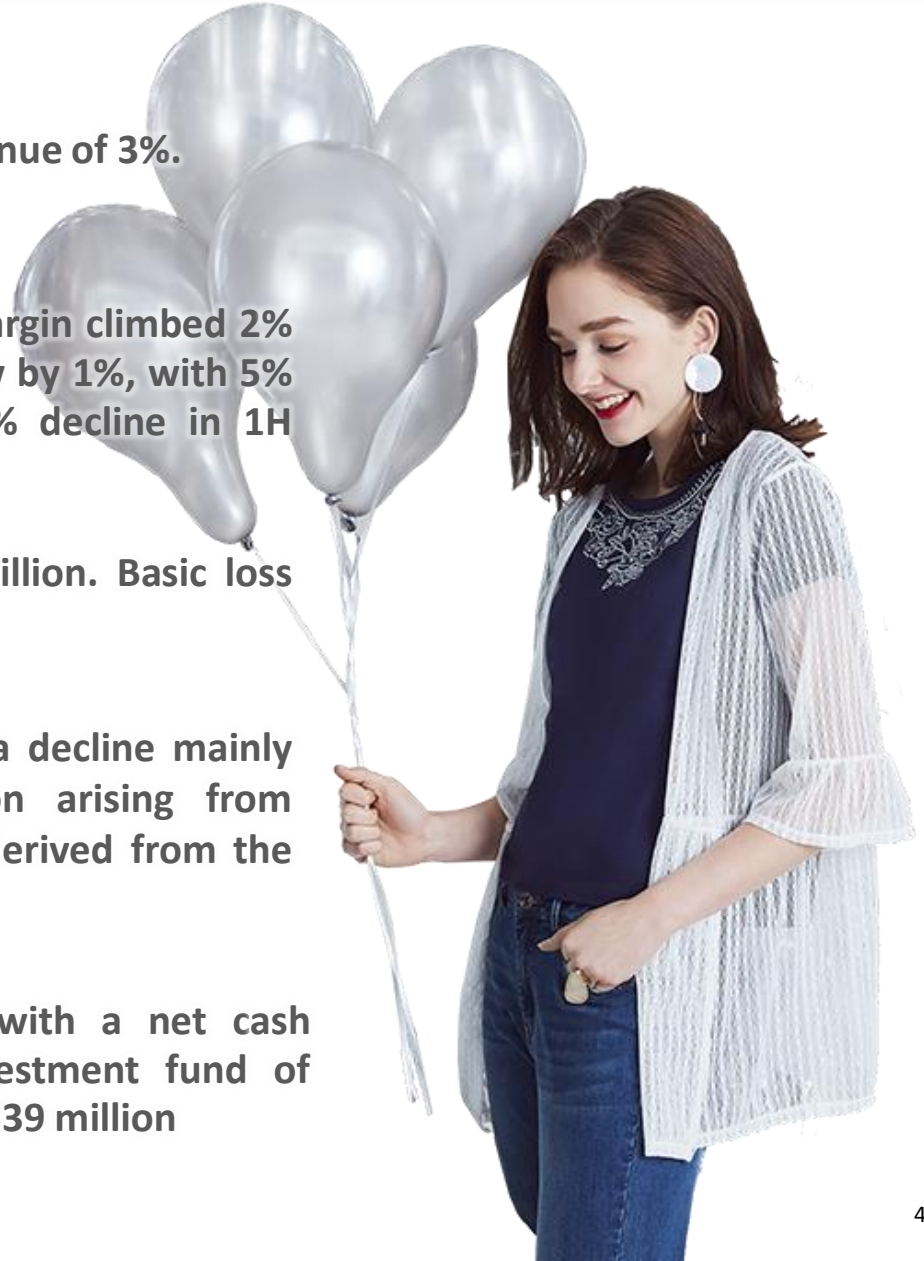
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## Financial Review



-  The Group recorded a decrease in total revenue of 3%. Same-store sales slipped by 1%
-  Gross profit increased 1% and the gross margin climbed 2% points to 53%. Same-store gross profit grew by 1%, with 5% growth in 2H 2017/18 compared with 3% decline in 1H 2017/18
-  Loss attributable to owners was HK\$29 million. Basic loss per share amounted to HK1.77 cents
-  The profit attributable to owners posted a decline mainly due to the foreign exchange fluctuation arising from Renminbi and the decrease in the profit derived from the export franchising business
-  Maintained a healthy financial position with a net cash balance of HK\$341 million. Held an investment fund of HK\$230 million and a note receivable of HK\$39 million

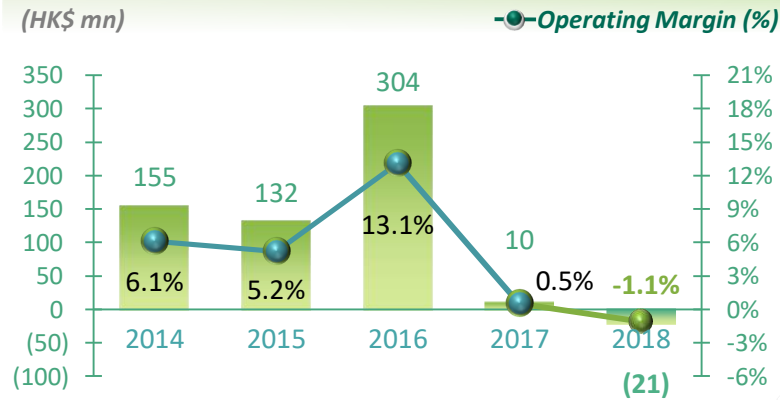


# Results Highlights

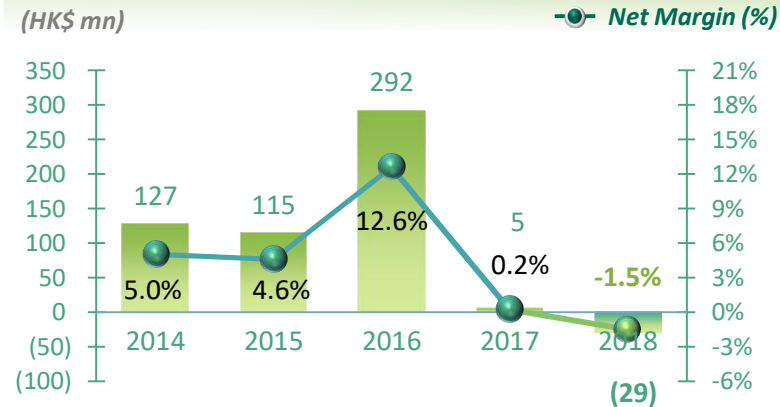
*For the year ended 30 Jun*

<i>(HK\$ mn)</i>	2018	2017	Change
Revenue	1,958	2,020	-3%
Gross profit	1,036	1,023	+1%
Gross margin (%)	53%	51%	+2% pts
EBITDA	(2)	42	-104%
Operating profit / (loss)	(21)	10	-320%
Profit / (loss) for the year attributable to owners	(29)	5	-693%
Basic earnings / (loss) per share <i>(HK cents)</i>	(1.77)	0.30	-690%
Dividends per share <i>(HK cents)</i>			
- Interim	1.22	Nil	n/a
- Special interim	Nil	1.22	-100%
- Final	1.22	1.22	0%
- Special final	Nil	0.61	-100%

## Operating Profit/(Loss)



## Profit/(Loss) Attributable to Owners



For the year ended 30 Jun

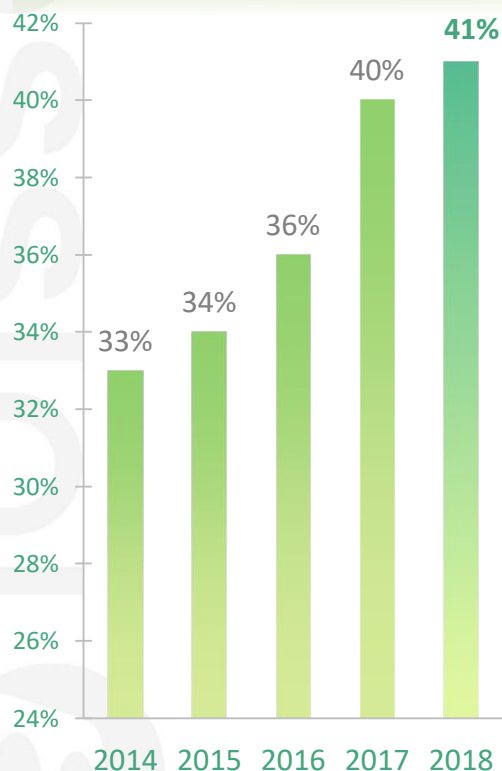


# Operating Expenses Breakdown



Total operating expenses accounted for 57% (2017: 53%) of total revenue

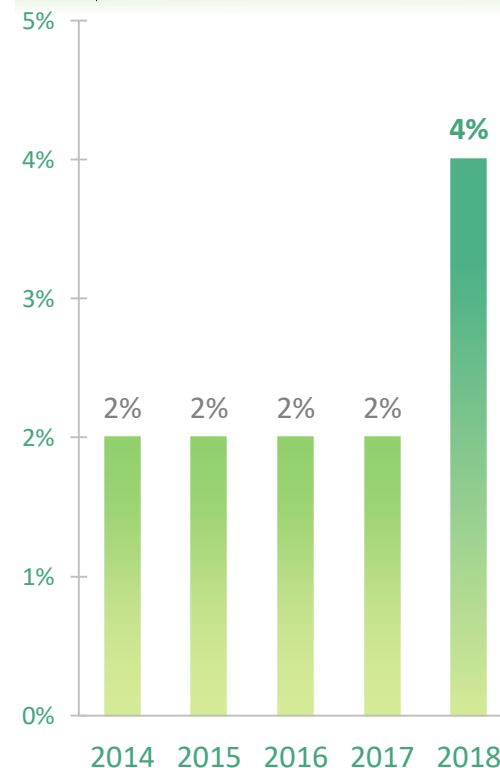
## Selling and Distribution Expenses as a % of revenue



## Administrative Expenses as a % of revenue



## Other Operating Expenses as a % of revenue



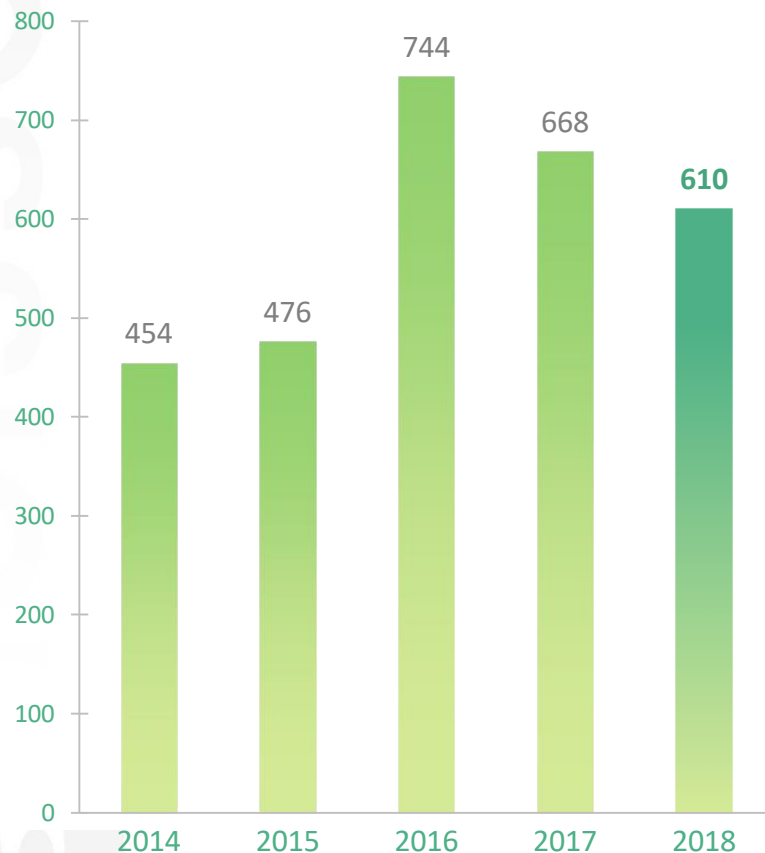
*For the year ended 30 Jun*



# Solid Financial Position

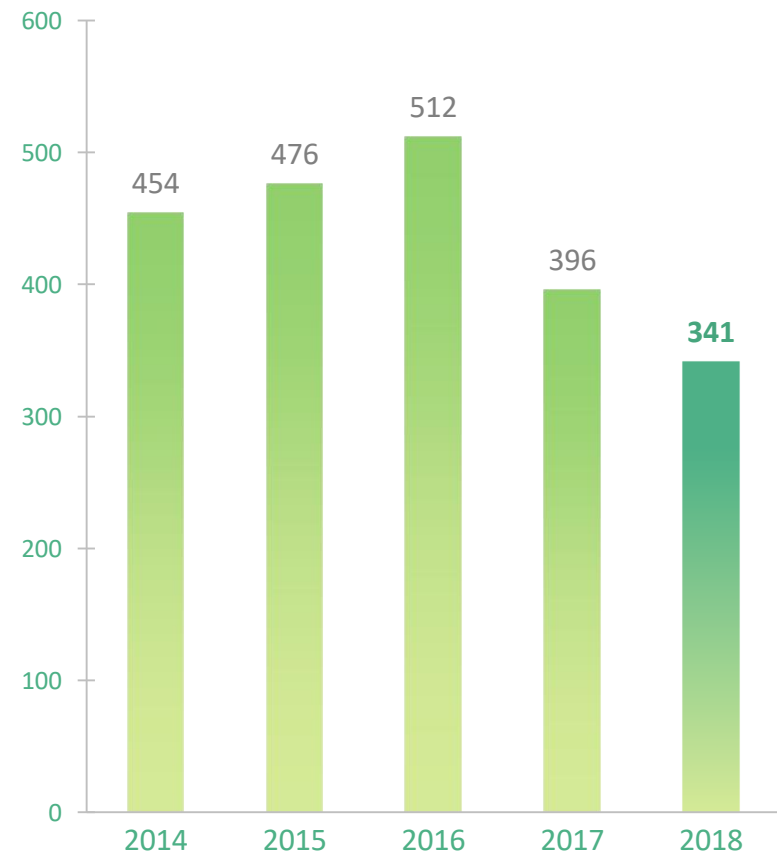
## Cash and Bank Balances + Investment Fund + Note Receivable

(HK\$ mn)



## Net Cash \*

(HK\$ mn)

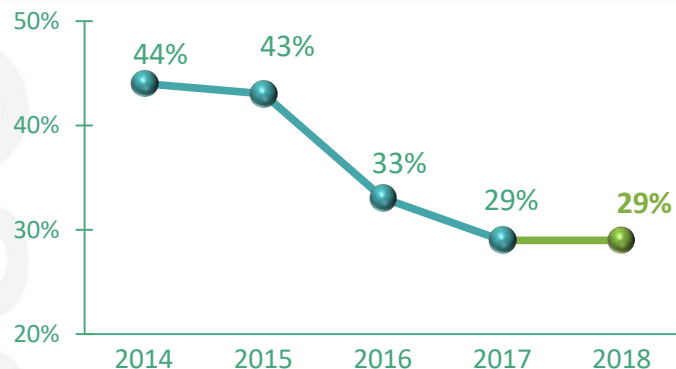


\* Time deposits, cash and bank balances less bank borrowings

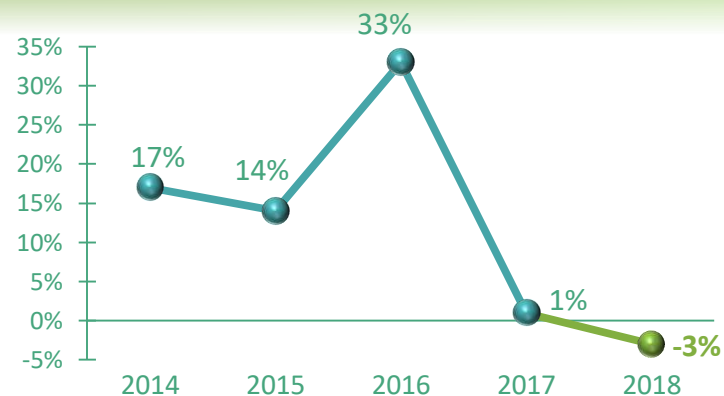
At 30 Jun

# Solid Financial Position

## Total Liabilities to Equity Ratio

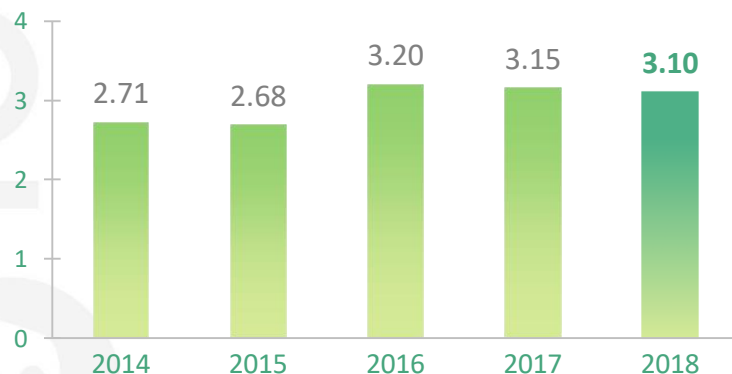


## Return on Equity



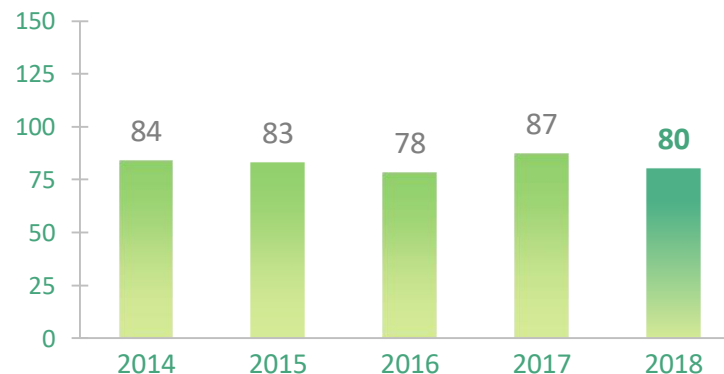
## Current Ratio

(Times)



## Inventory Turnover #

(Days)



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

At 30 Jun



# Review of Operations

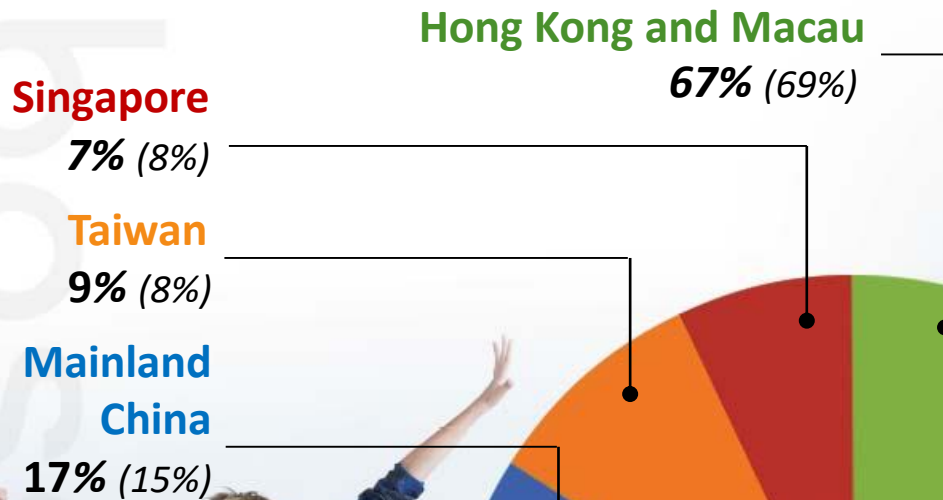




-  The global economy continued to strengthen in the first half of 2018, increasing at the fastest rate since 2011
-  The Asia-Pacific region benefitted from the positive international environment, with steady expansion throughout the region. Mainland China led the charge and helped boost neighbouring economies in Eastern and Southern Asia
-  The sustained upturn of Hong Kong economy that began in 2017 was mirrored by equally solid domestic demand. Local private consumption expenditure climbed and the strong recovery in inbound tourism bolstered by a strengthening global economy offered further impetus
-  The Middle East is looking equally reassuring, growth predictions having been revised upwards
-  Downside risks remained, notably the protectionist policies espoused by the current United States government is escalating United States-mainland China trade war



# Revenue Analysis



Revenue by  
Geographical  
Market

*For the year  
ended 30 Jun 2018  
(Comparative figures for  
the year ended 30 Jun  
2017 in brackets)*

# Retail Performance by Segment

	<i>Same-store Sales Growth*</i>		<i>Same-store Gross Profit Growth*</i>	
	<i>For the year ended 30 Jun</i>		<i>For the year ended 30 Jun</i>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Hong Kong and Macau</b>	-2%	-9%	2%	-4%
<b>Mainland China</b>	6%	-5%	4%	-4%
<b>Taiwan</b>	3%	-7%	6%	-5%
<b>Singapore</b>	-5%	-11%	-9%	-8%
<b>Total</b>	-1%	-8%	1%	-5%

\* For directly managed stores only



# Retail Performance by Segment

	<i>Same-store Sales Growth*</i>		<i>Same-store Gross Profit Growth*</i>	
	<i>For the year ended 30 Jun</i>		<i>For the year ended 30 Jun</i>	
	<b>1H 2017/18</b>	<b>2H 2017/18</b>	<b>1H 2017/18</b>	<b>2H 2017/18</b>
<b>Hong Kong and Macau</b>	-4%	-1%	-3%	7%
<b>Mainland China</b>	9%	3%	4%	3%
<b>Taiwan</b>	5%	1%	3%	8%
<b>Singapore</b>	-8%	-2%	-12%	-6%
<b>Total</b>	-2%	0%	-3%	5%

*\* For directly managed stores only*

# Performance by Segment

	<b>Operating Margin</b>			<b>Operating Profit/(Loss) (HK\$ mn)</b>		
	<i>For the year ended 30 Jun</i>			<i>For the year ended 30 Jun</i>		
	<b>2018</b>	<b>2017</b>	<b>Change</b>	<b>2018</b>	<b>2017</b>	<b>Change</b>
<b>Hong Kong and Macau</b>	<b>2%</b>	<b>5%</b>	<b>-3% pts</b>	<b>24</b>	<b>69</b>	<b>-65%</b>
<b>Mainland China</b>	<b>-9%</b>	<b>-10%</b>	<b>+1% pt</b>	<b>(30)</b>	<b>(31)</b>	<b>+3%</b>
<b>Taiwan</b>	<b>-7%</b>	<b>-10%</b>	<b>+3% pts</b>	<b>(12)</b>	<b>(16)</b>	<b>+25%</b>
<b>Singapore</b>	<b>-2%</b>	<b>-8%</b>	<b>+6% pts</b>	<b>(3)</b>	<b>(12)</b>	<b>+75%</b>
<b>Total</b>	<b>-1%</b>	<b>0%</b>	<b>-1% pt</b>	<b>(21)</b>	<b>10</b>	<b>-320%</b>

# No. of Stores by Region

	At 30 Jun 2018	At 30 Jun 2017	Change
<b><i>No. of Directly Managed Stores</i></b>			
Hong Kong and Macau	40	40	0
Mainland China	164	163	+1
Taiwan	64	63	+1
Singapore	16	18	-2
<b>Sub-total</b>	<b>284</b>	<b>284</b>	<b>0</b>
<b><i>No. of Franchised Stores</i></b>			
Mainland China	0	5	-5
Other countries	654	651	+3
<b>Sub-total</b>	<b>654</b>	<b>656</b>	<b>-2</b>
<b>Total</b>	<b>938</b>	<b>940</b>	<b>-2</b>



# International Footprint



A total of 938 stores (30 Jun 2017: 940) with presence in 29 countries and regions

**164** (168)

Directly managed and  
franchised stores in  
mainland China

**120** (121)

Directly managed  
stores in Hong Kong  
and Macau, Taiwan  
and Singapore

**654** (651)

Export franchised  
stores

**938** (940)

Stores in about  
29 countries and  
regions

At 30 Jun 2018 (comparative figures at 30 Jun 2017 are shown in brackets)

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



- ⑤ Launched four new licensing programmes in 2017/18, namely *bossini x Emoji* 《A Day with Emoji》, *bossini x LINE FRIENDS* 《Happy Time with LINE FRIENDS》, *bossini x PEANUTS* 《Live Bright》 and *bossini x Rilakkuma* 《Relaxing Time with Rilakkuma》





# Co-branded and Licensed Products

bossini 





# bossini x Emoji 《A Day with Emoji》

bossini 



bossini  x emoji™  
THE EMOJI BRAND



bossini x LINE FRIENDS  
《Happy Time with LINE FRIENDS》

bossini 





# bossini x PEANUTS 《Live Bright》

bossini 





bossini 







## Best Influencer Strategy (2017)

Gold Award  
(By PR Awards 2017 – Marketing Magazine)



## Hong Kong Licensing Awards(2017)

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



## Caring Company (since 2004)

- 14 consecutive years  
(By Hong Kong Council of Social Service)



## Manpower Developer 1<sup>st</sup> (since 2010)

- 8 consecutive years  
(By Employees Retraining Board)





## Large E-Commerce Company of the Year (2018)

Gold Award  
(By Marketing Magazine)

## Best E-Commerce Shipping and Delivery (2018)

Gold Award  
(By Marketing Magazine)

## B2C E-Commerce Company of the Year (2018)

Silver Award  
(By Marketing Magazine)

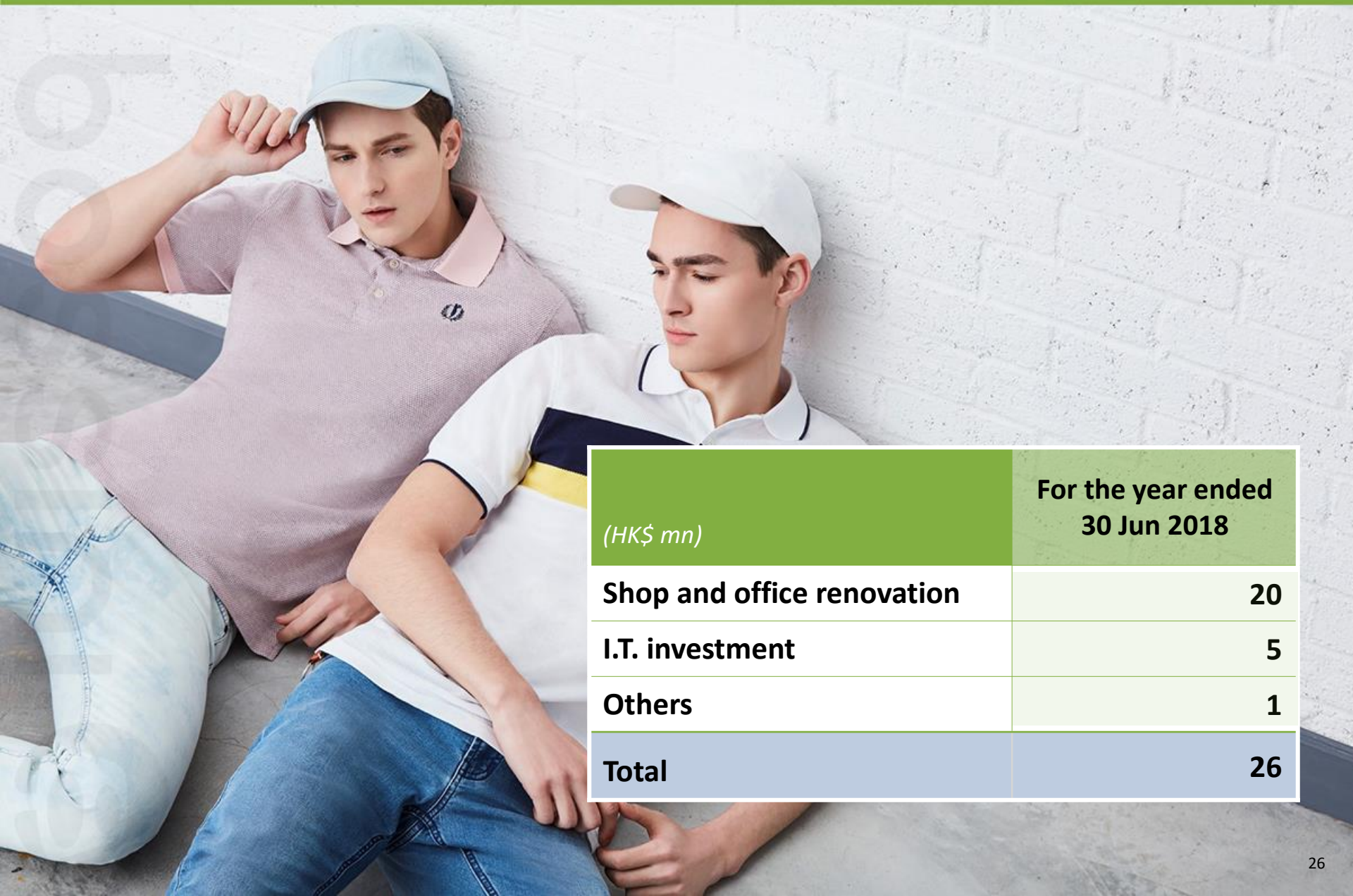


## Happy Company (since 2014)

- 5 consecutive years  
(By Promoting Happiness Index Foundation)













(HK\$ mn)	For the year ended 30 Jun 2018
Shop and office renovation	20
I.T. investment	5
Others	1
<b>Total</b>	<b>26</b>



## Future Plans and Strategies





-  Expand the market share for young adults by developing and introducing more products with a focus on functionality
-  Refine product fit and the grading system to target a wider customer segment
-  Further develop the kids' line
-  Strengthen supply chain management to increase operational efficiencies
-  Further expand the export franchising business which offers enormous potential for future growth
-  Continue to introduce co-branded and licensing programmes



## *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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