

寶成   
國際集團
POUCHEN
GROUP

March 2024

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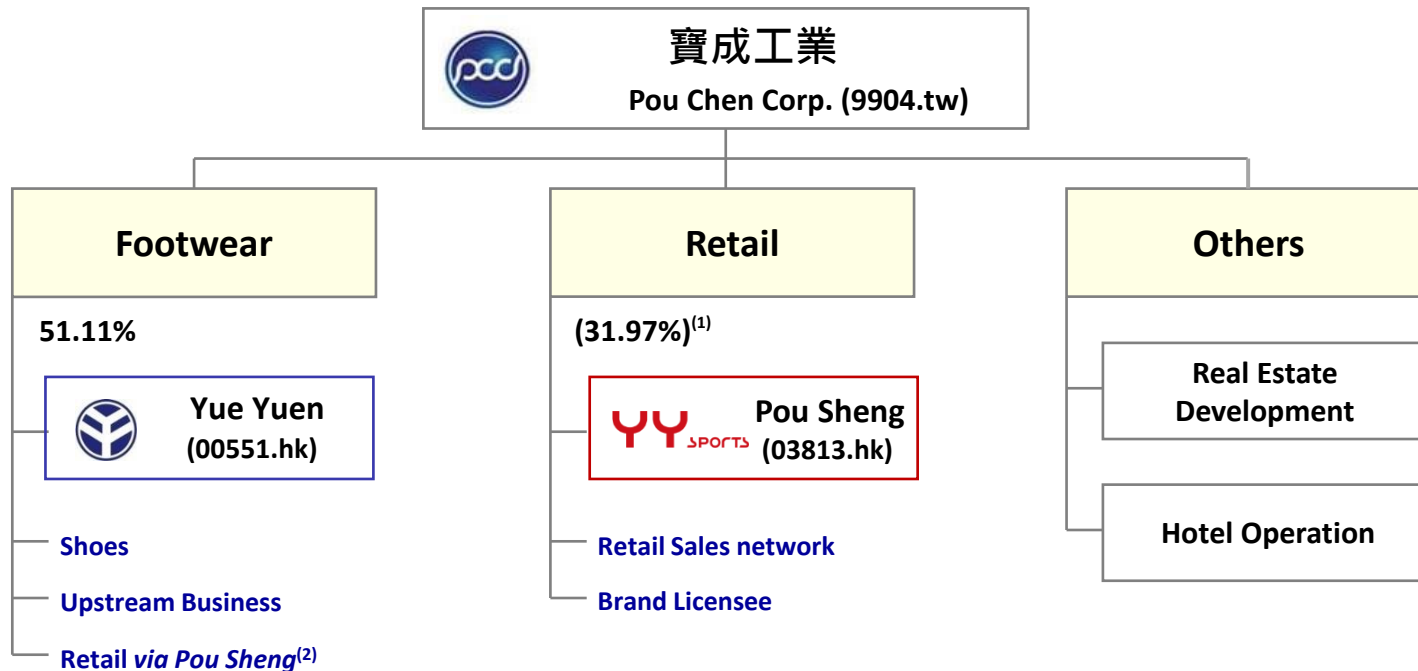
Pou Chen's Profile



To benefit healthy lives by providing the most valuable solutions in the sports industry and beyond.

- Founded in 1969; listed on the TWSE in 1990
- Paid in Capital: NT\$29,468 mn
- Market Cap.: NT\$91,056 mn (@NT\$30.90 as of 2023/12/29)
- Revenue: NT\$246,634 mn (FY2023 Consolidated Revenue)
- Business Mix: Footwear 63.9%, Retail 35.7%, Others 0.4% (FY2023 Consolidated Revenue)
- **Footwear Business**
 - Customers: Leading international brands such as Nike, adidas, Asics, New Balance, Salomon and Timberland
 - Volume: Shipped 218.3 million pairs in FY2023; shipped 272.7 million pairs in FY2022
- **Retail Business**
 - Target Market: The Greater China Region
 - B&M Network: 3,523 Directly Operated Stores (as of 2023/12/31)

Group Structure



⁽¹⁾ Pou Chen through its 51.11% owned subsidiary Yue Yuen indirectly held 31.97% ownership (=51.11% × 62.55%) of Pou Sheng.

⁽²⁾ Retail of sporting goods business is via Yue Yuen's 62.55% owned subsidiary, Pou Sheng, to operate an integrated sportswear retail network in the Greater China Region.

(Updated: 2023/12/31)

Segment Revenue

Pou Chen (Consolidated)	FY2020		FY2021		FY2022		FY2023		YoY
	(NT\$m; %)		(NT\$m; %)		(NT\$m; %)		(NT\$m; %)		(%)
Footwear	139,875	56.0%	137,660	57.4%	184,653	69.0%	157,726	63.9%	-14.6%
Retail	109,361	43.7%	101,485	42.3%	81,993	30.7%	87,973	35.7%	+7.3%
Others	718	0.3%	739	0.3%	851	0.3%	935	0.4%	+9.8%
Total	249,954	100%	239,884	100%	267,497	100%	246,634	100%	-7.8%

⁽¹⁾ Pou Chen has three reportable segments:

- Footwear business: manufacturing of shoes, soles and components.
- Retail business: retail of sporting goods and brand licensing.
- Other business.

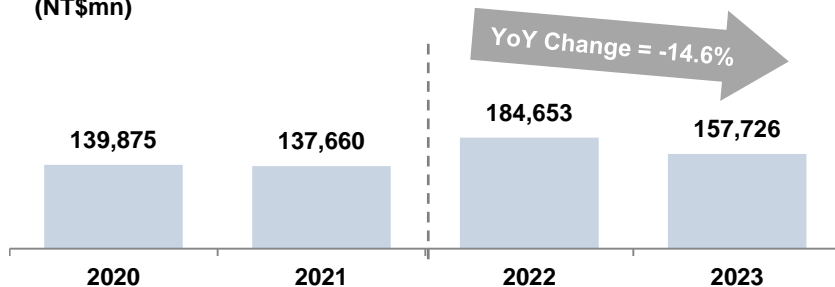
Business Overview



Pou Chen's 2M2024 unaudited consolidated sales decreased Y-o-Y by 1.9% to NT\$42.2 bn.

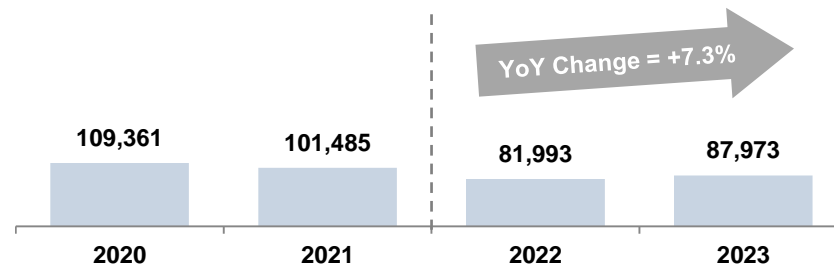
Revenue – Footwear

(NT\$m)



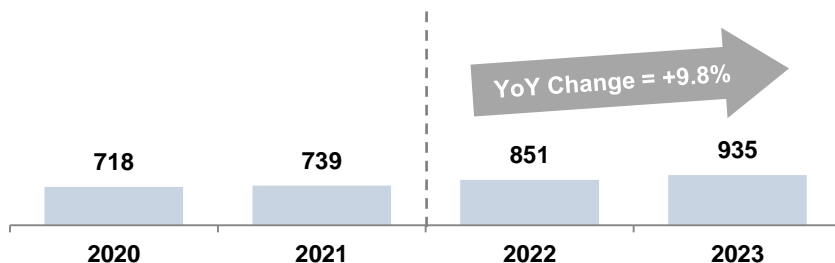
Revenue - Retail

(NT\$m)



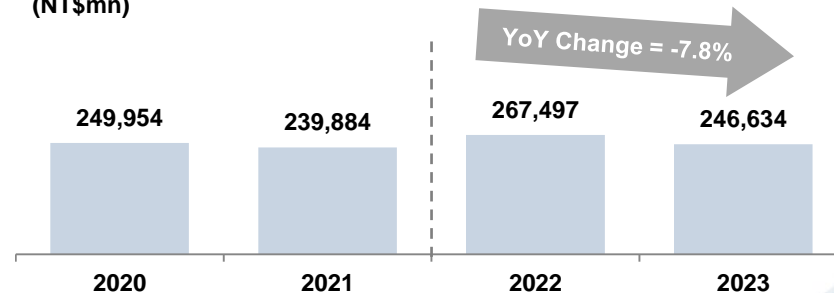
Revenue – Others

(NT\$m)



Revenue - Total

(NT\$m)

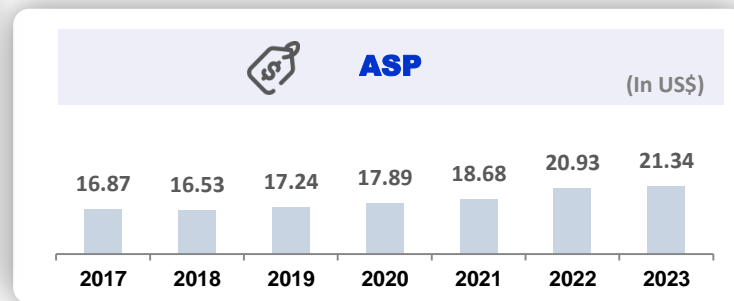
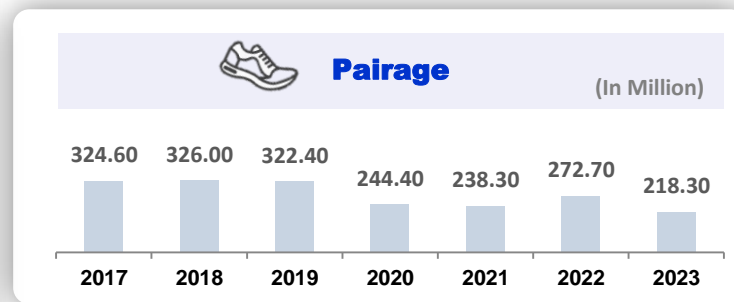


Footwear Business – Yue Yuen



- A global leader in the manufacture of athletic, athleisure, casual and outdoor footwear
- Diversified portfolio of brand customers and production sites
- Responsiveness, flexibility, innovation, design and development capabilities, and superior quality

Country		% of Volume	
		FY2022	FY2023
	Mainland China	10%	12%
	Vietnam	38%	34%
	Indonesia	46%	49%
	Others ⁽¹⁾	6%	5%
Million pairs of shoes shipped		272.7	218.3



⁽¹⁾ Others include Bangladesh, Cambodia & Myanmar.

Yue Yuen – Financial Highlights



Product Category

	FY2020		FY2021		FY2022		FY2023		YoY
	(US\$m; %)		(US\$m; %)		(US\$m; %)		(US\$m; %)		(%)
Shoes ⁽¹⁾	4,373	51.8%	4,451	52.2%	5,707	63.6%	4,657	59.0%	-18.4%
Soles, Components, Others	363	4.3%	463	5.4%	496	5.5%	402	5.1%	-19.0%
Pou Sheng	3,709	43.9%	3,619	42.4%	2,767	30.9%	2,831	35.9%	+2.3%
Total	8,445	100.0%	8,533	100.0%	8,970	100.0%	7,890	100.0%	-12.0%

⁽¹⁾ Including athletic/outdoor shoes, casual shoes and sports sandals.

Financial Highlights

	FY2020		FY2021		FY2022		FY2023		YoY
	(US\$m; %)		(US\$m; %)		(US\$m; %)		(US\$m; %)		(%)
Revenue	8,445		8,533		8,970		7,890		-12.0%
Gross Profit	1,831		2,048		2,137		1,925		-9.9%
Gross Margin	21.7%		24.0%		23.8%		24.4%		+0.6 pp
Net Income (Loss) ⁽¹⁾	(91)		115		296		275		-7.3%
Net Margin	(1.1%)		1.3%		3.3%		3.5%		+0.2 pp

⁽¹⁾ Net income (loss) attributable to owners of the Company, excluding “non-controlling interests”.

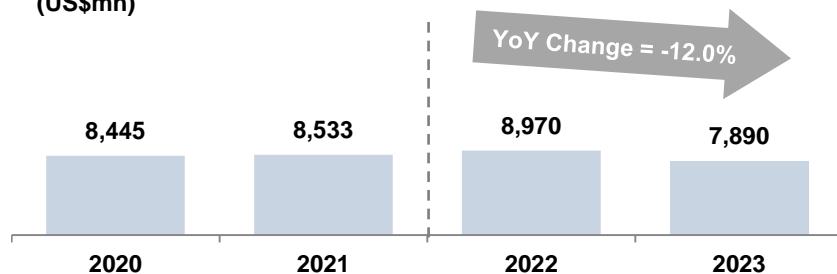
Yue Yuen – Financial Highlights



Yue Yuen's 2M2024 unaudited sales decreased Y-o-Y by 5.0% to US\$1.3 bn.

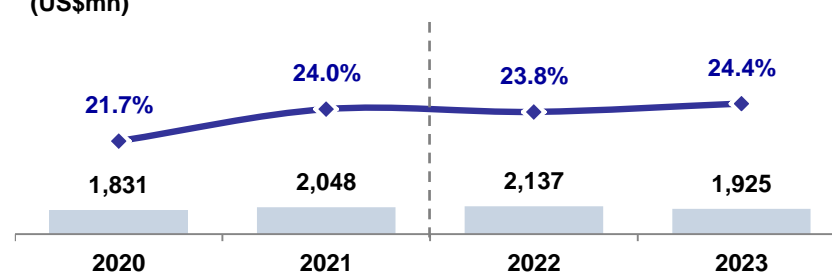
Revenue

(US\$mn)



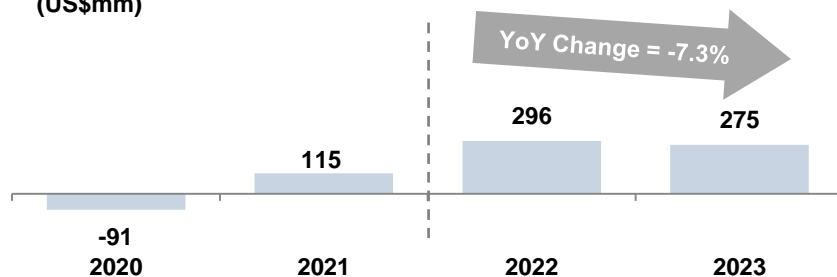
Gross Margin

(US\$mn)

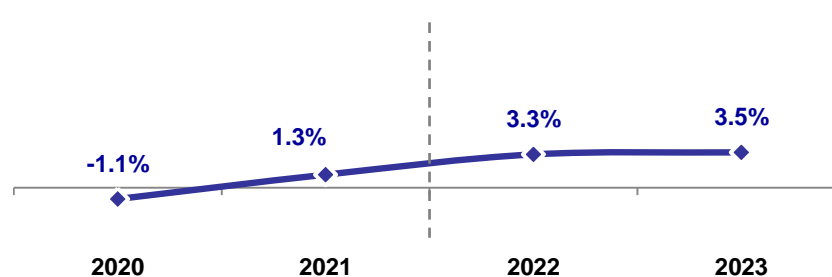


Net Income (Loss)⁽¹⁾

(US\$mm)

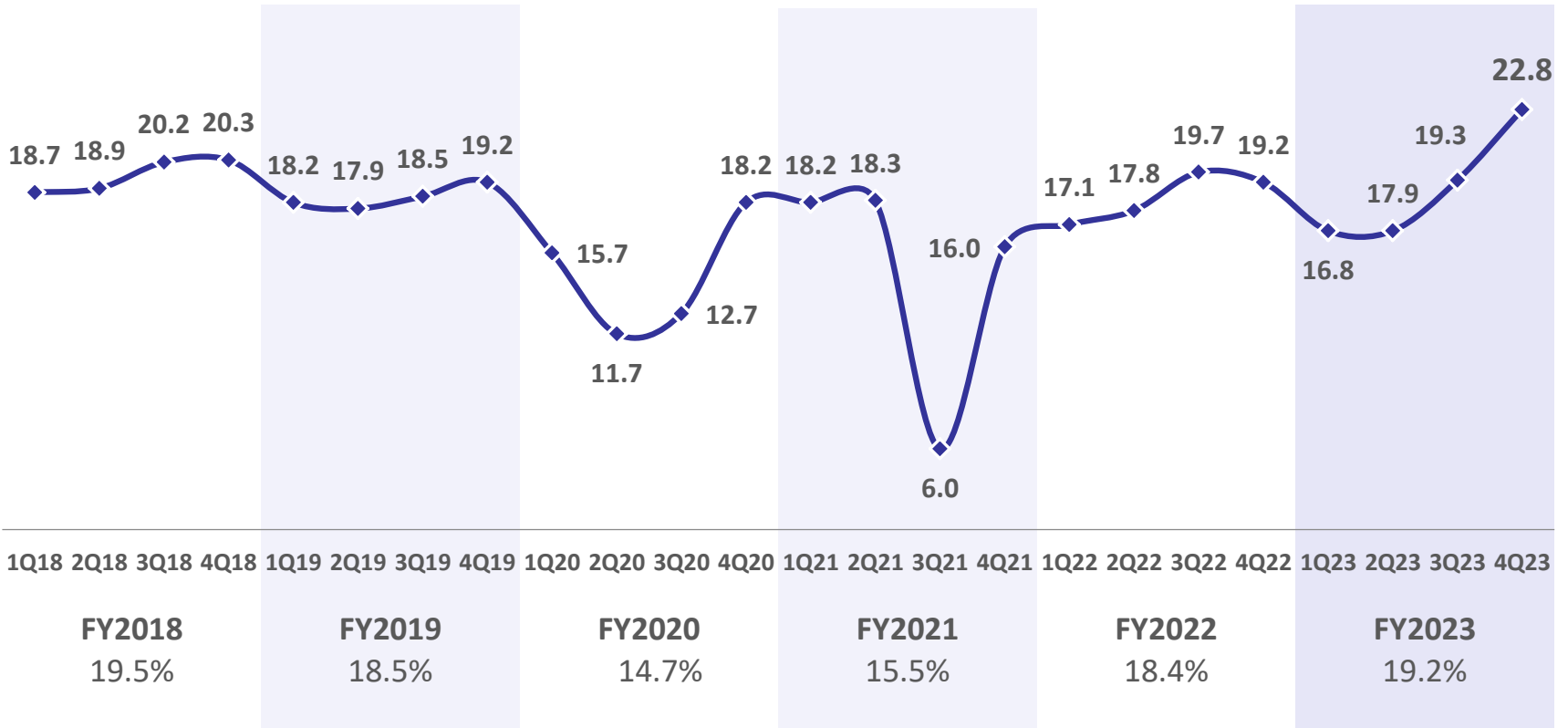


Net Margin



⁽¹⁾ Net income (loss) attributable to owners of the Company, excluding "non-controlling interests".

Footwear Business – Gross Margin Trend



Retail Business – Pou Sheng



- One of the largest retailers and sports services providers for sportswear brands in Greater China
- Brand Partners: Nike, adidas, Skechers, Puma, Under Armour and Converse
- Channel Mix: Brick & Mortar Retail 73%; Omni-Channel 27% (FY2023 Pou Sheng Revenue)
- Brick & Mortar Retail
 - A critical & irreplaceable sales touch point for consumers
 - Directly Operated Stores & Sub-Distributors
- Omni-Channel, consisted of B2B & B2C, while B2C contains:
 - Public Domain: 3rd party platforms (T-Mall, JD, Vipshop) with growing PSP product support
 - Private Domain: Pan-WeChat Ecosphere + member services
 - ▣ *Pan-WeChat Ecosphere: covering WeChat stores, Douyin live-streaming shopping events & shopping mall membership platforms, to deliver better conversion rates, shorter sales cycles and more full-price in-season*



Pou Sheng – Financial Highlights



Financial Highlights

	FY2020	FY2021	FY2022	FY2023	YoY
	(RMB mn; %)	(RMB mn; %)	(RMB mn; %)	(RMB mn; %)	(%)
Revenue	25,611	23,350	18,638	20,064	+7.7%
Gross Profit	7,826	8,299	6,688	6,756	+1.0%
Gross Margin	30.6%	35.5%	35.9%	33.7%	-2.2 pp
Operating Income	661	928	415	736	+77.5%
Operating Margin	2.6%	4.0%	2.2%	3.7%	+1.5 pp
Net Income ⁽¹⁾	303	357	89	490	+450.0%
Net Margin	1.2%	1.5%	0.5%	2.4%	+1.9 pp

⁽¹⁾ Net income attributable to owners of the Company, excluding “non-controlling interests”.

Directly Operated Stores

Selling Area	2022/12/31	Net Change	2023/12/31
300 m ² or smaller	3,332	(533)	2,799
Larger than 300 m ²	761	(37)	724
Total	4,093	(570)	3,523

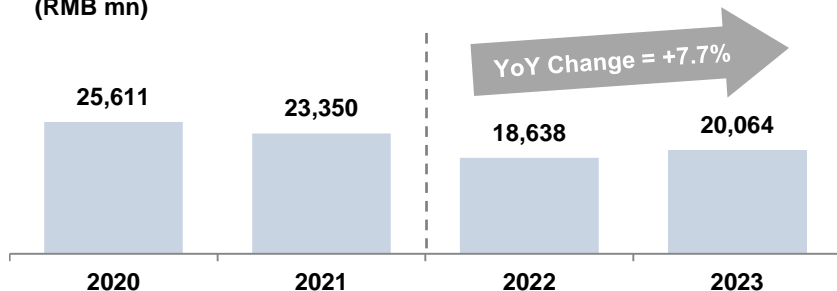
Pou Sheng – Financial Highlights



Pou Sheng's 2M2024 unaudited sales decreased Y-o-Y by 6.7% to RMB3.8 bn (US\$0.5 bn).

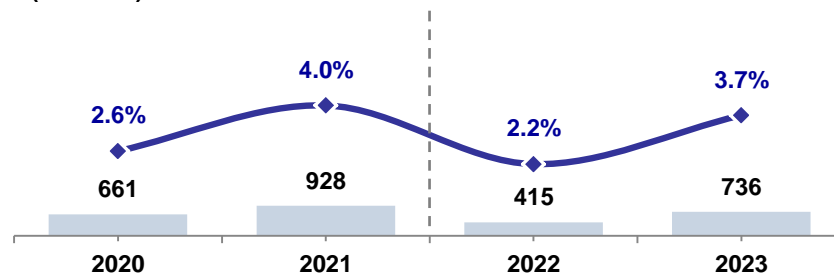
Revenue

(RMB mn)



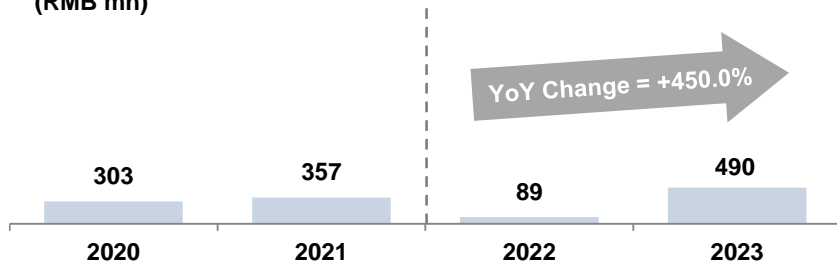
Operating Margin

(RMB mn)

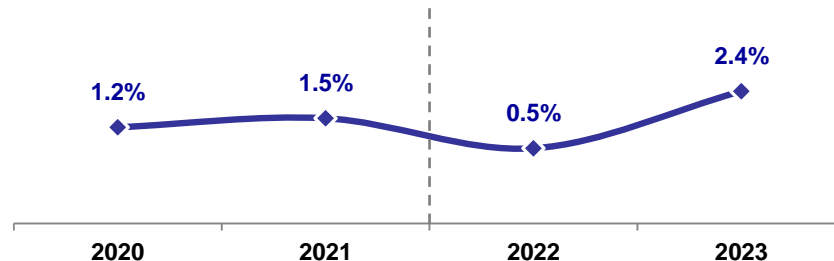


Net Income⁽¹⁾

(RMB mn)



Net Margin



⁽¹⁾ Net income attributable to owners of the Company, excluding "non-controlling interests".

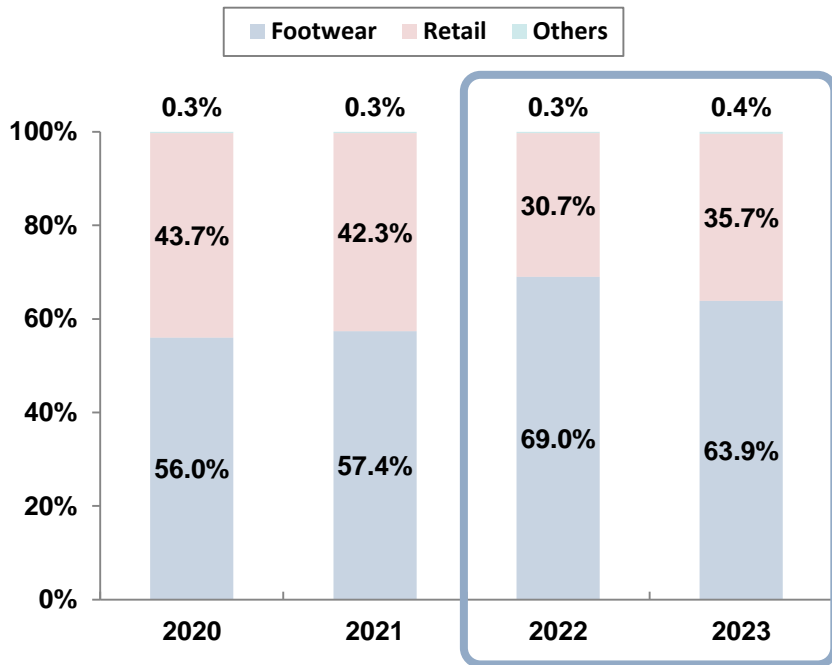
Pou Sheng – Operating Margin Trend



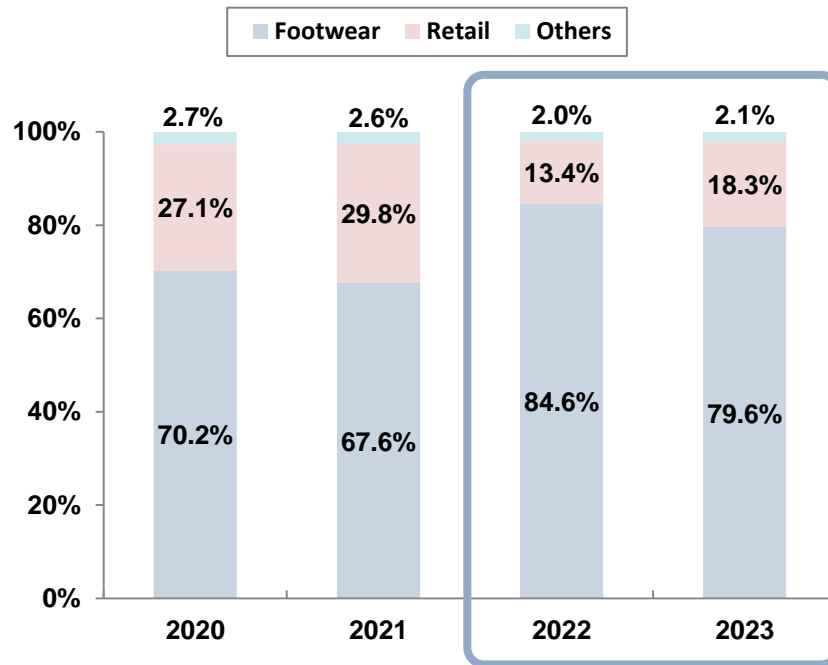
Financial Highlights – Pou Chen (Consolidated)



Segment Revenue



Segment Income⁽¹⁾



⁽¹⁾ Pou Chen identified “Footwear business”, “Retail business” and “Others” as its three reportable segments. Besides, “Segment Income” represented the profit before income tax earned by each segment without allocation of administration costs, remuneration of directors, interest income, other income, other gains and losses, net loss on derecognition of financial assets at amortized cost, finance costs and share of profit of associates and joint ventures.

Financial Highlights – Pou Chen (Consolidated)



(NT\$m)	FY2020	FY2021	FY2022	FY2023	YoY
Revenue	249,954	239,884	267,497	246,634	-7.8%
Gross Profit	54,751	58,223	64,606	61,111	-5.4%
Gross Margin	21.9%	24.3%	24.2%	24.8%	+0.6 pp
Operating Expenses	56,862	55,747	54,010	50,895	-5.8%
Operating Income (Loss)	(2,111)	2,476	10,596	10,216	-3.6%
Operating Margin	(0.8%)	1.0%	4.0%	4.1%	+0.1 pp
Non-operating Income, net	8,072	14,681	10,836	9,251	-14.6%
Profit before taxation	5,961	17,157	21,432	19,467	-9.2%
Income Tax Expense	2,042	554	4,542	3,493	-23.1%
Net Income ⁽¹⁾	4,840	14,439	12,645	10,624	-16.0%
Net Margin	1.9%	6.0%	4.7%	4.3%	-0.4 pp
EPS (NT\$)	1.64	4.90	4.29	3.61	

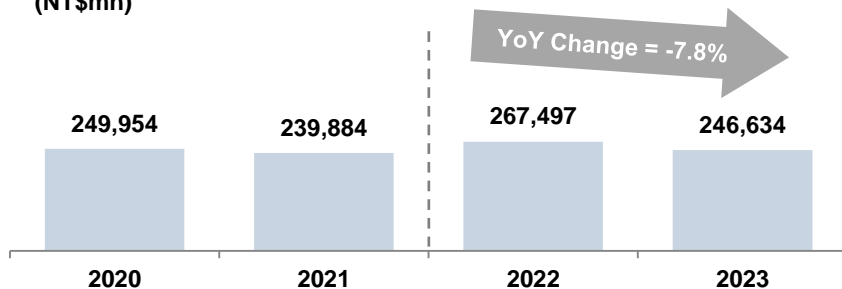
⁽¹⁾ Net income attributable to owners of the Company, excluding “non-controlling interests”

Financial Highlights – Pou Chen (Consolidated)



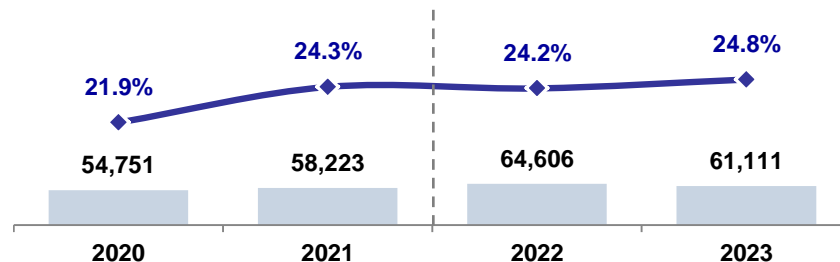
Revenue

(NT\$m)



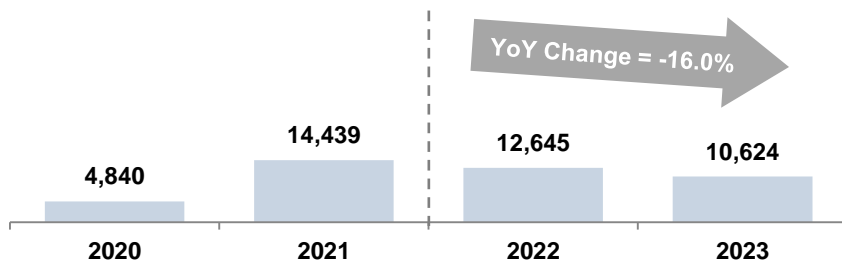
Gross Margin

(NT\$m)



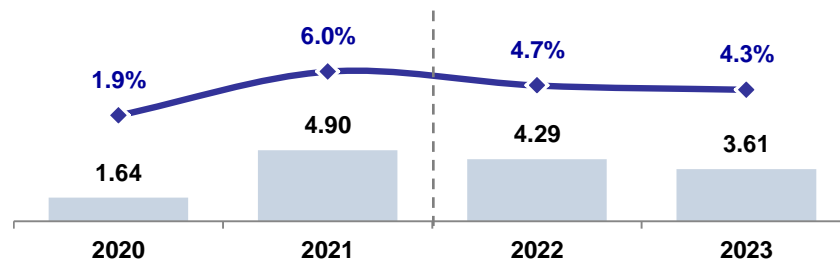
Net Income⁽¹⁾

(NT\$m)



Net Margin / EPS

(NT\$)



⁽¹⁾ Net income attributable to owners of the Company, excluding “non-controlling interests”.

Dividend Policy



	FY2019	FY2020	FY2021	FY2022	FY2023
Dividend / Per Share					
- Pou Chen (NT\$)	1.25 (Cash 1.25)	0.50 (Cash 0.50)	1.50 (Cash 1.50)	1.30 (Cash 1.30)	TBA
- Yue Yuen (HK\$)	1.10 (Interim 0.40 / Final 0.70)	<i>n/a</i>	0.20 (Final 0.20)	1.10 (Interim 0.40 / Final 0.70)	0.90 (Interim 0.20 / Final 0.70)
- Pou Sheng (HK\$)	<i>n/a</i>	<i>n/a</i>	0.016 (Final 0.016)	<i>n/a</i>	0.0305 (Interim 0.0185 / Final 0.0120)
Cash Dividend Yield ⁽¹⁾					
- Pou Chen	3.2% (@NT\$39.20)	1.6% (@NT\$31.40)	4.5% (@NT\$33.15)	3.8% (@NT\$34.20)	TBA
- Yue Yuen	4.8% (@HK\$23.00)	<i>n/a</i>	1.5% (@HK\$13.04)	10.0% (@HK\$10.96)	10.4% (@HK\$8.64)
- Pou Sheng	<i>n/a</i>	<i>n/a</i>	1.4% (@HK\$1.14)	<i>n/a</i>	4.5% (@HK\$0.68)
Cash Dividend Payout Ratio					
- Pou Chen	31.2%	30.5%	30.6%	30.3%	TBA
- Yue Yuen	75.8%	<i>n/a</i>	35.9%	76.6%	67.5%
- Pou Sheng	<i>n/a</i>	<i>n/a</i>	20.0%	<i>n/a</i>	29.2%

⁽¹⁾ The cash dividend yield was divided by the market closing price at the end of 2019, 2020, 2021, 2022 and 2023.



The World's Only FLA-Accredited Footwear Manufacturer. Upholding the obligations of FLA's participating suppliers by actively participating in various projects, supporting relevant industry initiatives, including singing "**Responsible Recruitment**" jointly promulgated by FLA and American Apparel & Footwear Association and the commitment to "**Fair Compensation.**"

What is the FLA (Fair Labor Association) ?



FLA is a non-profit organization dedicated to protecting workers' rights around the world. "The FLA Workplace Code of Conduct" defines labor standards that aim to achieve decent and humane working conditions. For more details, please refer to: <http://www.fairlabor.org>

~ 58 %

Female
Management

~ 93 %

Collective
Bargaining
Agreements

100 %

Fair
Compensation
checks

(1) Source: PCC 2022 Sustainability Report



With 2019 as the base year, the target of **Zero carbon emissions growth** is expected to be achieved by 2025, while also following the brand customers' commitment to Science-Based Target initiative (SBTi) to achieve a goal of **46.2% reduction** in emissions by 2030, as compared to the base year of 2019.

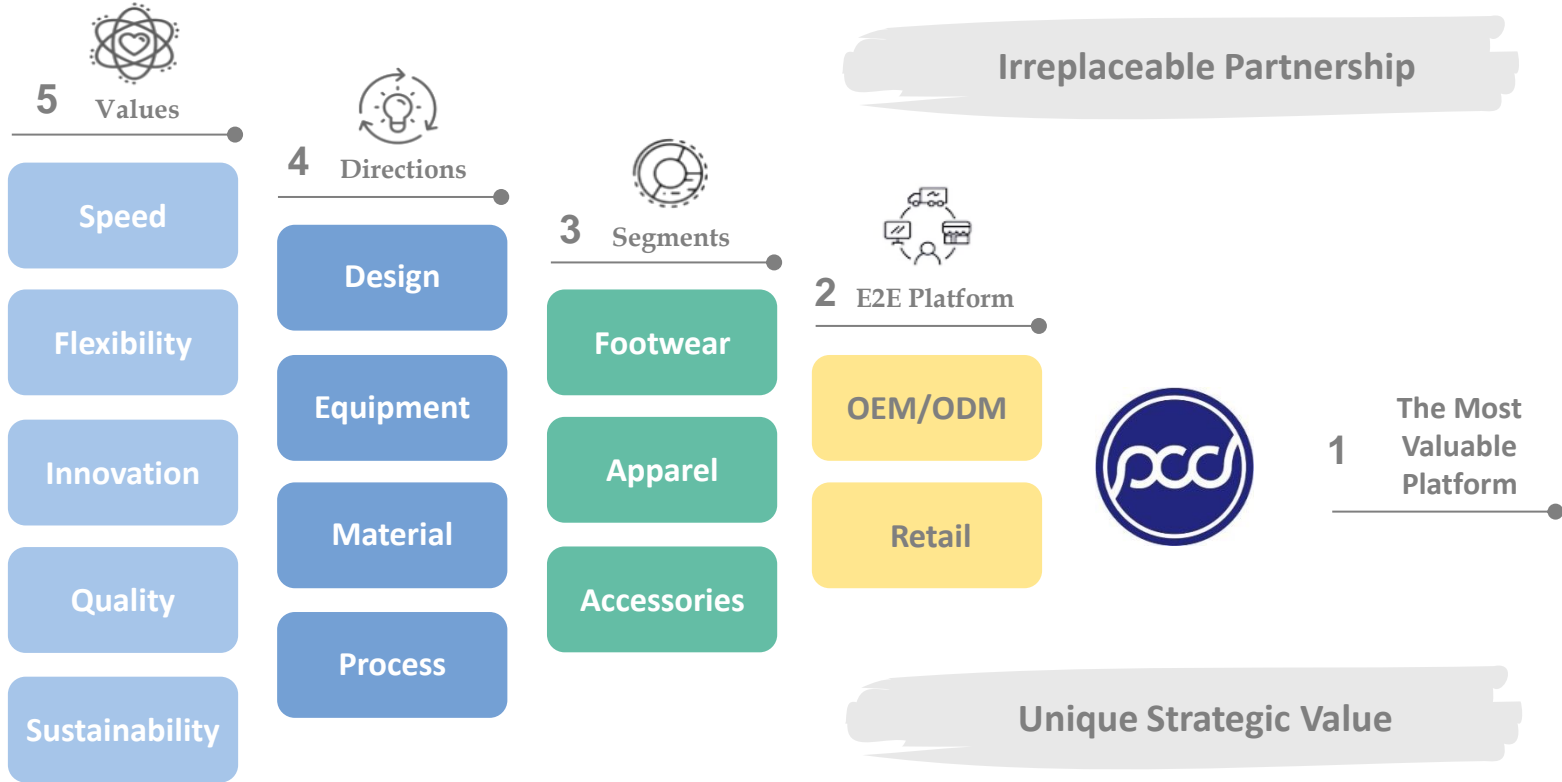


A constituent of **FTSE4Good Emerging Index** as of today and was firstly included in June 2015. The Company is also a constituent of FTSE4Good TIP Taiwan ESG Index, which is jointly issued by Taiwan Index Plus Corporation and FTSE Russell since December 2017.



Excellent results for nine consecutive years and has been ranked as **The Top 5%** of listed companies in Corporate Governance Evaluation conducted by Taiwan Stock Exchange for six times. (FY2014, FY2016~FY2020.)

Growth Strategy



THANK YOU

