LILANZ 利郎

INTERIM RESULTS 2017 中期业绩

China Lilang Limited_1234 HK

Hong Kong 香港, 2017-08

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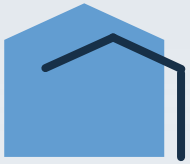
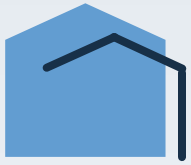
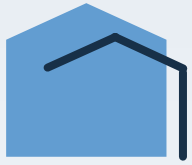
AGENDA 议程



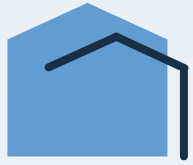
Results Highlights业绩亮点



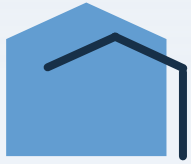
Financial Review 财务表现回顾



Business and Operational Review业务及营运回顾



Outlook and Strategy 前景及策略



Open Forum 问答时间

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RESULTS HIGHLIGHTS

业绩亮点

STEADY PROGRESS WITH "IMPROVING PRODUCT QUALITY WITHOUT RAISING THE PRICE" STRATEGY 「提质不提价」策略下稳步进展

1. 原创产品的比例进一步上升，LILANZ的产品定位更清晰，风格更突出，充份体现出与其他品牌的差异
   Proportion of original design products further increased: LILANZ products fully differentiated from other brands with clearer positioning and prominent designs

2. 以轻商务系列(*)发展一、二线市场，进度良好，推出后受到消费者的欢迎
   Satisfactory progress in the development of the 1st and 2nd tier markets with smart casual collection, products well received by consumers

3. 继续加强零售渠道的管理， 提升渠道经营效率，保持渠道健康，零售门店录得中单位数的同店销售增长
   Continued to enhance retail channel management, channel operating efficiency improved and channel in healthy state with mid-single digital same-store sales growth

4. 收入为人民币1,022.3百万元，净利润为人民币270.6百万元，利润比率有所上升
   Revenue was RMB1,022.3 mn, net profit was RMB270.6 mn, profit margins improved

5. 财政健康，现金流充足，保持高派息比率 — 中期股息每股13港仙及特别中期股息每股5港仙
   Financially healthy and sufficient cash flows to support high dividend payout ratio – interim dividend HK13 cents per share and special interim dividend HK5 cents per share

（ * 即休闲时尚系列）

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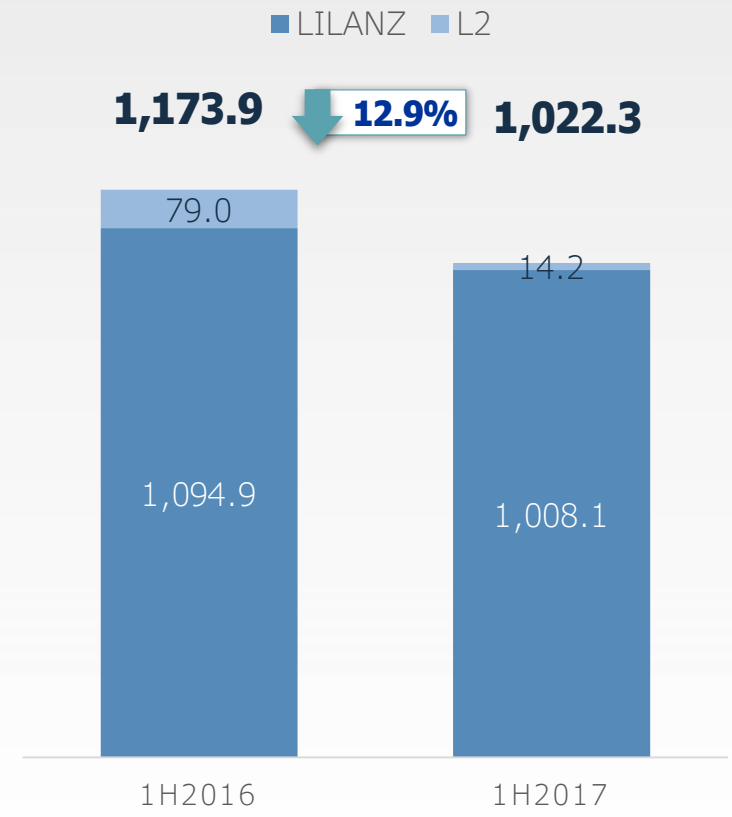
FINANCIAL REVIEW

财务表现回顾

REVENUE ANALYSIS 收入分析

Total Revenue & Revenue by Brand
总收入及按品牌分类收入

Unit: RMB mn



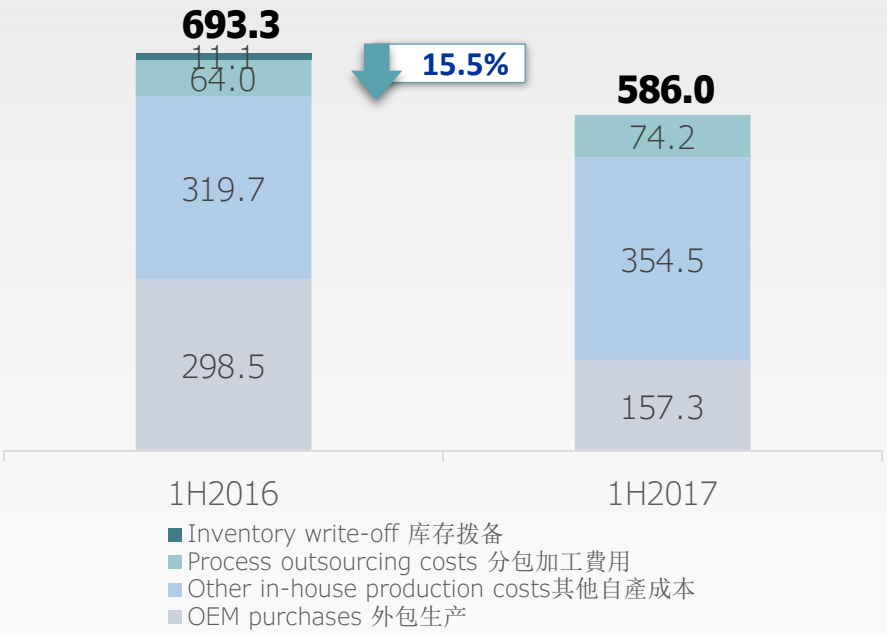
- Revenue of **LILANZ** down by 7.9% to RMB1,008.1 mn. Sales of spring and summer collections were reduced to keep the channel inventory healthy
  LILANZ 的销售额下降7.9%至人民币10.1亿元；为确保渠道库存健康，减少春夏季产品销售

- **L2** will cease operation starting fall season and has started inventory clearance; sales for 1H amounted to RMB14.2 mn
  L2 將在秋季开始停止業務，现已開始清理庫存，上半年銷售額为人民币1,420萬元

COST OF SALES 销售成本

Cost of Sales Breakdown
销售成本分析

Unit: RMB mn



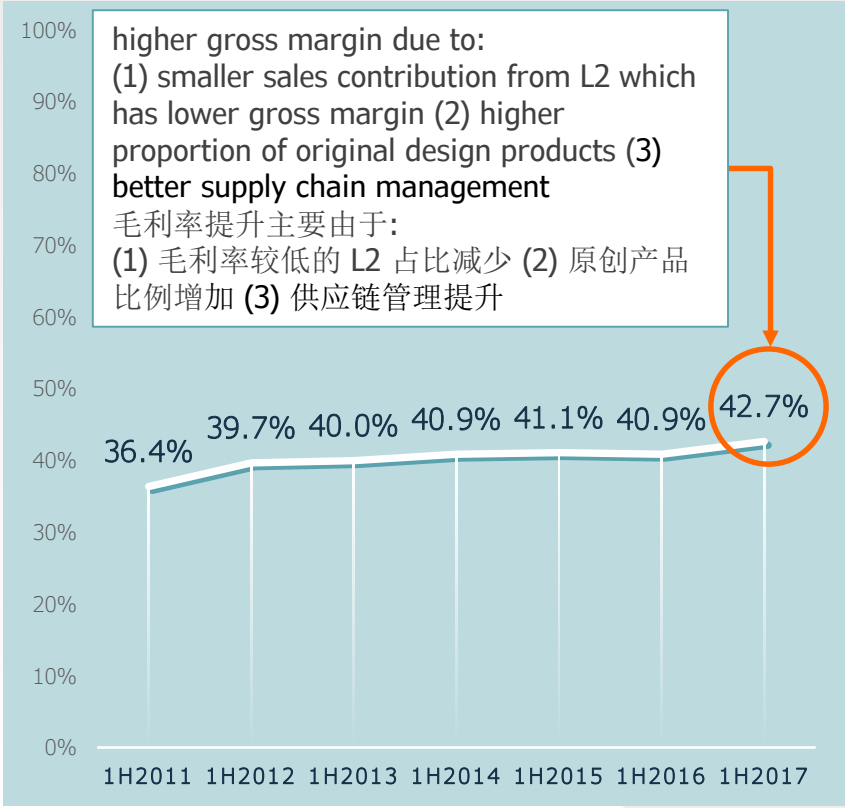
73.2 %
(+17.9 p.p.)

Cost of in-house production
(incl. process outsourcing costs)
as % of total cost of sales
自产成本（包括分包加工费用)占总销售成本

Total R&D costs 总研发成本 **RMB36.5** 百万元 mn

Gross margin 毛利率

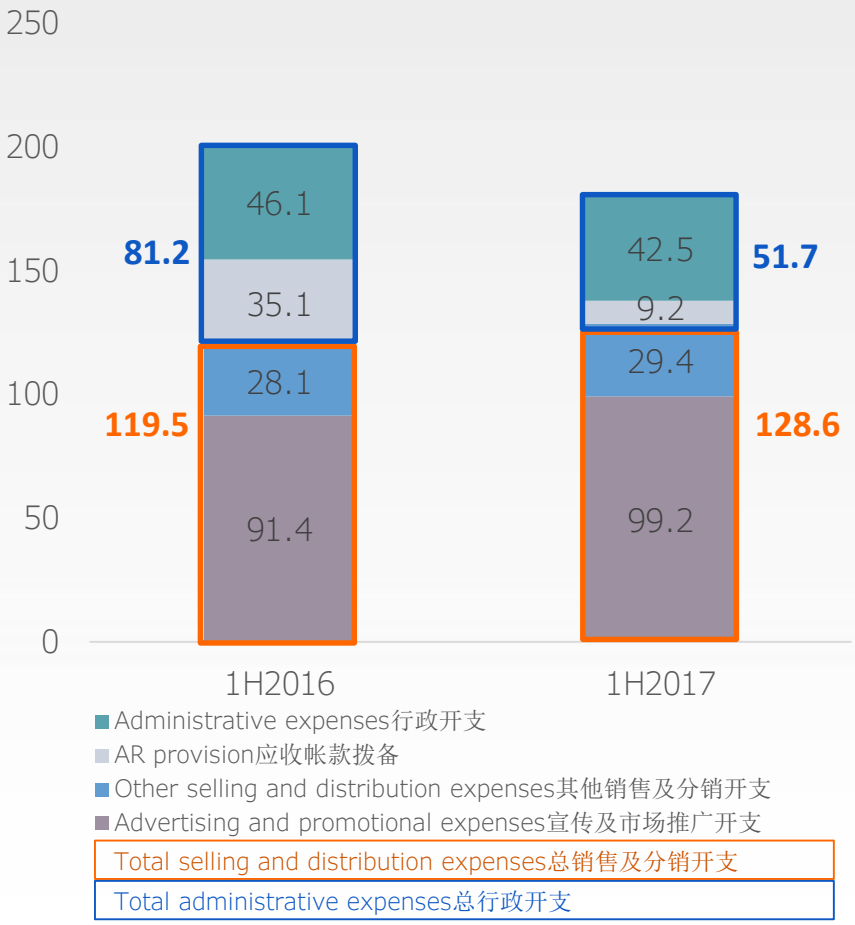
Unit: RMB mn



SD&A EXPENSES 销售、分销及行政开支

Total SD&A Expenses
销售、分销及行政开支总额

Unit: RMB mn

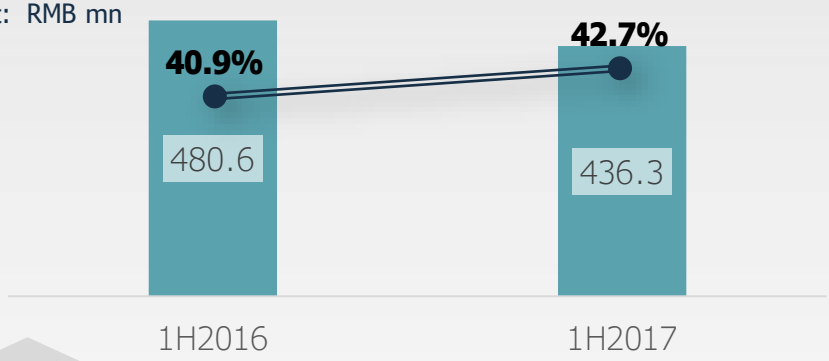


SD&A as % of Revenue
销售、分销及行政开支占收入比例%

PROFIT & MARGIN 利润及利润率

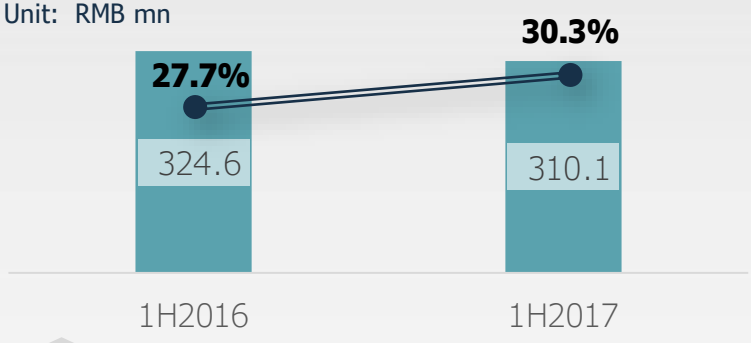
Gross profit and margin
毛利及毛利率

Unit: RMB mn



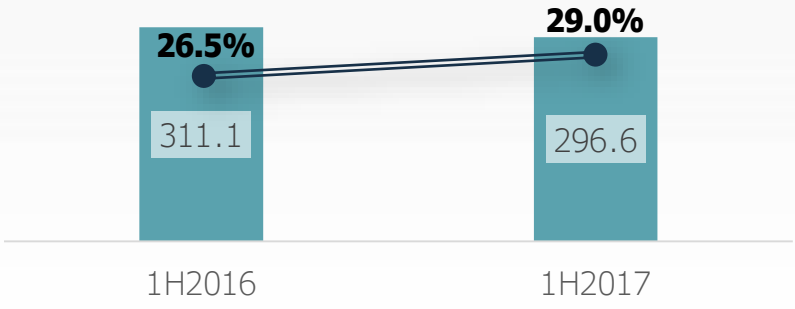
EBITDA and margin
利息、税、折旧及摊销前利润及利润率

Unit: RMB mn



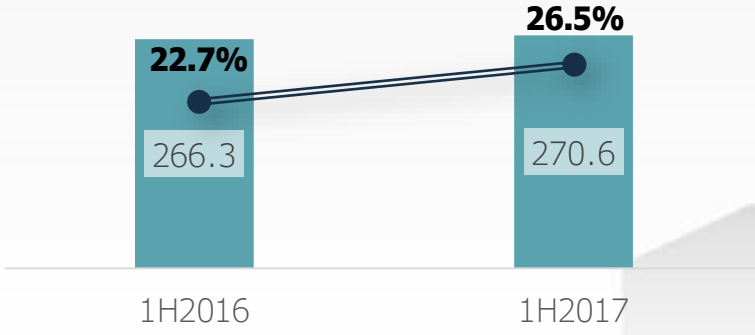
Operating profit and margin
经营利润及经营利润率

Unit: RMB mn



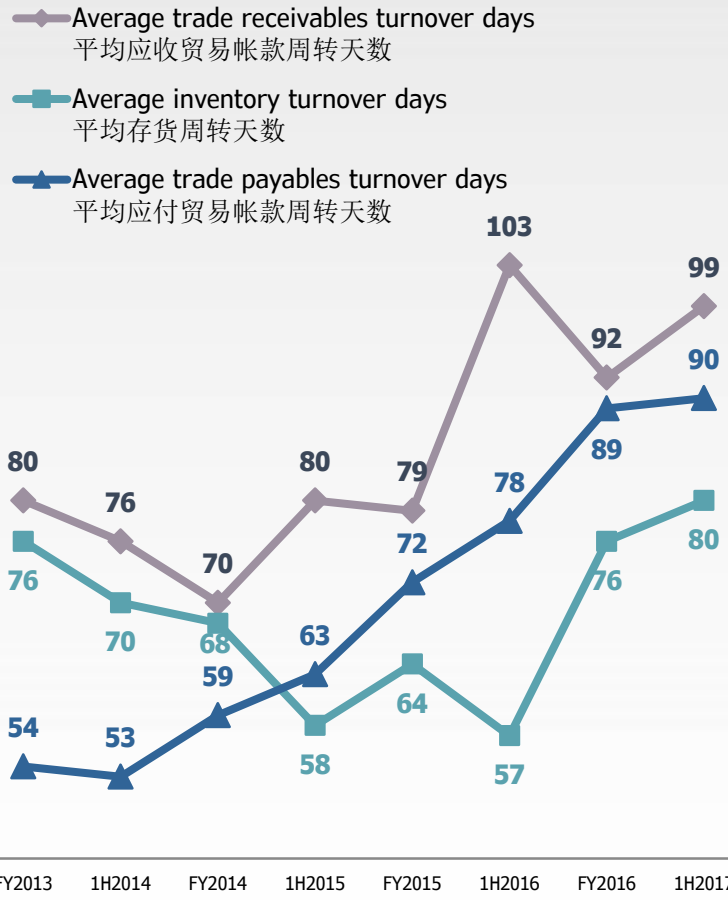
Net profit and margin
净利润及净利润率

Unit: RMB mn



WORKING CAPITAL CYCLE 营运资金周转天数

Turnover days
周转期



TRADE RECEIVABLES 应收贸易帐款

- **LILANZ** AR balance decreased by RMB105 mn, 14%, to RMB621 mn VS 1H 2016, reflecting drop in sales and improved channel inventory
- Additional credits during peak delivery period from June to September every year
- Additional credits to some distributors as incentive for opening large stores in shopping malls
- Full provision made for **LILANZ** overdue AR balances totaling RMB18.4 mn
- **L2** AR balance of RMB19.2 mn net of provision

- **LILANZ** 应收贸易账款与去年同期比较减少人民币105百万元(14%)至人民币621百万元，反映销售减少，以及渠道库存有所改善
- 每年6-9月发货高峰期延长分销商账期
- 延长部分分销商账期以鼓励其于购物商场开设大店
- **LILANZ** 逾期账款共人民币18.4百万元已悉数拨备
- **L2**应收账款拨备后净额为人民币19.2百万元

INVENTORY 库存

- **LILANZ** inventory balance increased by 45% to RMB190.1 mn VS 1H 2016, reflecting：
  - Increases in 2017 fall and winter trade fair orders
  - More raw materials held by sub-contractors as proportion of original design products increases
- **L2** inventory was RMB33.6 mn net of provision

- **LILANZ** 库存与去年同期比较增加45%至人民币190.1百万元，反映：
- 2017年秋冬季订单增加
- 由于原创产品比例上升，分包商持有的原材料亦有所上升
- **L2** 库存拨备后净额为人民币33.6百万元

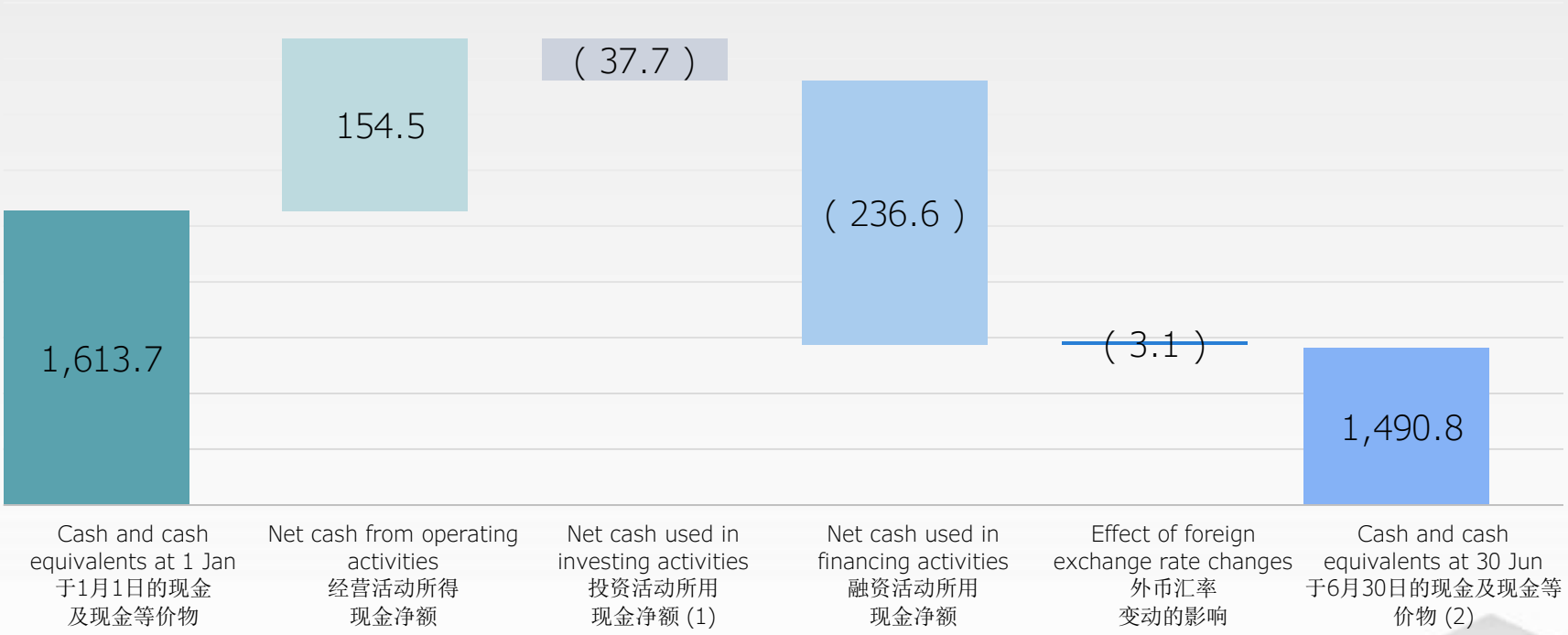
TRADE PAYABLES 应付贸易账款

- Turnover days similar to last year 周转天数与去年相若

CASH FLOW 现金流量

Cash and cash equivalents
现金及现金等价物

Unit: RMB mn



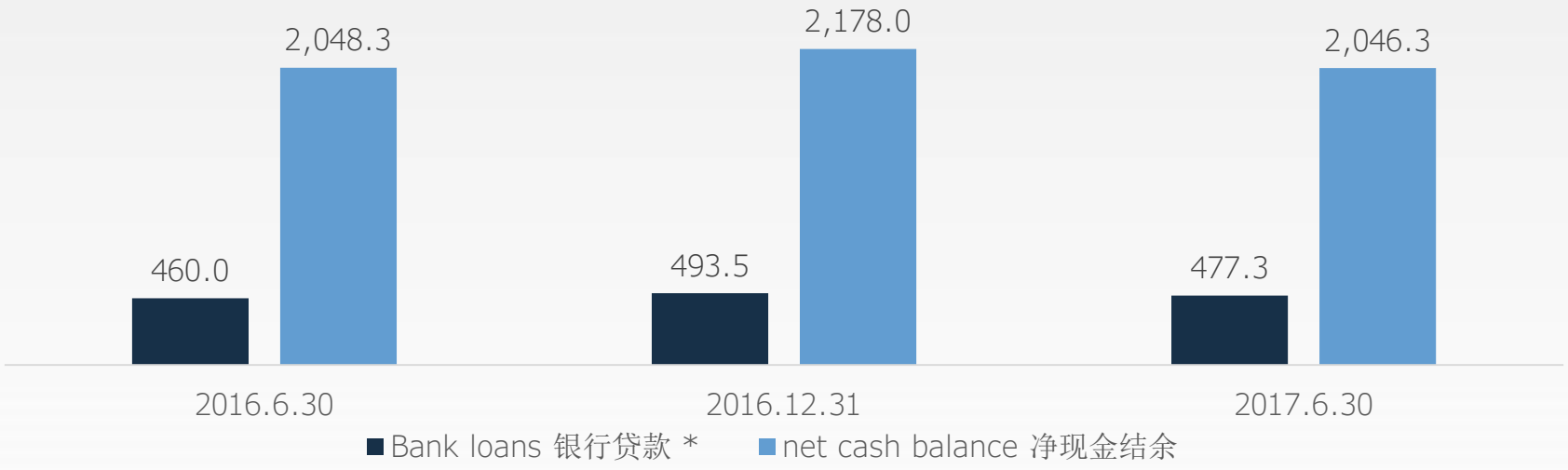
(1) Include placements of time deposits and pledged bank deposits with maturity over 3 months
包括到期日超过3个月的定期存款及抵押银行存款

(2) Exclude fixed deposits held at banks with maturity over 3 months and bank deposits pledged as security for bank loans and bills payables
不包括在银行到期日超过3个月的定期存款，和作为银行贷款及应付票据担保的抵押银行贷款

HEALTHY AND STRONG CASH POSITION 稳健的现金水平

Total cash and bank balance
银行及现金结余

Unit: RMB mn



* Secured by pledged bank deposits 以已抵押银行存款担保

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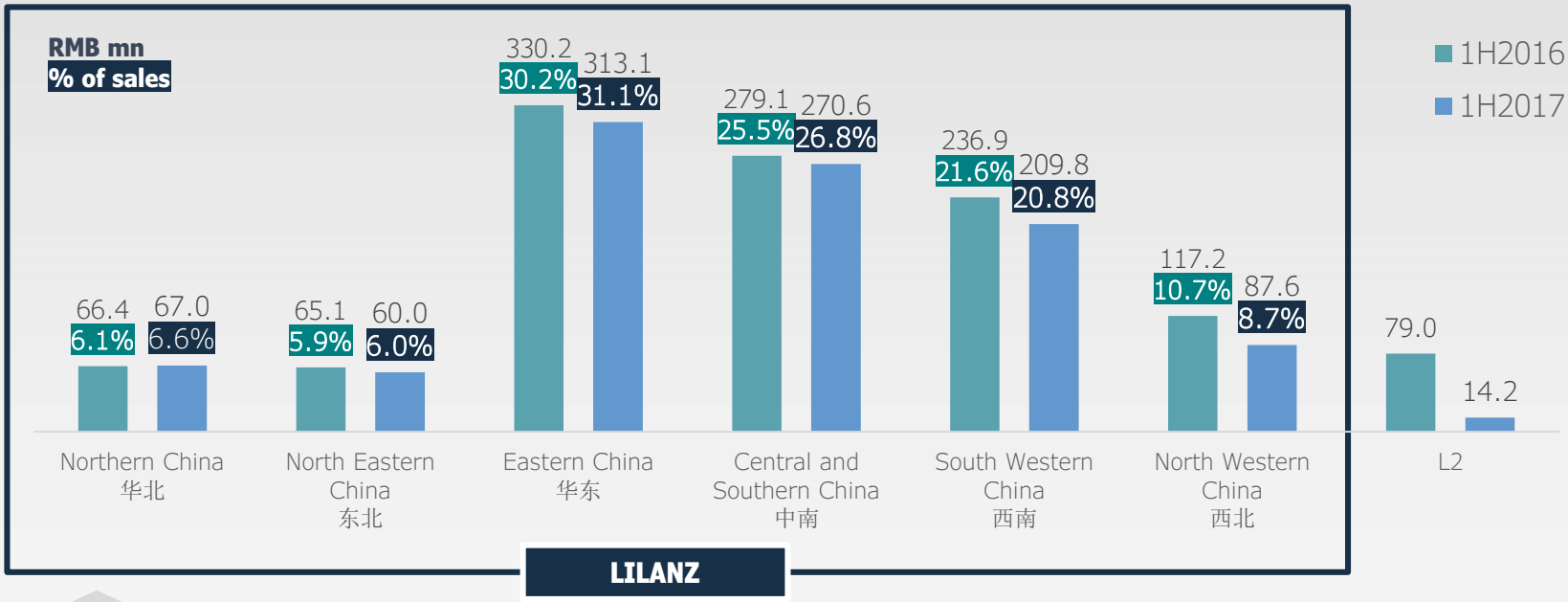
BUSINESS & OPERATIONAL REVIEW

业务及营运回顾

PRUDENT STORE OPENING PLAN 审慎的开店计划



Store number 门店数目

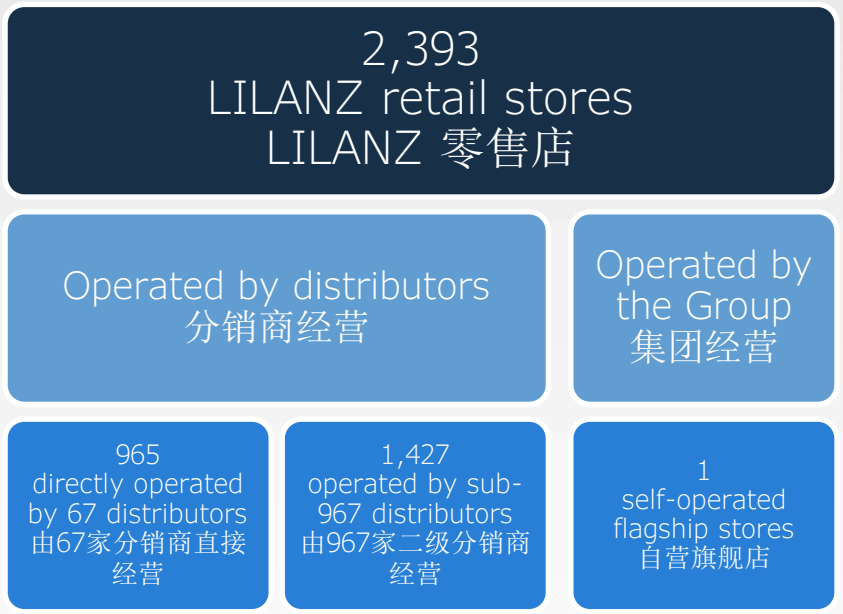
	2017.1.1	**2017.6.30**	Net Change
Northern China 华北	238	**237**	-1
North Eastern China东北	245	**237**	-8
Eastern China 华东	615	**625**	+10
Central and Southern China中南	569	**584**	+15
South Western China西南	503	**484**	-19
North Western China西北	230	**226**	-4
Total LILANZ store	2,400	**2,393**	-7

ENHANCED CHANNEL MANAGEMENT 提升渠道管理

- Continued to open stores in shopping malls - # of stores increased to about 250 stores, sales performance in line with expectation
- # of specialty stores of LILANZ smart casual collection increased to about 50 stores
- Continued to monitor all stand-alone stores with ERP systems
- Continued to provide training to distributors

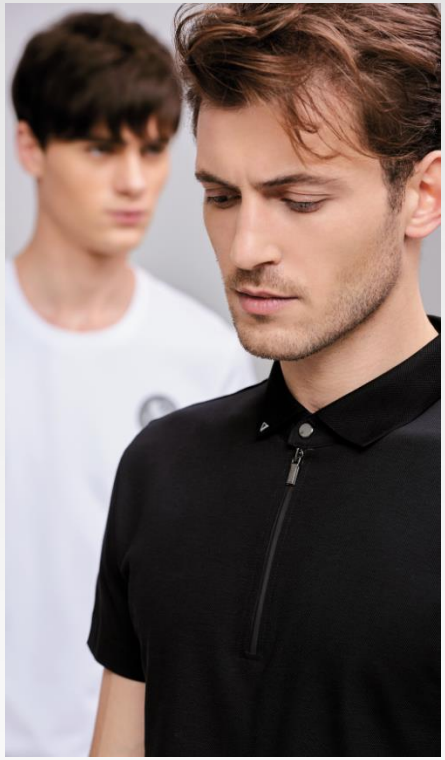
- 继续在购物商场开店 — 数目增至约250家，销售表现合符预期
- LILANZ轻商务系列专门店增加至约50家
- 继续通过接连所有独立店铺的ERP系统监控渠道销售及库存情况
- 继续为分销商之管理团队提供培训

LILANZ 零售网络 Retail Network
Total retail area 总零售面积: 291,280 sq. m. (+0.5%)



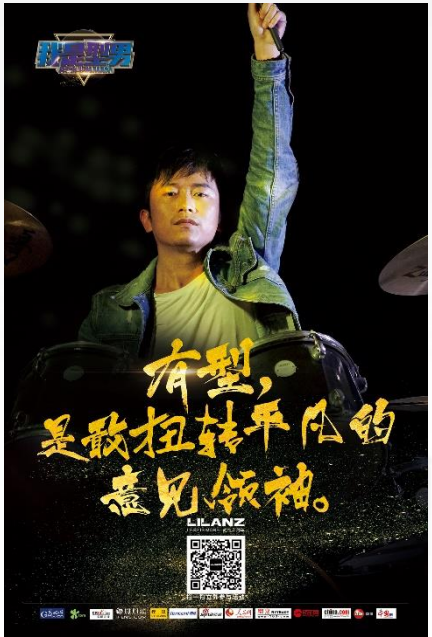
PRODUCT DESIGN & DEVELOPMENT 产品设计及开发

- In 2017, original design products about 68%, and medium to long term target remains at 70%
- About 36% of original design products adopted the Group's proprietary fabrics, and target set at 50%
- Expanded and enriched LILANZ smart casual collection with encouraging market response
- 2017年原创产品比例预计接近68%，中长远目标维持约70%
- 约36%原创产品应用由集团开发的独有面料，目标是提升至50%
- 扩大LILANZ轻商务系列，市场反应令人鼓舞

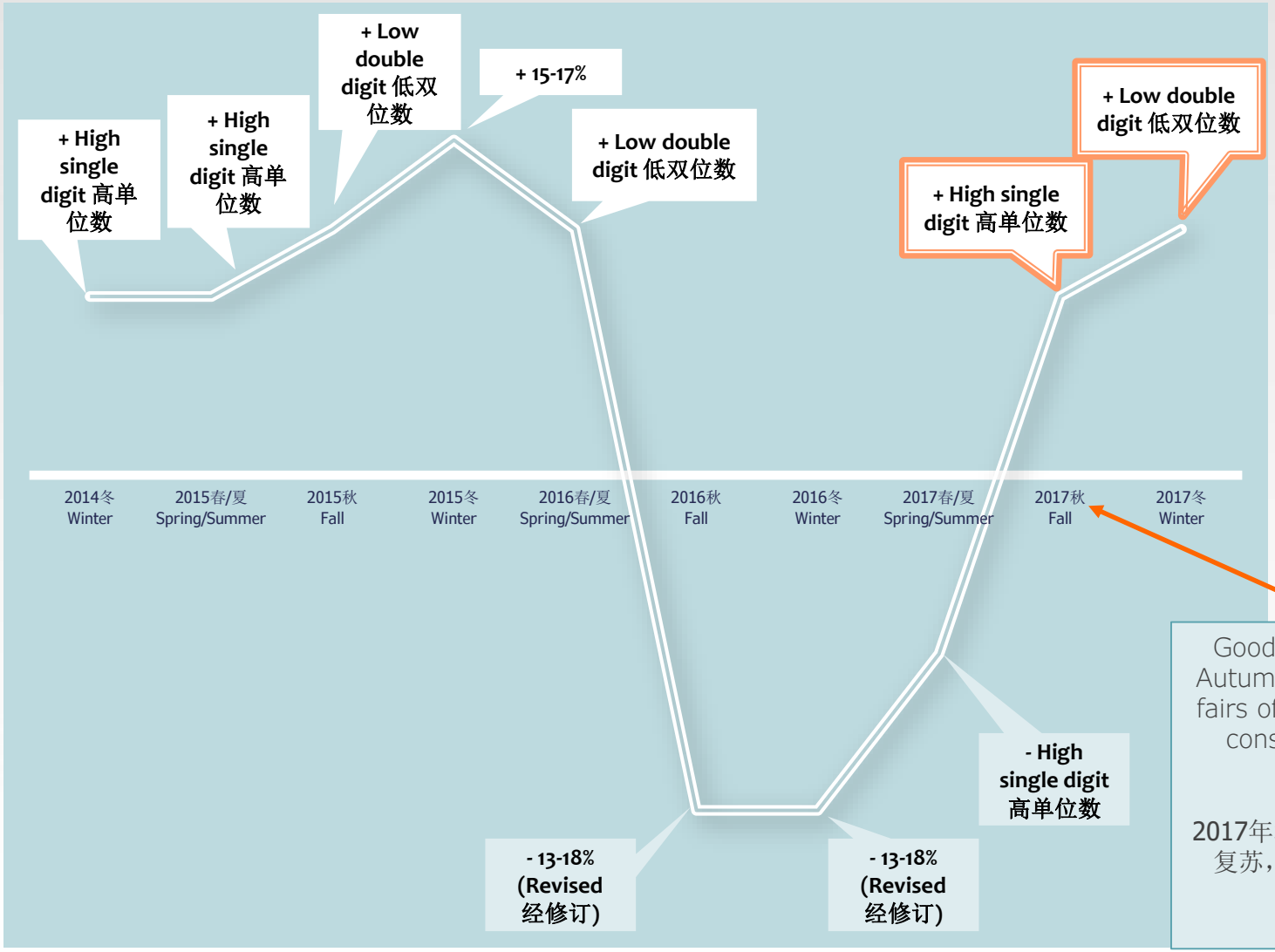


MARKETING & PROMOTION 营销与宣传

- Advertising and promotion through advertising signs in EMU and EMU stations, airports and magazines
- Better use of online social media: in addition to sending out fashion tips through “LILANZ Menswear” public WeChat account, launched a nationwide promotion campaign - “Stylish Man” contest for online voting by WeChat users
- Renovated or partially upgraded another 180 stores with sixth-generation store image
- 在动车、动车站及机场摆放广告牌，以及在杂志作广告宣传
- 加大利用线上社交媒体，除了常规地在利郎男装的微信公众号，向粉丝们传授衣服搭配的技巧外，更推出专门针对微信用户的宣传活动 — 「我是型男」的全国性网络投票选举
- 将180家门店装修整改或局部提升至第六代形象



TRENDS OF LILANZ TRADE FAIR RESULTS 订货会成绩趋势



Good recovery seen in Autumn and Winter trade fairs of 2017, ending four consecutive seasons of decline

2017年秋冬订货会有良好的复苏，结束4季订货会的负增长

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OUTLOOK & STRATEGY

前景与策略

INDUSTRY PROSPECTS STEADILY IMPROVE
男装行业稳中向好

In 2H 2017: LAYING SOLID FOUNDATIONS FOR LONG TERM GROWTH
2017年下半年：继续打好基础推动长远增长

- To continue with "improving product quality without raising the price" strategy
- Prudent store opening plan and store network enhancement:
  - Expect store number largely unchanged
  - Open more stores in shopping malls in 1st and 2nd tier markets
  - Open more specialty stores of the smart casual collection, with year end target set at about 100 stores
- Confident that the retail stores will achieve mid single-digit same-store sales growth
- Expect 2018 SS trade fair orders (commenced on 12 August) to have low double-digit growth

- 延續「提质不提价」策略
- 审慎开店，优化店铺网络：
  - 维持LILANZ店铺总数稳定
  - 积极在一、二线市场购物商场开设新店
  - 积极开设轻商务系列的专卖店，计划在年底前增加至约100家
- 有信心零售门店下半年达到中单位数的同店销售增长
- 2018年春夏季订货会刚于8月12日开始，预期订单有低双位数的增长

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OPEN FORUM

答问时间

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

		1H2017 RMB'000	1H2016 RMB'000
收入	Revenue	1,022,335	1,173,861
销售成本	Cost of sales	(586,015)	(693,266)
毛利	Gross profit	436,320	480,595
其他净收益	Other net income	44,352	36,062
销售及分销开支	Selling and distribution expenses	(128,629)	(119,450)
行政开支	Administrative expenses	(51,693)	(81,201)
其他经营开支	Other operating expenses	(3,737)	(4,909)
经营溢利	Profit from operations	296,613	311,097
融资收入净额	Net finance income	23,884	52,937
除税前溢利	Profit before taxation	320,497	364,034
所得税	Income tax	(49,886)	(97,741)
期内溢利	Profit for the period	270,611	266,293
期内其他全面收益	Other comprehensive income for the period		
其后可能重新分类至损益之项目：	Item that may be reclassified subsequently to profit or loss:		
换算中国大陆境外附属公司财务报表的汇兑差额	Exchange differences on translation of financial statements of subsidiaries outside the mainland of the PRC	(918)	(4,170)
期内全面收益总额	Total comprehensive income for the period	269,693	262,123
每股盈利	Earnings per share		
基本（人民币分）	Basic (RMB cents)	22.4	22.0
摊薄（人民币分）	Diluted (RMB cents)	22.4	22.0

CONSOLIDATED BALANCE SHEET

Unit: RMB'000

		30.06.2017	31.12.2016	30.06.2016
非流动资产	Non-current assets			
物业、厂房及设备	Property, plant and equipment	357,996	394,415	323,045
投资物业	Investment property	102,919	25,145	25,505
租赁预付款	Lease prepayments	106,341	107,533	101,436
无形资产	Intangible assets	5,738	5,345	5,454
购买固定资产订金	Deposits for purchases of fixed assets	13,609	485	4,764
递延税项资产	Deferred tax assets	12,010	20,423	34,604
		598,613	553,346	494,808
流动资产	Current assets			
存货	Inventories	223,689	294,385	142,866
应收贸易账款及其他应收款项	Trade and other receivables	742,037	714, 429	859,493
已抵押银行存款	Pledged bank deposits	480,624	488,907	486,748
存放于银行而到期日为三个月以上的定期存款	Fixed deposits held at banks with maturity over three months	552,205	568,943	-
现金及现金等价物	Cash and cash equivalents	1,490,757	1,613,658	2,021,505
		3,489,312	3,680,322	3,510,612
流动负债	Current liabilities			
银行贷款	Bank loans	477,344	493,528	459,999
应付贸易账款及其他应付款项	Trade and other payables	409,618	514,057	449,430
应付即期税项	Current tax payable	112,104	165,253	131,483
		999,066	1,172,838	1,040,912
流动资产净值	Net current assets	2,490,246	2,507,484	2,469,700
总资产减流动负债	Total assets less current liabilities	3,088,859	3,060,830	2,964,508
非流动负债	Non-current liabilities			
递延税项负债	Deferred tax liabilities	38,178	46,868	34,870
應付質保金	Retention payables	2,400	2,400	-
		40,578	49,268	34,870
资产净值	Net assets	3,048,281	3,011,562	2,929,638