

知古



利郎 LILANZ

CHINA LILANG LIMITED
中國利郎有限公司

Stock Code: 1234

2023
Annual Results
全年业绩



行新

利郎 LESS IS MORE



利郎 LESS IS MORE



Agenda 议程

- 01** Results Highlights 业绩亮点
- 02** Financial Review 财务表现回顾
- 03** Business and Operational Review
业务及营运回顾
- 04** Outlook and Strategy 前景及策略
- 05** Open Forum 问答时间



► **1. Results Highlights**
业绩亮点



Transformation and Expansion Go Hand in Hand, Achieving Dual Growth in Sales and Efficiency

转型与拓展并举 销售与效益双增



Revenue increased by 14.8% year-on-year to RMB3,543.8 mn and net profit rose by 18.4% year-on-year to RMB530.4 mn

集团收入同比增加14.8%至人民币3,543.8百万元，净利润同比上升18.4%至530.4百万元

Smart casual collection's self-operated business achieved a significant growth of 35.2%, becoming the main driver of sales growth

轻商务自营业务实现了35.2%的大幅增长，成为销售增长的主要动力

Continued to drive the new retail business, achieving a better than overall 17.6% growth in e-commerce for the year

继续推动新零售业务，实现了电商年内优于整体的17.6%增长

Optimized retail network with a net increase of 51 stores during the year, giving a total of 2,695 retail stores nationwide as at the end of December 2023

优化零售网络，年内净增加门店总数51家，于2023年12月底于全国共有2,695家零售店

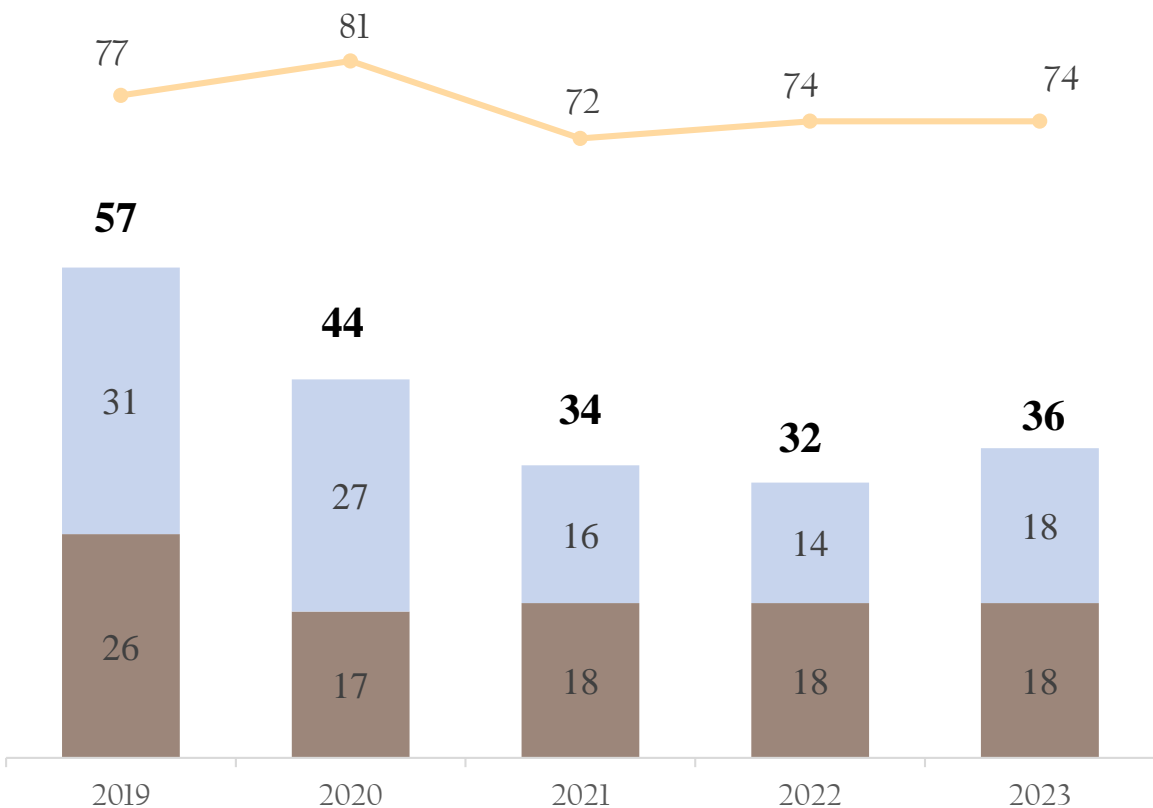
Adhering to the strategy of "Simplified Design Excellent Quality" while increasing the mark-up rate of individual products based on product design and market competitiveness

秉持「简约设计、卓越品质」的策略，同时按产品设计及市场竞争力提高个别产品的加价率

Maintaining Stable Dividend Payout 维持稳定派息

Dividends per share 每股派息

- 末期股息 Final Dividends
- 中期股息 Interim Dividends
- 股息比率(%) Dividend Payout Ratio (%)



- Final dividend HK13 cents per share and special final dividend HK5 cents per share to be distributed
- Total dividends for 2023 amounted to HK36 cents per share
- Dividend payout ratio reached 74%
- Total dividend declared since IPO: HK\$7 Billion. Total dividend per share since IPO: HK\$5.80
- 派发末期股息每股13港仙及特别末期股息每股5港仙
- 2023年合共派息每股36港仙
- 股息比率达到74%
- 上市至今已累计派息70亿港元，每股派息已达到每股5.80港元



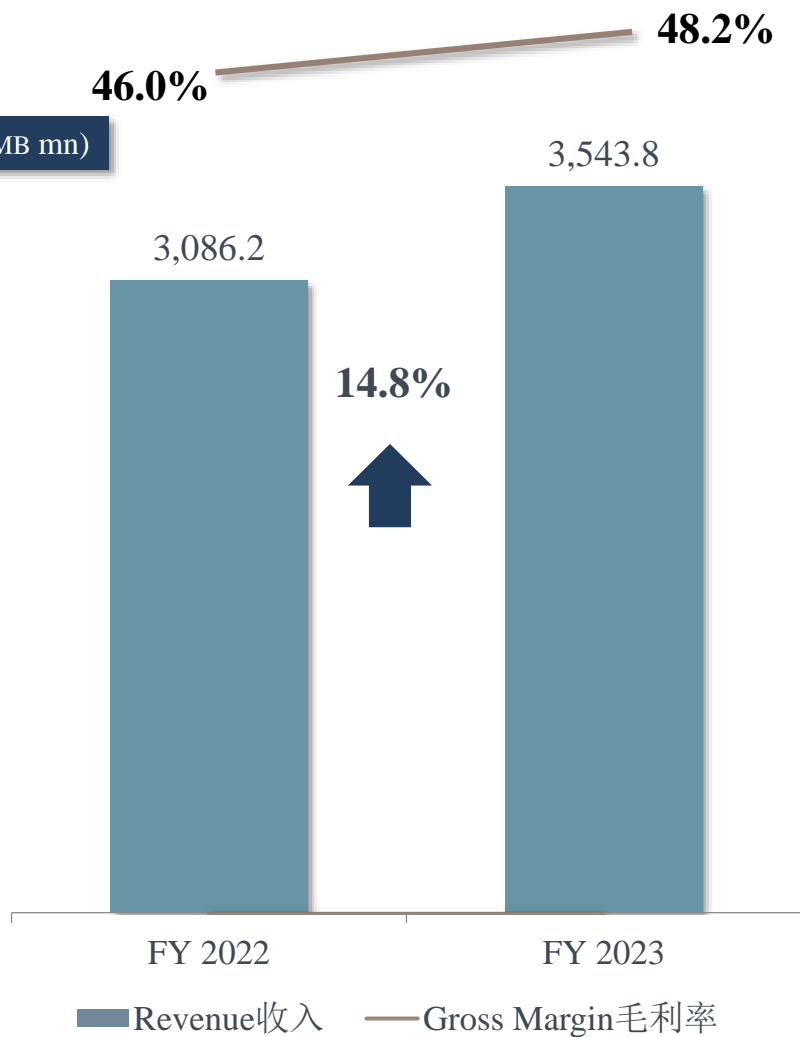
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▶ **2. Financial Review**
财务表现回顾



Revenue and Gross Margin 收入及毛利率



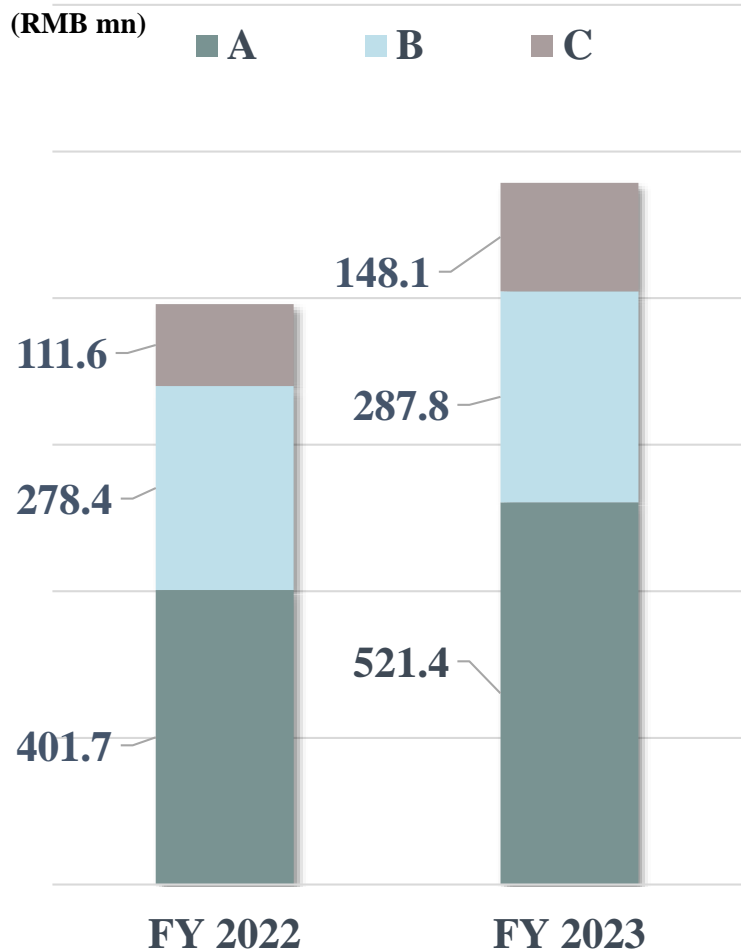
- Revenue raised by 14.8% to RMB 3,543.8 mn, of which revenue for second half of the year raised by 21.6% yoy, mainly driven by the resumption of social activities and the normalization of store operations
 - Revenue of core collection increased by 10.7%:
 - Distributors' digestion of the inventory from 2022 suppressed the growth of new orders
 - No rebate offered to distributors in 2023
 - Revenue of smart casual collection increased by 35.2%:
 - More newly opened stores and higher proportion of sales of premier products
 - Increases in sales per store and average unit price
- 收入增长14.8%至人民币3,543.8百万元，其中下半年同比增长21.6%，主要得益于社会活动恢复和门店正常运营
 - 主系列收入增长10.7%:
 - 分销商消化2022库存令订单增长受压抑
 - 2023年集团没有为分销商提供返利
 - 轻商务系列收入增长35.2%:
 - 新开店铺较多及高端系列销售占比提升
 - 单店销售额和平均单价有所提升
- GP margin up by 2.2 p.p. to 48.2% YoY
- Benefitted from the improvement in inventory management capabilities, the reversal of inventory provision in 2023 was RMB26.66 mn higher than that in 2022, and no sales rebates were offered to distributors during the year
- 毛利率为48.2%，按年增长2.2个百分点
- 受惠库存管理能力的提升，2023年计提存货拨备回拨较2022年多人民币26.66百万元，而且年内不用为分销商提供返利

SD & A Expenses

销售、分销及行政开支

Selling and Distribution Expenses

销售及分销开支



Selling and distribution expenses totalled 957.3 mn, an increase of 165.6 mn from 2022:

- A. Advertising and renovation expenses accounted for 14.7% to revenue, up by 119.7 mn to 521.4 mn compared to 2022
- B. Expenses of smart casual collection stores and online stores increased by 9.4 mn to 287.8 mn, representing 8.1% of revenue
- C. Other selling and distribution expenses increased by 36.5 mn to 148.1 mn, accounting for 4.2%

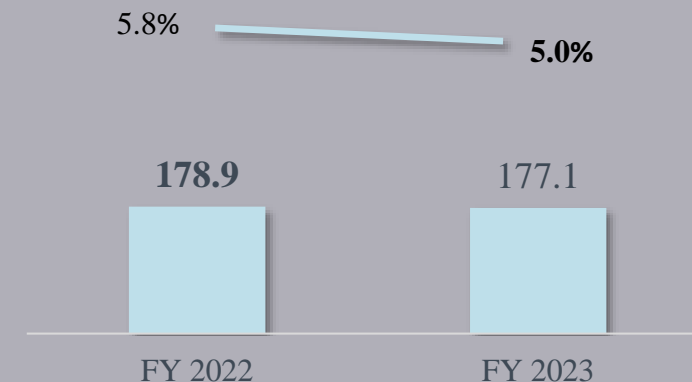
销售及分销开支总计957.3百万，较2022年增加165.6百万：

- A. 广告及装修费用占收入14.7%，较2022年增加119.7百万至521.4百万元
- B. 轻商务及电商营运费用占收入8.1%，增加9.4百万元至287.8百万元
- C. 其他销售及分销开支增加36.5百万元至148.1百万元，占总收入4.2%

Administrative Expenses

行政开支

(RMB mn)



- Management of accounts receivable continued to improve, impairment charge of accounts receivable is RMB6.9mn less than that of 2022
- Strong growth in sales of Smart Casual Stores lead to written back of impairment charge of right-of-use assets of RMB2.5 mn in 2023
- 应收账款管理持续优化，应收账款拨备亏损金额比2022年减少6.9百万元
- 轻商务门店销售强劲增长导致使用权资产拨备2023年回拨2.5百万元

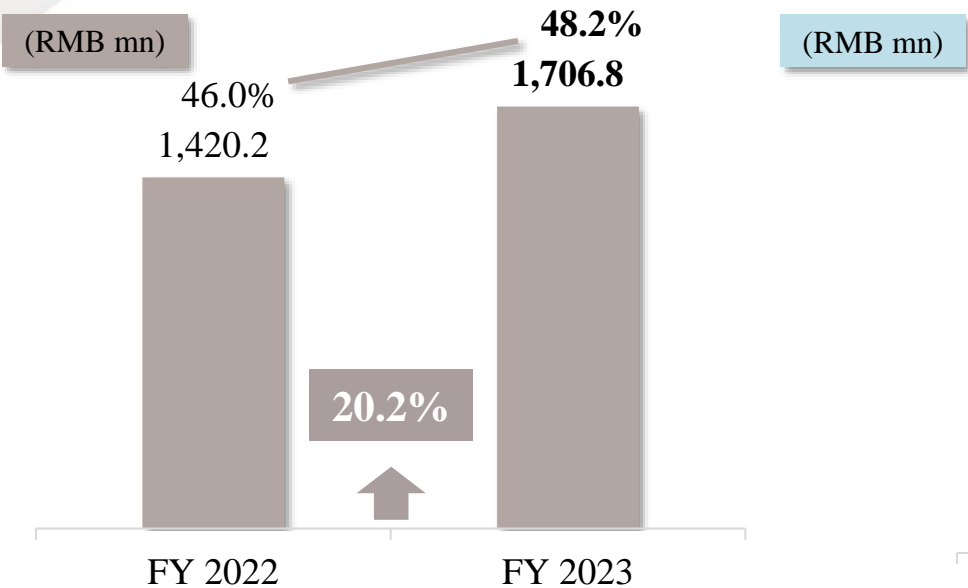
* Ratio of expense to revenue before provision of inventory buy-back

Profit & Margin

盈利及利润率

Gross Profit & Margin

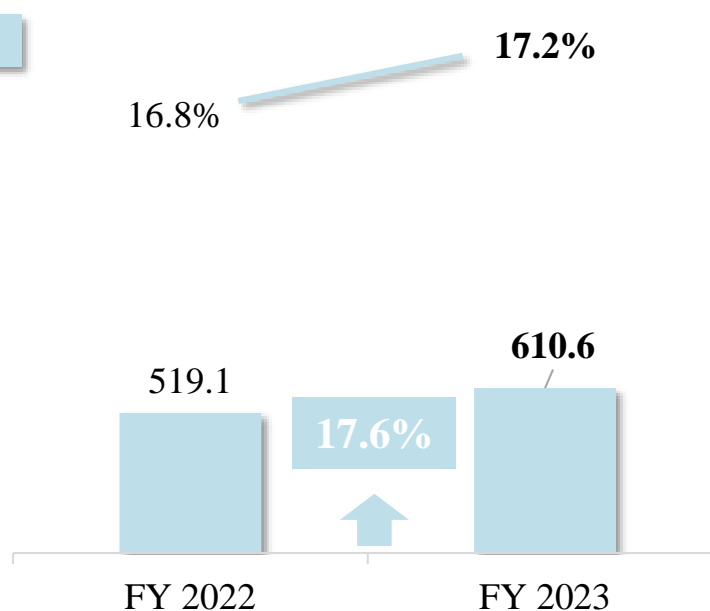
毛利及毛利率



- The GP margin was about 48.2%, up by 2.2 p.p. YoY
- The write-back of inventory provision is RMB26.66 mn more than 2022
- 毛利率同比增加2.2个百分点至约48.2%
- 存货拨备回拨较2022年增加人民币26.66百万元

Operating Profit & Margin

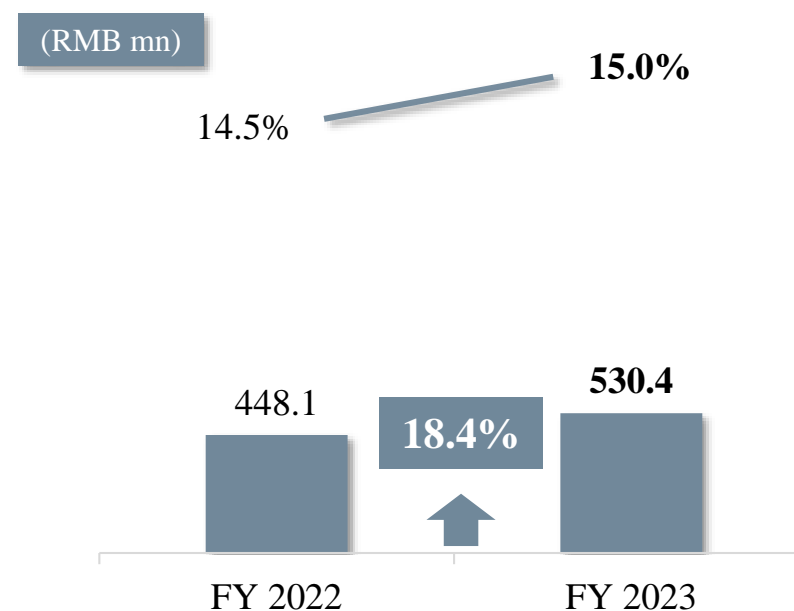
经营利润及经营利润率



- Profit from operations increased by 17.6% to RMB610.6 mn
- Operating profit margin increased by 0.4 p.p to 17.2%
- 经营利润增加17.6%至人民币610.6百万元
- 经营利润率上升0.4个百分点至17.2%

Net Profit & Margin

净利润及净利润率

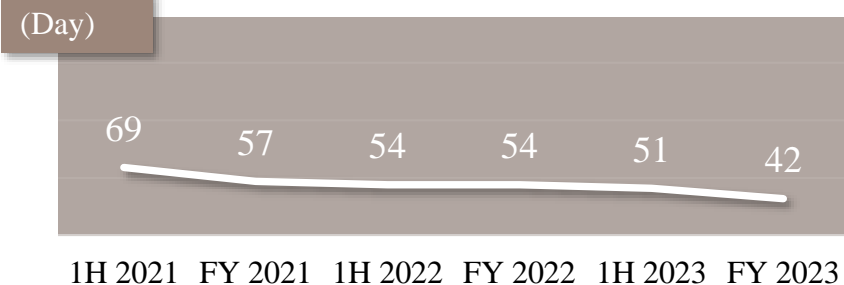


- Net profit for the year was RMB530.4 mn, up 18.4%, of which net profit for the second half of the year up by 36.1% yoy
- Net profit margin increased by 0.5 p.p. to 15.0%
- 净利润为人民币530.4百万元，增长18.4%，其中下半年净利润同比增长36.1%
- 净利润率提升0.5个百分点至15.0%

Working Capital Cycle

营运资金周转天数

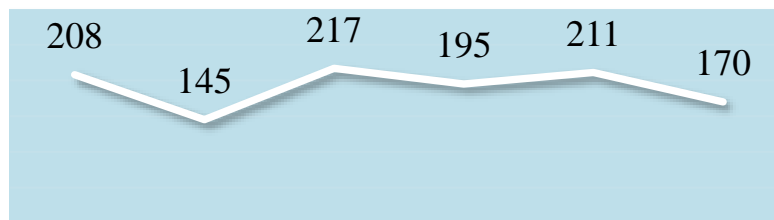
Average Trade Receivables Turnover Days 平均应收贸易账款周转天数



1H 2021 FY 2021 1H 2022 FY 2022 1H 2023 FY 2023

- Turnover days reduced as a result of more long outstanding receivables were collected
- Increase in sales proportion of the smart casual collection which are mainly retail sales during the year
- 周转天数减少乃由于收回了较长期未收回应收款项增加
- 年内以零售为主的轻商务销售比例增加

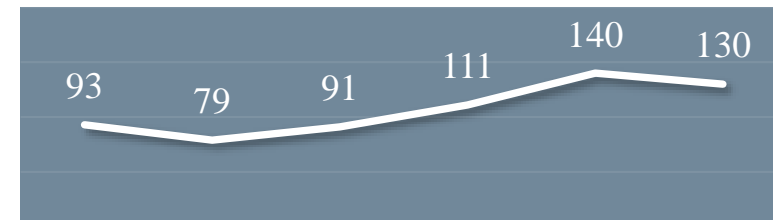
Average Inventory Turnover Days 平均存货周转天数



1H 2021 FY2021 1H 2022 FY2022 1H 2023 FY2023

- The decrease of average inventory turnover days is mainly due to more efficient inventory management which resulted in higher sell-through rate of inventory
- Total inventory balance decreased by RMB59.4 mn
- As at 31 December 2023, total provision of RMB66.5 mn was made in accordance with the Group's inventory provision policy
- 平均存货周转天数减少乃主要由于更有效的库存管理导致库存售罄率较高
- 总存货结余减少人民币59.4百万元
- 于2023年12月31日已按照集团之存货拨备政策作出拨备总额人民币66.5百万元

Average Trade Payables Turnover Days 平均应付贸易账款周转天数



1H 2021 FY 2021 1H 2022 FY 2022 1H 2023 FY 2023

- The increase in trade payables turnover days is mainly because of the increase in usage of trade bills which will be settled in later stage
- Trade and bills payables balance increased by RMB150.1 mn during the year to RMB729.9 mn
- 应付贸易账款周转天数增加乃由于将于稍后阶段偿还的贸易票据用量增加
- 年内应付贸易账款及应付票据结余增加人民币150.1百万元至人民币729.9百万元

Cash Flows

现金流量

RMB mn 人民币百万元	FY 2023	
Net cash generated from operating activities 经营活动现金流入	1,100.7	Operating cash inflows 经营现金流入 <ul style="list-style-type: none"> The major reconciling items with net profit for the year : <ul style="list-style-type: none"> Increased trade payables Depreciation expense of RMB220.5 mn 与年度净利润主要调节项目： <ul style="list-style-type: none"> 应付贸易账款增加 折旧开支人民币220.5百万元
Net cash used in investing activities 投资活动现金流出	(1,211.9)	Investing cash outflows 投资现金流出 <ul style="list-style-type: none"> CAPEX of RMB131.7 mn, time deposit of RMB1,099.0 mn, and less interest income of RMB20.5 mn 资本开支人民币131.7百万元，存放定期存款人民币1,099.0百万元，扣减利息收入人民币20.5百万元
Net cash generated in financing activities 融资活动现金流入	228.0	Financing cash inflows 融资现金流出 <ul style="list-style-type: none"> Payments of 2022 final dividends and 2023 interim dividends totalling RMB348.5 mn and lease rental payments totalling RMB98.3 mn, and less net bank loan borrowings of RMB687.5 mn 支付2022末期股息及2023中期股息共人民币348.5百万元，以及租赁付款共人民币98.3百万元，减银行贷款借贷净额人民币687.5百万元
Net increase in cash and cash equivalents 现金及现金等价物增加净额	116.8	
Cash and cash equivalents as at 1 Jan 于1月1日现金及现金等价物	960.1	
Effect of foreign exchange rate changes 外币汇率变动的影响	0.3	
Cash and cash equivalents at 31 Dec 于12月31日现金及现金等价物	1,077.2	

Healthy & Strong Cash Position

稳健的现金水平

Total Cash and Bank Balance 银行及现金结余

(RMB mn)

■ Bank Loans 银行贷款
■ Net Cash Balance 净现金结余



▶ **3.** Business and
Operational Review
业务及营运回顾



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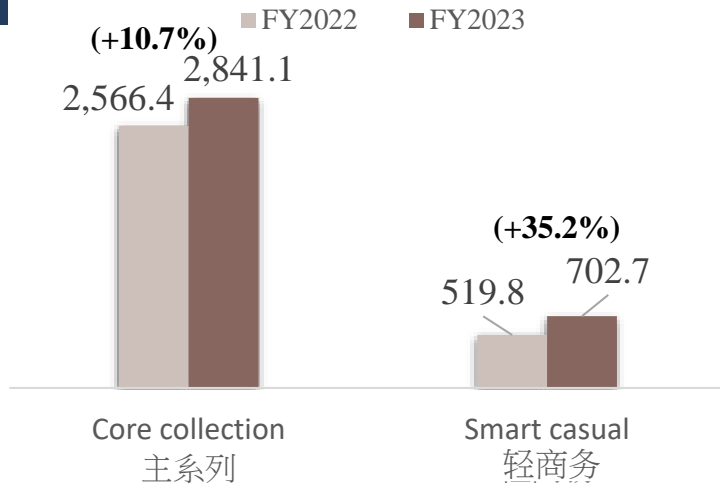
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Sales By Collection

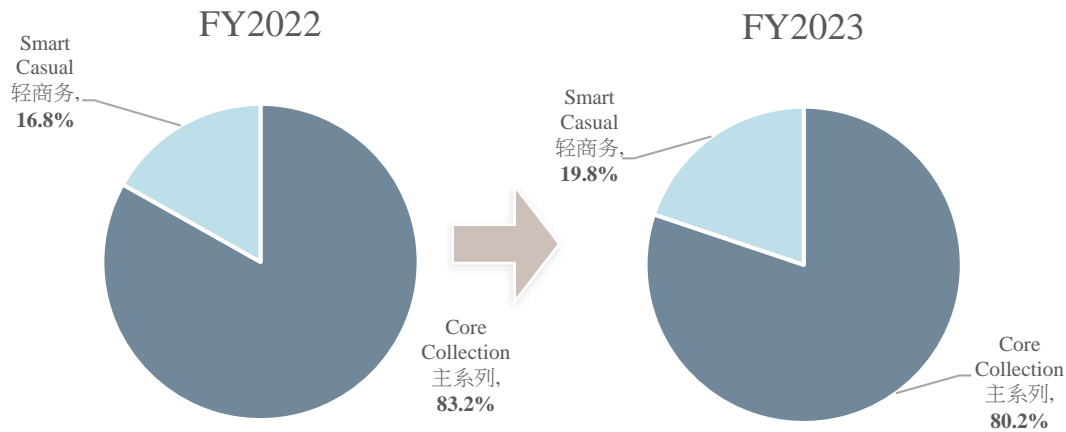
品牌系列销售概况

(RMB mn)

Sales by collection 各系列销售



% of revenue by collection 各系列占比



“单品牌双系列”战略效果显著:

- 主系列Lilanz定位“简约男装”，以三、四线地县级市的30-50岁男士为主，满足其品位商务休闲的改善性需求
- 轻商务LESS IS MORE定位“青年商务”，以一、二线及经济强市的20-40岁男士为主，满足其商务通勤的刚性需求
- 年内，轻商务系列受益于门店数与店效的双驱增长，营业额大幅增长35.2%；主系列由于年内分销商需消化2022年库存，以致于2023年订货量增长有限，收入增速达10.7%
- 集团通过双系列差异化的战略满足更多消费者的更精准需求。自2020年轻商务系列采用直营模式经营以来，其收入占比年内已提升至19.8%，且录得盈利，“单品牌双系列战略”的实施卓有成效

“Single Brand, Dual Collection” Strategy Achieves Remarkable Results

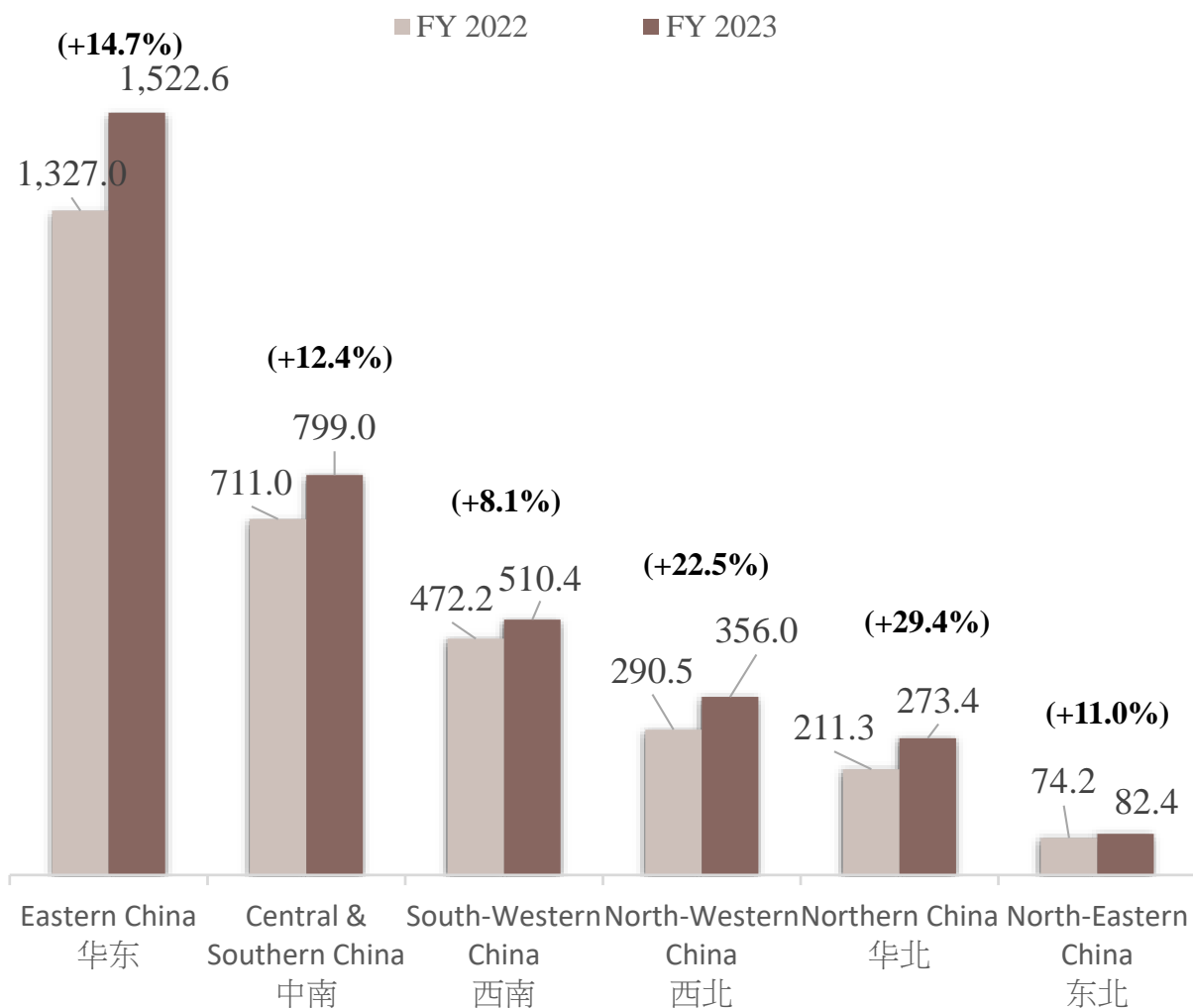
- Core collection is positioned as “**Minimalist Menswear**”, targeting men aged 30-50 in third- and fourth-tier cities and county-level areas, and catering to their improvement needs for business-casual attire
- Smart casual LESS IS MORE is positioned as “**Youth Business**”, focusing on urban youths aged 20 to 30 in first- and second-tier economically strong cities, and aiming to meet the inelastic demand from business commuters
- During the year, the smart casual collection benefitted from the growth in the store number and store efficiency, leading to a remarkable 35.2% increase in turnover. Meanwhile, the core collection experienced limited order volume growth in 2023 due to distributors’ need to clear inventory from 2022, and achieved a revenue growth rate of 10.7%
- The Group's differentiation strategy, featuring dual collections, caters to the more precise needs of a wider group of consumers. Since the adoption of direct-to-retail model for the smart casual series in 2020, its revenue contribution has increased to 19.8% and profitability has been achieved for the year. The implementation of the “Single Brand, Dual Collection” strategy has been highly successful

Sales Channel Management

销售渠道管理

Sales by region 各区销售

(RMB mn)



Store Count by Region 各区店铺数目

	2023-1-1	Opened 开店	Closed 关店	Net Open 净开店	2023-12-31
Eastern China 华东	744	102	72	30	774
Central and Southern China 中南	715	72	66	6	721
South-Western China 西南	502	32	43	-11	491
North-Western China 西北	280	48	18	30	310
Northern China 华北	252	41	26	15	267
North-Eastern China 东北	151	14	33	-19	132
Total 总数	2,644	309	258	51	2,695
Total Retail Floor Space 总店铺面积 (sqm 平方米)	403,703				429,543 (+6.4%)

Sales Channel Management (Con't)

销售渠道管理（续）

Channel Reform Bears Fruits:

- Established four sales channels: the distribution and consignment models of the core collection, the direct-to-retail stores of the smart casual collection and the direct-to-retail stores under the e-commerce sales model
- Each of the sales channels recorded profit and store efficiency increased significantly
- During the year, the smart casual collection continued to expand its store network, optimize store locations and improve the utilization of store space. The refurbishment of stores in Jiangsu, Qingdao and Wuhan has been completed, resulting in a significant improvement in the sales efficiency of the stores
- Channel upgrade continued:** 879 stores in shopping malls accounted for about 32.6% of total store count and about 35.1% of the total retail floor space

渠道改革成果显现:

- 年内已确立四个销售渠道：主系列的分销及代销模式、轻商务的直营模式及自营的电商销售模式
- 各渠道均录得盈利，店效明显增长
- 轻商务年内持续扩大店铺网络，优化店铺位置及改善店铺空间的利用，江苏、青岛和武汉的门市已完成整改，销售效益显著提升
- 继续优化渠道：**购物商场店铺879家，占店铺总数目约32.6%，占总店铺面积约35.1%

The break down of the stores by types 按店铺类型拆分	Core collection 主系列	Smart casual collection 轻商务	Total 总数
Street stores 街边店	1,429 (-4)	15 (-6)	1,444 (-10)
Stores in shopping malls and outlet stores 购物商场及奥特莱斯店	703 (+32)	253 (+34)	956 (+66)
Shop-in-shops in department stores 百货店中店	261 (-20)	34 (+15)	295 (-5)
Total 总数	2,393 (+8)	302 (+43)	2,695 (+51)

Strengthened Inventory Management Capabilities

- Opened 22 more outlet stores, the sell-out rate of core collection and smart casual collection stores continued to increase
- With the operation of the new logistics center and the implementation of intelligent logistics systems inventory control further improved, achieving cost reduction and efficiency improvement

强化库存管理能力

- 年内增开奥特莱斯店22间，主系列和轻商务店铺的售罄率进一步提升
- 新物流园投入运作，配合智能化物流系统，进一步提升库存控制并实现降本增效

輕商务自营
SC Direct-to-retail stores

Stores 门店

296

+45

65 一级分销商
Distributors (0)

Stores 门店

1,223

-42

769 二级分销商
Sub-distributors (+34)

Stores 门店

1,176

+48

Total store count as at 31 December 2023: 2,695
2,393 core collection stores; 302 smart casual collection stores

于2023年12月31日总店数：2,695 家
2,393 家主系列店铺；302 家轻商务系列店铺

New Retail Business Development

新零售业务发展

Vigorously Expanded E-commerce Live Streaming Drives Growth in the Online Business

大力发展直播带货，带动线上业务增长

- Launched the hot pants products on its e-commerce platform during the 618 E-commerce Shopping Festival
- On the eve of the Double 11 Shopping Festival, held the “LESS IS MORE Grand Anping Bridge Show: Knowledge and Practice of the Youth”, through the highlights of an outdoor fashion show broadcast on TikTok, and laid a good foundation for the sales during the Double 11 Shopping Festival.
- Utilized platforms such as TikTok to provide consumers with detailed product information, thereby driving growth in the online business
- Added 7 production lines in its plant for rapid response to small batch orders
- 于6.18电商购物节在网店推出裤类爆款
- 「双11」前夕，举办「LESS IS MORE安平桥青年知行年度大秀」透过抖音播放户外时装展的精华片段，为「双11」销售奠定良好基础
- 在抖音等平台提供丰富的产品信息，从而带动线上业务的增长
- 在集团自设厂房增加七条生产线、快速小批量生产

A 17.6% year-on-year growth in new retail sales during the year

年内新零售
销售同比增长17.6%



Completed Transformation Into a Self-operated E-commerce Platform, Allows Flexible management for Online Business
完成电商自营转型，灵活布局线上业务

- Increased the number of new products available for sale to enhance the attractiveness of e-commerce
- Continued to use WeChat platform to provide customer relationship management service
- Further leveraging the advantages of online and offline services, through Wechat platform, to drive store efficiency growth
- 加大电商销售新品的数目，以增加电商的吸引力
- 继续利用微信平台提供顾客关系管理服务
- 进一步通过微商城业务发挥线上线下互补的优势，有助店效提升



Product Design, Development and Supply Chain Management

产品设计、开发及供应链管理



Implemented the Strategy of “Simplified Design, Excellent Quality”

- Proportion of originally designed products was maintained at about 75% among products sold during the year
- Proportion of the products utilising proprietary fabrics developed by the Group was around 50%
- The newly upgraded Hydrophobic Down 2.0 has been awarded the double certification from the World Record Certification Agency (WRCA)
- The launch of the hydrophobic down resulted a 30% increase in the Group’s total down sales YoY
- The wash-resistant polo shirt collection launched in the summer also uses the fabric independently developed by China Lilang. Even if repeatedly worn, washed and ironed, the shirt is still as smooth, bright and colorful as new

执行「简约设计、卓越品质」的策略

- 年内产品原创比例提升至约75%
- 其中应用由集团开发的独有面料的产品比例约50%
- 推出新升级的拒水羽绒2.0，获世界纪录认证机构WRCA颁发的双项认证
- 拒水羽绒的上市，带动集团整体羽绒销售较去年同期增长30%
- 夏季推出耐洗POLO衫系列同样采用集团自主研发面料，即使反复穿、洗、熨烫依然平整如新



Strong research and development team

- About 343 members

强大研发团队

- 约343人

Marketing & Promotion

品牌管理及宣传

利郎 LILANZ

Launched a redesigned logo, reflecting the business philosophy of the Group - "Simplified Design, Excellent Quality"
推出重新设计的标徽，反映集团秉持的经营哲学 - 「简约设计、卓越品质」

Upgrading the store space through immersive installations that channel a strong sense of technology
通过极具科技感的沉浸式装置设计，升级店铺空间



Collaborated with National Geographic China to launch the "Most Beautiful Highways and Apex Landscapes in China" study tour program

与中国国家地理合作发布「最美公路暨中国极致景观」的专线考察计划



Became the partner of Mango TV's large-scale variety show "Call Me By Fire Season 3"
成为芒果TV大型综艺《披荆斩棘3》合作伙伴

Chen Chusheng and Zhang Yuan serving as the ambassadors of Lilang's Minimalist Menswear
陈楚生、张远出任利郎简约男装推荐官



Held the "LESS IS MORE Grand Anping Bridge Show: Knowledge and Practice of the Youth" at Anping Bridge, a World Heritage Site in Jinjiang, Fujian

在福建晋江世遗古迹安平桥举办「LESS IS MORE安平桥青年知行年度大秀」

▶ **4. Outlook and Strategy**
前景及策略



Prudent & Flexible Operation Strategy

审慎而灵活的经营策略

Leveraging the Advantages of Sales Channel Reform and Continuing Store network Expansion

致力发挥销售渠道改革的优势，继续扩大店铺网络



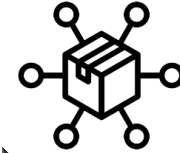
Enhance Brand Image 提升品牌形象

- Launched redesigned logo 「利郎 LILANZ」
- Plans to complete the seventh generation renovation project for 400 stores in 2024
- 推出新商徽「利郎LILANZ」
- 计划于2024年完成400家门店的第七代装修工程



Leveraging the Advantages of Sales Channel Reform 发挥销售渠道改革的优势

- Plans to achieve a net increase of 100-200 stores
- Continue to open new stores in prime locations at premium shopping malls in provincial capitals and prefecture-level cities
- 计划净增加100-200家门店
- 坚持在省会及地级市优质购物中心优越的位置开店



Maintain Channel Health 保持渠道健康

- Intensify the launch of new products to increase the proportion of higher priced new items, improving the average selling price and the overall profitability of the products
- Add stores in outlets as a recurring channel for inventory clearance
- 加强推出新品，提升售价较高的新品占比，增加平均售价及整体产品的盈利能力
- 继续增加在奥特莱斯开店，作为清理库存常设渠道

Operational Targets 经营目标

- Total number of stores for FY 2024:
Net increase of 100-200 stores
- 2024年全年总店铺数目：
净增加100-200家
- The total retail sales growth for FY 2024:
15%
- 2024年全年总零售金额增长：
15%

New Retail

- Step up efforts to develop new retail businesses
- Provide personalized shopping experiences through methods such as e-commerce live streaming on TikTok
- Continuously introduce innovative and differentiated new products
- Complement the advantages of online stores and physical stores, and optimize channels to further drive sales growth
- Aim to achieve 20% growth in new retail business in 2024

新零售

- 加大新零售業務的發展力度
- 通过抖音直播带货等方式，提供个性化的购物体验
- 不断推出具有创新性和差异化的新产品
- 结合网店与实体店铺的互补优势，做好渠道优化，带动销售进一步提升
- 目标于2024年新零售业务实现20%的增长

Brand Promotion

品牌推广

- Implementing a “multi-brand and internationalization” development strategy
- Seeking to collaborate with international brands in domestic market with the aim of providing consumers diversified choices
- Enriching product design and widening revenue source, pushing its brands into the international arena
- 落实新的「多品牌、国际化」发展策略
- 积极寻求与国际品牌于国内合作，为消费者提供多元化的选择
- 带来新风格及拓阔收入来源，将利郎品牌推向国际舞台



简约男装

▶ **5. Open Forum**
答问时间

利郎 LILANZ

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