


Best Pacific International Holdings Limited

超盈國際控股有限公司

Stock Code 股份代號: 2111



**BUILT ON
INNOVATION
&
TECHNOLOGY**

2024

**INTERIM RESULTS
CORPORATE PRESENTATION**

27 August 2024

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Section 1

RESULTS REVIEW

Financial Highlights

		1H2024*	1H2023*	Change
		(HK\$ million) (unaudited)		(%)
Revenue		2,385.4	1,906.7	25.1%
Gross profit		645.2	401.0	60.9%
Net profit attributable to owners of the Company		277.4	138.6	100.1%
Net profit		283.2	118.7	138.6%
	2H2023**	1H2024	1H2023	Change
Gross profit margin	26.3%	27.0%	21.0%	+6.0% pts
Net profit margin	10.1%	11.9%	6.2%	+5.7% pts
		1H2024	1H2023	Change
		(HK cents)	(HK cents)	(%)
Earnings per share		26.67	13.33	100.1%
		2024	2023	Change
		(HK cents)	(HK cents)	(%)
- Interim dividend		13.33	5.30	151.5%
- Final dividend		N/A	11.38	N/A
- Full year dividend		N/A	16.68	N/A

* 1H2024 and 1H2023 referred to the six months ended 30 June 2024 and 2023 respectively.

** 2H2023 referred to the six months ended 31 December 2023.

Revenue – By product categories

	1H2024		1H2023		Change
	(HK\$ million)	(% of revenue)	(HK\$ million)	(% of revenue)	(%)
<i>Elastic fabric</i>	1,889.4	79.2%	1,487.2	78.0%	27.1%
- <i>Sportswear and apparel</i>	1,301.9	54.6%	958.6	50.3%	35.8%
- <i>Lingerie</i>	587.5	24.6%	528.6	27.7%	11.2%
<i>Elastic webbing</i>	468.2	19.6%	386.9	20.3%	21.0%
<i>Lace</i>	27.8	1.2%	32.6	1.7%	(14.7%)
<i>Total</i>	2,385.4	100.0%	1,906.7	100.0%	25.1%



Revenue – By product categories

❖ Sportswear and apparel elastic fabric

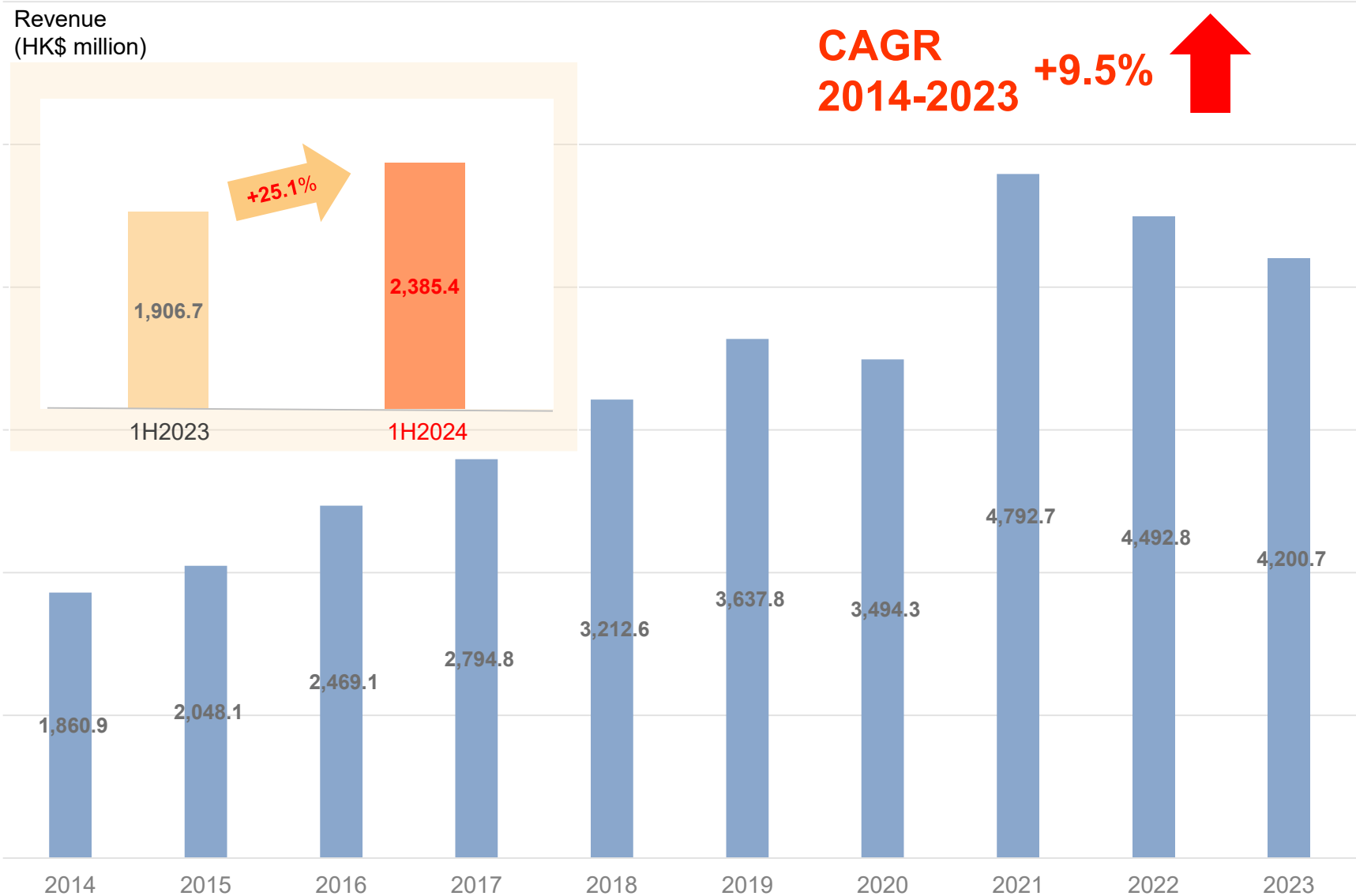
- Revenue: approximately HK\$1,301.9 million
- Remarkable growth of revenue by approximately 35.8% period-on-period
- This significant growth underscored our ability to meet our customers' intricate demands and highlighted our strong market position in the category, inter alia, the synthetic sportswear and apparel segment

❖ Lingerie elastic fabric and elastic webbing

- Lingerie elastic fabric: revenue increased by approximately 11.2% period-on-period to approximately HK\$587.5 million
- Elastic webbing: revenue increased by approximately 21.0% period-on-period to approximately HK\$468.2 million
- Alongside the recovery of the lingerie market, our dedicated marketing efforts raised awareness on our elastic webbing products, driving higher sales volumes. The outstanding results accentuated our competitive advantages and reflected the unwavering trust our customers had in our innovative products and commitment to high-quality standards in the lingerie segments



Revenue Highlights - Best Pacific Revenue Growth



**CAGR
2014-2023**

+31.6%

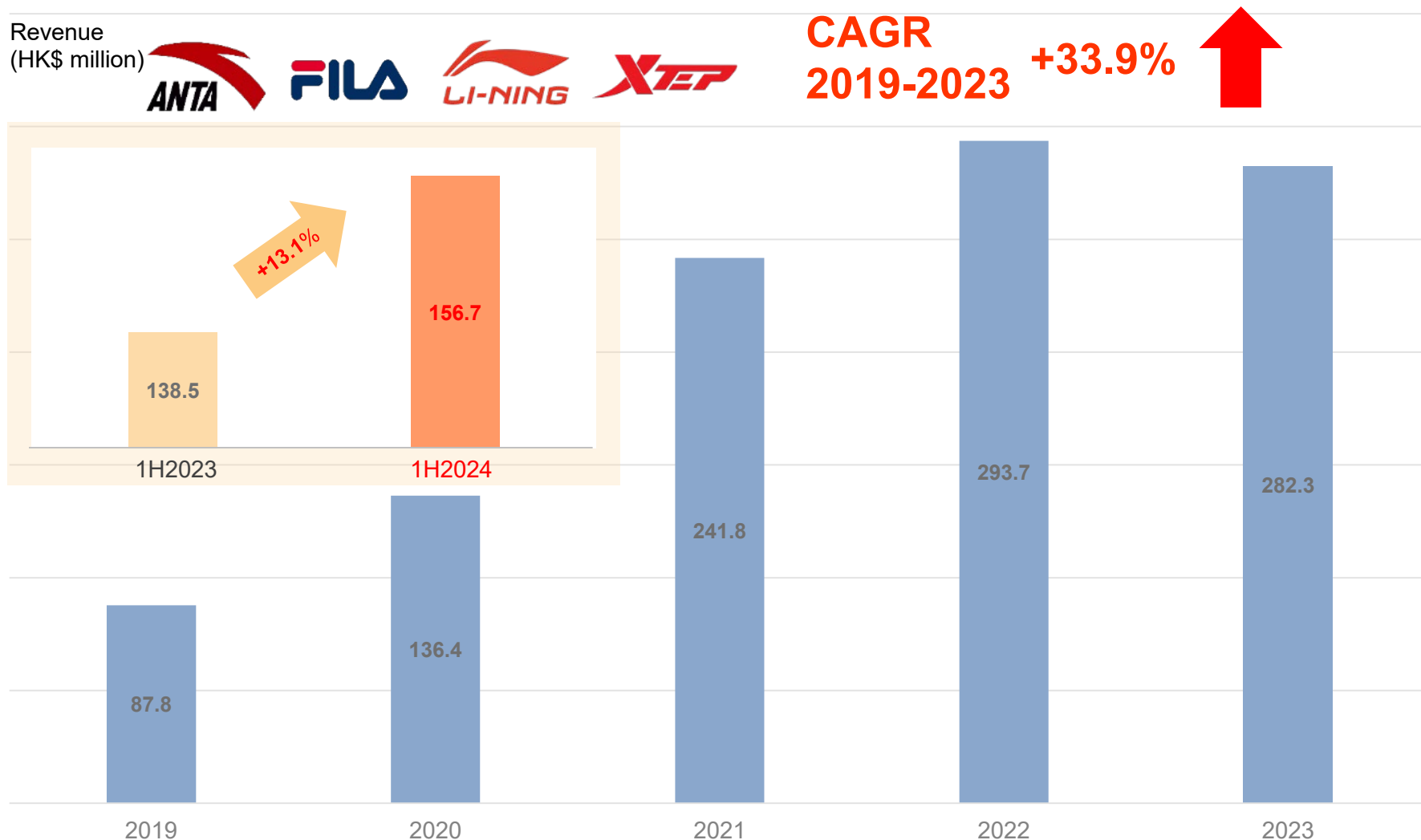


**54.6% of 1H2024
Total Revenue**

Revenue
(HK\$ million)

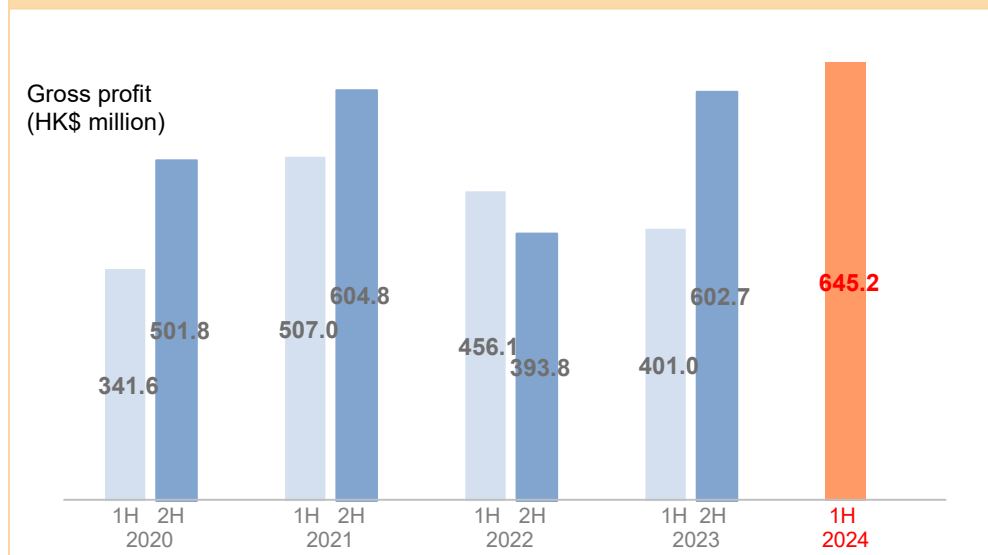


Highlight – Domestic sportswear and apparel



Gross Profit

Gross profit

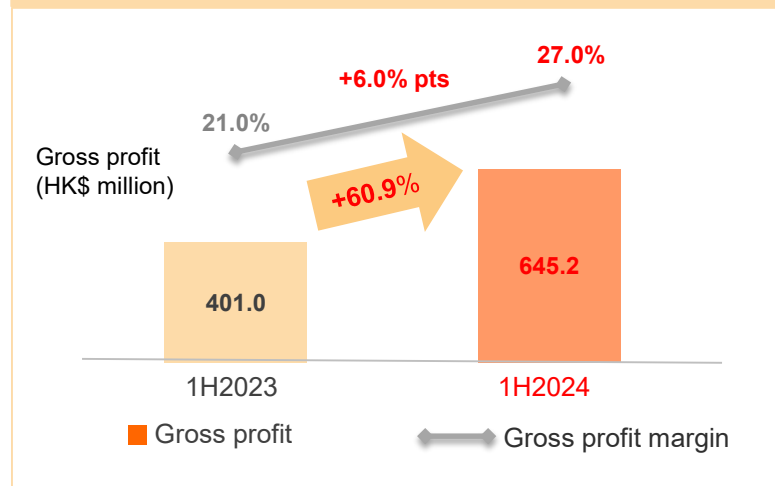


- ❖ **Historical high half-year gross profit** - with a better utilization of production capacities and leveraging economies of scale in the first half of 2024, the overall gross profit of the Group increased from approximately HK\$401.0 million for the six months ended 30 June 2023 to approximately HK\$645.2 million for the six months ended 30 June 2024
- ❖ Our continuous efforts in streamlining manufacturing processes, enhancing production efficiencies, and the generally stable raw material prices, with which costs represented approximately 37.2% and 34.0% of the overall revenue for the six months ended 30 June 2023 and 2024, respectively, had helped alleviate some of the cost pressures faced by the Group during the first half of 2024

Gross profit margin by segment

	1H2024	1H2023	Change
<i>Overall</i>	27.0%	21.0%	+6.0% pts
<i>Elastic Fabric</i>	27.7%	21.4%	+6.3% pts
<i>Elastic Webbing</i>	25.0%	19.2%	+5.8% pts
<i>Lace</i>	16.4%	25.1%	-8.7% pts

Gross profit and gross profit margin

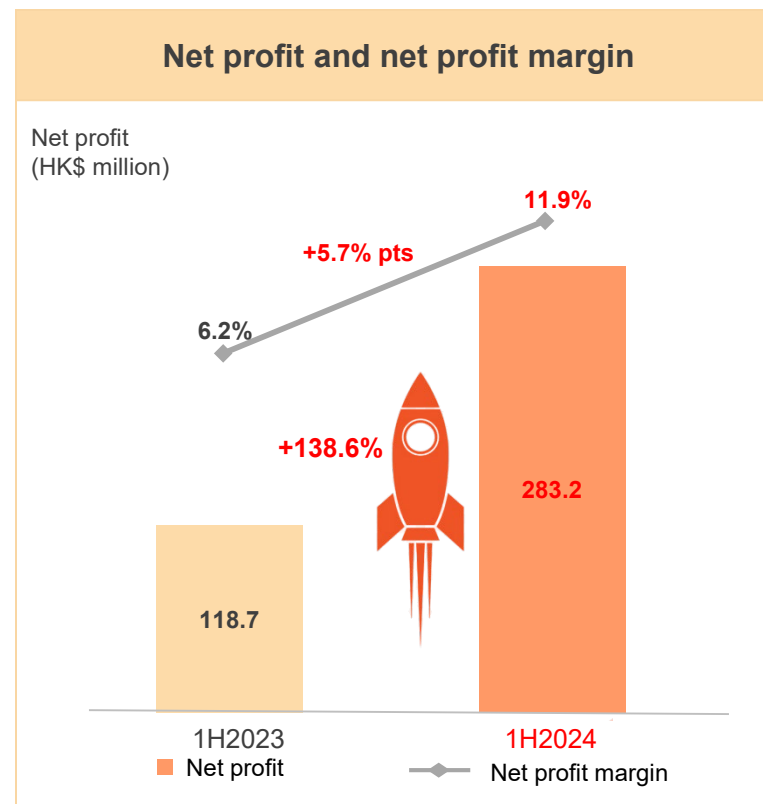


Net Profit

Historical net profit margin of the Group

	FY2020	FY2021	FY2022	FY2023	FY2024
<i>First half</i>	5.5%	8.1%	7.4%	6.2%	11.9%
<i>Second half</i>	8.2%	8.6%	5.2%	10.1%	?
<i>Full year</i>	7.1%	8.4%	6.3%	8.3%	?

- ❖ Net profit for the six months ended 30 June 2024 of the Group amounted to approximately HK\$283.2 million, representing an increase of approximately 138.6% as compared to approximately HK\$118.7 million for the six months ended 30 June 2023
- ❖ The Group recorded a net profit margin of approximately 11.9% for the six months ended 30 June 2024, which represented an increase of approximately 5.7 percentage points as compared to approximately 6.2% for the six months ended 30 June 2023
- ❖ The increase in net profit and net profit margin was mainly due to the increase in gross profit and the decrease in finance costs for the six months ended 30 June 2024

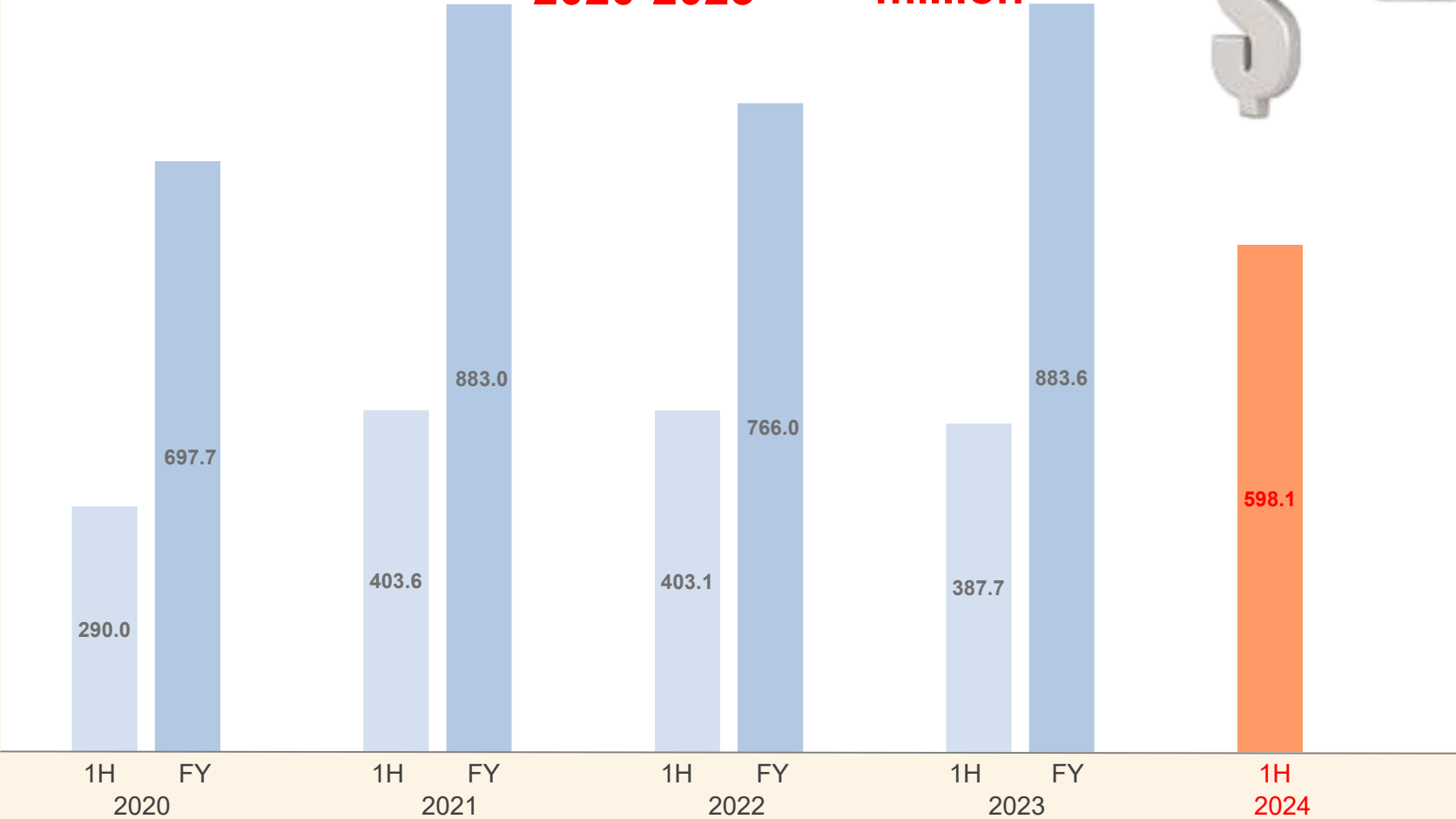


Liquidity and Financial Resources - EBITDA



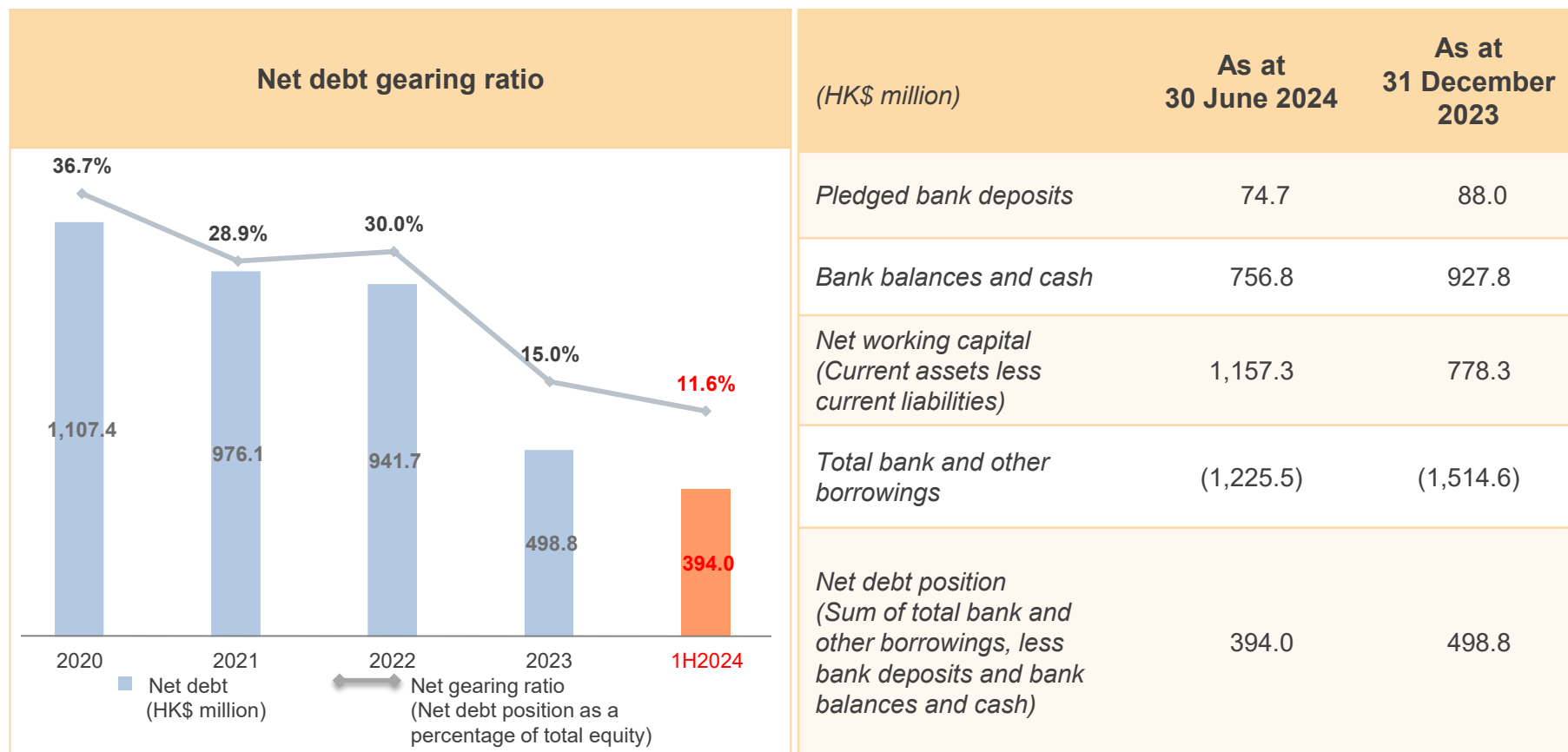
EBITDA
(HK\$ million)

**AVERAGE EBITDA HK\$807.6
2020-2023 million**



EBITDA – Earnings before interest, tax, depreciation and amortization

Debt and gearing

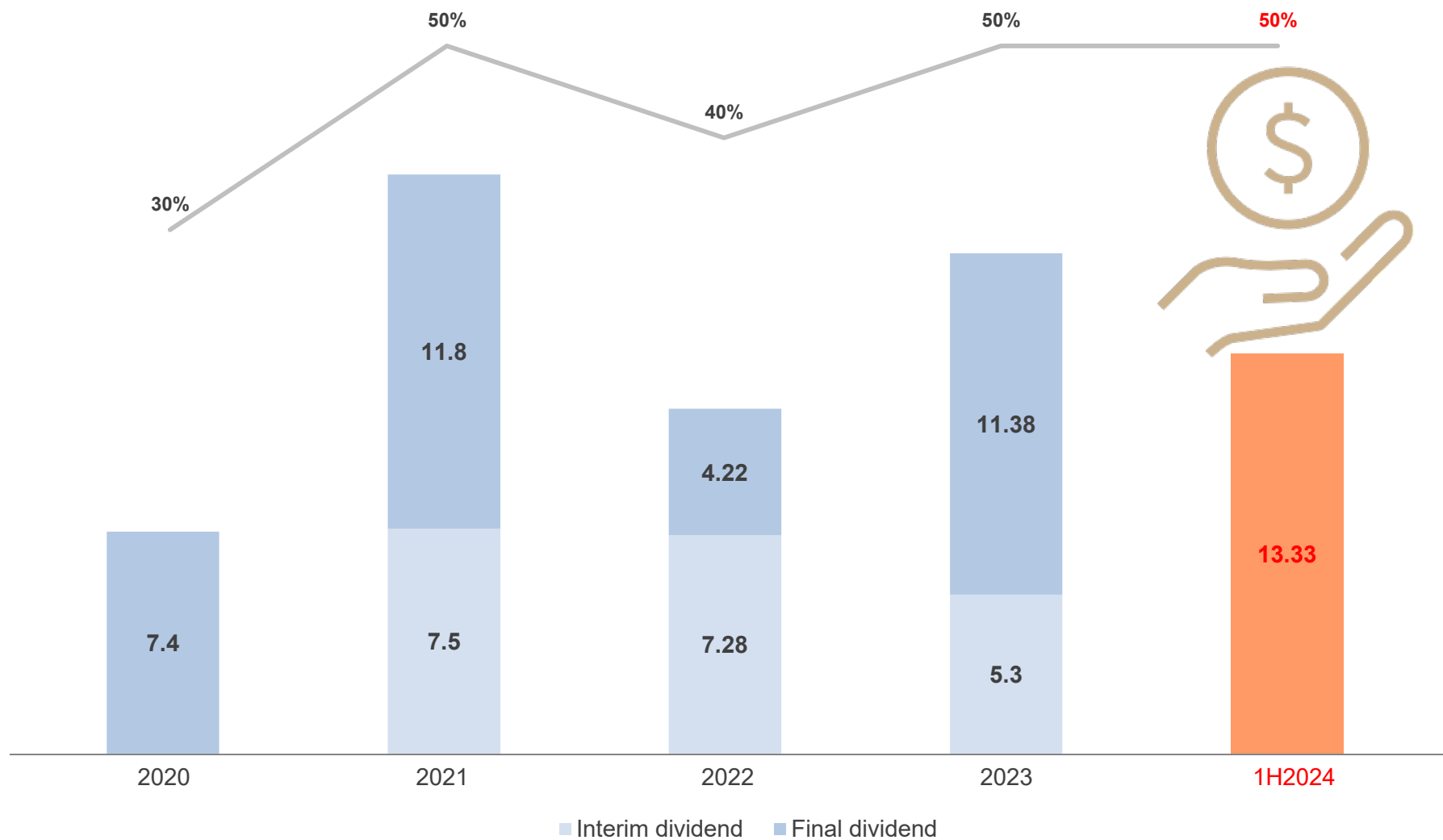


Cash Flow Positions and Capital Expenditures

	1H2024 (HK\$ million)	1H2023 (HK\$ million)
<i>Net cash from operating activities</i>	304.8	385.9
<i>Net cash used in investing activities</i>	(120.4)	(59.2)
<i>Net cash used in financing activities</i>	(350.3)	(434.4)

- ❖ The cash used in financing activities for the six months ended 30 June 2024 was mainly used for the repayment of borrowings and interests
- ❖ In order to achieve our long term development goal and to cater for potential business growth in the future, total additions to property, plant and equipment amounted to approximately HK\$164.4 million in 1H2024 (1H2023: approximately HK\$128.5 million), which was mainly attributed to:
 - the additions to construction in progress of approximately HK\$120.7 million (1H2023: approximately HK\$111.2 million)
 - the additions to machinery of approximately HK\$36.6 million (1H2023: approximately HK\$16.0 million)

Dividend Payout



❖ The Board has resolved to declare an interim dividend of HK13.33 cents per ordinary share of the company for the six months ended 30 June 2024

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Section 2

BUSINESS HIGHLIGHTS

Our Strategies

International footprint

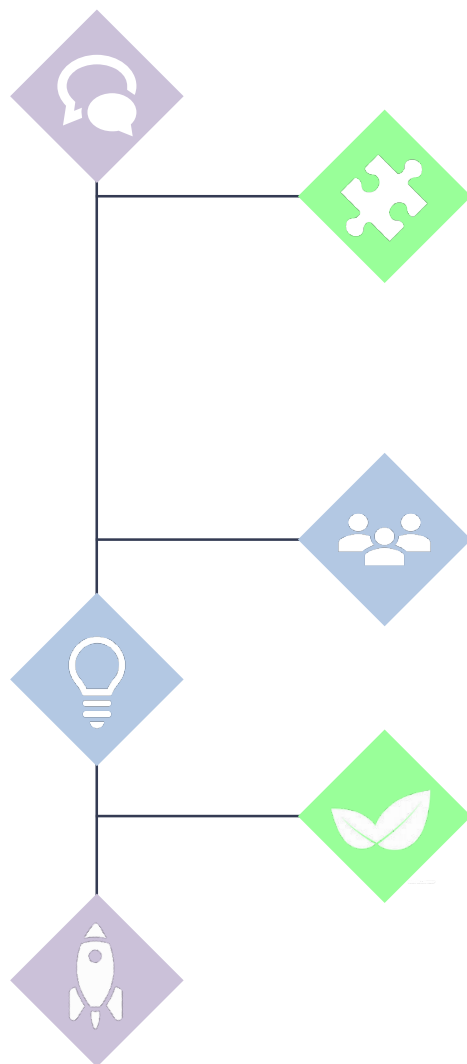
- Committed to our multi-location manufacturing strategy
- Systematic enhancement on the operational efficiencies of our overseas manufacturing facilities in Vietnam and Sri Lanka, resulting in their significant financial improvements
- Actively evaluate the feasibility of expanding our manufacturing capacities in Vietnam as well as other geographical locations

One-stop solutions strategy

- A comprehensive product portfolio, comprising of elastic fabric, elastic webbing and lace

Innovation and Research and Development

- Provided customers with unique value-added innovations and strategically enriched new products offering



Market penetration

– sportswear and apparel

- Pivotal driver of growth for our Group over the years
- Accounted for approximately 68.9% of the elastic fabric business in 1H 2024
- Stand poised to capitalize on emerging growth prospects

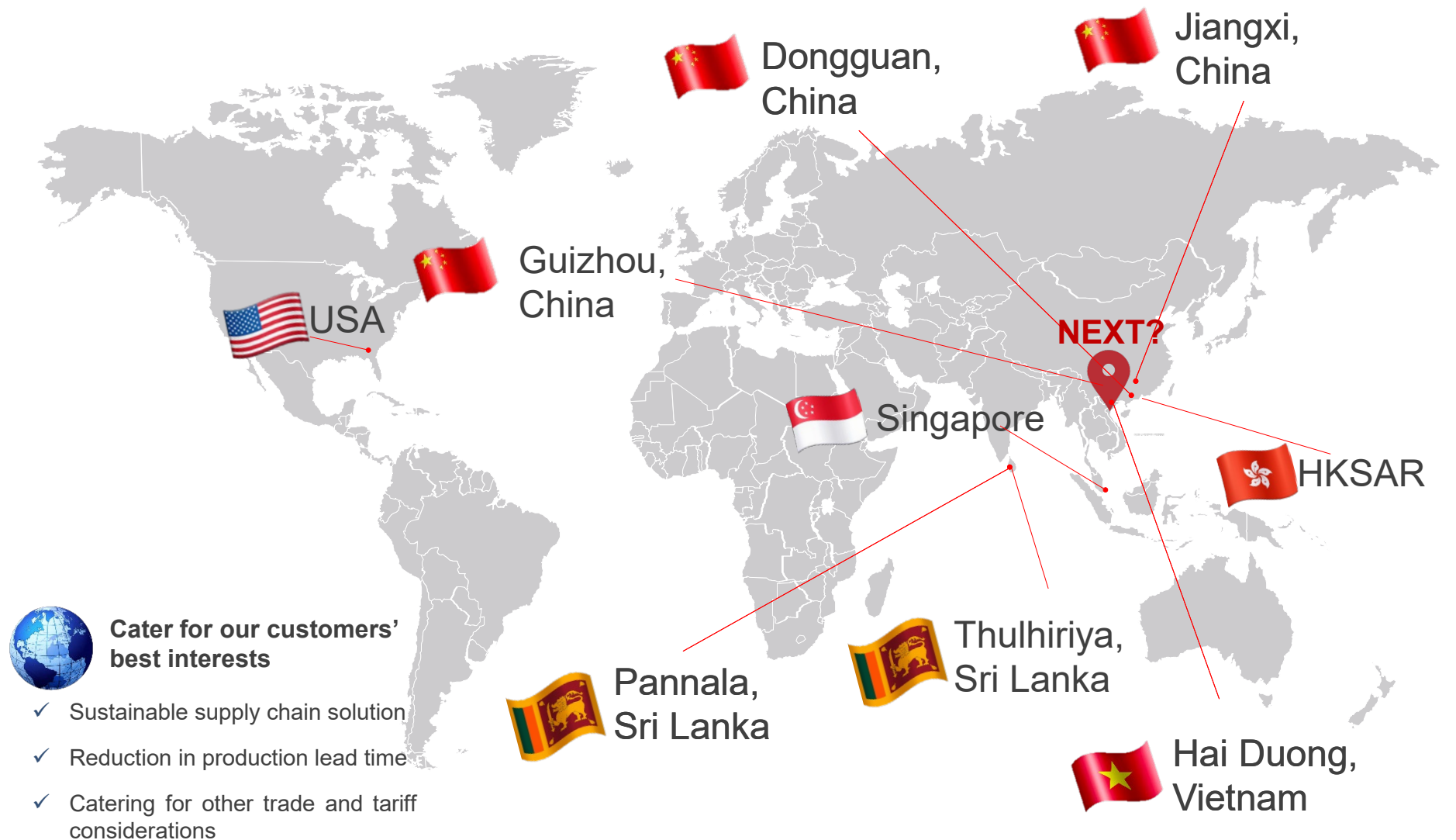
Close collaboration with brands

- Close collaboration with renowned international apparel brands
- Established and deepened its partnership with the world's leading sportswear and apparel brands

Sustainability

- Always recognized ESG as a core element of our development
- Great emphasis on our product quality and services with a diversified portfolio of high-performance lingerie, sportswear and apparel materials, which are blended with quality, comfort and functionalities
- Putting efforts into making a green manufacturing environment

International Footprint



Market Penetration – Sportswear and apparel

- ❖ Growth engine for the Group over an extended period of time
- ❖ Collaboration with well-known international sportswear and apparel brands in launching products with revolutionary innovative concepts
- ❖ Comfort and functionality blended into the design of sportswear
- ❖ Best Pacific's revenue from sportswear and apparel segment in 1H2024 was approximately HK\$1,301.9 million, making up of approximately 54.6% of the Group's overall revenue



lululemon

athletica


UNDER ARMOUR®


NIKE


adidas®


ANTA


FILA


LI-NING


XTEP

Close collaboration with BRANDS



Strengthened One-Stop Solutions Strategy

YOUR

ONE



STOP

SOLUTION



Helping customers to achieve

- ✓ More simplified procurement process
- ✓ Synchronisation of colors for different components within a lingerie product
- ✓ Shorter inventory cycle and production lead time
- ✓ Help garment customers to expand into sportswear and apparel segments



Helping Best Pacific to achieve

- ✓ Growth in sales
- ✓ Product bundling with several products being offered for sale to the same customer
- ✓ Benefits from economies of scale

Enhanced Innovation and R&D Capabilities



Strong R&D capabilities

- R&D team consists of over 150 technicians who have been offered technical training on a periodic basis
- Obtained qualification as a High and New Technology Enterprise in China since 2010



Strategic competitiveness

- Developed tailor-made innovative materials based on market trends and customer needs
- New growth drivers through expanding into new product categories by leveraging on the competitive edge of the Group's innovation and R&D capabilities



Continuous investment

- Invested approximately 2%-3% of its revenue in R&D annually
- Established Best Pacific Institute of Technology and Research in June 2016

Sustainability

Actions



Solar Energy



Dyeing Machine Insulation



Blower Machinery Upgrade



Reverse Osmosis Capacity



Dyeing Machinery Upgrade



Ultra-filtration Dyeing

Sustainability achievements



ISO14001



GRS



OCS



OEKO TEX 100



Bluesign



Higg Index
vFEM



Higg Index
vFSLM



RCS



RWS

2008

2010

2012

2015

2017

2018

2020

2023


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THANK YOU



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Best Pacific's INNOVATIONS

One-stop solutions provider of lingerie materials



Strategically penetrating the sportswear and apparel market with enormous potential

